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EUROPEAN CENTRAL BANK

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MONTHLY BULLETIN
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Address
Kaiserstrasse 29
60311 Frankfurt am Main
Germany

Postal address
Postfach 16 03 19
60066 Frankfurt am Main
Germany

Telephone
+49 69 1344 0

Website
http://www.ecb.europa.eu

Fax
+49 69 1344 6000

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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 4 April to keep the key ECB interest rates unchanged. HICP inflation rates have declined further, as anticipated, and price developments over the medium term should remain contained. Monetary and loan dynamics remain subdued. Inflation expectations for the euro area continue to be firmly anchored in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2% over the medium term. At the same time, weak economic activity has extended into the early part of the year and a gradual recovery is projected for the second half of this year, subject to downside risks. Against this overall background the monetary policy stance will remain accommodative for as long as needed. In the coming weeks, the Governing Council will monitor very closely all incoming information on economic and monetary developments and assess any impact on the outlook for price stability. It is essential for governments to intensify the implementation of structural reforms at national level and to strengthen euro area governance, including the implementation of the banking union. They should also build on progress made in fiscal consolidation and proceed with financial sector restructuring.

The Governing Council is also closely monitoring money market conditions and their potential impact on the monetary policy stance and its transmission to the economy. As stated on previous occasions, the Governing Council will continue with fixed rate tender procedures with full allotment for as long as necessary.

Regarding the economic analysis, the outcome for real GDP in the fourth quarter of 2012 was weak, with Eurostat's second estimate indicating a contraction of 0.6% quarter on quarter. The decline was largely due to a fall in domestic demand but also reflected a drop in exports. Recent data and indicators confirm that the economic weakness extended into the early part of the year. Looking forward, euro area export growth should benefit from a recovery in global demand and the monetary policy stance should contribute to support domestic demand. Furthermore, the improvements in financial markets seen since last summer should work their way through to the real economy, notwithstanding recent uncertainties. Together, this should help stabilise euro area economic activity and lead to a gradual recovery in the second part of the year. At the same time, necessary balance sheet adjustments in the public and private sectors, and the associated tight credit conditions, will continue to weigh on economic activity.

This economic outlook for the euro area remains subject to downside risks. The risks include the possibility of even weaker than expected domestic demand and slow or insufficient implementation of structural reforms in the euro area. These factors have the potential to dampen the improvement in confidence and thereby delay the recovery.

According to Eurostat's flash estimate, euro area annual HICP inflation was 1.7% in March 2013, down from 1.8% in February. The ongoing decline in annual inflation rates mainly reflects the energy component of the price index. Looking ahead, price developments over the medium term should remain contained in an environment of weak economic activity in the euro area. Inflation expectations are firmly anchored and in line with price stability over the medium to long term.

Risks to the outlook for price developments continue to be broadly balanced over the medium term, with upside risks relating to stronger than expected increases in administered prices and indirect taxes, as well as higher oil prices, and downside risks stemming from weaker economic activity.

Turning to the monetary analysis, the underlying pace of monetary expansion continues to be subdued. The annual growth rate of M3 moderated to 3.1% in February, down from 3.5% in

January. The annual growth rate of the narrow monetary aggregate, M1, increased to 7.0% in February, from 6.6% in January. At the same time, MFI deposits in a number of stressed countries strengthened further in February.

The annual growth rate of loans (adjusted for loan sales and securitisation) to non-financial corporations and households remained broadly unchanged in February, at -1.4% and 0.4% respectively. To a large extent, subdued loan dynamics reflect the current stage of the business cycle, heightened credit risk and the ongoing adjustment of financial and non-financial sector balance sheets. At the same time, available information on non-financial corporates' access to financing indicates tight credit conditions, particularly for small and medium-sized enterprises in several euro area countries.

In order to ensure adequate transmission of monetary policy to the financing conditions in euro area countries, it is essential that the fragmentation of euro area credit markets is reduced further and the resilience of banks strengthened where needed. However, considerable progress has been made since last summer in improving the funding situation of banks, in strengthening the domestic deposit base in stressed countries and in reducing reliance on the Eurosystem as reflected in repayments of the three-year LTROs. Further decisive steps for establishing a banking union will help to accomplish this objective. In particular, in the light of recent experience, the Governing Council must emphasise that the future Single Supervisory Mechanism and a Single Resolution Mechanism are crucial elements for moving towards re-integrating the banking system and therefore require swift implementation.

To sum up, taking into account the Governing Council's decision of 4 April, the economic analysis indicates that price developments should remain in line with price stability over the medium term. A cross-check with the signals from the monetary analysis confirms this picture.

As regards fiscal policies, euro area countries should build on their efforts to reduce government budget deficits and continue to implement structural reforms, thereby mutually reinforcing fiscal sustainability and economic growth. Fiscal policy strategies need to be complemented by growth-enhancing structural reforms. Such reforms should be ambitious and broad-ranging, encompassing product markets, including network industries, labour markets and the modernisation of public administration. To support employment, wage-setting should become more flexible and better aligned with productivity. These reforms will help countries in their efforts to regain competitiveness, set the foundations for sustainable growth and support the return of macroeconomic confidence.

This issue of the Monthly Bulletin contains two articles. The first article provides a descriptive summary of the main stylised facts in the first wave of the Eurosystem Household Finance and Consumption Survey. It focuses on the distribution of household liabilities and indicators of financial pressure and examines household assets and the distribution of net wealth in the euro area. The second article explains the Basel III liquidity requirements and outlines the features that are of particular relevance for the Eurosystem. Furthermore, it illustrates why the liquidity standards are relevant for central banks, discussing in detail the relationship between liquidity standards and monetary policy operations.

ECONOMIC AND MONETARY DEVELOPMENTS

1 THE EXTERNAL ENVIRONMENT OF THE EURO AREA

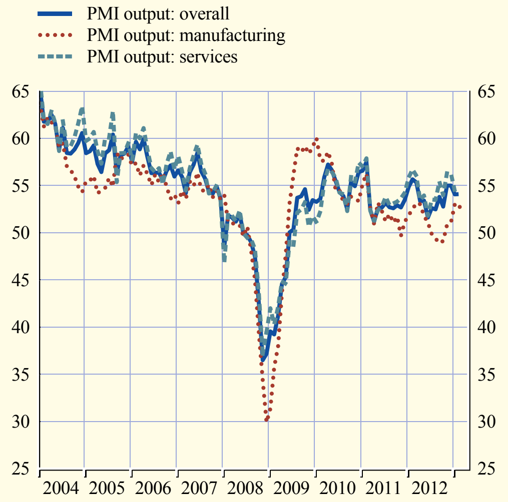
Although the global recovery remains muted, diverse across regions and fragile, there are also signs of renewed growth momentum. Continued improvements in financial market conditions and further signals from survey indicators that business sentiment is improving suggest that the world economy is gradually gaining some traction, although the recovery is still expected to remain slow. Inflation stabilised in the majority of advanced economies, while developments in consumer prices have been mixed in emerging markets in recent months.

1.1 GLOBAL ECONOMIC ACTIVITY

Although the global recovery remains muted, diverse across economic regions and fragile**,** signs of renewed growth momentum have begun to emerge in recent months. Global financial market conditions have continued to improve, while survey indicators have been signalling a sustained pick-up in business sentiment. The Purchasing Managers' Index (PMI) for manufacturing output stood at 52.1 in March, up slightly from 51.8 in February, thus signalling expansion in the manufacturing sector for the fifth successive month. Excluding the euro area, the global manufacturing output PMI improved again in March, rising to 53.2 from 52.6 in February (see Chart 1). Improving global financial market conditions and the overall strengthening of business sentiment continue to suggest that global growth is gradually gaining momentum. The recovery is likely to remain uneven in advanced economies and activity is expected to only gradually accelerate, as the pace of growth is being restrained by ongoing balance sheet repair, fiscal tightening and still tight credit conditions. Meanwhile, activity in emerging markets is already gathering pace and is expected to remain more robust than in advanced economies.

Chart 1 Global PMI (excluding the euro area)

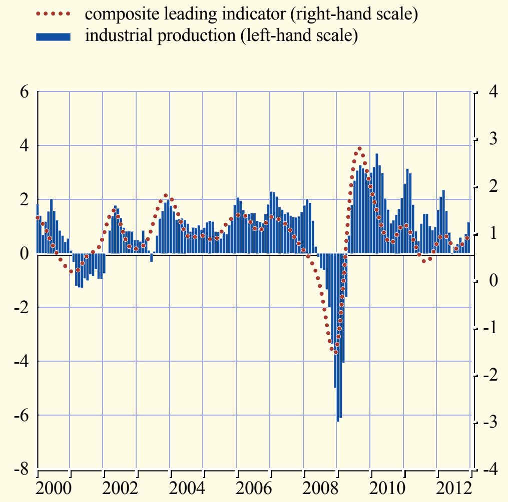
(seasonally adjusted monthly data)



Source: Markit.

Chart 2 Composite leading indicator and industrial production

(three month-on-three month percentage change)



Sources: OECD and ECB calculations.
Note: The indicators refer to the OECD countries plus Brazil, China, India, Indonesia, Russia and South Africa.

Forward-looking indicators continue to show signs of improvement, albeit from low levels, suggesting that the world economy is gradually gaining some traction. The new orders component of the manufacturing PMI improved once again in March following a slight dip in February, reaching its highest level in almost three years of 52.1. In January 2013 the OECD's composite leading indicator, designed to anticipate turning points in economic activity relative to trend, improved for the fifth successive month and continues to signal firming economic growth in the OECD area as a whole (see Chart 2). The individual country indicators continue to point to diverging patterns across the major economies.

Risks to the global outlook remain tilted to the downside and include spillovers from slow or insufficient implementation of structural reforms in the euro area, as well as geopolitical issues and imbalances in major industrialised countries, which could have an impact on developments in global commodities and financial markets.

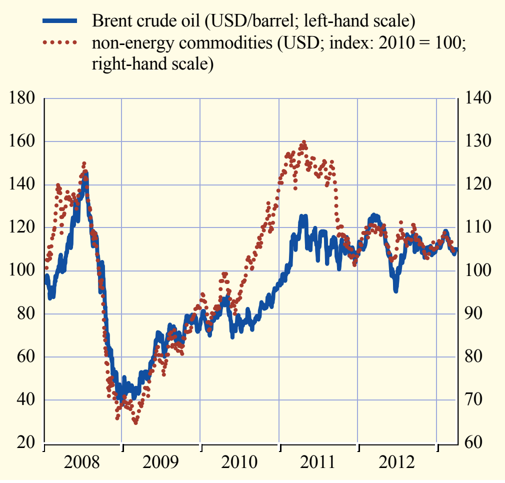
1.2 GLOBAL PRICE DEVELOPMENTS

In the majority of advanced economies, inflation stabilised in February after declining in recent months. In the OECD area, annual headline consumer price inflation stood at 1.8% in February, after 1.7% in January. The stabilisation in inflation was broadly based across OECD countries, with the exception of the United States and Canada, where sharp increases were recorded. Excluding food and energy, OECD inflation increased slightly to 1.6% in February from 1.5% in the previous two months. Meanwhile, annual inflation increased in a number of emerging economies in February, most notably in China (see Table 1).

Turning to energy price developments, Brent crude oil prices decreased by 1.0% between 1 March and 3 April 2013 (see Chart 3), trading at around USD 111 per barrel on the latter date. Oil prices reversed their upward trend in mid-February amid concerns about weaker than expected demand prospects. Looking ahead, global oil demand is expected to fall in the second quarter of 2013, mainly owing to a decline in demand from advanced economies, particularly Japan. Market participants expect lower prices over the medium term, with December 2013 futures prices standing at USD 104 per barrel and December 2014 futures prices standing at USD 100 per barrel.

In the course of March prices of non-energy commodities decreased by 1.4% on aggregate (see Chart 3). The decline was generalised across metal and food prices. In aggregate terms, the price index for non-energy commodities (denominated in US dollars) was about 0.1% lower towards the end of March 2013 compared with the same period a year earlier.

Chart 3 Main developments in commodity prices



Sources: Bloomberg and HWWI.

Table 1 Price developments in selected economies

(annual percentage changes)

	2011	2012	2012				2013	
			Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
OECD	2.9	2.2	2.2	2.2	1.9	1.9	1.7	1.8
United States	3.2	2.1	2.0	2.2	1.8	1.7	1.6	2.0
Japan	-0.3	0.0	-0.3	-0.4	-0.2	-0.1	-0.3	-0.7
United Kingdom	4.5	2.8	2.2	2.7	2.7	2.7	2.7	2.8
China	5.4	2.6	1.9	1.7	2.0	2.5	2.0	3.2
Memo item:								
OECD core inflation 1)	1.6	1.8	1.7	1.7	1.6	1.5	1.5	1.6

Sources: OECD, national data, BIS, Eurostat and ECB calculations.
1) Excluding food and energy.

1.3 DEVELOPMENTS IN SELECTED ECONOMIES

UNITED STATES

In the United States, GDP growth slowed down markedly in the fourth quarter as global uncertainty and a fall in government spending dampened economic activity. According to the third estimate by the Bureau of Economic Analysis, real GDP increased by an annualised 0.4% in the fourth quarter of 2012, down from 3.1% in the third quarter. This slowdown was mainly due to temporary factors. Government spending, which had supported growth in the third quarter, fell abruptly in the fourth quarter, mainly owing to lower national defence spending, while private inventories also posted a sharp reversal. Imports declined more than exports, with net exports overall contributing positively to growth. Meanwhile, private domestic demand gained momentum. Fixed investment accelerated sharply in both the residential and non-residential sectors, and personal consumption expenditure growth also accelerated. These positive developments came amidst substantial uncertainty surrounding the health of the global economy and also despite the threat of a consolidation of public finances ahead of the fiscal cliff (see also Box 1). There was a substantial improvement in real disposable personal income driven by strong dividend payments, which helped push up the saving rate to 4.7%.

Box 1

RECENT DEVELOPMENTS IN US FISCAL POLICY AND THEIR LIKELY IMPACT ON ECONOMIC ACTIVITY

A number of fiscal policy developments have taken place in the United States since the start of 2013. The measures implemented imply considerable fiscal policy restraint in 2013. Nevertheless, an even larger amount of fiscal tightening that the US economy had faced at the start of the year according to previous legislation (commonly referred to as the "fiscal cliff") has been avoided and recent decisions have reduced uncertainty.[1] This box summarises these developments and provides model-based estimates of their impact on US economic activity. It concludes by discussing the outstanding fiscal risks surrounding the outlook for the US economy.

1 A more detailed explanation of the fiscal cliff and a previous assessment can be found in the box entitled "Economic implications of the fiscal restraint in the United States in 2013", *Monthly Bulletin*, ECB, September 2012.

The American Taxpayer Relief Act of 2012 and the "sequester"

On 2 January 2013 the American Taxpayer Relief Act (ATRA) of 2012 – a fiscal agreement that avoided some of the fiscal tightening that had previously been legislated to occur at the start of 2013 – was signed into law. Its main elements are the following: (i) a permanent extension of the Bush-era income tax cuts for low and middle-income households, and the expiration of those for high-income earners; (ii) a permanent indexation of the Alternative Minimum Tax (AMT) to inflation; (iii) the expiration of the 2 percentage point payroll tax reduction; (iv) the extension for a further year of most corporate tax credits and deductions; (v) a one-year extension of emergency unemployment benefits as well as a one-year delay in the scheduled reduction of payment rates for physicians; and (vi) a postponement of the automatic spending cuts under the Budget Control Act of 2011 (the so-called "sequester") for two months and, at the same time, a reduction in those cuts by USD 24 billion, to be offset by a combination of alternative spending cuts and tax increases.

The Budget Control Act had imposed cuts of USD 1.2 trillion on both defence and non-defence spending over ten years by means of sequestration to take effect on 1 January 2013. While the postponement of the sequester for two months under ATRA was aimed at giving policy-makers more time to avert the across-the-board government spending cuts by working out an alternative deficit-reduction package, failure by the US Congress to reach an agreement eventually led the sequester to take effect on 1 March 2013.

Overall, the combined fiscal restraint measures under ATRA and the sequester amount to around 1.7% of GDP for the calendar year 2013, less than half of what was scheduled to occur under previous legislation; the full fiscal cliff represented roughly 4.0% of GDP (see Table A).

Table A US fiscal restraint in the calendar year 2013 (ATRA and the sequester versus the fiscal cliff)

(USD billions; percentages of GDP)

	ATRA and the sequester		Fiscal cliff	
	USD billions	% of GDP	USD billions	% of GDP
Tax policies				
Expiration of Bush-era tax cuts [1]	59	0.4	295	1.8
Expiration of the payroll tax cut	121	0.7	121	0.7
Other expiring provisions [2]	One-year extension		87	0.5
Some tax provisions of the Affordable Care Act [3]	24	0.1	24	0.1
Expenditure policies				
Provisions of the Budget Control Act – sequester covered by ATRA [4]	16	0.1	87	0.5
Provisions of the Budget Control Act – remaining sequester	64	0.4		
Expiration of the emergency unemployment benefits	One-year extension		30	0.2
Reduction in Medicare's payment rates for physicians	One-year extension		11	0.1
TOTAL	**284**	**1.7**	**655**	**4.0**

Sources: Congressional Budget Office, Joint Committee on Taxation and ECB calculations.
Notes: The estimate of the fiscal cliff has been revised compared with earlier estimates, according to which the full fiscal cliff amounted to 4.1% of GDP.
1) Includes the expiration of certain income tax provisions originally enacted in 2001, 2003 and 2009 and indexing of the AMT to inflation. Under the fiscal cliff, this applies to all income brackets, while under ATRA it applies only to high-income earners, defined as those earning more than USD 400,000 for individuals and USD 450,000 for couples.
2) Relates largely to the partial expensing of investment property.
3) Includes increased tax rates on earnings and investment income for high-income taxpayers.
4) With ATRA, it was agreed to delay the sequester for two months and to finance this with offsetting measures amounting to USD 24 billion, of which USD 16 billion in 2013.

Table B Estimated impact of ATRA and the sequester on US GDP growth

(percentage point differences from the baseline)

	2013	2014	2015
ATRA	-0.4	-0.1	-0.1
Sequester – abrupt implementation	-0.4	-0.1	0.1
Sequester – gradual implementation	-0.1	-0.2	-0.2
Total impact (abrupt)	**-0.8**	**-0.2**	**0.0**
Total impact (gradual)	**-0.5**	**-0.3**	**-0.3**

Sources: ECB calculations and CBO.
Note: The gradual implementation scenario assumes that cuts in public spending are phased in gradually over a three-year period (2013-15).

Estimated impact on US economic activity

The economic impact of the fiscal restraint is assessed here using the National institute Global Economic Model (NiGEM).[2] Since there is considerable uncertainty surrounding the degree of flexibility that public agencies have in implementing the sequester, two scenarios are used, based on different speeds of implementation of the spending cuts. The first scenario assumes the spending cuts to take place immediately, while the second assumes they will be phased in gradually over three years. According to the US Congressional Budget Office (CBO), the sequester would lead to a reduction in "budget authority" of USD 85 billion in the fiscal year 2013[3], rising to USD 109 billion in subsequent years. The level of actual spending would, however, be reduced by less in the initial years (USD 42 billion in the fiscal year 2013 and USD 89 billion in the fiscal year 2014) given that it takes time for cuts in budget authority to result in a reduction in outlays.

The estimated impact of the fiscal restraint is reported in Table B. In 2013 the fiscal restraint of 1.7% of GDP is estimated to lower US GDP growth by 0.8 percentage point under the abrupt scenario for the sequester, with a further impact of -0.2 percentage point in 2014. Under the gradual implementation scenario, the impact is more muted in the first year (-0.5 percentage point), but more persistent over time (-0.3 percentage point in both 2014 and 2015). Focusing on the impact of the sequester alone, the estimate of -0.4 percentage point for the abrupt scenario is slightly below externally available estimates, such as that given by the CBO, which calculates that output growth in this scenario would be 0.6 percentage point lower in 2013. Overall, the simulations suggest that the impact on GDP growth in 2013 is smaller than the size of the fiscal tightening. This stems from the fact that a large part of the tightening under ATRA relates to income tax increases, which carry lower multipliers than government spending cuts.

Additional fiscal agreements

Two additional, recently concluded fiscal agreements have further reduced near-term fiscal policy risks. First, after the debt ceiling of USD 16.4 trillion was reached in late December 2012, the US Congress decided to temporarily suspend the debt ceiling until 19 May 2013, which has contributed to lowering uncertainty. Even if this level of debt is exceeded, the Treasury can turn

2 A model maintained by the UK-based National Institute of Economic and Social Research; for details see the dedicated website (http://nimodel.niesr.ac.uk/).
3 The fiscal year 2013 runs from October 2012 to September 2013.

to "extraordinary measures" to keep the government operating for a few additional months. But the debt ceiling may once again become binding in the summer of 2013, necessitating further budget negotiations. Thus there is the risk of the debt ceiling not being raised in time if political gridlock remains. In this case, the Treasury would only be able to make payments based on the inflow of available cash. Second, the continuing resolution that ensures current government funding, set to expire on 27 March 2013, was extended by Congress on 21 March. Funding is thus ensured until the end of the fiscal year 2013 and a government shutdown has been avoided. Furthermore, even though the approved funding bill leaves the sequester fully in place, it includes provisions designed to help several public agencies administer the cuts with more flexibility in terms of the programmes and areas to which they will apply.

Conclusion and risks

Recent US fiscal policy decisions are likely to result in a drag on US GDP growth of around 0.5-0.8 percentage point in 2013. While this is significant, the full fiscal cliff that could have led to a much greater drag on growth has been avoided, and fiscal policy uncertainty has declined. In the light of this, while the aforementioned fiscal developments are likely to imply a downward revision to US GDP growth forecasts in the near term, risks to economic activity emanating from fiscal policy uncertainty appear to be lower than before. This could help to increase business and consumer confidence and therefore promote investment and consumption in the United States.

As regards long-term fiscal imbalances, the CBO projects the budget deficit to decline from 7.0% of GDP in 2012 to 5.3% in 2013, and to reach 2.4% of GDP in 2015. Nevertheless, the budget deficit and public debt ratio are expected to start rising again in the latter part of the decade, as the main drivers of long-term fiscal imbalances in the United States remain unaddressed. This stems from the fact that fiscal consolidation in the near term will come mainly from the revenue side; the spending reductions resulting from the sequester as of 1 March 2013 do not tackle major entitlement programmes, consisting mostly of health care and social security spending. According to the CBO, health care programmes will rise from 5.3% of GDP in 2012 to 7.1% in 2023, while spending on social security will rise from 4.9% of GDP in 2012 to 5.5% in 2023.

All in all, despite the significant fiscal consolidation taking place in the near term in the United States, fiscal projections point to the need to put forward a medium-term fiscal consolidation plan that tackles the sources of long-term fiscal imbalances so as to ensure that debt dynamics remain sustainable in the medium to longer term.

The latest indicators suggest that the economy picked up momentum in the first quarter of 2013. Employment increased strongly in February and the unemployment rate fell to 7.7%, from 7.9% in January. Retail sales in February were encouraging despite the increase in payroll taxes at the beginning of the year. There were also substantial increases in core capital goods orders and industrial production which, together with the improvement in the Institute for Supply Management's manufacturing index, suggest an improving outlook for capital spending. However, the government spending cuts – effective since the beginning of March – may act as a drag on growth.

In February 2013 annual CPI inflation increased to 2.0% from 1.6% in January. This was a notable reversal after three consecutive monthly declines and is explained by the sharp pick-up in the rate of energy price growth. Food inflation remained unchanged at 1.6%. Core inflation inched up to 2.0%,

Table 2 Real GDP growth in selected economies

(percentage changes)

	Annual growth rates					Quarterly growth rates		
	2011	2012	2012			2012		
			Q2	Q3	Q4	Q2	Q3	Q4
United States	1.8	2.2	2.1	2.6	1.7	0.3	0.8	0.1
Japan	-0.5	2.0	4.0	0.4	0.4	-0.2	-0.9	0.0
United Kingdom	1.0	0.3	0.0	0.4	0.2	-0.4	0.9	-0.3
China	9.3	7.8	7.6	7.4	7.9	2.0	2.1	2.0

Sources: National data, BIS, Eurostat and ECB calculations.

from 1.9% in the previous month, supported mainly by higher prices for medical care, shelter and transportation services, which all increased in February at a pace firmly above the headline rate.

On 20 March 2013 the Federal Open Market Committee (FOMC) decided to keep the target range for the federal funds rate at 0% to 0.25%, and anticipated that exceptionally low levels for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6.5%, inflation between one and two years ahead is not projected to be above 2.5%, and longer-term inflation expectations continue to be well anchored. The FOMC decided to continue purchasing additional agency mortgage-backed securities at a pace of USD 40 billion per month and longer-term Treasury securities at a pace of USD 45 billion per month.

JAPAN

In Japan, the second preliminary release of national accounts showed that economic activity stabilised at the end of 2012. Real GDP growth in the last quarter of 2012 was revised upwards from -0.1% in the first release to 0.0% (quarter on quarter, seasonally adjusted), largely as a result of a smaller negative contribution from private non-residential investment. Most recent economic data releases, however, seem to point to a gradual pick-up in growth in Japan over 2013. Private consumption remained solid in January, while consumer confidence further improved in February. The Bank of Japan's quarterly Tankan survey showed an improvement in the diffusion index of business conditions for large manufacturing firms to -8 in the first quarter of 2013 (from -12 in the fourth quarter of 2012). On the other hand, industrial production declined, albeit marginally, by 0.1% in February 2013, following an increase of 0.3% in the previous month, but remains on average above the level observed in the last quarter of 2012. Private core machinery orders fell by 13.1% month on month in January, more than offsetting the three previous monthly increases, which may suggest some weakness in capital expenditure at the start of this year. Furthermore, real exports declined by 2.3% month on month in February, partly offsetting the 2.5% increase in January, while real imports increased further by 1.4% following a 1.6% gain in January. According to the customs trade data, the seasonally adjusted nominal trade deficit increased considerably to an historical high of about JPY 1.1 trillion in February, compared with JPY 0.7 trillion in the previous month, driven to some extent by softness in export demand from China and the impact of the recent depreciation of the yen on imports.

In terms of price developments, annual consumer price inflation remained in negative territory at the start of 2013, with the annual pace of decline accelerating to -0.7% in February (compared with -0.3% in January). Excluding fresh food and energy, annual CPI inflation decreased to -0.9% in February, from -0.7% in the previous month. Both food prices and the prices of reading and recreational goods made a significant negative contribution to price developments. At its latest monetary policy meeting on 4 April 2013, the Bank of Japan announced the introduction of "Quantitative and

Qualitative Monetary Easing", with the aim of achieving the price stability target of a 2% year-on-year rate of change in the CPI at the earliest possible time, with a time horizon of about two years. This implies a change in the main operating target for money market operations from the uncollateralised overnight call rate to the monetary base, which is set to double in two years. The amounts outstanding of Japanese government bonds as well as exchange-traded funds are also set to double in two years, and the average remaining maturity of Japanese government bond purchases will be extended from slightly less than three years now to about seven years.

UNITED KINGDOM

In the United Kingdom, GDP increased by 0.3% in 2012, and the incipient recovery in economic activity is likely to progress very gradually over the course of 2013. Domestic demand continues to be constrained by tight credit conditions, ongoing private and public sector balance sheet adjustment as well as weak household real income dynamics, while the contribution of exports to growth is likely to be limited. Despite the weak economic conditions, the labour market situation has been relatively benign, with the unemployment rate hovering at just below 8% since the summer and the employment rate increasing relatively rapidly over the past year. On the other hand, industrial production and export volumes declined in January and credit growth has remained weak. Looking ahead, survey indicators for February and March suggest that growth in economic activity is likely to remain modest in the short term.

Annual CPI inflation has been relatively stable in recent months at slightly higher levels than those experienced in the autumn of 2012. The headline inflation rate increased by 0.1 percentage point to 2.8% in February 2013, mainly owing to higher energy prices. Meanwhile, CPI inflation, excluding energy and unprocessed food, declined by 0.3 percentage point to 2.4%. Looking ahead, it is expected that inflationary pressures will be contained by existing spare capacity in labour and capital utilisation in the medium term, while rises in administered and regulated prices as well as sterling's recent depreciation are likely to limit the fall in inflation. At its meeting on 4 April 2013, the Bank of England's Monetary Policy Committee maintained the policy rate at 0.5% and the size of its asset purchase programme at GBP 375 billion.

CHINA

In China, short-term indicators suggest that the economy continued to expand at a robust pace. The March manufacturing PMIs recovered modestly from February and came in well above the expansionary threshold of 50, driven by stronger new orders and production growth. Industrial production and retail sales weakened slightly in February, but investment indicators, in particular those covering residential investment, accelerated strongly. Exports also grew markedly in February, with the exception of exports to Japan which stagnated, leading to the highest 12-month cumulative trade surplus since June 2009. Foreign direct investment (FDI) inflows stabilised at the start of the year in 12-month cumulative terms, after declining slightly in 2012. By contrast, outward direct investment is growing very strongly and rapidly catching up with FDI flows. The Chinese economy is expected to grow robustly in 2013, driven by private consumption, housing investment, accommodative financial conditions and a gradually improving external environment. In March China's parliament set a GDP growth target of 7.5% for 2013, the same as in 2012, which could be exceeded should the current growth momentum be maintained.

Annual consumer price inflation increased to 3.2% in February, driven by a seasonal spike in food prices, but PPI inflation remained negative, limiting inflationary pressures. Financial and monetary indicators continued to expand, in particular non-bank lending.

1.4 EXCHANGE RATES

Over the past month the euro remained broadly unchanged in effective terms. On 3 April 2013 the nominal effective exchange rate of the euro, as measured against the currencies of 20 of the euro area's most important trading partners, stood 0.8% below its level at the beginning of March and also prevailing a year earlier (see Chart 4 and Table 3).

In bilateral terms, over the past month the euro depreciated slightly against the US dollar and some other major currencies, while it mostly appreciated against the currencies of other important trading partners of the euro area. Between 1 March and 3 April 2013 the euro weakened against the US dollar (by 1.3%), the pound sterling (by 1.9%), the Swiss franc (by 0.6%) and the Japanese yen (by 0.5%). During the same period the euro also weakened against the currencies of other Asian economies as well as of large commodity exporters, while strengthening against the currencies of central and eastern European EU Member States.

The currencies participating in ERM II remained broadly stable against the euro, trading at, or close to, their respective central rates.

Chart 4 Nominal effective exchange rate of the euro

(daily data; index: Q1 1999 = 100)

Source: ECB.
Note: The nominal effective exchange rate of the euro is calculated against the currencies of 20 of the most important trading partners of the euro area.

Table 3 Euro exchange rate developments

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

	Weight in the effective exchange rate of the euro (EER-20)	Change in the exchange rate of the euro as at 3 April 2013 with respect to	
		1 March 2013	3 April 2012
EER-20		-0.8	-0.8
Chinese renminbi	18.8	-1.6	-4.9
US dollar	16.9	-1.3	-3.7
Pound sterling	14.9	-1.9	1.9
Japanese yen	7.2	-0.5	9.8
Swiss franc	6.5	-0.6	1.1
Polish zloty	6.2	1.0	1.3
Czech koruna	5.0	0.6	4.9
Swedish krona	4.7	-0.5	-5.3
Korean won	3.9	1.2	-4.3
Hungarian forint	3.2	2.3	2.8
Danish krone	2.6	0.0	0.2
Romanian leu	2.0	1.3	1.0

Source: ECB.
Note: The nominal effective exchange rate is calculated against the currencies of 20 of the most important trading partners of the euro area.

2 MONETARY AND FINANCIAL DEVELOPMENTS

2.1 MONEY AND MFI CREDIT

Monetary data up to February 2013 confirm the subdued underlying pace of money and credit expansion that has been observed for a protracted period of time. The annual growth rate of M1 increased, reflecting the substitution of overnight deposits for less liquid components of the broad monetary aggregate M3 on the components side. On the counterparts side, ongoing shifts from longer-term financial liabilities into M3 could be observed. MFI lending to the non-financial private sector in the euro area remained weak. While much of the current weakness in lending can be explained by demand conditions, supply constraints also play a role in a number of countries, driven, in particular, by high risk perceptions on the part of banks. At the same time, the latest monetary data point to a continuing normalisation of the situation and to a receding financial fragmentation in the euro area.

THE BROAD MONETARY AGGREGATE M3

The annual growth rate of M3 declined to 3.1% in February, down from 3.5% in January (see Chart 5), notwithstanding a monthly inflow. On the components side, this moderation reflected two opposing developments, namely a sharp decline in marketable instruments and a sizeable increase in the narrow monetary aggregate M1. On the counterparts side, the moderation in broad money growth in February is attributed mainly to persistently weak lending to euro area residents, and to a decline in the net external asset position of MFIs.

The volume of euro area MFIs' main assets contracted further in February, continuing the deleveraging observed since spring 2012. The month-on-month decline in main assets reflected, in particular, decreases in claims on the Eurosystem, in external assets and in holdings of debt securities issued by euro area MFIs. These declines were partly offset by increases in interbank lending and in MFI holdings of government bonds.

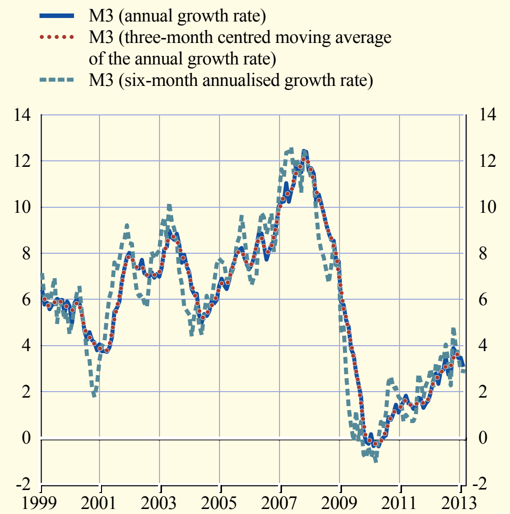
MAIN COMPONENTS OF M3

As regards the components of M3, the annual growth rate of M1 increased further to 7.0% in February 2013, up from 6.6% in January. This mainly reflected shifts of less liquid instruments inside and outside M3 into overnight deposits. With respect to sectoral contributions, the strong monthly inflow into overnight deposits observed in February was mainly attributable to households and, albeit to a lesser extent, non-financial corporations. In general, these inflows probably reflected the flattening of the yield curve and, to some extent, also increased liquidity preference amidst elevated domestic uncertainties. Thus, M1 remained the main contributor to broad money growth, accounting for 3.6 percentage points of annual M3 growth in February.

The annual growth rate of short-term deposits other than overnight deposits in the euro area

Chart 5 M3 growth

(percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.

(M2 minus M1) declined to 0.8% in February, from 1.7% in January. This reflected a strong monthly outflow in short-term time deposits (with an agreed maturity of up to two years) and, consequently, a decline in the annual growth rate (-4.8% in February, down from -3.0% in January). From a country perspective, the February data reveal inflows for time deposits in a number of stressed countries, which point towards improved confidence in the banking sectors of these countries.

The annual growth rate of marketable instruments (M3 minus M2) declined sharply further to -9.1% in February, down from -6.1% in January. This decrease reflected a strong monthly outflow in holdings of short-term MFI debt securities and, albeit to a lesser extent, in repurchase agreements. By contrast, money market fund shares/units recorded a small monthly inflow. Redemptions of short-term MFI debt securities reflected the deleveraging of banks, as well as the shift from market-based funding to deposit funding, and the still high level of central bank liquidity, although the latter was reduced further in February.

The annual growth rate of M3 deposits (including repurchase agreements) – the broadest component of M3 for which a timely sectoral breakdown is available – decreased to 4.3% in February, from 4.5% in January. This concealed an increase in the contribution of deposits held both by households and, to a lesser extent, by non-financial corporations. By contrast, the contribution by non-monetary financial intermediaries other than insurance corporations and pensions funds (OFIs), which comprises investment funds, decreased on account of a monthly outflow.

MAIN COUNTERPARTS OF M3

The annual growth rate of MFI credit to euro area residents declined marginally in February, standing at -0.2%, down from 0.0% in January, reflecting a contraction of both components (see Table 4). The annual growth of credit to the general government sector slowed down to 3.6%, from 4.5%

Table 4 Summary table of monetary variables

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

	Outstanding amounts as a percentage of M3 [1]	Annual growth rates					
		2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Jan.	2013 Feb.
M1	**52.7**	**2.4**	**2.9**	**4.7**	**6.3**	**6.6**	**7.0**
Currency in circulation	8.8	6.1	5.6	5.3	3.0	1.5	1.4
Overnight deposits	43.9	1.7	2.3	4.6	7.0	7.7	8.2
M2-M1 (=other short-term deposits)	39.6	2.5	2.5	1.3	1.6	1.7	0.8
Deposits with an agreed maturity of up to two years	18.3	3.0	2.1	-1.2	-2.1	-3.0	-4.8
Deposits redeemable at notice of up to three months	21.4	2.1	2.9	3.7	5.0	6.2	6.1
M2	**92.4**	**2.5**	**2.7**	**3.2**	**4.2**	**4.4**	**4.3**
M3-M2 (=marketable instruments)	7.6	0.0	2.6	1.5	-2.7	-6.1	-9.1
M3	**100.0**	**2.2**	**2.7**	**3.0**	**3.6**	**3.5**	**3.1**
Credit to euro area residents		**1.2**	**1.4**	**0.9**	**0.5**	**0.0**	**-0.2**
Credit to general government		5.3	8.6	9.2	8.3	4.5	3.6
Loans to general government		-4.6	-1.7	1.5	1.9	0.1	-1.8
Credit to the private sector		0.3	-0.3	-1.0	-1.3	-1.1	-1.2
Loans to the private sector		0.7	-0.1	-0.6	-0.8	-0.9	-0.9
Loans to the private sector adjusted for sales and securitisation [2]		1.1	0.5	-0.1	-0.4	-0.5	-0.4
Longer-term financial liabilities (excluding capital and reserves)		**0.4**	**-2.4**	**-4.4**	**-5.1**	**-5.2**	**-5.3**

Source: ECB.
1) As at the end of the last month available. Figures may not add up due to rounding.
2) Adjusted for the derecognition of loans from the MFI statistical balance sheet owing to their sale or securitisation.

in January. The latter monthly development was largely driven by two broadly offsetting operations related to the liquidation of an MFI in one euro area country, which led to a replacement of loans to the general government sector by MFI holdings of government bonds.

The annual growth of credit to the private sector stood at -1.2% in February, after -1.1% in January. Monthly flows between January and February showed a moderate decline in loans and a marked decrease in MFIs' holdings of securities other than shares, which concealed developments due to the restructuring of the Spanish banking sector. More specifically, in February some Spanish MFIs transferred assets, mainly loans to non-financial corporations, to SAREB (the recently created asset management company), which has been classified as part of the OFI sector, and received securities issued by this entity in exchange. These transactions led to a reduction of the outstanding amounts of MFI loans to non-financial corporations and a counteracting inflow of securities other than shares. The annual growth of MFI loans to the private sector (adjusted for sales and securitisation, and thus also adjusted for the aforementioned transfer of loans to SAREB) stood at -0.4% in February, after -0.5% in January.

The annual growth rate of MFI loans to non-financial corporations (adjusted for sales and securitisation), which recorded a very modest inflow, increased slightly to -1.4% in February, up from -1.5% in January (see Table 5). The annual growth rate of MFI loans to households (adjusted for sales and securitisation) remained unchanged, standing at 0.4% in February. The monthly flow was nil, reflecting ongoing positive flows in lending for house purchase and renewed net redemptions in consumer credit.

All in all, loan growth remains subdued in the euro area. While the profile of lending to the non-financial private sector is broadly in line with past regularities, reflecting the state of the business cycle, both demand and supply factors are weighing on the pace of loan growth, with significant heterogeneity across countries. The current economic conditions and persistently high uncertainty

Table 5 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					
		2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Jan.	2013 Feb.
Non-financial corporations	**41.7**	**0.7**	**0.1**	**-0.8**	**-1.9**	**-2.5**	**-2.6**
Adjusted for sales and securitisation[2]	*-*	*0.9*	*0.3*	*-0.5*	*-1.4*	*-1.5*	*-1.4*
Up to one year	25.1	0.7	0.1	-0.7	-1.7	-0.5	0.4
Over one and up to five years	17.4	-3.0	-2.7	-3.2	-4.5	-4.9	-5.2
Over five years	57.5	2.0	1.0	0.0	-1.1	-2.5	-3.0
Households[3]	**48.5**	**1.2**	**0.4**	**0.2**	**0.4**	**0.5**	**0.5**
Adjusted for sales and securitisation[2]	*-*	*1.9*	*1.4*	*1.0*	*0.8*	*0.4*	*0.4*
Consumer credit[4]	11.4	-1.8	-2.1	-2.4	-2.9	-3.1	-3.3
Lending for house purchase[4]	73.1	1.8	0.9	0.8	1.1	1.4	1.4
Other lending	15.5	0.9	0.2	-0.7	-0.7	-1.1	-1.1
Insurance corporations and pension funds	**0.9**	**-3.2**	**-5.3**	**-9.1**	**-4.2**	**7.3**	**9.4**
Other non-monetary financial intermediaries	**9.0**	**-1.9**	**-3.4**	**-2.8**	**-1.3**	**-1.4**	**-0.5**

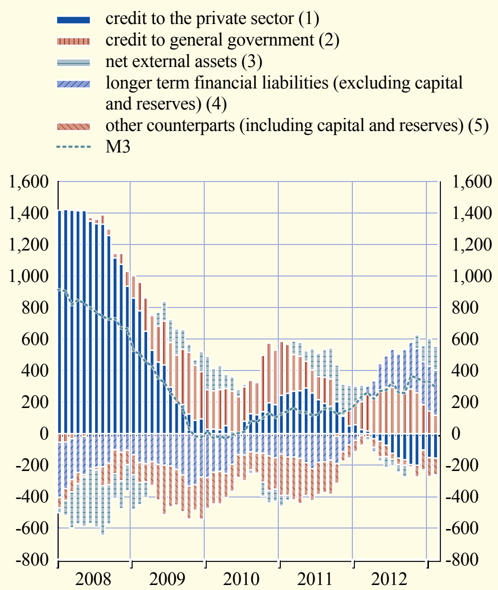
Source: ECB.
Notes: MFI sector including the Eurosystem; sectoral classification based on the ESA 95. For further details, see the relevant technical notes.
1) As at the end of the last month available. Sector loans as a percentage of total MFI loans to the private sector; maturity breakdown and breakdown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

continue to be reflected in weak demand for bank loans. At the same time, the fragmentation of financial markets, although on the decline in recent months, is curbing credit growth. Finally, the need to reduce household and corporate debt levels in a number of countries is also weighing on loan growth.

The annual growth rate of longer-term financial liabilities (excluding capital and reserves) remained clearly negative at -5.3% in February 2013, after -5.2% in January. Long-term deposits registered further modest outflows in February. These outflows resulted from the unwinding of past securitisations and from the fact that the euro area money-holding sector continued to shift modest amounts of funds from these instruments to M3 deposits in the context of the flattening yield curve witnessed since early 2012. As in the case of short-term debt securities, net issuance of long-term debt securities by euro area MFIs remained negative. These developments suggest that banks have been able to satisfy their funding needs either by shrinking their overall balance sheet or through the liquidity received in particular via the two three-year longer-term refinancing operations (LTROs) and/or via the strengthening of their deposit base. Capital and reserves increased significantly further in February, reflecting the recapitalisation of banks in a number of euro area countries.

Chart 6 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.

The net external asset position of euro area MFIs declined by €9 billion in February, after the strong capital inflows to the euro area seen in the previous four months (see Chart 6). In the 12 months up to February, the net external asset position of euro area MFIs improved by €151 billion, compared with an improvement of €175 billion in the 12 months to January. Box 2 investigates developments in net foreign liabilities in selected euro area countries.

Overall, data up to February confirm that the underlying dynamics of money and credit growth remain subdued. Demand conditions explain much of the current weakness in MFI lending, although constraints on the supply side weigh on credit growth in a number of euro area countries. At the same time, the latest monetary data continue to point to a receding financial segmentation in the euro area, in particular with regard to bank funding, although there were no further net capital inflows in February. Nevertheless, the rebalancing of funding flows between the largest euro area countries continued, and the deposit base strengthened further in a number of stressed countries. All of these factors allowed excess central bank liquidity to be reduced further, in particular via the early repayment by a number of MFIs of the funds raised through the three-year LTROs.

Box 2

NET FOREIGN LIABILITIES IN SELECTED EURO AREA COUNTRIES

On the eve of the financial crisis in 2007, Estonia, Greece, Spain, Portugal and Slovakia recorded sizeable net foreign liabilities, together with large current account deficits (see the table below).[1] Despite significant improvements in their current account balances, the net international investment position (i.i.p.) of these countries deteriorated further during the crisis, except in the case of Estonia. Sizeable net foreign liabilities also built up in Ireland, Cyprus and Slovenia. This box briefly reviews developments in the net i.i.p. of these countries between 2007 and 2012.

A closer look at the composition of the net external positions

In Greece, Spain and Portugal, a significant proportion of net foreign liabilities in 2012 was accounted for by "other investment", which included private sector loans, EU-IMF programme loans and the foreign liabilities of monetary authorities (see Chart A). Spain also recorded sizeable net liabilities in portfolio debt instruments, partly as a result of the covered bonds issued by Spanish banks during the housing boom. In the "catching-up economies", i.e. Estonia, Slovenia and Slovakia, direct investment played a more important role. Ireland was a special case in that its net liabilities were entirely in equity securities and its net assets mainly in portfolio debt instruments, partly on account of the activities of mutual funds.

Drivers of recent developments in the net external positions

Among the euro area countries with high net foreign liabilities, only Estonia saw an improvement in its net i.i.p. between 2007 and 2012. This improvement was partly due to positive "transaction effects" on the back of a rapid current account correction (see Chart B). The other countries witnessed a deterioration in their net i.i.p., as they continued to record current account deficits after the start of the financial crisis, at least for some time. In addition, some of these countries saw a decline in nominal GDP, which mechanically worsened their net i.i.p.-to-GDP ratio.

1 In the context of the Macroeconomic Imbalance Procedure, net foreign liabilities in excess of 35% of GDP are seen as a sign of a potential external imbalance.

Current account balance and net international investment position

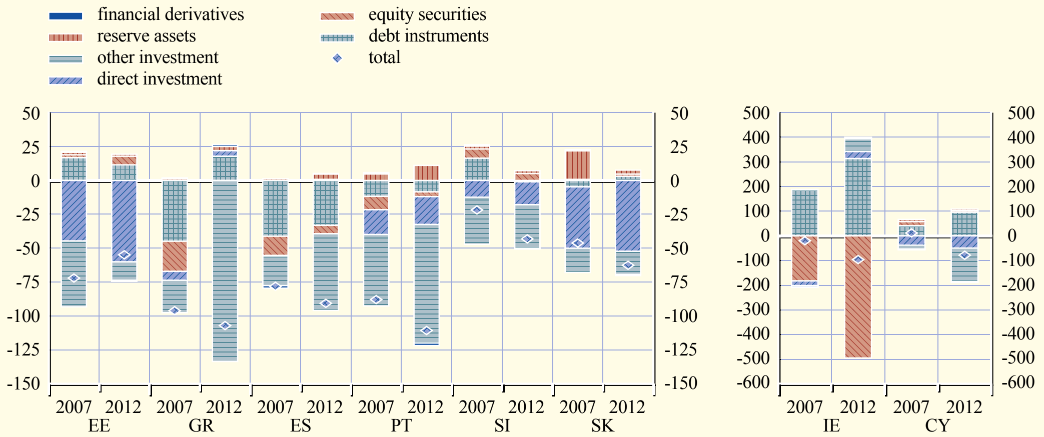
(percentages of GDP)

	2007 1)		2012 2)	
	Current account balance	Net international investment position	Current account balance	Net international investment position
Estonia	-15.9	-72.0	-0.3	-54.9
Ireland	-5.4	-19.6	4.3	-96.0
Greece	-14.6	-96.1	-4.8	-107.1
Spain	-10.0	-78.1	-2.2	-90.4
Cyprus	-15.6	-15.1	-5.5	-78.4
Portugal	-10.1	-87.9	-2.4	-110.7
Slovenia	-4.8	-21.8	1.1	-43.2
Slovakia	-6.2	-59.4	1.4	-62.6

Source: Eurostat.
1) 2008 for Cyprus and Slovakia.
2) Data refer to the four quarters up to and including the third quarter of 2012.

Chart A Breakdown of the net international investment position in 2007 and 2012, by instrument

(percentages of GDP)



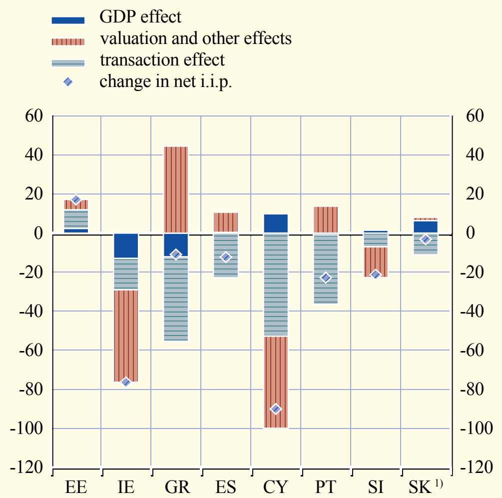
Source: Eurostat.
Note: 2012 refers to Q3, except in the case of Spain, where it refers to Q2.

In Ireland, Cyprus and Slovenia, negative valuation effects also contributed to the deterioration in their external positions. This partly reflected unfavourable asset price movements, which can have particularly large effects in financial centres with high gross foreign assets and liabilities.[2] By contrast, Estonia, Greece, Spain, Portugal and Slovakia recorded net valuation gains. The valuation gains of Greece, for instance, mainly arose from a marked decline in the value of Greek securities held by foreign investors. Euro area countries also tend to record net valuation gains when the euro depreciates, as foreign assets are partly denominated in foreign currency, whereas the largest share of foreign liabilities is denominated in euro. Between 2007 and 2012, the euro depreciated by 4% in nominal effective terms.

In summary, while substantial progress has been made in correcting excessive current account deficits in a number of euro area countries, little, if any, improvement has thus far been seen in their net i.i.p. Reducing the net foreign liabilities of these countries will require further current account improvements and a return to positive GDP growth, highlighting the need for decisive efforts to improve competitiveness.

Chart B Factors contributing to the change in the net international investment position between 2007 and the third quarter of 2012

(percentages of GDP)



Sources: Eurostat and ECB calculations.
Notes: A change in the net i.i.p.-to-GDP ratio can be due to a change in nominal GDP ("GDP effect"), unbalanced financial transactions with the rest of the world ("transaction effect") or "valuation and other effects", which include the revaluation of foreign assets and liabilities owing to asset price and exchange rate movements.
1) For Slovakia, the starting point is the fourth quarter of 2008.

2 Valuation effects also encompass other effects, such as changes in data collection methods and the correction of past errors in the data.

2.2 SECURITIES ISSUANCE

In January 2013 the annual growth rate of debt securities issued by euro area residents continued to decline. The decline spanned all the major sectors. The year-on-year growth rate of debt securities issued by non-financial corporations (NFCs), while declining somewhat, still remained well above its historical average. The annual growth rate of issuance of quoted shares remained broadly unchanged in January compared with the preceding month.

DEBT SECURITIES

In January 2013 the annual growth rate of debt securities issued by euro area residents declined to 1.3%, compared with 1.8% in the previous month (see Table 6). This decline spanned all major sectors, with the rate decreasing from 14.0% to 13.3% for NFCs, from 2.9% to 2.4% for the general government, from 1.5% to 1.2% for non-monetary financial corporations, and from -1.3% to -2.0% for MFIs.

The moderation in overall debt security issuance was attributable to a more pronounced contraction in short-term debt security issuance (from -7.2% in December 2012 to -8.2% in January 2013) and a decline in the annual growth rate of long-term debt securities issuance (from 2.8% in December to 2.3% in January). Refinancing activity remained concentrated on issuance in the long-term segment of the market, notably at fixed rates. The annual growth rate of issuance of fixed rate long-term debt securities declined slightly to 4.8% in January, from 5.2% in December. At the same time, the issuance of floating-rate long-term debt securities contracted further to -5.8% on an annual basis in January, from -5.1% the preceding month.

Looking at short-term trends, the slowdown in debt issuance activity was also broadly based across the major sectors and appeared more pronounced than suggested by annual growth rates (Chart 7). The six-month annualised growth rate of debt issuance declined from the peak of 1.4% recorded in October 2012 to -0.3% in January 2013 for overall debt securities. Compared with the preceding month, in January this rate declined from -2.8% to -5.4% for MFIs and from 15.8% to 15.4% for NFCs. Over the same period, the rate increased for non-monetary financial corporations, from 0.6% to 0.9%.

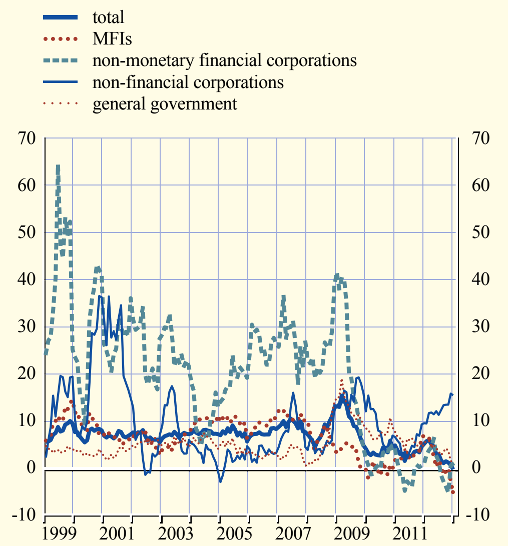
Table 6 Securities issued by euro area residents

Issuing sector	Amount outstanding (EUR billions) 2013 January	Annual growth rates[1)] 2012 Q1	2012 Q2	2012 Q3	2012 Q4	2012 December	2013 January
Debt securities	**16,689**	**4.1**	**4.2**	**3.7**	**2.9**	**1.8**	**1.3**
MFIs	5,397	4.6	3.7	3.5	1.2	-1.3	-2.0
Non-monetary financial corporations	3,317	-0.6	2.4	0.9	0.5	1.5	1.2
Non-financial corporations	993	6.7	9.3	10.9	12.7	14.0	13.3
General government	6,982	5.7	4.7	4.3	4.1	2.9	2.4
of which:							
Central government	6,298	4.7	3.8	3.5	3.6	2.5	2.2
Other general government	684	16.7	14.3	12.8	9.1	6.1	4.6
Quoted shares	**4,656**	**1.6**	**1.4**	**1.0**	**1.0**	**1.2**	**1.1**
MFIs	442	10.8	10.1	5.6	5.2	4.9	2.7
Non-monetary financial corporations	367	3.6	3.1	2.9	2.9	4.1	4.2
Non-financial corporations	3,847	0.3	0.3	0.3	0.4	0.5	0.6

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

Chart 7 Sectoral breakdown of debt securities issued by euro area residents

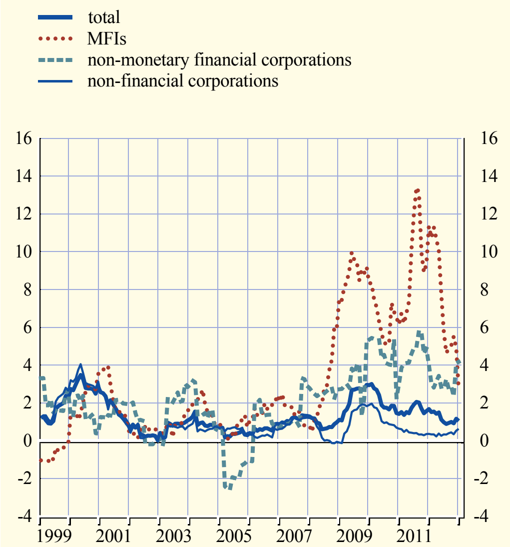
(six-month annualised growth rates; seasonally adjusted)



Source: ECB.

Chart 8 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.

QUOTED SHARES

In January 2013 the annual growth rate of quoted shares issued by euro area residents remained broadly stable compared with the previous month, at 1.0%, reflecting moderate developments in issuance activity across the major sectors (see Chart 8). The annual rate of growth in equity issuance by MFIs remained at 5.0%, higher than that in equity issuance by non-monetary financial corporations (2.9%) and NFCs (0.4%).

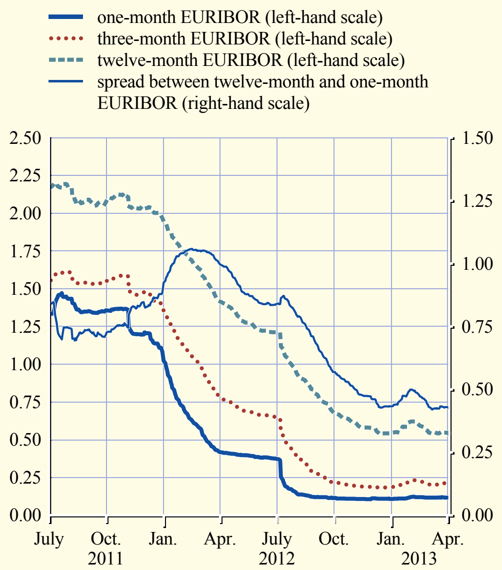
2.3 MONEY MARKET INTEREST RATES

Money market interest rates remained broadly stable between early March and the beginning of April 2013. In the third maintenance period of the year, which began on 13 March, the EONIA remained at historically low levels, reflecting low key ECB interest rates, as well as the very large amounts of excess liquidity that remained in the overnight money market.

Unsecured money market interest rates remained broadly stable between early March and early April 2013. On 3 April the one-month, three-month, six-month and twelve-month EURIBOR stood at 0.12%, 0.21%, 0.33% and 0.54% respectively. Thus, the rate on the shortest and longest maturities remained unchanged from the level observed on 6 March, while the three-month and six-month rates were both 1 basis point higher. Consequently, the spread between the twelve-month and the one-month EURIBOR – an indicator of the slope of the money market yield curve – remained stable at 42 basis points on 3 April (see Chart 9).

Chart 9 Money market interest rates

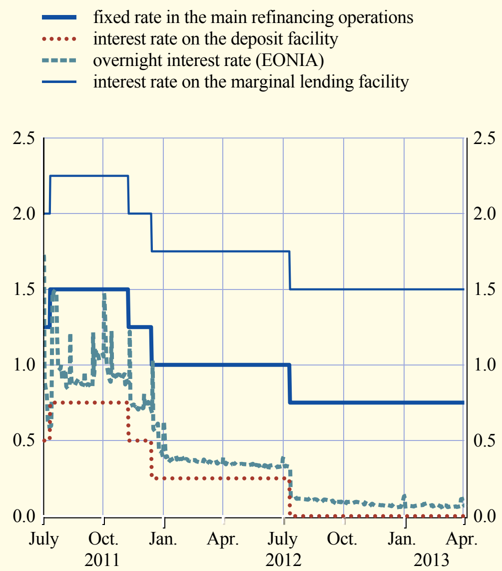
(percentages per annum; spread in percentage points; daily data)



Sources: ECB and Thomson Reuters.

Chart 10 ECB interest rates and the overnight interest rate

(percentages per annum; daily data)



Sources: ECB and Thomson Reuters.

The three-month EONIA swap rate stood at 0.08% on 3 April, 2 basis points higher than on 6 March. The spread between the three-month EURIBOR and the three-month EONIA swap rate thus decreased by 1 basis point.

The interest rates implied by the prices of three-month EURIBOR futures maturing in June, September and December 2013 and March 2014 increased by 4, 5, 3 and 1 basis points respectively in comparison with the levels seen on 6 March, standing at 0.22%, 0.25%, 0.28% and 0.31% respectively on 3 April.

Between 6 March and the end of the second maintenance period of 2013 on 12 March, the EONIA remained stable at around 0.065%, amid continued excess liquidity. The same levels were observed in the maintenance period starting on 13 March, with the exception of the last day of the first quarter 2013, when the EONIA spiked at 0.11% (see Chart 10).

Between 6 March and 3 April, the Eurosystem conducted several refinancing operations. In the main refinancing operations of the third maintenance period of 2013, which were conducted on 12, 19 and 26 March and 2 April, the Eurosystem allotted €127.3 billion, €119.4 billion, €123.2 billion and €124.9 billion respectively. The Eurosystem also conducted two longer-term refinancing operations (LTROs) in March, both as fixed rate tender procedures with full allotment, namely a special-term refinancing operation with a maturity of one maintenance period on 12 March (in which €4.2 billion was allotted) and a three-month LTRO on 27 March (in which €9.1 billion was allotted). Moreover, counterparties continued to have the option, on a weekly basis, to voluntarily repay funds borrowed in the three-year LTROs allotted on 21 December 2011 and 29 February 2012 before maturity. As at 3 April, €244.7 billion had been repaid since 30 January 2013, with €162.5 billion being accounted for by repayments relating to the LTRO allotted on 21 December 2011 and €82.3 billion by repayments relating to the LTRO allotted on 29 February 2012.

The Eurosystem also conducted four one-week liquidity-absorbing operations as variable rate tender procedures with a maximum bid rate of 0.75% on 12, 19 and 26 March and 2 April. With these operations, the Eurosystem absorbed all the liquidity associated with bond holdings under the Securities Markets Programme.

After having reached record levels in the second quarter of 2012, excess liquidity declined further during the second maintenance period of 2013 (from €545.2 billion to €442.7 billion). This development mainly reflected the early repayments of funds allotted in the two three-year LTROs. While average daily recourse to the deposit facility decreased to €145.3 billion, from €184.3 billion in the previous maintenance period, current accounts in excess of reserve requirements decreased from, on average, €360.9 billion to €297.4 billion.

2.4 BOND MARKETS

Between the end of February and 3 April 2013, yields on AAA-rated long-term government bonds in the euro area decreased moderately by around 13 basis points, to stand at around 1.7%. In the United States, long-term government bond yields declined slightly over the same period, standing at around 1.8% on 3 April. Risk sentiment in the euro area remained generally positive until mid-March despite a weak growth outlook, before deteriorating somewhat due to domestic uncertainty in some euro area countries. In the United States, market sentiment was driven, inter alia, by the political decision to extend the deadline for spending cuts. In Japan, long-term government bond yields declined by around 10 basis points owing to expectations of further monetary easing. Uncertainty about future bond market developments in the euro area declined somewhat in the review period. Market-based indicators of long-term inflation expectations remain fully consistent with price stability.

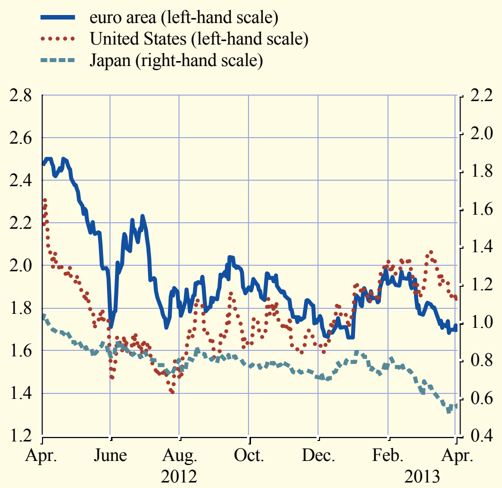
Between the end of February and 3 April, yields on AAA-rated long-term government bonds in the euro area decreased moderately by around 13 basis points, to stand at around 1.7% on 3 April (see Chart 11). In the United States, long-term government bond yields declined slightly by around 7 basis points, standing at around 1.8% on 3 April. In Japan, ten-year government bond yields declined by 10 basis points over the same period to stand at 0.6% on 3 April.

AAA-rated euro area government bond yields remained broadly unchanged until mid-March despite the weak macroeconomic outlook. In particular, growth outlook in the euro area was affected by recent data releases on employment and manufacturing activity. However, following the announcement of a Cypriot support package, AAA-rated euro area government bond yields declined somewhat due to renewed flight-to-safety flows.

The yields on long-term government bonds of the United States declined slightly to stand at around 1.8%. At its meeting on 20 March, the Federal Reserve System decided to maintain its asset purchase programmes at a pace of USD 85 billion per month and reiterated its forward guidance for low rates, i.e. to keep interest rates low as long as unemployment remains above 6.5% and the inflation outlook remains below 2.5%. The US Congress approved legislation to extend funding for the government until the end of September, thus limiting the negative impact on US growth of automatic spending cuts. Economic data releases for the United States were generally mixed,

Chart 11 Long-term government bond yields

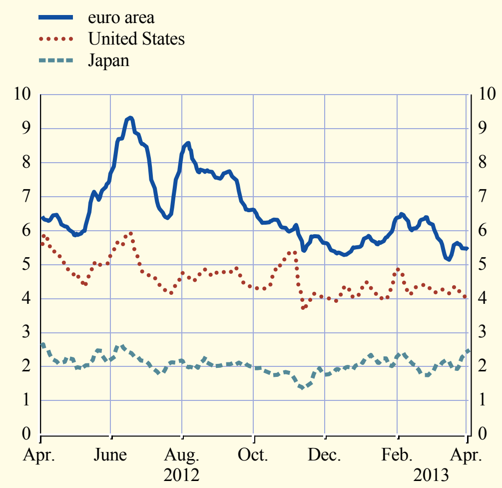
(percentages per annum; daily data)



Sources: EuroMTS, ECB, Bloomberg and Thomson Reuters.
Notes: Long-term government bond yields refer to ten-year bonds or to the closest available bond maturity. The euro area bond yield is based on the ECB's data on AAA-rated bonds, which currently include bonds from Austria, Finland, France, Germany and the Netherlands.

Chart 12 Implied government bond market volatility

(percentages; daily data)



Source: Bloomberg.
Notes: Implied government bond market volatility is a measure of uncertainty surrounding the short term (up to three months) for German and US ten-year government bond prices. It is based on the market values of related traded options contracts. Bloomberg uses implied volatility of the closest-to at-the-money strikes for both puts and calls using near-month expiry futures.

with positive employment, housing and manufacturing figures, while some survey data were worse than expected, possibly reflecting concerns about the potential impact of government spending cuts.

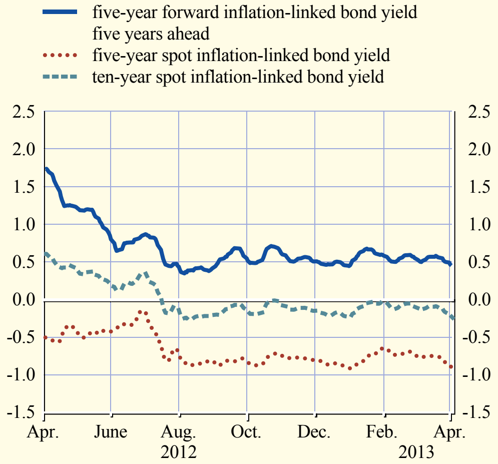
During the review period, developments in the stressed segments of the euro area government bond market were mixed. Conditions generally improved until mid-March, with an overall reduction in yields observed on the secondary market and comfortable issuance in the primary market. In some stressed euro area sovereigns that are not under an EU-IMF programme, the issuance from the beginning of the year to date was even ahead of last year's issuance over the same period. This reflected a perceived reduction in tail risk and cross-country contagion, which relates to the announcement of Outright Monetary Transactions (OMTs) last year. But after the announcement of a Cypriot aid deal, while the initial bond market reaction was quite positive, risk sentiment deteriorated somewhat. This was mostly because market participants were reflecting on the potential consequences of the Cypriot deal for other distressed countries, which led to a moderate rise in bond yields of some euro area countries under stress.

Investor uncertainty about near-term bond market developments in the euro area, as measured by option-implied volatility, declined over the review period. In mid-March it reached a new low – the lowest level since April 2010 – of 5.1% (see Chart 12) before increasing at the end of the review period to 5.3%. By contrast, implied volatility in the United States remained broadly unchanged at relatively low levels (4%) close to pre-crisis levels.

The yields on both ten-year and five-year inflation-linked euro area government bonds decreased by around 15 basis points from the end of February to 3 April, standing at around -0.3% and -0.9% respectively (see Chart 13). The outlook for growth weighed on real rates, especially for the short maturities. For the longer maturities, the implied forward real interest rates in the

Chart 13 Euro area zero coupon inflation-linked bond yields

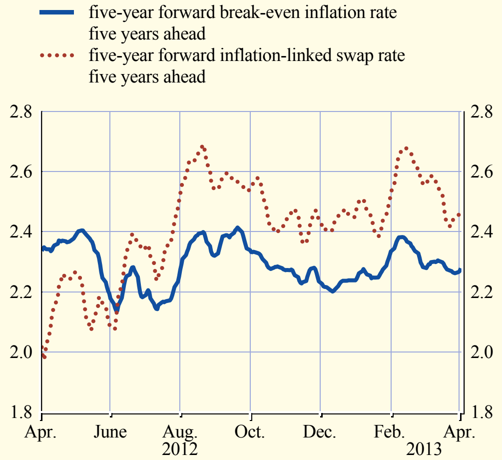
(percentages per annum; five-day moving averages of daily data; seasonally adjusted)



Sources: Thomson Reuters and ECB calculations.
Notes: Since the end of August 2011 real rates have been computed as a GDP-weighted average of separate real rates for France and Germany. Before this date, real rates were computed by estimating a combined real yield curve for France and Germany.

Chart 14 Euro area zero coupon break-even inflation rates and inflation-linked swap rates

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



Sources: Thomson Reuters and ECB calculations.
Notes: Since the end of August 2011 break-even inflation rates have been computed as a GDP-weighted average of separately estimated break-even rates for France and Germany. Before this date, break-even inflation rates were computed by comparing yields from the nominal yield curve of AAA-rated euro area government bonds with a combined real yield curve derived from French and German inflation-linked government bonds.

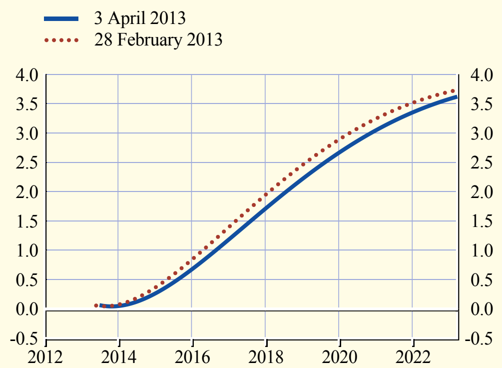
euro area (five-year forward five years ahead) fell by 13 basis points at 0.4%.

Regarding financial market indicators of long-term inflation expectations in the euro area, the five-year forward break-even inflation rates five years ahead implied by inflation-linked bonds decreased by less than 10 basis points to stand at around 2.5% at the end of the review period (see Chart 14). The corresponding inflation swap forward rate remained broadly unchanged, standing at around 2.3% at the end of the review period. Overall, market-based indicators suggest that inflation expectations remain firmly anchored in line with price stability.[1]

The term structure of the implied forward overnight interest rates in the euro area shifted downwards slightly across maturities over the review period, reflecting the deterioration in the outlook for economic activity (see Chart 15).

Chart 15 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.

1 For a more thorough analysis of the anchoring of long-term inflation expectations, see the article entitled "Assessing the anchoring of longer-term inflation expectations", *Monthly Bulletin,* ECB, July 2012.

In the period under review, spreads on investment-grade corporate bonds in the euro area (relative to the Merrill Lynch EMU AAA-rated government bond index) increased across all rating classes. This reflects increasing spreads on bonds of financial issuers and broadly unchanged spreads on bonds of non-financial issuers. Overall, corporate bond spreads continue to remain low by historical standards.

2.5 INTEREST RATES ON LOANS AND DEPOSITS

In January 2013, lending rates on loans to households for house purchase remained unchanged in the case of short-term maturities, while they decreased for longer maturities. For non-financial corporations, lending rates remained broadly unchanged in the case of small loans, both at short and long maturities. Regarding large loans to non-financial corporations, lending rates decreased at short maturities while they increased for long-term loans. The spreads between the rates on small and large loans to non-financial corporations remained at elevated levels. They narrowed slightly for longer maturities but increased for short-term loans.

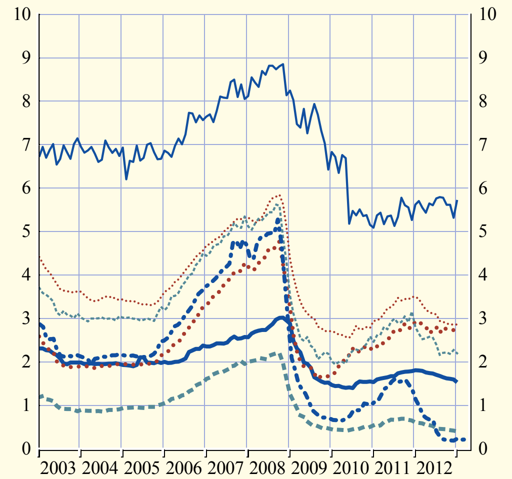
In January 2013 short-term MFI interest rates on deposits registered marginal changes, to the upside for non-financial corporations and to the downside for households. Overdraft rates increased slightly for both non-financial corporations and households. Turning to MFI lending rates, short-term interest rates on loans to households for house purchase remained stable, at 2.9%, while those on consumer credit increased from 5.3% in December 2012 to 5.6% in January 2013. Concerning non-financial corporations, in January short-term rates on large loans (i.e. loans of more than €1 million) declined by 8 basis points, to 2.2%, and short-term rates on small loans (i.e. loans of up to €1 million) remained almost unchanged at 3.8% (see Chart 16). Accordingly, the spread between short-term rates on small loans to non-financial corporations and the corresponding rates on large loans increased somewhat in January, to 160 basis points. This continued elevated level suggests that financing conditions remain persistently tighter for small and medium-sized enterprises than for large firms. In the case of overdrafts, rates increased by 3 basis points, to 8.4% for households and to 4.0% for non-financial corporations.

Overall, as a result of the EURIBOR increasing in January 2013, the spread between the three-month money market rate and short-term MFI interest

Chart 16 Short-term MFI interest rates and a short-term market rate

(percentages per annum; rates on new business)

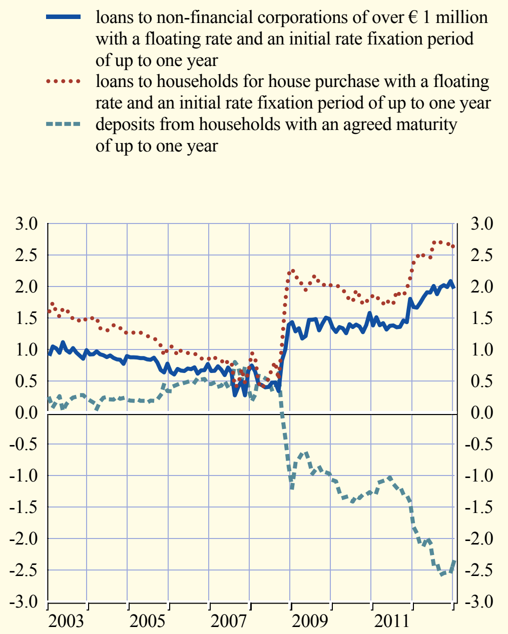
- deposits from households redeemable at notice of up to three months
- deposits from households with an agreed maturity of up to one year
- overnight deposits from non-financial corporations
- loans to households for consumption with a floating rate and an initial rate fixation period of up to one year
- loans to households for house purchase with a floating rate and an initial rate fixation period of up to one year
- loans to non-financial corporations of over €1 million with a floating rate and an initial rate fixation period of up to one year
- three-month money market rate



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).

Chart 17 Spreads of short-term MFI interest rates vis-à-vis the three-month money market rate

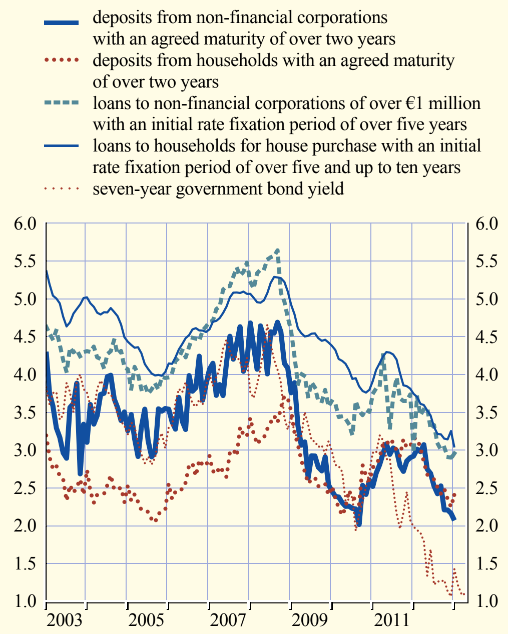
(percentage points; rates on new business)



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 18 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).

rates on loans to households declined to 2.6 percentage points, while that between corresponding rates for non-financial corporations declined by 10 basis points to 2.0 percentage points (see Chart 17).

From a longer-term perspective, since the beginning of 2012, short-term MFI interest rates both on loans to households for house purchase and large loans to non-financial corporations have decreased by around 60 basis points. This development reflects to some extent the pass-through of changes in market rates to bank lending rates following the cuts in key ECB interest rates since November 2011, and the effects of the non-standard measures implemented or announced by the ECB over this period. Indeed, the decline in short-term lending rates relates particularly to the substantial improvements both in banks' cost of funds and in their access to funding.

Turning to longer maturities, MFI interest rates on long-term deposits from households increased by 17 basis points, to 2.4% in January, while those on long-term deposits from non-financial corporations declined by 9 basis points, to 2.1%. Regarding loans of long-term maturity, rates on long-term loans to households for house purchase declined while rates on long-term loans to non-financial corporations increased. Specifically, rates on loans to households for house purchase with an initial rate fixation period of between five and ten years decreased by 22 basis points, to 3.0%, remaining at historically low levels. By contrast, long-term rates on large loans to non-financial corporations (with an initial rate fixation period of over five years) increased by 5 basis points, to 3.0% (see Chart 18). Likewise, long-term rates on small loans to non-financial corporations remained almost unchanged, at 3.4%. The spread between long-term rates on small loans and those on large loans continued to narrow, from 50 basis points in December 2012 to 43 basis points in January 2013, but remained above the historical average recorded over the period since 2003 (30 basis points). As the yields on AAA-rated seven-year government bonds increased by 36 basis points, to 1.4% in January, the spread between long-term lending rates and the yields on AAA-rated seven-year government bonds narrowed for both housing loans and loans to non-financial corporations.

Looking further back, the spread between long-term lending rates and the yields on AAA-rated seven-year government bonds widened somewhat in the course of 2012 and in January 2013. This reflected a decline in the yields on AAA-rated government bonds in the context of flight-to-safety flows that was stronger than the decline in long-term MFI lending rates, particularly the rates for non-financial corporations but also those for households. At the same time, the decline in long-term lending rates also reflected the pass-through of past cuts in key ECB interest rates and the benefits arising from the ECB's non-standard measures such as the two three-year LTROs of December 2011 and February 2012, as well as those arising from the announcement of OMTs in September 2012.

2.6 EQUITY MARKETS

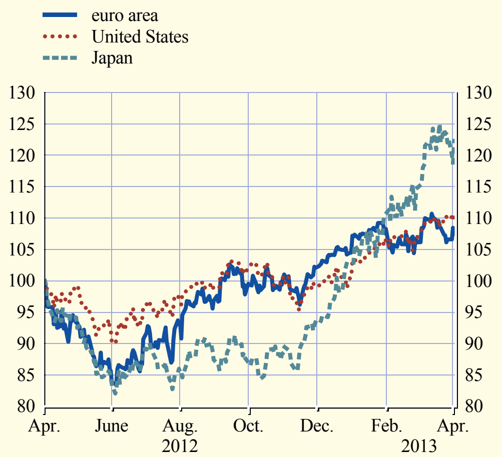
Between the end of February and 3 April 2013, stock prices increased moderately by 0.4% in the euro area. In the United States, stock prices increased by 2.6% over the same period. In the second half of the review period, developments in Cyprus weighed on euro area stock prices, notably in the banking sector. Stock market uncertainty, as measured by implied volatility, remained low by historical standards in both the euro area and the United States.

Between the end of February and 3 April 2013, equity price indices increased in the euro area and in the United States, by 0.4% and 2.6% respectively, as measured by the broad-based Dow Jones EURO STOXX index and the Standard & Poor's 500 index (see Chart 19). In the euro area, stock prices in the non-financial sector increased by 1.4%, outperforming those in the financial sector, which decreased by 4.4%. In the United States, by contrast, stock prices in both the financial sector and in the non-financial sector increased by 2.1% and 2.5% respectively. Over the same period, stock prices in Japan, as measured by the Nikkei 225 index, increased by around 7%.

As with the bond markets, domestic uncertainties in some euro area countries had no significant effect on equity prices in the first half of the review period. Economic data releases in the euro area continued to show weak

Chart 19 Stock price indices

(index: 1 April 2012 = 100; daily data)



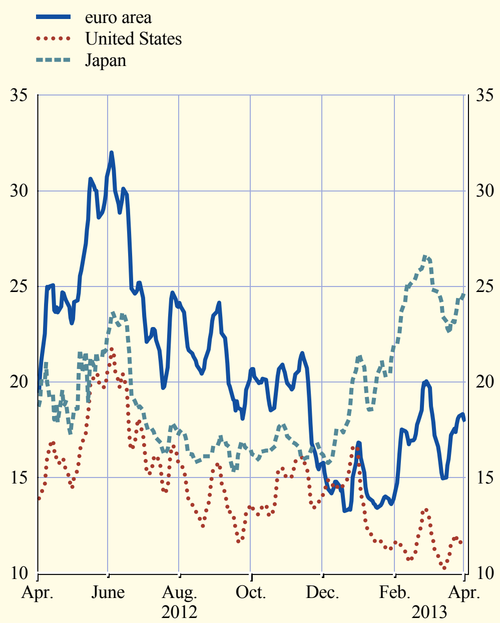
Source: Thomson Reuters.
Note: The indices used are the Dow Jones EURO STOXX broad index for the euro area, the Standard & Poor's 500 index for the United States and the Nikkei 225 index for Japan.

growth dynamics. However, on average, data releases were better than expected by market participants, particularly for soft data indicators until mid-March. Price/earnings ratios increased slightly in the review period, but remained below historical averages. After the agreement on a macroeconomic adjustment programme for Cyprus, the positive sentiment was short-lived as markets speculated about the potential consequences of the Cypriot deal. As a result, euro area bank shares declined markedly at the end of the review period.

In the United States, economic data releases continued to surprise on the upside, in particular those relating to employment conditions, in part owing to the persistent recovery in GDP growth expectations. Political agreement to postpone spending cuts until the end of September 2013 and the Federal Reserve System's decision to maintain its asset purchase programme and to reiterate its forward guidance had a positive impact on market sentiment. The new historical high reached by Standard & Poor's 500 index at the end of the review period attracted some attention. In Japan, stock prices rose significantly (by 7%) amid market expectations of further monetary easing.

Chart 20 Implied stock market volatility

(percentages per annum; five-day moving averages 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.

Stock market uncertainty in the euro area, as measured by implied volatility, decreased from 19% to 18% in the period under review. In the United States, it remained broadly unchanged around 12%, but reached a six-year low in mid-March (see Chart 20). The implied volatility of euro area stocks also remained low by historical standards, declining to end-2012 levels after the temporary increase seen during the first two months of 2013. However, in late March volatility increased slightly, owing to domestic uncertainties in some euro area countries.

Developments in the sectoral sub-indices of the euro area equity markets were mixed in the period from the end of February to 3 April 2013. The most notable decrease was in the financial sector while the strongest increases were recorded in the telecommunications, consumer and healthcare sectors. The share prices of financial companies decreased, mainly owing to the uncertainty arising from the bank restructuring in Cyprus and market participants' concerns regarding the broader implications at euro area level. In the United States, all sectoral sub-indices (except for basic materials) registered increases, with the utilities, consumer and healthcare sectors showing the strongest rises.

3 PRICES AND COSTS

According to Eurostat's flash estimate, euro area annual HICP inflation was 1.7% in March 2013, down from 1.8% in February. The ongoing decline in annual inflation rates mainly reflects the energy component of the price index. Looking ahead, price developments over the medium term should remain contained in an environment of weak economic activity in the euro area. Inflation expectations are firmly anchored and in line with price stability over the medium to long term. Risks to the outlook for price developments continue to be broadly balanced over the medium term.

3.1 CONSUMER PRICES

According to Eurostat's flash estimate, headline HICP inflation fell from 1.8% in February 2013 to 1.7% in March. This decline reflected a significant drop in the annual rate of increase in the energy component, which was partly offset by increases in non-energy industrial goods and services price inflation, whereas the inflation rate of the food component remained unchanged.

The pattern of euro area inflation in 2012 and early 2013 largely followed changes in the contribution of energy prices. In particular, the rebound in HICP inflation at mid-year was, primarily, caused by a strong increase in oil and thus energy prices. Food prices have had, on balance, relatively little impact on the recent pattern of HICP inflation, as the impact of the upward movement in unprocessed food price inflation on the headline figure was offset by the effect of the downward change in processed food price inflation on the aggregate index.

Looking at the HICP main aggregates in more detail, energy price inflation fell to 1.7% in March, according to Eurostat's flash estimate, from 3.9% in February and January. The unchanged energy price inflation in February reflected, on the one hand, a somewhat higher annual rate of increase in transport fuels and, on the other, a lower rate of increase in gas prices.

Eurostat's flash estimate for total food, which refers to inflation in processed and unprocessed food taken together, remained unchanged at 2.7% in March. No official information is available with

Table 7 Price developments

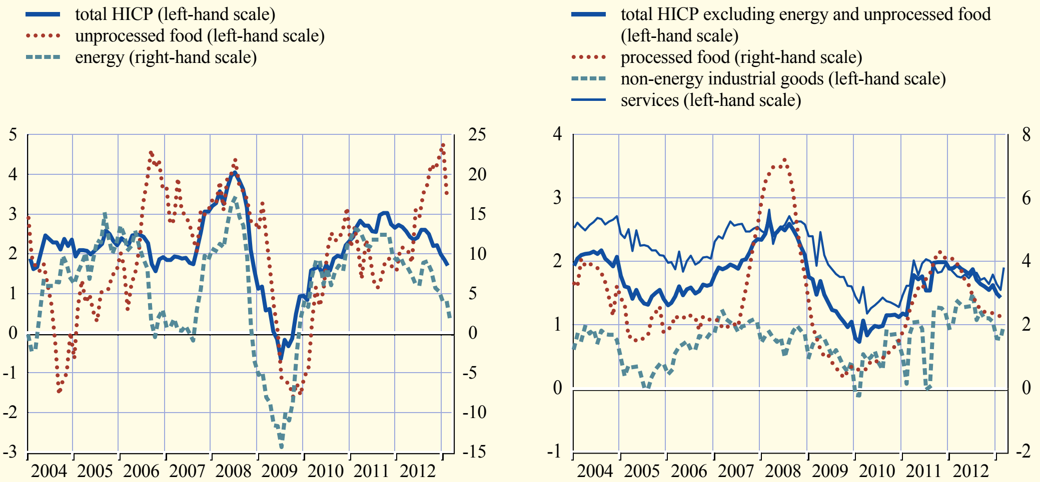
(annual percentage changes, unless otherwise indicated)

	2011	2012	2012 Oct.	2012 Nov.	2012 Dec.	2013 Jan.	2013 Feb.	2013 Mar.
HICP and its components [1]								
Overall index	2.7	2.5	2.5	2.2	2.2	2.0	1.8	*1.7*
Energy	11.9	7.6	8.0	5.7	5.2	3.9	3.9	*1.7*
Food	2.7	3.1	3.1	3.0	3.2	3.2	2.7	*2.7*
Unprocessed food	1.8	3.0	4.3	4.1	4.4	4.8	3.5	.
Processed food	3.3	3.1	2.4	2.4	2.4	2.3	2.3	.
Non-energy industrial goods	0.8	1.2	1.1	1.1	1.0	0.8	0.8	*1.0*
Services	1.8	1.8	1.7	1.6	1.8	1.6	1.5	*1.9*
Other price indicators								
Industrial producer prices	5.9	2.6	2.6	2.1	2.1	1.9	.	.
Oil prices (EUR per barrel)	79.7	86.6	85.6	84.8	82.8	84.2	86.7	84.2
Non-energy commodity prices	12.2	0.5	5.7	5.2	2.5	-3.7	-3.6	-1.6

Sources: Eurostat, ECB and ECB calculations based on Thomson Reuters data.
1) HICP inflation and its components (excluding unprocessed food and processed food) in March 2013 refer to Eurostat's flash estimates.

Chart 21 Breakdown of HICP inflation: main components

(annual percentage changes; monthly data)



Source: Eurostat.

regard to the breakdown of the food components in this month. Unprocessed food price inflation decreased to 3.5% in February, from 4.8% in January – the latter was the highest rate recorded since July 2008 – mostly on account of a steep fall in the annual rate of increase in the price of vegetables. Processed food price inflation remained unchanged at 2.3% in February, reflecting minor variations in the annual rates of changes of the main sub-components.

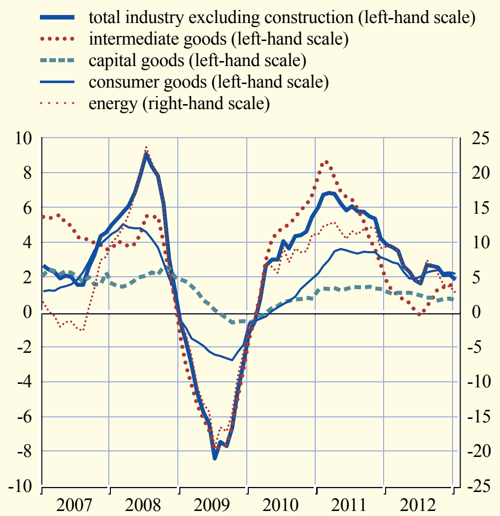
According to ECB staff calculations based on Eurostat's flash estimate, HICP excluding food and energy stood at 1.5% in March, up from 1.3% in February. This measure of underlying inflation consists of two main components: non-energy industrial goods and services. The annual rate of change in non-energy industrial goods remained unchanged at 0.8% in February. According to the flash estimate provided by Eurostat, non-energy industrial goods price inflation increased to 1.0% in March 2013. Services price inflation also increased to 1.9% in March 2013, from 1.5% in February. The strong increase between February and March was most likely due to temporary volatility related to the timing of the Easter holidays.

3.2 INDUSTRIAL PRODUCER PRICES

No new data have become available on industrial producer prices at the euro area level since the publication of the March issue of the Monthly Bulletin and the cut-off date for the April issue. Available country data suggest that the annual rate of change in euro area producer prices (excluding construction) most likely decreased in February 2013, following a moderate decline in January. In that month, industrial producer prices (excluding construction) grew at 1.9% year on year in January 2013, down from 2.1% in December 2012 (see Table 7 and Chart 22). Decreases in the annual rate of change could be observed in all main components, most notably in the energy component, where it declined from 3.6% in December to 2.8% in January. Consequently, the annual rate of change in the producer price index for industry excluding construction and energy slowed

Chart 22 Breakdown of industrial producer prices

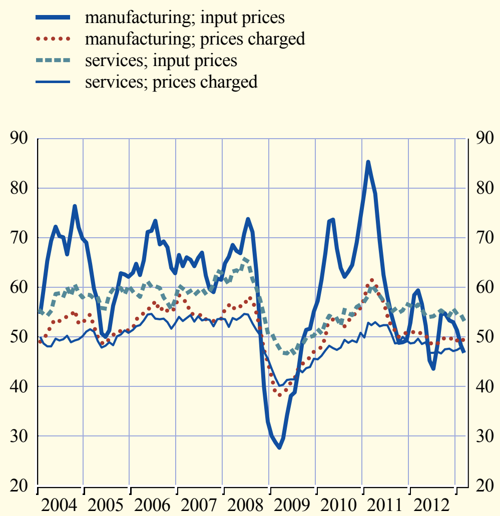
(annual percentage changes; monthly data)



Sources: Eurostat and ECB calculations.

Chart 23 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.

down to 1.4% in January 2013, from 1.6% in December 2012. Focusing on the later stages of the production chain, the annual rate of change in the consumer food component of the producer price index went up to 3.9% in January, from 3.8% in the previous month. At the same time, the annual rate of change in the non-food consumer goods component declined by 0.2 percentage point to 0.3% in January, the lowest annual rate of increase seen for two years. At the earlier stages of price formation, the annual rate of the PPI intermediate goods component eased to 1.3% in January, from 1.6% in December.

Headline indices from both the PMI and the European Commission surveys indicate that companies' price expectations remained well below their historical averages in March. With regard to the PMI (see Chart 23), the input price index for the manufacturing sector decreased from 48.3 in February to 46.8 in March and the output price index also fell from 49.9 to 49.2, remaining below the threshold value of 50, signalling falling prices. Forward-looking European Commission survey data on selling price expectations for total industry decreased further in March, owing to falling selling price expectations in all industries. Overall, producer prices and price survey data point to declining pipeline pressures.

Box 3 reviews the trends in industrial producer prices in the euro area for domestic and non-domestic sales and compares the strength of these trends before and after the onset of the 2008 crisis. It shows that there has been a shift from relatively strong domestic price trends in the pre-crisis period to relatively strong non-domestic price trends thereafter across most country sectors in the euro area.

Box 3

INDUSTRIAL PRODUCER PRICES FOR SALES IN DOMESTIC AND NON-DOMESTIC MARKETS

Developments in industrial producer prices provide analysts with two types of information. On the domestic side, they provide indications of inflationary pressures in final consumer prices that may be building up along the production chain. On the non-domestic side, they provide indications of competitiveness. In the latter case, it is useful to take into account the prices for sales in both domestic markets and non-domestic markets, as from the perspective of the individual firm, the pricing structure is likely to be determined on the basis of overall sales and profitability. This box reviews trends in industrial producer prices in the euro area for domestic and non-domestic sales and compares the strength of these trends before and after the onset of the crisis in 2008.

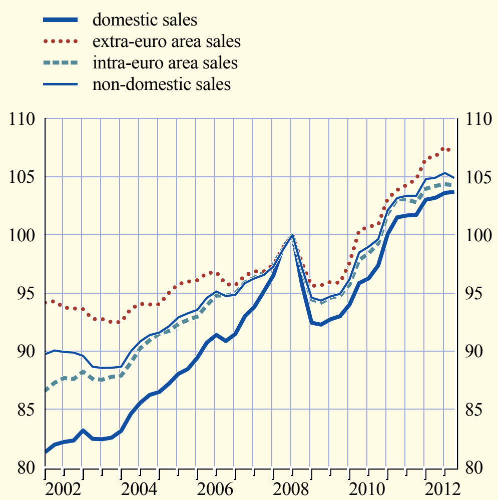
Recent euro area-wide trends

Euro area industrial producer prices for sales in domestic markets are an aggregation of the prices for domestic sales in each euro area country, while prices for sales to other euro area countries fall under non-domestic prices. In the years preceding the crisis, euro area producer prices for domestic sales recorded a much sharper increase than those for non-domestic sales, but also recorded a larger fall in the immediate aftermath of the crisis (see Chart A). Over the past few years domestic and non-domestic prices have developed in a broadly similar fashion. Among non-domestic prices, the increase in those for intra-euro area sales was stronger than that in those for sales to countries outside the euro area before the onset of crisis, but has been weaker since.

These relative trends broadly reflect the general economic developments across different regions. For example, a number of euro area countries experienced buoyant domestic demand in the pre-crisis period, which exerted upward pressure on prices for domestic sales. Conversely, in the period after the onset of the crisis, the relative strength of foreign demand outside the euro area supported more robust price increases in extra-euro area sales.

Chart A Total manufacturing producer prices for the euro area

(index: Q3 2008 = 100)



Sources: ECB calculations and Eurostat.

Euro area country and industry trends

In common with other euro area aggregate series, producer price developments at the euro area level conceal quite heterogeneous developments across countries. Furthermore, there are considerable differences across countries in the composition of the industrial sector in terms of intermediate, capital and consumer goods production.[1] This implies, for instance, that countries with a large share of intermediate goods production can experience more pronounced movements in overall producer price inflation, owing to the more prevalent impact of fluctuations in commodity prices. It is therefore best to compare developments in domestic and non-domestic prices at both the individual country and industry level.

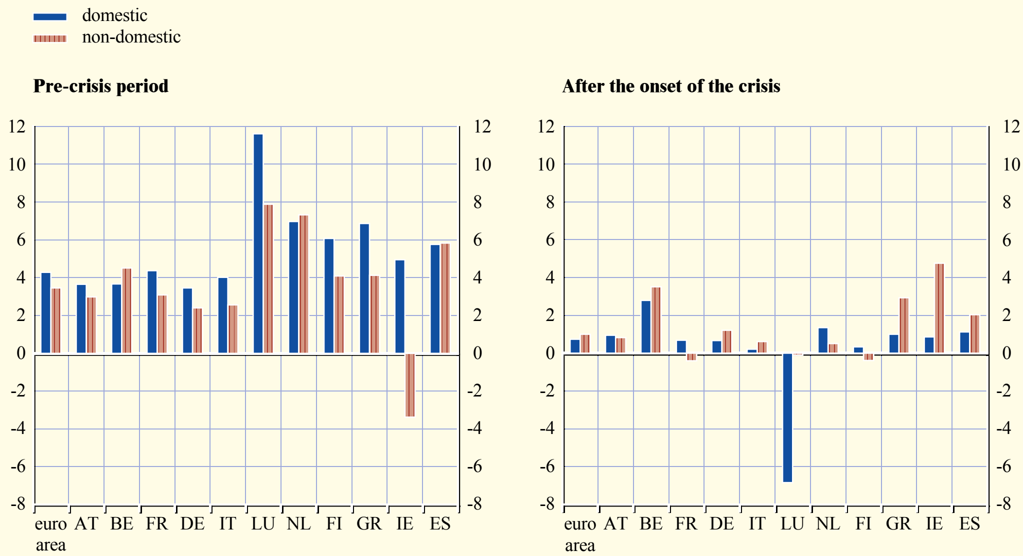
With regard to intermediate goods industries, in the four-year period prior to the crisis euro area domestic prices increased by 4.3% per annum on average and, thus, more strongly than non-domestic prices (3.5% per annum). In the period after the onset of the crisis, these relative magnitudes reversed slightly, with annual average price increases of 0.7% in domestic prices and 1.0% in non-domestic prices (see Chart B). This rebalancing between domestic and non-domestic price trends took place in the majority of euro area countries and was particularly pronounced in Greece, Ireland and Luxembourg. For instance, in Greece, the average annual increase in domestic prices in the pre-crisis period was roughly 3 percentage points higher than that in non-domestic prices, while it was about 2 percentage points lower after the onset of the crisis.

A similar picture can be observed for capital goods industries at the euro area level and in the majority of euro area countries – in particular Finland, but also Greece and Luxembourg (see Chart C). In Finland, this reversal in relative developments mainly reflects the change from

1 See also the box entitled "Update of the index and weight reference year to 2010 for short-term business statistics" in this issue of the Monthly Bulletin. For instance, the weight of non-durable consumer goods industries in the overall producer price index is relatively high in Ireland and Cyprus, while for capital goods this is the case in Germany and Finland, and for intermediate goods industries this is the case in Luxembourg and Malta.

Chart B Intermediate goods producer prices

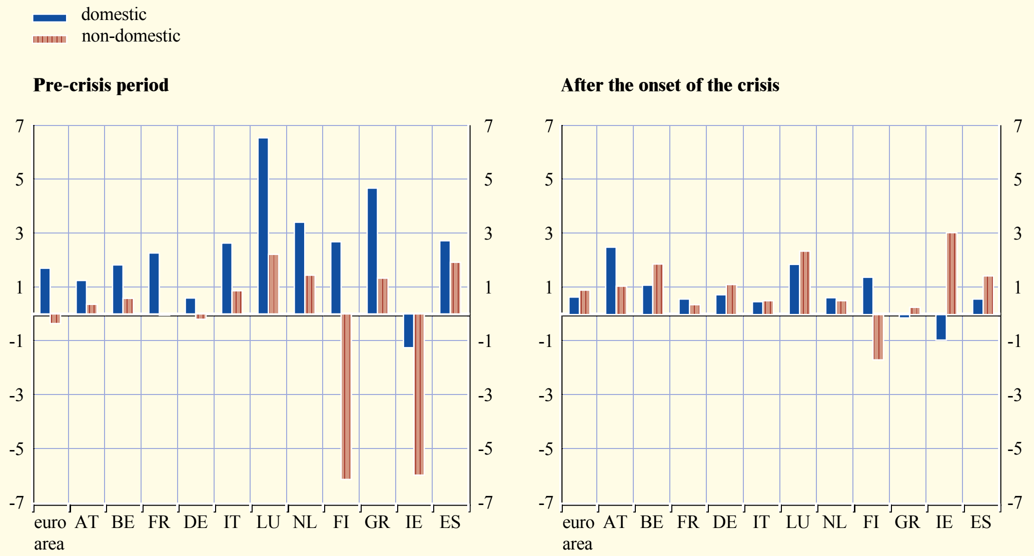
(annual average percentage changes)



Sources: ECB calculations and Eurostat.
Notes: The pre-crisis period is from the third quarter of 2004 to the third quarter of 2008. After the onset of the crisis covers the period from the third quarter of 2008 to the fourth quarter of 2012. Non-domestic price series are not available for Portugal. For presentational purposes, the countries are not listed in the EU protocol order.

Chart C Capital goods producer prices

(annual average percentage changes)



Sources: ECB calculations and Eurostat.
Notes: The pre-crisis period is from the third quarter of 2004 to the third quarter of 2008. After the onset of the crisis covers the period from the third quarter of 2008 to the fourth quarter of 2012. Non-domestic price series are not available for Portugal. For presentational purposes, the countries are not listed in the EU protocol order.

a pronounced average annual decline of 6.2% in non-domestic prices in the pre-crisis period to an average annual decrease of 1.7% after the onset of the crisis.

Finally, for non-durable consumer goods industries[2] in the euro area as a whole, there was again a stronger average increase in domestic prices than in non-domestic prices in the pre-crisis period and some reversal afterwards (see Chart D). This pattern was replicated across a number of countries, in particular France, Greece and Spain. However, it was not quite as consistent across countries as in the case of intermediate and capital goods industries. For instance, in Belgium, average increases in non-domestic prices were lower than those in domestic prices in both periods, while in Germany, they were higher in both periods.

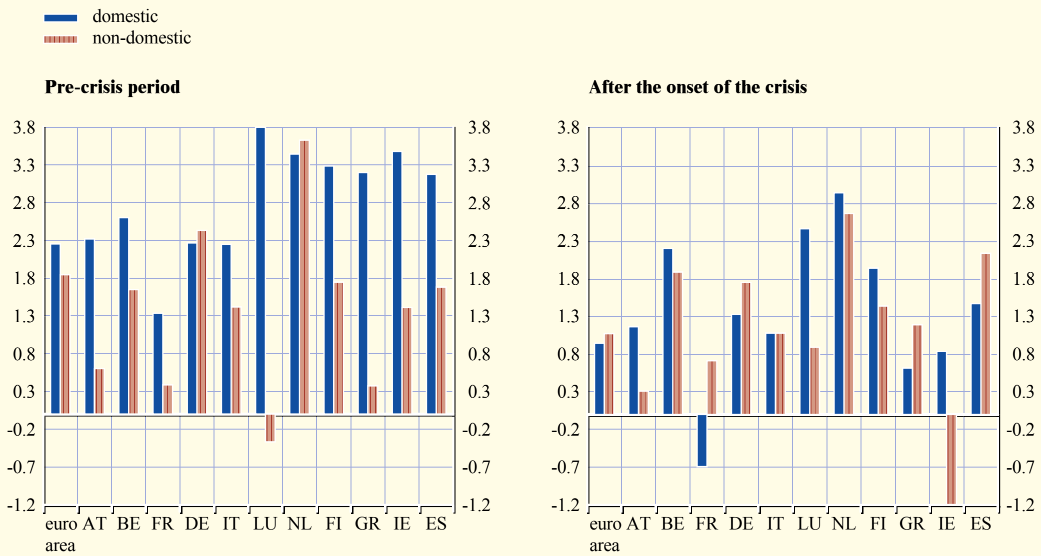
Changes in trends of domestic and non-domestic prices seem to be more pronounced in the smaller euro area countries. This may reflect the often more specialised nature of industries in these countries and the possibility that the industries are dominated by a small number of large and globally operating firms. In such cases, if a dominant firm comes under, for instance, strong pressure to adjust prices in international markets, or if it rapidly loses weight in the domestic industry by relocating its production elsewhere, this will be visibly evident in producer price developments for the industry as a whole.

Overall, the adjustment from relatively strong domestic price trends in the pre-crisis period to relatively strong non-domestic price trends after the onset of the crisis can be observed across sectors in the euro area countries. In a number of cases, this may reflect that in the pre-crisis period firms kept prices for non-domestic sales low and gained market shares by using profit

2 The focus here is on non-durable consumer goods industries, as durable goods only account for a very small weight in the overall producer price index for manufacturing and industry.

Chart D Non-durable consumer goods producer prices

(annual average percentage changes)



Sources: ECB calculations and Eurostat.
Notes: The pre-crisis period is from the third quarter of 2004 to the third quarter of 2008. After the onset of the crisis covers the period from the third quarter of 2008 to the fourth quarter of 2012. Non-domestic price series are not available for Portugal. For presentational purposes, the countries are not listed in the EU protocol order.

margins realised in buoyant domestic markets. Since the onset of the crisis there has clearly been less scope for such pricing behaviour given the substantial deterioration in domestic demand conditions. However, in view of these conditions, the relative downward adjustment of domestic prices thus far seems to have been modest in a number of euro area countries, particularly those under financial stress. A conclusive assessment of pricing behaviour would need to draw on even more disaggregated data, especially in view of the highly specialised nature of the manufacturing sectors in the smaller economies.

3.3 LABOUR COST INDICATORS

As evidenced by the latest releases of labour cost indicators, domestic pressures on prices stemming from labour costs remained subdued in 2012 (see Table 10 and Chart 24). Wage growth moderated compared with 2011, amid a weakening in economic activity and a rise in the slack in the labour market.

In the fourth quarter of 2012, as well as the year as a whole, wage growth, measured both by hours and per person, slowed markedly at the euro area level compared with the previous year. This development was more pronounced in the public sector than in the private sector. At the same time, labour cost indicators exhibit significant divergences at the country level. While nominal wages and unit labour costs are growing very little or even declining in some euro area countries, wage growth remains robust in others.

At the euro area level, the annual rate of growth of negotiated wages remained unchanged at 2.2% in the fourth quarter of 2012 compared with the previous one. Overall in 2012, average annual growth

Table 8 Labour cost indicators

(annual percentage changes, unless otherwise indicated)

	2010	2011	2012	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Negotiated wages	1.7	2.0	2.1	2.0	2.0	2.2	2.2	2.2
Hourly labour cost index	1.5	2.2	1.6	2.2	1.5	1.9	1.8	1.3
Compensation per employee	1.9	2.1	1.7	2.2	1.9	1.7	1.8	1.3
Memo items:								
Labour productivity	2.5	1.2	0.1	0.7	0.4	0.3	0.0	-0.2
Unit labour costs	-0.7	0.9	1.6	1.5	1.4	1.4	1.7	1.4

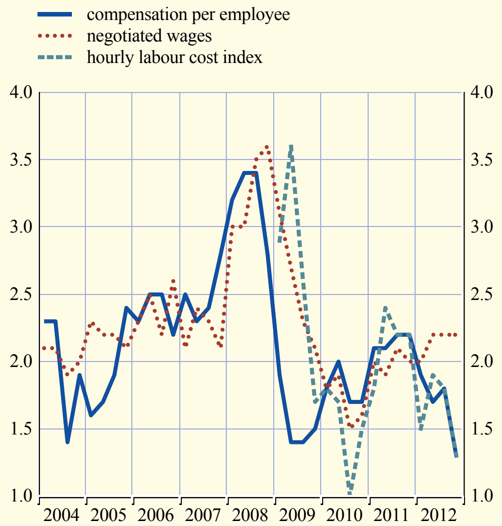
Sources: Eurostat, national data and ECB calculations.

amounted to 2.1%, up from 2.0% in 2011. Preliminary data on negotiated wages for the first quarter of 2013 suggest a renewed moderation of this indicator. The annual rate of change in hourly labour costs decreased significantly, from 1.8% in the third quarter of 2012 to 1.3% in the fourth quarter. This deceleration reflected, primarily, developments in the non-business economy, which were dominated by changes in the government sector, whereas the slowdown in the business economy sector was less pronounced. Overall, non-wage costs continued to grow at a faster rate than the wages and salaries component of euro area hourly labour costs. In 2012 as a whole, compensation per hour worked grew at a rate of only 1.6% year on year, compared with 2.2% in 2011.

Annual labour productivity growth in the euro area turned negative in the fourth quarter of 2012, dropping by 0.2%. On average, the level of labour productivity remained almost unchanged in 2012, after exhibiting an annual growth rate of 1.2% in 2011. The growth in compensation per employee decelerated to 1.3% in the fourth quarter, from 1.8% in the third quarter. In 2012 as a whole, compensation per employee grew by 1.7%, on average, and remained clearly below the rate of 2.1% observed in 2011. Reflecting, inter alia, an upward impact of lower productivity growth, unit labour cost growth stood at 1.4% in the fourth quarter of 2012, compared with 1.7% in the third quarter. Overall in 2012, unit labour cost growth rose to 1.6%, from 0.9% in 2011, mainly on account of labour productivity rising at a significantly slower pace than compensation per employee. Looking ahead, wage pressures should remain contained, given the weak labour market conditions, as shown in Box 5 entitled "Estimates of slack in the labour market". However, the rise in euro area unemployment is also likely to reflect a rise in structural unemployment and, therefore, put less downward pressure on wages than it otherwise would. Further ambitious structural reforms in many euro area countries are needed to remove rigidities in both labour and product markets.

Chart 24 Selected labour cost indicators

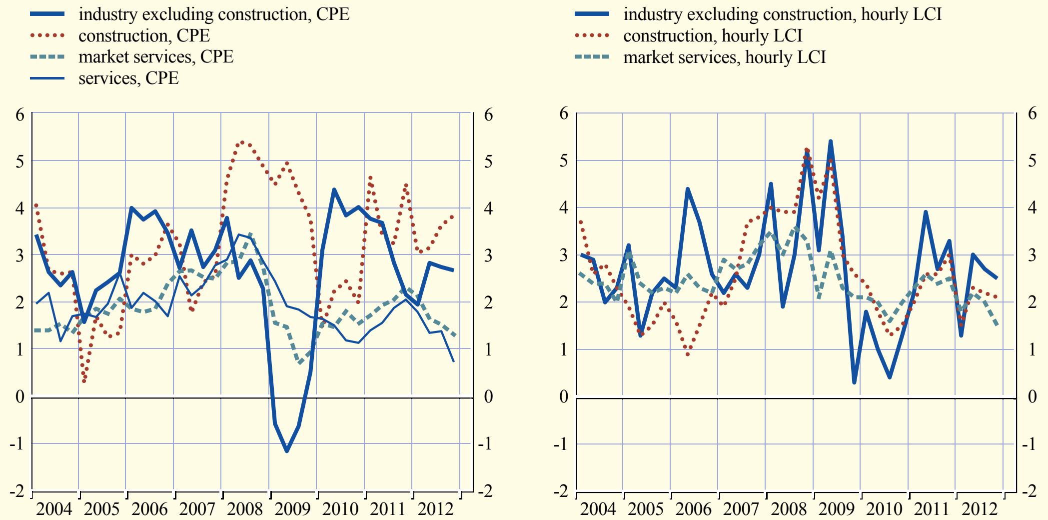
(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.

Chart 25 Sectoral labour cost developments

(annual percentage changes; quarterly data)



Sources: Eurostat and ECB calculations.
Note: CPE stands for compensation per employee and LCI stands for labour cost index.

3.4 THE OUTLOOK FOR INFLATION

Looking ahead, price developments over the medium term should remain contained in an environment of weak economic activity in the euro area. Inflation expectations are firmly anchored and in line with price stability over the medium to long term.

Risks to the outlook for price developments continue to be broadly balanced over the medium term, with upside risks relating to stronger than expected increases in administered prices and indirect taxes, as well as higher oil prices, and downside risks stemming from weaker economic activity.

4 OUTPUT, DEMAND AND THE LABOUR MARKET

The outcome for real GDP in the fourth quarter of 2012 was weak, with Eurostat's second estimate indicating a contraction of 0.6% quarter on quarter. The decline was largely due to a fall in domestic demand but also reflected a drop in exports. Recent data and indicators confirm that the economic weakness extended into the early part of the year. Looking forward, euro area export growth should benefit from a recovery in global demand and the monetary policy stance should contribute to support domestic demand. Furthermore, the improvements in financial markets seen since last summer should work their way through to the real economy, notwithstanding recent uncertainties. Together, this should help stabilise euro area economic activity and lead to a gradual recovery in the second part of the year. At the same time, necessary balance sheet adjustments in the public and private sectors, and the associated tight credit conditions, will continue to weigh on economic activity. This economic outlook for the euro area remains subject to downside risks.

4.1 REAL GDP AND DEMAND COMPONENTS

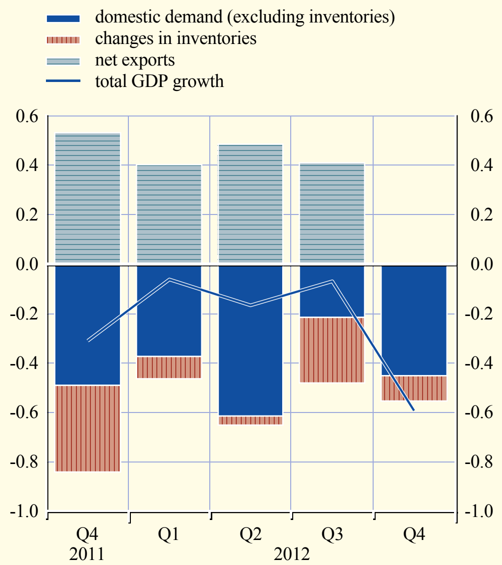
Real GDP contracted by 0.6% in the fourth quarter of 2012, having declined by 0.1% in the third quarter (see Chart 26). Weak domestic demand and changes in inventories continued to make a negative contribution alongside a fall in exports. In the fourth quarter of 2012 output stood 3% below its pre-recession peak in the first quarter of 2008.

Private consumption declined by 0.4% quarter on quarter in the fourth quarter of 2012, thereby having declined for five consecutive quarters. This most likely reflects a fall in retail trade and a decline in car purchases, which were only partly offset by a positive contribution from the consumption of services.

With regard to the short-term outlook, available information tends, on balance, to confirm that consumer spending will continue to be weak. In January the volume of retail sales rose by 1.2% month on month, to stand 0.7% above the average level recorded for the fourth quarter of 2012, when it contracted sharply, by 1.6% quarter on quarter. New car registrations increased by 5.0% month on month in February, following a decline of 9.4% in January. Nonetheless, on average in January and February they stood more than 4% below their average level in the fourth quarter of 2012, when they declined by 1.7% quarter on quarter.

Chart 26 Real GDP growth and contributions

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



Sources: Eurostat and ECB calculations.

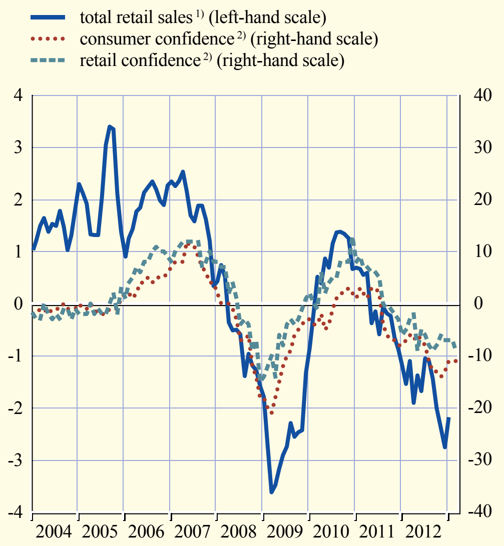
Survey data on the retail sector suggest that the consumption of retail goods weakened further in the first quarter of 2013 (see Chart 27). The Purchasing Managers' Index (PMI) for the retail sector declined from 45.2 in the fourth quarter of 2012 to 44.7 in the first quarter of 2013. By remaining below 50, it indicates a further decline in sales. Moreover, the European

Commission's indicator on consumer confidence remained broadly unchanged in March, having risen in the previous two months. However, it remains well below its long-term average and is thus consistent with continued weakness in consumer spending. The indicator on expected major purchases also remained at a low level throughout the first quarter of 2013, suggesting that consumers continue to be cautious in deciding whether or not to purchase durable goods.

Gross fixed capital formation contracted further in the fourth quarter of 2012, by 1.1% quarter on quarter. Investment has thus fallen for seven consecutive quarters, with a cumulative fall of 6% since the first quarter of 2011. With regard to the breakdown of investment in the fourth quarter of 2012, both non-construction and construction investment – each accounting for around half of total investment – fell on a quarterly basis. Capital formation is expected to contract further in the short term as a result of the continued weakness in overall economic activity.

Chart 27 Retail sales and confidence in the retail trade and household sector

(monthly data)



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

Industrial production of capital goods (an indicator of future non-construction investment) declined in January 2013, by 1.2% month on month. In the same month capital goods production stood 0.6% below its average level in the fourth quarter of 2012, when it contracted by 3.3% quarter on quarter. More timely survey results, which already cover the three months of the first quarter of 2013, also point to a further decline in the level of non-construction investment activity. In that quarter, the European Commission's industrial confidence indicator was well below its historical average, while the manufacturing PMI remained below the theoretical no-growth threshold of 50.

In January 2013 construction production contracted by 1.4% month on month, following a small increase of 0.3% in the previous month. The construction confidence indicator published by the European Commission was still well below its historical average in the first quarter, while the PMI for construction in the euro area stood significantly below 50 in January and February, pointing to continued negative developments.

With regard to euro area trade, available data suggest that, following a quarter-on-quarter contraction in the fourth quarter of 2012, euro area export and import values of goods strengthened somewhat at the start of 2013, rising in January by 2.2% and 2.9% month on month respectively. Nevertheless, euro area trade growth remains weak and the outlook is uncertain. Although the effective exchange rate of the euro has declined recently and the global economic recovery appears to be slowly gathering pace, survey indicators suggest that domestic and foreign demand in the euro area remain fragile. In February the PMI for new export orders stood at 51.7, thus exceeding the expansion threshold of 50, while in March it declined again to 48.7. The European Commission's survey on export order book levels also pointed to a deterioration in March compared with February. Overall, euro area trade growth is expected to stabilise in the first quarter of 2013, before accelerating slowly in the second quarter alongside a moderate strengthening of global activity and euro area domestic demand.

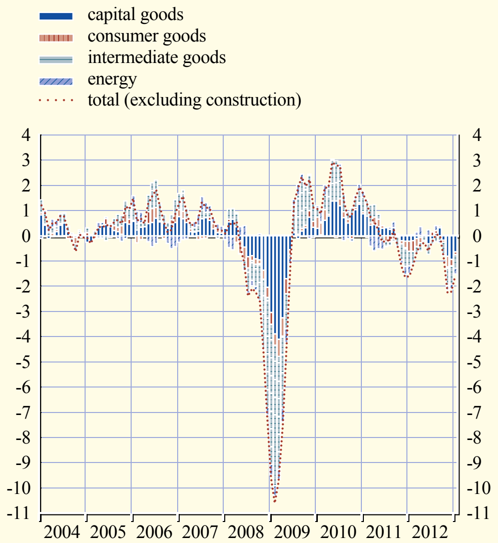
4.2 SECTORAL OUTPUT

In the fourth quarter of 2012 real value added shrank by 0.5% quarter on quarter, owing to particularly weak developments in industry (excluding construction), as well as in construction. Value added in services also contracted, albeit to a lesser extent.

With regard to developments in the first quarter of 2013, production in the industrial sector (excluding construction) declined by 0.4% month on month in January, following a rise of 0.9% in the previous month. As a result, production in January stood at the same level as in the fourth quarter of 2012. This is a relative improvement on the quarterly decline of 2.1% in the final quarter of 2012 (see Chart 28). With the release of the data for January, the base year for industrial production (and other economic indicators covered by Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics, as amended) was changed from 2005 to 2010. Box 4 explains in more detail the main implications of this change. Survey data, which are available up to March 2013, suggest a decline in output in the industrial sector in the first quarter (see Chart 29). For example, although the PMI manufacturing output index rose between the fourth quarter of 2012 and the first quarter of 2013, it was still below the expansion/contraction threshold of 50.

Chart 28 Industrial production growth and contributions

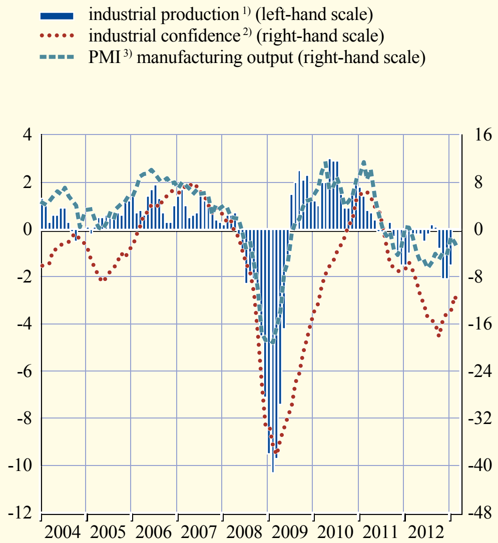
(growth rate and percentage point contributions; monthly data; seasonally adjusted)



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

Chart 29 Industrial production, industrial confidence and PMI manufacturing output

(monthly data; seasonally adjusted)



Sources: Eurostat, European Commission Business and Consumer Surveys, Markit and ECB calculations.
Note: 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.

Box 4

UPDATE OF THE INDEX AND WEIGHT REFERENCE YEAR TO 2010 FOR SHORT-TERM BUSINESS STATISTICS

Short-term business statistics, such as those for industrial production, retail sales and producer prices are expressed as indices with the base year set at 100. In line with international convention, this index base year is updated at least every five years. At the same time, Eurostat, the statistical office of the European Union, updates the weight reference year. With the release of short-term business statistics for 2013, the index and weight reference year at the European level has changed from 2005 to 2010[1], i.e. from a pre-crisis period to a reference year which reflects the structure of economic activity after the 2008-09 recession. This box explains the main changes resulting from the introduction of the new reference year.

Factors behind changes in weights

Weights are based on domestic turnover (for producer prices and retail sales) or value added (for industrial and construction production) in the prices of the base year. The update from 2005 to 2010 weights is affected by changes in both relative prices and relative quantities. For price indices, updates of index and price reference years have an impact via changes in relative quantities, while the development of output indices is only affected by shifts in relative prices. Regarding the relationship between the price and quantity elements of weights, relatively high price increases would mechanically result in a larger share, but this effect may be dampened if relative quantities adjust in response. For the turnover shares, changes in relative producer prices may, for instance, reflect differences in the exposure that individual product groups have to international price developments (e.g. in commodity prices). Differential changes in input costs are not, however, relevant for the price component of value added shares, which are driven by purely domestic factors such as wage and profit developments.

Relative changes in quantities can reflect a large number of factors, including domestic and external demand developments, industrial policies or shifts in the comparative advantage of certain countries or sectors owing to technological developments. An economic interpretation of the changes in weights should be carried out with care, however, as the changes may also reflect statistical effects from changes in sources, methods and data revisions.

Changes in weighting structure across industries

Between 2005 and 2010 the weight of energy increased by 7.5 percentage points for euro area industrial producer prices (excluding construction) and by 3.0 percentage points for euro area industrial production (excluding construction) at the expense of most of the other main industry aggregates (known as the main industrial groupings). These increases also reflect changes in relative prices, as producer prices for energy increased by 23% over the period, whereas those for non-energy components increased by only 8%.

1 See Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics, as amended. A complete set of weights is available from Eurostat's website at https://circabc.europa.eu/ (in the Eurostat domain, navigate to "Short-term Statistics" and, under "Library", to the sub-folder on weights). Eurostat applies these weights from the new reference year over the whole time range and aggregates the time series to produce European statistics.

Weight breakdown in euro area short-term business statistics in 2010 and changes compared with 2005

(percentages; percentage points)

	Industrial producer prices		Industrial production	
	2010	Change from 2005	2010	Change from 2005
Total (excluding construction)	100.0	-	100.0	-
Intermediate goods	27.5	-2.5	33.6	-2.6
Capital goods	18.7	-3.3	29.2	+0.6
Consumer goods	21.9	-1.7	22.5	-1.0
Energy	31.9	+7.5	14.7	+3.0

	Construction production	
	2010	Change from 2005
Total	100.0	-
Building construction	78.5	+3.3
Civil engineering	21.5	-3.3

	Retail sales	
	2010	Change from 2005
Total	100.0	-
Food, beverages and tobacco	40.1	+1.7
Non-food products	51.1	+0.1
Automotive fuel	8.8	-1.8

Sources: Eurostat and ECB calculations.
Note: Data are provisional.

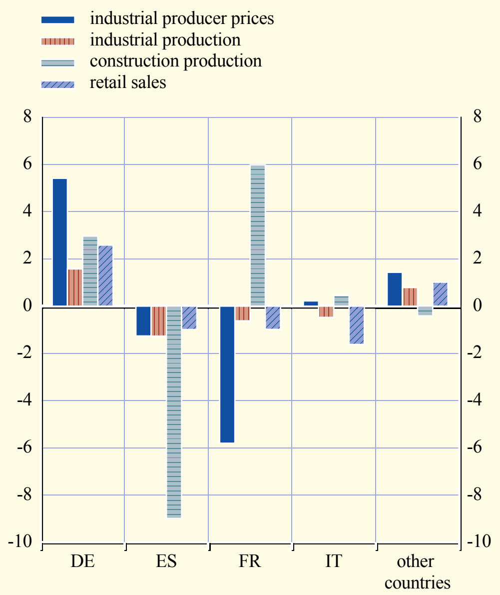
Within euro area production in construction, the dominant component, building construction, has increased its weight to 78.5% (+3.3 percentage points), which is mirrored in the reduced weight of 21.5% (-3.3 percentage points) for civil engineering. For euro area retail trade and its three main components, the share of food has increased by 1.7 percentage points to 40.1%, whereas the share of non-food is almost unchanged (+0.1 percentage point) at 51.1%. The share of retail sale of automotive fuel has been reduced by 1.8 percentage points to 8.8%.

Changes in weighting structure across countries

Further changes have been made in the weights of countries in the euro area aggregates (see the chart). The changes in weights broadly reflect the stronger recovery in the German industry and construction sectors following the 2008-09 recession compared with other euro area countries. For euro area industrial producer prices the weight of Germany has increased by 5.4 percentage points, whereas the weights of France and Spain have declined by 5.8 and 1.3 percentage points respectively. For euro area industrial production, Germany has increased and Spain has decreased its respective weight in the aggregate (+1.6 and

Changes in the shares of large euro area countries in selected indicators from 2005 to 2010

(percentage points)



Sources: Eurostat and ECB calculations.

-1.3 percentage points respectively). Similarly, for euro area retail sales, Germany has been given a higher weight (+2.6 percentage points), whereas Italy, Spain and France have reduced weights in 2010 (-1.6, -1.0 and -1.0 percentage points respectively).

Major changes have occurred in the construction industry. Spain's construction industry in particular has undergone a considerable downward revision of its share in the euro area total (-9.0 percentage points) reflecting the shrinking construction sector in Spain after the 2008-09 recession. Similarly, for Ireland (not shown in the chart) the country weight in euro area construction production decreased from 4.0% to 0.8% between 2005 and 2010. By contrast, the shares of, in particular, France and Germany have increased (+6.0 and +3.0 percentage points respectively). In the case of France, this reflects a relatively robust post-recession construction sector as a result, in part, of government incentive schemes.

Limited impact on aggregated indicators at the euro area level

Overall, despite some significant changes in the weighting structure, the rates of change in the euro area data have been affected only marginally. For example, for euro area industrial production (excluding construction) revisions in the seasonally adjusted month-on-month growth rates lie within a range of +/- 0.3 percentage point. This outcome is partly explained by broadly similar developments between 2005 and 2010 of the industrial production indices in the group of countries that experienced larger changes in their shares in the euro area aggregate; countries showing more disparate developments in industrial production saw only minor changes in their country weights.

Eurostat implemented the new weighting structure for euro area and EU aggregates at the same time for all countries and indices, whereas some national statistical institutes chose a different timing for the updating of the weights in national indices. Therefore, some national indicators used in the euro area aggregates are still based on an older weighting structure which, when updated, could lead to further revisions later in the year. In those instances where the national time series have been migrated to the new weight reference year of 2010, the underlying data in the time series are mostly also recalculated back to 2010; historical data before 2010 are then linked. This further reduces the impact of the new weighting scheme.

Current drawbacks in the weighting structure of short-term business statistics

Overall, the updated weighting scheme for short-term business statistics better reflects the structure of the euro area economy after the 2008-09 recession and therefore improves the quality and relevance of the statistical indicators. However, practices still vary regarding the use of weights for aggregations at national level, so that at the euro area level the totals and their components may not be fully consistent. Eurostat promotes a harmonised application of weights across countries.

Furthermore, with the introduction of a new weighting scheme, there is a general tendency to shorten existing time series by removing historical parts of series, often covering several years. This is unfortunate, as long and high-quality time series are crucial elements for business cycle analysis. The European Statistical System is therefore encouraged to step up efforts in the provision and maintenance of long time series.

Finally, the five-year intervals at which the weights are updated and the time needed to implement these new weights raise questions as to the extent to which five-year fixed-base indices can reflect changing economic structures in a timely manner. The chain-linked indices that have been introduced in other statistical domains (e.g. the HICP and quarterly national accounts), introducing more recent weights at annual frequency, would also be beneficial in short-term business statistics. At the European level, this is relevant in particular where national indices that are chain-linked are combined with non-chained national indices to form euro area totals.

The latest data confirm that the underlying growth momentum in the construction sector remains weak. Production shrank by 1.4% in January, thereby falling to 1.5% below the level reached in the fourth quarter of 2012. Overall, the decline in the first month of 2013, combined with further weak results from more timely surveys, points to an ongoing contraction in the construction sector.

Although the PMI index of activity in business services improved in the first quarter of 2013 compared with the previous quarter, it still stood below 50, indicating a decline in output in the services sector. Other business surveys, such as those of the European Commission, paint a similar picture.

4.3 LABOUR MARKET

The economic and financial crisis continues to weigh on euro area labour markets. Employment declined again in the fourth quarter of 2012, while the unemployment rate has continued to rise, reaching unprecedented levels. According to various estimates, both the structural unemployment rate and the unemployment gap have increased markedly over recent years (see Box 5). Survey data point to further job losses in the first quarter of 2013.

Box 5

ESTIMATES OF SLACK IN THE LABOUR MARKET

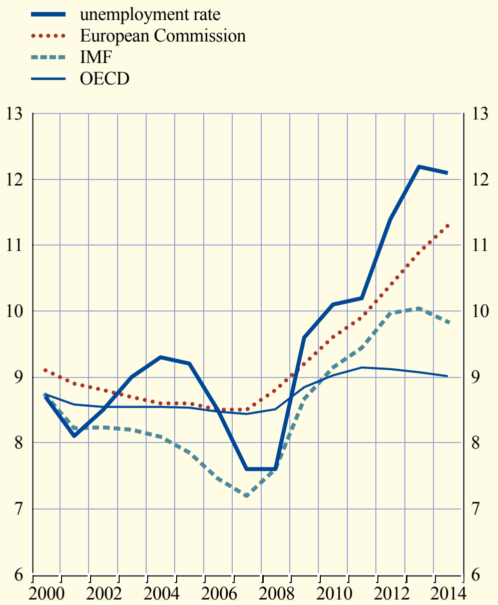
Since the outbreak of the financial crisis in 2008, several euro area countries have experienced a significant rise in their unemployment rates. According to the standard Phillips curve, an increase in the unemployment rate should exert downward pressure on wages and inflation. However, if there was a steep rise in structural unemployment for a given increase in overall unemployment, this would reduce the downward impact on wages. On the other hand, high structural unemployment points to the need for structural reforms to reduce rigidities in both labour and product markets. This box therefore studies the recent developments in the euro area unemployment rate, with a view to assessing the extent to which these developments may be attributed to cyclical and structural factors.

Recent developments in unemployment rates in the euro area

Several euro area countries have experienced a significant increase in their unemployment rates. The aggregate euro area unemployment rate increased from an annual average of 7.6% in 2007 to 11.4% in 2012. According to the European Commission's estimates, about half of this

Chart A The actual unemployment rate and estimates of the NAIRU in the euro area

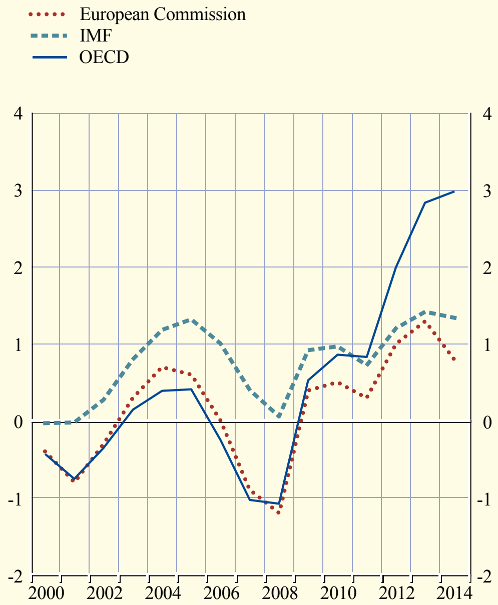
(percentages of the labour force)



Sources: October 2012 IMF World Economic Outlook, February 2013 European Commission Economic Forecast and November 2012 OECD Economic Outlook.
Note: Projections for the unemployment rate are those of the European Commission.

Chart B Estimates of the unemployment gap in the euro area

(percentage points)



Sources: October 2012 IMF World Economic Outlook, February 2013 European Commission Economic Forecast and November 2012 OECD Economic Outlook.

3.8 percentage point rise is due to an increase in structural unemployment[1]. A similar picture emerges from the estimates of the NAIRU by other international institutions (see Chart A).

The difference between the actual unemployment rate and the structural component reflects the so-called unemployment gap, which denotes the slack in the labour market (see Chart B).

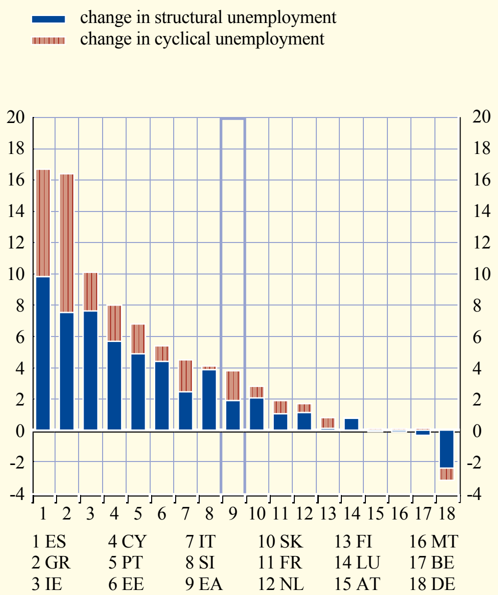
However, the extent to which the recent rise in unemployment is assessed to be structural varies considerably across countries. In some countries, both the actual unemployment rate and the estimated structural unemployment rate have changed little (Belgium, Austria and the Netherlands) or have decreased (Germany). In other countries, especially those most affected by the crisis (namely Ireland, Greece, Spain, Cyprus and Portugal), the rise in both actual unemployment and estimated structural unemployment has been particularly large (see Chart C).[2]

The rate of structural unemployment is expected to remain at elevated levels or even increase further in the short term. For 2014 the estimates of the European Commission, the IMF and the OECD range between 9% and 11%, with particularly high levels for countries such as Spain, Greece, Portugal and Ireland.

1 Throughout this box, the term "structural unemployment" is used to refer to the Non-Accelerating Inflation Rate of Unemployment (NAIRU).
2 For further information on structural unemployment, see also the 2012 Structural Issues Report entitled "Euro area labour markets and the crisis", *Occasional Paper Series*, No 138, ECB, October 2012.

Chart C Decomposition of the change in the unemployment rate between 2007 and 2012

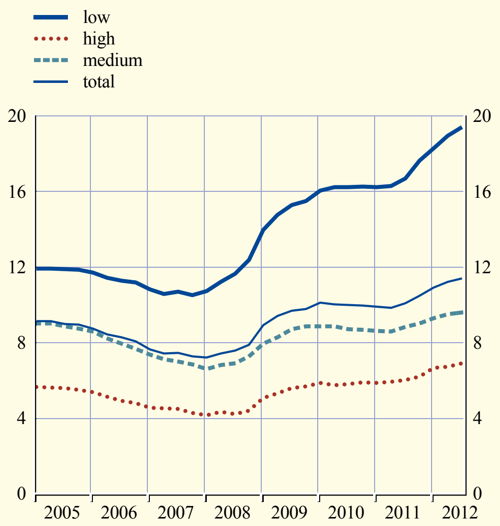
(percentage points)



Source: European Commission AMECO database.
Note: The sum of changes in structural unemployment and cyclical unemployment equals the change in total unemployment.

Chart D Unemployment rates among workers with different levels of education in the euro area

(percentages of the labour force)



Source: Eurostat.
Notes: Classification based on International Standard Classification of Education. Low: Pre-primary, primary and lower secondary education; Medium: Upper secondary and post-secondary non-tertiary education; High: First and second stage of tertiary education.

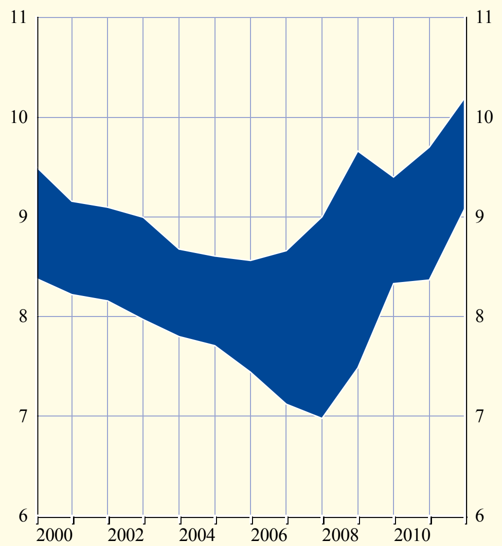
Indications of a rise in structural unemployment

Several factors may be behind the estimated recent rise in structural unemployment. First, the share of long-term unemployment has increased in many countries, as well as in the euro area as a whole. The longer the unemployed are out of work, the more likely it is that skills will diminish and their human capital will depreciate. Individuals experiencing longer periods of unemployment may be viewed less favourably by potential employers, making it harder for them to find jobs. Moreover, the longer they remain unemployed, the more discouraged they may become in their job searches and they may become increasingly detached from the labour market. The long-term unemployed may therefore become less effective in competing for jobs, resulting in a risk of a further rise in structural unemployment in the future. Second, the possible increase in mismatches between labour supply and labour demand may be another factor behind the rise in structural unemployment. In particular, the unemployment rate among the low-skilled workers has increased by far more than among the higher-skilled workers, indicating a strong fall in demand for the less-skilled, consistent with a rise in skills mismatch (see Chart D).

The increase in long-term unemployment and mismatches may be partly explained by the fact that, following the sharp decline in employment in the construction sector in many euro area countries, it may be difficult for unemployed construction workers to find jobs in other sectors of the economy.

Chart E Range of NAIRU estimates for the euro area

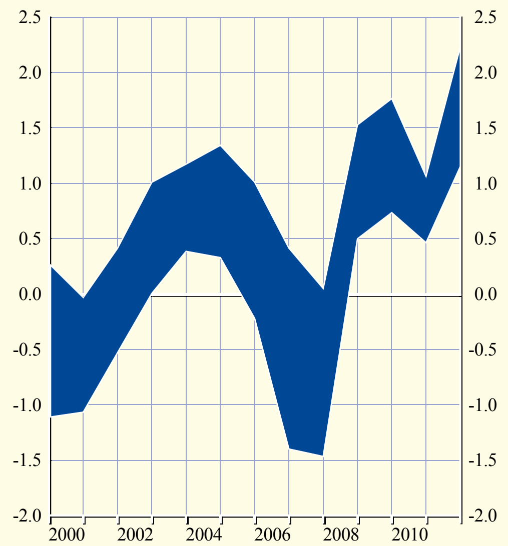
(percentages of the labour force)



Sources: European Commission, IMF and OECD.
Note: The range is derived from estimates made in the period 2004-12.

Chart F Range of unemployment gap estimates for the euro area

(percentage points)



Sources: European Commission, IMF and OECD.
Note: The range is derived from estimates made in the period 2004-12.

Uncertainty related to the estimates

It is important to emphasise that the estimates of the NAIRU and the unemployment gap should be viewed with caution, as they are surrounded by a high degree of uncertainty. First, data on actual unemployment rates are subject to considerable revisions and, in general, the more time that elapses, the larger such revisions are. Second, various methods and models used to estimate the NAIRU may produce rather different results. Moreover, in later estimates using new or revised data, both the model parameters and the results may change. Estimates by different international institutions at various points in time also underline the uncertainty surrounding the estimates of the NAIRU and the unemployment gap (see Charts E and F), with sizeable ranges between these estimates.

Overall, several euro area countries have experienced a significant rise in their unemployment rates. It is widely perceived that this increase is not only cyclical, but also partly structural. High structural unemployment points to the need for further ambitious structural reforms in many euro area countries to remove rigidities in both labour and product markets. Such measures should aim to help lower the NAIRU and reduce the persistence of unemployment.

In the fourth quarter of 2012 the level of employment fell for the sixth consecutive quarter, by 0.3% quarter on quarter (see Table 9). At the sectoral level, the latest decline reflects employment cuts in the industrial sector and, to a lesser extent, the services sector. Hours worked declined even more sharply, by 0.7% quarter on quarter in the fourth quarter. The latest survey results point to continued weak labour market developments in the first quarter of 2013 (see Chart 30).

Table 9 Employment growth

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

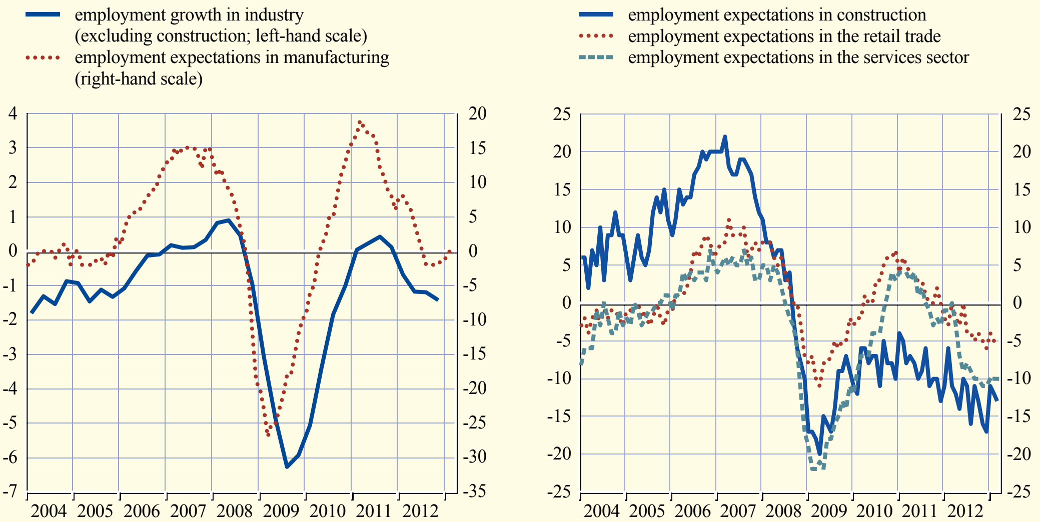
	Persons					Hours				
	Annual rates		Quarterly rates			Annual rates		Quarterly rates		
	2011	2012	2012 Q2	2012 Q3	2012 Q4	2011	2012	2012 Q2	2012 Q3	2012 Q4
Whole economy	0.3	-0.7	-0.1	-0.1	-0.3	0.2	-1.3	-0.7	0.1	-0.7
of which:										
Agriculture and fishing	-2.2	-1.6	0.3	-0.6	-1.2	-2.3	-2.0	-0.6	-0.6	-1.4
Industry	-1.0	-2.2	-0.4	-0.5	-0.8	-0.9	-3.4	-1.7	-0.4	-1.4
Excluding construction	0.2	-1.1	-0.4	0.0	-0.6	0.8	-2.1	-1.4	0.0	-1.1
Construction	-3.8	-4.8	-0.6	-1.6	-1.4	-4.1	-6.0	-2.2	-1.4	-1.9
Services	0.8	-0.1	0.0	0.1	-0.1	0.7	-0.5	-0.3	0.4	-0.5
Trade and transport	0.7	-0.8	-0.2	-0.1	-0.4	0.4	-1.4	-0.3	0.2	-0.9
Information and communication	1.5	1.4	0.5	-0.3	1.3	1.4	1.4	-0.1	0.5	0.6
Finance and insurance	-0.3	-0.8	-0.7	-0.8	0.3	-0.2	-0.8	-1.3	0.0	-0.7
Real estate activities	3.0	0.6	0.7	-1.4	1.3	3.5	-0.1	0.4	-0.4	-2.1
Professional services	2.7	0.7	0.3	0.7	-0.6	2.8	0.4	-0.2	0.7	-0.7
Public administration	0.1	-0.2	0.1	0.0	-0.1	0.1	-0.3	-0.3	0.2	0.1
Other services [1]	0.1	0.7	0.0	0.7	0.3	0.0	-0.1	-0.8	1.3	-0.4

Sources: Eurostat and ECB calculations.
1) Also includes household services, the arts and activities of extraterritorial organisations.

Productivity per person employed fell by 0.2% in annual terms in the fourth quarter of 2012, compared with flat growth in the third quarter (see Chart 31). This slowdown in growth was due mainly to developments in the construction sector. By contrast, the annual growth rate of hourly labour productivity edged up, by 0.1 percentage point, to 0.6% over the same period. Looking ahead, the latest readings of the PMI productivity index suggest continued low productivity growth in the first quarter of 2013.

Chart 30 Employment growth and employment expectations

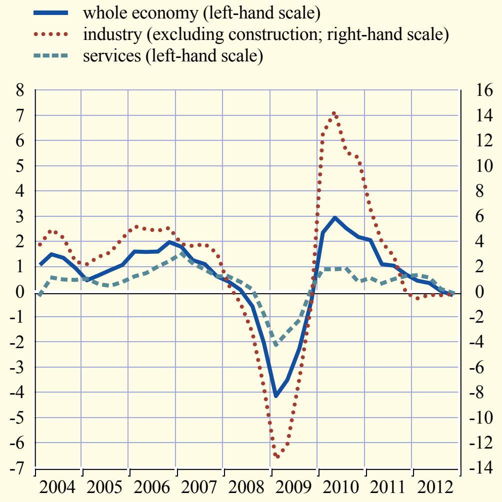
(annual percentage changes; percentage balances; seasonally adjusted)



Sources: Eurostat and European Commission Business and Consumer Surveys.
Note: Percentage balances are mean-adjusted.

Chart 31 Labour productivity per person employed

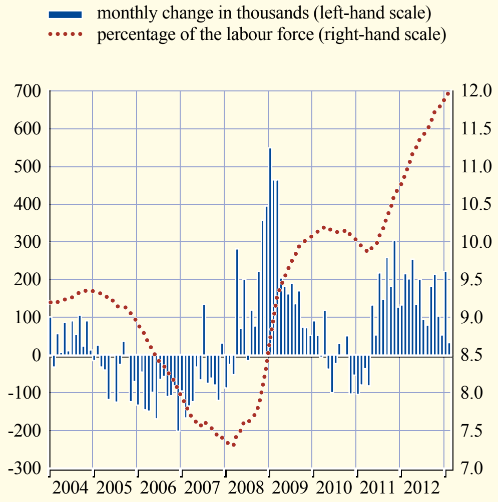
(annual percentage changes)



Sources: Eurostat and ECB calculations.

Chart 32 Unemployment

(monthly data; seasonally adjusted)



Source: Eurostat.

The unemployment rate remained at 12.0% in February, unchanged from the January result which was revised upwards. This rate is 4.7 percentage points higher than in March 2008, when it was at a cyclical low before the onset of the financial crisis (see Chart 32).

4.4 THE OUTLOOK FOR ECONOMIC ACTIVITY

Recent data and indicators confirm that the economic weakness extended into the early part of the year. Looking forward, euro area export growth should benefit from a recovery in global demand and the monetary policy stance should contribute to support domestic demand. Furthermore, the improvements in financial markets seen since last summer should work their way through to the real economy, notwithstanding recent uncertainties. Together, this should help stabilise euro area economic activity and lead to a gradual recovery in the second part of the year. At the same time, necessary balance sheet adjustments in the public and private sectors, and the associated tight credit conditions, will continue to weigh on economic activity.

This economic outlook for the euro area remains subject to downside risks. The risks include the possibility of even weaker than expected domestic demand and slow or insufficient implementation of structural reforms in the euro area. These factors have the potential to dampen the improvement in confidence and thereby delay the recovery.

Box 6 briefly reviews the main elements of the "two-pack" regulations to strengthen economic governance in the euro area.

Box 6

THE "TWO-PACK" REGULATIONS TO STRENGTHEN ECONOMIC GOVERNANCE IN THE EURO AREA

On 20 February 2013 the Council of the European Union (EU Council), the European Parliament and the European Commission reached an agreement on two EU regulations (the "two-pack"), which aim to strengthen further the existing economic governance framework for euro area countries by complementing the "six-pack" and the fiscal compact[1], in accordance with the Euro summit statement of 26 October 2011. The two EU regulations, which are based on two proposals published by the Commission in November 2011, consist in: (i) "monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area"[2]; and (ii) strengthening the "economic and budgetary surveillance of Member States experiencing or threatened with serious difficulties with respect to their financial stability in the euro area"[3]. Following formal approval by the EU Council and the European Parliament, the regulations are expected to enter into force at the end of May 2013, in order to be applied to the 2014 draft budgets. This box summarises, and briefly assesses, the main elements of the "two-pack".

Regulation on draft budgetary plans and the correction of excessive deficits

The first regulation foresees a common budgetary timeline, according to which euro area Member States will be required to publish their medium-term fiscal plans by 30 April each year, and their draft annual budget for the central government and the parameters of the budget for the general government sub-sectors by 15 October. The draft annual budget should be adopted by 31 December at the latest. The European Commission will assess the countries' draft budgetary plans. In case of "particularly serious non-compliance" with the budgetary policy obligations, as laid down in the Stability and Growth Pact (SGP), the Commission would be asked – after consultation with the Member State concerned – to adopt an opinion on the draft budgetary plans within two weeks of their submission and to publicly request revised draft budgetary plans (which are then to be submitted to the Commission no later than three weeks after the issuance of the opinion). Compliance with such a request, however, is not enforceable (although the Commission will take it into account when deciding whether an excessive deficit exists). Subsequently, the Commission will adopt a new opinion on the revised draft budgetary plans.

The regulation also requires that countries have independent bodies in place to monitor compliance with numerical fiscal rules, and that they report ex ante on their national debt issuance plans.[4] Furthermore, the regulation enhances the monitoring requirements for countries subject to an excessive deficit procedure (EDP), by obliging them to report to the Commission on a

1 For further details on the "six-pack" and the fiscal compact see, for example, the article entitled "The reform of economic governance in the euro area – essential elements", *Monthly Bulletin*, ECB, March 2011; the box entitled "Stronger EU economic governance framework comes into force", *Monthly Bulletin*, ECB, December 2011; and the article entitled "A fiscal compact for a stronger economic and monetary union", *Monthly Bulletin*, ECB, May 2012.

2 Proposal for a regulation of the European Parliament and of the Council on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (COM(2011) 821 final), European Commission, Brussels, 23 November 2011.

3 Proposal for a regulation of the European Parliament and of the Council on the strengthening of economic and budgetary surveillance of Member States experiencing or threatened with serious difficulties with respect to their financial stability in the euro area (COM(2011) 819 final), European Commission, Brussels, 23 November 2011.

4 Besides the debt issuance plans, the "two-pack" also integrates other elements of the fiscal compact, such as the requirement to prepare economic partnership programmes, which describe the policy measures and structural reforms that are needed to ensure an effective and lasting correction of the excessive deficit.

six-monthly basis on their in-year budgetary execution, the budgetary impact of discretionary measures and the government's expenditure and revenue targets. This should help to prevent, or correct in the early stages, any non-compliance with the deadline for correcting an excessive deficit. The Commission can also request that a Member State carry out a comprehensive independent audit of the general government accounts. In case of a risk of non-compliance with the deadline for correcting an excessive deficit, the Commission can publicly recommend that the Member State concerned fully implement the measures provided for in the initial country-specific EU Council recommendation, and that it adopt other measures within a time frame consistent with the EDP deadline.

Regulation on the enhanced surveillance of countries under financial stress

Under the second regulation, the European Commission may publicly decide to subject a euro area Member State to enhanced surveillance, if the country is experiencing or is threatened with serious difficulties with respect to its financial stability which are likely to have adverse spillover effects on other countries in the euro area. Furthermore, when a Member State receives financial assistance on a precautionary basis, for instance from the European Financial Stability Facility/European Stability Mechanism or the IMF, the Commission must subject that Member State to enhanced surveillance. In such cases, the country concerned must adopt measures in consultation with the Commission (in liaison with, inter alia, the ECB and, where appropriate, the IMF), aimed at addressing the (potential) sources of difficulty. It must also provide information as to the resilience of its financial system (including the results of stress tests) to the respective European authorities. The Commission, in liaison with the ECB and, where appropriate, the IMF, must then conduct regular review missions to ascertain the progress made in implementing the agreed measures. When the Commission concludes that further measures are needed and that the financial and economic situation indeed has significant adverse effects on the financial stability of the euro area or of its Member States, the EU Council may recommend that the country concerned adopt precautionary corrective measures or prepare a macroeconomic adjustment programme. The latter should include annual budgetary targets (replacing EDP targets) and should be based on an assessment of government debt sustainability. For the duration of the macroeconomic adjustment programme, the country concerned is not subject to a macroeconomic imbalance procedure. Compliance with the programme is monitored by the Commission, in liaison with the ECB and, where appropriate, the IMF. A country will remain under post-programme surveillance until a minimum of 75% of the financial assistance received has been repaid.

Assessment

The "two-pack" is a welcome addition to the reinforced EU economic governance framework for euro area Member States and a further step towards a genuine economic union, as outlined in the "Four Presidents' Report"[5] on the future of EMU. It is expected to help prevent the build-up of significant fiscal and economic imbalances, ensuring their early correction and maintaining confidence of the financial markets. The success of the "two-pack", however, will depend very much on the extent to which the Commission makes use of its new powers. In particular, it remains to be seen how strictly the Commission will interpret "particularly serious non-compliance"

5 Van Rompuy, Herman, *Towards a genuine Economic and Monetary Union*, European Council, Brussels, 5 December 2012. (Written in close collaboration with José Manuel Barroso, President of the European Commission; Jean-Claude Juncker, President of the Eurogroup; and Mario Draghi, President of the ECB.)

with the SGP, in which case the Commission would need to ask the country concerned for a revised draft budget. It is essential that the Commission make use of its new authority to issue a recommendation, ensuring that any EDP corrections remain on track, or to subject a country to enhanced surveillance.

Some aspects of the "two-pack" could have been stronger, as stated in the related legal opinion of the ECB.[6] In particular, the regulation on draft budgetary plans could have better captured the substance of the fiscal compact, notably by referring to a mandatory balanced budget rule with an automatically triggered correction mechanism. Regarding the regulation on enhanced surveillance of countries under financial stress, it would have been beneficial to strengthen some of the provisions, for example by giving the EU Council at least the possibility to make an explicit recommendation for a euro area Member State to seek financial assistance where there are significant adverse spillover effects on the financial stability of the euro area or of its Member States.

It should also be noted that reaching an agreement among the three European institutions (EU Council, European Commission and European Parliament) on the "two-pack" legislation was only possible after the Commission issued a statement committing itself to set up a high-level expert group to examine the feasibility of the common issuance of euro bills and the establishment of a redemption fund.[7] While the conclusions of the expert group will not be binding, it is crucial to keep in mind that issuance of any common debt instrument can only be considered as the end point of a comprehensive economic governance reform process which entails an adequate transfer of fiscal sovereignty to the euro area level.

6 Opinion of the European Central Bank of 7 March 2012 on strengthened economic governance of the euro area (CON/2012/18). The legal opinion is based on the European Commission's initial proposals published on 23 November 2011 (see footnotes 2 and 3).
7 See the joint statement of 20 February 2013 by José Manuel Barroso and Olli Rehn, President and Vice-President of the European Commission respectively, on the occasion of the trilogue agreement on the "two-pack" legislation on the economic governance in the euro area.

THE EUROSYSTEM HOUSEHOLD FINANCE AND CONSUMPTION SURVEY: DESCRIPTION AND MAIN RESULTS OF THE FIRST WAVE

The Eurosystem Household Finance and Consumption Survey (HFCS) is a new dataset that provides detailed information on household balance sheets in the euro area. Based on a sample of more than 62,000 households, the HFCS collects harmonised data that make it possible to undertake cross-country analyses of issues related to household wealth and its components, allowing specific sub-populations, e.g. the indebted or the credit constrained, to be examined in closer detail. This article gives an overview of the distribution of household net wealth, assets and liabilities with a particular focus on heterogeneity across specific household groups. In addition, it reports selected indicators of financial pressure and briefly compares the results for the euro area with similar data for the United States.

1 INTRODUCTION

This article provides a descriptive summary of the main stylised facts that result from the first wave of the Eurosystem Household Finance and Consumption Survey (HFCS), a joint project of all the central banks of the Eurosystem. It focuses on the distribution of household liabilities and indicators of financial pressure, before going on to examine household assets and the distribution of net wealth in the euro area. To put these new results into perspective, a brief comparison with those obtained from the US Survey of Consumer Finances is also provided. In addition, the article describes the survey methods, explains how information about uncertainty underlying the resulting figures is calculated and compares the HFCS results with national accounts.[1]

A key distinguishing feature of the HFCS is that it provides country-representative data which have been collected in a harmonised way in 15 euro area Member States from a sample of more than 62,000 households out of a total of more than 138 million households (for a description of the survey methods, see Box 1). The HFCS is the only European cross-country harmonised wealth survey for the whole population and offers comprehensive information not usually found in administrative data.[2]

The dataset provides information that permits economic and monetary analyses to focus on particular sub-populations of interest, such as wealthy/poor households, high/low-income households, highly indebted households and credit-constrained households. In particular, the implications of the distribution of wealth and debt across households can only be understood with micro-level data, which make it possible to determine which categories of households are over-indebted. This in turn enables risks to household consumption and to financial stability to be detected. Besides the effects of over-indebtedness and the role of credit constraints, numerous other topics can be analysed using the HFCS data, such as wealth effects on consumption, the adequacy of accumulated assets for retirement, and the effects of financial innovation on portfolio decisions and consumer spending.

It is important to keep in mind that a survey as large as the HFCS inevitably presents significant conceptual and practical challenges. One difficulty, in particular, stems from the fact that the survey fieldwork could not be carried out in the same period of time in all countries and, thus, wealth and income data sometimes refers to different years. Some differences also exist in the sample selection.

1 See the survey website, http://www.ecb.int/home/html/researcher_hfcn.en.html, for detailed documentation of the HFCS, a set of additional descriptive statistics, and for access to the data. More detail is provided in two reports accompanying the public release of the HFCS dataset: HFCN (2013a): "Report on the results of the first wave", and HFCN (2013b): "Methodological report on the first wave", Eurosystem Household Finance and Consumption Survey Reports, ECB, both of which are also available at the website.

2 The survey also includes information on indicators of consumption and household characteristics, which is typically not recorded in administrative datasets.

Additionally, some structural country differences, for example, concerning statutory pension systems, are not captured in the survey. As a result, cross-country comparisons in particular should be made with care and the sources of differences should be carefully examined. Even with these caveats, the HFCS initiative is distinctive in its focus on providing ex-ante harmonised wealth data from a large number of countries.

Section 2 provides information about household debt and indicators of financial pressure. Three groups of households that are subject to higher financial pressure are identified: low-income households, young households and the unemployed/inactive. Section 3 summarises the key facts about the asset side of balance sheets and its two main components, real and financial assets. Section 4 describes net wealth distribution in the euro area.

Box 1

GENERAL FEATURES OF THE HFCS

The Eurosystem Household Finance and Consumption Survey (HFCS) is a joint project of all the central banks of the Eurosystem, and covers all countries in the euro area (currently excluding Ireland and Estonia, which will be conducting the HFCS as of the second wave). This box summarises the main issues contained in the accompanying report, HFCN (2013b, op. cit.), which provides a detailed overview of the main methodological features of the survey. It describes the survey mode, fieldwork, questionnaire, sample design, unit and item non-response and weighting, multiple imputation, variance estimation, statistical disclosure control, and comparability issues of the HFCS.

A total of 62,000 households were interviewed for the survey, with achieved sample sizes in each country of between 340 and 15,000 households. All the resulting statistics have been calculated using the final estimation weights, which allow all figures to be representative of the population of households. Most of the survey questions are factual and refer to amounts paid or received, ownership of assets or liabilities, and their value. The values of some of these assets are self-assessed, for example, the current value of the household's main residence, self-employment business, cars or valuables, and as such may not fully reflect their possible market value.

The surveys were carried out in a decentralised fashion in each participating country. The fieldwork was conducted between end-2008 and mid-2011. Flow variables (e.g. income) refer to a period of 12 months, either the 12 months preceding the interview or a calendar year, while stock variables (e.g. assets and liabilities) refer to one particular date, either 31 December or the day of the interview. Most surveys were carried out with 2010 as the reference year for assets and liabilities, and 2009 as the reference year for income variables (with the notable exception of the survey in Spain, conducted mostly in 2009 with 2007 as the income reference year). Differences in reference years can be particularly relevant for the values of financial and real assets, many of which have declined substantially during the financial and economic crisis. The data have been aggregated without considering price adjustments for the differences in reference years across countries or purchasing-power parity adjustments across countries. As reported in HFCN (2013b), such adjustments do not change the overall results in a substantive way.

The statistical unit of analysis of this report is the "household", which, for the purpose of this survey, is defined as a person living alone or a group of people living together in the same private dwelling and sharing expenditures, including the joint provision of the essentials of living. Employees, roommates and other persons without attachments living in the same dwelling are considered separate households. The target reference population is all private households; it therefore excludes people living in collective households or institutions.

The uncertainty of estimates and multiple imputation

The HFCS uses advanced sampling and survey methods to ensure the best possible coverage of the assets and liabilities of households. One source of uncertainty in the estimates derives from the randomness of the sample selection. The selection of a household is a random process, and different sets of households participating in the survey could lead to different estimates, though their average is unbiased. Sampling variance is an estimate of this variability, and depends on the specifics of the sample selection and size. In the HFCS, sampling variance estimates are provided through bootstrap replicate weights (see HFCN (2013b) for definition and details). In several country surveys, particular care has been taken to oversample the wealthiest households to achieve higher precision. Since ownership of many assets is concentrated in a relatively small share of the population, it is indeed effective for the analysis of the behaviour of households to increase their share in the sample. The use of estimation weights corrects, in the presentation of results, the overrepresentation of these households in the sample.

All questions referring to household income, consumption and wealth that households did not know the answer to or did not wish to answer have been imputed. Imputation is the process of assigning a value to an observation that was either not collected or not collected correctly. For the HFCS, a multiple imputation technique[1] has been used, whereby the missing data are imputed several times independently, to produce five "implicates", which are complete datasets that can be analysed separately using standard complete-data techniques, and then combined to produce one result. This allows the uncertainty in the imputation to be reflected. The imputation variance is then combined with the sampling variance, and the resulting standard errors reflect both sampling and imputation variability.[2]

1 Rubin, Donald B., "Multiple Imputation After 18+ Years", *Journal of the American Statistical Association*, Vol. 91, No 434, June 1996, pp. 473-489.

2 For example, the estimate of the mean of net wealth by household in the euro area is €230,800 (see Table 5 below), with an associated standard error of €4,200, implying that, under a normality assumption, the 95% confidence interval of mean assets per household is [222,400; 239,200]. This standard error combines both a sampling uncertainty estimated at €4,100 and an imputation uncertainty of €1,100. As an additional example involving participation rates, the standard error for the percentage of households with mortgage debt (see Table 1 below) is 0.3%, for an estimate of 23.1%.

2 LIABILITIES AND FINANCIAL PRESSURE

This section examines the liability side of household balance sheets, focusing on the mortgage and non-mortgage debt components from two angles: the participation rates (i.e., what fraction of households own a given debt type) and the median values of that debt. The second part summarises key indicators of financial pressure on households and identifies which groups of households are particularly financially vulnerable.

2.1 LIABILITIES

Total debt consists of two key components (see Table 1): mortgage debt, which is collateralised by the household main residence or other property, and non-mortgage debt, which includes credit lines/overdraft debt, credit card debt and other non-mortgage debt.

Overall, 43.7% of euro area households hold debt. Mortgage debt is less prevalent (23.1% of households have mortgage debt compared to 29.3% for non-mortgage debt) but considerably more sizeable when it is held: the median value of mortgage debt for euro area households is €68,400, while for non-mortgage debt it is €5,000. In terms of the participation in components of mortgage debt, more weight is on mortgages on the household main residence, which are more prevalent than mortgages on other real estate property (19.4% compared with 5.6%), and also somewhat larger in terms of the median value. In terms of volume, mortgage debt makes up 82.8% of total debt, of which 76.2% constitutes mortgages on the household main residence and 23.8% mortgages on other real estate property.

Households in the top quintile of the income distribution tend to have mortgage debt more often and to take up a larger amount. In particular, more than one third of the highest-earning 20% of households have a household main residence (HMR) mortgage, with a median value of

Table 1 Participation in debt (percentage) and median values of debt held (EUR thousands) by demographic characteristics

	Participation rate (percentage)				Median values (EUR thousands)			
		Mortgage debt				Mortgage debt		
	Mortgage debt	HMR mortgage 1)	Other property mortgage	Non-mortgage debt	Mortgage debt	HMR mortgage	Other property mortgage	Non-mortgage debt
Euro area	**23.1**	**19.4**	**5.6**	**29.3**	**68.4**	**65.2**	**56.8**	**5.0**
Household size								
1	10.7	8.5	3.1	21.0	65.8	61.5	49.7	3.3
2 or more	28.9	24.4	6.8	33.0	69.0	65.2	58.2	5.0
Housing status								
Owner	36.5	32.2	7.4	26.2	67.4	65.2	50.0	6.0
Renter or other	3.0	0.0	3.0	33.9	72.4	M	72.4	3.8
Percentile of income 2)								
Less than 20	6.6	5.8	1.0	18.4	42.6	43.2	40.1	2.9
20-79	21.9	18.6	4.7	31.5	58.0	56.7	46.8	4.7
80-100	43.4	35.1	13.0	33.9	92.8	89.2	72.5	7.0
Age of reference person								
16-34	22.3	20.1	3.6	41.8	99.4	97.1	76.5	5.0
35-64	31.1	26.0	7.6	35.1	63.9	60.1	53.5	5.0
65+	7.4	5.4	2.7	10.6	38.5	36.1	49.4	3.0
Work status of reference person								
Employee	32.6	28.3	6.7	38.3	71.0	70.1	57.2	5.0
Self-employed	35.2	27.1	12.8	35.1	80.8	67.6	70.0	8.0
Retired	8.9	6.3	3.2	12.9	34.3	35.0	32.3	3.3
Other not working	11.5	10.1	1.9	31.8	56.4	55.0	52.0	3.5
Education of reference person								
Primary or no education	13.7	11.3	3.0	21.9	48.0	48.8	37.0	4.8
Secondary	23.2	19.8	5.3	34.4	65.2	64.3	49.6	4.2
Tertiary	36.3	30.0	9.8	31.2	86.9	80.2	70.3	6.4

Notes: This table reports the percentage of households holding various types of debt (left panel) and the median values of the various types of debt held by those households (right panel). Non-mortgage debt includes credit lines or accounts with an overdraft facility, credit card debt and other non-mortgage debt. Other non-mortgage debt includes car loans, consumer loans, instalment loans, private loans from relatives, friends, employers, etc., and other loans. See Box 1 for the definition of households and HFCS (2013b) for the definition of the "household reference person".
"M" stands for missing value.
1) Household main residence mortgage.
2) Percentiles of income calculated at the euro area level.

€89,200, while just 5.8% of the lowest-earning 20% of households have an HMR mortgage, with a median value of €43,200. The age pattern of ownership of mortgage debt is hump-shaped, so that middle-aged households hold mortgages most frequently, both for the HMR and for other real estate property (26.0% of this group has an HMR mortgage; 7.6% has a mortgage on other real estate property). In terms of work status, the self-employed and employees are more likely to hold mortgage debt and to hold higher values. Households with tertiary education hold mortgage debt substantially more often (36.3% compared with 23.2% for households with secondary education and 13.7% for households with primary education).

The picture for non-mortgage debt differs from that for mortgage debt in several important ways. First, participation in non-mortgage debt is more concentrated among the "renter or other" group (33.9% compared with 26.2% for homeowners). Second, while non-mortgage debt is more prevalent for income-rich households, the difference in participation and in median values between the top and bottom income quintile is substantially lower than for mortgage debt.[3] Third, non-mortgage debt declines with age (rather than having a hump-shaped pattern), possibly reflecting the diminishing need to use this type of debt for consumption-smoothing purposes at a later stage in life. Fourth, in terms of work status, non-mortgage debt is quite widespread among the "other not working" category (with a participation rate of 31.8%), some of whom may have been subject to adverse transitory income shocks.

2.2 FINANCIAL PRESSURE

While the statistics presented so far provide some information about financial distress in specific sub-populations, the HFCS can be used to construct more specific indicators – such as those shown in Table 2 – which aim to capture debt burden and financial fragility from several angles. In addition to the socio-demographic breakdowns reported so far, the section looks at how the distributional aspects of debt burden can be interpreted and Box 2 reports on the distribution of financial pressure across countries.

Column 1 shows the median ratio of total debt to total assets, which provides information about the existing stock of resources available to manage debt. The median value for the euro area households stands at 21.8%, meaning that the median indebted household in the euro area has assets to cover around five times its outstanding debts. While this ratio is relatively low in the aggregate (and also lies considerably below the value for the United States – 41% according to the 2010 US Survey of Consumer Finances), it is unevenly distributed across the indebted households, so that specific groups of indebted households are more exposed to debt pressure. For example, households with rather high debt-to-asset ratios are single member households (33.7%), non-homeowners (41.5%), households in the lowest quintile of income distribution (36.2%), households with a reference person aged below 35 (46.4%), and not working (other than retired; 42.8%), i.e. household groups that – as Section 3 below documents – tend to own less assets. When interpreting these figures, it is important to note that this ratio includes all assets irrespective of their liquidity – for instance, it includes housing and other less liquid assets. This implies that even if the total assets of a household are in principle adequate to cover total debt, having to liquidate them, e.g. by selling the household main residence, might result in substantial economic distress for the household.

Column 2 shows the median ratio of debt to annual income (for households that reported having debt), which illustrates how long it would in principle take for a household to pay off its total debt if it devoted its entire current annual income to this. The median for the euro area of 62.0% implies that

3 In particular, for mortgage debt the difference in participation rates between the top and the bottom income quintile is 36.8 percentage points, while for non-mortgage debt the difference is 15.5 percentage points.

Table 2 Indicators of debt burden and financial fragility by demographic characteristics (median, percentages)

	Debt-to-asset ratio[1)]	Debt-to-income ratio[2)]	Debt service-to-income ratio[3)]	Net liquid assets-to-income ratio[4)]
Euro area	**21.8**	**62.0**	**13.9**	**18.6**
Household size				
1	33.7	42.8	14.2	24.0
2 or more	19.9	66.5	13.9	16.9
Housing status				
Owner	17.5	117.5	16.4	27.6
Renter or other	41.5	16.2	8.0	8.8
Percentile of income[5)]				
Less than 20	36.2	67.8	26.5	10.8
20-79	22.4	54.4	14.8	17.4
80-100	17.7	75.6	11.2	30.6
Age of reference person				
16-34	46.4	64.3	15.4	7.7
35-64	19.6	66.7	13.9	14.8
65+	8.1	31.5	11.4	42.9
Work status of reference person				
Employee	26.6	68.7	13.9	13.0
Self-employed	13.6	91.0	16.7	19.0
Retired	7.9	30.7	11.3	41.0
Other not working	42.8	43.5	15.1	4.2
Education of reference person				
Primary or no education	18.8	49.8	15.1	13.4
Secondary	23.1	47.0	12.8	17.2
Tertiary	22.4	104.1	15.2	31.2

Notes: This table reports different measures of financial burden. The first column shows the debt-to-asset ratio, which is calculated as the ratio between the total liabilities and total gross assets of indebted households. The second column shows the ratio of total debt to gross annual household income. The third shows the debt service-to-income ratio, which is calculated as the ratio between the total annual debt payments and gross annual income of indebted households. The fourth column shows the ratio of net liquid assets to gross annual income. Net liquid assets are calculated as the sum of the value of deposits, mutual funds, bonds, non-self-employment business wealth, (publicly traded) shares and managed accounts, net of credit line/overdraft debt, credit card debt and other non-mortgage debt.
Note that the various indicators are calculated for varying groups of households:
1), 2) The debt-to-asset ratio and the debt-to-income ratio are calculated for all indebted households.
3) The debt service-to-income ratio is calculated for indebted households, excluding households that only hold credit lines/overdraft debt or credit card debt, as for these debt types no debt service information is collected.
4) The net liquid assets-to-income ratio is calculated for all households.
5) Percentiles of income calculated at the euro area level.

total debt equals 7.5 months' worth of income. The ratio is again substantially higher for selected sub-populations, such as homeowners (117.5%) and the self-employed (91.0%).

Column 3 displays the median ratio of debt service to income (for a subpopulation of indebted households; see the notes to Table 2 for the precise definition), which reflects the extent of the drain that the servicing of debt has on current income. For various groups of households the statistic correlates quite strongly with the debt-to-income ratio because households cannot indefinitely hold debt without paying it off at some point.[4]

Finally, column 4 gives the median ratio of net liquid assets to income, which signals the amount of resources available to a household at low cost in the event that its members are affected by an adverse shock. For the euro area, the median ratio of 18.6% implies that net liquid assets

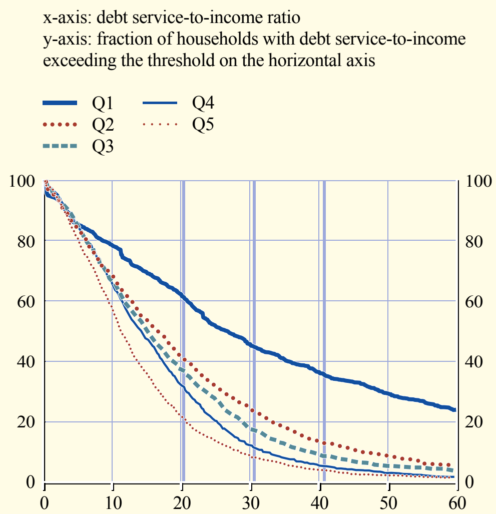
4 In the short term, some households may postpone their debt service. In addition, the difference in the underlying population of the two indicators can affect comparisons between them.

(see the notes to Table 2) make up just above two months' worth of household income, so that the buffer is typically quite low.[5]

Overall, the four indicators reported so far tend to confirm that the three specific sub-populations that are more financially vulnerable are: households in the lowest income quintile, young households (below 35 years) and the unemployed/inactive (the "other not working" category).

Chart 1 Distribution of debt service-to-income ratio, breakdown by income quintiles

(percentages)



Note: The debt service-to-income ratio is calculated as the ratio of the total annual debt payments to gross annual income for indebted households.

Chart 1 illustrates how the dataset can be used to determine how financial pressure is distributed in the population and the differences across the five income quintiles. The chart plots the fraction of households that have a debt service-to-income ratio above a given threshold, which varies along the horizontal axis. The dashed vertical lines cut through the chart at conveniently chosen threshold values, such as a debt service-to-income ratio of 20%, 30% and 40%. Taking the example of a threshold of 30%, it is found that nearly 50% of indebted euro area households in the lowest income quintile have a debt service-to-income ratio above this value. For all other quintiles this fraction lies below 25%. The relevance of income for debt burden is furthermore illustrated by the fact that the line for the lowest income quintile lies substantially above the lines for all other quintiles except for the lowest thresholds depicted in the chart.[6]

5 Qualitatively, this result is similar in the United States, where a significant fraction of households hold almost no liquid assets; see, e.g., Hall, Robert E.,"The Long Slump", *American Economic Review* 101, 2011, pp. 431-469.
6 Qualitatively similar findings hold for the debt-to-asset ratio.

Box 2

CROSS-COUNTRY VARIATION IN INDICATORS OF FINANCIAL PRESSURE

This box summarises the variation in four indicators of financial burden and fragility across countries.

All indicators exhibit quite substantial cross-country variation; for example, the median debt-to-asset ratio ranges between 3.9% (for Slovenia) and 41.3% (for the Netherlands). The statistics on the median debt-to-income ratio in column 2 vary even more substantially, ranging between 22.7% for Slovakia and 194.1% for the Netherlands.

The debt service-to-income ratio, shown in column 3, tends to be higher for countries with higher debt-to-income ratios, such as Belgium, Spain, Cyprus, Luxembourg, the Netherlands and Portugal, where both statistics exceed the euro area median values. However, the relationship is not perfect, owing to differences in the maturity of debt products, differences in the populations

Indicators of financial burden and fragility by country (median, percentages)

	Debt-to-asset ratio[1)]	Debt-to-income ratio[2)]	Debt service-to-income ratio[3)]	Net liquid assets-to-income ratio[4)]
Country				
Belgium	18.2	79.8	15.1	33.5
Germany	28.4	37.3	10.9	22.3
Greece	14.8	47.2	14.7	4.9
Spain	17.9	113.5	19.9	12.3
France	18.9	50.4	14.7	18.5
Italy	11.7	50.3	13.2	21.9
Cyprus	17.0	157.0	25.0	5.1
Luxembourg	18.2	86.9	16.6	20.7
Malta	6.2	52.0	11.5	75.7
Netherlands	41.3	194.1	14.5	16.4
Austria	16.7	35.6	5.6	32.9
Portugal	25.7	134.0	17.3	15.9
Slovenia	3.9	26.6	15.8	2.2
Slovakia	6.6	22.7	12.5	12.1
Finland	34.6	64.3	M	8.4
Euro area	**21.8**	**62.0**	**13.9**	**18.6**

Note: See the notes to Table 2.

in respect of which the two statistics are compiled, and variation in the availability of various financial products across countries.

Finally, column 4 illustrates the extent of liquid financial assets (as a fraction of annual income) available to households. Compared to the euro area median of 18.6%, households in Belgium, Malta and Austria tend to accumulate more liquid assets, with a ratio of above 30%. On the other hand, households in Greece, Cyprus, Slovenia and Finland hold less than 10% of their annual income in the form of net liquid assets.

The table starkly highlights the fact that “financial fragility” cannot be evaluated on the basis of one indicator and for aggregate data. Being able to look at the detailed micro-information and relate this to country-specific factors (e.g. house price dynamics, tax systems, etc.) is one of the strengths of the survey.

3 ASSETS

This section focuses on statistics on the asset side of household balance sheets and its two key components: real assets and financial assets. As in Section 2, two aspects are considered: first, the extensive margin, i.e. the fraction of euro area households that own a particular asset type (the participation rate); and second, the intensive margin, i.e. the median value of a particular asset type “conditional on participation” (i.e. only for households that have reported to own this asset type).

3.1 REAL ASSETS

Table 3 provides an overview of the participation rates and median values for various real assets and their breakdowns by economic and demographic characteristics. Three asset types are considered: the household main residence, other real estate property and self-employment business wealth. Although households also hold other real assets, such as vehicles or valuables, which are also covered in the survey, these assets are not discussed here because their share in real assets is low.

Table 3 Participation in real assets (percentages) and median values of real assets (EUR thousands) by demographic characteristics

	Participation rate (percentages)			Median values (EUR thousands)		
	Household main residence	Other real estate property	Self-employment business wealth	Household main residence	Other real estate property	Self-employment business wealth
Euro area	**60.1**	**23.1**	**11.1**	**180.3**	**103.4**	**30.0**
Household size						
1	43.8	14.3	4.6	141.5	94.4	7.7
2 or more	67.6	27.1	14.0	198.5	108.8	30.0
Housing status						
Owner	100.0	31.3	13.5	180.3	108.9	40.0
Renter or other	0.0	10.7	7.3	M	91.6	10.7
Percentile of income 1)						
Less than 20	47.0	12.9	4.1	102.1	46.4	7.1
20-79	58.6	20.9	9.3	175.1	90.2	20.7
80-100	77.6	39.7	23.1	250.0	178.1	52.0
Age of reference person						
16-34	31.9	9.9	8.6	167.5	99.4	14.8
35-64	63.9	26.0	15.4	199.1	112.7	31.4
65+	68.2	24.7	3.7	159.5	99.8	15.0
Work status of reference person						
Employee	56.9	20.3	5.6	187.8	100.0	20.0
Self-employed	71.1	43.9	79.9	203.0	149.4	38.7
Retired	69.5	25.9	3.1	166.6	99.6	15.2
Other not working	37.3	10.8	1.7	150.1	88.8	20.0
Education of reference person						
Primary or no education	61.9	21.6	8.2	150.0	71.9	30.0
Secondary	55.4	19.2	11.0	180.6	105.1	30.0
Tertiary	65.4	31.6	15.3	225.6	150.0	26.0

Notes: This table reports the percentage of households holding various types of real assets (left panel) and the median values of the various types of real assets held by those households (right panel).
"M" stands for missing value.
1) Percentiles of income calculated at the euro area level.

A majority – 60.1% – of euro area households own their main residence. Socio-demographic factors such as household size and formation play a significant role in home ownership. As expected, income is an important determinant of home ownership, with lower-income households having lower ownership rates and vice versa for higher-income households. The ownership rate of the self-employed clearly exceeds that of employees, and it is also quite high for the retired, which indicates that home ownership in the euro area also functions as a precautionary saving for retirement. The median value of a main residence in the euro area is €180,300, with substantial variation across socio-economic groups.

Around a quarter of households own real estate property other than their main residence. These are holiday homes, rental homes, land, or other real estate property. Also here, ownership rises with income. The self-employed hold other real estate almost twice as frequently as employees. The median value of other real estate property owned by households in the euro area is €103,400.

Self-employment businesses are owned by 11.1% of euro area households. The median value of such businesses is €30,000. Education seems to play an important role in the decision to become self-employed, as households where the reference person has tertiary education own a self-employed business substantially more often as those where the reference person has only primary or no education.

3.2 FINANCIAL ASSETS

Table 4 gives an overview of the participation rates and median values for various financial assets and their breakdowns by demographic characteristics. The asset types under consideration are deposits, mutual funds, private pensions and whole life insurance and publicly traded shares. Other financial assets, such as bonds, derivatives and private loans are only directly held by a very small fraction of households and are not considered here.

The table shows that the most prevalent financial asset types in the euro area are deposits, as well as private pensions and whole life insurance. Almost all households in the euro area hold some deposits. As regards the work status of the reference person, the highest median values are found for the self-employed and retired. The median value of deposits for households that own their home is almost three times as high as that for renters.

The HFCS also provides information on how households save for retirement purposes. Private voluntary pension plans[7] and whole life insurance policies are held by 33.0% of households.

7 Private voluntary pension plans should be contrasted with public pensions, i.e. pensions that are part of the social security system and are usually paid out by the general government, and should also not be confused with occupational pension plans, which are part of an employee-employer relationship.

Table 4 Participation in financial assets (percentages) and median values of financial assets (EUR thousands) by demographic characteristics

	Participation rate (percentages)				Median values (EUR thousands)			
	Deposits	Mutual funds	Shares (publicly traded)	Voluntary pensions/ whole life insurance	Deposits	Mutual funds	Shares (publicly traded)	Voluntary pensions/ whole life insurance
Euro area	96.4	11.4	10.1	33.0	6.1	10.0	7.0	11.9
Household size								
1	95.8	10.2	7.8	24.9	4.9	11.3	7.5	9.6
2 or more	96.7	11.9	11.1	36.7	7.0	10.0	6.7	12.2
Housing status								
Owner	96.9	13.3	12.8	34.9	9.0	11.0	7.7	15.1
Renter or other	95.7	8.5	6.0	30.1	3.1	7.4	5.1	6.6
Percentile of income [1)]								
Less than 20	89.9	3.4	2.2	13.2	1.7	10.5	5.4	4.4
20-79	97.7	8.9	7.9	31.1	5.8	7.6	4.8	8.9
80-100	99.0	26.5	24.4	58.3	19.1	12.5	10.0	23.0
Age of reference person								
16-34	97.1	9.7	6.7	33.7	3.1	3.5	2.9	4.0
35-64	96.7	13.0	11.5	41.0	6.4	10.0	7.0	14.2
65+	95.4	9.0	9.1	16.2	8.2	21.5	11.6	18.0
Work status of reference person								
Employee	97.6	13.3	11.4	42.3	6.0	7.1	5.0	10.0
Self-employed	96.6	12.7	12.5	44.7	9.5	15.5	12.2	17.8
Retired	95.6	9.4	9.3	19.0	8.5	19.8	11.9	18.1
Other not working	94.1	6.8	3.8	21.9	1.1	6.5	5.2	6.1
Education of reference person								
Primary or no education	93.1	4.0	4.2	19.0	3.8	12.1	6.1	9.2
Secondary	97.9	10.8	9.2	36.4	6.0	7.8	5.4	10.1
Tertiary	98.7	22.6	19.6	46.8	12.5	11.5	8.8	17.5

Notes: This table reports the percentage of households holding various types of financial assets (left panel) and the median values of the various types of financial assets held by those households (right panel).
"M" stands for missing value.
1) Percentiles of income calculated at the euro area level.

Excluding the retired and the "other not working" category, less than half the employee (42.3%) and self-employed (44.7%) households use this type of old age provisioning. The participation rate in private pensions and whole life insurance increases strongly with income, with the participation rate for the upper 20% of income earners being more than four times that of the lowest 20%.

Mutual funds and quoted shares are directly owned only by a small fraction of the households, in line with the "stock market participation puzzle"[8]. Household participation in risky assets, however, does not only take place through the direct holding of quoted shares and mutual fund shares/units but also indirectly through voluntary pensions/whole life insurance policies. Consistent with findings in the financial literature, education plays a strong role in the ownership of risky assets.[9] Direct stock ownership for households with a reference person with primary or no education is only 4.2 percent, almost five times lower than for households with a reference person with tertiary education. Similar differences can be found for mutual fund ownership. Not surprisingly, income is correlated strongly with the propensity to hold risky assets. However, only around one quarter of the higher-income households directly hold mutual fund shares/units (26.5%) or listed equity (24.4%). Nonetheless, they hold more risky assets relatively more frequently, suggesting that the propensity to hold risky assets increases with the ability of households to bear the implied risks.

All in all, households are very heterogeneous in the composition of their asset portfolios, so that a "typical" household does not seem to exist. Socio-demographic factors and economic and idiosyncratic factors at the household level jointly determine asset composition. Household survey data such as the HFCS may enable the main determinants of this diverse picture to be better identified.

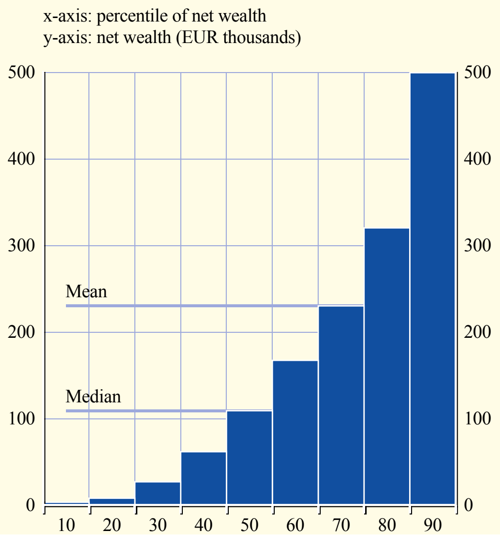
4 NET WEALTH

This section provides an overview of the distribution of net household wealth, defined as the sum of real and financial assets net of total liabilities. At the lowest end of the scale in Chart 2, more than 5% of households have negative or zero net wealth (i.e. their assets do not exceed their liabilities) and the net wealth of the households in the 10th percentile is only barely positive. The differences between the bars progressively grow when moving to the right, towards the wealthy households.

The mean of €230,800 roughly coincides with the 70th percentile, exceeding more than twice the median of €109,200. This suggests that net wealth is unevenly distributed across households and that households in the upper tail of the

Chart 2 Net wealth by percentile

(EUR thousands)



Notes: Net wealth is defined as the difference between a household's total assets and total liabilities. The horizontal axis shows percentiles 10, 20, …, 90 of net wealth calculated for the whole sample using household weights.

8 For a seminal contribution to the literature, see Mankiw, Gregory N. and Zeldes, Stephen P., "The Consumption of Stockholders and Nonstockholders", *Journal of Financial Economics*, Elsevier, 29(1), 1991, pp. 97-112.

9 Van Rooij, Maarten, Lusardi, Annamaria and Alessie, Rob J.M., "Financial literacy, retirement planning and household wealth", *Economic Journal*, Royal Economic Society, 122(560), 2012, pp. 449-478.

wealth distribution substantially affect the mean. In fact, comparison with gross household income (not reported here) shows that wealth is substantially more unevenly distributed than income: for example, the wealthiest 10% of households hold roughly 50% of total net wealth, whereas the highest 10% of income earners receive 31% of total income.

The households in the 90th percentile in turn hold €506,200 of net wealth, 4.6 times more than the median (see Box 3 for a comparison of wealth distribution with income distribution and with the corresponding facts for the United States).

Box 3

WEALTH DISTRIBUTION IN THE EURO AREA AND THE UNITED STATES

The HFCS data make it possible to compare the structure of household balance sheets to other countries with available wealth surveys. In particular, the structure of components of net wealth in the HFCS is comparable to the Survey of Consumer Finances conducted by the US Federal Reserve with reference year 2010.

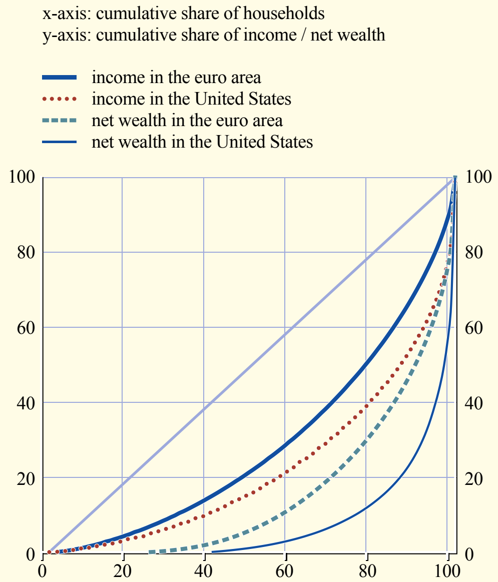
The chart compares the extent of heterogeneity in net wealth and gross income in the euro area and the United States. When studying the distribution of gross income, it is important to keep in mind that due to the redistributive effects of the system of taxes, social benefits and transfers, net income – which is not collected in the HFCS – is more evenly distributed than gross income, which is shown in the chart.[1]

The chart illustrates that heterogeneity across households is substantial, as reflected in the gap between the curves and the 45-degree line. This heterogeneity exists in both areas and for both variables. In addition, in both economic areas heterogeneity in net wealth substantially exceeds heterogeneity in income.

For example, the wealthiest 10% of households in the euro area hold just above half of total net wealth, whereas in the United States that group holds around three quarters of total net wealth. As for income, the highest-earning 10% receives 31% of total income in the euro

Distribution of net wealth and gross income in the euro area and the United States

(in percentages)



Notes: The chart uses the Lorenz curve to compare the distribution of gross household income and net wealth (net worth). Data for the United States are taken from the 2010 Survey of Consumer Finances. The percentiles were calculated using household weights.

1 In terms of levels, the median before-tax family income and net worth in the 2010 US Survey of Consumer Finances is US$ 45,800 and US$ 77,300, respectively. The respective euro area values from the HFCS are €28,600 for median gross household income and €109,200 for median net wealth.

area and 44% of total income in the United States. This comparison illustrates that both wealth and income are more evenly distributed in the euro area than in the United States. This finding may reflect differences in economic institutions (e.g. higher progressivity of the tax system in the euro area) and shocks across the two areas (for example, the variance of household-specific income shocks may be larger in the United States than in the euro area).

Table 5 provides additional insight into how net wealth and its three principal components are distributed across various demographic groups. Homeowner households have a median net wealth of €217,600, while renters report to have just €9,100. Median net wealth rises steeply with income and with age, in particular for younger households. Late in life, many households tend to de-cumulate net wealth, a fact which for the mean is apparent at the age of 65 and above, while for the median it only becomes visible when a finer breakdown is shown, e.g. for households with a reference person over 75.

Columns 3-5 of Table 5 display the median value of the key components of net wealth – real assets, financial assets and total liabilities – among all those households that report to hold the respective asset type or that report to be indebted. These statistics illustrate how strongly the various components

Table 5 Net wealth and its components by demographic characteristics

(EUR thousands, percentages)

	Median net wealth	Mean net wealth	Median real assets	Median financial assets	Median liabilities	Share of total net wealth	Share of households
Euro area	**109.2**	**230.8**	**144.8**	**11.4**	**21.5**	**100.0**	**100.0**
Household size							
1	39.6	134.9	65.4	7.3	8.9	18.5	31.6
2 or more	149.3	275.1	175.1	14.0	27.7	81.5	68.4
Housing status							
Owner	217.6	351.1	217.7	17.3	50.0	91.4	60.1
Renter or other	9.1	49.5	5.1	5.4	4.3	8.6	39.9
Percentile of income [1]							
Less than 20	26.7	89.2	57.1	2.5	5.0	7.7	20.0
20-79	103.8	174.7	132.3	10.0	16.4	45.4	60.0
80-100	295.3	540.8	288.3	49.9	63.1	46.9	20.0
Age of reference person							
16-34	16.1	71.3	15.0	5.0	14.7	4.9	15.7
35-64	135.6	264.0	167.2	13.9	26.9	64.7	56.5
65+	142.6	253.7	150.1	12.8	9.8	30.4	27.7
Work status of reference person							
Employee	90.7	180.2	134.6	11.5	27.7	37.4	47.9
Self-employed	269.1	585.8	276.4	22.6	48.2	22.8	9.0
Retired	152.3	252.7	152.5	14.0	9.0	34.7	31.7
Other not working	11.1	98.5	39.9	2.0	6.9	4.6	10.7
Education of reference person							
Primary or no education	100.0	166.3	119.9	5.3	12.4	24.7	34.3
Secondary	87.7	205.1	128.7	10.9	15.0	36.6	41.3
Tertiary	179.6	363.8	210.4	29.4	54.6	38.5	24.4

Notes: This table reports statistics for household net wealth and its main components. The first two columns report median and mean values in euros; columns 3-5 display median real and financial assets and median liabilities, conditional on participation; the sixth and seventh columns show the share in total net wealth and the percentage share of various household groups in the population. Net wealth is defined as the difference between total (gross) assets and total liabilities (see Annex I of HFCN (2013a) for additional details on the definition of net wealth). Percentage shares may not sum to 100 because of rounding.
1) Percentiles of income calculated at the euro area level.

of net wealth affect the total figures. The median value of real assets among those households that report to own them (which is the case for 91.1% of all households) is €144,800, much more than the corresponding median for financial assets of €11,400 (held by 96.8% of households[10]) and for liabilities of €21,500 (held by 43.7% of households). The fact that real assets are a relatively large component of total net wealth for most of the household groups shown in Table 5, with the notable exception of renter households, which tend to hold more financial assets than real assets, highlights the importance of real estate in the overall values reported for real assets.

Column 6 of Table 5 shows the share of the various household types of total net wealth, and column 7 shows the share each household type makes up in the overall population. Comparing across these two columns, it is apparent that the wealthy groups tend to hold substantially larger fractions of net wealth than the fraction of the population they represent. This fact holds for households with more than one member, homeowners, the highest income quintile, households with a reference person aged 35 and above, the self-employed, the retired and households with tertiary education.

10 This percentage would be much lower if holdings of deposits were excluded from financial assets.

Box 4

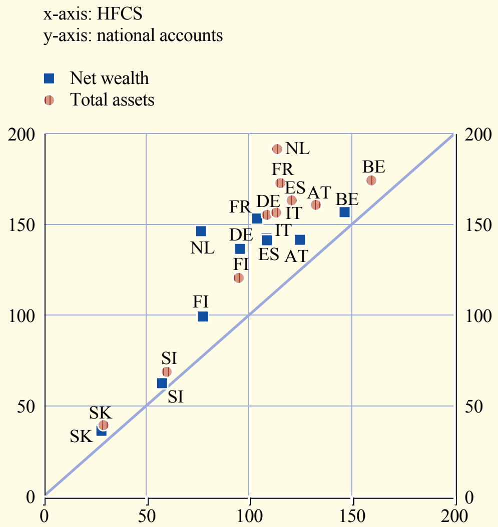
COMPARABILITY OF THE HFCS WITH NATIONAL ACCOUNTS

To get a sense of the comparability of the HFCS data with external sources, the data have been compared with aggregate information from national accounts (NA) and other surveys. Such comparisons take into account that there are important methodological differences between the HFCS and NA figures, in terms of the boundaries of the household sector, the existence and definitions of items to be included in the measures of wealth and the valuation of assets and reference periods.

For example, the HFCS only covers "private" households (see Box 1), whereas the household sector in NA includes "non-profit institutions serving households" (NPISHs). The HFCS and NA also differ in their treatment of business wealth and the delineation of self-employment businesses. In the HFCS, businesses where members of the household are employed are classified as real assets. In NA, however, they can be equity participations (i.e. financial assets) or, when they are considered to be an integral part of the household, the assets and liabilities of the business are recorded as part of the household's balance sheet.

Mean net wealth and total assets, per capita, in the HFCS and national accounts

(EUR thousands)



Sources: Eurostat, HFCS and ECB calculations.

Nevertheless, comparisons with NA show general consistency between the HFCS and NA in relative terms, while levels may not be fully consistent for the reasons given above. The chart displays mean net wealth and total assets per capita in the HFCS and in NA, where estimates for non-financial assets are available. Partial information on land holdings has been estimated using available information from France and the Netherlands.

5 CONCLUSIONS

This article has provided a summary of the key stylised facts from the first wave of the Eurosystem Household Finance and Consumption Survey. The availability of these data (which are also released to researchers outside of the Eurosystem[11]) makes it possible to undertake analyses of issues related to household finance in the euro area and its individual countries, and to further understanding of how institutions, policies and shocks affect the economic decision-making of various households.

Further development of the HFCS and preparations for the second wave of the survey in all 17 euro area Member States are under way. Together with the first wave, the data will provide information about how household balance sheets and measures of financial fragility vary over time.

11 For futher information, please see the survey website: http://www.ecb.int/home/html/researcher_hfcn.en.html.

LIQUIDITY REGULATION AND MONETARY POLICY IMPLEMENTATION

In December 2010, the Basel Committee on Banking Supervision (BCBS) published the Basel III framework for liquidity risk regulation, which sets out two separate but complementary minimum standards for banks' funding risk – the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). These standards aim at ensuring a higher stock of liquid assets and lower asset/liability maturity mismatches than there were prior to the financial crisis, thereby reducing the risk of an individual bank running into liquidity problems. The proposed regulation framework represents minimum standards to be applied to internationally active banks in a uniform manner, while national regulators may apply more stringent requirements to individual institutions based on their liquidity risk profile. In January 2013, as a result of a careful assessment of the impact of the regulation framework, the BCBS agreed on a revised LCR. The Basel III liquidity standards, and in particular the LCR, are expected to interact with monetary policy implementation.

1 INTRODUCTION

There is broad agreement that the Basel III liquidity standards constitute an important step in terms of financial regulation. While their objectives are mainly microprudential in nature, some of their characteristics also have macroprudential foundations. It is expected that the liquidity regulation framework will increase banks' liquidity buffers and lower maturity transformation, reducing excessive interconnectedness in the financial system and mitigating systemic liquidity risk. In addition, the liquidity standards are expected to improve the overall efficiency of money markets by reducing information asymmetries concerning banks' risks, including liquidity risk exposure and liquidity risk-bearing capacity.[1] Moreover, a more harmonised international framework (compared with the current heterogeneous liquidity risk rules) should help to achieve a level playing field across banks. Overall, the new liquidity standards are likely to have a welfare-enhancing effect on the real economy.

There are three main reasons why there is a relationship between liquidity risk regulation and monetary policy implementation. First, liquidity regulation may have an impact on the environment in which monetary policy is implemented, including in particular on the functioning of money markets. Second, in most jurisdictions the central bank implements monetary policy by providing liquidity to, and withdrawing liquidity from, the banking system. Thus, an interaction between liquidity requirements and central bank liquidity provision and absorption is evident. Third, central banks act as lenders of last resort (LOLR) in financial crises by providing liquidity to banks which are solvent but temporarily illiquid. Central banks' operations therefore play a key role as a liquidity source for banks under liquidity stress. For these three reasons, liquidity risk regulation and the central bank's monetary policy framework cannot be treated in isolation, and their interaction merits careful attention.

This article is structured as follows. Section 2 explains the Basel III liquidity requirements, in particular the LCR, and outlines the features which are of particular relevance for the Eurosystem. Section 3 talks about why the liquidity standards are relevant for central banks and discusses the relationship between the liquidity standards and monetary policy. It suggests that, at the current juncture, it is not easy to be conclusive about the interaction between liquidity regulation and monetary policy implementation, as a number of different factors affect banks' balance sheets and funding models. Section 4 briefly touches upon the features of a monitoring framework established by the Eurosystem to assess the impact of the liquidity standards on central bank operations. Section 5 concludes.

1 See "Liquidity regulation as a prudential tool", Special Feature B, *Financial Stability Review*, ECB, Frankfurt am Main, 2012, pp. 116-124.

2 EXPLAINING THE BASEL III LIQUIDITY REQUIREMENTS

During the financial crisis, the inadequacies of banks' liquidity management became strikingly apparent when significant liquidity risk materialised on banks' balance sheets. In the midst of the crisis, banks faced substantial liquidity outflows and shortages owing to their excessive reliance on volatile funding sources, excessive holdings of assets which suddenly turned illiquid, improper asset-liability maturity mismatches and excessive liquidity risks embedded in banks' off-balance-sheet positions (including committed credit and liquidity lines and derivative positions).[2] As a consequence, banks hoarded liquidity for precautionary reasons, curtailing their liquidity provision to other financial intermediaries and to the real economy. This contributed to the failure of a number of banks when they became unable to roll over the short-term funding of long-term, illiquid assets or to meet their obligations when they became due.[3] More importantly, the significant ensuing uncertainty led to the drying-up of liquidity in a number of key markets, such as the unsecured interbank market, which contributed to the build-up of systemic risk. Ultimately, this led to an unprecedented provision of central bank liquidity and government guarantees on bank debt.[4]

In the light of this experience, the BCBS issued a proposal for liquidity risk regulation in December 2010. This proposal was part of a wider revision of the regulatory framework. In particular, it was intended to complement the revised framework for capital adequacy regulation. The objective of the liquidity regulation framework is to reduce the shortcomings of liquidity risk management observed during the financial crisis and the likelihood of another systemic liquidity crisis by ensuring that banks can rely more on their own liquidity resources.

To achieve this objective, the BCBS introduced two regulatory measures for liquidity which address different aspects of liquidity risk in banks' balance sheets: the LCR and the NSFR. The LCR aims at limiting the risks of severe cash outflows owing to an over-reliance on volatile funding sources and certain lending commitments. Under the LCR, banks are required to hold a minimum level of unencumbered high-quality liquid assets (HQLA) to withstand an acute stress scenario lasting 30 days. The LCR is specifically designed to improve the short-term resilience of banks against liquidity shocks. By contrast, the NSFR is designed to limit the risks emanating from excessive maturity mismatches over the medium to long term. More specifically, the NSFR requires banks to fund illiquid assets with a minimum amount of stable liabilities over a horizon of one year.

The Basel III liquidity standards constitute an important step in terms of financial regulation. It is expected that the liquidity regulation framework will increase banks' liquidity buffers and lower maturity transformation, reducing excessive interconnectedness in the financial system and mitigating systemic liquidity risk. The liquidity standards are also expected to improve the overall efficiency of money markets by reducing information asymmetries concerning banks' risks, including liquidity risk exposure and liquidity risk-bearing capacity. By reducing liquidity risk, they may lead to lower liquidity risk premia in money markets. Moreover, a more harmonised international framework – rather than the current heterogeneous liquidity risk rules – should help to achieve a level playing field across banks. Overall, the new liquidity standards are likely to have a welfare-enhancing effect on the real economy.

2 See Strahan P.E., "Liquidity Risk and Credit in the Financial Crisis", *FRBSF Economic Letter*, 2012-15, May 2012.
3 See, for instance, "Causes and Consequences of Recent Bank Failures", *United States Government Accountability Office*, January 2013.
4 See Stolz, S.M. and Wedow, M., "Extraordinary measures in extraordinary times – Public measures in support of the financial sector in the EU and the United States", *Occasional Paper Series*, No 117, ECB, Frankfurt am Main, July 2010.

The focus of this article is on the LCR, given that it will be introduced earlier than the NSFR. The regulatory rules for the LCR are far more developed than for the NSFR. However, both ratios are still subject to possible revisions before their final implementation.

The main features of the LCR are set out in Box 1. In January 2013, the BCBS agreed on a revised LCR and a revised implementation schedule for it, which was subsequently endorsed by the Governors and Heads of Supervision, i.e. the body to which the BCBS reports, on 6 January 2013. These changes to the LCR are also set out in Box 1.

In the EU context, the liquidity regulation framework will be applied in Member States via the Capital Requirements Regulation (CRR) and the Capital Requirement Directive IV.[5] Liquidity regulation will be applied directly to EU banks upon the adoption of the CRR. The CRR is currently under negotiation in the trialogues between the European Commission, Council and Parliament. At the time of writing, an agreement is still pending.

Before the implementation of the LCR as a binding regulatory minimum standard, its implementation process is being preceded by an observation period, which started in December 2011. In the EU context, the draft legislation[6] requires the European Banking Authority (EBA) to monitor and evaluate liquidity reports received from banks across currencies and business models. Based on this reporting, the EBA is requested to report to the Commission by 31 December 2013 on the impact of the LCR on the business and risk profiles of EU institutions, on financial markets, the economy and bank lending.

5 See "Proposal for a Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms", European Commission, Brussels, July 2011.
6 See Articles 403 and 481 (1) and (2) of the CRR.

Box 1

THE BASEL III LIQUIDITY STANDARDS

The Liquidity Coverage Ratio (LCR)

The objective of the LCR is to increase the short-term resilience of a bank's liquidity profile by ensuring that it has sufficient high-quality liquid resources to withstand an acute stress scenario lasting for 30 days. Given the balance sheet and the firm's activities, this stress scenario defines the potential net cash drain. To determine the cash flow drain, every source of liquidity risk has to be carefully analysed. The LCR standard is defined as:

$$\frac{\text{Stock of high-quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$$

The Net Stable Funding Ratio (NSFR)

The objective of the NSFR is to promote resilience over a longer-term horizon and to incentivise banks to more closely match the maturity of their funding with the maturity of assets. In contrast to the LCR, the NSFR is designed as a medium to long-term measure intended to provide a sustainable maturity structure of assets and liabilities, aiming to limit over-reliance on short-term wholesale funding. The NSFR standard is defined as:

$$\frac{\text{Available amount of stable funding}}{\text{Required amount of stable funding}} > 100\%$$

The features of the LCR (as agreed upon in January 2013) which are of relevance to the Eurosystem

High-quality liquid assets (HQLA) need to meet certain criteria, broadly speaking:

- Cash, withdrawable central bank reserves, securities issued by governments, public sector entities or guaranteed by governments with 0% risk weight under Basel II are considered level 1 liquid assets, which qualify in their entirety.

- Certain other assets, named level 2 HQLA, are subject to a haircut and can be taken into account up to a maximum ratio of 40% of liquid assets (after haircuts). They consist of:

  - Level 2A: government bonds with a 20% risk weight under Basel II, covered and non-financial corporate bonds (rated at least AA-). A 15% haircut applies.

  - Level 2B: residential mortgage-backed securities (RMBS) rated at least AA are subject to a 25% haircut, corporate debt securities (including commercial paper) (rated at least BBB-) to a 50% haircut and certain equities subject to a 50% haircut.

- Net cash outflows equal cash outflows minus cash inflows, where cash inflows are capped at 75% of outflows, thus limiting a bank's reliance on anticipated inflows to meet liquidity requirements. Weightings are given to different types of inflows and outflows to reflect the speed at which they are expected to become available or to be withdrawn in times of stress. In this connection, the following rollover rates are assigned to maturing transactions:

LCR rollover rates for central bank and interbank funding

(percentages)

Type of funding	Central bank funding, backed by HQLA or non-HQLA	Interbank funding backed by level 1 assets	Interbank funding, backed by level 2A assets	Interbank funding backed by RMBS (level 2B assets)	Interbank funding backed by other level 2B assets	Unsecured interbank funding or backed by non-HQLA
Rollover rate	100	100	85	75	50	0

The LCR and the Eurosystem's monetary policy framework differ as regards the definition of qualifying assets. The stock of HQLA accepted in the LCR is narrower than the stock of assets which are eligible as collateral for the Eurosystem's monetary policy credit operations. In addition, the LCR and the Eurosystem's collateral framework differ as regards haircuts that are applied to specific categories of assets. Level 1 assets are entirely taken into account in the LCR (no haircut) and thus benefit from a more beneficial treatment in the LCR than in the Eurosystem's collateral framework, while level 2 assets generally enjoy lower haircuts in the Eurosystem's collateral framework than in the LCR. These differences, which reflect the different objectives of the LCR and the Eurosystem's collateral framework, are further discussed in Sections 3 and 4 of this article.

The LCR is to be complied with on an ongoing basis. The frequency of disclosure is not as yet defined.

Revisions to the LCR decided upon in January 2013

In January 2013, it was decided that the LCR will be phased in progressively starting in 2015. The initial minimum required level will be 60%. This level will subsequently rise by 10 percentage points annually until it reaches 100% in 2019. The intention of this revision is to allow for a more graduated approach that avoids disruptions to the financial system and to the financing of economic activity. In addition, the revised text also grants individual countries receiving support for macroeconomic adjustment processes the option to implement the LCR at a pace that is consistent with their adjustment processes. Moreover, a number of further revisions to the LCR were decided in 2013. These changes, which are reflected in the above text, include a broader definition of HQLA and a less conservative stress scenario for outflows than in the December 2010 proposal. Finally, the Basel Committee on Banking Supervision also agreed to conduct further work to assess the interaction between the LCR and monetary policy.

3 THE RELATIONSHIP BETWEEN THE BASEL III LIQUIDITY REQUIREMENTS AND MONETARY POLICY IMPLEMENTATION

3.1 GENERAL REMARKS

There are three main reasons why there is a relationship between liquidity risk regulation and monetary policy implementation.

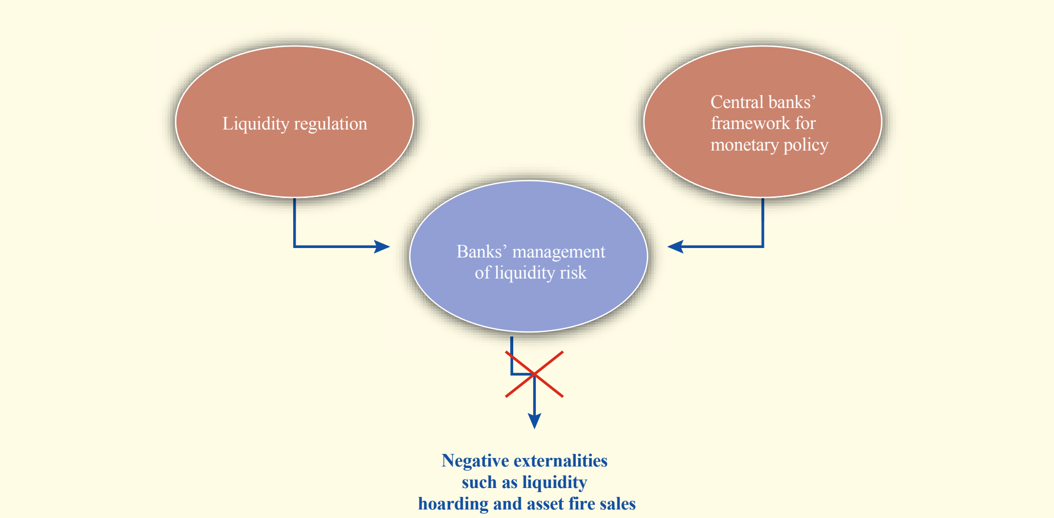
First, liquidity regulation may have an impact on the environment in which monetary policy is implemented, including in particular on the functioning of money markets.

Second, in most jurisdictions the central bank implements monetary policy by providing liquidity to, and withdrawing liquidity from, the banking system. Thus, an interaction between liquidity requirements and central bank liquidity provision and absorption is evident. In the euro area, monetary policy is implemented by design in an environment of liquidity deficit, i.e. banks need to go to the central bank in order to fulfil their liquidity needs. Therefore, a certain reliance on central bank funding is unavoidable. The extent to which banks' reliance on the central bank is influenced by liquidity regulation needs to be explored and taken into account.

Third, central banks act as LOLR in financial crises, by providing liquidity to banks which are solvent but temporarily illiquid. Thus, central banks' operations play a key role as liquidity sources for banks under liquidity stress.

For these three reasons, liquidity risk regulation and the central banks' monetary policy framework cannot be treated in isolation, and their interaction merits careful attention. In view of this, it is relevant for central banks in general, and for the Eurosystem in particular, to assess the impact of liquidity regulation on their currency area.

Chart 1 The influence of liquidity regulation and the central banks' framework for monetary policy on banks' liquidity risk management



Source: ECB.

Against this background, the remainder of this section discusses the relationship between the Basel III requirements and monetary policy implementation, considering each of the three above-mentioned aspects in turn. The focus is on the LCR, the implementation details (calibration and implementation process) of which are more advanced than those of the NSFR.

3.2 MONEY MARKETS

The Eurosystem implements monetary policy by steering short-term money market rates in line with the ECB's monetary policy stance. In this connection, it is essential to understand the interaction between the LCR and the money market.

UNSECURED SEGMENT

The LCR's objective is to increase short-term resilience of a bank's liquidity profile by ensuring that it has sufficient high-quality liquid resources to withstand an acute stress scenario lasting for 30 days. It includes a zero rollover assumption for short-term unsecured interbank funding (see Box 1), implying that within the 30-day horizon, unsecured interbank funding is assumed to fully evaporate. This assumption largely reflects the actual experience made during the financial crisis.

Unsecured short-term money market transactions within the 30-day horizon can be expected to affect banks' LCR in different ways depending on the initial level of the LCR. However, if banks operate at the margin of the LCR (i.e. with an LCR=1), then the effect of transactions with a maturity of less than 30 days is similar for the denominator and numerator of the LCR and has no effect on the ratio. For example, when bank A lends bank B an amount in the unsecured money market with a maturity of one week, bank A experiences a decrease in its liquid assets (i.e. a decrease in the numerator of the LCR), while net outflows (the denominator of the LCR) also decrease owing to the contractual inflow within the 30-day horizon (as long as the 75% cap has not yet been reached). Similarly, the LCR of bank B will remain unaffected: bank B's liquid assets increase by the amount borrowed while its net outflows also increase owing to the contractual outflow within the 30-day horizon.

If banks have an LCR of below 1, in order to comply with the LCR requirement they will need to substitute short-term funding for longer-term funding (or, alternatively, illiquid assets for liquid assets). Box 2 discusses illustrative examples of different adjustment strategies that banks could pursue to fulfil the LCR. If the LCR is constraining, i.e. if a bank has an LCR of below 1, it can be assumed that the proportion of short-term funding on bank balance sheets will decrease if the holdings of HQLA remain unchanged (see Box 2, adjustment strategy (b)(i) and (b)(ii)). In particular, a lengthening of funding maturity, e.g. as a result of the LCR, could mean that the volume in the short-term unsecured interbank market would decrease. Still, banks will probably continue to engage in significant short-term unsecured trading for daily liquidity management purposes, as the constraint of fulfilling reserve requirements will still hold.

When it comes to unsecured transactions with a maturity exceeding 30 days, there is a different impact on the LCR's numerator and denominator, and thus on the LCR as a whole. For example, when bank A lends on an unsecured basis to bank B in a six-month transaction, its LCR numerator declines by the amount lent; at the same time, its LCR denominator remains unchanged as the contractual inflow is expected beyond the 30-day horizon, leading to a decline in the LCR. This is mirrored by a similar increase in the LCR of bank B, which experiences an inflow of liquid assets while there is no outflow within the 30-day horizon.

The overall effect on activity in the longer-term unsecured money market is difficult to assess with certainty, as several countervailing forces are in place. In principle, the LCR may discourage banks on the lending side to engage in unsecured long-term transactions, given the adverse effect that such lending would have on their LCR. However, trading in the longer-term money market could still increase. For instance, banks with a relatively high LCR could engage in trading over longer maturities with banks seeking to improve their LCR whenever the yield is sufficiently attractive. In a way, the longer-term unsecured money market could become an LCR market in which LCR-qualifying liquidity is traded. As long as the system as a whole does not experience any liquidity shortfall, banks could offset liquidity shocks with each other in the longer-term money market, so that each individual bank remains within the LCR requirement. Moreover, as the liquidity regulation framework is expected to reduce information asymmetries and fears that a lender does not receive money back from the borrower because the latter runs into liquidity risk, one could see an increased willingness of banks to lend over longer maturities. Still, for unsecured lending to happen at the longer end, the following two conditions need to be fulfilled: (i) the perceived high degree of credit risk and information asymmetry which currently prevails is eradicated; and (ii) there are a sufficient number of banks which are able to meet the LCR by a margin. In the current situation in which markets are highly dysfunctional, an increase in trading over longer maturities is highly unlikely. On the other hand, the recently agreed phase-in period starting in 2015 provides more time and flexibility to build up liquidity buffers, particularly for banks in countries undergoing macroeconomic adjustment programmes. Moreover, many banks already meet LCR requirements, which, in some cases, is partly due to the substantial recent revisions.

Thus, overall, while a reduction in the reliance on short-term unsecured funding is an intended consequence of the LCR, it is currently unclear whether the implementation of the LCR will lead to an overall decline in money market activity, which could happen in the event that activity in the longer-term unsecured money market does not increase correspondingly. The potential further decrease in depth of the unsecured interbank market, in particular at the shorter end, could then impair its (pre-crisis) functions of allocating and distributing liquidity in the euro area. Furthermore, as the LCR is expected to be fulfilled on a continuous basis, a higher volatility in interest rates at the shorter end may be generated since no averaging mechanism is in place. As the frequency of disclosure is not as yet defined, some volatility in interest rates could also be observed at the longer end based on the disclosure frequency. Such volatility could interfere with the smooth transmission of monetary impulses along the entire yield curve. A decreased depth or heightened volatility in the unsecured money market could have implications on a smooth implementation of monetary policy and thus need to be considered in monetary policy implementation and in the assessment of monetary policy transmission.

With regard to prices, the Basel III liquidity risk regulation framework may induce an additional term premium in the unsecured money market (as demand might not be fully matched by supply) and a segmentation in the market between maturities exceeding the 30-day horizon and those within this horizon. The increased value of longer-term funding as an instrument to fulfil the LCR might tend to increase the slope of the unsecured yield curve, with liquidity premia at the longer end probably increasing. At the same time, by reducing liquidity risk, the LCR may lead to lower liquidity risk premia. The overall effect of these two countervailing forces is unclear. Nonetheless, while there could be an overall impact on the difference between short and longer-term rates, this does not necessarily complicate monetary policy implementation – to assess the impact on the monetary policy transmission mechanism, one would need to see whether the transmission from short to longer-term rates would be affected.

SECURED SEGMENT

In contrast to short-term unsecured transactions, short-term secured transactions below the 30-day maturity in the interbank market are not necessarily LCR-neutral. The impact of short-term secured transactions on the LCR depends on a range of factors, including the initial level of the LCR, the nature of the collateral that is mobilised (e.g. HQLA levels 1, 2 or other collateral), haircuts applied in the market, and the extent to which some LCR constraints are binding (such as the 75% cap on inflows).

Longer-term secured transactions beyond the 30-day horizon also have an impact on the LCR, not only when the haircuts used are unequal to the haircuts applied in the Basel proposal. For instance, when a bank substitutes liquid with illiquid assets when entering into a reverse repo based on non-HQLA collateral, the LCR numerator changes while the denominator does not change. This is because the contractual inflow from the deal is expected beyond the 30-day horizon and as such is not included in the 30-day net outflows, while the encumbrance of the non-HQLA collateral is LCR-neutral. Therefore, banks engaging in longer-term secured lending backed by non-eligible LCR collateral will experience a reduction of their LCR. For banks on the borrowing side, the opposite holds. Again, this discussion holds for a bank with an initial LCR of 1. Owing to the ratio nature of the LCR, the overall impact may differ depending on the LCR's starting point.[7] In addition, there is an impact from the haircuts applied on longer-term repo transactions involving LCR-eligible collateral. If the haircut applied in the secured transaction is higher than the haircut defined in the Basel proposal, the collateral taker will improve its LCR while the collateral giver will experience a deterioration of the LCR.

With regard to the overall impact on the longer-term secured money market, Basel III liquidity standards might exacerbate the shift in demand from unsecured to secured funding (a feature that has already been ongoing since the beginning of the crisis in 2007 and is thus, as yet, unrelated to liquidity regulation), thereby widening the spreads between secured and unsecured interest rates. In particular, this would be the case if (many) LCR-constrained banks were to engage in longer-term repo transactions involving illiquid assets, where the effect on the LCR is similar to

7 This is valid for the observation period only. Indeed, the LCR is the minimum binding requirement and should be at 100% as of 2019.

that of unsecured longer-term lending. Even if these transactions are conducted against very high haircuts they could still significantly improve the LCR of the collateral giver, as explained above. Banks or other institutions supplying LCR liquidity could, at a relatively low risk (high haircut) and attractive yield, transfer that surplus to LCR-constrained banks. These deficit banks would incur some additional credit risk resulting from the high haircuts applied to their assets, but if the concerned bank were really LCR-constrained and faced a relatively creditworthy counterparty, it would probably be prepared to accept that. Secured transactions backed by level 1 and level 2 HQLA will not have a significant impact on the LCR, regardless of the maturity, as their market haircuts will probably be relatively close to the Basel III haircuts. Such transactions will, however, remain attractive from a cash and risk management perspective, partly for the same reasons given for unsecured short-term transactions. From a central bank perspective, a shift in market activity from the unsecured to the secured money market, which has in any case been ongoing since the beginning of the crisis and could be further enhanced by the introduction of the LCR, would naturally impinge on monetary policy implementation and transmission.

3.3 EUROSYSTEM MONETARY POLICY INSTRUMENTS

Whenever adjustments are needed for banks to fulfil the LCR, banks have two options at their disposal: either to increase the stock of highly liquid assets, thereby working on the numerator of the LCR (and thus on the assets' side of banks' balance sheets), or to reduce the net cash outflow, thereby working on the denominator of the LCR (and on the liability side of banks' balance sheets) – see also Box 2. Banks may decide to combine the two options. In this context, participation in central bank operations can actually impact the LCR in several ways.

Central bank refinancing would not count as an outflow as it always benefits from a 100% rollover rate. If non-HQLA are used as collateral, there would be no reduction in the numerator and therefore an overall increase in the LCR. If HQLA are used as collateral, the positive effect on the LCR numerator stemming from the cash inflow would be (partly, in the case of level 2 assets) neutralised by the corresponding loss of level 1 (level 2) HQLA. A 100% rollover rate ensures equal treatment between central banks implementing monetary policy through repo operations and central banks implementing monetary policy through outright purchases of assets. However, it increases the difference in treatment between repo transactions with central banks and interbank repo transactions not backed by level 1 HQLA (see Box 1).

Likewise, recourse to the marginal lending facility or main refinancing operations using non-liquid assets – particularly in order to comply with the requirements on reporting dates – could be used by banks to improve their LCR.[8] Certainly, recourse to standing facilities is, in general, costly compared with: (i) market rates, at least when monetary markets function smoothly; and (ii) normal monetary policy operations, depending on the width of the corridor. It might thus only occur in extreme cases.

Deposits with an overnight maturity (deposit facility or excess reserves[9]) qualify as HQLA and have broadly the same effect as an interbank deposit (although recourse to the deposit facility improves the numerator while an interbank deposit reduces the denominator). Therefore, the LCR does not imply

8 The BCBS introduces a set of intraday monitoring tools which will allow supervisors to monitor banks' intraday management and to detect gaming of the standards at the reporting date. The monitoring tools will be implemented by 2015.

9 It is the view of the ECB that central bank reserves held for minimum requirement purposes should not count towards HQLA. Instead, only excess reserves (reserves held in excess of minimum reserve requirements) should count.

a specific preference for banks to hold liquidity with the central bank rather than with other banks (subject to the restriction that cash inflows are not allowed to exceed 75% of the gross cash outflow).

Overall, one way to achieve larger cash reserves could be to increase reliance on central bank refinancing with non-HQLA as collateral. The use of HQLA would not improve the LCR. The potential increase in demand for central bank liquidity would depend on the opportunity cost of obtaining liquidity funding from the Eurosystem. Some banks' bidding behaviour, however, may be independent of opportunity costs. In particular, there may be a number of banks with large amounts of collateral that are not classified as liquid under Basel III but that are eligible for ECB market operations. Where such banks have no access to market repos using this collateral, owing to counterparty/country concerns or to the collateral itself, it will remain likely that these counterparties will bid in the tenders using this collateral in order to obtain cash to meet their funding needs ratios as a first stage, and then their LCR thereafter.

All in all, one may therefore expect a general increase in bid rates in tender operations, for example compared with short-term market rates. This may give rise to certain challenges with regard to the controllability of short-term money market rates, which are important as they are the first step in the transmission of monetary policy. It remains to be seen how the post-crisis monetary policy framework will be shaped and thus how a general increase in bid rates in tender operations will affect monetary policy implementation.

It also remains to be seen whether the Basel III liquidity risk regulation framework will actually have such a strong impact on tender rates and on the collateral pledged with the Eurosystem that counteracting measures may be needed. The Eurosystem, like any other central bank, has at its disposal a list of theoretically possible means to address unintended consequences of the liquidity regulation framework on the monetary policy framework (e.g. narrowing the collateral set eligible for central bank operations, imposing limits on central bank financing, imposing limits on the use of certain asset types). These are not discussed here.

Box 2

BANKS' ADJUSTMENT STRATEGIES TO FULFIL THE LIQUIDITY COVERAGE RATIO

This box focuses on different adjustment strategies that banks could pursue to fulfil the Liquidity Coverage Ratio (LCR).

While most banks in the euro area would already fulfil the LCR requirements, some banks have an LCR below 100% at the current juncture. To increase their LCR, such banks can:

(a) restructure the asset side of the balance sheet:

- (i) increase holdings of level 1 high-quality liquid assets (HQLA) (e.g. high-rated or domestic government bonds) or level 2 HQLA (e.g. corporate bonds, covered bonds, residential mortgage-backed securities (RMBS) or shares that fulfil the criteria) by selling other assets; or
- (ii) increase central bank reserves by increasing central bank borrowing, using non-HQLA as collateral;

(b) restructure the liability side of the balance sheet:
   (i) decrease net outflows over a 30-day period by shifting short-term market funding to longer-term market funding; or
   (ii) decrease net outflows over a 30-day period by shifting short-term market funding to central bank funding.

These adjustment strategies are shown in Tables A, B, D and E. They represent four distinct ways of adjusting to the regulatory requirements. Of course, employing a combination of these or other, similar strategies is also possible.

For the two strategies (a)(ii) and (b)(ii) involving the central bank, the strategy has an impact on the central bank's balance sheet. This is shown in Tables C and F.

As a starting point, a stylised bank balance sheet of a bank that has an LCR below 100% is considered. The stylised balance sheet focuses on items that are of relevance for the LCR, either because they would form part of HQLA or because they enter the calculation of net outflows over a 30-day period. Stylised assumptions are made regarding the composition of the balance sheet items and the resulting aggregate treatment in the LCR.[1] Furthermore, outflows stemming from off-balance-sheet commitments are added. The LCR is then calculated as the amount of HQLA divided by the net outflows over a 30-day period. Under the stylised assumptions, the LCR of the bank would be 91.2%.[2]

Restructuring the asset side of the balance sheet

Adjustment strategy (a)(i) consists of increasing the holdings of HQLA. It is assumed that the bank sells one unit of other assets and buys one unit of level 1 HQLA, e.g. government securities (see Table A). With this strategy, the bank reaches an LCR of 100.4%. Of course, the bank could also increase its holdings of level 2 HQLA – in this instance, the volumes would have to be slightly larger owing to the haircuts applied in the calculation of the LCR.

1 The stylised balance sheet and the assumptions made are inspired by aggregate balance sheet items data and the results of the Basel III monitoring exercise conducted by the Basel Committee on Banking Supervision (Quantitative Impact Study), with the perspective of constructing a balance sheet that shows an LCR shortfall. It is assumed that:
- the average LCR haircut for level 2 HQLA held by the bank is 25%;
- all central bank reserves can be counted towards the LCR;
- 100% of unsecured loans to (deposits from) financial institutions with a remaining maturity below 30 days can be considered as inflows (outflows);
- 30% of secured loans to (deposits from) financial institutions with a remaining maturity below 30 days can be considered as inflows (outflows). This assumption is motivated by the fact that loans/deposits secured against level 1 HQLA would not be counted as inflows or outflows, while those secured against level 2 HQLA would receive a reduced percentage, and only those secured against non-HQLA would have to be counted fully;
- 1% of other loans can be considered as inflows and 18% of other deposits can be considered as outflows over a 30-day period. The discrepancy stems from the fact that run-off rates are applied to deposits under the LCR, simulating a stressed scenario.

These assumptions simplify the picture considerably – in particular as regards inflows and outflows, the true calculation of the LCR is considerably more complicated. Inclusion of all details is not possible based on a stylised bank balance sheet alone.

2 Based on the numbers given in Table A and in footnote 1, the LCR of 91.2% is calculated as follows: the amount of HQLA is the sum of level 1 HQLA (5 units), central bank reserves and cash (2 units) and level 2 HQLA taking into account the average haircut that applies to these assets ((1-25%)*4 units). Thus, the amount of HQLA is 10 units. The outflows over a 30-day period are equal to the sum of four components: 100% of the unsecured deposits of financial institutions with a remaining maturity of below 30 days (100%*7 units), 30% of the secured deposits of financial institutions with a remaining maturity of below 30 days (30%*7 units), 18% of other deposits (18%*32 units) and outflows from off-balance-sheet commitments (3 units). This amounts to 17.86 units. The inflows over a 30-day period are equal to the sum of three components: 100% of the unsecured loans to financial institutions with a remaining maturity of below 30 days (100%*5 units), 30% of the secured loans to financial institutions with a remaining maturity of below 30 days (30%*5 units) and 1% of other loans (1%*40 units). This amounts to 6.9 units. Thus, the net outflows (outflows minus inflows) are 10.96 units. Overall, the LCR is equal to 10 units divided by 10.96 units, i.e. to 91.2%.

Table A Adjustment strategy (a)(i): increasing level 1 HQLA by selling other assets

Assets		Liabilities	
Loans		*Deposits*	
Loans to financial institutions, < 30 days, unsecured	5	Deposits of financial institutions, < 30 days, unsecured	7
Loans to financial institutions, < 30 days, secured	5	Deposits of financial institutions, < 30 days, secured	7
Loans to financial institutions, > 30 days	5	Deposits of financial institutions, > 30 days	5
Other loans	40	Other deposits	32
HQLA		*Eurosystem liabilities*	
Level 1 HQLA	5 + 1	Eurosystem borrowing	7
Central bank reserves and cash	2		
Level 2 HQLA	4		
Other		*Other*	
Other assets	34 - 1	Other liabilities	42
Total	**100**	**Total**	**100**
		Outflows from off-balance-sheet commitments	3

Source: ECB.
Note: The size of the balance sheet is normalised to 100 (before adjustment).
Adjustment strategy: sell one unit of other assets, buy one unit of level 1 HQLA (e.g. government securities).
Original LCR (under stylised assumptions): 91.2%.
Resulting LCR (under stylised assumptions): 100.4%.

Table B Adjustment strategy (a)(ii): increasing central bank reserves by increasing central bank borrowing

Assets		Liabilities	
Loans		*Deposits*	
Loans to financial institutions, < 30 days, unsecured	5	Deposits of financial institutions, < 30 days, unsecured	7
Loans to financial institutions, < 30 days, secured	5	Deposits of financial institutions, < 30 days, secured	7
Loans to financial institutions, > 30 days	5	Deposits of financial institutions, > 30 days	5
Other loans	40	Other deposits	32
HQLA		*Eurosystem liabilities*	
Level 1 HQLA	5	Eurosystem borrowing	7 + 1
Central bank reserves and cash	2 + 1		
Level 2 HQLA	4		
Other		*Other*	
Other assets	34	Other liabilities	42
Total	**101**	**Total**	**101**
		Outflows from off-balance-sheet commitments	3

Source: ECB.
Note: The size of the balance sheet is normalised to 100 (before adjustment).
Adjustment strategy: increase central bank borrowing by one unit and hold as reserves/place in deposit facility.
Original LCR (under stylised assumptions): 91.2%.
Resulting LCR (under stylised assumptions): 100.4%.

Adjustment strategy (a)(ii) consists of increasing the amount of central bank reserves by increasing central bank borrowing[3], using non-HQLA as collateral.[4] It is assumed that the bank increases central bank borrowing by one unit and holds the resulting liquidity as central bank reserves, placing it in the deposit facility of the central bank (see Table B). This strategy lengthens the balance sheet of the bank by one unit. With this strategy, the bank reaches an LCR of 100.4%.

3 Note that the maturity of the central bank refinancing operation does not play a role, as the recent changes to the LCR (as of January 2013) introduced a 0% run-off rate for all central bank funding. Thus, the LCR does not provide an incentive to use a central bank refinancing operation of a particular maturity.

4 The Eurosystem collateral framework is wider than the range of HQLA accepted in the calculation of the LCR. For example, uncovered bank bonds, asset-backed securities (non-RMBS) and credit claims are not part of the definition of HQLA, but are accepted as collateral by the Eurosystem. It is assumed that the bank has enough non-HQLA collateral (after haircuts) to satisfy its additional Eurosystem borrowing needs.

Table C Impact of adjustment strategy (a)(ii) on the central bank

(EUR billions)

Eurosystem			
Assets		Liabilities	
Autonomous factors			
Net foreign assets	555	Banknotes in circulation	822
Net assets denominated in euros	461	Government deposits	83
		Other autonomous factors (net)	380
Monetary policy instruments			
Main refinancing operations	89 + 1	Current accounts	206
Longer term refinancing operations	343	Absorbing operations	78
Marginal lending facility	3	Deposit facility	19 + 1
Monetary policy assets portfolio	137		
Total	**1,589**	**Total**	**1,589**

Source: ECB.
Note: For illustrational simplicity, we assume that the size of the bank's balance sheet is €100 billion, such that a one unit increase corresponds to €1 billion.

For the central bank, this would imply an increase in the central bank refinancing operations and in the deposit facility (see Table C). In the current environment of unlimited provision of central bank funding, an increase in the main refinancing operations would be likely. Alternatively, the marginal lending facility could be used.

Restructuring the liability side of the balance sheet

Adjustment strategy (b) consists of decreasing the amount of net outflows over a 30-day period. Under adjustment strategy (b)(i), it is assumed that the bank lengthens the maturity structure of its liabilities by shifting one unit of unsecured wholesale borrowing with a remaining maturity of below 30 days into wholesale borrowing with a remaining maturity of above 30 days (see Table D). With this strategy, the bank reaches an LCR of 100.4%.

Table D Adjustment strategy (b)(i): reducing net outflows by shifting short-term market funding to longer-term market funding

Assets		Liabilities	
Loans		*Deposits*	
Loans to financial institutions, < 30 days, unsecured	5	Deposits of financial institutions, < 30 days, unsecured	7 - 1
Loans to financial institutions, < 30 days, secured	5	Deposits of financial institutions, < 30 days, secured	7
Loans to financial institutions, > 30 days	5	Deposits of financial institutions, > 30 days	5 + 1
Other loans	40	Other deposits	32
HQLA		*Eurosystem liabilities*	
Level 1 HQLA	5	Eurosystem borrowing	7
Central bank reserves and cash	2		
Level 2 HQLA	4		
Other		*Other*	
Other assets	34	Other liabilities	42
Total	**100**	**Total**	**100**
		Outflows from off-balance-sheet commitments	3

Source: ECB.
Note: The size of the balance sheet is normalised to 100 (before adjustment).
Adjustment strategy: shift one unit of unsecured wholesale borrowing <30 days to wholesale borrowing >30 days.
Original LCR (under stylised assumptions): 91.2%.
Resulting LCR (under stylised assumptions): 100.4%.

Table E Adjustment strategy (b)(ii): reducing net outflows by shifting short-term market funding to central bank funding

Assets		Liabilities	
Loans		*Deposits*	
Loans to financial institutions, < 30 days, unsecured	5	Deposits of financial institutions, < 30 days, unsecured	7 - 1
Loans to financial institutions, < 30 days, secured	5	Deposits of financial institutions, < 30 days, secured	7
Loans to financial institutions, > 30 days	5	Deposits of financial institutions, > 30 days	5
Other loans	40	Other deposits	32
HQLA		*Eurosystem liabilities*	
Level 1 HQLA	5	Eurosystem borrowing	7 + 1
Central bank reserves and cash	2		
Level 2 HQLA	4		
Other		*Other*	
Other assets	34	Other liabilities	42
Total	**100**	**Total**	**100**
		Outflows from off-balance-sheet commitments	3

Source: ECB.
Note: The size of the balance sheet is normalised to 100 (before adjustment).
Adjustment strategy: shift one unit of unsecured wholesale borrowing <30 days to central bank borrowing.
Original LCR (under stylised assumptions): 91.2%.
Resulting LCR (under stylised assumptions): 100.4%.

Table F Impact of adjustment strategy (b)(ii) on the central bank

(EUR billions)

Eurosystem			
Assets		Liabilities	
Autonomous factors			
Net foreign assets	555	Banknotes in circulation	822
Net assets denominated in euros	461	Government deposits	83
		Other autonomous factors (net)	380 + 1
Monetary policy instruments			
Main refinancing operations	89 + 1	Current accounts	206
Longer term refinancing operations	343	Absorbing operations	78
Marginal lending facility	3	Deposit facility	19
Monetary policy assets portfolio	137		
Total	**1,589**	**Total**	**1,589**

Source: ECB.
Note: For illustrational simplicity, we assume that the size of the bank's balance sheet is €100 billion, such that a one unit increase corresponds to €1 billion.

Under adjustment strategy (b)(ii), it is assumed that the bank shifts one unit of unsecured wholesale borrowing with a remaining maturity of below 30 days to central bank funding against non-HQLA collateral (see Table E).[5] With this strategy, the bank also reaches an LCR of 100.4%.

For the central bank, this implies that main refinancing operations increase by one unit. In this example, it is assumed that this increase is matched by an increase in other autonomous factors (net) (see Table F).

5 As for adjustment strategy (a)(ii), it is assumed that the bank has enough non-HQLA collateral (after haircuts) to satisfy its additional Eurosystem borrowing needs.

Conclusion

Overall, the banking system has a number of alternative strategies to achieve an LCR that is compliant with the proposed Basel III liquidity risk regulation framework. The choice of strategy depends on a bank's business model as well as on the adjustment costs resulting from the corresponding actions. For instance, it might not be easy to shift the maturity of wholesale funding (strategy (b)(i)), as the choice of maturity is determined by factors other than LCR considerations. In fact, it follows from the above that the most straightforward strategy would be to rely on central bank funding using non-HQLA as collateral. Thus, the demand for central bank funding would increase.

3.4 LENDER OF LAST RESORT FUNCTION

Liquidity regulation is aimed at encouraging banks to better self-insure against liquidity shocks (so that they remain liquid in a stress situation) in order to avoid the negative externalities, at macro level, of liquidity hoarding and asset fire sales. This is an important safeguard against moral hazard and the reduced market discipline that could otherwise result, and reflects the LCR principle that the central bank should remain the LOLR and not become the lender of first resort. To some extent, one could say that the LOLR function and liquidity regulation share similar objectives to ultimately avoid the materialisation of negative externalities. They also interact in the sense that banks will factor in both liquidity regulation and the LOLR function in the optimisation of their business activities. At the same time, they function differently: while liquidity regulation aims at changing banks' behaviour in the longer term and providing a more stable financial environment in general, the LOLR function can be used by the central bank to address specific emergency situations. In this connection, it is the view of the ECB that in the calibration of the LCR the rollover rate assigned to central bank funding provided in the form of emergency liquidity assistance should be zero. Ideally, liquidity regulation should lead to a situation where the central bank needs to resort to its LOLR function less often than would otherwise be the case. At the same time, if liquidity regulation is implemented in a way that strongly favours recourse to the central bank, the dependency of the banking system may increase. In the worst case, the central bank could then indeed be considered as a lender of first resort. In the case of the Eurosystem, the current calibration of the LCR might contribute to an increased demand for central bank financing. This is mainly related to the fact that the collateral set eligible for central bank funding is larger than the definition of HQLA under Basel III and that repo transactions with the central bank, backed by non-HQLA, benefit from more favourable treatment than similar interbank transactions.

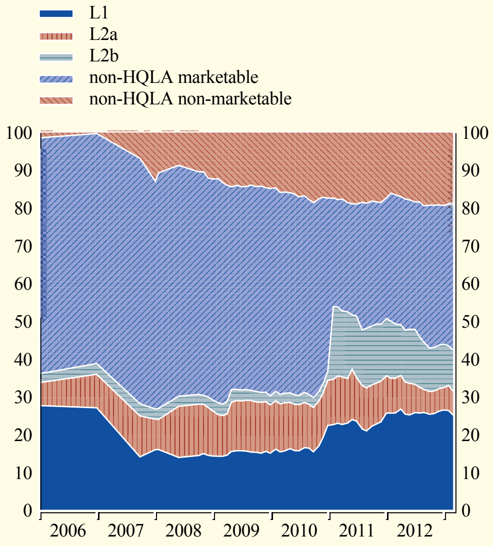
4 MONITORING THE IMPACT OF THE LIQUIDITY REGULATION FRAMEWORK

Owing to its relevance for monetary policy implementation, the Eurosystem has established a framework to monitor the impact of liquidity risk regulation on participation in central bank operations and on the functioning of relevant market segments, including the money market. To this end, the monitoring framework focuses in particular on a set of key indicators which cover three areas in which convergence processes towards the LCR can potentially be observed: indicators on central bank operations; bank-based indicators; and market-based indicators.

The first findings of the Eurosystem's monitoring work are briefly touched upon below. One important caveat is as follows. It is extremely difficult to disentangle, at the current juncture, the effects stemming from the ongoing crisis from the effects stemming from the frontloading by some banks of compliance with the liquidity regulation framework.

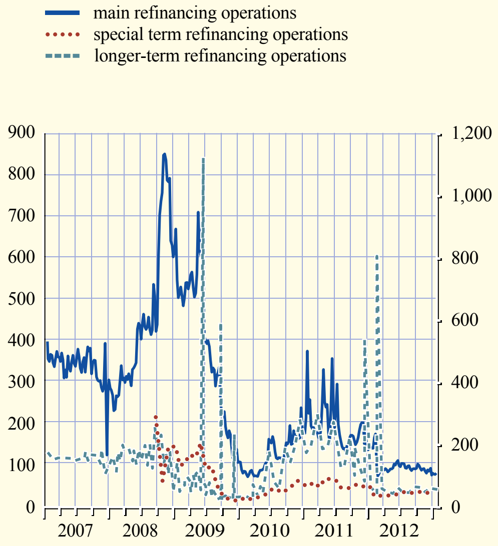
Chart 2 HQLA in posted collateral

(contributions by asset groups; percentages)



Source: ECB.

Chart 3 Number of bidders



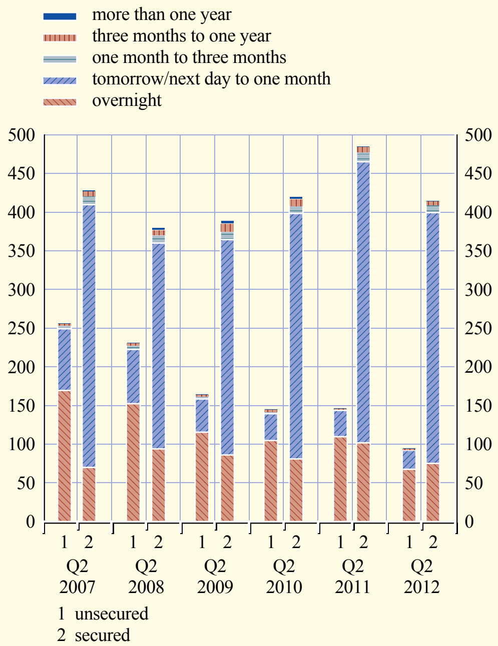
Source: ECB.

First, with respect to collateral, the need to keep HQLA unencumbered for it to count in the LCR numerator should ceteris paribus increase the share of non-HQLA collateral used with the Eurosystem. This becomes possible owing to the fact that the set of Eurosystem eligible collateral is wider than the LCR's set of HQLA. The effect is further accentuated by level 2 collateral being subject to a haircut of at least 15% under the LCR rules, while the corresponding Eurosystem haircuts are in some cases lower. Therefore, in particular, level 1 collateral posted with the Eurosystem should decline when banks adjust to the LCR. So far, as shown in Chart 2, this expected effect cannot be observed at the aggregate level.

Second, the expected effects on interest rates, i.e. an increased demand for central bank refinancing by LCR-constrained banks driving up rates via aggressive bidding, cannot currently be observed. However, this is due to the current regime of fixed rate full allotment and not to the absence of a strong need for central bank liquidity. Once a return to normal tender procedures has occurred,

Chart 4 Money market turnover by secured/unsecured segment and maturity

(EUR billions)



Source: ECB.

a monitoring of bidding behaviour and of resulting price effects will again become possible. Likewise, as shown in Chart 3, a sustained increase in the number of bidders cannot be observed.

Finally, given the differences in run-off rates between unsecured and secured interbank lending affecting the denominator of the LCR, banks should be incentivised by the liquidity rules to shift from the unsecured to the secured market segment. While the shift is clearly visible in the data, as also shown by Chart 4, it is difficult to isolate the effects of the liquidity regulation framework from other effects. In this respect, the LCR regulation will probably reinforce the pattern of a progressive shift of market activity away from the unsecured segment and towards the secured segment. This has already been observed over a number of years, as documented for example in the ECB's annual Euro Money Market Survey.

5 CONCLUSION

The Basel III framework for liquidity risk regulation, which encompasses two ratios – the LCR and the NSFR – is a major development which will have an impact on banks' management of their business activities. The regulation framework is expected to have an overall positive effect on the functioning of the money market by internalising the negative externalities for financial stability and monetary policy, i.e. reducing information asymmetries concerning banks' liquidity risk exposure and their liquidity risk-bearing capacity, and thus reducing the risk premia. In turn, it is expected to impact money markets as well as banks' demand for central bank funding. This article explains the Basel III liquidity requirements, in particular the LCR, and outlines the features which are of particular relevance for the Eurosystem. Furthermore, it illustrates why the liquidity standards are relevant for central banks, discussing in detail the relationship between the liquidity standards and monetary policy operations. The findings show that a possible strategy by which euro area banks could increase their LCR would be for them to rely more than they would otherwise on central bank funding by using non-HQLA collateral. Finally, the article briefly touches upon the first findings of a monitoring framework established by the Eurosystem to assess the impact of the liquidity standards on central bank operations.

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.

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
2011	2.1	2.3	1.5	-	2.2	0.7	1.39	2.65
2012	4.1	3.1	2.9	-	-0.2	1.2	0.58	1.72
2012 Q2	2.9	2.7	2.7	-	-0.1	2.6	0.69	2.32
Q3	4.7	3.2	3.0	-	-0.6	1.0	0.36	1.94
Q4	6.3	4.2	3.6	-	-0.8	1.0	0.20	1.72
2013 Q1	.	.	.	-	.	.	0.21	1.76
2012 Oct.	6.5	4.3	3.9	3.4	-0.8	0.4	0.21	1.95
Nov.	6.5	4.4	3.7	3.7	-0.8	0.7	0.19	1.80
Dec.	6.5	4.5	3.5	3.6	-0.7	2.6	0.19	1.72
2013 Jan.	6.6	4.4	3.5	3.3	-0.9	2.1	0.20	2.02
Feb.	7.0	4.3	3.1	.	-0.9	.	0.22	1.88
Mar.	.	.	.	.	.	.	0.21	1.76

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
2011	2.7	5.9	2.2	1.4	3.1	80.5	0.3	10.2
2012	2.5	2.6	1.6	-0.6	-2.4	78.3	-0.7	11.4
2012 Q3	2.5	2.3	1.8	-0.6	-2.1	77.5	-0.6	11.5
Q4	2.3	2.3	1.3	-0.9	-3.0	77.0	-0.7	11.8
2013 Q1	1.9	.	.	.	.	.	.	.
2012 Oct.	2.5	2.6	-	-	-3.0	76.9	-	11.7
Nov.	2.2	2.1	-	-	-4.1	-	-	11.8
Dec.	2.2	2.1	-	-	-1.7	-	-	11.8
2013 Jan.	2.0	1.9	-	-	-1.3	77.2	-	12.0
Feb.	1.8	.	-	-	.	-	-	12.0
Mar.	1.7	.	-	-	.	-	-	.

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
2011	23.9	9.2	119.2	667.1	-14.0	117.1	103.4	100.7	1.3920
2012	123.9	106.1	21.8	689.4	.	.	97.8	95.5	1.2848
2012 Q2	16.0	25.2	77.9	701.5	-12.9	124.8	98.2	95.9	1.2814
Q3	44.5	30.5	-34.9	733.8	-12.6	124.5	95.9	93.7	1.2502
Q4	66.1	44.1	53.3	689.4	.	.	97.8	95.5	1.2967
2013 Q1	.	.	.	.	.	.	100.7	98.2	1.3206
2012 Oct.	13.4	12.5	35.3	715.8	-	-	97.8	95.5	1.2974
Nov.	22.5	16.7	30.3	718.2	-	-	97.2	94.9	1.2828
Dec.	30.1	14.9	-12.2	689.4	-	-	98.7	96.3	1.3119
2013 Jan.	-3.8	-2.2	21.8	675.3	-	-	100.4	98.0	1.3288
Feb.	.	.	.	671.8	-	-	101.6	99.1	1.3359
Mar.	.	.	.	.	-	-	100.2	97.6	1.2964

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.

1 MONETARY POLICY STATISTICS

1.1 Consolidated financial statement of the Eurosystem

(EUR millions)

1. Assets

	22 February 2013	1 March 2013	8 March 2013	15 March 2013	22 March 2013
Gold and gold receivables	438,690	438,690	438,691	438,692	438,692
Claims on non-euro area residents in foreign currency	253,120	252,891	252,554	251,417	251,584
Claims on euro area residents in foreign currency	28,071	30,765	30,027	28,694	30,006
Claims on non-euro area residents in euro	20,507	21,490	22,297	22,089	22,998
Lending to euro area credit institutions in euro	1,008,537	946,086	931,808	920,791	906,244
Main refinancing operations	132,172	131,116	129,803	127,305	119,375
Longer-term refinancing operations	876,363	814,484	801,990	793,474	786,657
Fine-tuning reverse operations	0	0	0	0	0
Structural reverse operations	0	0	0	0	0
Marginal lending facility	1	486	15	12	212
Credits related to margin calls	0	0	0	0	0
Other claims on euro area credit institutions in euro	80,121	73,592	73,427	70,163	80,028
Securities of euro area residents in euro	607,492	608,024	607,927	605,859	606,363
Securities held for monetary policy purposes	269,878	269,558	269,504	269,172	269,092
Other securities	337,614	338,466	338,423	336,688	337,272
General government debt in euro	29,912	29,912	29,912	29,912	29,912
Other assets	282,375	279,169	279,305	280,228	276,873
Total assets	2,748,823	2,680,619	2,665,947	2,647,844	2,642,700

2. Liabilities

	22 February 2013	1 March 2013	8 March 2013	15 March 2013	22 March 2013
Banknotes in circulation	878,294	881,919	882,975	882,829	884,535
Liabilities to euro area credit institutions in euro	788,007	724,500	695,258	705,765	684,828
Current accounts (covering the minimum reserve system)	415,950	374,205	354,802	366,510	351,673
Deposit facility	166,437	144,710	134,083	132,634	126,755
Fixed-term deposits	205,500	205,500	205,500	205,500	205,500
Fine-tuning reverse operations	0	0	0	0	0
Deposits related to margin calls	119	85	873	1,121	900
Other liabilities to euro area credit institutions in euro	6,374	6,846	6,340	6,558	5,906
Debt certificates issued	0	0	0	0	0
Liabilities to other euro area residents in euro	118,875	115,427	123,043	108,353	114,175
Liabilities to non-euro area residents in euro	166,003	165,481	168,126	157,731	162,001
Liabilities to euro area residents in foreign currency	3,236	2,604	2,414	1,584	2,774
Liabilities to non-euro area residents in foreign currency	7,682	7,456	6,986	5,823	6,178
Counterpart of special drawing rights allocated by the IMF	54,952	54,952	54,952	54,952	54,952
Other liabilities	231,988	226,155	230,355	228,645	231,745
Revaluation accounts	407,378	407,378	407,378	407,378	407,378
Capital and reserves	86,035	87,900	88,121	88,225	88,227
Total liabilities	2,748,823	2,680,619	2,665,947	2,647,844	2,642,700

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
13 July	0.75	0.25	1.50	-	0.25	2.25	0.25
9 Nov.	0.50	-0.25	1.25	-	-0.25	2.00	-0.25
14 Dec.	0.25	-0.25	1.00	-	-0.25	1.75	-0.25
2012 11 July	0.00	-0.25	0.75	-	-0.25	1.50	-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								
2012 28 Dec.	89,661	86	89,661	0.75	-	-	-	6
2013 3 Jan.	81,097	69	81,097	0.75	-	-	-	6
9	77,725	75	77,725	0.75	-	-	-	7
16	131,242	72	131,242	0.75	-	-	-	7
23	125,302	71	125,302	0.75	-	-	-	7
30	124,149	74	124,149	0.75	-	-	-	7
6 Feb.	129,308	73	129,308	0.75	-	-	-	7
13	128,680	73	128,680	0.75	-	-	-	7
20	132,172	75	132,172	0.75	-	-	-	7
27	131,116	79	131,116	0.75	-	-	-	7
6 Mar.	129,804	80	129,804	0.75	-	-	-	7
13	127,305	78	127,305	0.75	-	-	-	7
20	119,375	76	119,375	0.75	-	-	-	7
27	123,239	75	123,239	0.75	-	-	-	7
3 Apr.	124,876	74	124,876	0.75	-	-	-	7
Longer-term refinancing operations [5)]								
2012 10 Oct.	12,629	27	12,629	0.75	-	-	-	35
1 Nov.	6,156	52	6,156	0.75	-	-	-	91
14	15,926	30	15,926	0.75	-	-	-	28
29	7,371	37	7,371	0.75	-	-	-	91
12 Dec.	15,296	26	15,296	0.75	-	-	-	35
20	14,962	50	14,962	0.75	-	-	-	98
2013 16 Jan.	10,455	19	10,455	0.75	-	-	-	28
31 [6)]	3,713	46	3,713	.	-	-	-	84
13 Feb.	7,759	16	7,759	0.75	-	-	-	28
28 [6)]	8,328	36	8,328	.	-	-	-	91
13 Mar.	4,208	19	4,208	0.75	-	-	-	28
28 [6)]	9,113	46	9,113	.	-	-	-	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
2012 28 Dec.	Collection of fixed-term deposits	197,559	43	197,559	-	-	0.75	0.75	0.03	6
2013 3 Jan.	Collection of fixed-term deposits	324,054	61	208,500	-	-	0.75	0.01	0.01	6
9	Collection of fixed-term deposits	344,451	64	208,500	-	-	0.75	0.01	0.01	7
16	Collection of fixed-term deposits	356,291	61	208,500	-	-	0.75	0.01	0.01	7
23	Collection of fixed-term deposits	298,933	60	208,500	-	-	0.75	0.01	0.01	7
30	Collection of fixed-term deposits	284,235	66	208,500	-	-	0.75	0.20	0.04	7
6 Feb.	Collection of fixed-term deposits	335,198	91	205,500	-	-	0.75	0.10	0.04	7
13	Collection of fixed-term deposits	349,536	93	205,500	-	-	0.75	0.06	0.04	7
20	Collection of fixed-term deposits	349,191	90	205,500	-	-	0.75	0.04	0.03	7
27	Collection of fixed-term deposits	311,971	89	205,500	-	-	0.75	0.04	0.03	7
6 Mar.	Collection of fixed-term deposits	301,604	91	205,500	-	-	0.75	0.04	0.03	7
13	Collection of fixed-term deposits	286,410	78	205,500	-	-	0.75	0.04	0.03	7
20	Collection of fixed-term deposits	272,719	72	205,500	-	-	0.75	0.04	0.03	7
27	Collection of fixed-term deposits	225,224	64	205,500	-	-	0.75	0.24	0.06	7
3 Apr.	Collection of fixed-term deposits	270,436	72	205,500	-	-	0.75	0.07	0.04	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.
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) For the operations settled on 22 December 2011 and 1 March 2012, after one year counterparties have the option to repay any part of the liquidity that they have been allotted in these operations, on any day that coincides with the settlement day of a main refinancing operation.
6) In this longer-term refinancing operation, the rate at which all bids are satisfied is indexed to the average minimum bid rate in the main refinancing operations over the life of the operation. The interest rates displayed for these indexed longer-term refinancing operations have been rounded to two decimal places. For the precise calculation method, please refer to the Technical Notes.

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 (end of period):	Total	Liabilities to which a positive reserve coefficient is applied [1]		Liabilities to which a 0% reserve coefficient is applied		
		Overnight deposits and deposits with an agreed maturity or notice period of up to 2 years	Debt securities issued with a maturity of up to 2 years	Deposits with an agreed maturity or notice period of over 2 years	Repos	Debt securities issued with a maturity of over 2 years
	1	2	3	4	5	6
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
2011	18,970.0	9,790.9	687.7	2,781.2	1,303.5	4,406.8
2012	18,564.7	9,971.7	637.5	2,583.9	1,163.1	4,208.4
2012 Sep.	18,893.9	9,992.3	690.9	2,632.8	1,300.1	4,277.9
Oct.	18,807.8	9,973.0	675.6	2,607.6	1,304.6	4,247.0
Nov.	18,752.3	9,923.7	667.7	2,603.1	1,315.7	4,242.1
Dec.	18,564.7	9,971.7	637.5	2,583.9	1,163.1	4,208.4
2013 Jan.	18,559.0	9,900.7	636.4	2,569.8	1,259.2	4,192.8

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
2011	207.7	212.2	4.5	0.0	1.25
2012	106.4	509.9	403.5	0.0	0.75
2012 13 Nov.	106.4	529.2	422.7	0.0	0.75
11 Dec.	106.4	509.9	403.5	0.0	0.75
2013 15 Jan.	106.0	489.0	383.0	0.0	0.75
12 Feb.	105.4	466.3	360.8	0.0	0.75
12 Mar.	105.6	403.0	297.3	0.0	0.75
9 Apr.	104.9	.	.	.	.

3. Liquidity

Maintenance period ending on:	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current accounts	Base money
		Monetary policy operations of the Eurosystem										
	Eurosystem's net assets in gold and foreign currency	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations [2]	Deposit facility	Other liquidity-absorbing operations [3]	Banknotes in circulation	Central government deposits with the Eurosystem	Other factors (net)		
	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
2011	622.1	238.0	389.0	4.4	260.3	253.7	200.5	869.4	63.8	-85.9	212.2	1,335.3
2012	708.0	74.0	1,044.1	1.6	277.3	231.8	208.5	889.3	121.1	144.5	509.9	1,631.0
2012 9 Oct.	681.5	117.6	1,062.8	1.1	279.6	305.4	209.0	892.7	101.4	96.0	538.1	1,736.2
13 Nov.	708.5	84.4	1,053.8	1.0	278.9	256.1	209.3	890.0	95.7	146.4	529.2	1,675.3
11 Dec.	708.0	74.0	1,044.1	1.6	277.3	231.8	208.5	889.3	121.1	144.5	509.9	1,631.0
2013 15 Jan.	683.9	78.2	1,036.8	3.7	276.8	238.4	206.6	903.5	100.1	141.7	489.0	1,630.9
12 Feb.	656.5	127.5	960.3	0.3	273.4	184.3	207.8	883.5	90.8	185.5	466.3	1,534.1
12 Mar.	655.7	130.5	843.2	0.9	269.9	145.3	205.5	880.5	78.8	187.1	403.0	1,428.8

Source: ECB.

1) A coefficient of 1% is applied as of the maintenance period beginning on 18 January 2012. A coefficient of 2% is applied to all previous maintenance periods.
2) Includes liquidity provided under the Eurosystem's covered bond purchase programmes and the Eurosystem's Securities Markets Programme.
3) 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 OTHER FINANCIAL CORPORATIONS

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													
2011	4,700.3	2,780.5	18.0	1.0	2,761.5	717.2	556.9	10.1	150.2	-	20.3	779.2	8.1	395.0
2012	5,287.3	3,351.2	16.9	1.0	3,333.3	723.1	568.3	10.5	144.3	-	23.4	799.9	8.3	381.5
2012 Q3	5,489.6	3,517.1	17.1	1.0	3,499.1	730.0	572.6	9.9	147.5	-	21.7	843.6	8.4	368.9
Q4	5,287.3	3,351.2	16.9	1.0	3,333.3	723.1	568.3	10.5	144.3	-	23.4	799.9	8.3	381.5
2012 Nov.	5,402.2	3,448.3	17.1	1.0	3,430.3	722.3	568.1	10.3	143.9	-	22.1	829.5	8.4	371.6
Dec.	5,287.3	3,351.2	16.9	1.0	3,333.3	723.1	568.3	10.5	144.3	-	23.4	799.9	8.3	381.5
2013 Jan.	4,930.1	3,015.3	16.9	1.0	2,997.4	719.9	567.9	11.2	140.8	-	23.6	784.4	8.1	378.8
Feb. (p)	4,821.0	2,886.9	16.9	1.0	2,869.0	732.6	589.8	11.3	131.5	-	23.7	784.5	8.1	385.1
	MFIs excluding the Eurosystem													
2011	33,540.3	18,483.3	1,159.6	11,162.9	6,160.7	4,765.3	1,395.9	1,517.5	1,852.0	50.2	1,211.8	4,253.3	232.3	4,544.2
2012	32,699.0	17,992.6	1,153.0	11,043.2	5,796.4	4,906.6	1,628.9	1,423.1	1,854.6	66.9	1,227.8	4,045.2	214.6	4,245.3
2012 Q3	33,919.0	18,455.6	1,163.0	11,186.8	6,105.8	4,885.6	1,619.3	1,376.6	1,889.6	60.9	1,221.3	4,201.7	222.4	4,871.4
Q4	32,699.0	17,992.6	1,153.0	11,043.2	5,796.4	4,906.6	1,628.9	1,423.1	1,854.6	66.9	1,227.8	4,045.2	214.6	4,245.3
2012 Nov.	33,329.1	18,313.8	1,168.0	11,160.0	5,985.8	4,905.0	1,674.3	1,359.6	1,871.1	66.6	1,223.6	4,167.3	223.5	4,429.3
Dec.	32,699.0	17,992.6	1,153.0	11,043.2	5,796.4	4,906.6	1,628.9	1,423.1	1,854.6	66.9	1,227.8	4,045.2	214.6	4,245.3
2013 Jan.	32,836.6	17,910.3	1,156.9	11,045.2	5,708.2	4,936.9	1,656.8	1,403.8	1,876.2	60.3	1,244.7	4,014.8	214.0	4,455.7
Feb. (p)	32,908.0	17,852.4	1,118.7	11,035.4	5,698.4	4,939.9	1,674.0	1,404.2	1,861.7	63.4	1,230.6	4,037.9	212.0	4,571.7

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										
2011	4,700.3	913.7	2,609.0	63.8	12.1	2,533.1	-	0.0	481.2	284.3	412.1
2012	5,287.3	938.2	3,062.2	81.4	64.5	2,916.4	-	0.0	536.1	298.7	452.2
2012 Q3	5,489.6	917.8	3,257.7	91.9	21.2	3,144.6	-	0.0	575.2	303.8	435.1
Q4	5,287.3	938.2	3,062.2	81.4	64.5	2,916.4	-	0.0	536.1	298.7	452.2
2012 Nov.	5,402.2	915.1	3,190.8	115.6	71.2	3,004.0	-	0.0	565.6	292.7	438.2
Dec.	5,287.3	938.2	3,062.2	81.4	64.5	2,916.4	-	0.0	536.1	298.7	452.2
2013 Jan.	4,930.1	908.0	2,775.8	103.3	55.5	2,617.0	-	0.0	524.2	277.7	444.5
Feb. (p)	4,821.0	905.4	2,683.8	82.7	53.0	2,548.1	-	0.0	518.7	270.9	442.2
	MFIs excluding the Eurosystem										
2011	33,540.3	-	17,318.5	195.5	10,752.3	6,370.7	570.6	5,008.2	2,231.1	3,803.4	4,608.5
2012	32,699.0	-	17,202.7	171.7	10,869.2	6,161.9	522.9	4,854.9	2,348.6	3,498.5	4,271.4
2012 Q3	33,919.0	-	17,430.8	204.5	10,827.2	6,399.1	540.8	4,977.9	2,325.2	3,752.3	4,892.0
Q4	32,699.0	-	17,202.7	171.7	10,869.2	6,161.9	522.9	4,854.9	2,348.6	3,498.5	4,271.4
2012 Nov.	33,329.1	-	17,378.0	197.5	10,837.1	6,343.4	549.8	4,906.6	2,330.3	3,655.8	4,508.5
Dec.	32,699.0	-	17,202.7	171.7	10,869.2	6,161.9	522.9	4,854.9	2,348.6	3,498.5	4,271.4
2013 Jan.	32,836.6	-	17,101.2	181.8	10,869.4	6,050.0	518.7	4,827.6	2,353.1	3,493.1	4,542.9
Feb. (p)	32,908.0	-	17,093.3	208.8	10,906.4	5,978.1	530.4	4,799.6	2,341.7	3,530.2	4,612.8

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										
2011	26,717.5	12,341.5	1,177.6	11,163.9	3,480.3	1,952.8	1,527.6	739.7	5,032.5	240.4	4,883.0
2012	26,245.5	12,214.1	1,169.9	11,044.2	3,630.8	2,197.2	1,433.6	767.1	4,845.1	222.9	4,565.5
2012 Q3	27,160.7	12,367.9	1,180.1	11,187.8	3,578.4	2,191.9	1,386.5	749.2	5,045.3	230.8	5,189.1
Q4	26,245.5	12,214.1	1,169.9	11,044.2	3,630.8	2,197.2	1,433.6	767.1	4,845.1	222.9	4,565.5
2012 Nov.	26,697.5	12,346.0	1,185.1	11,161.0	3,612.3	2,242.4	1,369.9	760.5	4,996.8	232.0	4,749.9
Dec.	26,245.5	12,214.1	1,169.9	11,044.2	3,630.8	2,197.2	1,433.6	767.1	4,845.1	222.9	4,565.5
2013 Jan.	26,445.5	12,220.0	1,173.8	11,046.2	3,639.8	2,224.7	1,415.1	781.0	4,799.2	222.0	4,783.5
Feb. (p)	26,578.1	12,171.9	1,135.6	11,036.4	3,679.3	2,263.8	1,415.5	777.0	4,822.4	220.1	4,907.3
	Transactions										
2011	992.9	60.3	-55.6	115.8	127.6	151.8	-24.2	-29.9	-37.3	7.8	864.3
2012	76.1	-40.0	-5.0	-35.0	112.4	182.8	-70.5	39.6	-150.7	-17.3	132.2
2012 Q3	-52.7	5.8	-7.6	13.4	-71.1	6.4	-77.5	16.5	-58.4	2.4	52.1
Q4	-411.7	-101.2	-10.0	-91.1	23.3	-22.0	45.3	15.9	-94.0	-7.4	-248.3
2012 Nov.	82.0	-12.4	-9.6	-2.8	13.5	27.5	-14.0	12.5	-12.0	0.6	79.8
Dec.	-365.1	-90.0	-15.1	-74.8	12.5	-50.8	63.3	7.3	-90.8	-8.8	-195.3
2013 Jan.	-94.5	24.4	4.1	20.3	9.3	26.3	-17.0	14.1	59.7	-0.8	-201.2
Feb. (p)	103.6	-44.7	-38.8	-5.8	45.8	45.9	-0.1	-4.3	-11.4	-1.9	120.1

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									
2011	26,717.5	857.5	259.3	10,764.5	520.4	3,006.1	2,219.9	4,087.7	5,020.6	-18.5
2012	26,245.5	876.8	253.0	10,933.7	456.0	2,856.1	2,400.6	3,797.2	4,723.6	-51.5
2012 Q3	27,160.7	866.7	296.4	10,848.5	479.9	2,940.8	2,406.6	4,056.1	5,327.1	-61.2
Q4	26,245.5	876.8	253.0	10,933.7	456.0	2,856.1	2,400.6	3,797.2	4,723.6	-51.5
2012 Nov.	26,697.5	864.1	313.1	10,908.3	483.2	2,891.7	2,410.6	3,948.5	4,946.7	-68.7
Dec.	26,245.5	876.8	253.0	10,933.7	456.0	2,856.1	2,400.6	3,797.2	4,723.6	-51.5
2013 Jan.	26,445.5	857.0	285.1	10,924.8	458.4	2,810.6	2,390.0	3,770.7	4,987.4	-38.6
Feb. (p)	26,578.1	855.8	291.6	10,959.4	467.0	2,806.4	2,383.2	3,801.1	5,055.0	-41.3
	Transactions									
2011	992.9	49.1	-0.8	168.0	-29.0	49.9	141.6	-200.0	860.7	-46.6
2012	76.1	19.4	-4.2	184.8	-20.1	-124.4	161.9	-253.5	136.4	-24.2
2012 Q3	-52.7	-1.1	-36.9	0.8	-17.0	-11.0	30.7	-84.4	77.0	-10.8
Q4	-411.7	10.1	-43.8	93.6	-22.1	-63.6	50.7	-215.5	-233.8	12.6
2012 Nov.	82.0	-0.2	39.6	29.6	-1.1	-21.2	5.9	-76.6	101.1	4.9
Dec.	-365.1	12.7	-60.6	31.6	-26.6	-25.0	42.6	-125.6	-236.2	21.9
2013 Jan.	-94.5	-19.8	33.9	-1.1	7.3	-14.0	4.4	30.5	-153.1	17.4
Feb. (p)	103.6	-1.2	5.6	26.4	8.6	-18.9	13.0	-6.6	81.1	-4.6

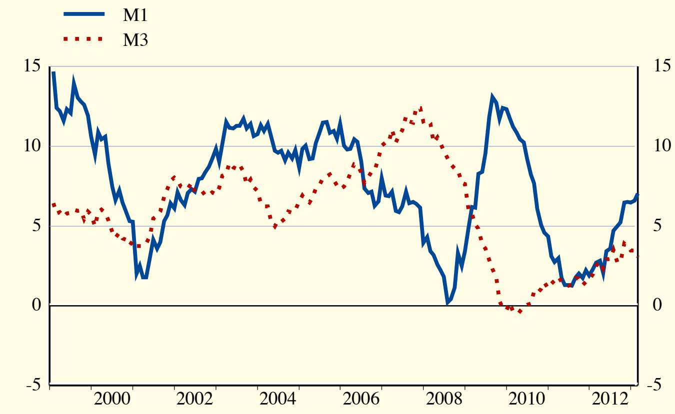
Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) In December 2010 a change was made to the recording practice for derivatives in one Member State, leading to an increase in this position.
3) Amounts held by euro area residents.
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)

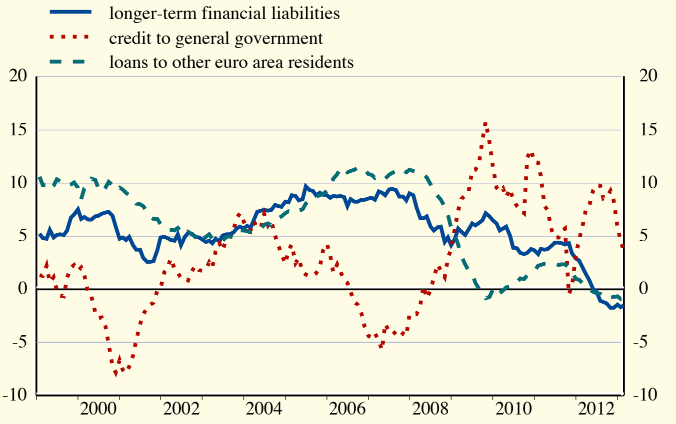
1. Monetary aggregates [2] and counterparts

	M3					M3 3-month moving average (centred)	Longer-term financial liabilities	Credit to general government	Credit to other euro area residents [3]			Net external assets [4]
	M2			M3-M2						Loans	Loans adjusted for sales and securitisation [5]	
	M1	M2-M1										
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2011	4,799.5	3,806.7	8,606.2	894.0	9,500.2	-	7,679.6	3,165.2	13,282.1	11,016.5	-	928.9
2012	5,105.4	3,885.8	8,991.2	782.1	9,773.3	-	7,571.5	3,407.7	13,056.5	10,857.2	-	1,030.6
2012 Q3	5,024.9	3,855.8	8,880.7	818.9	9,699.6	-	7,662.9	3,380.7	13,109.1	10,951.2	-	984.5
Q4	5,105.4	3,885.8	8,991.2	782.1	9,773.3	-	7,571.5	3,407.7	13,056.5	10,857.2	-	1,030.6
2012 Nov.	5,103.3	3,879.9	8,983.3	801.8	9,785.1	-	7,631.2	3,423.7	13,050.1	10,923.7	-	1,045.3
Dec.	5,105.4	3,885.8	8,991.2	782.1	9,773.3	-	7,571.5	3,407.7	13,056.5	10,857.2	-	1,030.6
2013 Jan.	5,121.4	3,895.9	9,017.3	767.7	9,785.0	-	7,532.4	3,405.7	13,023.8	10,832.4	-	1,020.4
Feb. (p)	5,173.2	3,888.1	9,061.3	746.4	9,807.6	-	7,533.0	3,401.7	13,013.3	10,825.1	-	1,009.2
	Transactions											
2011	88.5	71.4	159.9	-7.4	152.5	-	211.6	95.8	48.8	103.6	130.2	162.1
2012	311.2	76.0	387.2	-58.5	328.6	-	-112.7	183.4	-104.0	-72.7	-17.9	101.4
2012 Q3	132.3	-20.7	111.6	-27.2	84.4	-	-20.1	40.0	-63.4	-20.3	-6.8	31.4
Q4	84.4	36.4	120.8	-34.6	86.1	-	-16.3	-0.4	-3.9	-41.6	-8.7	108.9
2012 Nov.	25.9	6.8	32.7	-18.7	14.0	-	-11.6	12.1	-41.4	-11.6	-11.5	61.2
Dec.	5.3	7.7	13.0	-18.8	-5.8	-	3.9	-21.7	48.7	-24.5	2.4	20.4
2013 Jan.	21.1	13.1	34.3	3.0	37.3	-	-5.2	-3.0	-12.6	-6.4	-9.9	38.5
Feb. (p)	47.1	-9.6	37.6	-22.2	15.4	-	5.1	2.1	-7.3	-3.3	5.6	-8.9
	Growth rates											
2011	1.9	1.9	1.9	-0.9	1.6	1.7	2.9	3.2	0.4	0.9	1.2	162.1
2012	6.5	2.0	4.5	-6.9	3.5	3.6	-1.5	5.8	-0.8	-0.7	-0.2	101.4
2012 Q3	5.2	0.5	3.1	-1.4	2.7	3.1	-1.4	8.7	-1.2	-0.9	-0.4	-75.2
Q4	6.5	2.0	4.5	-6.9	3.5	3.6	-1.5	5.8	-0.8	-0.7	-0.2	101.4
2012 Nov.	6.5	1.8	4.4	-3.3	3.7	3.7	-1.7	8.3	-1.5	-0.8	-0.5	87.0
Dec.	6.5	2.0	4.5	-6.9	3.5	3.6	-1.5	5.8	-0.8	-0.7	-0.2	101.4
2013 Jan.	6.6	1.7	4.4	-6.1	3.5	3.3	-1.7	4.5	-1.1	-0.9	-0.5	174.8
Feb. (p)	7.0	0.8	4.3	-9.1	3.1	.	-1.5	3.6	-1.2	-0.9	-0.4	150.7

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) Excludes reverse repos to central counterparties as of June 2010; transactions and growth rates are adjusted for this effect.
4) Values in the section “growth rates” are sums of the transactions during the 12 months ending in the period indicated.
5) Adjustment for the derecognition of loans on the MFI balance sheet on account of their sale or securitisation.

2.3 Monetary statistics [1]

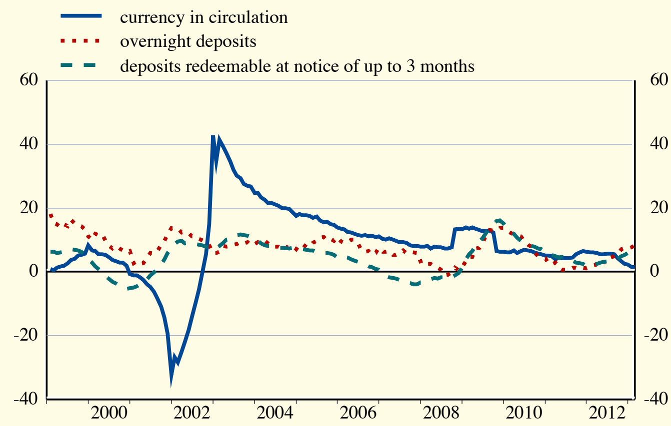
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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 [2]	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						
2011	843.7	3,955.7	1,845.8	1,960.9	147.2	536.8	210.0	2,815.6	115.3	2,543.5	2,205.2
2012	863.3	4,242.0	1,806.3	2,079.5	125.0	470.0	187.1	2,689.1	106.0	2,391.3	2,385.1
2012 Q3	867.1	4,157.8	1,817.9	2,037.9	124.7	483.0	211.2	2,720.8	108.9	2,427.8	2,405.4
Q4	863.3	4,242.0	1,806.3	2,079.5	125.0	470.0	187.1	2,689.1	106.0	2,391.3	2,385.1
2012 Nov.	863.8	4,239.5	1,813.2	2,066.7	123.6	482.3	196.0	2,705.6	107.7	2,410.2	2,407.8
Dec.	863.3	4,242.0	1,806.3	2,079.5	125.0	470.0	187.1	2,689.1	106.0	2,391.3	2,385.1
2013 Jan.	861.5	4,259.9	1,807.3	2,088.6	131.5	463.4	172.8	2,655.6	104.0	2,387.8	2,384.9
Feb. (p)	863.3	4,309.9	1,791.1	2,097.0	124.8	467.9	153.6	2,660.7	102.4	2,385.8	2,384.2
					Transactions						
2011	49.2	39.3	33.9	37.5	-16.7	-29.7	39.0	17.9	-2.5	55.8	140.4
2012	19.7	291.4	-40.0	116.0	-16.6	-22.1	-19.8	-103.7	-11.6	-158.5	161.1
2012 Q3	4.6	127.7	-47.8	27.1	-4.6	-16.4	-6.2	-3.9	-3.7	-50.1	37.6
Q4	-3.8	88.1	-3.0	39.4	0.5	-11.2	-24.0	-10.7	-4.2	-37.4	36.1
2012 Nov.	-2.6	28.5	-6.3	13.1	1.1	-6.0	-13.8	3.0	-1.2	-13.2	-0.1
Dec.	-0.5	5.8	-1.4	9.2	1.5	-11.6	-8.7	-5.9	-1.6	-18.1	29.6
2013 Jan.	-1.8	22.9	3.9	9.2	6.7	-1.6	-2.1	-13.8	-2.0	-4.2	14.8
Feb. (p)	1.8	45.3	-17.8	8.3	-6.8	4.6	-19.9	-8.9	-1.7	-3.5	19.1
					Growth rates						
2011	6.2	1.0	1.9	2.0	-9.7	-5.1	29.1	0.7	-2.1	2.3	6.9
2012	2.3	7.4	-2.2	5.9	-11.4	-4.4	-10.1	-3.7	-10.0	-6.2	7.2
2012 Q3	4.3	5.4	-3.2	4.0	-22.1	-1.0	17.0	-5.0	-8.5	-4.4	7.4
Q4	2.3	7.4	-2.2	5.9	-11.4	-4.4	-10.1	-3.7	-10.0	-6.2	7.2
2012 Nov.	2.4	7.4	-1.8	5.2	-20.2	0.4	1.6	-4.5	-9.0	-5.6	6.6
Dec.	2.3	7.4	-2.2	5.9	-11.4	-4.4	-10.1	-3.7	-10.0	-6.2	7.2
2013 Jan.	1.5	7.7	-3.0	6.2	-8.2	-4.0	-9.6	-3.8	-11.2	-6.5	6.9
Feb. (p)	1.4	8.2	-4.8	6.1	-10.2	-2.6	-23.3	-3.7	-11.8	-6.7	7.5

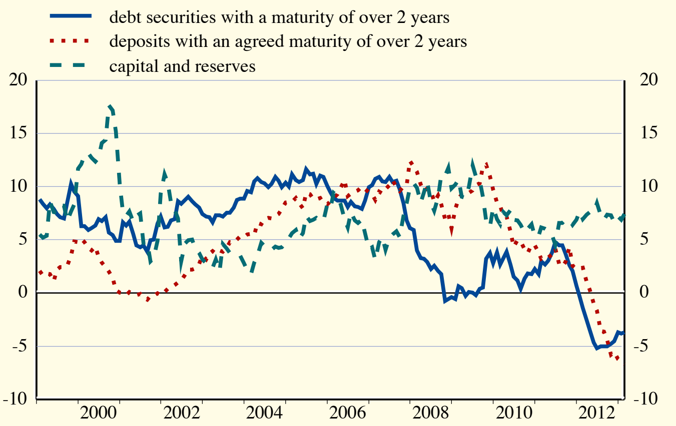
C3 Components of monetary aggregates [1]

(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) Excludes repurchase agreements with central counterpaties as of June 2010; transactions and growth rates are adjusted for this effect.

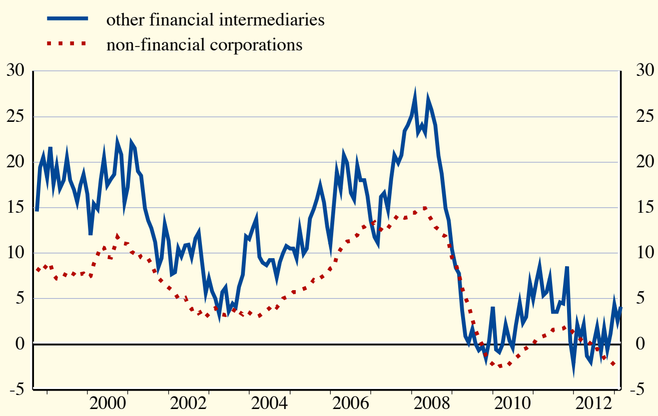
2.3 Monetary Statistics [1]

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

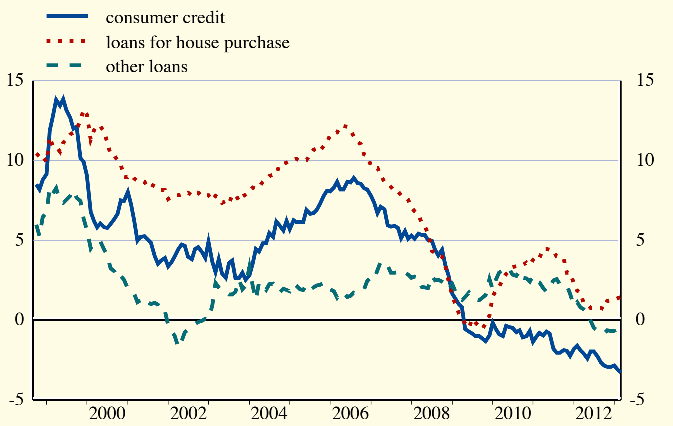
3. Loans as counterpart to M3

	Insurance corporations and pension funds	Other financial inter-mediaries [2]	Non-financial corporations					Households [3]				
	Total	Total	Total	Loans adjusted for sales and securitisation [4]	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Loans adjusted for sales and securitisation [4]	Consumer credit	Loans for house purchase	Other loans
	1	2	3	4	5	6	7	8	9	10	11	12
						Outstanding amounts						
2011	91.0	968.0	4,725.1	-	1,148.0	860.7	2,716.5	5,232.3	-	626.2	3,777.2	828.9
2012	88.9	977.1	4,548.0	-	1,133.6	795.9	2,618.5	5,243.1	-	601.9	3,824.3	816.9
2012 Q3	87.0	966.5	4,655.2	-	1,143.1	827.2	2,684.9	5,242.5	-	603.7	3,813.8	824.9
Q4	88.9	977.1	4,548.0	-	1,133.6	795.9	2,618.5	5,243.1	-	601.9	3,824.3	816.9
2012 Nov.	88.1	958.4	4,631.4	-	1,141.8	816.5	2,673.1	5,245.7	-	599.5	3,820.7	825.5
Dec.	88.9	977.1	4,548.0	-	1,133.6	795.9	2,618.5	5,243.1	-	601.9	3,824.3	816.9
2013 Jan.	92.8	965.0	4,529.6	-	1,126.4	791.0	2,612.1	5,245.0	-	600.0	3,830.5	814.4
Feb. (p)	92.5	970.8	4,512.9	-	1,133.2	784.3	2,595.3	5,248.9	-	596.8	3,838.6	813.6
						Transactions						
2011	1.3	-37.4	58.1	64.0	23.4	-22.1	56.8	81.6	102.2	-11.6	85.7	7.4
2012	-2.0	9.5	-106.4	-60.0	1.0	-45.1	-62.2	26.1	34.8	-17.8	49.4	-5.5
2012 Q3	3.0	2.6	-23.4	-18.8	-5.5	-12.7	-5.1	-2.5	7.4	-8.1	6.9	-1.4
Q4	2.0	15.4	-63.8	-31.3	-1.5	-17.6	-44.6	4.9	5.2	-1.7	9.1	-2.4
2012 Nov.	-1.9	-5.2	-7.4	-7.0	-2.2	-3.7	-1.5	2.9	2.5	-0.9	4.2	-0.3
Dec.	0.9	21.2	-46.7	-16.0	-0.3	-11.1	-35.3	0.1	-3.6	0.3	3.4	-3.6
2013 Jan.	4.0	-8.4	-8.1	-7.8	-4.2	-2.6	-1.2	6.1	1.6	-0.7	8.0	-1.2
Feb. (p)	-0.4	3.6	-8.7	2.0	7.7	-4.4	-12.0	2.2	0.4	-3.1	6.0	-0.8
						Growth rates						
2011	1.5	-3.8	1.2	1.4	2.1	-2.5	2.1	1.6	2.0	-1.8	2.3	0.9
2012	-2.2	1.0	-2.3	-1.3	0.1	-5.3	-2.3	0.5	0.7	-2.9	1.3	-0.7
2012 Q3	-8.9	-2.1	-1.5	-1.2	-2.1	-4.1	-0.5	0.0	0.8	-2.8	0.7	-0.8
Q4	-2.2	1.0	-2.3	-1.3	0.1	-5.3	-2.3	0.5	0.7	-2.9	1.3	-0.7
2012 Nov.	-4.4	-1.4	-1.9	-1.5	-2.0	-4.5	-1.0	0.4	0.8	-2.9	1.2	-0.7
Dec.	-2.2	1.0	-2.3	-1.3	0.1	-5.3	-2.3	0.5	0.7	-2.9	1.3	-0.7
2013 Jan.	7.3	-1.4	-2.5	-1.5	-0.5	-4.9	-2.5	0.5	0.4	-3.1	1.4	-1.1
Feb. (p)	9.4	-0.5	-2.6	-1.4	0.4	-5.2	-3.0	0.5	0.4	-3.3	1.4	-1.1

C5 Loans to other financial intermediaries and non-financial corporations [1]
(annual growth rates; not seasonally adjusted)



C6 Loans to households [1]
(annual growth rates; not seasonally adjusted)



Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Excludes reverse repos to central counterparties as of June 2010; transactions and growth rates are adjusted for this effect.
3) Including non-profit institutions serving households.
4) Adjusted for the derecognition of loans on the MFI balance sheet on account of their sale or securitisation.

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)

1. Loans to financial intermediaries and non-financial corporations

	Insurance corporations and pension funds				Other financial intermediaries					Non-financial corporations			
	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Total: Reverse repos to central counterparties	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												
2012	81.6	64.2	4.5	12.9	1,166.2	196.2	599.7	229.3	337.1	4,542.5	1,125.4	794.8	2,622.3
2012 Q3	89.8	71.9	5.7	12.3	1,199.1	221.7	629.2	226.4	343.5	4,652.8	1,140.7	828.3	2,683.8
Q4	81.6	64.2	4.5	12.9	1,166.2	196.2	599.7	229.3	337.1	4,542.5	1,125.4	794.8	2,622.3
2012 Dec.	81.6	64.2	4.5	12.9	1,166.2	196.2	599.7	229.3	337.1	4,542.5	1,125.4	794.8	2,622.3
2013 Jan.	90.5	73.3	4.3	13.0	1,181.3	223.8	617.2	222.8	341.2	4,530.9	1,129.0	787.4	2,614.5
Feb. (p)	90.6	73.5	4.1	12.9	1,193.6	236.3	622.3	219.6	351.6	4,512.4	1,133.2	782.6	2,596.6
	Transactions												
2012	-1.7	0.6	-1.8	-0.5	48.4	38.7	20.7	13.1	14.6	-107.3	0.3	-45.2	-62.5
2012 Q3	4.4	4.4	0.3	-0.2	49.8	44.6	45.7	2.6	1.5	-33.6	-17.7	-12.6	-3.3
Q4	-8.2	-7.6	-1.2	0.6	-28.1	-25.5	-26.0	3.5	-5.7	-67.1	-7.3	-19.9	-39.8
2012 Dec.	-7.1	-7.1	-0.3	0.3	-13.9	-20.7	-5.0	2.9	-11.7	-56.9	-9.5	-12.3	-35.1
2013 Jan.	9.0	9.1	-0.2	0.1	18.7	27.6	19.3	-5.8	5.2	-1.1	6.6	-5.1	-2.6
Feb. (p)	0.1	0.2	-0.2	0.0	10.1	12.4	4.2	1.5	4.4	-10.6	5.1	-2.5	-13.1
	Growth rates												
2012	-2.0	0.9	-28.6	-3.5	4.3	24.7	3.5	6.1	4.5	-2.3	0.0	-5.3	-2.3
2012 Q3	-8.7	-8.9	6.2	-13.2	1.7	23.0	-1.6	7.3	4.5	-1.5	-2.1	-4.1	-0.4
Q4	-2.0	0.9	-28.6	-3.5	4.3	24.7	3.5	6.1	4.5	-2.3	0.0	-5.3	-2.3
2012 Dec.	-2.0	0.9	-28.6	-3.5	4.3	24.7	3.5	6.1	4.5	-2.3	0.0	-5.3	-2.3
2013 Jan.	7.2	12.6	-29.4	-2.8	2.6	24.2	2.3	-1.1	5.6	-2.5	-0.5	-5.0	-2.5
Feb. (p)	9.5	16.0	-32.5	-2.4	4.1	27.9	4.6	-0.5	6.4	-2.6	0.4	-5.2	-3.0

2. Loans to households [3)]

	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	Total: Sole proprietors	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	14
	Outstanding amounts													
2012	5,253.0	604.2	136.3	175.2	292.7	3,831.1	14.3	56.6	3,760.2	817.7	419.4	139.9	80.7	597.1
2012 Q3	5,245.1	604.9	134.2	176.8	293.9	3,815.5	14.4	56.8	3,744.3	824.7	414.6	138.7	83.0	603.0
Q4	5,253.0	604.2	136.3	175.2	292.7	3,831.1	14.3	56.6	3,760.2	817.7	419.4	139.9	80.7	597.1
2012 Dec.	5,253.0	604.2	136.3	175.2	292.7	3,831.1	14.3	56.6	3,760.2	817.7	419.4	139.9	80.7	597.1
2013 Jan.	5,242.4	598.1	133.5	174.4	290.3	3,830.7	14.4	56.4	3,759.9	813.6	417.1	138.8	79.6	595.2
Feb. (p)	5,238.8	592.4	131.9	172.1	288.5	3,834.0	14.3	56.1	3,763.6	812.4	416.6	138.1	78.9	595.4
	Transactions													
2012	25.5	-17.8	-3.2	-6.1	-8.5	48.9	0.1	0.3	48.5	-5.5	-6.1	-1.2	-5.7	1.3
2012 Q3	-7.2	-10.1	-2.1	-2.9	-5.0	9.9	0.3	0.3	9.3	-7.0	-3.3	-6.2	-2.1	1.2
Q4	12.2	-0.7	2.4	-1.5	-1.6	14.2	0.0	-0.2	14.5	-1.4	2.7	1.5	-1.7	-1.2
2012 Dec.	3.0	2.3	3.7	-0.6	-0.8	8.5	0.1	-0.5	8.9	-7.7	3.8	-4.7	-1.2	-1.8
2013 Jan.	-6.3	-4.9	-1.6	-1.5	-1.8	1.4	0.1	-0.1	1.4	-2.8	-1.9	-0.8	-1.1	-0.9
Feb. (p)	-5.4	-5.5	-1.6	-2.2	-1.7	1.3	-0.1	-0.4	1.8	-1.2	-0.8	-1.1	-0.5	0.3
	Growth rates													
2012	0.5	-2.8	-2.3	-3.3	-2.8	1.3	0.6	0.6	1.3	-0.7	-1.5	-0.8	-6.5	0.2
2012 Q3	0.0	-2.8	-2.6	-3.6	-2.5	0.7	2.4	1.8	0.7	-0.8	0.3	-5.1	-4.7	0.8
Q4	0.5	-2.8	-2.3	-3.3	-2.8	1.3	0.6	0.6	1.3	-0.7	-1.5	-0.8	-6.5	0.2
2012 Dec.	0.5	-2.8	-2.3	-3.3	-2.8	1.3	0.6	0.6	1.3	-0.7	-1.5	-0.8	-6.5	0.2
2013 Jan.	0.5	-3.1	-2.9	-3.6	-2.8	1.4	2.8	0.3	1.4	-1.1	-1.7	-1.8	-7.6	0.1
Feb. (p)	0.5	-3.3	-2.4	-4.2	-3.1	1.4	3.5	-0.2	1.5	-1.1	-1.8	-2.6	-7.3	0.1

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.

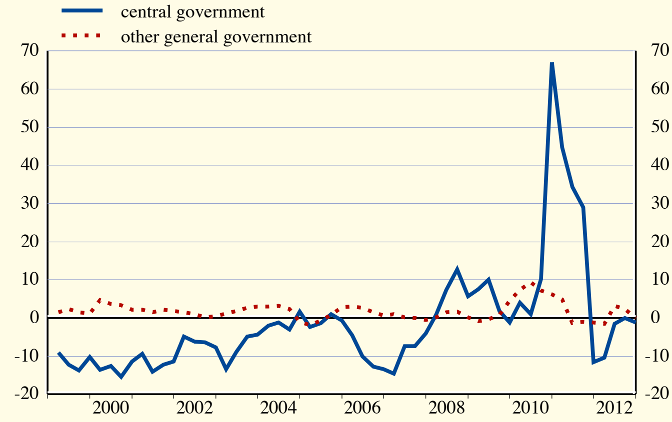
2.4 MFI loans: breakdown [1), 2)]

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

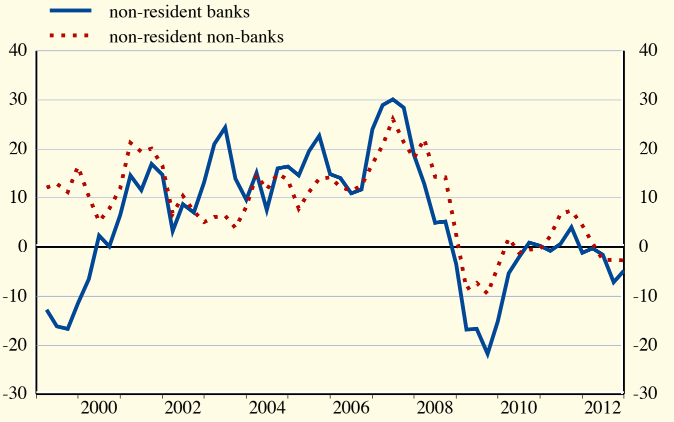
3. Loans to government and non-euro area residents

	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									
2010	1,217.9	397.5	225.2	549.1	46.1	2,963.2	2,010.9	952.3	49.5	902.8
2011	1,159.6	348.9	221.7	567.4	21.7	3,021.4	2,022.5	998.9	62.4	936.4
2012 Q1	1,137.5	322.6	224.0	566.9	24.0	3,006.6	1,998.8	1,007.8	59.4	948.4
Q2	1,169.9	339.6	240.1	565.1	25.1	3,086.9	2,063.9	1,023.0	58.0	965.0
Q3	1,163.0	341.4	231.5	564.0	26.2	3,006.8	1,988.9	1,017.9	59.7	958.1
Q4 (p)	1,153.0	341.9	221.6	565.3	24.1	2,867.2	1,909.8	959.1	60.9	898.2
	Transactions									
2010	204.2	156.3	14.9	21.1	11.9	-0.4	4.3	-5.0	0.5	-5.5
2011	-54.9	-45.9	-0.4	14.6	-23.3	15.4	-26.4	41.6	13.0	28.7
2012 Q1	-21.2	-25.9	-1.7	4.1	2.3	42.1	18.5	23.7	-2.2	25.9
Q2	34.9	19.5	16.1	-1.8	1.1	-14.3	-3.6	-10.8	-3.0	-7.7
Q3	-7.7	1.8	-9.3	-1.3	1.1	-54.5	-59.4	5.0	2.3	2.7
Q4 (p)	-9.9	0.6	-9.9	1.3	-1.9	-101.9	-54.9	-45.2	2.1	-47.4
	Growth rates									
2010	20.3	67.1	7.1	4.0	35.1	0.3	0.3	-0.4	0.6	-0.5
2011	-4.5	-11.6	-0.2	2.7	-51.6	0.6	-1.2	4.4	26.7	3.2
2012 Q1	-4.2	-10.4	-2.8	1.9	-41.6	0.1	-0.3	0.8	7.1	0.5
Q2	1.8	-1.5	7.2	2.0	-6.7	-1.9	-1.6	-2.5	-8.5	-2.2
Q3	1.7	0.0	2.7	2.1	6.9	-5.6	-7.1	-2.6	-7.0	-2.3
Q4 (p)	-0.3	-1.1	-2.2	0.4	12.3	-4.2	-4.9	-2.8	-1.4	-2.8

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.

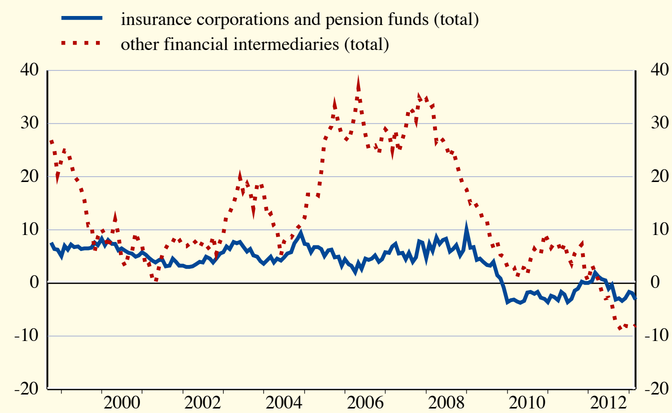
2.5 Deposits held with MFIs: breakdown 1), 2)

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

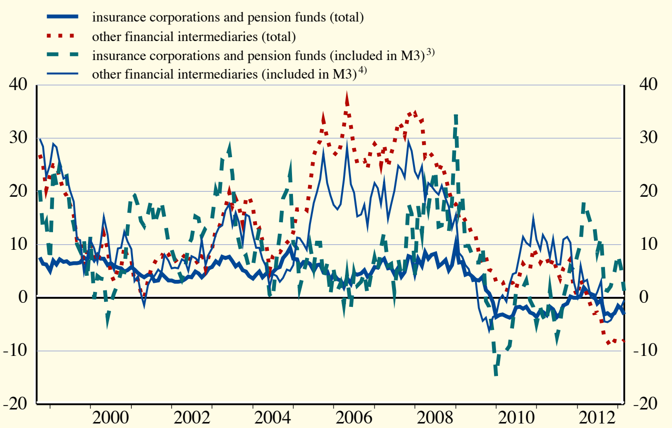
1. Deposits by financial intermediaries

	Insurance corporations and pension funds							Other financial intermediaries							
	Total	Overnight	With an agreed maturity of: Up to 2 years	With an agreed maturity of: Over 2 years	Redeemable at notice of: Up to 3 months	Redeemable at notice of: Over 3 months	Repos	Total	Overnight	With an agreed maturity of: Up to 2 years	With an agreed maturity of: Over 2 years	Redeemable at notice of: Up to 3 months	Redeemable at notice of: Over 3 months	Repos	Repos: With central counter-parties
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
								Outstanding amounts							
2011	704.0	92.1	79.9	512.4	4.0	0.2	15.5	2,220.7	390.0	284.9	1,190.7	14.7	0.5	339.9	260.0
2012	691.5	107.1	81.4	483.8	6.4	0.2	12.6	2,013.1	410.0	236.6	1,018.2	13.6	0.3	334.4	256.7
2012 Q3	692.7	101.9	79.0	494.6	6.3	0.2	10.6	2,110.4	434.4	239.4	1,034.8	13.0	0.3	388.5	297.6
Q4	691.5	107.1	81.4	483.8	6.4	0.2	12.6	2,013.1	410.0	236.6	1,018.2	13.6	0.3	334.4	256.7
2012 Nov.	684.9	103.4	76.6	485.7	6.2	0.2	12.8	2,077.4	423.1	237.0	1,029.4	13.0	0.4	374.7	292.8
Dec.	691.5	107.1	81.4	483.8	6.4	0.2	12.6	2,013.1	410.0	236.6	1,018.2	13.6	0.3	334.4	256.7
2013 Jan.	705.8	120.4	82.5	482.9	6.9	0.4	12.6	2,033.4	426.0	238.2	1,012.1	14.2	0.2	342.8	256.5
Feb. (p)	700.2	115.5	82.1	481.6	7.1	0.4	13.3	2,049.9	429.2	235.1	1,001.3	14.6	0.2	369.4	287.9
								Transactions							
2011	0.2	11.7	4.2	-14.2	1.1	-0.1	-2.6	8.8	28.8	-29.2	5.6	3.9	0.1	-0.4	5.5
2012	-12.1	15.5	2.6	-27.6	2.0	0.0	-4.6	-179.5	23.2	-49.5	-168.4	-2.0	-0.2	17.4	13.3
2012 Q3	0.1	3.1	0.3	-5.0	0.5	0.0	1.3	-42.1	26.7	-15.1	-58.8	-1.5	-0.1	6.7	2.2
Q4	-1.7	5.2	3.2	-10.7	-0.3	0.0	1.0	-91.9	-21.7	-1.4	-15.2	0.2	0.0	-53.9	-40.8
2012 Nov.	-8.0	-3.6	-2.6	-3.9	-0.2	0.0	2.4	1.0	2.8	-10.3	2.2	0.2	0.0	6.2	9.1
Dec.	6.3	3.7	5.3	-1.8	-0.2	0.0	-0.7	-60.1	-10.7	0.8	-10.1	0.2	-0.1	-40.2	-36.1
2013 Jan.	14.3	13.5	1.2	-1.1	0.5	0.2	0.0	23.1	17.9	2.3	-6.3	0.7	-0.1	8.6	0.0
Feb. (p)	-6.2	-5.0	-0.4	-1.3	0.3	0.0	0.3	12.3	1.0	-3.6	-12.0	0.4	0.0	26.5	31.2
								Growth rates							
2011	0.0	14.4	5.6	-2.7	43.3	-	-13.1	0.4	8.1	-9.3	0.4	36.0	-	-0.2	2.1
2012	-1.7	16.9	3.4	-5.4	50.8	-	-31.3	-8.2	5.9	-17.3	-14.2	-14.0	-	4.3	4.2
2012 Q3	-2.9	15.7	-6.7	-4.5	63.7	-	-44.6	-8.1	12.9	-23.3	-11.5	9.5	-	-6.8	-7.5
Q4	-1.7	16.9	3.4	-5.4	50.8	-	-31.3	-8.2	5.9	-17.3	-14.2	-14.0	-	4.3	4.2
2012 Nov.	-2.9	17.2	-3.1	-5.8	47.1	-	-33.3	-8.1	6.5	-18.8	-12.8	-34.8	-	1.0	1.6
Dec.	-1.7	16.9	3.4	-5.4	50.8	-	-31.3	-8.2	5.9	-17.3	-14.2	-14.0	-	4.3	4.2
2013 Jan.	-1.9	11.0	0.8	-5.1	59.1	-	-22.7	-8.6	3.6	-13.8	-14.6	-4.8	-	0.9	0.3
Feb. (p)	-3.1	8.3	-4.1	-4.9	60.6	-	-32.6	-8.0	5.6	-15.9	-14.8	-3.0	-	4.5	6.4

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) Covers deposits in columns 2, 3, 5 and 7.
4) Covers deposits in columns 9, 10, 12 and 14.

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

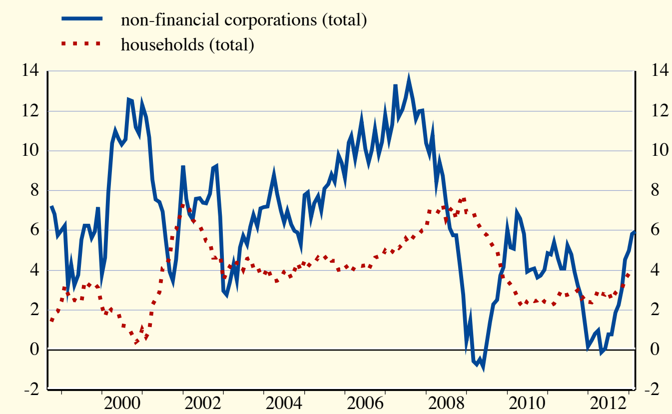
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

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													
2011	1,687.3	1,050.6	448.4	97.7	72.3	2.0	16.3	5,894.0	2,255.7	948.3	723.7	1,837.0	106.7	22.7
2012	1,766.6	1,153.2	408.3	106.8	85.4	2.0	10.9	6,119.8	2,346.6	980.0	747.5	1,937.3	98.0	10.4
2012 Q3	1,701.1	1,094.5	403.8	104.9	84.0	1.7	12.2	6,015.6	2,296.0	971.4	744.0	1,891.8	99.6	12.7
Q4	1,766.6	1,153.2	408.3	106.8	85.4	2.0	10.9	6,119.8	2,346.6	980.0	747.5	1,937.3	98.0	10.4
2012 Nov.	1,728.6	1,115.1	408.4	106.5	84.8	2.0	11.9	6,035.1	2,299.6	974.3	740.7	1,909.4	99.4	11.7
Dec.	1,766.6	1,153.2	408.3	106.8	85.4	2.0	10.9	6,119.8	2,346.6	980.0	747.5	1,937.3	98.0	10.4
2013 Jan.	1,720.2	1,110.9	397.6	107.7	88.3	1.9	13.9	6,130.8	2,336.8	982.5	750.0	1,954.6	96.2	10.7
Feb. (p)	1,723.9	1,104.3	403.5	110.0	90.4	1.8	13.9	6,150.5	2,357.8	977.6	752.4	1,959.5	94.3	8.9
	Transactions													
2011	2.9	8.9	-7.7	8.7	-7.3	0.4	-0.2	139.0	7.4	42.5	55.3	43.5	-2.6	-7.0
2012	84.2	105.7	-39.6	12.9	9.5	0.0	-4.3	225.0	90.5	33.7	21.8	102.2	-11.0	-12.3
2012 Q3	25.7	31.4	-10.5	3.5	2.6	0.0	-1.2	15.9	8.3	-1.0	0.3	13.8	-3.8	-1.7
Q4	68.3	59.5	7.6	2.0	-0.9	0.3	-0.2	104.9	51.0	11.3	1.2	46.8	-3.0	-2.3
2012 Nov.	12.5	14.9	-3.2	0.1	1.2	0.3	-0.8	18.0	14.6	1.8	-3.5	6.3	-0.9	-0.2
Dec.	39.5	38.6	2.6	0.4	-1.6	0.0	-0.4	85.3	47.3	6.4	6.6	27.8	-1.4	-1.3
2013 Jan.	-43.2	-40.3	-9.8	1.0	2.9	-0.1	3.0	12.6	-9.0	4.0	1.8	17.3	-1.9	0.3
Feb. (p)	1.2	-8.3	5.2	2.2	2.1	0.0	-0.1	18.6	20.5	-5.4	2.4	4.9	-1.9	-1.8
	Growth rates													
2011	0.2	0.9	-1.7	9.9	-9.3	28.9	-3.4	2.4	0.3	4.7	8.3	2.4	-2.4	-23.6
2012	5.0	10.1	-8.8	13.4	13.0	-1.4	-26.5	3.8	4.0	3.6	3.0	5.6	-10.2	-54.2
2012 Q3	2.3	9.2	-13.7	12.2	4.7	0.4	-34.7	3.0	2.4	5.2	4.8	3.9	-8.5	-62.3
Q4	5.0	10.1	-8.8	13.4	13.0	-1.4	-26.5	3.8	4.0	3.6	3.0	5.6	-10.2	-54.2
2012 Nov.	4.5	10.6	-10.1	13.1	10.7	0.4	-37.5	3.6	3.4	4.3	3.6	5.2	-9.4	-62.1
Dec.	5.0	10.1	-8.8	13.4	13.0	-1.4	-26.5	3.8	4.0	3.6	3.0	5.6	-10.2	-54.2
2013 Jan.	5.8	11.1	-9.2	13.5	15.3	-8.3	1.4	3.9	4.8	2.0	2.8	5.6	-11.3	-52.5
Feb. (p)	5.9	11.0	-8.7	12.3	17.6	-13.4	7.8	3.9	6.3	-0.2	2.1	5.5	-12.0	-57.5

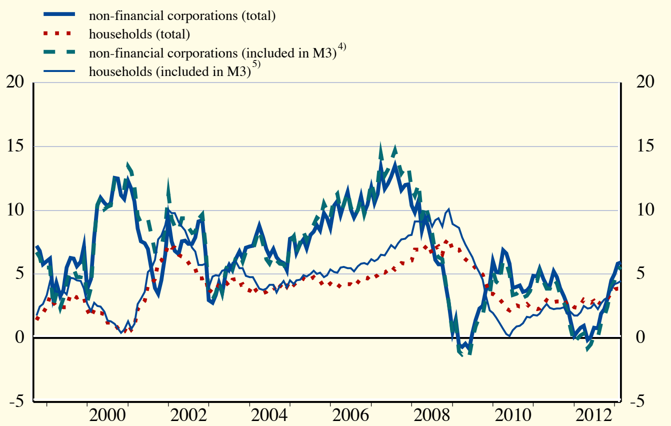
C11 Total deposits by sector [2)]

(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.

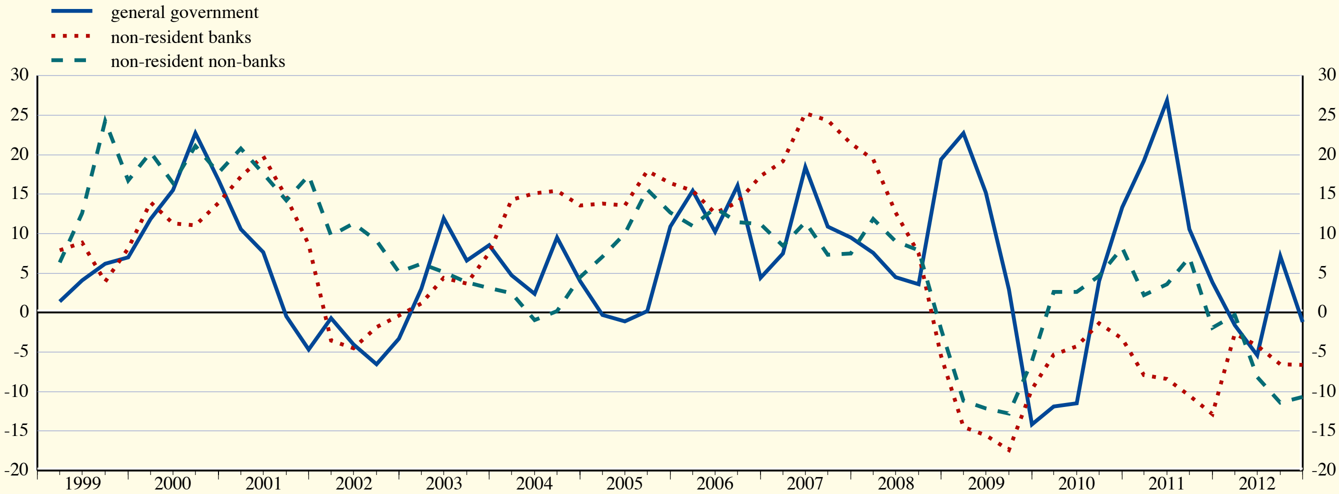
5) Covers deposits in columns 9, 10, 12 and 14.

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									
2010	426.7	196.2	47.7	108.7	74.1	3,484.7	2,487.5	997.1	45.9	951.2
2011	441.8	195.5	48.6	112.6	85.2	3,153.6	2,175.0	978.6	44.3	934.3
2012 Q1	466.7	192.5	65.0	113.4	95.9	3,314.2	2,331.4	982.8	54.7	928.1
Q2	507.1	190.9	98.4	112.3	105.5	3,243.7	2,290.4	953.3	41.6	911.7
Q3	512.0	204.5	93.1	111.3	103.1	3,131.2	2,176.6	954.5	42.8	911.8
Q4 (p)	449.9	171.7	62.8	111.4	104.0	2,891.3	2,009.0	876.9	38.8	838.1
	Transactions									
2010	50.0	47.4	4.3	-5.0	2.9	-15.1	-85.9	70.8	7.5	63.3
2011	16.9	3.3	0.6	2.3	10.6	-334.9	-314.6	-20.3	-2.1	-18.2
2012 Q1	25.9	-2.9	16.5	1.3	11.0	193.5	180.6	12.9	11.0	1.8
Q2	25.0	0.8	18.9	-1.3	6.6	-133.6	-76.4	-57.2	-13.9	-43.3
Q3	4.8	13.7	-5.5	-0.9	-2.5	-93.1	-101.1	8.0	1.4	6.6
Q4 (p)	-62.5	-33.3	-30.2	0.1	0.9	-210.0	-146.8	-68.8	-3.6	-65.2
	Growth rates									
2010	13.3	32.2	9.9	-4.4	4.1	-0.1	-3.3	8.2	12.7	7.8
2011	3.9	1.3	1.3	2.1	14.3	-9.8	-12.8	-1.9	-4.4	-1.8
2012 Q1	-1.6	-18.3	23.5	5.6	21.4	-1.9	-2.7	-0.3	29.7	-1.6
Q2	-5.5	-27.4	51.5	0.8	17.5	-5.3	-4.2	-8.2	-16.3	-7.8
Q3	7.1	-2.0	45.5	1.1	14.0	-7.9	-6.5	-11.4	-15.8	-11.2
Q4 (p)	-1.2	-11.2	10.3	-0.7	18.8	-7.6	-6.6	-10.7	-11.7	-10.7

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.

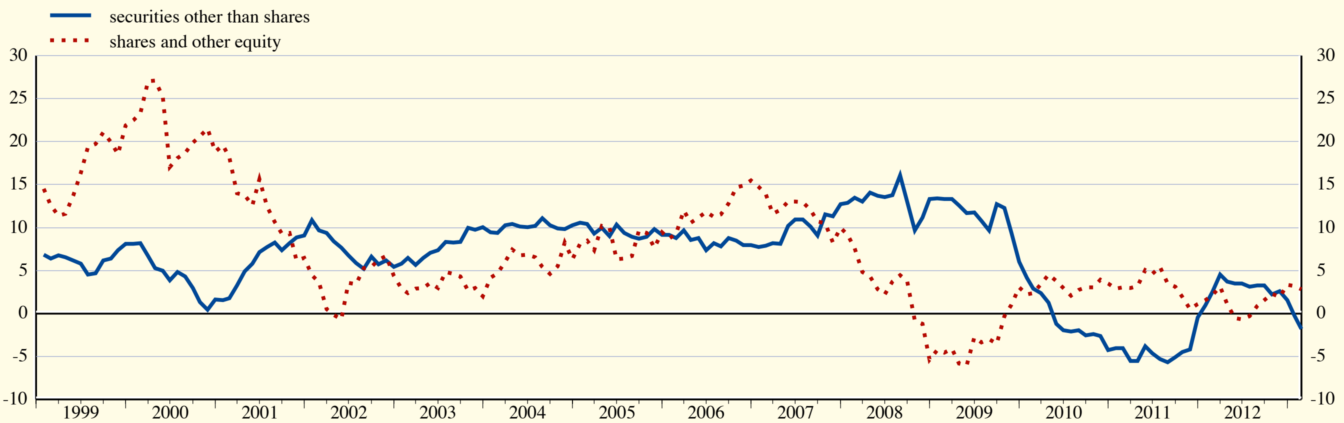
2.6 MFI holdings of securities: breakdown [1), 2)]

(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											
2011	5,697.7	1,764.2	87.8	1,373.0	22.9	1,489.2	28.3	932.5	1,507.2	485.1	726.6	295.4
2012	5,779.9	1,751.9	102.7	1,596.1	32.8	1,399.5	23.7	873.3	1,528.5	475.5	752.2	300.7
2012 Q3	5,787.2	1,784.9	104.7	1,587.4	31.9	1,351.1	25.5	901.6	1,510.6	486.5	734.8	289.3
Q4	5,779.9	1,751.9	102.7	1,596.1	32.8	1,399.5	23.7	873.3	1,528.5	475.5	752.2	300.7
2012 Nov.	5,785.1	1,762.6	108.5	1,641.0	33.3	1,336.1	23.5	880.2	1,512.1	477.9	745.7	288.4
Dec.	5,779.9	1,751.9	102.7	1,596.1	32.8	1,399.5	23.7	873.3	1,528.5	475.5	752.2	300.7
2013 Jan.	5,767.1	1,770.1	106.1	1,625.3	31.5	1,380.9	23.0	830.2	1,545.7	478.8	765.9	301.0
Feb. (p)	5,776.3	1,755.8	105.9	1,642.3	31.7	1,380.1	24.1	836.4	1,528.9	468.7	761.8	298.3
	Transactions											
2011	-29.2	45.1	7.8	-2.6	5.5	-24.9	-0.1	-60.1	17.0	60.2	-31.5	-11.7
2012	88.0	-12.7	16.3	190.8	10.6	-67.5	-3.9	-45.6	50.8	6.5	38.9	5.4
2012 Q3	-60.6	13.1	7.0	14.2	-1.5	-78.5	0.3	-15.4	20.4	2.1	16.3	2.0
Q4	-18.2	-36.1	0.0	-11.9	1.7	46.7	-1.8	-16.7	18.5	-8.7	15.7	11.5
2012 Nov.	18.4	-3.8	5.2	26.7	2.0	-9.0	-5.3	2.6	-0.5	-9.1	12.5	-3.9
Dec.	-3.1	-11.4	-4.7	-49.7	0.0	62.7	0.5	-0.6	19.1	-0.4	7.3	12.2
2013 Jan.	11.6	5.9	7.0	28.3	-0.1	-17.8	0.1	-11.8	14.0	-0.3	14.0	0.3
Feb. (p)	2.5	-14.1	-1.5	20.8	-0.6	-1.0	0.9	-2.0	-10.1	-7.7	-4.6	2.1
	Growth rates											
2011	-0.5	2.7	7.7	-0.2	33.7	-1.6	-0.8	-6.2	1.1	13.8	-4.1	-3.8
2012	1.5	-0.7	18.7	14.0	48.5	-4.6	-13.7	-4.8	3.4	1.3	5.3	1.8
2012 Q3	3.3	5.3	19.4	13.8	39.6	-5.5	1.4	-4.6	1.6	4.2	1.8	-3.3
Q4	1.5	-0.7	18.7	14.0	48.5	-4.6	-13.7	-4.8	3.4	1.3	5.3	1.8
2012 Nov.	2.6	3.5	19.2	17.2	51.4	-9.2	-13.1	-3.8	1.9	2.7	2.9	-2.1
Dec.	1.5	-0.7	18.7	14.0	48.5	-4.6	-13.7	-4.8	3.4	1.3	5.3	1.8
2013 Jan.	-0.2	-1.9	22.5	11.3	40.4	-6.6	-2.4	-7.6	3.2	-0.6	6.1	2.1
Feb. (p)	-1.8	-4.4	15.9	9.7	2.6	-7.0	0.6	-8.3	2.8	-2.3	5.7	3.9

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

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

1. Loans, holdings of securities other than shares, and deposits

	MFIs [3)]							Non-MFIs						
	All currencies (outstanding amount)	Euro [4)]	Non-euro currencies					All currencies (outstanding amount)	Euro [4)]	Non-euro currencies				
			Total							Total				
				USD	JPY	CHF	GBP				USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Loans														
To euro area residents														
2010	5,517.3	-	-	-	-	-	-	12,245.0	96.0	4.0	2.1	0.2	1.1	0.4
2011	6,160.7	-	-	-	-	-	-	12,322.6	96.2	3.8	1.9	0.3	1.1	0.4
2012 Q3	6,105.8	-	-	-	-	-	-	12,349.8	96.3	3.7	1.8	0.2	1.0	0.4
Q4 (p)	5,796.4	-	-	-	-	-	-	12,196.3	96.4	3.6	1.7	0.2	1.0	0.5
To non-euro area residents														
2010	2,010.9	44.9	55.1	30.7	2.9	3.2	11.6	952.3	39.9	60.1	42.8	1.4	3.7	6.7
2011	2,022.5	44.5	55.5	35.6	2.5	2.7	9.3	998.9	38.2	61.8	41.2	2.6	3.3	7.8
2012 Q3	1,988.9	47.2	52.8	31.3	2.6	3.2	10.0	1,017.9	39.2	60.8	38.9	2.5	2.9	9.4
Q4 (p)	1,909.8	47.3	52.7	31.8	1.9	3.5	10.2	959.1	40.3	59.7	38.2	2.0	2.9	9.6
Holdings of securities other than shares														
Issued by euro area residents														
2010	1,886.4	94.3	5.7	3.3	0.1	0.3	1.7	3,062.5	98.5	1.5	0.8	0.1	0.1	0.4
2011	1,852.0	95.3	4.7	2.5	0.1	0.3	1.5	2,913.3	98.2	1.8	1.0	0.2	0.1	0.4
2012 Q3	1,889.6	94.5	5.5	2.7	0.1	0.3	2.0	2,995.9	98.1	1.9	1.1	0.1	0.1	0.5
Q4 (p)	1,854.6	94.5	5.5	2.7	0.1	0.3	2.0	3,052.0	98.2	1.8	1.2	0.1	0.1	0.4
Issued by non-euro area residents														
2010	545.9	49.9	50.1	27.6	0.3	0.5	16.8	506.2	33.3	66.7	40.4	3.9	0.9	13.6
2011	457.0	56.4	43.6	21.1	0.3	0.3	16.0	475.4	32.2	67.8	39.4	5.8	0.7	13.7
2012 Q3	446.8	54.3	45.7	19.2	0.3	0.6	19.9	454.8	33.7	66.3	37.7	6.3	0.7	12.6
Q4 (p)	434.6	54.9	45.1	19.7	0.3	0.3	19.0	438.7	34.2	65.8	38.9	5.4	0.9	11.9
Deposits														
By euro area residents														
2010	5,774.7	92.9	7.1	4.1	0.3	1.3	0.8	10,739.7	97.1	2.9	1.9	0.2	0.1	0.4
2011	6,370.7	92.1	7.9	5.1	0.2	1.2	0.7	10,947.8	97.0	3.0	2.0	0.1	0.1	0.4
2012 Q3	6,399.1	93.5	6.5	3.9	0.2	1.1	0.7	11,031.7	97.0	3.0	2.0	0.1	0.1	0.4
Q4 (p)	6,161.9	93.7	6.3	3.8	0.2	1.1	0.6	11,040.9	97.0	3.0	2.0	0.1	0.1	0.4
By non-euro area residents														
2010	2,487.5	52.0	48.0	31.8	2.2	1.8	8.7	997.1	58.8	41.2	29.3	1.2	1.4	5.1
2011	2,175.0	59.2	40.8	25.6	2.1	1.8	7.2	978.6	56.1	43.9	30.0	2.0	1.5	5.1
2012 Q3	2,176.6	59.8	40.2	25.5	2.1	1.1	7.3	954.5	53.8	46.2	30.1	2.1	1.3	5.8
Q4 (p)	2,009.0	58.3	41.7	27.9	1.6	1.0	7.3	876.9	52.3	47.7	31.3	1.9	1.1	6.3

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
2010	5,083.2	81.6	18.4	9.7	1.8	2.1	2.5
2011	5,236.8	82.0	18.0	9.4	1.7	2.0	2.6
2012 Q3	5,197.5	82.0	18.0	9.5	1.6	1.9	2.5
Q4 (p)	5,073.9	81.8	18.2	9.6	1.6	1.9	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 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						
2012 July	6,947.1	488.2	2,823.1	1,890.9	915.0	247.0	582.9
Aug.	6,956.7	483.9	2,843.5	1,887.5	917.7	244.5	579.5
Sep.	7,033.5	501.9	2,855.0	1,919.2	924.9	243.8	588.7
Oct.	7,043.6	493.5	2,896.8	1,911.8	931.4	246.6	563.6
Nov.	7,138.5	494.0	2,938.5	1,936.5	944.2	246.5	578.8
Dec.	7,173.4	472.6	2,966.4	1,986.3	961.4	246.5	540.2
2013 Jan. (p)	7,266.4	488.0	2,952.7	2,031.9	972.4	246.5	575.0
	Transactions						
2012 Q2	13.9	12.1	34.2	-13.8	-6.0	2.7	-15.4
Q3	122.4	24.4	62.6	0.2	15.1	0.4	19.7
Q4	37.4	-26.3	81.7	20.2	28.8	3.5	-70.6

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						
2012 July	6,947.1	137.2	6,277.9	4,631.8	699.0	1,646.2	532.0
Aug.	6,956.7	140.9	6,292.4	4,653.3	703.4	1,639.1	523.4
Sep.	7,033.5	150.7	6,348.1	4,667.5	717.0	1,680.6	534.7
Oct.	7,043.6	146.6	6,383.5	4,684.0	725.9	1,699.5	513.6
Nov.	7,138.5	150.1	6,464.1	4,741.1	739.1	1,723.0	524.3
Dec.	7,173.4	144.1	6,560.1	4,805.3	757.4	1,754.8	469.2
2013 Jan. (p)	7,266.4	150.2	6,622.4	4,847.0	770.6	1,775.4	493.8
	Transactions						
2012 Q2	13.9	6.6	35.6	-3.8	-12.4	39.6	-28.2
Q3	122.4	19.6	77.2	25.0	29.1	52.2	25.6
Q4	37.4	-6.6	122.1	68.1	32.9	54.0	-78.2

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									
2012 June	6,077.1	2,172.8	1,570.9	1,479.4	313.7	138.3	402.0	5,996.1	81.1	969.5
July	6,277.9	2,249.1	1,630.8	1,529.9	317.5	140.8	409.8	6,196.5	81.5	964.5
Aug.	6,292.4	2,261.3	1,625.6	1,538.1	315.8	138.6	413.0	6,211.3	81.1	970.0
Sep.	6,348.1	2,273.8	1,654.9	1,551.5	315.8	139.7	412.5	6,265.8	82.3	942.3
Oct.	6,383.5	2,311.4	1,647.7	1,557.8	318.9	137.4	410.2	6,301.1	82.4	945.4
Nov.	6,464.1	2,350.4	1,668.3	1,573.3	320.2	136.2	415.8	6,381.5	82.6	945.6
Dec.	6,560.1	2,372.5	1,707.3	1,598.8	320.5	141.0	419.9	6,477.2	82.9	911.1
2013 Jan. (p)	6,622.4	2,366.0	1,753.1	1,621.4	322.0	140.4	419.5	6,538.7	83.7	894.9
	Transactions									
2012 July	38.1	23.6	-2.4	17.1	0.4	-0.4	-0.3	38.0	0.2	-14.9
Aug.	16.9	17.4	-2.8	2.7	0.7	-1.0	-0.1	17.0	-0.1	13.1
Sep.	22.2	12.3	5.0	5.9	1.0	-0.4	-1.6	22.0	0.2	-22.0
Oct.	38.5	30.6	1.5	5.8	2.1	-1.4	-0.1	38.5	-0.1	6.3
Nov.	31.6	27.4	-1.2	4.5	0.3	-1.9	2.5	31.4	0.2	1.6
Dec.	52.1	16.0	17.8	11.7	0.2	3.8	2.5	51.5	0.5	-29.5
2013 Jan. (p)	54.2	19.2	14.8	18.6	1.4	0.3	-0.1	53.7	0.5	-2.9

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.

2.9 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										
2012 Q1	2,675.6	1,503.5	424.7	679.2	209.2	5.7	184.6	1,172.0	313.1	453.9	15.5
Q2	2,730.7	1,507.9	414.7	694.9	207.9	5.1	185.3	1,222.8	315.5	467.6	17.8
Q3	2,855.0	1,568.3	416.5	711.7	231.9	6.1	202.1	1,286.7	322.6	494.0	18.3
Q4 (p)	2,966.4	1,622.9	418.0	744.9	240.7	7.8	211.2	1,343.5	331.9	510.9	16.1
	Transactions										
2012 Q2	34.2	9.8	-9.5	16.4	0.6	-0.5	2.9	24.4	-5.9	-8.8	1.1
Q3	62.6	18.6	-7.4	-4.4	18.2	0.5	11.7	44.0	-0.8	28.2	-0.4
Q4 (p)	81.7	28.0	-3.5	21.0	2.9	1.2	6.5	53.7	8.8	16.8	-1.4

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										
2012 Q1	1,887.3	688.9	56.4	-	41.7	24.1	566.6	1,198.4	162.7	389.8	75.3
Q2	1,816.3	638.9	45.5	-	39.1	21.9	532.5	1,177.3	163.6	391.9	78.1
Q3	1,919.2	684.4	52.9	-	44.4	24.1	563.0	1,234.7	172.0	412.1	72.1
Q4 (p)	1,986.3	721.7	60.8	-	51.0	27.6	582.3	1,264.6	175.8	407.8	78.1
	Transactions										
2012 Q2	-13.8	-9.2	-2.8	-	-0.9	-0.2	-5.2	-4.3	0.2	-0.9	3.6
Q3	0.2	-3.5	0.5	-	3.3	-0.5	-6.7	3.7	-0.3	4.7	-3.9
Q4 (p)	20.2	-0.1	1.8	-	3.9	0.5	-6.2	20.3	0.7	6.1	4.6

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										
2012 Q1	890.2	753.6	69.6	-	684.0	-	-	136.6	25.2	41.5	0.6
Q2	880.8	743.9	79.5	-	664.4	-	-	136.9	24.9	43.3	0.6
Q3	924.9	792.1	75.1	-	717.0	-	-	132.8	27.4	40.0	0.6
Q4 (p)	961.4	829.8	72.4	-	757.4	-	-	131.6	28.7	40.2	0.6
	Transactions										
2012 Q2	-6.0	-3.8	8.6	-	-12.4	-	-	-2.1	-0.2	0.4	0.0
Q3	15.1	22.3	-6.8	-	29.1	-	-	-7.2	1.0	-3.3	0.0
Q4 (p)	28.8	29.5	-3.3	-	32.9	-	-	-0.7	1.2	0.5	0.0

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.

2.10 Aggregated balance sheet of euro area financial vehicle corporations

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

1. Assets

	Total	Deposits and loan claims	Securitised loans							Securities other than shares	Other securitised assets	Shares and other equity	Other assets
			Total	Originated in euro area					Originated outside euro area				
				MFIs		Other financial intermediaries, insurance corporations and pension funds	Non-financial corporations	General government					
					Remaining on the MFI balance sheet [1]								
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Outstanding amounts												
2011 Q4	2,283.6	328.1	1,533.6	1,218.7	581.2	154.6	23.4	4.8	132.0	225.9	89.5	37.0	69.5
2012 Q1	2,232.4	321.3	1,504.6	1,197.8	551.6	149.5	23.6	4.8	129.0	213.1	86.7	35.9	70.8
Q2	2,156.1	306.2	1,458.7	1,149.4	513.2	154.1	22.9	4.4	127.9	210.5	84.8	30.8	65.1
Q3	2,078.1	302.0	1,397.7	1,086.1	476.1	158.5	23.4	4.4	125.3	196.2	86.0	28.6	67.6
Q4	2,041.6	284.0	1,377.1	1,061.8	469.8	162.8	24.3	4.0	124.2	198.9	87.9	27.9	65.7
	Transactions												
2011 Q4	72.2	2.8	67.2	62.7	-	7.4	0.8	-0.4	-3.3	0.0	1.5	-1.0	1.6
2012 Q1	-52.4	-6.5	-26.9	-19.1	-	-5.0	0.3	0.0	-3.1	-13.2	-1.8	-1.0	-3.0
Q2	-83.0	-14.8	-48.6	-51.0	-	5.0	-0.7	-0.4	-1.5	-3.0	-1.9	-5.3	-9.4
Q3	-80.6	-4.1	-61.3	-64.2	-	4.3	0.5	0.0	-2.0	-15.0	1.5	-2.2	0.5
Q4	-39.9	-17.8	-18.6	-22.4	-	4.1	1.1	-0.4	-1.0	0.7	2.4	-0.6	-6.1

2. Liabilities

	Total	Loans and deposits received	Debt securities issued			Capital and reserves	Other liabilities
			Total	Up to 2 years	Over 2 years		
	1	2	3	4	5	6	7
	Outstanding amounts						
2011 Q4	2,283.6	154.9	1,876.6	66.4	1,810.2	35.5	216.6
2012 Q1	2,232.4	155.2	1,820.6	59.5	1,761.1	34.7	221.9
Q2	2,156.1	150.4	1,750.6	55.7	1,694.9	28.5	226.6
Q3	2,078.1	144.4	1,680.5	54.6	1,626.0	27.0	226.1
Q4	2,041.6	138.1	1,655.3	54.1	1,601.3	27.0	221.1
	Transactions						
2011 Q4	72.2	18.6	63.6	3.8	59.8	-0.6	-9.5
2012 Q1	-52.4	1.2	-54.9	-7.6	-47.3	-0.9	2.2
Q2	-83.0	-5.1	-72.6	-3.8	-68.8	-5.8	0.4
Q3	-80.6	-5.7	-71.4	-1.4	-70.1	-0.9	-2.6
Q4	-39.9	-5.4	-26.3	-0.4	-25.8	-0.1	-8.0

3. Holdings of securitised loans originated by euro area MFIs and securities other than shares

	Securitised loans originated by euro area MFIs							Securities other than shares					
	Total	Euro area borrowing sector [2]					Non-euro area borrowing sector	Total	Euro area residents				Non-euro area residents
		Households	Non-financial corporations	Other financial intermediaries	Insurance corporations and pension funds	General government			Total	MFIs	Non-MFIs		
												Financial vehicle corporations	
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Outstanding amounts												
2011 Q4	1,218.7	890.1	254.6	18.0	0.2	6.6	32.5	225.9	123.7	42.1	81.6	33.4	102.1
2012 Q1	1,197.8	879.5	245.6	18.2	0.2	6.4	32.2	213.1	117.8	41.4	76.4	32.9	95.3
Q2	1,149.4	833.0	244.6	18.7	0.2	6.3	33.1	210.5	117.7	42.6	75.2	31.7	92.8
Q3	1,086.1	787.5	231.8	17.1	0.2	5.5	31.4	196.2	110.7	38.6	72.2	29.9	85.5
Q4	1,061.8	770.3	228.6	17.4	0.2	5.4	28.9	198.9	113.7	39.7	74.1	30.8	85.1
	Transactions												
2011 Q4	62.7	66.4	6.5	-0.8	-0.1	-3.0	-4.2	0.0	-0.6	-1.5	0.9	0.5	0.6
2012 Q1	-19.1	-10.4	-8.2	0.3	0.0	-0.2	0.6	-13.2	-6.0	-0.7	-5.3	-0.5	-7.2
Q2	-51.0	-48.5	-1.1	0.5	0.0	-0.1	0.3	-3.0	0.1	0.9	-0.7	-1.4	-3.1
Q3	-64.2	-47.0	-12.6	-1.0	0.0	-0.8	-1.8	-15.0	-7.1	-4.4	-2.7	-1.1	-7.9
Q4	-22.4	-17.8	-2.1	0.4	0.0	-0.1	-1.1	0.7	2.5	0.7	1.8	1.2	-1.8

Source: ECB.

1) Loans securitised using euro area financial vehicle corporations which remain on the balance sheet of the relevant MFI - i.e. which have not been derecognised. Whether or not loans are derecognised from the balance sheet of the MFI depends on the relevant accounting rules. For further information, see the General Notes.

2) Excludes securitisations of inter-MFI loans.

2.11 Aggregated balance sheet of euro area insurance corporations and pension funds

(EUR billions; outstanding amounts at end of period)

1. Assets

	Total	Currency and deposits	Loans	Securities other than shares	Shares and other equity	Investment fund shares	Money market fund shares	Prepayments of insurance premiums and reserves for outstanding claims	Other accounts receivable/ payable and financial derivatives	Non-financial assets
	1	2	3	4	5	6	7	8	9	10
2009 Q4	6,655.0	784.1	431.3	2,488.0	799.4	1,447.1	91.1	254.6	210.9	148.4
2010 Q1	6,889.2	781.1	437.6	2,616.8	803.8	1,526.4	90.8	260.3	228.5	143.9
Q2	6,908.9	782.3	441.1	2,647.7	781.2	1,514.3	86.9	265.7	244.1	145.7
Q3	7,083.0	780.5	449.2	2,738.7	796.6	1,555.0	82.9	267.3	267.1	145.6
Q4	7,018.6	768.5	453.5	2,677.2	826.1	1,586.3	72.1	267.2	220.1	147.6
2011 Q1	7,106.7	768.9	454.6	2,730.8	833.4	1,597.4	73.8	275.6	222.4	149.6
Q2	7,122.3	771.6	462.1	2,741.8	833.0	1,598.4	79.1	267.0	220.8	148.4
Q3	7,118.5	788.6	461.4	2,765.8	782.8	1,547.0	90.2	267.0	267.6	148.1
Q4	7,123.5	780.5	471.5	2,725.5	791.5	1,574.2	95.2	265.0	270.2	149.8
2012 Q1	7,386.5	791.2	470.3	2,844.3	802.3	1,683.1	98.4	266.7	279.4	150.8
Q2	7,448.4	780.2	469.2	2,872.0	815.9	1,683.0	103.1	270.4	302.2	152.3
Q3	7,652.6	782.7	477.4	2,978.0	827.9	1,757.8	108.7	273.5	293.8	152.9

2. Holdings of securities other than shares

	Total	Issued by euro area residents						Issued by non-euro area residents
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations	
	1	2	3	4	5	6	7	8
2009 Q4	2,488.0	2,077.6	542.4	1,135.9	241.5	17.0	140.8	410.4
2010 Q1	2,616.8	2,193.6	574.9	1,217.9	236.2	16.1	148.5	423.2
Q2	2,647.7	2,223.9	578.3	1,230.9	245.8	16.2	152.7	423.8
Q3	2,738.7	2,307.8	594.6	1,284.5	255.0	18.7	154.9	430.9
Q4	2,677.2	2,250.5	590.7	1,251.7	233.4	17.4	157.2	426.7
2011 Q1	2,730.8	2,310.9	612.8	1,288.6	237.1	17.1	155.3	419.9
Q2	2,741.8	2,321.2	616.9	1,291.7	236.7	16.7	159.1	420.6
Q3	2,765.8	2,339.0	626.7	1,304.8	228.5	16.8	162.2	426.8
Q4	2,725.5	2,295.1	623.7	1,262.2	226.3	16.4	166.5	430.4
2012 Q1	2,844.3	2,388.3	650.3	1,307.4	232.4	17.0	181.1	456.0
Q2	2,872.0	2,397.7	656.5	1,299.6	237.0	16.8	187.9	474.3
Q3	2,978.0	2,481.1	686.0	1,330.4	245.5	17.4	202.0	496.9

3. Liabilities and net worth

	Liabilities									Net worth
	Total	Loans received	Securities other than shares	Shares and other equity	Insurance technical reserves				Other accounts receivable/ payable and financial derivatives	
					Total	Net equity of households in life insurance reserves	Net equity of households in pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims		
	1	2	3	4	5	6	7	8	9	10
2009 Q4	6,446.3	233.0	39.4	442.1	5,533.2	3,040.9	1,692.8	799.5	198.6	208.7
2010 Q1	6,644.9	249.8	39.5	456.7	5,708.7	3,126.8	1,753.4	828.5	190.3	244.3
Q2	6,723.8	252.0	40.8	428.4	5,808.6	3,157.0	1,821.9	829.8	194.0	185.0
Q3	6,882.2	276.8	39.7	437.2	5,948.1	3,220.7	1,902.3	825.1	180.4	200.8
Q4	6,836.8	252.4	42.5	444.8	5,928.7	3,257.8	1,846.4	824.4	168.4	181.8
2011 Q1	6,886.9	264.9	40.5	462.4	5,943.3	3,285.6	1,817.5	840.2	175.8	219.8
Q2	6,910.1	265.2	43.1	451.7	5,973.5	3,309.2	1,830.5	833.9	176.6	212.2
Q3	7,016.7	272.8	42.2	406.9	6,104.6	3,290.8	1,981.8	832.0	190.2	101.8
Q4	7,035.6	266.8	42.2	405.3	6,132.9	3,299.4	2,006.2	827.3	188.4	87.9
2012 Q1	7,195.0	275.2	44.5	437.8	6,247.5	3,339.8	2,061.4	846.3	190.1	191.6
Q2	7,272.6	283.2	43.5	421.8	6,320.1	3,342.4	2,130.9	846.7	204.1	175.7
Q3	7,349.8	293.7	44.9	455.4	6,360.3	3,395.4	2,120.5	844.3	195.6	302.8

Source: ECB.

3 EURO AREA ACCOUNTS

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

Uses 2012 Q3	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Exports of goods and services						632
Trade balance [1]						-49
Generation of income account						
Gross value added (basic prices)						
Taxes less subsidies on products						
Gross domestic product (market prices)						
Compensation of employees	1,125	116	717	56	237	
Other taxes less subsidies on production	27	9	12	3	4	
Consumption of fixed capital	377	101	214	11	51	
Net operating surplus and mixed income [1]	581	277	274	31	-1	
Allocation of primary income account						
Net operating surplus and mixed income						
Compensation of employees						6
Taxes less subsidies on production						
Property income	644	34	252	288	69	111
Interest	358	32	62	195	69	53
Other property income	286	2	190	93	0	58
Net national income [1]	1,987	1,597	125	49	215	
Secondary distribution of income account						
Net national income						
Current taxes on income, wealth, etc.	282	228	45	9	0	1
Social contributions	433	433				1
Social benefits other than social transfers in kind	470	1	18	34	417	1
Other current transfers	189	69	24	48	48	10
Net non-life insurance premiums	46	34	10	1	1	2
Non-life insurance claims	46			46		1
Other	98	35	15	1	47	7
Net disposable income [1]	1,961	1,421	70	54	416	
Use of income account						
Net disposable income						
Final consumption expenditure	1,865	1,373			491	
Individual consumption expenditure	1,677	1,373			303	
Collective consumption expenditure	188				188	
Adjustment for the change in the net equity of households in pension fund reserves	14	0	1	13	0	0
Net saving/current external account [1]	96	62	69	41	-76	-36
Capital account						
Net saving/current external account						
Gross capital formation	438	142	233	10	53	
Gross fixed capital formation	436	140	233	10	53	
Changes in inventories and acquisitions less disposals of valuables	2	2	0	0	0	
Consumption of fixed capital						
Acquisitions less disposals of non-produced non-financial assets	0	-1	1	0	0	0
Capital transfers	45	9	0	1	34	5
Capital taxes	7	7	0	0		0
Other capital transfers	38	3	0	1	34	5
Net lending (+)/net borrowing (-) (from capital account) [1]	38	24	74	45	-104	-38
Statistical discrepancy	0	3	-3	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 2012 Q3	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Imports of goods and services						583
Trade balance						
Generation of income account						
Gross value added (basic prices)	2,110	503	1,216	101	290	
Taxes less subsidies on products	241					
Gross domestic product (market prices)[2)]	2,352					
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	581	277	274	31	-1	
Compensation of employees	1,128	1,128				4
Taxes less subsidies on production	268				268	1
Property income	654	227	103	307	17	100
Interest	354	55	39	251	9	56
Other property income	299	172	64	56	8	44
Net national income						
Secondary distribution of income account						
Net national income	1,987	1,597	125	49	215	
Current taxes on income, wealth, etc.	282				282	1
Social contributions	433	1	19	49	364	2
Social benefits other than social transfers in kind	468	468				3
Other current transfers	165	86	13	47	19	34
Net non-life insurance premiums	46			46		2
Non-life insurance claims	44	35	7	1	0	2
Other	75	50	6	0	19	30
Net disposable income						
Use of income account						
Net disposable income	1,961	1,421	70	54	416	
Final consumption expenditure						
Individual consumption expenditure						
Collective consumption expenditure						
Adjustment for the change in the net equity of households in pension fund reserves	14	14				0
Net saving/current external account						
Capital account						
Net saving/current external account	96	62	69	41	-76	-36
Gross capital formation						
Gross fixed capital formation						
Changes in inventories and acquisitions less disposals of valuables						
Consumption of fixed capital	377	101	214	11	51	
Acquisitions less disposals of non-produced non-financial assets						
Capital transfers	48	10	25	5	7	2
Capital taxes	7				7	0
Other capital transfers	41	10	25	5	0	2
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 2012 Q3	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		19,123	16,592	35,886	15,776	7,040	4,211	17,944
Monetary gold and special drawing rights (SDRs)				495				
Currency and deposits		6,917	2,033	12,195	2,263	800	854	3,664
Short-term debt securities		53	95	583	428	65	35	643
Long-term debt securities		1,316	289	6,409	2,632	2,798	429	3,980
Loans		76	3,093	13,441	3,888	473	681	2,120
of which: Long-term		57	1,826	10,436	2,720	353	579	.
Shares and other equity		4,054	7,404	1,734	6,322	2,525	1,388	6,720
Quoted shares		700	1,282	322	1,981	501	195	.
Unquoted shares and other equity		2,011	5,751	1,123	3,315	305	1,027	.
Mutual fund shares		1,344	370	289	1,026	1,719	167	.
Insurance technical reserves		6,045	176	3	0	233	4	256
Other accounts receivable and financial derivatives		662	3,502	1,026	243	146	821	562
Net financial worth								
Financial account, transactions in financial assets								
Total transactions in financial assets		26	110	-491	202	43	-62	34
Monetary gold and SDRs				0				0
Currency and deposits		15	27	-385	-27	1	-41	-71
Short-term debt securities		4	-4	-14	3	7	0	-25
Long-term debt securities		-30	0	-61	104	15	-7	38
Loans		1	29	10	20	8	-1	17
of which: Long-term		0	57	-14	0	4	19	.
Shares and other equity		-7	21	0	68	11	6	54
Quoted shares		-9	7	11	16	0	0	.
Unquoted shares and other equity		7	13	4	31	-3	0	.
Mutual fund shares		-5	2	-15	20	15	6	.
Insurance technical reserves		26	-2	0	0	3	0	2
Other accounts receivable and financial derivatives		16	39	-40	34	-2	-19	18
Changes in net financial worth due to transactions								
Other changes account, financial assets								
Total other changes in financial assets		196	186	58	212	196	32	134
Monetary gold and SDRs				35				
Currency and deposits		-2	-6	-27	10	0	-3	-22
Short-term debt securities		-1	-3	4	-6	0	0	1
Long-term debt securities		15	5	21	64	96	8	40
Loans		0	-4	-27	-22	2	3	1
of which: Long-term		0	-4	-15	-18	1	0	.
Shares and other equity		124	233	55	161	96	20	130
Quoted shares		26	57	13	102	22	7	.
Unquoted shares and other equity		51	175	37	29	2	8	.
Mutual fund shares		48	1	5	30	72	4	.
Insurance technical reserves		60	0	0	0	2	0	-3
Other accounts receivable and financial derivatives		-2	-38	-4	5	-1	5	-12
Other changes in net financial worth								
Closing balance sheet, financial assets								
Total financial assets		19,344	16,889	35,454	16,190	7,279	4,181	18,112
Monetary gold and SDRs				530				
Currency and deposits		6,930	2,054	11,783	2,247	801	810	3,571
Short-term debt securities		56	89	573	424	72	34	619
Long-term debt securities		1,301	294	6,370	2,801	2,908	429	4,058
Loans		77	3,118	13,424	3,885	484	682	2,138
of which: Long-term		57	1,879	10,406	2,702	358	599	.
Shares and other equity		4,172	7,658	1,789	6,551	2,633	1,414	6,903
Quoted shares		716	1,347	347	2,099	522	202	.
Unquoted shares and other equity		2,069	5,939	1,163	3,375	304	1,036	.
Mutual fund shares		1,387	373	279	1,076	1,806	177	.
Insurance technical reserves		6,132	174	3	0	238	4	255
Other accounts receivable and financial derivatives		676	3,502	982	282	143	807	568
Net financial worth								

Source: ECB.

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

Liabilities 2012 Q3	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		6,797	25,694	34,738	15,524	7,153	10,024	16,148
Monetary gold and special drawing rights (SDRs)								
Currency and deposits			30	25,648	32	0	268	2,747
Short-term debt securities			99	691	82	3	713	314
Long-term debt securities			864	4,655	2,812	47	6,349	3,126
Loans		6,221	8,484		3,504	301	2,075	3,187
of which: Long-term		5,864	6,115		1,907	114	1,739	.
Shares and other equity		8	12,151	2,503	8,931	407	4	6,144
Quoted shares			3,336	315	197	102	0	.
Unquoted shares and other equity		8	8,815	1,218	2,812	304	4	.
Mutual fund shares				969	5,923			.
Insurance technical reserves		36	347	68	1	6,264	1	
Other accounts payable and financial derivatives		532	3,718	1,173	162	131	615	629
Net financial worth [1]	-1,301	12,326	-9,102	1,149	252	-113	-5,813	
Financial account, transactions in liabilities								
Total transactions in liabilities		-2	39	-509	173	45	42	73
Monetary gold and SDRs								
Currency and deposits			1	-442	0	0	6	-46
Short-term debt securities			-8	7	-10	0	-9	-11
Long-term debt securities			42	-12	-48	1	31	46
Loans		-4	0		68	11	-15	24
of which: Long-term		4	25		22	0	23	.
Shares and other equity		0	19	-18	105	2	0	45
Quoted shares			5	3	4	2	0	.
Unquoted shares and other equity		0	14	3	32	0	0	.
Mutual fund shares				-24	70			.
Insurance technical reserves		0	1	0	0	28	0	
Other accounts payable and financial derivatives		2	-15	-44	57	2	30	15
Changes in net financial worth due to transactions [1]	38	27	71	18	29	-2	-104	-38
Other changes account, liabilities								
Total other changes in liabilities		-9	411	94	181	84	153	65
Monetary gold and SDRs								
Currency and deposits			0	-38	0	0	0	-11
Short-term debt securities			0	-2	0	0	1	-2
Long-term debt securities			19	26	21	0	141	41
Loans		-3	-6		-16	0	0	-23
of which: Long-term		-2	-34		-15	0	0	.
Shares and other equity		0	427	103	204	27	0	57
Quoted shares			215	45	20	13	0	.
Unquoted shares and other equity		0	212	62	-17	14	0	.
Mutual fund shares				-3	202			.
Insurance technical reserves		0	0	0	0	60	0	
Other accounts payable and financial derivatives		-6	-30	6	-28	-3	12	2
Other changes in net financial worth [1]	-34	205	-224	-36	30	112	-121	69
Closing balance sheet, liabilities								
Total liabilities		6,786	26,144	34,323	15,878	7,282	10,220	16,285
Monetary gold and SDRs								
Currency and deposits			31	25,168	32	0	275	2,690
Short-term debt securities			91	696	72	3	704	301
Long-term debt securities			926	4,668	2,785	48	6,521	3,213
Loans		6,214	8,479		3,556	313	2,059	3,187
of which: Long-term		5,866	6,105		1,915	115	1,762	.
Shares and other equity		8	12,597	2,588	9,241	436	4	6,247
Quoted shares			3,555	363	220	117	0	.
Unquoted shares and other equity		8	9,042	1,283	2,826	318	4	.
Mutual fund shares				942	6,194			.
Insurance technical reserves		36	347	69	1	6,352	1	
Other accounts payable and financial derivatives		528	3,673	1,134	191	130	657	647
Net financial worth [1]	-1,297	12,558	-9,255	1,131	312	-3	-6,039	

Source: ECB.

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

Uses	2008	2009	2010	2010 Q4-2011 Q3	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3
Generation of income account								
Gross value added (basic prices)								
Taxes less subsidies on products								
Gross domestic product (market prices)								
Compensation of employees	4,463	4,448	4,505	4,594	4,621	4,638	4,648	4,659
Other taxes less subsidies on production	94	86	83	93	96	104	113	114
Consumption of fixed capital	1,361	1,387	1,417	1,453	1,466	1,477	1,486	1,495
Net operating surplus and mixed income [1]	2,359	2,101	2,217	2,260	2,253	2,247	2,229	2,214
Allocation of primary income account								
Net operating surplus and mixed income								
Compensation of employees								
Taxes less subsidies on production								
Property income	3,947	2,964	2,808	2,962	2,970	2,991	2,979	2,955
Interest	2,385	1,594	1,378	1,490	1,530	1,548	1,533	1,504
Other property income	1,562	1,370	1,430	1,472	1,440	1,443	1,446	1,451
Net national income [1]	7,802	7,545	7,773	7,917	7,954	7,986	7,992	8,012
Secondary distribution of income account								
Net national income								
Current taxes on income, wealth, etc.	1,145	1,029	1,055	1,103	1,112	1,123	1,139	1,154
Social contributions	1,672	1,677	1,704	1,739	1,753	1,761	1,770	1,774
Social benefits other than social transfers in kind	1,657	1,774	1,811	1,832	1,841	1,851	1,862	1,875
Other current transfers	772	773	777	781	782	786	790	792
Net non-life insurance premiums	188	180	182	183	184	184	185	186
Non-life insurance claims	189	181	182	184	184	185	186	187
Other	395	412	413	414	415	417	419	420
Net disposable income [1]	7,700	7,437	7,663	7,810	7,845	7,874	7,876	7,896
Use of income account								
Net disposable income								
Final consumption expenditure	7,139	7,152	7,319	7,452	7,477	7,505	7,513	7,518
Individual consumption expenditure	6,403	6,382	6,542	6,674	6,698	6,723	6,731	6,736
Collective consumption expenditure	736	770	778	778	779	781	782	783
Adjustment for the change in the net equity of households in pension fund reserves	70	61	56	58	59	60	61	60
Net saving [1]	561	285	343	358	368	370	364	377
Capital account								
Net saving								
Gross capital formation	2,072	1,705	1,790	1,871	1,871	1,853	1,820	1,791
Gross fixed capital formation	2,010	1,753	1,766	1,821	1,830	1,829	1,815	1,798
Changes in inventories and acquisitions less disposals of valuables	62	-47	24	50	41	24	5	-7
Consumption of fixed capital								
Acquisitions less disposals of non-produced non-financial assets	1	1	1	1	0	1	3	3
Capital transfers	152	183	221	171	174	167	172	179
Capital taxes	24	34	25	27	31	29	29	29
Other capital transfers	128	149	196	144	143	138	143	150
Net lending (+)/net borrowing (-) (from capital account) [1]	-143	-26	-19	-51	-25	4	40	93

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	2008	2009	2010	2010 Q4-2011 Q3	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3
Generation of income account								
Gross value added (basic prices)	8,277	8,022	8,222	8,401	8,437	8,466	8,476	8,482
Taxes less subsidies on products	946	894	942	971	975	976	974	974
Gross domestic product (market prices)[2]	9,224	8,916	9,164	9,372	9,411	9,442	9,450	9,456
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	2,359	2,101	2,217	2,260	2,253	2,247	2,229	2,214
Compensation of employees	4,472	4,458	4,518	4,608	4,634	4,651	4,661	4,672
Taxes less subsidies on production	1,047	998	1,039	1,076	1,081	1,090	1,096	1,098
Property income	3,870	2,952	2,808	2,934	2,955	2,988	2,984	2,983
Interest	2,328	1,550	1,333	1,449	1,488	1,506	1,499	1,477
Other property income	1,542	1,403	1,475	1,486	1,467	1,482	1,485	1,506
Net national income								
Secondary distribution of income account								
Net national income	7,802	7,545	7,773	7,917	7,954	7,986	7,992	8,012
Current taxes on income, wealth, etc.	1,154	1,034	1,059	1,109	1,118	1,129	1,143	1,157
Social contributions	1,670	1,675	1,702	1,738	1,752	1,759	1,768	1,772
Social benefits other than social transfers in kind	1,649	1,768	1,805	1,826	1,835	1,845	1,856	1,869
Other current transfers	671	668	669	675	675	676	678	681
Net non-life insurance premiums	189	181	182	184	184	185	186	187
Non-life insurance claims	184	177	178	180	180	180	181	181
Other	298	309	309	312	311	311	311	313
Net disposable income								
Use of income account								
Net disposable income	7,700	7,437	7,663	7,810	7,845	7,874	7,876	7,896
Final consumption expenditure								
Individual consumption expenditure								
Collective consumption expenditure								
Adjustment for the change in the net equity of households in pension fund reserves	70	61	56	58	59	60	61	60
Net saving								
Capital account								
Net saving	561	285	343	358	368	370	364	377
Gross capital formation								
Gross fixed capital formation								
Changes in inventories and acquisitions less disposals of valuables								
Consumption of fixed capital	1,361	1,387	1,417	1,453	1,466	1,477	1,486	1,495
Acquisitions less disposals of non-produced non-financial assets								
Capital transfers	161	192	232	181	185	178	185	192
Capital taxes	24	34	25	27	31	29	29	29
Other capital transfers	137	158	207	154	154	149	156	164
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)

	2008	2009	2010	2010 Q4-2011 Q3	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3
Income, saving and changes in net worth								
Compensation of employees (+)	4,472	4,458	4,518	4,608	4,634	4,651	4,661	4,672
Gross operating surplus and mixed income (+)	1,525	1,440	1,441	1,471	1,477	1,482	1,482	1,483
Interest receivable (+)	347	233	201	221	228	232	231	229
Interest payable (-)	251	146	124	141	145	146	142	137
Other property income receivable (+)	787	726	727	749	746	754	748	745
Other property income payable (-)	10	10	10	10	10	10	10	10
Current taxes on income and wealth (-)	873	842	848	876	881	892	906	921
Net social contributions (-)	1,668	1,672	1,699	1,734	1,748	1,756	1,765	1,769
Net social benefits (+)	1,644	1,763	1,800	1,821	1,830	1,840	1,851	1,864
Net current transfers receivable (+)	70	73	73	71	70	69	69	69
= Gross disposable income	6,045	6,023	6,080	6,179	6,201	6,223	6,219	6,224
Final consumption expenditure (-)	5,240	5,164	5,295	5,417	5,439	5,460	5,466	5,469
Changes in net worth in pension funds (+)	70	60	56	57	58	59	60	60
= Gross saving	874	920	840	819	820	822	813	815
Consumption of fixed capital (-)	375	379	385	393	396	398	401	403
Net capital transfers receivable (+)	0	10	14	12	10	9	9	9
Other changes in net worth (+)	-1,767	-884	772	-97	-647	-658	-1,099	-854
= Changes in net worth	-1,268	-333	1,240	341	-214	-226	-679	-433
Investment, financing and changes in net worth								
Net acquisition of non-financial assets (+)	648	553	557	572	576	576	571	565
Consumption of fixed capital (-)	375	379	385	393	396	398	401	403
Main items of financial investment (+)								
Short-term assets	450	7	38	126	124	146	160	170
Currency and deposits	437	121	118	146	118	155	168	178
Money market fund shares	-3	-40	-59	-23	-21	-22	-20	-27
Debt securities [1]	16	-74	-21	3	28	13	13	19
Long-term assets	56	456	376	245	212	210	174	135
Deposits	-25	71	57	57	55	53	41	27
Debt securities	30	8	-14	40	49	29	-21	-39
Shares and other equity	-82	151	96	-8	-17	26	60	53
Quoted and unquoted shares and other equity	67	122	97	32	35	64	87	64
Mutual fund shares	-149	29	0	-40	-52	-38	-27	-10
Life insurance and pension fund reserves	133	226	237	155	124	102	94	94
Main items of financing (-)								
Loans	257	108	126	123	96	79	47	26
of which: From euro area MFIs	83	65	147	148	81	34	13	1
Other changes in assets (+)								
Non-financial assets	-411	-1,201	676	347	-263	-499	-832	-1,274
Financial assets	-1,430	297	138	-466	-434	-235	-315	390
Shares and other equity	-1,165	99	46	-389	-411	-340	-399	179
Life insurance and pension fund reserves	-235	189	125	-20	20	98	101	179
Remaining net flows (+)	51	42	-33	32	62	54	11	10
= Changes in net worth	-1,268	-333	1,240	341	-214	-226	-679	-433
Balance sheet								
Non-financial assets (+)	27,917	26,890	27,738	28,115	27,656	27,380	27,196	27,003
Financial assets (+)								
Short-term assets	5,778	5,774	5,815	5,890	5,953	5,969	6,023	6,033
Currency and deposits	5,321	5,474	5,596	5,659	5,726	5,755	5,825	5,841
Money market fund shares	320	246	189	191	172	156	145	135
Debt securities [1]	137	54	30	40	55	57	53	56
Long-term assets	10,785	11,595	12,096	11,699	11,870	12,171	12,053	12,250
Deposits	911	961	1,020	1,062	1,074	1,084	1,092	1,089
Debt securities	1,327	1,388	1,328	1,309	1,336	1,368	1,316	1,301
Shares and other equity	3,847	4,130	4,271	3,776	3,838	4,007	3,909	4,037
Quoted and unquoted shares and other equity	2,881	2,984	3,044	2,688	2,723	2,803	2,711	2,785
Mutual fund shares	966	1,146	1,227	1,089	1,115	1,204	1,198	1,252
Life insurance and pension fund reserves	4,701	5,116	5,478	5,551	5,622	5,711	5,736	5,823
Remaining net assets (+)	370	388	424	496	477	463	471	490
Liabilities (-)								
Loans	5,806	5,935	6,121	6,205	6,219	6,206	6,221	6,214
of which: From euro area MFIs	4,914	4,968	5,213	5,313	5,281	5,269	5,294	5,283
= Net worth	39,044	38,711	39,951	39,994	39,738	39,777	39,522	39,562

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)

	2008	2009	2010	2010 Q4-2011 Q3	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3
Income and saving								
Gross value added (basic prices) (+)	4,758	4,520	4,679	4,812	4,833	4,850	4,857	4,860
Compensation of employees (-)	2,841	2,787	2,824	2,901	2,925	2,938	2,948	2,957
Other taxes less subsidies on production (-)	46	41	35	41	42	45	51	49
= Gross operating surplus (+)	1,871	1,693	1,820	1,869	1,866	1,867	1,858	1,854
Consumption of fixed capital (-)	765	782	799	822	830	836	842	847
= Net operating surplus (+)	1,106	911	1,021	1,047	1,036	1,031	1,017	1,007
Property income receivable (+)	628	529	558	555	555	559	565	577
Interest receivable	238	168	160	167	169	170	169	166
Other property income receivable	390	361	398	388	386	388	395	411
Interest and rents payable (-)	426	298	258	282	288	290	284	277
= Net entrepreneurial income (+)	1,309	1,142	1,321	1,321	1,303	1,300	1,298	1,307
Distributed income (-)	1,008	927	941	981	970	970	984	989
Taxes on income and wealth payable (-)	235	152	168	184	188	188	190	189
Social contributions receivable (+)	68	71	69	72	73	74	74	74
Social benefits payable (-)	66	68	69	69	70	70	70	71
Other net transfers (-)	48	47	44	45	47	48	48	48
= Net saving	20	19	167	113	102	98	80	84
Investment, financing and saving								
Net acquisition of non-financial assets (+)	368	71	163	208	204	186	160	135
Gross fixed capital formation (+)	1,074	902	938	985	994	994	990	981
Consumption of fixed capital (-)	765	782	799	822	830	836	842	847
Net acquisition of other non-financial assets (+)	58	-50	24	44	40	27	12	1
Main items of financial investment (+)								
Short-term assets	61	95	44	4	-32	-8	0	21
Currency and deposits	14	88	68	46	0	9	9	32
Money market fund shares	33	39	-23	-40	-43	-35	-30	-24
Debt securities [1]	14	-32	-1	-1	11	18	20	13
Long-term assets	645	199	449	473	444	471	403	294
Deposits	34	1	19	61	75	53	43	16
Debt securities	-25	23	8	2	-5	-12	-1	-1
Shares and other equity	350	104	270	289	240	270	202	134
Other (mainly intercompany loans)	285	72	152	120	133	160	158	145
Remaining net assets (+)	-33	64	-24	-57	-36	-45	-8	50
Main items of financing (-)								
Debt	657	77	143	203	228	230	204	192
of which: Loans from euro area MFIs	391	-108	-19	86	66	-3	-35	-76
of which: Debt securities	46	90	62	44	48	73	90	105
Shares and other equity	287	249	254	244	182	207	201	142
Quoted shares	-7	59	31	28	27	19	15	15
Unquoted shares and other equity	294	190	223	217	155	187	186	127
Net capital transfers receivable (-)	74	82	66	67	69	68	70	78
= Net saving	20	19	167	113	102	98	80	84
Financial balance sheet								
Financial assets								
Short-term assets	1,848	1,932	1,966	1,919	1,942	1,919	1,928	1,932
Currency and deposits	1,538	1,632	1,696	1,683	1,706	1,682	1,698	1,717
Money market fund shares	192	214	192	159	147	141	135	126
Debt securities [1]	117	86	79	78	89	97	95	89
Long-term assets	9,421	10,249	10,769	10,369	10,599	11,093	10,987	11,280
Deposits	247	236	247	296	313	336	335	336
Debt securities	217	238	254	255	260	286	289	294
Shares and other equity	6,340	7,108	7,430	6,851	7,031	7,446	7,269	7,532
Other (mainly intercompany loans)	2,617	2,666	2,838	2,967	2,994	3,025	3,093	3,118
Remaining net assets	156	167	-5	-18	15	56	-10	34
Liabilities								
Debt	9,247	9,268	9,514	9,660	9,682	9,696	9,794	9,843
of which: Loans from euro area MFIs	4,857	4,702	4,672	4,761	4,712	4,682	4,697	4,642
of which: Debt securities	695	815	877	878	884	934	963	1,017
Shares and other equity	11,147	12,398	12,935	11,755	11,993	12,572	12,151	12,597
Quoted shares	2,953	3,503	3,799	3,126	3,281	3,569	3,336	3,555
Unquoted shares and other equity	8,194	8,895	9,136	8,629	8,712	9,003	8,815	9,042

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)

	2008	2009	2010	2010 Q4-2011 Q3	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3
Financial account, financial transactions								
Main items of financial investment (+)								
Short-term assets	69	-47	-16	7	48	88	75	59
Currency and deposits	57	-33	-9	5	14	29	15	3
Money market fund shares	12	0	-17	-8	11	47	48	45
Debt securities [1]	1	-14	10	10	23	12	12	11
Long-term assets	129	293	291	242	131	78	81	87
Deposits	6	15	-5	9	7	-2	-5	-13
Debt securities	77	102	183	106	38	12	32	56
Loans	20	8	30	16	7	5	-1	10
Quoted shares	-15	-44	11	8	0	-3	-5	-5
Unquoted shares and other equity	17	-21	0	12	0	-5	2	-6
Mutual fund shares	25	233	73	91	79	71	57	44
Remaining net assets (+)	10	15	14	-40	-40	-47	-15	-12
Main items of financing (-)								
Debt securities	5	5	1	3	3	5	1	3
Loans	30	-4	7	13	6	8	11	14
Shares and other equity	8	5	7	3	2	2	4	5
Insurance technical reserves	123	250	273	157	123	101	101	107
Net equity of households in life insurance and pension fund reserves	122	242	252	146	121	103	94	101
Prepayments of insurance premiums and reserves for outstanding claims	1	8	20	10	2	-1	8	6
= Changes in net financial worth due to transactions	43	4	1	34	7	4	24	5
Other changes account								
Other changes in financial assets (+)								
Shares and other equity	-545	198	113	-92	-112	-22	-36	189
Other net assets	42	35	-8	-87	13	135	117	173
Other changes in liabilities (-)								
Shares and other equity	-171	12	-6	-42	-46	-31	-35	41
Insurance technical reserves	-250	159	140	-18	19	102	106	183
Net equity of households in life insurance and pension fund reserves	-243	189	130	-19	19	100	107	187
Prepayments of insurance premiums and reserves for outstanding claims	-7	-30	10	1	0	2	-1	-4
= Other changes in net financial worth	-82	62	-28	-119	-72	42	10	139
Financial balance sheet								
Financial assets (+)								
Short-term assets	376	324	313	343	348	380	370	386
Currency and deposits	224	195	190	199	193	208	195	200
Money market fund shares	98	90	74	83	84	107	110	113
Debt securities [1]	54	39	49	61	72	65	65	72
Long-term assets	5,097	5,663	6,054	6,066	6,042	6,278	6,292	6,512
Deposits	598	610	603	615	606	608	605	601
Debt securities	2,289	2,467	2,637	2,700	2,647	2,773	2,798	2,908
Loans	432	435	466	470	473	473	473	484
Quoted shares	480	503	540	493	499	515	501	522
Unquoted shares and other equity	324	309	302	301	299	301	305	304
Mutual fund shares	974	1,339	1,505	1,488	1,517	1,608	1,610	1,692
Remaining net assets (+)	236	209	233	242	246	236	247	251
Liabilities (-)								
Debt securities	36	43	46	47	47	49	49	51
Loans	281	270	283	298	286	296	301	313
Shares and other equity	418	435	436	390	392	424	407	436
Insurance technical reserves	5,164	5,573	5,985	6,062	6,127	6,235	6,264	6,352
Net equity of households in life insurance and pension fund reserves	4,364	4,795	5,177	5,243	5,317	5,409	5,437	5,531
Prepayments of insurance premiums and reserves for outstanding claims	800	778	809	819	810	825	827	821
= Net financial wealth	-190	-124	-151	-147	-216	-110	-113	-3

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

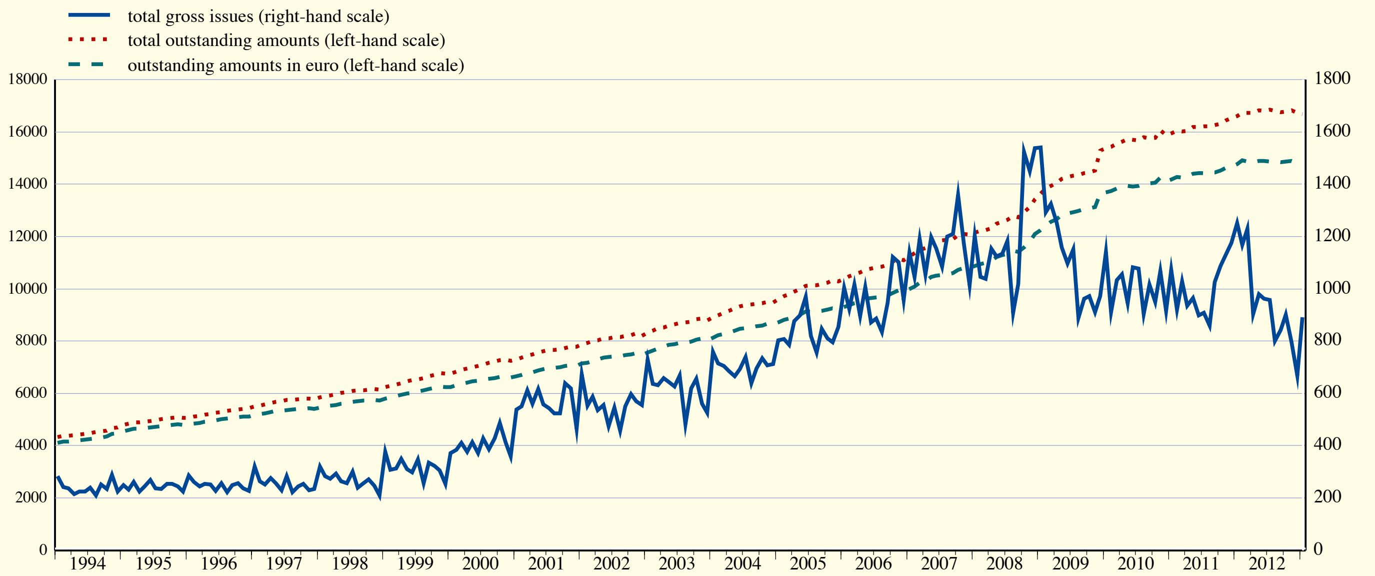
4.1 Securities other than shares by original maturity, residency of the issuer and currency

(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											
2012 Jan.	16,948.5	1,192.3	97.0	14,771.5	1,120.8	89.6	16,595.6	1,250.4	82.3	3.8	62.1	5.1
Feb.	17,134.5	1,137.0	186.5	14,915.4	1,050.0	144.4	16,738.1	1,168.2	161.0	4.2	96.6	5.7
Mar.	17,182.8	1,237.3	143.3	14,864.0	1,094.3	42.8	16,727.6	1,229.1	79.2	4.7	81.6	5.9
Apr.	17,136.9	839.1	-35.2	14,845.0	801.2	-8.4	16,728.1	904.6	-1.8	4.4	-8.3	5.0
May	17,178.2	919.0	42.7	14,886.4	866.6	42.6	16,831.2	980.1	59.6	4.0	-2.0	4.6
June	17,184.1	932.7	6.3	14,884.3	871.4	-1.4	16,799.8	961.5	-18.6	3.7	13.3	3.0
July	17,179.1	890.0	-4.7	14,875.6	832.8	-8.3	16,851.5	957.1	29.0	4.0	56.4	2.9
Aug.	17,160.4	752.1	-21.2	14,864.3	708.1	-13.7	16,797.7	800.1	-36.9	3.6	-6.5	1.6
Sep.	17,145.7	809.3	-5.5	14,844.6	757.4	-10.6	16,749.4	842.9	-24.1	3.4	32.2	1.0
Oct.	17,150.0	816.6	5.8	14,858.9	777.5	15.9	16,776.3	900.2	35.6	3.2	24.9	1.4
Nov.	17,181.6	720.4	29.3	14,890.2	680.8	29.0	16,824.2	795.7	49.1	2.9	-24.1	1.2
Dec.	17,112.6	627.3	-103.1	14,817.8	587.7	-106.5	16,723.2	669.2	-121.0	1.8	-30.8	0.6
2013 Jan.	.	.	.	14,804.1	760.9	-11.0	16,689.1	890.7	-2.2	1.3	-20.7	-0.3
	Long-term											
2012 Jan.	15,462.5	347.9	85.8	13,366.1	303.7	63.4	14,968.1	332.7	52.1	3.8	69.4	4.9
Feb.	15,633.1	366.7	170.1	13,502.5	310.1	135.9	15,098.1	340.8	145.7	4.2	86.8	5.6
Mar.	15,668.5	388.6	130.9	13,459.9	281.0	52.2	15,081.2	331.5	75.6	4.6	76.0	6.0
Apr.	15,635.2	188.7	-22.5	13,438.2	175.0	-11.2	15,082.1	206.5	1.5	4.1	-8.2	4.9
May	15,685.7	233.0	50.4	13,487.8	208.6	49.4	15,189.9	244.3	68.2	4.0	15.3	4.7
June	15,719.9	278.6	35.1	13,525.5	246.2	38.7	15,198.6	261.9	20.4	3.8	13.6	3.4
July	15,700.0	264.8	-19.9	13,497.4	233.1	-28.0	15,219.3	271.7	0.3	3.9	38.5	3.0
Aug.	15,690.6	147.0	-11.5	13,489.5	126.8	-9.8	15,181.8	142.0	-22.4	3.8	19.3	2.1
Sep.	15,708.2	256.7	25.7	13,506.8	225.3	25.2	15,184.0	251.2	23.4	4.0	81.1	2.1
Oct.	15,742.6	237.2	34.6	13,537.5	212.5	31.0	15,222.9	249.4	45.9	3.8	43.1	2.8
Nov.	15,797.0	220.1	54.2	13,584.2	195.3	46.5	15,280.4	223.5	60.6	3.6	-7.7	2.5
Dec.	15,768.5	193.7	-50.9	13,553.2	169.7	-53.5	15,227.5	189.6	-62.6	2.7	-15.3	2.1
2013 Jan.	.	.	.	13,541.0	220.0	-9.7	15,185.0	252.8	-13.6	2.3	1.4	1.6

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						
2011	16,523	5,525	3,283	873	6,217	625	1,000	609	98	62	191	39
2012	16,723	5,433	3,348	990	6,268	685	955	588	81	67	187	32
2012 Q1	16,728	5,627	3,316	905	6,209	671	1,216	765	108	71	223	49
Q2	16,800	5,589	3,290	938	6,285	698	949	584	80	71	183	30
Q3	16,749	5,559	3,223	970	6,299	699	867	538	63	63	177	26
Q4	16,723	5,433	3,348	990	6,268	685	788	463	72	64	164	25
2012 Oct.	16,776	5,532	3,247	980	6,316	702	900	531	70	70	200	29
Nov.	16,824	5,514	3,261	985	6,368	696	796	459	56	59	194	28
Dec.	16,723	5,433	3,348	990	6,268	685	669	401	89	62	99	19
2013 Jan.	16,689	5,397	3,317	993	6,298	684	891	516	51	62	224	38
						Short-term						
2011	1,599	702	106	79	634	77	748	511	48	53	107	29
2012	1,496	601	139	81	610	64	701	489	36	52	104	21
2012 Q1	1,646	711	122	83	641	91	881	609	63	55	125	29
Q2	1,601	678	120	97	624	83	711	498	33	58	102	20
Q3	1,565	667	106	89	626	77	645	455	24	48	100	17
Q4	1,496	601	139	81	610	64	568	392	25	46	88	16
2012 Oct.	1,553	652	106	87	627	81	651	452	27	51	100	20
Nov.	1,544	638	108	84	641	72	572	393	21	43	100	15
Dec.	1,496	601	139	81	610	64	480	332	28	44	63	12
2013 Jan.	1,504	599	136	84	624	60	638	420	22	49	124	23
						Long-term [2]						
2011	14,924	4,822	3,177	794	5,583	548	252	98	51	9	84	10
2012	15,228	4,831	3,209	908	5,658	621	254	99	44	15	83	12
2012 Q1	15,081	4,916	3,194	822	5,568	581	335	156	45	16	99	20
Q2	15,199	4,912	3,170	841	5,661	615	238	86	48	13	81	10
Q3	15,184	4,891	3,117	881	5,673	622	222	82	38	16	77	8
Q4	15,228	4,831	3,209	908	5,658	621	221	71	46	18	77	9
2012 Oct.	15,223	4,880	3,141	892	5,689	621	249	78	43	19	100	9
Nov.	15,280	4,876	3,152	901	5,727	624	224	66	35	16	94	13
Dec.	15,228	4,831	3,209	908	5,658	621	190	69	60	18	36	6
2013 Jan.	15,185	4,797	3,181	909	5,674	623	253	97	29	13	100	15
						of which: Long-term fixed rate						
2011	10,016	2,764	1,151	699	4,994	408	150	54	12	8	70	7
2012	10,575	2,837	1,331	812	5,149	444	164	54	18	15	71	7
2012 Q1	10,227	2,875	1,199	727	5,004	422	229	103	17	15	83	11
Q2	10,408	2,876	1,245	748	5,101	438	148	42	21	12	68	6
Q3	10,497	2,859	1,278	786	5,132	441	139	37	14	15	68	4
Q4	10,575	2,837	1,331	812	5,149	444	142	36	20	17	64	6
2012 Oct.	10,533	2,853	1,312	798	5,129	441	170	46	25	19	74	5
Nov.	10,632	2,848	1,332	804	5,202	446	155	28	23	15	82	8
Dec.	10,575	2,837	1,331	812	5,149	444	102	33	13	16	35	4
2013 Jan.	10,587	2,824	1,344	813	5,157	449	190	63	21	12	81	13
						of which: Long-term variable rate						
2011	4,405	1,789	1,873	91	513	139	85	37	32	1	11	3
2012	4,222	1,740	1,778	93	437	175	77	38	24	1	8	5
2012 Q1	4,343	1,774	1,835	92	486	156	90	46	25	1	10	8
Q2	4,332	1,769	1,813	89	486	175	77	38	24	1	9	4
Q3	4,239	1,768	1,734	91	466	179	72	41	23	1	4	4
Q4	4,222	1,740	1,778	93	437	175	69	30	24	1	10	4
2012 Oct.	4,243	1,764	1,728	91	483	177	69	27	16	0	22	4
Nov.	4,199	1,767	1,719	93	443	176	55	32	11	1	7	5
Dec.	4,222	1,740	1,778	93	437	175	82	31	46	2	1	2
2013 Jan.	4,158	1,720	1,739	93	434	172	42	28	5	1	7	2

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

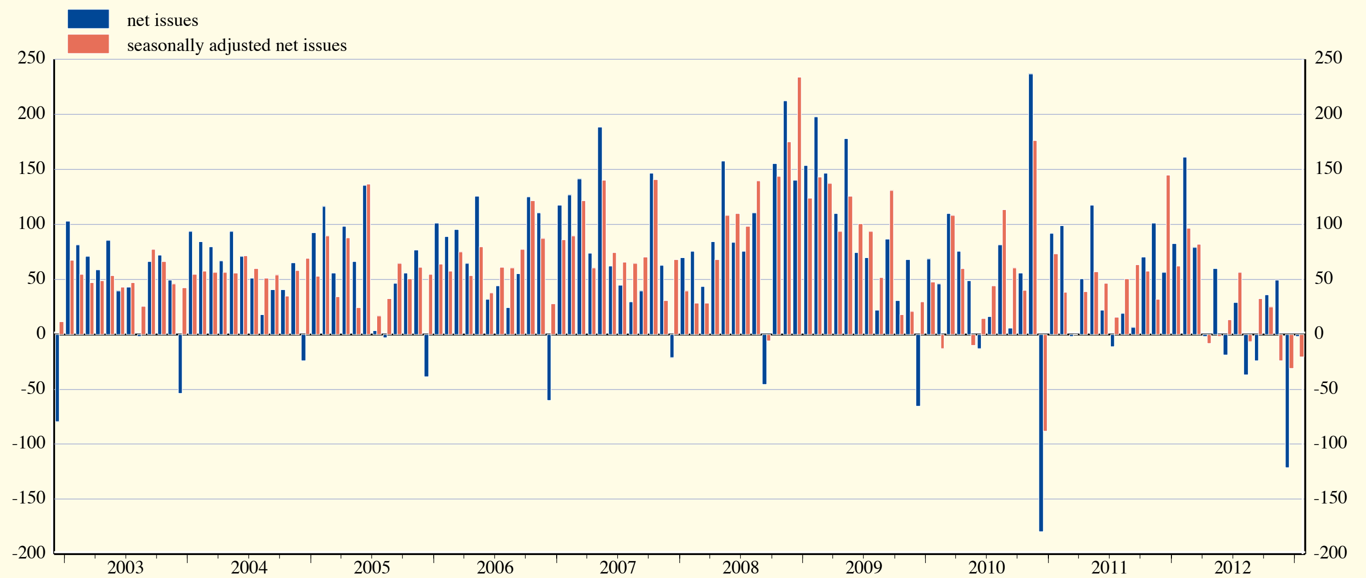
(EUR billions unless otherwise indicated; transactions during the period; nominal values)

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											
2011	51.6	22.6	-3.5	3.7	23.2	5.6	-	-	-	-	-	-
2012	24.4	-6.0	4.0	10.2	13.1	3.1	-	-	-	-	-	-
2012 Q1	107.5	38.0	12.1	11.8	29.6	15.9	80.1	16.5	22.2	9.4	15.7	16.3
Q2	13.0	-19.8	-5.8	10.2	27.8	0.7	1.0	-14.4	-8.5	7.8	13.4	2.7
Q3	-10.7	-4.7	-21.7	10.7	4.3	0.7	27.4	0.1	-7.7	11.9	20.7	2.3
Q4	-12.1	-37.3	31.5	8.0	-9.5	-4.8	-10.0	-26.4	10.7	11.8	2.0	-8.2
2012 Oct.	35.6	-20.1	25.2	10.9	17.7	1.8	24.9	-4.9	6.2	9.8	19.7	-6.0
Nov.	49.1	-18.4	14.4	5.9	52.3	-5.2	-24.1	-21.8	-17.3	5.8	14.1	-4.9
Dec.	-121.0	-73.5	54.8	7.2	-98.6	-11.0	-30.8	-52.3	43.3	19.8	-27.7	-13.8
2013 Jan.	-2.2	-20.5	-21.8	7.2	32.2	0.6	-20.7	-34.8	-6.0	3.6	8.1	8.3
	Long-term											
2011	47.5	11.9	-2.2	2.8	31.0	3.9	-	-	-	-	-	-
2012	34.1	2.6	2.2	10.0	15.1	4.3	-	-	-	-	-	-
2012 Q1	91.1	35.0	7.0	10.5	27.5	11.1	77.4	20.6	17.8	10.0	19.2	9.8
Q2	30.0	-7.7	-5.3	5.7	33.6	3.8	6.9	-13.3	-7.2	3.2	21.5	2.7
Q3	0.4	-1.9	-17.1	13.3	3.4	2.7	46.3	4.8	-5.3	15.0	26.3	5.5
Q4	14.7	-15.0	24.1	10.5	-4.2	-0.6	6.7	-1.5	4.0	11.9	-6.9	-0.9
2012 Oct.	45.9	-6.7	25.5	12.4	17.3	-2.7	43.1	5.2	8.3	12.2	20.7	-3.4
Nov.	60.6	-2.0	12.1	8.8	38.3	3.5	-7.7	6.7	-21.2	8.3	-4.5	3.0
Dec.	-62.6	-36.4	34.6	10.2	-68.4	-2.7	-15.3	-16.3	24.9	15.1	-36.8	-2.2
2013 Jan.	-13.6	-21.1	-18.6	4.8	17.5	3.8	1.4	-23.3	-1.2	6.1	13.2	6.6

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

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

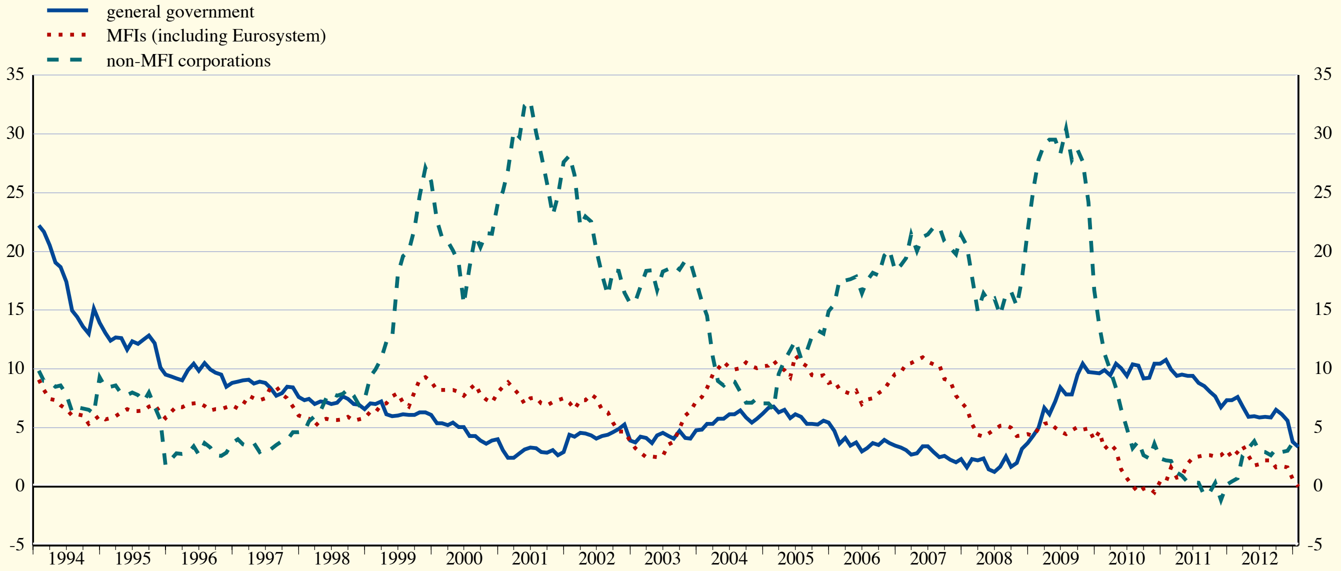


Source: ECB.
1) Monthly data on net issues refer to transactions during the month. For the purposes of comparison, quarterly and annual data refer to the respective monthly averages.

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												
2012 Jan.	3.8	4.3	-1.3	6.4	4.8	15.4	5.1	6.8	0.9	9.5	4.5	14.3
Feb.	4.2	4.5	-0.7	7.1	4.8	19.8	5.7	7.0	2.8	9.5	4.6	16.2
Mar.	4.7	4.8	1.7	8.0	4.5	17.9	5.9	6.4	3.8	11.7	4.6	17.8
Apr.	4.4	4.1	2.5	9.5	3.7	15.7	5.0	4.7	4.4	11.8	3.5	18.5
May	4.0	2.9	3.1	9.2	3.8	12.6	4.6	2.3	6.2	11.4	4.0	14.1
June	3.7	3.4	1.5	10.5	3.5	11.7	3.0	0.2	2.6	12.1	2.8	19.2
July	4.0	4.1	1.2	10.4	3.4	14.7	2.9	1.7	1.4	11.3	2.3	15.4
Aug.	3.6	3.6	0.6	10.9	3.3	12.5	1.6	0.4	-1.6	12.3	2.1	9.0
Sep.	3.4	2.4	0.5	12.5	3.9	10.9	1.0	-1.5	-2.9	13.3	3.3	4.4
Oct.	3.2	2.0	0.2	12.6	3.8	10.8	1.4	-0.6	-3.9	13.4	4.2	3.6
Nov.	2.9	1.1	0.4	12.4	3.9	8.0	1.2	0.0	-5.2	13.4	3.8	2.3
Dec.	1.8	-1.3	1.5	14.0	2.5	6.1	0.6	-2.8	0.6	15.8	2.2	-5.0
2013 Jan.	1.3	-2.0	1.2	13.3	2.2	4.6	-0.3	-5.4	0.9	15.4	2.0	-4.7
Long-term												
2012 Jan.	3.8	2.4	-0.8	5.8	7.0	11.1	4.9	3.2	1.6	9.1	7.1	10.3
Feb.	4.2	2.9	-0.7	6.5	7.0	13.5	5.6	4.2	2.8	9.8	7.1	14.3
Mar.	4.6	3.5	1.5	7.5	6.3	12.7	6.0	4.3	3.5	13.5	6.9	15.2
Apr.	4.1	2.6	2.3	7.2	5.4	11.7	4.9	3.0	3.5	10.9	5.5	14.4
May	4.0	1.8	3.0	7.1	5.5	10.6	4.7	1.5	5.4	9.3	5.9	11.9
June	3.8	1.9	1.6	8.7	5.4	10.7	3.4	0.9	2.1	10.2	4.4	14.2
July	3.9	2.2	1.2	9.7	5.3	12.1	3.0	1.2	0.9	10.3	3.6	13.8
Aug.	3.8	2.2	0.6	10.6	5.3	11.4	2.1	0.3	-1.4	11.6	3.6	8.6
Sep.	4.0	1.6	0.6	13.5	6.0	11.8	2.1	-1.0	-2.3	13.6	5.2	8.5
Oct.	3.8	1.7	0.2	13.9	5.7	10.7	2.8	0.4	-3.0	16.9	5.9	7.0
Nov.	3.6	1.6	0.3	14.0	5.2	9.6	2.5	1.7	-4.7	18.9	4.6	7.3
Dec.	2.7	0.6	0.8	15.1	3.3	9.3	2.1	0.4	-0.2	20.2	2.1	4.6
2013 Jan.	2.3	0.0	0.6	14.6	2.8	8.6	1.6	-1.2	0.3	19.2	2.0	3.9

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.

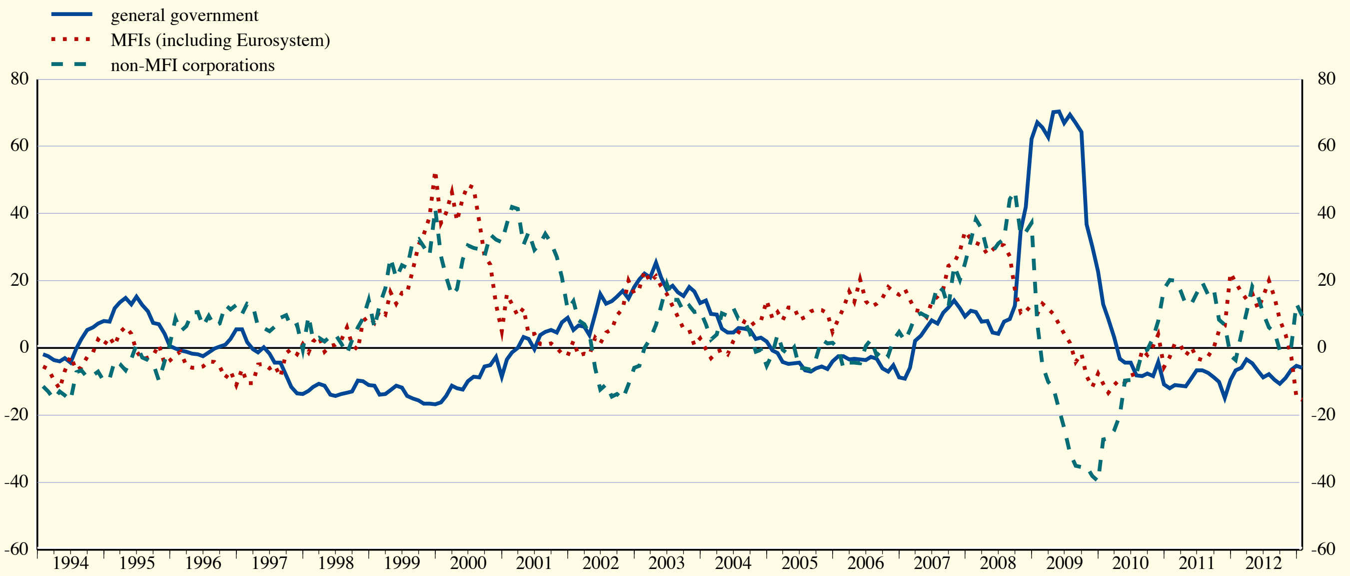
4.3 Growth rates of securities other than shares issued by euro area residents [1] (cont'd)

(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											
2011	6.4	4.8	3.6	6.3	7.8	7.7	-0.7	-1.3	-5.6	-2.0	22.3	16.1
2012	5.4	4.4	2.3	10.3	5.8	7.3	-0.7	-0.1	-4.8	-0.7	6.6	23.3
2012 Q1	5.7	5.3	2.1	6.7	6.4	9.0	-0.1	0.6	-5.5	-1.0	15.3	21.5
Q2	5.2	4.9	1.9	8.1	5.6	6.7	0.5	-0.2	-2.4	-1.3	8.1	25.9
Q3	5.0	4.0	1.3	11.1	5.5	6.9	0.0	-0.1	-3.5	0.5	6.6	25.5
Q4	5.7	3.5	3.9	15.2	5.9	6.8	-3.1	-0.6	-7.5	-0.9	-2.4	20.2
2012 Aug.	5.1	4.1	1.0	11.2	5.6	6.9	-0.2	0.3	-4.0	0.9	5.3	25.0
Sep.	5.6	3.4	1.7	14.3	6.4	7.7	-1.2	-0.4	-4.9	1.2	1.6	24.0
Oct.	5.7	3.6	3.3	15.0	6.0	6.5	-2.3	-0.2	-7.5	-0.9	2.8	22.9
Nov.	6.0	3.6	4.9	15.2	6.2	6.8	-3.9	-0.2	-8.5	-1.6	-6.4	17.6
Dec.	5.2	3.3	5.2	16.4	4.6	6.6	-5.1	-2.6	-8.3	-1.6	-8.6	16.7
2013 Jan.	4.8	2.3	5.8	15.8	4.2	7.5	-5.8	-2.8	-9.1	-1.9	-10.4	11.6
	In euro											
2011	6.5	4.0	3.6	6.7	8.1	7.3	-0.3	0.2	-6.3	-3.0	22.2	15.3
2012	5.7	5.0	2.0	10.8	5.9	7.2	-0.4	2.3	-6.4	-1.4	6.3	22.9
2012 Q1	6.1	5.6	2.5	6.6	6.6	9.8	0.5	2.6	-6.1	-2.2	15.0	20.2
Q2	5.5	5.4	1.6	8.6	5.7	6.5	0.7	2.2	-4.2	-2.5	7.9	25.3
Q3	5.3	4.9	0.8	11.4	5.5	6.4	0.2	2.6	-5.8	0.4	6.3	25.5
Q4	5.8	3.9	3.3	16.5	5.9	6.3	-3.1	1.6	-9.6	-1.2	-2.9	20.5
2012 Aug.	5.3	5.0	0.2	11.4	5.7	6.2	0.0	3.2	-6.4	1.1	5.0	24.8
Sep.	6.0	4.2	1.6	15.2	6.5	7.1	-1.0	2.1	-6.8	0.7	1.2	24.2
Oct.	5.9	4.1	3.1	16.0	6.0	6.0	-2.3	2.1	-9.9	-1.5	2.5	23.5
Nov.	6.1	3.8	4.0	16.9	6.3	6.3	-4.0	1.9	-10.5	-1.5	-7.2	17.6
Dec.	5.2	3.4	4.2	18.1	4.6	5.9	-5.0	-0.6	-9.7	-1.7	-9.2	16.9
2013 Jan.	4.7	2.3	4.6	18.0	4.2	6.4	-6.0	-1.4	-10.5	-2.0	-11.2	11.4

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)

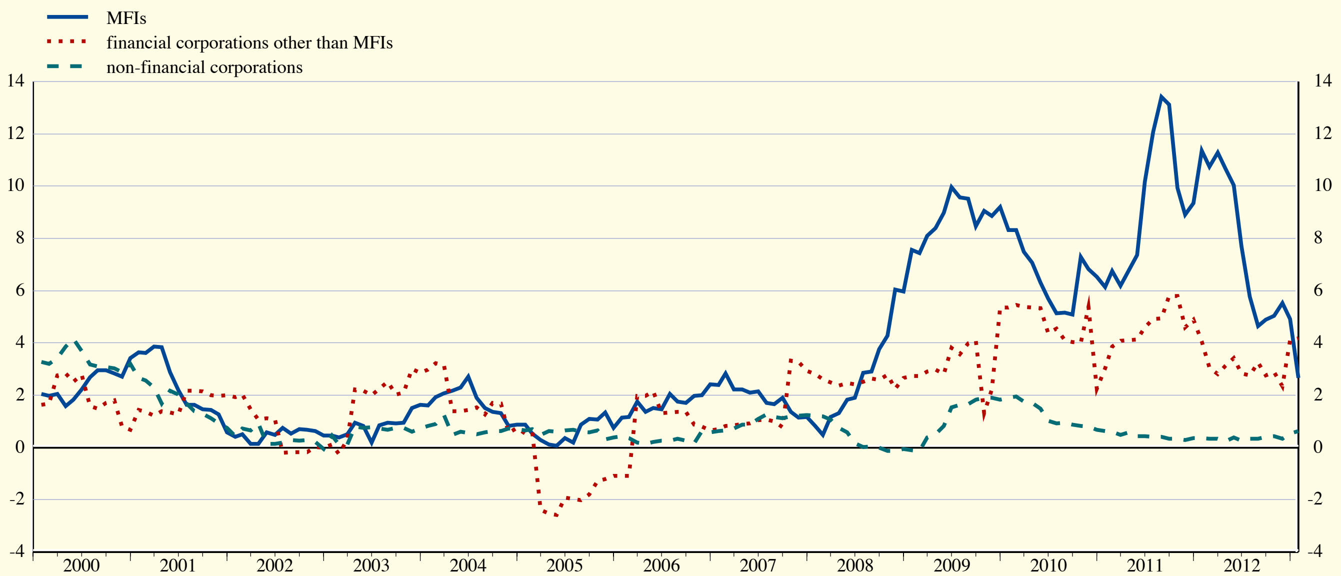
1. Outstanding amounts and annual growth rates

(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
2011 Jan.	4,743.8	104.6	1.4	513.9	6.1	365.9	3.0	3,864.0	0.6
Feb.	4,829.9	104.7	1.5	534.6	6.7	379.0	3.9	3,916.2	0.6
Mar.	4,751.8	104.8	1.4	491.3	6.2	363.3	4.1	3,897.2	0.5
Apr.	4,875.3	105.0	1.5	497.3	6.8	371.6	4.1	4,006.5	0.6
May	4,760.2	105.0	1.5	475.8	7.4	356.3	4.1	3,928.1	0.4
June	4,705.1	105.5	1.7	491.5	10.2	350.6	4.6	3,863.0	0.4
July	4,487.5	105.7	1.9	458.6	12.1	325.6	4.9	3,703.3	0.4
Aug.	3,959.8	105.9	2.1	382.9	13.4	281.7	4.9	3,295.2	0.4
Sep.	3,733.0	105.9	2.0	350.5	13.1	264.4	5.8	3,118.1	0.3
Oct.	4,026.1	105.9	1.7	360.5	9.9	288.0	5.8	3,377.6	0.3
Nov.	3,875.2	106.0	1.5	329.8	8.9	271.6	4.6	3,273.8	0.3
Dec.	3,887.8	106.1	1.6	339.3	9.3	270.8	4.9	3,277.7	0.4
2012 Jan.	4,100.7	106.3	1.7	375.5	11.4	298.1	4.0	3,427.1	0.4
Feb.	4,266.8	106.3	1.5	394.7	10.7	311.3	3.1	3,560.8	0.3
Mar.	4,250.8	106.4	1.5	373.1	11.3	311.1	2.8	3,566.6	0.3
Apr.	4,078.0	106.5	1.4	327.3	10.7	292.0	3.1	3,458.7	0.2
May	3,772.0	106.5	1.5	280.9	10.0	260.2	3.4	3,230.9	0.4
June	3,935.1	106.6	1.1	317.7	7.7	280.3	2.8	3,337.2	0.3
July	4,061.8	106.8	1.0	309.9	5.8	287.5	2.7	3,464.4	0.3
Aug.	4,184.9	106.8	0.9	349.7	4.6	304.7	3.3	3,530.6	0.3
Sep.	4,242.3	106.9	0.9	365.0	4.9	319.2	2.8	3,558.1	0.4
Oct.	4,319.2	107.0	1.0	383.6	5.0	329.9	2.9	3,605.7	0.4
Nov.	4,407.2	106.9	0.9	395.7	5.5	338.3	2.4	3,673.2	0.3
Dec.	4,510.0	107.3	1.2	402.4	4.9	355.4	4.1	3,752.1	0.5
2013 Jan.	4,655.9	107.4	1.1	441.6	2.7	367.2	4.2	3,847.2	0.6

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

(annual percentage changes)



Source: ECB.

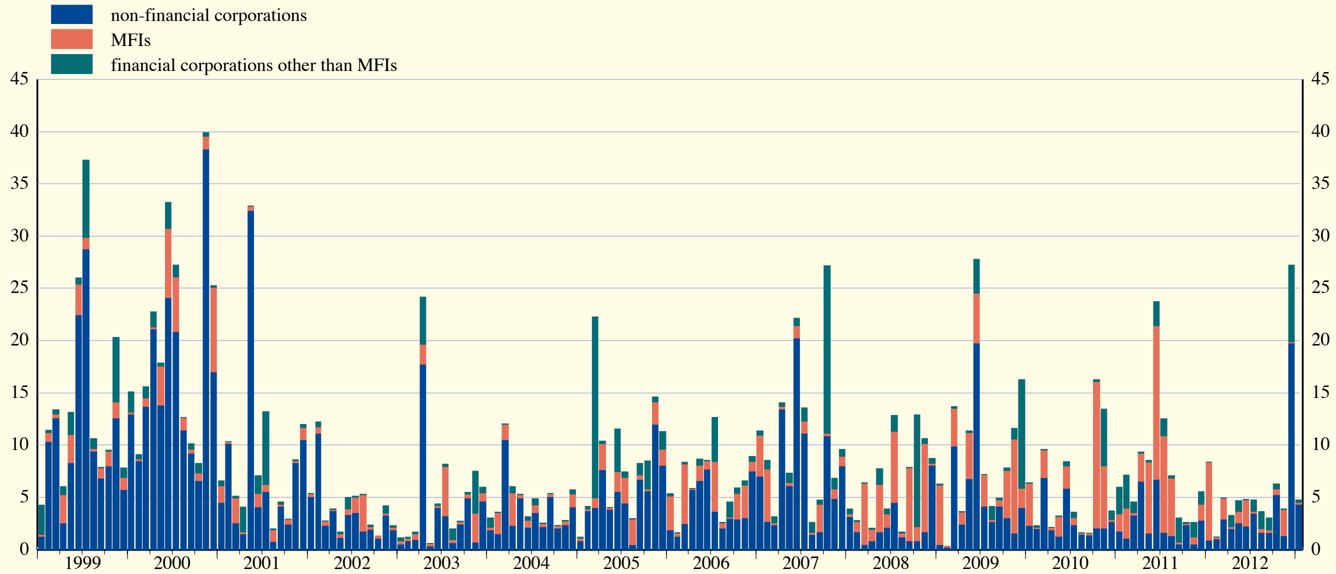
1) For details of the calculation of the index and the growth rates, see the Technical Notes.

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
2011 Jan.	6.0	1.3	4.7	1.6	0.0	1.6	2.6	0.0	2.6	1.8	1.3	0.5
Feb.	7.1	0.2	6.9	2.9	0.0	2.9	3.2	0.0	3.2	1.1	0.2	0.8
Mar.	4.4	1.0	3.5	0.1	0.0	0.1	1.0	0.2	0.8	3.3	0.7	2.6
Apr.	9.3	0.6	8.8	2.7	0.0	2.7	0.1	0.0	0.1	6.5	0.6	5.9
May	8.6	8.8	-0.2	6.8	2.1	4.6	0.2	0.0	0.2	1.6	6.6	-5.0
June	23.7	1.3	22.5	14.7	0.0	14.7	2.3	0.3	2.0	6.7	1.0	5.7
July	12.5	0.7	11.8	9.3	0.0	9.3	1.6	0.0	1.6	1.6	0.7	0.9
Aug.	7.1	1.0	6.1	5.5	0.0	5.5	0.3	0.2	0.1	1.3	0.8	0.5
Sep.	2.9	2.9	0.0	0.0	0.9	-0.9	2.3	0.0	2.3	0.5	2.0	-1.4
Oct.	2.4	0.4	2.0	0.0	0.0	0.0	0.1	0.0	0.1	2.3	0.4	1.9
Nov.	2.6	1.5	1.1	0.7	0.0	0.7	1.4	0.0	1.4	0.6	1.5	-1.0
Dec.	5.5	1.0	4.5	1.5	0.0	1.5	1.2	0.0	1.2	2.8	1.0	1.8
2012 Jan.	8.4	0.4	7.9	7.5	0.0	7.5	0.0	0.1	-0.1	0.9	0.3	0.6
Feb.	1.1	1.4	-0.3	0.0	0.0	0.0	0.0	0.2	-0.2	1.0	1.2	-0.1
Mar.	4.9	0.7	4.3	2.0	0.0	2.0	0.0	0.1	-0.1	2.9	0.6	2.3
Apr.	3.1	0.3	2.8	0.0	0.0	0.0	1.1	0.0	1.1	2.0	0.3	1.7
May	4.7	1.8	2.9	1.1	0.0	1.1	1.0	0.1	1.0	2.5	1.7	0.8
June	4.8	1.2	3.6	2.6	0.0	2.6	0.0	0.1	-0.1	2.2	1.1	1.1
July	4.7	0.3	4.4	0.2	0.0	0.2	1.1	0.0	1.1	3.5	0.3	3.2
Aug.	3.7	1.8	1.8	0.4	0.0	0.4	1.6	0.1	1.5	1.6	1.7	-0.1
Sep.	2.9	0.5	2.3	0.1	0.0	0.1	1.2	0.1	1.0	1.7	0.4	1.3
Oct.	6.3	1.8	4.5	0.5	0.0	0.5	0.5	0.1	0.4	5.3	1.7	3.6
Nov.	3.9	5.9	-2.0	2.5	0.0	2.5	0.1	0.1	0.0	1.3	5.8	-4.5
Dec.	27.1	11.4	15.7	0.0	0.5	-0.5	7.3	0.0	7.3	19.7	10.8	8.9
2013 Jan.	4.6	0.3	4.3	0.0	0.0	0.0	0.2	0.1	0.1	4.3	0.2	4.1

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	With an agreed maturity of:			Redeemable at notice of: [2]		Overnight	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
2012 Feb.	0.52	2.90	3.38	3.16	1.81	1.96	0.59	1.26	2.96	3.01	1.05
Mar.	0.51	2.88	3.04	3.03	1.79	1.95	0.58	1.31	2.75	2.98	0.97
Apr.	0.49	2.82	2.93	2.84	1.76	1.95	0.55	1.16	2.70	3.07	1.28
May	0.48	2.65	2.70	2.68	1.74	1.91	0.54	1.07	2.31	2.75	0.93
June	0.47	2.72	2.73	2.63	1.73	1.88	0.52	1.11	2.32	2.69	0.98
July	0.45	2.80	2.89	2.61	1.70	1.85	0.47	1.14	2.01	2.53	1.26
Aug.	0.44	2.66	2.76	2.51	1.68	1.81	0.46	1.10	2.12	2.42	1.01
Sep.	0.42	2.80	2.83	2.42	1.65	1.77	0.46	1.13	2.37	2.53	1.41
Oct.	0.41	2.74	2.56	2.49	1.62	1.71	0.45	1.05	2.18	2.21	1.50
Nov.	0.40	2.73	2.46	2.35	1.61	1.65	0.43	1.04	2.03	2.21	1.12
Dec.	0.39	2.73	2.59	2.25	1.59	1.59	0.42	1.09	1.92	2.16	1.53
2013 Jan.	0.38	2.60	2.37	2.42	1.53	1.52	0.40	1.12	2.00	2.07	1.17

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

	Revolving loans and overdrafts	Extended credit card debt [3]	Consumer credit				Lending for house purchase					Lending to sole proprietors and unincorporated partnerships		
			By initial rate fixation			APRC [4]	By initial rate fixation				APRC [4]	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 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	14
2012 Feb.	8.41	17.05	5.70	6.59	8.09	7.63	3.45	3.64	3.70	3.95	3.92	3.86	4.71	4.04
Mar.	8.39	16.98	5.55	6.44	7.94	7.45	3.32	3.57	3.61	3.91	3.83	3.73	4.74	3.90
Apr.	8.26	17.10	5.43	6.31	7.95	7.35	3.20	3.58	3.59	3.96	3.79	3.65	4.68	3.89
May	8.26	17.10	5.65	6.39	7.95	7.48	3.14	3.54	3.53	3.84	3.72	3.80	4.74	3.83
June	8.25	17.06	5.61	6.28	7.73	7.27	3.11	3.48	3.46	3.69	3.66	3.61	4.73	3.71
July	8.15	17.01	5.76	6.26	7.82	7.37	3.09	3.40	3.31	3.62	3.58	3.64	4.45	3.49
Aug.	8.12	16.96	5.79	6.28	7.67	7.37	2.94	3.33	3.21	3.52	3.48	3.43	4.45	3.32
Sep.	8.14	16.96	5.78	6.18	7.62	7.25	2.92	3.27	3.21	3.49	3.45	3.23	4.48	3.31
Oct.	8.04	16.97	5.62	6.13	7.67	7.15	2.88	3.24	3.15	3.49	3.42	3.25	4.25	3.34
Nov.	7.96	16.95	5.62	6.09	7.67	7.13	2.87	3.18	3.14	3.40	3.35	3.33	4.23	3.23
Dec.	7.94	17.04	5.32	6.05	7.55	6.93	2.86	3.24	3.25	3.45	3.41	3.15	4.13	3.01
2013 Jan.	7.97	17.06	5.73	6.11	7.86	7.24	2.86	3.17	3.03	3.35	3.34	3.19	4.06	3.08

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

	Revolving loans and overdrafts	Other loans of up to EUR 0.25 million by initial rate fixation						Other loans of over EUR 1 million by initial rate fixation					
		Floating rate and up to 3 months	Over 3 months and up to 1 year	Over 1 and up to 3 years	Over 3 and up to 5 years	Over 5 and up to 10 years	Over 10 years	Floating rate and up to 3 months	Over 3 months and up to 1 year	Over 1 and up to 3 years	Over 3 and up to 5 years	Over 5 and up to 10 years	Over 10 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
2012 Feb.	4.58	4.86	5.25	4.74	5.02	4.65	4.41	2.50	3.76	3.36	3.89	3.77	3.64
Mar.	4.60	4.81	5.17	4.66	5.00	4.63	4.32	2.39	3.43	3.06	3.09	3.37	3.57
Apr.	4.46	4.96	5.09	4.61	4.85	4.57	4.39	2.39	3.52	3.43	3.40	3.51	3.59
May	4.42	4.82	5.11	4.60	4.84	4.49	4.20	2.37	3.75	3.41	3.48	3.60	3.51
June	4.39	4.81	5.03	4.58	4.76	4.41	4.16	2.44	3.20	3.44	3.03	3.34	3.22
July	4.29	4.86	5.17	4.58	4.56	4.13	4.12	2.23	3.31	3.62	3.13	3.19	3.50
Aug.	4.20	4.84	4.95	4.31	4.50	3.92	3.88	2.05	2.96	3.08	3.21	3.16	3.01
Sep.	4.18	4.69	4.75	4.26	4.45	3.88	3.93	2.15	2.57	2.92	2.73	2.95	3.06
Oct.	4.21	4.74	4.89	4.29	4.31	3.79	3.94	2.12	2.91	3.30	3.00	2.93	3.20
Nov.	4.17	4.65	4.82	4.16	4.31	3.79	3.78	2.11	2.68	3.76	3.26	2.90	2.91
Dec.	4.18	4.62	4.54	4.24	4.24	3.68	3.51	2.17	2.79	2.84	3.32	2.79	3.01
2013 Jan.	4.21	4.68	4.71	4.03	4.15	3.62	3.68	2.09	2.88	3.31	4.29	2.91	3.02

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, 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.
3) This instrument category excludes convenience credit card debt, i.e. credit granted at an interest rate of 0% during the billing cycle.
4) The annual percentage rate of charge (APRC) 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)

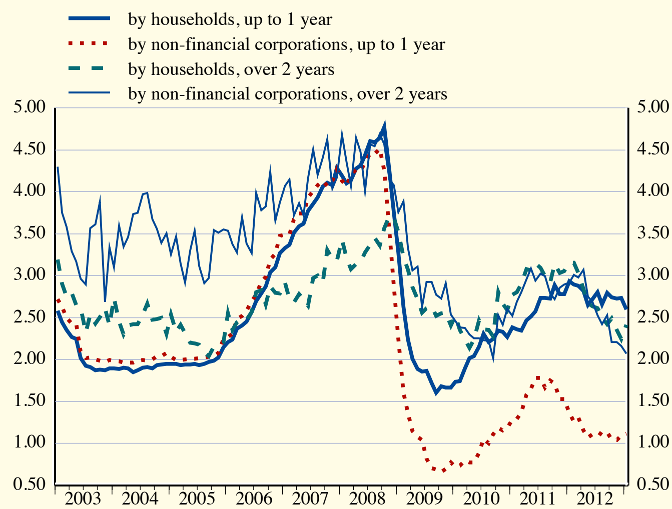
	Deposits from households					Deposits from non-financial corporations			Repos
	Overnight [2)]	With an agreed maturity of:		Redeemable at notice of: [2),3)]		Overnight [2)]	With an agreed maturity of:		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9
2012 Feb.	0.52	2.79	2.80	1.81	1.96	0.59	2.13	3.20	2.62
Mar.	0.51	2.81	2.81	1.79	1.95	0.58	2.05	3.13	2.58
Apr.	0.49	2.78	2.82	1.76	1.95	0.55	2.00	3.09	2.57
May	0.48	2.76	2.80	1.74	1.91	0.54	1.96	3.06	2.39
June	0.47	2.73	2.82	1.73	1.88	0.52	1.93	3.08	2.48
July	0.45	2.72	2.78	1.70	1.85	0.47	1.89	3.04	2.47
Aug.	0.44	2.70	2.77	1.68	1.81	0.46	1.84	3.01	2.45
Sep.	0.42	2.69	2.79	1.65	1.77	0.46	1.82	3.02	2.61
Oct.	0.41	2.67	2.74	1.62	1.71	0.45	1.78	2.95	2.55
Nov.	0.40	2.66	2.75	1.61	1.65	0.43	1.79	2.96	2.54
Dec.	0.39	2.64	2.73	1.59	1.59	0.42	1.80	2.91	2.65
2013 Jan.	0.38	2.59	2.69	1.53	1.52	0.40	1.76	2.86	2.32

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
2012 Feb.	4.04	3.69	3.86	8.09	6.39	5.27	4.18	3.78	3.67
Mar.	4.03	3.68	3.85	8.07	6.37	5.25	4.15	3.66	3.60
Apr.	3.93	3.64	3.80	7.97	6.31	5.20	4.05	3.61	3.54
May	3.88	3.62	3.77	7.95	6.29	5.16	3.99	3.58	3.50
June	3.86	3.60	3.76	7.83	6.30	5.14	3.96	3.53	3.46
July	3.78	3.54	3.72	7.78	6.26	5.08	3.89	3.47	3.40
Aug.	3.74	3.51	3.67	7.77	6.23	5.05	3.81	3.41	3.36
Sep.	3.72	3.51	3.66	7.80	6.30	5.03	3.78	3.40	3.34
Oct.	3.65	3.45	3.61	7.76	6.25	4.97	3.76	3.29	3.26
Nov.	3.53	3.42	3.60	7.59	6.23	4.95	3.72	3.30	3.25
Dec.	3.49	3.39	3.56	7.75	6.18	4.92	3.71	3.28	3.22
2013 Jan.	3.46	3.35	3.55	7.75	6.21	4.90	3.75	3.29	3.21

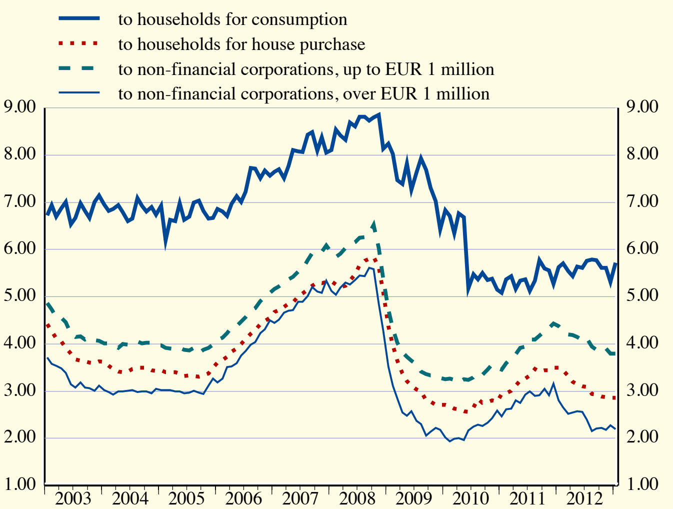
C21 New deposits with an agreed maturity

(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)

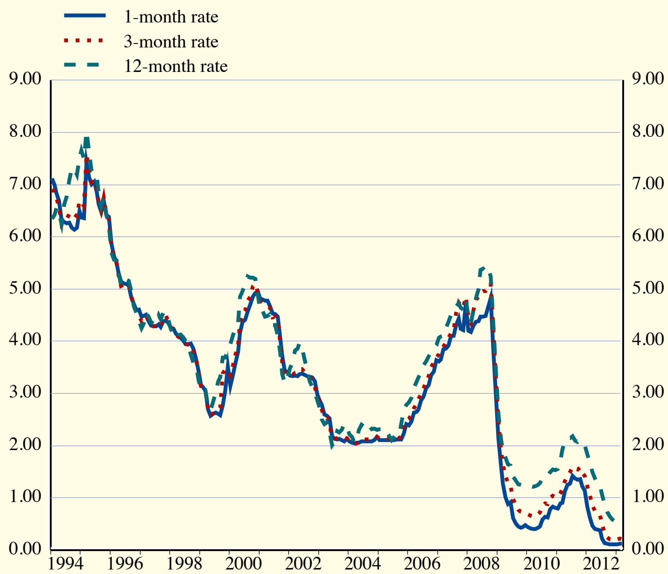


Source: ECB.
* For the source of the data in the table and the related footnotes, please see page S42.

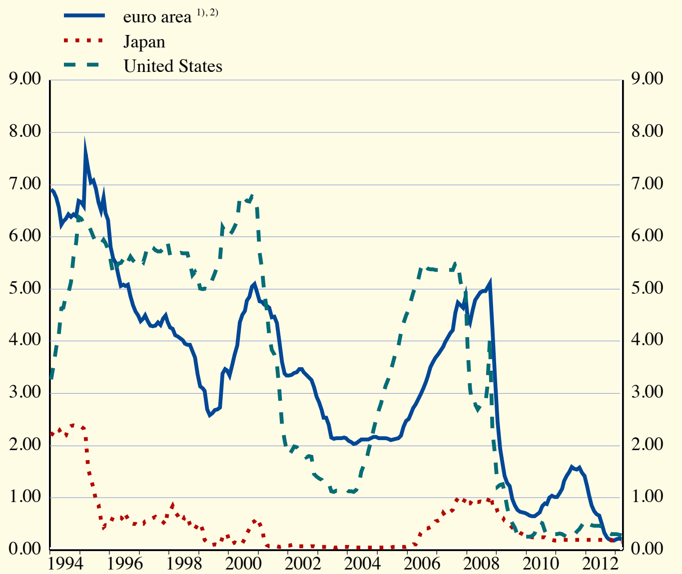
4.6 Money market interest rates
(percentages per annum; period averages)

	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
2010	0.44	0.57	0.81	1.08	1.35	0.34	0.23
2011	0.87	1.18	1.39	1.64	2.01	0.34	0.19
2012	0.23	0.33	0.58	0.83	1.11	0.43	0.19
2012 Q1	0.37	0.64	1.04	1.34	1.67	0.51	0.20
Q2	0.34	0.39	0.69	0.98	1.28	0.47	0.20
Q3	0.13	0.16	0.36	0.63	0.90	0.43	0.19
Q4	0.08	0.11	0.20	0.37	0.60	0.32	0.19
2013 Q1	0.07	0.12	0.21	0.34	0.57	0.29	0.16
2012 Mar.	0.36	0.47	0.86	1.16	1.50	0.47	0.20
Apr.	0.35	0.41	0.74	1.04	1.37	0.47	0.20
May	0.34	0.39	0.68	0.97	1.27	0.47	0.20
June	0.33	0.38	0.66	0.93	1.22	0.47	0.20
July	0.18	0.22	0.50	0.78	1.06	0.45	0.20
Aug.	0.11	0.13	0.33	0.61	0.88	0.43	0.19
Sep.	0.10	0.12	0.25	0.48	0.74	0.39	0.19
Oct.	0.09	0.11	0.21	0.41	0.65	0.33	0.19
Nov.	0.08	0.11	0.19	0.36	0.59	0.31	0.19
Dec.	0.07	0.11	0.19	0.32	0.55	0.31	0.18
2013 Jan.	0.07	0.11	0.20	0.34	0.58	0.30	0.17
Feb.	0.07	0.12	0.22	0.36	0.59	0.29	0.16
Mar.	0.07	0.12	0.21	0.33	0.54	0.28	0.16

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.

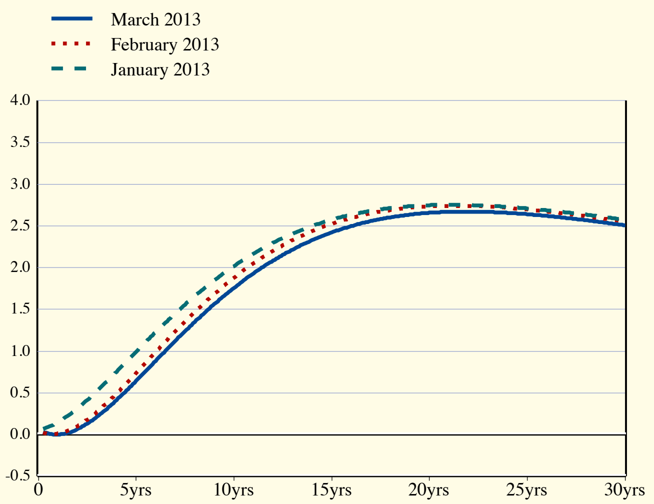
4.7 Euro area yield curves [1]

(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
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
2011	0.00	0.09	0.41	1.56	2.13	2.65	2.65	2.24	0.32	1.15	3.24	3.84
2012	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2012 Q1	0.07	0.16	0.39	1.36	1.95	2.60	2.53	2.21	0.34	0.95	2.97	4.26
Q2	0.04	0.08	0.27	1.17	1.73	2.32	2.27	2.05	0.20	0.76	2.69	3.82
Q3	0.02	-0.01	0.07	0.76	1.29	1.94	1.92	1.87	0.00	0.36	2.10	3.75
Q4	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2013 Q1	0.04	0.00	0.07	0.65	1.12	1.76	1.72	1.69	0.01	0.29	1.83	3.60
2012 Mar.	0.07	0.16	0.39	1.36	1.95	2.60	2.53	2.21	0.34	0.95	2.97	4.26
Apr.	0.03	0.10	0.32	1.26	1.84	2.47	2.44	2.15	0.26	0.85	2.84	4.10
May	0.07	0.05	0.17	0.89	1.36	1.89	1.82	1.72	0.10	0.52	2.17	3.23
June	0.04	0.08	0.27	1.17	1.73	2.32	2.27	2.05	0.20	0.76	2.69	3.82
July	0.00	-0.09	-0.02	0.71	1.25	1.87	1.87	1.89	-0.11	0.26	2.12	3.52
Aug.	0.03	-0.05	0.01	0.75	1.29	1.91	1.88	1.90	-0.08	0.30	2.17	3.55
Sep.	0.02	-0.01	0.07	0.76	1.29	1.94	1.92	1.87	0.00	0.36	2.10	3.75
Oct.	0.01	-0.01	0.09	0.78	1.31	1.95	1.94	1.86	0.02	0.39	2.13	3.72
Nov.	0.04	-0.02	0.04	0.65	1.15	1.80	1.76	1.76	-0.03	0.27	1.91	3.60
Dec.	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2013 Jan.	0.07	0.15	0.32	0.99	1.45	2.02	1.95	1.71	0.28	0.70	2.18	3.62
Feb.	0.03	0.01	0.10	0.74	1.24	1.88	1.86	1.78	0.05	0.38	1.99	3.72
Mar.	0.04	0.00	0.07	0.65	1.12	1.76	1.72	1.69	0.01	0.29	1.83	3.60

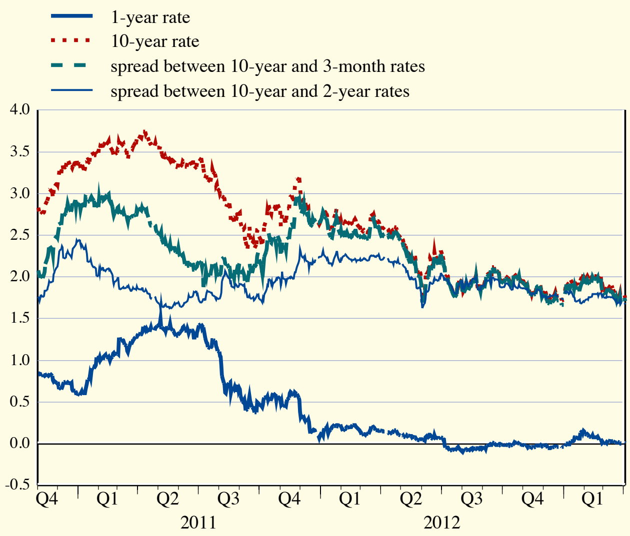
C25 Euro area spot yield curves [2]

(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.

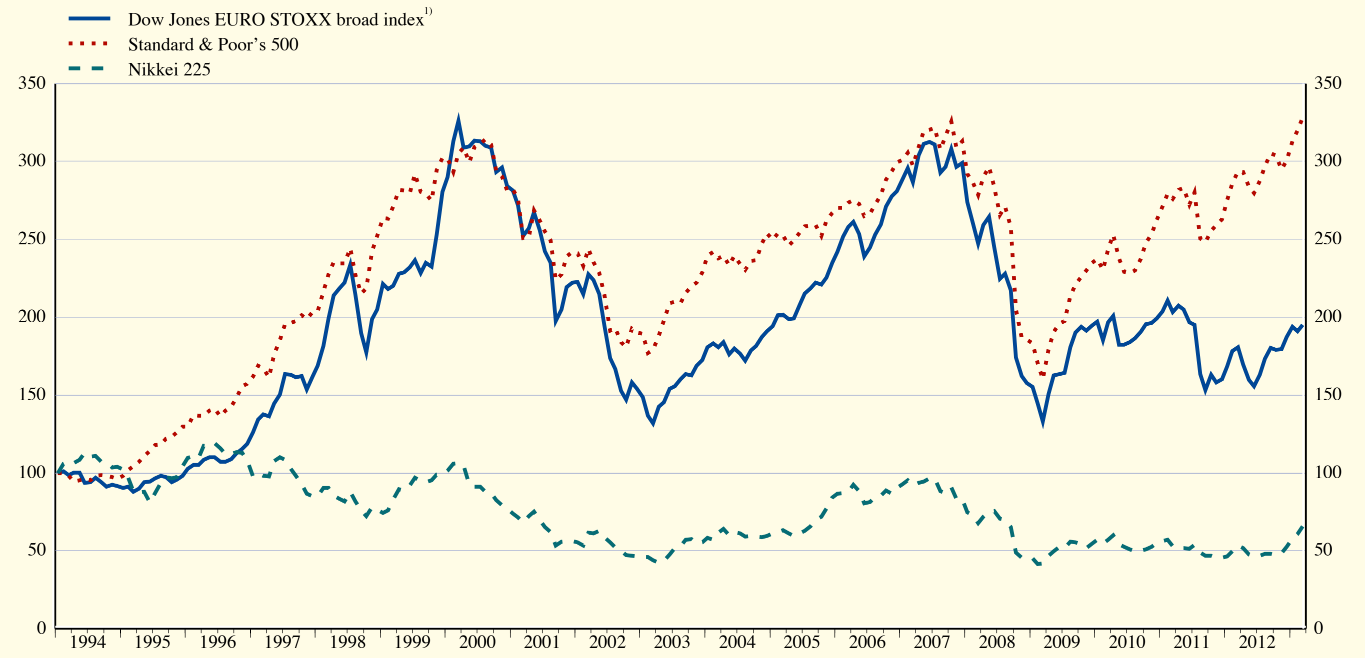
4.8 Stock market indices

(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
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
2011	256.0	2,611.0	493.4	158.1	351.2	311.6	152.6	349.4	222.5	301.7	358.4	432.7	1,267.6	9,425.4
2012	239.7	2,411.9	503.7	151.9	385.7	307.2	122.1	330.2	219.2	235.9	268.5	523.3	1,379.4	9,102.6
2012 Q1	243.7	2,473.6	499.1	150.3	372.3	324.6	129.7	333.3	221.7	253.7	300.6	480.6	1,348.8	9,295.3
Q2	224.0	2,226.2	472.5	140.8	370.7	285.3	108.2	311.6	207.4	223.4	261.9	493.2	1,349.7	9,026.5
Q3	238.7	2,400.9	505.9	152.7	392.3	307.8	117.2	327.7	215.9	234.0	265.6	548.5	1,400.9	8,886.4
Q4	252.0	2,543.3	536.8	163.6	407.4	310.5	133.0	347.7	231.6	232.0	245.4	570.7	1,418.1	9,208.6
2013 Q1	268.2	2,676.6	568.7	181.2	443.1	309.8	144.1	378.1	257.2	222.9	241.3	600.1	1,514.0	11,457.6
2012 Mar.	250.7	2,532.2	512.9	152.0	388.0	329.5	134.6	344.6	234.3	257.7	296.7	490.5	1,389.2	9,962.3
Apr.	235.0	2,340.8	497.6	145.9	380.9	301.1	116.8	327.8	221.2	237.7	275.2	488.5	1,386.4	9,627.4
May	221.9	2,198.5	469.5	139.7	373.7	281.6	105.0	310.4	204.5	218.9	261.4	492.0	1,341.3	8,842.5
June	216.2	2,152.7	453.1	137.4	358.3	275.1	104.0	298.4	198.0	215.4	250.4	498.9	1,323.5	8,638.1
July	226.5	2,258.4	479.1	145.8	379.4	290.4	106.5	313.9	204.4	224.3	257.3	534.2	1,359.8	8,760.7
Aug.	240.5	2,424.5	509.4	154.6	399.7	313.0	116.8	330.3	220.8	231.8	265.7	552.5	1,403.4	8,949.9
Sep.	250.1	2,530.7	531.4	158.2	398.1	321.0	129.5	339.8	223.0	247.2	274.6	559.7	1,443.4	8,948.6
Oct.	248.7	2,503.5	528.4	159.1	398.3	311.7	130.2	340.2	219.9	241.9	255.9	567.6	1,437.8	8,827.4
Nov.	248.7	2,514.0	526.1	162.8	403.8	308.0	131.2	343.7	230.6	226.9	239.0	563.3	1,394.5	9,059.9
Dec.	259.7	2,625.6	559.5	170.0	422.7	312.0	138.5	361.5	246.8	225.8	240.2	583.1	1,422.3	9,814.4
2013 Jan.	269.1	2,715.3	568.4	176.4	434.1	319.7	148.6	373.9	255.3	228.5	251.7	588.6	1,480.4	10,750.9
Feb.	264.7	2,630.4	561.0	180.7	439.1	301.4	143.2	372.7	256.0	218.5	231.1	586.7	1,512.3	11,336.4
Mar.	270.8	2,680.2	576.6	187.2	457.1	307.4	140.1	388.2	260.6	221.0	240.2	626.1	1,550.8	12,244.0

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

5.1 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 2012	100.0	100.0	81.7	57.7	42.3	100.0	12.0	7.3	27.4	11.0	42.3	87.9	12.3
	1	2	3	4	5	6	7	8	9	10	11	12	13
2009	108.1	0.3	1.3	-0.9	2.0	-	-	-	-	-	-	0.1	1.7
2010	109.8	1.6	1.0	1.8	1.4	-	-	-	-	-	-	1.6	1.7
2011	112.8	2.7	1.7	3.3	1.8	-	-	-	-	-	-	2.6	3.6
2012	115.6	2.5	1.8	3.0	1.8	-	-	-	-	-	-	2.3	3.8
2012 Q1	114.3	2.7	1.9	3.3	1.8	0.9	0.7	0.7	0.3	4.1	0.5	2.6	3.5
Q2	115.9	2.5	1.8	3.0	1.8	0.5	0.6	0.8	0.3	1.0	0.5	2.3	3.5
Q3	115.7	2.5	1.7	3.1	1.8	0.5	0.4	1.1	0.1	1.2	0.5	2.3	4.0
Q4	116.7	2.3	1.6	2.7	1.7	0.4	0.7	1.5	0.3	-0.1	0.3	2.0	4.1
2013 Q1	116.4	1.9	.	.	1.7	.	.	.	.	1.0	.	.	.
2012 Oct.	116.7	2.5	1.6	3.0	1.7	0.1	0.4	0.7	0.1	-0.5	0.1	2.3	4.2
Nov.	116.5	2.2	1.5	2.6	1.6	-0.1	0.2	0.2	0.1	-1.4	0.0	1.9	4.1
Dec.	116.9	2.2	1.6	2.5	1.8	0.1	0.2	0.5	0.1	-0.5	0.3	2.0	4.1
2013 Jan.	115.7	2.0	1.5	2.2	1.6	0.2	0.2	0.2	0.0	1.3	0.1	1.8	3.1
Feb.	116.1	1.8	1.4	2.1	1.5	0.2	0.2	-0.5	0.0	1.2	0.0	1.7	3.1
Mar. [3]	117.5	1.7	.	.	1.9	.	.	.	.	-0.6	.	.	.

	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 2012	19.4	12.0	7.3	38.3	27.4	11.0	10.3	6.0	7.2	3.1	14.7	7.1
	14	15	16	17	18	19	20	21	22	23	24	25
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
2011	2.7	3.3	1.8	3.7	0.8	11.9	1.8	1.4	2.9	-1.3	2.0	2.1
2012	3.1	3.1	3.0	3.0	1.2	7.6	1.8	1.5	2.9	-3.2	2.2	2.0
2012 Q1	3.2	4.0	2.0	3.3	1.1	9.1	1.7	1.5	2.9	-2.7	2.1	2.4
Q2	3.0	3.5	2.3	2.9	1.3	7.2	1.7	1.4	2.7	-3.1	2.2	2.0
Q3	3.0	2.7	3.4	3.2	1.3	8.0	1.9	1.5	3.0	-3.1	2.2	1.9
Q4	3.1	2.4	4.3	2.5	1.1	6.3	1.8	1.5	3.1	-3.8	2.1	1.9
2013 Q1	2.9	.	.	.	0.9	3.1	.	.	.	.	.	.
2012 Oct.	3.1	2.4	4.3	3.0	1.1	8.0	1.9	1.5	3.1	-3.5	2.0	2.1
Nov.	3.0	2.4	4.1	2.4	1.1	5.7	1.9	1.5	2.8	-4.1	2.1	1.8
Dec.	3.2	2.4	4.4	2.2	1.0	5.2	1.8	1.4	3.4	-3.8	2.3	1.7
2013 Jan.	3.2	2.3	4.8	1.7	0.8	3.9	1.8	1.5	3.3	-4.0	2.5	0.7
Feb.	2.7	2.3	3.5	1.7	0.8	3.9	1.8	1.5	3.0	-4.8	2.5	0.7
Mar. [3]	2.7	.	.	.	1.0	1.7	.	.	.	.	.	.

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.

5.1 HICP, other prices and costs

(annual percentage changes, unless otherwise indicated)

2. Industry, construction and residential property prices

	Industrial producer prices excluding construction										Construct-ion[1]	Residential property prices[2]
	Total (index: 2010 = 100)	Total		Industry excluding construction and energy						Energy		
			Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods					
							Total	Durable	Non-durable			
% of total in 2010	100.0	100.0	75.4	68.1	27.5	18.7	21.9	2.2	19.7	31.9		
	1	2	3	4	5	6	7	8	9	10	11	12
2009	97.2	-5.0	-5.3	-2.8	-5.5	0.4	-2.0	1.2	-2.4	-11.3	0.4	-3.2
2010	100.0	2.8	3.5	1.7	3.7	0.3	0.4	0.8	0.4	5.9	2.0	1.0
2011	105.9	5.9	5.6	4.0	6.2	1.3	3.2	2.0	3.4	11.6	3.5	1.0
2012	108.7	2.6	2.1	1.4	0.9	0.9	2.4	1.7	2.5	6.3	.	.
2011 Q4	106.7	5.0	4.5	2.9	3.5	1.4	3.3	2.4	3.5	11.1	3.1	-0.3
2012 Q1	108.3	3.7	3.0	1.8	1.3	1.1	2.9	2.2	3.0	9.2	2.0	-0.9
Q2	108.4	2.2	1.7	1.1	0.4	1.1	2.0	1.9	2.1	5.7	1.8	-1.6
Q3	108.9	2.3	1.9	1.0	0.3	0.9	2.2	1.5	2.3	6.0	1.4	-2.7
Q4	109.2	2.3	2.0	1.6	1.4	0.7	2.3	1.1	2.5	4.3	.	.
2012 Aug.	109.1	2.7	2.2	1.1	0.3	0.8	2.3	1.6	2.3	7.5	-	-
Sep.	109.4	2.6	2.3	1.3	0.8	0.8	2.4	1.3	2.5	6.5	-	-
Oct.	109.4	2.6	2.4	1.6	1.3	0.7	2.4	1.3	2.6	5.5	-	-
Nov.	109.2	2.1	1.8	1.5	1.4	0.7	2.2	1.1	2.4	3.9	-	-
Dec.	108.9	2.1	1.7	1.6	1.6	0.8	2.3	1.0	2.4	3.6	-	-
2013 Jan.	109.6	1.9	1.2	1.4	1.3	0.7	2.2	0.9	2.4	2.8	-	-

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: 2005 = 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
2009	44.6	-18.5	-8.9	-23.1	-18.0	-11.4	-22.8	107.2	0.9	-0.1	-0.4	2.1	-0.3	-3.5	-6.3
2010	60.7	44.6	21.4	57.9	42.1	27.1	54.5	108.1	0.8	1.5	1.7	0.7	0.8	3.1	5.0
2011	79.7	12.2	22.4	7.7	12.8	20.7	7.5	109.4	1.2	2.0	2.5	0.8	2.0	3.6	5.7
2012	86.6	0.5	1.1	0.3	2.6	6.4	-0.3	110.7	1.2	1.6	2.1	0.6	1.2	1.6	2.4
2012 Q1	90.1	-5.8	-7.6	-4.9	-4.8	-3.7	-5.6	110.2	1.2	1.8	2.4	1.2	1.6	1.9	3.2
Q2	84.6	-1.1	-3.4	0.1	1.1	4.1	-1.2	110.5	1.2	1.6	2.1	1.0	1.2	1.4	2.3
Q3	87.3	5.3	10.4	2.7	7.8	16.0	1.6	111.0	1.3	1.7	2.0	1.1	1.1	1.6	2.5
Q4	84.4	4.4	6.0	3.7	7.0	10.2	4.5	111.2	1.3	1.4	1.8	0.0	0.9	1.3	1.7
2013 Q1	85.0	-3.0	-2.3	-3.3	-1.6	0.0	-2.8	.	.	.	.	.	.	.	.
2012 Oct.	85.6	5.7	8.1	4.6	7.9	11.7	4.9	-	-	-	-	-	-	-	-
Nov.	84.8	5.2	6.8	4.4	8.0	11.8	4.9	-	-	-	-	-	-	-	-
Dec.	82.8	2.5	3.1	2.2	5.1	7.1	3.5	-	-	-	-	-	-	-	-
2013 Jan.	84.2	-3.7	-3.4	-3.9	-1.6	0.2	-3.1	-	-	-	-	-	-	-	-
Feb.	86.7	-3.6	-3.4	-3.7	-2.4	-1.3	-3.2	-	-	-	-	-	-	-	-
Mar.	84.2	-1.6	-0.2	-2.2	-0.7	1.2	-2.2	-	-	-	-	-	-	-	-

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)

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

(quarterly data seasonally adjusted; annual data unadjusted)

	Total (index: 2005 = 100)	Total	By economic activity									
			Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services
	1	2	3	4	5	6	7	8	9	10	11	12
	Unit labour costs [1]											
2011	110.5	0.9	-2.6	0.0	0.8	0.8	2.5	0.8	4.0	3.1	0.7	1.2
2012	112.3	1.6	1.2	3.1	1.7	1.6	4.0	0.7	0.1	2.3	0.1	2.3
2012 Q1	111.5	1.4	-0.7	2.5	1.4	1.8	3.4	1.4	1.0	2.0	0.3	0.8
Q2	112.0	1.4	0.4	3.1	1.4	1.3	3.7	0.0	0.4	1.7	0.0	1.2
Q3	112.3	1.7	2.2	3.1	1.8	1.9	4.0	0.2	-0.3	2.4	0.5	2.2
Q4	112.9	1.4	1.6	2.9	3.1	1.3	4.1	1.8	-1.4	1.9	-0.7	3.6
	Compensation per employee											
2011	114.3	2.1	1.8	3.1	4.0	1.8	2.4	1.2	2.4	2.8	1.4	1.6
2012	116.2	1.7	1.1	2.6	3.0	1.6	2.2	1.3	0.9	2.0	0.8	1.6
2012 Q1	115.7	1.9	1.7	1.9	3.0	1.9	2.5	1.8	1.9	2.4	1.3	2.1
Q2	116.0	1.7	1.0	2.8	3.2	1.6	2.0	0.9	0.3	1.9	0.8	1.4
Q3	116.4	1.8	0.9	2.7	3.6	1.6	2.0	1.1	0.3	1.7	1.2	1.2
Q4	116.6	1.3	0.7	2.7	3.8	1.1	1.4	2.2	0.3	1.5	-0.2	1.3
	Labour productivity per person employed [2]											
2011	103.4	1.2	4.5	3.1	3.2	0.9	-0.1	0.4	-1.6	-0.3	0.6	0.4
2012	103.5	0.1	0.0	-0.5	1.3	-0.1	-1.8	0.5	0.8	-0.3	0.7	-0.6
2012 Q1	103.7	0.4	2.4	-0.5	1.6	0.1	-0.9	0.4	0.9	0.3	1.0	1.2
Q2	103.6	0.3	0.6	-0.3	1.7	0.3	-1.6	0.9	-0.1	0.3	0.8	0.2
Q3	103.6	0.0	-1.3	-0.3	1.8	-0.3	-1.9	0.9	0.6	-0.6	0.7	-1.0
Q4	103.3	-0.2	-0.8	-0.2	0.7	-0.2	-2.6	0.4	1.7	-0.4	0.5	-2.1
	Compensation per hour worked											
2011	116.0	2.1	0.1	2.3	4.6	2.0	2.5	0.9	2.0	2.6	1.4	1.7
2012	118.7	2.3	2.8	3.7	4.7	2.2	2.1	1.3	1.4	2.1	0.9	2.5
2012 Q1	117.5	2.4	4.6	2.3	4.4	2.4	2.7	1.6	2.0	2.6	1.4	2.9
Q2	118.8	2.4	1.7	4.0	5.2	2.3	1.7	0.7	-0.4	1.9	1.0	2.2
Q3	118.9	2.4	1.4	3.9	5.4	2.2	1.8	0.8	0.1	1.9	1.3	1.7
Q4	119.5	2.0	3.4	4.2	5.4	1.8	1.7	2.8	3.3	1.7	-0.5	2.5
	Hourly labour productivity [2]											
2011	105.5	1.2	4.6	2.5	3.5	1.2	0.0	0.3	-2.1	-0.4	0.6	0.5
2012	106.2	0.7	0.4	0.5	2.6	0.5	-1.7	0.5	1.4	-0.1	0.8	0.2
2012 Q1	106.0	0.9	2.9	-0.1	2.7	0.9	-0.8	0.1	1.3	0.4	1.1	1.8
Q2	106.5	1.0	0.5	0.8	3.5	0.9	-1.7	0.8	-0.4	0.4	1.1	1.1
Q3	106.3	0.5	-1.1	0.9	3.1	0.1	-2.2	0.6	0.8	-0.5	0.8	-0.3
Q4	106.4	0.6	0.4	1.3	1.9	0.4	-2.2	1.0	4.0	0.1	0.4	-0.9

5. Labour cost indices [3]

	Total (index: 2008 = 100)	Total	By component		For selected economic activities			Memo item: Indicator of negotiated wages [4]
			Wages and salaries	Employers' social contributions	Mining, manufacturing and energy	Construction	Services	
% 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
2011	106.5	2.2	2.0	2.8	3.0	2.6	2.5	2.0
2012	108.3	1.6	1.8	1.3	2.4	2.0	1.9	2.1
2012 Q1	100.3	1.5	1.6	1.4	1.3	1.5	1.8	2.0
Q2	112.3	1.9	2.1	1.4	3.0	2.3	2.2	2.2
Q3	105.9	1.8	2.0	1.4	2.7	2.2	2.0	2.2
Q4	114.5	1.3	1.4	1.0	2.5	2.1	1.5	2.2

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

5.2 Output and demand

(quarterly data seasonally adjusted; annual data unadjusted)

1. GDP and expenditure components

	GDP								
	Total	Domestic demand					External balance [1]		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories [2]	Total	Exports [1]	Imports [1]
	1	2	3	4	5	6	7	8	9
	Current prices (EUR billions)								
2009	8,920.2	8,801.9	5,134.2	1,988.2	1,730.7	-51.2	118.3	3,285.4	3,167.1
2010	9,176.1	9,053.6	5,269.1	2,017.1	1,743.0	24.5	122.4	3,769.5	3,647.1
2011	9,421.2	9,285.3	5,407.2	2,031.0	1,805.1	42.0	135.9	4,150.1	4,014.2
2012	9,483.4	9,228.0	5,450.7	2,043.3	1,751.3	-17.3	255.4	4,325.8	4,070.4
2011 Q4	2,360.6	2,314.5	1,357.6	511.0	450.7	-4.8	46.0	1,050.1	1,004.1
2012 Q1	2,367.6	2,319.3	1,362.2	511.4	446.3	-0.5	48.2	1,064.4	1,016.1
Q2	2,370.6	2,309.3	1,359.5	512.0	438.5	-0.7	61.3	1,080.2	1,019.0
Q3	2,379.7	2,305.7	1,363.6	512.4	436.4	-6.8	74.0	1,097.3	1,023.3
Q4	2,368.8	2,296.2	1,365.4	510.2	432.6	-12.1	72.7	1,087.5	1,014.9
	percentage of GDP								
2012	100.0	97.3	57.5	21.5	18.5	-0.2	2.7	-	-
	Chain-linked volumes (prices for the previous year)								
	quarter-on-quarter percentage changes								
2011 Q4	-0.3	-0.9	-0.7	0.0	-0.5	-	-	0.0	-1.3
2012 Q1	-0.1	-0.5	-0.2	0.2	-1.4	-	-	0.5	-0.4
Q2	-0.2	-0.7	-0.5	-0.1	-1.7	-	-	1.6	0.6
Q3	-0.1	-0.5	-0.1	-0.1	-0.8	-	-	1.0	0.1
Q4	-0.6	-0.6	-0.4	-0.1	-1.1	-	-	-0.9	-0.9
	annual percentage changes								
2009	-4.4	-3.8	-1.0	2.6	-12.7	-	-	-12.4	-11.1
2010	2.0	1.3	0.9	0.7	-0.1	-	-	11.2	9.6
2011	1.4	0.5	0.1	-0.1	1.5	-	-	6.3	4.2
2012	-0.6	-2.2	-1.3	0.0	-4.1	-	-	2.6	-1.0
2011 Q4	0.6	-0.7	-0.9	-0.3	0.8	-	-	3.6	0.6
2012 Q1	-0.1	-1.7	-1.1	0.1	-2.5	-	-	2.5	-1.1
Q2	-0.5	-2.3	-1.1	-0.1	-3.9	-	-	3.6	-0.7
Q3	-0.6	-2.5	-1.5	-0.1	-4.4	-	-	3.2	-1.0
Q4	-0.9	-2.2	-1.2	-0.2	-4.9	-	-	2.2	-0.6
	contributions to quarter-on-quarter percentage changes in GDP; percentage points								
2011 Q4	-0.3	-0.8	-0.4	0.0	-0.1	-0.4	0.5	-	-
2012 Q1	-0.1	-0.5	-0.1	0.0	-0.3	-0.1	0.4	-	-
Q2	-0.2	-0.7	-0.3	0.0	-0.3	0.0	0.5	-	-
Q3	-0.1	-0.5	0.0	0.0	-0.1	-0.3	0.4	-	-
Q4	-0.6	-0.6	-0.2	0.0	-0.2	-0.1	0.0	-	-
	contributions to annual percentage changes in GDP; percentage points								
2009	-4.4	-3.7	-0.6	0.5	-2.7	-0.9	-0.7	-	-
2010	2.0	1.3	0.5	0.2	0.0	0.6	0.7	-	-
2011	1.4	0.5	0.1	0.0	0.3	0.2	0.9	-	-
2012	-0.6	-2.2	-0.7	0.0	-0.8	-0.6	1.6	-	-
2011 Q4	0.6	-0.7	-0.5	-0.1	0.1	-0.2	1.3	-	-
2012 Q1	-0.1	-1.6	-0.6	0.0	-0.5	-0.5	1.6	-	-
Q2	-0.5	-2.3	-0.6	0.0	-0.8	-0.9	1.8	-	-
Q3	-0.6	-2.5	-0.9	0.0	-0.8	-0.8	1.8	-	-
Q4	-0.9	-2.1	-0.7	0.0	-0.9	-0.5	1.3	-	-

Sources: Eurostat and ECB calculations.

1) 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.
2) Including acquisitions less disposals of valuables.

5.2 Output and demand
(quarterly data seasonally adjusted; annual data unadjusted)

2. Value added by economic activity

	Gross value added (basic prices)											Taxes less subsidies on products
	Total	Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services	
	1	2	3	4	5	6	7	8	9	10	11	12
	Current prices (EUR billions)											
2009	8,026.4	124.0	1,462.3	532.0	1,538.7	363.1	421.5	902.5	804.4	1,582.6	295.1	893.9
2010	8,234.4	136.0	1,570.1	501.0	1,582.3	362.3	437.3	915.8	816.9	1,612.6	300.2	941.6
2011	8,447.2	143.3	1,639.5	506.6	1,634.1	360.1	433.8	946.8	843.5	1,633.8	305.7	974.0
2012	8,503.9	150.7	1,641.6	498.4	1,646.1	352.1	424.6	968.7	858.7	1,651.2	311.8	979.5
2011 Q4	2,118.9	35.9	407.8	127.1	411.5	89.6	108.1	239.0	213.0	409.6	77.3	241.7
2012 Q1	2,123.4	37.1	408.8	126.2	410.5	89.1	108.3	239.3	214.0	412.5	77.6	244.1
Q2	2,126.1	37.3	410.8	125.0	410.2	88.1	107.1	241.7	214.4	414.2	77.3	244.5
Q3	2,133.4	37.8	413.4	124.1	412.4	87.6	105.2	243.7	215.9	414.8	78.5	246.3
Q4	2,123.4	38.5	409.3	123.2	413.9	87.3	104.3	244.4	214.8	409.0	78.7	245.4
	percentage of value added											
2012	100.0	1.8	19.3	5.9	19.4	4.1	5.0	11.4	10.1	19.4	3.7	-
	Chain-linked volumes (prices for the previous year)											
	quarter-on-quarter percentage changes											
2011 Q4	-0.3	0.0	-1.5	0.0	-0.3	0.1	-0.1	0.4	0.1	0.2	0.5	-0.7
2012 Q1	-0.1	-0.4	0.2	-1.3	-0.2	-0.3	0.1	0.3	0.2	-0.2	0.0	0.2
Q2	-0.1	-0.5	-0.1	-1.1	-0.4	-0.4	-0.2	0.4	0.0	0.4	-0.6	-0.6
Q3	0.0	-1.6	0.1	-0.9	-0.4	-0.1	-0.1	0.4	0.4	0.0	0.5	-0.3
Q4	-0.5	0.1	-1.7	-0.8	-0.4	0.2	-0.6	0.0	-0.8	0.1	-0.2	-1.2
	annual percentage changes											
2009	-4.4	1.3	-13.2	-8.0	-4.5	1.7	0.5	0.5	-7.5	1.3	-0.4	-4.2
2010	2.1	-3.0	9.1	-5.4	2.2	1.6	0.7	-0.5	1.7	1.1	0.3	1.0
2011	1.6	2.2	3.3	-0.8	1.7	1.4	0.1	1.3	2.4	0.7	0.5	0.4
2012	-0.5	-1.6	-1.6	-3.6	-0.9	-0.4	-0.3	1.3	0.4	0.5	0.1	-1.5
2011 Q4	0.9	1.9	0.0	0.8	0.6	0.9	0.7	1.7	1.9	0.9	1.1	-1.6
2012 Q1	0.0	0.4	-1.2	-3.1	-0.2	0.2	0.1	1.6	1.3	0.8	0.9	-1.2
Q2	-0.3	-1.0	-1.4	-3.1	-0.7	-0.4	0.2	1.3	0.6	0.6	0.3	-1.8
Q3	-0.5	-2.5	-1.5	-3.3	-1.3	-0.7	-0.3	1.4	0.6	0.4	0.4	-1.5
Q4	-0.8	-2.4	-1.6	-4.1	-1.3	-0.5	-0.8	1.1	-0.2	0.3	-0.4	-1.9
	contributions to quarter-on-quarter percentage changes in value added; percentage points											
2011 Q4	-0.3	0.0	-0.3	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
2012 Q1	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Q2	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.1	0.0	-
Q3	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Q4	-0.5	0.0	-0.3	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	-
	contributions to annual percentage changes in value added; percentage points											
2009	-4.4	0.0	-2.6	-0.5	-0.9	0.1	0.0	0.1	-0.8	0.2	0.0	-
2010	2.1	0.0	1.7	-0.4	0.4	0.1	0.0	-0.1	0.2	0.2	0.0	-
2011	1.6	0.0	0.6	0.0	0.3	0.1	0.0	0.1	0.2	0.1	0.0	-
2012	-0.5	0.0	-0.3	-0.2	-0.2	0.0	0.0	0.1	0.0	0.1	0.0	-
2011 Q4	0.9	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.2	0.2	0.0	-
2012 Q1	0.0	0.0	-0.2	-0.2	0.0	0.0	0.0	0.2	0.1	0.2	0.0	-
Q2	-0.3	0.0	-0.3	-0.2	-0.1	0.0	0.0	0.1	0.1	0.1	0.0	-
Q3	-0.5	0.0	-0.3	-0.2	-0.2	0.0	0.0	0.2	0.1	0.1	0.0	-
Q4	-0.8	0.0	-0.3	-0.2	-0.2	0.0	0.0	0.1	0.0	0.1	0.0	-

Sources: Eurostat and ECB calculations.

3. Industrial production

	Total	Industry excluding construction										Construction
		Total (s.a.; index: 2010 = 100)	Total		Industry excluding construction and energy						Energy	
				Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods				
								Total	Durable	Non-durable		
% of total in 2010	100.0	79.4	79.4	68.3	67.7	26.7	23.2	17.8	2.3	15.5	11.7	20.6
	1	2	3	4	5	6	7	8	9	10	11	12
2010	4.0	100.0	7.2	7.6	7.7	9.8	8.9	2.9	2.6	2.9	3.9	-7.9
2011	2.1	103.2	3.1	4.2	4.4	3.7	8.2	0.6	0.4	0.7	-4.3	-1.9
2012	-2.9	100.8	-2.4	-2.6	-2.5	-4.4	-1.2	-2.4	-4.6	-2.1	-0.1	-5.3
2012 Q1	-2.7	101.6	-2.0	-1.7	-1.9	-4.0	1.0	-2.6	-3.5	-2.4	-2.4	-5.9
Q2	-3.1	101.2	-2.3	-2.9	-3.0	-4.4	-1.5	-2.7	-4.6	-2.4	1.9	-6.2
Q3	-2.7	101.3	-2.1	-2.3	-2.1	-4.3	-0.6	-2.1	-5.1	-1.8	0.0	-4.9
Q4	-3.2	99.1	-3.0	-3.5	-3.0	-5.0	-3.4	-2.2	-5.1	-1.8	0.6	-4.1
2012 Sep.	-2.9	100.2	-2.5	-2.8	-1.9	-4.3	-1.1	-2.9	-3.8	-2.8	-0.3	-5.4
Oct.	-2.9	99.4	-3.0	-3.4	-2.8	-4.3	-3.6	-2.5	-5.5	-2.1	0.5	-3.4
Nov.	-4.2	98.6	-4.1	-4.6	-4.0	-6.0	-4.7	-3.0	-6.5	-2.6	-0.3	-4.9
Dec.	-2.2	99.5	-1.7	-2.3	-2.2	-4.5	-1.8	-1.0	-2.7	-0.8	1.6	-3.6
2013 Jan.	-3.6	99.1	-1.3	-2.9	-1.7	-3.1	-2.6	2.0	-5.5	3.1	0.9	-9.1
	month-on-month percentage changes (s.a.)											
2012 Sep.	-2.0	-	-1.9	-2.2	-2.7	-1.7	-2.6	-2.5	-3.5	-2.3	-0.4	-2.7
Oct.	-0.7	-	-0.8	-0.8	-0.9	-0.7	-2.2	0.3	-2.1	0.8	-0.9	0.9
Nov.	-0.7	-	-0.8	-0.8	-0.8	-1.1	0.0	-1.1	-1.2	-1.3	-0.9	-0.9
Dec.	0.9	-	0.9	1.1	1.1	0.4	0.9	1.7	1.7	1.8	0.1	0.3
2013 Jan.	-0.8	-	-0.4	-0.6	-0.1	0.1	-1.2	0.5	-1.4	0.9	-1.0	-1.4

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

	Industrial new orders [1]		Industrial turnover		Retail sales (including automotive fuel)								New passenger car registrations	
	Manufacturing [2] (current prices)		Manufacturing (current prices)		Current prices	Constant prices								
	Total (s.a.; index: 2005 = 100)	Total	Total (s.a.; index: 2010 = 100)	Total	Total	Total (s.a.; index: 2010 = 100)	Total	Food, beverages, tobacco	Non-food			Fuel	Total (s.a.; thousands) [3]	Total
										Textiles, clothing, footwear	Household equipment			
% of total in 2010	100.0	100.0	100.0	100.0	100.0	100.0	100.0	40.1	51.1	9.4	11.9	8.8		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2010	102.8	17.7	100.0	10.3	2.1	100.0	0.8	0.4	1.7	2.2	0.7	-3.0	843	-8.5
2011	111.6	8.6	109.0	9.0	1.6	99.8	-0.2	-1.0	0.7	-1.3	-0.1	-3.3	838	-1.1
2012	.	.	108.4	-0.6	0.3	98.1	-1.8	-1.3	-1.7	-2.2	-2.5	-5.0	743	-11.0
2012 Q1	108.2	-3.9	109.5	1.1	1.4	98.9	-1.1	-0.8	-0.7	-0.4	-1.6	-5.7	776	-11.3
Q2	.	.	108.3	-0.8	0.4	98.3	-1.7	-1.3	-1.6	-5.6	-2.0	-4.9	768	-6.8
Q3	.	.	109.0	-0.7	0.6	98.3	-1.4	-0.8	-1.5	-0.5	-2.0	-4.3	721	-12.7
Q4	.	.	106.9	-2.1	-1.1	96.7	-2.8	-2.0	-2.9	-2.6	-4.1	-5.3	709	-14.2
2012 Oct.	.	.	107.3	-1.0	-1.2	96.9	-3.2	-2.2	-3.0	-3.8	-5.2	-7.0	694	-15.0
Nov.	.	.	106.4	-2.9	-0.4	97.1	-2.0	-1.6	-2.3	-2.4	-3.2	-5.1	701	-15.1
Dec.	.	.	107.0	-2.2	-1.7	96.3	-3.0	-2.2	-3.4	-1.5	-3.8	-3.9	732	-12.1
2013 Jan.	.	.	.	.	-0.7	97.4	-1.3	-1.5	-0.8	.	.	-0.5	664	-14.2
Feb.	.	.	.	.	.	.	.	.	.	.	.	.	696	-8.8
	month-on-month percentage changes (s.a.)													
2012 Oct.	-	.	-	-0.4	-0.5	-	-0.5	-0.5	-0.6	-2.0	-1.5	-0.2	-	-3.9
Nov.	-	.	-	-0.8	0.2	-	0.2	-0.4	-0.1	0.4	0.5	0.8	-	1.0
Dec.	-	.	-	0.6	-0.9	-	-0.8	-0.6	-0.9	0.1	-1.4	0.2	-	4.5
2013 Jan.	-	.	-	.	1.0	-	1.2	0.8	1.8	.	.	0.0	-	-9.4
Feb.	-	.	-	.	.	-	.	.	.	.	.	.	-	5.0

Sources: Eurostat, except columns 13 and 14 in Table 4 in Section 5.2 (which comprise ECB calculations based on data from the European Automobile Manufacturers' Association).

1) Following the amendment of the Regulation concerning short-term statistics (see the General Notes), euro area industrial new order statistics have been discontinued; the last release by Eurostat was for March 2012.

2) Includes manufacturing industries working mainly on the basis of orders, which represented 61.2% of total manufacturing in 2005.

3) 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
2009	80.6	-28.7	-56.7	14.7	-14.7	70.8	-24.8	-7.0	-26.1	55.3	-10.7
2010	101.4	-4.7	-24.4	0.8	11.2	76.9	-14.2	-5.3	-12.3	31.2	-8.0
2011	102.0	0.2	-6.5	2.2	9.3	80.5	-14.5	-7.4	-18.1	23.2	-9.1
2012	90.5	-12.1	-24.9	7.0	-4.5	78.3	-22.3	-11.3	-27.6	38.4	-12.0
2012 Q1	95.4	-6.4	-15.3	6.1	2.2	79.9	-19.9	-10.0	-24.1	34.4	-10.9
Q2	92.4	-10.9	-22.5	6.7	-3.5	78.9	-19.5	-10.3	-24.2	32.3	-10.9
Q3	87.4	-15.4	-29.1	8.2	-8.9	77.5	-23.8	-11.8	-30.4	40.7	-12.4
Q4	87.0	-15.8	-32.7	6.9	-7.8	77.0	-26.2	-13.0	-31.7	46.3	-13.7
2013 Q1	90.2	-12.5	-30.4	5.2	-2.0	.	-23.7	-11.4	-27.3	42.6	-13.4
2012 Oct.	85.7	-18.2	-34.9	8.6	-11.3	76.9	-25.5	-12.8	-31.8	44.2	-13.2
Nov.	87.2	-14.9	-31.9	6.2	-6.8	-	-26.7	-13.8	-31.8	46.9	-14.2
Dec.	88.0	-14.2	-31.4	6.0	-5.3	-	-26.3	-12.3	-31.5	47.7	-13.8
2013 Jan.	89.5	-13.8	-31.8	5.0	-4.7	77.2	-23.9	-11.7	-28.9	42.7	-12.4
Feb.	91.1	-11.3	-28.2	5.1	-0.5	-	-23.6	-11.2	-26.4	43.2	-13.7
Mar.	90.0	-12.5	-31.2	5.6	-0.7	-	-23.5	-11.4	-26.7	42.0	-14.1

	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
2009	-33.1	-42.1	-24.1	-15.5	-21.4	9.8	-15.4	-16.6	-21.6	-18.7	-9.5
2010	-28.7	-39.4	-18.2	-4.1	-6.6	7.2	1.6	6.2	3.9	5.9	9.1
2011	-26.2	-33.9	-18.5	-5.4	-5.6	11.1	0.6	6.6	3.6	7.0	9.3
2012	-28.7	-35.1	-22.3	-15.2	-18.9	14.2	-12.6	-5.0	-10.2	-5.5	0.6
2012 Q1	-25.0	-30.7	-19.3	-13.7	-14.4	16.3	-10.5	1.4	-4.2	1.5	6.9
Q2	-27.2	-32.3	-22.1	-14.4	-18.2	14.8	-10.4	-3.1	-8.7	-2.3	1.8
Q3	-29.7	-36.9	-22.5	-16.8	-21.8	14.5	-14.1	-9.2	-13.9	-9.8	-3.9
Q4	-33.0	-40.5	-25.5	-16.0	-21.3	11.4	-15.4	-9.3	-13.9	-11.3	-2.6
2013 Q1	-29.5	-37.4	-21.7	-16.4	-24.8	10.8	-13.7	-6.6	-12.1	-7.5	-0.2
2012 Oct.	-31.6	-39.9	-23.4	-17.3	-21.5	12.5	-18.0	-9.9	-14.3	-12.8	-2.5
Nov.	-34.1	-41.9	-26.4	-14.8	-19.5	11.2	-13.8	-9.3	-13.6	-11.0	-3.3
Dec.	-33.3	-39.8	-26.8	-15.9	-23.0	10.5	-14.3	-8.6	-13.8	-10.1	-2.0
2013 Jan.	-28.5	-36.3	-20.8	-15.5	-23.0	11.4	-12.1	-7.7	-14.6	-8.1	-0.5
Feb.	-29.7	-37.7	-21.8	-16.1	-25.0	10.2	-13.3	-5.3	-10.9	-6.7	1.5
Mar.	-30.3	-38.2	-22.5	-17.6	-26.4	10.7	-15.8	-6.7	-10.8	-7.7	-1.5

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 since 1990.

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]

(quarterly data seasonally adjusted; annual data unadjusted)

1. Employment

	By employment status			By economic activity									
	Total	Employees	Self-employed	Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services
	1	2	3	4	5	6	7	8	9	10	11	12	13
Persons employed													
levels (thousands)													
2012	146,105	125,109	20,997	4,974	22,936	9,477	35,857	4,083	4,061	1,320	18,236	34,314	10,849
percentage of total persons employed													
2012	100.0	85.6	14.4	3.4	15.7	6.5	24.5	2.8	2.8	0.9	12.5	23.5	7.4
annual percentage changes													
2010	-0.5	-0.5	-0.6	-1.1	-2.8	-3.9	-0.7	-1.3	-0.7	-0.3	1.7	1.0	0.9
2011	0.3	0.5	-0.8	-2.2	0.2	-3.8	0.7	1.5	-0.3	3.0	2.7	0.1	0.1
2012	-0.7	-0.7	-0.5	-1.6	-1.1	-4.8	-0.8	1.4	-0.8	0.6	0.7	-0.2	0.7
2012 Q1	-0.5	-0.4	-1.0	-1.9	-0.7	-4.7	-0.3	1.1	-0.3	0.7	0.9	-0.2	-0.3
Q2	-0.8	-0.8	-0.7	-1.5	-1.2	-4.8	-1.0	1.2	-0.6	1.4	0.3	-0.2	0.1
Q3	-0.6	-0.7	0.1	-1.3	-1.2	-5.0	-1.0	1.3	-1.2	0.8	1.3	-0.3	1.4
Q4	-0.7	-0.8	-0.3	-1.6	-1.4	-4.8	-1.1	2.1	-1.1	-0.7	0.1	-0.2	1.8
quarter-on-quarter percentage changes													
2012 Q1	-0.3	-0.4	0.4	-0.1	-0.4	-1.4	-0.4	0.5	0.0	-1.2	-0.3	-0.2	0.7
Q2	-0.1	0.0	-0.3	0.3	-0.4	-0.6	-0.2	0.5	-0.7	0.7	0.3	0.1	0.0
Q3	-0.1	-0.1	0.1	-0.6	0.0	-1.6	-0.1	-0.3	-0.8	-1.4	0.7	0.0	0.7
Q4	-0.3	-0.3	-0.5	-1.2	-0.6	-1.4	-0.4	1.3	0.3	1.3	-0.6	-0.1	0.3
Hours worked													
levels (millions)													
2012	229,883	185,099	44,784	10,235	36,095	16,556	59,930	6,572	6,441	2,039	27,890	48,903	15,222
percentage of total hours worked													
2012	100.0	80.5	19.5	4.5	15.7	7.2	26.1	2.9	2.8	0.9	12.1	21.3	6.6
annual percentage changes													
2010	0.0	0.0	-0.4	-0.9	-0.4	-3.9	-0.4	-0.7	-0.2	0.8	2.3	1.0	0.6
2011	0.2	0.5	-1.0	-2.3	0.8	-4.1	0.4	1.4	-0.2	3.5	2.8	0.1	0.0
2012	-1.3	-1.3	-1.1	-2.0	-2.1	-6.0	-1.4	1.4	-0.8	-0.1	0.4	-0.3	-0.1
2012 Q1	-1.0	-0.9	-1.4	-2.4	-1.1	-5.6	-1.0	0.9	0.0	0.3	0.8	-0.3	-0.9
Q2	-1.4	-1.4	-1.3	-1.5	-2.3	-6.4	-1.6	1.3	-0.5	1.7	0.2	-0.4	-0.8
Q3	-1.1	-1.3	-0.3	-1.4	-2.3	-6.3	-1.3	1.6	-0.9	0.6	1.1	-0.4	0.7
Q4	-1.5	-1.5	-1.4	-2.8	-2.8	-5.9	-1.7	1.7	-1.7	-2.8	-0.3	-0.1	0.5
quarter-on-quarter percentage changes													
2012 Q1	-0.3	-0.3	-0.3	-0.3	-0.4	-0.6	-0.7	0.8	0.2	-0.8	-0.2	0.0	0.5
Q2	-0.7	-0.7	-0.4	-0.6	-1.4	-2.2	-0.3	-0.1	-1.3	0.4	-0.2	-0.3	-0.8
Q3	0.1	0.1	0.4	-0.6	0.0	-1.4	0.2	0.5	0.0	-0.4	0.7	0.2	1.3
Q4	-0.7	-0.6	-1.2	-1.4	-1.1	-1.9	-0.9	0.6	-0.7	-2.1	-0.7	0.1	-0.4
Hours worked per person employed													
levels (thousands)													
2012	1,573	1,480	2,133	2,058	1,574	1,747	1,671	1,610	1,586	1,545	1,529	1,425	1,403
annual percentage changes													
2010	0.5	0.6	0.2	0.2	2.5	0.0	0.3	0.6	0.5	1.1	0.6	0.1	-0.3
2011	-0.1	0.1	-0.2	-0.1	0.6	-0.3	-0.3	0.0	0.2	0.5	0.1	0.0	-0.1
2012	-0.6	-0.6	-0.7	-0.4	-1.0	-1.3	-0.6	0.0	0.0	-0.6	-0.2	-0.1	-0.8
2012 Q1	-0.5	-0.5	-0.5	-0.5	-0.4	-1.0	-0.8	-0.1	0.3	-0.4	-0.1	-0.1	-0.5
Q2	-0.6	-0.6	-0.6	0.1	-1.1	-1.7	-0.6	0.1	0.1	0.3	-0.1	-0.2	-0.9
Q3	-0.5	-0.6	-0.4	-0.1	-1.1	-1.3	-0.3	0.3	0.3	-0.2	-0.2	-0.1	-0.7
Q4	-0.8	-0.7	-1.2	-1.2	-1.4	-1.2	-0.7	-0.4	-0.6	-2.2	-0.4	0.1	-1.3
quarter-on-quarter percentage changes													
2012 Q1	0.7	1.0	-1.5	-2.4	1.0	0.4	0.2	2.1	1.9	1.3	0.1	2.2	0.1
Q2	-2.9	-3.8	1.2	4.6	-4.1	-1.4	-1.9	-5.2	-4.3	-2.9	-4.0	-4.5	-2.1
Q3	-1.0	-0.9	-1.0	-0.2	-1.8	-0.2	-1.1	0.1	-0.3	0.3	-1.6	-1.0	0.0
Q4	2.5	3.1	0.4	-2.5	3.6	0.1	2.2	3.0	2.4	0.1	5.0	3.6	0.9

Source: ECB calculations based on Eurostat data.

1) Data for employment are based on the ESA 95.

5.3 Labour markets

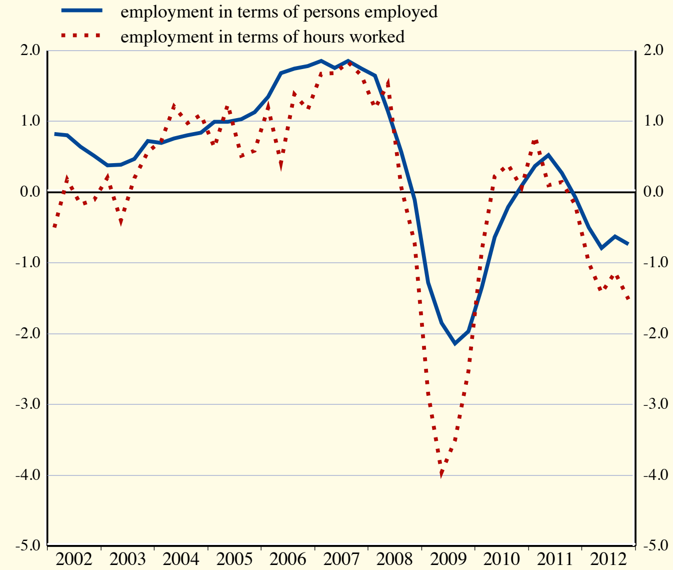
(seasonally adjusted, unless otherwise indicated)

2. Unemployment and job vacancies 1)

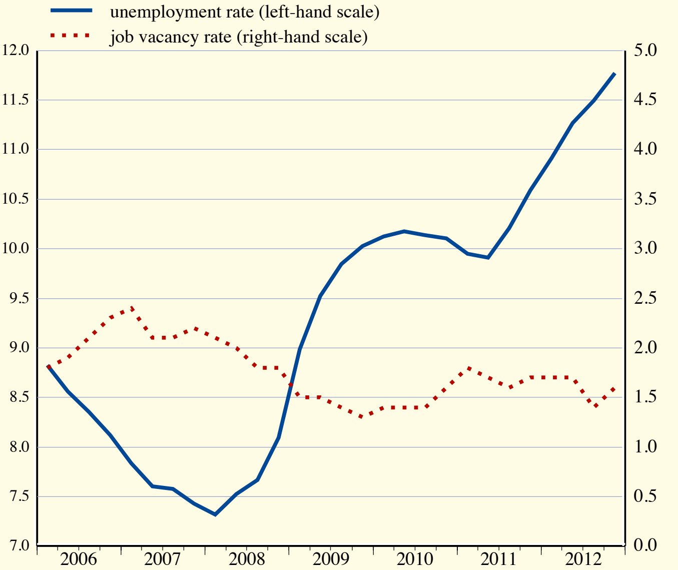
	Unemployment										Job vacancy rate 2)
	Total		By age 3)				By gender 4)				
	Millions	% of labour force	Adult		Youth		Male		Female		
			Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	% of total posts
% of total in 2010	100.0		79.4		20.6		54.0		46.0		
	1	2	3	4	5	6	7	8	9	10	11
2009	15.053	9.6	11.766	8.4	3.287	20.3	8.145	9.4	6.908	9.8	1.4
2010	15.933	10.1	12.653	8.9	3.281	20.9	8.604	10.0	7.329	10.3	1.5
2011	16.039	10.2	12.829	9.0	3.210	20.9	8.550	9.9	7.489	10.5	1.7
2012	18.061	11.4	14.585	10.1	3.476	23.0	9.697	11.2	8.364	11.5	1.6
2011 Q4	16.761	10.6	13.455	9.4	3.307	21.6	8.966	10.4	7.795	10.8	1.7
2012 Q1	17.291	10.9	13.903	9.7	3.388	22.3	9.248	10.7	8.043	11.2	1.7
Q2	17.909	11.3	14.457	10.1	3.452	22.8	9.632	11.1	8.278	11.4	1.7
Q3	18.296	11.5	14.788	10.3	3.508	23.3	9.834	11.4	8.462	11.7	1.4
Q4	18.745	11.8	15.190	10.5	3.555	23.7	10.072	11.6	8.674	11.9	1.6
2012 Sep.	18.444	11.6	14.908	10.3	3.537	23.6	9.922	11.5	8.523	11.7	-
Oct.	18.658	11.7	15.102	10.5	3.557	23.7	10.015	11.6	8.643	11.9	-
Nov.	18.762	11.8	15.203	10.5	3.558	23.7	10.072	11.6	8.690	12.0	-
Dec.	18.816	11.8	15.266	10.6	3.550	23.7	10.128	11.7	8.688	11.9	-
2013 Jan.	19.038	12.0	15.446	10.7	3.592	24.0	10.264	11.9	8.774	12.1	-
Feb.	19.071	12.0	15.490	10.7	3.581	23.9	10.301	11.9	8.770	12.0	-

C28 Employment - persons employed and hours worked

(annual percentage changes)



C29 Unemployment and job vacancy 2) rates



Source: Eurostat.
1) Data for unemployment refer to persons and follow ILO recommendations.
2) Industry, construction and services (excluding households as employers and extra-territorial organisations and bodies); non-seasonally adjusted.
3) 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.
4) 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
2003	44.9	44.2	11.5	8.8	2.7	13.2	0.4	15.7	8.2	4.6	2.3	0.6	0.5	40.9
2004	44.5	44.0	11.5	8.5	2.9	13.2	0.3	15.5	8.1	4.5	2.2	0.5	0.4	40.6
2005	44.8	44.3	11.7	8.6	3.0	13.3	0.3	15.4	8.1	4.5	2.3	0.5	0.3	40.7
2006	45.3	45.0	12.3	8.8	3.4	13.4	0.3	15.3	8.0	4.5	2.3	0.3	0.3	41.3
2007	45.3	45.1	12.7	8.9	3.6	13.3	0.3	15.1	8.0	4.4	2.3	0.3	0.3	41.3
2008	45.1	44.9	12.5	9.1	3.2	12.9	0.3	15.3	8.1	4.4	2.3	0.2	0.3	40.9
2009	44.9	44.6	11.6	9.2	2.3	12.8	0.3	15.8	8.3	4.5	2.5	0.3	0.4	40.6
2010	44.8	44.5	11.5	8.9	2.5	12.9	0.3	15.6	8.2	4.5	2.6	0.3	0.3	40.4
2011	45.4	45.1	11.9	9.1	2.7	13.0	0.3	15.7	8.2	4.5	2.6	0.3	0.3	40.9

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
2003	48.0	44.1	10.6	5.0	3.3	25.2	22.3	1.8	0.5	4.0	2.6	1.4	0.1	44.7
2004	47.4	43.5	10.5	5.0	3.1	24.9	22.1	1.7	0.5	3.9	2.5	1.5	0.1	44.3
2005	47.3	43.4	10.5	5.0	3.0	24.9	22.1	1.7	0.5	3.9	2.5	1.4	0.0	44.3
2006	46.7	42.8	10.3	5.0	2.9	24.6	21.8	1.6	0.5	3.9	2.5	1.4	0.0	43.8
2007	46.0	42.2	10.1	5.0	3.0	24.2	21.4	1.6	0.4	3.8	2.6	1.2	0.0	43.1
2008	47.3	43.3	10.3	5.2	3.0	24.8	21.9	1.6	0.4	3.9	2.6	1.3	0.0	44.2
2009	51.3	47.0	11.1	5.7	2.9	27.4	24.3	1.8	0.4	4.3	2.8	1.4	0.0	48.4
2010	51.0	46.6	10.9	5.7	2.8	27.2	24.2	1.8	0.4	4.4	2.5	1.8	0.0	48.1
2011	49.5	46.0	10.6	5.5	3.0	26.9	23.9	1.7	0.4	3.5	2.3	1.2	0.0	46.5

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
2003	-3.2	-2.5	-0.5	-0.2	0.1	0.2	20.5	10.6	5.0	5.2	1.9	2.3	8.1	12.4
2004	-2.9	-2.5	-0.4	-0.3	0.2	0.2	20.4	10.5	5.0	5.1	1.9	2.2	8.1	12.3
2005	-2.5	-2.3	-0.3	-0.2	0.2	0.5	20.4	10.5	5.0	5.1	1.9	2.3	8.0	12.4
2006	-1.4	-1.5	-0.1	-0.2	0.4	1.5	20.3	10.3	5.0	5.2	1.9	2.3	7.9	12.4
2007	-0.7	-1.2	0.0	0.0	0.6	2.3	20.0	10.1	5.0	5.1	1.9	2.3	7.7	12.3
2008	-2.1	-2.3	-0.2	-0.2	0.5	0.9	20.5	10.3	5.2	5.3	2.0	2.3	8.0	12.6
2009	-6.3	-5.2	-0.5	-0.3	-0.4	-3.5	22.3	11.1	5.7	5.8	2.1	2.5	8.6	13.7
2010	-6.2	-5.1	-0.7	-0.3	-0.1	-3.4	22.0	10.9	5.7	5.8	2.1	2.6	8.4	13.5
2011	-4.1	-3.3	-0.7	-0.2	0.0	-1.1	21.6	10.6	5.5	5.8	2.1	2.6	8.2	13.3

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
2008	-1.0	-0.1	-2.9	-7.4	-9.8	-4.5	-3.3	-2.7	0.9	3.2	-4.6	0.5	-0.9	-3.6	-1.9	-2.1	4.4
2009	-5.5	-3.1	-2.0	-13.9	-15.6	-11.2	-7.5	-5.4	-6.1	-0.8	-3.9	-5.6	-4.1	-10.2	-6.0	-8.0	-2.5
2010	-3.8	-4.1	0.2	-30.9	-10.7	-9.7	-7.1	-4.5	-5.3	-0.8	-3.6	-5.1	-4.5	-9.8	-5.7	-7.7	-2.5
2011	-3.7	-0.8	1.1	-13.4	-9.4	-9.4	-5.2	-3.9	-6.3	-0.3	-2.7	-4.5	-2.5	-4.4	-6.4	-4.9	-0.6

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

1) 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 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
2002	68.0	2.7	11.9	4.6	48.9	40.8	19.6	10.8	10.5	27.2
2003	69.2	2.1	12.5	5.1	49.6	40.1	19.8	11.3	9.1	29.1
2004	69.6	2.2	12.1	4.8	50.5	38.7	18.9	11.1	8.7	30.9
2005	70.5	2.4	12.3	4.5	51.3	37.0	18.1	11.3	7.6	33.5
2006	68.7	2.5	11.9	4.0	50.3	34.9	18.3	9.3	7.3	33.7
2007	66.4	2.2	11.3	3.9	48.9	32.7	17.1	8.6	7.0	33.6
2008	70.2	2.3	11.6	6.5	49.8	33.2	17.8	7.9	7.5	37.0
2009	80.0	2.5	12.7	8.3	56.5	37.3	20.7	9.2	7.5	42.6
2010	85.4	2.4	15.4	7.3	60.2	40.4	22.8	10.4	7.2	44.9
2011	87.3	2.4	15.5	7.4	62.1	42.7	24.0	10.9	7.9	44.6

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		Up to 1 year	Over 1 and up to 5 years	Over 5 years	Euro or participating currencies	Other currencies
								Variable interest rate					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2002	68.0	56.3	6.2	4.7	0.8	7.6	60.4	5.3	15.5	25.3	27.2	66.9	1.1
2003	69.2	56.7	6.5	5.0	1.0	7.8	61.4	5.1	14.9	26.0	28.3	68.3	0.9
2004	69.6	56.6	6.6	5.1	1.3	7.7	62.0	4.7	14.7	26.3	28.6	68.6	1.0
2005	70.5	57.2	6.7	5.2	1.4	7.8	62.8	4.6	14.8	25.8	29.9	69.4	1.1
2006	68.7	55.4	6.5	5.3	1.4	7.3	61.4	4.4	14.3	24.2	30.1	67.9	0.7
2007	66.4	53.5	6.3	5.3	1.4	7.1	59.2	4.3	14.5	23.6	28.2	65.8	0.5
2008	70.2	56.9	6.7	5.3	1.3	10.0	60.2	5.0	17.7	23.5	29.1	69.3	0.9
2009	80.0	64.8	7.7	5.8	1.7	12.1	67.9	5.0	19.5	27.3	33.2	78.9	1.1
2010	85.4	69.2	8.3	5.9	1.9	13.0	72.4	5.2	21.2	29.3	34.9	84.2	1.1
2011	87.3	70.7	8.5	5.9	2.2	12.6	74.7	6.2	20.8	30.4	36.1	85.7	1.6

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
2008	89.2	66.8	4.5	44.5	112.9	40.2	68.2	106.1	48.9	14.4	62.0	58.5	63.8	71.7	22.0	27.9	33.9
2009	95.7	74.5	7.2	64.9	129.7	53.9	79.2	116.4	58.5	15.3	67.6	60.8	69.2	83.2	35.0	35.6	43.5
2010	95.5	82.5	6.7	92.2	148.3	61.5	82.3	119.2	61.3	19.2	68.3	63.1	72.0	93.5	38.6	41.0	48.6
2011	97.8	80.5	6.1	106.4	170.6	69.3	86.0	120.7	71.1	18.3	70.9	65.5	72.4	108.1	46.9	43.3	49.0

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

1) 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
2003	3.1	3.3	-0.2	0.0	-0.6	1.0	0.6	2.1	0.5	0.8	0.8	2.7
2004	3.2	3.3	-0.1	0.0	0.2	0.1	-0.1	2.9	0.2	-0.1	0.3	3.0
2005	3.3	3.1	0.3	0.0	0.3	0.6	-0.1	2.6	-0.3	-0.1	0.5	3.7
2006	1.6	1.5	0.1	0.0	0.2	0.2	-0.3	1.5	-0.3	1.1	-1.4	1.9
2007	1.2	1.2	0.0	0.0	-0.1	0.0	0.1	1.2	-0.4	-0.3	-0.3	1.6
2008	5.3	5.2	0.1	0.0	0.1	0.5	2.7	2.0	1.2	1.1	-0.5	4.1
2009	7.2	7.4	-0.2	0.0	0.1	0.7	1.6	4.9	3.0	2.2	1.0	4.3
2010	7.6	7.7	-0.1	0.0	0.0	3.1	-0.7	5.2	4.1	2.7	1.5	3.5
2011	4.2	4.0	0.2	0.0	0.0	0.4	0.2	3.5	3.4	1.9	0.7	0.8

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+)	Deficit-debt adjustment [7)]											
			Total	Transactions in main financial assets held by general government							Valuation effects		Other changes in volume	Other [8)]
				Total	Currency and deposits	Loans	Securities [9)]	Shares and other equity				Exchange rate effects		
									Privatisations	Equity injections				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2003	3.1	-3.2	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	3.2	-2.9	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	0.8	0.6	0.3	0.0	0.1	0.1	-0.3	0.2	0.3	0.0	0.0	0.0
2006	1.6	-1.4	0.2	0.2	0.3	-0.1	0.2	-0.2	-0.4	0.1	0.1	0.0	0.0	-0.1
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	5.3	-2.1	3.2	3.0	0.8	0.7	0.7	0.9	-0.1	0.7	0.1	0.0	0.0	0.0
2009	7.2	-6.3	0.9	1.0	0.3	0.0	0.3	0.4	-0.3	0.5	-0.2	0.0	0.0	0.1
2010	7.6	-6.2	1.4	1.8	0.0	0.5	1.1	0.1	0.0	0.1	-0.1	0.0	0.0	-0.3
2011	4.2	-4.1	0.1	-0.2	0.2	-0.2	-0.2	-0.1	-0.1	0.2	0.2	0.0	0.0	0.1

Source: ECB.
1) Data 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) The difference between the annual change in gross nominal consolidated debt and the deficit as a percentage of GDP.
8) Mainly composed of transactions in other assets and liabilities (trade credits, other receivables/payables and financial derivatives).
9) 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
2006 Q3	43.6	43.1	11.8	12.4	15.1	2.3	0.8	0.5	0.3	39.5
Q4	49.1	48.5	14.4	14.1	15.8	2.5	0.9	0.6	0.3	44.5
2007 Q1	42.2	41.8	10.4	12.8	14.8	2.1	0.9	0.4	0.3	38.3
Q2	45.8	45.3	13.0	13.0	15.0	2.2	1.4	0.4	0.3	41.2
Q3	43.6	43.2	12.3	12.4	14.7	2.3	0.7	0.5	0.3	39.6
Q4	49.3	48.8	14.8	13.8	15.7	2.6	1.0	0.6	0.3	44.6
2008 Q1	42.3	42.0	10.9	12.3	14.8	2.1	1.1	0.3	0.2	38.2
Q2	45.2	44.9	12.9	12.4	15.1	2.2	1.5	0.4	0.3	40.6
Q3	43.4	43.1	12.2	12.0	15.0	2.3	0.8	0.4	0.3	39.5
Q4	48.9	48.4	13.9	13.4	16.4	2.7	1.1	0.5	0.3	43.9
2009 Q1	42.3	42.2	10.4	12.0	15.6	2.3	1.1	0.1	0.2	38.2
Q2	45.3	44.7	11.8	12.5	15.7	2.4	1.4	0.6	0.5	40.5
Q3	42.9	42.6	11.0	12.0	15.5	2.5	0.7	0.3	0.3	38.8
Q4	48.8	47.9	13.0	13.6	16.4	2.8	1.0	0.8	0.5	43.5
2010 Q1	42.1	41.9	10.1	12.2	15.5	2.3	0.9	0.2	0.3	38.0
Q2	45.0	44.5	11.8	12.6	15.4	2.5	1.3	0.4	0.3	40.2
Q3	43.1	42.7	10.9	12.5	15.2	2.5	0.7	0.3	0.3	38.9
Q4	48.7	47.9	13.2	13.4	16.4	2.9	1.0	0.7	0.3	43.3
2011 Q1	42.9	42.6	10.6	12.4	15.3	2.4	1.0	0.3	0.3	38.7
Q2	45.2	44.8	12.0	12.7	15.4	2.5	1.5	0.3	0.3	40.3
Q3	43.8	43.5	11.4	12.5	15.3	2.6	0.8	0.3	0.3	39.6
Q4	49.4	48.4	13.3	13.4	16.7	2.9	1.0	1.0	0.4	43.9
2012 Q1	43.1	43.0	10.9	12.6	15.3	2.4	0.9	0.1	0.2	39.0
Q2	46.0	45.8	12.6	12.9	15.6	2.5	1.3	0.3	0.3	41.3
Q3	44.3	44.0	12.0	12.5	15.4	2.6	0.7	0.3	0.3	40.2

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
2006 Q3	45.4	41.8	9.8	4.8	2.9	24.3	20.9	1.2	3.6	2.6	1.0	-1.8	1.1
Q4	49.6	44.7	10.8	6.1	2.7	25.0	21.3	1.3	4.9	2.7	2.2	-0.4	2.3
2007 Q1	44.8	41.3	9.9	4.3	2.9	24.1	20.7	1.1	3.5	2.3	1.2	-2.6	0.3
Q2	44.9	41.5	10.1	4.6	3.2	23.6	20.6	1.1	3.4	2.5	0.9	0.9	4.1
Q3	44.7	41.1	9.6	4.8	2.9	23.8	20.5	1.1	3.6	2.6	0.9	-1.1	1.9
Q4	49.3	44.8	10.8	6.1	2.8	25.0	21.2	1.5	4.5	2.8	1.7	0.0	2.9
2008 Q1	45.4	41.8	9.9	4.4	3.1	24.5	20.8	1.2	3.6	2.3	1.2	-3.1	0.0
Q2	45.9	42.3	10.3	4.8	3.3	23.9	20.8	1.1	3.6	2.6	1.0	-0.6	2.7
Q3	45.9	42.2	9.8	5.0	3.0	24.3	21.2	1.1	3.7	2.7	1.0	-2.4	0.6
Q4	51.4	46.8	11.2	6.5	2.8	26.2	22.2	1.4	4.6	2.9	1.7	-2.5	0.3
2009 Q1	49.4	45.6	10.7	4.9	2.9	27.0	23.0	1.3	3.8	2.6	1.2	-7.0	-4.1
Q2	50.6	46.4	11.1	5.4	3.0	26.9	23.3	1.3	4.2	2.8	1.3	-5.3	-2.3
Q3	50.2	46.1	10.5	5.6	2.9	27.1	23.5	1.3	4.1	2.8	1.1	-7.2	-4.4
Q4	54.6	49.7	11.8	6.9	2.6	28.4	24.0	1.5	4.9	3.0	1.9	-5.9	-3.3
2010 Q1	50.3	46.5	10.8	4.9	2.8	28.0	23.6	1.4	3.9	2.3	1.5	-8.2	-5.4
Q2	49.4	45.9	11.0	5.3	3.0	26.7	23.2	1.3	3.5	2.5	1.1	-4.4	-1.5
Q3	50.5	45.3	10.2	5.5	2.8	26.8	23.1	1.3	5.2	2.6	2.6	-7.5	-4.7
Q4	53.5	48.7	11.4	6.8	2.8	27.7	23.6	1.5	4.7	2.7	2.0	-4.8	-2.0
2011 Q1	48.5	45.4	10.5	4.8	3.0	27.2	23.1	1.3	3.1	2.1	0.9	-5.7	-2.7
Q2	48.4	45.2	10.6	5.1	3.2	26.2	22.9	1.2	3.2	2.3	0.9	-3.3	-0.1
Q3	48.3	44.9	10.1	5.4	3.0	26.4	23.0	1.2	3.5	2.3	1.1	-4.5	-1.5
Q4	52.6	48.7	11.3	6.7	3.0	27.7	23.6	1.5	3.9	2.5	1.7	-3.2	-0.2
2012 Q1	48.2	45.6	10.3	4.8	3.1	27.4	23.3	1.2	2.6	1.9	0.7	-5.1	-1.9
Q2	49.0	45.7	10.6	5.2	3.2	26.7	23.3	1.1	3.3	2.1	1.2	-2.9	0.3
Q3	48.8	45.1	10.0	5.4	2.9	26.8	23.4	1.1	3.7	2.2	1.4	-4.4	-1.5

Sources: ECB calculations based on Eurostat and national data.

1) 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.

2) The fiscal burden comprises taxes and social contributions.

6.5 Quarterly debt and change in debt 1)
(as a percentage of GDP)

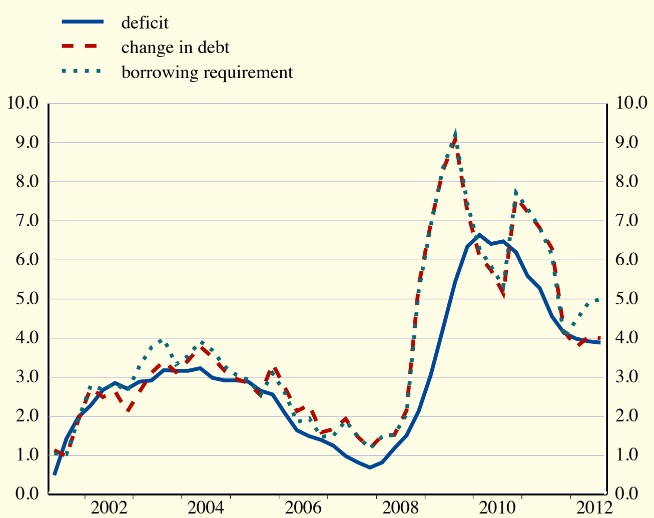
1. Euro area – Maastricht debt by financial instrument

	Total	Financial instruments			
		Currency and deposits	Loans	Short-term securities	Long-term securities
	1	2	3	4	5
2009 Q4	80.0	2.5	12.7	8.3	56.5
2010 Q1	81.6	2.4	12.9	8.2	58.2
Q2	82.9	2.4	13.5	7.8	59.2
Q3	83.0	2.4	13.4	7.9	59.2
Q4	85.4	2.4	15.4	7.3	60.2
2011 Q1	86.2	2.4	15.2	7.4	61.2
Q2	87.1	2.4	15.0	7.5	62.2
Q3	86.8	2.4	15.2	7.8	61.4
Q4	87.3	2.4	15.5	7.4	62.1
2012 Q1	88.2	2.5	15.8	7.6	62.3
Q2	89.9	2.5	16.7	7.3	63.4
Q3	90.0	2.5	16.5	7.2	63.7

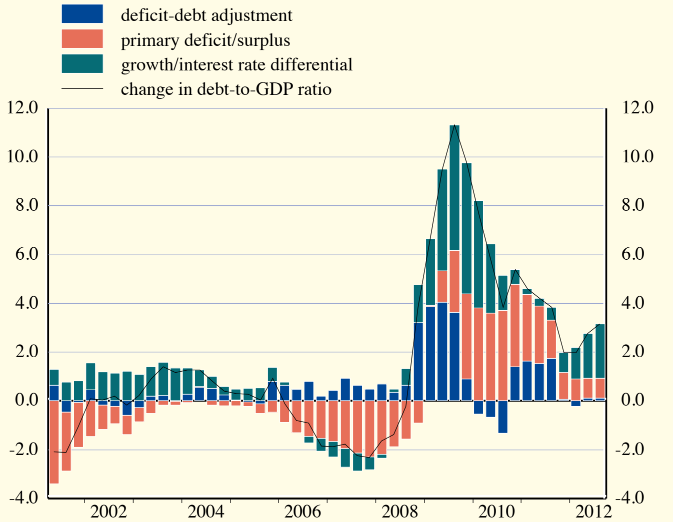
2. Euro area – deficit-debt adjustment

	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
2009 Q4	2.2	-5.9	-3.7	-2.7	-2.9	-0.1	0.1	0.2	-0.2	-0.8	2.4
2010 Q1	8.1	-8.2	-0.1	0.8	0.8	-0.1	-0.3	0.3	-0.4	-0.5	8.5
Q2	7.7	-4.4	3.2	3.3	2.0	1.1	-0.2	0.4	-0.1	0.0	7.8
Q3	2.8	-7.5	-4.7	-2.9	-2.3	-0.6	0.0	0.0	0.0	-1.8	2.8
Q4	11.7	-4.8	6.9	5.7	-0.3	1.6	4.7	-0.3	0.0	1.2	11.7
2011 Q1	6.6	-5.7	1.0	0.8	2.0	-0.7	-0.3	-0.1	-0.2	0.3	6.8
Q2	6.0	-3.3	2.8	2.6	2.8	0.6	-0.4	-0.5	0.2	0.0	5.8
Q3	0.7	-4.5	-3.7	-3.7	-3.7	-0.4	0.1	0.2	0.6	-0.6	0.2
Q4	3.4	-3.2	0.2	-0.5	-0.3	-0.2	-0.1	0.1	0.1	0.7	3.3
2012 Q1	4.9	-5.1	-0.2	3.4	4.0	-0.3	-0.3	0.1	-3.7	0.1	8.6
Q2	7.1	-2.9	4.1	3.2	1.6	0.5	0.0	1.1	-0.5	1.5	7.6
Q3	0.6	-4.4	-3.8	-1.9	-2.0	0.2	-0.3	0.3	0.1	-2.0	0.5

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) Intergovernmental lending in the context of the financial crisis is consolidated.

EXTERNAL TRANSACTIONS AND POSITIONS

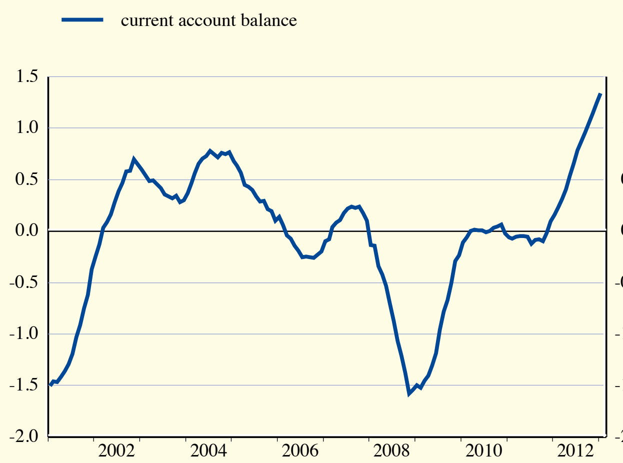
7.1 Summary balance of payments [1]

(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
2010	3.1	18.2	54.3	40.4	-109.8	7.8	10.9	5.5	-95.0	124.1	17.8	-30.8	-10.5	-16.4
2011	12.5	9.2	67.2	43.0	-106.9	11.5	23.9	-45.3	-154.8	274.0	-4.9	-149.5	-10.2	21.4
2012	112.8	106.1	89.8	28.2	-111.3	11.2	123.9	-145.9	-49.1	70.8	0.1	-153.8	-13.9	22.0
2011 Q4	36.6	15.8	18.7	22.2	-20.0	6.1	42.7	-42.2	-35.7	-34.0	-10.9	45.1	-6.7	-0.5
2012 Q1	-4.6	6.3	15.3	13.0	-39.2	2.0	-2.6	3.6	-3.5	-71.0	-6.7	86.9	-2.1	-1.0
Q2	14.9	25.2	25.4	-10.2	-25.5	1.1	16.0	-20.4	-16.3	94.2	-9.1	-80.3	-9.0	4.4
Q3	41.0	30.5	26.8	13.2	-29.5	3.5	44.5	-55.0	-25.7	-9.3	-0.6	-19.4	-0.1	10.5
Q4	61.4	44.1	22.3	12.2	-17.2	4.6	66.1	-74.1	-3.6	56.9	16.4	-141.0	-2.8	8.0
2012 Jan.	-11.7	-7.6	3.2	2.4	-9.7	0.3	-11.3	19.2	0.3	-39.4	-6.2	65.6	-1.1	-7.9
Feb.	-3.5	3.2	5.0	5.7	-17.4	1.8	-1.8	6.5	5.7	12.1	4.4	-14.1	-1.6	-4.7
Mar.	10.6	10.7	7.1	4.9	-12.1	-0.1	10.5	-22.1	-9.4	-43.7	-4.9	35.4	0.7	11.6
Apr.	2.3	5.3	6.8	-0.6	-9.2	0.2	2.5	-3.8	-3.5	3.2	0.8	-1.3	-3.0	1.3
May	-4.8	6.2	8.6	-11.1	-8.5	1.3	-3.5	1.9	8.2	25.6	-7.0	-23.4	-1.5	1.6
June	17.4	13.7	10.0	1.5	-7.8	-0.4	17.0	-18.5	-21.0	65.4	-2.8	-55.6	-4.5	1.5
July	20.8	14.5	9.3	4.9	-7.8	0.5	21.3	-21.0	-5.8	9.2	-2.3	-22.6	0.5	-0.3
Aug.	8.5	5.6	8.5	4.9	-10.6	1.5	9.9	-9.2	14.7	-18.6	3.5	-7.3	-1.6	-0.7
Sep.	11.8	10.4	9.0	3.4	-11.1	1.5	13.3	-24.8	-34.6	0.1	-1.8	10.5	1.0	11.5
Oct.	11.6	12.5	6.9	2.0	-9.8	1.8	13.4	-12.0	-10.6	45.8	4.0	-48.7	-2.4	-1.5
Nov.	20.8	16.7	5.7	4.5	-6.0	1.6	22.5	-22.7	13.7	16.5	10.5	-62.4	-1.0	0.2
Dec.	29.0	14.9	9.6	5.7	-1.3	1.2	30.1	-39.4	-6.7	-5.4	1.9	-29.9	0.7	9.3
2013 Jan.	-4.5	-2.2	4.9	5.0	-12.1	0.7	-3.8	-3.5	-9.1	31.0	6.4	-27.1	-4.7	7.3
	12-month cumulated transactions													
2013 Jan.	119.9	111.5	91.4	30.7	-113.7	11.5	131.5	-168.7	-58.5	141.2	12.6	-246.5	-17.4	37.2
	12-month cumulated transactions as a percentage of GDP													
2013 Jan.	1.3	1.2	1.0	0.3	-1.2	0.1	1.4	-1.8	-0.6	1.5	0.1	-2.6	-0.2	0.4

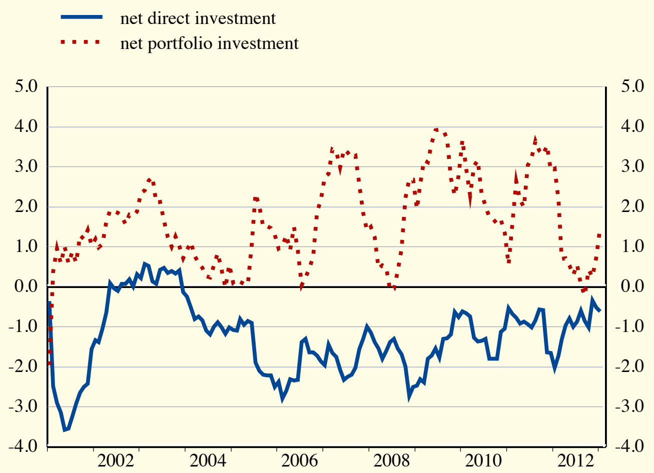
C32 Euro area b.o.p.: current account

(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.

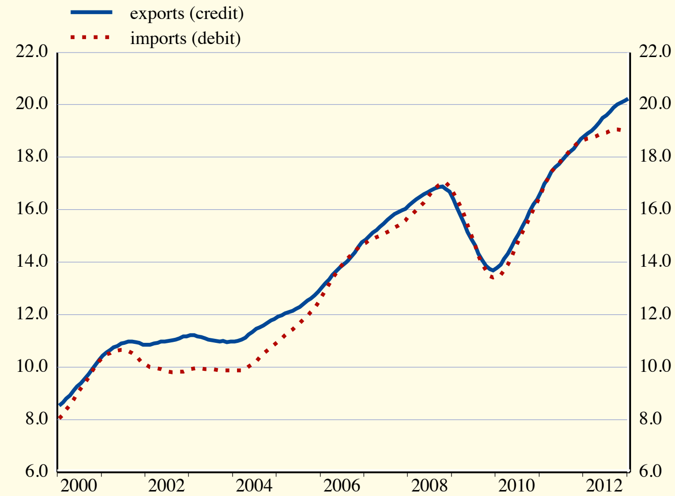
1) The sign convention is explained in the General Notes.

7.2 Current and capital accounts
(EUR billions; transactions)

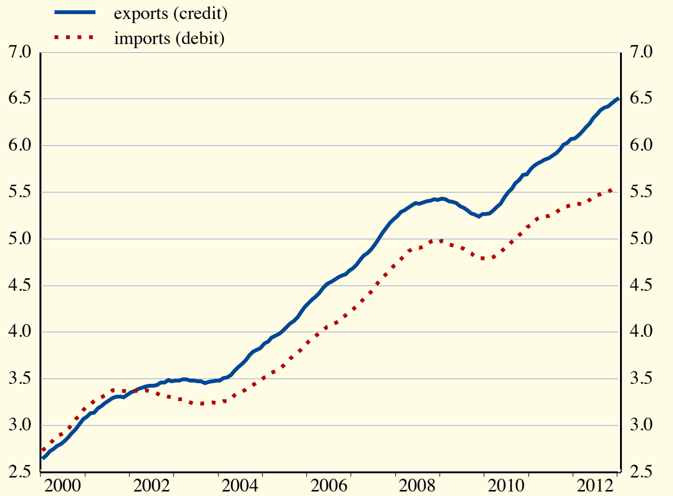
1. Summary current and capital accounts

	Current account													Capital account	
	Total			Goods		Services		Income		Current transfers					
	Credit	Debit	Net	Credit	Debit	Credit	Debit	Credit	Debit	Credit		Debit		Credit	Debit
											Workers' remittances		Workers' remittances		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2010	2,693.5	2,690.4	3.1	1,566.8	1,548.6	541.7	487.4	498.0	457.6	87.0	6.3	196.8	27.1	20.3	12.5
2011	2,975.0	2,962.5	12.5	1,775.5	1,766.2	576.6	509.4	528.4	485.4	94.5	6.6	201.4	27.8	25.0	13.5
2012	3,127.7	3,014.9	112.8	1,912.2	1,806.1	615.1	525.4	506.0	477.8	94.4	.	205.7	.	25.5	14.3
2011 Q4	785.2	748.6	36.6	463.6	447.8	151.6	133.0	137.6	115.5	32.4	1.6	52.4	7.0	11.3	5.2
2012 Q1	751.3	755.9	-4.6	464.0	457.7	137.1	121.9	124.3	111.3	25.8	1.5	65.0	6.3	4.8	2.8
Q2	788.0	773.1	14.9	479.0	453.8	154.7	129.3	133.5	143.6	20.9	1.6	46.3	6.6	5.2	4.1
Q3	786.2	745.2	41.0	479.1	448.5	164.6	137.8	125.7	112.5	16.8	1.8	46.3	6.6	6.4	2.9
Q4	802.2	740.8	61.4	490.2	446.0	158.6	136.4	122.5	110.4	30.9	.	48.0	.	9.0	4.4
2012 Nov.	263.6	242.8	20.8	168.0	151.3	50.2	44.5	36.8	32.4	8.6	-	14.7	-	2.7	1.1
Dec.	267.7	238.7	29.0	148.5	133.6	55.5	45.9	47.5	41.8	16.1	-	17.4	-	3.1	1.9
2013 Jan.	246.6	251.1	-4.5	150.7	152.9	47.6	42.8	37.3	32.4	11.0	-	23.1	-	1.5	0.8
	Seasonally adjusted														
2012 Q2	787.0	760.4	26.6	480.3	455.3	154.8	132.1	127.8	121.0	24.2	-	52.0	-	-	-
Q3	793.2	762.9	30.2	483.9	458.2	155.5	133.3	129.6	119.7	24.1	-	51.8	-	-	-
Q4	779.8	739.9	39.9	481.9	442.9	155.5	132.8	119.5	116.1	22.9	-	48.1	-	-	-
2012 Nov.	259.1	243.2	15.9	160.6	147.6	52.0	44.7	39.0	35.9	7.5	-	15.0	-	-	-
Dec.	262.6	246.6	16.0	162.5	146.7	52.4	44.2	39.8	39.2	7.9	-	16.5	-	-	-
2013 Jan.	262.4	247.6	14.8	160.3	147.9	51.4	43.6	40.7	34.2	10.1	-	21.9	-	-	-
	12-month cumulated transactions														
2013 Jan.	3,136.1	3,009.0	127.1	1,918.4	1,803.0	617.4	526.0	502.9	471.1	97.4	-	208.9	-	-	-
	12-month cumulated transactions as a percentage of GDP														
2013 Jan.	33.1	31.7	1.3	20.2	19.0	6.5	5.5	5.3	5.0	1.0	-	2.2	-	-	-

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
2009	22.5	12.0	411.8	413.3	163.6	25.9	100.4	12.4	23.7	24.8	24.5	77.2	100.9	121.5	99.1	89.4
2010	25.1	11.9	472.9	445.7	242.0	51.4	150.2	41.5	22.2	22.6	28.6	83.9	102.2	124.6	77.8	64.3
2011	26.7	12.4	501.7	473.0	252.7	42.0	154.2	56.8	24.7	22.6	35.1	95.6	102.6	133.3	86.7	67.4
2011 Q3	6.6	3.7	121.8	112.3	58.5	1.5	38.1	19.8	6.5	5.4	8.8	18.5	25.9	33.5	22.1	16.8
Q4	6.9	3.2	130.7	112.3	68.0	13.9	37.4	1.9	7.2	7.1	7.0	16.4	25.4	34.3	23.1	17.2
2012 Q1	6.8	2.3	117.5	109.0	56.6	25.0	36.4	18.4	5.9	5.4	8.8	16.9	24.3	33.6	21.9	16.7
Q2	7.1	3.3	126.4	140.3	58.0	0.2	43.9	9.1	6.8	6.2	15.5	45.2	24.6	29.6	21.5	15.4
Q3	7.0	3.9	118.6	108.6	55.7	15.5	36.9	15.0	7.9	5.9	9.9	21.3	24.6	30.6	20.5	13.9

3. Geographical breakdown
(cumulated transactions)

2011 Q4 to 2012 Q3	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	3,110.7	991.0	53.8	91.8	473.8	309.1	62.5	62.8	48.6	158.3	40.4	70.2	118.5	244.2	421.4	955.4
Goods	1,885.6	582.3	34.6	57.7	245.8	244.1	0.2	32.8	22.5	121.8	30.1	43.9	88.5	132.5	225.8	605.4
Services	608.1	184.1	12.1	16.7	115.0	33.7	6.6	10.2	10.5	21.6	7.2	14.5	19.9	60.2	93.3	186.6
Income	521.1	161.6	6.2	15.3	102.1	28.4	9.5	19.4	14.7	14.4	2.9	10.8	9.6	42.9	95.5	149.4
Investment income	493.2	154.0	5.5	15.1	100.5	27.7	5.2	19.4	14.6	14.3	2.8	10.8	9.5	28.3	93.6	145.8
Current transfers	95.9	63.1	0.8	2.1	10.9	3.0	46.3	0.4	0.8	0.7	0.3	0.9	0.5	8.6	6.8	13.9
Capital account	27.8	23.0	0.0	0.0	0.8	0.5	21.6	0.0	0.0	0.0	0.0	0.0	0.1	0.9	0.3	3.4
	Debits															
Current account	3,022.8	959.7	49.7	91.6	427.3	279.4	111.7	39.6	31.8	-	34.5	104.0	151.7	209.2	398.9	-
Goods	1,807.8	504.3	30.2	50.9	197.5	225.6	0.0	30.2	15.0	205.9	25.7	50.0	136.1	105.9	152.2	582.6
Services	522.0	153.4	9.2	14.1	90.8	39.1	0.3	5.9	7.3	15.1	6.7	10.3	10.5	45.2	107.8	159.6
Income	483.0	175.3	9.3	24.8	126.7	9.6	4.9	2.1	7.6	-	1.1	43.0	4.4	48.6	132.7	-
Investment income	470.3	168.8	9.2	24.7	125.0	5.0	4.9	2.0	7.4	-	0.8	42.8	4.2	48.1	131.5	-
Current transfers	210.0	126.7	1.0	1.8	12.3	5.1	106.5	1.4	1.9	4.4	0.9	0.7	0.7	9.5	6.3	57.5
Capital account	15.1	2.0	0.3	0.1	1.1	0.4	0.2	0.2	0.1	0.3	0.2	0.0	0.1	0.4	4.2	7.6
	Net															
Current account	88.0	31.3	4.0	0.2	46.5	29.7	-49.2	23.2	16.7	-	5.9	-33.8	-33.2	35.0	22.4	-
Goods	77.8	78.1	4.4	6.8	48.3	18.5	0.2	2.6	7.6	-84.2	4.3	-6.1	-47.6	26.6	73.7	22.8
Services	86.2	30.6	2.9	2.6	24.2	-5.4	6.3	4.2	3.2	6.4	0.5	4.2	9.4	15.0	-14.5	27.0
Income	38.1	-13.8	-3.1	-9.5	-24.6	18.8	4.6	17.3	7.1	-	1.7	-32.2	5.2	-5.7	-37.2	-
Investment income	23.0	-14.8	-3.7	-9.6	-24.5	22.7	0.3	17.4	7.2	-	2.0	-32.1	5.3	-19.8	-37.9	-
Current transfers	-114.1	-63.6	-0.2	0.3	-1.4	-2.1	-60.2	-1.0	-1.1	-3.7	-0.7	0.2	-0.2	-0.9	0.5	-43.6
Capital account	12.6	20.9	-0.2	0.0	-0.3	0.1	21.4	-0.1	0.0	-0.3	-0.2	0.0	0.1	0.5	-3.9	-4.3

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)													
2009	13,739.1	15,225.6	-1,486.4	154.0	170.7	-16.7	4,412.8	3,532.5	4,340.9	6,863.8	-1.3	4,527.2	4,829.3	459.6
2010	15,216.8	16,479.1	-1,262.3	165.8	179.6	-13.8	4,946.7	3,908.6	4,907.3	7,470.9	-32.6	4,807.6	5,099.5	587.8
2011	15,843.5	17,158.4	-1,314.9	168.2	182.1	-14.0	5,564.7	4,392.0	4,762.6	7,636.5	-24.3	4,877.2	5,129.9	663.4
2012 Q1	16,165.3	17,177.2	-1,012.0	170.9	181.7	-10.7	5,626.2	4,144.7	5,044.6	7,808.3	-24.1	4,847.3	5,224.3	671.2
Q2	16,483.1	17,702.0	-1,218.9	174.1	187.0	-12.9	5,834.8	4,593.2	5,042.8	7,842.6	-28.9	4,932.9	5,266.2	701.5
Q3	16,668.5	17,863.3	-1,194.9	175.9	188.5	-12.6	5,879.6	4,646.8	5,194.0	8,049.7	-20.5	4,881.5	5,166.8	733.8
	Changes to outstanding amounts													
2008	-757.8	-428.8	-329.0	-8.2	-4.6	-3.6	189.2	38.2	-803.9	-571.2	28.4	-198.5	104.2	27.0
2009	504.2	387.6	116.6	5.7	4.3	1.3	497.0	272.5	513.7	896.9	-0.9	-591.0	-781.8	85.4
2010	1,477.7	1,253.5	224.2	16.1	13.7	2.4	533.9	376.1	566.4	607.1	-31.2	280.4	270.2	128.2
2011	626.7	679.3	-52.6	6.7	7.2	-0.6	618.0	483.3	-144.7	165.6	8.3	69.6	30.4	75.6
2012 Q2	317.8	524.7	-207.0	13.4	22.1	-8.7	208.6	448.5	-1.8	34.3	-4.9	85.6	42.0	30.3
Q3	185.4	161.4	24.0	7.9	6.8	1.0	44.8	53.6	151.2	207.1	8.5	-51.4	-99.4	32.3
	Transactions													
2009	-89.7	-74.6	-15.1	-1.0	-0.8	-0.2	352.9	285.9	96.0	343.4	-19.0	-515.0	-703.8	-4.6
2010	652.9	658.4	-5.5	7.1	7.2	-0.1	356.7	261.7	135.9	260.1	-17.8	167.5	136.7	10.5
2011	535.3	490.0	45.3	5.7	5.2	0.5	408.0	253.1	-51.9	222.1	4.9	164.2	14.7	10.2
2012	424.3	278.3	145.9	4.5	2.9	1.5	212.1	163.0	190.0	260.9	-0.1	8.3	-145.5	13.9
2012 Q2	76.3	55.9	20.4	3.2	2.4	0.9	65.7	49.4	-58.9	35.3	9.1	51.5	-28.8	9.0
Q3	84.8	29.8	55.0	3.6	1.3	2.3	61.3	35.6	41.3	32.1	0.6	-18.5	-37.9	0.1
Q4	-37.4	-111.5	74.1	-1.5	-4.6	3.1	9.6	5.9	82.0	139.0	-16.4	-115.3	-256.4	2.8
2012 Sep.	18.3	-6.6	24.8	-	-	-	22.8	-11.8	27.1	27.2	1.8	-32.4	-22.0	-1.0
Oct.	43.7	31.7	12.0	-	-	-	20.7	10.1	-0.2	45.6	-4.0	24.7	-24.0	2.4
Nov.	12.5	-10.2	22.7	-	-	-	-6.1	7.7	36.7	53.2	-10.5	-8.7	-71.1	1.0
Dec.	-93.5	-133.0	39.4	-	-	-	-5.1	-11.8	45.6	40.1	-1.9	-131.3	-161.3	-0.7
2013 Jan.	91.8	88.2	3.5	-	-	-	12.1	2.9	24.4	55.4	-6.4	57.0	29.9	4.7
	Other changes													
2008	-1,172.8	-967.6	-205.2	-12.7	-10.5	-2.2	-149.2	-69.3	-808.6	-823.0	-56.2	-182.5	-75.2	23.7
2009	583.3	456.2	127.1	6.5	5.1	1.4	144.1	-13.4	417.6	547.6	18.2	-86.6	-78.1	90.0
2010	824.8	595.1	229.7	9.0	6.5	2.5	177.2	114.4	430.5	347.1	-13.4	112.9	133.6	117.7
2011	91.4	189.4	-97.9	1.0	2.0	-1.0	210.0	230.2	-92.8	-56.5	3.4	-94.6	15.7	65.4
	Other changes due to exchange rate changes													
2008	-49.8	28.2	-77.9	-0.5	0.3	-0.8	-25.0	-33.8	6.6	41.9	.	-40.7	20.1	9.3
2009	-49.2	-56.0	6.8	-0.6	-0.6	0.1	-5.3	5.6	-29.8	-34.4	.	-11.5	-27.2	-2.7
2010	535.4	323.1	212.3	5.8	3.5	2.3	166.0	59.5	180.0	103.1	.	176.3	160.6	13.0
2011	134.4	164.2	-29.8	1.4	1.7	-0.3	16.9	11.6	41.5	63.0	.	68.3	89.7	7.7
	Other changes due to price changes													
2008	-1,002.7	-975.6	-27.1	-10.8	-10.6	-0.3	-159.2	-60.7	-809.5	-915.0	-56.0	.	.	22.0
2009	634.8	493.1	141.7	7.1	5.5	1.6	147.4	29.4	423.5	463.8	18.2	.	.	45.8
2010	327.4	156.5	170.9	3.6	1.7	1.9	52.6	2.4	186.1	154.1	-13.3	.	.	102.0
2011	84.1	-252.7	336.8	0.9	-2.7	3.6	-20.3	0.0	39.9	-252.7	3.7	.	.	60.7
	Other changes due to other adjustments													
2008	-118.7	-26.2	-92.5	-1.3	-0.3	-1.0	36.7	27.3	-6.0	42.3	.	-141.8	-95.9	-7.7
2009	-2.3	19.1	-21.4	0.0	0.2	-0.2	2.0	-48.3	24.0	118.3	.	-75.1	-50.8	46.9
2010	-37.9	115.4	-153.3	-0.4	1.3	-1.7	-41.5	52.5	64.3	89.9	.	-63.5	-27.0	2.7
2011	-126.8	277.9	-404.7	-1.3	2.9	-4.3	213.4	218.6	-174.2	133.2	.	-162.9	-74.0	-3.0
	Growth rates of outstanding amounts													
2008	3.0	3.5	-	.	.	.	9.2	3.3	-0.2	4.0	.	-0.2	3.3	1.0
2009	-0.7	-0.5	-	.	.	.	8.9	8.8	2.4	5.6	.	-10.0	-12.5	-1.3
2010	4.6	4.2	-	.	.	.	7.8	7.2	3.0	3.7	.	3.7	2.8	2.0
2011	3.6	3.0	-	.	.	.	8.3	6.7	-1.2	3.0	.	3.5	0.3	1.6
2012 Q2	2.9	2.3	-	.	.	.	6.7	6.3	-1.1	-0.3	.	2.4	3.2	2.1
Q3	2.4	1.6	-	.	.	.	6.1	6.0	1.2	0.5	.	-0.8	-0.3	2.7
Q4	2.7	1.6	.	.	.	.	3.8	3.8	3.9	3.3	.	0.1	-2.9	2.1

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

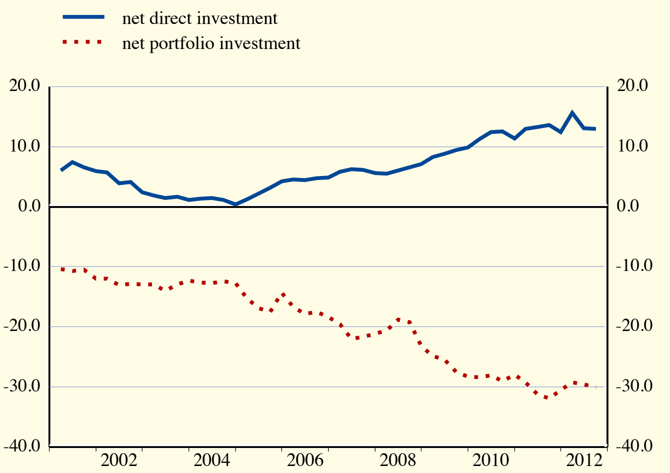
	By resident units abroad							By non-resident units in the euro area						
	Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		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)													
2010	4,946.7	3,825.3	275.3	3,550.0	1,121.4	17.0	1,104.4	3,908.6	2,940.6	90.4	2,850.3	968.0	14.7	953.2
2011	5,564.7	4,230.1	287.6	3,942.5	1,334.6	13.5	1,321.0	4,392.0	3,337.2	92.6	3,244.6	1,054.7	11.2	1,043.5
2012 Q2	5,834.8	4,433.5	285.6	4,147.9	1,401.4	13.0	1,388.3	4,593.2	3,385.8	95.1	3,290.8	1,207.4	10.3	1,197.1
Q3	5,879.6	4,467.4	292.3	4,175.1	1,412.2	13.0	1,399.2	4,646.8	3,407.6	97.8	3,309.8	1,239.2	11.9	1,227.4
	Transactions													
2009	352.9	268.2	24.6	243.6	84.7	2.6	82.1	285.9	275.1	5.4	269.7	10.8	-0.6	11.4
2010	356.7	225.9	16.3	209.5	130.9	1.6	129.3	261.7	284.1	6.4	277.7	-22.4	-7.7	-14.7
2011	408.0	352.1	18.4	333.7	55.8	-3.5	59.3	253.1	283.3	3.2	280.1	-30.2	-0.9	-29.3
2012 Q2	65.7	50.6	-1.7	52.4	15.0	-1.0	16.1	49.4	43.9	0.7	43.2	5.5	0.1	5.3
Q3	61.3	42.6	0.8	41.8	18.7	0.1	18.6	35.6	31.0	1.4	29.6	4.6	1.7	2.9
Q4	9.6	12.1	0.1	12.1	-2.6	0.2	-2.8	5.9	19.5	-0.6	20.1	-13.5	-1.1	-12.5
2012 Sep.	22.8	5.0	-2.4	7.5	17.7	0.0	17.7	-11.8	-16.9	0.4	-17.3	5.0	1.7	3.3
Oct.	20.7	21.5	0.7	20.8	-0.8	0.1	-0.9	10.1	9.2	0.6	8.6	1.0	-1.0	2.0
Nov.	-6.1	-2.3	-2.0	-0.3	-3.8	0.1	-3.9	7.7	6.8	0.3	6.5	0.8	0.2	0.6
Dec.	-5.1	-7.0	1.3	-8.3	2.0	-0.1	2.0	-11.8	3.5	-1.5	5.0	-15.3	-0.3	-15.1
2013 Jan.	12.1	16.7	0.5	16.1	-4.6	0.8	-5.4	2.9	5.0	0.3	4.7	-2.1	1.8	-3.9
	Growth rates													
2010	7.8	6.3	6.8	6.2	13.2	10.6	13.3	7.2	10.6	8.0	10.7	-2.4	-37.9	-1.6
2011	8.3	9.3	6.8	9.5	5.0	-21.5	5.4	6.7	9.7	3.5	9.9	-3.9	-7.9	-3.8
2012 Q2	6.7	7.6	-0.7	8.3	3.5	-7.7	3.6	6.3	8.1	5.3	8.2	-0.5	-6.2	-0.4
Q3	6.1	7.1	-1.7	7.8	2.8	4.6	2.7	6.0	6.9	5.6	7.0	2.5	15.8	2.3
Q4	3.8	4.1	-1.1	4.4	2.9	1.7	2.9	3.8	4.8	3.9	4.8	0.8	1.3	0.8

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)															
2010	4,907.3	1,907.7	81.2	3.6	1,826.5	47.6	2,579.3	807.6	15.6	1,771.7	74.5	420.3	316.3	41.7	104.0	0.2
2011	4,762.6	1,703.4	62.5	3.1	1,640.8	39.6	2,592.9	725.7	16.0	1,867.2	94.2	466.3	300.6	57.5	165.7	0.5
2012 Q2	5,042.8	1,805.6	60.0	2.8	1,745.6	39.5	2,740.7	683.7	15.4	2,056.9	102.2	496.5	320.5	52.3	176.0	0.6
Q3	5,194.0	1,879.1	60.3	2.8	1,818.8	41.4	2,821.6	676.5	15.2	2,145.0	103.3	493.3	317.7	55.5	175.6	0.4
	Transactions															
2009	96.0	51.0	-0.8	0.0	51.8	2.5	38.4	-93.6	-3.8	132.0	17.5	6.7	12.3	-12.9	-5.6	0.9
2010	135.9	77.5	4.1	-0.2	73.3	1.7	104.5	-126.2	-0.8	230.8	51.5	-46.1	-64.9	-11.7	18.8	-1.9
2011	-51.9	-71.0	-15.7	-0.2	-55.2	-7.3	-11.5	-55.0	0.3	43.5	-3.0	30.6	24.3	10.5	6.4	0.2
2012 Q2	-58.9	-25.9	-7.5	0.0	-18.4	0.0	-7.1	-28.5	-0.3	21.4	-3.4	-25.9	-22.0	-1.8	-3.9	0.2
Q3	41.3	5.6	0.0	0.0	5.6	0.8	35.3	-9.2	-0.4	44.5	-0.1	0.4	-3.3	2.8	3.7	-0.2
Q4	82.0	45.9	10.3	0.0	35.6	.	25.3	-5.9	2.4	31.2	.	10.9	-2.9	3.3	13.8	.
2012 Sep.	27.1	8.5	-0.7	0.0	9.2	-	11.0	0.9	-0.3	10.1	-	7.6	4.3	2.7	3.3	-
Oct.	-0.2	6.5	3.3	0.0	3.2	-	1.5	-9.0	-1.7	10.5	-	-8.3	-14.2	-2.2	5.9	-
Nov.	36.7	-0.1	-1.6	0.0	1.5	-	17.6	1.7	3.6	15.8	-	19.3	9.7	4.8	9.6	-
Dec.	45.6	39.5	8.6	0.0	30.9	-	6.2	1.3	0.5	4.8	-	-0.1	1.5	0.7	-1.6	-
2013 Jan.	24.4	19.5	2.2	0.0	17.3	-	3.8	-6.4	1.0	10.2	-	1.2	-2.8	2.9	4.0	-
	Growth rates															
2010	3.0	4.9	5.6	-5.1	4.8	4.8	4.2	-13.6	-4.9	14.8	124.1	-10.3	-17.9	-25.4	22.4	-91.7
2011	-1.2	-4.1	-20.3	-6.0	-3.4	-15.9	-0.5	-7.0	2.2	2.5	-3.1	7.4	8.0	26.6	6.1	120.7
2012 Q2	-1.1	-5.5	-28.7	-6.2	-4.4	-11.3	0.3	-9.9	-15.2	4.4	-5.7	9.0	6.8	-2.9	12.5	34.3
Q3	1.2	-2.2	-18.1	-5.9	-1.5	-4.7	2.2	-9.2	-17.0	6.7	-5.9	9.3	7.3	-5.0	11.4	-21.6
Q4	3.9	2.6	11.0	2.8	2.3	.	4.2	-7.2	6.3	8.5	.	6.6	-0.2	-0.5	19.8	.

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)											
2010	7,470.9	3,175.5	665.8	2,509.7	3,841.4	1,189.9	2,651.5	1,648.3	454.0	69.5	384.6	347.4
2011	7,636.5	3,050.8	556.9	2,493.8	4,142.3	1,273.5	2,868.7	1,772.1	443.5	87.2	356.2	316.5
2012 Q2	7,842.6	3,221.9	544.7	2,677.2	4,151.2	1,227.0	2,924.2	1,826.7	469.4	93.2	376.2	323.0
Q3	8,049.7	3,374.7	548.2	2,826.4	4,242.4	1,233.6	3,008.8	1,902.7	432.6	73.9	358.6	315.0
	Transactions											
2009	343.4	87.6	15.5	72.0	143.0	-10.0	153.0	109.4	112.8	-11.1	123.9	145.5
2010	260.1	125.9	-13.8	139.7	177.8	61.8	116.0	187.2	-43.6	14.7	-58.4	-37.7
2011	222.1	99.7	20.4	79.3	166.2	80.1	86.1	87.2	-43.8	2.7	-46.5	-34.7
2012 Q2	35.3	-1.0	-11.9	10.9	28.6	-16.6	45.2	43.2	7.7	13.1	-5.4	-16.7
Q3	32.1	19.8	-0.9	20.7	47.9	-1.4	49.3	51.1	-35.7	-17.1	-18.6	-7.3
Q4	139.0	77.3	-22.3	99.6	58.7	-3.4	62.1	.	3.0	-4.6	7.5	.
2012 Sep.	27.2	20.9	-2.2	23.2	29.5	-0.5	30.0	-	-23.2	-6.1	-17.1	-
Oct.	45.6	28.4	-4.4	32.8	11.4	1.4	10.0	-	5.8	8.2	-2.4	-
Nov.	53.2	12.8	-2.9	15.7	44.1	0.7	43.4	-	-3.6	-13.1	9.5	-
Dec.	40.1	36.1	-15.0	51.1	3.2	-5.4	8.6	-	0.8	0.3	0.5	-
2013 Jan.	55.4	25.2	-6.1	31.3	16.5	6.3	10.1	-	13.8	3.0	10.8	-
	Growth rates											
2010	3.7	4.4	-2.1	6.4	4.9	5.4	4.7	12.4	-8.7	17.9	-13.1	-9.5
2011	3.0	3.2	3.2	3.1	4.5	7.1	3.3	5.4	-8.4	6.7	-11.4	-10.2
2012 Q2	-0.3	1.4	2.2	1.0	0.2	-3.4	1.8	1.6	-14.1	-15.6	-14.2	-16.8
Q3	0.5	2.3	3.9	1.7	1.3	-4.9	4.0	5.7	-15.7	-2.0	-19.0	-23.2
Q4	3.3	4.2	-4.9	6.1	3.4	-3.0	6.2	.	-3.4	-7.3	-3.0	.

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)														
2010	4,807.6	32.9	32.2	0.7	2,972.0	2,932.7	39.4	161.9	7.6	115.4	19.8	1,640.7	213.3	1,279.5	441.6
2011	4,877.2	35.7	35.4	0.3	3,067.6	3,006.6	61.0	162.8	6.7	116.4	30.2	1,611.1	228.4	1,215.1	507.8
2012 Q2	4,932.9	35.0	34.7	0.3	3,145.7	3,074.1	71.5	160.5	6.6	111.0	30.0	1,591.7	278.1	1,131.8	492.1
Q3	4,881.5	37.3	37.0	0.3	3,080.7	3,000.9	79.8	150.3	5.1	103.1	25.1	1,613.2	273.3	1,143.4	504.7
	Transactions														
2009	-515.0	-0.1	-0.1	0.0	-420.4	-399.9	-20.5	11.8	-0.4	10.4	0.2	-106.3	7.4	-108.5	-20.2
2010	167.5	-2.9	-2.8	0.0	9.7	0.9	8.8	41.7	-0.3	41.3	4.9	119.0	8.7	86.5	52.4
2011	164.2	-2.7	-2.8	0.1	49.7	20.3	29.4	1.2	-0.2	0.7	10.3	116.0	8.1	82.6	49.3
2012 Q2	51.5	-2.4	-2.4	0.0	1.3	-13.3	14.6	6.6	0.0	6.3	5.4	46.1	2.2	47.0	16.1
Q3	-18.5	6.2	6.2	0.0	-40.8	-47.1	6.3	-9.2	-1.5	-7.6	-4.9	25.3	-2.7	13.3	9.6
Q4	-115.3	5.7	.	.	-111.3	.	.	16.9	.	.	3.7	-26.7	.	.	-4.2
2012 Sep.	-32.4	1.4	-	-	-30.7	-	-	-7.0	-	-	-5.6	3.8	-	-	4.0
Oct.	24.7	4.8	-	-	10.2	-	-	8.4	-	-	-1.0	1.3	-	-	7.7
Nov.	-8.7	-2.1	-	-	-19.1	-	-	6.6	-	-	4.2	5.9	-	-	3.0
Dec.	-131.3	3.1	-	-	-102.4	-	-	1.8	-	-	0.5	-33.9	-	-	-14.9
2013 Jan.	57.0	-1.4	-	-	61.3	-	-	-8.7	-	-	-5.9	5.7	-	-	3.8
	Growth rates														
2010	3.7	-12.7	-12.5	-9.9	0.4	0.1	23.4	34.0	-3.1	54.0	32.8	7.7	4.2	7.2	12.7
2011	3.5	-5.4	-5.5	40.4	1.8	0.8	75.3	0.9	-3.2	1.0	51.5	7.3	3.8	6.7	11.4
2012 Q2	2.4	-27.0	-27.3	40.1	-1.1	-2.0	48.0	5.0	-3.9	7.7	64.2	9.9	9.1	9.8	11.7
Q3	-0.8	-8.1	-8.2	-1.0	-5.0	-5.6	26.9	3.0	-24.4	6.3	47.0	7.3	6.6	7.7	9.1
Q4	0.1	31.1	.	.	-3.8	.	.	2.5	.	.	-4.9	7.0	.	.	11.4

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)														
2010	5,099.5	269.1	266.1	3.0	3,491.0	3,445.0	46.0	148.0	0.0	141.8	6.2	1,191.5	202.7	842.1	146.7
2011	5,129.9	408.9	406.1	2.8	3,208.3	3,140.6	67.6	223.9	0.1	217.1	6.8	1,288.8	224.0	871.7	193.2
2012 Q2	5,266.2	413.4	411.8	1.6	3,316.8	3,237.6	79.2	238.4	0.1	231.7	6.7	1,297.5	238.5	849.0	210.0
Q3	5,166.8	432.0	430.8	1.3	3,206.5	3,125.0	81.5	231.7	0.1	225.0	6.6	1,296.6	234.5	843.6	218.5
	Transactions														
2009	-703.8	-233.0	-233.2	0.2	-352.8	-341.6	-11.2	17.2	0.0	17.2	0.0	-135.2	0.3	-118.9	-16.6
2010	136.7	8.9	6.3	2.6	-9.3	-15.2	5.9	65.6	0.0	65.1	0.5	71.4	15.9	29.3	26.2
2011	14.7	134.6	134.8	-0.2	-288.9	-327.6	38.7	74.1	0.0	74.0	0.0	94.9	10.4	65.7	18.8
2012 Q2	-28.8	73.4	74.7	-1.3	-116.0	-130.2	14.2	7.3	0.0	6.9	0.5	6.5	0.0	12.8	-6.3
Q3	-37.9	21.0	21.3	-0.3	-89.1	-93.2	4.1	-4.4	0.0	-4.4	0.0	34.6	0.4	19.0	15.1
Q4	-256.4	-0.2	.	.	-204.5	.	.	-5.4	.	.	.	-46.3	.	.	.
2012 Sep.	-22.0	-6.3	-	-	-21.9	-	-	-3.9	-	-	-	10.0	-	-	-
Oct.	-24.0	-12.4	-	-	-6.6	-	-	3.1	-	-	-	-8.2	-	-	-
Nov.	-71.1	1.9	-	-	-70.6	-	-	3.3	-	-	-	-5.6	-	-	-
Dec.	-161.3	10.3	-	-	-127.3	-	-	-11.8	-	-	-	-32.5	-	-	-
2013 Jan.	29.9	-22.1	-	-	34.6	-	-	2.0	-	-	-	15.4	-	-	-
	Growth rates														
2010	2.8	3.5	2.4	.	-0.2	-0.4	15.5	79.9	.	84.9	5.8	6.2	8.8	3.4	17.8
2011	0.3	50.6	51.2	.	-8.3	-9.6	89.7	50.4	.	52.6	0.2	8.1	5.2	7.9	12.9
2012 Q2	3.2	42.5	43.3	.	-4.0	-5.2	74.8	25.3	.	25.6	15.9	10.6	6.6	11.4	10.1
Q3	-0.3	35.2	36.0	.	-7.3	-8.1	37.7	9.2	.	9.0	16.5	8.2	3.6	9.4	5.6
Q4	-2.9	5.7	.	.	-6.9	.	.	2.2	.	.	.	3.7	.	.	.

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: Total	Monetary gold: In EUR billions	Monetary gold: In fine troy ounces (millions)	SDR holdings	Reserve position in the IMF	Foreign exchange: Total	Currency and deposits: With monetary authorities and the BIS	Currency and deposits: With banks	Securities: Total	Securities: Equity	Securities: Bonds and notes	Securities: Money market instruments	Financial derivatives	Other claims	Memo items: Other foreign currency assets	Memo items: Pre-determined short-term net drains on foreign currency	Memo items: SDR allo-cations
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Outstanding amounts (international investment position)																
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	591.2	366.2	346.962	54.2	15.8	155.0	7.7	16.0	131.3	0.5	111.2	19.5	0.0	0.0	26.3	-24.4	54.5
2011	667.1	422.1	346.846	54.0	30.2	160.9	5.3	7.8	148.1	0.8	134.1	13.3	-0.4	0.0	97.4	-86.0	55.9
2012 Q1	671.2	431.7	346.847	52.5	30.9	155.8	4.5	7.6	143.5	0.7	129.6	13.2	0.1	0.3	55.2	-42.7	54.7
Q2	701.5	440.3	346.825	54.3	33.4	173.0	5.1	8.6	159.7	0.6	137.4	21.7	-0.4	0.4	51.5	-41.9	56.9
Q3	733.8	476.4	346.827	53.8	34.2	168.9	5.4	8.2	155.2	0.2	136.1	18.9	0.2	0.5	39.9	-39.5	56.2
2012 Dec.	689.4	437.2	346.693	52.8	31.9	166.8	6.1	8.8	151.3	0.2	130.9	20.2	0.6	0.6	32.8	-35.0	55.0
2013 Jan.	675.3	425.9	346.694	51.5	31.5	165.7	5.9	11.0	147.9	0.2	127.0	20.7	0.9	0.6	28.1	-36.0	53.7
Feb.	671.8	419.5	346.696	51.9	31.7	168.2	4.3	10.8	152.8	0.2	129.6	23.0	0.3	0.6	30.4	-37.1	54.4
	Transactions																
2009	-4.6	-2.0	-	0.5	3.4	-6.5	3.1	-1.2	-9.6	0.0	-14.2	4.6	1.2	0.0	-	-	-
2010	10.5	0.0	-	-0.1	4.9	5.6	-5.4	6.6	4.3	0.0	10.6	-6.3	0.0	0.0	-	-	-
2011	10.2	0.1	-	-1.6	12.9	-1.2	-2.3	-8.3	9.3	0.1	15.9	-6.8	0.0	0.0	-	-	-
2012 Q2	9.0	0.0	-	-0.3	1.3	7.8	0.8	0.7	6.3	-0.1	-0.3	6.7	0.0	0.2	-	-	-
Q3	0.1	0.0	-	0.0	1.1	-1.1	0.7	-0.2	-1.7	-0.3	1.2	-2.6	0.0	0.1	-	-	-
Q4	2.8	.	-	.	.	.	.	.	.	.	.	.	.	.	-	-	-
	Growth rates																
2009	-1.3	-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	46.7	3.7	-43.3	75.9	3.6	-5.2	10.3	-24.5	-	-	-	-	-
2011	1.6	0.0	-	-3.0	82.3	-1.2	-30.0	-52.6	6.9	27.4	14.3	-45.2	-	-	-	-	-
2012 Q2	2.1	0.0	-	-1.4	34.2	3.7	10.9	-40.6	7.6	-20.6	8.8	-7.9	-	-	-	-	-
Q3	2.7	0.0	-	-1.7	25.4	7.6	20.3	-25.3	9.7	-53.5	6.9	41.2	-	-	-	-	-
Q4	2.1	.	-	.	.	.	.	.	.	.	.	.	-	-	-	-	-

8. Gross external debt

	Total	By instrument: Loans, currency and deposits	By instrument: Money market instruments	By instrument: Bonds and notes	By instrument: Trade credits	By instrument: Other debt liabilities	By instrument: Direct investment: inter-company lending	By sector (excluding direct investment): General government	By sector: Eurosystem	By sector: MFIs (excluding Eurosystem)	By sector: Other sectors
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts (international investment position)										
2009	10,332.9	4,467.5	525.7	3,523.2	176.9	184.9	1,454.8	1,966.1	251.9	4,579.8	2,080.3
2010	10,850.0	4,694.9	454.0	3,841.4	202.7	201.9	1,455.1	2,143.7	269.1	4,750.4	2,231.8
2011	11,029.9	4,635.5	443.5	4,142.3	224.0	270.4	1,314.3	2,312.6	408.9	4,569.0	2,425.2
2012 Q1	11,097.9	4,711.3	458.4	4,110.8	233.7	279.2	1,304.5	2,356.9	334.2	4,676.6	2,425.6
Q2	11,808.0	4,730.1	469.4	4,151.2	238.6	297.5	1,921.2	2,388.1	413.4	4,637.1	2,448.2
Q3	11,797.9	4,624.4	432.6	4,242.4	234.5	307.9	1,956.0	2,449.4	432.0	4,514.1	2,446.3
	Outstanding amounts as a percentage of GDP										
2009	115.9	50.1	5.9	39.5	2.0	2.1	16.3	22.0	2.8	51.4	23.3
2010	118.3	51.2	5.0	41.9	2.2	2.2	15.9	23.4	2.9	51.8	24.3
2011	117.1	49.2	4.7	44.0	2.4	2.9	14.0	24.6	4.3	48.5	25.8
2012 Q1	117.5	49.9	4.9	43.5	2.5	3.0	13.8	25.0	3.5	49.5	25.7
Q2	124.8	50.0	5.0	43.9	2.5	3.1	20.3	25.2	4.4	49.0	25.9
Q3	124.5	48.8	4.6	44.8	2.5	3.2	20.6	25.8	4.6	47.6	25.8

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

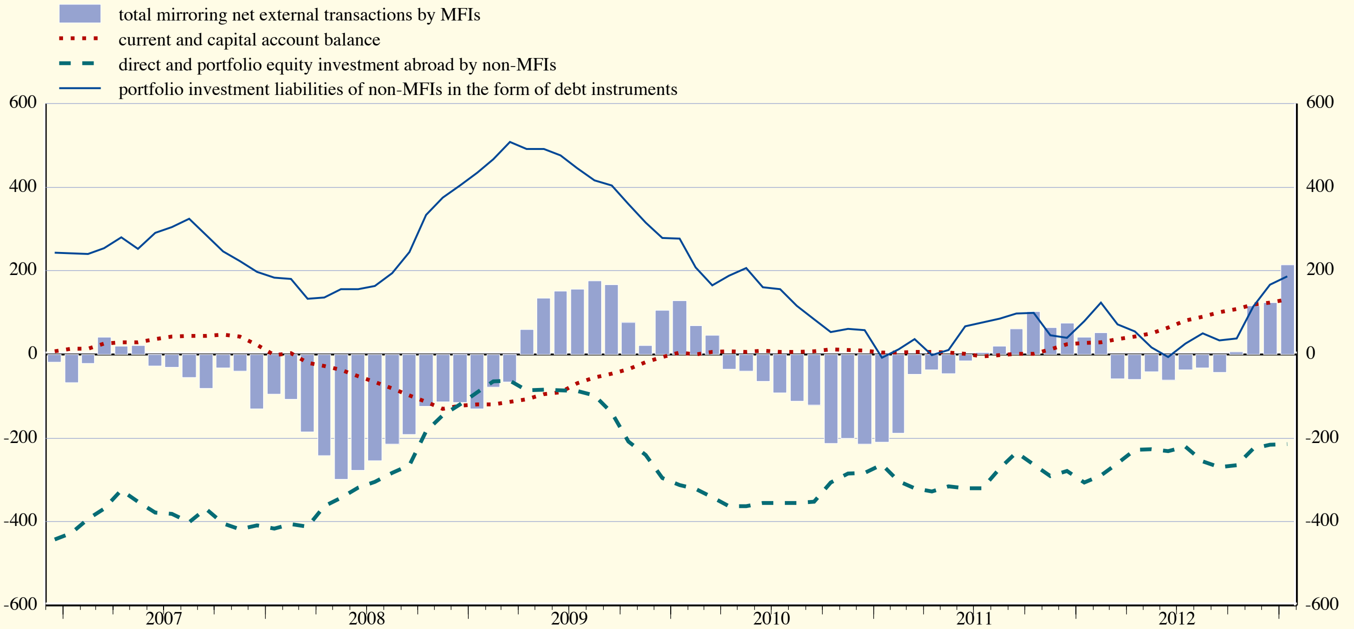
	Total	EU Member States outside the euro area						Canada	China	Japan	Switzer-land	United States	Offshore financial centres	Interna-tional organisa-tions	Other countries
		Total	Denmark	Sweden	United Kingdom	Other EU countries	EU institutions								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2011	Outstanding amounts (international investment position)														
Direct investment	1,172.7	260.7	-10.6	-13.0	11.4	274.1	-1.3	84.4	73.2	-22.1	125.2	40.0	-146.5	-0.3	758.2
Abroad	5,564.7	1,541.1	28.7	142.2	1,049.2	321.1	0.0	183.8	85.1	74.5	526.0	1,082.9	487.1	0.0	1,584.3
Equity/reinvested earnings	4,230.1	1,128.4	23.9	78.5	776.0	249.9	0.0	146.2	68.4	53.7	394.6	743.1	402.2	0.0	1,293.5
Other capital	1,334.6	412.8	4.7	63.7	273.2	71.1	0.0	37.5	16.6	20.8	131.4	339.8	84.9	0.0	290.7
In the euro area	4,392.0	1,280.4	39.2	155.2	1,037.8	47.0	1.3	99.4	11.9	96.6	400.8	1,042.9	633.5	0.4	826.0
Equity/reinvested earnings	3,337.2	1,052.4	26.1	142.6	855.5	27.0	1.2	83.4	6.3	76.9	236.0	789.1	370.2	0.1	722.7
Other capital	1,054.7	228.0	13.2	12.6	182.2	20.0	0.0	16.0	5.6	19.7	164.8	253.8	263.3	0.3	103.3
Portfolio investment assets	4,762.6	1,536.9	84.5	199.5	1,005.5	99.4	148.0	100.7	52.5	208.0	124.3	1,557.1	384.9	35.2	763.0
Equity	1,703.4	341.8	10.9	41.6	275.9	13.2	0.1	39.1	48.7	90.4	102.0	553.1	215.8	1.4	311.0
Debt instruments	3,059.2	1,195.1	73.6	157.9	729.6	86.2	147.9	61.6	3.9	117.6	22.2	1,004.0	169.1	33.8	452.0
Bonds and notes	2,592.9	1,050.8	68.5	124.8	629.5	83.8	144.2	56.8	2.7	46.3	15.4	828.0	155.1	32.7	405.1
Money market instruments	466.3	144.3	5.1	33.0	100.1	2.4	3.7	4.8	1.2	71.3	6.9	175.9	13.9	1.0	46.9
Other investment	-252.8	-287.0	45.5	-30.0	-154.0	72.1	-220.6	-10.1	-13.5	10.9	-75.1	63.8	82.8	-71.6	47.1
Assets	4,877.2	2,159.9	92.3	91.0	1,777.6	182.7	16.3	26.8	46.1	99.5	257.4	763.5	589.1	36.7	898.2
General government	162.8	63.9	1.5	4.1	44.3	1.3	12.7	1.8	3.2	2.3	1.0	8.5	2.4	30.4	49.3
MFIs	3,103.3	1,497.4	71.9	49.7	1,225.7	147.2	2.9	14.7	20.9	80.2	130.1	473.3	439.6	5.7	441.4
Other sectors	1,611.1	598.7	19.0	37.2	507.7	34.2	0.7	10.2	22.0	17.0	126.3	281.6	147.1	0.6	407.5
Liabilities	5,129.9	2,446.9	46.8	121.0	1,931.6	110.6	236.9	36.8	59.6	88.6	332.5	699.7	506.3	108.3	851.1
General government	223.9	118.2	0.1	0.4	53.5	0.1	64.1	0.1	0.1	0.1	1.2	33.2	1.4	66.6	3.1
MFIs	3,617.1	1,757.9	36.4	84.8	1,436.3	85.5	115.0	24.8	30.8	61.4	256.7	416.0	414.0	38.8	616.7
Other sectors	1,288.8	570.8	10.3	35.8	441.8	25.0	57.8	11.9	28.8	27.0	74.6	250.4	91.0	3.0	231.4
2011 Q4 to 2012 Q3	Cumulated transactions														
Direct investment	81.2	72.4	-0.7	0.2	62.1	10.8	0.0	11.0	7.6	-2.6	-24.9	-80.5	24.9	0.0	73.2
Abroad	325.6	120.2	1.2	3.8	101.9	13.2	0.0	18.3	11.5	-1.7	-9.1	43.6	39.2	0.0	103.7
Equity/reinvested earnings	287.6	108.6	1.0	2.3	91.2	14.1	0.0	17.1	9.0	-3.2	-8.7	45.3	35.0	0.0	84.5
Other capital	38.0	11.6	0.3	1.5	10.7	-0.9	0.0	1.2	2.5	1.5	-0.3	-1.8	4.2	0.0	19.2
In the euro area	244.4	47.8	1.9	3.6	39.8	2.4	0.0	7.3	3.9	0.9	15.9	124.0	14.2	0.0	30.5
Equity/reinvested earnings	221.9	47.4	1.5	3.9	36.8	5.2	0.0	11.6	1.6	3.0	-4.0	135.8	-0.2	0.0	26.8
Other capital	22.5	0.4	0.4	-0.2	3.0	-2.8	0.0	-4.3	2.3	-2.1	19.9	-11.7	14.4	0.0	3.7
Portfolio investment assets	62.3	10.1	4.7	24.9	-44.7	2.1	23.1	5.4	1.2	-10.7	-3.1	19.6	-37.6	-3.0	80.5
Equity	-36.5	4.0	1.4	2.4	-0.2	0.4	0.0	4.9	0.6	-6.8	-0.3	-26.0	-19.6	0.0	6.7
Debt instruments	98.9	6.0	3.3	22.4	-44.5	1.8	23.1	0.5	0.6	-3.8	-2.8	45.6	-18.0	-3.0	73.8
Bonds and notes	59.2	-16.2	3.6	14.6	-60.1	2.9	22.8	-0.1	0.0	-3.0	0.0	32.8	-15.4	-3.4	64.7
Money market instruments	39.7	22.3	-0.3	7.8	15.6	-1.1	0.2	0.6	0.6	-0.8	-2.8	12.8	-2.6	0.5	9.1
Other investment	-32.3	74.2	-13.0	-36.6	151.7	-24.1	-3.9	6.5	-22.3	-12.8	-27.6	36.4	-19.8	-12.1	-54.9
Assets	-45.5	-5.0	-2.1	2.1	9.2	-15.1	0.9	0.8	4.0	-1.3	1.6	-11.2	-56.4	-3.0	25.0
General government	3.7	12.2	-0.2	-0.1	12.6	-0.1	0.0	0.1	0.0	-1.1	0.0	-2.9	-0.9	0.2	-3.7
MFIs	-163.8	-35.9	-4.3	0.2	-15.2	-17.5	0.9	0.1	5.3	-1.3	-2.9	-47.2	-58.6	-3.2	-20.2
Other sectors	114.6	18.6	2.3	1.9	11.9	2.5	0.0	0.6	-1.3	1.0	4.6	38.9	3.1	0.1	49.0
Liabilities	-13.2	-79.2	10.8	38.7	-142.5	9.0	4.8	-5.8	26.3	11.5	29.2	-47.6	-36.6	9.1	79.9
General government	19.6	-5.6	0.2	0.1	-18.5	0.0	12.6	0.0	0.0	0.0	-0.5	-3.8	-0.2	26.8	2.9
MFIs	-136.6	-109.5	14.6	37.6	-160.9	10.7	-11.6	-6.6	24.4	9.1	30.2	-65.0	-45.0	-17.8	43.6
Other sectors	103.8	35.9	-4.0	1.0	36.9	-1.7	3.8	0.8	1.9	2.3	-0.5	21.2	8.6	0.0	33.5

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
2010	-213.7	9.6	-338.5	262.6	-73.2	-249.5	139.8	57.7	-159.9	136.9	17.7	-17.0
2011	74.4	23.9	-393.1	250.9	55.2	-49.9	79.3	39.6	-117.2	169.0	-4.9	21.4
2012	123.8	123.6	-215.0	159.3	-39.9	-196.1	162.7	167.4	-114.9	54.3	0.1	22.3
2011 Q4	-31.3	42.7	-124.2	86.0	28.1	4.9	-17.5	-63.7	6.4	17.4	-10.9	-0.5
2012 Q1	-54.3	-2.6	-76.9	70.7	-17.2	-85.4	31.5	27.3	-56.0	62.0	-6.7	-1.0
Q2	4.2	16.0	-68.4	48.5	18.4	-17.5	10.9	39.7	-52.6	13.8	-9.1	4.4
Q3	38.3	44.5	-60.3	32.5	-5.6	-48.2	20.7	30.7	-16.1	30.2	-0.6	10.5
Q4	135.5	65.8	-9.3	7.6	-35.6	-45.0	99.6	69.6	9.8	-51.7	16.4	8.3
2012 Jan.	-49.8	-11.3	-33.3	35.7	-2.0	-23.2	-6.1	1.5	-21.4	24.4	-6.2	-7.9
Feb.	13.7	-1.8	-21.0	21.9	-5.6	-35.6	0.2	52.3	-18.7	22.3	4.4	-4.7
Mar.	-18.2	10.5	-22.6	13.1	-9.6	-26.6	37.4	-26.4	-15.9	15.2	-4.9	11.6
Apr.	-28.6	2.5	-27.2	22.4	-2.5	-8.8	-3.8	-12.1	2.8	-4.2	0.8	1.3
May	18.7	-3.5	-14.6	21.6	8.4	-8.9	-1.2	32.2	-32.6	22.8	-7.0	1.6
June	14.1	17.0	-26.6	4.5	12.5	0.2	15.9	19.5	-22.8	-4.7	-2.8	1.5
July	11.2	21.3	-11.4	7.1	3.7	-17.1	-0.4	11.8	-29.5	28.3	-2.3	-0.3
Aug.	20.5	9.9	-23.8	39.4	-0.1	-17.7	-2.0	6.0	10.2	-4.3	3.5	-0.7
Sep.	6.5	13.3	-25.2	-14.0	-9.2	-13.5	23.2	12.9	3.2	6.2	-1.8	11.5
Oct.	12.6	13.4	-19.8	10.5	-3.2	-16.4	32.8	7.6	-9.7	-5.1	4.0	-1.5
Nov.	71.4	22.3	4.2	7.2	-1.5	-25.4	15.7	52.9	-12.5	-2.4	10.5	0.4
Dec.	51.5	30.0	6.3	-10.1	-30.9	-3.2	51.1	9.1	32.1	-44.2	1.9	9.5
2013 Jan.	41.0	-3.8	-10.8	0.8	-17.3	-14.2	31.3	20.9	3.0	17.4	6.4	7.3
	12-month cumulated transactions											
2013 Jan.	214.6	131.2	-192.4	124.4	-55.3	-187.1	200.1	186.8	-90.5	47.2	12.6	37.5

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)												
2011	13.2	13.2	1,745.2	879.9	353.1	474.1	1,426.2	1,759.8	1,126.3	241.0	367.5	1,104.5	322.0
2012	7.4	1.8	1,869.7	926.9	383.6	515.5	1,524.4	1,789.9	1,145.9	242.8	367.4	1,091.1	359.3
2012 Q1	8.6	4.1	463.5	233.4	94.8	126.1	376.1	453.4	293.3	61.1	92.1	273.2	90.3
Q2	8.2	1.5	466.9	230.6	96.6	128.7	382.9	448.4	287.1	62.2	91.1	275.6	89.1
Q3	7.4	0.6	473.5	232.8	96.4	131.8	386.5	448.9	285.4	61.6	92.8	273.9	89.9
Q4	5.5	1.0	465.8	230.1	95.8	128.9	378.9	439.2	280.1	57.9	91.4	268.4	90.0
2012 Aug.	10.4	2.8	160.3	79.2	32.5	44.5	131.1	151.7	97.7	20.9	31.1	92.4	31.7
Sep.	1.1	-3.9	158.0	77.3	32.3	43.8	127.2	147.9	94.3	19.7	30.7	89.5	29.2
Oct.	14.5	7.8	155.3	77.5	31.4	43.1	126.7	149.0	95.5	20.1	31.1	90.5	31.2
Nov.	5.3	0.1	156.8	77.3	32.7	43.1	126.9	146.8	93.2	19.0	30.3	89.2	29.8
Dec.	-3.2	-5.4	153.7	75.4	31.7	42.7	125.2	143.4	91.4	18.8	30.0	88.8	29.0
2013 Jan.	5.3	1.4	156.8	77.9	31.4	44.8	127.0	147.8	92.0	20.6	31.6	90.8	.
	Volume indices (2000 = 100; annual percentage changes for columns 1 and 2)												
2011	7.7	4.1	148.5	143.4	153.4	155.5	145.2	126.3	119.3	136.2	144.6	133.5	101.9
2012	3.2	-3.0	152.9	145.9	160.2	161.0	150.1	122.3	115.8	129.1	137.6	127.2	103.2
2012 Q1	4.4	-1.2	152.9	147.6	160.5	159.3	149.5	124.4	118.3	131.6	139.8	128.7	101.3
Q2	3.6	-3.1	153.1	145.4	161.9	161.4	151.2	123.2	116.4	132.2	138.4	129.5	102.6
Q3	2.8	-5.4	153.9	146.0	158.9	163.2	151.1	121.4	114.8	128.8	136.3	125.9	104.4
Q4	2.2	-2.5	151.8	144.5	159.7	160.1	148.6	120.3	113.9	123.8	135.9	124.6	104.7
2012 July	6.6	-1.2	152.0	144.4	156.2	162.2	150.6	123.4	115.7	131.6	137.6	127.2	109.5
Aug.	5.0	-4.4	155.5	148.2	160.2	164.0	153.0	121.8	116.5	131.3	135.1	126.5	107.2
Sep.	-2.9	-10.3	154.2	145.5	160.2	163.3	149.8	119.1	112.2	123.4	136.4	123.9	96.5
Oct.	10.9	3.1	152.1	146.0	157.8	160.8	149.7	122.0	115.0	130.1	140.2	126.9	106.9
Nov.	1.7	-3.3	153.5	145.5	163.8	161.1	149.5	120.8	114.4	121.8	134.3	123.9	104.6
Dec.	-6.2	-7.5	149.9	142.0	157.4	158.3	146.7	118.0	112.2	119.6	133.1	123.1	102.5

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: 2010 = 100)	Total					Memo item: Manufac-turing	Total (index: 2010 = 100)	Total					Memo item: Manufac-turing
			Intermediate goods	Capital goods	Consumer goods	Energy				Intermediate goods	Capital goods	Consumer goods	Energy	
% of total	100.0	100.0	30.1	42.0	18.5	9.4	96.4	100.0	100.0	29.0	25.4	23.3	22.4	80.4
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2011	104.5	4.5	5.8	1.3	1.7	23.4	4.1	108.0	8.0	5.6	-0.8	3.6	25.5	4.0
2012	107.6	3.0	1.3	2.2	2.3	9.9	2.8	111.3	3.0	1.0	1.3	2.8	7.7	1.9
2012 Q2	107.5	3.0	1.5	2.5	2.5	8.3	2.8	111.2	3.1	1.5	1.9	3.1	6.7	2.0
Q3	108.2	3.3	0.7	2.5	2.6	11.3	3.1	111.9	3.5	1.2	2.4	3.8	7.5	2.5
Q4	107.6	2.0	0.7	1.5	2.1	3.9	2.0	110.5	1.3	0.9	0.4	2.2	2.2	1.3
2012 Aug.	108.8	4.1	0.8	2.7	2.7	15.7	3.9	112.7	4.7	1.5	2.6	4.5	11.1	3.0
Sep.	108.3	3.0	0.7	2.1	2.5	11.6	2.9	111.7	2.8	0.5	1.7	2.8	6.6	2.0
Oct.	107.9	2.6	0.8	1.8	2.3	8.2	2.6	110.9	2.0	1.2	0.9	2.5	4.3	1.8
Nov.	107.8	2.2	0.8	1.7	2.2	3.7	2.1	110.7	1.4	0.9	0.6	2.4	2.0	1.4
Dec.	107.1	1.2	0.6	1.1	1.8	0.0	1.3	109.9	0.4	0.6	-0.2	1.7	0.3	0.7
2013 Jan.	107.1	0.2	-0.2	0.1	.	-2.2	0.0	109.8	-0.8	-0.2	-1.3	0.7	-2.4	-0.7

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.)														
2011	1,745.2	32.8	60.5	213.3	241.3	79.9	109.2	56.7	200.6	405.4	115.7	39.4	112.1	84.6	148.9
2012	1,869.7	34.0	59.2	229.7	244.7	90.2	116.5	59.3	223.6	439.1	120.7	44.7	126.0	97.3	150.1
2011 Q3	435.1	8.3	15.7	53.7	61.0	20.6	28.8	13.7	49.1	101.7	28.9	10.1	27.9	21.5	33.0
Q4	447.6	8.3	14.3	54.1	60.4	20.8	28.4	13.6	52.3	106.4	30.8	10.5	28.6	22.4	38.2
2012 Q1	463.5	8.4	15.0	56.5	61.4	22.2	29.4	14.6	55.4	108.4	31.2	10.6	31.2	23.6	37.5
Q2	466.9	8.6	14.9	57.2	61.1	22.7	29.2	14.6	56.1	109.0	30.4	11.3	31.4	24.4	37.8
Q3	473.5	8.5	14.9	57.9	61.5	22.7	29.2	15.0	58.3	110.4	29.9	11.5	31.1	24.5	39.4
Q4	465.8	8.6	14.4	58.2	60.7	22.5	28.8	15.2	53.8	111.4	29.2	11.3	32.3	24.7	35.3
2012 Aug.	160.3	2.8	5.2	20.2	21.0	7.8	10.1	5.3	19.9	37.7	10.2	3.9	10.4	8.6	11.2
Sep.	158.0	2.8	4.7	18.9	20.2	7.2	9.6	4.9	19.2	36.8	9.8	3.8	10.4	8.1	15.0
Oct.	155.3	2.8	4.9	19.6	20.8	7.7	9.6	5.1	18.1	36.2	9.8	3.8	10.7	8.2	11.7
Nov.	156.8	2.9	4.9	19.2	20.2	7.7	10.0	5.3	18.1	37.7	9.9	3.8	10.7	8.2	11.9
Dec.	153.7	2.8	4.6	19.4	19.7	7.0	9.1	4.9	17.6	37.6	9.5	3.6	10.9	8.3	11.7
2013 Jan.	156.8	.	.	.	.	8.1	9.8	5.4	18.2	37.1	10.1	3.7	11.3	8.1	.
	Percentage share of total exports														
2012	100.0	1.8	3.2	12.3	13.1	4.8	6.2	3.2	12.0	23.5	6.5	2.4	6.7	5.2	8.0
	Imports (c.i.f.)														
2011	1,759.8	29.8	53.2	166.8	226.6	138.0	81.7	35.0	140.8	552.1	218.6	52.6	129.1	91.2	115.5
2012	1,789.9	29.0	52.7	167.8	229.8	143.3	81.0	33.8	150.3	537.9	213.5	48.4	157.0	92.4	115.0
2011 Q3	442.4	7.4	13.6	42.3	57.1	33.1	22.1	8.6	34.8	140.9	55.1	13.3	30.9	23.5	28.0
Q4	438.8	7.6	12.7	42.2	57.4	35.2	20.4	8.5	35.8	135.5	52.8	12.9	31.2	23.7	28.8
2012 Q1	453.4	7.3	13.2	42.6	57.4	37.7	20.0	8.4	37.7	137.1	53.1	12.5	39.7	23.8	28.5
Q2	448.4	7.3	13.1	41.1	56.9	35.1	19.8	8.4	37.7	137.1	55.7	12.6	38.4	22.9	30.8
Q3	448.9	7.3	13.7	42.6	57.9	33.8	21.3	8.4	39.1	133.2	53.6	12.1	39.3	23.2	29.1
Q4	439.2	7.1	12.7	41.5	57.7	36.7	19.9	8.6	35.8	130.6	51.0	11.2	39.6	22.4	26.6
2012 Aug.	151.7	2.4	4.7	14.2	19.7	11.7	7.6	2.8	13.2	45.2	17.9	4.1	14.1	8.1	7.9
Sep.	147.9	2.5	4.4	14.0	19.3	11.7	6.6	2.8	12.7	43.5	17.1	4.0	12.6	7.4	10.4
Oct.	149.0	2.4	4.5	13.7	19.6	12.6	6.8	2.9	12.4	44.2	16.9	3.8	13.3	7.5	9.1
Nov.	146.8	2.5	4.2	13.8	19.2	12.0	6.9	2.9	11.8	43.1	16.8	3.8	13.5	7.5	9.5
Dec.	143.4	2.2	4.1	14.0	18.9	12.1	6.3	2.9	11.6	43.3	17.4	3.6	12.8	7.4	8.0
2013 Jan.	147.8	.	.	.	.	13.2	7.0	2.9	12.0	44.0	17.6	3.7	13.4	7.1	.
	Percentage share of total imports														
2012	100.0	1.6	2.9	9.4	12.8	8.0	4.5	1.9	8.4	30.1	11.9	2.7	8.8	5.2	6.4
	Balance														
2011	-14.7	3.0	7.3	46.6	14.7	-58.1	27.5	21.6	59.7	-146.7	-102.9	-13.2	-17.0	-6.7	33.4
2012	79.9	5.0	6.5	61.9	14.9	-53.1	35.5	25.5	73.3	-98.8	-92.8	-3.7	-30.9	4.9	35.1
2011 Q3	-7.3	1.0	2.1	11.3	3.9	-12.5	6.7	5.1	14.3	-39.2	-26.2	-3.2	-2.9	-2.1	5.0
Q4	8.9	0.7	1.5	11.9	3.1	-14.4	8.0	5.1	16.5	-29.0	-22.0	-2.5	-2.6	-1.3	9.4
2012 Q1	10.1	1.1	1.8	13.9	4.0	-15.6	9.4	6.1	17.6	-28.7	-22.0	-1.9	-8.5	-0.2	9.0
Q2	18.5	1.3	1.8	16.1	4.2	-12.3	9.4	6.2	18.4	-28.1	-25.4	-1.2	-7.0	1.5	7.0
Q3	24.6	1.2	1.2	15.3	3.6	-11.1	7.9	6.6	19.2	-22.8	-23.7	-0.6	-8.1	1.3	10.3
Q4	26.7	1.4	1.7	16.6	3.0	-14.1	8.9	6.6	18.1	-19.2	-21.8	0.1	-7.3	2.3	8.7
2012 Aug.	8.6	0.4	0.5	6.0	1.3	-3.9	2.5	2.5	6.7	-7.5	-7.8	-0.2	-3.6	0.5	3.3
Sep.	10.1	0.3	0.3	4.9	0.9	-4.5	3.0	2.1	6.6	-6.7	-7.3	-0.2	-2.2	0.7	4.7
Oct.	6.3	0.4	0.4	5.9	1.1	-4.8	2.9	2.2	5.7	-8.0	-7.1	0.1	-2.6	0.7	2.5
Nov.	10.0	0.4	0.7	5.4	1.1	-4.2	3.1	2.4	6.3	-5.4	-6.9	0.0	-2.8	0.7	2.4
Dec.	10.3	0.7	0.5	5.4	0.8	-5.1	2.9	2.0	6.1	-5.7	-7.8	0.0	-1.9	0.9	3.8
2013 Jan.	9.0	.	.	.	.	-5.1	2.8	2.4	6.2	-6.9	-7.5	0.1	-2.2	1.0	.

Source: Eurostat.

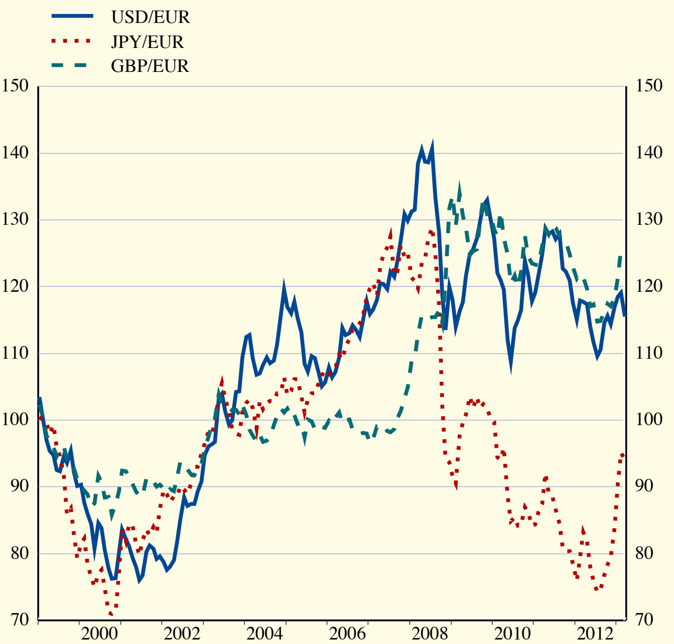
EXCHANGE RATES

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
2010	103.6	101.6	98.2	96.9	109.2	98.4	111.4	98.1
2011	103.4	100.7	97.8	95.1	107.7	96.2	112.1	97.6
2012	97.8	95.5	93.6	89.8	103.1	90.8	107.0	92.9
2012 Q1	99.5	96.9	94.7	91.4	104.7	92.3	108.3	94.1
Q2	98.2	95.9	93.6	90.3	103.7	91.2	107.4	93.2
Q3	95.9	93.7	92.0	88.0	100.9	88.9	105.1	91.3
Q4	97.8	95.5	94.0	89.6	103.3	90.7	107.4	92.9
2013 Q1	100.7	98.2	96.5	.	.	.	110.1	94.9
2012 Mar.	99.8	97.3	95.2	-	-	-	108.6	94.3
Apr.	99.5	97.2	94.8	-	-	-	108.4	94.2
May	98.0	95.7	93.5	-	-	-	107.2	93.1
June	97.2	94.8	92.6	-	-	-	106.6	92.4
July	95.3	93.2	91.2	-	-	-	104.4	90.7
Aug.	95.2	93.1	91.4	-	-	-	104.3	90.7
Sep.	97.2	95.0	93.4	-	-	-	106.6	92.5
Oct.	97.8	95.5	93.9	-	-	-	107.2	92.8
Nov.	97.2	94.9	93.3	-	-	-	106.7	92.3
Dec.	98.7	96.3	94.8	-	-	-	108.2	93.5
2013 Jan.	100.4	98.0	96.4	-	-	-	109.8	94.9
Feb.	101.6	99.1	97.4	-	-	-	111.1	95.8
Mar.	100.2	97.6	96.0	-	-	-	109.4	94.2
	Percentage change versus previous month							
2013 Mar.	-1.4	-1.5	-1.4	-	-	-	-1.5	-1.6
	Percentage change versus previous year							
2013 Mar.	0.4	0.3	0.8	-	-	-	0.7	-0.1

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
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
2011	1.9558	24.590	7.4506	0.7063	3.4528	279.37	4.1206	4.2391	9.0298	0.86788	7.4390	2.3378
2012	1.9558	25.149	7.4437	0.6973	3.4528	289.25	4.1847	4.4593	8.7041	0.81087	7.5217	2.3135
2012 Q3	1.9558	25.082	7.4457	0.6963	3.4528	283.05	4.1366	4.5255	8.4354	0.79153	7.4732	2.2560
Q4	1.9558	25.167	7.4590	0.6963	3.4528	283.25	4.1123	4.5288	8.6230	0.80740	7.5290	2.3272
2013 Q1	1.9558	25.565	7.4589	0.6996	3.4528	296.50	4.1558	4.3865	8.4965	0.85111	7.5838	2.3577
2012 Sep.	1.9558	24.752	7.4539	0.6962	3.4528	284.22	4.1345	4.5022	8.4929	0.79821	7.4291	2.3177
Oct.	1.9558	24.939	7.4582	0.6962	3.4528	282.09	4.1071	4.5624	8.6145	0.80665	7.5140	2.3384
Nov.	1.9558	25.365	7.4587	0.6962	3.4528	282.26	4.1321	4.5273	8.6076	0.80389	7.5410	2.3010
Dec.	1.9558	25.214	7.4604	0.6965	3.4528	285.79	4.0956	4.4899	8.6512	0.81237	7.5334	2.3439
2013 Jan.	1.9558	25.563	7.4614	0.6978	3.4528	294.01	4.1424	4.3835	8.6217	0.83271	7.5746	2.3543
Feb.	1.9558	25.475	7.4598	0.6999	3.4528	292.73	4.1700	4.3839	8.5083	0.86250	7.5868	2.3738
Mar.	1.9558	25.659	7.4553	0.7013	3.4528	303.01	4.1565	4.3923	8.3470	0.85996	7.5909	2.3453
	Percentage change versus previous month											
2013 Mar.	0.0	0.7	-0.1	0.2	0.0	3.5	-0.3	0.2	-1.9	-0.3	0.1	-1.2
	Percentage change versus previous year											
2013 Mar.	0.0	4.0	0.3	0.5	0.0	3.7	0.5	0.6	-6.1	3.1	0.7	-0.8

	Australian dollar	Brazilian real	Canadian dollar	Chinese yuan renminbi	Hong Kong dollar	Indian rupee [1]	Indonesian rupiah	Israeli shekel	Japanese yen	Malaysian ringgit
	13	14	15	16	17	18	19	20	21	22
2010	1.4423	2.3314	1.3651	8.9712	10.2994	60.5878	12,041.70	4.9457	116.24	4.2668
2011	1.3484	2.3265	1.3761	8.9960	10.8362	64.8859	12,206.51	4.9775	110.96	4.2558
2012	1.2407	2.5084	1.2842	8.1052	9.9663	68.5973	12,045.73	4.9536	102.49	3.9672
2012 Q3	1.2035	2.5359	1.2447	7.9410	9.6962	68.9706	11,876.24	4.9818	98.30	3.9029
Q4	1.2484	2.6671	1.2850	8.1036	10.0506	70.2047	12,473.53	4.9853	105.12	3.9632
2013 Q1	1.2714	2.6368	1.3313	8.2209	10.2428	71.5390	12,789.08	4.8969	121.80	4.0699
2012 Sep.	1.2372	2.6066	1.2583	8.1273	9.9686	70.0452	12,287.93	5.0717	100.49	3.9599
Oct.	1.2596	2.6333	1.2801	8.1390	10.0574	68.8589	12,457.30	4.9976	102.47	3.9649
Nov.	1.2331	2.6512	1.2787	7.9998	9.9423	70.3250	12,343.83	4.9970	103.94	3.9230
Dec.	1.2527	2.7264	1.2984	8.1809	10.1679	71.6946	12,643.37	4.9570	109.71	4.0075
2013 Jan.	1.2658	2.6993	1.3189	8.2698	10.3027	72.0716	12,837.99	4.9706	118.34	4.0413
Feb.	1.2951	2.6354	1.3477	8.3282	10.3608	71.9342	12,933.75	4.9359	124.40	4.1403
Mar.	1.2537	2.5694	1.3285	8.0599	10.0588	70.5579	12,590.61	4.7769	122.99	4.0309
	Percentage change versus previous month									
2013 Mar.	-3.2	-2.5	-1.4	-3.2	-2.9	-1.9	-2.7	-3.2	-1.1	-2.6
	Percentage change versus previous year									
2013 Mar.	0.0	8.5	1.3	-3.3	-1.8	6.0	4.2	-3.8	13.0	0.2

	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
	23	24	25	26	27	28	29	30	31	32	33
2010	16.7373	1.8377	8.0043	59.739	40.2629	1.8055	9.6984	1,531.82	1.3803	42.014	1.3257
2011	17.2877	1.7600	7.7934	60.260	40.8846	1.7489	10.0970	1,541.23	1.2326	42.429	1.3920
2012	16.9029	1.5867	7.4751	54.246	39.9262	1.6055	10.5511	1,447.69	1.2053	39.928	1.2848
2012 Q3	16.4690	1.5462	7.3910	52.377	39.9755	1.5594	10.3385	1,416.52	1.2035	39.207	1.2502
Q4	16.7805	1.5751	7.3664	53.387	40.3064	1.5855	11.2766	1,414.42	1.2080	39.778	1.2967
2013 Q1	16.7042	1.5823	7.4290	53.769	40.1518	1.6345	11.8264	1,433.09	1.2284	39.361	1.3206
2012 Sep.	16.6413	1.5721	7.3945	53.629	40.4006	1.5837	10.6512	1,444.65	1.2089	39.842	1.2856
Oct.	16.7207	1.5817	7.4076	53.691	40.3558	1.5879	11.2215	1,435.37	1.2098	39.811	1.2974
Nov.	16.7689	1.5660	7.3371	52.716	40.2505	1.5695	11.2986	1,395.13	1.2052	39.391	1.2828
Dec.	16.8664	1.5777	7.3503	53.796	40.3114	1.6009	11.3179	1,411.41	1.2091	40.187	1.3119
2013 Jan.	16.8760	1.5877	7.3821	54.105	40.1847	1.6326	11.6957	1,417.69	1.2288	39.924	1.3288
Feb.	16.9872	1.5929	7.4232	54.355	40.3342	1.6546	11.8796	1,452.82	1.2298	39.839	1.3359
Mar.	16.2322	1.5657	7.4863	52.813	39.9332	1.6164	11.9169	1,430.31	1.2266	38.264	1.2964
	Percentage change versus previous month										
2013 Mar.	-4.4	-1.7	0.9	-2.8	-1.0	-2.3	0.3	-1.5	-0.3	-4.0	-3.0
	Percentage change versus previous year										
2013 Mar.	-3.5	-2.8	-0.6	-6.7	3.0	-2.8	18.6	-3.9	1.7	-5.7	-1.8

Source: ECB.

1) 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									
2011	3.4	2.1	2.7	4.2	4.1	3.9	3.9	5.8	1.4	4.5
2012	2.4	3.5	2.4	2.3	3.2	5.7	3.7	3.4	0.9	2.8
2012 Q3	3.0	3.4	2.4	1.9	3.2	6.0	3.9	4.2	0.9	2.4
Q4	2.8	2.9	2.1	1.6	3.0	5.5	2.8	4.7	1.0	2.7
2012 Dec.	2.8	2.4	1.9	1.6	2.9	5.1	2.2	4.6	1.0	2.7
2013 Jan.	2.6	1.8	1.0	0.6	2.7	2.8	1.6	5.1	0.7	2.7
Feb.	2.2	1.8	1.0	0.3	2.3	2.9	1.2	4.8	0.5	2.8
	General government deficit (-)/surplus (+) as a percentage of GDP									
2009	-4.3	-5.8	-2.7	-9.8	-9.4	-4.6	-7.4	-9.0	-0.7	-11.5
2010	-3.1	-4.8	-2.5	-8.1	-7.2	-4.4	-7.9	-6.8	0.3	-10.2
2011	-2.0	-3.3	-1.8	-3.4	-5.5	4.3	-5.0	-5.5	0.4	-7.8
	General government gross debt as a percentage of GDP									
2009	14.6	34.2	40.6	36.7	29.3	79.8	50.9	23.6	42.6	67.8
2010	16.2	37.8	42.9	44.5	37.9	81.8	54.8	30.5	39.5	79.4
2011	16.3	40.8	46.6	42.2	38.5	81.4	56.4	33.4	38.4	85.0
	Long-term government bond yield as a percentage per annum; period average									
2012 Sep.	3.80	2.41	1.31	3.92	4.53	7.28	4.85	6.54	1.51	1.53
Oct.	3.39	2.24	1.29	3.52	4.32	6.94	4.57	6.85	1.54	1.54
Nov.	3.22	1.92	1.11	3.32	4.11	6.87	4.18	6.84	1.46	1.55
Dec.	3.44	2.12	1.07	3.24	4.00	6.44	3.88	6.65	1.51	1.60
2013 Jan.	3.27	1.96	1.61	3.21	3.97	6.23	3.91	5.90	1.80	1.82
Feb.	3.25	1.99	1.73	3.22	4.06	6.29	3.99	5.72	2.00	1.92
	3-month interest rate as a percentage per annum; period average									
2012 Sep.	1.60	0.87	0.32	0.58	0.81	-	4.95	5.47	1.69	0.65
Oct.	1.56	0.71	0.33	0.52	0.76	6.84	4.82	5.46	1.51	0.54
Nov.	1.45	0.54	0.30	0.54	0.73	-	4.62	5.64	1.46	0.52
Dec.	1.39	0.50	0.28	0.53	0.70	-	4.26	5.79	1.37	0.52
2013 Jan.	1.27	0.50	0.30	0.50	0.53	5.80	4.03	5.71	1.21	0.51
Feb.	1.23	0.50	0.33	0.49	0.47	-	3.80	5.60	1.19	0.51
	Real GDP									
2011	1.8	1.9	1.1	5.5	5.9	1.6	4.3	2.2	3.7	1.0
2012	0.8	-1.3	-0.6	5.6	3.6	-1.7	2.0	0.3	0.8	0.3
2012 Q2	0.7	-1.1	-1.4	5.0	3.1	-1.5	2.3	1.4	1.4	0.0
Q3	0.6	-1.5	0.0	5.4	3.4	-1.8	1.8	-0.2	0.6	0.4
Q4	0.5	-1.7	-1.0	5.8	3.0	-2.8	1.1	0.1	1.5	0.2
	Current and capital account balance as a percentage of GDP									
2010	-0.7	-3.0	5.9	4.9	2.7	2.9	-3.3	-4.2	6.7	-3.1
2011	1.4	-2.3	5.9	0.0	-1.3	3.1	-2.9	-4.0	6.9	-1.1
2012 Q2	-3.5	-2.7	6.7	-1.1	7.8	4.4	0.1	-4.7	6.6	-3.9
Q3	9.8	-4.4	7.2	4.8	2.7	5.6	-0.8	-3.9	7.3	-4.3
Q4	-1.7	0.8	5.8	3.5	4.9	5.1	-1.0	-0.9	6.5	-2.7
	Gross external debt as a percentage of GDP									
2010	102.7	56.2	190.5	164.8	83.2	144.8	66.4	75.7	190.5	413.1
2011	94.1	59.4	183.2	145.0	77.8	147.7	71.9	77.2	195.3	425.4
2012 Q2	96.0	61.0	191.8	144.0	78.0	134.4	71.9	78.1	200.4	416.2
Q3	96.5	59.8	187.6	139.2	79.0	128.3	71.0	78.4	199.6	416.5
Q4	94.8	60.3	.	136.2	75.6	127.7	70.7	74.6	189.2	415.0
	Unit labour costs									
2011	3.0	1.1	0.1	2.1	-0.1	1.8	0.7	0.8	-0.6	1.4
2012	0.2	3.6	1.8	2.8	1.9	6.5	.	6.4	2.6	.
2012 Q2	-1.2	3.5	2.2	2.5	4.2	7.5	0.6	5.6	2.7	4.1
Q3	1.0	2.4	1.2	3.2	1.6	6.8	1.5	8.3	3.0	2.9
Q4	1.2	3.9	2.8	1.0	-0.1	6.2	.	6.3	3.5	.
	Standardised unemployment rate as a percentage of labour force (s.a.)									
2011	11.3	6.7	7.6	16.3	15.3	11.0	9.6	7.4	7.8	8.0
2012	12.3	7.0	7.5	14.8	13.3	.	10.1	7.0	8.0	7.9
2012 Q3	12.3	7.0	7.4	14.4	13.0	10.7	10.2	7.0	8.0	7.8
Q4	12.5	7.2	7.3	14.3	13.2	11.0	10.4	6.7	8.1	7.7
2012 Dec.	12.4	7.2	7.4	14.3	13.3	11.1	10.4	6.7	8.0	7.7
2013 Jan.	12.5	7.1	7.4	.	13.3	11.2	10.6	6.6	8.0	.
Feb.	12.5	7.2	7.4	.	13.1	.	10.6	6.7	8.2	.

Sources: ECB, European Commission (Economic and Financial Affairs DG and Eurostat), national data, Thomson Reuters and ECB calculations.

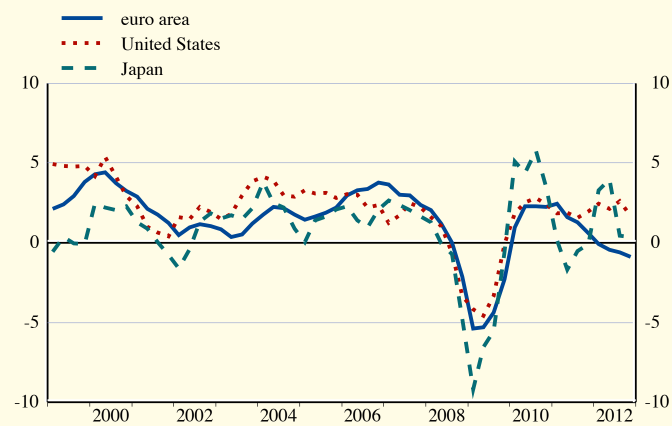
9.2 Economic and financial developments in the United States and Japan

(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 [2] (s.a.)	Broad money [3]	3-month interbank deposit rate [4]	10-year zero coupon government bond yield; [4] end of period	Exchange rate [5] as national currency per euro	Government deficit (-)/ surplus (+) as a % of GDP	Government debt [6] as a % of GDP
	1	2	3	4	5	6	7	8	9	10	11
					United States						
2009	-0.4	-1.4	-3.1	-13.6	9.3	8.0	0.69	4.17	1.3948	-11.9	73.3
2010	1.6	-1.1	2.4	6.6	9.6	2.5	0.34	3.57	1.3257	-11.4	82.1
2011	3.2	1.9	1.8	3.6	8.9	7.3	0.34	2.10	1.3920	-10.2	86.0
2012	2.1	0.7	2.2	4.2	8.1	8.5	0.43	1.88	1.2848	.	.
2012 Q1	2.8	0.2	2.4	4.6	8.3	10.1	0.51	2.38	1.3108	-8.7	87.7
Q2	1.9	0.5	2.1	5.2	8.2	9.6	0.47	1.83	1.2814	-8.8	88.2
Q3	1.7	0.1	2.6	3.9	8.0	7.0	0.43	1.77	1.2502	-8.6	88.7
Q4	1.9	2.2	1.7	3.3	7.8	7.5	0.32	1.88	1.2967	.	.
2013 Q1	.	.	.	.	.	.	0.29	2.09	1.3206	.	.
2012 Nov.	1.8	-	-	3.8	7.8	7.2	0.31	1.72	1.2828	-	-
Dec.	1.7	-	-	3.6	7.8	7.9	0.31	1.88	1.3119	-	-
2013 Jan.	1.6	-	-	2.4	7.9	7.5	0.30	2.14	1.3288	-	-
Feb.	2.0	-	-	2.4	7.7	6.8	0.29	2.05	1.3359	-	-
Mar.	.	-	-	.	.	.	0.28	2.09	1.2964	-	-
					Japan						
2009	-1.3	0.3	-5.5	-21.9	5.1	2.7	0.47	1.42	130.34	-8.8	180.1
2010	-0.7	-4.8	4.7	16.6	5.1	2.8	0.23	1.18	116.24	-8.3	188.3
2011	-0.3	0.8	-0.5	-2.5	4.6	2.7	0.19	1.00	110.96	-8.9	204.4
2012	0.0	.	2.0	-0.3	4.4	2.5	0.19	0.84	102.49	.	.
2012 Q1	0.3	-	3.3	4.7	4.5	3.0	0.20	1.05	103.99	.	.
Q2	0.1	-	4.0	5.3	4.4	2.4	0.20	0.84	102.59	.	.
Q3	-0.4	-	0.4	-4.6	4.3	2.4	0.19	0.78	98.30	.	.
Q4	-0.2	-	0.4	-5.9	4.2	2.3	0.19	0.84	105.12	.	.
2013 Q1	.	-	.	.	.	.	0.16	0.70	121.80	.	.
2012 Nov.	-0.2	-	-	-5.5	4.2	2.1	0.19	0.74	103.94	-	-
Dec.	-0.1	-	-	-7.9	4.3	2.6	0.18	0.84	109.71	-	-
2013 Jan.	-0.3	-	-	-5.8	4.2	2.7	0.17	0.80	118.34	-	-
Feb.	-0.7	-	-	-11.0	.	2.9	0.16	0.74	124.40	-	-
Mar.	.	-	-	.	.	.	0.16	0.70	122.99	-	-

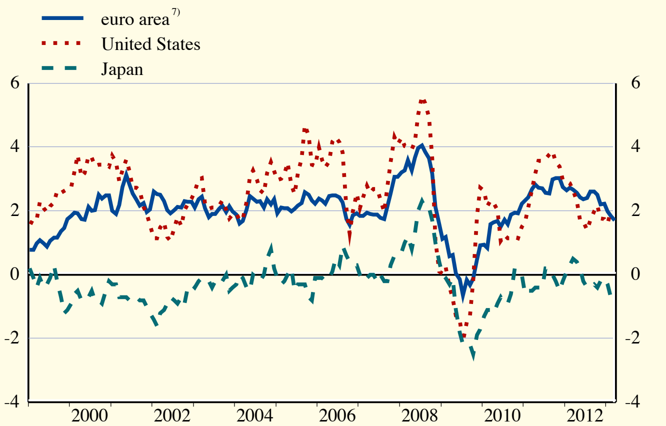
C41 Real gross domestic product

(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) Japanese data from March to August 2011 include estimates for the three prefectures most affected by the earthquake in that country. Data collection was reinstated as of September 2011.
3) Period averages; M2 for the United States, M2+CDs for Japan.
4) Percentages per annum. For further information on the three-month interbank deposit rate, see Section 4.6.
5) For more information, see Section 8.2.
6) General government debt consists of deposits, securities other than shares and loans outstanding at nominal value and is consolidated within the general government sector (end of period).
7) 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:

$$\text{a)}\quad \left(\frac{0.5I_t + \sum_{i=1}^{2} I_{t-i} + 0.5I_{t-3}}{0.5I_{t-12} + \sum_{i=1}^{2} I_{t-i-12} + 0.5I_{t-15}} - 1 \right) \times 100$$

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:

$$\text{b)}\quad \left(\frac{0.5I_t + \sum_{i=1}^{11} I_{t-i} + 0.5I_{t-12}}{0.5I_{t-12} + \sum_{i=1}^{11} I_{t-i-12} + 0.5I_{t-24}} - 1 \right) \times 100$$

SECTION 1.3

CALCULATION OF INTEREST RATES ON INDEXED LONGER-TERM REFINANCING OPERATIONS

The interest rate on an indexed longer-term refinancing operation (LTRO) is equal to the average of the minimum bid rates on the main refinancing operations (MROs) over the life of that LTRO. According to this definition, if an LTRO is outstanding for D number of days and the minimum bid rates prevailing in MROs are $R_{1,\,MRO}$ (over D_1 days), $R_{2,\,MRO}$ (over D_2 days), etc., until $R_{i,\,MRO}$ (over D_i days), where $D_1+D_2+\ldots+D_i=D$, the applicable annualised rate (R_{LTRO}) is calculated as:

$$\text{c)}\quad R_{LTRO} = \frac{D_1 R_{1,MRO} + D_2 R_{2,MRO} + \ldots + D_i R_{i,MRO}}{D}$$

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_t^M the reclassification adjustment in month t, E_t^M the exchange rate adjustment and V_t^M the other revaluation adjustments, the transactions F_t^M in month t are defined as:

$$\text{d)}\quad F_t^M = (L_t - L_{t-1}) - C_t^M - E_t^M - V_t^M$$

Similarly, the quarterly transactions F^Q_t for the quarter ending in month t are defined as:

e) $$F^Q_t = (L_t - L_{t-3}) - C^Q_t - E^Q_t - V^Q_t$$

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:

f) $$I_t = I_{t-1} \times \left(1 + \frac{F^M_t}{L_{t-1}}\right)$$

The base of the index (for the non-seasonally adjusted series) is currently set as December 2010 = 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:

g) $$a_t = \left[\prod_{i=0}^{11}\left(1 + F^M_{t-i} / L_{t-1-i}\right) - 1\right] \times 100$$

h) $$a_t = \left(I_t / I_{t-12} - 1\right) \times 100$$

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 h) 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 h). For example, the month-on-month growth rate a^M_t can be calculated as:

i) $$a^M_t = \left(I_t / I_{t-1} - 1\right) \times 100$$

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 g) or h) 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:

j) $$I_t = I_{t-3} \times \left(1 + \frac{F_t^Q}{L_{t-3}}\right)$$

The annual growth rate in the four quarters ending in month t (i.e. a_t) can be calculated using formula h).

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.

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 ofTRAMO-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 2010) generally differs from 100, reflecting the seasonality of that month.

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.

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:

k) $$I_t = I_{t-1} \times \left(1 + \frac{N_t}{L_{t-1}}\right)$$

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:

l) $$a_t = \left[\prod_{i=0}^{11}\left(1 + N_{t-i}^M / L_{t-1-i}\right) - 1\right] \times 100$$

m) $$a_t = \left(I_t / I_{t-12} - 1\right) \times 100$$

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:

n) $$\left(\frac{0.5I_t + \sum_{i=1}^{2} I_{t-i} + 0.5I_{t-3}}{0.5I_{t-12} + \sum_{i=1}^{2} I_{t-i-12} + 0.5I_{t-15}} - 1\right) \times 100$$

where I_t is the index of notional stocks as at month t. Likewise, for the year ending in month t, the average growth rate is calculated as:

o) $$\left(\frac{0.5I_t + \sum_{i=1}^{11} I_{t-i} + 0.5I_{t-12}}{0.5I_{t-12} + \sum_{i=1}^{11} I_{t-i-12} + 0.5I_{t-24}} - 1\right) \times 100$$

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 l) and m), 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:

p) $$a_t = \left[\prod_{i=0}^{5} \left(1 + \frac{N_{t-i}^{M}}{L_{t-1-i}} \right) - 1 \right] \times 100$$

q) $$a_t = \left(\frac{I_t}{I_{t-6}} - 1 \right) \times 100$$

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 S80). 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 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

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).

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:

r) $$a_t = \left(\prod_{i=t-3}^{t} \left(1 + \frac{F_i}{L_{i-1}} \right) - 1 \right) \times 100$$

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 3 April 2013.

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. Estonia joined in 2011, bringing the number of euro area countries to 17. From October 2012, the euro area statistics also include the European Stability Mechanism, an international organisation resident in the euro area for statistical purposes.

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.

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).

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 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 OTHER FINANCIAL CORPORATIONS

Chapter 2 shows balance sheet statistics for MFIs and other financial corporations. Other financial corporations comprise investment funds (other than money market funds, which are part of the MFI sector), financial vehicle corporations, insurance corporations and pension funds.

Section 2.1 shows the aggregated balance sheet of the MFI 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 EU 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. Section 2.7 shows a quarterly currency breakdown for selected MFI balance sheet items.

Sections 2.2 to 2.6 also provide growth rates based on those transactions in the form of annual percentage changes.

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]. Detailed 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).

Section 2.8 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 2.9 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.

Since December 2008 harmonised statistical information has been collected and compiled on the basis of Regulation ECB/2007/8[3] concerning statistics on the assets and liabilities of investment

2 OJ L 15, 20.01.2009, p. 14.
3 OJ L 211, 11.08.2007, p. 8.

funds. Further information on these investment fund statistics can be found in the “Manual on investment fund statistics” (ECB, May 2009).

Section 2.10 shows the aggregated balance sheet of financial vehicle corporations (FVCs) resident in the euro area. FVCs are entities which are set up in order to carry out securitisation transactions. Securitisation generally involves the transfer of an asset or pool of assets to an FVC, with such assets reported on the FVC’s balance sheet as securitised loans, securities other than shares, or other securitised assets. Alternatively, the credit risk relating to an asset or pool of assets may be transferred to an FVC through credit default swaps, guarantees or other such mechanisms. Collateral held by the FVC against these exposures is typically a deposit held with an MFI or invested in securities other than shares. FVCs typically securitise loans which have been originated by the MFI sector. FVCs must report such loans on their statistical balance sheet, regardless of whether the relevant accounting rules allow the MFI to derecognise the loans. Data on loans which are securitised by FVCs but remain on the balance sheet of the relevant MFI (and thus remain in the MFI statistics) are provided separately. These quarterly data are collected under Regulation ECB/2008/30[4] as of December 2009.

Section 2.11 shows the aggregated balance sheet of insurance corporations and pension funds resident in the euro area. Insurance corporations cover both the insurance and reinsurance sectors, while pension funds include entities which have autonomy in terms of decision-making and keep a complete set of accounts (i.e. autonomous pension funds). This section also contains a geographical and sectoral breakdown of issuing counterparties for securities other than shares held by insurance corporations and pension 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 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,

4 OJ L 15, 20.01.2009, p. 1.

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[5]. 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

5 Svensson, L.E., "Estimating and Interpreting Forward Interest Rates: Sweden 1992-1994", CEPR Discussion Papers, No 1051. Centre for Economic Policy Research, London, 1994.

includes seasonally adjusted HICP data and experimental HICP-based estimates of administered prices, which are compiled by the ECB.

Industrial producer prices (Table 2 in Section 5.1), industrial production, 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[6]. 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[7], 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[8]. 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[9] and in the implementing Commission Regulation (EC) No 1216/2003 of 7 July 2003[10]. 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 5 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 (Table 1 in Section 5.3) are derived from the ESA 95[11] quarterly national accounts. The ESA 95 was amended by Commission Regulation (EU) No 715/2010 of 10 August 2010[12] introducing NACE Revision 2,

6 OJ L 162, 5.6.1998, p. 1.
7 OJ L 393, 30.12.2006, p. 1.
8 OJ L 155, 15.6.2007, p. 3.
9 OJ L 69, 13.3.2003, p. 1.
10 OJ L 169, 8.7.2003, p. 37.
11 OJ L 310, 30.11.1996, p. 1.
12 OJ L 210, 11.8.2010, p. 1.

the updated statistical classification of economic activities. The publication of euro area national accounts data applying this new classification began in December 2011.

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 vehicles and motorcycles), including 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 annual deficit and debt data for the euro area aggregates may therefore differ from those published by the European Commission. 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 [13] 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 non-seasonally adjusted 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

13 OJ L 172, 12.7.2000, p. 3.

non-financial accounts for general government[14]. 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)[15] and the amending ECB Guideline of 31 May 2007 (ECB/2007/3)[16]. 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), 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.

On 9 December 2011 the ECB Guideline on the statistical requirements of the European Central Bank in the field of external statistics (ECB/2011/23)[17] was adopted by the Governing Council of the ECB. This legal act lays down new reporting requirements in the field of external statistics, which mainly reflect methodological changes introduced in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). The ECB will begin publishing the euro area's b.o.p., i.i.p. and international reserves statistics in accordance with Guideline ECB/2011/23 and the BPM6 in 2014, with backdata. 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

14 OJ L 179, 9.7.2002, p. 1.
15 OJ L 354, 30.11.2004, p. 34.
16 OJ L 159, 20.6.2007, p. 48.
17 OJ L 65, 3.3.2012, p. 1.

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 and international organisations (which, with the exception of the ECB and the European Stability Mechanism, are considered to be outside the euro area for statistical purposes, regardless of their physical location) as well as offshore centres. 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, 2004-2006 and 2007-2009 and are calculated to account for third-market effects. The EER indices are obtained by chain-linking the indicators based on each of these five 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 134 ("Revisiting the effective exchange rates of the euro" by Martin Schmitz, Maarten De Clercq, Michael Fidora, Bernadette Lauro and Cristina Pinheiro, June 2012), 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. The most recent rate for the Icelandic krona is 290.0 per euro and refers to 3 December 2008.

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]

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.

9 JUNE 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. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 11 October 2011, notably to continue its fixed rate tender procedures with full allotment.

7 JULY 2011

The Governing Council of the ECB decides to increase the interest rate on the main refinancing operations by 25 basis points to 1.50%, starting from the operation to be settled on 13 July 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 2.25% and 0.75% respectively, both with effect from 13 July 2011.

1 The chronology of monetary policy measures taken by the Eurosystem between 1999 and 2010 can be found in the ECB's Annual Report for the respective years.

4 AUGUST 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 1.50%, 2.25% and 0.75% respectively. It also decides on several measures to address renewed tensions in some financial markets. In particular, it decides that the Eurosystem will conduct a liquidity-providing supplementary longer-term refinancing operation with a maturity of approximately six months as a fixed rate tender procedure with full allotment. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 17 January 2012, notably to continue its fixed rate tender procedures with full allotment.

8 SEPTEMBER 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 1.50%, 2.25% and 0.75% respectively.

6 OCTOBER 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 1.50%, 2.25% and 0.75% respectively. It also decides on the details of its refinancing operations from October 2011 to 10 July 2012, notably to conduct two longer-term refinancing operations – one with a maturity of approximately 12 months in October 2011, and another with a maturity of approximately 13 months in December 2011 – and to continue to apply fixed rate tender procedures with full allotment in all of its refinancing operations. In addition, the Governing Council decides to launch a new covered bond purchase programme in November 2011.

3 NOVEMBER 2011

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 operation to be settled on 9 November 2011. In addition, it decides to decrease 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 9 November 2011.

8 DECEMBER 2011

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 14 December 2011. In addition, it decides to decrease the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 1.75% and 0.25% respectively, both with effect from 14 December 2011. It also decides to adopt further non-standard measures, notably: (i) to conduct two longer-term refinancing operations with a maturity of approximately three years; (ii) to increase the availability of collateral; (iii) to reduce the reserve ratio to 1%; and (iv) to discontinue, for the time being, the fine-tuning operations carried out on the last day of each maintenance period.

12 JANUARY 2012

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.

9 FEBRUARY 2012

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 approves specific national eligibility criteria and risk control measures for the temporary acceptance in a number of countries of additional credit claims as collateral in Eurosystem credit operations.

8 MARCH, 4 APRIL AND 3 MAY 2012

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.

6 JUNE 2012

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 15 January 2013, notably to continue its fixed rate tender procedures with full allotment.

5 JULY 2012

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 0.75%, starting from the operation to be settled on 11 July 2012. In addition, it decides to decrease the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 1.50% and 0.00% respectively, both with effect from 11 July 2012.

2 AUGUST 2012

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 0.75%, 1.50% and 0.00% respectively.

6 SEPTEMBER 2012

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 0.75%, 1.50% and 0.00% respectively. It also decides on the modalities for undertaking Outright Monetary Transactions (OMTs) in secondary markets for sovereign bonds in the euro area.

4 OCTOBER AND 8 NOVEMBER 2012

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 0.75%, 1.50% and 0.00% respectively.

6 DECEMBER 2012

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 0.75%, 1.50% and 0.00% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 9 July 2013, notably to continue its fixed rate tender procedures with full allotment.

10 JANUARY, 7 FEBRUARY, 7 MARCH AND 4 APRIL 2013

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 0.75%, 1.50% and 0.00% 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.

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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.

Current transfers account: a technical b.o.p. account in which the value of real resources or financial items is recorded when these are transferred without receiving anything in exchange. Current transfers cover all transfers that are not capital transfers.

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 significant and persistent decline in the prices of a very broad set of consumer goods and services that 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 ten non-euro area EU Member States and ten 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. These securities are backed by a portfolio of assets (typically loans) which are held by the FVC. In some cases, a securitisation transaction may involve a number of FVCs, where one FVC holds the securitised assets and another issues the securities backed by those assets.

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.

Income account: a b.o.p. account that covers two types of transactions with non-residents, namely (i) those involving compensation of employees that is paid to non-resident workers (e.g., cross-border, seasonal, and other short-term workers) and (ii) those involving investment income receipts and payments on external financial assets and liabilities, with the latter including receipts and payments on direct investment, portfolio investment and other investment, as well as receipts on reserve assets.

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: 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 36 months 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 (i) the Eurosystem, (ii) resident credit institutions (as defined in EU law), (iii) other 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, as well as electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money, and (iv) money market funds, i.e. collective investment undertakings that invest in short-term and low-risk instruments.

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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