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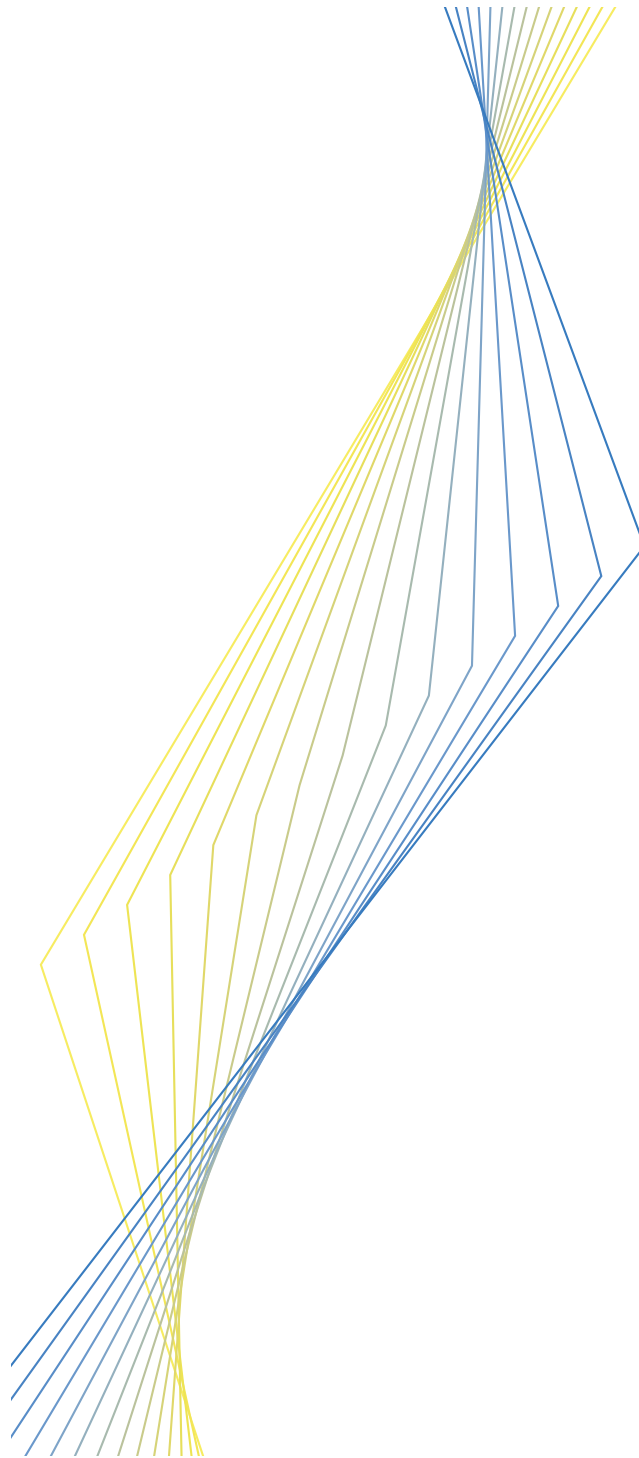
MONTHLY BULLETIN April 2002

**M O N T H L Y
B U L L E T I N**

April 2002



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Address	Kaiserstrasse 29 D-60311 Frankfurt am Main Germany
Postal address	Postfach 16 03 19 D-60066 Frankfurt am Main Germany
Telephone	+49 69 1344 0
Internet	http://www.ecb.int
Fax	+49 69 1344 6000
Telex	411 144 ecb d

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Abbreviations

Countries

BE	Belgium
DK	Denmark
DE	Germany
GR	Greece
ES	Spain
FR	France
IE	Ireland
IT	Italy
LU	Luxembourg
NL	Netherlands
AT	Austria
PT	Portugal
FI	Finland
SE	Sweden
UK	United Kingdom
JP	Japan
US	United States

Others

BIS	Bank for International Settlements
BPM5	IMF Balance of Payments Manual (5th edition)
CDs	certificates of deposit
c.i.f.	cost, insurance and freight at the importer's border
CPI	Consumer Price Index
ECB	European Central Bank
ECU	European Currency Unit
EER	effective exchange rate
EMI	European Monetary Institute
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
ILO	International Labour Organization
IMF	International Monetary Fund
MFIs	Monetary Financial Institutions
NACE Rev. 1	Statistical classification of economic activities in the European Community
NCBs	national central banks
PPI	Producer Price Index
repos	repurchase agreements
SITC Rev. 3	Standard International Trade Classification (revision 3)
ULCM	Unit Labour Costs in Manufacturing

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

Editorial

At its meeting on 4 April 2002, the Governing Council of the ECB decided to leave the minimum bid rate on the main refinancing operations of the Eurosystem unchanged at 3.25%. The interest rates on the marginal lending facility and the deposit facility were also left unchanged at 4.25% and 2.25% respectively. These decisions reflect the assessment that the current level of key ECB interest rates remains appropriate for the maintenance of price stability over the medium term.

Starting with the analysis under the first pillar of the monetary policy strategy of the ECB, the three-month average of the annual growth rates of M3 stood at 7.8% in the period from December 2001 to February 2002, compared with 8.0% in the period from November 2001 to January 2002. The high level of annual growth rates of M3 continues to reflect the past portfolio shifts to liquid positions. These shifts primarily occurred during autumn 2001, when the economic and financial environment was characterised by high uncertainty. In this respect, the weakening of the monetary dynamics in early 2002 may have provided an indication of a normalisation of monetary growth in the euro area.

Against this background and also taking into account the continued declining trend in the growth rate of loans to the private sector, the view that the information from the first pillar does not thus far point to risks to price stability continues to be valid. However, the persistence of excess liquidity in the economy could become a concern once the economic recovery in the euro area gathers pace.

As regards the second pillar, the trough in economic activity was in all likelihood reached at the end of last year. Further information received over the past few weeks, notably surveys on the services and manufacturing sectors, as well as financial market and other leading indicators, points to rising expectations of a recovery in the course of this year. While some uncertainty remains as regards the precise pattern of the recovery, not least in the context of a substantial increase in oil

prices, the latest evidence has strengthened expectations that real GDP growth rates in the euro area should again be in line with potential growth later this year.

Several factors should support the recovery. On the domestic side, a reversal of the past inventory drawdown is under way and real disposable income growth should benefit from the expected lower rates of inflation. In addition, financing conditions in the euro area are favourable. The stronger international environment is also expected to play a positive role by stimulating euro area exports. Thus, both domestic and external factors should foster investment. Finally, the positive outlook for the euro area economy is very much supported by sound domestic fundamentals and the absence of major imbalances which could impede economic growth.

As for price developments, while some volatility in annual inflation rates in early 2002 was anticipated, consumer price inflation is currently somewhat higher than was expected a few months ago, with the flash Eurostat estimate for March pointing to a figure of 2.5%. This is partly because oil prices have again risen significantly. If sustained, higher oil prices would also have an impact on inflation rates in the remainder of 2002. While inflation rates are expected to fall below 2% in the coming months, the decline may possibly be less pronounced than was foreseen, and inflation rates during this year could turn out to be somewhat higher than previously expected.

Beyond the shorter term, upward pressure on prices from aggregate demand should, in the light of current projections of a gradual economic recovery in the euro area, remain contained. In addition, the outlook for inflation is fundamentally dependent on wage moderation. Such moderation is important not only in order to contain risks to price stability but also to foster employment growth. In this respect, there is some cause for concern with regard to ongoing wage negotiations.

Turning to fiscal policies in the euro area, these can also contribute to the maintenance of a favourable outlook for non-inflationary growth. In this respect, it is vital that the commitments made to achieving balanced budgets by 2003-04 be firmly followed up in the Member States concerned. A continuation along the path of fiscal consolidation is essential, as is vigilance in ensuring strict adherence to the medium-term plans and a rigorous implementation of the procedures of the Stability and Growth Pact.

The expected recovery should be seen as an ideal opportunity to strengthen efforts towards implementing comprehensive structural reforms – in public expenditure and revenues and in the product, labour and financial markets. Heads of State and Government confirmed and emphasised these objectives during their recent meeting in

Barcelona. If implemented vigorously, such reforms could increase euro area growth potential and employment on a sustainable basis. Past improvements in the functioning of markets, together with wage moderation, have contributed to strong employment growth and a considerable reduction in unemployment. It is therefore clearly in the common interest of all countries to continue to rigorously implement the agenda agreed in Lisbon and recently confirmed in Barcelona.

This issue of the Monthly Bulletin contains three articles. The first article deals with the operation of automatic fiscal stabilisers in the euro area, the second analyses the role of the Eurosystem in payment and clearing systems, and the third describes forthcoming enhancements to the euro area money and banking statistics.

Economic developments in the euro area

I Monetary and financial developments

Monetary policy decisions of the Governing Council of the ECB

At its meeting on 4 April the Governing Council of the ECB decided to leave the minimum bid rate in the main refinancing operations, conducted as variable rate tenders, at 3.25%. The interest rates on the marginal lending facility and the deposit facility were also kept unchanged, at 4.25% and 2.25% respectively (see Chart 1).

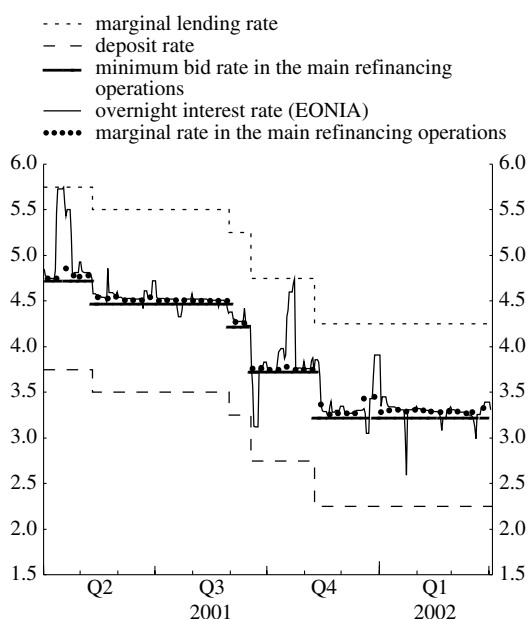
Moderation of M3 growth in February

The annual rate of M3 growth decreased to 7.4% in February 2002, from 7.9% the previous month. As a result, the three-month average of the annual growth rates of M3 declined from 8.0% in the period from November 2001 to January 2002 to 7.8% in the period from December 2001 to February 2002 (see Chart 2).

Chart 1

ECB interest rates and money market rates

(percentages per annum; daily data)

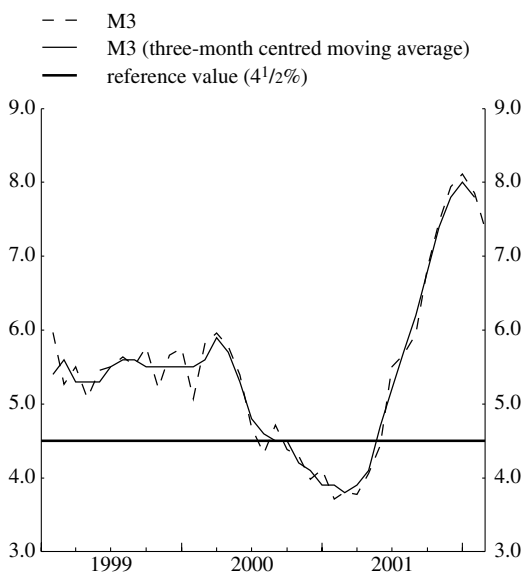


Sources: ECB and Reuters.

Chart 2

M3 growth and the reference value

(annual percentage changes; seasonally and calendar effect adjusted)



Source: ECB.

Note: Series adjusted for non-euro area residents' holdings of all negotiable instruments.

The annual rates of M3 growth have remained at high levels in the past few months, largely as a result of portfolio shifts into M3 during the months following the terrorist attacks in the United States, when uncertainty in financial markets led to a strong rise in the demand for short-term liquid assets. However, in January and February 2002, the shorter-term dynamics of M3 moderated significantly. In February, the month-on-month rate of growth in M3 was nil, while the six-month annualised rate of growth declined to 6.9%, from 8.6% in January and 9.2% in December 2001. While short-term developments in monetary data should not be overemphasised, the weakening of the monetary dynamics may be interpreted as providing an indication of an ongoing normalisation of monetary growth in the euro area, in line with the steepening of the yield curve and the gradual diminishing of the exceptionally high degree of uncertainty in international stock markets.

Overall, the latest data seem to support the assessment that the strong dynamics of M3 in late 2001 were related to temporary factors in a context of exceptionally high uncertainty worldwide. Consequently, the substantial build-up of liquidity at the time does not thus far seem to indicate risks to price stability. The assessment of low inflationary risks arising from current monetary developments is supported by the continuation of the declining trend in the growth rate of loans to the private sector, which started at the end of 2000. However, excess liquidity in the economy could become a concern at a time of economic recovery in the euro area. Therefore, if a further reversal of the substantial past build-up of liquidity is not observed in the months to come, a reassessment of monetary developments may be required.

The slowdown in M3 recorded in February was determined by weaker growth across all main components. The annual rate of change in currency in circulation fell to -28.5% in February, from -27.2% the previous month (see Table I). At the same time, the annual growth of overnight deposits fell from 13.1% in January to 12.9% in February. As a result, the annual growth rate of the narrow

monetary aggregate M1 declined to 6.0% in February, down from 6.4% the previous month. The developments in currency in circulation in February were significantly affected by factors associated with the dual circulation phase, which suggests that they should be interpreted with a high degree of caution. The reduction in currency holdings in February was probably driven by a further flowback of banknotes from abroad and the continuing de-hoarding of euro legacy currencies by domestic residents who, in addition, may have opted to economise on their holdings of euro banknotes. Overall, it would be premature to draw firm conclusions on the future developments in currency in circulation on the basis of developments in the dual circulation period, during which agents were involved in a process of adjustment and adaptation to the new banknotes and coins.

Turning to the other components of M3, the annual rate of growth of short-term deposits other than overnight deposits declined from 6.9% in January to 6.4% in February. This reflected a fall in the annual growth rate of deposits with an agreed maturity of up to two years, from 4.0% in January to 2.4% in February. By contrast, the annual rate of

Table I
Summary table of monetary variables for the euro area

(annual percentage changes; quarterly averages)

	2001 Q2	2001 Q3	2001 Q4	2001 Nov.	2001 Dec.	2002 Jan.	2002 Feb.
<i>Seasonally and calendar effect adjusted</i>							
M1	2.5	3.8	5.4	5.9	5.4	6.4	6.0
<i>of which: currency in circulation</i>	-3.2	-7.5	-18.5	-19.4	-32.3	-27.2	-28.5
<i>of which: overnight deposits</i>	3.7	6.1	10.3	11.1	13.0	13.1	12.9
M2 - M1 (= other short-term deposits)	4.4	4.9	5.8	5.8	7.2	6.9	6.4
M2	3.5	4.4	5.7	5.9	6.3	6.7	6.2
M3 - M2 (= marketable instruments)	10.3	16.3	20.9	21.9	19.7	15.6	14.8
M3	4.4	5.9	7.6	7.9	8.1	7.9	7.4
<i>Unadjusted for seasonal and calendar effects</i>							
Longer-term financial liabilities (excluding capital and reserves)	3.1	2.2	2.8	3.2	3.4	2.9	2.9
Credit to euro area residents	5.4	5.6	5.2	5.4	5.3	5.3	5.2
Credit to general government	-5.3	-1.9	-0.5	-0.0	0.1	1.7	2.2
<i>of which: loans to general government</i>	-1.3	-1.4	-0.8	-0.3	-1.1	-1.8	-0.8
Credit to other euro area residents	8.8	7.8	6.9	6.9	6.8	6.3	6.0
<i>of which: loans to the private sector</i>	8.2	7.4	6.5	6.6	6.1	5.7	5.6

Source: ECB.

growth of deposits redeemable at a period of notice of up to three months increased from 8.9% in January to 9.7% in February.

Finally, the annual rate of growth of marketable instruments declined from 15.6% in January to 14.8% in February. The slowdown in marketable instruments may be interpreted as a sign of the past portfolio shifts into M3 having come to a halt and of them possibly beginning to be reversed.

The annual rate of growth of loans to the private sector moderated slightly

The annual rate of growth of credit to euro area residents stood at 5.2% in February, almost unchanged from the previous month. However, the broad stability of the growth rate of this aggregate masked the different developments in its main components. On the one hand, the annual growth rate of credit to general government continued to increase and reached 2.2% in February 2002, compared with 1.7% in January. On the other hand, the annual growth rate of credit to the private

sector declined again in February, to 6.0%, from 6.3% in January (see Table I). The annual growth rate of loans to the private sector was 5.6%, also lower than in January. However, the decline in the annual growth rate of loans to the private sector has slowed somewhat in the last few months, which might reflect the fact that the economic slowdown has come to an end, while financing conditions have remained favourable.

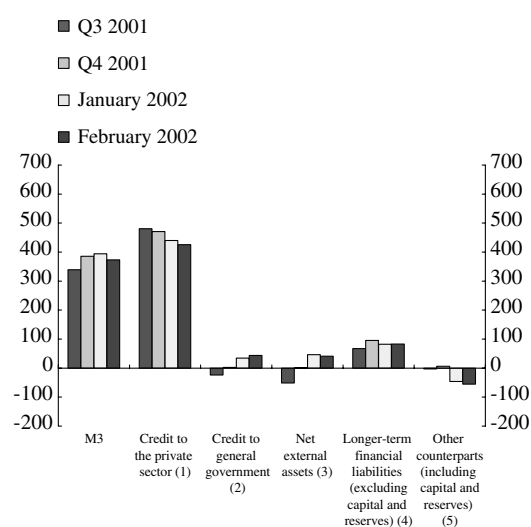
The annual rate of growth of MFIs' longer-term financial liabilities (excluding capital and reserves) stood at 2.9% in February. After reaching a low in August 2001, growth in this item recovered during the rest of the year. However, despite the steepening yield curve, this recovery seems to have been interrupted in recent months. This may be related to both investors' concerns about future ratings of MFI longer-term debt securities and relatively limited funding needs by MFIs (see the following section).

Finally, the net external asset position of the euro area MFI sector decreased in February for the third month in a row, by €15.3 billion in non-seasonally adjusted terms. Over the 12 months up to February, the net external assets of the euro area MFI sector increased by €41.0 billion, compared with €46.5 billion in the 12 months up to January (see Chart 3).

Chart 3

Movements in M3 and its counterparts

(annual flows, end of period; EUR billions; not adjusted for seasonal and calendar effects)



Source: ECB.

Note: Series adjusted for non-euro area residents' holdings of all negotiable instruments.

M3 = 1 + 2 + 3 - 4 + 5

Debt securities issuance increased further in January

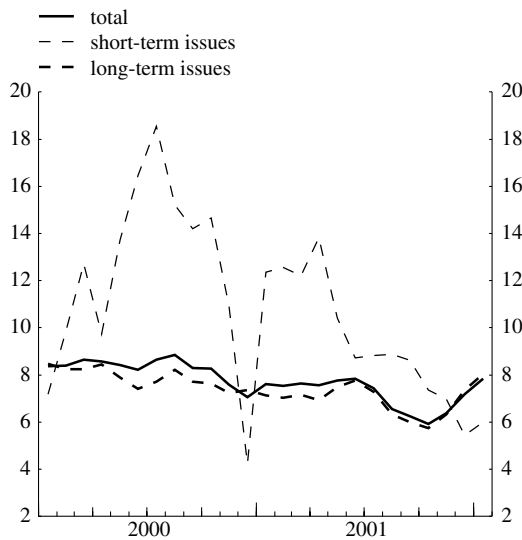
The annual growth of the amount outstanding of debt securities issued by euro area residents increased further in January 2002, to 7.8%, from 7.2% in December 2001. Underlying this was an increase in January 2002 in the annual growth rate of the amount outstanding of both long-term and short-term debt securities by 0.6 percentage points each, to 8.0% and 6.0%, respectively (see Chart 4).

The currency breakdown shows that the annual growth of the amount outstanding of euro-denominated debt securities issued by

Chart 4

Amounts outstanding of debt securities issued by euro area residents

(annual percentage changes)



Source: ECB.

Note: From January 2001, euro area data include Greece. For reasons of comparability, annual growth rates before January 2001 use data for the euro area plus Greece.

euro area residents increased from 6.5% in December 2001 to 7.1% in January 2002. At the same time, the share of euro-denominated debt securities in total gross issuance by euro area residents was 94.9% in January 2002, up significantly from 92.7% in the previous month.

As regards the sectoral breakdown of euro-denominated debt securities issuance, the annual growth of the amount outstanding of debt securities issued by MFIs declined from 5.6% in December 2001 to 5.0% in January 2002. This may have been related to reduced demand on the part of investors in an environment marked by a downgrading of MFI debt securities, mainly mortgage bonds. At the same time, a widening of the spreads of the yields on these securities over government bond yields did not take place, possibly in connection with a reduced supply from the side of MFIs which may have reflected rather limited funding needs owing to a relatively strong growth of short-term deposits, together with subdued loan demand (see Table 1).

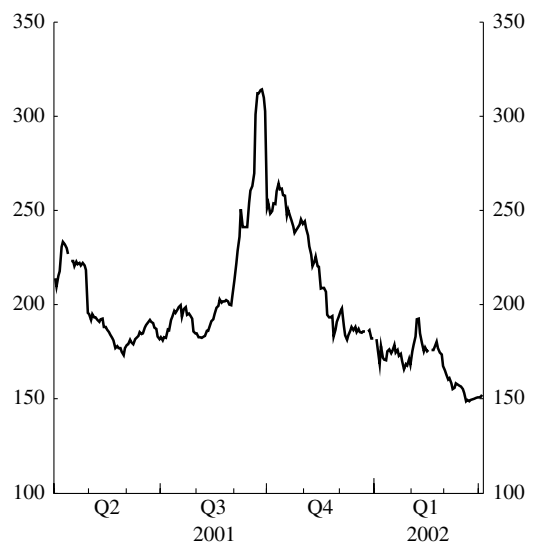
The annual growth of the amount outstanding of debt securities issued by non-financial corporations increased from 18.0% in December 2001 to 20.5% in January 2002. The strong debt securities issuance activity by this sector, together with the declining pattern both in the annual growth rate of MFI loans granted to euro area non-financial corporations at the end of 2001 and, on account of subdued profits, in internal sources of corporate finance, suggests that there was some substitution of various sources of corporate finance in favour of corporate bonds. Moreover, corporate bond spreads narrowed substantially after September 2001, and this may also have encouraged corporations to issue more bonds. For instance, long-term BBB-rated corporate bond spreads narrowed by around 100 basis points between September 2001 and January 2002 (see Chart 5).

The annual growth in the amount outstanding of debt securities issued by non-monetary financial corporations remained high, increasing from 41.2% in December 2001 to 42.5% in January 2002. The buoyant issuance

Chart 5

Corporate bond spreads in the euro area

(in basis points; daily data; BBB rating)



Sources: Bloomberg and ECB calculations.

Note: Corporate bond spreads are calculated as the difference between seven to ten-year corporate bond yields and seven to ten-year government bond yields.

activity by this sector, which include special-purpose vehicles (SPVs) (e.g. subsidiary companies whose operations are limited to the acquisition and financing of specific assets) may be explained, inter alia, by the growing importance of asset securitisation in the euro area.

Turning to the general government sector, the annual growth of the amount outstanding of debt securities issued by central government increased significantly, from 2.8% in December 2001 to 4.0% in January 2002, reflecting less favourable budgetary developments for the euro area. At the same time, the annual growth rate of the amount outstanding of debt securities issued by other general government remained very high, increasing from 23.1% in December 2001 to 24.5% in January 2002.

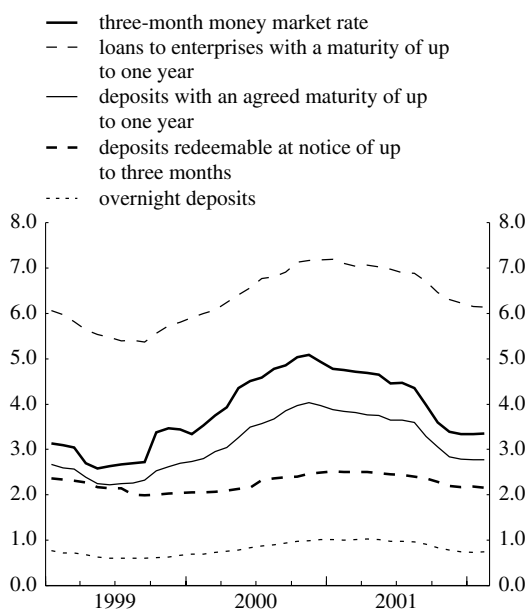
Stable short-term and rising long-term retail bank interest rates in February

Short-term retail bank interest rates changed little in January and February 2002, reflecting the broad stability of short-term market interest rates after the turn of the year (see Chart 6). However, by February 2002, many short-term retail bank interest rates were considerably lower than at the start of 2001. For example, the average interest rates on deposits with an agreed maturity of up to one year and on short-term loans to enterprises had declined by more than 100 basis points, only slightly less than the decrease of around 140 basis points in three-month money market interest rates during this period. By contrast, the average interest rate on overnight deposits and deposits redeemable at notice of up to three months declined significantly less between the start of 2001 and February 2002, reflecting the overall sluggish adjustment of these interest rates to changes in market conditions.

Long-term retail bank interest rates increased by around 10 basis points in February 2002, as compared with January 2002, following the

Chart 6
Short-term retail bank interest rates and a comparable market rate

(percentages per annum; monthly averages)



Sources: ECB aggregation of individual country data and Reuters.

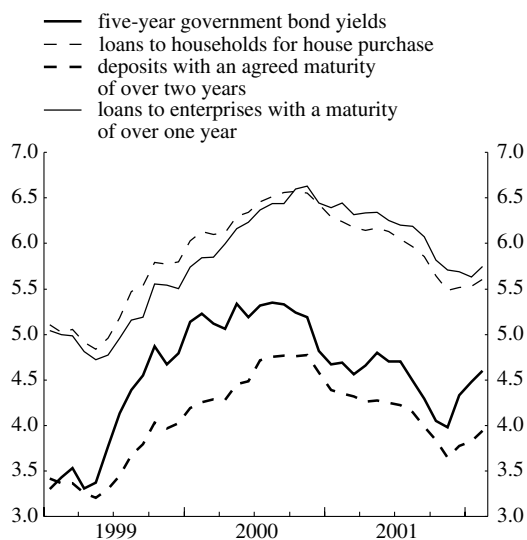
Note: From 1 January 2001, data include Greece.

rise in government bond yields that has taken place since late 2001 (see Chart 7). Between November 2001, when government bond yields started to rise, and February 2002, the average five-year government bond yield rose by around 60 basis points. Over the same period, the average interest rates on long-term loans to enterprises and on loans to households for house purchase, however, increased by only around 5 and 10 basis points respectively. As a result of this bank lending rate stickiness, the spread between long-term retail bank lending rates and government bond yields narrowed substantially in February 2002. This development may partly have reflected a decrease in the perception of credit risk, as evidenced by the narrowing of lower-quality investment-grade corporate bond spreads (see Chart 5).

At the same time, the average interest rate on deposits with an agreed maturity of over two years increased by around 30 basis points

Chart 7
Long-term retail bank interest rates and a comparable market rate

(percentages per annum; monthly averages)



Sources: ECB aggregation of individual country data and Reuters.
 Note: From 1 January 2001, data include Greece.

between November 2001 and February 2002, suggesting that developments in capital market interest rates were quickly passed through to long-term time deposit rates.

Money market interest rates increased in March

After remaining practically stable in the course of February, money market interest rates resumed their increasing trend in March. This rise was more pronounced at the longer maturities, with the consequence that the (positive) slope of the money market yield curve steepened significantly. Moreover, short-term interest rates implied in futures prices also increased during this period.

The overnight interest rate, as measured by the EONIA, fluctuated around levels slightly above the minimum bid rate of 3.25% in the Eurosystem’s main refinancing operations in the period between end-February and 3 April 2002. It only underwent some volatility at the end of the maintenance period on 23 March (see Box 1) and, due to

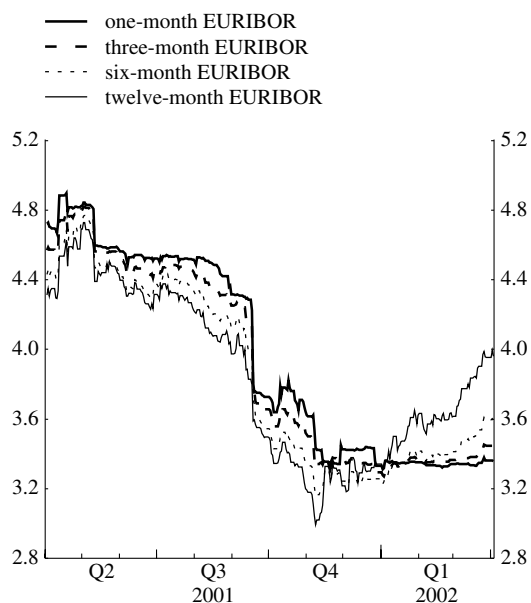
the usual end-of-quarter effect in response to financial institutions adjusting their balance sheets, on 28 March 2002.

The marginal and average rates of allotment in the Eurosystem’s main refinancing operations settled in March and early April 2002 were only slightly above the minimum bid rate applicable to these operations for most of the time. The two-week money market rates remained stable and slightly above the minimum bid rate in the period between end-February and 3 April.

The one-month and three-month EURIBOR increased by 2 and 7 basis points respectively between the end of February and 3 April, to stand at 3.36% and 3.44% on the latter date (see Chart 8). The marginal and average interest rates in the Eurosystem’s longer-term refinancing operation settled on 28 March were close to the then prevailing three-month EURIBOR, at 3.40% and 3.42% respectively. This was 8 and 9 basis points higher than the corresponding rates in the longer-term refinancing operation settled on 28 February.

Chart 8
Short-term interest rates in the euro area

(percentages per annum; daily data)



Source: Reuters.

Box**Monetary policy operations and liquidity conditions in the reserve maintenance period ending on 23 March 2002**

During the reserve maintenance period under review, the Eurosystem settled four main refinancing operations (MROs) and one longer-term refinancing operation (LTRO).

Regular monetary policy operations

(EUR billions; interest rates in percentages per annum)

Operation	Date of settlement	Date of maturity	Bids (amount)	Allotment (amount)	Bid-cover ratio	Number of participants	Minimum bid rate	Marginal rate	Weighted average rate
MRO	27/02/2002	13/03/2002	127.0	51.0	2.5	350	3.25	3.29	3.30
MRO	06/03/2002	18/03/2002	127.2	67.0	1.9	378	3.25	3.29	3.30
MRO	13/03/2002	27/03/2002	90.4	41.0	2.2	341	3.25	3.27	3.28
MRO	18/03/2002	04/04/2002	107.6	69.0	1.6	309	3.25	3.28	3.29
LTRO	28/02/2002	30/05/2002	47.0	20.0	2.4	210	-	3.32	3.33

Source: ECB.

The marginal and the weighted average rates of the MROs moved in narrow bands of 3.27% to 3.29% and 3.28% to 3.30% respectively, while the spread between the two rates was only 1 basis point in all four MROs. The bid-cover ratio varied between 1.6 and 2.5.

For most of the maintenance period, the EONIA stood at around 3.30%. Towards the end of the period, as liquidity conditions were perceived as ample, the EONIA declined to levels below the minimum bid rate and reached 2.99% on Thursday, 21 March. However, on Friday, 22 March, the last business day of the maintenance period, the EONIA increased again to 3.26%, as market participants gradually realised that the liquidity situation was, in fact, almost neutral.

The maintenance period ended with net recourse of €0.6 billion to the deposit facility, reflecting a net recourse of €0.3 billion to the deposit facility on Friday, 22 March, which also accumulated on Saturday, 23 March. Excess reserves amounted to €0.8 billion (the difference between average current accounts of

Contributions to the banking system's liquidity

(EUR billions)

Daily average during the reserve maintenance period from 24 February 2002 to 23 March 2002

	Liquidity providing	Liquidity absorbing	Net contribution
(a) Monetary policy operations of the Eurosystem	174.8	0.1	+ 174.7
Main refinancing operations	114.6	-	+ 114.6
Longer-term refinancing operations	60.0	-	+ 60.0
Standing facilities	0.2	0.1	+ 0.1
Other operations	-	-	0.0
(b) Other factors affecting the banking system's liquidity	386.7	429.3	- 42.6
Banknotes in circulation	-	283.3	- 283.3
Government deposits with the Eurosystem	-	54.2	- 54.2
Net foreign assets (including gold)	386.7	-	+ 386.7
Other factors (net)	-	91.8	- 91.8
(c) Credit institutions' holdings on current accounts with the Eurosystem (a) + (b)			132.1
(d) Required reserves			131.3

Source: ECB.

Note: Totals may not add up due to rounding.

€132.1 billion and average minimum reserve requirements of €131.3 billion). This slightly higher than usual level of excess reserves probably reflected the fact that the maintenance period ended on a Saturday.

For the maintenance period under review, the net liquidity-absorbing impact of the autonomous factors, i.e. the factors not related to monetary policy operations (item (b) of the table above), on the banking system's liquidity was €42.6 billion on average. The estimates of average liquidity needs stemming from autonomous factors, published together with the tender announcements, ranged between €35.8 billion and €48.1 billion. The largest deviation between the published estimate and the actual figure of €1.7 billion occurred in the middle of the maintenance period. The decline in deviations compared with the previous maintenance period, in which the largest deviation amounted to €7.8 billion, illustrates that the difficulties in predicting the amount of banknotes in circulation, stemming from the cash changeover, were no longer significant in this maintenance period.

The six-month and the twelve-month EURIBOR increased by 18 and 35 basis points respectively in the period between end-February and 3 April, to stand at 3.59% and 3.96% on the latter date. The slope of the money market yield curve, as measured by the difference between the twelve-month and the one-month EURIBOR, thus steepened significantly, from 27 to 60 basis points in the period under review.

The expected path of the three-month EURIBOR, as implied in the futures prices on contracts with delivery dates in 2002, also rose significantly in the course of March. In the period between end-February and 3 April, the rates implied in futures prices on contracts with delivery dates in June, September and December 2002 increased by 18, 32 and 40 basis points respectively, to stand at 3.61%, 3.95% and 4.32% on 3 April.

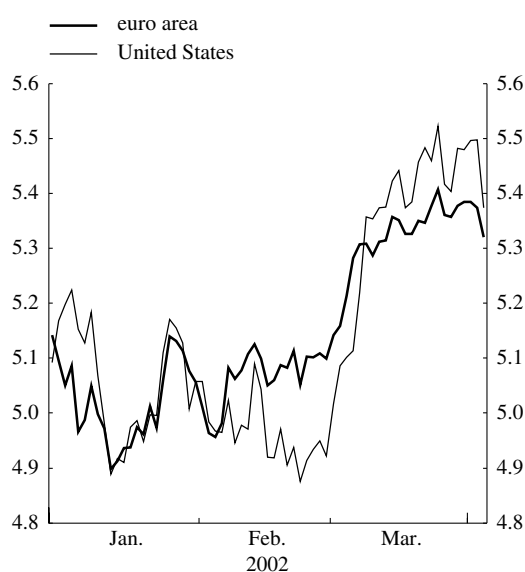
Long-term government bond yields increased significantly in March

Reflecting improving growth expectations, average ten-year government bond yields in the euro area increased by around 20 basis points between 28 February and 3 April, to around 5.3% on the latter date (see Chart 9). In the United States, ten-year government bond yields increased by around 45 basis points between 28 February and 3 April, to stand at around 5.4% on the latter date. As a result, the spread between ten-

year government bond yields in the United States and the euro area became positive again, standing at around 5 basis points on 3 April.

In the United States, bond yields increased across the entire maturity spectrum, but most significantly at the short end of the yield curve. The main driving force behind the substantial increase in interest rates was a

Chart 9
Long-term government bond yields in the euro area and the United States
(percentages per annum; daily data)



Source: Reuters.

Notes: Long-term government bond yields refer to ten-year bonds or to the closest available bond maturity. From 1 January 2001 onwards, euro area data include Greece.

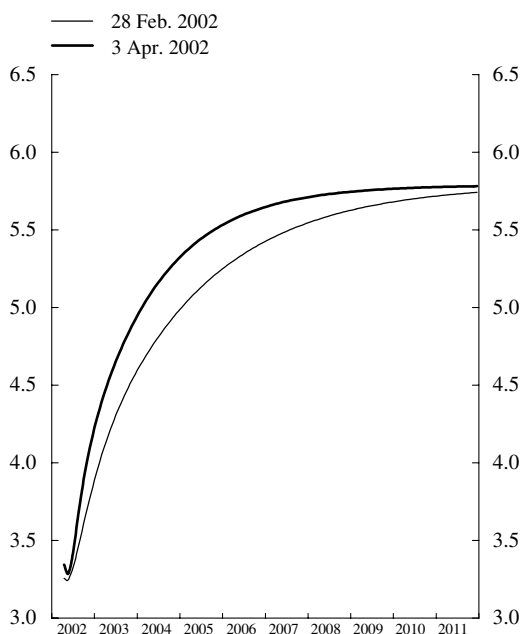
positive reassessment among market participants of the short-term economic growth outlook. The less pessimistic statement of the Federal Reserve System after the Federal Open Market Committee meeting on 19 March might have contributed to this reassessment. The change in market participants' views was reflected in a notable steepening of the slope of the yield curve at the short end. For instance, the spread between two-year and three-month interest rates increased by around 55 basis points between 28 February and 3 April. Apart from an expected cyclical upswing and a commensurate expectation of increasing short-term interest rates, market expectations for long-term growth prospects were also revised slightly upwards, as evidenced by the small increase in the ten-year index-linked bond yield over the same period. At the same time, market participants' long-term inflation expectations also increased. In particular, the ten-year breakeven inflation rate derived from the difference between ten-year nominal yields and ten-year index-linked yields increased by about 45 basis points between 28 February and 3 April. Uncertainty about future developments in long-term US bond yields – as reflected in the implied volatility derived from the prices of options on Treasury futures contracts – increased slightly between end-February and 3 April, from 7.6% to 8.2% on the latter date.

In Japan, ten-year government bond yields declined by about 15 basis points between 28 February and 3 April, to around 1.4%. Bond yields came under downward pressure during March, following the Bank of Japan's announcement in late February that it would increase its outright purchases of long-term government bonds from JPY 800 billion to JPY 1 trillion per month.

In the euro area, as in the United States, the largest increases in bond yields were recorded at the short end of the yield curve. As three-month interest rates remained broadly unchanged during March, the slope of the yield curve between two-year and

Chart 10
Implied forward euro area overnight interest rates

(percentages per annum; daily data)



Source: ECB estimation.

Note: The implied forward yield curve, which is derived from the term structure of interest rates observed in the market, reflects the market expectation of future levels for short-term interest rates. The method used to compute these implied forward yield curves was outlined on page 26 of the January 1999 issue of the Monthly Bulletin. The data used in the estimation are derived from swap contracts.

three-month interest rates steepened by around 25 basis points between end-February and 3 April. At the same time, the slope between ten-year and two-year rates flattened slightly. The developments in the yield curve in March suggested that market participants raised their expectations for higher short-term interest rates. This changing view was also reflected in a bulging of the shape of the implied forward overnight interest rate curve for the euro area, notably at medium-term maturities, between end-February and 3 April (see Chart 10).

Developments in euro area bond markets in March seemed to have been partly due to the emergence of a more optimistic assessment among market participants of the short-term economic growth outlook in the euro area in an environment of waning uncertainty about future economic developments. This

interpretation is supported by developments in the implied bond market volatility of ten-year German government bonds derived from the prices of options on Bund futures contracts and by the slight increase in ten-year index-linked bond yields between end-February and 3 April. In addition, inflation expectations picked up, with the break-even inflation rate extracted from French index-linked bonds linked to the euro area HICP excluding tobacco increasing by around 20 basis points between end-February and 3 April. However, it should be noted that the possible existence of time-varying risk premia, as well as a number of other well known caveats, complicate the interpretation of trends in index-linked bond yields and break-even inflation rates (see the box entitled “Deriving long-term euro area inflation expectations from the index-linked bonds issued by the French Treasury” on page 16 of the February 2002 issue of the Monthly Bulletin).

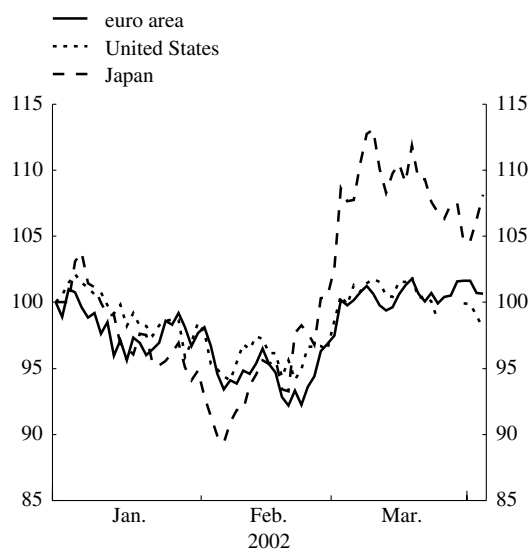
Stock prices increased slightly amid declining volatility in March

In an environment of improving expectations for global economic growth, stock prices in the euro area, the United States and Japan, as measured by the Dow Jones EURO STOXX, the Standard and Poor’s 500 and the Nikkei 225 indices respectively, all increased between end-February and 3 April 2002 (see Chart 11). At the same time, the degree of uncertainty among market participants, as measured by implied stock price volatility, derived from options on the Dow Jones EURO STOXX 50 index for the euro area and from the aforementioned indices for the United States and Japan, declined over the same period (see Chart 12).

In the United States, the Standard and Poor’s 500 index increased by around 1% between end-February and 3 April 2002. The limited overall increase in stock prices concealed some significant swings over the course of the period. At the beginning of March, a series of better than expected economic data

Chart 11
Stock price indices in the euro area, the United States and Japan

(index: 1 January 2002 = 100; daily data)

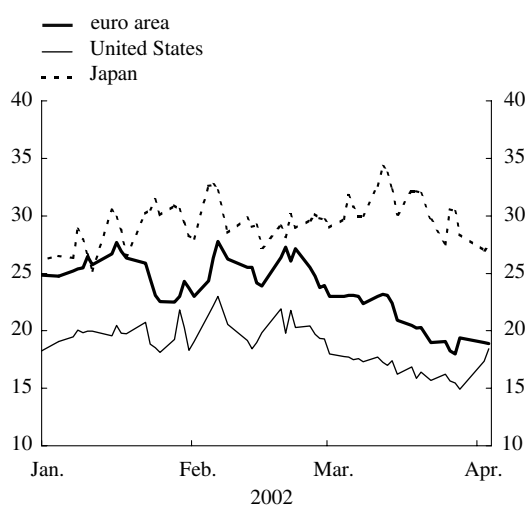


Source: Reuters.

Notes: Dow Jones EURO STOXX broad (stock price) index for the euro area, Standard & Poor’s 500 for the United States and Nikkei 225 for Japan. From 1 January 2001, euro area data include Greece.

Chart 12
Implied stock market volatility in the euro area, the United States and Japan

(percentages per annum; daily data)



Source: Bloomberg.

Note: The implied volatility series reflect the expected standard deviation of percentage stock price changes 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.

releases, as well as a market perception that the US Federal Reserve System seemed to be increasingly convinced that a recovery in economic growth was under way, fuelled more optimistic expectations in the markets. Thereafter, concerns about possible short-term interest rate increases in the near term, as well as weaker than expected earnings announcements from a variety of companies, had a negative overall impact on stock prices. Implied stock price volatility, as derived from options on the Standard & Poor's 500 index, dropped to a level of around 3 percentage points below the average for the last two years.

The Nasdaq Composite Index, which has a large share of technology stocks, recorded an increase of around 3% between end-February and 3 April 2002. This seemed to reflect improved expectations on the part of market participants with regard to companies' earnings in this sector, which was the sector most affected at the beginning of the year by concerns about the reliability of disclosed corporate earnings.

In Japan, the Nikkei 225 index rose by almost 5% between end-February and 3 April 2002. The increase in stock prices seemed to reflect an improved outlook for Japanese exporters, prompted by favourable macroeconomic news relating to the economic recovery in the United States. At the same time, the approach of the end of the Japanese fiscal year may have supported stock prices. However, perceptions that the Japanese

government might postpone structural reforms seemed to weigh on the level of stock prices towards the end of March. In this environment, implied stock price volatility, as derived from options on the Nikkei 225 index, declined by around 2 percentage points between end-February and 3 April 2002, to stand at a level close to the average for the last two years on the latter date.

In the euro area, the Dow Jones EURO STOXX index increased by 4% between end-February and 3 April 2002. This seemed to reflect market participants' improved expectations for the euro area economic outlook, supported by several macroeconomic data releases. On a sectoral basis, those sub-sectors that seemed to be more sensitive to the economic cycle and that were most largely affected by declines in stock prices in January and most of February, notably the financial, industrial, technology and consumer cyclical sectors, recorded the most significant increases in March 2002. The automobile sector, in particular, was buoyed by market forecasts of stronger car sales over the next two years, while the telecommunications sector was positively affected by announcements of debt reductions from companies in the sector. In this environment, implied stock price volatility, as derived from the Dow Jones EURO STOXX 50 index, declined significantly between end-February and 3 April 2002, to a level almost 6 percentage points lower than the average for the last two years.

2 Price developments

HICP inflation fell in February 2002 as expected, but March data do not indicate a further decline

The annual rate of HICP inflation in the euro area, which rose in January 2002 to 2.7% as a result of special factors, fell back to 2.4% in February 2002, in line with expectations (see Table 2). This decline was mainly due to a fall in the year-on-year rates of change in the volatile components of the HICP, unprocessed food and energy, while the rate of increase in processed food prices also edged down. The annual rate of change in the HICP excluding unprocessed food and energy

prices was unchanged at 2.6% in February 2002. Owing to recent increases in the price of oil on world markets it is likely that inflation did not continue to fall in March 2002, as reflected in the early estimate published by Eurostat, which puts the HICP inflation rate at 2.5%. However, there is as yet no detailed information on the HICP for March, so this section will focus primarily on developments up to and including February, while concluding with some forward-looking considerations.

After having risen strongly in January 2002, largely as a result of poor weather conditions,

Table 2
Price and cost developments in the euro area

(annual percentage changes, unless otherwise indicated)

	1999	2000	2001	2001	2001	2001	2002	2001	2001	2001	2002	2002	2002
				Q2	Q3	Q4	Q1	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Harmonised Index of Consumer Prices (HICP) and its components													
Overall index ¹⁾	1.1	2.3	2.5	3.1	2.5	2.2	.	2.4	2.1	2.0	2.7	2.4	2.5
<i>of which:</i>													
Goods	0.9	2.7	2.5	3.5	2.4	1.8	.	2.1	1.6	1.7	2.5	2.1	.
Food	0.6	1.4	4.6	5.0	5.2	4.8	.	5.2	4.6	4.7	5.6	4.9	.
Processed food	0.9	1.1	2.9	2.8	3.4	3.5	.	3.5	3.5	3.5	3.8	3.3	.
Unprocessed food	0.0	1.7	7.2	8.5	8.0	6.9	.	7.7	6.4	6.5	8.4	7.2	.
Industrial goods	1.0	3.4	1.5	2.7	1.0	0.3	.	0.5	0.1	0.2	0.9	0.8	.
Non-energy industrial goods	0.7	0.7	1.1	1.4	1.0	1.6	.	1.5	1.6	1.7	1.7	1.9	.
Energy	2.4	13.3	2.8	7.3	1.2	-4.1	.	-2.7	-5.0	-4.5	-1.7	-2.8	.
Services	1.5	1.7	2.5	2.5	2.5	2.8	.	2.8	2.7	2.8	3.0	3.0	.
Other price and cost indicators													
Industrial producer prices ²⁾	-0.4	5.5	2.1	3.6	1.4	-1.0	.	-0.7	-1.3	-1.1	-0.9	-1.1	.
Unit labour costs ³⁾	1.3	1.1	.	2.5	2.3	.	.	-	-	-	-	-	-
Labour productivity ³⁾	0.9	1.4	.	0.0	0.1	.	.	-	-	-	-	-	-
Compensation per employee ³⁾	2.3	2.5	.	2.4	2.4	.	.	-	-	-	-	-	-
Total hourly labour costs ⁴⁾	2.2	3.4	3.2	3.0	3.5	3.1	.	-	-	-	-	-	-
Oil prices (EUR per barrel) ⁵⁾	17.1	31.0	27.8	31.7	29.0	22.4	24.6	23.8	21.7	21.5	22.6	23.5	27.9
Commodity prices ⁶⁾	-5.9	16.7	-7.6	-3.0	-10.4	-15.6	-3.3	-19.3	-15.1	-12.3	-6.2	-3.7	0.0

Sources: Eurostat, national data, International Petroleum Exchange, HWWA (Hamburg Institute of International Economics) and ECB calculations.

Note: For periods prior to 2001, HICP data do not include Greece. The other price and cost indicators include Greece for periods prior to 2001.

1) HICP inflation in March 2002 refers to Eurostat's flash estimate.

2) Excluding construction.

3) Whole economy.

4) Whole economy (excluding agriculture, public administration, education, health and other services).

5) Brent Blend (for one-month forward delivery).

6) Excluding energy. In euro; in ECU up to December 1998. Weighted according to extra-euro area commodity imports.

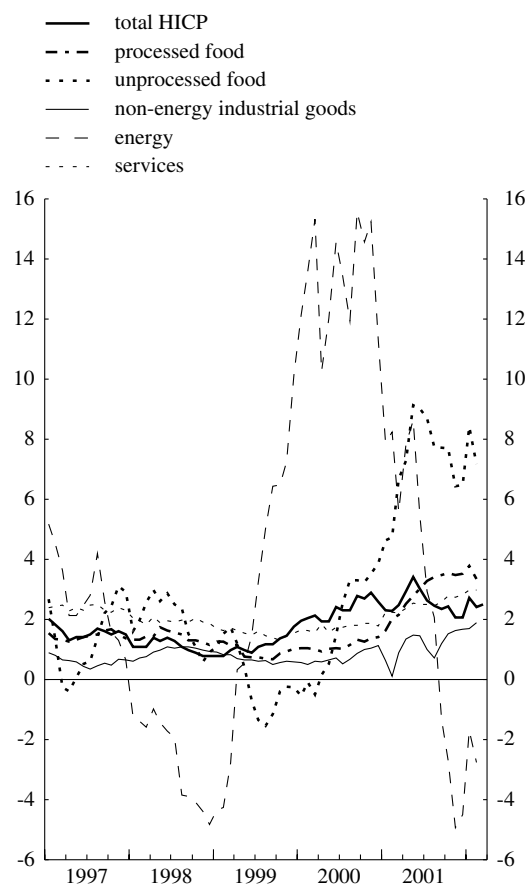
the annual rate of change in unprocessed food prices fell back by 1.2 percentage points to 7.2% in February (see Chart 13). While part of this decline was attributable to a base effect associated with the strong increase in unprocessed food prices (and especially meat prices) in February 2001, there was also a fall in the level of seasonally adjusted unprocessed food prices in February 2002. In particular, with the abatement of the harsh winter weather conditions in some euro area countries, vegetable prices started to decline in February, although they remained relatively high compared with their level one year previously. The annual rate of change in processed food prices, which had risen in the

previous month to 3.8% mainly as a result of increases in tobacco taxation, declined again in February 2002 to 3.3%, owing largely to a base effect.

Energy prices fell 2.8% year-on-year in February 2002 compared with a year-on-year decline of 1.7% in the previous month. This decline in the annual rate of change was fully attributable to a base effect associated with the strong increase in energy prices in February 2001; month-on-month, the level of energy prices actually rose slightly in February 2002. Energy prices have been drifting upwards since December 2001, as a result of energy tax hikes and, more importantly, the rise in oil prices witnessed since the middle of that month. In March 2002, oil prices stood at €27.9 per barrel, which is about 19% above the level observed in the previous month. This rise is likely to have induced an increase in the annual rate of change in energy prices in March.

Chart 13
Breakdown of HICP inflation in the euro area by component

(annual percentage changes; monthly data)



Source: Eurostat.

Note: For periods prior to 2001, HICP data do not include Greece.

Regarding services prices, their annual rate of increase remained unchanged at 3.0% in February 2002. Month-on-month, seasonally adjusted services prices rose by 0.2% in February 2002, on a par with the February average increase from 1995 to 2001. Price developments for some specific services items (e.g. restaurant and café prices) that displayed relatively high month-on-month rates in January 2002, probably as a result of the combined effect of the euro cash changeover and the weather-related rise in food prices, seem to have started to normalise in February 2002. Prices for non-energy industrial goods were 1.9% higher in February than in the same month last year, representing an increase in the annual rate of change of 0.2 percentage point compared with January 2002. The recent inclusion of seasonal sales prices in the HICP data for Spain and Italy (see Box 4, "Implementation of additional harmonisation rules for the HICP in January 2002" in the March 2002 issue of the Monthly Bulletin) may have introduced a change in the seasonal pattern of the non-energy industrial goods price index, complicating the current analysis of

this indicator. The most recent increase in the annual rate of change in non-energy industrial goods prices should not, therefore, be interpreted as evidence of upward pressure from, for example, the euro cash changeover. Overall, there continues to be no evidence of ongoing upward effects on prices at the aggregate level attributable to the changeover.

Price pressures at the producer level remained subdued in February 2002

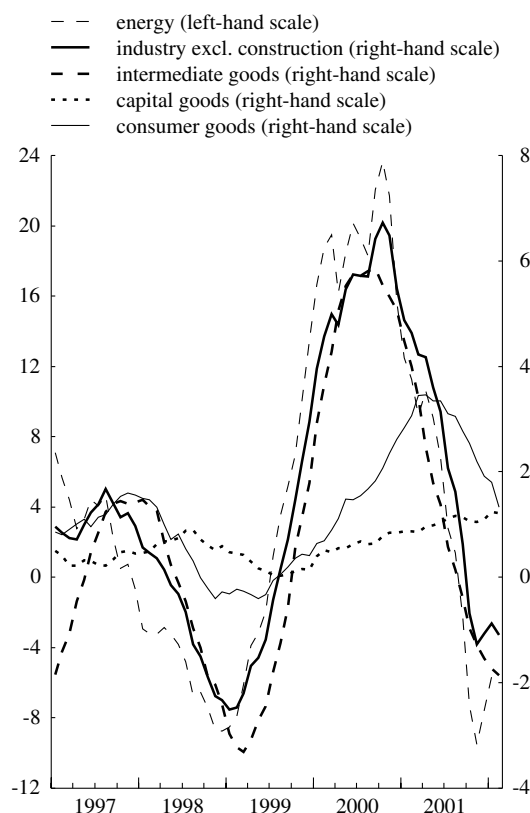
Euro area industrial producer prices fell by 1.1% in the year to February 2002, compared with a year-on-year decline of 0.9% in January (see Chart 14). The February decline, which

was broadly in line with expectations, was mainly a result of base effects from previous price increases. Moreover, there was also a slight fall in the level of some components of the Producer Price Index. Overall, price pressures in the producer sector continued to be restrained in February 2002.

The fall in the annual rate of change in overall producer prices was brought about by a decline in all of its components, with the exception of capital goods prices which remained unchanged in year-on-year terms. The annual rate of change in energy prices declined by 0.1 percentage point to -5.7% in February 2002. However, this development masks a further increase in the level of energy prices, in line with the increase in oil prices between January and February. Intermediate goods prices fell 1.9% year-on-year in February 2002, compared with a year-on-year decline of 1.7% in January. Consistent with the view that the indirect effects of the past import price increases are continuing to unwind, the annual rate of change in consumer goods prices slowed further to 1.3% in February 2002, down from 1.8% in the previous month.

Chart 14
Breakdown of industrial producer prices for the euro area

(annual percentage changes; monthly data)



Source: Eurostat.
Note: Data refer to the Euro 12 (including periods prior to 2001).

With regard to survey indicators of developments in producer prices, the Eurozone Price Index from the Reuters Purchasing Managers' Survey suggests that the downward movement in producer prices may not have continued in March 2002 (see Chart 15). Although the Eurozone Price Index again showed a reading of below 50 for March, it increased further, most likely reflecting recent commodity and, in particular, oil price developments.

Growth in hourly labour costs fell in the fourth quarter of 2001

According to Eurostat's first estimate, the annual rate of growth in total hourly labour costs in the non-agricultural business sector was 3.1% in the fourth quarter of 2001, compared with 3.5% in the third quarter. Overall, total hourly labour costs increased

Chart 15

Overall producer prices and manufacturing input prices for the euro area

(monthly data)



Sources: Eurostat and Reuters.

Note: Where available, data refer to the Euro 12 (including periods prior to 2001).

- 1) Producer Price Index; annual percentage changes; excluding construction.
- 2) Eurozone Price Index; manufacturing input prices from the Purchasing Managers' Survey. An index value above 50 indicates an increase in manufacturing input prices, whereas a value below 50 indicates a decrease.

by 3.2% in 2001, 0.2 percentage point less than the 3.4% annual increase recorded in 2000. However, as mentioned in previous issues of the Monthly Bulletin, the interpretation of this data is currently complicated by changes to wage payment practices in one euro area country. Other indicators of labour cost growth – such as negotiated wages – although remaining

moderate, point to a slight increase in wage growth in the fourth quarter of 2001 and in 2001 as a whole.

As yet, no data is available on euro area compensation per employee in the fourth quarter of 2001. Between the second and the third quarters, the annual growth rate in this measure remained unchanged at 2.4%. Although increasing slightly over the same period, the annual rate of change in labour productivity remained at a low level, reflecting the cyclical slowdown of economic activity. As a result of an unchanged growth rate in compensation per employee and an increased rate of productivity growth, the annual growth in unit labour costs declined by 0.2 percentage point to 2.3% between the second and third quarters of 2001.

Expected decline in inflation could be weaker than previously anticipated

Overall, price developments in the first few months of 2002 were mainly influenced, as previously expected, by a number of specific factors resulting in some erratic movements. On the basis of preliminary figures for March, the sudden increase in oil prices seems to have introduced further volatility in the rate of inflation. Looking ahead, while inflation is expected to fall below 2% in the coming months owing mainly to strong base effects stemming from developments in food and energy prices last year, this decline may be less pronounced than was previously expected. Beyond the short term, upward pressure on prices from aggregate demand in the euro area should remain contained, while the outlook for inflation continues to rest fundamentally on the assumption of continued wage moderation.

3 Output, demand and labour market developments

Economic activity declined in the fourth quarter of 2001

According to Eurostat's first release of national accounts for the fourth quarter of 2001, economic activity declined in the euro area. This was the first decline since 1993. In particular, real GDP in the euro area is estimated to have fallen by 0.2% quarter-on-quarter, following an increase of 0.2% (revised upwards from 0.1%) in the previous quarter (see Table 3). The year-on-year growth rate fell further, from 1.4% to 0.6%, between the third and fourth quarters, confirming a picture of progressively weaker growth during the course of last year. The negative quarter-on-quarter rate of growth in the fourth quarter of 2001 is largely

attributable to destocking, while the contributions to growth from final domestic demand and net exports were neutral. Moreover, looking at expenditure components, although private consumption growth remained positive, at 0.1% in quarter-on-quarter terms, it continued to be weak. As in the previous three quarters, investment declined in the fourth quarter of 2001. With a fall of 0.8% quarter-on-quarter, it showed the largest decline since 1996. Exports decreased by 0.9% and imports by 1.1% quarter-on-quarter, resulting in a contribution of net exports to growth of zero.

For 2001 as a whole, real GDP growth was 1.5%, considerably less than the 3.4% recorded in 2000. Lower growth in 2001 was

Table 3
Composition of real GDP growth in the euro area

(percentage changes, unless otherwise indicated; seasonally adjusted)

	Annual rates ¹⁾					Quarterly rates ²⁾							
	1999	2000	2001	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4
Real gross domestic product	2.6	3.4	1.5	2.8	2.4	1.6	1.4	0.6	0.6	0.5	0.1	0.2	-0.2
<i>of which:</i>													
Domestic demand	3.2	2.8	0.9	2.3	1.7	1.1	0.8	-0.1	0.7	-0.1	0.3	-0.1	-0.2
Private consumption	3.2	2.5	1.8	1.8	2.0	1.7	1.7	1.6	0.2	1.0	0.4	0.1	0.1
Government consumption	2.1	1.9	2.0	1.7	2.0	1.9	2.1	1.8	0.8	0.6	0.4	0.3	0.5
Gross fixed capital formation	5.5	4.4	-0.2	3.4	1.8	0.3	-1.1	-1.9	0.0	-0.2	-0.6	-0.3	-0.8
Changes in inventories ^{3), 4)}	-0.2	0.0	-0.5	0.1	-0.2	-0.3	-0.4	-0.9	0.4	-0.7	0.1	-0.1	-0.2
Net exports ³⁾	-0.5	0.6	0.6	0.6	0.7	0.5	0.6	0.7	0.0	0.6	-0.2	0.3	0.0
Exports ⁵⁾	5.3	12.2	3.4	12.2	8.6	5.6	1.8	-1.8	2.8	0.0	-0.5	-0.4	-0.9
<i>of which: goods</i>	4.9	12.5	3.2	12.3	9.1	4.9	1.8	-2.3	2.8	0.3	-1.1	-0.2	-1.3
Imports ⁵⁾	7.2	10.9	1.8	11.1	6.9	4.4	0.2	-3.7	3.0	-1.6	0.1	-1.3	-1.1
<i>of which: goods</i>	6.9	11.5	1.4	12.9	7.5	4.3	-0.7	-4.8	3.1	-2.2	0.0	-1.7	-1.1
Real gross value added:													
Agriculture and fishing ⁶⁾	2.2	-0.1	-0.6	-1.1	-0.6	-0.8	-0.6	-0.4	-0.5	-1.3	-0.1	1.3	-0.3
Industry	1.1	4.0	0.7	3.6	2.7	1.1	0.5	-1.3	0.5	1.0	-1.0	-0.1	-1.2
Services	3.2	3.6	2.5	3.4	3.0	2.7	2.4	1.9	0.8	0.6	0.5	0.4	0.4

Sources: Eurostat and ECB calculations.

Note: Data refer to the Euro 12 (including periods prior to 2001).

1) Annual rates: percentage change compared with the same period a year earlier.

2) Quarterly rates: percentage change compared with the previous quarter.

3) As a contribution to real GDP growth; in percentage points.

4) Including acquisitions less disposals of valuables.

5) Exports and imports cover goods and services and include internal cross-border trade in the euro area. Intra-euro area trade is not cancelled out in import and export figures used in national accounts. Consequently, these data are not fully comparable with balance of payments data.

6) Also includes hunting and forestry.

due to weak final domestic demand and heavy destocking. During this period, more moderate export growth, caused by subdued foreign demand, was offset by an even greater slowdown in import growth. The contribution to growth from net exports therefore remained positive and broadly unchanged compared with 2000.

Indications of an upturn around the turn of the year

Developments in the industrial sector represent the main source of weakening in economic activity in 2001. However, in line with the recent strong improvement in confidence indicators for the manufacturing sector, signs of an upturn in industrial production around the turn of the year can be detected. Euro area industrial production (excluding construction) declined by 1.8% quarter-on-quarter in the fourth quarter of 2001, after falling by 0.5% in the previous quarter (see Table 4). However, it rose by 0.4% month-on-month in December 2001 and available national data suggest that it could also have increased in January 2002.

The evidence available from private consumption indicators at the turn of the year is still mixed. Euro area retail sales volumes decreased by 0.6% month-on-month in December 2001, following an increase of 1.2% in November. In the fourth quarter of 2001 retail sales decreased in volume terms by 0.1% quarter-on-quarter. After increasing by 1.7% quarter-on-quarter in the fourth quarter of 2001, new passenger car registrations fell by a sharp 4.0% month-on-month in January, and increased marginally in February. These indicators are characterised by a high degree of volatility, particularly around turning points, so that further data will be needed before clear signs of an upturn can be identified (see Chart 16).

The latest survey indicators confirm that confidence increased strongly in the euro area manufacturing sector in the first quarter of this year. In particular, the Purchasing Managers' Index (PMI) for the euro area manufacturing sector again rose sharply in March 2002, by 1.4 index points, following an increase of 2.3 in February (see Chart 17). This was the index's fifth consecutive increase, which brought it back to the "zero-growth" level of 50 for the first time since falling below it in April 2001. The overall

Table 4
Industrial production in the euro area
(annual percentage changes, unless otherwise indicated)

	2000		2001			2001			2001			2001		
	2000	2001	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	July	Aug.	Sep.	Oct.	Nov.	
			month-on-month			three-month moving averages								
Total industry excluding construction by main industrial groupings:	5.5	0.2	-2.6	-4.2	-4.6	-1.5	-0.7	0.4	-0.4	-0.5	-0.4	-1.5	-1.8	
Total indus. excl. construction and energy ¹⁾	5.7	-0.2	-2.9	-4.9	-6.7	-1.5	-0.9	-0.2	-0.1	-0.2	-0.2	-2.1	-2.6	
Intermediate goods	5.8	-1.3	-3.7	-5.8	-8.9	-1.2	-1.2	-1.1	-0.2	-0.4	-1.0	-2.2	-2.9	
Capital goods	8.8	1.2	-1.9	-4.7	-5.9	-1.0	-1.0	-0.3	-0.4	-0.5	-0.3	-1.6	-2.0	
Consumer goods	2.4	0.0	-2.5	-3.6	-4.3	-2.0	-0.4	0.7	0.5	0.1	-0.4	-2.2	-2.4	
Durable consumer goods	5.8	-2.6	-7.4	-7.5	-7.9	-2.3	-0.2	1.3	-1.6	-1.6	-1.4	-3.1	-2.7	
Non-durable consumer goods	1.7	0.5	-1.4	-2.7	-3.4	-1.7	-0.4	0.1	0.5	0.4	-0.2	-1.3	-2.0	
Energy	1.6	0.5	-0.9	1.6	5.3	-1.2	1.3	1.5	1.1	0.3	-0.3	-0.2	0.2	
Manufacturing	5.9	0.1	-2.8	-5.0	-6.0	-1.6	-1.1	0.3	-0.5	-0.5	-0.4	-1.8	-2.2	

Sources: Eurostat and ECB calculations.

Notes: Annual percentage changes are calculated using data adjusted for variations in the number of working days; percentage changes on the previous month and three-month centred moving averages against the corresponding average three months earlier are calculated using seasonally and working day-adjusted data. Data refer to the Euro 12 (including periods prior to 2001).

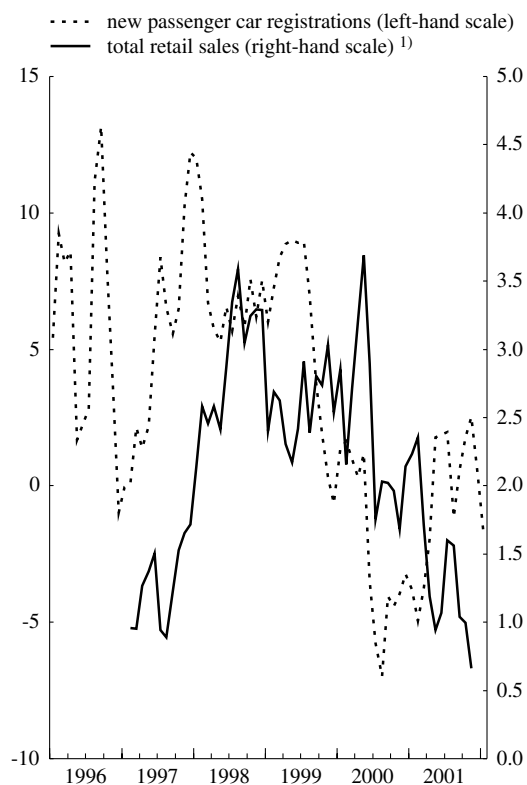
1) Manufacturing excluding the manufacture of coke and refined petroleum products, but including non-energy mining and quarrying activities.

change in the PMI in the first quarter of 2002 is the strongest quarterly increase ever recorded in this index, which has been available since June 1997. As in the previous month, all individual components of the PMI improved in March 2002. The increases in output and new orders indices, both for the fifth consecutive month, were particularly notable.

According to the European Commission's Business Survey, industrial confidence rose strongly in March 2002, after having been unchanged in the previous month (see Table 5). In the first quarter of 2002 the cumulative increase in industrial confidence was the largest since 1994 and offset the cumulative decrease recorded in the last

Chart 16
New passenger car registrations and retail sales in the euro area

(annual percentage changes; three-month centred moving averages)



Sources: Eurostat and ACEA/A.A.A. (European Automobile Manufacturers' Association, Brussels).

Note: Data refer to the Euro 12 (including periods prior to 2001).

1) Calculated using seasonally adjusted data.

Chart 17
Industrial production, industrial confidence and the PMI for the euro area

(monthly data)



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

Note: Where available, data refer to the Euro 12 (including periods prior to 2001).

1) Manufacturing; annual percentage changes in three-month moving averages; working day-adjusted data.

2) Percentage balances; deviations from the average since January 1985.

3) Purchasing Managers' Index; deviations from the value of 50; positive deviations indicate an expansion of economic activity.

quarter of 2001, thus bringing the index back to the level of September 2001. As regards the components of industrial confidence, the substantial improvement in production expectations was the main driving force behind the increase in the first quarter of 2002. The European Commission services confidence indicator also recorded a further considerable improvement in March 2002. This was mainly due to a significantly improved assessment of the current business climate and a more positive expected evolution of demand, but also to a somewhat improved assessment of the evolution of

Table 5**Results from European Commission Business and Consumer Surveys for the euro area***(seasonally adjusted data)*

	1999	2000	2001	2001	2001	2001	2002	2001	2001	2001	2002	2002	2002
				Q2	Q3	Q4	Q1	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Economic sentiment index ¹⁾	-0.2	2.6	-2.8	-1.4	-1.3	-1.4	0.4	-1.0	-0.5	0.3	0.2	0.2	0.2
Consumer confidence indicator ²⁾	7	12	6	9	3	0	1	1	-1	1	0	2	2
Industrial confidence indicator ²⁾	0	12	-1	2	-3	-10	-6	-9	-11	-10	-7	-7	-4
Construction confidence indicator ²⁾	14	21	15	17	13	11	9	12	10	11	8	10	9
Retail trade confidence indicator ²⁾	0	5	-1	-1	-1	-4	-9	-4	-4	-5	-6	-10	-10
Services confidence indicator ²⁾	3	7	-8	1	-9	-27	-19	-25	-29	-28	-22	-20	-15
Business climate indicator ³⁾	-0.1	1.3	-0.1	0.2	-0.4	-1.2	-0.8	-1.1	-1.2	-1.2	-1.0	-0.9	-0.6
Capacity utilisation (%) ⁴⁾	81.9	83.9	82.8	83.3	82.4	81.3	.	81.8	-	-	80.8	-	-

Sources: European Commission Business and Consumer Surveys and the European Commission (DG ECFIN).

Note: Data refer to the Euro 12 (including periods prior to 2001).

1) Percentage changes compared with the previous period.

2) Percentage balances; data shown are calculated as deviations from the average over the period since April 1995 for the services confidence indicator, since July 1986 for the retail trade confidence indicator, and since January 1985 for the other confidence indicators.

3) Units are defined as points of standard deviation.

4) Data are collected in January, April, July and October of each year. The quarterly figures shown are the average of two successive surveys, i.e. the surveys conducted at the beginning of the quarter in question and at the beginning of the following quarter. Annual data are derived from quarterly averages.

demand in recent months. In the first quarter of 2002 the overall increase in the services confidence index was strong, partially offsetting the decline observed in the last quarter of 2001, and suggesting that an upturn can be expected in the services sector in the course of 2002.

In contrast to confidence in the industrial and services sectors, consumer confidence remained unchanged in March 2002, after increasing in February. In the first quarter as a whole, it increased slightly and, like industrial confidence, returned to the level observed in September 2001. The higher volatility of the consumer confidence indicator around turning points and the ambiguous developments in the past few months suggest that some uncertainty still persists as regards the possibility that consumer confidence bottomed out towards the turn of the year.

Overall, the latest data on economic activity and related survey indicators suggest that an upturn in growth can be expected to take

place in the course of 2002. Indeed, some sign of improvement can already be detected in the pattern of industrial production, starting from December 2001. However, indications concerning private consumption are mixed. Some uncertainty as regards the strength of the upturn thus persists.

Unemployment rate remained at 8.4% in February 2002

In February 2002, the standardised rate of unemployment for the euro area remained at 8.4% of the labour force, unchanged since November 2001 (see Table 6). The number of unemployed remained broadly constant month-on-month in February, rising by less than 3,000, compared with an average monthly increase of 27,000 between September 2001 and January 2002. However, it increased year-on-year (by around 90,000) for the second consecutive month, after January's rise was the first since November 1997 (see Chart 18).

Table 6**Unemployment in the euro area***(as a percentage of the labour force; seasonally adjusted)*

	1999	2000	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2002	2002		
				Q1	Q2	Q3	Q4	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.												
Total	9.8	8.8	8.3	8.4	8.3	8.3	8.4	8.3	8.3	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	
Under 25 years ¹⁾	19.2	17.3	16.6	16.5	16.5	16.5	16.7	16.5	16.7	16.7	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8
25 years and over	8.5	7.7	7.2	7.3	7.2	7.2	7.2	7.2	7.2	7.2	7.3	7.3	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2

Source: Eurostat.

Notes: In accordance with ILO recommendations. Data refer to the Euro 12 (including periods prior to 2001).

1) In 2001 this category represented 23.6% of total unemployment.

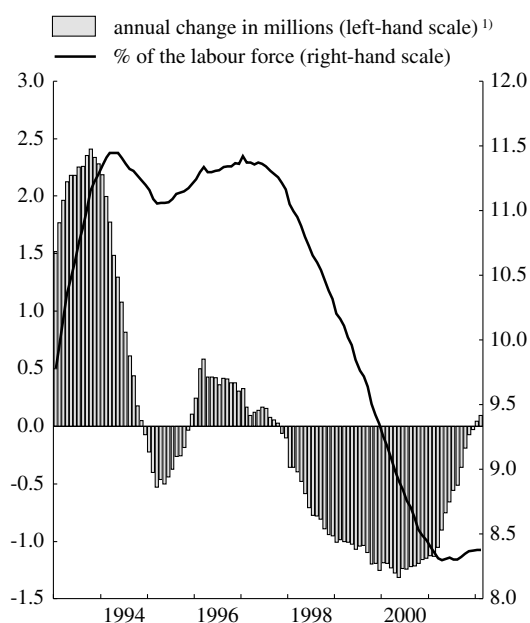
As regards the breakdown by age, the unemployment rate for people aged 25 years and over decreased to 7.2% in February, i.e. by 0.1 percentage point compared with the rate recorded in the previous two months (see Table 6). The rate for those under the age of 25 stood at 16.8%, unchanged since December 2001. However, this conceals an increase in youth unemployment in February 2002 (5,000), whereas, for the older age group, unemployment declined (by 2,000) for the first time since April 2001.

Employment growth likely to have remained unchanged in the fourth quarter of 2001

National accounts data on employment growth in the euro area are not yet available for the fourth quarter of 2001. However, according to an early estimate based on available national data, quarter-on-quarter employment growth is likely to have been around 0.1%, unchanged from the third quarter. As a result, the annual growth rate is likely to have fallen further in the fourth quarter of 2001, to around 0.8%, compared with 2.2% in the fourth quarter of 2000.

No information is yet available at the sectoral level for the fourth quarter of 2001. As reported in the previous issue of the Monthly Bulletin, the slowdown in annual employment growth in the first three quarters of 2001 was broadly based across both industrial and services sectors (see Table 7).

Employment expectations derived from surveys continued to improve slightly in most sectors, i.e. in manufacturing and services, in March. This recent improvement follows the protracted deterioration recorded in 2001. The Purchasing Managers' Survey for March indicates that employment developments in manufacturing may have improved in the first quarter of 2002. Conversely, employment expectations in construction, derived from the EC Business Surveys, deteriorated in March. Although the EC Business Surveys

Chart 18**Unemployment in the euro area***(monthly data; seasonally adjusted)*

Source: Eurostat.

Note: Data refer to the Euro 12 (including periods prior to 2001).

1) Annual changes are not seasonally adjusted.

Table 7
Employment growth in the euro area

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

	1998	1999	2000	2000	2000	2001	2001	2001	2000	2000	2001	2001	2001
				Q3	Q4	Q1	Q2	Q3	Q3	Q4	Q1	Q2	Q3
	Quarterly rates ¹⁾												
Whole economy	1.6	1.6	2.1	2.1	2.2	2.1	1.6	1.2	0.5	0.6	0.3	0.2	0.1
of which:													
Agriculture and fishing ²⁾	-1.4	-2.9	-1.5	-1.6	-0.8	-0.1	-0.6	-1.3	-0.1	0.1	0.1	-0.7	-0.8
Industry	1.0	0.3	1.0	1.1	1.3	1.2	0.8	0.3	0.3	0.4	0.1	-0.1	-0.2
Excluding construction	1.1	0.0	0.8	1.0	1.3	1.4	0.8	0.2	0.3	0.4	0.2	-0.1	-0.3
Construction	0.3	1.0	1.6	1.0	1.4	0.8	0.8	0.7	0.3	0.8	-0.3	0.0	0.2
Services	2.2	2.6	2.8	2.8	2.8	2.5	2.1	1.8	0.6	0.7	0.4	0.4	0.4
Trade and transport ³⁾	1.7	2.3	2.8	2.7	2.7	2.1	1.5	1.4	0.6	0.6	0.1	0.3	0.4
Finance and business ⁴⁾	5.0	5.5	5.9	6.1	5.4	5.0	4.0	3.1	1.2	1.0	1.1	0.6	0.4
Public administration ⁵⁾	1.4	1.5	1.3	1.4	1.7	1.8	1.7	1.6	0.3	0.5	0.3	0.5	0.3

Sources: Eurostat and ECB calculations.

Note: Data refer to the Euro 12 (including periods prior to 2001).

1) Quarterly rates: percentage change compared with the previous quarter.

2) Also includes hunting and forestry.

3) Also includes repairs, communication, hotels and restaurants.

4) Also includes real estate and renting services.

5) Also includes education, health and other services.

did not point to any clear recovery in employment expectations for the retail trade in that month, expectations for services as a whole showed an improvement for the fourth consecutive month. Overall, however,

employment expectations and the lagged impact of the slowdown in economic activity continue to suggest that employment growth remained low at the beginning of this year.

4 Exchange rate and balance of payments developments

The euro rose slightly in March and early April 2002

In March and early April 2002 the foreign exchange markets were characterised by somewhat more pronounced movements than in previous months. The euro made modest gains against the US dollar and fluctuated with no clear trend vis-à-vis the Japanese yen. In nominal effective terms, on 3 April the single currency was slightly stronger than at the end of February and broadly in line with its 2001 average.

Against the US dollar in March the euro first appreciated before broadly stabilising at around USD 0.88 (see Chart 19). The strengthening of the euro came against the backdrop of increasing signs of recovery in

the euro area manufacturing sector, although these seemed to simply counterbalance the simultaneous sequence of mostly positive US economic data releases. At the same time, the US dollar may have been influenced by temporary market concerns regarding corporate governance and accounting standards in the United States, as well as market participants' increasing focus on the outlook for the US current account. The decision by the US Federal Open Market Committee on 19 March to leave interest rates unchanged, while switching from an easing to a neutral bias regarding future policy, was widely anticipated and did not have any marked impact on the US currency. On 3 April, the euro was quoted at USD 0.88, 1.8% higher than at the end of February and 1.7% below its average value in 2001.

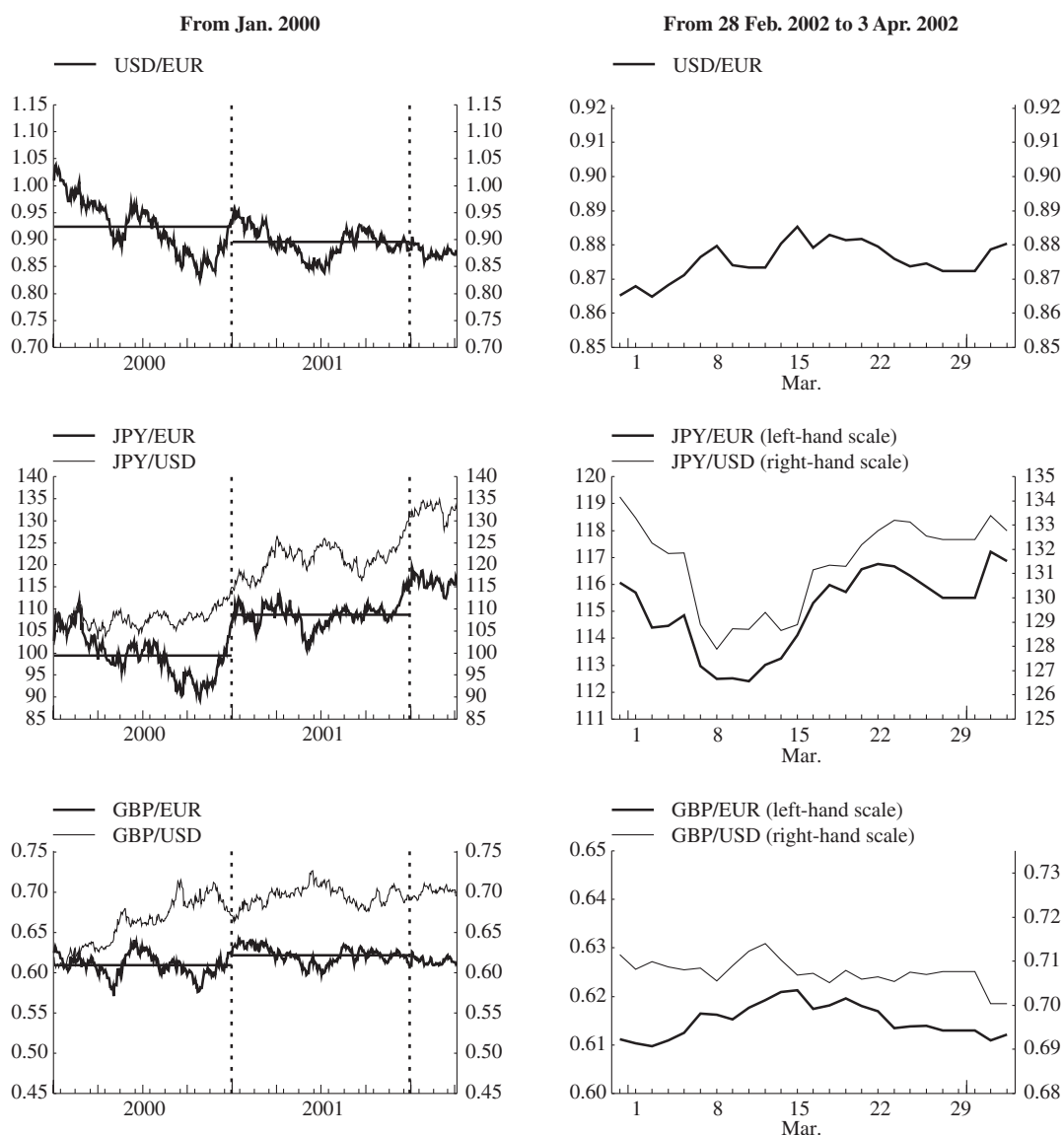
As regards the Japanese yen, after appreciating sharply in early March both against the euro and the US dollar amid significant gains in the Japanese stock market, in the second week of March it first stabilised and then gradually depreciated towards the end of the period (see Chart 19). The subsequent weakening of the yen was triggered by the release of lower-than-expected economic growth figures for Japan in the last quarter of 2001, and may have

been accentuated by some reversal of the earlier capital inflows into the country that coincided with the end of the Japanese fiscal year. Towards the end of the period, the increasing uncertainty regarding Japan's economic outlook also contributed to declining equity prices and renewed concerns about the state of the Japanese financial system. On 3 April the euro stood at JPY 116.9, 0.7% above its level at the end of February and 7.5% above its 2001 average.

Chart 19

Patterns in exchange rates

(daily data)



Source: ECB.

Note: The scaling of the charts is comparable in each column. Horizontal lines show annual averages.

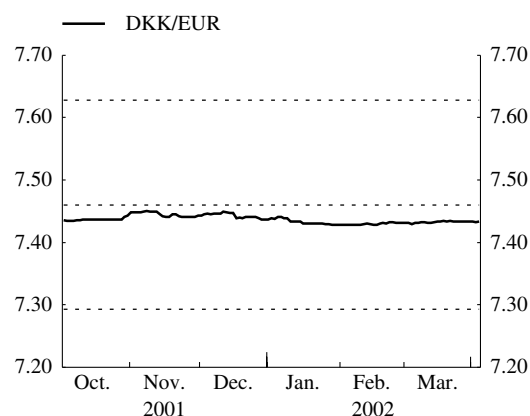
Throughout the period under review, the pound sterling mostly fluctuated within a narrow range against both the euro and the US dollar (see Chart 19). In view of somewhat stronger prospects for UK economic activity and the expectation that inflation was likely to remain marginally below the 2½% target for some time to come, the Bank of England's Monetary Policy Committee decided to leave interest rates unchanged at its meeting on 7 March. On 3 April, the euro stood at GBP 0.61, close to its level at the end of February and some 1.6% below its 2001 average.

As far as other European currencies are concerned, the Danish krone traded close to its central parity within ERM II (see Chart 20). The Swedish krona continued to appreciate against the euro, more recently supported by the Swedish central bank's decision of 19 March to raise interest rates by 25 basis points. The euro fell slightly against the Swiss franc, whose appreciation was more broad-based in March amid safe-haven flows apparently related to occasional surges in tension in the Middle East.

The nominal effective exchange rate of the euro, as measured against the currencies of the 12 most important trading partners of

Chart 20

Patterns of exchange rates within ERM II
(daily data)

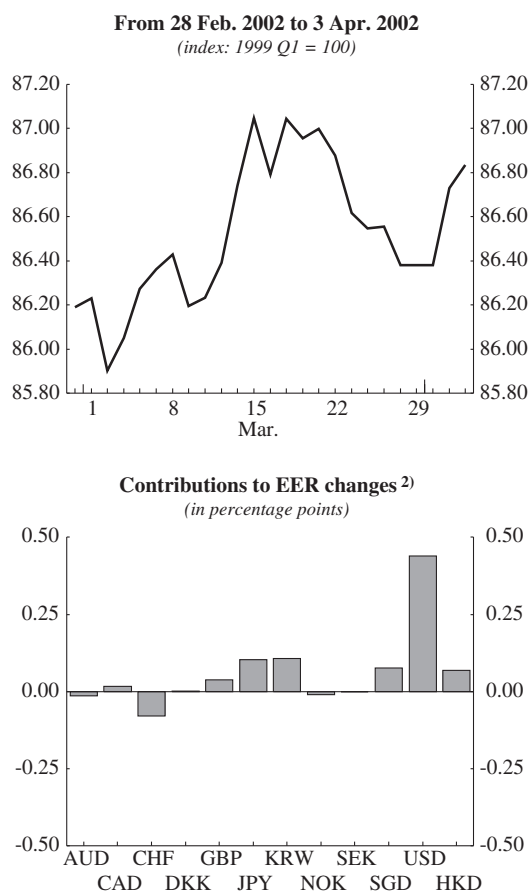


Source: ECB.
Note: The horizontal lines indicate the central parity (DKK 7.46) and the fluctuation bands ($\pm 2.25\%$ for DKK).

Chart 21

The effective euro exchange rate and its decomposition¹⁾

(daily data)



Source: ECB.

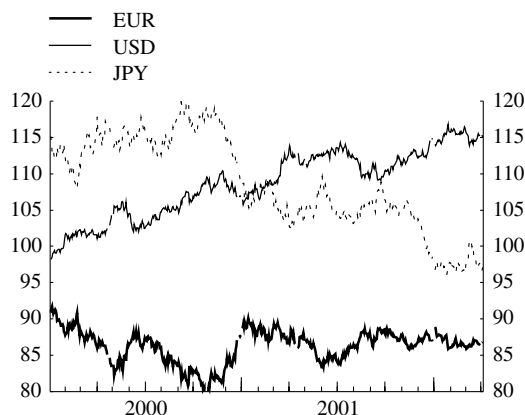
- 1) An upward movement of the index represents an appreciation of the effective exchange rate against 12 partner countries.
- 2) Changes are calculated using trade weights against 12 major trading partners.

the euro area, appreciated slightly in March and early April 2002 (see Chart 21). On 3 April the nominal effective exchange rate was 0.7% higher than its end-February level and close to its 2001 average (see Chart 22). Chart 22 also illustrates the developments in the nominal effective exchange rate indices of the US dollar and the Japanese yen measured against the currencies of 12 important trading partners of the respective economic areas. Where the US dollar was concerned, after a period of relative stability during the first two months of 2002, the index declined slightly in March to a level just above the 2001 average. At the

Chart 22

Effective exchange rates of the euro, the US dollar and the Japanese yen ¹⁾

(monthly data)



Source: ECB.

1) An upward movement of the indices represents an appreciation of the effective exchange rate against 12 partner currencies.

same time, the Japanese yen index first increased and then declined, closing the period well below its 2001 average.

Current account broadly balanced in January 2002

The euro area current account recorded a deficit of €1.5 billion in January 2002, compared with a deficit of €11.1 billion in January 2001 (see Table 8). This fall in the current account deficit was the result of the goods balance turning from a deficit of €3.9 billion in January 2001 into a surplus of €2.1 billion in January 2002, combined with an increase in the current transfers surplus from €2.7 billion to €5.8 billion over the same period. Movements in the services and income accounts were small and mostly counterbalancing. The change in the goods balance from January 2001 to January 2002 was due to imports of goods falling at a faster rate than exports (by 11.4% compared with 4.4%).

Seasonally adjusted goods export and import values for January remained virtually unchanged compared with December 2001,

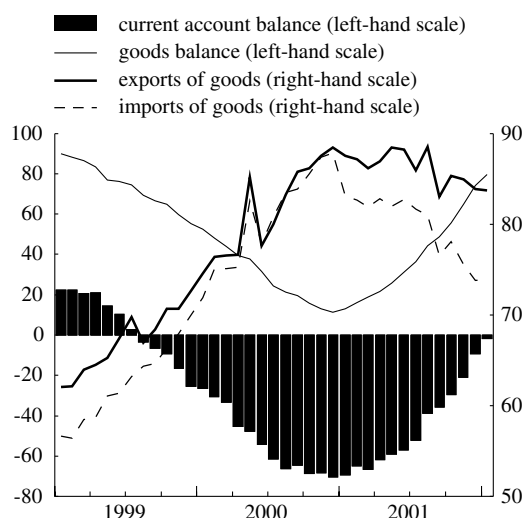
but were somewhat lower than in previous months, particularly on the import side (see Chart 23). Although the euro exchange rate remained relatively stable over this period, the decline in the value of imports was partly explained by a decline in oil prices. Exports and imports of services continued to rise in value terms with respect to the two previous months, returning to their August levels, probably reflecting a partial recovery in international travel after the sharp decline initiated by the events of 11 September (see Chart 24). The narrowing of the current transfers deficit observed in January 2002 appears to stem from a strong increase in credits coupled with a fall in debits, reflecting a difference in the timing of payments to and from the European Commission.

Seasonally adjusted goods export and import volumes (for which the most recent data are for December 2001) continued to fall from the previous months' levels, partly contributing to the recent slight decline in export and import values (see Table 9 in the "Euro area statistics" section). The

Chart 23

The euro area current account balance, the goods balance and exports and imports of goods

(EUR billions, seasonally adjusted)



Source: ECB.

Note: Data refer to the Euro 12. Balances are cumulated over 12 months; exports and imports of goods are monthly values.

Table 8**Balance of payments of the euro area***(EUR billions; not seasonally adjusted)*

	2001 Jan.	2001 Jan. - Dec.	2001 Nov.	2001 Dec.	2002 Jan.
Current account balance	-11.1	-9.3	2.8	2.9	-1.5
Credits	140.4	1705.7	138.1	142.0	137.7
Debits	151.5	1714.9	135.3	139.1	139.2
Goods balance	-3.9	74.1	9.3	10.4	2.1
Exports	79.8	1036.5	90.2	81.5	76.3
Imports	83.7	962.4	80.9	71.1	74.2
Services balance	-2.4	1.5	-1.9	-1.1	-2.7
Exports	22.4	310.8	22.3	25.6	23.6
Imports	24.8	309.4	24.2	26.7	26.3
Income balance	-7.5	-37.7	0.4	-1.3	-6.7
Current transfers balance	2.7	-47.1	-4.9	-5.1	5.8
Capital account balance	1.3	9.4	0.4	1.2	2.5
Financial account balance	2.3	-74.8	-15.4	3.7	-37.6
Direct investment	-9.9	-93.9	7.8	0.6	4.3
Abroad	-17.4	-217.1	-13.8	-17.5	-4.8
Equity capital and reinvested earnings	-11.6	-128.4	-6.5	-5.7	-6.3
Other capital, mostly inter-company loans	-5.8	-88.7	-7.3	-11.8	1.5
In the euro area	7.5	123.2	21.6	18.1	9.2
Equity capital and reinvested earnings	5.1	90.0	11.7	11.6	6.5
Other capital, mostly inter-company loans	2.4	33.2	9.9	6.5	2.6
Portfolio investment	-42.8	40.9	11.5	-11.7	-41.3
Equity	-21.1	143.8	9.9	9.1	-5.2
Assets	-20.7	-94.0	-12.4	-4.9	-14.0
Liabilities	-0.4	237.7	22.3	14.0	8.9
Debt instruments	-21.7	-102.9	1.6	-20.8	-36.1
Assets	-16.2	-153.5	-25.6	-1.3	-15.0
Liabilities	-5.5	50.6	27.1	-19.5	-21.2
Memo item:					
Combined net direct and portfolio investment	-52.7	-53.0	19.3	-11.1	-36.9
Financial derivatives	-4.6	-22.1	-4.0	-0.5	0.6
Other investment	57.2	-17.6	-30.7	9.4	4.0
Reserve assets	2.4	17.8	0.0	5.9	-5.3
Errors and omissions	7.5	74.7	12.1	-7.7	36.5

Source: ECB.

Notes: Figures may not add up due to rounding. For the financial account, a positive sign indicates an inflow, a negative sign an outflow; for reserve assets, a negative sign indicates an increase, a positive sign a decrease. A detailed set of tables on Euro 12 balance of payments data can be found on the ECB's website.

geographical breakdown of trade volumes for November 2001 (latest available data) showed export volumes to the United States continuing to fall in line with the downward

trend that began in early 2001, declining at a faster rate than export volumes to Asia. Meanwhile, export volumes to the United Kingdom remained almost unchanged over

Chart 24
Euro area exports and imports of services

(EUR billions, seasonally adjusted)



Source: ECB.

the same period. Where imports are concerned, volumes from the United States and Asia declined further, while the fall in import volumes from the United Kingdom stabilised in November 2001.

Net outflows in portfolio investment in January 2002

Combined net direct and portfolio investment outflows in the January 2002 financial account amounted to €36.9 billion (see Table 8).

This was mainly due to net outflows of €41.3 billion in portfolio investment. Net direct investment inflows, however, remained limited (€4.3 billion).

As in December 2001, the most salient feature of the net portfolio investment outflows in January 2002 was the evolution of the liability side of debt instruments, where net outflows totalled €21.2 billion. Non-residents reduced holdings of both euro area bonds and notes (€7.8 billion) and money market instruments (€13.4 billion). The net inflows recorded in equity portfolio liabilities (€8.9 billion) were also somewhat lower than in previous months.

The disinvestment by non-residents observed in bonds and notes issued by euro area residents is at least partly explained by the repatriation of funds by Japanese investors. In particular, Japanese financial intermediaries and insurance companies sold foreign bonds worldwide ahead of the end of the Japanese fiscal year in March 2002. Non-residents were also net sellers of euro area money market instruments, as they had been on several occasions in 2001. This net foreign disinvestment in euro area money market instruments in January 2002 may be linked to the very large net redemption of euro area money market instruments recorded on the issuance of debt securities in December 2001.

The operation of automatic fiscal stabilisers in the euro area

Automatic fiscal stabilisers are the reaction of the budget to economic fluctuations in the absence of any government action. These stabilisers, if well designed, provide timely and symmetrical adjustments which cushion cyclical fluctuations. However, the full benefits of automatic stabilisers can only be secured if, at the same time, countries preserve the sustainability of public finances through prudent fiscal positions and low debt.

This article argues that fiscal stabilisation and sustainability are fully compatible. They are complementary aspects of a fiscal strategy seeking to achieve a medium-term budgetary position close to balance or in surplus, as required by the Stability and Growth Pact. In such a strategy, the nominal targets for budgetary balances which Member States set in their stability programmes should reflect both an appropriate medium-term consolidation path, if imbalances persist, and the impact of the economic cycle. Actual outcomes may be permitted to deviate from targets to reflect automatic stabilisation when expected economic developments do not materialise. Nevertheless, sound budgetary positions or the underlying consolidation path should be maintained and excessive deficits must be avoided.

Such a strategy of attaining and preserving safe budgetary positions while allowing for automatic stabilisation also supports a stable, growth-enhancing macroeconomic environment. By comparison, there are considerable doubts about the effectiveness of discretionary fiscal fine-tuning as a way of achieving cyclical smoothing. However, decisive discretionary government action is necessary for the structural adjustment of public finances and fiscal consolidation.

I The importance of economic stability

A stable and predictable economic environment contributes to social and economic welfare. In the short run, households prefer to have economic stability with continuous employment and stable incomes, allowing them to maintain relatively stable consumption over time. In the long run, large unexpected shocks and economic fluctuations can reduce growth, for example, by heightening the risks associated with investing and innovating. A highly volatile economic environment might induce people to choose less risky (but perhaps also less productive) education profiles and career paths. By maintaining a stable macroeconomic environment, economic policy thus contributes to economic growth and welfare.

Fiscal policy can contribute to stability in the short term by smoothing economic fluctuations. This article focuses on the way fiscal stabilisation operates and how stability can best be achieved. The short-term stabilising function of fiscal policy can become more important for individual countries when they enter into a monetary union. In such a

union, short-term nominal interest rates are not adapted to the situation of individual countries, but are attuned to the conditions of the union as a whole. Of the instruments that remain under the control of individual governments, fiscal policy then is important for stabilising domestic demand and output in the short term.

Fiscal policies are also important for the long-term stability of the economy. Fiscal policies that try to boost economic activity by increasing expenditure can result in higher spending-to-GDP ratios, and this subsequently requires either raising the tax burden or accepting growing deficit and debt ratios. If such policies reduce the availability of financing to the private sector and undermine the sustainability of public finances, long-term interest rates will rise and growth prospects will decline. Moreover, persistent deficits undermine the stabilising role of public finances. When countries continuously incur additional liabilities, governments lose the necessary room for manoeuvre to let public finances react appropriately to

macroeconomic fluctuations over the business cycle. Countries with unsustainable deficits thus face unavoidable and disruptive large-scale adjustments in the future.

The sustainability of public finances and the stabilising role of fiscal policies are closely linked. If people expect sustainability problems in the future then they can change their behaviour today and, for example, reduce investment, thereby undermining economic stability in the short run. In a monetary union, high deficits and rising debt levels in one or several countries can have further costs. They could raise long-term interest rates and inflationary expectations for the area as a whole, thereby creating negative externalities and

undermining monetary policies oriented towards price stability.

The next section explains the operation of automatic stabilisers, their limitations and the appropriate role for discretionary fiscal policy. It also outlines some characteristics of public finances in the euro area over the past 30 years. Section 3 explains the objectives of the Maastricht Treaty and the Stability and Growth Pact to attain and maintain sustainability, and the stabilising role of public finances. Section 4 then discusses an appropriate fiscal strategy consistent with these two objectives. The final section summarises the article and presents the conclusion.

2 The role of fiscal policy in stabilising economic activity

Fiscal policy instruments can contribute to the stabilisation of the economy in several ways. They can stabilise output, incomes and demand during an economic downturn by maintaining or even increasing government expenditure, or by reducing tax revenue. By the same token, they can moderate activity during periods of strong growth. Stabilisation can result from discretionary policy-making, where governments actively decide to adjust spending or taxes in response to changes in economic activity. By contrast, changes in government revenue and expenditure which occur without requiring new decisions by policy-makers and result from the impact of economic fluctuations on budgetary components are called automatic fiscal stabilisers.

Automatic stabilisation of demand and output via public expenditure and revenue

Automatic fiscal stabilisation results from certain features of taxation and social transfers that are built into tax codes and social legislation. At the same time, it stems from the resilience of major spending

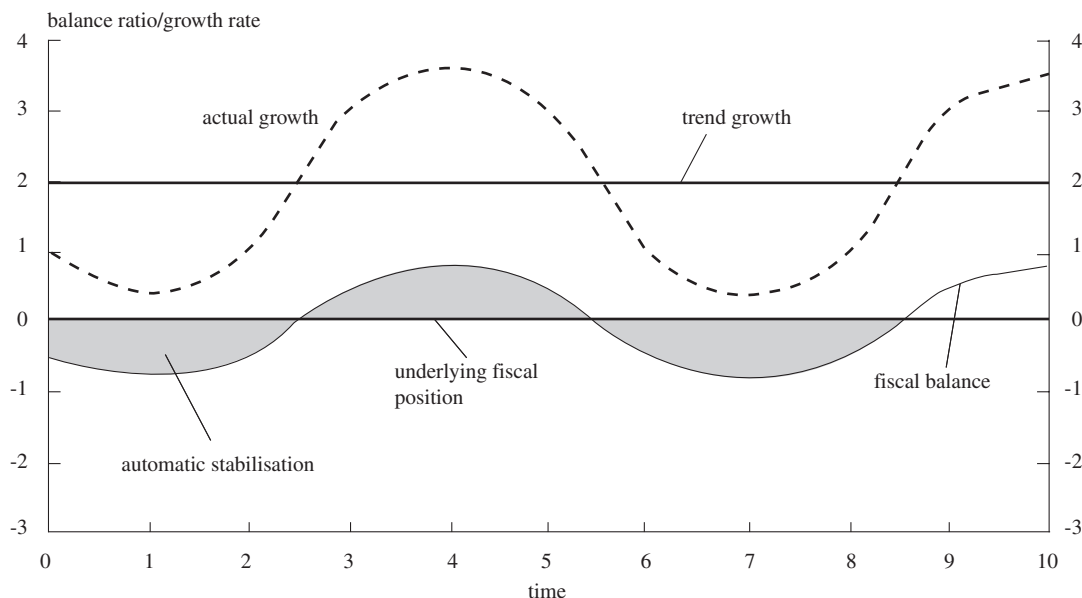
components with regard to economic fluctuations, since these components are pre-committed in annual budgets or even in multi-annual expenditure rules.

To illustrate this mechanism, consider a government planning to have a balanced budget in a given year. Now suppose that economic activity turns out to be weaker than the government had projected, owing to lower consumer demand, for example. Most of the income received by the government (mainly taxes) would then decrease more or less in proportion to the lower growth of the economy. Most of the government's expenditure, which translates into income for households and enterprises, would remain unaffected (mainly pensions, public sector wages and subsidies), or could even increase (unemployment-related outlays). For the government, the consequence is a deterioration of its budgetary balance, whereas households and enterprises can stick more closely to their original spending plans, thereby supporting total demand and cushioning the slowdown in economic activity.

Chart I depicts a hypothetical economy with regular and symmetrical cyclical fluctuations

Chart I

The operation of automatic stabilisers over the cycle



of GDP growth around a trend and shows how macroeconomic fluctuations translate into a cyclical pattern of the budgetary balance. In this example, the underlying fiscal position represented by the lower thick line is unchanged and balanced by assumption over the cycle. The shaded area indicates the impact of automatic stabilisers on the budgetary balance marked by “cyclical breathing” around the balanced position. Automatic stabilisers thus cause the budgetary balance to follow the same pattern as growth.

Trade-off between the size of automatic stabilisers and efficiency

With a given cyclical pattern of the economy, the amplitude of budgetary fluctuations reflects the size of automatic stabilisers which, in turn, is largely determined by the tax and expenditure system. Normally, the larger the public sector, the larger the automatic fiscal stabilisers. The higher the public spending-to-GDP ratio, the more the economy is effectively shielded from economic fluctuations. On the revenue side

of the budget, fiscal stabilisation increases with the progressivity of the tax system. Box I gives an explanation of the extent to which the budget is sensitive to the cycle in euro area countries, and of how a measure of the underlying fiscal position – the so-called cyclically adjusted or structural balance – can be constructed.

Higher public spending also requires higher revenues, and here is where the first main trade-off of large automatic stabilisers comes in. A high tax burden and generous social payments reduce incentives to work, invest and innovate and thereby weaken economic activity (see the article on fiscal policies and economic growth in the August 2001 issue of the Monthly Bulletin). Moreover, sizeable automatic stabilisers can delay the adjustment of an economy. Generous unemployment benefits, for example, reduce the incentives for laid-off workers to seek new employment, to accept different employment conditions or to retrain. High taxes coupled with subsidies for ailing industries can similarly make it less profitable for firms to adjust to changing economic opportunities, leading to a significant loss of efficiency.

Discretionary fiscal policies are normally not suitable for short-term demand management

Discretionary fiscal policies consist of changes in revenue and expenditure resulting from government action, such as changes in tax rates or social transfers, increases in the number of civil servants or in public sector wages, and adjustments in government investment. Past attempts to manage aggregate demand through discretionary fiscal policy-making – or fiscal fine-tuning – have been widespread but often counterproductive.

First, discretionary policies can undermine the healthiness of budgetary positions, as governments find it easier to increase spending in times of low growth than to reduce expenditure and tighten fiscal policy during economic upturns. This induces a tendency for continuous increases in deficits and the tax burden. By contrast, automatic stabilisers operate symmetrically over the economic cycle, moderating overheating in boom periods and supporting economic activity during economic downturns, in principle without affecting the underlying soundness of budgetary positions as long as fluctuations remain balanced.

Box I

Cyclically adjusted budget balances

Cyclical adjustment facilitates the monitoring and analysis of fiscal policies

Fiscal policy cannot be easily assessed on the basis of developments in actual government balances, since these reflect the impact of the cycle via the operation of automatic stabilisers, interest expenditure and new policy measures approved by the government. These factors need to be disentangled if fiscal developments are to be monitored accurately.

The fiscal balance adjusted for the impact of automatic stabilisers is the cyclically adjusted or structural budget balance. One approach to computing the structural balance is to first estimate budgetary sensitivities, which measure the automatic impact of a 1 percentage point change in output on the fiscal balance. Empirical studies by various organisations suggest that budgetary sensitivities in the euro area range from 0.3 to 0.7 for individual Member States. In the euro area on average, a 1 percentage point increase (or decrease) in real GDP growth therefore improves (or worsens) the budget balance by 0.5 percentage point of GDP owing to the operation of automatic fiscal stabilisers. As a second element, some measure of trend (or potential) output is required in order to gauge the cyclical position of the economy. The cyclical component can then be estimated and subtracted from the actual balance to obtain the structural budget balance, which indicates the consolidation needs or efforts of a country. A high cyclically adjusted deficit, for example, suggests that a country still has to make considerable adjustment efforts before a safe budgetary position is attained.

Suppose, for example, that a country has a budgetary sensitivity of 0.5, the surplus has improved from 1% of GDP in the previous year to 2% in the current year, and actual growth is reported to be 3%, 1 percentage point above potential growth. In this scenario, half of the budgetary improvement of 1 percentage point can be attributed to the effect of automatic stabilisers (the budgetary sensitivity of 0.5 multiplied by the 1 percentage point difference between actual and trend growth), with the other half resulting from fiscal consolidation and changes in interest payments. Thus, while the actual budget balance is up by 1 percentage point, the cyclically adjusted budget balance would only improve by 0.5 percentage point, reflecting the country's active consolidation efforts.

Consequently, the cyclically adjusted budget balance is one measure of the fiscal policy stance. In addition, interest expenditure can be subtracted to obtain cyclically adjusted primary balances. Some observers argue that this is the more appropriate measure for assessing a government's fiscal policy stance, insofar as interest expenditure is the consequence rather than the cause of expansionary fiscal policies or consolidation efforts.

Caution is required when interpreting the estimates

Cyclically adjusted figures are imperfect indicators of the medium-term budgetary position and of consolidation efforts and needs. First, there are methodological problems in estimating budgetary sensitivities and trend growth. Second, temporary factors affecting the budget still need to be considered when interpreting cyclically adjusted budgetary figures. Changes in cyclically adjusted balances are more useful for measuring annual consolidation efforts, since they are less sensitive to the choice of methods and less volatile over time than levels. The table below illustrates this point by comparing cyclically adjusted budget balances and their annual changes in 2001, as recently estimated by three international organisations.

Estimates of euro area cyclically adjusted budget balances in 2001

(in percentage points of GDP)

	Changes		Levels	
	2001 spring	2001 autumn	2001 spring	2001 autumn
European Commission	-0.2	0.0	-0.9	-1.3
OECD	-0.1	0.0	-0.7	-0.9
IMF	-0.1	0.0	-0.6	-0.7

Sources: European Commission: *European Economy, Supplement A, March/April 2001 and October/November 2001*; OECD: *Economic Outlook, June 2001 and December 2001*; IMF: *World Economic Outlook, May 2001 and October 2001*.

Second, such policies may be less flexible in reacting to economic conditions than automatic stabilisers. Automatic stabilisers are directly linked to the structure of the economy and therefore respond in a timely and foreseeable manner, helping economic agents to form correct expectations and enhancing confidence. They also react with an intensity that is adapted to the amount to which economic conditions deviate from what was expected when the budget plans were approved. These features of automatic stabilisers are almost impossible to replicate with discretionary reactions by policy-makers. For instance, tax changes must usually be adopted by parliament and their implementation typically lags behind the budget-setting processes. Not surprisingly, therefore, discretionary fiscal policies aimed at aggregate demand management have tended to be pro-cyclical in the past. They often only became effective when cyclical conditions were already reversing, thereby possibly exacerbating macroeconomic instability.

The scope for discretionary fiscal policies

Discretionary policies are needed to implement structural changes in public finances and to deal with exceptional situations, particularly when the economy experiences extraordinary shocks. First, discretionary policies reflect the changing priorities of public spending, its level and composition, and the rates and characteristics of different taxes. These policies determine the structure of public finances, which in turn substantially affects the functioning of the economy and, as mentioned above, the features of a country's automatic stabilisers.

Second, discretionary fiscal policy decisions are needed to preserve the sustainability of public finances in the medium term. This is the precondition for automatic stabilisers to operate freely. In particular, when sustainability is in doubt, expansionary measures and even automatic stabilisers may not have the desired effect on output as

people adjust their behaviour to expectations of a likely future fiscal crisis. Consolidation measures may then restore confidence and improve expectations about the long-term outlook for public finances. Such “non-Keynesian” effects are likely to reduce the negative economic impact of fiscal consolidation. Active fiscal consolidation using discretionary policies is therefore appropriate when budgetary positions are unsound or when there are risks to fiscal sustainability arising from high debt and future fiscal obligations (e.g. owing to population ageing).

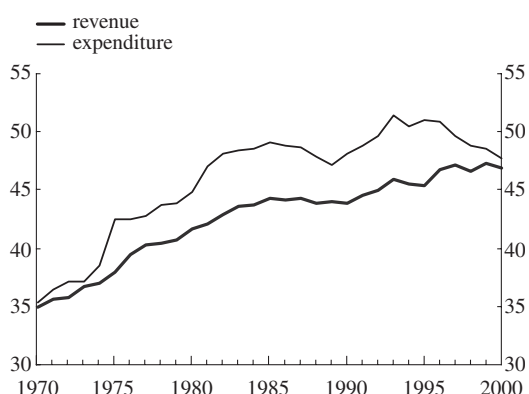
Finally, although automatic fiscal stabilisers are effective in dampening normal cyclical fluctuations, there are situations where active policy decisions might be needed. Automatic stabilisers alone might not be sufficient to stabilise the economy when economic imbalances do not stem from normal cyclical conditions or are considered irreversible. Discretionary policies in such situations may also have desirable supply-side effects. However, the benefits to be gained from expansionary policies in a recession must still be assessed against the risks to long-term sustainability, persistent adverse effects on the structure of public finances, such as a permanently higher tax level, as well as the economic costs of an eventual policy reversal.

Lessons from the past

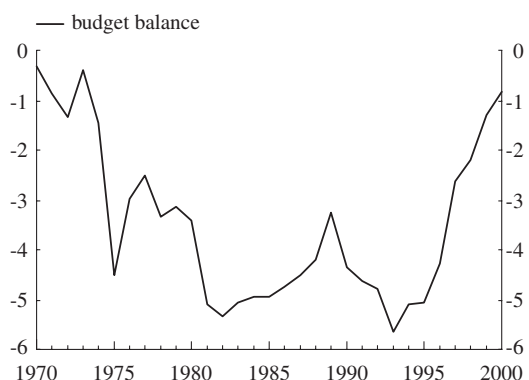
A number of studies have found that public finances in euro area countries from the mid-1970s to the mid-1990s performed poorly in stabilising their economies. During some episodes, fiscal policies even exacerbated economic fluctuations rather than moderating them. Often, fiscal contractions took place in periods of low growth, with fiscal expansions occurring during economic booms. Consequently, these discretionary fiscal policies were frequently pro-cyclical, overriding automatic stabilisers and possibly contributing to economic instability. In addition to this lack of timeliness, discretionary fiscal policy

Chart 2
General government revenue and expenditure, budget balance and debt for the euro area (as a percentage of GDP), 1970-2000

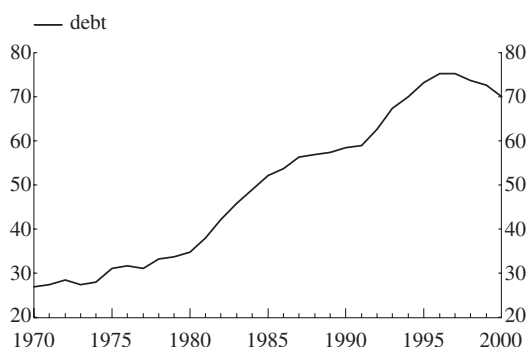
a) Revenue and expenditure



b) Budget balance



c) Debt



Sources: European Commission (Ameco) and ECB calculations.
 Note: Euro area data exclude Luxembourg. They also exclude proceeds from the sale of UMTS licences.

adjustments have shown two types of asymmetries that have undermined the sustainability of public finances.

First, fiscal policies behaved asymmetrically insofar as expenditure increases in times of fiscal relaxation were not followed by expenditure cuts, but rather by tax hikes during periods of fiscal tightening. This resulted in strong increases in the tax burden and the share of government expenditure in GDP (see Chart 2a). Average spending and tax rates gradually increased in the euro area to the extent that they are now much higher than in most other industrialised countries. Second, in some Member States, budget balances did not improve during upswings by as much as they deteriorated during downturns, pointing to asymmetrical reactions of fiscal policy to economic fluctuations. A significant deficit bias emerged, with chronic deficits peaking above 5% of GDP on average for the euro area in the early 1990s (see Chart 2b).

These policies undermined the sustainability and growth-enhancing role of public finances. The chronic high deficits together with the negative effects of a rising tax burden on investment and growth produced a very rapid and continuous build-up of public debt ratios until 1996. Average debt ratios increased strongly during downturns. They even rose moderately and occasionally stabilised without ever reversing during periods of strong growth (see Chart 2c). In several countries, growing debt and debt-servicing costs began to cast doubt on fiscal sustainability and reduced the scope for automatic fiscal stabilisation. Only in recent years have deficits come down significantly, and public debt ratios started to decline when the fiscal provisions of the Maastricht Treaty and subsequently the Stability and Growth Pact were implemented.

3 The Maastricht Treaty and the Stability and Growth Pact: stabilisation and sustainability

The adverse implications of unstable and unsustainable fiscal policies were among the main concerns when the fiscal institutional framework was designed in the run-up to Economic and Monetary Union (EMU). Attaining and preserving the sustainability of public finances became the principal aim of the fiscal provisions of the Maastricht Treaty, while the basic rationale of the Stability and Growth Pact is to restore the stabilising role of fiscal policies within this framework of fiscal discipline.

Promoting fiscal sustainability via consolidation

In order to ensure fiscal discipline and to preserve the sustainability of public finances, the Maastricht Treaty and the Stability and Growth Pact establish rules for prudent fiscal

policy-making. The Treaty states that countries should avoid excessive deficits (Article 104). Countries with a deficit level above 3% of GDP or a debt-to-GDP ratio above 60% for the general government are in an “excessive deficit” position, unless specific conditions apply.

Under the Stability and Growth Pact, which refines the fiscal provisions of the Maastricht Treaty, countries commit themselves to respecting the budgetary objective of a position close to balance or in surplus for the general government in the medium term. A consistent implementation of this principle implies that fiscal accounts are on average balanced over the business cycle. At the same time, public debt ratios would fall on average over the cycle, although the speed of reduction may vary from one year to the next.

Safeguarding the stabilising role of public finances

The Stability and Growth Pact contains two instruments guaranteeing the flexibility required to fulfil the stabilising role of public finances while preserving fiscal discipline. First, by maintaining a budgetary position close to balance or in surplus over the medium term, countries are able to let budget balances improve and worsen in line with the cyclical position of the economy. This “breathing of fiscal balances with the cycle” helps stabilise the economy without breaching the 3% deficit limit under normal cyclical conditions.

Second, the Pact contains an “escape clause”. This avoids an inappropriate policy reaction as a result of an overly rigid adherence to the 3% limit in case of a severe recession. Deficits above 3% of GDP will be regarded as excessive unless they are expected to be temporary and have occurred in exceptional circumstances. In any case, the deficit has to remain close to the reference value. Circumstances are qualified as temporary and exceptional if the deficit overshoot is driven either by an unusual event beyond the control of the Member State or by a severe recession. A deficit above 3% resulting from a severe economic downturn will, as a rule, only be considered to be exceptional by the Commission when preparing its report to the Council, if there is an annual fall in real GDP of at least 2%. The Council shall decide on the existence of an excessive deficit. A smaller decline in real GDP can only be considered as exceptional by the Council, on the initiative of the Member State concerned, when this is suggested by supporting evidence, in particular on the abruptness of the downturn or the accumulated loss of output relative to past trends. In evaluating whether or not an

economic downturn is severe, Member States will, as a rule, take an annual fall in real GDP of at least 0.75% as a reference point.

Ensuring implementation

An elaborate surveillance mechanism ensures the implementation of and compliance with the EU’s fiscal framework via three principles: transparency, peer pressure and the possibility of sanctions. In regular stability programme updates, euro area countries present their short and medium-term targets for the fiscal balance and public debt, as a nominal ratio to GDP, along with the underlying economic assumptions and policy measures planned to achieve these targets, and an analysis of how changes in the main economic assumptions would affect the budgetary and debt positions. Moreover, countries have to report their budgetary outcomes and projections to the European Commission twice a year. This enhances the transparency of fiscal developments.

Transparency facilitates peer pressure, which is exercised in the annual review of stability programmes and in various other EU fora. If public finances in a euro area country deviate from the criteria set out in the Maastricht Treaty and the Stability and Growth Pact, a number of procedural steps can be taken to promote compliance. These culminate in the excessive deficit procedure which can result in sanctions being taken against a euro area country if no corrective action is taken. Pecuniary sanctions cannot be imposed on EU Member States not participating in EMU (see the article on the implementation of the Stability and Growth Pact in the May 1999 issue of the Monthly Bulletin for a more detailed discussion).

4 Automatic stabilisers – a practical guide for an appropriate fiscal strategy

A two-track strategy: fiscal stabilisation is consistent with sustainable public finances

The previous discussion on the operation of automatic stabilisers and the Stability and Growth Pact suggests a two-track strategy: to promote the sustainability of public finances on the one hand, and ensure the stabilising role of public finances on the other. To achieve the first objective of sustainability, governments have to attain and maintain a safe budgetary position close to balance or in surplus over the medium term. Such a budgetary position makes it possible to reduce the debt ratio, but this may not always be enough for the debt to diminish at a satisfactory pace. In that case, an additional effort, beyond balanced budgets, is necessary. This is particularly important for those countries where public debt exceeds the 60% reference value.

If countries report budgetary positions close to balance or in surplus, they can also achieve the stabilisation objective by letting automatic stabilisers operate freely. This makes it possible for them to stabilise output without incurring the risk of breaching the 3% deficit limit under normal cyclical conditions. Countries whose budgets are highly sensitive to cyclical fluctuations, however, need to achieve more ambitious medium-term fiscal positions than those experiencing only minor cyclical fluctuations in their budgets. If they fail to adopt an appropriate position, they may face a higher risk of breaching the 3% reference value.

There is normally no need to engage in additional discretionary fiscal policy-making for stabilisation purposes. In specific circumstances, discretionary measures may be needed when countries are hit by severe recessions or when there is a case for making structural changes to public finances. However, these measures should be clearly

targeted and effective in addressing the underlying causes.

Consolidation strategies are fully compatible with automatic stabilisation

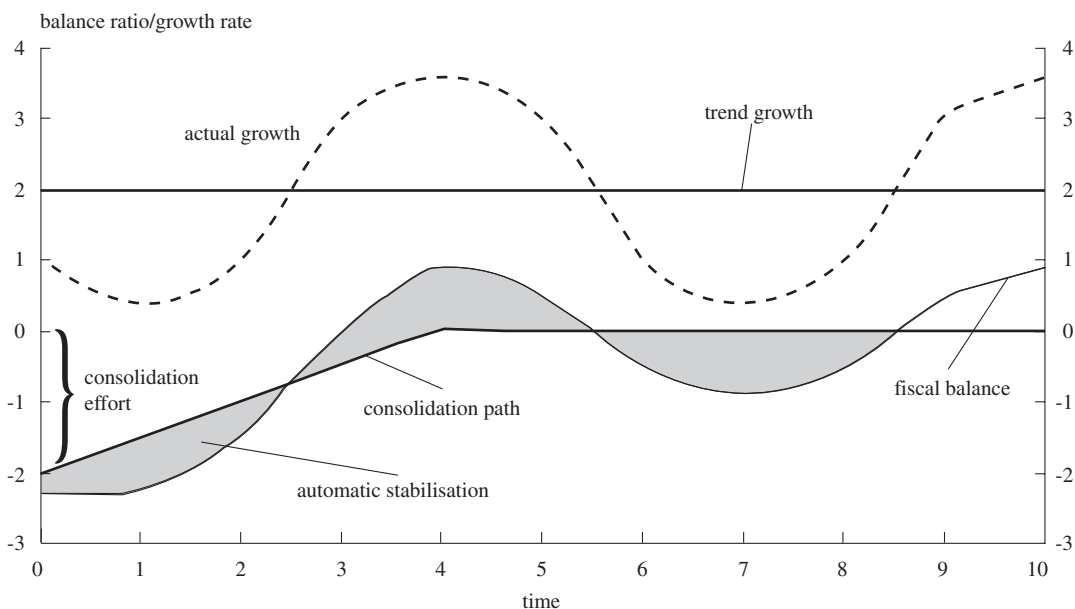
The fiscal strategy to attain safe budgetary positions and to allow automatic stabilisers to operate is also applicable to countries with significant remaining imbalances. These countries should formulate medium-term deficit and debt targets based on an ambitious and credible consolidation strategy. Their annual targets and the implementation of fiscal policy during this consolidation period can then reflect cyclical conditions via the working of automatic stabilisers. In such a strategy, sustainability and stabilisation are normally fully compatible objectives that can be pursued in both good and bad times.

The strategy crucially hinges upon achieving an appropriate speed of convergence to the desired medium-term fiscal targets. A balance needs to be struck here. On the one hand, if adjustment is too slow then confidence in attaining a sustainable path may be undermined and the scope for the operation of automatic stabilisers may be too restricted to prevent an excessive deficit. On the other hand, consolidation by definition consists of discretionary measures and attenuates demand, meaning that overly fast consolidation with excessive short-term retrenchment could also risk policy reversal if the political costs of consolidation become too high. If the right balance on timing can be struck and if the strategy is well conceived and credible, then positive confidence effects may counterbalance or even outweigh direct demand effects.

According to the Stability and Growth Pact, Member States have to formulate deficit and debt targets in nominal terms (as a percentage of GDP). The strategy of consolidation plus automatic stabilisation is reflected in

Chart 3

The operation of automatic stabilisers over the cycle in conjunction with a medium-term consolidation strategy



the overall budget balance, as illustrated in Chart 3. The scenario presented there is a variation on the one illustrated in Chart 1, showing the situation where a close-to-balance position has already been attained.

The lower thick line reflects a possible consolidation path for a country that has not yet attained a safe budgetary position, and leads to a cyclically adjusted balanced budget in the medium term. The thin line reflects a possible example of nominal annual budget targets. The latter also takes into account automatic stabilisation in line with the cyclical conditions, similar to Chart 1. The bracket indicates the necessary consolidation effort, while the grey area again depicts the effect of expected cyclical developments on the actual budgetary position. This example illustrates a linear consolidation path, but one could also argue in favour of a more ambitious adjustment the closer the nominal deficit ratio is to 3%. Moreover, this example shows that the annual nominal adjustment is smaller in times of low growth (here at the beginning of the adjustment period) and greater when growth is near or above trend. In fact, automatic stabilisers may fully countervail

consolidation efforts if growth is very low. This is the case in Chart 3, where the nominal balance initially does not change even though the underlying adjustment path is appropriate.

The strategy of smoothly converging to a medium-term position can usefully be applied symmetrically in cases where countries have room to loosen fiscal policies. This room for manoeuvre should be used in a manner that does not result in economic overheating and large pro-cyclical expansionary impulses. Large-scale fiscal expansion is especially inappropriate in good times, just as very significant fiscal contraction is normally not suited to economic downturns.

Automatic stabilisation can result in outcomes deviating from targets

It is important not only to evaluate the appropriateness of (ex ante) budgetary targets, but also the (ex post) outcomes. This is particularly critical in situations where the assumptions made about economic developments have not materialised and growth turns out to be significantly weaker or stronger than projected. If the original

targets reflected safe budgetary positions or a credible consolidation path then there is no reason to oppose deviations from targets that stem from automatic stabilisers. Indeed, countries with margins for expansionary policies may even miss their targets by more than can be justified by automatic stabilisation, as long as this does not result in an inappropriate expansionary impulse to an already strong economy and imbalances are not reintroduced. However, countries with remaining imbalances and credible medium-term strategies must avoid slippages beyond those resulting from automatic stabilisation, since these would delay the attainment of sound budgetary positions and increase the risk of running up an excessive deficit.

The most difficult situation is where the original targets were not ambitious enough, and these unambitious targets are subsequently missed. In such cases, automatic stabilisers might be required to operate less than fully in budget years when there is a significant deviation from the consolidation path, and certainly when there is a risk of an excessive deficit. Budgetary overruns beyond automatic stabilisation must be strictly rejected in this scenario. Governments may actually want to make additional efforts to limit deviations from original targets resulting from the action of automatic stabilisers if there are large benefits to be gained from strengthening the credibility of their consolidation commitments in this way.

Consolidation should focus on expenditure restraint

The fiscal strategy needs to be translated into figures for revenue and expenditure. Again, it is worth distinguishing between consolidation and stabilisation. As noted above, discretionary measures are necessary to achieve consolidation. There is abundant empirical evidence that expenditure restraint is more appropriate than tax increases for this purpose. Expenditure-led consolidations, especially those focusing on transfers and

wage payments, tend to be more persistent and successful in reducing debt levels than revenue-driven consolidations. The credibility factor and the prospect of lower future taxes induced by expenditure restraint also tend to have more positive effects on private consumption and investment. Consolidation via expenditure restraint can also help governments to implement structural expenditure reforms. Only with expenditure restraint can both consolidation and further tax cuts be achieved and the trend of growing public sectors be reversed.

The working of automatic stabilisers should also be appropriately reflected in revenue and expenditure developments. As expenditure commitments largely remain unchanged over the business cycle, except for unemployment benefits, overall nominal expenditure could be kept unchanged, provided its medium-term path is in line with the attainment and maintenance of a position close to balance or in surplus. Thus, any cyclical changes in fiscal balance targets should rather reflect revenue fluctuating with the cycle.

Implementation and monitoring of the fiscal strategy requires sound underlying statistical and institutional factors

There are a number of practical challenges when seeking to implement the strategy for fiscal consolidation and automatic stabilisation described above. The Maastricht Treaty and the Stability and Growth Pact define deficit and debt targets as nominal unadjusted ratios to GDP, and, in line with the medium-term thrust of the Pact, outcomes are then assessed taking cyclical circumstances into account.

In order to assess whether nominal deficit ratios are close to balance or in surplus, a number of factors need to be considered. In particular, one has to ascertain whether the budgetary position is safe when abstracting from cyclical factors. The cyclically adjusted budget balance can serve as a gauge, albeit an

Box 2

Monitoring fiscal developments

When analysing fiscal developments, the following type of chart is regularly used to depict the fiscal stance and changes in the budget composition that underlie current developments. This is done, for example, in the “Fiscal developments” section of the quarterly issues of the Monthly Bulletin.

Chart A: Annual changes in the average euro area budgetary position and underlying factors

(in percentage points of GDP)

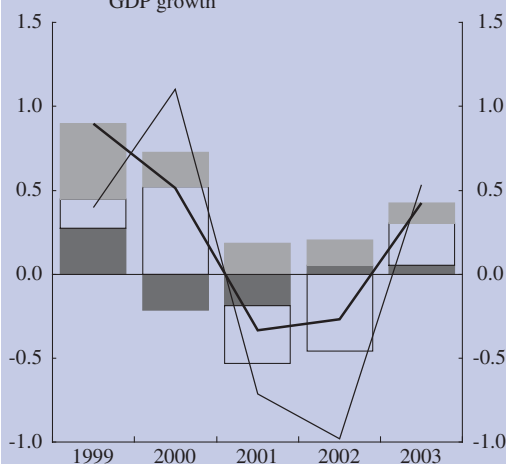
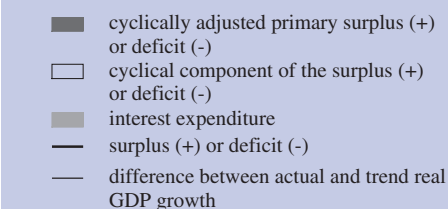
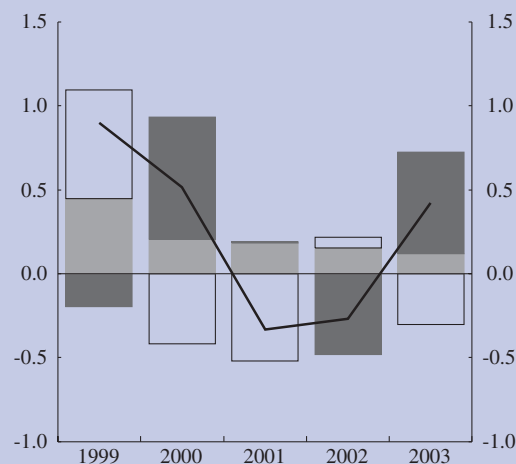
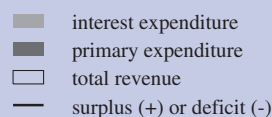


Chart B: Annual changes in the average euro area budgetary position – contributions of revenue, primary expenditure and interest expenditure

(in percentage points of GDP)



Sources: European Commission, autumn 2001, and ECB calculations.

Notes: Positive values indicate a contribution to a decrease in deficits, while negative values indicate a contribution to their increase. Data exclude proceeds from the sale of UMTS licences.

The left-hand chart presents a breakdown of the development of the overall fiscal balance in order to highlight the changes in the non-cyclical component of the budget which approximates governments’ consolidation efforts. These efforts are shown as they would appear without the impact of cyclical fluctuations via automatic stabilisers and the contribution of interest expenditure. The bars in this chart therefore depict the extent to which changes in the cyclically adjusted primary balance, the cyclical component and interest expenditure affect the overall balance as a percentage of GDP. Positive values (as implied by declining interest expenditure, for example) indicate a contribution to a decrease in the deficit. The lines show the change in the overall fiscal balance (which is also equal to the sum of the bars) and the difference between actual and trend growth (which underlies the calculation of the cyclical component).

For example, this chart, based on European Commission estimates and forecasts, reveals that the average fiscal balance in the euro area deteriorated in 2001 and is projected to fall further in 2002. The deterioration is largely related to the economic downturn and the operation of automatic stabilisers. Fiscal policy moderately contributed to the deterioration in 2001 (through a relaxation), but will remain largely neutral in 2002 as

indicated by the changes in the cyclically adjusted primary balance. Interest expenditure contributes positively to the fiscal balance in both years.

Moreover, the composition of the flows underlying the changes in the budgetary balance is of interest, since this affects the overall tax burden and the quality of public finances. Thus, the right-hand chart shows the contribution of revenue, primary expenditure and interest expenditure (in the form of bars) to the development of the overall fiscal balance. The chart shows that the deterioration in 2001 and 2002 stems from different sources. While revenue reductions (relative to GDP) account for the deterioration of the balance in 2001, it is primary expenditure increases (relative to GDP) that drive the deterioration in 2002.

imperfect one. Box 2 illustrates how the ECB monitors and analyses fiscal developments with the help of fiscal indicators, including cyclically adjusted budget and primary balances.

It is not enough simply to calculate the cyclical adjustment. It is also worth examining whether fiscal balances are robust enough to withstand unexpected changes in output or interest rates without exceeding or even coming close to 3% of GDP. Such an analysis can be carried out by “stress testing” fiscal accounts, applying different growth and interest rate scenarios. Finally, other indicators are helpful to capture other aspects of sustainability not reflected in the cyclically adjusted balance or in the stress testing. In particular, these calculations do not take into account additional consolidation needs arising from very high public debt or from future liabilities that are not yet visible in budget figures. Expenditure growth resulting from population ageing in the areas of pensions, health and long-term care, for example, is expected to put very significant pressure on public finances in the long term. Therefore, the figures for debt and future liabilities must also be carefully monitored to identify a need for further reforms and sustainability impasses.

The successful implementation and monitoring of the strategy also require a sound statistical and institutional basis. First, it is essential to ensure strict compliance with the requirements set out in the Stability and

Growth Pact. This includes the timely provision of high-quality stability programmes and fiscal data. Only then can the EU institutions and governments enforce and monitor the rules of the Pact and exert peer pressure on countries that do not (or do not yet) fully comply with their obligations. The European System of National and Regional Accounts (ESA 95) provides a conceptual and practical framework for economic and financial accounts, including for the statistical treatment of government transactions. In some cases the treatment of particular transactions within the framework needs careful judgement. Member States should not risk undermining the credibility of the Stability and Growth Pact by arranging government transactions in such a way as to exploit flexibility in the accounting framework with a view to presentational advantage.

Second, countries can further enhance their chances of attaining a safe budgetary position by setting up the appropriate national budgetary institutions. In particular, past experiences of expenditure overruns driving up deficits and keeping taxes higher than otherwise needed suggest the importance of introducing or reinforcing expenditure control mechanisms in many countries. There is considerable evidence that appropriate budgetary processes and legal fiscal restraints support fiscal discipline. Expenditure restraint across different levels of government can also be strengthened, e.g. by creating internal stability pacts.

5 Conclusion

This article has argued that automatic fiscal stabilisation and sustainability are fully compatible objectives. They are in fact complementary aspects of a fiscal policy strategy aimed at keeping medium-term budgetary positions close to balance or in surplus. First, by achieving or maintaining medium-term fiscal positions close to balance or in surplus, as required by the Stability and Growth Pact and the reference values for deficits and debt, it is possible to secure sustainability through broadly balanced fiscal accounts and declining debt ratios. Second, both safe budgetary positions and a sufficiently ambitious consolidation strategy are fully compatible with the operation of automatic stabilisers. This secures the stabilising role of public finances and minimises the likelihood of excessive deficits.

The expected impact of automatic stabilisers can be taken into account in the formulation of annual budget targets whenever sound budgetary positions are achieved or when an ambitious consolidation path has been defined, since they would not affect the underlying fiscal position. Automatic fiscal stabilisers can also result in unexpected deviations between budget targets and outcomes.

Automatic stabilisers are the appropriate way to stabilise output, as they have foreseeable, timely and symmetrical effects. Nevertheless,

there are drawbacks and limits to automatic stabilisation as well. Sizeable stabilisers reflecting large public sectors can undermine efficiency because of highly distorting tax rates and can delay adjustment to a changing economic environment. In countries where fiscal policies are inappropriate or sustainability is in doubt, non-Keynesian effects can countervail the stabilising impact.

Discretionary fiscal policies are often inappropriate demand management tools except in extraordinary circumstances. They suffer from implementation lags and are difficult to reverse. However, consolidation or fiscal structural reform, by definition, requires discretionary policy choices.

Putting into practice the strategy for consolidation and automatic stabilisation poses additional challenges. Transparency, peer pressure and full implementation of the institutional framework should not be taken for granted. Appropriate statistical information and high-quality data for budgetary targets at different time horizons are essential for the careful monitoring and assessment of fiscal strategies. In addition, strict compliance with the regulations contained in the Stability and Growth Pact and the strengthening of complementary budgetary institutions seem essential to ensure the sustainability and stabilising role of public finances in the long run.

The role of the Eurosystem in payment and clearing systems

One of the basic tasks of the Eurosystem is to promote the smooth operation of payment systems. Like most central banks, the Eurosystem also formulates payment systems policies, oversees payment systems, acts as a catalyst for the enhancement of the payment and clearing systems, and operates payment facilities. The close relationship between payment systems and securities clearing and settlement systems implies that central banks in general, and the Eurosystem in particular, also play a major role in securities clearing and settlement systems, although historically the formal competencies allocated to central banks in relation to these systems have been more limited. This article explains in its introduction why central banks generally have an important mandate with regard to payment, clearing and settlement systems (Section 1). It then focuses on the legal framework within which the Eurosystem operates in order to carry out this mandate (Section 2), the different roles of the Eurosystem and current policies (Section 3).

I Introduction

Definitions

Payment systems play a pivotal role in a modern economy, as most economic activity relies on them. The settlement infrastructure for securities markets is also crucial for the functioning of financial markets and, therefore, payment and securities clearing and settlement systems need to be safe and efficient.

For more than ten years, central banks have made efforts to establish internationally accepted definitions of the main concepts they use in this field. These definitions can be found in the glossary of the ECB's report entitled "Payment and securities settlement systems in the European Union (Blue Book)", June 2001. For the purpose of this article, the following three definitions, which are based on the Blue Book, are particularly useful.

Payment systems consist of a set of instruments, banking procedures and, typically, interbank funds transfer systems which facilitate the circulation of money. More specifically, payment systems require agreed technical standards and methods for transmitting payment messages between participants, an agreed settlement asset and a set of common operating procedures and rules, e.g. covering access criteria and pricing, etc.

Clearing systems consist of a set of procedures whereby financial institutions present and

exchange data and/or documents relating to funds or securities transfers to other financial institutions. Often, the procedures also include a mechanism for the calculation of participants' bilateral and/or multilateral net positions. Netting facilitates the settlement of transactions by reducing a large number of individual obligations or positions to a smaller number of obligations or positions.

Securities settlement systems comprise the full set of institutional arrangements for the issuance of securities and often also for the clearance, settlement and safekeeping of securities trades.

The responsibilities and interests of central banks

Central banks are responsible for the effectiveness of monetary policy and have a general interest in the overall stability of the financial system. The sound design and operation of payment systems, and in particular systemically important payment systems, are indispensable for the effectiveness of monetary policy and money markets and, more generally, for other national and international financial markets (such as foreign exchange, securities and derivatives markets). In the report entitled "Core principles for systemically important payment systems", Bank for International Settlements, January 2001, it is stipulated that "a payment system

is systemically important where, if the system were insufficiently protected against risk, disruption within it could trigger or transmit further disruptions amongst participants or systemic disruptions in the financial area more widely.” The great importance that central banks attach to the stability of financial markets derives both from the possibility that financial shocks can be transmitted rapidly between market participants (particularly via payment and securities settlement systems) and from the potential for financial shocks to cause disruptions in the broader economy, thereby generating substantial declines in welfare and output.

The policy objectives of central banks

The policy objectives of central banks with regard to payment systems are geared towards providing the economy with safe, efficient systems to make payments in central bank and commercial bank money. By pursuing the twofold objective of efficiency and safety, they contribute to systemic stability while facilitating the implementation of monetary policy. Historically, the promotion of safe, efficient payment systems has been the first, overriding objective of central banks. More recently, central banks have also started to pursue the same objectives with regard to securities clearing and settlement systems.

Promoting systems which are both safe and economically efficient

As a rule, payment and securities clearing and settlement systems may be economically efficient only if they are sufficiently widely used. Their use and acceptance depend, in turn, on their safety. Therefore, by addressing the risks associated with these systems, central banks set a precondition for their economic efficiency and promote the systemic stability of the financial markets as a whole. There are basically two kinds of financial risk associated with payment systems and securities clearing and settlement

systems. First, there is the risk that a party within the system will be unable to meet its obligations, neither when such obligations fall due nor at any time in the future (credit risk). Second, there is the risk that a party within the system will have insufficient funds or securities to meet its obligations as and when expected, although it may be able to do so in the future (liquidity risk). Both these categories of financial risk might lead to a situation where the failure of one participant in an interbank funds transfer or securities clearing and settlement system to meet its obligations results in other participants being unable to meet their obligations when due (a domino effect), possibly leading to widespread disturbances in the financial markets as a whole (systemic risk). Problems arising in payment systems could also affect the economy on a broader basis, as companies use payment systems when buying or selling goods and services or when paying salaries to their employees, the public relies on payment systems for retail purchases, and governments depend on them to receive taxes and pay benefits. In the case of securities clearing and settlement systems, there is also the risk of the loss or non-availability of securities held in custody caused by the insolvency or negligence of the custodian bank, or any other adverse situation in which it finds itself (custody risk). This too has an impact on the ability of a participant to deliver securities when needed. As a result, public confidence in the use of payment and securities clearing and settlement systems, payment and financial instruments, or even in the use of money as a broader medium of exchange, would suffer and might be seriously undermined in the event that key infrastructures were to be disrupted.

Besides being secure, payment and securities clearing and settlement systems should also be efficient and practical both for their users and for the economy as a whole. However, there is always a trade-off between minimising costs and meeting other objectives, such as maximising safety. In order to guide stakeholders in payment and securities

clearing and settlement systems in making their choices, central banks and regulators establish minimum safety and efficiency standards and recommendations. These standards and recommendations foster competition between payment systems on the one hand and among securities clearing and settlement systems on the other and help avoid regulatory arbitrage. To some extent, they may also lead to more harmonised rules and procedures.

Facilitating the implementation of monetary policy

Payment systems are the main channel for distributing liquidity both to and among market participants. Central banks use payment systems to execute their own monetary policy and intraday credit operations. Since such central bank operations have to be collateralised, securities clearing and settlement systems, payment systems and monetary policy are interrelated. Furthermore, the introduction by central banks of real-time gross settlement (RTGS) systems, i.e. systems in which processing and settlement take place in central bank money on an order-by-order basis (without netting) in real time (continuously), in itself contributes to an increase in demand for central bank money by participating banks.

The tools of central banks

In order to be able to fulfil their objectives with regard to payment systems, central banks have the following tools: i) they can

operate payment systems, ii) they can act as a catalyst for change, and iii) they can set safety and efficiency standards which, if necessary, can be implemented through the use of certain regulatory powers. With regard to the latter tool, the definition of standards, and the verification of their enforcement, are usually referred to as oversight of payment systems. In this context, oversight is different from banking supervision. Banking supervision involves monitoring individual banks/financial institutions with a view to ensuring their financial stability. It focuses on individual participants in a payment system, aims primarily to protect depositors/bank customers, and is based on an extensive regulatory framework. Payment systems oversight, on the other hand, concerns systems, arrangements and instruments. Based on a combination of moral suasion and regulatory pressure, its primary objective is to protect the functioning of the systems by examining their design and operation. Payment systems oversight is the competence of a central bank. One could argue that the same tools also apply, in principle, with regard to securities clearing and settlement systems, although it should be noted that the powers of central banks are less explicit with regard to these systems. In this context, the joint work on securities settlement systems by the G10 Committee on Payment and Settlement Systems (CPSS) and the International Organization of Securities Commissions (IOSCO) could be seen as a recognition, at the international level, of the interest and role, although not exclusive, of central banks in the oversight of securities clearing and settlement systems.

2 Legal framework for the involvement of the Eurosystem in payment and clearing systems

The Treaty and the Statute of the ESCB

The Treaty establishing the European Community (the Treaty) and the Protocol on the Statute of the European System of Central

Banks and of the European Central Bank (the Statute of the ESCB) contain a number of provisions which underscore the importance to the Eurosystem of clearing and payment systems.

Article 105 (2), fourth indent, of the Treaty, as repeated in Article 3 (1), fourth indent, of the Statute of the ESCB, mentions that one of the basic tasks of the Eurosystem is to “promote the smooth operation of payment systems”. These Articles, the essence of which was sometimes already contained in the statutes of national central banks (NCBs) prior to their integration into the Eurosystem, have traditionally been the basis for the provision of payment systems facilities by NCBs and for the oversight by NCBs of payment systems in their jurisdiction. After the establishment of the Eurosystem, these functions became the shared competence of the ECB and the euro area NCBs as provided for by the Treaty and the Statute, which form the legal basis for the involvement of the Eurosystem in clearing and payment systems.

The ECB is empowered to issue Guidelines and Instructions, make Regulations and Recommendations, deliver Opinions, and take Decisions. Article 22 of the Statute of the ESCB states that the ECB and NCBs may provide facilities and that the ECB may make Regulations to ensure efficient and sound clearing and payment systems within the Community and with other countries. Read in conjunction with Article 34.1 of the Statute of the ESCB, “Regulations” in this context mean Regulations in the Community law sense of the word, i.e. legal acts of general application, binding in their entirety and directly applicable in all Member States. Whilst the provision by the ECB and the NCBs of payment systems facilities (see Section 3 below) is based on the first part of Article 22, the second part of Article 22 – the making of Regulations – has not yet been applied.

Article 34.1 of the Statute of the ESCB empowers the ECB to make Regulations and Recommendations, take Decisions and deliver Opinions in the area of clearing and payment systems. The instrument of Decisions (which are binding on the addressees) has been applied on a number of occasions by the ECB, for instance to impose sanctions on

Eurosystem counterparties failing to comply with ECB legal acts, but is not currently used in the field of payment systems. Furthermore, the ECB has not yet made any Recommendations, non-binding instruments, in the area of clearing and payment systems.

The ECB’s legal (but not binding) Opinions are those which are delivered under Article 105 (4) of the Treaty and Article 4 (a) of the Statute of the ESCB, as further developed in Council Decision (98/415/EC) of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions. These Articles and the Council Decision oblige the Community and national legislators to consult the ECB on draft legislative provisions in its field of competence and, therefore, also in the field of clearing and payment systems. On this basis, the ECB and the European Monetary Institute (the ECB’s predecessor, for which a similar provision existed) have so far delivered four Opinions on draft Community legislation and 30 on draft national legislation in the area of clearing and payment systems.

Owing to its general applicability and direct effect, a Regulation is the most forceful legal instrument which the Statute of the ESCB bestows on the ECB in the field of clearing and payment systems. Articles 22 and 34.1 of the Statute of the ESCB vest the ECB with the capacity to make Regulations in the domain of “clearing and payment systems”. Such Regulations only have binding effect within the participating (i.e. euro area) Member States.

Article 22 of the Statute of the ESCB

In order to define the ECB’s powers to make Regulations under Article 22, it is necessary to determine the scope of this Article. An examination of the history behind this Article, introduced into the Statute of the ESCB at a rather late stage, does not, however, clarify this issue. Indeed, an analysis of the preparatory work fails to give sufficient explanation of the objectives of those drafting

the Treaty with regard to vesting the ECB with regulatory power in the area of clearing and payment systems. However, it is clear, also in view of Article 34.1 of the Statute of the ESCB (see above), that it was the unambiguous intention of the Community legislator to grant the ECB the power to make Regulations, in the Community law sense of the word, in the domain of clearing and payment systems. Furthermore, since Article 22 is rather broadly formulated (Regulations may be made by the ECB to “ensure efficient and sound clearing and payment systems within the Community and with other countries”), it is submitted that, within reasonable parameters, the Article is broad enough to be applied with a certain degree of flexibility so as to accommodate future developments in the fast evolving area of clearing and payment systems. At this juncture, whilst it is not possible to be exhaustive and precise on such parameters, some general guidelines may nevertheless be identified by studying the allocation of competencies between the ECB, other Community authorities and the national legislators of Member States.

In the field of the oversight of clearing and payment systems, the ECB’s Opinion (CON/99/19) concerning a consultation from Luxembourg on a draft law implementing the Directive of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (98/26/EC; Official Journal of the European Communities, L 166 of 11 June 1998, p. 45 ff.) (the Settlement Finality Directive) stressed that the oversight functions in respect of clearing and payment systems are a competence of the central banks because of their intimate connection with monetary policy, monetary transmission mechanisms, the money market, and the stability of the financial system. Any interference with the competencies of a Community or national body, other than a central bank, acting within the framework of the ESCB/Eurosystem is therefore excluded. Whilst, contrary to prudential supervision,

oversight functions are traditionally less based on a regulatory framework, should the need arise, the ECB would have recourse to the power referred to in Article 22 of the Statute of the ESCB.

As regards Community bodies, the EU Council and the European Parliament are empowered by the Treaty to adopt legal acts in the area of financial services, which may also affect clearing and payment systems. An example of this is the above-mentioned Settlement Finality Directive. This Directive lays down rules on the finality of payments, the enforceability of bilateral and multilateral netting, the non-retroactive effect of insolvencies of participants in payment and securities settlement systems, and the insulation of collateral provided by such participants in the event of their insolvency. Whilst it is clear that the ECB may regulate operational features and technical aspects of clearing and payment systems, the question arises as to whether this competence could also cover issues such as those addressed in the Settlement Finality Directive. It is, perhaps, theoretically possible to distinguish between the technical-operational features of clearing and payment systems on the one hand and civil and insolvency law aspects on the other. However, in practice, if the ECB were to make a Regulation in the area of clearing and payment systems in order to ensure sound, efficient functioning, such a distinction might be more difficult to make. Indeed, Article 22 would seem to lose its meaning if any impact of an ECB Regulation on civil and insolvency law were excluded. It may therefore be argued that Article 22 Regulations may have such an impact as well, if and when restricted to the specific purpose of ensuring the efficiency and soundness of clearing and payment systems.

National legislators may regulate in the field of competencies of the ECB and other Community bodies only to the extent that neither the ECB nor the Community has used its powers in the relevant fields. The principle of primacy of Community law implies that national

legislation should not be applied in the event of incompatibility with a Community legal act, inclusive of ECB legal acts.

Turning now specifically to the scope of Article 22, the concept of clearing and payment systems needs to be defined. It should be noted that neither the Treaty nor the Statute of the ESCB develops this concept further. However, a starting-point for analysis is the close association which modern financial systems make between payment systems and securities clearing and settlement systems. The application of delivery versus payment mechanisms, whereby securities are only delivered against a simultaneous transfer of funds, means that operations with securities generally entail a cash payment. The settlement of both legs of the transaction needs to be subject to the same safeguards. Otherwise there may be asymmetries with systemic implications. Article 22 contains the terms “clearing” as well as “payment” when referring to “systems”. The text therefore suggests that “clearing” has a meaning on its own, different from the term “payment”. This textual interpretation may therefore lead to an affirmative answer to the question as to whether Article 22 encompasses securities clearing and settlement systems.

There are some other arguments in favour of such interpretation. For example, the Settlement Finality Directive does not define clearing or payment systems separately, but contains the more generic term “system” and covers both payment systems and securities clearing and settlement systems. The Settlement Finality Directive was adopted with a view to addressing systemic risk in “systems”. This objective coincides with that of Article 22, namely to ensure the efficiency and soundness of clearing and payment systems. Consequently, it may be concluded that the term “systems” as it is used in the Settlement Finality Directive is synonymous with the term “clearing and payment systems” in Article 22 of the Statute of the ESCB and would encompass both systems for the transfer of funds and securities clearing and settlement systems.

Another indication of the close association between payment systems and securities clearing and settlement systems can be seen in the recent recognition, although still informal, of the role of central banks in the oversight of securities clearing and settlement systems at the national and the international level in the framework of a shared project between the ESCB and the Committee of European Securities Regulators (CESR). In view of the common interest of central banks and securities regulators in the field of securities clearing and settlement systems in the EU, a framework for co-operation in this field was recently approved by the Governing Council of the ECB and by the CESR. This is expected to lead to the establishment of standards and recommendations for securities clearing and settlement systems across the EU, with oversight functions shared by central banks and securities regulators.

There is a general principle following which the law needs to be interpreted and applied in accordance with the social reality and circumstances at the time of application. This principle also applies to statutory provisions in the Treaty and Statute of the ESCB in the area of clearing and settlement systems. It would be unreasonable to expect that Article 22 (a Treaty provision) would need to be adapted on a regular basis to reflect the quickly changing environment of clearing and settlement systems. It is therefore argued that Article 22 may, in the context of modern clearing and payment systems, be applied so as to encompass both payment systems and securities clearing and settlement systems. However, the ECB would act *ultra vires*, i.e. beyond its statutory powers, if the regulatory powers vested in it by Article 22 were to be used to invade the competence of the Community or Member States as general legislators in the domain of securities law, private law or insolvency. The ECB is not a general legislator, but its regulatory powers are narrowly targeted either at establishing the rules for euro area-wide facilities provided by the Eurosystem itself, in a

uniform manner and without the interference of national laws, or at ensuring the efficiency and soundness of the systems if they relate to Eurosystem operations. In addition, it is necessary to mention several limitations to the use of regulatory power: first, the principle of proportionality, according to which the obligations imposed on the participants in a clearing or payment system have to be proportional to the objectives sought by the ECB; second, the ECB is bound by the principle of acting in the context of an

open market economy with free competition, whereby, in the substance of the rules contained in an ECB Regulation, no limitation to competition may appear; and, third, the principle of non-discrimination, whereby market participants should be treated equally. Indeed, ECB Regulations may be challenged before the European Court of Justice under Article 35.1 of the Statute of the ESCB, should doubt arise as to whether an ECB Regulation under Article 22 complies with the above criteria.

3 The different roles of the Eurosystem

Whereas the introduction gives an overview of the rationale and general scope of the role of central banks in the field of payment and securities clearing and settlement systems, this section illustrates the way in which the Eurosystem carries out its functions in practice. The Eurosystem is active as an operator of payment systems and fulfils its mandate by acting as a catalyst for change and as a setter of standards. These three roles are played to varying degrees in three fields: large-value payment services, mainly for interbank payments and payments stemming from financial market transactions; retail payments; and securities settlement services.

Operational role

From Article 105 (2), fourth indent, of the Treaty, among others, read in conjunction with Articles 3 (1), fourth indent, and 22 of the Statute of the ESCB, it can be derived that the ECB and the NCBs have the power to provide payment systems and clearing facilities (i) within the Community and (ii) with other countries.

Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system

The Eurosystem has implemented its operational competencies by setting up and

operating TARGET, a large-value payment system which processes euro payments. EU central banks took the view that the introduction of the single currency would necessitate the integration of payment systems in some form in order to establish a single “domestic” payment area, providing a level playing-field for market participants and a tool through which the monetary policy operations between the NCBs of the Eurosystem and credit institutions could be carried out in a timely, secure manner, fostering the singleness of the money market. Following a Decision of the Council of the European Monetary Institute (EMI) of March 1995, TARGET was developed to process efficiently large-value payments in euro throughout the euro area. Without TARGET, the supply and demand for central bank money would have had to be met at a national level. This would have been incompatible with the idea of Economic and Monetary Union (EMU), as it would have maintained fragmentation of national money markets, making a single monetary policy impossible. TARGET commenced live operation on 4 January 1999. It successfully fulfils its objectives as it provides an efficient, safe mechanism for the processing and settlement of large-value euro payments on an RTGS basis and serves the needs of the monetary policy of the ECB. It is the only “tool” carrying out “cross-border” payments in euro which is directly accessible to all monetary policy counterparties. TARGET has

a decentralised structure consisting of 15 national RTGS systems and the ECB payment mechanism (EPM)¹ which are interlinked through the Interlinking system so as to provide a uniform platform for the processing of euro payments. The Eurosystem has observed that since the introduction of the euro on 1 January 1999, technical evolution and market pressure have been supporting a process of consolidation of market infrastructures which may also influence the TARGET system. In this respect, the Eurosystem is currently examining how TARGET could evolve in the coming years. This is particularly important for countries which have applied for membership of the European Union. Clearly, the setting-up of an RTGS system cannot be seen as a prerequisite for accession to the EU. Accession countries should give priority to the development of modern market infrastructures which serve the needs of their economy, facilitate the development of safe and efficient financial markets, and support market participants in the country so that they may become competitive with other market participants both in the EU and globally. As market infrastructures are specifically designed to serve a currency, the national infrastructure put in place in accession countries will also continue to be used after those countries have joined the EU. Only when accession countries join the euro area may the use of national infrastructures have to be reconsidered.

Articles 12.1 and 14.3 of the Statute of the ESCB, which empower the ECB to issue Guidelines and Instructions to NCBs, formed the basis for Guideline ECB/2001/3 of the European Central Bank on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET) of 26 April 2001 (OJ L 140/72), as amended by Guideline ECB/2002/01 (OJ L 67/74). The Guideline on TARGET lays down the rules governing the operation of the system as such, including its national components. It contains provisions on, inter alia, a number of minimum common features with which each national RTGS system participating in

or connected to TARGET shall comply (e.g. access criteria, currency unit, pricing rules, time of operation, payment rules, irrevocability, finality and intraday credit), arrangements for cross-border payments through the Interlinking system, security requirements, audit rules, and provisions on the management of TARGET. These rules apply to the Eurosystem's NCBs only. In order to create the same facilities for the NCBs of Member States which have not yet adopted the euro, a multilateral agreement has been adopted by the Eurosystem's NCBs and the ECB on the one hand and the non-participating NCBs on the other, which mirrors the provisions of the TARGET Guideline. The rules of the TARGET Guideline and the TARGET Agreement have been included in the national legal documentation between NCBs and their counterparties, through contractual and/or statutory provisions.

Given that they had to prepare their TARGET connections, the NCBs of the current EU Member States which did not adopt the euro on 1 January 1999 could connect to TARGET provided that they observe the rules and procedures as set out in the signed agreement, subject to certain additional modifications and specifications.² For the time being, no further legal instruments have been adopted and applied by the ECB in order to provide payment systems within the EU.

TARGET processes credit transfers only. According to the TARGET Guideline, all payments directly resulting from or made in connection with (i) monetary policy operations, (ii) the settlement of the euro leg of foreign exchange operations involving the

¹ In 1999, the terms and conditions governing the use of the ECB payment mechanism were adopted by the ECB. Through the EPM, the ECB participates in TARGET in order to process payments (in particular, the ECB's own payments and the payments of customers in the EPM) and supply settlement services to cross-border clearing and settlement organisations through the TARGET system.

² See "Conditions for the participation of non-euro area EU NCBs and credit institutions in TARGET" in http://www.ecb.int/press/pr980708_3.htm

Eurosystem, and (iii) the settlement of large-value systems handling euro transfers, must be carried out through TARGET. In the case of other payments, such as interbank and commercial payments in euro, TARGET may also be used. There is no upper or lower limit to the value of payments processed.

Automated clearing houses (ACHs)

The involvement of the Eurosystem in retail payment systems is rather diverse. Many Eurosystem NCBs, for example the Banca d'Italia, the Nationale Bank van België/Banque Nationale de Belgique and the Deutsche Bundesbank, have a long tradition of being operationally involved in retail payment systems. They offer a neutral and open network in which banks can participate, irrespective of the size of their business. The degree of involvement of the Eurosystem in retail payment systems largely depends on the efforts of the banking sector in providing an efficient retail payments infrastructure for the euro in the future.

Settlement agent for private systems

Besides operating large-value and retail payment systems on its own, the Eurosystem provides settlement facilities for payment systems which it does not operate itself (e.g. privately operated retail payment systems, securities settlement systems for the settlement of the cash leg, and the Euro I system operated by the Euro Banking Association).

Continuous Linked Settlement (CLS) system

The Eurosystem is also responsible for promoting efficient and sound systems with other countries. An example of this is the CLS system, designed to settle foreign exchange transactions between member banks on a payment-versus-payment basis in the books of the CLS Bank, which is

incorporated in New York. The CLS system is expected to eliminate settlement risk for transactions settled in the system and will substantially reduce the liquidity needed to settle a given amount of foreign exchange trades compared with current practice, since settlement members will have only one position per currency in the system. Given their time-criticality, CLS-related payments will pose a challenge for the banks' intraday liquidity management. The oversight of the CLS system or any other system or payment facility operated in a non-euro area country will entail close co-operation with other non-EU authorities and, to a certain extent, a harmonised oversight approach of the authorities involved. To this end, work has already been carried out in various international fora, such as the CPSS, under the auspices of the Bank for International Settlements (BIS). With specific regard to the CLS system, the primary overseer is the Federal Reserve Bank, whereas the ECB is the overseer in respect of the euro in accordance with the co-operative oversight framework set out in the "Report of the Committee on Interbank Netting Schemes of the Central Banks of the Group of Ten Countries", BIS, 1990. (In terms of importance, the euro is clearly the second currency in the CLS system and expectations are that it could account for around one-quarter of the system's turnover.)

Central securities depository (CSD) activities

Traditionally, Eurosystem NCBs have played an operational role in the settlement of securities. Today, although various tasks have been transferred to private entities, some of the NCBs still act as a CSD or registrar for certain government or other kinds of securities.

Correspondent central banking model (CCBM)

In the absence of a satisfactory solution for the cross-border mobilisation of assets, in 1999 the Eurosystem implemented the CCBM for its own operations to ensure that all its payment system participants and monetary counterparties would be able to provide collateral for Eurosystem credit operations, irrespective of the location of the collateral. With the CCBM, each NCB acts as a custodian vis-à-vis other NCBs. The CCBM was developed as an interim solution until such time as the market developed alternatives, whilst it was not intended to compete with market initiatives to provide cross-border services for market operations.

Catalyst for change

The Eurosystem not only acts as an operator but, in the particular case of retail payment systems, sometimes also aims to induce changes or encourage the market to move in a certain direction. This is done through its contacts and relationships with banks, striving in a spirit of co-operation to find solutions for the challenges ahead. Through bilateral or multilateral meetings, presentations, speeches and publications, etc. it provides a forum for discussion with market participants and paves the way for further enhancements in payment systems and new infrastructural developments.

The role of the Eurosystem as a catalyst is one of great importance, for example, with regard to the development of cross-border retail payments in euro where efficiency has been adversely affected by the lack of adequate co-ordination among participants. Despite the introduction of the euro and the fact that the euro area now has to be regarded as a single “domestic market”, there is still segmentation along the national borders of retail payment systems owing to largely differing service levels for national and cross-border payments. In its September 1999 report “Improving cross-border retail

payment services – the Eurosystem’s view”, its September 2000 report “Improving cross-border retail payment services – progress report”, and the article in the February 2001 issue of the Monthly Bulletin entitled “Towards a uniform service level for retail payments in the euro area”, the Eurosystem has made it clear to the banking industry and the public at large that it expects a substantial reduction in the differences in service levels for domestic and cross-border retail payments by 2002, and for them to disappear completely in the medium term. In its November 2001 report entitled “Towards an integrated infrastructure for credit transfers in euro”, the Eurosystem proposed a series of measures to which the banking sector should commit itself to bring the cost of cross-border credit transfers to the level of national ones by the end of 2004. The banks, however, would have to determine for themselves what best fits their particular needs. On 19 December 2001 the European Parliament and the Council adopted Regulation (EC) 2560/2001 on cross-border payments in euro (OJ L 344 of 28 December 2001). In accordance with the provisions of the Treaty, the ECB delivered its Opinion on the draft Regulation. In order to foster co-operation between market participants, the Eurosystem stresses the importance of co-ordination bodies for the euro area. Such bodies exist in most countries and have proven very useful in defining and implementing technical standards and business practices. The creation of such a co-ordination body for the entire euro area is deemed necessary and it is the intention of the Eurosystem to play the role of catalyst in this regard.

In the context of securities clearing and settlement, the Eurosystem cannot be indifferent to the consolidation process currently under way in the euro area. Increased consolidation has the potential to foster efficiency, but also to exacerbate risks. The focus of attention of central banks has recently extended to securities clearing organisations and is particular to central counterparties. The latter are entities which

assume obligations on behalf of their participants. The potential of central counterparties to concentrate risks is much higher than that of securities settlement systems. As a result, the Eurosystem has a special interest in central counterparties and their systemic relevance and, on 27 September 2001, issued a policy statement on consolidation in central counterparty clearing. The Eurosystem's attitude towards securities clearing and settlement systems is guided by the principles of efficiency and neutrality. Efficiency requires consolidation in the securities clearing and settlement infrastructure, and one of the first steps towards consolidation is to create the conditions whereby the Eurosystem's monetary policy counterparties are able to use all types of eligible collateral throughout the euro area. However, the benefits of consolidation should not only be limited to central bank operations. The present infrastructure needs to undergo reshaping in order to allow all euro area securities to be easily transferred from one part of Europe to another. The principle of neutrality means that the Eurosystem does not favour any particular solution in order to achieve integration: the Eurosystem will not interfere with market competition between systems, financial centres or categories of banks, in order to provide a more integrated solution.

Setting standards

It is the competence of the Governing Council to set safety and efficiency standards with which payment systems operating in euro must comply. In order to provide a clear definition of its payment system-related objectives and communicate its role and major policies with regard to payment systems, in June 2000 the Governing Council of the ECB adopted and published its "Statement on the role of the Eurosystem in the field of payment systems oversight". In performing its tasks, the Eurosystem supports the further achievement and smooth functioning of the Single Market and consequently contributes to market

integration. It ensures a level playing-field for the providers of payment and securities clearing and settlement services, in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources.

Oversight standards for payment systems

With regard to the Eurosystem as a whole, the Governing Council decides on the adoption of any standards for payment systems endorsed by other standard-setting bodies. For example, since February 2001, the Governing Council has included the "Core Principles for Systemically Important Payment Systems" (the Core Principles) by the CPSS in the set of standards used to evaluate the safety and efficiency of large-value euro payment systems. Where there are new developments in retail payment systems or where retail schemes may have potential cross-border implications, general policy lines for oversight are also defined at the Eurosystem level. Through oversight of payment systems, the Eurosystem ensures that the standards set are properly applied.

Since an increasing number of payments are being processed through private systems run by major banks, the Eurosystem is also paying attention to advanced correspondent banking and innovative payment arrangements. The possible risks involved in such arrangements are comparable with those that might occur in payment systems and disruptions therein could have the same negative systemic implications. Consequently, the Eurosystem will continue to monitor closely the systemic importance of such systems and developments in the field.

Standards for the use of securities settlement systems in Eurosystem credit operations

According to the Treaty, the monetary policy operations of the Eurosystem are to be fully collateralised and intraday credit in TARGET

is only provided against collateral. This makes the smooth delivery of securities/eligible assets to the Eurosystem indispensable. In order not to incur unacceptable risks when conducting its own credit operations and in order to ensure a level playing-field within the euro area, the Eurosystem has developed and endorsed nine standards to be met by EU securities settlement systems to qualify them for use for Eurosystem credit operations (“Standards for the use of EU securities settlement systems in ESCB credit operations”, ECB, January 1998). In order to

be eligible for use by the Eurosystem, the security and efficiency of individual securities settlement systems and the links established by securities settlement systems for the cross-border transfer of securities are regularly assessed in terms of these standards. Although the standards were set by the Eurosystem as a user of securities settlement systems, securities settlement systems themselves have made considerable efforts to comply with these standards. This clearly shows that the standards have acquired a de facto regulatory value.

4 Conclusion

Payment and clearing facilities constitute the core infrastructure of the financial sector. Their smooth functioning is not only beneficial but indispensable to the operation of modern market economies. For their basic task of providing the economy with central bank money, central banks have to provide and use payment and clearing infrastructures.

Owing to their characteristic of closely linking participants, payment and clearing systems are exposed to systemic risk. Central banks worldwide make a concerted effort to monitor and mitigate this risk and, for this reason, they have a natural involvement in payment and clearing systems arising directly from the performance of their basic tasks of implementing monetary policy and ensuring systemic stability. Their activities in this field are geared towards achieving sound, efficient systems, an objective which is pursued by operating payment and clearing systems themselves, by issuing regulations, acting as a catalyst for the improvement of systems, and by overseeing payment and clearing systems.

In line with the growing importance of securities in the financing of the economy, the importance of securities clearing and settlement systems has increased over the past few years. Central banks have actively followed developments and acted in this field with the same objectives and rationale as

providers of services, regulators, catalysts for enhancements and overseers setting and enforcing standards. This is being carried out in close co-operation with the authorities responsible for securities market regulation.

The responsibilities and activities of the Eurosystem in the field of payment and securities clearing and settlement systems are in keeping with what can be observed as standard international practice. The Treaty confers on the Eurosystem the basic task of promoting the smooth operation of payment systems. The Statute of the ESCB foresees that the ECB and the NCBs may provide facilities, and the ECB may make Regulations, to ensure sound, efficient payment systems within the Community and with other countries.

In practice, the TARGET system is considered to be the “payments backbone” of the Eurosystem. The involvement of the Eurosystem in setting up the CLS project can be seen both as operational involvement in the provision of payment facilities with other countries and as a co-operative oversight activity. The provision of automated clearing facilities in the retail area by some central banks in the Eurosystem, the function of the ECB as a settlement agent for the Euro I system, and the provision of the correspondent central banking facility are further examples of the Eurosystem’s

operational activity in both payment and securities settlement-related services.

The Statute of the ESCB provides the ECB with clear regulatory powers. It may make Regulations and Recommendations, take Decisions and deliver Opinions in the field of payment and clearing systems. It has an important advisory role vis-à-vis the Community and national legislators. So far, the ECB and the Eurosystem have not made a Regulation in this field. Their focus in both areas – payment systems and securities clearing and settlement systems – has been on their role as a catalyst for change by using moral suasion. The area of cross-border retail payments is a case in point. On this topic, the Eurosystem has issued a number of reports

with the aim of spurring and assisting the development of sound, efficient retail payments in the euro area. In the field of securities, the Eurosystem closely monitors the consolidation process, pursuing a policy line which fosters efficiency while remaining neutral.

Finally, the Eurosystem is a proactive overseer of payment and clearing systems, having declared publicly its intention to follow in its oversight the “Core Principles for Systemically Important Payment Systems”. In the field of securities clearing and settlement systems, it is currently working closely with securities regulators to establish specific criteria for overseeing these systems.

Enhancements to MFI balance sheet and interest rate statistics

The purpose of this article is to describe forthcoming improvements to the money and banking statistics collected by NCBs and compiled and published by the ECB. These improvements include major enhancements to the monthly statistics on the MFI balance sheets. Since December 1998, the ECB has published statistics on the monetary aggregates and counterparts based largely on MFI balance sheet statistics which were defined by the EMI and were considered the minimum required for monetary policy purposes. The enhancements focus on the provision of significantly more sectoral detail in the stocks and enhanced flow statistics. Since January 1999 the ECB has published a set of euro area interest rates based on the limited available national information. Harmonised and fuller data on interest rates charged and paid by MFIs vis-à-vis households and non-financial corporations are now in preparation. The new statistics for MFI balance sheets and for MFI interest rates are scheduled to become available in 2003. The intention is to keep the new requirements stable for at least five years.

I Introduction

The Treaty on European Union requires the ECB, assisted by the NCBs, to collect the statistical information necessary to undertake the tasks of the ESCB. Council Regulation (EC) No. 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank lays down the framework within which the ECB's statistical reporting requirements are to be met. It defines the reference reporting population and includes provisions on the imposition of sanctions and on the confidentiality regime. It also gives the ECB the power to adopt regulations for the definition and imposition of its statistical reporting requirements.

The ESCB's statistical requirements were originally established in the document "Statistical requirements for Stage Three of Monetary Union (Implementation Package)" published in July 1996 by the EMI, the predecessor of the ECB, and updated in 2000. The centrepiece of the requirements for money and banking statistics was the consolidated balance sheet of the MFI sector from which the monetary aggregates and their counterparts are derived. As the Implementation Package was not legally binding, these requirements were incorporated into the ECB Regulation concerning the consolidated balance sheet of the MFI sector (ECB/1998/16) at the end of 1998. This Regulation came into force at the beginning of Stage Three of Monetary Union

on 1 January 1999 and was updated in August 2000 through ECB Regulation ECB/2000/8, due to changes needed for the application of the minimum reserve system. Since December 1998, the ECB has published harmonised monetary statistics on the basis of ECB Regulation ECB/1998/16 as amended.

The MFI balance sheet statistics covered by ECB Regulation ECB/1998/16 were always considered the minimum necessary to allow the ECB to conduct the single monetary policy. For this reason, five years after the definition of the ECB's initial statistical requirements in 1996, the range of statistics has now been expanded to cover new requirements considered essential for monetary policy purposes. These enhancements cover in particular the provision of more sectoral detail on deposits and loans on a monthly basis and better flow statistics. They are included in a new ECB Regulation concerning the consolidated balance sheet of the MFI sector (ECB/2001/13).

The Implementation Package also contained a requirement for retail interest rates in order to support the monitoring of monetary developments and the analysis of the transmission of monetary policy. A set of ten interest rate series published since January 1999 has provided the minimum initial data required by the ECB for monetary policy purposes. These statistics, which are

compiled using available national statistics, are not harmonised and their scope and detail are very limited. For this reason, completely new statistics on MFI interest rates charged to and paid by households and corporations have been developed which are harmonised, detailed and comparable across the Member States. These new statistical requirements are laid down in the ECB Regulation concerning statistics on interest rates applied by MFIs to deposits and loans vis-à-vis households and non-financial corporations (ECB/2001/18).

These new ECB Regulations on MFI balance sheet and interest rate statistics were developed as a single package. The main reasons were to reduce the cost of implementation for the reporting MFIs and to permit an overall assessment of the new requirements. In this regard, every effort has been made to minimise the reporting burden imposed on reporting institutions.

2 MFI balance sheet statistics

The original aim of the MFI balance sheet statistics, as defined in ECB Regulation ECB/1998/16, was to provide data with sufficient detail and flexibility to calculate the monetary aggregates and their counterparts covering the euro area as from the start of Stage Three of Monetary Union. Data have also been collected on a quarterly basis for the further analysis of monetary and financial developments; these data are used in financial account statistics. The requirements in the ECB Regulation only covered stock statistics. The adjustment data for the calculation of flow statistics, in order to remove the effect of “non-transaction” factors, were covered by data already available at the NCBs.

Following a reassessment of the essential statistical needs for monetary policy purposes, a new ECB Regulation containing additional statistical requirements for MFI balance sheet statistics (ECB/2001/13) was adopted by the Governing Council on

Furthermore, the intention is to keep the reporting requirements stable for at least five years.

The new ECB Regulations were approved by the Governing Council towards the end of 2001 and subsequently published in the Official Journal of the European Communities. They entered into force in January 2002. Later this year, the Regulations will be accompanied by separate “Guidance notes” to give a better understanding of the statistical requirements and standards contained in the ECB Regulations. First reporting of the new data will begin with monthly data for January 2003. Until that date, reporting will be carried out according to the “old” presentations.

This article describes, firstly, the enhancements to the MFI balance sheet statistics and, secondly, the new requirements in respect of the MFI interest rates.

22 November 2001. This Regulation replaces ECB Regulation ECB/1998/16.

Stocks

The monetary aggregates and their counterparts are calculated at a monthly frequency as this is the main frequency for monetary analysis. There are, however, limitations in ECB Regulation ECB/1998/16 in the availability of data at this frequency. At the moment, the *monthly* MFI balance sheet statistics provide data on deposit liabilities broken down by currency (euro/other) and further by instrument category and maturity. The sectoral breakdowns applied to these deposits are currently at a rather aggregated level. The deposits of euro area resident sectors, other than MFIs and general government, are identified only as totals. More detailed sectoral breakdowns are available only *quarterly* and lack a maturity

breakdown, so they do not articulate with the monthly data.

A monthly breakdown of deposits by maturity vis-à-vis other financial intermediaries, insurance corporations, non-financial corporations or households is essential in order to provide a monthly sectoral disaggregation of monetary aggregates. An analysis of sectoral monetary developments, in turn, supports the assessment of the first pillar of the ECB's monetary policy strategy because the money demand of the different sectors is, to varying degrees, related to aggregate spending. While, for example, one can assume a close relationship for the money holdings of households, this is probably not the case for other financial intermediaries. In addition, a further breakdown of deposits by sub-sector is needed by currency (euro/other) for a closer analysis of the development of the foreign currency components in the monetary instruments. A sectoral analysis of these components will facilitate investigations about the degree of substitutability between foreign currency and euro-denominated components included in M3.

Similar limitations in the availability of monthly data currently apply to MFI loans as

well. Loans vis-à-vis resident sectors, other than MFIs and general government, are provided as an aggregate only. On a quarterly basis, these loans are broken down vis-à-vis sub-sectors (other financial intermediaries, insurance corporations, non-financial corporations and households) and loans to households are broken down further by purpose (housing loans, consumer loans and other loans). The provision at monthly frequency of these additional breakdowns is essential for the assessment of loan developments as the same growth rate of loans to the total private sector may conceal different behaviour of loans by sub-sector, purpose and maturity, with different implications for the assessment of the outlook for price stability. For example, past experience tends to suggest that a loan for house purchase may be directly associated with a smaller pro rata increase in aggregate demand than the same amount granted for consumption purposes.

The new ECB Regulation ECB/2001/13 was drawn up to fill these gaps in data provision for monetary policy purposes. The new Regulation integrates into the monthly collection the data currently collected quarterly so as to permit a detailed sectoral breakdown of deposits included in M3 and of

Table I
Main changes to MFI balance sheet statistics – deposit liabilities

	Euro area resident sectors (other than MFIs and general government)				
	Total	Other financial intermediaries	Insurance corporations etc.	Non-financial corporations	Households etc.
	Current/Future	Current/Future			
Deposits – total	M	Q			M
Overnight	M	Q			M
With agreed maturity – total	M	Q			M
by euro/other currency and maturity	M	-			M
Redeemable at notice – total	M	Q			M
by euro/other currency and maturity	M	-			M
Repos	M	Q			M

M: Monthly, Q: Quarterly

Table 2**Main changes to MFI balance sheet statistics on loans and holdings of securities**

	Euro area resident sectors (other than MFIs and general government)					
	Total	Other financial intermediaries	Insurance corporations etc.	Non-financial corporations	Households etc.	
					Consumer credit	Housing loans	Other
	Current/Future	Current/Future		Current/Future		
Loans – total	M	Q		M	Q*	M*
by maturity	M	Q		M	Q*	M*
denominated in euro	M	-		M	-	M
Holdings of securities other than shares – total	M		Q		Q	
by maturity	M		Q		Q	
denominated in euro	M		-		-	
Holdings of shares and other equity	M	-		Q		-

M: Monthly, Q: Quarterly.

** Cross-classified by purpose of loan: consumer credit, housing loans, other.*

lending by MFIs. This will greatly enrich the monthly analysis of euro area monetary developments.

In order to make possible the measurement of total credit by sub-sector, a quarterly breakdown of MFI holdings of shares and other equity by sub-sector was added to the requirements. In addition, some further changes to the balance sheet statistics have been included in the new ECB Regulation. These include the addition of a maturity and currency breakdown to the deposit and loan items vis-à-vis the rest-of-the-world sector, with a view to allowing the compilation of euro area b.o.p. flows for the “other investment” account of MFIs from the money and banking statistics. Using a common framework for collecting this information could thus reduce the reporting burden on reporting agents. Finally, a number of technical changes were also made.

Flows

Euro area monetary statistics comprise not only stock statistics but also flow statistics and growth rates for M3 and its counterparts. The ECB calculates these flow statistics, and the growth rates derived from them, by

adjusting the differences between end-of-month stocks to remove the effect of “non-transaction-related” factors. Thus the flow data reflect only those variations in the stocks between two points in time caused by transactions, i.e. that arise from the acquisition/disposal of financial assets or the incurring/redemption of financial liabilities. The ECB analyses both stock and flow data and uses both datasets to calculate indices of notional stocks and growth rates for the purposes of assessing the evolution of M3 and its counterparts.

The ECB’s requirement for adjustment data to compile flow statistics is currently specified in the Guideline of the ECB concerning certain statistical reporting requirements of the European Central Bank and the procedures for reporting by the national central banks of statistical information in the field of money and banking statistics (ECB/2000/13). As Guidelines are addressed to NCBs, rather than to the reporting agents, the quality of the aggregates supplied to the ECB is essentially determined by the existing availability of statistics. Whereas the available data on reclassifications and other statistical factors are of a high quality, there is currently a complete or partial lack of data on “write-offs/write-downs” of MFI loans and

Box

Adjustments to derive flow data

The following “non-transaction-related” factors are taken into account in order to derive adjusted flows from differences in outstanding amounts:

1. *Reclassifications and other statistical factors*, which mainly comprise breaks in series arising from changes in the MFI reporting population for statistical or legal reasons and from the reclassification of assets and liabilities.
2. *Price effects*, which are changes in the level outstanding of the MFI assets and liabilities due to valuation changes. Two types of effect are distinguished: a) *exchange rate changes*, which comprise changes in the euro value of assets or liabilities denominated in foreign currency that arise from exchange rate fluctuations, and b) *revaluation adjustments*, comprising in turn two different effects, “*write-offs/write-downs*” of loans and *price revaluation* of securities. The “*write-offs/write-downs*” of loans refer to the impact of changes in the value of loans caused by the removal from the balance sheet of doubtful loans that are recognised as having become partly or totally uncollectable. *Price revaluations* of securities are changes in the outstanding stock of securities that arise because of a change in the price at which the securities are recorded on the balance sheet (excluding the effect of exchange rate changes).

For further information, please refer to Box 1 on “The derivation and use of flow data in monetary statistics” in the ECB’s Monthly Bulletin, February 2001.

the revaluation of MFIs’ securities portfolios within the NCBs.

In order to provide data on flows that are of a comparable quality to the data on stocks, a requirement for the provision of the revaluation adjustment is addressed to the reporting agents within ECB Regulation ECB/2001/13. The new Regulation covers the collection of data relating to the price effects contained in the *revaluation adjustment*, consisting of “*write-offs/write-downs*” of loans and *price revaluation* of securities. The reporting requirement refers to items and breakdowns contained in the monthly balance sheet. The reporting population has to submit to the NCBs a minimum set of series that may be supplemented by further series required by NCBs in order to provide flow adjustments for a fuller range of stock data.

In respect of the revaluation adjustment, a number of derogations can be applied by NCBs. The most important derogation refers to the possibility of excluding money market funds (MMFs) from the reporting

requirement. Other derogations and additional flexibility relate to the frequency of reporting of price revaluations of securities by reporting agents, the number of breakdowns to be reported to the NCBs, and the possibility of using alternative collection systems. These derogations are expected to reduce significantly the overall reporting burden while, at the same time, leaving the overall quality and comparability of the data unaffected.

Non-resident holdings of money market fund shares/units

While information which permits the exclusion of non-resident holdings of MMF shares/units from M3 is already used, it is not yet appropriately provided for in the legislation. The intention is to make MMFs, in their capacity as issuers of shares/units, as well as other MFIs and “other financial intermediaries”, to the extent that these hold shares/units issued by the MMFs in their custody or otherwise transact in shares/units

Table 3**Main changes to MFI balance sheet statistics – revaluation adjustments
(write-offs/write downs and price revaluations)**

Balance sheet items	Statistical requirements Number of series to be reported on revaluation adjustment			
	Reporting obligation of MFIs (series to be reported to NCBs)		Reporting obligation of NCBs (series in respect of MFIs to be reported to the ECB)	
	Current/Future ¹⁾		Current/Future	
Liabilities	-	-	10	8
Debt securities issued ²⁾	-	-	8	6
Capital and reserves and remaining liabilities ²⁾	-	-	2	2
Assets	-	27	43	84
Loans	-	15	11	56
Securities other than shares	-	7	25	21
Shares and other equity	-	5	5	5
Fixed assets and remaining assets	-	-	2	2

1) This represents the minimum number of series that must be reported. Flexibility is provided in the ECB Regulation by allowing NCBs to collect more items within a range of possibilities.

2) "Debt securities issued" are not expected to be subject to revaluations. "Capital and reserves" and "remaining liabilities" are only intended to be the counterpart item to the asset side revaluations.

on their own behalf or on behalf of third parties, distinguish between holdings of residents of the euro area and holdings of non-residents. The legislation imposing the

reporting of this residency breakdown of the holder of MMF shares/units is still being finalised.

3 MFI interest rates

Since January 1999, statistics comprising a set of ten euro area retail interest rates have been published monthly in Table 3.4 of the "Euro area statistics" section of the ECB's Monthly Bulletin. These statistics are produced according to a *short-term* approach, using already existing national interest rate statistics. While this ensured that some retail interest rate statistics were available from the start of Monetary Union, there are serious limitations to this approach. The underlying data are not harmonised and therefore these statistics should be used with caution, primarily to analyse their development over time rather than their level.

A *steady-state* approach has been developed for retail interest rate statistics (now referred to as *MFI interest rate statistics*). The aim is to produce a set of euro area interest rates on

deposit and lending business that provides a comprehensive, detailed and harmonised statistical picture of the level of interest rates applied by the MFIs and their changes over time. The requirements for MFI interest rate statistics are laid down in the ECB Regulation approved by the Governing Council on 20 December 2001. This Regulation (ECB/2001/18) defines the statistical standards according to which MFI interest rates should be collected and produced. It specifies the actual reporting population covered by these statistics and the statistical reporting requirements that reporting agents must fulfil. First reporting of the new data is scheduled for the reference month January 2003 with the entire year 2003 considered a phasing-in period.

Purpose of MFI interest rate statistics

MFI interest rate statistics provide important input for the analysis of monetary transmission. The interest rates that MFIs pay to and charge their customers is a key step in the transmission of changes in monetary policy to the real economy. The interest rates on the various deposits form the own rate of return on components of monetary aggregates and thus help in understanding and explaining their development. The interest rates on lending provide information on the financing conditions of the economy with regards to loans, whereas the spreads between lending and borrowing rates can be indications of competition and bank profitability. This information serves also for purposes which go beyond monetary policy.

The possibility of looking at the rates for individual purposes (e.g. housing) allows for a sectoral analysis, whereas the division between new and outstanding business enables an analysis to be made of both the speed and extent of the transmission and of other issues such as income effects. New business is any new agreement between the customer and the credit institution, i.e. all financial contracts, the terms and conditions of which specify for the first time the interest rate of the deposit or loan, and all new negotiations on existing deposits and loans. Outstanding amounts are the stock of all deposits placed by customers with credit institutions and the stock of all loans granted

by credit institutions to their customers. The MFI interest rates, taken together with the volumes of lending and borrowing, shed light on developments within financial intermediation and can provide important information for the analysis of financial stability.

Reporting requirements

The new statistical requirements are addressed to a reporting population consisting mostly of credit institutions. The NCBs have the choice of either collecting data from a census of the entire reporting population or applying a sample approach. In the case of a sample, the potential reporting population is divided into homogeneous sub-groups or "strata". From each of these strata a selection of reporting agents is then required to report. A minimum national sample size is defined per country to ensure the quality of the data. The sample must be regularly assessed to ensure representativity.

MFI interest rate statistics will cover those interest rates that are applied by resident credit institutions and other institutions to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area. The MFI interest rate statistics will be provided monthly in respect of both outstanding amounts and new business. In total 45 indicators are requested, covering all essential instrument categories

Table 4
Use of the reported indicators for monetary policy purposes

Interest rates on	Scope of analysis						
	Monetary transmission				Monetary analysis		Financial stability
	Interest rate channel			Credit channel	Money demand	Credit demand	
	Pass-through of interest rates	Cost of capital substitution effect	Income effect				External finance premium	Bank competition, bank profitability
Outstanding amounts ¹⁾			×		×	×	×
New business	×	×		×	×	×	×

1) Where outstanding amounts consist of a significant proportion of variable-rate business, the related rates may also provide information on the pass-through of interest rates.

Table 5
Overview of the reported interest rate indicators

	Sector	Type of instrument	Number of indicators		
			Outstanding amounts	New business	
				AAR	AAR	APRC
Deposits	Households, non-financial corporations	Overnight	-	2	-
		With agreed maturity	4	6	-
Redeemable at notice				2	-
	Households and non-financial corporations combined	Repos	1	1	-
Loans	Households, non-financial corporations	Bank overdraft	-	2	-
	Households	For house purchases	3	4	1
		Consumer credits and other loans	3	3	1
		Other purposes	-	3	-
	Non-financial corporations	Loans	3	6	-
Total			14	29	2

for euro-denominated deposit liabilities and loans (see Table 5). The instrument categories are largely consistent with those in the MFI balance sheet statistics. There are breakdowns by original maturity, notice periods or periods of fixation. Furthermore, for almost all instrument categories, further breakdowns by sector (households, non-financial corporations) are applied.

Reporting agents will provide the *annualised agreed rate* (AAR), i.e. the interest rate that is individually agreed between the reporting agent and the household or non-financial corporation for a deposit or loan, converted to an annual basis and quoted in percentages per annum. The AAR covers all interest rate

payments on deposits and loans, but no other charges that may apply, such as the cost of inquiries and administration. Instead of the AAR, NCBs may require reporting agents to implement the *narrowly defined effective rate* (NDER) for all or some deposits or loan instruments referring to new business and outstanding amounts. The NDER differs only in the underlying method for annualising interest payments. To monitor the other charges related to loans, for consumer credit and loans to households for house purchase, the *annual percentage rate of charge* (APRC) will be collected in addition to annualised agreed rates. The APRC covers all total costs of the credit to the consumer, i.e. the interest payments as well as all other related charges.

4 Concluding remarks

This article has described the enhancements being made to the MFI balance sheet and interest rate statistics. Until now, the statistics available to the ECB have always been considered as the minimum necessary for the ECB to conduct its single monetary policy. The enhancements now being made represent a considerable improvement in this position. In defining these enhancements, the ECB aimed to minimise the reporting burden involved.

As regards the MFI balance sheets, the main focus is on making available at monthly frequency sectoral breakdowns of MFI loans and deposits, which are currently available only quarterly. Moreover, crossing this sectoral detail with a further breakdown by maturity will permit for the first time a detailed sectoral breakdown of the monetary aggregates. Provision is also being made for improved transactions data for MFI credit, covering both loans and holdings of securities,

where additional data need to be collected from reporting agents. In addition, this round of enhancements foresees the reporting of data on the residency of the holders of shares/units issued by money market funds.

Complementing the statistics on MFI balance sheets, completely new statistics are to be

collected on interest rates that MFIs actually apply to deposits and loans vis-à-vis households and non-financial corporations. This information, which is not available from market sources, will provide significant additional input for the analysis of the transmission of changes in monetary policy to the real economy.



Euro area statistics



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Enlargement of the euro area on 1 January 2001 to include Greece

In the “Euro area statistics” section of the Monthly Bulletin, reference statistical series relating to the euro area cover the Member States comprising the euro area at the time to which the statistics relate. Thus euro area data up to end-2000 cover the Euro 11; from the beginning of 2001 they cover the Euro 12. Exceptions to this rule are indicated where appropriate.

In the tables, the break is shown by means of a line denoting the enlargement of the euro area. In the charts, the break is indicated by a dotted line. Absolute and percentage changes for 2001 calculated from a base in 2000 use, as far as possible, a series which takes into account the impact of the entry of Greece.

Data for the euro area plus Greece up to end-2000 are available in a downloadable format (csv files) on the ECB’s website (www.ecb.int).

Conventions used in the tables

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

Euro area overview table

Summary table of economic indicators for the euro area

(annual percentage changes, unless otherwise indicated)

1. Monetary developments and interest rates

	M1 ¹⁾	M2 ¹⁾	M3 ¹⁾²⁾		MFI loans to euro area residents excluding MFIs and general government ¹⁾	Securities issued by non-financial and non-monetary financial corporations ¹⁾	3-month interest rate (EURIBOR, % per annum, period averages) ⁷⁾	10-year government bond yield (% per annum, period averages) ⁸⁾
	1	2	3	3-month moving average (centred) ⁴⁾				
2000	8.0	4.5	4.9	-	9.6	20.7	4.40	5.44
<i>Euro area enlargement</i>								
2001	3.6	4.1	5.5	-	7.8	25.4	4.26	5.03
2001 Q2	2.5	3.5	4.4	-	8.2	25.7	4.60	5.19
Q3	3.8	4.4	5.9	-	7.4	26.1	4.28	5.12
Q4	5.4	5.7	7.6	-	6.5	26.0	3.45	4.81
2002 Q1	.	.	.	-	.	.	3.36	5.13
2001 Nov.	5.9	5.9	7.9	7.8	6.6	26.5	3.39	4.67
Dec.	5.4	6.3	8.1	8.0	6.1	27.4	3.34	4.96
2002 Jan.	6.4	6.7	7.9	7.8	5.8	29.5	3.34	5.02
Feb.	6.0	6.2	7.4	.	5.6	.	3.36	5.07
Mar.	.	.	.	.	.	.	3.39	5.32

2. Price and real economy developments

	HICP ⁹⁾	Industrial producer prices ¹⁰⁾	Hourly labour costs (whole economy) ¹¹⁾	Real GDP ¹²⁾	Industrial production (excluding construction) ¹³⁾	Capacity utilisation in manufacturing (percentages) ¹⁴⁾	Employment (whole economy) ¹⁵⁾	Unemployment (% of labour force) ¹⁶⁾
2000	2.3	5.5	3.4	3.3	5.5	83.8	2.1	8.8
<i>Euro area enlargement</i>								
2001	2.5	2.1	3.2	1.5	0.2	83.2	.	8.3
2001 Q2	3.1	3.6	3.0	1.6	0.9	83.6	1.6	8.3
Q3	2.5	1.4	3.5	1.4	-0.4	83.0	1.2	8.3
Q4	2.2	-1.0	3.1	0.6	-3.8	81.8	.	8.4
2002 Q1	.	.	.	.	.	80.8	.	.
2001 Nov.	2.1	-1.3	-	-	-4.2	-	-	8.4
Dec.	2.0	-1.1	-	-	-4.6	-	-	8.4
2002 Jan.	2.7	-0.9	-	-	.	-	-	8.4
Feb.	2.4	-1.1	-	-	.	-	-	8.4
Mar.	2.5	.	-	-	.	-	-	.

3. Balance of payments, reserve assets and exchange rates

(EUR billions, unless otherwise indicated)

	Balance of payments (net flows)				Reserve assets (end-of-period positions) ²¹⁾	Effective exchange rate of the euro: broad group (1999 Q1 = 100)		USD/EUR exchange rate ²⁴⁾
	Current and capital accounts ¹⁷⁾	Goods ¹⁸⁾	Direct investment ¹⁹⁾	Portfolio investment ²⁰⁾		Nominal ²²⁾	Real (CPI) ²³⁾	
2000	-50.2	35.6	17.6	-111.5	378.0	88.2	86.3	0.924
<i>Euro area enlargement</i>								
2001	0.1	74.1	-93.9	40.9	392.4	91.0	88.1	0.896
2001 Q2	-6.4	15.9	-51.7	25.7	410.0	89.5	86.8	0.873
Q3	6.3	23.4	-15.3	53.6	393.4	91.2	88.0	0.890
Q4	7.8	29.3	13.8	0.0	392.4	92.0	88.6	0.896
2002 Q1	.	.	.	.	.	91.3	87.9	0.877
2001 Nov.	3.2	9.3	7.8	11.5	396.5	91.3	87.9	0.888
Dec.	4.1	10.4	0.6	-11.7	392.4	91.9	88.5	0.892
2002 Jan.	1.1	2.1	4.3	-41.3	407.8	91.6	88.2	0.883
Feb.	.	.	.	.	411.4	91.1	87.7	0.870
Mar.	.	.	.	.	.	91.2	87.7	0.876

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

For more information on the data, see the relevant tables in the "Euro area statistics" section.

1) Monthly growth rates refer to the end of the period, whereas quarterly and annual growth rates are calculated as period averages. Growth rates for M1, M2, M3 and loans are calculated on the basis of seasonally adjusted monthly stocks and flows.

2) M3 and its components exclude holdings by non-residents of the euro area of money market fund shares/units, money market paper and debt securities up to 2 years.

I Monetary policy statistics

Table 1.1

Consolidated financial statement of the Eurosystem

(EUR millions)

1. Assets

	Gold and gold receivables	Claims on non-euro area residents in foreign currency	Claims on euro area residents in foreign currency	Claims on non-euro area residents in euro	Lending to euro area credit institutions in euro	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations
	1	2	3	4	5	6	7	8
2001 26 Oct.	128,234	264,955	21,503	5,582	203,107	143,000	60,001	0
2 Nov.	128,233	264,162	21,770	5,728	187,030	127,001	60,001	0
9	128,233	262,142	21,932	5,895	164,621	104,368	60,001	0
16	128,233	262,623	21,311	5,942	214,783	154,369	60,001	0
23	128,233	264,958	20,997	5,980	193,762	133,002	60,001	0
30	128,233	264,230	21,900	5,956	201,288	88,001	60,001	0
7 Dec.	128,228	266,093	21,572	6,040	199,026	139,001	60,001	0
14	128,228	264,143	23,388	5,823	194,462	134,001	60,001	0
21	128,227	263,756	22,269	5,699	186,228	123,000	60,000	0
28	126,801	264,607	25,200	5,736	203,597	142,000	60,000	0
2002 4 Jan.	126,801	265,809	23,862	6,280	201,109	116,000	60,000	25,000
11	126,801	266,160	23,154	6,413	174,073	114,000	60,000	0
18	126,801	270,820	20,624	6,224	165,037	105,000	60,000	0
25	126,801	269,475	22,236	6,312	185,053	125,000	60,000	0
1 Feb.	126,801	267,766	21,901	6,498	201,055	141,000	60,000	0
8	126,801	267,929	20,878	6,150	189,033	128,998	60,000	0
15	126,801	269,623	21,550	5,948	186,017	126,000	60,000	0
22	126,801	267,712	21,037	5,330	169,730	107,000	60,000	0
1 Mar.	126,801	266,023	21,985	5,448	183,030	123,001	60,001	0
8	126,766	267,945	21,210	5,133	178,014	117,999	60,001	0
15	126,869	269,552	22,201	5,229	168,094	108,085	60,001	0
22	126,814	269,425	22,411	5,050	170,646	110,087	60,001	0

2. Liabilities

	Banknotes in circulation	Liabilities to euro area credit institutions in euro	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations	Deposits related to margin calls	Other liabilities to euro area credit institutions in euro	Debt certificates issued
	1	2	3	4	5	6	7	8	9
2001 26 Oct.	315,159	129,632	129,591	29	0	0	12	5,680	3,784
2 Nov.	316,956	124,952	124,830	110	0	0	12	5,829	2,939
9	312,642	103,687	103,581	94	0	0	12	9,165	2,939
16	306,770	150,156	149,826	311	0	0	19	12,969	2,939
23	300,526	115,953	114,745	1,152	0	0	56	16,850	2,939
30	300,093	131,734	131,577	152	0	0	5	21,096	2,939
7 Dec.	302,095	117,849	117,792	51	0	0	6	24,217	2,939
14	296,918	130,282	130,010	263	0	0	9	27,447	2,939
21	292,780	126,867	120,378	6,485	0	0	4	29,604	2,939
28	278,110	142,595	142,126	465	0	0	4	34,757	2,939
2002 4 Jan.	394,627	131,467	131,338	121	0	0	8	23,657	2,939
11	375,052	129,061	128,927	130	0	0	4	23,771	2,939
18	349,219	139,161	139,001	155	0	0	5	23,811	2,939
25	325,771	130,845	130,804	37	0	0	4	12,379	2,939
1 Feb.	312,923	134,033	133,974	59	0	0	0	2,116	2,939
8	305,434	128,443	128,397	46	0	0	0	2,172	2,939
15	296,361	138,276	138,204	72	0	0	0	2,269	2,939
22	287,727	132,339	131,839	500	0	0	0	2,119	2,939
1 Mar.	285,800	134,936	134,872	52	0	0	12	2,636	2,939
8	284,562	132,856	132,795	46	0	0	15	2,610	2,939
15	281,713	134,298	134,226	55	0	0	17	2,443	2,939
22	280,237	133,942	133,081	844	0	0	17	2,188	2,939

Source: ECB.

Structural reverse operations	Marginal lending facility	Credits related to margin calls	Other claims on euro area credit institutions in euro	Securities of euro area residents in euro	General government debt in euro	Other assets	Total		
							9	10		11	12	13	14	15	16
0	72	34	418	28,371	70,171	87,654	809,996		2001 26 Oct.
0	3	25	397	28,498	70,171	89,664	795,654		2 Nov.
0	228	24	458	28,464	70,085	90,152	771,984		9
0	393	20	399	28,203	70,085	89,923	821,504		16
0	741	18	525	28,178	70,075	89,781	802,491		23
53,000	276	10	499	28,273	70,088	90,221	810,690		30
0	12	12	421	28,113	70,102	90,264	809,860		7 Dec.
0	454	6	419	28,180	70,000	90,907	805,551		14
0	3,199	29	404	28,210	69,599	91,039	795,432		21
0	1,573	24	487	27,981	68,729	91,523	814,662		28
0	30	79	88,488	27,924	68,603	90,355	899,232		2002 4 Jan.
0	65	8	88,487	27,847	68,611	90,554	872,101		11
0	30	7	88,490	27,917	68,616	90,323	864,853		18
0	28	25	44,363	27,927	68,616	88,903	839,687		25
0	11	44	531	27,601	68,575	89,397	810,126		1 Feb.
0	15	20	526	27,922	68,577	89,107	796,924		8
0	16	1	346	28,163	68,576	89,769	796,794		15
0	2,727	3	233	29,048	68,572	88,938	777,402		22
0	23	5	391	29,172	68,577	88,743	790,171		1 Mar.
0	11	3	374	29,479	68,580	88,823	786,325		8
0	5	3	375	29,367	68,590	88,696	778,974		15
0	547	11	256	29,312	68,622	89,303	781,840		22

Liabilities to other euro area residents in euro	Liabilities to non-euro area residents in euro	Liabilities to euro area residents in foreign currency	Liabilities to non-euro area residents in foreign currency	Counterpart of special drawing rights allocated by the IMF	Other liabilities	Revaluation accounts	Capital and reserves	Total		
								10	11		12	13	14	15	16	17	18
58,830	8,642	2,475	19,623	6,889	73,839	124,991	60,452	809,996		2001 26 Oct.
48,019	8,651	2,432	19,477	6,889	74,067	124,991	60,452	795,654		2 Nov.
47,322	8,711	2,433	18,355	6,889	74,397	124,991	60,453	771,984		9
51,757	8,676	2,429	18,082	6,889	75,393	124,991	60,453	821,504		16
67,049	8,460	2,427	20,730	6,889	75,224	124,991	60,453	802,491		23
54,422	8,580	2,524	21,215	6,889	75,754	124,991	60,453	810,690		30
60,080	9,019	2,506	22,848	6,889	75,974	124,991	60,453	809,860		7 Dec.
44,885	9,172	2,410	22,900	6,889	76,264	124,991	60,454	805,551		14
40,300	9,481	2,412	21,389	6,889	77,326	124,991	60,454	795,432		21
50,902	9,446	2,525	20,458	6,967	78,073	125,309	62,581	814,662		28
39,193	10,860	2,670	20,807	6,967	77,594	125,288	63,164	899,232		2002 4 Jan.
36,511	8,471	2,716	20,675	6,967	77,448	125,318	63,173	872,101		11
42,861	8,451	2,605	22,998	6,967	77,375	125,318	63,149	864,853		18
61,347	8,538	2,584	23,432	6,967	76,451	125,318	63,117	839,687		25
54,483	8,738	2,713	21,300	6,967	75,480	125,316	63,119	810,126		1 Feb.
55,608	8,508	2,589	20,545	6,967	75,324	125,316	63,080	796,924		8
52,811	8,524	2,623	21,454	6,967	76,198	125,316	63,057	796,794		15
49,650	8,633	2,599	18,987	6,967	77,016	125,316	63,111	777,402		22
62,731	8,365	2,847	17,926	6,967	76,560	125,320	63,145	790,171		1 Mar.
61,818	8,294	2,616	19,587	6,967	75,625	125,320	63,132	786,325		8
52,802	8,691	2,684	22,407	6,967	75,588	125,320	63,123	778,974		15
57,084	8,489	2,558	22,938	6,967	75,886	125,320	63,293	781,840		22

Table 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			
	Level 1	Change 2	Fixed rate	Minimum bid rate	Change 5	Level 6	Change 7
			Level 3	Level 4			
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
<i>Euro area enlargement</i>							
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

Source: ECB.

- 1) The date refers to the deposit and marginal lending facilities. For main refinancing operations, unless otherwise indicated, 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.
- 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 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.

Table 1.3**Eurosystem monetary policy operations allotted through tenders ¹⁾***(EUR millions; interest rates in percentages per annum)***1. Main refinancing operations ²⁾**

Date of settlement	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders			Running for (...) days
			Fixed rate	Minimum bid rate	Marginal rate ³⁾	Weighted average rate	
	1	2	3	4	5	6	7
2001 3 Oct.	76,444	56,000	-	3.75	3.75	3.76	14
10	60,510	60,510	-	3.75	3.75	3.75	14
17	143,828	82,000	-	3.75	3.78	3.79	14
24	73,932	61,000	-	3.75	3.75	3.76	14
31	99,611	66,000	-	3.75	3.75	3.76	14
7 Nov.	38,368	38,368	-	3.75	3.75	3.75	14
14	174,732	116,000	-	3.25	3.37	3.40	14
21	63,173	17,000	-	3.25	3.26	3.27	14
28	95,578	71,000	-	3.25	3.27	3.29	14
5 Dec.	106,643	68,000	-	3.25	3.27	3.27	14
12	109,662	66,000	-	3.25	3.27	3.27	16
19	140,810	57,000	-	3.25	3.43	3.46	14
28	105,649	85,000	-	3.25	3.45	3.52	12
2002 2 Jan.	88,696	31,000	-	3.25	3.28	3.29	14
9	155,890	83,000	-	3.25	3.30	3.32	14
16	116,846	22,000	-	3.25	3.31	3.32	14
23	146,286	103,000	-	3.25	3.29	3.30	14
30	108,013	38,000	-	3.25	3.31	3.32	13
6 Feb.	156,977	91,000	-	3.25	3.30	3.31	14
12	90,332	35,000	-	3.25	3.29	3.30	15
20	135,530	72,000	-	3.25	3.28	3.29	14
27	127,024	51,000	-	3.25	3.29	3.30	14
6 Mar.	127,212	67,000	-	3.25	3.29	3.30	12
13	90,424	41,000	-	3.25	3.27	3.28	14
18	107,575	69,000	-	3.25	3.28	3.29	17
27	121,842	63,000	-	3.25	3.33	3.34	14
4 Apr.	112,796	55,000	-	3.25	3.30	3.31	13

2. Longer-term refinancing operations

Date of settlement	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders		Running for (...) days
			Fixed rate	Marginal rate ³⁾	Weighted average rate	
1	2	3	4	5	6	7
1999 14 Jan.	79,846	15,000	-	3.13	-	42
14	39,343	15,000	-	3.10	-	70
14	46,152	15,000	-	3.08	-	105
25 Feb.	77,300	15,000	-	3.04	-	91
25 Mar.	53,659	15,000	-	2.96	2.97	98
29 Apr.	66,911	15,000	-	2.53	2.54	91
27 May	72,294	15,000	-	2.53	2.54	91
1 July	76,284	15,000	-	2.63	2.64	91
29	64,973	15,000	-	2.65	2.66	91
26 Aug.	52,416	15,000	-	2.65	2.66	91
30 Sep.	41,443	15,000	-	2.66	2.67	84
28 Oct.	74,430	25,000	-	3.19	3.42	91
25 Nov.	74,988	25,000	-	3.18	3.27	98
23 Dec.	91,088	25,000	-	3.26	3.29	98
2000 27 Jan.	87,052	20,000	-	3.28	3.30	91
2 Mar.	72,960	20,000	-	3.60	3.61	91
30	74,929	20,000	-	3.78	3.80	91
27 Apr.	64,094	20,000	-	4.00	4.01	91
1 June	64,317	20,000	-	4.40	4.42	91
29	41,833	20,000	-	4.49	4.52	91
27 July	40,799	15,000	-	4.59	4.60	91
31 Aug.	35,417	15,000	-	4.84	4.87	91
28 Sep.	34,043	15,000	-	4.84	4.86	92
26 Oct.	43,085	15,000	-	5.06	5.07	91
30 Nov.	31,999	15,000	-	5.03	5.05	91
29 Dec.	15,869	15,000	-	4.75	4.81	90
<i>Euro area enlargement</i>						
2001 25 Jan.	31,905	20,000	-	4.66	4.69	90
1 Mar.	45,755	20,000	-	4.69	4.72	91
29	38,169	19,101	-	4.47	4.50	91
25 Apr.	43,416	20,000	-	4.67	4.70	92
31 May	46,448	20,000	-	4.49	4.51	91
28 June	44,243	20,000	-	4.36	4.39	91
26 July	39,369	20,000	-	4.39	4.42	91
30 Aug.	37,855	20,000	-	4.20	4.23	91
27 Sep.	28,269	20,000	-	3.55	3.58	85
25 Oct.	42,308	20,000	-	3.50	3.52	98
29 Nov.	49,135	20,000	-	3.32	3.34	91
21 Dec.	38,178	20,000	-	3.29	3.31	97
2002 31 Jan.	44,547	20,000	-	3.31	3.33	84
28 Feb.	47,001	20,000	-	3.32	3.33	91
28 Mar.	39,976	20,000	-	3.40	3.42	91

3. Other tender operations

Date of settlement	Type of operation	Bids (amount)	Allotment (amount)	Fixed rate tenders	Variable rate tenders			Running for (...) days
				Fixed rate	Minimum bid rate	Marginal rate ³⁾	Weighted average rate	
1	2	3	4	5	6	7	8	
2000 5 Jan. ⁴⁾	Collection of fixed-term deposits	14,420	14,420	-	-	3.00	3.00	7
21 June	Reverse transaction	18,845	7,000	-	-	4.26	4.28	1
<i>Euro area enlargement</i>								
2001 30 Apr.	Reverse transaction	105,377	73,000	-	4.75	4.77	4.79	7
12 Sep.	Reverse transaction	69,281	69,281	4.25	-	-	-	1
13	Reverse transaction	40,495	40,495	4.25	-	-	-	1
28 Nov.	Reverse transaction	73,096	53,000	-	3.25	3.28	3.29	7
2002 4 Jan.	Reverse transaction	57,644	25,000	-	3.25	3.30	3.32	3
10	Reverse transaction	59,377	40,000	-	3.25	3.28	3.30	1

Source: ECB.

1) The amounts shown may differ slightly from those in Table 1.1, columns 6 to 8, due to operations allotted but not settled.

2) 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.

3) In liquidity providing (absorbing) operations, the marginal rate refers to the lowest (highest) rate at which bids were accepted.

4) This operation was conducted with a maximum rate of 3.00%.

Table 1.4
Minimum reserve statistics
1. Reserve base of credit institutions subject to reserve requirements ^{1) 2)}
(EUR billions; end of period)

Reserve base as at:	Total	Liabilities to which a 2% reserve coefficient is applied			Liabilities to which a 0% reserve coefficient is applied		
		Deposits (overnight, up to 2 years' agreed maturity and notice period)	Debt securities up to 2 years' agreed maturity	Money market paper	Deposits (over 2 years' agreed maturity and notice period)	Repos	Debt securities over 2 years' agreed maturity
	1	2	3	4	5	6	7
2001 Feb.	10,247.4	5,724.4	145.3	201.2	1,284.7	597.8	2,294.0
Mar.	10,503.6	5,883.5	151.1	203.4	1,292.6	654.7	2,318.3
Apr.	10,554.6	5,924.3	154.5	202.8	1,292.1	657.7	2,323.2
May	10,687.3	5,984.7	166.6	198.9	1,307.5	693.2	2,336.4
June	10,705.3	6,015.6	175.7	198.7	1,314.2	656.6	2,344.5
July	10,590.4	5,912.2	183.4	199.1	1,312.5	636.2	2,346.9
Aug.	10,551.6	5,872.7	187.8	190.2	1,309.3	654.1	2,337.6
Sep.	10,627.3	5,956.0	188.2	191.3	1,315.7	631.6	2,344.6
Oct.	10,687.8	5,962.3	190.8	196.5	1,313.7	672.4	2,352.2
Nov.	10,798.1	6,073.4	199.0	191.3	1,300.9	656.5	2,376.9
Dec.	10,910.1	6,226.1	204.7	185.0	1,315.2	605.1	2,374.0
2002 Jan.	10,952.8	6,195.2	194.7	202.2	1,350.7	610.8	2,399.0
Feb. ^(a)	10,963.1	6,164.7	196.3	196.0	1,334.6	656.1	2,415.4

Source: ECB.

- 1) *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. If a credit institution cannot provide evidence of the amount of its issues of debt securities with a maturity of up to two years and of money market paper held by the institutions mentioned above, it may deduct a certain percentage of these liabilities from its reserve base. This percentage was 10% for calculating the reserve base until November 1999, and 30% thereafter.*
- 2) *Maintenance periods start on the 24th of the month and run to the 23rd of the following month; the required reserve is calculated from the reserve base as at the end of the preceding month.*

2. Reserve maintenance ¹⁾
(EUR billions; interest rates as annual percentages)

Maintenance period ending in:	Required reserves ²⁾	Actual reserves ³⁾	Excess reserves ⁴⁾	Deficiencies ⁵⁾	Interest rate on minimum reserves ⁶⁾
	1	2	3	4	5
2001 Apr.	120.8	121.3	0.5	0.0	4.77
May	124.2	124.8	0.7	0.0	4.71
June	125.0	125.6	0.6	0.0	4.52
July	126.4	127.0	0.6	0.0	4.51
Aug.	127.2	127.7	0.5	0.0	4.50
Sep.	125.3	126.0	0.7	0.0	4.27
Oct.	124.4	125.0	0.6	0.0	3.76
Nov.	126.1	126.6	0.5	0.0	3.62
Dec.	126.4	127.3	0.9	0.0	3.30
2002 Jan.	128.7	130.1	1.4	0.0	3.34
Feb.	131.7	132.4	0.7	0.0	3.30
Mar.	131.3	132.0	0.7	0.0	3.28
Apr. ^(a)	130.6	.	.	.	.

Source: ECB.

- 1) *This table contains full data for completed maintenance periods and required reserves for the current maintenance period.*
- 2) *The amount of reserve requirement of each individual credit institution is first calculated by applying the reserve ratio for the corresponding categories of liabilities to the eligible liabilities, using the balance sheet data as at the end of each calendar month; subsequently, each credit institution deducts from this figure a lump-sum allowance of EUR 100,000. The resulting reserve requirements are then aggregated at the euro area level.*
- 3) *Aggregate average daily holdings of credit institutions required to hold a positive amount of reserves on their reserve accounts over the maintenance period.*
- 4) *Average actual reserve holdings over the maintenance period in excess of the required reserves, computed on the basis of those credit institutions that have fulfilled the reserve requirement.*
- 5) *Average shortfalls of actual reserve holdings from required reserves over the maintenance period, computed on the basis of those credit institutions that have not fulfilled the reserve requirement.*
- 6) *This rate equals the average, over the maintenance period, of the ECB's rate (weighted according to the number of calendar days) on the Eurosystem's main refinancing operations (see Table 1.3).*

Table 1.5
Banking system's liquidity position ¹⁾
(EUR billions; period averages of daily positions)

Maintenance period ending in:	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current accounts ⁴⁾	Base money ⁵⁾
	Monetary policy operations of the Eurosystem					Deposit facility	Other liquidity-absorbing operations ²⁾	Banknotes in circulation	Central government deposits with the Eurosystem	Other factors (net) ³⁾		
	Eurosystem's net assets in gold and foreign currency ¹⁾	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations ²⁾							
1	2	3	4	5	6	7	8	9	10	11	12	
2001 Feb.	377.9	188.9	49.8	2.6	0.0	0.4	0.0	354.8	57.0	86.3	120.7	476.0
Mar.	375.6	185.2	54.1	0.4	0.0	0.5	0.0	353.0	53.0	87.7	121.0	474.5
Apr.	382.1	172.4	58.4	2.2	0.0	0.5	0.0	354.6	49.5	89.1	121.4	476.4
May	384.4	144.0	59.1	0.4	17.0	0.6	0.0	352.7	39.4	87.5	124.8	478.1
June	385.0	161.7	59.1	0.2	0.0	0.4	0.0	351.1	41.3	87.5	125.7	477.3
July	397.6	161.9	59.9	0.2	0.0	0.4	0.0	350.8	42.5	98.8	127.1	478.3
Aug.	402.1	164.0	60.0	0.1	0.0	0.2	0.0	347.6	48.8	101.8	127.8	475.6
Sep.	401.3	147.1	60.0	0.5	3.5	0.4	0.0	335.4	45.2	105.4	126.1	461.9
Oct.	389.9	136.7	60.0	1.1	0.0	0.1	0.0	325.2	43.6	93.6	125.1	450.4
Nov.	385.0	132.3	60.0	0.2	0.0	0.3	0.0	311.3	46.1	93.1	126.7	438.3
Dec.	383.7	122.5	60.0	0.5	12.4	0.8	0.0	298.0	43.5	109.3	127.4	426.2
2002 Jan.	385.2	118.5	60.0	0.4	3.7	0.6	0.0	344.3	38.3	54.2	130.4	475.2
Feb.	386.0	127.3	60.0	0.2	0.0	0.1	0.0	306.2	49.6	85.2	132.6	438.8
Mar. ⁵⁾	386.7	114.6	60.0	0.2	0.0	0.1	0.0	283.3	54.2	91.8	132.1	415.6

Source: ECB.

1) The banking system's liquidity position is defined as the current account holdings in euro of credit institutions in the euro area with the Eurosystem. Amounts are derived from the consolidated financial statement of the Eurosystem.

2) Excludes the issuance of debt certificates initiated by national central banks in Stage Two.

3) Remaining items in the consolidated financial statement of the Eurosystem.

4) Equal to the difference between the sum of liquidity-providing factors (items 1 to 5) and the sum of liquidity-absorbing factors (items 6 to 10).

5) Calculated as the sum of the deposit facility (item 6), banknotes in circulation (item 8) and credit institutions' current account holdings (item 11).

2 Monetary developments in the euro area

Table 2.1

Aggregated balance sheet of the Eurosystem

(EUR billions (not seasonally adjusted; end of period))

1. Assets

	Loans to euro area residents				Holdings of securities other than shares issued by euro area residents				Holdings of shares/other equity issued by euro area residents			External assets ¹⁾	Fixed assets	Re-maining assets	Total	
	1	MFI ¹⁾	General government	Other euro area residents	5	MFI ¹⁾	General government	Other euro area residents	9	MFI ¹⁾	Other euro area residents					11	12	13	14	15
1999	444.6	424.3	19.7	0.5	89.1	1.9	86.1	1.1	14.1	4.3	9.8	400.6	9.9	56.2	1,014.5	
2000 Q1	443.4	424.5	18.4	0.5	96.2	2.4	92.7	1.1	14.4	4.3	10.1	439.1	9.8	48.9	1,051.9	
Q2	580.7	561.8	18.4	0.5	97.4	2.6	93.6	1.2	14.7	4.4	10.4	454.8	10.0	51.8	1,209.3	
Q3	493.1	474.4	18.2	0.5	98.5	2.9	94.6	1.0	14.6	4.4	10.2	459.1	10.2	54.4	1,129.8	
Q4	445.0	427.4	17.1	0.5	97.4	2.5	93.6	1.3	15.3	4.3	11.0	380.7	11.2	56.1	1,005.8	
<i>Euro area enlargement</i>																
2001 Feb.	398.8	371.0	27.2	0.6	105.2	2.5	101.5	1.2	14.9	4.6	10.3	386.2	11.3	53.7	970.1	
Mar.	401.7	373.9	27.2	0.6	105.0	2.7	101.2	1.1	14.7	4.6	10.1	396.8	11.3	54.4	983.9	
Apr.	376.1	348.3	27.2	0.6	106.5	2.6	102.7	1.3	14.7	4.6	10.1	390.3	11.7	53.6	953.0	
May	398.5	370.7	27.2	0.6	106.4	2.9	102.3	1.3	14.3	4.6	9.7	398.9	11.8	53.2	983.2	
June	426.0	398.2	27.2	0.6	105.8	3.1	101.5	1.2	14.2	4.6	9.6	414.7	11.9	54.5	1,027.2	
July	424.4	396.6	27.2	0.6	106.9	3.3	102.4	1.2	14.3	4.7	9.7	404.9	12.0	57.3	1,019.9	
Aug.	391.1	363.3	27.2	0.6	107.6	3.5	102.9	1.2	14.0	4.6	9.4	396.9	12.0	54.6	976.0	
Sep.	388.2	360.4	27.2	0.6	106.6	3.7	101.9	1.1	13.1	4.8	8.3	397.1	11.9	54.9	971.8	
Oct.	356.7	328.9	27.2	0.6	107.8	3.9	102.8	1.2	13.4	4.8	8.7	400.0	12.0	55.6	945.6	
Nov.	370.0	342.4	27.1	0.6	107.3	3.8	102.2	1.2	13.6	4.7	8.9	400.4	12.1	55.0	958.4	
Dec.	412.7	386.4	25.7	0.6	107.0	3.8	101.8	1.3	13.8	4.6	9.2	399.0	12.1	54.3	998.9	
2002 Jan.	416.9	390.6	25.7	0.6	104.1	3.8	99.0	1.3	13.8	4.7	9.1	409.0	12.2	81.9	1,037.9	
Feb. ^(*)	390.5	364.2	25.7	0.6	105.9	4.1	100.6	1.2	13.7	4.7	9.0	413.4	12.0	83.2	1,018.7	

2. Liabilities

	Currency in circulation		Deposits of euro area residents		Central government	Other general government/other euro area residents	Money market paper and debt securities issued	Capital and reserves	External liabilities ¹⁾	Remaining liabilities	Total
	1	2	MFI ¹⁾	3								4	5	6	7	8	9	10
1999	393.4	341.5	279.3	53.4	8.8	7.9	174.3	49.8	47.6	1,014.5	
2000 Q1	366.2	372.1	319.8	43.1	9.1	6.3	186.5	75.1	45.7	1,051.9	
Q2	374.4	497.9	432.8	52.6	12.5	6.3	193.4	92.0	45.4	1,209.3	
Q3	373.5	404.2	346.1	45.6	12.5	4.6	221.2	75.0	51.4	1,129.8	
Q4	390.3	327.3	270.4	47.1	9.8	3.8	197.5	29.9	57.0	1,005.8	
<i>Euro area enlargement</i>											
2001 Feb.	370.6	313.1	249.7	52.0	11.4	5.5	194.8	27.9	58.3	970.1	
Mar.	370.6	312.6	253.4	46.8	12.4	5.5	204.6	26.8	63.8	983.9	
Apr.	372.6	289.9	234.8	41.2	13.8	5.5	205.6	25.3	54.1	953.0	
May	369.6	317.5	266.5	36.0	15.1	5.5	212.1	27.6	50.9	983.2	
June	368.9	342.2	274.1	51.8	16.3	5.6	223.7	32.6	54.2	1,027.2	
July	366.9	343.5	282.7	46.9	14.0	5.6	214.7	31.9	57.3	1,019.9	
Aug.	356.1	320.4	259.2	46.6	14.7	5.6	211.6	28.4	53.9	976.0	
Sep.	346.2	323.6	269.4	37.6	16.6	5.5	209.2	30.0	57.3	971.8	
Oct.	333.9	302.8	244.7	40.0	18.1	5.5	210.6	34.3	58.5	945.6	
Nov.	317.5	330.4	277.5	35.2	17.6	4.7	210.1	35.2	60.6	958.4	
Dec.	285.9	391.2	342.4	35.1	13.8	4.6	211.7	35.6	69.8	998.9	
2002 Jan.	337.9	355.9	296.5	44.9	14.5	4.6	216.2	37.4	86.0	1,037.9	
Feb. ^(*)	307.2	356.2	290.1	52.1	14.1	4.6	219.8	33.9	96.9	1,018.7	

Source: ECB.

1) Since the end of November 2000, balances arising from the TARGET system are netted by novation on a daily basis. This implies that the bilateral positions of each NCB vis-à-vis the ECB and other NCBs have been replaced by a single net bilateral position vis-à-vis the ECB. For the TARGET gross end-month positions in 1999 and in 2000 (January to October), see the corresponding footnote in the February 2000 and December 2000 issues of the ECB Monthly Bulletin.

Table 2.3
Consolidated balance sheet of the euro area MFIs, including the Eurosystem
(EUR billions (not seasonally adjusted; end of period))
1. Assets: levels

	Assets						External assets ²⁾	Fixed assets	Remaining assets	Total	
	Loans to euro area residents	General government	Other euro area residents	Holdings of securities other than shares issued by euro area residents	General government	Other euro area residents					
	1	2	3	4	5	6	7	8	9	10	11
2000 Aug.	6,716.0	822.1	5,893.9	1,385.3	1,128.7	256.6	510.7	2,419.9	165.2	1,127.2	12,324.4
Sep.	6,798.3	818.1	5,980.1	1,386.7	1,128.5	258.2	513.7	2,462.8	166.0	1,054.5	12,382.0
Oct.	6,842.3	820.1	6,022.3	1,379.9	1,115.6	264.3	514.0	2,515.3	168.0	1,119.1	12,538.7
Nov.	6,884.1	827.1	6,057.0	1,376.0	1,112.2	263.7	515.8	2,488.0	167.7	1,068.1	12,499.7
Dec.	6,927.0	835.9	6,091.1	1,354.6	1,089.5	265.2	521.7	2,406.5	169.9	1,028.9	12,408.6
<i>Euro area enlargement</i>											
2001 1 Jan.	7,007.9	853.9	6,154.0	1,423.6	1,156.0	267.6	530.4	2,402.7	172.9	1,008.9	12,533.7
2001 Jan.	7,043.5	858.1	6,185.4	1,416.2	1,145.7	270.6	542.9	2,463.0	171.8	1,083.0	12,720.4
Feb.	7,056.4	849.9	6,206.5	1,435.7	1,156.2	279.6	549.8	2,483.6	172.3	1,072.0	12,769.7
Mar.	7,126.0	852.6	6,273.4	1,452.8	1,165.2	287.6	567.0	2,637.0	172.0	1,116.5	13,071.3
Apr.	7,157.1	844.4	6,312.7	1,465.2	1,171.4	293.8	586.8	2,613.9	173.3	1,127.3	13,123.6
May	7,172.5	839.3	6,333.2	1,491.5	1,191.4	300.1	587.2	2,674.8	174.6	1,147.5	13,248.2
June	7,223.5	836.6	6,386.9	1,506.3	1,205.3	301.0	557.5	2,702.7	175.4	1,146.2	13,311.6
July	7,226.9	833.8	6,393.1	1,514.5	1,200.4	314.1	552.2	2,616.6	176.5	1,091.5	13,178.3
Aug.	7,198.0	829.7	6,368.3	1,514.4	1,191.9	322.6	545.1	2,621.0	176.9	1,081.8	13,137.2
Sep.	7,251.4	830.8	6,420.6	1,521.3	1,194.3	327.0	534.7	2,694.7	177.6	1,133.4	13,313.1
Oct.	7,278.5	828.2	6,450.3	1,515.2	1,185.8	329.4	543.5	2,739.5	178.3	1,163.6	13,418.7
Nov.	7,344.8	843.3	6,501.5	1,522.8	1,190.1	332.7	544.5	2,825.4	179.1	1,153.0	13,569.7
Dec.	7,366.9	846.4	6,520.6	1,515.7	1,178.0	337.7	570.4	2,804.5	180.3	1,146.9	13,584.8
2002 Jan.	7,379.0	843.6	6,535.4	1,548.0	1,205.5	342.5	570.3	2,828.8	177.8	1,155.2	13,659.1
Feb. ^(a)	7,392.5	843.5	6,549.0	1,556.0	1,205.9	350.1	569.1	2,832.0	176.8	1,118.4	13,644.8

2. Liabilities: levels

	Liabilities										Excess of inter-MFI liabilities	Total		
	Currency in circulation	Deposits of central government	Deposits of other general government/other euro area residents	Over-night	With agreed maturity	Redeemable at notice	Repurchase agreements	Money market fund shares/units ³⁾	Money market paper and debt securities issued ³⁾	Capital and reserves			External liabilities ²⁾	Re-maining liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2000 Aug.	338.0	140.5	5,149.6	1,577.8	2,122.6	1,279.8	169.4	320.4	1,658.2	898.2	2,310.4	1,500.3	8.8	12,324.4
Sep.	339.0	159.2	5,162.8	1,589.7	2,129.3	1,272.4	171.4	310.5	1,663.9	926.4	2,370.1	1,439.3	10.7	12,382.0
Oct.	336.8	172.4	5,166.5	1,590.9	2,141.4	1,263.7	170.6	313.5	1,684.6	932.9	2,437.6	1,481.8	12.5	12,538.7
Nov.	336.9	168.8	5,187.4	1,609.0	2,148.7	1,256.3	173.5	319.8	1,668.6	920.8	2,420.0	1,477.1	0.4	12,499.7
Dec.	347.6	164.5	5,270.3	1,658.7	2,159.8	1,276.9	174.9	300.1	1,661.9	894.6	2,329.4	1,428.2	11.9	12,408.6
<i>Euro area enlargement</i>														
2001 1 Jan.	355.3	166.2	5,395.1	1,673.3	2,198.4	1,328.2	195.2	300.1	1,663.7	912.1	2,219.4	1,455.2	12.1	12,533.7
2001 Jan.	335.3	147.1	5,379.6	1,623.8	2,212.2	1,329.8	213.8	313.2	1,695.7	909.0	2,445.7	1,473.7	21.1	12,720.4
Feb.	334.3	155.6	5,388.4	1,625.6	2,223.6	1,323.5	215.8	322.3	1,710.5	911.4	2,475.2	1,491.3	-19.2	12,769.7
Mar.	335.5	150.3	5,427.9	1,636.1	2,243.0	1,322.8	225.9	333.2	1,719.2	927.1	2,663.0	1,536.7	-21.6	13,071.3
Apr.	335.4	152.5	5,457.3	1,666.9	2,241.6	1,323.9	224.9	341.8	1,719.8	928.1	2,676.4	1,524.5	-12.2	13,123.6
May	332.1	146.9	5,495.0	1,691.8	2,243.3	1,322.5	237.4	351.3	1,720.6	940.1	2,754.9	1,520.5	-13.2	13,248.2
June	332.2	165.5	5,528.2	1,731.8	2,241.1	1,330.8	224.5	349.3	1,739.8	966.0	2,743.2	1,504.1	-16.8	13,311.6
July	327.3	155.5	5,515.1	1,712.7	2,242.4	1,333.6	226.4	358.4	1,734.9	955.3	2,642.7	1,494.6	-5.7	13,178.3
Aug.	318.5	152.4	5,507.1	1,681.2	2,254.7	1,337.3	233.9	369.9	1,728.8	960.0	2,619.9	1,489.2	-8.6	13,137.2
Sep.	308.9	147.8	5,558.8	1,749.9	2,238.0	1,342.6	228.2	374.4	1,752.9	970.7	2,639.8	1,541.2	18.7	13,313.1
Oct.	294.7	153.3	5,580.6	1,750.3	2,241.6	1,351.9	236.9	386.4	1,766.9	981.4	2,661.3	1,588.6	5.4	13,418.7
Nov.	279.0	150.2	5,635.1	1,798.1	2,242.5	1,365.0	229.5	395.2	1,759.1	982.9	2,725.6	1,632.2	10.3	13,569.7
Dec.	239.5	139.3	5,780.4	1,893.1	2,262.5	1,404.9	220.0	392.1	1,758.8	995.9	2,718.3	1,562.5	-2.1	13,584.8
2002 Jan.	244.5	149.2	5,742.5	1,844.8	2,260.3	1,417.3	220.0	410.9	1,773.7	1,006.2	2,753.5	1,574.2	4.5	13,659.1
Feb. ^(a)	239.3	155.8	5,740.8	1,840.2	2,256.9	1,418.9	224.7	422.1	1,776.4	1,008.6	2,763.9	1,540.8	-3.0	13,644.8

Source: ECB.

1) Calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

2) See Table 2.1, footnote 1.

3) Amounts held by residents of the euro area. Amounts held by non-residents of the euro area are included in external liabilities.

3. Assets: flows ¹⁾

	Loans to euro area residents		Other euro area residents	Holdings of securities other than shares issued by euro area residents	General government		Holdings of shares/ other equity issued by other euro area residents	External assets ²⁾	Fixed assets	Remaining assets	Total
	1	2			3	4						5	6
2000 Sep.	66.0	-4.1	70.2	-0.3	-3.5	3.2	2.4	13.9	0.7	-73.2	9.6
Oct.	38.9	1.9	37.0	-10.3	-17.0	6.8	1.7	6.4	3.2	64.7	104.6
Nov.	50.4	7.2	43.2	-6.2	-5.3	-0.9	0.5	15.3	-0.3	-51.0	8.6
Dec.	61.4	9.8	51.6	-15.5	-19.0	3.5	4.8	9.5	1.2	-29.4	32.0
<i>Euro area enlargement</i>											
2001 Jan.	35.1	2.9	32.1	-12.2	-15.6	3.5	12.5	63.3	-1.0	29.5	127.2
Feb.	14.0	-8.2	22.2	13.4	4.5	8.9	7.4	16.7	0.5	-11.9	40.1
Mar.	60.8	2.3	58.5	11.8	4.2	7.6	17.2	98.1	0.1	46.0	234.0
Apr.	33.2	-8.2	41.4	12.5	6.7	5.8	18.4	-18.4	1.2	9.9	56.9
May	4.1	-5.6	9.7	25.7	21.3	4.4	1.0	-1.0	1.4	18.7	49.9
June	57.4	-2.6	60.0	14.4	13.7	0.7	-32.6	28.0	0.9	-1.4	66.6
July	12.7	-2.5	15.1	9.8	-3.0	12.9	-8.4	-41.7	1.1	-50.5	-77.0
Aug.	-18.9	-3.7	-15.2	4.7	-4.2	8.9	-6.0	55.7	0.3	-10.6	25.2
Sep.	48.6	1.0	47.5	-0.5	-4.2	3.6	-5.0	50.2	0.7	51.9	145.9
Oct.	25.7	-2.7	28.4	-7.0	-9.6	2.5	5.4	43.7	0.7	30.2	98.7
Nov.	65.7	15.0	50.6	10.0	7.8	2.1	-3.4	66.8	1.1	5.7	145.9
Dec.	27.8	3.1	24.8	-6.7	-9.6	3.0	24.9	-27.4	1.2	-7.4	12.5
2002 Jan.	9.5	-3.0	12.5	27.2	22.1	5.0	-0.2	2.8	-2.5	7.6	44.5
Feb. ^(p)	15.6	0.0	15.6	13.4	5.3	8.2	0.5	-1.9	-1.0	-38.1	-11.5

4. Liabilities: flows ¹⁾

	Currency in circulation	Deposits of central government	Deposits of other general government/ other euro area residents	Over-night	With agreed maturity	Redeemable at notice	Repurchase agreements	Money market fund shares/ units ³⁾	Money market paper and debt securities issued ³⁾	Capital and reserves	External liabilities ²⁾	Re-maining liabilities	Excess of inter-MFI liabilities	Total
2000 Sep.	1.0	18.8	6.2	10.7	0.9	-7.4	2.0	-8.9	-0.3	18.8	39.0	-64.4	-0.5	9.6
Oct.	-2.2	13.2	-2.3	-1.0	8.4	-8.9	-0.9	2.5	12.2	4.9	19.5	47.2	9.5	104.6
Nov.	0.1	-3.6	26.8	20.3	10.8	-7.3	3.0	6.1	-7.2	-11.9	27.9	-16.3	-13.2	8.6
Dec.	10.7	-4.3	96.3	53.7	20.3	20.9	1.5	-9.4	-2.9	-21.9	-8.1	-33.9	5.4	32.0
<i>Euro area enlargement</i>														
2001 Jan.	-20.1	-19.0	-14.9	-49.2	14.1	1.5	18.6	14.6	28.2	-4.3	119.3	16.9	6.6	127.2
Feb.	-1.0	8.7	8.3	1.5	11.2	-6.3	1.9	9.3	14.2	2.8	26.5	11.1	-39.8	40.1
Mar.	1.3	-5.2	32.5	8.3	14.9	-0.8	10.1	12.4	3.5	16.6	133.7	47.4	-8.2	234.0
Apr.	-0.1	2.2	29.8	30.8	-1.0	1.1	-1.1	9.3	-2.6	1.3	18.5	-11.7	10.3	56.9
May	-3.3	-5.6	28.9	21.7	-3.5	-1.7	12.4	10.4	-12.5	8.7	11.8	12.9	-1.4	49.9
June	0.1	18.6	34.6	40.4	-1.4	8.3	-12.8	-0.9	21.0	19.0	-5.3	-18.3	-2.3	66.6
July	-5.0	-10.0	-8.2	-17.4	4.4	3.0	1.9	9.5	1.5	-6.4	-58.3	-11.8	11.5	-77.0
Aug.	-8.8	-3.1	-2.0	-29.6	16.3	3.9	7.5	10.8	1.5	7.2	30.2	-7.7	-2.9	25.2
Sep.	-9.6	-4.6	50.8	68.4	-17.3	5.3	-5.6	4.1	17.1	9.5	18.0	41.4	19.1	145.9
Oct.	-14.1	5.4	21.9	0.9	2.9	9.2	8.9	12.4	12.9	7.6	18.3	46.0	-11.8	98.7
Nov.	-15.7	-3.0	52.5	47.2	-0.3	13.1	-7.4	10.1	23.7	2.5	38.2	33.0	4.6	145.9
Dec.	-39.5	-10.9	145.2	95.2	19.6	39.9	-9.5	-1.3	-1.4	13.2	-17.8	-62.0	-13.0	12.5
2002 Jan.	5.0	10.4	-39.8	-49.3	-2.9	12.4	0.0	19.8	10.1	12.6	13.3	5.6	7.4	44.5
Feb. ^(p)	-5.2	6.7	-1.3	-4.5	-3.1	1.6	4.7	11.2	4.3	-2.5	13.3	-30.6	-7.5	-11.5

Table 2.4
Monetary aggregates ¹⁾ and counterparts
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
1. Monetary aggregates: levels at the end of the period

	M2							
	M1				Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Index Dec. 98=100 ³⁾
	Currency in circulation ¹⁾	Overnight deposits ²⁾	Total	Index Dec. 98=100 ³⁾				
			3	4	5	6	7	8
2000 Aug.	338.0	1,643.2	1,981.2	110.71	956.6	1,230.6	4,168.4	105.87
Sep.	339.0	1,654.6	1,993.6	111.34	961.8	1,220.5	4,175.9	105.99
Oct.	336.8	1,657.0	1,993.8	111.23	973.2	1,211.2	4,178.2	105.93
Nov.	336.9	1,675.3	2,012.2	112.38	986.4	1,202.1	4,200.6	106.62
Dec.	347.6	1,728.8	2,076.4	116.19	991.8	1,221.1	4,289.3	109.12
<i>Euro area enlargement</i>								
2001 1 Jan.	355.3	1,743.4	2,098.7	-	1,028.6	1,271.1	4,398.5	-
2001 Jan.	335.3	1,692.8	2,028.0	112.29	1,042.2	1,275.1	4,345.3	107.82
Feb.	334.3	1,692.9	2,027.2	112.23	1,054.7	1,269.7	4,351.6	107.96
Mar.	335.5	1,703.2	2,038.7	112.74	1,070.7	1,269.8	4,379.2	108.52
Apr.	335.4	1,735.9	2,071.3	114.54	1,072.1	1,273.4	4,416.8	109.46
May	332.1	1,759.2	2,091.3	115.47	1,072.9	1,273.2	4,437.5	109.77
June	332.2	1,798.4	2,130.6	117.67	1,070.4	1,283.0	4,484.0	110.95
July	327.3	1,780.3	2,107.6	116.49	1,077.2	1,287.2	4,472.0	110.76
Aug.	318.5	1,747.5	2,066.0	114.29	1,092.8	1,292.9	4,451.6	110.37
Sep.	308.9	1,815.1	2,124.0	117.49	1,075.2	1,299.7	4,498.9	111.53
Oct.	294.7	1,816.1	2,110.9	116.79	1,078.9	1,311.6	4,501.3	111.59
Nov.	279.0	1,864.6	2,143.6	118.56	1,081.0	1,326.4	4,551.0	112.78
Dec.	239.5	1,963.8	2,203.3	121.88	1,094.5	1,367.8	4,665.6	115.62
2002 Jan.	244.5	1,918.1	2,162.6	119.57	1,087.9	1,389.0	4,639.4	114.94
Feb. ^(a)	239.3	1,913.9	2,153.2	119.06	1,083.1	1,392.6	4,628.9	114.69

2. Monetary aggregates: flows ⁴⁾

	M2							
	M1				Deposits with agreed maturity up to 2 years	Deposits redeemable at notice up to 3 months	Total	Annual growth rate ³⁾ (%)
	Currency in circulation ¹⁾	Overnight deposits ²⁾	Total	Annual growth rate ³⁾ (%)				
			3	4	5	6	7	8
2000 Sep.	1.0	10.1	11.2	6.2	3.6	-10.2	4.6	4.2
Oct.	-2.2	0.2	-2.0	5.8	8.8	-9.4	-2.5	3.7
Nov.	0.1	20.5	20.6	5.0	15.6	-9.0	27.2	3.7
Dec.	10.7	57.5	68.2	5.7	11.2	19.3	98.7	3.7
<i>Euro area enlargement</i>								
2001 Jan.	-20.1	-50.4	-70.4	1.6	13.9	3.9	-52.6	2.6
Feb.	-1.0	-0.1	-1.1	2.1	12.3	-5.4	5.8	2.9
Mar.	1.3	8.1	9.3	2.0	13.4	-0.1	22.7	3.2
Apr.	-0.1	32.6	32.5	1.6	1.6	3.7	37.8	3.2
May	-3.3	20.1	16.8	3.2	-3.7	-0.5	12.7	3.6
June	0.1	39.6	39.7	4.3	-1.8	9.8	47.7	4.4
July	-5.0	-16.4	-21.4	3.3	9.0	4.4	-7.9	4.3
Aug.	-8.8	-30.9	-39.7	3.2	18.3	5.9	-15.5	4.2
Sep.	-9.6	67.4	57.8	5.5	-17.9	6.8	46.7	5.2
Oct.	-14.1	1.6	-12.6	5.0	3.2	11.8	2.4	5.3
Nov.	-15.7	47.8	32.1	5.5	1.2	14.8	48.1	5.8
Dec.	-39.5	99.4	59.9	4.9	13.3	41.4	114.6	6.0
2002 Jan.	5.0	-46.7	-41.8	6.5	-6.8	21.1	-27.4	6.6
Feb. ^(a)	-5.2	-4.0	-9.2	6.1	-4.6	3.6	-10.2	6.2

Source: ECB.

1) Monetary aggregates comprise monetary liabilities of MFIs and central government (Post Office, Treasury) vis-à-vis non-MFI euro area residents excluding central government.

2) M3 and its components exclude holdings by non-residents of the euro area of money market fund shares/units, money market paper and debt securities up to 2 years.

M3 ²⁾						
Repurchase agreements	Money market fund shares/units	Money market paper and debt securities up to 2 years	Total	Index Dec. 98=100 ³⁾		
9	10	11	12	13		
169.4	320.4	129.8	4,788.0	107.20		2000 Aug.
171.4	310.5	128.9	4,786.8	107.11		Sep.
170.6	313.5	131.7	4,794.1	107.16		Oct.
173.5	319.8	126.6	4,820.7	107.86		Nov.
174.9	300.1	134.9	4,899.1	109.97		Dec.
<i>Euro area enlargement</i>						
195.2	300.1	135.0	5,028.8	-		2001 1 Jan.
213.8	313.2	137.9	5,010.3	109.61		2001 Jan.
215.8	322.3	144.3	5,034.0	110.12		Feb.
225.9	333.2	139.0	5,077.4	110.97		Mar.
224.9	341.8	139.5	5,122.9	111.93		Apr.
237.4	351.3	133.5	5,159.6	112.55		May
224.5	349.3	144.3	5,202.1	113.50		June
226.4	358.4	139.6	5,196.5	113.47		July
233.9	369.9	141.2	5,196.6	113.59		Aug.
228.2	374.4	147.5	5,249.0	114.58		Sep.
236.9	386.4	149.8	5,274.5	115.12		Oct.
229.5	395.2	152.1	5,327.9	116.33		Nov.
220.0	392.1	144.9	5,422.5	118.40		Dec.
220.0	410.9	140.3	5,410.7	118.21		2002 Jan.
224.7	422.1	137.6	5,413.2	118.26		Feb. ⁽⁴⁾
<i>Euro area enlargement</i>						
18.6	14.6	2.8	-16.5	3.6		2001 Jan.
1.9	9.3	6.2	23.2	3.8		Feb.
10.1	12.4	-6.4	38.8	4.0		Mar.
-1.1	9.3	-1.8	44.3	4.0		Apr.
12.4	10.4	-7.5	28.0	4.5		May
-12.8	-0.9	9.7	43.7	5.6		June
1.9	9.5	-4.7	-1.2	5.7		July
7.5	10.8	2.3	5.1	6.0		Aug.
-5.6	4.1	0.3	45.4	7.0		Sep.
8.9	12.4	0.9	24.7	7.4		Oct.
-7.4	10.1	4.6	55.4	7.8		Nov.
-9.5	-1.3	-8.9	94.9	7.7		Dec.
0.0	19.8	-0.9	-8.6	7.8		2002 Jan.
4.7	11.2	-3.2	2.5	7.4		Feb. ⁽⁴⁾

3) For the calculations of the index and the growth rates, see the technical notes.

4) Calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.4 (cont'd)
Monetary aggregates ¹⁾ and counterparts
(EUR billions and percentage growth rates, unless otherwise indicated)
3. Seasonally adjusted levels at the end of the period

	M2								
	M1				Other short-term deposits ⁵⁾			Total	Index Dec. 98=100 ⁴⁾
	Currency in circulation 1	Overnight deposits 2	Total	Index	Total	Index			
			3	Dec. 98=100 ⁴⁾		Dec. 98=100 ⁴⁾	6		
							7	8	
2000 Aug.	339.2	1,675.5	2,014.7	112.58	2,186.1	101.78	4,200.8	106.70	
Sep.	339.5	1,671.4	2,011.0	112.31	2,195.4	102.14	4,206.4	106.76	
Oct.	339.8	1,678.9	2,018.7	112.62	2,200.5	102.25	4,219.2	106.97	
Nov.	337.8	1,678.4	2,016.2	112.60	2,210.1	102.82	4,226.3	107.27	
Dec.	337.1	1,684.1	2,021.2	113.10	2,199.0	102.58	4,220.2	107.36	
<i>Euro area enlargement</i>									
2001 1 Jan.	342.3	1,692.5	2,034.8	-	2,285.6	-	4,320.3	-	
2001 Jan.	341.0	1,700.5	2,041.5	113.03	2,295.9	103.07	4,337.4	107.62	
Feb.	340.0	1,706.0	2,046.0	113.27	2,310.7	103.72	4,356.7	108.09	
Mar.	337.5	1,710.6	2,048.1	113.26	2,329.8	104.46	4,378.0	108.49	
Apr.	336.2	1,723.4	2,059.5	113.89	2,340.1	104.93	4,399.6	109.03	
May	332.4	1,749.3	2,081.7	114.94	2,345.8	104.97	4,427.5	109.53	
June	329.7	1,763.5	2,093.2	115.60	2,361.6	105.71	4,454.7	110.23	
July	324.4	1,767.8	2,092.3	115.64	2,374.3	106.39	4,466.6	110.62	
Aug.	318.0	1,789.8	2,107.8	116.61	2,378.7	106.72	4,486.6	111.24	
Sep.	309.1	1,822.1	2,131.1	117.88	2,392.3	107.31	4,523.5	112.14	
Oct.	296.9	1,845.0	2,141.9	118.50	2,406.3	107.92	4,548.2	112.75	
Nov.	278.3	1,878.0	2,156.3	119.27	2,425.8	108.74	4,582.0	113.55	
Dec.	233.3	1,921.7	2,155.0	119.21	2,452.3	109.93	4,607.3	114.18	
2002 Jan.	248.3	1,927.0	2,175.3	120.27	2,457.6	110.15	4,632.9	114.78	
Feb. ^(p)	243.0	1,928.1	2,171.1	120.05	2,462.6	110.39	4,633.7	114.81	

4. Seasonally adjusted flows ⁷⁾

	M2										
	M1					Other short-term deposits ⁵⁾			Total	Monthly growth rate ⁴⁾ (%)	Annual growth rate ⁴⁾ (%)
	Currency in circulation 1	Overnight deposits 2	Total	Monthly growth rate ⁴⁾ (%)	Annual growth rate ⁴⁾ (%)	Total	Monthly growth rate ⁴⁾ (%)	Annual growth rate ⁴⁾ (%)			
			3	4	5		6	7	8	9	10	11
2000 Sep.	0.3	-5.3	-5.0	-0.2	6.3	7.6	0.3	2.2	2.7	0.1	4.1
Oct.	0.3	5.2	5.5	0.3	6.0	2.5	0.1	2.0	8.0	0.2	3.9
Nov.	-2.0	1.7	-0.3	0.0	5.3	12.1	0.6	2.5	11.8	0.3	3.8
Dec.	-0.7	9.6	9.0	0.4	5.3	-5.1	-0.2	2.1	3.8	0.1	3.6
<i>Euro area enlargement</i>											
2001 Jan.	-4.0	2.0	-2.0	-0.1	1.9	11.1	0.5	3.5	9.1	0.2	2.8
Feb.	-1.0	5.2	4.3	0.2	2.3	14.6	0.6	3.5	18.9	0.4	2.9
Mar.	-2.5	2.4	-0.1	0.0	1.7	16.4	0.7	4.3	16.3	0.4	3.0
Apr.	-1.4	12.7	11.3	0.6	1.7	10.5	0.4	4.8	21.8	0.5	3.3
May	-3.8	22.8	19.1	0.9	3.0	0.9	0.0	4.0	20.0	0.5	3.5
June	-2.7	14.6	11.9	0.6	4.0	16.6	0.7	4.5	28.4	0.6	4.3
July	-5.3	6.0	0.8	0.0	3.3	15.1	0.6	5.1	15.8	0.4	4.3
Aug.	-6.4	23.9	17.5	0.8	3.6	7.5	0.3	4.8	24.9	0.6	4.3
Sep.	-9.0	32.0	23.0	1.1	5.0	13.2	0.6	5.1	36.3	0.8	5.0
Oct.	-12.2	23.4	11.3	0.5	5.2	13.5	0.6	5.5	24.7	0.5	5.4
Nov.	-18.6	32.4	13.8	0.6	5.9	18.5	0.8	5.8	32.3	0.7	5.9
Dec.	-45.0	43.9	-1.1	-0.1	5.4	26.3	1.1	7.2	25.3	0.6	6.3
2002 Jan.	14.9	4.3	19.3	0.9	6.4	5.0	0.2	6.9	24.3	0.5	6.7
Feb. ^(p)	-5.3	1.3	-4.0	-0.2	6.0	5.2	0.2	6.4	1.2	0.0	6.2

Source: ECB.

- 1) Monetary aggregates comprise monetary liabilities of MFIs and central government (Post Office, Treasury) vis-à-vis non-MFI euro area residents excluding central government.
- 2) M3 and its components exclude holdings by non-residents of the euro area of money market fund shares/units, money market paper and debt securities up to 2 years.
- 3) Loans, with other components of credit, are shown without seasonal adjustment on page 20*.
- 4) For the calculations of the index and the growth rates, see the technical notes.

M3 ²⁾				Loans to other euro area residents (excluding government) ³⁾		
Marketable instruments ⁶⁾		Total	Index Dec. 98=100 ⁴⁾	Total	Index Dec. 98=100 ⁴⁾	
Total	Index Dec. 98=100 ⁴⁾					
9	10	11	12	13	14	
618.1	117.07	4,818.9	107.89	5,918.6	116.41	2000 Aug.
618.6	117.15	4,825.0	107.96	5,992.8	117.56	Sep.
624.2	118.15	4,843.4	108.26	6,036.5	118.31	Oct.
626.8	118.69	4,853.1	108.59	6,067.9	119.09	Nov.
636.4	121.63	4,856.6	109.02	6,075.6	119.59	Dec.
<i>Euro area enlargement</i>						
657.8	-	4,978.1	-	6,130.0	-	2001 1 Jan.
672.1	124.56	5,009.5	109.59	6,180.0	120.41	2001 Jan.
675.2	125.12	5,031.8	110.07	6,212.9	121.08	Feb.
684.5	126.91	5,062.4	110.64	6,263.8	121.90	Mar.
689.8	127.63	5,089.3	111.20	6,304.1	122.73	Apr.
702.1	129.78	5,129.6	111.89	6,341.2	123.24	May
713.6	131.92	5,168.4	112.76	6,361.6	123.76	June
726.5	134.37	5,193.1	113.40	6,377.5	124.24	July
743.1	137.47	5,229.7	114.31	6,396.1	124.79	Aug.
761.1	139.60	5,284.6	115.35	6,432.5	125.41	Sep.
782.4	143.36	5,330.5	116.34	6,465.4	126.03	Oct.
786.2	144.73	5,368.2	117.21	6,512.4	126.93	Nov.
790.6	145.58	5,397.9	117.86	6,505.5	126.91	Dec.
777.4	143.99	5,410.3	118.20	6,530.4	127.35	2002 Jan.
776.1	143.67	5,409.8	118.19	6,556.8	127.90	Feb. ⁶⁾

M3 ²⁾							Loans to other euro area residents (excluding government) ³⁾			
Marketable instruments ⁶⁾			Total	Monthly growth rate ⁴⁾ (%)	Annual growth rate ⁴⁾ (%)	3-month moving average (centred) (%)	Total	Monthly growth rate ⁴⁾ (%)	Annual growth rate ⁴⁾ (%)	
Total	Monthly growth rate ⁴⁾ (%)	Annual growth rate ⁴⁾ (%)								
12	13	14	15	16	17	18	19	20	21	
0.4	0.1	6.3	3.1	0.1	4.4	4.5	74.1	1.0	10.0	2000 Sep.
5.2	0.8	7.2	13.2	0.3	4.3	4.2	43.6	0.6	9.7	Oct.
2.9	0.5	5.2	14.7	0.3	4.0	4.1	31.4	0.7	9.3	Nov.
15.5	2.5	7.6	19.3	0.4	4.1	3.9	7.9	0.4	9.6	Dec.
<i>Euro area enlargement</i>										
16.5	2.4	10.3	25.7	0.5	3.7	3.9	104.5	0.7	9.3	2001 Jan.
3.0	0.4	9.9	21.9	0.4	3.8	3.8	32.9	0.6	9.0	Feb.
9.7	1.4	8.7	26.0	0.5	3.8	3.9	50.7	0.7	8.7	Mar.
3.9	0.6	9.1	25.7	0.5	4.1	4.1	40.4	0.7	8.4	Apr.
11.6	1.7	10.6	31.7	0.6	4.4	4.7	36.8	0.4	8.0	May
11.6	1.6	13.9	40.0	0.8	5.5	5.2	20.5	0.4	7.9	June
13.3	1.9	14.9	29.1	0.6	5.7	5.7	16.0	0.4	7.8	July
16.8	2.3	17.4	41.7	0.8	5.9	6.2	18.6	0.4	7.2	Aug.
11.5	1.5	19.2	47.7	0.9	6.8	6.8	36.4	0.5	6.7	Sep.
20.5	2.7	21.3	45.2	0.9	7.5	7.4	32.9	0.5	6.5	Oct.
7.5	1.0	21.9	39.7	0.7	7.9	7.8	47.0	0.7	6.6	Nov.
4.7	0.6	19.7	29.9	0.6	8.1	8.0	-6.9	0.0	6.1	Dec.
-8.6	-1.1	15.6	15.7	0.3	7.9	7.8	24.8	0.3	5.8	2002 Jan.
-1.7	-0.2	14.8	-0.5	0.0	7.4	.	26.4	0.4	5.6	Feb. ⁶⁾

5) Other short-term deposits comprise deposits with an agreed maturity of up to two years and deposits redeemable at notice of up to three months.

6) Marketable instruments comprise repurchase agreements, money market fund shares/units, money market paper and debt securities up to two years.

7) Calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.4 (cont'd)
Monetary aggregates ¹⁾ and counterparts
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
5. Main counterparts of M3: levels at the end of the period

	Longer-term MFI liabilities				Credit ²⁾				Net external assets	Fixed assets
	Deposits with agreed maturity over 2 years	Deposits redeemable at notice over 3 months	Debt securities over 2 years	Capital and reserves	Credit to government	Credit to other euro area residents	Of which loans	Index Dec. 98 =100 ³⁾		
	1	2	3	4	5	6	7	8	9	10
2000 Aug.	1,166.4	118.2	1,523.3	898.2	1,950.8	6,661.3	5,893.9	115.93	109.5	165.2
Sep.	1,167.8	120.5	1,530.0	926.4	1,946.6	6,752.1	5,980.1	117.31	92.7	166.0
Oct.	1,168.5	121.3	1,548.8	932.9	1,935.7	6,800.6	6,022.3	118.03	77.7	168.0
Nov.	1,162.6	122.9	1,537.2	920.8	1,939.3	6,836.6	6,057.0	118.88	68.0	167.7
Dec.	1,168.3	125.4	1,525.3	894.6	1,925.4	6,878.0	6,091.1	119.89	77.1	169.9
<i>Euro area enlargement</i>										
2001 1 Jan.	1,170.0	126.7	1,526.9	912.1	2,009.9	6,952.0	6,154.0	-	183.3	172.9
2001 Jan.	1,170.2	126.8	1,555.4	909.0	2,003.8	6,998.8	6,185.4	120.52	17.3	171.8
Feb.	1,169.2	126.9	1,564.2	911.4	2,006.1	7,035.8	6,206.5	120.95	8.3	172.3
Mar.	1,172.5	126.4	1,576.9	927.1	2,017.8	7,128.0	6,273.4	122.09	-26.0	172.0
Apr.	1,169.7	124.6	1,577.8	928.1	2,015.8	7,193.3	6,312.7	122.90	-62.5	173.3
May	1,170.6	123.2	1,584.6	940.1	2,030.7	7,220.5	6,333.2	123.09	-80.1	174.6
June	1,170.8	122.0	1,593.3	966.0	2,041.9	7,245.4	6,386.9	124.25	-40.6	175.4
July	1,165.2	120.7	1,592.7	955.3	2,034.2	7,259.4	6,393.1	124.55	-26.1	176.5
Aug.	1,161.9	119.5	1,585.2	960.0	2,021.6	7,236.0	6,368.3	124.25	1.1	176.9
Sep.	1,162.8	118.6	1,603.8	970.7	2,025.1	7,282.3	6,420.6	125.18	55.0	177.6
Oct.	1,162.7	116.9	1,615.7	981.4	2,014.0	7,323.2	6,450.3	125.73	78.2	178.3
Nov.	1,161.5	115.8	1,605.5	982.9	2,033.5	7,378.6	6,501.5	126.72	99.9	179.1
Dec.	1,168.0	115.8	1,612.6	995.9	2,024.4	7,428.6	6,520.6	127.20	86.2	180.3
2002 Jan.	1,172.4	112.3	1,632.2	1,006.2	2,049.0	7,448.3	6,535.4	127.45	75.3	177.8
Feb. ^(p)	1,173.8	111.2	1,638.2	1,008.6	2,049.4	7,468.2	6,549.0	127.75	68.0	176.8

6. Main counterparts of M3: flows ⁴⁾

	Longer-term MFI liabilities				Credit ²⁾				Net external assets	Fixed assets
	Deposits with agreed maturity over 2 years	Deposits redeemable at notice over 3 months	Debt securities over 2 years	Capital and reserves	Credit to government	Credit to other euro area residents	Of which loans	Annual growth rate ³⁾ (%)		
	1	2	3	4	5	6	7	8	9	10
2000 Sep.	-2.7	2.2	1.8	18.8	-7.6	75.8	70.2	10.0	-25.1	0.7
Oct.	-0.5	0.8	10.1	4.9	-15.1	45.4	37.0	9.7	-13.2	3.2
Nov.	-4.8	1.6	-3.2	-11.9	1.9	42.8	43.2	9.3	-12.6	-0.3
Dec.	9.1	2.5	-3.4	-21.9	-9.1	59.9	51.6	9.5	17.6	1.2
<i>Euro area enlargement</i>										
2001 Jan.	0.2	0.2	24.7	-4.3	-12.7	48.1	32.1	9.3	-55.9	-1.0
Feb.	-1.1	0.1	8.6	2.8	-3.7	38.5	22.2	9.0	-9.8	0.5
Mar.	1.4	-0.5	8.5	16.6	6.5	83.4	58.5	8.7	-35.6	0.1
Apr.	-2.6	-1.9	-0.1	1.3	-1.4	65.6	41.4	8.4	-36.8	1.2
May	0.1	-1.4	-5.1	8.7	15.7	15.1	9.7	8.0	-12.8	1.4
June	0.4	-1.1	11.6	19.0	11.1	28.1	60.0	7.9	33.3	0.9
July	-4.7	-1.4	5.9	-6.4	-5.5	19.6	15.1	7.7	16.5	1.1
Aug.	-2.1	-1.2	-0.7	7.2	-7.9	-12.2	-15.2	7.2	25.5	0.3
Sep.	0.6	-0.9	17.6	9.5	-3.2	46.2	47.5	6.7	32.2	0.7
Oct.	-0.3	-1.7	12.2	7.6	-12.3	36.3	28.4	6.5	25.4	0.7
Nov.	-1.5	-1.1	18.9	2.5	22.9	49.4	50.6	6.6	28.5	1.1
Dec.	6.4	0.1	7.7	13.2	-6.6	52.6	24.8	6.1	-9.5	1.2
2002 Jan.	3.9	-3.6	11.2	12.6	19.1	17.4	12.5	5.7	-10.4	-2.5
Feb. ^(p)	1.5	-1.0	8.0	-2.5	5.3	24.4	15.6	5.6	-15.3	-1.0

1) Monetary aggregates comprise monetary liabilities of MFIs and central government (Post Office, Treasury) vis-à-vis non-MFI euro area residents excluding central government.

2) Credit comprises loans granted to non-MFIs resident in the euro area and holdings of securities issued by non-MFIs resident in the euro area.

3) For the calculations of the index and the growth rates, see the technical notes.

4) Calculated from monthly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.5
MFI loans by counterpart, type and original maturity ¹⁾
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
1. Loans to non-monetary financial corporations and to government: levels at the end of the period

	Non-monetary financial intermediaries except insurance corporations and pension funds			Insurance corporations and pension funds			General government							
	Total		Index Dec.98 =100 ²⁾	Total		Index Dec.98 =100 ²⁾	Central government ³⁾	Other general government					Total	Index Dec.98 =100 ²⁾
	1	Up to 1 year		4	Up to 1 year			5	6	7	State government				Local government		Social security funds
			8			Over 5 years	9				Over 5 years	10	11	12
2000 Q2	381.5	246.1	135.7	38.8	29.1	141.3	186.8	290.0	252.1	339.0	306.0	19.7	835.6	99.0
Q3	385.4	247.2	138.8	33.0	25.3	120.4	173.3	288.4	252.4	337.8	305.3	18.5	818.1	97.3
Q4	394.8	252.9	142.8	31.5	21.8	114.8	173.1	297.3	255.4	350.9	315.8	14.6	835.9	99.5
<i>Euro area enlargement</i>														
2001 1 Jan.	395.4	253.4	-	31.6	21.8	-	185.6	297.3	255.4	351.5	316.4	15.2	849.6	-
2001 Q1	418.0	273.0	152.9	35.9	26.8	130.5	189.3	295.3	255.3	352.4	314.0	15.6	852.6	99.1
Q2	425.2	280.6	155.7	35.8	26.7	130.1	175.1	294.0	254.9	350.4	312.4	17.2	836.6	97.2
Q3	408.4	256.3	149.4	36.6	26.9	133.9	168.2	293.9	254.1	349.7	311.9	18.9	830.8	96.6
Q4 ⁴⁾	434.3	276.5	159.6	33.3	24.2	122.0	167.8	298.3	252.0	361.9	319.6	18.5	846.4	98.4

2. Loans to non-monetary financial corporations and to government: flows ⁴⁾

	Non-monetary financial intermediaries except insurance corporations and pension funds			Insurance corporations and pension funds			General government							
	Total		Annual growth rate ²⁾ (%)	Total		Annual growth rate ²⁾ (%)	Central government ³⁾	Other general government					Total	Annual growth rate ²⁾ (%)
	1	Up to 1 year		4	Up to 1 year			5	6	7	State government				Local government		Social security funds
			8			Over 5 years	9				Over 5 years	10	11	12
2000 Q3	8.6	1.1	24.5	-5.7	-3.8	-21.2	-9.9	-2.3	-0.3	-0.5	0.0	-1.2	-13.9	-1.1
Q4	11.2	6.8	18.2	-1.5	-3.5	6.6	0.2	8.8	3.0	12.8	10.3	-3.9	18.0	-0.9
<i>Euro area enlargement</i>														
2001 Q1	28.1	22.7	19.6	4.3	5.0	-3.4	-0.6	-2.0	-0.1	-0.7	-3.7	0.4	-2.9	-0.4
Q2	7.5	7.6	14.7	-0.1	-0.1	-7.9	-14.7	-1.3	-0.4	-2.0	-1.7	1.6	-16.4	-1.8
Q3	-17.2	-24.4	7.7	1.0	0.2	11.2	-6.2	0.0	-0.7	-0.7	-0.4	1.7	-5.2	-0.7
Q4 ⁴⁾	28.0	21.9	11.8	-3.3	-2.7	6.3	-0.7	4.3	-2.1	12.2	7.7	-0.4	15.4	-1.1

Source: ECB.

1) Corresponding ESA 95 sector codes: non-financial corporations, S.11; households, S.14; non-profit institutions serving households, S.15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S.123 (including financial auxiliaries, S.124); insurance corporations and pension funds, S.125; general government, S.13.

2) For the calculation of the index and the growth rates, see the technical notes.

3) A maturity breakdown is not available for loans to central government.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.5 (cont'd)
MFI loans by counterpart, type and original maturity ¹⁾
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
3. Loans to non-financial sectors other than government: levels at the end of the period

	Non-financial corporations					Consumer credit ³⁾				
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.98 =100 ²⁾	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.98 =100 ²⁾
	1	2	3	4	5	6	7	8	9	10
2000 Q2	918.2	407.1	1,236.9	2,562.1	113.0	93.5	161.4	201.9	456.8	111.7
Q3	953.5	423.6	1,256.9	2,634.0	115.8	96.4	164.9	208.3	469.6	114.4
Q4	967.9	429.3	1,287.8	2,685.0	118.7	97.5	165.2	212.9	475.7	115.9
<i>Euro area enlargement</i>										
2001 1 Jan.	996.6	436.6	1,293.6	2,726.9	-	102.1	166.1	213.0	481.2	-
2001 Q1	1,034.2	445.4	1,313.5	2,793.1	120.9	98.7	168.4	212.7	479.8	115.0
Q2	1,051.7	455.8	1,343.3	2,850.8	123.2	100.0	171.1	217.6	488.7	117.5
Q3	1,027.8	466.8	1,371.7	2,866.3	124.4	100.6	170.7	221.7	493.1	118.6
Q4 ^(p)	1,031.6	489.3	1,384.2	2,905.1	126.1	101.8	172.0	226.7	500.5	120.2

4. Loans to non-financial sectors other than government: flows ⁴⁾

	Non-financial corporations					Consumer credit ³⁾				
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate ²⁾ (%)	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate ²⁾ (%)
	1	2	3	4	5	6	7	8	9	10
2000 Q3	28.8	16.4	18.1	63.2	11.1	2.1	3.2	5.8	11.2	8.0
Q4	20.0	9.6	36.3	65.8	10.9	1.1	0.4	4.6	6.2	7.8
<i>Euro area enlargement</i>										
2001 Q1	32.8	5.4	13.3	51.5	10.0	-4.4	0.1	0.4	-3.9	4.5
Q2	13.9	12.2	26.0	52.1	9.0	1.3	3.9	5.2	10.4	5.2
Q3	-18.8	14.2	31.9	27.2	7.4	0.9	-0.5	4.1	4.5	3.6
Q4 ^(p)	3.1	24.0	12.3	39.3	6.3	1.1	0.8	4.9	6.8	3.7

Source: ECB.

1) Corresponding ESA 95 sector codes: non-financial corporations, S.11; households, S.14; non-profit institutions serving households, S.15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S.123 (including financial auxiliaries, S.124); insurance corporations and pension funds, S.125; general government, S.13.

2) For the calculation of the index and the growth rates, see the technical notes.

Households											Non-profit institutions serving households			
Lending for house purchase ³⁾					Other lending					Total	Index Dec.98 =100 ²⁾	Total	Index Dec.98 =100 ²⁾	
Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.98 =100 ²⁾	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Index Dec.98 =100 ²⁾					
11	12	13	14	15	16	17	18	19	20	21	22	23	24	
20.3	60.5	1,699.2	1,780.1	116.8	145.7	102.4	341.3	589.4	111.7	2,826.2	114.8	37.6	107.8	2000 Q2
21.8	62.8	1,747.8	1,832.4	119.0	143.3	101.0	342.1	586.4	111.6	2,888.4	116.6	37.6	107.7	Q3
22.2	62.4	1,792.5	1,877.2	121.8	147.4	101.0	340.0	588.3	112.7	2,941.2	118.9	38.2	109.3	Q4
<i>Euro area enlargement</i>														
22.2	62.9	1,803.4	1,888.5	-	147.6	101.0	340.0	588.5	-	2,958.2	-	38.2	-	2001 1 Jan.
21.8	61.9	1,832.1	1,915.8	123.7	146.9	104.2	342.1	593.2	113.7	2,988.9	120.1	37.3	106.5	2001 Q1
22.3	62.4	1,868.3	1,953.1	125.8	148.8	100.6	342.7	592.1	114.8	3,033.9	122.1	40.7	116.5	Q2
22.3	61.0	1,906.7	1,990.0	128.2	144.3	100.5	342.1	586.9	113.9	3,070.0	123.6	39.0	111.6	Q3
22.7	60.9	1,932.2	2,015.8	129.9	144.9	102.1	345.4	592.3	115.5	3,108.6	125.2	39.2	112.2	Q4 ^(p)

Households											Non-profit institutions serving households			
Lending for house purchase ³⁾					Other lending					Total	Annual growth rate ²⁾ (%)	Total	Annual growth rate ²⁾ (%)	
Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate ²⁾ (%)	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Annual growth rate ²⁾ (%)					
11	12	13	14	15	16	17	18	19	20	21	22	23	24	
-0.1	0.7	32.9	33.5	9.0	-1.7	-0.9	2.0	-0.7	4.9	44.0	8.0	0.0	3.9	2000 Q3
0.4	-0.4	43.5	43.4	8.6	4.4	1.1	0.3	5.8	3.5	55.4	7.4	0.6	2.0	Q4
<i>Euro area enlargement</i>														
-0.5	-0.9	30.2	28.7	8.3	0.4	3.1	2.0	5.5	3.1	30.3	6.6	-1.0	-4.8	2001 Q1
0.5	0.5	32.1	33.1	7.7	2.0	-1.8	5.1	5.3	2.7	48.9	6.3	3.5	8.1	Q2
-0.1	-1.4	39.0	37.5	7.8	-4.5	0.1	0.1	-4.4	2.1	37.6	6.0	-1.7	3.7	Q3
0.5	-0.1	25.1	25.4	6.6	0.6	4.0	3.9	8.4	2.5	40.6	5.3	0.2	2.6	Q4 ^(p)

3) The definitions of consumer credit and lending for house purchase are not fully consistent across the euro area.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.6
Deposits held with MFIs, by counterpart and instrument ¹⁾
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
1. Deposits held by non-monetary financial corporations and by government: levels at the end of the period

	Non-monetary financial intermediaries except insurance corporations and pension funds					Insurance corporations and pension funds					General government					
	Total ²⁾				Index Dec.98 =100 ³⁾	Total ²⁾				Index Dec.98 =100 ³⁾	Central government	Other general government			Total	Index Dec.98 =100 ³⁾
	Over-night	With agreed maturity	Repos			Over-night	With agreed maturity	Repos				State government	Local government	Social security funds		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q2	430.7	164.5	184.1	76.8	130.6	460.7	34.6	411.0	11.6	111.4	146.0	31.7	62.7	59.3	299.6	114.0
Q3	431.4	158.6	191.1	76.6	131.1	464.5	34.1	413.8	12.9	111.7	159.2	30.3	63.2	57.8	310.6	117.8
Q4	431.1	153.6	198.9	74.0	131.0	477.6	40.6	418.5	15.3	114.8	164.5	30.6	68.2	53.2	316.5	120.1
<i>Euro area enlargement</i>																
2001 1 Jan.	434.1	154.1	200.2	75.2	-	479.9	40.7	418.5	17.5	-	166.2	30.6	69.1	55.1	321.0	-
2001 Q1	441.9	151.8	194.2	91.2	133.4	483.5	38.2	423.0	18.8	115.7	150.3	30.9	65.0	57.2	303.5	113.4
Q2	455.4	164.3	195.9	89.3	136.3	486.1	41.4	424.0	16.9	116.3	165.5	31.4	66.8	60.8	324.6	121.3
Q3	455.2	162.7	201.7	85.6	133.8	487.6	39.3	426.7	17.9	116.7	147.8	33.3	67.4	60.4	308.9	115.5
Q4 ⁴⁾	467.3	158.3	217.9	85.9	136.1	493.9	46.8	427.3	16.4	118.2	139.3	30.0	70.0	60.2	299.4	111.9

2. Deposits held by non-monetary financial corporations and by government: flows ⁴⁾

	Non-monetary financial intermediaries except insurance corporations and pension funds					Insurance corporations and pension funds					General government					
	Total ²⁾				Annual growth rate ³⁾ (%)	Total ²⁾				Annual growth rate ³⁾ (%)	Central government	Other general government			Total	Annual growth rate ³⁾ (%)
	Over-night	With agreed maturity	Repos			Over-night	With agreed maturity	Repos				State government	Local government	Social security funds		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q3	1.5	-5.8	7.7	-0.2	11.2	1.2	-0.7	0.4	1.3	5.7	13.3	-1.4	-0.4	-1.4	10.1	18.3
Q4	-0.2	-4.9	7.7	-2.6	8.9	13.1	6.5	4.7	2.4	6.1	5.3	0.3	5.0	-4.7	6.0	12.5
<i>Euro area enlargement</i>																
2001 Q1	7.7	-2.5	-5.9	16.0	1.8	3.7	-2.5	4.5	1.3	4.3	-15.6	0.1	-4.1	2.1	-17.5	10.6
Q2	9.6	12.4	-2.1	-1.8	4.3	2.8	3.4	1.0	-1.9	4.5	15.1	0.5	1.9	3.6	21.1	6.5
Q3	-8.2	-1.6	-2.2	-3.7	2.1	1.5	-2.1	2.7	1.0	4.5	-17.7	1.9	0.5	-0.5	-15.7	-2.0
Q4 ⁴⁾	7.7	-4.3	11.4	0.4	3.9	6.3	7.6	0.5	-1.5	3.0	-8.6	-3.4	2.6	-0.2	-9.5	-6.8

Source: ECB.

1) Corresponding ESA 95 sector codes: non-financial corporations, S.11; households, S.14; non-profit institutions serving households, S.15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S.123 (including financial auxiliaries, S.124); insurance corporations and pension funds, S.125; general government, S.13.

2) Including deposits redeemable at notice.

3) For the calculation of the index and the growth rates, see the technical notes.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.6 (cont'd)
Deposits held with MFIs, by counterpart and instrument ¹⁾
(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)
3. Deposits held by non-financial sectors other than government: levels at the end of the period

	Non-financial corporations						Households ²⁾					
	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Index Dec.98 =100 ³⁾	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Index Dec.98 =100 ³⁾
	1	2	3	4	5	6	7	8	9	10	11	12
2000 Q2	459.7	307.7	24.1	26.9	818.4	104.6	888.2	1,095.1	1,254.6	46.6	3,284.5	101.8
Q3	464.2	331.8	24.7	25.0	845.7	106.7	874.4	1,107.6	1,235.3	51.6	3,268.9	101.4
Q4	497.4	324.6	24.1	26.3	872.4	111.5	906.9	1,131.5	1,241.4	57.1	3,336.9	103.5
<i>Euro area enlargement</i>												
2001 1 Jan.	504.5	337.9	24.2	30.5	897.2	-	910.4	1,154.0	1,292.3	69.6	3,426.4	-
2001 Q1	478.9	349.2	24.1	32.4	884.6	108.9	906.1	1,192.3	1,287.0	78.9	3,464.4	104.6
Q2	514.5	335.7	24.4	32.1	906.7	111.3	947.2	1,198.7	1,293.5	81.3	3,520.7	106.3
Q3	514.8	322.7	25.4	34.5	897.5	112.3	963.5	1,203.8	1,305.2	84.6	3,557.1	107.5
Q4 ⁴⁾	576.5	338.4	27.5	36.8	979.1	122.2	1,041.6	1,195.8	1,365.6	77.0	3,680.0	111.3

4. Deposits held by non-financial sectors other than government: flows ⁴⁾

	Non-financial corporations						Households ²⁾					
	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Annual growth rate ³⁾ (%)	Overnight	With agreed maturity	Redeemable at notice	Repos	Total	Annual growth rate ³⁾ (%)
	1	2	3	4	5	6	7	8	9	10	11	12
2000 Q3	0.3	16.4	1.3	-2.0	16.0	9.2	-13.8	12.6	-19.6	5.0	-15.8	1.0
Q4	36.8	0.5	-0.6	1.3	38.0	11.1	32.6	24.5	6.4	5.5	69.0	1.1
<i>Euro area enlargement</i>												
2001 Q1	-28.4	6.9	-0.1	1.8	-19.9	7.4	-4.6	37.8	-5.8	9.3	36.7	2.4
Q2	32.9	-13.4	0.3	-0.4	19.4	6.4	41.1	6.4	6.2	2.3	56.1	4.4
Q3	3.7	1.1	0.4	2.5	7.7	5.2	16.2	5.2	12.7	3.4	37.4	6.0
Q4 ⁴⁾	61.6	13.2	2.0	2.3	79.2	9.6	78.3	-3.0	60.3	-7.6	128.0	7.6

Source: ECB.

1) Corresponding ESA 95 sector codes: non-financial corporations, S.11; households, S.14; non-profit institutions serving households, S.15; non-monetary financial intermediaries except insurance corporations and pension funds (corresponding to other financial intermediaries in the ESA 95), S.123 (including financial auxiliaries, S.124); insurance corporations and pension funds, S.125; general government, S.13.

2) Comprises households (S.14) and non-profit institutions serving households (S.15).

3) For the calculation of the index and the growth rates, see the technical notes.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.7**Main MFI claims on and liabilities to non-residents of the euro area***(EUR billions (not seasonally adjusted) and percentage growth rates, unless otherwise indicated)***1. Levels at the end of the period**

	Loans to non-residents								Holdings of securities other than shares issued by non-residents							
	Banks ¹⁾²⁾		Non-banks				Total	Index Dec.98 =100 ³⁾	Banks ¹⁾		Non-banks				Total	Index Dec.98 =100 ³⁾
	Total	Index Dec.98 =100 ³⁾	General government	Other	Total	Index Dec.98 =100 ³⁾			Total	Index Dec.98 =100 ³⁾	General government	Other	Total	Index Dec.98 =100 ³⁾		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q2	977.7	97.1	81.0	399.0	480.0	118.7	1,457.7	103.2	153.0	152.8	302.8	161.3	464.1	107.8	617.1	116.0
Q3	979.4	94.4	79.3	441.4	520.7	123.3	1,500.0	102.6	168.2	160.9	321.5	175.4	496.9	110.1	665.1	119.5
Q4	945.4	93.4	78.9	445.6	524.5	127.9	1,469.8	103.3	171.1	172.5	290.6	183.7	474.3	109.1	645.4	120.9
<i>Euro area enlargement</i>																
2001 1 Jan.	964.1	-	78.9	449.3	528.2	-	1,492.2	-	171.3	-	296.2	184.0	480.2	-	651.5	-
2001 Q1	1,051.5	100.4	76.3	517.9	594.2	143.1	1,645.7	112.6	188.8	188.0	285.9	204.5	490.4	113.1	679.3	126.9
Q2	1,071.3	100.7	78.9	519.3	598.2	141.0	1,669.5	112.3	205.1	200.4	294.6	207.8	502.3	113.9	707.4	129.9
Q3	1,081.3	103.6	74.9	527.7	602.6	146.9	1,683.9	116.0	200.6	202.0	273.8	212.1	485.8	113.8	686.4	130.1
Q4 ⁴⁾	1,110.3	106.0	74.4	548.5	622.9	149.7	1,733.2	118.6	234.9	233.1	289.0	220.0	509.0	117.7	743.9	139.1

2. Flows ⁴⁾

	Loans to non-residents								Holdings of securities other than shares issued by non-residents							
	Banks ¹⁾²⁾		Non-banks				Total	Annual growth rate ³⁾ (%)	Banks ¹⁾		Non-banks				Total	Annual growth rate ³⁾ (%)
	Total	Annual growth rate ³⁾ (%)	General government	Other	Total	Annual growth rate ³⁾ (%)			Total	Annual growth rate ³⁾ (%)	General government	Other	Total	Annual growth rate ³⁾ (%)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2000 Q3	-27.3	-2.4	-1.7	20.5	18.8	7.8	-8.6	0.9	8.1	23.2	17.1	-6.9	10.2	13.0	18.3	15.3
Q4	-10.3	3.6	-0.7	19.9	19.2	10.4	9.0	6.0	12.2	26.7	-31.8	27.3	-4.5	7.1	7.7	11.6
<i>Euro area enlargement</i>																
2001 Q1	70.9	6.8	3.7	58.9	62.6	20.1	133.5	11.3	15.4	27.5	5.3	11.7	17.0	6.3	32.4	11.4
Q2	3.0	3.7	2.6	-11.2	-8.6	18.9	-5.6	8.7	12.4	31.1	9.2	-5.6	3.6	5.7	16.0	12.0
Q3	31.2	9.8	-4.0	28.9	24.9	19.1	56.1	13.0	1.6	25.5	-21.8	21.2	-0.6	3.3	1.0	8.9
Q4 ⁴⁾	25.4	13.5	-0.4	12.1	11.6	17.1	37.0	14.8	30.9	35.1	15.2	1.5	16.7	7.8	47.6	15.1

Source: ECB.

1) The term "banks" is used in this table to indicate institutions of a similar type to MFIs resident outside the euro area.

2) Deposits placed by MFIs with banks located outside the euro area are included.

Table 2.7 (cont'd)

Holdings of shares and other equity issued by non-residents						Deposits held by non-residents								
Banks ¹⁾		Other		Total	Index Dec.98 =100 ³⁾	Banks ¹⁾		Non-banks				Total	Index Dec.98 =100 ³⁾	
Total	Index Dec.98 =100 ³⁾	Total	Index Dec.98 =100 ³⁾			Total	Index Dec.98 =100 ³⁾	General government	Other	Total	Index Dec.98 =100 ³⁾			
17	18	19	20	21	22	23	24	25	26	27	28	29	30	
50.8	205.0	67.5	160.7	118.3	176.5	1,505.6	122.4	77.2	470.1	547.3	130.7	2,052.9	124.5	2000 Q2
58.0	226.4	81.4	190.0	139.4	202.8	1,578.2	123.5	81.6	526.4	608.0	140.2	2,186.2	127.8	Q3
61.6	241.8	80.0	192.7	141.6	210.2	1,550.8	125.1	84.6	504.0	588.6	139.1	2,139.4	128.7	Q4
<i>Euro area enlargement</i>														
62.3	-	80.2	-	142.5	-	1,560.8	-	85.6	507.9	593.4	-	2,154.2	-	2001 1 Jan.
65.1	252.2	94.3	227.2	159.4	235.4	1,781.6	140.8	89.3	577.1	666.4	154.1	2,448.0	144.2	2001 Q1
61.1	236.5	97.2	233.7	158.3	233.3	1,817.3	140.8	94.8	587.0	681.9	155.0	2,499.2	144.5	Q2
63.6	245.8	89.9	215.6	153.5	225.8	1,710.0	137.0	93.7	588.5	682.1	159.6	2,392.1	142.7	Q3
73.1	269.4	91.2	220.3	164.3	237.7	1,712.8	135.9	95.0	621.8	716.8	165.8	2,429.5	143.5	Q4 ⁴⁾

Holdings of shares and other equity issued by non-residents						Deposits held by non-residents								
Banks ¹⁾		Other		Total	Annual growth rate ³⁾ (%)	Banks ¹⁾		Non-banks				Total	Annual growth rate ³⁾ (%)	
Total	Annual growth rate ³⁾ (%)	Total	Annual growth rate ³⁾ (%)			Total	Annual growth rate ³⁾ (%)	General government	Other	Total	Annual growth rate ³⁾ (%)			
17	18	19	20	21	22	23	24	25	26	27	28	29	30	
5.3	31.1	12.3	63.4	17.6	48.6	14.5	9.7	4.4	35.6	40.0	22.2	54.4	12.9	2000 Q3
4.0	47.8	1.1	46.2	5.1	46.8	20.1	12.4	3.0	-7.9	-4.9	17.7	15.2	13.8	Q4
<i>Euro area enlargement</i>														
2.7	27.1	14.3	46.7	17.0	38.1	194.8	12.9	3.5	60.0	63.5	20.8	258.3	14.9	2001 Q1
-4.1	15.3	2.7	45.4	-1.4	32.2	0.2	15.1	5.6	-1.5	4.1	18.6	4.2	16.0	Q2
2.4	8.6	-7.5	13.4	-5.1	11.4	-49.9	10.9	-1.2	21.0	19.9	13.8	-30.1	11.7	Q3
6.1	11.4	2.0	14.3	8.1	13.1	-13.1	8.6	1.3	25.4	26.7	19.2	13.6	11.5	Q4 ⁴⁾

3) For the calculation of the index and the growth rates, see the technical notes.

4) Calculated from quarterly differences in levels adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions.

Table 2.8**Currency analysis of certain liabilities and assets of the euro area MFIs ¹⁾***(EUR billions (not seasonally adjusted; end of period))***Liabilities outstanding****1. Deposits placed by euro area residents**

	MFIs								Non-MFIs							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2000 Q2	4,053.5	3,618.5	52.8	382.2	265.1	34.7	62.2	20.1	5,293.9	5,113.7	27.9	152.3	113.0	17.1	13.2	9.0
Q3	3,941.1	3,481.1	57.9	402.1	279.2	38.1	64.9	19.9	5,321.0	5,132.0	29.1	160.0	121.0	16.5	12.5	10.1
Q4	3,949.6	3,526.2	47.5	376.0	265.0	34.4	61.0	15.6	5,434.5	5,256.3	27.3	150.9	115.1	14.6	11.3	9.9
<i>Euro area enlargement</i>																
2001 Q1	4,059.5	3,558.8	55.4	445.3	316.6	40.2	67.8	20.7	5,578.0	5,367.6	31.2	179.2	130.8	23.8	12.3	12.2
Q2	4,072.3	3,585.9	52.8	433.6	309.0	40.3	65.4	19.0	5,693.4	5,480.4	30.7	182.2	133.5	24.0	11.6	13.2
Q3	4,101.4	3,624.1	48.9	428.4	300.5	38.9	71.0	17.9	5,706.4	5,507.3	28.2	170.9	125.7	22.1	10.8	12.2
Q4 ^(p)	4,182.2	3,710.2	47.1	424.9	306.8	33.8	67.0	17.3	5,919.8	5,718.4	26.7	174.7	126.8	24.5	10.5	12.9

2. Deposits placed by non-residents of the euro area

	Banks ³⁾								Non-banks							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2000 Q2	1,505.6	598.2	134.1	773.2	614.1	61.0	63.2	34.9	547.3	243.5	52.1	251.7	203.8	22.0	15.1	10.7
Q3	1,578.2	611.6	145.6	821.0	661.9	63.3	63.4	32.4	608.0	252.8	61.0	294.2	245.5	23.1	13.8	11.8
Q4	1,550.8	590.9	126.8	833.2	684.3	53.1	65.7	30.1	588.6	254.1	64.0	270.5	225.5	20.5	12.3	12.2
<i>Euro area enlargement</i>																
2001 Q1	1,781.6	698.5	142.6	940.5	776.8	66.4	65.8	31.5	666.4	295.7	70.6	300.1	255.9	17.6	14.2	12.4
Q2	1,817.3	690.0	133.8	993.5	815.3	72.9	73.1	32.2	681.9	286.7	73.2	322.0	274.1	19.3	13.6	14.9
Q3	1,710.0	664.2	140.3	905.4	744.5	53.5	76.2	31.2	682.1	297.7	69.2	315.2	263.7	18.4	17.1	16.0
Q4 ^(p)	1,712.8	630.4	140.0	942.3	775.4	58.3	76.5	32.1	716.8	307.3	61.8	347.7	298.6	16.9	17.9	14.4

3. Debt securities and money market paper issued by euro area MFIs

	Debt securities								Money market paper							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2000 Q2	2,482.6	2,185.5	40.6	256.6	145.5	58.9	33.6	18.6	262.8	234.9	1.4	26.4	17.2	5.4	2.5	1.4
Q3	2,554.8	2,226.6	47.7	280.5	158.2	65.3	37.4	19.7	272.2	233.6	2.2	36.4	26.6	5.7	2.8	1.3
Q4	2,566.9	2,246.0	46.5	274.4	157.3	62.1	35.4	19.7	262.2	215.8	2.4	44.1	34.0	5.6	2.9	1.5
<i>Euro area enlargement</i>																
2001 Q1	2,667.6	2,327.9	48.3	291.4	172.0	61.5	37.5	20.5	278.5	227.8	2.1	48.6	41.6	3.0	2.6	1.5
Q2	2,731.2	2,358.2	53.9	319.1	189.2	69.4	39.6	20.8	275.5	227.0	4.3	44.2	35.8	4.7	2.5	1.1
Q3	2,749.8	2,383.6	52.8	313.4	186.9	68.5	38.4	19.5	265.0	217.9	4.0	43.2	36.0	3.1	2.8	1.2
Q4 ^(p)	2,777.9	2,377.4	67.5	333.0	205.0	67.1	40.4	20.6	254.0	204.1	4.8	45.1	38.9	2.6	2.5	1.2

Source: ECB.

- 1) Outstanding amounts are not adjusted for reclassifications, other revaluations or exchange rate variations. Data are partially estimated. For further details, see the technical notes.
- 2) Including items expressed in the national denominations of the euro.
- 3) The term "banks" is used in this table to indicate institutions of a similar type to MFIs resident outside the euro area.

Table 2.8 (cont'd)
Currency analysis of certain liabilities and assets of the euro area MFIs ¹⁾
(EUR billions (not seasonally adjusted; end of period))
Assets outstanding
4. Loans to euro area residents

	MFIs								Non-MFIs							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2000 Q2	4,023.7	-	-	-	-	-	-	-	6,681.9	6,388.6	35.4	257.9	144.7	38.4	70.5	4.3
Q3	3,930.5	-	-	-	-	-	-	-	6,796.5	6,485.5	34.8	276.3	155.8	44.4	72.1	4.0
Q4	3,937.6	-	-	-	-	-	-	-	6,926.6	6,622.4	32.4	271.8	151.6	41.2	74.3	4.7
<i>Euro area enlargement</i>																
2001 Q1	4,081.1	-	-	-	-	-	-	-	7,125.6	6,782.4	35.1	308.1	182.3	45.4	74.9	5.6
Q2	4,089.2	-	-	-	-	-	-	-	7,223.1	6,856.9	29.4	336.9	204.6	51.7	74.0	6.5
Q3	4,082.7	-	-	-	-	-	-	-	7,251.0	6,907.0	30.9	313.1	177.9	52.1	77.3	5.8
Q4 ⁴⁾	4,185.5	-	-	-	-	-	-	-	7,363.1	7,021.8	31.3	310.0	179.3	48.3	77.1	5.4

5. Holdings of securities other than shares issued by euro area residents

	Issued by MFIs								Issued by non-MFIs							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2000 Q2	897.5	858.2	12.5	26.9	17.8	4.9	2.6	1.7	1,411.0	1,377.3	6.0	27.6	14.7	10.5	1.6	0.9
Q3	943.4	898.8	10.6	34.1	24.5	5.3	2.5	1.9	1,386.6	1,353.3	3.6	29.7	16.6	11.0	1.2	0.9
Q4	935.3	895.0	10.8	29.5	19.7	5.9	2.1	1.7	1,354.6	1,320.7	5.6	28.2	16.7	9.7	1.0	0.9
<i>Euro area enlargement</i>																
2001 Q1	971.2	931.2	9.5	30.4	20.6	6.3	1.7	1.8	1,452.7	1,413.1	3.6	36.0	21.2	13.1	1.1	0.6
Q2	993.4	950.7	10.7	32.0	22.1	6.5	1.6	1.8	1,506.3	1,464.7	4.7	36.9	21.7	13.3	1.1	0.8
Q3	999.7	960.2	9.7	29.9	21.0	5.9	1.5	1.5	1,520.9	1,482.1	4.0	34.8	20.4	12.6	1.2	0.6
Q4 ⁴⁾	1,012.1	967.9	12.3	32.3	22.7	6.4	1.5	1.7	1,516.2	1,478.3	3.6	34.5	20.9	11.9	1.1	0.6

6. Loans to non-residents of the euro area

	Banks ³⁾								Non-banks							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2000 Q2	977.7	462.7	92.2	422.8	308.2	44.9	33.2	36.4	480.0	149.6	41.6	288.8	246.6	14.1	21.4	6.8
Q3	979.4	445.9	90.9	442.6	331.9	42.1	33.8	34.8	520.7	156.0	46.1	318.5	273.9	14.5	23.3	6.9
Q4	945.4	410.0	89.2	446.2	337.8	44.1	32.6	31.7	524.5	163.3	45.3	315.8	271.2	11.5	25.9	7.2
<i>Euro area enlargement</i>																
2001 Q1	1,051.5	468.3	98.6	484.5	365.8	46.3	34.5	37.0	594.2	198.2	48.6	347.4	301.2	11.9	26.2	8.0
Q2	1,071.3	473.2	103.0	495.2	376.1	47.3	36.7	35.0	598.2	184.4	47.7	366.0	318.4	12.1	26.9	8.6
Q3	1,081.3	486.1	101.5	493.7	378.3	41.2	40.3	33.9	602.6	201.3	46.8	354.5	307.9	12.7	24.9	9.0
Q4 ⁴⁾	1,110.3	453.6	116.5	540.2	417.9	48.4	38.8	35.0	622.9	196.7	47.9	378.3	331.4	12.3	26.0	8.7

7. Holdings of securities other than shares issued by non-residents of the euro area

	Issued by banks ³⁾								Issued by non-banks							
	All currencies 1	Euro ²⁾ 2	Other EU currencies 3	Other currencies 4	Other currencies				All currencies 9	Euro ²⁾ 10	Other EU currencies 11	Other currencies 12	Other currencies			
					USD 5	JPY 6	CHF 7	Other 8					USD 13	JPY 14	CHF 15	Other 16
2000 Q2	153.0	64.8	8.3	79.8	63.7	7.9	2.7	5.5	464.1	95.7	28.3	340.1	299.4	26.9	4.5	9.3
Q3	168.2	62.4	15.3	90.4	75.1	8.2	2.7	4.4	496.9	109.1	32.2	355.6	312.0	30.3	4.2	9.0
Q4	171.1	61.1	19.7	90.3	75.6	7.7	2.4	4.6	474.3	111.5	31.7	331.0	290.6	27.1	3.6	9.7
<i>Euro area enlargement</i>																
2001 Q1	188.8	64.8	22.7	101.3	87.1	7.3	2.3	4.6	490.4	120.8	24.4	345.3	306.8	25.7	2.7	10.1
Q2	205.1	71.9	25.1	108.1	94.1	6.8	2.5	4.8	502.3	121.0	25.7	355.7	315.8	26.9	3.0	9.9
Q3	200.6	75.5	24.7	100.5	90.3	4.7	2.1	3.4	485.8	128.6	26.7	330.6	292.5	27.1	3.9	7.1
Q4 ⁴⁾	234.9	78.8	27.2	128.9	118.1	4.6	2.4	3.8	509.0	133.3	27.4	348.4	305.9	29.6	4.3	8.6

3 Financial markets and interest rates in the euro area

Table 3.1

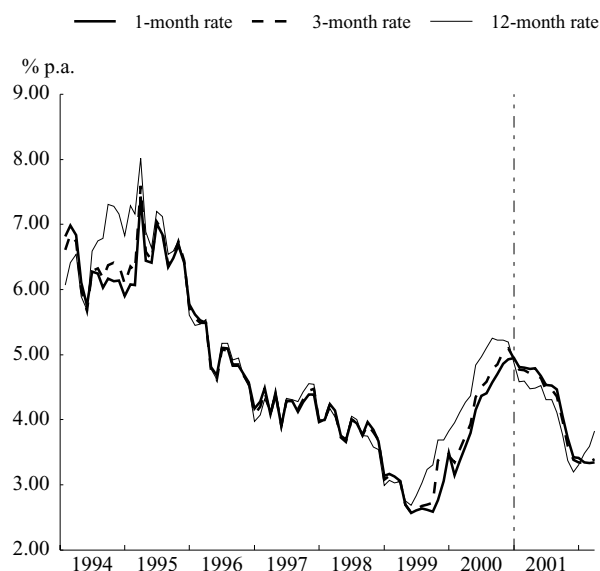
Money market interest rates ¹⁾

(percentages per annum)

	Euro area ⁴⁾					United States ⁶⁾	Japan ⁶⁾
	Overnight deposits ²⁾³⁾ 1	1-month deposits ⁵⁾ 2	3-month deposits ⁵⁾ 3	6-month deposits ⁵⁾ 4	12-month deposits ⁵⁾ 5	3-month deposits ⁶⁾ 6	3-month deposits ⁷⁾ 7
1997	3.98	4.23	4.24	4.25	4.28	5.76	0.62
1998	3.09	3.84	3.83	3.78	3.77	5.57	0.66
1999	2.74	2.86	2.96	3.06	3.19	5.42	0.22
2000	4.12	4.24	4.40	4.55	4.78	6.53	0.28
<i>Euro area enlargement</i>							
2001	4.39	4.33	4.26	4.16	4.09	3.78	0.15
2001 Mar.	4.78	4.78	4.71	4.58	4.47	4.96	0.19
Apr.	5.06	4.79	4.69	4.57	4.49	4.63	0.10
May	4.65	4.67	4.64	4.57	4.53	4.11	0.07
June	4.54	4.53	4.45	4.35	4.31	3.83	0.07
July	4.51	4.52	4.47	4.39	4.31	3.75	0.08
Aug.	4.49	4.46	4.35	4.22	4.11	3.56	0.08
Sep.	3.99	4.05	3.98	3.88	3.77	3.03	0.06
Oct.	3.97	3.72	3.60	3.46	3.37	2.40	0.08
Nov.	3.51	3.43	3.39	3.26	3.20	2.10	0.08
Dec.	3.34	3.42	3.34	3.26	3.30	1.92	0.08
2002 Jan.	3.29	3.35	3.34	3.34	3.48	1.82	0.09
Feb.	3.28	3.34	3.36	3.40	3.59	1.90	0.10
Mar.	3.26	3.35	3.39	3.50	3.82	1.99	0.10
2002 1 Mar.	3.31	3.34	3.37	3.41	3.62	1.90	0.11
8	3.28	3.34	3.37	3.48	3.77	1.96	0.11
15	3.25	3.34	3.38	3.50	3.84	2.01	0.10
22	3.26	3.35	3.40	3.54	3.90	2.03	0.11
29	3.39	3.36	3.45	3.59	3.95	2.03	0.09

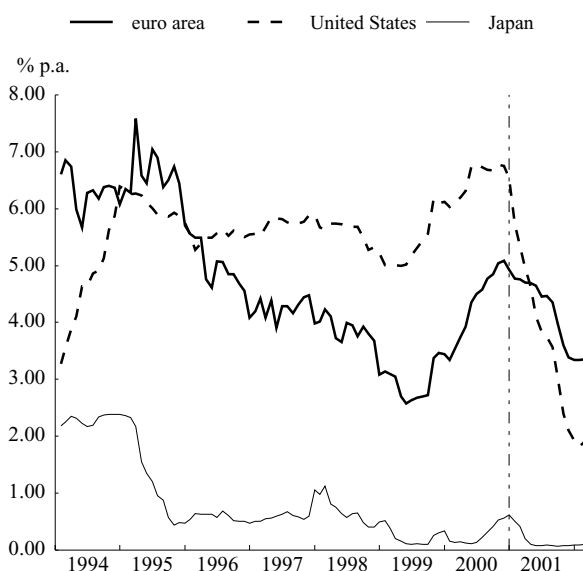
Euro area money market rates

(monthly)



3-month money market rates

(monthly)



Sources: Reuters and ECB.

1) With the exception of the overnight rate to December 1998, monthly and yearly values are period averages.

2) Interbank deposit bid rates to December 1998. From January 1999 column 1 shows the euro overnight index average (EONIA).

3) End-of-period rates to December 1998; period averages thereafter.

4) Before January 1999 synthetic euro area rates were calculated on the basis of national rates weighted by GDP.

5) From January 1999, euro interbank offered rates (EURIBOR). Up to December 1998, London interbank offered rates (LIBOR) where available.

6) London interbank offered rates (LIBOR).

Table 3.2

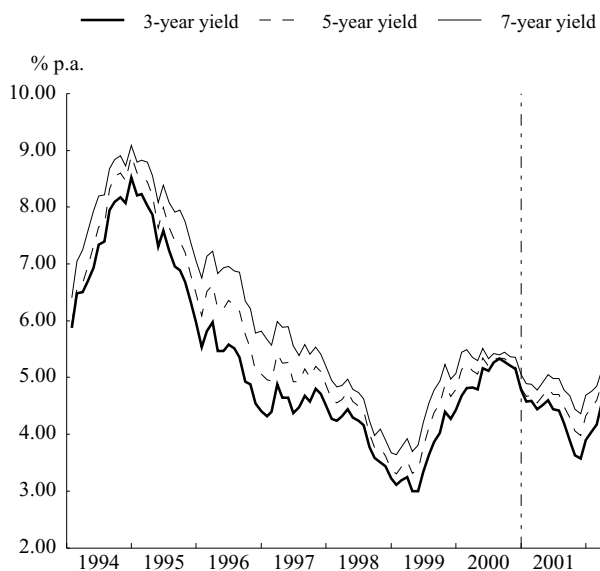
Government bond yields ¹⁾

(percentages per annum)

	Euro area ²⁾					United States	Japan
	2 years ¹	3 years ²	5 years ³	7 years ⁴	10 years ⁵	10 years ⁶	10 years ⁷
1997	4.33	4.51	4.87	5.20	5.99	6.45	2.15
1998	3.16	3.22	3.38	3.67	4.71	5.33	1.30
1999	3.38	3.63	4.01	4.38	4.66	5.64	1.75
2000	4.90	5.03	5.19	5.37	5.44	6.03	1.76
<i>Euro area enlargement</i>							
2001	4.11	4.23	4.49	4.79	5.03	5.01	1.34
2001 Mar.	4.44	4.44	4.56	4.78	4.94	4.89	1.19
Apr.	4.49	4.51	4.66	4.90	5.10	5.13	1.36
May	4.56	4.60	4.80	5.05	5.26	5.37	1.28
June	4.39	4.44	4.70	4.99	5.21	5.26	1.19
July	4.33	4.42	4.70	4.99	5.25	5.23	1.33
Aug.	4.11	4.19	4.49	4.78	5.06	4.97	1.36
Sep.	3.77	3.89	4.29	4.67	5.04	4.76	1.40
Oct.	3.44	3.63	4.05	4.44	4.82	4.55	1.36
Nov.	3.36	3.58	3.98	4.37	4.67	4.61	1.33
Dec.	3.66	3.90	4.33	4.68	4.96	5.07	1.35
2002 Jan.	3.84	4.04	4.48	4.76	5.02	5.00	1.42
Feb.	3.96	4.17	4.60	4.85	5.07	4.90	1.52
Mar.	4.25	4.55	4.90	5.13	5.32	5.28	1.45
2002 1 Mar.	4.01	4.24	4.66	4.91	5.14	4.96	1.52
8	4.23	4.53	4.90	5.12	5.31	5.29	1.46
15	4.29	4.60	4.93	5.16	5.35	5.37	1.46
22	4.36	4.67	4.99	5.22	5.38	5.39	1.43
29	4.36	4.69	5.00	5.23	5.38	5.41	1.39

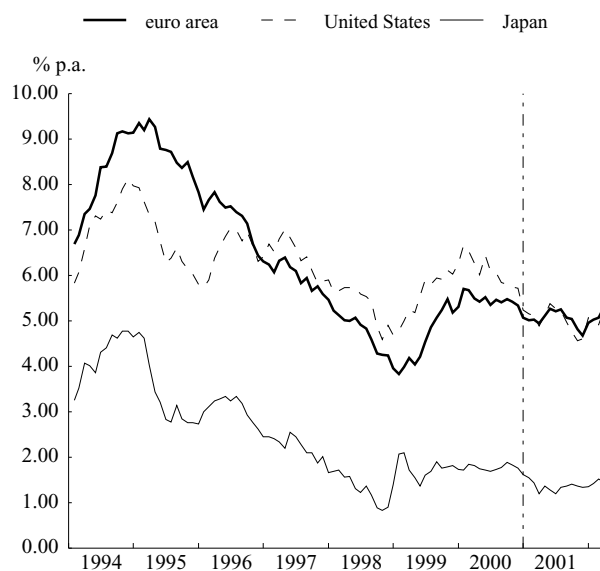
Euro area government bond yields

(monthly)



10-year government bond yields

(monthly)



Sources: Reuters, ECB, Federal Reserve and Bank of Japan.

1) To December 1998, 2, 3, 5 and 7-year euro area yields are end-of-period values and 10-year yields are period averages. Thereafter, all yields are period averages.

2) To December 1998, euro area yields are calculated on the basis of harmonised national government bond yields weighted by GDP. Thereafter, the weights are the nominal outstanding amounts of government bonds in each maturity band.

Table 3.3

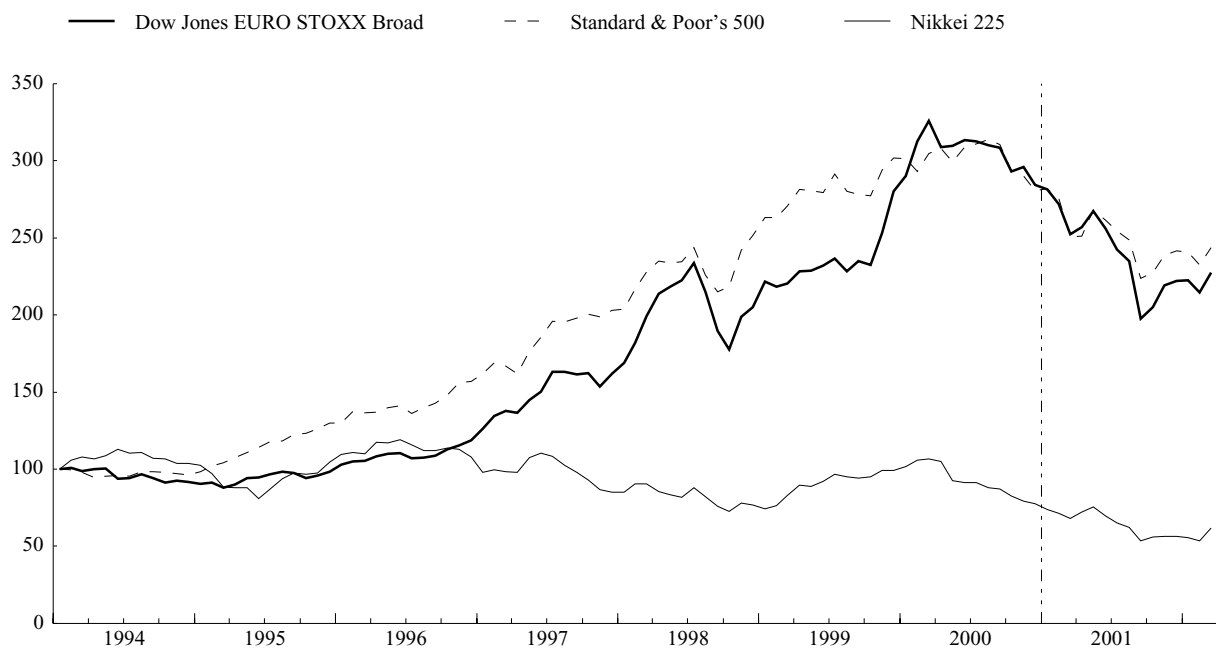
Stock market indices

(index levels, in points)¹⁾

	Dow Jones EURO STOXX indices												United States	Japan
	Benchmark		Main economic sector indices											
	Broad	50	Basic materials	Consumer cyclical	Consumer non-cyclical	Energy	Financial	Industrial	Technology	Utilities	Telecommunications	Health-care			Standard & Poor's 500	Nikkei 225
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1997	207.6	2,319.6	233.4	191.9	231.9	227.3	184.4	168.0	227.7	205.5	324.1	301.7	873.9	18,373.4
1998	280.5	3,076.3	257.9	245.0	295.5	249.3	281.3	218.4	333.6	282.4	488.1	348.9	1,085.3	15,338.4
1999	325.8	3,787.3	279.2	262.9	327.7	286.0	295.7	285.1	470.4	306.2	717.7	392.6	1,327.8	16,829.9
2000	423.9	5,075.5	299.1	292.9	324.3	342.3	350.7	378.0	963.1	341.7	1,072.5	476.0	1,426.7	17,162.7
<i>Euro area enlargement</i>														
2001	336.3	4,049.4	296.0	228.2	303.3	341.4	321.6	310.0	530.5	309.6	541.2	540.1	1,193.8	12,114.8
2001 Mar.	349.9	4,199.2	311.0	241.7	305.7	340.6	334.5	334.5	567.8	300.6	602.9	524.7	1,186.8	12,684.9
Apr.	356.3	4,305.2	308.4	242.6	304.8	352.5	339.4	329.9	587.4	311.5	635.0	534.6	1,189.2	13,436.7
May	370.8	4,481.8	316.5	258.9	312.0	371.8	345.9	345.9	662.4	311.0	623.9	553.2	1,270.7	14,014.3
June	355.1	4,289.7	306.4	241.8	316.9	379.2	341.0	328.6	553.5	320.9	538.3	580.1	1,238.7	12,974.9
July	336.2	4,037.8	302.7	233.8	316.6	349.9	328.2	306.5	449.5	324.2	512.0	565.7	1,205.9	12,140.1
Aug.	325.8	3,884.7	287.9	226.3	309.0	346.6	322.4	303.6	426.5	324.2	453.6	549.3	1,178.3	11,576.2
Sep.	274.3	3,277.0	253.2	176.7	284.2	315.8	265.9	253.2	325.4	298.7	366.5	509.2	1,058.7	9,974.7
Oct.	284.4	3,440.9	260.5	180.4	281.1	322.5	269.9	253.7	373.4	302.7	418.9	539.7	1,076.6	10,428.8
Nov.	304.2	3,674.4	281.3	202.1	286.7	313.7	287.5	270.6	464.5	297.0	473.2	528.8	1,130.3	10,519.7
Dec.	308.0	3,708.4	286.2	209.9	288.8	313.0	285.6	282.2	496.4	286.4	480.9	520.9	1,144.9	10,490.8
2002 Jan.	308.5	3,690.1	293.2	210.8	287.8	320.2	286.3	281.8	494.5	291.1	459.7	524.8	1,140.5	10,338.5
Feb.	297.9	3,537.6	294.9	198.6	288.5	334.0	275.1	279.3	463.7	291.1	406.3	490.1	1,101.5	9,966.9
Mar.	315.4	3,739.6	312.9	215.5	296.5	355.0	294.8	299.0	494.4	291.2	429.3	486.3	1,153.3	11,452.5
2002 1 Mar.	306.7	3,645.3	306.1	207.1	290.8	347.1	284.3	289.0	470.2	291.3	423.7	497.1	1,131.8	10,812.0
8	318.4	3,789.9	315.7	217.9	293.5	354.5	294.0	301.0	524.1	290.5	441.9	484.4	1,164.3	11,885.8
15	316.5	3,755.8	317.2	215.9	298.1	359.1	296.2	298.3	493.9	292.3	423.8	493.0	1,166.1	11,648.0
22	316.6	3,744.4	313.0	216.9	299.6	355.9	298.4	302.0	485.8	290.2	433.8	482.1	1,148.7	11,345.1
29	315.9	3,735.0	309.5	216.3	298.1	358.4	297.1	302.3	487.4	291.4	429.1	477.7	1,147.7	11,024.9

Dow Jones EURO STOXX Broad, Standard & Poor's 500 and Nikkei 225

(base month: January 1994 = 100; monthly)



Source: Reuters.

1) Monthly and yearly values are period averages.

Table 3.4

Retail bank interest rates

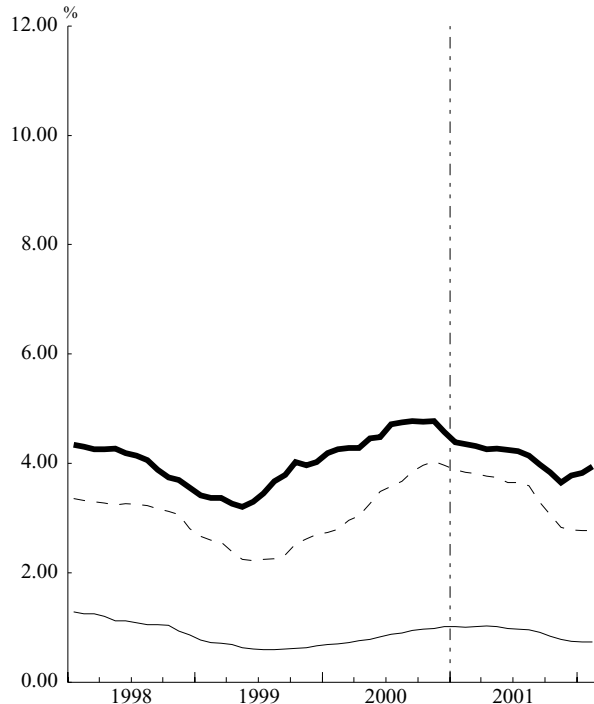
(percentages per annum; period averages)

	Deposit interest rates						Lending interest rates			
	Overnight 1	With agreed maturity			Redeemable at notice		To enterprises		To households	
		Up to 1 year 2	Up to 2 years 3	Over 2 years 4	Up to 3 months 5	Over 3 months 6	Up to 1 year 7	Over 1 year 8	Consumer lending 9	For house purchase 10
1999	0.65	2.44	2.45	3.57	2.15	2.76	5.65	5.10	9.40	5.29
2000	0.85	3.45	3.45	4.52	2.25	3.79	6.60	6.23	9.87	6.34
<i>Euro area enlargement</i>										
2001	0.94	3.49	3.49	4.12	2.40	3.59	6.83	6.15	10.12	5.97
2001 Feb.	1.01	3.84	3.83	4.35	2.50	3.99	7.11	6.44	10.26	6.24
Mar.	1.02	3.82	3.82	4.32	2.50	3.99	7.04	6.32	10.22	6.18
Apr.	1.03	3.76	3.76	4.26	2.50	3.91	7.07	6.34	10.25	6.14
May	1.01	3.75	3.74	4.27	2.48	3.91	7.03	6.34	10.22	6.17
June	0.98	3.65	3.65	4.25	2.45	3.85	6.97	6.25	10.17	6.13
July	0.97	3.65	3.65	4.22	2.44	3.80	6.90	6.20	10.11	6.05
Aug.	0.96	3.59	3.59	4.14	2.40	3.68	6.89	6.19	10.16	5.96
Sep.	0.91	3.28	3.28	3.98	2.36	3.33	6.71	6.07	10.08	5.86
Oct.	0.84	3.06	3.06	3.84	2.29	3.01	6.46	5.82	9.99	5.65
Nov.	0.78	2.84	2.83	3.65	2.19	2.75	6.31	5.71	9.87	5.48
Dec.	0.74	2.79	2.78	3.77	2.17	2.79	6.24	5.69	9.81	5.52
2002 Jan.	0.73	2.77	2.77	3.83	2.18	2.80	6.15	5.63	9.78	5.53
Feb.	0.74	2.78	2.79	3.94	2.16	2.91	6.14	5.75	9.81	5.60

Deposit interest rates

(monthly)

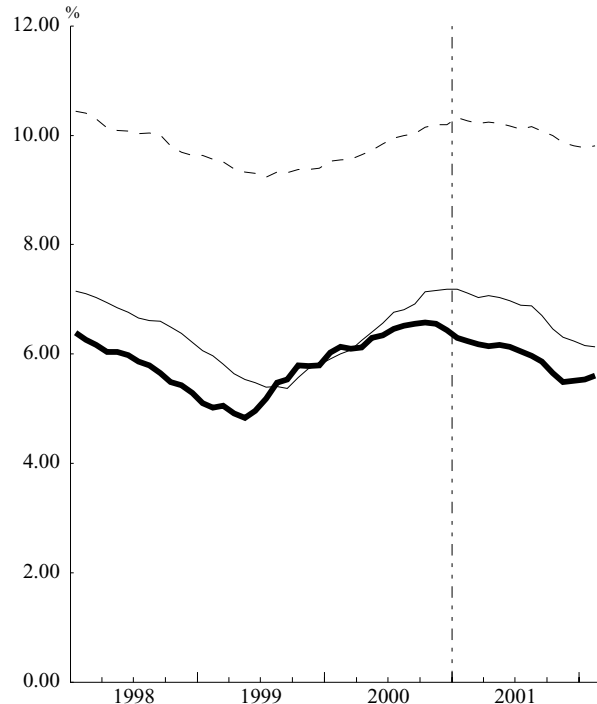
- overnight
- - - agreed maturity up to 1 year
- agreed maturity over 2 years



Lending interest rates

(monthly)

- up to 1 year to enterprises
- - - consumer lending
- to households for house purchase



Source: ECB.

These euro area retail bank interest rates should be used with caution and for statistical purposes only, primarily to analyse their development over time rather than their level. They are calculated as the weighted average of national interest rates provided by the national central banks. The national rates represent those rates that are currently available from national sources and which are judged to fit the standard categories. These national rates have been aggregated to derive information for the euro area, in some cases relying on proxies and working assumptions due to the heterogeneity observed in the national financial instruments across MU Member States. Furthermore, the national interest rates are not harmonised in terms of their coverage (new business and/or outstanding amounts), the nature of the data (nominal or effective) or the compilation method. The country weights for the euro area retail bank interest rates are derived from MFI balance sheet statistics or close proxies. The weights reflect the country-specific proportions of the relevant instruments within the euro area, measured as outstanding amounts. The weights are adjusted monthly, so that interest rates and weights always refer to the same month.

Table 3.5**Securities issues other than shares by original maturity, residency of the issuer and currency denomination***(EUR billions; transactions during the month and end-of-period stocks; nominal values)***1. Short-term**

	By euro area residents									
					In euro ¹⁾				In other	
	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions
1	2	3	4	5	6	7	8	9	10	
2001 Jan.	376.4	346.8	29.6	687.5	358.6	326.2	32.4	616.0	17.7	20.6
Feb.	404.6	390.7	13.9	702.7	383.9	373.5	10.4	626.0	20.7	17.2
Mar.	452.8	436.5	16.3	722.9	432.7	417.8	14.9	643.3	20.1	18.7
Apr.	441.9	431.8	10.1	733.8	424.2	412.8	11.5	654.5	17.7	19.0
May	478.1	480.7	-2.6	735.8	456.9	460.2	-3.3	652.5	21.2	20.5
June	410.7	418.8	-8.1	726.9	388.1	395.7	-7.6	643.3	22.7	23.2
July	393.5	385.8	7.7	735.0	370.3	365.3	5.0	649.7	23.2	20.5
Aug.	422.7	418.1	4.6	738.2	404.6	400.0	4.6	655.3	18.1	18.1
Sep.	396.3	399.8	-3.5	734.9	374.1	376.3	-2.2	653.5	22.2	23.5
Oct.	498.2	494.1	4.1	742.1	480.1	470.9	9.2	663.0	18.0	23.2
Nov.	486.0	489.7	-3.7	740.0	459.6	466.6	-7.0	656.0	26.4	23.1
Dec.	330.3	375.7	-45.4	694.2	307.5	353.5	-45.9	610.9	22.7	22.2
2002 Jan.	484.1	452.7	31.4	728.8	463.8	432.6	31.1	643.4	20.3	20.0

2. Long-term

	By euro area residents									
					In euro ¹⁾				In other	
	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions
1	2	3	4	5	6	7	8	9	10	
2001 Jan.	153.4	144.5	8.9	6,536.5	136.1	132.2	4.0	5,993.7	17.2	12.3
Feb.	139.6	85.7	53.9	6,591.2	117.1	70.5	46.5	6,042.3	22.5	15.1
Mar.	155.9	102.2	53.7	6,655.5	127.8	87.1	40.6	6,085.0	28.1	15.0
Apr.	114.9	74.2	40.7	6,695.0	98.2	64.7	33.5	6,118.1	16.7	9.5
May	134.9	80.9	54.0	6,766.3	117.4	68.1	49.3	6,167.7	17.5	12.8
June	137.6	78.5	59.1	6,820.7	116.6	58.8	57.7	6,223.9	21.1	19.7
July	140.3	98.6	41.7	6,852.8	124.1	85.5	38.6	6,262.6	16.2	13.1
Aug.	89.2	74.1	15.1	6,855.8	75.7	62.8	12.9	6,274.2	13.5	11.2
Sep.	129.1	110.4	18.7	6,876.8	113.2	92.4	20.8	6,295.4	15.9	18.0
Oct.	144.1	107.6	36.5	6,915.8	123.1	92.4	30.7	6,326.4	21.0	15.2
Nov.	141.7	91.6	50.2	6,969.8	114.9	86.4	28.5	6,354.8	26.8	5.1
Dec.	120.6	82.2	38.5	7,007.0	110.4	72.8	37.5	6,391.4	10.3	9.4
2002 Jan.	166.8	115.0	51.8	7,061.8	153.5	104.9	48.6	6,437.9	13.3	10.1

3. Total

	By euro area residents									
					In euro ¹⁾				In other	
	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions
1	2	3	4	5	6	7	8	9	10	
2001 Jan.	529.7	491.3	38.4	7,224.0	494.8	458.4	36.4	6,609.7	35.0	32.9
Feb.	544.2	476.4	67.8	7,293.9	501.0	444.1	56.9	6,668.3	43.2	32.3
Mar.	608.7	538.7	70.0	7,378.3	560.5	504.9	55.5	6,728.3	48.2	33.8
Apr.	556.8	506.0	50.8	7,428.8	522.5	477.5	45.0	6,772.6	34.3	28.5
May	613.0	561.6	51.4	7,502.1	574.3	528.3	46.0	6,820.2	38.7	33.3
June	548.4	497.4	51.0	7,547.7	504.6	454.5	50.1	6,867.2	43.8	42.9
July	533.8	484.4	49.4	7,587.9	494.4	450.8	43.6	6,912.3	39.4	33.6
Aug.	511.8	492.2	19.7	7,594.0	480.3	462.8	17.5	6,929.4	31.5	29.3
Sep.	525.4	510.2	15.2	7,611.7	487.2	468.7	18.6	6,948.9	38.2	41.6
Oct.	642.2	601.6	40.6	7,657.8	603.2	563.2	40.0	6,989.4	39.0	38.4
Nov.	627.7	581.2	46.5	7,709.8	574.5	553.0	21.5	7,010.7	53.2	28.3
Dec.	450.9	457.9	-7.0	7,701.3	417.9	426.3	-8.4	7,002.3	33.0	31.6
2002 Jan.	650.8	567.6	83.2	7,790.6	617.3	537.6	79.7	7,081.4	33.5	30.1

*Sources: ECB and BIS (for issues by non-residents of the euro area).**1) Including items expressed in the national denominations of the euro.*

currencies		By non-residents of the euro area in euro ¹⁾				Total in euro ¹⁾				
Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	
11	12	13	14	15	16	17	18	19	20	
-2.8	71.5	12.9	29.3	-16.4	58.5	371.6	355.5	16.0	674.5	2001 Jan.
3.5	76.7	12.5	13.1	-0.5	57.9	396.4	386.6	9.9	684.0	Feb.
1.4	79.6	26.3	6.3	20.0	78.0	459.0	424.1	34.9	721.3	Mar.
-1.4	79.3	7.2	29.2	-22.0	55.9	431.4	441.9	-10.5	710.4	Apr.
0.7	83.3	11.8	13.5	-1.7	54.2	468.8	473.7	-5.0	706.7	May
-0.5	83.6	25.1	9.8	15.2	69.5	413.1	405.5	7.6	712.8	June
2.7	85.3	6.2	25.5	-19.3	50.2	376.6	390.8	-14.3	699.9	July
0.0	82.9	9.9	14.7	-4.8	45.4	414.6	414.7	-0.2	700.6	Aug.
-1.3	81.4	22.0	12.0	10.0	55.4	396.1	388.3	7.8	708.9	Sep.
-5.2	79.1	8.8	20.0	-11.1	44.3	489.0	490.9	-1.9	707.3	Oct.
3.3	84.0	16.2	12.9	3.3	47.6	475.8	479.4	-3.7	703.6	Nov.
0.5	83.3	17.1	10.2	6.9	54.5	324.7	363.7	-39.0	665.4	Dec.
0.3	85.4	.	.	.	.	.	.	.	.	2002 Jan.

currencies		By non-residents of the euro area in euro ¹⁾				Total in euro ¹⁾				
Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	
11	12	13	14	15	16	17	18	19	20	
4.9	542.8	16.3	8.2	8.2	713.8	152.5	140.4	12.1	6,707.5	2001 Jan.
7.4	548.9	36.3	13.1	23.2	736.7	153.3	83.7	69.7	6,779.0	Feb.
13.1	570.4	37.0	8.1	29.0	765.7	164.8	95.2	69.6	6,850.7	Mar.
7.2	576.9	20.0	6.7	13.3	778.8	118.2	71.4	46.8	6,896.9	Apr.
4.7	598.6	27.0	10.4	16.6	795.3	144.4	78.4	65.9	6,963.0	May
1.4	596.8	33.6	8.7	24.8	820.3	150.1	67.6	82.6	7,044.2	June
3.1	590.2	14.8	5.8	9.0	829.6	138.9	91.3	47.6	7,092.2	July
2.2	581.6	12.9	6.0	6.9	836.7	88.6	68.8	19.8	7,110.8	Aug.
-2.1	581.4	8.4	9.0	-0.6	836.0	121.6	101.4	20.2	7,131.4	Sep.
5.8	589.4	19.4	4.5	14.9	850.8	142.4	96.9	45.6	7,177.2	Oct.
21.7	615.0	30.0	7.4	22.7	873.5	144.9	93.8	51.1	7,228.2	Nov.
0.9	615.7	13.6	13.4	0.1	873.6	123.9	86.2	37.7	7,265.0	Dec.
3.2	623.8	.	.	.	.	.	.	.	.	2002 Jan.

currencies		By non-residents of the euro area in euro ¹⁾				Total in euro ¹⁾				
Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	Issues	Redemptions	Net issues	Amounts outstanding	
11	12	13	14	15	16	17	18	19	20	
2.1	614.3	29.3	37.5	-8.2	772.3	524.0	495.9	28.1	7,382.0	2001 Jan.
10.9	625.6	48.8	26.2	22.6	794.6	549.8	470.2	79.5	7,462.9	Feb.
14.4	650.0	63.4	14.4	49.0	843.6	623.8	519.3	104.5	7,572.0	Mar.
5.8	656.1	27.2	35.9	-8.7	834.7	549.6	513.4	36.3	7,607.4	Apr.
5.4	681.9	38.8	23.9	14.9	849.5	613.1	552.2	60.9	7,669.7	May
0.9	680.5	58.6	18.5	40.1	889.8	563.2	473.1	90.2	7,757.0	June
5.8	675.5	21.0	31.3	-10.2	879.8	515.4	482.1	33.3	7,792.1	July
2.2	664.5	22.8	20.7	2.1	882.0	503.1	483.6	19.6	7,811.5	Aug.
-3.4	662.8	30.4	21.0	9.4	891.5	517.7	489.6	28.0	7,840.4	Sep.
0.6	668.4	28.2	24.5	3.7	895.1	631.4	587.7	43.7	7,884.5	Oct.
25.0	699.1	46.2	20.2	25.9	921.1	620.7	573.2	47.4	7,931.8	Nov.
1.4	699.0	30.7	23.7	7.0	928.1	448.6	450.0	-1.4	7,930.4	Dec.
3.5	709.2	.	.	.	.	.	.	.	.	2002 Jan.

Table 3.6**Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾***(EUR billions; end of period; nominal values)***Amounts outstanding****1. Short-term**

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	616.0	257.1	5.0	89.5	261.5	2.9	58.5	30.0	17.0	10.1
Feb.	626.0	260.3	4.9	93.2	265.4	2.2	57.9	30.6	16.0	10.0
Mar.	643.3	265.1	5.1	94.5	276.5	2.2	78.0	37.9	25.8	12.6
Apr.	654.5	269.2	5.5	92.4	285.3	2.2	55.9	26.8	18.5	9.7
May	652.5	261.0	5.5	99.4	284.1	2.4	54.2	26.5	18.0	8.8
June	643.3	261.7	5.3	97.5	276.9	2.0	69.5	32.1	24.7	11.5
July	649.7	259.4	5.1	100.8	280.8	3.6	50.2	25.3	17.3	6.7
Aug.	655.3	255.0	4.4	106.4	285.9	3.6	45.4	23.1	15.7	5.8
Sep.	653.5	252.2	4.1	105.9	287.5	3.7	55.4	27.1	22.2	5.5
Oct.	663.0	262.0	3.8	109.8	284.0	3.4	44.3	23.3	16.4	4.0
Nov.	656.0	251.4	3.9	105.8	291.2	3.6	47.6	23.6	19.4	3.4
Dec.	610.9	240.9	3.5	95.1	267.3	4.1	54.5	23.8	24.4	4.4
2002 Jan.	643.4	258.0	3.4	99.8	278.8	3.5	.	.	.	.

2. Long-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	5,993.7	2,200.1	251.6	285.2	3,149.8	107.1	713.8	176.2	226.7	65.8
Feb.	6,042.3	2,230.1	257.7	289.2	3,156.5	108.8	736.7	187.4	232.2	75.3
Mar.	6,085.0	2,241.1	265.4	299.9	3,168.2	110.5	765.7	199.8	237.5	80.4
Apr.	6,118.1	2,247.8	271.1	303.9	3,182.7	112.7	778.8	202.5	245.1	82.8
May	6,167.7	2,255.8	281.0	312.8	3,204.6	113.4	795.3	208.1	251.2	88.1
June	6,223.9	2,270.8	288.6	320.2	3,230.8	113.4	820.3	216.5	256.9	91.3
July	6,262.6	2,289.8	305.8	322.7	3,228.8	115.5	829.6	219.0	262.4	93.3
Aug.	6,274.2	2,289.7	307.2	329.2	3,229.7	118.4	836.7	220.2	269.3	94.0
Sep.	6,295.4	2,296.4	311.5	327.8	3,237.3	122.5	836.0	220.9	270.1	93.4
Oct.	6,326.4	2,311.8	321.8	324.4	3,240.9	127.5	850.8	222.7	276.6	95.4
Nov.	6,354.8	2,314.0	329.7	340.8	3,241.0	129.3	873.5	226.7	288.2	99.8
Dec.	6,391.4	2,316.0	359.8	346.6	3,238.4	130.5	873.6	229.0	287.7	100.4
2002 Jan.	6,437.9	2,321.2	362.3	351.8	3,269.1	133.5	.	.	.	.

3. Total

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	6,609.7	2,457.2	256.6	374.7	3,411.2	110.0	772.3	206.2	243.7	75.9
Feb.	6,668.3	2,490.3	262.6	382.4	3,421.9	111.0	794.6	218.0	248.1	85.3
Mar.	6,728.3	2,506.1	270.5	394.3	3,444.7	112.7	843.6	237.7	263.3	93.0
Apr.	6,772.6	2,517.0	276.6	396.3	3,467.9	114.8	834.7	229.3	263.5	92.5
May	6,820.2	2,516.8	286.6	412.3	3,488.7	115.8	849.5	234.6	269.2	96.9
June	6,867.2	2,532.5	293.9	417.7	3,507.7	115.4	889.8	248.5	281.5	102.9
July	6,912.3	2,549.2	310.8	423.6	3,509.7	119.1	879.8	244.3	279.7	100.0
Aug.	6,929.4	2,544.7	311.6	435.7	3,515.6	121.9	882.0	243.3	285.0	99.8
Sep.	6,948.9	2,548.6	315.6	433.7	3,524.8	126.2	891.5	248.0	292.3	98.9
Oct.	6,989.4	2,573.8	325.6	434.2	3,524.9	130.9	895.1	246.0	293.0	99.4
Nov.	7,010.7	2,565.4	333.7	446.6	3,532.2	132.9	921.1	250.3	307.6	103.2
Dec.	7,002.3	2,556.9	363.3	441.8	3,505.7	134.7	928.1	252.8	312.0	104.8
2002 Jan.	7,081.4	2,579.2	365.7	451.5	3,547.9	137.0	.	.	.	.

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

¹⁾ Including items expressed in the national denominations of the euro.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.1	1.0	0.2	674.5	287.2	22.1	99.6	261.6	3.9	0.2	2001 Jan.
0.1	1.1	0.1	684.0	290.9	20.9	103.2	265.5	3.3	0.1	Feb.
0.2	1.0	0.4	721.3	303.0	30.9	107.1	276.7	3.2	0.4	Mar.
0.1	0.8	0.1	710.4	296.0	23.9	102.1	285.3	2.9	0.1	Apr.
0.1	0.8	0.1	706.7	287.5	23.5	108.2	284.2	3.2	0.1	May
0.2	0.8	0.2	712.8	293.7	29.9	109.0	277.1	2.8	0.2	June
0.2	0.7	0.0	699.9	284.7	22.3	107.5	281.0	4.3	0.0	July
0.1	0.6	0.0	700.6	278.1	20.1	112.3	286.0	4.2	0.0	Aug.
0.1	0.5	0.1	708.9	279.3	26.3	111.4	287.7	4.2	0.1	Sep.
0.1	0.3	0.2	707.3	285.3	20.2	113.8	284.2	3.7	0.2	Oct.
0.1	0.4	0.6	703.6	275.0	23.4	109.2	291.3	4.0	0.6	Nov.
0.1	0.5	1.3	665.4	264.7	27.9	99.5	267.4	4.6	1.3	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
90.2	33.8	121.1	6,707.5	2,376.3	478.2	351.0	3,240.0	140.9	121.1	2001 Jan.
88.2	34.7	118.9	6,779.0	2,417.4	489.8	364.6	3,244.7	143.5	118.9	Feb.
90.7	39.9	117.5	6,850.7	2,440.8	502.8	380.2	3,258.9	150.5	117.5	Mar.
91.5	40.0	116.9	6,896.9	2,450.3	516.2	386.7	3,274.2	152.7	116.9	Apr.
92.5	39.6	115.7	6,963.0	2,463.9	532.3	401.0	3,297.0	153.0	115.7	May
94.4	46.1	115.1	7,044.2	2,487.3	545.5	411.5	3,325.2	159.5	115.1	June
94.0	46.1	114.7	7,092.2	2,508.8	568.2	416.0	3,322.8	161.6	114.7	July
93.8	46.0	113.4	7,110.8	2,509.8	576.5	423.2	3,323.5	164.4	113.4	Aug.
92.0	46.0	113.6	7,131.4	2,517.3	581.6	421.2	3,329.2	168.5	113.6	Sep.
91.8	51.3	113.0	7,177.2	2,534.5	598.4	419.8	3,332.7	178.8	113.0	Oct.
91.5	51.7	115.7	7,228.2	2,540.6	617.9	440.5	3,332.5	181.0	115.7	Nov.
92.1	51.7	112.9	7,265.0	2,544.9	647.5	447.0	3,330.5	182.2	112.9	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
90.3	34.8	121.3	7,382.0	2,663.5	500.3	450.5	3,501.6	144.8	121.3	2001 Jan.
88.3	35.8	119.1	7,462.9	2,708.4	510.8	467.7	3,510.2	146.8	119.1	Feb.
90.9	41.0	117.9	7,572.0	2,743.8	533.7	487.3	3,535.6	153.7	117.9	Mar.
91.6	40.8	117.0	7,607.4	2,746.3	540.1	488.7	3,559.5	155.7	117.0	Apr.
92.6	40.4	115.8	7,669.7	2,751.4	555.8	509.2	3,581.3	156.2	115.8	May
94.6	46.9	115.3	7,757.0	2,781.0	575.4	520.6	3,602.3	162.4	115.3	June
94.2	46.9	114.8	7,792.1	2,793.5	590.5	523.5	3,603.9	166.0	114.8	July
93.9	46.6	113.5	7,811.5	2,787.9	596.6	535.5	3,609.5	168.6	113.5	Aug.
92.1	46.5	113.7	7,840.4	2,796.6	607.9	532.6	3,616.9	172.7	113.7	Sep.
92.0	51.6	113.2	7,884.5	2,819.8	618.5	533.6	3,616.9	182.5	113.2	Oct.
91.6	52.1	116.3	7,931.8	2,815.6	641.3	549.7	3,623.8	185.0	116.3	Nov.
92.2	52.2	114.1	7,930.4	2,809.7	675.3	546.5	3,598.0	186.8	114.1	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

Table 3.6 (cont'd)
Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾
(EUR billions; transactions during the month; nominal values)
Gross issues
1. Short-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	358.6	238.7	3.4	67.0	47.7	1.9	12.9	6.7	4.7	1.2
Feb.	383.9	275.9	2.2	62.9	41.4	1.5	12.5	6.1	4.5	1.7
Mar.	432.7	312.8	3.1	67.0	48.1	1.6	26.3	10.1	12.3	3.5
Apr.	424.2	301.7	3.2	69.4	48.5	1.4	7.2	2.7	3.3	1.1
May	456.9	341.6	2.8	71.3	39.2	1.9	11.8	5.7	5.0	0.8
June	388.1	282.1	2.7	64.7	37.4	1.1	25.1	9.8	11.5	3.3
July	370.3	245.3	2.3	75.3	44.9	2.6	6.2	2.8	2.8	0.6
Aug.	404.6	287.5	1.6	68.7	45.3	1.5	9.9	4.8	4.1	0.9
Sep.	374.1	269.6	2.2	66.2	34.3	1.8	22.0	8.0	11.4	2.2
Oct.	480.1	346.2	2.0	85.7	45.1	1.1	8.8	3.0	4.7	0.9
Nov.	459.6	347.5	2.4	66.3	42.2	1.3	16.2	6.4	7.9	1.1
Dec.	307.5	228.8	1.3	52.2	23.4	1.9	17.1	6.6	8.4	1.3
2002 Jan.	463.8	327.7	1.8	71.0	61.3	1.9	.	.	.	.

2. Long-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	136.1	56.4	4.0	0.8	72.1	2.8	16.3	3.8	7.5	0.4
Feb.	117.1	57.6	10.0	5.0	42.1	2.4	36.3	12.7	8.8	10.0
Mar.	127.8	45.2	12.0	14.4	53.3	2.8	37.0	14.3	7.3	5.6
Apr.	98.2	40.9	8.5	7.1	39.1	2.6	20.0	5.3	9.1	2.7
May	117.4	38.7	13.2	11.7	52.9	0.9	27.0	8.9	9.7	6.5
June	116.6	44.6	11.0	10.9	49.6	0.5	33.6	11.7	7.7	4.7
July	124.1	52.1	20.7	6.1	42.6	2.6	14.8	4.8	7.1	2.2
Aug.	75.7	29.2	6.1	7.6	29.6	3.1	12.9	3.4	8.5	0.9
Sep.	113.2	35.9	7.2	2.3	63.2	4.6	8.4	4.8	3.0	0.2
Oct.	123.1	58.4	13.5	4.6	40.8	5.7	19.4	3.2	7.8	2.3
Nov.	114.9	48.0	11.4	17.1	35.8	2.7	30.0	5.8	13.0	4.6
Dec.	110.4	42.4	34.0	8.8	23.0	2.2	13.6	6.4	3.9	1.7
2002 Jan.	153.5	48.2	7.9	6.2	88.0	3.2	.	.	.	.

3. Total

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	494.8	295.1	7.4	67.8	119.8	4.7	29.3	10.5	12.2	1.6
Feb.	501.0	333.5	12.1	67.9	83.5	3.9	48.8	18.9	13.4	11.7
Mar.	560.5	358.0	15.1	81.4	101.5	4.4	63.4	24.4	19.6	9.1
Apr.	522.5	342.6	11.7	76.5	87.6	4.0	27.2	7.9	12.4	3.8
May	574.3	380.3	16.0	83.0	92.1	2.9	38.8	14.7	14.8	7.3
June	504.6	326.7	13.7	75.5	87.0	1.6	58.6	21.6	19.2	8.0
July	494.4	297.3	23.0	81.4	87.5	5.1	21.0	7.6	9.9	2.9
Aug.	480.3	316.7	7.8	76.3	74.9	4.6	22.8	8.2	12.6	1.7
Sep.	487.2	305.5	9.3	68.5	97.5	6.4	30.4	12.7	14.3	2.4
Oct.	603.2	404.6	15.5	90.3	86.0	6.9	28.2	6.3	12.6	3.2
Nov.	574.5	395.5	13.7	83.4	78.0	4.0	46.2	12.2	20.8	5.7
Dec.	417.9	271.1	35.3	61.0	46.4	4.1	30.7	13.0	12.3	3.1
2002 Jan.	617.3	375.9	9.7	77.3	149.3	5.1	.	.	.	.

Sources: ECB and BIS (for issues by non-residents of the euro area).
1) Including items expressed in the national denominations of the euro.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.1	0.0	0.1	371.6	245.4	8.1	68.2	47.8	1.9	0.1	2001 Jan.
0.0	0.1	0.0	396.4	282.0	6.7	64.6	41.4	1.6	0.0	Feb.
0.1	0.1	0.3	459.0	322.9	15.4	70.5	48.2	1.7	0.3	Mar.
0.0	0.1	0.0	431.4	304.3	6.5	70.5	48.5	1.5	0.0	Apr.
0.0	0.2	0.0	468.8	347.4	7.9	72.1	39.3	2.1	0.0	May
0.1	0.1	0.2	413.1	291.9	14.3	67.9	37.5	1.2	0.2	June
0.0	0.0	0.0	376.6	248.0	5.1	75.9	44.9	2.6	0.0	July
0.1	0.0	0.0	414.6	292.3	5.7	69.6	45.4	1.5	0.0	Aug.
0.1	0.4	0.0	396.1	277.6	13.5	68.4	34.3	2.1	0.0	Sep.
0.0	0.0	0.2	489.0	349.2	6.7	86.6	45.1	1.2	0.2	Oct.
0.1	0.2	0.4	475.8	353.9	10.2	67.4	42.3	1.5	0.4	Nov.
0.0	0.1	0.7	324.7	235.3	9.7	53.5	23.4	2.0	0.7	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
1.2	0.3	3.1	152.5	60.2	11.5	1.2	73.4	3.1	3.1	2001 Jan.
2.8	1.7	0.2	153.3	70.4	18.8	15.0	44.8	4.1	0.2	Feb.
3.2	5.5	1.1	164.8	59.5	19.3	20.0	56.6	8.3	1.1	Mar.
1.3	0.4	1.2	118.2	46.2	17.6	9.8	40.4	3.0	1.2	Apr.
1.7	0.0	0.1	144.4	47.6	22.9	18.2	54.6	1.0	0.1	May
2.0	6.7	0.8	150.1	56.3	18.7	15.6	51.6	7.2	0.8	June
0.5	0.1	0.0	138.9	56.9	27.8	8.3	43.2	2.6	0.0	July
0.1	0.0	0.0	88.6	32.6	14.6	8.5	29.7	3.2	0.0	Aug.
0.1	0.0	0.4	121.6	40.7	10.1	2.5	63.3	4.6	0.4	Sep.
0.2	5.4	0.4	142.4	61.6	21.4	6.9	41.1	11.1	0.4	Oct.
1.0	0.5	5.1	144.9	53.7	24.3	21.7	36.8	3.2	5.1	Nov.
1.3	0.1	0.1	123.9	48.8	37.8	10.5	24.3	2.3	0.1	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
1.3	0.3	3.3	524.0	305.6	19.6	69.4	121.1	5.1	3.3	2001 Jan.
2.8	1.9	0.2	549.8	352.4	25.5	79.6	86.3	5.7	0.2	Feb.
3.3	5.6	1.5	623.8	382.4	34.7	90.5	104.8	10.0	1.5	Mar.
1.3	0.5	1.2	549.6	350.5	24.1	80.4	88.9	4.5	1.2	Apr.
1.7	0.2	0.1	613.1	395.0	30.8	90.3	93.9	3.1	0.1	May
2.1	6.8	1.0	563.2	348.3	32.9	83.5	89.1	8.4	1.0	June
0.6	0.1	0.1	515.4	305.0	32.9	84.2	88.1	5.2	0.1	July
0.2	0.0	0.1	503.1	324.9	20.4	78.0	75.1	4.7	0.1	Aug.
0.2	0.4	0.4	517.7	318.3	23.7	70.9	97.6	6.7	0.4	Sep.
0.2	5.4	0.5	631.4	410.8	28.1	93.5	86.2	12.3	0.5	Oct.
1.1	0.8	5.6	620.7	407.7	34.5	89.1	79.1	4.7	5.6	Nov.
1.3	0.3	0.8	448.6	284.1	47.5	64.0	47.8	4.3	0.8	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

Table 3.6 (cont'd)
Euro-denominated securities other than shares by original maturity, residency and sector of the issuer ¹⁾
(EUR billions; transactions during the month; nominal values)
Net issues
1. Short-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	32.4	13.1	0.6	3.5	14.9	0.5	-16.4	-4.9	-6.6	-4.2
Feb.	10.4	3.6	-0.1	3.6	3.9	-0.7	-0.5	0.6	-1.1	-0.1
Mar.	14.9	2.7	0.2	1.0	11.1	-0.1	20.0	7.3	9.8	2.6
Apr.	11.5	4.4	0.4	-2.0	8.8	0.0	-22.0	-11.1	-7.3	-3.0
May	-3.3	-9.4	0.1	7.0	-1.1	0.2	-1.7	-0.4	-0.5	-0.9
June	-7.6	2.1	-0.3	-1.8	-7.3	-0.4	15.2	5.6	6.7	2.7
July	5.0	-3.6	-0.2	3.2	4.0	1.6	-19.3	-6.7	-7.4	-4.8
Aug.	4.6	-5.3	-0.7	5.6	5.0	0.0	-4.8	-2.2	-1.6	-0.9
Sep.	-2.2	-3.2	-0.3	-0.5	1.7	0.1	10.0	4.0	6.5	-0.3
Oct.	9.2	9.7	-0.4	3.7	-3.5	-0.3	-11.1	-3.8	-5.8	-1.5
Nov.	-7.0	-10.7	0.2	-3.8	7.1	0.2	3.3	0.3	3.0	-0.6
Dec.	-45.9	-11.6	-0.5	-10.6	-23.8	0.5	6.9	0.2	5.0	1.0
2002 Jan.	31.1	15.8	-0.1	4.6	11.4	-0.6	.	.	.	.

2. Long-term

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	4.0	22.4	-1.2	-3.2	-14.8	0.8	8.2	0.8	6.4	0.1
Feb.	46.5	28.1	6.1	3.9	6.8	1.7	23.2	11.2	5.5	9.8
Mar.	40.6	9.4	7.2	10.6	11.7	1.8	29.0	12.4	5.3	5.1
Apr.	33.5	7.4	5.4	4.0	14.5	2.1	13.3	2.8	7.7	2.5
May	49.3	7.9	9.9	9.0	21.9	0.7	16.6	5.6	6.2	5.4
June	57.7	16.6	7.6	7.3	26.2	0.0	24.8	8.3	5.6	3.2
July	38.6	19.0	17.2	2.6	-2.2	2.0	9.0	2.5	5.4	1.9
Aug.	12.9	1.2	1.4	6.5	0.9	2.9	6.9	1.1	6.8	0.7
Sep.	20.8	6.3	4.3	-1.5	7.5	4.2	-0.6	0.8	0.8	-0.6
Oct.	30.7	15.1	10.3	-3.4	3.7	5.0	14.9	1.8	6.5	2.0
Nov.	28.5	2.1	8.0	16.5	0.1	1.8	22.7	3.9	11.6	4.4
Dec.	37.5	3.0	30.1	5.8	-2.6	1.2	0.1	2.3	-0.6	0.6
2002 Jan.	48.6	7.2	2.5	5.2	30.7	3.0	.	.	.	.

3. Total

	By euro area residents						By non-residents			
	Total	MFIs (including Eurosystem)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations
	1	2	3	4	5	6	7	8	9	10
2001 Jan.	36.4	35.4	-0.6	0.3	0.1	1.2	-8.2	-4.1	-0.3	-4.1
Feb.	56.9	31.7	6.0	7.4	10.7	1.0	22.6	11.8	4.4	9.7
Mar.	55.5	12.1	7.3	11.6	22.8	1.7	49.0	19.6	15.1	7.7
Apr.	45.0	11.8	5.8	2.0	23.2	2.1	-8.7	-8.3	0.4	-0.5
May	46.0	-1.6	10.0	15.9	20.7	1.0	14.9	5.3	5.7	4.5
June	50.1	18.7	7.3	5.5	18.9	-0.4	40.1	13.9	12.2	5.9
July	43.6	15.4	17.0	5.8	1.7	3.7	-10.2	-4.2	-2.0	-2.9
Aug.	17.5	-4.1	0.7	12.1	5.9	2.8	2.1	-1.1	5.2	-0.2
Sep.	18.6	3.0	4.0	-2.0	9.2	4.3	9.4	4.7	7.3	-0.9
Oct.	40.0	24.8	9.9	0.3	0.2	4.7	3.7	-2.0	0.8	0.5
Nov.	21.5	-8.6	8.2	12.7	7.2	2.0	25.9	4.2	14.7	3.7
Dec.	-8.4	-8.5	29.6	-4.8	-26.4	1.8	7.0	2.5	4.4	1.6
2002 Jan.	79.7	23.0	2.4	9.9	42.1	2.3	.	.	.	.

Sources: ECB and BIS (for issues by non-residents of the euro area).
1) Including items expressed in the national denominations of the euro.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
0.0	-0.1	-0.6	16.0	8.1	-6.1	-0.7	14.9	0.3	-0.6	2001 Jan.
0.0	0.1	-0.1	9.9	4.2	-1.2	3.5	3.9	-0.5	-0.1	Feb.
0.1	-0.1	0.3	34.9	10.0	10.0	3.6	11.2	-0.1	0.3	Mar.
-0.1	-0.2	-0.3	-10.5	-6.7	-7.0	-5.0	8.6	-0.2	-0.3	Apr.
0.0	0.0	0.0	-5.0	-9.8	-0.4	6.1	-1.1	0.2	0.0	May
0.1	0.0	0.1	7.6	7.7	6.4	0.9	-7.2	-0.3	0.1	June
0.0	-0.1	-0.2	-14.3	-10.3	-7.6	-1.6	3.9	1.5	-0.2	July
0.0	-0.1	0.0	-0.2	-7.5	-2.2	4.7	5.0	-0.2	0.0	Aug.
0.0	-0.1	0.0	7.8	0.7	6.2	-0.8	1.7	0.0	0.0	Sep.
0.0	-0.2	0.1	-1.9	5.9	-6.1	2.2	-3.5	-0.5	0.1	Oct.
0.0	0.1	0.4	-3.7	-10.4	3.2	-4.4	7.1	0.4	0.4	Nov.
0.0	0.1	0.7	-39.0	-11.3	4.5	-9.6	-23.9	0.6	0.7	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
-0.5	0.0	1.4	12.1	23.2	5.1	-3.1	-15.3	0.8	1.4	2001 Jan.
-2.0	0.9	-2.2	69.7	39.3	11.6	13.6	4.8	2.6	-2.2	Feb.
2.5	5.2	-1.5	69.6	21.8	12.4	15.7	14.2	7.0	-1.5	Mar.
0.9	0.1	-0.6	46.8	10.2	13.1	6.5	15.3	2.2	-0.6	Apr.
1.0	-0.4	-1.1	65.9	13.5	16.1	14.4	22.8	0.3	-1.1	May
1.9	6.5	-0.6	82.6	24.9	13.2	10.5	28.2	6.5	-0.6	June
-0.5	0.0	-0.4	47.6	21.6	22.5	4.5	-2.7	2.1	-0.4	July
-0.2	-0.1	-1.3	19.8	2.3	8.2	7.2	0.6	2.8	-1.3	Aug.
-1.8	0.0	0.2	20.2	7.0	5.1	-2.0	5.7	4.2	0.2	Sep.
-0.1	5.3	-0.6	45.6	16.9	16.8	-1.4	3.5	10.3	-0.6	Oct.
-0.4	0.4	2.7	51.1	6.0	19.7	20.8	-0.3	2.2	2.7	Nov.
0.6	0.0	-2.8	37.7	5.3	29.5	6.4	-2.0	1.2	-2.8	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

of the euro area			Total							
Central government	Other general government	International organisations	Total	Banks (including central banks)	Non-monetary financial corporations	Non-financial corporations	Central government	Other general government	International organisations	
11	12	13	14	15	16	17	18	19	20	
-0.5	-0.1	0.8	28.1	31.3	-0.9	-3.8	-0.4	1.2	0.8	2001 Jan.
-2.0	1.0	-2.2	79.5	43.5	10.5	17.1	8.7	2.0	-2.2	Feb.
2.6	5.2	-1.1	104.5	31.8	22.4	19.3	25.3	6.9	-1.1	Mar.
0.7	-0.1	-0.9	36.3	3.5	6.2	1.5	24.0	2.0	-0.9	Apr.
1.0	-0.5	-1.1	60.9	3.7	15.7	20.5	21.7	0.5	-1.1	May
2.0	6.5	-0.5	90.2	32.6	19.5	11.4	21.0	6.1	-0.5	June
-0.5	0.0	-0.6	33.3	11.2	14.9	2.9	1.3	3.6	-0.6	July
-0.3	-0.2	-1.3	19.6	-5.2	5.9	11.9	5.6	2.6	-1.3	Aug.
-1.8	-0.1	0.2	28.0	7.8	11.3	-2.9	7.4	4.2	0.2	Sep.
-0.2	5.1	-0.5	43.7	22.8	10.7	0.9	0.0	9.8	-0.5	Oct.
-0.3	0.5	3.1	47.4	-4.4	22.9	16.4	6.9	2.6	3.1	Nov.
0.6	0.0	-2.2	-1.4	-6.0	34.0	-3.2	-25.9	1.8	-2.2	Dec.
.	.	.	.	.	.	.	.	.	.	2002 Jan.

4 HICP and other prices in the euro area

Table 4.1

Harmonised Index of Consumer Prices

(not seasonally adjusted, annual percentage changes, unless otherwise indicated)

1. Total index and goods and services

	Total		Goods		Services		Total (s.a.)		Goods (s.a.)	Services (s.a.)
	Index 1996 = 100		Index 1996 = 100		Index 1996 = 100		Index 1996 = 100	% change on previous period	Index 1996 = 100	Index 1996 = 100
Weight in the total (%) ¹⁾	100.0	100.0	61.1	61.1	38.9	38.9	100.0	100.0	61.1	38.9
	1	2	3	4	5	6	7	8	9	10
1998	102.7	1.1	101.8	0.7	104.4	1.9	-	-	-	-
1999	103.8	1.1	102.7	0.9	106.0	1.5	-	-	-	-
2000	106.3	2.3	105.5	2.7	107.8	1.7	-	-	-	-
<i>Euro area enlargement</i>										
2001	108.9	2.5	108.2	2.5	110.5	2.5	-	-	-	-
2001 Q2	109.2	3.1	108.8	3.5	110.1	2.5	109.0	1.2	108.5	110.1
Q3	109.3	2.5	108.3	2.4	111.2	2.5	109.3	0.3	108.6	110.8
Q4	109.6	2.2	108.7	1.8	111.3	2.8	109.7	0.4	108.7	111.6
2002 Q1	.	.	.	.	.	.	.	.	.	.
2001 Apr.	108.8	2.9	108.3	3.3	109.9	2.4	108.6	0.5	107.9	110.0
May	109.4	3.4	109.1	3.8	110.0	2.5	109.1	0.4	108.7	110.1
June	109.5	3.0	109.1	3.4	110.4	2.5	109.3	0.2	108.8	110.3
July	109.2	2.6	108.2	2.8	111.2	2.5	109.2	-0.1	108.5	110.5
Aug.	109.1	2.4	108.0	2.4	111.3	2.5	109.1	0.0	108.4	110.7
Sep.	109.5	2.3	108.7	2.1	111.0	2.6	109.6	0.4	108.9	111.0
Oct.	109.6	2.4	108.7	2.1	111.1	2.8	109.7	0.1	108.8	111.4
Nov.	109.5	2.1	108.6	1.6	111.2	2.7	109.6	0.0	108.6	111.6
Dec.	109.6	2.0	108.7	1.7	111.5	2.8	109.7	0.1	108.6	111.9
2002 Jan.	110.1	2.7	109.0	2.5	112.2	3.0	110.3	0.5	109.2	112.4
Feb.	110.2	2.4	108.9	2.1	112.7	3.0	110.3	0.0	109.0	112.6
Mar. ²⁾	.	2.5	.	.	.	.	.	.	.	.

2. Breakdown of goods and services

	Goods						Services				
	Food ³⁾			Industrial goods			Housing	Transport	Communi- cation	Recreation and personal	Miscellan- eous
	Total	Processed food ³⁾	Unprocessed food	Total	Non-energy industrial goods	Energy					
Weight in the total (%) ³⁾	20.4	12.3	8.1	40.7	32.0	8.7	9.7	6.3	2.5	14.3	6.1
	11	12	13	14	15	16	17	18	19	20	21
1998	1.6	1.4	2.0	0.2	0.9	-2.6	2.3	1.7	-1.0	2.2	1.8
1999	0.6	0.9	0.0	1.0	0.7	2.4	1.8	2.1	-4.4	2.0	1.8
2000	1.4	1.1	1.7	3.4	0.7	13.3	1.6	2.6	-4.2	2.3	2.4
<i>Euro area enlargement</i>											
2001	4.6	2.9	7.2	1.5	1.1	2.8	1.9	3.6	-2.9	3.3	2.7
2001 Q2	5.0	2.8	8.5	2.7	1.4	7.3	1.8	3.5	-2.8	3.3	2.6
Q3	5.2	3.4	8.0	1.0	1.0	1.2	1.9	3.7	-2.5	3.2	2.8
Q4	4.8	3.5	6.9	0.3	1.6	-4.1	1.9	3.8	-1.8	3.7	3.0
2002 Q1	.	.	.	.	.	.	.	.	.	.	.
2001 Apr.	4.4	2.5	7.3	2.8	1.3	7.8	1.8	3.6	-2.9	3.1	2.5
May	5.3	2.8	9.1	3.1	1.5	8.6	1.8	3.5	-2.8	3.5	2.5
June	5.4	3.0	9.0	2.4	1.4	5.5	1.8	3.4	-2.7	3.4	2.6
July	5.4	3.3	8.7	1.4	1.0	2.9	1.9	3.8	-2.5	3.2	2.7
Aug.	5.1	3.4	7.7	1.0	0.7	2.1	1.8	3.7	-2.7	3.1	2.7
Sep.	5.1	3.5	7.7	0.6	1.2	-1.3	1.9	3.6	-2.3	3.4	2.9
Oct.	5.2	3.5	7.7	0.5	1.5	-2.7	1.9	3.8	-1.8	3.7	3.0
Nov.	4.6	3.5	6.4	0.1	1.6	-5.0	1.9	3.7	-1.9	3.6	3.0
Dec.	4.7	3.5	6.5	0.2	1.7	-4.5	1.9	4.0	-1.7	3.7	3.0
2002 Jan.	5.6	3.8	8.4	0.9	1.7	-1.7	2.1	3.6	-1.2	3.9	3.1
Feb.	4.9	3.3	7.2	0.8	1.9	-2.8	2.1	3.5	-1.1	3.9	3.1
Mar.	.	.	.	.	.	.	.	.	.	.	.

Sources: Eurostat and ECB calculations.

1) Referring to the index period 2002.

2) Estimate based on first releases by Germany and Italy (and, when available, by other Member States), as well as on early information on energy prices.

3) Including alcoholic beverages and tobacco.

Table 4.2
Selected other price indicators
1. Industry and commodity prices
(annual percentage changes, unless otherwise indicated)

	Industrial producer prices											World market prices of raw materials ¹⁾	Oil prices ²⁾ (EUR per barrel)	
	Industry excluding construction ³⁾									Construction ⁴⁾	Manufacturing			Total excluding energy
	Total		Industry excluding construction and energy						Energy					
	Index 1995 = 100		Total	Intermediate goods	Capital goods	Consumer goods								
						Total	Durable consumer goods	Non-durable consumer goods						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1996	100.3	0.3	0.3	-1.8	1.4	1.7	2.0	1.7	0.9	1.4	0.9	6.0	-7.5	16.0
1997	101.4	1.1	0.6	0.2	0.3	1.1	0.6	1.2	3.2	1.3	0.8	10.7	14.6	17.0
1998	100.6	-0.8	0.2	-0.4	0.6	0.5	0.7	0.5	-5.2	0.3	-0.6	-21.0	-12.5	12.0
1999	100.2	-0.4	-0.6	-1.5	0.2	-0.1	0.7	-0.2	0.5	1.2	0.2	15.8	-5.9	17.1
2000	105.7	5.5	2.6	5.0	0.6	1.5	1.4	1.5	19.0	2.4	5.2	50.8	16.7	31.0
<i>Euro area enlargement</i>														
2001	107.9	2.1	1.8	1.1	1.0	2.9	2.1	3.0	2.7	2.3	1.2	-8.8	-7.6	27.8
2001 Q1	108.3	4.6	2.9	4.0	0.9	3.1	2.0	3.3	11.0	2.5	3.2	4.1	-0.8	28.4
Q2	108.8	3.6	2.3	1.9	1.0	3.4	2.2	3.5	8.8	2.7	2.5	4.6	-3.0	31.7
Q3	108.3	1.4	1.5	0.1	1.1	3.0	2.1	3.1	0.6	2.4	0.6	-11.3	-10.4	29.0
Q4	107.2	-1.0	0.6	-1.3	1.1	2.2	1.8	2.3	-8.2	1.6	-1.5	-28.8	-15.6	22.4
2002 Q1	.	.	.	.	.	.	.	.	.	.	.	-10.4	-3.3	24.6
2001 Mar.	108.5	4.2	2.8	3.4	0.9	3.4	2.2	3.6	9.2	-	2.8	-0.8	-3.0	28.1
Apr.	108.7	4.2	2.5	2.5	1.0	3.5	2.2	3.6	10.6	-	3.0	10.1	-3.7	29.8
May	108.9	3.6	2.2	1.8	1.0	3.3	2.2	3.5	9.1	-	2.6	1.4	-5.9	32.7
June	108.9	3.1	2.1	1.4	1.0	3.3	2.3	3.5	6.8	-	2.0	3.0	0.9	32.5
July	108.3	2.1	1.7	0.6	1.1	3.1	2.2	3.2	2.8	-	1.2	-1.3	-1.8	29.4
Aug.	108.2	1.6	1.5	0.1	1.2	3.0	2.2	3.2	1.4	-	0.8	-10.4	-10.7	28.7
Sep.	108.3	0.6	1.2	-0.4	1.1	2.8	2.0	2.9	-2.3	-	-0.2	-20.7	-18.1	28.8
Oct.	107.6	-0.7	0.9	-1.0	1.1	2.5	1.9	2.6	-7.3	-	-1.2	-30.2	-19.3	23.8
Nov.	107.1	-1.3	0.6	-1.3	1.0	2.2	1.8	2.3	-9.5	-	-1.8	-34.1	-15.1	21.7
Dec.	106.8	-1.1	0.4	-1.5	1.1	1.9	1.8	1.9	-7.6	-	-1.4	-20.6	-12.3	21.5
2002 Jan.	107.1	-0.9	0.3	-1.7	1.2	1.8	1.8	1.8	-5.6	-	-0.7	-14.3	-6.2	22.6
Feb.	107.2	-1.1	0.1	-1.9	1.2	1.3	1.6	1.3	-5.7	-	-0.9	-15.1	-3.7	23.5
Mar.	.	.	.	.	.	.	.	.	.	-	.	-1.5	0.0	27.9

2. Deflators of gross domestic product⁵⁾
(annual percentage changes, unless otherwise indicated; seasonally adjusted)

	Total		Domestic demand	Private consumption	Government consumption	Gross fixed capital formation	Exports ⁶⁾	Imports ⁶⁾
	Index 1995 = 100							
	15	16	17	18	19	20	21	22
1996	102.0	2.0	2.1	2.4	2.2	0.9	0.8	0.8
1997	103.6	1.5	1.7	2.0	1.3	1.0	1.8	2.6
1998	105.3	1.7	1.3	1.4	1.4	0.9	-0.1	-1.5
1999	106.4	1.1	1.2	1.1	2.3	1.0	-0.5	-0.1
2000	107.8	1.3	2.5	2.1	1.0	2.6	4.6	8.2
2000 Q1	107.3	1.1	2.4	1.9	1.4	2.2	3.7	7.7
Q2	107.6	1.1	2.3	1.8	0.6	2.6	4.5	8.2
Q3	108.1	1.4	2.6	2.3	0.8	2.5	4.9	8.3
Q4	108.4	1.5	2.7	2.5	1.2	3.0	5.3	8.7
<i>Euro area enlargement</i>								
2001	110.7	2.3	2.2	2.4	2.2	2.2	1.6	1.3
2001 Q1	109.9	2.1	2.5	2.4	1.8	2.5	3.3	4.3
Q2	110.6	2.4	2.6	2.8	2.4	2.2	2.8	3.2
Q3	110.8	2.2	2.1	2.4	2.3	2.2	0.9	0.6
Q4	111.6	2.6	1.6	2.1	2.4	1.8	-0.4	-2.8

Sources: Eurostat, except columns 12 and 13 (HWWA - Hamburg Institute of International Economics), column 14 (Thomson Financial Datastream) and columns 15 to 22 (ECB calculations based on Eurostat data).

1) To December 1998, in ECU; from January 1999, in euro.

2) Brent Blend (for one-month forward delivery). To December 1998, in ECU; from January 1999, in euro.

3) Breakdown in accordance with the harmonised definition of Main Industrial Groupings.

4) Residential buildings, based on non-harmonised data.

5) Data to end-1998 are based on national data expressed in domestic currency.

6) Deflators for exports and imports refer to goods and services and include cross-border trade within the euro area.

5 Real economy indicators in the euro area

Table 5.1

National accounts ¹⁾

GDP and expenditure components

1. Current prices

(EUR billions (ECU billions to end-1998), seasonally adjusted)

	GDP								
	Total	Domestic demand					External balance ³⁾		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories ²⁾	Total	Exports ³⁾	Imports ³⁾
1	2	3	4	5	6	7	8	9	
1997	5,649.3	5,500.8	3,201.4	1,150.7	1,138.4	10.3	148.6	1,827.2	1,678.7
1998	5,883.0	5,743.7	3,331.8	1,176.6	1,201.9	33.4	139.3	1,948.4	1,809.2
1999	6,140.5	6,036.4	3,496.8	1,237.3	1,288.3	14.0	104.0	2,053.1	1,949.0
2000	6,428.6	6,358.9	3,661.1	1,273.2	1,378.7	45.8	69.7	2,408.2	2,338.5
2000 Q3	1,614.7	1,596.9	919.8	318.7	348.1	10.3	17.8	614.3	596.5
Q4	1,629.7	1,617.7	927.1	322.8	350.4	17.4	12.0	638.4	626.4
<i>Euro area enlargement</i>									
2001	6,804.7	6,693.5	3,904.0	1,346.9	1,433.0	9.5	111.2	2,562.3	2,451.1
2001 Q1	1,687.0	1,661.3	963.8	332.0	358.8	6.7	25.7	644.7	619.0
Q2	1,698.7	1,677.2	976.0	335.2	358.3	7.7	21.5	645.7	624.1
Q3	1,705.4	1,677.9	980.2	337.9	359.0	0.8	27.5	638.9	611.5
Q4	1,713.6	1,677.1	984.0	341.9	356.9	-5.7	36.6	633.0	596.4

2. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	GDP								
	Total	Domestic demand					External balance ³⁾		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories ²⁾	Total	Exports ³⁾	Imports ³⁾
10	11	12	13	14	15	16	17	18	
1997	5,509.4	5,354.3	3,093.5	1,126.1	1,132.0	2.7	155.0	1,806.3	1,651.2
1998	5,667.1	5,544.1	3,187.3	1,139.7	1,189.8	27.3	123.0	1,938.2	1,815.3
1999	5,816.2	5,723.4	3,289.5	1,164.1	1,255.6	14.1	92.8	2,039.8	1,947.0
2000	6,011.0	5,881.9	3,372.3	1,185.9	1,310.0	13.7	129.1	2,287.1	2,158.1
2000 Q3	1,506.5	1,472.7	844.5	296.4	329.9	1.9	33.8	580.0	546.2
Q4	1,516.0	1,482.5	845.9	298.7	329.9	8.0	33.5	596.0	562.5
<i>Euro area enlargement</i>									
2001	6,210.4	6,050.6	3,509.0	1,224.4	1,331.1	-13.9	159.8	2,393.1	2,233.3
2001 Q1	1,550.9	1,511.0	873.8	304.4	335.5	-2.7	39.9	602.9	563.0
Q2	1,552.0	1,515.4	877.7	305.6	333.4	-1.2	36.7	600.1	563.4
Q3	1,555.0	1,513.8	878.3	306.4	332.5	-3.5	41.2	597.6	556.4
Q4	1,552.4	1,510.4	879.1	308.1	329.7	-6.5	42.0	592.5	550.5
<i>(annual percentage changes)</i>									
1997	2.3	1.7	1.6	1.3	2.3	-	-	10.4	9.0
1998	2.9	3.5	3.0	1.2	5.1	-	-	7.3	9.9
1999	2.6	3.2	3.2	2.1	5.5	-	-	5.2	7.3
2000	3.3	2.8	2.5	1.9	4.3	-	-	12.1	10.8
2000 Q3	3.2	2.7	2.4	1.6	3.9	-	-	12.1	11.2
Q4	2.8	2.2	1.8	1.7	3.3	-	-	12.1	11.0
<i>Euro area enlargement</i>									
2001	1.5	0.9	1.8	2.0	-0.2	-	-	3.4	1.8
2001 Q1	2.4	1.7	2.0	2.0	1.8	-	-	8.6	6.9
Q2	1.6	1.1	1.7	1.9	0.3	-	-	5.6	4.4
Q3	1.4	0.8	1.7	2.1	-1.1	-	-	1.8	0.2
Q4	0.6	-0.1	1.6	1.8	-1.9	-	-	-1.8	-3.7

Source: Eurostat.

1) See the first section of the general notes for a brief explanation of features of current price data expressed in ECU up to end-1998.

2) Including acquisitions less disposals of valuables.

3) Exports and imports cover goods and services and include cross-border trade within the euro area. They are not fully consistent with Tables 8 and 9.

Value added by activity

3. Current prices

(EUR billions (ECU billions to end-1998), seasonally adjusted)

	Gross value added							Intermediate consumption of FISIM ¹⁾	Taxes less subsidies on products
	Total	Agriculture, hunting, forestry and fishing activities	Manufacturing, energy and mining	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business activities	Public administration, education, health and other services		
	1	2	3	4	5	6	7	8	9
1997	5,269.9	138.6	1,227.1	291.8	1,086.9	1,381.3	1,144.3	202.8	582.2
1998	5,469.1	138.7	1,274.9	295.0	1,140.7	1,440.3	1,179.6	201.5	615.4
1999	5,676.6	135.2	1,295.8	311.2	1,182.9	1,526.1	1,225.2	200.3	664.3
2000	5,949.4	136.9	1,371.6	325.3	1,237.4	1,610.7	1,267.4	210.9	690.1
2000 Q3	1,496.0	34.5	345.6	81.2	310.7	405.6	318.4	52.9	171.6
Q4	1,508.4	34.9	348.6	81.9	314.9	408.2	319.9	53.0	174.3
<i>Euro area enlargement</i>									
2001	.	.	.	.	.	.	.	.	.
2001 Q1	1,562.7	37.2	360.1	85.5	328.3	420.7	330.8	55.0	179.4
Q2	1,573.7	37.8	358.6	85.7	332.3	425.9	333.4	55.4	180.4
Q3	1,582.7	38.7	358.3	86.5	335.0	427.5	336.7	55.7	178.4
Q4	.	.	.	.	.	.	.	.	.

4. Constant prices

(ECU billions at 1995 prices, seasonally adjusted)

	Gross value added							Intermediate consumption of FISIM ¹⁾	Taxes less subsidies on products
	Total	Agriculture, hunting, forestry and fishing activities	Manufacturing, energy and mining	Construction	Trade, repairs, hotels and restaurants, transport and communication	Financial, real estate, renting and business activities	Public administration, education, health and other services		
	10	11	12	13	14	15	16	17	18
1997	5,167.3	140.2	1,216.9	290.3	1,072.1	1,338.0	1,109.9	213.9	556.0
1998	5,317.2	142.2	1,253.8	292.1	1,114.8	1,387.8	1,126.5	221.2	571.1
1999	5,451.1	145.2	1,263.7	298.9	1,161.1	1,441.3	1,140.8	229.7	594.7
2000	5,646.0	145.0	1,320.3	304.3	1,211.3	1,506.1	1,159.0	243.1	608.1
2000 Q3	1,416.1	36.5	331.5	75.9	303.8	378.5	289.9	61.2	151.7
Q4	1,425.8	36.3	333.7	75.8	307.8	381.2	290.9	62.0	152.2
<i>Euro area enlargement</i>									
2001	5,853.7	152.5	1,349.1	309.4	1,277.4	1,575.9	1,189.5	259.6	616.2
2001 Q1	1,460.8	37.9	341.3	77.8	317.9	389.8	296.1	64.0	154.0
Q2	1,461.9	37.9	337.8	77.1	319.2	392.9	296.9	64.6	154.8
Q3	1,466.3	38.4	337.6	77.1	319.8	395.4	297.9	65.3	153.9
Q4	1,464.7	38.3	332.3	77.3	320.5	397.7	298.6	65.8	153.5
<i>(annual percentage changes)</i>									
1997	2.4	0.4	3.3	-1.8	3.1	3.3	1.0	3.7	2.4
1998	2.9	1.4	3.0	0.6	4.0	3.7	1.5	3.4	2.7
1999	2.5	2.1	0.8	2.3	4.2	3.9	1.3	3.8	4.1
2000	3.6	-0.1	4.5	1.8	4.3	4.5	1.6	5.9	2.3
2000 Q3	3.4	0.5	4.3	1.0	3.9	4.5	1.6	5.5	1.6
Q4	3.3	-1.1	4.3	0.6	4.4	4.0	1.3	5.9	-0.6
<i>Euro area enlargement</i>									
2001	1.9	-0.6	1.0	-0.6	2.9	3.2	1.1	5.2	-0.6
2001 Q1	2.8	-0.6	3.6	-0.8	4.1	3.5	1.1	5.8	0.4
Q2	2.1	-0.8	1.5	-0.5	3.4	3.4	1.0	5.4	-1.3
Q3	1.8	-0.6	0.7	-0.6	2.7	3.1	1.2	5.0	-0.5
Q4	1.0	-0.4	-1.5	-0.4	1.6	2.9	1.1	4.5	-1.1

Source: Eurostat.

1) The use of financial intermediation services indirectly measured (FISIM) is treated as intermediate consumption which is not allocated among branches.

Table 5.2
Selected other real economy indicators ¹⁾
1. Industrial production
(annual percentage changes, unless otherwise indicated)

	Total		Industry excluding construction ²⁾								Construction	Manufacturing
	Total		Industry excluding construction and energy						Energy			
	Index (s.a.) 1995 = 100		Total	Inter- mediate goods	Capital goods	Consumer goods						
						Total	Durable consumer goods	Non-durable consumer goods				
1	2	3	4	5	6	7	8	9	10	11	12	
1998	3.5	109.3	4.3	4.4	3.5	7.6	2.8	4.7	2.4	1.2	0.3	4.8
1999	1.9	111.4	1.9	1.8	1.5	2.4	1.7	1.3	1.8	1.4	2.9	2.0
2000	5.0	117.5	5.5	5.7	5.8	8.8	2.3	5.8	1.6	1.8	2.1	5.9
2000 Q4	4.4	120.1	5.1	5.5	5.1	9.1	2.0	4.0	1.5	0.0	1.0	5.8
<i>Euro area enlargement</i>												
2001	-0.4	117.8	0.2	-0.2	-1.3	1.2	0.0	-2.6	0.5	0.5	-2.1	0.1
2001 Q1	3.2	119.6	4.3	4.5	2.9	8.0	3.3	3.3	3.3	-1.6	-2.1	5.2
Q2	0.2	118.3	0.9	0.5	-0.2	1.6	0.4	-1.7	0.8	1.0	-2.7	0.8
Q3	-1.2	117.7	-0.4	-0.7	-1.7	0.2	0.0	-3.7	0.8	0.7	-2.5	-0.6
Q4	-3.5	115.6	-3.8	-4.8	-6.0	-4.2	-3.4	-7.6	-2.6	2.2	-1.0	-4.6
2001 Apr.	-0.1	118.3	0.8	0.2	-0.3	1.0	0.1	-1.9	0.5	0.7	-3.9	0.9
May	-0.5	117.8	-0.1	-0.4	-1.1	0.5	-0.4	-3.6	0.3	2.0	-3.3	-0.4
June	1.2	118.8	1.8	1.6	0.7	3.1	1.4	0.3	1.7	0.3	-1.1	2.0
July	-1.3	116.9	-1.4	-1.6	-1.7	-1.7	-1.0	-6.5	0.2	0.2	-1.6	-1.6
Aug.	-1.1	118.4	1.1	0.8	-1.1	3.0	1.5	0.8	1.6	1.1	-2.9	1.0
Sep.	-1.0	117.7	-0.6	-1.0	-2.0	0.0	-0.2	-4.0	0.6	1.0	-2.9	-0.8
Oct.	-2.3	115.9	-2.6	-2.9	-3.7	-1.9	-2.5	-7.4	-1.4	-0.9	-0.1	-2.8
Nov.	-3.9	115.1	-4.2	-4.9	-5.8	-4.7	-3.6	-7.5	-2.7	1.6	-2.4	-5.0
Dec.	-4.4	115.6	-4.6	-6.7	-8.9	-5.9	-4.3	-7.9	-3.4	5.3	-0.6	-6.0
2002 Jan.	.	.	.	.	.	.	.	.	.	.	.	.
Feb.	.	.	.	.	.	.	.	.	.	.	.	.

2. Retail sales and car registrations
(annual percentage changes, unless otherwise indicated)

	Retail sales (s.a.)									New passenger car registrations	
	Current prices			Constant prices						Thousands ³⁾ (s.a.)	
	Total		Index 1995 = 100	Total		Food, beverages, tobacco	Non-food		Textiles, clothing, footwear			Household equipment
	Index 1995 = 100			Index 1995 = 100							
13	14	15	16	17	18	19	20	21	22		
1998	107.9	3.7	104.4	3.0	2.0	3.6	1.9	4.5	923	7.2	
1999	111.5	3.3	107.1	2.6	3.1	2.5	1.4	3.0	973	5.4	
2000	116.0	4.1	109.7	2.3	1.9	2.3	1.6	4.9	952	-2.1	
2000 Q4	118.1	3.7	110.5	1.7	1.4	1.6	0.7	3.8	920	-3.9	
<i>Euro area enlargement</i>											
2001	121.0	3.9	111.3	1.4	1.2	1.4	1.3	-0.2	970	-0.6	
2001 Q1	119.5	4.5	111.1	2.4	1.6	2.7	2.8	1.2	955	-5.0	
Q2	120.8	3.9	111.2	0.9	1.0	1.0	0.7	-0.6	1,005	1.8	
Q3	121.8	4.2	111.5	1.6	1.3	1.4	2.5	-0.8	952	-1.2	
Q4	121.9	2.9	111.4	0.7	1.0	0.5	-0.6	-0.5	968	2.5	
2001 Apr.	120.4	3.8	111.2	1.1	0.9	1.1	1.0	-0.5	968	-1.7	
May	120.6	2.8	111.0	0.1	-0.1	0.0	-0.2	-1.8	993	0.0	
June	121.4	5.0	111.3	1.6	1.2	2.0	1.6	0.5	1,054	7.3	
July	121.5	4.3	111.4	1.5	2.0	1.2	0.7	-2.0	937	-1.5	
Aug.	121.7	4.5	111.5	1.6	1.7	1.3	0.5	0.9	960	-0.5	
Sep.	122.1	3.9	111.7	1.5	0.9	1.6	4.8	-1.1	958	-1.3	
Oct.	121.3	2.5	110.7	0.0	0.5	0.3	-3.2	0.1	963	3.2	
Nov.	122.5	3.4	112.1	1.5	1.2	1.4	2.0	-0.5	971	3.3	
Dec.	121.9	2.6	111.3	0.5	1.1	-0.3	0.6	-0.2	968	0.8	
2002 Jan.	.	.	.	.	.	.	.	.	930	-2.4
Feb.	.	.	.	.	.	.	.	.	930	-3.2

Sources: Eurostat, except columns 21 and 22 (ECB calculation based on data from the ACEA/A.A.A., European Automobile Manufacturers' Association).
1) Adjusted for variations in the number of working days.
2) Breakdown in accordance with the harmonised definition of Main Industrial Groupings.
3) Monthly averages.

Table 5.3

European Commission Business and Consumer Surveys

1. Economic sentiment indicator, manufacturing industry and consumer surveys

(percentage balances, seasonally adjusted, unless otherwise indicated)

	Economic sentiment indicator ¹⁾²⁾ (index 1995 = 100)	Manufacturing industry					Consumer confidence indicator ¹⁾				
		Industrial confidence indicator				Capacity utilisation ³⁾ (percentages)	Total	Financial situation over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	Savings over next 12 months
		Total	Order books	Stocks of finished products	Production expectations						
	1	2	3	4	5	6	7	8	9	10	11
1998	101.4	-1	-5	9	11	83.0	-5	2	-4	16	-2
1999	101.2	-7	-17	11	7	81.8	-4	3	-4	12	-1
2000	103.8	5	3	5	17	83.8	1	4	1	1	0
<i>Euro area enlargement</i>											
2001	101.0	-8	-13	13	3	83.2	-5	2	-9	13	0
2001 Q1	103.0	1	-1	8	12	84.4	1	4	-2	-1	1
Q2	101.6	-5	-8	13	5	83.6	-2	3	-5	6	1
Q3	100.3	-10	-17	15	2	83.0	-8	1	-12	18	-2
Q4	98.9	-17	-27	17	-8	81.8	-11	1	-16	29	0
2002 Q1	99.3	-13	-26	14	0	80.8	-10	0	-11	26	-1
2001 Mar.	102.6	-1	-3	10	9	-	1	4	-3	0	2
Apr.	102.1	-4	-6	12	6	-	0	4	-3	3	2
May	101.6	-5	-9	13	6	-	-2	3	-4	8	1
June	101.1	-7	-10	14	3	-	-3	2	-7	8	1
July	100.7	-9	-16	15	5	-	-6	2	-10	14	-1
Aug.	100.1	-10	-16	15	2	-	-8	1	-12	19	-3
Sep.	100.1	-11	-18	15	-1	-	-9	1	-13	21	-1
Oct.	99.1	-16	-25	16	-8	-	-10	2	-17	27	1
Nov.	98.6	-18	-28	18	-9	-	-12	1	-17	31	-1
Dec.	98.9	-17	-28	16	-7	-	-10	1	-14	28	0
2002 Jan.	99.1	-14	-28	14	-1	-	-11	0	-13	28	-1
Feb.	99.3	-14	-25	14	-2	-	-9	1	-10	26	-1
Mar.	99.5	-11	-24	13	4	-	-9	0	-9	25	-1

2. Construction industry, retail trade and services surveys

(percentage balances, seasonally adjusted)

	Construction confidence indicator			Retail trade confidence indicator				Services confidence indicator ¹⁾			
	Total	Order books	Employment expectations	Total	Present business situation	Volume of stocks	Expected business situation	Total	Business climate	Demand in recent months	Demand in the months ahead
	12	13	14	15	16	17	18	19	20	21	22
1998	-19	-25	-12	-3	-3	13	8	32	33	30	32
1999	-7	-14	1	-5	-5	15	4	26	25	24	31
2000	1	-6	8	-1	4	16	9	30	37	22	32
<i>Euro area enlargement</i>											
2001	-5	-10	1	-6	-4	16	3	15	16	8	21
2001 Q1	-1	-7	5	-2	4	18	9	27	30	16	34
Q2	-3	-9	4	-6	-5	16	3	24	24	16	31
Q3	-7	-10	-3	-6	-5	16	3	14	18	6	19
Q4	-9	-14	-4	-9	-11	15	-2	-4	-5	-8	0
2002 Q1	-11	-17	-4	-14	-20	18	-4	4	4	-13	21
2001 Mar.	-2	-7	3	-5	-3	15	2	25	28	11	36
Apr.	-2	-8	4	-4	-1	16	4	25	23	17	34
May	-2	-9	5	-7	-9	15	3	23	24	15	30
June	-5	-11	2	-7	-6	17	3	23	24	16	29
July	-7	-10	-3	-4	0	16	3	17	21	10	21
Aug.	-8	-10	-6	-8	-6	17	0	14	16	4	21
Sep.	-5	-9	0	-6	-8	15	6	12	16	5	15
Oct.	-8	-12	-4	-9	-11	14	-1	-2	-4	-6	3
Nov.	-10	-14	-5	-9	-10	14	-3	-6	-7	-7	-4
Dec.	-9	-16	-2	-10	-12	17	-1	-5	-5	-11	1
2002 Jan.	-12	-19	-4	-11	-15	15	-4	1	1	-15	18
Feb.	-10	-16	-3	-15	-24	17	-3	3	2	-13	21
Mar.	-11	-16	-6	-15	-20	21	-4	8	9	-11	25

Source: European Commission Business and Consumer Surveys.

1) Data for all periods refer to the Euro 12.

2) The economic sentiment indicator is composed of the industrial, consumer, construction and retail trade confidence indicators; the industrial confidence indicator has a weight of 40% and the three other indicators have a weight of 20% each.

3) Data on capacity utilisation are collected in January, April, July and October. Annual data are averages of the four quarterly surveys.

Table 5.4
Labour market indicators
1. Employment and unemployment in the whole economy ¹⁾
(annual percentage changes, seasonally adjusted, unless otherwise indicated)

	Employment						Unemployment			
	Total		By employment status		By selected sector		Total		Adult ²⁾	Youth ²⁾
	Index 1995 = 100		Employees	Self- employed	Industry excluding construction	Services	Millions	% of labour force	% of labour force	% of labour force
1	2	3	4	5	6	7	8	9	10	
1997	101.3	0.8	0.9	0.1	-0.4	1.5	14.549	11.4	9.8	22.9
1998	102.9	1.6	1.8	0.4	1.1	2.2	13.815	10.7	9.3	20.9
1999	104.6	1.6	2.2	-0.6	0.0	2.6	12.721	9.7	8.5	18.8
2000	106.8	2.1	2.4	0.2	0.8	2.8	11.998	8.8	7.7	17.3
2000 Q4	107.7	2.2	2.4	1.1	1.3	2.8	11.593	8.5	7.4	16.7
<i>Euro area enlargement</i>										
2001	.	.	.	.	.	.	11.404	8.3	7.2	16.6
2001 Q1	108.0	2.1	2.3	0.8	1.4	2.5	11.422	8.4	7.3	16.5
Q2	108.2	1.6	1.8	0.5	0.8	2.1	11.354	8.3	7.2	16.5
Q3	108.4	1.2	1.5	-0.1	0.2	1.8	11.375	8.3	7.2	16.5
Q4	.	.	.	.	.	.	11.465	8.4	7.2	16.7
2001 Feb.	-	-	-	-	-	-	11.422	8.4	7.3	16.5
Mar.	-	-	-	-	-	-	11.359	8.3	7.2	16.4
Apr.	-	-	-	-	-	-	11.337	8.3	7.2	16.5
May	-	-	-	-	-	-	11.356	8.3	7.2	16.5
June	-	-	-	-	-	-	11.369	8.3	7.2	16.6
July	-	-	-	-	-	-	11.367	8.3	7.2	16.5
Aug.	-	-	-	-	-	-	11.363	8.3	7.2	16.5
Sep.	-	-	-	-	-	-	11.395	8.3	7.2	16.5
Oct.	-	-	-	-	-	-	11.445	8.3	7.2	16.7
Nov.	-	-	-	-	-	-	11.470	8.4	7.2	16.7
Dec.	-	-	-	-	-	-	11.480	8.4	7.3	16.8
2002 Jan.	-	-	-	-	-	-	11.499	8.4	7.3	16.8
Feb.	-	-	-	-	-	-	11.502	8.4	7.2	16.8

2. Labour costs and productivity
(annual percentage changes)

	Unit labour cost in the whole economy, and components (s.a.)			Labour cost indices ³⁾					Earnings per employee in manufacturing	
	Unit labour cost	Compensation per employee	Labour productivity	Total	By component		By selected sector			
					Wages and salaries	Employers' social contributions and other costs	Industry excluding construction	Services		
11	12	13	14	15	16	17	18	19		
1997	0.7	2.2	1.6	2.5	2.6	2.5	2.2	2.7	2.3	
1998	0.1	1.4	1.3	1.7	2.1	0.8	1.5	1.5	2.2	
1999	1.3	2.2	0.9	2.2	2.4	1.4	2.5	1.9	2.7	
2000	1.1	2.5	1.4	3.4	3.7	2.4	3.3	3.0	2.7	
1999 Q4	0.3	2.2	1.8	2.5	2.7	1.6	2.8	1.8	2.5	
2000 Q1	0.4	2.5	2.1	3.6	3.9	2.8	3.8	3.4	3.0	
Q2	0.4	2.1	1.7	3.5	3.8	2.6	3.4	2.9	2.8	
Q3	1.4	2.4	1.0	3.4	3.8	2.4	3.2	2.6	2.5	
Q4	1.7	2.1	0.4	3.1	3.5	1.9	2.8	3.0	2.3	
<i>Euro area enlargement</i>										
2001	.	.	.	3.2	3.5	2.1	3.1	3.1	.	
2001 Q1	2.1	2.3	0.2	3.2	3.6	1.8	3.0	3.1	3.2	
Q2	2.5	2.4	0.0	3.0	3.3	1.9	3.2	2.3	2.8	
Q3	2.3	2.4	0.1	3.5	3.7	2.6	3.4	3.5	3.1	
Q4	.	.	.	3.1	3.4	2.3	2.7	3.4	.	

Sources: ECB calculations based on Eurostat data (columns 1 to 6 and 18), Eurostat (columns 7 to 10 and 14 to 17) and ECB calculations based on national data (columns 11 to 13 and 19).

1) Data for employment are based on the ESA 95. Due to differences in coverage, quarterly data are not fully consistent with annual data. Data for unemployment follow ILO recommendations.

2) Adult: 25 years and over; youth: below 25 years; expressed as a percentage of the labour force for the relevant age group.

3) Hourly labour costs for the whole economy, excluding the agriculture, public administration, education and health sectors. Owing to differences in coverage, components are not consistent with the total.

6 Saving, investment and financing in the euro area

Table 6.1

Financial investment and financing of non-financial sectors ¹⁾

(EUR billions (ECU billions to end-1998); not seasonally adjusted; end of period)

Amounts outstanding

1. Main financial assets ²⁾

	Currency and deposits									Memo: deposits of non-banks with banks outside the euro area ³⁾
	Total	Currency	Deposits of non-financial sectors other than central government with euro area MFIs					Deposits of central government with euro area MFIs	Deposits with non-MFIs ⁴⁾	
			Total	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements			
	1	2	3	4	5	6	7	8	9	10
1997 Q4	4,685.3	320.6	4,072.2	1,158.1	1,466.3	1,322.5	125.3	153.9	138.7	215.8
1998 Q1	4,642.4	311.8	4,050.9	1,133.2	1,457.0	1,342.7	118.0	139.4	140.2	247.2
Q2	4,699.1	315.5	4,100.3	1,204.9	1,452.7	1,341.9	100.8	147.4	135.8	239.7
Q3	4,677.5	311.8	4,074.2	1,184.2	1,451.1	1,341.4	97.4	156.4	135.1	237.6
Q4	4,826.0	323.4	4,211.1	1,282.9	1,463.3	1,386.3	78.6	149.8	141.6	215.3
1999 Q1	4,675.4	317.8	4,075.8	1,239.1	1,464.6	1,306.2	66.0	133.4	148.4	243.9
Q2	4,701.5	324.0	4,114.1	1,321.8	1,418.3	1,315.6	58.4	125.0	138.4	242.7
Q3	4,712.8	327.5	4,112.6	1,324.5	1,416.4	1,313.0	58.7	133.3	139.4	238.6
Q4	4,858.9	350.0	4,214.8	1,370.8	1,457.6	1,323.4	63.0	142.0	152.1	229.7
2000 Q1	4,836.8	334.7	4,222.0	1,379.5	1,462.5	1,303.2	76.8	130.2	150.0	260.6
Q2	4,893.8	341.2	4,256.5	1,409.6	1,485.6	1,282.5	78.9	146.0	150.1	247.2
Q3	4,913.8	339.0	4,265.9	1,396.7	1,523.7	1,263.5	81.9	159.2	149.7	254.1
Q4	5,029.4	347.6	4,361.4	1,464.3	1,542.4	1,269.1	85.6	164.5	156.0	230.3
<i>Euro area enlargement</i>										
2001 Q1	5,145.2	335.5	4,502.2	1,446.0	1,625.7	1,314.5	115.9	150.3	157.2	259.8
Q2	5,242.1	332.2	4,586.4	1,526.0	1,621.1	1,321.0	118.3	165.5	158.0	268.9
Q3	5,232.4	308.9	4,615.7	1,547.9	1,609.5	1,333.6	124.7	147.8	160.0	264.4
Q4	.	239.5	4,819.2	1,687.9	1,617.4	1,396.2	117.7	139.3	.	.

	Securities other than shares			Shares ⁵⁾				Insurance technical reserves		
	Total	Short-term	Long-term	Total	Quoted shares	Mutual fund shares	Money market fund shares	Total	Net equity of households in life insurance reserves and pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims
1997 Q4	1,580.0	202.9	1,377.1	2,741.2	1,578.7	1,162.4	184.9	2,385.0	2,129.4	255.5
1998 Q1	1,599.5	194.5	1,405.0	3,271.4	1,948.1	1,323.3	186.5	2,464.7	2,199.6	265.1
Q2	1,556.7	169.2	1,387.4	3,495.7	2,066.8	1,428.9	186.7	2,523.2	2,255.9	267.3
Q3	1,547.1	158.1	1,389.0	3,193.5	1,750.3	1,443.2	187.9	2,568.8	2,298.7	270.1
Q4	1,544.9	157.5	1,387.4	3,527.4	2,006.3	1,521.1	172.7	2,632.5	2,362.4	270.0
1999 Q1	1,585.6	136.5	1,449.1	3,750.1	2,118.7	1,631.4	194.8	2,708.7	2,429.1	279.6
Q2	1,506.5	127.2	1,379.2	4,010.6	2,275.8	1,734.8	211.6	2,776.4	2,494.8	281.6
Q3	1,514.8	116.0	1,398.8	4,068.8	2,322.1	1,746.7	210.8	2,842.4	2,558.1	284.3
Q4	1,560.3	146.4	1,414.0	4,597.3	2,761.0	1,836.3	203.9	2,957.1	2,669.5	287.7
2000 Q1	1,548.1	146.8	1,401.3	4,854.5	2,919.6	1,934.9	218.3	3,084.0	2,782.8	301.2
Q2	1,585.0	146.9	1,438.1	4,763.8	2,854.5	1,909.3	208.9	3,128.4	2,824.5	303.9
Q3	1,635.8	162.6	1,473.2	4,906.7	2,983.7	1,923.1	207.3	3,179.8	2,872.7	307.2
Q4	1,700.2	177.9	1,522.3	4,942.3	3,066.3	1,876.1	203.4	3,207.2	2,897.5	309.7
<i>Euro area enlargement</i>										
2001 Q1	1,786.7	224.3	1,562.4	4,685.1	2,836.3	1,848.8	229.3	3,255.5	2,932.5	323.0
Q2	1,792.0	201.7	1,590.3	4,727.5	2,862.0	1,865.5	237.8	3,308.1	2,982.8	325.3
Q3	1,825.5	207.5	1,618.0	4,108.8	2,359.3	1,749.5	254.9	3,281.0	2,952.5	328.5
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

- 1) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).
- 2) Most of the financial asset and liability categories defined in the ESA 95 are covered. These are currency and deposits, securities other than shares, loans (except those granted by general government and non-financial corporations), quoted shares, mutual fund shares and insurance technical reserves. Other financial instruments (financial derivatives, unquoted shares, other (than share) equity and other receivables and payables) are not included.
- 3) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.
- 4) Covering deposits with euro area central government (S.1311), other financial intermediaries (S.123) and insurance corporations and pension funds (S.125).
- 5) Excluding unquoted shares.

Table 6.1 (cont'd)
Financial investment and financing of non-financial sectors ¹⁾
(EUR billions (ECU billions to end-1998); not seasonally adjusted; end of period)
Amounts outstanding
2. Main liabilities ²⁾

	Loans taken from euro area MFIs and other financial corporations by											Memo: loans taken from banks outside the euro area by non-banks ³⁾
	Total	Taken from euro area MFIs	General government			Non-financial corporations			Households ⁴⁾			
			Total	Short-term	Long-term ⁵⁾	Total	Short-term	Long-term	Total	Short-term	Long-term	
1	2	3	4	5	6	7	8	9	10	11	12	
1997 Q4	5,835.2	5,315.1	923.5	54.2	869.3	2,404.3	837.1	1,567.2	2,507.4	223.7	2,283.8	141.6
1998 Q1	5,894.1	5,357.3	907.2	35.5	871.7	2,449.6	853.7	1,595.9	2,537.2	223.4	2,313.8	146.9
Q2	6,005.8	5,453.0	902.0	31.8	870.2	2,504.1	877.8	1,626.2	2,599.7	232.5	2,367.1	151.3
Q3	6,080.9	5,524.1	903.1	33.3	869.9	2,528.3	864.9	1,663.3	2,649.6	233.7	2,415.8	147.4
Q4	6,227.4	5,663.4	911.3	36.0	875.2	2,600.6	902.9	1,697.7	2,715.5	240.8	2,474.8	151.3
1999 Q1	6,263.1	5,682.7	903.4	36.1	867.3	2,594.0	919.4	1,674.6	2,765.7	251.7	2,514.0	156.8
Q2	6,426.1	5,817.3	900.9	38.7	862.1	2,686.3	962.3	1,724.0	2,839.0	255.3	2,583.7	183.3
Q3	6,492.3	5,886.3	886.3	37.7	848.5	2,700.8	941.5	1,759.3	2,905.2	255.2	2,650.0	191.4
Q4	6,668.5	6,039.1	900.7	42.1	858.7	2,795.5	979.7	1,815.8	2,972.2	264.0	2,708.2	201.4
2000 Q1	6,813.5	6,155.8	891.3	41.1	850.3	2,894.5	1,037.6	1,856.8	3,027.7	265.6	2,762.1	221.1
Q2	6,962.9	6,261.6	885.6	42.0	843.6	2,997.9	1,090.7	1,907.2	3,079.4	274.4	2,805.0	219.7
Q3	7,098.9	6,378.1	865.7	39.9	825.9	3,100.5	1,145.7	1,954.9	3,132.6	275.8	2,856.8	252.3
Q4	7,270.3	6,500.3	883.0	42.0	841.0	3,198.7	1,160.5	2,038.2	3,188.6	280.9	2,907.7	245.2
	<i>Euro area enlargement</i>											
2001 Q1	7,450.1	6,671.8	896.2	41.7	854.5	3,319.0	1,239.3	2,079.7	3,234.9	279.2	2,955.7	257.3
Q2	7,547.9	6,762.1	878.5	42.1	836.5	3,388.2	1,263.9	2,124.3	3,281.2	285.1	2,996.0	279.0
Q3	7,616.4	6,806.1	871.1	45.0	826.1	3,427.9	1,244.9	2,183.0	3,317.4	280.4	3,037.0	249.1
Q4		6,899.3										

	Securities other than shares issued by							Quoted shares issued by non-financial corporations	Deposit liabilities of central government	Pension fund reserves of non- financial corporations	
	Total	General government			Non-financial corporations						
		Total	Short-term	Long-term	Total	Short-term	Long-term				
13	14	15	16	17	18	19	20	21	22		
1997 Q4	3,640.6	3,337.7	504.3	2,833.4	302.9	45.8	257.1	2,003.2	135.2	236.2	
1998 Q1	3,758.2	3,438.6	491.3	2,947.3	319.7	55.7	263.9	2,479.9	136.3	239.1	
Q2	3,821.9	3,499.8	489.7	3,010.0	322.1	53.9	268.2	2,715.9	134.2	242.1	
Q3	3,914.6	3,581.7	491.4	3,090.3	332.9	55.5	277.4	2,321.9	133.8	245.1	
Q4	3,921.4	3,587.9	462.8	3,125.1	333.5	55.0	278.5	2,659.1	140.3	248.2	
1999 Q1	3,965.9	3,630.4	463.5	3,167.0	335.4	66.2	269.3	2,770.5	146.9	251.2	
Q2	3,948.0	3,606.7	452.9	3,153.9	341.3	67.1	274.1	3,013.1	136.6	254.3	
Q3	3,932.6	3,578.8	446.1	3,132.7	353.8	75.4	278.4	3,089.2	137.6	257.4	
Q4	3,896.5	3,532.8	421.5	3,111.4	363.6	78.6	285.0	3,959.1	149.8	260.8	
2000 Q1	3,966.7	3,598.1	426.4	3,171.7	368.6	80.7	287.9	4,422.6	147.6	263.3	
Q2	4,000.0	3,619.2	426.9	3,192.4	380.8	90.5	290.3	4,173.7	147.6	265.9	
Q3	4,037.3	3,635.4	422.9	3,212.5	401.9	97.3	304.6	4,052.1	147.2	268.0	
Q4	4,081.3	3,662.4	401.8	3,260.6	418.9	102.4	316.5	3,833.9	153.7	270.1	
	<i>Euro area enlargement</i>										
2001 Q1	4,249.2	3,795.2	429.5	3,365.6	454.0	113.0	341.0	3,454.8	154.7	272.6	
Q2	4,307.4	3,828.8	440.9	3,387.9	478.6	124.2	354.4	3,476.8	155.2	275.0	
Q3	4,388.8	3,896.8	450.1	3,446.7	492.0	137.6	354.4	2,768.1	155.4	277.5	
Q4											

Source: ECB.

- 1) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).
- 2) Most of the financial asset and liability categories defined in the ESA 95 are covered. These are currency and deposits, securities other than shares, loans (except those granted by general government and non-financial corporations), quoted shares, mutual fund shares and insurance technical reserves. Other financial instruments (financial derivatives, unquoted shares, other (than share) equity and other receivables and payables) are not included.
- 3) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.
- 4) Including non-profit institutions serving households.
- 5) Including all loans taken by central government from MFIs in the euro area.

Transactions

1. Main financial assets ¹⁾

	Currency and deposits									Memo: deposits of non-banks with banks outside the euro area ²⁾
	Total	Currency	Deposits of non-financial sectors ³⁾ other than central government with euro area MFIs					Deposits of central government with euro area MFIs	Deposits with non-MFIs ⁴⁾	
			Total	Overnight	With agreed maturity	Redeemable at notice	Repurchase agreements			
	1	2	3	4	5	6	7	8	9	10
1997 Q4	130.5	9.4	111.5	73.9	5.1	37.6	-5.1	3.2	6.4	-13.6
1998 Q1	-45.7	-8.8	-24.1	-25.7	-11.1	20.1	-7.3	-14.5	1.6	29.5
Q2	52.1	3.6	44.8	68.0	-5.9	-0.5	-16.7	8.0	-4.4	-4.9
Q3	-14.7	-3.7	-19.2	-18.0	2.3	-0.3	-3.3	9.0	-0.7	2.8
Q4	148.1	11.6	136.6	98.0	12.7	44.8	-18.9	-6.6	6.5	-24.4
1999 Q1	-39.3	-5.2	-36.7	-19.2	-15.0	10.2	-12.7	-4.2	6.8	22.0
Q2	22.2	6.3	34.3	81.3	-48.7	9.3	-7.6	-8.4	-9.9	-4.4
Q3	13.2	3.4	0.5	3.6	-0.9	-2.6	0.3	8.3	1.0	-2.7
Q4	139.4	22.2	95.8	44.4	36.9	10.3	4.2	8.7	12.7	-14.5
2000 Q1	-28.2	-15.3	1.1	6.4	1.4	-20.4	13.7	-11.9	-2.1	26.0
Q2	51.2	6.7	28.6	31.5	16.9	-21.8	2.1	15.8	0.1	-12.8
Q3	7.6	-2.2	-3.0	-17.0	29.5	-18.5	2.9	13.3	-0.4	-2.1
Q4	127.9	8.6	107.7	71.2	26.9	5.8	3.8	5.3	6.3	-16.5
<i>Euro area enlargement</i>										
2001 Q1	-19.2	-19.8	15.0	-34.3	41.9	-6.1	13.4	-15.6	1.2	13.3
Q2	94.1	-3.3	81.5	77.3	-4.4	6.3	2.3	15.1	0.8	4.5
Q3	8.2	-23.4	47.1	25.2	2.6	13.0	6.5	-17.7	2.1	2.6
Q4	.	-69.4	206.3	140.2	10.6	62.5	-6.9	-8.6	.	.
	Securities other than shares			Shares ⁵⁾				Insurance technical reserves		
	Total	Short-term	Long-term	Total	Quoted shares	Mutual fund shares	Money market fund shares	Total	Net equity of households in life insurance reserves and pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims
	11	12	13	14	15	16	17	18	19	20
1997 Q4	4.3	-7.7	12.0	68.7	51.7	17.0	-12.4	53.6	51.9	1.8
1998 Q1	-23.8	-8.4	-15.4	92.7	-6.2	98.9	7.3	67.0	54.6	12.4
Q2	-66.4	-25.1	-41.3	117.4	24.2	93.2	0.0	47.0	44.9	2.0
Q3	-12.6	-11.0	-1.5	97.9	12.0	85.8	1.0	43.2	40.6	2.6
Q4	-13.1	-1.7	-11.4	88.0	69.0	18.9	-16.1	50.2	48.2	2.0
1999 Q1	15.9	-13.5	29.4	101.7	-0.6	102.3	3.2	68.5	56.1	12.5
Q2	-45.2	-11.7	-33.6	145.0	60.3	84.7	16.9	52.3	49.7	2.6
Q3	-6.0	-10.5	4.5	94.7	53.6	41.1	-0.4	54.6	51.5	3.1
Q4	52.6	26.6	26.1	-0.8	30.8	-31.5	-6.8	72.1	69.8	2.3
2000 Q1	-26.4	4.8	-31.3	-8.6	-54.8	46.2	11.9	84.4	71.5	12.9
Q2	47.4	-0.9	48.3	81.0	61.7	19.2	-9.6	54.6	51.9	2.7
Q3	60.9	16.4	44.5	166.5	159.7	6.8	-1.8	53.8	50.5	3.3
Q4	4.7	6.5	-1.9	226.9	187.8	39.1	-3.9	62.7	60.2	2.5
<i>Euro area enlargement</i>										
2001 Q1	96.5	51.5	45.0	73.0	13.8	59.2	25.2	57.7	44.3	13.4
Q2	5.0	-22.3	27.3	33.3	28.4	4.9	7.7	45.8	43.4	2.3
Q3	43.8	5.0	38.8	36.4	10.3	26.1	16.0	41.7	38.6	3.2
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

- 1) Most of the financial asset and liability categories defined in the ESA 95 are covered. These are currency and deposits, securities other than shares, loans (except those granted by general government and non-financial corporations), quoted shares, mutual fund shares and insurance technical reserves. Other financial instruments (financial derivatives, unquoted shares, other (than share) equity and other receivables and payables) are not included.
- 2) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.
- 3) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).
- 4) Covering deposits with euro area central government (S.1311), other financial intermediaries (S.123) and insurance corporations and pension funds (S.125).
- 5) Excluding unquoted shares.

Table 6.1 (cont'd)
Financial investment and financing of non-financial sectors ¹⁾
(EUR billions (ECU billions to end-1998); not seasonally adjusted)
Transactions
2. Main liabilities ²⁾

	Loans taken from euro area MFIs and other financial corporations by											Memo: loans taken from banks outside the euro area by non-banks ³⁾
	Total	Taken from euro area MFIs	General government			Non-financial corporations			Households ⁴⁾			
			Total	Short-term	Long-term ⁵⁾	Total	Short-term	Long-term	Total	Short-term	Long-term	
	1	2	3	4	5	6	7	8	9	10	11	12
1997 Q4	155.8	146.2	21.1	4.4	16.7	68.4	27.6	40.8	66.3	6.7	59.6	-16.8
1998 Q1	67.3	43.9	-15.7	-18.5	2.8	55.0	27.1	27.9	28.0	-0.3	28.3	3.9
Q2	116.8	110.6	-5.5	-3.7	-1.9	54.4	22.1	32.3	68.0	9.0	58.9	6.4
Q3	77.7	81.0	2.6	1.4	1.2	25.0	-15.9	40.9	50.1	1.2	48.9	-0.7
Q4	161.5	150.8	8.8	2.8	6.1	76.3	37.5	38.9	76.4	7.1	69.3	3.5
1999 Q1	85.8	77.0	-6.7	0.1	-6.7	19.7	21.9	-2.2	72.8	9.1	63.7	0.8
Q2	159.8	133.2	-4.3	2.6	-7.0	89.2	40.9	48.3	74.9	3.6	71.3	23.9
Q3	70.0	71.7	-14.7	-1.0	-13.7	17.5	-17.0	34.5	67.2	-0.1	67.3	8.5
Q4	168.4	147.3	14.7	4.3	10.4	87.5	35.8	51.8	66.2	8.9	57.3	-7.1
2000 Q1	140.2	109.6	-8.0	-0.9	-7.1	90.9	55.2	35.7	57.4	1.6	55.7	15.0
Q2	158.2	116.6	-6.3	0.8	-7.1	110.4	58.1	52.3	54.1	8.7	45.4	-0.8
Q3	122.4	93.3	-16.2	-2.1	-14.1	90.8	47.6	43.2	47.8	-0.2	48.1	23.0
Q4	187.2	139.8	17.8	2.1	15.6	110.8	19.1	91.7	58.6	5.3	53.3	2.1
	<i>Euro area enlargement</i>											
2001 Q1	96.6	78.0	-4.8	-0.5	-4.3	69.5	46.5	23.0	31.8	-5.1	37.0	9.1
Q2	98.3	88.1	-18.1	0.4	-18.4	63.0	20.4	42.6	53.3	5.9	47.4	16.5
Q3	82.4	58.0	-6.8	2.9	-9.8	51.4	-13.9	65.3	37.8	-4.4	42.2	-21.7
Q4	.	95.6	.	.	.	.	.	.	.	.	.	.
	Securities other than shares issued by								Quoted shares issued by non-financial corporations	Deposit liabilities of central government	Pension fund reserves of non- financial corporations	
	Total	General government			Non-financial corporations							
		Total	Short-term	Long-term	Total	Short-term	Long-term					
	13	14	15	16	17	18	19	20	21	22		
1997 Q4	-6.6	-2.4	-31.9	29.5	-4.2	-7.5	3.3	44.1	6.9	2.3		
1998 Q1	63.8	53.4	-11.4	64.8	10.4	9.6	0.9	11.0	1.1	2.4		
Q2	53.6	50.6	-1.3	52.0	2.9	-1.8	4.7	37.3	-2.1	2.4		
Q3	61.2	54.0	2.0	51.9	7.3	1.4	5.8	10.7	-0.4	2.4		
Q4	-9.9	-15.3	-30.9	15.6	5.4	0.8	4.6	40.6	6.4	2.2		
1999 Q1	79.2	65.7	6.0	59.7	13.5	10.9	2.6	10.8	6.6	2.5		
Q2	38.1	30.2	-7.8	38.0	7.9	0.8	7.2	34.0	-10.3	2.5		
Q3	57.0	39.7	-9.8	49.6	17.3	8.2	9.1	34.4	1.0	2.5		
Q4	-11.6	-18.8	-27.6	8.8	7.2	3.1	4.0	42.0	12.1	2.6		
2000 Q1	63.1	59.7	10.7	49.0	3.4	1.8	1.6	19.6	-2.2	2.1		
Q2	38.2	24.3	-0.9	25.3	13.9	10.1	3.8	29.8	0.0	2.1		
Q3	50.1	26.2	-2.7	28.9	23.9	7.2	16.7	72.3	-0.4	2.1		
Q4	-0.7	-17.7	-27.2	9.5	17.0	5.4	11.6	51.8	6.4	2.1		
	<i>Euro area enlargement</i>											
2001 Q1	74.2	38.3	31.3	7.0	35.8	9.4	26.5	52.2	1.1	2.5		
Q2	87.9	62.1	10.7	51.4	25.8	11.1	14.7	44.3	0.4	2.4		
Q3	52.8	35.6	8.8	26.9	17.2	13.4	3.8	6.8	0.2	2.5		
Q4	.	.	.	.	.	.	.	.	.	.

Source: ECB.

1) Non-financial sectors comprise general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15).

2) Most of the financial asset and liability categories defined in the ESA 95 are covered. These are currency and deposits, securities other than shares, loans (except those granted by general government and non-financial corporations), quoted shares, mutual fund shares and insurance technical reserves. Other financial instruments (financial derivatives, unquoted shares, other (than share) equity and other receivables and payables) are not included.

3) BIS international banking statistics. The BIS definition of banks is close to that of MFIs.

4) Including non-profit institutions serving households.

5) Including all loans taken by central government from MFIs in the euro area.

Table 6.2

Saving, investment and financing

(as a percentage of GDP, unless otherwise indicated)

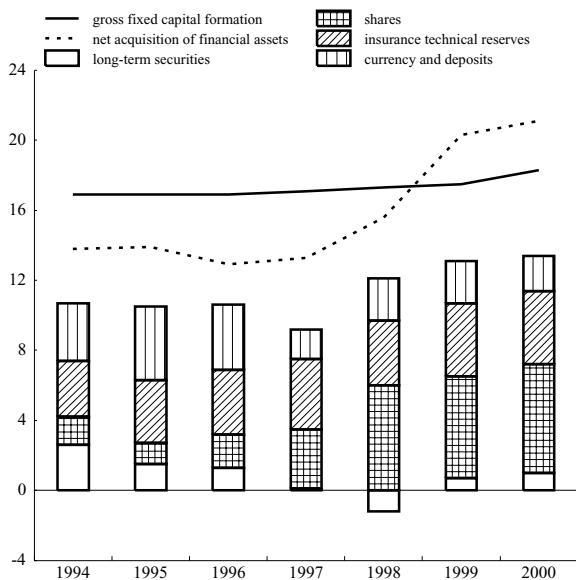
	Euro area saving and investment ¹⁾			Investment of private non-financial sectors ¹⁾²⁾							
	Gross saving	Gross fixed capital formation	Net lending to the rest of the world	Gross fixed capital formation	Non-financial corporations	Net acquisition of financial assets	Currency and deposits	Securities other than shares	Long-term securities	Shares	Insurance technical reserves
1993	20.2	20.3	0.5	16.8	10.6	13.0	5.5	0.4	0.9	0.5	3.0
1994	20.6	20.1	0.2	16.9	10.3	13.8	3.3	2.4	2.6	1.6	3.2
1995	21.1	20.1	0.3	16.9	10.3	13.9	4.2	1.8	1.5	1.2	3.6
1996	20.9	20.0	0.7	16.9	10.3	12.9	3.7	0.2	1.3	1.9	3.7
1997	21.8	20.2	1.3	17.1	10.5	13.3	1.7	-0.5	0.1	3.4	4.0
1998	21.8	20.4	0.7	17.3	10.8	15.6	2.4	-2.0	-1.2	6.0	3.7
1999	21.8	20.6	0.0	17.5	10.9	20.3	2.4	0.9	0.7	5.8	4.2
2000	22.0	21.1	-0.3	18.3	11.7	21.1	2.0	1.7	1.0	6.2	4.2

	Financing of private non-financial sectors ¹⁾²⁾									Net financial investment ³⁾	Financial investment as a % of gross investment ⁴⁾	Net incurrence of liabilities as a % of financing ⁵⁾
	Gross saving	Households	Net incurrence of liabilities	Securities other than shares	Long-term securities	Shares	Loans	Long-term loans				
									12				13	14	15	16	17	18	19
1993	20.8	12.8	7.7	1.2	1.4	1.4	3.7	4.5	5.3	43.6	27.0	
1994	20.7	11.8	9.6	1.0	1.1	1.6	3.7	3.8	4.2	45.0	31.7	
1995	21.4	11.8	7.4	-1.8	-1.7	1.5	4.8	3.6	6.5	45.1	25.7	
1996	21.1	11.6	8.8	0.2	0.0	1.7	5.7	4.8	4.1	43.3	29.4	
1997	20.6	11.3	9.5	0.1	0.1	1.4	5.9	4.7	3.8	43.8	31.6	
1998	20.3	10.5	12.4	0.4	0.3	2.5	7.6	5.8	3.2	47.4	37.9	
1999	19.3	9.9	17.6	0.9	0.4	3.3	9.9	7.6	2.7	53.7	47.7	
2000	18.9	9.5	21.2	1.3	0.8	4.0	10.8	7.0	-0.1	53.6	52.9	

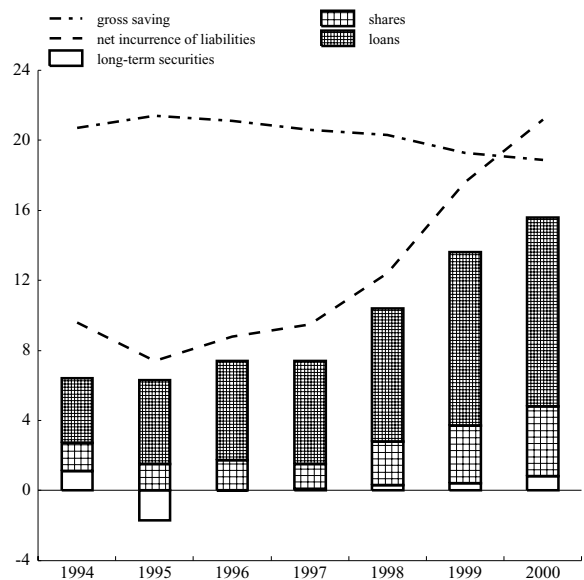
Investment and financing of private non-financial sectors ¹⁾²⁾

(as a percentage of GDP)

Investment



Financing



Source: ECB.

1) Selected items of investment and financing.

2) Private non-financial sectors comprise non-financial corporations, households and non-profit institutions serving households.

3) Column 6 - column 14.

4) Column 6 ÷ (column 4 + column 6).

5) Column 14 ÷ (column 12 + column 14).

7 General government fiscal position in the euro area and in the euro area countries

Table 7.1

Revenue, expenditure and deficit / surplus ¹⁾

(as a percentage of GDP)

1. Euro area – revenue

	Total	Current revenue	Direct taxes			Indirect taxes	Received by EU institutions	Social contributions	Employers		Employees	Sales	Capital revenue	Capital taxes	Memo: fiscal burden ²⁾
			Households	Corporations											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1991	46.5	46.1	11.8	9.5	2.2	13.0	1.0	16.7	8.5	5.1	2.3	0.4	0.2	41.6	
1992	47.5	46.7	11.9	9.8	2.0	13.0	0.7	17.1	8.6	5.2	2.4	0.7	0.6	42.5	
1993	48.1	47.6	12.1	10.0	2.1	13.2	0.7	17.4	8.6	5.3	2.5	0.5	0.3	43.0	
1994	47.6	47.1	11.6	9.5	2.0	13.5	0.7	17.5	8.5	5.4	2.5	0.5	0.2	42.7	
1995	47.4	46.8	11.6	9.5	2.0	13.3	0.7	17.3	8.4	5.6	2.5	0.5	0.3	42.6	
1996	48.1	47.7	12.0	9.6	2.3	13.4	0.6	17.6	8.7	5.6	2.5	0.5	0.3	43.3	
1997	48.4	47.7	12.2	9.6	2.6	13.5	0.6	17.6	8.8	5.5	2.5	0.7	0.4	43.7	
1998	47.9	47.4	12.4	9.9	2.5	14.1	0.6	16.5	8.5	4.9	2.5	0.5	0.3	43.3	
1999	48.5	47.9	12.8	10.1	2.6	14.4	0.5	16.4	8.5	5.0	2.4	0.6	0.3	43.9	
2000	48.0	47.5	13.0	10.2	2.7	14.3	0.5	16.2	8.4	4.9	2.4	0.5	0.3	43.7	

2. Euro area – expenditure

	Total	Current expenditure								Capital expenditure	Investment	Capital transfers	Paid by EU institutions	Memo: primary expenditure ⁴⁾
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers	Social payments ³⁾	Subsidies	Paid by EU institutions					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	51.3	46.5	11.2	5.0	5.3	25.0	21.0	2.4	0.5	4.8	3.2	1.6	0.0	46.0
1992	52.4	47.7	11.4	5.0	5.7	25.6	21.9	2.3	0.4	4.7	3.2	1.5	0.0	46.7
1993	53.8	49.2	11.6	5.2	5.9	26.6	22.8	2.4	0.5	4.6	3.1	1.5	0.0	47.9
1994	52.7	48.4	11.3	5.0	5.5	26.6	22.9	2.3	0.4	4.3	2.9	1.4	0.0	47.2
1995	52.4	47.9	11.2	4.8	5.7	26.3	22.8	2.2	0.4	4.5	2.7	1.8	0.1	46.7
1996	52.4	48.4	11.2	4.8	5.7	26.7	23.2	2.2	0.4	4.0	2.6	1.4	0.0	46.7
1997	51.0	47.3	11.0	4.8	5.1	26.4	23.1	2.1	0.4	3.7	2.4	1.3	0.1	45.9
1998	50.1	46.2	10.7	4.7	4.7	26.1	22.6	2.0	0.4	3.9	2.4	1.5	0.1	45.4
1999	49.8	45.7	10.7	4.7	4.2	26.0	22.6	2.0	0.4	4.1	2.5	1.6	0.1	45.5
2000	48.8	44.8	10.5	4.7	4.0	25.6	22.2	1.9	0.4	4.0	2.5	1.5	0.0	44.8

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

	Deficit (-) / surplus (+)					Primary deficit (-) / surplus (+)	Government consumption ⁵⁾							
	Total	Central government	State government	Local government	Social security funds		Total	Compensation of employees	Intermediate consumption	Transfers in kind via market producers	Consumption of fixed capital	Sales (minus)	Government collective consumption	Government individual consumption
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	-4.8	-4.6	-0.3	-0.1	0.3	0.5	20.4	11.2	5.0	4.8	1.8	-2.3	8.6	11.7
1992	-4.9	-4.3	-0.3	-0.2	0.0	0.8	20.8	11.4	5.0	4.9	1.8	-2.4	8.7	12.0
1993	-5.7	-5.0	-0.4	-0.2	-0.1	0.1	21.2	11.6	5.2	5.0	1.9	-2.5	8.9	12.2
1994	-5.1	-4.4	-0.5	-0.2	0.0	0.4	20.8	11.3	5.0	5.0	1.8	-2.5	8.6	12.2
1995	-5.0	-4.2	-0.5	-0.1	-0.3	0.7	20.5	11.2	4.8	5.1	1.8	-2.5	8.4	12.1
1996	-4.3	-3.6	-0.4	-0.1	-0.2	1.4	20.6	11.2	4.8	5.2	1.8	-2.5	8.5	12.1
1997	-2.6	-2.3	-0.4	0.1	0.0	2.5	20.4	11.0	4.8	5.1	1.8	-2.5	8.4	12.0
1998	-2.2	-2.1	-0.2	0.1	0.1	2.5	20.0	10.7	4.7	5.1	1.7	-2.5	8.1	11.9
1999	-1.3	-1.6	-0.1	0.1	0.4	2.9	20.0	10.7	4.7	5.1	1.7	-2.4	8.2	11.9
2000	-0.8	-1.3	-0.1	0.1	0.4	3.2	19.9	10.5	4.7	5.1	1.7	-2.4	8.1	11.8

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

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI
	1	2	3	4	5	6	7	8	9	10	11	12
1998	-0.8	-2.2	-2.4	-2.6	-2.7	2.3	-2.8	3.2	-0.8	-2.4	-2.3	1.3
1999	-0.6	-1.6	-1.7	-1.1	-1.6	2.3	-1.8	3.8	0.4	-2.2	-2.2	1.9
2000	0.1	1.2	-0.8	-0.3	-1.3	4.5	-0.5	5.8	2.2	-1.5	-1.5	7.0
2001	0.2	-2.7	0.1	0.0	-1.4	1.7	-1.4	5.0	0.2	0.1	-2.2	4.9

Sources: ECB for euro area aggregated data; European Commission for data relating to countries' deficit / surplus (including proceeds from sales of UMTS licences).

- 1) Revenue, expenditure and deficit / surplus based on the ESA 95, but the figures exclude proceeds from sales of UMTS licences in 2000 (the euro area deficit / surplus including those proceeds is equal to 0.3). Data before 1995 are partially estimated. Transactions between countries and EU institutions are included and consolidated. Transactions among governments are not consolidated.
- 2) The fiscal burden comprises taxes and social contributions.
- 3) Comprises social benefits, social transfers in kind via market producers and transfers to non-profit institutions serving households.
- 4) Comprises total expenditure minus interest expenditure.
- 5) Corresponds to final consumption expenditure (P.3) of the general government in the ESA 95.

Table 7.2**Debt ¹⁾***(as a percentage of GDP)***1. Euro area – government debt by financial instrument and sector of the holder**

	Total	Financial instrument				Holder				
		Coins 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	
1991	57.4	2.6	16.1	9.6	29.1	48.1	24.7	7.4	16.1	9.2
1992	60.9	2.6	16.3	10.1	32.0	50.3	26.4	7.6	16.3	10.7
1993	67.3	2.7	17.0	9.9	37.6	52.5	27.6	8.7	16.2	14.8
1994	69.9	2.9	16.1	10.3	40.6	55.8	29.8	9.9	16.0	14.2
1995	74.2	2.9	17.7	9.8	43.8	58.3	30.5	10.9	16.9	15.9
1996	75.4	2.9	17.2	9.9	45.4	58.9	30.3	13.2	15.5	16.5
1997	74.8	2.8	16.3	8.9	46.8	56.9	29.0	14.4	13.4	17.9
1998	73.1	2.8	15.2	7.9	47.3	53.3	27.0	16.2	10.2	19.8
1999	72.0	2.9	14.1	6.9	48.1	49.7	25.3	14.9	9.6	22.3
2000	69.5	2.7	13.0	6.3	47.5	45.9	22.9	13.4	9.7	23.5

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

	Total	Issued by ⁴⁾				Original maturity			Residual maturity			Currency		
		Central government	State government	Local government	Social security funds	Up to 1 year	Over 1 year	Variable interest rate	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Euro or participating currency ⁵⁾	Non-domestic currency	Other currencies
1991	57.4	46.6	4.5	6.0	0.3	11.8	45.6	4.8	17.7	18.8	20.9	56.3	1.9	1.1
1992	60.9	49.7	4.7	6.1	0.4	12.2	48.7	6.3	17.8	20.9	22.2	59.6	2.2	1.3
1993	67.3	55.2	5.2	6.3	0.6	11.9	55.3	6.7	18.5	24.3	24.5	65.5	2.9	1.7
1994	69.9	57.9	5.4	6.1	0.5	11.2	58.7	7.4	16.6	26.6	26.8	68.1	3.0	1.9
1995	74.2	61.7	5.7	6.0	0.8	10.6	63.6	6.9	17.6	26.2	30.3	72.3	2.9	1.9
1996	75.4	62.9	6.1	5.9	0.5	10.2	65.2	6.3	19.2	25.3	30.9	73.5	2.7	1.9
1997	74.8	62.3	6.3	5.6	0.6	8.8	66.0	6.0	18.6	25.2	31.0	72.8	2.8	2.0
1998	73.1	61.0	6.3	5.4	0.3	7.7	65.4	5.5	16.3	25.9	30.9	71.4	3.2	1.7
1999	72.0	60.1	6.2	5.3	0.3	7.0	65.0	5.0	14.4	26.8	30.8	70.1	-	1.9
2000	69.5	58.0	6.1	5.1	0.3	5.6	63.9	4.4	14.4	27.3	27.7	67.6	-	1.8

3. Euro area countries – government debt

	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI
	1	2	3	4	5	6	7	8	9	10	11	12
1998	119.3	60.9	105.0	64.6	59.5	55.1	116.4	6.3	66.8	63.9	54.8	48.8
1999	115.0	61.3	103.8	63.1	58.5	49.6	114.5	6.0	63.1	64.9	54.2	46.8
2000	109.3	60.3	102.8	60.4	57.4	39.0	110.6	5.6	56.0	63.6	53.4	44.0
2001	107.5	59.8	99.7	57.2	57.2	36.6	109.4	5.5	53.2	61.7	55.6	43.6

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

1) Data are partially estimated. General government gross consolidated debt at nominal value at the end of the year.

Holdings by other governments are not consolidated.

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.

5) Before 1999, comprises debt in ECU, in domestic currency and in the currencies of other Member States which have adopted the euro.

Table 7.3**Change in debt ¹⁾***(as a percentage of GDP)***1. Euro area – change in government debt by source, financial instrument and sector of the holder**

	Total	Source of change				Financial instrument				Holder			
		Borrowing requirement ²⁾	Valuation effects ³⁾	Other changes in volume ⁴⁾	Aggregation effect ⁵⁾	Coins and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors ⁶⁾	MFIs	Other financial corporations	Other creditors ⁷⁾
	1	2	3	4	5	6	7	8	9	10	11	12	13
1991	5.2	5.1	0.0	0.2	-0.1	0.2	1.2	0.0	3.9	.	.	.	.
1992	6.8	5.6	0.4	0.7	0.1	0.1	1.1	1.0	4.5	4.8	3.1	0.7	1.9
1993	8.1	7.5	0.3	0.1	0.1	0.2	1.2	0.1	6.5	3.7	2.0	1.3	4.4
1994	6.1	5.2	0.2	0.7	0.0	0.4	-0.1	0.9	4.9	5.9	3.6	1.7	0.2
1995	7.7	5.5	0.2	2.2	-0.2	0.2	2.4	0.0	5.2	5.3	2.2	1.5	2.4
1996	3.8	4.2	-0.2	0.1	-0.3	0.1	0.1	0.4	3.2	2.6	0.8	2.6	1.2
1997	2.3	2.4	0.2	-0.2	0.0	0.0	-0.2	-0.6	3.1	0.3	-0.1	1.8	2.0
1998	1.6	1.9	-0.2	0.0	0.0	0.1	-0.4	-0.6	2.6	-1.0	-0.8	2.4	2.7
1999	1.6	1.3	0.3	0.0	0.0	0.2	-0.5	-0.7	2.5	-1.6	-0.7	-0.7	3.2
2000	0.8	0.8	0.1	-0.1	0.0	-0.1	-0.5	-0.3	1.7	-1.5	-1.3	-0.8	2.3

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+) ⁸⁾	Deficit-debt adjustment ⁹⁾											
			Total	Transactions in main financial assets held by general government							Valuation effects	Exchange rate effects	Other changes in volume	Other ¹¹⁾
				Total	Currency and deposits	Securities ¹⁰⁾	Loans	Shares and other equity	Privatisations	Equity injections				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1991	5.2	-4.8	0.4	1.0	0.2	0.1	0.4	0.2	-0.1	0.2	0.0	0.1	0.2	-0.7
1992	6.8	-4.9	1.9	0.7	0.1	0.1	0.3	0.2	-0.1	0.2	0.4	0.3	0.7	0.1
1993	8.1	-5.7	2.3	1.5	1.3	0.2	0.3	-0.2	-0.3	0.1	0.3	0.3	0.1	0.3
1994	6.1	-5.1	0.9	0.0	-0.2	0.1	0.3	-0.1	-0.4	0.2	0.2	0.0	0.7	0.1
1995	7.7	-5.0	2.7	0.6	0.1	-0.1	0.5	0.1	-0.4	0.2	0.2	0.0	2.2	-0.4
1996	3.8	-4.3	-0.4	-0.1	-0.1	0.0	0.0	-0.1	-0.3	0.2	-0.2	-0.2	0.1	-0.2
1997	2.3	-2.6	-0.3	-0.5	0.2	-0.1	-0.1	-0.5	-0.8	0.3	0.2	0.2	-0.2	0.3
1998	1.6	-2.2	-0.6	-0.7	0.1	0.0	-0.2	-0.6	-0.9	0.1	-0.2	0.0	0.0	0.4
1999	1.6	-1.3	0.3	0.0	0.4	0.2	0.1	-0.7	-0.8	0.1	0.3	0.2	0.0	0.0
2000	0.8	0.3	1.1	1.0	0.9	0.2	0.1	-0.2	-0.4	0.1	0.1	0.0	-0.1	0.1

Source: ECB.

- 1) Data are partially estimated. Annual change in gross nominal consolidated debt expressed as a percentage of GDP [$debt(t) - debt(t-1) \div GDP(t)$].
- 2) The borrowing requirement is by definition equal to transactions in government 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) Comprises, in particular, the impact of the reclassification of units and certain types of debt assumption.
- 5) The difference between the changes in the aggregated debt, resulting from the aggregation of countries' debt, and the aggregation of countries' change in debt, due to variations in the exchange rates used for aggregation before 1999.
- 6) Holders resident in the country whose government has issued the debt.
- 7) Includes residents of euro area countries other than the country whose government has issued the debt.
- 8) Including proceeds from sales of UMTS licences.
- 9) The difference between the annual change in gross nominal consolidated debt and the deficit as a percentage of GDP.
- 10) Excluding financial derivatives.
- 11) Comprises mainly transactions in other assets and liabilities (trade credit, other receivables/payables and financial derivatives).

8 Balance of payments and international investment position of the euro area (including reserves)

Table 8.1

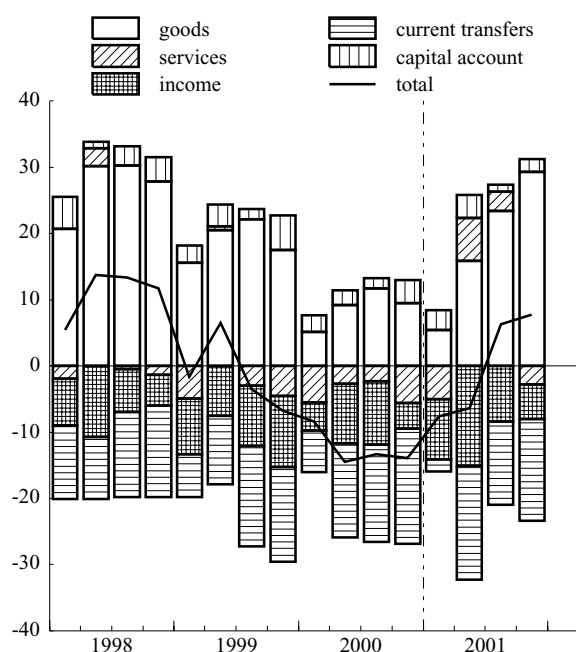
Summary balance of payments ^{1) 2)}

(EUR billions (ECU billions to end-1998); net flows)

	Current account					Capital account	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
1997	62.1	116.4	3.1	-15.2	-42.2	13.0	.	-44.5	-24.3	.	.	.	.
1998	31.9	109.0	-1.1	-28.8	-47.2	12.4	-68.4	-81.3	-110.0	-8.2	123.0	8.2	24.1
1999	-18.3	75.6	-11.9	-35.7	-46.3	12.9	10.9	-118.1	-45.7	4.5	160.1	10.1	-5.5
2000	-59.9	35.6	-16.1	-26.7	-52.6	9.7	93.4	17.6	-111.5	-1.7	171.5	17.6	-43.2
2000 Q4	-17.4	9.5	-5.6	-3.9	-17.4	3.5	25.7	-13.5	12.7	-8.5	24.4	10.7	-11.8
2000 Nov.	-5.0	1.9	-0.8	-0.8	-5.2	1.4	3.7	1.4	2.2	-2.5	-5.1	7.7	-0.2
2000 Dec.	-7.0	3.3	-3.2	-1.1	-5.9	1.8	21.2	3.4	9.9	-4.0	9.6	2.3	-16.0
<i>Euro area enlargement</i>													
2001	-9.3	74.1	1.5	-37.7	-47.1	9.4	-74.8	-93.9	40.9	-22.1	-17.6	17.8	74.7
2001 Q1	-10.5	5.5	-5.0	-9.1	-1.9	2.9	30.6	-40.6	-38.5	-2.0	102.2	9.5	-23.0
Q2	-9.9	15.9	6.5	-15.1	-17.2	3.5	-12.0	-51.7	25.7	0.7	10.8	2.5	18.4
Q3	5.3	23.4	2.9	-8.4	-12.7	1.0	-67.1	-15.3	53.6	-12.3	-95.6	2.5	60.8
Q4	5.9	29.3	-2.8	-5.2	-15.4	1.9	-26.3	13.8	0.0	-8.4	-35.0	3.3	18.6
2001 Jan.	-11.1	-3.9	-2.4	-7.5	2.7	1.3	2.3	-9.9	-42.8	-4.6	57.2	2.4	7.5
Feb.	1.2	3.3	-1.1	-0.6	-0.5	1.5	7.7	2.4	-2.3	-0.7	3.8	4.5	-10.4
Mar.	-0.6	6.0	-1.5	-1.0	-4.0	0.1	20.6	-33.2	6.6	3.3	41.2	2.7	-20.1
Apr.	-6.7	3.1	1.6	-7.0	-4.5	2.2	11.7	0.8	-19.2	1.7	21.4	7.0	-7.1
May	-2.2	4.4	2.8	-3.9	-5.4	0.5	-9.6	-41.5	15.1	3.6	16.8	-3.6	11.3
June	-1.0	8.4	2.1	-4.2	-7.3	0.8	-14.0	-11.0	29.8	-4.6	-27.4	-0.8	14.2
July	-0.8	10.7	1.7	-7.5	-5.7	0.4	-20.1	1.1	4.1	-7.5	-17.9	0.0	20.5
Aug.	6.0	7.3	1.1	0.4	-2.8	0.6	-13.9	-0.7	4.9	-3.7	-18.5	4.1	7.3
Sep.	0.0	5.4	0.1	-1.3	-4.2	0.0	-33.0	-15.7	44.6	-1.1	-59.1	-1.6	33.0
Oct.	0.1	9.6	0.2	-4.3	-5.4	0.3	-14.6	5.3	0.3	-3.8	-13.8	-2.6	14.2
Nov.	2.8	9.3	-1.9	0.4	-4.9	0.4	-15.4	7.8	11.5	-4.0	-30.7	0.0	12.1
Dec.	2.9	10.4	-1.1	-1.3	-5.1	1.2	3.7	0.6	-11.7	-0.5	9.4	5.9	-7.7
2002 Jan.	-1.5	2.1	-2.7	-6.7	5.8	2.5	-37.6	4.3	-41.3	0.6	4.0	-5.3	36.5

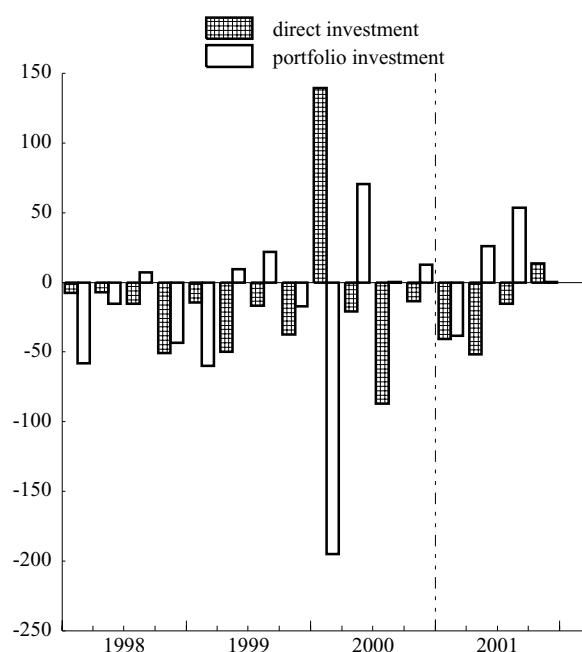
Current and capital accounts

(EUR billions (ECU billions to end-1998); net flows)



Direct and portfolio investment

(EUR billions (ECU billions to end-1998); net flows)



Source: ECB.

1) Inflows (+); outflows (-). Reserve assets: increase (-); decrease (+).

2) For the comparability of recent and some earlier data, see the general notes.

Table 8.2**Balance of payments: current and capital accounts ¹⁾***(EUR billions (ECU billions to end-1998))***1. Main items**

	Current account											Capital account	
	Total			Goods		Services		Income		Current transfers		Credit ₁₂	Debit ₁₃
	Credit ₁	Debit ₂	Net ₃	Credit ₄	Debit ₅	Credit ₆	Debit ₇	Credit ₈	Debit ₉	Credit ₁₀	Debit ₁₁		
1997	1,218.5	1,156.3	62.1	754.6	638.3	214.2	211.0	189.5	204.7	60.1	102.3	18.9	5.9
1998	1,277.7	1,245.8	31.9	784.4	675.4	231.9	233.0	198.5	227.3	63.0	110.1	17.7	5.3
1999	1,334.5	1,352.7	-18.3	818.1	742.5	244.5	256.4	207.0	242.7	64.8	111.1	19.1	6.3
2000	1,597.6	1,657.5	-59.9	986.8	951.3	279.5	295.7	264.0	290.7	67.2	119.9	18.3	8.7
2000 Q4	437.4	454.8	-17.4	274.6	265.1	75.1	80.8	72.7	76.6	14.9	32.3	5.9	2.5
2000 Nov.	145.2	150.2	-5.0	93.9	92.0	24.3	25.1	21.9	22.7	5.1	10.3	2.2	0.8
2000 Dec.	146.2	153.1	-7.0	86.6	83.3	25.5	28.7	27.9	29.0	6.2	12.2	2.9	1.1
<i>Euro area enlargement</i>													
2001	1,705.7	1,714.9	-9.3	1,036.5	962.4	310.8	309.4	284.5	322.2	73.8	120.9	17.0	7.6
2001 Q1	423.3	433.9	-10.5	254.5	249.0	68.7	73.7	70.6	79.6	29.6	31.5	4.4	1.5
Q2	435.1	444.9	-9.9	262.7	246.8	83.0	76.5	74.4	89.5	15.0	32.2	5.3	1.8
Q3	420.6	415.3	5.3	252.6	229.2	85.3	82.5	68.3	76.7	14.3	27.0	2.7	1.6
Q4	426.7	420.8	5.9	266.8	237.5	73.8	76.7	71.2	76.4	14.9	30.3	4.7	2.7
2001 Jan.	140.4	151.5	-11.1	79.8	83.7	22.4	24.8	22.6	30.1	15.6	12.9	1.8	0.5
Feb.	135.1	133.9	1.2	82.3	78.9	22.4	23.5	22.5	23.1	7.9	8.4	1.9	0.4
Mar.	147.8	148.5	-0.6	92.4	86.4	23.9	25.4	25.4	26.4	6.1	10.2	0.7	0.5
Apr.	138.7	145.4	-6.7	83.6	80.5	26.3	24.6	23.0	30.0	5.8	10.3	2.6	0.4
May	148.3	150.5	-2.2	89.0	84.7	28.3	25.6	26.0	29.9	4.9	10.3	1.4	1.0
June	148.1	149.1	-1.0	90.0	81.6	28.4	26.3	25.4	29.6	4.3	11.6	1.3	0.4
July	151.8	152.5	-0.8	90.8	80.1	30.6	28.9	25.5	32.9	4.9	10.6	1.0	0.6
Aug.	136.0	130.0	6.0	81.5	74.2	29.0	27.9	21.0	20.7	4.5	7.2	1.1	0.5
Sep.	132.8	132.8	0.0	80.3	74.9	25.8	25.7	21.8	23.1	4.9	9.2	0.6	0.5
Oct.	146.6	146.5	0.1	95.1	85.5	25.9	25.7	21.1	25.4	4.4	9.8	1.0	0.6
Nov.	138.1	135.3	2.8	90.2	80.9	22.3	24.2	20.7	20.4	4.9	9.8	1.0	0.6
Dec.	142.0	139.1	2.9	81.5	71.1	25.6	26.7	29.4	30.6	5.6	10.7	2.6	1.5
2002 Jan.	137.7	139.2	-1.5	76.3	74.2	23.6	26.3	20.5	27.2	17.3	11.5	3.0	0.5

2. Main current account items (seasonally adjusted)

	Current account										
	Total			Goods		Services		Income		Current transfers	
	Credit ₁	Debit ₂	Net ₃	Credit ₄	Debit ₅	Credit ₆	Debit ₇	Credit ₈	Debit ₉	Credit ₁₀	Debit ₁₁
1999 Q4	353.1	365.0	-11.9	217.5	203.7	64.0	68.3	53.9	64.1	17.8	28.9
2000 Q1	371.1	378.7	-7.6	229.3	217.2	65.6	68.7	59.8	65.4	16.4	27.4
Q2	387.3	407.2	-19.8	241.5	231.8	67.3	72.6	60.9	70.0	17.7	32.7
Q3	410.5	426.4	-16.0	252.9	245.0	71.6	74.2	70.2	79.0	15.8	28.2
Q4	431.7	449.5	-17.8	264.8	259.8	75.5	80.9	73.8	76.8	17.5	32.1
2000 Nov.	144.6	149.7	-5.0	88.4	86.8	25.4	26.3	24.7	25.8	6.1	10.8
2000 Dec.	145.3	153.1	-7.8	89.4	88.2	25.4	28.3	24.5	25.6	6.1	11.0
<i>Euro area enlargement</i>											
2001 Q1	428.6	436.1	-7.5	260.8	247.6	76.4	77.0	72.1	82.0	19.2	29.4
Q2	431.2	441.6	-10.3	263.5	247.5	80.7	78.1	69.1	82.1	17.9	34.0
Q3	428.7	427.5	1.2	257.5	239.2	79.9	79.4	72.9	80.0	18.4	28.9
Q4	415.6	408.3	7.3	254.2	227.5	73.2	74.7	70.4	77.0	17.7	29.1
2001 Jan.	144.1	147.1	-3.0	87.5	83.1	25.4	25.4	24.6	29.6	6.5	9.0
Feb.	143.4	143.5	0.0	87.2	82.7	26.0	25.8	24.0	25.4	6.3	9.5
Mar.	141.1	145.6	-4.5	86.1	81.9	25.0	25.8	23.6	26.9	6.3	10.9
Apr.	143.7	148.1	-4.3	86.9	82.8	27.3	25.9	22.8	28.3	6.7	11.0
May	145.5	146.3	-0.8	88.4	82.0	27.1	25.8	24.4	27.4	5.6	11.1
June	142.0	147.2	-5.2	88.2	82.7	26.4	26.3	21.9	26.4	5.6	11.8
July	145.1	149.8	-4.7	85.9	81.7	27.1	26.8	26.0	30.4	6.1	10.9
Aug.	146.3	141.9	4.4	88.5	81.0	26.9	26.8	24.8	26.2	6.0	7.9
Sep.	137.2	135.8	1.5	83.0	76.6	25.8	25.8	22.0	23.4	6.4	10.1
Oct.	139.0	139.1	-0.1	85.3	78.1	24.6	24.4	22.6	26.5	6.5	10.1
Nov.	136.7	133.4	3.2	85.0	75.6	23.3	25.0	22.5	23.0	5.9	9.8
Dec.	139.9	135.7	4.2	83.9	73.8	25.3	25.3	25.4	27.5	5.3	9.1
2002 Jan.	140.0	135.5	4.5	83.7	73.9	26.8	26.9	22.2	26.6	7.3	8.1

Source: ECB.

1) For the comparability of recent and some earlier data, see the general notes.

Table 8.3**Balance of payments: income account***(EUR billions; gross flows)*

	Total		Compensation of employees		Investment income							
	Credit 1	Debit 2	Credit 3	Debit 4	Total		Direct investment		Portfolio investment		Other investment	
					Credit 5	Debit 6	Credit 7	Debit 8	Credit 9	Debit 10	Credit 11	Debit 12
1999	207.0	242.7	12.6	5.0	194.4	237.7	42.7	50.3	64.1	101.5	87.7	85.9
2000	264.0	290.7	13.2	5.4	250.8	285.2	57.4	59.3	74.6	106.9	118.7	119.0
2000 Q3	65.7	75.3	3.3	1.5	62.4	73.8	14.3	15.2	18.9	28.7	29.3	29.8
Q4	72.7	76.6	3.4	1.3	69.3	75.3	16.7	17.0	18.9	24.2	33.7	34.1
<i>Euro area enlargement</i>												
2001 Q1	70.6	79.6	3.3	1.1	67.2	78.5	15.6	15.4	17.8	26.3	33.8	36.8
Q2	74.4	89.5	3.4	1.5	71.0	88.0	18.8	15.4	21.5	39.4	30.7	33.3
Q3	68.3	76.7	3.3	1.5	65.0	75.1	14.7	15.9	22.0	28.2	28.3	31.1

	Income on direct investment				Income on portfolio investment			
	Equity		Debt		Equity		Debt	
	Credit 13	Debit 14	Credit 15	Debit 16	Credit 17	Debit 18	Credit 19	Debit 20
1999	36.2	46.1	6.4	4.2	9.5	34.0	54.6	67.5
2000	47.4	52.2	10.0	7.1	14.2	30.6	60.5	76.3
2000 Q3	11.9	13.2	2.4	2.0	3.4	7.6	15.5	21.1
Q4	13.3	14.8	3.3	2.3	3.0	5.5	16.0	18.7
<i>Euro area enlargement</i>								
2001 Q1	13.1	13.0	2.5	2.4	2.4	7.0	15.4	19.4
Q2	16.2	13.0	2.6	2.4	5.3	17.1	16.2	22.3
Q3	12.4	14.1	2.2	1.7	3.6	8.3	18.5	19.9

Source: ECB.

Table 8.4**Balance of payments: direct investment account ¹⁾***(EUR billions (ECU billions to end-1998); net flows)*

	Abroad			In the euro area		
	Total 1	Equity capital and reinvested earnings 2	Other capital, mostly inter-company loans 3	Total 4	Equity capital and reinvested earnings 5	Other capital, mostly inter-company loans 6
1997	-93.1	.	.	48.6	.	.
1998	-172.8	.	.	91.5	.	.
1999	-315.6	-234.7	-81.0	197.5	144.2	53.3
2000	-382.4	-283.6	-98.7	400.0	296.4	103.6
2000 Q4	-93.3	-67.9	-25.4	79.7	32.7	47.1
2000 Nov.	-35.6	-25.7	-9.9	37.0	24.4	12.6
Dec.	-21.8	-10.5	-11.3	25.2	-2.8	28.0
<i>Euro area enlargement</i>						
2001	-217.1	-128.4	-88.7	123.2	90.0	33.2
2001 Q1	-65.4	-26.5	-38.9	24.7	28.7	-4.0
Q2	-80.6	-59.2	-21.4	28.9	16.4	12.4
Q3	-37.8	-25.9	-12.0	22.6	18.5	4.0
Q4	-33.3	-16.8	-16.4	47.0	26.3	20.8
2001 Jan.	-17.4	-11.6	-5.8	7.5	5.1	2.4
Feb.	-15.0	-1.9	-13.1	17.4	15.3	2.1
Mar.	-33.0	-13.0	-20.0	-0.2	8.4	-8.5
Apr.	-6.8	-9.4	2.6	7.6	2.8	4.9
May	-51.8	-41.3	-10.5	10.3	10.2	0.1
June	-21.9	-8.5	-13.4	10.9	3.4	7.5
July	-13.9	-15.4	1.5	15.1	10.4	4.7
Aug.	-4.1	-5.5	1.4	3.4	1.9	1.5
Sep.	-19.8	-5.0	-14.9	4.1	6.3	-2.2
Oct.	-2.0	-4.6	2.6	7.3	3.0	4.3
Nov.	-13.8	-6.5	-7.3	21.6	11.7	9.9
Dec.	-17.5	-5.7	-11.8	18.1	11.6	6.5
2002 Jan.	-4.8	-6.3	1.5	9.2	6.5	2.6

Source: ECB.

1) Inflows (+); outflows (-).

Table 8.5

Balance of payments: portfolio investment account ¹⁾

(EUR billions (ECU billions to end-1998); net flows)

1. By instrument ²⁾

	Total		Equity		Debt instruments					
	Assets	Liabilities	Assets	Liabilities	Assets			Liabilities		
					Total	Bonds and notes	Money market instruments	Total	Bonds and notes	Money market instruments
1	2	3	4	5	6	7	8	9	10	
1998	-363.3	253.3	-116.2	104.0	-247.1	-238.9	-8.2	149.3	121.6	27.7
1999	-311.4	265.7	-156.3	92.4	-155.1	-154.4	-0.7	173.4	117.4	55.9
2000	-412.8	301.2	-288.5	44.9	-124.3	-102.7	-21.6	256.3	229.6	26.7
2000 Q4	-78.4	91.1	-59.9	38.4	-18.5	-15.6	-2.9	52.7	59.4	-6.7
2000 Nov.	-25.9	28.1	-16.4	7.6	-9.5	-7.5	-2.0	20.6	23.8	-3.2
Dec.	-33.0	42.9	-34.4	28.2	1.4	2.3	-0.9	14.7	10.6	4.1
<i>Euro area enlargement</i>										
2001	-247.4	288.3	-94.0	237.7	-153.5	-142.7	-10.7	50.6	76.7	-26.1
2001 Q1	-82.9	44.4	-29.1	18.7	-53.8	-37.2	-16.6	25.7	24.5	1.2
Q2	-75.5	101.3	-42.5	108.7	-33.0	-46.6	13.6	-7.5	-1.6	-5.9
Q3	-8.4	62.0	0.7	48.3	-9.1	-12.3	3.2	13.6	30.4	-16.7
Q4	-80.7	80.7	-23.1	62.0	-57.5	-46.5	-11.0	18.7	23.4	-4.6
2001 Jan.	-36.9	-5.9	-20.7	-0.4	-16.2	-6.9	-9.3	-5.5	-9.1	3.6
Feb.	-29.2	26.9	-12.6	12.5	-16.6	-16.4	-0.2	14.4	16.2	-1.8
Mar.	-16.7	23.3	4.3	6.5	-21.0	-13.9	-7.1	16.8	17.4	-0.6
Apr.	-20.7	1.5	-16.4	11.0	-4.3	-11.8	7.5	-9.5	-3.1	-6.4
May	-28.1	43.2	-14.5	58.8	-13.6	-17.0	3.5	-15.7	-12.8	-2.8
June	-26.8	56.6	-11.6	38.9	-15.2	-17.8	2.6	17.7	14.3	3.3
July	-13.6	17.7	-9.9	15.6	-3.7	-7.4	3.8	2.1	3.9	-1.8
Aug.	-22.7	27.5	-4.7	16.8	-18.0	-15.4	-2.6	10.7	21.4	-10.7
Sep.	27.9	16.8	15.4	15.9	12.5	10.5	2.0	0.8	5.2	-4.3
Oct.	-36.4	36.7	-5.8	25.6	-30.6	-20.6	-10.1	11.1	9.0	2.1
Nov.	-38.0	49.5	-12.4	22.3	-25.6	-14.4	-11.2	27.1	32.0	-4.9
Dec.	-6.3	-5.5	-4.9	14.0	-1.3	-11.6	10.2	-19.5	-17.6	-1.9
2002 Jan.	-29.0	-12.3	-14.0	8.9	-15.0	-5.7	-9.2	-21.2	-7.8	-13.4

2. Assets by instrument and sector of holder

	Equity				Debt instruments							
	Euro-system	General government	MFIs (excl. the Euro-system)	Other sectors	Bonds and notes				Money market instruments			
					Euro-system	General government	MFIs (excl. the Euro-system)	Other sectors	Euro-system	General government	MFIs (excl. the Euro-system)	Other sectors
1	2	3	4	5	6	7	8	9	10	11	12	
1999	0.1	-2.1	-1.5	-152.8	0.1	-1.7	-15.4	-137.4	0.9	-0.1	-8.1	6.7
2000	0.0	-2.5	-4.4	-281.6	-1.7	-1.2	-72.7	-27.2	2.2	-0.7	-11.5	-11.5
2000 Q3	-0.1	-0.4	-2.4	-54.1	-2.3	-0.4	-14.8	-17.4	0.5	-1.4	-7.5	1.8
Q4	0.0	-0.6	-5.0	-54.3	0.9	0.0	2.7	-19.2	0.6	0.9	0.8	-5.1
<i>Euro area enlargement</i>												
2001 Q1	-0.1	-0.4	-11.0	-17.6	1.0	-0.6	-16.3	-21.4	-1.3	-1.2	-18.0	4.0
Q2	0.0	-0.7	6.3	-48.0	0.7	0.0	-22.3	-25.0	-0.7	-0.1	2.1	12.3
Q3	-0.1	-0.4	-1.1	2.3	1.0	-0.2	2.1	-15.2	0.1	-0.6	-12.2	15.9

Source: ECB.

1) Inflows (+); outflows (-).

2) For the comparability of recent and some earlier data, see the general notes.

Table 8.6**Balance of payments: other investment account and reserve assets***(EUR billions (ECU billions to end-1998); net flows)***1. Other investment by sector ^{1) 2)}**

	Total		Eurosystem		General government		MFIs (excluding the Eurosystem)						Other sectors	
	Assets 1	Liabilities 2	Assets 3	Liabilities 4	Assets 5	Liabilities 6	Total		Long-term		Short-term		Assets 13	Liabilities 14
							Assets 7	Liabilities 8	Assets 9	Liabilities 10	Assets 11	Liabilities 12		
1998	-81.9	204.9	-0.7	3.5	-1.0	-6.1	-22.6	192.4	-37.6	40.4	15.0	152.0	-57.6	15.2
1999	-32.5	192.6	-2.0	6.6	3.3	-13.0	18.1	161.1	-47.2	53.8	65.3	107.3	-51.8	37.8
2000	-178.9	350.5	-1.1	0.9	-2.5	1.0	-131.3	289.6	-49.3	53.0	-82.0	236.6	-44.0	58.9
2000 Q4	-49.5	74.0	-0.9	2.9	5.7	3.4	-63.9	59.5	-22.7	11.8	-41.1	47.6	9.6	8.3
2000 Nov.	-51.0	45.9	-0.3	0.9	-2.9	0.6	-50.6	48.0	-6.4	8.1	-44.2	39.9	2.8	-3.7
Dec.	10.0	-0.4	-0.2	1.2	0.4	1.2	5.1	-13.5	-13.2	-2.5	18.3	-11.0	4.6	10.8
<i>Euro area enlargement</i>														
2001	-251.3	233.7	0.6	4.4	4.3	-1.5	-230.7	234.5	-42.9	20.7	-187.8	213.7	-25.4	-3.7
2001 Q1	-136.1	238.3	0.8	-2.6	2.4	-8.2	-135.0	261.7	-7.4	1.8	-127.6	259.9	-4.3	-12.6
Q2	8.1	2.6	-0.8	4.3	-0.3	2.8	12.0	-9.1	-10.2	17.0	22.2	-26.1	-2.7	4.7
Q3	-71.6	-24.0	1.0	-0.9	0.3	0.0	-61.5	-29.2	-6.6	11.3	-54.9	-40.5	-11.4	6.2
Q4	-51.8	16.7	-0.4	3.7	1.9	4.0	-46.3	11.0	-18.7	-9.4	-27.6	20.4	-7.0	-2.0
2001 Jan.	-45.2	102.4	0.5	1.3	3.6	-6.4	-51.4	108.2	-3.9	-1.9	-47.5	110.1	2.1	-0.7
Feb.	-6.6	10.4	0.3	-2.1	0.1	-3.8	-4.8	16.8	-2.8	4.7	-2.0	12.1	-2.2	-0.5
Mar.	-84.3	125.5	0.0	-1.8	-1.3	2.0	-78.7	136.7	-0.7	-1.0	-78.0	137.7	-4.3	-11.3
Apr.	7.1	14.3	-0.3	-1.6	-0.2	-0.8	14.4	16.2	-0.4	5.4	14.8	10.8	-6.9	0.5
May	2.3	14.5	-0.3	1.6	1.2	2.4	4.7	4.9	-7.3	4.2	12.0	0.7	-3.4	5.6
June	-1.2	-26.2	-0.3	4.2	-1.3	1.2	-7.2	-30.2	-2.6	7.4	-4.6	-37.6	7.5	-1.4
July	43.1	-61.0	0.7	-0.4	-1.7	0.8	46.3	-67.2	-2.1	1.9	48.4	-69.1	-2.2	5.8
Aug.	-35.1	16.6	0.1	-2.4	1.7	-2.7	-31.5	25.0	-4.6	3.7	-26.9	21.3	-5.4	-3.4
Sep.	-79.6	20.4	0.1	1.9	0.3	1.8	-76.2	13.0	0.1	5.6	-76.3	7.4	-3.8	3.8
Oct.	-26.5	12.7	-0.5	4.5	-0.2	2.1	-22.4	7.1	-4.4	2.9	-18.0	4.2	-3.3	-1.1
Nov.	-58.8	28.2	0.0	2.0	2.5	2.3	-54.0	25.1	-10.0	-14.6	-44.0	39.7	-7.3	-1.2
Dec.	33.5	-24.1	0.1	-2.8	-0.4	-0.5	30.2	-21.2	-4.3	2.3	34.5	-23.5	3.7	0.4
2002 Jan.	9.6	-5.5	-0.7	2.6	-1.2	-8.4	15.9	0.4	-0.5	5.7	16.4	-5.3	-4.4	-0.1

2. Other investment by sector and instrument ¹⁾**2.1. Eurosystem**

	Loans/currency and deposits			Other assets/liabilities		
	Assets 1	Liabilities 2	Balance 3	Assets 4	Liabilities 5	Balance 6
1999	-1.2	6.7	5.5	-0.8	-0.1	-0.9
2000	-1.1	0.9	-0.2	0.0	0.0	0.0
2000 Q3	0.2	-2.0	-1.8	0.0	0.0	0.0
Q4	-0.9	2.9	2.0	0.0	0.0	0.0
<i>Euro area enlargement</i>						
2001 Q1	0.8	-2.7	-1.9	0.0	0.0	0.0
Q2	-0.8	4.3	3.5	0.0	0.0	0.0
Q3	1.0	-0.9	0.0	0.0	0.0	0.0

Source: ECB.

1) Inflows (+); outflows (-).

2) For the comparability of recent and some earlier data, see the general notes.

2.2. General government

	Trade credits			Loans/currency and deposits			Other assets/liabilities		
	Assets 7	Liabilities 8	Balance 9	Assets 10	Liabilities 11	Balance 12	Assets 13	Liabilities 14	Balance 15
1999	0.0	0.0	0.0	4.4	-13.1	-8.7	-1.2	0.2	-1.0
2000	0.1	0.0	0.1	-1.8	1.0	-0.8	-0.8	0.0	-0.8
2000 Q3	0.0	0.0	0.0	-5.1	2.6	-2.5	-0.3	0.1	-0.2
Q4	0.1	0.0	0.1	5.3	3.2	8.6	0.3	0.2	0.4
<i>Euro area enlargement</i>									
2001 Q1	0.0	0.0	0.0	2.9	-8.0	-5.1	-0.5	-0.2	-0.7
Q2	0.0	0.0	0.0	0.1	2.7	2.8	-0.4	0.1	-0.3
Q3	0.0	0.0	0.0	0.6	0.0	0.6	-0.3	0.0	-0.3

2.3. MFIs (excluding the Eurosystem)

	Loans/currency and deposits			Other assets/liabilities		
	Assets 16	Liabilities 17	Balance 18	Assets 19	Liabilities 20	Balance 21
1999	17.3	160.4	177.7	0.8	0.7	1.5
2000	-127.3	284.3	157.0	-4.1	5.3	1.3
2000 Q3	-15.8	74.9	59.1	-1.4	0.0	-1.4
Q4	-62.4	55.1	-7.4	-1.4	4.4	2.9
<i>Euro area enlargement</i>						
2001 Q1	-130.5	257.8	127.3	-4.5	3.9	-0.6
Q2	15.4	-11.9	3.5	-3.4	2.8	-0.6
Q3	-60.6	-31.0	-91.6	-0.8	1.8	1.0

2.4. Other sectors

	Trade credits			Loans/currency and deposits			Other assets/liabilities		
	Assets 22	Liabilities 23	Balance 24	Assets 25	Liabilities 26	Balance 27	Assets 28	Liabilities 29	Balance 30
1999	-7.5	4.8	-2.7	-21.3	20.4	-1.0	-23.0	12.7	-10.3
2000	-14.9	10.4	-4.5	-23.8	53.6	29.8	-5.4	-5.0	-10.4
2000 Q3	-4.3	3.0	-1.3	-4.0	30.3	26.3	-1.0	0.0	-1.0
Q4	-4.3	1.3	-2.9	17.7	4.5	22.3	-3.9	2.4	-1.5
<i>Euro area enlargement</i>									
2001 Q1	-4.8	4.2	-0.6	3.0	-16.3	-13.3	-2.5	-0.4	-3.0
Q2	-3.7	1.8	-1.9	2.1	3.9	6.0	-1.2	-1.0	-2.1
Q3	-1.3	-2.2	-3.6	-8.4	7.3	-1.1	-1.7	1.1	-0.6

3. Reserve assets ¹⁾

	Total 1	Monetary gold 2	Special drawing rights 3	Reserve position in the IMF 4	Foreign exchange							Other claims 12
					Total 5	Currency and deposits		Securities			Financial derivatives 11	
						With monetary authorities and the BIS 6	With banks 7	Equity 8	Bonds and notes 9	Money market instruments 10		
1999	10.1	0.3	1.0	2.0	6.7	12.5	-11.4	0.2	3.5	2.0	-0.1	0.2
2000	17.6	1.0	0.3	2.9	11.6	4.3	2.9	0.0	-5.6	10.1	-0.1	1.7
2000 Q3	4.7	0.3	-0.1	0.0	3.6	2.4	3.2	0.0	-5.5	3.5	-0.1	0.8
Q4	10.7	0.0	0.3	-0.6	10.5	1.1	3.8	0.0	0.8	4.7	0.0	0.5
<i>Euro area enlargement</i>												
2001 Q1	9.5	0.3	-0.4	0.2	10.8	7.8	-6.9	-1.1	5.2	5.7	0.0	-1.3
Q2	2.5	-0.1	-0.6	-0.7	5.0	0.2	-0.8	0.0	5.5	0.0	0.0	-1.1
Q3	2.5	0.2	0.0	-4.5	5.0	-0.9	1.4	0.0	4.9	-0.4	0.0	1.7

Source: ECB.

1) Increase (-); decrease (+).

Table 8.7
International investment position and reserve assets outstanding
1. Net international investment position ¹⁾
(EUR billions (ECU billions in 1997); assets minus liabilities; end-of-period positions)

	Total	Direct investment			Portfolio investment					Financial derivatives	Other investment				Reserve assets
		Total	Equity (including reinvested earnings)	Other capital	Total	Equity securities	Debt instruments				Total	Trade credits	Loans/currency and deposits	Other assets/liabilities	
							Total	Bonds and notes	Money market instruments						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1997	32.7	177.6	148.6	29.1	-724.7	-358.7	-366.0	-339.8	-26.2	-5.9	222.4	79.8	51.3	91.4	363.3
1998	-147.9	152.2	124.2	28.0	-713.5	-462.0	-251.5	-229.0	-22.5	2.3	81.7	100.0	-107.1	88.8	329.4
1999	-75.0	402.4	318.9	83.5	-752.8	-591.3	-161.4	-108.4	-53.0	10.1	-107.3	111.9	-338.2	119.0	372.6
2000	-101.4	466.6	395.0	71.6	-666.8	-366.9	-299.9	-263.1	-36.7	7.0	-286.2	115.7	-530.4	128.5	378.0
<i>Euro area enlargement</i>															
2001 1 Jan.	-152.1	459.3	388.5	70.8	-721.5	-375.8	-345.7	-308.6	-37.1	7.0	-288.2	114.9	-531.6	128.5	391.2

Source: ECB.
1) For the comparability of recent and some earlier data, see the general notes.

2. Reserves and related assets of the Eurosystem and of the European Central Bank ¹⁾

(EUR billions; end-of-period positions, unless otherwise indicated)

	Reserve assets													Memo: related assets	
	Total	Monetary gold	In fine troy ounces (millions)	Special drawing rights	Reserve position in the IMF	Foreign exchange							Other claims	Claims on euro area residents denomi- nated in foreign currency	
						Total	Currency and deposits		Securities			Financial derivatives			
							With monetary authorities and the BIS	With banks	Total	Equities	Bonds and notes				Money market instru- ments
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Eurosystem ²⁾															
1998 Dec. ³⁾	329.4	99.6	404.131	5.2	23.4	199.9	12.6	18.3	169.0	0.0	116.6	52.4	0.0	1.3	7.6
1999 Dec.	372.6	116.4	402.762	4.5	24.3	225.1	12.8	21.4	191.1	0.0	134.3	56.7	-0.2	2.4	14.6
2000 Dec.	378.0	117.8	399.537	4.3	20.8	234.2	9.2	20.2	204.2	0.0	153.9	50.3	0.7	0.7	15.8
<i>Euro area enlargement</i>															
2001 1 Jan.	391.2	119.2	404.119	4.3	21.2	245.7	9.2	27.6	208.2	0.0	157.9	50.3	0.7	0.7	16.3
2001 Jan.	385.8	115.0	404.119	4.5	22.3	243.2	11.8	19.9	210.7	-	-	-	0.8	0.8	20.9
Feb.	383.8	116.5	404.119	4.8	21.3	240.5	10.4	21.7	207.8	-	-	-	0.6	0.6	21.2
Mar. ⁴⁾	393.0	117.6	403.153	4.9	21.4	246.9	9.7	27.3	209.5	-	-	-	0.5	2.1	20.2
Apr.	386.3	119.5	403.153	4.9	21.1	240.2	11.5	23.7	204.6	-	-	-	0.4	0.6	23.4
May	408.4	127.2	403.153	5.6	22.3	251.5	10.6	25.7	215.0	-	-	-	0.2	1.8	22.9
June ⁴⁾	410.0	128.6	403.089	5.7	22.9	249.6	9.8	28.4	211.2	-	-	-	0.2	3.2	22.7
July ⁴⁾	397.1	122.3	402.639	5.5	22.7	242.7	8.5	32.7	201.2	-	-	-	0.4	3.9	23.8
Aug. ⁴⁾	381.8	120.0	402.430	5.5	21.9	232.4	8.3	26.3	197.3	-	-	-	0.5	2.0	23.7
Sep. ⁴⁾	393.4	129.0	401.904	5.4	25.8	232.0	10.2	24.7	196.7	-	-	-	0.4	1.2	21.9
Oct. ⁴⁾	393.6	123.9	401.902	5.4	24.9	237.4	8.6	31.2	197.1	-	-	-	0.5	2.1	22.0
Nov. ⁴⁾	396.5	124.4	401.903	5.4	24.7	240.1	7.9	31.8	199.9	-	-	-	0.4	1.9	22.2
Dec. ⁴⁾	392.4	126.1	401.874	5.5	25.3	233.0	7.9	23.4	201.2	-	-	-	0.4	2.6	24.9
2002 Jan. ⁴⁾	407.8	131.4	401.877	5.5	25.7	243.1	8.3	36.1	198.4	-	-	-	0.3	2.1	22.3
Feb. ⁴⁾	411.4	137.9	401.798	5.6	26.0	238.8	9.0	32.4	197.2	-	-	-	0.2	3.2	22.6
European Central Bank ⁵⁾															
1999 Dec.	49.3	7.0	24.030	0.0	0.0	40.6	0.3	6.0	34.3	0.0	27.7	6.5	0.0	1.7	2.6
2000 Dec.	44.7	7.0	24.030	0.0	0.0	36.9	0.6	6.1	30.0	0.0	19.8	10.2	0.3	0.7	3.8
<i>Euro area enlargement</i>															
2001 Jan.	45.7	7.0	24.656	0.0	0.0	37.9	0.7	2.6	34.3	-	-	-	0.3	0.7	3.5
Feb.	46.2	7.1	24.656	0.0	0.0	38.4	0.6	3.9	33.9	-	-	-	0.1	0.6	3.0
Mar.	46.3	7.2	24.656	0.0	0.0	37.0	0.6	5.2	31.1	-	-	-	0.0	2.1	3.9
Apr.	44.8	7.3	24.656	0.0	0.0	37.0	0.8	5.2	31.0	-	-	-	0.0	0.5	3.6
May	49.6	7.8	24.656	0.0	0.0	40.0	0.8	5.2	34.0	-	-	-	0.0	1.8	2.7
June	50.7	7.9	24.656	0.1	0.0	40.0	0.9	6.8	32.3	-	-	-	0.0	2.8	3.1
July	49.8	7.5	24.656	0.1	0.0	38.4	1.0	7.8	29.6	-	-	-	0.0	3.9	2.9
Aug.	45.5	7.3	24.656	0.1	0.0	36.1	1.1	4.2	30.8	-	-	-	0.0	2.0	3.5
Sep.	44.5	7.9	24.656	0.1	0.0	35.4	1.4	3.4	30.6	-	-	-	0.0	1.1	3.9
Oct.	47.9	7.6	24.656	0.1	0.0	38.5	0.9	5.5	32.1	-	-	-	0.0	1.8	2.8
Nov.	48.3	7.6	24.656	0.1	0.0	38.7	0.9	4.2	33.6	-	-	-	0.0	1.9	3.2
Dec.	49.0	7.7	24.656	0.1	0.0	38.6	0.8	4.5	33.3	-	-	-	0.0	2.6	3.6
2002 Jan.	51.8	8.1	24.656	0.1	0.0	41.6	1.1	6.9	33.5	-	-	-	0.0	2.1	3.5
Feb.	51.1	8.5	24.656	0.1	0.0	39.5	1.1	6.4	32.0	-	-	-	0.0	3.1	3.7

Source: ECB.

1) More comprehensive data in accordance with the template on international reserves and foreign currency liquidity can be found on the ECB's website.

2) The figures are not fully comparable with those in Table 1.1 owing to differences in coverage and valuation.

3) Position as at 1 January 1999.

4) Changes in the gold holdings of the Eurosystem are due to transactions in gold within the terms of the Central Bank Gold Agreement of 26 September 1999.

5) Part of the Eurosystem's reserves.

9 External trade in goods of the euro area

Table 9

1. Values, volumes and unit values by commodity ^{1) 2)}

(not seasonally adjusted, unless otherwise indicated)

	Exports of goods (f.o.b.)					Imports of goods (c.i.f.)					Total (s.a.) (1995=100)		
	Total				Memo: Manufac- tures 5	Total				Memo: Manufac- tures 10 Oil 11	Exports 12	Imports 13	
	1	Inter- mediate 2	Capital 3	Consump- tion 4		6	Inter- mediate 7	Capital 8	Consump- tion 9				
Values (EUR billions (ECU billions to end-1998); 1995=100 for columns 12 and 13)													
1998	797.1	369.9	179.9	214.0	697.8	711.4	393.5	123.0	175.9	540.3	41.6	128.1	126.4
1999	832.8	386.5	183.2	224.2	725.0	781.2	423.2	143.6	192.1	590.6	61.5	133.8	138.8
2000	1,013.7	482.6	221.7	265.4	883.2	1,008.4	579.8	179.4	218.1	730.2	118.9	162.9	179.2
2000 Q4	281.6	132.0	64.0	73.6	245.3	280.9	160.9	52.4	58.4	201.0	34.6	173.8	195.5
<i>Euro area enlargement</i>													
2001	1,045.8	.	.	.	.	996.2	.	.	.	.	.	170.1	175.9
2001 Q1	259.0	121.7	56.2	68.0	226.1	260.6	148.5	47.4	54.4	190.1	27.0	173.3	182.3
Q2	265.9	121.8	58.6	68.5	231.9	258.1	145.4	44.2	54.1	186.3	28.0	172.9	182.9
Q3	254.8	116.7	55.0	70.3	221.7	237.2	133.2	38.4	55.6	169.8	27.8	171.4	176.9
Q4	266.0	.	.	.	.	240.2	.	.	.	.	.	168.9	168.7
2001 Aug.	81.3	37.1	18.3	21.7	70.4	76.0	42.0	11.9	18.4	54.3	9.3	175.4	178.5
Sep.	82.0	37.3	16.9	23.4	70.9	77.8	43.9	13.0	17.9	56.0	8.9	169.1	172.4
Oct.	95.9	42.6	21.2	26.4	83.6	86.0	47.1	14.5	19.5	62.7	8.1	171.8	171.2
Nov.	88.8	39.4	19.5	24.2	77.0	81.2	43.9	14.8	18.3	59.5	6.9	167.4	168.0
Dec.	81.4	.	.	.	.	73.0	.	.	.	.	.	167.6	166.9
2002 Jan.	77.2	.	.	.	.	77.9	.	.	.	.	.	.	.
Volumes (annual percentage changes; 1995=100 for columns 12 and 13) ³⁾													
1998	3.6	4.2	6.0	3.8	4.0	11.4	8.2	21.8	7.7	13.4	-4.5	120.1	123.1
1999	2.2	2.8	-0.8	3.3	1.4	6.1	3.5	12.9	7.7	7.1	6.0	122.7	130.6
2000	12.4	12.5	12.7	12.7	13.6	5.9	6.8	11.7	4.5	8.9	4.7	138.1	138.3
2000 Q4	10.4	12.0	14.1	8.5	11.9	3.9	4.6	11.2	1.8	5.2	7.0	142.3	139.7
<i>Euro area enlargement</i>													
2001	0.6	.	.	.	.	-2.8	.	.	.	.	.	139.0	135.1
2001 Q1	6.1	4.0	11.3	5.6	6.6	1.1	0.2	4.8	-4.7	0.2	-3.1	142.9	138.3
Q2	2.5	-1.7	3.9	2.1	2.8	-2.0	-4.4	-6.1	-5.5	-3.2	-3.2	140.6	136.9
Q3	-0.7	-3.9	1.4	1.8	-0.7	-5.1	-6.4	-12.5	-4.1	-7.6	-3.2	139.5	135.8
Q4	-4.8	.	.	.	.	-5.2	.	.	.	.	.	138.0	134.8
2001 Aug.	1.8	-4.2	12.0	3.3	2.1	-5.3	-6.9	-15.6	-2.6	-8.0	-4.0	143.2	136.8
Sep.	-7.8	-10.8	-8.8	-2.2	-8.6	-8.0	-9.9	-14.8	-9.2	-11.2	-4.3	137.3	137.4
Oct.	-0.9	-6.2	0.1	0.5	-1.4	-0.4	-3.5	-13.3	-4.4	-4.6	-0.6	141.1	137.8
Nov.	-7.8	-13.5	-8.9	-6.8	-9.1	-6.7	-10.4	-16.4	-7.8	-9.9	-11.3	136.1	133.8
Dec.	-6.0	.	.	.	.	-8.7	.	.	.	.	.	136.7	132.7
2002 Jan.	.	.	.	.	.	.	.	.	.	.	.	.	.
Unit values (annual percentage changes; 1995=100 for columns 12 and 13) ³⁾													
1998	0.9	-0.7	0.8	2.0	1.5	-5.4	-6.5	-3.6	1.2	-1.1	-30.4	106.6	102.8
1999	2.3	1.7	2.7	1.4	2.4	3.5	3.9	3.4	1.4	2.0	39.4	108.9	106.2
2000	8.3	11.0	7.4	5.1	7.2	21.9	28.3	11.8	8.7	13.5	84.8	117.8	129.4
2000 Q4	10.0	11.4	7.7	7.4	8.8	23.9	28.3	15.1	12.6	18.1	53.1	122.1	140.0
<i>Euro area enlargement</i>													
2001	3.7	.	.	.	.	0.5	.	.	.	.	.	122.4	130.2
2001 Q1	6.6	6.4	5.6	5.5	6.5	8.8	9.2	8.6	8.0	9.3	3.2	121.3	131.8
Q2	5.8	5.1	4.2	7.0	5.7	6.0	6.3	5.3	7.5	6.1	4.3	123.0	133.6
Q3	3.1	0.8	2.3	6.6	3.0	-0.4	-2.3	2.4	5.3	2.2	-12.7	122.9	130.3
Q4	0.2	.	.	.	.	-10.5	.	.	.	.	.	122.4	125.2
2001 Aug.	3.0	1.2	1.3	7.3	3.1	0.0	-2.5	1.4	6.4	2.7	-11.1	122.5	130.5
Sep.	2.2	0.5	-1.1	4.5	2.5	-5.8	-7.4	-1.5	2.0	-2.5	-21.5	123.2	125.5
Oct.	0.2	-0.8	0.1	2.9	1.0	-10.5	-12.7	-3.3	0.5	-5.6	-33.0	121.8	124.2
Nov.	0.5	0.8	1.8	1.3	1.5	-11.2	-13.2	-2.4	-1.2	-5.6	-36.8	123.0	125.5
Dec.	0.2	.	.	.	.	-9.9	.	.	.	.	.	122.5	125.7
2002 Jan.	.	.	.	.	.	.	.	.	.	.	.	.	.

Sources: Eurostat and ECB calculations based on Eurostat data (volume calculations and seasonal adjustment of unit values).

1) Owing to differences in definitions, coverage and time of recording, trade data (as compiled by Eurostat) are not fully comparable with the goods item in the balance of payments statistics compiled by the ECB (Table 8.2).

2) The commodity breakdown in columns 2 to 4 and 7 to 9 is in accordance with the Classification by Broad Economic Categories. Manufactured goods (columns 5 and 10) and oil (column 11) are in accordance with the SITC Rev.3.

3) For 2001, unit value indices, which are also used for the estimation of volumes, refer to the euro area excluding Greece.

2. Geographical breakdown ¹⁾

(EUR billions (ECU billions to end-1998); not seasonally adjusted, unless otherwise indicated)

	Total 1	Total (s.a.) 2	United Kingdom 3	Sweden 4	Denmark 5	Candidate countries 6	Switzer- land 7	United States 8	Japan 9	Asia excl. Japan 10	Africa 11	Latin America 12	Other countries 13
Exports (f.o.b.)													
1998	797.1	-	150.5	31.6	20.6	101.5	51.1	120.3	23.9	114.9	49.7	42.4	90.5
1999	832.8	-	161.4	33.1	21.1	102.9	56.1	135.1	26.8	119.2	48.4	39.1	89.6
2000	1,013.7	-	189.7	38.8	23.2	131.0	63.4	171.4	34.2	151.6	56.1	46.7	107.8
2000 Q4	281.6	269.6	51.0	10.5	6.3	37.1	17.1	48.3	9.4	43.8	15.4	13.4	29.3
Euro area enlargement													
2001	1,045.8	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q1	259.0	265.6	49.5	9.7	6.1	33.4	17.1	45.1	9.2	39.8	14.4	12.1	22.9
Q2	265.9	264.9	50.7	9.0	7.2	34.0	16.6	45.1	8.3	40.4	15.3	12.7	26.5
Q3	254.8	262.6	48.7	8.0	5.8	32.4	16.1	43.6	8.2	39.9	14.4	12.1	25.8
Q4	266.0	258.9	.	.	.	.	.	.	.	.	.	.	.
2001 Aug.	81.3	89.6	15.0	2.7	1.9	10.3	5.1	13.6	2.6	13.2	4.8	4.0	8.1
Sep.	82.0	86.4	16.5	2.9	2.0	10.6	5.4	13.4	2.8	12.1	4.5	3.3	8.5
Oct.	95.9	87.8	17.9	3.2	2.1	12.6	5.8	16.7	3.2	14.7	5.7	4.5	9.6
Nov.	88.8	85.5	16.7	3.2	2.1	12.0	5.6	14.2	2.8	13.8	5.0	3.9	.
Dec.	81.4	85.6	.	.	.	.	.	.	.	.	.	.	.
2002 Jan.	77.2	.	.	.	.	.	.	.	.	.	.	.	.
% change versus previous year													
2002 Jan.	-5.1	-	.	.	.	.	.	.	.	.	.	.	.
Imports (c.i.f.)													
1998	711.4	-	122.6	30.9	17.4	71.6	40.9	104.8	48.5	132.0	45.8	29.3	67.6
1999	781.2	-	131.0	33.2	18.6	80.4	43.2	113.2	53.9	151.8	49.0	30.4	76.5
2000	1,008.4	-	156.6	38.0	21.8	101.2	49.8	140.7	65.5	211.6	72.2	39.7	111.5
2000 Q4	280.9	273.8	44.1	10.3	6.1	27.9	13.2	39.2	17.5	59.6	20.9	10.3	31.7
Euro area enlargement													
2001	996.2	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q1	260.6	257.0	38.7	8.9	5.2	29.0	13.5	37.5	16.1	53.8	19.8	9.8	28.3
Q2	258.1	257.8	39.1	8.6	5.0	29.3	13.1	36.0	15.7	51.9	18.9	11.1	29.5
Q3	237.2	249.5	35.2	7.6	5.1	28.2	12.0	30.8	12.8	50.7	17.8	10.1	26.9
Q4	240.2	237.8	.	.	.	.	.	.	.	.	.	.	.
2001 Aug.	76.0	83.9	11.0	2.4	1.7	8.7	3.4	10.7	4.1	16.8	5.6	3.3	8.3
Sep.	77.8	81.0	12.4	2.8	1.7	9.4	4.0	9.3	4.1	16.5	5.7	3.2	8.7
Oct.	86.0	80.5	13.3	3.0	2.0	10.5	5.0	11.5	4.8	17.2	6.0	3.5	9.2
Nov.	81.2	78.9	12.7	2.9	1.7	10.3	4.9	10.7	4.5	16.2	5.3	3.0	.
Dec.	73.0	78.4	.	.	.	.	.	.	.	.	.	.	.
2002 Jan.	77.9	.	.	.	.	.	.	.	.	.	.	.	.
% change versus previous year													
2002 Jan.	-10.7	-	.	.	.	.	.	.	.	.	.	.	.
Balance													
1998	85.7	-	28.0	0.7	3.2	29.9	10.2	15.5	-24.6	-17.1	3.9	13.1	22.9
1999	51.6	-	30.4	-0.1	2.6	22.5	12.9	21.9	-27.1	-32.6	-0.6	8.7	13.1
2000	5.3	-	33.1	0.8	1.4	29.8	13.6	30.7	-31.3	-60.0	-16.1	7.0	-3.7
2000 Q4	0.7	-4.2	6.9	0.2	0.2	9.1	3.9	9.1	-8.1	-15.8	-5.5	3.2	-2.5
Euro area enlargement													
2001	49.6	-	.	.	.	.	.	.	.	.	.	.	.
2001 Q1	-1.6	8.6	10.8	0.8	0.9	4.4	3.5	7.6	-7.0	-14.0	-5.5	2.3	-5.4
Q2	7.8	7.1	11.6	0.5	2.1	4.7	3.5	9.2	-7.3	-11.5	-3.6	1.6	-3.0
Q3	17.6	13.1	13.5	0.4	0.7	4.2	4.0	12.7	-4.6	-10.8	-3.5	2.0	-1.2
Q4	25.9	21.1	.	.	.	.	.	.	.	.	.	.	.
2001 Aug.	5.2	5.7	3.9	0.2	0.3	1.5	1.6	2.9	-1.5	-3.6	-0.8	0.7	-0.1
Sep.	4.2	5.4	4.1	0.1	0.3	1.2	1.3	4.1	-1.4	-4.4	-1.2	0.1	-0.1
Oct.	9.9	7.3	4.6	0.2	0.1	2.1	0.8	5.2	-1.7	-2.5	-0.3	1.0	0.4
Nov.	7.6	6.6	4.1	0.3	0.4	1.7	0.6	3.5	-1.7	-2.4	-0.3	0.9	.
Dec.	8.4	7.2	.	.	.	.	.	.	.	.	.	.	.
2002 Jan.	-0.6	.	.	.	.	.	.	.	.	.	.	.	.

Sources: Eurostat and ECB calculations based on Eurostat data (balance and other countries).

1) Owing to differences in definitions, coverage and time of recording, trade data (as compiled by Eurostat) are not fully comparable with the goods item in the balance of payments statistics compiled by the ECB (Tables 8.1 and 8.2).

10 Exchange rates

Table 10

Exchange rates

(period averages; units of national currency per ECU or euro (bilateral); index 1999 Q1=100 (effective))

	Effective exchange rate of the euro ¹⁾						Bilateral ECU or euro exchange rates ²⁾			
	Narrow group				Broad group		US dollar	Japanese yen	Swiss franc	Pound sterling
	Nominal	Real CPI	Real PPI	Real ULCM	Nominal	Real CPI				
1	2	3	4	5	6	7	8	9	10	
1997	99.1	99.4	99.3	100.1	90.4	96.6	1.134	137.1	1.644	0.692
1998	101.5	101.3	101.6	99.7	96.6	99.1	1.121	146.4	1.622	0.676
1999	95.7	95.7	95.7	96.2	96.6	95.8	1.066	121.3	1.600	0.659
2000	85.7	86.5	86.9	86.6	88.2	86.3	0.924	99.5	1.558	0.609
2000 Q1	89.0	89.6	89.7	89.7	91.1	89.5	0.986	105.5	1.607	0.614
Q2	86.0	86.6	87.0	87.2	88.4	86.6	0.933	99.6	1.563	0.610
Q3	84.7	85.7	86.2	85.9	87.3	85.3	0.905	97.4	1.544	0.612
Q4	83.0	84.0	84.8	83.7	85.9	83.6	0.868	95.3	1.516	0.600
2000 Jan.	90.2	90.8	90.9	-	92.4	90.7	1.014	106.5	1.610	0.618
Feb.	89.2	89.8	89.9	-	91.2	89.6	0.983	107.6	1.607	0.615
Mar.	87.7	88.3	88.4	-	89.7	88.1	0.964	102.6	1.604	0.611
Apr.	86.1	86.6	87.0	-	88.4	86.7	0.947	99.9	1.574	0.598
May	84.5	85.0	85.7	-	86.9	85.1	0.906	98.1	1.556	0.602
June	87.4	88.1	88.4	-	89.9	88.1	0.949	100.7	1.561	0.629
July	86.9	87.9	88.1	-	89.4	87.5	0.940	101.4	1.551	0.623
Aug.	84.6	85.5	86.0	-	87.0	85.1	0.904	97.8	1.551	0.607
Sep.	82.8	83.6	84.5	-	85.3	83.3	0.872	93.1	1.531	0.608
Oct.	81.6	82.4	83.4	-	84.4	82.2	0.855	92.7	1.513	0.589
Nov.	82.3	83.3	84.0	-	85.1	82.9	0.856	93.3	1.522	0.600
Dec.	85.4	86.4	87.0	-	88.1	85.8	0.897	100.6	1.514	0.613
<i>Euro area enlargement</i>										
2001	87.3	88.9	89.2	86.9	91.0	88.1	0.896	108.7	1.511	0.622
2001 Q1	88.6	89.9	90.4	88.3	91.4	88.8	0.923	109.1	1.533	0.633
Q2	86.0	87.7	87.8	86.2	89.5	86.8	0.873	106.9	1.528	0.614
Q3	87.0	88.7	88.9	86.4	91.2	88.0	0.890	108.3	1.507	0.619
Q4	87.5	89.5	89.8	86.7	92.0	88.6	0.896	110.5	1.473	0.621
2002 Q1	87.1	89.6	89.8	-	91.3	87.9	0.877	116.1	1.473	0.615
2001 Jan.	89.2	90.3	90.8	-	91.7	89.0	0.938	109.6	1.529	0.635
Feb.	88.3	89.5	90.2	-	91.0	88.4	0.922	107.1	1.536	0.634
Mar.	88.4	89.8	90.4	-	91.4	88.9	0.910	110.3	1.535	0.629
Apr.	87.6	89.1	89.5	-	91.0	88.4	0.892	110.4	1.529	0.622
May	85.9	87.6	87.6	-	89.3	86.7	0.874	106.5	1.533	0.613
June	84.7	86.3	86.4	-	88.1	85.3	0.853	104.3	1.522	0.609
July	85.4	87.1	87.2	-	89.1	86.2	0.861	107.2	1.514	0.609
Aug.	87.7	89.4	89.5	-	91.8	88.6	0.900	109.3	1.514	0.627
Sep.	88.0	89.7	89.9	-	92.6	89.3	0.911	108.2	1.491	0.623
Oct.	88.0	90.0	90.1	-	92.8	89.4	0.906	109.9	1.479	0.624
Nov.	86.8	88.8	89.2	-	91.3	87.9	0.888	108.7	1.466	0.618
Dec.	87.7	89.9	90.2	-	91.9	88.5	0.892	113.4	1.475	0.620
2002 Jan.	87.6	90.2	90.3	-	91.6	88.2	0.883	117.1	1.475	0.617
Feb.	86.8	89.3	89.5	-	91.1	87.7	0.870	116.2	1.477	0.612
Mar.	86.8	89.4	89.6	-	91.2	87.7	0.876	114.7	1.468	0.616
% ch. vs. ⁴⁾ prev. month										
2002 Mar.	0.1	0.1	0.1	-	0.2	0.0	0.7	-1.3	-0.7	0.7
% ch. vs. ⁴⁾ prev. year										
2002 Mar.	-1.8	-0.5	-0.9	-	-0.2	-1.4	-3.7	4.0	-4.4	-2.1

Source: ECB.

1) More details of the calculation are given in the general notes.

2) To December 1998, rates for the ECU (source BIS); from January 1999, rates for the euro.

3) Indicative rates for these currencies are shown up to September 2000, as the ECB did not provide official reference rates for these currencies before that.

Bilateral ECU or euro exchange rates ²⁾								
Swedish krona	Danish krone	Norwegian krone	Canadian dollar	Australian dollar	Hong Kong dollar ³⁾	Korean won ³⁾	Singapore dollar ³⁾	
11	12	13	14	15	16	17	18	
8.65	7.48	8.02	1.569	1.528	8.75	1,069.8	1.678	1997
8.92	7.50	8.47	1.665	1.787	8.69	1,568.9	1.876	1998
8.81	7.44	8.31	1.584	1.652	8.27	1,267.3	1.806	1999
8.45	7.45	8.11	1.371	1.589	7.20	1,043.5	1.592	2000
8.50	7.45	8.11	1.434	1.564	7.68	1,109.8	1.674	2000 Q1
8.28	7.46	8.20	1.381	1.585	7.27	1,042.0	1.608	Q2
8.40	7.46	8.10	1.341	1.576	7.06	1,009.5	1.569	Q3
8.60	7.45	8.04	1.325	1.632	6.77	1,011.6	1.516	Q4
8.60	7.44	8.12	1.469	1.542	7.89	1,145.9	1.697	2000 Jan.
8.51	7.45	8.10	1.427	1.564	7.65	1,110.8	1.674	Feb.
8.39	7.45	8.11	1.408	1.583	7.51	1,076.1	1.654	Mar.
8.27	7.45	8.15	1.389	1.588	7.38	1,051.4	1.620	Apr.
8.24	7.46	8.20	1.355	1.570	7.06	1,015.3	1.566	May
8.32	7.46	8.25	1.402	1.597	7.40	1,061.1	1.641	June
8.41	7.46	8.18	1.389	1.598	7.33	1,047.9	1.636	July
8.39	7.46	8.10	1.341	1.557	7.05	1,007.6	1.556	Aug.
8.41	7.46	8.03	1.295	1.575	6.80	973.2	1.517	Sep.
8.52	7.45	8.00	1.292	1.618	6.67	965.1	1.498	Oct.
8.63	7.46	8.00	1.320	1.639	6.68	990.6	1.497	Nov.
8.66	7.46	8.13	1.368	1.642	7.00	1,089.6	1.558	Dec.
<i>Euro area enlargement</i>								
9.26	7.45	8.05	1.386	1.732	6.99	1,154.8	1.604	2001
9.00	7.46	8.20	1.410	1.741	7.20	1,174.7	1.616	2001 Q1
9.13	7.46	8.01	1.345	1.701	6.81	1,138.9	1.583	Q2
9.41	7.44	8.01	1.374	1.734	6.94	1,150.1	1.582	Q3
9.48	7.44	7.97	1.416	1.751	6.99	1,155.2	1.634	Q4
9.16	7.43	7.81	1.398	1.692	6.84	1,155.3	1.607	2002 Q1
8.91	7.46	8.24	1.410	1.689	7.32	1,194.9	1.630	2001 Jan.
8.98	7.46	8.21	1.403	1.724	7.19	1,153.8	1.607	Feb.
9.13	7.46	8.16	1.417	1.807	7.09	1,173.4	1.611	Mar.
9.11	7.46	8.11	1.390	1.785	6.96	1,183.5	1.617	Apr.
9.06	7.46	7.99	1.347	1.681	6.82	1,133.7	1.586	May
9.21	7.45	7.94	1.302	1.647	6.65	1,104.1	1.550	June
9.26	7.44	7.97	1.315	1.689	6.71	1,120.3	1.569	July
9.31	7.45	8.06	1.386	1.717	7.02	1,154.0	1.586	Aug.
9.67	7.44	8.00	1.426	1.804	7.11	1,178.3	1.593	Sep.
9.58	7.44	8.00	1.422	1.796	7.07	1,178.6	1.640	Oct.
9.42	7.45	7.92	1.415	1.717	6.93	1,137.5	1.625	Nov.
9.44	7.44	7.99	1.408	1.735	6.96	1,147.0	1.639	Dec.
9.23	7.43	7.92	1.413	1.709	6.89	1,160.8	1.625	2002 Jan.
9.18	7.43	7.79	1.388	1.696	6.79	1,147.2	1.594	Feb.
9.06	7.43	7.72	1.390	1.669	6.83	1,157.3	1.602	Mar.
-1.3	0.0	-0.9	0.2	-1.6	0.7	0.9	0.5	% ch. vs. ⁴⁾ prev. month 2002 Mar.
-0.7	-0.4	-5.4	-1.9	-7.6	-3.7	-1.4	-0.6	% ch. vs. ⁴⁾ prev. year 2002 Mar.

4) The table shows the percentage change in the latest monthly observation vis-à-vis the previous month, and vis-à-vis the same month of the previous year. A positive change denotes an appreciation of the euro. Due to the change in the weighting scheme, effective exchange rate data as from January 2001 are not fully comparable with earlier observations.

II Economic and financial developments in the other EU Member States

Table 11

Economic and financial developments

(annual percentage changes, unless otherwise indicated)

	HICP	General government deficit (-)/surplus (+) as a % of GDP	General government gross debt as a % of GDP	Long-term government bond yield ¹⁾ as a % per annum	Exchange rate ²⁾ as national currency per ECU or euro	Current and new capital account as a % of GDP	Unit labour costs ³⁾	Real GDP	Industrial production index ⁴⁾	Standardised unemployment rate as a % of labour force (s.a.)	Broad money ⁵⁾	3-month interest rate ¹⁾ as a % per annum
	1	2	3	4	5	6	7	8	9	10	11	12
Denmark												
1998	1.3	1.1	56.2	4.94	7.50	-0.9	3.0	2.5	2.2	4.9	5.4	4.27
1999	2.1	3.1	52.7	4.91	7.44	1.7	2.2	2.3	1.8	4.8	-0.2	3.44
2000	2.7	2.5	46.8	5.64	7.45	1.6	1.5	3.0	6.3	4.4	1.2	5.00
2001	2.3	2.5	44.5	5.08	7.45	2.5	3.5	0.9	1.5	4.3	5.9	4.70
2000 Q4	2.6	-	-	5.42	7.45	1.4	1.6	2.7	6.2	4.5	-1.3	5.48
2001 Q1	2.3	-	-	5.03	7.46	4.5	2.6	1.9	5.0	4.4	2.4	5.26
Q2	2.5	-	-	5.27	7.46	1.7	3.5	0.7	0.9	4.4	4.1	5.06
Q3	2.3	-	-	5.18	7.44	3.5	3.7	0.9	1.7	4.3	7.9	4.73
Q4	2.0	-	-	4.83	7.44	0.5	4.2	0.4	-1.3	4.2	9.3	3.77
2002 Q1	.	-	-	5.21	7.43	.	.	.	.	.	.	3.63
2001 Oct.	2.0	-	-	4.86	7.44	-	-	-	-0.2	4.2	9.1	3.96
Nov.	1.7	-	-	4.67	7.45	-	-	-	2.4	4.2	11.4	3.70
Dec.	2.1	-	-	4.97	7.44	-	-	-	-6.5	4.2	7.2	3.63
2002 Jan.	2.5	-	-	5.08	7.43	-	-	-	-1.9	4.2	.	3.63
Feb.	2.4	-	-	5.14	7.43	-	-	-	.	.	.	3.60
Mar.	.	-	-	5.39	7.43	-	-	-	.	.	.	3.64
Sweden												
1998	1.0	1.9	70.5	4.99	8.92	3.7	0.9	3.6	3.8	8.3	3.5	4.36
1999	0.6	1.5	65.0	4.98	8.81	2.7	-1.0	4.5	1.9	7.2	6.8	3.32
2000	1.3	3.7	55.3	5.37	8.45	3.5	5.8	3.6	7.9	5.9	6.2	4.07
2001	2.7	4.7	56.0	5.11	9.26	3.4	4.4	1.2	-0.8	5.1	.	4.11
2000 Q4	1.5	-	-	5.09	8.60	4.5	6.8	2.4	8.1	5.3	2.2	4.06
2001 Q1	1.6	-	-	4.83	9.00	3.4	2.9	2.7	5.6	5.3	0.2	4.10
Q2	3.0	-	-	5.20	9.13	2.2	5.5	1.0	-2.5	5.0	1.1	4.15
Q3	3.1	-	-	5.28	9.41	4.4	4.9	0.4	-2.5	4.9	2.6	4.34
Q4	3.0	-	-	5.12	9.48	3.8	4.5	0.7	-3.2	5.1	.	3.85
2002 Q1	.	-	-	5.42	9.16	.	.	.	.	.	.	4.00
2001 Oct.	2.9	-	-	5.17	9.58	-	-	-	-5.5	5.2	4.9	3.86
Nov.	2.9	-	-	4.96	9.42	-	-	-	-5.4	5.0	6.2	3.81
Dec.	3.2	-	-	5.24	9.44	-	-	-	1.0	5.1	.	3.88
2002 Jan.	2.9	-	-	5.27	9.23	-	-	-	-4.2	5.2	.	3.87
Feb.	2.7	-	-	5.37	9.18	-	-	-	.	5.1	.	3.94
Mar.	.	-	-	5.63	9.06	-	-	-	.	.	.	4.20
United Kingdom												
1998	1.6	0.4	47.6	5.60	0.676	-0.5	2.8	3.0	0.9	6.2	9.7	7.42
1999	1.3	1.1	45.2	5.01	0.659	-2.0	3.8	2.1	0.8	5.9	5.4	5.54
2000	0.8	4.1	42.4	5.33	0.609	-1.6	2.0	3.0	1.6	5.4	6.6	6.19
2001	1.2	0.9	39.0	5.01	0.622	-1.6	.	2.4	-2.1	5.0	7.9	5.04
2000 Q4	0.9	0.2	42.1	5.09	0.600	-2.1	2.2	2.7	1.1	5.2	8.4	6.07
2001 Q1	0.9	6.5	39.8	4.90	0.633	-1.3	3.1	3.0	1.3	5.0	8.9	5.72
Q2	1.5	-1.8	39.7	5.18	0.614	-1.3	3.8	2.7	-1.5	4.9	7.4	5.30
Q3	1.5	2.1	38.7	5.13	0.619	-1.1	3.2	2.2	-2.7	5.0	7.6	5.00
Q4	1.0	-2.1	38.7	4.82	0.621	-2.7	.	1.7	-5.6	5.1	7.6	4.16
2002 Q1	.	.	.	5.13	0.615	.	.	.	.	.	.	4.08
2001 Oct.	1.2	5.0	38.5	4.86	0.624	-	-	-	-5.3	5.0	8.2	4.43
Nov.	0.8	-6.1	38.2	4.67	0.618	-	-	-	-4.4	5.1	8.1	4.00
Dec.	1.0	-5.3	38.7	4.94	0.620	-	-	-	-7.1	5.1	6.5	4.05
2002 Jan.	1.6	9.8	38.3	5.02	0.617	-	-	-	-5.9	.	6.0	4.05
Feb.	1.5	-1.6	37.8	5.04	0.612	-	-	-	.	.	.	4.05
Mar.	.	.	.	5.33	0.616	-	-	-	.	.	.	4.13

Sources: Eurostat (columns 1, 8, 9 and 10); European Commission (Economic and Financial Affairs DG and Eurostat) (columns 2 (annual) and 3 (annual)); Reuters (column 12); national data (columns 2 (quarterly and monthly), 3 (quarterly and monthly), 4, 5, 7 (except Sweden) and 11); ECB calculations (columns 6 and 7 (Sweden)).

1) Average-of-period values.

2) For more information, see Table 10.

3) Whole economy; data for the United Kingdom exclude employers' contributions to social security.

4) Total excluding construction; adjusted for working days.

5) Average of end-month values; M3; M4 for the United Kingdom.

12 Economic and financial developments outside the EU

Table 12.1

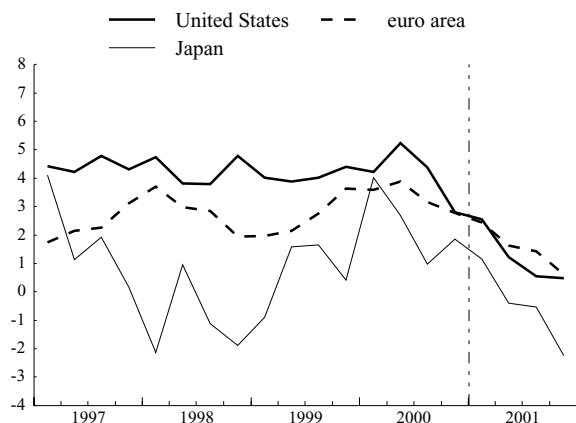
Economic and financial developments

(annual percentage changes, unless otherwise indicated)

	Consumer price index 1	Unit labour costs ¹⁾ 2	Real GDP 3	Industrial production index ¹⁾ 4	Unemployment rate as a % of labour force (s.a.) 5	M2 ²⁾ 6	3-month interbank deposit rate ³⁾ as a % per annum 7	10-year government bond yield ³⁾ as a % per annum 8	Exchange rate ⁴⁾ as national currency per ECU or euro 9	Fiscal deficit (-)/surplus (+) ⁵⁾ as a % of GDP 10	Gross public debt ⁶⁾ as a % of GDP 11
United States											
1998	1.6	0.1	4.3	5.9	4.5	7.3	5.57	5.33	1.121	0.3	53.4
1999	2.2	-0.5	4.1	4.2	4.2	7.6	5.42	5.64	1.066	0.8	50.5
2000	3.4	0.8	4.1	4.7	4.0	6.1	6.53	6.03	0.924	1.7	45.0
2001	2.8	6.2	1.2	-4.3	4.8	8.7	3.78	5.01	0.896	0.5	44.8
2000 Q4	3.4	4.1	2.8	2.3	4.0	6.1	6.69	5.56	0.868	1.7	45.0
2001 Q1	3.4	6.7	2.5	-1.0	4.2	7.1	5.35	5.04	0.923	1.5	45.0
Q2	3.4	8.0	1.2	-4.2	4.5	8.1	4.19	5.25	0.873	1.1	43.4
Q3	2.7	6.4	0.5	-5.6	4.8	9.4	3.46	4.98	0.890	-0.9	44.0
Q4	1.9	3.7	0.5	-6.1	5.6	10.3	2.15	4.74	0.896	0.1	44.8
2002 Q1	.	.	.	.	.	.	1.90	5.06	0.877	.	.
2001 Oct.	2.1	-	-	-6.5	5.4	9.9	2.40	4.55	0.906	-	-
Nov.	1.9	-	-	-6.1	5.6	10.5	2.10	4.61	0.888	-	-
Dec.	1.6	-	-	-5.7	5.8	10.4	1.92	5.07	0.892	-	-
2002 Jan.	1.1	-	-	-4.7	5.6	9.6	1.82	5.00	0.883	-	-
Feb.	1.1	-	-	-4.1	5.5	9.3	1.90	4.90	0.870	-	-
Mar.	.	-	-	.	.	.	1.99	5.28	0.876	-	-
Japan											
1998	0.7	6.3	-1.1	-7.1	4.1	4.4	0.66	1.30	146.4	-10.3	.
1999	-0.3	-2.5	0.7	0.8	4.7	3.7	0.22	1.75	121.3	-10.4	.
2000	-0.7	-6.5	2.4	5.9	4.7	2.1	0.28	1.76	99.5	.	.
2001	-0.7	.	-0.5	-7.9	5.0	2.8	0.15	1.34	108.7	.	.
2000 Q4	-0.8	-5.3	1.9	4.9	4.8	2.0	0.56	1.73	95.3	.	.
2001 Q1	-0.4	-0.2	1.2	-1.1	4.7	2.4	0.37	1.38	109.1	.	.
Q2	-0.7	3.7	-0.4	-5.7	4.9	2.7	0.08	1.28	106.9	.	.
Q3	-0.8	9.4	-0.5	-11.1	5.1	3.1	0.07	1.36	108.3	.	.
Q4	-1.0	.	-2.2	-13.4	5.4	3.2	0.08	1.35	110.5	.	.
2002 Q1	.	.	.	.	.	.	0.10	1.46	116.1	.	.
2001 Oct.	-0.8	9.4	-	-11.8	5.4	3.0	0.08	1.36	109.9	-	-
Nov.	-1.0	11.0	-	-13.1	5.4	3.2	0.08	1.33	108.7	-	-
Dec.	-1.2	.	-	-15.3	5.5	3.4	0.08	1.35	113.4	-	-
2002 Jan.	-1.4	.	-	-11.5	5.3	3.5	0.09	1.42	117.1	-	-
Feb.	-1.6	.	-	-11.4	.	3.7	0.10	1.52	116.2	-	-
Mar.	.	.	-	.	.	.	0.10	1.45	114.7	-	-

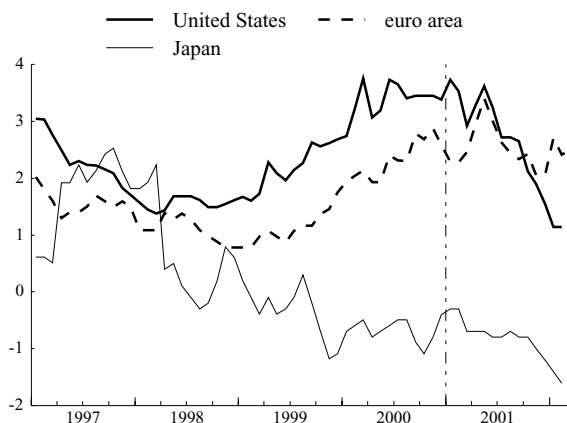
Real gross domestic product

(annual percentage changes; quarterly)



Consumer price indices

(annual percentage changes; monthly)



Sources: National data (columns 1, 2 (United States), 3, 4, 5, 6, 8 (to December 1998), 9 and 10); OECD (column 2 (Japan)); Eurostat (euro area chart data); Reuters (column 7 and 8 (from January 1999)); ECB calculation (column 11).

1) Manufacturing.

2) Average-of-period values; M2 and CDs for Japan.

3) For more information, see Tables 3.1 and 3.2.

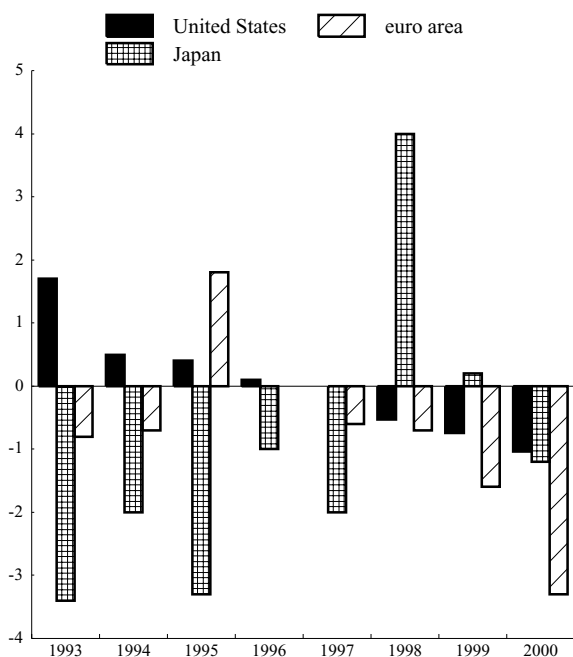
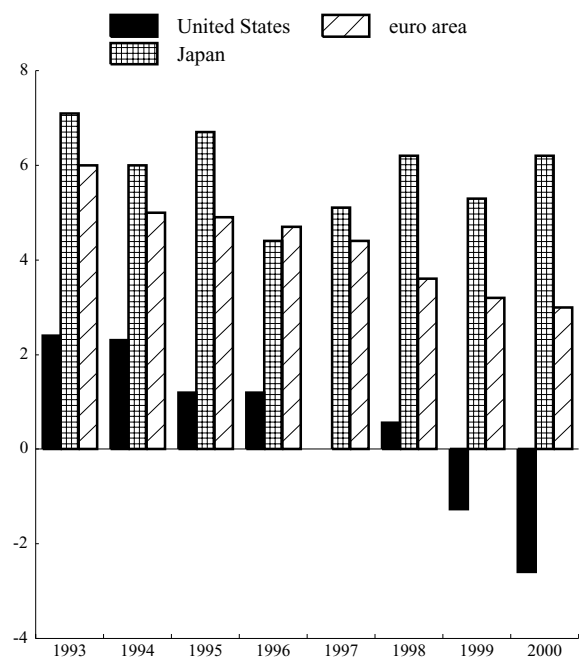
4) For more information, see Table 10.

5) Japan: the 1998 deficit includes a large debt assumption; financial accounts sources for 1999.

6) Gross consolidated debt for the general government (end of period).

Table 12.2
Saving, investment and financing
(as a percentage of GDP)

	National saving and investment			Investment and financing of non-financial corporations						Investment and financing of households ¹⁾			
	Gross saving	Gross capital formation	Net lending to the rest of the world	Gross capital formation	Gross fixed capital formation	Net acquisition of financial assets	Gross saving	Net incurrence of liabilities	Securities and shares	Capital expenditure	Net acquisition of financial assets	Gross saving	Net incurrence of liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13
United States													
1998	18.8	20.7	-2.3	9.4	8.6	6.5	8.2	7.0	1.6	12.3	6.2	12.8	5.6
1999	18.4	20.9	-3.3	9.6	9.0	7.2	8.1	7.9	3.2	12.5	5.2	11.1	6.5
2000	18.1	21.1	-4.4	9.7	9.2	6.1	8.1	7.2	2.7	12.6	3.2	10.3	5.8
2001	16.9	19.4	-3.8	8.2	8.7	2.6	7.5	2.8	2.1	12.7	4.7	11.0	5.6
2000 Q1	17.8	21.0	-4.1	9.6	9.2	7.7	7.9	8.8	5.6	12.9	5.0	10.3	7.7
Q2	18.3	21.4	-4.2	9.8	9.1	6.6	8.2	7.6	3.1	12.6	4.2	10.4	5.8
Q3	18.2	21.2	-4.5	9.9	9.4	6.8	8.2	8.0	2.2	12.5	2.4	10.1	6.0
Q4	18.0	21.0	-4.5	9.6	9.2	3.3	8.0	4.3	0.2	12.4	1.2	10.2	3.6
2001 Q1	17.3	20.2	-4.1	8.9	9.1	1.9	7.5	3.0	2.0	12.6	4.1	10.3	3.7
Q2	17.2	19.7	-4.0	8.4	8.8	1.8	7.5	2.0	2.5	12.6	4.5	10.5	6.6
Q3	17.1	19.1	-3.5	8.1	8.6	4.1	7.7	3.9	1.3	12.6	9.0	12.5	8.7
Q4	15.9	18.3	-3.7	7.3	8.3	2.6	7.2	2.3	2.5	13.2	1.2	10.5	3.5
Japan													
1998	29.1	26.9	2.6	15.6	15.6	-6.0	13.3	-8.3	-0.3	5.3	6.1	11.7	-1.0
1999	27.6	25.8	2.2	14.4	14.8	3.3	13.5	-2.0	1.8	5.2	5.9	11.1	-0.3
2000	27.7	25.9	2.3	15.2	15.5	2.6	13.8	1.0	1.0	5.2	4.3	10.9	-0.4
2001	.	25.5	.	.	.	-3.7	.	1.0	1.5	.	3.9	.	0.2
2000 Q1	.	26.3	.	.	.	15.5	.	4.4	-1.2	.	-0.7	.	5.3
Q2	.	24.8	.	.	.	-25.0	.	-17.2	2.5	.	8.8	.	-7.5
Q3	.	27.1	.	.	.	12.7	.	1.8	-0.2	.	0.6	.	1.4
Q4	.	27.1	.	.	.	6.8	.	13.7	2.7	.	7.9	.	-0.5
2001 Q1	.	27.5	.	.	.	8.9	.	-3.3	0.2	.	-4.8	.	2.7
Q2	.	23.5	.	.	.	-30.8	.	-18.5	4.4	.	14.0	.	-5.3
Q3	.	26.1	.	.	.	5.1	.	-8.6	-1.1	.	-3.2	.	3.5
Q4	.	25.1	.	.	.	1.0	.	-1.2	2.6	.	9.7	.	-0.2

Net lending of non-financial corporations
(as a percentage of GDP)

Net lending of households ¹⁾
(as a percentage of GDP)


Sources: ECB, Federal Reserve Board, Bank of Japan and Economic and Social Research Institute.

1) Households including non-profit institutions serving households.

Technical notes

Relating to Table 2.4¹

Seasonal adjustment of the euro area monetary aggregates

The approach used relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2).² Seasonal adjustment for monetary aggregates includes a day-of-the-week adjustment for some components of M2. The seasonal adjustment of M3 is carried out indirectly by aggregating the seasonally adjusted series of M1, M2 less M1, and M3 less M2 to fulfil the additivity constraint.

Seasonal factors are estimated for the index of adjusted stocks. They are then applied to the levels expressed in EUR billions and to the adjustments due to reclassifications, other revaluations, etc., yielding seasonally adjusted values for the levels, the adjustments and thus for the flows. Seasonal factors are revised at annual intervals or as required.

Calculation of growth rates

Growth rates may be calculated from flows or the index of adjusted stocks.

If F_t^M represents the flow in month t , L_t the level outstanding at the end of the month t , X_t^M the rate of change in month t (augmented by one) defined as

$$(a) \quad X_t^M = \left(\frac{F_t^M}{L_{t-1}} + 1 \right)$$

and I_t the index of adjusted stocks in month t , defined as

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

where the base $I_{\text{DEC}1998} = 100$ is used, the annual percentage change a_t for month t – i.e. the change in the 12 months ending in month t – may be calculated as follows:

$$(b) \quad a_t = \left(\prod_{i=0}^{11} X_{t-i}^M - 1 \right) \times 100$$

$$(c) \quad a_t = \left(\frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

Similarly, the monthly change, as shown in Table 2.4.4, may be calculated as $(I_t/I_{t-1} - 1) \times 100$. Finally, the three-month moving average for M3 is obtained as $(a_t + a_{t-1} + a_{t-2})/3$.

Roundings may give rise to differences from the annual percentage changes shown in Table 2.4. The index of adjusted stocks is available with a higher level of precision on the ECB's website (www.ecb.int) on the "Euro area statistics – download" page (in csv file format), from which the exact percentage changes in Table 2.4 may be calculated.

Relating to Tables 2.5 to 2.8

As far as possible, the data have been harmonised and are comparable. Nevertheless, as a result of the implementation of a new reporting scheme in January 1999, outstanding levels for Tables 2.5 to 2.8 prior to the first quarter of 1999 are not directly comparable with those referring to later periods, although they are sufficiently comparable for structural analysis. A detailed analysis of the growth rates can be performed for Tables 2.5 to 2.7 where quarterly flows are shown.

Finally, since the values reported for Tables 2.5 to 2.8 are revised on a quarterly basis (in the March, June, September and December issues), minor discrepancies may occur between these tables and those reporting monthly data.

Calculation of growth rates

Growth rates may be calculated from flows or the index of adjusted stocks.

¹ For details see "Seasonal adjustment of monetary aggregates and HICP for the euro area", ECB (August 2000).

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, 127-152, or "X-12-ARIMA Reference Manual Version 0.2.2.", December 1998, Time Series Staff, Bureau of the Census, Washington, D.C.

For internal purposes, multiplicative models of TRAMO-SEATS also are used. For details on TRAMO-SEATS, see Gomez, V. and Maravall, A. (1996), "Programs TRAMO and SEATS: Instructions for the User", Bank of Spain, Working Paper No. 9628, Madrid.

If F_t^Q represents the flow in the quarter ending in month t , X_t^Q the rate of change (augmented by one) in the quarter ending in month t defined as

$$(d) \quad X_t^Q = \left(\frac{F_t^Q}{L_{t-3}} + 1 \right)$$

and I_t and L_t are defined as above, the annual percentage change a_t referring to the quarter ending in month t may be calculated as follows:

$$(e) \quad a_t = \left(\prod_{i=0}^3 X_{t-3i}^Q - 1 \right) \times 100$$

$$(f) \quad a_t = \left(\frac{I_t}{I_{t-12}} - 1 \right) \times 100.$$

Similarly, the quarterly change may be calculated as $(I_t/I_{t-3} - 1) \times 100$.

Roundings may give rise to differences from the annual percentage changes shown in Tables 2.5 to 2.7. The index of adjusted stocks is available with a higher level of precision on the ECB's website (www.ecb.int) on the "Euro area statistics – download" page (in csv file format), from which the exact percentage changes in Tables 2.5 to 2.7 may be calculated.

Relating to Table 4.1

Seasonal adjustment of the HICP¹

The approach used relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2) (see footnote 2 on the previous page). The seasonal adjustment of the total 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.

Relating to Table 8.2

Seasonal adjustment of the balance of payments current account

The approach relies on multiplicative decomposition through X-12-ARIMA (version 0.2.2) (see footnote 2 on the previous page). The seasonal adjustment for goods includes a working day and an Easter adjustment, whereas that for services includes only a working day adjustment. 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 factors are revised at annual intervals or as required.

¹ See footnote 1 on the previous page.

General notes

The basis for the statistics compiled by the European Central Bank (ECB) is presented in the document entitled "Statistical information collected and compiled by the ESCB", dated May 2000. This document is an update of the report entitled "Statistical requirements for Stage Three of Monetary Union (Implementation Package)" of July 1996, and describes the provision of statistics as it stands today. The document covers money and banking and related statistics, balance of payments statistics, international investment position statistics and financial accounts statistics. The requirements of the ECB for statistics on prices and costs, national accounts, the labour market, government receipts and expenditure, short-term indicators of output and demand, and the European Commission Business and Consumer Surveys are set out in the document entitled "Requirements in the field of general economic statistics" of August 2000.¹

The focus of these statistics is the euro area as a whole. More detailed and longer runs of data, with further explanatory notes, are available in a downloadable format (csv files) on the ECB's website (www.ecb.int) and new or expanded data will appear in the ECB Monthly Bulletin as they become available.

Owing to the fact that the composition of the ECU does not coincide with the currencies of the Member States which have adopted the single currency, pre-1999 amounts converted from the participating currencies into ECU at current ECU exchange rates are affected by movements in the currencies of Member States which have not adopted the euro. To avoid this effect in the monetary statistics, the pre-1999 data in Tables 2.1 to 2.8 are expressed in units converted from national currencies at the irrevocable euro exchange rates established on 31 December 1998. Unless indicated otherwise, price and cost statistics before 1999 are based on the data expressed in national currency terms.

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

As a general rule, the cut-off date for the statistics included in the ECB Monthly Bulletin is the day preceding the first meeting in the month of the Governing Council of the ECB. For this issue, it was 3 April 2002.

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

Overview

Key developments in the euro area are summarised in an overview table.

Monetary policy and financial statistics

Tables 1.1 to 1.5 show the consolidated financial statement of the Eurosystem, data on Eurosystem operations, statistics relating to minimum reserves, and the banking system's liquidity position. Tables 1.2 and 1.3 reflect the switch to variable rate tenders in June 2000. Monetary data relating to Monetary Financial Institutions (MFIs), including the Eurosystem, are shown in Tables 2.1 to 2.3. Table 2.3 is consolidated; inter-MFI positions within the euro area are not shown, but any difference between the sum total of such claims and liabilities as recorded is shown in column 13. Table 2.4 sets out monetary aggregates drawn from the consolidated MFI balance sheet; they also include some (monetary) liabilities of central government. The M3 data shown in Table 2.4 exclude holdings by non-residents of the euro area of i) shares/units issued by money market funds located in the euro area, and ii) money market paper and debt securities issued with a maturity up to two years by MFIs located in the euro area. Accordingly, these holdings are included in the item external liabilities shown in Table 2.3, and as a result have an

¹ Money and banking statistics are the responsibility of the ECB at the European level; responsibility for balance of payments, international investment position and financial accounts statistics is shared with the European Commission (Eurostat); price and cost and other economic statistics are the responsibility of the European Commission (Eurostat).

impact on the item net external assets shown in Table 2.4. Table 2.5 shows a quarterly sectoral and maturity analysis of loans by MFIs to euro area residents. Table 2.6 shows a quarterly analysis of deposits held by euro area residents with MFIs. Table 2.7 provides a quarterly analysis of MFI claims on and liabilities to non-residents of the euro area. Table 2.8 shows a quarterly currency analysis of certain MFI balance sheet items. Tables 2.5 to 2.7 show flows adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions, and annual percentage changes. A complete list of MFIs is published on the ECB's website. Details of the sector definitions are set out in the "Money and Banking Statistics Sector Manual: Guidance for the statistical classification of customers" (ECB, November 1999). The "Money and Banking Statistics Compilation Guide" (EMI, April 1998) explains recommended practices to be followed by the NCBs. From 1 January 1999 the statistical information is collected and compiled on the basis of the ECB Regulation concerning the consolidated balance sheet of the Monetary Financial Institutions sector (ECB/1998/16, as replaced from January 2002 by ECB/2001/13).

Statistics on money market interest rates, long-term government bond yields and stock market indices (Tables 3.1 to 3.3) are produced by the ECB using data from wire services. For details concerning the statistics on retail bank interest rates (Table 3.4), see the footnote at the bottom of the relevant page.

Statistics on securities issues are presented in Tables 3.5 and 3.6. They are broken down into short-term and long-term securities. "Short-term" means securities with an original maturity of one year or less (in accordance with the ESA 95, in exceptional cases two years or less). Securities with a longer maturity, or with optional maturity dates, the latest of which is more than one year away, or with indefinite maturity dates, are classified as long-term. The statistics on securities issues are estimated to cover

approximately 95% of total issues by euro area residents. Table 3.5 shows securities issued, redemptions and amounts outstanding, broken down into short-term securities and long-term securities. Net issues differ from the change in amounts outstanding owing to valuation changes, reclassifications and other adjustments. Table 3.6 contains a sectoral breakdown of issuers of euro-denominated securities, whether resident in the euro area or elsewhere. For euro area residents, the sectoral breakdown is in line with the European System of Accounts 1995 (ESA 95).² For non-euro area residents, the term "banks (including central banks)" is used to indicate institutions of a similar type to MFIs (including the Eurosystem) resident outside the euro area. The term "international organisations" includes the European Investment Bank. (The ECB is included in the Eurosystem.)

The totals (columns 1, 7 and 14) in Table 3.6 are identical to the data on amounts outstanding (columns 8, 16 and 20), gross issues (columns 5, 13 and 17) and net issues (columns 7, 15 and 19) of euro-denominated securities in Table 3.5. The amounts outstanding of securities issued by MFIs (column 2) in Table 3.6 are broadly comparable with money market paper and debt securities issued as shown on the liabilities side of the aggregated MFI balance sheet in Table 2.8.3 (columns 2 and 10), although the coverage of securities issues statistics is at present somewhat narrower.

Prices and real economy indicators

The data presented in the ECB Monthly Bulletin are, with a few exceptions, produced

² The code numbers in the ESA 95 for the sectors shown in tables in the Monthly Bulletin are: MFIs (including Eurosystem) comprises the ECB and the national central banks of Member States in the euro area (S.121) and other monetary financial institutions (S.122); non-monetary financial corporations comprises other financial intermediaries (S.123), financial auxiliaries (S.124) and insurance corporations and pension funds (S.125); non-financial corporations (S.11); central government (S.1311); other general government comprises state government (S.1312), local government (S.1313) and social security funds (S.1314).

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. However, the availability of comparable data is, as a general rule, better for the more recent periods than for earlier periods.

The Harmonised Index of Consumer Prices (HICP) for the euro area (Table 4.1) is available from 1995 onwards. The index is based on national HICPs that follow the same methodology in all euro area countries. The breakdown by goods and services components is derived from the Classification of individual consumption by purpose (Coicop) used for the HICP. The HICP covers monetary expenditure on final consumption by households on the economic territory of the euro area. The table includes seasonally adjusted HICP data which are compiled by the ECB.

With regard to statistics on national accounts (Tables 4.2 and 5.1), the implementation of the ESA 95 during 1999 and thereafter has begun to pave the way for fully comparable data, including quarterly summary accounts, across the euro area. Before 1999 the deflators of GDP in Table 4.2.2 are derived from national data in domestic currency. National accounts in this issue are based on the ESA 95.

Table 5.2 shows selected other real economy indicators. The implementation of Council Regulation (EC) No. 1165/98 of 19 May 1998 concerning short-term statistics will enlarge the range of available euro area data. The breakdown by end-use of the products applied in Tables 4.2.1 and 5.2.1 represents the harmonised sub-division of industry excluding construction (NACE sections C to E) into Main Industrial Groupings as defined in the Commission Regulation (EC) No. 586/2001 of 26 March 2001.

Opinion survey data (Table 5.3) draw on the Business and Consumer Surveys of the European Commission.

Employment data (Table 5.4) are based on the ESA 95. Whenever coverage of the euro area is incomplete, some data are estimated by the ECB on the basis of the information available. Unemployment rates conform to International Labour Organization (ILO) guidelines.

Financial accounts statistics

Table 6.1 shows quarterly data on financial accounts for non-financial sectors in the euro area, comprising general government (S.13), non-financial corporations (S.11), and households (S.14) including non-profit institutions serving households (S.15). The data (not seasonally adjusted) cover levels outstanding and financial transactions classified according to the ESA 95 and show the main financial investment and financing activities of the non-financial sectors. On the financing side (liabilities) the data are presented by ESA 95 sector and original maturity. Whenever possible the financing taken from MFIs is separately presented. The information on financial investment (assets) is currently less detailed than that on financing, especially since a breakdown by sector is not possible. While both levels and transactions may throw light on economic developments, the latter are more likely to be the focus of attention.

The quarterly data are based on euro area MFI and securities issues statistics, government finance statistics, quarterly national financial accounts, and BIS international banking statistics. While all euro area countries contribute to the euro area statistics, Ireland and Luxembourg, as yet, do not provide quarterly national financial accounts data.

Table 6.2 shows annual data on saving, (financial and non-financial) investment and financing in the euro area. These data cannot yet be reconciled with the quarterly data presented in Table 6.1.

General government fiscal position

Tables 7.1 to 7.3 show the general government fiscal position in the euro area. The data are mainly consolidated and are based on the ESA 95 methodology. The euro area aggregates are compiled by the ECB from harmonised data provided by the NCBs, which are regularly updated. Data on deficit and debt for the euro area countries may therefore differ from those used by the European Commission in the context of the excessive deficit procedure.

Table 7.1 shows general government revenue and expenditure on the basis of definitions laid down in Commission Regulation No. 1500/2000 of 10 July 2000 amending the ESA 95. Table 7.2 shows details of general government gross consolidated debt at nominal value in accordance with the Treaty provisions on the excessive deficit procedure. Tables 7.1 and 7.2 include summary data for individual euro area countries owing to their importance in the framework of the Stability and Growth Pact. Table 7.3 analyses changes in general government debt. The difference between the change in government debt and government deficit, the deficit-debt adjustment, is mainly explained by government transactions in financial assets and by foreign exchange valuation effects.

Balance of payments and international investment position of the euro area (including reserves), trade in goods and exchange rates

The concepts and definitions used in balance of payments statistics (Tables 8.1 to 8.6) and international investment position (i.i.p.) statistics generally conform to the 5th edition of the IMF Balance of Payments Manual (October 1993), to the ECB Guideline of May 2000 (ECB/2000/04) on the statistical reporting requirements of the ECB, and to Eurostat's documentation.

The euro area balance of payments is compiled by the ECB. Data up to December

1998 are expressed in ECU. The recent monthly figures for balance of payments statistics should be regarded as provisional. Data are revised with the publication of the detailed quarterly balance of payments data. Earlier data are revised periodically.

Some earlier data have been partially estimated and may not be fully comparable with more recent observations. That is the case for the b.o.p. financial account before end-1998, the services account before end-1997, the monthly pattern of income for the years 1997 to 1999 and the i.i.p. at end-1997. Table 8.5.2 provides a sectoral breakdown of euro area purchasers of securities issued by non-residents of the euro area. It is not possible to show a sectoral breakdown of euro area issuers of securities acquired by non-residents.

The euro area i.i.p. (Table 8.7.1) is compiled on a net basis by aggregating national data. The i.i.p. is valued at current market prices with the exception of direct investment stocks, where book values are used to a large extent.

The outstanding amounts of the Eurosystem's international reserves and related assets are shown in Table 8.7.2 with the corresponding reserves and related assets held by the ECB. The data in Table 8.7.2 are in line with the recommendations for the IMF/BIS template on international reserves and foreign currency liquidity. Earlier data are revised on an ongoing basis. Reserve assets data before end-1999 are not fully comparable with later observations. A publication on the statistical treatment of the Eurosystem's international reserves is available on the ECB's website.

Table 9 shows data on euro area external trade in goods. The main source for the data is Eurostat. The ECB derives volume indices from Eurostat value and unit value indices, and performs seasonal adjustment of unit value indices, while value data are seasonally and working day adjusted by Eurostat.

The commodity breakdown is in accordance with the classification by Broad Economic Categories (based on the SITC Rev. 3 definition) for intermediate, capital and consumption goods, and with the SITC Rev. 3 for manufactured goods and oil. The geographical breakdown shows main trading partners, individually or in regional groups. The 13 EU candidate countries are Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey.

Owing to differences in definitions, classification, coverage and time of recording, external trade data, in particular imports, are not fully comparable with the goods item in the balance of payments statistics (Tables 8.1 and 8.2). Part of the difference arises from the inclusion of insurance and freight services in the recording of goods imported, which accounted for about 3.8% of the value of imports (c.i.f.) in 1998 (ECB estimates).

Table 10 shows ECB calculations of nominal and real effective exchange rate indices for the euro based on weighted averages of bilateral euro exchange rates. Weights are based on 1995-97 manufactured goods trade with the trading partners and capture third-market effects. Up to December 2000, the narrow group is composed of the countries whose currencies are shown in the table plus the Greek drachma. On adopting the euro in January 2001, Greece ceased to be a partner

country in the effective exchange rate of the euro and the weighting scheme has been adjusted accordingly. In addition, the broad group includes the following countries: Algeria, Argentina, Brazil, China, Croatia, Cyprus, the Czech Republic, Estonia, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, the Philippines, Poland, Romania, Russia, Slovakia, Slovenia, South Africa, Taiwan, Thailand and Turkey. Real rates are calculated using consumer prices (CPI), producer prices in manufacturing (PPI) and unit labour costs in manufacturing (ULCM). Where deflators are not yet available, estimates are used. The bilateral rates shown are those against the 12 currencies used in the ECB's calculation of the "narrow" effective exchange rate of the euro. The ECB publishes daily reference rates for these and some other currencies.

Other statistics

Statistics on other EU Member States (Table 11) follow the same principles as those for data relating to the euro area. Data for the United States and Japan contained in Tables/Charts 12.1 and 12.2 are obtained from national sources. Saving, investment and financing data for the United States and Japan (Table/Chart 12.2) are structured in the same way as the capital and financial flows data shown for the euro area in Table/Chart 6.



Chronology of monetary policy measures of the Eurosystem¹

4 January 2000

The ECB announces that on 5 January 2000 the Eurosystem will conduct a liquidity-absorbing fine-tuning operation with same-day settlement. This measure aims at restoring normal liquidity conditions in the money market after the successful transition to the year 2000.

5 January 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.0%, 4.0% and 2.0% respectively.

15 January 2000

At the request of the Greek authorities, the ministers of the euro area Member States, the ECB and the ministers and central bank governors of Denmark and Greece decide, following a common procedure, to revalue the central rate of the Greek drachma in the exchange rate mechanism (ERM II) by 3½%, with effect from 17 January 2000.

20 January 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.0%, 4.0% and 2.0% respectively.

It also announces that the Eurosystem intends to allot an amount of €20 billion for each of the longer-term refinancing operations to be conducted in the first half of 2000. This amount takes into consideration the expected liquidity needs of the banking system of the euro area in the first half of 2000 and the desire of the Eurosystem to continue to provide the bulk of its refinancing of the financial sector through its main refinancing operations.

3 February 2000

The Governing Council of the ECB decides to raise the interest rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 3.25%, starting from the operation to be settled on 9 February 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 4.25% and 2.25% respectively, both with effect from 4 February 2000.

17 February, 2 March 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

16 March 2000

The Governing Council of the ECB decides to raise the interest rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 3.5%, starting from the operation to be settled on 22 March 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 4.5% and 2.5% respectively, with effect from 17 March 2000.

30 March, 13 April 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.5%, 4.5% and 2.5% respectively.

¹ The chronology of monetary policy measures of the Eurosystem taken in 1999 can be found on pages 176 to 179 of the ECB Annual Report 1999.

27 April 2000

The Governing Council of the ECB decides to raise the interest rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 3.75%, starting from the operation to be settled on 4 May 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 4.75% and 2.75% respectively, both with effect from 28 April 2000.

11 May 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.75%, 4.75% and 2.75% respectively.

25 May 2000

The Governing Council of the ECB decides that the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will remain unchanged at 3.75%, 4.75% and 2.75% respectively.

8 June 2000

The Governing Council of the ECB decides to raise the interest rate on the main refinancing operations of the Eurosystem by 0.50 percentage point to 4.25% and to apply this in the two operations (which will be conducted as fixed rate tenders) to be settled on 15 and 21 June 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 5.25% and 3.25% respectively, both with effect from 9 June 2000.

It also announces that, starting from the operation to be settled on 28 June 2000, the main refinancing operations of the Eurosystem

will be conducted as variable rate tenders, applying the multiple rate auction procedure. The Governing Council decides to set a minimum bid rate for these operations equal to 4.25%. The switch to variable rate tenders in the main refinancing operations is not intended as a further change in the monetary policy stance of the Eurosystem, but as a response to the severe overbidding which has developed in the context of the current fixed rate tender procedure.

19 June 2000

In accordance with Article 122 (2) of the Treaty establishing the European Community, the ECOFIN Council decides that Greece fulfils the necessary conditions on the basis of the criteria set out in Article 121 (1) and abrogates the derogation of Greece with effect from 1 January 2001. The ECOFIN Council took its decision, taking account of the reports of the European Commission and the ECB on the progress made in the fulfilment by Sweden and Greece of their obligations regarding the achievement of Economic and Monetary Union, after consulting the European Parliament, and after a discussion in the EU Council meeting in the composition of Heads of State or Government.

The ECOFIN Council, acting with the unanimity of the Member States of the European Community without a derogation and the Member State concerned, upon a proposal from the European Commission and after consultation of the ECB, also adopts the irrevocable conversion rate between the Greek drachma and the euro, with effect from 1 January 2001. Following the determination of the euro conversion rate of the Greek drachma (which is equal to its prevailing central rate against the euro in the exchange rate mechanism, ERM II), the ECB and the Bank of Greece announce that they will monitor the convergence of the market exchange rate of the Greek drachma against the euro towards its euro conversion rate, which should be completed at the latest by 29 December 2000.

21 June 2000

The Governing Council of the ECB decides that the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 5.25% and 3.25% respectively. It reiterates that, as announced on 8 June 2000, the forthcoming main refinancing operations of the Eurosystem will be conducted as variable rate tenders, applying the multiple rate auction procedure, with a minimum bid rate of 4.25%.

The Governing Council also announces that, for the longer-term refinancing operations to be conducted in the second half of 2000, the Eurosystem intends to allot an amount of €15 billion per operation. This amount takes into consideration the expected liquidity needs of the banking system of the euro area in the second half of 2000 and the desire of the Eurosystem to continue to provide the bulk of its refinancing of the financial sector through its main refinancing operations.

6 July, 20 July, 3 August 2000

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.25%, 5.25% and 3.25% respectively.

31 August 2000

The Governing Council of the ECB decides to raise the minimum bid rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 4.50%, with effect from the operation to be settled on 6 September 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.50% and 3.50% respectively, both with effect from 1 September.

14 September 2000

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.50%, 5.50% and 3.50% respectively.

5 October 2000

The Governing Council of the ECB decides to raise the minimum bid rate on the main refinancing operations of the Eurosystem by 0.25 percentage point to 4.75%, with effect from the operation to be settled on 11 October 2000. In addition, it decides to increase the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.75% and 3.75% respectively, both with effect from 6 October.

19 October, 2 November, 16 November, 30 November 2000

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.75%, 5.75% and 3.75% respectively.

14 December 2000

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.75%, 5.75% and 3.75% respectively.

In addition, it decides to reconfirm the existing reference value for monetary growth, namely an annual growth rate of 4½% for the broad aggregate M3. This decision is taken on the grounds that the available evidence continues to support the assumptions underlying the initial derivation of the reference value in December

1998 (and its confirmation in December 1999), namely that, over the medium term, M3 income velocity declines at a trend rate in the range from ½% to 1% per annum and potential output grows at a trend rate between 2% and 2½% per annum. The Governing Council will undertake the next review of the reference value in December 2001.

2 January 2001

On 1 January 2001 the euro was introduced in Greece. Greece thus became the twelfth EU Member State to adopt the single currency and the first to do so since the start of Stage Three of Economic and Monetary Union (EMU) on 1 January 1999. As a result, the Bank of Greece is now a full member of the Eurosystem, with the same rights and obligations as the 11 national central banks of the EU Member States which previously adopted the euro. In accordance with Article 49 of the Statute of the European System of Central Banks and of the European Central Bank, the Bank of Greece pays up the remainder of its contribution to the capital of the ECB, as well as its share of the ECB's reserves, and also transfers to the ECB its contribution to the foreign reserve assets of the ECB.

Further to the announcement on 29 December 2000, the first main refinancing operation of 2001, in which the Greek counterparties of the Eurosystem participate for the first time, is successfully conducted. The allotment volume of €101 billion takes into account the additional liquidity needs of the euro area banking system resulting from the integration of the Greek Monetary Financial Institutions.

4 January 2001

The Governing Council of the ECB decides that the minimum bid rate for the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.75%, 5.75% and 3.75% respectively.

In addition, it decides on an allotment amount of €20 billion per operation for the longer-term refinancing operations to be conducted in 2001. This amount takes into consideration the expected liquidity needs of the euro area banking system in 2001 and the desire of the Eurosystem to continue to provide the bulk of refinancing of the financial sector through its main refinancing operations. The Governing Council may adjust the allotment amount in the course of the year in the event of unexpected developments in liquidity needs.

18 January, 1 February, 15 February, 1 March, 15 March, 29 March, 11 April, 26 April 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.75%, 5.75% and 3.75% respectively.

10 May 2001

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.25 percentage point to 4.50%, with effect from the operation to be settled on 15 May 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.50% and 3.50% respectively, both with effect from 11 May 2001.

23 May, 7 June, 21 June, 5 July, 19 July, 2 August 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.50%, 5.50% and 3.50% respectively.

30 August 2001

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.25 percentage point to 4.25%, with effect from the operation to be settled on 5 September 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.25 percentage point, to 5.25% and 3.25% respectively, both with effect from 31 August 2001.

13 September 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.25%, 5.25% and 3.25% respectively.

17 September 2001

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.50 percentage point to 3.75%, with effect from the operation to be settled on 19 September 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 4.75% and 2.75% respectively, both with effect from 18 September 2001.

27 September, 11 October, 25 October 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.75%, 4.75% and 2.75% respectively.

8 November 2001

The Governing Council of the ECB decides to lower the minimum bid rate on the main refinancing operations by 0.50 percentage point to 3.25%, starting from the operation to be settled on 14 November 2001. In addition, it decides to lower the interest rates on both the marginal lending facility and the deposit facility by 0.50 percentage point, to 4.25% and 2.25% respectively, both with effect from 9 November 2001.

6 December 2001

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

In addition, it decides that the reference value for the annual growth rate of the broad monetary aggregate M3 will remain at 4½%.

3 January 2002

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

The Governing Council also decides on an allotment amount of €20 billion per operation for the longer-term refinancing operations to be conducted in 2002. This amount takes into consideration the expected liquidity needs of the euro area banking system in 2002 and the desire of the Eurosystem to continue to provide the bulk of refinancing of the financial sector through its main refinancing operations. The Governing Council may adjust the allotment amount in the course of the year in the event of unexpected developments in liquidity needs.

7 February, 7 March, 4 April 2002

The Governing Council of the ECB decides that the minimum bid rate on the main refinancing

operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.25%, 4.25% and 2.25% respectively.

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