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EUROPEAN CENTRAL BANK

EUROSYSTEM

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ABBREVIATIONS

COUNTRIES

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

OTHERS

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

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

EDITORIAL

Based on its regular economic and monetary analyses, the Governing Council decided at its meeting on 6 June to keep the key ECB interest rates unchanged. Incoming information has confirmed the assessment which led to the cut in interest rates in early May. The underlying price pressure in the euro area is expected to remain subdued over the medium term. In keeping with this picture, monetary and, in particular, credit dynamics remain subdued. Medium-term inflation expectations for the euro area continue to be firmly anchored in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2%. At the same time, recent economic sentiment survey data have shown some improvement from low levels. The accommodative stance of monetary policy, together with the significant improvements in financial markets since mid-2012, should contribute to support prospects for an economic recovery later in the year. Against this overall background, the monetary policy stance will remain accommodative for as long as necessary. In the period ahead, the Governing Council will monitor very closely all incoming information on economic and monetary developments and assess any impact on the outlook for price stability.

Regarding the economic analysis, real GDP contracted by 0.2% in the first quarter of 2013, following a decline of 0.6% in the fourth quarter of 2012. Output has thus declined for six consecutive quarters, with labour market conditions remaining weak. Recent developments in economic sentiment survey data have shown some improvement from low levels. Looking ahead to later in the year and to 2014, euro area export growth should benefit from a recovery in global demand, while domestic demand should be supported by the accommodative stance of monetary policy and by the recent real income gains due to lower oil prices and generally lower inflation. Furthermore, the significant improvements in financial markets seen since last summer should work their way through to the real economy, as should the progress made in fiscal consolidation. At the same time, the remaining necessary balance sheet adjustments in the public and private sectors will continue to weigh on economic activity. Overall, euro area economic activity should stabilise and recover in the course of the year, albeit at a subdued pace.

This assessment is also reflected in the June 2013 Eurosystem staff macroeconomic projections for the euro area, which foresee annual real GDP declining by 0.6% in 2013 and increasing by 1.1% in 2014. Compared with the March 2013 ECB staff macroeconomic projections, the projection for 2013 has been revised marginally downwards, largely reflecting the incorporation of the latest GDP data releases. For 2014 there has been a marginal upward revision.

The Governing Council continues to see downside risks surrounding the economic outlook for the euro area. They include the possibility of weaker than expected domestic and global demand and slow or insufficient implementation of structural reforms in euro area countries.

According to Eurostat's flash estimate, euro area annual HICP inflation was 1.4% in May 2013, up from 1.2% in April. This increase was, in particular, accounted for by a rebound in services prices related to the unwinding of the Easter effect and an increase in food prices. More generally, as stated last month, annual inflation rates are expected to be subject to some volatility throughout the year due particularly to base effects relating to energy and food price developments 12 months earlier. Looking through this volatility, the underlying price pressure over the medium term is expected to remain subdued, reflecting low capacity utilisation and a modest pace of economic recovery. Over the medium term, inflation expectations remain firmly anchored in line with price stability.

This assessment is also reflected in the June 2013 Eurosystem staff macroeconomic projections for the euro area, which foresee annual HICP inflation at 1.4% and 1.3% in 2013 and 2014, respectively. In comparison with the March 2013 ECB staff macroeconomic projections, the projection for inflation for 2013 has been revised downwards, mainly reflecting the fall in oil prices, while the projection for 2014 remains unchanged.

In the Governing Council's assessment, risks to the outlook for price developments are broadly balanced over the medium term, with upside risks relating to stronger than expected increases in administered prices and indirect taxes, as well as higher commodity prices, and downside risks stemming from weaker economic activity.

Turning to the monetary analysis, recent data confirm that the underlying pace of monetary and, in particular, credit expansion continues to be subdued. Annual growth in broad money, M3, increased in April to 3.2%, from 2.6% in March, mainly due to a base effect and special factors. The same factors have impacted on the annual growth rate of the narrow monetary aggregate, M1, which increased from 7.1% in March to 8.7% in April.

The growth of loans to the private sector continued to be weak. The annual growth rates of loans to households (adjusted for loan sales and securitisation) remained at 0.3% in April, broadly unchanged since the turn of the year. The annual negative growth of loans to non-financial corporations (adjusted for loan sales and securitisation) increased from -1.3% in March to -1.9% in April. This development stemmed, in particular, from net redemptions in short-term loans, which could reflect reduced demand for working capital against the background of weak order books in early spring. More generally, weak loan dynamics continue to reflect primarily the current stage of the business cycle, heightened credit risk and the ongoing adjustment of financial and non-financial sector balance sheets.

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

To sum up, the economic analysis indicates that price developments should remain in line with price stability over the medium term. A cross-check with the signals from the monetary analysis confirms this picture.

With regard to fiscal consolidation and structural reforms, the Governing Council welcomes the progress made and encourages governments to continue with determined efforts. It is essential that euro area countries do not unravel their efforts to reduce government budget deficits. The new European governance framework for fiscal and economic policies should be applied in a steadfast manner. In this respect, the Governing Council considers it very important that decisions by the EU Council to extend the time frame for the correction of excessive fiscal deficits should remain reserved for exceptional circumstances. At the same time, it is necessary to continue, where needed, to take legislative action or otherwise promptly implement structural reforms. Structural reforms should, in particular, target competitiveness and adjustment capacities in labour and product markets, thereby helping to generate employment opportunities in an environment of unacceptably high unemployment levels, especially among young workers, prevailing in several countries. Combined action on the fiscal and structural front should mutually reinforce fiscal sustainability and economic growth potential and thereby foster sustainable job creation.

ECONOMIC AND MONETARY DEVELOPMENTS

1 THE EXTERNAL ENVIRONMENT OF THE EURO AREA

The global recovery remains modest, diverse across regions and fragile. Survey indicators appear to have stabilised, although there has been some softening in sentiment more recently, suggesting that the world economy is likely to recover slowly. In most major non-euro area advanced economies, the moderate recovery is proceeding, but a number of factors will continue to restrain the medium-term growth outlook. In emerging market economies, growth decelerated slightly at the beginning of the year, but is expected to regain momentum over the course of 2013. Accordingly, these economies are expected to provide a significant contribution to global growth going forward. Meanwhile, world trade has remained subdued, although survey indicators continue to point towards a gradual recovery. With regard to consumer prices, inflation has resumed its downward trend in advanced economies, while developments have been more mixed in emerging markets.

1.1 GLOBAL ECONOMIC ACTIVITY AND TRADE

The global recovery remains modest, diverse across regions and fragile. While global financial market conditions have improved, a number of negative surprises in both sentiment and hard data over the course of the second quarter underscore the fragility of the recovery and the uncertainty surrounding the global outlook. Provisional estimates show that economic activity in the G20 (excluding the euro area) grew by 0.8% quarter on quarter in the first three months of 2013, down slightly from the pace seen in the preceding quarter, with continued divergence across countries (see Table 1). In advanced economies, growth accelerated in the United States and Japan, mostly owing to strong private consumption in both countries. Meanwhile, output growth turned positive in the United Kingdom following a contraction in the previous quarter. In emerging market economies, following robust GDP growth in the final months of 2012, growth slowed down again in the first quarter of this year, particularly in India and China. However, growth is expected to rebound in emerging markets and outperform that in advanced economies, thereby making a significant contribution to global economic growth.

Table 1 Real GDP growth in selected economies

(percentage changes)

	Annual growth rates					Quarterly growth rates		
	2011	2012	2012 Q3	2012 Q4	2013 Q1	2012 Q3	2012 Q4	2013 Q1
G20[1]	3.8	2.8	2.5	2.4	2.3	0.6	0.6	0.6
G20 excluding euro area[1]	4.3	3.5	3.2	3.2	3.0	0.8	0.9	0.8
United States	1.8	2.2	2.6	1.7	1.8	0.8	0.1	0.6
Japan	-0.5	2.0	0.4	0.4	0.0	-0.9	0.3	0.9
United Kingdom	1.0	0.3	0.4	0.2	0.6	0.9	-0.3	0.3
Denmark	1.1	-0.5	0.0	-0.7	-0.8	0.8	-0.9	0.2
Sweden	3.8	1.1	0.3	1.5	1.7	0.2	0.1	0.6
Switzerland	1.9	1.0	1.3	1.2	1.4	0.6	0.3	0.6
Brazil	2.7	0.9	0.9	1.4	1.9	0.3	0.6	0.6
China	9.3	7.8	7.4	7.9	7.7	2.1	2.0	1.6
India	7.7	3.8	2.5	4.1	3.0	0.5	2.3	0.1
Russia[2]	4.3	3.4	3.0	2.1	1.6	0.7	1.8	-
Turkey	8.8	2.2	1.6	1.4	-	0.1	0.0	-
Poland	4.5	2.0	1.7	0.7	0.5	0.3	0.0	0.1
Czech Republic	1.8	-1.2	-1.4	-1.6	-2.2	-0.3	-0.3	-1.1
Hungary[3]	1.6	-1.8	-1.8	-2.8	*0.7*	-0.4	-0.9	*-0.3*

Sources: National data, BIS, Eurostat, OECD and ECB calculations.
1) Q1 2013 is an estimate based on the latest available data.
2) Q1 2013 SA figure for Russia not available.
3) Figures in italics refer to flash estimates.

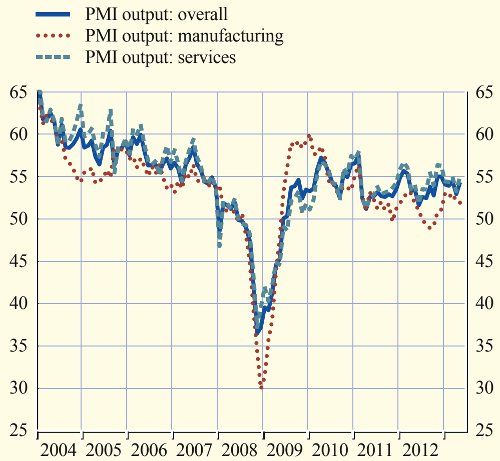
Growth in world trade continued at an unchanged pace in the first quarter of 2013. According to the CPB Netherlands Bureau for Economic Policy Analysis, world trade in goods growth stood at 0.7% in quarter-on-quarter terms, the same pace of growth as that recorded in the previous quarter. The headline figure disguised diverging developments on a monthly basis and at the regional level, with trade dynamics improving in advanced economies, while exports and imports decelerated in emerging economies. This is in sharp contrast to recent quarters, when emerging economies were the principal drivers of growth in world trade.

Looking forward, survey indicators appear to have stabilised, suggesting that the world economy will continue to grow, albeit at a slow pace. The latest global (excluding the euro area) all-industry output Purchasing Managers' Index (PMI) picked up in May to 54.3 following a decline in April. The improvement in the all-industry output index was driven entirely by a more positive assessment of the services sector, while the manufacturing index deteriorated slightly, but still remained above the expansion/contraction threshold (see Chart 1). On the consumer side, survey-based evidence suggests that confidence continues to improve to varying degrees across countries, albeit from low levels. Although a slowdown in global trade has been recorded in recent months, survey indicators remain supportive of a gradual recovery. At the same time, many indicators remain at historically low levels, suggesting that trade will remain subdued in the near term. The global (excluding the euro area) PMI for new export orders decreased slightly to 50.4 in May.

According to the June 2013 Eurosystem staff macroeconomic projections (see Section 6), global growth is expected to pick up gradually, although with considerable dispersion in growth rates across countries, broadly confirming the global growth profile depicted in the March 2013 projections. Global financial market conditions have improved and business sentiment remains supportive of modest growth. Meanwhile, the OECD composite leading indicator, which is designed to anticipate

Chart 1 Global PMI (excluding the euro area)

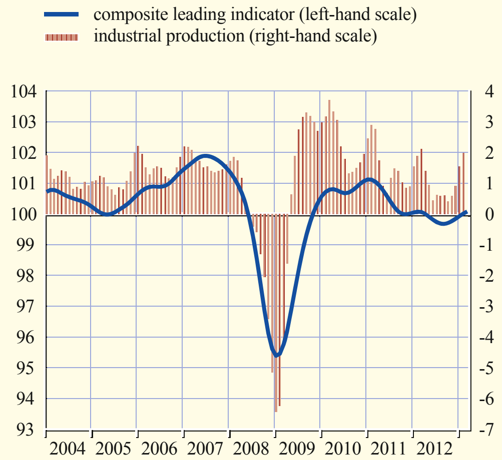
(seasonally adjusted monthly data)



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 changes)



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.

turning points in economic activity relative to trend, continued to improve in March, suggesting that growth is gaining momentum in the OECD area as a whole (see Chart 2). Further evidence of improving sentiment was seen in the Ifo World Economic Climate Indicator, which rose again in the second quarter of 2013 to above its long-term average for the first time in almost two years. The improvement in the headline indicator was driven by a more positive assessment of both the current economic situation and the expectations for six months ahead.

The global recovery is expected to proceed slowly, and the medium-term outlook will continue to be constrained by a number of factors. Although the rebalancing of private sector indebtedness is progressing, debt levels of households in major advanced economies remain elevated. In several countries, short-term growth prospects also continue to be boosted by additional fiscal stimulus, which cannot be sustained indefinitely against the backdrop of high and rising government debt levels. The high level of unemployment in many countries is also expected to restrain growth.

The outlook for the global economy continues to be surrounded by considerable uncertainty. The balance of risks to the outlook for world activity and trade are still tilted to the downside. Risk factors include the possibility of weaker than expected global demand, spillovers from slow or insufficient implementation of structural reforms in the euro area, geopolitical issues and imbalances in major industrialised countries, which could have an impact on developments in global commodities and financial markets. On the upside, global financial market conditions have improved significantly, but it may take some time for these improvements to affect the real economy.

1.2 GLOBAL PRICE DEVELOPMENTS

In the majority of advanced economies, inflation continued to decline in April, while in emerging markets, the picture has been mixed. Annual consumer price inflation in the OECD area was 1.3% in

Table 2 Price developments in selected economies

(annual percentage changes)

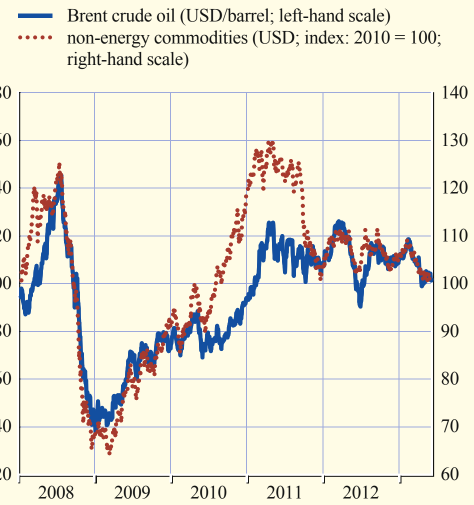
	2011	2012	2012 Nov.	2012 Dec.	2013 Jan.	2013 Feb.	2013 Mar.	2013 Apr.
OECD	2.9	2.3	1.9	1.9	1.7	1.8	1.6	1.3
United States	3.2	2.1	1.8	1.7	1.6	2.0	1.5	1.1
Japan	-0.3	0.0	-0.2	-0.1	-0.3	-0.6	-0.9	-0.7
United Kingdom	4.5	2.8	2.7	2.7	2.7	2.8	2.8	2.4
Denmark	2.7	2.4	2.2	1.9	1.0	1.0	0.7	0.4
Sweden	1.4	0.9	0.8	1.0	0.7	0.5	0.5	0.0
Switzerland	0.2	-0.7	-0.3	-0.4	-0.3	-0.3	-0.6	-0.7
Brazil	6.6	5.4	5.5	5.8	6.2	6.3	6.6	6.5
China	5.4	2.6	2.0	2.5	2.0	3.2	2.1	2.4
India [1]	9.5	7.5	7.2	7.3	7.3	7.3	6.0	4.9
Russia	8.4	5.1	6.5	6.6	7.1	7.3	7.0	7.2
Turkey	6.5	8.9	6.4	6.2	7.3	7.0	7.3	6.1
Poland	3.9	3.7	2.7	2.2	1.6	1.2	1.0	0.8
Czech Republic	2.1	3.5	2.8	2.4	1.8	1.8	1.5	1.7
Hungary	3.9	5.7	5.3	5.1	2.8	2.9	2.3	1.8
Memo item:								
OECD core inflation [2]	1.6	1.8	1.6	1.6	1.5	1.6	1.6	1.4

Sources: OECD, national data, BIS, Eurostat and ECB calculations.
1) WPI inflation for India.
2) Excluding food and energy.

April 2013, down from 1.6% recorded in March (see Table 2). Excluding food and energy, annual consumer price inflation also decelerated in April, standing at 1.4% in the OECD area. The easing in overall inflationary pressures was broad-based across advanced economies. In emerging markets, inflation developments were mixed, with consumer price inflation picking up in China and Russia, while it fell back in Brazil and India.

Turning to energy price developments, Brent crude oil prices decreased by 9% since the beginning of March 2013, trading at USD 102 per barrel on 5 June. After a surge in prices in the first two months of this year, Brent prices declined to around USD 100 per barrel in March and April. In May oil prices traded in the range of USD 100-105 per barrel. Brent prices are about 5% higher compared with a year ago.

Chart 3 Main developments in commodity prices



Sources: Bloomberg and HWWI.

The recent decrease in oil prices was due to a combination of lower than expected demand prospects and seasonal factors, against a background of ample supply owing to the increase in US shale oil production. Looking ahead, market participants expect lower oil prices over the medium term, with December 2014 futures prices trading at 97 USD per barrel.

Since the beginning of March, prices of non-energy commodities decreased by 4% on aggregate (see Chart 3). The decline was broad-based, with the exception of oilseeds and oils prices, which rose, but was especially concentrated in the iron ore and the beverages, sugar and tobacco components. In aggregate terms, the price index for non-energy commodities (denominated in US dollars) was about 2% lower at the end of May 2013 compared with the same period a year earlier.

1.3 DEVELOPMENTS IN SELECTED ECONOMIES

UNITED STATES

In the United States, real GDP growth accelerated in the first quarter of 2013. According to the second estimate by the Bureau of Economic Analysis, real GDP increased at an annualised quarter-on-quarter rate of 2.4% in the first quarter of 2013, up from 0.4% in the previous three months. In the second estimate, real GDP growth was revised down by 0.1 percentage point, owing to a greater decline in government consumption and a lower positive contribution from the change in inventories, which more than offset upward revisions to personal consumption expenditure and a less negative contribution from net exports. Compared with the fourth quarter of 2012, the increase in growth was driven largely by strong personal consumption expenditure, which grew by an annualised 3.4%, the fastest growth rate in two years, and by a pick-up in inventories. Private fixed investment also contributed positively to real GDP growth, although growth slowed down sharply in the non-residential segment. On the other hand, government spending contracted further. Moreover, the contribution from net exports turned negative, with imports growing more than exports. Real disposable personal income declined significantly, although this development was influenced by strong dividend payments in the previous quarter. This pushed down the personal saving rate to its lowest post-crisis level of 2.3%, compared with 5.3% in the last quarter of 2012.

The latest economic indicators are mixed regarding the strength of activity in the second quarter. On the other hand, government spending cuts under the "sequester" are expected to weigh on activity. The ISM business confidence indices were mixed in May, with the non-manufacturing index expanding slightly, whereas the manufacturing index moved down below the expansion/contraction threshold of 50 for the first time in 2013. In April personal income was flat and nominal consumer spending declined, while industrial production also disappointed. On the other hand, consumer confidence surged in May and the recovery in the housing market has continued to be robust, with strong sales in April and rising housing prices in March. Employment data for April was encouraging and there were upward revisions for the previous months, while the unemployment rate declined to 7.5%, reaching its lowest post-crisis level. Looking forward, the economic recovery is projected to continue its moderate course helped by a gradual upturn in domestic demand, which is supported by favourable monetary and financial conditions, a gradual improvement in housing and labour markets and a slow easing-up of the drag resulting from balance sheet repair. Political uncertainty over the appropriate fiscal path remains and could end up having a negative effect on confidence. However, recent fiscal data were favourable in that they showed a faster deficit reduction than previously anticipated.

In April 2013 annual CPI declined to 1.1% from 1.5% in March. This was almost a full percentage point below the February reading of 2.0% and constitutes the lowest inflation rate since November 2010. This slowdown in annual inflation was led primarily by the sharp drop in energy prices, while food price growth remained stable. Core inflation declined to 1.7% from 1.9% in March, held up mainly by shelter services.

On 1 May 2013 the Federal Open Market Committee (FOMC) decided to keep the target range for the federal funds rate at 0% to 0.25%, and anticipated that exceptionally low levels for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6.5%, inflation between one and two years ahead is not projected to be above 2.5%, and longer-term inflation expectations continue to be well anchored. The FOMC decided to continue purchasing additional agency mortgage-backed securities at a pace of USD 40 billion per month and longer-term Treasury securities at a pace of USD 45 billion per month.

JAPAN

In Japan, the first preliminary release of national accounts for the first quarter of 2013 confirmed that the economy picked up momentum at the start of 2013. Real GDP increased by 0.9% quarter on quarter in seasonally adjusted terms, following a revised 0.3% expansion in the final quarter of 2012. The pick-up in growth was supported to a large extent by solid growth in private consumption and a positive contribution from net exports (the first in four quarters), as exports of goods and services grew at a faster pace than imports. Public spending also made a positive contribution to growth, although it increased at a more modest pace than in the previous quarters, particularly in the case of public investment. At the same time, private residential investment continued to grow solidly, compensating to some extent for the weakness observed in private non-residential investment, which declined for the fifth consecutive quarter.

Recent high-frequency indicators point to a continuation of growth into the second quarter. Business sentiment gradually improved according to surveys in April and May. Private consumption in April remained relatively firm. Meanwhile, industrial production increased by 1.7% in April 2013, following a revised increase of 0.9% in the previous month. Real exports of goods continued to recover somewhat, growing in April by 2.1% month on month, while real imports of goods declined for the first time in four months by 2.2%. In nominal terms, based on customs clearance trade data, the seasonally adjusted trade deficit narrowed in April for the second consecutive month to stand at about JPY 764 billion. Looking further ahead, the recovery is expected to gradually take hold in the course of 2013, driven mainly by higher fiscal and monetary stimulus and a rebound in exports on account of a weaker yen, as well as a recovery in global demand.

In terms of price developments, annual consumer price inflation in April stood at -0.7% after -0.9% in the previous month. Excluding fresh food and energy, annual CPI inflation increased to -0.6% (from -0.8% in March). At its latest monetary policy meeting on 22 May, the Bank of Japan decided to keep its target for the monetary base unchanged.

UNITED KINGDOM

In the United Kingdom, real GDP increased by 0.3% quarter on quarter in the first quarter of 2013, driven mainly by domestic demand. The economic recovery is expected to gradually gather pace, but domestic demand continues to be constrained by tight credit conditions, ongoing private and public sector balance sheet adjustment, as well as weak household real income dynamics. Labour markets have remained relatively resilient, with the unemployment rate hovering at just below 8%, although employment growth has slowed down markedly in recent months. Recent survey indicators suggest that the economy has continued to grow at a modest pace during the second quarter of 2013.

Annual CPI inflation eased off by 0.4 percentage point to 2.4% in April 2013, while CPI inflation excluding energy and unprocessed food slowed down to 2.3%. The lower inflation figures were mainly due to energy and transport price dynamics. Looking ahead, existing spare capacity in labour and capital utilisation are expected to contain inflationary pressures although upward pressures owing to rises in administered and regulated prices, as well as sterling's depreciation earlier this year could cause inflation to persist. At its meeting on 9 May 2013, the Bank of England's Monetary Policy Committee maintained the policy rate at 0.5% and the size of its asset purchase programme at GBP 375 billion.

OTHER EUROPEAN ECONOMIES

In Sweden and Denmark, real GDP increased by 0.6% and 0.2% quarter on quarter in the first quarter of 2013 respectively, driven largely by domestic demand in both countries. Real GDP growth accelerated in Switzerland in the first quarter of 2013, increasing by 0.6% quarter on quarter, following robust growth in the second half of last year. Looking ahead, real GDP growth is likely to gain some positive momentum in Denmark and to expand at a steady pace in Switzerland, but to moderate in Sweden. Turning to price developments, annual HICP inflation has eased in Sweden and Denmark in recent months. Meanwhile, in Switzerland, inflation remained negative, largely owing to lower energy prices and continuing lower import prices more generally following the decision by the Swiss National Bank in September 2011 to set a minimum exchange rate target for the Swiss franc against the euro.

In the largest central and eastern European (CEE) EU Member States, economic activity has remained subdued. According to preliminary data, in the first quarter of 2013 real GDP increased in

Hungary, Poland and Romania and continued to decline in the Czech Republic. Looking forward, economic activity is likely to remain weak, but to stabilise in 2013 and then gradually rebound, supported by a recovery in foreign and domestic demand. Annual HICP inflation has slowed down considerably over the past few months, especially in Hungary and Poland. This has mainly resulted from lower commodity price inflation, favourable base effects from previous indirect tax and administered price increases, as well as subdued domestic demand pressures. Box 1 briefly reviews the role of CEE countries in pan-European and global value chains.

In Turkey and Russia, economic developments were mixed in early 2013. While there are signs of a recovery taking hold in Turkey, in Russia activity continued to slow and, according to the flash estimate, real GDP grew by 1.6% year on year in the first quarter of 2013, following growth of 2.1% in the final quarter of 2012. Looking ahead, leading indicators suggest a strengthening in the recovery in Turkey in the coming months, while economic activity in Russia is likely to remain sluggish in the near term, as domestic demand is weakening and external demand is not lending additional support. Price developments were mostly driven by changes in food prices in the respective countries, keeping inflation elevated in Russia in the first months of the year, while in Turkey the headline inflation rate remained very volatile, also owing to base effects.

Box 1

THE ROLE OF CENTRAL AND EASTERN EUROPE IN PAN-EUROPEAN AND GLOBAL VALUE CHAINS

A large share of the external trade of central and eastern European (CEE) countries[1] passes through global value chains[2] in which exporters from these countries are usually located further "downstream" – i.e. closer to the customer buying the finished product – than their euro area partners.

The analysis below is based on the analytical framework put forward by Koopman, Powers, Wang and Wei (2010)[3] and uses data from the Trade in Value-Added (TiVA) database.[4] It complements the more general discussion of the impact of global value chains on world trade patterns in Box 1 of the May 2013 issue of the Monthly Bulletin. In particular, this box provides a detailed examination of the pan-European and global value chains involving exporters from CEE countries in order to better understand the interlinkages between CEE and euro area countries.

Importance of euro area countries participating in global value chains for exporters from CEE countries

Table A shows that euro area countries account for a large share of the external trade of CEE countries associated with the intermediate stages of global value chains. At least one-third of CEE countries' top 15 trade partners in global value chains are from the euro area. Among the

1 In this box, central and eastern European countries are defined as the following non-euro area EU Member States: Bulgaria, Czech Republic, Hungary, Latvia, Lithuania, Poland and Romania.
2 For a definition of global value chains, see Koopman, R., Powers, W., Wang, Z. and Wei, S., "Give Credit Where Credit Is Due: Tracing Value Added in Global Production Chains", *NBER Working Paper*, No 16426, The National Bureau of Economic Research, Cambridge, Massachusetts, September 2010, p. 2.
3 ibid.
4 The OECD-WTO Trade in Value-Added (TiVA) database, May 2013, available at stats.oecd.org/Index.aspx?DataSetCode=TIVA_OECD_WTO. The latest available data are for 2009.

Table A Importance of trade partners in global value chains for CEE countries in 2009

(percentage points)

Bulgaria		CzechRepublic		Hungary		Latvia	
Russian Federation	6.0	Germany	15.6	Germany	12.3	Germany	4.9
Germany	4.6	China	3.4	China	3.5	Russian Federation	4.3
Italy	3.1	Russian Federation	3.3	United States	3.4	Sweden	3.5
United States	2.2	*Poland*	3.1	Russian Federation	3.0	*Lithuania*	3.4
Turkey	2.1	Slovakia	3.0	France	2.6	United States	2.6
China	1.9	France	2.8	Austria	2.5	China	2.0
Greece	1.9	Italy	2.7	Italy	2.5	Singapore	2.0
France	1.9	United States	2.5	Japan	2.0	France	1.9
Romania	1.4	Austria	2.3	Netherlands	1.8	Estonia	1.8
Belgium	1.3	Japan	2.1	United Kingdom	1.8	United Kingdom	1.8
Japan	1.2	United Kingdom	1.9	Korea	1.5	*Poland*	1.7
Spain	1.0	Netherlands	1.7	*Czech Republic*	1.5	Denmark	1.4
United Kingdom	0.9	Belgium	1.4	Slovakia	1.4	Netherlands	1.3
Netherlands	0.9	Spain	1.3	*Poland*	1.4	Finland	1.2
Singapore	0.9	Switzerland	1.2	*Romania*	1.4	Japan	1.2

Lithuania		Poland		Romania	
Russian Federation	18.5	Germany	11.0	Germany	7.3
Germany	3.2	Russian Federation	3.4	Italy	4.6
United States	2.1	Italy	3.0	France	3.1
Poland	2.1	France	2.4	*Hungary*	2.6
Latvia	1.9	China	2.3	Russian Federation	2.2
France	1.7	*Czech Republic*	2.2	China	1.8
Sweden	1.4	United States	2.0	United States	1.7
China	1.4	United Kingdom	1.6	Turkey	1.6
Denmark	1.2	Netherlands	1.4	United Kingdom	1.4
Estonia	1.1	Sweden	1.4	Austria	1.3
Italy	1.0	Austria	1.1	Spain	1.1
Netherlands	1.0	Belgium	1.0	Netherlands	1.1
Japan	0.9	Japan	1.0	*Poland*	1.0
United Kingdom	0.9	Spain	1.0	Belgium	1.0
Hong Kong	0.8	Korea	1.0	*Czech Republic*	0.9

Sources: OECD-WTO TiVA database and ECB staff calculations.
Notes: CEE countries are indicated in italics. The tables show the top 15 trade partners in global value chains for each CEE country. The indicator shown is the sum of: (i) value-added from a trade partner embodied in the CEE country's total exports; and (ii) the domestic value-added from the CEE country exported to and then embodied in the exports of that trade partner (in USD millions). Data are reported as a percentage of the CEE country's total exports. As explained in Box 1 of the May issue of the Monthly Bulletin, the shares of these two value-added components in total exports can be seen as measures of, respectively, the "downstream" and "upstream" activities of the exporters from each CEE country in global value chains. The upstream activity measure does not cover value-added from the CEE country embodied in its trade partners' exports that end up being re-imported by the CEE country. Box 1 of the May issue of the Monthly Bulletin shows that the share of this value-added component in total euro area exports is below 1%, which is also the case for all CEE countries.

euro area countries, Germany is the most important trading partner of CEE countries in global value chains, followed by Italy, France and Austria.

These trade data should be seen in conjunction with those on foreign direct investment (FDI). Euro area companies held 78% of the FDI stock in CEE countries as at the end of 2005 (the most recent time for which data are available for all euro area countries),[5] with Germany, Austria, France and Italy accounting for a significant share of the total (see Table C). The large share of euro area countries in the external trade of CEE countries that passes through global value chains, coupled with the euro area's significant investment in the region, suggests that a significant number of the global value chains in which CEE countries participate are associated with euro area companies. Exporters from CEE countries that participate in such chains are often either owned outright by, or operated as joint ventures of, euro area companies.

5 See Eurostat's Foreign Direct Investment Statistics database, available at http://epp.eurostat.ec.europa.eu/portal/page/portal/balance_of_payments/data/main_tables.

Table B Positions of trade partners in global value chains vis-à-vis CEE countries in 2009

(unitless ratio)

	Bulgaria		Czech Republic		Hungary		Latvia	
Upstream	Russian Federation	19.9	Japan	12.9	Russian Federation	11.4	Russian Federation	10.0
	Japan	6.9	Russian Federation	8.7	Japan	8.6	United States	3.2
	United States	4.4	United States	6.5	United States	8.2	Japan	3.2
	Switzerland	2.9	Korea	2.6	Korea	4.4	*Lithuania*	2.0
	Austria	2.0	China	2.6	France	2.9	*Poland*	2.0
	France	1.9	Italy	2.2	Netherlands	2.7	*Bulgaria*	1.9
	Romania	1.9	United Kingdom	2.1	United Kingdom	2.3	Italy	1.6
	China	1.8	*Poland*	1.9	Italy	2.2	France	1.4
	Lithuania	1.6	Spain	1.8	Germany	2.1	*Romania*	1.4
	Poland	1.5	*Romania*	1.6	China	2.0	Austria	1.3
	Korea	1.4	Netherlands	1.6	Switzerland	1.7	Switzerland	1.3
	Italy	1.4	France	1.5	Austria	1.7	Germany	1.2
	Germany	1.3	Germany	1.2	Sweden	1.6	*Hungary*	1.1
	United Kingdom	1.3	*Latvia*	1.1	*Romania*	1.6	**Latvia**	.
	Czech Republic	1.3	Switzerland	1.0	*Poland*	1.5	*Czech Republic*	0.9
	Bulgaria	.	Belgium	1.0	*Lithuania*	1.5	China	0.7
Downstream	Netherlands	1.0	**Czech Republic**	.	Spain	1.4	Netherlands	0.7
	Spain	1.0	*Hungary*	0.9	Belgium	1.4	Spain	0.4
	Hungary	0.8	Sweden	0.9	*Bulgaria*	1.2	Belgium	0.4
	Sweden	0.7	Austria	0.8	*Czech Republic*	1.1	United Kingdom	0.4
	Latvia	0.5	*Bulgaria*	0.8	**Hungary**	.	Sweden	0.3
	Belgium	0.4	*Lithuania*	0.7	*Latvia*	0.9	Korea	0.2

	Lithuania		Poland		Romania	
Upstream	Russian Federation	39.3	Russian Federation	11.5	Russian Federation	6.7
	Japan	5.0	Japan	6.0	Japan	3.1
	United States	4.0	United States	5.5	United States	2.7
	Germany	3.2	Korea	3.1	Italy	1.4
	Italy	2.2	Italy	2.0	Switzerland	1.3
	China	1.8	Spain	1.4	Austria	1.3
	Romania	1.6	United Kingdom	1.4	United Kingdom	1.3
	Poland	1.6	China	1.3	*Poland*	1.1
	Czech Republic	1.5	France	1.3	France	1.0
	France	1.4	Netherlands	1.3	**Romania**	.
	Switzerland	1.3	Switzerland	1.2	Netherlands	1.0
	Austria	1.3	Belgium	1.1	Germany	0.8
	Korea	1.0	**Poland**	.	China	0.8
	Lithuania	.	Austria	1.0	Korea	0.8
Downstream	Netherlands	0.9	*Romania*	0.9	Sweden	0.7
	Belgium	0.8	Germany	0.9	*Latvia*	0.7
	United Kingdom	0.7	*Bulgaria*	0.7	Spain	0.7
	Hungary	0.7	*Hungary*	0.6	*Lithuania*	0.6
	Sweden	0.6	*Lithuania*	0.6	*Hungary*	0.6
	Spain	0.6	Sweden	0.6	*Czech Republic*	0.6
	Bulgaria	0.6	*Czech Republic*	0.5	Belgium	0.6
	Latvia	0.5	*Latvia*	0.5	*Bulgaria*	0.5

Sources: OECD-WTO TiVA database and ECB staff calculations.
Notes: CCE countries are indicated in italics. The uniform set of trading partners consists of all CEE countries and those countries that are among the top 15 trade partners of at least three CEE countries in cross-border production chains (see Table A). The tables show the relative importance of CEE countries' "downstream" and "upstream" activities vis-à-vis their main trade partners in global value chains. The indicator is constructed as the ratio of: (i) the value-added from a trade partner embodied in a CEE country's total exports (reflecting CEE countries' downstream activities); to (ii) the domestic value-added from the CEE country exported to and then embodied in the exports of that trade partner (reflecting CEE countries' upstream activities). The higher the value of the index, the more upstream the trade partner is situated in the global value chain relative to the CEE country's exporters.

The relative position of CEE countries in global value chains

CEE countries are usually located further downstream in global value chains than their euro area partners. They typically import industrial equipment and higher value-added

Table C Foreign direct investment positions of selected countries in CEE countries in 2011

(US dollars; millions)

FDI recipients	FDI providers						
	Austria	France	Germany	Italy	Czech Republic	Hungary	Poland
CEE countries	47,127	43,596	74,449	21,155	1,971	2,340	6,141
Bulgaria	5,903	751	2,849	614	597	1,076	48
Czech Republic	14,100	10,842	18,165	1,298	-	323	2,453
Hungary	11,131	4,408	19,592	1,827	74	-	493
Lithuania	67	561	1,126	31	..	5	2,463
Latvia	205	98	537	35	..	0	30
Poland	4,777	21,281	25,954	12,542	590	340	-
Romania	10,944	5,654	6,225	4,807	711	596	653

Source: The OECD's database on FDI positions by partner country.
Notes: Data for Germany are for the end of 2010; .. indicates that data are not published; - indicates not applicable.

components from euro area countries, which they then use to produce additional components and assemble intermediate goods or final products shipped along the value chain en route to final consumers around the globe. This is reflected in Table B, which shows the position of individual CEE countries relative to their main trading partners in global value chains. The euro area countries that actively participate in pan-European value chains, especially Germany, Italy and France (see Table A), are generally located further "upstream" (i.e. further away from the final customer) than exporters from CEE countries, with the notable exception of Germany in its trade with Poland and Romania (see Table B).

Looking at individual CEE countries, Hungarian exporters are located furthest downstream in global value chains relative to other CEE countries, with Latvia and Bulgaria close behind (see Table B). The upstream position of Romania and Poland relative to the other CEE countries and some euro area countries could stem from their specialisation in industrial equipment and intermediate goods or from natural resources accounting for a significant share of their exports.

The evolving role of CEE countries in global value chains

Analysis also suggests that exporters from some of the larger CEE countries have started to set up their own value chains within the CEE region. CEE countries are among the main trading partners of other CEE countries in global value chains (see Table A). For example, Poland stands out, as it occupies an upstream position in global value chains relative to all the other CEE countries (see Table B). At the same time, Polish companies had made around USD 6 billion of FDI in the CEE region as at the end of 2011 (see Table C). Similarly, the Czech Republic is located upstream of Bulgaria and provides it with sizeable FDI flows. All in all, this points to the ability of Polish and Czech exporters, including subsidiaries of euro area multinational companies, to set up regional value chains.

Conclusion

This box has shown that a large share of exports from the CEE region passes through cross-border production chains associated with euro area companies, with exporters from CEE countries generally being located further downstream than their euro area partners. This production model, which is both pan-European and globally integrated in nature, constitutes an important channel for transmitting output fluctuations from the euro area to CEE countries via the propagation of industry-specific shocks and of inventory adjustments along the supply chain. At the same time, the participation of CEE countries in global value chains appears to have had a "learning-by-doing" effect, as evidenced by the ongoing efforts of exporters from CEE countries to set up their own value chains within the region.

EMERGING ASIA

Economic growth in emerging Asia was weaker than expected in the first quarter of 2013. Both weak domestic and external demand contributed to the slowdown. Looking ahead, it is anticipated that economic growth in emerging Asia will accelerate slightly during 2013 on the back of a gradually improving external environment and strengthening domestic demand.

In more detail, in China, real GDP growth decelerated to 7.7% year on year in the first quarter of 2013, down from 7.9% in the final quarter of 2012, mainly owing to weaker investment. By contrast, private consumption accelerated and was the main driver of growth, while net trade also made a positive contribution. Trade momentum continued to be strong in April, in particular with Asia outside Japan, and the trade balance remained high in 12-month cumulative terms. Other activity indicators, such as the Purchasing Managers Indices (PMIs) and industrial production, were relatively weak in April. In May the official PMI for manufacturing rose again to 50.8, from 50.6 in April, suggesting that the economy is moving sideways, with growth slightly below trend. Activity in the housing market was strong, and house prices continued to rise across China.

Annual CPI inflation remained relatively subdued in the first quarter of 2013 and in April increased at a rate of 2.4%, while PPI inflation was negative for a fourteenth consecutive month. During the first quarter China's foreign exchange reserves increased by USD 131 billion to USD 3.4 trillion, the highest quarterly increase since the second quarter of 2011. At the end of April the real effective exchange rate of the renminbi stood 4.6% higher than at the end of 2012. In nominal, bilateral terms, the renminbi strengthened to reach all-time highs against the yen and the US dollar in the second half of May.

Turning to other key Asian countries, in India economic activity remained relatively subdued and inflationary pressures eased. Annual GDP growth decelerated to 3.0% in the first quarter of 2013, down from 4.1% recorded in the fourth quarter of 2012, driven by a decrease in both domestic and external demand. Annual wholesale price inflation – the Reserve Bank of India's preferred measure of inflation – declined to 4.9% in April 2013. Given the growth/inflation dynamics and ongoing reforms, the Reserve Bank of India cut its key policy rate by 25 basis points in March and again in May to 7.25%. In Korea, annual real GDP growth accelerated marginally to 1.5% in the first quarter of 2013. The acceleration in the pace of growth was driven by a strong increase in net exports, which offset a slowdown in private consumption and contraction in investment. Annual CPI inflation decreased to 1.0% in May, below the Bank of Korea's 2.5-3.5% target band. The Bank of Korea cut its policy rate by 25 basis points to 2.5% in May 2013.

MIDDLE EAST AND AFRICA

In 2012 strong growth driven by oil production was observed in most oil-exporting countries in the region. Supported by high oil prices, government spending increased considerably in several countries in the Middle East in response to social pressure. At the same time, the Arab countries in transition continued to face macroeconomic, political and social instability, as well as a weak external environment. Elsewhere in the region, economic activity remained robust. In the near term lower world oil demand will weigh on growth in oil-exporting countries. On the other hand, a moderate acceleration of growth is expected in the oil-importing countries as global and domestic demand gradually improve.

LATIN AMERICA

Real GDP in Latin America gained some momentum at the end of 2012. Economic activity has continued to recover in the first months of 2013, although at a moderate pace. This recovery has been supported by past monetary policy easing measures and government incentives to boost investment in major countries, in particular Brazil, as well as favourable financing conditions. Looking ahead, growth is expected to be supported primarily by robust domestic demand and a gradual strengthening in external demand.

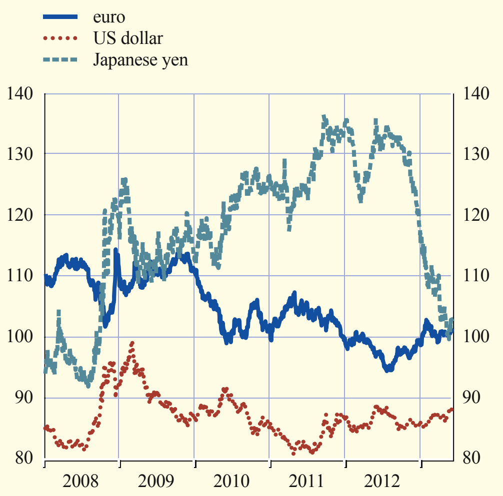
In Brazil, real GDP grew by 0.6% quarter on quarter in the first quarter of 2013, the same growth rate as in the previous three months. Economic activity was supported mainly by a strong increase in private investment, whereas net exports were a drag on growth. In Mexico, GDP decelerated in the first quarter of 2013, with the economy expanding at a rate of 0.5% quarter on quarter, down from 0.7% growth in the final quarter of last year. In Argentina, economic activity slowed down slightly in the first quarter of 2013, as suggested by the economic activity indicator, which declined to 1.0% quarter on quarter from 1.2% in the fourth quarter of 2012. Regarding price developments, annual inflation has been rising persistently in Brazil, standing in the upper range of the Banco Central do Brasil's inflation target in April (6.5%), This led the central bank to raise the policy rate by 25 basis points in April and by 50 basis points in May. In Mexico, headline inflation has been rising but core inflation remains relatively stable and low, leading the central bank to state that, after the cut in interest rates by 50 basis points in March, further monetary policy easing could follow should economic activity decelerate further in an environment of inflation easing back again to target.

1.4 EXCHANGE RATES

Over the past three months the exchange rate of the euro appreciated slightly in an environment of low volatility. Movements in exchange rates were largely related to changing market expectations about the economic outlook for the euro area relative to other major advanced economies, as well as developments in inflation expectations. As a result, the euro weakened slightly throughout March, but appreciated again in April and stabilised in May. On 5 June 2013 the nominal effective exchange rate of the euro, as measured against the currencies of 20 of the euro area's most important trading partners, stood 0.9% above its level at the beginning of March and 3.9% above the level one year ago (see Table 3 and Chart 4). Over the same horizon the nominal effective exchange rate of the Japanese yen, as measured against the currencies of 40 of Japan's most important trading partners,

Chart 4 Nominal effective exchange rates of the euro, the US dollar and the Japanese yen

(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 5 June 2013 with respect to	
		1 March 2013	5 June 2012
EER-20		0.9	3.9
Chinese renminbi	18.8	-1.0	1.2
US dollar	16.9	0.5	5.1
Pound sterling	14.9	-1.6	5.1
Japanese yen	7.2	8.0	33.8
Swiss franc	6.5	1.0	3.0
Polish zloty	6.2	2.4	-3.1
Czech koruna	5.0	0.7	0.5
Swedish krona	4.7	3.1	-3.8
Korean won	3.9	3.4	-0.3
Hungarian forint	3.2	-0.2	-2.5
Danish krone	2.6	0.0	0.3
Romanian leu	2.0	1.4	-0.9

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.

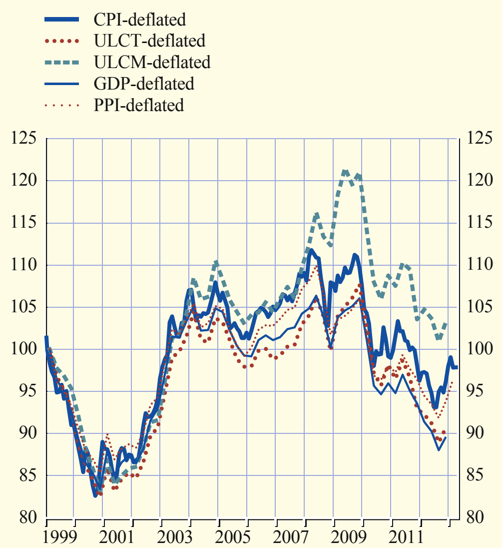
continued to depreciate, weakening by about 7%, amid rising inflation expectations. Largely as a reflection of this development, the nominal effective exchange rate of the US dollar, as measured against the currencies of 40 of the United States' most important trading partners, appreciated by around 1%.

In bilateral terms, over the past three months the euro appreciated slightly against the US dollar (by 0.5%), but depreciated against the pound sterling (by 1.6%). The euro strengthened against most other European currencies as well as Asian currencies, in particular appreciating by 8.0% against the Japanese yen. The currencies participating in ERM II remained broadly stable against the euro, trading at, or close to, their respective central rates.

With regard to indicators of the international price and cost competitiveness of the euro area, in May 2013 the real effective exchange rate of the euro based on consumer prices was 2.3% above its level one year earlier (see Chart 5). This mostly reflected the nominal appreciation of the euro since then, which was only partly offset by a lower rate of consumer price inflation in the euro area compared with its main trading partners.

Chart 5 Real effective exchange rates of the euro

(monthly/quarterly data; index: Q1 1999 = 100)



Source: ECB.
Note: The real effective exchange rates of the euro are calculated against the currencies of 20 of the most important trading partners of the euro area.

2 MONETARY AND FINANCIAL DEVELOPMENTS

2.1 MONEY AND MFI CREDIT

Annual growth in broad money moderated in the first quarter of 2013, before strengthening somewhat in April relative to March – albeit mainly owing to base effects. At the same time, there were signs of receding, albeit still substantial, financial fragmentation in the euro area. Improved funding conditions for banks, continued inflows of capital from non-resident investors and a reallocation of funds to stressed countries within the euro area supported the declines in fragmentation and allowed substantial reductions in excess central bank liquidity. At the same time, such improvements in financial markets and bank funding have not yet led to increases in loans to the non-financial private sector. On the one hand, growth in loans to the private sector stabilised in the first quarter. But on the other hand, further declines were then observed for loans to non-financial corporations in April. Those declines were broadly based across both maturities and countries.

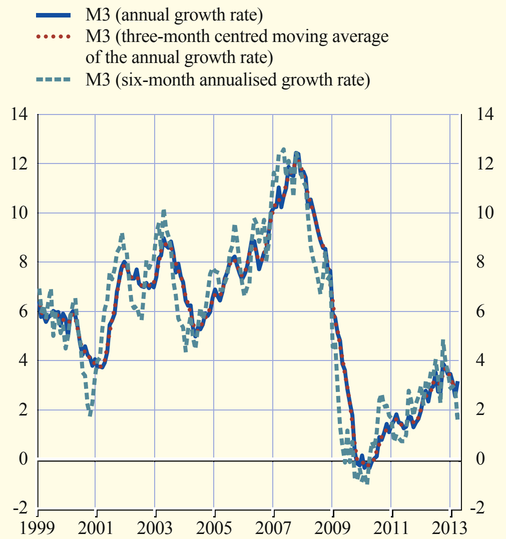
The annual growth rate of M3 stood at 3.2% in April 2013, unchanged from the first quarter of the year, but slightly below the 3.6% recorded in the fourth quarter of 2012 (see Chart 6 and Table 4). The figure for April was upwardly affected by various one-off factors. These included a base effect, as the strong outflows seen for M3 in April 2012 dropped out of the calculation of the annual rate of growth, as well as special transactions related to the payment of the third capital tranche to the European Stability Mechanism. These one-off factors had a particularly strong impact on M1, the annual growth rate of which increased to 8.7% in April.

That increase in annual M1 growth also reflects a preference for liquidity in the context of low (and declining) levels of remuneration for other monetary assets. The sizeable inflows seen for M1 in the first quarter reflected inflows for overnight deposits, which more than compensated for the outflows observed for marketable instruments and the smaller inflows for other short-term deposits. This reflected the normalisation of portfolio flows in the context of receding – but still substantial – financial fragmentation, declining risk aversion, and an increasing search for yield. Evidence of that can be seen in the increases observed in stock market indices across euro area countries (which have occurred independently of the cyclical conditions), the capital inflows in the euro area (particularly in stressed countries), the improvements observed in bank deposit funding in most stressed countries in the first quarter of 2013, and the sizeable inflows seen for equity and bond funds in the first quarter of the year.

Those improvements have allowed a number of banks to repay liquidity provided via the two three-year longer-term refinancing operations. The evidence suggests that improvements in market access and funding conditions, as well as receding fragmentation, have been the main factors prompting such repayments, with signalling considerations playing a secondary role at best.

Chart 6 M3 growth

(percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.

Table 4 Summary table of monetary variables

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

	Outstanding amounts as a percentage of M3[1)]	Annual growth rates					
		2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Mar.	2013 Apr.
M1	**53.3**	**2.8**	**4.6**	**6.2**	**6.8**	**7.1**	**8.7**
Currency in circulation	9.0	5.6	5.3	3.0	1.7	1.9	3.4
Overnight deposits	44.3	2.3	4.5	6.9	7.8	8.2	9.8
M2-M1 (=other short-term deposits)	39.5	2.6	1.4	1.6	1.3	0.5	0.1
Deposits with an agreed maturity of up to two years	18.0	2.5	-0.9	-1.8	-3.7	-5.2	-6.2
Deposits redeemable at notice of up to three months	21.5	2.7	3.4	4.9	6.1	5.9	6.0
M2	**92.8**	**2.7**	**3.2**	**4.2**	**4.3**	**4.2**	**4.9**
M3-M2 (=marketable instruments)	7.2	2.6	1.5	-2.7	-8.5	-13.9	-14.2
M3	**100.0**	**2.7**	**3.0**	**3.6**	**3.2**	**2.6**	**3.2**
Credit to euro area residents		**1.4**	**0.9**	**0.5**	**0.0**	**0.0**	**-0.1**
Credit to general government		8.6	9.2	8.3	4.2	3.5	3.5
Loans to general government		-1.7	1.5	1.9	-0.8	-1.2	-0.9
Credit to the private sector		-0.3	-1.0	-1.3	-1.0	-0.9	-0.9
Loans to the private sector		-0.1	-0.6	-0.8	-0.8	-0.7	-0.9
Loans to the private sector adjusted for sales and securitisation[2)]		0.5	-0.1	-0.4	-0.3	-0.3	-0.5
Longer-term financial liabilities (excluding capital and reserves)		**-2.4**	**-4.4**	**-5.1**	**-5.1**	**-4.8**	**-5.0**

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.

However, those improvements in banks' funding conditions have not yet led to increased dynamism in the provision of loans to the non-financial private sector. The annual growth rate of loans to the private sector stabilised at a low level in the first quarter of 2013, but loan redemptions then increased again in April, reflecting the net redemption of loans to non-financial corporations and subdued lending to households on account of weak demand and continued supply-side constraints.

The main counterpart supporting M3 growth was a considerable improvement in MFIs' net external asset position amid reduced market uncertainty. In addition, there were further outflows for longer-term financial liabilities in the first quarter, which also had a supportive effect.

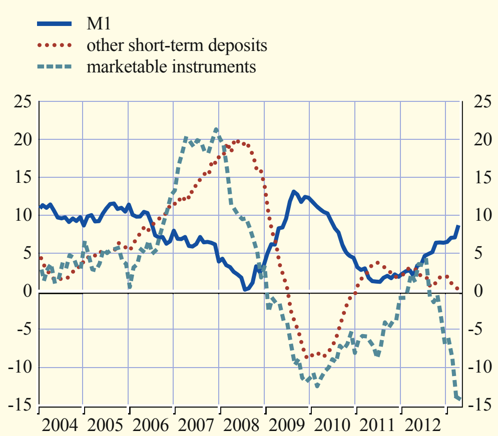
Overall, monetary developments in the first four months of 2013 confirm the subdued nature of underlying money growth. That subdued growth stems, in particular, from weak MFI lending to the private sector.

MAIN COMPONENTS OF M3

Developments in liquid monetary instruments contained in M1 remained the primary driver of the inflows observed for M3 in the first quarter and April 2013 (see Chart 7).

Chart 7 Main components of M3

(annual percentage changes; adjusted for seasonal and calendar effects)

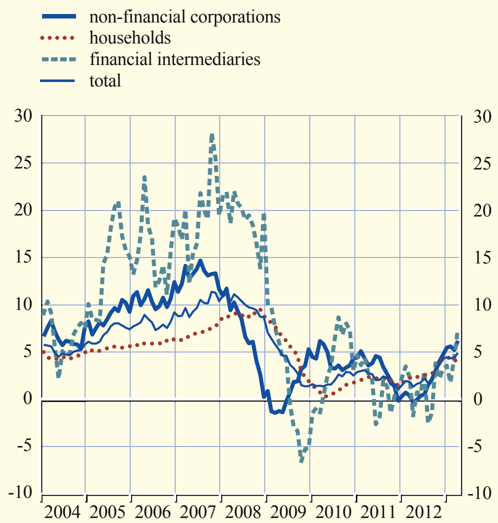


Source: ECB.

The annual growth rate of M1 increased further to stand at 6.8% in the first quarter of 2013 and 8.7% in April, up from 6.2% in the fourth quarter of 2012 (see Table 4). The sizeable inflows for M1 in the first quarter reflected inflows for overnight deposits, amid a continued preference for liquid deposits on the part of households and non-financial corporations in the presence of low levels of remuneration for assets contained in M3. Thus, the underlying motivation was different from that observed in mid-2012, when liquidity buffers were increased – mainly by institutional investors – in response to heightened financial market uncertainty. At the same time, inflows for M1 in the year to April were also boosted by sizeable transactions relating to specific non-monetary financial intermediaries.

Chart 8 Short-term deposits and repurchase agreements

(annual percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.
Note: MFI sector excluding the Eurosystem.

The annual growth rate of short-term deposits other than overnight deposits (i.e. M2 minus M1) declined to 1.3% in the first quarter, down from 1.6% in the fourth quarter of 2012, before decreasing further to stand at 0.1% in April (see Table 4). Sizeable outflows were recorded for short-term time deposits (i.e. deposits with an agreed maturity of up to two years) in the first quarter, while inflows for short-term savings deposits (i.e. deposits redeemable at notice of up to three months) remained weak, a trend that continued in April.

The annual growth rate of marketable instruments (i.e. M3 minus M2) declined further, standing at -8.5% in the first quarter and -14.2% in April, down from -2.7% in the fourth quarter of 2012. The first quarter saw a sizeable reduction in the money-holding sector's holdings of short-term MFI debt securities (i.e. debt securities with an original maturity of up to two years), while outflows were also recorded for money market fund shares/units and repurchase agreements. This trend continued in April. Overall, the outflows for money market funds in the first quarter were probably related to remuneration considerations and a reduction in the risk aversion of the money-holding sector, their counterpart being the strong inflows observed for equity and bond funds during that period (see Section 2.2 for details). Money market funds have found it increasingly difficult to generate significant positive returns for investors in the presence of very low short-term interest rates. Such very low interest rates are also affecting the attractiveness of short-term MFI debt securities. However, the weak issuance of MFI debt securities (at all maturities) and money market fund shares/units also has a structural dimension, as regulatory incentives in particular are encouraging deposit-based funding for banks, as opposed to market-based funding.

The annual growth rate of M3 deposits – which comprise short-term deposits and repurchase agreements and represent the broadest monetary aggregate for which reliable information is available at a sectoral level – rose to 4.3% in the first quarter and 4.8% in April, up from 3.8% in the fourth quarter (see Chart 8). This increase was due, in particular, to a base effect. For all individual money-holding sectors, the inflows observed for M3 deposits in the first quarter were smaller than in the previous quarter, and there was even a small outflow for non-monetary financial intermediaries other than insurance corporations and pension funds (OFIs). Households continued to make the largest contribution to that growth rate. That broadly based moderation in M3 deposit flows was probably related to a reduction in the risk aversion of those money-holding sectors in the context of low interest rates and an increasing search for yield. Demand for money on the part of OFIs, which include investment funds and securitisation vehicles, is erratic at times and has been strongly affected by the volatile conditions in financial markets and shifts in relative yields across a broad range of financial assets. In addition, euro area countries' capital transfers to the European Stability Mechanism, which is classified as an OFI, account for some of the increase in overnight deposits in April. Looking at the geographical dispersion of households' M3 deposit flows, most stressed countries experienced positive flows in the first quarter of 2013 – in excess of the euro area average in most cases – which considerably reduced the cross-country heterogeneity of developments in those deposits. Inflows for stressed countries came to a halt in April.

At the same time, certain specific factors need to be taken into account when it comes to April. In particular, the resolution measures implemented in Cyprus under the Resolution of Credit and Other Institutions Law led to some deposits being partially converted into equity, while other short-term deposits were converted into deposits with an agreed maturity of over two years. That restructuring was recorded as a transaction in monetary statistics and affected deposits in excess of €100,000 (net of any credit facilities) at one specific bank.

MAIN COUNTERPARTS OF M3

As regards the counterparts of M3, the annual growth rate of MFI credit to euro area residents fell to 0.0% in the first quarter of 2013, down from 0.5% in the fourth quarter of 2012, before turning negative in April (see Table 4). These developments reflected a moderation in the annual growth rate of credit to general government relative to the fourth quarter of 2012, while credit to the private sector continued to contract.

MFI credit to general government continued to have a positive impact on money growth, albeit with its annual growth rate falling to 3.5% in April, down from 4.2% in the first quarter and 8.3% in the fourth quarter of 2012. The weakening observed in the first quarter was driven largely by a decline in loans to general government. MFIs' purchases of government debt securities increased over that period, notwithstanding some cross-country heterogeneity.

The annual growth rate of MFI credit to the private sector stood at -0.9% in April, up from -1.0% in the first quarter and -1.3% in the fourth quarter of 2012. The positive flow observed for credit to the private sector in the first quarter reflected inflows for shares and other equity and, to a lesser extent, net purchases of private sector debt securities and inflows for MFI loans to the private sector (adjusted for loan sales and securitisation). The decline in credit in April reflected strong net redemption of MFI loans to the private sector and the net redemption of shares and other equity.

The annual growth rate of loans to the private sector (adjusted for loan sales and securitisation) declined to -0.5% in April, down from -0.3% in the first quarter and -0.4% in the fourth quarter of 2012 (see Table 4). From a sectoral perspective, loans to non-financial corporations (adjusted for loan sales and securitisation) dragged the total for the first quarter down, with limited positive growth being recorded for loans to households. By contrast, there was a sizeable increase in loans to non-monetary financial intermediaries. Those sectoral trends continued in April.

The annual growth rate of MFI loans to households (adjusted for loan sales and securitisation) stabilised around the turn of the year and stood at 0.3% in April, down from 0.4% in the first quarter and 0.8% in the fourth quarter of 2012. In terms of quarterly flows, the slight recovery in the second half of 2012 continued in the first quarter of 2013, amid continued cross-country heterogeneity. Data for April support the view that growth has stabilised (see Section 2.7 for more details).

The annual growth rate of MFI loans to non-financial corporations (adjusted for loan sales and securitisation) declined to -1.9% in April, down from -1.4% in both the first quarter of 2013 and the fourth quarter of 2012. Looking at a breakdown by maturity, in the first quarter the majority of redemptions were for longer maturities, while in April they were also particularly strong for short-term loans and were broadly based across the countries of the euro area (see Section 2.6 for more details).

Overall, the improvement in banks' funding conditions in the first quarter did not lead to increases in the provision of loans to the non-financial private sector. In fact, credit to the non-financial private sector has declined further in recent months. The weakness of bank lending appears mainly to reflect cyclical and structural demand factors – and, to a lesser extent, supply factors.

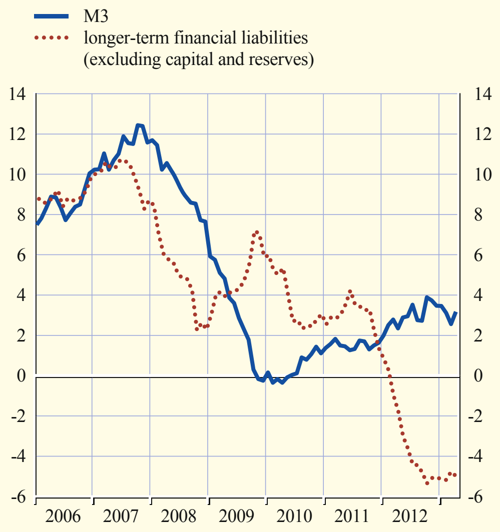
Demand factors relate to the general weakness of economic activity, the continued high levels of uncertainty, and the fragmentation of financial markets (which has receded in recent quarters). As a medium-term factor, the need to reduce household and corporate indebtedness in a number of countries is also weighing on loan demand. In addition, substantial use has been made of other sources of financing available to firms in some countries (including internally generated resources and direct access to capital markets through the issuance of debt securities) as an alternative to bank loans, albeit with considerable heterogeneity across countries, as well as across firms of different types and sizes.

Supply factors continue to weigh on growth in loans to households and non-financial corporations. The bank lending survey for the euro area suggests that concerns regarding credit risk are likely to be one of the main causes of restrictions on loan supply through tight credit standards. Conservative lending may also reflect adjustments made by banks in order to fulfil new regulatory requirements.

Turning to the other counterparts of M3, the annual growth rate of MFIs' longer-term financial liabilities (excluding capital and reserves) stood at -5.0% in April, up from -5.1% in both the first quarter of 2013 and the fourth quarter of 2012 (see Chart 9). Another substantial quarterly outflow was recorded in the first quarter, driven mainly by outflows for holdings of longer-term debt securities issued by euro area MFIs. Despite contracting in annual terms, longer-term deposits held by the money-holding sector with euro area MFIs posted a positive quarterly flow in the first quarter of 2013, which contributed to the moderation in M3. The developments in the first quarter could be related to the regulatory restrictions adopted in certain countries, which encouraged

Chart 9 M3 and MFI longer-term financial liabilities

(annual percentage changes; adjusted for seasonal and calendar effects)



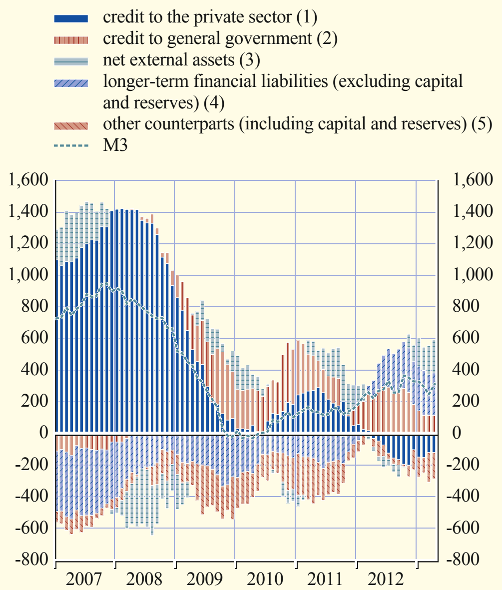
Source: ECB.

longer-term deposits, while the decline in flows in April reflects the flat yield curve, which makes holding longer-term deposits less attractive. In addition, reductions in securitisation led to outflows for OFIs' longer-term deposits. The net redemption of longer-term debt securities issued by euro area MFIs continued both in the first quarter and in April.

Improved confidence in the euro area continued to be demonstrated on the counterpart side by capital inflows, as signalled by improvements in MFIs' net external asset position. Indeed, in the first quarter the net external asset position of euro area MFIs – which captures the capital flows of the money-holding sector where these are routed via MFIs, as well as the transfer of assets issued by the money-holding sector – saw a further quarterly inflow, with another sizeable inflow in April (see Chart 10). These continued the series of large inflows observed since July 2012, with a total of €215 billion being accumulated in that period. Notably, investment in debt securities and equities by non-euro area residents has increased substantially since July 2012 (see Box 2 for more details).

Chart 10 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.

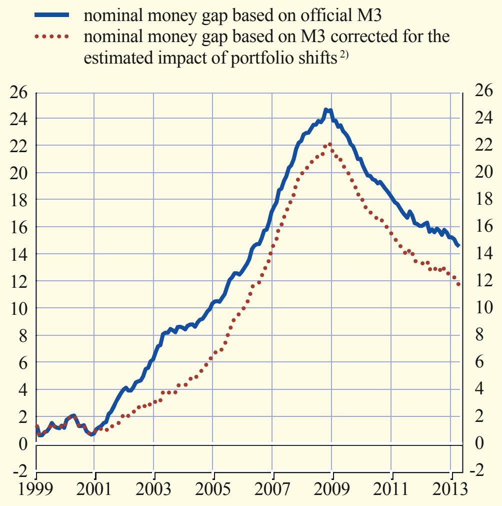
GENERAL ASSESSMENT OF MONETARY LIQUIDITY CONDITIONS IN THE EURO AREA

The flows observed for M3 between end-December 2012 and end-April 2013 resulted in further declines in the monetary liquidity accumulated prior to the crisis in the euro area (see Charts 11 and 12). Some indicators of monetary liquidity monitored by the ECB suggest that a significant part of the ample liquidity that was accumulated prior to the crisis has now been reabsorbed. Looking ahead, some indicators may move closer to levels suggestive of balanced liquidity conditions in the economy. Nevertheless, it should be recalled that these indicators need to be interpreted with caution, as they rely on the assessment of equilibrium money holdings, which is surrounded by considerable uncertainty.

Overall, underlying money and credit growth remained subdued in the first quarter and April. M3 growth moderated in the first quarter on account of a normalisation of portfolio behaviour in the context of receding financial fragmentation, with investors seeking higher yields. At the same time, loan growth remained negative, reflecting weak demand and, to a lesser extent, constraints on credit supply. From a medium-term perspective, a key prerequisite for a sustained recovery in lending to the private sector is the restoration of banks' risk-taking capacity and the return of private sector demand for bank credit.

Chart 11 Estimates of the nominal money gap [1)]

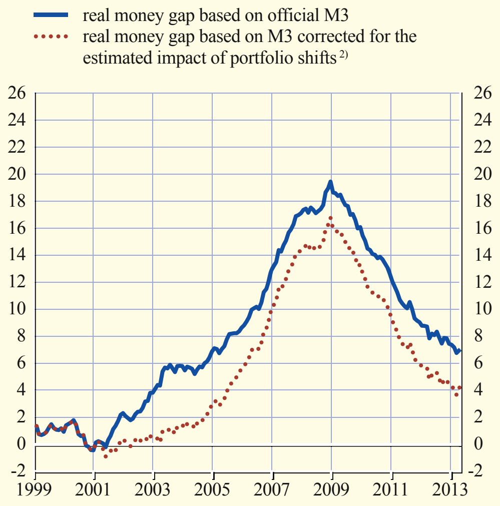
(as a percentage of the stock of M3; adjusted for seasonal and calendar effects; December 1998 = 0)



Source: ECB.
1) The nominal money gap is defined as the difference between the actual level of M3 and the level of M3 that would have resulted from constant M3 growth at its reference value of 4½% since December 1998 (taken as the base period).
2) Estimates of the magnitude of portfolio shifts into M3 are constructed using the general approach discussed in Section 4 of the article entitled "Monetary analysis in real time", *Monthly Bulletin*, ECB, Frankfurt am Main, October 2004.

Chart 12 Estimates of the real money gap [1)]

(as a percentage of the stock of real M3; adjusted for seasonal and calendar effects; December 1998 = 0)



Source: ECB.
1) The real money gap is defined as the difference between the actual level of M3 deflated by the HICP and the deflated level of M3 that would have resulted from constant nominal M3 growth at its reference value of 4½% and HICP inflation in line with the ECB's definition of price stability, taking December 1998 as the base period.
2) Estimates of the magnitude of portfolio shifts into M3 are constructed using the general approach discussed in Section 4 of the article entitled "Monetary analysis in real time", *Monthly Bulletin*, ECB, Frankfurt am Main, October 2004.

Given the downward impact that the correction of past excesses is having on underlying money and credit growth, aggregate monetary dynamics for the euro area as a whole do not point to risks to price stability over the medium term.

Box 2

RECENT DEVELOPMENTS IN THE FINANCIAL ACCOUNT OF THE EURO AREA BALANCE OF PAYMENTS

This box analyses developments in the financial account of the euro area balance of payments up to the first quarter of 2013. In the 12-month period to March 2013 the combined balance for direct and portfolio investment in the euro area recorded net inflows of €96.0 billion, compared with net outflows of €57.6 billion a year earlier (see table). These inflows were more than offset by outflows in other investment, reflecting a sizeable surplus in the current account of the euro area. After the announcement of the Outright Monetary Transactions (OMTs) in September 2012, financial market conditions started to improve, resulting in an apparent normalisation of the euro area financial flows. Over the last six months foreign investors substantially increased their exposure to euro area equity and debt securities. Furthermore, in the

Main items in the financial account of the euro area balance of payments

(EUR billions; non-seasonally adjusted data)

			Three-month cumulated figures				12-month cumulated figures	
	2013		2012			2013	2012	2013
	Feb.	Mar.	June	Sep.	Dec.	Mar.	Mar.	Mar.
Financial account [1)]	-19.0	-24.6	-19.5	-41.6	-74.2	-42.1	-35.0	-177.4
Combined net direct and portfolio investment	-6.5	-6.1	81.5	-19.7	26.0	8.2	-57.6	96.0
Net direct investment	-2.4	-14.4	-15.2	-4.9	-21.2	-25.1	-99.4	-66.3
Net portfolio investment	-4.1	8.3	96.7	-14.8	47.2	33.2	41.9	162.3
Equities	-3.6	0.1	24.4	17.5	-2.4	5.9	65.7	45.4
Debt instruments	-0.5	8.1	72.2	-32.3	49.6	27.3	-23.8	116.9
Bonds and notes	-11.8	6.3	39.9	10.5	10.4	2.5	95.2	63.3
Money market instruments	11.3	1.8	32.3	-42.8	39.2	24.8	-119.0	53.6
Net other investment	-21.0	-23.5	-84.0	-24.6	-113.3	-65.8	35.9	-287.8
Of which: Non-MFIs								
Net direct investment	-3.1	-15.8	-18.3	-6.9	-21.2	-28.4	-92.9	-74.7
Net portfolio investment	-19.8	41.5	59.5	0.9	47.2	43.5	-10.1	151.1
Equities	-8.9	12.4	28.6	20.6	19.1	20.9	31.1	89.2
Debt instruments	-10.9	29.1	30.8	-19.7	28.2	22.6	-41.2	61.9
Net other investment	-23.1	-34.0	-39.0	9.5	-19.9	-33.4	32.7	-82.8

Source: ECB.
Note: Figures may not add up, owing to rounding.
1) Figures refer to balances (net flows). A positive (negative) sign indicates a net inflow (outflow).

first quarter of 2013 euro area MFIs were eventually able to raise liquidity in the form of loans and deposits, after having experienced a prolonged period of disinvestment.

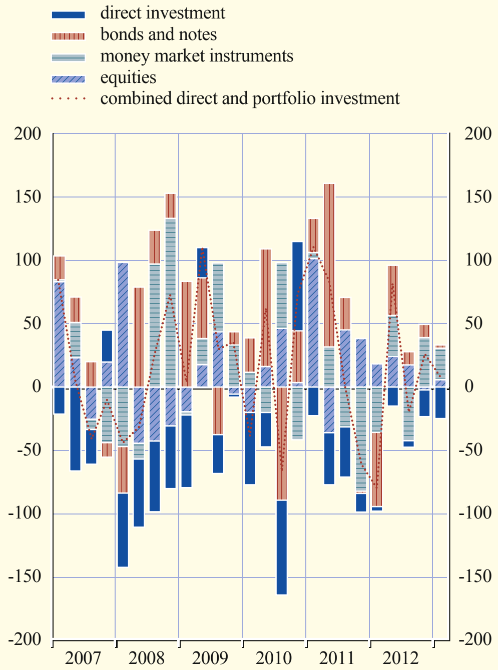
The shift in the combined direct and portfolio investment balance in the euro area over the 12-month period to March 2013 was mainly due to an increase in net inflows in portfolio investment. Since the announcement of OMTs, foreign investors have substantially increased their purchases of euro area securities issued by euro area non-MFIs. At the same time euro area investors also increased their acquisition of foreign securities, albeit to a lesser extent. This increase was mainly driven by the acquisition of foreign equity securities by euro area non-MFIs, whereas euro area MFIs remained net sellers of foreign debt instruments against the backdrop of their balance sheet restructuring. Net other investment turned negative and more than offset portfolio investment inflows against the background of substantial disinvestment of non-residents from euro area MFI deposits and loans in the second half of 2012.

More recently, in the first quarter of 2013, net inflows of €8.2 billion were recorded in the combined direct and portfolio investment balance, a decline from net inflows of €26.0 billion in the fourth quarter of 2012. Although there were no major changes in net foreign direct investment in the first quarter, the net acquisition of cross-border capital increased somewhat, also suggesting an easing of financial market tensions. Net flows of portfolio investment were positive for the second quarter in a row, with both domestic and foreign investors acquiring cross-border equity and debt securities. Foreign investors' acquisition of euro area securities returned to levels not seen since mid-2011. Euro area MFIs' other investment liabilities eventually saw net inflows at the beginning of 2013, following a persistent withdrawal from these instruments by non-residents in the last three quarters of 2012. Consequently, for the first time since March 2012, euro area banks interrupted the sustained sales of other investment assets which, given their funding pressures, had been necessary to mobilise funds.

Net portfolio investment flows were much smaller in the MFI sector than in the non-MFI sector. Euro area MFIs continued to scale down their holdings of foreign debt securities on account of balance sheet restructuring, but kept on purchasing foreign equity securities. Non-residents of the euro area seem to have shifted funds previously invested in bonds and notes issued by euro area MFIs into equity securities and money market instruments of euro area MFIs. Euro area non-MFIs increased their net purchases of foreign money market instruments, while slightly reducing their acquisition of foreign equity securities as well as bonds and notes. Foreign investors' net acquisition of domestic securities issued by euro area non-MFIs was close to levels recorded in the previous quarter, with a doubling of the amounts invested in money market instruments but a decline in the amounts invested in other instruments. Increased holdings of euro area securities may point to an increase in investors' confidence about the economic prospects for the euro area. All in all, positive flows of net portfolio investment in the first quarter contributed to an increase in euro area liquidity, which was partly reflected in the evolution of the broad monetary aggregate M3. As can be seen from the monetary presentation of the balance of payments, transactions by the non-MFI sector were an important determinant of the increase in MFIs' net external asset position in the first quarter of 2013.

Main items in the financial account

(EUR billions; quarterly net flows)



Source: ECB.

2.2 FINANCIAL INVESTMENT OF THE NON-FINANCIAL SECTORS AND INSTITUTIONAL INVESTORS

The annual growth rate of financial investment by the non-financial sectors rose marginally to stand at 2.5% in the fourth quarter of 2012, reflecting the continued weakness of the economic environment. The annual growth rate of financial investment by insurance corporations and pension funds increased to 3.6% in the fourth quarter on the back of some easing of uncertainty in financial markets. Finally, investment funds saw a further marked inflow in the first quarter of 2013, with a relatively balanced distribution of flows across major types of fund.

NON-FINANCIAL SECTORS

In the fourth quarter of 2012 (the most recent quarter for which data from the euro area accounts are available) the annual growth rate of total financial investment by the non-financial sectors rose marginally to stand at 2.5%, up from 2.3% in the third quarter (see Table 5). That concealed shifts from debt securities into other categories of investment.

Table 5 Financial investment of the euro area non-financial sectors

	Outstanding amount as a percentage of financial assets[1]	Annual growth rates									
		2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Financial investment	**100**	**2.7**	**3.6**	**3.5**	**3.6**	**3.2**	**2.5**	**2.7**	**2.3**	**2.3**	**2.5**
Currency and deposits	24	2.4	3.2	3.9	4.2	3.8	3.3	3.7	3.1	3.3	3.5
Debt securities, excluding financial derivatives	5	-3.5	5.2	6.2	6.9	7.1	3.2	2.5	1.4	0.3	-5.9
of which: short-term	0	-10.6	-5.7	1.5	8.3	1.7	19.4	15.5	18.2	19.0	-5.9
of which: long-term	5	-2.8	6.1	6.6	6.8	7.6	1.9	1.4	0.1	-1.1	-5.9
Shares and other equity, excluding mutual fund shares	29	2.5	3.3	2.6	2.6	2.4	2.2	2.7	2.4	2.0	2.0
of which: quoted shares	5	1.9	2.7	0.9	0.7	2.5	1.8	2.4	2.9	0.6	0.8
of which: unquoted shares and other equity	24	2.7	3.4	3.0	3.0	2.4	2.4	2.8	2.3	2.3	2.3
Mutual fund shares	5	-3.0	-3.7	-4.3	-3.4	-4.4	-4.8	-3.8	-2.8	-2.2	0.4
Insurance technical reserves	16	4.9	4.4	3.6	3.1	2.6	2.0	1.8	1.7	1.8	2.1
Other[2]	21	4.9	5.6	5.4	5.3	5.0	3.8	4.0	3.3	3.3	4.8
M3[3]		0.8	1.1	1.8	1.3	1.7	1.6	2.8	2.9	2.7	3.5

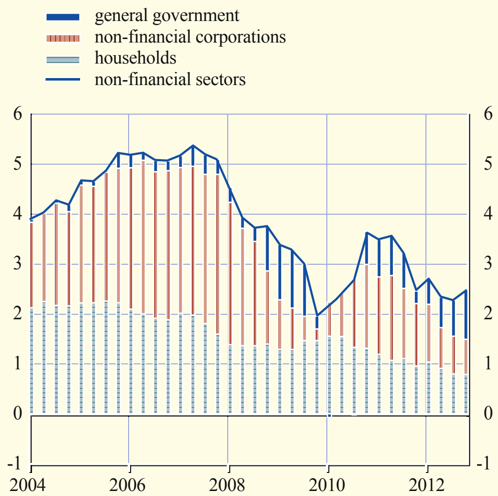
Source: ECB.
1) As at the end of the last quarter available. Figures may not add up due to rounding.
2) Other financial assets comprise loans and other accounts receivable, which in turn include trade credit granted by non-financial corporations.
3) End of quarter. The monetary aggregate M3 includes monetary instruments held by euro area non-MFIs (i.e. the non-financial sectors and non-monetary financial intermediaries) with euro area MFIs and central government.

A sectoral breakdown reveals that households and non-financial corporations further reduced their financial investment in the fourth quarter, while the general government sector increased its investment (partly owing to bank rescue and recapitalisation operations, such as those seen in Spain; see Chart 13). The continuing moderate growth of financial investment mirrors weak developments in income and efforts to reduce indebtedness in some countries. At the same time, households further increased their M3 deposit holdings at the expense of other instruments (notably debt securities and deposits not included in M3) in the presence of low opportunity costs for holding liquid assets and continued high levels of uncertainty.

The decline observed in the annual growth rate of total financial investment by non-financial corporations in the fourth quarter reflected further declines in gross operating surpluses in the context of firms destocking and cutting back on fixed investment. The annual growth rate of financial investment by the general government sector rose further in the fourth quarter. Financial investment and financing flows were significantly affected by intergovernmental lending in the context of the financial crisis. In addition, intragovernmental lending and capital injections in the banking system also played a role. More detailed information on developments in the financial flows and balance

Chart 13 Financial investment of non-financial sectors

(annual percentage changes; contributions in percentage points)



Source: ECB.

sheets of the non-financial private sector is provided in Sections 2.6 and 2.7. Information can also be found – for all institutional sectors – in the box entitled "Integrated euro area accounts for the fourth quarter of 2012" in the May 2013 issue of the Monthly Bulletin.

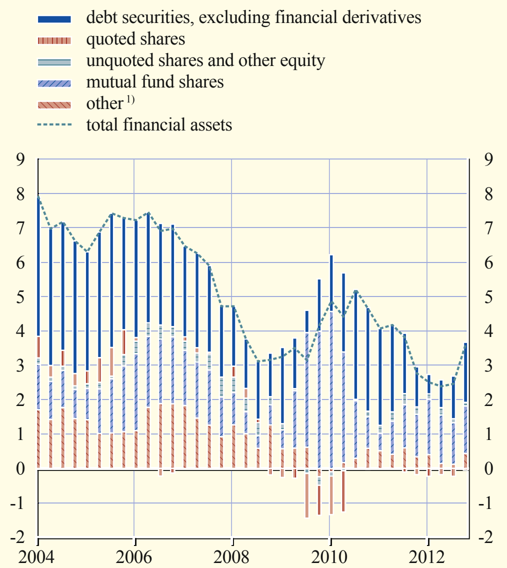
INSTITUTIONAL INVESTORS

The annual growth rate of financial investment by insurance corporations and pension funds increased to 3.6% in the fourth quarter of 2012 (the most recent quarter for which data are available from the integrated euro area accounts; see Chart 14). This latest increase could signal a potential bottoming-out following the subdued levels observed in 2012 and reflects modest increases in most investment activities (notably investment in debt securities), with the remaining areas (i.e. unquoted shares and other equity) broadly unchanged. The declines seen in the currency and deposits held by insurance corporations and pension funds appear to have halted, on the back of some easing of uncertainty in financial markets. Mutual fund shares and debt securities remained the most important contributors to total financial investment by insurance corporations and pension funds.

For investment funds, data are already available for the first quarter of 2013, providing evidence of the normalisation of portfolio investment and a search for yield. Overall, in March 2013 the value of outstanding shares/units issued by euro area investment funds other than money market funds was €327 billion higher than it had been one quarter earlier in December 2012. The annual growth rate of such investment increased to 6.3%, up from 5.5% in the fourth quarter of 2012. A breakdown by type of investment shows that issuance by bond funds continued to grow most strongly, with an annual growth rate of 11.3%, whereas issuance by equity and mixed funds increased at annual rates of 2.4% and 5.8% respectively (see Chart 15). However, looking at transactions in the first quarter of 2013 reveals a considerably more balanced picture. Net inflows involving shares/units issued by bond, equity and mixed funds were

Chart 14 Financial investment of insurance corporations and pension funds

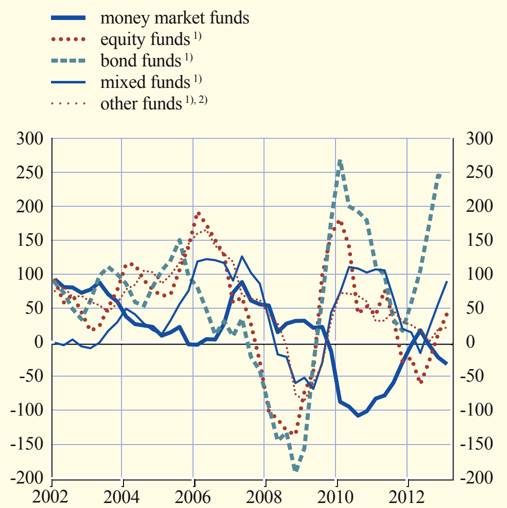
(annual percentage changes; contributions in percentage points)



Source: ECB.
1) Includes loans, deposits, insurance technical reserves and other accounts receivable.

Chart 15 Net annual flows into money market and investment funds

(EUR billions)



Sources: ECB and EFAMA.
1) Prior to the first quarter of 2009, estimates of quarterly flows are derived from non-harmonised ECB investment fund statistics, ECB calculations based on national data provided by EFAMA, and ECB estimates.
2) Includes real estate funds, hedge funds and funds not classified elsewhere.

more or less equally distributed in the first quarter of 2013, with total values of €55 billion, €43 billion and €49 billion respectively.

By contrast with the strong investment seen in shares/units issued by investment funds in the first quarter of 2013, money market fund shares/units continued to see net sales by investors in the presence of low interest rates and low returns on this type of investment.

2.3 MONEY MARKET INTEREST RATES

Money market interest rates remained broadly unchanged between early March and 2 May, when the latest cut in the main refinancing rate was announced, triggering a slight decrease in money market interest rates. The EONIA increased marginally over the period under review, although it remained at low levels, reflecting the historically low key ECB interest rates, as well as the large, albeit declining, amounts of excess liquidity that remained in the overnight money market.

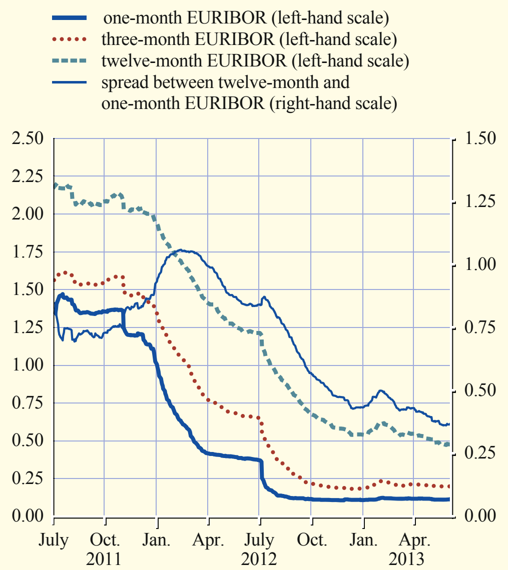
Unsecured money market interest rates decreased somewhat between 6 March and 5 June 2013. They remained broadly unchanged in March and April and declined in early May. On 5 June the one-month, three-month, six-month and twelve-month EURIBOR stood at 0.11%, 0.20%, 0.30% and 0.48% respectively. The shorter maturities were unchanged, while the six-month and twelve-month rates were 2 and 6 basis points lower respectively than the levels observed on 6 March. Accordingly, the spread between the twelve-month and one-month EURIBOR – an indicator of the slope of the money market yield curve – decreased by 6 basis points over that period to stand at 37 basis points on 5 June (see Chart 16).

Secured money market interest rates remained broadly unchanged. Slight increases were observed for all rates in March, with rates then stabilising in April and declining again in May (see Chart 17). The interest rate on the three-month overnight index swap stood at 0.07% on 5 June, 1 basis point higher than on 6 March. As the corresponding unsecured EURIBOR remained unchanged, the spread between the two decreased to 13 basis points, 1 basis point lower than on 6 March. The three-month EUREPO stood at 0.01% on 5 June, unchanged from 6 March.

The interest rates implied by the prices of three-month EURIBOR futures contracts maturing in June, September and December 2013 stood at 0.20%, 0.20% and 0.24% respectively on 5 June. In comparison with the levels observed on 6 March, this represented an increase of 2 basis points for the June contracts and a decrease of 1 basis point for the December contracts, while the rate implied by

Chart 16 Money market interest rates

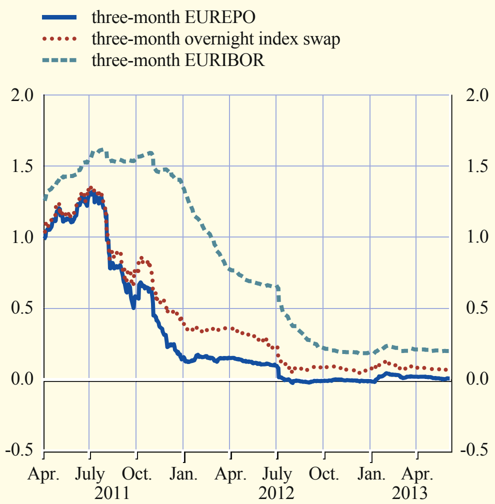
(percentages per annum; spread in percentage points; daily data)



Sources: ECB and Thomson Reuters.

Chart 17 Three-month EUREPO, EURIBOR and overnight index swap

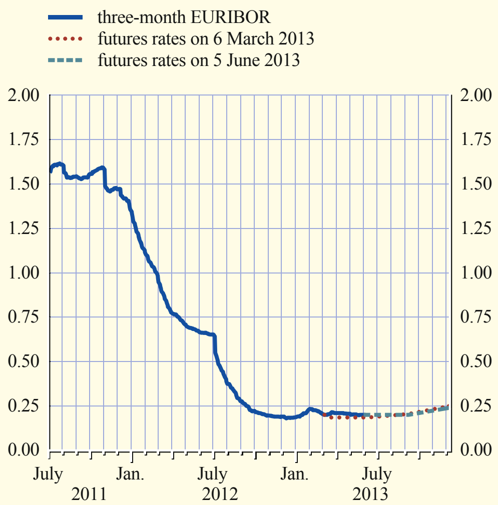
(percentages per annum; daily data)



Sources: ECB, Bloomberg and Thomson Reuters.

Chart 18 Three-month interest rates and futures rates in the euro area

(percentages per annum; daily data)



Source: Thomson Reuters.
Note: Three-month futures contracts for delivery at the end of the current and next three quarters as quoted on Liffe.

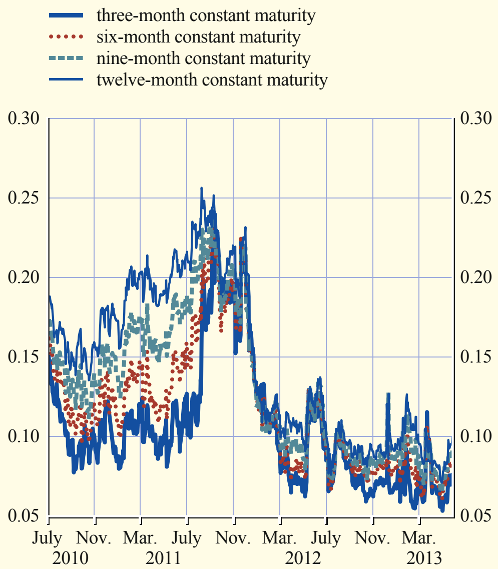
the September contracts remained unchanged (see Chart 18). Implied volatilities with constant maturities of three, six, nine and twelve months derived from options on three-month EURIBOR futures contracts remained broadly unchanged relative to the levels observed on 6 March (see Chart 19).

Looking at the overnight maturity, the EONIA increased by 1 basis point to stand at 0.08% on average in the third, fourth and fifth reserve maintenance periods of 2013, standing at that same level on 5 June. Accordingly, the negative spread between the EONIA and the main refinancing rate decreased by 26 basis points as a result of the reduction in the main refinancing rate that was announced on 2 May (see Chart 20). The ECB continued to provide liquidity through refinancing operations with maturities of one week, one maintenance period and three months. All of these operations were conducted as fixed rate tender procedures with full allotment (see Box 3).

The ECB also conducted weekly one-week liquidity-absorbing operations with a variable

Chart 19 Implied volatilities with constant maturities derived from options on three-month EURIBOR futures

(percentages per annum; daily data)

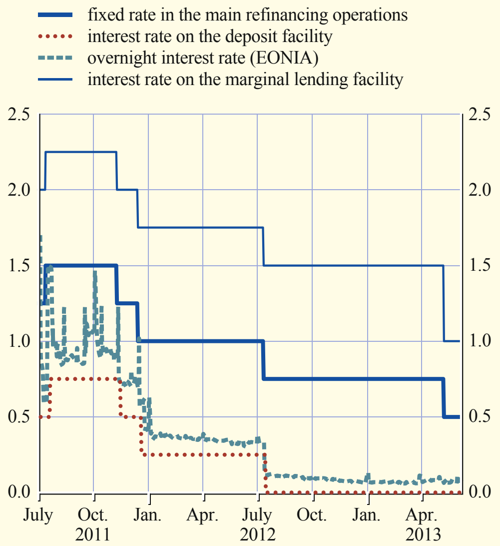


Sources: Thomson Reuters and ECB calculations.
Notes: This measure is calculated in two stages. First, implied volatilities derived from options on three-month EURIBOR futures are converted by expressing them in terms of logged prices instead of logged yields. Second, the resulting implied volatilities, which have a constant maturity date, are transformed into data with a constant time to maturity.

rate tender procedure and a maximum bid rate of 0.75% in the third and fourth reserve maintenance periods of 2013 and a maximum bid rate of 0.50% in the fifth reserve maintenance period of the year. In all of these liquidity-absorbing operations, the ECB absorbed an amount equal to the residual value of the purchases made under the Securities Markets Programme (which totalled €197 billion on 5 June).

Chart 20 ECB interest rates and the overnight interest rate

(percentages per annum; daily data)



Sources: ECB and Thomson Reuters.

The review period continued to be characterised by high levels of excess liquidity, albeit those levels declined further owing to the voluntary early repayment of some of the liquidity obtained in the two three-year longer-term refinancing operations (LTROs) settled in December 2011 and March 2012. Counterparties have so far repaid €296 billion of the €1,018.7 billion obtained in the two LTROs in question. As a result, daily excess liquidity averaged €330.9 billion in the third, fourth and fifth reserve maintenance periods of 2013, down from €543.0 billion in the previous three reserve maintenance periods. Daily recourse to the deposit facility averaged €112 billion, while current account holdings in excess of reserve requirements averaged €218.9 billion – down from averages of €193.1 billion and €349.9 billion respectively in the previous three reserve maintenance periods.

Box 3

LIQUIDITY CONDITIONS AND MONETARY POLICY OPERATIONS IN THE PERIOD FROM 13 FEBRUARY 2013 TO 7 MAY 2013

This box describes the ECB's monetary policy operations during the reserve maintenance periods ending on 12 March 2013, 9 April 2013 and 7 May 2013.

During the period under review, the main refinancing operations (MROs) continued to be conducted as fixed rate tender procedures with full allotment. The same procedure remained in use for the Eurosystem's special-term refinancing operations with a maturity of one maintenance period. The fixed rate in these operations was the same as the MRO rate prevailing at the time.

In addition, the three-month longer-term refinancing operations (LTROs) allotted in the period under review were also conducted as fixed rate tender procedures with full allotment. The rates in these operations were fixed at the average of the rates in the MROs over the life of the respective LTRO.

In line with the decision of the Governing Council on 8 December 2011 to implement measures to support bank lending and liquidity in the euro area money market, banks participating in the two three-year LTROs allotted in December 2011 and February 2012 were offered the option of early repayment after approximately one year, starting on 30 January 2013 and 27 February 2013 respectively.

Finally, the Governing Council decided to keep the key ECB interest rates unchanged during the period under review.

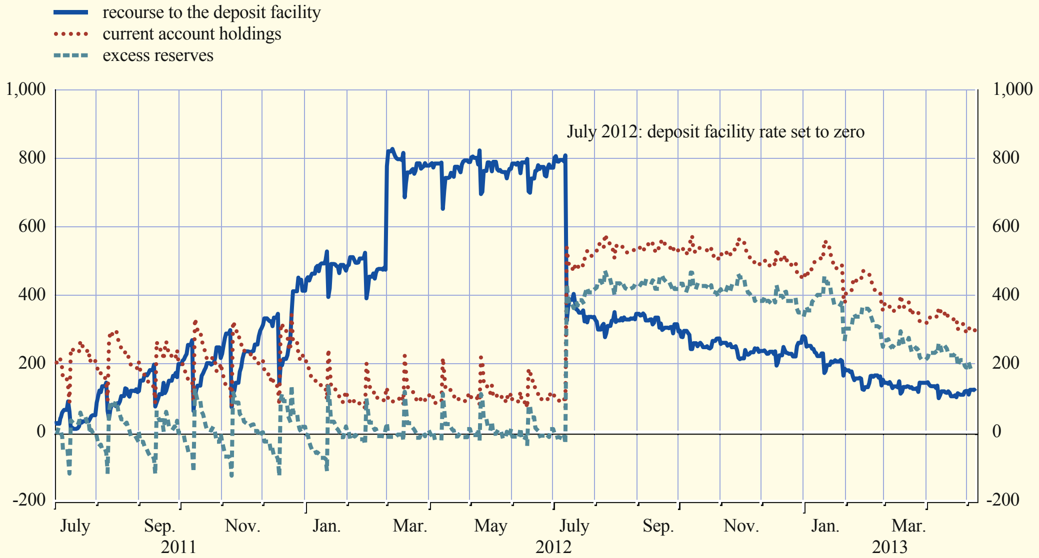
Liquidity needs of the banking system

During the period under review, the banking system's aggregate daily liquidity needs – defined as the sum of autonomous factors and reserve requirements – averaged €595.1 billion. This was €19.4 billion higher than the daily average recorded in the previous three maintenance periods (i.e. the period from 14 November 2012 to 12 February 2013). Reserve requirements stood at €105.1 billion on average over the three maintenance periods under review, continuing the slightly decreasing trend observed in the previous three maintenance periods (when they averaged €105.9 billion). At the same time, autonomous factors increased by €20.3 billion to €490.0 billion on average. This figure comprised a drop in government deposits held with central banks and in banknotes in circulation, and an average increase in domestic assets, but the net increase in average terms of autonomous factors in the euro area was mainly explained by the sharp decrease in claims on euro area credit institutions denominated in euro (recorded under "other autonomous factors").

Current account holdings averaged €357.1 billion during the period under consideration, marking a decrease of €131.4 billion compared with the previous three reserve maintenance periods. As in

Chart A Banks' current account holdings in excess of reserve requirements

(EUR billions; daily figures in each maintenance period)



Source: ECB.

the previous period, such large current account holdings can be attributed to the reduction of the deposit facility rate to zero in July 2012, which significantly reduced the incentive for banks to transfer their excess liquidity overnight to the deposit facility. During the three reserve maintenance periods under review, recourse to the deposit facility decreased considerably, by €88.5 billion to €131.2 billion (see also the section of this box entitled "Use of standing facilities"). The drop observed since the end of January 2013 is largely linked to LTRO repayments and a corresponding reduction in outstanding liquidity.

Liquidity supply

During the period under review, total net liquidity supplied by means of open market operations averaged €977.5 billion. This represents a significant decrease of €198.4 billion relative to the previous three maintenance periods. Tender operations[1] provided an average of €709.3 billion, €190.7 billion less than in the previous review period (see Chart B).

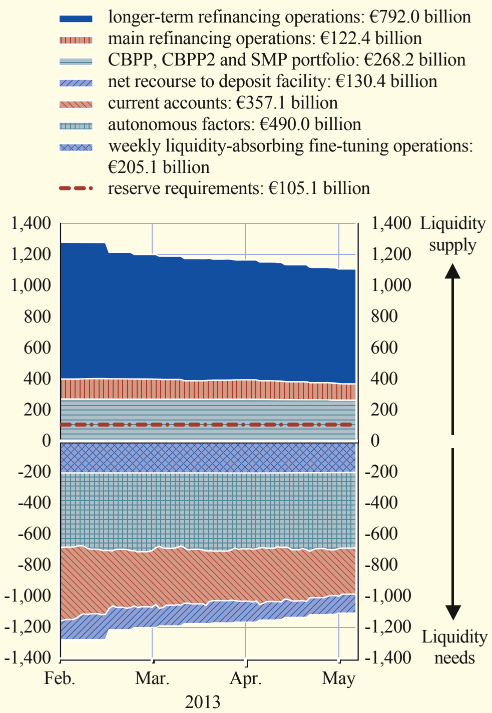
As regards the weekly MROs, the daily liquidity supplied was stable throughout the review period and stood on average at €122.4 billion, up from an average of €92.1 billion in the previous three reserve maintenance periods.

Overall, longer-term liquidity dropped by €223.5 billion in comparison with the previous three maintenance periods. The special-term refinancing operations with a maturity of one maintenance period provided a daily average of €5.7 billion (compared with €14.0 billion in the previous review period), while the three-month LTROs provided €23.8 billion of liquidity on average, compared with €30 billion in the previous review period. Finally, the liquidity provided in the review period through the two three-year LTROs averaged €762.3 billion daily, compared with €971.5 billion in the previous three maintenance periods. This decrease was primarily due to the fact that Eurosystem counterparties opted to repay early outstanding liquidity provided by the two three-year LTROs. By the end of the period under review, euro area banks had voluntarily repaid a total of €278.8 billion in relation to the two operations. These repayments reduced the level of excess liquidity in the market during this period.

The combined outstanding amounts of the first and second covered bond purchase programmes (the CBPP and CBPP2) and

Chart B Liquidity needs of the banking system and liquidity supply

(EUR billions; daily averages for the review period are shown next to each item)



Source: ECB.

1 Tender operations include main refinancing operations, longer-term refinancing operations and fine-tuning operations (both liquidity-providing and liquidity-absorbing).

the Securities Markets Programme (SMP) averaged at €268.2 billion in the review period, representing a reduction of €7.7 billion compared with the average recorded over the previous three maintenance periods.

In absolute figures, outstanding liquidity provided through the CBPP – which was completed in June 2010 – stood at €46.1 billion on 7 May 2013, following maturing amounts of €2.8 billion during the period under review. During the same period, maturing assets held under CBPP2 – which ended on 31 October 2012 – amounted to €0.2 billion, thus reducing the outstanding CBPP2 liquidity, which stood at €16.1 billion on 7 May 2013, while the net value of settled purchases under the SMP decreased by €4.4 billion to stand at €201.0 billion on 7 May 2013, also on account of maturing amounts. The weekly fine-tuning operations absorbed all the liquidity provided by the SMP, thereby neutralising its liquidity-providing effect in the market.

Use of standing facilities

Excess liquidity (defined as total liquidity provided via operations and the marginal lending facility, minus autonomous factors and reserve requirements) averaged €382.4 billion in the period under review (down from €600.2 billion in the previous review period). Recourse to the marginal lending facility remained very low, at €0.8 billion (down from €2.0 billion in average terms). Average recourse to the deposit facility decreased from €219.7 billion to €131.2 billion. The share of excess liquidity that was held at the deposit facility remained relatively stable at around 34% of aggregate excess liquidity holdings.

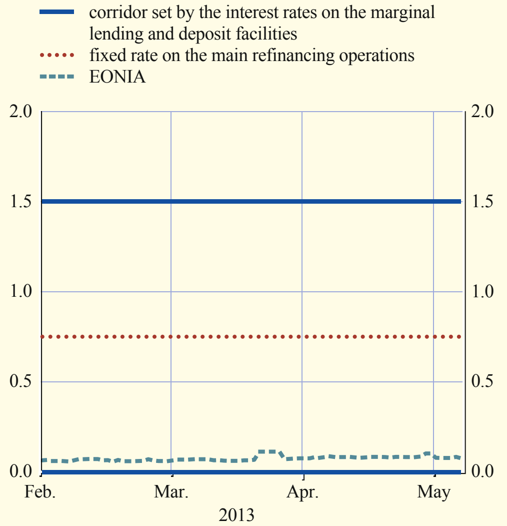
Interest rates

During the period under review, the key ECB interest rates on the MROs, the marginal lending facility and the deposit facility remained unchanged at 0.75%, 1.50% and 0.00% respectively.

Despite a decline in excess liquidity of €217.8 billion (due mostly to the weekly repayments of outstanding liquidity from the two three-year LTROs), liquidity conditions still remained very loose in the period under review. This was also reflected in the low levels of the EONIA and other short-term money market rates, which remained close to the deposit facility rate. The EONIA averaged 0.074% in the period under review, i.e. 67.6 basis points below the main refinancing rate. It reached a historical low of 0.056% on 27 February 2013 (see Chart C).

Chart C The EONIA and ECB interest rates

(daily interest rates in percentages)



Source: ECB.

2.4 BOND MARKETS

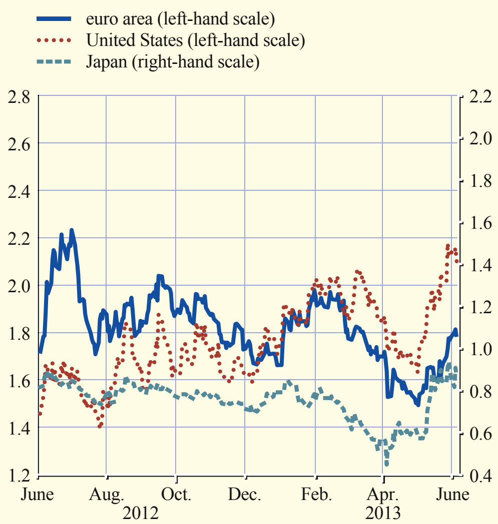
Between the end of February and early June 2013, AAA-rated long-term government bond yields in the euro area tended first to decline in March and April, driven by rising market concerns about the near-term economic outlook, before bouncing back to initial levels at the end of the period under review, standing at around 1.8%. Developments in the United States broadly mirrored those in the euro area, although long-term government bond yields increased more rapidly at the end of the review period, finishing 30 basis points higher at around 2.1%. In the euro area, differentials vis-à-vis yields on German government bonds tended to increase on the back of domestic uncertainties in some countries in March, before returning to their initial levels or, in some cases, to even lower levels at the end of the review period. Uncertainty about future bond market developments, as measured by implied bond market volatility, declined in the euro area in early May, before rebounding at the end of the period under review. Implied bond market volatility in the United States followed the same pattern. Market-based indicators continue to suggest that medium to long-term inflation expectations remain fully consistent with price stability.

Between the end of February and 5 June, AAA-rated long-term government bond yields in the euro area remained broadly unchanged, while long-term government bond yields in the United States rose by 30 basis points (see Chart 21). At the end of the review period, yields in the euro area and the United States had reached 1.8% and 2.1% respectively. In Japan, after declining sharply in connection with the policy measures taken by the Bank of Japan in early April, ten-year government bond yields rebounded at the end of review period, to close to 0.8%.

In the first two months of the review period, AAA-rated long-term government bonds in the euro area declined steadily. This reflected the weak macroeconomic outlook in the euro area, as suggested by data releases on business surveys, employment and manufacturing activity. These disappointing releases lowered the level of future policy rates expected by the market, which in turn put further downward pressure on long-term interest rates. In addition, the announcement of a Cypriot support package and perceived domestic uncertainties in some euro area countries triggered some renewed flight-to-safety flows in favour of countries rated AAA. As a result, AAA-rated euro area government bond yields reached historic lows of close to 1.5% on 2 May. Thereafter, AAA-rated euro area long-term government bond yields increased amid some unwinding of previous flight-to-safety flows. The latter reflected a reduction of perceived domestic uncertainties in some euro area countries, which also led to a marked decline in liquidity spreads vis-à-vis German government bonds relative to those

Chart 21 Long-term government bond yields

(percentages per annum; daily data)



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

on agency bonds with ten-year maturities. These spreads fell to the lowest level recorded since August 2010.

Yields on long-term government bonds in the United States followed the same pattern, although at a higher level, especially towards the end of the period under review. In March and April, the downward trend of ten-year Treasury yields was supported by the decision of the Federal Reserve System to maintain its asset purchase programme at a level of USD 85 billion per month and to reiterate its forward guidance on monetary policy. Economic data releases generally remained mixed until mid-April, with some survey data turning out to be weaker than expected, possibly in reflection of concerns about the potential impact of government spending cuts. As a result, ten-year Treasury yields dropped to 1.6% on 2 May, the lowest level seen in 2013. Thereafter, the yields on long-term US government bonds increased significantly, to stand around 2.1% at the end of the review period, driven by better than expected economic data releases and by the debate on a gradual scaling-down of asset purchases.

In early April, the Bank of Japan introduced substantial changes to its monetary policy framework. Inter alia, it increased the amount of its purchases of Japanese government bonds to JPY 7 trillion per month. This decision triggered some volatility in the yields on long-term Japanese government bonds. First, the ten-year yield fell to a historic low on 4 April (0.4%), before increasing sharply to 0.8% at the end of the review period, amid both stronger than expected GDP growth in the first quarter of 2013 and uncertainty about the future market impact of the Bank of Japan's policy shift.

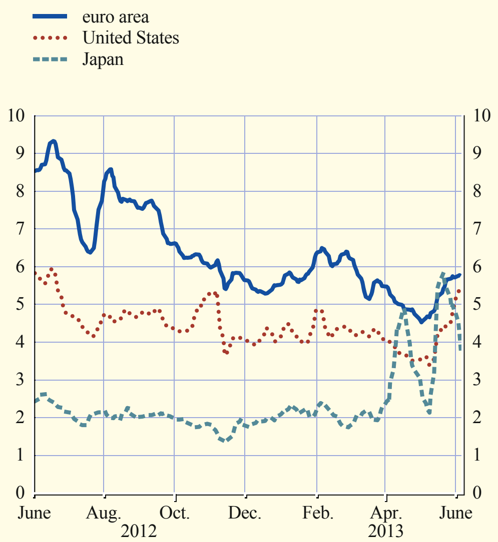
During the period under review, developments in the stressed segments of the euro area government bond market were mixed. Until mid-March, yields continued to decline, reflecting the perceived reduction in tail risk related to the announcement of Outright Monetary Transactions (OMTs) last year. But the perceived risk increased somewhat after the announcement of a Cypriot aid package, and led to a moderate rise in bond yields of some euro area countries under stress. In April and May, however, the yields on some stressed euro area government bonds declined, triggered by positive news, including the Eurogroup's approval of a seven-year prolongation of the loans granted to Ireland and Portugal, the Cypriot parliament's approval of the EU bailout deal, Fitch raising Greece's sovereign credit rating by one notch to B-, with a stable outlook, and the Eurogroup's approval of the payment of the next tranche of aid for Greece. Conditions also improved in the primary market, with successful auctions of bonds and Treasury bills in Italy, Spain, Portugal and Slovenia, supported by the return of non-domestic investors. At the end of the period under review, however, the yields on some stressed segments of euro area government bond markets increased somewhat again.

In the period under review, investors' uncertainty about near-term bond market developments, as measured by option-implied volatility, in both the euro area and the United States tended first to decline until early May, reaching 4.3% and 3.1% respectively (see Chart 22), before increasing to 5.8% and 5.5% respectively at the end of the period. By contrast, implied bond market volatility in Japan increased significantly after the change in the Bank of Japan's monetary policy strategy in early April, and reached levels close to 6% in mid-May, before going down again at the end of the review period.

Nominal yields on long-term euro area government bonds can be broken down into real yields and inflation expectations. In this regard, the yields on both ten-year and five-year inflation-linked euro area government bonds declined by around 20 basis points in the period from 1 March to the beginning of April, as the negative outlook for growth was weighing on real rates.

Chart 22 Implied government bond market volatility

(percentages; daily data)



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

Chart 23 Euro area zero coupon inflation-linked bond yields

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

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

Thereafter, real yields increased by around 20 basis points, reaching higher levels of -0.1% and –0.7% respectively (see Chart 23). Implied forward real interest rates for longer maturities in the euro area (five-year forward five years ahead) followed the same pattern, ending the period slightly higher at 0.55%.

Regarding financial market indicators of long-term inflation expectations in the euro area, the five-year forward break-even inflation rates five years ahead implied by nominal and inflation-linked bonds decreased by close to 10 basis points to stand at around 2.5% at the end of the period under review (see Chart 24). The corresponding inflation swap forward rate remained broadly unchanged, standing at around 2.3% at the end of the same period. Overall, market-based indicators suggest that inflation expectations remain firmly anchored in line with price stability.

Long-term euro area government bond yields can also be broken down into expectations with respect to future short-term interest rates, e.g. overnight interest rates, and risk premia (see Chart 25). In this regard, the term structure of implied forward overnight interest rates in the euro area shifted downwards across all maturities in the period under review. It declined marginally in the case of short maturities and by around 10 basis points in that of longer maturities. As mentioned earlier, these developments mainly reflected downward adjustments to the outlook for economic activity and concomitant market expectations of lower key ECB interest rates.

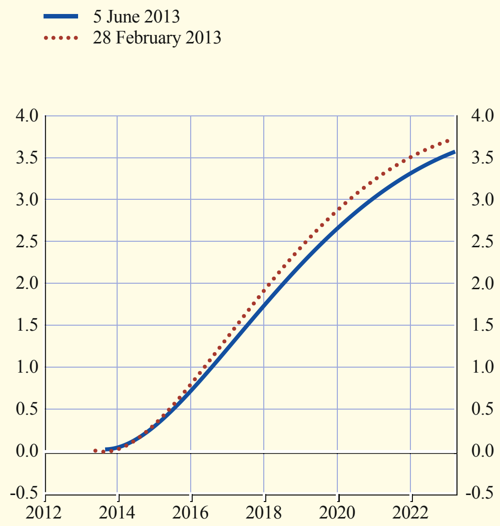
Chart 24 Euro area zero coupon break-even inflation rates and inflation-linked swap rates

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

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

Chart 25 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.

Overall, between the end of February and 5 June, spreads on investment-grade corporate bonds in the euro area (relative to the Merrill Lynch EMU AAA-rated government bond index) declined across all rating classes. The only exception was the spread on AAA-rated corporate bonds issued by non-financial corporations. The decline was most marked for the lower rating classes. In the initial stages of the period under review, spreads for financial issuers generally tended to increase, while those for non-financial issuers declined or remained unchanged. Specifically, from 1 March until 4 April, spreads rose for all financial issuers, by around 10 basis points. The widening of the spreads for financials in this period may have reflected market concerns about the consequences the agreement reached on Cyprus would have for future bank restructuring at the euro area level. As of April, however, spread developments became uniform, with a general decline for all sectors. Since the beginning of April, spreads for financial issuers have in fact declined markedly, namely by around 15 basis points in the case of AAA-rated bonds, and by around 50 basis points in that of BBB-rated bonds. Spreads for non-financial issuers declined as well, but to a lesser extent, namely by around 10 basis points in the case of AA-rated bonds and by around 30 basis points in that of BBB-rated bonds. Box 4 analyses the development of corporate bond spreads since 2012, and the factors underpinning that development.

Box 4

RECENT DEVELOPMENTS IN SPREADS ON CORPORATE BONDS ISSUED BY EURO AREA NON-FINANCIAL CORPORATIONS

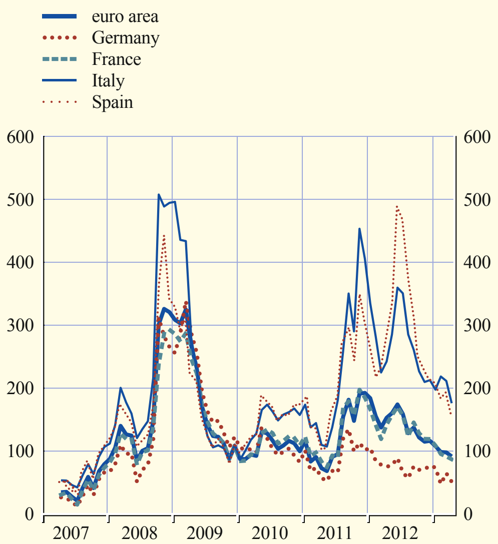
Monitoring corporate bond spreads is important for monetary policy transmission because such spreads affect the link between the central bank's policy rates and the corporate sector's cost of funds. Since mid-2012 euro area corporate bond spreads – defined as the difference between the yields on bonds issued by euro area non-financial corporations and the corresponding swap rates – have followed a downward trend. However, this is masking heterogeneous developments in corporate bond spreads across the individual euro area countries, as they remain significantly higher in the distressed countries. This box provides an analysis of these developments.

Downward trend in corporate bond spreads and slight reduction in heterogeneity across euro area countries

Following the two three-year longer-term refinancing operations (LTROs), corporate bond spreads declined sharply as of the end of 2011, before rebounding to high levels in the second quarter of 2012. Since the announcement of Outright Monetary Transactions (OMTs), these spreads have followed a continuous downward trend. For instance, from July 2012 spreads on investment grade corporate bonds (see Chart A) fell by 70 basis points, while spreads on high-yield corporate bonds (see Chart B) decreased by around 300 basis points. At the end of

Chart A Spreads on investment grade non-financial corporate bonds in the euro area and selected euro area countries

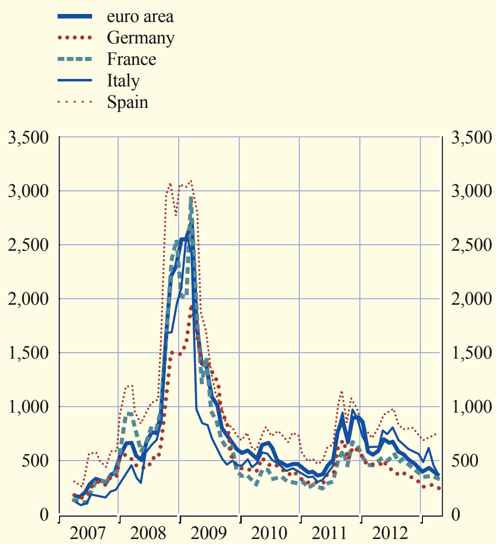
(basis points)



Sources: Merrill Lynch and ECB calculations.
Notes: The latest observation is for April 2013. Spreads are calculated against swap rates, taking into account maturity adjustment. Average remaining time to maturity is between three and six years.

Chart B Spreads on high-yield non-financial corporate bonds in the euro area and selected euro area countries

(basis points)



Sources: Merrill Lynch and ECB calculations.
Notes: The latest observation is for April 2013. Spreads are calculated against swap rates, taking into account maturity adjustment. Average remaining time to maturity is between three and six years.

April 2013, for the euro area as a whole, the average spread on non-financial corporate bonds was close to 350 basis points for the non-investment grade segment and 90 basis points for the investment grade segment. These spreads are relatively close to the historically low levels witnessed in 2007[1], when the spread on non-investment grade debt was around 280 basis points and that on investment grade debt stood at 45 basis points.

At the country level, there is still significant heterogeneity between the distressed and non-distressed countries. For instance, in Germany and France, spreads on investment grade corporate bonds have almost returned to the levels seen in 2007, but in Spain and Italy, they are still much higher than they were in 2007, although they have decreased significantly since September 2012. Overall, the heterogeneity in corporate bond spreads across the euro area, for example according to the standard deviation calculated for a selection of euro area countries,[2] started to decline in September 2012 following the announcement of OMTs, but nevertheless remains at a high level.

Greater issuance and reduced price discrimination among ratings

The spread compression on euro area corporate debt may be a sign that investors' attitude towards risk is changing in terms of both risk perception and risk aversion. This is reflected in the greater issuance of low-rated debt and reduced price discrimination with regard to the debt issued by corporates with different credit ratings. First, total issuance of euro area corporate debt was high in 2012 and even hit record levels for the high-yield segment in 2012 and the months up to June in 2013 (see Chart C). In addition, the share of high-yield debt in the total issuance of debt by euro area non-financial corporations reached 31% in the first quarter 2013, which is well above its long-term average of 13% since 1999. While part of the increase in the issuance of high-yield debt may reflect a greater willingness among investors to take on more risk, it may also reflect a composition effect stemming from a rise in corporate downgrades, as well as the substitution of bank-based financing for market-based financing, similar to that observed during the period 2009-10. Second, the changing attitude towards credit risk is evident in reduced price discrimination with regard to the debt issued by corporates with lower credit ratings. For instance, the gap between spreads on investment grade bonds and those on high-yield corporate bonds was 270 basis points in April 2013, down from a peak of 700 basis points in November 2011. Nevertheless, the spread compression across rating categories was even more pronounced prior to the crisis, with the gap amounting to only 120 basis points in May 2007. This suggests that investors are still discriminating more between different risk categories than they were before the crisis.

Underlying economic factors of corporate bond spreads

Corporate bond spreads compensate investors for both the expected default losses (i.e. the product of the probability of default and the expected loss given default) and for their aversion towards uncertainty about such losses. In addition, they may contain compensation for a number of non-credit risks, such as a liquidity risk premium, i.e. the additional compensation that investors require for bearing the risk that they may not always be able to sell their claim except at a substantial discount. Since the end of 2011 developments in corporate bond spreads have been

1 This period was characterised by the compression of spreads coupled with the search for higher returns, which tended to lead to a greater appetite for risk among investors. Therefore, caution is required when interpreting this period as a benchmark in terms of risk pricing.
2 Owing to data availability, standard deviations are calculated on the basis of the following countries: Germany, France, Spain, Italy, the Netherlands and Belgium.

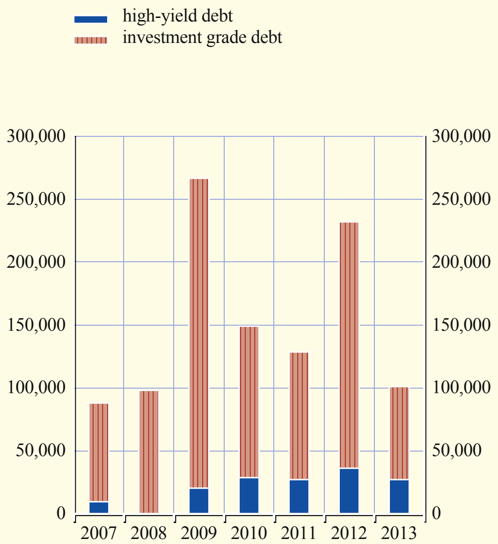
driven by several of these factors in an environment that has also been impacted by a number of policy measures, such as the three-year LTROs and the announcement of OMTs.

First, the renewed increase in spreads in the run-up to July 2012 can be explained by the deterioration in macroeconomic conditions which led to a pick-up in expected default losses, as partially reflected by the rise in expected default frequencies of listed euro area non-financial corporations (see Chart D). After the announcement of OMTs in September 2012, which triggered a decline in the perception of risk associated with euro-denominated assets, expected default frequencies started to decline gradually, alongside corporate bond spreads. However, expected default frequencies at the euro area level remain comparatively high by historical standards and relative to corporate bond spreads. While the level of expected default frequencies for euro area non-financial corporations was, on average, 0.1% in 2007, it stood at 0.9% in March 2013, amid the subdued economic outlook.[3] This suggests a potential misalignment between corporate bond spreads and the probability of default. With regard to the cross-country heterogeneity observed in spreads (see Chart A), it can be explained by the significant heterogeneity in expected default frequencies among the euro area countries (see Chart D).

Second, the low interest rate environment and exceptional monetary policy measures taken around the globe spurred investors to search for investment opportunities that offered higher returns. This triggered a rally in more risky assets, such as corporate bonds. Investor demand

Chart C Issuance of non-financial corporate debt in the euro area

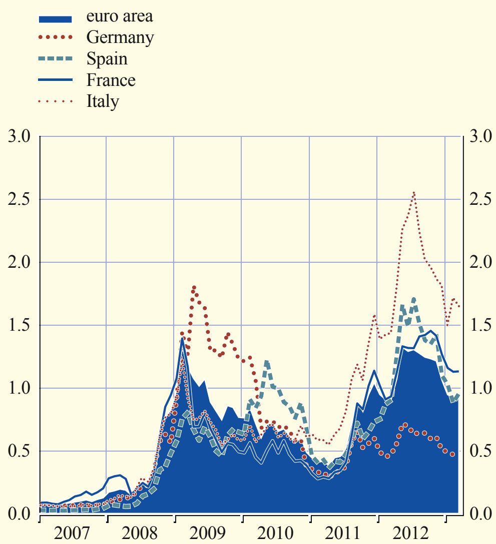
(annual data; EUR millions)



Sources: Dealogic and ECB calculations.
Note: The data for 2013 cover the months from January to May.

Chart D Expected default frequencies of listed euro area non-financial corporations

(percentages)



Sources: Moody's KMV and ECB calculations.
Notes: Expected default frequency is defined as the probability that a firm's asset value will fall below the default point one year ahead. For each country and the euro area, the calculation is based on the average of individual expected default frequencies, weighted by total assets. The latest observation is for March 2013.

3 However, when comparing expected default frequencies with corporate bond spreads, it should be kept in mind that the various indices do not necessarily cover the same corporates.

shifted first towards high-rated corporate bonds and then down the credit spectrum towards low-rated corporate bonds.

Third, the above-mentioned increase in issuance activity indicates that liquidity conditions in the corporate bond market have improved, which may have reduced the liquidity premium embedded in the spreads.

To sum up, although, in absolute terms, yields on euro area non-financial corporate bonds have reached a historical low, spreads remain somewhat above the levels witnessed in 2007. Moreover, issuance volumes rose considerably in 2012, in particular for low-rated debt. Overall, this points to a normalisation in market conditions, which is facilitating the transmission of monetary policy. At the same time, the possibility that, in some market segments, the appreciation of actual risks may not be sufficient warrants close monitoring.

2.5 EQUITY MARKETS

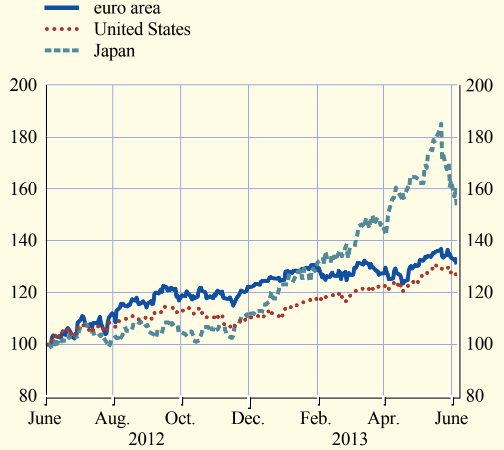
Between the end of February and 5 June 2013, stock prices rose by around 3% in the euro area and by 6% in the United States. In an economic environment of weak growth dynamics, stock price developments in the euro area continued to be driven primarily by diminishing domestic uncertainties and by low yields on other assets such as bonds. In the United States, stock price developments were supported by signs of a pick-up in economic activity and by company earnings developing slightly better than expected. Stock market uncertainty in the euro area, as measured by implied volatility, declined slightly over the period. In early June it stood at around the average level recorded since the second half of 2012.

Between the end of February and 5 June, the composite equity price index increased by around 3% in the euro area, while the comparable US index rose by 6% (see Chart 26). In the euro area, stock prices increased by 4% in the financial and by 2% in the non-financial sector. At the same time, in the United States, stock prices in the financial sector (8%) outperformed those of non-financial sector companies (5%). By comparison, the broad equity index in Japan rose by around 13% in the three months to early June.

Euro area equity prices increased despite a number of disappointing data releases, including first quarter GDP figures and key survey indicators. The positive development of equity markets was driven by diminishing domestic uncertainties, and by low yields on alternative investments such as government and corporate bonds (see Section 2.4).

Chart 26 Stock price indices

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



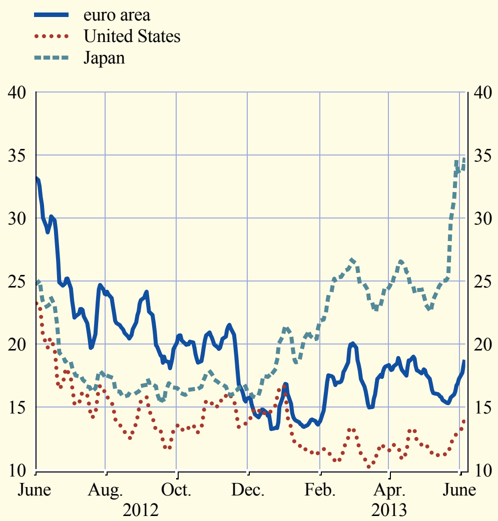
Source: Thomson Reuters.
Note: The indices used are the Dow Jones EURO STOXX broad index for the euro area, the Standard & Poor's 500 index for the United States and the Nikkei 225 index for Japan.

In the United States, equity markets benefited somewhat from the signs of a pick-up in economic activity. While economic data releases continued to be mixed, developments in the housing and labour markets were rather positive. Company earnings releases generally also supported market sentiment, although sales growth was below expectations in most cases. Towards the end of the period under review, market speculation about a tapering-off of quantitative easing had a negative effect on stock prices. In Japan, stock prices continued to rise sharply after the announcement of new monetary policy measures by the Bank of Japan and the surprisingly strong GDP growth for the first quarter of 2013. Towards the end of the period, equity prices declined, amid high volatility, thereby limiting the overall increase.

Stock market uncertainty in the euro area, as measured by implied volatility, declined slightly in the period under review (down to 19%, from 20% at the end of February). In the United States, it increased slightly, but continued to stand at a lower level than in the euro area, namely around 14% (see Chart 27). Despite the increase in implied volatility in both economic areas towards the end of the period under review, partly as a result of markets speculating about a tapering-off of quantitative easing in the United States, they stood around the average levels observed since the second half of 2012.

Chart 27 Implied stock market volatility

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



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

Table 6 Price changes in the Dow Jones EURO STOXX economic sector indices

(percentages; end-of-period)

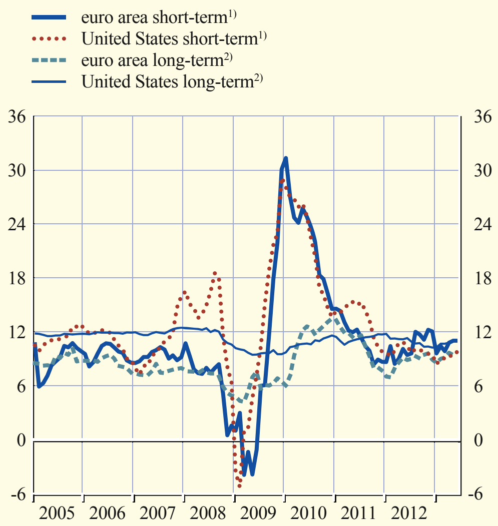
	EURO STOXX	Basic materials	Consumer services	Consumer goods	Oil and gas	Financial	Health-care	Industrial	Tech-nology	Tele-communi-cations	Utility
Share of sector in market capitalisation	100.0	10.6	7.1	18.0	6.7	21.5	6.4	14.9	5.1	4.1	5.7
Price changes											
Q1 2012	9.5	14.2	5.2	15.3	1.4	11.3	5.5	12.7	21.6	-5.0	1.3
Q2 2012	-8.4	-8.3	-5.3	-4.6	-9.3	-13.7	5.0	-8.5	-16.1	-10.6	-8.2
Q3 2012	7.9	13.2	8.3	5.7	7.7	12.0	7.4	6.5	10.8	-1.0	2.1
Q4 2012	6.8	6.0	9.4	8.8	0.8	11.5	4.2	9.7	12.1	-8.1	-4.0
Q1 2013	2.0	1.1	10.1	7.9	-3.7	-5.1	10.9	4.9	3.9	-3.1	-4.4
Apr. 2013	2.3	0.3	0.6	-0.5	2.8	7.7	2.0	-0.9	-0.3	6.1	6.1
May 2013	2.5	4.0	0.2	3.4	0.1	4.3	-0.9	4.7	3.3	-3.9	-2.1
28 Feb.13 – 05 June13	2.6	1.7	1.8	2.8	0.8	3.9	6.2	1.8	1.3	2.2	2.6

Sources: Thomson Reuters and ECB calculations.

All sectoral sub-indices of the euro area equity markets rose in the review period (see Table 6). The increases were most marked in the health care and financial sectors, with stock prices rising by around 6% and 4% respectively. In the United States, changes in sectoral sub-indices were led by the health care, financial, and consumer services sectors, all of which were up by more than 8%. The basic materials and the oil and gas sectors lagged behind in both the euro area and in the United States, amid declines in oil and commodity prices.

Chart 28 Expected growth in corporate earnings per share in the United States and the euro area

(percentages per annum; monthly data)



Sources: Thomson Reuters and ECB calculations.
Notes: Expected earnings growth of corporations on the Dow Jones EURO STOXX index for the euro area and on the Standard & Poor's 500 index for the United States.
1) "Short-term" refers to analysts' earnings expectations 12 months ahead (annual growth rates).
2) "Long-term" refers to analysts' earnings expectations three to five years ahead (annual growth rates).

Data on the corporate earnings of the financial and non-financial euro area corporations that are included in the Dow Jones EURO STOXX index show that the negative growth of actual earnings, computed over the previous 12 months, has accelerated over the period under review, from around -4% in February to around -6% in May. The financial sector still recorded a highly negative rate of earnings growth, and it worsened slightly over the past three months (to -21%, from -20% in February). Despite that, earnings announcements by financial companies nevertheless tended to result in small increases in the companies' stock prices as they were still better than market expectations. For non-financial companies, the earnings growth rate was negative as well, although only to a minor extent. Generally, the earnings announced by non-financial companies in the euro area were below market expectations, but this did not have a major impact on overall equity market developments. For the next 12 months, market participants expect a recovery in companies' earnings per share (growth of 11%), while they forecast long-term growth in earnings per share to increase slightly, to around 9% per annum, broadly unchanged from February (see Chart 28).

2.6 FINANCIAL FLOWS AND THE FINANCIAL POSITION OF NON-FINANCIAL CORPORATIONS

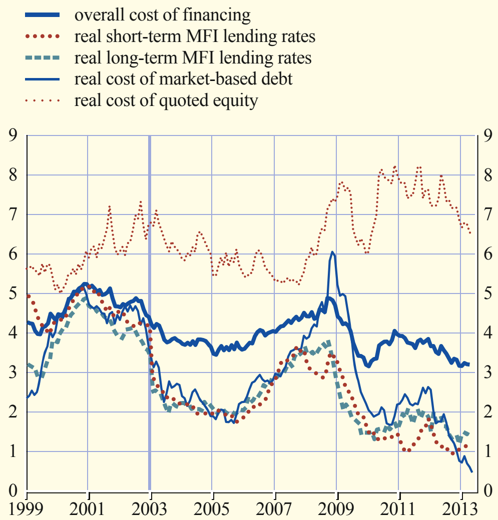
Between January and April 2013, the real cost of financing for non-financial corporations in the euro area remained stable, reflecting a decline in the cost of both market debt and equity that was offset by increases in the cost of bank loans. With regard to financial flows, bank lending to non-financial corporations continued to contract from January to April 2013, at almost the same annual pace as at the end of 2012. The decline in loans reflects primarily tight bank lending conditions in parts of the euro area and weak economic activity. The latter also explains the slowdown in debt security issuance, which remains elevated however, reflecting favourable price conditions, as well as possible substitution of alternative financing sources for bank loans.

FINANCING CONDITIONS

The real cost of external financing for non-financial corporations in the euro area – as calculated by weighting the costs of different sources of financing on the basis of their outstanding amounts, corrected for valuation effects – remained stable at 3.2% between January and April 2013 (see Chart 29), as declines in the costs of market debt and equity were compensated for by increases in the cost of bank loans. The real cost of both equity and market debt fell by around 10 basis points over the period, to 6.6% and 0.6% respectively. By contrast, real short-term and long-term lending rates to non-financial corporations increased marginally between January and April 2013, to 1.3% and 1.6% respectively. More recent data indicate that the cost of market financing has continued to decrease, with a decline of around 10 basis points in the real cost of both market-based debt and equity in May. Over a longer horizon, the real overall cost of financing for euro area non-financial corporations in April 2013 stood at the lowest level recorded since 1999. This also held true for the real cost of market debt, while the real cost of bank loans remained above, but not far from, the lowest level recorded since 1999, the level reached at the beginning of 2013.

Chart 29 Real cost of the external financing of euro area non-financial corporations

(percentages per annum; monthly data)



Sources: ECB, Thomson Reuters, Merrill Lynch and Consensus Economics Forecasts.
Notes: The real cost of external financing of non-financial corporations is calculated as a weighted average of the cost of bank lending, the cost of debt securities and the cost of equity, based on their respective amounts outstanding and deflated by inflation expectations (see the box entitled "A measure of the real cost of the external financing of euro area non-financial corporations", *Monthly Bulletin*, ECB, March 2005). The introduction of the harmonised MFI lending rates at the beginning of 2003 led to a break in the statistical series. 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).

In the period from January to April 2013, MFIs' nominal interest rates on new loans to non-financial corporations increased slightly for small loans (up to €1 million), for large loans (over €1 million) at a floating rate and an initial rate fixation period of less than a year and for large loans with an initial rate fixation period of over five years (see Table 7). Hence, during the period under review, developments in lending rates to non-financial corporations in the euro area as a whole suggest that the pass-through of the cuts in monetary policy rates implemented up to December 2012 has come to a halt. However, the evolution across the euro area masks a significant degree of heterogeneity at the country level.

In the period under review, three-month money market rates declined by 2 basis point, while two-year government bond yields in the euro area as a whole declined by 27 basis points (see the note to Table 7). Seven-year AAA-rated euro area government bond yields declined more markedly, namely by 48 basis points. Moreover, in the period under review, the spread between lending rates on small loans and those on large loans narrowed slightly in the case of short maturities and widened in the case of long maturities.

Table 7 MFI interest rates on new loans to non-financial corporations

(percentages per annum; basis points)

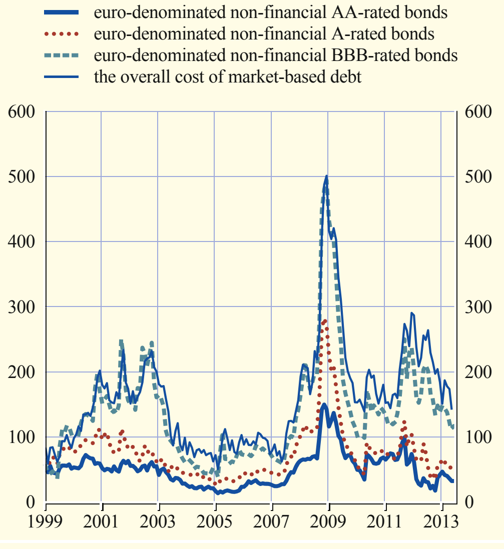
	Mar. 2012	June 2012	Sep. 2012	Dec. 2012	Mar. 2013	Apr. 2013	Change in basis points up to April 2013 [1)] Jan. 2012	Jan. 2013	Mar. 2013
MFI interest rates on loans									
Bank overdrafts to non-financial corporations	4.39	4.19	3.96	3.94	3.92	3.90	-55	-7	-2
Loans to non-financial corporations of up to €1 million									
with a floating rate and an initial rate fixation of up to one year	4.20	4.08	3.87	3.79	3.75	3.86	-52	6	11
with an initial rate fixation of over five years	4.21	4.00	3.64	3.41	3.49	3.42	-78	3	-7
Loans to non-financial corporations of over €1 million									
with a floating rate and an initial rate fixation of up to one year	2.52	2.56	2.21	2.28	2.12	2.21	-59	1	9
with an initial rate fixation of over five years	3.46	3.28	3.01	2.90	2.85	2.99	2	3	14
Memo items									
Three-month money market interest rate	0.78	0.65	0.22	0.19	0.21	0.21	-92	-2	0
Two-year government bond yield	0.39	0.27	0.07	-0.01	0.07	0.04	-41	-27	-3
Seven-year government bond yield	1.90	1.69	1.26	1.07	1.10	0.95	-103	-48	-15

Source: ECB.
Notes: Government bond yields refer to the euro area bond yields based on the ECB's data on AAA-rated bonds (based on Fitch ratings), which currently include bonds from Austria, Finland, France, Germany and the Netherlands.
1) Figures may not add up due to rounding.

Spreads between non-financial corporations' overall cost of market debt and government bond yields narrowed by 9 basis points between January and May 2013 driven by a seven-year decline in both investment-grade and non-investment grade bond yields (see Chart 30). This reflected the overall improvement of financial market confidence over that period, along with an increasing search for yield and generally rising risk appetite. Consequently, spreads on BBB-rated corporate bonds declined more than those on AA and A-rated bonds, namely by 35, 14 and 19 basis points respectively.

Chart 30 Corporate bond spreads of non-financial corporations

(basis points; monthly averages)



Sources: Thomson Reuters and ECB calculations.
Notes: Bond spreads are calculated vis-à-vis AAA-rated government bond yields. The calculation of the overall cost of market-based debt is based on a Merrill Lynch index of the average yield of euro-denominated corporate bonds with investment grade ratings and a euro-currency high-yield index. The two indices are weighted by their outstanding amounts.

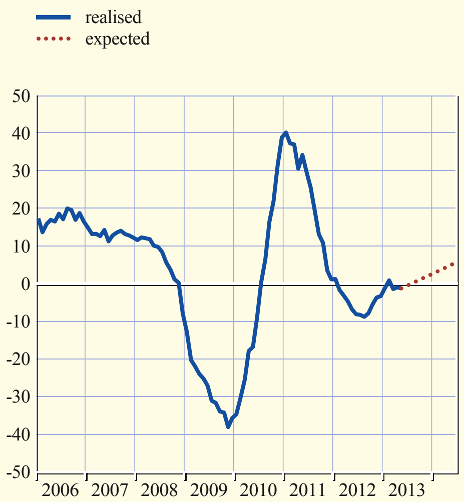
FINANCIAL FLOWS

Given the decline in economic activity in both the last quarter of 2012 and the first quarter of 2013, the profitability of euro area non-financial corporations worsened in the beginning of 2013. The annual rate of change in the earnings per share of listed non-financial corporations in the euro area declined from 0.8% in February to -1.29% in May 2013 (see Chart 31). Looking ahead, based on indicators extracted from market sources, market participants expect a gradual improvement with a move into positive territory in the second half of this year.

Turning to the external financing of firms, the annual rate of change of MFI loans granted

Chart 31 Earnings per share of listed non-financial corporations in the euro area

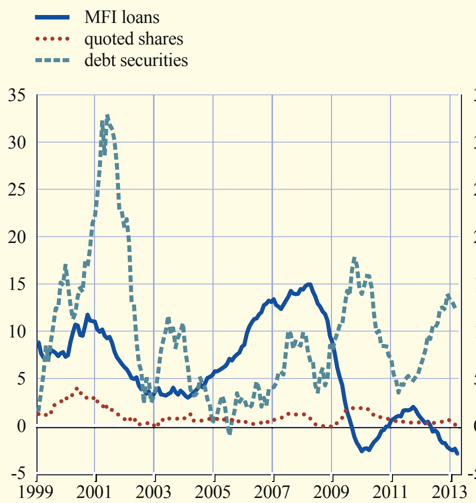
(annual percentage changes; monthly data)



Sources: Thomson Reuters and ECB calculations.

Chart 32 External bank and market-based financing of non-financial corporations

(annual percentage changes)



Source: ECB.
Note: Quoted shares are euro-denominated.

to non-financial corporations remained virtually stable at -2.4% in the first quarter of 2013, as compared with the last quarter of 2012. On the demand side, this reflected the weak economic outlook and subdued business confidence, as well as the availability of alternative sources of external funding (such as debt securities). At the same time, bank-lending conditions in countries under stress remained tight, weighing on the supply of credit to the real economy.

In part, the relatively high issuance of debt securities compensated for the decline in MFI loans to non-financial corporations, suggesting some substitution of bank funding for market funding in the case of some market segments (see Chart 32). However, while remaining at an elevated level on account of, in part, favourable price conditions, the annual growth of debt securities issuance by non-financial corporations has declined somewhat since the beginning of 2013, falling to 12.5% in March 2013. The slowdown in debt security issuance was due mainly to a decline in issuance of long-term fixed rate debt securities by non-financial corporations, which was partly compensated for by a recovery, from subdued levels in issuance of short-term debt securities. Given the high degree of concentration in the European corporate debt market, movements recorded at the aggregated level can indeed reflect the issuance of a handful of large issuers. Hence, the recent changes do not necessarily reflect the impact of the domestic macroeconomic environment such as economic activity, overall uncertainty or relative asset prices. They result from specific considerations guiding the issuance policy of large issuers, such as internal debt management, liquidity management or plans for mergers and acquisitions. Over the same period, the annual growth rate of issuance of quoted shares by non-financial corporations remained broadly unchanged, at low level.

In the first quarter of 2013, the stable annual rate of growth of bank lending to non-financial corporations resulted from an increase in the annual growth of loans extended with a maturity of less than one year, from 0.1% in the last quarter of 2012 to 1.4% in the first quarter of 2013, and from a similar decline in the annual growth rates of loans with medium-term and longer maturities (see Table 8).

Table 8 Financing of non-financial corporations

(percentage changes; end of quarter)

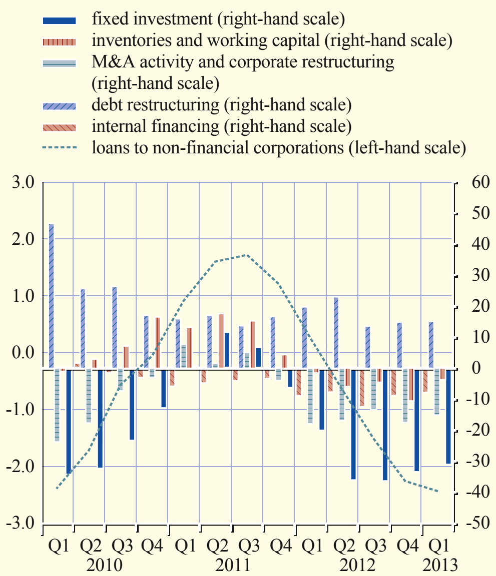
	Annual growth rates				
	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1
MFI loans	0.3	-0.6	-1.5	-2.3	-2.4
Up to one year	-0.3	-1.6	-2.0	0.1	1.4
Over one and up to five years	-3.1	-2.7	-4.1	-5.3	-5.8
Over five years	1.6	0.5	-0.4	-2.3	-3.0
Debt securities issued	8.0	10.5	12.4	13.9	12.5
Short-term	13.1	28.8	3.3	2.8	8.3
Long-term, *of which:* [1]	7.5	8.7	13.4	15.0	12.9
Fixed rate	8.1	9.5	14.2	16.4	14.2
Variable rate	-1.9	-1.8	1.1	-1.8	-0.9
Quoted shares issued	0.3	0.3	0.4	0.5	0.1
Memo items [2]					
Total financing	2.0	1.5	1.1	1.0	-
Loans to non-financial corporations	1.6	0.9	1.0	-0.2	-
Insurance technical reserves [3]	1.4	1.4	1.4	1.1	-

Sources: ECB, Eurostat and ECB calculations.
Notes: Data shown in this table (with the exception of the memo items) are reported in money and banking statistics and in securities issuance statistics. Small differences compared with data reported in financial accounts statistics may arise, mainly as result of differences in valuation methods.
1) The sum of fixed rate and variable rate data may not add up to total long-term debt securities data because zero-coupon long-term debt securities, which include valuation effects, are not shown.
2) Data are reported from quarterly European sector accounts. Total financing of non-financial corporations includes loans, debt securities issued, shares and other equity issued, insurance technical reserves, other accounts payble and financial derivatives.
3) Includes pension fund reserves.

The results of the bank lending survey for the euro area for the first quarter of 2013 display a broadly unchanged decline in the net demand for loans to non-financial corporations in comparison with the last quarter of 2012 (see Chart 33). According to the reporting banks, this fall was driven, as in the previous quarters, mainly by the decline in the need to finance fixed investment. Likewise, financing needs for mergers and acquisitions continued to weigh on loan demand, while the need to fund inventories and working capital contributed less, on average, to the on-going fall in loan demand. At the same time, the net tightening of credit standards for loans to non-financial corporations remained broadly stable in the first quarter of 2013. The tightening continued to be driven mainly by risk perceptions relating especially to deteriorating expectations regarding economic activity and industry-specific risks. By contrast, the impact of banks' cost of funds and balance sheet constraints declined somewhat, reflecting both progress made in strengthening banks' capital positions and the improvement in financial market sentiment recorded since the

Chart 33 Loan growth and factors contributing to non-financial corporations' demand for loans

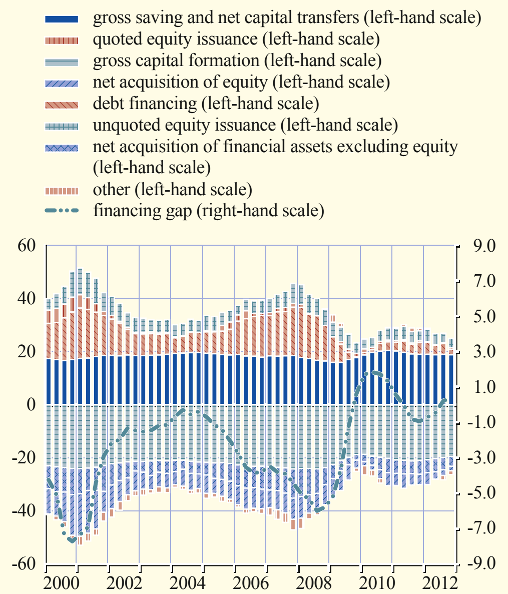
(annual percentage changes; net percentages)



Source: ECB.
Notes: The net percentages refer to the difference between the percentage of banks reporting that the given factor contributed to an increase in demand and the percentage reporting that it contributed to a decrease.

Chart 34 Savings, financing and investment of non-financial corporations

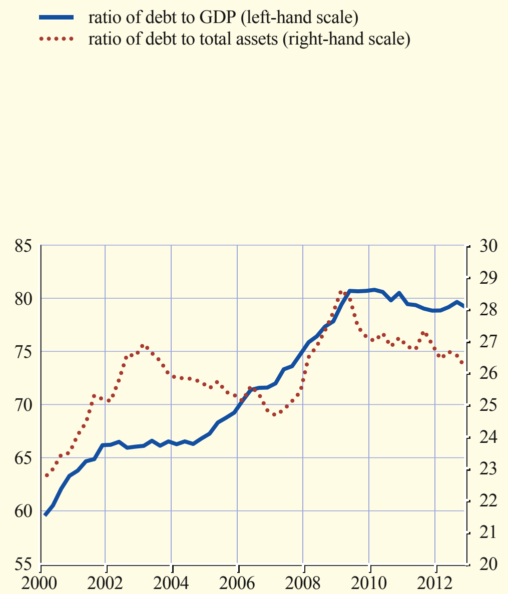
(four-quarter moving sum; percentages of gross value added)



Source: Euro area accounts.
Notes: "Debt financing" includes loans, debt securities and pension fund reserves. "Other" includes financial derivatives, other accounts payable/receivable netted out and adjustments. Inter-company loans are netted out. The financing gap is the net lending/net borrowing position, which is broadly the difference between gross saving and gross capital formation.

Chart 35 Debt ratios of non-financial corporations

(percentages)



Sources: ECB, Eurostat and ECB calculations.
Notes: Debt is reported on the basis of the quarterly European sector accounts. It includes loans (excluding inter-company loans), debt securities issued and pension fund reserves.

summer of 2012. Looking ahead to the second quarter of 2013, banks expect a slight increase in the net tightening of credit standards to enterprises.

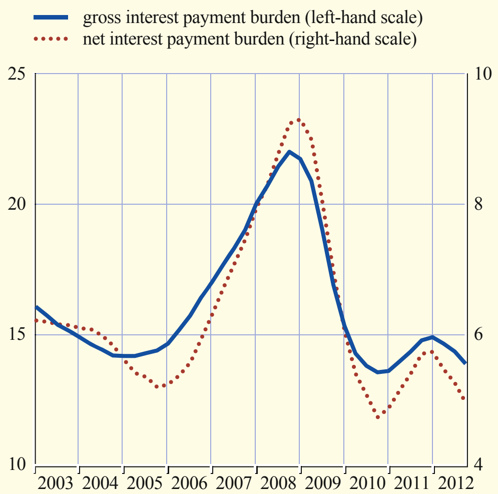
The financing gap of (or net borrowing by) non-financial corporations – i.e. the difference between their internal funds (gross saving) and their gross capital formation, in relation to the gross value added that they generated – remained in positive territory (i.e. such corporations had a net lending position) and increased from 0.2% in the third quarter of 2012 to 0.4% in the fourth quarter of that year (see Chart 34). This increase mainly reflected a decline in their net acquisition of equity and financial assets. Overall, gross saving of non-financial corporations was broadly in line with the historical average recorded since 2000.

FINANCIAL POSITION

On the basis of euro area integrated account data, the indebtedness of the non-financial corporate sector declined slightly in the fourth quarter of 2012. The ratio of debt to GDP decreased further from 79.7% in the third quarter of 2012 to 79.2% in the fourth quarter, and the debt-to-total assets ratio declined from 26.5% to 26.2%. Over the same period, the ratio of debt to the gross operating surplus declined slightly as well, from 408.3% to 407.9%. These changes indicate some momentum in the deleveraging process of the non-financial corporate sector that had started in 2009-10. Although the changes are relatively limited, when compared to the peaks recorded, they have occurred despite the weakness of economic activity. At the same time, the gross interest burden of non-financial corporations continued to moderate somewhat in the fourth quarter of 2012, to 13.9% in relation to their gross operating surplus, partly as a result of the policy measures, both standard and non-standard, implemented (see Chart 36).

Chart 36 Interest payment burden of non-financial corporations

(4-quarter moving sum; percentage of gross operating surplus)



Source: ECB.
Note: The net interest payment burden is defined as the difference between interest payments and interest receipts of non-financial corporations, in relation to their gross operating surplus.

2.7 FINANCIAL FLOWS AND FINANCIAL POSITION OF THE HOUSEHOLD SECTOR

In the first quarter of 2013 euro area households' financing conditions were characterised by mixed developments in bank lending rates, as well as considerable cross-country heterogeneity. The annual growth rate of MFI lending to households (adjusted for loan sales and securitisation) stabilised at low levels at the turn of the year and stood at 0.3% in April 2013. Thus, the latest data continue to point to subdued developments in household borrowing, partly reflecting the need for households to reduce their debt levels in a number of countries. However, the ratio of household debt to gross disposable income is estimated to have increased slightly further in the first quarter, with income stalling and debt increasing slightly. At the same time, households' interest payment burden remained broadly unchanged.

FINANCING CONDITIONS

The financing costs of euro area households saw mixed developments in the first quarter and April 2013. That may reflect the typical lagged pass-through of changes in market rates, as well as the continued impairment of the transmission of key ECB interest rates in parts of the euro area. At the euro area level, developments in the MFI interest rates charged on loans to households varied depending on the categories and maturities of loans, with cross-country heterogeneity also remaining considerable. Consequently, developments in spreads between retail and market rates were also mixed.

As regards new lending for house purchase, interest rates on short-term loans (i.e. loans with floating rates or an initial rate fixation period of up to one year) remained broadly stable in the first quarter relative to the fourth quarter of 2012. As a result, the spread between market rates and rates on short-term loans remained relatively high from a historical perspective. In contrast, for medium and long-term loans (i.e. loans with an initial rate fixation period of between one and five years and loans with an initial rate fixation period of between five and ten years), interest rates declined to historical lows, despite a slight increase at the end of the first quarter (see Chart 37).

For new consumer loans, interest rates increased for both shorter and longer-term loans in the first quarter of 2013. In contrast, interest rates on medium-term loans declined slightly. In April interest rates declined again across consumer loans of all maturities.

The results of the April 2013 bank lending survey show that the net tightening of credit standards applied by euro area banks to loans to households for house purchase and consumer credit in the first quarter was stronger than had been expected, but weaker than that observed in the fourth quarter. For more details, see the box entitled "The results of the euro area bank lending survey for the first quarter of 2013" in the May 2013 issue of the Monthly Bulletin. According to the bank lending survey, expectations regarding the general economic outlook and housing market prospects were the main factors contributing to such net tightening. Banks' margins on average loans to households declined, while those on riskier loans increased; additionally, non-price terms and conditions such as collateral requirements and the maturities of loans were also used to tighten credit standards.

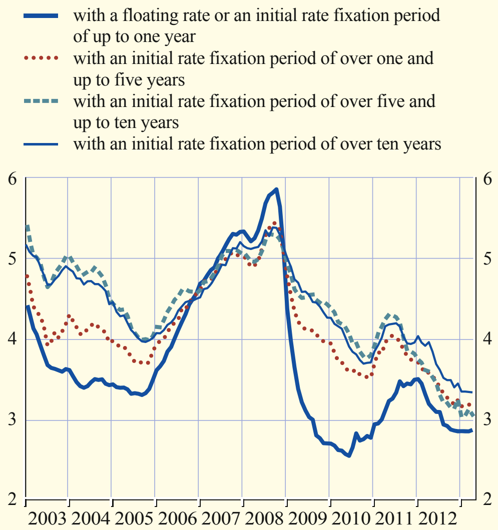
FINANCIAL FLOWS

Total lending to the euro area household sector weakened further in the fourth quarter of 2012 (the most recent quarter for which data from the euro area accounts are available) on account of subdued MFI lending. As a result, the annual growth rate of total loans to households declined to 0.2%, down from 0.3% in the previous quarter. Estimates for the first quarter of 2013 point to a slight increase in the annual growth rate of total loans to households (see Chart 38). The annual growth rate of total MFI loans to households (not adjusted for loan sales or securitisation) increased to 0.5% in the fourth quarter, up from 0.0% in the previous quarter. Loan sales and securitisation activity – which frequently result in household loans being shifted between the MFI and OFI sectors – declined further in the fourth quarter, with the result that the annual growth rate of non-MFI loans to households declined to 0.3%, down from 1.9% in the previous quarter.

Turning to MFI data that are already available for the first quarter and April 2013, the annual growth rate of lending to households (adjusted for loan sales and securitisation) stood at 0.4% in the first quarter and 0.3% in April, down

Chart 37 MFI interest rates on loans to households for house purchase

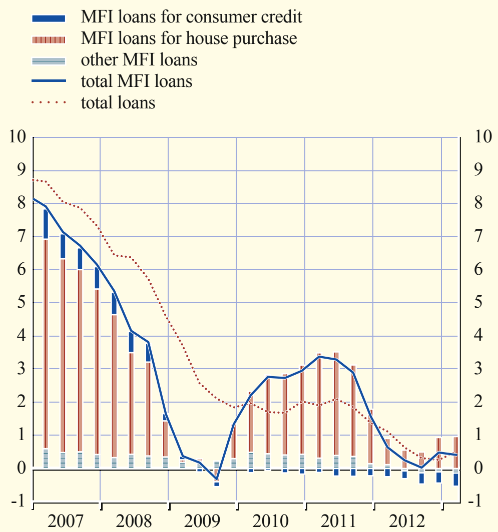
(percentages per annum; excluding charges; rates on new business)



Source: ECB.

Chart 38 Total loans granted to households

(annual percentage changes; contributions in percentage points; end of quarter)



Source: ECB.
Notes: Total loans comprise loans to households from all institutional sectors, including the rest of the world. For the first quarter of 2013, total loans to households have been estimated on the basis of transactions reported in money and banking statistics. For information on differences between MFI loans and total loans in terms of the calculation of growth rates, see the relevant technical notes.

slightly from the 0.7% recorded in the fourth quarter of 2012, pointing to subdued origination activity (see Section 2.1 for details).

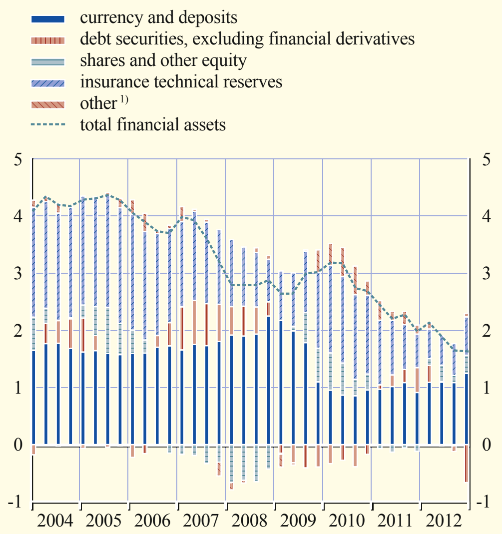
When loans are broken down by purpose, the annual growth rate of MFI lending for house purchase (adjusted for loan sales and securitisation) declined to 1.2% in April (down from 1.5% in December 2012), thereby continuing the downward trend observed since mid-2011. This reflected the further subdued (adjusted) monthly flows observed for mortgage loans in recent months. Nevertheless, flows of loans for house purchase continued to account for the bulk of MFI lending to households. All other types of loan to households continued to contract. The annual growth rate of consumer credit declined to -3.2% in April (down from -2.9% in December), while that of other lending stood at -0.8% in April (down from -0.6% in December).

Looking at the underlying causes of the weak growth seen for MFI lending to households (besides the need, in the medium term, to correct for past excesses in a number of euro area countries), the April 2013 bank lending survey reveals stronger contractions in net demand for both housing loans and consumer credit in the first quarter relative to the previous quarter. According to the bank lending survey, the deterioration in housing market prospects and consumer confidence contributed more strongly to the net decline in demand for housing loans, while the use of household savings as an alternative source of finance also continued to weigh on demand for housing loans. Meanwhile, the reduced spending on durable goods and declining consumer confidence continued to dampen consumer credit. Looking ahead, banks expect net demand for housing loans and consumer credit to decline less strongly in the second quarter.

Turning to the asset side of the euro area household sector's balance sheet, the annual growth rate of total financial investment by households stood at 1.6% in the fourth quarter (somewhat lower than the 1.8% observed in the

Chart 39 Financial investment of households

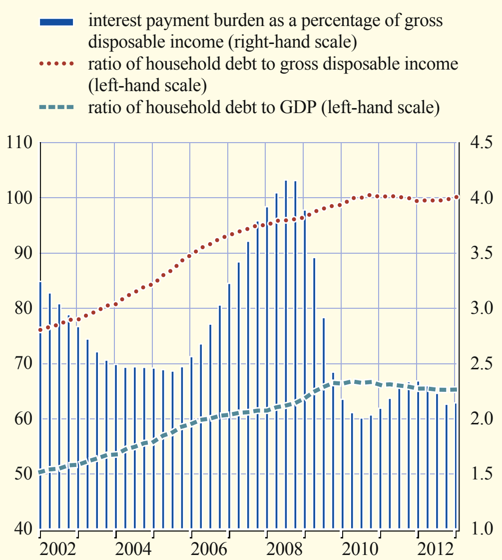
(annual percentage changes; contributions in percentage points)



Sources: ECB and Eurostat.
1) Includes loans and other accounts receivable.

Chart 40 Household debt and interest payments

(percentages)



Sources: ECB and Eurostat.
Notes: Household debt comprises total loans to households from all institutional sectors, including the rest of the world. Interest payments do not include the full financing costs paid by households, as they exclude the fees for financial services. Data for the last quarter shown have been partly estimated.

previous quarter), thereby continuing the downward trend observed since mid-2010 (see Chart 39). As in the previous quarter, this was driven by a significant reduction in the contribution made by investment in debt securities. By contrast, the contributions made by currency and deposits, investment in insurance technical reserves, and unquoted shares and other assets increased slightly.

FINANCIAL POSITION

The ratio of household debt to nominal gross disposable income was estimated at 100.0% in the first quarter of 2013 (see Chart 40), up slightly from the previous quarter, but in line with the levels observed since mid-2010. This increase reflected slight growth in total household debt, combined with stagnating disposable income. The household sector's interest payment burden is estimated to have remained broadly unchanged at 2.1% of disposable income in the first quarter of 2013, continuing the trend observed since the first quarter of 2010. Households' debt-to-GDP ratio is estimated at 65.3%, unchanged from the previous quarter.

3 PRICES AND COSTS

According to Eurostat's flash estimate, euro area annual HICP inflation was 1.4% in May 2013, up from 1.2% in April. This increase was, in particular, accounted for by a rebound in services prices related to the unwinding of the Easter effect and an increase in food prices. More generally, as stated last month, annual inflation rates are expected to be subject to some volatility throughout the year, particularly due to base effects relating to energy and food price developments 12 months earlier. Looking beyond this volatility, the underlying price pressure over the medium term is expected to remain subdued, reflecting low capacity utilisation and a modest pace of economic recovery. Over the medium term, inflation expectations remain firmly anchored in line with price stability.

This assessment is also reflected in the June 2013 Eurosystem staff macroeconomic projections for the euro area, which foresee annual HICP inflation at 1.4% and 1.3% in 2013 and 2014, respectively. By comparison with the March 2013 ECB staff macroeconomic projections, the projection for inflation for 2013 has been revised downwards, mainly reflecting the fall in oil prices, while the projection for 2014 remains unchanged. Risks to the outlook for price developments continue to be seen as broadly balanced over the medium term.

3.1 CONSUMER PRICES

Euro area annual HICP inflation has been on a downward trend since October 2012. It decreased to below 2.0% in February 2013 and dropped to 1.2% in April – the lowest rate since February 2010. The decline in the annual rate of change has largely been driven by the progressively lower annual rate of increase in energy prices. Underlying inflationary pressures, as measured by various HICP exclusion measures, have remained broadly stable, despite overall subdued demand conditions. Increases in indirect taxes and administered prices have continued to keep inflation rates elevated in some euro area countries. According to Eurostat's flash estimate, headline HICP inflation increased marginally in May 2013 to 1.4%, reflecting increases in the annual rate of change of all main HICP components, notably services (see Table 9).

Table 9 Price developments

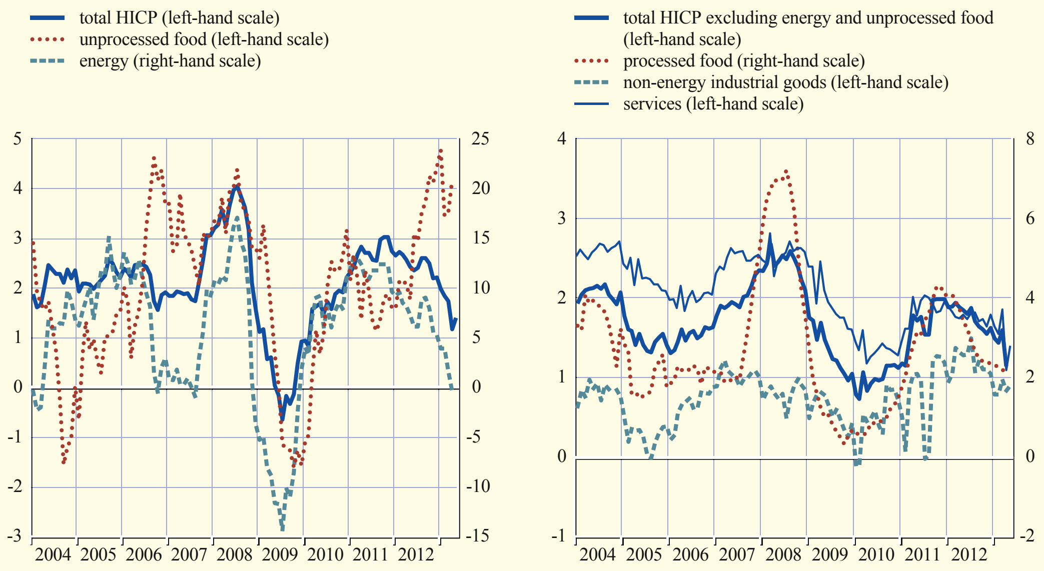
(annual percentage changes, unless otherwise indicated)

	2011	2012	2012 Dec.	2013 Jan.	2013 Feb.	2013 Mar.	2013 Apr.	2013 May
HICP and its components [1]								
Overall index	2.7	2.5	2.2	2.0	1.8	1.7	1.2	*1.4*
Energy	11.9	7.6	5.2	3.9	3.9	1.7	-0.4	*-0.2*
Food	2.7	3.1	3.2	3.2	2.7	2.7	2.9	*3.3*
Unprocessed food	1.8	3.0	4.4	4.8	3.5	3.5	4.2	.
Processed food	3.3	3.1	2.4	2.3	2.3	2.2	2.1	.
Non-energy industrial goods	0.8	1.2	1.0	0.8	0.8	1.0	0.8	*0.9*
Services	1.8	1.8	1.8	1.6	1.5	1.8	1.1	*1.4*
Other price indicators								
Industrial producer prices	5.8	2.9	2.3	1.7	1.3	0.6	-0.2	.
Oil prices (EUR per barrel)	79.7	86.6	82.8	84.2	86.7	84.2	79.3	79.2
Non-energy commodity prices	12.2	0.5	2.5	-3.7	-3.6	-1.6	-3.5	-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 May 2013 refer to Eurostat's flash estimates.

Chart 41 Breakdown of HICP inflation: main components

(annual percentage changes; monthly data)



Source: Eurostat.

As regards the main components of the HICP, energy price inflation has declined substantially over the past six months, owing to the combined impact of base effects and falling oil prices. In 2012, the rebound in oil prices and a lower exchange rate of the euro vis-à-vis the US dollar during the summer months brought about higher oil prices in euro terms and pushed annual energy price inflation up until September 2012, when it stood at 9.1%. Since October 2012, energy price inflation has been on a downward trend. In April 2013, energy prices fell by 0.4% year on year, hence entering negative territory. The decline from 1.7% in March reflected the joint impact of a downward base effect and a month-on-month decrease in energy prices. In particular, the lower annual inflation rate of this component reflected the negative annual rate of increase in the price of car fuels, and lower annual rates of increase in the price of electricity and gas. According to Eurostat's flash estimate, energy prices in May fell by 0.2% year on year, up marginally from April. In May a month-on-month decline of 1.2% was offset by an upward base effect of 1.4 percentage points, stemming from the fall in energy prices that had occurred in May 2012.

Annual food price inflation continued at a high level of around 3% throughout 2012 and the first months of 2013, following developments in international food commodity prices as well as local supply conditions. On balance, food prices had relatively little effect on the pattern of HICP inflation in the period under review, as the impact of the upward movement in unprocessed food price inflation on the headline figure was offset by the effect of the downward movement in processed food price inflation on the aggregate index. Unprocessed food price inflation increased again, from 3.5% in March to 4.2% in April, mostly on account of a spike in the annual rate of increase in the price of vegetables related to adverse weather conditions. Conversely, processed food price inflation declined marginally further to 2.1% in April, reflecting the ongoing unwinding of the effects of the food commodity price shock that occurred during the summer months of 2012. Eurostat's flash estimate for the total food component, which refers to the inflation in the processed and unprocessed food components taken together, increased to 3.3% in May, from 2.9% in April 2013.

Excluding food and energy items, which represent around 30% of the HICP basket, annual HICP inflation has hovered around 1.5% since the beginning of 2012. The HICP basket excluding these items consists of two main components, namely non-energy industrial goods and services. Over the past 18 months, annual rates of change in these two components have been boosted by VAT increases in several euro area countries. In April 2013, annual HICP inflation excluding food and energy stood at 1.0%, the lowest rate since February 2011, before rising once again to 1.2% in May, according to Eurostat's flash estimate.

Throughout 2012, non-energy industrial goods price inflation was, on average, slightly above that of 2011. It came down to slightly above 1.0% in the last quarter of 2012, before declining to 0.8%, in January and February 2013. In March, non-energy industrial goods price inflation returned to 1.0% and decreased again to 0.8% in April. The volatility over the past couple of months largely reflected that of the annual rates of increase in the price of garments and footwear, which is associated with the impact of the winter sales period. Non-energy industrial goods inflation in May 2013 increased to 0.9%, according to Eurostat's flash estimate.

Services price inflation has been relatively flat in recent months up to March 2013, despite upward bouts from hikes in indirect taxes in a number of countries, in the context of a general slowdown in both demand and, to a lesser extent, labour costs. In April 2012, services inflation had declined to 1.7%, its lowest level since March 2011, and hovered around that level for the remainder of 2012. Services price inflation, the largest HICP component, declined somewhat further in the first two months of 2013, to 1.6% in January and 1.5% in February respectively, before rebounding in March to 1.8%. Services price inflation decreased again to 1.1% in April. This decline reflected a drop in the prices of travel-related services. Due to the early timing of the Easter holidays in 2013, the annual rate of change in recreational and personal services (in particular, package holidays) was higher in March, but lower in April. As expected, services price inflation increased again to 1.4% in May 2013, according to Eurostat's flash estimate, reversing, to some extent, the drop in the previous month.

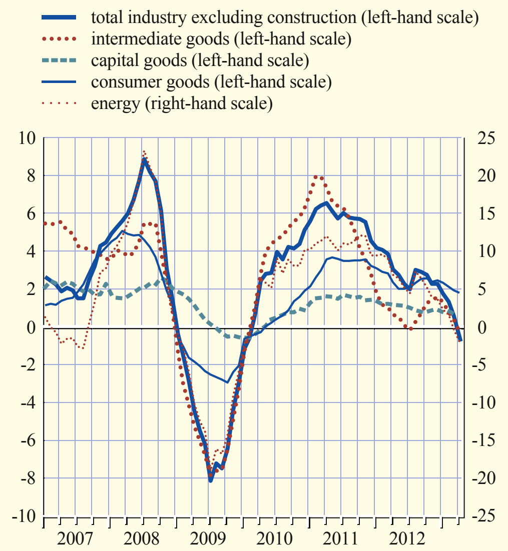
3.2 INDUSTRIAL PRODUCER PRICES

In the course of 2012 and the first few months of 2013, pipeline pressures in the supply chain further receded (see Table 9 and Chart 42). Industrial producer price inflation came down to 2.9%, on average, in 2012, from 5.8% in 2011. The somewhat volatile pattern over the second half of 2012 was shaped by the energy component, which is closely related to developments in oil prices. As oil prices, in euro terms, came down again, producer price inflation began to decrease as of October 2012. Industrial producer prices (excluding construction) dropped by 0.2% year on year in April, hence entering negative territory for the first time since February 2010. The decline came about largely due to sharp decreases in the annual rates of change in the energy and the intermediate goods components. Excluding construction and energy, the annual rate of change in the producer price index for industry decreased to 0.6% in April 2013, from 1.0% in the previous month.

Focusing on the later stages of the production chain, annual producer price inflation for food-producing industries continued the downward trend observed since the start of the year, declining from 3.3% in March to 2.9% in April. Data from the PMI survey also show some easing of cost increases, in particular for food retailers but also for food manufacturers. Earlier in the price formation chain, the annual rate of change in EU farm gate prices increased from 6.8% in March to

Chart 42 Breakdown of industrial producer prices

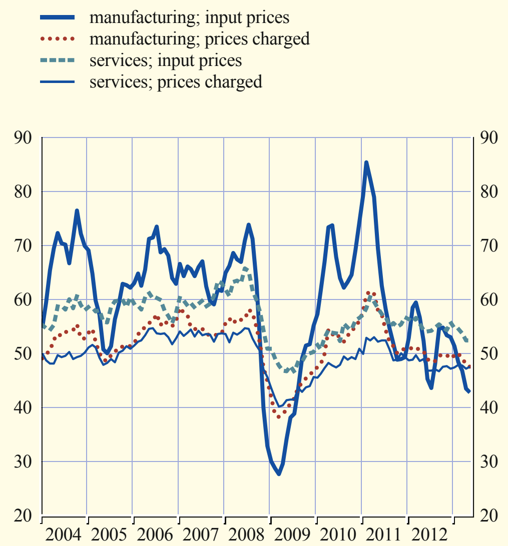
(annual percentage changes; monthly data)



Sources: Eurostat and ECB calculations.

Chart 43 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.

10.1% in April, but given the volatility in the series, it is too early to say whether this will halt the downward movement also observed in the growth of international food commodity prices.

Annual producer price inflation for food-producing industries stood at 0.6% in April, broadly unchanged since the start of the year. Following a notable decline in the PMI retail survey index for the cost of goods for non-food stores up to March, the index increased slightly to 53.8 in May, a level which suggests increasing costs but that is well below its long-run average. At the earlier price stages, the annual rate of the domestic PPI intermediate goods component declined for the fourth month in a row to -0.3% in April, and the latest data on import prices for intermediate goods (for March) and oil and non-oil commodity prices (for May) continue to show negative annual rates of change.

Headline indices from both the PMI and the European Commission surveys indicate subdued pipeline pressures. With regard to the PMI price data (see Chart 43), the input price index for the manufacturing sector decreased from 43.4 in April to 42.8 in May and the output price index fell from 47.9 to 47.6, signalling falling prices. Forward-looking European Commission survey data on selling price expectations for total industry remained unchanged in May. Selling price expectations in consumer goods industries were also stable, while they declined further in all other industries. Overall, producer prices and price survey data continue to show subdued pipeline pressures for HICP non-energy industrial goods and declining pressures for HICP food.

Table 10 Labour cost indicators

(annual percentage changes, unless otherwise indicated)

	2011	2012	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1
Negotiated wages	2.0	2.1	2.0	2.2	2.2	2.2	2.0
Hourly labour cost index	2.2	1.6	1.5	1.9	1.8	1.3	.
Compensation per employee	2.1	1.7	2.0	1.8	1.9	1.4	.
Memo items:							
Labour productivity	1.2	0.0	0.4	0.3	-0.1	-0.3	.
Unit labour costs	0.9	1.7	1.6	1.6	2.0	1.7	.

Sources: Eurostat, national data and ECB calculations.

3.3 LABOUR COST INDICATORS

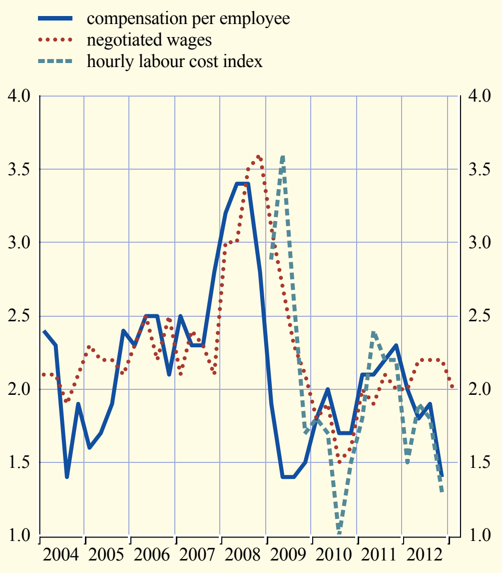
As evidenced by the latest releases of labour cost indicators, domestic cost pressures stemming from labour costs remained subdued in 2012 (see Table 10 and Chart 44). Wage data showed some signs of moderation compared with 2011, amid a weakening in economic activity and a rise in the slack in the labour market.

At the aggregate euro area level, the annual growth in compensation per employee declined to 1.4% in the fourth quarter of 2012, from rates at or just below 2% in the previous quarters. Part of this recent slowdown follows wage developments in the public sector, in which salaries were cut in some countries, in the context of fiscal consolidation measures. Growth in compensation per employee in the private sector was more dynamic. Nevertheless, the fall in the rate of growth of compensation per employee, compared with stable growth in negotiated wages, points to some adjustment of wage costs through a negative wage drift. Similarly, given the further decline in productivity, not all of the moderation in wage growth culminated in a lower rate of growth in unit labour costs, which slowed down to an annual rate of 1.7% in the final quarter of 2012, from 2.0% in the previous quarter.

Changes in hours worked per employee have had a strong impact on developments in labour cost indicators in the period since 2008. Most of the movements during the 2008-09 recession itself have been of a cyclical nature and are, therefore, likely to have had cost implications, while the decline in actual hours worked also reflects declines in usual working hours, due to a rise in part-time employment. Box 5 discusses recent developments in hours worked in the euro area in more detail.

Chart 44 Selected labour cost indicators

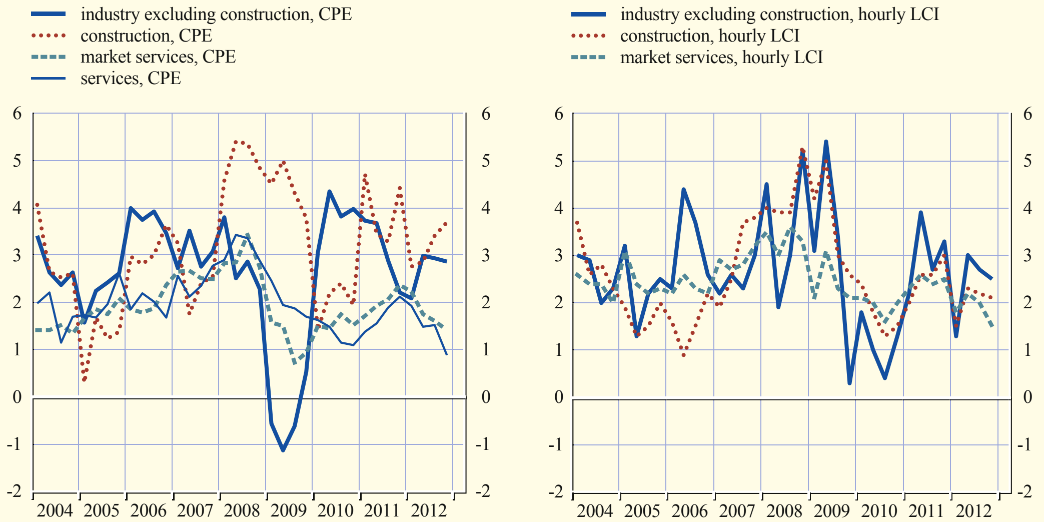
(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.

Chart 45 Sectoral labour cost developments

(annual percentage changes; quarterly data)



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

Box 5

RECENT DEVELOPMENTS IN HOURS WORKED PER EMPLOYEE

Developments in actual hours worked per employee play an important role in the assessment of labour cost indicators. For instance, stable growth in compensation per employee may sometimes conceal a rise in costs, if employees – owing to a temporary lack of demand – are not working all the hours they are paid for.[1] At the same time, a decline in growth in compensation per employee may falsely indicate a decrease in costs if it only reflects an increase in the number of employees moving from full-time to part-time work. Against this background, this box reviews the impact of hours worked on growth in compensation per hour and per employee, and discusses the nature of recent developments in hours worked in the euro area.

Actual hours worked and growth in compensation per hour

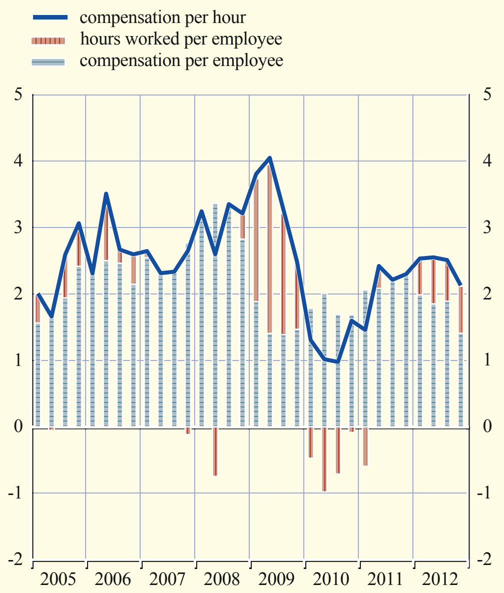
In the period since 2008 changes in actual hours worked per employee have given rise to visible differences between growth in compensation per employee and growth in compensation per

1 In this respect, hours worked is an important indicator of the degree of utilisation of paid labour. It is defined as all hours spent at work, i.e. it excludes, for instance, paid absences owing to annual leave or sick leave, but includes overtime or inactive time spent at the place of work owing to a temporary lack of work or machinery breakdowns. According to this definition, hours worked captures underutilisation of labour if employees are on a specific short-time working scheme and therefore do not turn up to work, but not if they are idle at their place of work.

hour. The breakdown in Chart A shows that growth in compensation per hour continued to rise during the 2008-09 recession, as a lower contribution from compensation per employee was accompanied by a rising contribution from actual hours worked per employee, i.e. a sharp fall in hours. A similar, albeit less pronounced, development has been observed during the most recent economic contraction that started at the end of 2011. By contrast, during the economic recovery in 2010 growth in compensation per hour was more moderate than that in compensation per employee, as actual hours worked per employee increased during that period. In the period since mid-2008 the average annual rate of growth in compensation per employee has, on balance, been about half a percentage point lower than that in compensation per hour.

Chart A Breakdown of compensation per hour in the euro area

(annual percentage changes; percentage point contributions)



Sources: Eurostat and ECB calculations.
Note: Positive (negative) contributions from hours worked per employee to growth in compensation per hour reflect year-on-year declines (increases) in hours worked per employee.

The nature of changes in hours worked

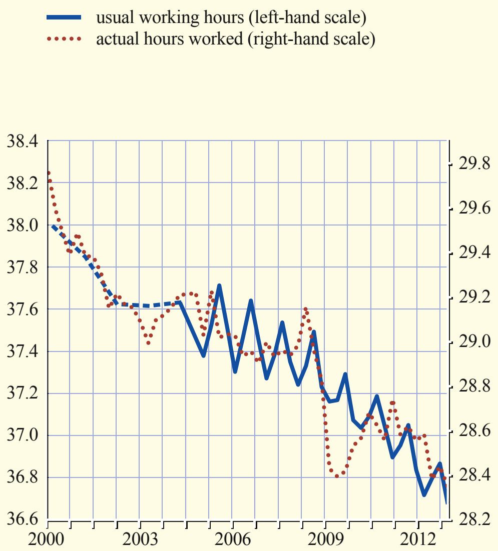
Cyclical movements in actual hours worked per employee can reflect factors such as overtime (during a boom period) and short-time working schemes (during a recession). However, when identifying recent movements in national account statistics, the downward trend in hours worked over the 2000s needs to be taken into account.

Data from labour force surveys suggest that, in the euro area as a whole, usual (typically contractually agreed) working hours per employee has declined by more than one hour per week since 2000, to stand at 36.8 hours in 2012 (see Chart B). In contrast to actual hours worked, usual working hours includes elements such as annual leave and sick leave and therefore exceeds actual hours worked. At the same time, it does not include elements such as overtime or absences from work as a result of short-time working schemes. Developments in usual working hours per employee reflect developments in usual working hours for full-time and part-time employees, as well as in the percentage of part-time employees (see Chart C). Most of the decline in usual working hours per employee reflects a gradual rise in the percentage of part-time employees, as usual working hours has remained much more stable for both full-time and part-time employees.

The comparison in Chart B shows that the gap between actual hours worked and usual working hours widens during periods of economic weakness and narrows during periods of economic recovery. This suggests that the sharp fall in actual hours worked during the 2008-09 recession reflects mainly cyclical factors such as the use of short-time working schemes and a reduction in the amount of overtime. Only a small part of the decline in actual hours worked during the 2008-09 recession can be attributed to the simultaneous downward movement in usual working hours. By contrast, the renewed decline in actual hours worked during the recent economic contraction appears, thus far, to be almost fully attributable to the decline in usual

Chart B Actual hours worked and usual working hours in the euro area

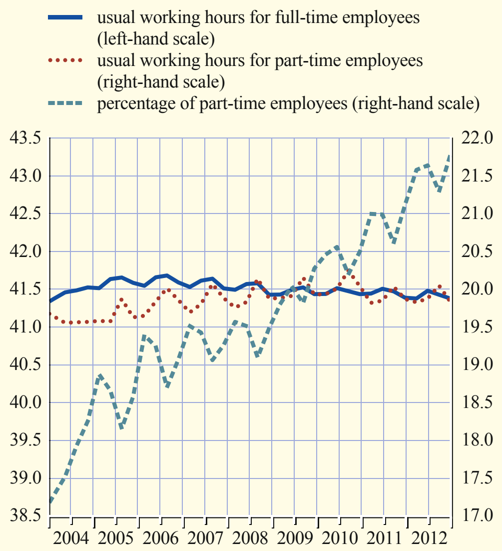
(hours per week and employee)



Sources: Eurostat and ECB calculations.
Notes: Usual working hours typically reflects the contractually agreed working week and includes hours that are paid but not worked, such as sick leave or annual leave. For the period prior to 2004, data on usual working hours are only available for the June rounds of the labour force survey. This is indicated by the dotted blue line.

Chart C Usual working hours by employment status in the euro area

(hours per week; percentages)



Sources: Eurostat and ECB calculations.

working hours. For the period since mid-2008 as a whole, the data suggest that roughly half of the decline in actual hours worked has been more cyclical in nature, while the other half is due to a decline in usual working hours.[2]

Overall, the strong movements in actual hours worked per employee since 2008 suggest that, when assessing aggregate labour cost developments, a focus on growth in compensation per employee can be misleading. Instead, there should be a greater focus on growth in compensation per hour.[3]

2 To the extent that the decline in usual working hours per employee is due to a rise in the percentage of part-time employees, it may currently also reflect some cyclical movement, if, owing to the protracted period of economic weakness in a number of euro area countries, part-time employment reflects a temporary lack of full-time employment opportunities. For a distinction between voluntary and involuntary part-time employment, see the box entitled "Three indicators to complement the standard definition of employment and unemployment" in this issue of the Monthly Bulletin.

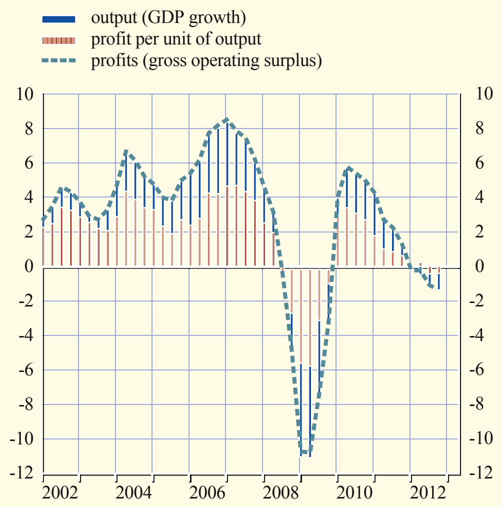
3 However, it should be noted that no labour cost indicator is free of caveats. For example, developments in compensation per employee or per hour may not be fully representative of firms' labour costs at a particular point in time, if, for instance, governments provide employment subsidies for temporary reductions in working time when jobs are at risk; or if firms operate time accounts that balance the costs of short-time working schemes and overtime over longer horizons. Similarly, shifts between full-time and part-time employment may not be cost-neutral if they involve fixed labour costs per person or are associated with changes in average productivity.

3.4 CORPORATE PROFIT DEVELOPMENTS

Reflecting the increase in unit labour costs and the adverse economic conditions, corporate profits (measured in terms of gross operating surplus) dropped further by 1.4% year on year in the fourth quarter of 2012 (see Chart 46). This contraction was accounted for by the decline in the annual

Chart 46 Breakdown of euro area profit growth into output and profit per unit of output

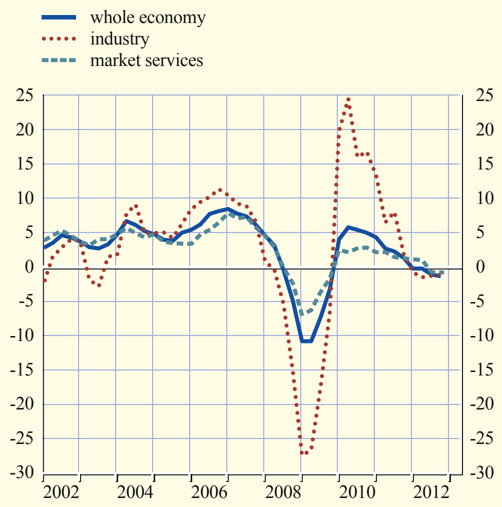
(annual percentage changes; quarterly data)



Sources: Eurostat and ECB calculations.

Chart 47 Euro area profit developments by main branch of activity

(annual percentage changes; quarterly data)



Sources: Eurostat and ECB calculations.

rate of change of GDP, as well as an additional fall in unit profits (margin per unit of output). Overall, following the rebound since mid-2009, the level of profits remained broadly unchanged in 2011 and 2012.

With regard to the main economic sectors, year-on-year corporate profit growth in the market services sector fell again, by 0.5%, in the fourth quarter of 2012, after shrinking by 0.7% in the third quarter of 2012. In the industrial sector (excluding construction), profits dropped by 1.1%, broadly unchanged from the previous quarters (see Chart 47). In market services, the quarter-on-quarter rate of change in corporate profits was negative for the third quarter in a row.

3.5 THE OUTLOOK FOR INFLATION

Annual inflation rates are expected to be subject to some volatility throughout the year, particularly due to base effects relating to energy and food price developments 12 months earlier. Looking beyond this volatility, the underlying price pressure over the medium term is expected to remain subdued, reflecting low capacity utilisation and a modest pace of economic recovery. Over the medium term, inflation expectations remain firmly anchored in line with price stability.

In more detail, the short-term inflation outlook continues to depend heavily on oil prices. The decline in annual energy price inflation is expected to be more pronounced in 2013, owing to the assumption that oil prices, as currently embedded in futures prices, will weaken further. The profile of the energy component will show some volatility, mainly due to positive and negative base effects.

Annual unprocessed food price inflation is expected to moderate steadily in 2013. The up-tick seen in the April 2013 data is expected to be a temporary blip in the broad unwinding process of the strong increases in unprocessed food price inflation seen in the second half of 2012, which were due to adverse weather effects. Processed food price inflation may increase somewhat in the coming months, before easing later in the year. The envisaged increase reflects some delayed pass-through from the spike in food commodity prices observed in the summer of 2012. The downward trend expected in the latter part of the year is related to lower cost pressures and subdued demand conditions in some euro area countries.

Non-energy industrial goods price inflation is expected to remain broadly stable at its current level for the remainder of 2013, on account of subdued consumer demand, downward pressures on imported non-energy industrial goods prices, and overall moderate wage developments. The impact of indirect tax measures in some euro area countries is likely to contribute to some volatility in this component in the coming months.

Services price inflation is anticipated to remain broadly stable over the coming months, at a level somewhat lower than that seen in the first quarter of the year, reflecting weak growth in domestic demand and largely contained wage pressures. In 2014, VAT increases in some euro area countries may lead to a renewed pick-up in services price inflation.

The latest data on labour cost indicators suggest that domestic cost pressures may increase only gradually, reflecting the gradual pick-up in activity. Corporate profit growth is expected to moderate further in 2013, following a strong decline in 2012, absorbing – but only to a rather limited extent – the relatively strong increase in unit labour costs observed in 2012. In the medium term, lower unit labour cost growth and gradually improving economic conditions are expected to support a recovery in profit margins.

The June 2013 Eurosystem staff macroeconomic projections for the euro area foresee annual HICP inflation at 1.4% and 1.3% in 2013 and 2014, respectively. By comparison with the March 2013 ECB staff macroeconomic projections, the projection for inflation for 2013 has been revised downwards, mainly reflecting the fall in oil prices, while the projection for 2014 remains unchanged.

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

4 OUTPUT, DEMAND AND THE LABOUR MARKET

Real GDP contracted by 0.2% in the first quarter of 2013, following a decline of 0.6% in the fourth quarter of 2012. Output has thus declined for six consecutive quarters, with labour market conditions remaining weak. Recent developments in economic sentiment survey data have shown some improvement from low levels. Looking ahead to later in the year and to 2014, euro area export growth should benefit from a recovery in global demand, while domestic demand should be supported by the accommodative monetary policy stance and by the recent real income gains due to lower oil prices and generally lower inflation. Furthermore, the significant improvements in financial markets seen since last summer should work their way through to the real economy, as should the progress made in fiscal consolidation. At the same time, the remaining necessary balance sheet adjustments in the public and private sectors will continue to weigh on economic activity. Overall, euro area economic activity should stabilise and recover in the course of the year, albeit at a subdued pace.

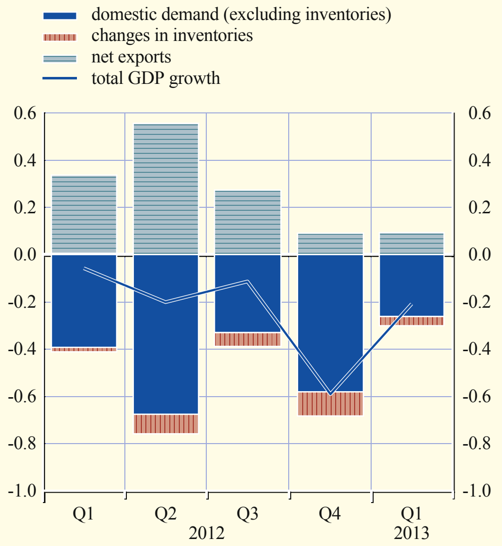
This assessment is also reflected in the June 2013 Eurosystem staff macroeconomic projections for the euro area, which foresee annual real GDP declining by 0.6% in 2013 and increasing by 1.1% in 2014. Compared with the March 2013 ECB staff macroeconomic projections, the projection for 2013 has been revised marginally downwards, largely reflecting the incorporation of the latest GDP data releases. For 2014 there has been a marginal upward revision. The risks surrounding the economic outlook for the euro area continue to be on the downside.

4.1 REAL GDP AND DEMAND COMPONENTS

Real GDP fell by 0.2%, quarter on quarter, in the first quarter of 2013, declining for the sixth consecutive quarter, with a total cumulated loss of 1.5% over the entire period (see Chart 48). The weak outcome reflected negative developments in domestic demand, which contracted further in the first quarter of 2013 owing to a drop in investment. By contrast, net exports made a small positive contribution as exports declined less than imports. The decline in output in the first quarter was broadly in line with developments in short-term indicators, particularly survey results. The outcome for the first quarter was also adversely affected by the cold weather, mainly in relation to construction activity.

Chart 48 Real GDP growth and contributions

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



Sources: Eurostat and ECB calculations.

Euro area output growth has, in recent quarters, been held back in particular by weak domestic demand. Weak business and consumer sentiment, fiscal consolidation measures and ongoing deleveraging needs in some countries, as well as increased uncertainty, have depressed investment. In addition to the negative influence of these determinants, consumer spending has also been affected by the impact on aggregate income of falling employment in the context of weak labour markets, while public consumption has shrunk in the wake of fiscal retrenchment in several euro area countries.

Recent developments in short-term indicators, notably survey data, indicate that weak economic sentiment has extended into the spring of this year. Looking ahead, however, real GDP is expected to begin a modest recovery in the course of 2013, as export growth should benefit from a recovery in global demand, while domestic demand should be supported by the accommodative monetary policy stance and the recent real income gains owing to the decline in oil prices and generally lower inflation.

PRIVATE CONSUMPTION

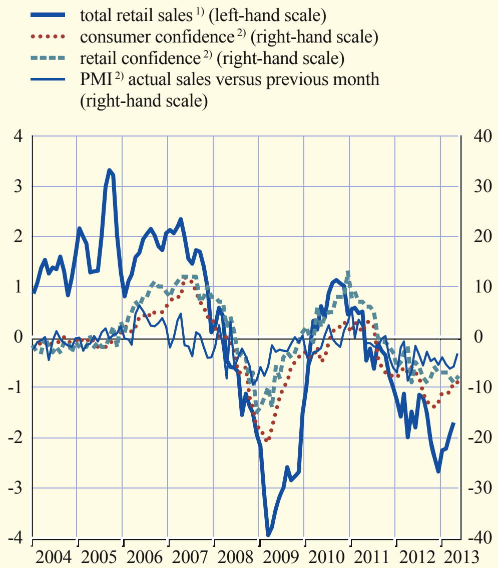
Private consumption increased marginally, by 0.1%, in the first quarter of 2013, following five consecutive quarters of negative growth. The outcome for the first quarter reflects a rise in the consumption of retail goods and services. By contrast, it appears that purchases of cars declined on a quarterly basis in the first quarter. Recent information from short-term indicators and surveys suggests that euro area consumer spending is likely to remain weak in the period ahead, although there are some signs of a stabilisation.

The protracted weakness in consumer spending over recent years largely mirrors developments in real disposable income, which has been adversely affected by elevated inflation as a result of rising commodity and energy prices. Falling employment has exerted additional pressures on aggregate real household income. The latest data show that real disposable income, which has recorded negative annual rates of change for a prolonged period of time, declined again in the fourth quarter of 2012. At the same time, the household saving ratio has continued to drop, reaching record lows, as consumers tried to buffer the impact of the fall in real income on their level of consumption.

Regarding short-term dynamics in the second quarter of 2013, hard and soft data suggest, on balance, that consumer spending has started to stabilise at a low level. Retail sales declined by 0.5% month on month in April to stand 0.8% below the average level recorded in the first quarter of 2013. Moreover, the Purchasing Managers' Index (PMI) for retail sales stood at 45.5 on average in April and May, which represents an improvement compared with the first quarter of 2013. Over the first two months of the second quarter of 2013, the European Commission's indicator on retail sector confidence stood, on average, slightly below the level recorded in the first quarter, thus remaining below its long-term average (see Chart 49). In addition, new passenger car registrations rose by 1.6% month on month in April, having therefore increased for three consecutive months. However, purchases of cars and other expensive goods are likely to stay weak in the period ahead. In April and May, the European Commission's indicator on expected major purchases stood only slightly above its levels in the last quarter of 2012 and the first quarter of 2013, thus continuing at a depressed level consistent

Chart 49 Retail sales, confidence and PMI in the retail trade and household sectors

(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.

with ongoing sluggishness in the consumption of consumer durables. Finally, euro area consumer confidence rose somewhat further in May, having therefore improved for six consecutive months. This improvement can mainly be explained by households' assessment of the future unemployment situation. However, the latest upturn does not fully compensate the decline recorded during the latter half of 2012 and, as a result, the index still stands well below its historical average.

INVESTMENT

The decline in gross fixed capital formation observed since the second quarter of 2011 continued at the beginning of 2013. Investment contracted further by 1.6%, quarter on quarter, in the first quarter after a contraction of 1.4% in the last quarter of 2012. The full breakdown of capital formation for the first quarter of 2013 was not available by the time the Monthly Bulletin was finalised. However, with regard to non-construction investment, which accounts for half of total investment, available data from some euro area countries point to an ongoing contraction. Short-term indicators for the euro area as a whole also suggest that non-construction investment shrunk in line with muted overall economic developments, adverse business sentiment and high prevailing uncertainty. The production of capital goods posted a further decline in the first quarter and the capacity utilisation rate remained at a very low level. Survey data, such as the PMI index and the European Commission's confidence indicator for the manufacturing sector, remained well below their long-term averages. Residential and non-residential construction investment is also likely to have weakened in the first quarter of 2013, as reflected in the construction production index and in the low confidence in the sector. Government investment in the euro area as a whole may have increased modestly in the first quarter, albeit far from offsetting the contraction in capital expenditure in the private sector.

Regarding the second quarter of 2013, the few early indicators available point in general to some continued contraction in non-construction capital formation in the euro area. The manufacturing PMI and its new orders component rose somewhat in May but remained entrenched in negative territory. The European Commission's indicator on the assessment of order books also rose somewhat in May, while expectations regarding production developments three months ahead declined slightly. Moreover, the capacity utilisation rate remained unchanged in the second quarter at a level below its long-term average. Construction investment is also expected to continue declining in the second quarter, as suggested by survey data.

Overall, non-construction investment is expected to slowly recover in the second half of the year as economic activity and profits gradually pick up. According to the European Commission's biannual investment survey, companies expect manufacturing investment in the euro area to post a slight increase in 2013 as a whole. Construction investment is projected to remain anaemic throughout this year, reflecting the continued adjustment in many euro area housing markets.

GOVERNMENT CONSUMPTION

Government consumption continued to be subdued in the first quarter of 2013, displaying a small decline from the fourth quarter of 2012, reflecting ongoing fiscal consolidation efforts in a number of euro area countries.

Looking at the underlying trends in the individual components, the growth rate of compensation of government employees, which accounts for almost half of total government consumption, has made a negative contribution to government consumption in recent quarters. This is mainly a consequence of public sector wage adjustment and cuts in government employment in a number of euro area countries. Intermediate government consumption expenditure (which represents slightly less than a quarter of total government consumption expenditure) declined as a result of ongoing retrenchment efforts in the government sector, while growth in social transfers in kind, which also accounts for almost a quarter of government consumption, was broadly unchanged, conditioned by the fact that social transfers in kind are usually very stable, as they include items such as healthcare expenditure.

Looking ahead, the contribution of government consumption to domestic demand is projected to be limited in the coming quarters as the ongoing process of fiscal consolidation efforts proceeds in a number of euro area countries.

INVENTORIES

Changes in inventories provided a broadly neutral contribution to quarterly GDP growth in the first quarter of 2013. In total, since mid-2011, a sequence of seven quarters of almost uninterrupted negative contributions of inventories to growth amounted to a cumulated 0.9 percentage point drop in GDP, hence accounting for more than half of the cumulated fall of 1.5% (over the most recent six-quarter period).

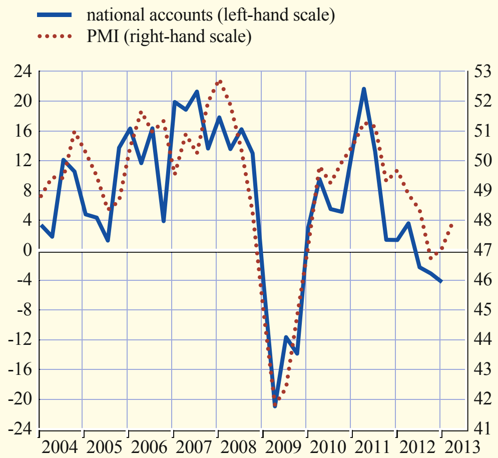
The marked deterioration in business outlook in the summer of 2011, coupled with a pronounced tightening of financing conditions in a number of euro area countries, led to a rapid moderation of the strong restocking observed during the first semester of 2011, resulting in inventories making a substantial negative contribution to GDP growth of -0.7 percentage point in the second half of 2011. After a brief pause during the first quarter of 2012, the pace of stocking (destocking) decelerated (accelerated) again in the rest of the year on the back of a decline in activity, implying renewed negative contributions to growth of -0.25 percentage point in the last three quarters of 2012.

These significant negative contributions cumulated over seven quarters transformed the strong restocking observed in mid-2011 (0.9% of GDP in value terms) into mild destocking by the first quarter of 2013 (0.2% of GDP). Given the fairly lean inventories generally reported across the supply chain, the scope for a more pronounced pace of destocking (such as that which occurred after the failure of Lehman Brothers) seems limited in the quarters ahead.

Recent survey evidence from the PMI for April and May 2013 indeed point to a marked slowdown in the pace of destocking, affecting all manner of inventories: input and finished goods in manufacturing as well as stocks held by retailers (see Chart 50). Moreover, the European Commission's survey indicates that inventories in manufacturing (finished goods) and in the retail sector are assessed by firms to be relatively lean compared with historical averages.

Chart 50 Changes in euro area inventories

(EUR billion; diffusion indices)



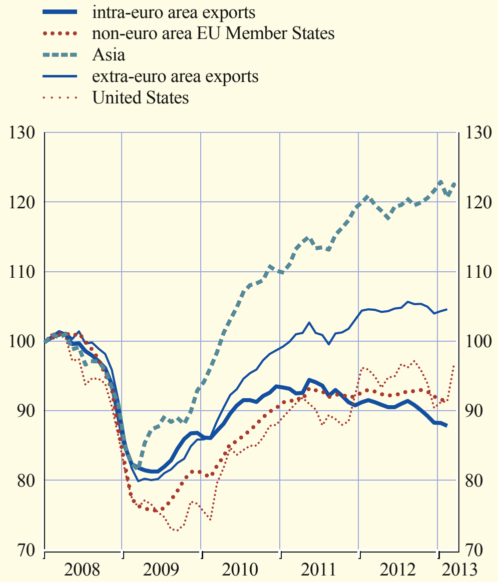
Sources: Markit, Eurostat and ECB calculations.
Notes: National accounts: change in inventories in value terms. PMI: average of input and finished goods inventories in manufacturing and of retail inventories.

EXTERNAL TRADE

Looking through quarterly volatility, euro area trade has been rather subdued since 2011. Following a contraction in both exports and imports of goods and services in the last quarter of 2012, the weakness continued into the first quarter of 2013 when exports dropped by 0.8%, while imports declined further by 1.1%. These developments produced a small positive net trade contribution to euro area real GDP growth. In the first quarter of 2013, the exports of euro area countries were supported by demand from outside the euro area, in particular from the United States and, to a lesser extent, from Asian economies, rather than from euro area countries. Overall, however, growth in extra-euro area exports did not fully compensate for the weakness in intra-euro area trade, as euro area domestic demand remained depressed (see Chart 51).

Chart 51 Euro area export volumes to selected trading partners

(indices: January 2008 = 100; seasonally adjusted; three-month moving averages)



Sources: Eurostat and ECB calculations.

Since mid-2010 external trade had consistently boosted euro area real GDP, as the growth of exports outpaced that of imports. This is mainly explained by the lower growth in euro area domestic demand compared with that of the euro area's main trading partners, but also by a depreciation of the euro real effective exchange rate during most of this period. Moreover, over the course of 2011 and 2012, the euro area stabilised its export market share in world trade, although the adjustment across euro area countries was very diverse. These developments can be seen in Box 6, which describes the export performance of the euro area and its member countries, as recorded in the variations of export market shares since 1999.

However, over the more recent quarters, exports have provided less support for euro area real GDP growth, mainly on account of slowing euro area foreign demand and the appreciation of the real effective exchange rate of the euro in the second half of 2012. In the near future, the contribution from net trade to real GDP growth is expected to be smaller than before, albeit still positive. Overall, the short-term outlook for euro area trade is still subject to heightened uncertainty, which is captured by the available survey indicators. Export order-book levels reported by the European Commission and the PMI new export orders index rose slightly in May, but both these indicators are below their long-term averages. The recovery in the global economy also appears fragile, and therefore the impulse from euro area exports to the recovery of real GDP growth in the coming months is expected to be moderate. The near-term growth in imports is likely to be dampened by the weak underlying growth momentum in the euro area, although some strengthening can be expected in the course of the second half of 2013, as euro area domestic demand starts to recover.

Box 6

TRENDS IN EXPORT MARKET SHARES IN THE EURO AREA

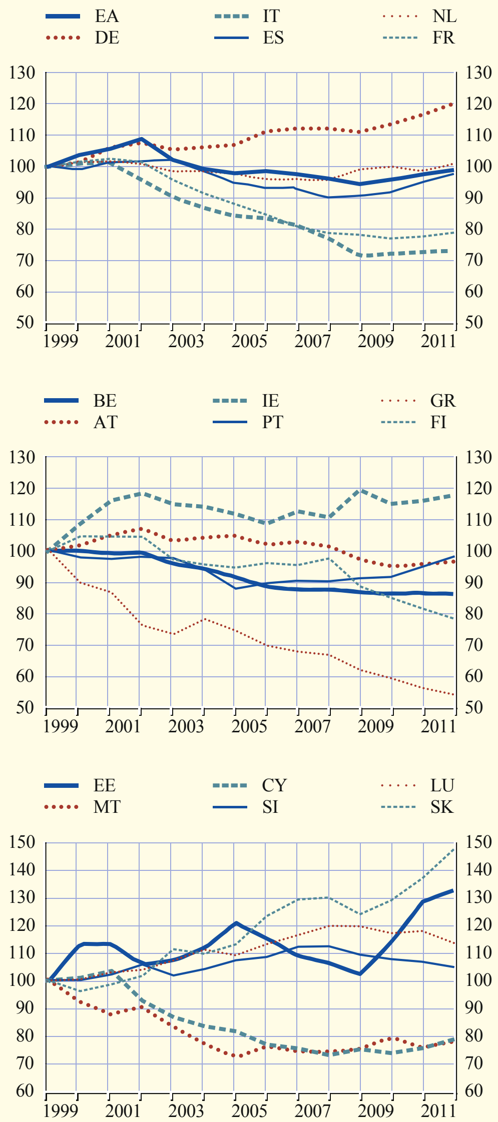
This box describes the export performance of the euro area and its member countries based on two measures of export market shares: a country's exports relative to foreign demand; and a country's exports relative to world exports, in terms of both volume and value.

Despite their differences, these two measures are complementary and can be used for different purposes. Export market shares in terms of foreign demand take into account a country's particular geographical location in the formulation of trade links. For instance, the euro area trades more with its close neighbours, such as central and eastern Europe, than with Asia. A loss in export market shares in terms of world exports may indicate that the euro area did not expand actively enough in markets that drive the demand for world exports. Furthermore, export market shares in terms of volume may be useful for assessing competitiveness at a macro level, while shares in value terms may be more suitable for assessing income generated from exports.

Following the decline that began in 2002, the euro area's export market share measured by exports relative to foreign demand has experienced some improvement since 2009 (see Chart A).[1] However, on a country level, the export performance of individual countries shows heterogeneous developments since the crisis: whereas the export performance of some countries has begun to improve (for example in Estonia, Spain and Portugal), or has remained on an upward trend (as is the case in Germany and Slovakia), the performance of other countries (Belgium, Greece and Finland) is still on a downward trend.

Chart A Exports relative to foreign demand

(index 1999=100, annual data, goods and services in volume terms)



Sources: ECB and ECB staff calculations.

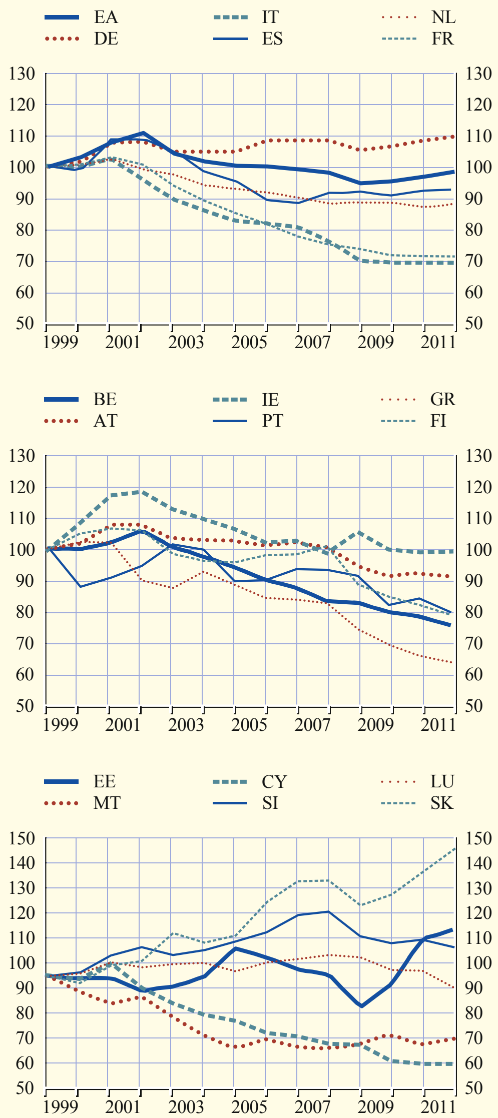
1 In what follows, exports for the euro area aggregate include only extra-euro area exports, whereas for individual countries both intra- and extra-euro area exports are included. Foreign demand is measured as the export-weighted total real imports of goods and services of the main trading partners. For more information on measuring foreign demand, see Hubrich, K. and Karlsson, T., "Trade consistency in the context of the Eurosystem projection exercises", Occasional Paper Series, No 108, ECB, Frankfurt am Main, March 2010. The market shares are calculated as the ratio of exports to foreign demand (or to world exports) expressed as an index.

Looking at the indicators of exports as a share of world exports in volume terms, the general trends described above remain broadly similar for the euro area and for most countries (see Chart B). The euro area's export performance has improved since 2009 for both measures. Its export market share relative to foreign demand has improved by 4.6% since 2009, whereas the share relative to world exports has risen by 3.8% (see Charts A and B). For individual euro area countries, the same general patterns emerge as described above, except in the cases of Spain and Portugal.

Over the period 1999-2012, export market performance based on the two alternative measures can, in some cases, be quite different (see Table). Germany increased its export market share in relation to world exports by 9.3%, while when measured in relation to foreign demand the improvement amounted to 20.2%. The situation in Estonia was similar. Ireland, Luxembourg and the Netherlands recorded a loss in export market shares in terms of world exports, whereas they gained in terms of foreign demand. For some countries (Belgium, Spain, France, Italy, Cyprus and Austria), the loss of export market shares on the basis of world exports was more significant. By contrast, Greece registered lower losses in export market shares relative to world exports. The overall conclusion is that export performance measured in terms of foreign demand appears to be better than that measured in terms of world exports for most euro area countries.

Chart B Exports relative to world exports

(index 1999=100, annual data, goods and services in volume terms)



Sources: IMF World Economic Outlook data and ECB staff calculations.

The factors driving the differences between the two measures can be pinpointed to the composition of foreign demand. Foreign demand is measured as the export-weighted total real imports of goods and services of the main trading partners of the euro area countries. Euro area countries export, on average, around 50% of their total exports to other euro area countries, while the remainder are destined mostly for advanced economies (such as the United Kingdom and the United States) and for central and eastern Europe (as a result these trading partners are assigned a high weighting in the calculation of foreign demand). Emerging economies are not among the traditional trading partners of euro area countries; this implies that they contribute only modestly to euro area foreign demand growth (the emerging economies will have a lower

Exports relative to foreign demand and world exports over the period 1999-2012

(percentage change; a positive value indicates an increase in export market share and vice versa)

	export performance relative to:		
	foreign demand (volumes)	world exports (volumes)	world exports (values)
Belgium	-14.1	-24.5	-36.0
Germany	20.2	9.3	-10.4
Estonia	32.7	16.7	70.2
Ireland	17.4	-1.0	-15.4
Greece	-46.0	-36.2	-24.2
Spain	-2.6	-7.4	-16.9
France	-21.4	-28.9	-34.9
Italy	-27.0	-31.1	-34.9
Cyprus	-21.3	-31.8	-34.1
Luxembourg	13.7	-4.1	2.7
Malta	-22.0	-22.8	-12.6
Netherlands	0.8	-12.4	-19.1
Austria	-4.0	-8.4	-19.1
Portugal	-2.2	-20.2	-23.8
Slovenia	5.0	10.5	-17.1
Slovakia	47.3	45.6	125.1
Finland	-21.8	-21.1	-34.4
Euro area	**-1.2**	**-1.9**	**-17.4**

Sources: IMF World Economic Outlook data, ECB and ECB staff calculations.

export weighting in the calculation of euro area foreign demand). As advanced economies grow relatively slower, their demand for imports is growing slower in relation to the demand for world imports. This, together with their relatively high significance in foreign demand, results in foreign demand growing slower than world imports. In fact, world imports are growing more rapidly as they include all fast-growing emerging economies. Any loss of market share in terms of world exports means that the euro area countries do not take full advantage of the increased import demand in emerging countries to maintain or increase their share in world trade.

Turning to the comparison of export market shares in value and volume terms, some differences are notable. Over the period 1999-2012, the euro area's losses in export market shares in goods and services in volume terms (1.9%) were much less pronounced than those in value terms (17.4%), suggesting that prices of euro area exports increased less than world export prices (see Table).[2, 3] This also applies to most euro area countries. For instance, Germany gained export market share in volume terms (9.3%), but lost in value terms (10.4%), suggesting that prices of German exports increased less than world export prices. However, Greece's losses in export market share in goods and services in value terms (24.2%) were less pronounced than in volume terms (36.2%). This indicates that Greece's loss of price competitiveness (Greek export prices were rising faster than those of its competitors) led, over time, to a fall in its volume share, but because of higher export prices these value losses were smaller than the volume losses.

To sum up, export performance measured in terms of foreign demand appears to be better than that measured in terms of world exports for most euro area countries. Looking at export

2 Decreasing relative prices may not reflect actual reductions in physical costs that are usually characterised as increased competitiveness, but rather a composition effect as countries develop new products and discontinue old ones. As a result, older products of the same quality are traded at a lower price, driving down market shares in terms of value, while the share in terms of volume remains stable.

3 Over the period 1999-2012, the real effective exchange rate of the euro against its 20 main trading partners, deflated by producer price indices and unit labour costs for the total economy, declined by 6.1% and 9.3% respectively. The real effective exchange rate of the euro against 19 industrialised countries deflated by export prices indicates a decline of 2.7% over the same period.

market shares in value or volume terms may reveal significant differences depending on price developments. These differences notwithstanding, the two measures are complementary and should be looked at in parallel when assessing export market performance. The analysis made using export market shares based on foreign demand and world exports in volume terms may suggest that euro area countries should devote more resources to expanding further to fast-growing emerging markets.

4.2 SECTORAL OUTPUT

Looking at the production side of national accounts, total value added has been declining since the fourth quarter of 2011 and shrunk again, by 0.2%, in the first quarter of 2013, following a drop of 0.5% in the last quarter of 2012. The contraction in value added in the first quarter was more heavily concentrated in the industrial sector than in services.

Taking a longer-term perspective, developments have also been markedly different across sectors since the peak levels seen in 2007-08. In the first quarter of 2013, value added in the industrial sector (excluding construction) still stood more than 8% below its end-2007 peak, whereas value added in the construction sector was 22% below its peak. By contrast, services value added was slightly above its 2008 pre-crisis peak. Short-term indicators point to a further decline in value added in the second quarter of 2013.

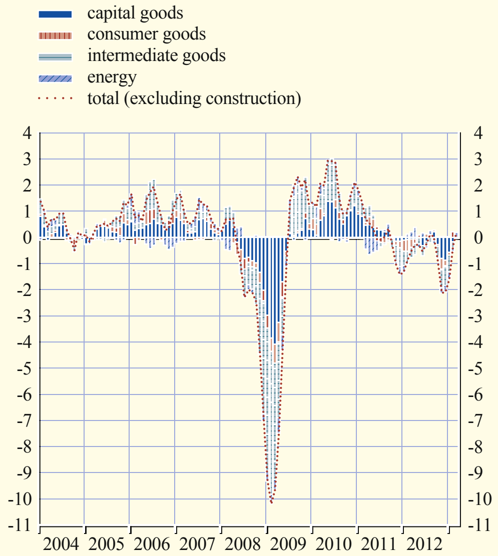
INDUSTRY EXCLUDING CONSTRUCTION

Value added in the industrial sector excluding construction declined by 0.4%, quarter on quarter, in the first quarter of 2013, following a marked fall by 1.6% in the previous quarter. By contrast, production increased slightly in the first quarter after a considerable drop in the previous quarter (see Chart 52). This increase was mostly driven by developments in energy, as demand for heating increased as a result of cold weather in many countries. All other main industrial groupings made a rather small or negative contribution to industrial real activity growth. The European Commission's survey data indicate that a weakening in overall demand had an adverse effect on production in the three-month period to April.

Looking ahead, short-term indicators suggest an extended lack of dynamism in activity in the industrial sector in the second quarter of 2013. Although the European Commission's industrial confidence indicator increased somewhat between April and May, it remains below the

Chart 52 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.

average value recorded in the first quarter (see Chart 53). The PMI manufacturing output index and the Markit survey on firms' assessment of their overall order books, which are available to May 2013, are also consistent with sluggish developments in the second quarter, as these data releases are still below the theoretical no-growth threshold of 50.

Chart 53 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.

CONSTRUCTION

In the first quarter of 2013 value added in the construction sector posted negative growth for the eighth consecutive quarter. Over this period, value added fell by more than 8%. The latest weak outcome was partially due to cold weather conditions in parts of the euro area.

Short-term indicators confirm the weak momentum in the construction sector. Monthly data on construction production registered a month-on-month fall of 1.7% in March, thus providing a bad starting point for the second quarter owing to a negative carry-over effect. At the beginning of the second quarter, the PMI construction and housing activity indices improved from very low levels. More forward-looking indicators, such as the European Commission's construction confidence indicator and survey of new orders, continued to deteriorate, signalling a further contraction in activity.

SERVICES

Services sector value added declined slightly, by 0.1%, in quarter-on-quarter terms in the first quarter of 2013, following a contraction of 0.2% in the final quarter of 2012. Between the third quarter of 2009 and the first quarter of 2013, average quarterly growth in services value added was considerably lower than that in industry excluding construction (averaging 0.2% and 0.8%, quarter on quarter, respectively). The latest data suggest that the recent decline was relatively more pronounced in predominantly non-market services, which include public administration, education, healthcare and social work. These services declined by 0.4% quarter on quarter, in part reflecting fiscal consolidation in many euro area economies. Meanwhile, value added in market services stabilised in quarter-on-quarter terms in the first quarter of 2013.

Looking ahead, surveys signal protracted weakness in services sector activity in the second quarter of 2013. The PMI services activity index remained somewhat below the theoretical benchmark of 50 for zero growth in the first two months of the second quarter, with its level also slightly below that of the first quarter reading. While the European Commission's services confidence indicator improved modestly between April and May, its level also remained below the outcome for the first quarter of 2013.

4.3 LABOUR MARKET

Euro area labour market conditions have deteriorated steadily in recent quarters, on the back of the weakness in economic activity and ongoing labour market adjustments in several euro area countries. Forward-looking indicators, such as those based on surveys, do not signal any improvement in the period ahead.

Total hours worked decreased by 0.7% in the fourth quarter of 2012, following a slight increase in the third quarter (see Table 11). At the sectoral level, hours worked decreased significantly in construction and in real estate activities, while information and communication posted an increase in hours worked.

Headcount employment declined once again on a quarterly basis in the fourth quarter by 0.3%. Employment losses were concentrated in construction, professional services as well as agriculture and fishing, whereas real estate activities and information and communication registered positive growth. Since the beginning of the crisis in 2008, more than four million jobs have been lost in the euro area. This deterioration, both in employment and unemployment, is even more marked when taking into account underemployment developments as described in Box 7.

Surveys suggest that employment is likely to have further declined in the first two quarters of 2013, mainly as a result of shrinking economic activity in the euro area. In particular, the euro area composite PMI for employment expectations (encompassing both manufacturing and services) was below the no-growth threshold in both the first and second (based on April and May) quarters. The European Commission's business surveys paint a similar picture (see Chart 54).

Table 11 Employment growth

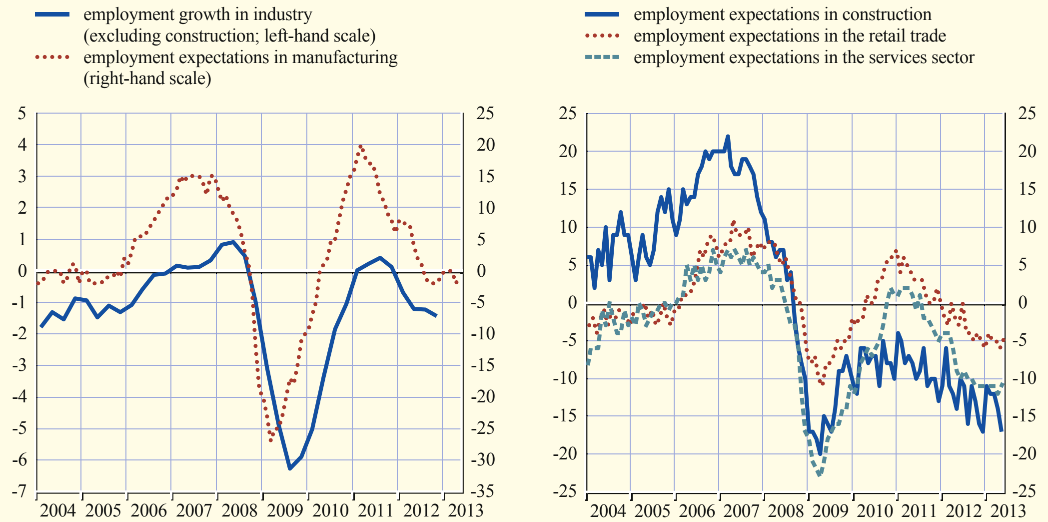
(percentage changes compared with the previous period; seasonally adjusted)

	Persons					Hours				
	Annual rates		Quarterly rates			Annual rates		Quarterly rates		
	2011	2012	2012 Q2	2012 Q3	2012 Q4	2011	2012	2012 Q2	2012 Q3	2012 Q4
Whole economy	0.3	-0.6	-0.1	-0.1	-0.3	0.2	-1.2	-0.6	0.2	-0.7
of which:										
Agriculture and fishing	-2.2	-1.4	0.3	-0.7	-1.0	-2.3	-1.8	-0.5	-0.5	-1.4
Industry	-1.0	-2.2	-0.4	-0.5	-0.7	-0.9	-3.4	-1.6	-0.4	-1.3
Excluding construction	0.2	-1.1	-0.4	-0.1	-0.5	0.8	-2.2	-1.4	0.0	-1.1
Construction	-3.8	-4.7	-0.6	-1.7	-1.3	-4.1	-6.0	-2.2	-1.4	-1.9
Services	0.8	-0.1	0.1	0.1	-0.2	0.7	-0.5	-0.3	0.4	-0.5
Trade and transport	0.7	-0.7	-0.1	-0.1	-0.4	0.4	-1.3	-0.2	0.2	-1.0
Information and communication	1.5	1.4	0.5	-0.5	1.5	1.4	1.4	-0.2	0.5	0.6
Finance and insurance	-0.3	-0.8	-0.7	-1.0	0.6	-0.2	-0.9	-1.2	0.0	-0.6
Real estate activities	3.0	0.6	0.6	-2.0	2.0	3.5	0.0	0.5	-0.4	-2.0
Professional services	2.7	0.8	0.4	1.2	-1.0	2.8	0.5	-0.2	0.7	-0.6
Public administration	0.1	-0.3	0.1	-0.1	-0.1	0.1	-0.4	-0.3	0.2	0.1
Other services [1]	0.1	0.7	0.0	0.6	0.4	0.0	-0.1	-0.8	1.3	-0.4

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

Chart 54 Employment growth and employment expectations

(annual percentage changes; percentage balances; seasonally adjusted)

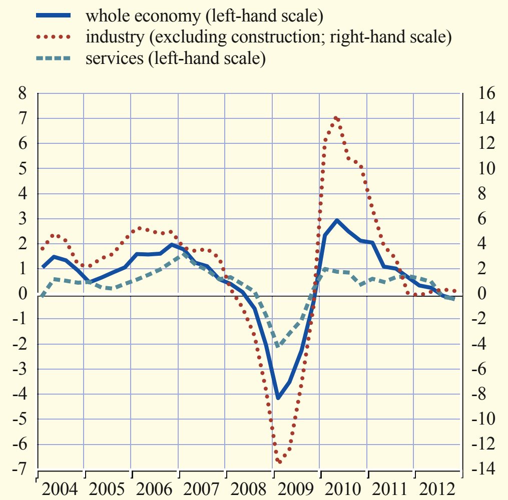


Sources: Eurostat and European Commission Business and Consumer Surveys.
Note: Percentage balances are mean-adjusted.

Annual growth in labour productivity per person employed, which has been declining for two years, decreased to stand at -0.2% in the fourth quarter of 2012 (see Chart 55). Growth in productivity per hour worked rebounded slightly, in line with the sharp fall in total hours worked, albeit at a moderate pace. Productivity growth is expected to have been low at the beginning of 2013, on the back of anaemic economic activity.

Chart 55 Labour productivity per person employed

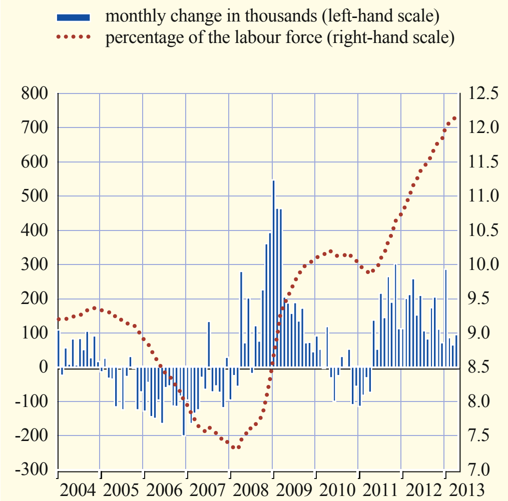
(annual percentage changes)



Sources: Eurostat and ECB calculations.

Chart 56 Unemployment

(monthly data; seasonally adjusted)



Source: Eurostat.

The unemployment rate rose by 0.1 percentage point, to 12.2%, in April 2013, reaching a new high since the series began. The unemployment rate has increased by 2.3 percentage points since April 2011, which is when it started to rise (see Chart 56). The lack of job creation, together with weak survey results, suggests a new rise in unemployment in the short term.

Box 7

THREE INDICATORS TO COMPLEMENT THE STANDARD DEFINITION OF EMPLOYMENT AND UNEMPLOYMENT

Eurostat has been publishing three new harmonised indicators of underemployment and the potential additional labour force for the euro area and EU countries since 2011[1]. These indicators complement the International Labour Organization's (ILO) measure of unemployment (shown in Table 5.3.b of the statistical annex) and can be seen as forming "halos" or concentric circles around the pool of unemployed as defined by the ILO. The data give further insight into the potentially available labour supply that is not captured via the standard definition of employment and/or unemployment. This box presents the new indicators and offers an initial analysis of the additional information provided by them regarding the labour market structure and its development, using the latest available data for 2012.

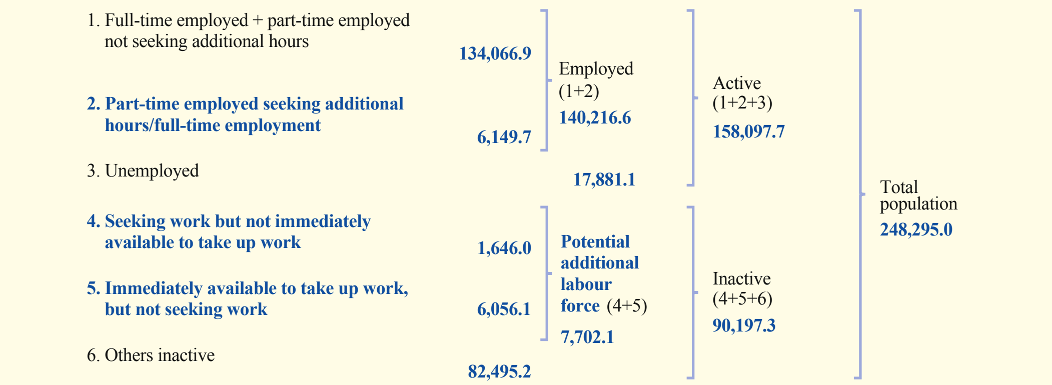
In order to be classified as unemployed according to the ILO's definition, a person needs to fulfil three criteria: (i) not to have worked at all in the reference week, (ii) to be available to take up work within the next two weeks and (iii) to have been either actively seeking work in the past four weeks or have already found a job that starts in the next three months. Easing the first of these criteria makes it possible to identify *underemployed part-time workers*, i.e. those who are willing to work more hours and can increase their attachment to the labour market as fully employed persons[2]. The easing of the other two criteria in the ILO's definition permits the identification of those who, while not being employed, are either seeking a job but *are not immediately available* or are available but *are not actively seeking a job*. An example of the former would be students who have not yet completed their studies, while the latter would include, for instance, those who are prevented from seeking a job due to personal or family circumstances. This group also includes the so-called discouraged workers, who believe their search for work to be in vain. As such, these two categories of persons do not come under the standard definitions of persons employed or unemployed and are therefore not accounted for as part of the labour force/active population; they are instead classified as economically inactive. Still, given their closer attachment to employment than other inactive persons, they can be referred to as the *potential additional labour force*. These new indicators thus help to complete the picture of those persons between the three standard ILO statuses of employment, unemployment and inactivity (see Chart A).

The data source for these additional indicators is the same as that for the unemployment rate, namely the harmonised quarterly labour force survey (LFS).[3] The supplementary indicators are

1 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Underemployment_and_potential_additional_labour_force_statistics
2 Note here that the indicator of underemployment captures only part-time workers who would like to work additional hours. It does not include full-time workers who may wish to work extra hours.
3 Available at http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/documents/DS_LFS_EN_6_subdoc_regulation.pdf

Chart A Supplementary indicators in context

(2012; thousands of persons aged 15-74; euro area)



Source: Eurostat.
Note: The three supplementary indicators are in bold in the first column.

currently available from the first quarter of 2005 to the fourth quarter of 2012.[4] They are released around 100 days after the reference period, in line with the quarterly release calendar for the LFS. The data are broken down by gender, age, educational attainment and nationality (nationals, nationals from another EU Member State and non-EU nationals). The latest annual data are also presented as percentages of the labour force (active population) in order to give an idea of their relative size. It should be noted, however, that while the underemployed as a percentage of the labour force is a genuine "share" in statistical terms, as the underemployed (numerator) are part of the labour force (denominator), this is not the case with the other two indicators. Since the unemployed not immediately available or not actively seeking work (the respective numerators) are not part of the labour force, the sum of these shares as a percentage of the actual labour force should thus be interpreted as a potential relative addition to the latter.

The latest data for 2012[5] show that underemployed part-time workers in the euro area totalled some 6.2 million persons or 3.9% of the labour force (see the table below). The number of underemployed persons increased last year as much as it had done over the four years from

Employment, unemployment and supplementary indicators over the period 2008-2012

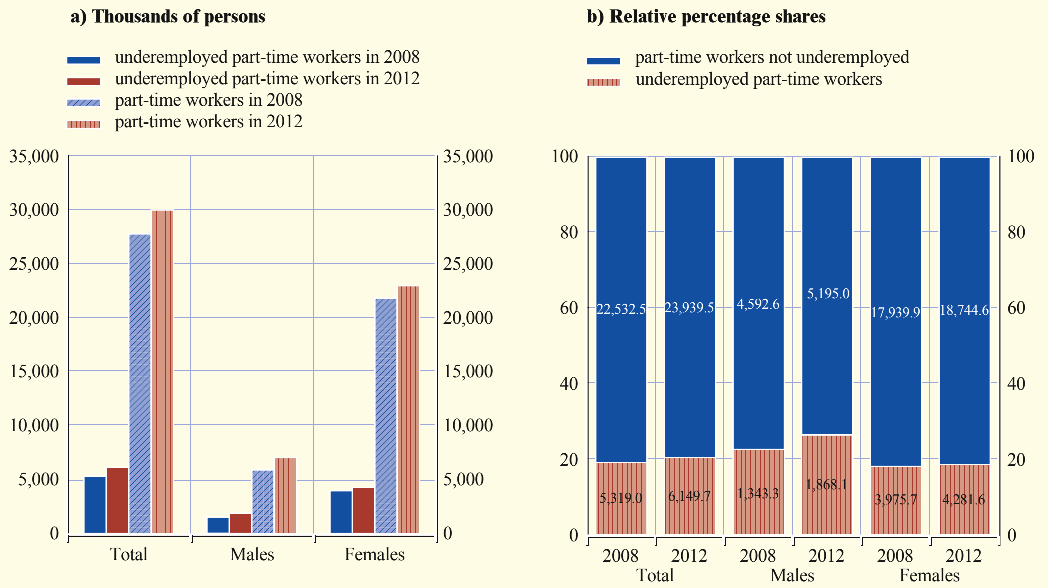
(Thousands of persons aged 15-74; euro area)

	2008	2009	2010	2011	2012
Full-time and part-time workers not seeking additional work (1)	138,807	135,959	134,928	135,466	134,067
Underemployed part-time workers (2)	5,319	5,530	5,787	5,750	6,150
Employed persons (1+2)	144,126	141,489	140,715	141,216	140,217
Unemployed persons (3)	11,709	14,799	15,692	15,839	17,881
Active persons (1+2+3)	155,834	156,287	156,407	157,055	158,098
Persons seeking work but not immediately available (4)	1,843	1,617	1,625	1,635	1,646
Persons available to work but not seeking work (5)	5,029	5,341	5,467	5,805	6,056
Potential additional labour force (4+5)	6,872	6,958	7,091	7,439	7,702

Source: Eurostat.

4 The underemployed part-time workers series start in the first quarter of 2008.
5 Data are available at a quarterly frequency, but are not yet seasonally adjusted.

Chart B Part-time workers as a whole and underemployed part-time workers, broken down by gender



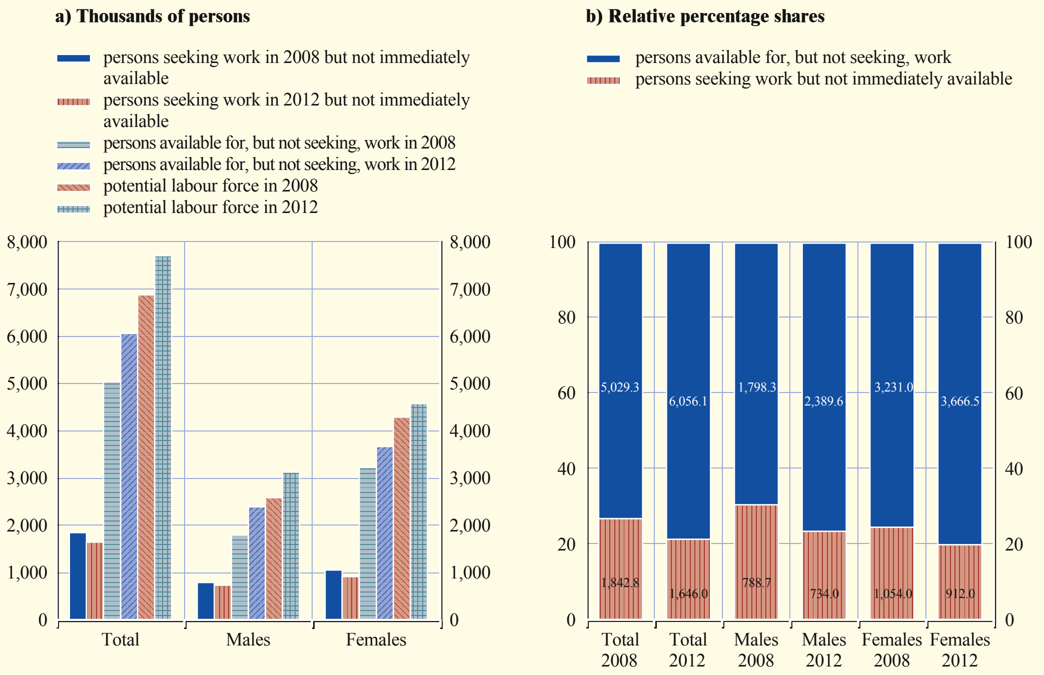
Source: Eurostat.

2008 to 2011. The potential additional labour force in the euro area includes 7.7 million people (4.8% of the labour force), most of whom are persons available for, but not seeking, work (78.6%), while the remainder are persons seeking work but not immediately available (21.4%). Furthermore, data for the potential labour force have followed different patterns since 2008. The number of persons seeking work but not immediately available decreased in 2009 and remained broadly stable thereafter up to 2012. However, the number of persons available for, but not seeking, work has steadily increased since 2008. The latter could be evidence of increasingly discouraged workers and could have resulted from the weak economic environment and the increased level of unemployment.

A gender distribution analysis of the full set of labour market indicators shows that, while men are the predominant gender in employment (55% in 2012) and unemployment (56% in 2012) statistics, women form the majority in these supplementary indicators. Chart B a) presents the total and gender breakdown of part-time workers and of those willing to work more. Underemployed part-time workers represent around 20% of the total number of persons working part-time. About 70% of underemployed persons are women. This is because, among other things, many more women than men work part-time. Taking this into account and looking at the relative shares by gender (Chart B b)), it can be seen that, compared with the total number of males working part-time, the male relative share is higher than that of women.

A similar outcome can be seen in the potential additional labour force indicators (Chart C). The shares of women and men in the category of persons available for, but not seeking, work were 60.5% and 39.5% respectively in 2012. The share of women in the category of persons seeking work but not immediately available was slightly lower (55.4% in 2012). Chart C also compares the 2012 data with the 2008 data. It shows how the potential additional labour force increased during the whole period for both women and men. However, the

Chart C Potential additional labour force broken down by gender



Source: Eurostat.

change predominantly affects the number of men, who represent 65% of the total increase. The number of men available for, but not seeking, work increased more sharply than it did for women, while there was a share decrease in the number of women seeking work but not immediately available over the period.

Overall, these new indicators give a further insight into the euro area labour market by taking into consideration the various degrees of attachment of persons considered employed or inactive in the ILO's standard definitions. They can help not only to provide a better understanding of the developments in the labour market that are not captured by the broader ILO categorisations, but also to monitor slackness/tightness in the labour market as well as the potential for labour force-enhancing reforms, particularly in the area of labour market activation.

4.4 THE OUTLOOK FOR ECONOMIC ACTIVITY

Recent developments in economic sentiment survey data have shown some improvement from low levels. Looking ahead to later in the year and to 2014, euro area export growth should benefit from a recovery in global demand, while domestic demand should be supported by the accommodative monetary policy stance and by the recent real income gains due to lower oil prices and generally lower inflation. Furthermore, the significant improvements in financial markets seen since last summer should work their way through to the real economy, as should the progress made in fiscal consolidation. At the same time, the remaining necessary balance sheet adjustments in the public and private sectors will continue to weigh on economic activity. Overall, euro area economic activity should stabilise and recover in the course of the year, albeit at a subdued pace.

This assessment is also reflected in the June 2013 Eurosystem staff macroeconomic projections for the euro area, which foresee annual real GDP declining by 0.6% in 2013 and increasing by 1.1% in 2014. Compared with the March 2013 ECB staff macroeconomic projections, the projection for 2013 has been revised marginally downwards, largely reflecting the incorporation of the latest GDP data releases. For 2014 there has been a marginal upward revision (see Section 6).

The risks surrounding the economic outlook for the euro area continue to be on the downside. They include the possibility of weaker than expected domestic and global demand and slow or insufficient implementation of structural reforms in euro area countries.

5 FISCAL DEVELOPMENTS

According to the European Commission's spring 2013 European economic forecast, the euro area government deficit will continue to decline this year and will be broadly unchanged in 2014, notwithstanding large differences in fiscal developments across countries. Although progress has been made in fiscal consolidation, further improvement in fiscal positions is warranted in order to restore sound and sustainable public finances.

FISCAL DEVELOPMENTS IN 2012

According to Eurostat's spring 2013 excessive deficit procedure (EDP) notifications, the euro area general government deficit declined to 3.7% of GDP in 2012, from 4.2% in 2011 (see Table 12). Progress with fiscal consolidation in the euro area took place in an environment of declining economic growth and, in some countries, substantial fiscal costs due to financial support provided to fragile banks (see also Box 8). The consolidation was driven by revenue-increasing measures, which more than offset the increase in expenditure seen in 2012. However, budget deficits continued to exceed the 3% of GDP reference value in the majority of euro area countries, i.e. all except Germany, Estonia, Italy, Luxembourg, Austria and Finland.

General government debt for the euro area increased further in 2012, reaching 92.7% of GDP compared with 88% in 2011 (see Table 12). The rise in the debt level took place primarily on account of a positive interest rate-growth differential, while a large deficit-debt adjustment, including the effect of support provided to the financial sector, and a primary deficit also contributed to the deterioration. Only five euro area countries recorded debt ratios below the reference value of 60% of GDP, and debt ratios were close to or above 100% of GDP in Belgium, Ireland, Greece, Italy and Portugal (see Table 13).

Table 12 Fiscal developments in the euro area

(as a percentage of GDP; general government)

	2010	2011	2012	2013	2014
a. Total revenue	44.8	45.3	46.2	46.8	46.5
b. Total expenditure	51.0	49.5	50.0	49.8	49.3
of which:					
c. Interest expenditure	2.8	3.0	3.1	3.1	3.1
d. Primary expenditure (b-c)	48.2	46.4	46.8	46.7	46.2
Budget balance (a-b)	-6.3	-4.2	-3.7	-2.9	-2.8
Primary budget balance (a-d)	-3.4	-1.1	-0.6	0.1	0.3
Cyclically adjusted budget balance	-5.1	-3.5	-2.6	-1.4	-1.6
Structural budget balance	-4.5	-3.6	-2.1	-1.4	-1.5
Gross debt	85.6	88.0	92.7	95.5	96.0
Memo item: real GDP (percentage change)	2.0	1.4	-0.6	-0.4	1.2

Sources: European Commission's spring 2013 economic forecast and ECB calculations.
Note: Figures may not add up due to rounding.

Box 8

THE FISCAL IMPLICATIONS OF FINANCIAL SECTOR SUPPORT

Since the outbreak of the financial crisis in autumn 2008, most euro area countries have had to provide support to financial institutions, mostly by recapitalising distressed banks or providing guarantees on banks' liabilities.[1] This box provides an overview of the budgetary impact of financial sector support, which has regained importance since 2012. The box also looks at the

1 "The impact of government support to the banking sector on euro area public finances", *Monthly Bulletin*, ECB, Frankfurt am Main, July 2009.

Net impact of financial sector support on government deficit, debt and contingent liabilities in euro area countries (2008-12)

(as a percentage of GDP)

	General government balance					General government gross debt	Contingent liabilities
	2008	2009	2010	2011	2012	2008-12	2008-12
Belgium	0.0	0.0	0.1	0.1	-0.6	6.7	15.7
Germany	-0.1	-0.1	-1.3	0.0	-0.1	11.6	2.2
Ireland	…	-2.3	-20.2	-3.6	1.0	31.4	69.8
Greece	…	0.2	0.4	0.3	-4.0	14.5	27.9
Spain	0.0	0.1	0.1	-0.3	-3.6	5.1	6.5
France	0.0	0.1	0.1	0.0	-0.1	0.2	2.5
Italy	…	0.0	0.0	0.0	0.0	0.2	5.5
Cyprus	…	0.1	0.2	0.1	-0.2	10.0	5.6
Luxembourg	-0.1	-0.2	0.1	0.1	0.1	6.7	5.0
Netherlands	0.0	-0.4	-0.2	0.0	-0.1	6.9	3.2
Austria	0.0	0.0	-0.5	-0.1	-0.8	3.4	3.8
Portugal	0.0	0.0	-1.3	-0.5	-0.6	10.6	10.0
Slovenia	…	0.0	0.1	-0.6	-0.1	4.1	0.6
Euro area	**0.0**	**-0.1**	**-0.7**	**-0.1**	**-0.6**	**5.7**	**5.7**

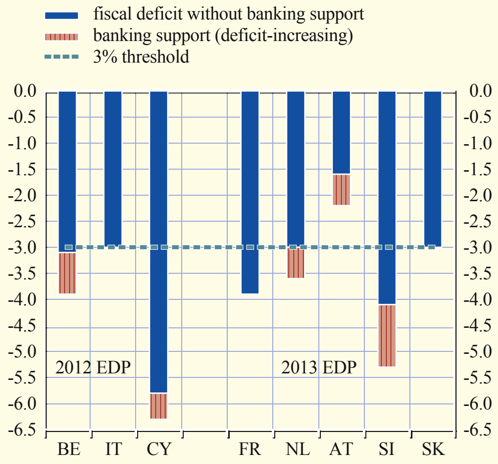
Source: Eurostat.
Notes: Between 2008 and 2012 no financial sector support was provided in Estonia, Malta, Slovakia or Finland. Empty cells indicate that no financial sector support was provided. Contingent liabilities reported only refer to state guarantees granted to banks.

treatment of financial sector support in the context of the reinforced Stability and Growth Pact (SGP), with a focus on the excessive deficit procedure (EDP).

From a statistical point of view, financial sector support (in the form of acquisition of shares in banks or loans, for example) has a direct impact on government gross debt. Likewise, redemption payments by the financial sector to the government lower the debt burden. State guarantees on banks' liabilities, however, affect neither government gross debt nor the fiscal deficit, but are recorded as contingent liabilities. Nevertheless, they pose a (in some countries considerable) risk to public finances if the guarantees need to be honoured, in which case they adversely affect both government debt and deficit levels. Financial sector support can also directly increase the fiscal deficit in the case of a capital transfer, i.e. a capital injection by the government that is not expected to yield a sufficient rate of return. The impact is considered temporary, as it only affects the deficit in the year of the transaction. In addition, public finances are affected indirectly by financial sector support, for example through interest payable on debt instruments issued by the government to finance its banking support. To derive the net impact of financial sector support on the government deficit, these expenditure items have to be offset against corresponding government revenue (mainly interest receivable on loans granted to financial institutions, dividends and fees receivable for guarantees).

General government balance in the respective EDP deadline year (2012-13)

(as a percentage of GDP)



Sources: European Commission's spring 2013 economic forecast and national sources.
Note: The chart only refers to the deficit-increasing financial sector support measures and their direct impact on the corresponding fiscal deficit in the year of the EDP deadline, thus either 2012 or 2013.

For the euro area as a whole, financial sector support in 2012 caused the fiscal deficit to increase by 0.6% of GDP (see the table), while the cumulated net impact on the government gross debt-to-GDP ratio (i.e. after taking account of redemptions) amounted to 5.7% of GDP for the period 2008 to 2012. The accumulated stock of contingent liabilities related to state guarantees granted to banks stood at 5.7% of GDP. However, support given to financial institutions and its budgetary implications varied considerably across countries in 2012: the net impact of financial sector support on the government deficit was particularly pronounced in Greece and Spain (approximately 4% of GDP) and, albeit to a lesser degree, in Belgium, Austria and Portugal. By contrast, in Ireland, the massive banking sector support provided mainly in 2010 had, via receivables, a positive net impact on public finances in 2012.

In the first few months of 2013, financial sector support continued to affect public finances in some euro area countries. For example, in the Netherlands, the nationalisation of SNS Reaal and the subsequent honouring of guarantees increased the 2013 fiscal deficit by 0.6% of GDP and the debt-to-GDP ratio by 1.6%, according to the government. In Slovenia, the fiscal deficit is expected to increase by 3.7% of GDP in 2013 as a result of support granted to financial institutions (including the additional measures recently announced by the authorities).

Given the importance of safeguarding financial stability and providing liquidity support, there is a need to recapitalise banks. Therefore, financial sector support should be treated differently from other public expenditure. For this reason, the corrective arm of the reinforced SGP provides the possibility to exclude financial sector support when calculating the "annual structural adjustment" efforts of a country – at least in the event that the support measures have a temporary direct impact on government budget balances.[2] Thus, in this case the respective countries do not necessarily need to compensate for the fiscal costs arising from financial sector support by taking additional consolidation measures. This might be particularly relevant in the context of the current debate about EDP deadline extensions (usually granted for one year). The prerequisites of an EDP deadline extension are: (a) an unexpected adverse economic event with major unfavourable consequences for government finances, and (b) the government having undertaken the required "effective action", using the country's "annual structural adjustment" efforts as a basis. However, financial sector support is not excluded when the question as to whether the EDP should be abrogated is assessed, because such assessment is based on the nominal (headline) deficit, which is not adjusted for financial sector support. Moreover, financial sector support is not excluded when assessing, under the preventive arm of the SGP, whether a country complies with the deficit and/or debt criterion.[3]

The partly sizeable impact of financial sector support will make it even more challenging for a number of euro area countries to correct their excessive headline deficits by the initial deadline. The chart shows the fiscal deficits of the countries with agreed EDP deadlines in 2012 and 2013 and the deficit-increasing impact of financial sector support in the respective EDP year. The figures suggest that in the case of the Netherlands, without the provision of financial sector support, the country could have met its EDP deadline in 2013. Most of the other countries with EDP deadlines in 2012 or 2013 would not have met the 3% threshold even if the fiscal costs of their financial sector support were disregarded. Thus, for those countries to comply with the agreed deadlines, considerably more fiscal consolidation efforts would have been necessary.

2 A similar approach has been taken in the context of EU/IMF adjustment programmes, where fiscal targets explicitly exclude the impact of financial sector support on the deficit.

3 However, the SGP foresees taking financial sector support into account as a "relevant factor" (Regulation (EC) No 1467/97, Article 2(3)) when assessing whether a country complies with the deficit and/or debt criterion.

FISCAL DEVELOPMENTS IN 2013 AND BEYOND

According to the European Commission's spring 2013 European economic forecast, the euro area general government deficit is expected to decline to 2.9% of GDP in 2013 and to be almost unchanged at 2.8% of GDP in 2014 (see Table 12). The fiscal outlook has been marginally revised upwards since the winter 2013 forecast. The expected fiscal improvement in 2013 is largely attributable to revenue-increasing measures, as well as to a minor decline in the expenditure ratio. For 2014 the small fiscal adjustment is expected to come mainly from the expenditure side, partly reflecting a better macroeconomic outlook. However, the expected overall improvement in the budget balance and the composition of fiscal consolidation mask notable differences across countries.

The Commission's latest forecast projects a continued increase in the general government debt-to-GDP ratio for the euro area to 95.5% in 2013 and 96% in 2014, which is a slightly stronger increase than foreseen in its winter 2013 forecast. The expected rise in the debt ratio is largely on account of a positive interest rate-growth differential and to a lesser extent a deficit-debt adjustment (mostly reflecting further bank recapitalisation needs). These factors are only to a minor extent offset by a small primary surplus in the euro area as of 2013.

ASSESSMENT OF THE 2013 UPDATES OF THE STABILITY PROGRAMMES

According to the 2013 updated stability programmes provided by governments, the euro area general government deficit is expected to decline to 2.9% of GDP in 2013, 2.1% in 2014 and 1.5% in 2015 (see Table 13). The updated stability programmes are broadly in line with the Commission's forecast for 2013, but for a number of countries the fiscal targets are considerably more optimistic for 2014. For the euro area as a whole, the deficit based on the updated stability programmes would be 0.7 percentage point lower than the deficit expected in the Commission's forecast. The difference can be largely explained by the different assumptions on fiscal consolidation, with the Commission's forecast taking into account only those policy measures which have already passed the legislative process or been specified in detail. As 2014 budgets will not be prepared until the autumn, many consolidation assumptions underlying the stability programmes' targets for 2014 have not been taken into account in the Commission's spring 2013 forecast. Accordingly, the stability programmes' GDP growth assumptions for 2014 can be considered to be optimistic, as they do not seem to fully reflect the envisaged fiscal consolidation efforts. Thus, governments will need to underpin their consolidation plans with well-specified measures in preparing their 2014 budgets, and possibly adopt additional measures to compensate for their optimistic growth assumptions. Fully specified measures become all the more important in view of the fact that on 30 May new legal provisions (the so-called "two-pack") entered into force requiring euro area countries to submit, and the Commission to carefully scrutinise and give an opinion on, their draft budgetary plans. The new rules also foresee a closer monitoring of countries subject to an EDP.[1]

A brief review of recent budgetary developments and updated fiscal targets in the four largest euro area countries and the EU/IMF programme countries is provided below.

In Germany, the general government balance improved to +0.2% of GDP in 2012, from -0.8% of GDP in 2011. The 2012 outcome was significantly more favourable than targeted in the 2012 stability programme update (-1% of GDP). This was due to higher than forecast tax receipts and lower expenditure, driven by buoyant growth in profit-related taxes, an only moderate increase in social benefit payments, and the further phasing-out of fiscal stimulus measures introduced in the context of the 2008-09 recession. The government debt-to-GDP ratio increased to around 82% in 2012 from 80% in 2011, largely on account of financial support provided to a number of euro

1 See the Official Journal of the European Union, OJ L 140, 27.05.2013, and the box entitled "The 'two-pack' regulations to strengthen economic governance in the euro area", *Monthly Bulletin*, ECB, April 2013.

Table 13 The updated 2013 stability programmes of the euro area countries

	Budget balance (percentages of GDP)					Gross debt (percentages of GDP)					Real GDP (percentage changes)				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
Belgium															
EC spring 2013 forecast	-3.7	-3.9	-2.9	-3.1	-	97.8	99.6	101.4	102.1	-	1.8	-0.2	0.0	1.2	-
2013 SP update	-	-3.9	-2.5	-2.0	-0.5	-	99.3	100.0	99.0	96.5	-	-0.2	0.2	1.5	1.6
Germany															
EC spring 2013 forecast	-0.8	0.2	-0.2	0.0	-	80.4	81.9	81.1	78.6	-	3.0	0.7	0.4	1.8	-
2013 SP update	-	0.2	-0.5	0.0	0.0	-	81.9	80.5	77.5	75.0	-	0.7	0.4	1.6	1.5
Estonia															
EC spring 2013 forecast	1.2	-0.3	-0.3	0.2	-	6.2	10.1	10.2	9.6	-	8.3	3.2	3.0	4.0	-
2013 SP update	-	-0.3	-0.5	0.0	0.2	-	10.1	10.2	9.9	9.3	-	3.2	3.0	3.6	3.5
Ireland															
EC spring 2013 forecast	-13.4	-7.6	-7.5	-4.3	-	106.4	117.6	123.3	119.5	-	1.4	0.9	1.1	2.2	-
2013 SP update	-	-7.6	-7.5	-4.4	-2.2	-	117.6	123.3	119.4	115.5	-	0.9	1.3	2.4	2.8
Greece															
EC spring 2013 forecast	-9.5	-10.0	-3.8	-2.6	-	170.3	156.9	175.2	175.0	-	-7.1	-6.4	-4.2	0.6	-
EU/IMF programme targets	-9.1	-10.1	-6.1	-2.1	-1.2	165.3	160.5	164.2	161.1	152.9	-6.9	-4.7	0.0	2.5	3.1
Spain															
EC spring 2013 forecast	-9.4	-10.6	-6.5	-7.0	-	69.3	84.2	91.3	96.8	-	0.4	-1.4	-1.5	0.9	-
2013 SP update	-	-10.6	-6.3	-5.5	-4.1	-	84.2	91.4	96.2	99.1	-	-1.4	-1.3	0.5	0.9
France															
EC spring 2013 forecast	-5.3	-4.8	-3.9	-4.2	-	85.8	90.2	94.0	96.2	-	1.7	0.0	-0.1	1.1	-
2013 SP update	-	-4.8	-3.7	-2.9	-2.0	-	90.2	93.6	94.3	92.9	-	0.0	0.1	1.2	2.0
Italy															
EC spring 2013 forecast	-3.8	-3.0	-2.9	-2.5	-	120.8	127.0	131.4	132.2	-	0.4	-2.4	-1.3	0.7	-
2013 SP update	-	-3.0	-2.9	-1.8	-1.7	-	127.0	130.4	129.0	125.5	-	-2.4	-1.3	1.3	1.5
Cyprus															
EC spring 2013 forecast	-6.3	-6.3	-6.5	-8.4	-	71.1	85.8	109.5	124.0	-	0.5	-2.4	-8.7	-3.9	-
EU/IMF programme targets	-	-	-6.5	-8.4	-6.3	-	-	111.4	124.4	126.7	-	0.0	-5.6	-3.1	-0.2
Luxembourg															
EC spring 2013 forecast	-0.2	-0.8	-0.2	-0.4	-	18.3	20.8	23.4	25.2	-	1.7	0.3	0.8	1.6	-
2013 SP update	-	-0.8	-0.7	-0.6	-1.3	-	20.8	23.8	25.9	27.1	-	0.3	1.0	2.2	1.7
Malta															
EC spring 2013 forecast	-2.8	-3.3	-3.7	-3.6	-	70.3	72.1	73.9	74.9	-	1.7	0.8	1.4	1.8	-
2013 SP update	-	-3.3	-2.7	-2.1	-1.6	-	72.1	74.2	74.2	72.7	-	0.8	1.4	1.6	1.9
Netherlands															
EC spring 2013 forecast	-4.5	-4.1	-3.6	-3.6	-	65.5	71.2	74.6	75.8	-	1.0	-1.0	-0.8	0.9	-
2013 SP update	-	-4.1	-3.4	-3.0	-2.0	-	71.2	74.0	75.0	71.4	-	-0.9	-0.4	1.1	1.6
Austria															
EC spring 2013 forecast	-2.5	-2.5	-2.2	-1.8	-	72.5	73.4	73.8	73.7	-	2.7	0.8	0.6	1.8	-
2013 SP update	-	-2.5	-2.3	-1.5	-0.6	-	73.4	73.6	73.0	71.3	-	0.8	1.0	1.8	2.0
Portugal															
EC spring 2013 forecast	-4.4	-6.4	-5.5	-4.0	-	108.3	123.6	123.0	124.3	-	-1.6	-3.2	-2.3	0.6	-
2013 SP update	-	-6.4	-5.5	-4.0	-2.5	-	123.0	122.3	123.7	122.5	-	-3.2	-2.3	0.6	1.5
Slovenia															
EC spring 2013 forecast	-6.4	-4.0	-5.3	-4.9	-	46.9	54.1	61.0	66.5	-	0.6	-2.3	-2.0	-0.1	-
2013 SP update	-	-4.0	-7.9	-2.6	-2.1	-	54.1	61.8	63.2	63.2	-	-2.3	-1.9	0.2	1.2
Slovakia															
EC spring 2013 forecast	-5.1	-4.3	-3.0	-3.1	-	43.3	52.1	54.6	56.7	-	3.2	2.0	1.0	2.8	-
2013 SP update	-	-4.3	-2.9	-2.6	-2.0	-	52.1	54.8	56.3	56.7	-	2.0	1.2	2.9	3.3
Finland															
EC spring 2013 forecast	-0.8	-1.9	-1.8	-1.5	-	49.0	53.0	56.2	57.7	-	2.8	-0.2	0.3	1.0	-
2013 SP update	-	-1.9	-1.9	-1.3	-0.9	-	53.0	56.3	57.3	57.5	-	-0.2	0.4	1.6	2.1
Euro area															
EC spring 2013 forecast	-4.2	-3.7	-2.9	-2.8	-	88.0	92.7	95.5	96.0	-	1.5	-0.6	-0.4	1.2	-
Based on 2013 SP update	-	-3.5	-2.9	-2.1	-1.5	-	91.3	93.4	92.9	91.1	-	-0.4	-0.2	1.3	1.6

Sources: European Commission's spring 2013 economic forecast, updated 2013 stability programmes, national sources and ECB calculations.
Notes: The euro area aggregate is calculated as a weighted average of all euro area countries for which data are available. As the April 2013 updates of the stability programmes of Greece and Cyprus are not yet available, the figures reported here are the latest in line with the EU/IMF programme targets.

area countries. In its 2013 stability programme update, the German government left the budget deficit targets largely unchanged compared with a year earlier: in 2013 the deficit is projected to stand at 0.5% of GDP, for 2014 and 2015 the government targets a broadly balanced budget, and for 2016 and 2017 a structural surplus of 0.5% of GDP is envisaged. This would help to bring the debt-to-GDP ratio onto a sustainable downward path.

In France, the general government deficit outturn for 2012 was 4.8% of GDP, down from 5.3% in 2011, which is slightly higher than targeted in the 2012 stability programme update. The difference is partly attributable to the financial sector support to Dexia (amounting to 0.1% of GDP). The fiscal targets spelled out in the 2013 update of the stability programme are less ambitious compared with a year earlier. Moreover, the adjustment plans are insufficient to meet the 2013 deadline for correcting the excessive deficit. In fact, the government expects the fiscal deficit to fall below the 3% of GDP threshold only in 2014 (see Table 13). Therefore, it is important to credibly continue consolidating public finances to contain the risks of a rapidly rising government debt-to-GDP ratio, which already exceeded 90% in 2012. In particular expenditure-based consolidation, preferably targeting less productive spending, would help in addressing structural weaknesses in view of a growing government expenditure-to-GDP ratio (which is already well above the euro area average).

In Italy, the general government deficit-to-GDP ratio was 3.0% in 2012, down from 3.8% in 2011. Based on its spring 2013 European economic forecast, the Commission recommended abrogating the EDP, as Italy was considered to have corrected its excessive deficit by the 2012 deadline and the deficit is projected to remain below the reference value. The fiscal outturn in 2012 was, however, 1.3 percentage points higher than the target set in the 2012 stability programme update, which is mostly attributable to worse than expected macroeconomic developments and weak revenue dynamics. Against the backdrop of a gradual recovery of GDP growth, the 2013 stability programme update projects the deficit to stand slightly below 3% of GDP in 2013 and to decrease over the programme horizon. The fiscal targets have been considerably relaxed compared with last year's stability programme update, foreseeing a more gradual consolidation path. The government debt ratio is expected to peak in 2013 at around 130% of GDP. Risks surrounding the deficit reduction path relate mainly to worse than expected macroeconomic developments, as well as to weaker than assumed revenue dynamics and higher expenditures. The deficit reduction path spelled out in the 2013 stability programme update must be strictly adhered to so as to minimise the risk of again breaching the 3% of GDP reference value in the near future. This will be a key policy challenge for the new government which was sworn in on 28 April 2013.

In Spain, the general government deficit amounted to 10.6% of GDP in 2012, up from 9.4% in 2011. However, excluding the impact of capital support to fragile banks, net borrowing was reduced from 9.0% to 7.0% of GDP. This was above the EDP target of 6.3% of GDP but nonetheless represented a considerable fiscal effort in a context of recession. Total government revenue edged up, as tax increases offset the effects of still sharply contracting tax bases, while primary spending excluding support to banks was cut by more than 5%. The 2013 update of the stability programme presented a revised, more gradual fiscal adjustment plan, with new targets for the general government deficit-to-GDP ratio of 6.3% in 2013, 5.5% in 2014, 4.1% in 2015 and 2.7% in 2016, which should reduce the risk of targets not being met. The revised adjustment plan implies an extraordinary two-year extension of the EDP deadline from 2014 to 2016. This extension places the onus on the authorities to develop detailed medium-term fiscal plans and pursue further fiscal-structural reforms to reinforce the credibility of the fiscal adjustment.

Given the projected slow economic recovery, the government debt-to-GDP ratio is expected to continue rising to almost 100% in 2015.

In Greece, the general government deficit (excluding the impact of support to financial institutions) declined from 9.8% of GDP in 2011 to 6.0% in 2012 (including this impact, it increased to 10.0% of GDP from 9.5% in 2011). The 2012 primary deficit target under the second EU/IMF adjustment programme of 1.5% of GDP, which excludes the cost of assistance to the financial sector, has been met with a small margin despite somewhat worse than expected macroeconomic conditions. This is explained by under-execution of discretionary spending, which more than offset revenue shortfalls. The EU/IMF mission concluded, in the context of the second review of the programme, that the government remains on track to meet the fiscal targets for 2013 and 2014, having addressed the downward revision to projected revenues with offsetting measures. This should ensure that the country regains control over the negative debt dynamics. Concerning fiscal reforms, a new framework for a semi-autonomous tax administration and new instalment schemes for the recovery of overdue tax and social security contribution obligations have been legislated. Greece must further meet the agreed milestones in the areas of anti-corruption measures, household debt restructuring and energy market liberalisation.

In Portugal, the general government deficit stood at 6.4% of GDP in 2012, up from 4.4% in 2011. The 2012 deficit target of 5% of GDP under the EU/IMF adjustment programme was nevertheless found by the review mission to have been met. The deviation from the target is explained by banking support measures, which are excluded from programme targets, and more importantly, the statistical treatment of some other one-off transactions that finally differed from what was expected by the authorities at the time when the target was established. In particular, weaker economic growth prospects have required some deficit target revisions, from 4.5% of GDP to 5.5% for 2013 and from 2.5% to 4% for 2014, while the 2015 target has been fixed at 2.5% of GDP. The programme aims to stabilise and then gradually reduce the government debt ratio from its very high level of about 124% of GDP in 2012. The need to identify savings to achieve the new fiscal targets has increased as a consequence of the April Constitutional Court decision which ruled out some of the measures in the 2013 budget (with a net impact on the fiscal balance of 0.8% of GDP). The government presented in May a package of measures representing savings equivalent to 2.8% of GDP in 2014 (compared with the initial 2013 budget). While these additional measures, which foresee cuts in the wage bill, pension outlays and intermediate consumption, are expected to be sufficient to achieve the programme target in 2013-14, implementation risks in particular with respect to the wage bill and pensions remain. The somewhat improved fiscal outlook, however, has helped Portugal to resume financing part of its debt in government bond markets.

Ireland outperformed its budget target in 2012, with the general government deficit turning out 1 percentage point below the EU/IMF programme limit of 8.6% of GDP, down from 13.4% in 2011. Government debt stood at 117.6% of GDP in 2012. The fiscal adjustment plans spelled out in the 2013 stability programme update are unchanged and are fully in line with commitments under the EU/IMF adjustment programme. Owing to various temporary factors, related to the liquidation of the Irish Bank Resolution Corporation and the expiration of an interest holiday, however, the 2013 headline deficit is likely to be only marginally lower, at 7.5% of GDP. As these effects fade away, the 2014 deficit is projected to drop to 4.3% of GDP. A timely exit from the EDP in line with the country's 2015 deadline therefore remains feasible on current policy plans. This should bring government debt onto a downward trajectory from 2014 onwards. Given this more favourable fiscal outlook, Ireland has made progress in regaining market access, including with a successful long-term bond issuance.

Regarding Cyprus, the general government deficit stood at 6.3% of GDP in 2012, unchanged from 2011. The Eurogroup endorsed on 12 April 2013 the EU/IMF macroeconomic adjustment programme for Cyprus, including measures in the fields of public finance, structural reforms and financial sector restructuring. The total official assistance provided by the European Stability Mechanism and the IMF will amount to €10 billion over a three-year horizon. The adjustment path targets a primary surplus of 4% of GDP by 2018 and a government debt-to-GDP ratio of around 105% of GDP by 2020. Cyprus missed the 2012 deadline for correcting its excessive deficit by a wide margin; a deadline extension by four years in line with the programme targets was approved by the EU Council at its meeting on 16 May 2013. To achieve the adjustment path, Cyprus has committed to implementing a fiscal consolidation package amounting to around 12% of GDP over the period 2013-18. Of this package, fiscal measures of around 7.2% of GDP have either been already legislated or adopted as prior actions. In addition, the Cypriot authorities decided to wind down or restructure the two largest banks in the country. Risks relate mainly to worse than expected macroeconomic developments, the impact of temporary capital controls on the economy and a partial and/or non-timely implementation of the measures of the adjustment programme.

FISCAL POLICY CHALLENGES

Considerable progress has been made in the euro area in reducing fiscal imbalances, notwithstanding large differences across countries. This improvement in fiscal positions needs to be continued in order to bring public finances back onto a sustainable path. In this context, the European Semester for the coordination of economic and budgetary policies should be used effectively to support the momentum towards the correction of fiscal imbalances by making ambitious recommendations to Member States. There must be a timely and strict follow-up to these country-specific recommendations if they are not sufficiently implemented.

Given in some cases large consolidation gaps, which are partly related to worse than expected macroeconomic developments as well as considerable financial sector support measures (see Box 8), several euro area countries are unlikely to meet their agreed deadlines for correcting the excessive deficit. Against this background, the European Commission proposed for a number of countries a deadline extension by up to two years. The Stability and Growth Pact (SGP) foresees EDP deadline extensions of not more than one year as a rule if "effective action" has been taken and in the event of unexpected adverse economic events with major unfavourable consequences for public finances. Frequent and multi-annual deadline extensions are likely to undermine the credibility of the reinforced EU fiscal governance framework, if not fully justified by exceptional circumstances and supported by more demanding adjustment efforts. Such deadline extensions also risk creating negative incentives for countries that aim to correct their excessive deficits on time. Any deadline extension should therefore be judged on the basis of transparent criteria and in full respect of the conditions set by the SGP. It should be made conditional upon a credible medium-term commitment to tackle fiscal imbalances as well as a growth-friendly composition of fiscal adjustment. A deadline extension by more than a year should be considered only in exceptional circumstances – for example in the context of a general macroeconomic adjustment programme which provides for strict fiscal conditionality and intensified monitoring. In the same vein, two-year EDP deadline extensions for non-programme countries should be coupled with the activation of "enhanced surveillance" under the new "two-pack" regulations[2] or – in the case of excessive macroeconomic imbalances – with the activation of the excessive imbalance procedure.

2 See footnote 1 in this section.

Fiscal surveillance under the SGP is based on complementary roles for structural and nominal budget balances. Nominal budget balances are transparent, ensure accountability and, via their effects on governments' financing needs, determine the impact on fiscal sustainability. Nominal targets, together with the 3% of GDP deficit reference value, should guide countries away from excessive deficits. They define the fiscal effort required to achieve sound fiscal positions and correct excessive deficits in structural terms. Structural balances, in turn, correct for the impact of the business cycle and for one-off and temporary measures – including support provided to the financial sector – and are, therefore, a useful concept for measuring countries' underlying fiscal positions. They are, however, associated with well-known measurement problems, particularly in the presence of major economic imbalances as well as revenue windfalls and shortfalls. For example, cases in which potential output growth is revised downwards would indicate, ex post, a much lower structural fiscal adjustment effort, which could have serious consequences for countries that are already facing financial market strains. Against this background, particularly in an environment of macroeconomic rebalancing, the assessment of whether fiscal consolidation has been sufficient should not be based exclusively on developments in structural balances. Moreover, the nominal budget balance remains the relevant variable for abrogating an EDP.

Regarding the composition of fiscal consolidation, it is important that fiscal measures are of a high quality, while temporary and one-off measures should be avoided as much as possible. In particular, the elevated expenditure ratio in a number of countries calls for expenditure-based consolidation. Thereby, expenditure cuts should focus on less productive spending, while preserving efficient, growth-enhancing spending. On the revenue side, tax bases can be broadened and tax evasion should be fought, while increases in already high tax rates should be avoided.

More generally, it is important to ensure that fiscal consolidation is achieved on a sustainable basis. The issue of sustainable consolidation is in particular relevant with respect to decisions on whether a country has corrected its excessive deficit.

6 EUROSYSTEM STAFF MACROECONOMIC PROJECTIONS FOR THE EURO AREA[1]

On the basis of the information available up to 22 May 2013, Eurosystem staff have prepared projections for macroeconomic developments in the euro area.[2] Following a further decline in the first quarter of 2013, real GDP is projected to recover in the course of 2013, with momentum building somewhat in 2014. The recovery in economic activity is expected to be supported by the favourable impact on exports of a gradually rising external demand. Domestic demand should also pick up over time, initially mainly benefiting from a fall in commodity price inflation supporting real incomes and from the accommodative monetary policy stance. In 2014, domestic demand should also benefit from the progress made in fiscal consolidation. However, weak labour market developments and the need for further private sector balance sheet correction in some euro area countries are expected to dampen the medium-term outlook. Altogether, having fallen by 0.5% in 2012, real GDP is projected to decline by 0.6% in 2013 and to increase by 1.1% in 2014. Euro area HICP inflation is projected to decline markedly, from an average rate of 2.5% in 2012 to 1.4% in 2013 and 1.3% in 2014. The initial decline is expected to be driven mainly by a deceleration in the food and energy components, as well as by a small decline in HICP inflation excluding food and energy, reflecting the weakness of economic activity. The stable medium-term outlook reflects the counteracting effects of a decline in energy prices, a moderate rebound in food price inflation and, as the economy recovers, an edging up of domestic inflationary pressure, albeit a moderate one, since capacity utilisation remains low.

1 On 2 May 2013, the Governing Council decided to publish the projections in the form of midpoints and ranges. The publication of midpoints is expected to enhance transparency and further facilitate the communication of the projection results, while ranges should be seen as a means to reflect the uncertainty surrounding the projections. The ranges are based on the differences between actual outcomes and previous projections carried out over a number of years. The width of the ranges is twice the average absolute value of these differences. The method used for calculating the ranges, involving a correction for exceptional events, is documented in "New procedure for constructing Eurosystem and ECB staff projection ranges", ECB, December 2009, also available on the ECB's website.

2 The Eurosystem staff macroeconomic projections are produced jointly by experts from the ECB and the euro area NCBs. They are a biannual input into the Governing Council's assessment of economic developments and the risks to price stability. More information on the procedures and techniques used is given in "A guide to Eurosystem staff macroeconomic projection exercises", ECB, June 2001, which is available on the ECB's website.

Box 9

TECHNICAL ASSUMPTIONS ABOUT INTEREST RATES, EXCHANGE RATES, COMMODITY PRICES AND FISCAL POLICIES

The technical assumptions about interest rates and commodity prices are based on market expectations, with a cut-off date of 14 May 2013. The assumption about short-term interest rates is of a purely technical nature. Short-term rates are measured by the three-month EURIBOR, with market expectations derived from futures rates. The methodology gives an average level for these short-term interest rates of 0.2% for 2013 and 0.3% for 2014. The market expectations for euro area ten-year nominal government bond yields imply an average level of 2.8% in 2013 and 3.1% in 2014. Reflecting the path of forward market interest rates and the gradual pass-through of changes in market rates to lending rates, both short-term and long-term bank lending rates are expected to bottom out in the second half of 2013 and to rise gradually thereafter. As regards commodity prices, on the basis of the path implied by futures markets in the two-week period ending on the cut-off date, the price of a barrel of Brent crude oil is assumed to fall from USD 112.0 in 2012 to USD 105.5 in 2013 and USD 100.0 in 2014. The prices of non-energy commodities in US dollars are assumed to fall by 5.6% in 2013, before increasing by 0.5% in 2014.[1]

Bilateral exchange rates are assumed to remain unchanged over the projection horizon at the average levels prevailing in the two-week period ending on the cut-off date. This implies an exchange rate of USD per EUR of 1.31 throughout the projection horizon, which is 1.8% higher than in 2012. The effective exchange rate of the euro is assumed to appreciate by 2.8% in 2013 and remain unchanged in 2014.

Fiscal policy assumptions are based on individual euro area countries' national budget plans that were available on 22 May 2013. They include all policy measures that have already been approved by national parliaments or that have been specified in detail by governments and are likely to pass the legislative process.

1 Oil and food commodity price assumptions are based on futures prices up to the end of the projection horizon. The prices of other non-energy hard commodities are assumed to follow futures until the first quarter of 2014 and thereafter to evolve in line with global economic activity. EU farm gate prices (in euro), which are now used for forecasting food consumer prices, are projected on the basis of an econometric model that takes into account developments in international food commodity prices. This is the first projection exercise in which these assumptions for EU farm gate prices have been used.

THE INTERNATIONAL ENVIRONMENT

World real GDP growth (excluding the euro area) is projected to pick up gradually over the projection horizon, rising from 3.6% in 2013 (the same rate as in 2012) to 4.2% in 2014. Since the beginning of 2013, business sentiment and global financial market conditions have improved, as certain key risks – such as a sharp fiscal cliff-induced contraction in the United States and a hard landing in China – have diminished. However, recent declines in some business surveys have underscored the fragility of the global recovery. The medium-term outlook for the key advanced economies continues to be constrained by several factors: despite some progress in the rebalancing of private sector debt, the level of households' indebtedness remains elevated, while there is still a pressing need for fiscal consolidation in some economies. Other obstacles to growth (e.g. high unemployment) are dissipating only gradually. At the same time, growth in emerging economies is expected to remain robust, supported by buoyant credit growth. Many of these economies are expanding at rates close to potential, thereby providing an important support to global growth. World trade is assumed to pick up gradually over the course of next year. In terms of annual growth rates, following a rate of 3.6% in 2012, euro area foreign demand is estimated to grow by 2.7% in 2013 and by 5.6% in 2014.

REAL GDP GROWTH PROJECTIONS

Euro area real GDP fell by 0.2% in the first quarter of 2013, declining for the sixth consecutive quarter. Domestic demand declined in the first quarter of the year mainly due to a large fall in investment, reflecting low confidence and the adverse impact of the cold winter weather, mainly on construction activity, particularly in Germany. Private consumption rose slightly, while public consumption declined somewhat. Exports fell in the first quarter, albeit less than imports, resulting in a positive net trade contribution.

Looking ahead, real GDP is expected to increase in the course of 2013 and to gain momentum in 2014. The recovery is expected to be supported by the favourable impact on exports of a gradually rising external demand. Domestic demand should also pick up over time, initially bolstered by the unwinding of the effects of the adverse winter weather on activity, especially construction in Germany. Domestic demand should also initially benefit notably from a fall in commodity price inflation supporting real incomes and from the accommodative monetary policy stance. In 2014, it should also be supported by the progress made in fiscal consolidation. However, the adverse impact on domestic demand stemming from still overall low levels of consumer and business sentiment, weak labour market developments and remaining private sector deleveraging needs in some countries is expected to diminish only gradually over the projection horizon.

Overall, the recovery is projected to remain subdued by historical standards. In annual average terms, while real GDP is expected to decline by 0.6% in 2013, it largely reflects a negative carry-over effect stemming from the declines in GDP in late 2012 and in early 2013. In 2014, economic activity is projected to increase by 1.1%. This growth pattern reflects a substantially negative contribution of domestic demand in 2013 and its recovery thereafter, combined with positive contributions from net trade.

Extra-euro area export growth is projected to recover moderately during the course of 2013 and to gain momentum in 2014, mostly supported by a gradual strengthening of external demand. Euro area export market shares, which rose substantially between 2009 and 2012 on the back of improved competitiveness (as measured by the relative performance of extra-euro area export prices compared with competitors' export prices in euro terms), are projected to decline somewhat this year, reflecting the appreciation of the euro in 2013, before stabilising during the remainder of the projection horizon. Intra-euro area exports are projected to grow much more slowly than extra-euro area exports owing to the relative weakness of domestic demand within the euro area.

Business investment is projected to stay weak for the greater part of this year due to low sentiment, low capacity utilisation and fragile demand prospects. However, it is projected to pick up from late 2013 onwards, supported by the gradual strengthening of domestic and external demand, the very low level of interest rates, the need to gradually replace the capital stock after several years of subdued investment and a strengthening of profit mark-ups. Nevertheless, the need for further corporate balance sheet restructuring and adverse financing conditions in some euro area countries and sectors are likely to continue to dampen the projected recovery of business investment over the forecast horizon, albeit to a diminishing extent. Residential investment is likely to decline further in 2013 and is expected to remain weak into 2014 owing mostly to further adjustment needs in the housing markets in some countries, weak growth in disposable income and still fragile

Table 14 Macroeconomic projections for the euro area

(average annual percentage changes) [1)]

	2012	2013	2014
HICP	2.5	1.4	1.3
		[1.3 – 1.5]	[0.7 – 1.9]
Real GDP	-0.5	-0.6	1.1
		[-1.0 – -0.2]	[0.0 – 2.2]
Private consumption	-1.3	-0.8	0.6
		[-1.1 – -0.5]	[-0.5 – 1.7]
Government consumption	-0.4	-0.1	0.6
		[-0.6 – 0.4]	[-0.1 – 1.3]
Gross fixed capital formation	-4.2	-2.9	1.8
		[-4.1 – -1.7]	[-0.9 – 4.5]
Exports (goods and services)	2.9	0.8	4.1
		[-1.0 – 2.6]	[0.3 – 7.9]
Imports (goods and services)	-0.7	-0.7	3.8
		[-2.5 – 1.1]	[0.1 – 7.5]

1) The projections for real GDP and its components refer to working day-adjusted data. The projections for imports and exports include intra-euro area trade.

consumer sentiment. The adverse impact of these factors is expected to more than offset the effect of the relative attractiveness of housing investment in some other countries, where residential investment is supported by historically low mortgage rates. Government investment is expected to decline over the projection horizon owing to the expected fiscal consolidation measures in several euro area countries.

Private consumption is expected to be broadly flat for the remainder of 2013 in the context of a stabilisation in real disposable income. This stabilisation broadly reflects the offsetting effects of a further fall in employment and declines in non-wage income against a rise in real compensation per employee, which is benefiting from a fall in inflation rates. Private consumption growth is expected to gain some momentum in 2014, supported by the progress made in fiscal consolidation and by a pick-up in labour income as labour market conditions improve. Government consumption is projected to broadly stagnate in 2013 owing to fiscal consolidation efforts and to increase modestly in 2014.

Extra-euro area imports are projected to recover in the course of 2013, while remaining constrained by the still subdued total demand.

The crisis is expected to have adversely affected potential growth, although the exact magnitude of the impact remains highly uncertain. Notably, the continued weakness in employment and investment is weighing on the outlook for potential output growth. Given the outlook for real GDP growth, the output gap is projected to remain negative, although it is difficult to estimate its size with precision.

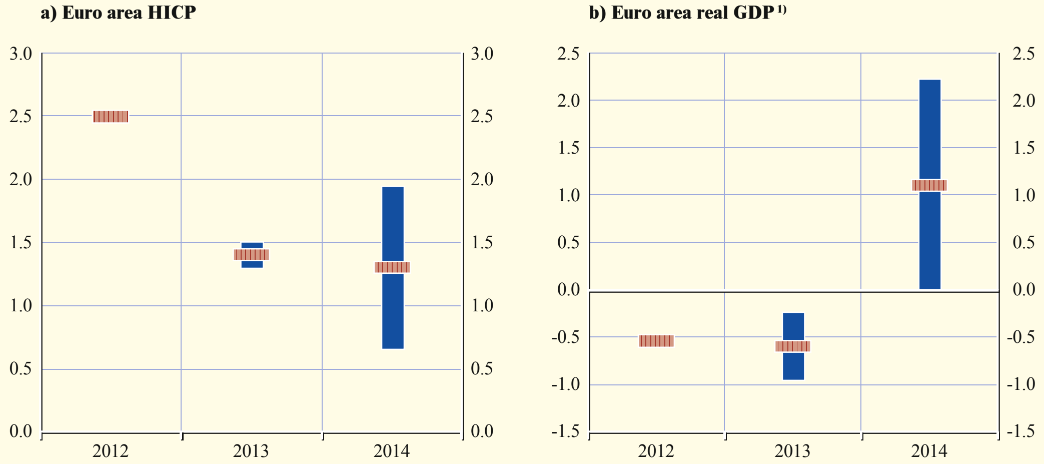
PRICE AND COST PROJECTIONS

Overall HICP inflation is projected to decline from an average rate of 2.5% in 2012 to 1.4% in 2013 and 1.3% in 2014. HICP inflation is expected to decrease markedly in the course of 2013 owing to the projected strong decline in energy price inflation and, to a lesser extent, food price inflation from the elevated levels reached in 2012. The drop in energy price inflation partly reflects downward base effects owing to the expected fading away of the impact of past increases in oil prices and the assumed gradual decline in oil prices over the projection horizon. Similarly, the pattern of food price inflation reflects initial downward base effects, as the impact of past increases is expected to fade away, followed by upward pressures related to the assumed increase in international and European food commodity prices over the projection horizon. HICP inflation excluding food and energy is projected to ease slightly this year, reflecting weak developments in economic activity. In 2014, it is expected to edge up slightly, reflecting the modest recovery in activity. External price pressures have eased in recent months owing to the appreciation of the euro in 2013 and declines in oil and non-oil commodity prices. Thus, the annual growth rate of the import deflator is projected to decline strongly in 2013, before picking up gradually towards the end of the projection horizon as the downward impact of the previous appreciation of the euro fades away, non-energy commodity prices increase and import demand gains momentum.

Turning to domestic price pressures, the annual growth rate of compensation per employee is expected to be broadly stable in 2013 and 2014. Taking into account projected consumer price inflation, real compensation per employee is expected to rise moderately over the projection horizon, following declines in 2011 and 2012. Unit labour cost growth is projected to remain relatively high in 2013, broadly unchanged from 2012, before declining in 2014 owing to a cyclical rise in productivity growth. Following a strong decline in 2012, profit margins are expected to fall slightly further in 2013, reflecting the weakness of domestic activity and the relatively strong increase in unit labour costs. Thereafter, lower unit labour cost growth and gradually improving economic

Chart 57 Macroeconomic projections

(average annual percentage changes)



1) The projections for real GDP refer to working day-adjusted data.

conditions are expected to support a recovery in profit margins. Increases in administered prices and indirect taxes that are included in fiscal consolidation plans are expected to make significant contributions to HICP inflation in 2013 and 2014, albeit less than in 2012.

COMPARISON WITH THE MARCH 2013 PROJECTIONS

Compared with the ECB staff macroeconomic projections published in the March 2013 issue of the Monthly Bulletin, the real GDP growth projection for 2013 has been revised marginally downwards, largely reflecting the incorporation of the latest GDP data releases. The real GDP growth projection for 2014 has been revised slightly upwards, reflecting the upward impact of lower interest rates and the lower effective exchange rate of the euro. With regard to HICP inflation, the projection for 2013 has been revised downwards, mostly reflecting lower oil prices in US dollars, which are only partly offset by the lower effective exchange rate of the euro.

Table 15 Comparison with the March 2013 projections

(average annual percentage changes)

	2013	2014
Real GDP – March 2013	-0.5	1.0
	[-0.9 – -0.1]	[0.0 – 2.0]
Real GDP – June 2013	-0.6	1.1
	[-1.0 – -0.2]	[0.0 – 2.2]
HICP – March 2013	1.6	1.3
	[1.2 – 2.0]	[0.6 – 2.0]
HICP – June 2013	1.4	1.3
	[1.3 – 1.5]	[0.7 – 1.9]

Box 10

FORECASTS BY OTHER INSTITUTIONS

A number of forecasts for the euro area are available from both international organisations and private sector institutions. However, these forecasts are not strictly comparable with one another or with the Eurosystem staff macroeconomic projections, as they were finalised at different points in time. Additionally, they use different (partly unspecified) methods to derive assumptions for fiscal, financial and external variables, including oil and other commodity prices. Finally, there are differences in working day adjustment methods across different forecasts (see the table below).

In the forecasts currently available from other institutions, euro area real GDP is expected to decline by between 0.3% and 0.6% in 2013, which is within the range of the Eurosystem staff projection and compares with a midpoint of -0.6%. For 2014, real GDP is projected to increase by between 0.9% and 1.2%, which is within the range of the Eurosystem staff projection and compares with a midpoint of 1.1%.

As regards inflation, the forecasts from other institutions point to an average annual HICP inflation of between 1.5% and 1.7% in 2013, which is somewhat higher than the range and the midpoint of the Eurosystem staff projection. In 2014, HICP inflation is expected to average between 1.2% and 1.6%, which is within the Eurosystem staff projection range and compares with a midpoint of 1.3%.

Comparison of forecasts for euro area real GDP growth and HICP inflation

(average annual percentage changes)

		GDP growth		HICP inflation	
	Date of release	2013	2014	2013	2014
IMF	April 2013	-0.3	1.1	1.7	1.5
Survey of Professional Forecasters	May 2013	-0.4	1.0	1.7	1.6
Consensus Economics Forecasts	May 2013	-0.5	0.9	1.6	1.6
Euro Zone Barometer	May 2013	-0.4	1.0	1.6	1.6
OECD	May 2013	-0.6	1.1	1.5	1.2
European Commission	May 2013	-0.4	1.2	1.6	1.5
Eurosystem staff projections	June 2013	-0.6	1.1	1.4	1.3
		[-1.0 – -0.2]	[0.0 – 2.2]	[1.3 – 1.5]	[0.7 – 1.9]

Sources: European Commission Economic Forecasts, Spring 2013; IMF World Economic Outlook, April 2013; OECD Economic Outlook, May 2013; Consensus Economics Forecasts; MJEconomics; and the ECB’s Survey of Professional Forecasters.
Notes: The Eurosystem staff macroeconomic projections and the OECD forecasts both report working day-adjusted annual growth rates, whereas the European Commission and the IMF report annual growth rates that are not adjusted for the number of working days per annum. Other forecasts do not specify whether they report working day-adjusted or non-working day-adjusted data.

EURO AREA STATISTICS

CONTENTS[1]

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

Conventions used in the tables

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

EURO AREA OVERVIEW

Summary of economic indicators for the euro area

(annual percentage changes, unless otherwise indicated)

1. Monetary developments and interest rates [1]

	M1 [2]	M2 [2]	M3 [2], [3]	M3 [2], [3] 3-month moving average (centred)	MFI loans to euro area residents excluding MFIs and general government [2]	Securities other than shares issued in euro by non-MFI corporations [2]	3-month interest rate (EURIBOR; % per annum; period averages)	10-year spot rate (% per annum; end of period) [4]
	1	2	3	4	5	6	7	8
2011	2.1	2.3	1.5	-	2.2	0.6	1.39	2.65
2012	4.0	3.1	2.9	-	-0.2	1.2	0.58	1.72
2012 Q2	2.8	2.7	2.7	-	-0.1	2.6	0.69	2.32
Q3	4.6	3.2	3.0	-	-0.6	0.9	0.36	1.94
Q4	6.2	4.2	3.6	-	-0.8	0.8	0.20	1.72
2013 Q1	6.8	4.3	3.2	-	-0.8	1.8	0.21	1.76
2012 Dec.	6.4	4.5	3.5	3.6	-0.6	2.3	0.19	1.72
2013 Jan.	6.5	4.4	3.5	3.3	-0.9	1.9	0.20	2.02
Feb.	7.0	4.3	3.1	3.0	-0.8	1.7	0.22	1.88
Mar.	7.1	4.2	2.6	3.0	-0.7	1.3	0.21	1.76
Apr.	8.7	4.9	3.2	.	-0.9	.	0.21	1.55
May	.	.	.	.	.	.	0.20	1.84

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

	HICP [1]	Industrial producer prices	Hourly labour costs	Real GDP (s.a.)	Industrial production excluding construction	Capacity utilisation in manufacturing (%)	Employment (s.a.)	Unemployment (% of labour force; s.a.)
	1	2	3	4	5	6	7	8
2011	2.7	5.8	2.2	1.5	3.2	80.6	0.3	10.2
2012	2.5	2.9	1.6	-0.6	-2.4	78.5	-0.6	11.4
2012 Q3	2.5	2.6	1.8	-0.7	-2.2	77.6	-0.6	11.5
Q4	2.3	2.4	1.3	-1.0	-3.1	77.3	-0.7	11.8
2013 Q1	1.9	1.2	.	-1.1	-2.4	77.5	.	12.1
2012 Dec.	2.2	2.3	-	-	-2.1	-	-	11.8
2013 Jan.	2.0	1.7	-	-	-2.5	77.5	-	12.0
Feb.	1.8	1.3	-	-	-3.2	-	-	12.1
Mar.	1.7	0.6	-	-	-1.7	-	-	12.1
Apr.	1.2	-0.2	-	-	.	77.5	-	12.2
May	1.4	.	-	-	.	-	-	.

3. External statistics

(EUR billions, unless otherwise indicated)

	Balance of payments (net transactions)			Reserve assets (end-of-period positions)	Net international investment position (as a % of GDP)	Gross external debt (as a % of GDP)	Effective exchange rate of the euro: EER-20 [6] (index: 1999 Q1 = 100)		USD/EUR exchange rate
	Current and capital accounts	Goods	Combined direct and portfolio investment				Nominal	Real (CPI)	
	1	2	3	4	5	6	7	8	9
2011	26.0	6.8	133.9	667.1	-13.9	121.3	103.4	100.7	1.3920
2012	131.1	100.6	7.4	689.4	-7.5	123.8	97.8	95.5	1.2848
2012 Q2	19.8	25.7	81.5	701.5	-12.4	124.4	98.2	95.9	1.2814
Q3	44.9	30.3	-19.7	733.8	-11.9	126.0	95.9	93.7	1.2502
Q4	66.1	37.9	26.0	689.4	-12.0	123.8	97.8	95.5	1.2967
2013 Q1	34.3	33.2	8.2	687.9	.	.	100.7	98.3	1.3206
2012 Dec.	28.3	12.2	-48.1	689.4	-	-	98.7	96.3	1.3119
2013 Jan.	-4.9	-2.7	20.8	675.3	-	-	100.4	98.0	1.3288
Feb.	13.1	12.0	-6.5	671.8	-	-	101.6	99.1	1.3359
Mar.	26.1	23.9	-6.1	687.9	-	-	100.2	97.9	1.2964
Apr.	.	.	.	640.0	-	-	100.4	97.9	1.3026
May	.	.	.	.	-	-	100.5	97.9	1.2982

Sources: ECB, European Commission (Eurostat and Economic and Financial Affairs DG) and Thomson Reuters.
Note: For more information on the data, see the relevant tables later in this section.

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

MONETARY POLICY STATISTICS

1.1 Consolidated financial statement of the Eurosystem
(EUR millions)

1. Assets

	3 May 2013	10 May 2013	17 May 2013	24 May 2013	31 May 2013
Gold and gold receivables	435,316	435,317	435,317	435,316	435,315
Claims on non-euro area residents in foreign currency	254,527	256,047	253,683	253,969	255,100
Claims on euro area residents in foreign currency	35,367	35,568	35,466	28,623	27,320
Claims on non-euro area residents in euro	22,457	22,788	22,549	21,731	19,935
Lending to euro area credit institutions in euro	846,437	850,486	836,609	835,423	824,113
Main refinancing operations	105,011	110,290	103,844	103,399	103,191
Longer-term refinancing operations	739,544	738,999	732,642	731,518	720,897
Fine-tuning reverse operations	0	0	0	0	0
Structural reverse operations	0	0	0	0	0
Marginal lending facility	1,881	1,197	122	506	24
Credits related to margin calls	0	0	0	0	0
Other claims on euro area credit institutions in euro	111,818	103,199	96,558	95,981	91,534
Securities of euro area residents in euro	608,626	608,704	609,112	604,520	605,593
Securities held for monetary policy purposes	263,447	263,222	263,222	259,154	259,004
Other securities	345,180	345,482	345,890	345,367	346,589
General government debt in euro	29,018	29,018	29,018	29,012	29,012
Other assets	264,553	265,151	259,095	255,625	261,526
Total assets	2,608,120	2,606,277	2,577,406	2,560,202	2,549,449

2. Liabilities

	3 May 2013	10 May 2013	17 May 2013	24 May 2013	31 May 2013
Banknotes in circulation	904,634	905,016	905,196	901,350	905,246
Liabilities to euro area credit institutions in euro	623,124	630,037	603,550	576,683	556,066
Current accounts (covering the minimum reserve system)	296,198	333,697	319,504	294,646	273,354
Deposit facility	124,102	95,339	83,039	81,037	85,640
Fixed-term deposits	202,500	201,000	201,000	201,000	197,000
Fine-tuning reverse operations	0	0	0	0	0
Deposits related to margin calls	324	0	7	0	72
Other liabilities to euro area credit institutions in euro	6,064	5,549	5,724	6,075	6,580
Debt certificates issued	0	0	0	0	0
Liabilities to other euro area residents in euro	104,863	95,167	106,555	128,093	135,235
Liabilities to non-euro area residents in euro	166,750	165,364	163,264	157,347	151,551
Liabilities to euro area residents in foreign currency	5,614	7,072	4,201	2,793	2,457
Liabilities to non-euro area residents in foreign currency	6,449	6,479	6,525	5,723	6,007
Counterpart of special drawing rights allocated by the IMF	55,145	55,145	55,145	55,145	55,145
Other liabilities	239,925	240,807	231,807	231,536	235,705
Revaluation accounts	406,635	406,635	406,635	406,635	406,635
Capital and reserves	88,917	89,007	88,806	88,823	88,823
Total liabilities	2,608,120	2,606,277	2,577,406	2,560,202	2,549,449

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

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: Fixed rate	Variable rate tender procedures: Minimum bid rate	Variable rate tender procedures: Marginal rate [4)]	Variable rate tender procedures: Weighted average rate	Running for (...) days
	1	2	3	4	5	6	7	8
				Main refinancing operations				
2013 27 Feb.	131,116	79	131,116	0.75	-	-	-	7
6 Mar.	129,804	80	129,804	0.75	-	-	-	7
13	127,305	78	127,305	0.75	-	-	-	7
20	119,375	76	119,375	0.75	-	-	-	7
27	123,239	75	123,239	0.75	-	-	-	7
3 Apr.	124,876	74	124,876	0.75	-	-	-	7
10	119,347	70	119,347	0.75	-	-	-	7
17	116,368	70	116,368	0.75	-	-	-	7
24	110,407	71	110,407	0.75	-	-	-	8
2 May	105,011	70	105,011	0.75	-	-	-	6
8	110,290	65	110,290	0.50	-	-	-	7
15	103,844	64	103,844	0.50	-	-	-	7
22	103,399	62	103,399	0.50	-	-	-	7
29	103,192	63	103,192	0.50	-	-	-	7
5 June	103,020	70	103,020	0.50	-	-	-	7
				Longer-term refinancing operations [5)]				
2012 12 Dec.	15,296	26	15,296	0.75	-	-	-	35
20	14,962	50	14,962	0.75	-	-	-	98
2013 16 Jan.	10,455	19	10,455	0.75	-	-	-	28
31	3,713	46	3,713	0.75	-	-	-	84
13 Feb.	7,759	16	7,759	0.75	-	-	-	28
28	8,328	36	8,328	0.69	-	-	-	91
13 Mar.	4,208	19	4,208	0.75	-	-	-	28
28 [6)]	9,113	46	9,113	.	-	-	-	91
10 Apr.	5,159	17	5,159	0.75	-	-	-	28
25 [6)]	2,977	40	2,977	.	-	-	-	98
8 May	5,230	17	5,230	0.50	-	-	-	35
30 [6)]	5,830	36	5,830	.	-	-	-	91

2. Other tender operations

Date of settlement	Type of operation	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures: Fixed rate	Variable rate tender procedures: Minimum bid rate	Variable rate tender procedures: Maximum bid rate	Variable rate tender procedures: Marginal rate [4)]	Variable rate tender procedures: Weighted average rate	Running for (...) days
	1	2	3	4	5	6	7	8	9	10
2013 27 Feb.	Collection of fixed-term deposits	311,971	89	205,500	-	-	0.75	0.04	0.03	7
6 Mar.	Collection of fixed-term deposits	301,604	91	205,500	-	-	0.75	0.04	0.03	7
13	Collection of fixed-term deposits	286,410	78	205,500	-	-	0.75	0.04	0.03	7
20	Collection of fixed-term deposits	272,719	72	205,500	-	-	0.75	0.04	0.03	7
27	Collection of fixed-term deposits	225,224	64	205,500	-	-	0.75	0.24	0.06	7
3 Apr.	Collection of fixed-term deposits	270,436	72	205,500	-	-	0.75	0.07	0.04	7
10	Collection of fixed-term deposits	287,542	91	206,000	-	-	0.75	0.06	0.04	7
17	Collection of fixed-term deposits	264,416	82	206,000	-	-	0.75	0.05	0.04	7
24	Collection of fixed-term deposits	253,820	77	202,500	-	-	0.75	0.14	0.05	8
2 May	Collection of fixed-term deposits	255,806	79	202,500	-	-	0.75	0.10	0.05	6
8	Collection of fixed-term deposits	267,807	95	201,000	-	-	0.50	0.08	0.05	7
15	Collection of fixed-term deposits	249,425	95	201,000	-	-	0.50	0.08	0.05	7
22	Collection of fixed-term deposits	254,150	96	201,000	-	-	0.50	0.08	0.06	7
29	Collection of fixed-term deposits	235,125	89	197,000	-	-	0.50	0.15	0.07	7
5 June	Collection of fixed-term deposits	276,043	106	197,000	-	-	0.50	0.09	0.07	7

Source: ECB.

1) The amounts shown may differ slightly from those in Section 1.1 owing to operations that have been allotted but not settled.
2) With effect from April 2002, split tender operations (i.e. operations with a one-week maturity conducted as standard tender procedures in parallel with a main refinancing operation) are classified as main refinancing operations.
3) On 8 June 2000 the ECB announced that, starting from the operation to be settled on 28 June 2000, the main refinancing operations of the Eurosystem would be conducted as variable rate tender procedures. The minimum bid rate refers to the minimum interest rate at which counterparties may place their bids. On 8 October 2008 the ECB announced that, starting from the operation to be settled on 15 October 2008, the weekly main refinancing operations would be carried out through a fixed rate tender procedure with full allotment at the interest rate on the main refinancing operations. On 4 March 2010 the ECB decided to return to variable rate tender procedures in the regular three-month longer-term refinancing operations, starting with the operation to be allotted on 28 April 2010 and settled on 29 April 2010.
4) In liquidity-providing (absorbing) operations, the marginal rate refers to the lowest (highest) rate at which bids were accepted.
5) For the operations settled on 22 December 2011 and 1 March 2012, after one year counterparties have the option to repay any part of the liquidity that they have been allotted in these operations, on any day that coincides with the settlement day of a main refinancing operation.
6) In this longer-term refinancing operation, the rate at which all bids are satisfied is indexed to the average minimum bid rate in the main refinancing operations over the life of the operation. The interest rates displayed for these indexed longer-term refinancing operations have been rounded to two decimal places. For the precise calculation method, please refer to the Technical Notes.

1.4 Minimum reserve and liquidity statistics

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

1. Reserve base of credit institutions subject to reserve requirements

Reserve base as at (end of period):	Total	Liabilities to which a positive reserve coefficient is applied [1]		Liabilities to which a 0% reserve coefficient is applied		
		Overnight deposits and deposits with an agreed maturity or notice period of up to 2 years	Debt securities issued with a maturity of up to 2 years	Deposits with an agreed maturity or notice period of over 2 years	Repos	Debt securities issued with a maturity of over 2 years
	1	2	3	4	5	6
2009	18,318.2	9,808.5	760.4	2,475.7	1,170.1	4,103.5
2010	18,948.1	9,962.6	644.3	2,683.3	1,335.4	4,322.5
2011	18,970.0	9,790.9	687.7	2,781.2	1,303.5	4,406.8
2012	18,564.7	9,971.7	637.5	2,583.9	1,163.1	4,208.4
2012 Nov.	18,752.3	9,923.7	667.7	2,603.1	1,315.7	4,242.1
Dec.	18,564.7	9,971.7	637.5	2,583.9	1,163.1	4,208.4
2013 Jan.	18,558.8	9,900.6	636.4	2,569.8	1,259.2	4,192.8
Feb.	18,689.3	9,899.3	635.7	2,562.3	1,368.4	4,223.7
Mar.	18,689.6	9,951.8	626.1	2,580.0	1,382.3	4,149.5

2. Reserve maintenance

Maintenance period ending on:	Required reserves	Credit institutions' current accounts	Excess reserves	Deficiencies	Interest rate on minimum reserves
	1	2	3	4	5
2009	210.2	211.4	1.2	0.0	1.00
2010	211.8	212.5	0.7	0.5	1.00
2011	207.7	212.2	4.5	0.0	1.25
2012	106.4	509.9	403.5	0.0	0.75
2013 15 Jan.	106.0	489.0	383.0	0.0	0.75
12 Feb.	105.4	466.3	360.8	0.0	0.75
12 Mar.	105.6	403.0	297.3	0.0	0.75
9 Apr.	104.9	346.0	241.1	0.0	0.75
7 May	104.9	322.2	217.3	0.0	0.75
11 June	105.3	.	.	.	.

3. Liquidity

Maintenance period ending on:	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current accounts	Base money
		Monetary policy operations of the Eurosystem										
	Eurosystem's net assets in gold and foreign currency	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations [2]	Deposit facility	Other liquidity-absorbing operations [3]	Banknotes in circulation	Central government deposits with the Eurosystem	Other factors (net)		
	1	2	3	4	5	6	7	8	9	10	11	12
2009	407.6	55.8	593.4	0.7	24.6	65.7	9.9	775.2	150.1	-130.2	211.4	1,052.3
2010	511.1	179.5	336.3	1.9	130.4	44.7	70.8	815.9	94.4	-79.1	212.5	1,073.1
2011	622.1	238.0	389.0	4.4	260.3	253.7	200.5	869.4	63.8	-85.9	212.2	1,335.3
2012	708.0	74.0	1,044.1	1.6	277.3	231.8	208.5	889.3	121.1	144.5	509.9	1,631.0
2012 11 Dec.	708.0	74.0	1,044.1	1.6	277.3	231.8	208.5	889.3	121.1	144.5	509.9	1,631.0
2013 15 Jan.	683.9	78.2	1,036.8	3.7	276.8	238.4	206.6	903.5	100.1	141.7	489.0	1,630.9
12 Feb.	656.5	127.5	960.3	0.3	273.4	184.3	207.8	883.5	90.8	185.5	466.3	1,534.1
12 Mar.	655.7	130.5	843.2	0.9	269.9	145.3	205.5	880.5	78.8	187.1	403.0	1,428.8
9 Apr.	656.8	123.7	782.9	0.5	269.1	133.8	205.5	889.2	89.7	168.7	346.0	1,369.1
7 May	657.3	113.0	749.9	0.9	265.7	114.5	204.3	897.1	82.5	166.2	322.2	1,333.8

Source: ECB.
1) A coefficient of 1% is applied as of the maintenance period beginning on 18 January 2012. A coefficient of 2% is applied to all previous maintenance periods.
2) Includes liquidity provided under the Eurosystem's covered bond purchase programmes and the Eurosystem's Securities Markets Programme.
3) Includes liquidity absorbed as a result of the Eurosystem's foreign exchange swap operations.
For more information, please see: http://www.ecb.europa.eu/mopo/liq/html/index.en.html

2 MONEY, BANKING AND OTHER FINANCIAL CORPORATIONS

2.1 Aggregated balance sheet of euro area MFIs [1]

(EUR billions; outstanding amounts at end of period)

1. Assets

	Total	Loans to euro area residents				Holdings of securities other than shares issued by euro area residents				Money market fund shares/ units [2]	Holdings of shares/ other equity issued by euro area residents	External assets	Fixed assets	Remaining assets [3]
		Total	General government	Other euro area residents	MFIs	Total	General government	Other euro area residents	MFIs					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Eurosystem													
2011	4,700.3	2,780.5	18.0	1.0	2,761.5	717.2	556.9	10.1	150.2	-	20.3	779.2	8.1	395.0
2012	5,287.4	3,351.2	16.9	1.0	3,333.3	723.1	568.3	10.5	144.3	-	23.4	799.9	8.3	381.6
2012 Q4	5,287.4	3,351.2	16.9	1.0	3,333.3	723.1	568.3	10.5	144.3	-	23.4	799.9	8.3	381.6
2013 Q1	4,675.5	2,727.4	16.9	1.2	2,709.4	747.5	590.6	24.6	132.4	-	23.9	791.7	8.2	376.7
2013 Jan.	4,930.1	3,015.3	16.9	1.0	2,997.4	719.9	567.9	11.2	140.8	-	23.6	784.4	8.1	378.8
Feb.	4,821.0	2,886.9	16.9	1.0	2,869.0	732.6	589.0	12.1	131.5	-	23.7	784.5	8.1	385.2
Mar.	4,675.5	2,727.4	16.9	1.2	2,709.4	747.5	590.6	24.6	132.4	-	23.9	791.7	8.2	376.7
Apr. (p)	4,647.6	2,749.4	15.9	1.2	2,732.3	744.0	588.6	25.3	130.1	-	24.2	744.1	8.2	377.7
	MFIs excluding the Eurosystem													
2011	33,540.3	18,483.3	1,159.6	11,162.9	6,160.7	4,765.3	1,395.9	1,517.5	1,852.0	50.2	1,211.8	4,253.3	232.3	4,544.2
2012	32,698.3	17,993.7	1,153.2	11,044.0	5,796.5	4,906.8	1,628.9	1,423.3	1,854.6	66.9	1,226.6	4,045.1	214.6	4,244.6
2012 Q4	32,698.3	17,993.7	1,153.2	11,044.0	5,796.5	4,906.8	1,628.9	1,423.3	1,854.6	66.9	1,226.6	4,045.1	214.6	4,244.6
2013 Q1	32,761.7	17,780.9	1,124.3	11,045.8	5,610.9	4,939.8	1,705.8	1,406.5	1,827.5	64.1	1,234.0	4,052.1	210.1	4,480.6
2013 Jan.	32,774.4	17,908.6	1,157.1	11,046.9	5,704.7	4,936.9	1,656.9	1,404.5	1,875.6	60.3	1,243.5	4,014.5	214.0	4,396.6
Feb.	32,830.7	17,857.6	1,118.7	11,036.5	5,702.5	4,937.5	1,674.4	1,406.2	1,856.9	63.4	1,229.4	4,041.3	211.5	4,490.0
Mar.	32,761.7	17,780.9	1,124.3	11,045.8	5,610.9	4,939.8	1,705.8	1,406.5	1,827.5	64.1	1,234.0	4,052.1	210.1	4,480.6
Apr. (p)	32,915.4	17,747.3	1,135.1	11,012.0	5,600.3	4,954.7	1,721.4	1,414.4	1,819.0	56.5	1,260.2	4,075.3	210.1	4,611.3

2. Liabilities

	Total	Currency in circulation	Deposits of euro area residents				Money market fund shares/ units [4]	Debt securities issued [5]	Capital and reserves	External liabilities	Remaining liabilities [3]
			Total	Central government	Other general government/ other euro area residents	MFIs					
	1	2	3	4	5	6	7	8	9	10	11
	Eurosystem										
2011	4,700.3	913.7	2,609.0	63.8	12.1	2,533.1	-	0.0	481.2	284.3	412.1
2012	5,287.4	938.2	3,062.2	81.4	64.5	2,916.4	-	0.0	536.1	298.7	452.3
2012 Q4	5,287.4	938.2	3,062.2	81.4	64.5	2,916.4	-	0.0	536.1	298.7	452.3
2013 Q1	4,675.5	921.9	2,500.3	93.4	38.0	2,368.9	-	0.0	539.6	268.2	445.5
2013 Jan.	4,930.1	908.0	2,775.8	103.3	55.5	2,617.0	-	0.0	524.4	277.7	444.3
Feb.	4,821.0	905.4	2,684.6	82.7	53.8	2,548.1	-	0.0	518.7	270.1	442.3
Mar.	4,675.5	921.9	2,500.3	93.4	38.0	2,368.9	-	0.0	539.6	268.2	445.5
Apr. (p)	4,647.6	927.1	2,510.1	71.8	66.5	2,371.8	-	0.0	500.3	264.9	445.4
	MFIs excluding the Eurosystem										
2011	33,540.3	-	17,318.5	195.5	10,752.3	6,370.7	570.6	5,008.2	2,231.1	3,803.4	4,608.5
2012	32,698.3	-	17,203.0	171.7	10,869.5	6,161.8	522.9	4,854.8	2,346.2	3,498.7	4,272.7
2012 Q4	32,698.3	-	17,203.0	171.7	10,869.5	6,161.8	522.9	4,854.8	2,346.2	3,498.7	4,272.7
2013 Q1	32,761.7	-	17,119.9	208.9	11,017.6	5,893.3	522.7	4,738.8	2,349.6	3,524.3	4,506.4
2013 Jan.	32,774.4	-	17,100.6	181.8	10,870.6	6,048.3	518.8	4,827.6	2,352.5	3,490.3	4,484.5
Feb.	32,830.7	-	17,093.0	208.9	10,909.6	5,974.6	528.2	4,798.9	2,338.4	3,536.1	4,536.2
Mar.	32,761.7	-	17,119.9	208.9	11,017.6	5,893.3	522.7	4,738.8	2,349.6	3,524.3	4,506.4
Apr. (p)	32,915.4	-	17,103.5	180.0	11,007.6	5,916.0	512.7	4,700.9	2,359.8	3,564.2	4,674.3

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) In December 2010 a change was made to the recording practice for derivatives in one Member State, leading to an increase in this position.
4) Amounts held by euro area residents.
5) Amounts issued with a maturity of up to two years and held by non-euro area residents are included in external liabilities.

2.2 Consolidated balance sheet of euro area MFIs 1)

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

1. Assets

	Total	Loans to euro area residents			Holdings of securities other than shares issued by euro area residents			Holdings of shares/ other equity issued by other euro area residents	External assets	Fixed assets	Remaining assets 2)
		Total	General government	Other euro area residents	Total	General government	Other euro area residents				
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2011	26,717.5	12,341.5	1,177.6	11,163.9	3,480.3	1,952.8	1,527.6	739.7	5,032.5	240.4	4,883.0
2012	26,244.7	12,215.1	1,170.1	11,045.0	3,631.0	2,197.2	1,433.8	765.8	4,845.0	222.9	4,564.9
2012 Q4	26,244.7	12,215.1	1,170.1	11,045.0	3,631.0	2,197.2	1,433.8	765.8	4,845.0	222.9	4,564.9
2013 Q1	26,565.3	12,188.1	1,141.2	11,047.0	3,727.5	2,296.4	1,431.1	784.6	4,843.8	218.2	4,803.0
2013 Jan.	26,387.3	12,221.8	1,174.0	11,047.9	3,640.4	2,224.7	1,415.7	779.7	4,799.0	222.0	4,724.4
Feb.	26,501.5	12,173.0	1,135.6	11,037.4	3,681.7	2,263.4	1,418.3	775.7	4,825.8	219.6	4,825.6
Mar.	26,565.3	12,188.1	1,141.2	11,047.0	3,727.5	2,296.4	1,431.1	784.6	4,843.8	218.2	4,803.0
Apr. (p)	26,703.4	12,164.1	1,151.0	11,013.1	3,749.7	2,310.0	1,439.7	815.4	4,819.4	218.3	4,936.6
	Transactions										
2011	992.9	60.3	-55.6	115.8	127.6	151.8	-24.2	-29.9	-37.3	7.8	864.3
2012	79.3	-38.5	-4.9	-33.6	112.6	182.8	-70.3	38.3	-150.7	-14.0	131.6
2012 Q4	-408.5	-99.7	-9.9	-89.8	23.5	-22.0	45.5	14.7	-94.0	-4.1	-248.9
2013 Q1	-74.0	-7.0	-29.3	22.3	97.4	99.6	-2.2	18.3	7.2	-3.5	-186.6
2013 Jan.	-151.2	25.5	4.1	21.4	9.7	26.3	-16.6	14.1	60.0	-0.8	-259.7
Feb.	81.1	-45.5	-39.0	-6.5	46.2	43.9	2.3	-5.7	-10.1	-1.3	97.6
Mar.	-3.9	13.0	5.5	7.4	41.4	29.4	12.0	10.0	-42.7	-1.4	-24.4
Apr. (p)	206.6	-14.2	9.9	-24.1	-0.5	-8.5	7.9	28.5	59.5	0.1	133.3

2. Liabilities

	Total	Currency in circulation	Deposits of central government	Deposits of other general government/ other euro area residents	Money market fund shares/ units 3)	Debt securities issued 4)	Capital and reserves	External liabilities	Remaining liabilities 2)	Excess of inter-MFI liabilities over inter-MFI assets
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2011	26,717.5	857.5	259.3	10,764.5	520.4	3,006.1	2,219.9	4,087.7	5,020.6	-18.5
2012	26,244.7	876.8	253.0	10,934.0	456.0	2,856.0	2,398.1	3,797.4	4,725.0	-51.6
2012 Q4	26,244.7	876.8	253.0	10,934.0	456.0	2,856.0	2,398.1	3,797.4	4,725.0	-51.6
2013 Q1	26,565.3	867.5	302.3	11,055.6	458.6	2,779.0	2,415.9	3,792.5	4,951.9	-58.0
2013 Jan.	26,387.3	857.0	285.1	10,926.0	458.5	2,811.2	2,389.5	3,768.0	4,928.9	-36.8
Feb.	26,501.5	855.8	291.6	10,963.4	464.8	2,810.4	2,379.7	3,806.2	4,978.5	-48.8
Mar.	26,565.3	867.5	302.3	11,055.6	458.6	2,779.0	2,415.9	3,792.5	4,951.9	-58.0
Apr. (p)	26,703.4	874.7	251.8	11,074.1	456.2	2,751.8	2,391.0	3,829.0	5,119.7	-44.8
	Transactions									
2011	992.9	49.1	-0.8	168.0	-29.0	49.9	141.6	-200.0	860.7	-46.6
2012	79.3	19.4	-4.2	185.2	-20.1	-124.4	163.2	-253.3	137.9	-24.4
2012 Q4	-408.5	10.1	-43.8	93.9	-22.1	-63.6	52.1	-215.2	-232.3	12.5
2013 Q1	-74.0	-9.3	50.2	114.3	7.7	-66.5	32.2	-25.5	-172.6	-4.4
2013 Jan.	-151.2	-19.8	33.9	-0.2	7.5	-13.3	5.8	27.8	-212.3	19.3
Feb.	81.1	-1.2	5.6	29.2	6.3	-14.0	6.7	0.1	62.5	-14.1
Mar.	-3.9	11.7	10.7	85.2	-6.1	-39.2	19.7	-53.4	-22.9	-9.6
Apr. (p)	206.6	7.2	-50.6	24.2	-1.9	-14.6	6.0	65.8	157.5	13.0

Source: ECB.

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

2.3 Monetary statistics [1]

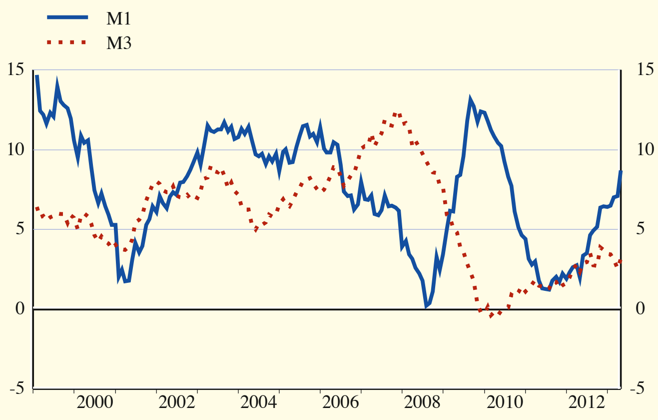
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

1. Monetary aggregates [2] and counterparts

	M3					M3 3-month moving average (centred)	Longer-term financial liabilities	Credit to general government	Credit to other euro area residents [3]			Net external assets [4]
	M2			M3-M2						Loans	Loans adjusted for sales and securitisation [5]	
	M1	M2-M1										
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2011	4,803.1	3,803.0	8,606.1	894.0	9,500.1	-	7,679.6	3,165.2	13,282.1	11,016.5	-	928.9
2012	5,105.4	3,885.0	8,990.3	782.1	9,772.4	-	7,570.1	3,407.9	13,056.2	10,858.0	-	1,030.3
2012 Q4	5,105.4	3,885.0	8,990.3	782.1	9,772.4	-	7,570.1	3,407.9	13,056.2	10,858.0	-	1,030.3
2013 Q1	5,204.1	3,885.8	9,089.9	719.6	9,809.5	-	7,564.3	3,432.3	13,048.9	10,833.2	-	1,064.3
2013 Jan.	5,121.6	3,894.9	9,016.5	766.0	9,782.5	-	7,534.5	3,405.9	13,024.8	10,834.1	-	1,022.9
Feb.	5,173.8	3,888.0	9,061.8	748.3	9,810.1	-	7,533.0	3,401.2	13,015.8	10,826.2	-	1,007.5
Mar.	5,204.1	3,885.8	9,089.9	719.6	9,809.5	-	7,564.3	3,432.3	13,048.9	10,833.2	-	1,064.3
Apr. (p)	5,233.0	3,878.2	9,111.2	708.2	9,819.4	-	7,503.4	3,451.2	13,008.3	10,795.3	-	1,021.5
	Transactions											
2011	89.6	70.3	159.9	-7.4	152.5	-	211.6	95.8	48.8	103.6	130.2	162.1
2012	307.5	79.7	387.2	-58.5	328.7	-	-111.1	183.6	-103.7	-71.3	-17.3	101.1
2012 Q4	84.4	36.4	120.7	-34.6	86.1	-	-14.7	-0.2	-3.6	-40.2	-6.5	108.6
2013 Q1	95.4	0.5	95.8	-44.7	51.2	-	3.3	24.5	13.0	-4.4	1.5	63.0
2013 Jan.	21.3	13.0	34.4	1.3	35.7	-	-2.1	-2.9	-11.2	-5.3	-8.8	41.5
Feb.	47.5	-8.7	38.9	-18.2	20.6	-	0.7	0.0	-7.1	-4.0	6.1	-14.2
Mar.	26.5	-3.9	22.6	-27.7	-5.1	-	4.6	27.4	31.3	5.0	4.2	35.8
Apr. (p)	32.5	-6.6	25.9	-10.4	15.5	-	-16.7	-3.0	-33.7	-28.2	-27.8	11.9
	Growth rates											
2011	1.9	1.9	1.9	-0.9	1.6	1.7	2.9	3.2	0.4	0.9	1.2	162.1
2012	6.4	2.1	4.5	-6.9	3.5	3.6	-1.4	5.8	-0.8	-0.6	-0.2	101.1
2012 Q4	6.4	2.1	4.5	-6.9	3.5	3.6	-1.4	5.8	-0.8	-0.6	-0.2	101.1
2013 Q1	7.1	0.5	4.2	-13.9	2.6	3.0	-1.1	3.5	-0.9	-0.7	-0.3	184.8
2013 Jan.	6.5	1.8	4.4	-6.3	3.5	3.3	-1.6	4.5	-1.1	-0.9	-0.5	177.5
Feb.	7.0	0.8	4.3	-8.8	3.1	3.0	-1.5	3.6	-1.2	-0.8	-0.4	148.0
Mar.	7.1	0.5	4.2	-13.9	2.6	3.0	-1.1	3.5	-0.9	-0.7	-0.3	184.8
Apr. (p)	8.7	0.1	4.9	-14.2	3.2	.	-1.2	3.5	-0.9	-0.9	-0.5	208.6

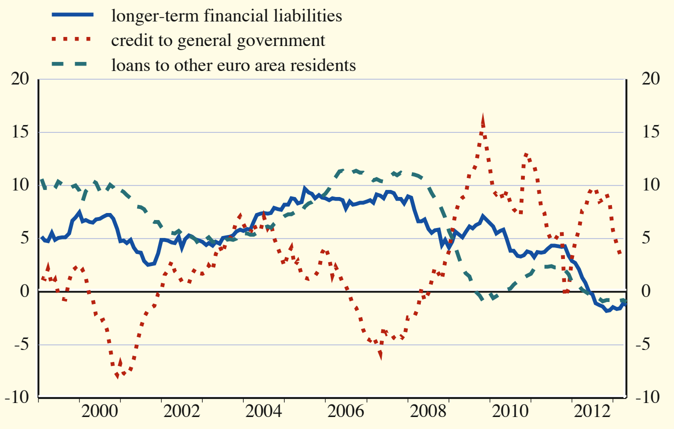
C1 Monetary aggregates [1]

(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.
Monthly and other shorter-term growth rates for selected items are available at: http://www.ecb.europa.eu/stats/money/aggregates/aggr/html/index.en.html

2) Monetary liabilities of MFIs and central government (post office, treasury, etc.) vis-à-vis non-MFI euro area residents excluding central government.
For definitions of M1, M2 and M3, see glossary.

3) Excludes reverse repos to central counterparties as of June 2010; transactions and growth rates are adjusted for this effect.

4) Values in the section “growth rates” are sums of the transactions during the 12 months ending in the period indicated.

5) Adjustment for the derecognition of loans on the MFI balance sheet on account of their sale or securitisation.

2.3 Monetary statistics [1]

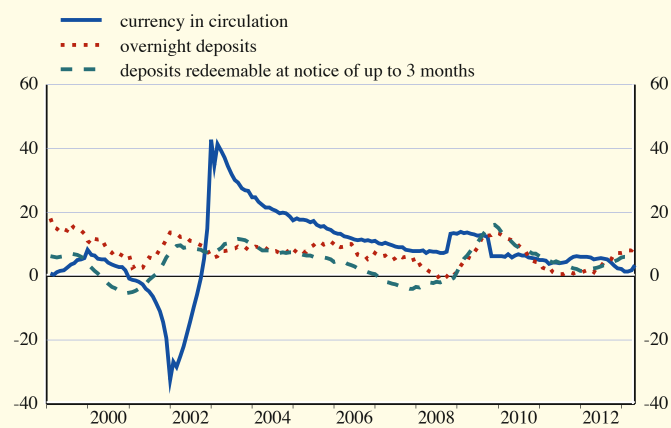
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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

	Currency in circulation	Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits redeemable at notice of up to 3 months	Repos [2]	Money market fund shares/units	Debt securities with a maturity of up to 2 years	Debt securities with a maturity of over 2 years	Deposits redeemable at notice of over 3 months	Deposits with an agreed maturity of over 2 years	Capital and reserves
	1	2	3	4	5	6	7	8	9	10	11
					Outstanding amounts						
2011	844.2	3,958.9	1,842.1	1,960.9	147.2	536.8	210.0	2,815.6	115.3	2,543.5	2,205.2
2012	864.0	4,241.3	1,805.4	2,079.5	125.0	470.0	187.1	2,689.0	106.0	2,392.4	2,382.6
2012 Q4	864.0	4,241.3	1,805.4	2,079.5	125.0	470.0	187.1	2,689.0	106.0	2,392.4	2,382.6
2013 Q1	869.1	4,335.0	1,784.3	2,101.5	122.2	457.6	139.8	2,633.3	100.8	2,407.9	2,422.3
2013 Jan.	863.3	4,258.3	1,806.3	2,088.6	129.6	463.5	172.8	2,656.2	104.0	2,389.9	2,384.4
Feb.	865.6	4,308.2	1,790.7	2,097.2	126.0	465.7	156.6	2,661.8	102.3	2,388.1	2,380.7
Mar.	869.1	4,335.0	1,784.3	2,101.5	122.2	457.6	139.8	2,633.3	100.8	2,407.9	2,422.3
Apr. (p)	880.0	4,353.0	1,767.5	2,110.7	121.6	448.8	137.8	2,601.9	99.5	2,394.8	2,407.2
					Transactions						
2011	49.2	40.4	37.0	33.3	-16.7	-29.7	39.0	17.9	-2.5	55.8	140.4
2012	19.9	287.6	-36.3	116.0	-16.6	-22.1	-19.8	-103.7	-11.6	-158.2	162.4
2012 Q4	-1.9	86.2	-3.0	39.4	0.5	-11.2	-24.0	-10.8	-4.2	-37.1	37.5
2013 Q1	5.0	90.3	-21.5	22.0	-3.0	-7.2	-34.5	-57.5	-5.2	12.0	54.0
2013 Jan.	-0.8	22.1	3.8	9.2	4.8	-1.5	-2.1	-13.0	-2.0	-3.3	16.2
Feb.	2.4	45.2	-17.3	8.6	-3.8	2.2	-16.7	-7.2	-1.7	-3.2	12.8
Mar.	3.4	23.0	-8.1	4.2	-4.0	-8.0	-15.7	-37.3	-1.5	18.5	25.0
Apr. (p)	11.0	21.5	-15.9	9.3	-0.5	-8.4	-1.5	-19.4	-1.3	-12.0	16.0
					Growth rates						
2011	6.2	1.0	2.1	1.7	-9.7	-5.1	29.1	0.7	-2.1	2.3	6.9
2012	2.4	7.3	-2.0	5.9	-11.4	-4.4	-10.1	-3.7	-10.0	-6.2	7.2
2012 Q4	2.4	7.3	-2.0	5.9	-11.4	-4.4	-10.1	-3.7	-10.0	-6.2	7.2
2013 Q1	1.9	8.2	-5.2	5.9	-7.8	-6.5	-33.8	-4.2	-12.5	-5.0	7.7
2013 Jan.	1.5	7.6	-2.8	6.2	-9.5	-4.0	-9.6	-3.8	-11.2	-6.4	7.0
Feb.	1.5	8.2	-4.8	6.2	-9.4	-3.1	-21.7	-3.6	-11.9	-6.7	7.3
Mar.	1.9	8.2	-5.2	5.9	-7.8	-6.5	-33.8	-4.2	-12.5	-5.0	7.7
Apr. (p)	3.4	9.8	-6.2	6.0	-6.9	-8.7	-31.5	-4.5	-13.9	-5.2	7.6

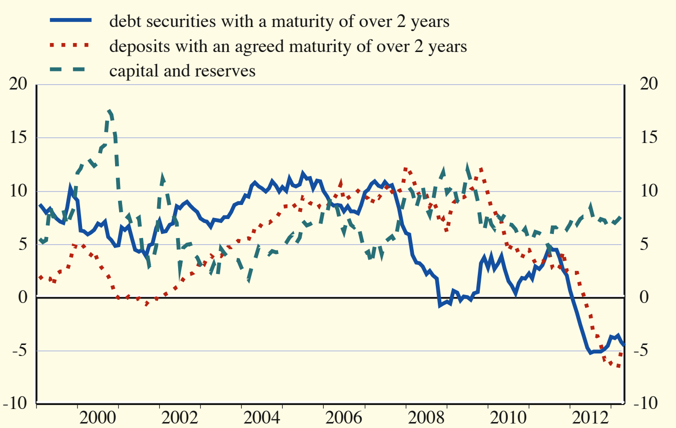
C3 Components of monetary aggregates [1]

(annual growth rates; seasonally adjusted)



C4 Components of longer-term financial liabilities [1]

(annual growth rates; seasonally adjusted)



Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Excludes repurchase agreements with central counterpaties as of June 2010; transactions and growth rates are adjusted for this effect.

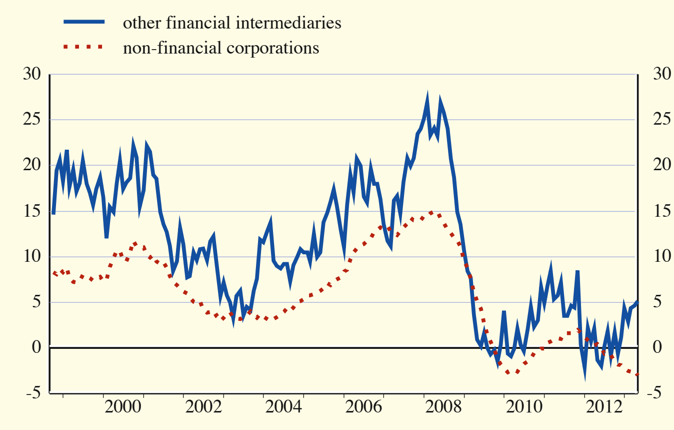
2.3 Monetary Statistics [1]

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

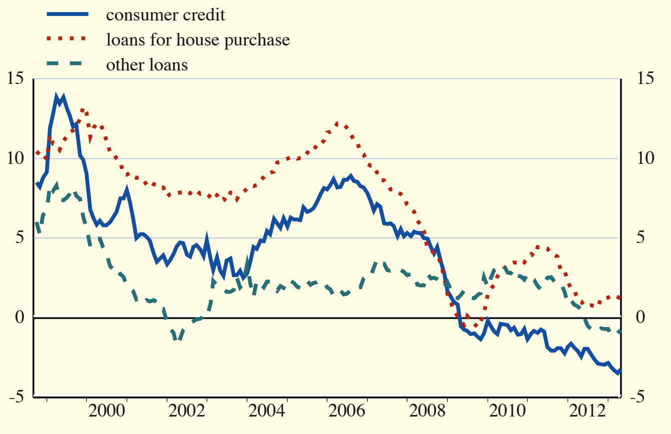
3. Loans as counterpart to M3

	Insurance corporations and pension funds	Other financial inter-mediaries [2]	Non-financial corporations					Households [3]				
	Total	Total	Total	Loans adjusted for sales and securitisation [4]	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Loans adjusted for sales and securitisation [4]	Consumer credit	Loans for house purchase	Other loans
	1	2	3	4	5	6	7	8	9	10	11	12
						Outstanding amounts						
2011	91.0	969.0	4,724.1	-	1,148.2	860.7	2,715.2	5,232.3	-	626.2	3,777.2	828.9
2012	88.9	978.4	4,547.9	-	1,134.8	795.9	2,617.2	5,242.8	-	602.0	3,824.1	816.6
2012 Q4	88.9	978.4	4,547.9	-	1,134.8	795.9	2,617.2	5,242.8	-	602.0	3,824.1	816.6
2013 Q1	92.5	978.6	4,512.0	-	1,137.9	778.6	2,595.6	5,250.2	-	593.2	3,843.1	813.8
2013 Jan.	92.8	968.3	4,528.0	-	1,128.0	790.7	2,609.2	5,244.9	-	600.0	3,830.6	814.3
Feb.	92.5	973.3	4,511.7	-	1,132.1	783.8	2,595.8	5,248.7	-	596.7	3,838.5	813.5
Mar.	92.5	978.6	4,512.0	-	1,137.9	778.6	2,595.6	5,250.2	-	593.2	3,843.1	813.8
Apr. (p)	95.4	961.8	4,489.8	-	1,130.5	772.4	2,586.8	5,248.3	-	591.9	3,842.4	814.0
						Transactions						
2011	1.3	-37.2	58.0	63.9	23.4	-22.1	56.7	81.6	102.2	-11.6	85.7	7.4
2012	-2.0	9.9	-104.9	-59.4	2.2	-45.0	-62.1	25.7	34.5	-17.7	49.2	-5.8
2012 Q4	2.0	17.6	-64.3	-31.0	-0.8	-17.5	-45.9	4.5	4.9	-1.7	9.0	-2.7
2013 Q1	3.6	-0.1	-17.5	-8.0	6.4	-12.7	-11.3	9.7	4.2	-6.7	17.3	-0.9
2013 Jan.	4.0	-6.4	-9.5	-9.2	-3.8	-2.9	-2.7	6.6	2.0	-0.8	8.3	-1.0
Feb.	-0.4	2.9	-8.3	3.6	5.0	-4.7	-8.7	1.9	0.1	-2.9	5.6	-0.8
Mar.	0.0	3.4	0.3	-2.4	5.2	-5.1	0.2	1.2	2.2	-3.0	3.4	0.8
Apr. (p)	2.9	-15.1	-17.2	-18.0	-8.3	-4.2	-4.6	1.2	2.4	-0.3	0.5	1.0
						Growth rates						
2011	1.5	-3.8	1.2	1.4	2.1	-2.5	2.1	1.6	2.0	-1.8	2.3	0.9
2012	-2.2	1.0	-2.2	-1.3	0.2	-5.3	-2.3	0.5	0.7	-2.9	1.3	-0.7
2012 Q4	-2.2	1.0	-2.2	-1.3	0.2	-5.3	-2.3	0.5	0.7	-2.9	1.3	-0.7
2013 Q1	6.2	0.6	-2.4	-1.3	1.3	-5.8	-3.0	0.4	0.3	-3.5	1.3	-0.9
2013 Jan.	7.3	-1.0	-2.5	-1.5	-0.4	-4.9	-2.6	0.5	0.5	-3.1	1.4	-1.1
Feb.	9.4	-0.2	-2.6	-1.4	0.4	-5.3	-3.1	0.5	0.4	-3.3	1.4	-1.1
Mar.	6.2	0.6	-2.4	-1.3	1.3	-5.8	-3.0	0.4	0.3	-3.5	1.3	-0.9
Apr. (p)	16.0	0.6	-3.0	-1.9	-1.0	-6.1	-2.8	0.4	0.3	-3.2	1.2	-0.8

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



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



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

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

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

1. Loans to financial intermediaries and non-financial corporations

	Insurance corporations and pension funds				Other financial intermediaries					Non-financial corporations			
	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Reverse repos to central counterparties	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Outstanding amounts												
2012	81.6	64.2	4.5	12.9	1,166.4	196.2	599.7	229.2	337.5	4,543.4	1,126.4	794.8	2,622.3
2012 Q4	81.6	64.2	4.5	12.9	1,166.4	196.2	599.7	229.2	337.5	4,543.4	1,126.4	794.8	2,622.3
2013 Q1	91.5	75.4	3.9	12.2	1,204.0	234.9	630.6	219.6	353.7	4,510.3	1,138.9	778.9	2,592.5
2013 Feb.	90.6	73.5	4.1	12.9	1,196.4	236.3	621.6	219.9	354.9	4,511.0	1,133.6	782.1	2,595.3
Mar.	91.5	75.4	3.9	12.2	1,204.0	234.9	630.6	219.6	353.7	4,510.3	1,138.9	778.9	2,592.5
Apr. (p)	94.5	78.3	4.1	12.1	1,192.3	227.6	623.7	220.8	347.9	4,487.9	1,133.1	773.0	2,581.9
	Transactions												
2012	-1.7	0.6	-1.8	-0.5	48.6	38.7	20.7	13.0	15.0	-105.8	1.4	-45.1	-62.2
2012 Q4	-8.2	-7.6	-1.2	0.6	-27.9	-25.5	-26.0	3.5	-5.4	-65.6	-6.2	-19.8	-39.5
2013 Q1	9.9	11.2	-0.6	-0.7	37.2	38.6	30.8	-4.5	10.9	-14.7	15.9	-11.1	-19.5
2013 Feb.	0.1	0.2	-0.2	0.0	9.5	12.4	3.5	1.7	4.3	-10.3	4.5	-2.8	-12.0
Mar.	0.8	1.8	-0.3	-0.8	5.8	-1.4	8.0	-0.7	-1.6	-0.6	4.8	-3.0	-2.4
Apr. (p)	3.1	2.9	0.2	-0.1	-10.0	-7.2	-6.2	1.5	-5.3	-17.3	-6.8	-3.9	-6.6
	Growth rates												
2012	-2.0	0.9	-28.6	-3.5	4.3	24.7	3.5	6.0	4.6	-2.3	0.1	-5.3	-2.3
2012 Q4	-2.0	0.9	-28.6	-3.5	4.3	24.7	3.5	6.0	4.6	-2.3	0.1	-5.3	-2.3
2013 Q1	6.1	11.7	-27.5	-8.8	4.6	25.7	6.5	0.4	4.2	-2.4	1.4	-5.8	-3.0
2013 Feb.	9.5	16.0	-32.4	-2.4	4.4	27.9	4.5	-0.4	7.4	-2.6	0.4	-5.3	-3.0
Mar.	6.1	11.7	-27.5	-8.8	4.6	25.7	6.5	0.4	4.2	-2.4	1.4	-5.8	-3.0
Apr. (p)	15.7	24.5	-24.4	-9.4	5.1	29.7	8.6	1.6	1.7	-3.0	-1.0	-6.1	-2.9

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													
2012	5,252.6	604.3	136.4	175.2	292.7	3,830.9	14.4	56.6	3,759.9	817.4	419.4	139.8	80.7	596.9
2012 Q4	5,252.6	604.3	136.4	175.2	292.7	3,830.9	14.4	56.6	3,759.9	817.4	419.4	139.8	80.7	596.9
2013 Q1	5,240.1	590.9	130.0	172.2	288.8	3,837.9	13.5	56.0	3,768.4	811.2	415.1	139.0	78.5	593.8
2013 Feb.	5,238.5	592.3	131.8	172.1	288.4	3,833.9	14.3	56.1	3,763.6	812.3	416.5	138.1	78.9	595.3
Mar.	5,240.1	590.9	130.0	172.2	288.8	3,837.9	13.5	56.0	3,768.4	811.2	415.1	139.0	78.5	593.8
Apr. (p)	5,237.2	590.6	129.6	172.4	288.6	3,836.2	13.6	56.0	3,766.6	810.4	413.8	139.9	78.4	592.1
	Transactions													
2012	25.1	-17.8	-3.2	-6.1	-8.5	48.7	0.1	0.3	48.3	-5.8	-6.1	-1.3	-5.7	1.1
2012 Q4	11.8	-0.6	2.4	-1.5	-1.6	14.1	0.1	-0.2	14.3	-1.7	2.7	1.4	-1.7	-1.4
2013 Q1	-10.1	-11.2	-5.0	-3.5	-2.7	5.5	-0.6	-0.9	6.9	-4.4	-4.2	-0.9	-1.8	-1.6
2013 Feb.	-5.7	-5.3	-1.6	-2.2	-1.5	0.8	-0.1	-0.3	1.3	-1.2	-0.8	-1.0	-0.5	0.3
Mar.	1.5	-0.9	-1.7	0.2	0.6	3.0	-0.4	-0.4	3.8	-0.6	-1.5	0.9	-0.3	-1.2
Apr. (p)	0.1	0.7	0.0	0.5	0.1	-0.5	0.1	0.0	-0.6	0.0	-1.4	-0.8	0.2	0.6
	Growth rates													
2012	0.5	-2.8	-2.3	-3.3	-2.8	1.3	1.0	0.6	1.3	-0.7	-1.5	-0.9	-6.5	0.2
2012 Q4	0.5	-2.8	-2.3	-3.3	-2.8	1.3	1.0	0.6	1.3	-0.7	-1.5	-0.9	-6.5	0.2
2013 Q1	0.4	-3.5	-2.7	-4.2	-3.4	1.3	-0.1	-1.2	1.4	-0.9	-1.8	-1.1	-7.6	0.0
2013 Feb.	0.5	-3.3	-2.5	-4.2	-3.1	1.4	3.5	-0.2	1.4	-1.1	-1.8	-2.6	-7.3	0.1
Mar.	0.4	-3.5	-2.7	-4.2	-3.4	1.3	-0.1	-1.2	1.4	-0.9	-1.8	-1.1	-7.6	0.0
Apr. (p)	0.4	-3.2	-3.0	-3.8	-3.0	1.2	0.4	-1.8	1.2	-0.8	-1.8	-1.1	-7.3	0.2

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)]

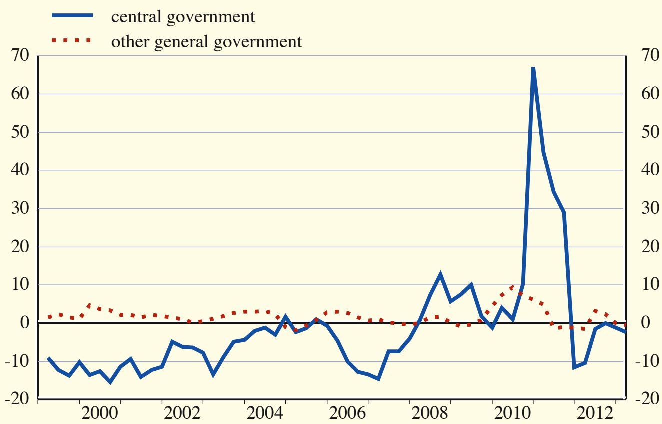
(EUR billions and annual growth rates; not seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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									
2011	1,159.6	348.9	221.7	567.4	21.7	3,021.4	2,022.5	998.9	62.4	936.4
2012	1,153.2	341.8	221.6	565.7	24.1	2,867.2	1,908.3	958.9	60.7	898.2
2012 Q2	1,169.9	339.6	240.1	565.1	25.1	3,086.9	2,063.9	1,023.0	58.0	965.0
Q3	1,163.0	341.4	231.5	564.0	26.2	3,006.8	1,988.9	1,017.9	59.7	958.1
Q4	1,153.2	341.8	221.6	565.7	24.1	2,867.2	1,908.3	958.9	60.7	898.2
2013 Q1 (p)	1,124.3	312.4	217.0	568.8	25.7	2,890.4	1,892.6	997.8	60.1	937.8
	Transactions									
2011	-54.9	-45.9	-0.4	14.6	-23.3	15.4	-26.4	41.6	13.0	28.7
2012	-3.8	-4.1	-4.9	2.7	2.7	-128.6	-101.0	-27.6	-1.0	-26.6
2012 Q2	34.9	19.5	16.1	-1.8	1.1	-14.3	-3.6	-10.8	-3.0	-7.7
Q3	-7.7	1.8	-9.3	-1.3	1.1	-54.5	-59.4	5.0	2.3	2.7
Q4	-9.8	0.6	-9.9	1.7	-1.9	-101.9	-56.4	-45.4	2.0	-47.4
2013 Q1 (p)	-29.3	-29.4	-4.5	2.7	1.5	11.0	-25.4	36.5	-1.0	37.5
	Growth rates									
2011	-4.5	-11.6	-0.2	2.7	-51.6	0.6	-1.2	4.4	26.7	3.2
2012	-0.3	-1.2	-2.2	0.5	12.3	-4.2	-4.9	-2.8	-1.7	-2.9
2012 Q2	1.8	-1.5	7.2	2.0	-6.7	-1.9	-1.6	-2.5	-8.5	-2.2
Q3	1.7	0.0	2.7	2.1	6.9	-5.6	-7.1	-2.6	-7.0	-2.3
Q4	-0.3	-1.2	-2.2	0.5	12.3	-4.2	-4.9	-2.8	-1.7	-2.9
2013 Q1 (p)	-1.0	-2.4	-3.4	0.2	8.1	-5.2	-7.1	-1.4	0.2	-1.5

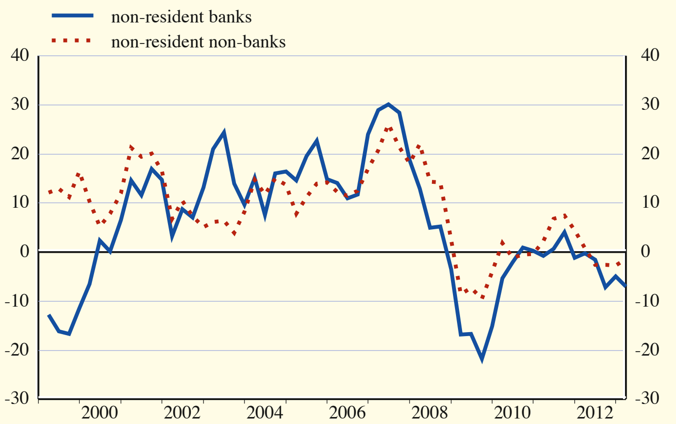
C7 Loans to government [2)]

(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)

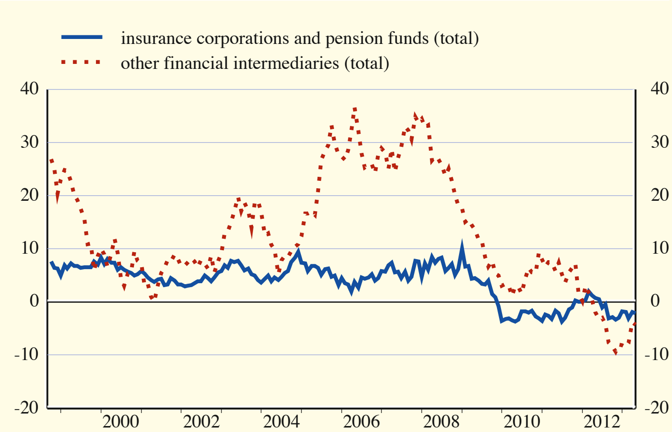
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

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														
2011	704.0	92.1	79.9	512.4	4.0	0.2	15.5	2,220.7	390.0	284.9	1,190.7	14.7	0.5	339.9	260.0
2012	692.1	107.1	81.4	484.4	6.4	0.2	12.6	2,013.4	410.0	236.6	1,018.6	13.6	0.3	334.4	256.7
2012 Q4	692.1	107.1	81.4	484.4	6.4	0.2	12.6	2,013.4	410.0	236.6	1,018.6	13.6	0.3	334.4	256.7
2013 Q1	697.5	114.3	83.3	480.3	7.9	0.3	11.4	2,108.5	442.3	237.7	1,014.1	15.0	0.2	399.2	314.1
2013 Jan.	706.2	120.4	82.5	483.4	6.9	0.4	12.6	2,034.3	426.1	238.2	1,012.8	14.2	0.2	342.8	258.2
Feb.	700.0	115.5	82.1	482.1	7.1	0.4	12.7	2,054.1	430.1	235.5	1,002.2	14.6	0.2	371.5	287.9
Mar.	697.5	114.3	83.3	480.3	7.9	0.3	11.4	2,108.5	442.3	237.7	1,014.1	15.0	0.2	399.2	314.1
Apr. (p)	702.7	119.2	82.9	478.7	8.1	0.3	13.6	2,082.2	447.4	231.0	1,002.6	15.8	0.2	385.2	299.7
	Transactions														
2011	0.2	11.7	4.2	-14.2	1.1	-0.1	-2.6	2.4	28.8	-29.2	5.6	-2.6	0.1	-0.4	5.5
2012	-12.0	15.5	2.6	-27.6	2.0	0.0	-4.6	-179.2	23.2	-49.5	-168.1	-2.0	-0.2	17.4	13.3
2012 Q4	-1.6	5.2	3.2	-10.7	-0.3	0.0	1.0	-91.6	-21.7	-1.4	-14.9	0.2	0.0	-53.9	-40.8
2013 Q1	6.7	8.1	1.9	-4.3	1.5	0.1	-0.6	88.5	29.3	0.7	-6.8	1.5	-0.1	64.0	57.3
2013 Jan.	14.2	13.5	1.2	-1.2	0.5	0.2	-0.1	23.7	18.0	2.3	-5.9	0.7	-0.1	8.6	1.7
Feb.	-6.1	-5.0	-0.5	-1.3	0.3	0.0	0.3	15.1	1.8	-3.2	-11.7	0.4	0.0	27.8	29.5
Mar.	-1.4	-0.4	1.1	-1.8	0.7	-0.1	-0.9	49.7	9.4	1.6	10.7	0.4	0.0	27.6	26.0
Apr. (p)	4.7	5.0	-0.4	-1.6	0.2	0.0	1.5	-24.3	5.8	-6.3	-10.5	0.7	0.0	-14.0	-14.2
	Growth rates														
2011	0.0	14.4	5.6	-2.7	43.3	-	-13.1	0.2	8.1	-9.3	0.4	-10.0	-	-0.2	2.1
2012	-1.7	16.9	3.4	-5.4	50.8	-	-31.3	-8.1	6.0	-17.3	-14.2	-14.0	-	4.3	4.2
2012 Q4	-1.7	16.9	3.4	-5.4	50.8	-	-31.3	-8.1	6.0	-17.3	-14.2	-14.0	-	4.3	4.2
2013 Q1	-1.9	17.5	-2.4	-4.9	65.3	-	-40.1	-3.8	5.1	-11.5	-11.7	-9.6	-	17.2	20.3
2013 Jan.	-1.9	11.0	0.9	-5.1	59.1	-	-22.9	-8.5	3.6	-13.8	-14.5	-4.8	-	0.9	1.0
Feb.	-3.1	8.3	-4.1	-5.0	60.6	-	-32.8	-7.8	5.8	-15.8	-14.7	-3.0	-	4.9	6.4
Mar.	-1.9	17.5	-2.4	-4.9	65.3	-	-40.1	-3.8	5.1	-11.5	-11.7	-9.6	-	17.2	20.3
Apr. (p)	-2.1	14.0	-3.2	-5.1	62.2	-	-31.1	-4.3	10.6	-15.0	-12.0	-4.0	-	11.2	14.0

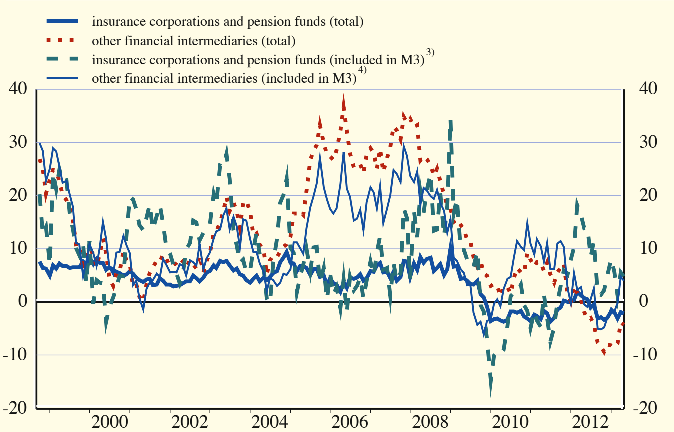
C9 Total deposits by sector 2)

(annual growth rates)



C10 Total deposits and deposits included in M3 by sector 2)

(annual growth rates)



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

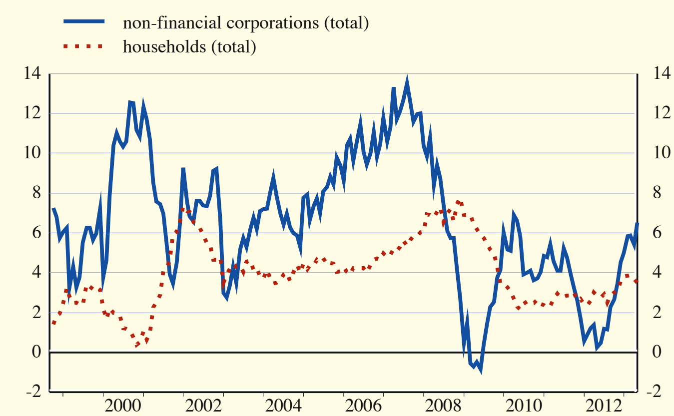
2.5 Deposits held with MFIs: breakdown [1], [2]

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

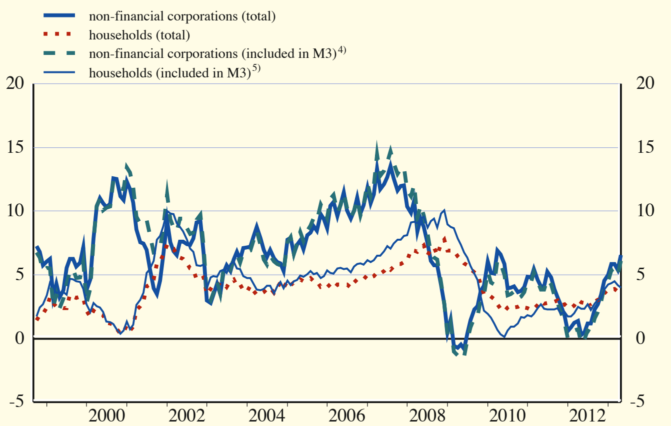
2. Deposits by non-financial corporations and households

	Non-financial corporations							Households [3]						
	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos
			Up to 2 years	Over 2 years	Up to 3 months	Over 3 months				Up to 2 years	Over 2 years	Up to 3 months	Over 3 months	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
							Outstanding amounts							
2011	1,687.3	1,054.3	444.7	97.7	72.3	2.0	16.3	5,894.0	2,255.7	948.3	723.7	1,837.0	106.7	22.7
2012	1,766.7	1,153.4	408.3	106.8	85.4	2.0	10.9	6,119.2	2,346.5	979.1	747.8	1,937.3	98.0	10.4
2012 Q4	1,766.7	1,153.4	408.3	106.8	85.4	2.0	10.9	6,119.2	2,346.5	979.1	747.8	1,937.3	98.0	10.4
2013 Q1	1,753.3	1,128.1	409.8	110.8	91.8	1.7	11.1	6,166.6	2,377.5	966.0	758.1	1,963.5	93.1	8.5
2013 Jan.	1,720.3	1,110.9	397.6	107.8	88.3	1.9	13.9	6,130.6	2,336.9	981.5	750.8	1,954.6	96.2	10.6
Feb.	1,723.0	1,103.1	403.6	110.1	90.5	1.8	13.9	6,150.9	2,358.0	976.8	753.3	1,959.9	94.3	8.7
Mar.	1,753.3	1,128.1	409.8	110.8	91.8	1.7	11.1	6,166.6	2,377.5	966.0	758.1	1,963.5	93.1	8.5
Apr. (p)	1,754.7	1,132.0	404.9	112.9	92.2	1.5	11.1	6,176.0	2,395.1	952.0	762.5	1,967.9	91.5	7.2
							Transactions							
2011	9.4	10.0	-4.6	8.7	-5.0	0.4	-0.2	139.0	7.4	42.5	55.3	43.5	-2.6	-7.0
2012	84.3	102.1	-35.9	12.9	9.5	0.0	-4.3	224.9	90.4	33.7	21.8	102.2	-11.0	-12.3
2012 Q4	68.4	59.6	7.6	2.0	-0.9	0.3	-0.2	104.8	50.9	11.3	1.2	46.8	-3.0	-2.3
2013 Q1	-13.8	-25.9	1.7	4.2	6.4	-0.3	0.1	47.0	30.8	-12.5	9.5	26.0	-4.9	-1.9
2013 Jan.	-43.2	-40.3	-9.8	1.1	2.9	-0.1	3.0	13.1	-8.8	3.9	2.3	17.3	-1.9	0.2
Feb.	-0.1	-9.5	5.3	2.1	2.2	0.0	-0.1	19.1	20.6	-5.3	2.4	5.2	-1.9	-1.9
Mar.	29.5	24.0	6.2	1.0	1.3	-0.1	-2.9	14.8	19.0	-11.1	4.8	3.5	-1.2	-0.2
Apr. (p)	3.9	6.1	-4.6	2.1	0.5	-0.2	0.0	10.4	18.2	-13.7	4.4	4.4	-1.6	-1.3
							Growth rates							
2011	0.6	1.0	-1.0	9.9	-6.5	28.9	-3.4	2.4	0.3	4.7	8.3	2.4	-2.4	-23.6
2012	5.0	9.7	-8.0	13.4	13.0	-1.4	-26.5	3.8	4.0	3.6	3.0	5.6	-10.2	-54.2
2012 Q4	5.0	9.7	-8.0	13.4	13.0	-1.4	-26.5	3.8	4.0	3.6	3.0	5.6	-10.2	-54.2
2013 Q1	5.4	9.8	-7.6	12.9	16.4	-22.4	-12.6	3.7	6.9	-2.6	2.4	5.3	-12.5	-57.3
2013 Jan.	5.8	10.7	-8.5	13.5	15.3	-8.7	1.4	3.9	4.8	2.0	2.8	5.6	-11.3	-52.9
Feb.	5.9	10.9	-8.7	12.2	17.6	-14.2	7.8	3.9	6.3	-0.2	2.2	5.5	-12.0	-58.4
Mar.	5.4	9.8	-7.6	12.9	16.4	-22.4	-12.6	3.7	6.9	-2.6	2.4	5.3	-12.5	-57.3
Apr. (p)	6.5	11.0	-6.6	13.3	15.8	-15.0	-13.4	3.5	6.6	-3.5	2.4	5.4	-14.1	-59.1

C11 Total deposits by sector [2]
(annual growth rates)



C12 Total deposits and deposits included in M3 by sector [2]
(annual growth rates)



Source: ECB.

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

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

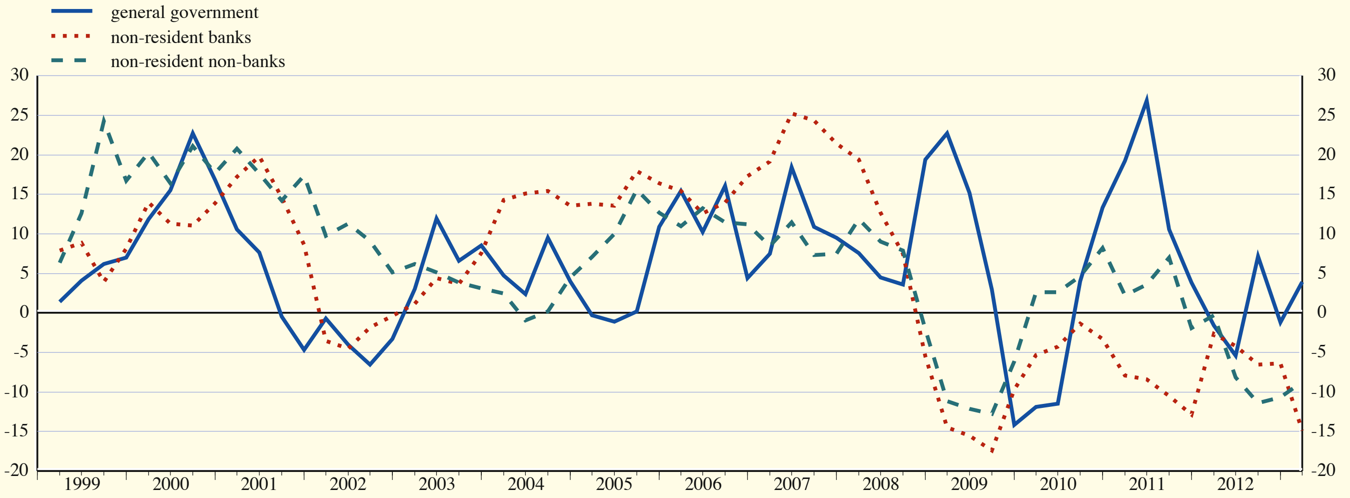
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

3. Deposits by government and non-euro area residents

	General government					Non-euro area residents				
	Total	Central government	Other general government			Total	Banks [3)]	Non-banks		
			State government	Local government	Social security funds			Total	General government	Other
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2011	441.8	195.5	48.6	112.6	85.2	3,153.6	2,175.0	978.6	44.3	934.3
2012	449.9	171.7	62.8	111.6	103.8	2,891.5	2,014.0	877.5	39.0	838.5
2012 Q2	507.1	190.9	98.4	112.3	105.5	3,243.7	2,290.4	953.3	41.6	911.7
Q3	512.0	204.5	93.1	111.3	103.1	3,131.2	2,176.6	954.5	42.8	911.8
Q4	449.9	171.7	62.8	111.6	103.8	2,891.5	2,014.0	877.5	39.0	838.5
2013 Q1 (p)	500.6	208.9	67.2	111.9	112.6	2,902.0	1,989.5	914.0	36.5	877.5
	Transactions									
2011	16.9	3.3	0.6	2.3	10.6	-334.9	-314.6	-20.3	-2.1	-18.2
2012	-6.9	-21.7	-0.3	-0.5	15.7	-243.0	-138.5	-104.5	-4.8	-99.6
2012 Q2	25.0	0.8	18.9	-1.3	6.6	-133.6	-76.4	-57.2	-13.9	-43.3
Q3	4.8	13.7	-5.5	-0.9	-2.5	-93.1	-101.1	8.0	1.4	6.6
Q4	-62.5	-33.3	-30.2	0.3	0.6	-209.8	-141.7	-68.1	-3.4	-64.8
2013 Q1 (p)	50.6	38.2	4.1	0.2	8.0	-1.6	-30.3	30.2	-2.7	32.9
	Growth rates									
2011	3.9	1.3	1.3	2.1	14.3	-9.8	-12.8	-1.9	-4.4	-1.8
2012	-1.2	-11.2	10.3	-0.4	18.5	-7.6	-6.4	-10.7	-11.3	-10.6
2012 Q2	-5.5	-27.4	51.5	0.8	17.5	-5.3	-4.2	-8.2	-16.3	-7.8
Q3	7.1	-2.0	45.5	1.1	14.0	-7.9	-6.5	-11.4	-15.8	-11.2
Q4	-1.2	-11.2	10.3	-0.4	18.5	-7.6	-6.4	-10.7	-11.3	-10.6
2013 Q1 (p)	3.9	10.3	-12.3	-1.4	13.0	-13.0	-14.9	-8.8	-33.9	-7.3

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

(annual growth rates)



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

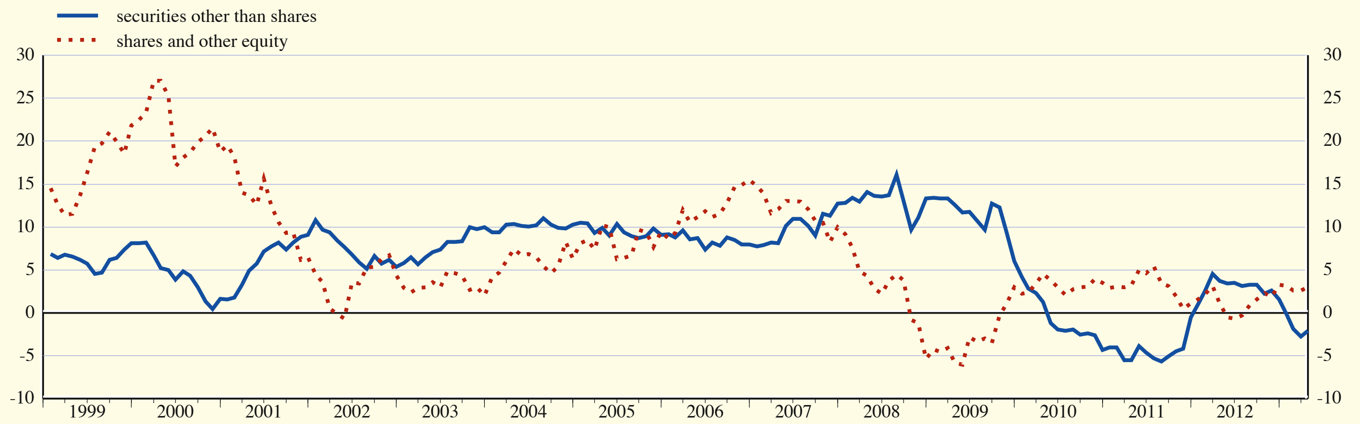
2.6 MFI holdings of securities: breakdown [1), 2)]

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

	Securities other than shares								Shares and other equity			
	Total	MFIs		General government		Other euro area residents		Non-euro area residents	Total	MFIs	Non-MFIs	Non-euro area residents
		Euro	Non-euro	Euro	Non-euro	Euro	Non-euro					
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2011	5,697.7	1,764.2	87.8	1,373.0	22.9	1,489.2	28.3	932.5	1,507.2	485.1	726.6	295.4
2012	5,780.0	1,751.9	102.7	1,596.1	32.8	1,399.7	23.7	873.2	1,527.3	475.7	751.0	300.7
2012 Q4	5,780.0	1,751.9	102.7	1,596.1	32.8	1,399.7	23.7	873.2	1,527.3	475.7	751.0	300.7
2013 Q1	5,787.7	1,706.9	120.5	1,674.1	31.7	1,379.5	27.0	847.9	1,543.9	464.8	769.2	309.9
2013 Jan.	5,767.0	1,769.5	106.1	1,625.3	31.5	1,381.5	23.0	830.1	1,544.5	478.9	764.6	301.0
Feb.	5,776.6	1,751.0	105.9	1,642.7	31.7	1,382.1	24.1	839.1	1,527.6	468.9	760.5	298.3
Mar.	5,787.7	1,706.9	120.5	1,674.1	31.7	1,379.5	27.0	847.9	1,543.9	464.8	769.2	309.9
Apr. (p)	5,788.2	1,702.5	116.5	1,690.6	30.8	1,385.8	28.5	833.5	1,570.6	460.5	799.7	310.4
	Transactions											
2011	-29.2	45.1	7.8	-2.6	5.5	-24.9	-0.1	-60.1	17.0	60.2	-31.5	-11.7
2012	88.1	-12.7	16.3	190.8	10.6	-67.3	-3.9	-45.7	49.7	6.6	37.6	5.4
2012 Q4	-18.0	-36.1	0.0	-11.9	1.7	46.9	-1.8	-16.8	17.4	-8.6	14.5	11.5
2013 Q1	5.4	-60.0	17.8	78.3	-1.4	-19.6	3.4	-13.1	21.4	-9.9	17.9	13.5
2013 Jan.	11.4	5.2	7.0	28.4	-0.2	-17.4	0.1	-11.8	14.0	-0.3	14.0	0.3
Feb.	-1.4	-19.9	-1.8	19.7	-0.5	0.6	0.9	-0.3	-11.7	-7.4	-6.0	1.7
Mar.	-4.7	-45.3	12.5	30.3	-0.7	-2.8	2.4	-1.1	19.1	-2.3	9.9	11.5
Apr. (p)	-9.9	-5.8	-2.9	0.3	-0.4	5.5	1.7	-8.2	25.9	-2.7	28.5	0.2
	Growth rates											
2011	-0.5	2.7	7.7	-0.2	33.7	-1.6	-0.8	-6.2	1.1	13.8	-4.1	-3.8
2012	1.5	-0.7	18.7	14.0	48.5	-4.6	-13.7	-4.9	3.3	1.3	5.2	1.8
2012 Q4	1.5	-0.7	18.7	14.0	48.5	-4.6	-13.7	-4.9	3.3	1.3	5.2	1.8
2013 Q1	-2.7	-7.3	21.5	8.6	-4.1	-6.3	5.5	-9.2	2.6	-3.3	4.9	6.5
2013 Jan.	-0.2	-2.0	22.6	11.3	40.4	-6.6	-2.5	-7.6	3.1	-0.5	6.0	2.1
Feb.	-1.9	-4.8	15.7	9.6	2.6	-6.9	0.6	-8.1	2.6	-2.2	5.3	3.7
Mar.	-2.7	-7.3	21.5	8.6	-4.1	-6.3	5.5	-9.2	2.6	-3.3	4.9	6.5
Apr. (p)	-2.0	-6.4	19.3	8.4	-6.8	-5.6	18.7	-7.6	3.0	-4.0	5.9	6.9

C14 MFI holdings of securities [2)]

(annual growth rates)



Source: ECB.

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

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

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

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

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

	MFIs [3)]							Non-MFIs						
	All currencies (outstanding amount)	Euro [4)]	Non-euro currencies					All currencies (outstanding amount)	Euro [4)]	Non-euro currencies				
			Total							Total				
				USD	JPY	CHF	GBP				USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Loans														
To euro area residents														
2011	6,160.7	-	-	-	-	-	-	12,322.6	96.2	3.8	1.9	0.3	1.1	0.4
2012	5,796.5	-	-	-	-	-	-	12,197.2	96.4	3.6	1.7	0.2	0.9	0.5
2012 Q4	5,796.5	-	-	-	-	-	-	12,197.2	96.4	3.6	1.7	0.2	0.9	0.5
2013 Q1 (p)	5,610.9	-	-	-	-	-	-	12,170.0	96.4	3.6	1.8	0.2	0.9	0.5
To non-euro area residents														
2011	2,022.5	44.5	55.5	35.6	2.5	2.7	9.3	998.9	38.2	61.8	41.2	2.6	3.3	7.8
2012	1,908.3	47.3	52.7	31.8	1.9	3.5	10.3	958.9	40.2	59.8	38.3	2.0	2.9	9.7
2012 Q4	1,908.3	47.3	52.7	31.8	1.9	3.5	10.3	958.9	40.2	59.8	38.3	2.0	2.9	9.7
2013 Q1 (p)	1,892.6	45.7	54.3	33.1	2.2	3.1	9.8	997.8	39.4	60.6	39.5	2.6	2.6	8.8
Holdings of securities other than shares														
Issued by euro area residents														
2011	1,852.0	95.3	4.7	2.5	0.1	0.3	1.5	2,913.3	98.2	1.8	1.0	0.2	0.1	0.4
2012	1,854.6	94.5	5.5	2.7	0.1	0.3	2.0	3,052.2	98.2	1.8	1.2	0.1	0.1	0.4
2012 Q4	1,854.6	94.5	5.5	2.7	0.1	0.3	2.0	3,052.2	98.2	1.8	1.2	0.1	0.1	0.4
2013 Q1 (p)	1,827.5	93.4	6.6	3.1	0.1	0.3	2.7	3,112.3	98.1	1.9	1.1	0.1	0.1	0.5
Issued by non-euro area residents														
2011	457.0	56.4	43.6	21.1	0.3	0.3	16.0	475.4	32.2	67.8	39.4	5.8	0.7	13.7
2012	434.7	54.9	45.1	19.7	0.3	0.3	19.0	438.5	34.1	65.9	38.9	5.4	0.9	11.9
2012 Q4	434.7	54.9	45.1	19.7	0.3	0.3	19.0	438.5	34.1	65.9	38.9	5.4	0.9	11.9
2013 Q1 (p)	419.5	55.5	44.5	22.2	0.2	0.3	15.9	428.4	32.9	67.1	41.6	4.6	1.0	10.6
Deposits														
By euro area residents														
2011	6,370.7	92.1	7.9	5.1	0.2	1.2	0.7	10,947.8	97.0	3.0	2.0	0.1	0.1	0.4
2012	6,161.8	93.8	6.2	3.9	0.2	1.0	0.6	11,041.2	97.0	3.0	2.0	0.1	0.1	0.4
2012 Q4	6,161.8	93.8	6.2	3.9	0.2	1.0	0.6	11,041.2	97.0	3.0	2.0	0.1	0.1	0.4
2013 Q1 (p)	5,893.3	93.3	6.7	4.2	0.2	1.1	0.6	11,226.6	96.9	3.1	2.1	0.1	0.1	0.4
By non-euro area residents														
2011	2,175.0	59.2	40.8	25.6	2.1	1.8	7.2	978.6	56.1	43.9	30.0	2.0	1.5	5.1
2012	2,014.0	58.3	41.7	27.7	1.6	1.0	7.3	877.5	52.3	47.7	31.3	1.9	1.2	6.3
2012 Q4	2,014.0	58.3	41.7	27.7	1.6	1.0	7.3	877.5	52.3	47.7	31.3	1.9	1.2	6.3
2013 Q1 (p)	1,989.5	56.5	43.5	29.4	1.9	1.0	6.6	914.0	51.2	48.8	32.6	1.9	1.0	5.7

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
2011	5,236.8	82.0	18.0	9.4	1.7	2.0	2.6
2012	5,073.9	81.8	18.2	9.6	1.6	1.9	2.5
2012 Q4	5,073.9	81.8	18.2	9.6	1.6	1.9	2.5
2013 Q1 (p)	4,975.3	81.0	19.0	10.6	1.4	1.8	2.5

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

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

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

1. Assets

	Total	Deposits and loan claims	Securities other than shares	Shares and other equity (excl. investment fund/ money market fund shares)	Investment fund/ money market fund shares	Non-financial assets	Other assets (incl. financial derivatives)
	1	2	3	4	5	6	7
				Outstanding amounts			
2012 Sep.	7,033.5	501.9	2,855.0	1,919.2	924.9	243.8	588.7
Oct.	7,043.2	493.4	2,897.0	1,911.3	931.7	246.6	563.1
Nov.	7,138.4	494.0	2,938.7	1,936.4	944.3	246.5	578.5
Dec.	7,174.7	472.7	2,967.3	1,986.5	961.5	246.5	540.3
2013 Jan.	7,288.2	493.7	2,953.7	2,035.6	974.7	247.6	583.0
Feb.	7,459.6	510.4	3,006.4	2,083.1	995.0	247.6	617.0
Mar. (p)	7,598.4	502.4	3,069.4	2,140.3	1,024.1	246.6	615.6
				Transactions			
2012 Q3	122.4	24.4	62.6	0.2	15.1	0.4	19.7
Q4	38.0	-26.3	82.8	20.5	29.0	3.5	-71.4
2013 Q1 (p)	231.9	28.6	82.4	34.0	32.8	0.6	53.5

2. Liabilities

	Total	Loans and deposits received	Investment fund shares issued				Other liabilities (incl. financial derivatives)
			Total	Held by euro area residents		Held by non-euro area residents	
					Investment funds		
	1	2	3	4	5	6	7
				Outstanding amounts			
2012 Sep.	7,033.5	150.7	6,348.1	4,667.5	717.0	1,680.6	534.7
Oct.	7,043.2	146.5	6,383.2	4,683.3	725.9	1,700.0	513.5
Nov.	7,138.4	150.1	6,464.0	4,740.1	739.1	1,723.9	524.3
Dec.	7,174.7	144.0	6,561.1	4,805.0	757.4	1,756.1	469.5
2013 Jan.	7,288.2	151.3	6,626.1	4,844.4	770.2	1,781.7	510.8
Feb.	7,459.6	155.4	6,742.0	4,908.8	785.1	1,833.2	562.2
Mar. (p)	7,598.4	155.9	6,887.9	4,992.9	813.8	1,895.0	554.6
				Transactions			
2012 Q3	122.4	19.6	77.2	25.0	29.1	52.2	25.6
Q4	38.0	-6.6	122.9	67.6	32.9	55.3	-78.3
2013 Q1 (p)	231.9	12.5	160.0	77.7	31.7	82.3	59.4

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

	Total	Funds by investment policy						Funds by type		Memo item: Money market funds
		Bond funds	Equity funds	Mixed funds	Real estate funds	Hedge funds	Other funds	Open-end funds	Closed-end funds	
	1	2	3	4	5	6	7	8	9	10
					Outstanding amounts					
2012 Aug.	6,292.4	2,261.3	1,625.6	1,538.1	315.8	138.6	413.0	6,211.3	81.1	970.0
Sep.	6,348.1	2,273.8	1,654.9	1,551.5	315.8	139.7	412.5	6,265.8	82.3	942.3
Oct.	6,383.2	2,311.5	1,647.6	1,557.8	318.5	137.4	410.5	6,300.6	82.6	945.4
Nov.	6,464.0	2,350.4	1,668.2	1,573.3	319.7	136.3	416.2	6,381.1	82.8	945.6
Dec.	6,561.1	2,373.4	1,707.2	1,598.9	320.0	141.1	420.6	6,477.9	83.2	911.1
2013 Jan.	6,626.1	2,372.9	1,750.1	1,620.4	322.2	140.0	420.5	6,541.6	84.5	894.9
Feb.	6,742.0	2,408.5	1,791.9	1,645.9	324.7	143.7	427.4	6,657.6	84.4	899.4
Mar. (p)	6,887.9	2,449.1	1,840.3	1,684.6	326.6	150.4	437.0	6,803.5	84.4	908.5
					Transactions					
2012 Sep.	22.2	12.3	5.0	5.9	1.0	-0.4	-1.6	22.0	0.1	-22.0
Oct.	38.2	30.6	1.4	5.8	1.7	-1.4	0.1	38.0	0.2	6.3
Nov.	31.6	27.4	-1.2	4.5	0.3	-1.9	2.5	31.4	0.2	1.6
Dec.	53.1	16.8	17.8	11.8	0.2	3.8	2.8	52.5	0.5	-29.5
2013 Jan.	60.0	22.6	25.6	13.1	1.9	-1.3	-1.9	59.3	0.7	-2.9
Feb.	45.8	13.7	10.7	15.8	1.0	-0.1	4.8	45.8	0.0	-0.8
Mar. (p)	54.2	19.2	6.7	20.1	0.7	2.7	4.9	53.6	0.6	1.0

Source: ECB.

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

2.9 Securities held by investment funds [1] broken down by issuer of securities

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

1. Securities other than shares

	Total	Euro area						Rest of the world			
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2012 Q2	2,730.7	1,507.9	414.7	694.9	207.9	5.1	185.3	1,222.8	315.5	467.6	17.8
Q3	2,855.0	1,568.3	416.5	711.7	231.9	6.1	202.1	1,286.7	322.6	494.0	18.3
Q4	2,967.3	1,623.5	418.1	745.1	241.2	7.8	211.2	1,343.9	331.9	510.8	16.1
2013 Q1 (p)	3,069.4	1,631.7	409.3	751.0	244.5	8.3	218.5	1,437.7	333.0	564.0	16.0
	Transactions										
2012 Q3	62.6	18.6	-7.4	-4.4	18.2	0.5	11.7	44.0	-0.8	28.2	-0.4
Q4	82.8	28.8	-3.4	21.1	3.4	1.2	6.5	54.0	8.8	16.8	-1.4
2013 Q1 (p)	82.4	9.4	-9.9	8.3	2.0	0.5	8.5	73.0	0.1	38.3	-0.3

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

	Total	Euro area						Rest of the world			
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2012 Q2	1,816.3	638.9	45.5	-	39.1	21.9	532.5	1,177.3	163.6	391.9	78.1
Q3	1,919.2	684.4	52.9	-	44.4	24.1	563.0	1,234.7	172.0	412.1	72.1
Q4	1,986.5	721.9	60.8	-	51.1	27.6	582.4	1,264.5	175.8	407.6	78.1
2013 Q1 (p)	2,140.3	738.2	56.4	-	49.5	27.0	605.3	1,402.2	187.8	478.0	95.0
	Transactions										
2012 Q3	0.2	-3.5	0.5	-	3.3	-0.5	-6.7	3.7	-0.3	4.7	-3.9
Q4	20.5	0.2	1.8	-	4.1	0.5	-6.2	20.3	0.7	5.9	4.6
2013 Q1 (p)	34.0	-4.7	-0.5	-	-1.8	-1.2	-1.3	38.7	3.7	16.6	5.8

3. Investment fund/money market fund shares

	Total	Euro area						Rest of the world			
		Total	MFIs [2]	General government	Other financial intermediaries [2]	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2012 Q2	880.8	743.9	79.5	-	664.4	-	-	136.9	24.9	43.3	0.6
Q3	924.9	792.1	75.1	-	717.0	-	-	132.8	27.4	40.0	0.6
Q4	961.5	829.8	72.4	-	757.4	-	-	131.7	28.7	40.2	0.6
2013 Q1 (p)	1,024.1	888.2	74.3	-	813.8	-	-	135.9	32.2	42.5	0.6
	Transactions										
2012 Q3	15.1	22.3	-6.8	-	29.1	-	-	-7.2	1.0	-3.3	0.0
Q4	29.0	29.6	-3.2	-	32.9	-	-	-0.6	1.2	0.5	0.0
2013 Q1 (p)	32.8	33.7	2.0	-	31.7	-	-	-0.9	2.1	0.9	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												
2012 Q1	2,234.0	321.8	1,506.1	1,198.5	551.6	150.4	23.6	4.8	128.8	210.4	86.4	38.1	71.1
Q2	2,159.2	306.7	1,459.6	1,150.9	513.2	154.0	22.9	4.4	127.4	208.8	85.2	33.0	65.8
Q3	2,082.0	302.8	1,398.8	1,087.6	476.1	158.3	23.4	4.4	125.1	195.2	86.3	31.1	67.9
Q4	2,047.6	284.6	1,379.5	1,065.6	469.8	162.9	24.3	4.0	122.6	199.1	88.4	30.2	65.7
2013 Q1	2,018.7	293.4	1,348.5	1,038.4	461.5	162.0	24.4	4.0	119.7	194.6	87.0	30.7	64.6
	Transactions												
2012 Q1	-52.9	-6.5	-27.1	-19.1	-	-4.9	0.3	0.0	-3.3	-13.2	-2.2	-1.0	-3.0
Q2	-81.9	-14.8	-49.4	-50.4	-	4.0	-0.7	-0.4	-1.9	-2.0	-1.3	-5.3	-9.1
Q3	-80.9	-3.8	-61.6	-64.2	-	4.2	0.5	0.0	-2.0	-14.9	1.3	-2.0	0.1
Q4	-38.6	-17.8	-17.9	-21.1	-	4.5	1.1	-0.4	-2.0	2.2	2.4	-0.8	-6.7
2013 Q1	-31.1	7.7	-30.5	-28.9	-	1.4	0.2	0.0	-3.2	-1.9	-1.3	0.1	-5.3

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						
2012 Q1	2,234.0	155.7	1,821.6	59.0	1,762.6	34.8	221.9
Q2	2,159.2	150.6	1,753.3	54.3	1,699.0	28.6	226.7
Q3	2,082.0	145.2	1,683.4	52.2	1,631.2	27.3	226.2
Q4	2,047.6	139.8	1,658.2	53.1	1,605.1	27.4	222.1
2013 Q1	2,018.7	141.6	1,622.1	55.5	1,566.6	27.0	228.1
	Transactions						
2012 Q1	-52.9	1.1	-55.4	-8.0	-47.4	-0.9	2.2
Q2	-81.9	-5.3	-71.1	-4.6	-66.5	-5.8	0.4
Q3	-80.9	-5.7	-71.4	-2.4	-68.9	-1.3	-2.6
Q4	-38.6	-5.4	-25.4	0.0	-25.4	0.0	-7.7
2013 Q1	-31.1	1.7	-34.2	2.4	-36.6	-0.9	2.3

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												
2012 Q1	1,198.5	879.5	246.0	18.2	0.2	6.4	32.4	210.4	115.1	41.4	73.7	30.2	95.3
Q2	1,150.9	833.0	245.8	18.7	0.2	6.3	33.3	208.8	115.6	42.6	73.0	29.1	93.1
Q3	1,087.6	787.5	233.1	17.1	0.2	5.5	31.6	195.2	109.4	38.7	70.7	27.8	85.8
Q4	1,065.6	770.2	230.2	17.5	0.2	5.4	31.1	199.1	114.4	39.4	75.0	29.6	84.8
2013 Q1	1,038.4	751.5	227.1	14.9	0.2	5.4	29.2	194.6	109.2	36.2	73.0	29.6	85.4
	Transactions												
2012 Q1	-19.1	-10.4	-8.2	0.3	0.0	-0.2	0.6	-13.2	-6.0	-0.7	-5.3	-0.5	-7.3
Q2	-50.4	-48.5	-0.5	0.5	0.0	-0.1	0.3	-2.0	0.7	0.9	-0.3	-1.4	-2.7
Q3	-64.2	-47.0	-12.6	-1.0	0.0	-0.8	-1.8	-14.9	-6.9	-4.3	-2.6	-1.1	-8.0
Q4	-21.1	-17.8	-2.1	0.4	0.0	-0.1	0.1	2.2	5.2	0.9	4.3	1.8	-3.0
2013 Q1	-28.9	-20.8	-3.0	-2.3	0.0	0.0	-1.9	-1.9	-4.0	-2.6	-1.5	-2.2	2.2

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

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

(EUR billions; outstanding amounts at end of period)

1. Assets

	Total	Currency and deposits	Loans	Securities other than shares	Shares and other equity	Investment fund shares	Money market fund shares	Prepayments of insurance premiums and reserves for outstanding claims	Other accounts receivable/ payable and financial derivatives	Non-financial assets
	1	2	3	4	5	6	7	8	9	10
2010 Q1	6,866.3	781.1	434.9	2,612.1	803.8	1,524.3	93.5	245.6	226.8	144.1
Q2	6,886.4	781.8	438.6	2,642.5	780.7	1,511.3	92.0	251.0	242.3	146.2
Q3	7,063.4	780.2	447.0	2,733.0	796.5	1,552.0	89.9	253.1	265.4	146.4
Q4	7,040.4	768.3	451.6	2,682.9	830.6	1,601.6	80.7	253.8	222.0	148.9
2011 Q1	7,124.8	768.9	452.7	2,735.8	838.0	1,613.5	80.0	261.7	223.6	150.7
Q2	7,138.7	771.5	460.5	2,746.1	838.0	1,613.7	83.3	254.1	222.0	149.4
Q3	7,138.2	788.4	459.4	2,770.2	788.8	1,565.8	92.4	255.4	268.7	149.1
Q4	7,144.1	780.8	469.0	2,729.5	797.3	1,597.0	95.1	253.4	271.3	150.7
2012 Q1	7,401.6	793.1	467.3	2,845.6	807.3	1,702.8	98.3	255.2	280.7	151.4
Q2	7,464.0	782.7	467.2	2,872.8	822.7	1,702.5	102.9	258.2	302.2	152.9
Q3	7,676.7	782.6	475.8	2,981.5	841.9	1,778.4	106.5	259.7	296.8	153.5
Q4 (p)	7,778.0	786.3	480.5	3,039.9	834.0	1,817.7	107.7	258.6	298.1	155.1

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
2010 Q1	2,612.1	2,190.2	574.2	1,216.3	235.3	16.1	148.2	422.0
Q2	2,642.5	2,219.0	577.2	1,228.6	244.9	16.2	152.1	423.5
Q3	2,733.0	2,303.5	593.6	1,282.6	254.0	18.7	154.6	429.4
Q4	2,682.9	2,255.0	592.6	1,253.1	234.2	17.7	157.4	427.9
2011 Q1	2,735.8	2,314.8	614.6	1,289.6	237.9	17.4	155.3	421.0
Q2	2,746.1	2,324.6	618.7	1,292.6	237.3	16.9	159.1	421.5
Q3	2,770.2	2,342.5	628.4	1,306.2	228.8	17.0	162.1	427.6
Q4	2,729.5	2,298.2	625.2	1,263.5	226.4	16.7	166.4	431.3
2012 Q1	2,845.6	2,389.0	653.3	1,307.9	229.7	17.1	180.8	456.6
Q2	2,872.8	2,397.9	657.8	1,301.1	234.2	17.0	187.7	474.9
Q3	2,981.5	2,482.1	685.9	1,333.4	243.2	17.5	202.1	499.3
Q4 (p)	3,039.9	2,528.6	684.5	1,366.4	246.1	18.1	213.5	511.3

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
2010 Q1	6,625.4	248.3	39.5	457.8	5,691.7	3,126.8	1,754.3	810.6	188.1	240.9
Q2	6,708.3	251.1	39.5	431.8	5,793.6	3,156.9	1,823.8	813.0	192.2	178.2
Q3	6,871.2	276.3	39.7	440.3	5,935.9	3,220.7	1,905.8	809.4	179.0	192.2
Q4	6,863.8	250.3	42.5	448.9	5,954.6	3,257.8	1,886.6	810.2	167.5	176.6
2011 Q1	6,910.1	262.5	40.5	465.1	5,967.9	3,283.7	1,858.2	826.1	174.1	214.7
Q2	6,931.0	261.7	43.1	454.1	5,997.3	3,304.6	1,870.8	821.9	174.8	207.7
Q3	7,039.4	269.0	42.2	409.2	6,130.8	3,286.5	2,023.2	821.1	188.2	98.7
Q4	7,058.7	262.9	42.2	407.1	6,160.1	3,297.3	2,046.9	815.8	186.5	85.4
2012 Q1	7,223.1	271.8	44.5	438.6	6,278.6	3,340.3	2,103.7	834.6	189.7	178.5
Q2	7,294.7	279.3	43.5	421.8	6,346.3	3,345.3	2,165.3	835.7	203.7	169.3
Q3	7,368.1	290.9	44.9	450.9	6,387.8	3,394.2	2,154.6	838.9	193.7	308.5
Q4 (p)	7,477.3	268.2	48.1	481.0	6,461.4	3,430.8	2,188.1	842.6	218.6	300.8

Source: ECB.

3 EURO AREA ACCOUNTS

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

Uses 2012 Q4	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Exports of goods and services						641
Trade balance [1]						-56
Generation of income account						
Gross value added (basic prices)						
Taxes less subsidies on products						
Gross domestic product (market prices)						
Compensation of employees	1,254	128	793	65	268	
Other taxes less subsidies on production	34	13	10	5	6	
Consumption of fixed capital	376	101	213	11	51	
Net operating surplus and mixed income [1]	506	260	224	22	-2	
Allocation of primary income account						
Net operating surplus and mixed income						
Compensation of employees						7
Taxes less subsidies on production						
Property income	662	34	255	295	78	111
Interest	359	31	61	190	78	51
Other property income	302	3	194	106	0	60
Net national income [1]	2,075	1,697	89	39	250	
Secondary distribution of income account						
Net national income						
Current taxes on income, wealth, etc.	345	265	69	12	0	1
Social contributions	483	483				1
Social benefits other than social transfers in kind	495	1	18	36	440	1
Other current transfers	201	72	26	50	53	11
Net non-life insurance premiums	46	34	11	1	1	2
Non-life insurance claims	47			47		1
Other	108	38	16	2	53	8
Net disposable income [1]	2,049	1,462	10	41	537	
Use of income account						
Net disposable income						
Final consumption expenditure	1,940	1,383			557	
Individual consumption expenditure	1,723	1,383			340	
Collective consumption expenditure	217				217	
Adjustment for the change in the net equity of households in pension fund reserves	15	0	1	14	0	0
Net saving/current external account [1]	109	94	9	27	-21	-56
Capital account						
Net saving/current external account						
Gross capital formation	430	141	221	13	55	
Gross fixed capital formation	453	141	245	13	55	
Changes in inventories and acquisitions less disposals of valuables	-24	0	-24	0	0	
Consumption of fixed capital						
Acquisitions less disposals of non-produced non-financial assets	0	-1	1	0	0	0
Capital transfers	84	10	3	3	68	11
Capital taxes	7	6	1	0		0
Other capital transfers	77	4	2	3	68	11
Net lending (+)/net borrowing (-) (from capital account) [1]	63	57	22	58	-75	-63
Statistical discrepancy	0	-7	7	0	0	0

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

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

Resources 2012 Q4	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Imports of goods and services						585
Trade balance						
Generation of income account						
Gross value added (basic prices)	2,170	502	1,241	103	323	
Taxes less subsidies on products	256					
Gross domestic product (market prices)[2)]	2,425					
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	506	260	224	22	-2	
Compensation of employees	1,257	1,257				3
Taxes less subsidies on production	304				304	-14
Property income	670	214	119	312	25	102
Interest	354	54	41	248	11	57
Other property income	317	160	78	64	14	46
Net national income						
Secondary distribution of income account						
Net national income	2,075	1,697	89	39	250	
Current taxes on income, wealth, etc.	345				345	1
Social contributions	483	1	19	51	411	1
Social benefits other than social transfers in kind	493	493				3
Other current transfers	177	91	15	48	23	35
Net non-life insurance premiums	47			47		1
Non-life insurance claims	45	35	9	1	0	3
Other	85	56	6	0	23	31
Net disposable income						
Use of income account						
Net disposable income	2,049	1,462	10	41	537	
Final consumption expenditure						
Individual consumption expenditure						
Collective consumption expenditure						
Adjustment for the change in the net equity of households in pension fund reserves	15	15				0
Net saving/current external account						
Capital account						
Net saving/current external account	109	94	9	27	-21	-56
Gross capital formation						
Gross fixed capital formation						
Changes in inventories and acquisitions less disposals of valuables						
Consumption of fixed capital	376	101	213	11	51	
Acquisitions less disposals of non-produced non-financial assets						
Capital transfers	90	13	25	35	17	5
Capital taxes	7				7	0
Other capital transfers	83	13	25	35	10	5
Net lending (+)/net borrowing (-) (from capital account)						
Statistical discrepancy						

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

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

Assets 2012 Q4	Euro area	Households	Non-financial corporations	MFIs	Other financial inter-mediaries	Insurance corporations and pension funds	General govern-ment	Rest of the world
Opening balance sheet, financial assets								
Total financial assets		19,363	17,055	35,464	16,041	7,271	4,121	17,879
Monetary gold and special drawing rights (SDRs)				530				
Currency and deposits		6,926	2,073	11,783	2,236	801	816	3,576
Short-term debt securities		58	86	573	421	73	34	618
Long-term debt securities		1,310	307	6,378	2,733	2,909	421	4,128
Loans		77	3,092	13,424	3,806	487	686	2,195
of which: Long-term		57	1,915	10,411	2,639	361	601	.
Shares and other equity		4,268	7,761	1,780	6,529	2,624	1,435	6,528
Quoted shares		735	1,042	351	2,063	390	201	.
Unquoted shares and other equity		2,150	6,346	1,140	3,393	432	1,056	.
Mutual fund shares		1,383	374	289	1,073	1,801	178	.
Insurance technical reserves		6,147	177	3	0	240	4	266
Other accounts receivable and financial derivatives		578	3,558	993	316	138	725	567
Net financial worth								
Financial account, transactions in financial assets								
Total transactions in financial assets		81	115	-699	235	56	117	-66
Monetary gold and SDRs				0				0
Currency and deposits		110	87	-460	-74	-1	-69	-211
Short-term debt securities		-12	-5	-20	-23	-6	3	-2
Long-term debt securities		-52	-4	-5	119	29	4	65
Loans		0	-42	-148	162	4	125	-23
of which: Long-term		0	-10	-72	116	3	110	.
Shares and other equity		30	24	49	78	29	45	84
Quoted shares		-1	-5	20	28	10	4	.
Unquoted shares and other equity		22	20	15	24	2	49	.
Mutual fund shares		8	9	14	27	17	-8	.
Insurance technical reserves		33	-1	0	0	1	0	5
Other accounts receivable and financial derivatives		-26	56	-115	-28	0	8	16
Changes in net financial worth due to transactions								
Other changes account, financial assets								
Total other changes in financial assets		181	136	-116	94	57	20	15
Monetary gold and SDRs				-23				
Currency and deposits		-1	-3	-80	-1	1	0	-32
Short-term debt securities		3	-1	-1	-5	0	0	-9
Long-term debt securities		33	8	39	27	28	7	14
Loans		0	-27	-66	7	0	0	22
of which: Long-term		0	-22	-32	2	0	5	.
Shares and other equity		101	179	14	74	28	13	45
Quoted shares		24	95	-1	57	6	4	.
Unquoted shares and other equity		57	81	17	2	-2	7	.
Mutual fund shares		20	3	-2	15	24	2	.
Insurance technical reserves		43	0	0	0	0	0	2
Other accounts receivable and financial derivatives		2	-20	0	-8	0	0	-27
Other changes in net financial worth								
Closing balance sheet, financial assets								
Total financial assets		19,626	17,306	34,649	16,370	7,383	4,258	17,827
Monetary gold and SDRs				508				
Currency and deposits		7,035	2,157	11,244	2,161	800	747	3,333
Short-term debt securities		48	80	552	394	67	37	607
Long-term debt securities		1,291	312	6,412	2,879	2,966	433	4,207
Loans		77	3,023	13,210	3,974	491	812	2,194
of which: Long-term		57	1,882	10,307	2,757	363	716	.
Shares and other equity		4,399	7,965	1,843	6,681	2,681	1,493	6,657
Quoted shares		758	1,131	370	2,148	406	209	.
Unquoted shares and other equity		2,229	6,448	1,173	3,419	432	1,111	.
Mutual fund shares		1,412	386	301	1,114	1,843	173	.
Insurance technical reserves		6,222	175	3	0	240	4	273
Other accounts receivable and financial derivatives		554	3,594	878	280	138	733	556
Net financial worth								

Source: ECB.

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

Liabilities 2012 Q4	Euro area	Households	Non-financial corporations	MFIs	Other financial inter-mediaries	Insurance corporations and pension funds	General govern-ment	Rest of the world
Opening balance sheet, liabilities								
Total liabilities		6,807	26,187	34,393	15,725	7,296	10,199	16,058
Monetary gold and special drawing rights (SDRs)								
Currency and deposits			31	25,170	32	0	275	2,702
Short-term debt securities			91	696	72	3	704	298
Long-term debt securities			927	4,697	2,783	46	6,522	3,211
Loans		6,188	8,462		3,530	301	2,067	3,221
of which: Long-term		5,840	6,189		1,882	106	1,756	.
Shares and other equity		8	12,761	2,582	9,199	438	4	5,934
Quoted shares			3,550	367	214	117	0	.
Unquoted shares and other equity		8	9,211	1,273	2,852	320	4	.
Mutual fund shares				942	6,133			.
Insurance technical reserves		36	348	67	1	6,384	1	
Other accounts payable and financial derivatives		575	3,567	1,182	108	124	627	692
Net financial worth [1]	-1,291	12,557	-9,132	1,071	316	-25	-6,078	
Financial account, transactions in liabilities								
Total transactions in liabilities		31	87	-715	195	54	192	-4
Monetary gold and SDRs								
Currency and deposits			1	-564	4	0	6	-65
Short-term debt securities			-8	-58	37	0	-34	-2
Long-term debt securities			29	-43	81	3	62	23
Loans		15	-67		-27	-27	201	-18
of which: Long-term		11	-61		-28	3	212	.
Shares and other equity		0	56	21	171	-1	0	92
Quoted shares			14	6	2	0	0	.
Unquoted shares and other equity		0	42	37	42	-1	0	.
Mutual fund shares				-22	127			.
Insurance technical reserves		0	1	1	0	36	0	
Other accounts payable and financial derivatives		16	75	-72	-73	43	-43	-33
Changes in net financial worth due to transactions [1]	63	51	29	16	40	2	-75	-63
Other changes account, liabilities								
Total other changes in liabilities		-13	337	-64	88	37	135	-112
Monetary gold and SDRs								
Currency and deposits			0	-95	0	0	0	-21
Short-term debt securities			0	-4	-1	0	-1	-8
Long-term debt securities			1	10	13	1	137	-5
Loans		-11	-47		7	0	4	-17
of which: Long-term		-10	-35		14	0	4	.
Shares and other equity		0	390	16	63	26	0	-41
Quoted shares			183	32	18	16	0	.
Unquoted shares and other equity		0	207	-6	-32	10	0	.
Mutual fund shares				-10	77			.
Insurance technical reserves		0	0	0	0	43	0	
Other accounts payable and financial derivatives		-2	-6	9	6	-33	-6	-20
Other changes in net financial worth [1]	-149	194	-201	-52	6	19	-115	126
Closing balance sheet, liabilities								
Total liabilities		6,824	26,611	33,614	16,007	7,387	10,526	15,942
Monetary gold and SDRs								
Currency and deposits			32	24,511	37	0	281	2,616
Short-term debt securities			83	634	108	3	670	289
Long-term debt securities			956	4,664	2,878	51	6,721	3,229
Loans		6,192	8,347		3,510	273	2,273	3,185
of which: Long-term		5,840	6,093		1,868	109	1,972	.
Shares and other equity		8	13,208	2,619	9,433	463	4	5,985
Quoted shares			3,747	404	234	134	0	.
Unquoted shares and other equity		8	9,461	1,304	2,862	328	4	.
Mutual fund shares				911	6,337			.
Insurance technical reserves		36	349	68	1	6,463	1	
Other accounts payable and financial derivatives		588	3,636	1,119	41	133	577	639
Net financial worth [1]	-1,377	12,802	-9,304	1,035	363	-4	-6,268	

Source: ECB.

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

Uses	2008	2009	2010	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4
Generation of income account								
Gross value added (basic prices)								
Taxes less subsidies on products								
Gross domestic product (market prices)								
Compensation of employees	4,464	4,448	4,508	4,625	4,641	4,652	4,665	4,669
Other taxes less subsidies on production	94	86	83	96	104	112	117	127
Consumption of fixed capital	1,361	1,387	1,418	1,466	1,476	1,484	1,491	1,497
Net operating surplus and mixed income [1]	2,357	2,099	2,204	2,243	2,240	2,226	2,210	2,190
Allocation of primary income account								
Net operating surplus and mixed income								
Compensation of employees								
Taxes less subsidies on production								
Property income	3,949	2,964	2,823	2,986	3,011	3,003	2,980	2,951
Interest	2,386	1,596	1,384	1,543	1,561	1,549	1,523	1,482
Other property income	1,563	1,369	1,439	1,443	1,450	1,454	1,457	1,469
Net national income [1]	7,801	7,541	7,753	7,926	7,962	7,974	8,001	8,003
Secondary distribution of income account								
Net national income								
Current taxes on income, wealth, etc.	1,145	1,028	1,055	1,111	1,123	1,140	1,155	1,177
Social contributions	1,672	1,677	1,704	1,755	1,763	1,773	1,780	1,789
Social benefits other than social transfers in kind	1,652	1,768	1,813	1,842	1,852	1,863	1,875	1,886
Other current transfers	773	773	777	785	787	790	792	787
Net non-life insurance premiums	188	180	181	184	186	186	187	186
Non-life insurance claims	190	182	182	186	187	188	189	188
Other	395	411	413	414	415	416	415	412
Net disposable income [1]	7,699	7,433	7,641	7,816	7,850	7,859	7,887	7,891
Use of income account								
Net disposable income								
Final consumption expenditure	7,138	7,151	7,316	7,473	7,499	7,507	7,513	7,518
Individual consumption expenditure	6,403	6,382	6,542	6,697	6,722	6,730	6,734	6,741
Collective consumption expenditure	735	769	774	776	777	777	778	777
Adjustment for the change in the net equity of households in pension fund reserves	70	61	56	59	60	61	60	60
Net saving [1]	561	282	325	344	351	352	374	374
Capital account								
Net saving								
Gross capital formation	2,072	1,705	1,786	1,867	1,852	1,821	1,792	1,769
Gross fixed capital formation	2,010	1,753	1,762	1,827	1,826	1,812	1,796	1,777
Changes in inventories and acquisitions less disposals of valuables	62	-48	24	40	26	9	-4	-9
Consumption of fixed capital								
Acquisitions less disposals of non-produced non-financial assets	1	1	1	0	0	1	1	0
Capital transfers	152	184	222	175	170	176	185	196
Capital taxes	24	34	25	31	30	29	29	26
Other capital transfers	128	150	197	144	140	147	156	171
Net lending (+)/net borrowing (-) (from capital account) [1]	-142	-28	-34	-46	-15	25	86	115

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

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

(EUR billions; four-quarter cumulated flows)

Resources	2008	2009	2010	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4
Generation of income account								
Gross value added (basic prices)	8,276	8,020	8,214	8,430	8,460	8,474	8,483	8,483
Taxes less subsidies on products	946	894	942	974	976	972	972	976
Gross domestic product (market prices)[2]	9,222	8,914	9,156	9,404	9,436	9,447	9,455	9,459
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	2,357	2,099	2,204	2,243	2,240	2,226	2,210	2,190
Compensation of employees	4,473	4,459	4,520	4,637	4,654	4,665	4,677	4,682
Taxes less subsidies on production	1,047	997	1,039	1,080	1,089	1,094	1,098	1,114
Property income	3,873	2,950	2,812	2,951	2,991	2,992	2,996	2,969
Interest	2,330	1,551	1,338	1,495	1,515	1,511	1,494	1,458
Other property income	1,544	1,399	1,474	1,456	1,475	1,481	1,502	1,512
Net national income								
Secondary distribution of income account								
Net national income	7,801	7,541	7,753	7,926	7,962	7,974	8,001	8,003
Current taxes on income, wealth, etc.	1,154	1,033	1,059	1,118	1,129	1,144	1,158	1,180
Social contributions	1,670	1,675	1,703	1,753	1,762	1,772	1,778	1,787
Social benefits other than social transfers in kind	1,644	1,762	1,806	1,836	1,846	1,856	1,868	1,879
Other current transfers	672	668	668	676	677	679	682	680
Net non-life insurance premiums	190	182	182	186	187	188	189	188
Non-life insurance claims	185	178	178	180	181	182	183	181
Other	297	308	308	310	309	309	310	310
Net disposable income								
Use of income account								
Net disposable income	7,699	7,433	7,641	7,816	7,850	7,859	7,887	7,891
Final consumption expenditure								
Individual consumption expenditure								
Collective consumption expenditure								
Adjustment for the change in the net equity of households in pension fund reserves	70	61	56	59	60	61	60	60
Net saving								
Capital account								
Net saving	561	282	325	344	351	352	374	374
Gross capital formation								
Gross fixed capital formation								
Changes in inventories and acquisitions less disposals of valuables								
Consumption of fixed capital	1,361	1,387	1,418	1,466	1,476	1,484	1,491	1,497
Acquisitions less disposals of non-produced non-financial assets								
Capital transfers	161	193	232	185	180	188	197	209
Capital taxes	24	34	25	31	30	29	29	26
Other capital transfers	137	159	207	154	150	159	168	184
Net lending (+)/net borrowing (-) (from capital account)								

Sources: ECB and Eurostat.

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

3.3 Households

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

	2008	2009	2010	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4
Income, saving and changes in net worth								
Compensation of employees (+)	4,473	4,459	4,520	4,637	4,654	4,665	4,677	4,682
Gross operating surplus and mixed income (+)	1,525	1,441	1,439	1,476	1,481	1,481	1,482	1,479
Interest receivable (+)	347	233	201	228	233	232	231	226
Interest payable (-)	251	146	124	145	146	143	139	132
Other property income receivable (+)	787	726	725	745	757	754	749	748
Other property income payable (-)	10	10	10	10	10	10	10	10
Current taxes on income and wealth (-)	873	842	848	882	894	909	924	940
Net social contributions (-)	1,668	1,672	1,699	1,750	1,758	1,768	1,775	1,784
Net social benefits (+)	1,639	1,757	1,801	1,831	1,841	1,851	1,863	1,873
Net current transfers receivable (+)	69	72	71	70	68	69	68	70
= Gross disposable income	6,038	6,017	6,077	6,201	6,225	6,221	6,222	6,212
Final consumption expenditure (-)	5,232	5,155	5,292	5,435	5,457	5,463	5,465	5,471
Changes in net worth in pension funds (+)	70	60	56	58	59	60	59	59
= Gross saving	876	922	840	824	827	818	816	800
Consumption of fixed capital (-)	375	379	385	395	398	400	401	402
Net capital transfers receivable (+)	0	10	13	9	8	7	6	6
Other changes in net worth (+)	-1,053	-93	812	-44	-145	-621	-420	-420
= Changes in net worth	-553	460	1,281	393	291	-195	2	-16
Investment, financing and changes in net worth								
Net acquisition of non-financial assets (+)	648	554	558	577	577	572	566	561
Consumption of fixed capital (-)	375	379	385	395	398	400	401	402
Main items of financial investment (+)								
Short-term assets	449	6	38	124	148	159	171	192
Currency and deposits	437	121	118	118	155	165	176	226
Money market fund shares	-3	-40	-59	-21	-22	-20	-27	-30
Debt securities [1]	15	-74	-20	28	15	14	22	-3
Long-term assets	64	450	406	223	238	204	152	99
Deposits	-25	71	57	55	52	43	26	10
Debt securities	31	6	-11	55	41	-11	-26	-122
Shares and other equity	-75	143	110	-1	45	74	51	90
Quoted and unquoted shares and other equity	69	117	101	45	78	100	69	65
Mutual fund shares	-144	26	9	-46	-33	-26	-18	25
Life insurance and pension fund reserves	133	230	249	115	100	98	101	122
Main items of financing (-)								
Loans	257	107	120	84	68	39	19	15
of which: From euro area MFIs	83	65	147	81	34	13	1	26
Other changes in assets (+)								
Non-financial assets	296	-393	723	271	-37	-408	-903	-915
Financial assets	-1,427	300	133	-376	-191	-264	452	472
Shares and other equity	-1,166	99	36	-346	-302	-350	247	241
Life insurance and pension fund reserves	-235	186	123	23	108	107	184	171
Remaining net flows (+)	49	29	-72	53	23	-20	-17	-9
= Changes in net worth	-553	460	1,281	393	291	-195	2	-16
Balance sheet								
Non-financial assets (+)	25,346	25,128	26,025	26,478	26,243	26,140	25,933	25,721
Financial assets (+)								
Short-term assets	5,777	5,772	5,814	5,952	5,969	6,022	6,032	6,117
Currency and deposits	5,321	5,474	5,596	5,726	5,755	5,822	5,839	5,949
Money market fund shares	320	246	189	172	156	145	135	120
Debt securities [1]	136	52	29	53	57	54	58	48
Long-term assets	10,794	11,596	12,112	11,964	12,268	12,160	12,372	12,575
Deposits	908	960	1,018	1,073	1,082	1,092	1,087	1,086
Debt securities	1,328	1,387	1,327	1,339	1,389	1,332	1,310	1,291
Shares and other equity	3,857	4,132	4,277	3,925	4,072	3,982	4,133	4,279
Quoted and unquoted shares and other equity	2,892	2,988	3,049	2,802	2,873	2,790	2,885	2,987
Mutual fund shares	965	1,144	1,228	1,123	1,199	1,192	1,248	1,291
Life insurance and pension fund reserves	4,701	5,117	5,490	5,627	5,725	5,753	5,843	5,920
Remaining net assets (+)	295	302	309	345	314	316	341	302
Liabilities (-)								
Loans	5,806	5,932	6,112	6,199	6,183	6,197	6,188	6,192
of which: From euro area MFIs	4,914	4,968	5,213	5,281	5,269	5,294	5,283	5,291
= Net worth	36,406	36,866	38,147	38,540	38,610	38,440	38,490	38,524

Sources: ECB and Eurostat.

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

3.4 Non-financial corporations

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

	2008	2009	2010	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4
Income and saving								
Gross value added (basic prices) (+)	4,758	4,519	4,672	4,829	4,848	4,857	4,862	4,865
Compensation of employees (-)	2,841	2,787	2,827	2,927	2,941	2,952	2,963	2,970
Other taxes less subsidies on production (-)	46	41	35	42	44	48	49	53
= Gross operating surplus (+)	1,870	1,691	1,810	1,859	1,862	1,856	1,850	1,842
Consumption of fixed capital (-)	765	782	800	830	836	840	845	848
= Net operating surplus (+)	1,106	910	1,011	1,029	1,026	1,016	1,005	994
Property income receivable (+)	629	528	565	552	557	565	579	578
Interest receivable	239	168	160	169	171	171	168	164
Other property income receivable	390	360	405	383	386	394	410	414
Interest and rents payable (-)	427	299	259	291	294	289	283	274
= Net entrepreneurial income (+)	1,308	1,139	1,316	1,290	1,289	1,291	1,301	1,298
Distributed income (-)	1,009	927	951	975	976	989	990	995
Taxes on income and wealth payable (-)	235	151	168	188	187	189	189	196
Social contributions receivable (+)	68	71	69	74	74	74	74	74
Social benefits payable (-)	66	68	69	70	70	70	71	71
Other net transfers (-)	48	47	45	47	47	47	47	47
= Net saving	17	16	152	84	82	71	78	64
Investment, financing and saving								
Net acquisition of non-financial assets (+)	367	71	157	199	183	161	137	114
Gross fixed capital formation (+)	1,073	902	933	991	992	989	982	972
Consumption of fixed capital (-)	765	782	800	830	836	840	845	848
Net acquisition of other non-financial assets (+)	58	-50	24	38	27	12	0	-10
Main items of financial investment (+)								
Short-term assets	61	96	43	-26	-4	-1	19	56
Currency and deposits	14	88	68	6	16	16	38	77
Money market fund shares	33	39	-23	-43	-35	-30	-24	-14
Debt securities [1]	15	-31	-2	11	15	13	5	-7
Long-term assets	598	132	439	452	448	371	306	202
Deposits	34	0	20	87	45	21	-27	-3
Debt securities	-24	25	5	-1	-5	11	12	9
Shares and other equity	323	96	251	232	251	164	128	99
Other (mainly intercompany loans)	265	11	163	134	157	175	193	98
Remaining net assets (+)	-18	57	-22	-44	-25	-5	71	67
Main items of financing (-)								
Debt	633	14	152	218	216	168	196	102
of which: Loans from euro area MFIs	391	-107	-17	74	-1	-42	-89	-143
of which: Debt securities	46	90	61	50	74	92	106	115
Shares and other equity	281	240	245	210	238	220	187	198
Quoted shares	-7	59	31	27	19	15	16	26
Unquoted shares and other equity	288	181	214	184	218	205	172	172
Net capital transfers receivable (-)	74	82	66	69	67	67	69	68
= Net saving	17	16	152	84	82	71	78	64
Financial balance sheet								
Financial assets								
Short-term assets	1,849	1,934	1,968	1,944	1,920	1,923	1,929	1,992
Currency and deposits	1,538	1,632	1,696	1,706	1,682	1,698	1,717	1,782
Money market fund shares	192	214	192	147	141	135	126	130
Debt securities [1]	118	88	81	91	97	90	86	80
Long-term assets	9,492	10,245	10,752	10,698	11,198	11,087	11,390	11,545
Deposits	246	236	245	336	360	358	355	375
Debt securities	218	240	254	268	299	300	307	312
Shares and other equity	6,388	7,141	7,444	7,134	7,558	7,367	7,635	7,835
Other (mainly intercompany loans)	2,640	2,628	2,809	2,961	2,980	3,062	3,092	3,023
Remaining net assets	278	298	96	104	190	125	199	166
Liabilities								
Debt	9,247	9,206	9,478	9,638	9,679	9,755	9,828	9,735
of which: Loans from euro area MFIs	4,856	4,701	4,675	4,719	4,686	4,691	4,631	4,499
of which: Debt securities	695	815	877	886	936	965	1,018	1,040
Shares and other equity	11,186	12,421	12,948	12,190	12,767	12,354	12,761	13,208
Quoted shares	2,953	3,502	3,799	3,281	3,569	3,331	3,550	3,747
Unquoted shares and other equity	8,233	8,919	9,150	8,909	9,199	9,022	9,211	9,461

Sources: ECB and Eurostat.

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

3.5 Insurance corporations and pension funds

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

	2008	2009	2010	2011 Q1-2011 Q4	2011 Q2-2012 Q1	2011 Q3-2012 Q2	2011 Q4-2012 Q3	2012 Q1-2012 Q4
Financial account, financial transactions								
Main items of financial investment (+)								
Short-term assets	69	-47	-16	49	88	76	59	49
Currency and deposits	57	-33	-9	14	29	15	3	16
Money market fund shares	12	0	-17	11	47	48	45	39
Debt securities [1]	1	-14	11	24	12	13	10	-6
Long-term assets	130	292	292	146	87	88	101	179
Deposits	5	15	-5	7	-4	-5	-15	-17
Debt securities	78	102	181	54	27	42	74	125
Loans	20	8	32	9	6	0	13	13
Quoted shares	-12	-51	-2	-12	-16	-13	-15	-4
Unquoted shares and other equity	14	-14	11	15	10	15	8	7
Mutual fund shares	25	233	75	72	63	49	36	55
Remaining net assets (+)	14	12	10	-51	-57	-18	-14	-45
Main items of financing (-)								
Debt securities	5	5	1	3	5	1	3	6
Loans	30	-4	7	6	-3	1	4	-12
Shares and other equity	8	5	7	2	1	3	2	0
Insurance technical reserves	127	246	281	115	103	109	124	150
Net equity of households in life insurance and pension fund reserves	124	240	262	110	100	98	109	126
Prepayments of insurance premiums and reserves for outstanding claims	2	6	19	5	3	11	15	24
= Changes in net financial worth due to transactions	43	4	-9	19	11	32	13	38
Other changes account								
Other changes in financial assets (+)								
Shares and other equity	-546	200	113	-108	-6	-26	192	184
Other net assets	46	44	1	18	138	109	146	221
Other changes in liabilities (-)								
Shares and other equity	-171	12	-1	-49	-31	-36	42	68
Insurance technical reserves	-253	165	141	25	115	115	191	177
Net equity of households in life insurance and pension fund reserves	-246	193	130	23	111	115	193	182
Prepayments of insurance premiums and reserves for outstanding claims	-8	-28	11	2	4	0	-3	-5
= Other changes in net financial worth	-76	66	-26	-66	49	4	106	160
Financial balance sheet								
Financial assets (+)								
Short-term assets	376	324	313	350	382	372	387	388
Currency and deposits	224	195	190	193	208	195	200	210
Money market fund shares	98	90	74	84	107	110	113	111
Debt securities [1]	54	39	49	74	66	68	73	67
Long-term assets	5,097	5,665	6,058	6,060	6,301	6,303	6,507	6,617
Deposits	599	611	605	608	609	606	601	591
Debt securities	2,290	2,468	2,638	2,659	2,787	2,803	2,909	2,966
Loans	431	434	467	477	476	476	487	491
Quoted shares	384	397	421	376	386	373	390	406
Unquoted shares and other equity	419	413	417	427	432	433	432	432
Mutual fund shares	974	1,341	1,510	1,514	1,610	1,612	1,688	1,731
Remaining net assets (+)	237	214	238	251	241	253	253	245
Liabilities (-)								
Debt securities	36	42	43	46	48	48	49	54
Loans	281	270	282	285	285	290	301	273
Shares and other equity	419	437	443	396	427	408	438	463
Insurance technical reserves	5,164	5,575	5,997	6,136	6,254	6,287	6,384	6,463
Net equity of households in life insurance and pension fund reserves	4,364	4,796	5,188	5,321	5,423	5,456	5,551	5,630
Prepayments of insurance premiums and reserves for outstanding claims	800	778	809	815	830	831	834	834
= Net financial wealth	-190	-120	-155	-202	-90	-105	-25	-4

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.

4 FINANCIAL MARKETS

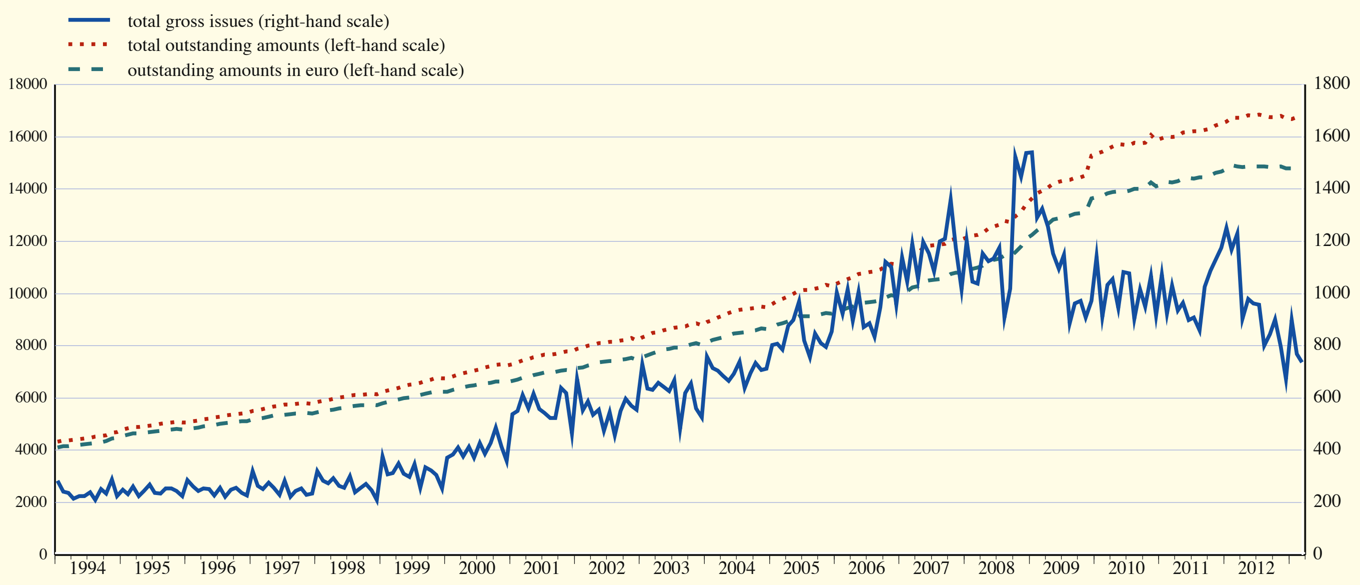
4.1 Securities other than shares by original maturity, residency of the issuer and currency

(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											
2012 Mar.	17,174.7	1,237.3	142.7	14,855.9	1,094.3	42.3	16,720.5	1,229.3	78.8	4.7	81.2	5.9
Apr.	17,128.6	839.1	-35.4	14,836.8	801.2	-8.5	16,720.9	904.6	-2.0	4.4	-8.5	5.1
May	17,169.9	919.0	42.7	14,878.2	866.6	42.6	16,824.0	980.1	59.6	4.0	-2.0	4.6
June	17,175.9	932.7	6.4	14,876.3	871.4	-1.3	16,792.8	961.5	-18.4	3.7	13.5	3.0
July	17,171.0	890.6	-4.6	14,867.6	833.4	-8.3	16,844.5	957.7	29.0	4.0	56.4	2.9
Aug.	17,153.0	752.3	-20.5	14,857.1	708.3	-13.0	16,791.4	800.4	-36.2	3.6	-5.8	1.6
Sep.	17,136.9	810.0	-6.9	14,836.2	758.1	-11.8	16,741.8	843.6	-25.4	3.4	30.8	1.0
Oct.	17,133.7	817.4	-1.7	14,843.0	778.3	8.4	16,761.2	901.0	28.1	3.1	17.4	1.3
Nov.	17,165.0	721.2	29.0	14,874.0	681.6	28.8	16,808.5	796.5	48.5	2.8	-24.4	1.1
Dec.	17,092.2	630.5	-106.9	14,798.2	590.7	-110.0	16,702.0	672.3	-126.6	1.7	-36.4	0.5
2013 Jan.	17,082.2	815.8	-9.5	14,793.6	767.6	-4.1	16,677.0	897.5	4.7	1.2	-14.0	-0.4
Feb.	17,108.7	680.6	11.9	14,829.6	640.3	21.1	16,743.7	768.0	34.1	0.4	-30.0	-0.7
Mar.	17,060.9	657.5	-46.0	14,828.0	608.5	0.4	16,757.1	737.6	-2.1	0.0	-3.1	-1.1
	Long-term											
2012 Mar.	15,660.2	388.6	130.2	13,451.8	281.0	51.7	15,074.0	331.7	75.2	4.6	75.6	5.9
Apr.	15,626.9	188.7	-22.6	13,430.0	175.0	-11.2	15,074.8	206.5	1.5	4.1	-8.3	4.9
May	15,677.4	233.0	50.4	13,479.7	208.6	49.4	15,182.7	244.3	68.2	4.1	15.3	4.8
June	15,711.8	278.6	35.3	13,517.5	246.2	38.9	15,191.6	261.9	20.5	3.8	13.8	3.5
July	15,691.6	264.9	-20.2	13,489.1	233.1	-28.3	15,211.9	271.7	-0.1	3.9	38.1	3.0
Aug.	15,683.1	147.0	-10.5	13,482.2	126.8	-8.8	15,175.4	142.0	-21.4	3.8	20.3	2.1
Sep.	15,699.5	256.7	24.4	13,498.4	225.3	24.1	15,176.4	251.2	22.1	4.0	79.8	2.1
Oct.	15,726.0	237.2	26.9	13,521.4	212.5	23.3	15,207.6	249.4	38.2	3.8	35.4	2.7
Nov.	15,780.5	220.3	54.2	13,568.1	195.5	46.5	15,264.8	223.7	60.3	3.6	-7.8	2.4
Dec.	15,747.6	197.2	-54.8	13,533.2	173.2	-56.8	15,205.9	192.9	-68.1	2.7	-20.7	1.9
2013 Jan.	15,743.0	256.5	-4.3	13,529.7	226.3	-3.2	15,172.1	259.1	-7.2	2.2	7.5	1.5
Feb.	15,780.5	221.8	26.0	13,573.1	196.4	31.5	15,234.9	220.5	35.2	1.5	-24.3	0.9
Mar.	15,721.5	223.6	-56.9	13,569.1	193.5	-1.7	15,242.4	225.2	-5.2	1.0	-7.0	-0.2

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

(EUR billions)



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

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

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

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

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

1. Outstanding amounts and gross issues

	Outstanding amounts						Gross issues[1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
						Total						
2011	16,512	5,526	3,270	874	6,217	625	1,001	609	99	62	191	39
2012	16,702	5,434	3,325	990	6,268	684	955	588	81	67	187	32
2012 Q2	16,793	5,591	3,280	939	6,285	698	949	584	80	71	183	30
Q3	16,742	5,560	3,213	971	6,299	699	867	538	63	63	177	26
Q4	16,702	5,434	3,325	990	6,268	684	790	463	73	64	164	25
2013 Q1	16,757	5,293	3,331	1,019	6,425	690	801	439	57	60	212	32
2012 Dec.	16,702	5,434	3,325	990	6,268	684	672	401	92	62	99	19
2013 Jan.	16,677	5,398	3,303	994	6,298	683	897	516	55	65	224	38
Feb.	16,744	5,361	3,324	1,006	6,373	679	768	434	49	48	214	23
Mar.	16,757	5,293	3,331	1,019	6,425	690	738	367	68	68	197	36
						Short-term						
2011	1,599	702	106	79	634	77	748	511	48	53	107	29
2012	1,496	601	140	81	610	64	701	489	37	52	104	21
2012 Q2	1,601	678	120	97	624	83	711	498	33	58	102	20
Q3	1,565	667	106	89	626	77	646	455	25	48	100	17
Q4	1,496	601	140	81	610	64	568	392	26	46	88	16
2013 Q1	1,515	582	150	90	624	68	566	361	23	47	112	23
2012 Dec.	1,496	601	140	81	610	64	479	332	28	44	62	12
2013 Jan.	1,505	599	137	84	624	60	638	420	23	49	124	23
Feb.	1,509	592	146	90	621	60	548	357	26	42	106	18
Mar.	1,515	582	150	90	624	68	512	307	21	51	105	29
						Long-term[2]						
2011	14,913	4,823	3,164	795	5,583	548	253	98	51	9	84	10
2012	15,206	4,833	3,185	909	5,658	621	254	99	45	15	83	12
2012 Q2	15,192	4,913	3,160	843	5,661	615	238	86	48	13	81	10
Q3	15,176	4,893	3,106	882	5,673	622	222	82	38	16	77	8
Q4	15,206	4,833	3,185	909	5,658	621	222	71	47	18	77	9
2013 Q1	15,242	4,711	3,181	929	5,801	621	235	78	34	13	100	9
2012 Dec.	15,206	4,833	3,185	909	5,658	621	193	69	63	18	37	6
2013 Jan.	15,172	4,798	3,166	911	5,674	623	259	97	32	16	100	15
Feb.	15,235	4,769	3,177	916	5,752	620	220	77	23	6	108	5
Mar.	15,242	4,711	3,181	929	5,801	621	225	61	47	18	92	7
						of which: Long-term fixed rate						
2011	10,018	2,764	1,150	700	4,994	408	150	54	12	8	70	7
2012	10,572	2,838	1,327	813	5,149	444	164	54	18	15	71	7
2012 Q2	10,410	2,877	1,245	749	5,101	438	148	42	21	12	68	6
Q3	10,499	2,860	1,278	787	5,132	442	139	37	14	15	68	4
Q4	10,572	2,838	1,327	813	5,149	444	143	36	21	17	64	6
2013 Q1	10,688	2,790	1,360	831	5,257	450	159	41	19	12	80	7
2012 Dec.	10,572	2,838	1,327	813	5,149	444	103	33	14	16	35	4
2013 Jan.	10,587	2,825	1,343	814	5,157	449	193	63	21	15	81	13
Feb.	10,649	2,816	1,355	819	5,209	449	130	33	12	5	76	4
Mar.	10,688	2,790	1,360	831	5,257	450	154	28	25	15	83	2
						of which: Long-term variable rate						
2011	4,393	1,790	1,860	91	513	139	85	37	32	1	11	3
2012	4,202	1,740	1,758	92	437	175	77	38	24	1	8	5
2012 Q2	4,323	1,769	1,803	90	486	175	77	38	24	1	9	4
Q3	4,229	1,768	1,724	91	466	179	72	41	23	1	4	4
Q4	4,202	1,740	1,758	92	437	175	69	30	25	1	10	4
2013 Q1	4,107	1,668	1,722	94	453	170	60	30	13	1	13	3
2012 Dec.	4,202	1,740	1,758	92	437	175	84	31	48	2	1	2
2013 Jan.	4,144	1,720	1,725	93	434	172	46	28	8	1	7	2
Feb.	4,146	1,704	1,723	93	457	169	80	39	10	1	29	1
Mar.	4,107	1,668	1,722	94	453	170	53	22	19	2	4	5

Source: ECB.

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

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

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

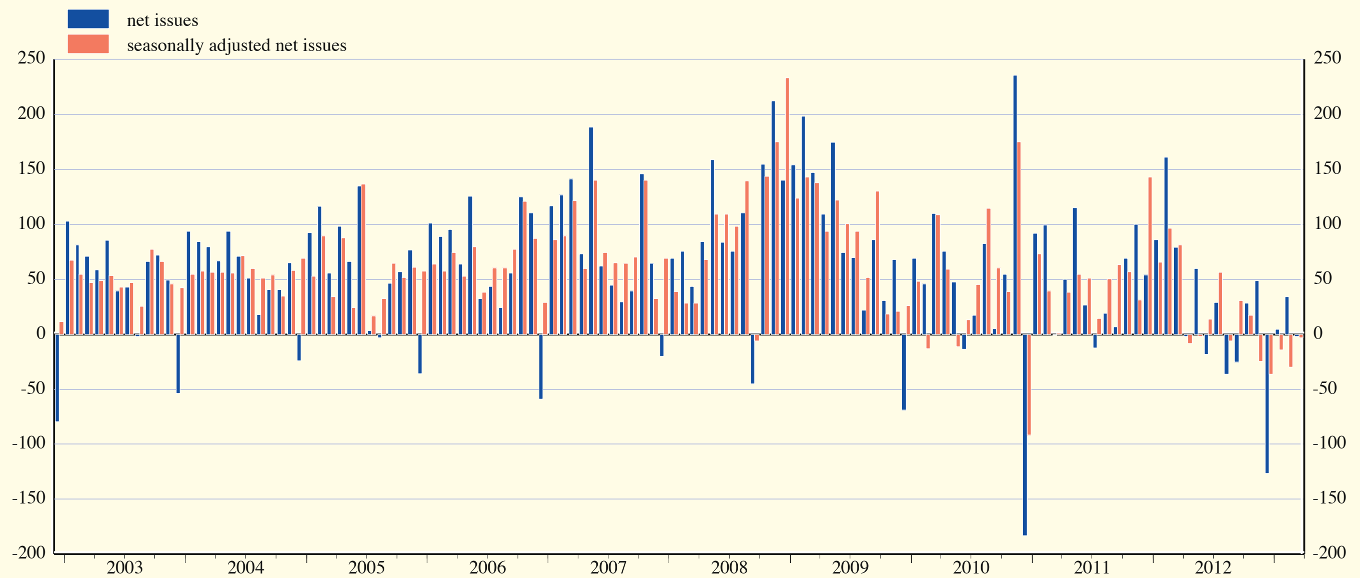
(EUR billions unless otherwise indicated; transactions during the period; nominal values)

2. Net issues

	Non-seasonally adjusted [1]						Seasonally adjusted [1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2011	51.5	22.6	-3.6	3.7	23.2	5.6	-	-	-	-	-	-
2012	23.5	-5.9	3.2	10.1	13.1	3.1	-	-	-	-	-	-
2012 Q2	13.0	-19.7	-5.9	10.1	27.8	0.7	1.0	-14.3	-8.5	7.7	13.4	2.7
Q3	-10.9	-4.7	-21.8	10.5	4.3	0.7	27.1	0.1	-7.8	11.8	20.7	2.3
Q4	-16.7	-37.3	27.1	7.9	-9.5	-4.9	-14.5	-26.4	6.5	11.7	2.0	-8.3
2013 Q1	12.2	-47.1	-3.2	9.3	51.9	1.5	-15.7	-67.8	6.0	6.7	38.0	1.4
2012 Dec.	-126.6	-73.5	49.2	7.2	-98.6	-11.0	-36.4	-52.3	37.8	19.8	-27.7	-13.8
2013 Jan.	4.7	-20.1	-16.4	8.4	32.2	0.6	-14.0	-34.4	-0.8	4.7	8.1	8.3
Feb.	34.1	-46.1	2.6	9.2	73.5	-5.1	-30.0	-85.7	10.6	5.8	47.1	-7.8
Mar.	-2.1	-75.2	4.1	10.2	50.0	8.9	-3.1	-83.2	8.1	9.5	58.8	3.7
	Long-term											
2011	47.4	11.9	-2.3	2.8	31.0	3.9	-	-	-	-	-	-
2012	33.2	2.6	1.3	9.9	15.1	4.2	-	-	-	-	-	-
2012 Q2	30.1	-7.6	-5.4	5.7	33.6	3.8	6.9	-13.2	-7.2	3.2	21.5	2.7
Q3	0.2	-1.9	-17.2	13.1	3.4	2.7	46.1	4.8	-5.4	14.9	26.3	5.5
Q4	10.1	-15.0	19.6	10.4	-4.1	-0.7	2.3	-1.5	-0.4	11.8	-6.7	-1.0
2013 Q1	7.6	-40.2	-5.2	6.3	46.7	0.0	-7.9	-55.0	4.9	5.6	38.2	-1.6
2012 Dec.	-68.1	-36.4	28.8	10.0	-67.9	-2.7	-20.7	-16.3	19.1	15.0	-36.3	-2.2
2013 Jan.	-7.2	-20.7	-13.7	5.9	17.5	3.8	7.5	-22.9	3.5	7.2	13.2	6.6
Feb.	35.2	-36.5	-2.3	3.3	75.0	-4.3	-24.3	-70.1	2.8	0.7	49.4	-7.2
Mar.	-5.2	-63.3	0.3	9.8	47.6	0.4	-7.0	-72.1	8.4	8.8	52.1	-4.3

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

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

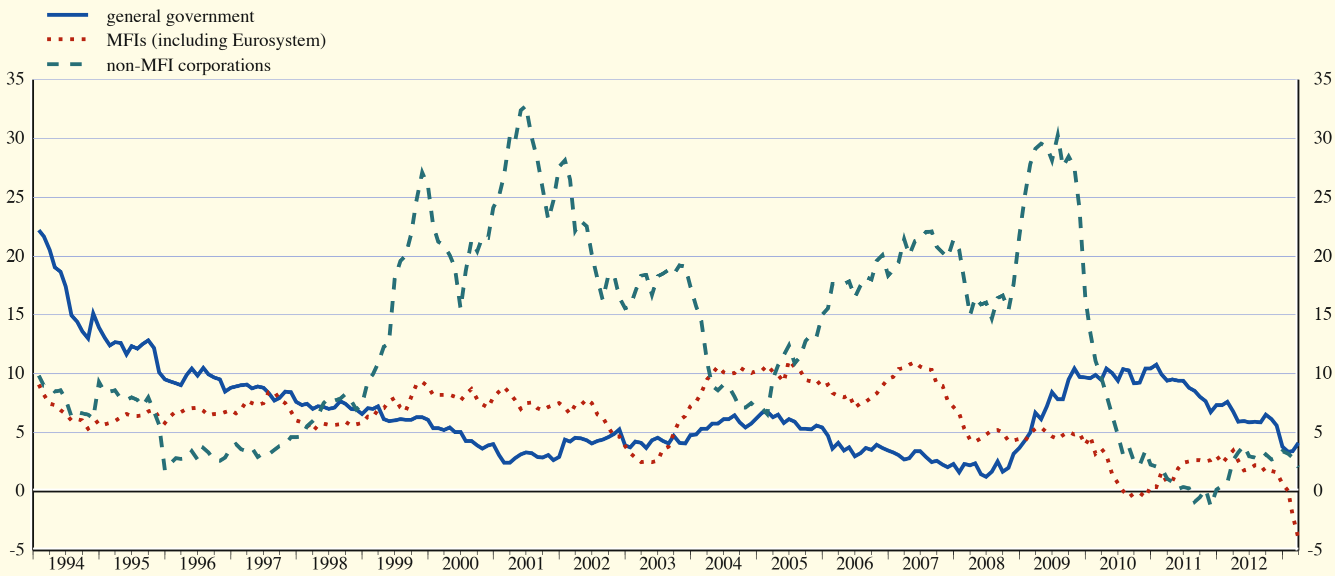


Source: ECB.
1) Monthly data on net issues refer to transactions during the month. For the purposes of comparison, quarterly and annual data refer to the respective monthly averages.

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

	Annual growth rates (non-seasonally adjusted)						6-month seasonally adjusted growth rates					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
Total												
2012 Mar.	4.7	4.8	1.7	8.0	4.5	17.9	5.9	6.4	3.7	11.7	4.6	17.8
Apr.	4.4	4.1	2.6	9.5	3.7	15.7	5.1	4.7	4.5	11.7	3.5	18.5
May	4.0	2.9	3.2	9.2	3.8	12.6	4.6	2.3	6.3	11.4	4.0	14.1
June	3.7	3.4	1.4	10.5	3.5	11.7	3.0	0.2	2.7	12.0	2.8	19.2
July	4.0	4.1	1.1	10.4	3.4	14.7	2.9	1.7	1.4	11.3	2.3	15.4
Aug.	3.6	3.6	0.6	10.8	3.3	12.4	1.6	0.5	-1.6	12.3	2.1	9.0
Sep.	3.4	2.4	0.4	12.4	3.9	10.9	1.0	-1.5	-2.9	13.2	3.3	4.4
Oct.	3.1	2.0	0.0	12.5	3.8	10.8	1.3	-0.6	-4.4	13.3	4.2	3.6
Nov.	2.8	1.1	0.2	12.3	3.9	8.0	1.1	0.0	-5.7	13.3	3.8	2.2
Dec.	1.7	-1.3	1.2	13.9	2.5	6.1	0.5	-2.8	-0.2	15.6	2.2	-5.1
2013 Jan.	1.2	-2.0	0.9	13.3	2.2	4.6	-0.4	-5.4	0.4	15.5	2.0	-4.8
Feb.	0.4	-4.1	0.6	13.1	2.6	0.3	-0.7	-8.3	2.9	13.8	3.1	-7.4
Mar.	0.0	-5.8	-0.3	12.5	3.6	-0.8	-1.1	-9.9	2.3	11.7	3.8	-5.8
Long-term												
2012 Mar.	4.6	3.5	1.5	7.5	6.3	12.7	5.9	4.3	3.4	13.5	6.9	15.2
Apr.	4.1	2.6	2.4	7.2	5.4	11.7	4.9	3.0	3.6	10.9	5.5	14.4
May	4.1	1.8	3.1	7.1	5.5	10.6	4.8	1.5	5.5	9.3	5.9	11.9
June	3.8	1.9	1.5	8.7	5.4	10.7	3.5	0.9	2.2	10.2	4.4	14.2
July	3.9	2.2	1.2	9.7	5.3	12.1	3.0	1.3	0.9	10.3	3.6	13.8
Aug.	3.8	2.2	0.6	10.6	5.3	11.4	2.1	0.3	-1.4	11.6	3.6	8.6
Sep.	4.0	1.6	0.6	13.4	6.0	11.8	2.1	-1.0	-2.4	13.5	5.2	8.5
Oct.	3.8	1.7	0.0	13.8	5.7	10.7	2.7	0.4	-3.5	16.8	5.9	7.0
Nov.	3.6	1.6	0.1	13.9	5.2	9.5	2.4	1.7	-5.2	18.7	4.6	7.2
Dec.	2.7	0.7	0.5	15.0	3.3	9.2	1.9	0.4	-1.1	20.0	2.1	4.5
2013 Jan.	2.2	0.0	0.3	14.6	2.8	8.6	1.5	-1.2	-0.2	19.2	2.0	3.8
Feb.	1.5	-2.0	0.1	13.8	3.3	4.5	0.9	-4.3	1.7	16.1	2.9	0.5
Mar.	1.0	-4.0	-0.8	12.9	4.3	2.9	-0.2	-6.8	0.9	12.2	3.3	-2.5

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

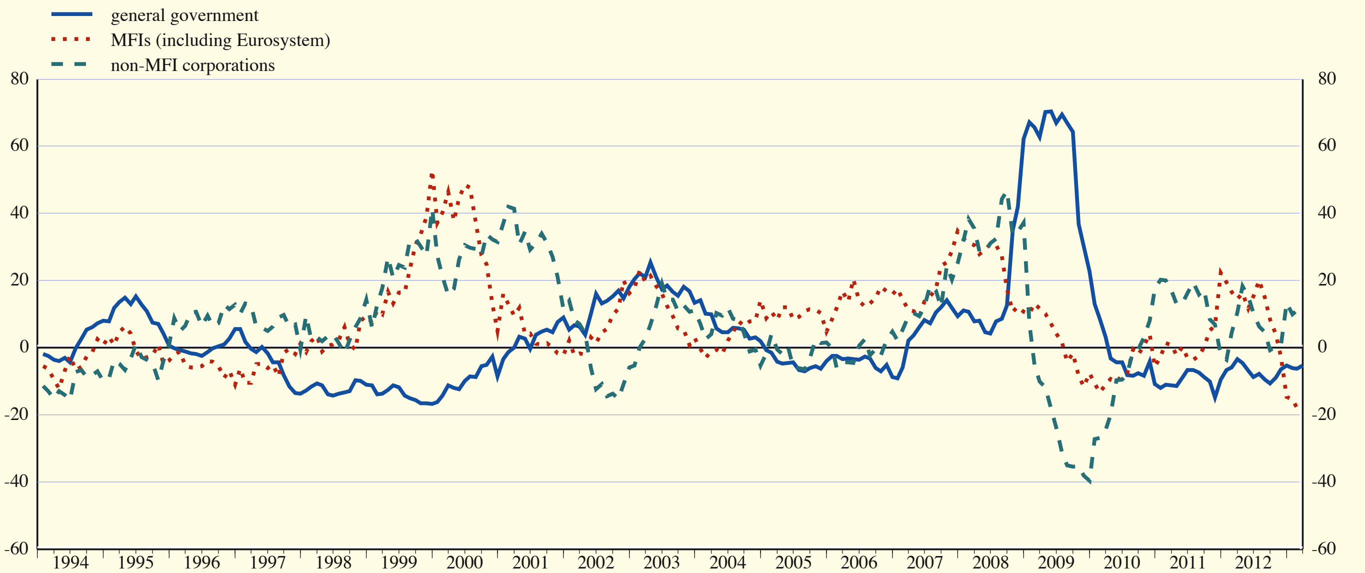


Source: ECB.
1) For details of the calculation of the growth rates, see the Technical Notes. The six-month growth rates have been annualised.

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

	Long-term fixed rate						Long-term variable rate					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	13	14	15	16	17	18	19	20	21	22	23	24
	In all currencies combined											
2011	6.4	4.8	3.6	6.3	7.8	7.7	-0.8	-1.3	-5.8	-2.0	22.3	16.1
2012	5.4	4.4	2.2	10.3	5.8	7.3	-0.7	-0.1	-4.8	-0.8	6.6	23.3
2012 Q2	5.2	4.9	1.8	8.1	5.6	6.7	0.5	-0.2	-2.4	-1.5	8.1	25.9
Q3	5.0	4.0	1.2	11.1	5.5	6.9	0.0	-0.1	-3.5	0.3	6.6	25.5
Q4	5.7	3.5	3.8	15.1	5.9	6.8	-3.2	-0.6	-7.9	-1.1	-2.4	20.2
2013 Q1	4.4	0.9	5.6	15.5	4.3	6.0	-6.2	-3.8	-9.4	-1.3	-7.6	7.8
2012 Oct.	5.7	3.6	3.3	14.9	6.0	6.5	-2.5	-0.2	-8.0	-1.1	2.8	22.9
Nov.	6.0	3.6	4.8	15.1	6.2	6.8	-4.0	-0.2	-8.8	-1.7	-6.4	17.6
Dec.	5.2	3.3	5.2	16.4	4.6	6.6	-5.2	-2.6	-8.6	-1.8	-8.6	16.7
2013 Jan.	4.8	2.3	5.8	16.0	4.2	7.5	-6.0	-2.8	-9.4	-1.4	-10.4	11.6
Feb.	3.9	0.0	5.2	15.1	4.0	5.1	-6.5	-4.5	-9.7	-1.2	-5.7	3.9
Mar.	3.6	-2.6	6.1	14.2	5.0	4.1	-7.0	-6.0	-9.5	-0.9	-5.0	0.7
	In euro											
2011	6.5	4.0	3.6	6.7	8.1	7.3	-0.4	0.2	-6.6	-2.9	22.2	15.3
2012	5.7	5.0	2.0	10.8	5.9	7.2	-0.4	2.3	-6.5	-1.5	6.3	22.9
2012 Q2	5.5	5.4	1.5	8.5	5.7	6.5	0.7	2.2	-4.2	-2.7	7.9	25.3
Q3	5.3	4.9	0.7	11.4	5.5	6.4	0.2	2.6	-5.8	0.3	6.3	25.5
Q4	5.8	3.9	3.3	16.4	5.9	6.3	-3.3	1.6	-9.9	-1.3	-2.9	20.5
2013 Q1	4.3	0.6	4.4	17.6	4.3	5.3	-6.2	-2.5	-10.7	-1.0	-8.4	7.8
2012 Oct.	5.9	4.1	3.0	15.9	6.0	6.0	-2.5	2.1	-10.3	-1.7	2.5	23.5
Nov.	6.1	3.8	3.9	16.8	6.3	6.3	-4.2	1.9	-10.9	-1.7	-7.2	17.6
Dec.	5.2	3.4	4.3	18.0	4.6	5.9	-5.1	-0.6	-10.1	-1.8	-9.2	16.9
2013 Jan.	4.7	2.3	4.6	18.3	4.2	6.4	-6.2	-1.4	-10.9	-1.3	-11.2	11.4
Feb.	3.7	-0.5	4.1	17.4	4.0	4.7	-6.7	-3.4	-11.2	-1.2	-6.4	4.2
Mar.	3.5	-3.3	4.9	16.6	4.9	3.6	-6.7	-4.8	-9.8	0.4	-5.7	0.4

C18 Annual growth rates of short-term debt securities, by sector of the issuer, in all currencies combined
(annual percentage changes)



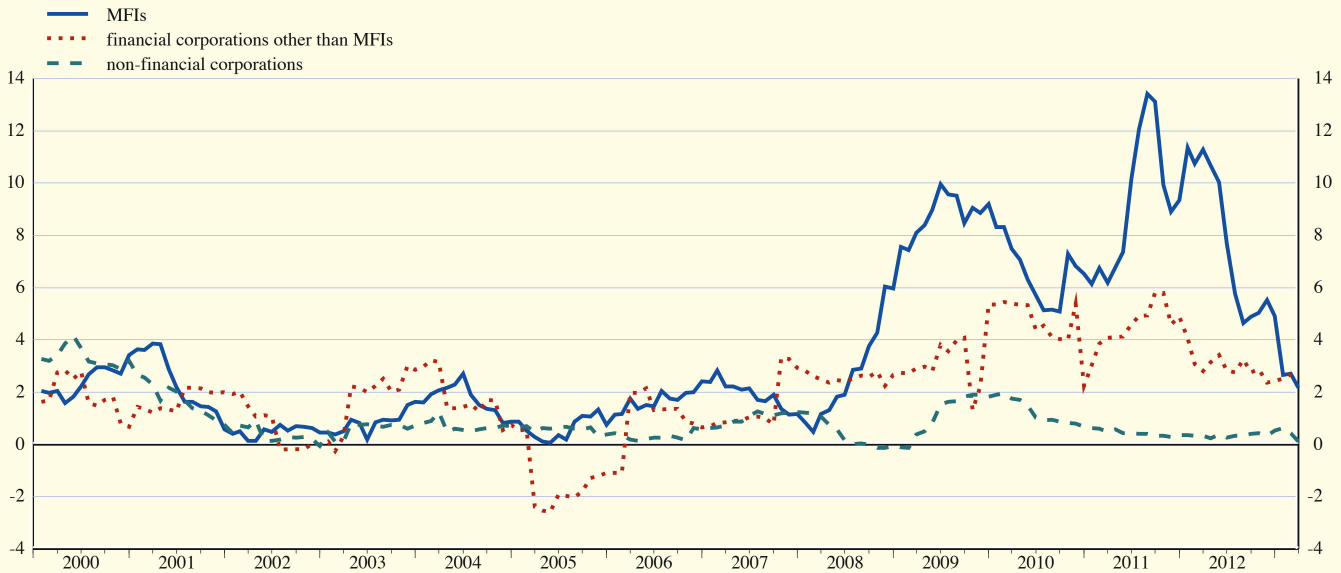
Source: ECB.
1) Annual percentage changes for monthly data refer to the end of the month, whereas those for quarterly and yearly data refer to the annual change in the period average. See the Technical Notes for details.

4.4 Quoted shares issued by euro area residents [1]
(EUR billions, unless otherwise indicated; market values)

1. Outstanding amounts and annual growth rates
(outstanding amounts as at end of period)

	Total			MFIs		Financial corporations other than MFIs		Non-financial corporations	
	Total	Index: Dec. 2008 = 100	Annual growth rates (%)	Total	Annual growth rates (%)	Total	Annual growth rates (%)	Total	Annual growth rates (%)
	1	2	3	4	5	6	7	8	9
2011 Mar.	4,751.4	104.8	1.4	491.3	6.2	363.3	4.1	3,896.8	0.5
Apr.	4,874.7	105.0	1.5	497.3	6.8	371.5	4.1	4,005.9	0.6
May	4,758.4	105.0	1.5	475.8	7.4	356.2	4.1	3,926.5	0.4
June	4,703.3	105.5	1.7	491.5	10.2	350.5	4.6	3,861.3	0.4
July	4,485.9	105.7	1.9	458.6	12.1	325.5	4.9	3,701.7	0.4
Aug.	3,958.3	105.9	2.1	382.9	13.4	281.6	4.9	3,293.9	0.4
Sep.	3,724.7	105.9	2.0	350.5	13.1	264.1	5.8	3,110.1	0.3
Oct.	4,017.0	105.9	1.7	360.5	9.9	287.6	5.8	3,369.0	0.3
Nov.	3,866.3	106.0	1.5	329.8	8.9	271.2	4.6	3,265.3	0.3
Dec.	3,878.3	106.1	1.6	339.3	9.3	270.4	4.9	3,268.6	0.4
2012 Jan.	4,091.3	106.3	1.7	375.5	11.4	297.7	4.0	3,418.2	0.4
Feb.	4,257.4	106.3	1.5	394.7	10.7	310.9	3.1	3,551.9	0.3
Mar.	4,241.3	106.4	1.5	373.1	11.3	310.7	2.8	3,557.5	0.3
Apr.	4,068.4	106.5	1.4	327.3	10.7	291.6	3.1	3,449.5	0.2
May	3,762.9	106.5	1.5	280.9	10.0	259.8	3.4	3,222.1	0.4
June	3,925.6	106.6	1.1	317.6	7.7	279.9	2.8	3,328.0	0.3
July	4,051.7	106.8	1.0	309.9	5.8	287.1	2.8	3,454.7	0.3
Aug.	4,176.4	106.8	0.9	349.7	4.6	304.3	3.3	3,522.5	0.3
Sep.	4,242.3	106.9	0.9	365.0	4.9	319.2	2.8	3,558.1	0.4
Oct.	4,309.6	107.0	1.0	383.6	5.0	329.5	2.9	3,596.5	0.4
Nov.	4,397.5	106.9	0.9	395.7	5.5	337.8	2.4	3,664.0	0.3
Dec.	4,497.8	107.2	1.0	402.4	4.9	352.9	2.4	3,742.5	0.5
2013 Jan.	4,644.2	107.3	0.9	441.6	2.7	365.6	2.5	3,837.1	0.6
Feb.	4,629.2	107.1	0.8	416.1	2.7	359.1	2.7	3,854.0	0.4
Mar.	4,632.6	106.9	0.5	381.0	2.2	363.4	2.6	3,888.3	0.1

C19 Annual growth rates for quoted shares issued by euro area residents
(annual percentage changes)



Source: ECB.

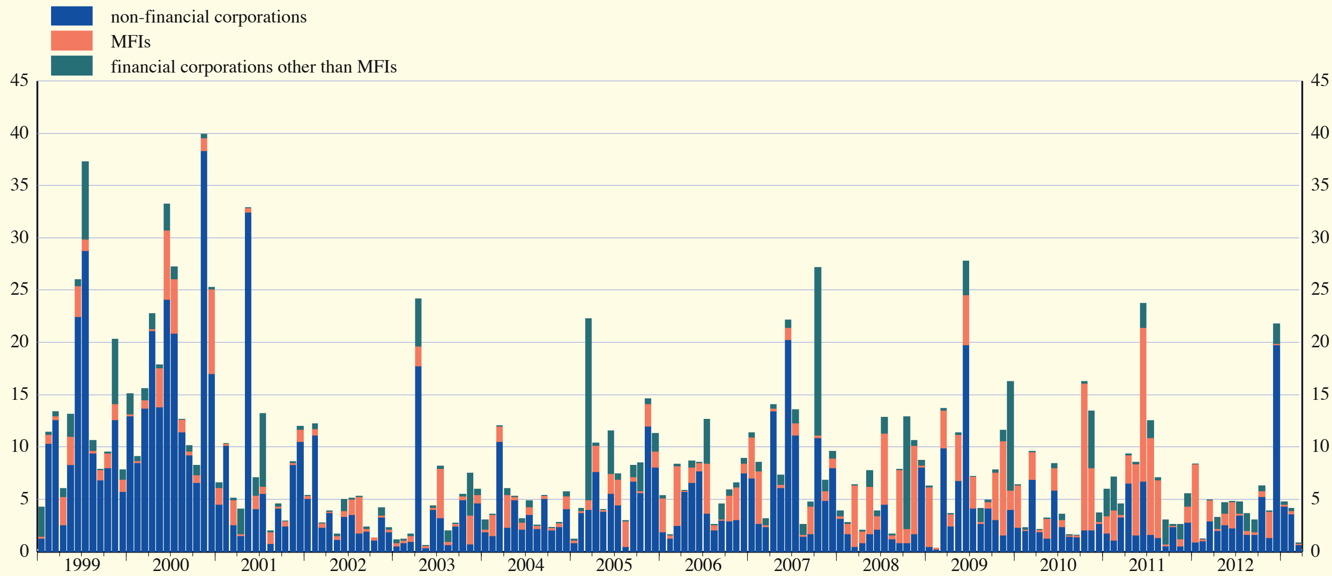
1) For details of the calculation of the index and the growth rates, see the Technical Notes.

4.4 Quoted shares issued by euro area residents
(EUR billions; market values)

2. Transactions during the month

	Total			MFIs			Financial corporations other than MFIs			Non-financial corporations		
	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues
	1	2	3	4	5	6	7	8	9	10	11	12
2011 Mar.	4.4	1.0	3.5	0.1	0.0	0.1	1.0	0.2	0.8	3.3	0.7	2.6
Apr.	9.3	0.6	8.8	2.7	0.0	2.7	0.1	0.0	0.1	6.5	0.6	5.9
May	8.6	8.8	-0.2	6.8	2.1	4.6	0.2	0.0	0.2	1.6	6.6	-5.0
June	23.7	1.3	22.5	14.7	0.0	14.7	2.3	0.3	2.0	6.7	1.0	5.7
July	12.5	0.7	11.8	9.3	0.0	9.3	1.6	0.0	1.6	1.6	0.7	0.9
Aug.	7.1	1.0	6.1	5.5	0.0	5.5	0.3	0.2	0.1	1.3	0.8	0.5
Sep.	2.9	2.9	0.0	0.0	0.9	-0.9	2.3	0.0	2.3	0.5	2.0	-1.4
Oct.	2.4	0.4	2.0	0.0	0.0	0.0	0.1	0.0	0.1	2.3	0.4	1.9
Nov.	2.6	1.5	1.1	0.7	0.0	0.7	1.4	0.0	1.4	0.6	1.5	-1.0
Dec.	5.5	1.0	4.5	1.5	0.0	1.5	1.2	0.0	1.2	2.8	1.0	1.8
2012 Jan.	8.4	0.4	7.9	7.5	0.0	7.5	0.0	0.1	-0.1	0.9	0.3	0.6
Feb.	1.1	1.4	-0.3	0.0	0.0	0.0	0.0	0.2	-0.2	1.0	1.2	-0.1
Mar.	4.9	0.7	4.3	2.0	0.0	2.0	0.0	0.1	-0.1	2.9	0.6	2.3
Apr.	3.1	0.3	2.8	0.0	0.0	0.0	1.1	0.0	1.1	2.0	0.3	1.7
May	4.7	1.8	2.9	1.1	0.0	1.1	1.0	0.1	1.0	2.5	1.7	0.8
June	4.8	1.2	3.6	2.6	0.0	2.6	0.0	0.1	-0.1	2.2	1.1	1.1
July	4.7	0.3	4.4	0.2	0.0	0.2	1.1	0.0	1.1	3.5	0.3	3.2
Aug.	3.7	1.8	1.8	0.4	0.0	0.4	1.6	0.1	1.5	1.6	1.7	-0.1
Sep.	2.9	0.5	2.3	0.1	0.0	0.1	1.2	0.1	1.0	1.7	0.4	1.3
Oct.	6.3	1.8	4.5	0.5	0.0	0.5	0.5	0.1	0.4	5.3	1.7	3.6
Nov.	3.9	5.9	-2.0	2.5	0.0	2.5	0.1	0.1	0.0	1.3	5.8	-4.5
Dec.	21.6	11.4	10.2	0.0	0.5	-0.5	1.8	0.0	1.8	19.7	10.8	8.9
2013 Jan.	4.6	0.3	4.3	0.0	0.0	0.0	0.2	0.1	0.1	4.3	0.2	4.1
Feb.	4.2	11.4	-7.2	0.3	0.0	0.3	0.3	0.0	0.3	3.6	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

C20 Gross issues of quoted shares by sector of the issuer
(EUR billions; transactions during the month; market values)



Source: ECB.

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

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

1. Interest rates on deposits (new business)

	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight	With an agreed maturity of:			Redeemable at notice of: [2]		Overnight	With an agreed maturity of:			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9	10	11
2012 May	0.48	2.65	2.70	2.68	1.74	1.92	0.54	1.07	2.31	2.75	0.93
June	0.47	2.72	2.73	2.64	1.73	1.88	0.52	1.11	2.32	2.69	0.98
July	0.45	2.80	2.89	2.62	1.70	1.85	0.47	1.14	2.01	2.53	1.26
Aug.	0.44	2.66	2.76	2.51	1.68	1.81	0.46	1.10	2.12	2.42	1.01
Sep.	0.42	2.80	2.83	2.43	1.65	1.77	0.46	1.13	2.37	2.53	1.41
Oct.	0.41	2.74	2.56	2.50	1.62	1.71	0.45	1.05	2.18	2.21	1.50
Nov.	0.40	2.73	2.46	2.35	1.61	1.65	0.43	1.04	2.03	2.21	1.12
Dec.	0.39	2.73	2.59	2.25	1.59	1.59	0.42	1.09	1.92	2.16	1.53
2013 Jan.	0.38	2.61	2.37	2.42	1.53	1.53	0.40	1.12	2.00	2.16	1.17
Feb.	0.36	2.44	2.23	2.29	1.39	1.48	0.40	1.05	1.99	2.08	0.63
Mar.	0.36	2.29	2.18	2.28	1.37	1.43	0.40	0.93	1.85	1.99	1.00
Apr.	0.34	2.33	2.11	2.25	1.36	1.36	0.38	0.97	1.70	1.90	0.68

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

	Revolving loans and overdrafts	Extended credit card debt [3]	Consumer credit				Lending for house purchase					Lending to sole proprietors and unincorporated partnerships		
			By initial rate fixation			APRC [4]	By initial rate fixation				APRC [4]	By initial rate fixation		
			Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2012 May	8.26	17.10	5.65	6.39	7.95	7.48	3.14	3.54	3.53	3.84	3.72	3.80	4.74	3.83
June	8.25	17.06	5.61	6.28	7.73	7.27	3.10	3.48	3.46	3.69	3.65	3.61	4.73	3.71
July	8.15	17.01	5.76	6.26	7.82	7.37	3.09	3.40	3.31	3.62	3.58	3.64	4.45	3.49
Aug.	8.12	16.96	5.79	6.28	7.67	7.37	2.94	3.33	3.21	3.52	3.48	3.43	4.45	3.32
Sep.	8.14	16.96	5.78	6.18	7.62	7.25	2.92	3.27	3.21	3.49	3.45	3.23	4.48	3.31
Oct.	8.04	16.97	5.62	6.13	7.67	7.15	2.88	3.24	3.15	3.49	3.42	3.24	4.25	3.33
Nov.	7.96	16.95	5.62	6.09	7.67	7.13	2.87	3.18	3.14	3.40	3.35	3.33	4.23	3.23
Dec.	7.94	16.93	5.33	6.04	7.55	6.93	2.86	3.24	3.25	3.45	3.41	3.15	4.13	3.01
2013 Jan.	7.97	17.06	5.73	6.11	7.87	7.24	2.86	3.17	3.03	3.35	3.33	3.19	4.06	3.08
Feb.	7.97	17.04	5.85	6.03	7.81	7.23	2.86	3.17	3.05	3.35	3.34	3.16	4.07	3.21
Mar.	7.95	17.06	5.83	5.98	7.73	7.14	2.86	3.19	3.13	3.34	3.38	3.16	4.16	3.17
Apr.	7.93	17.08	5.66	5.94	7.72	7.05	2.87	3.13	3.06	3.34	3.38	3.26	3.97	3.11

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

	Revolving loans and overdrafts	Other loans of up to EUR 0.25 million by initial rate fixation						Other loans of over EUR 1 million by initial rate fixation					
		Floating rate and up to 3 months	Over 3 months and up to 1 year	Over 1 and up to 3 years	Over 3 and up to 5 years	Over 5 and up to 10 years	Over 10 years	Floating rate and up to 3 months	Over 3 months and up to 1 year	Over 1 and up to 3 years	Over 3 and up to 5 years	Over 5 and up to 10 years	Over 10 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
2012 May	4.42	4.82	5.11	4.60	4.84	4.49	4.20	2.37	3.75	3.41	3.48	3.60	3.51
June	4.39	4.81	5.03	4.58	4.76	4.41	4.16	2.44	3.20	3.44	3.03	3.34	3.22
July	4.29	4.86	5.17	4.58	4.56	4.13	4.12	2.23	3.31	3.62	3.13	3.19	3.50
Aug.	4.20	4.84	4.95	4.31	4.50	3.92	3.88	2.05	2.96	3.08	3.21	3.16	3.01
Sep.	4.18	4.69	4.75	4.26	4.45	3.88	3.93	2.15	2.57	2.92	2.73	2.95	3.06
Oct.	4.21	4.74	4.89	4.29	4.31	3.79	3.94	2.12	2.91	3.30	3.01	2.93	3.20
Nov.	4.17	4.65	4.82	4.16	4.31	3.79	3.78	2.11	2.68	3.76	3.26	2.90	2.91
Dec.	4.18	4.62	4.54	4.24	4.24	3.68	3.51	2.17	2.79	2.84	3.32	2.79	3.01
2013 Jan.	4.21	4.68	4.70	4.03	4.16	3.62	3.68	2.09	2.88	3.32	4.29	2.92	3.02
Feb.	4.20	4.70	4.68	4.05	4.25	3.70	3.65	2.02	2.85	3.13	4.42	2.93	3.14
Mar.	4.16	4.56	4.71	4.11	4.25	3.75	3.61	2.00	2.91	3.07	4.06	2.85	2.85
Apr.	4.15	4.78	4.73	4.16	4.07	3.62	3.58	2.14	2.77	3.21	4.16	3.01	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)

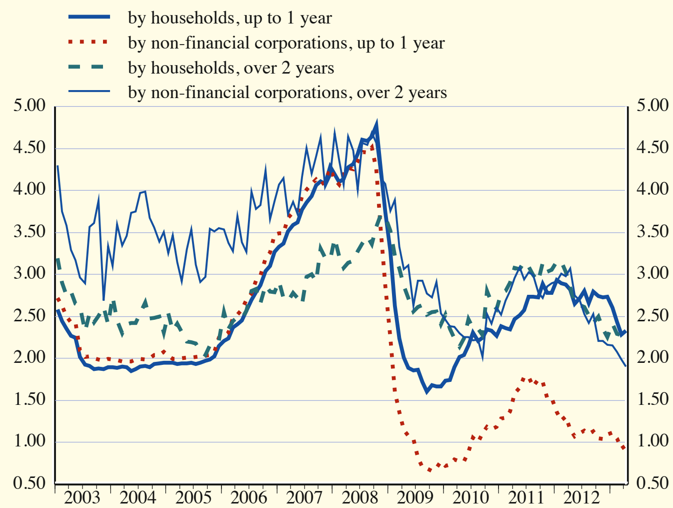
	Deposits from households					Deposits from non-financial corporations			Repos
	Overnight [2)]	With an agreed maturity of:		Redeemable at notice of: [2),3)]		Overnight [2)]	With an agreed maturity of:		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9
2012 May	0.48	2.76	2.80	1.74	1.92	0.54	1.96	3.06	2.39
June	0.47	2.73	2.82	1.73	1.88	0.52	1.93	3.08	2.48
July	0.45	2.72	2.78	1.70	1.85	0.47	1.89	3.04	2.47
Aug.	0.44	2.70	2.78	1.68	1.81	0.46	1.84	3.01	2.45
Sep.	0.42	2.69	2.79	1.65	1.77	0.46	1.82	3.02	2.61
Oct.	0.41	2.67	2.74	1.62	1.71	0.45	1.78	2.95	2.55
Nov.	0.40	2.66	2.75	1.61	1.65	0.43	1.79	2.96	2.54
Dec.	0.39	2.64	2.73	1.59	1.59	0.42	1.80	2.91	2.65
2013 Jan.	0.38	2.59	2.69	1.53	1.53	0.40	1.76	2.86	2.33
Feb.	0.36	2.58	2.75	1.39	1.48	0.40	1.72	2.93	2.00
Mar.	0.36	2.53	2.70	1.37	1.43	0.40	1.65	2.89	2.18
Apr.	0.34	2.47	2.70	1.36	1.36	0.38	1.60	2.83	1.99

5. Interest rates on loans (outstanding amounts)

	Loans to households						Loans to non-financial corporations		
	Lending for house purchase with a maturity of:			Consumer credit and other loans with a maturity of:			With a maturity of:		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9
2012 May	3.88	3.62	3.77	7.95	6.29	5.16	3.99	3.58	3.50
June	3.87	3.60	3.76	7.83	6.30	5.14	3.96	3.53	3.46
July	3.78	3.55	3.72	7.78	6.26	5.08	3.89	3.47	3.40
Aug.	3.74	3.52	3.67	7.77	6.23	5.05	3.81	3.41	3.36
Sep.	3.72	3.51	3.66	7.80	6.30	5.03	3.78	3.40	3.34
Oct.	3.65	3.45	3.61	7.75	6.25	4.97	3.76	3.29	3.26
Nov.	3.53	3.42	3.60	7.59	6.23	4.95	3.72	3.30	3.25
Dec.	3.49	3.39	3.56	7.75	6.18	4.92	3.71	3.28	3.22
2013 Jan.	3.46	3.35	3.55	7.75	6.21	4.90	3.75	3.29	3.21
Feb.	3.45	3.35	3.51	7.77	6.24	4.91	3.72	3.26	3.19
Mar.	3.50	3.36	3.49	7.79	6.21	4.89	3.68	3.25	3.16
Apr.	3.49	3.33	3.49	7.73	6.21	4.88	3.67	3.25	3.15

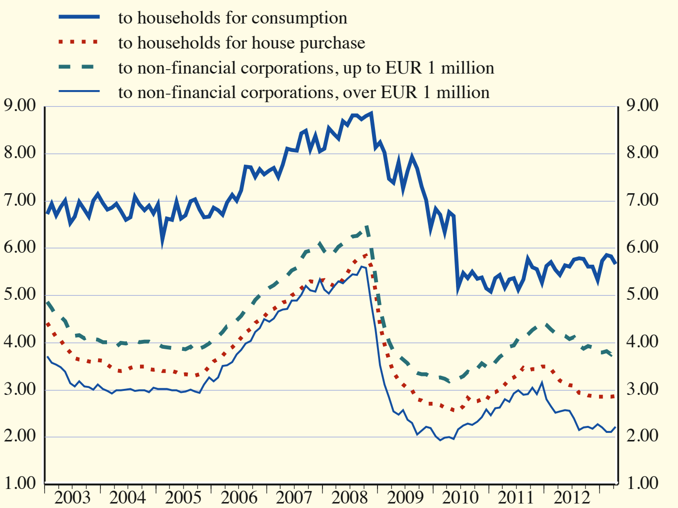
C21 New deposits with an agreed maturity

(percentages per annum excluding charges; period averages)



C22 New loans with a floating rate and up to 1 year's initial rate fixation

(percentages per annum excluding charges; period averages)



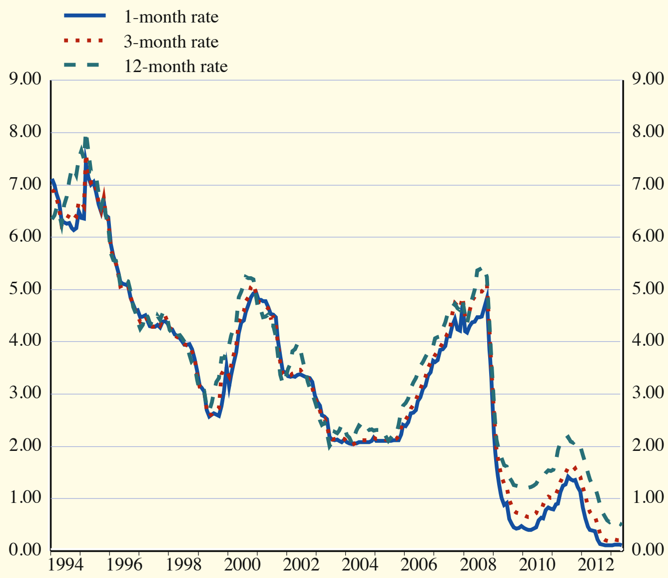
Source: ECB.

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

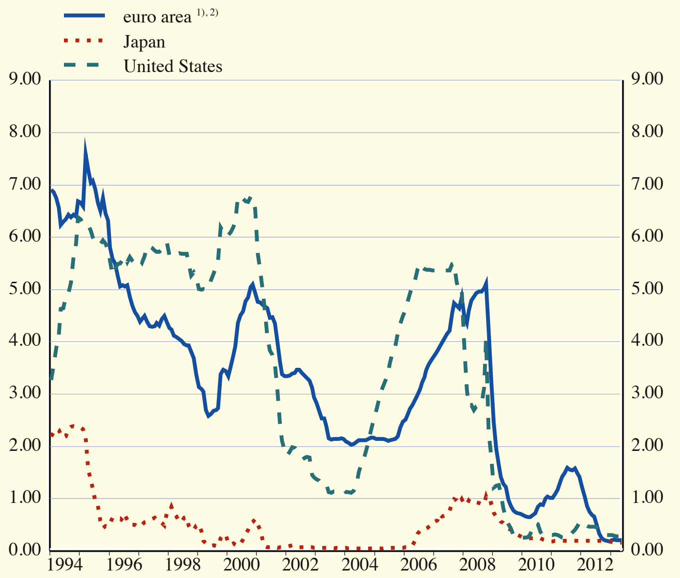
4.6 Money market interest rates
(percentages per annum; period averages)

	Euro area 1), 2)					United States	Japan
	Overnight deposits (EONIA)	1-month deposits (EURIBOR)	3-month deposits (EURIBOR)	6-month deposits (EURIBOR)	12-month deposits (EURIBOR)	3-month deposits (LIBOR)	3-month deposits (LIBOR)
	1	2	3	4	5	6	7
2010	0.44	0.57	0.81	1.08	1.35	0.34	0.23
2011	0.87	1.18	1.39	1.64	2.01	0.34	0.19
2012	0.23	0.33	0.58	0.83	1.11	0.43	0.19
2012 Q1	0.37	0.64	1.04	1.34	1.67	0.51	0.20
Q2	0.34	0.39	0.69	0.98	1.28	0.47	0.20
Q3	0.13	0.16	0.36	0.63	0.90	0.43	0.19
Q4	0.08	0.11	0.20	0.37	0.60	0.32	0.19
2013 Q1	0.07	0.12	0.21	0.34	0.57	0.29	0.16
2012 May	0.34	0.39	0.68	0.97	1.27	0.47	0.20
June	0.33	0.38	0.66	0.93	1.22	0.47	0.20
July	0.18	0.22	0.50	0.78	1.06	0.45	0.20
Aug.	0.11	0.13	0.33	0.61	0.88	0.43	0.19
Sep.	0.10	0.12	0.25	0.48	0.74	0.39	0.19
Oct.	0.09	0.11	0.21	0.41	0.65	0.33	0.19
Nov.	0.08	0.11	0.19	0.36	0.59	0.31	0.19
Dec.	0.07	0.11	0.19	0.32	0.55	0.31	0.18
2013 Jan.	0.07	0.11	0.20	0.34	0.58	0.30	0.17
Feb.	0.07	0.12	0.22	0.36	0.59	0.29	0.16
Mar.	0.07	0.12	0.21	0.33	0.54	0.28	0.16
Apr.	0.08	0.12	0.21	0.32	0.53	0.28	0.16
May	0.08	0.11	0.20	0.30	0.48	0.27	0.16

C23 Euro area money market rates 1), 2)
(monthly averages; percentages per annum)



C24 3-month money market rates
(monthly averages; percentages per annum)



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

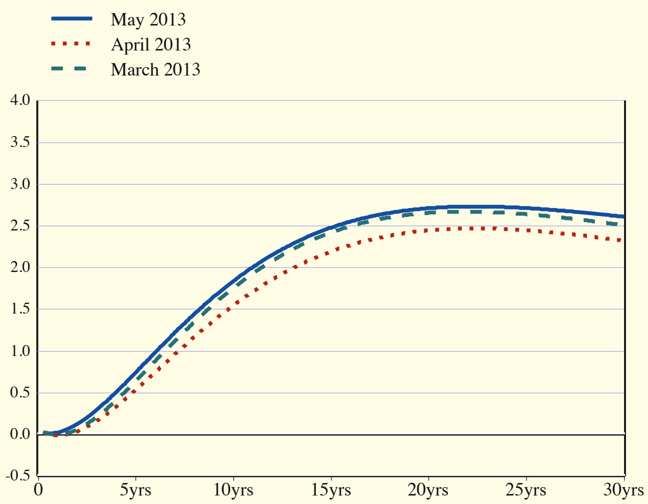
4.7 Euro area yield curves [1)]

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

	Spot rates								Instantaneous forward rates			
	3 months	1 year	2 years	5 years	7 years	10 years	10 years - 3 months (spread)	10 years - 2 years (spread)	1 year	2 years	5 years	10 years
	1	2	3	4	5	6	7	8	9	10	11	12
2010	0.49	0.60	0.93	2.15	2.78	3.36	2.87	2.43	0.85	1.70	3.99	4.69
2011	0.00	0.09	0.41	1.56	2.13	2.65	2.65	2.24	0.32	1.15	3.24	3.84
2012	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2012 Q1	0.07	0.16	0.39	1.36	1.95	2.60	2.53	2.21	0.34	0.95	2.97	4.26
Q2	0.04	0.08	0.27	1.17	1.73	2.32	2.27	2.05	0.20	0.76	2.69	3.82
Q3	0.02	-0.01	0.07	0.76	1.29	1.94	1.92	1.87	0.00	0.36	2.10	3.75
Q4	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2013 Q1	0.04	0.00	0.07	0.65	1.12	1.76	1.72	1.69	0.01	0.29	1.83	3.60
2012 May	0.07	0.05	0.17	0.89	1.36	1.89	1.82	1.72	0.10	0.52	2.17	3.23
June	0.04	0.08	0.27	1.17	1.73	2.32	2.27	2.05	0.20	0.76	2.69	3.82
July	0.00	-0.09	-0.02	0.71	1.25	1.87	1.87	1.89	-0.11	0.26	2.12	3.52
Aug.	0.03	-0.05	0.01	0.75	1.29	1.91	1.88	1.90	-0.08	0.30	2.17	3.55
Sep.	0.02	-0.01	0.07	0.76	1.29	1.94	1.92	1.87	0.00	0.36	2.10	3.75
Oct.	0.01	-0.01	0.09	0.78	1.31	1.95	1.94	1.86	0.02	0.39	2.13	3.72
Nov.	0.04	-0.02	0.04	0.65	1.15	1.80	1.76	1.76	-0.03	0.27	1.91	3.60
Dec.	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2013 Jan.	0.07	0.15	0.32	0.99	1.45	2.02	1.95	1.71	0.28	0.70	2.18	3.62
Feb.	0.03	0.01	0.10	0.74	1.24	1.88	1.86	1.78	0.05	0.38	1.99	3.72
Mar.	0.04	0.00	0.07	0.65	1.12	1.76	1.72	1.69	0.01	0.29	1.83	3.60
Apr.	0.03	-0.01	0.04	0.54	0.96	1.55	1.52	1.51	-0.01	0.23	1.58	3.28
May	0.02	0.03	0.13	0.75	1.22	1.84	1.82	1.71	0.08	0.41	1.95	3.62

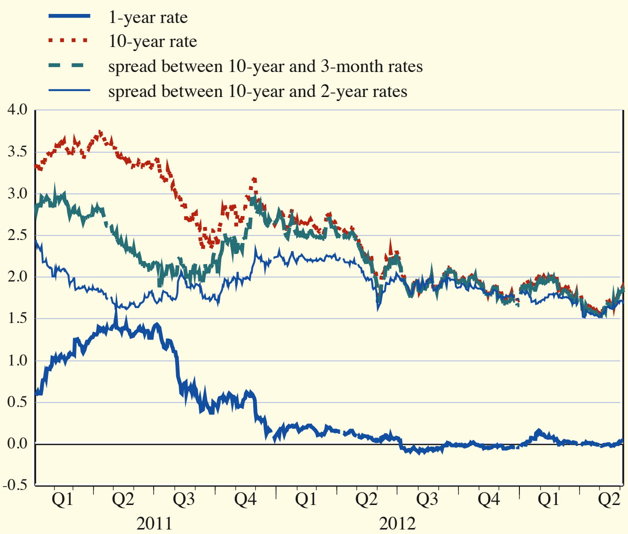
C25 Euro area spot yield curves [2)]

(percentages per annum; end of period)



C26 Euro area spot rates and spreads [2)]

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



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

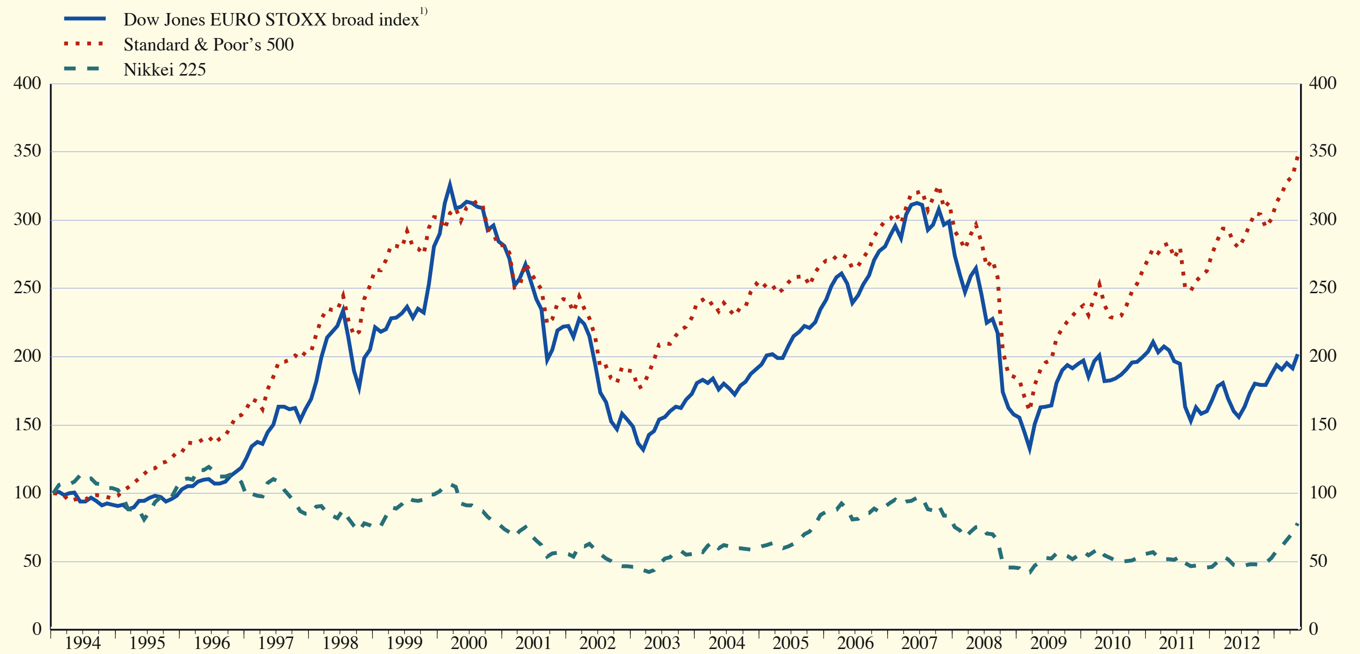
4.8 Stock market indices

(index levels in points; period averages)

	Dow Jones EURO STOXX indices[1]												United States	Japan
	Benchmark		Main industry indices											
	Broad index	50	Basic materials	Consumer services	Consumer goods	Oil and gas	Financials	Industrials	Technology	Utilities	Telecoms	Health care	Standard & Poor's 500	Nikkei 225
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2010	265.5	2,779.3	463.1	166.2	323.4	307.2	182.8	337.6	224.1	344.9	389.6	408.4	1,140.0	10,006.5
2011	256.0	2,611.0	493.4	158.1	351.2	311.6	152.6	349.4	222.5	301.7	358.4	432.7	1,267.6	9,425.4
2012	239.7	2,411.9	503.7	151.9	385.7	307.2	122.1	330.2	219.2	235.9	268.5	523.3	1,379.4	9,102.6
2012 Q1	243.7	2,473.6	499.1	150.3	372.3	324.6	129.7	333.3	221.7	253.7	300.6	480.6	1,348.8	9,295.3
Q2	224.0	2,226.2	472.5	140.8	370.7	285.3	108.2	311.6	207.4	223.4	261.9	493.2	1,349.7	9,026.5
Q3	238.7	2,400.9	505.9	152.7	392.3	307.8	117.2	327.7	215.9	234.0	265.6	548.5	1,400.9	8,886.4
Q4	252.0	2,543.3	536.8	163.6	407.4	310.5	133.0	347.7	231.6	232.0	245.4	570.7	1,418.1	9,208.6
2013 Q1	268.2	2,676.6	568.7	181.2	443.1	309.8	144.1	378.1	257.2	222.9	241.3	600.1	1,514.0	11,457.6
2012 May	221.9	2,198.5	469.5	139.7	373.7	281.6	105.0	310.4	204.5	218.9	261.4	492.0	1,341.3	8,842.5
June	216.2	2,152.7	453.1	137.4	358.3	275.1	104.0	298.4	198.0	215.4	250.4	498.9	1,323.5	8,638.1
July	226.5	2,258.4	479.1	145.8	379.4	290.4	106.5	313.9	204.4	224.3	257.3	534.2	1,359.8	8,760.7
Aug.	240.5	2,424.5	509.4	154.6	399.7	313.0	116.8	330.3	220.8	231.8	265.7	552.5	1,403.4	8,949.9
Sep.	250.1	2,530.7	531.4	158.2	398.1	321.0	129.5	339.8	223.0	247.2	274.6	559.7	1,443.4	8,948.6
Oct.	248.7	2,503.5	528.4	159.1	398.3	311.7	130.2	340.2	219.9	241.9	255.9	567.6	1,437.8	8,827.4
Nov.	248.7	2,514.0	526.1	162.8	403.8	308.0	131.2	343.7	230.6	226.9	239.0	563.3	1,394.5	9,059.9
Dec.	259.7	2,625.6	559.5	170.0	422.7	312.0	138.5	361.5	246.8	225.8	240.2	583.1	1,422.3	9,814.4
2013 Jan.	269.1	2,715.3	568.4	176.4	434.1	319.7	148.6	373.9	255.3	228.5	251.7	588.6	1,480.4	10,750.9
Feb.	264.7	2,630.4	561.0	180.7	439.1	301.4	143.2	372.7	256.0	218.5	231.1	586.7	1,512.3	11,336.4
Mar.	270.8	2,680.2	576.6	187.2	457.1	307.4	140.1	388.2	260.6	221.0	240.2	626.1	1,550.8	12,244.0
Apr.	265.9	2,636.3	560.9	187.0	449.8	299.6	136.0	374.1	250.5	225.2	238.6	650.8	1,570.7	13,224.1
May	280.2	2,785.8	590.1	192.5	472.0	315.0	147.5	392.7	267.1	232.0	248.7	668.7	1,639.8	14,532.4

C27 Dow Jones EURO STOXX broad index, Standard & Poor's 500 and Nikkei 225

(January 1994 = 100; monthly averages)



Source: ECB.

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

PRICES, OUTPUT, DEMAND AND LABOUR MARKETS

5

5.1 HICP, other prices and costs

(annual percentage changes, unless otherwise indicated)

1. Harmonised Index of Consumer Prices [1]

	Total					Total (s.a.; percentage change vis-à-vis previous period)						Memo item: Administered prices [2]	
	Index: 2005 = 100	Total		Goods	Services	Total	Processed food	Unprocessed food	Non-energy industrial goods	Energy (n.s.a.)	Services	Total HICP excluding administered prices	Administered prices
			Total excl. unprocessed food and energy										
% of total in 2012	100.0	100.0	81.7	57.7	42.3	100.0	12.0	7.3	27.4	11.0	42.3	87.9	12.3
	1	2	3	4	5	6	7	8	9	10	11	12	13
2009	108.1	0.3	1.3	-0.9	2.0	-	-	-	-	-	-	0.1	1.7
2010	109.8	1.6	1.0	1.8	1.4	-	-	-	-	-	-	1.6	1.7
2011	112.8	2.7	1.7	3.3	1.8	-	-	-	-	-	-	2.6	3.6
2012	115.6	2.5	1.8	3.0	1.8	-	-	-	-	-	-	2.3	3.8
2012 Q1	114.3	2.7	1.9	3.3	1.8	0.8	0.7	0.7	0.3	4.1	0.5	2.6	3.5
Q2	115.9	2.5	1.8	3.0	1.8	0.5	0.6	0.8	0.3	1.0	0.5	2.3	3.5
Q3	115.7	2.5	1.7	3.1	1.8	0.5	0.4	1.1	0.1	1.2	0.5	2.3	4.0
Q4	116.7	2.3	1.6	2.7	1.7	0.4	0.7	1.5	0.3	-0.1	0.3	2.0	4.1
2013 Q1	116.4	1.9	1.5	2.0	1.7	0.4	0.6	0.4	0.2	1.0	0.4	1.7	3.1
2012 Dec.	116.9	2.2	1.6	2.5	1.8	0.1	0.2	0.4	0.1	-0.5	0.3	2.0	4.1
2013 Jan.	115.7	2.0	1.5	2.2	1.6	0.2	0.2	0.2	0.0	1.3	0.1	1.8	3.1
Feb.	116.1	1.8	1.4	2.1	1.5	0.2	0.2	-0.3	0.1	1.2	0.1	1.7	3.1
Mar.	117.5	1.7	1.6	1.7	1.8	0.1	0.2	0.3	0.1	-0.6	0.3	1.6	3.1
Apr.	117.4	1.2	1.1	1.3	1.1	-0.3	0.1	0.6	0.0	-1.0	-0.5	1.0	2.3
May [3]	117.5	1.4	.	.	1.4	.	.	.	.	-1.2	.	.	.

	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 2012	19.4	12.0	7.3	38.3	27.4	11.0	10.3	6.0	7.2	3.1	14.7	7.1
	14	15	16	17	18	19	20	21	22	23	24	25
2009	0.7	1.1	0.2	-1.7	0.6	-8.1	2.0	1.8	2.9	-1.0	2.1	2.1
2010	1.1	0.9	1.3	2.2	0.5	7.4	1.8	1.5	2.3	-0.8	1.0	1.5
2011	2.7	3.3	1.8	3.7	0.8	11.9	1.8	1.4	2.9	-1.3	2.0	2.1
2012	3.1	3.1	3.0	3.0	1.2	7.6	1.8	1.5	2.9	-3.2	2.2	2.0
2012 Q1	3.2	4.0	2.0	3.3	1.1	9.1	1.7	1.5	2.9	-2.7	2.1	2.4
Q2	3.0	3.5	2.3	2.9	1.3	7.2	1.7	1.4	2.7	-3.1	2.2	2.0
Q3	3.0	2.7	3.4	3.2	1.3	8.0	1.9	1.5	3.0	-3.1	2.2	1.9
Q4	3.1	2.4	4.3	2.5	1.1	6.3	1.8	1.5	3.1	-3.8	2.1	1.9
2013 Q1	2.9	2.3	3.9	1.5	0.8	3.2	1.8	1.5	3.1	-4.6	2.8	0.7
2012 Dec.	3.2	2.4	4.4	2.2	1.0	5.2	1.8	1.4	3.4	-3.8	2.3	1.7
2013 Jan.	3.2	2.3	4.8	1.7	0.8	3.9	1.8	1.5	3.3	-4.0	2.5	0.7
Feb.	2.7	2.3	3.5	1.7	0.8	3.9	1.8	1.5	3.0	-4.8	2.5	0.7
Mar.	2.7	2.2	3.5	1.2	1.0	1.7	1.8	1.5	3.0	-5.0	3.4	0.8
Apr.	2.9	2.1	4.2	0.5	0.8	-0.4	1.7	1.3	2.4	-4.8	1.5	0.8
May [3]	3.3	.	.	.	0.9	-0.2	.	.	.	.	.	.

Sources: Eurostat and ECB calculations.

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

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

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

2. Industry, construction and residential property prices

	Industrial producer prices excluding construction										Construct-ion[1]	Residential property prices[2]
	Total (index: 2010 = 100)	Total		Industry excluding construction and energy						Energy		
			Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods					
							Total	Durable	Non-durable			
% of total in 2010	100.0	100.0	75.4	68.1	27.5	18.7	21.9	2.2	19.7	31.9		
	1	2	3	4	5	6	7	8	9	10	11	12
2009	97.4	-4.8	-5.1	-2.8	-5.4	0.4	-2.1	1.2	-2.5	-10.9	0.3	-3.3
2010	100.0	2.7	3.3	1.7	3.6	0.3	0.4	0.7	0.4	5.5	2.0	1.0
2011	105.8	5.8	5.4	3.9	5.9	1.5	3.3	1.9	3.4	11.0	3.3	1.0
2012	108.9	2.9	2.1	1.4	0.8	1.0	2.5	1.6	2.6	6.4	1.6	-2.1
2012 Q1	108.3	4.0	3.0	1.8	1.3	1.2	2.9	2.1	3.0	9.3	2.0	-1.1
Q2	108.7	2.7	1.7	1.2	0.4	1.1	2.1	1.7	2.2	6.1	1.8	-1.9
Q3	109.3	2.6	1.9	1.1	0.3	0.9	2.3	1.5	2.4	6.0	1.4	-2.9
Q4	109.4	2.4	2.0	1.6	1.4	0.8	2.5	1.1	2.6	4.2	1.3	-2.4
2013 Q1	109.6	1.2	0.8	1.2	0.8	0.8	2.1	0.7	2.3	1.2	.	.
2012 Nov.	109.4	2.3	1.8	1.6	1.4	0.9	2.4	1.1	2.6	3.9	-	-
Dec.	109.2	2.3	1.7	1.7	1.6	0.9	2.4	1.0	2.6	3.6	-	-
2013 Jan.	109.6	1.7	1.2	1.5	1.3	0.8	2.3	0.8	2.5	2.2	-	-
Feb.	109.8	1.3	1.0	1.2	0.8	0.8	2.1	0.6	2.3	1.6	-	-
Mar.	109.5	0.6	0.2	1.0	0.4	0.7	1.9	0.6	2.1	-0.3	-	-
Apr.	108.9	-0.2	-0.4	0.6	-0.3	0.6	1.8	0.7	1.9	-2.0	-	-

3. Commodity prices and gross domestic product deflators

	Oil prices[3] (EUR per barrel)	Non-energy commodity prices						GDP deflators							
		Import-weighted[4]			Use-weighted[5]			Total (s.a.; index: 2005 = 100)	Total	Domestic demand				Exports[6]	Imports[6]
		Total	Food	Non-food	Total	Food	Non-food			Total	Private consump-tion	Government consump-tion	Gross fixed capital formation		
% of total		100.0	35.0	65.0	100.0	45.0	55.0								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2009	44.6	-18.5	-8.9	-23.1	-18.0	-11.4	-22.8	107.2	0.9	-0.1	-0.4	2.1	-0.3	-3.5	-6.3
2010	60.7	44.6	21.4	57.9	42.1	27.1	54.5	108.1	0.8	1.5	1.7	0.7	0.9	3.1	5.0
2011	79.7	12.2	22.4	7.7	12.8	20.7	7.5	109.4	1.2	2.1	2.5	0.8	2.0	3.6	5.7
2012	86.6	0.5	1.1	0.3	2.6	6.4	-0.3	110.8	1.3	1.6	2.1	1.0	1.1	1.5	2.4
2012 Q1	90.1	-5.8	-7.6	-4.9	-4.8	-3.7	-5.6	110.2	1.3	1.8	2.4	1.1	1.6	1.9	3.3
Q2	84.6	-1.1	-3.4	0.1	1.1	4.1	-1.2	110.6	1.3	1.7	2.1	1.1	1.1	1.3	2.3
Q3	87.3	5.3	10.4	2.7	7.8	16.0	1.6	110.9	1.3	1.6	2.1	1.3	1.0	1.6	2.4
Q4	84.4	4.4	6.0	3.7	7.0	10.2	4.5	111.3	1.2	1.4	1.9	0.5	0.7	1.2	1.5
2013 Q1	85.0	-3.0	-2.4	-3.3	-1.6	0.0	-2.8	111.9	1.5	1.3	1.4	1.4	0.5	0.3	-0.4
2012 Dec.	82.8	2.5	3.1	2.2	5.1	7.1	3.5	-	-	-	-	-	-	-	-
2013 Jan.	84.2	-3.7	-3.4	-3.9	-1.6	0.2	-3.1	-	-	-	-	-	-	-	-
Feb.	86.7	-3.6	-3.4	-3.7	-2.4	-1.3	-3.2	-	-	-	-	-	-	-	-
Mar.	84.2	-1.6	-0.4	-2.2	-0.7	1.2	-2.2	-	-	-	-	-	-	-	-
Apr.	79.3	-3.5	-3.1	-3.7	-2.0	0.3	-3.8	-	-	-	-	-	-	-	-
May	79.2	-4.8	-3.3	-5.5	-4.0	-1.5	-6.0	-	-	-	-	-	-	-	-

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) and ECB calculations (column 12 in Table 2 in Section 5.1 and columns 2-7 in Table 3 in Section 5.1).
1) Input prices for residential buildings.
2) Experimental data based on non-harmonised national sources (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).
3) Brent Blend (for one-month forward delivery).
4) Refers to prices expressed in euro. Weighted according to the structure of euro area imports in the period 2004-06.
5) Refers to prices expressed in euro. Weighted according to euro area domestic demand (domestic production plus imports minus exports) in the period 2004-06. Experimental data (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for details).
6) Deflators for exports and imports refer to goods and services and include cross-border trade within the euro area.

5.1 HICP, other prices and costs

(annual percentage changes)

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

(quarterly data seasonally adjusted; annual data unadjusted)

	Total (index: 2005 = 100)	Total	By economic activity									
			Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services
	1	2	3	4	5	6	7	8	9	10	11	12
	Unit labour costs [1]											
2011	110.5	0.9	-3.2	-0.1	1.0	0.9	2.1	0.5	4.1	2.8	0.5	1.3
2012	112.4	1.7	2.2	2.7	2.6	1.6	3.0	1.2	1.0	1.9	0.6	2.0
2012 Q1	111.7	1.6	0.1	2.2	1.9	1.7	2.7	1.5	1.9	1.6	0.9	1.2
Q2	112.3	1.6	1.5	2.8	2.0	1.2	2.6	0.4	1.5	1.5	0.8	1.2
Q3	112.6	2.0	3.7	2.6	2.5	2.0	3.0	0.8	1.1	2.6	1.2	2.2
Q4	113.2	1.6	3.1	2.6	4.2	1.4	3.6	2.5	-0.2	2.1	-0.4	3.5
	Compensation per employee											
2011	114.3	2.1	1.8	3.1	4.0	1.8	2.4	1.2	2.4	2.8	1.4	1.6
2012	116.2	1.7	1.2	2.7	3.1	1.5	2.3	1.4	1.2	2.0	0.9	1.6
2012 Q1	115.8	2.0	1.6	2.1	2.8	1.9	2.8	1.7	2.1	2.7	1.5	2.3
Q2	116.2	1.8	1.0	3.0	2.9	1.5	2.4	0.8	0.7	2.3	1.0	1.6
Q3	116.5	1.9	1.2	2.9	3.4	1.6	2.5	1.2	1.2	1.8	1.4	1.3
Q4	116.8	1.4	1.1	2.9	3.7	1.1	1.9	2.3	1.0	1.6	0.0	1.5
	Labour productivity per person employed [2]											
2011	103.4	1.2	5.2	3.2	3.0	0.9	0.4	0.7	-1.7	0.0	0.8	0.3
2012	103.4	0.0	-1.0	0.0	0.4	-0.1	-0.6	0.2	0.2	0.1	0.3	-0.4
2012 Q1	103.6	0.3	1.6	-0.1	0.8	0.2	0.0	0.2	0.2	1.1	0.5	1.1
Q2	103.5	0.2	-0.5	0.2	0.9	0.3	-0.2	0.5	-0.7	0.8	0.3	0.4
Q3	103.5	-0.1	-2.4	0.4	0.9	-0.4	-0.5	0.4	0.1	-0.7	0.2	-0.9
Q4	103.2	-0.2	-2.0	0.2	-0.5	-0.3	-1.7	-0.2	1.2	-0.5	0.4	-2.0
	Compensation per hour worked											
2011	116.0	2.1	0.1	2.4	4.6	2.0	2.5	0.9	2.0	2.6	1.4	1.7
2012	118.8	2.4	2.9	3.7	4.9	2.1	2.3	1.5	1.8	2.2	1.0	2.4
2012 Q1	117.7	2.5	4.7	2.5	4.4	2.4	3.0	1.8	2.6	2.9	1.7	3.1
Q2	119.0	2.6	1.9	4.2	5.1	2.3	2.2	0.9	0.3	2.2	1.2	2.4
Q3	119.1	2.5	1.7	4.1	5.2	2.2	2.2	0.9	0.8	2.2	1.5	1.8
Q4	119.7	2.1	3.7	4.4	5.2	1.8	2.0	2.9	3.8	1.9	-0.2	2.5
	Hourly labour productivity [2]											
2011	105.4	1.2	5.3	2.6	3.3	1.2	0.4	0.5	-2.2	-0.1	0.8	0.4
2012	106.1	0.6	-0.5	1.1	1.8	0.5	-0.6	0.3	0.9	0.4	0.4	0.4
2012 Q1	105.9	0.9	2.1	0.4	2.0	0.9	0.3	0.1	0.9	1.2	0.7	1.6
Q2	106.4	0.9	-0.5	1.3	2.7	1.0	-0.3	0.5	-0.8	0.8	0.5	1.3
Q3	106.2	0.4	-2.3	1.5	2.2	-0.1	-0.9	0.1	0.2	-0.4	0.3	-0.3
Q4	106.3	0.6	-0.8	1.7	0.6	0.3	-1.4	0.4	3.4	0.1	0.2	-0.8

5. Labour cost indices [3]

	Total (index: 2008 = 100)	Total	By component		For selected economic activities			Memo item: Indicator of negotiated wages [4]
			Wages and salaries	Employers' social contributions	Mining, manufacturing and energy	Construction	Services	
% of total in 2008	100.0	100.0	75.2	24.8	32.4	9.0	58.6	
	1	2	3	4	5	6	7	8
2011	106.5	2.2	2.0	2.8	3.0	2.6	2.5	2.0
2012	108.3	1.6	1.8	1.3	2.4	2.0	1.9	2.1
2012 Q2	112.3	1.9	2.1	1.4	3.0	2.3	2.2	2.2
Q3	105.9	1.8	2.0	1.4	2.7	2.2	2.0	2.2
Q4	114.5	1.3	1.4	1.0	2.5	2.1	1.5	2.2
2013 Q1	.	.	.	.	.	.	.	2.0

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).

(quarterly data seasonally adjusted; annual data unadjusted)

1. GDP and expenditure components

	GDP								
	Total	Domestic demand					External balance 1)		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories 2)	Total	Exports 1)	Imports 1)
	1	2	3	4	5	6	7	8	9
	Current prices (EUR billions)								
2009	8,922.2	8,804.0	5,134.2	1,988.2	1,730.7	-49.2	118.2	3,285.4	3,167.2
2010	9,174.6	9,053.9	5,272.2	2,016.7	1,740.4	24.5	120.7	3,768.8	3,648.0
2011	9,427.0	9,294.9	5,414.3	2,030.9	1,800.9	48.8	132.2	4,149.4	4,017.2
2012	9,488.9	9,238.6	5,455.3	2,043.2	1,741.3	-1.1	250.3	4,328.2	4,077.9
2012 Q1	2,368.7	2,321.2	1,364.4	510.6	444.8	1.4	47.5	1,066.4	1,019.0
Q2	2,373.0	2,312.7	1,361.2	511.4	436.4	3.6	60.3	1,081.9	1,021.6
Q3	2,377.7	2,306.5	1,363.9	511.1	433.8	-2.3	71.2	1,097.0	1,025.8
Q4	2,370.6	2,298.4	1,363.4	510.0	428.1	-3.1	72.3	1,086.3	1,014.0
2013 Q1	2,378.4	2,299.5	1,366.8	514.7	422.2	-4.3	78.9	1,076.9	998.0
	percentage of GDP								
2012	100.0	97.4	57.5	21.5	18.4	0.0	2.6	-	-
	Chain-linked volumes (prices for the previous year)								
	quarter-on-quarter percentage changes								
2012 Q1	-0.1	-0.4	-0.2	0.0	-1.4	-	-	0.7	0.0
Q2	-0.2	-0.8	-0.5	-0.3	-1.7	-	-	1.6	0.4
Q3	-0.1	-0.4	-0.2	-0.2	-0.9	-	-	0.8	0.2
Q4	-0.6	-0.7	-0.6	0.0	-1.4	-	-	-0.9	-1.2
2013 Q1	-0.2	-0.3	0.1	-0.1	-1.6	-	-	-0.8	-1.1
	annual percentage changes								
2009	-4.4	-3.8	-1.0	2.6	-12.7	-	-	-12.4	-11.1
2010	2.0	1.3	1.0	0.8	-0.3	-	-	11.2	9.7
2011	1.5	0.6	0.2	-0.1	1.4	-	-	6.3	4.2
2012	-0.6	-2.2	-1.3	-0.4	-4.3	-	-	2.7	-0.8
2012 Q1	-0.1	-1.6	-1.1	-0.1	-2.7	-	-	2.6	-1.0
Q2	-0.5	-2.3	-1.1	-0.4	-4.1	-	-	3.7	-0.5
Q3	-0.7	-2.5	-1.6	-0.5	-4.5	-	-	3.2	-0.8
Q4	-1.0	-2.3	-1.5	-0.5	-5.3	-	-	2.3	-0.6
2013 Q1	-1.1	-2.2	-1.2	-0.6	-5.5	-	-	0.7	-1.6
	contributions to quarter-on-quarter percentage changes in GDP; percentage points								
2012 Q1	-0.1	-0.4	-0.1	0.0	-0.3	0.0	0.3	-	-
Q2	-0.2	-0.7	-0.3	-0.1	-0.3	0.0	0.6	-	-
Q3	-0.1	-0.4	-0.1	0.0	-0.2	0.0	0.3	-	-
Q4	-0.6	-0.7	-0.3	0.0	-0.3	-0.1	0.1	-	-
2013 Q1	-0.2	-0.3	0.0	0.0	-0.3	-0.1	0.1	-	-
	contributions to annual percentage changes in GDP; percentage points								
2009	-4.4	-3.7	-0.6	0.5	-2.7	-0.9	-0.7	-	-
2010	2.0	1.3	0.6	0.2	-0.1	0.6	0.7	-	-
2011	1.5	0.5	0.1	0.0	0.3	0.2	0.9	-	-
2012	-0.6	-2.2	-0.8	-0.1	-0.8	-0.5	1.6	-	-
2012 Q1	-0.1	-1.7	-0.6	0.0	-0.5	-0.5	1.6	-	-
Q2	-0.5	-2.3	-0.7	-0.1	-0.8	-0.8	1.8	-	-
Q3	-0.7	-2.4	-0.9	-0.1	-0.9	-0.5	1.8	-	-
Q4	-1.0	-2.2	-0.9	-0.1	-1.0	-0.2	1.3	-	-
2013 Q1	-1.1	-2.1	-0.7	-0.1	-1.0	-0.2	1.0	-	-

Sources: Eurostat and ECB calculations.

1) Exports and imports cover goods and services and include cross-border intra-euro area trade. They are not fully consistent with: Section 3.1; Table 1 of Section 7.1; Table 3 of Section 7.2; or Tables 1 or 3 of Section 7.5.
2) Including acquisitions less disposals of valuables.

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

2. Value added by economic activity

	Gross value added (basic prices)											Taxes less subsidies on products
	Total	Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services	
	1	2	3	4	5	6	7	8	9	10	11	12
	Current prices (EUR billions)											
2009	8,028.4	124.0	1,461.4	531.6	1,537.8	369.8	421.3	902.0	803.9	1,581.6	295.0	893.9
2010	8,232.7	135.9	1,568.6	499.5	1,579.5	369.2	438.8	912.3	819.1	1,610.0	299.8	941.9
2011	8,453.5	144.9	1,642.4	505.8	1,628.2	368.8	436.9	943.1	847.7	1,629.9	305.8	973.6
2012	8,511.7	150.3	1,647.6	493.2	1,641.6	364.9	431.4	959.3	865.9	1,645.5	311.8	977.2
2012 Q1	2,126.1	36.9	410.9	125.4	409.3	92.2	109.8	237.5	215.7	410.9	77.5	242.6
Q2	2,128.7	37.0	412.0	124.0	409.1	91.6	108.9	239.6	216.3	412.7	77.4	244.3
Q3	2,132.5	37.5	414.5	122.8	410.4	91.1	107.0	240.6	217.3	412.9	78.4	245.2
Q4	2,125.3	38.7	411.0	121.1	412.6	90.1	105.7	241.6	216.9	409.1	78.5	245.3
2013 Q1	2,137.5	38.9	412.1	120.9	412.9	89.1	109.2	242.8	217.8	415.1	78.8	240.9
	percentage of value added											
2012	100.0	1.8	19.4	5.8	19.3	4.3	5.1	11.3	10.2	19.3	3.7	-
	Chain-linked volumes (prices for the previous year)											
	quarter-on-quarter percentage changes											
2012 Q1	-0.1	-1.6	0.4	-1.6	-0.2	-0.1	-0.5	0.2	0.5	-0.2	0.1	0.1
Q2	-0.1	-0.5	-0.2	-1.3	-0.3	0.1	-0.2	0.2	-0.1	0.3	-0.4	-0.7
Q3	-0.1	-1.4	0.2	-1.1	-0.4	0.1	-0.2	0.2	0.2	-0.1	0.3	-0.2
Q4	-0.5	0.1	-1.6	-1.3	-0.4	0.2	-0.4	-0.1	-0.7	0.2	-0.4	-1.1
2013 Q1	-0.2	0.6	-0.4	-0.7	-0.1	-1.1	0.1	0.1	0.4	-0.4	0.1	-0.4
	annual percentage changes											
2009	-4.4	1.2	-13.4	-8.1	-4.5	2.9	0.4	0.4	-7.9	1.5	-0.6	-4.2
2010	2.1	-3.1	8.9	-5.6	2.2	2.0	0.4	-0.6	1.5	1.2	0.1	1.5
2011	1.7	2.8	3.4	-1.0	1.7	1.8	0.3	1.3	2.7	0.9	0.4	0.2
2012	-0.5	-2.4	-1.1	-4.3	-0.8	0.7	-0.6	0.8	0.9	0.1	0.2	-1.7
2012 Q1	0.1	-0.2	-0.8	-3.8	0.0	1.2	0.0	1.2	2.0	0.3	0.7	-1.4
Q2	-0.3	-1.8	-1.0	-3.8	-0.5	1.0	-0.1	0.9	1.1	0.1	0.4	-2.0
Q3	-0.6	-3.5	-0.9	-4.1	-1.2	0.6	-0.9	0.8	0.8	-0.1	0.4	-1.5
Q4	-0.8	-3.4	-1.2	-5.3	-1.3	0.2	-1.3	0.5	-0.2	0.1	-0.3	-1.9
2013 Q1	-1.0	-1.3	-2.0	-4.5	-1.2	-0.8	-0.7	0.4	-0.2	0.0	-0.4	-2.4
	contributions to quarter-on-quarter percentage changes in value added; percentage points											
2012 Q1	-0.1	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Q2	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Q3	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Q4	-0.5	0.0	-0.3	-0.1	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	-
2013 Q1	-0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-
	contributions to annual percentage changes in value added; percentage points											
2009	-4.4	0.0	-2.6	-0.5	-0.9	0.1	0.0	0.0	-0.8	0.3	0.0	-
2010	2.1	0.0	1.6	-0.4	0.4	0.1	0.0	-0.1	0.2	0.2	0.0	-
2011	1.7	0.0	0.6	-0.1	0.3	0.1	0.0	0.2	0.2	0.2	0.0	-
2012	-0.5	0.0	-0.3	-0.2	-0.2	0.0	0.0	0.1	0.1	0.0	0.0	-
2012 Q1	0.1	0.0	-0.2	-0.2	0.0	0.1	0.0	0.1	0.2	0.1	0.0	-
Q2	-0.3	0.0	-0.2	-0.2	-0.1	0.0	0.0	0.1	0.1	0.0	0.0	-
Q3	-0.6	-0.1	-0.2	-0.2	-0.2	0.0	0.0	0.1	0.1	0.0	0.0	-
Q4	-0.8	-0.1	-0.2	-0.3	-0.2	0.0	-0.1	0.1	0.0	0.0	0.0	-
2013 Q1	-1.0	0.0	-0.4	-0.3	-0.2	0.0	0.0	0.0	0.0	0.0	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
2010	4.0	100.0	7.3	7.7	7.7	10.0	8.9	2.8	2.7	2.9	3.9	-7.9
2011	2.1	103.2	3.2	4.4	4.5	3.8	8.2	0.8	0.6	0.9	-4.6	-2.1
2012	-3.0	100.8	-2.4	-2.5	-2.7	-4.3	-1.1	-2.4	-4.4	-2.1	-0.2	-5.5
2012 Q2	-3.0	101.2	-2.2	-2.7	-2.9	-4.4	-1.2	-2.8	-4.3	-2.5	2.0	-6.1
Q3	-2.7	101.2	-2.2	-2.2	-2.5	-4.2	-0.8	-2.1	-5.4	-1.7	0.0	-4.7
Q4	-3.4	99.1	-3.1	-3.4	-3.6	-4.8	-3.3	-2.0	-5.0	-1.6	-0.3	-4.6
2013 Q1	-2.2	99.3	-2.4	-2.9	-3.1	-4.0	-3.6	-0.8	-4.7	-0.3	0.2	-4.2
2012 Nov.	-4.2	98.7	-4.0	-4.4	-4.5	-5.6	-4.4	-2.9	-6.5	-2.3	-0.3	-5.0
Dec.	-2.7	99.4	-2.1	-2.4	-2.8	-4.8	-1.8	-0.6	-2.7	-0.3	-0.3	-4.5
2013 Jan.	-3.6	98.8	-2.5	-2.7	-2.8	-4.1	-3.9	0.8	-7.3	1.8	-1.1	-9.3
Feb.	-2.4	99.1	-3.2	-2.5	-2.7	-3.1	-3.8	-0.1	-5.1	0.6	-6.5	1.7
Mar.	-2.7	100.1	-1.7	-3.3	-3.6	-4.6	-3.1	-2.9	-2.2	-3.1	9.2	-7.9
	month-on-month percentage changes (s.a.)											
2012 Nov.	-0.5	-	-0.7	-0.8	-0.6	-0.9	0.2	-1.2	-1.3	-1.4	-0.4	-1.0
Dec.	0.5	-	0.7	1.1	1.2	0.2	0.8	1.9	1.9	2.0	-1.4	-0.2
2013 Jan.	-0.7	-	-0.6	-0.7	-0.6	-0.1	-1.7	0.2	-1.8	0.2	0.1	-2.0
Feb.	0.4	-	0.3	0.0	-0.2	-0.2	0.9	-1.5	0.7	-1.5	1.9	-0.3
Mar.	0.3	-	1.0	0.4	0.4	-0.1	1.2	-0.4	1.9	-0.7	3.8	-1.7

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

	Industrial new orders [1]		Industrial turnover		Retail sales (including automotive fuel)								New passenger car registrations	
	Manufacturing [2] (current prices)		Manufacturing (current prices)		Current prices	Constant prices								
	Total (s.a.; index: 2005 = 100)	Total	Total (s.a.; index: 2010 = 100)	Total	Total	Total (s.a.; index: 2010 = 100)	Total	Food, beverages, tobacco	Non-food			Fuel	Total (s.a.; thousands) [3]	Total
										Textiles, clothing, footwear	Household equipment			
% of total in 2010	100.0	100.0	100.0	100.0	100.0	100.0	100.0	40.1	51.1	9.4	11.9	8.8		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2010	102.8	17.7	100.0	10.2	2.1	100.0	0.6	0.3	1.4	2.2	0.2	-3.0	843	-8.5
2011	111.6	8.6	109.1	9.0	1.7	99.7	-0.3	-1.0	0.5	1.3	-0.2	-3.3	838	-1.1
2012	.	.	108.5	-0.6	0.4	97.9	-1.8	-1.3	-1.8	-4.3	-2.6	-5.1	743	-11.0
2012 Q2	.	.	108.5	-0.8	0.4	98.1	-1.8	-1.3	-1.9	-7.3	-2.0	-5.0	768	-6.8
Q3	.	.	109.0	-0.7	0.7	98.2	-1.5	-0.8	-1.6	-2.7	-2.0	-4.3	721	-12.7
Q4	.	.	107.1	-1.8	-0.9	96.7	-2.7	-2.0	-2.8	-4.7	-4.4	-5.4	708	-14.2
2013 Q1	.	.	106.8	-2.9	-1.2	96.8	-1.9	-1.5	-2.2	-3.9	-4.4	-3.5	687	-11.3
2012 Dec.	.	.	107.4	-1.8	-1.3	96.2	-2.8	-2.2	-3.0	-3.8	-4.3	-4.1	731	-12.1
2013 Jan.	.	.	106.7	-2.5	-0.8	97.1	-1.8	-1.9	-1.2	-1.8	-4.0	-5.8	664	-14.2
Feb.	.	.	106.6	-3.2	-1.0	96.8	-1.8	-2.4	-1.8	0.2	-3.6	-2.4	696	-8.8
Mar.	.	.	107.1	-2.9	-1.6	96.6	-2.2	-0.4	-3.6	-10.0	-5.4	-2.3	701	-10.9
Apr.	.	.	.	.	-0.8	96.1	-1.1	-1.9	-0.3	.	.	0.2	712	-6.5
	month-on-month percentage changes (s.a.)													
2012 Dec.	-	.	-	0.8	-0.8	-	-0.8	-0.6	-0.6	0.3	-1.3	0.0	-	4.4
2013 Jan.	-	.	-	-0.6	0.7	-	0.9	0.6	1.5	0.1	1.4	-1.3	-	-9.2
Feb.	-	.	-	-0.1	-0.2	-	-0.3	-0.1	-0.9	0.0	-1.1	-0.9	-	4.8
Mar.	-	.	-	0.5	-0.2	-	-0.2	1.1	-0.8	-3.7	-1.0	0.6	-	0.7
Apr.	-	.	-	.	-0.6	-	-0.5	-2.0	0.6	.	.	0.2	-	1.6

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

1) Following the amendment of the Regulation concerning short-term statistics (see the General Notes), euro area industrial new order statistics have been discontinued; the last release by Eurostat was for March 2012.
2) Includes manufacturing industries working mainly on the basis of orders, which represented 61.2% of total manufacturing in 2005.
3) Annual and quarterly figures are averages of monthly figures in the period concerned.

5.2 Output and demand

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

5. Business and Consumer Surveys

	Economic sentiment indicator [2] (long-term average = 100)	Manufacturing industry					Consumer confidence indicator				
		Industrial confidence indicator				Capacity utilisation [3] (%)	Total [4]	Financial situation over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	Savings over next 12 months
		Total [4]	Order books	Stocks of finished products	Production expectations						
	1	2	3	4	5	6	7	8	9	10	11
2009	80.7	-28.8	-56.6	14.8	-14.9	70.9	-24.8	-7.0	-26.1	55.3	-10.7
2010	101.0	-4.6	-24.4	1.0	11.5	77.0	-14.2	-5.3	-12.3	31.2	-8.0
2011	101.7	0.2	-6.6	2.3	9.4	80.6	-14.5	-7.4	-18.1	23.2	-9.1
2012	90.4	-11.7	-24.5	6.8	-4.0	78.5	-22.3	-11.3	-27.6	38.4	-12.0
2012 Q1	95.0	-6.1	-15.0	5.9	2.6	80.0	-19.9	-10.0	-24.1	34.4	-10.9
Q2	92.3	-10.5	-22.0	6.5	-3.0	79.0	-19.5	-10.3	-24.2	32.3	-10.9
Q3	87.4	-14.9	-28.6	8.1	-8.1	77.6	-23.8	-11.8	-30.4	40.7	-12.4
Q4	86.8	-15.4	-32.1	6.8	-7.4	77.3	-26.2	-13.0	-31.7	46.3	-13.7
2013 Q1	90.1	-12.3	-29.7	5.4	-1.6	77.5	-23.7	-11.4	-27.3	42.6	-13.4
2012 Dec.	88.0	-13.8	-30.7	6.0	-4.7	-	-26.3	-12.3	-31.5	47.7	-13.8
2013 Jan.	89.7	-13.4	-30.9	5.2	-4.0	77.5	-23.9	-11.7	-28.9	42.7	-12.4
Feb.	90.4	-11.1	-27.8	5.1	-0.4	-	-23.6	-11.2	-26.4	43.2	-13.7
Mar.	90.1	-12.3	-30.3	6.0	-0.5	-	-23.5	-11.4	-26.7	42.0	-14.1
Apr.	88.6	-13.8	-33.6	6.3	-1.5	77.5	-22.3	-11.0	-26.4	37.9	-13.8
May	89.4	-13.0	-31.3	6.0	-1.8	-	-21.9	-10.3	-26.8	36.6	-13.8

	Construction confidence indicator			Retail trade confidence indicator				Services confidence indicator			
	Total [4]	Order books	Employment expectations	Total [4]	Present business situation	Volume of stocks	Expected business situation	Total [4]	Business climate	Demand in recent months	Demand in the months ahead
	12	13	14	15	16	17	18	19	20	21	22
2009	-33.1	-42.1	-24.1	-15.5	-21.4	9.8	-15.4	-16.1	-21.2	-18.0	-9.3
2010	-28.7	-39.4	-18.2	-4.1	-6.6	7.2	1.6	4.0	1.5	3.1	7.3
2011	-26.2	-33.9	-18.5	-5.4	-5.6	11.1	0.6	5.3	2.2	5.3	8.3
2012	-28.7	-35.1	-22.3	-15.2	-18.9	14.2	-12.6	-6.9	-11.9	-7.7	-1.1
2012 Q1	-25.0	-30.7	-19.3	-13.7	-14.4	16.3	-10.5	-1.4	-6.2	-1.5	3.6
Q2	-27.2	-32.3	-22.1	-14.4	-18.2	14.8	-10.4	-4.5	-10.1	-4.8	1.3
Q3	-29.7	-36.9	-22.5	-16.8	-21.8	14.5	-14.1	-10.6	-15.8	-11.7	-4.2
Q4	-33.0	-40.5	-25.5	-16.0	-21.3	11.4	-15.4	-11.1	-15.3	-12.9	-5.0
2013 Q1	-29.5	-37.5	-21.7	-16.2	-24.4	10.7	-13.7	-7.8	-12.6	-8.9	-1.8
2012 Dec.	-33.3	-39.8	-26.8	-15.9	-23.0	10.5	-14.3	-9.8	-14.7	-11.4	-3.3
2013 Jan.	-28.5	-36.3	-20.8	-15.5	-23.0	11.4	-12.1	-7.9	-12.4	-9.4	-1.8
Feb.	-29.7	-37.7	-21.8	-16.1	-25.0	10.2	-13.3	-8.5	-14.3	-9.6	-1.5
Mar.	-30.4	-38.4	-22.4	-17.1	-25.3	10.5	-15.6	-7.0	-11.2	-7.8	-2.1
Apr.	-31.7	-39.2	-24.1	-18.4	-26.4	12.1	-16.8	-11.1	-16.0	-14.7	-2.6
May	-33.6	-40.4	-26.8	-16.8	-26.1	11.0	-13.3	-9.3	-13.2	-13.1	-1.7

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		By economic activity									
		Employees	Self-employed	Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services
	1	2	3	4	5	6	7	8	9	10	11	12	13
Persons employed													
levels (thousands)													
2012	146,176	125,078	21,098	4,985	22,932	9,484	35,912	4,080	4,060	1,321	18,254	34,308	10,840
percentage of total persons employed													
2012	100.0	85.6	14.4	3.4	15.7	6.5	24.6	2.8	2.8	0.9	12.5	23.5	7.4
annual percentage changes													
2010	-0.5	-0.5	-0.6	-1.1	-2.8	-3.9	-0.7	-1.3	-0.7	-0.3	1.7	1.0	0.9
2011	0.3	0.5	-0.8	-2.2	0.2	-3.8	0.7	1.5	-0.3	3.0	2.7	0.1	0.1
2012	-0.6	-0.7	0.0	-1.4	-1.1	-4.7	-0.7	1.4	-0.8	0.6	0.8	-0.3	0.7
2012 Q1	-0.4	-0.4	-0.6	-1.7	-0.7	-4.6	-0.2	1.2	-0.3	1.0	0.9	-0.2	-0.4
Q2	-0.7	-0.8	-0.2	-1.3	-1.2	-4.7	-0.8	1.2	-0.6	1.6	0.3	-0.2	0.1
Q3	-0.6	-0.8	0.6	-1.1	-1.2	-5.0	-0.8	1.1	-1.3	0.7	1.5	-0.4	1.3
Q4	-0.7	-0.9	0.2	-1.4	-1.4	-4.8	-1.0	1.9	-1.1	-0.7	0.3	-0.2	1.7
quarter-on-quarter percentage changes													
2012 Q1	-0.3	-0.4	0.7	0.0	-0.5	-1.3	-0.3	0.5	0.0	-1.2	-0.2	-0.2	0.7
Q2	-0.1	0.0	-0.2	0.3	-0.4	-0.6	-0.1	0.5	-0.7	0.6	0.4	0.1	0.0
Q3	-0.1	-0.1	0.2	-0.7	-0.1	-1.7	-0.1	-0.5	-1.0	-2.0	1.2	-0.1	0.6
Q4	-0.3	-0.3	-0.5	-1.0	-0.5	-1.3	-0.4	1.5	0.6	2.0	-1.0	-0.1	0.4
Hours worked													
levels (millions)													
2012	229,973	185,007	44,966	10,257	36,080	16,562	60,018	6,569	6,435	2,040	27,911	48,883	15,219
percentage of total hours worked													
2012	100.0	80.4	19.6	4.5	15.7	7.2	26.1	2.9	2.8	0.9	12.1	21.3	6.6
annual percentage changes													
2010	0.0	0.0	-0.4	-0.9	-0.4	-3.9	-0.4	-0.7	-0.2	0.8	2.3	1.0	0.6
2011	0.2	0.5	-1.0	-2.3	0.8	-4.1	0.4	1.4	-0.2	3.5	2.8	0.1	0.0
2012	-1.2	-1.3	-0.7	-1.8	-2.2	-6.0	-1.3	1.4	-0.9	0.0	0.5	-0.4	-0.1
2012 Q1	-1.0	-1.0	-1.0	-2.2	-1.2	-5.6	-0.9	0.9	-0.2	0.3	0.8	-0.4	-0.9
Q2	-1.4	-1.5	-0.8	-1.2	-2.3	-6.3	-1.5	1.3	-0.7	1.7	0.3	-0.5	-0.8
Q3	-1.1	-1.4	0.1	-1.2	-2.4	-6.2	-1.1	1.5	-1.0	0.7	1.2	-0.5	0.7
Q4	-1.5	-1.6	-1.1	-2.6	-2.9	-5.8	-1.6	1.7	-1.7	-2.8	-0.2	-0.1	0.5
quarter-on-quarter percentage changes													
2012 Q1	-0.3	-0.3	-0.1	-0.2	-0.4	-0.6	-0.7	0.8	0.1	-0.8	-0.1	0.0	0.5
Q2	-0.6	-0.7	-0.3	-0.5	-1.4	-2.2	-0.2	-0.2	-1.2	0.5	-0.2	-0.3	-0.8
Q3	0.2	0.1	0.4	-0.5	0.0	-1.4	0.2	0.5	0.0	-0.4	0.7	0.2	1.3
Q4	-0.7	-0.6	-1.1	-1.4	-1.1	-1.9	-1.0	0.6	-0.6	-2.0	-0.6	0.1	-0.4
Hours worked per person employed													
levels (thousands)													
2012	1,573	1,479	2,131	2,058	1,573	1,746	1,671	1,610	1,585	1,544	1,529	1,425	1,404
annual percentage changes													
2010	0.5	0.6	0.2	0.2	2.5	0.0	0.3	0.6	0.5	1.1	0.6	0.1	-0.3
2011	-0.1	0.1	-0.2	-0.1	0.6	-0.3	-0.3	0.0	0.2	0.5	0.1	0.0	-0.1
2012	-0.6	-0.6	-0.7	-0.4	-1.0	-1.3	-0.6	0.0	-0.1	-0.7	-0.2	-0.1	-0.8
2012 Q1	-0.5	-0.5	-0.5	-0.5	-0.5	-1.1	-0.8	-0.2	0.1	-0.7	-0.1	-0.2	-0.5
Q2	-0.6	-0.7	-0.7	0.1	-1.1	-1.8	-0.6	0.0	-0.1	0.1	0.0	-0.2	-0.9
Q3	-0.5	-0.6	-0.5	-0.1	-1.1	-1.3	-0.3	0.4	0.3	-0.1	-0.3	-0.1	-0.6
Q4	-0.8	-0.7	-1.3	-1.2	-1.4	-1.1	-0.7	-0.3	-0.6	-2.1	-0.6	0.1	-1.1
quarter-on-quarter percentage changes													
2012 Q1	0.7	1.0	-1.5	-2.4	1.0	0.2	0.2	2.1	1.7	1.2	0.0	2.2	0.1
Q2	-2.8	-3.8	1.1	4.6	-4.1	-1.3	-1.9	-5.2	-4.3	-2.8	-3.9	-4.5	-2.1
Q3	-1.0	-0.9	-1.0	-0.1	-1.8	-0.2	-1.1	0.1	-0.3	0.3	-1.6	-0.9	0.0
Q4	2.5	3.1	0.3	-2.4	3.6	0.1	2.2	3.0	2.5	0.1	5.0	3.6	0.9

Source: ECB calculations based on Eurostat data.

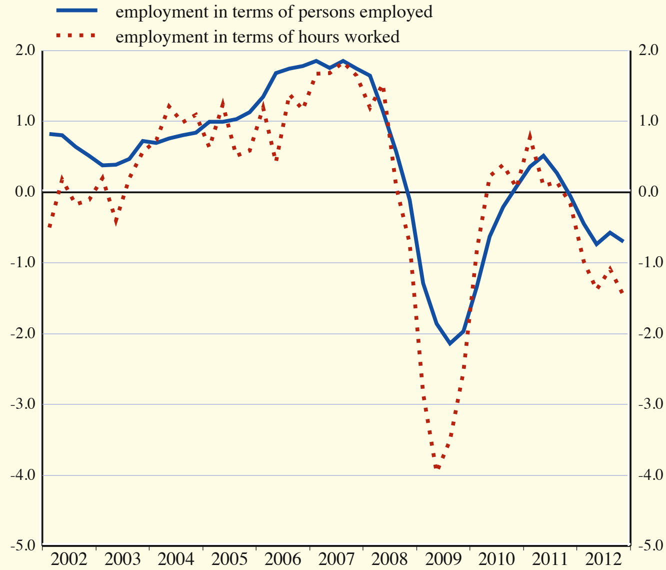
1) Data for employment are based on the ESA 95.

5.3 Labour markets
(seasonally adjusted, unless otherwise indicated)

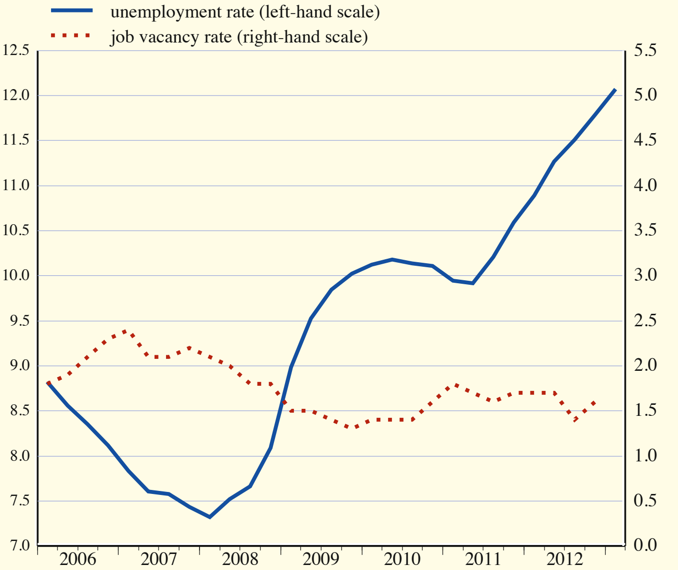
2. Unemployment and job vacancies [1]

	Unemployment										Job vacancy rate [2]
	Total		By age [3]				By gender [4]				
	Millions	% of labour force	Adult		Youth		Male		Female		
			Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	% of total posts
% of total in 2010	100.0		79.4		20.6		54.0		46.0		
	1	2	3	4	5	6	7	8	9	10	11
2009	15.054	9.6	11.768	8.4	3.287	20.3	8.146	9.4	6.908	9.8	1.4
2010	15.935	10.1	12.654	8.9	3.281	20.9	8.605	10.0	7.330	10.3	1.5
2011	16.039	10.2	12.828	9.0	3.212	20.9	8.548	9.9	7.492	10.5	1.7
2012	18.059	11.4	14.581	10.1	3.478	23.0	9.700	11.2	8.359	11.5	1.6
2012 Q1	17.263	10.9	13.882	9.7	3.382	22.2	9.248	10.7	8.015	11.1	1.7
Q2	17.902	11.3	14.445	10.0	3.457	22.8	9.636	11.1	8.266	11.4	1.7
Q3	18.312	11.5	14.797	10.3	3.515	23.4	9.846	11.4	8.466	11.7	1.4
Q4	18.759	11.8	15.200	10.5	3.559	23.7	10.069	11.6	8.690	12.0	1.6
2013 Q1	19.208	12.1	15.588	10.8	3.620	24.2	10.331	12.0	8.877	12.2	.
2012 Nov.	18.772	11.8	15.212	10.6	3.560	23.7	10.066	11.6	8.706	12.0	-
Dec.	18.843	11.8	15.279	10.6	3.564	23.8	10.123	11.7	8.720	12.0	-
2013 Jan.	19.129	12.0	15.508	10.8	3.621	24.1	10.281	11.9	8.848	12.2	-
Feb.	19.215	12.1	15.589	10.8	3.626	24.2	10.341	12.0	8.874	12.2	-
Mar.	19.280	12.1	15.667	10.9	3.613	24.3	10.370	12.0	8.910	12.3	-
Apr.	19.375	12.2	15.751	10.9	3.624	24.4	10.413	12.0	8.961	12.3	-

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
2004	44.5	44.0	11.5	8.5	2.9	13.2	0.3	15.5	8.1	4.5	2.2	0.5	0.4	40.6
2005	44.8	44.3	11.7	8.6	3.0	13.3	0.3	15.4	8.1	4.5	2.3	0.5	0.3	40.7
2006	45.3	45.0	12.3	8.7	3.4	13.4	0.3	15.3	8.0	4.5	2.3	0.3	0.3	41.3
2007	45.3	45.1	12.7	8.9	3.6	13.3	0.3	15.1	8.0	4.4	2.3	0.3	0.3	41.3
2008	45.1	44.9	12.5	9.1	3.2	12.9	0.3	15.3	8.1	4.5	2.3	0.2	0.3	40.9
2009	44.9	44.6	11.6	9.2	2.3	12.8	0.3	15.8	8.3	4.5	2.5	0.3	0.4	40.6
2010	44.8	44.5	11.5	8.9	2.5	12.9	0.3	15.7	8.2	4.5	2.6	0.3	0.3	40.4
2011	45.3	45.0	11.9	9.1	2.7	13.0	0.3	15.7	8.2	4.5	2.6	0.3	0.3	40.9
2012	46.2	46.0	12.4	9.6	2.7	13.3	0.3	15.9	8.3	4.7	2.6	0.2	0.3	41.8

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
2004	47.4	43.5	10.5	5.0	3.1	24.9	22.1	1.7	0.5	3.9	2.5	1.5	0.1	44.3
2005	47.3	43.4	10.5	5.0	3.0	24.9	22.1	1.7	0.5	3.9	2.5	1.4	0.0	44.3
2006	46.7	42.8	10.3	5.0	2.9	24.6	21.8	1.6	0.5	3.9	2.5	1.4	0.0	43.8
2007	46.0	42.2	10.1	5.0	3.0	24.2	21.4	1.6	0.4	3.8	2.6	1.2	0.0	43.1
2008	47.3	43.3	10.3	5.2	3.0	24.8	21.9	1.6	0.4	3.9	2.6	1.3	0.0	44.2
2009	51.3	47.0	11.1	5.7	2.9	27.4	24.3	1.8	0.4	4.3	2.8	1.4	0.0	48.4
2010	51.0	46.6	10.9	5.7	2.8	27.2	24.2	1.8	0.4	4.4	2.6	1.8	0.0	48.1
2011	49.5	46.0	10.6	5.5	3.0	26.9	23.9	1.7	0.4	3.5	2.3	1.2	0.0	46.5
2012	49.9	46.2	10.5	5.5	3.1	27.1	24.3	1.6	0.4	3.7	2.1	1.6	0.1	46.9

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
2004	-2.9	-2.5	-0.4	-0.3	0.2	0.2	20.4	10.5	5.0	5.1	1.9	2.2	8.1	12.3
2005	-2.5	-2.3	-0.3	-0.2	0.2	0.5	20.5	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	5.3	1.9	2.3	7.9	12.5
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	1.9	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	22.1	10.9	5.7	5.9	2.1	2.6	8.4	13.6
2011	-4.1	-3.3	-0.7	-0.2	0.0	-1.1	21.6	10.6	5.5	5.8	2.1	2.6	8.2	13.4
2012	-3.7	-3.4	-0.3	0.0	0.0	-0.6	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	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
2009	-5.6	-3.1	-2.0	-13.9	-15.6	-11.2	-7.5	-5.5	-6.1	-0.8	-3.7	-5.6	-4.1	-10.2	-6.2	-8.0	-2.5
2010	-3.8	-4.1	0.2	-30.8	-10.7	-9.7	-7.1	-4.5	-5.3	-0.9	-3.6	-5.1	-4.5	-9.8	-5.9	-7.7	-2.5
2011	-3.7	-0.8	1.2	-13.4	-9.5	-9.4	-5.3	-3.8	-6.3	-0.2	-2.8	-4.5	-2.5	-4.4	-6.4	-5.1	-0.8
2012	-3.9	0.2	-0.3	-7.6	-10.0	-10.6	-4.8	-3.0	-6.3	-0.8	-3.3	-4.1	-2.5	-6.4	-4.0	-4.3	-1.9

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
2003	69.2	2.1	12.5	5.1	49.6	40.2	20.5	11.3	8.4	29.1
2004	69.7	2.2	12.2	4.8	50.5	38.7	19.7	11.2	7.9	30.9
2005	70.5	2.4	12.3	4.5	51.3	37.0	19.0	11.3	6.8	33.5
2006	68.7	2.5	11.9	4.0	50.3	34.9	19.1	9.3	6.5	33.7
2007	66.4	2.2	11.3	3.9	48.9	32.7	17.8	8.6	6.3	33.6
2008	70.2	2.3	11.6	6.5	49.8	33.2	18.4	7.9	6.9	37.0
2009	80.0	2.5	12.7	8.3	56.5	37.4	21.4	9.2	6.8	42.6
2010	85.4	2.4	15.4	7.3	60.2	40.5	24.3	10.6	5.6	44.9
2011	87.3	2.4	15.4	7.4	62.1	42.8	24.7	11.3	6.9	44.5
2012	90.7	2.6	17.4	6.8	63.9	46.6	26.5	12.4	7.7	44.0

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
2003	69.2	56.7	6.5	5.1	1.0	7.9	61.4	5.0	14.9	26.1	28.3	68.4	0.9
2004	69.7	56.7	6.6	5.1	1.3	7.7	61.9	4.7	14.7	26.3	28.6	68.7	1.0
2005	70.5	57.2	6.7	5.2	1.4	7.8	62.8	4.6	14.8	25.8	29.9	69.4	1.1
2006	68.7	55.4	6.5	5.3	1.4	7.3	61.4	4.3	14.3	24.2	30.1	67.9	0.7
2007	66.4	53.5	6.3	5.3	1.4	7.1	59.2	4.2	14.5	23.6	28.2	65.8	0.5
2008	70.2	56.9	6.7	5.3	1.3	10.0	60.2	4.9	17.7	23.5	29.1	69.3	1.0
2009	80.0	64.8	7.7	5.8	1.7	12.0	68.0	5.0	19.5	27.3	33.2	78.8	1.2
2010	85.4	69.2	8.3	5.9	1.9	13.0	72.3	5.1	21.2	29.3	34.9	84.2	1.2
2011	87.3	70.7	8.5	5.9	2.2	12.6	74.7	6.0	20.8	30.4	36.1	85.6	1.7
2012	90.7	73.6	8.9	6.0	2.3	11.7	78.9	7.0	20.6	32.1	37.9	88.7	2.0

3. Euro area countries

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LU	MT	NL	AT	PT	SI	SK	FI
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
2009	95.7	74.5	7.2	64.8	129.7	53.9	79.2	116.4	58.5	15.3	66.4	60.8	69.2	83.7	35.0	35.6	43.5
2010	95.5	82.4	6.7	92.1	148.3	61.5	82.4	119.3	61.3	19.2	67.4	63.1	72.0	94.0	38.6	41.0	48.6
2011	97.8	80.4	6.2	106.4	170.3	69.3	85.8	120.8	71.1	18.3	70.3	65.5	72.5	108.3	46.9	43.3	49.0
2012	99.6	81.9	10.1	117.6	156.9	84.2	90.2	127.0	85.8	20.8	72.1	71.2	73.4	123.6	54.1	52.1	53.0

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
2004	3.2	3.3	-0.1	0.0	0.2	0.1	-0.1	2.9	0.2	0.0	0.3	3.0
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	0.2	-0.3	1.5	-0.3	1.1	-1.4	1.9
2007	1.2	1.2	0.0	0.0	-0.1	0.0	0.1	1.2	-0.4	-0.4	-0.3	1.6
2008	5.3	5.2	0.1	0.0	0.1	0.5	2.7	2.0	1.3	1.0	-0.5	4.1
2009	7.3	7.5	-0.2	0.0	0.1	0.7	1.6	4.9	3.0	2.3	1.0	4.3
2010	7.6	7.7	-0.1	0.0	0.0	3.0	-0.7	5.2	4.1	3.5	1.6	3.4
2011	4.2	4.0	0.1	0.0	0.0	0.4	0.2	3.5	3.4	1.0	1.0	0.8
2012	4.0	5.4	-1.4	0.0	0.2	2.1	-0.5	2.2	4.1	2.0	1.2	-0.2

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+)	Deficit-debt adjustment [7]											
			Total	Transactions in main financial assets held by general government							Valuation effects		Other changes in volume	Other [8]
				Total	Currency and deposits	Loans	Securities [9]	Shares and other equity				Exchange rate effects		
									Privatisations	Equity injections				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2004	3.2	-2.9	0.3	0.2	0.2	0.0	0.1	0.0	-0.5	0.2	-0.1	0.0	0.0	0.1
2005	3.3	-2.5	0.8	0.6	0.3	0.0	0.1	0.1	-0.3	0.2	0.2	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	5.3	-2.1	3.2	3.0	0.8	0.7	0.7	0.9	-0.1	0.7	0.1	0.0	0.0	0.0
2009	7.3	-6.4	0.9	1.0	0.3	0.0	0.3	0.4	-0.3	0.5	-0.2	0.0	0.0	0.1
2010	7.6	-6.2	1.4	1.8	0.0	0.5	1.0	0.2	0.0	0.2	-0.1	0.0	0.0	-0.3
2011	4.2	-4.1	0.0	-0.3	0.2	-0.2	-0.2	-0.1	-0.1	0.2	0.1	0.0	0.0	0.2
2012	4.0	-3.7	0.2	1.4	0.3	0.6	-0.1	0.6	-0.1	0.3	-1.4	0.0	0.0	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
2006 Q4	49.0	48.4	14.4	14.0	15.8	2.4	0.9	0.6	0.3	44.5
2007 Q1	42.3	41.9	10.4	12.9	14.8	2.2	0.9	0.4	0.3	38.3
Q2	45.8	45.4	13.0	13.0	15.0	2.2	1.4	0.4	0.3	41.2
Q3	43.6	43.1	12.3	12.4	14.7	2.2	0.7	0.5	0.3	39.6
Q4	49.3	48.7	14.8	13.8	15.7	2.5	1.0	0.6	0.3	44.6
2008 Q1	42.4	42.1	10.8	12.3	14.8	2.2	1.1	0.3	0.2	38.2
Q2	45.3	44.9	12.9	12.4	15.1	2.3	1.5	0.4	0.3	40.6
Q3	43.4	43.1	12.2	12.0	15.0	2.3	0.8	0.4	0.3	39.5
Q4	48.8	48.3	13.9	13.4	16.3	2.6	1.1	0.5	0.3	43.9
2009 Q1	42.4	42.3	10.4	12.0	15.6	2.4	1.1	0.1	0.2	38.2
Q2	45.3	44.7	11.8	12.5	15.7	2.5	1.4	0.6	0.5	40.5
Q3	42.9	42.6	11.0	12.0	15.5	2.5	0.7	0.3	0.3	38.8
Q4	48.7	47.8	13.0	13.6	16.4	2.7	1.0	0.8	0.5	43.5
2010 Q1	42.2	42.0	10.1	12.2	15.5	2.4	0.9	0.2	0.3	38.0
Q2	45.1	44.6	11.8	12.6	15.4	2.6	1.3	0.5	0.3	40.2
Q3	43.0	42.7	10.9	12.5	15.3	2.5	0.7	0.3	0.3	39.0
Q4	48.6	47.8	13.2	13.4	16.4	2.8	1.0	0.7	0.3	43.3
2011 Q1	42.9	42.7	10.6	12.5	15.3	2.5	1.0	0.3	0.3	38.7
Q2	45.2	44.9	12.0	12.7	15.4	2.5	1.5	0.3	0.3	40.3
Q3	43.7	43.4	11.4	12.5	15.3	2.5	0.8	0.3	0.3	39.6
Q4	49.3	48.3	13.4	13.4	16.7	2.8	1.0	1.1	0.4	43.8
2012 Q1	43.4	43.2	10.9	12.6	15.4	2.5	1.0	0.2	0.2	39.1
Q2	46.1	45.8	12.6	12.8	15.6	2.6	1.4	0.3	0.3	41.3
Q3	44.7	44.3	12.0	12.6	15.5	2.6	0.8	0.4	0.3	40.4
Q4	50.6	49.9	14.2	13.9	16.9	2.9	1.0	0.7	0.3	45.3

2. Euro area – quarterly expenditure and deficit/surplus

	Total	Current expenditure							Capital expenditure			Deficit (-)/ surplus (+)	Primary deficit (-)/ surplus (+)
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers				Investment	Capital transfers		
							Social benefits	Subsidies					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2006 Q4	49.5	44.6	10.8	5.9	2.8	25.0	21.3	1.3	4.9	2.7	2.2	-0.5	2.3
2007 Q1	44.9	41.4	9.9	4.5	2.9	24.1	20.7	1.1	3.5	2.3	1.2	-2.7	0.2
Q2	45.0	41.6	10.0	4.8	3.2	23.6	20.6	1.1	3.4	2.5	0.9	0.8	4.0
Q3	44.6	41.0	9.6	4.8	2.9	23.8	20.5	1.1	3.6	2.6	0.9	-1.0	1.9
Q4	49.3	44.7	10.8	5.9	2.9	25.1	21.2	1.5	4.5	2.8	1.7	0.0	2.9
2008 Q1	45.5	41.9	9.9	4.5	3.0	24.4	20.8	1.2	3.6	2.3	1.2	-3.1	0.0
Q2	46.0	42.4	10.2	5.0	3.3	23.9	20.8	1.1	3.6	2.6	1.0	-0.7	2.6
Q3	45.7	42.0	9.8	4.9	3.0	24.4	21.2	1.1	3.7	2.7	1.0	-2.3	0.6
Q4	51.3	46.7	11.2	6.3	2.9	26.3	22.2	1.4	4.6	2.9	1.7	-2.5	0.4
2009 Q1	49.4	45.6	10.7	5.1	2.8	26.9	23.0	1.3	3.8	2.6	1.2	-6.9	-4.1
Q2	50.7	46.5	11.1	5.5	3.0	26.9	23.3	1.3	4.2	2.8	1.3	-5.4	-2.4
Q3	50.0	46.0	10.5	5.5	2.8	27.1	23.5	1.3	4.1	2.9	1.1	-7.1	-4.3
Q4	54.6	49.7	11.8	6.7	2.8	28.4	24.0	1.5	4.9	3.0	1.9	-6.0	-3.2
2010 Q1	50.4	46.5	10.8	5.1	2.7	27.9	23.6	1.4	3.9	2.4	1.5	-8.2	-5.5
Q2	49.6	46.1	11.0	5.5	3.0	26.7	23.2	1.3	3.5	2.5	1.1	-4.5	-1.5
Q3	50.4	45.2	10.2	5.4	2.7	26.8	23.2	1.3	5.2	2.6	2.6	-7.4	-4.7
Q4	53.4	48.7	11.5	6.6	2.9	27.7	23.6	1.5	4.7	2.7	2.0	-4.8	-1.9
2011 Q1	48.6	45.5	10.5	5.0	2.9	27.2	23.1	1.3	3.1	2.1	0.9	-5.6	-2.8
Q2	48.5	45.3	10.6	5.3	3.2	26.2	22.8	1.2	3.2	2.3	0.9	-3.3	-0.1
Q3	48.1	44.6	10.1	5.3	2.9	26.4	23.0	1.2	3.5	2.3	1.1	-4.3	-1.5
Q4	52.6	48.6	11.2	6.5	3.2	27.7	23.6	1.5	3.9	2.5	1.7	-3.3	-0.1
2012 Q1	48.2	45.5	10.3	4.9	3.0	27.3	23.3	1.2	2.7	1.9	0.8	-4.8	-1.8
Q2	49.2	45.8	10.5	5.3	3.3	26.7	23.2	1.1	3.3	2.1	1.2	-3.0	0.3
Q3	48.6	44.9	10.0	5.3	2.9	26.7	23.4	1.1	3.7	2.2	1.5	-3.9	-1.0
Q4	53.7	48.7	11.0	6.5	3.2	28.0	24.1	1.4	5.0	2.2	2.8	-3.1	0.1

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)

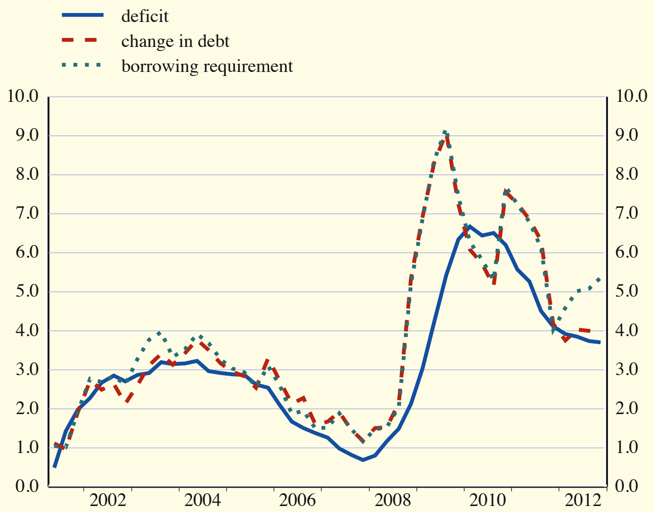
1. Euro area – Maastricht debt by financial instrument

	Total	Financial instruments			
		Currency and deposits	Loans	Short-term securities	Long-term securities
	1	2	3	4	5
2010 Q1	81.6	2.4	12.9	8.2	58.2
Q2	82.9	2.4	13.5	7.8	59.2
Q3	83.0	2.4	13.4	7.9	59.2
Q4	85.4	2.4	15.4	7.3	60.2
2011 Q1	86.3	2.4	15.2	7.4	61.2
Q2	87.2	2.4	15.0	7.5	62.3
Q3	86.8	2.4	15.2	7.8	61.4
Q4	87.3	2.4	15.4	7.4	62.1
2012 Q1	88.2	2.5	15.8	7.6	62.3
Q2	89.9	2.5	16.7	7.3	63.4
Q3	90.0	2.5	16.5	7.2	63.7
Q4	90.7	2.6	17.4	6.8	63.9

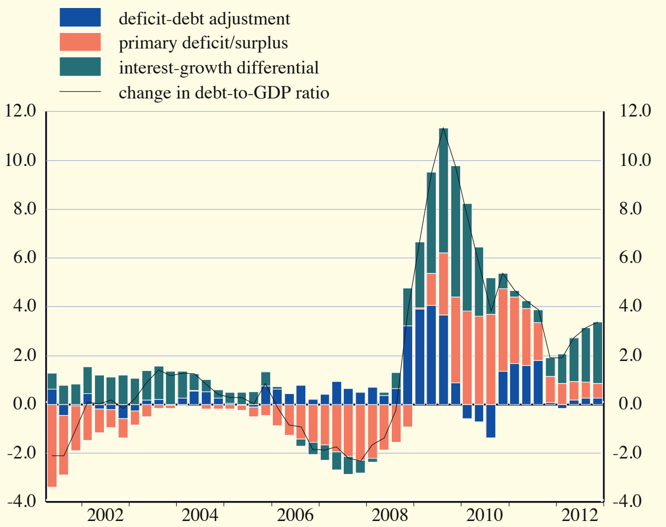
2. Euro area – deficit-debt adjustment

	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
2010 Q1	8.1	-8.2	-0.1	0.8	0.9	-0.1	-0.3	0.3	-0.4	-0.5	8.5
Q2	7.7	-4.5	3.2	3.3	2.0	1.1	-0.2	0.4	-0.1	-0.1	7.7
Q3	2.7	-7.4	-4.6	-2.9	-2.3	-0.6	-0.1	0.1	0.0	-1.7	2.8
Q4	11.6	-4.8	6.8	5.6	-0.4	1.6	4.4	0.0	0.0	1.2	11.6
2011 Q1	6.9	-5.6	1.2	0.7	2.1	-0.8	-0.6	-0.1	0.2	0.4	6.7
Q2	6.0	-3.3	2.7	2.6	2.8	0.6	-0.3	-0.5	0.1	0.0	5.9
Q3	0.7	-4.3	-3.6	-3.7	-3.7	-0.4	0.2	0.2	0.5	-0.3	0.3
Q4	3.2	-3.3	-0.1	-0.6	-0.3	-0.2	-0.1	0.1	-0.1	0.6	3.3
2012 Q1	5.1	-4.8	0.3	3.8	4.2	0.0	-0.4	0.0	-3.8	0.3	9.0
Q2	7.1	-3.0	4.1	3.8	1.6	1.1	0.4	0.7	-0.5	0.8	7.6
Q3	0.6	-3.9	-3.3	-1.3	-1.7	0.6	-0.4	0.1	0.0	-2.0	0.6
Q4	3.0	-3.1	-0.1	-0.7	-2.9	0.5	0.1	1.6	-1.4	2.0	4.4

C30 Deficit, borrowing requirement and change in debt
(four-quarter moving sum as a percentage of GDP)



C31 Maastricht debt
(annual change in the debt-to-GDP ratio and underlying factors)



Sources: ECB calculations based on Eurostat and national data.
1) Intergovernmental lending in the context of the financial crisis is consolidated.

7

EXTERNAL TRANSACTIONS AND POSITIONS

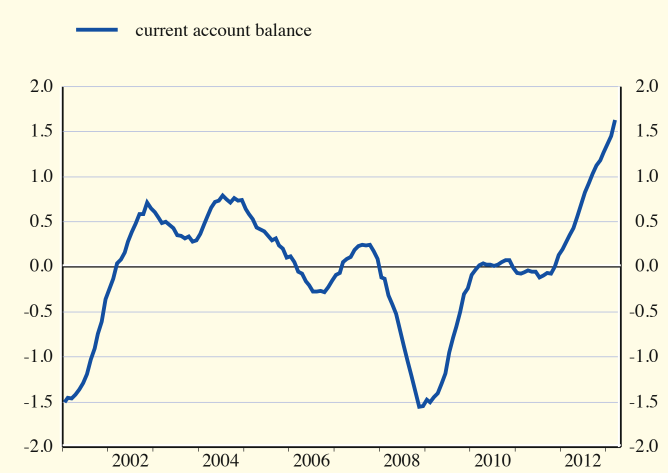
7.1 Summary balance of payments [1)]

(EUR billions; net transactions)

	Current account					Capital account	Net lending/ borrowing to/from rest of the world (columns 1+6)	Financial account						Errors and omissions
	Total	Goods	Services	Income	Current transfers			Total	Direct investment	Portfolio investment	Financial derivatives	Other investment	Reserve assets	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2010	3.5	17.2	56.5	38.9	-109.2	5.7	9.2	9.1	-88.8	119.5	18.4	-29.5	-10.5	-18.3
2011	14.9	6.8	73.2	42.1	-107.2	11.2	26.0	-42.7	-118.7	252.5	-5.3	-161.0	-10.2	16.6
2012	116.0	100.6	90.9	32.2	-107.8	15.1	131.1	-133.2	-44.8	52.3	5.6	-132.1	-14.1	2.1
2012 Q1	-2.8	6.8	16.6	12.5	-38.7	3.2	0.4	2.0	-3.6	-76.8	-5.3	89.8	-2.1	-2.4
Q2	18.3	25.7	26.3	-8.6	-25.1	1.4	19.8	-19.5	-15.2	96.7	-8.0	-84.0	-9.0	-0.3
Q3	40.8	30.3	27.0	13.0	-29.4	4.0	44.9	-41.6	-4.9	-14.8	2.8	-24.6	-0.1	-3.2
Q4	59.6	37.9	21.0	15.3	-14.6	6.5	66.1	-74.2	-21.2	47.2	16.1	-113.3	-3.0	8.1
2013 Q1	30.7	33.2	17.2	18.0	-37.7	3.6	34.3	-42.1	-25.1	33.2	15.4	-65.8	0.2	7.8
2012 Mar.	10.0	11.3	6.7	4.0	-12.0	0.7	10.7	-19.2	-12.6	-46.0	-4.2	43.0	0.7	8.4
Apr.	2.9	4.4	7.6	0.1	-9.1	0.2	3.2	-2.4	-2.6	3.4	1.7	-2.0	-3.0	-0.7
May	-2.8	7.4	8.9	-10.8	-8.2	1.4	-1.4	-0.4	3.5	30.1	-7.5	-25.0	-1.5	1.7
June	18.2	13.9	9.9	2.1	-7.7	-0.2	18.0	-16.7	-16.1	63.2	-2.2	-57.0	-4.5	-1.3
July	21.8	14.5	9.9	5.2	-7.9	0.7	22.4	-17.5	2.5	4.8	-1.7	-23.6	0.5	-5.0
Aug.	8.8	5.6	7.9	5.9	-10.6	1.6	10.5	-7.7	12.6	-19.1	6.2	-5.9	-1.6	-2.8
Sep.	10.2	10.2	9.1	1.9	-11.0	1.7	11.9	-16.4	-20.0	-0.5	-1.7	4.9	1.0	4.5
Oct.	12.8	10.6	6.9	4.3	-9.0	2.4	15.2	-15.6	-15.1	44.4	6.3	-48.6	-2.6	0.4
Nov.	20.3	15.1	5.2	5.3	-5.2	2.3	22.6	-28.9	21.4	23.3	7.6	-80.2	-1.0	6.3
Dec.	26.5	12.2	9.0	5.8	-0.4	1.8	28.3	-29.7	-27.6	-20.5	2.2	15.5	0.7	1.4
2013 Jan.	-5.6	-2.7	5.2	4.7	-12.8	0.7	-4.9	1.5	-8.3	29.0	6.7	-21.3	-4.7	3.4
Feb.	11.5	12.0	6.2	7.5	-14.2	1.6	13.1	-19.0	-2.4	-4.1	5.9	-21.0	2.6	5.9
Mar.	24.8	23.9	5.7	5.9	-10.7	1.3	26.1	-24.6	-14.4	8.3	2.8	-23.5	2.2	-1.5
	12-month cumulated transactions													
2013 Mar.	149.5	127.0	91.5	37.7	-106.8	15.5	165.0	-177.4	-66.3	162.3	26.3	-287.8	-11.9	12.3
	12-month cumulated transactions as a percentage of GDP													
2013 Mar.	1.6	1.3	1.0	0.4	-1.1	0.2	1.7	-1.9	-0.7	1.7	0.3	-3.0	-0.1	0.1

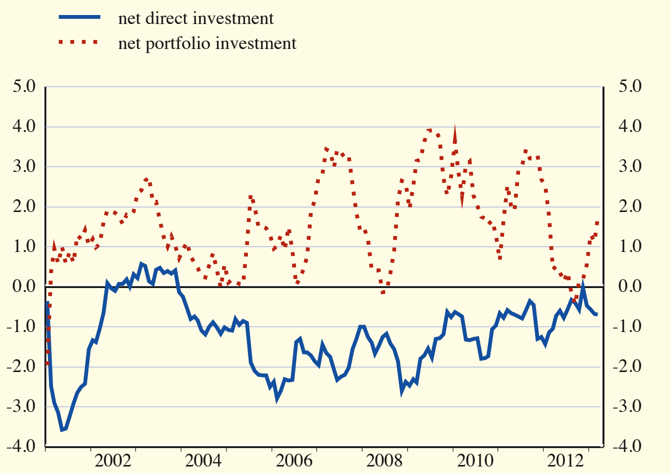
C32 Euro area b.o.p.: current account

(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.

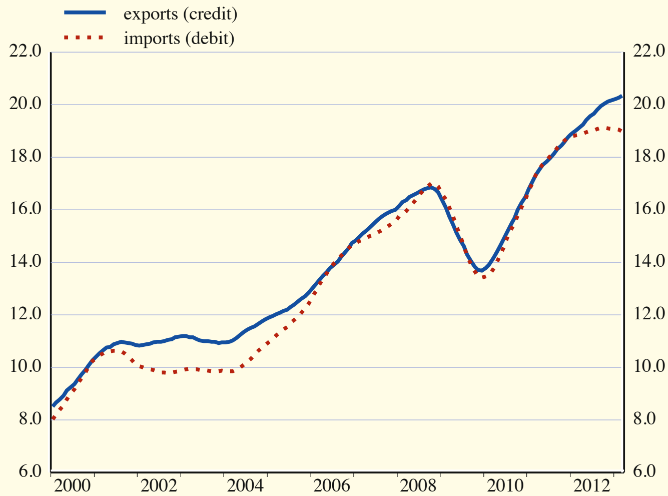
1) The sign convention is explained in the General Notes.

7.2 Current and capital accounts
(EUR billions; transactions)

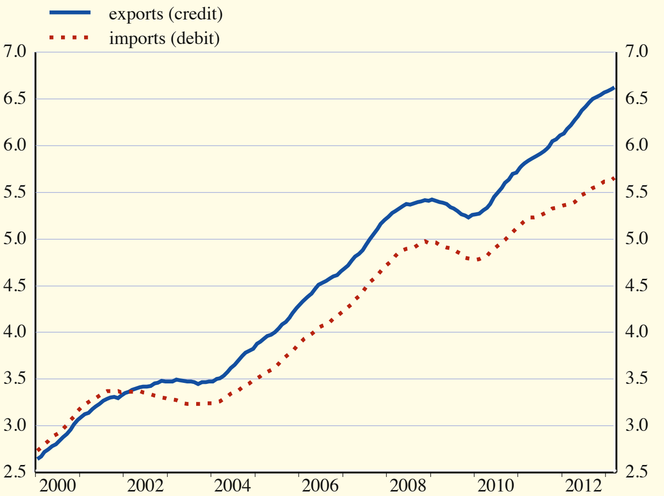
1. Summary current and capital accounts

	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
2010	2,710.8	2,707.3	3.5	1,576.9	1,559.6	543.9	487.5	502.8	463.9	87.1	6.3	196.3	27.1	20.3	14.7
2011	2,985.1	2,970.2	14.9	1,787.9	1,781.1	581.5	508.4	521.2	479.1	94.5	6.6	201.7	27.8	25.4	14.2
2012	3,142.2	3,026.2	116.0	1,916.9	1,816.2	624.6	533.7	503.2	471.0	97.5	6.8	205.3	26.2	29.0	13.8
2012 Q1	756.4	759.3	-2.8	468.1	461.4	140.6	124.0	121.6	109.0	26.1	1.6	64.8	6.3	5.4	2.2
Q2	791.5	773.1	18.3	480.5	454.8	156.8	130.4	133.0	141.6	21.2	1.6	46.3	6.6	5.8	4.3
Q3	789.7	748.9	40.8	480.1	449.8	167.2	140.2	125.1	112.2	17.3	1.9	46.7	6.6	7.0	2.9
Q4	804.5	744.9	59.6	488.1	450.2	160.1	139.1	123.5	108.2	32.9	1.7	47.5	6.7	10.8	4.3
2013 Q1	762.7	732.0	30.7	472.1	438.9	143.9	126.8	117.2	99.1	29.6	.	67.3	.	6.0	2.4
2013 Jan.	247.4	253.0	-5.6	151.5	154.2	47.9	42.7	37.1	32.4	11.0	-	23.8	-	1.6	0.9
Feb.	247.4	235.8	11.5	152.2	140.3	46.2	40.0	37.1	29.6	11.8	-	26.0	-	2.3	0.7
Mar.	267.9	243.2	24.8	168.4	144.5	49.8	44.1	43.0	37.1	6.8	-	17.5	-	2.1	0.8
	Seasonally adjusted														
2012 Q3	794.5	759.6	34.8	484.4	455.8	157.3	135.0	127.8	117.3	24.9	-	51.5	-	-	-
Q4	785.8	749.5	36.3	481.9	449.4	157.1	135.2	121.8	114.0	25.0	-	51.0	-	-	-
2013 Q1	791.7	735.8	55.9	484.9	440.3	157.8	133.6	122.0	109.6	27.0	-	52.3	-	-	-
2013 Jan.	262.1	246.7	15.3	160.8	149.4	51.8	43.6	40.5	36.0	8.9	-	17.7	-	-	-
Feb.	261.3	246.7	14.6	160.0	148.5	52.9	44.5	39.9	36.5	8.5	-	17.2	-	-	-
Mar.	268.3	242.4	25.9	164.1	142.4	53.1	45.5	41.5	37.1	9.6	-	17.4	-	-	-
	12-month cumulated transactions														
2013 Mar.	3,162.0	3,006.9	155.1	1,932.4	1,802.4	629.4	537.8	498.7	459.7	101.5	-	207.1	-	-	-
	12-month cumulated transactions as a percentage of GDP														
2013 Mar.	33.3	31.7	1.6	20.3	19.0	6.6	5.7	5.2	4.8	1.1	-	2.2	-	-	-

C34 Euro area b.o.p.: goods
(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



C35 Euro area b.o.p.: services
(seasonally adjusted; 12-month cumulated transactions as a percentage of GDP)



Source: ECB.

7.2 Current and capital accounts
(EUR billions)

2. Income account
(transactions)

	Compensation of employees		Investment income													
	Credit	Debit	Total		Direct investment						Portfolio investment				Other investment	
			Credit	Debit	Equity				Debt		Equity		Debt		Credit	Debit
					Credit		Debit		Credit	Debit	Credit	Debit	Credit	Debit		
						Reinv. earnings		Reinv. earnings								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2010	25.1	12.4	477.7	451.5	245.8	48.6	154.7	45.2	23.4	24.3	28.8	84.0	102.1	123.8	77.6	64.7
2011	27.1	13.0	494.1	466.1	248.9	25.6	154.0	53.2	24.7	23.0	35.3	97.6	103.3	127.0	81.9	64.6
2012	28.6	13.3	474.6	457.7	229.1	45.9	155.7	33.0	25.3	23.8	42.3	104.0	98.6	119.1	79.3	55.1
2011 Q4	7.0	3.4	127.0	109.7	66.1	1.7	35.5	-2.2	7.2	7.1	7.1	18.4	25.6	32.8	21.0	15.9
2012 Q1	6.9	2.5	114.7	106.5	55.4	23.1	36.8	17.5	5.7	5.4	8.9	16.8	24.2	32.3	20.6	15.3
Q2	7.2	3.5	125.8	138.1	59.1	-0.4	44.2	8.0	6.3	5.8	15.6	45.4	24.7	28.7	20.1	14.1
Q3	7.1	3.9	118.0	108.2	56.9	15.7	38.7	13.9	6.7	5.5	9.9	21.2	24.9	29.8	19.5	13.0
Q4	7.5	3.4	116.0	104.8	57.7	7.5	36.1	-6.4	6.7	7.1	8.0	20.6	24.7	28.2	19.0	12.7

3. Geographical breakdown
(cumulated transactions)

2012 Q1 to 2012 Q4	Total	EU Member States outside the euro area						Brazil	Canada	China	India	Japan	Russia	Switzer-land	United States	Other
		Total	Den-mark	Sweden	United Kingdom	Other EU countries	EU insti-tutions									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Credits															
Current account	3,142.2	1,004.8	54.3	91.4	486.0	310.1	63.0	63.4	47.7	153.8	40.6	72.1	121.7	250.6	417.5	970.0
Goods	1,916.9	592.1	35.2	58.2	253.5	245.1	0.2	33.1	22.8	119.8	30.2	44.5	90.0	136.1	228.3	619.8
Services	624.6	188.1	12.3	17.1	117.6	34.3	6.8	10.4	10.8	22.4	7.5	15.8	20.8	62.3	94.6	192.0
Income	503.2	161.1	5.8	13.9	103.8	27.5	10.1	19.5	13.1	11.0	2.6	10.9	10.4	43.3	87.7	143.5
Investment income	474.6	153.3	5.0	13.8	102.1	26.7	5.7	19.5	13.0	10.9	2.6	10.9	10.3	28.3	86.1	139.7
Current transfers	97.5	63.5	0.9	2.2	11.1	3.2	46.0	0.4	0.9	0.7	0.2	0.8	0.5	8.9	6.9	14.7
Capital account	29.0	24.9	0.0	0.0	2.9	0.6	21.3	0.0	0.0	0.0	0.0	0.0	0.2	0.9	0.4	2.5
	Debits															
Current account	3,026.2	949.8	49.5	89.1	422.9	280.3	108.0	39.1	31.3	-	34.6	98.3	154.4	213.3	406.9	-
Goods	1,816.2	509.3	29.9	50.7	202.5	226.2	0.0	29.8	14.2	203.8	26.0	47.9	136.4	108.3	152.1	588.5
Services	533.7	154.5	9.4	14.4	91.6	38.8	0.3	5.9	7.1	15.4	6.7	9.9	11.1	48.0	111.0	164.0
Income	471.0	163.1	9.1	22.2	116.8	10.0	4.9	2.1	7.9	-	1.0	39.8	6.0	47.2	137.4	-
Investment income	457.7	155.9	9.0	22.1	115.1	4.7	4.9	2.0	7.7	-	0.8	39.6	5.9	46.6	136.1	-
Current transfers	205.3	122.9	1.1	1.8	12.1	5.2	102.8	1.3	2.0	4.4	1.0	0.6	0.8	9.8	6.5	55.8
Capital account	13.8	2.0	0.1	0.1	1.2	0.5	0.2	0.2	0.1	0.3	0.3	0.0	0.1	0.5	3.6	6.8
	Net															
Current account	116.0	55.0	4.8	2.4	63.1	29.8	-45.0	24.3	16.4	-	6.0	-26.2	-32.7	37.3	10.5	-
Goods	100.6	82.8	5.3	7.5	51.0	18.8	0.2	3.3	8.7	-84.0	4.3	-3.4	-46.4	27.8	76.2	31.4
Services	90.9	33.6	3.0	2.7	26.0	-4.5	6.4	4.5	3.7	6.9	0.8	5.9	9.7	14.3	-16.4	28.0
Income	32.2	-2.0	-3.3	-8.3	-13.0	17.5	5.1	17.4	5.2	-	1.6	-28.9	4.4	-3.8	-49.6	-
Investment income	16.9	-2.6	-4.0	-8.3	-13.0	22.0	0.8	17.5	5.3	-	1.8	-28.8	4.5	-18.3	-50.1	-
Current transfers	-107.8	-59.4	-0.1	0.4	-1.0	-2.0	-56.7	-0.9	-1.1	-3.7	-0.8	0.1	-0.3	-0.9	0.4	-41.1
Capital account	15.1	22.9	0.0	0.0	1.7	0.1	21.2	-0.2	0.0	-0.3	-0.3	0.0	0.1	0.4	-3.2	-4.3

Source: ECB.

7.3 Financial account

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

1. Summary financial account

	Total [1]			Total as a % of GDP			Direct investment		Portfolio investment		Net financial derivatives	Other investment		Reserve assets
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Assets	Liabilities		Assets	Liabilities	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts (international investment position)													
2009	13,739.1	15,225.6	-1,486.4	154.0	170.6	-16.7	4,412.8	3,532.5	4,340.9	6,863.8	-1.3	4,527.2	4,829.3	459.6
2010	15,216.8	16,479.1	-1,262.3	165.8	179.6	-13.8	4,946.7	3,908.6	4,907.3	7,470.9	-32.6	4,807.6	5,099.5	587.8
2011	15,843.0	17,152.6	-1,309.6	168.2	182.1	-13.9	5,564.7	4,392.0	4,762.6	7,628.4	-24.3	4,876.7	5,132.3	663.4
2012 Q2	16,516.8	17,695.2	-1,178.3	174.5	186.9	-12.4	5,868.8	4,607.8	5,032.9	7,818.2	-27.5	4,941.2	5,269.1	701.5
Q3	16,469.2	17,596.5	-1,127.3	173.8	185.7	-11.9	5,645.1	4,254.9	5,187.8	8,122.4	-21.2	4,923.7	5,219.2	733.8
Q4	16,342.6	17,482.5	-1,139.9	172.3	184.3	-12.0	5,656.5	4,262.5	5,270.1	8,276.1	-16.7	4,721.5	4,943.9	711.3
	Changes to outstanding amounts													
2009	504.2	387.6	116.6	5.7	4.3	1.3	497.0	272.5	513.7	896.9	-0.9	-591.0	-781.8	85.4
2010	1,477.7	1,253.5	224.2	16.1	13.7	2.4	533.9	376.1	566.4	607.1	-31.2	280.4	270.2	128.2
2011	626.2	673.6	-47.3	6.6	7.1	-0.5	618.0	483.3	-144.7	157.5	8.3	69.1	32.8	75.6
2012	499.6	-100.3	600.0	5.3	-1.1	6.3	91.8	-129.5	507.5	647.7	7.5	-155.1	-618.6	47.9
2012 Q3	-47.6	-98.7	51.0	-2.0	-4.2	2.2	-223.7	-352.9	155.0	304.2	6.3	-17.5	-49.9	32.3
Q4	-126.6	-114.0	-12.6	-5.2	-4.7	-0.5	11.4	7.6	82.2	153.7	4.4	-202.2	-275.3	-22.5
	Transactions													
2009	-89.4	-74.4	-15.0	-1.0	-0.8	-0.2	352.9	285.9	96.0	342.8	-19.0	-514.7	-703.1	-4.6
2010	657.7	666.8	-9.1	7.2	7.3	-0.1	362.4	273.6	134.2	253.7	-18.4	169.0	139.5	10.5
2011	583.2	540.6	42.7	6.2	5.7	0.5	447.0	328.4	-55.9	196.6	5.3	176.6	15.6	10.2
2012	425.9	292.7	133.2	4.5	3.1	1.4	237.5	192.7	184.6	236.8	-5.6	-4.7	-136.8	14.1
2012 Q3	68.8	27.2	41.6	2.9	1.2	1.8	52.6	47.7	40.0	25.2	-2.8	-21.0	-45.7	0.1
Q4	-7.5	-81.6	74.2	-0.3	-3.4	3.1	39.2	18.0	80.1	127.3	-16.1	-113.7	-226.9	3.0
2013 Q1	171.5	129.4	42.1	.	.	.	53.2	28.2	89.9	123.1	-15.4	44.0	-21.9	-0.2
2012 Nov.	36.3	7.4	28.9	-	-	-	2.7	24.1	37.4	60.7	-7.6	2.7	-77.5	1.0
Dec.	-90.2	-119.9	29.7	-	-	-	25.4	-2.1	43.7	23.2	-2.2	-156.4	-141.0	-0.7
2013 Jan.	89.6	91.1	-1.5	-	-	-	9.0	0.7	27.4	56.5	-6.7	55.2	33.9	4.7
Feb.	67.5	48.5	19.0	-	-	-	14.8	12.4	39.7	35.7	-5.9	21.4	0.4	-2.6
Mar.	14.4	-10.1	24.6	-	-	-	29.4	15.1	22.7	31.0	-2.8	-32.7	-56.2	-2.2
	Other changes													
2008	-1,174.6	-972.6	-202.0	-12.7	-10.5	-2.2	-149.2	-81.4	-808.6	-816.1	-56.2	-184.3	-75.1	23.7
2009	593.6	462.0	131.6	6.7	5.2	1.5	144.1	-13.4	417.6	554.1	18.2	-76.3	-78.7	90.0
2010	819.9	586.7	233.3	8.9	6.4	2.5	171.5	102.5	432.2	353.5	-12.8	111.4	130.7	117.7
2011	43.0	133.0	-90.0	0.5	1.4	-1.0	170.9	154.9	-88.8	-39.2	3.0	-107.5	17.2	65.4
	Other changes due to exchange rate changes													
2008	-49.7	28.1	-77.8	-0.5	0.3	-0.8	-25.0	-33.8	6.6	41.8	.	-40.6	20.1	9.3
2009	-49.3	-56.1	6.8	-0.6	-0.6	0.1	-5.3	5.6	-29.8	-34.5	.	-11.6	-27.2	-2.7
2010	537.3	325.5	211.8	5.9	3.5	2.3	165.6	50.1	199.0	115.1	.	159.8	160.3	12.9
2011	221.9	172.3	49.6	2.4	1.8	0.5	64.0	23.0	87.9	60.1	.	62.4	89.1	7.6
	Other changes due to price changes													
2008	-1,003.0	-976.3	-26.7	-10.9	-10.6	-0.3	-159.3	-60.7	-809.5	-915.6	-56.2	.	.	22.0
2009	634.8	492.7	142.1	7.1	5.5	1.6	147.4	29.4	423.5	463.4	18.2	.	.	45.8
2010	300.8	153.8	147.0	3.3	1.7	1.6	47.0	2.1	165.1	151.8	-12.8	.	.	101.5
2011	-442.5	-250.9	-191.6	-4.7	-2.7	-2.0	-95.5	0.0	-409.2	-250.9	3.0	.	.	59.3
	Other changes due to other adjustments													
2008	-120.1	-19.3	-100.8	-1.3	-0.2	-1.1	35.1	25.2	-5.7	50.8	.	-141.8	-95.3	-7.7
2009	8.4	25.5	-17.1	0.1	0.3	-0.2	2.0	-48.3	24.0	124.6	.	-64.4	-50.8	46.9
2010	-18.2	107.4	-125.6	-0.2	1.2	-1.4	-41.2	50.3	68.1	86.6	.	-48.4	-29.5	3.3
2011	263.6	211.6	52.0	2.8	2.2	0.6	202.4	131.9	232.5	151.5	.	-169.9	-71.9	-1.5
	Growth rates of outstanding amounts													
2008	3.0	3.6	-	.	.	.	9.2	3.7	-0.2	3.9	.	-0.2	3.3	1.0
2009	-0.7	-0.5	-	.	.	.	8.9	8.8	2.4	5.6	.	-10.1	-12.5	-1.3
2010	4.6	4.3	-	.	.	.	7.9	7.5	3.0	3.6	.	3.7	2.8	2.0
2011	3.9	3.3	-	.	.	.	9.1	8.5	-1.2	2.6	.	3.8	0.4	1.6
2012 Q3	2.5	1.7	-	.	.	.	6.4	7.3	1.2	0.2	.	-0.8	-0.6	2.7
Q4	2.7	1.7	-	.	.	.	4.2	4.4	3.8	3.0	.	-0.1	-2.7	2.1
2013 Q1	1.8	0.7	.	.	.	.	3.7	3.3	2.9	3.9	.	-0.9	-6.3	1.7

Source: ECB.

1) Net financial derivatives are included in assets.

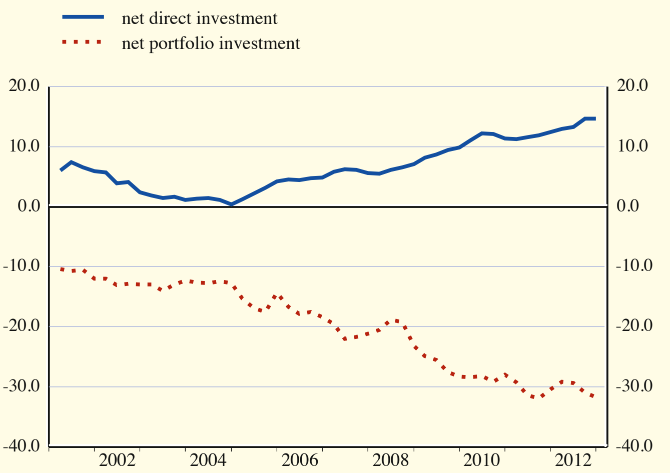
7.3 Financial account
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period, transactions during period)

2. Direct investment

	By resident units abroad							By non-resident units in the euro area						
	Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		Total	Into MFIs	Into non-MFIs	Total	To MFIs	To non-MFIs
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Oustanding amounts (international investment position)													
2010	4,946.7	3,825.3	275.3	3,550.0	1,121.4	17.0	1,104.4	3,908.6	2,940.6	90.4	2,850.3	968.0	14.7	953.2
2011	5,564.7	4,230.1	287.6	3,942.5	1,334.6	13.5	1,321.0	4,392.0	3,337.2	92.6	3,244.6	1,054.7	11.2	1,043.5
2012 Q3	5,645.1	4,195.2	294.5	3,900.7	1,449.9	13.0	1,436.9	4,254.9	3,035.2	98.9	2,936.3	1,219.7	11.9	1,207.8
Q4	5,656.5	4,177.6	291.1	3,886.5	1,478.9	12.9	1,466.0	4,262.5	3,054.0	100.4	2,953.6	1,208.5	11.0	1,197.5
	Transactions													
2010	362.4	231.2	21.2	210.0	131.2	1.6	129.6	273.6	294.8	8.8	286.0	-21.2	-7.7	-13.5
2011	447.0	380.7	22.5	358.2	66.3	-3.5	69.8	328.4	332.5	5.1	327.4	-4.1	-0.9	-3.3
2012	237.5	183.9	-0.5	184.4	53.6	0.2	53.4	192.7	169.8	6.3	163.6	22.8	0.6	22.2
2012 Q3	52.6	30.7	1.5	29.1	21.9	0.1	21.8	47.7	38.0	2.0	36.0	9.7	1.7	8.0
Q4	39.2	34.8	0.4	34.4	4.4	0.1	4.3	18.0	21.4	1.0	20.4	-3.4	-0.6	-2.8
2013 Q1	53.2	40.5	-0.7	41.2	12.7	1.2	11.5	28.2	22.9	1.2	21.7	5.3	2.6	2.6
2012 Nov.	2.7	3.0	-1.6	4.6	-0.3	0.1	-0.4	24.1	8.8	0.5	8.3	15.3	1.3	14.0
Dec.	25.4	18.8	0.9	18.0	6.6	-0.2	6.8	-2.1	3.1	-0.3	3.4	-5.2	0.3	-5.5
2013 Jan.	9.0	18.6	0.1	18.4	-9.6	0.8	-10.4	0.7	5.1	0.3	4.8	-4.4	1.8	-6.2
Feb.	14.8	9.3	0.3	9.0	5.6	0.3	5.3	12.4	5.3	0.4	4.9	7.1	0.8	6.3
Mar.	29.4	12.7	-1.1	13.8	16.7	0.1	16.6	15.1	12.5	0.5	12.0	2.5	0.0	2.5
	Growth rates													
2010	7.9	6.4	8.9	6.2	13.2	10.6	13.3	7.5	11.0	11.1	11.0	-2.5	-37.9	-1.8
2011	9.1	10.1	8.4	10.2	6.0	-21.4	6.4	8.5	11.3	5.7	11.5	-0.6	-7.6	-0.5
2012 Q3	6.4	7.2	-0.5	7.8	3.7	4.6	3.7	7.3	8.8	7.3	8.9	2.3	16.0	2.2
Q4	4.2	4.4	-0.2	4.7	4.0	0.6	4.0	4.4	5.2	6.8	5.1	2.1	6.0	2.1
2013 Q1	3.7	3.8	0.2	4.0	3.7	2.2	3.8	3.3	4.0	5.8	3.9	1.4	38.9	1.1

C36 Euro area international investment position
(outstanding amounts at end of period; as a percentage of GDP)

C37 Euro area direct and portfolio investment position
(outstanding amounts at end of period; as a percentage of GDP)



Source: ECB.

7.3 Financial account

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

3. Portfolio investment assets

	Total	Equity					Debt instruments									
							Bonds and notes					Money market instruments				
		Total	MFIs		Non-MFIs		Total	MFIs		Non-MFIs		Total	MFIs		Non-MFIs	
				Euro-system		General government			Euro-system		General government			Euro-system		General government
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Outstanding amounts (international investment position)															
2010	4,907.3	1,907.7	81.2	3.6	1,826.5	47.6	2,579.3	807.6	15.6	1,771.7	74.5	420.3	316.3	41.7	104.0	0.2
2011	4,762.6	1,703.4	62.5	3.1	1,640.8	39.6	2,592.9	725.7	16.0	1,867.2	94.2	466.3	300.6	57.5	165.7	0.5
2012 Q3	5,187.8	1,877.1	58.8	2.8	1,818.3	41.4	2,816.8	675.9	15.1	2,140.9	102.5	494.0	318.2	55.1	175.7	0.4
Q4	5,270.1	1,949.3	75.8	2.8	1,873.5	42.4	2,854.8	675.5	15.6	2,179.3	98.3	466.0	287.1	54.0	178.9	0.7
	Transactions															
2010	134.2	77.3	4.1	-0.2	73.2	1.7	103.0	-126.3	-0.8	229.3	51.5	-46.1	-64.9	-11.7	18.8	-1.9
2011	-55.9	-70.8	-15.7	-0.2	-55.1	-7.3	-15.7	-55.1	0.3	39.4	-3.0	30.6	24.3	10.5	6.4	0.2
2012	184.6	58.6	5.4	0.1	53.2	0.0	123.9	-39.5	-0.9	163.3	-7.7	2.1	-17.9	2.3	20.0	0.2
2012 Q3	40.0	4.4	-1.7	0.0	6.0	0.8	34.4	-10.0	-0.4	44.4	0.0	1.1	-2.6	2.8	3.7	-0.2
Q4	80.1	60.0	10.6	0.0	49.3	0.9	39.0	7.1	0.5	32.0	-3.1	-18.9	-20.5	5.6	1.7	0.3
2013 Q1	89.9	62.7	17.6	0.1	45.1	.	15.8	-13.7	1.2	29.5	.	11.4	-2.2	0.5	13.5	.
2012 Nov.	37.4	6.6	-1.7	0.0	8.3	-	20.2	4.1	0.2	16.1	-	10.6	5.6	8.1	5.0	-
Dec.	43.7	41.8	8.9	0.0	32.9	-	11.7	5.5	0.2	6.1	-	-9.7	-4.0	1.3	-5.7	-
2013 Jan.	27.4	19.5	2.0	0.0	17.5	-	6.0	-6.4	1.0	12.4	-	1.9	-2.8	2.9	4.7	-
Feb.	39.7	16.8	1.6	0.0	15.2	-	12.5	-4.6	-0.3	17.1	-	10.4	2.7	1.2	7.7	-
Mar.	22.7	26.4	14.0	0.1	12.5	-	-2.7	-2.7	0.5	0.0	-	-1.0	-2.1	-3.6	1.1	-
	Growth rates															
2010	3.0	4.9	5.6	-5.1	4.8	4.8	4.1	-13.6	-4.9	14.7	124.1	-10.3	-17.9	-25.4	22.3	-91.7
2011	-1.2	-4.1	-20.3	-6.0	-3.4	-15.9	-0.6	-7.0	2.2	2.2	-3.1	7.5	8.0	26.6	6.1	120.7
2012 Q3	1.2	-2.3	-20.3	-5.9	-1.5	-4.7	2.1	-9.3	-17.0	6.6	-6.3	9.5	7.6	-5.0	11.5	-21.6
Q4	3.8	3.2	8.8	2.8	3.0	-0.2	4.7	-5.5	-5.5	8.5	-7.5	0.5	-5.5	3.4	12.1	37.9
2013 Q1	2.9	5.2	26.1	6.8	4.4	.	2.9	-6.4	5.5	6.2	.	-6.2	-13.9	12.6	8.5	.

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)											
2010	7,470.9	3,175.5	665.8	2,509.7	3,841.4	1,189.9	2,651.5	1,648.3	454.0	69.5	384.6	347.4
2011	7,628.4	3,042.7	556.9	2,485.7	4,142.3	1,273.5	2,868.7	1,772.1	443.5	87.2	356.2	316.5
2012 Q3	8,122.4	3,363.3	544.5	2,818.8	4,324.5	1,220.8	3,103.7	1,913.8	434.6	77.2	357.4	308.0
Q4	8,276.1	3,447.0	536.6	2,910.4	4,375.7	1,208.1	3,167.7	1,959.7	453.4	85.0	368.5	299.6
	Transactions											
2010	253.7	123.1	-13.1	136.2	175.1	55.8	119.3	186.8	-44.5	15.0	-59.5	-38.9
2011	196.6	78.7	19.5	59.2	165.4	78.5	87.0	89.1	-47.5	2.2	-49.7	-37.5
2012	236.8	116.3	-18.8	135.1	125.8	-46.5	172.3	147.1	-5.3	2.1	-7.4	-27.4
2012 Q3	25.2	21.8	-4.8	26.6	45.0	-8.4	53.3	60.0	-41.6	-16.8	-24.9	-12.6
Q4	127.3	57.5	-10.9	68.4	49.4	1.1	48.2	24.3	20.4	6.8	13.6	-9.2
2013 Q1	123.1	68.6	2.6	66.0	18.3	-17.3	35.6	.	36.2	6.1	30.1	.
2012 Nov.	60.7	17.6	0.2	17.3	39.5	2.9	36.6	-	3.7	-7.9	11.5	-
Dec.	23.2	14.1	-11.1	25.2	2.9	-5.4	8.3	-	6.2	3.7	2.5	-
2013 Jan.	56.5	28.9	-6.0	34.9	14.0	3.1	10.9	-	13.6	2.9	10.7	-
Feb.	35.7	13.2	6.9	6.3	0.8	-2.4	3.2	-	21.7	11.1	10.7	-
Mar.	31.0	26.6	1.8	24.8	3.6	-17.9	21.5	-	0.8	-7.9	8.7	-
	Growth rates											
2010	3.6	4.3	-2.0	6.2	4.9	4.9	4.8	12.4	-8.8	18.5	-13.4	-9.8
2011	2.6	2.5	3.1	2.2	4.4	6.9	3.3	5.5	-9.1	5.2	-12.1	-10.9
2012 Q3	0.2	1.9	3.1	1.3	1.1	-5.8	4.2	6.5	-17.2	-8.7	-19.3	-22.9
Q4	3.0	3.6	-3.5	5.1	3.0	-3.7	6.0	8.3	-1.1	2.0	-2.0	-8.3
2013 Q1	3.9	4.4	-4.4	6.2	3.5	-3.4	6.4	.	4.6	5.0	4.3	.

Source: ECB.

7.3 Financial account

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

5. Other investment assets

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other assets	Total	Loans/ currency and deposits	Other assets		Trade credits	Loans/currency and deposits			Trade credits	Loans/currency and deposits	
											Currency and deposits				Currency and deposits
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts (international investment position)														
2010	4,807.6	32.9	32.2	0.7	2,972.0	2,932.7	39.4	161.9	7.6	115.4	19.8	1,640.7	213.3	1,279.5	441.6
2011	4,876.7	35.7	35.4	0.3	3,067.6	3,006.6	61.0	162.8	6.7	116.4	30.2	1,610.6	228.4	1,214.6	506.9
2012 Q3	4,923.7	37.3	37.0	0.3	3,086.0	3,000.8	85.2	147.2	5.1	103.0	25.1	1,653.2	263.7	1,159.7	517.0
Q4	4,721.5	40.1	39.9	0.3	2,920.3	2,849.9	70.4	167.6	5.1	121.5	29.2	1,593.5	263.4	1,126.6	502.3
	Transactions														
2010	169.0	-2.9	-2.8	0.0	10.1	1.3	8.9	41.5	-0.3	41.1	4.9	120.3	8.7	87.8	53.6
2011	176.6	-2.7	-2.8	0.1	50.4	20.6	29.9	4.4	-0.2	4.2	10.3	124.4	8.1	91.2	47.7
2012	-4.7	10.7	10.7	0.0	-123.8	-130.2	6.3	5.0	-1.6	6.4	-1.0	103.4	10.9	76.7	33.5
2012 Q3	-21.0	6.2	6.2	0.0	-40.5	-47.5	7.0	-9.0	-1.5	-7.7	-4.9	22.4	-7.0	15.0	11.2
Q4	-113.7	5.8	5.8	0.0	-117.1	-106.9	-10.2	18.7	0.1	17.8	4.1	-21.1	0.9	-8.2	-19.4
2013 Q1	44.0	-6.3	.	.	8.6	.	.	-11.4	.	.	-5.1	53.1	.	.	25.3
2012 Nov.	2.7	-2.1	-	-	-15.7	-	-	7.2	-	-	4.4	13.4	-	-	-5.1
Dec.	-156.4	3.1	-	-	-113.0	-	-	2.3	-	-	0.6	-48.8	-	-	-16.3
2013 Jan.	55.2	-1.4	-	-	61.3	-	-	-9.1	-	-	-6.3	4.4	-	-	4.2
Feb.	21.4	1.5	-	-	-8.8	-	-	-0.9	-	-	2.8	29.6	-	-	12.2
Mar.	-32.7	-6.4	-	-	-43.9	-	-	-1.5	-	-	-1.7	19.1	-	-	9.0
	Growth rates														
2010	3.7	-12.7	-12.5	-9.9	0.4	0.1	23.6	33.9	-3.1	53.7	32.8	7.8	4.2	7.3	13.0
2011	3.8	-5.4	-5.5	40.4	1.8	0.8	76.6	3.0	-3.2	4.2	51.5	7.8	3.8	7.4	11.1
2012 Q3	-0.8	-8.1	-8.2	-1.0	-5.0	-5.6	28.1	5.1	-24.4	9.4	47.0	7.1	4.7	7.8	7.6
Q4	-0.1	31.2	31.5	-0.7	-4.0	-4.3	11.3	3.2	-23.5	5.8	-3.4	6.5	5.0	6.6	6.9
2013 Q1	-0.9	7.1	.	.	-4.8	.	.	3.1	.	.	-2.1	6.0	.	.	6.6

6. Other investment liabilities

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other liabilities	Total	Loans/ currency and deposits	Other liabilities	Total	Trade credits	Loans	Other liabilities	Total	Trade credits	Loans	Other liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts (international investment position)														
2010	5,099.5	269.1	266.1	3.0	3,491.0	3,445.0	46.0	148.0	0.0	141.8	6.2	1,191.5	202.7	842.1	146.7
2011	5,132.3	411.3	408.5	2.8	3,208.3	3,140.6	67.6	223.9	0.1	217.1	6.8	1,288.8	224.0	871.7	193.2
2012 Q3	5,219.2	432.0	430.8	1.3	3,206.5	3,125.1	81.4	231.5	0.1	224.7	6.7	1,349.2	230.4	880.8	237.9
Q4	4,943.9	428.9	428.0	0.9	2,966.2	2,882.7	83.5	228.5	0.1	221.3	7.2	1,320.3	229.4	862.2	228.7
	Transactions														
2010	139.5	9.4	6.8	2.6	-8.7	-14.6	5.9	65.1	0.0	64.6	0.5	73.7	15.9	31.6	26.2
2011	15.6	135.1	135.3	-0.2	-289.1	-327.7	38.7	74.1	0.0	74.1	0.0	95.4	10.4	65.2	19.9
2012	-136.8	19.0	20.9	-1.8	-226.9	-244.1	17.2	4.6	0.0	3.8	0.7	66.4	4.3	12.8	49.3
2012 Q3	-45.7	21.0	21.3	-0.3	-89.5	-93.2	3.7	-4.5	0.0	-4.7	0.2	27.4	-3.5	15.6	15.2
Q4	-226.9	-0.2	0.2	-0.3	-204.5	-207.2	2.7	-5.4	0.0	-5.5	0.1	-16.9	0.8	-33.1	15.4
2013 Q1	-21.9	-33.0	.	.	2.9	.	.	-0.1	.	.	.	8.4	.	.	.
2012 Nov.	-77.5	1.9	-	-	-71.4	-	-	3.6	-	-	-	-11.6	-	-	-
Dec.	-141.0	10.2	-	-	-126.5	-	-	-12.0	-	-	-	-12.7	-	-	-
2013 Jan.	33.9	-22.1	-	-	37.0	-	-	2.0	-	-	-	17.0	-	-	-
Feb.	0.4	-10.3	-	-	5.1	-	-	-1.9	-	-	-	7.5	-	-	-
Mar.	-56.2	-0.6	-	-	-39.1	-	-	-0.3	-	-	-	-16.1	-	-	-
	Growth rates														
2010	2.8	3.6	2.6	.	-0.2	-0.3	15.5	78.8	.	83.7	5.8	6.4	8.8	3.7	17.8
2011	0.4	50.4	51.0	.	-8.3	-9.6	89.7	50.5	.	52.6	0.2	8.2	5.1	7.9	13.7
2012 Q3	-0.6	36.6	37.4	.	-7.4	-8.2	37.1	9.1	.	8.9	19.0	7.2	1.7	8.2	5.8
Q4	-2.7	4.8	5.2	.	-7.0	-7.7	25.7	2.0	.	1.8	11.5	5.2	2.0	1.4	25.0
2013 Q1	-6.3	18.3	.	.	-12.1	.	.	-1.2	.	.	.	1.5	.	.	.

Source: ECB.

7.3 Financial account

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

7. Reserve assets [1]

	Reserve assets														Memo items		
	Total	Monetary gold		SDR holdings	Reserve position in the IMF	Foreign exchange								Other claims	Other foreign currency assets	Pre-determined short-term net drains on foreign currency	SDR allo-cations
		In EUR billions	In fine troy ounces (millions)			Total	Currency and deposits		Securities				Financial derivatives				
							With monetary authorities and the BIS	With banks	Total	Equity	Bonds and notes	Money market instruments					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Outstanding amounts (international investment position)																
2009	462.4	266.1	347.180	50.8	10.5	134.9	11.7	8.1	115.2	0.5	92.0	22.7	-0.1	0.0	32.1	-24.2	51.2
2010	591.2	366.2	346.962	54.2	15.8	155.0	7.7	16.0	131.3	0.5	111.2	19.5	0.0	0.0	26.3	-24.4	54.5
2011	667.1	422.1	346.846	54.0	30.2	160.9	5.3	7.8	148.1	0.8	134.1	13.3	-0.4	0.0	97.4	-86.0	55.9
2012 Q2	701.5	440.3	346.825	54.3	33.4	173.0	5.1	8.6	159.7	0.6	137.4	21.7	-0.4	0.4	51.5	-41.9	56.9
Q3	733.8	476.4	346.827	53.8	34.2	168.9	5.4	8.2	155.2	0.2	136.1	18.9	0.2	0.5	39.9	-39.5	56.2
Q4	705.5	453.4	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 Mar.	687.9	432.7	346.696	52.5	32.4	169.6	5.3	10.0	154.4	0.2	132.6	21.6	-0.1	0.6	31.2	-35.8	55.1
Apr.	640.0	389.6	346.696	51.6	31.9	166.2	6.0	8.3	151.6	0.2	131.2	20.2	0.2	0.7	35.2	-40.3	54.4
	Transactions																
2010	10.5	0.0	-	-0.1	4.9	5.6	-5.4	6.6	4.3	0.0	10.6	-6.3	0.0	0.0	-	-	-
2011	10.2	0.1	-	-1.6	12.9	-1.2	-2.3	-8.3	9.3	0.1	15.9	-6.8	0.1	0.0	-	-	-
2012	14.1	0.0	-	-0.3	3.4	10.3	0.8	1.2	8.0	-0.4	-0.7	9.1	0.4	0.7	-	-	-
2012 Q3	0.1	0.0	-	0.0	2.4	-2.4	-0.5	-0.2	-1.7	-0.3	1.2	-2.6	0.0	0.1	-	-	-
Q4	3.0	0.0	-	0.3	-1.5	4.2	0.6	1.0	2.4	0.0	-0.5	2.9	0.1	0.1	-	-	-
2013 Q1	-0.2	.	-	.	.	.	.	.	.	.	.	.	.	.	-	-	-
	Growth rates																
2009	-1.3	-0.9	-	-2.6	45.5	-4.4	41.1	-21.3	-7.3	1.0	-12.8	25.3	-	-	-	-	-
2010	2.0	0.0	-	-0.1	46.7	3.7	-43.3	75.9	3.6	-5.2	10.3	-24.5	-	-	-	-	-
2011	1.6	0.0	-	-3.0	82.3	-1.2	-30.0	-52.7	6.9	27.4	14.3	-45.2	-	-	-	-	-
2012 Q3	2.7	0.0	-	-1.7	30.0	6.8	-6.1	-25.4	9.7	-53.5	6.9	41.2	-	-	-	-	-
Q4	2.1	0.0	-	-0.5	11.1	6.6	15.1	15.2	5.6	-53.5	-0.6	82.8	-	-	-	-	-
2013 Q1	1.7	.	-	.	.	.	.	.	.	.	.	.	-	-	-	-	-

8. Gross external debt

	Total	By instrument						By sector (excluding direct investment)			
		Loans, currency and deposits	Money market instruments	Bonds and notes	Trade credits	Other debt liabilities	Direct investment: inter-company lending	General government	Eurosystem	MFIs (excluding Eurosystem)	Other sectors
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts (international investment position)										
2009	10,341.7	4,469.0	525.7	3,523.2	176.9	184.9	1,462.1	1,966.1	253.4	4,579.8	2,080.3
2010	10,919.2	4,696.9	454.0	3,841.4	202.7	201.9	1,522.3	2,143.7	271.0	4,750.4	2,231.8
2011	11,421.3	4,637.9	443.5	4,142.3	224.0	270.4	1,703.3	2,312.6	411.3	4,569.0	2,425.2
2012 Q2	11,768.7	4,733.0	471.1	4,141.1	238.6	297.6	1,887.4	2,384.2	413.4	4,632.7	2,451.0
Q3	11,939.1	4,661.4	434.6	4,324.5	230.5	327.3	1,960.8	2,453.3	432.0	4,504.5	2,588.4
Q4	11,745.6	4,394.2	453.4	4,375.7	229.4	320.3	1,972.5	2,487.9	428.9	4,259.2	2,597.0
	Outstanding amounts as a percentage of GDP										
2009	115.9	50.1	5.9	39.5	2.0	2.1	16.4	22.0	2.8	51.3	23.3
2010	119.1	51.2	5.0	41.9	2.2	2.2	16.6	23.4	3.0	51.8	24.3
2011	121.3	49.3	4.7	44.0	2.4	2.9	18.1	24.6	4.4	48.5	25.8
2012 Q2	124.4	50.0	5.0	43.8	2.5	3.1	19.9	25.2	4.4	49.0	25.9
Q3	126.0	49.2	4.6	45.6	2.4	3.5	20.7	25.9	4.6	47.5	27.3
Q4	123.8	46.3	4.8	46.1	2.4	3.4	20.8	26.2	4.5	44.9	27.4

Source: ECB.

1) Data refer to the changing composition of the euro area, in line with the approach adopted for the reserve assets of the Eurosystem. For further information, see the General Notes.

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

9. Geographical breakdown

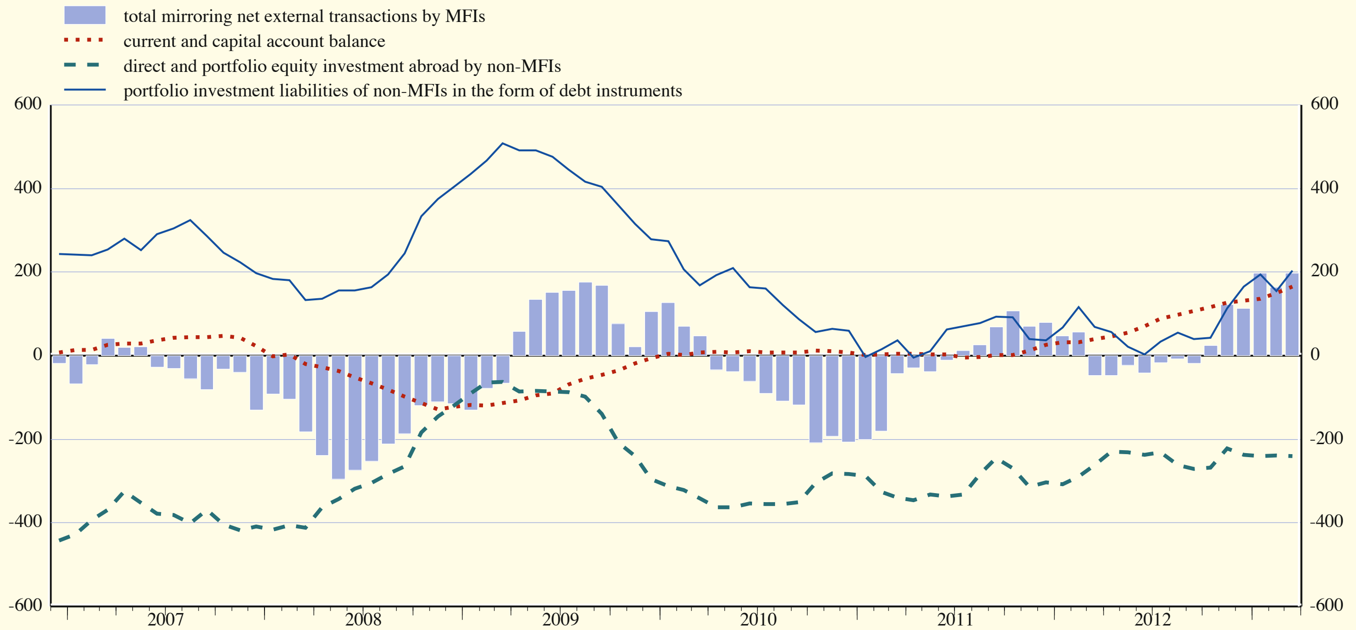
	Total	EU Member States outside the euro area						Canada	China	Japan	Switzer-land	United States	Offshore financial centres	Interna-tional organisa-tions	Other countries
		Total	Denmark	Sweden	United Kingdom	Other EU countries	EU institutions								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2011	Outstanding amounts (international investment position)														
Direct investment	1,172.7	260.7	-10.6	-13.0	11.4	274.1	-1.3	84.4	73.2	-22.1	125.2	40.0	-146.5	-0.3	758.2
Abroad	5,564.7	1,541.1	28.7	142.2	1,049.2	321.1	0.0	183.8	85.1	74.5	526.0	1,082.9	487.1	0.0	1,584.3
Equity/reinvested earnings	4,230.1	1,128.4	23.9	78.5	776.0	249.9	0.0	146.2	68.4	53.7	394.6	743.1	402.2	0.0	1,293.5
Other capital	1,334.6	412.8	4.7	63.7	273.2	71.1	0.0	37.5	16.6	20.8	131.4	339.8	84.9	0.0	290.7
In the euro area	4,392.0	1,280.4	39.2	155.2	1,037.8	47.0	1.3	99.4	11.9	96.6	400.8	1,042.9	633.5	0.4	826.0
Equity/reinvested earnings	3,337.2	1,052.4	26.1	142.6	855.5	27.0	1.2	83.4	6.3	76.9	236.0	789.1	370.2	0.1	722.7
Other capital	1,054.7	228.0	13.2	12.6	182.2	20.0	0.0	16.0	5.6	19.7	164.8	253.8	263.3	0.3	103.3
Portfolio investment assets	4,762.6	1,536.9	84.5	199.5	1,005.5	99.4	148.0	100.7	52.5	208.0	124.3	1,557.1	384.9	35.2	763.0
Equity	1,703.4	341.8	10.9	41.6	275.9	13.2	0.1	39.1	48.7	90.4	102.0	553.1	215.8	1.4	311.0
Debt instruments	3,059.2	1,195.1	73.6	157.9	729.6	86.2	147.9	61.6	3.9	117.6	22.2	1,004.0	169.1	33.8	452.0
Bonds and notes	2,592.9	1,050.8	68.5	124.8	629.5	83.8	144.2	56.8	2.7	46.3	15.4	828.0	155.1	32.7	405.1
Money market instruments	466.3	144.3	5.1	33.0	100.1	2.4	3.7	4.8	1.2	71.3	6.9	175.9	13.9	1.0	46.9
Other investment	-255.6	-287.7	45.5	-30.0	-154.0	71.4	-220.6	-10.1	-13.5	10.9	-75.1	63.8	82.5	-71.6	45.2
Assets	4,876.7	2,159.9	92.3	91.0	1,777.6	182.7	16.3	26.8	46.1	99.5	257.4	763.5	588.8	36.7	898.0
General government	162.8	63.9	1.5	4.1	44.3	1.3	12.7	1.8	3.2	2.3	1.0	8.5	2.4	30.4	49.3
MFIs	3,103.3	1,497.4	71.9	49.7	1,225.7	147.2	2.9	14.7	20.9	80.2	130.1	473.3	439.6	5.7	441.4
Other sectors	1,610.6	598.7	19.0	37.2	507.7	34.2	0.7	10.2	22.0	17.0	126.3	281.6	146.8	0.6	407.4
Liabilities	5,132.3	2,447.6	46.8	121.0	1,931.6	111.3	236.9	36.8	59.6	88.6	332.5	699.7	506.3	108.3	852.8
General government	223.9	118.2	0.1	0.4	53.5	0.1	64.1	0.1	0.1	0.1	1.2	33.2	1.4	66.6	3.1
MFIs	3,619.5	1,758.6	36.4	84.8	1,436.3	86.2	115.0	24.8	30.8	61.4	256.7	416.0	414.0	38.8	618.3
Other sectors	1,288.8	570.8	10.3	35.8	441.8	25.0	57.8	11.9	28.8	27.0	74.6	250.4	91.0	3.0	231.4
2012 Q1 to 2012 Q4	Cumulated transactions														
Direct investment	44.8	71.6	0.6	6.7	50.6	13.7	0.0	-6.3	6.7	-3.2	2.7	-82.9	-6.6	0.0	62.8
Abroad	237.5	125.0	5.6	4.8	98.5	16.0	0.0	11.1	8.5	1.6	-6.9	12.4	-5.4	0.0	91.3
Equity/reinvested earnings	183.9	126.8	2.4	5.8	106.9	11.7	0.0	4.7	6.1	-1.2	-13.7	15.1	-17.7	0.0	63.8
Other capital	53.6	-1.9	3.2	-1.0	-8.4	4.3	0.0	6.3	2.3	2.8	6.8	-2.7	12.3	0.0	27.5
In the euro area	192.7	53.3	5.0	-1.9	48.0	2.3	0.0	17.4	1.8	4.8	-9.6	95.3	1.2	0.0	28.5
Equity/reinvested earnings	169.8	22.6	9.2	-3.7	11.8	5.2	0.0	15.5	1.5	5.1	4.0	86.6	11.5	0.0	23.0
Other capital	22.8	30.7	-4.2	1.7	36.2	-2.9	0.0	1.9	0.2	-0.3	-13.6	8.7	-10.3	0.0	5.5
Portfolio investment assets	184.6	34.4	10.2	18.5	-20.9	4.3	22.3	5.4	2.5	9.5	-1.3	26.9	-20.2	-2.6	130.0
Equity	58.6	22.3	2.9	4.1	15.3	0.0	0.0	4.4	2.6	7.9	2.0	4.1	-12.1	0.0	27.4
Debt instruments	126.0	12.1	7.3	14.5	-36.2	4.2	22.3	1.0	-0.1	1.6	-3.3	22.8	-8.0	-2.6	102.6
Bonds and notes	123.9	6.2	6.0	18.0	-48.8	5.9	25.0	0.7	-0.2	-7.0	0.9	31.8	-5.7	-2.7	99.9
Money market instruments	2.1	5.9	1.3	-3.6	12.6	-1.7	-2.7	0.2	0.1	8.6	-4.2	-9.0	-2.3	0.0	2.7
Other investment	132.1	166.1	-33.9	-2.5	225.5	-20.8	-2.2	12.5	-2.9	-5.1	-13.4	24.4	-10.0	-11.7	-27.7
Assets	-4.7	57.1	-12.7	-0.7	84.5	-14.0	0.0	6.0	1.2	-7.5	8.3	-40.2	-40.6	0.2	10.8
General government	5.0	0.4	-0.5	0.3	-0.5	0.4	0.7	0.0	-0.1	-1.2	0.4	3.2	0.8	0.0	1.4
MFIs	-113.1	19.6	-12.8	0.6	51.1	-18.6	-0.7	1.2	3.8	-6.1	10.9	-70.3	-44.4	-0.1	-27.7
Other sectors	103.4	37.0	0.5	-1.6	33.9	4.3	0.0	4.9	-2.5	-0.2	-3.0	26.8	3.1	0.2	37.2
Liabilities	-136.8	-109.0	21.1	1.9	-141.0	6.8	2.2	-6.5	4.1	-2.5	21.7	-64.6	-30.6	11.9	38.6
General government	4.6	-15.6	0.2	0.3	-27.5	0.0	11.4	0.1	0.0	0.0	-0.3	-2.4	-0.1	21.8	1.2
MFIs	-207.8	-112.9	20.1	1.0	-127.3	6.4	-13.1	-8.6	3.9	-6.2	-20.1	-67.8	-35.7	-9.9	49.5
Other sectors	66.4	19.5	0.8	0.6	13.7	0.4	4.0	2.0	0.2	3.8	42.1	5.6	5.2	0.1	-12.1

Source: ECB.

7.4 Monetary presentation of the balance of payments [1]
(EUR billions; transactions)

	B.o.p. items mirroring net transactions by MFIs											
	Total	Current and capital account balance	Transactions by non-MFIs								Financial derivatives	Errors and omissions
			Direct investment		Portfolio investment				Other investment			
			By resident units abroad	By non-resident units in euro area	Assets		Liabilities		Assets	Liabilities		
					Equity	Debt instruments	Equity	Debt instruments				
	1	2	3	4	5	6	7	8	9	10	11	12
2010	-207.0	7.8	-339.3	272.2	-73.0	-248.0	136.2	59.8	-160.9	138.6	18.3	-18.8
2011	80.0	26.0	-428.0	324.1	55.1	-45.8	59.2	37.3	-128.8	169.6	-5.3	16.6
2012	113.0	131.1	-237.8	185.8	-53.2	-183.3	135.1	164.9	-108.3	71.0	5.6	2.1
2012 Q1	-45.2	0.4	-80.7	74.9	-16.8	-84.8	30.5	27.1	-50.7	62.7	-5.3	-2.4
Q2	13.7	19.8	-67.5	49.2	19.1	-16.7	9.6	47.6	-46.7	7.7	-8.0	-0.3
Q3	48.0	44.9	-50.9	44.0	-6.0	-48.2	26.6	28.5	-13.3	22.8	2.8	-3.2
Q4	96.4	66.1	-38.7	17.6	-49.3	-33.6	68.4	61.8	2.4	-22.3	16.1	8.1
2013 Q1	39.2	34.3	-52.7	24.3	-45.1	-43.0	66.0	65.7	-41.6	8.2	15.4	7.8
2012 Mar.	-15.2	10.7	-28.5	15.9	-9.5	-25.4	32.6	-19.3	-16.5	20.6	-4.2	8.4
Apr.	-24.8	3.2	-26.8	23.2	-1.8	-9.7	-6.2	-8.3	5.0	-4.3	1.7	-0.7
May	24.1	-1.4	-18.4	21.0	8.3	-7.3	0.0	36.8	-29.4	20.3	-7.5	1.7
June	14.3	18.0	-22.3	5.1	12.5	0.2	15.7	19.1	-22.3	-8.2	-2.2	-1.3
July	12.8	22.4	-15.8	20.0	3.5	-19.2	-0.2	10.8	-28.4	26.2	-1.7	-5.0
Aug.	25.5	10.5	-24.4	38.2	-0.2	-15.6	3.2	3.4	10.3	-3.3	6.2	-2.8
Sep.	9.7	11.9	-10.7	-14.1	-9.4	-13.4	23.7	14.2	4.8	-0.1	-1.7	4.5
Oct.	4.8	15.2	-9.8	-2.7	-8.2	-12.1	25.9	2.9	-23.6	10.5	6.3	0.4
Nov.	62.2	22.6	-4.1	22.4	-8.3	-21.1	17.3	48.2	-20.6	-8.1	7.6	6.3
Dec.	29.5	28.3	-24.8	-2.1	-32.9	-0.5	25.2	10.7	46.5	-24.7	2.2	1.4
2013 Jan.	41.3	-4.9	-8.1	-1.4	-17.5	-17.1	34.9	21.6	4.7	19.0	6.7	3.4
Feb.	-21.1	13.1	-14.3	11.2	-15.2	-24.8	6.3	13.9	-28.7	5.7	5.9	5.9
Mar.	19.0	26.1	-30.4	14.6	-12.5	-1.2	24.8	30.3	-17.6	-16.4	2.8	-1.5
	12-month cumulated transactions											
2013 Mar.	197.3	165.0	-209.9	135.1	-81.5	-141.6	170.7	203.5	-99.3	16.5	26.3	12.3

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.)					
	Exports	Imports	Total	Intermediate	Capital	Consumption	Memo item: Manufacturing	Total	Intermediate	Capital	Consumption	Memo items: Manufacturing	Oil
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Values (EUR billions; annual percentage changes for columns 1 and 2)												
2011	13.0	13.3	1,746.0	880.3	353.2	474.3	1,426.7	1,762.7	1,129.2	241.2	367.6	1,104.8	324.3
2012	7.4	1.7	1,870.5	928.0	384.3	515.8	1,524.6	1,790.9	1,147.3	244.7	367.6	1,091.6	360.9
2012 Q2	8.1	1.4	466.8	230.5	96.6	128.6	382.3	448.9	287.6	62.5	91.1	275.5	89.5
Q3	7.5	0.5	473.9	233.2	96.5	131.8	386.7	448.7	285.4	61.9	92.7	273.9	90.4
Q4	5.7	0.8	466.6	231.0	96.3	129.3	379.3	439.2	280.7	58.7	91.4	268.2	90.6
2013 Q1	1.3	-5.2	476.4	.	.	.	385.4	435.8	.	.	.	268.0	.
2012 Oct.	14.6	7.5	155.6	77.6	31.6	43.2	126.9	148.8	95.6	20.1	31.1	90.4	31.3
Nov.	5.6	0.0	157.1	77.7	32.8	43.3	127.3	146.7	93.3	19.3	30.3	89.2	30.1
Dec.	-3.0	-5.4	153.8	75.7	31.9	42.8	125.1	143.7	91.9	19.2	30.1	88.7	29.2
2013 Jan.	5.2	1.9	157.1	78.0	31.3	44.3	127.7	148.0	93.3	20.4	30.5	91.3	30.2
Feb.	-1.1	-7.1	157.4	77.7	31.2	44.4	125.4	144.7	93.6	18.8	30.0	86.5	29.2
Mar.	0.1	-10.0	161.9	.	.	.	132.3	143.2	.	.	.	90.1	.
	Volume indices (2000 = 100; annual percentage changes for columns 1 and 2)												
2011	7.5	3.5	148.6	143.4	153.4	155.5	145.3	126.5	119.5	136.3	144.6	133.5	102.6
2012	3.3	-2.9	153.0	146.0	160.5	161.1	150.2	122.3	115.9	129.9	137.7	127.2	103.7
2012 Q1	4.3	-1.1	152.8	147.5	160.7	159.2	149.6	124.4	118.4	132.3	140.2	129.0	101.4
Q2	3.6	-3.0	153.1	145.3	161.9	161.4	150.9	123.3	116.5	132.9	138.4	129.4	103.0
Q3	3.0	-5.3	154.0	146.2	159.0	163.2	151.3	121.4	114.8	129.3	136.3	125.9	105.0
Q4	2.4	-2.4	152.0	145.0	160.5	160.5	148.9	120.2	114.0	125.0	135.9	124.4	105.3
2012 Sep.	-2.7	-10.0	154.3	145.9	160.4	163.4	150.1	119.1	112.2	124.0	136.3	123.9	97.3
Oct.	11.1	3.1	152.3	146.3	158.4	161.1	150.0	121.9	115.1	130.3	140.3	126.9	107.4
Nov.	2.1	-3.3	153.8	146.4	164.6	161.7	150.1	120.6	114.4	123.2	134.0	123.7	105.4
Dec.	-5.9	-7.4	150.0	142.4	158.6	158.6	146.7	118.0	112.6	121.5	133.4	122.7	103.1
2013 Jan.	3.5	1.7	153.9	147.1	156.5	165.9	150.6	122.7	115.6	129.6	136.8	127.9	107.0
Feb.	-1.3	-6.3	154.8	147.2	155.9	167.4	149.0	119.7	114.8	120.8	135.1	121.9	100.8

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	Intermediate goods	Capital goods	Consumer goods	Energy	Memo item: Manufacturing	Total (index: 2010 = 100)	Total	Intermediate goods	Capital goods	Consumer goods	Energy	Memo item: Manufacturing
% of total	100.0	100.0	30.1	42.0	18.5	9.4	96.4	100.0	100.0	29.0	25.4	23.3	22.4	80.4
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2011	104.3	4.3	5.7	1.3	1.5	23.0	3.9	108.4	8.4	5.3	-0.7	3.5	25.5	3.8
2012	107.2	2.8	1.3	1.8	2.2	9.8	2.7	111.8	3.2	0.8	1.4	2.8	7.2	1.8
2012 Q3	107.8	3.1	0.7	2.1	2.5	11.0	3.0	112.5	3.6	1.0	2.4	3.7	7.4	2.4
Q4	107.2	1.9	0.8	1.2	2.0	3.7	1.9	110.9	1.2	0.7	0.4	2.1	2.0	1.2
2013 Q1	107.0	0.2	-0.4	0.5	1.4	-4.2	0.2	110.8	-1.2	-0.8	-0.2	1.1	-3.9	-0.3
2012 Oct.	107.5	2.5	0.9	1.4	2.3	7.7	2.5	111.4	2.0	1.0	0.8	2.4	4.0	1.6
Nov.	107.4	2.1	0.9	1.3	2.1	3.4	2.0	111.1	1.3	0.8	0.6	2.4	1.6	1.3
Dec.	106.7	1.2	0.7	0.9	1.7	0.1	1.2	110.3	0.4	0.4	-0.1	1.6	0.4	0.6
2013 Jan.	106.9	0.4	-0.2	0.3	1.5	-1.8	0.3	110.6	-0.5	-0.4	-0.9	0.8	-1.5	-0.4
Feb.	107.0	0.2	-0.5	0.3	1.3	-2.2	0.2	111.0	-0.9	-1.1	-0.5	0.9	-2.8	-0.4
Mar.	107.1	0.0	-0.6	0.7	1.4	-8.0	0.0	110.8	-2.1	-1.0	0.6	1.5	-7.2	-0.1

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.)														
2011	1,746.0	32.9	60.5	213.4	241.5	79.9	109.2	56.8	200.6	405.6	115.7	39.4	112.3	84.6	148.7
2012	1,870.5	34.0	59.1	230.7	245.1	90.1	116.5	59.4	223.6	439.4	120.7	44.7	126.2	97.3	149.1
2011 Q4	447.8	8.3	14.3	54.1	60.5	20.8	28.3	13.5	52.4	106.2	30.7	10.5	28.7	22.4	38.4
2012 Q1	463.3	8.4	15.0	56.6	61.4	22.2	29.4	14.6	55.4	108.7	31.4	10.6	31.2	23.7	36.7
Q2	466.8	8.6	14.9	57.3	61.1	22.7	29.2	14.6	56.0	108.9	30.4	11.3	31.4	24.3	37.8
Q3	473.9	8.5	14.9	58.3	61.6	22.7	29.2	15.0	58.3	110.4	29.8	11.5	31.2	24.5	39.4
Q4	466.6	8.6	14.4	58.4	60.9	22.5	28.7	15.2	54.0	111.4	29.1	11.2	32.5	24.8	35.2
2013 Q1	476.4	.	.	.	.	23.4	28.3	15.7	55.8	111.5	29.6	11.1	34.5	25.2	.
2012 Oct.	155.6	2.8	4.9	19.7	20.8	7.7	9.6	5.0	18.2	36.2	9.8	3.8	10.7	8.2	11.8
Nov.	157.1	2.9	4.9	19.3	20.4	7.7	10.0	5.3	18.2	37.8	9.9	3.8	10.7	8.2	11.8
Dec.	153.8	2.9	4.6	19.4	19.7	7.0	9.1	4.9	17.7	37.4	9.5	3.6	11.1	8.4	11.6
2013 Jan.	157.1	2.9	5.1	19.5	20.9	8.1	9.8	5.4	18.3	37.1	10.1	3.7	11.5	8.2	10.4
Feb.	157.4	2.9	4.6	18.9	20.3	7.7	8.9	5.1	17.7	35.5	9.3	3.5	11.6	7.9	16.3
Mar.	161.9	.	.	.	.	7.7	9.6	5.2	19.8	39.0	10.1	3.9	11.4	9.1	.
	Percentage share of total exports														
2012	100.0	1.8	3.2	12.3	13.1	4.8	6.2	3.2	12.0	23.5	6.5	2.4	6.7	5.2	8.0
	Imports (c.i.f.)														
2011	1,762.7	29.9	53.2	166.9	226.8	138.8	81.7	35.0	140.8	553.5	218.5	52.6	129.2	91.2	115.8
2012	1,790.9	29.0	52.7	168.2	229.8	143.2	81.0	33.8	150.3	538.5	213.7	48.5	156.9	92.5	115.0
2011 Q4	440.2	7.6	12.8	42.2	57.4	35.5	20.4	8.5	35.7	135.9	52.7	12.9	31.2	23.6	29.4
2012 Q1	454.0	7.2	13.2	42.6	57.5	37.7	20.1	8.4	37.8	137.6	53.4	12.6	39.7	23.9	28.4
Q2	448.9	7.3	13.1	41.2	56.9	35.0	19.7	8.4	37.7	137.6	55.6	12.6	38.4	22.9	30.7
Q3	448.7	7.3	13.7	42.7	57.8	33.7	21.3	8.4	39.1	133.2	53.6	12.1	39.3	23.2	29.0
Q4	439.2	7.1	12.8	41.7	57.5	36.8	19.9	8.6	35.7	130.2	51.0	11.2	39.5	22.5	26.9
2013 Q1	435.8	.	.	.	.	38.8	20.2	8.8	35.2	126.9	51.9	10.6	38.6	21.2	.
2012 Oct.	148.8	2.4	4.5	13.8	19.6	12.6	6.8	2.9	12.4	44.0	16.9	3.8	13.3	7.5	9.1
Nov.	146.7	2.5	4.2	13.9	19.1	12.0	6.9	2.9	11.8	43.0	16.8	3.8	13.4	7.5	9.6
Dec.	143.7	2.2	4.1	14.0	18.9	12.2	6.2	2.9	11.5	43.2	17.4	3.6	12.8	7.5	8.3
2013 Jan.	148.0	2.5	4.3	14.2	19.5	13.3	7.0	2.9	12.0	44.1	17.6	3.7	13.4	7.2	7.5
Feb.	144.7	2.4	4.3	13.6	18.9	12.7	6.3	2.9	11.6	41.1	16.6	3.4	13.0	6.9	10.9
Mar.	143.2	.	.	.	.	12.8	6.9	2.9	11.6	41.7	17.7	3.5	12.3	7.2	.
	Percentage share of total imports														
2012	100.0	1.6	2.9	9.4	12.8	8.0	4.5	1.9	8.4	30.1	11.9	2.7	8.8	5.2	6.4
	Balance														
2011	-16.7	3.0	7.3	46.6	14.7	-58.9	27.5	21.7	59.8	-147.9	-102.8	-13.2	-16.9	-6.5	32.9
2012	79.6	5.0	6.4	62.4	15.3	-53.0	35.5	25.6	73.4	-99.1	-93.0	-3.7	-30.7	4.8	34.1
2011 Q4	7.7	0.7	1.5	11.9	3.1	-14.7	8.0	5.1	16.7	-29.6	-22.0	-2.4	-2.5	-1.2	9.0
2012 Q1	9.3	1.2	1.8	14.0	3.9	-15.5	9.4	6.2	17.7	-28.9	-22.1	-2.0	-8.6	-0.2	8.3
Q2	17.9	1.3	1.8	16.1	4.2	-12.2	9.4	6.2	18.3	-28.7	-25.3	-1.2	-7.1	1.4	7.2
Q3	25.1	1.2	1.2	15.6	3.8	-11.0	7.9	6.6	19.2	-22.8	-23.7	-0.6	-8.1	1.3	10.4
Q4	27.3	1.4	1.6	16.8	3.4	-14.3	8.8	6.6	18.3	-18.8	-21.9	0.0	-7.0	2.3	8.2
2013 Q1	40.6	.	.	.	.	-15.4	8.1	6.9	20.6	-15.4	-22.3	0.4	-4.1	4.0	.
2012 Oct.	6.8	0.4	0.4	5.9	1.2	-4.8	2.9	2.1	5.7	-7.8	-7.1	0.1	-2.6	0.8	2.7
Nov.	10.4	0.4	0.7	5.4	1.3	-4.3	3.1	2.4	6.4	-5.2	-6.9	0.0	-2.7	0.7	2.2
Dec.	10.1	0.7	0.5	5.4	0.9	-5.2	2.9	2.0	6.2	-5.8	-7.9	0.0	-1.7	0.9	3.4
2013 Jan.	9.2	0.4	0.8	5.2	1.4	-5.2	2.8	2.5	6.4	-7.0	-7.5	0.1	-2.0	1.0	2.9
Feb.	12.7	0.4	0.4	5.3	1.4	-5.1	2.6	2.2	6.1	-5.7	-7.3	0.0	-1.3	1.0	5.4
Mar.	18.7	.	.	.	.	-5.1	2.7	2.3	8.1	-2.8	-7.6	0.3	-0.8	1.9	.

Source: Eurostat.

EXCHANGE RATES

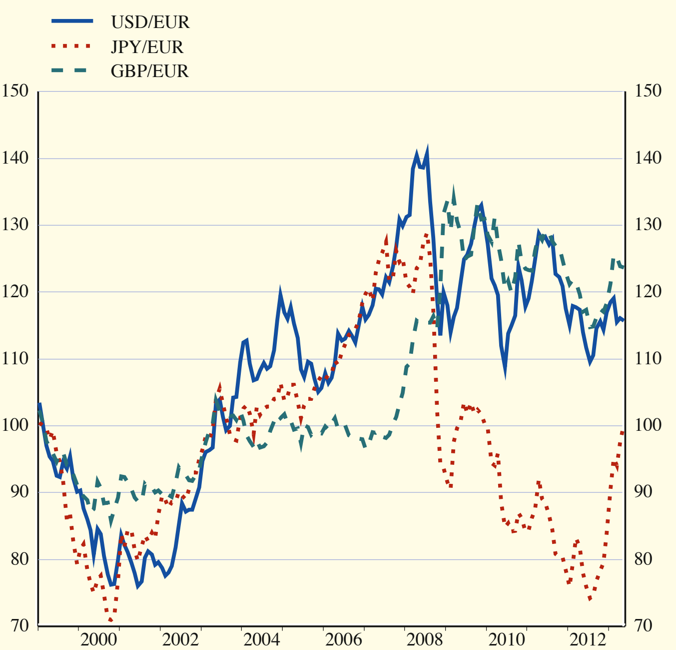
8

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

	EER-20						EER-40	
	Nominal	Real CPI	Real PPI	Real GDP deflator	Real ULCM	Real ULCT	Nominal	Real CPI
	1	2	3	4	5	6	7	8
2010	103.6	101.6	98.3	96.9	109.2	98.4	111.4	98.1
2011	103.4	100.7	97.7	95.1	107.7	96.2	112.1	97.6
2012	97.8	95.5	93.4	89.8	103.1	90.8	107.0	92.8
2012 Q1	99.5	96.9	94.5	91.4	104.7	92.3	108.3	94.1
Q2	98.2	95.9	93.5	90.3	103.7	91.2	107.4	93.2
Q3	95.9	93.7	91.9	88.0	100.9	88.9	105.1	91.2
Q4	97.8	95.5	93.9	89.6	103.3	90.7	107.4	92.9
2013 Q1	100.7	98.3	96.5	.	.	.	110.1	95.0
2012 May	98.0	95.7	93.3	-	-	-	107.2	93.0
June	97.2	94.8	92.5	-	-	-	106.6	92.4
July	95.3	93.2	91.1	-	-	-	104.4	90.6
Aug.	95.2	93.1	91.3	-	-	-	104.3	90.7
Sep.	97.2	95.0	93.3	-	-	-	106.6	92.5
Oct.	97.8	95.5	93.8	-	-	-	107.2	92.8
Nov.	97.2	94.9	93.2	-	-	-	106.7	92.3
Dec.	98.7	96.3	94.6	-	-	-	108.2	93.5
2013 Jan.	100.4	98.0	96.3	-	-	-	109.8	94.8
Feb.	101.6	99.1	97.4	-	-	-	111.1	95.7
Mar.	100.2	97.9	95.8	-	-	-	109.4	94.4
Apr.	100.4	97.9	96.1	-	-	-	109.7	94.3
May	100.5	97.9	96.0	-	-	-	109.9	94.3
	Percentage change versus previous month							
2013 May	0.1	0.0	0.0	-	-	-	0.2	0.0
	Percentage change versus previous year							
2013 May	2.5	2.3	2.9	-	-	-	2.5	1.4

C39 Effective exchange rates
(monthly averages; index: 1999 Q1=100)

C40 Bilateral exchange rates
(monthly averages; index: 1999 Q1=100)



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

8.2 Bilateral exchange rates
(period averages; units of national currency per euro)

	Bulgarian lev	Czech koruna	Danish krone	Latvian lats	Lithuanian litas	Hungarian forint	Polish zloty	New Romanian leu	Swedish krona	Pound sterling	Croatian kuna	New Turkish lira
	1	2	3	4	5	6	7	8	9	10	11	12
2010	1.9558	25.284	7.4473	0.7087	3.4528	275.48	3.9947	4.2122	9.5373	0.85784	7.2891	1.9965
2011	1.9558	24.590	7.4506	0.7063	3.4528	279.37	4.1206	4.2391	9.0298	0.86788	7.4390	2.3378
2012	1.9558	25.149	7.4437	0.6973	3.4528	289.25	4.1847	4.4593	8.7041	0.81087	7.5217	2.3135
2012 Q3	1.9558	25.082	7.4457	0.6963	3.4528	283.05	4.1366	4.5255	8.4354	0.79153	7.4732	2.2560
Q4	1.9558	25.167	7.4590	0.6963	3.4528	283.25	4.1123	4.5288	8.6230	0.80740	7.5290	2.3272
2013 Q1	1.9558	25.565	7.4589	0.6996	3.4528	296.50	4.1558	4.3865	8.4965	0.85111	7.5838	2.3577
2012 Nov.	1.9558	25.365	7.4587	0.6962	3.4528	282.26	4.1321	4.5273	8.6076	0.80389	7.5410	2.3010
Dec.	1.9558	25.214	7.4604	0.6965	3.4528	285.79	4.0956	4.4899	8.6512	0.81237	7.5334	2.3439
2013 Jan.	1.9558	25.563	7.4614	0.6978	3.4528	294.01	4.1424	4.3835	8.6217	0.83271	7.5746	2.3543
Feb.	1.9558	25.475	7.4598	0.6999	3.4528	292.73	4.1700	4.3839	8.5083	0.86250	7.5868	2.3738
Mar.	1.9558	25.659	7.4553	0.7013	3.4528	303.01	4.1565	4.3923	8.3470	0.85996	7.5909	2.3453
Apr.	1.9558	25.841	7.4553	0.7006	3.4528	298.67	4.1359	4.3780	8.4449	0.85076	7.6076	2.3406
May	1.9558	25.888	7.4536	0.7002	3.4528	292.38	4.1799	4.3360	8.5725	0.84914	7.5684	2.3739
	Percentage change versus previous month											
2013 May	0.0	0.2	0.0	0.0	0.0	-2.1	1.1	-1.0	1.5	-0.2	-0.5	1.4
	Percentage change versus previous year											
2013 May	0.0	2.3	0.3	0.3	0.0	-0.4	-2.7	-2.4	-4.7	5.7	0.4	2.6

	Australian dollar	Brazilian real	Canadian dollar	Chinese yuan renminbi	Hong Kong dollar	Indian rupee [1]	Indonesian rupiah	Israeli shekel	Japanese yen	Malaysian ringgit
	13	14	15	16	17	18	19	20	21	22
2010	1.4423	2.3314	1.3651	8.9712	10.2994	60.5878	12,041.70	4.9457	116.24	4.2668
2011	1.3484	2.3265	1.3761	8.9960	10.8362	64.8859	12,206.51	4.9775	110.96	4.2558
2012	1.2407	2.5084	1.2842	8.1052	9.9663	68.5973	12,045.73	4.9536	102.49	3.9672
2012 Q3	1.2035	2.5359	1.2447	7.9410	9.6962	68.9706	11,876.24	4.9818	98.30	3.9029
Q4	1.2484	2.6671	1.2850	8.1036	10.0506	70.2047	12,473.53	4.9853	105.12	3.9632
2013 Q1	1.2714	2.6368	1.3313	8.2209	10.2428	71.5390	12,789.08	4.8969	121.80	4.0699
2012 Nov.	1.2331	2.6512	1.2787	7.9998	9.9423	70.3250	12,343.83	4.9970	103.94	3.9230
Dec.	1.2527	2.7264	1.2984	8.1809	10.1679	71.6946	12,643.37	4.9570	109.71	4.0075
2013 Jan.	1.2658	2.6993	1.3189	8.2698	10.3027	72.0716	12,837.99	4.9706	118.34	4.0413
Feb.	1.2951	2.6354	1.3477	8.3282	10.3608	71.9342	12,933.75	4.9359	124.40	4.1403
Mar.	1.2537	2.5694	1.3285	8.0599	10.0588	70.5579	12,590.61	4.7769	122.99	4.0309
Apr.	1.2539	2.6060	1.3268	8.0564	10.1110	70.7738	12,664.51	4.7164	127.54	3.9686
May	1.3133	2.6414	1.3257	7.9715	10.0766	71.4760	12,673.13	4.7223	131.13	3.9200
	Percentage change versus previous month									
2013 May	4.7	1.4	-0.1	-1.1	-0.3	1.0	0.1	0.1	2.8	-1.2
	Percentage change versus previous year									
2013 May	2.4	4.2	2.6	-1.4	1.5	2.6	6.4	-3.6	28.6	-1.2

	Mexican peso	New Zealand dollar	Norwegian krone	Philippine peso	Russian rouble	Singapore dollar	South African rand	South Korean won	Swiss franc	Thai baht	US dollar
	23	24	25	26	27	28	29	30	31	32	33
2010	16.7373	1.8377	8.0043	59.739	40.2629	1.8055	9.6984	1,531.82	1.3803	42.014	1.3257
2011	17.2877	1.7600	7.7934	60.260	40.8846	1.7489	10.0970	1,541.23	1.2326	42.429	1.3920
2012	16.9029	1.5867	7.4751	54.246	39.9262	1.6055	10.5511	1,447.69	1.2053	39.928	1.2848
2012 Q3	16.4690	1.5462	7.3910	52.377	39.9755	1.5594	10.3385	1,416.52	1.2035	39.207	1.2502
Q4	16.7805	1.5751	7.3664	53.387	40.3064	1.5855	11.2766	1,414.42	1.2080	39.778	1.2967
2013 Q1	16.7042	1.5823	7.4290	53.769	40.1518	1.6345	11.8264	1,433.09	1.2284	39.361	1.3206
2012 Nov.	16.7689	1.5660	7.3371	52.716	40.2505	1.5695	11.2986	1,395.13	1.2052	39.391	1.2828
Dec.	16.8664	1.5777	7.3503	53.796	40.3114	1.6009	11.3179	1,411.41	1.2091	40.187	1.3119
2013 Jan.	16.8760	1.5877	7.3821	54.105	40.1847	1.6326	11.6957	1,417.69	1.2288	39.924	1.3288
Feb.	16.9872	1.5929	7.4232	54.355	40.3342	1.6546	11.8796	1,452.82	1.2298	39.839	1.3359
Mar.	16.2322	1.5657	7.4863	52.813	39.9332	1.6164	11.9169	1,430.31	1.2266	38.264	1.2964
Apr.	15.8895	1.5348	7.5444	53.649	40.7995	1.6120	11.8592	1,460.89	1.2199	37.857	1.3026
May	15.9776	1.5774	7.5589	53.693	40.6842	1.6219	12.1798	1,444.56	1.2418	38.667	1.2982
	Percentage change versus previous month										
2013 May	0.6	2.8	0.2	0.1	-0.3	0.6	2.7	-1.1	1.8	2.1	-0.3
	Percentage change versus previous year										
2013 May	-8.3	-4.6	-0.1	-2.2	2.8	0.4	16.7	-2.5	3.4	-3.5	1.5

Source: ECB.

1) For this currency the ECB computes and publishes euro reference exchange rates as from 1 January 2009. Previous data are indicative.

9 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	Latvia	Lithuania	Hungary	Poland	Romania	Sweden	United Kingdom
	1	2	3	4	5	6	7	8	9	10
	HICP									
2011	3.4	2.1	2.7	4.2	4.1	3.9	3.9	5.8	1.4	4.5
2012	2.4	3.5	2.4	2.3	3.2	5.7	3.7	3.4	0.9	2.8
2012 Q4	2.8	2.9	2.1	1.6	3.0	5.5	2.8	4.7	1.0	2.7
2013 Q1	2.1	1.7	0.9	0.4	2.2	2.7	1.3	4.8	0.6	2.8
2013 Feb.	2.2	1.8	1.0	0.3	2.3	2.9	1.2	4.8	0.5	2.8
Mar.	1.6	1.5	0.7	0.3	1.6	2.3	1.0	4.4	0.5	2.8
Apr.	0.9	1.7	0.4	-0.4	1.4	1.8	0.8	4.4	0.0	2.4
	General government deficit (-)/surplus (+) as a percentage of GDP									
2010	-3.1	-4.8	-2.5	-8.1	-7.2	-4.3	-7.9	-6.8	0.3	-10.2
2011	-2.0	-3.3	-1.8	-3.6	-5.5	4.3	-5.0	-5.6	0.2	-7.8
2012	-0.8	-4.4	-4.0	-1.2	-3.2	-1.9	-3.9	-2.9	-0.5	-6.3
	General government gross debt as a percentage of GDP									
2010	16.2	37.8	42.7	44.4	37.9	81.8	54.8	30.5	39.4	79.4
2011	16.3	40.8	46.4	41.9	38.5	81.4	56.2	34.7	38.4	85.5
2012	18.5	45.8	45.8	40.7	40.7	79.2	55.6	37.8	38.2	90.0
	Long-term government bond yield as a percentage per annum; period average									
2012 Nov.	3.22	1.92	1.11	3.32	4.11	6.87	4.18	6.84	1.46	1.55
Dec.	3.44	1.92	1.07	3.24	4.00	6.44	3.88	6.65	1.51	1.60
2013 Jan.	3.27	1.96	1.61	3.21	3.97	6.23	3.91	5.90	1.80	1.82
Feb.	3.25	2.01	1.73	3.22	4.06	6.29	3.99	5.72	2.00	1.92
Mar.	3.54	1.98	1.59	3.17	4.15	6.38	3.93	5.86	1.92	1.65
Apr.	3.47	1.82	1.42	3.15	3.95	5.65	3.50	5.46	1.66	1.46
	3-month interest rate as a percentage per annum; period average									
2012 Nov.	1.45	0.54	0.30	0.54	0.73	-	4.62	5.64	1.46	0.52
Dec.	1.39	0.50	0.28	0.53	0.70	-	4.26	5.79	1.37	0.52
2013 Jan.	1.27	0.50	0.30	0.50	0.53	5.80	4.03	5.71	1.21	0.51
Feb.	1.23	0.50	0.33	0.49	0.47	-	3.80	5.60	1.19	0.51
Mar.	1.23	0.49	0.27	0.47	0.47	-	3.48	5.10	1.25	0.51
Apr.	1.22	0.47	0.26	0.44	0.62	4.57	3.29	4.31	1.24	0.51
	Real GDP									
2011	1.8	1.8	1.1	5.5	5.9	1.6	4.5	2.3	3.7	1.0
2012	0.8	-1.2	-0.5	5.6	3.7	-1.7	1.9	0.4	0.7	0.3
2012 Q3	0.7	-1.4	0.0	5.4	3.8	-1.8	1.7	-0.5	0.3	0.4
Q4	0.6	-1.6	-0.7	5.8	3.1	-2.8	0.7	1.2	1.5	0.2
2013 Q1	0.4	-2.2	-0.8	.	.	.	0.5	2.2	1.7	0.6
	Current and capital account balance as a percentage of GDP									
2011	1.4	-2.3	5.9	0.0	-1.3	3.1	-2.9	-4.0	6.9	-1.1
2012	0.0	-1.1	5.6	1.3	1.7	4.3	-1.3	-2.6	7.1	-3.5
2012 Q3	9.8	-4.4	7.5	4.8	2.7	5.6	-0.8	-3.9	7.3	-4.3
Q4	-1.7	0.8	5.9	3.5	4.9	5.1	-1.0	-0.9	6.5	-2.7
2013 Q1	-5.1	1.9	1.5	.	.	.	-2.0	1.5	6.1	.
	Gross external debt as a percentage of GDP									
2010	102.7	56.3	190.5	164.8	83.2	144.8	66.4	75.7	190.5	413.1
2011	94.1	59.6	183.2	145.0	77.8	147.7	71.7	77.2	195.3	425.4
2012 Q2	96.0	61.2	191.7	144.0	78.1	134.4	71.7	77.9	200.4	416.2
Q3	96.5	60.1	187.4	139.2	78.8	128.3	70.8	78.0	199.6	416.5
Q4	94.8	60.5	182.7	136.2	75.4	127.7	70.8	74.6	189.2	415.0
	Unit labour costs									
2011	3.0	0.5	0.1	2.1	-0.1	1.8	0.5	0.7	-0.6	1.4
2012	0.2	3.2	1.2	2.8	2.0	6.5	.	6.8	3.2	.
2012 Q3	1.0	2.2	0.3	3.2	1.7	6.8	1.4	9.1	3.7	2.9
Q4	1.2	3.3	1.4	1.0	0.4	6.2	.	7.0	3.9	.
2013 Q1	.	1.0	1.8	.	.	.	.	.	2.1	.
	Standardised unemployment rate as a percentage of labour force (s.a.)									
2011	11.3	6.7	7.6	16.4	15.3	11.0	9.6	7.4	7.8	8.0
2012	12.3	7.0	7.5	14.8	13.3	10.9	10.1	7.0	8.0	7.9
2012 Q4	12.5	7.2	7.3	13.8	13.2	10.9	10.4	6.7	8.1	7.7
2013 Q1	12.4	7.2	7.1	12.4	12.5	10.9	10.6	7.1	8.2	.
2013 Feb.	12.4	7.2	7.2	12.4	12.5	11.1	10.6	7.1	8.2	7.7
Mar.	12.4	7.2	7.0	12.4	12.3	10.6	10.7	7.2	8.4	.
Apr.	12.3	7.2	7.0	.	12.5	.	10.8	7.3	8.4	.

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

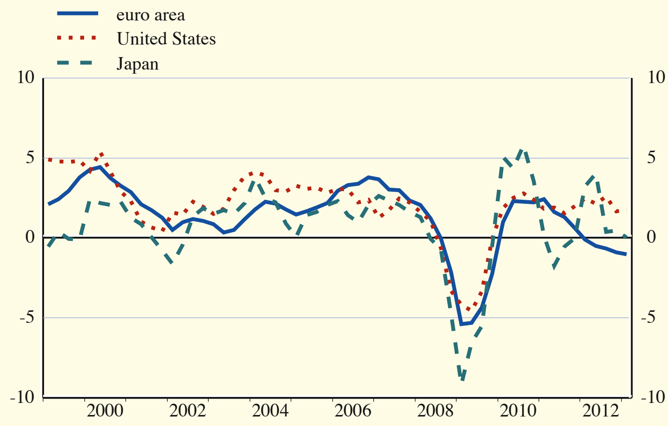
9.2 Economic and financial developments in the United States and Japan

(annual percentage changes, unless otherwise indicated)

	Consumer price index	Unit labour costs [1]	Real GDP	Industrial production index (manufacturing)	Unemployment rate as a % of labour force [2] (s.a.)	Broad money [3]	3-month interbank deposit rate [4]	10-year zero coupon government bond yield; [4] end of period	Exchange rate [5] as national currency per euro	Government deficit (-)/ surplus (+) as a % of GDP	Government debt [6] as a % of GDP
	1	2	3	4	5	6	7	8	9	10	11
					United States						
2009	-0.4	-1.4	-3.1	-13.6	9.3	8.0	0.69	4.17	1.3948	-11.9	73.3
2010	1.6	-1.1	2.4	6.6	9.6	2.5	0.34	3.57	1.3257	-11.4	82.1
2011	3.2	1.9	1.8	3.6	8.9	7.3	0.34	2.10	1.3920	-10.2	86.0
2012	2.1	0.7	2.2	4.2	8.1	8.5	0.43	1.88	1.2848	-8.7	90.0
2012 Q1	2.8	0.2	2.4	4.6	8.3	10.1	0.51	2.38	1.3108	-8.7	87.7
Q2	1.9	0.5	2.1	5.2	8.2	9.6	0.47	1.83	1.2814	-8.8	88.2
Q3	1.7	0.1	2.6	3.9	8.0	7.0	0.43	1.77	1.2502	-8.6	88.7
Q4	1.9	2.1	1.7	3.3	7.8	7.5	0.32	1.88	1.2967	-8.5	90.0
2013 Q1	1.7	0.6	1.8	2.5	7.7	7.1	0.29	2.09	1.3206	.	.
2013 Jan.	1.6	-	-	2.3	7.9	7.6	0.30	2.14	1.3288	-	-
Feb.	2.0	-	-	2.5	7.7	6.9	0.29	2.05	1.3359	-	-
Mar.	1.5	-	-	2.8	7.6	6.9	0.28	2.09	1.2964	-	-
Apr.	1.1	-	-	1.8	7.5	7.1	0.28	1.92	1.3026	-	-
May	.	-	-	.	.	.	0.27	2.40	1.2982	-	-
					Japan						
2009	-1.3	0.3	-5.5	-21.9	5.1	2.7	0.47	1.42	130.34	-8.8	180.1
2010	-0.7	-4.8	4.7	16.6	5.1	2.8	0.23	1.18	116.24	-8.3	188.3
2011	-0.3	0.8	-0.5	-2.5	4.6	2.7	0.19	1.00	110.96	-8.9	204.4
2012	0.0	.	2.0	-0.3	4.4	2.5	0.19	0.84	102.49	.	.
2012 Q1	0.3	-	3.2	4.7	4.5	3.0	0.20	1.05	103.99	.	.
Q2	0.1	-	4.0	5.3	4.4	2.4	0.20	0.84	102.59	.	.
Q3	-0.4	-	0.4	-4.6	4.3	2.4	0.19	0.78	98.30	.	.
Q4	-0.2	-	0.4	-5.9	4.2	2.3	0.19	0.84	105.12	.	.
2013 Q1	-0.6	-	0.0	-7.7	4.2	2.9	0.16	0.70	121.80	.	.
2013 Jan.	-0.3	-	-	-5.8	4.2	2.7	0.17	0.80	118.34	-	-
Feb.	-0.7	-	-	-10.5	4.3	2.9	0.16	0.74	124.40	-	-
Mar.	-0.9	-	-	-6.7	4.1	3.1	0.16	0.70	122.99	-	-
Apr.	-0.7	-	-	-2.3	.	3.3	0.16	0.76	127.54	-	-
May	.	-	-	.	.	.	0.16	1.05	131.13	-	-

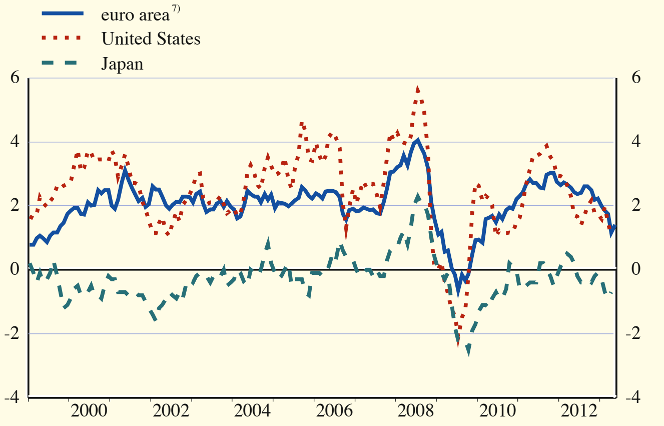
C41 Real gross domestic product

(annual percentage changes; quarterly data)



C42 Consumer price indices

(annual percentage changes; monthly data)



Sources: National data (columns 1, 2 (United States), 3, 4, 5 (United States), 6, 9 and 10); OECD (column 2 (Japan)); Eurostat (column 5 (Japan), euro area chart data); Thomson Reuters (columns 7 and 8); ECB calculations (column 11).

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

LIST OF CHARTS

TECHNICAL NOTES

EURO AREA OVERVIEW

CALCULATION OF GROWTH RATES FOR MONETARY DEVELOPMENTS

The average growth rate for the quarter ending in month t is calculated as:

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

where I_t is the index of adjusted outstanding amounts as at month t (see also below). Likewise, for the year ending in month t, the average growth rate is calculated as:

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

SECTION 1.3

CALCULATION OF INTEREST RATES ON INDEXED LONGER-TERM REFINANCING OPERATIONS

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

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

SECTIONS 2.1 TO 2.6

CALCULATION OF TRANSACTIONS

Monthly transactions are calculated from monthly differences in outstanding amounts adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

If L_t represents the outstanding amount at the end of month t, C_t^M the reclassification adjustment in month t, E_t^M the exchange rate adjustment and V_t^M the other revaluation adjustments, the transactions F_t^M in month t are defined as:

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

Similarly, the quarterly transactions F_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:

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

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

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

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 5 June 2013.

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

The composition of the euro area has changed a number of times over the years. When the euro was introduced in 1999, the euro area comprised the following 11 countries (the Euro 11): Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. Greece then joined in 2001, forming the Euro 12. Slovenia joined in 2007, forming the Euro 13; Cyprus and Malta joined in 2008, forming the Euro 15; and Slovakia joined in 2009, forming the Euro 16. Estonia joined in 2011, bringing the number of euro area countries to 17. From October 2012, the euro area statistics also include the European Stability Mechanism, an international organisation resident in the euro area for statistical purposes.

EURO AREA SERIES WITH A FIXED COMPOSITION

Aggregated statistical series for fixed compositions of the euro area relate to a given fixed composition for the whole time series, regardless of the composition at the time to which the statistics relate. For example, aggregated series are calculated for the Euro 17 (i.e. aggregating the data of all 17 countries currently in the euro area) for all years, despite the fact that the euro area has only had this composition since 1 January 2011. Unless otherwise indicated, the ECB’s Monthly Bulletin provides statistical series for the current composition.

EURO AREA SERIES WITH A CHANGING COMPOSITION

Aggregated statistical series with a changing composition take into account the composition of the euro area at the time to which the statistics relate. For example, euro area statistical series with a changing composition aggregate the data of the Euro 11 for the period up to the end of 2000, the Euro 12 for the period from 2001 to the end of 2006, and so on. With this approach, each individual statistical series covers all of the various compositions of the euro area.

For the HICP, as well as monetary aggregates and their counterparts, annual rates of change are compiled from chain-linked indices, with joining countries’ series linked to the euro area series in the December index. Thus, if a country joins the euro area in January of a given year, annual rates of change relate to the previous composition of the euro area up to and including December of the previous year, and the enlarged composition of the euro area thereafter. Percentage changes are calculated on the basis of a chain-linked index, taking account of the changing composition of the euro area. Absolute changes for monetary aggregates and their counterparts (transactions) refer to the composition of the euro area at the time to which the statistics relate.

Given that the composition of the European currency unit (ECU) does not coincide with the former currencies of the countries that have adopted the single currency, pre-1999 amounts originally expressed in the participating currencies and converted into ECU at current ECU exchange rates are affected by movements in the currencies of EU Member States that have not adopted the euro. To avoid this effect on the monetary statistics, pre-1999 data [1] are expressed in units converted from national currencies at the irrevocable euro exchange rates established on 31 December 1998. Unless otherwise indicated, price and cost statistics before 1999 are based on data expressed in national currency terms.

Methods of aggregation and/or consolidation (including cross-country consolidation) have been used where appropriate.

Recent data are often provisional and may be revised. Discrepancies between totals and their components may arise from rounding.

The group "Other EU Member States" comprises Bulgaria, the Czech Republic, Denmark, Latvia, Lithuania, Hungary, Poland, Romania, Sweden and the United Kingdom.

In most cases, the terminology used within the tables follows international standards, such as those contained in the European System of Accounts 1995 and the IMF Balance of Payments Manual. Transactions refer to voluntary exchanges (measured directly or derived), while flows also encompass changes in outstanding amounts owing to price and exchange rate changes, write-offs and other changes.

In the tables, the wording "up to (x) years" means "up to and including (x) years".

OVERVIEW

Developments in key indicators for the euro area are summarised in an overview table.

MONETARY POLICY STATISTICS

Section 1.4 shows statistics on minimum reserve and liquidity factors. Maintenance periods for minimum reserve requirements start every month on the settlement day of the main refinancing operation (MRO) following the Governing Council meeting for which the monthly assessment of the monetary policy stance is scheduled. They end on the day preceding the corresponding settlement day in the following month. Annual/quarterly observations refer to averages for the last reserve maintenance period of the year/quarter.

1 Data on monetary statistics in Sections 2.1 to 2.8 are available for periods prior to January 1999 on the ECB's website (http://www.ecb.europa.eu/stats/services/downloads/html/index.en.html) and in the SDW (http://sdw.ecb.europa.eu/browse.do?node=2018811).

Table 1 in Section 1.4 shows the components of the reserve base of credit institutions subject to reserve requirements. Liabilities vis-à-vis other credit institutions subject to the ESCB's minimum reserve system, the ECB and participating national central banks are excluded from the reserve base. When a credit institution cannot provide evidence of the amount of its issues of debt securities with a maturity of up to two years which are held by the institutions mentioned above, it may deduct a certain percentage of these liabilities from its reserve base. The percentage used to calculate the reserve base was 10% until November 1999 and has been 30% since that date.

Table 2 in Section 1.4 contains average data for completed maintenance periods. First, the reserve requirement of each individual credit institution is calculated by applying the reserve ratios for the corresponding categories of liability to the eligible liabilities, using the balance sheet data from the end of each calendar month. Subsequently, each credit institution deducts from this figure a lump-sum allowance of €100,000. The resulting required reserves are then aggregated at the euro area level (column 1). Current account holdings (column 2) are the aggregate average daily current account holdings of credit institutions, including those that serve to fulfil reserve requirements. Excess reserves (column 3) are the average current account holdings over the maintenance period in excess of the required reserves. Deficiencies (column 4) are defined as the average shortfalls of current account holdings from required reserves over the maintenance period, computed on the basis of those credit institutions that have not fulfilled their reserve requirements. The interest rate on minimum reserves (column 5) is equal to the average, over the maintenance period, of the ECB's rate (weighted according to the number of calendar days) on the Eurosystem's MROs (see Section 1.3).

Table 3 in Section 1.4 shows the banking system's liquidity position, which is defined as euro area credit institutions' current account holdings with the Eurosystem in euro. All amounts are derived from the consolidated financial statement of the Eurosystem. Other liquidity-absorbing operations (column 7) exclude the issuance of debt certificates initiated by NCBs in Stage Two of EMU. Net other factors (column 10) represent the netted remaining items in the consolidated financial statement of the Eurosystem. Credit institutions' current accounts (column 11) are equal to the difference between the sum of liquidity-providing factors (columns 1 to 5) and the sum of liquidity-absorbing factors (columns 6 to 10). Base money (column 12) is calculated as the sum of the deposit facility (column 6), banknotes in circulation (column 8) and credit institutions' current account holdings (column 11).

MONEY, BANKING AND OTHER FINANCIAL CORPORATIONS

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

Section 2.1 shows the aggregated balance sheet of the MFI sector, i.e. the sum of the harmonised balance sheets of all MFIs resident in the euro area. MFIs comprise central banks, credit institutions as defined under EU law, money market funds and other institutions whose business it is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or make investments in securities. A complete list of MFIs is published on the ECB's website.

Section 2.2 shows the consolidated balance sheet of the MFI sector, which is obtained by netting the aggregated balance sheet positions of MFIs in the euro area. Owing to a small amount of heterogeneity in recording practices, the sum of the inter-MFI positions is not necessarily zero; the balance is shown in column 10 of the liabilities side of Section 2.2. Section 2.3 sets out the euro area monetary aggregates and counterparts. These are derived from the consolidated MFI balance sheet and include positions of non-MFIs resident in the euro area held with MFIs resident in the euro area; they also take account of some monetary assets/liabilities of central government. Statistics on monetary aggregates and counterparts are adjusted for seasonal and trading day effects. The external liabilities item in Sections 2.1 and 2.2 shows the holdings by non-euro area residents of: (i) shares/units issued by money market funds located in the euro area; and (ii) debt securities issued with a maturity of up to two years by MFIs located in the euro area. In Section 2.3, however, these holdings are excluded from the monetary aggregates and contribute to the item “net external assets”.

Section 2.4 provides analysis, broken down by sector, type and original maturity, of loans granted by MFIs other than the Eurosystem (i.e. the banking system) resident in the euro area. Section 2.5 provides analysis, broken down by sector and instrument, of deposits held with the euro area banking system. Section 2.6 shows the securities held by the euro area banking system, broken down by type of issuer. Section 2.7 shows a quarterly currency breakdown for selected MFI balance sheet items.

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

Since 1 January 1999 statistical information has been collected and compiled on the basis of various ECB regulations concerning the balance sheet of the monetary financial institution sector. Since July 2010 this has been carried out on the basis of Regulation ECB/2008/32[2]. Detailed sector definitions are set out in the third edition of the “Monetary financial institutions and markets statistics sector manual – Guidance for the statistical classification of customers” (ECB, March 2007).

Section 2.8 shows outstanding amounts and transactions on the balance sheet of euro area investment funds (other than money market funds, which are included in the MFI balance sheet statistics). An investment fund is a collective investment undertaking that invests capital raised from the public in financial and/or non-financial assets. A complete list of euro area investment funds is published on the ECB’s website. The balance sheet is aggregated, so investment funds’ assets include their holdings of shares/units issued by other investment funds. Shares/units issued by investment funds are also broken down by investment policy (i.e. into bond funds, equity funds, mixed funds, real estate funds, hedge funds and other funds) and by type (i.e. into open-end funds and closed-end funds). Section 2.9 provides further details on the main types of asset held by euro area investment funds. This section contains a geographical breakdown of the issuers of securities held by investment funds, as well as breaking issuers down by economic sector where they are resident in the euro area.

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

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

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

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

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

EURO AREA ACCOUNTS

Section 3.1 shows quarterly integrated euro area accounts data, which provide comprehensive information on the economic activities of households (including non-profit institutions serving households), non-financial corporations, financial corporations and general government, as well as on the interaction between these sectors and both the euro area and the rest of the world. Non-seasonally adjusted data at current prices are displayed for the last available quarter, following a simplified sequence of accounts in accordance with the methodological framework of the European System of Accounts 1995.

In short, the sequence of accounts (transactions) comprises: (1) the generation of income account, which shows how production activity translates into various categories of income; (2) the allocation of primary income account, which records receipts and expenses relating to various forms of property income (for the economy as a whole; the balancing item of the primary income account is national income); (3) the secondary distribution of income account, which shows how the national income of an institutional sector changes because of current transfers; (4) the use of income account, which shows how disposable income is spent on consumption or saved; (5) the capital account, which shows how savings and net capital transfers are spent in the acquisition of non-financial assets (the balancing item of the capital account is net lending/net borrowing); and (6) the financial account, which records the net acquisitions of financial assets and the net incurrence of liabilities. As each non-financial transaction is mirrored by a financial transaction,

4 OJ L 15, 20.01.2009, p. 1.

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

In addition, opening and closing financial balance sheets are presented, which provide a picture of the financial wealth of each individual sector at a given point in time. Finally, other changes in financial assets and liabilities (e.g. those resulting from the impact of changes in asset prices) are also shown.

The sectoral coverage of the financial account and the financial balance sheets is more detailed for the financial corporation sector, which is broken down into MFIs, other financial intermediaries (including financial auxiliaries), and insurance corporations and pension funds.

Section 3.2 shows four-quarter cumulated flows (transactions) for the "non-financial accounts" of the euro area (i.e. accounts (1) to (5) above), also following the simplified sequence of accounts.

Section 3.3 shows four-quarter cumulated flows (transactions and other changes) for households' income, expenditure and accumulation accounts, as well as outstanding amounts in the financial and non-financial balance sheet accounts, presenting data in a more analytical manner. Sector-specific transactions and balancing items are arranged in a way that more clearly depicts the financing and investment decisions of households, while respecting the accounting identities presented in Sections 3.1 and 3.2.

Section 3.4 displays four-quarter cumulated flows (transactions) for non-financial corporations' income and accumulation accounts, as well as outstanding amounts for the financial balance sheet accounts, presenting data in a more analytical manner.

Section 3.5 shows four-quarter cumulated financial flows (transactions and other changes) and outstanding amounts for the financial balance sheets of insurance corporations and pension funds.

FINANCIAL MARKETS

The series on financial market statistics for the euro area cover those EU Member States that had adopted the euro at the time to which the statistics relate (i.e. a changing composition), with the exception of statistics on securities issues (Sections 4.1 to 4.4), which relate to the Euro 16 for the whole time series (i.e. a fixed composition).

Statistics on securities other than shares and statistics on quoted shares (Sections 4.1 to 4.4) are produced by the ECB using data from the ESCB and the BIS. Section 4.5 presents MFI interest rates on euro-denominated deposits from and loans to euro area residents. Statistics on money market interest rates, long-term government bond yields and stock market indices (Sections 4.6 to 4.8) are produced by the ECB using data from wire services.

Statistics on securities issues cover: (i) securities other than shares, excluding financial derivatives; and (ii) quoted shares. The former are presented in Sections 4.1, 4.2 and 4.3, while the latter are presented in Section 4.4. Debt securities are broken down into short-term and long-term securities. "Short-term" means securities with an original maturity of one year or less (in exceptional cases, two years or less). Securities with (i) a longer maturity, (ii) optional maturity dates, the latest of which is more than one year away, or (iii) indefinite maturity dates are classified as "long-term".

Long-term debt securities issued by euro area residents are broken down further into fixed and variable rate issues. Fixed rate issues consist of issues where the coupon rate does not change during the life of the issue. Variable rate issues comprise all issues where the coupon is periodically refixed with reference to an independent interest rate or index. The euro-denominated securities indicated in Sections 4.1, 4.2 and 4.3 also include items expressed in national denominations of the euro.

Section 4.1 shows securities other than shares, broken down by original maturity, residency of the issuer and currency. It presents outstanding amounts, gross issues and net issues of securities other than shares, broken down into: (i) issues denominated in euro and issues in all currencies; (ii) issues by euro area residents and total issues; and (iii) total and long-term maturities. Net issues differ from the changes in outstanding amounts owing to valuation changes, reclassifications and other adjustments. This section also presents seasonally adjusted statistics, including six-month annualised seasonally adjusted growth rates for total and long-term debt securities. Seasonally adjusted data are derived from the index of notional stocks, from which the seasonal effects have been removed. See the Technical Notes for details.

Section 4.2 contains a sectoral breakdown of outstanding amounts, gross issues and net issues for issuers resident in the euro area in line with the ESA 95. The ECB is included in the Eurosystem.

The total outstanding amounts for total and long-term debt securities in column 1 of Table 1 in Section 4.2 correspond to the data on outstanding amounts for total and long-term debt securities issued by euro area residents in column 7 of Section 4.1. The outstanding amounts for total and long-term debt securities issued by MFIs in column 2 of Table 1 in Section 4.2 are broadly comparable with the data on debt securities issued on the liabilities side of the aggregated MFI balance sheet in column 8 of Table 2 in Section 2.1. The total net issues for total debt securities in column 1 of Table 2 in Section 4.2 correspond to the data on total net issues by euro area residents in column 9 of Section 4.1. The residual difference between long-term debt securities and total fixed and variable rate long-term debt securities in Table 1 of Section 4.2 consists of zero coupon bonds and revaluation effects.

Section 4.3 shows seasonally adjusted and non-seasonally adjusted growth rates for debt securities issued by euro area residents (broken down by maturity, type of instrument, sector of the issuer and currency), which are based on financial transactions that occur when an institutional unit incurs or redeems liabilities. The growth rates therefore exclude reclassifications, revaluations, exchange rate variations and any other changes that do not arise from transactions. The seasonally adjusted growth rates have been annualised for presentational purposes. See the Technical Notes for details.

Columns 1, 4, 6 and 8 in Table 1 of Section 4.4 show the outstanding amounts of quoted shares issued by euro area residents broken down by issuing sector. The monthly data for quoted shares issued by non-financial corporations correspond to the quarterly series shown in Section 3.4 (financial balance sheet; quoted shares).

Columns 3, 5, 7 and 9 in Table 1 of Section 4.4 show annual growth rates for quoted shares issued by euro area residents (broken down by the sector of the issuer), which are based on financial transactions that occur when an issuer issues or redeems shares for cash, excluding investments in the issuer’s own shares. The calculation of annual growth rates excludes reclassifications, revaluations and any other changes that do not arise from transactions.

Section 4.5 presents statistics on all the interest rates that MFIs resident in the euro area apply to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area. Euro area MFI interest rates are calculated as a weighted average (by corresponding business volume) of the euro area countries' interest rates for each category.

MFI interest rate statistics are broken down by type of business coverage, sector, instrument category and maturity, period of notice or initial period of interest rate fixation. These MFI interest rate statistics replaced the ten transitional statistical series on euro area retail interest rates that had been published in the Monthly Bulletin as of January 1999.

Section 4.6 presents money market interest rates for the euro area, the United States and Japan. For the euro area, a broad spectrum of money market interest rates is covered, ranging from interest rates on overnight deposits to those on twelve-month deposits. Before January 1999, synthetic euro area interest rates were calculated on the basis of national rates weighted by GDP. With the exception of the overnight rate prior to January 1999, monthly, quarterly and yearly values are period averages. Overnight deposits are represented by end-of-period interbank deposit bid rates up to and including December 1998 and period averages for the euro overnight index average (EONIA) thereafter. As of January 1999, euro area interest rates on one, three, six and twelve-month deposits are euro interbank offered rates (EURIBOR); prior to that date, they are London interbank offered rates (LIBOR) where available. For the United States and Japan, interest rates on three-month deposits are represented by LIBOR.

Section 4.7 shows end-of-period rates estimated from nominal spot yield curves based on AAA-rated euro-denominated bonds issued by euro area central governments. The yield curves are estimated using the Svensson model[5]. Spreads between the ten-year rates and the three-month and two-year rates are also released. Additional yield curves (daily releases, including charts and tables) and the corresponding methodological information are available at: http://www.ecb.europa.eu/stats/money/yc/html/index.en.html. Daily data can also be downloaded.

Section 4.8 shows stock market indices for the euro area, the United States and Japan.

PRICES, OUTPUT, DEMAND AND LABOUR MARKETS

Most of the data described in this section are produced by the European Commission (mainly Eurostat) and national statistical authorities. Euro area results are obtained by aggregating data for individual countries. As far as possible, the data are harmonised and comparable. Statistics on labour costs indices, GDP and expenditure components, value added by economic activity, industrial production, retail sales passenger car registrations and employment in terms of hours worked are working day-adjusted.

The Harmonised Index of Consumer Prices (HICP) for the euro area (Table 1 in Section 5.1) is available from 1995 onwards. It is based on national HICPs, which follow the same methodology in all euro area countries. The breakdown into goods and services components is derived from the classification of individual consumption by purpose (Coicop/HICP). The HICP covers monetary expenditure by households on final consumption in the economic territory of the euro area. The table

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

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

Industrial producer prices (Table 2 in Section 5.1), industrial production, industrial turnover and retail sales (Section 5.2) are covered by Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics[6]. Since January 2009 the revised classification of economic activities (NACE Revision 2), as covered by Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90, as well as certain EC Regulations on specific statistical domains[7], has been applied in the production of short-term statistics. The breakdown by end use of product for industrial producer prices and industrial production is the harmonised sub-division of industry excluding construction (NACE Revision 2, sections B to E) into Main Industrial Groupings (MIGs) as defined by Commission Regulation (EC) No 656/2007 of 14 June 2007[8]. Industrial producer prices reflect the ex-factory gate prices of producers. They include indirect taxes except VAT and other deductible taxes. Industrial production reflects the value added of the industries concerned.

The two non-energy commodity price indices shown in Table 3 in Section 5.1 are compiled with the same commodity coverage, but using two different weighting schemes: one based on the respective commodity imports of the euro area (columns 2-4), and the other (columns 5-7) based on estimated euro area domestic demand, or "use", taking into account information on imports, exports and the domestic production of each commodity (ignoring, for the sake of simplicity, inventories, which are assumed to be relatively stable over the observed period). The import-weighted commodity price index is appropriate for analysing external developments, while the use-weighted index is suitable for the specific purpose of analysing international commodity price pressures on euro area inflation. The use-weighted commodity price indices are experimental data. For more details as regards the compilation of the ECB commodity price indices, see Box 1 in the December 2008 issue of the Monthly Bulletin.

The labour cost indices (Table 5 in Section 5.1) measure the changes in labour costs per hour worked in industry (including construction) and market services. Their methodology is laid down in Regulation (EC) No 450/2003 of the European Parliament and of the Council of 27 February 2003 concerning the labour cost index[9] and in the implementing Commission Regulation (EC) No 1216/2003 of 7 July 2003[10]. A breakdown of the labour cost indices for the euro area is available by labour cost component (wages and salaries, and employers' social contributions plus employment-related taxes paid by the employer less subsidies received by the employer) and by economic activity. The ECB calculates the indicator of negotiated wages (memo item in Table 5 of Section 5.1) on the basis of non-harmonised, national-definition data.

Unit labour cost components (Table 4 in Section 5.1), GDP and its components (Tables 1 and 2 in Section 5.2), GDP deflators (Table 3 in Section 5.1) and employment statistics (Table 1 in Section 5.3) are derived from the ESA 95[11] quarterly national accounts. The ESA 95 was amended by Commission Regulation (EU) No 715/2010 of 10 August 2010[12] introducing NACE Revision 2,

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

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

Industrial new orders (Table 4 in Section 5.2) measure the orders received during the reference period and cover industries working mainly on the basis of orders – in particular the textile, pulp and paper, chemical, metal, capital goods and durable consumer goods industries. The data are calculated on the basis of current prices.

Indices for turnover in industry and for the retail trade (Table 4 in Section 5.2) measure the turnover, including all duties and taxes (with the exception of VAT), invoiced during the reference period. Retail trade turnover covers all retail trade (excluding sales of motor vehicles and motorcycles), including automotive fuel. New passenger car registrations cover registrations of both private and commercial passenger cars.

Qualitative business and consumer survey data (Table 5 in Section 5.2) draw on the European Commission Business and Consumer Surveys.

Unemployment rates (Table 4 in Section 5.3) conform to International Labour Organization guidelines. They refer to persons actively seeking work as a share of the labour force, using harmonised criteria and definitions. The labour force estimates underlying the unemployment rate are different from the sum of the employment and unemployment levels published in Section 5.3.

GOVERNMENT FINANCE

Sections 6.1 to 6.5 show the general government fiscal position in the euro area. The data are mainly consolidated and are based on the ESA 95 methodology. The annual euro area aggregates in Sections 6.1 to 6.3 are compiled by the ECB on the basis of harmonised data provided by the NCBs, which are regularly updated. The annual deficit and debt data for the euro area aggregates may therefore differ from those published by the European Commission. The quarterly euro area aggregates in Sections 6.4 and 6.5 are compiled by the ECB on the basis of Eurostat and national data.

Section 6.1 presents annual figures on general government revenue and expenditure on the basis of definitions laid down in Commission Regulation (EC) No 1500/2000 of 10 July 2000 [13] amending the ESA 95. Section 6.2 shows details of general government gross consolidated debt at nominal value in line with the Treaty provisions on the excessive deficit procedure. Sections 6.1 and 6.2 include summary data for the individual euro area countries owing to their importance within the framework of the Stability and Growth Pact. The deficits/surpluses presented for the individual euro area countries correspond to excessive deficit procedure B.9, as defined by Council Regulation (EC) No 479/2009 as regards references to the ESA 95. Section 6.3 presents changes in general government debt. The difference between the change in the government debt and the government deficit – the deficit-debt adjustment – is mainly explained by government transactions in financial assets and by foreign exchange valuation effects. Section 6.4 presents non-seasonally adjusted quarterly figures on general government revenue and expenditure on the basis of definitions laid down in Regulation (EC) No 1221/2002 of the European Parliament and of the Council of 10 June 2002 on quarterly

13 OJ L 172, 12.7.2000, p. 3.

non-financial accounts for general government[14]. Section 6.5 presents quarterly figures on gross consolidated government debt, the deficit-debt adjustment and the government borrowing requirement. These figures are compiled using data provided by the Member States under Regulation (EC) No 501/2004 and Regulation (EC) No 222/2004 and data provided by the NCBs.

EXTERNAL TRANSACTIONS AND POSITIONS

The concepts and definitions used in balance of payments and international investment position (i.i.p.) statistics (Sections 7.1 to 7.4) are generally in line with the IMF Balance of Payments Manual (fifth edition, October 1993), the ECB Guideline of 16 July 2004 on the statistical reporting requirements of the ECB (ECB/2004/15)[15] and the amending ECB Guideline of 31 May 2007 (ECB/2007/3)[16]. Additional information regarding the methodologies and sources used in the euro area b.o.p. and i.i.p. statistics can be found in the ECB publication entitled "European Union balance of payments/international investment position statistical methods" (May 2007) and in the reports of the Task Force on Portfolio Investment Collection Systems (June 2002), the Task Force on Portfolio Investment Income (August 2003) and the Task Force on Foreign Direct Investment (March 2004), all of which can be downloaded from the ECB's website. In addition, a report by the ECB/European Commission (Eurostat) Task Force on Quality looking at balance of payments and international investment position statistics (June 2004) is available on the website of the Committee on Monetary, Financial and Balance of Payments Statistics (www.cmfb.org). The annual quality report on the euro area b.o.p./i.i.p., which is based on the Task Force's recommendations and follows the basic principles of the ECB Statistics Quality Framework published in April 2008, is available on the ECB's website.

On 9 December 2011 the ECB Guideline on the statistical requirements of the European Central Bank in the field of external statistics (ECB/2011/23)[17] was adopted by the Governing Council of the ECB. This legal act lays down new reporting requirements in the field of external statistics, which mainly reflect methodological changes introduced in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). The ECB will begin publishing the euro area's b.o.p., i.i.p. and international reserves statistics in accordance with Guideline ECB/2011/23 and the BPM6 in 2014, with backdata. The tables in Sections 7.1 and 7.4 follow the sign convention in the IMF Balance of Payments Manual – i.e. surpluses in the current account and the capital account have a plus sign, while in the financial account a plus sign denotes an increase in liabilities or a decrease in assets. In the tables in Section 7.2, both credit and debit transactions are presented with a plus sign. Furthermore, as of the February 2008 issue of the Monthly Bulletin, the tables in Section 7.3 have been restructured in order to allow the data on the balance of payments, the international investment position and related growth rates to be presented together; in the new tables, transactions in assets and liabilities that correspond to increases in positions are shown with a plus sign.

The euro area b.o.p. is compiled by the ECB. Recent monthly figures should be regarded as provisional. Data are revised when figures for the following month and/or the detailed quarterly

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

b.o.p. are published. Earlier data are revised periodically or as a result of methodological changes in the compilation of the source data.

Table 1 in Section 7.2 also contains seasonally adjusted data for the current account. Where appropriate, the adjustment also covers working day, leap year and/or Easter-related effects. Table 3 in Section 7.2 and Table 9 in Section 7.3 present a breakdown of the euro area b.o.p. and i.i.p. vis-à-vis major partner countries, both individually and as a group, distinguishing between EU Member States outside the euro area and countries or areas outside the European Union. The breakdown also shows transactions and positions vis-à-vis EU institutions and international organisations (which, with the exception of the ECB and the European Stability Mechanism, are considered to be outside the euro area for statistical purposes, regardless of their physical location) as well as offshore centres. The breakdown does not cover transactions or positions in portfolio investment liabilities, financial derivatives or international reserves. In addition, separate data are not provided for investment income payable to Brazil, mainland China, India or Russia. The geographical breakdown is described in the article entitled "Euro area balance of payments and international investment position vis-à-vis main counterparts" in the February 2005 issue of the Monthly Bulletin.

The data on the euro area b.o.p. financial account and i.i.p. in Section 7.3 are based on transactions and positions vis-à-vis non-residents of the euro area, regarding the euro area as a single economic entity (see also Box 9 in the December 2002 issue of the Monthly Bulletin, Box 5 in the January 2007 issue of the Monthly Bulletin and Box 6 in the January 2008 issue of the Monthly Bulletin). The i.i.p. is valued at current market prices, with the exception of direct investment, where book values are used for unquoted shares, and other investments (e.g. loans and deposits). The quarterly i.i.p. is compiled on the basis of the same methodological framework as the annual i.i.p. As some data sources are not available on a quarterly basis (or are available with a delay), the quarterly i.i.p. is partly estimated on the basis of financial transactions, asset prices and foreign exchange developments.

Table 1 in Section 7.3 summarises the i.i.p. and financial transactions in the euro area b.o.p. The breakdown of the change in the annual i.i.p. is obtained by applying a statistical model to i.i.p. changes other than transactions, using information from the geographical breakdown and currency composition of assets and liabilities, as well as price indices for different financial assets. In this table, columns 5 and 6 refer to direct investment by resident units abroad and direct investment by non-resident units in the euro area.

In Table 5 in Section 7.3, the breakdown into "loans" and "currency and deposits" is based on the sector of the non-resident counterpart – i.e. assets vis-à-vis non-resident banks are classified as deposits, whereas assets vis-à-vis other non-resident sectors are classified as loans. This breakdown follows the distinction made in other statistics, such as the MFI consolidated balance sheet, and conforms to the IMF Balance of Payments Manual.

The outstanding amounts for the Eurosystem's international reserves and related assets and liabilities are shown in Table 7 of Section 7.3. These figures are not fully comparable with those in the Eurosystem's weekly financial statement owing to differences in coverage and valuation. The data in Table 7 are in line with the recommendations for the template on international reserves and foreign currency liquidity. By definition, the assets included in the Eurosystem's international reserves take account of the changing composition of the euro area. Before countries join the euro area, the assets of their national central banks are included in portfolio investment (in the case of securities) or other investment (in the case of other assets). Changes in the gold holdings of the Eurosystem (column 3) are due to transactions in gold within the terms of the Central Bank Gold Agreement of 26 September 1999, which was updated on 27 September 2009. More information on the statistical treatment of the Eurosystem's international reserves can be found in a publication entitled "Statistical treatment of the Eurosystem's international reserves" (October 2000), which can be downloaded from the ECB's website. The website also contains more comprehensive data in accordance with the template on international reserves and foreign currency liquidity.

The euro area's gross external debt statistics in Table 8 of Section 7.3 represent outstanding actual (rather than contingent) liabilities vis-à-vis non-euro area residents that require the payment of principal and/or interest by the debtor at one or more points in the future. Table 8 shows a breakdown of gross external debt by instrument and institutional sector.

Section 7.4 contains a monetary presentation of the euro area balance of payments, showing the transactions by non-MFIs that mirror the net external transactions by MFIs. Included in the transactions by non-MFIs are b.o.p. transactions for which a sectoral breakdown is not available. These concern the current and capital accounts (column 2) and financial derivatives (column 11). An up-to-date methodological note on the monetary presentation of the euro area balance of payments is available in the "Statistics" section of the ECB's website. See also Box 1 in the June 2003 issue of the Monthly Bulletin.

Section 7.5 shows data on euro area external trade in goods. The source is Eurostat. Value data and volume indices are seasonally and working day-adjusted. The breakdown by product group in columns 4 to 6 and 9 to 11 of Table 1 in Section 7.5 is in line with the classification contained in the Broad Economic Categories and corresponds to the basic classes of goods in the System of National Accounts. Manufactured goods (columns 7 and 12) and oil (column 13) are in line with the SITC Rev. 4 definition. The geographical breakdown (Table 3 in Section 7.5) shows major trading partners both individually and in regional groups. China excludes Hong Kong. On account of differences in definitions, classification, coverage and time of recording, external trade data, in particular for imports, are not fully comparable with the goods item in the b.o.p. statistics (Sections 7.1 and 7.2). Part of the difference arises from the inclusion of insurance and freight services in the recording of imported goods in external trade data.

Industrial import prices and industrial producer export prices (or industrial output prices for the non-domestic market) shown in Table 2 in Section 7.5 were introduced by Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98, which is the principal legal basis for short-term statistics. The industrial import price index covers industrial products imported from outside the euro area under sections B to E of the Statistical Classification of Products by Activity in the European Economic Community (CPA) and all institutional import sectors except households, governments and non-profit institutions. It reflects the cost, insurance and freight price excluding import duties and taxes, and refers to actual transactions in euro recorded at the point when ownership of the goods is transferred. The industrial producer export prices cover all industrial products exported directly by euro area producers to the extra-euro area market under sections B to E of NACE Revision 2. Exports from wholesalers and re-exports are not covered. The indices reflect the free on board price expressed in euro and calculated at the euro area frontier, including any indirect taxes except VAT and other deductible taxes. Industrial import prices and industrial producer export prices are available by Main Industrial Grouping as defined by Commission Regulation (EC) No 656/2007 of 14 June 2007. For more details, see Box 11 in the December 2008 issue of the Monthly Bulletin.

EXCHANGE RATES

Section 8.1 shows nominal and real effective exchange rate indices for the euro, which are calculated by the ECB on the basis of weighted averages of the euro's bilateral exchange rates against the currencies of the selected trading partners of the euro area. A positive change denotes an appreciation of the euro. Weights are based on trade in manufactured goods with those trading partners in the periods 1995-1997, 1998-2000, 2001-2003, 2004-2006 and 2007-2009 and are calculated to account for third-market effects. The EER indices are obtained by chain-linking the indicators based on each of these five sets of trade weights at the end of each three-year period. The base period of the resulting EER index is the first quarter of 1999. The EER-20 group of trading partners is composed of the 10 non-euro area EU Member States plus Australia, Canada, China, Hong Kong, Japan, Norway, Singapore, South Korea, Switzerland and the United States. The EER-40 group comprises the EER-20 plus the following countries: Algeria, Argentina, Brazil, Chile, Croatia, Iceland, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, the Philippines, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela. Real EERs are calculated using consumer price indices, producer price indices, gross domestic product deflators and unit labour costs, both for the manufacturing sector and for the total economy.

For more detailed information on the calculation of the EERs, see the relevant methodological note and ECB Occasional Paper No 134 ("Revisiting the effective exchange rates of the euro" by Martin Schmitz, Maarten De Clercq, Michael Fidora, Bernadette Lauro and Cristina Pinheiro, June 2012), which can be downloaded from the ECB's website.

The bilateral rates shown in Section 8.2 are monthly averages of those published daily as reference rates for these currencies. The most recent rate for the Icelandic krona is 290.0 per euro and refers to 3 December 2008.

DEVELOPMENTS OUTSIDE THE EURO AREA

Statistics on other EU Member States (Section 9.1) follow the same principles as data relating to the euro area. As a result, data on current and capital accounts and gross external debt include special-purpose vehicles. The data for the United States and Japan contained in Section 9.2 are obtained from national sources.

ANNEXES

CHRONOLOGY OF MONETARY POLICY MEASURES OF THE EUROSYSTEM[1]

13 JANUARY AND 3 FEBRUARY 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

3 MARCH 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 12 July 2011, notably to continue its fixed rate tender procedures with full allotment.

7 APRIL 2011

The Governing Council of the ECB decides to increase the interest rate on the main refinancing operations by 25 basis points to 1.25%, starting from the operation to be settled on 13 April 2011. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 2.00% and 0.50% respectively, both with effect from 13 April 2011.

5 MAY 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.25%, 2.00% and 0.50% respectively.

9 JUNE 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.25%, 2.00% and 0.50% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 11 October 2011, notably to continue its fixed rate tender procedures with full allotment.

7 JULY 2011

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

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

4 AUGUST 2011

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

8 SEPTEMBER 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.50%, 2.25% and 0.75% respectively.

6 OCTOBER 2011

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.50%, 2.25% and 0.75% respectively. It also decides on the details of its refinancing operations from October 2011 to 10 July 2012, notably to conduct two longer-term refinancing operations – one with a maturity of approximately 12 months in October 2011, and another with a maturity of approximately 13 months in December 2011 – and to continue to apply fixed rate tender procedures with full allotment in all of its refinancing operations. In addition, the Governing Council decides to launch a new covered bond purchase programme in November 2011.

3 NOVEMBER 2011

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 1.25%, starting from the operation to be settled on 9 November 2011. In addition, it decides to decrease the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 2.00% and 0.50% respectively, both with effect from 9 November 2011.

8 DECEMBER 2011

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 25 basis points to 1.00%, starting from the operation to be settled on 14 December 2011. In addition, it decides to decrease the interest rates on both the marginal lending facility and the deposit facility by 25 basis points, to 1.75% and 0.25% respectively, both with effect from 14 December 2011. It also decides to adopt further non-standard measures, notably: (i) to conduct two longer-term refinancing operations with a maturity of approximately three years; (ii) to increase the availability of collateral; (iii) to reduce the reserve ratio to 1%; and (iv) to discontinue, for the time being, the fine-tuning operations carried out on the last day of each maintenance period.

12 JANUARY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

9 FEBRUARY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also approves specific national eligibility criteria and risk control measures for the temporary acceptance in a number of countries of additional credit claims as collateral in Eurosystem credit operations.

8 MARCH, 4 APRIL AND 3 MAY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

6 JUNE 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 15 January 2013, notably to continue its fixed rate tender procedures with full allotment.

5 JULY 2012

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

2 AUGUST 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

6 SEPTEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively. It also decides on the modalities for undertaking Outright Monetary Transactions (OMTs) in secondary markets for sovereign bonds in the euro area.

4 OCTOBER AND 8 NOVEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

6 DECEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 9 July 2013, notably to continue its fixed rate tender procedures with full allotment.

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

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

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 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.

THE TARGET (TRANS-EUROPEAN AUTOMATED REAL-TIME GROSS SETTLEMENT EXPRESS TRANSFER) SYSTEM

TARGET2[1] is instrumental in promoting an integrated euro area money market, which is a prerequisite for the effective conduct of the single monetary policy. It also contributes to the integration of the euro area financial markets. TARGET2 is accessible to a large number of participants. Almost 1,000 banks in Europe use TARGET2 to initiate payments on their own behalf or on their customers' behalf. Taking into account branches and subsidiaries, almost 60,000 banks worldwide (and thus all of the customers of these banks) can be reached via TARGET2.

TARGET2 is used to make large-value and time-critical payments, including payments to facilitate settlement in other interbank funds transfer systems (e.g. Continuous Linked Settlement or EURO1), and to settle money market, foreign exchange and securities transactions. It is also used for smaller-value customer payments. TARGET2 provides intraday finality for transactions and allows the funds credited to a participant's account to be available immediately for other payments.

PAYMENT FLOWS IN TARGET2

In the first quarter of 2013 TARGET2 settled 22,321,754 transactions, with a total value of €122,916 billion. This corresponds to a daily average of 360,028 transactions, with an average daily value of €1,983 billion. It should be noted that in January 2013, in order to improve the quality of TARGET2 data, a new methodology was implemented for data collection and reporting. The change resulted in a decrease in the value-based indicators. This should be considered when comparing data from before and after the implementation date.

The highest level of TARGET2 traffic in this quarter was recorded on 28 March, when 535,874 payments were processed. With a market share of 59% in terms of volume and 91% in terms of value, TARGET2 maintained its dominant position in the market for large-value payments in euro. The size of TARGET2's market share confirms banks' strong interest in settlement in central bank money, particularly in times of market turbulence. Interbank payments accounted for 35% of total payments in terms of volume and 91% in terms of value in the first quarter of 2013. The average value of an interbank payment processed in the system was €14.2 million, while that of a customer payment was €0.8 million. 68% of payments had a value of less than €50,000, while 12% had a value of more than €1 million. On average, there were 224 payments per day with a value of more than €1 billion.

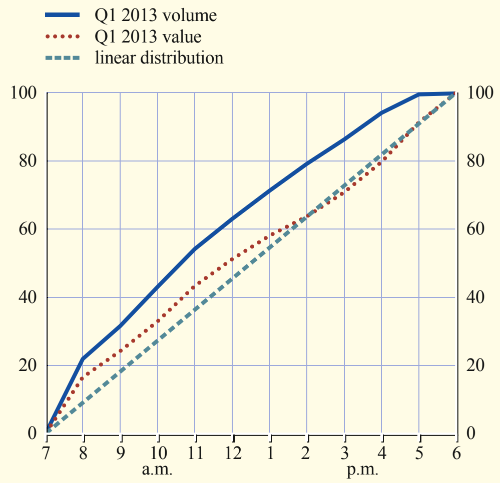
INTRADAY PATTERN OF VOLUMES AND VALUES

The chart shows the intraday distribution of TARGET2 traffic (i.e. the average percentages of daily volumes and values processed at different times of the day) for the first quarter of 2013. In volume terms, the curve is well above the linear distribution, with 71% of the volume exchanged by 1 p.m. CET and 99.7% exchanged by one hour before the system closes. In value terms, the curve is close to the linear distribution until the middle of the day, with around 58% of the value exchanged by 1 p.m. CET. The curve then moves slightly beneath the linear distribution, an indication that higher-value payments are settled towards the end of the TARGET2 business day.

1 TARGET2 is the second generation of TARGET and was launched in 2007.

Intraday pattern

(percentages)



Source: ECB.

TARGET2 AVAILABILITY AND BUSINESS PERFORMANCE

In the first quarter of 2013 TARGET2 achieved 100% availability. Incidents considered in the calculation of TARGET2's availability are those that completely prevent the processing of payments for ten minutes or more on TARGET2 business days between 7 a.m. and 6.45 p.m. CET. Since all payments were processed in less than five minutes in the first quarter of 2013, the expectations set for the system were met in full.

Table 1 Payment instructions processed by TARGET2 and EURO1: volume of transactions

(number of payments)

	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1
TARGET2					
Total volume	22,636,610	22,565,695	22,301,632	23,167,441	22,321,754
Daily average	359,311	363,963	343,102	361,991	360,028
EURO1 (EBA Clearing)					
Total volume	16,757,278	16,900,076	16,269,790	16,667,334	15,800,866
Daily average	257,804	272,582	250,304	260,427	254,853

Note: In January 2013 a new methodology was implemented for data collection and reporting. This should be considered when comparing data from before and after the implementation date.

Table 2 Payment instructions processed by TARGET2 and EURO1: value of transactions

(EUR billions)

	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1
TARGET2					
Total value	177,680	170,300	146,625	139,527	122,916
Daily average	2,820	2,747	2,256	2,180	1,983
EURO1 (EBA Clearing)					
Total value	17,215	16,099	15,289	12,988	12,794
Daily average	269	248	247	203	206

Note: See note to Table 1.

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.

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GLOSSARY

This glossary contains selected items that are frequently used in the Monthly Bulletin. A more comprehensive and detailed glossary can be found on the ECB's website (www.ecb.europa.eu/home/glossary/html/index.en.html).

Autonomous liquidity factors: liquidity factors that do not normally stem from the use of monetary policy instruments. Such factors are, for example, banknotes in circulation, government deposits with the central bank and the net foreign assets of the central bank.

Balance of payments (b.o.p.): a statistical statement that summarises, for a specific period of time, the economic transactions of an economy with the rest of the world.

Bank lending survey (BLS): a quarterly survey on lending policies that has been conducted by the Eurosystem since January 2003. It addresses qualitative questions on developments in credit standards, terms and conditions of loans and loan demand for both enterprises and households to a predefined sample group of banks in the euro area.

Borrowing requirement (general government): net incurrence of debt by the general government.

Break-even inflation rate: the spread between the yield on a nominal bond and that on an inflation-linked bond of the same (or as similar as possible) maturity.

Capital account: a b.o.p. account that covers all capital transfers and acquisitions/disposals of non-produced, non-financial assets between residents and non-residents.

Capital accounts: part of the system of national (or euro area) accounts consisting of the change in net worth that is due to net saving, net capital transfers and net acquisitions of non-financial assets.

Central parity (or central rate): the exchange rate of each ERM II member currency vis-à-vis the euro, around which the ERM II fluctuation margins are defined.

Compensation per employee or per hour worked: the total remuneration, in cash or in kind, that is payable by employers to employees, i.e. gross wages and salaries, as well as bonuses, overtime payments and employers' social security contributions, divided by the total number of employees or by the total number of employees' hours worked.

Consolidated balance sheet of the MFI sector: a balance sheet obtained by netting out inter-MFI positions (e.g. inter-MFI loans and deposits) in the aggregated MFI balance sheet. It provides statistical information on the MFI sector's assets and liabilities vis-à-vis residents of the euro area not belonging to this sector (i.e. the general government and other euro area residents) and vis-à-vis non-euro area residents. It is the main statistical source for the calculation of monetary aggregates, and it provides the basis for the regular analysis of the counterparts of M3.

Collateral: assets pledged or transferred in some form as a guarantee for the repayment of loans, as well as assets sold under repurchase agreements. Collateral used in Eurosystem reverse transactions must fulfil certain eligibility criteria.

Current account: a b.o.p. account that covers all transactions in goods and services, income and current transfers between residents and non-residents.

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

Debt (financial accounts): loans taken out by households, as well as the loans, debt securities and pension fund reserves (resulting from employers' direct pension commitments on behalf of their employees) of non-financial corporations, valued at market prices at the end of the period.

Debt (general government): the gross debt (currency and deposits, loans and debt securities) at nominal value outstanding at the end of the year and consolidated between and within the sectors of general government.

Debt security: a promise on the part of the issuer (i.e. the borrower) to make one or more payment(s) to the holder (the lender) on a specified future date or dates. Such securities usually carry a specific rate of interest (the coupon) and/or are sold at a discount to the amount that will be repaid at maturity. Debt securities issued with an original maturity of more than one year are classified as long-term.

Debt-to-GDP ratio (general government): the ratio of general government debt to GDP at current market prices. It is the subject of one of the fiscal criteria laid down in Article 126(2) of the Treaty on the Functioning of the European Union to define the existence of an excessive deficit.

Deficit (general government): the general government's net borrowing, i.e. the difference between total government revenue and total government expenditure.

Deficit-debt adjustment (general government): the difference between the general government deficit and the change in general government debt.

Deficit ratio (general government): the ratio of the general government deficit to GDP at current market prices. It is the subject of one of the fiscal criteria laid down in Article 126(2) of the Treaty on the Functioning of the European Union to define the existence of an excessive deficit. It is also referred to as the budget deficit ratio or the fiscal deficit ratio.

Deflation: a significant and persistent decline in the prices of a very broad set of consumer goods and services that becomes entrenched in expectations.

Deposit facility: a standing facility of the Eurosystem enabling eligible counterparties to make, on their own initiative, overnight deposits with the NCB in their respective jurisdiction. Deposits are remunerated at a pre-specified rate that normally provides a floor for overnight market interest rates.

Disinflation: a process of decelerating inflation that may lead to negative inflation rates of a temporary nature.

Direct investment: cross-border investment for the purpose of obtaining a lasting interest in an enterprise resident in another economy (assumed, in practice, for ownership of at least 10% of the ordinary shares or voting power). Included are equity capital, reinvested earnings and other capital associated with inter-company operations. The direct investment account records net transactions/positions in assets abroad by euro area residents (as "direct investment abroad") and net transactions/positions in euro area assets by non-residents (as "direct investment in the euro area").

Effective exchange rates (EERs) of the euro (nominal/real): weighted averages of bilateral euro exchange rates against the currencies of the euro area's main trading partners. The EER indices of the euro are calculated against different groups of trading partners: the EER-20 comprises the ten non-euro area EU Member States and ten trading partners outside the EU, and the EER-40 encompasses the EER-20 and 20 additional countries. The weights used reflect the share of each partner country in the euro area's trade in manufactured goods and account for competition in third markets. Real EERs are nominal EERs deflated by a weighted average of foreign, relative to domestic, prices or costs. They are thus measures of price and cost competitiveness.

Enhanced credit support: the non-standard measures taken by the ECB/Eurosystem during the financial crisis with a view to supporting financing conditions and credit flows above and beyond what could be achieved through reductions in key ECB interest rates alone.

EONIA (euro overnight index average): a measure of the effective interest rate prevailing in the euro interbank overnight market. It is calculated as a weighted average of the interest rates on unsecured overnight lending transactions denominated in euro, as reported by a panel of contributing banks.

Equities: securities representing ownership of a stake in a corporation, e.g. shares traded on stock exchanges (quoted shares), unquoted shares and other forms of equity. Equities usually produce income in the form of dividends.

ERM II (exchange rate mechanism II): the exchange rate arrangement that provides the framework for exchange rate policy cooperation between the euro area countries and the EU Member States not participating in Stage Three of EMU.

EURIBOR (euro interbank offered rate): the rate at which what is known as a prime bank is willing to lend funds (denominated in euro) to another prime bank. The EURIBOR is computed daily, based on the rates of a sample of selected banks, for different maturities of up to 12 months.

Euro area: the area formed by those EU Member States in which the euro has been adopted as the single currency in accordance with the Treaty on the Functioning of the European Union.

European Commission surveys: harmonised surveys of business and/or consumer sentiment conducted on behalf of the European Commission in each of the EU Member States. Such questionnaire-based surveys are addressed to managers in the manufacturing, construction, retail and services industries, as well as to consumers. From each monthly survey, composite indicators are calculated that summarise the replies to a number of different questions in a single indicator (confidence indicators).

Eurosystem: the central banking system made up of the ECB and the NCBs of those EU Member States whose currency is the euro.

Eurozone Purchasing Managers' Surveys: surveys of business conditions in manufacturing and in services industries conducted for a number of countries in the euro area and used to compile indices. The Eurozone Manufacturing Purchasing Managers' Index (PMI) is a weighted indicator calculated from indices of output, new orders, employment, suppliers' delivery times and stocks of purchases. The services sector survey asks questions on business activity, expectations of future business activity, the amount of business outstanding, incoming new business, employment, input prices and prices charged. The Eurozone Composite Index is calculated by combining the results from the manufacturing and services sector surveys.

External trade in goods: exports and imports of goods with countries outside the euro area, measured in terms of value and as indices of volume and unit value. External trade statistics are not comparable with the exports and imports recorded in the national accounts, as the latter include both intra-euro area and extra-euro area transactions, and also combine goods and services. Nor are they fully comparable with the goods item in b.o.p. statistics. Besides methodological adjustments, the main difference is that imports in external trade statistics are recorded including insurance and freight services, whereas they are recorded free on board in the goods item in the b.o.p. statistics.

Financial account: a b.o.p. account that covers transactions between residents and non-residents in direct investment, portfolio investment, other investment, financial derivatives and reserve assets.

Financial accounts: part of the system of national (or euro area) accounts showing the financial positions (stocks or balance sheets), financial transactions and other changes of the different institutional sectors of an economy by type of financial asset.

Financial vehicle corporation (FVC): an entity whose principal activity is to carry out securitisation transactions. An FVC typically issues marketable securities that are offered for sale to the general public, or sold in the form of private placements. These securities are backed by a portfolio of assets (typically loans) which are held by the FVC. In some cases, a securitisation transaction may involve a number of FVCs, where one FVC holds the securitised assets and another issues the securities backed by those assets.

Fixed rate tender: a tender procedure in which the interest rate is specified in advance by the central bank and in which participating counterparties bid the amount of money they wish to transact at the fixed interest rate.

Fixed rate full-allotment tender procedure: a tender procedure in which the interest rate is pre-specified by the central bank (fixed rate) and in which counterparties bid the amount of money they want to transact at that rate, knowing in advance that all their bids will be satisfied (full allotment).

General government: a sector defined in the ESA 95 as comprising resident entities that are engaged primarily in the production of non-market goods and services intended for individual and collective consumption and/or in the redistribution of national income and wealth. Included are central, regional and local government authorities as well as social security funds. Excluded are government-owned entities that conduct commercial operations, such as public enterprises.

Gross domestic product (GDP): the value of an economy's total output of goods and services less intermediate consumption, plus net taxes on products and imports. GDP can be broken down by output, expenditure or income components. The main expenditure aggregates that make up GDP are household final consumption, government final consumption, gross fixed capital formation, changes in inventories, and imports and exports of goods and services (including intra-euro area trade).

Gross external debt: the outstanding amount of an economy's actual (i.e. non-contingent) current liabilities that require payment of principal and/or interest to non-residents at some point in the future.

Harmonised Index of Consumer Prices (HICP): a measure of the development of consumer prices that is compiled by Eurostat and harmonised for all EU Member States.

Hourly labour cost index: a measure of labour costs, including gross wages and salaries (in cash and in kind, including bonuses) and other labour costs (employers' social contributions plus employment-related taxes paid by the employer minus subsidies received by the employer), per hour actually worked (including overtime).

Implied volatility: the expected volatility (i.e. standard deviation) in the rates of change of the price of an asset (e.g. a share or a bond). It can be derived from the asset's price, maturity date and exercise price of its options, as well as from a riskless rate of return, using an option pricing model such as the Black-Scholes model.

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

Index of negotiated wages: a measure of the direct outcome of collective bargaining in terms of basic pay (i.e. excluding bonuses) at the euro area level. It refers to the implied average change in monthly wages and salaries.

Industrial producer prices: factory-gate prices (transportation costs are not included) of all products sold by industry, excluding construction, on the domestic markets of the euro area countries, excluding imports.

Industrial production: the gross value added created by industry at constant prices.

Inflation: an increase in the general price level, e.g. in the consumer price index.

Inflation-indexed government bonds: debt securities issued by the general government, the coupon payments and principal of which are linked to a specific consumer price index.

Insurance corporations and pension funds: financial corporations and quasi-corporations that are engaged primarily in financial intermediation as the consequence of the pooling of risks.

International investment position (i.i.p.): the value and composition of an economy's outstanding net financial claims on (or financial liabilities to) the rest of the world.

International reserves: external assets readily available to and controlled by monetary authorities for directly financing or regulating the magnitude of payment imbalances through intervention in exchange markets. The international reserves of the euro area comprise non-euro-denominated claims on non-euro area residents, gold, special drawing rights and the reserve positions in the IMF which are held by the Eurosystem.

Investment funds (except money market funds): financial institutions that pool capital raised from the public and invest it in financial and non-financial assets. See also MFIs.

Job vacancies: a collective term covering newly created jobs, unoccupied jobs or jobs about to become vacant in the near future, for which the employer has recently taken active steps to find a suitable candidate.

Key ECB interest rates: the interest rates, set by the Governing Council, which reflect the monetary policy stance of the ECB. They are the rates at the main refinancing operations, on the marginal lending facility and on the deposit facility.

Labour force: the sum total of persons in employment and the number of unemployed.

Labour productivity: the output that can be produced with a given input of labour. It can be measured in several ways, but is commonly measured as GDP (volume) divided by either total employment or total hours worked.

Liquidity-absorbing operation: an operation through which the Eurosystem absorbs liquidity in order to reduce excess liquidity, or to create a shortage of liquidity. Such operations can be conducted by issuing debt certificates or fixed-term deposits.

Longer-term refinancing operation (LTRO): an open market operation with a maturity of more than one week that is executed by the Eurosystem in the form of a reverse transaction. The regular monthly operations have a maturity of three months. During the financial market turmoil that started in August 2007, supplementary operations with maturities ranging from one maintenance period to 36 months were conducted, the frequency of which varied.

M1: a narrow monetary aggregate that comprises currency in circulation plus overnight deposits held with MFIs and central government (e.g. at the post office or treasury).

M2: an intermediate monetary aggregate that comprises M1 plus deposits redeemable at a period of notice of up to and including three months (i.e. short-term savings deposits) and deposits with an agreed maturity of up to and including two years (i.e. short-term time deposits) held with MFIs and central government.

M3: a broad monetary aggregate that comprises M2 plus marketable instruments, in particular repurchase agreements, money market fund shares and units, and debt securities with a maturity of up to and including two years issued by MFIs.

Main refinancing operation (MRO): a regular open market operation executed by the Eurosystem in the form of reverse transactions. Such operations are carried out through a weekly standard tender and normally have a maturity of one week.

Marginal lending facility: a standing facility of the Eurosystem enabling eligible counterparties, on their own initiative, to receive overnight credit from the NCB in their jurisdiction at a pre-specified rate in the form of a reverse transaction. The rate on loans extended within the scope of the marginal lending facility normally provides an upper bound for overnight market interest rates.

MFI credit to euro area residents: MFI loans granted to non-MFI euro area residents (including general government and the private sector) and MFI holdings of securities (shares, other equity and debt securities) issued by non-MFI euro area residents.

MFI interest rates: the interest rates that are applied by resident credit institutions and other MFIs, excluding central banks and money market funds, to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area.

MFI longer-term financial liabilities: deposits with an agreed maturity of over two years, deposits redeemable at a period of notice of over three months, debt securities issued by euro area MFIs with an original maturity of more than two years and the capital and reserves of the euro area MFI sector.

MFI net external assets: the external assets of the euro area MFI sector (such as gold, foreign currency banknotes and coins, securities issued by non-euro area residents and loans granted to non-euro area residents) minus the external liabilities of the euro area MFI sector (such as non-euro area residents' deposits and repurchase agreements, as well as their holdings of money market fund shares/units and debt securities issued by MFIs with a maturity of up to and including two years).

MFIs (monetary financial institutions): financial institutions which together form the money-issuing sector of the euro area. These include (i) the Eurosystem, (ii) resident credit institutions (as defined in EU law), (iii) other financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or invest in securities, as well as electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money, and (iv) money market funds, i.e. collective investment undertakings that invest in short-term and low-risk instruments.

Minimum bid rate: the lower limit to the interest rates at which counterparties may submit bids in the variable tenders.

Open market operation: a financial market operation executed on the initiative of the central bank. These operations include reverse transactions, outright transactions as well as the issuance of fixed-term deposits or debt certificates or foreign exchange swaps. The open market operations can be liquidity providing or liquidity absorbing.

Other investment: an item in the b.o.p. and the i.i.p. that covers the financial transactions/positions with non-residents in trade credits, deposits and loans, and other accounts receivable and payable.

Portfolio investment: euro area residents' net transactions and/or positions in securities issued by non-residents of the euro area ("assets") and non-residents' net transactions and/or positions in securities issued by euro area residents ("liabilities"). Included are equity securities and debt securities (bonds and notes, and money market instruments). Transactions are recorded at the effective price paid or received, less commissions and expenses. To be regarded as a portfolio asset, ownership in an enterprise must be equivalent to less than 10% of the ordinary shares or voting power.

Price stability: as defined by the Governing Council, a year-on-year increase in the HICP for the euro area of below 2%. The Governing Council has also made it clear that, in the pursuit of price stability, it aims to maintain inflation rates below, but close to, 2% over the medium term.

Purchasing power parity (PPP): the rate at which one currency is converted into another so as to equalise the purchasing power of the two currencies by eliminating the differences in the price levels prevailing in the countries concerned. In their simplest form, PPPs show the ratio of the prices in national currency of the same good or service in different countries.

Reference value for M3 growth: the annual growth rate of M3 that is deemed to be compatible with price stability over the medium term.

Reserve requirement: the requirement for institutions to hold minimum reserves with the central bank over a maintenance period. Compliance with the requirement is determined on the basis of the average of the daily balances in the reserve accounts over the maintenance period.

Reverse transaction: an operation whereby the NCB buys or sells assets under a repurchase agreement or conducts credit operations against collateral.

Securitisation: a transaction or scheme whereby an asset or a pool of cash flow-producing assets, often consisting of loans (mortgages, consumer loans, etc.), is transferred from an originator (usually a credit institution) to a financial vehicle corporation (FVC). The FVC effectively converts these assets into marketable securities by issuing debt instruments with principal and interest serviced through the cash flows produced by the asset pool.

Survey of Professional Forecasters (SPF): a quarterly survey that has been conducted by the ECB since 1999 to collect macroeconomic forecasts on euro area inflation, real GDP growth and unemployment from a panel of experts affiliated to financial and non-financial organisations based in the EU.

Unit labour costs: a measure of total labour costs per unit of output calculated for the euro area as the ratio of total compensation per employee to labour productivity (defined as GDP (volume) per person employed).

Variable rate tender: a tender procedure where the counterparties bid both the amount of money they wish to transact with the central bank and the interest rate at which they wish to enter into the transaction.

Volatility: the degree of fluctuation in a given variable.

Write-down: a downward adjustment to the value of loans recorded in the balance sheets of MFIs when it is recognised that the loans have become partly unrecoverable.

Write-off: the removal of the value of loans from the balance sheets of MFIs when the loans are considered to be totally unrecoverable.

Yield curve: a graphical representation of the relationship between the interest rate or yield and the residual maturity at a given point in time for sufficiently homogenous debt securities with different maturity dates. The slope of the yield curve can be measured as the difference between the interest rates or yield at two selected maturities.

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