EUROPEAN CENTRAL BANK

EUROSYSTEM

MONTHLY BULLETIN
AUGUST

01 | 2014
02 | 2014
03 | 2014
04 | 2014
05 | 2014
06 | 2014
07 | 2014
08 | 2014
09 | 2014
10 | 2014
11 | 2014
12 | 2014

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In 2014 all ECB publications feature a motif taken from the €20 banknote.

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CONTENTS

ABBREVIATIONS

COUNTRIES

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
GR	Greece
ES	Spain
FR	France
HR	Croatia
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom
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 7 August 2014 to keep the key ECB interest rates unchanged. The available information remains consistent with the Governing Council's assessment of a continued moderate and uneven recovery of the euro area economy, with low rates of inflation and subdued monetary and credit dynamics. At the same time, inflation expectations for the euro area over the medium to long term continue to be firmly anchored in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2%. The monetary policy measures decided in early June have led to an easing of the monetary policy stance. This is in line with the Governing Council's forward guidance and adequately reflects the outlook for the euro area economy, as well as the differences in terms of the monetary policy cycle between major advanced economies. The targeted longer-term refinancing operations (TLTROs) that are to take place over the coming months will enhance the accommodative monetary policy stance. These operations will provide long-term funding at attractive terms and conditions over a period of up to four years for all banks that meet certain benchmarks applicable to their lending to the real economy. This should help to ease funding conditions further and stimulate credit provision to the real economy. As these measures work their way through to the economy they will contribute to a return of inflation rates to levels closer to 2%.

As stated previously, and as a follow-up to its decision in early June, the Governing Council has intensified preparatory work related to outright purchases in the asset-backed securities market to enhance the functioning of the monetary policy transmission mechanism.

Looking ahead, the Governing Council will maintain a high degree of monetary accommodation. Concerning forward guidance, the key ECB interest rates will remain at present levels for an extended period of time in view of the current outlook for inflation. Moreover, the Governing Council is unanimous in its commitment to also using unconventional instruments within its mandate, should it become necessary to further address risks of too prolonged a period of low inflation. The Governing Council is strongly determined to safeguard the firm anchoring of inflation expectations over the medium to long term.

Regarding the economic analysis, in the first quarter of this year euro area real GDP rose by 0.2%, quarter on quarter. With regard to the second quarter, monthly indicators have been somewhat volatile, partly reflecting technical factors. Overall, recent information, including survey data available for July, remains consistent with the Governing Council's expectation of a continued moderate and uneven recovery of the euro area economy. Looking ahead, domestic demand should be supported by a number of factors, including the accommodative monetary policy stance and the ongoing improvements in financial conditions. In addition, the progress made in fiscal consolidation and structural reforms, as well as gains in real disposable income, should make a positive contribution to economic growth. Furthermore, demand for exports should benefit from the ongoing global recovery. However, although labour markets have shown some further signs of improvement, unemployment remains high in the euro area and, overall, unutilised capacity continues to be sizeable. Moreover, the annual rate of change of MFI loans to the private sector remained negative in June and the necessary balance sheet adjustments in the public and private sectors are likely to continue to dampen the pace of the economic recovery.

The risks surrounding the economic outlook for the euro area remain on the downside. In particular, heightened geopolitical risks, as well as developments in emerging market economies and global financial markets, may have the potential to affect economic conditions negatively, including through effects on energy prices and global demand for euro area products. A further downside risk relates to insufficient structural reforms in euro area countries, as well as weaker than expected domestic demand.

According to Eurostat's flash estimate, euro area annual HICP inflation was 0.4% in July 2014, after 0.5% in June. This reflects primarily lower energy price inflation, while the other main components of the HICP remained broadly unchanged. On the basis of current information, annual HICP inflation is expected to remain at low levels over the coming months, before increasing gradually during 2015 and 2016. Meanwhile, inflation expectations for the euro area over the medium to long term continue to be firmly anchored in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2%.

The Governing Council sees both upside and downside risks to the outlook for price developments as limited and broadly balanced over the medium term. In this context, the possible repercussions of heightened geopolitical risks and exchange rate developments will be monitored closely.

Turning to the monetary analysis, data for June 2014 continue to point to subdued underlying growth in broad money (M3), with annual growth standing at 1.5% in June, compared with 1.0% in May. The growth of the narrow monetary aggregate M1 stood at 5.3% in June, up from 5.0% in May. The increase in the MFI net external asset position, reflecting in part the continued interest of international investors in euro area assets, remained an important factor supporting annual M3 growth.

The annual rate of change of loans to non-financial corporations (adjusted for loan sales and securitisation) remained negative at -2.3% in June, compared with -2.5% in May and -3.2% in February. Lending to non-financial corporations continues to be weak, reflecting the lagged relationship with the business cycle, credit risk, credit supply factors and the ongoing adjustment of financial and non-financial sector balance sheets. At the same time, in terms of monthly flows, loans to non-financial corporations have shown some signs of a stabilisation over recent months, after recording sizeable negative monthly flows earlier in the year. This is consistent with the results of the bank lending survey for the second quarter of 2014 in which banks reported that credit standards for loans to enterprises had eased in net terms. However, they remain rather tight overall, when seen from a historical perspective. In addition, banks reported an improvement in net loan demand by non-financial corporations and households. The annual growth rate of loans to households (adjusted for loan sales and securitisation) was 0.5% in June, broadly unchanged since the beginning of 2013.

Against the background of weak credit growth, the ECB's ongoing comprehensive assessment of banks' balance sheets is of key importance. Banks should take full advantage of this exercise to improve their capital position, thereby supporting the scope for credit expansion during the next stages of the recovery.

To sum up, the economic analysis indicates that the current low level of inflation should be followed by a gradual upward movement in HICP inflation rates towards levels closer to 2%. A cross-check with the signals from the monetary analysis confirms this picture.

As regards fiscal policies, comprehensive fiscal consolidation in recent years has contributed to reducing budgetary imbalances. Important structural reforms have increased competitiveness and the adjustment capacity of countries' labour and product markets. These efforts now need to gain momentum to enhance the euro area's growth potential. Structural reforms should focus on fostering private investment and job creation. To restore sound public finances, euro area countries should proceed in line with the Stability and Growth Pact and should not unravel the progress made with fiscal consolidation. Fiscal consolidation should be designed in a growth-friendly way. A full and consistent implementation of the euro area's existing fiscal and macroeconomic surveillance framework is key to bringing down high public debt ratios, to raising potential growth and to increasing the euro area's resilience to shocks.

This issue of the Monthly Bulletin contains two articles. The first article discusses the experience with foreign liquidity-providing central bank swaps. The second article explains reasons for revisions in international standards in statistics as well as the merits of the new standards.

ECONOMIC AND MONETARY DEVELOPMENTS

1 THE EXTERNAL ENVIRONMENT OF THE EURO AREA

The global economy continues along a gradual but uneven recovery path. Following weak global activity in the first quarter, momentum in advanced economies is slowly building. Growth dynamics in emerging market economies have also rebounded, led by an acceleration in growth in China. However, overall growth remains rather muted owing to supply-side constraints and, in some cases, tighter financial conditions and geopolitical risks. Global inflation has stabilised recently, while global spare capacity is still ample, suggesting no significant inflationary pressures in the period ahead.

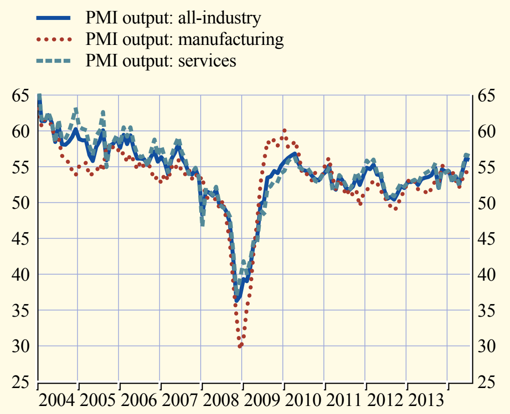
1.1 GLOBAL ECONOMIC ACTIVITY AND TRADE

The global recovery remains gradual and diverse. Following some temporary weakness in the first quarter of 2014, global activity regained some vigour in the second quarter. This was supported by a strong rebound in the United States, as the temporary factors that had adversely affected the economy at the beginning of the year waned. At the same time, economic activity in the United Kingdom continued to maintain a strong momentum in the second quarter, supported by rising household confidence and a buoyant housing market. Moreover, growth in China also recovered following the fiscal policy stimulus and a further surge in credit. By contrast, activity in Japan moderated after the VAT hike in April, but highly expansionary monetary policy continues to support the recovery. Economic activity in Russia was severely dampened owing to geopolitical tensions, which has also had some adverse repercussions on the central and eastern European region.

The most recent sentiment indicators confirm that positive momentum continues to prevail in the third quarter, amid continuing growth rotation across regions. The global composite output Purchasing Managers' Index (PMI) excluding the euro area remained broadly stable at 56.0 in July compared to June, with activity supported mostly by advanced economies (see Chart 1).

Chart 1 Global PMI (excluding the euro area)

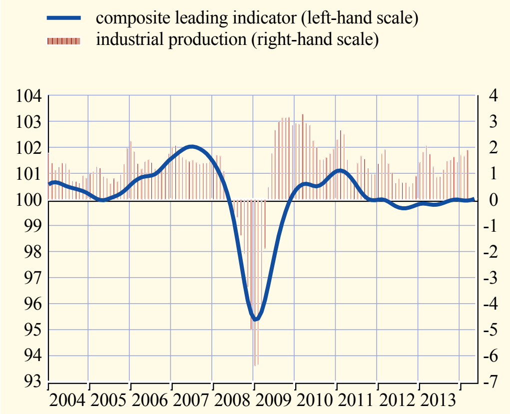
(seasonally adjusted monthly data)



Source: Markit.

Chart 2 Composite leading indicator and industrial production

(left-hand scale: normalised index average = 100; right-hand scale: three month-on-three month percentage change)



Sources: OECD and ECB calculations.
Notes: The composite leading indicator refers to the OECD countries plus Brazil, China, India, Indonesia, Russia and South Africa. The horizontal line at 100 represents the trend of economic activity. Industrial production refers to the same sample excluding Indonesia.

Looking forward, the new orders component of the manufacturing PMI stood slightly higher in July. At the same time, in May the OECD's composite leading indicators, designed to anticipate turning points in economic activity relative to trend, pointed to a stable positive momentum in advanced economies, but subdued growth in major emerging market economies (see Chart 2). A constellation of economic and political factors, including structural bottlenecks and geopolitical tensions, hindered a stronger recovery in emerging market economies as a whole.

Growth in world trade continued on a negative path and slowed further in May 2014. According to the CPB Netherlands Bureau for Economic Policy Analysis, the volume of world imports of goods declined by 0.6% in May on a three-month-on-three-month basis, which was the lowest growth rate recorded in two years. The decline was concentrated in the emerging market economies, led by further weakening in Asia and central and eastern Europe, while advanced economies sustained positive trade growth, albeit at low levels. By contrast, the global PMI for new manufacturing export orders, which has remained stable above the neutral threshold of 50 since the beginning of the year, points to global trade momentum turning positive in the near term.

The balance of risks to the global outlook remains tilted to the downside. In particular, heightened geopolitical risks, as well as developments in emerging market economies and global financial markets, may have the potential to affect economic conditions negatively, including through effects on energy prices.

1.2 GLOBAL PRICE DEVELOPMENTS

Global inflation, after having increased in recent months, stabilised in June. Headline consumer price inflation in the OECD area remained unchanged at 2.1% in June. Excluding food and energy, OECD annual CPI inflation also remained broadly stable at 1.9% in June. In terms of country developments, in June annual headline inflation rose or remained unchanged in most advanced economies, with the exception of Japan. With regard to emerging markets, inflation slowed in China, but accelerated in Brazil and Russia, remaining well above central bank inflation targets (see Table 1). The still ample global spare capacity, rather stable energy prices in recent months and well-anchored inflation expectations – particularly in advanced economies – imply limited inflationary pressures going forward.

Table 1 Price developments in selected economies

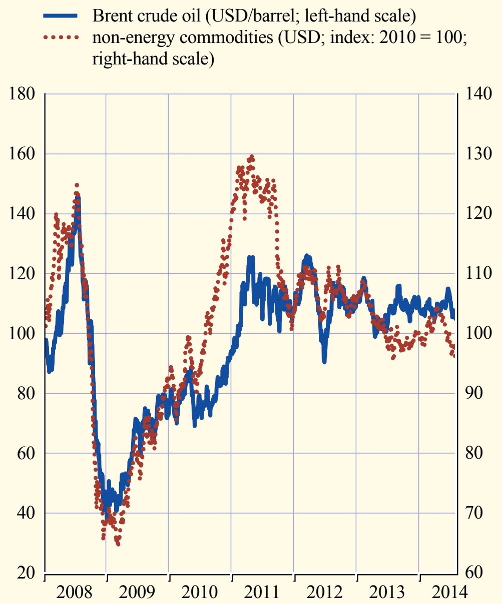
(annual percentage changes)

	2012	2013	2014					
			Jan.	Feb.	Mar.	Apr.	May	June
OECD	2.3	1.6	1.7	1.4	1.6	2.0	2.1	2.1
United States	2.1	1.5	1.6	1.1	1.5	2.0	2.1	2.1
Japan	0.0	0.4	1.4	1.5	1.6	3.4	3.7	3.6
United Kingdom	2.8	2.6	1.9	1.7	1.6	1.8	1.5	1.9
China	2.6	2.6	2.5	2.0	2.4	1.8	2.5	2.3
Memo item:								
OECD excluding food and energy	1.8	1.6	1.6	1.6	1.7	2.0	1.9	1.9

Sources: OECD, national data, BIS, Eurostat and ECB calculations.

The outlook for global inflation is strongly influenced by commodity price developments and, more importantly, by energy prices. After a moderate increase in June, oil prices declined by about 6% in July (see Chart 3). Brent crude oil prices stood at USD 105 per barrel on 6 August 2014, which is about 4% lower than their level one year ago. The recent decrease in oil prices reflects fewer market concerns about possible oil supply losses related to the geopolitical conflicts in Iraq and Ukraine in the short run. Political instability and technical issues continue to weigh on oil production in both OPEC and non-OPEC countries, although global supply remained overall unchanged in June compared to May. On the demand side, growth in global oil demand remained subdued according to the International Energy Agency, in line with moderate growth in global GDP. Looking forward, oil market participants have priced in slightly lower oil prices over the medium term, with December 2015 Brent futures contracts trading at USD 104 per barrel.

Chart 3 Main developments in commodity prices



Sources: Bloomberg and HWWI.

Non-energy commodity prices, on aggregate, have decreased by about 2% in July compared with June, reflecting a sharp decline in food prices (of approximately 18% since the beginning of May). This was driven by a reduction in grain prices, as the harvest is expected to be ample owing to particularly favourable weather conditions. In aggregate terms, the non-energy commodity price index (denominated in USD) is currently about the same level as one year ago.

1.3 DEVELOPMENTS IN SELECTED ECONOMIES

UNITED STATES

In the United States, real GDP rebounded strongly in the second quarter of 2014 following the weather-related contraction in the first quarter (see Table 2). According to the advance estimate by the Bureau of Economic Analysis, real GDP increased at an annualised rate of 4.0% (1.0% quarter on quarter), following the decline of 2.1% (-0.5% quarter on quarter) in the first quarter of 2014.

Table 2 Real GDP growth in selected economies

(percentage changes)

	Annual growth rates					Quarterly growth rates		
	2012	2013	2013 Q4	2014 Q1	2014 Q2	2013 Q4	2014 Q1	2014 Q2
United States	2.3	2.2	3.1	1.9	2.4	0.9	-0.5	1.0
Japan	1.4	1.5	2.4	2.8	-	0.1	1.6	-
United Kingdom	0.3	1.7	2.7	3.0	3.1	0.7	0.8	0.8
China	7.7	7.7	7.7	7.4	7.5	1.7	1.5	2.0

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

The expansion in the second quarter was supported mainly by the reversal of the temporary factors that had restrained growth in the previous quarter, such as inventory building and exports. In addition, personal consumption expenditure and private fixed investment also made a positive contribution to growth, which is another sign that the recovery in domestic demand is on track. On the other hand, net exports contributed negatively to GDP growth, but less so than in the first quarter as a result of stronger exports.

Available indicators up to July suggest that the US economy will maintain its growth momentum in the third quarter of 2014. The ongoing recovery is expected to be driven by diminishing fiscal drag and strengthening private domestic demand owing to still accommodative financial conditions, and rising consumer and business confidence. In particular, private consumption is expected to be supported by waning household deleveraging and continued improvements in the labour market, as well as positive financial and housing wealth effects. Rising demand and loose financing conditions should also boost investment, as suggested by the latest business confidence indicators. Moreover, although recent housing activity indicators have been mixed, the recovery in residential investment is expected to strengthen, consistent with the strong expansion in homebuilders' confidence observed in July.

Inflation stabilised in June, after having picked up over the previous three months, driven mostly by temporary factors, namely a rebound in food and energy price inflation. Annual CPI inflation stood at 2.1% in June, with energy price inflation remaining high for the third consecutive month. By contrast, annual inflation excluding food and energy fell to 1.9%, from 2.0% in May, reflecting the deceleration in the price inflation of shelter and medical services. Looking ahead, inflation is expected to increase only gradually, as the temporary factors behind the recent increase in inflation fade away. Moreover, slack in the labour market and subdued wage growth are expected to keep price pressures contained.

In the context of generally improving economic prospects, at its meeting on 30 July 2014, the Federal Open Market Committee (FOMC) announced that it would reduce the pace of its monthly asset purchases by a further USD 10 billion, to USD 25 billion, starting from August. The reduction is divided equally between purchases of mortgage-backed securities (from USD 15 billion to USD 10 billion) and longer-term Treasury securities (from USD 20 billion to USD 15 billion). The FOMC reaffirmed that, in determining how long to maintain the 0% to ¼% target range for the federal funds rate, it "will take into account a wide range of information, including measures of labour market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments."

JAPAN

In Japan, after a relatively solid performance at the start of 2014, the latest economic indicators confirm that economic activity in the second quarter of this year is likely to have contracted, as private demand rebalanced following the VAT increase in April and the frontloaded spending in the first quarter. After a pronounced drop in April, real private consumption recovered moderately in the following months, while industrial production fell again in June. At the same time, private core machinery orders declined markedly in May, and real exports of goods fell significantly in both May and June, pointing to some weakness in private non-residential investment and exports in the second quarter. However, more recently evidence from survey-based business sentiment indicators has been somewhat mixed. For instance, the manufacturing PMI, albeit declining, remained in expansionary territory in July.

Inflation moderated somewhat in June, after having increased considerably in previous months, largely on account of the VAT increase in April. Annual CPI inflation eased slightly in June to 3.6% (from 3.7% in the previous month), while annual CPI inflation excluding food, beverages and energy increased slightly to 2.3% (from 2.2% in the previous month). Excluding the impact of the VAT hike implemented in April (and taking into account the estimates of its impact provided by the Bank of Japan), annual headline inflation declined slightly to 1.5% in June (from 1.6% in the previous month), and annual inflation excluding food, beverages and energy increased mildly from 0.5% to 0.6%, after having declined significantly in the previous month.

At its monetary policy meeting on 15 July 2014, the Bank of Japan decided to leave the existing targets for monetary base unchanged.

UNITED KINGDOM

Economic activity in the United Kingdom continued to maintain a strong momentum in the second quarter of 2014. According to preliminary data, real GDP growth remained at 0.8% quarter on quarter. Activity was mainly buoyed by growth in the services sector, but the production sector also made a positive contribution. While a breakdown of demand components is not yet available, high frequency data suggest that economic activity has been supported by the buoyant housing market and strong private consumption. This, in turn, reflected a continued strengthening of the labour market, as unemployment fell to a five-year low of 6.5% in the three months to May, as well as the sustained momentum of gross fixed capital formation, which is recovering from very low levels. However, in the medium term the need for private and public sector balance sheet adjustments may weigh on economic activity.

Annual CPI inflation picked up to 1.9% in June from 1.5% a month earlier, remaining below the Bank of England's target for the sixth month in a row. The largest contribution to the year-on-year increase came from clothing and footwear prices, which did not fall as is usually the case in June. However, inflationary pressures are likely to remain contained going forward against the background of a protracted period of subdued wage growth and the lagged effects of the sterling appreciation.

At its meeting on 10 July 2014, the Bank of England's Monetary Policy Committee maintained the policy rate at 0.5% and the size of the Asset Purchase Programme at GBP 375 billion.

CHINA

Growth in China picked up in the second quarter as fiscal stimulus, a surge in credit and stronger external demand contributed to a swift turnaround in activity. Real GDP growth increased to 7.5% annually in the second quarter of 2014 from 7.4% in the previous quarter. On a quarterly basis, growth accelerated to 2.0% from 1.5%. The acceleration in activity in the second quarter was underpinned by a sharp rise in financing to the private sector, further increasing China's already high financial leverage. The strong credit expansion fuelled investment, which contributed most to growth, while the contribution from net exports became positive for the first time since early 2013. Overall, however, the expansion of external trade – albeit recovering after a very weak start in the year – remains very modest from a historical perspective. At the same time, risks stemming from the housing market seem to be diminishing: after a steep fall earlier in the year, the decline in housing sales has bottomed out recently, as buyers take advantage of price cuts by developers.

Looking forward, the current strong growth momentum implies that the government's growth target of 7.5% for this year is likely to be met. However, GDP growth remains dependent on a rapid expansion of credit, in spite of authorities' efforts to tackle financial fragilities and macroeconomic imbalances. As the economy moves onto a lower, but more sustainable growth path, activity is likely to moderate gradually.

Notwithstanding rapid credit growth, inflationary pressures have remained low, as overcapacity in some heavy industries continued to weigh on prices. Since mid-2012, annual CPI inflation has fluctuated at around 2.5%, whereas inflation excluding food and energy has remained close to 1.7%. PPI inflation has been negative since March 2012, although showing a slight upward trend.

1.4 EXCHANGE RATES

Over the past month the exchange rate of the euro declined against the currencies of most of the euro area's main trading partners. On 6 August 2014 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 -1.0% below its level at the beginning of July, at about the same level (-0.1%) as a year earlier (see Chart 4 and Table 3). During this period movements in exchange rates were largely related to developments in expectations about future monetary policy, as well as to adjustments in market expectations regarding the economic outlook for the euro area relative to other major economies.

In bilateral terms, since early July the exchange rate of the euro weakened against the US dollar (by 2.5%), the Japanese yen (by 1.7%) and the pound sterling (by 0.7%). Over the review period it also depreciated vis-à-vis the currencies of some emerging economies in Asia, notably the Chinese renminbi (by 3.1 %), and the currencies of some commodity-exporting countries. In contrast, the euro strengthened against the currencies of the non-euro area EU Member States. Its appreciation ranged from 0.9% vis-à-vis both the Swedish krona and the Croatian kuna to 1.8% against the Hungarian forint.

The Lithuanian litas and the Danish krone, which are participating in ERM II, have remained broadly stable against the euro, trading at, or close to, their respective central rates. On 23 July 2014 the EU Council adopted a decision allowing Lithuania to adopt the euro as its currency on 1 January 2015 (see Box 1).

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 6 August 2014 with respect to	
		1 July 2014	6 August 2013
EER-20		-1.0	-0.1
Chinese renminbi	18.7	-3.1	1.2
US dollar	16.8	-2.5	0.5
Pound sterling	14.8	-0.7	-8.4
Japanese yen	7.2	-1.7	4.8
Swiss franc	6.4	0.1	-1.3
Polish zloty	6.2	1.1	-0.2
Czech koruna	5.0	1.5	7.4
Swedish krona	4.7	0.9	6.1
Korean won	3.9	-0.2	-6.6
Hungarian forint	3.2	1.8	5.5
Danish krone	2.6	0.0	0.0
Romanian leu	2.0	1.2	0.8
Croatian kuna	0.6	0.9	1.8

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.

Box 1

THE INTRODUCTION OF THE EURO IN LITHUANIA ON 1 JANUARY 2015

On 23 July 2014 the Council of the European Union adopted a decision allowing Lithuania to adopt the euro as its currency on 1 January 2015. Lithuania will be the nineteenth EU Member State to join the euro area. Euro area countries participate automatically in the Single Supervisory Mechanism (SSM) and Lithuania will therefore also join the SSM on the same date that it adopts the euro. Lithuania will be the first country to join both the euro area and the SSM in this way.

Both the ECB and the European Commission published their respective Convergence Reports on 4 June 2014, in line with the requirement laid down in Article 140 of the Treaty on the Functioning of the European Union to report to the EU Council at least once every two years, or at the request of an EU Member State with a derogation “on the progress made by the Member States with a derogation in fulfilling their obligations regarding the achievement of economic and monetary union”. Based on the findings of the Convergence Reports, the Commission concluded that Lithuania fulfilled all of the necessary conditions for adopting the euro.

At the same time, the EU Council also adopted a regulation on the conversion rate to the euro for Lithuania. The irrevocable conversion rate is set at 3.45280 Lithuanian litas to one euro, which corresponds to the current central rate of the litas in the Exchange Rate Mechanism II (ERM II). This rate is unchanged from that agreed at the time the litas entered ERM II in 2004. The ECB and Lietuvos bankas will monitor developments in the market exchange rate of the litas against the euro in the context of the ERM II agreement until the end of 2014. It is to be recalled that Lithuania joined ERM II on 28 June 2004 with its existing currency board arrangement in place as a unilateral commitment, thus placing no additional obligations on the ECB. Over the reference period the litas continued to be stable and did not exhibit any deviation from its central rate within ERM II.

Lithuania's entry in the euro area is a significant achievement for economic policy in the country, providing an important source of confidence. Membership of the euro area may facilitate further economic integration, an improved investment environment and the continuation of sustainable economic convergence. The Lithuanian economy is already deeply integrated in the Single Market and while the benefits of joining the monetary union are clear, it also implies the national authorities' commitment to ensuring that the catching-up process is sustainable and not associated with new boom/bust episodes. Developments during the boom period of 2005-07 in particular highlighted the difficulties in controlling domestic price pressures and avoiding renewed economic overheating. Based on this experience, the ECB expressed concerns in its Convergence Report with regard to the sustainability of inflation convergence in Lithuania. That said, the ECB also noted that the Lithuanian economy had demonstrated high adjustment capacity in labour and product markets after the onset of the crisis, while fiscal discipline and reforms in the public sector also facilitated the adjustment process. The country's macroeconomic imbalances were corrected in the subsequent years without the help of an IMF programme, and the European Commission did not select Lithuania for an in-depth review in its Alert Mechanism Report 2014.

In order to lock in the competitiveness gains of recent years and ensure stability, the Lithuanian authorities must address the structural issues that the economy continues to face. These include continued high structural unemployment, labour supply bottlenecks, high energy dependence and low energy efficiency, as well as the burden stemming from a large shadow economy. The Lithuanian authorities have published a letter of self-commitment on their policy priorities and some of these undertakings are to be achieved prior to the adoption of the euro on 1 January 2015. By way of example, the draft Constitutional Law on the implementation of the fiscal compact is to be adopted shortly. Also, the process of broadening Lietuvos bankas' mandate to include macro-prudential policy is scheduled to be completed soon, so that all of the instruments for conducting counter-cyclical macroeconomic policy are in place in time. Furthermore, a ceiling on cash transactions is also expected to be introduced rapidly as a step towards reducing the shadow economy.

As for all of the countries which joined the euro area after 2004 including, most recently Latvia, much work has been done by the NCB – Lietuvos bankas – and the ECB to prepare for Lithuania's integration in the euro area and the cash changeover, as well as to carry out the necessary statistics and economic analyses.

It is important that each new euro area Member State continues to demonstrate its commitment to and sense of ownership of the euro project after it has joined. The experience of recent years has confirmed that participation in the currency union does not only come with rights, but also with obligations. Indeed, the success of the euro depends on all euro area countries seriously engaging with the responsibilities that go hand in hand with the benefits that euro area membership offers. The ECB welcomes the Lithuanian authorities' demonstrated commitment to addressing the economy's structural issues and ensuring Lithuania's successful participation in the single currency.

2 MONETARY AND FINANCIAL DEVELOPMENTS

2.1 MONEY AND MFI CREDIT

Monetary data for June 2014 continued to signal weak underlying money and credit growth. At the same time, annual M3 growth increased further, driven by a preference among money holders for liquid assets, especially overnight deposits. On the counterpart side, annual broad money growth continued to be supported mainly by strong monthly increases in MFIs' net external asset position, which to a large extent reflects current account surpluses and a continued interest among international investors in holding euro area assets. The slower pace of contraction in MFI lending to the private sector in June also contributed to the improvement in M3 dynamics, suggesting that uncertainty about a turnaround in loan dynamics further receded in June. That is also supported by positive signals from the July 2014 bank lending survey.

THE BROAD MONETARY AGGREGATE M3

The annual growth rate of M3 increased for the second consecutive month in June, to 1.5%, compared with 1.0% in May and 0.7% in April (see Chart 5). These increases notwithstanding, the underlying growth in broad money remained subdued.

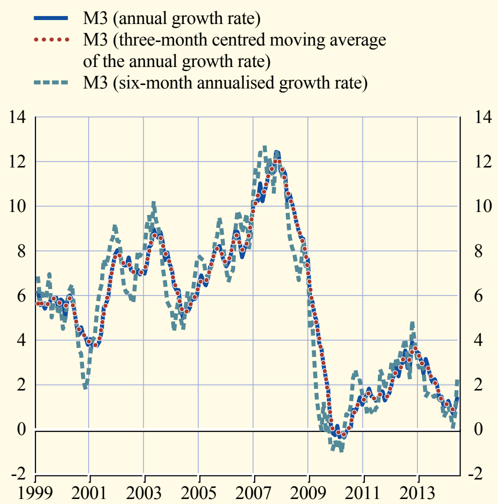
All major M3 components registered monthly inflows, with those for M1 being the largest. Preference for holding liquid assets in a very low interest rate environment (mainly in the case of households) and as a temporary liquidity reserve (mainly applicable to institutional investors) appears to be the main factor driving these inflows.

On the counterpart side, money creation continued to be supported by a further increase in MFIs' net external asset position, which in June was particularly sizeable. The further contraction in longer-term financial liabilities continued to reflect both MFIs' reduced funding needs in the context of deleveraging and the shift towards deposit-based funding that is being encouraged under the current regulatory regime. In conjunction with money holders' preference for liquidity, this is also continuing to support M3 growth.

MFIs' main assets continued to decrease in the three months to June (by €106 billion). There are signs, however, of a levelling off of the overall deleveraging trend. In particular, MFIs in non-stressed countries have broadly stopped the decline in their main assets, while in stressed countries this trend continued, albeit at a slightly reduced pace and with a moderate change in composition. More specifically, MFIs in stressed countries have increased the shedding of securities issued by the private sector (excluding MFIs) and domestic government securities in recent quarters. This suggests a refocusing of their deleveraging from private sector loans to securities against the backdrop of a more benign market environment for the latter and a moderation in loan contraction.

Chart 5 M3 growth

(percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.

MAIN COMPONENTS OF M3

As regards the components of M3, the annual growth rate of M1 increased to 5.3% in June, after 5.0% in May (see Table 4). Both overnight deposits and currency in circulation exhibited inflows. With other non-risky assets also offering reduced yields, the opportunity cost of holding overnight deposits is small. Thus, the robust annual growth in M1 confirms the persistently strong preference for liquidity displayed by the money-holding sector in an environment of very low interest rates.

In this environment, the annual growth in short-term deposits other than overnight deposits (M2 minus M1) remained negative. The reason is that, given the generally very low interest rates and the improved funding situation of banks, these types of deposit do not offer a remuneration that compensates for their lower degree of liquidity as compared with overnight deposits. In June, the annual rate of growth in short-term deposits other than overnight stood at -1.8%, after -1.9% in May. This stemmed from marginal increases in the annual rate of growth in short-term time deposits (deposits with an agreed maturity of up to two years), which rose to -4.5% in June from -4.7% in May, and in the annual growth in short-term savings deposits (deposits redeemable at notice of up to three months), which stood at 0.6% in June, after 0.5% in May.

Although remaining strongly negative, the annual rate of change of marketable instruments (M3 minus M2) increased in June, to -10.0%, after -13.4% in May. The June increase mainly reflects a relatively strong inflow, which was concentrated in repurchase agreements (repos) held by insurance corporations and pension funds (ICPFs) and other non-monetary financial intermediaries (OFIs). These agents are likely to have used repos as an instrument to temporarily park liquidity in search of investment opportunities following the continued increase in the stock market in previous quarters. The annual rates of change in the other two types of marketable instrument (money market fund shares/units and short-term MFI debt securities) also registered increases.

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					
		2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 May	2014 Jun
M1	**55.7**	**6.9**	**6.4**	**6.0**	**5.2**	**5.0**	**5.3**
Currency in circulation	9.3	2.6	4.1	6.0	5.6	5.5	5.5
Overnight deposits	46.4	7.8	6.9	6.0	5.1	4.9	5.3
M2-M1 (=other short-term deposits)	38.3	0.3	-1.2	-2.4	-2.1	-1.9	-1.8
Deposits with an agreed maturity of up to two years	16.8	-5.0	-6.3	-6.8	-5.4	-4.7	-4.5
Deposits redeemable at notice of up to three months	21.4	5.0	3.3	1.4	0.7	0.5	0.6
M2	**94.0**	**4.0**	**3.1**	**2.4**	**2.1**	**2.1**	**2.3**
M3-M2 (=marketable instruments)	6.0	-17.2	-17.1	-13.9	-13.7	-13.4	-10.0
M3	**100.0**	**2.2**	**1.5**	**1.1**	**1.0**	**1.0**	**1.5**
Credit to euro area residents		**-0.5**	**-1.2**	**-1.9**	**-2.2**	**-2.3**	**-2.3**
Credit to general government		2.0	0.1	-0.2	-1.3	-1.4	-2.5
Loans to general government		-6.0	-6.7	-4.0	-2.6	-1.6	-1.5
Credit to the private sector		-1.2	-1.6	-2.3	-2.5	-2.6	-2.2
Loans to the private sector		-1.9	-2.2	-2.3	-1.9	-2.0	-1.7
Loans to the private sector adjusted for sales and securitisation[2]		-1.4	-1.8	-2.0	-1.5	-1.4	-1.1
Longer-term financial liabilities (excluding capital and reserves)		**-4.2**	**-3.6**	**-3.4**	**-3.4**	**-3.4**	**-3.6**

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.

The persistent contraction in money holders' holdings of money market shares/units is a reflection of the difficult business environment in which these agents operate. With the current very low yields offered by money market instruments, money market funds find it very difficult to offer attractive remunerations, especially when compared with overnight deposits, which offer a zero remuneration floor. The continued contraction in short-term debt securities, especially those offered to retail customers, reflects the shift towards deposit-based funding that is being encouraged under the current regulatory regime.

The annual growth rate of M3 deposits – which include repos and represent the broadest component of M3 for which a timely sectoral breakdown is available – increased to 2.0% in June from 1.6% in May. The June increase was driven by deposits held by households, reflecting the above-mentioned liquidity preference in a low interest rate environment. The annual growth rate of deposits held by this sector increased to 2.0% in June, up from 1.6% in May. The annual growth rate of deposits held by ICPFs also increased strongly (to 1.9% in June from -4.6% in May), reflecting the aforementioned increase in repos. The annual rate of change in deposits held by OFIs continued to decline. Finally, it is worth mentioning that, while the annual growth rate of M3 deposits held by non-financial corporations increased only marginally to 6% in June, it has remained at robust levels since early 2013. This development, which is broad-based across the euro area, to some extent parallels the improvements in the current account and reflects the capacity of euro area firms to generate internal sources of financing. The weakness of intra-sectoral trade in an improved growth outlook, as reported by the latest flow-of-funds data, suggests that some firms are likely to have begun to use these funds to finance working capital (see also Box 3 at the end of this section, which discusses a broader analysis of savings, investment and financing, broken down by institutional sector).

MAIN COUNTERPARTS OF M3

The annual rate of change in MFI credit to euro area residents remained unchanged at -2.3% in June (see Table 4). This reflected a strong decrease in the annual growth rate of credit to the general government sector, offset by a slower pace of contraction in credit to the private sector (-2.2% in June, compared with -2.6% in May).

The annual rate of change in credit to general government declined to -2.5% in June, after -1.4% in May, reflecting net monthly sales of government securities by euro area MFIs and net loan redemptions. The annual growth in government debt securities held by MFIs declined to -3.0% in June from -1.3% in May. In an environment of easing conditions in the sovereign debt markets, sales of government securities by euro area MFIs are consistent with a renewed interest in euro area assets among international investors.

The annual rate of change in loans to the private sector originated by MFIs (adjusted for sales and securitisation) increased for the third consecutive month to -1.1% in June (see Table 4). The monthly flow in June 2014 was slightly negative, driven by monthly net redemptions of loans to OFIs and non-financial corporations.

The annual rate of change in loans to non-financial corporations (adjusted for sales and securitisation) increased to -2.3% in June, compared with -2.5% in May and -3.2% at its trough in February. The annual growth rate of loans to households (adjusted for sales and securitisation) increased by 0.1 percentage point to 0.5% in June, marginally above the average rate observed since early 2013.

Table 5 MFI loans to the private sector

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

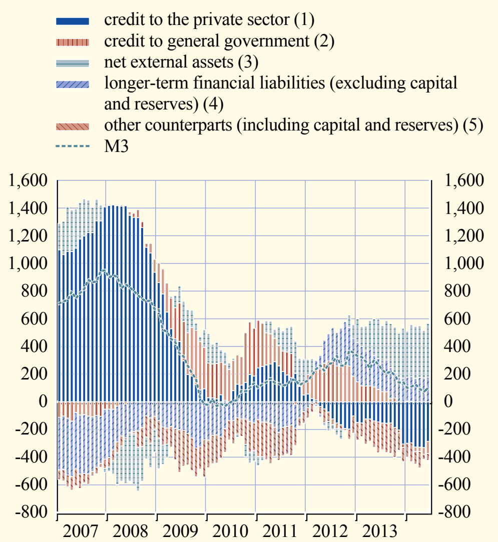
	Outstanding amount as a percentage of the total[1)]	Annual growth rates					
		2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 May	2014 June
Non-financial corporations	**41.1**	**-3.7**	**-3.6**	**-3.0**	**-2.7**	**-2.6**	**-2.3**
Adjusted for sales and securitisation[2)]	*-*	*-2.8*	*-2.9*	*-3.0*	*-2.7*	*-2.5*	*-2.3*
Up to one year	24.5	-3.7	-4.1	-4.8	-4.6	-4.8	-2.7
Over one and up to five years	17.1	-5.7	-5.3	-5.3	-3.9	-3.8	-3.3
Over five years	58.4	-3.1	-2.9	-1.5	-1.5	-1.3	-1.9
Households[3)]	**49.6**	**0.1**	**0.1**	**-0.2**	**-0.4**	**-0.7**	**-0.6**
Adjusted for sales and securitisation[2)]	*-*	*0.3*	*0.3*	*0.3*	*0.4*	*0.4*	*0.5*
Consumer credit[4)]	11.0	-2.7	-3.0	-2.7	-2.0	-2.2	-1.5
Lending for house purchase[4)]	73.8	0.8	0.9	0.6	0.2	-0.3	-0.4
Other lending	15.2	-1.2	-1.5	-1.7	-1.7	-1.8	-1.4
Insurance corporations and pension funds	**0.9**	**12.8**	**10.9**	**9.5**	**5.0**	**2.9**	**4.7**
Other non-monetary financial intermediaries	**8.4**	**-5.8**	**-9.1**	**-11.3**	**-7.4**	**-6.8**	**-5.6**

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.

The latest data suggest that, after a stabilisation in the annual growth rate of MFI loans to households (since early 2013) and to non-financial corporations (since mid-2013), uncertainty about a turnaround in loan dynamics further receded in June. This turnaround would be consistent with the past lead-lag relationship of sectoral MFI loans with respect to the business cycle. The turnaround in loan dynamics should be supported by easier supply conditions and increases in demand, as reported by the July 2014 euro area bank lending survey (BLS) (see Box 2 entitled “The results of the euro area bank lending survey for the second quarter of 2014”).

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 annual rate of change in MFIs’ longer-term financial liabilities (excluding capital and reserves) declined to -3.6% in June from -3.4% in May on the back of a substantial monthly outflow of €29 billion. The longer-term MFI debt securities holdings of the money holding sector fell markedly in June, by €16 billion, after rising by €5 billion in May. This mainly reflected negative issuance by banks, which accelerated significantly in June. Given the improved market conditions for MFI debt issuance, as illustrated by the further narrowing of the spreads between non-secured bank bond yields and swap rates, and as also reported by

BLS respondents, this development is likely to reflect both ongoing balance sheet deleveraging and the prospect of longer-term central bank funding via the targeted longer-term refinancing operations (TLTROs) as announced in June 2014.

The net external asset position of euro area MFIs increased by €53 billion in June, while in the 12 months to June, the net external asset position of euro area MFIs increased by €388 billion, reflecting current account surpluses and strong interest from international investors in euro area securities (see Chart 6). For around two years now, increases in MFIs' net external assets have been observed, representing the main factor supporting M3 growth, and counteracting the negative contribution from net redemptions of MFI credit to euro area residents.

Overall, despite the pick-up in M3 growth, the latest monetary data confirm the weakness in underlying money and credit dynamics. Broad money growth continues to be supported both by increases in MFIs' net external assets and by shifts away from longer-term financial liabilities. At the same time, subdued monetary dynamics also reflect a search for yield by the money-holding sector in an environment characterised by a low remuneration of monetary assets and returning confidence.

Box 2

THE RESULTS OF THE EURO AREA BANK LENDING SURVEY FOR THE SECOND QUARTER OF 2014

This box summarises the main results of the euro area bank lending survey conducted by the Eurosystem between 26 June and 11 July 2014 for the second quarter of 2014.[1] Overall, euro area banks reported a net easing of credit standards and a net increase in demand for all loan categories.

Summary of the main results

In the second quarter of 2014, euro area banks reported a net easing of credit standards applied to both loans to enterprises and loans to households. At the same time, it has to be kept in mind that credit standards are still relatively tight. In the second quarter of 2014, net loan demand continued to be positive and stood above its historical average for loans to enterprises and loans to households. Looking ahead to the third quarter of 2014, banks expect a net easing of credit standards and a net increase in demand for all loan categories.

Loans and credit lines to enterprises

For the first time since the second quarter of 2007, euro area banks reported a net easing of credit standards on loans to enterprises in the second quarter of 2014 (-3%, compared with 1% in the previous quarter; see Chart A). Looking at the underlying factors, euro area banks reported that, on average, banks' cost of funds and balance sheet constraints and banks' risk perceptions both contributed to a slight net easing of credit standards (the latter for the second quarter in a row). The development in banks' risk perceptions was mainly due to banks' improved

1 A comprehensive assessment of the results of the euro area bank lending survey for the second quarter of 2014 was published on the ECB's website on 30 July 2014.

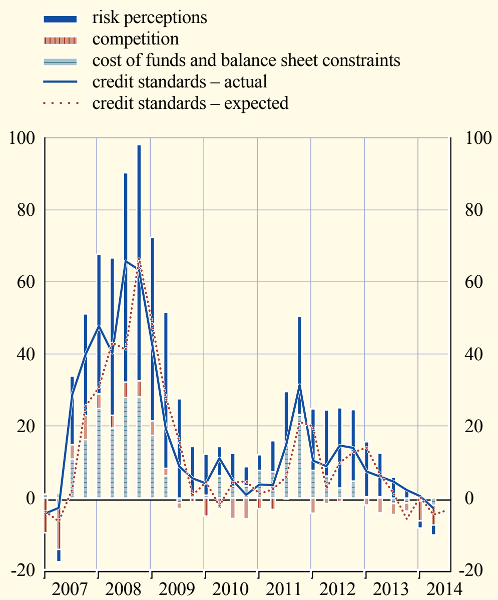
expectations regarding the macroeconomic and firm-specific outlook, in line with the moderate economic recovery in the euro area. By contrast, banks' assessment of the risk on collateral demanded had a marginal tightening impact on credit standards. Finally, competitive pressures were reported to have contributed to a net easing of credit standards.

Banks further relaxed the terms and conditions for new loans to enterprises substantially in the second quarter of 2014. In net terms, margins on average loans were further narrowed (-26%, compared with -16% in the previous quarter; see Chart B), and, for the first time since the start of the survey, banks also reported a narrowing of margins on riskier loans to enterprises (-4%, compared with 5% in the previous quarter). Moreover, in net terms, euro area banks reported that all components of other terms and conditions became more favourable in the second quarter of 2014.

Looking ahead, euro area banks expect a net easing of credit standards for loans to enterprises in the third quarter of 2014 (-3%).

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

(net percentages and average net percentages per category)

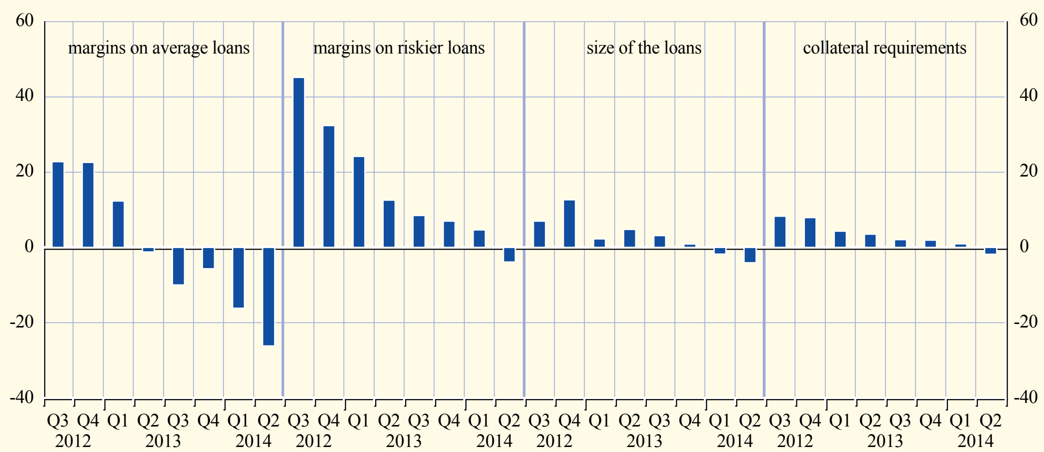


Source: ECB.
Notes: Cost of funds and balance sheet constraints as unweighted average of "capital position", "access to market financing" and liquidity position"; risk perception as unweighted average of "expected economic activity", "industry-specific risk" and "risk on collateral demanded"; competition as "bank competition", "non-bank competition" and "competition by market financing".

Net demand for loans to enterprises continued to be positive and recovered further in the second quarter of 2014 (4%, following 2% in the previous quarter; see Chart C). According to

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

(net percentages of banks reporting tightening terms and conditions)



Source: ECB.

participating banks, this development was mainly driven by increased financing needs related to fixed investment (which made a marginally positive contribution to loan demand for the first time since the second quarter of 2011) as well as inventories and working capital. On average, the contribution to the net increase in demand from the use of alternative sources of finance was neutral in the second quarter of 2014.

Looking ahead, in net terms, a significant share of banks expect an increase in demand for loans to enterprises in the third quarter of 2014 (25%).

Loans to households for house purchase

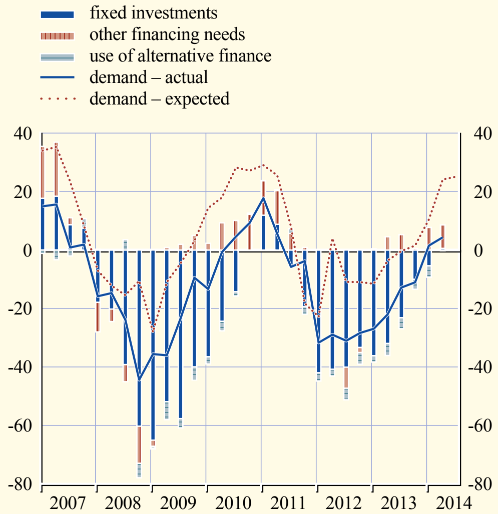
In the second quarter of 2014, euro area banks again reported a net easing of credit standards on loans to households for house purchase (-4%, broadly similar to the previous quarter; see Chart D). On average, all underlying factors, i.e. banks' cost of funds and balance sheet constraints, banks' risk perceptions, and competitive pressures, contributed to the net easing of credit standards for housing loans.

Banks' further relaxed the price terms and conditions for housing loans considerably in the second quarter of 2014, while there was less change in non-price terms and conditions. More specifically, euro area banks reported, in net terms, a significant narrowing of margins on average housing loans (-30%, compared with -21% in the previous quarter), while margins on riskier loans remained unchanged (0%) following a net widening of margins on riskier loans throughout the financial crisis. Responses regarding non-price terms and conditions pointed to little change overall, with a small net tightening related to loan maturity and a marginal net easing related to non-interest rate charges.

Looking ahead, euro area banks expect a marginal net easing of credit standards for housing loans in the third quarter of 2014 (-1%).

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

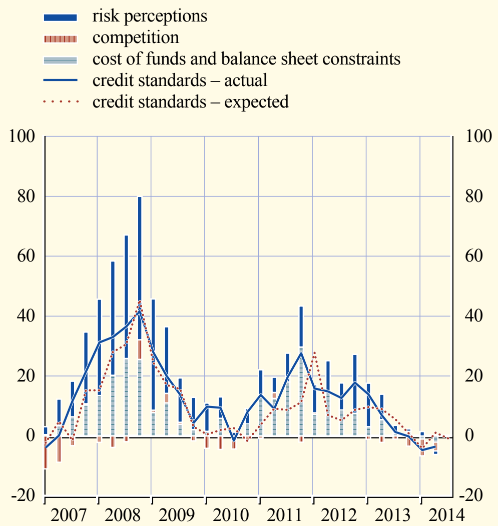
(net percentages and average net percentages per category)



Source: ECB.
Notes: Other financing needs as unweighted average of "inventories and working capital", "M&A and corporate restructuring" and "debt restructuring"; use of alternative finance as unweighted average of "internal financing", "loans from other banks", "loans from non-banks", "issuance of debt securities" and "issuance of equity".

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

(net percentages and average net percentages per category)

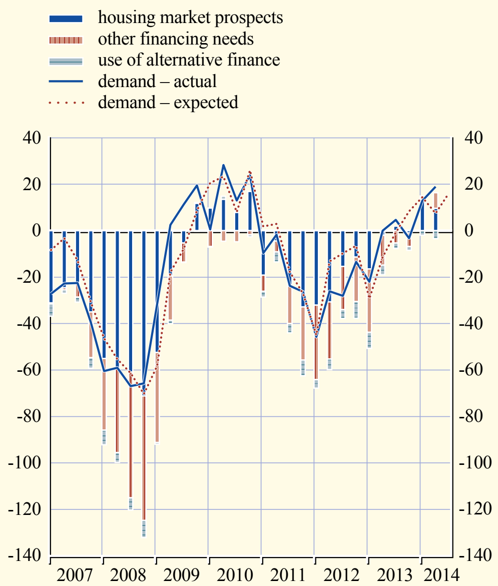


Source: ECB.
Notes: Risk perception as unweighted average of "expected economic activity" and "housing market prospects"; competition as unweighted average of "competition from other banks" and "competition from non-banks".

Turning to loan demand, euro area banks reported a further net increase in demand for housing loans in the second quarter (19%, compared with 13% in the previous quarter; see Chart E). Regarding the underlying factors, the positive net contributions from housing market prospects and consumer confidence were the main drivers behind the net increase in demand for housing loans. By contrast, the contribution related to the use of alternative financing remained slightly negative.

Chart E Changes in demand for loans to households for house purchases and contributing factors

(net percentages and average net percentages per category)



Source: ECB.
Notes: Other financing needs as unweighted average of "consumer confidence" and "non-housing related consumption expenditure"; use of alternative finance as unweighted average of "household savings", "loans from other banks" and "other sources of finance".

Looking ahead, banks expect a net increase in demand for housing loans (16%) in the third quarter of 2014.

Consumer credit and other lending to households

In the second quarter of 2014, euro area banks reported a net easing of credit standards for consumer credit and other lending to households (-2%, broadly similar to the previous quarter). This development was driven by a marginal net easing impact from banks' risk perceptions and banks' cost of funds and balance sheet constraints (the latter being reported for the first time since the first quarter of 2007, i.e. since before the outbreak of the financial crisis) as well as a continued net easing impact from competition.

Turning to terms and conditions, banks reported a narrowing of margins on average loans (-14%, compared with -3% in the previous survey round), while those on riskier loans widened slightly (2%, broadly similar to the previous quarter).

Looking ahead, euro area banks expect a further net easing of credit standards applied to consumer credit and to other lending to households in the third quarter of 2014 (-2%).

In the second quarter of 2014, surveyed banks reported a further net increase in demand for consumer credit (17%, compared with 4% in the first quarter of 2014). Looking ahead, euro area banks expect a continued net increase in the demand for consumer credit in the third quarter of 2014 (16%).

Ad hoc questions

The July 2014 bank lending survey contained a number of ad hoc questions.

First, it contained – as in previous survey rounds – an ad hoc question on banks' access to retail and wholesale funding. On average, in the second quarter of 2014, euro area banks reported a net easing in their access to funding for all main market instruments, i.e. for retail funding, money market instruments, issuance of bank debt securities and securitisation (see Chart F). Looking ahead to the third quarter of 2014, euro area banks expect a continued net easing in their access to all wholesale market instruments, but overall unchanged access to retail funding.

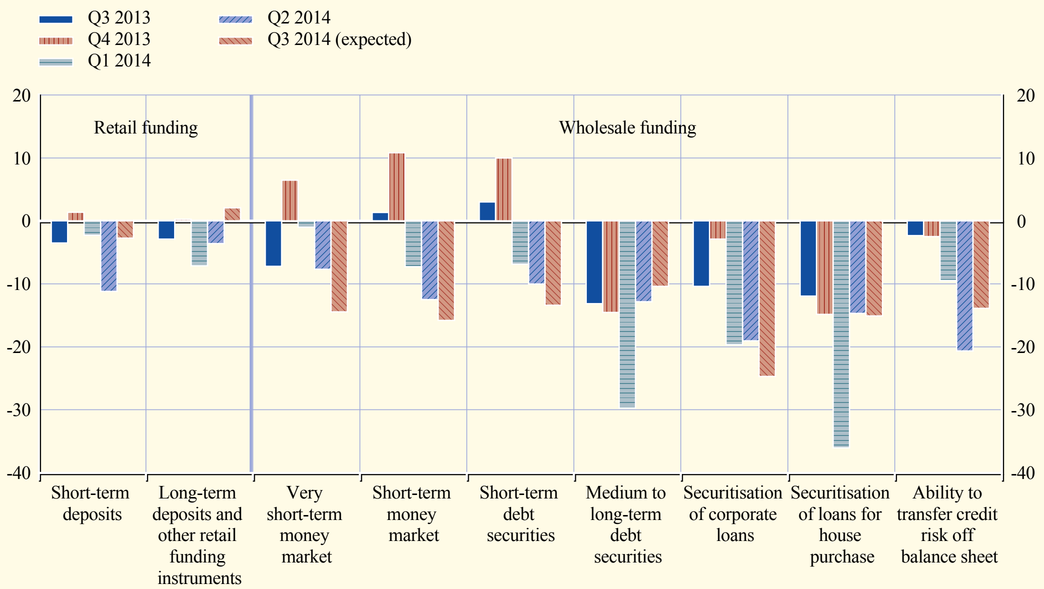
Second, the July 2014 survey included – as in previous survey rounds – an ad hoc question aimed at assessing the impact of the sovereign debt tensions on banks' funding conditions, credit standards and credit margins over the previous three months. The banks' replies indicated that reduced sovereign debt tensions had contributed on average to a further and considerable net easing of banks' funding conditions in the second quarter of 2014, while the reduced sovereign debt tensions had no impact on changes in banks' credit standards for all loan categories. At the same time, euro area banks reported that the reduced sovereign debt tensions had contributed to a further small narrowing of margins for all loan categories in the second quarter of 2014.

Third, the July 2014 survey also included two biannual ad hoc questions aimed at assessing the extent to which new regulatory and supervisory actions (including the comprehensive assessment of banks in the euro area) have affected banks' lending policies, both via the potential impact on their capital position and via the credit standards they apply to loans.

Euro area banks replied that, in response to regulatory and supervisory actions, their risk-weighted assets slightly increased in net terms during the first half of 2014, which was the first such

Chart F Changes in access to funding over the past three months

(net percentages of banks reporting deteriorated market access)



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

increase since the introduction of the question in the July 2011 round. At the same time, banks' riskier loans and, marginally, average loans both decreased further, although by less than in the second half of 2013. Euro area banks also reported a further net strengthening of their capital position, through both retained earnings and capital issuance, as well as eased funding conditions in net terms.

Euro area banks indicated that regulatory and supervisory actions had a net tightening impact on their credit standards on loans to both large firms and SMEs in the first half of 2014. In addition, euro area banks reported a net easing impact on credit standards for loans to households for house purchase and a neutral impact on consumer credit and other lending to households. Finally, regulatory and supervisory actions had a narrowing (i.e. easing) impact on margins on loans to large enterprises and on loans to households for house purchase in the first half of 2014, but a small net widening (i.e. tightening) impact on credit margins for loans to SMEs and on consumer credit and other lending to households.

2.2 SECURITIES ISSUANCE

In May 2014, debt securities issuance by euro area residents continued to contract, albeit at a slightly slower pace than in April. The annual growth rate of debt securities issuance by non-financial corporations increased visibly in May, but did not fully compensate for a decline in the growth rate of debt securities issuance by the government and the persistently negative growth rate of issuance by MFIs. The annual growth rate of equity issuance by MFIs remained strong in May, reflecting the on-going strengthening of balance sheets in this sector of the economy.

DEBT SECURITIES

The annual growth rate of debt securities issuance by euro area residents remained negative at -0.7% in May, up from -1.0% in the previous month (see Table 6). At the sectoral level, the annual growth

Table 6 Securities issued by euro area residents

Issuing sector	Amount outstanding (EUR billions) May 2014	Annual growth rates[1]					
		2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 April	2014 May
Debt securities	**16,590**	**-0.2**	**-0.7**	**-0.9**	**-0.8**	**-1.0**	**-0.7**
MFIs	4,793	-6.5	-8.7	-8.9	-8.0	-7.6	-7.2
Non-monetary financial corporations	3,239	-0.6	0.9	0.3	-2.0	-3.5	-2.0
Non-financial corporations	1,104	11.9	10.3	9.8	8.7	6.2	8.0
General government	7,453	3.5	3.3	3.3	3.9	4.0	3.3
of which:							
Central government	6,779	4.0	4.1	4.0	4.5	4.7	3.8
Other general government	675	-0.6	-3.8	-3.1	-0.7	-1.9	-1.2
Quoted shares	**5,941**	**0.6**	**1.1**	**1.2**	**1.6**	**2.2**	**2.2**
MFIs	643	2.5	7.8	7.4	8.7	10.9	10.5
Non-monetary financial corporations	485	2.6	1.5	0.8	1.3	1.8	1.8
Non-financial corporations	4,813	0.2	0.3	0.5	0.8	1.3	1.3

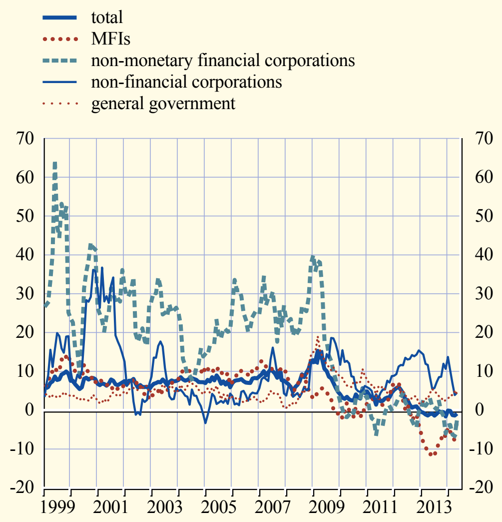
Source: ECB.
1) For details, see the technical notes for Sections 4.3 and 4.4 of the ''Euro area statistics'' section.

rate of issuance by non-financial corporations (NFCs) increased to 8.0%, up from 6.2%, while the growth rate of debt securities issuance by MFIs remained negative at -7.2%, up from -7.6% in April. For the general government sector, the growth rate of issuance declined to 3.3%, from 4.0% in April. Finally, the annual growth rate of debt securities issuance by non-monetary financial corporations became less negative and stood at -2.0% in May, up from -3.5% in April.

The maturity breakdown of debt securities issued reveals that refinancing activity in May was concentrated on the long-term fixed rate segment of the market. The annual growth rate of long-term debt securities issuance increased slightly to 0.2%, up from -0.1% in April. This reflected a year-on-year decrease of 5.4% in the issuance of long-term floating rate debt (down from -5.2% in April), which was more than compensated for by a 2.2% increase in the issuance of long-term fixed rate debt securities (up from 1.7% in the previous month). The annual growth rate of short-term debt security issuance remained in negative territory and stood at -10.1%, down from -9.9% in the previous month.

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

(six-month annualised growth rates; seasonally adjusted)



Source: ECB.

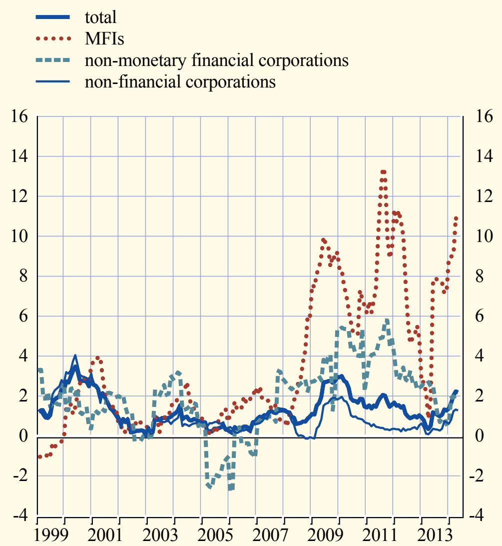
Looking at short-term trends, the increase in debt issuance activity by NFCs was less pronounced than indicated by the annual growth rate (see Chart 7). In May, the annualised six-month growth rate of debt securities issuance by NFCs increased to 4.5%, up from 3.9% in the previous month, while that for MFIs declined to -8.3%, down from -7.7% in April. In the case of non-monetary financial corporations, the corresponding rate remained negative at -2.5%, after -6.6% in April. By contrast, the annualised six-month growth rate of issuance by the general government sector declined to 4.3%, down from 4.9% in April.

QUOTED SHARES

In May 2014, the annual growth rate of quoted shares issued by euro area residents remained broadly stable, standing at 2.2% (see Chart 8). The breakdown by sector reveals that year-on-year growth of equity issuance by both NFCs and non-monetary financial corporations remained unchanged at 1.3% and 1.8% respectively.

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.

Finally, the annual growth rate of equity issuance by MFIs remained robust in May. It stood at 10.5%, slightly down from 10.9% in April. The fact that issuance of quoted shares was driven mainly by the MFI sector suggests that European banks continued to build up capital buffers in May. The need for balance sheet strengthening ahead of both the ECB's asset quality review later this year and the European Banking Authority's stress tests seem to be the main factors driving the strong growth in equity issuance in this sector. At the current juncture, this balance sheet adjustment is being facilitated by the increase in appetite for European equities observed since the beginning of the year.

2.3 MONEY MARKET INTEREST RATES

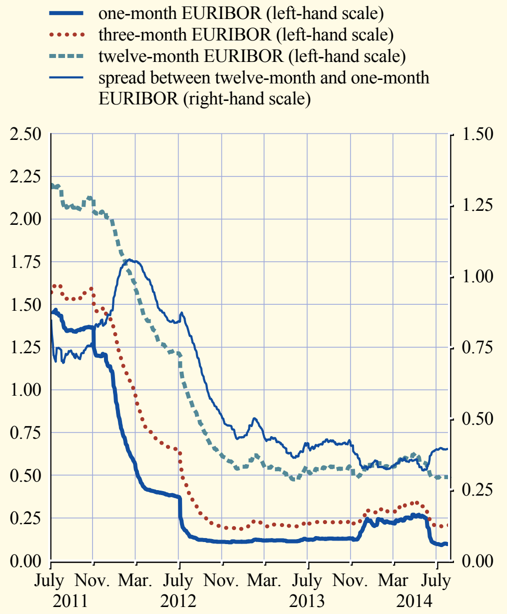
In the period between 2 July and 6 August, unsecured money market interest rates, including the EONIA and the short-term EONIA swap rates, remained broadly unchanged. Excess liquidity decreased slightly in the seventh maintenance period, owing to lower recourse to the Eurosystem's refinancing operations.

Between 2 July and 6 August, unsecured money market interest rates remained broadly unchanged after the significant decline in June. Consequently, the spread between the twelve-month and one-month EURIBOR – an indicator of the slope of the money market yield curve – also remained broadly unchanged at 39 basis points on 6 August (see Chart 9). On that date, the one-month, three-month, six-month and twelve-month EURIBOR stood at 0.10%, 0.21%, 0.31% and 0.49% respectively.

As regards expectations of future money market rates, the rates implied by three-month EURIBOR futures maturing in September and December 2014, and in March and June 2015, increased slightly relative to the levels prevailing on 2 July 2014, standing at 0.20%, 0.19%, 0.18% and 0.18% respectively on 6 August. Market uncertainty, as measured by the implied volatility of short-term options on three-month EURIBOR futures, remained broadly unchanged over the period under review, standing at around 0.05% on 6 August. The three-month EONIA swap rate was also broadly unchanged in the review period, standing at 0.06% on 6 August. Consequently, the spread between the three-month EURIBOR and the three-month EONIA swap rate remained broadly unchanged at 15 basis points on 6 August.

Chart 9 Money market interest rates

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



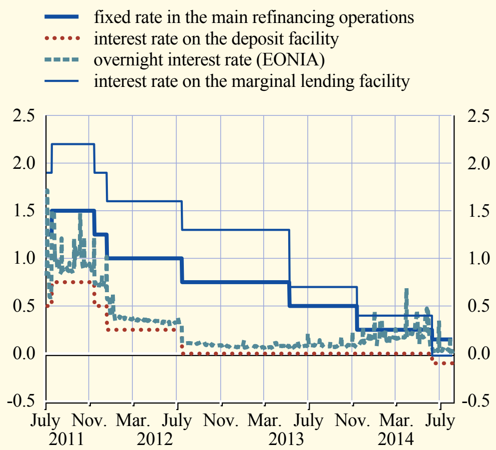
Sources: ECB and Thomson Reuters.

In the period between 2 July and 30 July, the EONIA showed little volatility, moving in a narrow range between 0.02% and 0.05%, despite decreases in the level of excess liquidity over the review period (see Chart 10). The EONIA peaked at 0.18% on 31 July, thereafter returning to previously prevailing low levels. The end-of-month increase was probably driven by liquidity demand that stemmed from "window dressing".

Between 2 July and 6 August 2014, the Eurosystem conducted several refinancing operations, all as fixed rate tender procedures. In the main refinancing operations (MROs) of the seventh maintenance period of 2014, conducted on 8, 15, 22 and 29 July and on 5 August, the Eurosystem allotted €94.2 billion, €99.9 billion, €97.9 billion, €133.3 billion and €107.9 billion respectively. The Eurosystem also carried out one longer-term refinancing operation (LTRO) in July, namely a three-month LTRO on 30 July (in which €6.8 billion was allotted).

Chart 10 ECB interest rates and the overnight interest rate

(percentages per annum; daily data)



Sources: ECB and Thomson Reuters.

Moreover, counterparties opted to repay, on a weekly basis, funds borrowed in the three-year LTROs allotted on 21 December 2011 and 29 February 2012 before maturity. On 6 August 2014, a total of €621.8 billion had been repaid since 30 January 2013. Of the total repayments, €349.5 billion was related to the LTRO allotted on 21 December 2011, and the remaining €272.3 billion was related to that allotted on 29 February 2012.

Excess liquidity increased in the sixth maintenance period of 2014, averaging €133.5 billion, compared with €116.6 billion in the previous maintenance period. The increase in outstanding open market operations deriving from the suspension of the weekly fine-tuning operation to sterilise the liquidity injected under the Securities Markets Programme was not fully compensated for by lower recourse to the Eurosystem's refinancing operations (MROs and LTROs), including three-year LTRO repayments, and by higher absorption by autonomous factors. Average daily recourse to the deposit facility decreased to €23.9 billion in the sixth maintenance period, from €28.3 billion in the previous maintenance period, while average current account holdings in excess of reserve requirements increased from €88.3 billion to €109.8 billion. Average recourse to the marginal lending facility remained broadly unchanged at €0.1 billion.

Excess liquidity decreased slightly, to average levels of around €129.1 billion in the first four weeks of the seventh maintenance period of 2014, mainly on account of lower outstanding open market operations, the lower volume of which resulted from the three-year LTRO repayments and from decreased recourse to the MROs and three-month LTROs.

2.4 BOND MARKETS

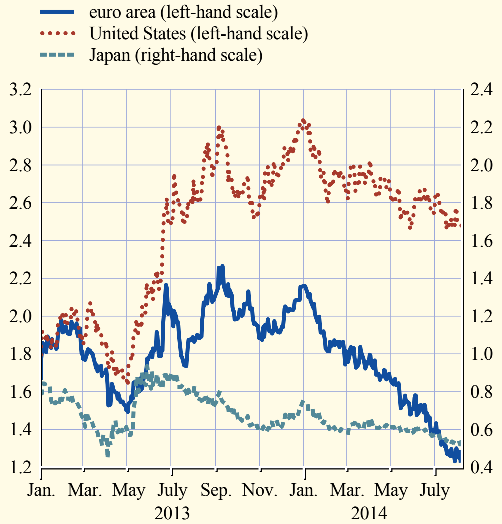
In July and early August, ten-year euro area government bond yields continued to decline, reaching a new record low. Long-term government bond yields in the United States also decreased slightly over the same period. The decline in both economic areas took place against a background of *heightened geopolitical tensions. Market indicators of long-term inflation expectations in the euro area remained fully consistent with price stability.*

Between the end of June and 6 August 2014, AAA-rated ten-year euro area government bond yields declined by, all in all, about 17 basis points to stand at around 1.2% on the latter date, which is the lowest level recorded since the time series first became available in 2004 (see Chart 11). AAA-rated shorter-term euro area government bond yields also decreased over the review period, but the decline was less marked than for the ten-year maturity. As a result, the slope of the term structure, as measured by the gap between the ten-year and the two-year bond yield, decreased by around 15 basis points over the review period, to stand at around 127 basis points. Ten-year government bond yields in the United States decreased by around 6 basis points, to 2.5%, while those in Japan decreased by around 5 basis points, to stand at 0.5%.

The continued decline in AAA-rated long-term euro area government bond yields took place against a background of heightened geopolitical tensions, mixed economic data and increased risk perceptions with respect to country-specific developments. Long-term bond yields decreased further in most euro area countries despite some fluctuations within the review period, also benefiting from continued interest from international investors. Notwithstanding the persistent geopolitical risks, some of the decline in long-term bond yields in the United States was reversed towards the end of the review period, in the wake of a positive GDP data release for the second quarter of 2014.

Chart 11 Long-term government bond yields

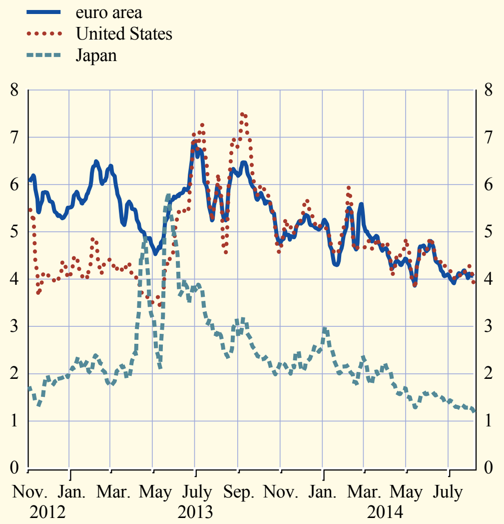
(percentages per annum; daily data)



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, Germany and the Netherlands.

Chart 12 Implied government bond market volatility

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



Source: Bloomberg.
Notes: Implied government bond market volatility is a measure of uncertainty surrounding short term (up to three months) developments in 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.

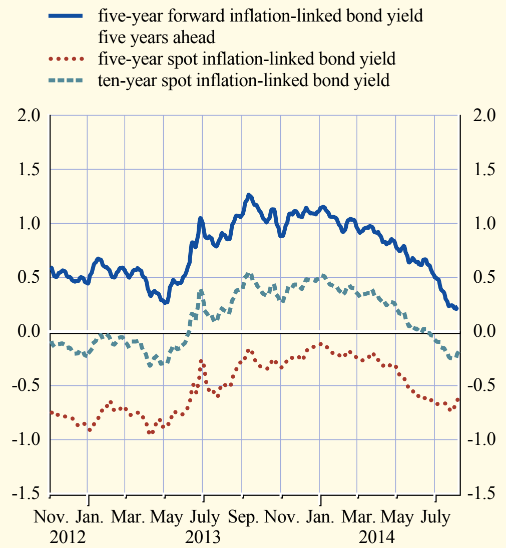
Investor uncertainty about near-term developments in the bond market in the euro area, as measured by the implied volatility extracted from bond options with a short maturity, remained broadly unchanged over the review period, standing at around 4% on 6 August (see Chart 12). Bond market uncertainty in the United States and Japan declined over the period under review. On 6 August, implied volatility in bond markets stood just below 4% in the United States, and around 1% in Japan.

Long-term real bond yields in the euro area, as measured by the yields on inflation-linked government bonds, continued to decline over the period under review (see Chart 13). Between late June and 6 August, real ten-year bond yields decreased by around 13 basis points, to -0.20%. After having decreased in the first part of the period, real five-year bond yields ended the period broadly unchanged, standing at -0.63% on 6 August. As a result, the long-term forward real interest rate in the euro area declined significantly, namely by 29 basis points, to stand at around 0.23% at the end of the review period. The current levels of long-term forward real interest rates are the lowest recorded since the time series became available in 2004.

Financial market indicators of long-term inflation expectations, calculated as the spread between corresponding nominal and inflation-linked bonds, have decreased slightly since late June. On 6 August, break-even inflation rates stood at around 1.0% for the five-year maturity horizon and at around 1.6% for the ten-year maturity horizon. Consequently, the bond-based five-year forward break-even inflation rate five years ahead increased slightly during the review period and stood at 2.1% on 6 August (see Chart 14). At the same time, the somewhat less volatile long-term forward break-even inflation rates calculated from inflation-linked swaps remained broadly unchanged, standing at 2.1%

Chart 13 Euro area zero coupon inflation-linked bond yields

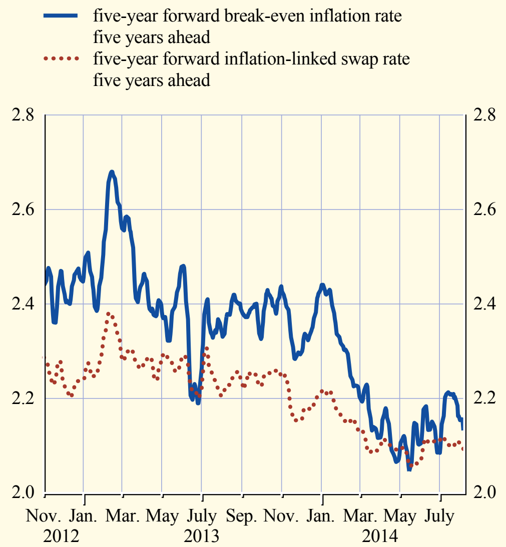
(percentages per annum; five-day moving averages of daily data; seasonally adjusted)



Sources: Thomson Reuters and ECB calculations.
Note: Real bond yields have been computed as a GDP-weighted average of separate real rates 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.
Note: Break-even inflation rates have been computed as a GDP-weighted average of separately estimated break-even rates for France and Germany.

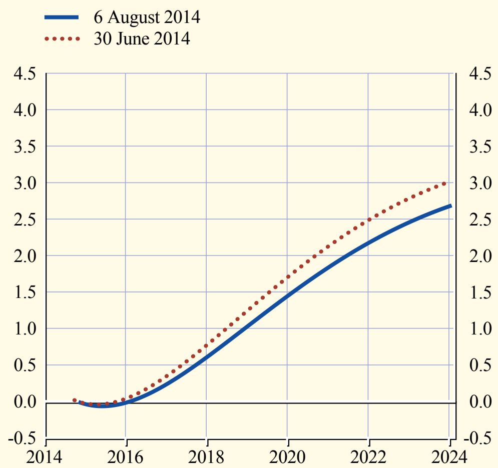
at the end of the period under consideration. Overall, financial market indicators continue to suggest that long-term inflation expectations remain fully consistent with price stability.

Between end-June and 6 August, the term structure of implied forward overnight interest rates in the euro area shifted downwards for all maturities, with the largest decline being recorded for longer maturities, i.e. the implied forward overnight interest rate at the ten-year maturity horizon decreased by around 30 basis points over the review period (see Chart 15).

In the period under review, the yield spreads of investment-grade corporate bonds issued by euro area corporations (relative to the Merrill Lynch EMU AAA-rated government bond index) remained broadly unchanged for most rating categories. The yield spreads of BBB-rated corporate bonds issued by euro area financial corporations increased slightly over the period, which can be attributed to sector-specific news within the period.

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.

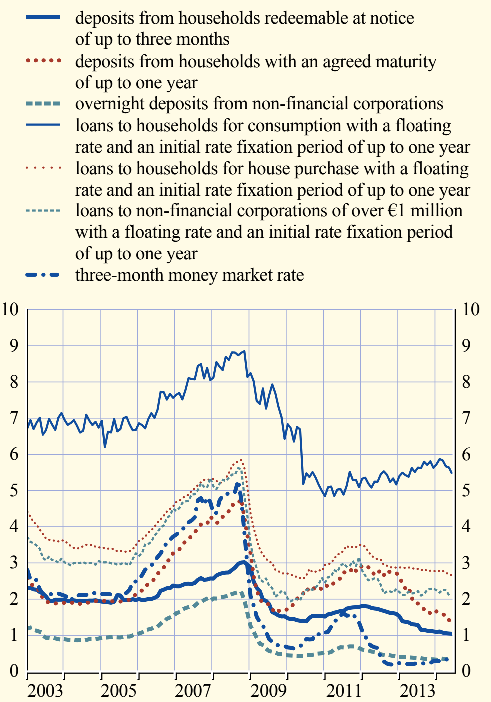
2.5 INTEREST RATES ON LOANS AND DEPOSITS

In June 2014, MFI interest rates on deposits from households and non-financial corporations decreased for short-term deposits. All MFI lending rates decreased, with the sole exception of MFI lending rates on large loans to non-financial corporations with longer maturities. Spreads vis-à-vis market rates increased for loans with short and long fixation periods, owing to a significant decrease in market lending rates. The spread between rates on small and large loans narrowed for both interest rate fixation periods.

Looking first at short maturities and shorter interest rate fixation periods, all main rates saw a decline in June 2014. MFI interest rates on deposits with an agreed maturity of up to one year decreased by 4 basis points to 0.6% in the case of non-financial corporations and by 7 basis points to 1.3% in the case of households. Lending rates on loans to households for house purchase with a floating rate and an initial rate fixation period of up to one year declined by 6 basis points to 2.6%, whereas rates on consumer credit decreased further by 18 basis points to 5.5% (see Chart 16). With respect to non-financial corporations, interest rates on small loans (defined as loans of up to €1 million) decreased significantly by 19 basis points to 3.6%, while those on large loans (defined as loans of more than €1 million) with short interest rate fixation periods decreased by 3 basis points to 2.1%. The spread between interest rates on small loans with short rate fixation periods to non-financial corporations and those on corresponding large loans decreased in June, to 151 basis points, but still remained considerably higher than the average of about 120 basis points recorded

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

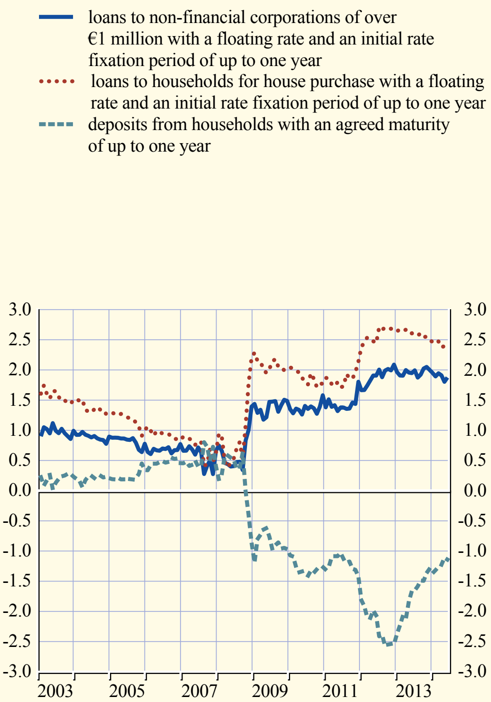
(percentages per annum; rates on new business)



Source: ECB.
Notes: 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).

since 2007. The magnitude of the spread continues to suggest that financing conditions remain tighter for small and medium-sized enterprises than for large firms.

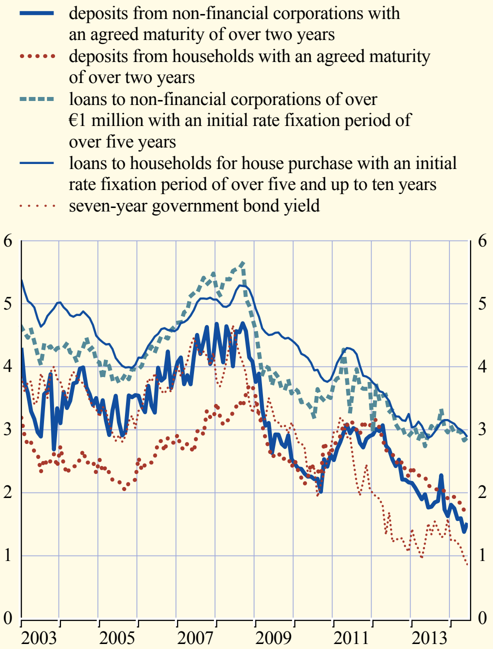
Given the decrease in the three-month EURIBOR in June, the spread between MFI interest rates on loans to households with short fixation periods and the three-month money market rate increased by 4 basis points to 244 basis points, and the corresponding spread for interest rates on large loans to non-financial corporations with short fixation periods increased by 7 basis points to 188 basis points (see Chart 17).

Since the beginning of 2012, MFI interest rates on short-term deposits from both non-financial corporations and households have decreased by between 70 and 140 basis points, whereas MFI short-term interest rates on both large loans to non-financial corporations and loans to households for house purchase have declined by between 50 and 70 basis points.

Turning to longer maturities and longer interest rate fixation periods, MFI interest rates on long-term deposits from non-financial corporations increased by 14 basis points to 1.5% in June, while those for households increased by 2 basis points to 1.7%. Interest rates on loans to households for house purchase with long interest rate fixation periods declined further in June, by 7 basis points to 2.9% (see Chart 18). Lending rates on small loans to non-financial corporations with long interest rate fixation periods decreased by 8 basis points to 3.1%, while those on large loans increased by 5 basis points to 2.9%. Hence, the spread between rates on small loans with long interest rate fixation periods and rates on corresponding large loans fell to 23 basis points in June. Since the average yield on AAA-rated seven-year euro area government bonds declined further in June, by 10 basis points to 0.8%, the spreads between lending rates with long interest rate fixation periods and the yield on such bonds increased for all loans.

Chart 18 Long-term MFI interest rates and a long-term market rate

(percentages per annum; rates on new business)



Source: ECB.
Notes: 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). The euro area seven-year government bond yield is based on the ECB's data on AAA-rated bonds, which currently include bonds from Austria, Finland, Germany and the Netherlands.

Since the beginning of 2012, MFI interest rates on long-term deposits have decreased by around 140 basis points, whereas composite long-term lending rates declined less markedly by around 60 basis points. Meanwhile, the spread between lending rates with long interest rate fixation periods and the average yield on AAA-rated seven-year government bonds, which can be considered to be a benchmark for longer maturities, has fluctuated between 140 and 280 basis points in the case of loans to non-financial corporations, and between 140 and 220 basis points in the case of loans to households for house purchase, thus remaining far above pre-crisis levels, which were around 80 basis points for large loans to non-financial corporations and around 100 basis points for both small loans to non-financial corporations and loans for house purchase.

Overall, the recent reductions in key ECB interest rates, together with the effects of the non-standard monetary policy measures implemented or announced by the ECB, are gradually being passed through to bank deposit and lending rates. Weak economic conditions and the need for banks to consolidate their balance sheets may still be putting upward pressure on bank lending rates in some euro area countries. However, recent declines in bank lending rates and the information contained in the July 2014 BLS indicate that this pressure has receded in recent months.

2.6 EQUITY MARKETS

Between the end of June and early August 2014, stock prices decreased in the euro area and the United States, against a background of heightened geopolitical tensions. Stock market uncertainty, as measured by implied volatility, increased in both the euro area and the United States, while it declined further in Japan.

Between end-June and 6 August, stock prices in the euro area, as measured by the broad-based Dow Jones EURO STOXX index, decreased by around 6% (see Chart 19). The decline took place against a background of heightened geopolitical tensions, releases of mixed economic data and increased risk perceptions on account of company-specific developments.

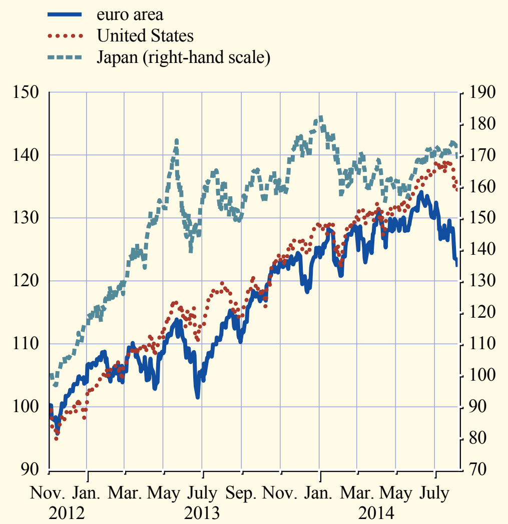
Stock prices in the United States, as measured by the Standard & Poor's 500 index, decreased by around 2% over the same period, with the largest decreases taking place at the end of the review period. Stock prices rose slightly in the first part of the period, against a background of some improving economic data, while the latest decrease can be attributed to heightened geopolitical tensions. Stock prices in Japan, as measured by the Nikkei 225 index, remained broadly unchanged over the review period.

At the sectoral level in the euro area, most sectors experienced declines over the period under review. The largest declines in stock prices were in the oil and gas sector, the basic materials sector and the industrial sector. Small gains in stock prices were recorded only in the healthcare sector. In the United States, stock prices also declined in most sectors. The largest declines in stock prices were in the utility and the industrial sector, while those in the technology sector – the best-performing sector – remained broadly unchanged.

Between the end of June and early August, stock market uncertainty in the euro area and the United States, as measured by implied volatility, rose markedly from the low levels reached in June, to around 17% and 14% respectively (see Chart 20). The increase in stock market

Chart 19 Stock price indices

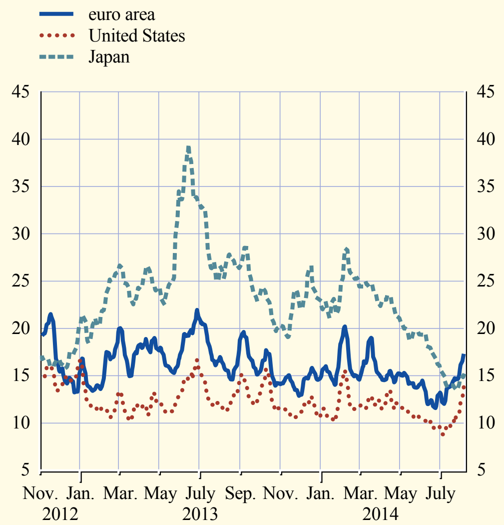
(index: 1 November 2012 = 100; daily data)



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.

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.

volatility on both sides of the Atlantic probably reflected heightened geopolitical tensions. Implied volatility in Japan, by contrast, decreased slightly, reaching levels just below those recorded in the euro area.

Box 3

INTEGRATED EURO AREA ACCOUNTS FOR THE FIRST QUARTER OF 2014[1]

This box discusses the integrated euro area accounts, released on 29 July 2014 and covering data up to the first quarter of 2014. The integrated euro area accounts offer comprehensive information on the income, spending, financing and portfolio decisions, as well as on the balance sheet positions, of institutional sectors in the euro area.

Summary of the main results

The euro area's external surplus reached a new historical high of 2.3% of GDP (four-quarter moving-sum) in the first quarter of 2014, after 2.2% in the previous quarter. This increase was mirrored in a roughly equal widening of the trade surplus as a result of both a modest increase in exports and a slight decline in imports (both expressed as a proportion of GDP). The high current level of net lending by the euro area reflects the on-going deleveraging of the non-financial private sector and weak internal demand, as well as fiscal consolidation that resulted in lower government deficits. Households' nominal income growth decelerated. Real income growth declined accordingly, but remained in positive territory, in a context of weak price dynamics. Households increased their consumption and maintained their saving rate at a very low level. Housing investment stabilised after two years of decline. Non-financial corporations (NFCs) increased their net lending position further, since the growth of fixed capital expenditure, which accelerated in year-on-year terms, was more than offset by a further increase in retained earnings and by some destocking. Business margins remained at very low levels. The government deficit declined to 2.9% of GDP, from 3.0% in the previous quarter, as year-to-year growth in government receipts exceeded spending growth despite a strong recovery in government investment expenditure.

Regarding developments in indebtedness, gross debt-to-GDP ratios remained at high levels for all euro area sectors, although they continued to decline marginally in the case of NFCs and households. However, the financial picture is more favourable according to leverage measures, such as the debt-to-assets, capital and net worth ratios. The debt-to-assets ratio of NFCs continued to decline significantly in the first quarter of 2014, in view of both continued net redemptions of MFI loans to firms and holding gains on equity. Financial corporations' headline capital ratios increased moderately further to stand at high levels. Households' net worth rose again in year-on-year terms on account of continued increases in security prices and moderating holding losses on real estate. The net external asset position of the euro area deteriorated slightly, after having improved moderately in the previous quarter. This deterioration mirrored valuation losses due to relative asset price and exchange rate changes which more than offset the positive net lending position of the euro area.

1 Detailed data can be found on the ECB's website (available at http://sdw.ecb.europa.eu/reports.do?node=1000002343).

Euro area income and net lending/net borrowing

In the first quarter of 2014, the annual growth rate in nominal gross disposable income in the euro area increased (to 1.7%, year on year), reflecting the recovery in real GDP growth. This acceleration benefited the government sector and financial corporations, while NFCs' income growth remained unchanged and that of households decelerated (see Chart A).

With euro area income growing slightly faster than consumption, gross savings in the euro area accelerated in the first quarter of 2014. While the household saving ratio declined to close to historical lows, NFCs increased their retained earnings and government savings again became less negative (on a four-quarter sum basis). Growth in euro area gross fixed capital formation turned positive (2.3% in year-on-year terms), as households' investment growth returned to positive territory (0.2%) and growth in NFCs' and the government sector's investment increased (3.9% and 8.1% respectively). The minor destocking observed in the fourth quarter of 2013 continued in the first quarter of 2014, implying that gross capital formation did not grow as fast as gross fixed capital formation.

With euro area capital formation increasing and savings accelerating, the euro area's net lending increased further in the first quarter, to 2.3% of GDP on a four-quarter-sum basis, the highest level recorded since the inception of the euro. From a sectoral point of view, this improvement was driven mainly by a decline in the government deficit, to 2.9% of GDP (four-quarter moving sum) (see Chart B). NFCs continued to show a net lending position. On the financing side, robust net purchases by non-residents of debt securities and equity issued by euro area residents point to positive foreign investor sentiment towards the euro area.

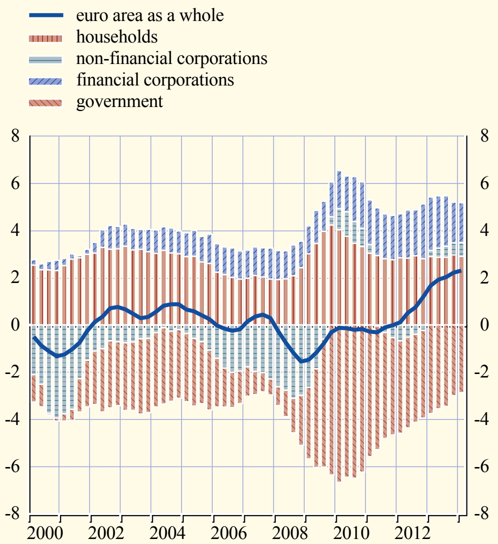
Chart A Gross disposable income in the euro area and contributions by sector

(annual percentage changes; percentage point contributions)

Sources: Eurostat and ECB.

Chart B Net lending/net borrowing of the euro area

(percentages of GDP; four-quarter moving sums)



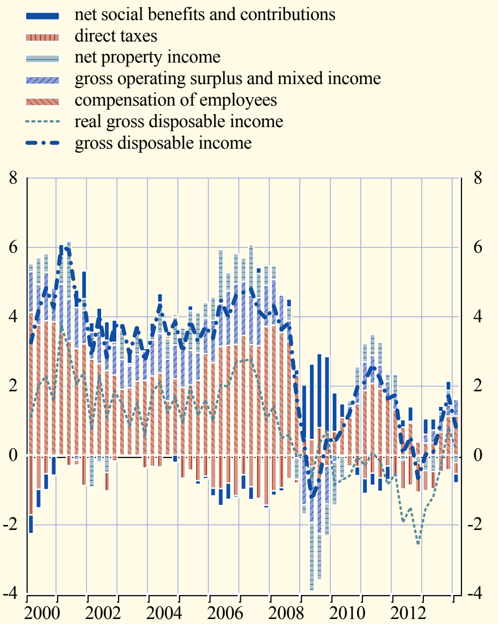
Sources: Eurostat and ECB.

Behaviour of institutional sectors

Households' nominal income growth decelerated in the first quarter of 2014 (0.8%, year on year, after 1.7% in the fourth quarter of 2013), despite a stable positive contribution from compensation of employees, some increase in that of self-employment income and a less negative contribution from direct taxes. The deceleration was driven by negative contributions from net property income and – for the first time since the end of 2011 – net social benefits received (see Chart C). In a context of weak price dynamics, real income growth remained positive, but declined to 0.2%, year on year, in the first quarter of 2014, after 0.8% in the fourth quarter of 2013. With nominal consumption recovering and outpacing income, the household saving ratio again decreased in the first quarter, to close to record lows (see Chart D). Housing investment growth returned to positive territory (0.2%, year on year) after two years of continuous decline, resulting in a decrease, on a four-quarter-sum basis, in households' net lending. Growth in household financing remained at very low levels in the first quarter of 2014, as borrowing from banks remained weak. On the assets side, households' financial investment reached a new historical low, reflecting still weak income growth and deleveraging needs in a number of countries. Households continued to allocate savings to life insurance and pension products and, to a lesser extent, to deposits and mutual fund shares, moving away from debt securities. The household leverage ratio declined as net worth increased further, year on year (see Chart I). The latter reflected continued gains on security holdings and higher net savings, which together exceeded moderating holding losses on real assets and, in particular, on real estate. The household debt-to-assets ratio also declined marginally (see Chart H).

Chart C Households' nominal gross disposable income

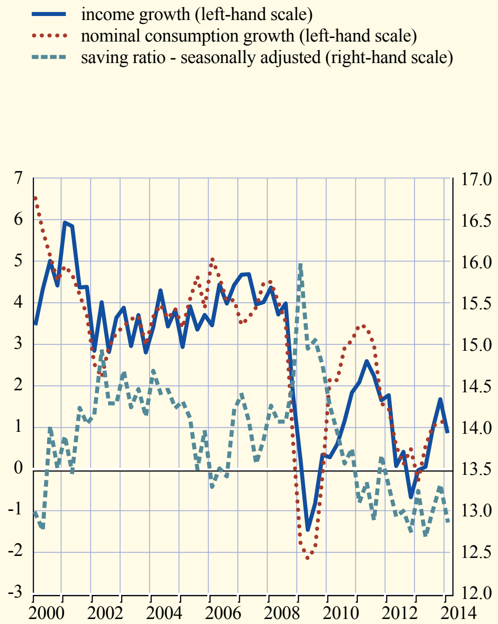
(annual percentage changes; percentage point contributions)



Sources: Eurostat and ECB.

Chart D Households' income, consumption and saving ratio

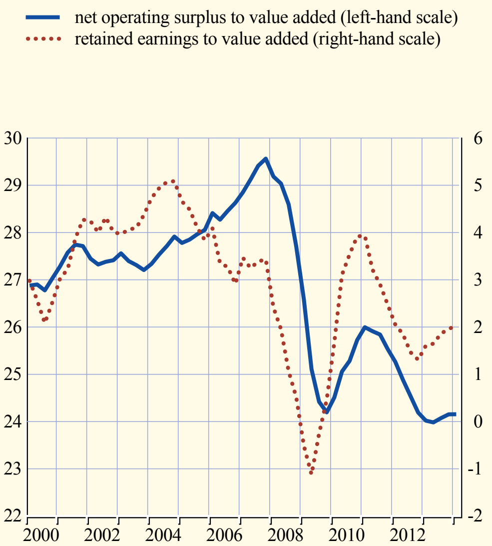
(annual percentage changes; percentages of gross disposable income, seasonally adjusted)



Sources: Eurostat and ECB.

Chart E Non-financial corporations' margins

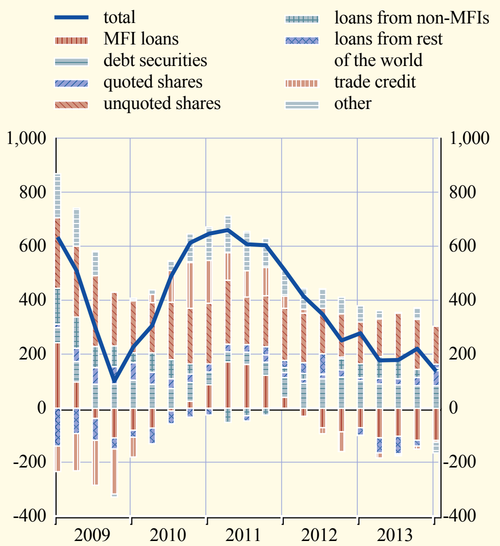
(percentages, four-quarter average)



Sources: Eurostat and ECB.

Chart F External financing of non-financial corporations

(in EUR billion; four-quarter sums)



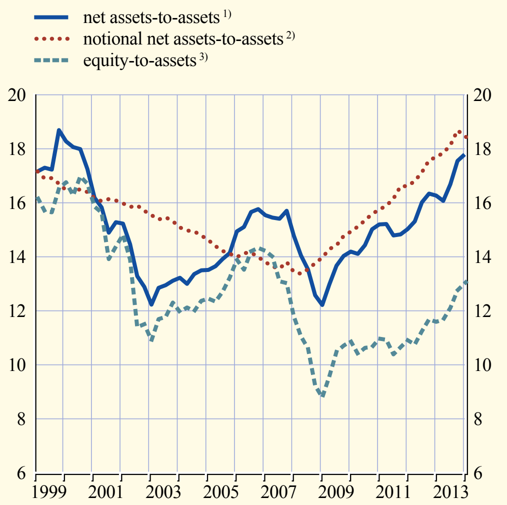
Sources: Eurostat and ECB.
Notes: MFI loans and loans from non-MFIs (other financial intermediaries, and insurance corporations and pension funds) corrected for loan sales and securitisations. Other is the difference between the total and the instruments included in the chart.

The growth of the gross operating surplus of *non-financial corporations (NFCs)* eased in the first quarter, to 1.6%, year on year, as value added growth decelerated while wages rose faster. Business margins, as measured by the ratio of the net operating surplus (i.e. net of consumption of fixed capital) to value added, moved sideways, remaining at a very low level (see Chart E). At the same time, a number of factors, including low (although stabilising) net interest paid and relatively low net dividends paid, continued to push up NFCs' savings (i.e. retained earnings). Gross fixed capital formation accelerated to 3.9%, in terms of year-on-year growth, although this was largely due to the very low level observed in the first quarter of 2013. The net lending position of NFCs increased further, owing to higher retained earnings and a decline in inventories that more than offset the growth of gross fixed capital formation. NFCs' external financing moderated in the first quarter of 2014 (see Chart F), largely reflecting a lower issuance of unquoted shares and other equity. The latter was partly explained by foreign IT firms transferring retained profits outside the euro area which, by statistical convention, are initially recorded under this instrument in firms' balance sheets. Trade credit remained weak, although it improved slightly. The weakness in intra-sectoral financing may be explained by firms using higher retained profits and deposit holdings to finance working capital. Issuance of debt securities remained buoyant and was supported by lower corporate bond yields. Together with equity issuance, it more than compensated for net redemptions of bank loans. Lending by non-MFIs and foreign entities was moderately positive, indicating that firms continued to issue bonds indirectly via conduits resident in other member countries and outside the euro area. NFCs' liquidity buffers remained at very high levels (€2.8 trillion), although they declined slightly from the previous quarter. The significant deleveraging process continued, helped by contracting bank loans and valuation gains on equity held by NFCs (see Chart H).

The *government* deficit continued to decline in the first quarter of 2014, to 2.9% of GDP on a four-quarter-sum basis. Growth in receipts increased further, standing at 2.8%, year on year. Excluding capital transfers to banks, year-on-year growth in government expenditure picked up somewhat to 2.0%. Final consumption expenditure grew by 1.6% and investment expenditure rebounded strongly, increasing by 8.1%, after having actually contracted since the fourth quarter of 2009.

Chart G Capital ratios of financial institutions excluding mutual funds

(percentages of total assets)



Sources: Eurostat and ECB.
1) Assets and liabilities are valued at market value.
2) Calculated on the basis of cumulated transactions in net assets and assets, i.e. excluding holding gains/losses on assets and liabilities.
3) "Equity" comprises here "shares and other equity" other than "mutual fund shares". Interbank deposits and Eurosystem financing are netted out from assets and liabilities.

In the first quarter of 2014, the year-on-year growth in the gross entrepreneurial income of *financial corporations* amounted to 7.6%, thus returning to positive territory for the first time since end-2011, as a result of both increases in value added and property income received, in particular dividends, and a slower growth of compensation of employees. Nevertheless, retained earnings moderated, reflecting the ongoing increase in the redistribution of profits to shareholders via dividends. A moderate, asset price-driven increase in the headline capital ratio masks a slowdown in the transaction-based accumulation of capital via retained earnings and equity issuance (see Chart G). The latter, however, is partly due to the restructuring of a multinational corporation, which resulted in a decline of equity. Excluding the effects of both the asset price developments and the corporate restructuring, the capital ratio declined by 0.1 percentage point on account of flat issuance activity and the moderation in retained earnings. The stock market valuation of the sector remains significantly below the market value of net assets, in spite of a slight correction of the difference during the quarter, reflecting continued market distrust. Growth of financial corporations' financial investment (excluding inter-MFI deposits and loans) decelerated further, reaching a new record low.

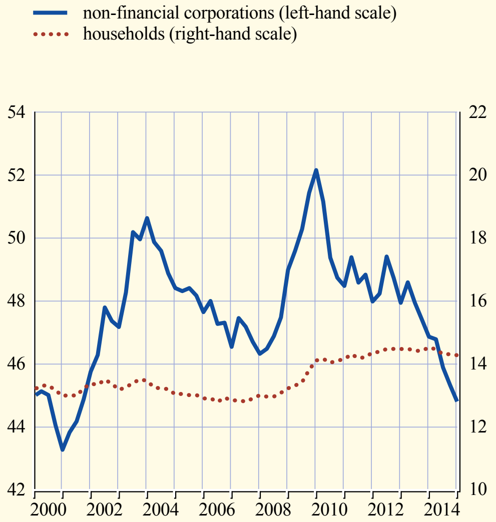
Balance sheet dynamics

In relation to developments in indebtedness, gross debt-to-GDP ratios continued to fall very slowly in the case of both NFCs and households in the first quarter of 2014, but remain at high levels. By contrast, financial sector and government indebtedness increased from the previous quarter. The picture is more favourable, however, when leverage measures, such as debt-to-assets and net worth ratios, are considered. Debt-to-assets ratios (including financial and non-financial assets) fell again in the private sector, although the pace varied from subsector to subsector. Government sector leverage increased. The international investment position (i.i.p.)[2] of the euro area showed a slight deterioration in the first quarter of 2014, to -18.0% of GDP, after -17.6% in the previous quarter. This deterioration mirrored valuation losses due to relative asset price and exchange rate changes that more than offset the positive net lending position of the euro area.

2 The i.i.p. measures the net asset position of residents vis-à-vis non-residents: assets net of liabilities (including equity).

Chart H Sectoral leverage

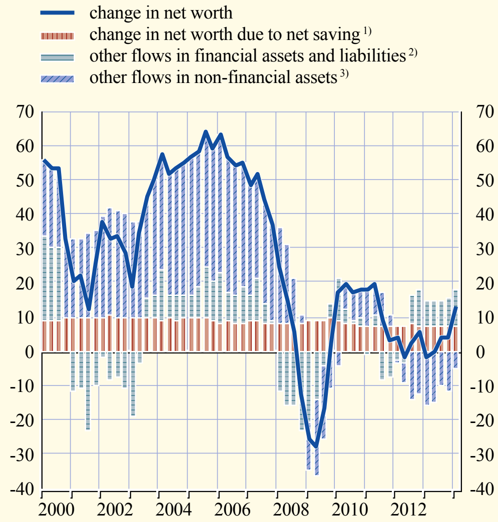
(percentages of total assets)



Sources: Eurostat and ECB.
Notes: Calculated as a ratio of total debt liabilities to total assets. Total assets comprise all financial assets and most non-financial assets.

Chart I Change in the net worth of households

(four-quarter sums; percentages of gross disposable income)



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

The debt-to-assets ratio of NFCs declined further in the first quarter of 2014, to stand at 44.7%, which is 7.4 percentage points lower than the peak reached in early 2009 (see Chart H). The ongoing moderation is due both to continued net redemptions in corporate loans and to holding gains on equity. The net worth of households continued to rebound, again increasing on a year-on-year basis (12.8% of their annual income) (see Chart I). This improvement reflected holding gains on households' financial portfolios (amounting to 11.2% of their income) which mirrored the observed increases in stock and bond prices. Households' net savings also contributed positively to the increase in households' net worth (6.9% of their income). Together, the holding gains on financial assets and positive net savings more than compensated for moderating holding losses (-5.2% of their income) on non-financial (housing) assets. Financial corporations' headline capital ratios increased again, to stand at high levels (see Chart G).

3 PRICES AND COSTS

According to Eurostat's flash estimate, euro area annual HICP inflation was 0.4% in July 2014, after 0.5% in June. This reflects primarily lower energy price inflation, while the annual rates of change of the other main components of the HICP remained broadly unchanged. On the basis of current information, annual HICP inflation is expected to remain at low levels over the coming months, before increasing gradually during 2015 and 2016. Meanwhile, inflation expectations for the euro area over the medium to long term continue to be firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2%.

Both upside and downside risks to the outlook for price developments remain limited and broadly balanced over the medium term. In this context, the possible repercussions of both geopolitical risks and exchange rate developments will be monitored closely.

3.1 CONSUMER PRICES

According to Eurostat's flash estimate, euro area annual HICP inflation stood at 0.4% in July 2014, down 0.1 percentage point from June. This decline mainly reflects lower energy price inflation, while the annual rates of change of the other main components of the HICP remained broadly unchanged (see Table 7 and Chart 21). The July outcome was the lowest since October 2009 and HICP inflation has now remained below 1% for ten consecutive months. This low level of inflation in the euro area continues to mainly reflect low or negative rates of change in the energy and unprocessed food components, but also subdued rates of change in measures of underlying inflation.

Looking at the main components of the HICP in more detail, the decline in energy price inflation from 0.1% in June to -1.0% in July mainly reflects lower oil prices measured in euro, but also lower refining margins for liquid fuels.

The annual rate of price change for the total food component, comprising both processed and unprocessed food prices, declined by 0.1 percentage point to -0.3% in July. While no official information is yet available with regard to the breakdown of the food component for July, it is likely that the main reason for the low food price inflation is still the downward impact on unprocessed food prices, resulting from favourable weather conditions this year compared with more adverse

Table 7 Price developments

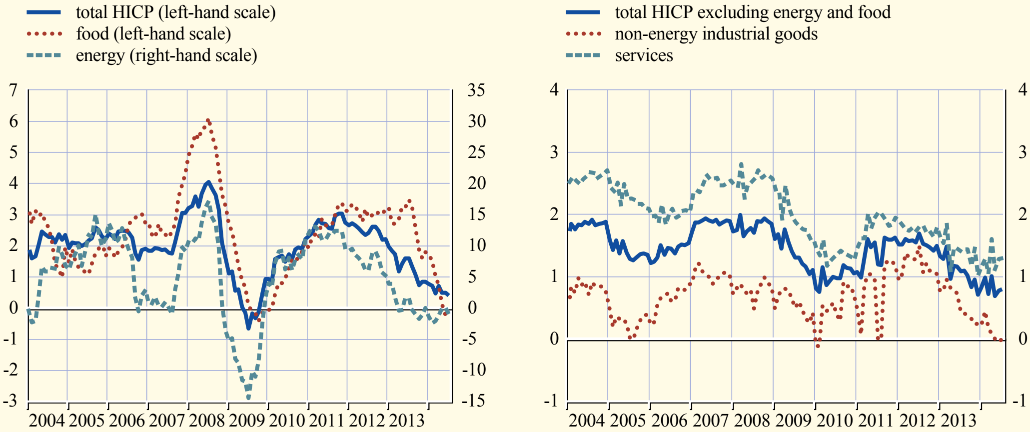
(annual percentage changes, unless otherwise indicated)

	2012	2013	2014 Feb.	2014 Mar.	2014 Apr.	2014 May	2014 June	2014 July
HICP and its components [1]								
Overall index	2.5	1.4	0.7	0.5	0.7	0.5	0.5	*0.4*
Energy	7.6	0.6	-2.3	-2.1	-1.2	0.0	0.1	*-1.0*
Food	3.1	2.7	1.5	1.0	0.7	0.1	-0.2	*-0.3*
Unprocessed food	3.0	3.5	0.9	-0.1	-0.7	-2.1	-2.8	.
Processed food	3.1	2.2	1.8	1.7	1.6	1.5	1.4	.
Non-energy industrial goods	1.2	0.6	0.4	0.2	0.1	0.0	-0.1	*0.0*
Services	1.8	1.4	1.3	1.1	1.6	1.1	1.3	*1.3*
Other price indicators								
Industrial producer prices	2.8	-0.2	-1.7	-1.7	-1.2	-1.0	-0.8	.
Oil prices (EUR per barrel)	86.6	81.7	79.4	77.8	78.2	79.4	82.3	79.9
Non-energy commodity prices	-5.2	-8.0	-13.1	-12.4	-7.6	-6.9	-4.2	-4.8

Sources: Eurostat, ECB and ECB calculations based on Thomson Reuters data.
1) HICP inflation and its components (excluding unprocessed food and processed food) in July 2014 refer to Eurostat's flash estimates.

Chart 21 Breakdown of HICP inflation: main components

(annual percentage changes; monthly data)



Source: Eurostat.

weather conditions last year. Thus the annual rate of price change for this component has fallen from around 5% last summer to -2.8% in June this year – a historic low since the series began in 1991. Sharp falls in the annual rate of change in fruit and vegetable prices led to the decline in the unprocessed food component.

Annual HICP inflation excluding the volatile food and energy components stood at 0.8% in July, unchanged from the previous month. The price index for the non-energy industrial goods component remained unchanged in July compared with the same month the previous year, as was also the case, by and large, in the previous few months. This zero annual inflation rate reflects both the fact that consumer demand was still relatively weak and the previous appreciation of the exchange rate. Services price inflation also remained unchanged in July at 1.3%. This subdued rate mainly reflects moderate domestic wage pressure and unutilised capacity in the euro area services sector (see Box 6). One component that has remained relatively stable in services price inflation is rent prices. Box 4 reviews the past development of house prices and the rent component of the HICP in the euro area and across euro area countries. It finds that the unwinding of euro area house prices observed since 2008 has not been reflected in rent prices in the HICP.

Box 4

HOUSE PRICES AND THE RENT COMPONENT OF THE HICP IN THE EURO AREA

According to the ECB residential property price indicator, euro area house prices decreased by 0.5% year on year in the first quarter of 2014, and thus by less than in the previous quarter (-1.6%). Developments in the individual euro area countries by and large point in the same direction, with either stronger positive growth or less negative growth. For the euro area as a whole, the latest figures imply an annual average decline of 1% since the start of the recession in early 2008. At the same time, the rent component of the euro area HICP has increased in a fairly stable manner, by an annual average of 1.4% over the same period, thereby mitigating the recent disinflation in the services component of the HICP. This box reviews developments in house prices and the rent component of the HICP in the euro area and across euro area countries, examining to what extent the two series move together or movements in house prices anticipate movements in rents, which could then be relevant to overall HICP developments.[1]

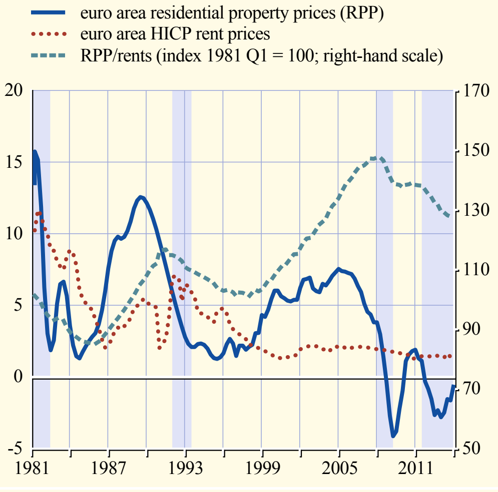
Limited co-movement of euro area house prices and rents over business cycles

The notion that house prices and rents should not move too far out of line from one another rests on the idea propagated in the asset pricing theory that the value of an asset equals the discounted value of the stream of dividends it generates. By analogy this would imply that the higher the rents and their discounted values, the higher the price of the property, and vice versa.

Data since the early 1980s indicate that this theoretically suggested co-movement is very limited. Annual changes in euro area residential property prices exhibited a much larger cyclical variation than the annual changes in the rent component of the euro area HICP, and there have also been clear time shifts between the movements in the two series, implying an overall low correlation (Chart A). Since the early 2000s, the lack of co-movement has been particularly apparent, with euro area house prices following a sustained acceleration up to 2007/8 and an extended correction thereafter; in the same period, rents increased steadily at annual rates of between 1.5% and 2%. While the two series have thus tended to move apart for protracted periods of time, they tend to realign during recessions (shaded areas), when the annual rates of change in house prices tend to fall below those in rents. This is also evidenced by the ratio between house prices and rents,

Chart A Residential property prices, rents and house price-to-rent ratio in the euro area

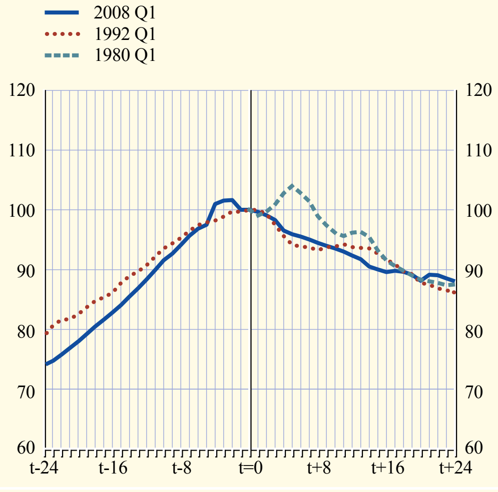
(annual percentage changes, quarterly data)



Sources: Eurostat and ECB calculations based on national data.
Note: Shaded areas indicate recession periods based on CEPR.

Chart B House prices-to-rent ratio in the euro area around recession episodes

(index = 100 at start of the recessions (t = 0); quarterly data)

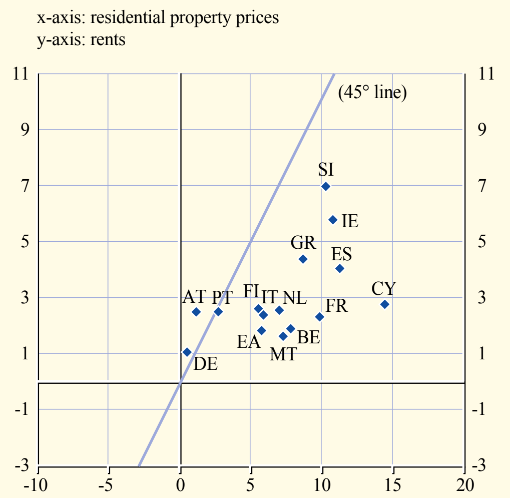


Sources: Eurostat and ECB calculations based on national data.
Notes: Timing of recessions based on CEPR. Data prior to 1980 are not available.

1 For a discussion, see also the box entitled "Euro area house prices and the rent component of the HICP", *Monthly Bulletin*, ECB, August 2010.

Chart C Residential property prices and rents in the euro area countries – pre-2008 recession period

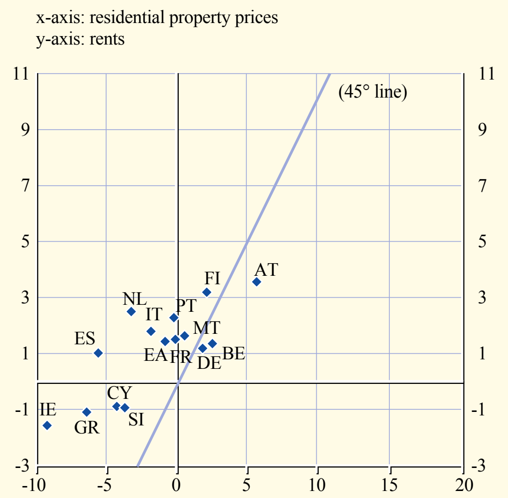
(annual averages 1999 Q1 - 2008 Q1; percentage changes)



Sources: Eurostat and ECB calculations based on national data.
Notes: Estonia and Latvia are not included in the sample due to their late membership of the euro area compared with the sample examined. Data for LU and SK are not available.

Chart D Residential property prices and rents in the euro area countries – post-2008 recession period

(annual averages 2008 Q1 - 2014 Q1; percentage changes)



Sources: Eurostat and ECB calculations based on national data.
Notes: For comparison, the same group of countries shown in Chart C are presented. Data for Belgium are up to Q4 2013 inclusive.

which generally peaks before recessions and corrects thereafter, mainly on account of movements in house prices rather than in rents (Chart B). These adjustment processes characterising house price cycles tend to be longer than growth and business cycles but have never fully realigned the level of house prices with that of rents, as shown by the secular increase in the house price-to-rent ratio in recent decades (Chart A).

The picture of strong and protracted house price cycles around more stable rent developments is pervasive across euro area countries. Between 1999 and the start of the recession in 2008, changes in house prices clearly exceeded those in rents (Chart C), except in Austria, Germany and Portugal. In addition, with the exception of Slovenia, Ireland, Greece and Spain, countries had relatively similar annual average rent growth of between 1% and 3%.

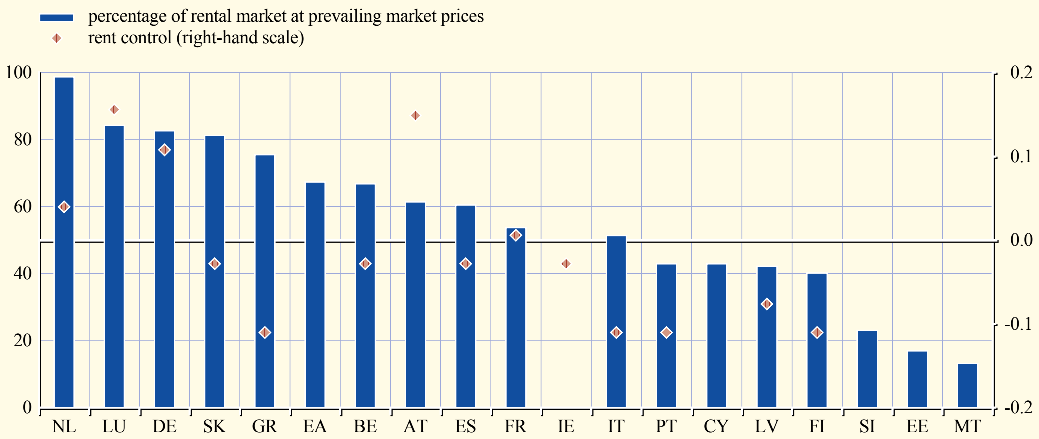
In the period since the 2008 recession (Chart D), the situation has reversed, with average annual house price growth typically lower than rent growth in most countries that had previously seen higher house price growth, while house price growth has been stronger than rent growth in countries such as Austria and Germany, where the opposite had been observed before the recession. Moreover, in some countries, such as Ireland, Slovenia and Greece, where average rent growth had been clearly higher than elsewhere in the euro area before the recession, it was visibly lower (in negative territory) after the recession.

Features of the housing market explaining misalignment of rents and house prices

There are many reasons why house prices and rents should not be expected to strongly co-move – even in the long run[2] – and why rents may generally evolve in a more stable

2 Statistical tests indicate that house prices and rents are generally not co-integrated in the majority of euro area countries, in other words they do not co-move over time and there is generally no stationary linear combination of the two series.

Chart E Percentage of rental market at prevailing market prices (2012) and rent control (end-2012)



Sources: EU SILC database, Cuerpo et al. (2014) and ECB calculations.
Note: For rent control a higher index indicates a higher degree of rent control.

fashion than house prices. In particular, there are additional variables playing a role in the interaction between house prices and rents which could trigger lasting misalignments between the two variables.[3] This section focuses on two features of the housing market: rent control and the degree of home ownership.

One reason why rents can evolve in a relatively stable manner and show little reaction to developments in house prices is regulation and the control of rental prices. The share of the rental market for which tenants pay a rent at prevailing market prices (so-called "private sector renters") versus a reduced rent (such as for social housing) differs widely across euro area countries (Chart E)[4]. The relative size of the market for private sector renters is, for instance, largest in the Netherlands, Luxembourg, Germany and Slovakia, but even this market is often subject to regulation, either in the form of rent indexation and/or in the case of a cap on rent increases and/or long rental agreements, which would imply only a limited adjustment of rents to general demand and supply conditions and to house prices in particular. According to one measure of the degree of rent control, with a higher index pointing to higher rent control,[5] Luxembourg, Austria, Germany and the Netherlands exhibit the highest degree of rent control. Indeed, rent control seems to be positively correlated with the relative size of the private rental market and negatively related to the degree of home ownership (Chart F). Generally, countries where the home ownership ratio is high tend to be characterised by a comparatively small proportion of the rental market which is of the "private sector renter" type, but this then tends to be subject to relatively little control.

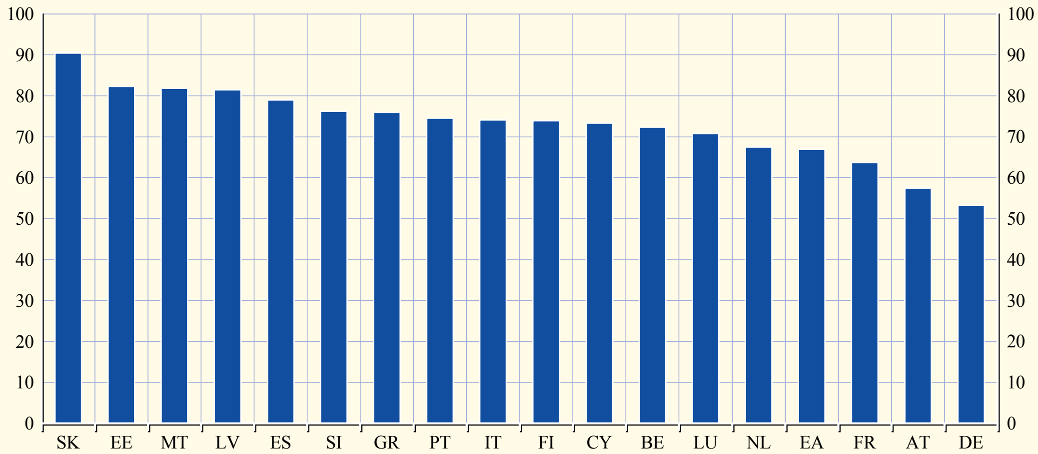
3 In a simplified user cost of housing framework the ratio between rent and house prices equals the sum of the nominal interest rate plus the property tax rate plus the rate of maintenance and depreciation minus the expected capital gains. In fact, numerous factors may cause house prices to fall relative to rents: (i) higher interest rates/stricter financing conditions; (ii) higher property taxes; (iii) higher maintenance and depreciation costs; (iv) expectations of house price depreciations postponing decisions of house purchases in favour of renting; and (v) increased down payments.

4 EU Statistics on Income and Living Conditions (SILC). Reduced-rate renters would include those (a) renting social housing, (b) renting at a reduced rate from an employer, and (c) in accommodation where the actual rent is fixed by law.

5 Cuerpo, C., Kalantaryan, S. and Pontuch, P., "Rental Market Regulation in the European Union", *Economic Papers*, No 515, European Economy, Brussels, April 2014.

Chart F Home ownership (2012)

(percentages)



Sources: EU SILC database and ECB calculations.
Note: Data for Ireland are not available.

In conclusion, house prices and rents in the euro area can exhibit divergent developments for protracted periods of time, and both the misalignment and realignment tend to be driven by house prices rather than rental prices. The reasons for divergent developments can be both structural and macroeconomic in nature, including – on the rent side – different degrees of regulation and control across euro area countries, which tend to dampen potential reactions of rents to house prices. In this respect, it is not being assumed either that a turning point in house price growth will put significant upward pressure on euro area HICP inflation via the rent component or that a lagged response of rents to the house price declines in past years will, conversely, put downward pressure on inflation.

3.2 INDUSTRIAL PRODUCER PRICES

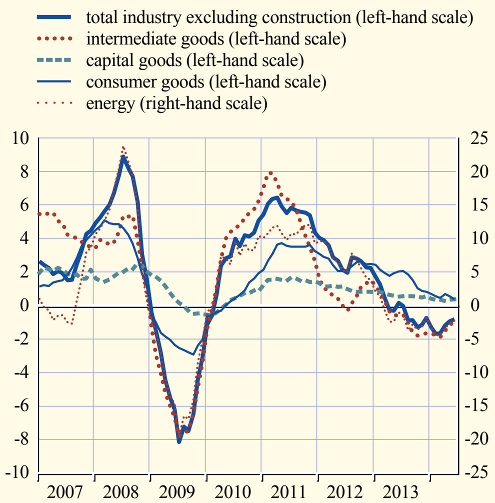
Industrial producer price inflation excluding construction increased to -0.8%, year on year, in June, up from -1.0% in May (see Table 7 and Chart 22). If energy is also excluded, industrial producer price inflation was -0.1% in June, up from -0.2% in May.

Pipeline pressures for HICP non-energy industrial goods inflation remained weak. Producer price inflation for non-food consumer goods declined to 0.3% in June, from 0.5% in May, interrupting a mild upward trend since the trough of 0.1% in November 2013. At the earlier stages of the price chain, downward pipeline pressures from domestic factors (such as the annual rate of change of intermediate goods prices) continued to diminish in June for the third month in a row. Developments in pipeline pressures resulting from external factors were mixed. The annual rates of change in crude oil prices in euro decreased in July, while the annual rates of change in the prices of industrial raw materials increased slightly, although remaining negative.

Pipeline pressures for HICP food inflation continued to weaken at both the earlier and later stages of the price chain. Annual producer price inflation in the consumer food industries decreased to 0.2% in June, down from 0.5% in May. Earlier in the price chain, the annual rate of change in EU farm gate prices and in international food commodity prices in euro terms declined in June and in July, respectively.

Chart 22 Breakdown of industrial producer prices

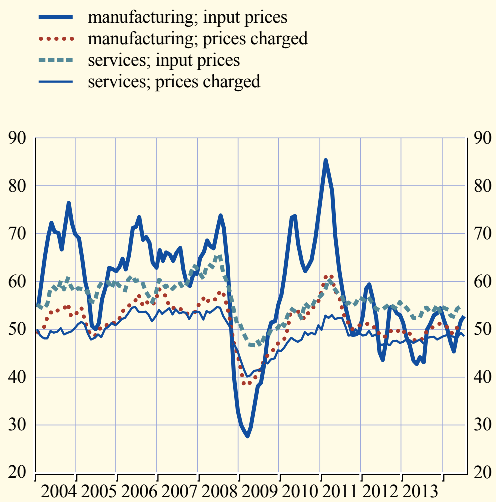
(annual percentage changes; monthly data)



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.

From a sectoral perspective, the latest survey-based evidence confirms subdued pipeline price pressures in both the manufacturing and services sectors. PMI data showed a moderate increase in the input price index for the manufacturing sector, while the index for the services sector remained unchanged in July. The indices for prices charged declined somewhat in both sectors. All sub-indices continue to hover close to the threshold value of 50 for positive price changes (see Chart 23). According to the European Commission's survey, selling price expectations increased for the industrial sector (excluding construction) in July, but fell somewhat for the services sector. Both indices continue to hover at levels below their long-term averages.

3.3 LABOUR COST INDICATORS

The latest data on labour costs confirm continued moderate domestic price pressures (see Table 8 and Chart 24). In the first quarter of 2014 annual wage growth slowed at the euro area level, both when

Table 8 Labour cost indicators

(annual percentage changes, unless otherwise indicated)

	2012	2013	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1
Negotiated wages	2.2	1.8	1.9	1.7	1.7	1.7	1.9
Compensation per employee	1.9	1.6	1.7	1.6	1.7	1.6	1.3
Compensation per hour	2.6	1.9	3.0	1.6	1.8	1.4	0.8
Memo items:							
Labour productivity	0.0	0.4	-0.1	0.4	0.5	0.9	0.8
Unit labour costs	1.9	1.2	1.7	1.2	1.3	0.7	0.5

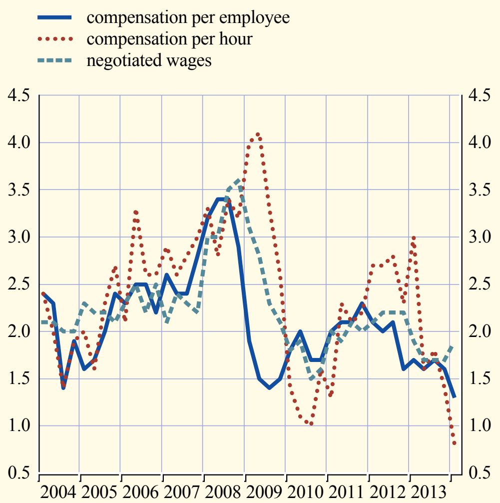
Sources: Eurostat, national data and ECB calculations.

measured in terms of compensation per employee and per hour worked. The pattern of wage growth at the euro area level continues to conceal substantial divergences in wage developments across countries.

Compensation per employee increased at an annual rate of 1.3% in the first quarter of 2014, down from the 1.6% recorded in the fourth quarter of 2013. Wage growth as measured by compensation per hour declined to 0.8% in the first quarter of 2014, compared with 1.4% in the previous quarter. The slowdown in overall wage growth was mainly accounted for by a lower contribution from non-market services (Chart 25), where the profile of growth reflects base effects associated with an increase in public sector compensation in a number of euro area countries in 2013. Negotiated wages in the euro area grew at an annual rate of 1.9% in the first quarter of 2014, which was substantially higher than the rate for compensation per employee and was attributable largely to one-off factors in Germany. Preliminary data on negotiated wages for the second quarter of 2013 suggest a broadly unchanged annual growth rate compared with the first quarter.

Chart 24 Selected labour cost indicators

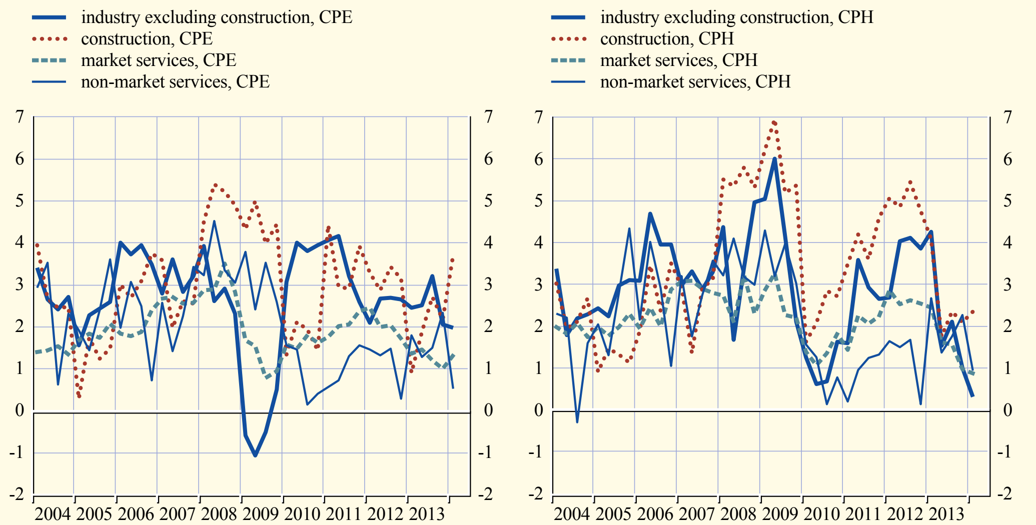
(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.

Chart 25 Sectoral labour cost developments

(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.
Notes: CPE stands for compensation per employee and CPH for compensation per hour. "Non-market services" cover activities by government and private non-profit institutions in fields such as public administration, education or health (approximated by the sum of sections O to Q of the NACE Revision 2 breakdown). "Market services" are defined as the remaining difference to total services (sections G to U of the NACE Revision 2 breakdown).

The annual growth rate of unit labour costs fell to 0.5% in the first quarter of 2014 as a result of the lower growth rate in compensation per employee and a relatively stable annual rate of change in labour productivity.

3.4 THE OUTLOOK FOR INFLATION

On the basis of current information, annual HICP inflation is expected to remain at low levels over the coming months, before increasing gradually during 2015 and 2016. Inflation expectations for the euro area over the medium to long term continue to be firmly anchored in line with the aim of maintaining inflation rates below, but close to, 2%.

The latest ECB Survey of Professional Forecasters indicates inflation expectations of 0.7%, 1.2% and 1.5% for 2014, 2015 and 2016 respectively. This implies slight downward revisions for 2014 and 2015 and unchanged expectations for 2016 compared with the previous survey round (see Box 5). The average point forecast for longer-term inflation expectations is 1.86%, a 0.02 percentage point increase compared with the previous survey.

Both upside and downside risks to the outlook for price developments remain limited and broadly balanced over the medium term. In this context, the possible repercussions of both geopolitical risks and exchange rate developments will be monitored closely.

Box 5

RESULTS OF THE ECB SURVEY OF PROFESSIONAL FORECASTERS FOR THE THIRD QUARTER OF 2014

This box reports the results of the ECB Survey of Professional Forecasters (SPF) for the third quarter of 2014. The survey was conducted between 17 and 24 July 2014, and 59 responses were received.[1] The expected path of inflation over the period 2014-16 indicates a moderate pick-up from the current low levels. Compared with the previous round, inflation expectations for 2014 and 2015 were revised downwards slightly to 0.7% and 1.2%, respectively, but were unchanged at 1.5% for 2016. Long-term inflation expectations edged up by 0.02 percentage point to stand at 1.86%. Growth expectations were revised downwards slightly for 2014, but remained unchanged for 2015 and 2016, implying a gradual strengthening of real GDP growth. Unemployment expectations were revised downwards across all horizons.

Inflation expectations revised downwards slightly further for 2014 and 2015 but unchanged for 2016

The SPF average point forecasts for inflation in 2014, 2015 and 2016 stand at 0.7%, 1.2% and 1.5% respectively (see the table). A number of respondents argued that the trough of inflation has more or less been reached, and expect inflation to be on an upward sloping path over the next few years as a result of the recovery in real economic activity and an unwinding of the downward impact of previous oil, food and exchange rate developments. In addition, stable inflation expectations and wage growth, although moderate, are considered to provide a floor to inflation.

1 The survey collects information on expectations for euro area inflation, real GDP growth and unemployment from experts affiliated with financial or non-financial institutions that are based in the EU. Data are available on the ECB's website at www.ecb.europa.eu/stats/prices/indic/forecast/html/index.en.html

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

(annual percentage changes, unless otherwise indicated)

	Survey horizon			
HICP inflation	**2014**	**2015**	**2016**	**Long-term[1)]**
SPF Q3 2014	0.7	1.2	1.5	1.9
SPF Q2 2014	*0.9*	*1.3*	*1.5*	*1.8*
Eurosystem staff macroeconomic projections (June 2014)	0.7	1.1	1.4	-
Consensus Economics (July 2014)	0.7	1.2	1.5	1.9
Euro Zone Barometer (July 2014)	0.7	1.2	1.5	1.8
Real GDP growth	**2014**	**2015**	**2016**	**Long-term[1)]**
SPF Q3 2014	1.0	1.5	1.7	1.8
SPF Q2 2014	*1.1*	*1.5*	*1.7*	*1.7*
Eurosystem staff macroeconomic projections (June 2014)	1.0	1.7	1.8	-
Consensus Economics (July 2014)	1.1	1.6	1.6	1.5
Euro Zone Barometer (July 2014)	1.1	1.6	1.7	1.6
Unemployment rate[2)]	**2014**	**2015**	**2016**	**Long-term[1)]**
SPF Q3 2014	11.6	11.3	10.8	9.4
SPF Q2 2014	*11.8*	*11.5*	*11.0*	*9.5*
Eurosystem staff macroeconomic projections (June 2014)	11.8	11.5	11.0	-
Consensus Economics (July 2014)	11.7	11.4	-	-
Euro Zone Barometer (July 2014)	11.7	11.4	11.0	10.3

1) Long-term expectations refer to 2019 (2018 for SPF Q2 2014 and Eurozone Barometer). In the case of Consensus Economics, expectations for 2016 and the long term are taken from the April 2014 survey.
2) As a percentage of the labour force.

Compared with the previous survey round in the second quarter of 2014, there were downward revisions of 0.2 percentage point and 0.1 percentage point respectively for 2014 and 2015, while inflation forecasts for 2016 were unchanged. The main factors cited as being behind the downward revisions compared with the previous survey round were lower than expected actual inflation outcomes, the general disinflationary environment and an ongoing lagged impact of previous exchange rate and commodity price developments, as well as a slightly softer real economic outlook.

Overall, the expected path of inflation for the period 2014-16 in the SPF for the third quarter of 2014 is broadly in line with that of the June 2014 Eurosystem Broad Macroeconomic Projection Exercise, with SPF expectations standing 0.1 percentage point higher for both 2015 and 2016. SPF expectations are exactly in line with the July 2014 Consensus Economics and Euro Zone Barometer surveys.

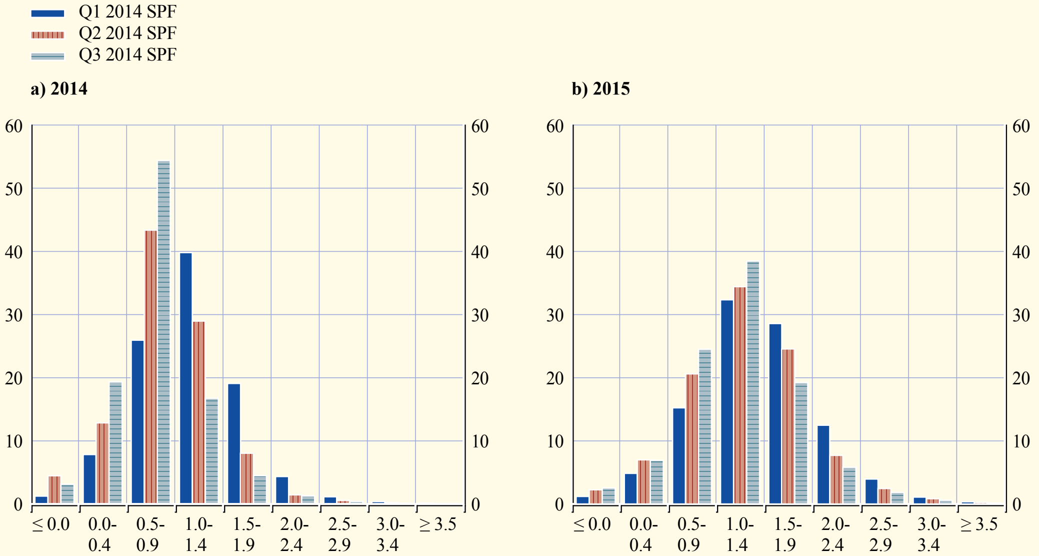
Turning to the aggregate probability distributions for expected inflation in 2014-16 (see Chart A), the means have moved further towards lower outcomes compared with the previous SPF round, most prominently for 2014 expectations. However, the most likely (modal) outcomes have remained in the same bins (i.e. 0.5%-0.9% for 2014, 1.0%-1.4% for 2015 and 1.5%-1.9% for 2016). According to survey participants, the probability of negative inflation remains very low: 3.1% in 2014, 2.5% in 2015 and 1.2% in 2016. The probability of inflation remaining low (below 1%) is 34% for 2015 and 19% for 2016.

Comparing the estimated mean of the aggregated probability distribution with the average of the point forecasts suggests that the implied risks to the baseline inflation outlook are broadly balanced for 2014 and 2015 and slightly to the downside for 2016.[2] However, participants' qualitative comments suggest that downside risks are more prominent over the whole period 2014-16,

2 The difference between the mean point estimate and the estimated mean of the aggregated probability distribution can be regarded as an indication of the direction and magnitude of the balance of risks perceived by SPF respondents to their forecasts. For more information on uncertainty measures, see the box entitled "Measuring perceptions of macroeconomic uncertainty", *Monthly Bulletin*, ECB, January 2010.

Chart A Aggregate probability distribution of average annual inflation expectations for 2014 and 2015 in the latest SPF rounds

(probability in percentages)

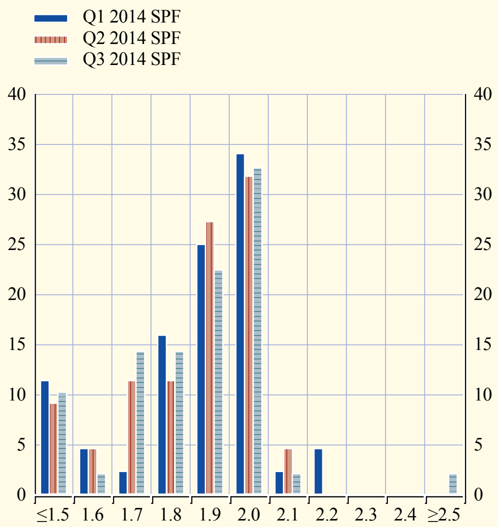


Source: ECB.
Note: The aggregate probability distribution corresponds to the average of individual probability distributions provided by respondents to the SPF.

primarily as a result of external developments (mainly energy commodity prices and exchange rates), but also domestic factors (economic activity and the output gap). However, some respondents also mentioned these same factors as upward risks. A small number of respondents mentioned government measures (indirect taxes and administered prices) as an upward risk to inflation.

Chart B Cross-sectional distribution of longer-term (five years ahead) inflation point forecasts

(percentage of respondents)



Source: ECB.

Longer-term inflation expectations broadly unchanged

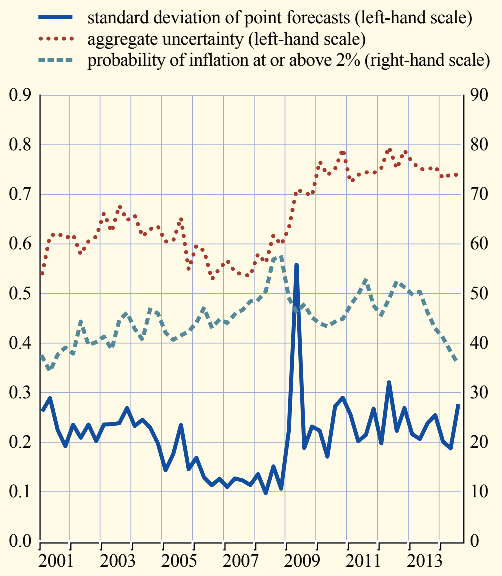
The average point forecast for longer-term (five years ahead) inflation expectations (2019 in this round; 2018 in the previous round) edged up by 0.02 percentage point to 1.86%. The longer-term inflation expectations of a balanced panel of respondents – who participated in both of the two last rounds – were essentially unchanged at 1.85%. The median of the point forecasts remained at 1.9% for the third consecutive round. As has been the case for the last four years, the largest portion (33%) of respondents provided a point forecast of 2.0% (see Chart B).

The long-term inflation expectations from the SPF are in line with the latest inflation expectations for 2018 from the April 2014 Consensus Economics survey and 0.1 percentage point above those for 2019 from the July 2014 Euro Zone Barometer survey.

The aggregate probability distribution remained broadly unchanged compared with the previous SPF round, both in terms of its mean and the spread of its distribution (dispersion). On average, the balance of risks around the point forecast is assessed to be to the downside (as has been the case for the past four years), with the estimated mean of the aggregated probability distribution standing at around 1.75% compared with the mean point estimate of 1.86%. The probability of inflation being at or above 2.0% declined from 39% to 37% in the second quarter of 2014, while the probability of inflation being below 1% decreased to 11%, down from 12% in the previous round. The probability of negative inflation rates in the longer term remained very low at 0.9% (down from 1.2%).

Chart C Disagreement and uncertainty about longer-term inflation expectations

(percentage points; percentages)



Source: ECB.
Note: Aggregate uncertainty is defined as the standard deviation of the aggregate probability distribution (assuming discrete probability density function with probability mass concentrated in the middle of the interval).

Disagreement over longer-term inflation expectations, as measured by the standard deviation of the point forecasts, increased substantially compared with the previous round, essentially owing to one large outlier. The aggregate uncertainty surrounding longer-term inflation expectations, as measured by the standard deviation of the aggregate probability distribution, remained largely unchanged (see Chart C).

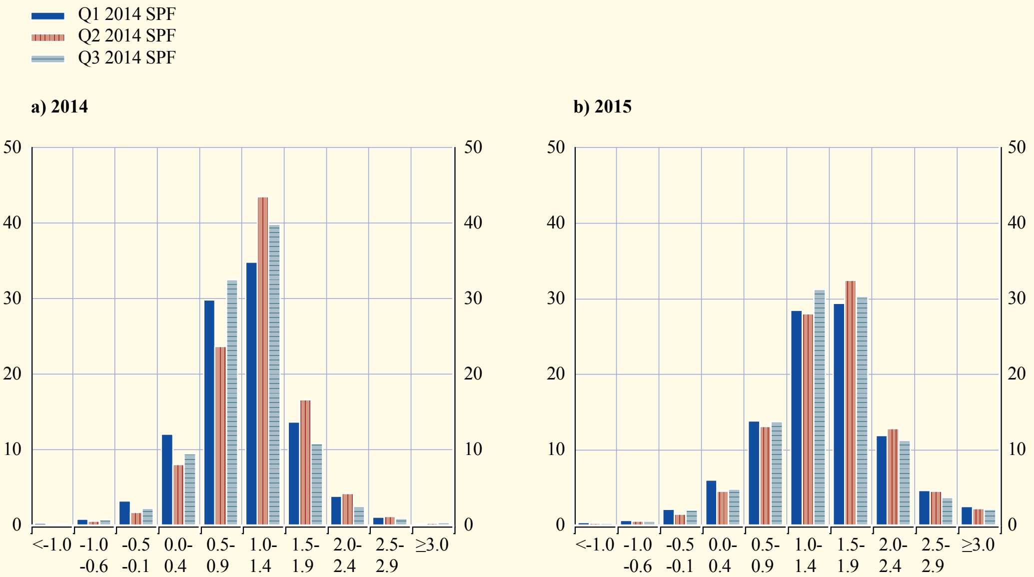
Real GDP growth expectations slightly lower for 2014 and unchanged for 2015 and 2016

The average point forecast for real GDP growth in 2014 decreased slightly by 0.1 percentage point, to 1.0%, and remained unchanged at 1.5% for 2015 and 1.7% for 2016 (see the table). These expectations imply a gradual strengthening of economic activity in the years ahead. The qualitative comments provided by the respondents indicate that the downward revisions for 2014 were driven by a weaker than expected momentum in the second quarter, mainly reflecting lower than envisaged export and private consumption growth.

For 2014 the average SPF point forecast is in line with the June 2014 Eurosystem staff macroeconomic projections, but 0.2 percentage point and 0.1 percentage point lower for 2015 and 2016, respectively. Compared with the July survey results from Consensus Economics and the Eurozone Barometer, the SPF expectations are slightly lower for 2014 and 2015. For 2016 the SPF result is in line with the survey result from Eurozone Barometer and marginally lower than the result from Consensus Economics.

Chart D Aggregate probability distribution of GDP growth expectations for 2014 and 2015 in the latest SPF rounds

(probability in percentages)



Source: ECB.
Note: The aggregate probability distribution corresponds to the average of individual probability distributions provided by respondents to the SPF.

The aggregate probability distributions for 2014 and 2015 have shifted towards lower outcomes (see Chart D). For 2014, the highest probability continues to be assigned to the interval between 1.0% and 1.4%: 40% compared with 44% in the previous SPF round. For 2015, too, the highest probability (31%) is assigned to the interval between 1.0% and 1.4% (compared with 28% in the previous round). The aggregate probability distribution for 2016 remained largely unchanged.

The balance of risks around the somewhat lower baseline outlook remains tilted to the downside. According to respondents, these risks are related mainly to the impact of geopolitical tensions such as in Ukraine and the Middle East, as well as lower than expected external demand (mainly from China and the United States).

As in the last round, some respondents referred to the risk that uncertainty in financial markets may rise again and then trickle into the real economy, inter alia through a tightening in credit supply. However, respondents also see some upside risks, such as a quicker return of investor and consumer confidence, and the realisation of the proceeds of structural reforms earlier than assumed in the baseline.

Longer-term growth expectations virtually unchanged

Longer-term growth expectations as measured by the average point forecast (for 2019) stayed virtually constant, but increased by 0.1 percentage point to 1.8% when rounded to the first decimal. As in previous survey rounds, the SPF results for that horizon remain higher than the corresponding Consensus Economics and Euro Zone Barometer forecasts, which stand at 1.5%

and 1.6% respectively. The aggregate probability distribution of long-term growth expectations remains skewed to the downside.

Unemployment rate expectations revised further downwards over the forecast horizon

The average point forecasts for the unemployment rate are 11.6% for 2014, 11.3% for 2015 and 10.8% for 2016. The modest nature of the recovery is seen as reducing unemployment only at a very slow pace and labour market reforms implemented in a number of countries still need time to take full effect. Compared with the previous round, the forecast unemployment rate has been revised downwards by 0.2 percentage point for each year (see the table), and forecasters who commented on the revisions to their unemployment expectations reported that this mainly reflects recent positive surprises from unemployment figures and survey indicators.

The latest SPF expectations for unemployment are more optimistic than other forecasts and projections for all periods: for 2014 and 2015 they are 0.2 percentage point below the June 2014 Eurosystem Broad Macroeconomic Projection Exercise and 0.1 percentage point below the forecasts from Consensus Economics and the Euro Zone Barometer, while SPF expectations for 2016 are 0.2 percentage point below all others.

Risks to the short and medium-term forecasts around the baseline outlook remain tilted to the upside and closely related to the recovery being possibly more modest than anticipated. Additionally, some respondents saw upside risks related to the effects of the minimum wage being introduced in Germany and to the possibility that recent high cyclical unemployment might become structural. Downside risks to the unemployment outlook are mostly associated with stronger than envisaged competitiveness gains resulting from structural and labour market reforms in southern Europe and the EU initiative to support jobs.

The average point forecast for longer-term unemployment rate expectations (9.4% for the new reference year 2019) is 0.1 percentage point lower than in the previous SPF round. The aggregate probability distribution has become more concentrated in the interval between 9.0% and 10.4% (52%) compared with the previous SPF round.

Other variables and conditioning assumptions

According to other information provided by respondents, forecasts for oil prices remained practically unchanged compared with the previous round, with prices expected to remain at around USD 107 per barrel until 2016. The forecast for the euro exchange rate against the dollar is also broadly unchanged, standing at 1.35 in the third quarter of 2014, declining gradually to 1.31 in 2015 and 1.29 in 2016. Similarly, the expected growth in compensation per employee has remained practically unchanged for the short to medium-term horizon, with 1.4% year on year in 2015, 1.6% in 2015 and 1.8% in 2016. For the five-year ahead horizon, forecasters expect a growth rate of 2.2%. The mean assumption for the ECB's main refinancing rate is broadly flat for the next four quarters, implying a marginal downward revision for the short term but a more significant one for the medium term. It is assumed that it will stand at around 0.15% until mid-2015, before increasing slightly to stand at 0.17% for 2015 as a whole and then at 0.35% in 2016.

4 OUTPUT, DEMAND AND THE LABOUR MARKET

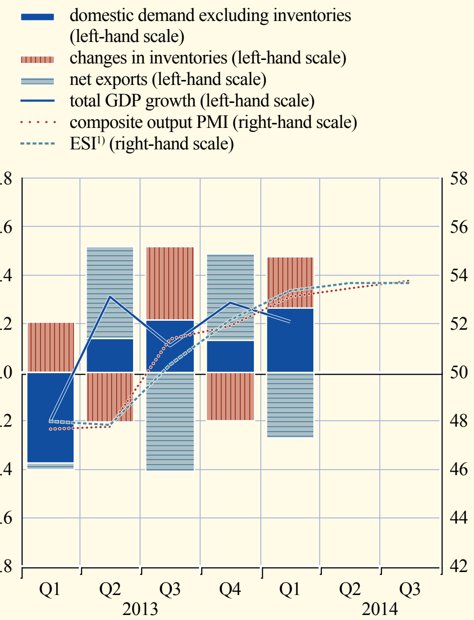
In the first quarter of this year euro area real GDP rose by 0.2%, quarter on quarter. With regard to the second quarter, monthly indicators have been somewhat volatile, partly reflecting technical factors. Overall, recent information, including survey data available for July, remains consistent with the expectation of a continued moderate and uneven recovery of the euro area economy. Looking ahead, domestic demand should be supported by a number of factors, including the accommodative monetary policy stance and the ongoing improvements in financial conditions. In addition, the progress made in fiscal consolidation and structural reforms, as well as gains in real disposable income, should make a positive contribution to economic growth. Furthermore, demand for exports should benefit from the ongoing global recovery. However, although labour markets have shown some further signs of improvement, unemployment remains high in the euro area and, overall, unutilised capacity continues to be sizeable. Moreover, the annual rate of change of MFI loans to the private sector remained negative in June and the necessary balance sheet adjustments in the public and private sectors are likely to continue to dampen the pace of the economic recovery. The risks surrounding the economic outlook for the euro area remain on the downside.

4.1 REAL GDP AND DEMAND COMPONENTS

Eurostat's third estimate of national accounts shows that real GDP in the euro area rose by 0.2%, quarter on quarter, in the first quarter of 2014, compared with 0.3% and 0.1% in the previous two quarters respectively (see Chart 26). Domestic demand and changes in inventories contributed positively to growth, while net exports contributed negatively. Survey data, available up to July, point to continued moderate growth in the third quarter of this year.

Chart 26 Real GDP growth and contributions, composite output PMI and economic sentiment

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



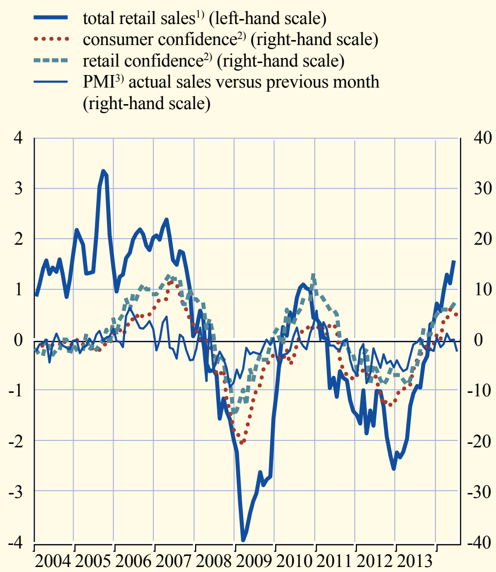
Sources: Eurostat, Markit, European Commission Business and Consumer Surveys and ECB calculations.
1) Economic Sentiment Indicator; the ESI is normalised with the mean and standard deviation of the PMI over the period shown in the chart.

Private consumption increased by 0.2%, quarter on quarter, in the first quarter of 2014, following 0.1% growth in the previous two quarters. The outcome for the first quarter was, in all likelihood, the result of a positive contribution to consumer spending growth from retail trade, which was partly offset by a decline in car purchases. At the same time, purchases of services made a positive contribution to consumption growth in the first quarter.

As regards the second quarter of 2014 and July, information on private consumption points, on balance, towards a further modest rise in household spending. The volume of retail sales in the second quarter was, on average, 0.4% above that of the first quarter, when sales increased by 0.7%, quarter on quarter. In contrast, new passenger car registrations rose by 1.7%, quarter on quarter, in the second quarter, after having contracted by 2.5% in the previous quarter. This quarterly profile of growth in car registrations partly reflects the fact that purchases were brought forward prior to the implementation of tax hikes in some countries at the beginning of 2014. Retail sector survey data, which improved further in the second quarter, overall confirm recent developments in hard data. Furthermore, the Purchasing Managers' Index (PMI) for retail trade stood at 50 in June, implying on average for the second quarter a slightly better level than that reached in the previous quarter. At the same time, the European Commission's indicator for confidence in the retail sector declined in July, to stand slightly below its average in the second quarter (see Chart 27). Moreover, euro area consumer confidence declined further in July, to slightly below its average in the second quarter, while remaining above its long-term average. Finally, the indicator for major purchases remained at levels below its long-term average, pointing towards persistently sluggish consumption of consumer durables. However, some caution is warranted when interpreting developments in this indicator as it appears that its correlation with actual consumption of durables has declined since the onset of the crisis.

Chart 27 Retail sales, retail sector PMI and measures of confidence

(monthly data)



Sources: Eurostat, European Commission Business and Consumer Surveys, Markit and ECB calculations.
1) Annual percentage changes; three-month moving averages; working day-adjusted; including fuel.
2) Percentage balances; seasonally and mean-adjusted.
3) Purchasing Managers' Index; deviations from an index value of 50.

Gross fixed capital formation increased by 2%, quarter on quarter, in the first quarter of 2014, the fourth increase in as many quarters. Construction investment increased, whereas non-construction investment fell slightly between the first and second quarters. Industrial production of capital goods (an indicator of future non-construction investment) fell by 0.5% in May, month on month, following a rise of 0.2% in April. As a result, the average level of capital goods production in April and May stood 0.5% below that of the first quarter, when it rose by 0.5%, quarter on quarter. Survey results for the non-construction industrial sector in the second quarter of 2014 and for July, from both the PMI and the European Commission, point to continued moderate growth. At the same time, the European Commission's business survey of the manufacturing industry indicates that capacity utilisation increased in the three months to July 2014, after having declined in the previous three months. This indicator remains below its long-term average, indicating the presence of excess capacity in the industrial sector.

As regards construction, hard data and survey results paint a somewhat mixed picture. Euro area construction production fell, month on month, by 1.5% in May, following a slight increase in the previous month. As a result, the April-May average stood 0.6% below the average level for the first quarter, when construction production rose by 2.3% on a quarterly basis. After the strong increase in the first quarter, which was probably weather-related owing to the very mild European winter, the latest figure is more in line with survey results, which present a more pessimistic picture. The PMI for construction activity deteriorated significantly between the first and the second quarter of the year and is thus well below the theoretical "no growth" threshold of 50. The European Commission indicator for construction confidence also declined somewhat between the same quarters, before increasing between June and July, thereby suggesting a good start to the third quarter. In addition, forward-looking survey data on new orders declined between April and May and the index remains significantly below historical averages. Overall, notwithstanding some weather-related support in the first quarter, it appears that activity in the construction sector is still being impeded by the prevailing financing constraints, subdued economic prospects and ongoing housing market adjustment in a number of euro area countries.

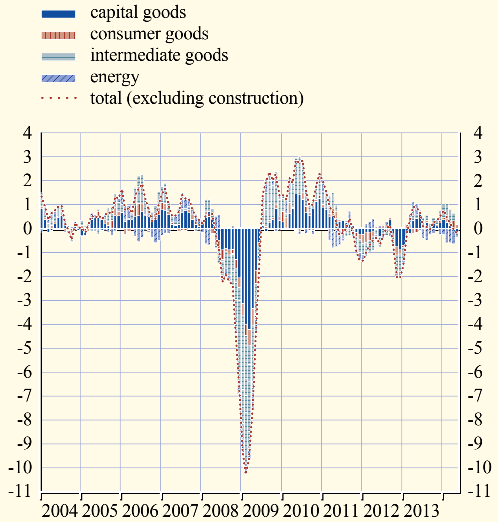
The contribution of euro area trade to GDP growth turned negative in the first quarter of 2014, following a positive contribution in the previous quarter. On a quarterly basis, exports increased by 0.2% in the first quarter, while imports increased by 0.8%. The latest data on euro area trade suggest that trade started recovering in the second quarter. The net trade contribution to GDP growth is likely to have turned slightly positive in the second quarter, on account of growing exports and weaker imports. The value of exports in April and May was, on average, 0.6% above the average in the first quarter, whereas the corresponding figure for imports was -0.3%. At the same time, between April and May export prices stabilised, while import prices increased somewhat according to short-term indicators. Survey data for the second quarter point to some weakening in exports, as shown for instance by the PMI for new export orders, which declined continuously in the first half of the year and stood in the second quarter well below the level of the previous quarter. However, the index remains above the expansion threshold of 50, thereby indicating positive growth. The European Commission survey indicator for export order books also remained below the first quarter average in the second quarter.

4.2 SECTORAL OUTPUT

Real value added increased further by 0.2%, quarter on quarter, in the first quarter of 2014. This rise was broadly based across sectors. With regard to developments in the second quarter of 2014, industrial production (excluding construction) declined by 1.1%, month on month, in May, following 0.7% growth in the previous month. As a result, average industrial production in April and May stood 0.1% below that of the first quarter, when production increased by 0.2% on a quarterly basis (see Chart 28). The ECB indicator for euro area industrial new orders (excluding heavy transport equipment) declined by 1.5%, month on month, in May, following a 0.8% increase in the previous month. Therefore, on average, in April and May the level of new orders was the same as the average in the first quarter, when they rose by 1% on a quarterly basis. More timely survey data also point to continued, albeit moderate, growth in the second quarter

Chart 28 Industrial production growth and contributions

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



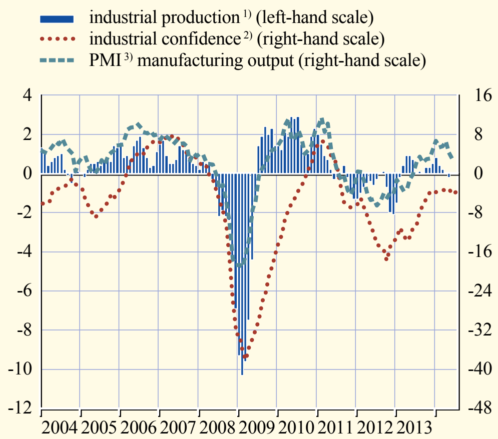
Sources: Eurostat and ECB calculations.
Note: Data shown are calculated as three-month moving averages against the corresponding average three months earlier.

of 2014 and possibly at the beginning of the third quarter. For example, the manufacturing output PMI decreased somewhat in the second quarter, but nevertheless remained above the expansion threshold of 50 in July (see Chart 29). Moreover, European Commission survey data indicate that demand remained stable in the three months to July 2014, at relatively high levels compared with the previous year.

Services sector value added is likely to have increased further in the second quarter of 2014. In contrast to the manufacturing sector, the PMI for services business activity rose between the first quarter of 2014 and the second quarter of 2014, whereas during the same period the European Commission's indicator for services sector confidence was flat, albeit at relatively high levels. In July, while the PMI for services rose, the confidence indicator declined slightly. Box 6 briefly presents the new EU indicator on euro area capacity utilisation in services.

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 6

A NEW INDICATOR ON EURO AREA CAPACITY UTILISATION IN SERVICES

Capacity utilisation is a key indicator of slack in the economy, as it quantifies the extent to which the available resources are used.[1] Most measures of slack are based either on surveys of capacity utilisation in manufacturing industries, or on broader measures using estimates of potential growth for the economy as a whole. Services, however, account for around three-quarters of value added for the euro area. This box focuses on capacity utilisation in the euro area services sector on the basis of a new quarterly survey series released by the European Commission. It discusses the methodological issues, presents the indicator on the euro area capacity utilisation rate in services and compares this indicator with other indicators on services as well as indicators on manufacturing.

Methodology

Capacity utilisation is the extent to which a firm actually uses its productive capacity. In its business survey of manufacturing, the European Commission asks enterprises to indicate the percentage rate at which they actually use their available resources. Therefore, the percentage rate of capacity utilisation expresses the relationship between output that is actually produced

1 For a recent discussion of various measures of economic slack in the euro area, see the box entitled "Slack in the euro area economy" in the April 2014 issue of the Monthly Bulletin; for details on different indicators of capacity utilisation in the euro area, see the box entitled "Capacity utilisation in the euro area: measures and implications" in the October 2007 issue of the Monthly Bulletin.

with the installed equipment and the potential output that could be produced with it, if capacity was fully used (i.e. a capacity utilisation rate of 100%). The concept of capacity utilisation is thus associated with a production process involving mainly equipment and materials and requires a clear idea of what the full capacity of the enterprise is.

Since July 2011 the European Commission has included a similar question in its business survey of the services sector. However, given the diversity and variety of services activities, the measurement of capacity utilisation in services differs from that in manufacturing. The services survey asks: “If the demand addressed to your firm expanded, could you increase your volume of activity with your present resources? Yes-No. If so, by how much (in %)?” The firm’s response to this question provides the percentage increase used in the formula below. The percentage rate of capacity utilisation (CU) thus equals:

$$\text{CU (in \%)} = \frac{100}{\left(1 + \dfrac{\text{percentage increase}}{100}\right)}$$

The formulation of this question assumes that the expansion of demand triggers an expansion of output and that the maximum increase in demand that the services firms could satisfy with their existing resources is known. As in the case of the manufacturing survey, the services survey includes the question on capacity utilisation at a three-month frequency (in January, April, July and October each year). Enterprises are drawn from a sample of around 44,000 market service-providing enterprises in the EU and respondents are typically senior managers of the surveyed enterprises. With the first release of the data in July 2014, more than three years of seasonally adjusted data were made available for all EU Member States (except for Ireland and Luxembourg).

In addition to results for the market services sector overall, results for individual services sub-sectors are available, e.g. for accommodation, food and beverage service activities, telecommunications, computer programming and real estate activities.

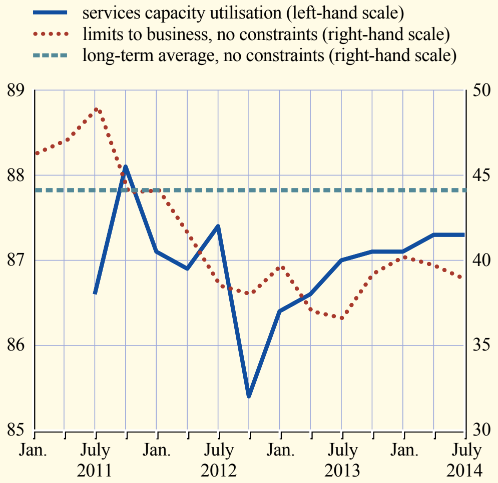
Results and comparison with other indicators

In order to assess the results and their reliability, euro area capacity utilisation in services can be compared with information on the potential limits to services business (see Chart A) and capacity utilisation in manufacturing (see Chart B).

The European Commission services survey includes the question: “What main factors are currently limiting your business?” Among the several possible answers, the respondents can choose “None”. The share of respondents indicating an absence of constraints on services business can be used as complementary information on services capacity utilisation. The advantage of this indicator is that it is available from October 2003, hence its average over the whole period is referred to as the long-term average in Chart A. The chart shows that capacity utilisation in services has improved since October 2012 and the share of respondents reporting an absence of limits to services business has increased since July 2013, and both series have changed little so far in 2014. The current level of the indicator on the absence of limits to services business is, however, well below its long-term average.

Chart A Capacity utilisation and absence of limits to business in services

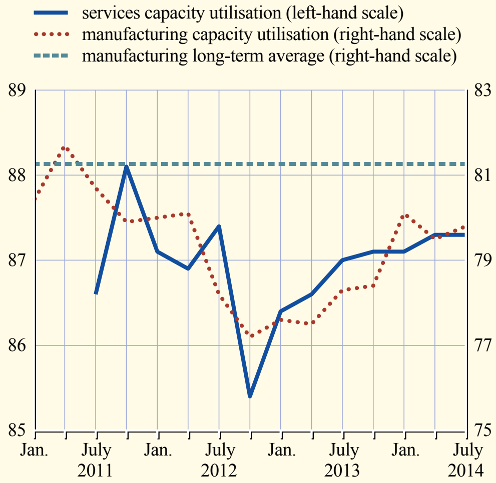
(percentages of full capacity; percentages of responses)



Sources: European Commission Business and Consumer Surveys.
Note: The series "limits to business, no constraints" corresponds to the share of respondents who answered "none" to the question about factors limiting their business.

Chart B Capacity utilisation in services and manufacturing

(percentages of full capacity)



Sources: European Commission Business and Consumer Surveys.

These developments suggest that, despite improvements, slack remains in the euro area services sector. The evidence from the indicator on the absence of constraints on business is in line with the evidence from the indicator on insufficient demand as a constraint on services business (not shown in the chart).[2]

A similar picture emerges when comparing capacity utilisation in services with that in manufacturing (see Chart B). Capacity utilisation in both services and manufacturing has improved since October 2012, but a flattening of both indicators has been observed so far in 2014 and in July 2014 capacity utilisation in manufacturing still stood below its long-term average for the period since 1985. The level of capacity utilisation in services is structurally higher than in manufacturing and exhibits comparatively low variability. Notwithstanding, developments in the two series have been quite similar over the past three years.

In addition to the co-movement with other survey-based measures of slack, the dynamics of capacity utilisation in services over the past three years suggest that developments have also been consistent with those in broader indicators, such as the output gap, as well as data on the growth of value added in the services sector. The decline in the capacity utilisation rate in the period to the end of 2012 followed by a recovery in the course of 2013 is consistent with the estimated broadening of the output gap in 2012 and its narrowing in 2013.

In sum, the new indicator on capacity utilisation in services is potentially very useful, especially given the (increasing) importance of services for the euro area economy. The new indicator for the euro area suggests that capacity utilisation in services provides a reliable

2 Over time, the percentage of respondents indicating "none" strongly co-moves with the inverted percentage of respondents indicating "insufficient demand". The other indicator of constraints on business which is relevant for slack ("shortage of space or equipment") has recorded only very low values during the period in which it has been available, suggesting that this is not a major constraining factor.

picture of the amount of slack in the services sector and thus warrants close monitoring. Recent developments suggest that, despite improvements since October 2012, some slack remains in the euro area services sector. A similar picture emerges from other available indicators of slack with a longer series, i.e. the potential limits to services business and capacity utilisation in manufacturing. It is also important to keep in mind that aggregated euro area developments mask differences across euro area countries. Among the largest euro area countries, services capacity utilisation in Germany has been higher than in Italy and Spain over the past three years.[3] While the euro area series on capacity utilisation in services is at present short, when observations for a full business cycle become available the data could be combined with data on capacity utilisation in manufacturing in order to give an overview of slack in the euro area economy.

3 The data for France will be published with the next release in October 2014.

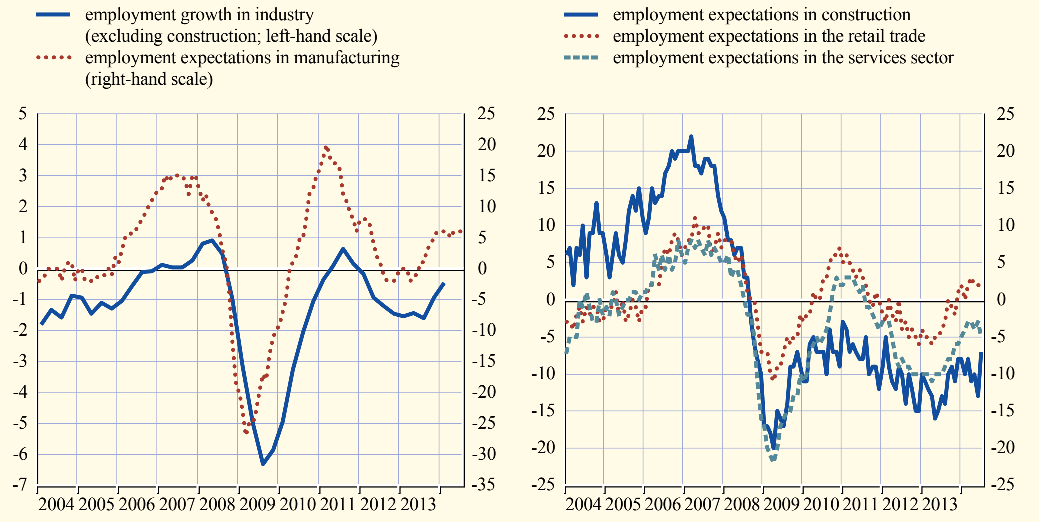
4.3 LABOUR MARKET

The latest data on both the employment and unemployment rates suggest that the labour market has been improving slightly. However, strong differences persist across countries, as well as between different age groups. Although survey results are improving, they are still consistent with only modest improvements in the period ahead (see Chart 30).

Headcount employment, which stabilised in the third quarter of 2013 and then improved in the last quarter of the year, rose further by 0.1%, quarter on quarter, in the first quarter of 2014 (see Table 9). At the sectoral level, the latest figure reflects an increase in employment in services, which was partly offset by declines in employment in construction. Total hours worked declined by 0.1%, quarter on quarter, in the first quarter of 2014, following an increase of the same magnitude in the previous quarter.

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.

Table 9 Employment growth

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

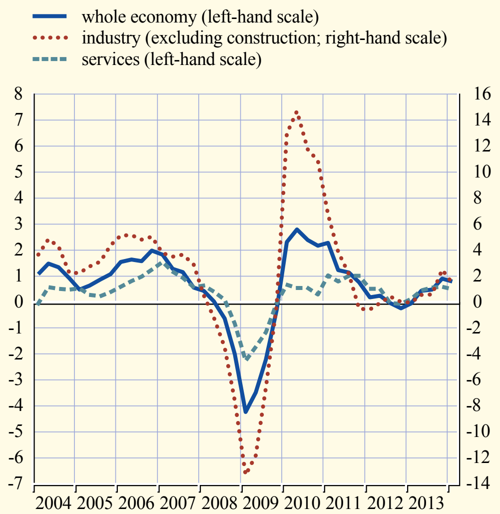
	Persons					Hours				
	Annual rates		Quarterly rates			Annual rates		Quarterly rates		
	2012	2013	2013 Q3	2013 Q4	2014 Q1	2012	2013	2013 Q3	2013 Q4	2014 Q1
Whole economy	-0.6	-0.8	0.0	0.1	0.1	-1.4	-1.1	-0.1	0.1	-0.1
of which:										
Agriculture and fishing	-1.9	-1.4	-0.4	-0.5	0.0	-2.9	-1.0	-0.1	-0.1	0.7
Industry	-2.1	-2.3	-0.4	0.0	-0.2	-3.3	-2.4	-0.2	-0.3	-0.2
Excluding construction	-0.9	-1.4	-0.4	0.2	0.1	-2.0	-1.2	-0.1	-0.1	0.1
Construction	-4.7	-4.6	-0.4	-0.5	-1.0	-6.1	-5.0	-0.6	-0.9	-0.7
Services	-0.1	-0.3	0.1	0.2	0.2	-0.7	-0.7	0.0	0.2	-0.2
Trade and transport	-0.8	-0.8	-0.1	0.2	-0.1	-1.6	-1.2	-0.1	0.1	-0.2
Information and communication	1.2	0.0	-0.3	0.6	0.1	0.6	-0.1	-0.5	0.7	-0.2
Finance and insurance	-0.4	-0.7	0.1	-0.1	0.0	-0.9	-0.8	0.1	-0.1	-0.4
Real estate activities	-0.4	-1.9	0.3	-1.2	1.5	-1.1	-2.4	-1.0	-1.5	1.3
Professional services	0.7	0.4	0.5	0.1	0.4	0.5	-0.1	0.1	-0.3	0.4
Public administration	-0.3	-0.2	0.2	0.3	0.2	-0.5	-0.5	0.1	0.6	-1.0
Other services [1]	0.6	0.0	0.3	0.1	0.4	-0.1	-0.5	0.3	0.1	1.5

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

Labour productivity per person employed increased by 0.8% in annual terms in the first quarter of 2014. Although this is slightly below the growth rate in the last quarter of 2013, labour productivity growth stood well above the average rate in 2013 (see Chart 31). The annual growth rate of hourly labour productivity edged down by 0.3 percentage point, reaching 0.4% in the first quarter of 2014. As regards the second quarter of 2014, the latest readings of the PMI productivity index, which encompasses the manufacturing and services sectors, signal continued positive growth.

Chart 31 Labour productivity per person employed

(annual percentage changes)

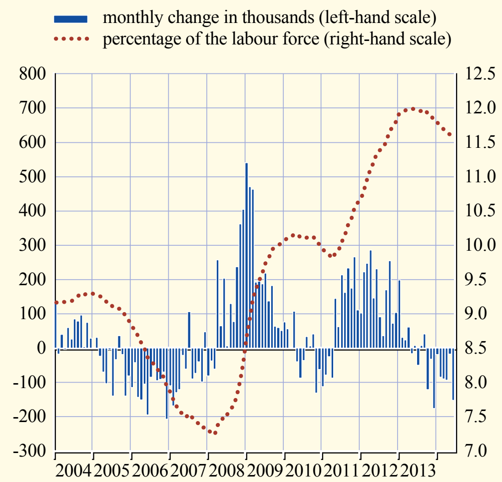


Sources: Eurostat and ECB calculations.

In June 2014 the unemployment rate declined slightly to 11.5%, after having stabilised at 11.6% in April and May (see Chart 32). This improvement in unemployment is also reflected in the continuous albeit moderate fall in the number of unemployed since the last quarter of 2013. In the second quarter of 2014 the unemployment rate stood at 11.6%, compared with 11.7% in the first quarter and 11.9% in the last quarter of 2013. The latest developments thus clearly indicate that the unemployment rate has peaked and that labour markets have started to improve. The latest reading is nonetheless 4.3 percentage points higher than in March 2008, when unemployment was at a cyclical low before the onset of the financial crisis.

Chart 32 Unemployment

(monthly data; seasonally adjusted)



Source: Eurostat.

4.4 THE OUTLOOK FOR ECONOMIC ACTIVITY

Overall, recent information, including survey data available for July, remains consistent with the expectation of a continued moderate and uneven recovery of the euro area economy. Looking ahead, domestic demand should be supported by a number of factors, including the accommodative monetary policy stance and the ongoing improvements in financial conditions. In addition, the progress made in fiscal consolidation and structural reforms, as well as gains in real disposable income, should make a positive contribution to economic growth. Furthermore, demand for exports should benefit from the ongoing global recovery. However, although labour markets have shown some further signs of improvement, unemployment remains high in the euro area and, overall, unutilised capacity continues to be sizeable. Moreover, the annual rate of change of MFI loans to the private sector remained negative in June and the necessary balance sheet adjustments in the public and private sectors are likely to continue to dampen the pace of the economic recovery.

The results from the latest Survey of Professional Forecasters show that GDP growth expectations for 2014 have been revised slightly down compared with the previous survey round, while those for 2015 and 2016 remained unchanged. At the same time, unemployment expectations were revised downwards across all horizons (see Box 5 in Section 3).

The risks surrounding the economic outlook for the euro area remain on the downside. In particular, heightened geopolitical risks, as well as developments in emerging market economies and global financial markets, may have the potential to affect economic conditions negatively, including through effects on energy prices and global demand for euro area products. A further downside risk relates to insufficient structural reforms in euro area countries, as well as weaker than expected domestic demand.

ARTICLES

EXPERIENCE WITH FOREIGN CURRENCY LIQUIDITY-PROVIDING CENTRAL BANK SWAPS

Since the onset of the financial crisis in 2007, bilateral central bank swap lines allowing the provision of foreign currency to local counterparties have become an important tool of central bank international cooperation to prevent systemic risk and limit contagion across major currencies. The design and calibration of the operations used by the ECB to provide foreign currency liquidity to domestic banks helped to achieve the key objectives of the swap lines and calmed markets and funding concerns during the crisis while taking into account moral hazard considerations. The assessment of the experience gained with the swap lines, which is discussed in the article, led major central banks in October 2013 to replace the temporary bilateral swap lines with a network of standing bilateral swap lines. The improvement in US dollar funding conditions and limited demand in the US dollar liquidity-providing operations by euro area banks in 2013 and 2014 allowed the ECB to discontinue part of the operations which make use of the swap lines to provide foreign currency liquidity to euro area banks. The ECB will, on a regular basis, assess the need for the remaining US dollar liquidity-providing operations, taking into account the fact that the standing swap lines provide a framework for the reintroduction of US dollar liquidity-providing operations if warranted by market conditions.

1 INTRODUCTION

This article describes the ECB's experience with temporary swap lines between major central banks over recent years, including during the financial crisis, and the changing modalities of their usage over time. Section 2 of the article provides a chronological overview of the swap lines deployed by the ECB and other central banks. Section 3 elaborates on the objectives and the design of foreign currency liquidity provision by the ECB during the financial crisis. Section 4 reviews the empirical evidence of the effectiveness of the foreign currency liquidity-providing swaps. Section 5 summarises the main lessons learnt from the establishment of temporary swap lines, leading to the most recent measures taken by the ECB in coordination with other central banks with regard to foreign currency liquidity provision.

2 BILATERAL CENTRAL BANK SWAP LINES: AN OVERVIEW

Swaps lines between central banks enable the receiving central bank – hereafter also referred to as the home central bank – to obtain foreign currency liquidity from the issuing central bank. Such agreements have been part of central banks' set of monetary policy instruments for decades. Their primary use was originally to temporarily affect the domestic liquidity situation when other instruments would not serve the purpose or to temporarily and indirectly influence foreign exchange rates. In addition, foreign exchange swaps have been used to allow central banks to acquire foreign exchange to fund interventions. Until the 1990s, the Federal Reserve System maintained an extensive network of foreign exchange swap lines with various central banks and the BIS. The swaps lines with central banks of euro area countries were discontinued with the introduction of the single currency in 1999.[1]

Unlike previous foreign exchange swap agreements, the swap agreements established by the ECB in 2001 and in the period since 2007 were oriented towards providing foreign currency liquidity to domestic counterparties.[2]

1 For more details, see *Instruments of Monetary Management: Issues and Country Experiences*, IMF, 1997, p. 148ff.
2 For more details on these agreements, see the press releases issued by the ECB on 13 September 2001 and 12 December 2007.

When in the aftermath of the terrorist attacks on 11 September 2001 euro area banks were experiencing difficulties in receiving US dollars from their US counterparties, the Federal Reserve and the ECB quickly concluded a foreign exchange swap agreement. The US dollars were then distributed to Eurosystem national central banks, which in turn provided the dollars to domestic counterparties.

In the early stages of the sub-prime crisis, the ECB concluded an agreement with the Federal Reserve to allow the provision of US dollars to Eurosystem counterparties, as US dollar funding markets were already beginning to show signs of strain in 2007. In December 2007 the ECB began conducting US dollar liquidity-providing operations for limited amounts. Following the bankruptcy of Lehman Brothers in September 2008, the size of the US dollar operations conducted by the ECB increased substantially as US dollar funding markets began to freeze up. In October 2008 the ECB also concluded a swap agreement with the Swiss National Bank to provide Swiss franc funding to Eurosystem counterparties as Swiss money market rates increased.

In 2011 the Bank of England, the Bank of Canada, the Bank of Japan, the Federal Reserve, the Swiss National Bank and the ECB established a network of bilateral swap lines to allow each central bank to provide foreign currency to domestic counterparties, should the need arise. To date, in the case of the ECB, the use of the swap lines has been limited to the provision of US dollar and Swiss franc liquidity to Eurosystem banks, and there has not been any provision of euro under these swap lines. In October 2013 the temporary swap lines were turned into a network of standing swap agreements, in recognition of the fact that their existence had helped to ease strains in financial markets.

In addition to the above-mentioned agreements, the ECB has also concluded a number of agreements since the start of the financial crisis to provide euro to other central banks, such as Danmarks Nationalbank, Latvijas Banka, the Magyar Nemzeti Bank, Narodowy Bank Polski and Sveriges Riksbank. Most recently, the ECB established a bilateral swap agreement with the People's Bank of China for the provision of euro and Chinese renminbi.

Table 1 provides a chronology of the swap agreements as announced by the ECB including the maximum amount of the swap line and the currency of denomination.

Chronology of liquidity-providing arrangements and operations as announced by the ECB

Date	Description	Maximum amount (in billions)
13 September 2001	ECB establishes swap agreement with Federal Reserve	USD 50
13 October 2001	Swap agreement with Federal Reserve expires	
12 December 2007	ECB establishes swap agreement with Federal Reserve	USD 20
17 December 2007	ECB begins conducting 28-day US dollar repo operations with fixed rate	
20 December 2007	ECB establishes swap agreement with Sveriges Riksbank	EUR 10
11 March 2008	Federal Reserve enlarges swap line with ECB	USD 30
2 May 2008	Federal Reserve enlarges swap line with ECB	USD 55
11 August 2008	ECB begins conducting 84-day US dollar repo operations with fixed rate	
18 September 2008	Federal Reserve enlarges swap line with ECB	USD 110
18 September 2008	ECB begins conducting overnight US dollar repo operations with variable rate	
26 September 2008	Federal Reserve enlarges swap line with ECB	USD 120
29 September 2008	Federal Reserve enlarges swap line with ECB	USD 240

Chronology of liquidity-providing arrangements and operations as announced by the ECB (cont'd)

Date	Description	Maximum amount (in billions)
13 October 2008	Federal Reserve enlarges swap line with ECB	Unlimited
15 October 2008	ECB establishes swap agreement with Swiss National Bank	CHF 25 per tender
15 October 2008	ECB discontinues overnight US dollar repo operations	
15 October 2008	ECB begins conducting 7-day US dollar repo operations with fixed rate	
16 October 2008	ECB establishes agreement to provide euro to Magyar Nemzeti Bank	EUR 5
20 October 2008	ECB begins conducting 7-day and 84-day Swiss franc foreign exchange swap operations with fixed rate	
21 October 2008	ECB begins conducting 7-day and 28-day US dollar foreign exchange swap operations with fixed rate	
26 October 2008	ECB establishes swap agreement with Danmarks Nationalbank	EUR 12
11 November 2008	ECB establishes agreement to provide euro to Latvijas Banka	EUR 1
21 November 2008	ECB establishes agreement to provide euro to Narodowy Bank Polski	EUR 10
28 January 2009	ECB discontinues 7-day and 84-day Swiss franc foreign exchange swap operations	
28 July 2009	ECB discontinues 28-day US dollar repo operations	
6 October 2009	ECB discontinues 84-day US dollar repo operations	
1 February 2010	Swap agreement with Federal Reserve expires	
9 May 2010	ECB re-establishes swap line with Federal Reserve	Unlimited
11 May 2010	ECB begins conducting 7-day US dollar repo operations with fixed rate	
18 May 2010	ECB conducts an 84-day US dollar repo operation with fixed rate	
17 December 2010	ECB establishes swap agreement with Bank of England, subsequently renewed three times until 30 September 2014	GBP 10
12 October 2011	ECB begins conducting 84-day US dollar repo operations with fixed rate	
30 November 2011	Pricing of swap reduced from USD OIS+100 basis points to USD OIS+50 basis points, bilateral network of swaps established with Bank of Canada, Bank of England, Bank of Japan, Federal Reserve and Swiss National Bank	Unlimited
10 October 2013	ECB establishes bilateral swap agreement with People's Bank of China	EUR 45 CNY 350
31 October 2013	Temporary swap agreements with Bank of Canada, Bank of England, Bank of Japan, Federal Reserve and Swiss National Bank converted to standing bilateral swap lines	Unlimited
23 April 2014	ECB discontinues 84-day US dollar repo operations	

3 SPECIFIC OBJECTIVES OF ECB SWAP LINES OVER TIME AND CORRESPONDING DESIGN OF THE FACILITIES

Liquidity-providing swap lines between central banks enable the receiving central bank to obtain foreign currency and redistribute it locally to its counterparties unconstrained by the levels of its foreign reserves. They provide central banks with a tool to address adverse market events in foreign currency funding markets and to mitigate negative spillover effects of such tensions on financial stability and the real economy within and across jurisdictions. From a Eurosystem perspective, they are therefore a monetary policy tool that enhances the smooth functioning of the transmission mechanism for both the issuing and the home central banks, by protecting the respective markets from external tensions, and thereby ultimately contributing to the fulfilment of the mandate of the central banks involved. This general goal of swap lines and foreign currency liquidity-providing operations to domestic counterparties can be operationalised on the basis of various modalities according to specific market circumstances.

In general, the foreign currency funds are provided to the home central bank against domestic funds or other assets pledged by the home central bank in favour of the issuing central bank. Funds received by the home central bank are then used to provide foreign currency liquidity to its domestic counterparties. For the ECB, the provision of these funds represents a monetary policy instrument in which risks are shared at the Eurosystem level and the decision-making process for monetary policy operations applies. This ensures optimal coordination at the Eurosystem level in the deployment of this monetary policy tool. The foreign currency liquidity is provided to the counterparties against standard eligible collateral that is denominated in euro and hence subject to the Eurosystem general valuation haircuts calibrated to cater for the market, credit and liquidity risk of the pledged collateral. The currency mismatch between the foreign currency liquidity supplied and the euro-denominated collateral also entails foreign exchange risk to the Eurosystem, which is mitigated with an additional valuation margin. The margin is calibrated to reflect the possible loss of market value during a given period owing to adverse movements in the foreign exchange rate with a given level of statistical significance. The specific objectives of the swap lines influence the design of the facility established between central banks as well as the modalities with which funds are provided to the market. Section 3.1 assesses the specific objectives pursued by the ECB with the foreign currency swaps deployed at various points in time, considering also the corresponding design of the facility. Section 3.2 briefly describes the occasions on which the ECB has entered into euro-providing swaps with foreign central banks and their rationale.

3.1 FOREIGN CURRENCY SWAPS AND FOREIGN CURRENCY LIQUIDITY PROVISION IN PERIODS MARKED BY MARKET TENSIONS

3.1.1 US DOLLAR LIQUIDITY PROVISION FOLLOWING THE TERRORIST ATTACKS OF 11 SEPTEMBER 2001

In the context of the financial market disruption that followed the terrorist attacks of 11 September 2001, the ECB and the Federal Reserve established a temporary one-month swap arrangement on 13 September.[3]

The swap agreement allowed the ECB to make short-term financing available to euro area banks when they were facing significant difficulties in raising short-term US dollar financing (owing to the reluctance of counterparties in the United States to lend US dollars during European trading hours before they were certain about their own liquidity needs) and experiencing operational difficulties in accessing the Federal Reserve's discount window. Given the high level of uncertainty over the extent of daily funding needs after the sudden shock, the liquidity-providing operations for euro area counterparties had an overnight maturity and were priced at a level reflecting prevailing US short-term financing conditions. The swap facility was used on three occasions up to 17 September for a total maximum outstanding amount of USD 19.5 billion. The swap lines and US dollar-providing operations were quickly discontinued once market conditions had normalised and an orderly functioning of the US market had been restored.

3.1.2 US DOLLAR LIQUIDITY PROVISION PRIOR TO THE BANKRUPTCY OF LEHMAN BROTHERS

Under the impression that short-term funding was generally available at attractive conditions, some financial institutions had over time become less careful in managing the liquidity risks they had accumulated. Short-term interbank funding was often used to fund longer-dated investment in less liquid assets, leaving the borrowing institutions vulnerable to rollover risk. Moreover, funding commitments, i.e. contingent liabilities, had been made, in favour of, for example, investment vehicles or public authorities. Given the international role of the US dollar and the depth of its

3 For more details, see the ECB's press release of 13 September 2001.

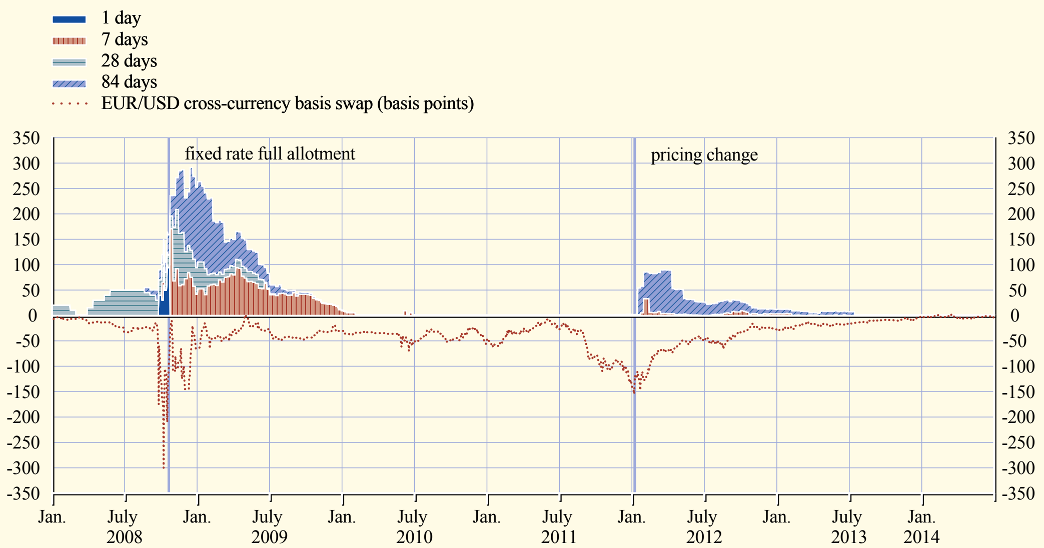
financial markets, many of those commitments and investments by European banks were made in that currency, even when the funding needs of the borrowers were in a third currency, as US dollars were eventually expected to be swapped for another currency.

Strains in funding markets first emerged in the middle of 2007 in the wake of growing unease about the exposure of financial institutions to US sub-prime mortgages. These concerns grew in the second half of the year as more information came to light on the scale of both direct on-balance-sheet exposure and indirect exposure via special purpose vehicles. As a result of the uncertainty about the creditworthiness of counterparties, interbank and other credit lines were significantly and abruptly scaled back, leading to the emergence of a systemic risk.

For these reasons, on 12 December 2007 the Bank of Canada, the Bank of England, the ECB, the Federal Reserve and the Swiss National Bank announced coordinated measures designed to address elevated pressures in short-term funding markets. As part of these measures, the ECB established a temporary swap line with the Federal Reserve and initially conducted two US dollar liquidity-providing operations, in connection with the US dollar Term Auction Facility (TAF), against ECB-eligible collateral. In the first half of 2008 further operations were conducted in which the ECB offered a fixed amount of US dollars at the marginal rate resulting from the TAF conducted in a coordinated manner in the United States over a maturity of initially one month, which was later complemented by operations with a tenor of about three months. In this first phase, the US dollar provision helped European banks to address their structural US dollar funding needs resulting from their US dollar-denominated assets and from the US dollar funding needs of their euro area customers. According to BIS estimates[4], this funding gap had reached at least USD 1.0 trillion by mid-2007 and, until the onset of the crisis, had been met by tapping the interbank market, by borrowing from central banks and by conducting foreign exchange swaps to convert primarily

Chart 1 Outstanding amounts in the Eurosystem's US dollar-providing operations versus three-month EUR/USD cross-currency basis swap

(USD billions)



Source: ECB.

4 Fender, I. and McGuire, P., "European banks' US dollar funding pressures", *BIS Quarterly Review*, June 2010.

domestic currency funding into dollars. The US dollar liquidity provision was therefore structured to contain the funding costs faced by euro area banks when fulfilling their structural funding needs, while minimising interference with market functioning. An auction with a fixed quantity of liquidity appeared to be the most appropriate tool to achieve these objectives while ensuring consistency with the domestic operations of the Federal Reserve. The operations were of a longer maturity as term funding was the most impaired market segment and euro area banks' funding needs were of a structural nature. The longer maturities also provided sufficient reassurance to banks about the availability of funds over a medium-term horizon at a time in which the commitment to offer further foreign currency liquidity-providing operations covered a more limited period.

The pricing was designed to contain funding costs while ensuring coordination with the domestic operations of the Federal Reserve, i.e. euro area counterparties obtained funds at the marginal rate resulting from similar liquidity-providing operations conducted by the Federal Reserve for its domestic counterparties. Over time, different pricing arrangements were used depending on the circumstances. In general, the issuing central bank contributes to defining the pricing terms at which liquidity is provided by the home central bank to its counterparties, in order to avoid interference with the issuing central bank's monetary policy implementation. In this context, the terms of the foreign currency liquidity operations are in general set by the home central banks so that foreign currency liquidity is not offered at cheaper terms than those offered by the issuing central bank to its domestic counterparties, although the home central bank remains ultimately responsible for its relationship with its domestic counterparties and the issuing central bank only has a relationship with the home central bank.

The US dollars obtained by the ECB via the swap with the Federal Reserve were made available via repo operations against eligible collateral to a large number of Eurosystem counterparties at a time of systemic stress. From the perspective of the home central bank, collateralised operations also minimised the impact on the provision of liquidity in euro.

The operations were successful in containing the spread between the US dollar London interbank offered rate (LIBOR) and the US dollar overnight indexed swap (OIS) rate while providing banks with time to restructure their balance sheets in an orderly fashion, limiting the need for fire sales of assets which would have had a negative impact on the economy. Properly calibrating the tendered amount proved increasingly difficult. As US dollar funds were offered at a fixed rate, in cases where bids were submitted in excess of the tendered amount, banks' bids were only partially fulfilled. This process provided clarity regarding the price at which US dollar funding could be obtained by central banks abroad. From the perspective of the borrowers, however, it did not allow them to increase their chances of covering a larger share of their needs by submitting bids at higher rates. The allotment of a fixed amount at a fixed rate could also have attracted bids that were motivated not by genuine funding needs but by the fact that the pricing of the operations was attractive in the prevailing market situation.

3.1.3 THE COORDINATED CENTRAL BANK REACTION FOLLOWING THE BANKRUPTCY OF LEHMAN BROTHERS

After the bankruptcy of Lehman Brothers in 2008, banks were confronted with very large liquidity needs, which were difficult to estimate, in a context of unprecedented and heightened risk aversion and systemic risk. These market circumstances required adaptations in the design of US dollar-providing operations.

The nature of the shock and the extremely high uncertainty regarding short-term liquidity developments at the height of the crisis warranted the temporary offering of overnight operations in which the Eurosystem acted as a price-taker via variable rate tender procedures ("American auctions"). Funds were allocated in accordance with the intensity of needs as reflected in the bidding terms. When the most intense phase of the crisis had been overcome, the level of uncertainty had decreased but structural US dollar needs remained. The overnight operations were replaced by short-term (7-day) and longer-term (84-day) operations conducted on the basis of a pre-announced calendar, which proved sufficient to cover banks' funding needs and stabilise markets. The commitment to offer regular and frequent short-term operations also reduced somewhat the need to offer longer-term operations and helped to limit the hoarding of US dollar liquidity that might have occurred if there had been greater uncertainty about funding availability over the medium term.

Swap limits were initially increased and eventually removed, allowing in principle an unlimited provision of US dollars. The shift to a fixed rate full allotment procedure for the US dollar tenders was consistent with the procedures in place for euro tender operations offered by the Eurosystem.

In October 2008, when the fixed rate full allotment tender procedures were introduced, the pricing of the longer-term operations was changed from the rate charged in the Federal Reserve's TAF to a fixed rate of 100 basis points above the corresponding OIS rate, thus implying a premium over the expected monetary policy stance of the Federal Reserve as reflected in the almost risk-free OIS rates. The change in the modalities of pricing did not just make the provision of US dollars abroad independent of the results of the TAF, i.e. an instrument that was only temporarily offered by the Federal Reserve; introducing pricing at backstop levels was a counterbalance to the Eurosystem henceforth offering US dollar provision that was limited ex ante only by the collateral that counterparties could post. In addition to limiting moral hazard, this meant that in a normal environment banks would not have an incentive to make use of the operations. In the crisis situation in which the pricing was introduced, such levels were, however, below the levels at which European banks could fund themselves.

The implied costs of the US dollar provision also depended on the cost of the collateral that banks had to post. When providing foreign currency against the regular eligible collateral, the Eurosystem needed to protect itself from the risk of adverse exchange rate movements. The longer the maturity of the operation, the greater this protection needed to be. During the period following the bankruptcy of Lehman Brothers, the Eurosystem decided to revalue the position every week. This allowed the haircut applied to the assets used as collateral to be lowered from 20% to 12%. This change substantially reduced the amount of collateral to be posted by counterparties while maintaining a high level of protection for the Eurosystem via the weekly updates of the foreign exchange rate.

During this period the Eurosystem temporarily complemented the US dollar provision to euro area counterparties via the US dollar repo-type operations with foreign exchange swaps in which counterparties deposited the domestic currency in exchange for the foreign currency liquidity. The conduct of swap operations rather than repo-type operations proved to have two drawbacks. First, swaps are more prone to interfere with monetary policy implementation, as Eurosystem counterparties have to deposit euro cash with the central bank. Everything else being equal, this has a draining impact on euro liquidity and can in principle make the forecasting of liquidity needs and the allocation of liquidity in euro tenders more difficult. A second drawback is that such operations may attract bidding also from counterparties that are searching for opportunities to invest in the domestic currency, i.e. the euro. The calibration of the pricing is hence complex. Swap operations, however, have the advantage of widening the distribution of foreign currency to banks that do not hold sufficient eligible securities as collateral. Demand in the foreign exchange swap operations proved to be relatively limited as banks at the aggregate level were in general not constrained by the availability of collateral and preferred the modalities of the US dollar repo operations. In this context, preference was given to continuing with the repo-style operations, and the provision of US dollars via foreign exchange swaps was quickly terminated.

The coordinated resolve demonstrated by the provision of unlimited funds and the reassurance that the provision would be adequate to meet demand as long as sufficient collateral could be posted were decisive in calming market jitters, gradually containing systemic risk and minimising spillover effects on euro area domestic market conditions. Lower demand for short-term US dollar funding from international borrowers also eased tensions in US dollar domestic markets.

These actions were also helpful in preventing an abrupt liquidation of US dollar assets and facilitating a more orderly balance sheet restructuring while the balance sheet mismatch was being addressed.

The funding tensions of euro area banks were not limited to euro and US dollar liquidity during this period. Several euro area banks held a significant amount of Swiss franc-denominated assets as a result of the decision by households and companies in some euro area and in non-euro area jurisdictions to borrow from local subsidiaries of euro area banks in Swiss francs. These private sector actors took advantage of very low interest rates in many cases without a proper understanding of the foreign exchange risks to which they were exposed. Several European banks lacked access to a Swiss franc-denominated deposit base or the domestic operations of the Swiss National Bank at that time, even though the Swiss National Bank accepts non-domestic banks as counterparties. The interbank market via which a significant proportion of these assets had been funded was significantly impaired, owing to a heightened perception of counterparty risk and a reduction in bilateral credit lines. Asset disposal was also difficult while borrowers found themselves in difficult financing conditions as a consequence of a currency devaluation that increased the value of their liability in the domestic currency.

In this context the ECB and the Swiss National Bank jointly announced measures to improve liquidity in short-term Swiss franc money markets and eventually introduced seven-day and three-month foreign exchange swap operations to provide Swiss franc liquidity. The objectives of the Swiss franc liquidity-providing operations from a Eurosystem perspective were largely similar to those of the US dollar-providing operations. They were essential to contain systemic risk, prevent a fire sale of assets and facilitate a more orderly restructuring of balance sheets while market activity recovered.

In the calibration of the operational parameters several factors played a role. In contrast to most US dollar operations, the Swiss franc operations were conducted as foreign exchange swaps. This increased operational complexity by comparison with repo operations helped to achieve better consistency with the Swiss National Bank's operational framework. This also had an impact on the pricing of the Swiss franc operations, as the Swiss National Bank had lowered interest rates rapidly. In line with the mechanism described above, this made the Swiss franc operations relatively attractive and led to overbidding in many operations. The general pricing terms were therefore changed on two occasions, which successfully limited bids not motivated by apparent funding needs.

In the choice of tenors, an initial seven-day maturity was complemented by a three-month maturity to help reduce tensions in the term segment of the Swiss franc money markets, which was the most impaired. The maturities offered were consistent with the ECB's own operational framework and with the maturities offered by the ECB for euro and US dollar operations.[5]

As market tensions gradually abated, both the US dollar and the Swiss franc operations could gradually be scaled back. In January 2009 Swiss franc operations were halted.

By mid-2009 US dollars were being borrowed from the ECB by a smaller number of large banks with significant US dollar-denominated assets on their balance sheets and a few banks with more impaired market access and lower credit ratings. Given the improvements in the functioning of the financial markets, US dollar operations were eventually discontinued in January 2010.

3.1.4 THE SOVEREIGN DEBT CRISIS AND THE CURRENT STATUS

A third phase of the financial crisis started in May 2010 when the euro area sovereign debt crisis escalated. To limit the risk of renewed strains in euro area banks' US dollar short-term funding, the central banks that had previously coordinated their US dollar liquidity provision[6] re-established their swap lines with the Federal Reserve. The US dollar operations for euro area banks continued to be priced as a backstop facility, i.e. more expensively than market levels, at OIS+100 basis points. Despite very limited use of the facility until summer 2011, when the sovereign debt crisis escalated further and spilled over into several countries, the reintroduction of the dollar-providing operations was reported to be useful for euro area banks: the regular offering of operations at a fixed rate and without an ex ante limit reassured US dollar lenders that their borrowers could avail themselves of alternative funding sources, hence reducing liquidity risk premia. The usefulness of an instrument priced at backstop levels thus cannot be measured only in terms of actual demand.

As the sovereign debt crisis intensified in summer 2011, and despite the increase in the EUR/USD cross-currency basis swap, recourse to the US dollar tender operations remained limited, thereby calming market tensions only to a limited extent. This was in all likelihood due to a stigma attached to banks being reliant on central bank funding, in particular when such funding was expensive. In increasingly tiered markets in which funding costs differed markedly across countries and banks, counterparties tried to limit their use of the borrowing operations as they were subject to intense scrutiny by regulators, investors and rating agencies on their funding sources and were concerned that reliance on central bank funding at rates significantly above market rates could be interpreted as a sign of weakness.

In November 2011 the price was therefore changed to OIS+50 basis points, and this reduction helped to "de-stigmatise" the US dollar operations and briefly increased recourse to the facility.

At the same time, the Bank of Canada, the Bank of England, the Bank of Japan, the ECB, the Federal Reserve and the Swiss National Bank announced coordinated action to enhance their capacity to provide liquidity support to the global financial system with the purpose of easing strains in financial markets. As part of these measures and as a contingency measure, these central banks established temporary bilateral liquidity swap arrangements, which allowed liquidity to be provided in each jurisdiction in any of their currencies should market conditions so warrant. The network was established among systemically important central banks whose financial and economic systems

5 As a result of this experience, the European Systemic Risk Board issued on 21 September 2011 a recommendation with regard to the risks inherent to loans in foreign currencies. The recommendation urges banks to be particularly vigilant to ensure that the information provided to borrowers enables those borrowers to adequately appreciate the risks stemming from loans incorporating a foreign exchange risk, and in this way to make an informed choice about the acceptance of a credit.
6 The Bank of Canada, the Bank of England, the ECB, the Bank of Japan and the Swiss National Bank.

are strongly interwoven after an initial fruitful experience of bilateral cooperation. It provided a powerful message of central bank cooperation and firm resolve to tackle global liquidity problems and prevent strain in one jurisdiction from spilling over into others.

While the establishment of the network of swap lines and the conduct of regular US dollar-providing operations addressed short-term market needs and minimised systemic risk arising from the strains in the financial markets, the European Systemic Risk Board (ESRB) issued a recommendation on 22 December 2011 on US dollar-denominated funding of credit institutions, recognising a need for a more structured approach to prevent a repetition of the tensions in US dollar funding markets. The ESRB recommendation aimed to address the root cause of the US dollar funding tensions and contained two main points of action for the national supervisory authorities: (i) to monitor US dollar funding and the liquidity risk taken by credit institutions, encouraging them to take action to manage risks arising from maturity mismatches in US dollars appropriately, and (ii) to ensure that credit institutions develop contingency funding plans to enable them to handle a shock in US dollar funding.

Banks' actions to address the ESRB's recommendations, the progress in the euro area in terms of fiscal consolidation, economic recovery and structural reforms, and the continuous provision of unlimited US dollar funding all contributed to the normalisation of the US dollar funding markets for euro area banks. Demand for the regular US dollar tenders dropped throughout 2012 and remained very limited in 2013.

While very little use was made of the swap line during this period, it was reconfirmed that the usefulness of the facility is not evidenced solely by the demand at the regular operations. The existence of an adequately sized and appropriately priced swap arrangement between central banks which in principle allows for the provision of foreign currency liquidity to domestic counterparties provides reassurance as to the availability of funding alternatives, thereby reducing liquidity risk. On the basis of the experience gained, which is discussed in more depth in Sections 4 and 5, the central banks that had established the network of temporary bilateral swap lines decided to convert these temporary swap lines into standing arrangements, which are arrangements that will remain in place until further notice.

In view of the considerable improvement in US dollar funding conditions and the low demand for US dollar liquidity-providing operations, on 24 January 2014 the ECB in coordination with the other central banks participating to the swap network decided to gradually reduce its offering of US dollar liquidity-providing operations and announced that the 84-day operations would be discontinued as of April 2014. It was decided that the seven-day US dollar-providing operations would continue to be offered until further notice, but that the need for the regular provision of the operations would be re-assessed in due course taking into consideration the low demand and normalising US dollar funding conditions for euro area banks. The assessment will also take into account that the standing swap lines provide a framework for the reintroduction of US dollar liquidity-providing operations if warranted by market conditions.

In addition to the above measures taken during the sovereign debt crisis, the ECB also signed a temporary swap agreement with the Bank of England in December 2010. The agreement allowed pounds sterling to be made available to the Central Bank of Ireland as a precautionary measure, for the purpose of meeting any temporary liquidity needs of the banking system in pounds. The temporary swap between the ECB and the Bank of England helped to ensure an orderly restructuring of the Irish banking system at a time when Irish banks were experiencing impaired access to the wholesale market and prevented a fire sale of assets and a too abrupt deleveraging process.

3.2 THE EURO-PROVIDING FACILITIES

In addition to the arrangements enabling the ECB to receive foreign currency, the ECB has established several euro-providing arrangements with non-euro area central banks. In assessing the business case for establishing euro-providing arrangements with non-euro area central banks, the ECB has in general taken into account a broad set of factors, including (i) the existence of exceptional circumstances characterised by significant actual or potential euro liquidity needs as a result of serious market dysfunctions together with an assessment of the causes of the dysfunctions; (ii) the systemic relevance for the euro area of the country requesting a swap line, in particular the direct and indirect exposures of euro area banks to that country and the potential impact of market tensions on financial markets or the banking sector in the euro area; (iii) the presence of sound economic fundamentals; (iv) the financial risk for the Eurosystem; and (v) the consistency with any parallel support provided by the IMF.

On the basis of these criteria, and with a view to containing global contagion and reducing systemic risk and spillover effects on euro area markets, the ECB in the period following the bankruptcy of Lehman Brothers established euro-providing agreements with the Magyar Nemzeti Bank, Danmarks Nationalbank, Latvijas Banka, Narodowy Bank Polski and Sveriges Riksbank. More recently, the ECB has established a bilateral currency swap agreement with the People's Bank of China, reflecting the growing systemic importance of China and the rapidly growing bilateral trade and investment between the euro area and China, to serve as a backstop liquidity facility and to reassure euro area banks of the continuous provision of Chinese renminbi.[7]

The euro-providing agreements established by the ECB over time were set up, depending on various considerations, either as swaps in which euro liquidity is provided to the foreign central bank against receipt of foreign currency collateral on an ECB account with the foreign central bank or as repo operations in which euro liquidity is provided against receipt of euro-denominated securities as collateral on an ECB custody account. Any subsequent euro provision is handled by the foreign central bank, which decides on the allocation within the pre-agreed limit of the swap/repo line and bears the counterparty risk. Although the specific operational parameters of these agreements differed, overall they were structured so as to minimise any impact on the ECB's provision of euro liquidity and the ECB's own monetary policy framework.

In most cases, these operations enabled the foreign central banks to provide euro liquidity to their domestic counterparties at a time when they were experiencing significant difficulties in funding their euro-denominated assets in the market. Overall these agreements played a very useful role in limiting tensions in the euro area markets in the aftermath of the bankruptcy of Lehman Brothers, contributed to the coordinated central bank response to the global financial crisis and boosted the response capability of the central banks beyond the levels of their foreign reserve assets.

4 ASSESSMENT OF THE EFFECTIVENESS OF THE ECB'S SWAP LINES

The foreign currency-providing operations of the Eurosystem had a significant effect on euro area money markets and were thus a useful instrument within the monetary policy framework of the Eurosystem. Three factors facilitated the efficacy of these swap lines: first, the credible commitment to provide sufficient foreign currency liquidity; second, a pricing policy that hindered opportunistic

7 For more details, see the ECB's press release of 10 October 2013.

bidding or stigma, as appropriate; and third, the alleviation of actual short-term funding needs in foreign currencies. This section assesses the Eurosystem's US dollar-providing operations and also considers the experience gained with the foreign exchange swaps in Swiss francs.[8]

The next subsection explains the indicators against which the swap lines are assessed and the environment prior to the introduction of the swap lines. The following subsections summarise the key features which ensured the efficacy of the swap lines.

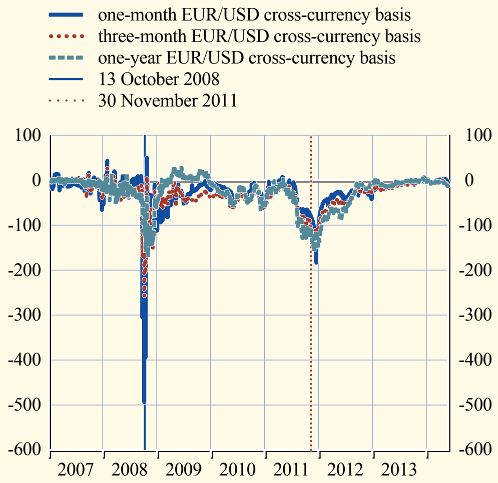
4.1 INDICATORS OF EFFECTIVENESS AND BACKGROUND

Against the background of large US dollar funding needs at increased costs for euro area banks before the introduction of the swap lines, the effectiveness of the US dollar-providing operations is evaluated against their impact on US dollar funding costs for euro area banks. The Eurosystem's US dollar-providing operations were introduced in an environment in which euro area banks held significant amounts of US dollar assets, while their funding possibilities had deteriorated. This was also reflected in the cost of US dollar funding, which can be measured by the spread between the US dollar LIBOR and the US dollar OIS rate of the same maturity as well as by the basis of the EUR/USD cross-currency swap.[9] First, the LIBOR-OIS spread approximates the risk premium which banks have to pay in order to borrow US dollars at a fixed rate.[10] Second, the basis of the EUR/USD cross-currency swap is the difference between the US dollar funding costs implied by swapping euro into dollars and the direct funding costs of a loan in US dollars. The basis thus reflects the premium at which euro area banks can borrow US dollars.

Prior to the financial crisis, the swap basis for the EUR/USD and other major currency pairs hovered close to zero, meaning that the cost of funding in US dollars obtained by swapping euro was almost identical for most market participants, regardless of their location or size, and almost identical to the cost of borrowing US dollars unsecured. After the onset of the crisis, however, it became more expensive to obtain US dollars through the foreign exchange swap market, and the premium that banks had to pay rose above normal levels, increasing to a high of more than 270 basis points for three-month funding in September 2008 (Chart 2). The disruptions were broad-based across funding maturities and were also evident in other foreign exchange swap currency pairs, such as the USD/JPY. In addition to banks, the tensions also affected other financial institutions such as pension funds.

Chart 2 EUR/USD cross-currency basis swap

(in basis points)



Sources: Bloomberg and ECB.

8 Empirical evidence on other central banks and other currencies can be found, for example, in Aizenman J. and Pasricha, G.K., "Selective Swap Arrangements and the Global Financial Crisis: Analysis and Interpretation", *International Review of Economics & Finance*, 19 (3), 2010, pp. 353-365.

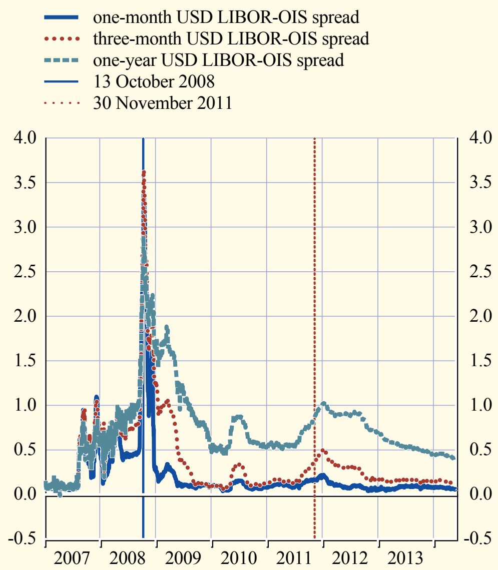
9 Goldberg, L.S., Kennedy, C. and Miu, J., "Central Bank Dollar Swap Lines and Overseas Dollar Funding Costs", *Federal Reserve Bank of New York Economic Policy Review*, May 2011, pp. 3-20.

10 For more details, see the article entitled "Euro area risk-free interest rates: measurement issues, recent developments and relevance to monetary policy", *Monthly Bulletin*, ECB, July 2014.

The disruptions in the interbank lending market were also reflected in the LIBOR-OIS spread, with lending conditions deteriorating in particular at longer maturities. Chart 3 shows the elevated levels of three-month LIBOR-OIS spreads, reflecting the risk premia that had emerged. From the very low, if not abnormally low, levels shortly before the crisis, spreads increased from July 2007 to October 2008 by nearly 3.5 percentage points.

Chart 3 USD LIBOR-OIS spread

(in percentage points)



Sources: Bloomberg and ECB.

4.2 THE SIZE OF THE FOREIGN CURRENCY LIQUIDITY PROVISION

The change to unlimited US dollar liquidity provision under a fixed rate full allotment procedure on 13 October 2008 allowed significant use to be made of the US dollar-providing operations at the different maturities and helped to ease the elevated pressure on money markets (see Chart 1). When the US dollar operations were first conducted by the Eurosystem, the allotment was restricted to USD 20 billion. However, at that stage, the announcement of the swap lines on 12 December 2007 was not particularly effective in containing market tensions, and the LIBOR-OIS spread continued to widen. Further changes, such as the announcement of higher limits for the maximum allotment amounts and the extension of the Federal Reserve's bilateral swap agreements to other central banks, did not manage to contain the increase in the LIBOR-OIS spread until the middle of October 2008. The Federal Reserve had also introduced some measures of its own, and the actual allotment amounts in the US dollar auctions of the Federal Reserve, the ECB and the Swiss National Bank increased continuously, but US dollar LIBOR-OIS spreads remained elevated in 2008 and surged to record highs following the bankruptcy of Lehman Brothers. Counterparties judged the allotment amount to be too limited in relation to banks' overall US dollar funding needs to have a major impact on US dollar money markets.

Following the switch to the fixed rate full allotment procedure on 13 October 2008, the LIBOR-OIS spread fell significantly from its peak of 364 basis points on 10 October 2008, declining by about 200 basis points within a month. In mid-2009 it moved back to levels close to normal conditions. The foreign exchange swap market showed similar signs of improvement, stabilising at levels below the unprecedented high levels recorded following the bankruptcy of Lehman Brothers. While the prices on the foreign exchange swap market revealed that banks were ready to pay more to secure US dollars for several months, the market was functioning and remained liquid, according to market participants. By late spring 2009 bid-ask spreads for EUR/USD foreign exchange forward swaps had converged towards levels seen before the crisis, although anecdotal reports show that the overall volume of activity in the foreign exchange swap market remained well below pre-crisis levels.[11]

11 According to Coffey, N., Hrung, W.B. and Sarkar, A., "Capital Constraints, Counterparty Risk, and Deviations from Covered Interest Rate Parity", *Federal Reserve Bank of New York Staff Reports*, No 393, 2009, the swap line announcements and actual operations were effective in reducing the swap basis.

4.3 THE PRICING OF THE FOREIGN CURRENCY LIQUIDITY PROVISION

The effectiveness of the swap provision was supported by a pricing policy which was (i) conditional on the market environment, and (ii) set at a level which ensured first that the swap was an effective backstop and subsequently that stigma was avoided. Towards the end of 2011 the tensions in the cross-currency basis rose again in the context of the sovereign debt crisis in the euro area. In this environment, the previous pricing of the swaps at OIS+100 basis points no longer seemed appropriate, since at this premium counterparties did not seem to be using the swap even as a backstop owing to the potential stigma attached. Market participants were reported to be concerned about making use of the facility in this environment, thereby sending a negative signal to the markets. Recourse to the swap lines was therefore very limited (see also Chart 1). Notably, after sporadic recourse to the facilities, it was reported that market participants were trying to identify the bidders in order to establish which counterparties were facing potential challenges in terms of US dollar refinancing.

Market participants were generally sensitive to the pricing against market conditions, as the spread between the swap rate set for the operations and the market rate was a significant determinant of participation in the tenders (see Box 1). Counterparties also demonstrated high price sensitivity with regard to swaps providing other foreign currencies. For example, the Swiss franc-providing operations became very attractive and bid amounts rose sharply in the first half of 2009 on account of the attractive pricing of the EUR/CHF swaps. The Eurosystem was de facto absorbing euro at a rate that was favourable by comparison with the one-week EURIBOR and in particular with the rate on the ECB's deposit facility. The bidding behaviour following changes in the pricing of the swap also suggests that some banks used the EUR/CHF swaps to deposit euro rather than to obtain Swiss francs.

Box 1

BIDDING BEHAVIOUR IN US DOLLAR-PROVIDING OPERATIONS BY THE EUROSYSTEM

In order to understand who participated in the US dollar-providing operations of the Eurosystem and thus ultimately benefited directly from the funding, this box analyses the bidding behaviour of counterparties. Estimating a panel model of bidding behaviour, it is found that recourse to the operations was mainly a reaction to adverse money market conditions.

In detail, a (random effects) panel model is estimated for the bidding behaviour since the establishment of the swap lines. Five explanatory factors are used. First, the cost of money market funding is approximated as the spread between the bid rate in the US dollar operations and the USD LIBOR rate. Second, the VIX index controls for global risk aversion. Third, excess liquidity conditions are captured to discriminate between structurally different episodes of monetary policy in the euro area of neutral liquidity and competitive auctions versus excess liquidity and fixed rate full allotment. Fourth, as a measure of the market pricing of the uncertainty of future rates, the model includes the one-month one-year swaption implied volatility. Fifth, a calendar and maintenance period effect controls for important dates in terms of funding, such as end-of-month effects. This is when banks typically hoard their cash for balance sheet window-dressing and market funding becomes relatively expensive.

Regression results of bidding behaviour in US dollar-providing operations

	Bid rate-LIBOR spread	VIX index	Excess liquidity	Swaption implied volatility	End-of-month effect	End-of-maintenance period effect	Constant	Total observations	Number of counterparties
Coefficient	30.24**	8.867***	-0.000828***	3.912*	-141.5	-104.2	574.5**	4,883	260
Standard error	(0.0248)	(0.00290)	(1.36e-05)	(0.0809)	(0.369)	(0.188)	(6.07e-05)		

The model estimation suggests that four factors in particular are economically and statistically significant. First, the spread between the bid rate and the USD LIBOR rate is significantly positive. If the individual funding conditions of a counterparty deteriorate by an increase in the spread between the bid rate and the LIBOR of 1 percentage point, this counterparty is estimated to increase its recourse by about USD 30 million. Second, an increase in the VIX index of 1 percentage point increases the bid amount by about USD 9 million. This indicates greater recourse to the ECB's US dollar operations if global risk aversion increases. Third, €1 billion of excess liquidity lowers the bidding in the operations by about USD 0.8 million, since a relatively accommodative domestic monetary policy stance reduces the need to participate in other central bank operations. Fourth, the higher the market price of volatility, the more counterparties appreciate readily available US dollar funding. Accordingly, an increase of 1 in the swaption implied volatility correlates with a higher take-up in the US dollar operations of USD 3.9 million.

Given the importance of pricing as a determinant of recourse to the swap lines, the ECB announced on 30 November 2011 that it was cutting the cost of US dollar-providing operations to OIS+50 basis points. This lowered the cost of using the facility and effectively reduced the stigma attached to the operations, and recourse to the operations rose accordingly. This change marked another significant break in the cross-currency basis swap and the LIBOR-OIS spread, although the immediate effect was not as pronounced as that following the introduction of the fixed rate full allotment procedure (see Chart 2). While the average EUR/USD cross-currency basis swap five days before the policy change was -149 basis points, the average basis swap five days afterwards was -126 basis points, implying a US dollar easing of 23 basis points.

4.4 REDUCING ACTUAL US DOLLAR FUNDING NEEDS IN THE SHORT TERM

In addition to the commitment to provide unlimited US dollar liquidity and an appropriate pricing policy, the actual provision of US dollar liquidity by the Eurosystem to its counterparties helped to reduce tensions in the cross-currency money market. In general, the provision of foreign currency within the monetary policy framework can be effective via two mechanisms. First, the announcement and commitment to provide foreign currency liquidity can be effective, since the facility can be an effective backstop in the event of market funding tensions. It is a prerequisite that this announcement is credible and sufficient in terms of the amount. Second, the provision of foreign currency can also be effective and alter market rates if the actual amount allotted in the policy operations is sufficient to change the market equilibrium. Section 4.2 described how the two announcements regarding the establishment of the US dollar swap lines and the changes in pricing were effective as announcements. Box 2 shows that the actual recourse to the ECB's US dollar-providing operations also has an effect on market rates. It is found that the provision of USD 1 billion had an immediate impact of about 10 basis points on the three-month EUR/USD cross-currency basis swap. Thus, the operations also had a direct effect on cross-currency money market conditions as they alleviated short-term funding pressures. However, at the same time the ESRB also put in place work streams to reduce market pressures by addressing liquidity needs, which coincided with the actual provision of US dollar liquidity (see Section 3).

Box 2

SHORT AND LONG-TERM EFFECTS OF US DOLLAR LIQUIDITY PROVISION BY THE ECB

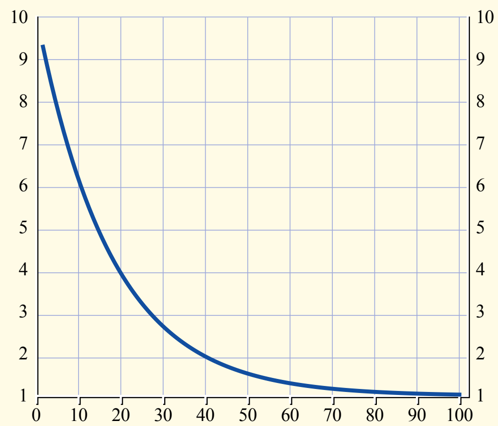
This box analyses the short-term and long-term effects of recourse to the ECB's US dollar operations, showing that the US dollar operations were effective in their aim to contain stress in cross-currency money markets. The analysis uses an error correction model of the EUR/USD cross-currency basis swap on the outstanding amount of the US dollar operations controlling for a measure of global risk aversion, the VIX index.[1] Error correction models are particularly suitable for analysing what are known as cointegrated time series and the short and long-term effects of shocks. The EUR/USD cross-currency basis swap, the outstanding amount of the US dollar operations and the VIX feature this cointegration, meaning that the data are in a long-run equilibrium. Short-run deviations from this equilibrium relationship owing to shocks will be corrected over time (error correction). Our model specification captures these two components:

$$\Delta X_t = \alpha_0 + \alpha_1 \cdot \Delta M_t + \alpha_2 \cdot \Delta V_t - \rho \cdot (X_{t\text{-}1} + \beta_1 \cdot M_{t\text{-}1} + \beta_2 \cdot V_{t\text{-}1})$$

where Xt defines the time series of the cross-currency basis swap, Mt the outstanding amount of the US dollar operations and Vt the data of VIX. ρ specifies the long-term multiplier. Hence, provision of, for instance, USD 1 billion via the US dollar swap line had an immediate impact of about 10 basis points on the three-month EUR/USD cross-currency basis swap, and after 46 days (the average maturity of the swap operations) a final impact of 154.8 basis points is obtained. An interpretation of this longer-term effect needs to take into account that the outstanding amount in the tender will drop again after the maturity of each tender. Accordingly, at its maturity every tender has an offsetting effect in the opposite direction to its settlement. It is the short-term effect which plays the pivotal role in relation to the basis swap, while the long-run effect, in this model, is neutral.

Impulse-response function for an increase of USD 1 billion in the ECB's US dollar operations

(changes in cross-currency basis swap)



Source: ECB.

The immediate effect of the settlement of the operation is obviously the largest, and the effect declines over time. Since the approach pools all operations with differing maturity

1 The use of a measure of risk aversion can be supported by the findings of Baba, N. and Packer, F., "Interpreting deviations from covered interest parity during the financial market turmoil of 2007-08", *Journal of Banking & Finance*, 33 (11), 2009, pp. 1953-1962.

and the maximum of 84 days, it is not surprising that the final impact is reached after about 80 days. However, the marginal impact at that point is negligible. Summarising the results, it is fair to say that, in addition to the effect that the announcement of US dollar swap lines had, the actual recourse to the US dollar operations helped to reduce short-term stress in cross-currency money markets. This effect is most pronounced at the beginning of the respective tender and diminishes over the maturity.

5 LESSONS LEARNT AND CONCLUSIONS

The bilateral swap lines and related foreign currency liquidity facilities were the result of a coordinated effort among central banks to address and prevent stress in the foreign currency short-term funding markets. Through their action, the central banks aimed to maintain the overall stability of the financial system, preventing a disorderly deleveraging and limiting the disruptive effects of funding tensions on real economic activity.

Whereas the overarching goal of the swap lines remained broadly unchanged throughout the crisis, the objectives and the operational parameters of foreign currency liquidity provision have evolved over time depending on the prevailing market situation and the issues at stake during the various stages of the crisis, as described in Section 3. An assessment of the appropriateness of the calibration of operational parameters should therefore not be made in isolation, as the choice of facility design is state and time-dependent and is determined by a range of factors such as the severity of market tensions and the causes of disruption in the market, the objectives of the issuing and home central banks, the amounts of liquidity available (i.e. whether the swap lines are unlimited or restricted) and whether the measures are designed to help address acute funding gaps or rather envisaged as a pre-emptive tool to instil market confidence. The following subsections discuss the lessons learnt regarding the main parameters of the temporary swap lines and how these were considered in the design of the new network of standing swap lines.

5.1 PRICING OF FOREIGN CURRENCY LIQUIDITY PROVISION

The optimal pricing model needs to strike the right balance between two considerations. On the one hand, the price should be set sufficiently above the cost of funds for most banks under normal market conditions to avoid moral hazard and provide adequate incentives for banks to restructure their balance sheets and to resume recourse to market-based funding when conditions normalise. As the provision of foreign currency liquidity under normal market conditions is not considered to be a core task of a central bank, appropriate pricing helps to ensure that the main responsibility for managing funding and liquidity risks related to foreign currency assets and liabilities remains with credit institutions. On the other hand, the price should not be set so high that it generates undue stigma among market participants in accessing the facilities. Such stigma may reduce or entirely preclude banks' borrowing via such a facility. This, in turn, undermines the effectiveness of the facility in acting as a backstop for lending even during extreme tail events. In a context of tiered market access, high penalty rates above prevailing market rates are more likely to lead to stigma.

The pricing of foreign currency operations and their calibration should be largely dependent on market conditions. At times of elevated market tensions, the pricing could be high without deterring participation. As market conditions improve, the price could be lowered without engendering a high use of the facilities. The pricing is also dependent on the specific objectives of the issuing central bank, which has a vested interest in ensuring that swap lines are consistent with its monetary policy framework.

5.2 SIZE OF FOREIGN CURRENCY LIQUIDITY PROVISION

The effectiveness of the US dollar-providing facilities since 2007 has been closely linked to the amount of liquidity provided. From the Eurosystem's perspective, the amount of foreign currency liquidity offered was determined by the availability of swap lines with the respective issuing central banks. Limited amounts allotted competitively can be effective in containing money market rate spreads in periods of moderate stress. However, under very adverse circumstances, it might become increasingly difficult to estimate banks' foreign currency needs and to size the liquidity provision accordingly. For instance, the deployment of unlimited swap facilities in October 2008 was instrumental in achieving a sustainable reduction in the levels of market stress and containing systemic risk.

5.3 FREQUENCY AND MATURITY

The maturity of foreign currency liquidity provision also needs to be adjusted flexibly depending on the source of market disruptions and the needs of the banking sector. Operations with a very short maturity offer flexibility, which is particularly important when the market is facing a sudden shock (such as the default of Lehman Brothers) and banks are trying to meet their immediate liquidity needs. On the other hand, longer maturities provide more funding certainty and are required when market funding is lastingly reduced owing to heightened credit or liquidity concerns on the part of investors.

Furthermore, the need for longer-term operations as a source of funding certainty can also be addressed by a commitment to continue to provide operations with a pre-defined schedule, as this removes the need for precautionary buffers.

5.4 THE MAIN CONSIDERATIONS FOR THE FRAMEWORK OF STANDING SWAP ARRAGEMENTS

The experience with the temporary swap lines and the various designs of operational parameters was reflected in the design and modalities of the new framework of standing swap agreements which was announced on 31 October 2013. Most elements of the standing agreements are similar to those of the temporary swap lines, retaining the key features that proved to be most effective in addressing market tensions, i.e. the importance of a coordinated approach among the participating central banks and the ability to provide foreign currency to address global funding stresses. This provides the central banks with a framework to take measures when warranted by market conditions.

However, the new network remains intentionally unspecific on a number of aspects. While it provides assurance about the availability of the liquidity backstop, the circumstances under which the network of standing swap lines could be activated and the operational modalities of foreign currency liquidity provision have not been specified ex ante. This helps to ensure that market participants prudently manage liquidity and funding risks in foreign currencies, thus reducing further the risk of moral hazard. It should also allow the participating central banks to calibrate the relevant parameters (pricing, amount and maturity) in a flexible way depending on market conditions.

NEW INTERNATIONAL STANDARDS IN STATISTICS – ENHANCEMENTS TO METHODOLOGY AND DATA AVAILABILITY

European macroeconomic statistics will be updated in line with the new international statistical standards in the second half of 2014. The changes concern important economic indicators such as GDP, external trade and the net international investment position, as well as government deficit and debt. The changes will also have an impact on the recording of debt of non-financial corporations and the saving ratio of households. The ECB was involved in the work to revise the standards and, for the statistics for which it is responsible, is currently implementing amended reporting requirements in cooperation with the NCBs. Relevant, timely and harmonised statistics are key for monetary policy-making. The changeover to the new statistical standards will also lead to improvements in data availability in terms of timeliness and content. This article explains the reasons for the revision and the merits of the new standards. It also provides a broad assessment of the expected impact on the main economic variables and describes the improvements to the availability of euro area statistics.

1 INTRODUCTION

The international statistical standards are a globally agreed set of recommendations on how to measure domestic and external economic developments. The main economic indicators, such as GDP, the current account, external trade, government deficit, debt indicators and the household saving ratio, are determined based on these standards. The standards comprise the System of National Accounts (SNA) 2008 – prepared by Eurostat (the statistical office of the EU), the IMF, the OECD, the United Nations (UN) and the World Bank – and the IMF's Balance of Payments and International Investment Position Manual (sixth edition, BPM6). Work was carried out to update the previous versions of the standards (the SNA 93 and the BPM5) in order to better capture structural changes taking place in the world economy, driven by the globalisation of production processes, and the impact of financial innovation. The SNA 2008 and the BPM6 are fully consistent in terms of the methodological requirements and sector classifications, thereby facilitating analysis of the resident sectors' interactions with the rest of the world economy. The ECB contributed to modernising these global standards, along with related manuals providing additional guidance, and was also involved in adapting the SNA to the European context.[1] The European counterpart of the SNA 2008 is the European System of Accounts (ESA) 2010. The revised ESA is laid down in a Regulation which was adopted by the Council and the European Parliament in 2013.[2] It will be implemented in the EU from September 2014, thereby replacing the ESA 95. In addition to legally binding methodological standards, the ESA 2010 contains a transmission programme which determines the national accounts datasets that the Member States are to transmit to Eurostat, according to specified deadlines.

This article is organised as follows. The remainder of Section 1 explains the reasons for the revision and describes the coordinated implementation of the new standards in the EU. Section 2 covers the main methodological changes and their impact on economic variables. It also explains the improvements to the availability of euro area statistics, with a focus on national accounts, balance of payments and government finance statistics. The importance of aligning monetary and financial statistics to the new standards is also discussed and a timeline provided of the first releases under the new ESA 2010.

1 By way of example, the ECB defined the subsector "monetary financial institutions" in the ESA 2010. See also the ECB-UN Handbook entitled "Financial Production, Flows and Stocks in the System of National Accounts" and the BIS-ECB-IMF "Handbook on Securities Statistics", available on the ECB's website.

2 Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1). See also the corresponding ECB Opinion of 19 May 2011 on the proposal for a regulation of the European Parliament and of the Council on the European system of national and regional accounts in the European Union (OJ C 203, 9.7.2011, p. 3).

1.1 THE REASONS FOR REVISING THE STATISTICAL STANDARDS

Since the previous standards were introduced in the early 1990s, substantial changes have taken place in the world economy, along with statistical methodological developments and the availability of new data sources. The major driving force behind the economic changes was the globalisation of production. A shift of manufacturing production by multinational corporations to emerging countries resulted in the international fragmentation of production processes, facilitated by rapid advances in communication and information technology, and financial innovation. This fragmentation was accompanied by strong growth in services relative to manufacturing, and in financial services in particular. Specialised financial institutions outside the banking sector, such as financial vehicle corporations engaged in securitisation transactions, and previously less monitored financial instruments, such as credit default swaps and other financial derivatives, became increasingly important. In the EU the process of financial and economic integration accelerated, leading to the progressive realisation of EMU and the launch of the euro in 1999. Overall, measuring economic and financial activities has become more challenging and the need for internationally comparable statistics has increased. These new statistical challenges come on top of the long-established data needs for economic policy and administrative purposes in the EU. By way of example, the monitoring of government finance and, in particular, the excessive deficit procedure (EDP) require high-quality data that should be fully comparable across EU Member States. The same is true for determining Member States' respective contributions to the EU budget, as the calculation is based on gross national income (GNI). Moreover, in order to conduct monetary policy for the euro area and perform its supervisory role, the ECB requires up-to-date, reliable and comparable information on the macroeconomic situation and sectoral developments in the EU economy.

1.2 COORDINATED IMPLEMENTATION ACROSS THE EU

Ensuring the continued production of relevant and harmonised statistics for the EU and, in particular, for the euro area requires the new standards to be implemented across Member States in a well-coordinated manner. It was thus decided that all data transmissions are to be based on the new statistical standards from September 2014 for datasets relating to national accounts, balance of payments and government finance statistics, and from January 2015 for monetary and financial statistics. The ESCB is not only a user of statistics but develops, collects, produces and disseminates a wide range of European economic statistics. European statistics produced by the ESCB such as monetary and financial statistics (see the box), balance of payments statistics (see Section 2.4) and the quarterly sector accounts (see Section 2.5) have been adapted to the new international statistical standards. Indeed, the ECB is a member of a group of international organisations that have agreed to coordinate their dissemination of macroeconomic statistics so that releases of new data are synchronised.[3]

2 ENHANCEMENTS TO ECONOMIC INDICATORS AND DATA AVAILABILITY

This section explains the major methodological changes affecting national accounts, balance of payments and government finance statistics which will be introduced from September 2014. The changes relate to important variables, such as GDP and other macroeconomic aggregates, which include investment, exports and imports of goods and services, the international investment position and external debt, government deficit and debt statistics, private sector financing and balance

3 The Inter-Agency Group on Economic and Financial Statistics (IAG) comprises the BIS, the ECB, Eurostat, the IMF, the OECD, the UN and the World Bank.

sheet developments. Table 1 provides an overview of the most relevant methodological changes and their impact on the main economic indicators.[4] However, while this article focuses on the methodological changes, statistical compilers will be introducing new sources and improved estimation methods which may have an impact on the levels and growth rates of economic indicators, and which may diminish or accentuate the effect of the methodological changes on the results.

Table 1 Expected impact of the main methodological changes on important macroeconomic variables

Variables	Change in level	Explanation
GDP and investment	Increase	• The ESA 2010 records expenditure on research and development and on military weapon systems as investment, rather than intermediate consumption. • Many Member States carry out a statistical benchmark revision (usually every five to ten years) to introduce new data sources and compilation methods. This generally has an upward effect on GDP and gross national income (GNI).
Net trade in goods and services	Increase or decrease	• Goods sent abroad for processing are no longer considered as exports/imports of goods as no change of ownership occurs. The valued added in processing is instead recorded as a manufacturing service. • Merchanting of goods is reclassified from services to exports of goods (in net terms) by the country of the merchant, although the goods do not physically cross the border. • Financial intermediation services indirectly measured (FISIM) are classified as financial services, rather than other investment income.
Net international investment position (i.i.p.) **External debt**	Increase or decrease Increase	• It is clarified that entities (such as special purpose entities) registered or incorporated in a country are deemed to be resident in that country, even if they have little or no physical presence there. • The treatment of the allocation by the IMF of special drawing rights as a liability of the central bank (or general government) will increase the external debt and decrease the net i.i.p. • The foreign direct investment relationship is extended to better cover complex, multi-economy corporate structures. Positions will be reclassified from other types of investment (portfolio or other investment) with, in principle, no effect on the total net i.i.p.
Government debt	Increase	• Stricter criteria will shift publicly controlled "borderline" entities into the government sector.
Government deficit	Increase or decrease	• The impact of the higher number of government entities on the government deficit may vary. • Settlements under swaps are no longer treated as interest (payable or receivable). The deficit may increase or decrease as a result. • Lump-sum payments to government to cover a transfer of pension liabilities will no longer reduce the deficit. If the lump sum is less than the pension liabilities transferred, the deficit will increase.
Household saving and pension claims	Increase	• Employer contributions to pension schemes record the increase in accrued pension rights of households. In the case of underfunded defined benefit pension funds, this will lead to increased income and saving of households as employer pension contributions are recorded as a part of compensation of employees, i.e. income, which is saved.
Non-financial corporation debt **Financial sector liabilities**	Decrease Increase	• Holding companies of non-financial corporations (not engaged in management) are reclassified from the non-financial corporations sector to the financial corporations sector because of the financial nature of their activities. • Some publicly controlled non-financial corporations will be classified in the government sector as a result of changed classification criteria (see the entry on government debt above). • The treatment of entities (such as special purpose entities) as resident in the country in which they are registered or incorporated, even though they have little or no physical presence there, will increase financial sector liabilities (see the entry on the net international investment position above).

4 See also Eurostat's dedicated web pages providing information on the ESA 2010 and the changes to the national accounts (available at http://epp.eurostat.ec.europa.eu/portal/page/portal/esa_2010/introduction).

2.1 CHANGES TO GDP AND INVESTMENT

One of the major improvements in the ESA 2010 relates to the treatment of research and development (R&D) activities. Under the ESA 95 R&D is considered to be expenditure which is immediately "consumed" in the production process, i.e. intermediate consumption. This approach is similar to that of standard business accounting principles. Under the ESA 2010, however, R&D expenses are "capitalised", meaning that they are treated as an investment (similar to investments in equipment and structures). The rationale behind this is to capture the growing importance of R&D in a knowledge economy. For example, the development of computer software might require only a modest investment in equipment, but a major investment in developing and applying new information technologies. Thus, R&D expenditure can be regarded as contributing to future output. The capitalisation of R&D will have a direct effect on GDP as it will increase the level of investment and thereby final demand (and, as a corollary, decrease intermediate consumption by the same amount). Capitalised R&D expenditures will be added to the balance sheet and treated similarly to any other non-financial assets – and therefore will be subject to depreciation and write-offs. According to a preliminary estimate by Eurostat, the change in the treatment of R&D will account for an average increase in the level of GDP of 1.9% in the EU.[5] The impact on GDP growth rates, however, is likely to be very small. The change will also influence other indicators that are contingent on the level of GDP, such as debt and deficit ratios.

Another methodological change involves military expenditure. In the ESA 95 a distinction applies to equipment that can have a civilian use (such as airfields, roads and hospitals), as opposed to purely military equipment (such as military aircrafts, ships and tanks). The former are treated as investment whereas the latter are treated as final consumption in the year in which the expenditure took place, regardless of the likely length of the equipment's service life. Under the ESA 2010 both types of investment will be treated in the same way, i.e. as capital expenditure. As with other investments in equipment and structures, military assets will be subject to depreciation over their estimated service life. It is estimated that in the EU the average increase in the level of GDP will be around 0.1% of GDP.

When implementing the changes introduced by the ESA 2010, it is likely that Member States will take advantage of the opportunity to make benchmark revisions at the same time. New data sources, compilation methods and estimates for areas not covered under the ESA 95 might be introduced. Furthermore, many Member States will begin including illegal activities in the national accounts. This is therefore one of the areas where improved coverage and/or improved estimation methods are expected to affect GDP and thus GNI. Illegal activities are already covered by the statistical methodology of the ESA 95, but treatment of these activities has continued to vary among Member States given the difficulties in measuring them. However, in the context of harmonising the method of compiling GNI for the EU budgetary process (national contributions), all Member States must follow common guidelines on, inter alia, the measurement of illegal activities. As a consequence, although these guidelines are independent of the ESA 2010, several Member States will also include estimates of certain illegal activities in their ESA 2010 September 2014 revisions.

5 For the EU, see the Eurostat press release on the estimated impact of the ESA 2010, available at http://epp.eurostat.ec.europa.eu/portal/page/portal/esa_2010/documents/technical_press_briefing_ESA_2010.pdf
For the United States, the impact of the capitalisation of R&D was 2.5% of the increased GDP for the period 2010-12 (i.e. after the new standards were introduced).

IMPROVEMENT IN PUBLICATION TIMELINESS

The timeliness of publishing quarterly GDP data and the main aggregates for the EU Member States will be improved. Under the ESA 2010, the release deadlines will be brought forward to two months after the reference quarter, from the current deadline of 70 days after the reference quarter. The EU and euro area main aggregates will therefore also become available two months after the reference quarter. The release schedule for the GDP flash estimate remains the same, i.e. 45 days after the reference quarter.

2.2 CHANGES TO TRADE IN GOODS AND SERVICES

As mentioned above, globalisation implies the international dispersion of a company's production processes for goods and services. Manufacturing a computer or transport equipment can involve producers in several different countries and it has become increasingly difficult to consistently trace the flows of goods (merchandise trade) across national boundaries. The BPM6 and the SNA 2008 clarify that the only basis for recording international trade is a change in ownership of the goods concerned and not merely the physical cross-border movement of goods. For example, when multinational companies send goods for processing to a different country, no change in ownership occurs. It follows that no export of goods is recorded when the goods are sent abroad for processing and no import of goods is recorded when the processed goods return to the home country. Instead, the processing of the goods is recorded as an import of a manufacturing service by the home country. This new treatment will result in a decrease in the level of imports and exports of goods in both the home country and the processing country. It will similarly increase the level of imports of services in the home country and the level of exports of services in the processing country.

The "change in ownership" principle is also applied to merchanting. Merchanting occurs when a trader purchases a good from a non-resident and subsequently resells it (usually at a profit) to another non-resident, without the good entering the merchant's economy. Under the BPM5 and the ESA 95, the physical flow of goods is recorded as an export of the country of origin (reflecting the purchase price) and an import of the destination country by the same amount. The trade margin of the merchant is recorded as an export of services of the home country of the merchant and an import of services by the destination country. Under the BPM6 and the ESA 2010, and based on the "change in ownership" principle, merchanting will instead be recorded as a trade in goods from the country of origin to the home country of the merchant and an export from the home country of the merchant to the country of destination. The trade margin is reflected in the merchant's country as a net export of goods.

Another reclassification (under the BPM6 only) that will affect the services account is the inclusion of financial intermediation services indirectly measured (FISIM) as a financial service. Financial intermediaries typically offer their depositors lower rates of interest than those they charge to their borrowers. This margin is included as part of interest income under the BPM5, however the BPM6 distinguishes between "pure" interest as income and the resulting interest margin as a service. This is consistent with the treatment of FISIM under the ESA 2010 (and the ESA 95).

2.3 CHANGES TO GOVERNMENT DEBT AND DEFICIT

GOVERNMENT DEBT

In order to obtain reliable and accurate data on government debt and deficit levels, it is necessary to determine which entities belong to the general government sector. However, it is not straightforward to identify the correct sector in which to classify companies or organisations that are owned or subsidised by government and that are involved in providing goods and services for public use, such as public schools, hospitals, transport companies and utility providers. In the ESA 95 the main criterion used to decide whether a public company is part of the general government sector is essentially quantitative, consisting of an assessment of the company's production costs in relation to its sales. If the entity is not able to cover at least half of its production costs by the proceeds of the sale of its goods and services, the entity is deemed to be part of the general government sector. By contrast, if its sales do cover at least half of the production costs, the entity is considered to be a non-financial corporation. However, the ratio of costs to sales can fluctuate over time, which leads to difficulties in determining the composition of the general government sector. In the ESA 2010 more emphasis is placed on qualitative criteria, such as the entity's economic motivation, independence in respect of undertaking a profit-making activity and the ability to pay its debts without government support, in order to ensure that only independent entities that are motivated by market competition fall outside the general government sector. The change in the criteria for determining whether an entity is part of the general government sector is likely to increase the number of units classified in the sector and thereby increase government debt.

GOVERNMENT DEFICIT

The above-mentioned changes with regard to the general government sector classification criteria will also have a small effect (increase or decrease) on government deficit levels.

In addition, the definition of government deficit used for the EDP will change with the implementation of the ESA 2010. Its predecessor, the ESA 95, lays down the concept of EDP interest, which includes the net interest flows under swaps and forward rate agreements (FRAs) concluded by government with non-government entities.

Swaps and FRAs are used by debt managers to hedge the interest rate or exchange rate risk on outstanding government debt. For example, a swap could be an agreement to exchange a floating rate of interest for a fixed rate of interest. The net interest flows resulting from these swaps and FRAs are included in the EDP deficit to reflect the impact of the swaps on the government debt service. Thus, the EDP deficit could be higher (or lower) than the government deficit in the national accounts if the government has had to pay (or has received) net interest flows under swaps and FRAs. The concept of EDP interest has not been retained in the ESA 2010 and so a single definition of government deficit will apply. However, the impact of net interest flows under swaps and FRAs on the EDP deficit/surplus figures is marginal for most Member States. The exclusion of net interest flows from the government deficit under the ESA 2010 will therefore have only a small effect in most EU countries.

Another change that will have an impact on the government deficit in some Member States concerns the treatment of pension transfers to government. In recent years, several Member States have implemented pension system reforms under which lump-sum payments have been made to government in exchange for the government taking over pension liabilities (from either public or private corporations). Under the ESA 95, these lump sums are treated as government revenue and improve the government deficit/surplus. However, this recording distorts the deficit/surplus as it only accounts for the payments received by government and disregards the corresponding liabilities in the form of the future pension payments for which the government has become responsible. The ESA 2010 introduces a change in order to improve the transparency of the government deficit/surplus. In addition to the assets transferred, a pension liability is recorded in the government accounts and, as a result, there is no impact on the government surplus/deficit at the time of the transaction. However, where the value of the assets received by government is lower than the expected future pension payments, the difference is recorded as a capital transfer, which increases the government deficit (or lowers the surplus).

It is important to note that the debt-to-GDP and deficit-to-GDP ratios (which are relevant for the EDP) will also be affected by the changes to GDP explained in Section 2.1 of this article. As GDP levels are generally expected to increase, debt-to-GDP and deficit-to-GDP ratios will decline.

2.4 CHANGES TO THE INTERNATIONAL INVESTMENT POSITION AND EXTERNAL DEBT

The overall framework and the broad definitions contained in the IMF's BPM5 remain the same in the BPM6, leading to a high degree of continuity between the two versions. Table 2 presents an overview of the main reclassifications and changes in concepts and terminology, as well as developments with regard to the statistical treatment of the current, capital and financial accounts of the balance of payments. The changes in the financial account of the balance of payments are also applicable to the international investment position and to external debt.

The BPM6 introduces an integrated view of transactions, other changes and positions as a tool to facilitate the analysis of international economic developments and, in particular, countries' vulnerability and sustainability. This balance sheet approach enables a better understanding of the changes between two periods in the quarterly international investment position through a breakdown into balance of payments transactions, price and exchange rate revaluations and other changes, such as, for example, write-offs and sector or geographical reclassifications.

In addition, although already mentioned in the BPM5, the BPM6 provides more specific guidance on the residence and activity of special purpose entities (SPEs) and other legal structures, generally used for holding assets, that are incorporated or registered in a country but with little or no physical presence there. Some euro area countries, such as Cyprus and Malta, have so far not included these types of entity as residents in the reporting economy and so the increased coverage may have a considerable impact on the euro area aggregates. The euro area external debt and the euro area foreign direct investment assets and liabilities will increase. The net effect, however, and therefore the impact on the net euro area international investment position, will depend on the geographical location of the company structure of the group to which the SPE belongs. Thus, if both assets and liabilities of these companies are vis-à-vis euro area residents, the net effect on the euro area international investment position will be nil. Similarly, if both assets and liabilities are vis-à-vis non-euro area residents, the net effect will also be nil, although in that case the euro area assets and liabilities will increase equally. However if the assets are vis-à-vis euro area residents and the liabilities are vis-à-vis non-residents – or vice versa – then the effect on the net euro area international investment position will be noticeable. By way of example, if an SPE – which is a resident of Malta and whose parent company is resident in Switzerland – invests in a Dutch company, this will increase the direct investment liabilities of the euro area and will therefore reduce the net international investment position. However, if the Maltese SPE invests in the United Kingdom, the euro area direct investment assets will increase by the same amount as the liabilities and the net international investment position will not be affected.

The special drawing right (SDR) is an international reserve asset created by the IMF to supplement IMF member countries' existing official reserves. In the BPM6, new distributions of SDRs to participants in the IMF SDR Department are recorded as increases in gross reserve assets (holdings of SDRs) and, at the same time, as long-term debt liabilities of the countries to which they are allocated (allocations of SDRs). Holdings of SDRs by an IMF member country have always been recorded as an asset (in terms of reserve asset positions), but the corresponding liability, the so-called “allocations of SDRs”, is not recorded at all under the BPM5. The BPM6 considers the allocation of SDRs as the incurrence of a debt liability of the receiving member country because of the requirement to repay the allocation in certain circumstances and also because interest accrues.

Table 2 Main methodological changes and/or reclassifications from the BPM5 to the BPM6

Balance of Payments

BPM5	BPM6
Current account	
Goods • Goods sent abroad for processing	**Goods** • Net export of goods under merchanting
Services • Merchanting and other trade-related services • Insurance and pension services	**Services** • Manufacturing services on physical inputs owned by others • Insurance and pension services *(clarification)* • Financial dealers’ margins *(explicit treatment)* • FISIM
Income – **Investment income** • **Direct investment** *(directional principle)* ▪ Abroad ▪ In the reporting economy • **Other investment** Financial intermediation services indirectly measured (FISIM) Reserve assets	**Primary income** – **Investment income** • **Direct investment** *(gross basis)* ▪ Credits ▪ Debits • **Other investment** • ***Reserve assets (separate)*** – **Other primary income** • Taxes on production and imports • Subsidies • Rents
Current transfers • Taxes on production and imports • Subsidies • Rents • Other current transfers	**Secondary income** • Non-life insurance and standardised guarantees *(clarification)*
Capital account	
Migrants’ transfers Patents, copyrights and internet domains (among others)	*(Excluded from transactions)* Mostly produced assets *(recorded in goods or services)*
Financial account	
Direct investment *(directional principle)* • Abroad • In the reporting economy	**Direct investment *(gross basis)*** • Net acquisition of financial assets • Net incurrence of liabilities
Portfolio investment	**Portfolio investment** • Investment income attributable to the owners of investment funds shares – reinvested earnings *(New)* – also included in income
Financial derivatives	**Financial derivatives and employee stock options** • Employee stock options *(New)*
Other investment • Other assets Insurance and pension schemes Other equity Other	**Other investment** • Insurance and pension schemes *(clear treatment)* • Other equity *(separate)* • Other accounts receivable and payable *(separate)* • Standardised guarantee schemes *(New)* • SDRs (allocations) *(New)*
Reserve assets	**Reserve assets** Unallocated gold accounts *(explicit treatment)*

Source: ECB.
Note: Arrows with solid lines indicate reclassifications, whereas arrows with dotted lines indicate changes in treatment, clarifications and new instruments added.

This new treatment will increase the gross and net external debt of the central bank or general government as well as decrease the net international investment position.[6]

The BPM6 introduces some clarifications in the field of direct investment with regard to complex, multi-economy corporate structures. Direct investment is cross-border investment associated with an investor having control over, or influence on, the management of an enterprise resident in another economy. The BPM6 develops further the concepts of control and a significant degree of influence, the treatment of a chain of direct investment relationships, immediate and indirect direct investment and fellow enterprises (enterprises under the control or influence of the same direct investor, i.e. companies that belong to the same group although they do not have any relation of influence).[7] As a consequence, the direct investment relationship has been extended to fellow enterprises and other companies of the same group not previously covered by the 10% direct influence rule. Therefore, some transactions currently reported under another type of investment, such as portfolio or other investment, may be reclassified as direct investment under the BPM6. In addition, foreign direct investment is now primarily presented on a gross assets and liabilities basis. Finally, given their relevance for statistical analysis, the BPM6 requires the flows included in direct investment to be identified as (i) investment by a direct investor in direct investment enterprises (directly or indirectly controlled), (ii) reverse investment (flows from the direct investment enterprises to the direct investor), and (iii) investment between fellow enterprises. The directional principle (investment abroad and in the euro area) has been revised in the BPM6 and could eventually be used as an alternative means of presentation.

ENHANCEMENTS TO DATA AVAILABILITY

The ECB has laid down new reporting requirements for euro area NCBs in the field of external statistics, i.e. balance of payments, international investment position and international reserves statistics.[8] Although the external statistics Guideline reflects the methodological and reporting changes introduced by the BPM6, it also introduces a more granular geographical breakdown of

Table 3 Sector breakdowns for the euro area balance of payments and international investment position aggregates

BPM5		BPM6	
Monthly	**Quarterly**	**Monthly**	**Quarterly**
Eurosystem	Eurosystem	Eurosystem	Eurosystem
Other MFIs	Other MFIs	Other MFIs	Other MFIs
		Deposit-taking corporations excl. Eurosystem	**Deposit-taking corporations excl. Eurosystem**
		Money market funds	**Money market funds**
Non-MFIs	Non-MFIs		
	General government	General government	General government
	Other sectors	Other sectors	Other sectors
			Financial corporations
			Non-financial corporations, households and NPISHs

Source: ECB.
Notes: Monthly frequency covers only the balance of payments; "other MFIs" refers to monetary financial institutions excluding central banks; and "NPISHs" refers to non-profit institutions serving households.

6 The IMF implemented a USD 250 billion general SDR allocation on 28 August 2009 and a special (one-time) SDR allocation of USD 33 billion on 9 September 2009. Euro area SDR holdings and allocations increased by EUR 45 billion.
7 These changes are consistent with the OECD Benchmark Definition of Foreign Direct Investment (fourth edition, 2008), which provides operational guidance on how foreign direct investment activity should be measured. It is the global standard for direct investment statistics.
8 Guideline of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (recast) (ECB/2011/23), OJ L 65, 3.3.2012, p. 1, as amended by Guideline ECB/2013/25 of 30 July 2013, OJ L 247, 18.9.2013, p. 38.

quarterly international investment positions, and a sector breakdown of the economy in line with the euro area monetary statistics and the financial and non-financial sector accounts. Table 3 shows the changes in data availability by sector for the euro area aggregates.

2.5 CHANGES TO SAVING, DEBT AND PENSION CLAIMS AFFECTING HOUSEHOLDS AND NON-FINANCIAL CORPORATIONS

The ECB requires comparable, up-to-date and reliable statistics broken down by the institutional sectors of the economy, including households and non-financial corporations. For this purpose, the ECB and Eurostat jointly produce the quarterly euro area accounts (EAA). The EAA provide comprehensive information on the income, spending, financing and wealth developments of institutional sectors of the euro area. They are produced by integrating the quarterly financial accounts with the quarterly non-financial sector accounts. The ECB recently amended its reporting requirements on the quarterly financial accounts in order to bring them into line with the ESA 2010, improve timeliness and obtain more detailed data at the sector, instrument and flow levels.[9] The enhanced financial accounts will be combined with the new reporting for non-financial sector accounts (as transmitted by Member States to Eurostat) to compile the EAA, based on the ESA 2010, from October 2014 onwards.

NON-FINANCIAL CORPORATION DEBT AND FINANCING

The most important change concerns the statistical definition of the non-financial and financial sectors of the economy.[10] The change will enhance the analysis of the financing of the non-financial corporations sector. The effect will be to reduce the recorded debt of non-financial corporations while increasing the liabilities of the financial corporations sector.

The ESA 95 limits the financial sector to financial intermediaries and the (much smaller) subsector of financial auxiliaries. Financial intermediaries raise funds from the public (e.g. through deposits, investment funds shares, and/or life insurance policies) and lend those funds to the public or invest them in financial markets. This restrictive definition therefore excludes, for example, units such as SPEs that provide financial services to an enterprise group rather than to the public. The ESA 2010 extends the financial corporations sector to include so-called captive financial institutions and money lenders. This subsector includes SPEs that raise funds in open markets on behalf of their parent companies and “passive” holding companies that do not manage their subsidiaries. This change has the advantage that the debt financing raised by SPEs or holding companies will be allocated to the debt of the financial sector. Moreover, only the direct funding granted by SPEs or holding companies to non-financial corporations will be recorded as debt of the non-financial corporations sector. The new classification of holding companies, SPEs and similar units will lower the recorded debt of non-financial corporations and increase the liabilities and assets of financial corporations. The impact of this change is expected to be sizeable in some Member States.

HOUSEHOLD SAVING AND PENSION ENTITLEMENTS

The ESA 2010 provides more detailed guidance on pension-related assets and liabilities which will affect the recording of pension claims of households on pension funds and the liabilities of corporations with pension commitments towards their employees. If an employer has set up an autonomous pension fund for its employees but retains the responsibility for a deficit in funding, any deficits (or surpluses) are to be recorded as claims (or liabilities) of the pension fund against

9 Guideline of the European Central Bank of 25 July 2013 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts (recast) (ECB/2013/24), OJ L 2, 7.1.2014, p. 34.

10 The changes in respect of SPEs will have an impact on the recording of financial corporations (see Section 2.4).

the employer. Under (or over) funding of employer pension funds may occur in the case of defined benefit schemes, i.e. schemes where the benefits are predetermined, for example based on the policy-holder's pay and years of service.[11] Furthermore, there is a requirement to calculate pension contributions on an accruals basis, reflecting the increase in accrued pension rights in a given period, irrespective of the actual payments made.[12] This change will provide a more realistic picture of pension claims and liabilities and will also have an impact on disposable income and saving. The extent of the impact of these changes to the recording of pensions will depend on the prevalence of defined benefit employer pension schemes in a country. By way of example, in the United Kingdom, where such pension funds are quite common, the introduction of accruals accounting is expected to lead to a substantial upward revision of recorded pension contributions. This is likely to lead to lower measures of profits, income and saving of corporations and, at the same time, to increased income and saving of households as employer pension contributions are recorded as a part of compensation of employees, i.e. income, which is saved.[13]

These changes only affect employer pension funds, namely pension funds that are set up independently of government. Claims on social security pension systems remain outside the "core" national accounts. However, under the ESA 2010 transmission programme, a new, supplementary table on pension entitlements requires the calculation of households' accrued pension entitlements including social security pension entitlements. This will provide a complete statistical presentation of accrued pension entitlements from both employer and social security pension schemes.

STANDARDISED GUARANTEES AND FINANCIAL DERIVATIVES

The ESA 2010 adds some new financial instruments and gives further guidance in order to ensure that all relevant financial positions and flows are recorded in the financial accounts. A new financial instrument under the ESA 2010 relates to "provisions for calls under standardised guarantees". Standardised guarantees are guarantees that are issued in large numbers, usually for fairly small amounts, and protect against similar events. The ESA 2010 recognises that although it is difficult to establish the likelihood of, for example, any one borrower defaulting, it is nevertheless possible to make a reliable estimate of the number of calls that will be made under the guarantee. Thus, standardised guarantees are to be recorded as financial assets and liabilities. This is of particular relevance where government provides standardised guarantees, e.g. for student loans.[14] A further amendment to the financial instrument coverage is the clarification that employee stock options are to be recorded as a component of financial derivatives, a component for which no fully harmonised treatment exists under the ESA 95.[15]

ENHANCEMENTS TO DATA COVERAGE AND AVAILABILITY

The financial accounts show outstanding amounts of financial assets and liabilities and provide information on the changes over time in terms of transactions, revaluations and other changes. As mentioned above, the ESA 2010 adds some new financial instruments and provides clarification and

11 As opposed to defined contribution schemes where the benefits are determined by developments in the pension fund's assets.

12 The employer's contribution in a period is calculated as the increase in the net present value of the pension entitlements estimated using actuarial methods based on demographical and financial assumptions, minus administration costs and any contributions from the employee.

13 The UK Office for National Statistics expects the ESA 2010 to have an effect on the household saving ratio of between 3.4 and 6.3 percentage points for the years 1997 to 2011 (see http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/national-accounts/articles/2011-present/introducing-developments-to-measurement-of-pensions-data-and-the-impact-on-household-savings-1997-to-2011/index.html).

14 Standardised guarantees are akin to insurance contracts. Insurance corporations' provisions for guarantees against credit default are already recognised as credit insurance under the ESA 95. This new financial instrument subcategory therefore covers the extension of standardised guarantees by non-insurance corporations and government.

15 The ESA 2010 also clarifies that employee stock options are to be recorded as compensation of employees.

guidance to ensure that all relevant financial positions and flows are covered in the financial accounts. The most important enhancement in terms of EAA data availability will be a much shortened delay in publication. While the EAA are currently published about four months after the end of a quarter, publication under the ESA 2010 will be progressively reduced to about three months. This will increase the usefulness of the EAA for monetary policy analysis. Furthermore, the EAA will also benefit from improved data availability for the new financial subsectors. Based on recent amendments to the ECB's statistical reporting requirements, comprehensive data sources have been developed covering non-money market investment funds and insurance corporations (see the box).

Box

IMPACT OF THE NEW INTERNATIONAL STATISTICAL STANDARDS ON OTHER ECB STATISTICS

Council Regulation (EC) 2533/98 on the collection of statistical information by the ECB, along with the Treaty on the Functioning of the European Union and the Statute of the ESCB and of the ECB, provide the framework for the ECB's statistical work.[1] The legislation empowers the ECB to adopt regulations specifying the statistical reporting requirements of financial corporations in the euro area and guidelines determining the harmonised statistics to be produced by the ECB and euro area NCBs. These requirements have recently been amended to bring them into line with the new statistical standards. The amendments are important in the light of the high policy relevance of these datasets, but also because they provide an essential source of information for compiling the national and euro area financial accounts and balance of payments statistics.

Implementation in monetary and financial statistics

The data collection frameworks of monetary and financial statistics (MFS) have been adapted to reflect the new international statistical standards. These changes are relevant to keep the frameworks fit for policy-making purposes and to optimally support the new presentation of the national and euro area financial accounts and balance of payments statistics, for which the MFS represent an important source of information. In particular, new regulations have been adopted in the area of MFI balance sheet statistics and statistics on the assets and liabilities of investment funds and financial vehicle corporations engaged in securitisation transactions. The changes reflect the revised international statistical standards, as well as new user requirements. The new data requirements notably cover more granular breakdowns in counterparty sectors and instrument categories. As reporting agents and NCBs need to be given enough time to prepare, reporting under these new legal acts will begin with data for the reference period December 2014 and the resulting statistics will be published in 2015, when annual growth rates can be produced for the new breakdowns. To bridge the gap in the interim period, NCBs and the ECB will make estimations when using MFS in compiling the national accounts and balance of payments statistics. More detailed information on these changes will be made available at a later stage, after the new data are published. It is worth noting that several other initiatives are ongoing with regard to MFS. In particular, new statistics on insurance corporations are currently being prepared. Securities issues statistics have also been reviewed to align the breakdowns of sectors and instruments with the new standards.[2]

1 Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank (OJ L 318, 27.11.1998, p. 8), as amended.

2 The relevant MFS regulations and Guideline ECB/2014/15 on monetary and financial statistics (recast) are available on the ECB's website (see https://www.ecb.europa.eu/ecb/legal/1005/1021/html/index.en.html).

New securities holdings statistics

The ECB has recently begun collecting detailed information on securities holdings statistics. The resulting dataset will follow the ESA 2010 standards from the outset. The data include holdings of individual securities by (i) euro area investors, (ii) non-euro area investors concerning securities issued by euro area residents kept in custody in the euro area, and (iii) individual banking groups identified as important for the stability and functioning of the financial system in the euro area and/or in any euro area Member State. The reporting population consists of resident MFIs, investment funds, financial vehicle corporations, custodians and the parent companies of reporting banking groups. The first reporting of debt securities, listed shares and investment fund shares and units took place in March 2014, with reference to the last quarter of 2013. The new data on securities holdings are expected to significantly contribute to increasing the coverage and quality of the statistics needed for monetary analysis and other policy purposes. In addition, they will contribute to the assessment of financial developments, financial integration and financial stability, giving a timely and more accurate insight into euro area-wide and national holdings of specific securities. Finally, the new data will be used to enhance the EAA as it will be possible to match information on the issuance of securities by sector with information on the respective sectoral holdings.

Table 4 summarises the impact of the reclassification of holding companies and the changes in financial sector data availability on the sector breakdown in the quarterly financial accounts published by the ECB.

Table 4 Breakdown of the economy by institutional sector in the quarterly financial accounts

ESA 95	ESA 2010
Non-financial corporations *-including:* *holding companies of non-financial subsidiaries*	**Non-financial corporations**
Monetary financial institutions	**Monetary financial institutions**
Other financial intermediaries, except insurance corporations and pension funds, and financial auxiliaries	**Non-money market investment funds**
	Other financial intermediaries, except insurance corporations and pension funds, as well as financial auxiliaries and captive financial institutions and money lenders
Insurance corporations and pension funds	**Insurance corporations**
	Pension funds
General government	**General government**
Households (and NPISHs)	**Households** (and NPISHs)

Source: ECB.

The EAA will also provide a more detailed instrument breakdown for financial assets and liabilities. The separate recording of trade credits and the more detailed split of shares and other equity had been requested by data users, in particular for the analysis of equity and debt financing of non-financial corporations. Table 5 summarises the changes to the financial instrument breakdown in the quarterly financial accounts published by the ECB.

Table 5 Breakdown of financial assets and liabilities in the quarterly financial accounts

ESA 95	ESA 2010
Monetary gold and SDRs	Monetary gold
	SDRs
Currency	Currency
Deposits	Transferable deposits
	Other deposits
Securities other than financial derivatives	Debt securities
Loans	Loans
Quoted shares	Listed shares
Unquoted shares and Other equity	Unlisted shares
	Other equity
Mutual funds shares	Money market fund shares/units (MMFs)
	Non-MMF investment fund shares/units
Prepayment of insurance premiums and reserves for outstanding claims	Non-life insurance technical reserves Provisions for calls under standardised guarantees
Net equity of households in life insurance reserves	Life insurance and annuity entitlements
Net equity of households in pension fund reserves	Pension entitlements
	Claims of pension funds on pension manager (and entitlements to non-pension benefits) [1]
Financial derivatives	Financial derivatives and employee stock options
Trade credits and advances and "other accounts payable/receivable other than trade credits and advances"	Trade credits and advances
	Other accounts payable/receivable excluding trade credits and advances

Source: ECB.
1) Entitlements to non-pension benefits are likely to be of very little relevance.

2.6 PUBLICATION DATES FOR EURO AREA STATISTICS AND SELECTED NATIONAL DATA BASED ON THE ESA 2010 AND THE BPM6

EU Member States will transmit their national accounts, government finance and balance of payments data according to the new standards starting in September 2014. Improvements in the timeliness of the new data requirements, in particular for GDP data and the EAA, will result in the release dates of national data to the public being brought forward from October 2014 onwards. However, for the first transmission, it is expected that there will be some delays in validating national data and compiling the euro area and EU aggregates. The first publication dates will therefore not fully reflect the improvements in the timeliness envisaged for the data requirements. Table 6 summarises the information on data availability for the main macroeconomic datasets that is currently available.

Table 6 Publication of the main macroeconomic datasets according to the new standards

Dataset	First publication date under the ESA 2010/BPM6	Periods covered
Annual national accounts, main aggregates (EU and euro area aggregates and national data)	Mid-October 2014	1995-**2013**
GDP flash release (EU and euro area aggregates and national data)	14 November 2014	**Q3 2014**
GDP main aggregates (EU and euro area aggregates and national data)	Mid-October 2014	Q1 1995-**Q2 2014**
Employment (EU and euro area aggregates and national data)	12 December 2014	Q1 1995-**Q3 2014**
Government: EDP deficit and debt (national data)	21 October 2014	2010-**2013**
Government: (breakdowns of) government revenue and expenditure, annual	23 October 2014	1995-**2013**
Government: financial and non-financial accounts, quarterly	23 October 2014	Q1 1999-**Q2 2014**
Government: debt, quarterly	23 October 2014	Q1 2000-**Q2 2014**
International reserve assets and foreign currency liquidity	31 October 2014	**September 2014**
Euro area accounts: – quarterly financial accounts (euro area aggregates and national data) – quarterly non-financial accounts (euro area aggregates and national data)	November 2014	 Q4 2012-**Q2 2014** Q1 1999-**Q2 2014**
Euro area balance of payments	Q4 2014	January 2013-**August 2014**
Euro area international investment position	Q4 2014	Q1 2013-**Q2 2014**

Source: ECB.

DATA ACCESS CHANGES

The implementation of the ESA 2010 and the BPM6 will be accompanied by a change in the data codification structure used for disseminating macroeconomic data and balance of payments statistics. A new standard, the Statistical Data and Metadata eXchange (SDMX), will be introduced to harmonise the naming conventions for macroeconomic and balance of payments time series. This change is especially relevant to those users who use time series codes when extracting data from the ECB’s Statistical Data Warehouse (SDW). Detailed information on the revised data structure and series codes will be provided before the first publication of the new series. Data based on the previous methodology (ESA 95 and the BPM5) will no longer be updated once the new standards have been introduced but will be retained in the SDW and on Eurostat’s website.

3 CONCLUDING REMARKS

The ECB, as both a producer and user of statistics, welcomes the introduction of the new statistical standards. They contribute to improving the quality of European statistics by bringing them into line with the changes in the economic and financial environment. Relevant and timely statistics are vital for monetary policy purposes. While the changes owing to the introduction of the new standards are unlikely to have a significant impact on the assessment of economic and financial developments, the enhanced consistency between statistical areas and between Member States is key for monetary policy-making. Furthermore, new and more detailed information and improved timeliness will also increase the relevance of the statistics for macroeconomic surveillance and other purposes.

EURO AREA STATISTICS

CONTENTS[1]

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

ENLARGEMENT OF THE EURO AREA ON 1 JANUARY 2014 TO INCLUDE LATVIA

In January 2014 Latvia joined the euro area, bringing the number of euro area countries to 18.

Unless otherwise indicated, all data series including observations for 2014 relate to the "Euro 18" (i.e. the euro area including Latvia) for the whole time series. For interest rates, monetary statistics, the HICP and reserve assets (and, for consistency reasons, the components and counterparts of M3 and the components of the HICP), euro area statistical series take into account the changing composition of the euro area.

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

Conventions used in the tables

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

EURO AREA OVERVIEW

Summary of economic indicators for the euro area

(annual percentage changes, unless otherwise indicated)

1. Monetary developments and interest rates [1]

	M1 [2]	M2 [2]	M3 [2], [3]	M3 [2], [3] 3-month moving average (centred)	MFI loans to euro area residents excluding MFIs and general government [2]	Securities other than shares issued in euro by non-MFI corporations [2]	3-month interest rate (EURIBOR; % per annum; period averages)	10-year spot rate (% per annum; end of period) [4]
	1	2	3	4	5	6	7	8
2012	4.0	3.1	2.9	-	-0.2	0.7	0.57	1.72
2013	7.0	4.0	2.4	-	-1.5	1.0	0.22	2.24
2013 Q3	6.9	4.0	2.2	-	-1.9	1.6	0.22	2.05
Q4	6.4	3.1	1.5	-	-2.2	1.5	0.24	2.24
2014 Q1	6.0	2.4	1.1	-	-2.3	-1.1	0.30	1.82
Q2	5.2	2.1	1.0	-	-1.9	.	0.30	1.44
2014 Feb.	6.2	2.4	1.3	1.1	-2.2	-0.9	0.29	1.88
Mar.	5.6	2.2	1.0	1.0	-2.2	-1.1	0.31	1.82
Apr.	5.2	2.0	0.7	0.9	-1.8	-2.6	0.33	1.72
May	5.0	2.1	1.0	1.1	-2.0	-0.8	0.32	1.56
June	5.3	2.3	1.5	.	-1.7	.	0.24	1.44
July	.	.	.	.	.	.	0.21	1.34

2. Prices, output, demand and labour markets

	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
2012	2.5	2.8	1.9	-0.7	-2.5	78.6	-0.6	11.3
2013	1.4	-0.2	1.5	-0.4	-0.7	78.3	-0.8	11.9
2013 Q4	0.8	-1.1	1.6	0.5	1.6	79.3	-0.4	11.9
2014 Q1	0.7	-1.6	0.9	0.9	1.2	79.8	0.1	11.7
Q2	0.6	-1.0	.	.	.	79.7	.	11.6
2014 Feb.	0.7	-1.7	-	-	1.7	-	-	11.7
Mar.	0.5	-1.7	-	-	0.2	-	-	11.7
Apr.	0.7	-1.2	-	-	1.4	79.5	-	11.6
May	0.5	-1.0	-	-	0.5	-	-	11.6
June	0.5	-0.8	-	-	.	-	-	11.5
July	0.4	.	-	-	.	79.8	-	.

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 [5] (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
2012	139.6	89.0	23.9	689.4	-13.2	128.8	97.9	95.6	1.2848
2013	249.3	165.3	78.1	542.1	-12.0	120.8	101.7	98.9	1.3281
2013 Q3	56.0	38.1	-7.7	586.8	-13.3	125.2	101.9	99.2	1.3242
Q4	97.0	48.1	42.7	542.1	-12.0	120.8	103.1	100.0	1.3610
2014 Q1	37.1	36.9	39.4	570.6	-12.2	122.5	103.9	100.7	1.3696
Q2	.	.	.	583.0	.	.	103.8	100.1	1.3711
2014 Feb.	11.9	15.9	34.5	578.6	-	-	103.6	100.4	1.3659
Mar.	21.5	19.2	-31.0	570.6	-	-	104.6	101.3	1.3823
Apr.	20.0	15.7	-105.2	568.0	-	-	104.5	101.0	1.3813
May	9.1	15.1	60.3	568.8	-	-	103.8	100.1	1.3732
June	.	.	.	583.0	-	-	103.0	99.2	1.3592
July	.	.	.	.	-	-	102.6	98.7	1.3539

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) For a definition of the trading partner groups and other information, please refer to the General Notes.

MONETARY POLICY STATISTICS

1.1 Consolidated financial statement of the Eurosystem
(EUR millions)

1. Assets

	4 July 2014	11 July 2014	18 July 2014	25 July 2014	1 August 2014
Gold and gold receivables	334,430	334,430	334,431	334,431	334,432
Claims on non-euro area residents in foreign currency	249,595	249,206	248,173	248,114	248,462
Claims on euro area residents in foreign currency	23,284	22,943	24,543	25,205	24,897
Claims on non-euro area residents in euro	18,226	18,506	19,514	18,637	18,526
Lending to euro area credit institutions in euro	545,900	529,162	531,683	507,819	533,535
Main refinancing operations	97,103	94,150	99,908	97,887	133,304
Longer-term refinancing operations	448,796	434,811	431,074	409,567	400,184
Fine-tuning reverse operations	0	0	0	0	0
Structural reverse operations	0	0	0	0	0
Marginal lending facility	0	200	701	365	45
Credits related to margin calls	0	0	1	0	3
Other claims on euro area credit institutions in euro	61,641	60,885	68,263	74,246	74,200
Securities of euro area residents in euro	566,898	568,776	565,760	566,307	556,809
Securities held for monetary policy purposes	205,207	204,766	204,110	203,464	199,011
Other securities	361,691	364,011	361,650	362,844	357,799
General government debt in euro	26,705	26,705	26,705	26,705	26,705
Other assets	243,614	246,470	243,401	242,847	242,118
Total assets	2,070,293	2,057,083	2,062,474	2,044,312	2,059,683

2. Liabilities

	4 July 2014	11 July 2014	18 July 2014	25 July 2014	1 August 2014
Banknotes in circulation	963,889	965,189	965,584	965,464	971,423
Liabilities to euro area credit institutions in euro	241,538	226,345	233,878	217,728	263,858
Current accounts (covering the minimum reserve system)	214,246	206,155	211,103	196,367	219,715
Deposit facility	27,275	20,184	22,718	21,334	44,118
Fixed-term deposits	0	0	0	0	0
Fine-tuning reverse operations	0	0	0	0	0
Deposits related to margin calls	17	6	57	27	25
Other liabilities to euro area credit institutions in euro	3,671	4,213	4,965	4,817	4,818
Debt certificates issued	0	0	0	0	0
Liabilities to other euro area residents in euro	141,117	144,079	140,925	139,923	105,767
Liabilities to non-euro area residents in euro	56,942	53,199	52,237	48,462	44,234
Liabilities to euro area residents in foreign currency	1,035	1,064	1,288	1,084	1,269
Liabilities to non-euro area residents in foreign currency	5,439	4,797	5,026	5,602	5,399
Counterpart of special drawing rights allocated by the IMF	53,368	53,368	53,368	53,368	53,368
Other liabilities	206,568	208,102	208,475	211,136	212,818
Revaluation accounts	301,418	301,418	301,418	301,418	301,418
Capital and reserves	95,309	95,309	95,311	95,311	95,311
Total liabilities	2,070,293	2,057,083	2,062,474	2,044,312	2,059,683

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
2013 8 May	0.00	...	0.50	-	-0.25	1.00	-0.50
13 Nov.	0.00	...	0.25	-	-0.25	0.75	-0.25
2014 11 June	-0.10	-0.10	0.15	-	-0.10	0.40	-0.35

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				
2014 30 Apr.	172,621	266	172,621	0.25	-	-	-	7
7 May	129,140	177	129,140	0.25	-	-	-	7
14	137,302	199	137,302	0.25	-	-	-	7
21	131,957	193	131,957	0.25	-	-	-	7
28	174,002	267	174,002	0.25	-	-	-	7
4 June	149,351	229	149,351	0.25	-	-	-	7
11	136,766	193	136,766	0.15	-	-	-	7
18	97,887	150	97,887	0.15	-	-	-	7
25	115,041	151	115,041	0.15	-	-	-	7
2 July	97,103	124	97,103	0.15	-	-	-	7
9	94,150	138	94,150	0.15	-	-	-	7
16	99,908	142	99,908	0.15	-	-	-	7
23	97,887	139	97,887	0.15	-	-	-	7
30	133,304	162	133,304	0.15	-	-	-	7
6 Aug.	107,922	131	107,922	0.15	-	-	-	7
				Longer-term refinancing operations [5)]				
2014 30 Jan.	4,955	69	4,955	0.25	-	-	-	92
12 Feb.	6,480	30	6,480	0.25	-	-	-	28
27	6,297	63	6,297	0.25	-	-	-	91
12 Mar.	7,522	30	7,522	0.25	-	-	-	28
27	11,617	83	11,617	0.23	-	-	-	91
9 Apr.	28,023	35	28,023	0.25	-	-	-	35
2 May	13,193	97	13,193	0.19	-	-	-	90
14	32,335	54	32,335	0.25	-	-	-	28
29 [6)]	10,949	89	10,949	.	-	-	-	91
11 June	9,970	44	9,970	0.15	-	-	-	28
26 [6)]	10,386	84	10,386	.	-	-	-	91
31 July [6)]	6,786	91	6,786	.	-	-	-	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
2014 5 Mar.	Collection of fixed-term deposits	219,131	165	175,500	-	-	0.25	0.23	0.22	7
12	Collection of fixed-term deposits	219,077	159	175,500	-	-	0.25	0.23	0.21	7
19	Collection of fixed-term deposits	223,227	160	175,500	-	-	0.25	0.22	0.21	7
26	Collection of fixed-term deposits	180,901	138	175,500	-	-	0.25	0.25	0.22	7
2 Apr.	Collection of fixed-term deposits	199,721	152	175,500	-	-	0.25	0.23	0.21	7
9	Collection of fixed-term deposits	192,515	156	172,500	-	-	0.25	0.24	0.22	7
16	Collection of fixed-term deposits	153,364	139	153,364	-	-	0.25	0.25	0.23	7
23	Collection of fixed-term deposits	166,780	139	166,780	-	-	0.25	0.25	0.23	7
30	Collection of fixed-term deposits	103,946	121	103,946	-	-	0.25	0.25	0.24	7
7 May	Collection of fixed-term deposits	165,533	158	165,533	-	-	0.25	0.25	0.23	7
14	Collection of fixed-term deposits	144,281	141	144,281	-	-	0.25	0.25	0.24	7
21	Collection of fixed-term deposits	137,465	148	137,465	-	-	0.25	0.25	0.24	7
28	Collection of fixed-term deposits	102,878	119	102,878	-	-	0.25	0.25	0.25	7
4 June	Collection of fixed-term deposits	119,200	140	119,200	-	-	0.25	0.25	0.24	7
11	Collection of fixed-term deposits	108,650	122	108,650	-	-	0.15	0.15	0.13	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
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
2013	17,847.1	9,811.6	518.8	2,447.1	1,152.6	3,917.1
2014 Jan.	18,010.5	9,834.5	569.0	2,436.0	1,233.4	3,937.5
Feb.	17,994.9	9,825.2	572.2	2,409.7	1,281.0	3,906.9
Mar.	17,978.0	9,885.5	553.4	2,395.7	1,232.6	3,910.7
Apr.	18,035.7	9,948.1	541.3	2,364.4	1,257.2	3,924.7
May	18,077.2	10,002.9	543.9	2,356.2	1,270.3	3,903.9

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
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
2013	103.3	220.2	116.9	0.0	0.25
2014 11 Mar.	102.8	201.1	98.3	0.0	0.25
8 Apr.	103.6	195.2	91.6	0.0	0.25
13 May	103.5	191.2	87.7	0.0	0.25
10 June	103.9	192.3	88.3	0.0	0.25
8 July	104.4	214.3	109.8	0.0	0.15
12 Aug.	105.0	.	.	.	.

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
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
2013	550.8	91.6	625.3	0.1	241.5	48.3	177.4	925.9	80.2	57.2	220.2	1,194.4
2014 11 Feb.	510.3	105.4	576.4	0.3	232.5	42.1	164.4	931.8	83.4	-12.9	216.0	1,190.0
11 Mar.	510.4	91.8	570.4	0.3	229.5	29.5	175.5	932.1	81.8	-17.6	201.1	1,162.8
8 Apr.	518.9	105.4	534.6	0.7	227.5	29.2	175.5	938.4	73.8	-25.0	195.2	1,162.8
13 May	536.4	128.1	519.6	0.2	222.6	29.7	152.4	947.9	87.7	-2.1	191.2	1,168.8
10 June	536.8	148.1	507.8	0.1	215.9	28.3	126.0	951.0	111.5	-0.4	192.3	1,171.6
8 July	540.0	111.7	460.1	0.1	209.0	23.9	27.2	958.1	110.0	-12.5	214.3	1,196.3

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
		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													
2012	5,288.1	3,351.2	16.9	1.0	3,333.3	723.1	568.4	10.5	144.2	-	23.4	799.9	8.3	382.3
2013	4,073.0	2,283.2	15.0	1.2	2,267.1	715.3	567.6	24.9	122.8	-	25.0	632.4	8.3	408.7
2014 Q1	3,916.3	2,087.4	15.0	1.2	2,071.2	721.9	578.0	22.9	121.0	-	26.6	658.0	7.9	414.5
Q2 (p)	3,735.8	1,898.3	13.6	1.2	1,883.5	705.3	568.7	15.6	121.1	-	27.0	678.4	7.8	419.0
2014 Mar.	3,916.3	2,087.4	15.0	1.2	2,071.2	721.9	578.0	22.9	121.0	-	26.6	658.0	7.9	414.5
Apr.	3,926.6	2,101.1	14.1	1.2	2,085.9	712.3	567.6	22.7	122.0	-	26.7	662.3	8.0	416.3
May	3,888.0	2,064.3	14.1	1.3	2,049.0	706.3	567.1	17.4	121.8	-	26.9	664.3	8.0	418.2
June (p)	3,735.8	1,898.3	13.6	1.2	1,883.5	705.3	568.7	15.6	121.1	-	27.0	678.4	7.8	419.0
	MFIs excluding the Eurosystem													
2012	32,694.8	17,987.2	1,153.4	11,043.4	5,790.4	4,901.8	1,627.0	1,423.3	1,851.6	66.8	1,227.8	4,045.7	214.7	4,250.9
2013	30,444.4	16,981.3	1,082.4	10,649.1	5,249.7	4,673.4	1,694.4	1,335.7	1,643.3	58.1	1,232.5	3,855.8	210.6	3,432.7
2014 Q1	30,585.9	16,942.5	1,092.9	10,638.3	5,211.2	4,699.7	1,774.6	1,307.1	1,617.9	54.0	1,248.9	3,981.5	202.3	3,457.1
Q2 (p)	30,727.2	16,886.8	1,087.8	10,609.2	5,189.8	4,694.5	1,809.6	1,302.8	1,582.2	45.6	1,237.4	4,075.7	203.0	3,584.4
2014 Mar.	30,585.9	16,942.5	1,092.9	10,638.3	5,211.2	4,699.7	1,774.6	1,307.1	1,617.9	54.0	1,248.9	3,981.5	202.3	3,457.1
Apr.	30,740.2	16,962.3	1,093.7	10,651.0	5,217.6	4,680.4	1,790.7	1,272.0	1,617.7	54.0	1,267.9	4,035.9	202.8	3,537.1
May	30,868.7	16,928.1	1,095.3	10,589.6	5,243.2	4,717.0	1,807.1	1,315.5	1,594.4	51.7	1,255.9	4,106.1	203.1	3,607.0
June (p)	30,727.2	16,886.8	1,087.8	10,609.2	5,189.8	4,694.5	1,809.6	1,302.8	1,582.2	45.6	1,237.4	4,075.7	203.0	3,584.4

2. Liabilities

	Total	Currency in circulation	Deposits of euro area residents				Money market fund shares/ units [3]	Debt securities issued [4]	Capital and reserves	External liabilities	Remaining liabilities
			Total	Central government	Other general government/ other euro area residents	MFIs					
	1	2	3	4	5	6	7	8	9	10	11
	Eurosystem										
2012	5,288.1	938.2	3,062.2	81.4	64.5	2,916.4	-	0.0	536.6	298.7	452.5
2013	4,073.0	982.4	2,004.3	62.3	40.1	1,901.9	-	0.0	406.3	202.2	477.8
2014 Q1	3,916.3	965.6	1,860.2	86.1	38.4	1,735.7	-	0.0	440.5	166.5	483.5
Q2 (p)	3,735.8	986.1	1,652.5	101.1	49.9	1,501.5	-	0.0	459.4	148.3	489.5
2014 Mar.	3,916.3	965.6	1,860.2	86.1	38.4	1,735.7	-	0.0	440.5	166.5	483.5
Apr.	3,926.6	975.4	1,859.4	112.4	50.2	1,696.8	-	0.0	440.0	167.5	484.2
May	3,888.0	980.3	1,811.4	116.7	50.8	1,643.8	-	0.0	442.2	167.8	486.3
June (p)	3,735.8	986.1	1,652.5	101.1	49.9	1,501.5	-	0.0	459.4	148.3	489.5
	MFIs excluding the Eurosystem										
2012	32,694.8	-	17,195.3	169.6	10,870.4	6,155.3	534.7	4,848.9	2,344.0	3,494.8	4,277.2
2013	30,444.4	-	16,646.2	152.5	10,941.1	5,552.6	462.9	4,352.6	2,399.6	3,106.7	3,476.5
2014 Q1	30,585.9	-	16,654.3	181.1	10,955.7	5,517.5	458.1	4,297.8	2,452.9	3,225.3	3,497.6
Q2 (p)	30,727.2	-	16,725.0	214.7	10,984.3	5,525.9	436.8	4,237.7	2,457.2	3,224.2	3,646.3
2014 Mar.	30,585.9	-	16,654.3	181.1	10,955.7	5,517.5	458.1	4,297.8	2,452.9	3,225.3	3,497.6
Apr.	30,740.2	-	16,660.0	144.2	10,926.8	5,589.1	463.1	4,284.1	2,462.7	3,295.7	3,574.6
May	30,868.7	-	16,742.5	172.9	10,951.5	5,618.2	455.5	4,279.1	2,452.5	3,310.1	3,628.9
June (p)	30,727.2	-	16,725.0	214.7	10,984.3	5,525.9	436.8	4,237.7	2,457.2	3,224.2	3,646.3

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) 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.

2.2 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						
2012	26,251.1	12,214.6	1,170.3	11,044.3	3,629.2	2,195.4	1,433.8	767.0	4,845.6	222.9	4,571.8
2013	24,649.7	11,747.7	1,097.4	10,650.3	3,622.6	2,262.0	1,360.6	792.1	4,488.2	218.9	3,780.2
2014 Q1	24,906.5	11,747.5	1,108.0	10,639.5	3,682.7	2,352.6	1,330.0	804.2	4,639.5	210.2	3,822.5
Q2 (p)	25,131.8	11,711.8	1,101.4	10,610.4	3,696.6	2,378.2	1,318.4	806.0	4,754.1	210.9	3,952.7
2014 Mar.	24,906.5	11,747.5	1,108.0	10,639.5	3,682.7	2,352.6	1,330.0	804.2	4,639.5	210.2	3,822.5
Apr.	25,047.0	11,759.9	1,107.7	10,652.2	3,652.9	2,358.2	1,294.7	825.6	4,698.1	210.8	3,899.7
May	25,177.5	11,700.2	1,109.4	10,590.9	3,707.1	2,374.1	1,332.9	815.0	4,770.4	211.1	3,973.7
June (p)	25,131.8	11,711.8	1,101.4	10,610.4	3,696.6	2,378.2	1,318.4	806.0	4,754.1	210.9	3,952.7
					Transactions						
2012	90.3	-35.5	-4.7	-30.8	112.1	183.0	-70.9	38.6	-150.0	-14.0	139.1
2013	-1,616.7	-278.4	-73.7	-204.7	-26.6	46.2	-72.8	14.1	-79.4	-2.1	-1,244.5
2014 Q1	184.5	-2.7	9.1	-11.8	35.4	58.8	-23.4	13.4	117.6	-8.8	29.6
Q2 (p)	171.6	-15.8	-6.0	-9.8	-7.7	3.4	-11.0	6.7	74.4	1.0	113.2
2014 Mar.	-77.5	5.8	-2.3	8.1	-10.4	3.9	-14.3	11.1	-23.6	-6.0	-54.5
Apr.	140.2	15.3	0.1	15.2	-36.8	0.0	-36.8	19.6	64.9	0.5	76.8
May	84.2	-58.4	1.6	-60.0	45.8	9.2	36.6	-12.8	35.9	0.4	73.4
June (p)	-52.8	27.3	-7.7	34.9	-16.6	-5.8	-10.8	0.0	-26.4	0.1	-37.0

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					
2012	26,251.1	876.8	251.0	10,934.9	467.9	2,853.2	2,396.4	3,793.4	4,729.6	-52.1
2013	24,649.7	921.2	214.8	10,981.2	404.8	2,586.4	2,340.4	3,308.9	3,954.3	-62.3
2014 Q1	24,906.5	916.5	267.2	10,994.1	404.1	2,558.8	2,422.1	3,391.8	3,981.0	-29.2
Q2 (p)	25,131.8	935.3	315.8	11,034.2	391.2	2,534.5	2,458.2	3,372.4	4,135.8	-45.8
2014 Mar.	24,906.5	916.5	267.2	10,994.1	404.1	2,558.8	2,422.1	3,391.8	3,981.0	-29.2
Apr.	25,047.0	921.8	256.5	10,977.0	409.1	2,544.4	2,433.7	3,463.2	4,058.8	-17.6
May	25,177.5	928.9	289.6	11,002.3	403.8	2,563.0	2,426.9	3,478.0	4,115.2	-30.2
June (p)	25,131.8	935.3	315.8	11,034.2	391.2	2,534.5	2,458.2	3,372.4	4,135.8	-45.8
					Transactions					
2012	90.3	19.5	-5.1	180.5	-18.2	-125.3	156.0	-251.4	151.2	-16.9
2013	-1,616.7	44.4	-37.0	162.8	-46.6	-199.2	79.1	-441.6	-1,187.2	8.6
2014 Q1	184.5	-5.3	52.0	8.6	-0.6	-26.6	38.5	70.7	13.0	34.1
Q2 (p)	171.6	18.8	48.5	36.0	-12.6	-19.2	22.9	-44.7	133.5	-11.6
2014 Mar.	-77.5	6.3	-5.3	9.3	-17.6	3.1	19.3	-36.3	-56.9	0.6
Apr.	140.2	5.3	-10.7	-16.3	5.1	-12.9	7.5	74.6	75.8	11.8
May	84.2	7.1	33.1	20.1	-5.2	11.8	-9.1	-13.5	52.4	-12.5
June (p)	-52.8	6.4	26.1	32.3	-12.5	-18.2	24.5	-105.8	5.3	-10.9

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]

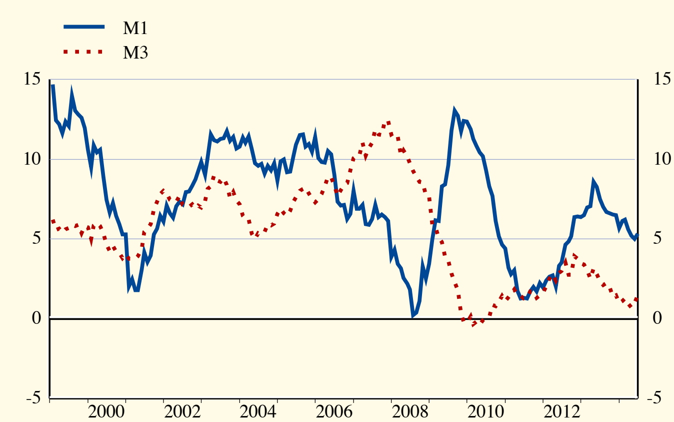
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

1. Monetary aggregates [2] and counterparts

	M3: M2: M1	M3: M2: M2-M1	M3: M2	M3: M3-M2	M3	M3 3-month moving average (centred)	Longer-term financial liabilities	Credit to general government	Credit to other euro area residents [3]	Credit to other euro area residents: Loans	Credit to other euro area residents: Loans adjusted for sales and securitisation [5]	Net external assets [4]
	1	2	3	4	5	6	7	8	9	10	11	12
Outstanding amounts												
2012	5,107.1	3,882.3	8,989.4	789.8	9,779.3	-	7,569.0	3,406.0	13,055.3	10,854.0	-	1,035.4
2013	5,391.1	3,812.4	9,203.5	624.7	9,828.1	-	7,303.2	3,402.3	12,693.8	10,539.9	-	1,161.9
2014 Q1	5,488.3	3,791.7	9,280.0	602.1	9,882.1	-	7,348.6	3,453.1	12,658.1	10,530.8	-	1,262.8
Q2 (p)	5,545.2	3,808.4	9,353.6	601.2	9,954.8	-	7,291.9	3,440.0	12,598.3	10,470.1	-	1,368.3
2014 Mar.	5,488.3	3,791.7	9,280.0	602.1	9,882.1	-	7,348.6	3,453.1	12,658.1	10,530.8	-	1,262.8
Apr.	5,497.2	3,788.1	9,285.2	589.2	9,874.5	-	7,329.3	3,458.6	12,632.0	10,551.5	-	1,271.3
May	5,532.2	3,799.7	9,331.9	593.0	9,924.9	-	7,323.7	3,466.2	12,612.8	10,494.4	-	1,305.4
June (p)	5,545.2	3,808.4	9,353.6	601.2	9,954.8	-	7,291.9	3,440.0	12,598.3	10,470.1	-	1,368.3
Transactions												
2012	307.4	78.6	386.0	-55.8	330.2	-	-116.7	184.3	-103.2	-71.0	-15.4	100.1
2013	291.2	-66.7	224.5	-124.1	100.3	-	-89.8	-25.1	-305.8	-247.9	-221.6	361.5
2014 Q1	89.3	-23.9	65.4	-22.1	43.3	-	9.2	17.2	-28.2	-10.0	-7.3	79.6
Q2 (p)	54.9	15.7	70.6	2.3	72.9	-	-68.9	-34.4	-34.9	-41.4	10.5	90.6
2014 Mar.	-5.0	8.6	3.6	-35.1	-31.4	-	24.0	-10.7	-11.2	-3.6	-3.0	32.0
Apr.	9.3	-3.4	5.9	-10.7	-4.8	-	-24.0	0.3	-26.7	23.2	24.5	11.5
May	32.2	10.5	42.7	3.8	46.5	-	-15.8	0.9	-21.8	-55.8	-6.6	26.0
June (p)	13.4	8.6	22.0	9.2	31.2	-	-29.1	-35.7	13.6	-8.9	-7.5	53.1
Growth rates												
2012	6.4	2.1	4.5	-6.6	3.5	3.5	-1.5	5.8	-0.8	-0.6	-0.1	100.1
2013	5.7	-1.7	2.5	-16.2	1.0	1.2	-1.2	-0.7	-2.3	-2.3	-2.1	361.5
2014 Q1	5.6	-2.3	2.2	-14.6	1.0	1.0	-1.0	-0.9	-2.5	-2.2	-2.0	375.2
Q2 (p)	5.3	-1.8	2.3	-10.0	1.5	1.1	-1.5	-2.5	-2.2	-1.7	-1.1	387.6
2014 Mar.	5.6	-2.3	2.2	-14.6	1.0	1.0	-1.0	-0.9	-2.5	-2.2	-2.0	375.2
Apr.	5.2	-2.4	2.0	-15.2	0.7	0.9	-1.0	-0.9	-2.5	-1.8	-1.6	372.1
May	5.0	-1.9	2.1	-13.4	1.0	1.1	-1.2	-1.4	-2.6	-2.0	-1.4	343.7
June (p)	5.3	-1.8	2.3	-10.0	1.5	.	-1.5	-2.5	-2.2	-1.7	-1.1	387.6

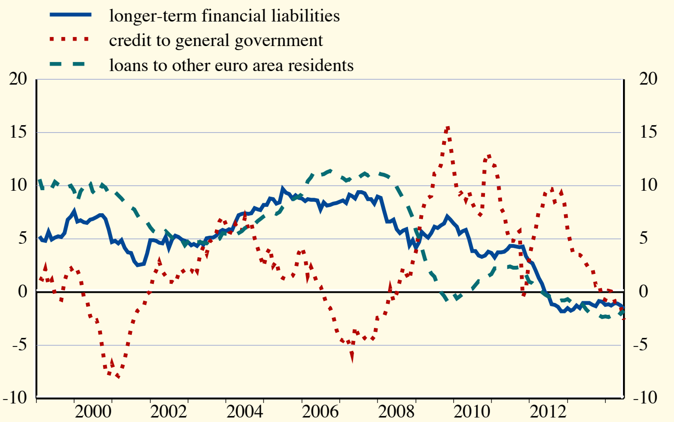
C1 Monetary aggregates [1]

(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.

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]

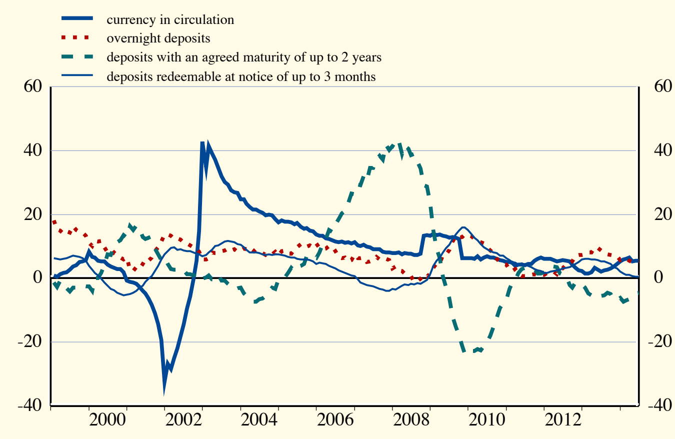
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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						
2012	863.9	4,243.1	1,801.8	2,080.6	123.7	483.3	182.9	2,685.0	106.1	2,395.2	2,382.7
2013	909.6	4,481.5	1,690.8	2,121.6	118.8	417.9	87.9	2,510.7	91.7	2,372.4	2,328.4
2014 Q1	926.3	4,562.0	1,667.4	2,124.3	116.8	402.0	83.3	2,472.6	91.2	2,358.7	2,426.2
Q2 (p)	930.2	4,615.0	1,675.6	2,132.8	131.0	393.6	76.6	2,455.2	89.9	2,300.3	2,446.5
2014 Mar.	926.3	4,562.0	1,667.4	2,124.3	116.8	402.0	83.3	2,472.6	91.2	2,358.7	2,426.2
Apr.	925.7	4,571.5	1,664.2	2,123.9	119.2	401.8	68.3	2,468.4	91.1	2,323.2	2,446.6
May	928.5	4,603.7	1,672.7	2,127.0	120.5	395.2	77.3	2,480.8	91.1	2,312.0	2,439.7
June (p)	930.2	4,615.0	1,675.6	2,132.8	131.0	393.6	76.6	2,455.2	89.9	2,300.3	2,446.5
					Transactions						
2012	20.2	287.2	-36.0	114.7	-17.0	-20.0	-18.8	-105.9	-10.2	-156.3	155.7
2013	45.6	245.5	-109.9	43.2	-11.9	-48.6	-63.6	-137.3	-14.3	-18.7	80.5
2014 Q1	16.1	73.2	-26.2	2.2	-2.1	-15.8	-4.3	-37.5	-0.5	-7.5	54.7
Q2 (p)	3.9	51.0	7.3	8.4	14.0	-8.2	-3.5	-15.5	-1.4	-59.2	7.1
2014 Mar.	7.2	-12.2	3.1	5.5	-13.3	-19.1	-2.7	3.0	-0.2	-1.4	22.6
Apr.	-0.7	10.0	-3.1	-0.3	2.4	-0.2	-12.9	-4.7	-0.1	-35.4	16.2
May	2.8	29.4	7.5	3.0	1.1	-6.5	9.2	5.4	0.0	-12.2	-9.1
June (p)	1.7	11.6	2.9	5.7	10.5	-1.5	0.2	-16.2	-1.2	-11.6	0.0
					Growth rates						
2012	2.4	7.2	-1.9	5.8	-11.8	-3.9	-9.8	-3.8	-8.8	-6.1	6.9
2013	5.3	5.8	-6.1	2.1	-9.5	-10.4	-37.6	-5.1	-13.5	-0.8	3.4
2014 Q1	6.5	5.4	-6.4	1.1	-9.9	-12.0	-28.4	-4.6	-9.6	-1.7	4.0
Q2 (p)	5.5	5.3	-4.5	0.6	5.0	-10.1	-25.5	-3.2	-6.9	-3.8	2.8
2014 Mar.	6.5	5.4	-6.4	1.1	-9.9	-12.0	-28.4	-4.6	-9.6	-1.7	4.0
Apr.	5.3	5.2	-6.0	0.7	-7.9	-10.8	-38.9	-4.1	-8.3	-2.7	4.3
May	5.5	4.9	-4.7	0.5	-7.1	-11.2	-27.7	-3.2	-6.7	-3.5	3.4
June (p)	5.5	5.3	-4.5	0.6	5.0	-10.1	-25.5	-3.2	-6.9	-3.8	2.8

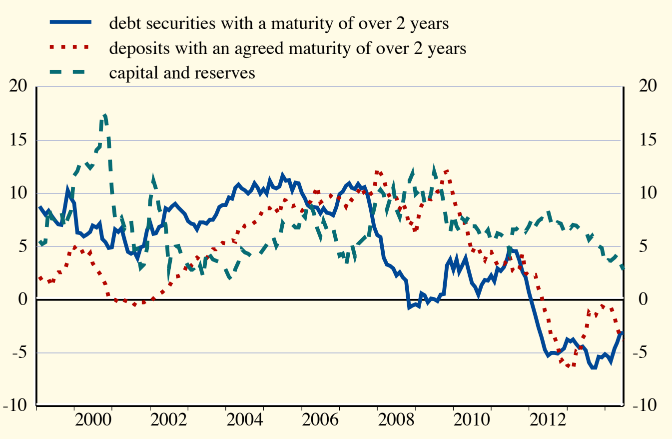
C3 Components of monetary aggregates [1]

(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]

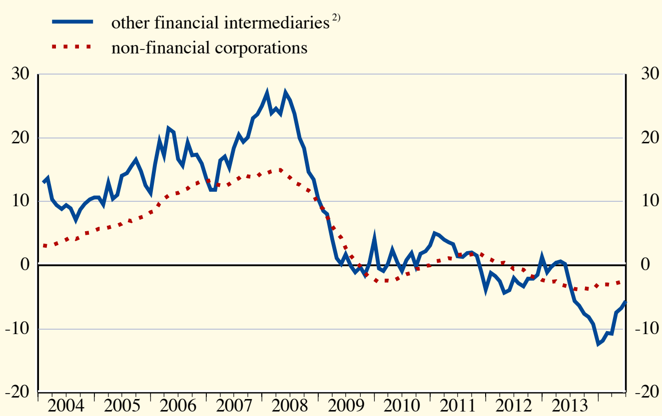
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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						
2012	89.0	977.0	4,546.5	-	1,129.8	795.7	2,621.1	5,241.4	-	601.8	3,823.5	816.1
2013	98.3	865.5	4,355.7	-	1,067.5	740.5	2,547.8	5,220.4	-	573.3	3,851.3	795.7
2014 Q1	101.1	860.2	4,337.3	-	1,058.7	732.3	2,546.3	5,232.2	-	572.6	3,867.2	792.3
Q2 (p)	98.3	875.4	4,307.7	-	1,056.2	734.5	2,517.0	5,188.8	-	569.8	3,830.7	788.3
2014 Mar.	101.1	860.2	4,337.3	-	1,058.7	732.3	2,546.3	5,232.2	-	572.6	3,867.2	792.3
Apr.	100.0	885.7	4,329.6	-	1,047.5	738.9	2,543.1	5,236.3	-	571.1	3,872.0	793.3
May	95.9	887.5	4,319.6	-	1,038.7	736.8	2,544.1	5,191.4	-	568.1	3,833.3	790.0
June (p)	98.3	875.4	4,307.7	-	1,056.2	734.5	2,517.0	5,188.8	-	569.8	3,830.7	788.3
						Transactions						
2012	-2.0	12.7	-107.3	-60.1	6.5	-51.4	-62.4	25.6	34.3	-17.7	48.5	-5.1
2013	9.6	-120.6	-133.1	-127.9	-44.6	-44.9	-43.7	-3.7	14.1	-18.0	27.4	-13.1
2014 Q1	2.8	6.9	-27.9	-26.8	-6.6	-6.6	-14.7	8.1	9.5	0.5	10.7	-3.0
Q2 (p)	-2.8	15.5	-17.3	-10.5	-0.1	6.8	-24.0	-36.9	7.6	-2.2	-35.0	0.4
2014 Mar.	-1.4	-1.6	-3.8	-3.2	12.1	-5.8	-10.1	3.2	2.8	1.4	2.3	-0.5
Apr.	-1.2	25.7	-6.3	-3.4	-10.7	7.0	-2.6	5.0	2.9	-1.2	4.9	1.3
May	-4.1	0.5	-8.6	-5.3	-8.5	-1.4	1.3	-43.6	2.1	-2.4	-38.9	-2.3
June (p)	2.5	-10.7	-2.3	-1.7	19.0	1.3	-22.7	1.6	2.5	1.4	-1.0	1.3
						Growth rates						
2012	-2.2	1.3	-2.3	-1.3	0.6	-6.0	-2.3	0.5	0.7	-2.9	1.3	-0.6
2013	10.8	-12.3	-2.9	-2.8	-4.0	-5.7	-1.7	-0.1	0.3	-3.0	0.7	-1.6
2014 Q1	9.0	-10.8	-3.1	-3.1	-4.9	-5.0	-1.7	-0.1	0.4	-1.9	0.6	-1.9
Q2 (p)	4.7	-5.6	-2.3	-2.3	-2.7	-3.3	-1.9	-0.6	0.5	-1.5	-0.4	-1.4
2014 Mar.	9.0	-10.8	-3.1	-3.1	-4.9	-5.0	-1.7	-0.1	0.4	-1.9	0.6	-1.9
Apr.	5.4	-7.4	-2.8	-2.8	-5.1	-3.6	-1.5	0.0	0.4	-2.1	0.7	-1.7
May	2.9	-6.8	-2.6	-2.5	-4.8	-3.8	-1.3	-0.7	0.4	-2.2	-0.3	-1.8
June (p)	4.7	-5.6	-2.3	-2.3	-2.7	-3.3	-1.9	-0.6	0.5	-1.5	-0.4	-1.4

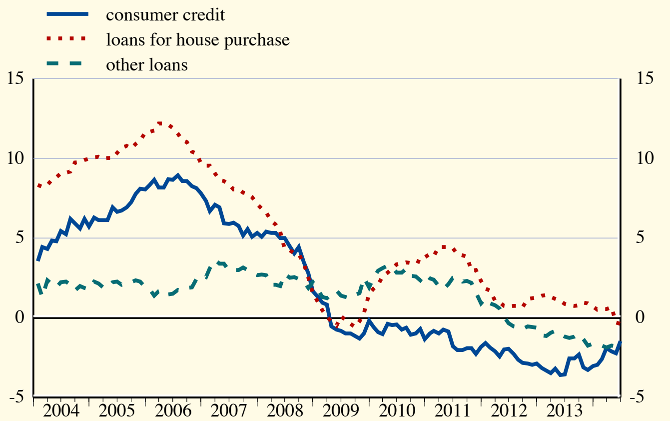
C5 Loans to other financial intermediaries and non-financial corporations [1]

(annual growth rates; seasonally adjusted)



C6 Loans to households [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 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	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												
2013	90.0	72.6	4.1	13.3	984.8	122.9	439.4	223.7	321.7	4,344.6	1,059.2	739.4	2,545.9
2014 Q1	99.4	82.0	4.0	13.4	979.0	117.8	440.3	221.2	317.4	4,336.6	1,061.1	731.5	2,543.9
Q2 (p)	99.1	82.9	3.9	12.2	1,000.1	121.3	450.5	235.7	313.9	4,315.9	1,065.8	735.2	2,514.8
2014 Apr.	99.4	82.5	4.1	12.8	995.8	104.8	437.0	227.2	331.5	4,329.1	1,051.7	737.5	2,539.8
May	97.2	80.3	4.0	12.9	988.2	96.2	432.0	231.4	324.7	4,321.3	1,042.0	738.7	2,540.6
June (p)	99.1	82.9	3.9	12.2	1,000.1	121.3	450.5	235.7	313.9	4,315.9	1,065.8	735.2	2,514.8
	Transactions												
2013	8.8	8.8	-0.3	0.3	-75.7	44.8	-54.8	3.9	-24.9	-133.6	-44.4	-44.9	-44.3
2014 Q1	9.3	9.4	-0.2	0.1	6.3	-5.2	4.6	-3.7	5.4	-17.4	4.0	-6.2	-15.2
Q2 (p)	-0.2	0.9	0.0	-1.1	21.5	3.6	10.3	14.0	-2.9	-8.4	7.2	8.3	-23.9
2014 Apr.	0.0	0.5	0.1	-0.6	17.0	-13.0	-3.2	6.1	14.2	-6.0	-8.8	6.4	-3.6
May	-2.1	-2.2	-0.1	0.1	-8.9	-8.6	-5.5	3.8	-7.2	-6.4	-9.4	1.8	1.1
June (p)	1.9	2.5	0.0	-0.6	13.4	25.1	19.1	4.2	-9.9	4.1	25.4	0.2	-21.4
	Growth rates												
2013	10.7	13.7	-7.0	2.2	-6.7	24.4	-10.3	1.9	-7.1	-3.0	-4.0	-5.7	-1.7
2014 Q1	8.9	9.1	2.6	9.7	-8.7	0.0	-13.8	2.3	-7.6	-3.1	-4.9	-5.0	-1.7
Q2 (p)	4.5	5.1	5.5	0.3	-5.2	-2.6	-11.1	10.3	-5.2	-2.3	-2.8	-3.3	-1.8
2014 Apr.	5.2	5.5	0.2	5.5	-6.7	-10.0	-14.2	4.4	-2.0	-2.8	-5.1	-3.7	-1.5
May	2.7	2.1	4.6	6.0	-7.6	-19.9	-15.8	6.8	-3.8	-2.6	-4.8	-3.8	-1.3
June (p)	4.5	5.1	5.5	0.3	-5.2	-2.6	-11.1	10.3	-5.2	-2.3	-2.8	-3.3	-1.8

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	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													
2013	5,229.7	575.8	128.6	169.5	277.7	3,857.5	12.7	55.4	3,789.4	796.5	408.6	136.5	76.4	583.6
2014 Q1	5,223.4	570.1	126.9	166.2	277.0	3,863.1	13.1	54.7	3,795.3	790.2	400.8	135.1	75.8	579.2
Q2 (p)	5,194.2	571.9	125.7	168.6	277.6	3,829.1	13.3	54.4	3,761.4	793.2	399.6	141.1	75.3	576.8
2014 Apr.	5,226.7	569.9	126.4	165.3	278.2	3,866.3	13.1	54.7	3,798.4	790.5	399.4	134.7	76.0	579.8
May	5,182.9	567.4	124.7	164.7	277.9	3,826.7	13.1	54.4	3,759.2	788.8	398.7	133.2	76.1	579.5
June (p)	5,194.2	571.9	125.7	168.6	277.6	3,829.1	13.3	54.4	3,761.4	793.2	399.6	141.1	75.3	576.8
	Transactions													
2013	-4.2	-18.1	-4.0	-6.8	-7.3	27.2	-1.4	-1.5	30.1	-13.3	-10.7	-3.5	-3.7	-6.1
2014 Q1	-10.0	-4.4	-1.5	-1.6	-1.3	0.4	0.2	-1.0	1.1	-5.9	-2.2	-1.2	-0.5	-4.1
Q2 (p)	-22.7	2.4	-1.0	4.0	-0.6	-32.5	0.2	-0.4	-32.3	7.4	0.0	6.9	0.1	0.4
2014 Apr.	4.2	0.1	-0.4	0.5	0.0	3.3	0.0	0.0	3.3	0.7	-0.6	-0.3	0.2	0.9
May	-42.5	-1.9	-1.6	-0.7	0.3	-39.8	-0.1	-0.5	-39.3	-0.7	-0.2	-1.3	0.1	0.4
June (p)	15.6	4.2	1.0	4.1	-0.9	4.0	0.2	0.1	3.7	7.4	0.8	8.5	-0.2	-0.8
	Growth rates													
2013	-0.1	-3.0	-2.9	-3.9	-2.5	0.7	-9.9	-2.6	0.8	-1.6	-2.6	-2.5	-4.6	-1.0
2014 Q1	-0.1	-1.9	-0.4	-2.8	-2.1	0.6	-4.6	-2.8	0.6	-1.9	-2.1	-2.8	-2.9	-1.5
Q2 (p)	-0.7	-1.5	-2.2	0.0	-2.1	-0.4	-4.7	-3.0	-0.3	-1.4	-1.7	-0.5	-2.9	-1.4
2014 Apr.	0.0	-2.1	-1.1	-2.7	-2.1	0.7	-5.0	-2.9	0.7	-1.7	-2.0	-2.6	-2.5	-1.4
May	-0.7	-2.2	-1.7	-3.1	-1.8	-0.3	-5.6	-3.5	-0.2	-1.8	-2.0	-1.9	-2.6	-1.6
June (p)	-0.7	-1.5	-2.2	0.0	-2.1	-0.4	-4.7	-3.0	-0.3	-1.4	-1.7	-0.5	-2.9	-1.4

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]

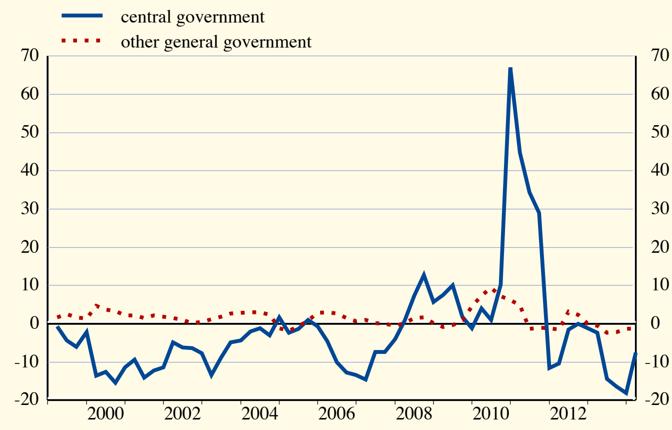
(EUR billions and annual growth rates; not seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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									
2012	1,153.4	341.8	221.6	565.9	24.1	2,868.2	1,906.7	961.5	60.7	900.7
2013	1,082.4	279.6	213.8	560.7	28.3	2,726.0	1,788.1	937.9	56.5	881.4
2013 Q2	1,101.8	290.3	218.1	565.3	28.0	2,877.8	1,893.7	984.1	58.0	926.1
Q3	1,090.4	285.1	213.8	560.0	31.6	2,767.3	1,807.6	959.7	59.3	900.5
Q4	1,082.4	279.6	213.8	560.7	28.3	2,726.0	1,788.1	937.9	56.5	881.4
2014 Q1 (p)	1,092.9	289.2	213.5	562.0	28.2	2,864.4	1,904.3	960.1	58.4	901.7
	Transactions									
2012	-3.6	-4.1	-4.9	2.9	2.4	-128.3	-100.8	-27.5	-1.0	-26.5
2013	-72.1	-61.7	-7.9	-6.7	4.2	-72.7	-75.9	3.2	-2.1	5.3
2013 Q2	-22.1	-21.8	1.1	-3.5	2.0	18.6	25.2	-6.6	-1.3	-5.2
Q3	-12.4	-5.1	-4.5	-6.4	3.5	-91.4	-77.3	-14.0	2.4	-16.4
Q4	-8.0	-5.4	0.0	0.7	-3.3	-10.9	3.0	-13.9	-2.2	-11.8
2014 Q1 (p)	9.1	8.5	-0.3	1.0	-0.1	135.1	113.4	21.6	2.1	19.5
	Growth rates									
2012	-0.3	-1.2	-2.2	0.5	11.2	-4.2	-4.9	-2.8	-1.8	-2.8
2013	-6.2	-18.1	-3.5	-1.2	17.2	-2.6	-4.0	0.3	-3.6	0.5
2013 Q2	-5.9	-14.4	-9.5	-0.1	11.6	-4.1	-5.7	-0.9	3.2	-1.1
Q3	-6.3	-16.3	-7.7	-1.0	20.1	-5.5	-6.9	-2.8	3.3	-3.2
Q4	-6.2	-18.1	-3.5	-1.2	17.2	-2.6	-4.0	0.3	-3.6	0.5
2014 Q1 (p)	-3.0	-7.6	-1.7	-1.4	8.5	1.8	3.5	-1.3	1.8	-1.5

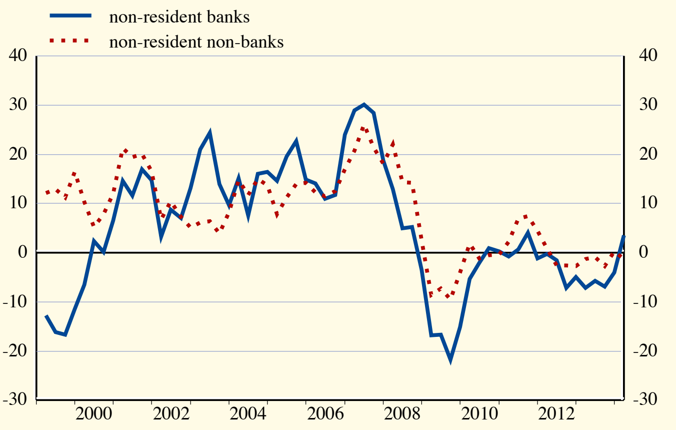
C7 Loans to government [2]

(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]

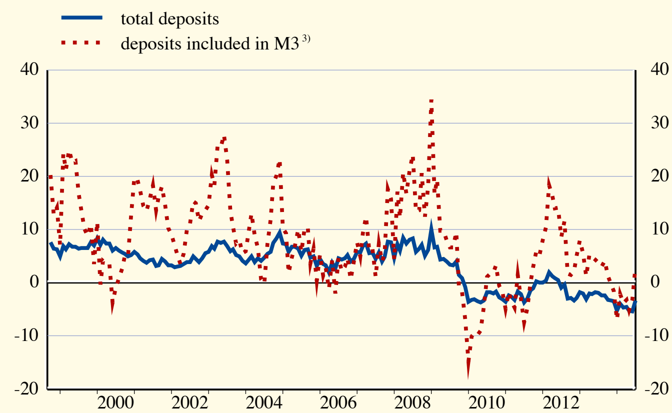
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

1. Deposits by financial intermediaries

	Insurance corporations and pension funds							Other financial intermediaries							
	Total	Overnight	With an agreed maturity of:		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		With central counter-parties
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts														
2012	691.4	106.5	81.4	484.4	6.4	0.2	12.5	2,020.0	410.1	236.6	1,021.0	13.6	0.3	338.6	260.8
2013	653.6	96.1	76.5	462.8	7.0	0.1	11.0	1,861.9	424.7	221.5	942.7	16.4	0.5	256.1	184.2
2014 Q1	665.6	111.4	78.0	456.0	8.0	0.1	12.0	1,843.2	439.6	215.3	915.3	18.5	0.5	254.0	177.1
Q2 (p)	656.3	109.9	75.2	450.9	8.1	0.1	12.1	1,795.6	441.8	212.2	871.2	16.5	0.2	253.6	171.2
2014 Mar.	665.6	111.4	78.0	456.0	8.0	0.1	12.0	1,843.2	439.6	215.3	915.3	18.5	0.5	254.0	177.1
Apr.	665.0	113.5	77.8	452.8	8.0	0.1	12.7	1,803.8	434.6	220.0	889.7	17.7	0.5	241.3	162.8
May	658.9	110.6	77.2	451.1	8.1	0.1	11.8	1,782.7	437.1	220.3	879.4	16.7	0.3	228.8	147.2
June (p)	656.3	109.9	75.2	450.9	8.1	0.1	12.1	1,795.6	441.8	212.2	871.2	16.5	0.2	253.6	171.2
	Transactions														
2012	-12.3	15.2	2.9	-27.6	2.0	0.0	-4.7	-181.2	23.4	-49.5	-166.0	-2.0	-0.3	13.2	9.4
2013	-36.0	-9.2	-5.3	-21.9	1.3	-0.1	-0.8	-54.6	14.8	-14.7	-76.6	3.0	0.3	18.6	32.6
2014 Q1	11.3	15.0	1.2	-6.8	0.9	0.0	1.0	-13.1	14.2	-6.5	-20.7	2.0	-0.1	-2.1	-7.1
Q2 (p)	-9.3	-1.6	-2.7	-5.2	0.0	0.0	0.1	-49.1	1.0	-3.1	-44.8	-1.5	-0.2	-0.5	-5.9
2014 Mar.	-1.1	-0.1	0.9	-2.7	-0.3	0.0	1.0	-15.4	0.3	-1.6	-6.2	0.8	0.0	-8.6	-1.5
Apr.	-0.2	2.2	-0.1	-2.9	0.0	0.0	0.7	-38.8	-4.9	5.0	-25.5	-0.7	0.1	-12.8	-14.3
May	-6.3	-3.0	-0.7	-1.7	0.1	0.0	-0.9	-23.3	1.1	0.0	-11.2	-0.5	-0.2	-12.5	-15.6
June (p)	-2.9	-0.7	-1.9	-0.5	0.0	0.0	0.3	12.9	4.7	-8.1	-8.2	-0.2	-0.1	24.8	24.0
	Growth rates														
2012	-1.7	16.5	3.8	-5.4	50.8	-	-32.1	-8.2	6.0	-17.3	-14.0	-14.0	-	2.9	2.5
2013	-5.2	-8.8	-6.5	-4.5	18.7	-	-7.3	-2.9	3.6	-6.2	-7.5	21.8	-	2.7	10.5
2014 Q1	-4.5	-2.0	-7.1	-5.1	9.3	-	4.8	-7.7	0.0	-9.3	-9.1	23.5	-	-14.3	-12.8
Q2 (p)	-3.4	5.3	-4.2	-6.0	9.3	-	35.2	-11.0	-3.0	-8.0	-11.7	1.4	-	-20.6	-23.8
2014 Mar.	-4.5	-2.0	-7.1	-5.1	9.3	-	4.8	-7.7	0.0	-9.3	-9.1	23.5	-	-14.3	-12.8
Apr.	-5.3	-4.2	-7.2	-5.3	5.2	-	-6.5	-8.7	-2.5	-4.7	-10.6	13.0	-	-16.3	-16.8
May	-5.3	-1.2	-7.5	-6.2	4.4	-	1.9	-10.0	-1.5	-4.9	-11.1	12.6	-	-23.4	-27.8
June (p)	-3.4	5.3	-4.2	-6.0	9.3	-	35.2	-11.0	-3.0	-8.0	-11.7	1.4	-	-20.6	-23.8

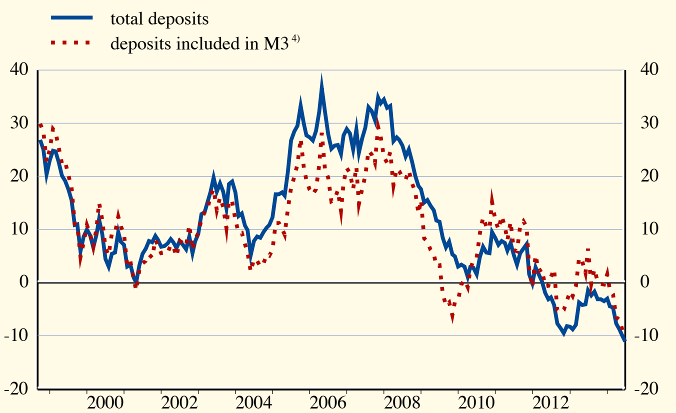
C9 Deposits by insurance corporations and pension funds [2]

(annual growth rates)



C10 Deposits by other financial intermediaries [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)]

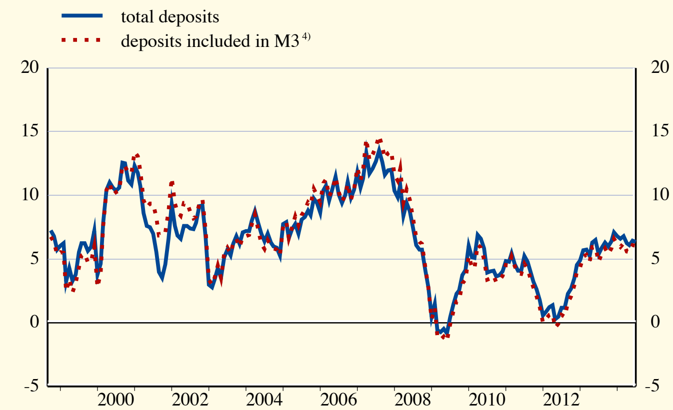
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

2. Deposits by non-financial corporations and households

	Non-financial corporations							Households [3)]						
	Total	Overnight	With an agreed maturity of: 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
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts													
2012	1,761.8	1,148.8	408.3	106.5	85.4	2.0	10.9	6,118.9	2,346.2	979.1	747.8	1,937.3	98.0	10.4
2013	1,873.8	1,236.7	404.3	122.8	91.7	1.8	16.5	6,263.3	2,521.5	877.4	806.7	1,969.3	83.9	4.5
2014 Q1	1,852.6	1,214.8	400.2	126.4	95.8	1.8	13.6	6,287.3	2,538.5	869.7	813.7	1,976.0	83.7	5.7
Q2 (p)	1,873.5	1,248.1	383.5	127.3	97.9	1.9	14.8	6,339.8	2,614.3	856.8	807.7	1,974.7	82.1	4.2
2014 Mar.	1,852.6	1,214.8	400.2	126.4	95.8	1.8	13.6	6,287.3	2,538.5	869.7	813.7	1,976.0	83.7	5.7
Apr.	1,854.1	1,213.4	399.3	126.5	96.4	1.8	16.8	6,300.1	2,562.4	863.2	811.2	1,974.3	83.5	5.5
May	1,875.4	1,238.4	393.5	126.5	98.3	1.9	16.8	6,322.5	2,589.3	860.4	809.4	1,975.1	83.3	5.0
June (p)	1,873.5	1,248.1	383.5	127.3	97.9	1.9	14.8	6,339.8	2,614.3	856.8	807.7	1,974.7	82.1	4.2
	Transactions													
2012	82.2	99.6	-35.5	12.9	9.5	0.0	-4.3	224.6	90.2	33.9	21.6	100.8	-9.5	-12.3
2013	119.5	92.4	-3.8	17.8	7.5	-0.1	5.7	148.4	176.8	-100.1	59.5	32.2	-14.1	-5.9
2014 Q1	-25.7	-25.5	-4.8	3.3	4.1	0.1	-2.9	20.8	14.9	-8.4	6.8	6.4	-0.2	1.3
Q2 (p)	16.3	31.2	-17.4	1.0	0.3	0.1	1.1	55.1	77.1	-13.0	-6.1	0.4	-1.7	-1.5
2014 Mar.	20.2	24.9	-3.8	1.0	0.7	0.0	-2.6	4.9	6.3	-3.4	-0.6	2.7	-0.1	0.0
Apr.	1.6	-1.2	-1.2	0.1	0.6	0.0	3.2	12.7	23.9	-6.4	-2.6	-1.7	-0.3	-0.3
May	16.5	22.6	-6.3	0.0	0.2	0.1	-0.1	25.0	28.1	-3.1	-1.8	2.5	-0.2	-0.5
June (p)	-1.7	9.8	-10.0	0.9	-0.5	0.1	-2.0	17.5	25.1	-3.5	-1.7	-0.4	-1.2	-0.8
	Growth rates													
2012	4.9	9.5	-8.0	13.4	13.0	-1.4	-26.5	3.8	4.0	3.6	3.0	5.5	-8.9	-54.2
2013	6.8	8.1	-0.9	16.8	8.7	-3.7	52.4	2.4	7.5	-10.2	8.0	1.7	-14.4	-57.0
2014 Q1	6.2	8.4	-2.5	15.4	5.6	16.7	23.4	2.0	6.8	-9.9	7.5	0.6	-10.1	-30.8
Q2 (p)	6.3	8.5	-1.9	10.7	5.0	24.4	39.8	2.1	6.9	-7.9	5.0	0.3	-7.1	-30.5
2014 Mar.	6.2	8.4	-2.5	15.4	5.6	16.7	23.4	2.0	6.8	-9.9	7.5	0.6	-10.1	-30.8
Apr.	6.1	7.7	-1.7	14.1	5.5	26.4	51.2	2.0	6.9	-9.4	6.6	0.3	-8.8	-21.9
May	6.4	8.1	-0.3	11.5	5.3	20.7	27.7	2.2	7.5	-8.8	5.5	0.3	-6.9	-26.1
June (p)	6.3	8.5	-1.9	10.7	5.0	24.4	39.8	2.1	6.9	-7.9	5.0	0.3	-7.1	-30.5

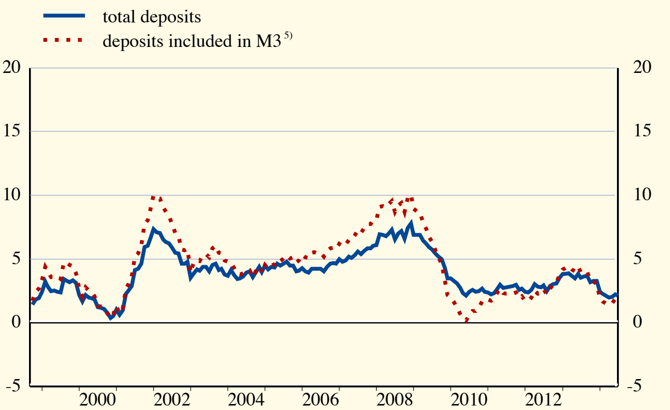
C11 Deposits by non-financial corporations [2)]

(annual growth rates)



C12 Deposits by households [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)]

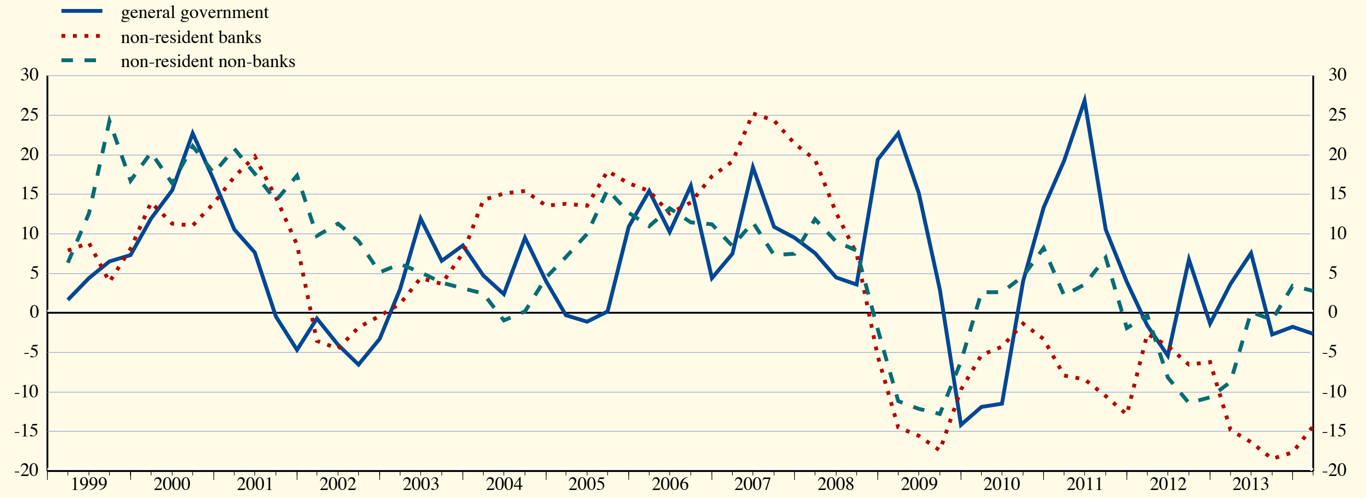
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

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					
2012	447.9	169.6	62.8	111.7	103.8	2,895.4	2,016.8	878.6	39.8	838.7
2013	441.0	152.5	64.1	109.2	115.3	2,519.8	1,626.0	893.8	29.8	864.0
2013 Q2	546.0	235.6	70.9	115.4	124.2	2,806.4	1,873.5	933.0	35.4	897.6
Q3	495.5	190.9	70.7	113.6	120.2	2,666.1	1,737.5	928.6	43.0	885.6
Q4	441.0	152.5	64.1	109.2	115.3	2,519.8	1,626.0	893.8	29.8	864.0
2014 Q1 (p)	488.0	181.1	73.1	110.7	123.3	2,594.9	1,667.7	927.2	33.8	893.4
					Transactions					
2012	-7.9	-22.6	-0.3	-0.4	15.5	-240.1	-135.6	-104.5	-5.1	-99.4
2013	-8.0	-17.9	1.1	-2.6	11.3	-324.7	-355.1	30.4	-8.8	39.3
2013 Q2	46.7	27.7	3.8	3.6	11.7	-68.9	-99.2	30.3	-1.8	32.1
Q3	-49.8	-44.7	-0.1	-1.7	-3.3	-128.8	-127.6	-1.2	7.9	-9.1
Q4	-55.2	-39.1	-6.6	-4.5	-5.0	-124.7	-95.8	-28.9	-13.0	-15.9
2014 Q1 (p)	45.5	28.5	9.0	1.3	6.7	63.2	38.1	25.1	3.9	21.2
					Growth rates					
2012	-1.4	-11.7	10.3	-0.4	18.2	-7.5	-6.2	-10.7	-11.9	-10.6
2013	-1.8	-10.5	1.8	-2.3	10.8	-11.3	-17.7	3.4	-22.7	4.6
2013 Q2	7.6	23.9	-28.2	2.9	16.5	-11.6	-16.3	0.1	-14.4	0.8
Q3	-2.8	-5.4	-24.1	2.1	16.3	-13.1	-18.4	-0.9	2.0	-1.0
Q4	-1.8	-10.5	1.8	-2.3	10.8	-11.3	-17.7	3.4	-22.7	4.6
2014 Q1 (p)	-2.6	-13.5	9.0	-1.2	9.0	-9.0	-14.4	2.8	-7.8	3.2

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.

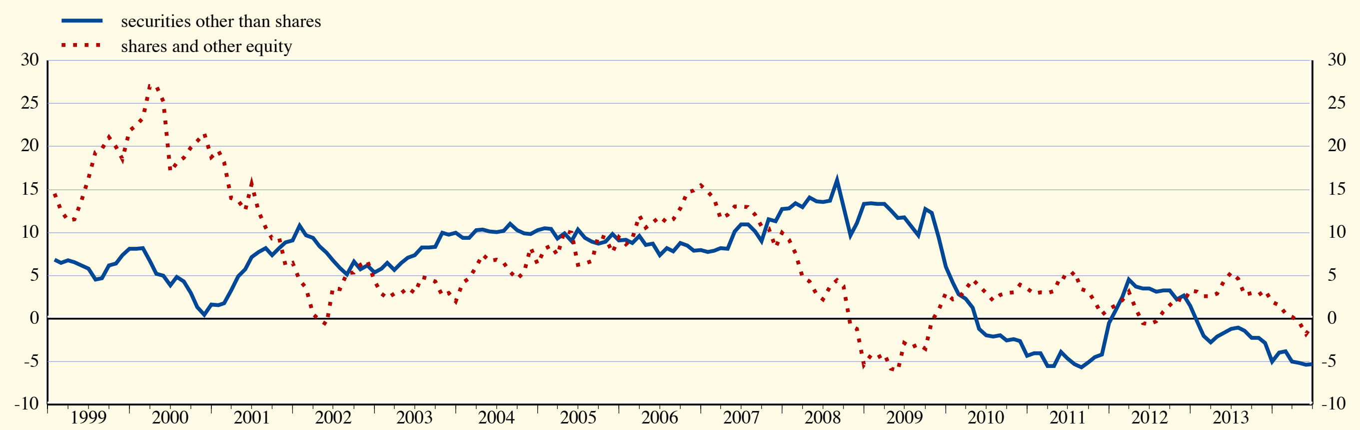
2.6 MFI holdings of securities: breakdown [1), 2)]

(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											
2012	5,774.7	1,748.7	102.9	1,594.2	32.8	1,399.6	23.6	872.8	1,528.5	475.7	752.1	300.7
2013	5,472.0	1,540.6	102.7	1,674.1	20.3	1,307.0	28.7	798.6	1,561.4	457.0	775.5	328.9
2014 Q1	5,503.2	1,504.2	113.7	1,755.4	19.2	1,277.8	29.4	803.6	1,560.3	462.4	786.6	311.3
Q2 (p)	5,525.2	1,469.3	112.9	1,789.8	19.7	1,270.3	32.5	830.7	1,548.6	449.4	788.0	311.2
2014 Mar.	5,503.2	1,504.2	113.7	1,755.4	19.2	1,277.8	29.4	803.6	1,560.3	462.4	786.6	311.3
Apr.	5,490.6	1,506.1	111.5	1,772.0	18.6	1,243.3	28.7	810.2	1,577.6	460.1	807.8	309.7
May	5,533.6	1,481.2	113.2	1,788.1	18.9	1,284.2	31.4	816.6	1,570.8	458.8	797.0	315.0
June (p)	5,525.2	1,469.3	112.9	1,789.8	19.7	1,270.3	32.5	830.7	1,548.6	449.4	788.0	311.2
	Transactions											
2012	83.1	-17.5	16.0	191.1	10.5	-67.8	-4.0	-45.2	49.8	6.6	37.9	5.3
2013	-288.3	-220.3	-0.3	65.5	-11.3	-93.0	5.9	-34.8	29.7	-12.4	13.4	28.7
2014 Q1	10.0	-38.8	10.5	58.4	-1.4	-20.7	0.5	1.5	-4.3	-0.5	12.6	-16.4
Q2 (p)	-8.4	-37.7	-3.5	18.1	0.1	-6.1	2.4	18.3	4.5	-0.8	6.8	-1.5
2014 Mar.	-69.1	-50.0	0.8	-0.4	0.1	-12.5	0.4	-7.5	14.4	0.5	11.1	2.8
Apr.	-18.6	1.7	-2.3	12.4	-0.6	-35.9	-0.7	6.8	15.6	-2.1	19.6	-1.8
May	25.7	-26.2	-0.1	11.2	-0.1	39.8	2.1	-1.1	-9.8	-1.0	-12.9	4.1
June (p)	-15.6	-13.2	-1.0	-5.6	0.7	-10.0	1.0	12.6	-1.3	2.4	0.0	-3.7
	Growth rates											
2012	1.5	-1.0	18.3	14.0	47.7	-4.6	-14.6	-4.8	3.3	1.3	5.2	1.8
2013	-5.0	-12.5	-0.4	4.1	-35.2	-6.6	25.2	-4.0	1.9	-2.6	1.8	9.7
2014 Q1	-5.0	-11.7	-6.4	2.7	-36.9	-7.0	11.0	-2.4	0.2	-0.7	1.0	-0.4
Q2 (p)	-5.3	-11.4	-5.2	-1.2	-33.0	-7.4	19.7	2.1	-0.7	-2.9	0.7	-1.0
2014 Mar.	-5.0	-11.7	-6.4	2.7	-36.9	-7.0	11.0	-2.4	0.2	-0.7	1.0	-0.4
Apr.	-5.1	-11.3	-6.2	3.4	-38.0	-9.9	1.8	-0.8	-0.3	-0.5	0.0	-1.1
May	-5.4	-11.9	-5.5	0.9	-37.8	-7.4	10.8	-1.3	-1.8	-3.9	-0.8	-1.1
June (p)	-5.3	-11.4	-5.2	-1.2	-33.0	-7.4	19.7	2.1	-0.7	-2.9	0.7	-1.0

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	USD	JPY	CHF	GBP			Total	USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Loans														
To euro area residents														
2012	5,790.4	-	-	-	-	-	-	12,196.7	96.4	3.6	1.7	0.2	0.9	0.5
2013	5,249.7	-	-	-	-	-	-	11,731.5	96.8	3.2	1.7	0.1	0.9	0.4
2013 Q4	5,249.7	-	-	-	-	-	-	11,731.5	96.8	3.2	1.7	0.1	0.9	0.4
2014 Q1 [(p)]	5,211.2	-	-	-	-	-	-	11,731.3	96.8	3.2	1.7	0.1	0.9	0.3
To non-euro area residents														
2012	1,906.7	47.3	52.7	31.9	1.9	3.5	10.1	961.5	40.1	59.9	38.2	2.0	2.9	9.9
2013	1,788.1	41.0	59.0	38.7	1.8	3.4	9.5	937.9	40.2	59.8	38.1	3.0	2.7	9.3
2013 Q4	1,788.1	41.0	59.0	38.7	1.8	3.4	9.5	937.9	40.2	59.8	38.1	3.0	2.7	9.3
2014 Q1 [(p)]	1,904.3	39.1	60.9	39.1	2.6	3.6	10.1	960.1	40.5	59.5	37.9	2.7	2.6	9.4
Holdings of securities other than shares														
Issued by euro area residents														
2012	1,851.6	94.4	5.6	2.7	0.1	0.4	2.0	3,050.3	98.1	1.9	1.2	0.1	0.1	0.4
2013	1,643.3	93.7	6.3	2.6	0.1	0.3	2.8	3,030.1	98.4	1.6	0.8	0.2	0.1	0.5
2013 Q4	1,643.3	93.7	6.3	2.6	0.1	0.3	2.8	3,030.1	98.4	1.6	0.8	0.2	0.1	0.5
2014 Q1 [(p)]	1,617.9	93.0	7.0	2.9	0.1	0.2	3.3	3,081.8	98.4	1.6	0.8	0.1	0.1	0.5
Issued by non-euro area residents														
2012	434.0	54.9	45.1	19.8	0.3	0.3	19.1	438.8	34.1	65.9	39.1	5.4	0.9	11.8
2013	421.7	52.4	47.6	20.2	0.2	0.6	20.0	376.9	38.2	61.8	37.5	4.1	1.0	10.7
2013 Q4	421.7	52.4	47.6	20.2	0.2	0.6	20.0	376.9	38.2	61.8	37.5	4.1	1.0	10.7
2014 Q1 [(p)]	423.4	52.9	47.1	20.0	0.2	0.4	19.8	380.2	37.4	62.6	37.6	5.0	0.7	10.3
Deposits														
By euro area residents														
2012	6,155.3	93.8	6.2	3.9	0.2	1.1	0.6	11,040.0	97.0	3.0	2.0	0.1	0.1	0.4
2013	5,552.6	93.4	6.6	4.2	0.2	1.0	0.7	11,093.5	96.8	3.2	2.2	0.1	0.1	0.4
2013 Q4	5,552.6	93.4	6.6	4.2	0.2	1.0	0.7	11,093.5	96.8	3.2	2.2	0.1	0.1	0.4
2014 Q1 [(p)]	5,517.5	93.0	7.0	4.4	0.2	1.1	0.7	11,136.8	96.8	3.2	2.2	0.1	0.1	0.4
By non-euro area residents														
2012	2,016.8	58.3	41.7	27.7	1.6	1.0	7.3	878.6	52.4	47.6	31.3	1.9	1.1	6.3
2013	1,626.0	51.3	48.7	33.1	1.7	1.5	7.8	893.8	53.9	46.1	29.7	2.1	1.2	6.4
2013 Q4	1,626.0	51.3	48.7	33.1	1.7	1.5	7.8	893.8	53.9	46.1	29.7	2.1	1.2	6.4
2014 Q1 [(p)]	1,667.7	51.5	48.5	33.8	1.6	1.5	7.2	927.2	53.8	46.2	30.0	2.2	1.0	6.6

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
2012	5,068.0	81.8	18.2	9.6	1.6	1.9	2.5
2013	4,582.7	81.0	19.0	10.7	1.3	1.8	2.7
2013 Q4	4,582.7	81.0	19.0	10.7	1.3	1.8	2.7
2014 Q1 [(p)]	4,550.7	80.5	19.5	11.0	1.3	1.8	2.8

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						
2013 Nov.	7,981.4	523.7	3,131.1	2,335.1	1,106.7	251.9	632.9
Dec.	7,941.7	517.2	3,112.0	2,369.9	1,117.6	254.3	570.6
2014 Jan.	8,042.4	536.5	3,171.4	2,341.7	1,120.2	255.5	617.2
Feb.	8,203.9	544.0	3,213.9	2,422.6	1,143.7	255.6	624.0
Mar.	8,358.7	553.2	3,281.7	2,417.0	1,177.0	258.0	671.8
Apr.	8,472.6	558.3	3,323.7	2,426.5	1,183.2	258.2	722.7
May (p)	8,705.1	559.4	3,398.2	2,514.5	1,217.8	263.2	752.1
	Transactions						
2013 Q3	57.9	-8.4	58.8	28.4	28.7	2.2	-51.7
Q4	60.6	3.1	6.2	43.5	51.5	3.5	-47.2
2014 Q1	253.7	38.9	105.1	42.3	18.3	3.0	46.0

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						
2013 Nov.	7,981.4	174.8	7,244.3	5,312.3	881.2	1,932.0	562.3
Dec.	7,941.7	169.7	7,263.2	5,329.0	885.9	1,934.2	508.8
2014 Jan.	8,042.4	180.6	7,296.3	5,362.1	887.3	1,934.1	565.5
Feb.	8,203.9	183.8	7,447.5	5,477.6	907.0	1,969.8	572.6
Mar.	8,358.7	187.8	7,528.9	5,563.7	925.7	1,965.2	641.9
Apr.	8,472.6	195.4	7,596.5	5,619.8	931.3	1,976.7	680.6
May (p)	8,705.1	191.1	7,804.4	5,740.7	961.7	2,063.7	709.6
	Transactions						
2013 Q3	57.9	3.7	102.2	68.1	28.3	34.0	-48.0
Q4	60.6	0.7	111.2	93.4	43.8	26.4	-56.0
2014 Q1	253.7	21.2	152.7	149.5	17.0	-2.2	79.8

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									
2013 Oct.	7,198.5	2,445.6	1,978.4	1,795.6	337.9	159.9	481.2	7,106.9	91.6	836.1
Nov.	7,244.3	2,450.5	2,006.3	1,804.4	339.0	158.6	485.5	7,150.8	93.5	836.9
Dec.	7,263.2	2,471.4	2,043.2	1,806.4	343.5	155.2	443.6	7,166.9	96.3	819.6
2014 Jan.	7,296.3	2,501.2	2,014.9	1,822.8	346.2	158.2	452.9	7,193.6	102.7	855.3
Feb.	7,447.5	2,531.2	2,084.3	1,864.8	347.4	159.0	460.9	7,343.9	103.5	855.3
Mar.	7,528.9	2,561.1	2,092.6	1,891.5	351.2	162.3	470.3	7,421.5	107.5	835.5
Apr.	7,596.5	2,587.3	2,112.4	1,912.6	350.5	159.6	474.2	7,492.6	104.0	836.5
May (p)	7,804.4	2,644.1	2,192.0	1,961.2	359.4	163.4	484.3	7,699.4	105.0	839.2
	Transactions									
2013 Nov.	22.1	12.1	7.7	2.2	1.8	-3.7	1.9	20.6	1.5	-2.8
Dec.	38.3	-8.8	19.5	14.3	3.5	7.3	2.6	34.6	3.8	-14.7
2014 Jan.	46.4	8.2	12.9	19.6	1.7	1.1	2.9	45.0	1.4	29.7
Feb.	58.1	22.7	13.3	19.6	0.1	1.7	0.6	57.5	0.7	4.9
Mar.	48.2	26.7	1.7	17.1	1.7	0.2	0.9	55.0	-6.9	-19.6
Apr.	47.9	15.2	21.1	12.8	0.5	-2.4	0.7	51.9	-4.0	0.8
May (p)	71.4	25.5	12.5	21.1	6.9	0.8	4.5	71.6	-0.2	-2.5

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						
2013 Q2	3,045.3	1,649.5	404.3	770.9	247.9	8.4	218.0	1,395.9	324.9	551.1	15.2
Q3	3,096.9	1,686.8	394.4	798.5	257.4	9.0	227.4	1,410.1	343.5	548.7	14.9
Q4	3,112.0	1,708.0	390.3	807.3	264.5	10.4	235.5	1,404.0	346.4	547.9	13.7
2014 Q1 (p)	3,281.7	1,843.8	412.7	858.4	299.1	12.1	261.4	1,437.9	393.1	553.9	14.6
					Transactions						
2013 Q3	58.8	30.0	-11.6	24.2	8.5	0.5	8.5	28.8	20.4	2.7	-0.3
Q4	6.2	9.2	-6.0	2.0	5.9	1.1	6.3	-3.1	6.1	-5.7	-0.6
2014 Q1 (p)	105.1	63.8	9.5	27.1	12.5	0.8	13.8	41.9	11.4	19.1	0.4

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						
2013 Q2	2,095.0	738.3	58.9	-	52.2	28.1	599.1	1,356.7	181.7	482.3	109.5
Q3	2,228.6	817.2	72.6	-	56.2	30.4	658.1	1,411.3	197.8	502.7	112.8
Q4	2,369.9	886.3	85.4	-	64.7	35.5	700.7	1,483.6	215.4	536.0	123.2
2014 Q1 (p)	2,417.0	920.0	92.6	-	62.0	33.8	731.2	1,497.4	215.3	552.9	117.2
					Transactions						
2013 Q3	28.4	12.9	1.3	-	0.4	0.6	10.7	15.4	3.3	12.2	0.9
Q4	43.5	18.3	3.6	-	2.4	1.6	10.7	23.4	8.7	0.5	10.0
2014 Q1 (p)	42.3	21.0	3.9	-	11.2	-0.5	6.0	22.6	4.7	22.7	0.2

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						
2013 Q2	1,018.5	880.2	86.8	-	793.4	-	-	138.3	31.4	46.1	0.6
Q3	1,064.3	924.0	86.2	-	837.7	-	-	140.3	33.8	47.6	0.5
Q4	1,117.6	971.0	85.1	-	885.9	-	-	146.6	36.6	49.4	0.5
2014 Q1 (p)	1,177.0	1,013.6	87.9	-	925.7	-	-	163.4	40.6	60.3	0.4
					Transactions						
2013 Q3	28.7	27.0	-1.3	-	28.3	-	-	1.7	1.5	1.3	0.0
Q4	51.5	43.5	-0.3	-	43.8	-	-	8.0	3.9	2.0	0.0
2014 Q1 (p)	18.3	18.5	1.4	-	17.0	-	-	-0.1	0.5	-0.2	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												
2013 Q1	2,031.7	287.2	1,366.4	1,049.8	462.7	163.6	25.8	4.0	123.1	192.3	86.4	37.8	61.9
Q2	1,998.9	271.7	1,349.0	1,041.5	456.5	162.1	24.3	3.6	117.5	193.2	88.5	35.9	60.7
Q3	1,960.0	264.6	1,326.7	1,031.8	449.6	156.2	19.9	3.5	115.2	180.8	87.6	36.2	64.3
Q4	1,914.8	252.7	1,291.2	1,009.3	442.6	145.4	19.5	3.1	114.0	179.2	90.2	37.8	64.2
2014 Q1	1,881.6	253.9	1,253.2	974.7	430.4	150.4	14.1	3.1	110.9	164.0	103.5	44.2	63.4
	Transactions												
2013 Q1	-29.5	6.0	-30.6	-28.3	-	-0.7	-0.1	0.0	-1.5	-0.1	-1.5	0.1	-3.5
Q2	-32.5	-15.3	-16.5	-8.0	-	-1.5	-1.4	-0.4	-5.3	1.4	2.7	-1.7	-3.0
Q3	-40.2	-6.5	-22.1	-9.6	-	-5.8	-4.3	0.0	-2.3	-12.8	-0.7	0.5	1.3
Q4	-47.2	-11.6	-35.5	-22.7	-	-10.7	-0.6	-0.4	-1.1	-0.8	2.5	1.1	-2.8
2014 Q1	-39.3	0.5	-30.3	-28.5	-	-0.5	0.0	0.0	-1.3	-3.2	-3.5	-1.1	-1.7

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						
2013 Q1	2,031.7	141.5	1,631.3	56.1	1,575.2	31.2	227.8
Q2	1,998.9	129.1	1,615.5	56.2	1,559.3	29.4	225.0
Q3	1,960.0	123.9	1,580.9	56.1	1,524.8	28.8	226.3
Q4	1,914.8	117.2	1,540.3	59.8	1,480.6	29.0	228.4
2014 Q1	1,881.6	134.1	1,480.6	85.0	1,395.6	28.5	238.5
	Transactions						
2013 Q1	-29.5	1.9	-34.6	2.3	-36.9	-0.3	3.5
Q2	-32.5	-12.2	-15.0	0.0	-15.1	-1.6	-3.7
Q3	-40.2	-4.2	-35.5	-0.1	-35.4	-0.7	0.2
Q4	-47.2	-6.1	-40.9	3.5	-44.4	0.6	-0.8
2014 Q1	-39.3	-0.7	-43.1	-3.7	-39.4	0.0	4.4

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												
2013 Q1	1,049.8	751.7	231.7	20.9	0.2	5.7	29.5	192.3	111.8	32.8	79.0	31.5	80.5
Q2	1,041.5	759.7	226.0	20.9	0.2	5.5	29.3	193.2	114.7	33.3	81.4	31.6	78.5
Q3	1,031.8	757.9	216.2	21.5	0.2	5.5	30.5	180.8	110.1	29.5	80.6	30.1	70.7
Q4	1,009.3	740.9	204.9	25.6	0.2	5.4	32.3	179.2	108.0	29.2	78.8	32.8	71.2
2014 Q1	974.7	725.4	192.4	23.7	0.2	5.2	27.7	164.0	99.9	26.9	73.0	33.4	64.1
	Transactions												
2013 Q1	-28.3	-20.6	-3.4	-2.4	0.0	0.0	-0.9	-0.1	-1.5	-1.3	-0.1	-0.4	1.4
Q2	-8.0	7.7	-5.6	0.2	0.0	-0.2	0.0	1.4	3.2	0.7	2.5	0.0	-1.8
Q3	-9.6	-2.1	-9.0	0.7	0.0	0.0	0.8	-12.8	-4.8	-4.0	-0.9	-1.5	-8.0
Q4	-22.7	-17.2	-11.2	4.1	0.0	-0.1	1.8	-0.8	-1.9	-0.1	-1.8	1.9	1.1
2014 Q1	-28.5	-15.1	-8.9	-0.7	0.0	-0.1	-3.7	-3.2	-2.5	-0.6	-1.9	-1.3	-0.5

Source: ECB.

1) Loans (to non-MFIs) 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
2011 Q2	7,146.0	775.6	465.1	2,741.2	843.3	1,621.9	79.7	254.2	216.1	148.9
Q3	7,148.0	792.4	463.9	2,764.6	788.2	1,582.7	87.4	255.5	264.8	148.4
Q4	7,158.9	785.2	473.6	2,725.1	793.2	1,615.9	91.2	253.5	271.1	150.1
2012 Q1	7,444.9	797.5	472.9	2,868.9	806.4	1,712.6	103.2	258.1	276.9	148.4
Q2	7,470.3	786.3	471.9	2,882.4	801.6	1,717.1	107.0	261.4	293.7	149.1
Q3	7,684.8	785.8	481.4	2,996.3	819.1	1,796.2	109.1	263.0	284.6	149.3
Q4	7,771.8	788.5	480.4	3,042.9	817.2	1,837.7	110.4	261.7	281.6	151.3
2013 Q1	7,942.1	797.5	477.1	3,107.6	834.1	1,913.9	115.5	266.5	279.1	150.9
Q2	7,882.4	776.7	476.1	3,098.4	830.5	1,907.9	100.0	265.4	275.2	152.2
Q3	7,974.7	769.8	480.2	3,114.3	850.6	1,983.5	95.4	265.2	262.6	153.0
Q4	8,075.2	755.6	482.9	3,186.4	871.2	2,027.3	83.0	263.9	250.5	154.4
2014 Q1 (p)	8,336.1	763.9	500.6	3,282.0	884.9	2,098.4	101.8	272.1	277.0	155.5

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
2011 Q2	2,741.2	2,325.1	628.4	1,288.1	234.6	16.7	157.2	416.1
Q3	2,764.6	2,346.7	635.0	1,309.5	226.8	16.7	158.6	418.0
Q4	2,725.1	2,303.0	634.7	1,264.8	223.3	16.3	163.9	422.1
2012 Q1	2,868.9	2,418.6	667.3	1,321.6	235.0	16.9	177.7	450.3
Q2	2,882.4	2,413.9	674.1	1,303.3	238.1	16.7	181.7	468.5
Q3	2,996.3	2,502.9	704.8	1,342.5	245.2	17.1	193.4	493.4
Q4	3,042.9	2,536.9	688.6	1,382.5	250.3	17.7	197.7	506.0
2013 Q1	3,107.6	2,614.9	718.0	1,414.9	255.3	17.4	209.3	492.7
Q2	3,098.4	2,596.3	685.2	1,431.0	254.9	17.4	207.8	502.2
Q3	3,114.3	2,603.1	684.9	1,432.7	257.8	17.8	209.9	511.1
Q4	3,186.4	2,657.2	659.0	1,509.1	256.9	18.0	214.3	529.2
2014 Q1 (p)	3,282.0	2,738.5	663.3	1,583.4	255.8	18.3	217.6	543.5

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
2011 Q2	6,944.0	263.0	42.4	454.1	6,007.4	3,352.4	1,842.1	813.0	177.0	202.1
Q3	7,052.5	270.7	41.6	409.3	6,140.1	3,332.9	1,995.7	811.5	190.7	95.6
Q4	7,067.8	263.7	41.3	408.1	6,167.7	3,345.2	2,018.4	804.0	187.1	91.1
2012 Q1	7,226.6	271.3	43.4	439.6	6,282.6	3,380.5	2,078.4	823.6	189.8	218.3
Q2	7,292.4	280.8	42.2	421.1	6,350.6	3,375.7	2,147.9	827.0	197.8	177.9
Q3	7,365.7	292.0	44.1	452.2	6,389.6	3,422.1	2,142.2	825.3	187.9	319.0
Q4	7,467.5	266.5	49.0	480.6	6,460.8	3,458.5	2,183.5	818.7	210.6	304.3
2013 Q1	7,580.2	278.6	48.6	496.8	6,542.3	3,503.0	2,196.2	843.0	213.9	361.9
Q2	7,628.2	277.8	45.4	505.2	6,577.3	3,517.7	2,220.2	839.4	222.5	254.3
Q3	7,652.4	276.1	46.0	522.3	6,594.0	3,558.6	2,197.5	837.9	214.0	322.3
Q4	7,749.2	266.4	47.2	540.8	6,674.5	3,601.4	2,238.3	834.8	220.4	325.9
2014 Q1 (p)	7,941.7	279.0	48.4	540.8	6,832.3	3,667.3	2,297.4	867.6	241.1	394.5

Source: ECB.

3 EURO AREA ACCOUNTS

3.1 Integrated economic and financial accounts by institutional sector

(EUR billions)

Uses 2014 Q1	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]						-57
Generation of income account						
Gross value added (basic prices)						
Taxes less subsidies on products						
Gross domestic product (market prices)						
Compensation of employees	1,130	113	721	55	242	
Other taxes less subsidies on production	20	8	4	5	4	
Consumption of fixed capital	385	103	219	12	52	
Net operating surplus and mixed income [1]	571	281	254	36	0	
Allocation of primary income account						
Net operating surplus and mixed income						
Compensation of employees						7
Taxes less subsidies on production						
Property income	590	30	229	267	64	105
Interest	305	28	52	161	64	43
Other property income	286	2	177	106	0	63
Net national income [1]	1,993	1,609	118	32	233	
Secondary distribution of income account						
Net national income						
Current taxes on income, wealth, etc.	272	225	39	8	0	2
Social contributions	444	444				1
Social benefits other than social transfers in kind	473	1	17	34	420	1
Other current transfers	213	72	26	49	66	10
Net non-life insurance premiums	47	35	11	1	1	1
Non-life insurance claims	47			47		1
Other	119	37	16	1	65	8
Net disposable income [1]	1,952	1,432	68	42	410	
Use of income account						
Net disposable income						
Final consumption expenditure	1,875	1,374			502	
Individual consumption expenditure	1,690	1,374			316	
Collective consumption expenditure	185				185	
Adjustment for the change in the net equity of households in pension fund reserves	16	0	1	15	0	0
Net saving/current external account [1]	77	74	67	27	-91	-33
Capital account						
Net saving/current external account						
Gross capital formation	430	129	244	10	46	
Gross fixed capital formation	410	126	228	10	46	
Changes in inventories and acquisitions less disposals of valuables	19	3	16	0	0	
Consumption of fixed capital						
Acquisitions less disposals of non-produced non-financial assets	0	-1	1	-1	0	0
Capital transfers	27	8	0	1	17	4
Capital taxes	7	6	0	0		0
Other capital transfers	20	2	0	1	17	4
Net lending (+)/net borrowing (-) (from capital account) [1]	35	48	55	29	-97	-35
Statistical discrepancy	0	24	-24	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 2014 Q1	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Imports of goods and services						575
Trade balance						
Generation of income account						
Gross value added (basic prices)	2,107	504	1,197	108	298	
Taxes less subsidies on products	255					
Gross domestic product (market prices)[2)]	2,362					
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	571	281	254	36	0	
Compensation of employees	1,135	1,135				3
Taxes less subsidies on production	273				273	2
Property income	604	223	94	263	24	92
Interest	294	49	29	209	8	53
Other property income	309	174	64	55	16	39
Net national income						
Secondary distribution of income account						
Net national income	1,993	1,609	118	32	233	
Current taxes on income, wealth, etc.	273				273	1
Social contributions	443	1	18	53	371	2
Social benefits other than social transfers in kind	471	471				2
Other current transfers	173	92	14	48	20	49
Net non-life insurance premiums	47			47		1
Non-life insurance claims	46	36	8	1	0	2
Other	81	56	6	0	19	46
Net disposable income						
Use of income account						
Net disposable income	1,952	1,432	68	42	410	
Final consumption expenditure						
Individual consumption expenditure						
Collective consumption expenditure						
Adjustment for the change in the net equity of households in pension fund reserves	16	16				0
Net saving/current external account						
Capital account						
Net saving/current external account	77	74	67	27	-91	-33
Gross capital formation						
Gross fixed capital formation						
Changes in inventories and acquisitions less disposals of valuables						
Consumption of fixed capital	385	103	219	12	52	
Acquisitions less disposals of non-produced non-financial assets						
Capital transfers	29	8	15	1	5	2
Capital taxes	7				7	0
Other capital transfers	22	8	15	1	-1	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 2014 Q1	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		20,691	18,505	31,822	18,404	7,776	4,551	18,775
Monetary gold and special drawing rights (SDRs)				352				
Currency and deposits		7,228	2,171	9,487	2,115	781	707	2,885
Short-term debt securities		34	55	413	386	60	34	607
Long-term debt securities		1,208	259	6,169	3,190	3,141	422	4,235
Loans		87	3,138	12,727	4,588	493	946	2,690
of which: Long-term		66	2,004	10,098	3,426	374	848	.
Shares and other equity		5,103	8,931	1,985	7,725	2,912	1,616	7,613
Quoted shares		898	1,330	464	2,503	439	284	.
Unquoted shares and other equity		2,712	7,235	1,223	3,956	444	1,131	.
Mutual fund shares		1,494	366	298	1,265	2,029	201	.
Insurance technical reserves		6,510	172	3	0	243	8	273
Other accounts receivable and financial derivatives		521	3,780	686	400	147	817	474
Net financial worth								
Financial account, transactions in financial assets								
Total transactions in financial assets		93	-15	-181	292	125	81	231
Monetary gold and SDRs				0				0
Currency and deposits		13	-52	-181	59	11	74	31
Short-term debt securities		-1	10	63	36	-2	2	1
Long-term debt securities		-29	2	-52	102	25	-14	65
Loans		2	-10	17	0	12	5	33
of which: Long-term		1	-1	-2	-10	3	16	.
Shares and other equity		20	33	5	16	55	1	46
Quoted shares		8	-3	-7	57	3	2	.
Unquoted shares and other equity		-12	42	9	-61	-1	-3	.
Mutual fund shares		24	-7	3	20	53	1	.
Insurance technical reserves		74	6	0	0	14	0	-1
Other accounts receivable and financial derivatives		13	-2	-33	79	11	14	55
Changes in net financial worth due to transactions								
Other changes account, financial assets								
Total other changes in financial assets		262	170	157	134	116	40	118
Monetary gold and SDRs				23				
Currency and deposits		13	-2	41	-38	2	1	11
Short-term debt securities		0	0	1	-7	0	0	8
Long-term debt securities		43	5	54	11	70	6	12
Loans		0	-3	5	-35	0	6	-37
of which: Long-term		0	6	1	-6	0	4	.
Shares and other equity		150	189	31	206	49	26	97
Quoted shares		51	55	18	53	3	12	.
Unquoted shares and other equity		76	120	15	121	3	11	.
Mutual fund shares		23	13	-2	32	43	4	.
Insurance technical reserves		64	0	0	0	-5	0	9
Other accounts receivable and financial derivatives		-8	-19	2	-3	0	0	19
Other changes in net financial worth								
Closing balance sheet, financial assets								
Total financial assets		21,045	18,661	31,798	18,830	8,017	4,672	19,123
Monetary gold and SDRs				375				
Currency and deposits		7,254	2,117	9,347	2,136	794	781	2,927
Short-term debt securities		33	64	477	415	58	36	615
Long-term debt securities		1,222	266	6,171	3,303	3,236	414	4,311
Loans		88	3,125	12,749	4,553	504	958	2,686
of which: Long-term		67	2,008	10,097	3,410	378	868	.
Shares and other equity		5,273	9,152	2,022	7,946	3,015	1,643	7,755
Quoted shares		957	1,382	475	2,613	445	297	.
Unquoted shares and other equity		2,775	7,398	1,247	4,017	445	1,139	.
Mutual fund shares		1,541	372	300	1,317	2,125	206	.
Insurance technical reserves		6,648	178	3	0	252	8	280
Other accounts receivable and financial derivatives		526	3,759	655	477	157	831	548
Net financial worth								

Source: ECB.

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

Liabilities 2014 Q1	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		6,901	28,691	31,027	17,688	7,801	10,975	17,087
Monetary gold and special drawing rights (SDRs)								
Currency and deposits			33	22,504	36	0	280	2,521
Short-term debt securities			77	503	98	2	628	280
Long-term debt securities			1,020	4,255	3,137	52	7,031	3,129
Loans		6,154	8,585		3,898	283	2,392	3,354
of which: Long-term		5,816	6,339		2,261	108	2,112	.
Shares and other equity		8	15,153	2,682	10,312	541	5	7,182
Quoted shares			4,515	570	292	161	0	.
Unquoted shares and other equity		8	10,638	1,293	2,911	379	5	.
Mutual fund shares				819	7,108			.
Insurance technical reserves		37	353	70	1	6,748	1	
Other accounts payable and financial derivatives		702	3,471	1,012	207	174	638	622
Net financial worth [1]	-1,336	13,790	-10,186	795	715	-25	-6,425	
Financial account, transactions in liabilities								
Total transactions in liabilities		21	-46	-194	282	120	178	265
Monetary gold and SDRs								
Currency and deposits			-1	-201	3	0	-7	161
Short-term debt securities			4	61	25	0	12	7
Long-term debt securities			18	-96	-22	1	152	45
Loans		-13	-16		63	15	5	6
of which: Long-term		-12	-2		31	1	19	.
Shares and other equity		0	25	12	119	1	0	18
Quoted shares			13	11	7	0	0	.
Unquoted shares and other equity		0	11	-14	-54	1	0	.
Mutual fund shares				15	165			.
Insurance technical reserves		0	1	-1	0	93	0	
Other accounts payable and financial derivatives		33	-77	31	94	10	16	29
Changes in net financial worth due to transactions [1]	35	72	31	14	10	5	-97	-35
Other changes account, liabilities								
Total other changes in liabilities		4	328	164	205	48	183	43
Monetary gold and SDRs								
Currency and deposits			0	53	0	0	0	-24
Short-term debt securities			0	0	-1	0	0	2
Long-term debt securities			2	22	33	0	172	-28
Loans		6	-3		-76	0	0	10
of which: Long-term		6	1		-28	0	0	.
Shares and other equity		0	318	110	239	-7	0	87
Quoted shares			144	63	16	-2	0	.
Unquoted shares and other equity		0	173	46	123	-6	0	.
Mutual fund shares				1	100			.
Insurance technical reserves		0	0	0	0	67	0	
Other accounts payable and financial derivatives		-2	12	-20	8	-13	11	-4
Other changes in net financial worth [1]	-52	258	-157	-7	-71	68	-143	76
Closing balance sheet, liabilities								
Total liabilities		6,926	28,973	30,997	18,175	7,969	11,336	17,395
Monetary gold and SDRs								
Currency and deposits			32	22,356	39	0	273	2,657
Short-term debt securities			81	564	121	2	641	289
Long-term debt securities			1,039	4,181	3,149	53	7,354	3,146
Loans		6,148	8,565		3,886	298	2,397	3,369
of which: Long-term		5,810	6,338		2,265	109	2,131	.
Shares and other equity		8	15,496	2,805	10,670	536	5	7,288
Quoted shares			4,673	644	315	159	0	.
Unquoted shares and other equity		8	10,823	1,326	2,981	375	5	.
Mutual fund shares				835	7,374			.
Insurance technical reserves		37	354	69	1	6,909	1	
Other accounts payable and financial derivatives		734	3,406	1,022	309	171	665	646
Net financial worth [1]	-1,354	14,119	-10,312	801	655	48	-6,664	

Source: ECB.

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

Uses	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Generation of income account								
Gross value added (basic prices)								
Taxes less subsidies on products								
Gross domestic product (market prices)								
Compensation of employees	4,516	4,629	4,679	4,684	4,690	4,700	4,717	4,734
Other taxes less subsidies on production	85	99	129	127	129	128	129	127
Consumption of fixed capital	1,421	1,464	1,499	1,506	1,512	1,518	1,525	1,532
Net operating surplus and mixed income [1]	2,190	2,250	2,180	2,171	2,178	2,195	2,208	2,224
Allocation of primary income account								
Net operating surplus and mixed income								
Compensation of employees								
Taxes less subsidies on production								
Property income	2,807	3,018	2,880	2,819	2,766	2,724	2,691	2,670
Interest	1,383	1,547	1,464	1,407	1,357	1,313	1,275	1,252
Other property income	1,424	1,471	1,416	1,411	1,409	1,411	1,416	1,418
Net national income [1]	7,764	7,996	8,026	8,034	8,051	8,082	8,114	8,146
Secondary distribution of income account								
Net national income								
Current taxes on income, wealth, etc.	1,059	1,116	1,173	1,182	1,198	1,205	1,213	1,222
Social contributions	1,704	1,754	1,788	1,795	1,802	1,810	1,817	1,824
Social benefits other than social transfers in kind	1,818	1,845	1,887	1,899	1,911	1,922	1,932	1,935
Other current transfers	777	782	791	796	803	812	818	822
Net non-life insurance premiums	181	182	184	184	185	186	186	187
Non-life insurance claims	182	184	187	187	187	188	188	188
Other	414	416	420	425	431	438	444	447
Net disposable income [1]	7,655	7,889	7,917	7,921	7,934	7,960	7,989	8,021
Use of income account								
Net disposable income								
Final consumption expenditure	7,317	7,483	7,526	7,529	7,543	7,566	7,588	7,613
Individual consumption expenditure	6,546	6,709	6,753	6,754	6,765	6,787	6,808	6,830
Collective consumption expenditure	771	774	772	775	777	779	781	783
Adjustment for the change in the net equity of households in pension fund reserves	56	58	58	57	57	58	58	59
Net saving [1]	337	406	391	392	391	394	400	408
Capital account								
Net saving								
Gross capital formation	1,783	1,877	1,781	1,750	1,735	1,734	1,733	1,740
Gross fixed capital formation	1,763	1,820	1,771	1,743	1,730	1,724	1,723	1,732
Changes in inventories and acquisitions less disposals of valuables	19	57	10	7	4	10	10	8
Consumption of fixed capital								
Acquisitions less disposals of non-produced non-financial assets	1	1	9	2	0	0	0	-1
Capital transfers	221	173	193	198	205	200	164	158
Capital taxes	25	31	25	26	29	30	32	32
Other capital transfers	196	142	167	172	176	170	132	126
Net lending (+)/net borrowing (-) (from capital account) [1]	-16	-1	112	158	182	193	212	222

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	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Generation of income account								
Gross value added (basic prices)	8,213	8,442	8,487	8,489	8,508	8,540	8,581	8,617
Taxes less subsidies on products	943	976	980	978	983	989	991	999
Gross domestic product (market prices)2)	9,156	9,418	9,467	9,466	9,492	9,530	9,572	9,616
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	2,190	2,250	2,180	2,171	2,178	2,195	2,208	2,224
Compensation of employees	4,527	4,641	4,693	4,699	4,705	4,715	4,732	4,749
Taxes less subsidies on production	1,042	1,086	1,120	1,117	1,123	1,128	1,132	1,137
Property income	2,811	3,038	2,914	2,865	2,812	2,768	2,732	2,705
Interest	1,335	1,493	1,426	1,375	1,326	1,281	1,245	1,220
Other property income	1,476	1,545	1,487	1,490	1,486	1,487	1,487	1,486
Net national income								
Secondary distribution of income account								
Net national income	7,764	7,996	8,026	8,034	8,051	8,082	8,114	8,146
Current taxes on income, wealth, etc.	1,063	1,121	1,179	1,187	1,202	1,210	1,219	1,228
Social contributions	1,704	1,754	1,785	1,792	1,799	1,807	1,814	1,821
Social benefits other than social transfers in kind	1,811	1,839	1,881	1,893	1,905	1,916	1,926	1,928
Other current transfers	670	674	685	687	690	694	697	701
Net non-life insurance premiums	182	184	187	187	187	188	188	188
Non-life insurance claims	176	177	179	179	180	181	182	183
Other	312	314	319	321	323	325	327	330
Net disposable income								
Use of income account								
Net disposable income	7,655	7,889	7,917	7,921	7,934	7,960	7,989	8,021
Final consumption expenditure								
Individual consumption expenditure								
Collective consumption expenditure								
Adjustment for the change in the net equity of households in pension fund reserves	56	58	58	57	57	58	58	59
Net saving								
Capital account								
Net saving	337	406	391	392	391	394	400	408
Gross capital formation								
Gross fixed capital formation								
Changes in inventories and acquisitions less disposals of valuables								
Consumption of fixed capital	1,421	1,464	1,499	1,506	1,512	1,518	1,525	1,532
Acquisitions less disposals of non-produced non-financial assets								
Capital transfers	231	180	205	211	220	215	183	178
Capital taxes	25	31	25	26	29	30	32	32
Other capital transfers	205	149	180	184	191	185	151	145
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)

	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Income, saving and changes in net worth								
Compensation of employees (+)	4,527	4,641	4,693	4,699	4,705	4,715	4,732	4,749
Gross operating surplus and mixed income (+)	1,450	1,493	1,496	1,500	1,506	1,513	1,518	1,525
Interest receivable (+)	202	228	222	217	213	208	203	199
Interest payable (-)	124	147	131	125	120	116	114	112
Other property income receivable (+)	722	749	745	737	729	732	741	740
Other property income payable (-)	10	10	10	10	10	10	10	10
Current taxes on income and wealth (-)	852	885	934	943	951	958	965	970
Net social contributions (-)	1,699	1,749	1,783	1,790	1,797	1,805	1,812	1,819
Net social benefits (+)	1,806	1,834	1,876	1,887	1,899	1,911	1,920	1,923
Net current transfers receivable (+)	71	69	72	74	74	74	75	76
= Gross disposable income	6,093	6,222	6,246	6,247	6,248	6,262	6,289	6,301
Final consumption expenditure (-)	5,298	5,449	5,484	5,481	5,488	5,503	5,518	5,534
Changes in net worth in pension funds (+)	56	58	57	57	56	57	57	58
= Gross saving	850	831	819	823	816	817	828	825
Consumption of fixed capital (-)	386	396	402	403	404	405	407	409
Net capital transfers receivable (+)	13	2	2	0	0	-2	-4	-5
Other changes in net worth (+)	599	-264	-95	-528	-431	-163	-179	402
= Changes in net worth	1,076	174	324	-107	-20	246	239	813
Investment, financing and changes in net worth								
Net acquisition of non-financial assets (+)	558	573	555	549	543	542	541	541
Consumption of fixed capital (-)	386	396	402	403	404	405	407	409
Main items of financial investment (+)								
Short-term assets	42	126	192	173	167	134	95	68
Currency and deposits	118	118	225	228	218	189	130	104
Money market fund shares	-59	-23	-31	-39	-30	-27	-14	-21
Debt securities [1]	-17	30	-2	-16	-21	-28	-20	-15
Long-term assets	388	234	154	192	194	224	238	231
Deposits	58	54	11	7	8	25	53	56
Debt securities	-23	67	-89	-115	-119	-135	-126	-110
Shares and other equity	103	-3	100	151	148	167	136	100
Quoted and unquoted shares and other equity	94	45	60	67	58	76	62	36
Mutual fund shares	9	-48	40	84	91	92	74	64
Life insurance and pension fund reserves	250	116	132	150	156	166	175	185
Main items of financing (-)								
Loans	114	87	13	-1	-12	-2	-19	-8
of which: From euro area MFIs	147	81	25	21	1	8	-4	-5
Other changes in assets (+)								
Non-financial assets	476	191	-778	-1,016	-941	-649	-739	-332
Financial assets	201	-386	613	408	423	406	500	692
Shares and other equity	55	-342	376	250	270	319	448	555
Life insurance and pension fund reserves	122	15	181	164	131	84	71	93
Remaining net flows (+)	-89	-80	4	-12	-13	-8	-8	14
= Changes in net worth	1,076	174	324	-107	-20	246	239	813
Balance sheet								
Non-financial assets (+)	29,932	30,299	29,674	29,227	29,249	29,375	29,069	29,027
Financial assets (+)								
Short-term assets	5,819	5,957	6,128	6,140	6,182	6,158	6,207	6,208
Currency and deposits	5,597	5,728	5,950	5,980	6,032	6,019	6,076	6,084
Money market fund shares	184	166	120	112	109	101	97	91
Debt securities [1]	38	62	58	49	42	39	34	33
Long-term assets	12,221	12,026	12,813	12,975	12,911	13,193	13,565	13,901
Deposits	1,032	1,086	1,100	1,106	1,117	1,130	1,152	1,170
Debt securities	1,409	1,379	1,348	1,294	1,261	1,233	1,208	1,222
Shares and other equity	4,273	3,923	4,413	4,528	4,480	4,719	5,006	5,183
Quoted and unquoted shares and other equity	3,066	2,835	3,166	3,213	3,163	3,362	3,610	3,733
Mutual fund shares	1,207	1,088	1,247	1,315	1,317	1,356	1,397	1,450
Life insurance and pension fund reserves	5,507	5,638	5,952	6,047	6,052	6,111	6,198	6,326
Remaining net assets (+)	271	224	203	162	191	202	172	158
Liabilities (-)								
Loans	6,120	6,210	6,198	6,171	6,171	6,167	6,154	6,148
of which: From euro area MFIs	5,221	5,288	5,296	5,285	5,288	5,282	5,274	5,267
= Net worth	42,121	42,295	42,619	42,333	42,361	42,761	42,858	43,146

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)

	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Income and saving								
Gross value added (basic prices) (+)	4,671	4,832	4,855	4,852	4,862	4,880	4,904	4,922
Compensation of employees (-)	2,837	2,936	2,982	2,983	2,988	2,994	3,004	3,019
Other taxes less subsidies on production (-)	37	46	54	54	56	56	57	54
= Gross operating surplus (+)	1,797	1,850	1,819	1,815	1,819	1,830	1,842	1,849
Consumption of fixed capital (-)	802	828	851	855	859	863	867	871
= Net operating surplus (+)	995	1,022	969	960	960	967	975	979
Property income receivable (+)	550	571	550	550	544	537	526	517
Interest receivable	159	164	150	143	137	132	129	125
Other property income receivable	392	406	400	406	406	405	397	392
Interest and rents payable (-)	257	287	270	259	249	239	231	225
= Net entrepreneurial income (+)	1,288	1,307	1,248	1,251	1,255	1,266	1,269	1,270
Distributed income (-)	924	975	954	946	940	941	940	933
Taxes on income and wealth payable (-)	169	192	201	201	206	204	206	209
Social contributions receivable (+)	69	74	74	74	73	73	74	74
Social benefits payable (-)	69	70	70	70	70	70	70	70
Other net transfers (-)	45	48	49	49	51	53	52	53
= Net saving	151	95	48	60	62	71	75	79
Investment, financing and saving								
Net acquisition of non-financial assets (+)	146	212	134	103	91	88	89	86
Gross fixed capital formation (+)	928	984	966	947	942	938	942	950
Consumption of fixed capital (-)	802	828	851	855	859	863	867	871
Net acquisition of other non-financial assets (+)	19	56	19	10	7	13	14	6
Main items of financial investment (+)								
Short-term assets	33	-29	62	47	40	55	75	78
Currency and deposits	67	6	75	80	81	91	110	100
Money market fund shares	-32	-46	-7	-6	-15	-13	-10	-20
Debt securities [1]	-1	11	-5	-28	-26	-24	-25	-1
Long-term assets	444	491	238	203	66	59	91	42
Deposits	22	70	-2	-34	-31	6	14	2
Debt securities	25	-26	-2	-1	-9	-10	-17	-10
Shares and other equity	262	303	135	172	96	83	93	45
Other (mainly intercompany loans)	136	145	108	66	10	-21	2	4
Remaining net assets (+)	6	-49	26	66	132	87	101	126
Main items of financing (-)								
Debt	174	248	157	120	36	-43	-1	-5
of which: Loans from euro area MFIs	-21	116	-135	-126	-157	-145	-124	-116
of which: Debt securities	70	48	115	102	90	86	83	83
Shares and other equity	237	216	186	165	160	193	216	197
Quoted shares	31	27	27	11	21	23	31	57
Unquoted shares and other equity	206	189	159	155	140	171	185	140
Net capital transfers receivable (-)	65	67	65	67	66	62	62	63
= Net saving	151	95	48	60	62	71	75	79
Financial balance sheet								
Financial assets								
Short-term assets	1,958	1,929	1,988	1,951	1,939	1,969	2,053	2,026
Currency and deposits	1,695	1,705	1,777	1,757	1,765	1,798	1,881	1,855
Money market fund shares	182	134	130	127	113	111	117	106
Debt securities [1]	81	90	81	67	62	60	55	64
Long-term assets	10,863	10,902	11,658	11,942	11,783	12,209	12,501	12,699
Deposits	178	238	293	270	264	280	290	262
Debt securities	258	247	266	262	261	263	259	266
Shares and other equity	7,569	7,388	7,988	8,288	8,134	8,539	8,814	9,046
Other (mainly intercompany loans)	2,859	3,029	3,112	3,121	3,124	3,127	3,138	3,125
Remaining net assets	416	521	426	490	508	501	514	563
Liabilities								
Debt	9,805	9,961	10,038	10,077	10,033	10,013	10,034	10,040
of which: Loans from euro area MFIs	4,652	4,688	4,471	4,443	4,400	4,357	4,286	4,298
of which: Debt securities	881	875	1,033	1,056	1,051	1,083	1,097	1,120
Shares and other equity	13,158	12,465	13,458	13,816	13,680	14,480	15,153	15,496
Quoted shares	3,815	3,297	3,759	3,902	3,864	4,213	4,515	4,673
Unquoted shares and other equity	9,343	9,168	9,699	9,914	9,816	10,266	10,638	10,823

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)

	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Financial account, financial transactions								
Main items of financial investment (+)								
Short-term assets	-6	53	45	21	-17	-38	-62	-43
Currency and deposits	-9	14	15	11	8	3	-14	-7
Money market fund shares	-8	16	33	10	-11	-19	-35	-26
Debt securities [1]	11	24	-3	0	-13	-22	-14	-11
Long-term assets	293	131	207	194	229	264	299	284
Deposits	-5	9	-18	-19	-15	-18	-10	-16
Debt securities	190	41	149	106	119	123	157	141
Loans	32	12	9	11	10	1	4	14
Quoted shares	-1	-11	-8	0	-1	9	1	4
Unquoted shares and other equity	12	13	5	6	5	8	11	8
Mutual fund shares	66	68	69	90	110	140	137	133
Remaining net assets (+)	7	-30	-46	-28	-31	-35	-4	6
Main items of financing (-)								
Debt securities	1	3	7	5	3	3	0	0
Loans	7	11	-16	0	-7	-23	-5	-5
Shares and other equity	7	4	1	2	2	1	5	5
Insurance technical reserves	281	115	156	171	176	184	195	216
Net equity of households in life insurance and pension fund reserves	262	111	139	156	165	171	180	192
Prepayments of insurance premiums and reserves for outstanding claims	19	4	16	15	12	13	16	23
= Changes in net financial worth due to transactions	-1	21	59	9	6	25	38	31
Other changes account								
Other changes in financial assets (+)								
Shares and other equity	119	-105	196	144	128	93	105	103
Other net assets	-6	13	240	140	100	5	-62	29
Other changes in liabilities (-)								
Shares and other equity	-1	-48	67	55	84	72	65	39
Insurance technical reserves	138	16	189	167	131	82	69	95
Net equity of households in life insurance and pension fund reserves	127	19	187	165	130	81	69	93
Prepayments of insurance premiums and reserves for outstanding claims	11	-3	2	2	1	1	1	2
= Other changes in net financial worth	-24	-59	180	61	14	-56	-91	-2
Financial balance sheet								
Financial assets (+)								
Short-term assets	330	371	408	413	367	357	339	370
Currency and deposits	190	193	209	218	201	201	193	212
Money market fund shares	88	102	126	126	107	99	86	100
Debt securities [1]	52	76	74	69	59	56	60	58
Long-term assets	6,043	6,047	6,665	6,804	6,800	6,927	7,047	7,238
Deposits	606	611	594	595	596	591	588	583
Debt securities	2,638	2,660	3,013	3,053	3,055	3,077	3,141	3,236
Loans	469	481	490	489	487	489	493	504
Quoted shares	422	377	404	413	410	426	439	445
Unquoted shares and other equity	418	422	435	437	436	441	444	445
Mutual fund shares	1,490	1,497	1,728	1,818	1,816	1,904	1,943	2,025
Remaining net assets (+)	245	260	250	247	238	227	216	238
Liabilities (-)								
Debt securities	43	46	55	55	52	52	54	55
Loans	292	301	285	300	299	293	283	298
Shares and other equity	447	403	472	492	500	516	541	536
Insurance technical reserves	6,008	6,139	6,484	6,598	6,601	6,661	6,748	6,909
Net equity of households in life insurance and pension fund reserves	5,203	5,332	5,659	5,756	5,760	5,819	5,908	6,042
Prepayments of insurance premiums and reserves for outstanding claims	805	807	825	842	842	842	841	867
= Net financial wealth	-172	-210	28	19	-47	-12	-25	48

Source: ECB.

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

FINANCIAL MARKETS

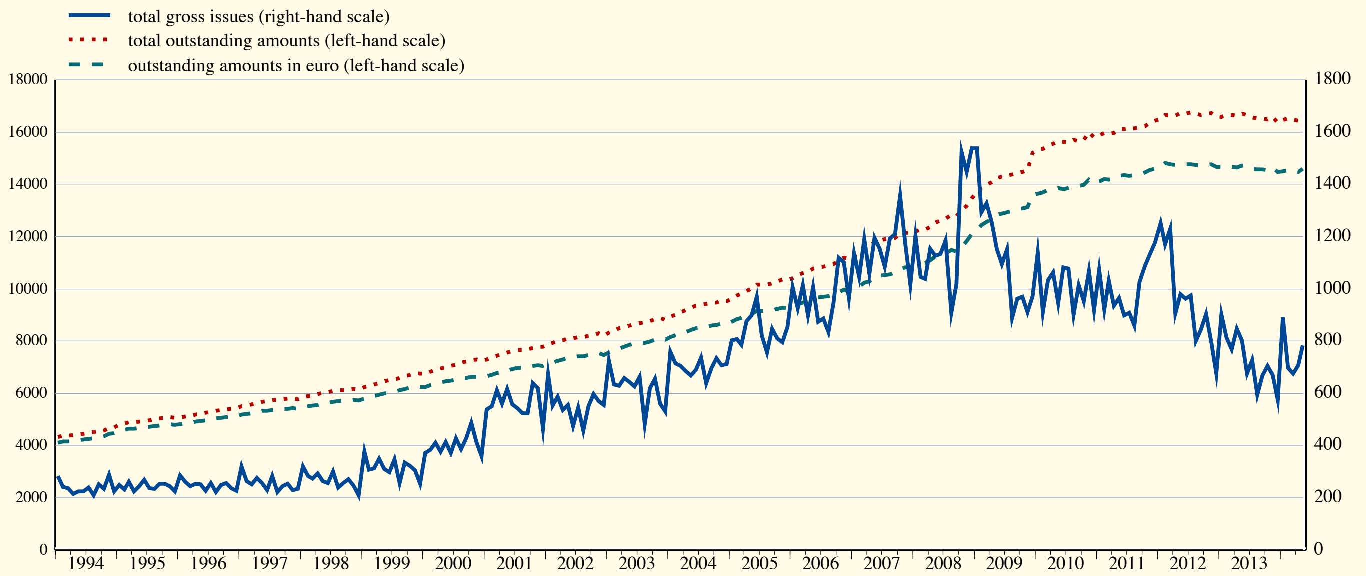
4.1 Securities other than shares by original maturity, residency of the issuer and currency

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

	Total in euro[1]			By euro area residents								
				In euro			In all currencies					
	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Annual growth rates	Seasonally adjusted[2]	
											Net issues	6-month growth rates
	1	2	3	4	5	6	7	8	9	10	11	12
						Total						
2013 May	16,957.8	710.5	68.7	14,723.3	664.5	74.2	16,713.5	803.6	92.9	0.0	13.5	-1.0
June	16,895.0	600.7	-62.4	14,671.5	558.1	-51.3	16,644.3	675.2	-62.5	-0.3	-23.9	-0.8
July	16,828.7	640.0	-66.0	14,598.6	591.2	-72.3	16,551.8	725.9	-79.9	-0.9	-57.2	-1.4
Aug.	16,805.5	516.1	-23.4	14,573.8	482.5	-25.1	16,537.9	594.7	-17.1	-0.8	18.3	-0.9
Sep.	16,815.3	606.8	10.3	14,566.6	556.2	-6.7	16,524.9	667.1	-5.1	-0.7	41.4	-0.2
Oct.	16,819.0	642.7	4.7	14,557.9	572.4	-7.6	16,493.6	705.5	-20.1	-1.0	-35.9	-0.5
Nov.	16,929.1	598.2	110.3	14,639.3	539.3	81.7	16,580.4	670.5	85.4	-0.7	19.1	-0.5
Dec.	16,752.5	515.9	-186.5	14,465.2	477.7	-183.9	16,361.0	575.6	-220.4	-1.2	-119.3	-1.6
2014 Jan.	16,776.3	797.0	23.8	14,496.6	739.0	31.4	16,468.9	890.0	90.2	-0.8	69.5	-0.1
Feb.	16,849.1	629.6	68.6	14,556.6	576.6	56.0	16,529.9	697.2	70.0	-0.6	9.4	-0.2
Mar.	16,830.7	648.1	-19.3	14,525.9	579.0	-31.6	16,480.5	675.1	-50.1	-0.7	-47.9	-1.3
Apr.	.	.	.	14,479.3	612.6	-44.7	16,433.7	706.7	-42.0	-1.0	-43.6	-1.4
May	.	.	.	14,592.7	656.7	112.4	16,589.6	782.3	138.2	-0.7	58.0	-0.9
						Long-term						
2013 May	15,630.9	254.5	68.6	13,474.8	223.2	74.9	15,211.4	260.9	88.4	1.0	20.5	-0.4
June	15,610.5	208.2	-19.9	13,468.6	181.6	-5.6	15,188.2	201.4	-17.5	0.7	-10.2	-0.2
July	15,538.9	204.7	-71.6	13,383.3	173.1	-85.0	15,083.6	195.3	-94.3	0.1	-54.8	-1.1
Aug.	15,533.4	117.3	-5.6	13,374.4	97.7	-9.1	15,082.2	113.0	-5.5	0.2	37.3	-0.1
Sep.	15,549.9	223.7	16.9	13,380.0	190.6	6.0	15,088.3	216.7	15.6	0.2	56.4	0.5
Oct.	15,579.1	249.1	29.3	13,390.6	199.0	10.8	15,084.3	228.2	5.1	-0.1	-6.7	0.6
Nov.	15,695.7	251.9	115.4	13,482.1	210.0	90.4	15,191.7	240.1	105.7	0.2	45.7	0.9
Dec.	15,596.1	154.0	-100.1	13,390.9	133.1	-91.7	15,079.9	148.5	-103.2	0.1	-44.1	0.4
2014 Jan.	15,562.4	275.6	-32.7	13,357.7	237.3	-32.0	15,089.5	290.2	-4.1	0.1	2.2	1.2
Feb.	15,627.7	233.0	65.1	13,413.4	199.0	55.5	15,142.3	231.6	65.1	0.4	9.2	0.8
Mar.	15,583.9	255.7	-45.1	13,365.3	207.9	-49.5	15,091.1	237.2	-52.2	0.0	-47.8	-0.5
Apr.	.	.	.	13,343.0	221.9	-21.1	15,073.2	246.9	-14.1	-0.1	-17.0	-0.7
May	.	.	.	13,457.0	277.8	114.0	15,224.8	321.2	136.7	0.2	66.2	-0.4

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

(EUR billions)



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

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

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

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

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

1. Outstanding amounts and gross issues

	Outstanding amounts						Gross issues [1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
						Total						
2012	16,598	5,399	3,256	988	6,271	684	958	589	81	68	187	32
2013	16,361	4,887	3,187	1,060	6,554	674	729	385	64	64	187	29
2013 Q2	16,644	5,122	3,262	1,023	6,559	678	775	408	65	67	201	34
Q3	16,525	5,004	3,244	1,054	6,552	671	663	350	52	64	171	25
Q4	16,361	4,887	3,187	1,060	6,554	674	651	341	57	65	162	25
2014 Q1	16,480	4,829	3,193	1,084	6,694	681	754	371	72	69	201	41
2014 Feb.	16,530	4,891	3,214	1,083	6,659	681	697	333	60	60	199	44
Mar.	16,480	4,829	3,193	1,084	6,694	681	675	311	86	64	175	39
Apr.	16,434	4,797	3,169	1,084	6,709	675	707	327	65	76	205	34
May	16,590	4,793	3,239	1,104	6,779	675	782	362	110	85	195	31
						Short-term						
2012	1,488	601	136	82	606	64	703	490	37	53	103	21
2013	1,281	474	110	75	570	52	512	315	27	48	102	21
2013 Q2	1,456	558	135	90	620	54	538	337	26	52	100	23
Q3	1,437	539	133	90	627	47	488	294	26	46	104	18
Q4	1,281	474	110	75	570	52	445	269	23	45	90	18
2014 Q1	1,389	530	143	81	579	56	501	289	35	50	99	27
2014 Feb.	1,388	544	124	85	581	52	466	260	35	48	100	23
Mar.	1,389	530	143	81	579	56	438	234	46	45	83	29
Apr.	1,361	522	141	81	567	50	460	259	22	64	91	24
May	1,365	522	133	84	577	48	461	260	21	60	98	22
						Long-term [2]						
2012	15,110	4,798	3,120	906	5,665	621	255	99	45	16	83	12
2013	15,080	4,413	3,077	985	5,983	622	217	69	38	17	85	8
2013 Q2	15,188	4,564	3,127	934	5,939	624	237	71	40	16	101	10
Q3	15,088	4,465	3,111	964	5,925	623	175	56	26	18	67	8
Q4	15,080	4,413	3,077	985	5,983	622	206	72	35	20	72	7
2014 Q1	15,091	4,299	3,049	1,003	6,115	624	253	82	37	19	102	14
2014 Feb.	15,142	4,347	3,090	998	6,078	629	232	74	25	12	100	21
Mar.	15,091	4,299	3,049	1,003	6,115	624	237	77	40	19	92	9
Apr.	15,073	4,275	3,028	1,003	6,142	625	247	68	43	12	113	10
May	15,225	4,271	3,106	1,020	6,202	627	321	101	89	26	97	8
						of which: Long-term fixed rate						
2012	10,434	2,811	1,210	814	5,154	444	165	54	18	15	71	7
2013	10,680	2,648	1,314	883	5,382	452	144	36	18	14	69	6
2013 Q2	10,676	2,719	1,300	839	5,363	455	154	34	20	13	79	8
Q3	10,655	2,671	1,315	863	5,353	454	121	32	12	14	59	5
Q4	10,680	2,648	1,314	883	5,382	452	137	37	18	18	59	5
2014 Q1	10,756	2,570	1,311	897	5,517	461	183	46	20	16	90	11
2014 Feb.	10,746	2,603	1,313	893	5,477	461	170	39	9	11	93	18
Mar.	10,756	2,570	1,311	897	5,517	461	168	39	27	15	79	7
Apr.	10,762	2,560	1,328	896	5,516	462	156	36	23	11	78	8
May	10,917	2,563	1,395	913	5,583	463	222	39	70	24	83	7
						of which: Long-term variable rate						
2012	4,247	1,733	1,813	88	439	175	78	38	25	1	8	5
2013	3,987	1,562	1,657	98	501	169	61	28	17	2	11	2
2013 Q2	4,076	1,606	1,725	92	484	169	70	31	17	2	17	2
Q3	4,017	1,580	1,693	97	477	169	43	20	13	3	4	2
Q4	3,987	1,562	1,657	98	501	169	61	31	16	2	10	2
2014 Q1	3,919	1,533	1,621	101	501	163	57	31	14	2	8	3
2014 Feb.	3,980	1,545	1,660	100	507	168	47	29	11	0	4	3
Mar.	3,919	1,533	1,621	101	501	163	58	33	11	3	8	2
Apr.	3,895	1,522	1,583	101	526	162	79	29	16	1	32	1
May	3,898	1,514	1,588	102	531	163	88	58	16	2	11	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

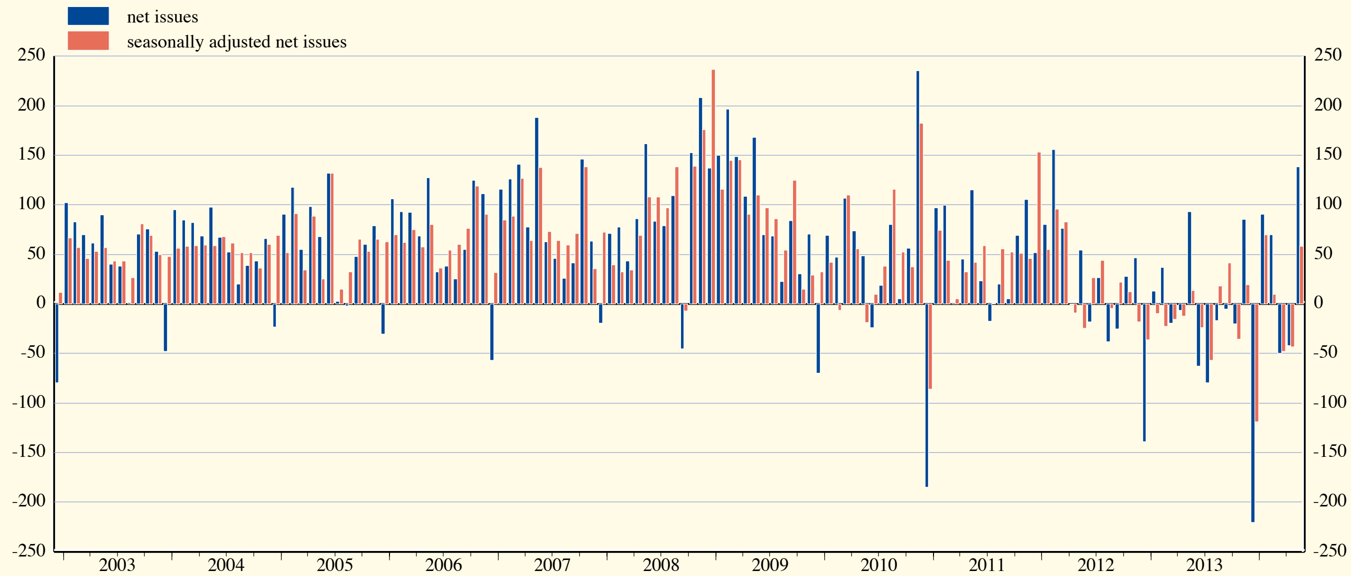
(EUR billions unless otherwise indicated; transactions during the period; nominal values)

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						
2012	20.4	-8.1	1.9	10.5	13.0	3.1	-	-	-	-	-	-
2013	-16.9	-39.7	-7.2	6.7	24.0	-0.6	-	-	-	-	-	-
2013 Q2	7.9	-40.8	3.7	3.5	44.7	-3.3	-7.6	-39.7	3.0	2.4	29.7	-3.0
Q3	-34.1	-36.7	-4.8	11.2	-1.6	-2.1	0.8	-35.5	9.3	11.7	16.0	-0.6
Q4	-51.7	-35.4	-21.9	3.2	0.9	1.4	-45.4	-24.3	-42.4	6.0	14.5	0.9
2014 Q1	36.7	-20.9	0.3	8.2	46.9	2.2	10.3	-34.1	7.4	5.8	30.2	1.0
2014 Feb.	70.0	-27.4	1.8	1.4	81.3	12.8	9.4	-56.9	9.3	-2.1	47.6	11.5
Mar.	-50.1	-63.3	-22.2	1.1	35.2	-0.9	-47.9	-55.6	-21.3	-1.0	37.2	-7.2
Apr.	-42.0	-28.5	-22.7	0.6	14.5	-5.9	-43.6	-32.7	-37.5	-6.0	37.3	-4.8
May	138.2	-14.2	67.1	17.2	68.8	-0.7	58.0	-25.0	58.0	15.2	10.5	-0.6
						Long-term						
2012	30.4	0.5	-0.1	10.4	15.4	4.2	-	-	-	-	-	-
2013	1.2	-29.4	-3.9	7.3	26.8	0.3	-	-	-	-	-	-
2013 Q2	22.6	-33.1	5.3	4.0	45.1	1.3	0.1	-39.1	5.4	3.0	31.0	-0.2
Q3	-28.1	-30.7	-4.1	10.9	-4.2	0.1	13.0	-27.6	6.8	11.5	19.9	2.5
Q4	2.5	-14.5	-10.9	8.3	19.8	-0.2	-1.7	-4.9	-28.6	9.0	22.2	0.6
2014 Q1	2.9	-38.6	-9.3	6.1	44.0	0.7	-12.1	-45.5	-2.6	5.7	31.2	-0.9
2014 Feb.	65.1	-38.7	0.5	3.4	86.5	13.4	9.2	-62.6	5.6	2.2	52.1	11.9
Mar.	-52.2	-49.2	-41.3	5.3	37.8	-4.8	-47.8	-42.1	-38.4	3.1	38.4	-8.9
Apr.	-14.1	-21.9	-20.1	0.4	26.8	0.8	-17.0	-26.7	-30.7	-3.6	44.7	-0.7
May	136.7	-12.0	74.6	14.5	58.5	1.1	66.2	-22.8	66.0	16.3	5.6	1.1

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.

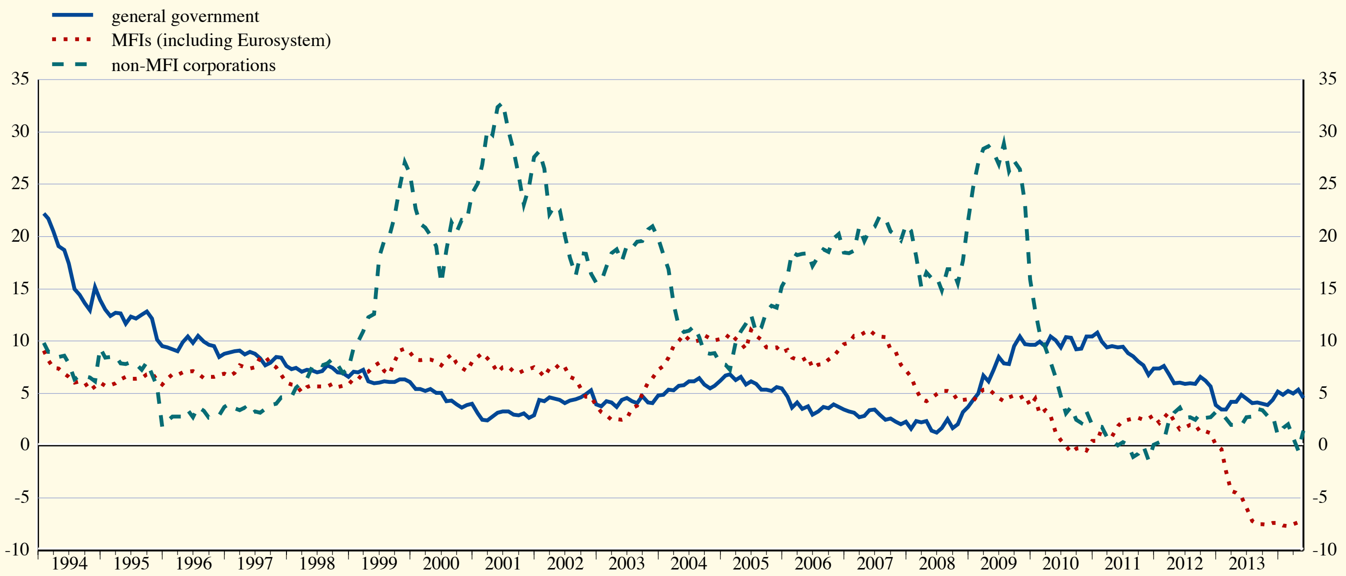
4.3 Growth rates of securities other than shares issued by euro area residents [1]

(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											
2013 May	0.0	-6.5	-0.7	11.2	4.4	-0.4	-1.0	-11.5	3.0	8.4	5.2	-2.9
June	-0.3	-7.3	0.3	10.3	4.3	-2.6	-0.8	-10.8	0.9	5.5	6.3	-2.1
July	-0.9	-8.7	0.5	10.1	4.1	-4.7	-1.4	-11.6	0.7	5.7	5.9	-5.6
Aug.	-0.8	-9.2	1.4	10.7	4.1	-3.6	-0.9	-9.9	0.2	7.3	5.1	-1.4
Sep.	-0.7	-8.9	1.7	10.2	4.1	-3.8	-0.2	-8.4	2.3	8.5	4.3	-3.2
Oct.	-1.0	-9.0	0.8	10.1	3.8	-4.1	-0.5	-7.4	-0.3	8.6	4.2	-5.0
Nov.	-0.7	-8.8	0.7	10.2	4.0	-2.6	-0.5	-5.9	-1.4	12.0	2.8	-2.2
Dec.	-1.2	-8.9	-2.7	8.2	4.6	-1.1	-1.6	-6.9	-6.0	10.7	2.8	0.2
2014 Jan.	-0.8	-8.1	-1.7	9.6	4.4	-2.0	-0.1	-4.4	-4.0	13.7	3.0	2.0
Feb.	-0.6	-7.8	-1.8	8.7	4.5	0.7	-0.2	-5.5	-3.8	10.1	3.9	2.9
Mar.	-0.7	-7.7	-2.1	7.7	4.2	-0.8	-1.3	-6.9	-6.3	6.8	4.1	1.7
Apr.	-1.0	-7.6	-3.5	6.3	4.7	-1.9	-1.4	-7.8	-6.6	3.9	5.3	1.1
May	-0.7	-7.2	-2.0	8.0	3.8	-1.2	-0.9	-8.3	-2.5	4.5	4.8	-0.3
	Long-term											
2013 May	1.0	-4.9	-1.0	13.3	5.1	2.9	-0.4	-10.0	2.0	7.7	5.5	-1.0
June	0.7	-5.9	0.1	12.6	4.8	1.6	-0.2	-10.4	1.3	5.9	7.1	-1.7
July	0.1	-7.2	0.2	12.1	4.5	0.3	-1.1	-11.9	0.9	5.7	6.5	-3.1
Aug.	0.2	-7.5	1.1	12.4	4.5	0.7	-0.1	-10.0	1.9	8.4	5.8	0.3
Sep.	0.2	-7.5	1.2	11.2	4.4	0.3	0.5	-8.4	2.4	9.6	5.3	2.2
Oct.	-0.1	-7.5	0.6	10.9	4.2	0.8	0.6	-6.8	0.3	10.0	5.1	1.7
Nov.	0.2	-7.4	0.6	10.9	4.8	0.4	0.9	-4.7	-0.9	14.2	4.2	1.7
Dec.	0.1	-7.4	-1.5	9.7	5.7	0.6	0.4	-4.2	-4.2	13.6	4.3	3.0
2014 Jan.	0.1	-7.6	-0.8	10.2	5.5	-1.1	1.2	-3.2	-2.4	14.9	4.4	1.2
Feb.	0.4	-7.7	-0.3	10.1	5.6	1.8	0.8	-5.3	-2.4	11.9	5.4	3.3
Mar.	0.0	-7.5	-1.8	9.5	5.4	0.9	-0.5	-6.7	-5.9	9.4	5.5	-0.3
Apr.	-0.1	-7.3	-3.1	8.3	5.9	0.4	-0.7	-7.8	-6.5	6.5	6.8	-0.8
May	0.2	-6.9	-1.2	10.5	4.9	0.7	-0.4	-9.1	-1.6	7.0	5.7	-0.4

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.

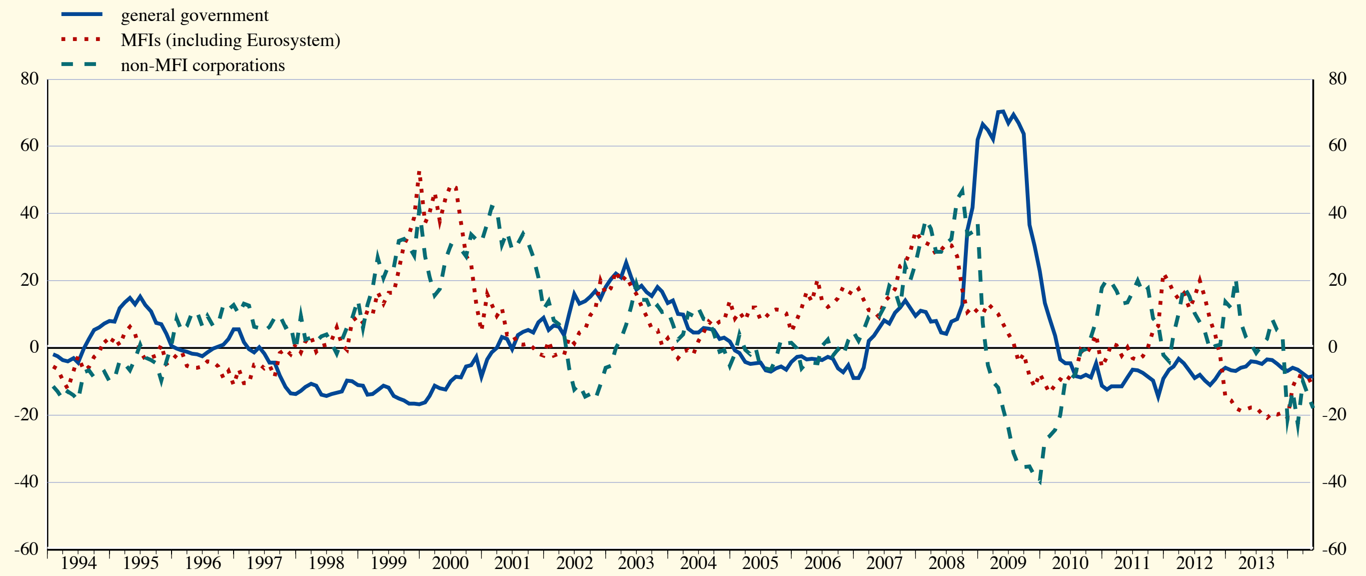
4.3 Growth rates of securities other than shares issued by euro area residents [1] (cont'd)

(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											
2012	5.3	4.1	1.9	10.6	5.9	7.3	-0.9	-0.3	-4.9	-0.4	6.6	23.3
2013	3.3	-3.2	6.7	13.6	4.6	4.1	-7.2	-7.5	-9.4	5.0	-1.3	-0.8
2013 Q2	3.7	-3.3	7.5	15.0	5.1	4.5	-7.5	-6.7	-10.7	2.0	-1.8	-0.8
Q3	3.0	-4.8	7.8	12.9	4.8	3.4	-8.0	-9.6	-8.9	6.9	-1.9	-5.4
Q4	2.3	-5.0	5.2	10.7	4.2	2.6	-6.6	-9.8	-7.9	11.7	6.5	-4.1
2014 Q1	1.8	-5.9	1.4	9.9	4.8	1.8	-5.0	-8.5	-7.2	12.6	12.8	-2.5
2013 Dec.	2.1	-5.1	3.7	9.5	4.5	2.2	-6.2	-9.3	-9.4	11.1	14.2	-2.9
2014 Jan.	1.7	-5.8	2.0	10.0	4.6	0.0	-5.1	-8.8	-7.6	13.4	15.8	-3.0
Feb.	1.8	-6.2	0.0	10.3	5.2	2.9	-4.2	-8.4	-5.2	12.4	10.5	-0.9
Mar.	1.7	-6.4	0.6	9.1	5.0	3.0	-5.0	-7.2	-7.8	12.9	10.2	-4.3
Apr.	1.7	-6.4	0.9	8.1	5.0	2.6	-5.2	-6.8	-9.7	12.2	13.8	-5.0
May	2.2	-5.8	3.9	10.4	4.6	2.1	-5.4	-6.9	-9.3	13.1	9.5	-3.0
	In euro											
2012	5.5	4.6	0.6	10.9	6.0	7.2	-0.6	2.0	-6.5	-1.4	6.3	22.9
2013	3.1	-4.0	4.1	14.7	4.6	4.1	-7.5	-7.2	-10.7	6.2	-1.8	-1.2
2013 Q2	3.4	-4.0	4.6	16.4	5.0	4.4	-7.7	-5.9	-12.0	4.0	-2.4	-1.4
Q3	2.7	-5.9	5.0	14.0	4.8	3.8	-8.4	-9.7	-9.9	8.4	-2.3	-5.8
Q4	2.0	-6.0	2.8	11.4	4.3	2.8	-7.0	-10.3	-8.7	12.8	6.4	-4.5
2014 Q1	1.6	-7.1	-1.2	9.6	4.9	1.7	-5.7	-9.3	-8.4	11.7	12.9	-2.8
2013 Dec.	2.0	-6.2	2.4	10.3	4.6	2.4	-6.9	-10.2	-10.5	11.2	14.1	-3.4
2014 Jan.	1.4	-6.9	-1.4	9.7	4.6	0.0	-5.9	-9.6	-9.3	12.1	16.0	-3.1
Feb.	1.6	-7.4	-2.7	9.7	5.2	2.7	-4.8	-9.2	-6.1	11.3	10.7	-1.5
Mar.	1.5	-7.8	-1.4	8.4	5.0	2.6	-5.6	-8.1	-8.8	12.1	10.3	-4.1
Apr.	1.5	-8.1	-0.5	7.5	5.1	2.3	-5.9	-7.6	-11.1	10.9	14.2	-4.3
May	2.1	-7.5	4.6	9.2	4.7	1.8	-6.1	-7.9	-10.5	12.0	9.8	-2.2

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)

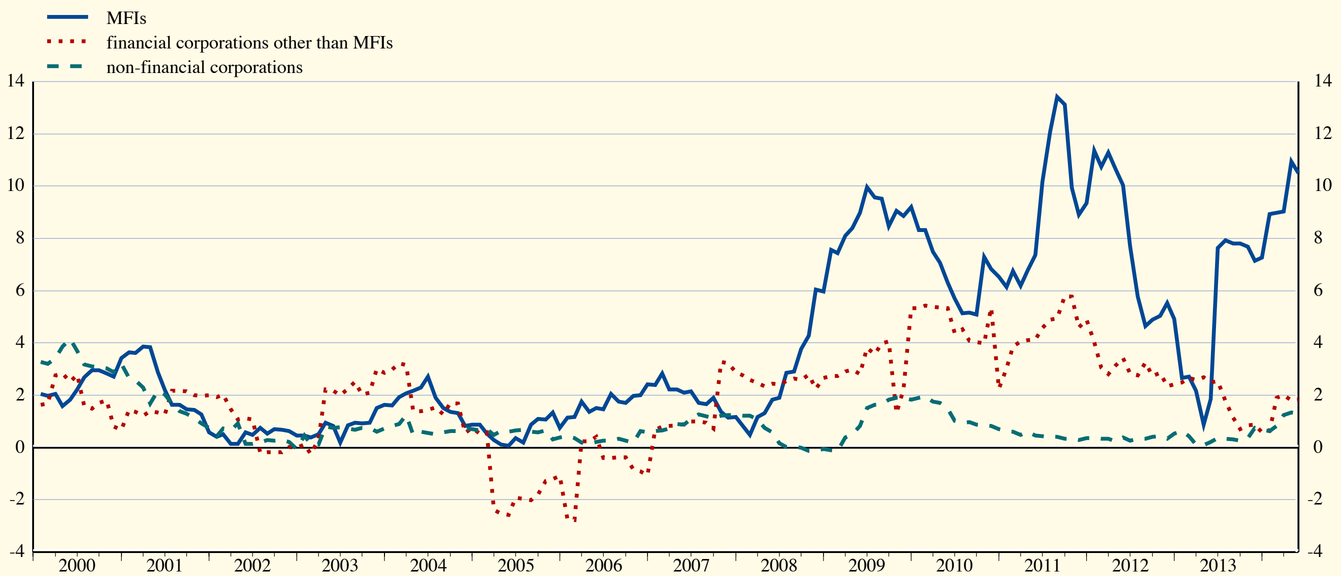
1. Outstanding amounts and annual growth rates

(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
2012 May	3,765.4	106.6	1.5	280.8	10.0	265.5	3.4	3,219.1	0.4
June	3,928.0	106.7	1.1	317.6	7.7	285.0	2.8	3,325.4	0.3
July	4,054.1	106.8	1.0	309.9	5.8	292.1	2.7	3,452.1	0.3
Aug.	4,178.8	106.8	0.9	349.6	4.6	309.4	3.2	3,519.7	0.3
Sep.	4,235.1	106.9	0.9	364.9	4.9	323.9	2.7	3,546.2	0.4
Oct.	4,311.8	107.0	1.0	383.5	5.0	333.8	2.8	3,594.4	0.4
Nov.	4,399.7	106.9	0.9	395.7	5.5	342.3	2.3	3,661.8	0.3
Dec.	4,503.7	107.2	1.0	402.4	4.9	357.3	2.4	3,743.9	0.5
2013 Jan.	4,658.5	107.3	0.9	441.5	2.7	370.7	2.5	3,846.3	0.6
Feb.	4,643.2	107.1	0.8	416.1	2.7	364.5	2.7	3,862.6	0.4
Mar.	4,645.2	106.9	0.5	380.3	2.2	369.0	2.6	3,895.9	0.1
Apr.	4,747.4	106.8	0.3	410.4	0.9	394.9	2.7	3,942.1	0.1
May	4,864.1	107.1	0.5	440.2	1.9	408.0	2.5	4,016.0	0.2
June	4,663.9	107.9	1.2	413.5	7.6	394.5	2.5	3,855.9	0.4
July	4,903.7	108.0	1.1	446.6	7.9	418.7	1.8	4,038.5	0.3
Aug.	4,892.0	107.9	1.1	461.5	7.8	416.1	1.1	4,014.5	0.3
Sep.	5,136.7	107.9	1.0	491.7	7.8	427.6	0.7	4,217.3	0.3
Oct.	5,411.0	108.1	1.1	557.2	7.7	445.1	0.8	4,408.7	0.4
Nov.	5,502.3	108.4	1.3	562.8	7.1	454.6	0.9	4,484.9	0.7
Dec.	5,567.9	108.6	1.3	569.0	7.3	465.8	0.6	4,533.1	0.7
2014 Jan.	5,485.2	108.8	1.4	597.7	8.9	456.1	0.6	4,431.5	0.6
Feb.	5,757.5	108.9	1.7	637.8	9.0	475.3	1.9	4,644.4	0.8
Mar.	5,809.2	109.1	2.0	642.6	9.0	477.1	2.0	4,689.5	1.2
Apr.	5,842.0	109.2	2.2	639.1	10.9	485.9	1.8	4,717.0	1.3
May	5,940.5	109.4	2.2	642.6	10.5	485.4	1.8	4,812.6	1.3

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

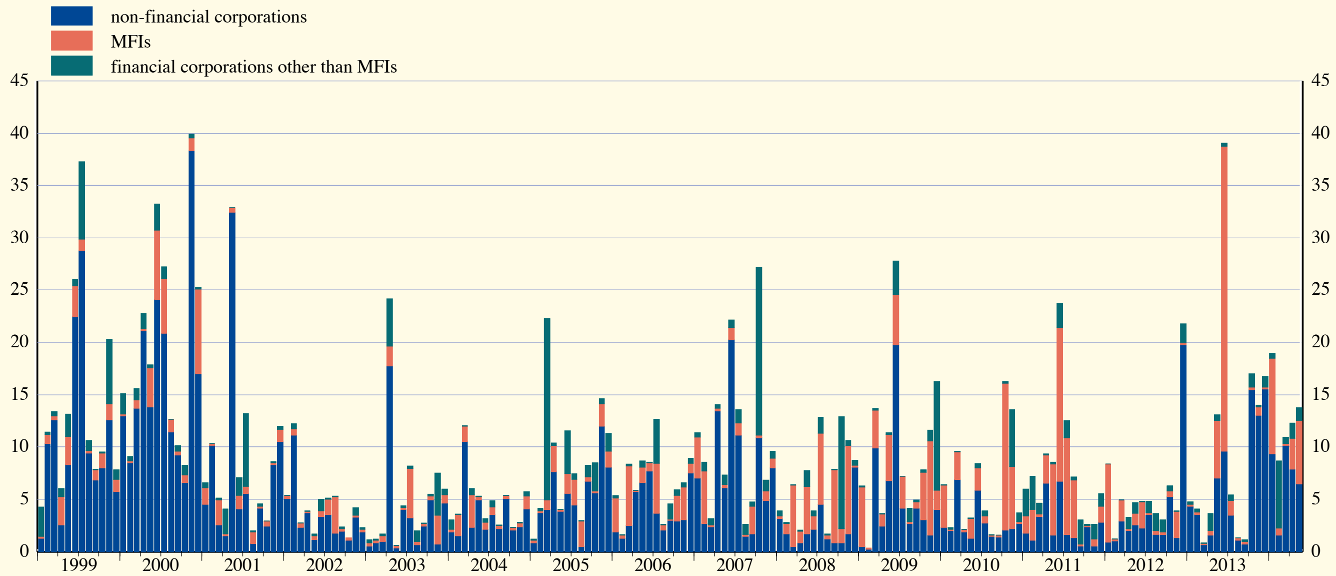
(EUR billions; market values)

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
2012 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	4.8	0.3	4.5	0.2	0.0	0.2	1.1	0.0	1.1	3.6	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.	21.6	11.4	10.2	0.0	0.5	-0.5	1.8	0.0	1.8	19.8	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
Feb.	4.1	11.4	-7.3	0.3	0.0	0.3	0.3	0.0	0.3	3.5	11.4	-7.8
Mar.	0.7	10.6	-9.9	0.0	0.1	-0.1	0.0	0.3	-0.3	0.6	10.1	-9.4
Apr.	3.6	5.9	-2.3	0.4	5.2	-4.8	1.7	0.0	1.6	1.6	0.7	0.9
May	13.1	1.8	11.3	5.5	0.0	5.5	0.6	0.0	0.5	7.0	1.8	5.2
June	39.1	1.9	37.1	29.2	0.0	29.1	0.3	0.3	0.1	9.6	1.7	7.9
July	5.4	3.0	2.4	1.4	0.0	1.4	0.6	1.9	-1.4	3.5	1.1	2.4
Aug.	1.1	2.3	-1.2	0.0	0.0	0.0	0.0	0.5	-0.5	1.1	1.8	-0.7
Sep.	1.0	1.7	-0.7	0.1	0.0	0.1	0.1	0.6	-0.4	0.7	1.1	-0.4
Oct.	16.9	7.5	9.4	0.1	0.0	0.1	1.3	0.1	1.2	15.5	7.4	8.1
Nov.	14.0	2.1	11.9	0.8	0.0	0.8	0.2	0.1	0.1	13.0	2.0	11.0
Dec.	16.6	7.0	9.6	0.0	0.0	0.0	1.1	0.0	1.1	15.6	7.0	8.6
2014 Jan.	18.9	7.8	11.1	9.1	0.3	8.9	0.5	0.1	0.3	9.4	7.4	1.9
Feb.	8.7	2.3	6.4	0.7	0.0	0.7	6.4	0.3	6.1	1.6	2.0	-0.4
Mar.	10.8	2.4	8.4	0.0	0.0	0.0	0.6	0.6	0.0	10.2	1.8	8.4
Apr.	12.3	3.1	9.2	3.0	0.0	3.0	1.4	0.2	1.3	7.9	2.9	5.0
May	13.7	2.6	11.1	6.0	0.0	6.0	1.2	0.4	0.8	6.5	2.2	4.2

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
2013 July	0.31	1.88	1.90	2.08	1.28	1.23	0.37	0.82	1.63	1.78	0.85
Aug.	0.30	1.81	1.87	2.05	1.15	1.21	0.37	0.70	1.57	1.85	0.51
Sep.	0.30	1.71	1.86	2.06	1.15	1.17	0.35	0.81	1.68	1.87	0.56
Oct.	0.29	1.72	1.83	2.07	1.13	1.15	0.34	0.78	1.65	2.28	0.29
Nov.	0.29	1.60	1.76	2.02	1.12	1.11	0.34	0.75	1.57	1.73	0.47
Dec.	0.29	1.58	1.66	1.91	1.11	1.07	0.34	0.79	1.52	1.63	0.71
2014 Jan.	0.28	1.66	1.64	1.95	1.09	1.05	0.33	0.71	1.42	1.81	0.58
Feb.	0.28	1.60	1.63	1.93	1.11	1.03	0.33	0.63	1.42	1.75	0.83
Mar.	0.28	1.57	1.50	1.86	1.07	1.01	0.35	0.65	1.37	1.58	0.87
Apr.	0.27	1.57	1.44	1.83	1.06	0.99	0.34	0.70	1.24	1.60	0.28
May	0.27	1.42	1.31	1.72	1.05	0.96	0.34	0.61	1.26	1.38	0.29
June	0.27	1.35	1.24	1.74	1.04	0.92	0.31	0.57	1.13	1.52	0.20

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
2013 July	7.75	16.96	5.63	6.12	7.63	7.15	2.84	2.97	2.90	3.17	3.28	3.19	3.75	3.18
Aug.	7.74	17.01	5.62	6.15	7.64	7.17	2.80	3.01	2.97	3.18	3.31	3.00	4.06	3.15
Sep.	7.77	17.02	5.80	6.07	7.62	7.22	2.83	3.05	3.05	3.25	3.35	3.04	3.99	3.16
Oct.	7.67	17.02	5.71	6.04	7.63	7.15	2.77	3.04	3.12	3.27	3.35	3.10	3.95	3.26
Nov.	7.64	16.96	5.81	6.05	7.75	7.21	2.79	3.06	3.15	3.31	3.37	3.30	4.08	3.19
Dec.	7.63	16.94	5.63	6.20	7.44	7.05	2.78	3.00	3.15	3.32	3.37	3.07	3.86	3.05
2014 Jan.	7.69	17.08	5.73	6.08	7.73	7.34	2.76	3.01	3.12	3.31	3.36	3.18	3.80	3.01
Feb.	7.65	17.08	5.87	6.01	7.68	7.38	2.79	2.95	3.09	3.27	3.35	3.23	3.97	3.07
Mar.	7.65	17.08	5.83	5.94	7.54	7.28	2.78	2.90	3.03	3.23	3.29	3.23	4.03	3.12
Apr.	7.61	17.24	5.67	5.82	7.51	7.18	2.72	2.91	3.00	3.24	3.29	3.10	3.87	3.07
May	7.56	17.25	5.64	5.96	7.58	7.27	2.71	2.87	2.96	3.14	3.23	3.29	3.96	2.98
June	7.59	17.21	5.46	5.89	7.46	7.11	2.64	2.83	2.89	3.09	3.19	3.16	3.86	2.94

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
2013 July	4.12	4.65	4.80	4.34	4.09	3.48	3.45	2.13	2.71	2.72	2.82	2.98	3.17
Aug.	4.10	4.50	4.81	4.41	4.06	3.41	3.39	2.03	2.56	2.82	3.00	2.88	3.10
Sep.	4.13	4.53	4.67	4.39	4.16	3.41	3.42	2.08	2.54	2.86	2.75	2.89	3.28
Oct.	4.14	4.60	4.83	4.39	4.14	3.51	3.50	2.19	2.64	3.14	2.86	3.28	3.38
Nov.	4.08	4.56	4.71	4.34	4.29	3.56	3.50	2.23	2.62	2.96	2.90	2.98	3.10
Dec.	4.12	4.53	4.49	4.20	4.19	3.43	3.41	2.17	2.73	2.67	2.81	2.82	3.13
2014 Jan.	4.16	4.61	4.68	4.25	3.99	3.40	3.48	2.15	2.74	2.76	2.94	3.03	3.12
Feb.	4.11	4.54	4.59	4.26	4.08	3.48	3.46	2.08	2.78	2.91	2.77	2.79	3.13
Mar.	4.08	4.60	4.49	4.22	4.10	3.51	3.47	2.18	2.74	2.83	2.99	2.77	3.23
Apr.	4.12	4.59	4.48	4.10	3.95	3.45	3.45	2.20	2.57	2.88	2.57	2.82	3.20
May	4.05	4.50	4.51	4.22	4.06	3.41	3.41	2.07	2.42	2.67	2.80	2.62	3.04
June	4.01	4.29	4.37	4.12	4.04	3.36	3.21	1.95	2.71	2.61	3.35	2.81	2.95

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)

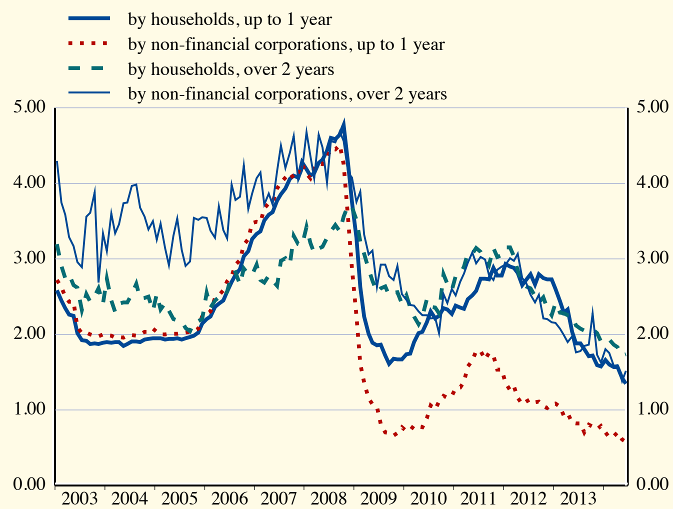
	Deposits from households					Deposits from non-financial corporations			Repos
	Overnight	With an agreed maturity of:		Redeemable at notice of: [2)]		Overnight	With an agreed maturity of:		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9
2013 July	0.31	2.28	2.64	1.28	1.23	0.37	1.46	2.77	1.67
Aug.	0.30	2.22	2.63	1.15	1.21	0.37	1.44	2.82	1.50
Sep.	0.30	2.16	2.63	1.15	1.17	0.35	1.41	2.84	1.66
Oct.	0.29	2.09	2.60	1.13	1.15	0.34	1.34	2.83	1.35
Nov.	0.29	2.02	2.60	1.12	1.11	0.34	1.32	2.84	1.34
Dec.	0.29	1.94	2.57	1.11	1.07	0.34	1.29	2.79	1.05
2014 Jan.	0.28	1.87	2.55	1.09	1.05	0.33	1.24	2.77	1.01
Feb.	0.28	1.84	2.59	1.11	1.03	0.33	1.23	2.78	1.08
Mar.	0.28	1.79	2.53	1.07	1.01	0.35	1.20	2.76	1.11
Apr.	0.27	1.75	2.52	1.06	0.99	0.34	1.18	2.73	1.02
May	0.27	1.70	2.48	1.05	0.96	0.34	1.18	2.71	0.87
June	0.27	1.65	2.48	1.04	0.92	0.31	1.15	2.67	0.78

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
2013 July	3.51	3.24	3.40	7.59	6.18	4.84	3.64	3.26	3.14
Aug.	3.52	3.22	3.37	7.58	6.16	4.82	3.63	3.26	3.12
Sep.	3.55	3.22	3.37	7.64	6.16	4.83	3.65	3.24	3.13
Oct.	3.50	3.20	3.35	7.61	6.10	4.80	3.62	3.27	3.12
Nov.	3.51	3.22	3.34	7.52	6.11	4.79	3.59	3.28	3.12
Dec.	3.59	3.24	3.33	7.49	6.08	4.77	3.61	3.29	3.14
2014 Jan.	3.61	3.17	3.31	7.59	6.11	4.76	3.67	3.30	3.13
Feb.	3.59	3.21	3.37	7.64	6.23	4.83	3.63	3.33	3.17
Mar.	3.57	3.18	3.33	7.62	6.13	4.76	3.62	3.30	3.13
Apr.	3.63	3.16	3.31	7.51	6.14	4.78	3.63	3.30	3.14
May	3.60	3.15	3.29	7.50	6.13	4.76	3.57	3.28	3.13
June	3.28	3.14	3.29	7.49	6.15	4.78	3.52	3.27	3.13

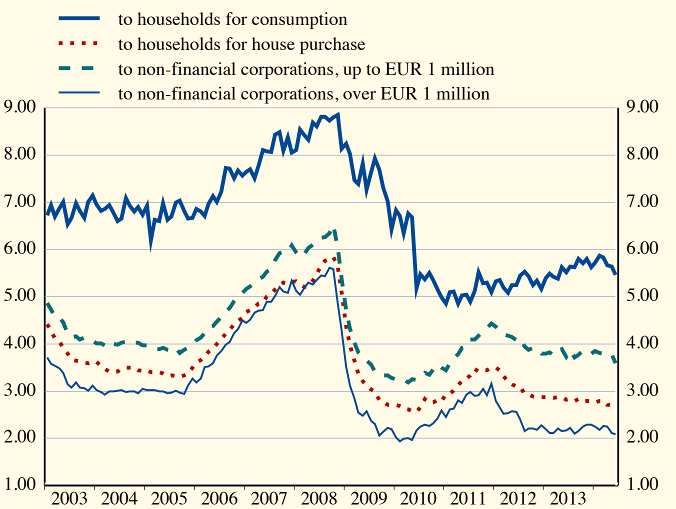
C21 New deposits with an agreed maturity

(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.

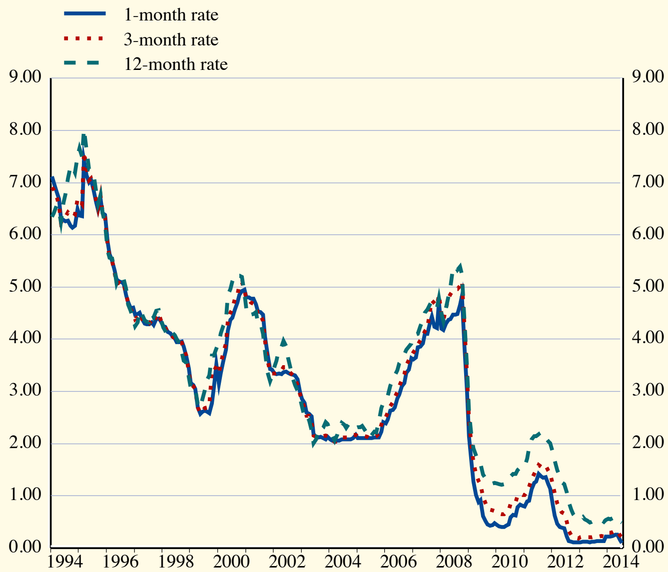
4.6 Money market interest rates

(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
2011	0.87	1.18	1.39	1.64	2.01	0.34	0.19
2012	0.23	0.33	0.57	0.83	1.11	0.43	0.19
2013	0.09	0.13	0.22	0.34	0.54	0.27	0.15
2013 Q2	0.08	0.12	0.21	0.31	0.51	0.28	0.16
Q3	0.09	0.13	0.22	0.34	0.54	0.26	0.15
Q4	0.12	0.16	0.24	0.35	0.53	0.24	0.14
2014 Q1	0.18	0.23	0.30	0.40	0.56	0.24	0.14
Q2	0.19	0.22	0.30	0.39	0.57	0.23	0.13
2013 July	0.09	0.13	0.22	0.34	0.53	0.27	0.16
Aug.	0.08	0.13	0.23	0.34	0.54	0.26	0.15
Sep.	0.08	0.13	0.22	0.34	0.54	0.25	0.15
Oct.	0.09	0.13	0.23	0.34	0.54	0.24	0.15
Nov.	0.10	0.13	0.22	0.33	0.51	0.24	0.14
Dec.	0.17	0.21	0.27	0.37	0.54	0.24	0.15
2014 Jan.	0.20	0.22	0.29	0.40	0.56	0.24	0.14
Feb.	0.16	0.22	0.29	0.39	0.55	0.24	0.14
Mar.	0.19	0.23	0.31	0.41	0.58	0.23	0.14
Apr.	0.25	0.25	0.33	0.43	0.60	0.23	0.14
May	0.25	0.26	0.32	0.42	0.59	0.23	0.14
June	0.08	0.15	0.24	0.33	0.51	0.23	0.13
July	0.04	0.10	0.21	0.30	0.49	0.23	0.13

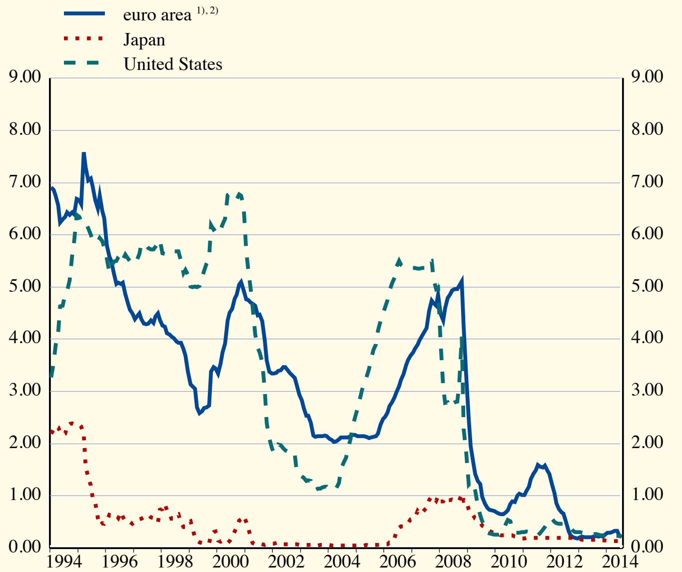
C23 Euro area money market rates [1), 2)]

(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.

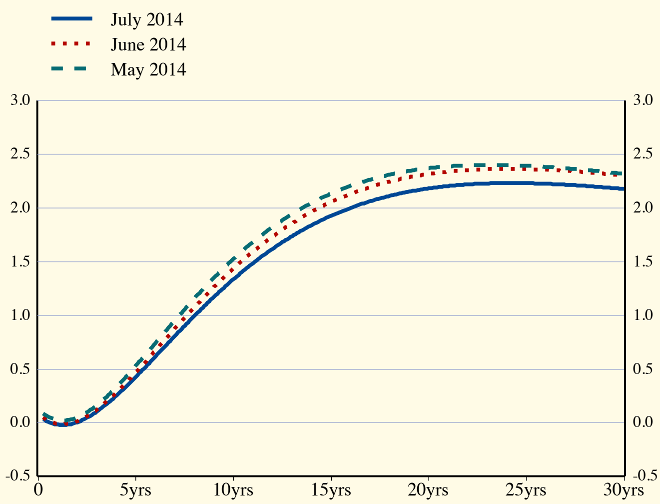
4.7 Euro area yield curves [1]

(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
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
2013	0.08	0.09	0.25	1.07	1.62	2.24	2.16	1.99	0.18	0.67	2.53	3.88
2013 Q2	0.03	0.11	0.30	1.05	1.54	2.14	2.11	1.84	0.27	0.73	2.35	3.78
Q3	0.02	0.07	0.22	0.94	1.45	2.05	2.03	1.84	0.17	0.60	2.25	3.74
Q4	0.08	0.09	0.25	1.07	1.62	2.24	2.16	1.99	0.18	0.67	2.53	3.88
2014 Q1	0.16	0.11	0.17	0.76	1.23	1.82	1.66	1.65	0.11	0.40	1.94	3.50
Q2	0.05	-0.01	0.02	0.47	0.88	1.44	1.39	1.42	-0.04	0.16	1.46	3.09
2013 July	0.01	0.04	0.18	0.88	1.36	1.95	1.95	1.77	0.14	0.54	2.14	3.59
Aug.	0.02	0.09	0.27	1.06	1.58	2.17	2.16	1.90	0.23	0.71	2.43	3.78
Sep.	0.02	0.07	0.22	0.94	1.45	2.05	2.03	1.84	0.17	0.60	2.25	3.74
Oct.	0.05	0.05	0.15	0.82	1.32	1.95	1.90	1.80	0.09	0.45	2.10	3.74
Nov.	0.08	0.05	0.14	0.82	1.34	1.99	1.91	1.84	0.08	0.43	2.14	3.79
Dec.	0.08	0.09	0.25	1.07	1.62	2.24	2.16	1.99	0.18	0.67	2.53	3.88
2014 Jan.	0.09	0.04	0.11	0.77	1.27	1.89	1.80	1.79	0.04	0.37	2.06	3.61
Feb.	0.14	0.09	0.16	0.79	1.27	1.88	1.74	1.72	0.09	0.41	2.03	3.56
Mar.	0.16	0.11	0.17	0.76	1.23	1.82	1.66	1.65	0.11	0.40	1.94	3.50
Apr.	0.13	0.09	0.16	0.71	1.15	1.72	1.60	1.56	0.10	0.38	1.81	3.36
May	0.09	0.03	0.06	0.56	0.98	1.56	1.47	1.49	0.01	0.23	1.60	3.23
June	0.05	-0.01	0.02	0.47	0.88	1.44	1.39	1.42	-0.04	0.16	1.46	3.09
July	0.04	-0.02	0.01	0.43	0.81	1.34	1.30	1.33	-0.04	0.14	1.35	2.91

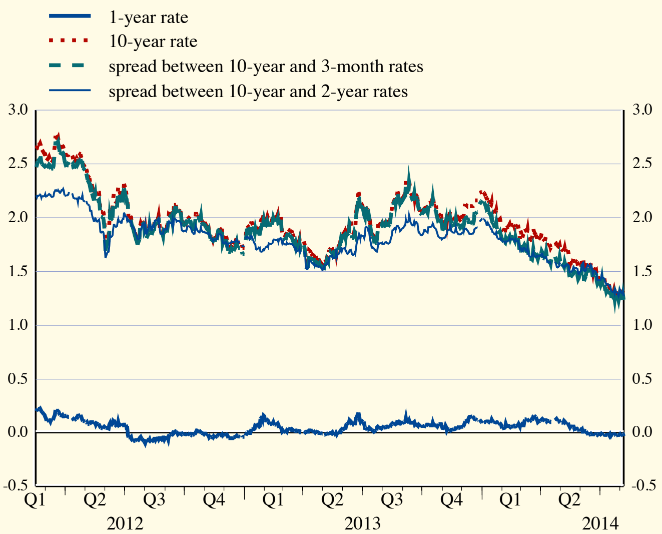
C25 Euro area spot yield curves [2]

(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.

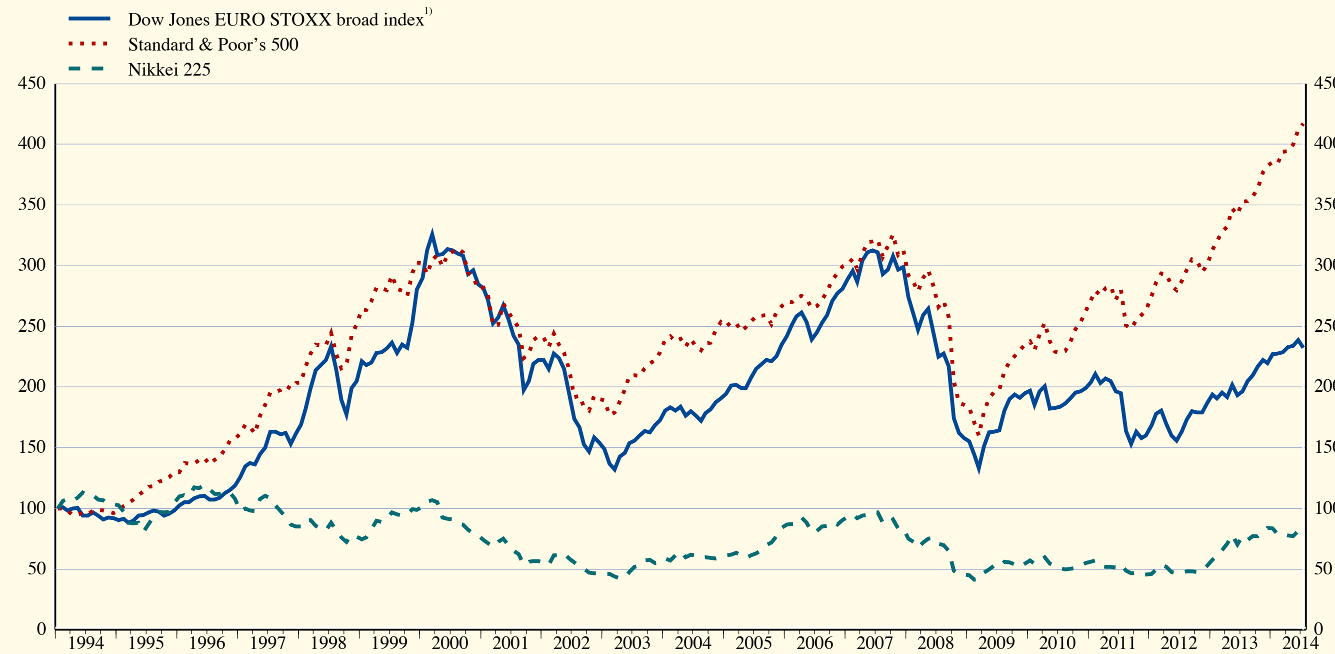
4.8 Stock market indices

(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
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
2013	281.9	2,794.0	586.3	195.0	468.2	312.8	151.5	402.7	274.1	230.6	253.4	629.4	1,643.8	13,577.9
2013 Q2	271.8	2,696.1	574.6	188.6	458.8	303.7	141.5	383.0	259.3	226.1	239.3	653.6	1,609.5	13,629.3
Q3	282.1	2,782.3	581.1	197.7	477.6	312.1	150.4	406.2	277.3	224.0	245.3	631.3	1,674.9	14,127.7
Q4	304.9	3,017.6	620.6	211.9	492.2	325.7	169.9	442.8	301.9	249.5	287.4	631.8	1,768.7	14,951.3
2014 Q1	315.9	3,090.8	639.0	218.7	500.1	323.4	182.2	461.0	306.3	262.3	293.9	640.7	1,834.9	14,958.9
Q2	326.5	3,214.0	657.3	219.5	524.2	360.3	184.5	471.9	305.3	284.9	311.9	656.5	1,900.4	14,655.0
2013 July	272.4	2,686.5	569.6	193.1	465.9	298.7	142.0	389.5	268.1	215.1	231.5	642.5	1,668.7	14,317.5
Aug.	284.2	2,803.8	581.8	198.2	482.8	314.9	153.2	407.0	276.1	223.8	245.6	636.8	1,670.1	13,726.7
Sep.	290.6	2,864.6	592.8	202.3	485.0	323.9	156.8	423.6	288.6	234.1	260.0	613.1	1,687.2	14,372.1
Oct.	301.4	2,988.9	602.2	210.0	487.3	329.2	168.4	436.3	293.4	249.6	290.6	616.5	1,720.0	14,329.0
Nov.	308.7	3,056.0	630.5	214.1	498.7	330.9	171.1	448.8	306.1	253.7	289.1	646.6	1,783.5	14,931.7
Dec.	304.7	3,010.2	631.3	211.7	490.9	316.3	170.3	443.9	307.2	245.0	282.0	633.9	1,807.8	15,655.2
2014 Jan.	314.7	3,092.4	640.7	217.4	497.9	318.8	181.3	462.3	308.2	251.3	297.4	647.6	1,822.4	15,578.3
Feb.	315.9	3,085.9	643.7	219.2	502.0	318.9	183.0	460.0	304.3	261.1	291.9	638.3	1,817.0	14,617.6
Mar.	317.0	3,094.0	632.7	219.5	500.7	332.4	182.5	460.6	306.2	275.0	292.2	635.8	1,863.5	14,694.8
Apr.	323.2	3,171.5	637.8	219.9	518.8	348.9	185.8	470.5	304.1	278.7	298.6	642.4	1,864.3	14,475.3
May	324.7	3,197.4	660.9	217.7	521.7	362.3	181.9	470.2	300.4	280.6	315.0	657.2	1,889.8	14,343.1
June	331.5	3,271.7	672.1	220.9	531.9	369.2	185.9	475.0	311.6	295.2	321.4	669.1	1,947.1	15,131.8
July	322.3	3,192.3	659.8	215.3	522.6	361.0	178.3	453.8	311.5	292.0	308.7	660.0	1,973.1	15,379.3

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 2014	100.0	100.0	81.7	57.2	42.8	100.0	12.3	7.5	26.7	10.8	42.8	87.3	12.7
	1	2	3	4	5	6	7	8	9	10	11	12	13
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	3.5
2012	115.6	2.5	1.8	3.0	1.8	-	-	-	-	-	-	2.3	3.8
2013	117.2	1.4	1.3	1.3	1.4	-	-	-	-	-	-	1.2	2.1
2013 Q2	117.5	1.4	1.3	1.5	1.3	0.1	0.5	1.6	0.1	-1.8	0.2	1.3	2.3
Q3	117.3	1.3	1.3	1.3	1.4	0.4	0.7	0.4	0.0	1.0	0.5	1.3	1.8
Q4	117.6	0.8	1.0	0.5	1.2	-0.1	0.3	-1.2	0.1	-1.1	0.1	0.7	1.4
2014 Q1	117.2	0.7	1.0	0.3	1.2	0.2	0.3	0.0	0.1	0.0	0.3	0.5	2.0
Q2	118.2	0.6	0.9	0.0	1.3	0.0	0.1	-1.0	-0.2	-0.3	0.3	0.3	2.2
2014 Feb.	116.9	0.7	1.1	0.3	1.3	0.1	0.0	-0.4	0.1	0.1	0.2	0.5	2.0
Mar.	118.0	0.5	0.9	0.0	1.1	-0.1	0.1	-0.5	-0.1	-0.3	0.1	0.2	2.0
Apr.	118.2	0.7	1.1	0.1	1.6	0.0	0.0	-0.1	-0.1	-0.1	0.1	0.5	2.3
May	118.1	0.5	0.8	0.0	1.1	0.0	0.1	-0.5	-0.1	-0.1	0.1	0.2	2.2
June	118.2	0.5	0.8	-0.1	1.3	0.1	0.0	-0.2	0.0	0.2	0.2	0.3	2.1
July [3]	117.5	0.4	.	.	1.3	.	.	.	.	-0.2	.	.	.

	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 2014	19.8	12.3	7.5	37.5	26.7	10.8	10.5	6.2	7.3	3.1	14.7	7.2
	14	15	16	17	18	19	20	21	22	23	24	25
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
2013	2.7	2.2	3.5	0.6	0.6	0.6	1.7	1.5	2.4	-4.2	2.2	0.7
2013 Q2	3.1	2.1	4.8	0.6	0.8	0.3	1.6	1.3	2.5	-4.5	2.0	0.9
Q3	3.1	2.5	4.2	0.3	0.4	0.1	1.8	1.7	2.3	-4.0	2.2	0.8
Q4	1.8	2.1	1.3	-0.1	0.3	-0.9	1.7	1.4	1.8	-3.5	2.0	0.4
2014 Q1	1.4	1.8	0.7	-0.3	0.3	-1.9	1.8	1.4	1.6	-2.7	1.3	1.2
Q2	0.2	1.5	-1.8	-0.1	0.0	-0.4	1.9	1.4	1.8	-2.8	1.6	1.3
2014 Feb.	1.5	1.8	0.9	-0.4	0.4	-2.3	1.8	1.4	1.8	-2.4	1.5	1.2
Mar.	1.0	1.7	-0.1	-0.5	0.2	-2.1	1.8	1.4	1.3	-2.4	1.1	1.2
Apr.	0.7	1.6	-0.7	-0.3	0.1	-1.2	1.8	1.4	2.5	-2.6	2.0	1.3
May	0.1	1.5	-2.1	0.0	0.0	0.0	1.9	1.4	1.4	-2.9	1.2	1.3
June	-0.2	1.4	-2.8	0.0	-0.1	0.1	1.8	1.4	1.6	-2.9	1.6	1.4
July [3]	-0.3	.	.	.	0.0	-1.0	.	.	.	.	.	.

Sources: Eurostat and ECB calculations.

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

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

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

2. Industry, construction and property prices

	Industrial producer prices excluding construction										Construct-ion[1]	Residential property prices[2]	Experimental indicator of commercial property prices[2), 3)]
	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	78.1	72.1	29.4	20.1	22.6	2.3	20.3	27.9			
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010	100.0	2.7	3.3	1.7	3.6	0.2	0.4	0.7	0.4	6.2	1.9	0.9	-0.3
2011	105.7	5.7	5.3	3.8	5.8	1.5	3.3	1.9	3.5	10.9	3.3	1.1	2.9
2012	108.6	2.8	2.0	1.4	0.7	1.0	2.5	1.6	2.6	6.6	1.6	-1.8	-0.2
2013	108.5	-0.2	-0.1	0.4	-0.6	0.6	1.7	0.7	1.8	-1.6	0.6	-2.1	-1.0
2013 Q2	108.3	-0.1	-0.1	0.5	-0.5	0.6	1.9	0.8	2.1	-2.0	0.4	-2.4	-1.1
Q3	108.3	-0.6	-0.3	0.3	-1.1	0.6	1.8	0.6	2.0	-2.7	0.4	-1.5	-1.0
Q4	108.0	-1.1	-0.9	-0.3	-1.7	0.5	0.9	0.6	1.0	-2.8	0.8	-1.6	-0.9
2014 Q1	107.6	-1.6	-1.1	-0.5	-1.8	0.4	0.6	0.9	0.5	-4.1	0.4	-0.5	.
Q2	107.2	-1.0	-0.3	-0.2	-1.2	0.3	0.5	0.8	0.5	-2.8	.	.	.
2014 Jan.	107.8	-1.3	-0.9	-0.4	-1.7	0.4	0.7	0.9	0.6	-3.5	-	-	-
Feb.	107.6	-1.7	-1.3	-0.5	-1.8	0.3	0.6	0.8	0.5	-4.4	-	-	-
Mar.	107.3	-1.7	-1.2	-0.5	-1.9	0.3	0.5	0.8	0.4	-4.4	-	-	-
Apr.	107.2	-1.2	-0.5	-0.3	-1.5	0.3	0.7	0.8	0.7	-3.3	-	-	-
May	107.1	-1.0	-0.4	-0.2	-1.2	0.3	0.6	0.8	0.6	-2.7	-	-	-
June	107.3	-0.8	-0.2	-0.1	-0.9	0.4	0.4	1.0	0.3	-2.3	-	-	-

3. Commodity prices and gross domestic product deflators

	Oil prices[4] (EUR per barrel)	Non-energy commodity prices						GDP deflators								
		Import-weighted[5]			Use-weighted[6]			Total (s.a.; index: 2005 = 100)	Total	Domestic demand				Exports[7]	Imports[7]
		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
2010	60.7	44.0	19.3	57.9	40.4	22.6	54.5	108.1	0.8	1.5	1.6	0.8	0.8	3.0	5.0
2011	79.7	15.9	21.3	13.6	15.0	20.0	11.8	109.4	1.2	2.0	2.4	0.8	1.5	3.6	5.8
2012	86.6	-5.2	0.2	-7.6	-1.7	5.8	-6.9	110.9	1.3	1.6	2.1	1.0	1.1	1.6	2.4
2013	81.7	-8.0	-13.4	-5.3	-7.7	-10.1	-5.8	112.5	1.5	1.1	1.2	1.2	0.3	-0.3	-1.3
2013 Q2	79.0	-8.3	-6.4	-9.2	-6.5	-3.6	-8.6	112.5	1.6	1.2	1.3	1.0	0.2	0.0	-1.2
Q3	82.5	-10.6	-22.2	-4.3	-11.4	-18.2	-5.7	112.6	1.4	1.0	1.4	1.1	0.2	-0.6	-1.6
Q4	80.3	-10.1	-18.4	-5.9	-10.9	-15.4	-7.2	112.7	1.1	0.7	0.9	1.1	0.2	-0.9	-1.9
2014 Q1	78.6	-12.9	-8.8	-14.7	-11.0	-6.7	-14.1	113.2	0.9	0.6	0.8	0.5	0.1	-1.0	-2.0
Q2	79.9	-6.3	-1.3	-8.6	-3.7	1.1	-7.4	.	.	.	.	.	.	.	.
2014 Feb.	79.4	-13.1	-8.2	-15.2	-11.3	-6.8	-14.5	-	-	-	-	-	-	-	-
Mar.	77.8	-12.4	-3.9	-16.2	-9.5	-1.2	-15.5	-	-	-	-	-	-	-	-
Apr.	78.2	-7.6	0.6	-11.2	-5.4	1.3	-10.4	-	-	-	-	-	-	-	-
May	79.4	-6.9	-2.1	-9.2	-3.9	1.4	-8.0	-	-	-	-	-	-	-	-
June	82.3	-4.2	-2.3	-5.1	-1.7	0.4	-3.3	-	-	-	-	-	-	-	-
July	79.9	-4.8	-5.0	-4.6	-1.6	-1.6	-1.6	-	-	-	-	-	-	-	-

Sources: Eurostat, ECB calculations based on Eurostat data (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), ECB calculations based on IPD data and national sources (column 13 in Table 2 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 sources (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).
3) Data refer to the Euro 18.
4) Brent Blend (for one-month forward delivery).
5) Refers to prices expressed in euro. Weighted according to the structure of euro area imports in the period 2004-06.
6) 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).
7) 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]											
2012	112.7	1.9	4.3	2.7	2.6	1.9	3.1	1.0	0.6	2.5	0.6	2.3
2013	114.1	1.2	1.0	1.7	1.2	0.7	2.0	1.3	-1.4	1.0	1.3	1.3
2013 Q2	113.9	1.2	1.5	2.0	1.1	1.2	1.5	0.8	-1.4	1.3	0.8	1.4
Q3	114.3	1.3	1.1	2.6	2.1	0.2	3.3	0.8	-1.0	0.4	1.2	0.8
Q4	114.2	0.7	-1.4	-0.4	0.9	-0.7	1.6	3.1	-1.5	0.0	2.1	0.8
2014 Q1	114.5	0.5	-1.4	0.5	0.9	-0.3	2.3	0.7	-0.3	1.4	0.3	0.9
	Compensation per employee											
2012	116.6	1.9	1.1	2.5	3.1	1.9	2.5	1.1	1.7	2.5	1.1	1.6
2013	118.5	1.6	2.1	2.5	1.9	0.9	1.3	1.4	1.2	1.7	1.7	0.8
2013 Q2	118.4	1.6	2.0	2.5	1.9	1.3	1.3	1.1	2.2	2.1	1.3	1.1
Q3	118.9	1.7	2.6	3.2	2.7	1.0	1.6	1.1	0.8	1.5	1.5	0.9
Q4	119.1	1.6	1.1	2.1	2.2	0.6	1.1	1.9	0.8	1.3	2.3	0.9
2014 Q1	119.6	1.3	1.0	2.0	3.7	1.3	1.6	1.3	-0.3	1.6	0.5	1.0
	Labour productivity per person employed [2]											
2012	103.5	0.0	-3.1	-0.2	0.5	-0.1	-0.6	0.1	1.1	-0.1	0.5	-0.6
2013	103.9	0.4	1.1	0.8	0.6	0.3	-0.7	0.1	2.7	0.7	0.4	-0.5
2013 Q2	104.0	0.4	0.5	0.5	0.8	0.0	-0.2	0.4	3.7	0.8	0.5	-0.3
Q3	104.1	0.5	1.4	0.6	0.6	0.7	-1.6	0.3	1.9	1.0	0.3	0.1
Q4	104.3	0.9	2.5	2.5	1.3	1.3	-0.5	-1.2	2.3	1.3	0.2	0.1
2014 Q1	104.4	0.8	2.5	1.5	2.8	1.6	-0.6	0.6	0.0	0.2	0.2	0.1
	Compensation per hour worked											
2012	119.3	2.6	2.9	3.6	4.9	2.6	3.1	1.6	2.0	2.6	1.2	2.6
2013	121.6	1.9	2.1	2.2	2.6	1.4	1.4	1.4	1.6	2.1	1.9	1.3
2013 Q2	121.4	1.6	1.9	1.5	1.8	1.5	1.0	0.6	2.1	2.3	1.4	1.4
Q3	121.9	1.8	1.9	2.1	2.4	1.3	1.9	0.6	1.9	2.0	1.7	1.2
Q4	122.0	1.4	-0.1	1.0	2.1	0.7	0.8	1.0	1.0	1.5	2.3	0.4
2014 Q1	122.8	0.8	-0.4	0.3	2.4	0.9	1.7	1.1	-0.4	1.5	0.9	-0.7
	Hourly labour productivity [2]											
2012	106.5	0.8	-2.1	0.9	2.0	0.7	0.1	0.5	1.9	0.2	0.7	0.1
2013	107.2	0.7	0.6	0.5	1.1	0.7	-0.6	0.2	3.3	1.1	0.6	0.0
2013 Q2	107.1	0.3	-0.3	-0.3	0.2	0.3	-0.4	-0.3	3.7	0.4	0.5	0.0
Q3	107.3	0.7	0.7	-0.4	0.3	1.4	-1.2	0.0	2.5	1.7	0.6	0.3
Q4	107.5	0.7	1.7	1.5	1.2	1.2	-1.1	-1.9	3.1	2.0	0.2	-0.2
2014 Q1	107.9	0.4	1.9	-0.2	1.6	1.2	-0.7	0.2	1.6	0.5	0.6	-1.3

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
2012	108.7	1.9	1.9	1.8	2.4	2.4	2.1	2.2
2013	110.3	1.5	1.8	0.9	2.1	0.9	1.2	1.8
2013 Q2	114.2	1.2	1.5	0.5	1.8	0.9	1.1	1.7
Q3	107.4	1.2	1.4	0.7	1.6	0.0	1.1	1.7
Q4	116.8	1.6	2.0	0.4	1.6	1.2	1.0	1.7
2014 Q1	103.7	0.9	1.5	-0.8	0.7	1.9	1.3	1.9

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)								
2010	9,185.8	9,065.0	5,282.7	2,019.9	1,741.2	21.1	120.8	3,793.9	3,673.1
2011	9,444.0	9,315.2	5,427.3	2,032.6	1,796.6	58.7	128.8	4,186.7	4,057.9
2012	9,505.4	9,259.5	5,464.4	2,041.9	1,744.9	8.4	245.9	4,362.6	4,116.7
2013	9,602.5	9,271.4	5,496.2	2,069.8	1,698.5	6.9	331.2	4,410.3	4,079.2
2013 Q1	2,385.7	2,311.4	1,367.7	516.3	422.8	4.6	74.3	1,085.5	1,011.2
Q2	2,400.9	2,311.8	1,371.7	517.1	422.8	0.2	89.1	1,107.0	1,017.9
Q3	2,405.8	2,326.3	1,377.7	519.5	425.8	3.3	79.6	1,105.5	1,026.0
Q4	2,415.5	2,325.5	1,380.4	517.0	430.8	-2.7	90.0	1,118.6	1,028.6
2014 Q1	2,429.6	2,345.0	1,385.4	522.4	430.6	6.5	84.6	1,116.7	1,032.1
	percentage of GDP								
2013	100.0	96.6	57.2	21.6	17.7	0.1	3.4	-	-
	Chain-linked volumes (prices for the previous year)								
	quarter-on-quarter percentage changes								
2013 Q1	-0.2	-0.2	-0.2	0.2	-1.6	-	-	-0.8	-0.8
Q2	0.3	-0.1	0.2	0.0	0.1	-	-	2.3	1.5
Q3	0.1	0.5	0.1	0.3	0.5	-	-	0.1	1.1
Q4	0.3	-0.1	0.1	-0.3	0.9	-	-	1.4	0.6
2014 Q1	0.2	0.5	0.2	0.7	0.2	-	-	0.2	0.8
	annual percentage changes								
2010	1.9	1.2	1.0	0.6	-0.4	-	-	11.6	10.0
2011	1.6	0.7	0.3	-0.1	1.6	-	-	6.5	4.5
2012	-0.7	-2.2	-1.3	-0.6	-4.0	-	-	2.5	-0.9
2013	-0.4	-0.9	-0.7	0.1	-2.9	-	-	1.4	0.4
2013 Q1	-1.1	-2.0	-1.4	-0.2	-5.3	-	-	0.2	-1.7
Q2	-0.6	-1.3	-0.7	0.1	-3.4	-	-	1.6	0.0
Q3	-0.3	-0.4	-0.4	0.6	-2.4	-	-	1.0	0.8
Q4	0.5	0.2	0.2	0.2	-0.1	-	-	3.0	2.5
2014 Q1	0.9	0.9	0.5	0.7	1.7	-	-	4.0	4.1
	contributions to quarter-on-quarter percentage changes in GDP; percentage points								
2013 Q1	-0.2	-0.2	-0.1	0.0	-0.3	0.2	0.0	-	-
Q2	0.3	-0.1	0.1	0.0	0.0	-0.2	0.4	-	-
Q3	0.1	0.5	0.1	0.1	0.1	0.3	-0.4	-	-
Q4	0.3	-0.1	0.0	-0.1	0.2	-0.2	0.4	-	-
2014 Q1	0.2	0.5	0.1	0.1	0.0	0.2	-0.3	-	-
	contributions to annual percentage changes in GDP; percentage points								
2010	1.9	1.2	0.6	0.1	-0.1	0.6	0.7	-	-
2011	1.6	0.7	0.2	0.0	0.3	0.3	0.9	-	-
2012	-0.7	-2.2	-0.8	-0.1	-0.8	-0.5	1.5	-	-
2013	-0.4	-0.9	-0.4	0.0	-0.5	0.0	0.5	-	-
2013 Q1	-1.1	-2.0	-0.8	0.0	-1.0	-0.1	0.8	-	-
Q2	-0.6	-1.3	-0.4	0.0	-0.6	-0.3	0.7	-	-
Q3	-0.3	-0.4	-0.3	0.1	-0.4	0.2	0.1	-	-
Q4	0.5	0.2	0.1	0.0	0.0	0.1	0.3	-	-
2014 Q1	0.9	0.9	0.3	0.1	0.3	0.1	0.1	-	-

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)											
2010	8,242.3	137.1	1,581.8	499.2	1,552.3	370.8	438.7	919.2	827.5	1,615.1	300.6	943.4
2011	8,468.0	142.0	1,643.3	502.0	1,593.2	374.5	440.1	965.5	859.6	1,639.7	308.1	975.9
2012	8,525.3	144.6	1,643.8	492.1	1,606.2	370.0	433.8	982.2	877.3	1,661.6	313.6	980.2
2013	8,610.9	144.0	1,660.7	478.1	1,622.3	358.1	440.0	1,004.8	895.7	1,686.9	320.3	991.7
2013 Q1	2,140.1	36.1	412.3	120.2	402.3	90.4	109.0	249.1	220.8	420.6	79.3	245.6
Q2	2,150.3	36.3	415.3	119.0	404.8	90.1	110.7	250.2	223.4	420.9	79.7	250.5
Q3	2,157.4	35.7	415.6	119.4	407.4	88.9	110.4	251.7	225.3	422.2	80.7	248.4
Q4	2,168.5	36.0	419.8	120.1	409.0	88.8	110.1	253.8	226.4	423.4	81.0	247.0
2014 Q1	2,177.3	36.7	418.1	120.6	410.1	88.7	112.6	254.2	226.8	427.7	81.8	252.3
	percentage of value added											
2013	100.0	1.7	19.3	5.6	18.8	4.2	5.1	11.7	10.4	19.6	3.7	-
	Chain-linked volumes (prices for the previous year)											
	quarter-on-quarter percentage changes											
2013 Q1	-0.2	0.3	0.3	-1.3	-0.2	-0.2	-1.3	-0.1	0.4	-0.4	-0.3	-0.4
Q2	0.3	0.2	0.5	-0.9	0.6	0.2	-0.4	0.1	0.9	0.1	0.0	0.5
Q3	0.2	0.1	0.1	0.2	0.2	-0.7	0.6	0.3	0.3	0.1	0.0	-0.3
Q4	0.4	1.3	0.6	0.2	0.4	0.3	-0.5	0.4	0.3	0.4	0.1	-0.4
2014 Q1	0.1	1.7	-0.2	0.4	0.4	0.1	0.6	-0.2	0.2	0.1	0.2	0.8
	annual percentage changes											
2010	2.0	-2.9	9.5	-5.6	0.7	1.5	0.1	-0.1	2.6	1.1	0.4	1.4
2011	1.8	0.3	3.0	-1.6	1.7	3.6	1.6	2.1	2.7	0.9	0.4	0.1
2012	-0.5	-4.9	-1.1	-4.2	-0.9	0.6	-0.3	0.7	0.7	0.2	0.0	-1.9
2013	-0.3	-0.4	-0.6	-4.0	-0.5	-0.7	-0.6	0.8	1.0	0.1	-0.5	-1.4
2013 Q1	-0.9	-2.7	-1.6	-5.2	-1.9	-0.5	0.3	0.8	-0.1	0.2	-0.9	-2.8
Q2	-0.5	-0.9	-0.9	-4.9	-0.9	-0.3	-0.8	0.8	1.2	0.0	-0.4	-1.2
Q3	-0.2	0.5	-1.0	-3.6	-0.1	-1.3	0.0	0.8	1.3	0.2	-0.1	-0.9
Q4	0.6	1.9	1.5	-1.8	1.1	-0.5	-1.6	0.7	1.9	0.3	-0.2	-0.5
2014 Q1	1.0	3.3	1.0	-0.2	1.6	-0.2	0.3	0.6	1.7	0.8	0.3	0.6
	contributions to quarter-on-quarter percentage changes in value added; percentage points											
2013 Q1	-0.2	0.0	0.1	-0.1	0.0	0.0	-0.1	0.0	0.0	-0.1	0.0	-
Q2	0.3	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	-
Q3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Q4	0.4	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	-
2014 Q1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
	contributions to annual percentage changes in value added; percentage points											
2010	2.0	0.0	1.7	-0.4	0.1	0.1	0.0	0.0	0.3	0.2	0.0	-
2011	1.8	0.0	0.6	-0.1	0.3	0.2	0.1	0.2	0.3	0.2	0.0	-
2012	-0.5	-0.1	-0.2	-0.2	-0.2	0.0	0.0	0.1	0.1	0.0	0.0	-
2013	-0.3	0.0	-0.1	-0.2	-0.1	0.0	0.0	0.1	0.1	0.0	0.0	-
2013 Q1	-0.9	0.0	-0.3	-0.3	-0.4	0.0	0.0	0.1	0.0	0.0	0.0	-
Q2	-0.5	0.0	-0.2	-0.3	-0.2	0.0	0.0	0.1	0.1	0.0	0.0	-
Q3	-0.2	0.0	-0.2	-0.2	0.0	-0.1	0.0	0.1	0.1	0.0	0.0	-
Q4	0.6	0.0	0.3	-0.1	0.2	0.0	-0.1	0.1	0.2	0.1	0.0	-
2014 Q1	1.0	0.1	0.2	0.0	0.3	0.0	0.0	0.1	0.2	0.1	0.0	-

Sources: Eurostat and ECB calculations.

5.2 Output and demand
(annual percentage changes, unless otherwise indicated)

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
2011	2.2	103.5	3.4	4.7	4.8	4.2	8.5	1.0	0.7	1.0	-4.5	-2.7
2012	-3.1	100.9	-2.5	-2.7	-2.8	-4.5	-1.1	-2.5	-4.9	-2.1	-0.4	-5.4
2013	-1.1	100.2	-0.7	-0.7	-0.7	-1.0	-0.6	-0.4	-3.6	0.1	-0.8	-2.9
2013 Q2	-1.5	100.3	-1.0	-1.0	-1.0	-2.1	-0.3	-0.6	-3.9	-0.1	-1.0	-3.6
Q3	-1.1	100.2	-1.1	-1.1	-0.9	-0.7	-1.3	-0.7	-3.7	-0.3	-2.1	-1.1
Q4	1.0	100.7	1.6	1.9	2.1	2.5	2.7	0.4	-2.7	1.0	-1.3	-1.2
2014 Q1	2.1	101.0	1.2	2.9	3.0	3.3	3.8	1.5	-0.2	1.7	-8.9	6.7
2014 Jan.	2.8	101.0	1.7	3.0	3.1	3.3	5.3	-0.1	-0.2	-0.1	-5.6	7.1
Feb.	2.6	101.1	1.7	3.6	3.7	4.0	4.0	2.8	0.5	3.1	-9.2	6.9
Mar.	1.2	100.7	0.2	2.1	2.3	2.8	2.3	1.7	-0.7	2.0	-12.1	6.4
Apr.	2.3	101.4	1.4	2.7	2.7	3.5	0.7	4.2	0.4	4.9	-7.7	7.4
May	0.8	100.3	0.5	0.9	1.0	0.4	1.5	1.0	-0.3	1.4	-3.1	3.5
	month-on-month percentage changes (s.a.)											
2014 Jan.	0.3	-	0.1	0.3	0.3	0.5	0.4	0.0	-0.1	0.0	-1.6	1.0
Feb.	0.1	-	0.1	0.4	0.4	0.3	-0.1	1.1	1.4	0.9	-1.9	0.2
Mar.	-0.7	-	-0.4	-0.6	-0.7	-0.6	-0.7	-0.6	0.0	-0.5	-0.1	-0.5
Apr.	0.7	-	0.7	0.6	0.8	0.5	0.2	2.0	-0.3	2.4	1.2	0.4
May	-1.3	-	-1.1	-1.7	-2.0	-2.4	-0.5	-2.1	-1.8	-2.2	3.0	-1.5

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

	Indicator on industrial new orders [1]		Industrial turnover		Retail sales (including automotive fuel)								New passenger car registrations	
	Manufacturing		Manufacturing (current prices)		Current prices	Constant prices								
	Total (s.a.; index: 2010 = 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) [2]	Total
										Textiles, clothing, footwear	Household equipment			
% of total in 2010	100.0	100.0	100.0	100.0	100.0	100.0	100.0	39.3	51.5	9.2	12.0	9.1		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2011	108.6	8.6	109.3	9.2	1.7	99.3	-0.8	-1.1	-0.3	-1.4	-0.3	-3.3	840	-0.9
2012	104.4	-3.9	108.8	-0.4	0.5	97.6	-1.7	-1.3	-1.6	-2.4	-2.8	-5.0	745	-11.1
2013	104.3	0.0	107.3	-1.4	-0.4	96.8	-0.8	-1.0	-0.5	-1.4	-2.6	-0.9	713	-4.4
2013 Q3	105.2	1.1	107.5	-1.5	-0.1	97.1	-0.5	-0.6	-0.3	-0.4	-2.6	-0.1	709	-2.2
Q4	106.2	2.8	107.9	0.3	0.2	96.9	0.3	-0.3	1.0	0.5	-0.7	0.3	744	5.3
2014 Q1	107.2	4.4	108.8	1.7	0.6	97.5	1.0	-0.4	2.2	3.5	0.6	0.8	725	5.0
Q2	.	.	.	.	1.0	97.9	1.6	1.3	2.0	.	.	-0.3	737	3.9
2014 Feb.	107.2	4.6	109.0	2.5	0.7	97.6	1.2	-0.1	2.2	2.3	1.1	0.1	736	6.0
Mar.	107.0	3.6	108.4	0.7	0.6	97.5	1.0	-0.9	3.0	6.2	0.6	1.1	730	4.0
Apr.	108.5	5.6	109.0	2.3	1.2	97.6	1.7	1.9	1.5	0.1	0.6	0.0	743	5.1
May	107.5	4.5	.	.	0.1	97.9	0.6	0.0	1.3	2.9	-0.4	0.0	731	3.3
June	.	.	.	.	1.6	98.2	2.4	2.0	3.0	.	.	-0.8	738	3.3
	month-on-month percentage changes (s.a.)													
2014 Feb.	-	0.0	-	-0.1	0.0	-	0.2	0.1	0.4	0.7	-0.2	-1.3	-	3.9
Mar.	-	-0.2	-	-0.6	-0.1	-	-0.1	0.2	0.0	-0.4	-0.6	1.2	-	-0.9
Apr.	-	1.4	-	0.5	0.1	-	0.1	0.4	-0.4	-1.9	0.0	-0.3	-	1.9
May	-	-1.0	-	.	0.2	-	0.3	0.0	0.5	2.2	0.1	0.2	-	-1.6
June	-	.	-	.	0.4	-	0.4	0.5	0.3	.	.	-0.1	-	0.9

Sources: Eurostat, except columns 1 and 2 in Table 4 (which show ECB experimental statistics based on national data) and columns 13 and 14 in Table 4 (which show ECB calculations based on data from the European Automobile Manufacturers' Association).

1) For further details, see de Bondt, G.J., Dieden, H.C., Muzikarova, S. and Vincze, I., "Introducing the ECB indicator on euro area industrial new orders", *Occasional Paper Series*, No 149, ECB, Frankfurt am Main, June 2013.

2) Annual and quarterly figures are averages of monthly figures in the period concerned.

5.2 Output and demand
(percentage balances,[1] unless otherwise indicated; seasonally adjusted)

5. Business and Consumer Surveys

	Economic sentiment indicator [2] (long-term average = 100)	Manufacturing industry					Consumer confidence indicator				
		Industrial confidence indicator				Capacity utilisation [3] (%)	Total [4]	Financial situation over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	Savings over next 12 months
		Total [4]	Order books	Stocks of finished products	Production expectations						
	1	2	3	4	5	6	7	8	9	10	11
2010	101.4	-4.5	-24.2	1.0	11.6	77.0	-14.1	-5.2	-12.3	31.1	-8.0
2011	102.2	0.2	-6.4	2.3	9.4	80.6	-14.3	-7.3	-18.0	23.0	-9.0
2012	90.8	-11.7	-24.4	6.8	-3.9	78.6	-22.1	-11.1	-27.4	38.1	-11.7
2013	93.8	-9.3	-26.0	4.7	2.8	78.3	-18.6	-8.9	-20.1	34.4	-11.2
2013 Q2	90.2	-12.7	-30.9	6.2	-0.9	77.9	-20.8	-10.1	-24.8	35.7	-12.6
Q3	95.3	-8.3	-24.9	4.6	4.4	78.4	-15.9	-7.9	-16.7	29.6	-9.2
Q4	99.1	-4.1	-18.6	2.8	9.1	79.3	-14.4	-6.3	-11.6	29.8	-9.8
2014 Q1	101.6	-3.5	-16.5	2.8	8.8	79.8	-11.2	-4.6	-7.0	23.8	-9.6
Q2	102.2	-3.6	-15.3	3.6	8.0	79.7	-7.7	-3.5	-2.9	16.6	-8.0
2014 Feb.	101.2	-3.5	-16.3	2.4	8.3	-	-12.7	-4.8	-8.7	26.3	-11.0
Mar.	102.5	-3.3	-16.6	3.0	9.8	-	-9.3	-4.0	-4.6	20.4	-8.2
Apr.	102.0	-3.5	-15.3	3.2	8.2	79.5	-8.6	-4.1	-3.5	18.4	-8.6
May	102.6	-3.1	-14.6	3.5	8.9	-	-7.1	-3.4	-2.5	15.1	-7.4
June	102.1	-4.3	-15.9	4.0	6.9	-	-7.5	-2.9	-2.8	16.2	-8.1
July	102.2	-3.8	-15.5	4.1	8.3	79.8	-8.4	-3.1	-4.1	19.2	-7.1

	Construction confidence indicator			Retail trade confidence indicator				Services industries				
	Total [4]	Order books	Employment expectations	Total [4]	Present business situation	Volume of stocks	Expected business situation	Services confidence indicator				Capacity utilisation [3] (%)
								Total [4]	Business climate	Demand in recent months	Demand in the months ahead	
	12	13	14	15	16	17	18	19	20	21	22	23
2010	-28.5	-39.3	-17.6	-3.9	-6.1	7.4	1.8	3.9	1.4	3.0	7.3	.
2011	-25.2	-33.1	-17.2	-5.4	-5.3	11.6	0.6	5.3	2.2	5.4	8.3	.
2012	-27.6	-34.3	-21.0	-15.1	-18.5	14.4	-12.5	-6.8	-11.8	-7.6	-1.0	86.6
2013	-30.0	-38.2	-21.7	-12.5	-18.8	9.3	-9.2	-6.1	-9.9	-8.6	0.2	86.9
2013 Q2	-31.5	-38.5	-24.3	-16.4	-24.5	11.2	-13.7	-9.9	-14.5	-13.3	-1.9	86.8
Q3	-31.0	-39.7	-22.3	-10.3	-16.2	8.6	-6.1	-5.3	-8.2	-8.6	0.8	87.1
Q4	-28.6	-37.7	-19.5	-6.8	-10.5	6.6	-3.3	-1.3	-4.2	-3.4	3.6	87.1
2014 Q1	-29.0	-39.6	-18.5	-3.1	-5.7	5.6	2.1	3.4	1.0	1.9	7.2	87.2
Q2	-30.7	-40.2	-21.2	-2.3	-3.5	6.7	3.3	3.9	2.7	1.9	7.1	87.3
2014 Feb.	-28.5	-37.5	-19.5	-3.1	-4.4	6.1	1.3	3.3	0.5	2.4	7.0	-
Mar.	-28.7	-39.9	-17.6	-2.6	-4.5	5.0	1.6	4.5	3.2	3.5	6.7	-
Apr.	-30.4	-40.0	-20.7	-2.6	-5.9	6.2	4.2	3.5	2.3	1.5	6.7	87.3
May	-30.1	-40.4	-19.7	-2.5	-3.0	8.0	3.6	3.8	3.2	2.2	5.9	-
June	-31.7	-40.1	-23.3	-1.9	-1.7	6.0	2.1	4.4	2.6	1.9	8.6	-
July	-28.2	-39.1	-17.3	-2.5	-2.0	6.8	1.2	3.6	1.7	2.9	6.2	87.3

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

	Total	By employment status: Employees	Self-employed	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	13
Persons employed													
levels (thousands)													
2013	145,877	124,718	21,159	4,971	22,791	9,109	35,881	4,066	4,046	1,278	18,396	34,488	10,851
percentage of total persons employed													
2013	100.0	85.5	14.5	3.4	15.6	6.2	24.6	2.8	2.8	0.9	12.6	23.6	7.4
annual percentage changes													
2011	0.3	0.4	-0.2	-2.0	0.1	-3.7	0.7	1.3	-0.4	0.6	2.5	0.3	0.1
2012	-0.6	-0.7	-0.1	-1.9	-0.9	-4.7	-0.8	1.2	-0.4	-0.4	0.7	-0.3	0.6
2013	-0.8	-0.8	-0.9	-1.4	-1.4	-4.6	-0.8	0.0	-0.7	-1.9	0.4	-0.2	0.0
2013 Q2	-1.0	-1.0	-0.9	-1.4	-1.4	-5.6	-0.9	-0.1	-1.1	-2.8	0.4	-0.4	-0.1
Q3	-0.8	-0.8	-0.7	-0.9	-1.6	-4.2	-0.8	0.3	-0.3	-1.0	0.2	-0.2	-0.2
Q4	-0.4	-0.3	-0.7	-0.5	-0.9	-3.1	-0.3	0.1	-0.4	-1.6	0.7	0.0	-0.3
2014 Q1	0.1	0.2	-0.3	0.7	-0.5	-2.9	0.0	0.5	-0.3	0.6	1.5	0.6	0.3
quarter-on-quarter percentage changes													
2013 Q2	-0.1	-0.1	0.1	1.6	-0.4	-1.0	0.0	0.1	-0.2	0.0	0.5	-0.1	-0.4
Q3	0.0	0.0	-0.1	-0.4	-0.4	-0.4	-0.1	-0.3	0.1	0.3	0.5	0.2	0.3
Q4	0.1	0.1	-0.1	-0.5	0.2	-0.5	0.2	0.6	-0.1	-1.2	0.1	0.3	0.1
2014 Q1	0.1	0.1	-0.2	0.0	0.1	-1.0	-0.1	0.1	0.0	1.5	0.4	0.2	0.4
Hours worked													
levels (millions)													
2013	228,826	184,226	44,600	9,973	35,904	15,797	59,447	6,518	6,375	1,961	28,561	49,108	15,183
percentage of total hours worked													
2013	100.0	80.5	19.5	4.4	15.7	6.9	26.0	2.8	2.8	0.9	12.5	21.5	6.6
annual percentage changes													
2011	0.3	0.5	-0.7	-3.0	0.8	-3.8	0.4	1.4	-0.2	1.3	2.7	0.5	0.1
2012	-1.4	-1.4	-1.3	-2.9	-2.0	-6.1	-1.6	0.6	-0.9	-1.1	0.5	-0.5	-0.1
2013	-1.1	-1.1	-1.1	-1.0	-1.2	-5.0	-1.2	-0.1	-0.8	-2.4	-0.1	-0.5	-0.5
2013 Q2	-0.9	-1.0	-0.5	-0.7	-0.6	-5.1	-1.2	0.1	-0.5	-2.9	0.8	-0.4	-0.4
Q3	-0.9	-0.8	-1.4	-0.2	-0.7	-3.9	-1.4	-0.2	0.0	-1.7	-0.4	-0.4	-0.4
Q4	-0.2	-0.1	-0.7	0.2	0.0	-3.0	-0.1	0.6	0.4	-2.3	0.0	0.1	0.0
2014 Q1	0.5	0.7	-0.3	1.3	1.1	-1.8	0.4	0.5	0.1	-1.0	1.2	0.2	1.7
quarter-on-quarter percentage changes													
2013 Q2	0.6	0.6	0.7	0.8	1.2	0.5	0.6	0.5	0.5	0.3	1.0	0.4	-0.2
Q3	-0.1	0.0	-0.2	-0.1	-0.1	-0.6	-0.1	-0.5	0.1	-1.0	0.1	0.1	0.3
Q4	0.1	0.2	-0.4	-0.1	-0.1	-0.9	0.1	0.7	-0.1	-1.5	-0.3	0.6	0.1
2014 Q1	-0.1	-0.1	-0.3	0.7	0.1	-0.7	-0.2	-0.2	-0.4	1.3	0.4	-1.0	1.5
Hours worked per person employed													
levels (thousands)													
2013	1,569	1,477	2,108	2,006	1,575	1,734	1,657	1,603	1,576	1,535	1,553	1,424	1,399
annual percentage changes													
2011	0.0	0.2	-0.5	-1.0	0.6	-0.1	-0.3	0.2	0.2	0.8	0.2	0.2	0.0
2012	-0.8	-0.7	-1.2	-1.0	-1.1	-1.5	-0.8	-0.7	-0.4	-0.8	-0.3	-0.2	-0.8
2013	-0.3	-0.3	-0.3	0.5	0.2	-0.5	-0.4	-0.1	0.0	-0.6	-0.4	-0.2	-0.5
2013 Q2	0.1	0.1	0.4	0.8	0.8	0.5	-0.3	0.2	0.7	-0.1	0.4	0.0	-0.3
Q3	-0.2	0.0	-0.8	0.7	0.9	0.3	-0.6	-0.4	0.3	-0.7	-0.7	-0.3	-0.2
Q4	0.2	0.2	0.0	0.7	1.0	0.1	0.1	0.5	0.7	-0.8	-0.7	0.1	0.3
2014 Q1	0.4	0.5	0.1	0.6	1.6	1.2	0.4	0.0	0.3	-1.6	-0.3	-0.4	1.4
quarter-on-quarter percentage changes													
2013 Q2	0.7	0.7	0.6	-0.8	1.6	1.4	0.6	0.4	0.7	0.3	0.5	0.5	0.2
Q3	-0.1	0.0	-0.1	0.3	0.3	-0.2	0.0	-0.2	0.0	-1.3	-0.4	-0.1	0.0
Q4	0.0	0.0	-0.4	0.4	-0.2	-0.3	-0.1	0.1	0.0	-0.3	-0.4	0.4	0.0
2014 Q1	-0.2	-0.2	-0.1	0.7	-0.1	0.3	-0.1	-0.3	-0.4	-0.3	0.0	-1.2	1.1

Source: ECB calculations based on Eurostat data.

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

5.3 Labour markets

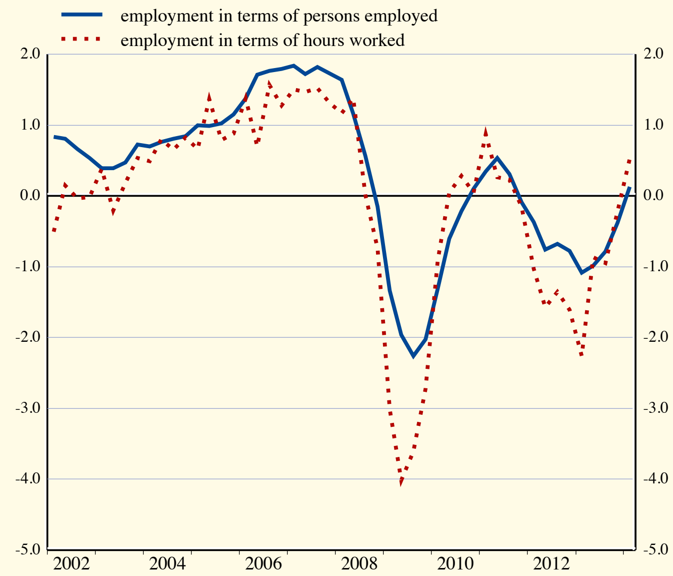
(seasonally adjusted, unless otherwise indicated)

2. Unemployment and job vacancies [1]

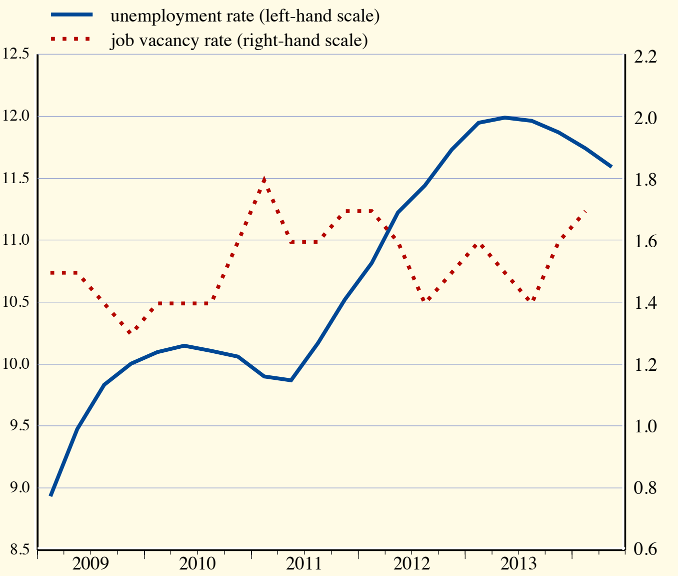
	Unemployment										Job vacancy rate [2]
	Total		By age [3]				By gender [4]				
			Adult		Youth		Male		Female		
	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	% of total posts
% of total in 2010	100.0		79.3		20.7		54.2		45.8		
	1	2	3	4	5	6	7	8	9	10	11
2010	15.997	10.1	12.684	8.9	3.313	21.0	8.667	10.0	7.331	10.2	1.5
2011	16.065	10.1	12.827	8.9	3.238	20.9	8.594	9.9	7.472	10.4	1.7
2012	18.082	11.3	14.562	10.1	3.520	23.2	9.733	11.2	8.349	11.4	1.6
2013	19.117	11.9	15.558	10.7	3.559	23.9	10.282	11.9	8.835	12.0	1.5
2013 Q2	19.195	12.0	15.623	10.8	3.571	23.9	10.318	11.9	8.876	12.1	1.5
Q3	19.164	12.0	15.612	10.7	3.552	24.0	10.341	11.9	8.823	12.0	1.4
Q4	18.994	11.9	15.505	10.7	3.489	23.7	10.177	11.8	8.818	12.0	1.6
2014 Q1	18.761	11.7	15.315	10.5	3.447	23.7	10.089	11.7	8.673	11.8	1.7
Q2	18.519	11.6	15.175	10.4	3.345	23.2	9.920	11.5	8.599	11.7	.
2014 Jan.	18.847	11.8	15.356	10.6	3.491	23.9	10.119	11.7	8.729	11.9	-
Feb.	18.763	11.7	15.329	10.6	3.434	23.6	10.109	11.7	8.654	11.8	-
Mar.	18.674	11.7	15.260	10.5	3.415	23.6	10.038	11.6	8.636	11.8	-
Apr.	18.581	11.6	15.215	10.5	3.366	23.3	10.002	11.6	8.579	11.7	-
May	18.564	11.6	15.215	10.5	3.349	23.2	9.935	11.5	8.629	11.8	-
June	18.412	11.5	15.094	10.4	3.319	23.1	9.822	11.4	8.590	11.7	-

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	Direct taxes	Households	Corporations	Indirect taxes	Received by EU institutions	Social contributions	Employers	Employees	Sales	Capital revenue	Capital taxes	Memo item: Fiscal burden [2]
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005	44.8	44.3	11.7	8.6	3.0	13.3	0.3	15.4	8.1	4.4	2.3	0.5	0.2	40.6
2006	45.3	45.0	12.3	8.7	3.4	13.4	0.3	15.3	8.0	4.4	2.3	0.3	0.2	41.2
2007	45.3	45.0	12.7	8.9	3.6	13.3	0.3	15.0	8.0	4.3	2.3	0.3	0.2	41.2
2008	45.1	44.8	12.5	9.1	3.2	12.9	0.3	15.3	8.1	4.4	2.3	0.2	0.2	40.8
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	40.5
2010	44.8	44.6	11.5	8.9	2.5	13.0	0.3	15.7	8.2	4.5	2.6	0.2	0.3	40.5
2011	45.3	45.0	11.9	9.1	2.7	13.1	0.3	15.7	8.2	4.5	2.6	0.3	0.3	40.9
2012	46.2	46.0	12.4	9.5	2.7	13.3	0.3	15.9	8.3	4.6	2.6	0.2	0.3	41.8
2013	46.7	46.5	12.7	9.8	2.8	13.3	0.3	16.0	8.3	4.7	2.6	0.3	0.3	42.3

2. Euro area – expenditure

	Total	Current expenditure: Total	Compensation of employees	Intermediate consumption	Interest	Current transfers	Social payments	Subsidies	Paid by EU institutions	Capital expenditure	Investment	Capital transfers	Paid by EU institutions	Memo item: Primary expenditure [3]
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
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	1.7	0.5	3.9	2.5	1.4	0.0	43.8
2007	46.0	42.2	10.1	5.0	3.0	24.1	21.4	1.6	0.4	3.8	2.6	1.2	0.0	43.0
2008	47.2	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	51.2	47.0	11.1	5.7	2.9	27.3	24.3	1.8	0.5	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	2.6	1.9	0.0	48.2
2011	49.5	45.9	10.6	5.5	3.0	26.8	23.8	1.7	0.4	3.5	2.4	1.2	0.0	46.4
2012	49.9	46.2	10.5	5.5	3.1	27.0	24.2	1.7	0.4	3.7	2.1	1.6	0.1	46.8
2013	49.7	46.4	10.5	5.5	2.9	27.6	24.6	1.7	0.4	3.3	2.1	1.2	0.1	46.8

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

	Deficit (-)/surplus (+): Total	Central gov.	State gov.	Local gov.	Social security funds	Primary deficit (-)/surplus (+)	Government consumption [4]: 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
2005	-2.5	-2.3	-0.3	-0.2	0.2	0.5	20.5	10.5	5.0	5.2	1.9	2.3	8.0	12.5
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	20.1	10.1	5.0	5.2	1.9	2.3	7.7	12.3
2008	-2.1	-2.3	-0.2	-0.2	0.5	0.9	20.6	10.3	5.2	5.4	2.0	2.3	8.0	12.7
2009	-6.4	-5.2	-0.5	-0.3	-0.4	-3.5	22.4	11.1	5.7	5.9	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	13.6
2011	-4.1	-3.3	-0.7	-0.2	0.1	-1.1	21.5	10.6	5.5	5.8	2.1	2.6	8.2	13.3
2012	-3.7	-3.4	-0.3	0.0	0.0	-0.6	21.5	10.5	5.5	5.8	2.1	2.6	8.2	13.3
2013	-3.0	-2.6	-0.2	0.0	-0.2	-0.1	21.6	10.5	5.5	5.9	2.1	2.6	8.2	13.4

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

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LV	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	18
2010	-3.8	-4.2	0.2	-30.6	-10.9	-9.6	-7.0	-4.5	-5.3	-8.2	-0.8	-3.5	-5.1	-4.5	-9.8	-5.9	-7.5	-2.5
2011	-3.8	-0.8	1.1	-13.1	-9.6	-9.6	-5.2	-3.7	-6.3	-3.5	0.2	-2.7	-4.3	-2.5	-4.3	-6.4	-4.8	-0.7
2012	-4.1	0.1	-0.2	-8.2	-8.9	-10.6	-4.9	-3.0	-6.4	-1.3	0.0	-3.3	-4.1	-2.6	-6.4	-4.0	-4.5	-1.8
2013	-2.6	0.0	-0.2	-7.2	-12.7	-7.1	-4.3	-3.0	-5.4	-1.0	0.1	-2.8	-2.5	-1.5	-4.9	-14.7	-2.8	-2.1

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
2004	69.6	2.2	12.2	4.7	50.5	38.7	19.4	11.2	8.1	30.9
2005	70.5	2.4	12.3	4.4	51.4	37.0	18.8	11.3	7.0	33.5
2006	68.6	2.5	11.9	3.8	50.5	34.9	18.9	9.3	6.7	33.7
2007	66.3	2.2	11.3	3.9	48.8	32.7	17.6	8.6	6.5	33.6
2008	70.1	2.3	11.6	6.5	49.7	33.4	18.4	7.9	7.1	36.7
2009	80.0	2.5	12.8	8.3	56.5	37.4	21.6	9.2	6.6	42.6
2010	85.5	2.5	15.5	7.3	60.2	41.4	24.3	10.6	6.5	44.1
2011	87.4	2.5	15.5	7.4	62.0	43.3	24.5	11.4	7.4	44.0
2012	90.7	2.6	17.4	6.8	63.9	46.2	26.4	12.6	7.2	44.5
2013	92.6	2.6	16.9	6.3	66.8	47.1	26.5	13.5	7.1	45.5

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
2004	69.6	56.6	6.6	5.1	1.3	7.6	62.0	4.7	14.7	26.3	28.6	68.6	1.0
2005	70.5	57.1	6.7	5.2	1.4	7.7	62.8	4.5	14.8	25.8	29.9	69.4	1.1
2006	68.6	55.4	6.5	5.4	1.4	7.2	61.5	4.3	14.3	24.2	30.1	67.9	0.7
2007	66.3	53.4	6.3	5.3	1.4	7.2	59.1	4.2	14.5	23.6	28.2	65.7	0.5
2008	70.1	56.8	6.7	5.3	1.3	10.1	60.1	4.9	17.7	23.4	29.0	69.2	1.0
2009	80.0	64.8	7.7	5.8	1.7	12.1	67.9	5.0	19.5	27.3	33.2	78.8	1.2
2010	85.5	69.3	8.4	5.9	1.9	13.1	72.4	5.2	21.3	29.3	34.9	84.3	1.2
2011	87.4	70.7	8.6	5.9	2.2	12.6	74.8	6.2	20.8	30.4	36.1	85.7	1.7
2012	90.7	73.6	8.9	6.0	2.3	11.8	78.9	7.3	20.1	32.2	38.4	88.7	2.0
2013	92.6	75.9	8.5	6.0	2.2	10.8	81.8	7.4	20.3	32.7	39.6	90.7	1.9

3. Euro area countries

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LV	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	18
2010	96.6	82.5	6.7	91.2	148.3	61.7	82.7	119.3	61.3	44.5	19.5	66.0	63.4	72.5	94.0	38.7	41.0	48.8
2011	99.2	80.0	6.1	104.1	170.3	70.5	86.2	120.7	71.5	42.0	18.7	68.8	65.7	73.1	108.2	47.1	43.6	49.3
2012	101.1	81.0	9.8	117.4	157.2	86.0	90.6	127.0	86.6	40.8	21.7	70.8	71.3	74.4	124.1	54.4	52.7	53.6
2013	101.5	78.4	10.0	123.7	175.1	93.9	93.5	132.6	111.7	38.1	23.1	73.0	73.5	74.5	129.0	71.7	55.4	57.0

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
2005	3.3	3.1	0.2	0.0	0.3	0.5	-0.1	2.6	-0.4	0.0	0.5	3.7
2006	1.6	1.5	0.1	0.0	0.2	0.3	-0.4	1.6	-0.3	1.1	-1.4	1.9
2007	1.2	1.2	0.0	0.0	-0.1	0.0	0.3	1.0	-0.4	-0.4	-0.3	1.6
2008	5.4	5.2	0.1	0.0	0.1	0.6	2.7	2.0	1.5	1.2	-0.5	3.9
2009	7.3	7.5	-0.2	0.0	0.1	0.7	1.6	4.9	2.7	2.5	1.0	4.6
2010	7.6	7.8	-0.1	0.0	0.1	3.1	-0.7	5.2	5.0	3.3	1.6	2.6
2011	4.2	4.0	0.1	0.0	0.0	0.4	0.2	3.5	3.0	0.9	1.1	1.2
2012	3.9	5.3	-1.4	0.0	0.1	2.0	-0.5	2.2	3.1	2.1	1.2	0.7
2013	2.8	2.8	-0.1	0.1	0.0	-0.3	-0.5	3.6	1.3	0.3	1.1	1.5

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	Privatisations	Equity injections		Exchange rate effects		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005	3.3	-2.5	0.8	0.6	0.3	0.0	0.1	0.1	-0.3	0.2	0.2	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	5.4	-2.1	3.2	3.1	0.8	0.7	0.7	0.9	-0.1	0.7	0.1	0.0	0.0	0.0
2009	7.3	-6.4	1.0	1.0	0.3	0.0	0.3	0.5	-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	1.0	0.2	0.0	0.2	-0.1	0.0	0.0	-0.2
2011	4.2	-4.1	0.1	-0.3	0.2	-0.2	-0.2	-0.1	-0.1	0.2	0.1	0.0	0.0	0.2
2012	3.9	-3.7	0.2	1.2	0.3	0.4	-0.1	0.6	-0.2	0.3	-1.4	0.0	0.0	0.4
2013	2.8	-3.0	-0.2	-0.5	-0.5	-0.3	-0.2	0.4	-0.1	0.4	-0.1	0.0	0.1	0.3

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
2008 Q1	42.5	42.2	10.9	12.4	14.8	2.2	1.1	0.3	0.2	38.3
Q2	45.3	44.9	13.0	12.3	15.0	2.3	1.5	0.4	0.3	40.6
Q3	43.4	43.1	12.2	12.1	15.0	2.3	0.8	0.4	0.3	39.5
Q4	48.7	48.1	13.8	13.3	16.3	2.6	1.1	0.5	0.3	43.8
2009 Q1	42.5	42.4	10.5	12.0	15.6	2.3	1.1	0.1	0.2	38.3
Q2	45.5	45.0	12.0	12.5	15.7	2.5	1.5	0.6	0.5	40.7
Q3	42.8	42.4	10.9	12.1	15.5	2.4	0.7	0.3	0.3	38.7
Q4	48.4	47.6	12.8	13.6	16.4	2.7	1.0	0.8	0.5	43.3
2010 Q1	42.4	42.2	10.1	12.4	15.5	2.4	0.9	0.2	0.3	38.2
Q2	45.3	44.9	12.0	12.7	15.4	2.6	1.4	0.4	0.3	40.4
Q3	43.1	42.8	10.9	12.6	15.3	2.5	0.7	0.3	0.3	39.0
Q4	48.3	47.5	13.1	13.2	16.4	2.8	1.0	0.7	0.3	43.0
2011 Q1	43.1	42.8	10.6	12.6	15.3	2.4	1.0	0.3	0.3	38.9
Q2	45.6	45.2	12.3	12.7	15.3	2.5	1.5	0.3	0.3	40.6
Q3	43.6	43.3	11.3	12.6	15.3	2.5	0.8	0.3	0.3	39.5
Q4	48.9	47.8	13.2	13.2	16.6	2.8	1.0	1.1	0.4	43.5
2012 Q1	43.7	43.4	10.9	12.9	15.4	2.4	1.0	0.3	0.2	39.4
Q2	46.4	46.1	12.8	12.9	15.6	2.6	1.4	0.3	0.3	41.5
Q3	44.6	44.1	11.8	12.7	15.5	2.6	0.7	0.4	0.3	40.3
Q4	50.1	49.4	14.0	13.6	16.9	2.9	1.0	0.7	0.3	44.8
2013 Q1	44.3	44.0	11.3	12.8	15.6	2.4	1.0	0.2	0.3	40.0
Q2	47.5	47.1	13.3	13.0	15.7	2.6	1.5	0.4	0.4	42.4
Q3	45.0	44.5	11.9	12.8	15.5	2.6	0.7	0.5	0.4	40.6
Q4	50.2	49.4	14.1	13.6	16.9	2.9	0.9	0.7	0.3	45.0
2014 Q1	44.6	44.4	11.5	12.9	15.6	2.4	1.0	0.2	0.3	40.4

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
2008 Q1	45.4	41.8	9.8	4.5	3.0	24.4	20.7	1.2	3.6	2.3	1.2	-2.9	0.1
Q2	45.9	42.3	10.3	4.9	3.3	23.8	20.7	1.1	3.6	2.6	1.0	-0.6	2.7
Q3	45.7	42.0	9.8	5.0	2.9	24.3	21.1	1.2	3.7	2.7	1.0	-2.3	0.6
Q4	51.4	46.8	11.3	6.3	2.9	26.3	22.2	1.4	4.6	3.0	1.6	-2.7	0.2
2009 Q1	49.3	45.4	10.7	5.1	2.8	26.9	22.9	1.3	3.9	2.6	1.2	-6.8	-4.0
Q2	50.6	46.4	11.2	5.5	3.0	26.8	23.3	1.3	4.2	2.8	1.3	-5.1	-2.1
Q3	50.0	46.0	10.6	5.5	2.8	27.1	23.4	1.3	4.1	2.9	1.1	-7.3	-4.5
Q4	54.7	49.8	11.8	6.8	2.8	28.4	24.0	1.5	4.9	3.0	1.8	-6.2	-3.4
2010 Q1	50.4	46.5	10.7	5.1	2.7	28.0	23.6	1.4	3.9	2.4	1.5	-8.0	-5.3
Q2	49.6	46.1	11.0	5.5	3.0	26.7	23.2	1.3	3.5	2.5	1.1	-4.3	-1.3
Q3	50.5	45.2	10.3	5.4	2.7	26.8	23.1	1.3	5.3	2.6	2.6	-7.4	-4.7
Q4	53.5	48.8	11.5	6.7	2.9	27.7	23.6	1.5	4.7	2.8	2.0	-5.3	-2.4
2011 Q1	48.4	45.3	10.3	4.9	2.9	27.2	23.1	1.3	3.1	2.2	1.0	-5.3	-2.4
Q2	48.5	45.2	10.7	5.3	3.2	26.1	22.8	1.2	3.3	2.3	0.9	-3.0	0.2
Q3	48.0	44.5	10.1	5.3	2.9	26.3	22.8	1.2	3.5	2.3	1.1	-4.4	-1.5
Q4	52.7	48.7	11.3	6.6	3.2	27.6	23.6	1.5	4.0	2.6	1.8	-3.8	-0.7
2012 Q1	48.1	45.4	10.2	4.9	3.0	27.3	23.2	1.2	2.7	2.0	0.8	-4.4	-1.4
Q2	49.1	45.8	10.6	5.3	3.3	26.6	23.2	1.1	3.3	2.1	1.2	-2.7	0.6
Q3	48.5	44.9	10.0	5.3	2.9	26.7	23.3	1.2	3.5	2.2	1.3	-3.9	-1.0
Q4	53.9	48.7	11.1	6.6	3.1	27.9	24.0	1.4	5.2	2.4	2.8	-3.8	-0.6
2013 Q1	48.8	46.2	10.3	5.0	2.8	28.1	23.8	1.2	2.6	1.8	1.0	-4.6	-1.8
Q2	49.4	46.0	10.5	5.4	3.0	27.1	23.5	1.1	3.4	2.0	1.4	-1.9	1.1
Q3	48.5	45.3	10.0	5.3	2.8	27.2	23.5	1.2	3.2	2.2	1.0	-3.5	-0.7
Q4	52.1	48.6	11.1	6.3	2.9	28.3	24.2	1.5	3.6	2.3	1.3	-2.0	0.9
2014 Q1	48.7	46.0	10.2	4.9	2.7	28.2	23.8	1.4	2.7	1.9	0.7	-4.1	-1.4

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)

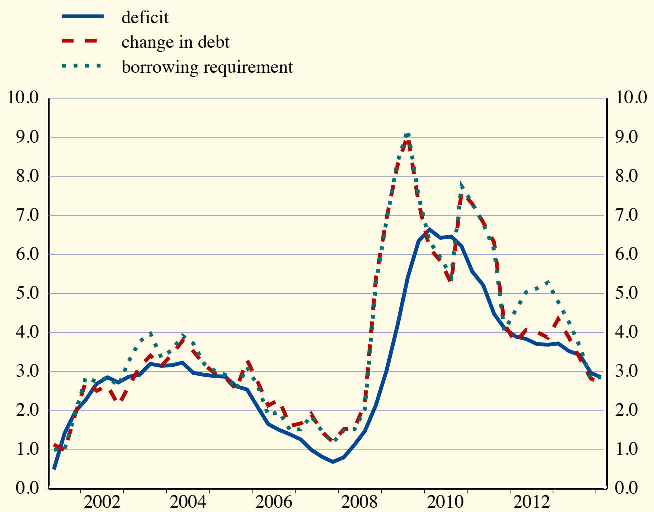
1. Euro area – Maastricht debt by financial instrument

	Total	Financial instruments			
		Currency and deposits	Loans	Short-term securities	Long-term securities
	1	2	3	4	5
2011 Q2	87.4	2.5	15.2	7.5	62.2
Q3	87.0	2.5	15.4	7.8	61.4
Q4	87.4	2.5	15.5	7.4	62.0
2012 Q1	88.4	2.6	16.0	7.6	62.3
Q2	90.1	2.5	16.9	7.3	63.3
Q3	90.2	2.6	16.8	7.2	63.6
Q4	90.7	2.6	17.4	6.8	63.9
2013 Q1	92.5	2.6	17.2	7.0	65.7
Q2	93.6	2.5	17.2	6.9	67.0
Q3	92.9	2.6	16.9	6.9	66.5
Q4	92.6	2.6	16.9	6.3	66.8
2014 Q1	93.9	2.6	16.8	6.4	68.1

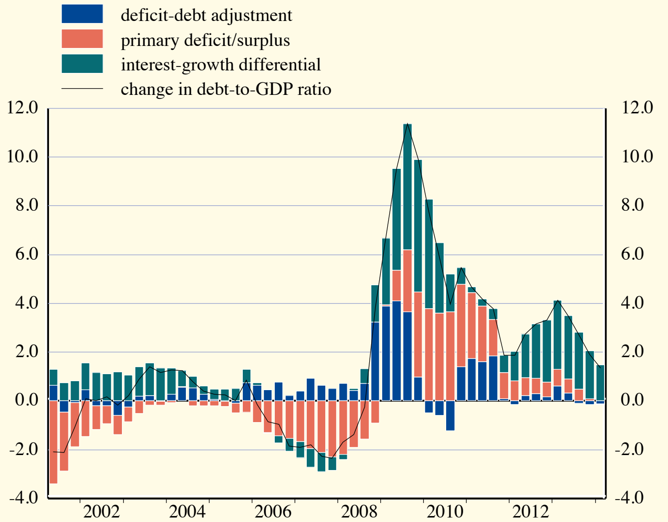
2. Euro area – deficit-debt adjustment

	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
2011 Q2	5.9	-3.0	2.9	2.5	2.8	0.6	-0.3	-0.5	0.2	0.2	5.7
Q3	0.9	-4.4	-3.5	-3.8	-3.7	-0.5	0.1	0.2	0.5	-0.2	0.3
Q4	2.8	-3.8	-1.1	-0.6	-0.2	-0.3	-0.1	0.1	-0.7	0.2	3.5
2012 Q1	5.5	-4.4	1.1	3.4	4.1	-0.2	-0.5	0.0	-3.2	0.9	8.7
Q2	7.1	-2.7	4.4	4.0	1.8	0.9	0.5	0.7	-0.5	0.9	7.6
Q3	0.7	-3.9	-3.2	-2.1	-2.1	0.5	-0.6	0.1	0.0	-1.1	0.7
Q4	2.2	-3.8	-1.5	-0.4	-2.4	0.3	0.2	1.5	-1.9	0.7	4.1
2013 Q1	7.4	-4.6	2.8	1.5	1.4	-0.6	-0.2	0.9	0.7	0.6	6.8
Q2	5.2	-1.9	3.3	3.7	3.2	0.2	0.0	0.3	-0.3	-0.1	5.5
Q3	-1.4	-3.5	-4.9	-4.3	-3.4	-0.9	0.0	0.0	0.3	-0.8	-1.7
Q4	0.2	-2.0	-1.8	-2.7	-3.1	0.2	-0.3	0.5	-0.7	1.7	0.9
2014 Q1	7.0	-4.1	2.9	2.7	3.4	-0.4	-0.3	0.0	0.2	-0.1	6.7

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.

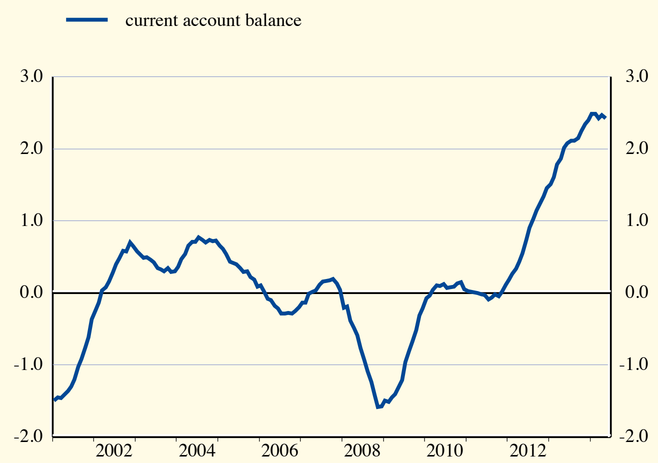
EXTERNAL TRANSACTIONS AND POSITIONS

7

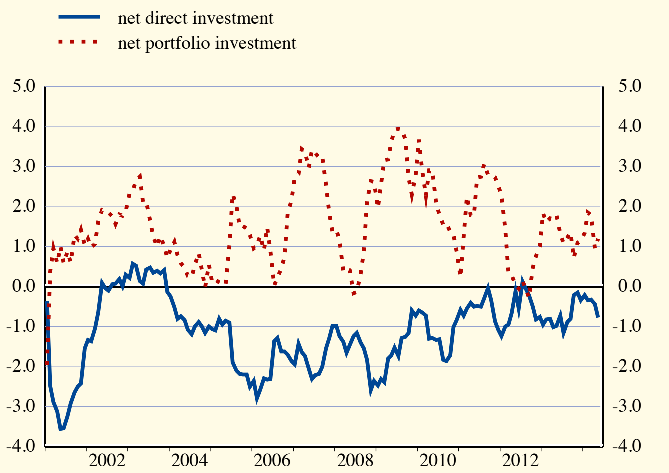
7.1 Summary balance of payments [1]
(EUR billions; net transactions)

	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
2011	12.1	0.9	77.9	39.6	-106.3	10.7	22.7	-50.9	-101.7	238.6	-5.6	-172.0	-10.3	28.2
2012	133.1	89.0	95.0	56.3	-107.3	6.5	139.6	-165.0	-71.6	95.4	5.3	-179.3	-15.0	25.5
2013	227.8	165.3	113.2	69.8	-120.5	21.5	249.3	-252.9	-32.2	110.3	17.3	-343.9	-4.4	3.5
2013 Q1	28.6	29.3	19.0	22.3	-42.0	2.1	30.7	-23.2	-25.2	2.4	8.2	-8.6	-0.1	-7.5
Q2	60.1	49.9	30.3	10.0	-30.0	5.6	65.6	-72.2	22.0	44.0	-1.9	-135.1	-1.2	6.6
Q3	51.4	38.1	33.5	14.0	-34.1	4.6	56.0	-55.9	-12.7	4.9	7.6	-52.9	-2.9	-0.1
Q4	87.7	48.1	30.5	23.6	-14.4	9.3	97.0	-101.6	-16.3	59.0	3.4	-147.3	-0.3	4.6
2014 Q1	31.6	36.9	19.6	17.6	-42.6	5.5	37.1	-31.8	-24.4	63.8	0.7	-69.3	-2.6	-5.3
2013 May	13.3	16.5	9.5	-3.0	-9.7	2.7	16.0	-19.3	43.7	24.7	-8.6	-78.5	-0.6	3.3
June	31.1	17.4	12.5	11.2	-10.0	1.1	32.2	-30.8	-14.3	25.7	12.4	-54.0	-0.6	-1.4
July	25.7	18.7	13.1	5.1	-11.2	2.5	28.3	-28.6	6.9	-31.3	-2.0	-2.6	0.2	0.4
Aug.	10.2	6.7	8.1	6.9	-11.6	1.5	11.7	-6.8	-0.3	18.8	6.7	-30.0	-2.0	-5.0
Sep.	15.5	12.7	12.2	1.9	-11.3	0.5	16.0	-20.4	-19.3	17.4	2.9	-20.3	-1.1	4.5
Oct.	26.4	17.4	10.0	6.8	-7.9	3.0	29.4	-19.8	17.9	-4.5	3.5	-37.6	0.9	-9.6
Nov.	28.8	17.7	8.9	6.7	-4.5	3.7	32.5	-32.9	-23.2	57.5	-1.4	-66.0	0.2	0.4
Dec.	32.5	12.9	11.5	10.0	-2.0	2.6	35.1	-48.9	-11.0	6.0	1.3	-43.7	-1.3	13.7
2014 Jan.	2.8	1.8	7.3	4.4	-10.9	0.9	3.7	7.1	-9.2	45.1	0.2	-26.3	-2.7	-10.7
Feb.	9.3	15.9	6.1	5.6	-18.4	2.6	11.9	-12.0	-0.5	35.0	2.5	-49.5	0.5	0.1
Mar.	19.5	19.2	6.2	7.5	-13.3	2.0	21.5	-26.8	-14.6	-16.4	-2.0	6.5	-0.3	5.3
Apr.	18.8	15.7	9.4	4.5	-10.8	1.2	20.0	-19.1	-18.7	-86.5	2.9	83.5	-0.3	-0.9
May	8.9	15.1	14.0	-11.6	-8.5	0.2	9.1	-7.7	12.0	48.3	-1.6	-65.8	-0.6	-1.4
	12-month cumulated transactions													
2014 May	229.5	171.2	119.4	59.2	-120.4	21.8	251.3	-246.8	-74.3	115.2	25.4	-305.8	-7.2	-4.5
	12-month cumulated transactions as a percentage of GDP													
2014 May	2.4	1.8	1.2	0.6	-1.2	0.2	2.6	-2.6	-0.8	1.2	0.3	-3.2	-0.1	0.0

C32 Euro area b.o.p.: current account
(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



C33 Euro area b.o.p.: direct and portfolio investment
(12-month cumulated transactions as a percentage of GDP)



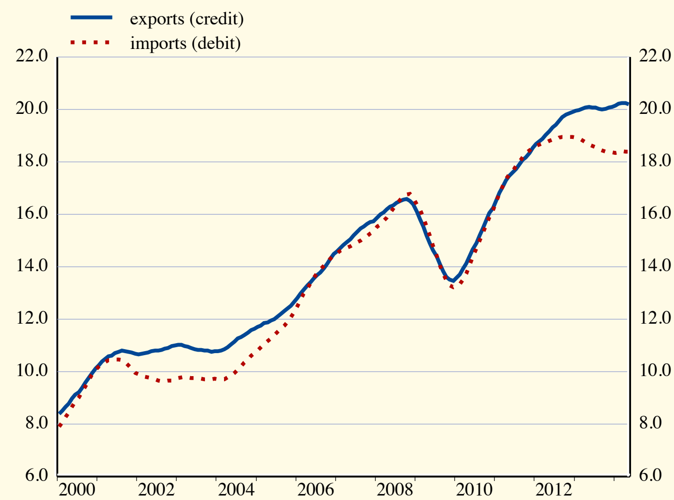
Source: ECB.
1) The sign convention is explained in the General Notes.

7.2 Current and capital accounts
(EUR billions; transactions)

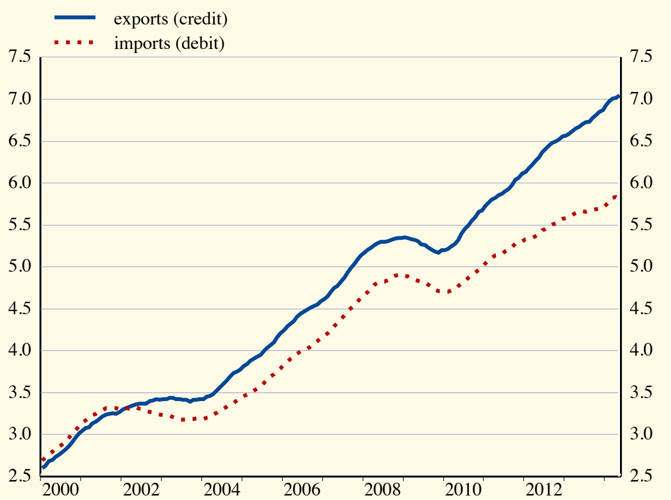
1. Summary current and capital accounts

	Current account													Capital account	
	Total			Goods		Services		Income		Current transfers					
	Credit	Debit	Net	Credit	Debit	Credit	Debit	Credit	Debit	Credit		Debit		Credit	Debit
											Workers' remit-tances		Workers' remit-tances		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2011	3,028.7	3,016.6	12.1	1,792.9	1,792.1	590.8	512.9	549.1	509.5	95.8	6.5	202.1	27.1	25.8	15.1
2012	3,222.8	3,089.7	133.1	1,921.5	1,832.5	633.6	538.5	569.1	512.8	98.6	6.8	205.9	26.0	30.6	24.1
2013	3,247.0	3,019.2	227.8	1,936.2	1,770.9	663.1	549.9	547.9	478.1	99.8	6.7	220.3	24.4	33.9	12.4
2013 Q1	777.4	748.8	28.6	470.6	441.3	146.5	127.5	132.5	110.2	27.7	1.6	69.7	5.9	6.2	4.1
Q2	824.8	764.8	60.1	489.6	439.8	166.5	136.2	148.9	139.0	19.8	1.8	49.8	6.1	7.9	2.3
Q3	807.2	755.7	51.4	479.6	441.5	176.8	143.3	133.2	119.2	17.6	1.7	51.7	6.3	6.7	2.2
Q4	837.6	749.9	87.7	496.4	448.3	173.3	142.9	133.2	109.7	34.7	1.7	49.1	6.1	13.1	3.8
2014 Q1	797.4	765.9	31.6	482.5	445.6	158.3	138.7	128.2	110.6	28.4	1.6	71.0	6.0	7.6	2.1
2014 Mar.	277.7	258.2	19.5	169.6	150.4	54.7	48.5	46.9	39.4	6.5	-	19.8	-	2.8	0.8
Apr.	267.8	249.0	18.8	162.1	146.4	54.0	44.6	45.9	41.4	5.9	-	16.7	-	2.0	0.8
May	270.5	261.6	8.9	159.5	144.4	57.4	43.4	46.9	58.5	6.7	-	15.3	-	1.7	1.6
	Seasonally adjusted														
2013 Q3	808.5	758.6	49.9	480.2	442.6	166.7	137.2	136.7	123.3	24.9	-	55.5	-	-	-
Q4	819.2	752.5	66.7	492.2	445.8	170.0	138.8	132.0	115.3	25.1	-	52.5	-	-	-
2014 Q1	828.7	773.1	55.6	495.8	448.9	173.6	147.7	133.8	120.3	25.6	-	56.2	-	-	-
2014 Mar.	275.7	258.4	17.4	163.5	149.5	57.7	50.2	45.8	39.8	8.8	-	18.9	-	-	-
Apr.	272.6	251.0	21.6	162.6	145.6	56.5	46.5	45.9	40.5	7.6	-	18.3	-	-	-
May	269.8	250.4	19.5	159.1	145.4	57.8	44.9	44.8	43.1	8.1	-	17.0	-	-	-
	12-month cumulated transactions														
2014 May	3,272.0	3,037.9	234.2	1,950.3	1,776.3	680.4	561.1	541.7	481.9	99.7	-	218.6	-	-	-
	12-month cumulated transactions as a percentage of GDP														
2014 May	33.9	31.5	2.4	20.2	18.4	7.0	5.8	5.6	5.0	1.0	-	2.3	-	-	-

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
2011	27.4	12.8	521.7	496.7	269.2	58.8	171.1	57.3	40.4	35.2	36.2	99.5	98.2	121.9	77.7	69.0
2012	30.1	13.5	539.0	499.3	281.2	44.2	158.5	19.3	50.2	64.0	42.4	104.6	99.7	115.1	65.6	57.1
2013	30.0	14.0	518.0	464.1	267.5	40.0	143.1	34.6	45.8	58.9	44.8	104.4	99.2	108.1	60.7	49.6
2013 Q1	7.3	2.6	125.3	107.6	66.1	25.6	35.8	15.8	11.4	14.4	7.8	17.7	24.6	27.3	15.4	12.5
Q2	7.5	3.6	141.4	135.3	72.5	1.9	35.6	2.8	11.6	14.4	15.0	44.1	25.1	27.3	17.2	14.0
Q3	7.4	4.1	125.8	115.2	63.8	17.0	37.6	16.1	11.1	14.6	12.3	24.6	24.8	27.0	13.9	11.5
Q4	7.8	3.6	125.5	106.1	65.1	-4.5	34.2	-0.1	11.8	15.6	9.7	18.1	24.7	26.5	14.2	11.7
2014 Q1	7.5	2.7	120.7	107.9	59.4	15.7	35.1	4.9	12.8	13.4	11.2	19.6	23.7	28.2	13.4	11.7

3. Geographical breakdown
(cumulated transactions)

2013 Q2 to 2014 Q1	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	3,267.1	1,042.8	56.3	101.3	504.5	315.4	65.3	63.2	45.1	163.2	38.2	68.7	121.8	278.0	445.7	1,000.6
Goods	1,948.1	622.0	36.9	59.8	276.0	249.2	0.2	33.8	24.2	123.9	27.2	43.8	83.9	126.0	227.4	635.9
Services	674.9	208.7	12.7	21.3	130.8	36.9	7.0	10.8	11.1	25.1	8.6	15.3	21.6	67.1	104.7	201.9
Income	543.6	146.9	5.7	18.1	86.3	25.5	11.3	18.2	9.1	13.5	2.2	8.5	15.3	75.8	107.0	147.1
Investment income	513.4	139.0	4.8	18.0	84.5	24.9	6.8	18.2	9.0	13.4	2.2	8.5	15.3	59.9	105.5	142.4
Current transfers	100.5	65.2	1.0	2.2	11.4	3.8	46.8	0.5	0.7	0.7	0.2	1.0	0.9	9.1	6.5	15.8
Capital account	35.3	29.3	0.0	0.0	1.9	0.2	27.2	0.0	0.0	0.0	0.0	0.0	0.1	2.6	0.4	2.7
	Debits															
Current account	3,036.3	956.5	48.6	96.2	404.4	288.9	118.4	39.6	30.2	-	34.8	91.3	152.3	235.4	408.4	-
Goods	1,775.2	510.3	31.3	52.2	198.2	228.5	0.0	25.7	14.7	198.8	25.9	43.0	137.0	108.7	152.3	559.0
Services	561.0	163.4	8.1	16.8	94.4	43.8	0.3	5.2	7.3	16.1	7.2	9.2	10.7	54.8	116.6	170.5
Income	478.4	148.6	8.0	25.3	100.5	10.5	4.3	7.5	6.3	-	0.8	38.4	3.5	62.1	132.7	-
Investment income	464.4	141.0	7.9	25.2	98.9	4.8	4.3	7.4	6.1	-	0.6	38.2	3.3	61.7	131.6	-
Current transfers	221.6	134.3	1.2	1.9	11.3	6.1	113.8	1.3	1.8	2.4	0.9	0.7	1.1	9.7	6.8	62.5
Capital account	10.4	3.6	0.0	0.0	2.8	0.4	0.4	0.2	0.4	0.1	0.1	0.1	0.0	0.7	0.5	4.8
	Net															
Current account	230.8	86.2	7.6	5.1	100.1	26.5	-53.1	23.6	14.9	-	3.3	-22.6	-30.5	42.6	37.3	-
Goods	172.9	111.8	5.5	7.6	77.8	20.7	0.2	8.1	9.5	-74.9	1.3	0.9	-53.1	17.3	75.1	76.9
Services	113.9	45.3	4.6	4.5	36.4	-6.9	6.7	5.6	3.8	9.0	1.4	6.1	11.0	12.2	-11.9	31.4
Income	65.1	-1.7	-2.3	-7.2	-14.2	15.0	7.0	10.7	2.8	-	1.4	-29.8	11.8	13.6	-25.7	-
Investment income	48.9	-2.1	-3.1	-7.2	-14.4	20.1	2.5	10.8	2.9	-	1.5	-29.7	11.9	-1.8	-26.0	-
Current transfers	-121.1	-69.0	-0.2	0.3	0.2	-2.3	-67.0	-0.8	-1.2	-1.7	-0.7	0.2	-0.2	-0.6	-0.3	-46.8
Capital account	24.9	25.7	0.0	0.0	-0.9	-0.2	26.9	-0.2	-0.4	-0.1	-0.1	0.0	0.0	1.9	0.0	-2.0

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)													
2010	15,183.6	16,453.3	-1,269.7	165.3	179.1	-13.8	4,928.8	3,895.5	4,901.4	7,429.6	-45.0	4,807.2	5,128.2	591.2
2011	15,986.5	17,440.9	-1,454.4	169.3	184.7	-15.4	5,708.5	4,414.6	4,738.4	7,741.7	-54.8	4,927.3	5,284.5	667.1
2012	16,920.5	18,174.3	-1,253.8	178.0	191.2	-13.2	6,125.7	4,634.2	5,254.8	8,423.6	-46.9	4,897.5	5,116.5	689.4
2013 Q3	16,961.7	18,238.3	-1,276.7	177.3	190.7	-13.3	6,181.1	4,719.8	5,453.6	8,680.2	-41.5	4,781.8	4,838.3	586.8
Q4	17,128.0	18,280.8	-1,152.7	178.4	190.4	-12.0	6,396.8	4,943.7	5,556.0	8,830.8	-39.4	4,672.5	4,506.3	542.1
2014 Q1	17,438.1	18,615.0	-1,176.9	180.8	193.0	-12.2	6,458.4	4,857.3	5,647.3	9,109.7	-85.9	4,847.7	4,648.1	570.6
	Changes to outstanding amounts													
2010	1,447.9	1,226.4	221.6	15.8	13.4	2.4	518.3	359.3	557.8	585.9	-26.7	269.7	281.2	128.8
2011	802.9	987.6	-184.7	8.5	10.5	-2.0	779.7	519.1	-163.0	312.2	-9.7	120.0	156.4	75.9
2012	934.0	733.4	200.6	9.8	7.7	2.1	417.2	219.5	516.3	681.9	7.9	-29.7	-168.0	22.3
2013	207.6	106.5	101.1	2.2	1.1	1.1	271.2	309.5	301.3	407.1	7.4	-225.0	-610.2	-147.3
2013 Q4	166.4	42.4	123.9	6.7	1.7	5.0	215.8	223.9	102.5	150.5	2.1	-109.3	-332.0	-44.7
2014 Q1	310.1	334.3	-24.2	13.1	14.1	-1.0	61.5	-86.4	91.3	278.9	-46.5	175.2	141.7	28.6
	Transactions													
2010	639.5	626.1	13.4	7.0	6.8	0.1	352.0	274.6	131.4	211.6	-10.2	155.8	139.9	10.5
2011	660.8	609.9	50.9	7.0	6.5	0.5	500.9	399.1	-53.7	184.9	5.6	197.8	25.8	10.3
2012	579.1	414.1	165.0	6.1	4.4	1.7	410.1	338.6	194.3	289.7	-5.3	-34.9	-214.2	15.0
2013	533.3	280.4	252.9	5.6	2.9	2.6	360.7	328.6	250.5	360.8	-17.3	-65.0	-408.9	4.4
2013 Q3	32.4	-23.5	55.9	1.3	-1.0	2.3	50.4	37.7	69.1	74.1	-7.6	-82.4	-135.3	2.9
Q4	212.8	111.2	101.6	8.6	4.5	4.1	188.4	172.1	50.7	109.7	-3.4	-23.2	-170.6	0.3
2014 Q1	264.6	232.8	31.8	11.2	9.8	1.3	-2.7	-27.1	74.5	138.3	-0.7	190.9	121.6	2.6
2014 Jan.	205.4	212.5	-7.1	-	-	-	38.3	29.1	17.0	62.1	-0.2	147.6	121.3	2.7
Feb.	49.3	37.3	12.0	-	-	-	-19.0	-19.5	13.0	48.0	-2.5	58.3	8.8	-0.5
Mar.	9.8	-17.0	26.8	-	-	-	-22.0	-36.6	44.5	28.2	2.0	-15.0	-8.5	0.3
Apr.	133.9	114.8	19.1	-	-	-	15.4	-3.3	75.6	-10.8	-2.9	45.5	128.9	0.3
May	102.8	95.2	7.7	-	-	-	16.0	28.1	38.0	86.2	1.6	46.7	-19.1	0.6
	Other changes													
2009	571.4	503.0	68.4	6.4	5.6	0.8	146.5	29.8	417.6	552.1	1.1	-86.8	-78.9	93.0
2010	808.4	600.3	208.1	8.8	6.5	2.3	166.3	84.6	426.4	374.3	-16.5	113.9	141.4	118.3
2011	142.1	377.7	-235.7	1.5	4.0	-2.5	278.8	120.0	-109.3	127.2	-15.3	-77.8	130.5	65.6
2012	354.9	319.3	35.6	3.7	3.3	0.4	7.1	-119.1	322.1	392.2	13.2	5.2	46.2	7.3
	Other changes due to exchange rate changes													
2009	-49.2	-56.2	6.9	-0.6	-0.6	0.1	-5.3	5.3	-29.8	-34.3	.	-11.5	-27.2	-2.7
2010	477.9	325.2	152.7	5.2	3.5	1.7	143.4	35.0	160.0	128.7	.	161.3	161.5	13.3
2011	214.1	176.0	38.1	2.3	1.9	0.4	70.5	18.1	72.9	66.6	.	63.2	91.3	7.5
2012	-87.8	-91.6	3.8	-0.9	-1.0	0.0	-23.0	-6.0	-41.1	-37.1	.	-17.0	-48.5	-6.6
	Other changes due to price changes													
2009	618.1	491.5	126.6	6.9	5.5	1.4	147.5	29.4	423.6	462.1	1.2	.	.	45.8
2010	304.1	150.1	154.0	3.3	1.6	1.7	33.2	-0.8	185.5	150.9	-16.2	.	.	101.7
2011	-127.9	-253.3	125.4	-1.4	-2.7	1.3	-38.1	7.1	-133.7	-260.4	-15.3	.	.	59.3
2012	265.3	590.2	-324.9	2.8	6.2	-3.4	39.6	-6.5	195.6	596.7	13.2	.	.	16.9
	Other changes due to other adjustments													
2009	1.4	68.3	-66.9	0.0	0.8	-0.7	3.4	-4.6	24.0	124.5	.	-75.6	-51.6	49.7
2010	26.3	125.3	-99.1	0.3	1.4	-1.1	-10.6	50.7	80.9	95.0	.	-47.4	-20.3	3.4
2011	59.0	433.2	-374.2	0.6	4.6	-4.0	247.0	94.9	-45.7	299.3	.	-141.0	39.0	-1.2
2012	177.4	-157.3	334.7	1.9	-1.7	3.5	-9.5	-106.5	167.6	-145.7	.	22.3	94.9	-2.9
	Growth rates of outstanding amounts													
2009	-0.7	-0.5	-	.	.	.	8.8	8.8	2.4	5.7	.	-9.9	-12.5	-1.3
2010	4.5	4.0	-	.	.	.	7.7	7.5	2.9	3.0	.	3.4	2.8	2.0
2011	4.4	3.7	-	.	.	.	10.2	10.2	-1.2	2.5	.	4.2	0.6	1.6
2012	3.6	2.4	-	.	.	.	7.2	7.7	4.0	3.7	.	-0.7	-4.0	2.2
2013 Q3	1.9	0.4	-	.	.	.	4.4	4.2	5.6	5.1	.	-3.9	-9.9	1.1
Q4	3.2	1.5	-	.	.	.	5.9	7.1	4.8	4.3	.	-1.3	-8.0	0.7
2014 Q1	3.6	1.9	-	.	.	.	5.0	5.9	4.1	4.6	.	1.8	-6.1	1.2

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

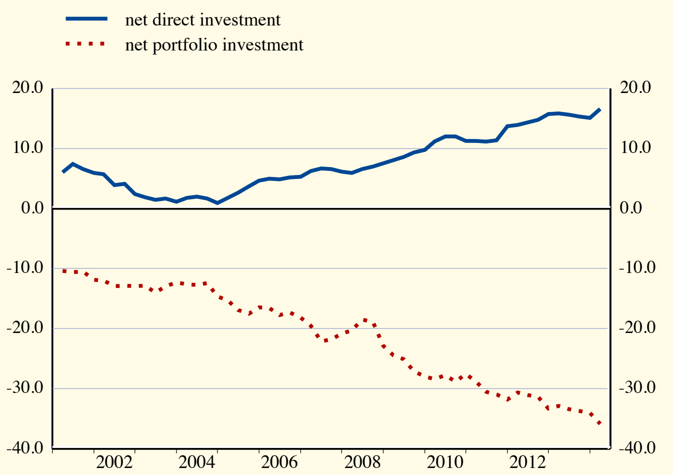
	By resident units abroad							By non-resident units in the euro area						
	Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		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)													
2011	5,708.5	4,281.3	283.1	3,998.2	1,427.2	13.3	1,413.9	4,414.6	3,135.2	101.6	3,033.6	1,279.5	11.3	1,268.2
2012	6,125.7	4,562.5	288.8	4,273.8	1,563.1	12.0	1,551.1	4,634.2	3,231.7	109.2	3,122.5	1,402.5	11.3	1,391.2
2013 Q4	6,396.8	4,781.7	271.6	4,510.1	1,615.1	13.1	1,602.0	4,943.7	3,527.6	108.9	3,418.7	1,416.1	12.3	1,403.8
2014 Q1	6,458.4	4,818.8	276.4	4,542.5	1,639.5	10.7	1,628.9	4,857.3	3,468.5	112.2	3,356.4	1,388.8	6.1	1,382.7
	Transactions													
2011	500.9	430.1	25.1	405.0	70.7	-3.2	73.9	399.1	361.9	10.5	351.4	37.3	0.6	36.6
2012	410.1	275.7	-3.1	278.8	134.4	-0.3	134.7	338.6	253.1	8.0	245.2	85.4	0.1	85.4
2013	360.7	325.0	6.7	318.3	35.7	0.9	34.8	328.6	314.8	7.5	307.4	13.7	1.3	12.4
2013 Q3	50.4	53.7	1.1	52.6	-3.3	0.1	-3.4	37.7	36.2	1.8	34.4	1.5	-0.1	1.6
Q4	188.4	214.6	4.0	210.6	-26.1	0.5	-26.7	172.1	189.9	2.1	187.8	-17.8	0.5	-18.3
2014 Q1	-2.7	-9.7	3.1	-12.7	7.0	1.0	6.0	-27.1	-24.7	2.3	-27.0	-2.3	-3.6	1.2
2014 Jan.	38.3	23.0	-0.3	23.4	15.3	0.4	14.9	29.1	24.4	1.2	23.2	4.7	-3.1	7.8
Feb.	-19.0	-21.4	4.1	-25.4	2.4	0.5	1.9	-19.5	-24.3	0.6	-24.9	4.9	-0.2	5.1
Mar.	-22.0	-11.3	-0.7	-10.7	-10.7	0.1	-10.8	-36.6	-24.8	0.5	-25.3	-11.9	-0.2	-11.7
Apr.	15.4	7.3	1.6	5.7	8.0	-0.1	8.2	-3.3	1.7	0.6	1.0	-5.0	0.0	-5.0
May	16.0	16.4	0.7	15.6	-0.3	-0.2	-0.2	28.1	9.2	0.4	8.8	18.9	0.0	18.9
	Growth rates													
2011	10.2	11.2	9.4	11.4	6.5	-20.1	6.9	10.2	12.3	10.9	12.3	3.8	0.9	3.8
2012	7.2	6.4	-1.1	7.0	9.5	-2.5	9.6	7.7	8.2	7.9	8.2	6.7	0.4	6.7
2013 Q3	4.4	3.6	0.7	3.8	7.0	4.1	7.0	4.2	5.4	6.1	5.4	1.3	1.9	1.3
Q4	5.9	7.2	2.4	7.5	2.2	7.5	2.2	7.1	9.9	7.0	10.0	0.9	11.5	0.9
2014 Q1	5.0	5.9	4.0	6.0	2.3	6.6	2.3	5.9	8.1	6.6	8.2	1.0	-25.4	1.2

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)															
2011	4,738.4	1,703.8	59.3	2.6	1,644.5	39.4	2,569.1	721.4	16.1	1,847.7	96.0	465.5	302.5	58.8	163.1	0.5
2012	5,254.8	1,952.0	70.1	2.8	1,881.8	42.5	2,840.7	674.2	15.6	2,166.5	97.8	462.1	288.0	53.8	174.1	1.4
2013 Q4	5,556.0	2,293.7	123.1	3.4	2,170.7	48.3	2,809.6	601.5	17.0	2,208.2	88.9	452.7	288.5	55.0	164.2	0.0
2014 Q1	5,647.3	2,362.3	111.2	3.2	2,251.1	48.4	2,814.9	634.2	19.2	2,180.7	277.9	470.1	264.2	59.8	205.9	12.8
	Transactions															
2011	-53.7	-66.3	-10.7	-0.2	-55.6	-7.3	-21.8	-60.6	0.1	38.8	-2.8	34.4	26.2	10.4	8.2	0.2
2012	194.3	58.0	3.0	0.1	55.0	0.2	133.9	-38.5	-1.0	172.4	-8.4	2.4	-18.0	2.3	20.4	0.1
2013	250.5	163.7	39.8	0.5	123.8	3.6	78.6	-47.7	1.7	126.3	-7.0	8.3	13.3	14.8	-5.0	-0.7
2013 Q3	69.1	45.9	16.4	0.0	29.5	0.1	21.0	-13.0	0.7	34.0	-1.6	2.2	8.5	-2.4	-6.3	0.0
Q4	50.7	39.6	5.7	0.3	33.9	-0.8	12.4	-10.3	0.6	22.7	-4.5	-1.3	5.7	2.0	-7.0	-0.1
2014 Q1	74.5	23.5	-9.8	-0.1	33.3	-0.5	36.3	11.3	0.7	24.9	-7.3	14.8	-2.8	1.3	17.6	0.5
2014 Jan.	17.0	5.7	-4.5	0.1	10.2	-	4.4	3.1	-1.6	1.3	-	6.9	-0.4	0.8	7.3	-
Feb.	13.0	-3.8	-15.8	-0.1	12.0	-	7.0	-0.8	0.1	7.9	-	9.7	-0.9	-1.9	10.6	-
Mar.	44.5	21.6	10.4	-0.2	11.1	-	24.8	9.0	2.2	15.8	-	-1.9	-1.6	2.4	-0.2	-
Apr.	75.6	33.2	0.8	0.0	32.4	-	30.2	5.6	0.7	24.6	-	12.2	1.1	-0.6	11.2	-
May	38.0	20.2	1.9	0.0	18.3	-	3.7	-6.4	0.2	10.1	-	14.1	9.5	4.3	4.6	-
	Growth rates															
2011	-1.2	-3.9	-15.2	-7.2	-3.4	-15.9	-0.9	-7.7	-0.2	2.2	-2.9	8.4	8.6	25.5	8.0	120.3
2012	4.0	3.2	5.0	3.0	3.1	0.1	5.1	-5.4	-6.3	9.0	-8.1	0.5	-5.5	3.7	12.6	29.8
2013 Q3	5.6	9.7	73.5	5.8	7.6	13.0	4.1	-4.6	10.8	6.8	-6.0	-1.9	-4.0	37.6	2.3	-56.3
Q4	4.8	8.2	54.2	16.1	6.4	8.4	2.8	-7.2	11.3	5.9	-7.2	1.8	4.7	29.3	-3.0	-90.8
2014 Q1	4.1	5.8	18.5	7.3	5.3	-0.7	2.9	-2.9	8.5	4.6	-15.4	3.4	2.0	30.8	5.8	204.5

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)											
2011	7,741.7	3,074.9	562.0	2,512.9	4,222.4	1,254.8	2,967.6	1,722.8	444.4	92.4	352.0	306.8
2012	8,423.6	3,524.4	543.2	2,981.1	4,446.3	1,202.4	3,243.9	1,930.5	452.9	91.7	361.2	286.2
2013 Q4	8,830.8	3,970.0	536.0	3,433.9	4,391.5	1,103.6	3,287.9	1,952.1	469.3	115.5	353.8	289.1
2014 Q1	9,109.7	4,161.0	574.9	3,586.1	4,479.4	1,104.0	3,375.4	2,056.2	469.3	120.9	348.3	277.5
	Transactions											
2011	184.9	64.4	18.9	45.5	165.3	-15.9	181.2	101.1	-44.8	-4.5	-40.3	-42.1
2012	289.7	164.9	-16.3	181.3	128.8	-78.9	207.6	163.6	-4.0	5.9	-10.0	-27.4
2013	360.8	241.8	-21.5	263.3	77.8	-48.5	126.3	96.0	41.1	30.4	10.7	20.7
2013 Q3	74.1	44.4	11.2	33.2	-14.2	-22.0	7.9	6.3	43.8	23.5	20.2	20.5
Q4	109.7	63.6	-7.2	70.7	87.6	9.8	77.8	59.0	-41.5	-11.5	-30.0	-24.1
2014 Q1	138.3	74.4	13.6	60.8	72.4	-1.9	74.2	70.2	-8.5	7.8	-16.3	-16.1
2014 Jan.	62.1	1.8	9.9	-8.0	31.4	1.7	29.7	-	28.9	23.4	5.5	-
Feb.	48.0	15.7	10.9	4.8	50.8	-0.1	50.9	-	-18.5	-8.4	-10.1	-
Mar.	28.2	56.9	-7.2	64.1	-9.8	-3.4	-6.4	-	-18.9	-7.2	-11.7	-
Apr.	-10.8	24.7	5.1	19.6	-1.0	-10.9	9.9	-	-34.5	-15.7	-18.9	-
May	86.2	16.8	10.6	6.1	46.4	2.4	44.0	-	23.1	4.0	19.1	-
	Growth rates											
2011	2.5	2.0	3.0	1.6	4.5	-1.2	7.2	6.5	-8.7	1.0	-10.2	-12.4
2012	3.7	5.2	-3.0	6.8	3.0	-6.3	7.0	9.5	-0.8	6.2	-2.7	-8.7
2013 Q3	5.1	7.4	-4.3	9.7	1.3	-5.5	3.8	4.4	25.4	60.2	16.8	14.9
Q4	4.3	6.8	-3.9	8.7	1.8	-4.0	3.9	5.0	8.9	31.7	2.9	7.1
2014 Q1	4.6	6.7	0.1	7.9	3.4	-3.1	5.8	7.7	-1.9	16.8	-7.6	-7.1

Source: ECB.

7.3 Financial account

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

5. Other investment assets

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other assets	Total	Loans/ currency and deposits	Other assets		Trade credits	Loans/currency and deposits	Currency and deposits		Trade credits	Loans/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)														
2011	4,927.3	36.2	35.5	0.7	3,069.9	3,008.1	61.8	162.5	6.8	116.1	30.2	1,658.7	248.5	1,217.4	520.9
2012	4,897.5	40.9	40.2	0.7	2,926.0	2,855.7	70.3	168.0	5.3	121.4	29.2	1,762.7	254.0	1,306.6	567.8
2013 Q4	4,672.5	17.1	15.5	1.6	2,753.7	2,722.7	31.1	157.2	4.1	109.6	27.2	1,744.5	246.3	1,267.1	564.3
2014 Q1	4,847.7	9.9	8.7	1.3	2,903.5	2,862.4	41.2	154.2	3.7	107.8	32.7	1,780.1	247.1	1,262.4	586.4
	Transactions														
2011	197.8	-3.1	-3.1	0.1	51.7	21.7	29.9	4.3	-0.3	4.0	10.3	145.0	8.6	112.2	41.4
2012	-34.9	5.2	5.2	0.0	-121.0	-128.1	7.1	6.2	-1.5	6.3	-1.0	74.5	8.3	38.2	5.0
2013	-65.0	-19.8	-19.8	0.0	-53.3	-70.2	16.9	-11.0	-1.3	-11.8	-2.3	19.1	2.7	-22.0	4.9
2013 Q3	-82.4	6.2	6.2	0.0	-65.5	-88.4	22.9	-1.7	-0.1	-1.8	-1.2	-21.4	-2.2	-20.4	-12.1
Q4	-23.2	-8.3	-8.3	0.0	-13.0	-8.3	-4.8	5.6	-0.9	5.8	4.2	-7.5	0.8	-11.0	-11.8
2014 Q1	190.9	-6.7	-6.7	0.0	140.1	131.7	8.4	0.3	-0.3	5.1	5.5	57.2	0.8	28.8	49.7
2014 Jan.	147.6	-3.3	-	-	130.3	-	-	-2.1	-	-	-0.1	22.7	-	-	20.5
Feb.	58.3	0.1	-	-	31.5	-	-	1.5	-	-	4.3	25.3	-	-	18.7
Mar.	-15.0	-3.5	-	-	-21.7	-	-	0.9	-	-	1.3	9.3	-	-	10.5
Apr.	45.5	5.6	-	-	48.8	-	-	-2.1	-	-	-1.6	-6.9	-	-	-4.8
May	46.7	-5.1	-	-	37.1	-	-	1.9	-	-	2.2	12.8	-	-	20.2
	Growth rates														
2011	4.2	-6.3	-6.4	8.8	1.9	0.9	76.8	2.9	-3.3	4.1	51.5	9.1	4.0	9.0	9.8
2012	-0.7	13.0	13.2	1.0	-3.9	-4.2	12.2	4.0	-22.2	5.7	-3.3	4.5	3.4	3.2	1.1
2013 Q3	-3.9	-13.1	-13.4	3.3	-5.0	-5.6	19.1	2.3	-5.7	0.2	-9.5	-2.3	-0.3	-4.8	-7.4
Q4	-1.3	-49.5	-50.4	3.2	-1.8	-2.5	24.0	-6.5	-24.0	-9.7	-7.9	1.1	1.1	-1.7	0.6
2014 Q1	1.8	-63.0	-66.0	3.3	2.6	1.8	52.9	-0.3	-26.0	4.3	34.4	1.8	0.2	-0.6	5.3

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)														
2011	5,284.5	410.3	407.5	2.8	3,221.8	3,154.9	66.9	229.3	0.1	222.3	6.9	1,423.2	227.2	1,014.5	181.5
2012	5,116.5	423.9	423.0	0.9	2,976.1	2,893.4	82.8	231.6	0.1	224.0	7.5	1,484.8	229.7	1,023.8	231.3
2013 Q4	4,506.3	340.7	340.1	0.6	2,531.3	2,512.9	18.4	223.5	0.2	215.7	7.7	1,410.8	230.7	939.7	240.4
2014 Q1	4,648.1	311.6	309.6	2.0	2,615.1	2,589.5	25.6	223.1	0.2	216.0	6.9	1,498.2	229.8	960.3	308.2
	Transactions														
2011	25.8	134.8	135.0	-0.2	-289.9	-328.6	38.6	74.2	0.0	74.2	0.0	106.8	10.6	75.9	20.3
2012	-214.2	18.4	20.2	-1.8	-232.8	-250.0	17.2	2.5	0.0	1.5	1.0	-2.3	7.3	-10.0	0.4
2013	-408.9	-78.8	-78.4	-0.4	-320.6	-322.6	2.0	-3.8	0.0	-3.4	-0.5	-5.7	5.0	-6.4	-4.3
2013 Q3	-135.3	-10.2	-10.3	0.2	-102.0	-124.4	22.4	5.3	0.0	5.1	0.1	-28.3	0.6	-28.3	-0.7
Q4	-170.6	-17.6	-16.6	-1.0	-125.5	-123.5	-2.0	-8.4	0.0	-8.2	-0.2	-19.1	2.1	-9.1	-12.1
2014 Q1	121.6	-30.2	-30.3	0.1	73.7	66.0	7.7	2.1	0.0	2.2	-0.1	76.0	-1.6	29.4	48.2
2014 Jan.	121.3	-6.6	-	-	108.7	-	-	0.8	-	-	-	18.3	-	-	-
Feb.	8.8	-12.2	-	-	-18.2	-	-	1.2	-	-	-	38.0	-	-	-
Mar.	-8.5	-11.4	-	-	-16.8	-	-	0.0	-	-	-	19.6	-	-	-
Apr.	128.9	1.8	-	-	93.7	-	-	-0.3	-	-	-	33.8	-	-	-
May	-19.1	-4.1	-	-	-25.2	-	-	-2.4	-	-	-	12.6	-	-	-
	Growth rates														
2011	0.6	50.4	51.0	.	-8.3	-9.6	90.6	48.8	.	50.9	-0.6	9.0	5.2	8.9	14.0
2012	-4.0	4.6	5.1	.	-7.2	-7.9	25.8	1.1	.	0.7	15.6	0.0	3.2	-0.9	1.4
2013 Q3	-9.9	-15.1	-15.2	.	-12.8	-13.3	9.2	-0.8	.	-0.9	1.6	-4.2	1.7	-4.5	-8.6
Q4	-8.0	-18.5	-18.5	.	-10.8	-11.2	3.0	-1.7	.	-1.6	-6.1	-0.3	2.2	-0.6	-0.8
2014 Q1	-6.1	-20.2	-20.2	.	-8.2	-8.9	47.2	-0.5	.	-0.8	10.4	0.7	0.2	-0.9	6.9

Source: ECB.

(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)																
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	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 Q3	586.8	340.5	346.674	50.5	30.5	164.3	5.1	9.3	149.7	0.2	134.0	15.5	0.2	0.9	21.5	-29.4	53.6
Q4	542.0	301.9	346.566	50.1	28.9	160.0	6.6	5.7	147.4	0.2	135.8	11.4	0.3	1.0	22.5	-30.1	52.7
2014 Q1	569.9	324.9	346.790	49.7	28.0	166.3	6.5	7.7	152.0	0.3	139.6	12.1	0.1	1.0	22.9	-31.3	52.8
2014 May	568.8	318.6	346.720	51.0	28.7	168.3	3.7	9.0	155.8	0.3	139.9	15.5	-0.2	2.3	23.7	-32.0	53.3
June	583.0	333.8	346.721	50.8	28.1	168.0	4.9	8.5	154.7	0.3	139.6	14.8	-0.1	2.3	23.0	-28.6	53.4
	Transactions																
2011	10.3	0.0	-	-1.6	13.0	-1.2	-2.3	-8.3	9.3	0.1	15.9	-6.8	0.1	0.0	-	-	-
2012	15.0	0.0	-	-0.3	2.1	12.5	1.8	1.2	9.1	-0.4	0.4	9.1	0.4	0.7	-	-	-
2013	4.4	0.0	-	-0.6	-1.7	6.3	0.2	-2.6	9.6	0.0	15.8	-6.2	-1.0	0.4	-	-	-
2013 Q3	2.9	0.0	-	-0.2	-0.6	3.6	-0.2	1.7	2.2	0.0	4.0	-1.7	-0.1	0.0	-	-	-
Q4	0.3	0.0	-	0.4	-1.2	1.0	1.5	-3.3	2.9	0.0	6.1	-3.3	-0.1	0.1	-	-	-
2014 Q1	2.6	0.0	-	-0.2	-0.7	3.5	-0.4	2.0	2.1	0.1	1.5	0.5	-0.3	0.0	-	-	-
	Growth rates																
2010	2.0	0.0	-	-0.1	46.7	3.7	-43.3	75.9	3.5	-5.2	10.2	-24.6	-	-	-	-	-
2011	1.6	0.0	-	-3.0	83.3	-1.3	-30.0	-52.7	6.8	27.4	14.2	-45.3	-	-	-	-	-
2012	2.2	0.0	-	-0.5	7.1	8.0	41.6	15.2	6.3	-53.5	0.2	82.5	-	-	-	-	-
2013 Q3	1.1	0.0	-	-1.3	-6.2	5.8	-13.6	22.4	6.2	0.0	7.1	-0.6	-	-	-	-	-
Q4	0.7	0.0	-	-1.1	-5.5	3.8	2.2	-29.6	6.5	0.1	12.3	-33.1	-	-	-	-	-
2014 Q1	1.2	0.0	-	-0.5	-8.8	5.9	18.4	-13.6	7.3	40.2	14.1	-35.5	-	-	-	-	-

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)										
2010	10,848.6	4,724.7	441.4	3,756.0	203.3	200.2	1,523.0	2,067.8	270.3	4,751.7	2,235.8
2011	11,972.5	4,799.2	444.4	4,222.4	227.3	258.0	2,021.1	2,258.8	410.3	4,569.0	2,713.2
2012	12,245.7	4,564.1	452.9	4,446.3	229.8	322.5	2,230.0	2,448.4	423.9	4,270.2	2,873.3
2013 Q3	11,982.3	4,248.5	518.9	4,352.4	229.4	360.4	2,272.7	2,468.8	360.7	3,991.0	2,889.0
Q4	11,608.3	4,008.4	469.3	4,391.5	230.9	267.1	2,241.1	2,464.7	340.7	3,750.4	2,811.3
2014 Q1	11,826.0	4,075.5	469.3	4,479.4	229.9	342.6	2,229.3	2,556.8	311.6	3,840.0	2,888.3
	Outstanding amounts as a percentage of GDP										
2010	118.2	51.5	4.8	40.9	2.2	2.2	16.6	22.5	2.9	51.8	24.4
2011	126.8	50.8	4.7	44.7	2.4	2.7	21.4	23.9	4.3	48.4	28.7
2012	128.8	48.0	4.8	46.8	2.4	3.4	23.5	25.8	4.5	44.9	30.2
2013 Q3	125.2	44.4	5.4	45.5	2.4	3.8	23.8	25.8	3.8	41.7	30.2
Q4	120.8	41.7	4.9	45.7	2.4	2.8	23.3	25.7	3.5	39.0	29.3
2014 Q1	122.5	42.2	4.9	46.4	2.4	3.5	23.1	26.5	3.2	39.8	29.9

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

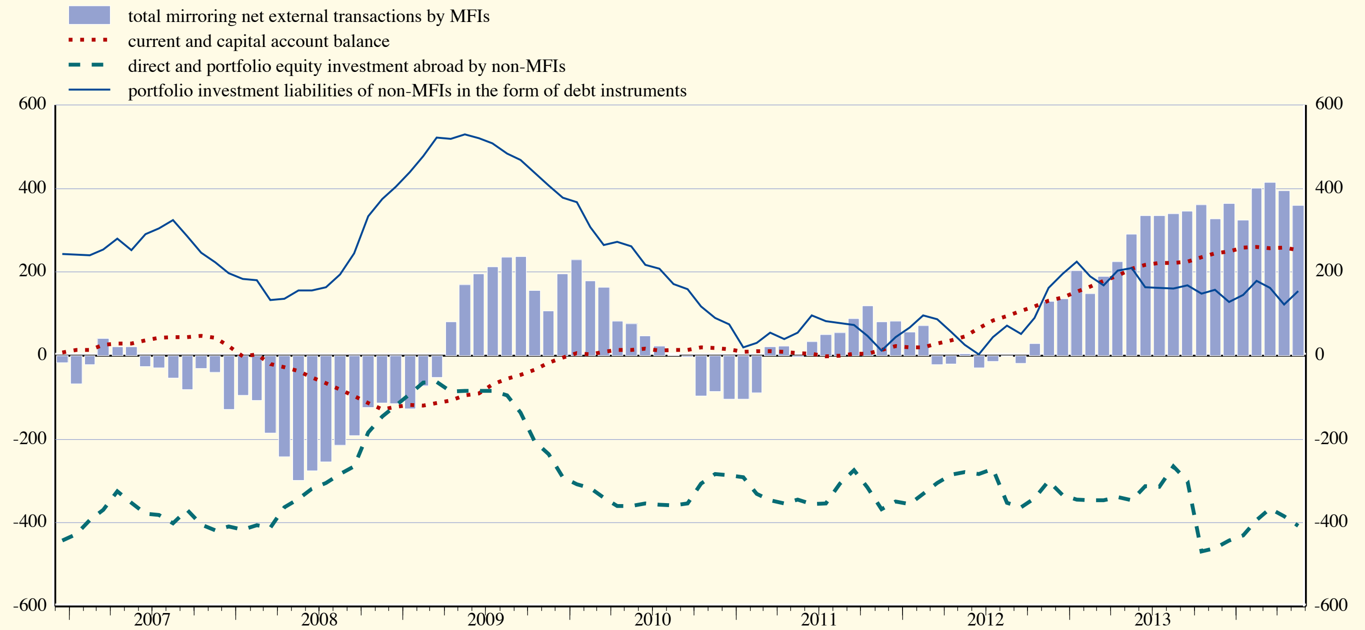
	Total	EU Member States outside the euro area						Canada	China	Japan	Switzer-land	United States	Offshore financial centres	Interna-tional organisa-tions	Other countries
		Total	Denmark	Sweden	United Kingdom	Other EU countries	EU institutions								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2012	Outstanding amounts (international investment position)														
Direct investment	1,491.5	395.5	-12.0	14.7	106.8	287.3	-1.2	107.0	80.2	-23.3	165.7	178.3	-243.2	-0.2	831.6
Abroad	6,125.7	1,724.5	33.4	173.5	1,181.7	335.9	0.1	217.3	101.6	78.8	629.1	1,434.9	627.7	0.1	1,311.5
Equity/reinvested earnings	4,562.5	1,281.2	26.8	104.2	889.3	260.9	0.0	169.9	83.3	56.5	476.9	1,016.9	512.3	0.1	965.5
Other capital	1,563.1	443.4	6.6	69.2	292.5	75.0	0.1	47.4	18.4	22.2	152.3	418.0	115.5	0.0	346.0
In the euro area	4,634.2	1,329.1	45.5	158.8	1,074.9	48.6	1.3	110.3	21.4	102.0	463.4	1,256.7	871.0	0.3	479.9
Equity/reinvested earnings	3,231.7	1,034.9	36.6	142.8	821.9	32.3	1.3	88.1	7.8	88.7	280.9	951.7	443.1	0.1	336.3
Other capital	1,402.5	294.2	8.9	16.0	253.0	16.2	0.0	22.2	13.6	13.3	182.5	304.9	427.9	0.2	143.7
Portfolio investment assets	5,254.8	1,679.6	99.5	227.4	1,046.3	118.6	187.7	102.0	61.2	215.5	131.4	1,638.6	433.5	33.2	959.8
Equity	1,952.0	394.6	17.2	48.8	314.2	14.2	0.1	39.6	57.2	106.1	117.1	621.7	237.0	0.9	377.6
Debt instruments	3,302.8	1,284.9	82.3	178.6	732.1	104.4	187.5	62.4	4.0	109.4	14.3	1,016.8	196.6	32.3	582.2
Bonds and notes	2,840.7	1,133.8	75.6	148.2	620.1	103.5	186.4	58.1	2.6	36.7	11.3	855.4	184.8	31.7	526.4
Money market instruments	462.1	151.1	6.6	30.4	112.0	0.9	1.2	4.3	1.3	72.7	3.0	161.4	11.8	0.6	55.8
Other investment	-218.9	-247.6	11.3	-26.9	-48.9	44.9	-228.0	1.9	-15.2	5.1	-33.9	58.1	49.0	-77.5	41.2
Assets	4,897.5	2,194.5	78.1	87.2	1,847.7	162.2	19.4	28.2	49.4	81.8	268.2	684.6	541.3	37.3	1,012.3
General government	168.0	65.5	1.0	4.6	43.4	1.6	14.9	1.8	3.1	0.9	1.5	11.0	3.3	30.7	50.3
MFIs	2,966.9	1,530.1	58.4	50.8	1,293.2	125.3	2.2	16.4	24.3	65.9	147.1	396.0	393.1	5.2	388.7
Other sectors	1,762.7	599.0	18.7	31.8	511.0	35.3	2.2	10.0	21.9	15.0	119.6	277.6	144.9	1.4	573.3
Liabilities	5,116.5	2,442.1	66.8	114.1	1,896.5	117.3	247.3	26.3	64.6	76.8	302.0	626.5	492.3	114.8	971.1
General government	231.6	110.5	0.3	0.9	26.3	0.2	82.8	0.1	0.0	0.1	1.1	29.6	1.2	83.7	5.2
MFIs	3,400.1	1,647.7	56.3	88.7	1,309.1	89.6	104.0	17.1	38.3	50.7	239.4	338.7	392.7	28.3	647.2
Other sectors	1,484.8	683.9	10.2	24.6	561.1	27.5	60.5	9.1	26.3	25.9	61.6	258.2	98.3	2.8	318.7
2013 Q2 to 2014 Q1	Cumulated transactions														
Direct investment	31.4	132.3	1.9	-8.3	139.3	-0.5	0.0	11.7	2.6	-23.4	25.6	-201.3	48.7	-0.3	35.5
Abroad	305.8	83.9	2.4	-3.0	79.0	5.5	0.0	18.6	7.4	-17.2	35.2	65.0	31.2	-0.3	82.0
Equity/reinvested earnings	268.9	87.4	1.8	-0.1	78.6	7.2	0.0	18.0	6.4	-17.0	8.5	90.3	25.6	0.0	49.5
Other capital	36.8	-3.6	0.6	-2.9	0.4	-1.7	0.0	0.6	0.9	-0.2	26.7	-25.3	5.5	-0.3	32.5
In the euro area	274.4	-48.5	0.6	5.3	-60.3	6.0	0.0	7.0	4.8	6.2	9.6	266.3	-17.5	0.0	46.5
Equity/reinvested earnings	260.0	-39.3	0.4	-0.1	-42.3	2.6	0.0	5.0	3.9	6.6	4.7	229.9	22.7	0.0	26.5
Other capital	14.4	-9.2	0.1	5.3	-18.0	3.4	0.0	2.0	0.9	-0.4	4.9	36.4	-40.2	0.1	20.0
Portfolio investment assets	218.7	67.5	-4.3	7.6	42.7	3.8	17.6	12.9	4.3	33.3	10.7	38.2	-7.8	2.3	57.2
Equity	123.2	34.3	2.3	5.0	26.3	0.5	0.2	6.3	2.1	18.2	5.6	51.8	-4.6	0.0	9.5
Debt instruments	95.5	33.2	-6.7	2.6	16.5	3.4	17.4	6.6	2.2	15.2	5.1	-13.6	-3.2	2.3	47.7
Bonds and notes	80.0	34.6	-5.5	6.6	13.4	1.9	18.2	10.4	1.4	0.7	4.6	-4.1	-12.5	3.0	41.9
Money market instruments	15.5	-1.4	-1.2	-4.0	3.1	1.5	-0.8	-3.8	0.8	14.5	0.5	-9.5	9.3	-0.7	5.8
Other investment	404.6	114.6	13.3	3.2	94.5	-7.2	10.8	0.9	-0.6	47.8	54.8	103.8	40.5	4.0	38.7
Assets	83.7	-104.9	-1.8	8.5	-105.3	-6.9	0.6	-0.8	6.3	43.7	21.1	97.0	23.8	5.9	-8.5
General government	-0.6	4.6	-0.4	-1.5	7.4	-0.4	-0.4	0.0	-0.1	0.3	-0.1	-0.4	-0.6	0.2	-4.3
MFIs	52.7	-116.0	-4.8	8.7	-113.5	-7.4	0.9	3.8	4.9	37.8	15.0	62.6	65.6	5.2	-26.2
Other sectors	31.5	6.5	3.4	1.3	0.8	0.9	0.1	-4.5	1.5	5.6	6.2	34.8	-41.1	0.5	22.0
Liabilities	-320.9	-219.5	-15.1	5.3	-199.8	0.4	-10.2	-1.7	6.9	-4.1	-33.7	-6.8	-16.7	1.9	-47.2
General government	-1.1	0.9	0.1	0.3	-0.6	0.0	1.0	-0.2	0.0	0.0	0.4	-5.5	-0.2	1.1	2.5
MFIs	-326.1	-192.8	-14.2	5.8	-171.0	0.4	-13.7	-2.3	3.5	-4.8	-35.8	-8.8	-20.2	0.0	-64.9
Other sectors	6.2	-27.5	-1.0	-0.8	-28.3	0.0	2.5	0.9	3.4	0.6	1.7	7.5	3.7	0.7	15.2

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
2011	82.6	22.6	-479.1	387.4	55.7	-47.0	44.7	44.6	-149.3	180.7	-5.6	27.8
2012	136.4	139.9	-413.5	330.2	-55.0	-193.4	181.4	196.0	-81.2	1.4	5.2	25.5
2013	364.6	250.0	-353.1	319.4	-123.8	-121.4	264.2	128.5	-8.3	-9.4	17.2	1.2
2013 Q1	27.7	30.8	-52.4	23.6	-50.1	-55.2	76.0	24.8	-34.8	63.7	8.3	-6.9
Q2	148.9	65.9	-67.6	90.5	-10.3	-22.8	84.7	27.3	1.6	-22.5	-1.9	3.8
Q3	53.8	56.3	-49.2	35.9	-29.5	-27.7	32.8	28.1	22.9	-23.0	7.6	-0.4
Q4	134.3	96.9	-183.9	169.4	-33.9	-15.7	70.8	48.4	2.0	-27.5	3.2	4.7
2014 Q1	76.9	37.1	6.8	-25.8	-33.3	-42.6	60.8	57.9	-57.5	78.1	0.7	-5.3
2013 May	84.7	16.0	-13.0	56.4	-6.4	-10.1	30.6	30.9	-10.0	-5.0	-8.7	4.0
June	55.2	32.3	-32.8	19.6	14.5	14.5	38.1	-34.0	31.2	-37.7	12.4	-2.9
July	12.5	28.5	-7.5	12.7	-13.2	-12.7	-0.6	9.5	10.3	-12.3	-2.0	-0.4
Aug.	28.3	11.8	-28.0	28.0	2.2	-1.1	9.2	0.9	8.2	-4.6	6.7	-5.0
Sep.	13.0	16.1	-13.8	-4.8	-18.6	-13.9	24.1	17.7	4.4	-6.1	2.9	5.0
Oct.	21.3	29.4	-157.3	174.9	-13.7	-5.7	8.3	-1.0	-0.4	-6.3	3.4	-10.3
Nov.	33.7	32.6	-28.2	4.6	-3.9	-11.5	19.6	52.1	-27.7	-3.0	-1.4	0.5
Dec.	79.3	35.0	1.6	-10.1	-16.3	1.5	42.8	-2.8	30.1	-18.2	1.2	14.4
2014 Jan.	-7.1	3.7	-38.2	31.0	-10.2	-8.6	-8.0	35.2	-20.6	19.2	0.2	-10.7
Feb.	45.9	11.9	23.5	-19.8	-12.0	-18.4	4.8	40.8	-26.7	39.3	2.5	0.1
Mar.	38.2	21.5	21.5	-37.0	-11.1	-15.6	64.1	-18.1	-10.1	19.6	-2.0	5.3
Apr.	-10.8	20.0	-13.9	-4.0	-32.4	-35.7	19.6	-9.0	9.0	33.5	2.9	-0.9
May	50.0	9.1	-15.5	27.7	-18.3	-14.7	6.1	63.1	-14.7	10.2	-1.6	-1.4
	12-month cumulated transactions											
2014 May	359.4	251.7	-288.6	222.9	-132.9	-121.9	228.2	154.4	-7.1	33.5	25.2	-6.2

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)												
2012	7.6	1.8	1,880.6	934.3	386.5	516.6	1,524.0	1,794.1	1,152.1	243.4	372.9	1,090.2	360.8
2013	1.0	-3.1	1,897.2	932.8	385.0	532.4	1,537.9	1,738.7	1,098.2	236.2	374.1	1,077.5	337.0
2013 Q2	1.8	-3.0	475.0	232.6	97.3	132.2	384.8	434.1	275.6	59.0	92.0	268.0	84.6
Q3	0.3	-1.8	472.3	231.7	95.2	133.4	383.4	436.4	275.1	60.2	94.3	270.7	84.5
Q4	1.1	-2.2	474.4	231.9	96.3	133.9	386.8	430.8	268.7	58.0	95.7	271.4	80.8
2014 Q1	1.2	0.1	479.4	234.9	95.2	136.6	389.5	435.9	271.9	60.3	95.3	276.3	78.2
2013 Dec.	4.1	1.4	157.1	76.2	31.7	44.2	128.5	142.3	88.7	18.9	31.8	89.9	26.5
2014 Jan.	1.2	-2.7	158.7	78.8	31.5	45.7	128.3	145.3	91.6	19.9	31.4	91.4	26.9
Feb.	3.3	0.2	160.7	79.1	31.9	46.0	131.6	145.7	90.3	20.3	32.0	92.9	25.3
Mar.	-0.7	2.9	159.9	77.0	31.8	44.9	129.7	145.0	89.9	20.1	31.9	92.0	25.9
Apr.	-1.5	-2.5	159.6	78.8	31.7	45.8	130.7	144.4	89.5	19.8	32.3	93.1	25.7
May	0.2	-0.3	160.5	.	.	.	131.9	145.2	.	.	.	90.6	.
	Volume indices (2000 = 100; annual percentage changes for columns 1 and 2)												
2012	3.5	-3.2	111.9	110.2	117.1	111.7	112.0	99.6	100.8	98.0	96.8	98.9	99.6
2013	1.7	-0.6	113.5	111.7	115.7	114.9	113.1	99.1	100.0	95.3	97.2	98.6	98.3
2013 Q2	2.0	-1.2	113.4	111.0	116.2	114.1	112.9	99.0	100.9	93.8	95.4	97.5	101.4
Q3	2.2	1.8	113.4	111.6	114.4	115.4	113.1	99.4	100.2	97.4	98.0	99.2	98.1
Q4	2.2	1.4	113.6	111.8	115.6	114.7	113.5	99.5	99.8	95.2	99.3	99.9	95.6
2014 Q1	1.4	1.9	114.8	113.2	114.5	117.0	114.2	100.0	100.2	97.3	98.8	101.5	93.6
2013 Nov.	-1.0	-1.4	114.3	112.3	116.2	115.0	113.5	99.5	98.6	98.4	100.3	100.3	94.8
Dec.	5.3	4.9	112.7	110.1	113.3	113.3	112.8	98.7	99.1	92.6	98.7	99.1	93.6
2014 Jan.	1.0	-1.1	113.9	113.8	113.7	117.1	112.5	100.1	101.1	97.9	97.6	100.9	96.7
Feb.	3.5	2.0	115.6	114.3	115.4	118.7	115.9	100.1	99.8	97.7	99.6	102.4	90.1
Mar.	-0.3	4.9	114.9	111.6	114.5	115.3	114.1	99.7	99.7	96.2	99.3	101.1	94.0
Apr.	-0.8	1.0	115.1	114.8	113.9	118.3	115.5	101.3	101.8	96.7	101.2	103.4	94.7

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					Manufacturing	Total (index: 2010 = 100)	Total					Manufacturing
			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
2012	106.1	2.2	0.9	1.8	2.3	9.4	2.2	111.2	3.4	0.2	1.6	3.2	8.0	2.1
2013	105.0	-1.0	-1.5	-0.2	0.8	-7.9	-0.9	108.2	-2.7	-2.4	-1.9	0.0	-5.5	-1.7
2013 Q4	104.3	-1.4	-2.1	-0.4	0.4	-8.2	-1.3	106.8	-3.2	-3.1	-2.1	-0.8	-5.6	-2.3
2014 Q1	104.1	-1.6	-1.8	-0.3	-0.1	-9.3	-1.3	106.0	-3.6	-3.0	-2.3	-0.4	-7.3	-2.2
Q2	104.2	-0.8	-1.3	-0.3	0.0	-1.7	-0.7	105.4	-2.3	-2.8	-2.7	-0.6	-2.3	-2.0
2014 Jan.	104.1	-1.4	-1.6	-0.2	-0.1	-8.0	-1.1	106.4	-3.0	-2.7	-1.9	-0.3	-6.0	-1.9
Feb.	104.2	-1.5	-1.6	0.0	0.1	-11.1	-1.2	106.3	-3.4	-2.6	-1.8	-0.1	-7.8	-1.9
Mar.	103.9	-1.8	-2.2	-0.6	-0.3	-8.9	-1.5	105.3	-4.2	-3.6	-3.0	-0.9	-8.2	-2.8
Apr.	104.0	-1.3	-1.8	-0.6	-0.2	-3.6	-1.1	105.0	-3.3	-3.4	-3.7	-0.8	-4.1	-2.7
May	104.2	-0.9	-1.2	-0.3	-0.1	-2.2	-0.8	105.4	-2.3	-2.9	-2.4	-0.6	-2.0	-1.9
June	104.6	-0.1	-0.8	0.1	0.3	0.6	-0.1	105.9	-1.4	-2.0	-1.9	-0.3	-0.7	-1.3

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.

7.5 Trade in goods
(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.)														
2012	1,880.6	34.2	59.5	230.0	249.3	92.2	116.3	59.5	223.7	440.6	120.6	44.6	126.5	97.4	151.3
2013	1,897.2	35.3	59.5	239.4	255.5	88.7	110.7	60.4	221.5	443.9	122.1	43.9	130.4	97.8	154.3
2012 Q4	469.2	8.6	14.5	58.1	61.7	23.2	28.5	15.2	53.8	110.8	29.0	11.2	32.5	24.7	37.8
2013 Q1	475.4	8.8	14.6	58.2	62.9	23.6	28.1	15.5	55.6	111.0	29.6	11.0	34.5	24.8	38.1
Q2	475.0	8.8	14.7	59.2	62.9	22.8	27.4	15.6	55.1	110.4	30.0	10.8	33.1	24.9	40.2
Q3	472.3	8.9	15.0	60.0	64.3	21.6	27.8	14.7	55.4	110.1	31.1	11.1	31.7	24.7	38.2
Q4	474.4	8.8	15.2	62.0	65.4	20.7	27.5	14.6	55.5	112.4	31.3	11.0	31.0	23.5	37.9
2014 Q1	479.4	8.9	15.0	63.3	67.7	20.3	26.8	14.7	58.0	112.2	32.0	11.0	33.1	23.5	35.8
2013 Dec.	157.1	2.9	5.0	20.4	21.6	6.6	8.8	4.7	18.2	37.4	10.3	3.7	10.5	7.7	13.2
2014 Jan.	158.7	3.1	5.1	20.9	22.8	6.9	9.3	5.0	18.7	37.2	10.8	3.9	10.6	7.8	11.3
Feb.	160.7	3.0	5.0	21.7	22.7	6.8	8.9	4.9	19.5	37.8	10.8	3.7	11.7	8.1	10.7
Mar.	159.9	2.9	4.9	20.7	22.2	6.6	8.6	4.8	19.7	37.2	10.5	3.5	10.9	7.6	13.8
Apr.	159.6	3.0	4.9	20.9	22.8	6.8	9.1	4.7	19.5	38.1	10.6	3.6	10.7	7.5	11.6
May	160.5	.	.	.	.	6.6	9.0	4.7	20.2	38.0	10.8	3.4	11.1	7.6	.
	Percentage share of total exports														
2013	100.0	1.9	3.1	12.6	13.5	4.7	5.8	3.2	11.7	23.4	6.4	2.3	6.9	5.2	8.1
	Imports (c.i.f.)														
2012	1,794.1	29.0	53.1	167.4	232.7	144.8	82.3	34.5	151.2	540.6	214.3	49.2	157.5	89.8	111.2
2013	1,738.7	30.1	53.7	164.2	239.8	144.9	81.8	35.8	149.2	509.9	204.3	43.6	141.3	80.3	107.8
2012 Q4	440.8	7.2	12.9	41.6	58.1	36.6	20.2	8.7	35.9	130.6	51.4	11.4	40.3	21.6	27.0
2013 Q1	437.5	7.6	13.3	41.9	58.9	37.4	20.0	8.9	35.5	127.2	52.0	11.1	38.0	20.4	28.3
Q2	434.1	7.4	13.5	41.0	58.9	35.6	20.5	8.8	37.3	127.8	50.5	10.9	36.2	20.0	27.0
Q3	436.4	7.8	13.6	40.8	60.7	36.5	20.7	8.9	38.1	127.8	50.8	10.7	34.5	20.1	26.8
Q4	430.8	7.4	13.3	40.5	61.3	35.4	20.5	9.2	38.3	127.1	51.0	10.9	32.6	19.7	25.7
2014 Q1	435.9	7.5	13.5	40.4	62.5	35.1	21.1	9.2	37.0	130.2	53.4	10.6	32.7	19.4	27.3
2013 Dec.	142.3	2.4	4.3	13.7	20.3	12.2	6.7	3.1	12.3	42.3	17.5	3.7	10.7	6.7	7.8
2014 Jan.	145.3	2.6	4.6	13.3	20.8	11.9	6.8	3.1	12.4	43.2	17.4	3.6	11.2	6.5	9.0
Feb.	145.7	2.5	4.4	13.4	21.0	11.6	7.1	3.0	12.5	42.8	17.8	3.5	10.8	6.3	10.1
Mar.	145.0	2.4	4.5	13.7	20.7	11.6	7.2	3.1	12.2	44.1	18.2	3.5	10.8	6.5	8.2
Apr.	144.4	2.6	4.5	13.7	21.4	11.8	7.2	3.1	12.3	42.0	17.3	3.4	10.6	6.5	8.8
May	145.2	.	.	.	.	11.7	7.3	3.1	12.1	43.5	17.4	3.4	11.3	6.4	.
	Percentage share of total imports														
2013	100.0	1.7	3.1	9.4	13.8	8.3	4.7	2.1	8.6	29.3	11.8	2.5	8.1	4.6	6.2
	Balance														
2012	86.5	5.2	6.4	62.6	16.6	-52.7	34.1	25.0	72.5	-99.9	-93.6	-4.6	-31.1	7.6	40.1
2013	158.5	5.2	5.8	75.1	15.6	-56.2	29.0	24.5	72.3	-65.9	-82.3	0.3	-10.9	17.6	46.4
2012 Q4	28.5	1.4	1.6	16.5	3.6	-13.4	8.3	6.4	17.9	-19.8	-22.4	-0.2	-7.8	3.2	10.8
2013 Q1	37.9	1.2	1.3	16.3	4.0	-13.8	8.0	6.6	20.1	-16.2	-22.5	0.0	-3.5	4.3	9.8
Q2	41.0	1.4	1.2	18.2	3.9	-12.8	6.9	6.8	17.8	-17.4	-20.5	-0.2	-3.1	4.9	13.2
Q3	36.0	1.1	1.4	19.2	3.6	-14.9	7.0	5.7	17.3	-17.6	-19.6	0.5	-2.8	4.6	11.3
Q4	43.6	1.5	1.9	21.5	4.1	-14.7	7.0	5.4	17.2	-14.7	-19.7	0.1	-1.5	3.8	12.2
2014 Q1	43.5	1.4	1.5	22.8	5.2	-14.8	5.7	5.5	20.9	-17.9	-21.4	0.4	0.4	4.1	8.5
2013 Dec.	14.7	0.5	0.7	6.7	1.3	-5.5	2.1	1.6	5.9	-4.9	-7.2	0.0	-0.2	1.0	5.4
2014 Jan.	13.5	0.5	0.5	7.5	2.0	-4.9	2.6	1.9	6.4	-6.0	-6.6	0.3	-0.5	1.3	2.3
Feb.	15.0	0.4	0.6	8.2	1.7	-4.8	1.8	1.9	7.0	-5.0	-7.0	0.2	0.9	1.8	0.6
Mar.	15.0	0.5	0.5	7.0	1.5	-5.0	1.4	1.7	7.6	-6.9	-7.8	-0.1	0.1	1.1	5.7
Apr.	15.2	0.4	0.5	7.2	1.4	-4.9	1.9	1.6	7.2	-3.9	-6.7	0.2	0.0	1.0	2.8
May	15.3	.	.	.	.	-5.1	1.8	1.6	8.1	-5.4	-6.5	0.0	-0.2	1.3	.

Source: Eurostat.

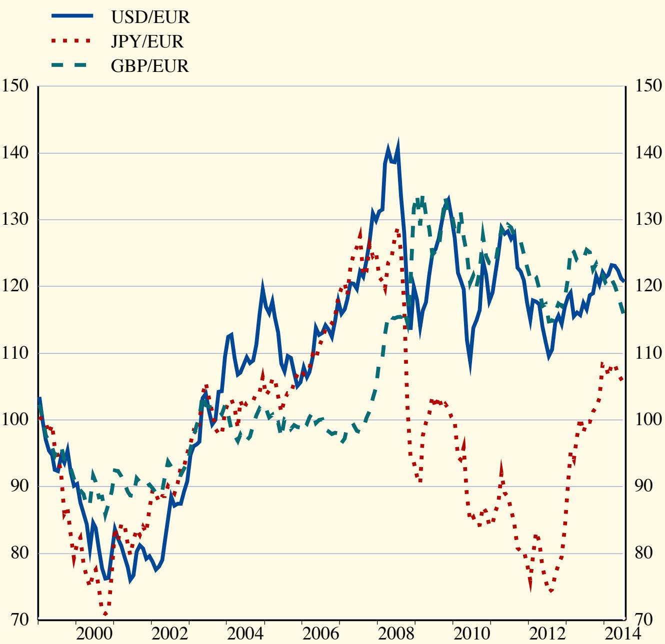
EXCHANGE RATES

8.1 Effective exchange rates [1]
(period averages; index: 1999 Q1=100)

	EER-20						EER-39	
	Nominal	Real CPI	Real PPI	Real GDP deflator	Real ULCM [2]	Real ULCT	Nominal	Real CPI
	1	2	3	4	5	6	7	8
2011	103.4	100.7	97.5	95.0	106.2	96.8	112.2	97.7
2012	97.9	95.6	93.2	89.8	101.1	91.6	107.1	92.9
2013	101.7	98.9	96.7	93.4	103.6	93.8	112.0	96.2
2013 Q2	100.8	98.3	96.0	93.1	104.3	94.5	110.6	95.0
Q3	101.9	99.2	96.9	93.5	104.9	95.2	112.9	96.8
Q4	103.1	100.0	97.8	94.3	100.1	91.0	114.7	97.8
2014 Q1	103.9	100.7	98.2	95.5	102.4	93.3	116.6	99.1
Q2	103.8	100.1	98.1	.	.	.	116.0	97.9
2013 July	101.5	98.9	96.5	-	-	-	112.0	96.2
Aug.	102.2	99.5	97.1	-	-	-	113.4	97.3
Sep.	102.0	99.1	96.9	-	-	-	113.3	97.0
Oct.	102.8	99.8	97.6	-	-	-	114.2	97.4
Nov.	102.6	99.5	97.4	-	-	-	114.2	97.3
Dec.	103.9	100.7	98.5	-	-	-	115.8	98.6
2014 Jan.	103.4	100.3	97.8	-	-	-	115.9	98.6
Feb.	103.6	100.4	97.9	-	-	-	116.3	98.9
Mar.	104.6	101.3	98.9	-	-	-	117.5	99.6
Apr.	104.5	101.0	98.8	-	-	-	117.0	98.9
May	103.8	100.1	98.2	-	-	-	116.1	97.8
June	103.0	99.2	97.3	-	-	-	115.1	96.9
July	102.6	98.7	96.9	-	-	-	114.6	96.4
	Percentage change versus previous month							
2014 July	-0.4	-0.5	-0.5	-	-	-	-0.4	-0.5
	Percentage change versus previous year							
2014 July	1.0	-0.2	0.4	-	-	-	2.3	0.2

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.

2) ULCM-deflated series are available only for the EER-19 trading partner group.

8.2 Bilateral exchange rates

(period averages; units of national currency per euro)

	Bulgarian lev	Czech koruna	Danish krone	Croatian kuna	Lithuanian litas	Hungarian forint	Polish zloty	New Romanian leu	Swedish krona	Pound sterling	New Turkish lira
	1	2	3	4	5	6	7	8	9	10	11
2011	1.9558	24.590	7.4506	7.4390	3.4528	279.37	4.1206	4.2391	9.0298	0.86788	2.3378
2012	1.9558	25.149	7.4437	7.5217	3.4528	289.25	4.1847	4.4593	8.7041	0.81087	2.3135
2013	1.9558	25.980	7.4579	7.5786	3.4528	296.87	4.1975	4.4190	8.6515	0.84926	2.5335
2013 Q4	1.9558	26.658	7.4593	7.6290	3.4528	297.43	4.1853	4.4506	8.8575	0.84074	2.7537
2014 Q1	1.9558	27.442	7.4625	7.6498	3.4528	307.93	4.1843	4.5023	8.8569	0.82787	3.0372
Q2	1.9558	27.446	7.4628	7.5992	3.4528	305.91	4.1665	4.4256	9.0517	0.81471	2.8972
2014 Jan.	1.9558	27.485	7.4614	7.6353	3.4528	302.48	4.1799	4.5205	8.8339	0.82674	3.0297
Feb.	1.9558	27.444	7.4622	7.6574	3.4528	310.20	4.1741	4.4918	8.8721	0.82510	3.0184
Mar.	1.9558	27.395	7.4638	7.6576	3.4528	311.49	4.1987	4.4933	8.8666	0.83170	3.0629
Apr.	1.9558	27.450	7.4656	7.6267	3.4528	307.37	4.1853	4.4620	9.0329	0.82520	2.9393
May	1.9558	27.437	7.4641	7.5952	3.4528	304.58	4.1800	4.4237	9.0298	0.81535	2.8736
June	1.9558	27.450	7.4588	7.5770	3.4528	305.87	4.1352	4.3930	9.0914	0.80409	2.8808
July	1.9558	27.458	7.4564	7.6146	3.4528	309.81	4.1444	4.4098	9.2327	0.79310	2.8699
	Percentage change versus previous month										
2014 July	0.0	0.0	0.0	0.5	0.0	1.3	0.2	0.4	1.6	-1.4	-0.4
	Percentage change versus previous year										
2014 July	0.0	5.8	0.0	1.4	0.0	5.1	-3.0	-0.3	6.6	-8.0	13.6

	Australian dollar	Brazilian real	Canadian dollar	Chinese yuan renminbi	Hong Kong dollar	Indian rupee	Indonesian rupiah	Israeli shekel	Japanese yen	Malaysian ringgit
	12	13	14	15	16	17	18	19	20	21
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
2013	1.3777	2.8687	1.3684	8.1646	10.3016	77.9300	13,857.50	4.7948	129.66	4.1855
2013 Q4	1.4662	3.0931	1.4275	8.2903	10.5522	84.4048	15,682.97	4.7994	136.48	4.3633
2014 Q1	1.5275	3.2400	1.5107	8.3576	10.6287	84.5794	16,179.21	4.7892	140.80	4.5184
Q2	1.4699	3.0583	1.4950	8.5438	10.6297	81.9776	15,935.34	4.7517	140.00	4.4352
2014 Jan.	1.5377	3.2437	1.4884	8.2368	10.5586	84.5099	16,471.94	4.7569	141.47	4.5005
Feb.	1.5222	3.2581	1.5094	8.3062	10.6012	84.9503	16,270.18	4.8043	139.35	4.5194
Mar.	1.5217	3.2187	1.5352	8.5332	10.7283	84.2990	15,785.89	4.8087	141.48	4.5361
Apr.	1.4831	3.0864	1.5181	8.5984	10.7107	83.3624	15,801.66	4.8010	141.62	4.4989
May	1.4755	3.0512	1.4951	8.5658	10.6456	81.4318	15,830.12	4.7600	139.74	4.4337
June	1.4517	3.0388	1.4728	8.4698	10.5365	81.2046	16,167.87	4.6966	138.72	4.3760
July	1.4420	3.0109	1.4524	8.3940	10.4935	81.3058	15,789.65	4.6325	137.72	4.3100
	Percentage change versus previous month									
2014 July	-0.7	-0.9	-1.4	-0.9	-0.4	0.1	-2.3	-1.4	-0.7	-1.5
	Percentage change versus previous year									
2014 July	1.0	2.3	6.6	4.6	3.4	4.0	19.7	-1.8	5.6	3.2

	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
	22	23	24	25	26	27	28	29	30	31	32
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
2013	16.9641	1.6206	7.8067	56.428	42.3370	1.6619	12.8330	1,453.91	1.2311	40.830	1.3281
2013 Q4	17.7331	1.6439	8.2375	59.354	44.2920	1.7006	13.8224	1,445.53	1.2294	43.151	1.3610
2014 Q1	18.1299	1.6371	8.3471	61.468	48.0425	1.7379	14.8866	1,465.34	1.2237	44.722	1.3696
Q2	17.8171	1.5923	8.2049	60.464	47.9415	1.7178	14.4616	1,410.80	1.2192	44.510	1.3711
2014 Jan.	17.9964	1.6450	8.3927	61.263	46.0304	1.7327	14.8242	1,453.94	1.2317	44.822	1.3610
Feb.	18.1561	1.6466	8.3562	61.238	48.2554	1.7295	14.9820	1,462.51	1.2212	44.568	1.3659
Mar.	18.2447	1.6199	8.2906	61.901	49.9477	1.7513	14.8613	1,479.99	1.2177	44.765	1.3823
Apr.	18.0485	1.6049	8.2506	61.646	49.2978	1.7345	14.5815	1,441.28	1.2189	44.657	1.3813
May	17.7620	1.5957	8.1513	60.258	47.8403	1.7189	14.2995	1,407.13	1.2204	44.686	1.3732
June	17.6516	1.5769	8.2149	59.543	46.7509	1.7008	14.5094	1,385.45	1.2181	44.195	1.3592
July	17.5834	1.5578	8.3880	58.844	46.9984	1.6825	14.4366	1,382.29	1.2150	43.470	1.3539
	Percentage change versus previous month										
2014 July	-0.4	-1.2	2.1	-1.2	0.5	-1.1	-0.5	-0.2	-0.3	-1.6	-0.4
	Percentage change versus previous year										
2014 July	5.4	-6.1	6.4	3.8	9.7	1.4	11.3	-6.2	-1.7	6.8	3.5

Source: ECB.

DEVELOPMENTS OUTSIDE THE EURO AREA

9.1 Economic and financial developments in other EU Member States
(annual percentage changes, unless otherwise indicated)

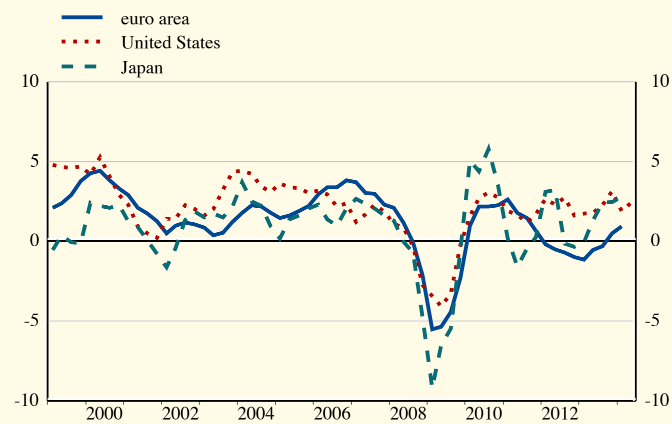
	Bulgaria	Czech Republic	Denmark	Croatia	Lithuania	Hungary	Poland	Romania	Sweden	United Kingdom
	1	2	3	4	5	6	7	8	9	10
	HICP									
2012	2.4	3.5	2.4	3.4	3.2	5.7	3.7	3.4	0.9	2.8
2013	0.4	1.4	0.5	2.3	1.2	1.7	0.8	3.2	0.4	2.6
2014 Q1	-1.8	0.3	0.4	0.1	0.3	0.4	0.6	1.3	0.0	1.8
Q2	-1.6	0.2	0.4	0.3	0.2	-0.1	0.3	1.3	0.3	1.7
2014 Apr.	-1.3	0.2	0.5	-0.1	0.3	-0.2	0.3	1.6	0.3	1.8
May	-1.8	0.5	0.3	0.4	0.1	0.0	0.3	1.3	0.1	1.5
June	-1.8	0.0	0.4	0.5	0.3	-0.1	0.3	0.9	0.5	1.9
	General government deficit (-)/surplus (+) as a percentage of GDP									
2011	-2.0	-3.2	-1.9	-7.8	-5.5	4.3	-5.1	-5.5	0.2	-7.6
2012	-0.8	-4.2	-3.8	-5.0	-3.2	-2.1	-3.9	-3.0	-0.6	-6.1
2013	-1.5	-1.5	-0.8	-4.9	-2.2	-2.2	-4.3	-2.3	-1.1	-5.8
	General government gross debt as a percentage of GDP									
2011	16.3	41.4	46.4	52.0	38.3	82.1	56.2	34.7	38.6	84.3
2012	18.4	46.2	45.4	55.9	40.5	79.8	55.6	38.0	38.3	89.1
2013	18.9	46.0	44.5	67.1	39.4	79.2	57.0	38.4	40.6	90.6
	Long-term government bond yield as a percentage per annum; period average									
2014 Jan.	3.56	2.43	1.86	5.11	3.42	5.60	4.42	5.22	2.37	2.48
Feb.	3.58	2.28	1.67	4.78	3.33	6.03	4.47	5.35	2.23	2.37
Mar.	3.54	2.20	1.61	4.51	3.33	5.83	4.25	5.31	2.16	2.34
Apr.	3.44	2.00	1.57	4.41	3.26	5.56	4.10	5.15	2.06	2.30
May	3.18	1.73	1.47	4.31	2.98	5.01	3.80	4.72	1.88	2.27
June	3.11	1.55	1.38	3.94	2.92	4.50	3.54	4.48	1.80	2.35
	3-month interest rate as a percentage per annum; period average									
2014 Jan.	0.96	0.37	0.28	0.95	0.41	2.99	2.70	1.88	0.95	0.52
Feb.	0.89	0.37	0.27	0.88	0.41	2.99	2.71	3.29	0.94	0.52
Mar.	0.83	0.37	0.29	0.86	0.41	3.24	2.71	2.83	0.93	0.52
Apr.	0.83	0.37	0.31	0.83	0.41	2.94	2.72	2.74	0.91	0.53
May	0.83	0.37	0.35	0.87	0.41	2.55	2.72	2.62	0.92	0.53
June	0.81	0.35	0.36	0.89	0.38	2.50	2.69	2.24	0.85	0.54
	Real GDP									
2012	0.6	-1.0	-0.4	-2.2	3.7	-1.7	2.0	0.5	0.9	0.3
2013	0.9	-0.9	0.4	-0.9	3.3	1.1	1.6	3.5	1.6	1.7
2013 Q4	1.2	1.1	0.7	-0.6	3.4	2.9	2.5	5.1	3.0	2.7
2014 Q1	1.2	2.9	1.5	-0.6	3.1	3.2	3.5	4.0	1.8	3.0
Q2	.	.	.	.	.	.	.	.	1.9	3.1
	Current and capital account balance as a percentage of GDP									
2012	0.5	0.0	6.0	0.2	2.0	3.5	-1.5	-3.0	5.8	-3.6
2013	3.1	0.5	7.2	1.3	3.7	6.8	1.0	1.2	6.2	-4.2
2013 Q3	11.5	1.2	8.5	25.1	3.0	7.3	0.2	1.2	6.8	-6.3
Q4	-2.7	1.1	8.7	-6.7	3.8	8.5	1.1	0.5	5.2	-5.3
2014 Q1	1.6	9.9	4.0	-16.0	2.6	7.0	0.8	5.2	6.8	-3.4
	Gross external debt as a percentage of GDP									
2012	94.6	62.0	181.8	102.7	75.4	129.6	71.0	75.3	191.2	390.6
2013	93.5	71.0	176.8	105.3	67.1	120.3	70.2	68.6	196.9	357.1
2013 Q3	93.9	64.6	174.4	103.0	69.5	122.9	72.8	71.9	197.4	365.3
Q4	93.5	71.0	176.8	105.3	67.1	120.3	70.2	68.6	196.9	357.1
2014 Q1	95.2	70.1	172.1	107.5	70.5	123.1	69.4	65.4	202.8	353.2
	Unit labour costs									
2012	4.4	3.3	1.5	-0.2	1.9	2.5	1.5	4.5	2.9	2.6
2013	5.2	-0.1	1.1	1.4	3.8	3.9	0.1	2.5	0.8	1.3
2013 Q4	1.9	-2.7	0.8	1.8	2.7	3.3	-3.7	0.9	-0.8	0.9
2014 Q1	1.4	1.0	0.2	-5.5	5.5	3.0	-3.1	1.3	1.1	2.1
Q2	.	.	.	.	.	.	.	.	2.8	.
	Standardised unemployment rate as a percentage of labour force (s.a.)									
2012	12.3	7.0	7.5	16.1	13.4	10.9	10.1	7.1	8.0	7.9
2013	12.9	7.0	7.0	17.3	11.8	10.2	10.3	7.3	8.0	7.5
2014 Q1	12.2	6.6	6.8	17.4	11.6	8.0	9.9	7.2	8.1	6.7
Q2	11.7	6.2	6.5	16.6	10.9	.	9.6	7.2	8.0	.
2014 Apr.	11.9	6.3	6.4	17.0	11.2	8.0	9.7	7.1	8.1	6.5
May	11.8	6.2	6.4	16.6	11.0	8.1	9.6	7.3	7.8	.
June	11.6	6.1	6.5	16.3	10.5	.	9.5	7.1	8.0	.

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

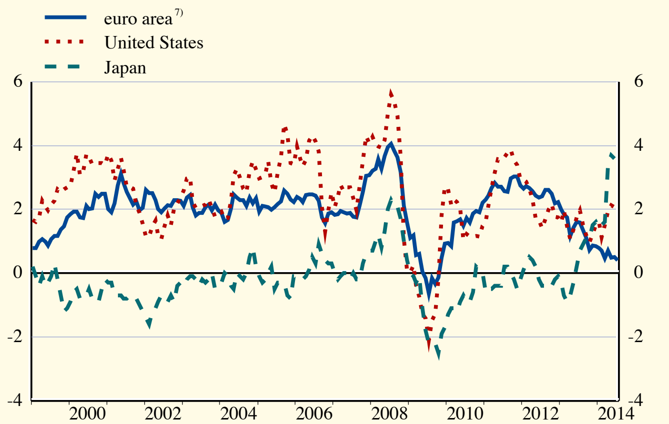
9.2 Economic and financial developments in the United States and Japan
(annual percentage changes, unless otherwise indicated)

	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						
2010	1.6	-1.2	2.5	6.6	9.6	2.5	0.34	3.57	1.3257	-12.2	79.2
2011	3.2	2.0	1.6	3.6	8.9	7.3	0.34	2.10	1.3920	-10.7	83.1
2012	2.1	1.1	2.3	4.4	8.1	8.6	0.43	1.88	1.2848	-9.3	86.5
2013	1.5	1.1	2.2	2.9	7.4	6.7	0.27	3.27	1.3281	-6.4	88.2
2013 Q2	1.4	2.0	1.8	2.7	7.5	7.1	0.28	2.82	1.3062	-5.7	87.2
Q3	1.6	1.9	2.3	2.7	7.2	6.6	0.26	2.91	1.3242	-7.0	86.9
Q4	1.2	-1.1	3.1	3.2	7.0	6.1	0.24	3.27	1.3610	-5.7	88.2
2014 Q1	1.4	1.2	1.9	2.3	6.7	6.0	0.24	2.97	1.3696	-6.1	.
Q2	2.1	.	2.4	3.7	6.2	6.6	0.23	2.74	1.3711	.	.
2014 Mar.	1.5	-	-	3.1	6.7	6.1	0.23	2.97	1.3823	-	-
Apr.	2.0	-	-	3.6	6.3	6.3	0.23	2.87	1.3813	-	-
May	2.1	-	-	3.9	6.3	6.7	0.23	2.69	1.3732	-	-
June	2.1	-	-	3.6	6.1	6.7	0.23	2.74	1.3592	-	-
July	.	-	-	.	6.2	.	0.23	2.80	1.3539	-	-
					Japan						
2010	-0.7	-4.8	4.7	15.6	5.1	2.8	0.23	1.18	116.24	-8.3	186.7
2011	-0.3	0.8	-0.4	-2.8	4.6	2.7	0.19	1.00	110.96	-8.8	202.9
2012	0.0	-1.4	1.4	0.6	4.3	2.5	0.19	0.84	102.49	-8.7	211.0
2013	0.4	-0.8	1.5	-0.8	4.0	3.6	0.15	0.95	129.66	.	.
2013 Q2	-0.3	-0.5	1.3	-3.1	4.0	3.5	0.16	1.02	129.07	.	.
Q3	0.9	-1.9	2.4	2.2	4.0	3.8	0.15	0.88	131.02	.	.
Q4	1.4	-1.0	2.4	5.9	3.9	4.3	0.14	0.95	136.48	.	.
2014 Q1	1.5	-2.3	2.8	8.3	3.6	3.9	0.14	0.84	140.80	.	.
Q2	3.6	.	.	.	.	3.2	0.13	0.72	140.00	.	.
2014 Mar.	1.6	-	-	7.4	3.6	3.6	0.14	0.84	141.48	-	-
Apr.	3.4	-	-	3.8	3.6	3.5	0.14	0.81	141.62	-	-
May	3.7	-	-	1.0	3.5	3.3	0.14	0.75	139.74	-	-
June	3.6	-	-	.	.	3.0	0.13	0.72	138.72	-	-
July	.	-	-	.	.	.	0.13	0.67	137.72	-	-

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) HICP 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:

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

where I_t is the index of 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:

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

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_t^Q for the quarter ending in month t are defined as:

e) $$F_t^Q = (L_t - L_{t-3}) - C_t^Q - E_t^Q - V_t^Q$$

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_t^Q 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_t^M and L_t are defined as above, the index I_t of adjusted outstanding amounts in month t is defined as:

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

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

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_t^M can be calculated as:

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

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:

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

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 of TRAMO-SEATS is also used. For details of TRAMO-SEATS, see Gomez, V. and Maravall, A. (1996), "Programs TRAMO and SEATS: Instructions for the User", Banco de España, Working Paper No 9628, Madrid.

3 It follows that for the seasonally adjusted series, the level of the index for the base period (i.e. December 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:

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

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:

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

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

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:

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

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

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

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

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

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 S81). 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 6 August 2014.

Unless otherwise indicated, all data series relate to the group of 18 countries that are members of the euro area (the Euro 18) 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; Slovakia joined in 2009, forming the Euro 16; and Estonia joined in 2011, forming the Euro 17. Latvia joined in 2014, bringing the number of euro area countries to 18. 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 18 for all years, despite the fact that the euro area has only had this composition since 1 January 2014. 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 statistics based on the balance sheet of the MFI sector ("monetary statistics"), rates of change are compiled from chain-linked indices, with the new composition introduced by the linking factor at the point of enlargement. Thus, if a country joins the euro area in January of a given year, the factors contributing to the chain-linked indices 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. For further details on monetary statistics, refer to the "Manual on MFI balance sheet statistics", available in the "Statistics" section of the ECB's website.

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

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

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, the balancing item of the financial account conceptually also equals net lending/net borrowing as calculated from the capital account.

4 OJ L 15, 20.01.2009, p. 1.

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

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

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.

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

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.

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.

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 statistical reporting requirements laid down in the ECB Guideline of 31 July 2009 on government finance statistics (ECB/2009/20)[13]. Harmonised data provided by the NCBs 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[14] 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 government deficit/surplus and debt data for the individual euro area countries as reported to the Commission under Council Regulation (EU) No 679/2010, owing to their importance within the framework of the Stability and Growth Pact. 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 non-financial accounts for general government[15]. 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

13 OJ L 228. 1.9.2009, p. 25.
14 OJ L 172, 12.7.2000, p. 3.
15 OJ L 179, 9.7.2002, p. 1.

Manual (fifth edition, October 1993), the ECB Guideline of 16 July 2004 on the statistical reporting requirements of the ECB (ECB/2004/15)[16] and the amending ECB Guideline of 31 May 2007 (ECB/2007/3)[17]. 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)[18] 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 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

16 OJ L 354, 30.11.2004, p. 34.
17 OJ L 159, 20.6.2007, p. 48.
18 OJ L 65, 3.3.2012, p. 1.

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 investment (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-19 group excludes Croatia. The EER-39 group comprises the EER-20 plus the following countries: Algeria, Argentina, Brazil, Chile, 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 (CPIs), producer price indices (PPIs), gross domestic product deflators and unit labour costs, both for the manufacturing sector (ULCM) and for the total economy (ULCT). ULCM-deflated EERs are available only for the EER-19.

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. However, data shown in this table on current and capital accounts and gross external debt follow the respective national concept and do not 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]

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.

1 The chronology of monetary policy measures taken by the Eurosystem between 1999 and 2011 can be found in the ECB's Annual Report for the respective years.

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.

2 MAY 2013

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 0.50%, starting from the operation to be settled on 8 May 2013. In addition, it decides to decrease the interest rate on the marginal lending facility by 50 basis points to 1.00%, with effect from 8 May 2013, and to keep the interest rate on the deposit facility unchanged at 0.00%. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 8 July 2014, notably to continue its fixed rate tender procedures with full allotment.

6 JUNE, 4 JULY, 1 AUGUST, 5 SEPTEMBER AND 2 OCTOBER 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 0.50%, 1.00% and 0.00% respectively.

7 NOVEMBER 2013

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 0.25%, starting from the operation to be settled on 13 November 2013. In addition, it decides to decrease the interest rate on the marginal lending facility by 25 basis points to 0.75%, with effect from 13 November 2013, and to keep the interest rate on the deposit facility unchanged at 0.00%. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 7 July 2015, notably to continue its fixed rate tender procedures with full allotment.

5 DECEMBER 2013, 9 JANUARY, 6 FEBRUARY, 6 MARCH, 3 APRIL AND 8 MAY 2014

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 0.25%, 0.75% and 0.00% respectively.

5 JUNE 2014

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations (MROs) by 10 basis points to 0.15%, starting from the operation to be settled on 11 June 2014. In addition, it decides to decrease the interest rate on the marginal lending facility by 35 basis points to 0.40% and the interest rate on the deposit facility by 10 basis points to -0.10%, both with effect from 11 June 2014. It also decides to adopt further non-standard measures, notably: (i) to conduct a series of targeted longer-term refinancing operations (TLTROs) maturing in September 2018 to support bank lending to the non-financial private sector, with an interest rate fixed over the life of each operation at the rate on the Eurosystem's main refinancing operations prevailing at the time of take-up, plus a fixed spread of 10 basis points; (ii) to continue conducting the MROs as fixed rate tender procedures with full allotment at least until the end of the reserve maintenance period ending in December 2016; (iii) to conduct the three-month longer-term refinancing operations (LTROs) to be allotted before the end of the reserve maintenance period ending in December 2016 as fixed rate tender procedures with full allotment; (iv) to suspend the weekly fine-tuning operation sterilising the liquidity injected under the Securities Markets Programme; (v) to intensify preparatory work related to outright purchases in the ABS market.

3 JULY AND 7 AUGUST 2014

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 0.15%, 0.40% and -0.10% 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.

Excess liquidity: the amount of central bank reserves held by banks in excess of the aggregate needs of the banking system, which are determined by reserve requirements and autonomous factors.

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).

Forward guidance: communication by a central bank on the orientation of monetary policy with respect to the future path of policy interest rates.

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.

Maximum bid rate: the upper limit to the interest rates at which counterparties may submit bids in variable rate liquidity-absorbing tender operations.

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 variable rate liquidity-providing tender operations.

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.

Structural fiscal balance (general government): the actual budget balance corrected for cyclical factors (i.e. the cyclically adjusted balance) and one-off fiscal measures.

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.