EUROPEAN CENTRAL BANK

EUROSYSTEM

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

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

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CONTENTS

ABBREVIATIONS

COUNTRIES

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

OTHERS

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

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

EDITORIAL

Based on its regular economic and monetary analyses, the Governing Council decided at its meeting on 8 May to keep the key ECB interest rates unchanged. Incoming information continues to indicate that the moderate recovery of the euro area economy is proceeding in line with the Governing Council's previous assessment. At the same time, recent information remains consistent with the Governing Council's expectation of a prolonged period of low inflation followed by only a gradual upward movement in HICP inflation rates. The signals from the monetary analysis confirm the picture of subdued underlying price pressures in the euro area over the medium term. Inflation expectations for the euro area over the medium to long term remain firmly anchored in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2%.

Looking ahead, the Governing Council will monitor economic developments and money markets very closely. It will maintain a high degree of monetary accommodation and act swiftly, if required, with further monetary policy easing. The Governing Council firmly reiterates that it continues to expect the key ECB interest rates to remain at present or lower levels for an extended period of time. This expectation is based on an overall subdued outlook for inflation extending into the medium term, given the broad-based weakness of the economy, the high degree of unutilised capacity, and subdued money and credit creation. The Governing Council is unanimous in its commitment to using also unconventional instruments within its mandate in order to cope effectively with risks of a too prolonged period of low inflation. Further information and analysis concerning the outlook for inflation and the availability of bank loans to the private sector will be available in early June.

Regarding the economic analysis, real GDP in the euro area rose by 0.2%, quarter on quarter, in the last quarter of 2013, thereby increasing for three consecutive quarters. Recent data and survey indicators confirm that the ongoing moderate recovery continued in the first quarter of 2014 and at the beginning of the second quarter. Looking ahead, domestic demand should continue to be supported by a number of factors, including the accommodative monetary policy stance, ongoing improvements in financing conditions working their way through to the real economy, the progress made in fiscal consolidation and structural reforms, and developments in energy prices. At the same time, although labour markets have stabilised and shown the first signs of improvement, unemployment remains high in the euro area and, overall, unutilised capacity continues to be sizeable. Moreover, the annual rate of change of MFI loans to the private sector remained negative in March and the necessary balance sheet adjustments in the public and private sectors continue to weigh on the pace of the economic recovery.

The risks surrounding the economic outlook for the euro area continue to be on the downside. Geopolitical risks, as well as developments in global financial markets and emerging market economies, may have the potential to affect economic conditions negatively. Other downside risks include weaker than expected domestic demand and insufficient implementation of structural reforms in euro area countries, as well as weaker export growth.

According to Eurostat's flash estimate, euro area annual HICP inflation was 0.7% in April 2014, up from 0.5% in March. As expected, given the timing of Easter, the increase was mainly due to a rise in services prices. On the basis of current information, annual HICP inflation is expected to remain around present low levels over the coming months, before only gradually increasing during 2015 to reach levels closer to 2% towards the end of 2016. New macroeconomic projections by Eurosystem staff will become available in early June. Medium to long-term inflation expectations remain firmly anchored in line with price stability.

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

Turning to the monetary analysis, data for March 2014 continue to point to subdued underlying growth in broad money (M3). Annual growth in M3 moderated to 1.1% in March, from 1.3% in February. The growth of the narrow monetary aggregate M1 remained robust but decreased to 5.6% in March, after 6.2% in February. The increase in the MFI net external asset position, reflecting in part the continued interest of international investors in euro area assets, remains the main factor supporting annual M3 growth.

The annual rate of change of loans to non-financial corporations (adjusted for loan sales and securitisation) was -3.1% in March, unchanged from February. Weak loan dynamics for non-financial corporations continue to reflect their lagged relationship with the business cycle, credit risk and the ongoing adjustment of financial and non-financial sector balance sheets. The annual growth rate of loans to households (adjusted for loan sales and securitisation) stood at 0.4% in March 2014, broadly unchanged since the beginning of 2013.

The April 2014 bank lending survey confirmed the stabilisation of credit conditions for loans to enterprises and households. Credit standards over the previous three months remained broadly unchanged for loans to enterprises but were eased in net terms for households. Broadly in line with these results, in the survey on the access to finance of small and medium-sized enterprises (SMEs) for the period October 2013-March 2014, SMEs reported that bank loan availability had become less negative and had actually improved in some euro area countries. According to both surveys, the general economic outlook contributed less negatively or even positively to these developments. At the same time, banks still reported tight levels of credit standards when seen in a historical perspective.

Since the summer of 2012, substantial progress has been made in improving the funding situation of banks. In order to ensure an adequate transmission of monetary policy to the financing conditions in euro area countries, it is essential that the fragmentation of euro area credit markets declines further and that the resilience of banks is strengthened where needed. In this context, the ongoing comprehensive assessment of banks' balance sheets is of key importance. Banks should take full advantage of this exercise to improve their capital and solvency position, thereby contributing to overcome any existing credit supply restriction that could hamper the recovery.

To sum up, the economic analysis confirms the Governing Council's expectation of a prolonged period of low inflation followed by only a gradual upward movement in HICP inflation rates towards levels closer to 2%. A cross-check with the signals from the monetary analysis confirms the picture of subdued underlying price pressures in the euro area over the medium term.

Regarding fiscal policies, according to the European Commission's spring forecast, the general government deficit in the euro area is expected to decline further, from 3.0% of GDP in 2013 to 2.5% this year and to 2.3% in 2015. The government debt-to-GDP ratio is expected to stabilise at 96.0% in 2014 and to decline to 95.4% in 2015. In view of still rather high debt ratios and to improve fiscal sustainability, euro area countries should not unravel progress made with fiscal consolidation and should comply with their commitments under the Stability and Growth Pact. At the same time, comprehensive and ambitious structural reforms in product and labour markets are warranted to lift the euro area's growth potential, improve its adjustment capacity and reduce the high unemployment facing many euro area countries today. To this end, the Governing Council concurs with the ECOFIN Council communication of 6 May 2014 that decisive policy action is needed in countries where macroeconomic imbalances hinder the smooth functioning of Economic and Monetary Union.

This issue of the Monthly Bulletin contains two articles. The first article aims to identify the factors that have characterised the euro area sovereign debt crisis in order to explain the developments in euro area sovereign bond spreads. The second article takes stock of developments in euro area sectoral activity since 2008, comparing them with developments during previous recessions.

ECONOMIC AND MONETARY DEVELOPMENTS

1 THE EXTERNAL ENVIRONMENT OF THE EURO AREA

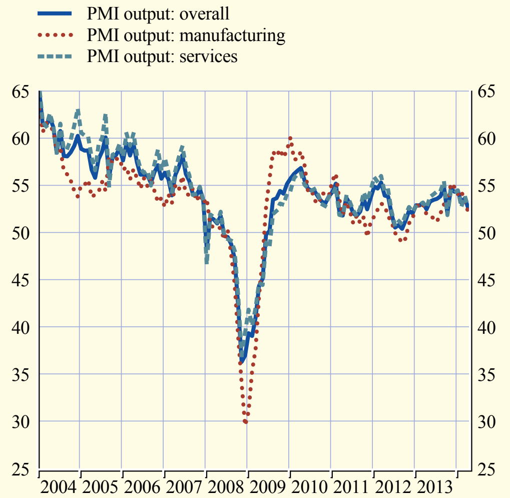
The recovery in global activity remains on track, despite some moderation expected in the first quarter of the year largely owing to temporary factors. While underlying economic fundamentals are gradually strengthening in advanced economies, setting the stage for an acceleration of global growth, prospects in emerging markets are held back by structural impediments and geopolitical tensions. Global inflation and inflationary pressures remain subdued.

1.1 GLOBAL ECONOMIC ACTIVITY AND TRADE

Global growth remains solid, notwithstanding a moderate slowdown in the first quarter of the year as a result of the adverse impact of temporary factors, such as the unusually cold winter in the United States and the shutdown of heavy-industry plants in China for environmental reasons. The shift in growth dynamics continues across regions, with momentum building up in advanced economies, but faltering in major emerging market economies on the back of economic and geopolitical uncertainties. Concerns about a possible escalation of tensions between Ukraine and Russia have increased uncertainty regarding the outlook for this region and the world economy as a whole. Overall, global sentiment indicators have remained rather resilient so far, rebounding at the end of the first quarter. In April the Purchasing Managers' Index (PMI) for all-industry output eased somewhat to 52.8, from 53.5 in March, reflecting weaker readings for both the manufacturing and services sectors. Excluding the euro area, the global PMI for all-industry output also softened slightly (see Chart 1). The decline was largely driven by a marked contraction in the Japanese economy following the sales tax increase on 1 April, which was partly offset by strengthened all-industry activity in other advanced economies. Meanwhile, sentiment regarding emerging market economies remained subdued.

Chart 1 Global PMI (excluding the euro area)

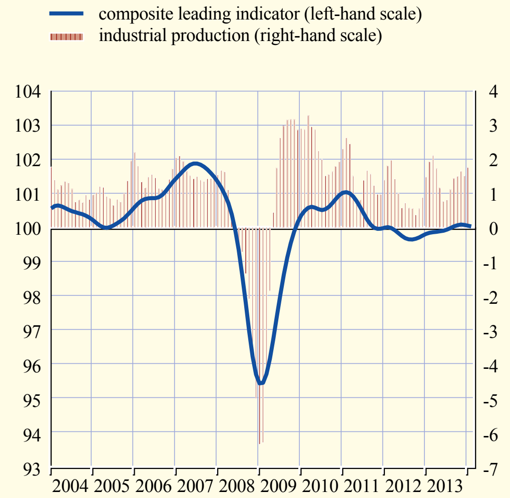
(seasonally adjusted monthly data)



Source: Markit.

Chart 2 Composite leading indicator and industrial production

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



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

Forward-looking indicators continue to hint at a gradual and uneven expansion of the global economy. The new orders component of the global all-industry PMI remained broadly stable above the expansion threshold of 50 in April. In line with survey indicators, in February the OECD's composite leading indicator, designed to anticipate turning points in economic activity relative to trend, signalled brighter prospects for advanced economies, but a more subdued outlook for emerging market economies (see Chart 2).

Global trade lost further momentum in February, most likely affected by the slowdown in global activity. According to the CPB Netherlands Bureau for Economic Policy Analysis, the volume of world imports of goods grew by 0.6% in February, compared with 1.2% in January, on a three-month-on-three-month basis. This marked deceleration was broad-based across regions, with advanced economies, in particular the United States and the euro area, posting negative trade growth momentum for the first time since May 2013. The global PMI for new manufacturing export orders also pointed to softening global trade growth at the beginning of the second quarter of the year, suggesting a slow recovery in global trade activity.

The balance of risks to the global outlook remains tilted to the downside. Geopolitical risks, as well as developments in global financial markets and emerging market economies, may have the potential to affect economic conditions negatively.

1.2 GLOBAL PRICE DEVELOPMENTS

Global inflation remains low compared with historical averages, reflecting muted energy price developments and sizeable global spare capacity. In the OECD area, annual headline consumer price inflation increased to 1.6% in March 2014 from 1.4% in February. Inflation increased in the majority of advanced and emerging market economies outside Europe. Excluding food and energy, the OECD annual inflation rate increased slightly to 1.7% in March, from 1.6% in the previous four consecutive months (see Table 1).

The outlook for global inflation is strongly influenced by commodity price developments and, more importantly, by energy prices. Brent crude oil prices have been relatively stable in a range of USD 106-111 per barrel over the last couple of months (see Chart 3). Brent crude oil prices stood at USD 108 per barrel on 7 May, which is about 3% higher than their level one year ago.

Table 1 Price developments in selected economies

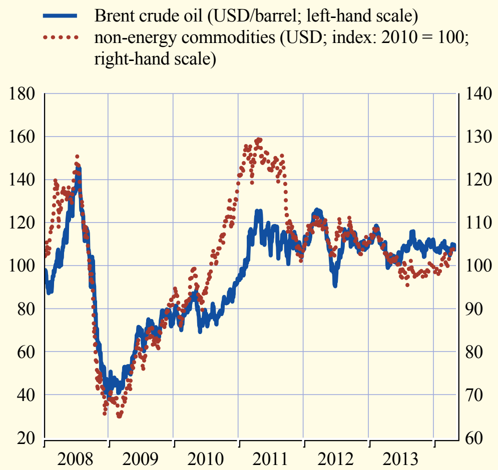
(annual percentage changes)

	2012	2013	2013			2014		
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
OECD	2.3	1.6	1.3	1.5	1.6	1.7	1.4	1.6
United States	2.1	1.5	1.0	1.2	1.5	1.6	1.1	1.5
Japan	0.0	0.4	1.1	1.5	1.6	1.4	1.5	1.6
United Kingdom	2.8	2.6	2.2	2.1	2.0	1.9	1.7	1.6
China	2.6	2.6	3.2	3.0	2.5	2.5	2.0	2.4
Memo item: OECD core inflation[1]	1.8	1.6	1.5	1.6	1.6	1.6	1.6	1.7

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

Although the oil market is expected to remain well-supplied as the International Energy Agency projects oil supply growth to surpass oil demand growth in 2014, prices were slightly higher in April, mostly on account of lower OPEC production in March. Seasonally weaker demand and increased expectations of a recovery in Libyan oil exports are containing upward pressures on oil prices. Looking ahead, oil market participants expect lower oil prices over the medium term, with December 2015 Brent futures contracts trading at USD 100 per barrel.

Chart 3 Main developments in commodity prices



Sources: Bloomberg and HWWI.

After being broadly stable over the past few months, non-energy commodity prices increased in April. This increase was broad-based across food and metal commodities. Concerning food, prices of sugar, coffee and wheat in particular were higher on account of unfavourable weather conditions in Brazil and the United States, whereas metal prices recovered from the declines in March. In aggregate terms, the non-energy commodity price index (denominated in USD) is currently about 2.4% higher compared with a year ago.

1.3 DEVELOPMENTS IN SELECTED ECONOMIES

UNITED STATES

In the United States, real GDP growth decelerated sharply in the first quarter of 2014, largely reflecting unusually severe weather conditions that depressed economic activity (see Table 2). According to the first estimate by the Bureau of Economic Analysis, real GDP increased at an annualised rate of 0.1% (0.0% quarter on quarter), down from 2.6% (0.7% quarter on quarter) in the previous quarter. The slowdown in the first quarter, compared with the previous quarter, reflected mainly the decline in non-residential investment, particularly equipment investment, exports and a negative contribution to growth from inventory building. On a more positive note, personal consumption expenditure held up relatively strongly, while government spending and residential investment declined at a slower pace than in the previous quarter.

Table 2 Real GDP growth in selected economies

(percentage changes)

	Annual growth rates					Quarterly growth rates		
	2012	2013	2013 Q3	2013 Q4	2014 Q1	2013 Q3	2013 Q4	2014 Q1
United States	2.8	1.9	2.0	2.6	2.3	1.0	0.7	0.0
Japan	1.4	1.5	2.4	2.5	-	0.2	0.2	-
United Kingdom	0.3	1.7	1.8	2.7	3.1	0.8	0.7	0.8
China	7.7	7.7	7.8	7.7	7.4	2.3	1.7	1.4

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

The improvement in the latest high-frequency indicators, in line with a gradual dissipation of the negative weather effects, points to a significant acceleration in activity in the second quarter of the year. Private consumption, having been subdued in January, picked up strongly at the end of the first quarter, while industrial production and durable goods orders also increased considerably in March. The pace of the labour market recovery has picked up recently, with non-farm payrolls recording a strong gain of 288,000 in April (203,000 in March), while the unemployment rate declined sharply by 0.4 percentage point to 6.3%, its lowest level since September 2008. Moreover, consumer and business survey indicators for April also support the view of a pick-up in economic activity in the current quarter. On a less positive note, the recovery in the housing sector following the adverse weather conditions has been slower than in other sectors of the economy. While existing home sales were virtually unchanged in March, new home sales declined abruptly in the same month, suggesting that the adverse weather conditions in early 2014 are having a lagged effect on home sales. On the other hand, house prices continued to rise in February, and housing starts continued to recover in March from the losses recorded in January. Looking ahead, economic activity is expected to accelerate during this year, supported by a further strengthening of private domestic demand, reflecting continued accommodative financial conditions and improving confidence, and by a diminishing fiscal drag.

Annual CPI inflation edged up to 1.5% in March 2014, from 1.1% in February, on the back of higher prices for food and shelter. Annual inflation excluding food and energy increased by 0.1 percentage point to 1.7% in March. Over the last 12 months, annual inflation, as measured by the personal consumption expenditure deflator, has been hovering around 1%, which is somewhat lower than the CPI, partly owing to differences in the weighting of components. Looking ahead, prices are expected to pick up progressively in the remainder of the year, in line with expectations for gradually diminishing slack in the economy.

In the context of generally improving economic prospects, at its meeting on 30 April 2014 the Federal Open Market Committee (FOMC) announced a reduction in the monthly pace of its asset purchases by a further USD 10 billion, to USD 45 billion, starting from May. The reduction is divided equally between purchases of mortgage-backed securities (from USD 25 billion to USD 20 billion) and longer-term Treasury securities (from USD 30 billion to USD 25 billion). The FOMC reaffirmed that in determining how long to maintain the 0% to 1/4% target range for the federal funds rate, it “will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments”.

JAPAN

In Japan, real GDP growth slowed to 0.2% quarter on quarter during the third and fourth quarters of 2013, from 1.0% during the second quarter. Latest hard data for March point to a pick-up in activity during the first quarter of 2014. Retail sales surged by 11.0% year on year in March following growth of 3.6% year on year in February, while imports also increased, consequently widening the seasonally adjusted trade deficit in March. The rapid increase in retail sales and higher imports in March can be partly attributed to a frontloading of demand in advance of the consumption tax increase from 5% to 8% on 1 April 2014. In addition, industrial production increased by 0.3% month on month in March, according to preliminary figures, reversing some of the 2.3% contraction in February. As expected, the latest sentiment indicators point to a loss of economic momentum during the second quarter following the consumption tax increase and the frontloading of demand during the first quarter. The manufacturing PMI fell below the expansion/contraction threshold of 50 to 49.4 in April from 53.9 in March, while the Tankan survey points to a deterioration in activity among large enterprises in the second quarter.

Consumer price inflation has increased gradually since the start of the year and reached 1.6% year on year in March, from 1.5% in February. However, CPI inflation has remained within a narrow range of 1.4-1.6% since November, having lost some of the momentum that propelled it forward in the first half of 2013. The preliminary Tokyo CPI increased by 2.9% year on year in April, following 1.3% in March, pointing to a significant pass-through of the VAT increase.

UNITED KINGDOM

According to preliminary estimates, economic activity in the United Kingdom maintained strong momentum in the first quarter of 2014. Real GDP growth accelerated further to 0.8% quarter on quarter. Although a breakdown of demand components is not available, output growth appears to have been supported by stronger private consumption, in turn reflecting ongoing improvements in employment and low inflation, as well as the sustained momentum of investment, which is continuing to recover from low levels. Looking ahead, the robustness of the economic recovery is subject to some uncertainty. Despite some signs of improvement, disappointing dynamics in productivity growth, coupled with the need for private and public sector balance sheet adjustment, may constrain growth in real incomes and, thus, domestic demand. Unemployment declined to 6.9% in the three months to February 2014, below the 7% threshold set out in the policy guidance of the Bank of England's Monetary Policy Committee (MPC) of August 2013.

Annual CPI inflation eased further to 1.6% in March 2014, the lowest level since October 2009. The decline in the inflation rate, which was broad-based, also reflected seasonal effects owing to the timing of Easter. Despite the momentum in the recovery, inflationary pressures are expected to remain contained for some time, reflecting the spare capacity in the economy and the lagged effects of the recent currency appreciation. At its meeting on 8 May 2014 the Bank of England's MPC maintained the policy rate at 0.5% and the size of its asset purchase programme at GBP 375 billion.

CHINA

In China, economic activity weakened in the first quarter of 2014 on account of lower manufacturing activity as well as some temporary factors. GDP growth slowed to 7.4% year on year, from 7.7% in the fourth quarter of 2013. On a quarterly basis, growth declined to 1.4% in the first quarter of the year, from 1.7% in the previous quarter. Slower growth had already been reflected in a broad range of monthly indicators, such as industrial production, housing activity and retail sales. The slowdown was broad-based, but most noticeable in the secondary industries as authorities try to downsize industries with overcapacity while also addressing environmental concerns linked to air pollution. From a demand perspective, consumption contributed most to growth, while the contribution by net exports was at its most negative since late 2009. In line with the weak trade data over the first quarter of the year, the current account surplus dropped to 0.3% of GDP, from 1.5% of GDP in the previous quarter. Despite this, China's foreign reserves continued to rise in the first quarter of 2014, reaching USD 3.9 trillion, or 42% of GDP, as net international capital flows, including foreign direct investment, continued to be positive.

Nominal GDP growth slowed to 7.9% year on year in the first quarter of 2014, from 9.7% previously, while the GDP deflator dropped to 0.5%, from 2.0% in the final quarter of 2013. Monthly inflation indicators were mixed in March, with annual CPI inflation rising to 2.4%, well below the target of 3.5%, while PPI deflation worsened somewhat.

Manufacturing PMI rose marginally in April compared with the previous month, suggesting a stabilisation of growth momentum. In late April Chinese authorities expressed confidence that the GDP target for this year of "about 7.5%" would be reached and saw no need to change the fiscal or monetary policy stance. Some "fine-tuning" of policies was nonetheless announced, including cutting reserve requirements for some rural banks and a limited frontloading of fiscal investment expenditure. Authorities also emphasised the need to tackle the longer-term growth challenges facing China, such as its reliance on investment and credit to spur growth, and to continue the structural reform drive started in November last year.

Chart 4 Nominal effective exchange rate of the euro

(daily data; index: Q1 1999 = 100)

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

1.4 EXCHANGE RATES

In April and early May the effective exchange rate of the euro remained broadly unchanged. On 7 May 2014 the nominal effective exchange rate of the euro, as measured against the currencies of 20 of the euro area's most important trading partners, stood 0.2% above its level at the beginning of April and 4.1% above the level one year earlier (see Chart 4 and Table 3). Movements in exchange rates during this period were largely related to developments in expectations about future

Table 3 Euro exchange rate developments

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

	Weight in the effective exchange rate of the euro (EER-20)	Change in the exchange rate of the euro as at 7 May 2014 with respect to 1 April 2014	7 May 2013
EER-20		0.2	4.1
Chinese renminbi	18.7	1.4	7.7
US dollar	16.8	1.0	6.3
Pound sterling	14.8	-1.0	-2.8
Japanese yen	7.2	-0.6	9.0
Swiss franc	6.4	0.1	-1.2
Polish zloty	6.2	0.5	1.2
Czech koruna	5.0	-0.1	6.5
Swedish krona	4.7	1.7	6.1
Korean won	3.9	-2.4	-0.4
Hungarian forint	3.2	-0.6	3.3
Danish krone	2.6	0.0	0.2
Romanian leu	2.0	-0.8	2.6
Croatian kuna	0.6	-0.8	0.2

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

monetary policy, as well as to adjustments in market expectations regarding the economic outlook for the euro area relative to other major economies.

In bilateral terms, from 1 April to 7 May 2014 the euro appreciated against the US dollar (by 1.0%), but weakened against the Japanese yen (by 0.6%) and the pound sterling (by 1.0%). Its development vis-à-vis currencies of emerging market economies in Asia and currencies of commodity-exporting countries was mixed over the review period.

Since the decision to widen the renminbi's trading band to 2% in mid-March, the currency has consistently traded at the lower side of the band. From early April to early May it depreciated by 1.4% against the euro and by 0.5% against the dollar, trading at 6.24 against the latter, the same level as in February 2013.

As far as currencies of other EU Member States are concerned, the exchange rate of the euro has depreciated against the Croatian kuna (by 0.8%), the Romanian leu (by 0.8%) and the Hungarian forint (by 0.6%). Meanwhile, it has strengthened vis-à-vis the Polish zloty (by 0.5%) and the Swedish krona (by 1.7%). The Lithuanian litas and the Danish krone, which are participating in ERM II, have remained broadly stable against the euro, trading at, or close to, their respective central rates.

2 MONETARY AND FINANCIAL DEVELOPMENTS

2.1 MONEY AND MFI CREDIT

In March 2014, the underlying growth of broad money remained subdued while that of credit to euro area residents remained negative. Annual M3 growth weakened, but continued to be supported by the robust growth of its most liquid components. Outflows from M3 were mainly driven by marketable instruments. On the counterpart side, annual growth in broad money received support from strong monthly increases in MFIs' net external asset position, in part reflecting current account surpluses and a strong interest of international investors in euro area securities. The annual rate of decline in MFI lending to the private sector (adjusted for sales and securitisation) stabilised, but continued to be a drag on money creation. The contraction of credit is consistent with the weak demand for loans and constraints on the supply side.

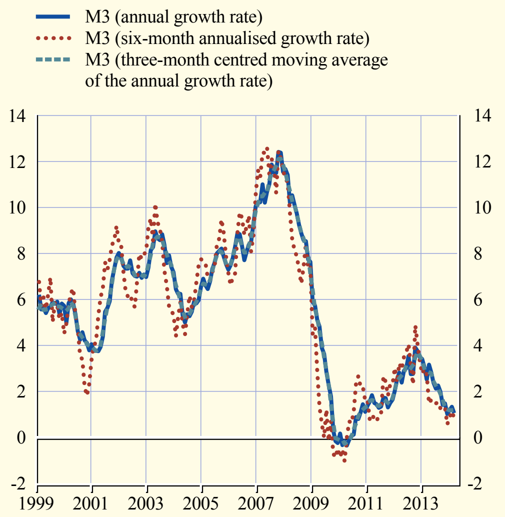
THE BROAD MONETARY AGGREGATE M3

In March 2014, the underlying growth of broad money remained subdued. Annual M3 growth declined and stood at 1.1% in March, after 1.3% in February (see Chart 5). At the start of 2014, the behaviour of M3 mirrored portfolio reallocations into M1, while (monthly) net redemptions for M1 were observed in March. Outflows from other short-term deposits and marketable instruments were driven by investors searching for higher yield. Moreover, strong interest in euro area assets on the part of global investors is facilitating the continuation of balance sheet consolidation by MFIs through strong sales of non-MFI securities.

On the component side, the narrow monetary aggregate M1 continued to be the only main component contributing positively to annual M3 growth, although its contribution is gradually diminishing. The contribution of other short-term deposits (M2 minus M1) to M3 growth remained negative, while that of marketable instruments (M3 minus M2) became more negative. Net outflows from M3 instruments with a relatively low remuneration continued to signal a search for yield by the money-holding sector. This search for yield resulted in shifts of funds from higher-yielding instruments within M3 towards less liquid, riskier assets outside M3.

Chart 5 M3 growth

(percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.

On the counterpart side, money creation continued to be supported by a strong further increase in MFIs' net external asset position in March, reflecting both current account surpluses and a strong interest of international investors in euro area securities. The contraction observed for longer-term financial liabilities continued to reflect both MFIs' reduced funding needs in the context of deleveraging and the shift to deposit-based funding that is being encouraged under the current regulatory regime.

The volume of euro area MFIs' main assets contracted further in March, although the decline of €17 billion in the three months up to March was markedly smaller than that recorded in the previous reference period. Nevertheless, it signalled a continuation of deleveraging following a pause at the start of 2014. The month-on-month decline in March reflected decreases in all main asset classes, with sales of non-MFI securities the main contributor. Euro area MFIs further reduced their reliance on the Eurosystem's liquidity provision in main refinancing operations. The amounts outstanding in the longer-term refinancing operations decreased by €52 billion in March.

MAIN COMPONENTS OF M3

As regards the components of M3, the annual growth rate of M1 declined to 5.6% in March, after 6.2% in February (see Table 4). March data saw a monthly outflow, which was driven mainly by developments in overnight deposits, the annual growth rate of which declined to 5.5%, mirroring a reduction in the deposits held by other financial intermediaries in that month. These deposits tend to exhibit strong volatility and their impact is therefore likely to be short-lived. From a general perspective, the robust annual growth of M1 confirms the persistently strong preference for liquidity displayed by the money-holding sector and the return of confidence in euro area assets among international investors.

An increased interest of the money-holding sector in obtaining higher yields by investing in riskier assets left its mark on developments observed in other M3 instruments, reinforced by the significant sales of non-MFI securities by euro area MFIs in March. Accordingly, the annual rate of change in short-term deposits other than overnight deposits (M2 minus M1) stood at -2.3% in March, compared with -2.6% in February. This reflected a slight increase in the annual rate of change in short-term time deposits (i.e. deposits with an agreed maturity of up to two years), to -6.5% in March, from -7.0% in the previous month. At the same time, the annual growth of short-term savings deposits (i.e. deposits redeemable at notice of up to three months) remained unchanged at 1.1%.

The annual rate of change in marketable instruments (M3 minus M2) declined further and stood at -13.6% in March, after -11.6% in February. This continues to reflect highly negative annual rates of change in holdings of money market fund shares/units and repurchase agreements, as well as of short-term MFI debt securities, notably with an original maturity of up to two years.

The annual growth rate of M3 deposits – which include repurchase agreements and represent the broadest component of M3 for which a timely sectoral breakdown is available – stood at 1.6% in March, compared with 1.9% in February. The moderate decrease reflected a drop in the annual growth rates of deposits held by non-monetary financial intermediaries and by insurance corporations and pension funds. At the same time, the annual growth rates of deposits held by households and by non-financial corporations remained broadly unchanged in March.

MAIN COUNTERPARTS OF M3

The annual rate of change in MFI credit to euro area residents declined further and stood at -2.2% in March, down from -1.8% in February (see Table 4). This reflected a decrease in credit to the general government sector and a slight decline in the annual rate of change in credit to the private sector, which stood at -2.5% in March after -2.3% in February.

The decrease in credit to general government in March mainly reflected net monthly sales of government securities by euro area MFIs. The annual growth of government debt securities held by MFIs thus decreased significantly in March. In an environment of easing conditions in the sovereign debt markets, strong sales of government securities by euro area MFIs are consistent with a renewed interest of international investors in euro area assets.

Table 4 Summary table of monetary variables

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

	Outstanding amounts as a percentage of M3 1)	Annual growth rates					
		2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Feb.	2014 Mar.
M1	**55.5**	**8.0**	**6.9**	**6.4**	**6.0**	**6.2**	**5.6**
Currency in circulation	9.4	2.7	2.6	4.1	6.0	6.2	6.5
Overnight deposits	46.1	9.2	7.8	6.9	6.0	6.2	5.5
M2-M1 (=other short-term deposits)	38.3	0.2	0.3	-1.2	-2.4	-2.6	-2.3
Deposits with an agreed maturity of up to two years	16.9	-5.8	-5.0	-6.3	-6.9	-7.0	-6.5
Deposits redeemable at notice of up to three months	21.5	5.8	5.0	3.3	1.4	1.1	1.1
M2	**93.8**	**4.5**	**4.0**	**3.1**	**2.4**	**2.4**	**2.2**
M3-M2 (=marketable instruments)	6.2	-14.9	-17.2	-17.1	-13.1	-11.6	-13.6
M3	**100.0**	**2.8**	**2.2**	**1.5**	**1.2**	**1.3**	**1.1**
Credit to euro area residents		**-0.1**	**-0.5**	**-1.2**	**-1.9**	**-1.8**	**-2.2**
Credit to general government		3.3	2.0	0.1	-0.2	0.1	-0.9
Loans to general government		-2.6	-6.0	-6.7	-4.0	-2.3	-3.1
Credit to the private sector		-1.0	-1.2	-1.6	-2.3	-2.3	-2.5
Loans to the private sector		-1.1	-1.9	-2.2	-2.2	-2.2	-2.2
Loans to the private sector adjusted for sales and securitisation 2)		-0.6	-1.4	-1.8	-2.0	-2.0	-2.0
Longer-term financial liabilities (excluding capital and reserves)		**-4.6**	**-4.2**	**-3.6**	**-3.4**	**-3.5**	**-3.3**

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

The annual rate of change in loans to the private sector originated by MFIs (adjusted for sales and securitisation) stood at -2.0% in March, unchanged since December 2013. The monthly flow in March 2014 was negative, driven by monthly net redemptions of loans to non-financial corporations. In contrast to the previous month, outflows in March were observed for medium-term and longer-term maturities, while loans with short-term maturities saw significant inflows.

The annual rate of change in loans to non-financial corporations (adjusted for sales and securitisation) was unchanged from February and stood at -3.1% in March (see Table 5), although monthly net redemptions were smaller than in the previous month. The annual growth rate of loans to households (adjusted for sales and securitisation) was also unchanged and stood at 0.4% in March.

Overall, the dynamics of loans to the non-financial private sector remained subdued in the euro area, with both supply and demand factors (particularly the latter) weighing on the pace of loan growth. The April 2014 bank lending survey showed that credit standards had remained broadly unchanged over the previous three months for loans to enterprises, while they had eased somewhat in net terms for households. At the same time, banks reported still tight levels of credit standards, compared with historical averages since the survey's inception in 2003 (see also Box 1). Cross-country heterogeneity in bank lending rates has remained, but receding funding costs of banks since 2012 are indicative of a reduction in financial fragmentation.[1] Finally, the fact that the debt levels of households and non-financial corporations remain high in a number of countries is also weighing on loan growth. Box 2 presents the results of the latest survey on the access of small and medium-sized

1 For a more detailed analysis of the persistence of financial fragmentation in some market segments, see *Financial Integration in Europe*, ECB, 28 April 2014.

Table 5 MFI loans to the private sector

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

	Outstanding amount as a percentage of the total [1]	Annual growth rates					
		2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Feb.	2014 Mar.
Non-financial corporations	**41.2**	**-3.1**	**-3.7**	**-3.6**	**-3.0**	**-3.0**	**-3.0**
Adjusted for sales and securitisation [2]	-	*-2.0*	*-2.8*	*-2.9*	*-3.0*	*-3.1*	*-3.1*
Up to one year	24.4	-1.0	-3.7	-4.1	-4.8	-5.7	-4.9
Over one and up to five years	16.9	-6.4	-5.7	-5.3	-5.1	-4.6	-4.7
Over five years	58.7	-2.9	-3.1	-2.9	-1.5	-1.3	-1.7
Households [3]	**49.7**	**0.3**	**0.1**	**0.1**	**-0.1**	**-0.1**	**-0.1**
Adjusted for sales and securitisation [2]	-	*0.3*	*0.3*	*0.3*	*0.3*	*0.4*	*0.4*
Consumer credit [4]	11.0	-3.4	-2.7	-3.0	-2.7	-2.6	-1.9
Lending for house purchase [4]	73.9	1.1	0.8	0.9	0.6	0.6	0.5
Other lending	15.2	-1.0	-1.2	-1.5	-1.7	-1.7	-1.8
Insurance corporations and pension funds	**1.0**	**12.4**	**12.8**	**10.9**	**9.5**	**11.0**	**8.9**
Other non-monetary financial intermediaries	**8.2**	**-0.2**	**-5.7**	**-9.0**	**-11.2**	**-10.5**	**-10.8**

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

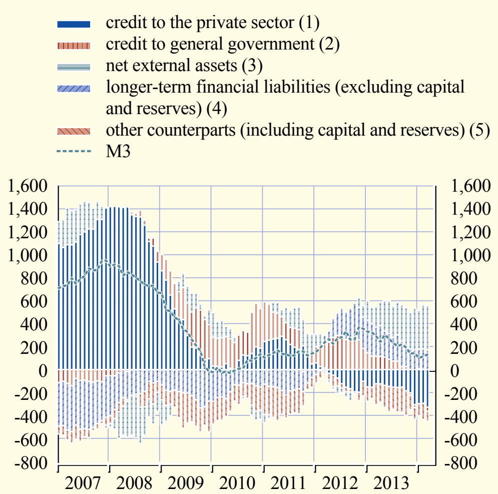
enterprises (SMEs) to finance in the euro area and confirms the challenging financing environment currently faced by SMEs, with some indications that financial constraints are abating somewhat, in particular for large euro area firms. In addition, a broader analysis of savings, investment and financing, broken down by institutional sector, is presented in Box 3.

The annual rate of change in MFIs' longer-term financial liabilities (excluding capital and reserves) has remained negative for more than two years now. Its reading in March stood at -3.3%, broadly unchanged from the growth rate observed in the past half year. The monthly flow was positive in March, reflecting MFIs' issuance activities in France and the Netherlands, while MFIs resident in other euro area countries continued to see net redemptions, mainly from longer-term debt securities.

The net external asset position of euro area MFIs increased in March, namely by €36 billion, unchanged from February. Since July 2012 increases in MFIs' net external assets have been observed, representing the main factors supporting positive M3 growth, and counteracting the negative contribution from the net redemptions in MFI credit to euro area residents. In the 12 months to March, the net external asset position of euro area MFIs increased by €385 billion (see Chart 6).

Chart 6 Counterparts of M3

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



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

Overall, the latest monetary data support the view that the underlying dynamics of money growth remain subdued, while those of credit growth remain negative. Broad money growth continues to be supported both by increases in MFIs' net external assets and by shifts away from longer-term financial liabilities. At the same time, the weakness of monetary dynamics also reflects a search for yield by the money-holding sector in an environment marked by a low remuneration of monetary assets and returning confidence. The annual growth of MFI credit to the private sector remained negative in March 2014, owing to a significant decline observed in loans to non-financial corporations.

Box 1

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

This box summarises the main results of the euro area bank lending survey, conducted by the Eurosystem between 24 March and 8 April 2014[1], for the first quarter of 2014. Overall, the survey confirms the stabilisation in bank credit conditions for both firms and households.

Summary of the main results

In the first quarter of 2014 euro area banks reported on balance broadly unchanged credit standards applied to loans to enterprises, while credit standards were eased for loans to households. For all loan categories, the net percentage change in credit standards in the first quarter of 2014 remained well below historical averages calculated over the period since the start of the survey in 2003. In the first quarter of 2014 net loan demand turned positive and stood above the historical average for all loan categories. Looking ahead to the second quarter of 2014, banks expect a net easing of credit standards for corporate loans and consumer credit while anticipating a marginal net tightening for loans to households for house purchase. They also expect a net increase in demand for all loan categories – significantly so for loans to enterprises.

Loans and credit lines to enterprises

In the first quarter of 2014 the net percentage[2] of euro area banks reporting a tightening in credit standards was 1%, broadly unchanged from the previous quarter (see Chart A). Looking at the underlying factors, euro area banks reported that, on average, cost of funds and balance sheet constraints contributed to a slight net easing of credit standards (-1%, unchanged from the previous quarter). At the same time, the impact of risk perception on credit standards slightly eased for the first time since mid-2007. This development was mainly due to banks' more favourable expectations regarding the macroeconomic outlook, while the perception of risk relating to collateral demanded and to the industry or firm-specific outlook had a neutral impact on credit standards. Finally, competitive pressures were reported to have contributed to a net easing of credit standards in the first quarter of 2014.

1 The cut-off date for completion of the survey was 8 April 2014. A comprehensive assessment of its results was published on the ECB's website on 30 April 2014.

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

Terms and conditions, which banks apply when granting new loans to enterprises, improved further overall in the first quarter of 2014. Margins on average loans were further narrowed (-16%, compared with -6% in the previous quarter; see Chart B), while those on riskier loans were widened (5%, compared with 7%). For most of the other credit terms and conditions, euro area banks reported net percentages that were either unchanged or close to zero.

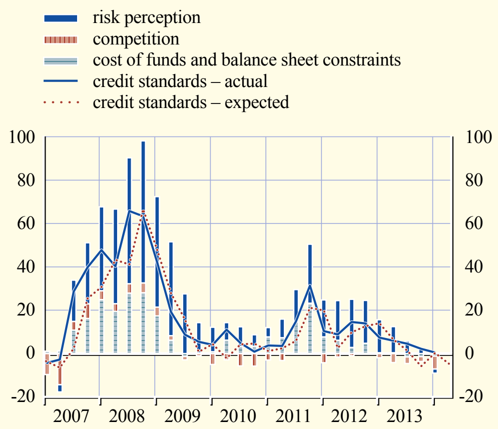
Looking ahead to the second quarter of 2014, on balance, euro area banks expect a net easing of credit standards for loans to enterprises (-5%).

Turning to demand, in the first quarter of 2014, euro area banks reported a net increase for the first time since the second quarter of 2011 (2%, compared with -11% in the previous quarter; see Chart C). According to participating banks, this development was mainly related to increased financing needs for inventories and working capital (11%, from -7%) as well as to a further decline in the contractionary impact of financing needs related to fixed investment (-5%, from -10%). On average, the contribution from the use of alternative sources of finance to the net increase in demand remained broadly unchanged in comparison with the previous survey round.

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

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

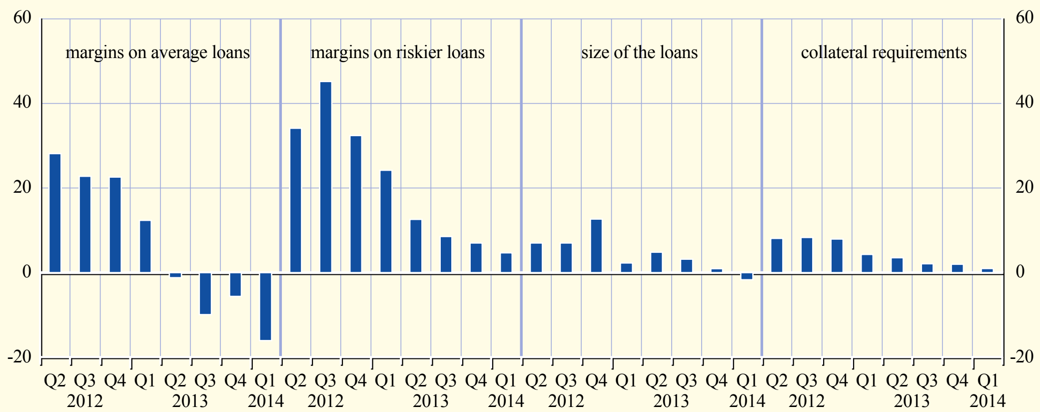
(net percentages and average net percentages per category)



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

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

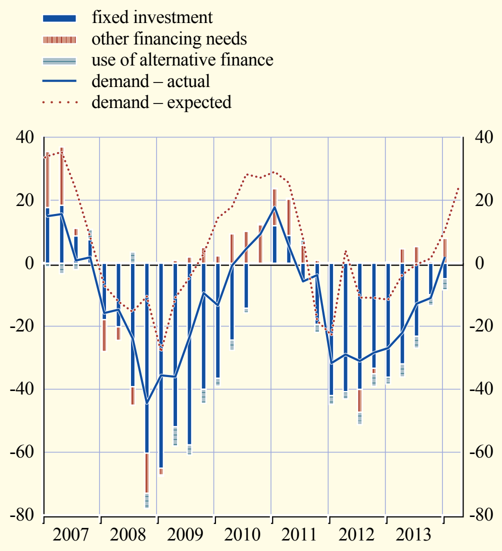
(net percentages of banks reporting tightening terms and conditions)



Source: ECB.

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

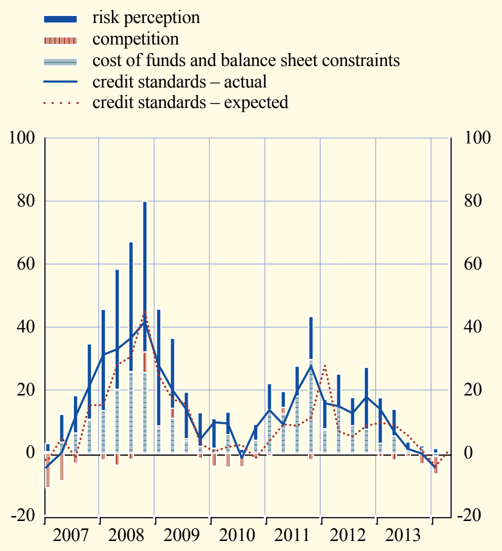
(net percentages and average net percentages per category)



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

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

(net percentages and average net percentages per category)



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

Loans to households for house purchase

In the first quarter of 2014 euro area banks reported a net easing of credit standards on loans to households for house purchase (-5%, compared with 0% in the previous quarter; see Chart D). In line with what was reported for corporate loans, banks' cost of funds and balance sheet constraints contributed marginally to the net easing of credit standards for housing loans (-1%, compared with 2% in the fourth quarter of 2013). At the same time, the risk perception of banks had on average a marginal net tightening impact, while competitive pressures were reported, all in all, to have contributed more significantly than in the last quarter to a net easing of credit standards.

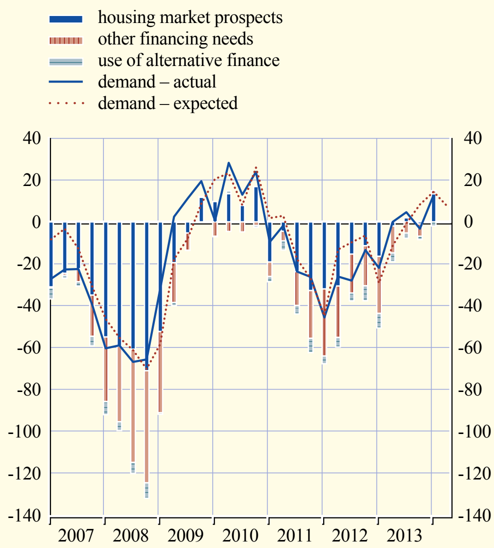
Banks' price terms and conditions applied to housing loans improved further in the first quarter of 2014, while there was less change in the non-price terms and conditions. More specifically, euro area banks reported, in net terms, a narrowing of margins on average housing loans (-21%, compared with -10% in the fourth quarter of 2013), while the net tightening of margins on riskier loans remained unchanged (at 2%). Responses regarding non-price terms and conditions pointed to a marginal net easing in the collateral requirements of euro area banks (-1%, from 1%), and in other terms and conditions, mainly related to loan maturity (-4%, from 3%). For the loan-to-value ratio, banks reported a marginal net tightening contribution (1%, from -3%).

Looking ahead, euro area banks expect a marginal net tightening of credit standards applied to housing loans in the second quarter of 2014 (1%).

Turning to loan demand, euro area banks reported a net increase in demand for housing loans (13%, compared with -3% in the fourth quarter of 2013; see Chart E). Regarding the underlying factors, the positive net contribution of housing market prospects (13%, compared with -1%) and that of consumer confidence (8%, from -9%) were the main drivers behind the net increase in demand for housing loans. By contrast, the contribution related to the use of alternative financing remained slightly negative (unchanged at -2%).

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

(net percentages and average net percentages per category)



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

Looking ahead, banks expect a further net increase in demand for housing loans (of 7%) in the second quarter of 2014.

Consumer credit and other lending to households

In the first quarter of 2014, euro area banks reported a net easing of credit standards for consumer credit and other lending (-2%, compared with 2% in the fourth quarter of 2013). This development was mainly related to the net easing impact exerted by the risk perception of banks (for the first time since the first quarter of 2007) and to competition (although to a lesser extent than in the previous quarter). By contrast, banks' cost of funds and balance sheet constraints exerted a stable neutral impact. Turning to terms and conditions, banks reported a narrowing of margins on average loans (-3%, compared with -6% in the previous survey round), while those on riskier loans widened slightly (1%, as in the previous quarter).

Looking ahead, in net terms, euro area banks expect an easing of credit standards applied to consumer credit and to other lending to households for the second quarter of 2014 (-3%).

In the first quarter of 2014 the surveyed banks reported a net increase in demand for consumer credit (4%, compared with -1% in the fourth quarter of 2013) for the first time since the second quarter of 2010.

Looking ahead to the second quarter of 2014, euro area banks expect a further net increase in demand for consumer credit (16%).

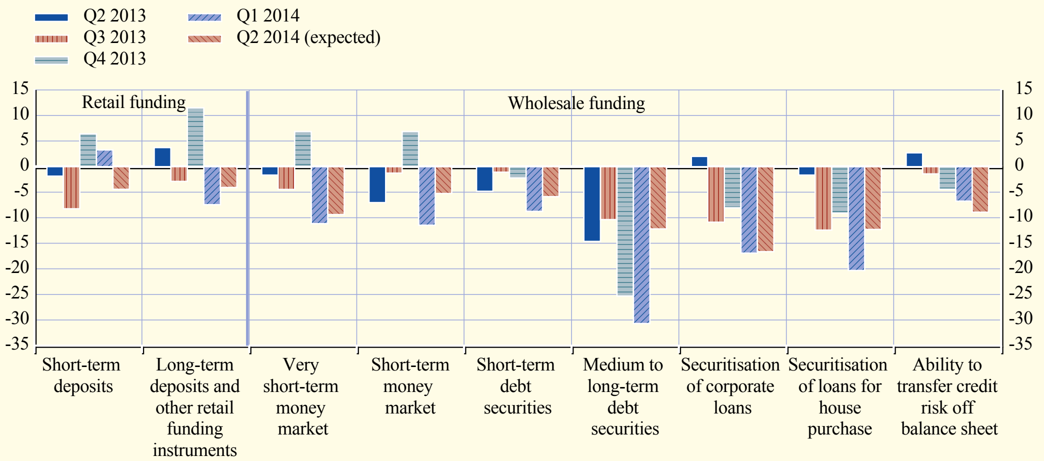
Ad hoc questions

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

First, it contained – as in previous survey rounds – an ad hoc question on banks' access to retail and wholesale funding. On balance, in the first quarter of 2014, euro area banks reported a net easing in their access to funding for all main market instruments: retail funding (-2%, from 9%), money market instruments (-11%, from 7%), issuance of bank debt securities (-20%, from -14%) and securitisation (-15%, from -7%) – see Chart F. Looking ahead to the second quarter of 2014, euro area banks expect a further net easing in their access to all market instruments.

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

(net percentages of banks reporting deteriorated market access)



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

The questionnaire for the April 2014 survey also included – as in previous survey rounds – an ad hoc question aimed at assessing the impact of the sovereign debt crisis on banks' funding conditions, credit standards and credit margins over the previous three months. Banks' replies indicated that reduced sovereign debt tensions had contributed on average to an easing of banks' funding conditions in the first quarter of 2014, while the impact of the sovereign debt crisis on banks' credit standards had remained muted. At the same time, euro area banks reported that the reduced sovereign debt tensions had contributed to a narrowing of margins for all loan categories in the first quarter of 2014.

Finally, the April 2014 survey questionnaire included, for the first time, a question on the current level of credit standards as compared with the levels that have prevailed between the first quarter of 2003 and now, as well as between the second quarter of 2010 (i.e. when the sovereign debt crisis started to intensify) and now.

First, around 60% of respondent banks assessed their current level of credit standards both for loans to enterprises and for loans to households for house purchase as being tighter than the midpoint of the range of credit standards since 2003. For consumer credit and other lending to households, the percentage was somewhat lower (53%). Around one-quarter of euro area banks assessed their current level of credit standards for loans to enterprises and for housing loans to be basically identical to the midpoint of the range of credit standards since 2003 (26% and 24% respectively); while for consumer credit and other lending to households the percentage was somewhat higher, at 28%.

Second, a smaller percentage of banks assessed their current level of credit standards for loans to enterprises and for loans to households for house purchase as being tighter than the midpoint of the range of credit standards since the second quarter of 2010 (37% and 41% respectively). For consumer credit and other lending to households, the percentage was even lower (28%).

2.2 SECURITIES ISSUANCE

In February 2014 the issuance of debt securities by euro area residents continued to contract, albeit at a marginally slower pace than in January. Year-on-year growth of debt securities issuance by non-financial corporations (NFCs) remained robust, but did not fully compensate for the persistently negative growth rate of debt securities issuance by MFIs. MFIs remained the strongest contributors to euro area residents' issuance of quoted shares.

DEBT SECURITIES

The annual growth rate of debt securities issuance by euro area residents remained negative at -0.4% in February, after -0.6% in the previous month (see Table 6). At the sectoral level, the annual growth rate of issuance by NFCs decreased to 8.5%, from 9.7% in January. At the same time, the growth rate of debt securities issuance by MFIs remained negative and stood at -7.8%, after -8.1% in the previous month. For the general government sector, the growth rate of issuance increased marginally to 4.1%, from 3.8% in January. Finally, the annual growth rate of debt securities issuance by non-monetary financial corporations remained negative at -1.1% in February, after -0.8% in January.

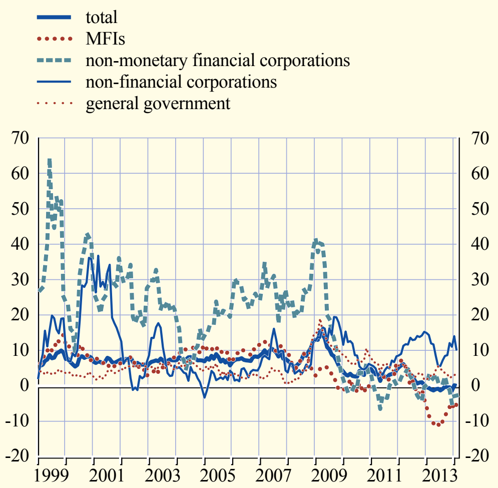
Table 6 Securities issued by euro area residents

Issuing sector	Amount outstanding (EUR billions) February 2014	Annual growth rates[1] 2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 January	2014 February
Debt securities	**16,523**	**0.7**	**-0.1**	**-0.7**	**-0.8**	**-0.6**	**-0.4**
MFIs	4,892	-3.6	-6.5	-8.7	-8.9	-8.1	-7.8
Non-monetary financial corporations	3,200	0.7	-0.4	1.2	0.7	-0.8	-1.1
Non-financial corporations	1,092	13.8	11.9	10.3	9.9	9.7	8.5
General government	7,340	2.6	3.5	3.3	3.3	3.8	4.1
of which:							
Central government	6,658	2.6	4.0	4.1	4.0	4.4	4.5
Other general government	681	2.4	-0.6	-3.8	-3.1	-2.0	0.7
Quoted shares	**5,758**	**0.8**	**0.6**	**1.1**	**1.2**	**1.3**	**1.5**
MFIs	638	3.0	2.5	7.8	7.4	7.8	7.8
Non-monetary financial corporations	475	2.5	2.6	1.6	0.8	0.7	1.9
Non-financial corporations	4,644	0.5	0.2	0.3	0.5	0.6	0.8

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

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

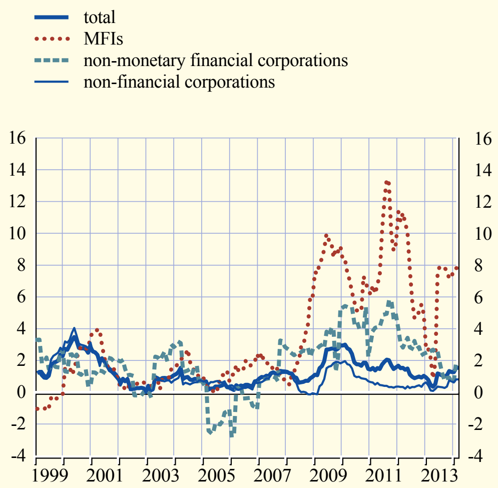
(six-month annualised growth rates; seasonally adjusted)



Source: ECB.

Chart 8 Sectoral breakdown of quoted shares issued by euro area residents

(annual growth rates)



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

The maturity breakdown of debt securities issued reveals that in February refinancing activity was concentrated on the long-term segment of the market, notably at fixed rates. The annual growth rate of long-term debt securities issuance increased slightly to 0.5%, from 0.3% in January. This reflected a 2.1% increase on a year-on-year basis (after 2.0% in January) in the issuance of fixed rate long-term debt securities, which more than compensated for a 4.4% decline in the issuance of floating rate long-term debt securities. This decline brings the number of consecutive months of negative growth in the issuance of floating rate long-term debt securities to 19. The annual growth rate of short-term debt securities issuance remained in negative territory for the 18th consecutive month and stood at -9.8%, after -9.1% in the previous month.

Looking at short-term trends, the increase in debt issuance activity by NFCs was slightly more pronounced than indicated by the annual growth rate (see Chart 7), suggesting that market-based financing conditions for NFCs have continued to improve in recent quarters. The six-month annualised growth rate of debt securities issuance by NFCs decreased to 9.9%, from 14.1% in the previous month, while that for MFIs declined to -5.6%, from -4.5% in January. In the case of non-monetary financial corporations, the corresponding rate remained negative at -2.8%, after -2.9% in January. By contrast, the six-month annualised growth rate of issuance by the general government sector increased to 3.8%, from 2.9% in January.

QUOTED SHARES

In February 2014 the annual growth rate of quoted shares issued by euro area residents increased to 1.5%, from 1.3% in January (see Chart 8). As regards NFCs, year-on-year growth of equity issuance increased to 0.8%, from 0.6% in the previous month. The corresponding growth rate for non-monetary financial corporations increased to 1.9%, from 0.7% in January. Finally, the annual growth rate of equity issuance by MFIs remained above 7% for the ninth consecutive month (standing at 7.8%, unchanged from the previous month), which reflects the on-going balance sheet strengthening in this sector.

2.3 MONEY MARKET INTEREST RATES

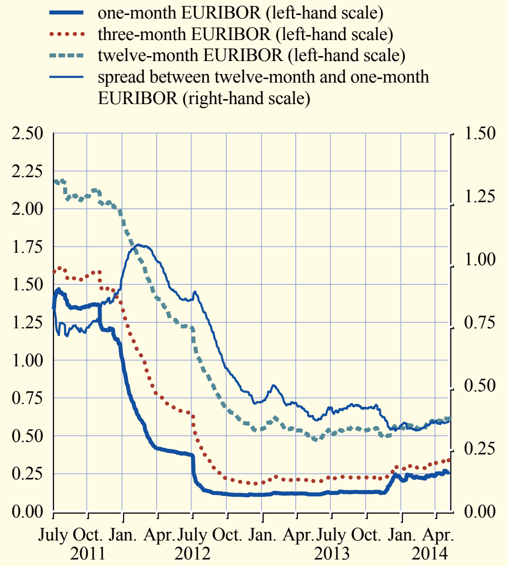
In the period between 4 April and 7 May unsecured money market interest rates remained broadly unchanged. However, they rose towards the end of April owing to declining excess liquidity and end-of-month tensions, but fell again in early May 2014. Longer-term money market rates rose marginally over the review period. Following early repayments, the net liquidity originally injected in December 2011 and February 2012 through the two three-year longer-term refinancing operations (LTROs) has been fully repaid.

Between 4 April and 7 May unsecured money market interest rates remained broadly unchanged. For example, rates at one-month and three-month maturities were less than 1 basis point higher at the later date, and rates at longer maturities, i.e. six and twelve months, also changed by a similar small amount. As a result, on 7 May the one-month, three-month, six-month and twelve-month EURIBOR stood at 0.26%, 0.34%, 0.44% and 0.61% respectively. Consequently, the spread between the twelve-month and one-month EURIBOR – an indicator of the slope of the money market yield curve – remained broadly unchanged at around 35 basis points on 7 May (see Chart 9).

As regards expectations of future money market rates, the rates implied by three-month EURIBOR futures maturing in June, September and December 2014 and in April 2015 declined marginally relative to the levels prevailing on 4 April, standing at 0.285%, 0.270%, 0.275% and 0.290% respectively on 7 May. Market uncertainty, as measured by the implied volatility of short-term options on three-month EURIBOR futures, remained broadly unchanged until the end of April, when it rose slightly before declining again in early May. The three-month EONIA swap rate stood at 0.174% on

Chart 9 Money market interest rates

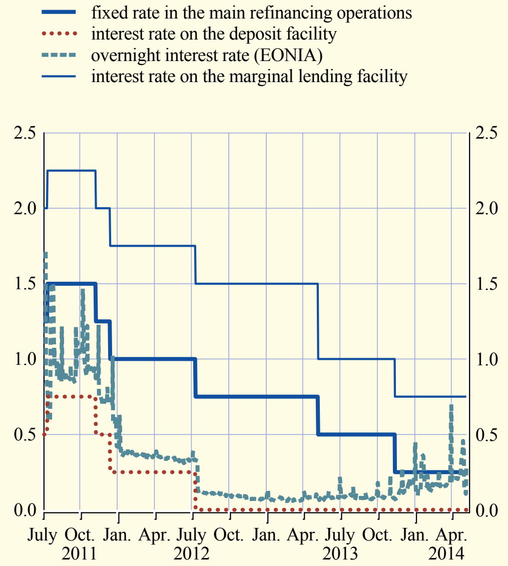
(percentages per annum; spread in percentage points; daily data)



Sources: ECB and Thomson Reuters.

Chart 10 ECB interest rates and the overnight interest rate

(percentages per annum; daily data)



Sources: ECB and Thomson Reuters.

7 May, marginally higher than on 4 April. The spread between the three-month EURIBOR and the three-month EONIA swap rate thus rose by 3 basis points, to stand at 16 basis points on 7 May.

In the first half of the period the EONIA continued to show little volatility, moving in a narrow range of between 0.20% and 0.22%. In the last week of April it rose steadily and ended the month at around 0.45%, possibly reflecting some increased demand for precautionary liquidity buffers at the end of the month (see Chart 10). Once such pressures abated, the EONIA declined again in the first week of May to stand at 0.26% on 7 May.

Between 4 April and 7 May 2014 the Eurosystem conducted several refinancing operations, all as fixed rate tender procedures. In the main refinancing operations (MROs) of the fourth maintenance period of 2014, conducted on 8, 15, 22 and 29 April and 6 May 2014, the Eurosystem allotted €104.6 billion, €112.2 billion, €121.8 billion, €172.6 billion and €129.1 billion respectively. The Eurosystem also carried out two LTROs in April, namely a special-term refinancing operation with a maturity of one maintenance period on 8 April (in which €28 billion was allotted) and a three-month LTRO on 30 April (in which €13.2 billion was allotted).

The Eurosystem also conducted five one-week liquidity-absorbing operations as variable rate tender procedures with a maximum bid rate of 0.25% on 8, 15, 22 and 29 April and 6 May 2014. In the first of these operations, the ECB absorbed an amount equal to the outstanding value of purchases made under the Securities Markets Programme (which totalled €172.5 billion on 8 April 2014). In the subsequent operations, against the background of lower excess liquidity, the ECB withdrew €153.4 billion, €166.8 billion, €103.9 billion and €165.5 billion.

Moreover, counterparties opted to repay before maturity, on a weekly basis, funds borrowed in the three-year LTROs allotted on 21 December 2011 and 29 February 2012. On 7 May 2014 a total of €536.7. billion had been repaid since 30 January 2013. Out of the total repayments, €306.2 billion was related to the LTRO allotted on 21 December 2011 and the remaining €230.5 billion was related to the LTRO allotted on 29 February 2012. Thus, the €523 billion of net liquidity originally injected through the two three-year LTROs has been fully repaid.

Excess liquidity decreased in the third maintenance period of 2014, averaging €120.2 billion, compared with €127.5 billion, on average, in the previous maintenance period. The decline in outstanding open market operations outweighed the lower absorption by autonomous factors. The net decrease in outstanding open market operations in turn resulted mostly from the three-year LTRO repayments, which were only partially compensated for by higher average recourse to the MROs. Average daily recourse to the deposit facility decreased slightly to €29.2 billion in the third maintenance period, from €29.5 billion in the previous maintenance period, while average current account holdings in excess of reserve requirements decreased from €98.3 billion to €91.6 billion. Average recourse to the marginal lending facility increased somewhat from €0.3 billion to €0.7 billion.

Excess liquidity increased slightly to average levels of around €124.6 billion in the first three weeks of the fourth maintenance period of 2014, mainly on account of higher outstanding open market operations.

2.4 BOND MARKETS

In April and early May developments in global bond markets continued to be influenced by evolving geopolitical tensions and somewhat mixed economic data releases. As a result, following some intra-period volatility, in early May both euro area and US long-term government bond yields were somewhat lower than in late March. Spreads between euro area sovereign bond yields and the overnight indexed swap rate fell in a context of a slight decline in bond market uncertainty and returning confidence. Financial indicators of long-term inflation expectations in the euro area did not record significant changes and remained fully consistent with price stability.

Between the end of March and 7 May 2014 ten-year AAA-rated euro area government bond yields decreased by around 10 basis points, to 1.7% (see Chart 11). Over the same period ten-year government bond yields in the United States declined somewhat more, falling by 13 basis points to around 2.6%, while in Japan they also declined slightly to around 0.6%. The decline in yields on ten-year AAA-rated government bonds in the euro area took place against a background of broadly unchanged yields at shorter maturities, so the term structure flattened further over the review period.

Long-term euro area government bond yields moved downwards at the start of the review period, in line with the more sizeable decreases recorded for US yields following the release of weak job market data in the United States. Thereafter long-term bond yields on both sides of the Atlantic remained somewhat volatile as markets weighed positive data releases, e.g. industrial production data in both economic areas, against evolving concerns about geopolitical risks associated with the political crisis in Ukraine. The announcement by the Federal Open Market Committee (FOMC) of the Federal Reserve System on 30 April that it was reducing its asset purchase programme by a further USD 10 billion to USD 45 billion a month and the reassurance provided by the qualitative forward guidance issued in March were widely expected by the markets and therefore led to minimal reactions in global bond markets.

Investor uncertainty about near-term developments in the bond market, as measured by the implied volatility extracted from bond options with a short maturity, declined in the euro area, fully reversing the temporary spikes that were recorded in late March as a result of geopolitical tensions (see Chart 12). In the United States, bond market uncertainty also declined slightly over the review period. On 7 May implied volatility in bond markets stood at around 4% in both economic areas.

Despite some fluctuations, volatility also declined in most euro area sovereign bond markets over the review period. Overall, between the end of March and early May long-term bond yields decreased further in most euro area

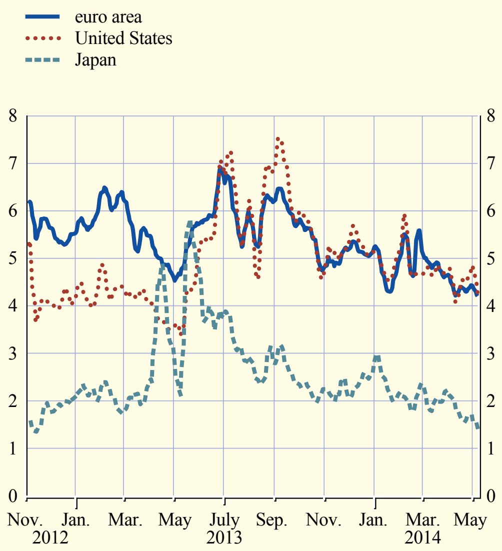
Chart 11 Long-term government bond yields

(percentages per annum; daily data)

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

Chart 12 Implied government bond market volatility

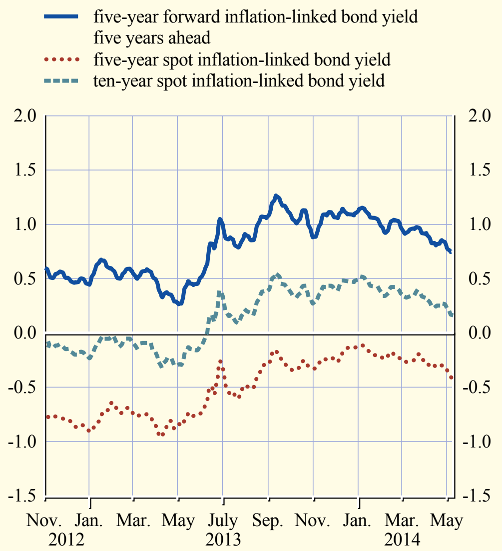
(percentages per annum; five-day moving averages of daily data)



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

Chart 13 Euro area zero coupon inflation-linked bond yields

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



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

countries, and intra-euro area bond yield spreads continued to narrow amid a return in investors' confidence regarding the most stressed euro area bond markets. This improvement in confidence was underpinned by a strong appetite for euro area sovereign bonds, as suggested by the successful government bond issuance in Portugal, and positive credit rating news, including for Spain, over the review period. Country spreads vis-à-vis the overnight indexed swap rate narrowed by between 4 and 45 basis points.

Euro area real bond yields, as measured by the yields on inflation-linked government bonds,[2] declined over the period under review, in line with their nominal counterparts (see Chart 13). Between late March and early May real five-year and ten-year bond yields both decreased by around 10 basis points, to -0.4% and 0.2% respectively. As a result, the long-term forward real interest rate in the euro area declined by more than 10 basis points, standing at around 0.8% at the end of the review period.

Financial market indicators of long-term inflation expectations, calculated as the spread between corresponding nominal and inflation-linked bonds, have remained broadly unchanged since late March, reflecting the slight divergence in the decline of nominal and real yields. Break-even inflation rates stood at around 1.1% at the five-year maturity and around 1.6% at the ten-year

2 The real yield on inflation-linked euro area government bonds is calculated as the GDP-weighted average yield on French and German inflation-linked government bonds. For more details, see the box entitled "Estimating real yields and break-even inflation rates following the recent intensification of the sovereign debt crisis", *Monthly Bulletin*, ECB, December 2011.

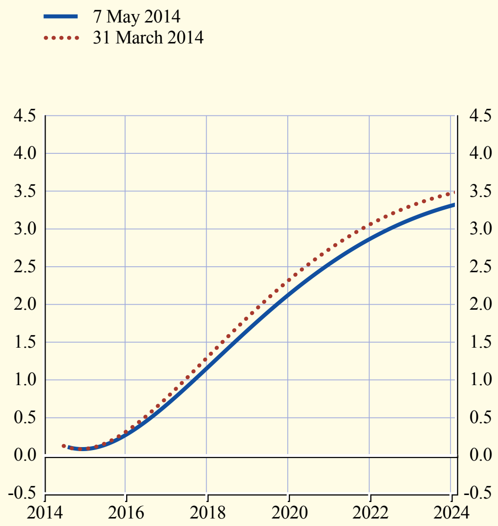
Chart 14 Euro area zero coupon break-even inflation rates and inflation-linked swap rates

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

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

Chart 15 Implied forward euro area overnight interest rates

(percentages per annum; daily data)



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

horizon on 7 May. Consequently, the bond-based five-year forward break-even inflation rate five years ahead remained broadly unchanged at 2.1% on 7 May (see Chart 14). At the same time, the somewhat less volatile long-term forward break-even inflation rates calculated from inflation-linked swaps also remained broadly unchanged at 2.1%. Overall, financial market indicators continue to suggest that long-term inflation expectations remain fully consistent with price stability.[3]

Between end-March and 7 May the term structure of implied forward overnight interest rates in the euro area shifted downwards at medium to long maturities, by around 5 and 15 basis points respectively, with the largest decline taking place at the long end of the curve, in the seven-to-ten-year segment (see Chart 15). At maturities of less than one year, forward overnight rates remained broadly unchanged.

In the period under review the yield spreads of investment-grade corporate bonds issued by euro area corporations (relative to the Merrill Lynch EMU AAA-rated government bond index) narrowed marginally for all rating categories. Overall, corporate bond spreads remained low compared with the relative peaks recorded at the beginning of 2013.

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

2.5 INTEREST RATES ON LOANS AND DEPOSITS

In March 2014, MFI interest rates on long-term time deposits from both households and non-financial corporations decreased further, whereas rates on short-term deposits remained broadly unchanged. Similarly, most MFI lending rates remained stable in March with the notable exception of MFI lending rates on loans to households for house purchase, which declined slightly for long interest rate fixation periods. Vis-à-vis market rates, lending rate spreads were broadly stable in March for both short and long interest rate fixation periods.

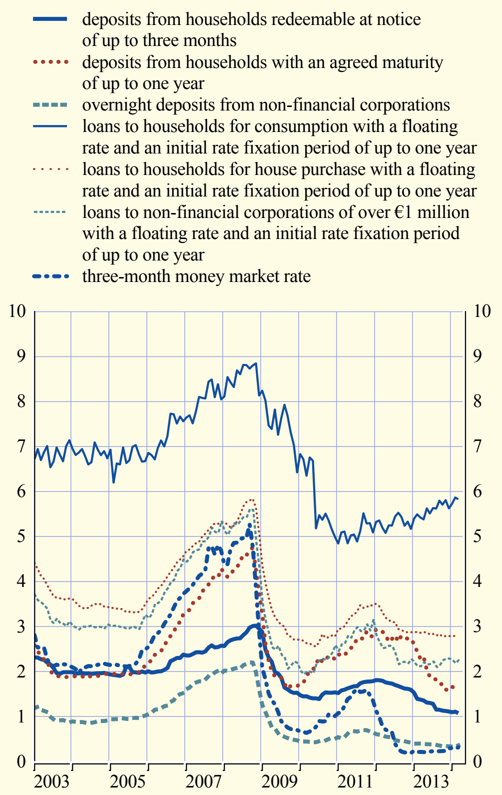
Starting with short maturities and shorter interest rate fixation periods, in March 2014 MFI interest rates on short-term deposits from both non-financial corporations and households remained broadly stable. Lending rates on loans to households for house purchase with a floating rate and an initial rate fixation period of up to one year also remained unchanged, at 2.8%, whereas rates on consumer credit decreased slightly, by 4 basis points, to 5.8% (see Chart 16). With respect to non-financial corporations, interest rates on small loans (defined as loans of up to €1 million) with short interest rate fixation periods remained at 3.8%, whereas the corresponding rates on large loans (defined as loans of more than €1 million) increased slightly, by 8 basis points, to 2.3%. Accordingly, the spread between interest rates on small loans to non-financial corporations with short fixation periods and the corresponding interest rates on large loans decreased somewhat in March, to 153 basis points, but was still considerably higher than its average since 2003 of about 120 basis points. The magnitude of the spread continues to suggest that financing conditions remain tighter for small and medium-sized enterprises than for large firms.

Overall, given the stable developments in the three-month EURIBOR in March, the spread between MFI interest rates on loans to households with short fixation periods and the three-month money market rate remained broadly unchanged at 247 basis points, while the corresponding spread for interest rates on large loans to non-financial corporations with short fixation periods increased by 5 basis points to 195 basis points (see Chart 17).

Since the beginning of 2012, MFI interest rates on short-term deposits from both non-financial corporations and households have decreased by between 70 and 140 basis points, whereas MFI

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

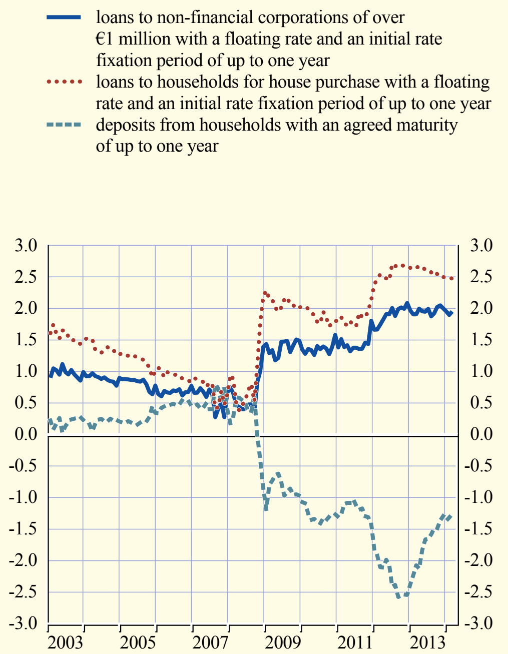
(percentages per annum; rates on new business)



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

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

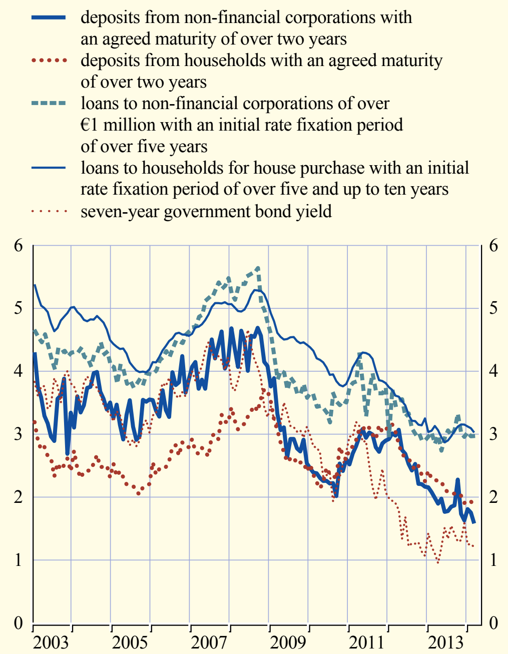
(percentage points; rates on new business)



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

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

(percentages per annum; rates on new business)



Source: ECB.
Notes: Data as of June 2010 may not be fully comparable with those prior to that date owing to methodological changes arising from the implementation of Regulations ECB/2008/32 and ECB/2009/7 (amending Regulation ECB/2001/18). The euro area seven-year government bond yield is based on the ECB's data on AAA-rated bonds, which currently include bonds from Austria, Finland, Germany and the Netherlands.

short-term interest rates on both large loans to non-financial corporations and loans to households for house purchase have decreased by between 50 and 70 basis points. The reductions in key ECB interest rates, together with the effects of the non-standard monetary policy measures implemented or announced by the ECB, are gradually being passed through to bank deposit and lending rates. At the same time, weak economic conditions may still be putting pressure on bank lending rates in some euro area countries.

Turning to longer maturities and longer interest rate fixation periods, MFI interest rates on long-term deposits from both households and non-financial corporations decreased in March. In the case of households, they fell by 7 basis points, to stand at 1.9%, while they fell by 17 basis points in the case of non-financial corporations, to stand at 1.6%. Interest rates on loans to households for house purchase with long interest rate fixation periods declined by 7 basis points, to stand at 3.0% in March (see Chart 18). Rates on both small and large loans to non-financial corporations with long interest rate fixation periods remained unchanged at 3.3% and 3.0% respectively. Hence, the spread between rates on small loans with long interest rate fixation periods and those on corresponding large loans was stable at 31 basis points in March. Since the average yield on AAA-rated seven-year euro area government bonds declined slightly in March, by 4 basis points to 1.2%, the spreads between lending rates with long interest rate fixation periods and the yield on such bonds remained broadly unchanged in the case of housing loans, but increased for loans to non-financial corporations (namely by 6 basis points for small loans and by 4 basis points for large loans).

Since the beginning of 2012, MFI interest rates on long-term deposits have decreased by around 140 basis points, whereas long-term lending rates have declined by less, namely by around 60 basis points. Meanwhile, the spread between lending rates with long interest rate fixation periods and the average yield on AAA-rated seven-year government bonds, which can be considered as a benchmark for longer maturities, has fluctuated between 100 and 280 basis points in the case of loans to non-financial corporations, and between 140 and 220 basis points in that of loans to households for house purchase.

2.6 EQUITY MARKETS

Between the end of March and early May 2014 stock prices declined slightly in the euro area while they remained broadly unchanged in the United States. Evolving geopolitical tensions weighed on investors' sentiment amid somewhat mixed economic data releases and overall positive earnings news. Stock prices in both economic areas exhibited some intra-period volatility.

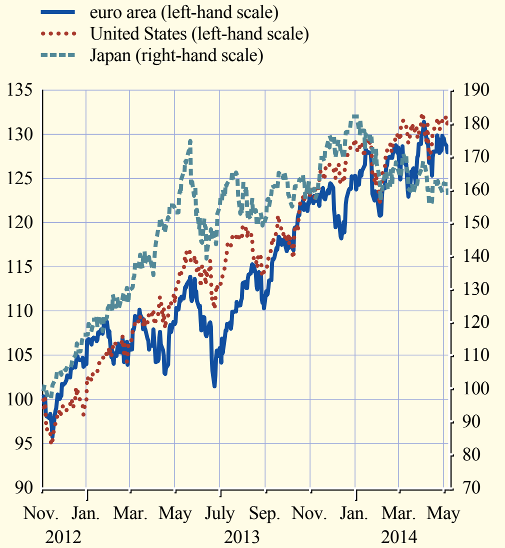
Throughout April and early May stock prices in the euro area and in the United States exhibited some fluctuations, mainly reflecting the effects of economic data releases and evolving tensions arising from the political crisis in Ukraine. The decision of the FOMC to reduce its asset purchase programme by a further USD 10 billion to USD 45 billion a month announced on 30 April was widely anticipated and therefore had a muted impact on global stock markets.

All in all, stock prices in the euro area, as measured by the broad-based Dow Jones EURO STOXX index, declined by less than 1% between the end of March and 7 May (see Chart 19). In the United States, stock prices, as measured by the Standard & Poor's 500 index, remained broadly unchanged over the same period. Equity prices in Japan, as measured by the Nikkei 225 index, fell by more than 5% over the same period, possibly reflecting the potential slowdown of the Japanese economy.

In the euro area, at the sectoral level the technology sector and the consumer services sector displayed the largest declines over the period under review (-4% and -3% respectively). In contrast, gains were recorded in the oil and gas sector and in the healthcare sector (5% and 1% respectively). European banks' stock prices reacted positively to the publication by

Chart 19 Stock price indices

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



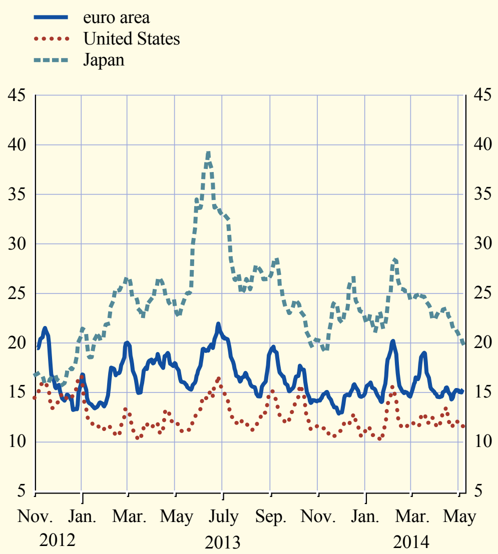
Source: Thomson Reuters.
Note: The indices used are the Dow Jones EURO STOXX broad index for the euro area, the Standard & Poor's 500 index for the United States and the Nikkei 225 index for Japan.

the European Banking Authority in late April 2014 of the methodology and macroeconomic scenarios for the forthcoming 2014 stress test of bank balance sheets, but Financial sector stock prices as a whole recorded a fall of more than 2% over the review period. In the United States, there was also a significant divergence in the sectoral performance of stock prices, despite overall positive earnings results for reporting companies over the review period. The oil and gas sector and the utilities sector, with increases of around 6% and almost 5% respectively, were the best performers, while the technology, consumer services and financial sectors recorded declines of around 2%.

Stock market uncertainty in the euro area, as measured by implied volatility, remained broadly unchanged between the end of March and early May, at around 15% (see Chart 20). In the United States, implied volatility also remained unchanged, at around 12%, over the same period. Implied stock market volatility in Japan, by contrast, declined by more than 2% but, at around 20%, remained well above the level recorded in the other major economic areas.

Chart 20 Implied stock market volatility

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



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

Box 2

SURVEY ON THE ACCESS TO FINANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES IN THE EURO AREA: OCTOBER 2013 TO MARCH 2014

This box presents the main results of the tenth round of the "Survey on the access to finance of small and medium-sized enterprises (SMEs) in the euro area".[1] The latest survey round was conducted between 20 February and 24 March 2014. The total euro area sample size was 7,520 firms, of which 6,969 (93%) were SMEs (i.e. they had fewer than 250 employees). The box describes the changes in the financial situation, financing needs and access to finance of SMEs in the euro area over the period from October 2013 to March 2014.[2] In addition, developments for SMEs are compared with those for large firms over the same period.

Summary of the main results

Overall, euro area SMEs reported that their financial situation continued to deteriorate, albeit at a slower pace. "Finding customers" remained the dominant concern for SMEs (with

1 A comprehensive report, detailed statistical tables and additional breakdowns were published in the "Statistics" section of the ECB's website on 30 April 2014 (see "Monetary and financial statistics"/"Surveys"/"Access to finance of SMEs").
2 The reference period for the previous survey round was April to September 2013.

24% mentioning this issue as their main problem, unchanged from the previous survey round), followed by "cost of production or labour" (15%, up from 14%). "Access to finance" was slightly less of a concern (14%, down from 16% in the previous survey round); large euro area firms cited this concern less often than SMEs (8%, down from 10%).

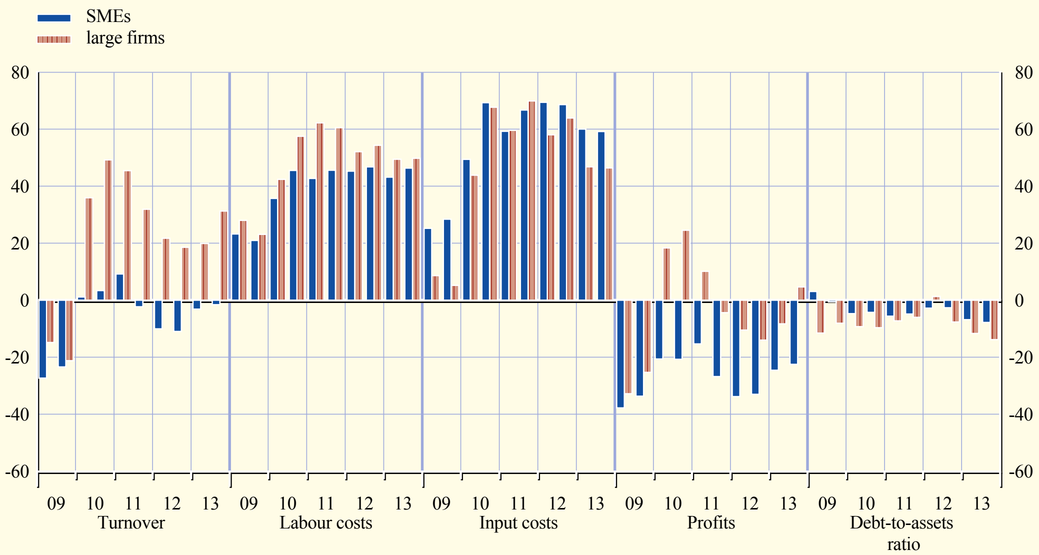
Deterioration in the financial situation of SMEs slower than in the previous survey

In the period from October 2013 to March 2014, the financial situation of euro area SMEs continued to deteriorate, albeit at a slower pace than in the previous survey period. SMEs continued to report a decline in turnover in net terms[3], (-2%, compared with -3% in the last survey round; see Chart A). In addition, a high net percentage continued to report increases in labour and other costs (46% and 59% respectively, compared with 43% and 60% in the previous period). In line with turnover and cost developments, euro area SMEs continued to report a decline in profits (-23%, compared with -25%). By contrast with SMEs, large euro area firms reported, on balance, an increase in turnover (with the net percentage rising to 31% from 20% in the previous survey round) and an increase in profits (5%, up from -8%).

Against the background of still high corporate indebtedness, euro area SMEs reported a further net decrease in their leverage in the period from October 2013 to March 2014 (-8%, after -7% in the previous survey round), aimed at improving their creditworthiness. Large euro area firms also reported a stronger deleveraging pattern (-14%, compared with -12%).

Chart A Indicators of the financial situation of euro area firms

(change over the preceding six months; net percentage of respondents)

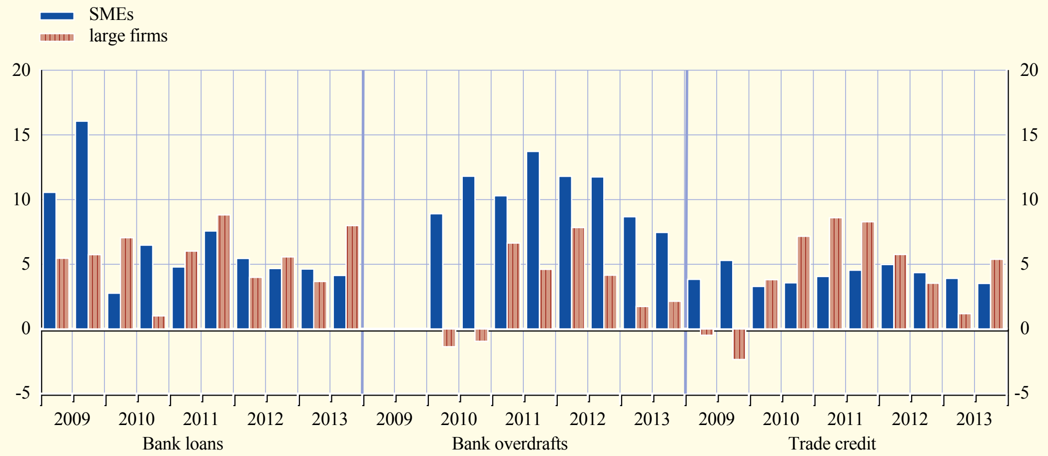


Source: ECB and European Commission survey on the access to finance of SMEs.
Note: Net percentages are defined as the difference between the percentage of firms reporting an increase for a given factor and that reporting a decrease.

3 "Net terms" refers to the difference between the percentage of firms reporting an increase and that reporting a decrease.

Chart B External financing needs of euro area firms

(change over the preceding six months; net percentage of respondents)



Source: ECB and European Commission survey on the access to finance of SMEs.
Note: Net percentages are defined as the difference between the percentage of firms reporting an increase in needs and that reporting a decrease. Data for bank overdrafts (which also include credit lines and credit card overdrafts) are not available for the first two rounds of the survey.

Contained increase in the external financing needs of euro area SMEs

On balance, 4% of euro area SMEs reported an increase in their need for bank loans (marginally lower than the 5% in the previous survey round; see Chart B) and 7% reported an increased need for bank overdrafts (down from 9% in the previous survey round). The picture was, overall, similar for trade credit, for which a net percentage of 4% of euro area SMEs (unchanged from the previous survey period) reported a higher need. Among the factors affecting SMEs' need for external financing, fixed investment, along with inventory and working capital, played the largest role. On balance, 11% of euro area SMEs reported that fixed investment had had an impact on their external financing needs (unchanged from previous survey round). SMEs also reported, on balance, a somewhat higher need for external financing resulting from insufficient availability of internal funds (5%, up from 3%).

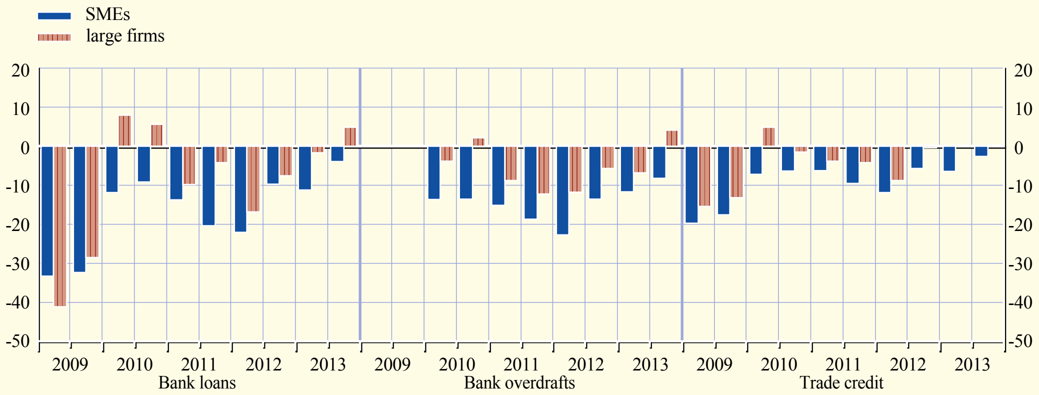
Similarly, large firms reported, on balance, an increase in their need for bank loans (8%, up from 4% in the previous survey round) and trade credit (5%, up from 1%). The net percentage reporting an increase in their need for bank overdrafts remained unchanged at 2%.

Smaller deterioration in the availability of external financing for euro area SMEs

The net percentage of euro area SMEs reporting a deterioration in the availability of bank loans declined to -4% between October 2013 and March 2014 (from -11%; see Chart C). A smaller net percentage also reported a deterioration in the availability of both bank overdrafts (-8% after -12%) and trade credit (-3% after -6%). Turning to the factors affecting the availability of external financing, SMEs continued to refer in particular to a worsening of the general economic outlook, but to a significantly smaller degree than in the previous survey period (-12% in net terms, down from -24%). Indeed, SMEs reported signals of a reduced deterioration in most of the factors related to the availability of external financing between October 2013 and March 2014.

Chart C Availability of external financing for euro area firms

(change over the preceding six months; net percentage of firms that had applied for external financing)



Source: ECB and European Commission survey on the access to finance of SMEs.
Note: Net percentages are defined as the difference between the percentage of firms reporting an increase in availability and that reporting a decrease.

The net percentage of euro area SMEs citing a worsening in their firm-specific outlook declined to -1% from -5%, while SMEs' own capital continued on balance to have a positive impact on the availability of external financing (3%, unchanged from the previous survey round). A similar picture was reported on the supply side, with SMEs indicating a smaller deterioration in banks' willingness to provide a loan (-11%, down from -17%).

In line with the stabilisation in the availability of bank loans, euro area SMEs also reported, on balance, an improvement in the terms and conditions of bank loan financing. Only 9% in net terms reported an increase in interest rates (down from 19% in the previous survey). With respect to non-price terms and conditions, SMEs indicated on balance a marginal easing, with an increase in the size (2%, up from -1%) and unchanged tightening in the maturity of loans (-1%). In addition, the net percentage of SMEs reporting an increase in collateral requirements fell to 27% from 31% in the previous survey period.

The availability of bank loans for large firms improved with respect to the previous survey period (5%, up from -2%) indicating generally less constrained access to finance for large firms compared with SMEs.

Continuing financing obstacles for euro area SMEs, with an unchanged share of successful loan applications and a marginal reduction in the rejection rate

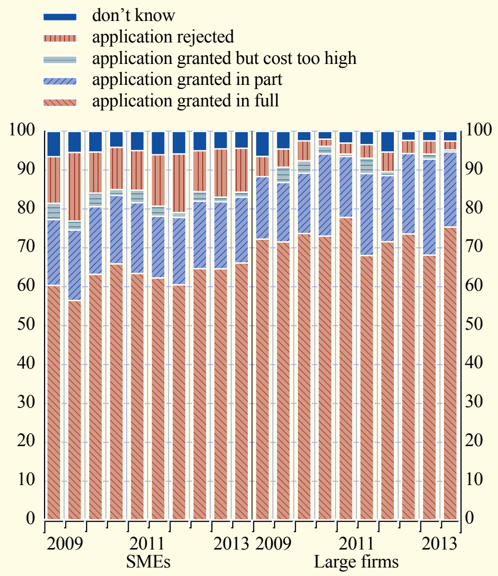
The outcome of bank loan applications by SMEs between October 2013 and March 2014 shows few signs of improvement in the situation at the euro area level. Broadly unchanged from the previous survey period, 25% of euro area SMEs applied for a bank loan, while 47% did not apply because of sufficient internal funds. Of the SMEs that had applied for a loan, 66% reported that they had received the full amount of their loan application (virtually unchanged from the previous survey period; see Chart D). 11% reported that their bank loan application had been rejected (down from 12%) and 10% that they had received only a part of the requested amount (up from 8%). For bank overdrafts, euro area SMEs reported a broadly unchanged rejection rate (11%).

An encompassing measure of financing obstacles calculated by adding together the percentages of SMEs reporting loan applications which were rejected, loan applications for which only a limited amount was granted and loan offers which were not used by the firm because the borrowing costs were too high, as well as the percentage of SMEs that did not apply for a loan for fear of rejection, shows that a share of 12% of euro area SMEs (unchanged from the previous survey round) reported difficulty in obtaining the financing they needed in the period from October 2013 and March 2014.

Large firms had greater success applying for bank loans than SMEs, with 75% of requests met (up from 68%). The rejection rate remained broadly unchanged at 2%. As regards the above-mentioned encompassing measure of financing obstacles, only 6% of large firms (down from 8%) reported difficulties.

Chart D Outcome of loan applications by euro area firms

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



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

Box 3

INTEGRATED EURO AREA ACCOUNTS FOR THE FOURTH QUARTER OF 2013[1]

The integrated euro area accounts, released on 30 April 2014 and covering data up to the fourth quarter of 2013, offer comprehensive information on the income, spending, financing and portfolio decisions of institutional sectors in the euro area. The euro area external surplus reached a new historical high in the fourth quarter of 2013, reflecting weak internal demand and an overall improvement in domestic sector balances, in particular a reduction in the government deficit. Household nominal income growth recovered further which, in a context of weak price dynamics, also resulted in higher real income. Households increased both consumption and saving, with their saving rate increasing marginally from record lows. The decline in housing investment continued to slow down. Non-financial corporations (NFCs) continued to show a net lending position, since the growth in fixed capital expenditure, which returned to positive territory for the first time since early 2012, was more than offset by a further increase in retained earnings and some destocking. Business margins remained at very low levels. The government deficit declined to 3.0% of GDP from 3.5% in the previous quarter, mainly reflecting the dropping out of capital transfers to banks. Regarding developments in indebtedness, gross debt-to-GDP

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

ratios remained at high levels for all euro area sectors, albeit continuing to decline slightly across all private sectors. The financial situation was more favourable according to leverage measures, such as debt-to-assets, capital and net wealth ratios. The debt-to-assets ratio of NFCs continued to decline in the fourth quarter owing to continued net redemptions in corporate loans and holding gains on equity. Financial corporations' capital ratios increased further to high levels. Households' net wealth rose again in year-on-year terms, as net savings and equity gains more than offset the negative impact of falling house prices on wealth. The net external asset position of the euro area continued to improve moderately.

Euro area income and net lending/net borrowing

In the fourth quarter of 2013 the annual growth rate in nominal gross disposable income in the euro area increased anew (to 1.6%, year on year), reflecting the recovery in real GDP growth. This acceleration benefited primarily households' income (see Chart A).

With euro area income growing slightly faster than consumption, euro area gross savings growth accelerated in the fourth quarter of 2013. The household saving ratio rose marginally from a historical low, and NFCs increased their retained earnings. The growth of government sector savings became slightly less negative (on a four-quarter-sum basis). Euro area fixed capital formation stabilised. This reflected a reduction in the pace of the contraction in household fixed investment (to -1.0%) and a return to moderate growth in NFC investment (1.5%) and government investment (0.4%) while the decline in financial corporations' investment accelerated (-17.7%). The small degree of restocking observed in the third quarter turned into moderate destocking in the fourth quarter, implying a negative contribution of inventories to nominal growth.

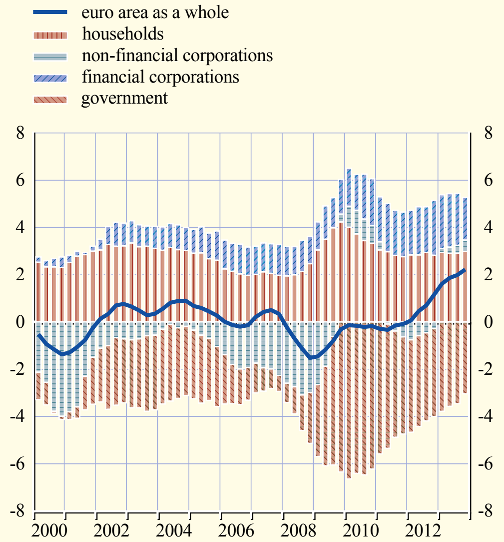
Chart A Gross disposable income in the euro area and contributions by sector

(annual percentage changes; percentage point contributions)

Sources: Eurostat and ECB.

Chart B Net lending/net borrowing of the euro area

(percentages of GDP; four-quarter moving sums)



Sources: Eurostat and ECB.

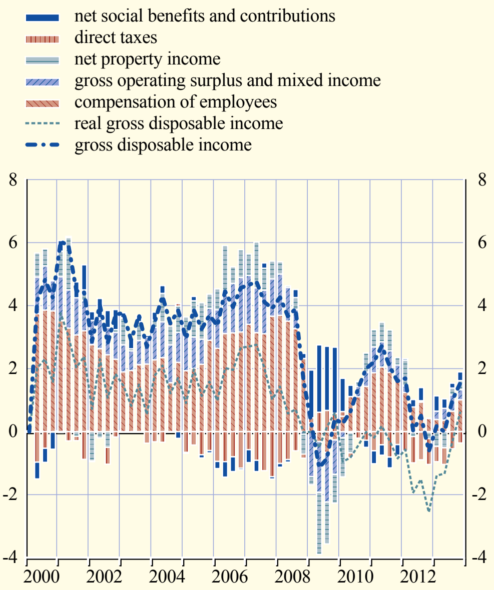
With euro area capital formation remaining unchanged and savings increasing significantly, euro area net lending increased further in the fourth quarter, to 2.2% of GDP on a four-quarter-sum basis, the highest level since the euro was launched. From a sectoral perspective, this improvement was mostly driven by a decline in the government deficit (see Chart B). NFCs continued to show a net lending position. The government deficit declined to 3.0% of GDP (on a four-quarter moving sum basis), mainly reflecting lower capital transfers to banks, which in turn reduced the net lending position of financial corporations. On the financing side, the continued acquisition by non-residents of debt securities and equity issued by euro area residents is indicative of improving sentiment of international investors towards the euro area.

Behaviour of institutional sectors

Households' nominal income growth continued to accelerate in the fourth quarter of 2013 (1.5%, year on year, after 1.0% in the third quarter) as a result of higher positive contributions from compensation of employees and property income, as well as a smaller negative contribution from direct taxes paid and net social benefits received (see Chart C). In a context of weak price dynamics, real income returned to positive growth for the first time since early 2010. With nominal consumption growing at a somewhat slower pace than income, the household saving ratio increased marginally from its record low level to 13.1% in seasonally adjusted terms in the fourth quarter (see Chart D). The pace of the contraction in housing investment moderated again, resulting in an increase, on a four-quarter-sum basis, in households' net lending. Growth in household financing remained at very low levels, as borrowing from banks remained weak. On the assets side, households continued to allocate savings to life insurance and pension products and, to a lesser extent,

Chart C Households' nominal gross disposable income

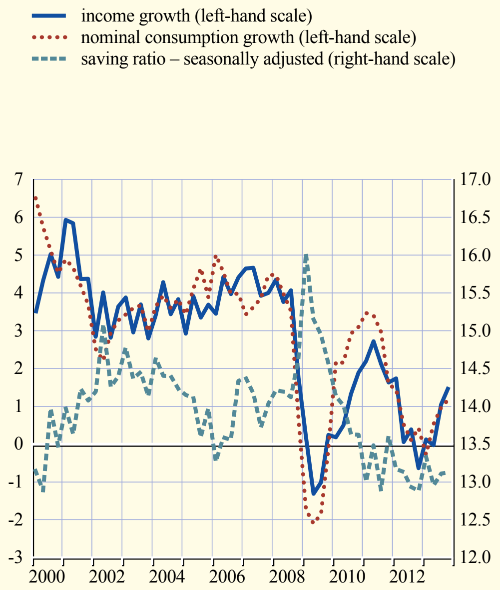
(annual percentage changes; percentage point contributions)



Sources: Eurostat and ECB.

Chart D Households' income, consumption and saving ratio

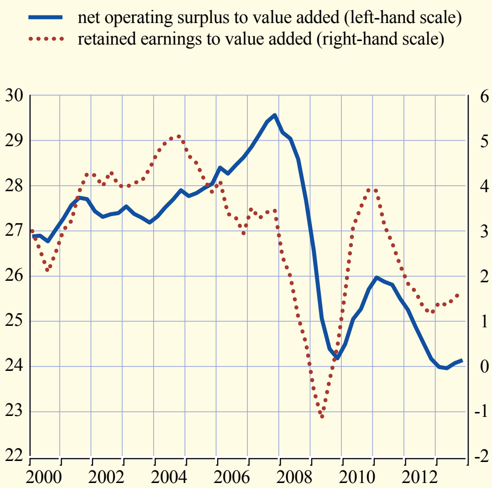
(annual percentage changes; percentages of gross disposable income, seasonally adjusted)



Sources: Eurostat and ECB.

Chart E Non-financial corporations' margins

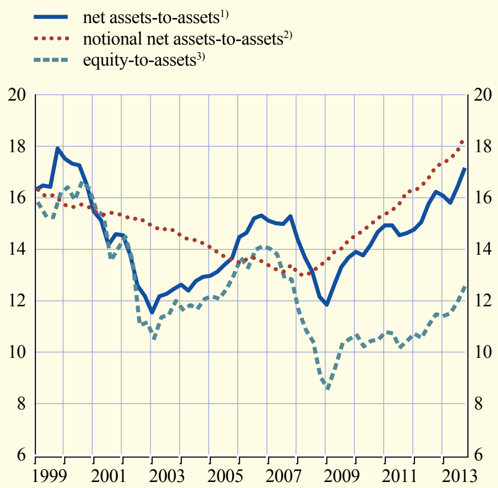
(percentages, four-quarter moving averages)



Sources: Eurostat and ECB.

Chart F Capital ratios of financial institutions excluding mutual funds

(percentages of total assets)



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

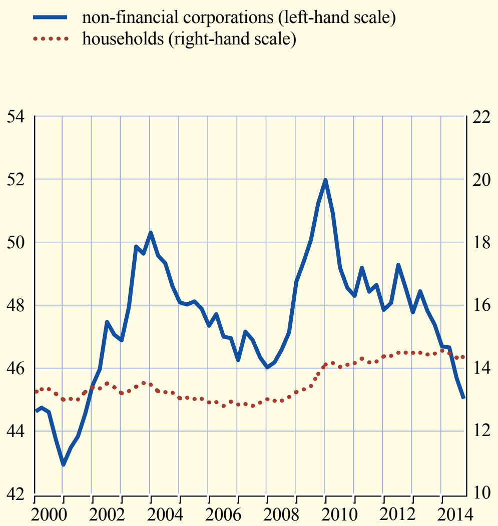
to deposits, mutual fund shares, unquoted shares and other assets, away from debt securities and quoted shares. The household debt ratio declined, as did the leverage ratio, as net wealth increased further year on year, reflecting higher net savings and gains on equity holdings that together exceeded holding losses on housing (see Chart H).

The growth of the gross operating surplus of NFCs increased further in the fourth quarter, to 2.7% year on year, as the recovery of value added outpaced that of wages. Business margins, as measured by the net operating surplus (i.e. net of consumption of fixed capital)[2] in terms of value added, rose slightly from the very low level reached in the first quarter of 2013 (see Chart E). At the same time, a number of factors, including low (and falling) net interest paid and relatively low net dividends paid, continued to push up NFC savings (retained earnings). Fixed capital expenditure growth returned to positive territory in the fourth quarter of 2013 for the first time since early 2012, at 1.5% year on year. At the same time, as a further increase in retained earnings and some destocking more than offset the increase in fixed capital formation, NFCs increased their net lending position somewhat further (see Chart B). Substituting for contracting bank lending (which fell by €126 billion over four quarters, in net terms), NFCs continued to tap the bond market (€83 billion) and the stock market (€30 billion) for financing. Loans from other financial corporations moderated strongly (to €36 billion in the fourth quarter

2 When measuring firms' profitability on the basis of the national accounts data, the focus should be on the net operating surplus, rather than on the gross operating surplus, because consumption of fixed capital (i.e. the amortisation of plant and equipment over several years) should be excluded. Given that consumption of fixed capital represents a fixed cost of business, it tends to move exogenously and steadily throughout the business cycle. As a result, a measure of net profit tends to be more sensitive to the business cycle than a measure of gross profits.

Chart G Sectoral leverage

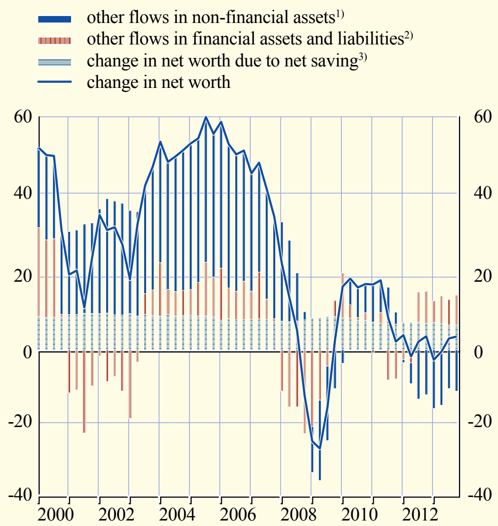
(percentages of assets)



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

Chart H Change in the net worth of households

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



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

of 2013 from €113 billion in the third quarter), reflecting a base effect (the dropping out of one-off operations in Spain conducted in the fourth quarter of 2012 from the calculation of annual flows) and possibly weaker corporate bond issuance via NFC conduits resident in some countries. Loans from foreign entities increased strongly in the fourth quarter of 2013 (inflow of €46 billion). Intra-sector lending, comprising loans extended by other NFCs and the bulk of trade credits (which are important for small and medium-sized enterprises that face bank financing constraints), remained subdued in the fourth quarter. NFCs continued to build up their liquidity buffers (which stood at €2.9 trillion). The significant deleveraging process continued, helped by contracting bank loans and valuation gains on equity held by NFCs (see Chart G).

The government deficit declined in the fourth quarter of 2013 to 3.0% of GDP on a four-quarter-sum basis, mainly reflecting lower capital transfers to banks (which had been particularly large in Spain in the fourth quarter of 2012). Growth in receipts moderated but remained positive at 1.7%. Excluding capital transfers to banks, government expenditure grew by 0.7%. Final consumption expenditure grew by 1.5% and investment expenditure edged up slightly after four years of continuous decline. Growth in debt issuance moderated for the fourth consecutive quarter.

In the fourth quarter of 2013 the gross entrepreneurial income of financial corporations recorded positive annual growth (1.8%) for the first time since end-2011, notwithstanding a deceleration in value added growth and operating surplus growth. This improvement was attributable to a smaller contraction of net interest earned and a robust increase in dividends received. Nevertheless, the high net lending position of financial corporations moderated on a four-quarter-sum basis, reflecting base effects related to the dropping out of large capital transfers received from government in the fourth quarter of 2012. Financial corporations' capital ratios increased substantially further in the fourth quarter of 2013 to stand at elevated levels (see Chart F). These improvements reflect holding gains on securities; sizeable, though decreasing, net retained earnings; and ongoing robust deleveraging dynamics. At the same time, transactions resulting from a large multinational corporate restructuring led to a strong issuance of unquoted equity (€150 billion), representing almost half of the increase in the net assets-to-assets ratio in the fourth quarter (0.3 percentage point of the 0.7 percentage point increase). The market value of financial corporations' net assets increased more than their stock market value. The stock market valuation of the sector remains significantly below the market value of net assets, reflecting continued market distrust. Financial corporations' financial investment growth decelerated further in the fourth quarter of 2013, reaching a new record low on a consolidated basis.

Balance sheet dynamics

As regards developments in indebtedness, gross debt-to-GDP ratios continued to fall albeit very slowly across the private sectors (NFCs, financial corporations and households) in the fourth quarter of 2013, but remained at high levels. By contrast, government indebtedness increased slightly from the previous quarter. The picture is more favourable, however, when leverage measures, such as debt-to-assets and net wealth ratios, are considered. Debt-to-assets ratios (including non-financial assets) fell again in the private sectors, although the pace varied between the sectors. Government sector leverage increased marginally. The international investment position (i.i.p.)[3] of the euro area showed a further moderate improvement, to -18.3% of GDP, after -18.7% in the preceding four-quarter period, on account of the positive net lending position which more than offset the valuation losses from the appreciation of the euro.

The debt-to-assets ratio of NFCs continued to decline in the fourth quarter of 2013, owing to net redemptions in corporate loans and holding gains on equity (see Chart G). Households' leverage edged further down from high levels, as the net wealth of households continued to rebound, increasing year on year by the equivalent of 3.7% of their income. The positive impact of net savings (6.8% of households' annual income in 2013) and holding gains (over one year) on their financial portfolios (8.3% of income) more than compensated for the significant holding losses on non-financial assets (on housing: -11.3% of income) (see Chart H). Financial corporations' capital ratios increased again in the fourth quarter to stand at high levels (see Chart F).

3 The i.i.p. measures the net asset position of euro area residents vis-à-vis non-residents, as measured by assets net of liabilities (including equity).

3 PRICES AND COSTS

According to Eurostat's flash estimate, euro area annual HICP inflation was 0.7% in April 2014, up from 0.5% in March. As expected, given the timing of Easter, the increase was mainly due to a rise in services price inflation. On the basis of current information, annual HICP inflation is expected to remain around present low levels over the coming months, before only gradually increasing during 2015 to reach levels closer to 2% towards the end of 2016. Medium to long-term inflation expectations remain firmly anchored in line with price stability.

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

3.1 CONSUMER PRICES

Looking at the latest data, according to Eurostat's flash estimate, euro area annual HICP inflation was 0.7% in April 2014, after 0.5% in March. This increase reflected higher annual rates of change in the services and energy components, which were partially offset by lower annual rates of change in the non-energy industrial goods and food components (see Table 7). Inflation in the euro area remains low, reflecting, in particular, the negative rates of change in energy prices and the subdued rates of change in non-energy industrial goods prices. Factors behind the decline in inflation include commodity price and exchange rate developments, but also the high amount of slack in the economy.

Looking at the main components of the HICP in more detail, Eurostat's flash estimate for April points to a less negative annual rate of change in energy prices compared to March (-1.2% in April compared to -2.1% in March). This essentially reflects a base effect associated with developments 12 months earlier.

For the total food component, comprising both processed and unprocessed food prices, Eurostat's flash estimate implies a further decline to 0.7%, from 1.0% in March. No official information is yet available with regard to the breakdown of the food component for April. The low food price inflation over the past few months continues to be mainly related to the mild winter this year and the adverse weather effects last year, which have pushed down the year-on-year rate of unprocessed food prices.

Table 7 Price developments

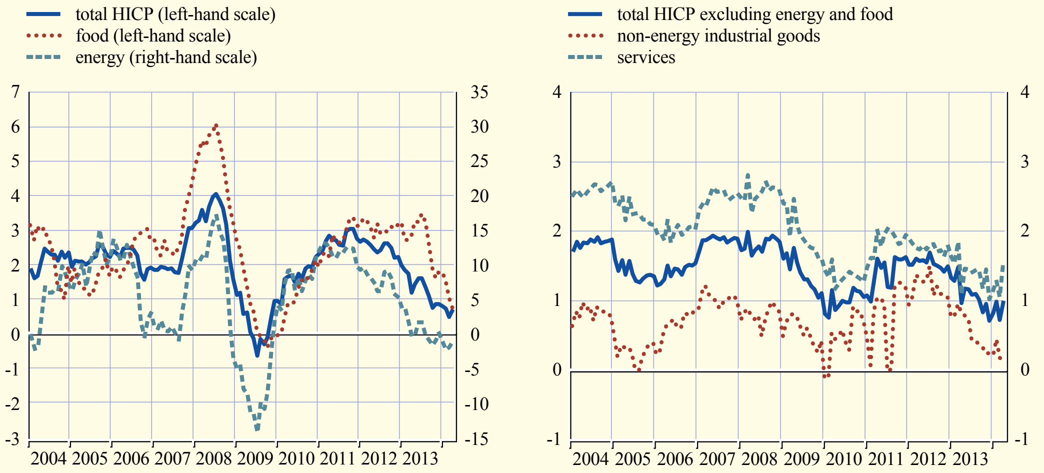
(annual percentage changes, unless otherwise indicated)

	2012	2013	2013 Nov.	2013 Dec.	2014 Jan.	2014 Feb.	2014 Mar.	2014 Apr.
HICP and its components [1]								
Overall index	2.5	1.4	0.9	0.8	0.8	0.7	0.5	*0.7*
Energy	7.6	0.6	-1.1	0.0	-1.2	-2.3	-2.1	*-1.2*
Food	3.1	2.7	1.6	1.8	1.7	1.5	1.0	*0.7*
Unprocessed food	3.0	3.5	0.9	1.5	1.3	0.9	-0.1	.
Processed food	3.1	2.2	2.0	2.0	2.0	1.8	1.7	.
Non-energy industrial goods	1.2	0.6	0.2	0.3	0.2	0.4	0.2	*0.1*
Services	1.8	1.4	1.4	1.0	1.2	1.3	1.1	*1.6*
Other price indicators								
Industrial producer prices	2.8	-0.2	-1.2	-0.7	-1.3	-1.7	-1.6	.
Oil prices (EUR per barrel)	86.6	81.7	80.0	80.8	78.8	79.4	77.8	78.2
Non-energy commodity prices	0.5	-8.2	-11.7	-11.4	-9.3	-7.8	-8.2	-4.2

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

Chart 21 Breakdown of HICP inflation: main components

(annual percentage changes; monthly data)



Source: Eurostat.

The annual growth rate of HICP inflation, excluding the volatile components food and energy, increased to 1.0% in April, following 0.7% in March. This change reflected a higher annual rate of change in services prices (from 1.1% in March to 1.6% in April), while the annual rate of change in non-energy industrial goods prices declined marginally (standing at 0.1% in April, after 0.2% in March). The higher annual rate of change in services price inflation can partly be attributed to the different timing of Easter last year compared to this year, which is likely to have brought about a higher annual rate of change in prices in, for example, package holidays, air transport and hotel accommodation in April 2014 (see Box 4). The 0.1% annual rate of growth in non-energy industrial goods prices in April was the lowest level recorded since the summer of 2011, reflecting still relatively weak consumer demand, as well as the dampening impact that the appreciation of the exchange rate has had on the prices of imported goods.

Box 4

CALENDAR EFFECTS IN RECENT INFLATION DEVELOPMENTS

Recent movements in HICP inflation excluding energy and food have been strongly affected by calendar effects, which have complicated the analysis of short-term developments. This box explains these effects and shows that, when the most affected components are removed from the HICP basket, the shorter-term dynamics in the HICP excluding energy and food have been stabilising, if not picking up over the last six months.

Sources of calendar-related volatility

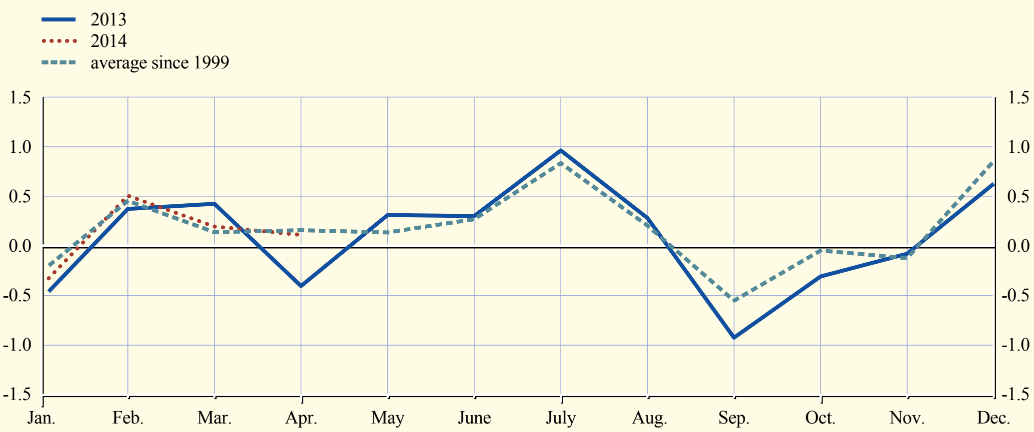
The composition of the calendar, e.g. the number of working days in a given period, can have a strong effect on activity indicators, such as industrial production, but typically has little impact on consumer prices. An exception is when there are changes in the timing of holiday periods, such as the month in which Easter takes place. Easter is a public holiday in most euro area countries, which usually falls in the middle of school holidays. In 2013 it took place at the end of March, whereas, in 2014 it took place in the middle of April. The Easter holiday period typically causes the prices of travel-related services (in particular package holidays, air transport and hotel accommodation) to increase due to a significant rise in demand. Although these services account for only 9.2% of the services component of the HICP basket, large price swings can have a notable impact at the level of the overall HICP.

This can be observed from the regular monthly pattern of price changes in the HICP services component (see Chart A). Although services prices normally increase only modestly in March, the early Easter meant that in 2013 the increase in prices was much stronger than usual. Conversely, rather than rising slightly, as in most years, services prices actually decreased in April 2013. In 2014 services prices have increased in both March and April, broadly in line with the normal monthly pattern. The unusual pattern in 2013 thus had a strong base effect for the year-on-year rates of change of services prices in 2014, explaining much of the volatility observed – these increased from 1.3% in February to 1.1% in March and 1.6% in April. Note that measured price effects associated with the timing of Easter tend to differ across euro area countries and are particularly pronounced in Germany.

Another calendar effect relates to differences in the constellation of sales periods across years. Winter sales typically take place in January and February, and changes in the timing of sales periods from one year to the next can have an important impact on the annual rates of change of the HICP. The HICP items most strongly affected by sales are clothing and footwear, which account for 23.2% of non-energy industrial goods. In 2014 the different timing of sales compared with 2013 was particularly relevant in France, leading to a 0.7 percentage point decline in French non-energy industrial goods inflation in January and a corresponding rise of the same magnitude in February 2014. This, in turn, prompted a decrease and subsequent increase of 0.15 percentage point in euro area non-energy industrial goods inflation in these months.

Chart A Monthly pattern of the HICP services component

(monthly percentage changes)



Sources: Eurostat and ECB calculations.

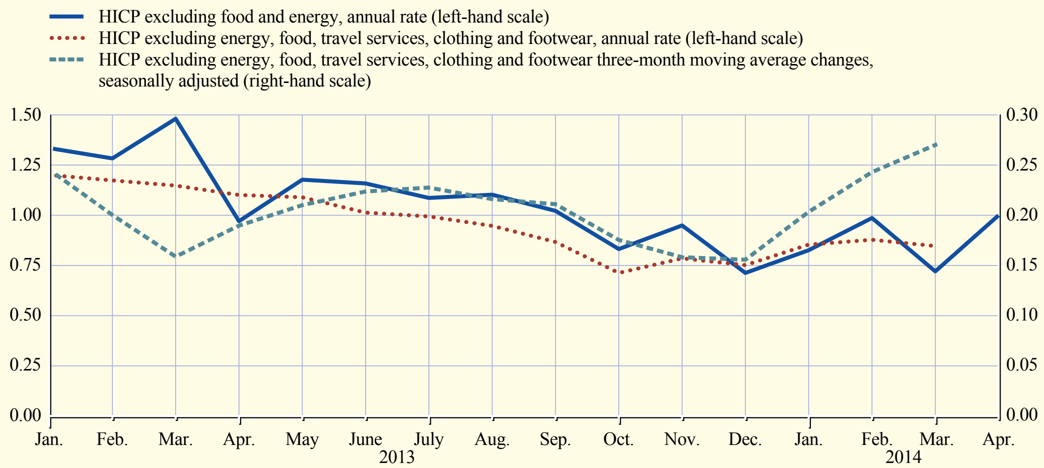
Looking through recent volatility

At generally low rates of inflation, calendar effects can have a proportionately larger impact than they would have when inflation is at higher levels. Looking beyond such effects is thus important for gauging the underlying price dynamics which are often approximated by developments in the HICP excluding energy and food. A simple way to do so, is to also exclude those products from the HICP basket which are most affected by the recent sources of calendar-related volatility described above. Such an index, which covers around 85% of the HICP excluding energy and food, shows a much smoother profile than the HICP excluding only food and energy items. Following a gradual decline in the first nine months of 2013, this measure has since moved slightly upwards. Such an upward path is also confirmed by changes in the seasonally adjusted three-month moving average, which have picked up since December – see Chart B (due to the lack of detailed data, such an index cannot yet be compiled for April).

Looking forward, the upward pressure on prices in April arising from the timing of Easter implies that services price inflation will most likely be slightly lower again in May. This is in line with the prevailing expectation that overall inflation will remain at the current low levels for the coming months.

Chart B HICP excluding various volatile components

(annual percentage changes; three-month moving average changes)



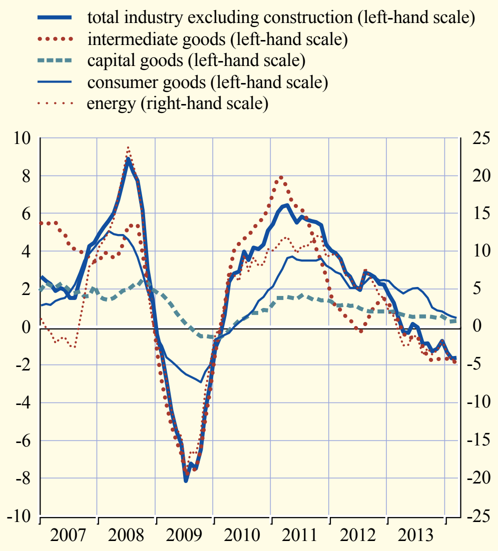
Sources: Eurostat and ECB calculations.
Note: “Travel services” refers to travel-related services particularly affected by calendar effects, i.e. package holidays, hotel accommodation and air travel services.

3.2 INDUSTRIAL PRODUCER PRICES

Industrial producer price inflation excluding construction continued to hover in negative territory and stood at -1.6% year on year in March, slightly higher than the -1.7% recorded in February (see Table 7 and Chart 22). Excluding also energy, industrial producer price inflation remained unchanged at -0.5% in March.

Chart 22 Breakdown of industrial producer prices

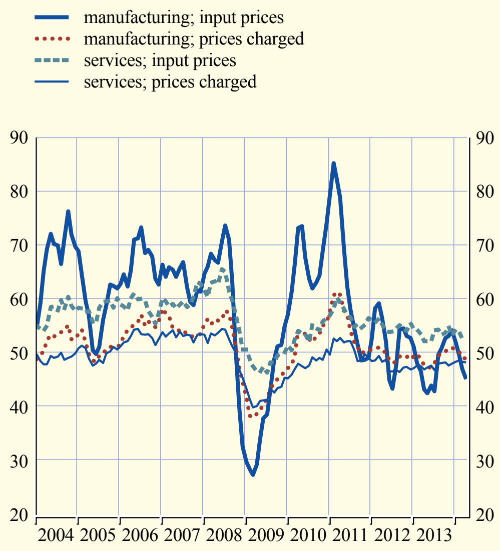
(annual percentage changes; monthly data)



Sources: Eurostat and ECB calculations.

Chart 23 Producer input and output price surveys

(diffusion indices; monthly data)



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

Pipeline pressures for HICP non-energy industrial goods inflation remained broadly stable at subdued levels. The annual rate of change in the PPI of non-food consumer goods industries was unchanged for the third month in a row at 0.3% in March. Survey-based indicators for the retail sector confirmed subdued price pressures at the later stage of the price chain. At the earlier price stages, the annual rate of change of the PPI in the intermediate goods industries continued to hover in negative territory, while downward pressures on producer prices from external factors (such as oil prices in euro and industrial raw material commodity prices) eased somewhat.

Pipeline pressures for HICP food inflation continued to fall at the later stages of the price chain, but appear to have turned upwards at the earlier stages. Annual producer price inflation in consumer food industries declined further in March to 0.3%, from 0.4% in February. Survey data on input prices of food retailers declined in April, while that for retail food margins increased for the third month in a row. Earlier in the price chain, the annual rate of change of EU farm gate prices increased in March but remained negative, while the annual rate of change in international food commodity prices in euro terms turned positive after 12 months of negative annual rates.

From a sectoral perspective, the latest survey-based evidence confirms subdued pipeline price pressures in both the manufacturing and the services sectors. PMI data show a moderate decrease in the input price index for the manufacturing sector in April, while other sub-indices remained broadly unchanged, close to the 50 threshold value, and below their long-run averages. According to the European Commission survey, selling price expectations for both the industry (excluding construction) and services sectors decreased marginally in April and both currently hover at levels below their long-term averages.

Table 8 Labour cost indicators

(annual percentage changes, unless otherwise indicated)

	2012	2013	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4
Negotiated wages	2.2	1.8	2.2	2.0	1.7	1.7	1.7
Compensation per employee	1.9	1.6	1.6	1.7	1.7	1.8	1.5
Compensation per hour	2.6	1.9	2.3	3.1	1.6	1.8	1.3
Memo items:							
Labour productivity	0.0	0.4	-0.2	0.0	0.5	0.6	0.9
Unit labour costs	1.9	1.2	1.8	1.8	1.2	1.2	0.6

Sources: Eurostat, national data and ECB calculations.
Note: Data refer to the Euro 18.

3.3 LABOUR COST INDICATORS

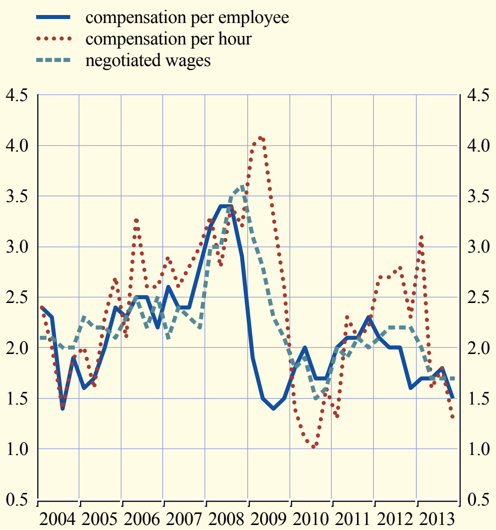
The latest data on labour costs confirm the moderate domestic price pressures, which are consistent with the weak labour market situation in the euro area (see Table 8 and Chart 24). In the fourth quarter of 2013, annual wage growth slowed somewhat at the euro area level, both when measured as compensation per employee and per hour worked. The pattern of wage growth at the euro area level continues to conceal substantial divergences in wage developments across countries.

Compensation per employee increased at an annual rate of 1.5% in the fourth quarter of 2013. Over the past few quarters, growth in compensation per employee has developed broadly in line with that of euro area negotiated wages, which grew at an annual rate of 1.7% in the third and fourth quarters of 2013, and, according to preliminary data, also at a similar rate in the first quarter of 2014. Wage growth as measured by compensation per hour declined to 1.3% in the fourth quarter, compared with 1.8% in the third quarter.

The annual growth rate of unit labour costs fell somewhat in the fourth quarter of 2013, resulting from a slight increase in the annual rate of change in labour productivity together with the somewhat lower growth rate in compensation per employee.

Chart 24 Selected labour cost indicators

(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.
Note: Data refer to the Euro 18.

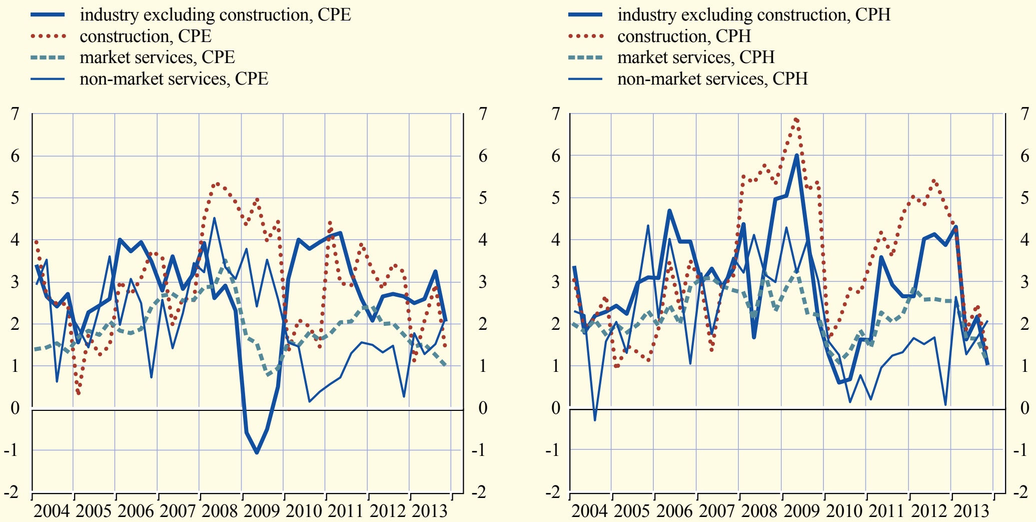
3.4 THE OUTLOOK FOR INFLATION

On the basis of current information, annual HICP inflation is expected to remain around present low levels over the coming months, before only gradually increasing during 2015 to reach levels closer to 2% towards the end of 2016. Medium to long-term inflation expectations remain firmly anchored in line with price stability.

The latest ECB Survey of Professional Forecasters shows that, compared with the previous survey round, forecasters have revised down their inflation expectations for 2014, 2015 and 2016 to 0.9%, 1.3% and 1.5%, respectively. This implies

Chart 25 Sectoral labour cost developments

(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.
Notes: Data refer to the Euro 18. CPE stands for compensation per employee and CPH stands for compensation per hour. "Non-market services" cover activities by government and private non-profit institutions in fields such as general public services, education or health (approximated by the sum of sectors O to Q of the NACE Revision 2 breakdown). "Market services" are defined as the remaining difference to total services (sectors G to U of the NACE Revision 2 breakdown).

downward revisions of between 0.1 and 0.2 percentage point for each year compared with the previous survey round (see Box 5). The average percentage point forecast for longer-term inflation expectations is 1.84%, a 0.03 percentage point decline compared with the previous survey.

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

Box 5

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

This box reports the results of the ECB Survey of Professional Forecasters (SPF) for the second quarter of 2014. The survey was conducted between 16 and 28 April 2014, and 55 responses were received.[1] Compared with the previous survey round, inflation expectations for 2014, 2015 and 2016 have been further revised downwards to 0.9%, 1.3% and 1.5% respectively. Longer-term inflation expectations have been further revised slightly downwards by 0.03 percentage point and now stand at 1.84%. Growth expectations have been revised slightly upwards for 2014, but remain broadly unchanged thereafter and still imply a continuous, albeit gradual, strengthening in real GDP growth. Unemployment expectations were revised downwards across all horizons.

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

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

(annual percentage changes, unless otherwise indicated)

	Survey horizon			
HICP inflation	**2014**	**2015**	**2016**	**Longer-term[1]**
SPF Q2 2014	0.9	1.3	1.5	1.8
SPF Q1 2014	*1.1*	*1.4*	*1.7*	*1.9*
ECB staff macroeconomic projections (March 2014)	1.0	1.3	1.5	-
Consensus Economics (April 2014)	0.9	1.3	1.5	1.8
Euro Zone Barometer (April 2014)	0.9	1.3	1.7	1.8
Real GDP growth	**2014**	**2015**	**2016**	**Longer-term[1]**
SPF Q2 2014	1.1	1.5	1.7	1.7
SPF Q1 2014	*1.0*	*1.5*	*1.7*	*1.8*
ECB staff macroeconomic projections (March 2014)	1.2	1.5	1.8	-
Consensus Economics (April 2014)	1.2	1.5	1.6	1.6
Euro Zone Barometer (April 2014)	1.2	1.6	1.6	1.6
Unemployment rate[2]	**2014**	**2015**	**2016**	**Longer-term[1]**
SPF Q2 2014	11.8	11.5	11.0	9.5
SPF Q1 2014	*12.1*	*11.7*	*11.2*	*9.6*
ECB staff macroeconomic projections (March 2014)	11.9	11.7	11.4	-
Consensus Economics (April 2014)	11.9	11.6	-	-
Euro Zone Barometer (April 2014)	11.9	11.6	11.7	10.9

1) Longer-term expectations refer to 2018.
2) As a percentage of the labour force.

Inflation expectations for 2014-16 revised further downwards, but expected path of inflation remains upward

The SPF average point forecasts for inflation in 2014, 2015 and 2016 stand at 0.9%, 1.3% and 1.5% respectively (see the table). According to respondents, the upward profile of expected inflation over the period 2014-16 is due primarily to the expectation that growth developments will gradually normalise, but also to the assumption that commodity prices and the exchange rate will have less of a moderating impact.

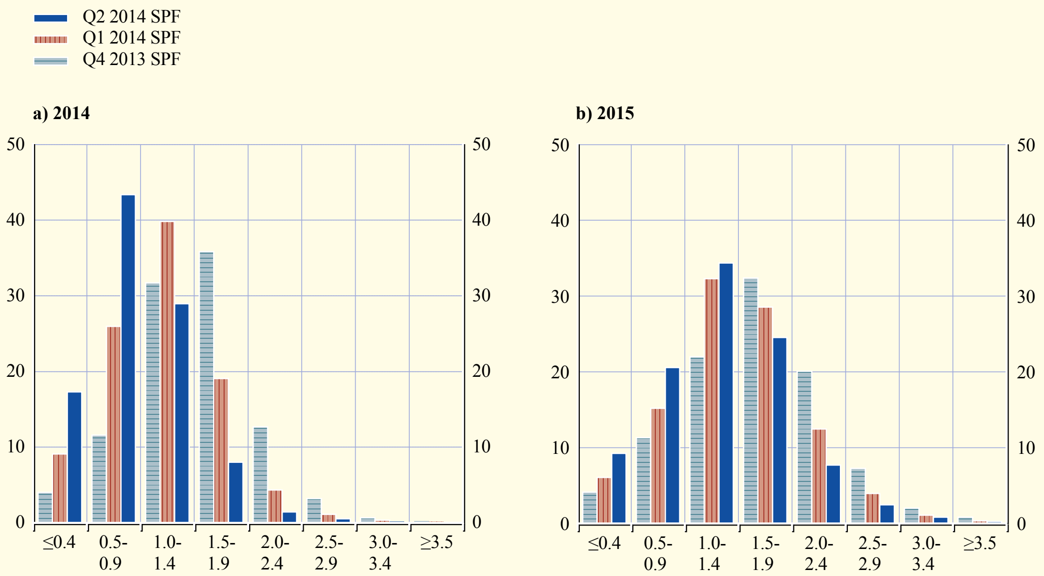
Compared with the previous survey round, the results imply a downward revision of 0.1-0.2 percentage point for each year. Respondents cite favourable commodity price developments, the euro exchange rate, as well as the weak economic situation and labour market conditions as factors behind the expectation of more moderate inflationary pressures. A number of respondents also mentioned the role of structural reforms in attenuating recent outcomes and their forecasts. On the role of economic slack in shaping inflation expectations, some respondents suggested a stronger impact compared with historical norms owing to, inter alia, the depth and length of the slowdown in economic growth. Others did not see any change in responsiveness or could not find statistically significant changes when taking into account the uncertainty surrounding estimates of economic slack.

Overall, inflation expectations for the period 2014-16 are broadly in line with those reported in the March 2014 ECB staff macroeconomic projections for the euro area and the April 2014 Consensus Economics and Euro Zone Barometer surveys.

Turning to the aggregate probability distributions (see Chart A), compared with the previous SPF round, the aggregate probability distributions for expected inflation in 2014-16 have shifted further towards lower outcomes, with the largest shift being for 2014 expectations. However,

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

(probability in percentages)



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

according to survey participants, the probability of negative inflation remains low: 4.5% in 2014, 2.2% in 2015 and 1.8% in 2016. For 2014, the highest probability (43%) is now assigned to an inflation rate of between 0.5% and 0.9%. For 2015, the highest probability (34%) remains in the interval between 1.0% and 1.4% and, for 2016, the highest probability (34%) lies in the interval between 1.5% to 1.9%.

Overall, the risks to the baseline outlook for inflation are perceived by respondents to be slightly to the downside (based on both a qualitative reading of their comments and the quantified analysis of their reported probability distributions).[2] For the horizons 2014-16, the downward risks are relatively small. Downside risks to inflation are perceived to stem from both domestic factors (economic developments and labour market conditions) and external developments (primarily commodity prices and exchange rates). However, a number of these factors – including commodity prices, exchange rates and economic activity – were also mentioned as upside risks by some respondents. Similarly, fiscal policies and government measures (indirect taxes and administered prices) were also mentioned as a risk factor.

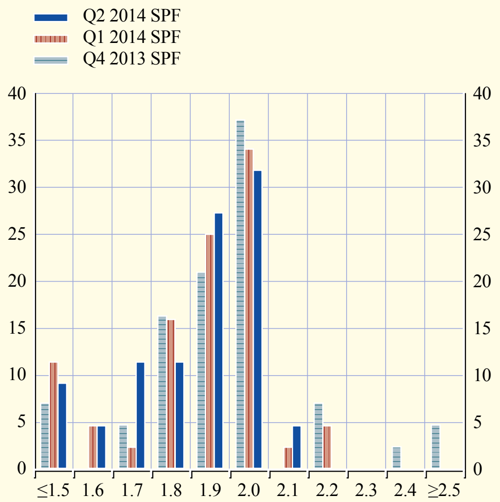
Longer-term inflation expectations edge down slightly

The average point forecast for longer-term inflation expectations (2018) edged down slightly further by 0.03 percentage point to 1.84%. However, the median of the point forecasts remained unchanged at 1.9%, and the largest share (32%) of respondents continued to provide

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

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

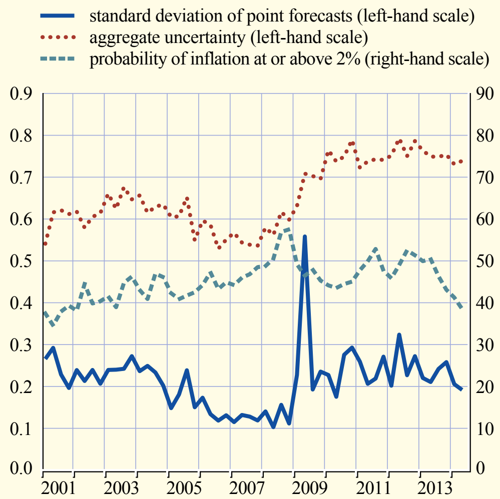
(percentage of respondents)



Source: ECB.

Chart C Disagreement and uncertainty about longer-term inflation expectations

(percentage points; percentages)



Source: ECB.
Note: Aggregate uncertainty is defined as the standard deviation of the aggregate probability distribution.

a point forecast of 2.0% (see Chart B). The SPF longer-term inflation expectations are in line with the latest inflation expectations for 2018 published in the April 2014 Consensus Economics and Euro Zone Barometer surveys.

The aggregate probability distribution also tilted slightly towards lower outcomes compared with the previous SPF round. On average, the balance of risks around the point forecast is assessed to be tilted to the downside (as has been the case for the past four years), with the estimated mean of the aggregate probability distribution standing at around 1.78% compared with the mean point estimate of 1.84%. The probability of inflation being at or above 2.0% has declined to 39% from 42% in the first quarter of 2014, while the probability of it being below 1% increased to 12% from 11% in the previous round. The probability of negative inflation rates remained very low at 1.2% (up from 1.1%).

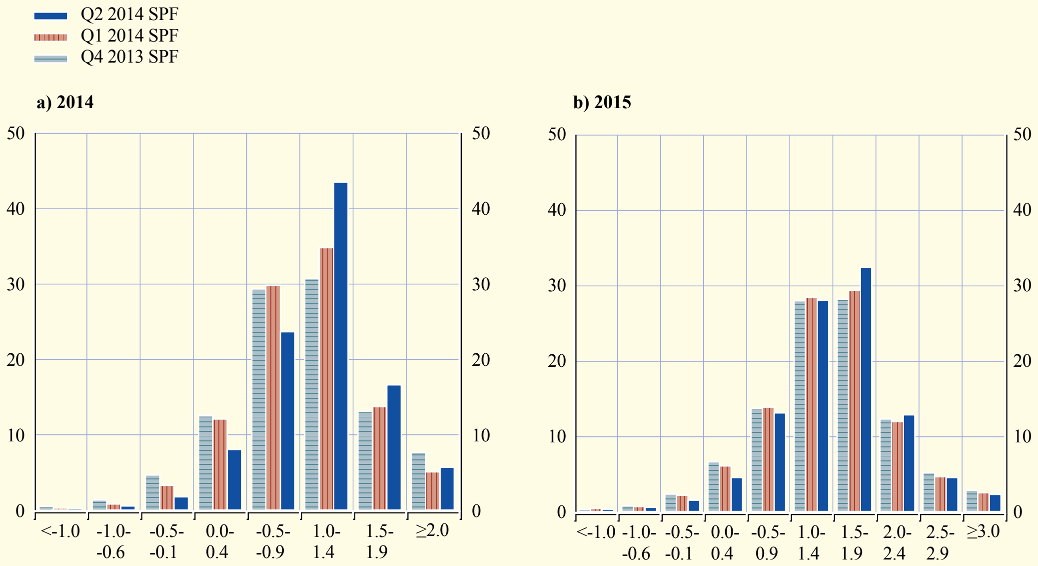
Disagreement about longer-term inflation expectations, as measured by the standard deviation of the point forecasts, remained broadly unchanged and within the range observed since 2010. The same holds for aggregate uncertainty surrounding longer-term inflation expectations, as measured by the standard deviation of the aggregate probability distribution (see Chart C).

Real GDP growth expectations increased slightly for 2014 and remained unchanged for 2015 and 2016

The average point forecast for real GDP growth in 2014 increased slightly by 0.1 percentage point to 1.1% and remained unchanged at 1.5% for 2015 and 1.7% in 2016 (see the table). This implies a pattern of a continuous, albeit gradual, strengthening in economic activity over the years ahead. The qualitative comments provided by respondents indicated that the upward

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

(probability in percentages)



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

revisions for 2014 were driven by the positive carry-over effects of better than expected recent data, a continuing accommodative monetary policy and a softened fiscal adjustment.

The average SPF point forecast for 2014 is 0.1 percentage point below the March 2014 ECB staff macroeconomic projections and is the same for 2015 and 2016. Compared with the April 2014 survey results from Consensus Economics and the Euro Zone Barometer, the SPF expectations are slightly lower for 2014 and slightly higher for 2016. For 2015, the SPF result is in line with the survey result from Consensus Economics, but marginally lower than the result from the Euro Zone Barometer.

The aggregate probability distribution for 2014 has shifted towards higher outcomes (see Chart D). Respondents continued to assign the highest probability to the interval between 1.0% and 1.4%, but now with 44% compared with 35% in the previous round. For 2015 and 2016, the probability distributions remained broadly unchanged.

Around the increased baseline outlook, as reflected in the average point forecast, the balance of risks remains tilted to the downside. According to respondents, these risks are mainly related to political developments, such as the unfolding geopolitical tensions in Ukraine and lower than expected external demand. Additionally, several respondents expressed concerns that uncertainty in the financial markets may rise again, which would then have a knock-on effect on the real economy, inter alia, through a tightening of the credit supply. However, respondents also see some upside risks, such as stronger investor and consumer confidence or earlier and stronger positive effects from structural reforms than assumed in the baseline.

Longer-term growth expectations (for 2018) decreased slightly by 0.1 percentage point to 1.7%. As in previous survey rounds, the SPF results for that horizon remain higher than Consensus Economics and Euro Zone Barometer forecasts (which both stand at 1.6%). The aggregate probability distribution shifted only marginally, but remains skewed to the downside.

Unemployment rate expectations revised down over the entire forecast horizon

The average point forecasts for the unemployment rate are 11.8% for 2014, 11.5% for 2015 and 11.0% for 2016, implying a downward revision by 0.3 percentage point for 2014 and by 0.2 percentage point for 2015 and 2016 (see the table). These revisions reflect recent favourable developments in unemployment figures and survey indicators. At the same time, respondents deem that the anticipated recovery is not strong enough to reduce the unemployment rate more significantly over the next few years, as firms will first increase productivity before hiring again, and it will take some time before the impact of structural reforms is felt.

Compared with other forecasts, the latest SPF expectations for unemployment are more optimistic for all periods: for 2014, they are 0.1 percentage point below the March 2014 ECB staff macroeconomic projections and the Consensus Economics and Euro Zone Barometer forecasts, with the difference widening for 2015 and 2016.

Risks to the short and medium-term forecasts around the baseline outlook remain tilted to the upside and are closely related to the economic recovery being more modest than anticipated and a potential lack of structural reforms. Additionally, some respondents see risks related to wage pressures becoming too high owing to better cyclical conditions and to the possibility that recent high cyclical unemployment might become structural, thereby reducing the long-term growth potential. Some downside risks to the unemployment outlook are associated with stronger than envisaged competitiveness as a result of structural reforms in southern Europe.

The average point forecast for longer-term unemployment rate expectations (9.5% in 2018) is 0.1 percentage point lower than in the previous SPF round. The aggregate probability distribution has shifted towards lower outcomes, but the highest probability (51%) remains attached to the intervals between 9.0% and 10.4%.

Other variables and conditioning assumptions

According to other information provided by the respondents, oil prices are expected to remain at around USD 107 per barrel until 2016. The forecast of the exchange rate of the euro versus the dollar has been revised upwards compared with the previous SPF round, but its expected profile is downward, standing at 1.37 in the second quarter of 2014, and decreasing to 1.31 in 2015 and 1.30 in 2016. Expected growth in compensation per employee has been revised downwards by 0.1 percentage point on average in 2014, 2015 and 2016 (to 1.4%, 1.7% and 1.8% respectively). It has also been revised downwards slightly to 2.1% for the five-year ahead horizon. The mean assumption for the ECB main refinancing rate is broadly flat for the next four quarters, implying a marginal downward revision for the short-term, but a more significant revision for the medium-term. It is assumed that it will stand at around 0.25% until the end of 2014, increase to 0.3% in 2015 and stand at 0.7% in 2016.

4 OUTPUT, DEMAND AND THE LABOUR MARKET

Real GDP in the euro area rose by 0.2%, quarter on quarter, in the last quarter of 2013, thereby increasing for three consecutive quarters. Recent data and survey indicators confirm that the ongoing moderate recovery continued in the first quarter of 2014 and at the beginning of the second quarter. Looking ahead, domestic demand should continue to be supported by a number of factors, including the accommodative monetary policy stance, ongoing improvements in financing conditions working their way through to the real economy, the progress made in fiscal consolidation and structural reforms, and developments in energy prices. At the same time, although labour markets have stabilised and shown the first signs of improvement, unemployment remains high in the euro area and, overall, unutilised capacity continues to be sizeable. Moreover, the annual rate of change of MFI loans to the private sector remained negative in March and the necessary balance sheet adjustments in the public and private sectors continue to weigh on the pace of the economic recovery. The risks surrounding the economic outlook for the euro area continue to be on the downside.

4.1 REAL GDP AND DEMAND COMPONENTS

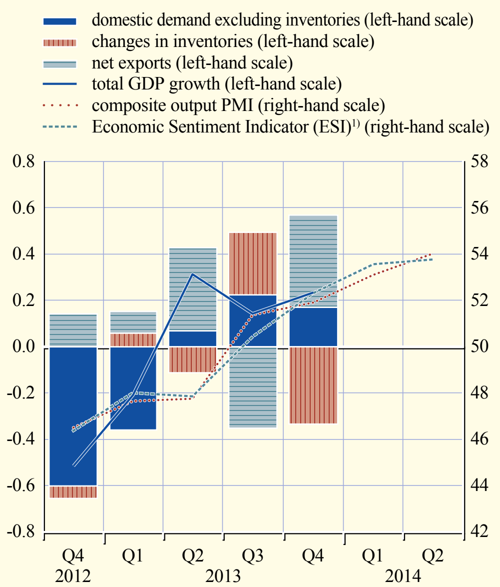
Eurostat's third estimate of national accounts shows that real GDP in the euro area rose by 0.2%, quarter on quarter, in the last quarter of 2013, compared with 0.1% and 0.3% in the previous two quarters respectively (see Chart 26). Domestic demand and net exports contributed positively to growth, while changes in inventories contributed negatively. Survey data, available up to April, point to continued moderate growth at the beginning of this year.

Private consumption increased by 0.1%, quarter on quarter, in the last quarter of 2013, following similar growth in the previous two quarters. The increase in the fourth quarter was, in all likelihood, the result of a positive contribution to consumer spending growth from purchases of cars, which was partly offset by a decline in the consumption of retail goods. At the same time, purchases of services made a broadly neutral contribution to consumption growth in the fourth quarter.

As regards the first quarter of 2014 and April, information on private consumption points, on balance, towards a further modest rise in household spending. The volume of retail sales in the first quarter was, on average, 0.7% above that of the fourth quarter, when sales declined by 0.5%, quarter on quarter. In contrast, new passenger car registrations fell by 2.6%, quarter on quarter, in the first quarter, following a rise of 5.2% in the previous quarter. This quarterly profile of growth in car registrations partly reflects the fact that purchases were brought forward prior to the implementation of tax hikes in some countries

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

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

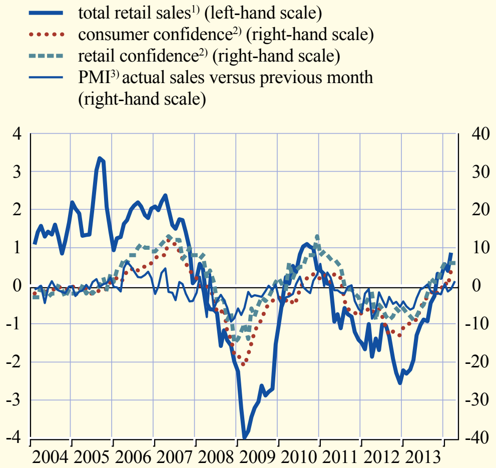


Sources: Eurostat, Markit, European Commission Business and Consumer Surveys and ECB calculations.
Note: Data refer to the 18 euro area countries.
1) The ESI is normalised with the mean and standard deviation of the PMI over the period shown in the chart.

at the beginning of 2014. Overall retail sector survey data, which improved somewhat in the first quarter, confirm recent developments in hard data. Furthermore, the Purchasing Managers' Index (PMI) for retail trade rose above 50 in April, reaching its highest level since April 2011. At the same time, the European Commission's indicator for confidence in the retail sector remained broadly stable in April (see Chart 27). Euro area consumer confidence also improved further between March and April, having risen continuously since the end of 2012. As a result, in April 2014 the index stood slightly above its long-term average and at its highest level since October 2007. Finally, the indicator for major purchases remains at levels well below its long-term average, pointing to persistently sluggish consumption of consumer durables. However, some caution is warranted when interpreting developments in this indicator, as it appears that its correlation with actual consumption of durables has declined since the onset of the crisis (see Box 6).

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

(monthly data)



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

Box 6

RECENT DEVELOPMENTS IN THE CONSUMPTION OF DURABLE GOODS IN THE EURO AREA

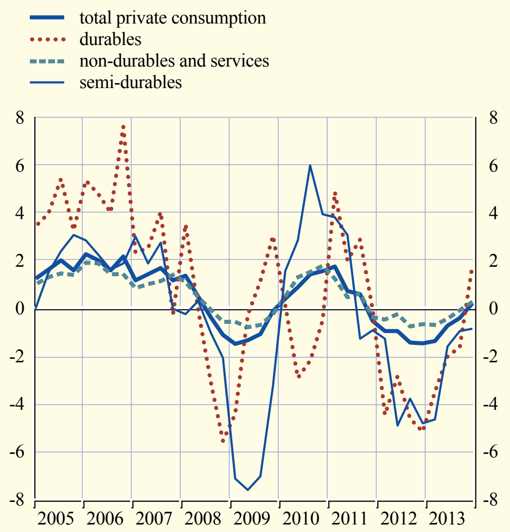
Consumer goods are classified in three categories, depending on their durability. Durable consumer goods typically include commodities with an expected lifetime of more than three years and with a relatively high value (e.g. cars, furniture, home appliances or electrical and electronic devices). Semi-durable and non-durable consumer goods have an expected lifetime of between one and three years and less than one year, respectively, and a comparatively lower value.

Euro area household expenditure on durables[1] (and semi-durables) tends to be similar to that on non-durables (and services) and overall private consumption, although it is much more volatile (see Chart A). A decision to purchase a durable good is rather like an investment decision due to its long-lasting nature, providing consumers with services over several years, and its high purchase price. Nonetheless, it is less costly to reverse a purchase of a durable good than to reverse an investment. These characteristics explain why purchases of durable goods are more sensitive to shocks, such as unexpected income changes, than purchases of non-durable goods.

1 Since Eurostat only publishes a breakdown of private consumption into durable and non-durable goods for some euro area countries, euro area aggregates in this box have been approximated using available country data (i.e. Germany, Estonia, Spain, France, Italy, Luxembourg, Netherlands and Finland), with a coverage of 85% of the euro area.

Chart A Private consumption components

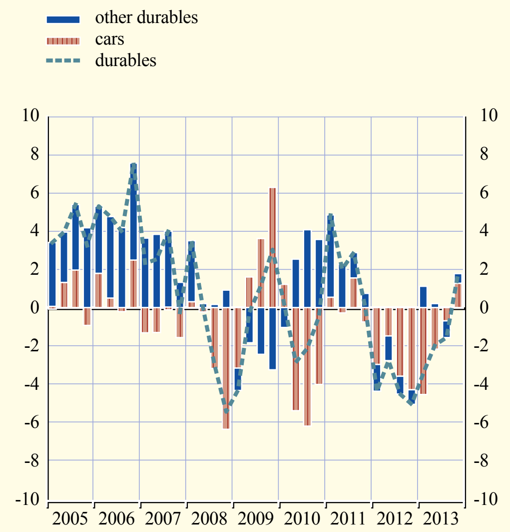
(annual percentage changes)



Sources: Eurostat and ECB calculations.

Chart B Breakdown of consumption of durable goods

(annual percentage changes and contributions)



Sources: Eurostat and ECB calculations.

Durables after the 2008 recession: higher volatility and divergence from overall consumption developments

Consumption of durable goods in the euro area plummeted during the 2008 recession, recovered briefly in 2009 and fell again in 2010. In 2011 the consumption of durable goods rebounded briefly, but declined again in 2012 and most of 2013. Prior to the financial crisis, the strong growth in the consumption of durable goods was mainly due to purchases of durable goods other than cars (see Chart B). However, in 2009 car purchases became the main factor, principally because of car scrappage schemes in several countries which pushed up car sales. During the financial crisis the decline in the consumption of durable goods was initially led by cars, with a sharp fall towards the end of 2008, but purchases of other durable goods also dropped. However, the fiscal incentives to boost sales of new cars made it possible to reverse this downturn, while purchases of other durable goods continued to fall[2]. As soon as the incentives were exhausted or terminated, car purchases fell again in 2010, whereas overall private consumption and the consumption of other durable goods recovered strongly. Thereafter, concerns about debt sustainability in some euro area countries, rising unemployment, weak developments in real disposable income and household wealth as well as heightened uncertainty and low consumer confidence were the main factors behind the negative evolution of expenditure on durable goods in 2012 and most of 2013. In the last quarter of 2013, however, its annual growth turned positive for first time since September 2011. This outcome might nevertheless have been influenced by a spike in car purchases ahead of tax hikes in the Netherlands and France and the extension of the car scrappage scheme in Spain.

2 See also Box 2 "Household consumption of durable goods during the latest recession" in the July 2010 Monthly Bulletin.

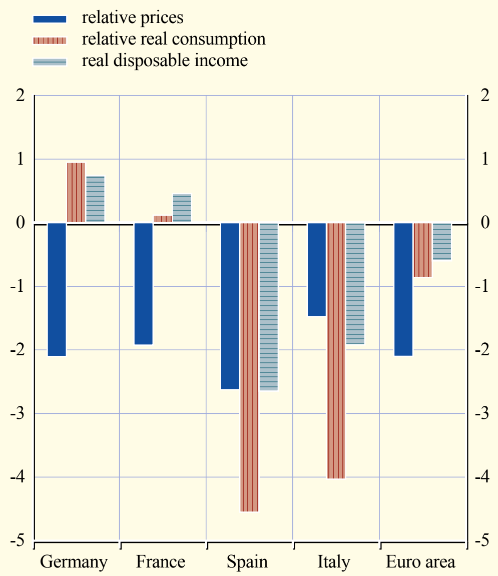
Developments across countries and main determinants

At the end of 2013 positive developments in spending on durables were observed in almost all euro area countries, even in stressed countries. This widespread improvement could be the first sign of a more lasting recovery, but the high volatility of expenditure on durable goods together with the distortions created by some fiscal measures merit careful consideration before drawing any conclusions.

The demand for durables partly depends on the relative prices of those goods and on the disposable income and wealth of households. In some cases, households need to take out loans to buy high-value durable goods. Therefore, financing conditions are also important determinants. As furniture and household appliances are classified as durable goods, the evolution of residential construction also affects demand for durables.

Chart C Average annual growth of prices and real consumption of durables in relation to non-durables (between 2009 and 2013)

(average annual percentage changes)



Source: ECB calculations.
Note: In the calculation, non-durables include semi-durables and services.

In recent years, prices of durables declined relative to those of non-durables in the four largest euro area countries and in the euro area as a whole, partly due to continued and rapid technological advances, particularly in electronic equipment (see Chart C). However, the relative real consumption of durables, as opposed to non-durables, semi-durables and services, differed across countries. In Spain and Italy, the relative consumption of durable goods decreased sharply, indicating that consumers were not benefiting from price reductions. The weak developments in real disposable income and housing wealth of households, the deleveraging process and more restricted access to financing led to households in these two countries spending significantly less disposable income on durable goods[3]. In Germany and, to a lesser extent, France, the relative consumption of durables increased on average, supported by the positive evolution of disposable incomes and favourable relative prices.

Outlook for the consumption of durable goods

The European Commission's consumer survey provides information about households' intentions with regard to major purchases in the next 12 months. The survey historically had good leading indicator properties for future purchases of durables. This indicator is currently still far below its long-term average, despite the reported strong increases in consumer confidence. It has remained at low levels since 2009 (see Chart D), suggesting a prolonged period of weakness in the consumption of durables ahead. The survey also includes a question on current intentions with regard to major purchases in view of the general economic situation. In the past, the indicators for current and future intentions of major purchases displayed similar paths, but since the financial crisis they have

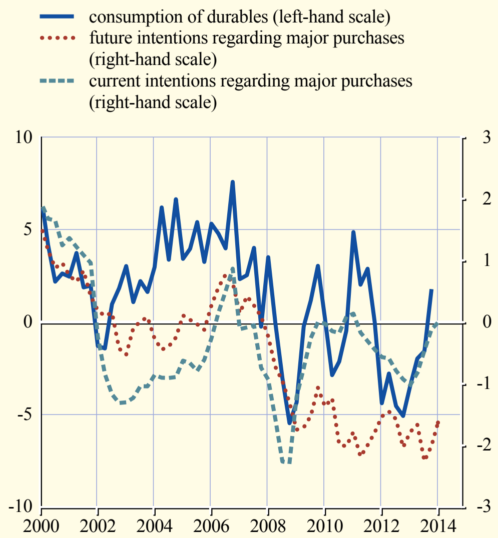
3 According to estimates of the Banco de España (Economic Bulletin, September 2013), the sensitivity of durables consumption to income has increased significantly since 2008.

diverged significantly, with the indicator for current plans following developments in the consumption of durable goods more closely. This divergence may indicate a high level of uncertainty perceived by consumers with respect to the future economic situation, which could lead them to buy durable goods today rather than later on. In addition, the indicator of the current intentions to buy consumer durables has been improving since mid-2013, in line with consumer confidence, resulting in a positive short-term outlook for consumption of durables.

To sum up, changes in disposable income and fiscal measures have played an important role in the recent evolution of the consumption of durables in the euro area, and notably in the largest member countries. The widespread improvement in spending on durables may be seen as a sign of rising domestic demand. Moreover, the European Commission's consumer survey seems to indicate that consumers are preferring to buy now rather than later.

Chart D Consumption of durables and consumer intentions to make major purchases

(annual percentage changes; standardised quarterly survey balances)



Sources: Eurostat and European Commission.
Notes: The survey balances are taken from the European Commission's consumer survey and are standardised using the historical mean and standard deviation.

Gross fixed capital formation increased by 1.1%, quarter on quarter, in the fourth quarter of 2013, the third consecutive increase. Both non-construction and, to a lesser extent, construction investment increased between the third and fourth quarters.

Industrial production of capital goods (an indicator of future non-construction investment) recorded zero growth in February, month on month, following a rise of 0.7% in January. As a result, the average level of capital goods production in January and February stood 1.2% above that of the fourth quarter, when it rose by 0.8%, quarter on quarter. Survey results for the non-construction industrial sector in the first quarter of 2014 and for April, from both the PMI and the European Commission, point to continued growth. At the same time, the European Commission's business survey in manufacturing industry indicates that capacity utilisation declined in the three months to April 2014 for the first time since the beginning of 2013. This indicator remains below its long-term average, indicating the presence of excess capacity in the industrial sector.

As regards construction, hard data and survey results paint a somewhat contrasting picture. Euro area construction production rose marginally by 0.1%, month on month, in February, following on from the positive developments around the turn of the year. After the strong increases in December and January – which were probably weather-related owing to the very mild European winter – the latest figure is more in line with survey results, which present a more pessimistic picture. The PMI for construction activity deteriorated slightly between the last quarter of 2013 and the first quarter of this year and is thus still below the theoretical "no growth" threshold of 50. The European Commission indicator for construction confidence remained unchanged at a low level between the same quarters, before falling between March and April, suggesting a poor start to the second quarter. In addition, forward-looking survey data show the level of new orders remaining significantly below historical averages. Overall, notwithstanding some weather-related support in the first quarter, it appears that activity in the construction sector is still being impeded by the prevailing financing constraints, subdued economic prospects and ongoing housing market adjustment in a number of euro area countries.

The contribution of euro area trade to GDP growth turned positive in the last quarter of 2013, following a temporary negative contribution in the previous quarter. On a quarterly basis, exports increased by 1.3% in the fourth quarter, while imports increased by 0.5%. The latest data on euro area trade suggest that trade growth increased in the first quarter, but that the net trade contribution to GDP growth is likely to have declined, and possibly become negative, on account of a stronger rise in import growth than in export growth. The value of exports in January and February was, on average, 0.8% above the average in the fourth quarter, whereas the corresponding increase in the value of imports amounted to 1%. At the same time, short-term indicators suggest that trade prices have stabilised somewhat. Survey data for the first quarter point to some improvement in exports. The PMI for new export orders strengthened further in the first quarter, before falling back in April. However, it remains above the expansion threshold of 50, thereby indicating positive growth. The European Commission survey indicator for export order books paints a similar picture.

4.2 SECTORAL OUTPUT

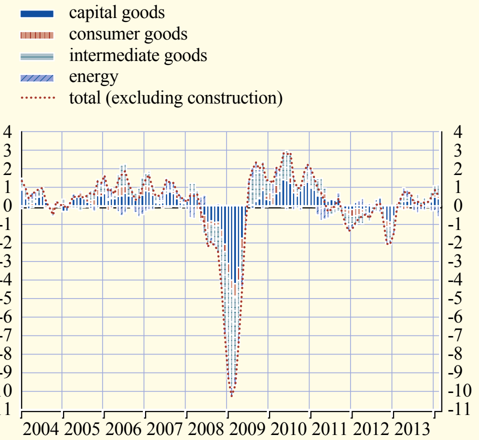
Real value added increased further by 0.3%, quarter on quarter, in the fourth quarter of 2013. This rise was broadly based across sectors. For a more comprehensive review of sectoral developments since the onset of the crisis, see the article entitled “Euro area sectoral activity since 2008” in this issue of the Monthly Bulletin.

With regard to developments in the first quarter of 2014, industrial production (excluding construction) increased by 0.2%, month on month, in February, following zero growth in the previous month. As a result, average industrial production in January and February stood 0.4% above that of the fourth quarter, when production increased by 0.5% on a quarterly basis (see Chart 28). The ECB indicator for euro area industrial new orders (excluding heavy transport equipment) declined by 0.2%, month on month, in February, following an increase of 0.5% in the previous month. Therefore, on average, in January and February the level of new orders was just over 1% above the average in the fourth quarter, when it rose by 0.7% on a quarterly basis. More timely survey data also point to continued, albeit moderate, growth in the first quarter of 2014 and at the beginning of the second quarter. For example, the manufacturing output PMI, which has indicated positive growth since July 2013, rose further in the first quarter, as well as in April 2014 (see Chart 29). Moreover, European Commission survey data indicate that demand improved further in the three months to April 2014, albeit from relatively low levels.

Services sector value added is likely to have increased further in the first quarter of 2014. As with the manufacturing sector, both the PMI for services business activity and the European Commission’s indicator for services sector confidence rose between the fourth quarter of 2013 and the first quarter of 2014. While the PMI rose further in April, confidence eased somewhat, but remained at a level close to the first-quarter average.

Chart 28 Industrial production growth and contributions

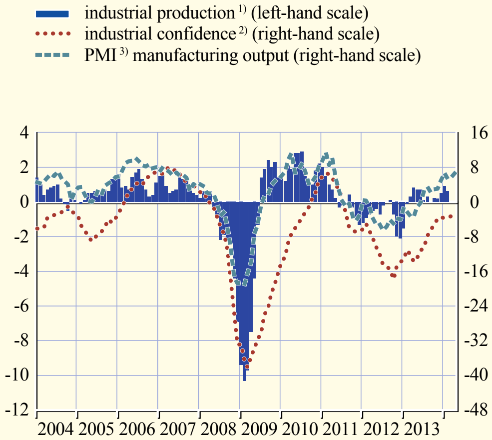
(growth rate and percentage point contributions; monthly data; seasonally adjusted)



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

Chart 29 Industrial production, industrial confidence and PMI manufacturing output

(monthly data; seasonally adjusted)



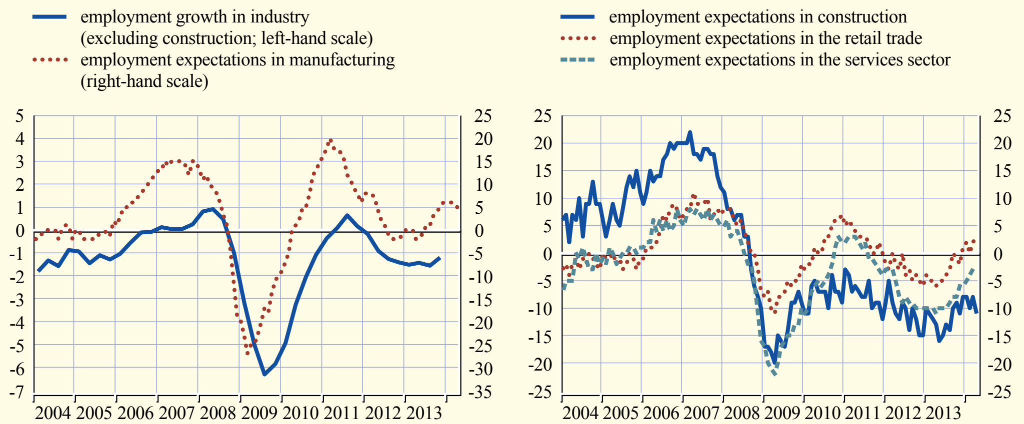
Sources: Eurostat, European Commission Business and Consumer Surveys, Markit and ECB calculations.
Note: Survey data refer to manufacturing.
1) Three-month-on-three-month percentage changes.
2) Percentage balances.
3) Purchasing Managers' Index; deviations from an index value of 50.

4.3 LABOUR MARKET

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

Chart 30 Employment growth and employment expectations

(annual percentage changes; percentage balances; seasonally adjusted)



Sources: Eurostat and European Commission Business and Consumer Surveys.
Note: Data refer to the 18 euro area countries. Percentage balances are mean-adjusted.

Table 9 Employment growth

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

	Persons					Hours				
	Annual rates		Quarterly rates			Annual rates		Quarterly rates		
	2012	2013	2013 Q2	2013 Q3	2013 Q4	2012	2013	2013 Q2	2013 Q3	2013 Q4
Whole economy	-0.6	-0.8	0.0	0.0	0.1	-1.4	-1.1	0.6	0.0	0.0
of which:										
Agriculture and fishing	-1.9	-1.6	1.6	-0.5	-0.5	-2.9	-1.0	0.8	-0.4	-0.6
Industry	-2.1	-2.3	-0.6	-0.4	-0.2	-3.3	-2.4	1.0	-0.3	-0.4
Excluding construction	-0.9	-1.4	-0.4	-0.4	-0.1	-2.0	-1.2	1.2	-0.1	-0.3
Construction	-4.7	-4.5	-1.0	-0.4	-0.4	-6.1	-4.9	0.5	-0.6	-0.7
Services	-0.1	-0.4	0.0	0.1	0.2	-0.7	-0.7	0.5	0.1	0.1
Trade and transport	-0.8	-0.8	0.1	-0.1	0.2	-1.6	-1.3	0.6	0.1	0.0
Information and communication	1.2	0.3	0.1	0.0	0.5	0.6	0.0	0.5	-0.4	0.6
Finance and insurance	-0.4	-0.8	-0.2	0.0	0.0	-0.9	-0.9	0.3	0.0	-0.1
Real estate activities	-0.4	-1.7	0.1	0.7	-0.9	-1.2	-2.3	0.4	-0.4	-0.7
Professional services	0.7	0.3	0.3	0.7	0.2	0.5	0.0	0.7	0.6	0.0
Public administration	-0.3	-0.3	-0.1	0.1	0.3	-0.5	-0.5	0.4	0.1	0.6
Other services[1]	0.6	-0.2	0.1	-0.1	-0.4	-0.1	-0.6	0.5	0.0	-0.4

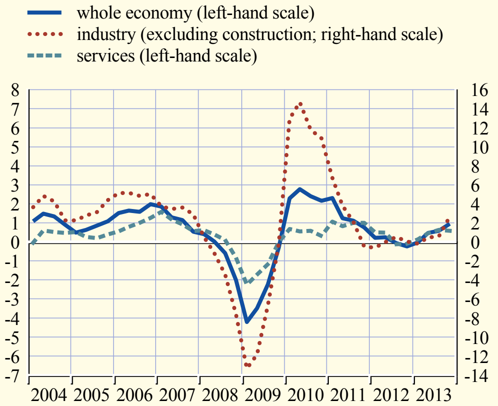
Sources: Eurostat and ECB calculations.
Note: Data refer to the 18 euro area countries.
1) Also includes household services, the arts and activities of extraterritorial organisations.

Headcount employment, which was stable in the second and third quarters of 2013 after declining for eight consecutive quarters, rose by 0.1%, quarter on quarter, in the fourth quarter (see Table 9). At the sectoral level, the latest figure reflects an increase in employment in services, which was partly offset by declines in employment in agriculture and industry. Total hours worked recorded zero growth, quarter on quarter, in both the third and fourth quarters.

Labour productivity per person employed increased by 0.9% in annual terms in the last quarter of 2013. This is higher than the growth rates in the second and third quarters, which in turn followed three quarters of negative growth (see Chart 31). The annual growth rate of hourly labour

Chart 31 Labour productivity per person employed

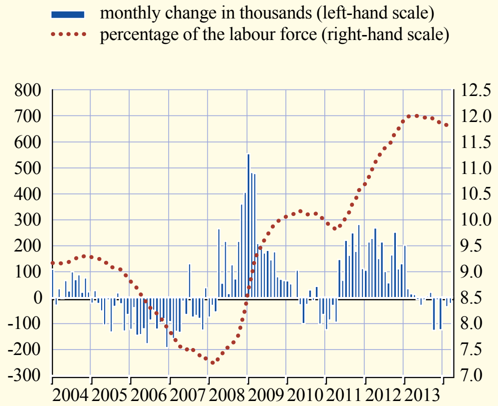
(annual percentage changes)



Sources: Eurostat and ECB calculations.
Note: Data refer to the 18 euro area countries.

Chart 32 Unemployment

(monthly data; seasonally adjusted)



Source: Eurostat.

productivity edged up by 0.1 percentage point, reaching 0.8% in the fourth quarter. As regards the first quarter of 2014, the latest readings of the PMI productivity index, which encompasses the manufacturing and services sectors, signal continued positive growth.

In March 2014 the unemployment rate remained unchanged, at 11.8%, for the fourth consecutive month (see Chart 32), following further downward revisions to the back data. However, this stability masks a fall in the number of unemployed. In the first quarter of 2014 the unemployment rate also stood at 11.8%, compared with 11.9% in the last quarter of 2013 and 12.0% in the third quarter. These recent developments thus clearly indicate that the unemployment rate has peaked and that labour markets have stabilised. The latest reading is nonetheless 4.6 percentage points higher than in March 2008, when unemployment was at a cyclical low before the onset of the financial crisis.

4.4 THE OUTLOOK FOR ECONOMIC ACTIVITY

Recent data and survey indicators confirm that the ongoing moderate recovery continued in the first quarter of 2014 and at the beginning of the second quarter. Looking ahead, domestic demand should continue to be supported by a number of factors, including the accommodative monetary policy stance, ongoing improvements in financing conditions working their way through to the real economy, the progress made in fiscal consolidation and structural reforms, and developments in energy prices. At the same time, although labour markets have stabilised and shown the first signs of improvement, unemployment remains high in the euro area and, overall, unutilised capacity continues to be sizeable. Moreover, the annual rate of change of MFI loans to the private sector remained negative in March and the necessary balance sheet adjustments in the public and private sectors continue to weigh on the pace of the economic recovery.

The risks surrounding the economic outlook for the euro area continue to be on the downside. Geopolitical risks, as well as developments in global financial markets and emerging market economies, may have the potential to affect economic conditions negatively. Other downside risks include weaker than expected domestic demand and insufficient implementation of structural reforms in euro area countries, as well as weaker export growth.

The results from the latest Survey of Professional Forecasters show that the outlook for growth for 2014 has been revised slightly up compared with the previous survey round, while expectations for 2015 and 2016 remain broadly unchanged. At the same time, expectations for the unemployment rate have been revised down (see Box 5 in Section 3).

ARTICLES

THE DETERMINANTS OF EURO AREA SOVEREIGN BOND YIELD SPREADS DURING THE CRISIS

Sovereign bond yields play a key role in the transmission of the ECB's monetary policy to euro area financial markets and the real economy. Therefore, the study of the determinants of sovereign bond yield spreads in the euro area is important in order to identify heterogeneity and potential impairments in the transmission mechanism of monetary policy across individual countries. From the inception of the euro to mid-2007, sovereign bond yields were very similar across euro area countries, despite large differences in fiscal positions. With the benefit of hindsight, it can be argued that investors were underpricing sovereign credit risks for a number of countries during this period. Once the euro area sovereign debt crisis broke out, investors drastically repriced sovereign credit risk and became much more risk averse, notably vis-à-vis countries with further deteriorating public finances. During the most severe phase of the sovereign debt crisis, contagion effects and unfounded fears of currency redenomination added to this upward pressure on sovereign spreads, impairing the transmission of monetary policy in some euro area countries. Unconventional Eurosystem monetary policies undertaken during these times helped to influence spreads in a way that improved the pass-through of the monetary policy stance across countries and allowed it to be geared towards maintaining price stability in the euro area.

1 INTRODUCTION

Sovereign bond yields are generally used as benchmark reference rates to price key interest rates, such as lending rates to households and corporations, and corporate bond yields. Therefore, the study of their determinants is important to understand the monetary transmission mechanism and its possible impairments. For example, when setting the remuneration on deposits, banks compete with yields on bonds and Treasury bills issued by the government. In countries where such yields have become less responsive to policy rates, monetary policy may be less effective in steering banks' funding costs.[1]

In the first ten years of the euro, the spreads between government bond yields across euro area countries were marginal. The monetary policy stance was easily transmitted to the various financial market segments. From this point of view, financial markets appeared to be well integrated, although more recent events suggest that the very small or even negligible bond spreads observed at that time in euro area countries under financial stress might reflect, at least in part, an underpricing of their domestic sovereign risk. After the Lehman Brother's bankruptcy in September 2008 and, most importantly, the disclosure of the severe public finance situation in Greece in October 2009, doubts over the sustainability of public finances in several euro area countries grew and their sovereign yield spreads rose sharply. Sovereign markets became highly fragmented across countries through market perceptions about the different viability of fiscal balances and the monetary policy transmission mechanism was impaired. During the most severe phase of the sovereign debt crisis, unfounded fears of currency redenomination arose, which the ECB had to alleviate through unconventional monetary policies in order to preserve price stability.

The aim of this article is to identify the factors that have characterised the euro area sovereign debt crisis in order to explain the developments in euro area sovereign bond spreads. Euro area sovereign yield spreads are defined here as the difference between the ten-year bond yields of a euro area country and the ten-year German bond yields. The ten-year Bund yields are often considered benchmark yields in many academic studies because German sovereign debt has been enjoying a high credit rating for some time now and hence its returns can be seen as a good proxy for risk-

1 See the article entitled "Assessing the retail bank interest rate pass-through in the euro area at times of financial fragmentation", *Monthly Bulletin*, ECB, August 2013.

free asset returns. For the sake of simplicity, this convention is maintained in the article although, in principle, German Bund yields are also affected by risk premia.

The remaining sections of the article are structured as follows. Section 2 provides a broad survey of the literature on the main determinants of sovereign bond spreads in the euro area. Section 3 outlines their historical developments, including the pre-crisis stability period, the turmoil experienced after the Lehman Brother's bankruptcy and the subsequent sovereign debt crisis. Section 4 discusses how the various policies introduced by the Eurosystem in order to address the attendant impairments in the monetary policy transmission mechanism influenced sovereign bond spreads. Section 5 concludes.

2 A SURVEY OF THE LITERATURE ON THE DETERMINANTS OF SOVEREIGN BOND YIELD SPREADS IN THE EURO AREA

Sovereign bond spreads are generally related to a broad spectrum of determinants of very different nature. In particular, they may reflect the premia that investors demand in order to bear the country-specific credit and liquidity risks in relation to those of a benchmark country. In turn, the sensitivity of the premia – also defined as the price of risk – to credit and liquidity risks of a specific country compared with the benchmark country depends on the willingness of investors to bear those risks (i.e. their degree of risk aversion). However, as generally is the case with asset prices, sovereign bond spreads may also occasionally present developments that are inconsistent with the more traditional categories of determinants just mentioned. For example, they may be affected by financial bubbles or by self-fulfilling beliefs. This section aims to survey the literature on the main determinants that have affected sovereign bond spreads in the euro area. However, from the outset it should be clear that, given the broad spectrum of determinants and their interconnectedness, it is usually very difficult to quantify their relative importance in observed spreads.

The credit premium is the compensation that investors demand in order to bear the risk of a government default. The variables that are used in order to monitor the risk of a default of a specific euro area country are, typically, related to its current and expected fiscal position. The sustainability of public finances is determined, inter alia, by debt and primary deficit-to-GDP ratios, interest expenditure and the debt maturity and ownership profile. Macroeconomic variables capturing the future ability of a country to repay its debt, such as GDP current and potential growth, the current account balance, consumer prices and measures of competitiveness, are also related to credit premia. The financial and sovereign crises, along with the deterioration of fiscal positions in several euro area countries, led to a heightened importance of credit risk, as perceived by financial markets, as a determinant of sovereign bond spreads in several countries. This may be partly due to the perverse feedback loops from private debt which ended up affecting public finances. Constâncio (2013)[2] stresses the importance of "imbalances originated mostly from pre-crisis rising private sector expenditures, which were in turn financed by the banking sectors of the lending and borrowing countries". The resulting increase in public debt levels was caused by collapsing tax revenues and soaring social expenditures, which increased when the automatic stabilisers were triggered by the recessionary episodes. Moreover, perceptions of increased credit risk were also fostered by the dangerous feedbacks generated by the announcement of bank rescue packages which, shifting

2 Constâncio, V., "The European crisis and the role of the financial system", speech given at the Bank of Greece conference on "The crisis in the euro area", Athens, 23 May 2013.

risk from the private sector to the public sector, led to a reassessment of sovereign credit risk by investors (bank-sovereign nexus).[3]

The liquidity premium relates to the extra compensation for bearing the risk of having to sell the bond at a lower price because of difficulties in finding a counterparty that wants to buy it. The liquidity premium is typically monitored by measures reflecting the size of specific bond markets (overall outstanding amount of public debt), the costs incurred by investors to unwind asset positions (bid-ask spreads) and trade intensity (trading volumes).

In addition, the degree of risk aversion of investors can affect the euro area sovereign yield spreads (see Box 1). In fact, risk aversion typically increases in global economic downturns and may increase the sensitivity of sovereign bond yields to credit and liquidity risks.

3 Attinasi, M.G., Checherita-Westphal, C. and Nickel, C., "What explains the surge in euro area sovereign spreads during the financial crisis of 2007-09?", *Public Finance and Management*, Vol. 10, No 4, 2010, pp. 595-645.

Box 1

TRADITIONAL DETERMINANTS OF EURO AREA SOVEREIGN BOND SPREADS: A SURVEY

This box surveys the literature on the traditional determinants of sovereign bond spreads in euro area countries and how their role changed during the sovereign debt crisis. Excluding the most recent part of the sovereign crisis (Boxes 2 and 4 have a more specific focus on the sovereign crisis), the developments in sovereign bond spreads in euro area countries can be explained by two broad categories of determinants relating to credit and liquidity risk and by the interaction of the latter with the degree of investors' risk aversion. While credit and liquidity risks are mostly linked to country-specific features, the willingness of investors to bear risk, i.e. the degree of risk aversion, reflects global factors and is seen as the most relevant driver of the co-movement observed in the euro area sovereign bond spreads. The relevance of these determinants is likely to be affected by the state of the economy and, hence, it can vary over time.[1] In particular, in periods in which risk aversion is high, investors are less willing to take risks and therefore sovereign bond spreads are more sensitive to credit and liquidity risk. A relatively robust finding of the literature on the determinants of sovereign bond spreads is that measures of a country's creditworthiness, traditionally related to credit premia, have become more relevant to explain sovereign bond spreads since the start of the financial crisis and, to an even larger extent, since the sovereign debt crisis.

The degree of investors' risk aversion is typically proxied by US stock market implied volatility (VIX)[2] or US corporate bond spreads. The literature[3] finds a relevant role for such proxies

1 See D'Agostino, A. and Ehrmann, M., "The pricing of G7 sovereign bond spreads – the times, they are a-changin", *Working Paper Series*, No 1520, ECB, 2013, for an account of the time variation in the sensitivity of sovereign bond spreads to different determinants.
2 See, for example, Bekaert, G., Hoerova, M. and Lo Duca, M., "Risk, uncertainty and monetary policy", *Journal of Monetary Economics*, Vol. 60 (7), 2013, pp. 771-788.
3 See, for example, Codogno, L., Favero, C. and Missale, A., "Yield spreads on EMU government bonds", *Economic Policy*, Vol. 18 (37), October 2003, pp. 503-532; Geyer, A., Kossmeier, S. and Pichler, S., "Measuring systematic risk in EMU government yield spreads", *Review of Finance*, Vol. 8 (2), 2004, pp. 171-197; Bernoth, K., von Hagen, J. and Schuknecht, L., "Sovereign risk premiums in the European government bond market", *Journal of International Money and Finance*, Vol. 31 (5), 2012, pp. 975-995; Favero, C., Pagano, M. and von Thadden, E.L., "How does liquidity affect government bond yields?", *Journal of Financial and Quantitative Analysis*, Vol. 45 (1), February 2010, pp. 107-134; Gerlach, S., Schulz, A. and Wolff, G.B., "Banking and sovereign risk in the euro area", *CEPR Discussion Papers* 7833, 2010; and von Hagen, J., Schuknecht, L. and Wolswijk, G., "Government bond risk premiums in the EU revisited: the impact of the financial crisis", *European Journal of Political Economy*, Vol. 27 (1), March 2011, pp. 36-43.

as determinants of sovereign bond yields. Manganelli and Wolswijk (2009)[4] stress the role of monetary policy which, in particular through changes in short-term interest rates, affects global risk aversion and hence sovereign bond spreads. However, several studies point out that international factors *per se* have become relatively less relevant in recent years,[5] suggesting a stronger role for country and regional-specific factors.

The determinants of credit premia are typically associated with proxies for the default risk of a specific country, such as variables describing their fiscal positions (debt and deficit-to-GDP ratios, structure of debt maturity, interest expenditure-to-GDP or interest expenditure-to-tax revenue ratios, etc.) and country ratings. Given that investors may be more interested in evaluating the fiscal outlook rather than current and past fiscal positions in order to assess the creditworthiness of a country, several papers use the expected (rather than historical) fiscal fundamentals as explanatory variables in sovereign bond spreads. D'Agostino and Ehrmann (2013) also extend the range of variables used in order to capture credit risk to the consensus forecasts of macroeconomic variables (current account balance-to-GDP ratio, real GDP growth, unemployment and consumer price inflation), while Maltritz (2012)[6] considers openness and the terms of trade. Credit risk has become more important to explain sovereign bond spreads in euro area countries since the start of the financial crisis.[7] This heightened importance for credit risk may be linked to the deterioration of fiscal positions in several euro area countries. For example, Attinasi et al. (2010) suggest that the announcement of bank rescue packages, shifting risk from the private sector to the public sector, has led to a reassessment of sovereign credit risk by investors. However, the elasticity of credit premia to fiscal fundamentals (a measure of the price of credit risk) also increased during the crisis, partly owing to an increase in the degree of global risk aversion.[8] An example of a possible mechanism can be found in Gerlach et al. (2010), which finds that global risk interacts with measures of country default risk (captured in this study by the ratio of total assets of the banking sector to GDP), causing the relationship of the latter with sovereign spreads to vary over time.

The last broad category of determinants of sovereign bond spreads relates to liquidity premia. Typically, the overall outstanding amount of public debt, bid-ask spreads and trading volumes are used to proxy for liquidity premia.[9] Favero et al. (2010) propose a model with endogenous liquidity demand where liquidity and aggregate risk (i.e. sources of risk which affect all investors) interact, leading to a negative dependence of spreads on the interaction of the latter source of risk and liquidity. Higher aggregate risk, by reducing the attractiveness of alternative investment

4 Manganelli, S. and Wolswijk, G., "What drives spreads in the euro area government bond market?", *Economic Policy*, Vol. 24, 2009, pp. 191-240.

5 Barrios, S., Iversen, P., Lewandowska, M. and Setzer, R., "Determinants of intra-euro area government bond spreads during the financial crisis", *European Economy - Economic Papers* 388, DG ECFIN, European Commission, 2009; Ejsing, J. and Lemke, W., "The Janus-headed salvation: sovereign and bank credit risk premia during 2008-2009", *Economics Letters*, Elsevier, Vol. 110 (1), January 2011, pp. 28-31; and Laubach, T., "Fiscal policy and interest rates: the role of sovereign default risk", in Clarida, R.H. and Giavazzi, F. (eds.), *NBER International Seminar on Macroeconomics 2010*, National Bureau of Economic Research, 2011, pp. 7-29.

6 Maltritz, D., "Determinants of sovereign yield spreads in the eurozone: a Bayesian approach", *Journal of International Money and Finance,* Vol. 31, 2012, pp. 657-672.

7 See, for example, Barrios et al. (2009); Gerlach et al. (2010); von Hagen et al. (2011); Attinasi et al. (2010); Bernoth, K. and Erdogan, B., "Sovereign bond yield spreads: a time-varying coefficient approach", *Journal of International Money and Finance*, Vol. 31 (3), 2012, pp. 639-656; Borgy, V., Laubach, T., Mésonnier, J.-S. and Renne, J.-P., "Fiscal sustainability, default risk and euro area sovereign bond spreads markets", *Working Papers 350*, Banque de France, 2011; Laubach (2011); Ejsing, J., Lemke, W. and Margaritov, E., "Sovereign bond spreads and fiscal fundamentals – a real-time, mixed-frequency approach", mimeo, ECB, 2013.

8 See, for example, von Hagen et al. (2011), Afonso et al. (2012) and D'Agostino and Ehrmann (2013), op.cit.

9 See, for example, Gómez-Puig, M., "Size matters for liquidity: evidence from EMU sovereign yield spreads", *Economics Letters*, Vol. 90, 2006, pp. 156-162; Beber, A., Brandt, M.W. and Kavajecz, K.A., "Flight-to-quality or flight-to-liquidity? Evidence from the euro-area bond market", *Review of Financial Studies*, Vol. 22 (3), March 2009, pp. 925-957; Attinasi et al., (2010), Favero et al. (2010), Gerlach et al. (2010), D'Agostino and Ehrmann (2013) and De Santis (2014), op.cit.

opportunities, implies that less compensation for liquidity risk is required for sovereign bonds. Beber et al. (2009) find that credit premia are generally more relevant than liquidity premia for euro area sovereign bonds but, in moments of heightened market uncertainty, liquidity considerations may prevail.

The experience of recent years suggests that sovereign bond yields in the euro area countries also carried premia possibly in excess of their exposure to changes in risk aversion and credit and liquidity risk. Several recent studies (surveyed in Box 2) argued that these developments in sovereign bond spreads could be in part due to financial contagion. In the current context, financial contagion refers to developments in bond yields, not necessarily related to economic fundamentals, caused by the coordination of investor beliefs on a bad outlook for a country as a result of events in another country. Moreover, during the crisis, the Eurosystem's unconventional monetary policy reaction became an important additional determinant of sovereign bond spreads (see Boxes 3 and 4). Monetary policy measures began to address the impairments in the money markets in August 2007. Since the intensification of the pressures on sovereign bond markets in the euro area, the Eurosystem has also devised a set of unconventional measures with the aim to address the impairments in monetary policy transmission through sovereign bond markets.

Box 2

CONTAGION AND MULTIPLE EQUILIBRIA IN SOVEREIGN BOND MARKETS

Several academic and non-academic accounts of recent developments in euro area sovereign bond yields refer to the concept of contagion. Financial contagion can be defined as a situation in which instability in a specific market or institution is transmitted to one or several other markets or institutions (Constâncio, 2012).[1] A crucial element of contagion is that the "transmission of the initial instability goes beyond what could be expected from the normal relationships between markets or intermediaries" (ibid. p.110). A similar definition is given in Forbes (2012).[2]

The concept of contagion can be linked to the notion of multiple equilibria and to the role that this phenomenon plays in explaining euro area sovereign bond spreads. A particularly severe form of contagion can be interpreted as the events in a given country leading agents to have similar expectations regarding bad equilibria in other countries.

Multiple equilibria can arise in a sovereign bond yield context as a result of self-fulfilling beliefs.[3] In fact, uncertainty regarding future fundamentals, the government's inability to commit ex ante to repaying its debt and the circumstance in which investors demand risk compensation generate the possibility of an equilibrium whereby the government is forced to default even in the case of favourable developments in the fundamentals. A simple two-period model in which rational agents can invest in government debt and in a riskless asset can be used to explain the underlying

1 Constâncio, V., "Contagion and the European debt crisis", *Financial Stability Review*, No 16, Banque de France, April 2012, pp. 109-121.
2 Forbes, K., "The big C: identifiying and mitigating contagion", *2012 Economic Policy Symposium Proceedings*, Federal Reserve Bank of Kansas City, Jackson Hole, Wyoming, 2012.
3 Azariadis, C., "Self-fulfilling prophecies", *Journal of Economic Theory*, Vol. 25, 1981, pp. 380-396; Benhabib, J. and Farmer, R., "Indeterminacy and sunspots in macroeconomics", *Handbook of Macroeconomics*, Taylor, J. and Woodford, M. (eds.), Vol. 1, 1999, pp. 387-448.

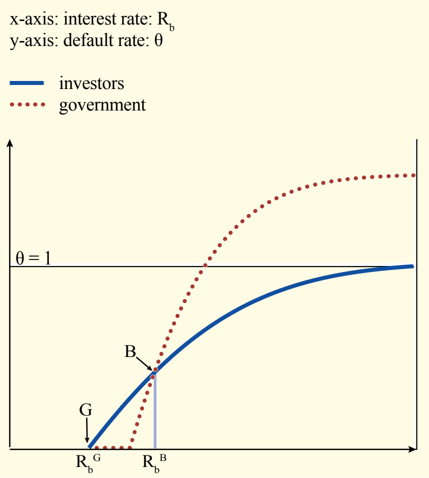
mechanism[4]. The assumption is that the government cannot credibly commit to a fiscal plan to match public expenditure and debt service. Ex post the government has the possibility to partially renege on its debt and avoid the necessary increases in the primary balance. Such a "credit event" is a costly decision for governments; its cost is proportional to the outstanding debt multiplied by the chosen "haircut" θ, i.e. the portion of debt that the government decides not to honour.

The model incorporates uncertainty regarding future fundamentals: they can either turn out to be solid or weak with known probabilities. If fundamentals are weak, then a credit event always occurs and does so for purely fundamental reasons. If fundamentals turn out to be favourable, the model shows that there are two equilibria: a "good" equilibrium with full repayment, and a "bad" equilibrium in which a credit event occurs. The chart below shows these two equilibria in the case of favourable fundamentals. In particular, the figure shows functional relationships between the default rate or "haircut" θ and the return on government bonds R_b. These relationships are shown for both investors (blue line) and the government (red line). When the government and investors interact, respectively supplying and demanding sovereign bonds, two possible equilibria might occur. These two equilibria are graphically represented by the two intersections between the two lines in the chart. In the good equilibrium (G), investors do not expect any haircut in the case in which economic fundamentals turn out to be good, and therefore the equilibrium interest rate is R_b^G, where G signifies the good equilibrium. The good equilibrium interest rate R_b^G is driven purely by fundamental factors: investors believe that only bad future fundamentals will induce the government to resort to a credit event.

In the bad equilibrium (B), investors expect that the government might decide to apply a haircut even in the case in which fundamentals turn out to be favourable. These beliefs lead them to demand a level of interest rate, R_b^B (where B denotes the bad equilibrium), which is higher than R_b^G, the level that would prevail in the absence of such beliefs. The substantially higher service of debt will indeed lead the government to resort to a credit event ($\theta>0$) even in the case in which fundamentals turn out to be favourable. The bad equilibrium is therefore purely sustained by self-fulfilling expectations.

Multiple equilibria might arise owing to self-fulfilling beliefs regarding an economic downturn in an economy facing the zero lower bound on the nominal interest rate.[5] Such beliefs substantially increase the cost of servicing sovereign debt and the cost of financial intermediation, leading to substantial impairment of monetary policy transmission through the sovereign risk channel.

A good and a bad equilibrium, implied by government and private sector strategic reactions



Source: Adapted from Corsetti and Dedola (2012).

4 Corsetti, G. and Dedola, L., "Fiscal crises, confidence and default: a bare-bones model with lessons for the euro area", mimeo, University of Cambridge, 2011, and Corsetti, G. and Dedola, L., "The mystery of the printing press: self-fulfilling debt crises and monetary sovereignty", mimeo, University of Cambridge, 2012.

5 Corsetti, G., Kuester, K., Meyer, A. and Mueller, G., "Sovereign risk and belief-driven fluctuations in the euro area", *Working Paper* 13/227, IMF, 2013.

What is the empirical evidence regarding the relevance of multiple equilibria in euro area sovereign bond markets? Assessing the relevance of multiple equilibria is a difficult task, since only realised yields are observed and any empirical analysis has to be based on credible assumptions that help to disentangle the effects of changes in fundamentals from those arising from self-fulfilling beliefs.

Hördahl and Tristani (2013)[6] use a model based on no-arbitrage pricing for bonds issued by five different euro area countries. Bond yields at different maturities, and therefore bond spreads vis-à-vis German bonds at corresponding maturities, are determined as a function of country-specific economic fundamentals. However, they can also depend on a common unobservable factor which is, by assumption, unrelated to fundamentals. Such a factor can be interpreted as reflecting movements towards a non-fundamental equilibrium. The estimation results suggest that the non-fundamental factor is economically significant and, in several circumstances, has contributed substantially to the determination of observed spreads for countries such as Italy and Spain since the beginning of 2011. Interestingly, this is not always the case in the results of the paper: the same factor is negligible in explaining Greek spreads during the same period, thus confirming that in the case of Greece spreads seem to be driven almost entirely by fundamentals.

Amisano and Tristani (2013)[7] analyse the role of multiple equilibria from a different perspective. In their paper, euro area sovereign bond spreads are characterised as having two different regimes, one of which is a crisis regime. The crisis regime is characterised by higher and more volatile spreads. Transitions to this regime are allowed to depend on macroeconomic fundamentals, on risk aversion measures and on developments in other countries. Controlling for macroeconomic fundamentals and variation in risk appetite allows the authors to interpret cross-country effects as evidence of contagion via multiple equilibria. Estimated contagion effects strongly affect the risks of falling into the crisis regime. Taking Italy as an example, the paper finds that, allowing for contagion, the risk of falling into the crisis regime reaches 10% at the beginning of 2011, while in the absence of this effect this probability is only 3%.

De Santis (2014)[8] argues that credit rating changes in Greece and economic news about Greece produced significant effects in other euro area countries after controlling for changes in country-specific fundamentals. This evidence can be interpreted as supporting the relevance of contagion and multiple equilibria.[9]

Multiple equilibria and the related interpretation of contagion suggest a potential role for a central bank to coordinate market participants' beliefs away from the bad equilibrium, if this is required for monetary policy purposes. However, the central bank cannot remove the root causes of instability in sovereign bond markets related to economic fundamentals. Some literature[10]

6 Hördahl, P. and Tristani, O., "Macro factors and sovereign bond spreads: a quadratic no-arbitrage model", mimeo, 2013.
7 Amisano, G. and Tristani, O., "Fundamentals and contagion in the euro area sovereign crisis", *Proceedings from the SIS 2013 Conference*, 2013.
8 De Santis, R.A., "The euro area sovereign debt crisis: identifying flight-to-liquidity and the spillover mechanisms", *Journal of Empirical Finance*, Vol. 26, 2014, pp. 150-170.
9 Beirne, J. and Fratzscher, M., "The pricing of sovereign risk and contagion during the European sovereign debt crisis", *Working Paper Series*, No 1625, ECB, December 2013. The paper presents evidence of contagion in euro area bond spreads, although the authors interpret contagion differently: as a mechanism, whereby agents suddenly take previously ignored fundamental developments more into consideration. For an overview of substantial new research analysing sovereign contagion, independent of whether it is associated with multiple equilibria or not, see Sub-section 4.2 of the "Report on the first two years of the Macro-prudential Research Network", ECB, October. See in addition De Santis (2014) and Beirne and Fratzscher (2013), op.cit., and the references therein.
10 Jeanne, O., "Fiscal challenges to monetary dominance in the euro area: a theoretical perspective", *Financial Stability Review,* Banque de France, No 16, April 2012, pp. 143-150.

indicates that multiple equilibria are possible only for a certain range of fundamentals. This corroborates the importance of implementing fiscal adjustments and structural reforms in order to improve fundamentals well before they reach dangerous territory.

3 EXPLAINING EURO AREA SOVEREIGN BOND YIELD SPREADS FROM THE INCEPTION OF THE EURO TO THE SOVEREIGN DEBT CRISIS

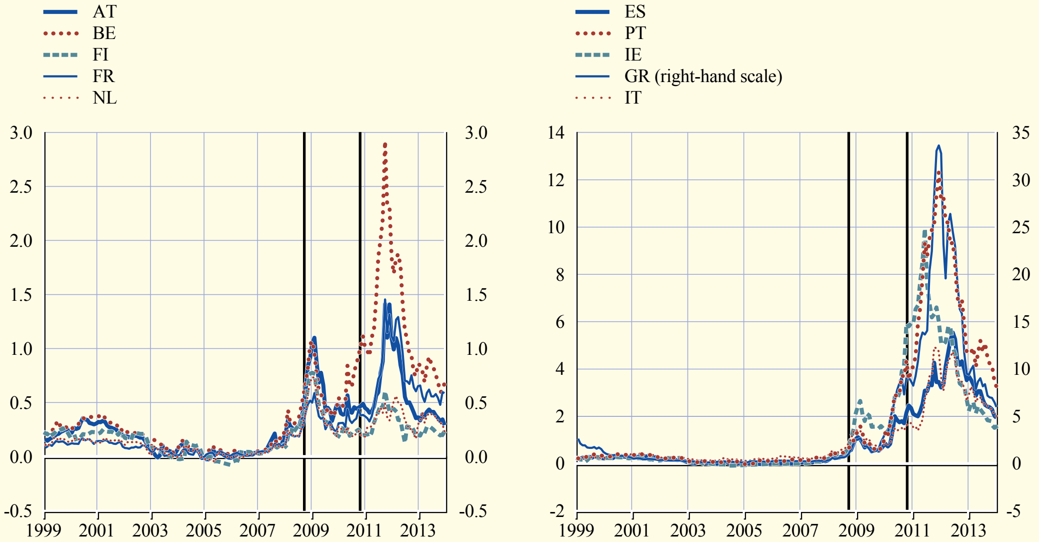
3.1 THE PRE-CRISIS PERIOD

In the run-up to the introduction of the euro in 1999, interest rate spreads between euro area government bonds declined substantially, reflecting a gradual elimination of exchange rate risk and a decline in inflation risk. In addition, the required convergence of fiscal fundamentals to minimum common standards helped to reduce credit risk.

After the launch of the euro, sovereign bond spreads were more or less stable in most cases until early 2001, followed by a period of compression of the spreads which lasted until 2007. The low level of interest rate spreads in the euro area during the period from 2002 to 2007 (see Chart 1), despite continuing large differences in fiscal positions, raised the question as to whether non-fiscal factors were playing a role. Econometric studies generally suggest that fiscal variables have an effect on interest rates (see Box 1), although their impact appeared to be marginal in this phase. It can be argued that these developments emerged mainly because of investors' underpricing of risk. In particular, the small interest rate spreads may have been, at least in part, the result of a search for yield among investors, reflecting their ability to diversify country risks within the euro area without having to accept exchange rate risk. Moreover, the fact that banks did not need to hold

Chart 1 Ten-year government bond yield spreads against Germany

(percentage points; January 1999 to February 2014)



Source: Bloomberg.
Notes: The first vertical bar denotes the bankruptcy of Lehman Brothers on 15 September 2008. The second vertical bar denotes the Deauville agreement on 18 October 2010.

a capital buffer against their holdings of euro-denominated sovereign bonds, irrespective of the euro area issuing country, as well as changes in supervisory and accounting regulations concerning institutional investors, may have contributed to the overall underpricing of sovereign risk by financial markets.[4,5] The holding of a capital buffer by banks against their sovereign bond positions remains an important issue for discussion.

Sovereign yield spreads rose after August 2007 – as a result of tensions on money markets – and during the financial turmoil in the first half of 2008 (see Chart 1). This repricing of euro area sovereign risk was consistent with a general increase in risk aversion observed in global financial markets. In addition, the first signs were visible of a drying-up of liquidity in some euro area government bond markets (liquidity premium) and of perceived higher country-specific risks related to the fiscal and macroeconomic outlook (credit premium). These factors in turn contributed to an increase in the demand for those sovereign debt securities perceived as having a higher level of safety and liquidity, in particular German government bonds.[6]

3.2 FROM THE COLLAPSE OF LEHMAN BROTHERS TO THE LAUNCH OF PROGRAMMES IN GREECE, IRELAND AND PORTUGAL

After the collapse of Lehman Brothers in September 2008, the long-term government bond yields in euro area countries rose markedly in relation to the German Bund. These developments were presumably due to the associated global uncertainty and flight-to-safety tendencies, which increased the demand for the German Bund. In addition, the deep recession and the government announcements of bank rescue operations led investors to heightened perceptions of country-specific sovereign credit risk.[7] The situation improved temporarily in the first half of 2009 as global uncertainty receded. However, on 16 October 2009, Greece's Prime Minister George Papandreou revealed the country's severe fiscal problems and, shortly afterwards, the Greek government disclosed a revised budget deficit of 12.7% of GDP for 2009, which was twice the previous estimate. These events, which led to sharp increases in sovereign bond spreads in the euro area, marked the beginning of the sovereign debt crisis. Over the period from September 2008 to May 2011, investors' risk aversion, market perceptions of country-specific credit risks, liquidity risks and contagion effects all played a key role in the rising spreads for Greece, Ireland, Portugal, Italy and Spain.

The role of investors' risk aversion and liquidity premia is revealed by the reaction of yields on highly rated sovereign securities. In fact, yields of bonds issued by countries with solid fiscal fundamentals, such as Austria, Finland and the Netherlands, also rose vis-à-vis the German Bund. These countries maintained their triple-A ratings and therefore the surge in their yields cannot be explained by increased credit risk. Since the intensification of the financial crisis in September 2008,

4 See the article entitled "Fiscal policies and financial markets", *Monthly Bulletin*, ECB, February 2006 and the box entitled "Demand for bonds by institutional investors and bond yield developments in the euro area", *Monthly Bulletin*, ECB, May 2007.

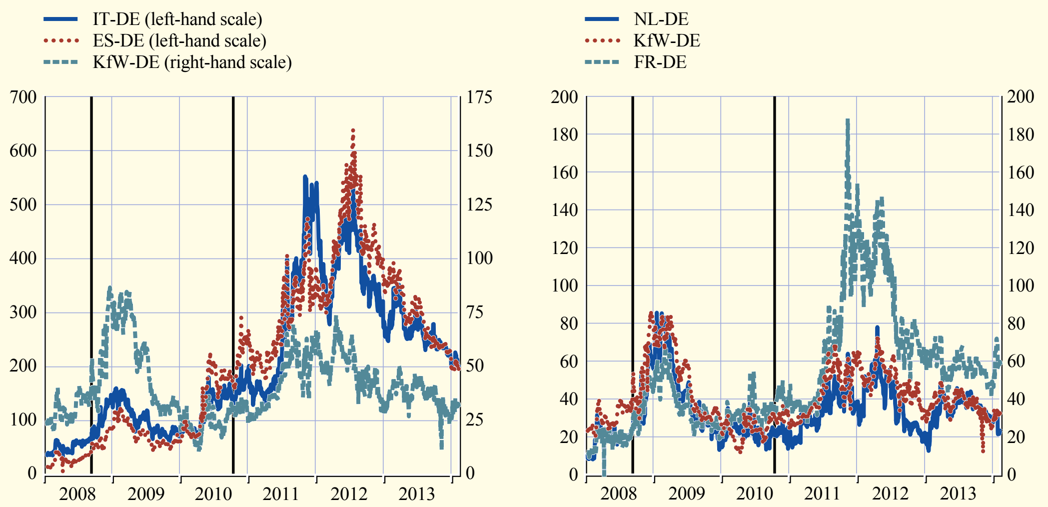
5 Institutional investors, such as pension funds and insurance companies, are major participants in capital markets, so changes in their portfolios can have a substantial impact on interest rate developments. At this time, some countries proposed new rules on the valuation of assets and liabilities for supervision purposes. This led to a strategic asset benchmark reorientation by pension funds and insurance companies, with more emphasis on long-term bonds and on hedging liabilities via swaps. Between December 2000 and March 2005, pension funds and insurance companies in the euro area invested €535 billion in euro area sovereign and corporate bonds and bonds issued by non-euro area governments. This led to an increase in the share of bonds in the total assets of these institutional investors of about 7½ percentage points. Bond purchases by pension funds and insurance companies over this period represented 6½% of euro area GDP. Government bonds with higher yields may have benefited more from these developments, thereby contributing to a compression of interest rate spreads.

6 See the box entitled "Recent developments in government bond yield spreads", *Monthly Bulletin*, ECB, May 2008.

7 See, for example, Attinasi et al. (2010), op.cit.

Chart 2 Ten-year government bond yield spreads and KfW-Bund spread

(basis points; January 2008 to February 2014)



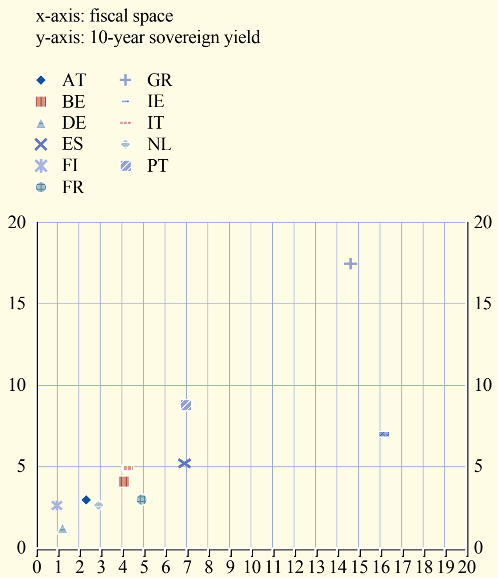
Source: Bloomberg.
Notes: The first vertical bar denotes the bankruptcy of Lehman Brothers on 15 September 2008. The second vertical bar denotes the Deauville agreement on 18 October 2010.

flight-to-safety and flight-to-liquidity tendencies have increased demand for the Bund, affecting all euro area countries' sovereign spreads, including those for Austria, Finland and the Netherlands. A further illustration that factors other than credit risks were also at play is the tight link between the Dutch sovereign yield spread and the Kreditanstalt für Wiederaufbau (KfW) spread. KfW is a German development bank whose yield spread with respect to German government bonds is a measure of the liquidity premium which tends to increase in periods of stress and higher risk aversion (see Chart 2).[8]

However, market perceptions of credit risk also played a very important role during this period. Lower economic growth, the deterioration of international competitiveness and the weaker banking sector all negatively interacted with fiscal variables, putting upward pressure on euro area long-term interest rates. The link between euro area sovereign yield spreads and countries' creditworthiness is shown in Chart 3, where the "fiscal space" indicator, i.e. the product between

Chart 3 Euro area sovereign spreads and the fiscal space

(percentage points; period average 2010-12)



Sources: Bloomberg and Eurostat.
Note: The fiscal space is defined as the product between the government budget deficit and public debt multiplied by 100.

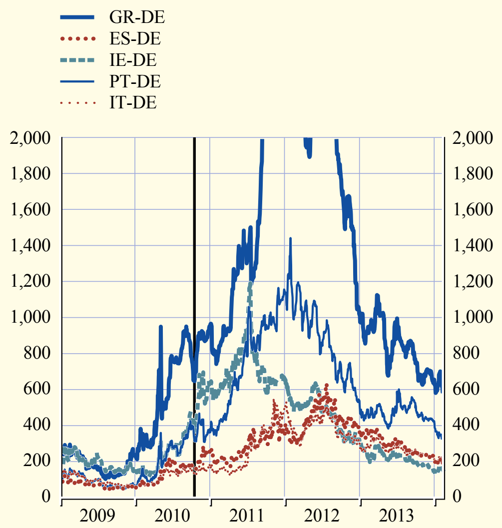
8 Note that bonds issued by KfW and the German Bund are both guaranteed by the German state and, therefore, carry the same credit risk. See also the box entitled "New evidence on credit and liquidity premia in selected euro area sovereign yields", *Monthly Bulletin*, ECB, September 2009.

the government budget deficit and the public debt relative to GDP, is employed as a synthetic measure of sovereign credit risk.

Finally, signals of contagion effects from Greece began to appear (see Box 2), contributing to developments in spreads of countries with weaker fundamentals, such as Ireland, Portugal, Italy, Spain and, to a much smaller extent, Belgium and France. Specifically, the developments in Greek sovereign spreads were transmitted to several other sovereign markets. Countries perceived to have weaker fundamentals, and in particular weaker fiscal conditions, tended to be more vulnerable to contagion (see Chart 4).

Chart 4 Ten-year government bond yield spreads in selected euro area countries

(basis points; January 2009 to February 2014)



Sources: Bloomberg and ECB calculations.
Note: The vertical bar denotes the Deauville agreement on 18 October 2010.

3.3 THE SOVEREIGN DEBT CRISIS SPREADING BEYOND GREECE, IRELAND AND PORTUGAL

The sovereign spreads of Greek, Irish and Portuguese ten-year bonds continued to increase in the course of 2011, reaching 1,600, 1,200 and 1,100 basis points, respectively, in July 2011. Spanish and Italian spreads reached 400 basis points, while the Belgian spreads reached 200 and the French 90 basis points. Between the fourth quarter of 2010 and the second quarter of 2011, the rise in public debt relative to GDP in Greece (by 11 percentage points), Portugal (by 13 percentage points), Ireland (by 8 percentage points) and Spain (by 6 percentage points) suggested higher solvency risk for these countries, contributing to the rise in their respective sovereign spreads.

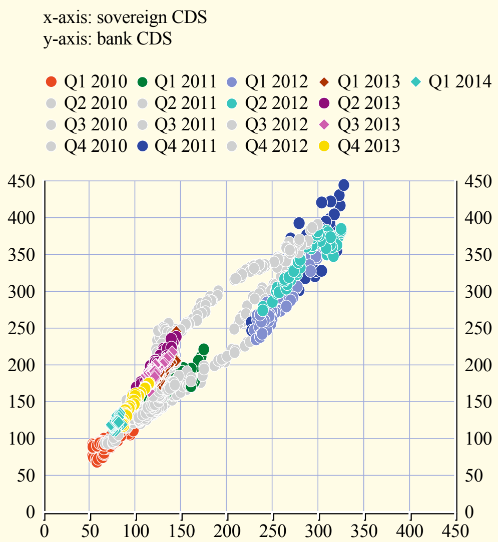
At the same time, the increase in demand for more liquid and safe assets, such as German Bunds, may explain why sovereign spreads vis-à-vis Germany widened again even for countries perceived to have similarly sound fiscal fundamentals (see Chart 2). However, in this second phase of the sovereign crisis, financial contagion contributed to developments in spreads to a larger extent, particularly for countries with weaker economic fundamentals, as implied by the literature (see Box 2). The announcements of the Deauville agreement on private sector involvement (PSI) in the resolution of Greek sovereign debt in October 2010 and the Greek debt restructuring in July 2011, at a time when an effective backstop for solvent governments was still being constructed, were among the reasons for this heightened risk of contagion. Following these developments, sovereign spreads soared in other euro area countries, in a way reflecting stronger beliefs that some sort of PSI might become a precondition for rounds of official lending to other countries. They also produced additional negative effects on banking sectors across the euro area. A negative feedback loop between banks and sovereigns ensued, as depicted by the increase in CDS spreads in both the sovereign sector and the banking sector (see Chart 5).

The developments in 2012 were even more dramatic than in 2011, with sovereign credit spreads reaching 500 basis points for Italian ten-year bonds and 600 basis points for Spanish ten-year bonds, as financial markets appeared to price the realisation of a bad equilibrium prevailing in several countries (see Box 2). This was reflected in a euro area "currency redenomination" risk premium, defined as the compensation demanded by market participants for the risk that a euro asset is redenominated into a devalued legacy currency, which became a key determinant of sovereign credit spreads in 2012. Those unfounded fears of redenomination put price stability at risk, which the ECB had to alleviate through the creation of its Outright Monetary Transactions (OMT) programme, aimed at restoring the adequate pass-through of the monetary policy stance across countries.

The ECB's communication on OMTs contributed, together with other initiatives, to breaking the self-fulfilling spiral of increasing redenomination risk (see Section 4). For instance, by mid-September 2012, the Italian and Spanish sovereign yield spreads had fallen by about 250-350 basis points relative to the peak in July. Furthermore, they declined steadily during the course of 2012 as a whole.[9] In 2013-14, Italian and Spanish sovereign spreads at ten-year maturities declined further, reaching 230 basis points in autumn 2013 and 180 basis points in spring 2014.

Chart 5 Feedback loop between euro area bank and sovereign CDSs

(basis points; January 2009 to March 2014)



Sources: Thomson Reuters and ECB calculations.
Notes: Five-year CDS, daily data. Bank CDS is calculated as the premium for the biggest bank per country, where available, weighted by the ECB capital key. Sovereign CDS is weighted by the ECB capital key. Greece is excluded.

4 THE IMPACT OF EUROSYSTEM UNCONVENTIONAL MONETARY POLICIES ON EURO AREA SOVEREIGN BOND YIELDS

During the most severe phase of the sovereign debt crisis, contagion effects and unfounded fears of currency redenomination put price stability at risk, which the Eurosystem had to address through unconventional monetary policy actions, aimed at restoring the adequate pass-through of the monetary policy stance across countries. In particular, non-standard monetary policy measures also encompassed outright purchases of sovereign bonds within the ECB's Securities Markets Programme (SMP), which provided depth and liquidity to dysfunctional markets.[10] Finally, decisive communication on the possibility of undertaking Outright Monetary Transactions (OMTs) successfully helped to counter market participants' unfounded beliefs regarding euro break-up scenarios. The SMP and the OMTs are different programmes. This implies that their respective roles in affecting euro area yield spread developments also need to be studied separately.

4.1 THE IMPACT OF THE SECURITIES MARKETS PROGRAMME

In May 2010 the Governing Council decided to conduct interventions in some euro area government bond markets in order to mitigate impairments to the monetary transmission mechanism. The impact of SMP asset purchases on the ECB's provision of central bank money to banks was sterilised.

9 See, for example, Altavilla, C., Giannone, D. and Lenza, M., "The financial and macroeconomic effects of OMT announcements", *CSEF Working Papers*, No 352, 2014.

10 See, for instance, González-Páramo, J.M., "Sovereign contagion in Europe", speech delivered at the European Economics and Financial Centre in London on 25 November 2011.

The SMP had a clear and measureable effect on market depth and liquidity, and in part through this channel also on sovereign yield spreads, yield volatility and yield contagion. However, an accurate estimation of its financial market impact is particularly difficult in the case of the SMP, as it is challenging to construct the counterfactual of what would have happened without the policy. For example, it could be argued that the SMP had a lasting impact in that it was effective in reducing the perceived risk of fire sales of sovereign bonds issued by stressed euro area countries, but it is very difficult to assess the likelihood of this type of counterfactual. The literature has adopted different and complementary strategies to cope with the fundamental issue of assessing the effects of the SMP. Box 3 surveys the recent research literature on the yield impact of asset purchases undertaken within the SMP. Overall, the available evidence suggests that the SMP was effective in containing impairments to the monetary policy transmission mechanism, even if reductions in the levels of country-specific sovereign spreads did not automatically produce corresponding reductions in country-specific lending rates.

Box 3

THE IMPACT OF ASSET PURCHASES WITHIN THE ECB'S SECURITIES MARKETS PROGRAMME

On 10 May 2010 the Governing Council of the ECB decided to conduct interventions in euro area public and private debt securities markets within the Securities Markets Programme (SMP). The objective of this temporary programme was to address the malfunctioning of securities markets, ensuring depth and liquidity in the affected market segments and thus helping to restore an appropriate monetary policy transmission mechanism. From 2010 to 2012, Greek, Irish, Portuguese, Italian and Spanish public debt securities were purchased, for a total book value of €211 billion.

This box summarises the main findings of recent studies that investigate the yield impact of asset purchases within the SMP. Overall, the research evidence available suggests that the SMP was very likely to have been effective in containing impairments to the monetary policy transmission mechanism by leaning against spiralling yields, surges in yield volatility and yield contagion.

The estimation of the yield impact of bond market interventions is a complicated task. A cursory look at bond yields and bond purchases within the SMP may, as suggested by some, give the impression that the programme was generally ineffective. In particular, yields rose over time as purchases were being implemented. Statistically, yield changes and SMP purchase amounts at a daily frequency are positively correlated over time for the five countries in which the Eurosystem intervened. As a result, simple regression-based techniques that relate yield changes to purchase amounts lead to positive impact coefficients. However, these approaches ignore the presence of a common third factor – the escalating sovereign debt crisis, which contributes to both the rising yields and the activation of the non-standard monetary policy measure. The issue of "impact identification" is thus of crucial importance.

In Eser and Schwaab (2013),[1] identification is based on panel data techniques and is yielded from the cross-sectional dimension of the data. In their set-up, it does not matter that yields rise over time in many euro area countries during the sovereign debt crisis, when yields were high,

1 Eser, F. and Schwaab, B., "Assessing asset purchases within the ECB's Securities Markets Programme", *Working Paper Series*, No 1587, ECB, September 2013.

rising and volatile owing to reasons other than central bank purchases. Instead, what matters for identification is that yields rise relatively less in markets in which purchases were undertaken on a given trading day. In addition to large and economically significant announcement effects, the authors find an impact per €1 billion of bond purchases of approximately -1 to -2 basis points (Italy), -3 basis points (Ireland), -4 to -6 basis points (Spain), -6 to -9 basis points (Portugal) and up to -17 to -21 basis points (Greece), at the five-year maturity. The impact depends on market size, market conditions and possibly a confidence signal, and is approximately -3 basis points at a five-year maturity for purchases of 1/1,000 of the respective debt market. In addition, the authors find that bond yield volatility is lower on intervention days for most SMP countries, owing to less extreme movements when the Eurosystem is active as a buyer.

These results are in line with the findings of De Pooter et al. (2013),[2] which contribute to the literature in two ways. First, they provide a theoretical search-based asset pricing framework that rationalises short-term and long-term price effects from recurring bond market interventions. Second, they empirically test whether the SMP had an impact on sovereign bond liquidity premia. The authors find an average impact of -2.3 basis points for purchases within the SMP of 1/1,000 of the respective outstanding debt. Both transitory and long-term effects from purchases are documented.

Ghysels et al. (2013)[3] analyse the yield impact of SMP asset purchases by considering the high-frequency (intraday) dynamics of bond yields and asset purchases, rather than relying on data sampled at a daily frequency. By estimating regression models based on data sampled at 15-minute intervals, they minimise the bias that is introduced by unobserved third-factor effects. Over time, the authors find that, on average, a €100 million intervention has an immediate impact on bond yields of between -0.1 and -25 basis points, depending on the debt market and timing. Based on volatility time-series models, their study also suggests that SMP purchases have helped to reduce the volatility of targeted government bond yields.

Trebesch and Zettelmeyer (2013)[4] focus on the yield impact of SMP purchases of Greek government bonds in May and June 2010. Their identification strategy, which compares bonds that were bought with bonds that were not bought, is based on cross-sectional regressions at the bond level. Purchased bonds show a much larger drop in yields after the start of the SMP. The authors document that purchases of €1 billion resulted in a drop of yields by up to -204 basis points during the first eight weeks of the programme.

Finally, Beetsma et al. (2014)[5] investigate the impact of the SMP on the volatility and co-movement of sovereign bond yields in the euro area, as captured by realised volatility and correlation measures from intraday data. The authors find statistically and economically large effects, and conclude that the SMP announcement and purchases contributed to a weakening of the observed positive co-movement of yields among distressed countries during the euro area crisis, and reduced flight-to-safety capital flows from distressed countries to non-distressed countries.

2 De Pooter, M., Martin, R. and Pruitt, S., "The effects of official bond market intervention in Europe", *Working Paper Series*, Federal Reserve Board, September 2013.

3 Ghysels, E., Idier, J., Manganelli, S. and Vergote, O., "A high frequency assessment of the ECB Securities Markets Programme", *Working Paper Series,* No 1642, ECB, 2014. See also Manganelli, S., "The impact of the Securities Markets Programme", *Research Bulletin*, No 17, ECB, winter 2013.

4 Trebesch, C. and Zettelmeyer, J., "ECB interventions in distressed sovereign debt markets: the case of Greek bonds", *Working Paper*, December 2013.

5 Beetsma, R., de Jong, F., Giuliodori, M. and Widijanto, D., "The impact of news and the SMP on realized (co)variances in the Eurozone sovereign debt market", *Working Paper Series*, No 1629, ECB, January 2014.

4.2 THE IMPACT OF THE OMT COMMUNICATIONS

Before OMTs were first announced in August 2012 (see Box 4), financial fragmentation had created widely divergent borrowing costs for firms and households across euro area countries.[11] As a result, monetary policy impulses were not transmitted evenly across countries and adequately along the yield curve.[12] In addition, adverse self-perpetuating dynamics emerged, i.e. the unfounded risk that expectations of one or more countries exiting the euro would be the main force driving public and private debt financing costs in these countries to higher levels (see Box 2). In such a context of multiple equilibria and redenomination risk, the Eurosystem announced that it could undertake OMTs if certain conditions were met. The goal of OMTs is to safeguard an appropriate monetary policy transmission and the singleness of the monetary policy. As explained in Box 2, the OMT programme would be able to eliminate the unfounded and self-reinforcing fears of a euro area break-up that have undermined the ECB's ability to effectively conduct monetary policy in the pursuit of price stability. Looking at a variety of indicators, the communication on the functioning and prerequisites/preconditions of the OMTs, in conjunction with the European Council decision of June 2012 to take steps towards a banking union to break the vicious feedback loop between weak sovereigns and weak banks and bolstered by progress with fiscal and structural reforms in the programme countries, was clearly very effective in counteracting the destructive market turmoil in the summer of 2012. These desirable effects materialised relatively quickly after these policy announcements.[13] The announced OMT programme was able to address the impairments of the monetary policy transmission mechanism by reducing financial fragmentation. It has eliminated fears of destructive scenarios (see Box 4 on the significant effect of the OMT communications on sovereign tail risks in the euro area) and removed the related currency redenomination risks.

11 See the article entitled "Assessing the retail bank interest rate pass-through in the euro area at times of financial fragmentation", *Monthly Bulletin*, ECB, August 2013.
12 See Cœuré, B., "Outright Monetary Transactions, one year on", speech at the conference "The ECB and its OMT programme", Berlin, 2 September 2013.
13 For additional details on the design of OMTs and how they are designed to limit moral hazard and risks to the ECB's balance sheet, see Cœuré, B., "Central banking, insurance and incentives", speech at the ECB conference "Debt, growth and macroeconomic policies", Frankfurt, 6 December 2012. For an evaluation of the likely effects of the OMTs on macroeconomic variables, see Altavilla et al. (2014) op. cit.

Box 4

THE IMPACT OF THE OMT COMMUNICATIONS ON SOVEREIGN TAIL RISK PERCEPTIONS

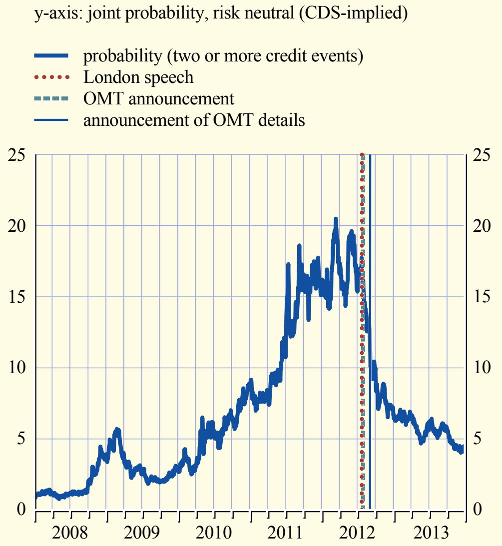
This box investigates the impact of the OMT communications on sovereign tail risk perceptions in the euro area. It presents a framework[1] that permits assessing the probability of joint or conditional credit events based on observed prices of credit default swaps (CDSs) on sovereign debt. Tracking these joint and conditional probabilities over time helps to assess to what extent policy announcements have impacted sovereign bond risk conditions as perceived by market participants and as priced into credit derivative contracts. Three dates are marked as vertical lines in the chart below: a speech by the President of the ECB in London on 26 July 2012, the initial communication regarding OMTs on 2 August 2012 and the communication of the full details on potential OMTs on 6 September 2012.

1 Lucas, A., Schwaab, B. and Zhang, X., "Conditional probabilities for euro area sovereign default risk", *Journal of Business and Economics Statistics*, 2014, forthcoming, and *Working Paper Series,* No 1621, ECB, December 2013. See also the *Research Bulletin*, No 17, ECB, 2013.

The chart plots the probability of the extreme (tail) possibility that two or more credit events of sovereigns will materialise in the euro area, over a one-year horizon, as perceived by market participants. The plot is at a daily frequency based on data from 1 January 2008 to 31 December 2013. The euro area is proxied by ten member countries for which liquid CDS quotes are available, i.e. Belgium, Germany, Ireland, Greece, Spain, France, Italy, the Netherlands, Austria and Portugal. Country-specific risks are estimated from CDS quotes directly, while a time-varying dependence function is inferred from the co-movement across CDS spreads. The joint probability estimate is based on risk-neutral probabilities of default, which are higher than actual or historical probabilities. The chart suggests that the perceived tail risk of multiple simultaneous credit events in the euro area, has come down considerably from very elevated levels in mid-2012. The speech on 26 July 2012 and the subsequent communication on the OMTs have effectively contributed to a visibly large decline in the joint probability.

Probability of two or more credit events as inferred from CDS prices

(percentages)



Source: CDS data from Bloomberg; ECB calculations.

A related approach to study the impact of the OMT announcements is an event study on sovereign yield spreads directly. De Santis (2014) finds an economically significant impact of the OMT announcements on sovereign yield spreads, controlling for a large number of other variables and news. For example, the ten-year sovereign spreads declined by 10 basis points in Greece, 20 basis points in Portugal and Ireland and 40 basis points in Spain and Italy on 26 July 2012. Altavilla et al. (2014) find that the OMT announcements caused the Italian and Spanish two-year government bond yields to decrease by about 200 basis points, while bond yields of the same maturity in Germany and France remained unchanged. The results are robust to controlling for a large set of key macroeconomic and financial news released at the time of the announcements.

5 CONCLUSION

In recent years, sovereign bond spreads between euro area countries have been substantially affected by dramatic changes in risk premia. These components of sovereign bond remuneration have been characterised by magnitudes and volatilities much greater than those observed in the pre-crisis period.

After the earlier underpricing, changing market perceptions about the viability of different sovereigns played a key role in explaining cross-country sovereign bond spreads during the euro area sovereign debt crisis. This suggests that public finances should be brought under control and decisive structural reforms should be undertaken in order to improve competitiveness and support economic growth. In addition, the banking sector needs to be made more resilient.

However, in the most severe phase of the sovereign debt crisis, contagion effects and unfounded fears of currency redenomination risk also characterised developments in euro area sovereign yield spreads, forcing the Eurosystem to intervene in order to restore the adequate pass-through of the monetary policy stance across countries.

EURO AREA SECTORAL ACTIVITY SINCE 2008

The recession that started in 2008 has had a strong but unequal impact on all three main sectors of the euro area economy. Sectoral rebounds, where these have occurred since 2009, have fallen far short of the recoveries seen in the aftermath of previous recessions over the past four decades. Among the main sectors, construction activity has suffered the strongest and longest-lasting impact, with value added still about one-quarter below its pre-recessionary peak. By contrast, services value added returned to pre-recessionary levels after three years. Despite a strong rebound from the sharp drop in early 2009, euro area industrial value added (excluding construction) is still about 5% below previous peak levels. These developments at the aggregated euro area level obscure marked differences across the largest euro area countries.

1 INTRODUCTION

This article takes stock of developments in euro area sectoral activity since 2008. Following a business cycle peak, this period began with a quarter-on-quarter decline in euro area real GDP in the second quarter of 2008, which marked the start of the global "Great Recession" and an exceptionally strong fall in activity worldwide. Following a mild recovery of GDP growth between the third quarter of 2009 and the third quarter of 2011, the sovereign debt concerns which had emerged in some euro area countries over the course of 2010-11 resulted in a second contraction of euro area GDP – henceforth referred to as the "double dip" – between the final quarter of 2011 and the first quarter of 2013. In the rest of the article, the period containing the two latest euro area recessions is referred to as the "recessionary period" and the peak in the cycle before this period as the "pre-recessionary peak".

The article is structured as follows. Section 2 compares developments in euro area activity at the sectoral level since 2008 with those during previous recessions. Box 1 compares sectoral developments in the euro area with those in the United States. Section 3 pays attention to the key sectoral drivers of these developments, including country-based divergences behind aggregate euro area developments. Box 2 examines developments in the automotive sector, which has a considerable share in total manufacturing production. Section 4 concludes.

2 HISTORICAL COMPARISION WITH PREVIOUS RECESSIONS

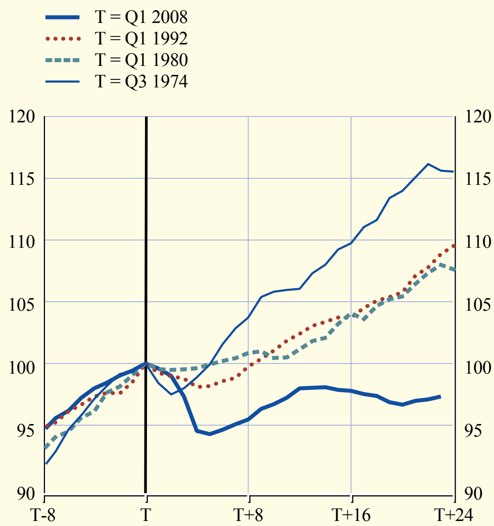
The fall in euro area activity since 2008 has been broad-based, as all main economic sectors have been strongly affected, and has been more pronounced than in previous recessions. Chart 1 compares real GDP developments since the pre-recessionary peak in the first quarter of 2008 with those after previous peaks in the euro area business cycle, as identified by the Centre for Economic Policy Research (CEPR) Business Cycle Dating Committee, in 1974, 1980 and 1992.[1] It shows that, 23 quarters after the pre-recessionary peak (in the fourth quarter of 2013), the profile of euro area real GDP continues to diverge from the recovery patterns seen in the aftermath of prior recessions. Euro area real GDP fell some 5% over the course of the 2008-09 recession, which is a considerably stronger decline – almost twice as great – than that following the first oil price shock in the early 1970s. The large contraction was mainly brought about by the very steep fall in output that occurred in the last quarter of 2008 and the first quarter of 2009, as a consequence of strong financial turmoil, heightened uncertainty and an unprecedented decline in world economic activity and demand. External demand slowed and domestic demand also contracted considerably. Confronted with

1 See also the box entitled "The current euro area recovery across economic sectors from a historical perspective", *Monthly Bulletin*, ECB, April 2010.

the sudden deterioration in business prospects, rapidly depleting order books and costlier and reduced access to financing, firms reacted by postponing investment and cutting inventories. Households, faced with greater uncertainty, increased their savings in the context of deteriorating short-term job prospects and portfolio losses, and delayed their consumption of non-essential goods and their investment in housing.

Chart 1 Euro area real GDP across recessions

(index: T = 100 represents business cycle peak)



Sources: CEPR, Eurostat and ECB calculations.

In the second half of 2009, real GDP returned to positive growth, albeit from a very low base. External trade picked up in the context of a recovery in global activity and domestic demand also recovered, partly reflecting a rise in confidence from previously low levels. The recovery in euro area economic activity was also supported by the accommodative monetary policy stance and other measures adopted to restore the functioning of the financial system. As financial market turbulence re-emerged on the back of sovereign debt concerns in some euro area countries in mid-2010, the recovery was interrupted as the euro area economy began to slow down before entering a new recessionary episode – the "double dip" – even before the prior peak of GDP had been reached again. This time, the weakness in euro area real GDP originated primarily in domestic markets (investment and consumption) rather than being a global phenomenon as in 2008-09. The weak pattern of GDP growth was adversely affected by low business and consumer confidence, high oil prices, tight bank credit standards, deleveraging by the corporate sector, fiscal consolidation, and tensions in sovereign debt markets mainly caused by concerns about the sustainability of public finances in a number of euro area countries.[2] All in all, in comparison with earlier recessions, the recovery since 2009 has thus been considerably more protracted, but nevertheless not untypical of what usually follows financial crises. It is not uncommon for GDP not to have reached pre-recessionary levels five to six years after the onset of such crises, as recoveries thereafter are often of a halting and protracted nature.[3]

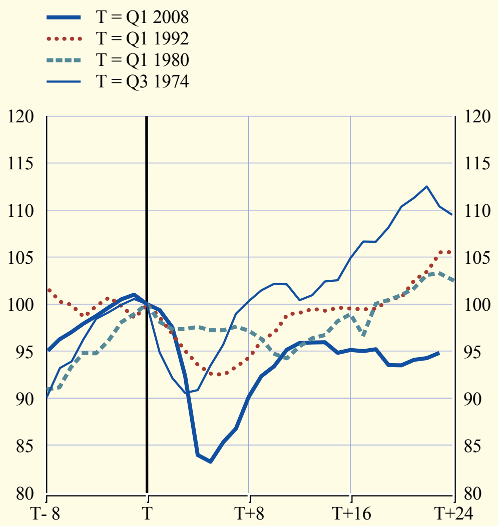
Turning to the three main economic sectors, sectoral growth rates rather than sectoral shifts have predominantly shaped the euro area output pattern since 2008. The value added patterns of the three main sectors have contrasted markedly with those experienced in the aftermath of previous euro area recessions. All three sectors have contributed to the comparatively muted real GDP

2 For more information on the impact of fiscal consolidation, see the box entitled "Growth effects of high government debt", *Monthly Bulletin*, ECB, March 2013, and the box entitled "The role of fiscal multipliers in the current consolidation debate", *Monthly Bulletin*, ECB, December 2012. Regarding costlier and reduced access to finance, see the article entitled "Extensions to the models for assessing money and credit", *Monthly Bulletin*, ECB, February 2014; the article entitled "Assessing the retail bank interest rate pass-through in the euro area at times of financial fragmentation", *Monthly Bulletin*, ECB, August 2013; and the article entitled "Assessing financing conditions for the euro area private sector during the sovereign debt crisis", *Monthly Bulletin*, ECB, August 2012. The February 2014 Monthly Bulletin article entitled "Deleveraging patterns in the euro area corporate sector" argues that deleveraging has been more pronounced in those sectors that had accumulated large amounts of debt in the run-up to the crisis and were most severely affected by it.

3 See Reinhart, C.M. and Rogoff, K.S., "Recovery from financial crises: evidence from 100 episodes", *NBER Working Papers,* No 19823, National Bureau of Economic Research, January 2014. They find that some 40% of episodes experienced double dips.

Chart 2 Euro area real value added in industry (excluding construction) across recessions

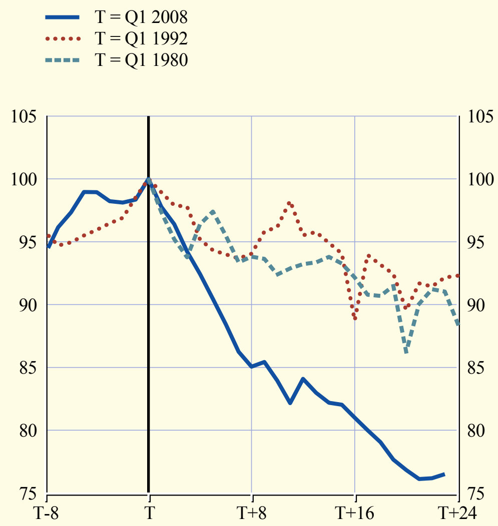
(index: T = 100 represents business cycle peak)



Sources: CEPR, Eurostat and ECB calculations.

Chart 3 Euro area real value added in construction across recessions

(index: T = 100 represents business cycle peak)



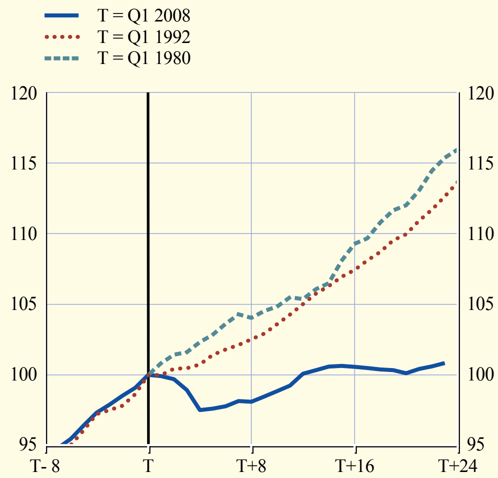
Sources: CEPR, Eurostat and ECB staff calculations.
Note: Data on construction value added are available from the first quarter of 1980.

developments since 2008, especially to the sharp drop in real GDP in 2008-09. In particular, industry excluding construction contributed to the rebound immediately after this period, and services have contributed to the muted recovery since 2009, whereas construction has remained a drag on the euro area economy throughout the period since 2008.

Industrial activity has been affected relatively strongly by some of the general drivers behind the recessionary period, such as heightened economic uncertainty, and costlier and reduced access to financing (see Chart 2).[4] Despite an initial strong rebound in the aftermath of the 2008-09 recession, almost six years on, industrial value added remains more than 5% below its pre-recessionary peak. While industrial value added has typically rebounded towards its pre-recession level within 12 quarters in all other recessions seen since the

Chart 4 Euro area real value added in services across recessions

(index: T = 100 represents business cycle peak)



Sources: CEPR, Eurostat and ECB calculations.
Note: Data on services value added are available from the first quarter of 1980.

4 See Ciccarelli, M., Maddaloni, A. and Peydró, J.-L., "Trusting the bankers – a new look at the credit channel of monetary policy", *Working Paper Series*, No 1228, ECB, July 2010; Gambetti, L. and Musso, A., "Loan supply shocks and the business cycle", *Working Paper Series*, No 1469, ECB, September 2012; and Hristov, N., Hülsewig, O. and Wollmershäuser, T., "Loan supply shocks during the financial crisis: evidence for the euro area", *Journal of International Money and Finance*, Vol. 31(3), 2012, pp. 569-592.

1970s, the recovery which followed the 2008-09 recession lasted for just six quarters before the second slowdown.

In construction, developments have been even bleaker, with a virtually unbroken contraction since 2008, which has resulted in real value added in that sector being about one-quarter below its pre-recessionary peak (see Chart 3). The protracted weakness in construction activity since 2008 can be attributed to a combination of weak consumer sentiment, significant credit constraints, a sharp fall in households' housing wealth and a significant supply overhang in certain euro area countries.

Even in services, where activity has rebounded to slightly exceed its pre-recessionary peak, the growth path is clearly slower than those observed after previous recessions (see Chart 4). In contrast to previous recessions, when services value added had continued to grow, it contracted distinctly against the background of weak private consumption and slackening business activity in the 2008-09 recession, thus contributing to the exceptionally sharp fall in real GDP. Moreover, the lacklustre recovery in the euro area stands in stark contrast to the sustained rebound in activity in the United States (see Box 1).

Box 1

A COMPARISON OF SECTORAL DEVELOPMENTS IN THE EURO AREA WITH THOSE IN THE UNITED STATES

This box compares economic growth in the euro area and the United States since 2001 (when harmonised sectoral data for the euro area commence). Specifically, it compares year-on-year developments, with a strong focus on the dynamics over the course of the crisis.

Prior to the global financial and economic crisis, for much of the 2000s, there had been a strong co-movement between US and euro area aggregate output, albeit with annual growth in the euro area lagging that in the United States by around two to six quarters.[1] With the outbreak of the US sub-prime crisis in 2007, US growth slowed markedly, followed some quarters later by similar developments in the euro area. This culminated in recessions in both economies as from 2008 (see Chart A).[2] Overall, the euro area appears to have suffered a stronger contraction in output than the United States, and its recovery path has been significantly more muted – particularly since the interruption of growth following the emergence of sovereign debt concerns in some euro area countries.[3] These trends have been particularly evident at the sectoral level.[4]

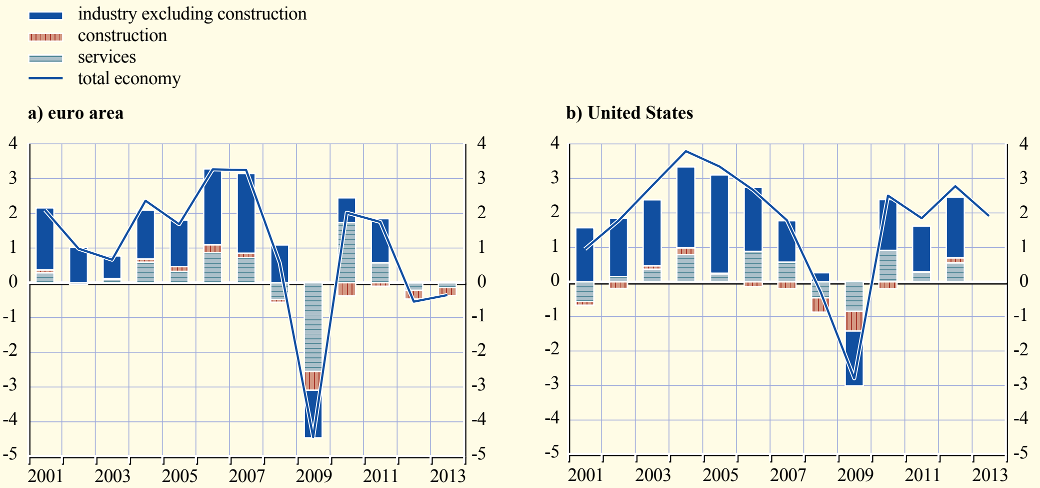
Developments in the industrial sector

The Great Recession of the late 2000s was triggered by the US sub-prime crisis, but in the presence of global vulnerabilities – such as an underpricing of risk that had resulted in a

1 See for example Giannone, D., Lenza, M. and Reichlin, L., "Business cycles in the euro area", *Working Paper Series*, No 1010, ECB, February 2009, and Dées, S. and Vansteenkiste, I., "The transmission of US cyclical developments to the rest of the world", *Working Paper Series*, No 798, ECB, August 2007.
2 According to the National Bureau of Economic Research, the US recession officially started in December 2007.
3 Partly, the overall stronger rates of US output growth can be explained by higher population growth, while differences in growth of GDP per capita are smaller.
4 When measured relative to estimates of potential output, the contractions are of a more similar magnitude in the euro area and the United States, at least during the initial downturns.

Chart A Value added growth and contributions of economic sectors

(annual percentage changes; percentage point contributions)

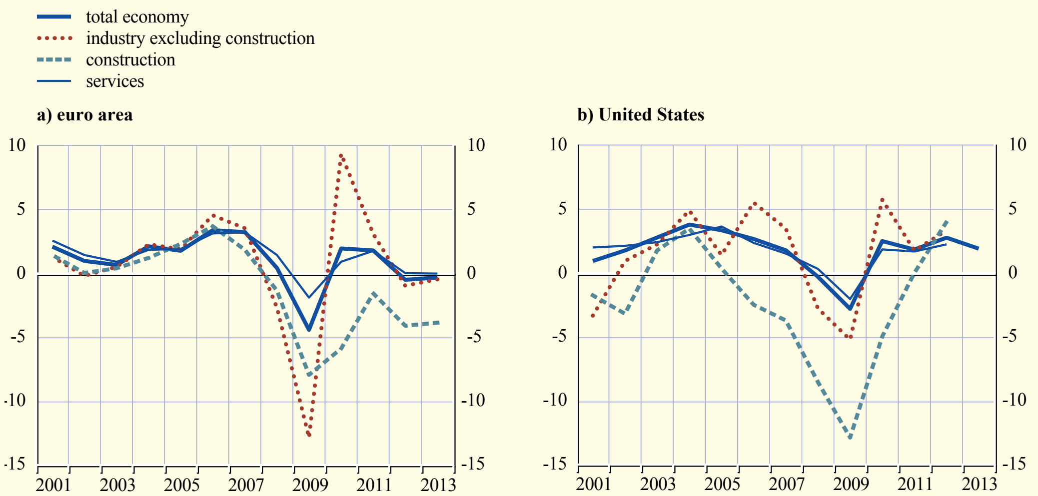


Sources: Eurostat and ECB staff calculations; United States Bureau of Economic Analysis.
Notes: Annual data. Contributions in the United States may not add up to the growth of total economy for reasons of comparability and statistical discrepancy. The latest observation for sectoral data in the US is 2012.

compression of credit spreads and high levels of leverage – it was quickly transmitted, via the global financial system, to the wider real economy on both sides of the Atlantic.[5] As can be seen in Chart A, over the course of the Great Recession, the euro area industrial sector was

Chart B Growth in value added by sector

(annual percentage changes)



Sources: Eurostat and ECB staff calculations; US Bureau of Economic Analysis.
Notes: Annual data. The latest observation for sectoral data in the United States is 2012.

5 See Brunnermeier, M.K., "Deciphering the Liquidity and Credit Crunch", *Journal of Economic Perspectives*, Vol. 23, No 1, Winter 2009, pp. 77-100 and "Patterns of euro area and US macroeconomic cycles – what has been different this time?", *Monthly Bulletin*, ECB, May 2011.

particularly hard hit by the sharp downturn in global demand, in part reflecting the higher share of industry (excluding construction) in total output in the euro area than in the United States (around 19.5% and 16.5% respectively).

Prior to the crisis, between 2001 and 2007, the industrial sector had been growing modestly (at roughly 2% per year, on average – see Chart B) in both economies. Following a more pronounced impact during the Great Recession (with euro area value added in the sector contracting by 12% in 2009 – more than double the 5.2% contraction recorded for the United States), the rebound in the euro area was also initially noticeably stronger than that in the United States, boosted in many euro area countries by strong public sector support for the industrial sector. This was particularly true for the economically important automotive sector, which was boosted by widely implemented "car scrapping" schemes in many euro area economies. These schemes were largely wound down and phased out by the end of 2010.

Since 2010, developments have diverged markedly across the two economies' industrial sectors. Euro area value added in industry (excluding construction) has slowed progressively from 9.3%, year on year, in 2010 to -1.0% in 2013, while US growth has remained robust, averaging around 3.6%, year on year, in 2012 (the latest year for which US data are available). Despite these different developments, the stronger contraction felt in the broader euro area economy has left the industrial shares of total value added in both economies broadly unchanged from their pre-crisis levels.

Developments in the construction sector

Given that the global financial crisis was triggered by developments in the US housing sector and that the ensuing credit squeeze had strong ramifications for residential investment globally (particularly in those economies which had previously shown distinct signs of overheating), the impact of the crisis appeared to be particularly immediate and long-lasting in the construction sector. Prior to the crisis, between 2001 and 2007, euro area value added in the sector had been growing at around 1.6%, year on year, on average, and represented a share of around 6.4% of the total economy. In the United States, growth in construction value added had already started to weaken in 2005 and turned negative in 2006 as growing distortions in the US housing market became evident, before plunging to -12.0%, year on year, in 2009 as the sub-prime crisis unfolded. As a consequence, the share of construction in total US value added fell from 5.6% in 2004 to 3.7% in 2010, after which it remained relatively stable. In part, this stabilisation reflects the introduction of a number of support measures for the housing sector by the US government and the Federal Reserve System in the wake of the wider consequences ("contagion") of the downturn in the sector seen during the Great Recession.[6] In the euro area, the crisis-led bursting of housing price bubbles in some euro area economies has resulted in a slow but continuous decline in the share of construction in total activity, from above 6% before the crisis to just under 5% by 2013.

Developments in the services sector

The services sector accounts for a slightly larger share of the total economy in the United States than in the euro area (roughly 78% and 74% of total value added respectively in 2013) and, as shown in Chart A, has been a major driver of US developments since the crisis. Even before

6 For more details, see "The impact of US housing support initiatives on recent housing market developments", *Monthly Bulletin*, ECB, September 2010.

the crisis, between 2001 and 2007, services sector growth in the United States had consistently outstripped that of the euro area, growing at an average of 2.5% and 2.0%, year on year, respectively. In the private sector-based market services segment, the differential was greater still, at 3.0% and 2.3% respectively over the same period, although both sectors contracted at similar rates at the depths of the recession. Since the initial rebound, the growth paths of the two economies' services sectors have diverged further, with US growth both markedly stronger and more sustained, which has helped boost aggregate growth to a far greater degree than in the euro area.

Concluding remarks

Despite some differences in the sectoral composition of the euro area and US economies, both economies were heavily affected by the global financial crisis of 2008-09. These compositional differences help to explain, in part, the stronger contraction in the euro area than in the United States at the depths of the Great Recession, as the euro area's larger industrial share suffered proportionately more from the ensuing downturn in global demand and trade. Unlike in the euro area, for the United States it has been the growth in the services sector – particularly the dynamic professional, business support and real estate services – which has led headline developments since the 2010 rebound. At the same time, protracted corrections to some formerly overheated euro area housing markets further limit the potential of the construction industry as an important contributor to euro area growth.

3 SECTORAL DRIVING FORCES

This section describes the main factors that may explain the muted developments in the main economic sectors of the euro area since 2008, as described in the previous section and Box 1, by taking a subsectoral perspective. Divergences among the four largest euro area countries behind aggregate euro area developments are also addressed. The analysis reveals that developments in industry excluding construction have been driven mainly by intermediate and capital goods, whereas construction has been predominantly affected by the evolution of building construction. The main driving force for the services sector has been trade, transport and business services activity.

3.1 INDUSTRY EXCLUDING CONSTRUCTION

Despite producing only around one-fifth of total output, industry (excluding construction) plays an important economic role, as the manufacturing sector has the highest multiplier effects via its interlinkages with the rest of the economy.[5] The industrial sector is dominated by the manufacturing industries (which together accounted for around 86% of the sector's output in 2010).

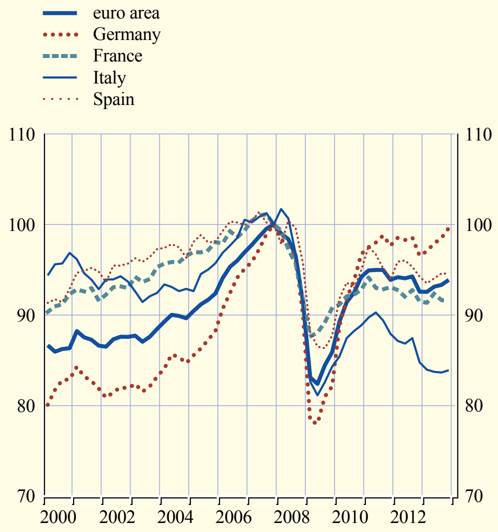
Value added in industry excluding construction expanded rather steadily between 2000 and 2007, at an average annual rate of 1.8% (see Chart 5). Among the four largest euro area countries, Germany grew at the fastest pace, driven by developments in intermediate and capital goods-producing industries, while the other three economies expanded more slowly. Growth in Italy was particularly sluggish over the period 2002-05, owing largely to lacklustre developments in the consumer goods

5 For Europe, see European Commission, *EU Industrial Structure Report 2013: Competing in Global Value Chains* (available at: http://ec.europa.eu/enterprise/policies/industrial-competitiveness/competitiveness-analysis/eu-industrial-structure/index_en.htm); for the United States, see The Manufacturing Institute, *The Facts About Modern Manufacturing*, 8th Edition, 2009 (available at: http://www.themanufacturinginstitute.org/~/media/D45D1F9EE65C45B7BD17A8DB15AC00EC.ashx).

sector. As has been shown, the recessionary period that started in 2008 was driven by various factors, some of which have hit industrial activity particularly hard. For instance, higher uncertainty led to a decline in demand for industrial goods, as household savings increased (at the expense of consumption of goods) and businesses delayed investment in machinery. Costlier and reduced access to financing may also have diminished expenditure on both consumer durables and capital goods. This is consistent with the finding that the effects of monetary policy in the euro area depend mainly on the durability of the goods produced in a sector.[6]

Chart 5 Real value added in industry (excluding construction): the euro area and its four largest economies

(index: Q4 2007 = 100)



Source: Eurostat.
Note: The euro area output peak for industry occurred in the fourth quarter of 2007.

Following the strong cyclical rebound in industrial value added between 2009 and 2010, which lost steam over the course of 2011, the slowdown in late 2011 was followed by a further fall in activity at the end of 2012. These output contractions, which were more modest than those seen back in 2008-09, were driven by developments in the highly cyclical intermediate and capital goods-producing sectors. Overall, even after the recovery that started in 2013, euro area industrial value added remains some 6% below its pre-recessionary level, though this gap obscures considerable cross-country variation. While industrial value added in Germany has just reached its pre-recessionary peak level, gaps still exist in Spain (-7%), France (-9%) and especially Italy (-17%).[7] Italy's large gap reflects broad-based developments across subsectors.[8] By contrast, Germany's gap disappeared owing to the strong rebound in the manufacturing industries that were hardest hit earlier (namely capital, intermediate and durable consumer goods).

Developments in euro area industrial production (excluding construction) can be decomposed into subcomponents in two ways, namely by the so-called main industrial groupings (MIGs) or by NACE (Rev. 2)[9] divisions. Compared with the standard NACE classification of activities from the production side, the classification by MIGs offers the advantage of grouping activities

6 See Peersman, G. and Smets, F., "The industry effects of monetary policy in the euro area", *The Economic Journal*, Vol. 115, Issue 503, Royal Economic Society, 2005, pp. 319-342.

7 There are statistical discrepancies between developments in quarterly value added data coming from national accounts statistics and industrial production data coming from short-term business statistics for the sector (available on a monthly basis). These differences can be large for some countries. For instance, using quarterly data, the gap between the release for the fourth quarter of 2013 and the pre-recessionary peak is more negative in the case of production than for value added, especially in France (-15% versus -9%), Italy (-24% versus -17%) and Spain (-30% versus -7%).

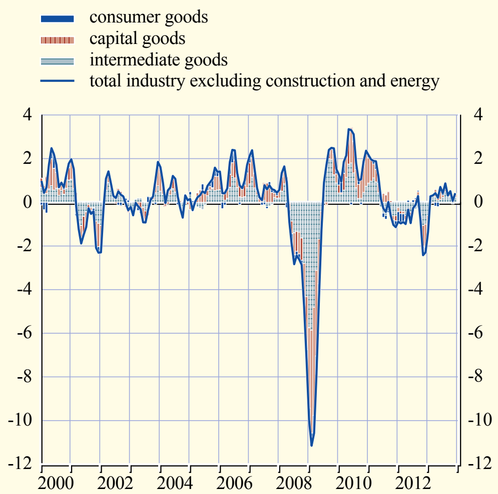
8 The Italian industries least affected since 2008 have been those belonging to the non-durable consumer goods subsector, such as those producing food and beverages.

9 The term "NACE" is the nomenclature of economic activities in the European Union and is derived from the French N*omenclature statistique des* activités *économiques dans la* Communauté européenne. The NACE classification provides the mandatory statistical framework for a wide range of European statistics, including national accounts, short-term statistics and labour market statistics, and is consistent with other international statistical classifications. With the introduction of NACE (Rev.2) in 2009, in particular the number of entries for services industries increased, reflecting the growing importance and the innovative contribution of services industries to modern economies. For further information, see the box entitled "Recent changes in short-term statistics", *Monthly Bulletin*, ECB, April 2009. Over time, classifications across sectors might have changed owing to reclassifications.

in terms of end users (namely, consumption, investment, intermediate use and, separately, energy use). Among these MIGs, the capital and intermediate goods-producing sectors have been more affected since 2008 than consumer goods activity (see Chart 6), and remain well below their pre-recessionary production levels, while consumer goods production is closer to its previous peak. However, within the consumer goods-producing sector, one segment – that of durable goods – has been particularly adversely affected since 2008 and remains far below its pre-recessionary level, partly reflecting developments in consumer spending on home-related products.[10] While energy production also fell markedly in 2008-09, its longer-term profile – although displaying considerable volatility – has been largely acyclical (possibly affected by factors such as energy supply disruptions and weather effects).

Chart 6 Euro area industrial production growth and contributions by main industrial groupings

(annual percentage changes; percentage point contributions; monthly data; seasonally adjusted)



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

The production breakdown by MIGs masks marked differences across the production for domestic or foreign purposes. The ECB indicator on euro area industrial new orders, which has shared the broad cyclical movements displayed by industrial production excluding construction, contains extra information for economic analysis since – unlike production data – it provides a decomposition by origins of demand.[11] Euro area non-domestic orders have fared better than domestic orders during the cyclical upswings (in particular, in the period prior to 2008 and in the recovery since the trough in 2009). Over the last two years a gap has emerged in non-domestic orders between the more dynamic component originating outside the euro area – which is currently at a record high – and the rather stagnant part originating inside the euro area.

Turning to a disaggregation by NACE groupings, over the whole period under consideration, manufacturing very closely mirrors the cyclical fluctuations previously described for industrial production (excluding construction). Chart 7 depicts the five largest disaggregated NACE divisions (four of them from the manufacturing grouping), which together account for almost half of industry excluding construction. As with manufacturing, mining and quarrying, as well as electricity, gas, steam and air-conditioning supply were adversely affected by the 2008-09 recession and rebounded after reaching a trough in 2009. However, these cyclical movements were much smaller than those seen in manufacturing. Furthermore, over the period since 2000 it is possible to infer largely acyclical fluctuations in electricity, gas, steam and air-conditioning supply (see Chart 7), and especially mining and quarrying – the latter also being a traditional activity that exhibits a secular declining trend.

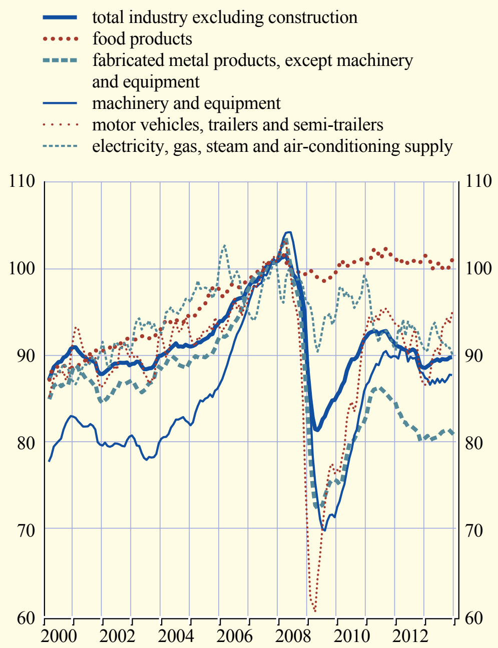
10 In cyclical terms, both consumer non-durables and consumer durables have made smaller contributions to overall developments than capital goods and intermediate goods. The reason is that consumer non-durables have tended to show relatively subdued fluctuations, while consumer durables have had a small weight in total production.

11 See the box entitled "Introducing the ECB indicator on euro area industrial new orders", *Monthly Bulletin*, ECB, July 2013, and de Bondt, G., Dieden, H.C., Muzikarova, S. and Vincze, I., "Introducing the ECB indicator on euro area industrial new orders", *Occasional Paper Series*, No 149, ECB, June 2013.

A further disaggregation within manufacturing shows that production in some of the largest manufacturing divisions – motor vehicle production, fabricated metal production and machinery not elsewhere classified – fell markedly during the 2008-09 recession. Among them, motor vehicle production recovered robustly in the two years following the trough, helped to a considerable extent by government support measures (see Box 2). For fabricated metal products and especially machinery not elsewhere classified, the recovery was less strong, with the gap vis-à-vis pre-recessionary peaks remaining considerably larger. Food processing has been quite stable since 2008, with production levels currently slightly above their pre-recessionary peak. Production in pharmaceuticals was also hardly affected by the 2008-09 recession and has since grown robustly. In these two divisions, consumer demand remained resilient as they produce goods that households tend to view as necessities.[12] At the same time, some more traditional and labour-intensive industries, such as tobacco, textiles, clothing, leather and furniture, have been in decline for some time in the euro area.

Chart 7 Euro area industrial production: selected subsectors

(index: Q4 2007 = 100; three-month moving averages)



Source: Eurostat.
Note: The selected subsectors correspond to NACE (Rev. 2) divisions.

12 See, for example, the analysis of the crisis' effects on retail trade in Eurostat, "Recession in the EU: its impact on retail trade", *Statistics in focus*, No 88/2009. In the case of pharmaceuticals, the relatively good performance may also be traced to some euro area countries' competitiveness in this capital-intensive sector (see European Commission, *EU Industrial Structure Report 2013: Competing in Global Value Chains*, op. cit.).

Box 2

DEVELOPMENTS IN THE EURO AREA CAR INDUSTRY SINCE 2008

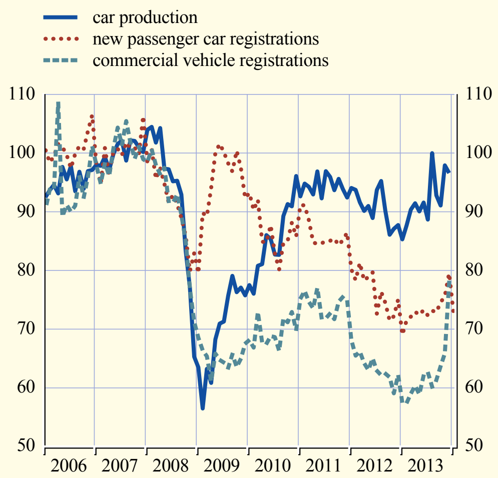
This box describes developments in the euro area car industry since 2008. Car production is more volatile than many other manufacturing industries, while following the broad sectoral cyclical patterns. The car industry also has a significant share in the gross value added of euro area manufacturing. It represents 6.8% of industry excluding construction, or 1.4% of the total economy, based on gross value added data over 2000-10. Among the four largest euro area countries, the share of the car sector in manufacturing is the largest in Germany (15.2%), followed by Spain, France and Italy (8.1%, 6.1% and 5.2% respectively). As with other manufacturing industries, these weights understate the actual importance of the industry in the economy, which has considerable spillovers to other sectors.

Developments in the period 2008-09

During the immediate pre-crisis period (2006-07), there was no clear trend in euro area sales of cars when looking, for example, at new passenger car registrations, despite a steady expansion in car production (see Chart A, which also shows new commercial vehicle registrations).[1] However, in 2008 both sales of passenger cars and production in the industry fell markedly in the euro area, reflecting the significant impact of the crisis at home and abroad. From peak (December 2007) to trough (January 2009), sales of passenger cars fell by some 25% and production decreased by around 37%. The large contractions in the industry reflected its sensitivity to developments in disposable income and households' net worth, as well as heightened uncertainty (which raised savings relative to consumption) and tighter credit constraints. In response to the downturn in the car industry, various fiscal incentive schemes were introduced to lift car purchases in a number of euro area countries.[2] As a result, sales of passenger cars recovered rapidly in the first half of 2009, while production fell somewhat further, before responding to the improvement in demand. By reacting with a lag to the incentive schemes, euro area production fell short of sales, resulting in some destocking.[3]

Chart A Euro area car industry

(index: 2007 = 100; monthly data)



Sources: European Automobile Manufacturers' Association (ACEA) and Eurostat.

Developments in the period 2010-13

The rebound in car production was followed by a second downturn, as with many other industries, but also displayed some specific features. In 2010, most governments phased out the car scrapping schemes introduced during the crisis. This is an important factor in explaining developments in euro area sales of passenger cars, which fluctuated in a relatively low range in 2010-11. Over the same period, this indicator of car sales was outpaced by production, whose dynamism in 2010 was followed by some stabilisation in 2011. Given the absence of evidence of a possible restocking process, one explanation for the increase in production in the industry relative to sales of passenger cars is a rebound in extra-euro area exports of cars, which rose by

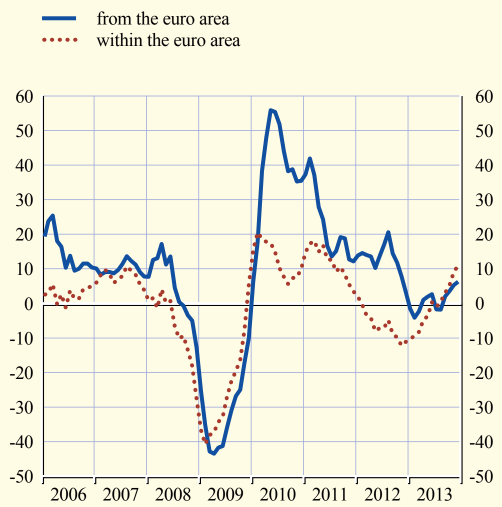
1 For more information on production and sales over the period 2008-10, see the box entitled "The effects of vehicle scrapping schemes across euro area countries", *Monthly Bulletin*, ECB, October 2009, and the box entitled "Developments in the euro area and global car industries", *Monthly Bulletin*, ECB, December 2010. Passenger car registrations include those made by households, car retailers themselves and all other firms more generally (i.e. for company cars). While this box likens registrations to sales, the two concepts differ in terms of timing; moreover, car registration statistics count numbers, not purchasing volumes.

2 These so-called car scrapping schemes provided monetary incentives for the replacement of old cars.

3 Although production in the industry and sales of passenger cars are not strictly comparable for various reasons (such as the roles of commercial vehicles and extra-euro area trade), the destocking process described in the text also relies on supporting anecdotal evidence. Concerning extra-euro area exports (based on Eurostat data that are nominal and unadjusted for seasonality or the number of working days), they initially contributed to mitigating somewhat the fall in euro area production, as they expanded by 3.3% in 2008, while constraining the recovery of 2009, when they fell by some 30% (see Chart B). Intra-euro area exports of cars are part of euro area demand and thus associated with sales. The measurement of exports differs from that of production, in that the latter is computed on a value-added basis. Finally, any contribution of firms' car demand to the destocking process must have been minor, since new commercial vehicle registrations dropped more or less in tandem with production (see Chart A).

Chart B Exports of motor vehicles, trailers and semi-trailers

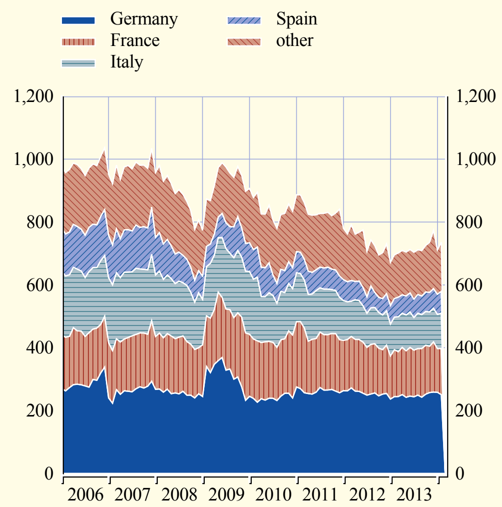
(monthly data; year-on-year percentage changes; three-month moving averages)



Source: Eurostat.

Chart C New passenger car registrations in the four largest euro area countries and other euro area countries

(monthly data; absolute values in thousands)



Source: ACEA.

42% in 2010 and by 21% in 2011 (see Chart B). Another possible explanation is that demand for commercial vehicles was lifted by euro area firms, as captured by rising new commercial vehicle registrations (see Chart A).

The period since 2012 does not exhibit a clear trend in sales of passenger cars and production in the industry. Production in 2012 showed high volatility, with some tendency to fall alongside deteriorating sales (see Chart A). This lacklustre performance in car production occurred despite strong growth in euro area exports of cars (see Chart B). The level of car sales in 2012 was depressed compared with the pre-crisis period, partly as a result of lower real disposable income in stressed countries (see Chart C).

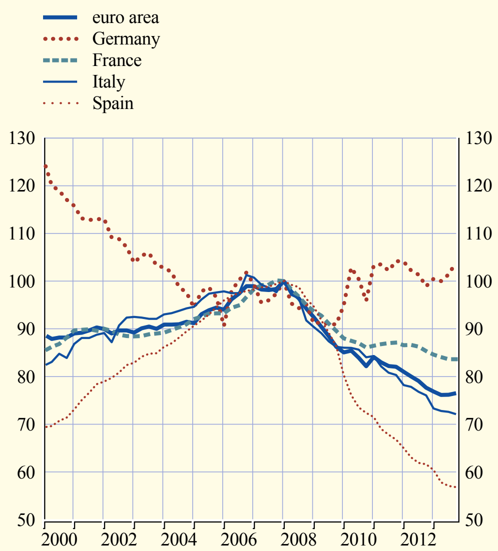
In 2013, there were some signs of a recovery in production and sales of passenger cars – in the latter case from historically low levels. The robust pace of new passenger car registrations in the fourth quarter of 2013 partly reflected forward purchasing ahead of tax hikes in some countries at the start of 2014. From around mid-2013, there was also greater demand for commercial vehicles (e.g. trucks) from firms in the euro area, the latest acceleration being attributable in part to the anticipated introduction of the Euro VI emission standards. Survey data are in line with the recent improvement in production.[4]

4 This increasingly favourable assessment of output developments could, however, understate the difficulties faced by the car industry in which some producers are offering discounts to encourage customers to buy more cars. Throughout the first three quarters of 2013, survey data indicated that prices charged in the industry were declining. In the fourth quarter of 2013, these surveys pointed to price increases.

3.2 CONSTRUCTION

Chart 8 Real value added in construction: the euro area and its four largest economies

(index: Q1 2008 = 100)



Source: Eurostat.

The construction sector has been the most strongly and persistently affected of the three main economic sectors since 2008. In year-on-year terms, it has been characterised by virtually uninterrupted contractions and a continuous decline in employment since mid-2008. Its share in real total euro area value added has shrunk by 1.7 percentage points since early 2000, to just below 5%, albeit with marked differences across countries.[13] In spite of its low share, the construction sector plays a significant role for the business cycle, monetary policy transmission and financial stability, owing to spillover effects to the other productive branches and its impact both on households' housing wealth and on household and corporate financial flows.[14] The virtually uninterrupted decline in construction output since mid-2008 is observable at the euro area level (see Chart 8) and in the largest euro area economies, with the exception of Germany. As Germany had already experienced a housing boom after reunification and as property prices there had increased only slightly prior to 2008, value added is already above its pre-recessionary peak.

Elsewhere, construction value added declined strongly in many other euro area countries, as imbalances and housing bubbles had built up before the recessionary period as a consequence of eased housing finance conditions, strong income growth and high levels of confidence. A tightening of credit standards, a collapse of confidence, a fall in demand, a devaluation of property assets (making building and renovating less profitable) and a decline in households' housing wealth strongly affected construction activity, as well as consumption and employment.

In contrast to the other economic sectors, construction generally did not rebound in 2010-11 owing, in part, to tight financing conditions, low or negative real income growth and a considerable property overhang in some countries, which curbed demand and dampened property prices, in turn further discouraging construction activity.[15]

The main driver of total construction activity is the construction of buildings (representing almost 80% of total construction activity). This segment was particularly hard hit by the recessionary period, because it is more sensitive to the business cycle and the factors mentioned above than civil engineering. Civil engineering, by contrast, was supported by several governments in order to

13 In Spain, the construction sector represented 13.7% of total value added at its peak and still accounts for 8.1% today. By contrast, the share of the construction sector in Germany is only 3.8%.

14 See, for example, Mishkin, F.S., "Housing and the monetary transmission mechanism", *NBER Working Papers*, No 13518, National Bureau of Economic Research, October 2007; Leamer, E.E., "Housing IS the business cycle", *NBER Working Papers*, No 13428, National Bureau of Economic Research, September 2007; and Duca, J. V., Muellbauer, J. and Murphy, A., "Housing markets and the financial crisis of 2007-2009: Lessons for the future", *Journal of Financial Stability*, Vol. 6(4), 2010, pp. 203-217.

15 See the box entitled "Recent house price developments in the euro area" in the November 2013 issue of the Monthly Bulletin.

stimulate domestic demand in the aftermath of the 2008-09 recession. Nevertheless, these measures have been mostly scaled back in the context of fiscal consolidation since the emergence of the sovereign debt concerns in 2010. Overall, adjustment of the euro area construction sector is still ongoing, reflecting, in part, the still significant supply overhang and tight credit conditions in some euro area countries, weak income growth and low construction confidence.

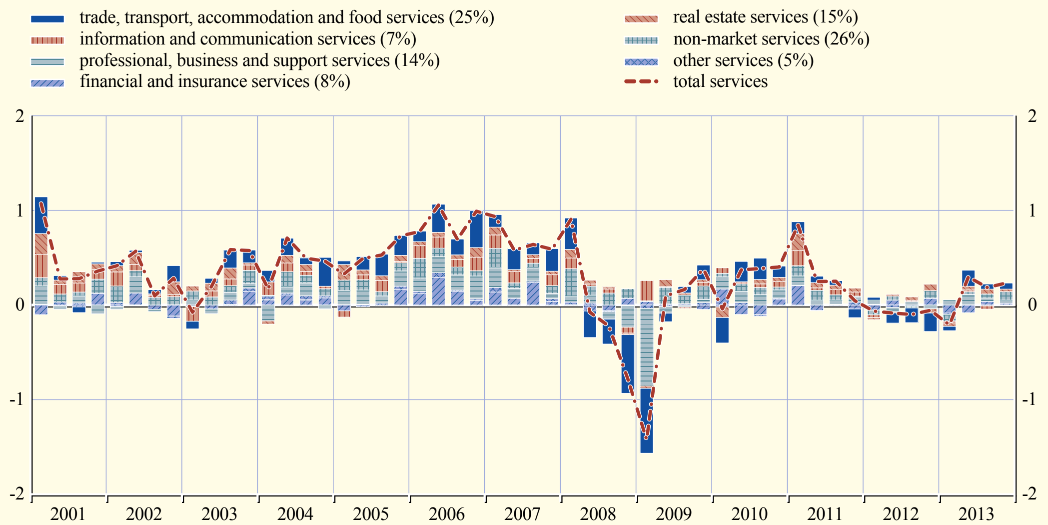
3.3 SERVICES

Services activity has been more resilient since 2008 than activity in the industrial and construction sectors. This notwithstanding, quarter-on-quarter growth in services real value added was negative for a prolonged period during the last two euro area recessions (see Chart 9).

These developments have been strongly determined by developments in trade, transport, accommodation and food services. This subsector accounts for around 25% of euro area services and includes a range of both business-to-business and business-to-consumer services. Some of these are largely domestically provided and consumed by households (such as retail trade, hotels and accommodation), while others depend heavily on broader business-to-business developments and global trade patterns (such as the air and sea cargo transportation or business travel). Transport was particularly affected by a slowdown in global trade and disruptions in supply chain flows, especially during the 2008-09 recession. Retail trade as a whole was affected by declining consumption, with a marked shift in the structure of demand towards cheaper, non-branded goods, which led to a decline in demand for more costly goods. Sales of food products held up somewhat better, owing to their lower elasticity with respect to the economic cycle, as well as price cuts and special offers by retailers.

Chart 9 Growth in euro area real value added in the services sector and subsector contributions

(quarter-on-quarter percentage changes and percentage point contributions)

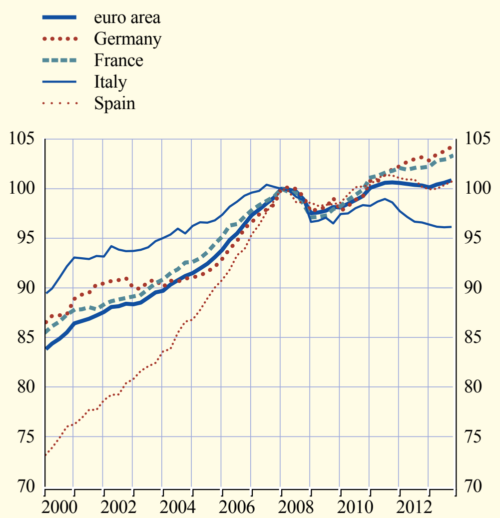


Sources: Eurostat and ECB calculations.
Note: Figures in brackets denote shares in total services value added in 2013.

At the depth of the 2008-09 recession, the professional and business support services segment also acted as a strong drag on services sector growth. During this period, there were widespread indications that business services companies were cutting back investment projects and that there was a strong focus on working capital needs. Demand was shifting towards services typical of recession periods, with postponements of services related to long-term projects, declines in one-off and "transactions" business, and cutbacks in temporary staff and contracts. At the same time, services demand benefited from an increasing need for compliance activity, greater recourse to outsourcing and a focus on cost-saving activities.

Chart 10 Real value added in services: the euro area and its four largest economies

(index: Q1 2008 = 100)



Source: Eurostat.

The financial and insurance sector has contributed negatively or only slightly positively to total services value added growth since 2008, with the exception of more positive contributions in the first quarters of 2010 and 2011. This stagnation of the euro area financial sector since 2008 is in line with broadly unchanged euro area bank assets over the period 2008-13,[16] but stands in sharp contrast to pre-recessionary years when the financial sector contributed positively to growth in services value added.

During the sharp fall in services activity in the first quarter of 2009, only information and communication activities contributed positively to growth in total services value added. On the back of technological progress and the new business platforms provided by the internet, information and communication activities boosted growth in the euro area during the first recession since the start of EMU. Real value added of the more acyclical segment of non-market services (public administration, education, health care and social services) has continued to grow largely uninterrupted at the euro area level since 2008. Non-market services contributed positively to growth in total services value added in the euro area, in particular during the 2008-09 recession, whereas its contribution was more or less neutral in the most recent recession in the context of increased fiscal consolidation efforts.

Developments in the services sector at the euro area level obscure marked differences across the largest euro area countries (see Chart 10). Among the largest euro area countries, the services sector in Italy has been the worst performer since 2008. Real value added of market services and non-market services are still below pre-recessionary levels in Italy. By contrast, in Germany and France, real value added of both market and non-market services have been at record high levels in recent quarters.

16 Schoenmaker, D. and Peek, T., "The state of the banking sector in Europe", *OECD Economics Department Working Papers*, No 1102, OECD, January 2014.

4 CONCLUDING REMARKS

The global financial and economic crisis led to a remarkably turbulent period in the euro area economy, resulting in two recessions in quick succession and overall lacklustre growth, despite a strong rebound from the initial trough in activity in 2009. During this period, the economic sectors have displayed very different developments. While services sector activity at the aggregate level has rebounded to pre-recessionary levels, the construction sector has endured a more permanent downsizing, in part as a correction of previously overheated housing markets in some euro area countries. The cyclical industrial sector was also severely affected by the sharp downturn in global demand during the crisis. While industrial activity has rebounded from its trough in 2009, it has remained somewhat below its pre-recessionary peak. Among the largest euro area countries, activity in industry including construction in Italy and Spain has continued to be a drag on aggregate euro area developments since 2008. Services real value added in Italy has also been comparatively weak. By contrast, the French services sector has performed comparatively strongly since the crisis. In Germany, real value added in all three sectors was at or above pre-recessionary levels in 2013.

EURO AREA STATISTICS

CONTENTS[1]

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

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

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

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

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

Conventions used in the tables

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

EURO AREA OVERVIEW

Summary of economic indicators for the euro area

(annual percentage changes, unless otherwise indicated)

1. Monetary developments and interest rates [1]

	M1 [2]	M2 [2]	M3 [2], [3]	M3 [2], [3] 3-month moving average (centred)	MFI loans to euro area residents excluding MFIs and general government [2]	Securities other than shares issued in euro by non-MFI corporations [2]	3-month interest rate (EURIBOR; % per annum; period averages)	10-year spot rate (% per annum; end of period) [4]
	1	2	3	4	5	6	7	8
2012	4.0	3.1	2.9	-	-0.2	1.2	0.58	1.72
2013	7.0	4.0	2.4	-	-1.5	1.4	0.22	2.24
2013 Q2	8.0	4.5	2.8	-	-1.1	0.2	0.21	2.14
Q3	6.9	4.0	2.2	-	-1.9	1.9	0.22	2.05
Q4	6.4	3.1	1.5	-	-2.2	1.9	0.24	2.24
2014 Q1	6.0	2.4	1.2	-	-2.2	.	0.30	1.82
2013 Nov.	6.5	3.0	1.5	1.3	-2.3	2.4	0.22	1.99
Dec.	5.7	2.5	1.0	1.2	-2.3	-0.9	0.27	2.24
2014 Jan.	6.1	2.4	1.2	1.2	-2.3	-0.3	0.29	1.89
Feb.	6.2	2.4	1.3	1.2	-2.2	-0.3	0.29	1.88
Mar.	5.6	2.2	1.1	.	-2.2	.	0.31	1.82
Apr.	.	.	.	.	.	.	0.33	1.72

2. Prices, output, demand and labour markets

	HICP [1]	Industrial producer prices	Hourly labour costs [5]	Real GDP (s.a.) [5]	Industrial production excluding construction	Capacity utilisation in manufacturing (%)	Employment (s.a.) [5]	Unemployment (% of labour force; s.a.)
	1	2	3	4	5	6	7	8
2012	2.5	2.8	1.8	-0.7	-2.5	78.6	-0.6	11.3
2013	1.4	-0.2	1.4	-0.4	-0.7	78.3	-0.8	12.0
2013 Q3	1.3	-0.6	1.1	-0.3	-1.1	78.4	-0.9	12.0
Q4	0.8	-1.1	1.4	0.5	1.5	79.3	-0.5	11.9
2014 Q1	0.7	-1.5	.	.	.	79.8	.	11.8
2013 Nov.	0.9	-1.2	-	-	2.7	-	-	11.9
Dec.	0.8	-0.7	-	-	1.2	-	-	11.8
2014 Jan.	0.8	-1.3	-	-	1.6	80.1	-	11.8
Feb.	0.7	-1.7	-	-	1.7	-	-	11.8
Mar.	0.5	-1.6	-	-	.	-	-	11.8
Apr.	0.7	.	-	-	.	79.5	-	.

3. External statistics

(EUR billions, unless otherwise indicated)

	Balance of payments (net transactions)			Reserve assets (end-of-period positions)	Net international investment position (as a % of GDP)	Gross external debt (as a % of GDP)	Effective exchange rate of the euro: EER-20 [6] (index: 1999 Q1 = 100)		USD/EUR exchange rate
	Current and capital accounts	Goods	Combined direct and portfolio investment				Nominal	Real (CPI)	
	1	2	3	4	5	6	7	8	9
2012	139.6	89.0	23.9	689.4	-13.2	128.8	97.9	95.6	1.2848
2013	247.8	165.2	80.9	542.1	-12.1	121.0	101.7	98.9	1.3281
2013 Q2	65.6	49.9	65.9	564.3	-13.7	128.0	100.8	98.3	1.3062
Q3	56.0	38.1	-7.7	586.8	-13.3	125.2	101.9	99.2	1.3242
Q4	95.5	48.0	45.5	542.1	-12.1	121.0	103.1	100.0	1.3610
2014 Q1	.	.	.	570.2	.	.	103.9	100.7	1.3696
2013 Nov.	30.7	17.6	37.3	561.5	-	-	102.6	99.5	1.3493
Dec.	35.5	12.7	-5.7	542.1	-	-	103.9	100.7	1.3704
2014 Jan.	8.0	0.7	10.3	570.8	-	-	103.4	100.3	1.3610
Feb.	16.6	15.8	56.2	578.6	-	-	103.6	100.5	1.3659
Mar.	.	.	.	570.2	-	-	104.6	101.3	1.3823
Apr.	.	.	.	.	-	-	104.5	101.1	1.3813

Sources: ECB, European Commission (Eurostat and Economic and Financial Affairs DG) and Thomson Reuters.
Note: For more information on the data, see the relevant tables later in this section.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Annual percentage changes for monthly data refer to the end of the month, whereas those for quarterly and yearly data refer to the annual change in the period average. See the Technical Notes for details.
3) M3 and its components exclude holdings by non-euro area residents of money market fund shares/units and debt securities with a maturity of up to two years.
4) Based on AAA-rated euro area central government bond yield curves. For further information, see Section 4.7.
5) Data refer to the Euro 18.
6) For a definition of the trading partner groups and other information, please refer to the General Notes.

MONETARY POLICY STATISTICS

1.1 Consolidated financial statement of the Eurosystem
(EUR millions)

1. Assets

	4 April 2014	11 April 2014	18 April 2014	25 April 2014	2 May 2014
Gold and gold receivables	326,548	326,547	326,546	326,547	326,544
Claims on non-euro area residents in foreign currency	244,412	244,422	244,108	245,198	245,601
Claims on euro area residents in foreign currency	23,077	23,509	23,836	23,802	23,485
Claims on non-euro area residents in euro	17,350	17,727	17,340	18,416	18,744
Lending to euro area credit institutions in euro	627,351	636,727	636,308	638,141	688,342
Main refinancing operations	110,643	104,619	112,165	121,816	172,621
Longer-term refinancing operations	516,485	532,107	523,842	516,306	514,965
Fine-tuning reverse operations	0	0	0	0	0
Structural reverse operations	0	0	0	0	0
Marginal lending facility	222	0	301	18	751
Credits related to margin calls	0	0	0	1	4
Other claims on euro area credit institutions in euro	66,537	64,912	63,597	60,051	61,263
Securities of euro area residents in euro	588,373	588,067	588,317	586,687	581,631
Securities held for monetary policy purposes	224,909	224,668	224,668	224,668	219,621
Other securities	363,464	363,400	363,650	362,019	362,010
General government debt in euro	28,219	28,219	28,219	28,219	27,273
Other assets	239,121	238,951	239,528	242,002	244,246
Total assets	2,160,987	2,169,081	2,167,801	2,169,061	2,217,128

2. Liabilities

	4 April 2014	11 April 2014	18 April 2014	25 April 2014	2 May 2014
Banknotes in circulation	942,533	944,154	951,934	946,353	950,285
Liabilities to euro area credit institutions in euro	382,370	392,036	386,397	356,899	383,269
Current accounts (covering the minimum reserve system)	181,145	198,232	202,945	166,145	240,192
Deposit facility	25,723	21,154	30,057	23,974	39,078
Fixed-term deposits	175,500	172,500	153,364	166,780	103,946
Fine-tuning reverse operations	0	0	0	0	0
Deposits related to margin calls	1	150	32	1	53
Other liabilities to euro area credit institutions in euro	10,309	4,105	4,057	4,013	2,757
Debt certificates issued	0	0	0	0	0
Liabilities to other euro area residents in euro	95,093	99,868	98,691	129,189	147,698
Liabilities to non-euro area residents in euro	84,129	82,871	78,287	80,490	78,380
Liabilities to euro area residents in foreign currency	1,144	1,071	1,303	1,432	1,470
Liabilities to non-euro area residents in foreign currency	4,635	4,862	4,412	4,533	4,486
Counterpart of special drawing rights allocated by the IMF	52,830	52,830	52,830	52,830	52,830
Other liabilities	206,053	205,394	208,000	211,432	214,041
Revaluation accounts	288,913	288,913	288,913	288,913	288,913
Capital and reserves	92,978	92,978	92,978	92,978	92,999
Total liabilities	2,160,987	2,169,081	2,167,801	2,169,061	2,217,128

Source: ECB.

1.2 Key ECB interest rates

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

With effect from: [1]	Deposit facility		Main refinancing operations			Marginal lending facility	
			Fixed rate tenders	Variable rate tenders			
			Fixed rate	Minimum bid rate			
	Level	Change	Level	Level	Change	Level	Change
	1	2	3	4	5	6	7
1999 1 Jan.	2.00	-	3.00	-	-	4.50	-
4 [2]	2.75	0.75	3.00	-	...	3.25	-1.25
22	2.00	-0.75	3.00	-	...	4.50	1.25
9 Apr.	1.50	-0.50	2.50	-	-0.50	3.50	-1.00
5 Nov.	2.00	0.50	3.00	-	0.50	4.00	0.50
2000 4 Feb.	2.25	0.25	3.25	-	0.25	4.25	0.25
17 Mar.	2.50	0.25	3.50	-	0.25	4.50	0.25
28 Apr.	2.75	0.25	3.75	-	0.25	4.75	0.25
9 June	3.25	0.50	4.25	-	0.50	5.25	0.50
28 [3]	3.25	...	-	4.25	...	5.25	...
1 Sep.	3.50	0.25	-	4.50	0.25	5.50	0.25
6 Oct.	3.75	0.25	-	4.75	0.25	5.75	0.25
2001 11 May	3.50	-0.25	-	4.50	-0.25	5.50	-0.25
31 Aug.	3.25	-0.25	-	4.25	-0.25	5.25	-0.25
18 Sep.	2.75	-0.50	-	3.75	-0.50	4.75	-0.50
9 Nov.	2.25	-0.50	-	3.25	-0.50	4.25	-0.50
2002 6 Dec.	1.75	-0.50	-	2.75	-0.50	3.75	-0.50
2003 7 Mar.	1.50	-0.25	-	2.50	-0.25	3.50	-0.25
6 June	1.00	-0.50	-	2.00	-0.50	3.00	-0.50
2005 6 Dec.	1.25	0.25	-	2.25	0.25	3.25	0.25
2006 8 Mar.	1.50	0.25	-	2.50	0.25	3.50	0.25
15 June	1.75	0.25	-	2.75	0.25	3.75	0.25
9 Aug.	2.00	0.25	-	3.00	0.25	4.00	0.25
11 Oct.	2.25	0.25	-	3.25	0.25	4.25	0.25
13 Dec.	2.50	0.25	-	3.50	0.25	4.50	0.25
2007 14 Mar.	2.75	0.25	-	3.75	0.25	4.75	0.25
13 June	3.00	0.25	-	4.00	0.25	5.00	0.25
2008 9 July	3.25	0.25	-	4.25	0.25	5.25	0.25
8 Oct.	2.75	-0.50	-	-	-	4.75	-0.50
9 [4]	3.25	0.50	-	-	-	4.25	-0.50
15 [5]	3.25	...	3.75	-	-0.50	4.25	...
12 Nov.	2.75	-0.50	3.25	-	-0.50	3.75	-0.50
10 Dec.	2.00	-0.75	2.50	-	-0.75	3.00	-0.75
2009 21 Jan.	1.00	-1.00	2.00	-	-0.50	3.00	...
11 Mar.	0.50	-0.50	1.50	-	-0.50	2.50	-0.50
8 Apr.	0.25	-0.25	1.25	-	-0.25	2.25	-0.25
13 May	0.25	...	1.00	-	-0.25	1.75	-0.50
2011 13 Apr.	0.50	0.25	1.25	-	0.25	2.00	0.25
13 July	0.75	0.25	1.50	-	0.25	2.25	0.25
9 Nov.	0.50	-0.25	1.25	-	-0.25	2.00	-0.25
14 Dec.	0.25	-0.25	1.00	-	-0.25	1.75	-0.25
2012 11 July	0.00	-0.25	0.75	-	-0.25	1.50	-0.25
2013 8 May	0.00	...	0.50	-	-0.25	1.00	-0.50
13 Nov.	0.00	...	0.25	-	-0.25	0.75	-0.25

Source: ECB.

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

1.3 Eurosystem monetary policy operations allotted through tender procedures [1), 2)]

(EUR millions; interest rates in percentages per annum)

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

Date of settlement	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures	Variable rate tender procedures			Running for (...) days
				Fixed rate	Minimum bid rate	Marginal rate [4)]	Weighted average rate	
	1	2	3	4	5	6	7	8
	Main refinancing operations							
2014 29 Jan.	115,635	168	115,635	0.25	-	-	-	7
5 Feb.	95,146	116	95,146	0.25	-	-	-	7
12	93,282	111	93,282	0.25	-	-	-	7
19	92,868	107	92,868	0.25	-	-	-	7
26	94,036	112	94,036	0.25	-	-	-	7
5 Mar.	87,047	96	87,047	0.25	-	-	-	7
12	92,565	99	92,565	0.25	-	-	-	7
19	96,906	103	96,906	0.25	-	-	-	7
26	121,305	121	121,305	0.25	-	-	-	7
2 Apr.	110,643	113	110,643	0.25	-	-	-	7
9	104,619	142	104,619	0.25	-	-	-	7
16	112,165	172	112,165	0.25	-	-	-	7
23	121,816	155	121,816	0.25	-	-	-	7
30	172,621	266	172,621	0.25	-	-	-	7
7 May	129,140	177	129,140	0.25	-	-	-	7
	Longer-term refinancing operations [5)]							
2013 13 Nov.	3,194	21	3,194	0.25	-	-	-	28
28	5,926	47	5,926	0.25	-	-	-	91
11 Dec.	10,143	31	10,143	0.25	-	-	-	35
19	20,914	76	20,914	0.25	-	-	-	98
2014 15 Jan.	7,092	28	7,092	0.25	-	-	-	28
30	4,955	69	4,955	0.25	-	-	-	92
12 Feb.	6,480	30	6,480	0.25	-	-	-	28
27 [6)]	6,297	63	6,297	.	-	-	-	91
12 Mar.	7,522	30	7,522	0.25	-	-	-	28
27 [6)]	11,617	83	11,617	.	-	-	-	91
9 Apr.	28,023	35	28,023	0.25	-	-	-	35
2 May [6)]	13,193	97	13,193	.	-	-	-	90

2. Other tender operations

Date of settlement	Type of operation	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures	Variable rate tender procedures				Running for (...) days
					Fixed rate	Minimum bid rate	Maximum bid rate	Marginal rate [4)]	Weighted average rate	
	1	2	3	4	5	6	7	8	9	10
2014 29 Jan.	Collection of fixed-term deposits	151,206	130	151,206	-	-	0.25	0.25	0.24	7
5 Feb.	Collection of fixed-term deposits	211,022	158	175,500	-	-	0.25	0.25	0.23	7
12	Collection of fixed-term deposits	195,924	157	175,500	-	-	0.25	0.25	0.23	7
19	Collection of fixed-term deposits	216,070	164	175,500	-	-	0.25	0.24	0.23	7
26	Collection of fixed-term deposits	195,520	159	175,500	-	-	0.25	0.24	0.23	7
5 Mar.	Collection of fixed-term deposits	219,131	165	175,500	-	-	0.25	0.23	0.22	7
12	Collection of fixed-term deposits	219,077	159	175,500	-	-	0.25	0.23	0.21	7
19	Collection of fixed-term deposits	223,227	160	175,500	-	-	0.25	0.22	0.21	7
26	Collection of fixed-term deposits	180,901	138	175,500	-	-	0.25	0.25	0.22	7
2 Apr.	Collection of fixed-term deposits	199,721	152	175,500	-	-	0.25	0.23	0.21	7
9	Collection of fixed-term deposits	192,515	156	172,500	-	-	0.25	0.24	0.22	7
16	Collection of fixed-term deposits	153,364	139	153,364	-	-	0.25	0.25	0.23	7
23	Collection of fixed-term deposits	166,780	139	166,780	-	-	0.25	0.25	0.23	7
30	Collection of fixed-term deposits	103,946	121	103,946	-	-	0.25	0.25	0.24	7
7 May	Collection of fixed-term deposits	165,533	158	165,533	-	-	0.25	0.25	0.23	7

Source: ECB.

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

1.4 Minimum reserve and liquidity statistics

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

1. Reserve base of credit institutions subject to reserve requirements

Reserve base as at (end of period):	Total	Liabilities to which a positive reserve coefficient is applied [1]		Liabilities to which a 0% reserve coefficient is applied		
		Overnight deposits and deposits with an agreed maturity or notice period of up to 2 years	Debt securities issued with a maturity of up to 2 years	Deposits with an agreed maturity or notice period of over 2 years	Repos	Debt securities issued with a maturity of over 2 years
	1	2	3	4	5	6
2010	18,948.1	9,962.6	644.3	2,683.3	1,335.4	4,322.5
2011	18,970.0	9,790.9	687.7	2,781.2	1,303.5	4,406.8
2012	18,564.7	9,971.7	637.5	2,583.9	1,163.1	4,208.4
2013	17,847.1	9,811.6	518.8	2,447.1	1,152.6	3,917.1
2013 Oct. [2]	18,148.7	9,823.0	562.9	2,481.1	1,323.0	3,958.8
Nov. [2]	18,160.4	9,856.1	552.0	2,479.2	1,305.5	3,967.6
Dec. [2]	17,847.1	9,811.6	518.8	2,447.1	1,152.6	3,917.1
2014 Jan.	18,010.5	9,834.5	569.0	2,436.0	1,233.4	3,937.5
Feb.	17,995.2	9,825.3	572.2	2,409.9	1,281.0	3,906.9

2. Reserve maintenance

Maintenance period ending on:	Required reserves	Credit institutions' current accounts	Excess reserves	Deficiencies	Interest rate on minimum reserves
	1	2	3	4	5
2010	211.8	212.5	0.7	0.5	1.00
2011	207.7	212.2	4.5	0.0	1.25
2012	106.4	509.9	403.5	0.0	0.75
2013	103.3	220.2	116.9	0.0	0.25
2013 10 Dec.	103.3	220.2	116.9	0.0	0.25
2014 14 Jan. [3]	103.4	248.1	144.8	0.0	0.25
11 Feb.	103.6	216.0	112.4	0.0	0.25
11 Mar.	102.8	201.1	98.3	0.0	0.25
8 Apr.	103.6	195.2	91.6	0.0	0.25
13 May	103.5	.	.	.	.

3. Liquidity

Maintenance period ending on:	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current accounts	Base money
		Monetary policy operations of the Eurosystem										
	Eurosystem's net assets in gold and foreign currency	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations [4]	Deposit facility	Other liquidity-absorbing operations [5]	Banknotes in circulation	Central government deposits with the Eurosystem	Other factors (net)		
	1	2	3	4	5	6	7	8	9	10	11	12
2010	511.1	179.5	336.3	1.9	130.4	44.7	70.8	815.9	94.4	-79.1	212.5	1,073.1
2011	622.1	238.0	389.0	4.4	260.3	253.7	200.5	869.4	63.8	-85.9	212.2	1,335.3
2012	708.0	74.0	1,044.1	1.6	277.3	231.8	208.5	889.3	121.1	144.5	509.9	1,631.0
2013	550.8	91.6	625.3	0.1	241.5	48.3	177.4	925.9	80.2	57.2	220.2	1,194.4
2013 12 Nov.	550.9	90.8	652.4	0.1	244.6	52.1	187.2	920.4	70.9	63.4	244.9	1,217.4
10 Dec.	550.8	91.6	625.3	0.1	241.5	48.3	177.4	925.9	80.2	57.2	220.2	1,194.4
2014 14 Jan.	532.7	129.3	592.1	0.3	236.8	60.1	149.3	947.9	61.2	24.7	248.1	1,256.0
11 Feb.	510.3	105.4	576.4	0.3	232.5	42.1	164.4	931.8	83.4	-12.9	216.0	1,190.0
11 Mar.	510.4	91.8	570.4	0.3	229.5	29.5	175.5	932.1	81.8	-17.6	201.1	1,162.8
8 Apr.	518.9	105.4	534.6	0.7	227.5	29.2	175.5	938.4	73.8	-25.0	195.2	1,162.8

Source: ECB.

1) A coefficient of 1% is applied as of the maintenance period beginning on 18 January 2012. A coefficient of 2% is applied to all previous maintenance periods.
2) Includes the reserve bases of credit institutions in Latvia. On a transitional basis, credit institutions located in the euro area may decide to deduct from their own reserve bases any liabilities vis-à-vis credit institutions located in Latvia. Starting from the reserve base as at end-January 2014, the standard treatment applies (see Decision ECB/2013/41 of the ECB of 22 October 2013 on transitional provisions for the application of minimum reserves by the ECB following the introduction of the euro in Latvia).
3) Owing to the adoption of the euro by Latvia on 1 January 2014, the reserve requirement is an average - weighted by the number of calendar days - of the reserve requirements for the then 17 countries of the euro area for the period 11-31 December 2013 and the reserve requirements for the 18 countries now in the euro area for the period 1-14 January 2014.
4) Includes liquidity provided under the Eurosystem's covered bond purchase programmes and the Eurosystem's Securities Markets Programme.
5) Includes liquidity absorbed as a result of the Eurosystem's foreign exchange swap operations.
For more information, please see: http://www.ecb.europa.eu/mopo/liq/html/index.en.html

2 MONEY, BANKING AND OTHER FINANCIAL CORPORATIONS

2.1 Aggregated balance sheet of euro area MFIs [1]

(EUR billions; outstanding amounts at end of period)

1. Assets

	Total	Loans to euro area residents: Total	Loans: General government	Loans: Other euro area residents	Loans: MFIs	Holdings of securities other than shares issued by euro area residents: Total	Securities: General government	Securities: Other euro area residents	Securities: MFIs	Money market fund shares/units [2]	Holdings of shares/other equity issued by euro area residents	External assets	Fixed assets	Remaining assets
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
						Eurosystem								
2012	5,288.1	3,351.2	16.9	1.0	3,333.3	723.1	568.4	10.5	144.2	-	23.4	799.9	8.3	382.3
2013	4,073.0	2,283.2	15.0	1.2	2,267.1	715.3	567.6	24.9	122.8	-	25.0	632.4	8.3	408.7
2013 Q4	4,073.0	2,283.2	15.0	1.2	2,267.1	715.3	567.6	24.9	122.8	-	25.0	632.4	8.3	408.7
2014 Q1 (p)	3,916.4	2,087.4	15.0	1.2	2,071.2	721.9	578.0	22.9	121.0	-	26.6	658.0	8.4	414.2
2013 Dec.	4,073.0	2,283.2	15.0	1.2	2,267.1	715.3	567.6	24.9	122.8	-	25.0	632.4	8.3	408.7
2014 Jan.	4,022.3	2,197.1	15.0	1.2	2,181.0	718.1	568.6	26.6	122.9	-	25.6	663.1	8.3	410.1
Feb.	3,988.8	2,156.6	15.0	1.2	2,140.5	717.8	571.4	25.2	121.2	-	26.5	668.5	8.3	411.0
Mar. (p)	3,916.4	2,087.4	15.0	1.2	2,071.2	721.9	578.0	22.9	121.0	-	26.6	658.0	8.4	414.2
						MFIs excluding the Eurosystem								
2012	32,694.6	17,987.2	1,153.4	11,038.4	5,795.4	4,901.6	1,627.0	1,423.3	1,851.3	66.8	1,227.8	4,045.7	214.7	4,250.9
2013	30,443.7	16,983.4	1,082.4	10,650.6	5,250.4	4,671.4	1,694.3	1,334.4	1,642.7	58.1	1,232.9	3,856.0	210.7	3,431.2
2013 Q4	30,443.7	16,983.4	1,082.4	10,650.6	5,250.4	4,671.4	1,694.3	1,334.4	1,642.7	58.1	1,232.9	3,856.0	210.7	3,431.2
2014 Q1 (p)	30,592.9	16,942.7	1,092.7	10,639.7	5,210.4	4,698.0	1,774.4	1,306.2	1,617.4	53.8	1,249.4	3,984.0	202.3	3,462.7
2013 Dec.	30,443.7	16,983.4	1,082.4	10,650.6	5,250.4	4,671.4	1,694.3	1,334.4	1,642.7	58.1	1,232.9	3,856.0	210.7	3,431.2
2014 Jan.	30,889.8	17,060.7	1,103.5	10,645.3	5,311.9	4,759.6	1,751.5	1,341.4	1,666.8	60.4	1,240.4	4,017.1	209.4	3,542.3
Feb.	30,747.8	16,975.6	1,095.2	10,641.1	5,239.3	4,752.4	1,768.5	1,317.8	1,666.1	53.2	1,238.9	4,003.5	208.5	3,515.6
Mar. (p)	30,592.9	16,942.7	1,092.7	10,639.7	5,210.4	4,698.0	1,774.4	1,306.2	1,617.4	53.8	1,249.4	3,984.0	202.3	3,462.7

2. Liabilities

	Total	Currency in circulation	Deposits of euro area residents: Total	Deposits: Central government	Deposits: Other general government/other euro area residents	Deposits: MFIs	Money market fund shares/units [3]	Debt securities issued [4]	Capital and reserves	External liabilities	Remaining liabilities
	1	2	3	4	5	6	7	8	9	10	11
					Eurosystem						
2012	5,288.1	938.2	3,062.2	81.4	64.5	2,916.4	-	0.0	536.6	298.7	452.5
2013	4,073.0	982.4	2,004.3	62.3	40.1	1,901.9	-	0.0	406.3	202.2	477.9
2013 Q4	4,073.0	982.4	2,004.3	62.3	40.1	1,901.9	-	0.0	406.3	202.2	477.9
2014 Q1 (p)	3,916.4	965.6	1,860.3	86.3	38.4	1,735.7	-	0.0	440.5	166.5	483.4
2013 Dec.	4,073.0	982.4	2,004.3	62.3	40.1	1,901.9	-	0.0	406.3	202.2	477.9
2014 Jan.	4,022.3	958.6	1,953.4	87.5	41.2	1,824.7	-	0.0	432.3	194.0	484.1
Feb.	3,988.8	960.0	1,921.4	94.9	42.7	1,783.7	-	0.0	445.6	177.5	484.4
Mar. (p)	3,916.4	965.6	1,860.3	86.3	38.4	1,735.7	-	0.0	440.5	166.5	483.4
					MFIs excluding the Eurosystem						
2012	32,694.6	-	17,195.3	169.6	10,866.2	6,159.5	534.7	4,848.9	2,344.0	3,494.5	4,277.2
2013	30,443.7	-	16,647.4	152.2	10,934.1	5,561.1	462.9	4,352.7	2,398.3	3,106.4	3,476.1
2013 Q4	30,443.7	-	16,647.4	152.2	10,934.1	5,561.1	462.9	4,352.7	2,398.3	3,106.4	3,476.1
2014 Q1 (p)	30,592.9	-	16,657.3	181.2	10,957.8	5,518.3	464.2	4,298.4	2,451.9	3,218.8	3,502.5
2013 Dec.	30,443.7	-	16,647.4	152.2	10,934.1	5,561.1	462.9	4,352.7	2,398.3	3,106.4	3,476.1
2014 Jan.	30,889.8	-	16,705.3	149.0	10,923.3	5,633.0	489.3	4,373.6	2,423.7	3,273.4	3,624.6
Feb.	30,747.8	-	16,688.6	177.6	10,940.4	5,570.5	480.9	4,345.7	2,431.6	3,244.5	3,556.5
Mar. (p)	30,592.9	-	16,657.3	181.2	10,957.8	5,518.3	464.2	4,298.4	2,451.9	3,218.8	3,502.5

Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Amounts issued by euro area residents. Amounts issued by non-euro area residents are included in external assets.
3) Amounts held by euro area residents.
4) Amounts issued with a maturity of up to two years and held by non-euro area residents are included in external liabilities.

2.2 Consolidated balance sheet of euro area MFIs 1)

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

1. Assets

	Total	Loans to euro area residents			Holdings of securities other than shares issued by euro area residents			Holdings of shares/ other equity issued by other euro area residents	External assets	Fixed assets	Remaining assets 2)
		Total	General government	Other euro area residents	Total	General government	Other euro area residents				
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2012	26,246.1	12,209.7	1,170.3	11,039.4	3,629.2	2,195.4	1,433.8	767.0	4,845.6	222.9	4,571.8
2013	24,648.8	11,749.1	1,097.3	10,651.8	3,621.2	2,261.8	1,359.3	792.4	4,488.4	219.0	3,778.7
2013 Q4	24,648.8	11,749.1	1,097.3	10,651.8	3,621.2	2,261.8	1,359.3	792.4	4,488.4	219.0	3,778.7
2014 Q1 (p)	24,915.2	11,748.6	1,107.7	10,640.9	3,681.5	2,352.5	1,329.0	804.7	4,642.0	210.6	3,827.8
2013 Dec.	24,648.8	11,749.1	1,097.3	10,651.8	3,621.2	2,261.8	1,359.3	792.4	4,488.4	219.0	3,778.7
2014 Jan.	25,048.2	11,764.9	1,118.4	10,646.4	3,688.0	2,320.0	1,368.0	795.4	4,680.2	217.7	3,902.0
Feb.	24,994.3	11,752.4	1,110.2	10,642.2	3,682.9	2,339.9	1,343.0	793.5	4,672.0	216.8	3,876.8
Mar. (p)	24,915.2	11,748.6	1,107.7	10,640.9	3,681.5	2,352.5	1,329.0	804.7	4,642.0	210.6	3,827.8
	Transactions										
2012	87.5	-38.0	-4.7	-33.4	113.1	183.6	-70.5	38.5	-151.1	-14.0	139.0
2013	-1,615.0	-272.3	-73.7	-198.6	-28.0	46.1	-74.1	14.1	-79.6	-2.0	-1,247.2
2013 Q4	-670.2	-97.0	-8.1	-88.9	-137.7	-75.2	-62.5	-5.1	-14.2	0.6	-416.9
2014 Q1 (p)	191.6	-4.0	8.9	-12.9	34.8	58.2	-23.5	12.7	121.7	-8.5	35.0
2013 Dec.	-702.8	-57.1	-1.9	-55.2	-110.9	-73.1	-37.8	-0.8	-85.1	1.2	-450.0
2014 Jan.	288.8	-5.0	19.7	-24.6	45.0	42.7	2.3	7.9	125.8	-1.5	116.7
Feb.	-21.4	-0.7	-8.2	7.5	1.0	12.1	-11.1	-5.4	16.3	-0.9	-31.6
Mar. (p)	-75.8	1.7	-2.6	4.2	-11.2	3.5	-14.6	10.2	-20.4	-6.1	-50.0

2. Liabilities

	Total	Currency in circulation	Deposits of central government	Deposits of other general government/ other euro area residents	Money market fund shares/ units 3)	Debt securities issued 4)	Capital and reserves	External liabilities	Remaining liabilities 2)	Excess of inter-MFI liabilities over inter-MFI assets
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2012	26,246.1	876.8	251.0	10,930.7	467.9	2,853.4	2,396.4	3,793.2	4,729.6	-52.9
2013	24,648.8	921.2	214.5	10,974.3	404.8	2,587.1	2,339.0	3,308.6	3,954.0	-54.5
2013 Q4	24,648.8	921.2	214.5	10,974.3	404.8	2,587.1	2,339.0	3,308.6	3,954.0	-54.5
2014 Q1 (p)	24,915.2	916.5	267.5	10,996.2	410.4	2,560.0	2,421.1	3,385.3	3,985.9	-27.5
2013 Dec.	24,648.8	921.2	214.5	10,974.3	404.8	2,587.1	2,339.0	3,308.6	3,954.0	-54.5
2014 Jan.	25,048.2	908.3	236.5	10,964.5	428.9	2,583.9	2,385.5	3,467.4	4,108.6	-35.2
Feb.	24,994.3	910.2	272.6	10,983.1	427.7	2,558.4	2,405.2	3,421.9	4,040.8	-25.6
Mar. (p)	24,915.2	916.5	267.5	10,996.2	410.4	2,560.0	2,421.1	3,385.3	3,985.9	-27.5
	Transactions									
2012	87.5	19.5	-5.1	184.1	-18.2	-124.8	156.0	-251.7	151.0	-23.3
2013	-1,615.0	44.4	-37.3	160.9	-46.6	-198.8	76.9	-441.7	-1,187.5	14.7
2013 Q4	-670.2	27.2	-59.2	22.2	-12.7	-25.6	-3.8	-179.2	-426.3	-12.8
2014 Q1 (p)	191.6	-5.3	52.6	16.4	5.7	-26.3	37.7	64.5	16.6	29.7
2013 Dec.	-702.8	17.8	-49.6	-19.7	-12.8	-22.1	6.5	-164.4	-463.0	4.6
2014 Jan.	288.8	-13.5	20.7	-30.5	24.1	-12.1	15.0	117.4	147.7	20.0
Feb.	-21.4	1.9	36.9	34.1	-1.1	-16.3	5.0	-16.1	-77.4	11.7
Mar. (p)	-75.8	6.3	-5.1	12.8	-17.2	2.2	17.7	-36.8	-53.7	-2.0

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

2.3 Monetary statistics [1]

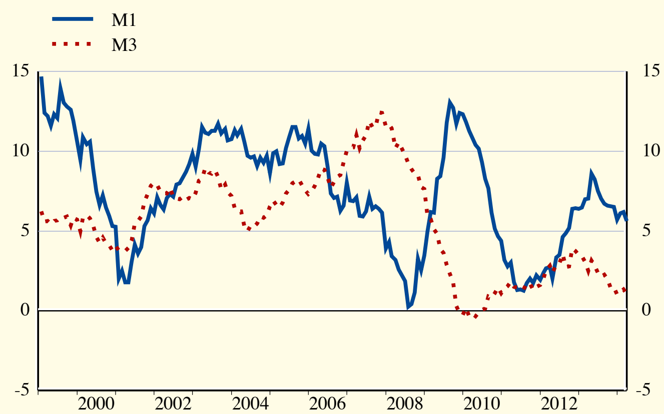
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

1. Monetary aggregates [2] and counterparts

	M3					M3 3-month moving average (centred)	Longer-term financial liabilities	Credit to general government	Credit to other euro area residents [3]			Net external assets [4]
	M2			M3-M2						Loans	Loans adjusted for sales and securitisation [5]	
	M1	M2-M1										
	1	2	3	4	5	6	7	8	9	10	11	12
Outstanding amounts												
2012	5,107.1	3,882.3	8,989.4	790.1	9,779.5	-	7,569.0	3,406.0	13,055.3	10,854.0	-	1,035.6
2013	5,390.0	3,812.4	9,202.5	625.2	9,827.7	-	7,302.2	3,402.1	12,694.6	10,541.7	-	1,162.4
2013 Q4	5,390.0	3,812.4	9,202.5	625.2	9,827.7	-	7,302.2	3,402.1	12,694.6	10,541.7	-	1,162.4
2014 Q1 (p)	5,490.1	3,792.0	9,282.1	610.1	9,892.2	-	7,346.5	3,452.6	12,659.2	10,532.3	-	1,271.9
2013 Dec.	5,390.0	3,812.4	9,202.5	625.2	9,827.7	-	7,302.2	3,402.1	12,694.6	10,541.7	-	1,162.4
2014 Jan.	5,447.0	3,793.5	9,240.5	649.5	9,890.0	-	7,346.4	3,449.9	12,711.1	10,550.3	-	1,204.7
Feb.	5,491.5	3,782.9	9,274.4	643.8	9,918.3	-	7,329.3	3,454.8	12,679.3	10,545.3	-	1,246.0
Mar. (p)	5,490.1	3,792.0	9,282.1	610.1	9,892.2	-	7,346.5	3,452.6	12,659.2	10,532.3	-	1,271.9
Transactions												
2012	307.4	78.1	385.5	-55.4	330.0	-	-116.4	184.9	-102.6	-70.8	-15.1	99.3
2013	291.2	-66.7	224.4	-123.8	100.6	-	-91.6	-25.2	-305.7	-246.3	-220.4	361.3
2013 Q4	48.7	-39.3	9.5	-20.1	-10.6	-	-19.9	-50.7	-153.2	-63.5	-57.7	154.8
2014 Q1 (p)	91.3	-24.0	67.4	-14.8	52.6	-	6.8	16.5	-30.4	-11.4	-8.7	89.9
2013 Dec.	-32.2	-3.1	-35.3	-15.1	-50.4	-	-26.1	-25.9	-56.2	-21.6	-18.5	64.1
2014 Jan.	45.4	-23.1	22.2	24.4	46.7	-	-1.8	30.7	-4.5	-10.7	-10.6	17.8
Feb.	47.5	-9.9	37.6	-5.4	32.2	-	-11.1	-2.9	-9.6	6.7	8.9	36.5
Mar. (p)	-1.5	9.0	7.5	-33.8	-26.3	-	19.7	-11.3	-16.3	-7.4	-7.0	35.7
Growth rates												
2012	6.4	2.1	4.5	-6.5	3.5	3.5	-1.5	5.9	-0.8	-0.6	-0.1	99.3
2013	5.7	-1.7	2.5	-16.2	1.0	1.2	-1.2	-0.7	-2.3	-2.3	-2.0	361.3
2013 Q4	5.7	-1.7	2.5	-16.2	1.0	1.2	-1.2	-0.7	-2.3	-2.3	-2.0	361.3
2014 Q1 (p)	5.6	-2.3	2.2	-13.6	1.1	1.2	-1.1	-0.9	-2.5	-2.2	-2.0	385.3
2013 Dec.	5.7	-1.7	2.5	-16.2	1.0	1.2	-1.2	-0.7	-2.3	-2.3	-2.0	361.3
2014 Jan.	6.1	-2.6	2.4	-12.8	1.2	1.2	-1.1	0.2	-2.3	-2.3	-2.0	338.1
Feb.	6.2	-2.6	2.4	-11.6	1.3	1.2	-1.3	0.1	-2.3	-2.2	-2.0	382.1
Mar. (p)	5.6	-2.3	2.2	-13.6	1.1	.	-1.1	-0.9	-2.5	-2.2	-2.0	385.3

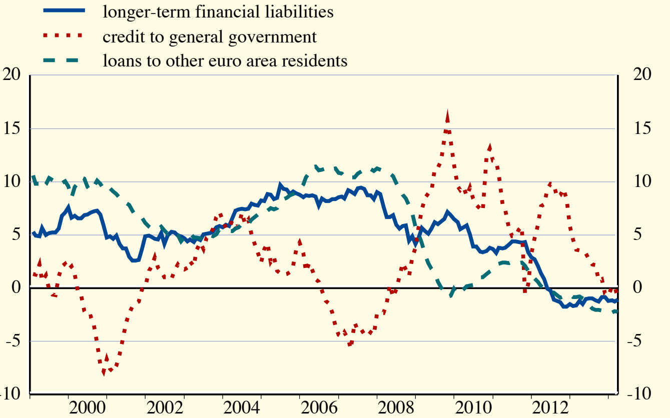
C1 Monetary aggregates [1]

(annual growth rates; seasonally adjusted)



C2 Counterparts [1]

(annual growth rates; seasonally adjusted)



Source: ECB.

1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) Monetary liabilities of MFIs and central government (post office, treasury, etc.) vis-à-vis non-MFI euro area residents excluding central government. For definitions of M1, M2 and M3, see glossary.
3) Excludes reverse repos to central counterparties as of June 2010; transactions and growth rates are adjusted for this effect.
4) Values in the section "growth rates" are sums of the transactions during the 12 months ending in the period indicated.
5) Adjustment for the derecognition of loans on the MFI balance sheet on account of their sale or securitisation.

2.3 Monetary statistics [1]

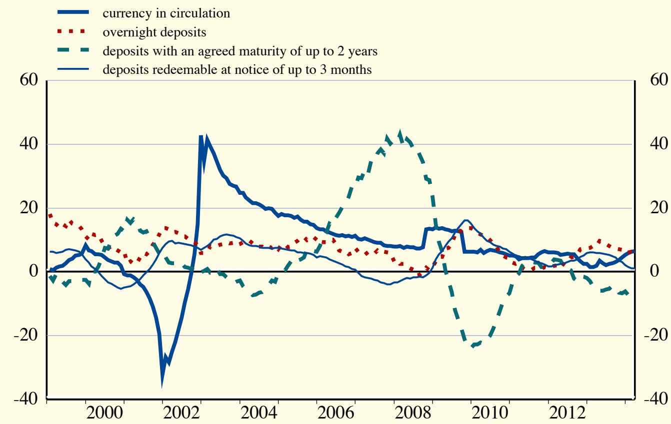
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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

	Currency in circulation	Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits redeemable at notice of up to 3 months	Repos [2]	Money market fund shares/units	Debt securities with a maturity of up to 2 years	Debt securities with a maturity of over 2 years	Deposits redeemable at notice of over 3 months	Deposits with an agreed maturity of over 2 years	Capital and reserves
	1	2	3	4	5	6	7	8	9	10	11
						Outstanding amounts					
2012	863.9	4,243.1	1,801.8	2,080.6	123.7	483.3	183.2	2,685.0	106.1	2,395.2	2,382.7
2013	909.5	4,480.5	1,690.8	2,121.6	118.8	417.9	88.5	2,510.8	91.7	2,372.7	2,327.0
2013 Q4	909.5	4,480.5	1,690.8	2,121.6	118.8	417.9	88.5	2,510.8	91.7	2,372.7	2,327.0
2014 Q1 (p)	926.3	4,563.8	1,667.5	2,124.5	117.5	408.3	84.3	2,472.7	91.2	2,357.5	2,425.2
2013 Dec.	909.5	4,480.5	1,690.8	2,121.6	118.8	417.9	88.5	2,510.8	91.7	2,372.7	2,327.0
2014 Jan.	913.7	4,533.2	1,674.1	2,119.4	124.7	433.8	91.0	2,499.9	90.9	2,375.5	2,380.2
Feb.	919.1	4,572.4	1,664.2	2,118.8	130.1	427.1	86.6	2,471.7	91.4	2,360.2	2,406.0
Mar. (p)	926.3	4,563.8	1,667.5	2,124.5	117.5	408.3	84.3	2,472.7	91.2	2,357.5	2,425.2
						Transactions					
2012	20.2	287.2	-36.5	114.6	-17.0	-20.0	-18.4	-105.8	-10.2	-156.1	155.7
2013	45.6	245.6	-110.0	43.2	-11.9	-48.6	-63.3	-137.2	-14.3	-18.5	78.3
2013 Q4	15.8	32.9	-28.7	-10.6	9.6	-3.4	-26.3	17.3	-1.8	-18.3	-17.1
2014 Q1 (p)	16.1	75.2	-26.5	2.5	-1.4	-9.5	-3.9	-37.6	-0.5	-9.0	53.9
2013 Dec.	6.6	-38.8	7.8	-11.0	0.1	0.8	-16.0	0.7	-0.4	-20.8	-5.6
2014 Jan.	3.6	41.8	-20.4	-2.7	5.6	15.9	2.9	-20.2	-0.8	-2.6	21.8
Feb.	5.3	42.1	-9.3	-0.5	5.6	-6.7	-4.3	-19.1	0.5	-3.6	11.1
Mar. (p)	7.2	-8.7	3.3	5.7	-12.7	-18.7	-2.5	1.8	-0.2	-2.8	20.9
						Growth rates					
2012	2.4	7.2	-2.0	5.8	-11.8	-3.9	-9.6	-3.8	-8.8	-6.1	6.9
2013	5.3	5.8	-6.1	2.1	-9.5	-10.4	-37.4	-5.1	-13.5	-0.8	3.3
2013 Q4	5.3	5.8	-6.1	2.1	-9.5	-10.4	-37.4	-5.1	-13.5	-0.8	3.3
2014 Q1 (p)	6.5	5.5	-6.5	1.1	-9.4	-10.6	-27.8	-4.6	-9.6	-1.7	3.8
2013 Dec.	5.3	5.8	-6.1	2.1	-9.5	-10.4	-37.4	-5.1	-13.5	-0.8	3.3
2014 Jan.	5.8	6.2	-7.3	1.5	-9.1	-6.4	-34.2	-5.3	-12.5	-0.7	3.7
Feb.	6.2	6.2	-7.0	1.1	-2.4	-7.9	-31.7	-5.7	-10.7	-0.7	3.6
Mar. (p)	6.5	5.5	-6.5	1.1	-9.4	-10.6	-27.8	-4.6	-9.6	-1.7	3.8

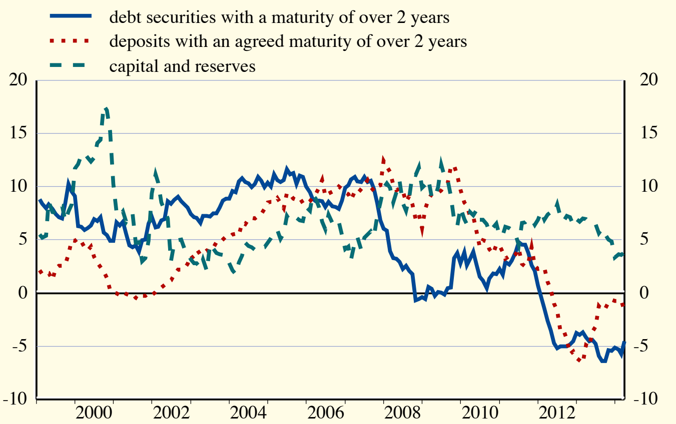
C3 Components of monetary aggregates [1]

(annual growth rates; seasonally adjusted)



C4 Components of longer-term financial liabilities [1]

(annual growth rates; seasonally adjusted)



Source: ECB.

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

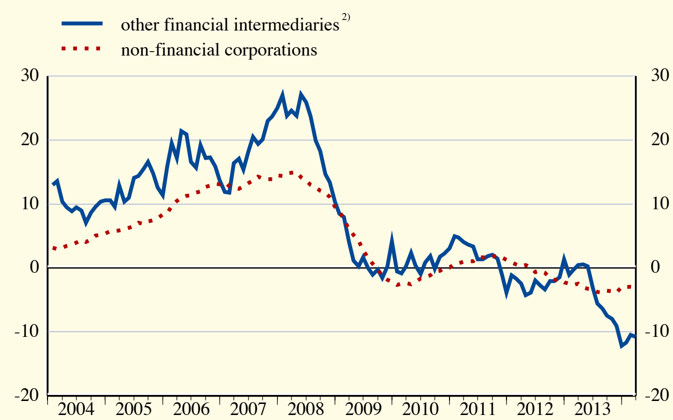
2) Excludes repurchase agreements with central counterpaties as of June 2010; transactions and growth rates are adjusted for this effect.

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

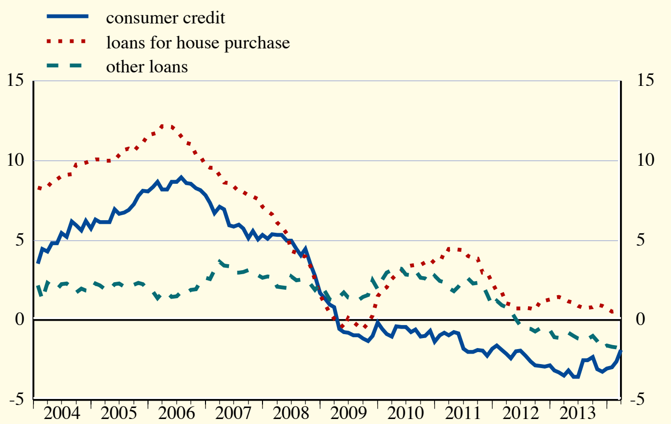
3. Loans as counterpart to M3

	Insurance corporations and pension funds	Other financial inter-mediaries [2]	Non-financial corporations					Households [3]				
	Total	Total	Total	Loans adjusted for sales and securitisation [4]	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Loans adjusted for sales and securitisation [4]	Consumer credit	Loans for house purchase	Other loans
	1	2	3	4	5	6	7	8	9	10	11	12
						Outstanding amounts						
2012	89.0	977.0	4,546.5	-	1,129.8	795.7	2,621.1	5,241.4	-	601.8	3,823.5	816.1
2013	98.3	866.8	4,355.9	-	1,067.8	740.5	2,547.7	5,220.6	-	573.2	3,851.6	795.8
2013 Q4	98.3	866.8	4,355.9	-	1,067.8	740.5	2,547.7	5,220.6	-	573.2	3,851.6	795.8
2014 Q1 (p)	101.1	859.6	4,340.4	-	1,059.1	734.8	2,546.5	5,231.2	-	573.0	3,865.2	793.0
2013 Dec.	98.3	866.8	4,355.9	-	1,067.8	740.5	2,547.7	5,220.6	-	573.2	3,851.6	795.8
2014 Jan.	99.9	849.9	4,374.0	-	1,061.4	743.1	2,569.5	5,226.5	-	572.4	3,858.3	795.9
Feb.	102.5	863.1	4,348.4	-	1,048.1	741.6	2,558.7	5,231.2	-	571.7	3,865.5	794.0
Mar. (p)	101.1	859.6	4,340.4	-	1,059.1	734.8	2,546.5	5,231.2	-	573.0	3,865.2	793.0
						Transactions						
2012	-2.0	12.9	-107.3	-60.1	6.5	-51.4	-62.4	25.6	34.3	-17.7	48.5	-5.1
2013	9.6	-119.3	-133.3	-128.0	-44.3	-45.0	-44.0	-3.4	14.1	-18.2	27.8	-13.0
2013 Q4	3.0	-33.2	-25.7	-27.4	-8.6	-17.8	0.7	-7.5	-0.6	-6.4	6.9	-8.1
2014 Q1 (p)	2.7	5.0	-25.8	-24.9	-6.8	-4.2	-14.8	6.8	8.2	0.9	8.7	-2.8
2013 Dec.	-1.7	-15.0	0.0	1.1	7.6	-16.3	8.7	-4.9	-3.1	1.5	-3.5	-3.0
2014 Jan.	1.5	-2.6	-8.9	-8.7	-8.8	-0.6	0.5	-0.8	-0.8	-0.5	1.3	-1.5
Feb.	2.6	11.0	-12.9	-12.5	-10.3	2.2	-4.8	5.9	7.8	-0.4	7.3	-1.0
Mar. (p)	-1.4	-3.5	-4.1	-3.7	12.2	-5.8	-10.5	1.6	1.3	1.8	0.1	-0.3
						Growth rates						
2012	-2.2	1.3	-2.3	-1.3	0.6	-6.0	-2.3	0.5	0.7	-2.9	1.3	-0.6
2013	10.8	-12.2	-2.9	-2.8	-3.9	-5.7	-1.7	-0.1	0.3	-3.0	0.7	-1.6
2013 Q4	10.8	-12.2	-2.9	-2.8	-3.9	-5.7	-1.7	-0.1	0.3	-3.0	0.7	-1.6
2014 Q1 (p)	8.9	-10.8	-3.0	-3.1	-4.9	-4.7	-1.7	-0.1	0.4	-1.9	0.5	-1.8
2013 Dec.	10.8	-12.2	-2.9	-2.8	-3.9	-5.7	-1.7	-0.1	0.3	-3.0	0.7	-1.6
2014 Jan.	7.6	-11.7	-2.9	-2.8	-4.4	-5.4	-1.6	-0.2	0.2	-3.0	0.5	-1.7
Feb.	11.0	-10.5	-3.0	-3.1	-5.7	-4.6	-1.3	-0.1	0.4	-2.6	0.6	-1.7
Mar. (p)	8.9	-10.8	-3.0	-3.1	-4.9	-4.7	-1.7	-0.1	0.4	-1.9	0.5	-1.8

C5 Loans to other financial intermediaries and non-financial corporations [1] (annual growth rates; seasonally adjusted)



C6 Loans to households [1] (annual growth rates; seasonally adjusted)



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

2.4 MFI loans: breakdown 1), 2)

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

1. Loans to financial intermediaries and non-financial corporations

	Insurance corporations and pension funds				Other financial intermediaries					Non-financial corporations			
	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Reverse repos to central counterparties	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Outstanding amounts												
2013	90.0	72.6	4.1	13.3	985.8	122.6	439.0	223.7	323.0	4,344.8	1,059.6	739.3	2,545.9
2013 Q4	90.0	72.6	4.1	13.3	985.8	122.6	439.0	223.7	323.0	4,344.8	1,059.6	739.3	2,545.9
2014 Q1 (p)	99.3	81.9	4.0	13.4	978.3	117.7	437.9	221.8	318.6	4,339.7	1,061.4	734.0	2,544.2
2014 Jan.	97.2	79.6	4.0	13.5	952.3	106.2	415.3	222.6	314.4	4,371.2	1,063.5	739.6	2,568.1
Feb.	100.4	83.0	3.9	13.4	971.9	114.7	431.3	221.1	319.5	4,347.6	1,050.3	739.5	2,557.8
Mar. (p)	99.3	81.9	4.0	13.4	978.3	117.7	437.9	221.8	318.6	4,339.7	1,061.4	734.0	2,544.2
	Transactions												
2013	8.8	8.8	-0.3	0.3	-69.8	49.4	-50.2	3.9	-23.5	-133.8	-44.1	-45.0	-44.7
2013 Q4	-8.4	-9.4	0.6	0.4	-44.1	0.9	-48.5	9.3	-4.8	-36.4	-14.2	-20.4	-1.8
2014 Q1 (p)	9.3	9.3	-0.1	0.1	4.6	-4.9	2.5	-3.1	5.2	-15.4	3.8	-3.9	-15.3
2014 Jan.	7.2	7.0	-0.1	0.2	-19.2	-16.4	-21.9	-1.8	4.4	-0.5	1.5	-3.0	0.9
Feb.	3.2	3.4	-0.1	-0.1	17.4	8.5	17.7	-2.2	1.8	-10.9	-10.2	3.5	-4.3
Mar. (p)	-1.1	-1.1	0.1	-0.1	6.4	3.0	6.7	0.8	-1.1	-3.9	12.4	-4.5	-11.9
	Growth rates												
2013	10.7	13.7	-7.0	2.2	-6.2	28.2	-9.6	1.9	-6.7	-3.0	-4.0	-5.7	-1.7
2013 Q4	10.7	13.7	-7.0	2.2	-6.2	28.2	-9.6	1.9	-6.7	-3.0	-4.0	-5.7	-1.7
2014 Q1 (p)	8.9	9.0	3.9	9.7	-8.4	2.8	-13.6	2.6	-7.2	-3.0	-4.9	-4.7	-1.7
2014 Jan.	7.6	9.1	-5.9	3.9	-9.5	-2.7	-16.8	3.7	-6.8	-2.9	-4.4	-5.4	-1.6
Feb.	11.0	13.2	-4.7	3.6	-8.6	-0.4	-13.7	1.9	-7.4	-3.0	-5.7	-4.6	-1.3
Mar. (p)	8.9	9.0	3.9	9.7	-8.4	2.8	-13.6	2.6	-7.2	-3.0	-4.9	-4.7	-1.7

2. Loans to households 3)

	Total	Consumer credit				Loans for house purchase				Other loans				
		Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Total	Sole proprietors	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts													
2013	5,230.0	575.6	128.6	169.3	277.7	3,857.8	12.7	55.4	3,789.7	796.6	408.7	136.5	76.5	583.6
2013 Q4	5,230.0	575.6	128.6	169.3	277.7	3,857.8	12.7	55.4	3,789.7	796.6	408.7	136.5	76.5	583.6
2014 Q1 (p)	5,222.5	570.5	126.6	167.0	277.0	3,861.1	13.1	54.7	3,793.4	790.9	407.5	135.1	75.9	579.9
2014 Jan.	5,224.6	571.2	126.6	167.4	277.3	3,858.2	12.9	55.3	3,790.0	795.2	408.3	135.4	75.8	583.9
Feb.	5,221.2	567.7	124.7	166.5	276.6	3,860.7	12.8	55.1	3,792.8	792.8	408.2	133.7	76.3	582.8
Mar. (p)	5,222.5	570.5	126.6	167.0	277.0	3,861.1	13.1	54.7	3,793.4	790.9	407.5	135.1	75.9	579.9
	Transactions													
2013	-3.9	-18.2	-4.0	-6.9	-7.3	27.5	-1.4	-1.5	30.4	-13.1	-10.6	-3.5	-3.5	-6.1
2013 Q4	0.0	-4.8	-0.5	-1.5	-2.9	11.5	0.1	-0.4	11.8	-6.7	-3.0	-0.4	-0.9	-5.3
2014 Q1 (p)	-11.4	-4.1	-2.0	-1.0	-1.1	-1.6	0.2	-1.0	-0.7	-5.7	-2.2	-1.3	-0.7	-3.8
2014 Jan.	-12.1	-4.1	-2.2	-0.9	-1.1	-5.0	0.0	-0.3	-4.8	-2.9	-1.8	-1.1	-0.8	-1.0
Feb.	-2.1	-3.2	-1.8	-0.8	-0.6	2.6	-0.1	-0.4	3.1	-1.5	0.3	-1.6	0.5	-0.4
Mar. (p)	2.8	3.3	2.0	0.7	0.6	0.8	0.2	-0.4	1.0	-1.3	-0.6	1.4	-0.4	-2.3
	Growth rates													
2013	-0.1	-3.0	-2.9	-4.0	-2.5	0.7	-9.9	-2.6	0.8	-1.6	-2.5	-2.5	-4.4	-1.0
2013 Q4	-0.1	-3.0	-2.9	-4.0	-2.5	0.7	-9.9	-2.6	0.8	-1.6	-2.5	-2.5	-4.4	-1.0
2014 Q1 (p)	-0.1	-1.9	-0.7	-2.6	-2.0	0.5	-5.0	-2.9	0.6	-1.8	-2.1	-2.9	-2.9	-1.4
2014 Jan.	-0.2	-2.9	-3.4	-3.6	-2.3	0.5	-9.6	-2.9	0.6	-1.7	-2.5	-2.8	-4.2	-1.1
Feb.	-0.1	-2.6	-3.6	-2.8	-2.0	0.6	-9.6	-3.0	0.7	-1.7	-2.3	-3.3	-2.8	-1.2
Mar. (p)	-0.1	-1.9	-0.7	-2.6	-2.0	0.5	-5.0	-2.9	0.6	-1.8	-2.1	-2.9	-2.9	-1.4

Source: ECB.

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

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

3) Including non-profit institutions serving households.

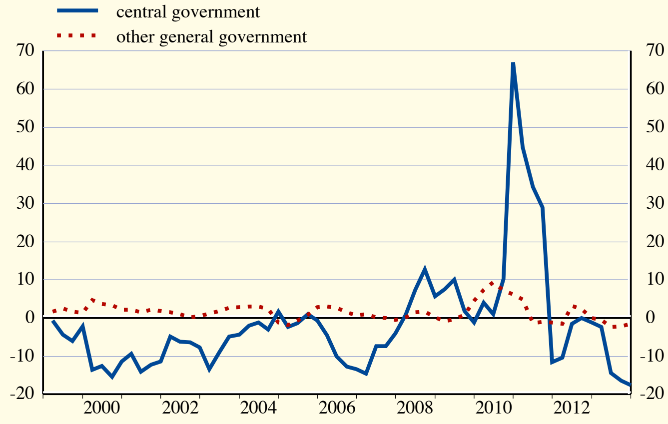
2.4 MFI loans: breakdown [1), 2)]

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

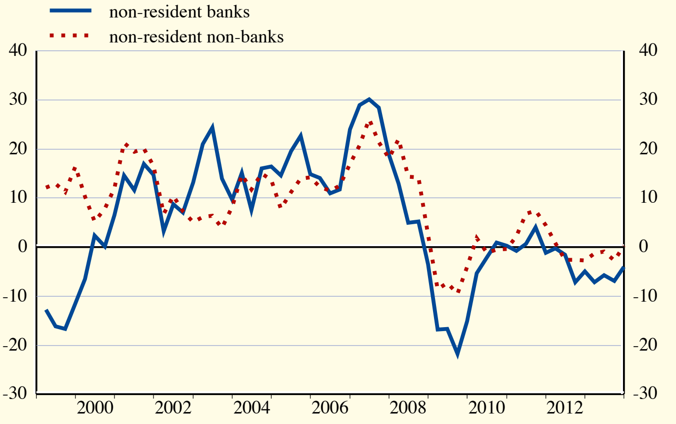
3. Loans to government and non-euro area residents

	General government					Non-euro area residents				
	Total	Central government	Other general government			Total	Banks [3)]	Non-banks		
			State government	Local government	Social security funds			Total	General government	Other
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2011	1,159.6	348.9	221.7	567.4	21.7	3,021.6	2,022.7	998.9	62.4	936.4
2012	1,153.4	341.8	221.6	565.9	24.1	2,868.2	1,906.7	961.5	60.7	900.7
2013 Q1	1,124.3	312.4	217.0	568.8	26.0	2,891.1	1,889.5	1,001.6	60.0	941.6
Q2	1,101.8	290.3	218.1	565.3	28.0	2,877.8	1,893.7	984.1	58.0	926.1
Q3	1,090.4	285.1	213.8	560.0	31.6	2,767.3	1,807.6	959.7	59.3	900.5
Q4 (p)	1,082.4	281.3	213.7	557.8	29.4	2,726.4	1,787.7	937.5	56.5	881.1
	Transactions									
2011	-54.9	-45.9	-0.3	14.6	-23.3	15.6	-26.2	41.6	12.9	28.7
2012	-3.6	-4.1	-4.9	2.9	2.4	-128.3	-100.8	-27.5	-1.0	-26.5
2013 Q1	-29.5	-29.5	-4.5	2.5	1.9	10.9	-26.8	37.7	-1.0	38.7
Q2	-22.1	-21.8	1.1	-3.5	2.0	18.6	25.2	-6.6	-1.3	-5.2
Q3	-12.4	-5.1	-4.5	-6.4	3.5	-91.4	-77.3	-14.0	2.4	-16.4
Q4 (p)	-8.0	-3.7	0.0	-2.3	-2.1	-10.7	2.2	-14.1	-2.2	-11.9
	Growth rates									
2011	-4.5	-11.6	-0.2	2.7	-51.6	0.6	-1.1	4.4	26.7	3.2
2012	-0.3	-1.2	-2.2	0.5	11.2	-4.2	-4.9	-2.8	-1.8	-2.8
2013 Q1	-1.1	-2.4	-3.5	0.2	8.3	-5.2	-7.1	-1.3	0.1	-1.4
Q2	-5.9	-14.4	-9.5	-0.1	11.6	-4.1	-5.7	-0.9	3.2	-1.1
Q3	-6.3	-16.3	-7.7	-1.0	20.1	-5.5	-6.9	-2.8	3.3	-3.2
Q4 (p)	-6.3	-17.6	-3.6	-1.7	21.9	-2.6	-4.1	0.3	-3.6	0.5

C7 Loans to government [2)]
(annual growth rates; not seasonally adjusted)



C8 Loans to non-euro area residents [2)]
(annual growth rates; not seasonally adjusted)



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

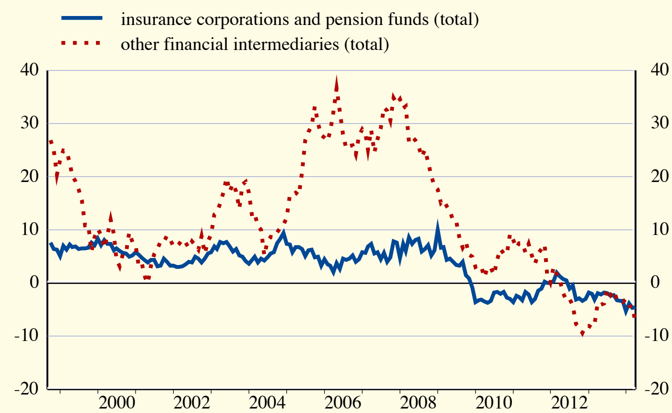
2.5 Deposits held with MFIs: breakdown [1), 2)]

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

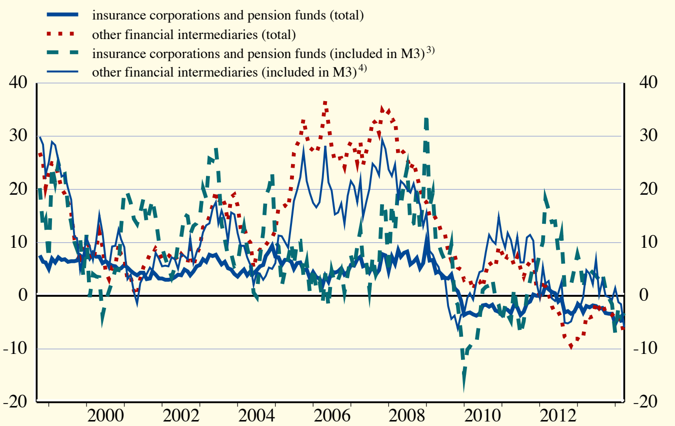
1. Deposits by financial intermediaries

	Insurance corporations and pension funds							Other financial intermediaries							
	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	
			Up to 2 years	Over 2 years	Up to 3 months	Over 3 months				Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		With central counter-parties
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts														
2012	691.4	106.5	81.4	484.4	6.4	0.2	12.5	2,015.9	410.1	236.6	1,021.0	13.6	0.3	334.4	256.7
2013	653.5	96.1	76.5	462.8	7.0	0.1	11.0	1,855.3	424.0	221.5	943.0	16.4	0.5	249.9	178.0
2013 Q4	653.5	96.1	76.5	462.8	7.0	0.1	11.0	1,855.3	424.0	221.5	943.0	16.4	0.5	249.9	178.0
2014 Q1 (p)	665.2	111.3	78.0	456.0	8.0	0.1	11.9	1,843.6	440.6	215.3	914.7	18.5	0.5	254.1	177.1
2013 Dec.	653.5	96.1	76.5	462.8	7.0	0.1	11.0	1,855.3	424.0	221.5	943.0	16.4	0.5	249.9	178.0
2014 Jan.	677.3	118.8	77.3	461.4	8.1	0.1	11.5	1,858.5	437.1	219.0	940.9	19.8	0.5	241.2	160.5
Feb.	666.4	111.2	77.0	458.7	8.3	0.1	11.0	1,857.9	438.4	216.8	921.8	17.7	0.5	262.6	178.6
Mar. (p)	665.2	111.3	78.0	456.0	8.0	0.1	11.9	1,843.6	440.6	215.3	914.7	18.5	0.5	254.1	177.1
	Transactions														
2012	-12.5	15.2	2.6	-27.6	2.0	0.0	-4.7	-177.2	23.4	-49.5	-166.0	-2.0	-0.3	17.2	13.3
2013	-36.0	-9.2	-5.3	-21.9	1.3	-0.1	-0.8	-56.4	14.7	-14.7	-76.3	3.0	0.3	16.6	30.6
2013 Q4	-15.8	-10.3	1.9	-7.7	-1.1	0.0	1.5	-82.3	-17.6	-13.3	-25.5	-0.5	0.2	-25.7	-16.1
2014 Q1 (p)	11.1	14.9	1.2	-6.8	0.9	0.0	0.8	-6.0	15.9	-6.5	-21.6	2.0	-0.1	4.2	-0.9
2013 Dec.	-7.1	-8.1	4.1	-3.4	-0.1	0.0	0.4	-42.5	-8.5	5.2	-17.4	-6.8	0.0	-15.0	-4.8
2014 Jan.	23.1	22.4	0.6	-1.4	1.1	0.0	0.4	-4.4	11.5	-3.4	-6.9	3.3	0.0	-8.8	-17.5
Feb.	-10.8	-7.5	-0.2	-2.7	0.1	0.0	-0.4	12.8	2.3	-1.5	-7.4	-2.0	0.0	21.5	18.1
Mar. (p)	-1.2	0.1	0.9	-2.7	-0.3	0.0	0.8	-14.5	2.1	-1.6	-7.2	0.8	0.0	-8.6	-1.5
	Growth rates														
2012	-1.8	16.5	3.4	-5.4	50.8	-	-32.1	-8.1	6.0	-17.4	-14.0	-14.0	-	4.3	4.2
2013	-5.2	-8.8	-6.5	-4.5	18.7	-	-7.3	-3.0	3.6	-6.2	-7.5	21.8	-	2.1	9.9
2013 Q4	-5.2	-8.8	-6.5	-4.5	18.7	-	-7.3	-3.0	3.6	-6.2	-7.5	21.8	-	2.1	9.9
2014 Q1 (p)	-4.6	-2.0	-7.1	-5.1	9.2	-	3.4	-7.5	0.3	-9.3	-9.1	23.5	-	-12.9	-10.6
2013 Dec.	-5.2	-8.8	-6.5	-4.5	18.7	-	-7.3	-3.0	3.6	-6.2	-7.5	21.8	-	2.1	9.9
2014 Jan.	-3.9	-0.2	-7.2	-4.6	27.4	-	-4.4	-4.3	2.0	-8.5	-7.6	39.5	-	-4.0	-1.6
Feb.	-4.6	-2.5	-7.0	-4.9	24.6	-	-12.8	-4.4	2.1	-7.9	-7.3	21.7	-	-3.3	-1.7
Mar. (p)	-4.6	-2.0	-7.1	-5.1	9.2	-	3.4	-7.5	0.3	-9.3	-9.1	23.5	-	-12.9	-10.6

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



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



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

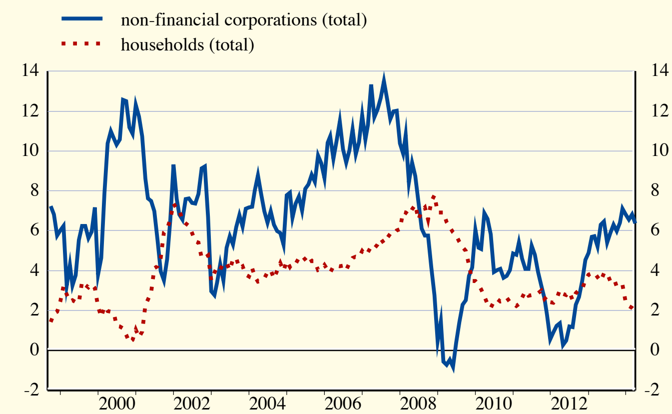
2.5 Deposits held with MFIs: breakdown [1], [2]

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

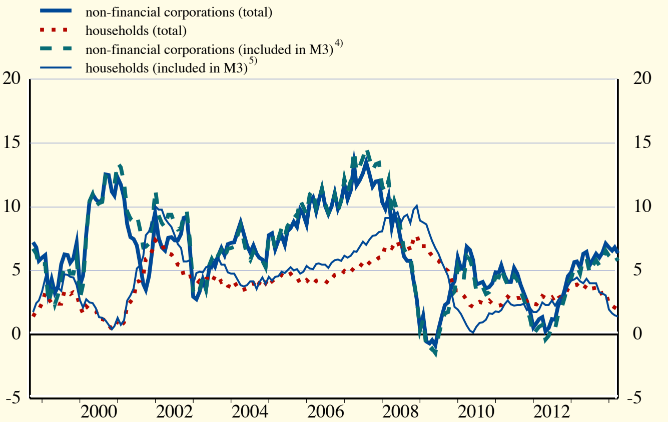
2. Deposits by non-financial corporations and households

	Non-financial corporations							Households [3]						
	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos	Total	Overnight	With an agreed maturity of:		Redeemable at notice of:		Repos
			Up to 2 years	Over 2 years	Up to 3 months	Over 3 months				Up to 2 years	Over 2 years	Up to 3 months	Over 3 months	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Outstanding amounts														
2012	1,761.8	1,148.8	408.3	106.5	85.4	2.0	10.9	6,118.9	2,346.2	979.1	747.8	1,937.3	98.0	10.4
2013	1,873.5	1,236.4	404.3	122.9	91.7	1.8	16.5	6,263.3	2,521.5	877.4	806.7	1,969.3	83.9	4.5
2013 Q4	1,873.5	1,236.4	404.3	122.9	91.7	1.8	16.5	6,263.3	2,521.5	877.4	806.7	1,969.3	83.9	4.5
2014 Q1 (p)	1,854.5	1,216.4	400.5	126.2	95.8	1.8	13.8	6,286.9	2,538.3	869.5	813.4	1,976.2	83.7	5.8
2013 Dec.	1,873.5	1,236.4	404.3	122.9	91.7	1.8	16.5	6,263.3	2,521.5	877.4	806.7	1,969.3	83.9	4.5
2014 Jan.	1,830.1	1,192.5	401.9	123.8	94.1	1.8	16.0	6,270.2	2,521.5	873.8	811.7	1,974.4	83.7	5.0
Feb.	1,832.2	1,189.5	404.0	125.4	95.1	1.8	16.3	6,282.1	2,532.0	872.9	814.1	1,973.4	83.8	5.8
Mar. (p)	1,854.5	1,216.4	400.5	126.2	95.8	1.8	13.8	6,286.9	2,538.3	869.5	813.4	1,976.2	83.7	5.8
Transactions														
2012	82.2	99.6	-35.5	12.9	9.5	0.0	-4.3	224.6	90.1	33.7	21.8	100.7	-9.6	-12.3
2013	119.4	92.4	-3.8	17.8	7.5	-0.1	5.7	148.4	176.8	-100.1	59.5	32.2	-14.1	-5.9
2013 Q4	83.8	63.8	12.1	4.0	-3.0	0.1	6.8	61.5	62.0	-25.5	23.7	4.2	-1.0	-1.8
2014 Q1 (p)	-23.4	-23.5	-4.5	3.1	4.1	0.1	-2.7	19.0	13.7	-8.9	6.5	6.6	-0.2	1.4
2013 Dec.	34.2	26.7	3.7	2.0	-3.4	0.0	5.1	34.5	19.6	-8.5	10.2	14.5	-0.2	-1.2
2014 Jan.	-50.2	-49.2	-3.6	0.8	2.3	0.0	-0.6	1.4	-3.5	-4.8	4.8	4.7	-0.3	0.6
Feb.	4.4	-1.2	2.6	1.5	1.1	0.1	0.3	12.7	11.0	-0.6	2.4	-1.0	0.2	0.8
Mar. (p)	22.4	26.9	-3.6	0.8	0.7	0.0	-2.5	4.8	6.2	-3.5	-0.7	2.9	-0.1	0.0
Growth rates														
2012	4.9	9.5	-8.0	13.4	13.0	-1.4	-26.5	3.8	4.0	3.6	3.0	5.5	-8.9	-54.2
2013	6.8	8.1	-0.9	16.8	8.7	-3.7	52.4	2.4	7.5	-10.2	8.0	1.7	-14.4	-57.0
2013 Q4	6.8	8.1	-0.9	16.8	8.7	-3.7	52.4	2.4	7.5	-10.2	8.0	1.7	-14.4	-57.0
2014 Q1 (p)	6.4	8.6	-2.4	15.2	5.6	17.4	24.6	2.0	6.7	-10.0	7.5	0.6	-10.1	-29.8
2013 Dec.	6.8	8.1	-0.9	16.8	8.7	-3.7	52.4	2.4	7.5	-10.2	8.0	1.7	-14.4	-57.0
2014 Jan.	6.6	7.6	0.6	16.4	7.8	1.1	15.1	2.2	7.8	-11.1	8.3	1.0	-13.0	-52.5
Feb.	6.8	8.4	-0.1	15.6	6.4	6.5	18.0	2.1	7.3	-10.7	8.2	0.7	-11.1	-33.1
Mar. (p)	6.4	8.6	-2.4	15.2	5.6	17.4	24.6	2.0	6.7	-10.0	7.5	0.6	-10.1	-29.8

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



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



Source: ECB.

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

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

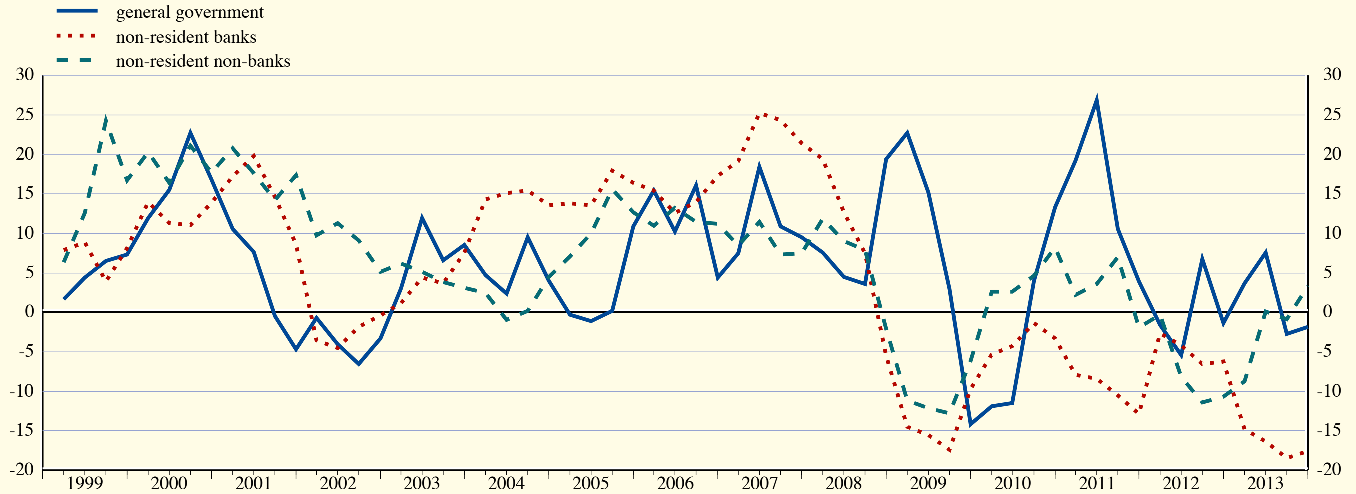
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

3. Deposits by government and non-euro area residents

	General government					Non-euro area residents				
	Total	Central government	Other general government			Total	Banks [3)]	Non-banks		
			State government	Local government	Social security funds			Total	General government	Other
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2011	442.0	195.5	48.6	112.6	85.4	3,153.6	2,175.0	978.6	44.3	934.3
2012	447.9	169.6	62.8	111.7	103.8	2,895.4	2,016.8	878.6	39.8	838.7
2013 Q1	499.3	207.8	67.2	111.8	112.5	2,904.9	1,990.2	914.7	37.6	877.1
Q2	546.0	235.6	70.9	115.4	124.2	2,806.4	1,873.5	933.0	35.4	897.6
Q3	495.5	190.9	70.7	113.6	120.2	2,666.1	1,737.5	928.6	43.0	885.6
Q4 (p)	440.7	152.2	64.1	109.2	115.2	2,519.8	1,627.2	892.9	29.8	863.1
	Transactions									
2011	17.1	3.3	0.6	2.3	10.8	-334.9	-314.6	-20.3	-2.1	-18.2
2012	-7.9	-22.6	-0.3	-0.4	15.5	-240.2	-135.6	-104.6	-5.1	-99.5
2013 Q1	50.3	38.3	4.1	0.1	7.9	-2.3	-32.6	30.2	-2.0	32.3
Q2	46.7	27.7	3.8	3.6	11.7	-68.9	-99.2	30.3	-1.8	32.1
Q3	-49.8	-44.7	-0.1	-1.7	-3.3	-128.8	-127.6	-1.2	7.9	-9.1
Q4 (p)	-55.6	-39.5	-6.6	-4.4	-5.0	-124.8	-94.2	-29.3	-12.9	-16.4
	Growth rates									
2011	3.9	1.3	1.3	2.1	14.6	-9.8	-12.8	-1.9	-4.4	-1.8
2012	-1.4	-11.7	10.3	-0.4	18.2	-7.5	-6.2	-10.7	-11.9	-10.6
2013 Q1	3.6	9.8	-12.3	-1.5	12.8	-13.0	-14.8	-8.8	-33.0	-7.3
Q2	7.6	23.9	-28.2	2.9	16.5	-11.6	-16.3	0.1	-14.4	0.8
Q3	-2.8	-5.4	-24.1	2.1	16.3	-13.1	-18.4	-0.9	2.0	-1.0
Q4 (p)	-1.8	-10.7	1.8	-2.2	10.8	-11.3	-17.6	3.4	-22.6	4.6

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

(annual growth rates)



Source: ECB.

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

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

3) The term “banks” is used in this table to indicate institutions similar to MFIs which are resident outside the euro area.

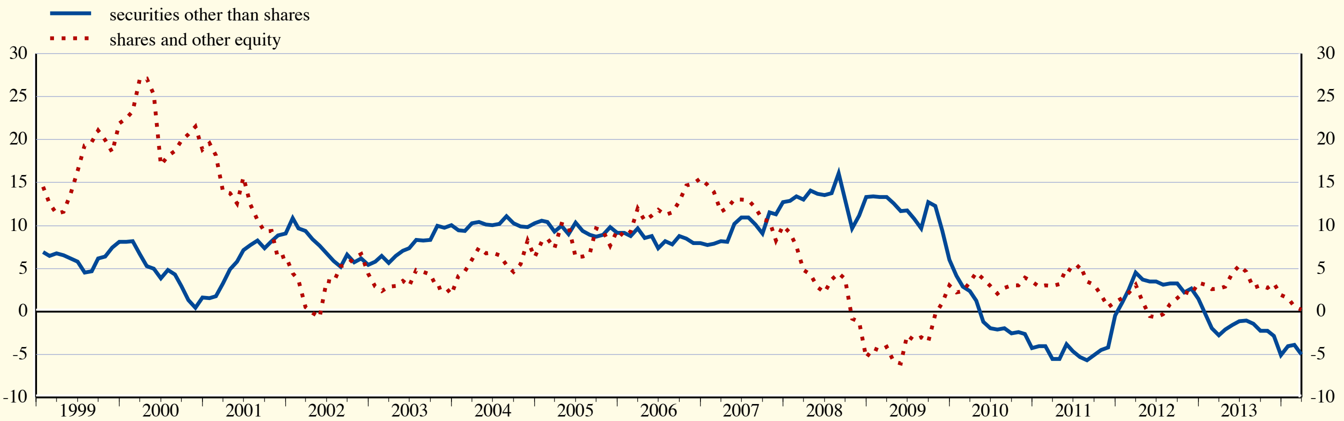
2.6 MFI holdings of securities: breakdown [1), 2)]

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

	Securities other than shares								Shares and other equity			
	Total	MFIs		General government		Other euro area residents		Non-euro area residents	Total	MFIs	Non-MFIs	Non-euro area residents
		Euro	Non-euro	Euro	Non-euro	Euro	Non-euro					
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts											
2012	5,774.4	1,748.4	102.9	1,594.2	32.8	1,399.6	23.6	872.8	1,528.5	475.7	752.1	300.7
2013	5,469.8	1,540.0	102.7	1,674.0	20.3	1,305.7	28.7	798.4	1,561.8	457.0	775.9	328.9
2013 Q4	5,469.8	1,540.0	102.7	1,674.0	20.3	1,305.7	28.7	798.4	1,561.8	457.0	775.9	328.9
2014 Q1 (p)	5,501.1	1,503.6	113.8	1,755.3	19.1	1,276.8	29.4	803.2	1,560.3	462.4	787.1	310.9
2013 Dec.	5,469.8	1,540.0	102.7	1,674.0	20.3	1,305.7	28.7	798.4	1,561.8	457.0	775.9	328.9
2014 Jan.	5,570.9	1,558.0	108.8	1,731.5	20.0	1,311.4	30.0	811.3	1,566.7	461.9	778.4	326.3
Feb.	5,562.9	1,552.9	113.2	1,749.4	19.1	1,288.8	29.0	810.5	1,547.6	463.0	775.9	308.6
Mar. (p)	5,501.1	1,503.6	113.8	1,755.3	19.1	1,276.8	29.4	803.2	1,560.3	462.4	787.1	310.9
	Transactions											
2012	82.5	-17.8	15.9	191.7	10.5	-67.5	-3.9	-46.3	49.8	6.6	37.9	5.3
2013	-290.3	-220.7	-0.3	65.4	-11.3	-94.3	5.9	-35.1	29.7	-12.2	13.3	28.6
2013 Q4	-184.4	-62.8	1.6	-51.0	-9.0	-61.1	0.1	-2.2	1.9	2.2	-5.2	4.8
2014 Q1 (p)	9.5	-38.6	10.5	58.0	-1.4	-20.8	0.5	1.4	-4.8	-0.2	11.8	-16.5
2013 Dec.	-138.6	-37.8	0.6	-60.1	-5.4	-38.6	1.6	1.2	-3.0	-2.2	-0.9	0.1
2014 Jan.	72.0	16.9	4.0	46.8	-0.9	1.0	0.7	3.4	8.0	2.2	7.2	-1.4
Feb.	6.8	-5.7	5.7	11.8	-0.6	-9.0	-0.6	5.1	-26.6	-3.0	-5.6	-18.0
Mar. (p)	-69.2	-49.9	0.8	-0.7	0.1	-12.8	0.4	-7.2	13.7	0.6	10.2	2.9
	Growth rates											
2012	1.5	-1.0	18.1	14.1	47.7	-4.6	-14.2	-4.9	3.3	1.3	5.2	1.8
2013	-5.0	-12.5	-0.4	4.1	-35.2	-6.7	25.2	-4.1	1.9	-2.6	1.8	9.6
2013 Q4	-5.0	-12.5	-0.4	4.1	-35.2	-6.7	25.2	-4.1	1.9	-2.6	1.8	9.6
2014 Q1 (p)	-5.0	-11.8	-6.4	2.6	-37.0	-7.1	11.0	-2.5	0.2	-0.5	0.9	-0.4
2013 Dec.	-5.0	-12.5	-0.4	4.1	-35.2	-6.7	25.2	-4.1	1.9	-2.6	1.8	9.6
2014 Jan.	-4.0	-11.2	-13.1	5.1	-37.8	-5.5	27.6	-2.4	1.5	-2.0	0.9	9.1
Feb.	-3.9	-10.5	-7.3	4.6	-38.6	-6.2	20.4	-1.7	0.6	-1.2	0.9	2.5
Mar. (p)	-5.0	-11.8	-6.4	2.6	-37.0	-7.1	11.0	-2.5	0.2	-0.5	0.9	-0.4

C14 MFI holdings of securities [2)]

(annual growth rates)



Source: ECB.

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

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

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

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

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

	MFIs [3)]							Non-MFIs						
	All currencies (outstanding amount)	Euro [4)]	Non-euro currencies					All currencies (outstanding amount)	Euro [4)]	Non-euro currencies				
			Total							Total				
				USD	JPY	CHF	GBP				USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Loans														
To euro area residents														
2011	6,153.8	-	-	-	-	-	-	12,322.7	96.2	3.8	1.9	0.3	1.1	0.4
2012	5,795.4	-	-	-	-	-	-	12,191.8	96.4	3.6	1.7	0.2	0.9	0.5
2013 Q3	5,430.6	-	-	-	-	-	-	11,868.4	96.6	3.4	1.7	0.1	0.9	0.4
Q4 (p)	5,250.4	-	-	-	-	-	-	11,732.9	96.8	3.2	1.7	0.1	0.9	0.4
To non-euro area residents														
2011	2,022.7	44.5	55.5	35.6	2.5	2.7	9.3	998.9	38.2	61.8	41.2	2.6	3.3	7.8
2012	1,906.7	47.3	52.7	31.9	1.9	3.5	10.1	961.5	40.1	59.9	38.2	2.0	2.9	9.9
2013 Q3	1,807.6	41.7	58.3	36.6	2.4	3.6	9.9	959.7	40.3	59.7	38.6	2.6	2.6	9.1
Q4 (p)	1,787.7	42.7	57.3	36.7	2.2	3.3	9.5	937.5	40.2	59.8	38.4	2.5	2.6	9.5
Holdings of securities other than shares														
Issued by euro area residents														
2011	1,852.0	95.3	4.7	2.5	0.1	0.3	1.5	2,913.1	98.2	1.8	1.0	0.2	0.1	0.4
2012	1,851.3	94.4	5.6	2.7	0.1	0.4	2.0	3,050.3	98.1	1.9	1.2	0.1	0.1	0.4
2013 Q3	1,703.8	94.0	6.0	2.8	0.1	0.3	2.4	3,138.7	98.1	1.9	1.0	0.1	0.1	0.6
Q4 (p)	1,642.7	93.7	6.3	2.6	0.1	0.3	2.8	3,028.7	98.4	1.6	0.9	0.1	0.1	0.5
Issued by non-euro area residents														
2011	457.0	56.4	43.6	21.1	0.3	0.3	16.0	475.5	32.2	67.8	39.4	5.8	0.7	13.7
2012	434.0	54.9	45.1	19.8	0.3	0.3	19.1	438.8	34.1	65.9	39.1	5.4	0.9	11.8
2013 Q3	419.8	52.6	47.4	21.3	0.2	0.2	19.2	387.4	36.6	63.4	37.6	4.3	0.9	11.0
Q4 (p)	422.4	52.5	47.5	20.4	0.2	0.6	19.8	376.1	38.1	61.9	38.1	3.8	0.9	10.7
Deposits														
By euro area residents														
2011	6,364.4	92.1	7.9	5.1	0.2	1.2	0.7	10,947.6	97.0	3.0	2.0	0.1	0.1	0.4
2012	6,159.5	93.8	6.2	3.9	0.2	1.1	0.6	11,035.9	97.0	3.0	2.0	0.1	0.1	0.4
2013 Q3	5,731.4	93.1	6.9	4.4	0.2	1.1	0.7	11,119.6	96.9	3.1	2.1	0.1	0.1	0.4
Q4 (p)	5,561.1	93.4	6.6	4.2	0.2	1.1	0.7	11,086.3	96.8	3.2	2.2	0.1	0.1	0.4
By non-euro area residents														
2011	2,175.0	59.2	40.8	25.6	2.1	1.8	7.2	978.6	56.1	43.9	30.0	2.0	1.5	5.1
2012	2,016.8	58.3	41.7	27.7	1.6	1.0	7.3	878.6	52.4	47.6	31.3	1.9	1.1	6.3
2013 Q3	1,737.5	54.0	46.0	31.1	1.6	1.3	7.7	928.6	51.0	49.0	32.2	2.2	1.3	6.3
Q4 (p)	1,627.2	52.0	48.0	32.3	1.8	1.5	7.8	892.9	52.6	47.4	31.4	1.8	1.2	6.4

2. Debt securities issued by euro area MFIs

	All currencies (outstanding amount)	Euro [4)]	Non-euro currencies				
			Total				
				USD	JPY	CHF	GBP
	1	2	3	4	5	6	7
2011	5,236.8	82.0	18.0	9.4	1.7	2.0	2.6
2012	5,068.0	81.8	18.2	9.6	1.6	1.9	2.5
2013 Q3	4,711.0	80.7	19.3	11.0	1.2	1.8	2.7
Q4 (p)	4,582.8	81.0	19.0	10.8	1.2	1.8	2.6

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

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

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

1. Assets

	Total	Deposits and loan claims	Securities other than shares	Shares and other equity (excl. investment fund/ money market fund shares)	Investment fund/ money market fund shares	Non-financial assets	Other assets (incl. financial derivatives)
	1	2	3	4	5	6	7
	Outstanding amounts						
2013 Aug.	7,661.6	529.6	3,054.0	2,140.3	1,045.0	251.7	641.1
Sep.	7,777.2	515.4	3,095.4	2,228.6	1,064.4	251.4	621.9
Oct.	7,935.4	530.1	3,116.4	2,303.4	1,099.2	251.3	635.0
Nov.	7,979.5	520.2	3,130.3	2,335.6	1,107.0	252.7	633.6
Dec.	7,933.3	512.5	3,107.7	2,370.7	1,116.9	254.8	570.6
2014 Jan.	8,000.5	527.1	3,168.3	2,333.8	1,117.2	255.8	598.2
Feb. (p)	8,170.6	535.5	3,210.4	2,416.2	1,141.9	255.8	610.8
	Transactions						
2013 Q2	150.2	31.7	55.3	17.6	1.9	1.2	42.5
Q3	60.0	-8.6	58.8	28.2	28.9	2.4	-49.6
Q4	62.7	6.2	2.3	43.5	50.3	3.7	-43.2

2. Liabilities

	Total	Loans and deposits received	Investment fund shares issued				Other liabilities (incl. financial derivatives)
			Total	Held by euro area residents		Held by non-euro area residents	
					Investment funds		
	1	2	3	4	5	6	7
	Outstanding amounts						
2013 Aug.	7,661.6	173.8	6,893.7	5,072.2	819.2	1,821.5	594.1
Sep.	7,777.2	171.2	7,042.2	5,172.9	837.6	1,869.2	563.9
Oct.	7,935.4	172.3	7,194.6	5,290.8	871.2	1,903.8	568.5
Nov.	7,979.5	174.4	7,241.7	5,330.3	881.2	1,911.4	563.5
Dec.	7,933.3	166.6	7,257.1	5,344.4	886.0	1,912.7	509.6
2014 Jan.	8,000.5	179.2	7,281.3	5,361.5	887.3	1,919.7	540.0
Feb. (p)	8,170.6	182.3	7,434.9	5,482.9	908.2	1,952.0	553.4
	Transactions						
2013 Q2	150.2	9.3	94.9	95.8	-7.9	-0.9	46.0
Q3	60.0	4.0	102.6	90.4	28.5	12.1	-46.6
Q4	62.7	0.4	109.5	87.3	43.0	30.8	-52.0

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

	Total	Funds by investment policy						Funds by type		Memo item: Money market funds
		Bond funds	Equity funds	Mixed funds	Real estate funds	Hedge funds	Other funds	Open-end funds	Closed-end funds	
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2013 July	6,950.1	2,429.5	1,848.0	1,727.0	333.4	152.0	460.4	6,862.3	87.8	851.1
Aug.	6,893.7	2,405.2	1,820.5	1,720.1	332.5	154.2	461.3	6,805.9	87.8	869.6
Sep.	7,042.2	2,423.2	1,908.5	1,747.9	334.8	157.2	470.5	6,951.8	90.4	846.2
Oct.	7,194.6	2,443.9	1,978.4	1,795.4	336.0	159.9	481.1	7,104.1	90.5	835.9
Nov.	7,241.7	2,449.0	2,006.4	1,805.3	337.0	158.6	485.3	7,149.3	92.4	836.7
Dec.	7,257.1	2,468.7	2,043.1	1,804.5	342.0	155.1	443.7	7,162.3	94.8	819.3
2014 Jan.	7,281.3	2,497.7	2,013.6	1,821.0	343.4	158.5	447.1	7,185.2	96.0	855.0
Feb. (p)	7,434.9	2,527.4	2,084.1	1,863.9	345.9	158.9	454.7	7,338.1	96.9	854.9
	Transactions									
2013 Aug.	2.6	-5.2	-0.6	6.0	0.5	1.4	0.5	2.6	0.0	14.2
Sep.	42.4	-2.1	21.3	14.7	0.8	3.7	3.9	40.4	2.0	-22.9
Oct.	50.1	8.6	21.6	14.2	0.8	2.1	2.8	50.3	-0.2	-5.7
Nov.	22.1	12.0	7.7	2.0	1.9	-3.5	2.0	20.6	1.5	-2.8
Dec.	37.3	-10.1	19.7	13.4	3.6	7.7	3.1	34.0	3.3	-14.7
2014 Jan.	39.8	4.7	11.4	19.2	1.0	1.4	2.0	38.9	0.9	29.6
Feb. (p)	56.3	21.1	14.0	18.7	0.8	2.0	-0.3	55.7	0.6	4.9

Source: ECB.

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

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

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

1. Securities other than shares

	Total	Euro area						Rest of the world			
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
					Outstanding amounts						
2013 Q1	3,068.5	1,633.3	407.3	753.2	245.2	8.2	219.3	1,435.2	332.6	563.2	16.0
Q2	3,043.8	1,649.4	404.3	770.9	247.9	8.4	218.0	1,394.3	324.9	551.1	15.2
Q3	3,095.4	1,686.9	394.5	798.5	257.5	9.0	227.5	1,408.4	343.5	548.7	14.9
Q4 (p)	3,107.7	1,708.3	390.4	807.5	264.5	10.4	235.5	1,399.4	344.6	547.3	13.7
					Transactions						
2013 Q2	55.3	28.5	-0.2	23.9	4.0	0.1	0.7	26.8	2.4	12.6	0.2
Q3	58.8	30.0	-11.6	24.1	8.5	0.5	8.5	28.8	20.3	2.7	-0.3
Q4 (p)	2.3	8.8	-6.1	2.3	5.4	1.0	6.1	-6.6	4.1	-6.5	-0.6

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

	Total	Euro area						Rest of the world			
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
					Outstanding amounts						
2013 Q1	2,143.6	739.1	56.4	-	49.9	27.0	605.8	1,404.5	187.7	479.4	95.0
Q2	2,095.3	738.7	58.9	-	52.5	28.1	599.1	1,356.6	181.7	482.2	109.5
Q3	2,228.6	817.5	72.6	-	56.3	30.4	658.1	1,411.1	197.8	502.5	112.8
Q4 (p)	2,370.7	886.5	85.3	-	64.8	35.5	700.8	1,484.2	215.6	536.0	123.3
					Transactions						
2013 Q2	17.6	1.6	1.3	-	-0.2	0.2	0.3	16.1	0.7	5.9	13.8
Q3	28.2	12.8	1.3	-	0.2	0.6	10.7	15.4	3.3	12.2	0.9
Q4 (p)	43.5	18.3	3.6	-	2.4	1.6	10.7	23.4	8.7	0.5	10.0

3. Investment fund/money market fund shares

	Total	Euro area						Rest of the world			
		Total	MFIs [2]	General government	Other financial intermediaries [2]	Insurance corporations and pension funds	Non-financial corporations		EU Member States outside the euro area	United States	Japan
	1	2	3	4	5	6	7	8	9	10	11
					Outstanding amounts						
2013 Q1	1,026.5	888.9	74.5	-	814.4	-	-	137.6	32.5	43.7	0.6
Q2	1,018.4	880.2	86.8	-	793.4	-	-	138.3	31.4	46.0	0.6
Q3	1,064.4	923.8	86.3	-	837.6	-	-	140.6	33.8	47.6	0.5
Q4 (p)	1,116.9	971.0	85.0	-	886.0	-	-	145.9	36.6	49.3	0.5
					Transactions						
2013 Q2	1.9	3.9	11.8	-	-7.9	-	-	-2.0	-0.8	-0.2	0.0
Q3	28.9	27.2	-1.3	-	28.5	-	-	1.7	1.5	1.3	0.0
Q4 (p)	50.3	42.8	-0.2	-	43.0	-	-	7.4	3.7	1.6	0.0

Source: ECB.

1) Other than money market funds. For further details, see the General Notes.

2) Investment fund shares (other than money market fund shares) are issued by other financial intermediaries. Money market fund shares are issued by MFIs.

2.10 Aggregated balance sheet of euro area financial vehicle corporations

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

1. Assets

	Total	Deposits and loan claims	Securitised loans							Securities other than shares	Other securitised assets	Shares and other equity	Other assets
			Total	Originated in euro area					Originated outside euro area				
				MFIs		Other financial intermediaries, insurance corporations and pension funds	Non-financial corporations	General government					
					Remaining on the MFI balance sheet [1]								
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Outstanding amounts												
2012 Q4	2,058.9	285.5	1,391.5	1,072.1	469.8	165.5	24.8	4.0	125.1	194.9	87.8	36.2	63.0
2013 Q1	2,027.8	291.3	1,360.3	1,042.9	462.7	164.9	24.9	4.0	123.7	192.3	86.2	36.3	61.4
Q2	1,994.4	275.7	1,342.6	1,034.7	456.5	163.3	23.2	3.6	117.9	192.9	88.3	34.5	60.3
Q3	1,956.2	268.6	1,321.0	1,025.1	449.9	157.9	18.9	3.5	115.6	180.5	87.3	35.0	63.8
Q4	1,910.7	254.7	1,288.1	1,002.8	442.9	148.8	20.0	3.1	113.4	179.6	89.7	34.5	65.0
	Transactions												
2012 Q4	-37.9	-17.3	-16.9	-20.1	-	4.8	1.0	-0.4	-2.3	1.0	2.3	0.5	-7.6
2013 Q1	-29.8	6.0	-30.6	-28.5	-	-0.7	0.3	0.0	-1.7	-0.3	-1.4	0.0	-3.5
Q2	-33.2	-15.4	-16.9	-7.9	-	-1.6	-1.5	-0.4	-5.5	1.1	2.6	-1.7	-3.0
Q3	-39.7	-6.5	-21.2	-10.6	-	-4.0	-4.2	0.0	-2.3	-12.8	-0.8	0.6	1.1
Q4	-47.6	-13.6	-33.5	-22.5	-	-9.2	0.8	-0.4	-2.1	-0.4	2.5	-0.2	-1.5

2. Liabilities

	Total	Loans and deposits received	Debt securities issued			Capital and reserves	Other liabilities
			Total	Up to 2 years	Over 2 years		
	1	2	3	4	5	6	7
	Outstanding amounts						
2012 Q4	2,058.9	141.1	1,665.0	52.2	1,612.8	30.7	222.1
2013 Q1	2,027.8	142.1	1,627.6	54.3	1,573.2	30.8	227.4
Q2	1,994.4	129.7	1,611.1	53.7	1,557.4	29.0	224.6
Q3	1,956.2	124.8	1,576.8	53.8	1,523.0	28.5	226.1
Q4	1,910.7	117.0	1,536.4	58.9	1,477.5	28.6	228.7
	Transactions						
2012 Q4	-37.9	-5.2	-24.4	-0.3	-24.1	-0.6	-7.6
2013 Q1	-29.8	1.9	-34.9	2.1	-36.9	-0.4	3.5
Q2	-33.2	-12.2	-15.7	-0.7	-15.0	-1.6	-3.7
Q3	-39.7	-4.0	-35.3	0.1	-35.3	-0.7	0.3
Q4	-47.6	-7.4	-40.5	5.1	-45.6	0.5	-0.3

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

	Securitised loans originated by euro area MFIs							Securities other than shares					
	Total	Euro area borrowing sector [2]					Non-euro area borrowing sector	Total	Euro area residents				Non-euro area residents
		Households	Non-financial corporations	Other financial intermediaries	Insurance corporations and pension funds	General government			Total	MFIs	Non-MFIs		
												Financial vehicle corporations	
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Outstanding amounts												
2012 Q4	1,072.1	772.1	234.8	17.3	0.2	5.4	31.3	194.9	113.8	33.8	80.0	30.8	81.1
2013 Q1	1,042.9	751.8	231.6	15.0	0.2	5.4	28.8	192.3	111.5	32.6	78.9	31.4	80.8
Q2	1,034.7	759.7	226.2	15.0	0.2	5.1	28.6	192.9	114.3	34.6	79.6	31.4	78.6
Q3	1,025.1	758.5	215.8	15.1	0.2	5.5	30.1	180.5	109.7	30.8	78.9	30.0	70.9
Q4	1,002.8	745.1	204.8	15.4	0.2	5.4	31.9	179.6	108.6	31.1	77.5	32.3	71.1
	Transactions												
2012 Q4	-20.1	-16.6	-2.5	0.5	0.0	-0.1	0.3	1.0	4.1	-0.3	4.4	1.8	-3.1
2013 Q1	-28.5	-20.1	-3.2	-2.3	0.0	0.0	-1.9	-0.3	-1.3	-1.1	-0.3	-0.4	1.1
Q2	-7.9	7.7	-5.3	0.2	0.0	-0.3	-0.1	1.1	3.0	2.2	0.8	-0.1	-1.9
Q3	-10.6	-1.5	-9.5	0.1	0.0	0.5	-0.2	-12.8	-4.9	-4.0	-0.9	-1.4	-7.9
Q4	-22.5	-13.4	-10.8	0.3	0.0	-0.1	1.5	-0.4	-1.1	0.4	-1.5	1.5	0.7

Source: ECB.

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

2) Excludes securitisations of inter-MFI loans.

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

(EUR billions; outstanding amounts at end of period)

1. Assets

	Total	Currency and deposits	Loans	Securities other than shares	Shares and other equity	Investment fund shares	Money market fund shares	Prepayments of insurance premiums and reserves for outstanding claims	Other accounts receivable/ payable and financial derivatives	Non-financial assets
	1	2	3	4	5	6	7	8	9	10
2011 Q1	7,142.0	772.4	456.3	2,735.4	846.7	1,621.3	76.5	261.8	221.2	150.5
Q2	7,154.9	775.6	463.7	2,745.1	843.2	1,625.1	79.7	254.2	219.4	148.9
Q3	7,155.8	792.4	462.4	2,769.2	788.2	1,585.1	87.4	255.6	267.1	148.4
Q4	7,165.4	785.2	472.0	2,727.8	793.1	1,618.7	91.2	253.6	273.6	150.1
2012 Q1	7,451.6	797.5	470.8	2,870.9	806.0	1,715.6	103.2	258.2	280.9	148.4
Q2	7,475.1	786.3	470.0	2,884.1	801.3	1,719.6	107.0	261.4	296.3	149.2
Q3	7,689.5	785.8	479.0	2,999.0	819.1	1,798.7	109.1	263.0	286.4	149.4
Q4	7,776.2	788.5	477.9	3,045.2	817.2	1,840.0	110.4	261.8	283.9	151.3
2013 Q1	7,913.5	797.5	477.1	3,077.0	833.9	1,912.9	115.0	266.7	281.4	152.0
Q2	7,855.5	776.9	476.2	3,067.5	831.4	1,907.0	99.6	265.7	277.2	153.9
Q3	7,952.2	769.5	479.9	3,085.9	852.6	1,979.2	95.0	265.3	269.2	155.5
Q4 (p)	8,022.6	756.1	481.1	3,144.2	867.3	2,013.6	85.7	263.4	255.0	156.2

2. Holdings of securities other than shares

	Total	Issued by euro area residents						Issued by non-euro area residents
		Total	MFIs	General government	Other financial intermediaries	Insurance corporations and pension funds	Non-financial corporations	
	1	2	3	4	5	6	7	8
2011 Q1	2,735.4	2,318.3	624.9	1,286.3	236.1	17.2	153.7	417.1
Q2	2,745.1	2,328.2	629.8	1,289.2	235.1	16.7	157.4	416.8
Q3	2,769.2	2,350.3	635.9	1,311.4	227.3	16.8	158.9	418.9
Q4	2,727.8	2,304.7	634.3	1,266.3	223.6	16.4	164.2	423.1
2012 Q1	2,870.9	2,419.9	667.7	1,322.2	235.1	16.9	178.0	451.0
Q2	2,884.1	2,414.8	672.6	1,306.2	237.2	16.7	182.1	469.3
Q3	2,999.0	2,504.6	704.3	1,344.8	244.5	17.1	193.8	494.4
Q4	3,045.2	2,538.2	689.4	1,383.1	249.7	17.8	198.3	507.0
2013 Q1	3,077.0	2,584.2	714.3	1,389.2	253.9	17.4	209.5	492.8
Q2	3,067.5	2,565.0	681.5	1,402.7	255.0	17.4	208.4	502.4
Q3	3,085.9	2,575.1	680.6	1,407.2	259.1	17.7	210.4	510.8
Q4 (p)	3,144.2	2,619.3	657.5	1,480.6	258.8	17.9	204.5	524.8

3. Liabilities and net worth

	Liabilities									Net worth
	Total	Loans received	Securities other than shares	Shares and other equity	Insurance technical reserves				Other accounts receivable/ payable and financial derivatives	
					Total	Net equity of households in life insurance reserves	Net equity of households in pension fund reserves	Prepayments of insurance premiums and reserves for outstanding claims		
	1	2	3	4	5	6	7	8	9	10
2011 Q1	6,921.6	263.4	39.9	465.9	5,976.8	3,288.1	1,863.5	825.2	175.6	220.4
Q2	6,943.4	263.0	42.4	454.6	6,006.9	3,309.9	1,874.7	822.3	176.4	211.5
Q3	7,052.5	270.7	41.6	409.9	6,139.5	3,292.3	2,026.4	820.8	190.7	103.3
Q4	7,068.8	263.7	41.3	408.8	6,167.1	3,302.3	2,050.8	813.9	188.0	96.6
2012 Q1	7,227.3	271.3	43.4	440.1	6,282.0	3,336.7	2,111.6	833.7	190.5	224.3
Q2	7,292.2	280.8	42.2	421.5	6,349.1	3,334.0	2,178.2	836.8	198.6	182.9
Q3	7,365.7	292.0	44.1	452.6	6,388.4	3,379.5	2,173.6	835.4	188.7	323.8
Q4	7,467.6	266.4	49.0	480.7	6,459.9	3,412.9	2,218.0	828.9	211.6	308.6
2013 Q1	7,568.8	281.3	48.4	497.8	6,526.7	3,456.2	2,219.4	851.1	214.7	344.7
Q2	7,617.9	280.6	45.4	506.7	6,561.7	3,470.4	2,243.2	848.1	223.4	237.7
Q3	7,642.4	279.1	45.9	522.7	6,579.3	3,509.5	2,223.3	846.5	215.4	309.7
Q4 (p)	7,722.1	268.9	46.4	550.3	6,645.0	3,555.3	2,247.1	842.7	211.5	300.5

Source: ECB.

3 EURO AREA ACCOUNTS

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

Uses 2013 Q4	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Exports of goods and services						654
Trade balance [1]						-72
Generation of income account						
Gross value added (basic prices)						
Taxes less subsidies on products						
Gross domestic product (market prices)						
Compensation of employees	1,272	129	805	64	274	
Other taxes less subsidies on production	34	13	10	5	6	
Consumption of fixed capital	383	103	218	11	52	
Net operating surplus and mixed income [1]	519	269	226	27	-3	
Allocation of primary income account						
Net operating surplus and mixed income						
Compensation of employees						8
Taxes less subsidies on production						
Property income	608	31	236	268	72	108
Interest	313	28	52	162	72	44
Other property income	294	3	185	106	0	63
Net national income [1]	2,112	1,728	96	42	247	
Secondary distribution of income account						
Net national income						
Current taxes on income, wealth, etc.	348	268	68	12	0	2
Social contributions	490	490				1
Social benefits other than social transfers in kind	504	1	18	36	448	1
Other current transfers	210	75	28	51	56	12
Net non-life insurance premiums	47	34	11	1	1	2
Non-life insurance claims	48			48		1
Other	114	40	16	2	55	9
Net disposable income [1]	2,085	1,492	17	43	533	
Use of income account						
Net disposable income						
Final consumption expenditure	1,962	1,399			564	
Individual consumption expenditure	1,743	1,399			345	
Collective consumption expenditure	219				219	
Adjustment for the change in the net equity of households in pension fund reserves	14	0	1	13	0	0
Net saving/current external account [1]	123	108	16	30	-31	-80
Capital account						
Net saving/current external account						
Gross capital formation	426	137	221	11	57	
Gross fixed capital formation	452	137	247	11	57	
Changes in inventories and acquisitions less disposals of valuables	-26	0	-26	0	0	
Consumption of fixed capital						
Acquisitions less disposals of non-produced non-financial assets	0	-1	3	0	-2	0
Capital transfers	48	11	2	1	34	11
Capital taxes	9	8	1	0		0
Other capital transfers	40	3	2	1	34	11
Net lending (+)/net borrowing (-) (from capital account) [1]	89	74	33	32	-51	-89
Statistical discrepancy	0	-13	13	0	0	0

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

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

(EUR billions)

Resources 2013 Q4	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Imports of goods and services						581
Trade balance						
Generation of income account						
Gross value added (basic prices)	2,209	514	1,259	108	329	
Taxes less subsidies on products	251					
Gross domestic product (market prices)[2]	2,460					
Compensation of employees						
Other taxes less subsidies on production						
Consumption of fixed capital						
Net operating surplus and mixed income						
Allocation of primary income account						
Net operating surplus and mixed income	519	269	226	27	-3	
Compensation of employees	1,276	1,276				4
Taxes less subsidies on production	300				300	-14
Property income	624	213	106	283	22	91
Interest	307	49	33	216	9	51
Other property income	317	164	73	66	13	40
Net national income						
Secondary distribution of income account						
Net national income	2,112	1,728	96	42	247	
Current taxes on income, wealth, etc.	349				349	1
Social contributions	489	1	19	52	417	2
Social benefits other than social transfers in kind	503	503				3
Other current transfers	183	94	16	49	25	38
Net non-life insurance premiums	48			48		1
Non-life insurance claims	46	36	9	1	0	2
Other	89	58	6	0	24	35
Net disposable income						
Use of income account						
Net disposable income	2,085	1,492	17	43	533	
Final consumption expenditure						
Individual consumption expenditure						
Collective consumption expenditure						
Adjustment for the change in the net equity of households in pension fund reserves	14	14				0
Net saving/current external account						
Capital account						
Net saving/current external account	123	108	16	30	-31	-80
Gross capital formation						
Gross fixed capital formation						
Changes in inventories and acquisitions less disposals of valuables						
Consumption of fixed capital	383	103	218	11	52	
Acquisitions less disposals of non-produced non-financial assets						
Capital transfers	57	11	25	3	18	2
Capital taxes	9				9	0
Other capital transfers	49	11	25	3	9	2
Net lending (+)/net borrowing (-) (from capital account)						
Statistical discrepancy						

Sources: ECB and Eurostat.

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

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

(EUR billions)

Assets 2013 Q4	Euro area	Households	Non-financial corporations	MFIs	Other financial inter-mediaries	Insurance corporations and pension funds	General govern-ment	Rest of the world
Opening balance sheet, financial assets								
Total financial assets		20,210	18,054	32,535	18,078	7,647	4,509	18,688
Monetary gold and special drawing rights (SDRs)				391				
Currency and deposits		7,143	2,077	9,850	2,206	792	786	3,039
Short-term debt securities		39	60	481	412	56	26	669
Long-term debt securities		1,262	270	6,250	3,106	3,053	428	4,186
Loans		87	3,146	12,867	4,549	489	858	2,756
of which: Long-term		66	2,017	10,139	3,420	369	776	.
Shares and other equity		4,757	8,654	1,927	7,357	2,863	1,597	7,199
Quoted shares		837	1,237	441	2,388	426	264	.
Unquoted shares and other equity		2,468	7,057	1,201	3,765	440	1,134	.
Mutual fund shares		1,452	360	285	1,204	1,997	199	.
Insurance technical reserves		6,416	179	3	0	244	8	265
Other accounts receivable and financial derivatives		506	3,667	765	448	150	806	574
Net financial worth								
Financial account, transactions in financial assets								
Total transactions in financial assets		87	139	-703	141	70	43	83
Monetary gold and SDRs				0				0
Currency and deposits		82	89	-357	-103	-10	-81	-144
Short-term debt securities		-3	-4	-69	-23	0	8	-58
Long-term debt securities		-27	-10	-127	74	48	-7	102
Loans		-1	-3	-110	-10	4	67	-33
of which: Long-term		0	17	-44	6	5	48	.
Shares and other equity		-3	24	38	225	33	12	219
Quoted shares		-5	-10	20	14	-2	-1	.
Unquoted shares and other equity		6	28	7	175	6	15	.
Mutual fund shares		-4	6	10	36	29	-2	.
Insurance technical reserves		43	-2	0	0	-1	0	8
Other accounts receivable and financial derivatives		-3	44	-77	-22	-3	44	-12
Changes in net financial worth due to transactions								
Other changes account, financial assets								
Total other changes in financial assets		241	274	-37	30	28	11	-177
Monetary gold and SDRs				-39				
Currency and deposits		-2	2	-18	-21	0	1	-23
Short-term debt securities		0	-1	0	-5	0	0	-8
Long-term debt securities		-2	3	44	-21	5	1	-60
Loans		0	-10	-47	-9	0	11	-13
of which: Long-term		0	-12	-11	-3	0	14	.
Shares and other equity		196	286	21	88	24	3	14
Quoted shares		74	105	1	103	15	15	.
Unquoted shares and other equity		89	179	18	-41	-2	-16	.
Mutual fund shares		33	1	3	26	11	4	.
Insurance technical reserves		42	0	0	0	0	0	1
Other accounts receivable and financial derivatives		7	-5	2	-3	0	-6	-88
Other changes in net financial worth								
Closing balance sheet, financial assets								
Total financial assets		20,538	18,468	31,795	18,249	7,745	4,563	18,595
Monetary gold and SDRs				352				
Currency and deposits		7,224	2,168	9,476	2,082	781	706	2,873
Short-term debt securities		36	55	412	383	56	34	604
Long-term debt securities		1,232	264	6,166	3,159	3,105	422	4,228
Loans		86	3,134	12,710	4,530	493	936	2,710
of which: Long-term		66	2,023	10,085	3,423	374	837	.
Shares and other equity		4,950	8,964	1,985	7,670	2,920	1,612	7,433
Quoted shares		906	1,332	462	2,505	439	278	.
Unquoted shares and other equity		2,563	7,264	1,225	3,899	443	1,133	.
Mutual fund shares		1,481	367	298	1,266	2,038	200	.
Insurance technical reserves		6,500	178	3	0	243	8	274
Other accounts receivable and financial derivatives		510	3,707	689	423	147	844	474
Net financial worth								

Source: ECB.

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

(EUR billions)

Liabilities 2013 Q4	Euro area	Households	Non-financial corporations	MFIs	Other financial inter-mediaries	Insurance corporations and pension funds	General govern-ment	Rest of the world
Opening balance sheet, liabilities								
Total liabilities		6,878	27,829	31,652	17,573	7,683	10,841	16,876
Monetary gold and special drawing rights (SDRs)								
Currency and deposits			33	23,023	35	0	284	2,519
Short-term debt securities			91	583	111	2	680	276
Long-term debt securities			992	4,300	3,151	50	6,913	3,148
Loans		6,165	8,480		4,144	295	2,291	3,378
of which: Long-term		5,821	6,246		2,428	109	2,032	.
Shares and other equity		8	14,449	2,612	9,889	516	4	6,875
Quoted shares			4,202	493	284	148	0	.
Unquoted shares and other equity		8	10,247	1,274	2,710	367	4	.
Mutual fund shares				846	6,896			.
Insurance technical reserves		37	351	70	1	6,656	1	
Other accounts payable and financial derivatives		668	3,433	1,063	241	165	667	679
Net financial worth [1]	-1,422	13,332	-9,775	883	505	-36	-6,332	
Financial account, transactions in liabilities								
Total transactions in liabilities		26	93	-689	121	44	94	172
Monetary gold and SDRs								
Currency and deposits			0	-503	0	0	-4	-16
Short-term debt securities			-13	-76	-14	0	-52	8
Long-term debt securities			29	-36	-14	2	64	7
Loans		-4	-14		-96	-12	81	-40
of which: Long-term		-2	8		-37	1	65	.
Shares and other equity		0	68	-7	260	3	0	221
Quoted shares			22	3	2	1	0	.
Unquoted shares and other equity		0	47	13	141	2	0	.
Mutual fund shares				-23	117			.
Insurance technical reserves		0	1	0	0	48	0	
Other accounts payable and financial derivatives		30	22	-67	-15	4	5	-9
Changes in net financial worth due to transactions [1]	89	61	47	-14	20	26	-51	-89
Other changes account, liabilities								
Total other changes in liabilities		-9	502	1	-60	68	31	-125
Monetary gold and SDRs								
Currency and deposits			0	-43	0	0	0	-19
Short-term debt securities			0	-3	-2	0	0	-8
Long-term debt securities			-13	-10	-17	0	47	-37
Loans		-9	-4		-68	2	4	8
of which: Long-term		-6	-6		-27	1	-1	.
Shares and other equity		0	501	72	52	21	0	-14
Quoted shares			292	75	24	12	0	.
Unquoted shares and other equity		0	209	1	-66	9	0	.
Mutual fund shares				-4	94			.
Insurance technical reserves		0	0	0	0	42	0	
Other accounts payable and financial derivatives		0	18	-16	-24	3	-19	-55
Other changes in net financial worth [1]	12	249	-227	-38	89	-40	-20	-52
Closing balance sheet, liabilities								
Total liabilities		6,895	28,423	30,964	17,634	7,796	10,966	16,923
Monetary gold and SDRs								
Currency and deposits			33	22,477	35	0	280	2,484
Short-term debt securities			77	503	95	2	627	277
Long-term debt securities			1,008	4,255	3,121	51	7,024	3,118
Loans		6,152	8,462		3,980	285	2,375	3,346
of which: Long-term		5,813	6,248		2,364	110	2,096	.
Shares and other equity		8	15,018	2,678	10,201	540	5	7,083
Quoted shares			4,515	570	310	161	0	.
Unquoted shares and other equity		8	10,503	1,288	2,785	378	4	.
Mutual fund shares				819	7,107			.
Insurance technical reserves		37	353	70	1	6,746	1	
Other accounts payable and financial derivatives		699	3,473	981	202	171	654	615
Net financial worth [1]	-1,320	13,643	-9,955	831	614	-51	-6,402	

Source: ECB.

3.2 Euro area non-financial accounts

(EUR billions; four-quarter cumulated flows)

Uses	2009	2010	2011	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4
Generation of income account								
Gross value added (basic prices)								
Taxes less subsidies on products								
Gross domestic product (market prices)								
Compensation of employees	4,449	4,510	4,622	4,673	4,678	4,683	4,693	4,709
Other taxes less subsidies on production	88	85	99	128	126	128	126	129
Consumption of fixed capital	1,388	1,419	1,462	1,496	1,503	1,509	1,516	1,523
Net operating surplus and mixed income [1]	2,089	2,187	2,245	2,175	2,167	2,173	2,191	2,203
Allocation of primary income account								
Net operating surplus and mixed income								
Compensation of employees								
Taxes less subsidies on production								
Property income	2,969	2,804	3,017	2,878	2,819	2,767	2,731	2,702
Interest	1,593	1,381	1,546	1,463	1,407	1,359	1,317	1,282
Other property income	1,376	1,423	1,472	1,415	1,412	1,407	1,413	1,420
Net national income [1]	7,534	7,754	7,977	8,008	8,014	8,031	8,062	8,096
Secondary distribution of income account								
Net national income								
Current taxes on income, wealth, etc.	1,027	1,056	1,114	1,171	1,178	1,195	1,203	1,211
Social contributions	1,678	1,704	1,752	1,786	1,793	1,799	1,808	1,815
Social benefits other than social transfers in kind	1,771	1,815	1,843	1,885	1,897	1,908	1,920	1,930
Other current transfers	773	776	781	790	794	801	810	816
Net non-life insurance premiums	181	181	182	184	184	185	186	186
Non-life insurance claims	182	182	183	186	186	187	188	188
Other	410	413	415	419	423	430	437	442
Net disposable income [1]	7,427	7,644	7,869	7,899	7,902	7,913	7,940	7,972
Use of income account								
Net disposable income								
Final consumption expenditure	7,147	7,306	7,471	7,512	7,515	7,528	7,551	7,576
Individual consumption expenditure	6,380	6,537	6,699	6,741	6,742	6,754	6,774	6,796
Collective consumption expenditure	767	769	772	770	773	775	777	780
Adjustment for the change in the net equity of households in pension fund reserves	61	56	58	58	57	56	57	57
Net saving [1]	280	338	398	387	387	385	390	396
Capital account								
Net saving								
Gross capital formation	1,703	1,780	1,873	1,777	1,747	1,731	1,730	1,722
Gross fixed capital formation	1,752	1,761	1,817	1,767	1,739	1,726	1,719	1,719
Changes in inventories and acquisitions less disposals of valuables	-50	19	56	10	8	5	12	3
Consumption of fixed capital								
Acquisitions less disposals of non-produced non-financial assets	1	1	1	9	2	0	0	2
Capital transfers	183	221	173	193	199	206	201	166
Capital taxes	34	25	31	26	27	30	31	33
Other capital transfers	149	196	142	167	172	176	170	133
Net lending (+)/net borrowing (-) (from capital account) [1]	-27	-15	-8	109	153	176	189	213

Sources: ECB and Eurostat.

1) For details of the calculation of the balancing items, see the Technical Notes.

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

(EUR billions; four-quarter cumulated flows)

Resources	2009	2010	2011	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4
Generation of income account								
Gross value added (basic prices)	8,014	8,201	8,428	8,472	8,474	8,493	8,525	8,563
Taxes less subsidies on products	894	942	974	978	977	982	988	990
Gross domestic product (market prices)[2]	8,908	9,143	9,402	9,450	9,451	9,476	9,514	9,553
Compensation of employees								
Other taxes less subsidies on production								
Consumption of fixed capital								
Net operating surplus and mixed income								
Allocation of primary income account								
Net operating surplus and mixed income	2,089	2,187	2,245	2,175	2,167	2,173	2,191	2,203
Compensation of employees	4,459	4,521	4,634	4,686	4,692	4,698	4,708	4,724
Taxes less subsidies on production	1,000	1,040	1,084	1,117	1,115	1,121	1,125	1,130
Property income	2,956	2,809	3,031	2,908	2,860	2,805	2,769	2,741
Interest	1,556	1,334	1,492	1,426	1,374	1,327	1,285	1,251
Other property income	1,400	1,475	1,539	1,482	1,487	1,479	1,485	1,490
Net national income								
Secondary distribution of income account								
Net national income	7,534	7,754	7,977	8,008	8,014	8,031	8,062	8,096
Current taxes on income, wealth, etc.	1,032	1,059	1,119	1,176	1,183	1,199	1,208	1,216
Social contributions	1,676	1,705	1,753	1,783	1,790	1,796	1,805	1,812
Social benefits other than social transfers in kind	1,764	1,809	1,837	1,879	1,890	1,902	1,914	1,924
Other current transfers	668	669	673	683	685	688	693	696
Net non-life insurance premiums	182	182	183	186	186	187	188	188
Non-life insurance claims	178	176	177	179	179	180	181	182
Other	308	310	313	318	319	322	324	326
Net disposable income								
Use of income account								
Net disposable income	7,427	7,644	7,869	7,899	7,902	7,913	7,940	7,972
Final consumption expenditure								
Individual consumption expenditure								
Collective consumption expenditure								
Adjustment for the change in the net equity of households in pension fund reserves	61	56	58	58	57	56	57	57
Net saving								
Capital account								
Net saving	280	338	398	387	387	385	390	396
Gross capital formation								
Gross fixed capital formation								
Changes in inventories and acquisitions less disposals of valuables								
Consumption of fixed capital	1,388	1,419	1,462	1,496	1,503	1,509	1,516	1,523
Acquisitions less disposals of non-produced non-financial assets								
Capital transfers	192	230	180	205	211	219	215	184
Capital taxes	34	25	31	26	27	30	31	33
Other capital transfers	158	205	148	179	184	190	184	151
Net lending (+)/net borrowing (-) (from capital account)								

Sources: ECB and Eurostat.

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

3.3 Households

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

	2009	2010	2011	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4
Income, saving and changes in net worth								
Compensation of employees (+)	4,459	4,521	4,634	4,686	4,692	4,698	4,708	4,724
Gross operating surplus and mixed income (+)	1,440	1,449	1,491	1,494	1,498	1,504	1,512	1,517
Interest receivable (+)	234	202	228	222	217	213	207	203
Interest payable (-)	148	124	147	131	125	120	116	114
Other property income receivable (+)	729	721	748	745	737	728	732	739
Other property income payable (-)	10	10	10	10	10	10	10	10
Current taxes on income and wealth (-)	842	849	883	932	940	948	956	962
Net social contributions (-)	1,673	1,699	1,747	1,781	1,788	1,795	1,803	1,810
Net social benefits (+)	1,759	1,804	1,832	1,874	1,885	1,897	1,908	1,918
Net current transfers receivable (+)	70	70	68	71	74	74	73	74
= Gross disposable income	6,019	6,083	6,214	6,238	6,240	6,240	6,255	6,280
Final consumption expenditure (-)	5,157	5,290	5,441	5,474	5,471	5,478	5,491	5,507
Changes in net worth in pension funds (+)	61	55	58	57	56	56	57	57
= Gross saving	923	849	831	820	826	818	821	829
Consumption of fixed capital (-)	379	386	395	402	403	404	405	407
Net capital transfers receivable (+)	9	13	2	1	0	-1	-3	-4
Other changes in net worth (+)	-381	625	-295	-187	-593	-444	-216	-189
= Changes in net worth	171	1,101	143	233	-170	-30	198	229
Investment, financing and changes in net worth								
Net acquisition of non-financial assets (+)	555	558	573	554	549	543	542	540
Consumption of fixed capital (-)	379	386	395	402	403	404	405	407
Main items of financial investment (+)								
Short-term assets	1	43	124	192	173	167	135	97
Currency and deposits	121	118	118	224	228	218	189	130
Money market fund shares	-46	-59	-23	-31	-39	-30	-27	-15
Debt securities [1]	-74	-16	29	-2	-16	-21	-28	-18
Long-term assets	492	430	224	151	198	187	213	228
Deposits	82	58	54	12	7	8	24	53
Debt securities	0	24	57	-94	-109	-106	-112	-89
Shares and other equity	178	99	-3	101	151	130	135	89
Quoted and unquoted shares and other equity	126	93	44	63	70	42	46	27
Mutual fund shares	52	7	-47	38	81	88	89	62
Life insurance and pension fund reserves	232	249	116	132	149	156	166	175
Main items of financing (-)								
Loans	107	114	88	14	-1	-12	-3	-20
of which: From euro area MFIs	65	147	81	25	21	1	7	-4
Other changes in assets (+)								
Non-financial assets	-643	480	194	-773	-1,009	-953	-668	-717
Financial assets	291	188	-405	525	337	434	389	473
Shares and other equity	87	54	-347	288	233	284	323	444
Life insurance and pension fund reserves	191	120	15	182	164	130	83	70
Remaining net flows (+)	-39	-98	-84	-1	-15	-17	-11	-5
= Changes in net worth	171	1,101	143	233	-170	-30	198	229
Balance sheet								
Non-financial assets (+)	29,221	29,873	30,244	29,625	29,183	29,197	29,312	29,041
Financial assets (+)								
Short-term assets	5,768	5,820	5,957	6,128	6,141	6,182	6,159	6,209
Currency and deposits	5,474	5,597	5,728	5,950	5,980	6,032	6,019	6,076
Money market fund shares	242	184	166	121	112	109	101	97
Debt securities [1]	51	39	63	58	48	42	39	36
Long-term assets	11,647	12,230	12,007	12,703	12,897	12,908	13,140	13,417
Deposits	970	1,027	1,082	1,096	1,103	1,113	1,125	1,148
Debt securities	1,443	1,447	1,394	1,358	1,276	1,311	1,262	1,232
Shares and other equity	4,109	4,261	3,907	4,310	4,485	4,444	4,656	4,853
Quoted and unquoted shares and other equity	2,982	3,060	2,823	3,068	3,176	3,134	3,305	3,469
Mutual fund shares	1,127	1,201	1,083	1,242	1,309	1,310	1,351	1,384
Life insurance and pension fund reserves	5,125	5,494	5,625	5,939	6,034	6,039	6,098	6,184
Remaining net assets (+)	279	266	218	195	158	187	198	169
Liabilities (-)								
Loans	5,936	6,110	6,205	6,196	6,169	6,168	6,165	6,152
of which: From euro area MFIs	4,968	5,213	5,281	5,290	5,279	5,282	5,276	5,268
= Net worth	40,978	42,079	42,222	42,455	42,210	42,305	42,644	42,684

Sources: ECB and Eurostat.

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

3.4 Non-financial corporations

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

	2009	2010	2011	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4
Income and saving								
Gross value added (basic prices) (+)	4,520	4,663	4,823	4,846	4,842	4,852	4,870	4,893
Compensation of employees (-)	2,790	2,834	2,932	2,977	2,979	2,984	2,990	2,999
Other taxes less subsidies on production (-)	44	36	45	53	53	54	54	56
= Gross operating surplus (+)	1,686	1,793	1,846	1,815	1,810	1,814	1,826	1,838
Consumption of fixed capital (-)	782	800	827	849	853	857	861	865
= Net operating surplus (+)	904	993	1,019	966	957	957	965	972
Property income receivable (+)	533	550	565	545	544	533	529	523
Interest receivable	172	158	164	150	143	137	133	131
Other property income receivable	361	392	401	396	402	396	396	392
Interest and rents payable (-)	296	257	286	270	259	249	240	234
= Net entrepreneurial income (+)	1,140	1,286	1,298	1,242	1,243	1,241	1,254	1,261
Distributed income (-)	932	923	977	954	946	938	944	944
Taxes on income and wealth payable (-)	151	169	192	201	200	205	204	206
Social contributions receivable (+)	71	69	74	74	74	73	73	74
Social benefits payable (-)	68	69	70	70	70	70	70	70
Other net transfers (-)	47	45	48	49	49	51	52	51
= Net saving	13	150	85	42	52	50	57	63
Investment, financing and saving								
Net acquisition of non-financial assets (+)	65	145	211	133	102	90	88	83
Gross fixed capital formation (+)	899	927	982	964	945	939	936	939
Consumption of fixed capital (-)	782	800	827	849	853	857	861	865
Net acquisition of other non-financial assets (+)	-52	19	55	18	11	8	13	10
Main items of financial investment (+)								
Short-term assets	95	34	-28	63	47	39	53	73
Currency and deposits	88	67	6	75	80	81	91	110
Money market fund shares	39	-32	-46	-7	-5	-15	-13	-10
Debt securities [1]	-31	-1	12	-5	-27	-27	-25	-27
Long-term assets	149	433	489	241	209	82	91	105
Deposits	-1	22	72	-4	-35	-32	-1	2
Debt securities	22	24	-28	7	6	-2	-5	-14
Shares and other equity	104	249	298	132	172	105	117	125
Other (mainly intercompany loans)	24	138	147	106	67	11	-19	-8
Remaining net assets (+)	82	5	-64	25	59	101	52	55
Main items of financing (-)								
Debt	31	164	238	160	123	35	-22	-6
of which: Loans from euro area MFIs	-105	1	137	-136	-127	-158	-145	-126
of which: Debt securities	90	66	48	119	105	90	87	83
Shares and other equity	262	237	218	191	170	154	182	190
Quoted shares	64	31	27	27	11	21	23	30
Unquoted shares and other equity	198	206	191	164	159	134	159	159
Net capital transfers receivable (-)	82	65	67	64	67	66	63	66
= Net saving	13	150	85	42	52	50	57	63
Financial balance sheet								
Financial assets								
Short-term assets	1,933	1,958	1,931	1,990	1,953	1,940	1,969	2,052
Currency and deposits	1,632	1,695	1,705	1,777	1,757	1,765	1,798	1,880
Money market fund shares	213	182	134	130	127	113	111	117
Debt securities [1]	87	81	92	83	69	62	60	55
Long-term assets	10,376	10,852	10,886	11,640	11,947	11,768	12,239	12,531
Deposits	161	174	236	283	269	263	280	287
Debt securities	236	253	240	267	281	261	270	264
Shares and other equity	7,234	7,544	7,360	7,962	8,257	8,103	8,542	8,846
Other (mainly intercompany loans)	2,745	2,880	3,049	3,128	3,140	3,142	3,146	3,134
Remaining net assets	465	382	465	392	444	455	447	444
Liabilities								
Debt	9,460	9,709	9,864	9,991	9,979	9,936	9,914	9,899
of which: Loans from euro area MFIs	4,684	4,659	4,698	4,474	4,446	4,403	4,360	4,289
of which: Debt securities	814	882	876	1,035	1,055	1,052	1,083	1,085
Shares and other equity	12,588	13,149	12,459	13,378	13,789	13,654	14,449	15,018
Quoted shares	3,509	3,805	3,287	3,748	3,891	3,853	4,202	4,515
Unquoted shares and other equity	9,080	9,344	9,172	9,630	9,898	9,801	10,247	10,503

Sources: ECB and Eurostat.

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

3.5 Insurance corporations and pension funds

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

	2009	2010	2011	2012 Q1-2012 Q4	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4
Financial account, financial transactions								
Main items of financial investment (+)								
Short-term assets	-41	-6	54	44	20	-18	-39	-66
Currency and deposits	-33	-9	14	15	11	8	3	-14
Money market fund shares	6	-8	16	32	10	-12	-19	-34
Debt securities [1]	-14	11	24	-3	0	-13	-22	-18
Long-term assets	293	294	131	187	176	210	244	301
Deposits	15	-5	9	-17	-19	-15	-18	-9
Debt securities	104	191	41	137	96	109	110	133
Loans	9	32	12	9	11	10	1	4
Quoted shares	-49	-1	-11	-8	0	0	10	1
Unquoted shares and other equity	-14	12	13	2	2	1	6	11
Mutual fund shares	228	66	68	64	85	105	135	160
Remaining net assets (+)	17	7	-30	-43	-25	-28	-33	-2
Main items of financing (-)								
Debt securities	5	1	3	7	5	3	3	0
Loans	-4	7	11	-15	0	-7	-23	-5
Shares and other equity	5	6	4	1	2	2	1	5
Insurance technical reserves	247	281	115	155	170	175	183	197
Net equity of households in life insurance and pension fund reserves	241	262	111	139	155	164	170	181
Prepayments of insurance premiums and reserves for outstanding claims	6	19	4	16	15	12	13	16
= Changes in net financial worth due to transactions	15	1	22	41	-6	-9	8	37
Other changes account								
Other changes in financial assets (+)								
Shares and other equity	197	119	-105	197	148	132	97	98
Other net assets	34	-6	14	236	133	94	3	-64
Other changes in liabilities (-)								
Shares and other equity	13	-1	-48	67	55	84	72	65
Insurance technical reserves	169	136	16	190	168	130	82	69
Net equity of households in life insurance and pension fund reserves	197	125	19	188	165	129	81	68
Prepayments of insurance premiums and reserves for outstanding claims	-28	11	-3	2	2	1	1	1
= Other changes in net financial worth	49	-22	-59	176	59	12	-54	-100
Financial balance sheet								
Financial assets (+)								
Short-term assets	331	330	371	408	413	366	356	335
Currency and deposits	195	190	193	209	218	201	201	193
Money market fund shares	95	88	102	125	125	107	99	87
Debt securities [1]	41	52	76	74	69	59	56	56
Long-term assets	5,649	6,041	6,046	6,643	6,774	6,769	6,897	7,020
Deposits	612	605	611	594	595	596	591	589
Debt securities	2,467	2,638	2,660	3,000	3,030	3,031	3,053	3,105
Loans	436	469	481	491	490	487	489	493
Quoted shares	397	422	377	404	413	410	426	439
Unquoted shares and other equity	412	417	421	433	435	435	440	443
Mutual fund shares	1,325	1,489	1,496	1,722	1,812	1,810	1,898	1,951
Remaining net assets (+)	225	247	262	252	249	240	230	219
Liabilities (-)								
Debt securities	42	43	46	55	55	52	52	53
Loans	281	292	301	284	302	300	295	285
Shares and other equity	441	447	403	471	491	499	516	540
Insurance technical reserves	5,586	6,003	6,134	6,479	6,593	6,597	6,656	6,746
Net equity of households in life insurance and pension fund reserves	4,801	5,188	5,318	5,645	5,742	5,745	5,804	5,895
Prepayments of insurance premiums and reserves for outstanding claims	785	815	816	834	851	851	852	851
= Net financial wealth	-146	-168	-204	13	-5	-73	-36	-51

Source: ECB.

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

FINANCIAL MARKETS

4

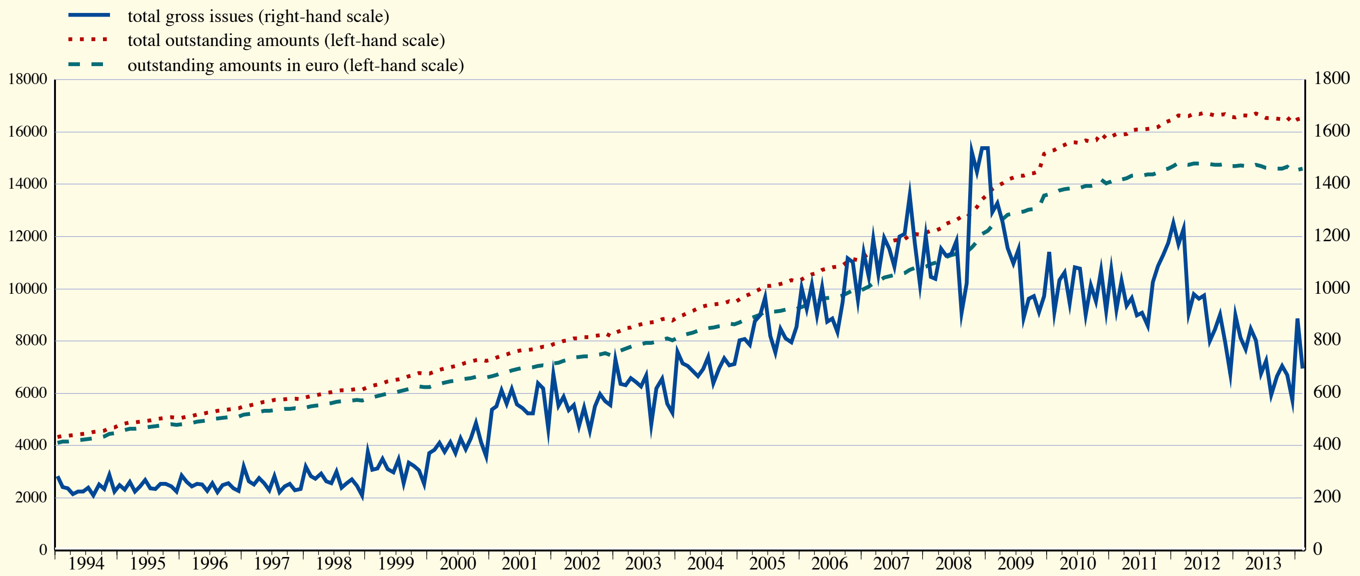
4.1 Securities other than shares by original maturity, residency of the issuer and currency

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

	Total in euro 1)			By euro area residents								
				In euro			In all currencies					
											Seasonally adjusted 2)	
	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Annual growth rates	Net issues	6-month growth rates
	1	2	3	4	5	6	7	8	9	10	11	12
						Total						
2013 Feb.	16,992.2	707.5	-5.3	14,716.0	667.2	4.0	16,626.3	813.2	38.8	0.4	-20.8	-0.6
Mar.	16,922.9	686.2	-66.9	14,691.4	635.6	-22.0	16,623.6	767.8	-17.8	-0.2	-14.2	-1.0
Apr.	16,916.2	757.6	-6.4	14,678.8	709.0	-12.3	16,602.3	847.1	-5.5	-0.2	-11.2	-1.3
May	16,985.8	709.9	70.7	14,753.8	664.0	76.3	16,693.1	803.0	95.0	0.0	15.7	-0.9
June	16,922.6	600.2	-62.8	14,701.7	557.6	-51.7	16,625.7	674.8	-61.6	-0.2	-23.1	-0.8
July	16,856.0	639.5	-66.3	14,629.7	590.8	-71.4	16,536.9	725.5	-77.4	-0.9	-54.7	-1.3
Aug.	16,831.2	515.5	-25.0	14,603.3	481.9	-26.7	16,520.7	593.9	-19.1	-0.7	16.3	-0.9
Sep.	16,842.5	605.7	11.8	14,597.7	555.2	-5.1	16,509.6	666.1	-4.1	-0.6	42.2	-0.2
Oct.	16,847.0	641.9	5.6	14,589.3	571.8	-7.3	16,478.9	704.9	-20.1	-0.9	-35.8	-0.5
Nov.	16,960.0	597.5	113.1	14,673.5	538.7	84.5	16,567.2	669.9	87.3	-0.7	21.1	-0.4
Dec.	16,793.1	515.0	-176.6	14,509.3	476.9	-174.1	16,364.8	574.8	-204.0	-1.1	-102.9	-1.4
2014 Jan.	.	.	.	14,545.5	735.8	35.1	16,474.7	886.7	91.9	-0.6	71.2	0.1
Feb.	.	.	.	14,594.0	573.5	52.7	16,522.8	694.7	64.3	-0.4	3.7	0.0
						Long-term						
2013 Feb.	15,651.7	230.3	-7.4	13,447.9	204.9	-1.8	15,106.4	244.9	23.6	1.4	-32.7	0.7
Mar.	15,593.7	246.8	-55.2	13,444.9	216.5	-0.1	15,121.6	250.0	2.9	0.9	8.5	-0.1
Apr.	15,590.3	247.7	-3.1	13,430.5	217.2	-14.0	15,105.7	248.9	-1.7	0.9	-8.5	-0.6
May	15,660.0	254.4	70.9	13,506.5	223.2	77.2	15,192.2	260.8	90.8	1.0	22.9	-0.3
June	15,638.9	208.2	-20.5	13,499.7	181.6	-6.2	15,170.5	201.4	-16.7	0.7	-9.6	-0.2
July	15,567.1	204.7	-71.9	13,415.3	173.2	-84.1	15,069.6	195.4	-91.8	0.2	-52.4	-0.9
Aug.	15,559.8	117.1	-7.4	13,404.6	97.5	-10.8	15,065.8	112.5	-7.6	0.3	35.1	-0.1
Sep.	15,577.8	223.1	18.4	13,411.8	190.1	7.6	15,073.7	216.2	16.6	0.2	57.3	0.6
Oct.	15,607.8	248.9	30.1	13,422.7	198.9	11.0	15,070.3	228.1	5.0	0.0	-6.6	0.6
Nov.	15,727.1	251.8	118.2	13,516.9	210.0	93.2	15,179.1	240.0	107.5	0.3	47.7	1.0
Dec.	15,636.7	153.4	-90.9	13,434.9	132.5	-82.5	15,083.7	147.9	-87.5	0.3	-28.3	0.7
2014 Jan.	.	.	.	13,407.0	237.7	-27.8	15,095.6	290.0	-2.0	0.3	4.3	1.5
Feb.	.	.	.	13,453.4	198.2	54.5	15,137.7	231.0	61.7	0.5	5.8	1.1

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

(EUR billions)



Sources: ECB and BIS (for issues by non-euro area residents).
1) Total euro-denominated securities other than shares issued by euro area residents and non-euro area residents.
2) For details of the calculation of the growth rates, see the Technical Notes. The six-month growth rates have been annualised.

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

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

1. Outstanding amounts and gross issues

	Outstanding amounts						Gross issues[1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2012	16,575	5,399	3,225	995	6,270	684	958	589	81	69	187	32
2013	16,365	4,887	3,179	1,073	6,553	674	728	385	64	65	187	29
2013 Q1	16,624	5,261	3,223	1,024	6,426	689	827	439	82	62	212	32
Q2	16,626	5,122	3,235	1,032	6,558	678	775	408	65	67	201	34
Q3	16,510	5,004	3,221	1,063	6,552	671	662	350	52	64	171	25
Q4	16,365	4,887	3,179	1,073	6,553	674	650	341	56	66	162	25
2013 Nov.	16,567	4,971	3,220	1,085	6,617	675	670	319	56	70	194	31
Dec.	16,365	4,887	3,179	1,073	6,553	674	575	356	47	53	100	19
2014 Jan.	16,475	4,925	3,205	1,097	6,578	669	887	468	67	84	228	40
Feb.	16,523	4,892	3,200	1,092	6,658	681	695	334	57	61	199	44
	Short-term											
2012	1,488	601	136	82	606	64	703	490	37	53	103	21
2013	1,281	474	110	75	570	52	511	315	26	48	102	21
2013 Q1	1,502	582	139	91	621	68	575	361	31	48	112	23
Q2	1,455	558	134	90	620	54	538	337	25	52	100	23
Q3	1,436	539	132	90	627	47	487	294	25	46	104	18
Q4	1,281	474	110	75	570	52	445	269	22	45	90	18
2013 Nov.	1,388	513	124	87	612	51	430	250	21	44	93	21
Dec.	1,281	474	110	75	570	52	427	285	20	41	66	15
2014 Jan.	1,379	533	119	87	587	53	597	373	22	57	115	29
Feb.	1,385	544	122	85	581	52	464	260	32	48	100	23
	Long-term[2]											
2012	15,087	4,798	3,090	913	5,665	621	255	99	45	16	83	12
2013	15,084	4,413	3,069	998	5,982	622	217	69	38	17	85	8
2013 Q1	15,122	4,678	3,084	933	5,805	621	252	78	50	14	100	9
Q2	15,170	4,564	3,101	942	5,939	624	237	71	40	16	101	10
Q3	15,074	4,465	3,089	972	5,924	623	175	56	26	18	67	8
Q4	15,084	4,413	3,069	998	5,982	622	205	72	34	20	72	7
2013 Nov.	15,179	4,457	3,096	997	6,005	624	240	69	35	26	100	10
Dec.	15,084	4,413	3,069	998	5,982	622	148	71	27	12	34	4
2014 Jan.	15,096	4,392	3,087	1,010	5,991	616	290	95	45	26	113	11
Feb.	15,138	4,348	3,078	1,006	6,077	629	231	73	25	12	100	21
	of which: Long-term fixed rate											
2012	10,527	2,811	1,295	823	5,154	444	165	54	18	15	71	7
2013	10,799	2,648	1,422	896	5,381	452	146	36	20	15	69	6
2013 Q1	10,663	2,766	1,347	841	5,259	450	165	41	25	12	80	7
Q2	10,775	2,719	1,391	848	5,363	455	156	34	21	13	79	8
Q3	10,762	2,671	1,414	872	5,352	454	124	32	14	14	58	5
Q4	10,799	2,648	1,422	896	5,381	452	138	37	19	18	59	5
2013 Nov.	10,850	2,667	1,433	896	5,401	453	158	37	20	24	71	6
Dec.	10,799	2,648	1,422	896	5,381	452	90	27	16	12	34	2
2014 Jan.	10,810	2,634	1,428	905	5,396	448	213	59	26	23	97	8
Feb.	10,870	2,604	1,429	902	5,476	461	175	39	14	11	93	18
	of which: Long-term variable rate											
2012	4,133	1,733	1,699	87	439	175	77	38	24	1	8	5
2013	3,872	1,561	1,543	98	501	169	59	28	16	2	11	2
2013 Q1	4,012	1,660	1,638	89	455	170	69	30	22	1	13	3
Q2	3,960	1,606	1,610	91	485	168	68	31	16	2	17	2
Q3	3,896	1,580	1,572	97	477	169	41	20	11	3	4	2
Q4	3,872	1,561	1,543	98	501	169	59	31	14	2	10	2
2013 Nov.	3,909	1,581	1,558	97	503	170	72	28	13	2	25	4
Dec.	3,872	1,561	1,543	98	501	169	53	40	11	1	0	1
2014 Jan.	3,877	1,558	1,547	101	504	167	65	31	16	4	11	3
Feb.	3,857	1,546	1,537	100	507	168	45	28	10	0	4	3

Source: ECB.

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

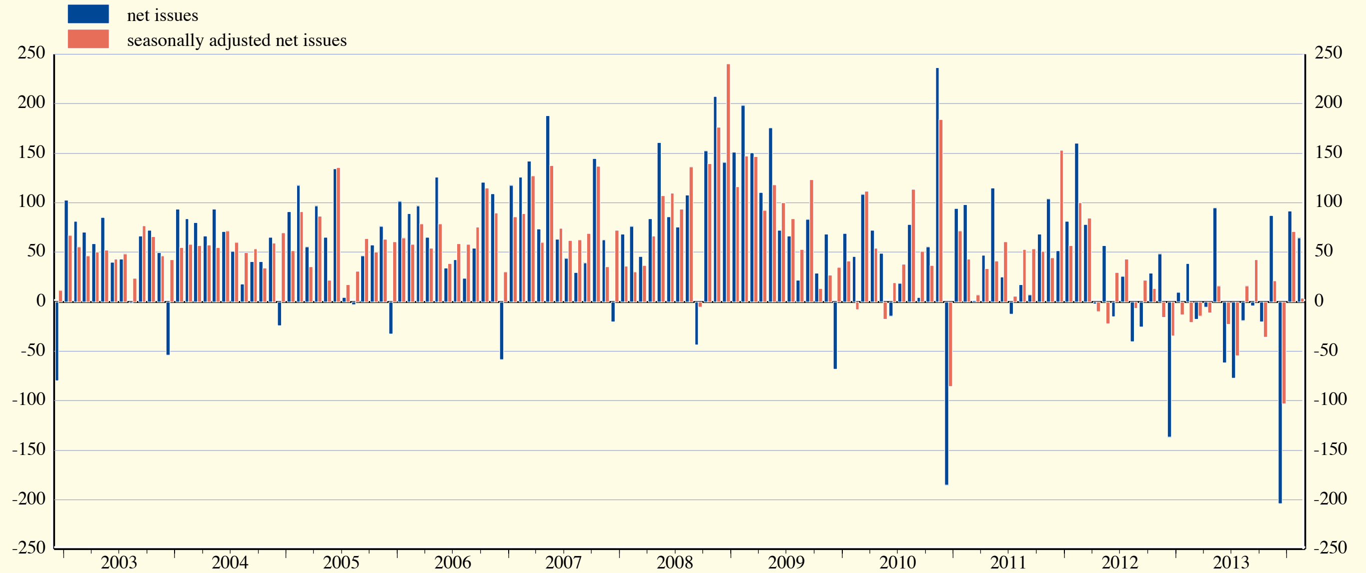
2) The residual difference between total long-term debt securities and fixed and variable rate long-term debt securities consists of zero coupon bonds and revaluation effects.

4.2 Securities other than shares issued by euro area residents, by sector of the issuer and instrument type
(EUR billions unless otherwise indicated; transactions during the period; nominal values)

2. Net issues

	Non-seasonally adjusted [1]						Seasonally adjusted [1]					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2012	21.6	-8.1	3.0	10.6	13.0	3.1	-	-	-	-	-	-
2013	-14.9	-39.8	-5.4	7.0	23.9	-0.6	-	-	-	-	-	-
2013 Q1	10.2	-46.2	-6.0	9.2	51.8	1.5	-16.1	-60.9	1.5	6.7	35.8	0.7
Q2	9.3	-40.8	5.1	3.5	44.7	-3.3	-6.2	-39.6	4.4	2.4	29.7	-3.0
Q3	-33.5	-36.7	-4.2	11.2	-1.7	-2.1	1.2	-35.5	9.8	11.7	15.9	-0.6
Q4	-45.6	-35.5	-16.4	3.9	0.9	1.4	-39.2	-24.4	-36.8	6.7	14.5	0.9
2013 Nov.	87.3	-5.9	13.5	10.8	63.9	4.9	21.1	-10.3	-9.2	12.3	24.1	4.3
Dec.	-204.0	-79.6	-49.9	-10.8	-63.3	-0.4	-102.9	-52.3	-68.3	-1.7	18.3	1.2
2014 Jan.	91.9	27.6	23.5	22.0	24.1	-5.3	71.2	9.6	36.5	20.5	5.7	-1.2
Feb.	64.3	-27.6	-0.8	-1.4	81.3	12.8	3.7	-57.2	6.6	-4.9	47.6	11.5
	Long-term											
2012	31.6	0.5	1.1	10.4	15.4	4.2	-	-	-	-	-	-
2013	3.2	-29.4	-2.0	7.5	26.8	0.3	-	-	-	-	-	-
2013 Q1	7.8	-39.2	-5.8	6.2	46.6	0.0	-6.2	-46.8	1.4	5.9	34.9	-1.5
Q2	24.1	-33.1	6.8	4.0	45.1	1.3	1.6	-39.1	6.9	3.0	31.0	-0.2
Q3	-27.6	-30.8	-3.5	10.9	-4.4	0.1	13.3	-27.6	7.3	11.5	19.7	2.5
Q4	8.4	-14.7	-5.7	9.1	19.8	-0.2	4.2	-5.0	-23.3	9.7	22.2	0.6
2013 Nov.	107.5	4.7	12.9	14.0	75.4	0.7	47.7	7.5	-9.8	14.2	36.0	-0.2
Dec.	-87.5	-40.6	-25.7	1.5	-21.4	-1.4	-28.3	-22.2	-37.8	5.2	25.2	1.2
2014 Jan.	-2.0	-28.1	15.1	9.5	7.9	-6.4	4.3	-32.0	27.2	11.8	3.2	-5.9
Feb.	61.7	-38.9	0.2	0.5	86.5	13.4	5.8	-62.9	5.3	-0.7	52.1	11.9

C16 Net issues of securities other than shares: seasonally adjusted and non-seasonally adjusted
(EUR billions; transactions during the month; nominal values)

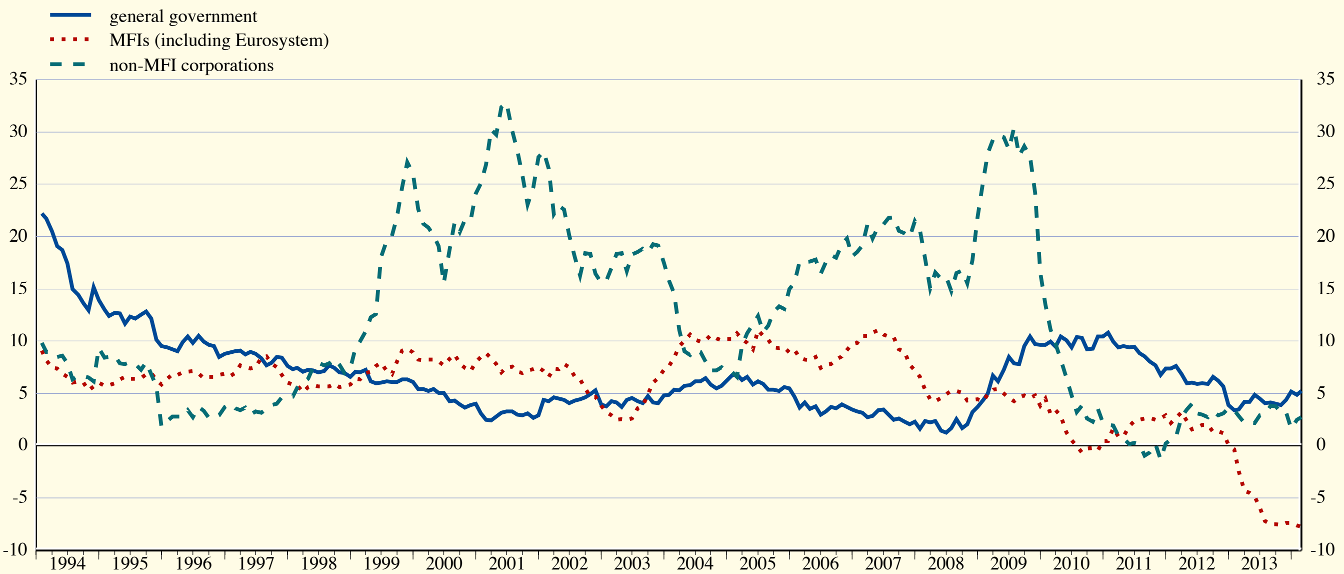


Source: ECB.
1) Monthly data on net issues refer to transactions during the month. For the purposes of comparison, quarterly and annual data refer to the respective monthly averages.

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

	Annual growth rates (non-seasonally adjusted)						6-month seasonally adjusted growth rates					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2013 Feb.	0.4	-4.4	0.9	13.7	2.6	0.3	-0.6	-8.4	2.9	14.4	3.2	-6.1
Mar.	-0.2	-6.1	-0.6	13.1	3.6	-0.8	-1.0	-9.5	1.5	12.0	3.9	-4.7
Apr.	-0.2	-6.2	-0.7	12.8	3.5	0.4	-1.3	-10.6	2.3	11.7	3.4	-2.7
May	0.0	-6.5	-0.5	11.2	4.4	-0.4	-0.9	-11.5	3.4	8.5	5.2	-2.9
June	-0.2	-7.3	0.4	10.3	4.3	-2.6	-0.8	-10.8	1.1	5.5	6.3	-2.1
July	-0.9	-8.7	0.8	10.1	4.1	-4.7	-1.3	-11.6	1.4	5.6	5.9	-5.6
Aug.	-0.7	-9.2	1.7	10.6	4.1	-3.6	-0.9	-9.9	0.5	7.2	5.1	-1.4
Sep.	-0.6	-8.9	2.1	10.2	4.0	-3.8	-0.2	-8.4	2.7	8.4	4.3	-3.2
Oct.	-0.9	-9.0	1.1	10.2	3.8	-4.1	-0.5	-7.4	-0.1	8.7	4.2	-5.0
Nov.	-0.7	-8.8	1.0	10.3	4.0	-2.6	-0.4	-5.9	-1.2	12.1	2.8	-2.2
Dec.	-1.1	-8.9	-2.0	8.4	4.6	-1.1	-1.4	-6.9	-5.0	11.0	2.8	0.2
2014 Jan.	-0.6	-8.1	-0.8	9.7	4.4	-2.0	0.1	-4.5	-2.9	14.0	3.0	2.0
Feb.	-0.4	-7.8	-1.1	8.5	4.5	0.7	0.0	-5.6	-2.7	9.9	3.9	2.9
	Long-term											
2013 Feb.	1.4	-2.4	-0.3	14.6	3.3	4.5	0.7	-4.9	0.5	16.8	3.2	1.0
Mar.	0.9	-4.3	-0.9	13.6	4.3	2.9	-0.1	-6.7	0.5	12.8	3.6	-1.6
Apr.	0.9	-4.5	-1.0	14.5	4.3	3.2	-0.6	-8.3	1.1	11.8	3.3	-0.1
May	1.0	-4.9	-0.8	13.2	5.1	2.9	-0.3	-10.0	2.5	7.8	5.5	-1.0
June	0.7	-5.9	0.3	12.5	4.8	1.6	-0.2	-10.4	1.6	5.9	7.1	-1.7
July	0.2	-7.2	0.6	12.0	4.5	0.3	-0.9	-11.9	1.6	5.6	6.5	-3.1
Aug.	0.3	-7.5	1.4	12.4	4.5	0.7	-0.1	-10.0	2.4	8.3	5.8	0.3
Sep.	0.2	-7.5	1.6	11.1	4.4	0.3	0.6	-8.4	2.8	9.5	5.3	2.2
Oct.	0.0	-7.5	0.9	10.9	4.2	0.8	0.6	-6.8	0.6	10.0	5.1	1.7
Nov.	0.3	-7.4	0.9	11.0	4.8	0.4	1.0	-4.7	-0.6	14.3	4.1	1.7
Dec.	0.3	-7.4	-0.8	9.9	5.7	0.6	0.7	-4.3	-3.1	14.0	4.3	3.0
2014 Jan.	0.3	-7.6	0.1	10.3	5.5	-1.1	1.5	-3.2	-1.3	15.3	4.4	1.2
Feb.	0.5	-7.7	0.5	9.9	5.6	1.8	1.1	-5.4	-1.2	11.7	5.4	3.3

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



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

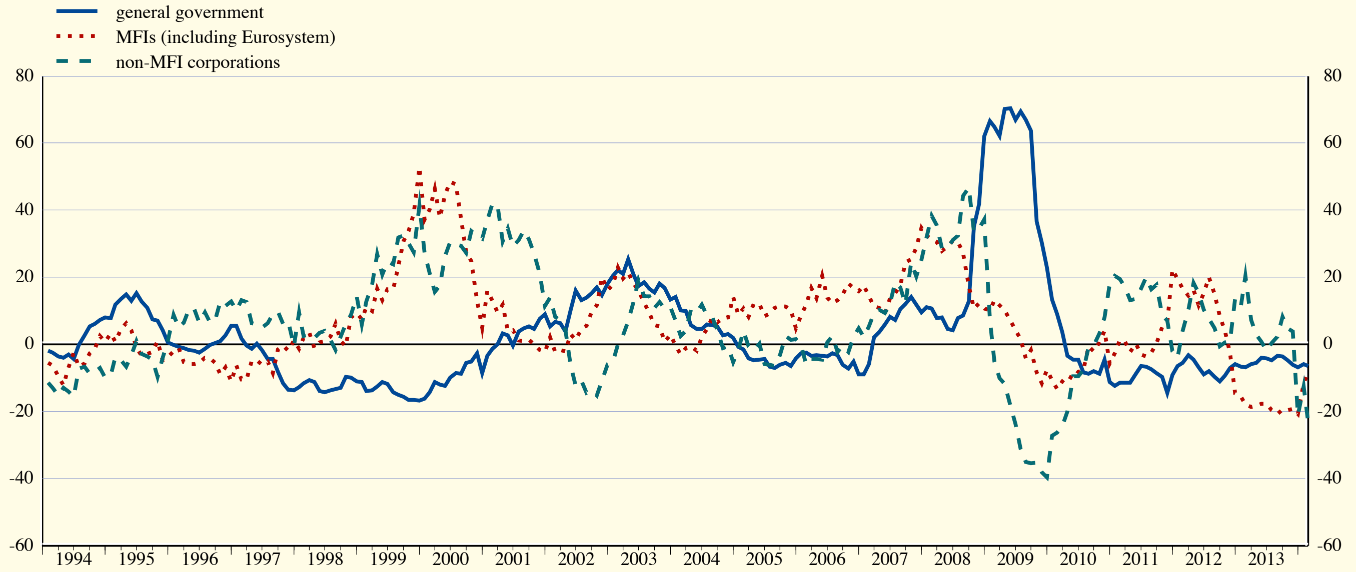
4.3 Growth rates of securities other than shares issued by euro area residents [1] (cont'd)

(percentage changes)

	Long-term fixed rate						Long-term variable rate					
	Total	MFIs (including Eurosystem)	Non-MFI corporations		General government		Total	MFIs (including Eurosystem)	Non-MFI corporations		General government	
			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government			Financial corporations other than MFIs	Non-financial corporations	Central government	Other general government
	13	14	15	16	17	18	19	20	21	22	23	24
	In all currencies combined											
2012	5.4	4.1	2.4	10.4	5.9	7.3	-0.8	-0.3	-5.0	-0.4	6.6	23.3
2013	3.4	-3.2	7.2	13.6	4.6	4.1	-7.4	-7.5	-10.2	5.1	-1.3	-0.8
2013 Q1	4.4	0.3	6.5	16.1	4.4	6.0	-6.8	-4.1	-10.7	-0.6	-7.6	7.9
Q2	3.8	-3.3	7.8	14.9	5.1	4.5	-7.7	-6.7	-11.4	2.1	-1.8	-0.8
Q3	3.1	-4.8	8.4	12.9	4.8	3.4	-8.3	-9.6	-9.8	6.9	-1.9	-5.4
Q4	2.5	-5.0	6.3	10.7	4.2	2.6	-6.9	-9.8	-8.8	12.2	6.5	-4.1
2013 Sep.	2.7	-5.0	7.8	11.3	4.3	2.9	-7.5	-9.9	-8.7	11.1	2.0	-5.2
Oct.	2.6	-5.1	6.5	10.9	4.4	3.3	-7.8	-9.9	-8.7	11.7	-0.9	-4.9
Nov.	2.3	-4.8	5.9	10.7	3.9	2.0	-6.0	-9.8	-8.3	13.3	13.2	-3.2
Dec.	2.3	-5.1	5.2	9.7	4.5	2.2	-6.4	-9.3	-10.1	12.2	14.2	-2.9
2014 Jan.	2.0	-5.8	4.2	10.0	4.6	0.0	-5.3	-8.8	-8.4	14.4	15.8	-3.0
Feb.	2.1	-6.2	2.3	10.0	5.2	2.9	-4.4	-8.4	-5.7	13.5	10.5	-0.9
	In euro											
2012	5.6	4.6	2.1	10.6	6.0	7.2	-0.6	2.0	-6.6	-1.4	6.3	22.9
2013	3.2	-4.0	5.0	14.8	4.6	4.1	-7.7	-7.2	-11.3	6.3	-1.8	-1.2
2013 Q1	4.2	0.1	4.8	17.6	4.4	5.3	-7.0	-2.8	-12.3	-0.3	-8.3	7.9
Q2	3.5	-4.0	5.4	16.3	5.0	4.4	-7.9	-5.9	-12.7	4.0	-2.4	-1.4
Q3	2.8	-5.9	5.8	14.0	4.8	3.8	-8.7	-9.7	-10.6	8.4	-2.3	-5.8
Q4	2.2	-6.0	4.2	11.6	4.3	2.8	-7.3	-10.3	-9.4	13.0	6.4	-4.5
2013 Sep.	2.3	-6.3	5.3	12.1	4.4	2.8	-7.9	-10.2	-9.5	11.7	1.7	-5.6
Oct.	2.3	-6.0	4.1	11.6	4.4	3.6	-8.2	-10.4	-9.3	13.9	-1.4	-5.4
Nov.	2.0	-5.8	4.0	11.8	3.9	2.2	-6.3	-10.3	-8.8	13.2	13.4	-3.5
Dec.	2.2	-6.2	3.4	10.6	4.5	2.4	-7.0	-10.2	-11.0	11.9	14.1	-3.4
2014 Jan.	1.6	-6.9	1.1	9.9	4.6	0.0	-6.0	-9.6	-9.8	12.8	16.0	-3.1
Feb.	1.8	-7.4	-0.4	9.9	5.2	2.6	-4.9	-9.2	-6.3	12.0	10.7	-1.5

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

(annual percentage changes)



Source: ECB.

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

4.4 Quoted shares issued by euro area residents [1]

(EUR billions, unless otherwise indicated; market values)

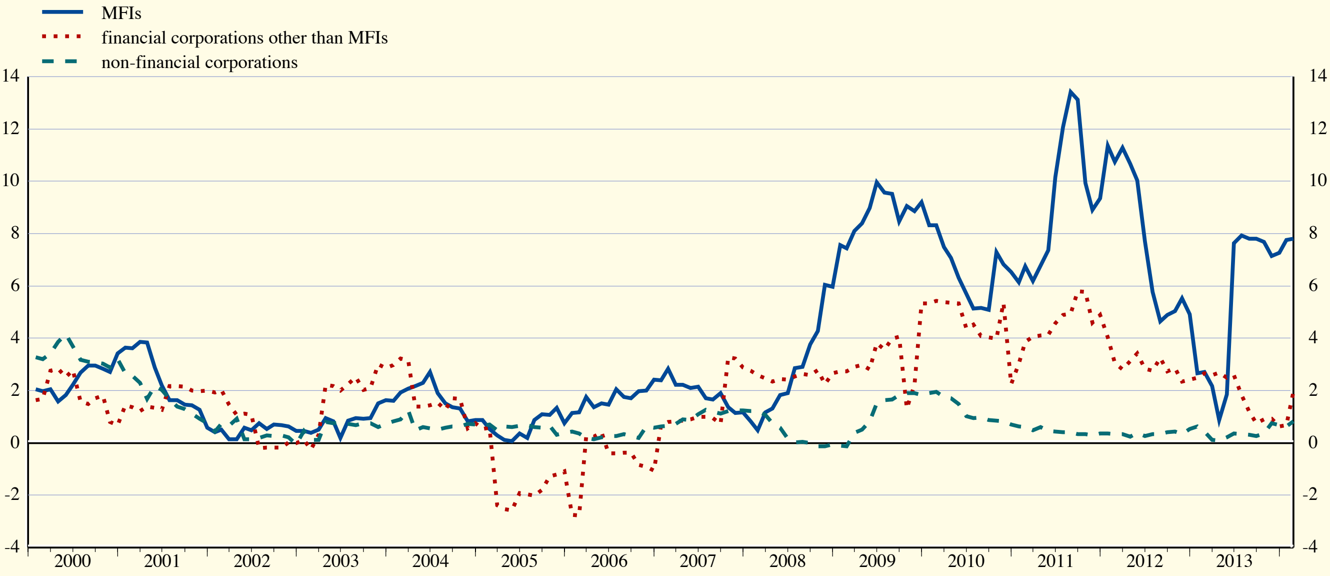
1. Outstanding amounts and annual growth rates

(outstanding amounts as at end of period)

	Total			MFIs		Financial corporations other than MFIs		Non-financial corporations	
	Total	Index: Dec. 2008 = 100	Annual growth rates (%)	Total	Annual growth rates (%)	Total	Annual growth rates (%)	Total	Annual growth rates (%)
	1	2	3	4	5	6	7	8	9
2012 Feb.	4,261.6	106.3	1.5	394.6	10.7	311.6	3.1	3,555.3	0.3
Mar.	4,245.4	106.4	1.5	373.0	11.3	311.4	2.8	3,561.0	0.3
Apr.	4,071.1	106.5	1.4	327.2	10.7	292.3	3.1	3,451.6	0.2
May	3,765.4	106.6	1.5	280.8	10.0	265.5	3.4	3,219.1	0.4
June	3,928.0	106.7	1.1	317.6	7.7	285.0	2.8	3,325.4	0.3
July	4,054.1	106.8	1.0	309.9	5.8	292.1	2.7	3,452.1	0.3
Aug.	4,178.8	106.8	0.9	349.6	4.6	309.4	3.2	3,519.7	0.3
Sep.	4,235.1	106.9	0.9	364.9	4.9	323.9	2.7	3,546.2	0.4
Oct.	4,311.8	107.0	1.0	383.5	5.0	333.8	2.8	3,594.4	0.4
Nov.	4,399.7	106.9	0.9	395.7	5.5	342.3	2.3	3,661.8	0.3
Dec.	4,503.7	107.2	1.0	402.4	4.9	357.3	2.4	3,743.9	0.5
2013 Jan.	4,658.5	107.3	0.9	441.5	2.7	370.7	2.5	3,846.3	0.6
Feb.	4,643.2	107.1	0.8	416.1	2.7	364.5	2.7	3,862.6	0.4
Mar.	4,645.2	106.9	0.5	380.3	2.2	369.0	2.6	3,895.9	0.1
Apr.	4,747.4	106.8	0.3	410.4	0.9	394.9	2.7	3,942.1	0.1
May	4,864.1	107.1	0.5	440.2	1.9	408.0	2.5	4,016.0	0.2
June	4,663.9	107.9	1.2	413.5	7.6	394.5	2.6	3,855.9	0.4
July	4,903.7	108.0	1.1	446.6	7.9	418.7	1.8	4,038.5	0.3
Aug.	4,892.0	108.0	1.1	461.5	7.8	416.1	1.2	4,014.5	0.3
Sep.	5,136.7	107.9	1.0	491.7	7.8	427.6	0.7	4,217.3	0.3
Oct.	5,411.0	108.1	1.1	557.2	7.7	445.1	0.9	4,408.7	0.4
Nov.	5,502.3	108.4	1.3	562.8	7.1	454.6	0.9	4,484.9	0.7
Dec.	5,567.9	108.6	1.3	569.0	7.3	465.8	0.6	4,533.1	0.7
2014 Jan.	5,485.2	108.7	1.3	597.7	7.8	456.1	0.7	4,431.4	0.6
Feb.	5,757.5	108.8	1.5	637.8	7.8	475.3	1.9	4,644.4	0.8

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

(annual percentage changes)



Source: ECB.

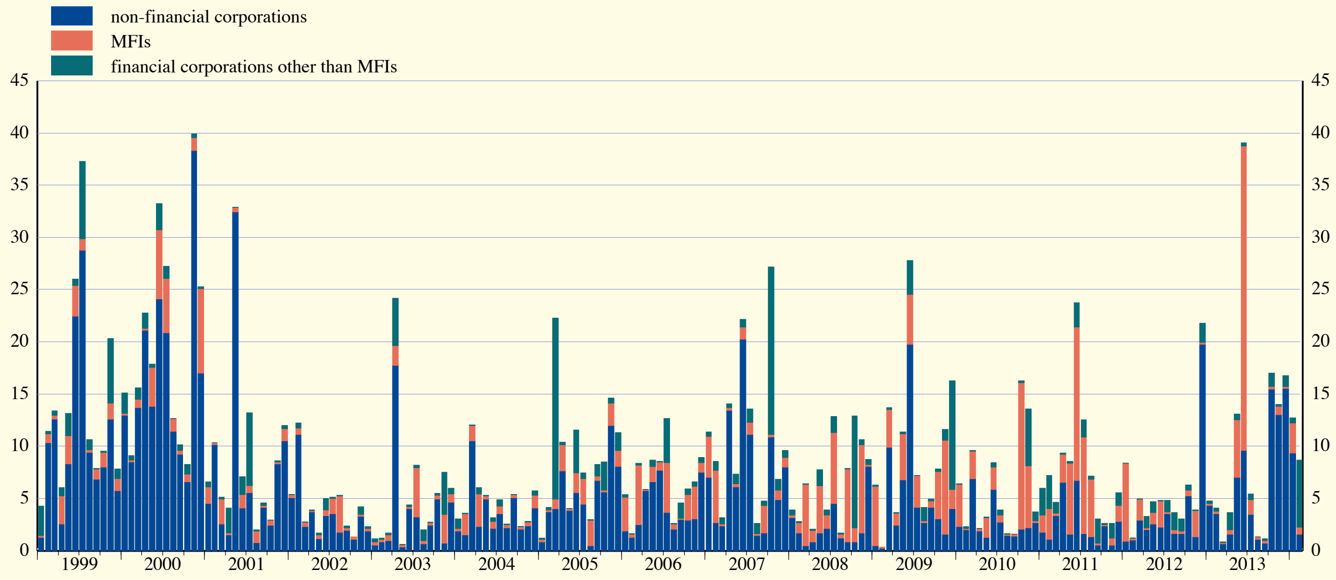
1) For details of the calculation of the index and the growth rates, see the Technical Notes.

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

2. Transactions during the month

	Total			MFIs			Financial corporations other than MFIs			Non-financial corporations		
	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues	Gross issues	Redemptions	Net issues
	1	2	3	4	5	6	7	8	9	10	11	12
2012 Feb.	1.1	1.4	-0.3	0.0	0.0	0.0	0.0	0.2	-0.2	1.0	1.2	-0.1
Mar.	4.9	0.7	4.3	2.0	0.0	2.0	0.0	0.1	-0.1	2.9	0.6	2.3
Apr.	3.1	0.3	2.8	0.0	0.0	0.0	1.1	0.0	1.1	2.0	0.3	1.7
May	4.7	1.8	2.9	1.1	0.0	1.1	1.0	0.1	1.0	2.5	1.7	0.8
June	4.8	1.2	3.6	2.6	0.0	2.6	0.0	0.1	-0.1	2.2	1.1	1.1
July	4.8	0.3	4.5	0.2	0.0	0.2	1.1	0.0	1.1	3.6	0.3	3.2
Aug.	3.7	1.8	1.8	0.4	0.0	0.4	1.6	0.1	1.5	1.6	1.7	-0.1
Sep.	2.9	0.5	2.3	0.1	0.0	0.1	1.2	0.1	1.0	1.7	0.4	1.3
Oct.	6.3	1.8	4.5	0.5	0.0	0.5	0.5	0.1	0.4	5.3	1.7	3.6
Nov.	3.9	5.9	-2.0	2.5	0.0	2.5	0.1	0.1	0.0	1.3	5.8	-4.5
Dec.	21.6	11.4	10.2	0.0	0.5	-0.5	1.8	0.0	1.8	19.8	10.8	8.9
2013 Jan.	4.6	0.3	4.3	0.0	0.0	0.0	0.2	0.1	0.1	4.3	0.2	4.1
Feb.	4.1	11.4	-7.3	0.3	0.0	0.3	0.3	0.0	0.3	3.5	11.4	-7.8
Mar.	0.7	10.6	-9.9	0.0	0.1	-0.1	0.0	0.3	-0.3	0.6	10.1	-9.4
Apr.	3.6	5.9	-2.3	0.4	5.2	-4.8	1.7	0.0	1.6	1.6	0.7	0.9
May	13.1	1.8	11.3	5.5	0.0	5.5	0.6	0.0	0.5	7.0	1.8	5.2
June	39.1	1.7	37.3	29.2	0.0	29.1	0.3	0.1	0.3	9.6	1.7	7.9
July	5.4	3.0	2.4	1.4	0.0	1.4	0.6	1.9	-1.4	3.5	1.1	2.4
Aug.	1.1	2.3	-1.2	0.0	0.0	0.0	0.0	0.5	-0.5	1.1	1.8	-0.7
Sep.	1.0	1.7	-0.7	0.1	0.0	0.1	0.1	0.6	-0.4	0.7	1.1	-0.4
Oct.	16.9	7.5	9.4	0.1	0.0	0.1	1.3	0.1	1.2	15.5	7.4	8.1
Nov.	14.0	2.1	11.9	0.8	0.0	0.8	0.2	0.1	0.1	13.0	2.0	11.0
Dec.	16.6	7.0	9.6	0.0	0.0	0.0	1.1	0.0	1.1	15.6	7.0	8.6
2014 Jan.	12.7	7.8	4.9	2.9	0.3	2.6	0.5	0.1	0.3	9.4	7.4	1.9
Feb.	8.7	2.3	6.4	0.7	0.0	0.7	6.4	0.3	6.1	1.6	2.0	-0.4

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



Source: ECB.

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

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

1. Interest rates on deposits (new business)

	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight	With an agreed maturity of:			Redeemable at notice of: [2]		Overnight	With an agreed maturity of:			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9	10	11
2013 Apr.	0.34	2.33	2.10	2.25	1.36	1.37	0.38	0.96	1.70	1.90	0.68
May	0.33	2.04	2.06	2.25	1.31	1.31	0.38	0.83	1.86	1.98	0.48
June	0.32	1.88	1.88	2.12	1.30	1.28	0.38	0.83	1.65	1.77	0.72
July	0.31	1.88	1.90	2.08	1.28	1.23	0.37	0.82	1.63	1.78	0.85
Aug.	0.30	1.81	1.87	2.05	1.15	1.21	0.37	0.70	1.57	1.85	0.51
Sep.	0.30	1.71	1.86	2.06	1.15	1.17	0.35	0.81	1.68	1.87	0.56
Oct.	0.29	1.72	1.83	2.07	1.13	1.15	0.34	0.78	1.65	2.28	0.29
Nov.	0.29	1.60	1.76	2.02	1.12	1.11	0.34	0.75	1.57	1.73	0.47
Dec.	0.29	1.58	1.66	1.91	1.11	1.07	0.34	0.79	1.52	1.63	0.71
2014 Jan.	0.28	1.66	1.64	1.95	1.09	1.05	0.33	0.71	1.42	1.81	0.58
Feb.	0.28	1.60	1.62	1.93	1.10	1.03	0.33	0.63	1.42	1.75	0.83
Mar.	0.28	1.57	1.50	1.86	1.07	1.01	0.35	0.65	1.37	1.58	0.85

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

	Revolving loans and overdrafts	Extended credit card debt [3]	Consumer credit				Lending for house purchase					Lending to sole proprietors and unincorporated partnerships		
			By initial rate fixation			APRC [4]	By initial rate fixation				APRC [4]	By initial rate fixation		
			Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2013 Apr.	7.93	17.08	5.38	5.95	7.83	7.06	2.87	3.13	3.06	3.34	3.38	3.26	3.97	3.11
May	7.90	17.08	5.62	6.12	7.81	7.20	2.87	3.09	2.95	3.22	3.32	3.32	4.11	3.14
June	7.84	17.03	5.51	6.06	7.65	7.07	2.82	3.00	2.87	3.15	3.25	3.10	4.07	3.01
July	7.75	16.96	5.63	6.12	7.63	7.13	2.84	2.97	2.90	3.17	3.28	3.19	3.75	3.18
Aug.	7.74	17.01	5.62	6.15	7.64	7.15	2.80	3.01	2.97	3.18	3.31	3.00	4.06	3.15
Sep.	7.77	17.02	5.80	6.07	7.62	7.20	2.83	3.05	3.05	3.25	3.35	3.04	3.99	3.16
Oct.	7.67	17.02	5.71	6.04	7.63	7.13	2.77	3.04	3.12	3.27	3.35	3.10	3.95	3.26
Nov.	7.64	16.96	5.81	6.05	7.75	7.21	2.79	3.06	3.15	3.31	3.37	3.30	4.08	3.19
Dec.	7.63	16.94	5.63	6.20	7.44	7.05	2.78	3.00	3.15	3.32	3.37	3.07	3.86	3.05
2014 Jan.	7.69	17.08	5.73	6.08	7.73	7.34	2.79	3.01	3.12	3.31	3.36	3.24	3.81	3.01
Feb.	7.65	17.07	5.87	6.01	7.68	7.38	2.79	2.95	3.10	3.27	3.35	3.29	3.98	3.08
Mar.	7.65	17.08	5.83	5.95	7.55	7.29	2.79	2.90	3.03	3.23	3.29	3.29	4.03	3.11

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

	Revolving loans and overdrafts	Other loans of up to EUR 0.25 million by initial rate fixation						Other loans of over EUR 1 million by initial rate fixation					
		Floating rate and up to 3 months	Over 3 months and up to 1 year	Over 1 and up to 3 years	Over 3 and up to 5 years	Over 5 and up to 10 years	Over 10 years	Floating rate and up to 3 months	Over 3 months and up to 1 year	Over 1 and up to 3 years	Over 3 and up to 5 years	Over 5 and up to 10 years	Over 10 years
	1	2	3	4	5	6	7	8	9	10	11	12	13
2013 Apr.	4.17	4.78	4.71	4.16	4.07	3.62	3.58	2.14	2.71	3.21	4.16	3.00	2.94
May	4.14	4.76	4.76	4.12	4.12	3.61	3.48	2.09	2.70	3.21	3.52	2.68	2.79
June	4.14	4.54	4.60	4.40	4.34	3.56	3.41	2.05	2.60	3.01	2.96	2.71	3.12
July	4.12	4.65	4.80	4.34	4.09	3.48	3.45	2.13	2.71	2.72	2.82	2.98	3.17
Aug.	4.10	4.50	4.81	4.41	4.06	3.41	3.39	2.03	2.56	2.82	3.00	2.88	3.10
Sep.	4.13	4.53	4.67	4.39	4.16	3.41	3.42	2.08	2.54	2.86	2.75	2.89	3.28
Oct.	4.14	4.60	4.83	4.39	4.14	3.51	3.50	2.19	2.64	3.14	2.86	3.28	3.38
Nov.	4.08	4.56	4.71	4.34	4.29	3.56	3.50	2.23	2.62	2.96	2.90	2.98	3.10
Dec.	4.12	4.53	4.49	4.20	4.19	3.43	3.41	2.17	2.73	2.67	2.81	2.82	3.13
2014 Jan.	4.15	4.61	4.68	4.25	3.99	3.40	3.48	2.15	2.75	2.76	2.94	2.97	3.13
Feb.	4.11	4.53	4.59	4.26	4.07	3.48	3.45	2.09	2.79	2.91	2.78	2.79	3.16
Mar.	4.08	4.60	4.49	4.24	4.11	3.54	3.48	2.18	2.76	2.83	3.00	2.76	3.22

Source: ECB.
1) Data refer to the changing composition of the euro area. For further information, see the General Notes.
2) For this instrument category, households and non-financial corporations are merged and allocated to the household sector, since the outstanding amounts of non-financial corporations are negligible compared with those of the household sector when all participating Member States are combined.
3) This instrument category excludes convenience credit card debt, i.e. credit granted at an interest rate of 0% during the billing cycle.
4) The annual percentage rate of charge (APRC) covers the total cost of a loan. The total cost comprises both an interest rate component and a component incorporating other (related) charges, such as the cost of inquiries, administration, preparation of documents and guarantees.

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

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

4. Interest rates on deposits (outstanding amounts)

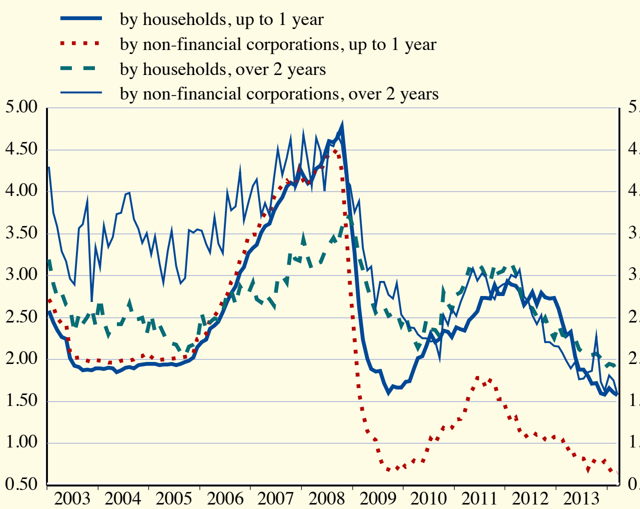
	Deposits from households					Deposits from non-financial corporations			Repos
	Overnight	With an agreed maturity of:		Redeemable at notice of: [2]		Overnight	With an agreed maturity of:		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9
2013 Apr.	0.34	2.47	2.70	1.36	1.37	0.38	1.60	2.83	1.99
May	0.33	2.41	2.67	1.31	1.31	0.38	1.57	2.79	1.62
June	0.32	2.36	2.67	1.30	1.28	0.38	1.52	2.80	1.73
July	0.31	2.28	2.64	1.28	1.23	0.37	1.46	2.77	1.67
Aug.	0.30	2.22	2.63	1.15	1.21	0.37	1.44	2.82	1.50
Sep.	0.30	2.16	2.63	1.15	1.17	0.35	1.41	2.84	1.66
Oct.	0.29	2.09	2.60	1.13	1.15	0.34	1.34	2.83	1.35
Nov.	0.29	2.02	2.60	1.12	1.11	0.34	1.32	2.84	1.34
Dec.	0.29	1.94	2.57	1.11	1.07	0.34	1.29	2.79	1.05
2014 Jan.	0.28	1.88	2.55	1.09	1.05	0.33	1.24	2.77	1.01
Feb.	0.28	1.84	2.59	1.10	1.03	0.33	1.23	2.78	1.08
Mar.	0.28	1.79	2.53	1.07	1.01	0.35	1.20	2.76	1.11

5. Interest rates on loans (outstanding amounts)

	Loans to households						Loans to non-financial corporations		
	Lending for house purchase with a maturity of:			Consumer credit and other loans with a maturity of:			With a maturity of:		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year	Over 1 and up to 5 years	Over 5 years
	1	2	3	4	5	6	7	8	9
2013 Apr.	3.49	3.33	3.49	7.74	6.19	4.88	3.67	3.25	3.15
May	3.47	3.30	3.46	7.65	6.14	4.86	3.66	3.24	3.13
June	3.50	3.29	3.43	7.62	6.18	4.87	3.63	3.24	3.14
July	3.51	3.24	3.40	7.59	6.18	4.84	3.64	3.26	3.14
Aug.	3.52	3.22	3.37	7.58	6.16	4.82	3.63	3.26	3.12
Sep.	3.55	3.22	3.37	7.64	6.16	4.83	3.65	3.24	3.13
Oct.	3.50	3.20	3.35	7.61	6.10	4.80	3.62	3.27	3.12
Nov.	3.51	3.22	3.34	7.52	6.11	4.79	3.59	3.28	3.12
Dec.	3.59	3.24	3.33	7.49	6.08	4.77	3.61	3.29	3.14
2014 Jan.	3.60	3.17	3.31	7.58	6.11	4.76	3.67	3.30	3.13
Feb.	3.59	3.21	3.37	7.63	6.23	4.83	3.63	3.33	3.17
Mar.	3.55	3.18	3.33	7.62	6.14	4.76	3.59	3.31	3.13

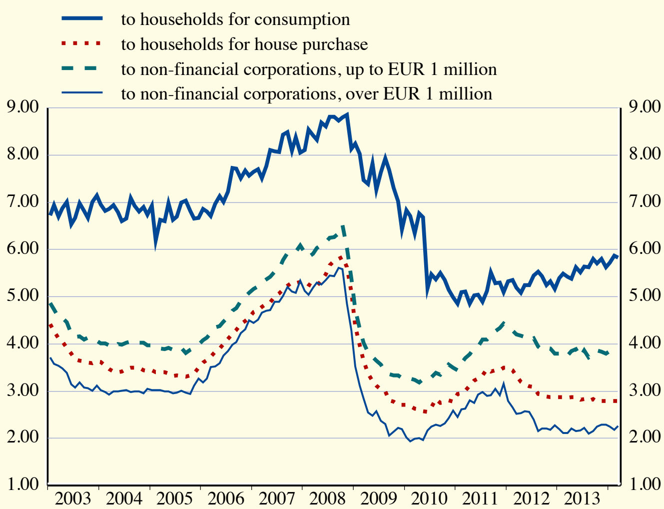
C21 New deposits with an agreed maturity

(percentages per annum excluding charges; period averages)



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

(percentages per annum excluding charges; period averages)



Source: ECB.

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

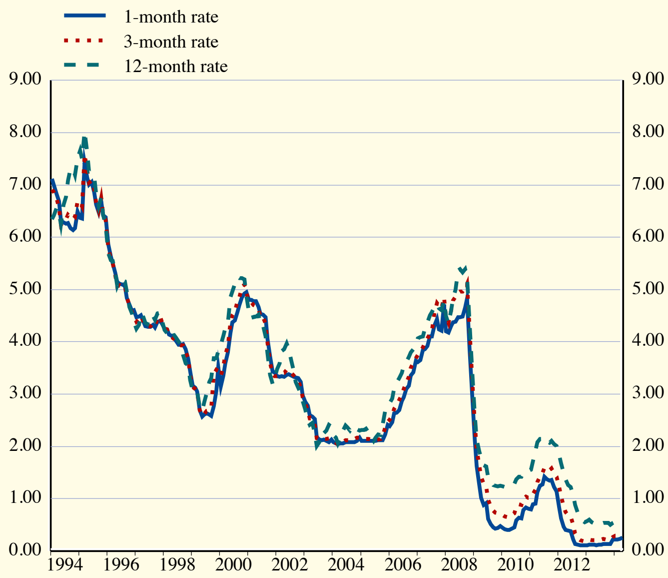
4.6 Money market interest rates

(percentages per annum; period averages)

	Euro area 1), 2)					United States	Japan
	Overnight deposits (EONIA)	1-month deposits (EURIBOR)	3-month deposits (EURIBOR)	6-month deposits (EURIBOR)	12-month deposits (EURIBOR)	3-month deposits (LIBOR)	3-month deposits (LIBOR)
	1	2	3	4	5	6	7
2011	0.87	1.18	1.39	1.64	2.01	0.34	0.19
2012	0.23	0.33	0.58	0.83	1.11	0.43	0.19
2013	0.09	0.13	0.22	0.34	0.54	0.27	0.15
2013 Q1	0.07	0.12	0.21	0.34	0.57	0.29	0.16
Q2	0.08	0.12	0.21	0.31	0.51	0.28	0.16
Q3	0.09	0.13	0.22	0.34	0.54	0.26	0.15
Q4	0.12	0.16	0.24	0.35	0.53	0.24	0.14
2014 Q1	0.18	0.23	0.30	0.40	0.56	0.24	0.14
2013 Apr.	0.08	0.12	0.21	0.32	0.53	0.28	0.16
May	0.08	0.11	0.20	0.30	0.48	0.27	0.16
June	0.09	0.12	0.21	0.32	0.51	0.27	0.15
July	0.09	0.13	0.22	0.34	0.53	0.27	0.16
Aug.	0.08	0.13	0.23	0.34	0.54	0.26	0.15
Sep.	0.08	0.13	0.22	0.34	0.54	0.25	0.15
Oct.	0.09	0.13	0.23	0.34	0.54	0.24	0.15
Nov.	0.10	0.13	0.22	0.33	0.51	0.24	0.14
Dec.	0.17	0.21	0.27	0.37	0.54	0.24	0.15
2014 Jan.	0.20	0.22	0.29	0.40	0.56	0.24	0.14
Feb.	0.16	0.22	0.29	0.39	0.55	0.24	0.14
Mar.	0.19	0.23	0.31	0.41	0.58	0.23	0.14
Apr.	0.25	0.25	0.33	0.43	0.60	0.23	0.14

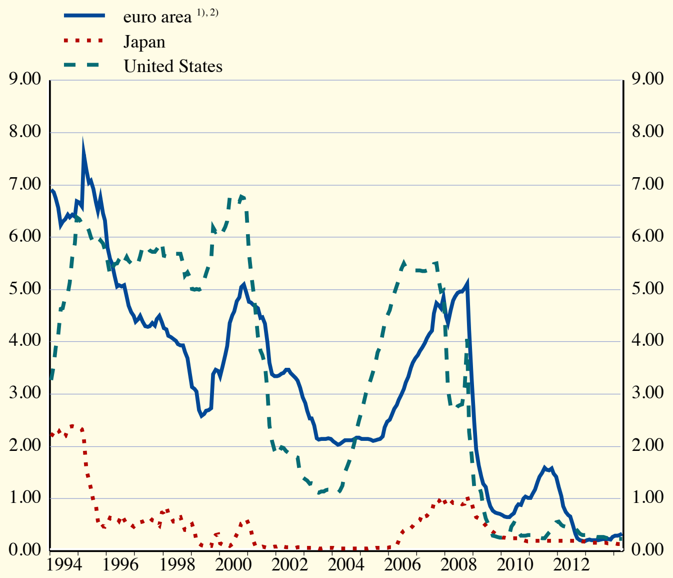
C23 Euro area money market rates 1), 2)

(monthly averages; percentages per annum)



C24 3-month money market rates

(monthly averages; percentages per annum)



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

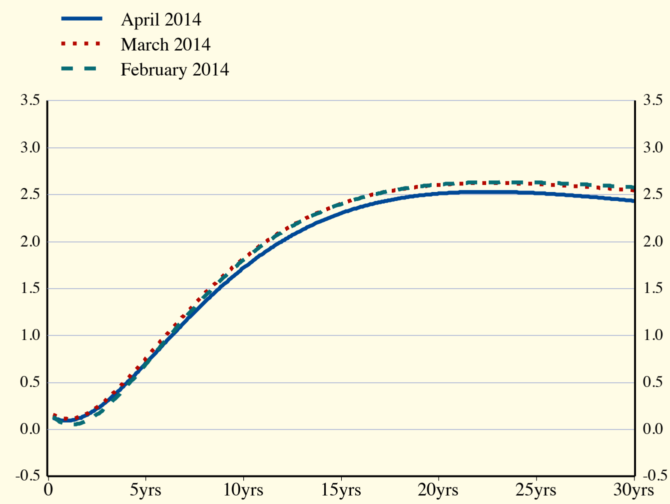
4.7 Euro area yield curves [1]

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

	Spot rates								Instantaneous forward rates			
	3 months	1 year	2 years	5 years	7 years	10 years	10 years - 3 months (spread)	10 years - 2 years (spread)	1 year	2 years	5 years	10 years
	1	2	3	4	5	6	7	8	9	10	11	12
2011	0.00	0.09	0.41	1.56	2.13	2.65	2.65	2.24	0.32	1.15	3.24	3.84
2012	0.06	-0.04	-0.01	0.58	1.09	1.72	1.66	1.74	-0.09	0.17	1.84	3.50
2013	0.08	0.09	0.25	1.07	1.62	2.24	2.16	1.99	0.18	0.67	2.53	3.88
2013 Q1	0.04	0.00	0.07	0.65	1.12	1.76	1.72	1.69	0.01	0.29	1.83	3.60
Q2	0.03	0.11	0.30	1.05	1.54	2.14	2.11	1.84	0.27	0.73	2.35	3.78
Q3	0.02	0.07	0.22	0.94	1.45	2.05	2.03	1.84	0.17	0.60	2.25	3.74
Q4	0.08	0.09	0.25	1.07	1.62	2.24	2.16	1.99	0.18	0.67	2.53	3.88
2014 Q1	0.16	0.11	0.17	0.76	1.23	1.82	1.66	1.65	0.11	0.40	1.94	3.50
2013 Apr.	0.03	-0.01	0.04	0.54	0.96	1.55	1.52	1.51	-0.01	0.23	1.58	3.28
May	0.02	0.03	0.13	0.75	1.22	1.84	1.82	1.71	0.08	0.41	1.95	3.62
June	0.03	0.11	0.30	1.05	1.54	2.14	2.11	1.84	0.27	0.73	2.35	3.78
July	0.01	0.04	0.18	0.88	1.36	1.95	1.95	1.77	0.14	0.54	2.14	3.59
Aug.	0.02	0.09	0.27	1.06	1.58	2.17	2.16	1.90	0.23	0.71	2.43	3.78
Sep.	0.02	0.07	0.22	0.94	1.45	2.05	2.03	1.84	0.17	0.60	2.25	3.74
Oct.	0.05	0.05	0.15	0.82	1.32	1.95	1.90	1.80	0.09	0.45	2.10	3.74
Nov.	0.08	0.05	0.14	0.82	1.34	1.99	1.91	1.84	0.08	0.43	2.14	3.79
Dec.	0.08	0.09	0.25	1.07	1.62	2.24	2.16	1.99	0.18	0.67	2.53	3.88
2014 Jan.	0.09	0.04	0.11	0.77	1.27	1.89	1.80	1.79	0.04	0.37	2.06	3.61
Feb.	0.14	0.09	0.16	0.79	1.27	1.88	1.74	1.72	0.09	0.41	2.03	3.56
Mar.	0.16	0.11	0.17	0.76	1.23	1.82	1.66	1.65	0.11	0.40	1.94	3.50
Apr.	0.13	0.09	0.16	0.71	1.15	1.72	1.60	1.56	0.10	0.38	1.81	3.36

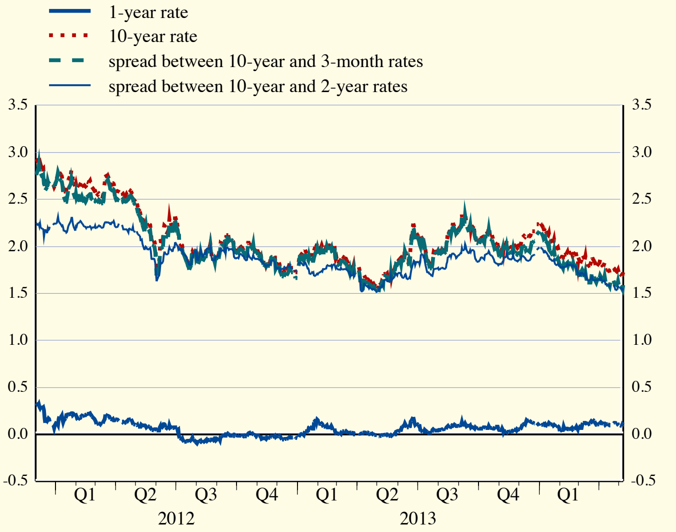
C25 Euro area spot yield curves [2]

(percentages per annum; end of period)



C26 Euro area spot rates and spreads [2]

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



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

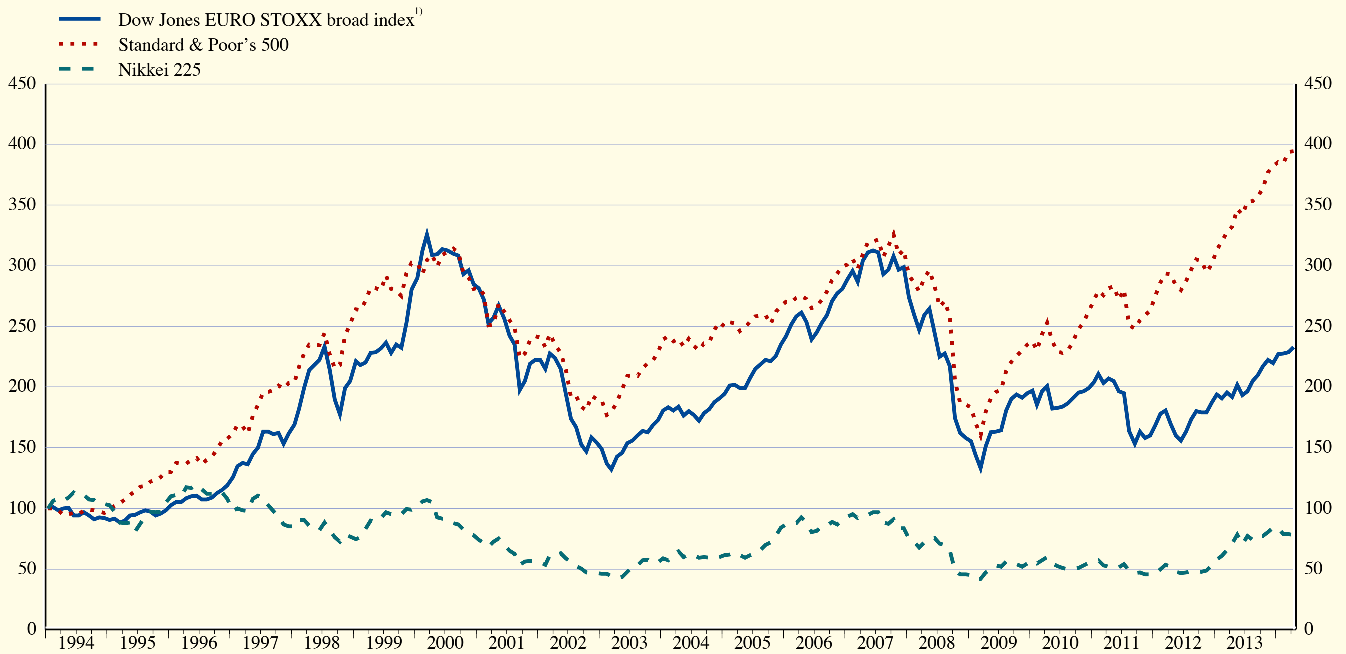
4.8 Stock market indices

(index levels in points; period averages)

	Dow Jones EURO STOXX indices[1]												United States	Japan
	Benchmark		Main industry indices											
	Broad index	50	Basic materials	Consumer services	Consumer goods	Oil and gas	Financials	Industrials	Technology	Utilities	Telecoms	Health care	Standard & Poor's 500	Nikkei 225
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2011	256.0	2,611.0	493.4	158.1	351.2	311.6	152.6	349.4	222.5	301.7	358.4	432.7	1,267.6	9,425.4
2012	239.7	2,411.9	503.7	151.9	385.7	307.2	122.1	330.2	219.2	235.9	268.5	523.3	1,379.4	9,102.6
2013	281.9	2,794.0	586.3	195.0	468.2	312.8	151.5	402.7	274.1	230.6	253.4	629.4	1,643.8	13,577.9
2013 Q1	268.2	2,676.6	568.7	181.2	443.1	309.8	144.1	378.1	257.2	222.9	241.3	600.1	1,514.0	11,457.6
Q2	271.8	2,696.1	574.6	188.6	458.8	303.7	141.5	383.0	259.3	226.1	239.3	653.6	1,609.5	13,629.3
Q3	282.1	2,782.3	581.1	197.7	477.6	312.1	150.4	406.2	277.3	224.0	245.3	631.3	1,674.9	14,127.7
Q4	304.9	3,017.6	620.6	211.9	492.2	325.7	169.9	442.8	301.9	249.5	287.4	631.8	1,768.7	14,951.3
2014 Q1	315.9	3,090.8	639.0	218.7	500.1	323.4	182.2	461.0	306.3	262.3	293.9	640.7	1,834.9	14,958.9
2013 Apr.	265.9	2,636.3	560.9	187.0	449.8	299.6	136.0	374.1	250.5	225.2	238.6	650.8	1,570.7	13,224.1
May	280.2	2,785.8	590.1	192.5	472.0	315.0	147.5	392.7	267.1	232.0	248.7	668.7	1,639.8	14,532.4
June	268.3	2,655.8	571.1	185.9	453.0	294.9	140.4	381.3	259.5	220.4	229.2	639.2	1,618.8	13,106.6
July	272.4	2,686.5	569.6	193.1	465.9	298.7	142.0	389.5	268.1	215.1	231.5	642.5	1,668.7	14,317.5
Aug.	284.2	2,803.8	581.8	198.2	482.8	314.9	153.2	407.0	276.1	223.8	245.6	636.8	1,670.1	13,726.7
Sep.	290.6	2,864.6	592.8	202.3	485.0	323.9	156.8	423.6	288.6	234.1	260.0	613.1	1,687.2	14,372.1
Oct.	301.4	2,988.9	602.2	210.0	487.3	329.2	168.4	436.3	293.4	249.6	290.6	616.5	1,720.0	14,329.0
Nov.	308.7	3,056.0	630.5	214.1	498.7	330.9	171.1	448.8	306.1	253.7	289.1	646.6	1,783.5	14,931.7
Dec.	304.7	3,010.2	631.3	211.7	490.9	316.3	170.3	443.9	307.2	245.0	282.0	633.9	1,807.8	15,655.2
2014 Jan.	314.7	3,092.4	640.7	217.4	497.9	318.8	181.3	462.3	308.2	251.3	297.4	647.6	1,822.4	15,578.3
Feb.	315.9	3,085.9	643.7	219.2	502.0	318.9	183.0	460.0	304.3	261.1	291.9	638.3	1,817.0	14,617.6
Mar.	317.0	3,094.0	632.7	219.5	500.7	332.4	182.5	460.6	306.2	275.0	292.2	635.8	1,863.5	14,694.8
Apr.	323.2	3,171.5	637.8	219.9	518.8	348.9	185.8	470.5	304.1	278.7	298.6	642.4	1,864.3	14,475.3

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

(January 1994 = 100; monthly averages)



Source: ECB.

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

PRICES, OUTPUT, DEMAND AND LABOUR MARKETS

5.1 HICP, other prices and costs
(annual percentage changes, unless otherwise indicated)

1. Harmonised Index of Consumer Prices [1)]

	Total					Total (s.a.; percentage change vis-à-vis previous period)						Memo item: Administered prices [2)]	
	Index: 2005 = 100	Total		Goods	Services	Total	Processed food	Unprocessed food	Non-energy industrial goods	Energy (n.s.a.)	Services	Total HICP excluding administered prices	Administered prices
			Total excl. unprocessed food and energy										
% of total in 2014	100.0	100.0	81.7	57.2	42.8	100.0	12.3	7.5	26.7	10.8	42.8	87.3	12.7
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010	109.8	1.6	1.0	1.8	1.4	-	-	-	-	-	-	1.6	1.7
2011	112.8	2.7	1.7	3.3	1.8	-	-	-	-	-	-	2.6	3.5
2012	115.6	2.5	1.8	3.0	1.8	-	-	-	-	-	-	2.3	3.8
2013	117.2	1.4	1.3	1.3	1.4	-	-	-	-	-	-	1.2	2.1
2013 Q1	116.4	1.9	1.5	2.0	1.7	0.4	0.6	0.6	0.1	1.0	0.4	1.7	3.2
Q2	117.5	1.4	1.3	1.5	1.3	0.1	0.5	1.5	0.1	-1.8	0.2	1.3	2.3
Q3	117.3	1.3	1.3	1.3	1.4	0.4	0.7	0.4	0.0	1.0	0.5	1.3	1.8
Q4	117.6	0.8	1.0	0.5	1.2	-0.1	0.3	-1.2	0.1	-1.1	0.1	0.7	1.4
2014 Q1	117.2	0.7	1.0	0.3	1.2	0.2	0.4	0.1	0.1	0.0	0.4	0.5	2.0
2013 Nov.	117.5	0.9	1.1	0.4	1.4	0.0	0.1	-0.2	0.0	-0.8	0.2	0.8	1.3
Dec.	117.9	0.8	0.9	0.7	1.0	0.1	0.1	0.9	0.0	0.6	-0.1	0.8	1.4
2014 Jan.	116.6	0.8	1.0	0.5	1.2	0.1	0.2	0.0	0.0	0.0	0.2	0.6	2.0
Feb.	116.9	0.7	1.1	0.3	1.3	0.1	0.0	-0.3	0.1	0.1	0.2	0.5	2.0
Mar.	118.0	0.5	0.9	0.0	1.1	-0.1	0.1	-0.5	-0.1	-0.3	0.1	0.2	2.0
Apr. [3)]	118.2	0.7	.	.	1.6	.	.	.	.	-0.1	.	.	.

	Goods						Services					
	Food (incl. alcoholic beverages and tobacco)			Industrial goods			Housing		Transport	Communication	Recreation and personal	Miscellaneous
	Total	Processed food	Unprocessed food	Total	Non-energy industrial goods	Energy		Rents				
% of total in 2014	19.8	12.3	7.5	37.5	26.7	10.8	10.5	6.2	7.3	3.1	14.7	7.2
	14	15	16	17	18	19	20	21	22	23	24	25
2010	1.1	0.9	1.3	2.2	0.5	7.4	1.8	1.5	2.3	-0.8	1.0	1.5
2011	2.7	3.3	1.8	3.7	0.8	11.9	1.8	1.4	2.9	-1.3	2.0	2.1
2012	3.1	3.1	3.0	3.0	1.2	7.6	1.8	1.5	2.9	-3.2	2.2	2.0
2013	2.7	2.2	3.5	0.6	0.6	0.6	1.7	1.5	2.4	-4.2	2.2	0.7
2013 Q1	2.9	2.3	3.9	1.5	0.8	3.2	1.8	1.5	3.1	-4.6	2.8	0.7
Q2	3.1	2.1	4.8	0.6	0.8	0.3	1.6	1.3	2.5	-4.5	2.0	0.9
Q3	3.1	2.5	4.2	0.3	0.4	0.1	1.8	1.7	2.3	-4.0	2.2	0.8
Q4	1.8	2.1	1.3	-0.1	0.3	-0.9	1.7	1.4	1.8	-3.5	2.0	0.4
2014 Q1	1.4	1.8	0.7	-0.3	0.3	-1.9	1.8	1.4	1.6	-2.7	1.3	1.2
2013 Nov.	1.6	2.0	0.9	-0.1	0.2	-1.1	1.7	1.4	1.9	-3.3	2.5	0.5
Dec.	1.8	2.0	1.5	0.2	0.3	0.0	1.7	1.4	1.4	-3.4	1.5	0.5
2014 Jan.	1.7	2.0	1.3	-0.2	0.2	-1.2	1.7	1.4	1.6	-3.2	1.4	1.3
Feb.	1.5	1.8	0.9	-0.4	0.4	-2.3	1.8	1.4	1.8	-2.4	1.5	1.2
Mar.	1.0	1.7	-0.1	-0.5	0.2	-2.1	1.8	1.4	1.3	-2.4	1.1	1.2
Apr. [3)]	0.7	.	.	.	0.1	-1.2	.	.	.	.	.	.

Sources: Eurostat and ECB calculations.

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

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

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

2. Industry, construction and property prices

	Industrial producer prices excluding construction										Construct-ion[1,2]	Residential property prices[1,3]	Experimental indicator of commercial property prices[1,3]
	Total (index: 2010 = 100)	Total		Industry excluding construction and energy						Energy			
			Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods						
							Total	Durable	Non-durable				
% of total in 2010	100.0	100.0	78.1	72.1	29.4	20.1	22.6	2.3	20.3	27.9			
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010	100.0	2.7	3.3	1.7	3.6	0.2	0.4	0.7	0.4	6.1	1.9	0.9	-0.3
2011	105.7	5.7	5.3	3.8	5.8	1.5	3.3	1.9	3.5	10.9	3.3	1.1	2.9
2012	108.6	2.8	2.0	1.4	0.7	1.0	2.5	1.6	2.6	6.6	1.6	-1.7	-0.2
2013	108.5	-0.2	-0.1	0.4	-0.6	0.6	1.7	0.7	1.8	-1.6	0.6	-2.1	.
2013 Q1	109.3	1.2	0.8	1.2	0.8	0.8	2.2	0.8	2.4	0.9	0.9	-2.7	-1.5
Q2	108.3	-0.1	-0.1	0.5	-0.5	0.6	1.9	0.8	2.1	-2.0	0.4	-2.4	-1.8
Q3	108.4	-0.6	-0.3	0.3	-1.1	0.6	1.8	0.6	2.0	-2.7	0.4	-1.5	-1.6
Q4	108.0	-1.1	-0.9	-0.3	-1.7	0.5	0.9	0.6	1.0	-2.8	0.6	-1.6	.
2014 Q1	107.6	-1.5	-1.1	-0.5	-1.8	0.3	0.6	0.8	0.5	-4.0	.	.	.
2013 Oct.	108.0	-1.3	-1.1	-0.3	-1.8	0.5	1.0	0.6	1.1	-3.6	-	-	-
Nov.	107.9	-1.2	-0.9	-0.4	-1.7	0.5	0.9	0.6	0.9	-3.1	-	-	-
Dec.	108.1	-0.7	-0.6	-0.3	-1.7	0.6	0.8	0.6	0.9	-1.8	-	-	-
2014 Jan.	107.8	-1.3	-0.9	-0.4	-1.7	0.4	0.7	0.9	0.6	-3.5	-	-	-
Feb.	107.6	-1.7	-1.3	-0.5	-1.8	0.3	0.5	0.8	0.5	-4.3	-	-	-
Mar.	107.3	-1.6	-1.2	-0.5	-1.9	0.3	0.5	0.8	0.5	-4.3	-	-	-

3. Commodity prices and gross domestic product deflators

	Oil prices[4] (EUR per barrel)	Non-energy commodity prices						GDP deflators[1]							
		Import-weighted[5]			Use-weighted[6]			Total (s.a.; index: 2005 = 100)	Total	Domestic demand				Exports[7]	Imports[7]
		Total	Food	Non-food	Total	Food	Non-food			Total	Private consump-tion	Government consump-tion	Gross fixed capital formation		
% of total		100.0	35.0	65.0	100.0	45.0	55.0								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2010	60.7	44.6	21.4	57.9	42.1	27.1	54.5	108.1	0.8	1.5	1.6	0.8	0.8	3.0	5.0
2011	79.7	12.2	22.4	7.7	12.8	20.7	7.5	109.4	1.2	2.0	2.4	0.8	1.5	3.6	5.8
2012	86.6	0.5	1.1	0.3	2.6	6.4	-0.3	110.9	1.3	1.6	2.0	1.0	1.1	1.6	2.4
2013	81.7	-8.2	-10.5	-7.0	-7.3	-7.3	-7.3	112.5	1.4	1.1	1.3	1.1	0.3	-0.3	-1.2
2013 Q1	85.0	-3.0	-2.4	-3.3	-1.6	0.0	-2.8	112.1	1.6	1.4	1.4	1.6	0.5	0.3	-0.2
Q2	79.0	-5.2	-4.1	-5.8	-4.3	-2.1	-6.2	112.5	1.6	1.2	1.3	0.9	0.2	0.0	-1.1
Q3	82.5	-12.7	-18.7	-9.4	-12.0	-14.4	-10.0	112.6	1.4	1.1	1.4	0.9	0.2	-0.7	-1.6
Q4	80.3	-11.8	-15.8	-9.7	-11.1	-11.8	-10.5	112.7	1.1	0.7	1.0	0.9	0.3	-0.9	-1.9
2014 Q1	78.6	-8.4	-7.0	-9.1	-7.5	-3.9	-10.3	.	.	.	.	.	.	.	.
2013 Nov.	80.0	-11.7	-16.5	-9.2	-11.3	-12.9	-9.9	-	-	-	-	-	-	-	-
Dec.	80.8	-11.4	-13.5	-10.4	-11.2	-10.6	-11.7	-	-	-	-	-	-	-	-
2014 Jan.	78.8	-9.3	-11.4	-8.3	-8.9	-8.2	-9.5	-	-	-	-	-	-	-	-
Feb.	79.4	-7.8	-6.1	-8.6	-7.2	-3.6	-10.0	-	-	-	-	-	-	-	-
Mar.	77.8	-8.2	-3.5	-10.5	-6.3	0.3	-11.6	-	-	-	-	-	-	-	-
Apr.	78.2	-4.2	0.8	-6.6	-2.9	2.6	-7.3	-	-	-	-	-	-	-	-

Sources: Eurostat, ECB calculations based on Eurostat data (columns 8-15 in Table 3 in Section 5.1), ECB calculations based on Thomson Reuters data (column 1 in Table 3 in Section 5.1), ECB calculations based on IPD data and national sources (column 13 in Table 2 in Section 5.1) and ECB calculations (column 12 in Table 2 in Section 5.1 and columns 2-7 in Table 3 in Section 5.1).

1) Data refer to the Euro 18.
2) Input prices for residential buildings.
3) Experimental data based on non-harmonised sources (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).
4) Brent Blend (for one-month forward delivery).
5) Refers to prices expressed in euro. Weighted according to the structure of euro area imports in the period 2004-06.
6) Refers to prices expressed in euro. Weighted according to euro area domestic demand (domestic production plus imports minus exports) in the period 2004-06. Experimental data (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for details).
7) Deflators for exports and imports refer to goods and services and include cross-border trade within the euro area.

5.1 HICP, other prices and costs [1]

(annual percentage changes)

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

(quarterly data seasonally adjusted; annual data unadjusted)

	Total (index: 2005 = 100)	Total	By economic activity									
			Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services
	1	2	3	4	5	6	7	8	9	10	11	12
	Unit labour costs [2]											
2012	112.7	1.9	4.1	2.6	2.6	1.9	3.4	1.2	0.7	2.6	0.6	2.2
2013	114.0	1.2	0.9	1.8	1.0	0.7	2.1	1.4	-1.2	1.0	1.1	1.4
2013 Q1	114.0	1.8	2.8	2.7	0.7	1.9	2.5	0.1	-1.6	2.3	1.2	1.9
Q2	113.9	1.2	1.5	2.1	1.1	1.2	1.7	1.2	-1.3	1.2	0.8	1.5
Q3	114.2	1.2	1.3	2.7	2.2	0.2	2.7	1.4	-0.9	0.5	1.0	1.0
Q4	114.0	0.6	-1.7	-0.6	-0.2	-0.6	1.3	3.0	-1.0	0.2	1.8	1.0
	Compensation per employee											
2012	116.6	1.9	1.1	2.5	3.1	1.9	2.5	1.1	1.7	2.5	1.1	1.6
2013	118.5	1.6	2.2	2.5	1.6	1.0	1.1	1.4	1.2	1.7	1.6	1.0
2013 Q1	118.1	1.7	3.1	2.5	1.1	1.2	1.4	1.7	1.2	2.1	1.8	0.8
Q2	118.5	1.7	2.1	2.6	2.1	1.3	1.2	1.1	2.4	2.2	1.3	1.1
Q3	119.0	1.8	3.0	3.2	2.9	1.1	1.2	1.1	0.8	1.6	1.5	1.1
Q4	119.0	1.5	1.0	2.1	1.4	0.6	0.6	1.9	0.7	1.2	2.2	1.3
	Labour productivity per person employed [3]											
2012	103.5	0.0	-2.9	-0.2	0.5	0.0	-0.9	-0.1	1.0	-0.1	0.5	-0.5
2013	103.9	0.4	1.3	0.7	0.6	0.3	-1.0	0.0	2.4	0.7	0.5	-0.4
2013 Q1	103.7	0.0	0.3	-0.2	0.4	-0.7	-1.1	1.6	2.8	-0.2	0.6	-1.1
Q2	104.0	0.5	0.6	0.5	1.0	0.1	-0.4	-0.1	3.8	1.0	0.5	-0.4
Q3	104.2	0.6	1.6	0.6	0.7	0.8	-1.5	-0.4	1.7	1.1	0.5	0.0
Q4	104.3	0.9	2.7	2.6	1.6	1.2	-0.7	-1.1	1.6	1.0	0.3	0.3
	Compensation per hour worked											
2012	119.3	2.6	2.9	3.6	4.9	2.6	3.1	1.6	1.9	2.6	1.2	2.6
2013	121.6	1.9	2.0	2.2	2.3	1.5	1.3	1.5	1.8	2.1	1.9	1.3
2013 Q1	121.9	3.1	4.5	4.3	4.2	2.3	2.1	2.7	1.6	2.7	2.6	2.6
Q2	121.5	1.6	1.9	1.6	1.8	1.6	0.9	1.2	2.4	2.3	1.3	1.2
Q3	122.0	1.8	2.1	2.2	2.5	1.4	1.8	1.2	2.2	2.1	1.7	1.3
Q4	122.0	1.3	0.0	1.0	1.3	0.7	0.7	1.6	1.0	1.5	2.1	0.8
	Hourly labour productivity [3]											
2012	106.5	0.8	-1.9	0.9	2.0	0.8	-0.2	0.3	1.8	0.2	0.7	0.3
2013	107.2	0.7	0.7	0.5	1.1	0.7	-0.7	0.1	3.0	1.0	0.7	0.0
2013 Q1	107.5	1.2	-0.1	1.6	3.0	0.3	-0.4	2.7	3.7	0.7	1.4	0.8
Q2	107.2	0.3	-0.4	-0.4	0.3	0.4	-0.7	-0.2	3.9	0.9	0.4	-0.3
Q3	107.3	0.7	0.9	-0.3	0.3	1.3	-0.8	-0.2	2.6	1.4	0.7	0.2
Q4	107.6	0.8	2.3	1.6	1.4	1.1	-0.9	-1.4	1.9	1.3	0.3	0.0

5. Labour cost indices [4]

	Total (index: 2008 = 100)	Total	By component		For selected economic activities			Memo item: Indicator of negotiated wages [5]
			Wages and salaries	Employers' social contributions	Mining, manufacturing and energy	Construction	Services	
% of total in 2008	100.0	100.0	75.2	24.8	32.4	9.0	58.6	
	1	2	3	4	5	6	7	8
2012	108.6	1.8	1.9	1.7	2.4	2.3	2.1	2.2
2013	110.2	1.4	1.7	0.6	2.1	0.6	1.1	1.8
2013 Q1	102.7	2.0	2.2	1.7	3.3	1.6	1.6	2.0
Q2	114.1	1.2	1.5	0.3	1.8	0.7	1.0	1.7
Q3	107.2	1.1	1.3	0.5	1.6	-0.1	1.0	1.7
Q4	116.6	1.4	1.9	0.0	1.7	0.3	0.9	1.7

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

1) Data refer to the Euro 18.
2) Compensation (at current prices) per employee divided by labour productivity per person employed.
3) Total GDP and value added by economic activity (volumes) per labour input (persons employed and hours worked).
4) Hourly labour cost indices for the whole economy, excluding agriculture, forestry and fishing. Owing to differences in coverage, the estimates for the components may not be consistent with the total.
5) Experimental data (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).

5.2 Output and demand

(quarterly data seasonally adjusted; annual data unadjusted)

1. GDP and expenditure components [1)]

	GDP								
	Total	Domestic demand					External balance [2)]		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories [3)]	Total	Exports [2)]	Imports [2)]
	1	2	3	4	5	6	7	8	9
	Current prices (EUR billions)								
2010	9,185.7	9,064.9	5,282.7	2,019.8	1,741.3	21.1	120.8	3,793.9	3,673.1
2011	9,444.0	9,315.1	5,427.3	2,032.7	1,796.7	58.4	128.8	4,186.7	4,057.9
2012	9,505.2	9,259.2	5,464.1	2,041.7	1,744.9	8.4	246.0	4,362.7	4,116.7
2013	9,600.5	9,259.3	5,494.3	2,065.1	1,695.9	4.1	341.1	4,405.9	4,064.8
2012 Q4	2,376.6	2,303.5	1,365.4	509.8	430.1	-1.8	73.1	1,096.6	1,023.4
2013 Q1	2,385.2	2,308.9	1,367.7	515.5	421.9	3.9	76.3	1,083.5	1,007.2
Q2	2,400.6	2,310.6	1,371.0	515.6	421.9	2.2	89.9	1,106.5	1,016.5
Q3	2,405.8	2,324.0	1,376.9	518.4	425.1	3.7	81.8	1,104.4	1,022.7
Q4	2,414.4	2,319.9	1,379.9	515.8	430.9	-6.7	94.5	1,117.5	1,023.1
	percentage of GDP								
2013	100.0	96.4	57.2	21.5	17.7	0.0	3.6	-	-
	Chain-linked volumes (prices for the previous year)								
	quarter-on-quarter percentage changes								
2012 Q4	-0.5	-0.7	-0.6	0.0	-1.4	-	-	-0.6	-0.9
2013 Q1	-0.2	-0.3	-0.2	0.2	-1.7	-	-	-0.9	-1.2
Q2	0.3	0.0	0.1	-0.1	0.1	-	-	2.4	1.7
Q3	0.1	0.5	0.1	0.4	0.5	-	-	0.1	0.9
Q4	0.2	-0.2	0.1	-0.3	1.0	-	-	1.3	0.5
	annual percentage changes								
2010	1.9	1.2	1.0	0.6	-0.4	-	-	11.6	10.0
2011	1.6	0.7	0.3	-0.1	1.6	-	-	6.5	4.5
2012	-0.7	-2.2	-1.3	-0.6	-4.0	-	-	2.5	-0.9
2013	-0.4	-1.1	-0.7	0.1	-3.1	-	-	1.3	-0.1
2012 Q4	-1.0	-2.3	-1.5	-0.8	-4.8	-	-	1.9	-0.8
2013 Q1	-1.1	-2.1	-1.4	-0.3	-5.5	-	-	0.1	-2.1
Q2	-0.6	-1.4	-0.8	-0.1	-3.6	-	-	1.6	-0.2
Q3	-0.3	-0.5	-0.6	0.5	-2.5	-	-	0.9	0.4
Q4	0.5	0.0	0.1	0.3	-0.1	-	-	2.8	1.9
	contributions to quarter-on-quarter percentage changes in GDP; percentage points								
2012 Q4	-0.5	-0.7	-0.3	0.0	-0.3	-0.1	0.1	-	-
2013 Q1	-0.2	-0.3	-0.1	0.1	-0.3	0.1	0.1	-	-
Q2	0.3	0.0	0.1	0.0	0.0	-0.1	0.4	-	-
Q3	0.1	0.5	0.1	0.1	0.1	0.3	-0.4	-	-
Q4	0.2	-0.2	0.0	-0.1	0.2	-0.3	0.4	-	-
	contributions to annual percentage changes in GDP; percentage points								
2010	1.9	1.2	0.6	0.1	-0.1	0.6	0.7	-	-
2011	1.6	0.7	0.2	0.0	0.3	0.3	0.9	-	-
2012	-0.7	-2.2	-0.8	-0.1	-0.8	-0.5	1.5	-	-
2013	-0.4	-1.1	-0.4	0.0	-0.6	-0.1	0.6	-	-
2012 Q4	-1.0	-2.2	-0.9	-0.2	-0.9	-0.3	1.2	-	-
2013 Q1	-1.1	-2.1	-0.8	-0.1	-1.0	-0.2	1.0	-	-
Q2	-0.6	-1.4	-0.5	0.0	-0.7	-0.2	0.8	-	-
Q3	-0.3	-0.5	-0.3	0.1	-0.5	0.2	0.2	-	-
Q4	0.5	0.0	0.1	0.1	0.0	-0.1	0.5	-	-

Sources: Eurostat and ECB calculations.

1) Data refer to the Euro 18.
2) Exports and imports cover goods and services and include cross-border intra-euro area trade. They are not fully consistent with: Section 3.1; Table 1 of Section 7.1; Table 3 of Section 7.2; or Tables 1 or 3 of Section 7.5.
3) Including acquisitions less disposals of valuables.

5.2 Output and demand

(quarterly data seasonally adjusted; annual data unadjusted)

2. Value added by economic activity [1)]

	Gross value added (basic prices)											Taxes less subsidies on products
	Total	Agriculture, forestry and fishing	Manufactu-ring, energy and utilities	Construction	Trade, transport, accommoda-tion and food services	Information and commu-nication	Finance and insurance	Real estate	Professional, business and support services	Public admi-nistration, education, health and social work	Arts, enter-tainment and other services	
	1	2	3	4	5	6	7	8	9	10	11	12
	Current prices (EUR billions)											
2010	8,242.3	137.1	1,581.8	499.2	1,552.3	370.8	438.7	919.2	827.5	1,615.0	300.6	943.4
2011	8,468.1	142.0	1,643.3	502.0	1,593.2	374.5	440.1	965.5	859.6	1,639.7	308.1	975.9
2012	8,525.3	144.6	1,643.8	492.1	1,606.2	370.0	433.8	982.2	877.3	1,661.6	313.6	979.9
2013	8,611.8	144.7	1,661.5	478.8	1,623.0	358.2	438.5	1,004.1	895.3	1,687.8	319.9	988.7
2012 Q4	2,132.4	36.6	410.5	121.2	403.0	91.5	107.9	248.1	220.3	414.5	78.9	244.2
2013 Q1	2,140.0	36.2	412.1	120.3	402.2	90.4	109.1	248.7	220.9	421.0	79.1	245.2
Q2	2,150.5	36.5	415.7	119.0	405.0	90.1	110.0	250.1	223.4	421.2	79.7	250.1
Q3	2,158.1	35.8	416.8	119.4	407.7	89.0	109.3	251.9	225.2	422.4	80.5	247.7
Q4	2,168.6	36.3	419.9	120.7	409.0	88.9	110.2	253.4	226.1	423.3	80.9	245.8
	percentage of value added											
2013	100.0	1.7	19.3	5.6	18.8	4.2	5.1	11.7	10.4	19.6	3.7	-
	Chain-linked volumes (prices for the previous year)											
	quarter-on-quarter percentage changes											
2012 Q4	-0.5	-0.3	-1.8	-1.8	-0.8	-0.6	0.9	0.5	-0.3	0.3	0.0	-0.7
2013 Q1	-0.2	0.8	0.0	-1.1	-0.2	-0.2	-1.1	-0.2	0.4	-0.3	-0.3	-0.2
Q2	0.3	0.1	0.6	-0.9	0.7	0.2	-1.1	0.3	0.8	0.1	0.0	0.6
Q3	0.2	0.0	0.2	0.1	0.2	-0.5	0.5	0.3	0.3	0.2	-0.2	-0.2
Q4	0.3	1.1	0.6	0.4	0.2	0.0	0.2	0.2	0.2	0.3	0.0	-0.6
	annual percentage changes											
2010	2.0	-3.0	9.5	-5.8	0.7	1.8	0.2	-0.1	2.3	1.3	0.3	1.4
2011	1.8	0.3	3.0	-1.6	1.7	3.9	1.5	2.1	2.4	1.1	0.3	0.1
2012	-0.5	-4.7	-1.1	-4.2	-0.8	0.3	-0.5	0.6	0.6	0.2	0.1	-1.7
2013	-0.3	-0.3	-0.7	-3.9	-0.6	-0.7	-0.8	0.7	1.0	0.2	-0.6	-1.1
2012 Q4	-0.9	-6.5	-1.4	-5.3	-1.6	-1.0	0.8	0.6	0.0	0.2	-0.5	-1.9
2013 Q1	-1.0	-2.6	-1.7	-5.1	-1.9	-0.8	0.4	0.6	0.0	0.1	-1.0	-2.5
Q2	-0.5	-0.9	-1.0	-4.8	-0.9	-0.4	-1.3	0.7	1.2	0.1	-0.4	-0.9
Q3	-0.2	0.5	-1.0	-3.6	-0.1	-1.0	-0.8	0.8	1.2	0.3	-0.4	-0.6
Q4	0.6	1.9	1.4	-1.5	1.0	-0.4	-1.4	0.5	1.7	0.4	-0.5	-0.5
	contributions to quarter-on-quarter percentage changes in value added; percentage points											
2012 Q4	-0.5	0.0	-0.3	-0.1	-0.1	0.0	0.0	0.1	0.0	0.1	0.0	-
2013 Q1	-0.2	0.0	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0	-0.1	0.0	-
Q2	0.3	0.0	0.1	-0.1	0.1	0.0	-0.1	0.0	0.1	0.0	0.0	-
Q3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Q4	0.3	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-
	contributions to annual percentage changes in value added; percentage points											
2010	2.0	0.0	1.7	-0.4	0.1	0.1	0.0	0.0	0.2	0.3	0.0	-
2011	1.8	0.0	0.6	-0.1	0.3	0.2	0.1	0.2	0.2	0.2	0.0	-
2012	-0.5	-0.1	-0.2	-0.2	-0.2	0.0	0.0	0.1	0.1	0.0	0.0	-
2013	-0.3	0.0	-0.1	-0.2	-0.1	0.0	0.0	0.1	0.1	0.0	0.0	-
2012 Q4	-0.9	-0.1	-0.3	-0.3	-0.3	0.0	0.0	0.1	0.0	0.0	0.0	-
2013 Q1	-1.0	0.0	-0.3	-0.3	-0.4	0.0	0.0	0.1	0.0	0.0	0.0	-
Q2	-0.5	0.0	-0.2	-0.3	-0.2	0.0	-0.1	0.1	0.1	0.0	0.0	-
Q3	-0.2	0.0	-0.2	-0.2	0.0	0.0	0.0	0.1	0.1	0.1	0.0	-
Q4	0.6	0.0	0.3	-0.1	0.2	0.0	-0.1	0.1	0.2	0.1	0.0	-

Sources: Eurostat and ECB calculations.
1) Data refer to the Euro 18.

(annual percentage changes, unless otherwise indicated)

3. Industrial production

	Total	Industry excluding construction										Construction
		Total (s.a.; index: 2010 = 100)	Total		Industry excluding construction and energy						Energy	
				Manu-facturing	Total	Intermediate goods	Capital goods	Consumer goods				
								Total	Durable	Non-durable		
% of total in 2010	100.0	79.4	79.4	68.3	67.7	26.7	23.2	17.8	2.3	15.5	11.7	20.6
	1	2	3	4	5	6	7	8	9	10	11	12
2011	2.2	103.5	3.4	4.7	4.8	4.2	8.5	1.0	0.7	1.0	-4.5	-2.4
2012	-3.1	100.9	-2.5	-2.7	-2.8	-4.5	-1.1	-2.4	-4.9	-2.1	-0.4	-5.4
2013	-1.1	100.2	-0.7	-0.7	-0.7	-1.0	-0.6	-0.6	-3.6	-0.1	-1.1	-2.8
2013 Q1	-2.9	99.5	-2.3	-2.7	-2.9	-3.6	-3.4	-0.9	-4.3	-0.5	0.0	-5.9
Q2	-1.5	100.2	-1.0	-1.0	-1.0	-2.0	-0.2	-0.8	-4.0	-0.3	-1.2	-3.6
Q3	-1.1	100.2	-1.1	-1.1	-0.9	-0.7	-1.3	-0.9	-3.6	-0.5	-2.0	-1.1
Q4	0.9	100.7	1.5	1.8	2.0	2.6	2.4	0.2	-2.6	0.7	-1.4	-1.1
2013 Oct.	0.0	99.8	0.4	0.8	1.0	1.5	1.3	-0.4	-4.7	0.3	-3.1	-2.1
Nov.	2.0	101.3	2.7	2.9	3.1	3.2	4.2	1.3	-1.3	1.9	0.4	-1.4
Dec.	1.2	101.0	1.2	1.7	1.9	3.4	1.8	-0.3	-1.6	0.0	-1.5	0.1
2014 Jan.	2.8	101.0	1.6	2.9	3.0	3.5	4.7	0.2	1.7	-0.1	-4.9	8.0
Feb.	2.5	101.2	1.7	3.6	3.7	4.2	4.0	2.4	-0.6	2.8	-8.5	6.7
	month-on-month percentage changes (s.a.)											
2013 Oct.	-0.5	-	-0.6	-0.3	-0.2	0.4	-1.0	-0.3	-1.7	0.3	-3.2	-0.9
Nov.	1.3	-	1.6	1.4	1.4	0.7	2.8	0.5	1.2	0.3	2.7	0.0
Dec.	0.1	-	-0.3	0.1	0.0	0.5	-0.7	0.1	0.9	0.1	-2.9	1.6
2014 Jan.	0.3	-	0.0	0.4	0.4	0.4	0.7	0.4	1.6	0.2	-1.8	1.6
Feb.	0.3	-	0.2	0.5	0.4	0.6	0.0	0.4	-1.2	0.5	-1.7	0.1

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

	Indicator on industrial new orders [1]		Industrial turnover		Retail sales (including automotive fuel)								New passenger car registrations	
	Manufacturing		Manufacturing (current prices)		Current prices	Constant prices								
	Total (s.a.; index: 2010 = 100)	Total	Total (s.a.; index: 2010 = 100)	Total	Total	Total (s.a.; index: 2010 = 100)	Total	Food, beverages, tobacco	Non-food			Fuel	Total (s.a.; thousands) [2]	Total
										Textiles, clothing, footwear [3]	Household equipment [3]			
% of total in 2010	100.0	100.0	100.0	100.0	100.0	100.0	100.0	39.3	51.5	9.2	12.0	9.1		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2011	108.6	8.6	109.2	9.2	1.7	99.3	-0.7	-1.1	-0.3	-1.4	-0.3	-3.3	840	-0.9
2012	104.4	-3.8	108.8	-0.4	0.5	97.6	-1.7	-1.3	-1.6	-2.5	-2.8	-5.0	745	-11.1
2013	104.3	-0.1	107.3	-1.4	-0.4	96.8	-0.8	-1.0	-0.6	-1.4	-2.6	-1.0	713	-4.4
2013 Q2	103.4	-1.5	106.8	-1.9	-0.3	96.7	-1.0	-1.7	-0.4	0.0	-2.8	-0.6	709	-7.2
Q3	105.2	1.1	107.5	-1.5	0.0	97.2	-0.5	-0.6	-0.3	-0.4	-2.5	0.0	708	-2.2
Q4	106.1	2.7	107.8	0.3	0.1	96.7	0.2	-0.2	0.7	0.4	-1.0	0.2	745	5.3
2014 Q1	.	.	.	.	0.5	97.4	0.9	-0.1	1.7	.	.	0.7	725	5.0
2013 Nov.	105.9	3.0	108.3	1.5	1.3	97.5	1.4	1.1	2.4	4.6	0.0	0.2	734	4.9
Dec.	107.4	4.2	108.3	0.5	-0.3	96.3	-0.3	-1.3	0.5	-0.8	-1.5	0.0	775	6.9
2014 Jan.	107.2	5.2	109.1	2.1	0.6	97.2	0.8	-0.4	1.4	2.4	0.0	1.3	709	5.5
Feb.	107.1	4.5	108.9	2.7	0.6	97.3	1.0	-0.1	1.9	2.5	1.1	0.1	736	6.0
Mar.	.	.	.	.	0.5	97.6	0.9	0.3	1.9	.	.	0.8	730	4.0
	month-on-month percentage changes (s.a.)													
2013 Nov.	-	1.0	-	1.3	1.1	-	1.1	0.7	1.3	3.5	0.7	0.8	-	1.3
Dec.	-	1.5	-	0.0	-1.3	-	-1.2	-1.5	-0.9	-2.6	-1.4	-0.2	-	5.6
2014 Jan.	-	-0.2	-	0.7	0.9	-	1.0	0.7	0.9	1.5	1.7	0.2	-	-8.6
Feb.	-	-0.1	-	-0.2	-0.1	-	0.1	0.3	0.6	0.7	0.1	-1.3	-	3.8
Mar.	-	.	-	.	0.3	-	0.3	1.3	-0.3	.	.	-0.1	-	-0.7

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

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

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

3) Data refer to the Euro 18.

5.2 Output and demand

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

5. Business and Consumer Surveys

	Economic sentiment indicator [2]) (long-term average = 100)	Manufacturing industry						Consumer confidence indicator				
		Industrial confidence indicator				Capacity utilisation [3]) (%)		Total [4])	Financial situation over next 12 months	Economic situation over next 12 months	Unemployment situation over next 12 months	Savings over next 12 months
		Total [4])	Order books	Stocks of finished products	Production expectations							
	1	2	3	4	5	6		7	8	9	10	11
2010	101.4	-4.5	-24.2	1.0	11.6	77.0		-14.1	-5.2	-12.3	31.1	-8.0
2011	102.2	0.2	-6.4	2.3	9.4	80.6		-14.3	-7.3	-18.0	23.0	-9.0
2012	90.8	-11.7	-24.4	6.8	-3.9	78.6		-22.1	-11.1	-27.4	38.1	-11.7
2013	93.8	-9.3	-26.0	4.7	2.8	78.3		-18.6	-8.9	-20.1	34.4	-11.2
2013 Q1	90.5	-12.2	-29.6	5.4	-1.6	77.5		-23.5	-11.3	-27.2	42.3	-13.1
Q2	90.2	-12.7	-30.9	6.2	-0.9	77.9		-20.8	-10.1	-24.8	35.7	-12.6
Q3	95.3	-8.3	-24.9	4.6	4.4	78.4		-15.9	-7.9	-16.7	29.6	-9.2
Q4	99.1	-4.1	-18.6	2.8	9.1	79.3		-14.4	-6.3	-11.6	29.8	-9.8
2014 Q1	101.6	-3.5	-16.5	2.8	8.8	79.8		-11.2	-4.6	-7.0	23.8	-9.6
2013 Nov.	98.8	-3.9	-17.9	3.5	9.7	-		-15.3	-6.0	-13.4	31.3	-10.4
Dec.	100.4	-3.4	-16.7	1.7	8.3	-		-13.5	-5.7	-9.8	29.0	-9.5
2014 Jan.	101.0	-3.8	-16.7	3.0	8.2	80.1		-11.7	-4.9	-7.6	24.6	-9.5
Feb.	101.2	-3.5	-16.3	2.4	8.3	-		-12.7	-4.8	-8.7	26.3	-11.0
Mar.	102.5	-3.3	-16.6	3.0	9.8	-		-9.3	-4.0	-4.6	20.4	-8.2
Apr.	102.0	-3.6	-15.3	3.3	7.9	79.5		-8.6	-4.1	-3.5	18.4	-8.6

	Construction confidence indicator			Retail trade confidence indicator				Services confidence indicator			
	Total [4])	Order books	Employment expectations	Total [4])	Present business situation	Volume of stocks	Expected business situation	Total [4])	Business climate	Demand in recent months	Demand in the months ahead
	12	13	14	15	16	17	18	19	20	21	22
2010	-28.5	-39.3	-17.6	-4.0	-6.5	7.2	1.6	3.9	1.4	3.0	7.3
2011	-25.2	-33.1	-17.2	-5.3	-5.4	11.2	0.6	5.3	2.2	5.4	8.3
2012	-27.6	-34.3	-21.0	-15.1	-18.5	14.4	-12.4	-6.8	-11.8	-7.6	-1.0
2013	-30.0	-38.2	-21.7	-12.5	-18.9	9.3	-9.2	-6.1	-9.9	-8.6	0.2
2013 Q1	-28.7	-36.8	-20.7	-16.1	-24.0	10.8	-13.5	-7.7	-12.6	-8.9	-1.8
Q2	-31.5	-38.5	-24.3	-16.5	-24.5	11.2	-13.9	-9.9	-14.5	-13.3	-1.9
Q3	-31.0	-39.7	-22.3	-10.4	-16.4	8.7	-6.1	-5.3	-8.2	-8.6	0.8
Q4	-28.6	-37.7	-19.5	-6.8	-10.5	6.6	-3.5	-1.3	-4.2	-3.4	3.6
2014 Q1	-29.0	-39.6	-18.5	-3.0	-5.6	5.6	2.3	3.4	1.0	1.9	7.2
2013 Nov.	-30.4	-39.5	-21.3	-7.7	-11.2	7.8	-4.2	-0.8	-4.0	-2.8	4.4
Dec.	-26.4	-34.8	-18.0	-5.0	-9.1	6.4	0.3	0.4	-2.1	-0.4	3.6
2014 Jan.	-29.8	-41.3	-18.4	-3.4	-8.1	5.9	3.7	2.4	-0.6	-0.2	8.0
Feb.	-28.5	-37.5	-19.5	-3.0	-4.3	6.0	1.3	3.3	0.5	2.4	7.0
Mar.	-28.7	-39.9	-17.6	-2.5	-4.3	4.9	1.8	4.5	3.2	3.5	6.7
Apr.	-30.3	-40.0	-20.7	-2.6	-5.8	6.2	4.3	3.5	2.1	1.9	6.5

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

1) Difference between the percentages of respondents giving positive and negative replies.

2) The economic sentiment indicator is composed of the industrial, services, consumer, construction and retail trade confidence indicators; the industrial confidence indicator has a weight of 40%, the services confidence indicator a weight of 30%, the consumer confidence indicator a weight of 20% and the two other indicators a weight of 5% each. Values for the economic sentiment indicator of above (below) 100 indicate above-average (below-average) economic sentiment, calculated for the period since 1990.

3) Data are collected in January, April, July and October each year. The quarterly figures shown are averages of two successive surveys. Annual data are derived from quarterly averages.

4) The confidence indicators are calculated as simple averages of the components shown; the assessments of stocks (columns 4 and 17) and unemployment (column 10) are used with inverted signs for the calculation of confidence indicators.

5.3 Labour markets [1), 2)]

(quarterly data seasonally adjusted; annual data unadjusted)

1. Employment

	Total	By employment status: Employees	By employment status: Self-employed	By economic activity: Agriculture, forestry and fishing	Manufacturing, energy and utilities	Construction	Trade, transport, accommodation and food services	Information and communication	Finance and insurance	Real estate	Professional, business and support services	Public administration, education, health and social work	Arts, entertainment and other services
	1	2	3	4	5	6	7	8	9	10	11	12	13
Persons employed													
levels (thousands)													
2013	145,835	124,672	21,163	4,965	22,786	9,116	35,874	4,079	4,044	1,280	18,389	34,475	10,827
percentage of total persons employed													
2013	100.0	85.5	14.5	3.4	15.6	6.3	24.6	2.8	2.8	0.9	12.6	23.6	7.4
annual percentage changes													
2011	0.3	0.4	-0.2	-2.0	0.1	-3.7	0.7	1.3	-0.4	0.6	2.5	0.3	0.1
2012	-0.6	-0.7	-0.1	-1.9	-0.9	-4.7	-0.8	1.2	-0.4	-0.4	0.7	-0.3	0.6
2013	-0.8	-0.8	-0.8	-1.6	-1.4	-4.5	-0.8	0.3	-0.8	-1.7	0.3	-0.3	-0.2
2013 Q1	-1.1	-1.1	-1.3	-2.9	-1.5	-5.5	-1.3	0.3	-1.1	-2.1	0.3	-0.5	0.1
Q2	-1.0	-1.1	-0.8	-1.5	-1.4	-5.7	-1.0	0.0	-1.2	-3.0	0.2	-0.4	0.1
Q3	-0.9	-0.9	-0.7	-1.1	-1.6	-4.3	-0.9	0.4	-0.4	-0.9	0.1	-0.2	-0.4
Q4	-0.5	-0.4	-0.7	-0.8	-1.2	-3.0	-0.3	0.3	-0.3	-1.1	0.7	0.0	-0.8
quarter-on-quarter percentage changes													
2013 Q1	-0.5	-0.5	-0.6	-1.3	-0.4	-1.4	-0.5	-0.4	-0.1	-1.0	-0.6	-0.3	-0.4
Q2	0.0	-0.1	0.1	1.6	-0.4	-1.0	0.1	0.1	-0.2	0.1	0.3	-0.1	0.1
Q3	0.0	0.0	-0.1	-0.5	-0.4	-0.4	-0.1	0.0	0.0	0.7	0.7	0.1	-0.1
Q4	0.1	0.1	0.0	-0.5	-0.1	-0.4	0.2	0.5	0.0	-0.9	0.2	0.3	-0.4
Hours worked													
levels (millions)													
2013	228,788	184,181	44,606	9,972	35,887	15,806	59,436	6,528	6,370	1,962	28,574	49,089	15,164
percentage of total hours worked													
2013	100.0	80.5	19.5	4.4	15.7	6.9	26.0	2.9	2.8	0.9	12.5	21.5	6.6
annual percentage changes													
2011	0.3	0.5	-0.7	-3.0	0.8	-3.8	0.4	1.4	-0.2	1.3	2.7	0.5	0.1
2012	-1.4	-1.4	-1.3	-2.9	-2.0	-6.1	-1.6	0.6	-0.9	-1.2	0.5	-0.5	-0.1
2013	-1.1	-1.1	-1.1	-1.0	-1.2	-4.9	-1.3	0.0	-0.9	-2.3	0.0	-0.5	-0.6
2013 Q1	-2.3	-2.4	-2.2	-2.5	-3.3	-7.8	-2.2	-0.4	-2.2	-3.0	-0.6	-1.3	-1.7
Q2	-0.9	-1.0	-0.6	-0.5	-0.6	-5.2	-1.3	0.3	-1.1	-3.0	0.3	-0.3	-0.1
Q3	-1.0	-0.9	-1.2	-0.4	-0.7	-3.9	-1.4	-0.3	-0.6	-1.8	-0.3	-0.4	-0.6
Q4	-0.3	-0.2	-0.4	-0.4	-0.2	-2.8	-0.2	0.4	0.0	-1.3	0.4	0.1	-0.5
quarter-on-quarter percentage changes													
2013 Q1	-0.9	-0.9	-0.9	-0.2	-1.0	-2.1	-0.8	-0.2	-0.2	-0.6	-0.9	-1.0	-0.6
Q2	0.6	0.6	0.8	0.8	1.2	0.5	0.6	0.5	0.3	0.4	0.7	0.4	0.5
Q3	0.0	0.0	0.1	-0.4	-0.1	-0.6	0.1	-0.4	0.0	-0.4	0.6	0.1	0.0
Q4	0.0	0.1	-0.4	-0.6	-0.3	-0.7	0.0	0.6	-0.1	-0.7	0.0	0.6	-0.4
Hours worked per person employed													
levels (thousands)													
2013	1,569	1,477	2,108	2,008	1,575	1,734	1,657	1,600	1,575	1,533	1,554	1,424	1,401
annual percentage changes													
2011	0.0	0.2	-0.5	-1.0	0.6	-0.1	-0.3	0.2	0.2	0.8	0.2	0.2	0.0
2012	-0.8	-0.7	-1.2	-1.0	-1.1	-1.5	-0.8	-0.7	-0.4	-0.8	-0.3	-0.2	-0.8
2013	-0.3	-0.3	-0.3	0.6	0.2	-0.5	-0.4	-0.3	-0.1	-0.6	-0.3	-0.2	-0.4
2013 Q1	-1.2	-1.3	-0.9	0.4	-1.8	-2.5	-0.9	-0.7	-1.1	-0.9	-0.9	-0.8	-1.8
Q2	0.1	0.1	0.2	1.0	0.8	0.6	-0.3	0.3	0.1	0.0	0.1	0.1	-0.2
Q3	-0.1	0.0	-0.5	0.7	0.9	0.4	-0.5	-0.7	-0.2	-0.9	-0.4	-0.2	-0.1
Q4	0.2	0.2	0.3	0.4	1.0	0.2	0.1	0.2	0.3	-0.3	-0.3	0.1	0.3
quarter-on-quarter percentage changes													
2013 Q1	-0.4	-0.5	-0.2	1.1	-0.7	-0.7	-0.3	0.2	-0.2	0.4	-0.3	-0.7	-0.2
Q2	0.7	0.7	0.7	-0.8	1.6	1.5	0.5	0.4	0.6	0.3	0.4	0.5	0.4
Q3	0.0	0.0	0.2	0.2	0.2	-0.2	0.2	-0.4	0.0	-1.2	-0.1	-0.1	0.1
Q4	-0.1	0.0	-0.4	-0.1	-0.2	-0.4	-0.3	0.0	0.0	0.2	-0.2	0.3	0.0

Source: ECB calculations based on Eurostat data.

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

2) Data refer to the Euro 18.

5.3 Labour markets

(seasonally adjusted, unless otherwise indicated)

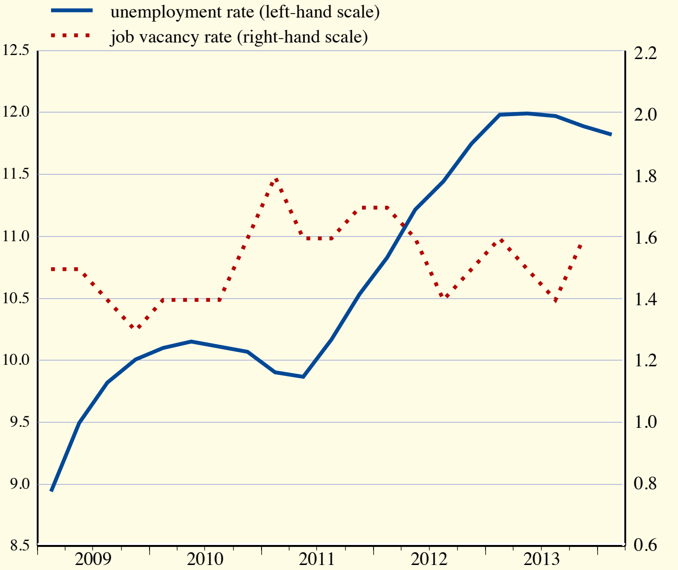
2. Unemployment and job vacancies [1]

	Unemployment										Job vacancy rate [2), 3)]
	Total		By age [4)]				By gender [5)]				
			Adult		Youth		Male		Female		
	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	Millions	% of labour force	% of total posts
% of total in 2010	100.0		79.3		20.7		54.2		45.8		
	1	2	3	4	5	6	7	8	9	10	11
2010	16.012	10.1	12.705	8.9	3.307	21.0	8.683	10.0	7.329	10.2	1.5
2011	16.083	10.1	12.853	9.0	3.231	20.9	8.614	9.9	7.469	10.4	1.7
2012	18.116	11.3	14.606	10.1	3.510	23.1	9.764	11.2	8.352	11.4	1.6
2013	19.173	12.0	15.619	10.7	3.555	23.9	10.329	11.9	8.845	12.1	1.5
2013 Q1	19.207	12.0	15.588	10.7	3.620	24.1	10.374	11.9	8.833	12.1	1.6
Q2	19.227	12.0	15.667	10.8	3.561	23.9	10.363	11.9	8.865	12.1	1.5
Q3	19.207	12.0	15.664	10.8	3.543	24.0	10.379	11.9	8.827	12.0	1.4
Q4	19.051	11.9	15.556	10.7	3.495	23.8	10.198	11.7	8.853	12.1	1.6
2014 Q1	18.939	11.8	15.493	10.6	3.447	23.7	10.135	11.7	8.804	12.0	.
2013 Oct.	19.097	11.9	15.587	10.7	3.511	23.8	10.234	11.8	8.864	12.1	-
Nov.	19.089	11.9	15.590	10.7	3.499	23.8	10.219	11.8	8.870	12.1	-
Dec.	18.966	11.8	15.492	10.6	3.475	23.7	10.142	11.7	8.825	12.0	-
2014 Jan.	18.970	11.8	15.492	10.6	3.479	23.8	10.138	11.7	8.832	12.0	-
Feb.	18.935	11.8	15.500	10.6	3.436	23.7	10.148	11.7	8.787	12.0	-
Mar.	18.913	11.8	15.487	10.6	3.426	23.7	10.120	11.7	8.792	12.0	-

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

(annual percentage changes)

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



Source: Eurostat.
1) Data for unemployment refer to persons and follow ILO recommendations.
2) Data refer to the Euro 18.
3) Industry, construction and services (excluding households as employers and extra-territorial organisations and bodies); non-seasonally adjusted.
4) Adult: 25 years of age and over; youth: below 25 years of age; rates are expressed as a percentage of the labour force for the relevant age group.
5) Rates are expressed as a percentage of the labour force for the relevant gender.

6 GOVERNMENT FINANCE

6.1 Revenue, expenditure and deficit/surplus [1]

(as a percentage of GDP)

1. Euro area – revenue

	Total	Current revenue										Capital revenue		Memo item: Fiscal burden [2]
			Direct taxes	Households	Corporations	Indirect taxes	Received by EU institutions	Social contributions	Employers	Employees	Sales		Capital taxes	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005	44.8	44.3	11.7	8.6	3.0	13.3	0.3	15.4	8.1	4.4	2.3	0.5	0.3	40.7
2006	45.3	45.0	12.3	8.7	3.4	13.4	0.3	15.3	8.0	4.4	2.3	0.3	0.3	41.3
2007	45.3	45.0	12.7	8.9	3.6	13.3	0.3	15.0	8.0	4.3	2.3	0.3	0.3	41.3
2008	45.1	44.8	12.5	9.1	3.2	12.9	0.3	15.3	8.1	4.4	2.3	0.2	0.3	40.9
2009	44.9	44.6	11.6	9.2	2.3	12.8	0.3	15.8	8.3	4.5	2.5	0.3	0.4	40.5
2010	44.8	44.6	11.5	8.9	2.5	13.0	0.3	15.7	8.2	4.5	2.6	0.2	0.3	40.5
2011	45.3	45.0	11.9	9.1	2.7	13.1	0.3	15.7	8.2	4.5	2.6	0.3	0.3	40.9
2012	46.2	46.0	12.4	9.5	2.7	13.3	0.3	15.9	8.3	4.6	2.6	0.2	0.3	41.8
2013	46.7	46.4	12.7	9.7	2.8	13.3	0.3	15.9	8.3	4.7	2.6	0.3	0.3	42.3

2. Euro area – expenditure

	Total	Current expenditure								Capital expenditure				Memo item: Primary expenditure [3]
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers	Social payments	Subsidies	Paid by EU institutions		Investment	Capital transfers	Paid by EU institutions	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005	47.3	43.4	10.5	5.0	3.0	24.9	22.1	1.7	0.5	3.9	2.5	1.4	0.0	44.3
2006	46.7	42.8	10.3	5.0	2.9	24.6	21.8	1.7	0.5	3.9	2.5	1.4	0.0	43.8
2007	46.0	42.2	10.1	5.0	3.0	24.1	21.4	1.6	0.4	3.8	2.6	1.2	0.0	43.0
2008	47.2	43.3	10.3	5.2	3.0	24.8	21.9	1.6	0.4	3.9	2.6	1.3	0.0	44.2
2009	51.2	47.0	11.1	5.7	2.9	27.3	24.3	1.8	0.4	4.3	2.8	1.4	0.0	48.4
2010	51.0	46.6	10.9	5.7	2.8	27.2	24.2	1.8	0.4	4.4	2.6	1.9	0.0	48.2
2011	49.5	45.9	10.6	5.5	3.0	26.8	23.8	1.7	0.4	3.5	2.4	1.2	0.0	46.4
2012	49.9	46.2	10.5	5.5	3.1	27.0	24.2	1.6	0.4	3.7	2.1	1.6	0.1	46.8
2013	49.8	46.5	10.5	5.5	2.9	27.6	24.6	1.6	0.4	3.3	2.1	1.3	0.1	46.8

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

	Deficit (-)/surplus (+)					Primary deficit (-)/ surplus (+)	Government consumption [4]							
	Total	Central gov.	State gov.	Local gov.	Social security funds		Total	Compensation of employees	Intermediate consumption	Transfers in kind via market producers	Consumption of fixed capital	Sales (minus)	Collective consumption	Individual consumption
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005	-2.5	-2.3	-0.3	-0.2	0.2	0.5	20.5	10.5	5.0	5.2	1.9	2.3	8.0	12.5
2006	-1.4	-1.5	-0.1	-0.2	0.4	1.5	20.3	10.3	5.0	5.2	1.9	2.3	7.9	12.4
2007	-0.7	-1.2	0.0	0.0	0.6	2.3	20.1	10.1	5.0	5.2	1.9	2.3	7.7	12.3
2008	-2.1	-2.3	-0.2	-0.2	0.5	0.9	20.6	10.3	5.2	5.4	2.0	2.3	8.0	12.7
2009	-6.4	-5.2	-0.5	-0.3	-0.4	-3.5	22.4	11.1	5.7	5.9	2.1	2.5	8.6	13.7
2010	-6.2	-5.1	-0.7	-0.3	-0.1	-3.4	22.0	10.9	5.7	5.8	2.1	2.6	8.4	13.6
2011	-4.1	-3.3	-0.7	-0.2	0.1	-1.1	21.5	10.6	5.5	5.8	2.1	2.6	8.2	13.3
2012	-3.7	-3.4	-0.3	0.0	0.0	-0.6	21.5	10.5	5.5	5.8	2.1	2.6	8.2	13.3
2013	-3.0	-2.6	-0.2	0.0	-0.1	-0.1	21.6	10.5	5.5	5.9	2.1	2.6	8.2	13.4

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

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LV	LU	MT	NL	AT	PT	SI	SK	FI
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
2010	-3.8	-4.2	0.2	-30.6	-10.9	-9.6	-7.0	-4.5	-5.3	-8.2	-0.8	-3.5	-5.1	-4.5	-9.8	-5.9	-7.5	-2.5
2011	-3.8	-0.8	1.1	-13.1	-9.6	-9.6	-5.2	-3.7	-6.3	-3.5	0.2	-2.7	-4.3	-2.5	-4.3	-6.4	-4.8	-0.7
2012	-4.1	0.1	-0.2	-8.2	-8.9	-10.6	-4.9	-3.0	-6.4	-1.3	0.0	-3.3	-4.1	-2.6	-6.4	-4.0	-4.5	-1.8
2013	-2.6	0.0	-0.2	-7.2	-12.7	-7.1	-4.3	-3.0	-5.4	-1.0	0.1	-2.8	-2.5	-1.5	-4.9	-14.7	-2.8	-2.1

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

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

6.2 Debt [1]

(as a percentage of GDP)

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

	Total	Financial instruments				Holders				
		Currency and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors [2]				Other creditors [3]
						Total	MFIs	Other financial corporations	Other sectors	
	1	2	3	4	5	6	7	8	9	10
2004	69.6	2.2	12.2	4.7	50.5	38.7	19.4	11.2	8.1	30.9
2005	70.5	2.4	12.3	4.4	51.4	37.0	18.8	11.3	7.0	33.5
2006	68.6	2.5	11.9	3.8	50.5	34.9	18.9	9.3	6.7	33.7
2007	66.3	2.2	11.3	3.9	48.8	32.7	17.6	8.6	6.5	33.6
2008	70.1	2.3	11.6	6.5	49.7	33.4	18.4	7.9	7.1	36.7
2009	80.0	2.5	12.8	8.3	56.5	37.4	21.6	9.2	6.6	42.6
2010	85.5	2.5	15.5	7.3	60.2	41.4	24.3	10.6	6.5	44.1
2011	87.4	2.5	15.5	7.4	62.0	43.3	24.5	11.4	7.4	44.0
2012	90.7	2.6	17.4	6.8	63.9	46.2	26.4	12.6	7.2	44.5
2013	92.6	2.6	16.9	6.3	66.8	47.1	26.5	13.5	7.1	45.5

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

	Total	Issued by: [4]				Original maturity			Residual maturity			Currencies	
		Central gov.	State gov.	Local gov.	Social security funds	Up to 1 year	Over 1 year	Variable interest rate	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Euro or participating currencies	Other currencies
	1	2	3	4	5	6	7	8	9	10	11	12	13
2004	69.6	56.6	6.6	5.1	1.3	7.6	62.0	4.7	14.7	26.3	28.6	68.6	1.0
2005	70.5	57.1	6.7	5.2	1.4	7.7	62.8	4.5	14.8	25.8	29.9	69.4	1.1
2006	68.6	55.4	6.5	5.4	1.4	7.2	61.5	4.3	14.3	24.2	30.1	67.9	0.7
2007	66.3	53.4	6.3	5.3	1.4	7.2	59.1	4.2	14.5	23.6	28.2	65.7	0.5
2008	70.1	56.8	6.7	5.3	1.3	10.1	60.1	4.9	17.7	23.4	29.0	69.2	1.0
2009	80.0	64.8	7.7	5.8	1.7	12.1	67.9	5.0	19.5	27.3	33.2	78.8	1.2
2010	85.5	69.3	8.4	5.9	1.9	13.1	72.4	5.2	21.3	29.3	34.9	84.3	1.2
2011	87.4	70.7	8.6	5.9	2.2	12.6	74.8	6.2	20.8	30.4	36.1	85.7	1.7
2012	90.7	73.6	8.9	6.0	2.3	11.8	78.9	7.3	20.1	32.2	38.4	88.7	2.0
2013	92.6	75.9	8.5	6.0	2.2	10.8	81.8	7.4	20.3	32.7	39.6	90.7	1.9

3. Euro area countries

	BE	DE	EE	IE	GR	ES	FR	IT	CY	LV	LU	MT	NL	AT	PT	SI	SK	FI
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
2010	96.6	82.5	6.7	91.2	148.3	61.7	82.7	119.3	61.3	44.5	19.5	66.0	63.4	72.5	94.0	38.7	41.0	48.8
2011	99.2	80.0	6.1	104.1	170.3	70.5	86.2	120.7	71.5	42.0	18.7	68.8	65.7	73.1	108.2	47.1	43.6	49.3
2012	101.1	81.0	9.8	117.4	157.2	86.0	90.6	127.0	86.6	40.8	21.7	70.8	71.3	74.4	124.1	54.4	52.7	53.6
2013	101.5	78.4	10.0	123.7	175.1	93.9	93.5	132.6	111.7	38.1	23.1	73.0	73.5	74.5	129.0	71.7	55.4	57.0

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

1) Gross general government debt at nominal value and consolidated between sub-sectors of government. Holdings by non-resident governments are not consolidated. Intergovernmental lending in the context of the financial crisis is consolidated. Data are partially estimated.

2) Holders resident in the country whose government has issued the debt.

3) Includes residents of euro area countries other than the country whose government has issued the debt.

4) Excludes debt held by general government in the country whose government has issued it.

6.3 Change in debt [1)]

(as a percentage of GDP)

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

	Total	Source of change			Financial instruments				Holders			
		Borrowing requirement [2)]	Valuation effects [3)]	Other changes in volume [4)]	Currency and deposits	Loans	Short-term securities	Long-term securities	Domestic creditors [5)]	MFIs	Other financial corporations	Other creditors [6)]
	1	2	3	4	5	6	7	8	9	10	11	12
2005	3.3	3.1	0.2	0.0	0.3	0.5	-0.1	2.6	-0.4	0.0	0.5	3.7
2006	1.6	1.5	0.1	0.0	0.2	0.3	-0.4	1.6	-0.3	1.1	-1.4	1.9
2007	1.2	1.2	0.0	0.0	-0.1	0.0	0.3	1.0	-0.4	-0.4	-0.3	1.6
2008	5.4	5.2	0.1	0.0	0.1	0.6	2.7	2.0	1.5	1.2	-0.5	3.9
2009	7.3	7.5	-0.2	0.0	0.1	0.7	1.6	4.9	2.7	2.5	1.0	4.6
2010	7.6	7.8	-0.1	0.0	0.1	3.1	-0.7	5.2	5.0	3.3	1.6	2.6
2011	4.2	4.0	0.1	0.0	0.0	0.4	0.2	3.5	3.0	0.9	1.1	1.2
2012	3.9	5.3	-1.4	0.0	0.1	2.0	-0.5	2.2	3.1	2.1	1.2	0.7
2013	2.8	2.8	-0.1	0.1	0.0	-0.3	-0.5	3.6	1.3	0.3	1.1	1.5

2. Euro area − deficit-debt adjustment

	Change in debt	Deficit (-) / surplus (+)	Deficit-debt adjustment [7)]											
			Total	Transactions in main financial assets held by general government							Valuation effects		Other changes in volume	Other [8)]
				Total	Currency and deposits	Loans	Securities [9)]	Shares and other equity				Exchange rate effects		
									Privatisations	Equity injections				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005	3.3	-2.5	0.8	0.6	0.3	0.0	0.1	0.1	-0.3	0.2	0.2	0.0	0.0	0.0
2006	1.6	-1.4	0.2	0.2	0.3	-0.1	0.2	-0.2	-0.4	0.1	0.1	0.0	0.0	-0.1
2007	1.2	-0.7	0.5	0.6	0.2	0.0	0.2	0.1	-0.3	0.2	0.0	0.0	0.0	-0.1
2008	5.4	-2.1	3.2	3.1	0.8	0.7	0.7	0.9	-0.1	0.7	0.1	0.0	0.0	0.0
2009	7.3	-6.4	1.0	1.0	0.3	0.0	0.3	0.5	-0.3	0.5	-0.2	0.0	0.0	0.1
2010	7.6	-6.2	1.4	1.8	0.0	0.5	1.0	0.2	0.0	0.2	-0.1	0.0	0.0	-0.2
2011	4.2	-4.1	0.1	-0.3	0.2	-0.2	-0.2	-0.1	-0.1	0.2	0.1	0.0	0.0	0.2
2012	3.9	-3.7	0.2	1.2	0.3	0.4	-0.1	0.6	-0.2	0.3	-1.4	0.0	0.0	0.4
2013	2.8	-3.0	-0.2	-0.5	-0.5	-0.3	-0.2	0.4	-0.1	0.4	-0.1	0.0	0.1	0.3

Source: ECB.

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

6.4 Quarterly revenue, expenditure and deficit/surplus [1)]
(as a percentage of GDP)

1. Euro area – quarterly revenue

	Total	Current revenue						Capital revenue		Memo item: Fiscal burden [2)]
			Direct taxes	Indirect taxes	Social contributions	Sales	Property income		Capital taxes	
	1	2	3	4	5	6	7	8	9	10
2007 Q4	49.1	48.5	14.7	13.8	15.7	2.5	1.0	0.6	0.3	44.5
2008 Q1	42.5	42.2	10.9	12.4	14.8	2.2	1.1	0.3	0.2	38.3
Q2	45.3	44.9	12.9	12.3	15.0	2.3	1.5	0.4	0.3	40.6
Q3	43.4	43.0	12.1	12.1	15.0	2.3	0.8	0.4	0.3	39.4
Q4	48.7	48.1	13.8	13.3	16.3	2.6	1.1	0.5	0.3	43.8
2009 Q1	42.6	42.5	10.5	12.0	15.6	2.4	1.1	0.1	0.2	38.4
Q2	45.3	44.8	11.8	12.5	15.7	2.5	1.4	0.6	0.5	40.5
Q3	42.8	42.5	10.9	12.1	15.5	2.4	0.7	0.3	0.3	38.7
Q4	48.5	47.7	12.9	13.6	16.4	2.7	1.0	0.8	0.5	43.4
2010 Q1	42.5	42.4	10.2	12.4	15.5	2.4	0.9	0.2	0.3	38.4
Q2	45.2	44.8	11.9	12.7	15.4	2.6	1.3	0.4	0.3	40.3
Q3	43.1	42.7	10.9	12.6	15.3	2.5	0.7	0.3	0.3	39.0
Q4	48.3	47.6	13.1	13.2	16.4	2.8	1.0	0.7	0.3	43.0
2011 Q1	43.2	42.9	10.7	12.6	15.3	2.4	1.0	0.3	0.3	38.9
Q2	45.3	45.0	12.1	12.7	15.4	2.5	1.5	0.3	0.3	40.4
Q3	43.7	43.4	11.4	12.6	15.3	2.5	0.8	0.3	0.3	39.5
Q4	49.0	47.9	13.3	13.2	16.6	2.8	1.0	1.1	0.4	43.6
2012 Q1	43.7	43.5	11.0	12.9	15.4	2.4	1.0	0.3	0.2	39.5
Q2	46.2	45.9	12.6	12.9	15.6	2.6	1.4	0.3	0.3	41.3
Q3	44.6	44.2	11.9	12.7	15.5	2.5	0.7	0.4	0.3	40.4
Q4	50.2	49.5	14.0	13.6	16.9	2.9	1.0	0.7	0.3	44.9
2013 Q1	44.3	44.0	11.3	12.8	15.6	2.4	1.0	0.2	0.3	40.0
Q2	47.4	46.9	13.1	13.0	15.7	2.6	1.5	0.4	0.4	42.2
Q3	45.1	44.6	12.1	12.7	15.5	2.5	0.7	0.5	0.4	40.7
Q4	50.2	49.5	14.2	13.7	16.9	2.8	0.9	0.7	0.3	45.1

2. Euro area – quarterly expenditure and deficit/surplus

	Total	Current expenditure							Capital expenditure			Deficit (-)/ surplus (+)	Primary deficit (-)/ surplus (+)
		Total	Compensation of employees	Intermediate consumption	Interest	Current transfers				Investment	Capital transfers		
							Social benefits	Subsidies					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2007 Q4	49.2	44.7	10.8	5.9	2.9	25.0	21.2	1.5	4.5	2.8	1.7	-0.1	2.8
2008 Q1	45.3	41.8	9.8	4.5	3.0	24.4	20.7	1.2	3.6	2.3	1.2	-2.9	0.1
Q2	45.9	42.3	10.3	5.0	3.3	23.8	20.7	1.1	3.6	2.6	1.0	-0.7	2.6
Q3	45.7	42.0	9.8	5.0	3.0	24.3	21.1	1.2	3.7	2.7	1.0	-2.4	0.6
Q4	51.3	46.7	11.3	6.3	2.9	26.3	22.2	1.4	4.6	3.0	1.6	-2.7	0.2
2009 Q1	49.3	45.4	10.7	5.1	2.8	26.9	22.9	1.3	3.9	2.6	1.2	-6.7	-3.9
Q2	50.7	46.5	11.1	5.5	3.0	26.8	23.3	1.3	4.2	2.8	1.3	-5.3	-2.3
Q3	50.0	46.0	10.6	5.5	2.8	27.1	23.5	1.3	4.1	2.9	1.1	-7.2	-4.4
Q4	54.6	49.8	11.8	6.8	2.8	28.4	24.0	1.5	4.9	3.0	1.8	-6.1	-3.3
2010 Q1	50.4	46.5	10.7	5.1	2.7	27.9	23.6	1.4	3.9	2.4	1.5	-7.9	-5.1
Q2	49.6	46.1	11.0	5.5	3.0	26.7	23.2	1.3	3.5	2.6	1.1	-4.5	-1.5
Q3	50.5	45.2	10.3	5.4	2.7	26.8	23.1	1.3	5.3	2.6	2.6	-7.4	-4.7
Q4	53.5	48.8	11.5	6.7	2.9	27.7	23.6	1.5	4.7	2.7	2.0	-5.2	-2.3
2011 Q1	48.4	45.3	10.3	5.0	2.9	27.1	23.1	1.3	3.1	2.2	1.0	-5.2	-2.4
Q2	48.5	45.3	10.7	5.3	3.2	26.1	22.8	1.2	3.3	2.3	0.9	-3.2	0.0
Q3	48.0	44.5	10.1	5.3	2.9	26.3	22.9	1.2	3.5	2.3	1.1	-4.3	-1.4
Q4	52.7	48.7	11.3	6.6	3.2	27.7	23.6	1.5	4.0	2.5	1.8	-3.8	-0.6
2012 Q1	48.1	45.4	10.2	4.9	3.0	27.3	23.2	1.2	2.7	1.9	0.8	-4.3	-1.4
Q2	49.2	45.9	10.6	5.3	3.3	26.7	23.2	1.1	3.3	2.1	1.2	-2.9	0.4
Q3	48.4	44.9	10.1	5.3	2.9	26.7	23.3	1.2	3.5	2.2	1.3	-3.8	-0.9
Q4	53.9	48.7	11.1	6.5	3.2	27.9	24.0	1.4	5.2	2.4	2.8	-3.7	-0.5
2013 Q1	48.8	46.2	10.3	5.0	2.8	28.1	23.8	1.2	2.7	1.8	1.0	-4.6	-1.8
Q2	49.5	46.1	10.5	5.4	3.1	27.2	23.5	1.1	3.4	2.0	1.4	-2.2	0.9
Q3	48.5	45.3	10.0	5.3	2.8	27.2	23.5	1.2	3.2	2.1	1.0	-3.4	-0.6
Q4	52.2	48.6	11.1	6.3	2.9	28.3	24.2	1.5	3.6	2.3	1.4	-2.1	0.9

Sources: ECB calculations based on Eurostat and national data.
1) The concepts "revenue", "expenditure" and "deficit/surplus" are based on the ESA 95. Transactions between the EU budget and entities outside the government sector are not included. Otherwise, except for different data transmission deadlines, the quarterly data are consistent with the annual data.
2) The fiscal burden comprises taxes and social contributions.

6.5 Quarterly debt and change in debt [1]

(as a percentage of GDP)

1. Euro area – Maastricht debt by financial instrument

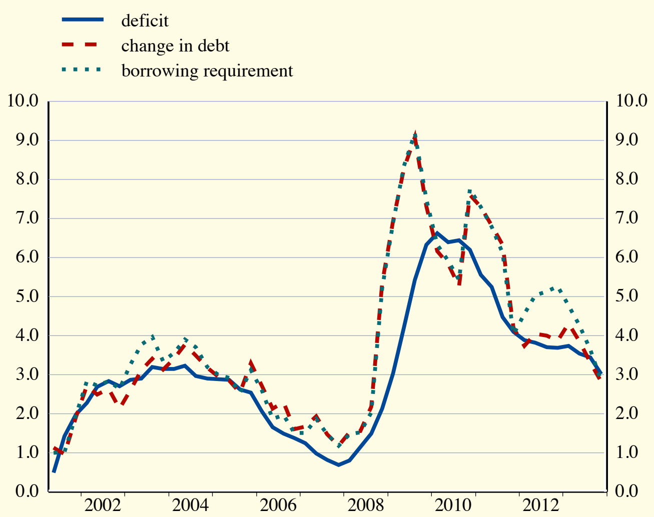
	Total	Financial instruments			
		Currency and deposits	Loans	Short-term securities	Long-term securities
	1	2	3	4	5
2011 Q1	86.4	2.5	15.4	7.4	61.1
Q2	87.2	2.5	15.1	7.5	62.2
Q3	86.9	2.5	15.3	7.8	61.3
Q4	87.4	2.5	15.5	7.4	62.0
2012 Q1	88.3	2.6	15.9	7.6	62.3
Q2	90.0	2.5	16.8	7.3	63.3
Q3	90.1	2.6	16.7	7.2	63.6
Q4	90.7	2.6	17.4	6.8	63.9
2013 Q1	92.4	2.6	17.1	7.0	65.7
Q2	93.5	2.5	17.0	6.9	67.0
Q3	92.7	2.6	16.8	6.9	66.5
Q4	92.6	2.6	16.9	6.3	66.8

2. Euro area – deficit-debt adjustment

	Change in debt	Deficit (-)/ surplus (+)	Deficit-debt adjustment								Memo item: Borrowing requirement
			Total	Transactions in main financial assets held by general government					Valuation effects and other changes in volume	Other	
				Total	Currency and deposits	Loans	Securities	Shares and other equity			
	1	2	3	4	5	6	7	8	9	10	11
2011 Q1	6.9	-5.2	1.7	0.8	2.1	-0.8	-0.6	0.0	0.2	0.7	6.7
Q2	5.9	-3.2	2.7	2.5	2.8	0.6	-0.3	-0.5	0.2	0.0	5.7
Q3	0.9	-4.3	-3.4	-3.8	-3.7	-0.4	0.1	0.2	0.5	-0.1	0.3
Q4	3.3	-3.8	-0.5	-0.6	-0.2	-0.3	-0.1	0.1	-0.2	0.3	3.5
2012 Q1	5.0	-4.3	0.6	3.4	4.1	-0.2	-0.5	0.0	-3.8	1.0	8.8
Q2	7.1	-2.9	4.2	4.0	1.8	1.0	0.5	0.7	-0.5	0.7	7.6
Q3	0.7	-3.8	-3.1	-2.1	-2.1	0.5	-0.6	0.1	-0.1	-0.9	0.7
Q4	2.7	-3.7	-1.0	-0.4	-2.4	0.3	0.2	1.5	-1.3	0.7	4.0
2013 Q1	6.8	-4.6	2.2	1.6	1.5	-0.6	-0.2	0.9	0.0	0.6	6.8
Q2	5.2	-2.2	3.1	3.7	3.2	0.2	0.0	0.3	-0.3	-0.3	5.5
Q3	-1.4	-3.4	-4.8	-4.3	-3.4	-0.9	0.0	0.0	0.3	-0.7	-1.7
Q4	0.8	-2.1	-1.3	-2.7	-3.1	0.2	-0.3	0.5	-0.1	1.6	0.9

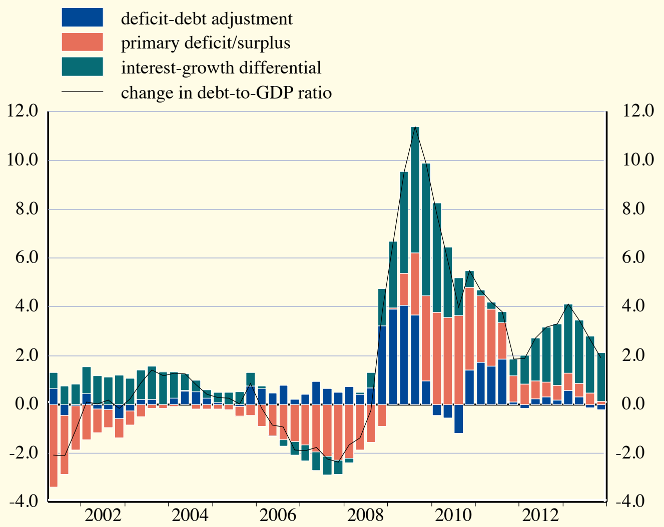
C30 Deficit, borrowing requirement and change in debt

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



C31 Maastricht debt

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



Sources: ECB calculations based on Eurostat and national data.

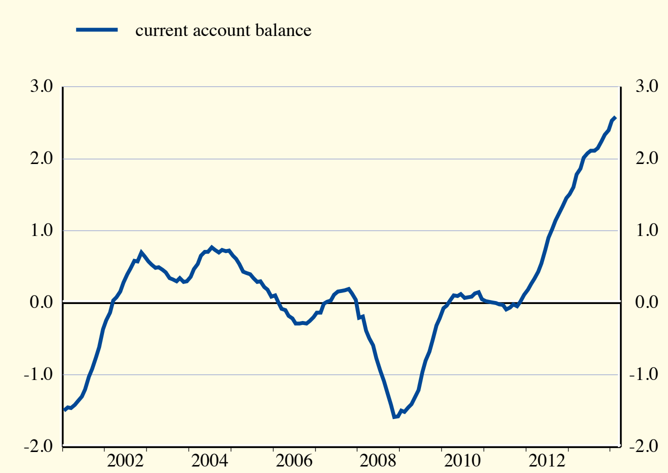
1) Intergovernmental lending in the context of the financial crisis is consolidated.

7 EXTERNAL TRANSACTIONS AND POSITIONS

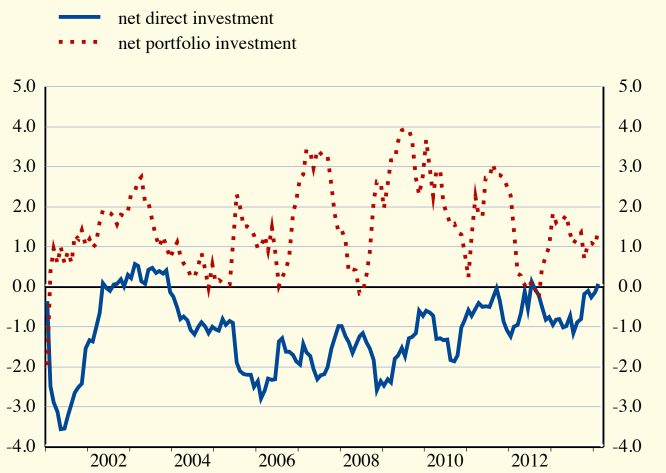
7.1 Summary balance of payments [1]
(EUR billions; net transactions)

	Current account					Capital account	Net lending/ borrowing to/from rest of the world (columns 1+6)	Financial account						Errors and omissions
	Total	Goods	Services	Income	Current transfers			Total	Direct investment	Portfolio investment	Financial derivatives	Other investment	Reserve assets	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2011	12.1	0.9	77.9	39.6	-106.3	10.7	22.7	-50.9	-101.7	238.6	-5.6	-172.0	-10.3	28.2
2012	133.1	89.0	95.0	56.3	-107.3	6.5	139.6	-165.0	-71.6	95.4	5.3	-179.3	-15.0	25.5
2013	227.7	165.2	113.2	70.3	-121.1	20.1	247.8	-246.9	-24.9	105.8	18.2	-341.7	-4.4	-0.9
2012 Q4	62.8	32.2	23.7	21.7	-14.8	8.3	71.1	-105.5	-60.3	79.0	27.4	-148.6	-3.0	34.4
2013 Q1	28.6	29.3	19.0	22.3	-42.0	2.1	30.7	-23.2	-25.2	2.4	8.2	-8.6	-0.1	-7.5
Q2	60.1	49.9	30.3	10.0	-30.0	5.6	65.6	-72.2	22.0	44.0	-1.9	-135.1	-1.2	6.6
Q3	51.4	38.1	33.5	14.0	-34.1	4.6	56.0	-55.9	-12.7	4.9	7.6	-52.9	-2.9	-0.1
Q4	87.6	48.0	30.5	24.0	-14.9	7.9	95.5	-95.6	-9.1	54.6	4.3	-145.1	-0.3	0.2
2013 Feb.	9.7	10.8	6.4	8.4	-15.9	1.3	11.0	-11.1	12.1	-14.6	2.3	-13.4	2.4	0.2
Mar.	24.3	21.8	7.7	7.6	-12.9	0.7	25.1	-16.0	-15.5	-9.1	1.0	5.4	2.3	-9.1
Apr.	15.7	16.0	8.3	1.8	-10.4	1.8	17.4	-22.1	-7.5	-6.4	-5.6	-2.5	0.0	4.7
May	13.3	16.5	9.5	-3.0	-9.7	2.7	16.0	-19.3	43.7	24.7	-8.6	-78.5	-0.6	3.3
June	31.1	17.4	12.5	11.2	-10.0	1.1	32.2	-30.8	-14.3	25.7	12.4	-54.0	-0.6	-1.4
July	25.7	18.7	13.1	5.1	-11.2	2.5	28.3	-28.6	6.9	-31.3	-2.0	-2.6	0.2	0.4
Aug.	10.2	6.7	8.1	6.9	-11.6	1.5	11.7	-6.8	-0.3	18.8	6.7	-30.0	-2.0	-5.0
Sep.	15.5	12.7	12.2	1.9	-11.3	0.5	16.0	-20.4	-19.3	17.4	2.9	-20.3	-1.1	4.5
Oct.	26.3	17.7	10.0	6.6	-8.1	3.0	29.3	-18.8	20.4	-6.4	3.8	-37.5	0.9	-10.4
Nov.	28.4	17.6	9.0	6.5	-4.7	2.3	30.7	-30.3	-19.8	57.0	-1.3	-66.4	0.2	-0.5
Dec.	32.9	12.7	11.4	10.9	-2.1	2.6	35.5	-46.5	-9.7	3.9	1.8	-41.3	-1.3	11.0
2014 Jan.	7.0	0.7	8.8	7.5	-10.0	1.0	8.0	-4.7	-9.1	19.3	-0.1	-12.1	-2.7	-3.3
Feb.	13.9	15.8	8.8	6.5	-17.2	2.7	16.6	-12.2	31.9	24.3	2.7	-71.9	0.8	-4.4
	12-month cumulated transactions													
2014 Feb.	244.3	174.3	119.6	69.6	-119.2	22.4	266.7	-256.5	7.6	138.0	13.6	-411.7	-4.0	-10.2
	12-month cumulated transactions as a percentage of GDP													
2014 Feb.	2.5	1.8	1.2	0.7	-1.2	0.2	2.8	-2.7	0.1	1.4	0.1	-4.3	0.0	-0.1

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



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



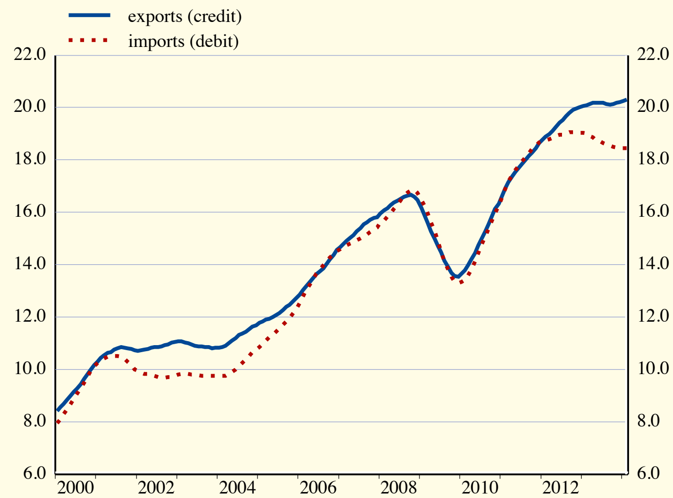
Source: ECB.
1) The sign convention is explained in the General Notes.

7.2 Current and capital accounts
(EUR billions; transactions)

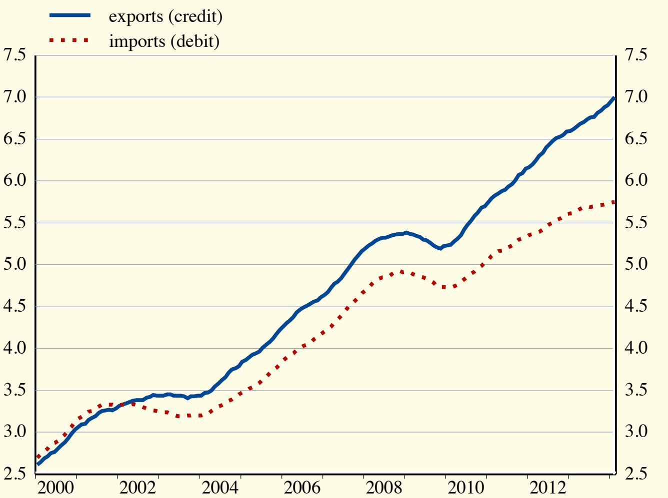
1. Summary current and capital accounts

	Current account													Capital account	
	Total			Goods		Services		Income		Current transfers					
	Credit	Debit	Net	Credit	Debit	Credit	Debit	Credit	Debit	Credit		Debit		Credit	Debit
											Workers' remit-tances		Workers' remit-tances		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2011	3,028.7	3,016.6	12.1	1,792.9	1,792.1	590.8	512.9	549.1	509.5	95.8	6.5	202.1	27.1	25.8	15.1
2012	3,222.8	3,089.7	133.1	1,921.5	1,832.5	633.6	538.5	569.1	512.8	98.6	6.8	205.9	26.0	30.6	24.1
2013	3,247.0	3,019.3	227.7	1,935.8	1,770.6	662.9	549.7	548.6	478.3	99.7	6.7	220.8	24.4	32.4	12.3
2012 Q4	829.8	767.0	62.8	489.4	457.1	164.5	140.8	142.1	120.5	33.8	1.7	48.6	6.7	13.1	4.8
2013 Q1	777.4	748.8	28.6	470.6	441.3	146.5	127.5	132.5	110.2	27.7	1.6	69.7	5.9	6.2	4.1
Q2	824.8	764.8	60.1	489.6	439.8	166.5	136.2	148.9	139.0	19.8	1.8	49.8	6.1	7.9	2.3
Q3	807.2	755.7	51.4	479.6	441.5	176.8	143.3	133.2	119.2	17.6	1.7	51.7	6.3	6.7	2.2
Q4	837.6	750.1	87.6	496.0	448.0	173.2	142.7	133.9	109.8	34.6	1.7	49.5	6.1	11.6	3.7
2013 Dec.	284.0	251.1	32.9	153.6	141.0	61.7	50.2	49.9	39.0	18.8	-	20.9	-	4.8	2.2
2014 Jan.	256.0	249.0	7.0	152.6	151.9	53.0	44.3	39.8	32.3	10.5	-	20.5	-	1.7	0.7
Feb.	257.8	244.0	13.9	157.1	141.4	49.7	40.9	39.4	32.9	11.5	-	28.7	-	3.3	0.6
	Seasonally adjusted														
2013 Q2	817.1	755.3	61.8	486.3	440.8	165.8	138.7	140.8	120.4	24.2	-	55.4	-	-	-
Q3	808.5	758.6	49.9	480.2	442.6	166.7	137.2	136.7	123.3	24.9	-	55.5	-	-	-
Q4	819.1	752.8	66.3	491.7	445.5	169.9	138.7	132.5	115.6	25.0	-	53.0	-	-	-
2013 Dec.	273.2	251.7	21.5	164.0	149.2	57.0	46.8	43.6	37.0	8.7	-	18.8	-	-	-
2014 Jan.	273.2	247.8	25.4	164.3	148.6	57.5	45.9	42.9	35.7	8.5	-	17.6	-	-	-
Feb.	273.4	251.5	21.9	164.7	148.9	57.4	46.1	43.0	38.2	8.4	-	18.3	-	-	-
	12-month cumulated transactions														
2014 Feb.	3,262.8	3,014.9	247.9	1,949.5	1,771.5	672.2	552.4	541.7	472.8	99.3	-	218.2	-	-	-
	12-month cumulated transactions as a percentage of GDP														
2014 Feb.	34.0	31.4	2.6	20.3	18.4	7.0	5.8	5.6	4.9	1.0	-	2.3	-	-	-

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



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



Source: ECB.

7.2 Current and capital accounts
(EUR billions)

2. Income account
(transactions)

	Compensation of employees		Investment income													
	Credit	Debit	Total		Direct investment						Portfolio investment				Other investment	
			Credit	Debit	Equity				Debt		Equity		Debt		Credit	Debit
					Credit		Debit		Credit	Debit	Credit	Debit	Credit	Debit		
						Reinv. earnings		Reinv. earnings								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2011	27.4	12.8	521.7	496.7	269.2	58.8	171.1	57.3	40.4	35.2	36.2	99.5	98.2	121.9	77.7	69.0
2012	30.1	13.5	539.0	499.3	281.2	44.2	158.5	19.3	50.2	64.0	42.4	104.6	99.7	115.1	65.6	57.1
2013	29.9	13.9	518.6	464.3	268.2	46.0	143.2	36.7	45.8	58.8	44.8	104.4	99.2	107.9	60.6	49.9
2012 Q4	8.5	3.4	133.6	117.0	72.0	5.6	37.7	-11.5	13.6	17.9	7.9	20.7	24.8	27.3	15.3	13.5
2013 Q1	7.3	2.6	125.3	107.6	66.1	25.6	35.8	15.8	11.4	14.4	7.8	17.7	24.6	27.3	15.4	12.5
Q2	7.5	3.6	141.4	135.3	72.5	1.9	35.6	2.8	11.6	14.4	15.0	44.1	25.1	27.3	17.2	14.0
Q3	7.4	4.1	125.8	115.2	63.8	17.0	37.6	16.1	11.1	14.6	12.3	24.6	24.8	27.0	13.9	11.5
Q4	7.8	3.6	126.1	106.3	65.9	1.5	34.3	2.0	11.7	15.5	9.7	18.1	24.7	26.4	14.1	12.0

3. Geographical breakdown
(cumulated transactions)

	Total	EU Member States outside the euro area						Brazil	Canada	China	India	Japan	Russia	Switzer-land	United States	Other
		Total	Den-mark	Sweden	United Kingdom	Other EU countries	EU insti-tutions									
2013 Q1 to 2013 Q4	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Credits															
Current account	3,247.0	1,012.9	55.9	100.4	490.7	301.3	64.6	66.0	47.8	161.6	38.3	69.0	124.6	274.2	443.0	1,009.7
Goods	1,935.8	601.0	36.4	58.9	267.8	237.6	0.2	34.0	24.4	121.3	27.5	43.7	86.7	128.1	224.2	644.8
Services	662.9	204.1	12.8	21.1	127.8	35.5	6.8	10.8	11.0	24.8	8.3	15.1	22.0	64.4	101.6	200.9
Income	548.6	143.7	5.7	18.2	83.7	24.8	11.4	20.8	11.7	14.8	2.2	9.3	15.0	72.2	110.7	148.2
Investment income	518.6	135.8	4.8	18.1	81.9	24.1	6.9	20.8	11.6	14.7	2.2	9.2	15.0	56.5	109.2	143.6
Current transfers	99.7	64.1	1.0	2.2	11.4	3.3	46.2	0.5	0.7	0.8	0.2	1.0	0.9	9.4	6.6	15.7
Capital account	32.4	27.7	0.0	0.0	1.2	0.2	26.3	0.0	0.0	0.0	0.0	0.1	0.1	1.1	0.4	2.9
	Debits															
Current account	3,019.3	947.6	48.1	95.3	407.2	278.7	118.3	40.4	30.4	-	35.1	91.1	156.7	230.1	397.1	-
Goods	1,770.6	501.7	31.0	52.1	198.1	220.6	0.0	26.2	14.6	197.2	26.0	43.3	140.1	106.2	150.9	564.4
Services	549.7	160.3	8.3	16.5	92.8	42.4	0.3	5.3	7.3	16.2	7.3	8.9	10.9	51.2	112.2	170.1
Income	478.3	151.1	7.6	24.8	104.4	9.8	4.6	7.6	6.7	-	0.9	38.1	4.5	63.0	127.2	-
Investment income	464.3	143.7	7.5	24.7	102.8	4.2	4.6	7.5	6.5	-	0.7	38.0	4.3	62.6	126.1	-
Current transfers	220.8	134.5	1.3	1.9	11.9	5.9	113.4	1.3	1.9	2.6	0.9	0.7	1.1	9.8	6.9	61.1
Capital account	12.3	5.2	0.0	0.0	4.4	0.5	0.3	0.2	0.4	0.3	0.1	0.1	0.1	0.7	0.5	4.8
	Net															
Current account	227.7	65.3	7.8	5.2	83.5	22.5	-53.7	25.6	17.3	-	3.1	-22.1	-32.1	44.0	45.9	-
Goods	165.2	99.3	5.4	6.9	69.8	17.1	0.2	7.8	9.8	-75.9	1.6	0.4	-53.4	21.9	73.3	80.4
Services	113.2	43.8	4.6	4.6	35.0	-6.9	6.5	5.4	3.7	8.6	1.0	6.2	11.0	13.3	-10.6	30.9
Income	70.3	-7.4	-1.9	-6.6	-20.7	14.9	6.8	13.2	5.0	-	1.3	-28.9	10.5	9.2	-16.5	-
Investment income	54.3	-7.9	-2.7	-6.6	-21.0	20.0	2.4	13.3	5.1	-	1.5	-28.8	10.6	-6.1	-16.9	-
Current transfers	-121.1	-70.4	-0.3	0.3	-0.5	-2.6	-67.2	-0.8	-1.2	-1.8	-0.7	0.2	-0.2	-0.4	-0.3	-45.4
Capital account	20.1	22.6	0.0	0.0	-3.2	-0.3	26.1	-0.2	-0.4	-0.2	-0.1	0.0	0.0	0.3	-0.1	-1.9

Source: ECB.

7.3 Financial account

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

1. Summary financial account

	Total [1]			Total as a % of GDP			Direct investment		Portfolio investment		Net financial derivatives	Other investment		Reserve assets
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Assets	Liabilities		Assets	Liabilities	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Outstanding amounts (international investment position)													
2010	15,183.6	16,453.3	-1,269.7	165.3	179.1	-13.8	4,928.8	3,895.5	4,901.4	7,429.6	-45.0	4,807.2	5,128.2	591.2
2011	15,986.5	17,440.9	-1,454.4	169.3	184.7	-15.4	5,708.5	4,414.6	4,738.4	7,741.7	-54.8	4,927.3	5,284.5	667.1
2012	16,920.5	18,174.3	-1,253.8	178.0	191.2	-13.2	6,125.7	4,634.2	5,254.8	8,423.6	-46.9	4,897.5	5,116.5	689.4
2013 Q2	17,005.4	18,309.3	-1,303.9	178.5	192.2	-13.7	6,230.1	4,739.6	5,351.8	8,539.6	-50.4	4,909.5	5,030.0	564.3
Q3	16,961.7	18,238.3	-1,276.7	177.3	190.7	-13.3	6,181.1	4,719.8	5,453.6	8,680.2	-41.5	4,781.8	4,838.3	586.8
Q4	16,970.8	18,135.2	-1,164.4	176.8	188.9	-12.1	6,266.8	4,764.7	5,537.9	8,801.1	-38.1	4,662.1	4,569.5	542.1
	Changes to outstanding amounts													
2010	1,447.9	1,226.4	221.6	15.8	13.4	2.4	518.3	359.3	557.8	585.9	-26.7	269.7	281.2	128.8
2011	802.9	987.6	-184.7	8.5	10.5	-2.0	779.7	519.1	-163.0	312.2	-9.7	120.0	156.4	75.9
2012	934.0	733.4	200.6	9.8	7.7	2.1	417.2	219.5	516.3	681.9	7.9	-29.7	-168.0	22.3
2013	50.4	-39.0	89.4	0.5	-0.4	0.9	141.1	130.5	283.2	377.4	8.7	-235.4	-547.0	-147.3
2013 Q3	-43.7	-70.9	27.2	-1.8	-3.0	1.1	-49.1	-19.8	101.7	140.6	8.9	-127.7	-191.7	22.4
Q4	9.2	-103.1	112.3	0.4	-4.2	4.6	85.8	44.9	84.4	120.9	3.4	-119.7	-268.9	-44.7
	Transactions													
2010	639.5	626.1	13.4	7.0	6.8	0.1	352.0	274.6	131.4	211.6	-10.2	155.8	139.9	10.5
2011	660.8	609.9	50.9	7.0	6.5	0.5	500.9	399.1	-53.7	184.9	5.6	197.8	25.8	10.3
2012	579.1	414.1	165.0	6.1	4.4	1.7	410.1	338.6	194.3	289.7	-5.3	-34.9	-214.2	15.0
2013	498.1	251.2	246.9	5.2	2.6	2.6	324.2	299.2	250.2	356.0	-18.2	-62.4	-404.0	4.4
2013 Q2	95.5	23.3	72.2	4.0	1.0	3.0	69.7	91.6	24.4	68.4	1.9	-1.6	-136.7	1.2
Q3	32.4	-23.5	55.9	1.3	-1.0	2.3	50.4	37.7	69.1	74.1	-7.6	-82.4	-135.3	2.9
Q4	177.6	82.0	95.6	7.2	3.3	3.9	151.9	142.8	50.4	104.9	-4.3	-20.6	-165.7	0.3
2013 Oct.	237.2	218.4	18.8	-	-	-	158.5	178.8	10.6	4.2	-3.8	72.8	35.3	-0.9
Nov.	71.8	41.5	30.3	-	-	-	24.5	4.7	19.1	76.2	1.3	27.0	-39.4	-0.2
Dec.	-131.3	-177.9	46.5	-	-	-	-31.0	-40.7	20.6	24.5	-1.8	-120.4	-161.7	1.3
2014 Jan.	173.3	168.6	4.7	-	-	-	25.0	16.0	17.6	36.9	0.1	127.8	115.7	2.7
Feb.	9.5	-2.7	12.2	-	-	-	-46.6	-14.7	14.6	38.9	-2.7	45.0	-27.0	-0.8
	Other changes													
2009	571.4	503.0	68.4	6.4	5.6	0.8	146.5	29.8	417.6	552.1	1.1	-86.8	-78.9	93.0
2010	808.4	600.3	208.1	8.8	6.5	2.3	166.3	84.6	426.4	374.3	-16.5	113.9	141.4	118.3
2011	142.1	377.7	-235.7	1.5	4.0	-2.5	278.8	120.0	-109.3	127.2	-15.3	-77.8	130.5	65.6
2012	354.9	319.3	35.6	3.7	3.4	0.4	7.1	-119.1	322.1	392.2	13.2	5.2	46.2	7.3
	Other changes due to exchange rate changes													
2009	-49.2	-56.2	6.9	-0.6	-0.6	0.1	-5.3	5.3	-29.8	-34.3	.	-11.5	-27.2	-2.7
2010	477.9	325.2	152.7	5.2	3.5	1.7	143.4	35.0	160.0	128.7	.	161.3	161.5	13.3
2011	214.1	176.0	38.1	2.3	1.9	0.4	70.5	18.1	72.9	66.6	.	63.2	91.3	7.5
2012	-87.8	-91.6	3.8	-0.9	-1.0	0.0	-23.0	-6.0	-41.1	-37.1	.	-17.0	-48.5	-6.6
	Other changes due to price changes													
2009	618.1	491.5	126.6	6.9	5.5	1.4	147.5	29.4	423.6	462.1	1.2	.	.	45.8
2010	304.1	150.1	154.0	3.3	1.6	1.7	33.2	-0.8	185.5	150.9	-16.2	.	.	101.7
2011	-127.9	-253.3	125.4	-1.4	-2.7	1.3	-38.1	7.1	-133.7	-260.4	-15.3	.	.	59.3
2012	265.3	590.2	-324.9	2.8	6.2	-3.4	39.6	-6.5	195.6	596.7	13.2	.	.	16.9
	Other changes due to other adjustments													
2009	1.4	68.3	-66.9	0.0	0.8	-0.7	3.4	-4.6	24.0	124.5	.	-75.6	-51.6	49.7
2010	26.3	125.3	-99.1	0.3	1.4	-1.1	-10.6	50.7	80.9	95.0	.	-47.4	-20.3	3.4
2011	59.0	433.2	-374.2	0.6	4.6	-4.0	247.0	94.9	-45.7	299.3	.	-141.0	39.0	-1.2
2012	177.4	-157.3	334.7	1.9	-1.7	3.5	-9.5	-106.5	167.6	-145.7	.	22.3	94.9	-2.9
	Growth rates of outstanding amounts													
2009	-0.7	-0.5	-	.	.	.	8.8	8.8	2.4	5.7	.	-9.9	-12.5	-1.3
2010	4.5	4.0	-	.	.	.	7.7	7.5	2.9	3.0	.	3.4	2.8	2.0
2011	4.4	3.7	-	.	.	.	10.2	10.2	-1.2	2.5	.	4.2	0.6	1.6
2012	3.6	2.4	-	.	.	.	7.2	7.7	4.0	3.7	.	-0.7	-4.0	2.2
2013 Q2	2.5	0.9	-	.	.	.	5.6	5.8	5.1	4.7	.	-2.8	-8.6	0.7
Q3	1.9	0.4	-	.	.	.	4.4	4.2	5.6	5.1	.	-3.9	-9.9	1.1
Q4	3.0	1.4	-	.	.	.	5.3	6.5	4.8	4.2	.	-1.3	-7.9	0.7

Source: ECB.
1) Net financial derivatives are included in assets.

7.3 Financial account

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

2. Direct investment

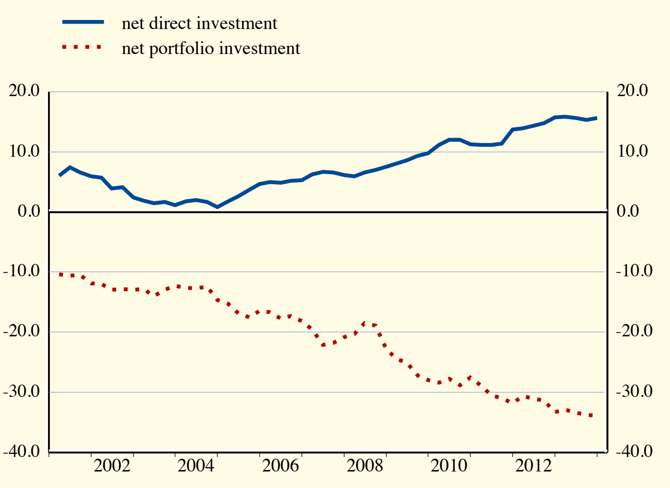
	By resident units abroad							By non-resident units in the euro area						
	Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)			Total	Equity capital and reinvested earnings			Other capital (mostly inter-company loans)		
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		Total	Into MFIs	Into non-MFIs	Total	To MFIs	To non-MFIs
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Oustanding amounts (international investment position)													
2011	5,708.5	4,281.3	283.1	3,998.2	1,427.2	13.3	1,413.9	4,414.6	3,135.2	101.6	3,033.6	1,279.5	11.3	1,268.2
2012	6,125.7	4,562.5	288.8	4,273.8	1,563.1	12.0	1,551.1	4,634.2	3,231.7	109.2	3,122.5	1,402.5	11.3	1,391.2
2013 Q3	6,181.1	4,584.5	275.1	4,309.4	1,596.6	12.2	1,584.4	4,719.8	3,279.8	110.4	3,169.5	1,439.9	12.0	1,427.9
Q4	6,266.8	4,686.1	273.1	4,413.0	1,580.7	12.6	1,568.1	4,764.7	3,357.2	109.5	3,247.7	1,407.5	12.3	1,395.2
	Transactions													
2010	352.0	232.2	23.5	208.7	119.8	1.1	118.7	274.6	294.1	10.8	283.3	-19.5	-5.8	-13.7
2011	500.9	430.1	25.1	405.0	70.7	-3.2	73.9	399.1	361.9	10.5	351.4	37.3	0.6	36.6
2012	410.1	275.7	-3.1	278.8	134.4	-0.3	134.7	338.6	253.1	8.0	245.2	85.4	0.1	85.4
2013 Q2	69.7	10.4	2.9	7.5	59.3	-0.8	60.1	91.6	58.6	0.8	57.8	33.0	0.2	32.8
Q3	50.4	53.7	1.1	52.6	-3.3	0.1	-3.4	37.7	36.2	1.8	34.4	1.5	-0.1	1.6
Q4	151.9	180.3	4.0	176.3	-28.4	0.5	-28.9	142.8	163.8	2.2	161.7	-21.0	0.5	-21.5
2013 Oct.	158.5	171.5	-0.3	171.7	-13.0	0.0	-13.0	178.8	74.3	0.3	74.0	104.5	0.0	104.6
Nov.	24.5	6.4	0.8	5.6	18.0	-0.1	18.1	4.7	66.0	1.3	64.7	-61.3	-0.2	-61.1
Dec.	-31.0	2.4	3.4	-1.0	-33.4	0.6	-34.0	-40.7	23.6	0.6	23.0	-64.3	0.7	-65.0
2014 Jan.	25.0	19.3	-0.4	19.8	5.7	0.4	5.2	16.0	14.9	1.2	13.7	1.1	-3.1	4.2
Feb.	-46.6	-51.0	4.0	-55.0	4.4	0.5	3.9	-14.7	-18.1	0.5	-18.6	3.5	-0.2	3.7
	Growth rates													
2011	10.2	11.2	9.4	11.4	6.5	-20.1	6.9	10.2	12.3	10.9	12.3	3.8	0.9	3.8
2012	7.2	6.4	-1.1	7.0	9.5	-2.5	9.6	7.7	8.2	7.9	8.2	6.7	0.4	6.7
2013 Q2	5.6	4.5	0.6	4.7	8.9	5.3	9.0	5.8	6.9	6.7	6.9	3.2	19.7	3.1
Q3	4.4	3.6	0.7	3.8	7.0	4.1	7.0	4.2	5.4	6.1	5.4	1.3	1.9	1.3
Q4	5.3	6.4	2.4	6.7	2.1	7.5	2.0	6.5	9.0	7.0	9.1	0.7	11.5	0.6

C36 Euro area international investment position

(outstanding amounts at end of period; as a percentage of GDP)

C37 Euro area direct and portfolio investment position

(outstanding amounts at end of period; as a percentage of GDP)



Source: ECB.

7.3 Financial account

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

3. Portfolio investment assets

	Total	Equity					Debt instruments									
							Bonds and notes					Money market instruments				
		Total	MFIs		Non-MFIs		Total	MFIs		Non-MFIs		Total	MFIs		Non-MFIs	
				Euro-system		General government			Euro-system		General government			Euro-system		General government
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Outstanding amounts (international investment position)															
2011	4,738.4	1,703.8	59.3	2.6	1,644.5	39.4	2,569.1	721.4	16.1	1,847.7	96.0	465.5	302.5	58.8	163.1	0.5
2012	5,254.8	1,952.0	70.1	2.8	1,881.8	42.5	2,840.7	674.2	15.6	2,166.5	97.8	462.1	288.0	53.8	174.1	1.4
2013 Q3	5,453.6	2,172.4	114.1	3.1	2,058.2	48.5	2,817.9	617.0	16.5	2,200.8	94.2	463.3	290.0	58.4	173.3	0.1
Q4	5,537.9	2,284.3	123.0	3.4	2,161.3	48.3	2,803.8	601.9	17.0	2,201.9	89.1	449.9	288.5	55.0	161.4	0.0
	Transactions															
2010	131.4	75.3	-2.4	-0.7	77.7	1.9	100.7	-125.2	0.1	225.9	51.4	-44.6	-63.9	-10.6	19.4	-1.9
2011	-53.7	-66.3	-10.7	-0.2	-55.6	-7.3	-21.8	-60.6	0.1	38.8	-2.8	34.4	26.2	10.4	8.2	0.2
2012	194.3	58.0	3.0	0.1	55.0	0.2	133.9	-38.5	-1.0	172.4	-8.4	2.4	-18.0	2.3	20.4	0.1
2013 Q2	24.4	14.2	3.9	0.0	10.3	0.8	10.4	-6.9	-0.6	17.3	-1.6	-0.2	-5.7	14.7	5.5	-0.3
Q3	69.1	45.9	16.4	0.0	29.5	0.1	21.0	-13.0	0.7	34.0	-1.6	2.2	8.5	-2.4	-6.3	0.0
Q4	50.4	39.4	5.7	0.3	33.7	-0.8	12.6	-10.3	0.6	22.9	-4.1	-1.7	5.7	2.0	-7.3	-0.1
2013 Oct.	10.6	15.6	2.0	0.0	13.7	-	2.0	-2.2	0.1	4.2	-	-7.1	-8.5	-5.7	1.4	-
Nov.	19.1	9.2	5.3	0.3	3.9	-	10.9	-3.7	0.3	14.6	-	-1.0	2.2	5.2	-3.2	-
Dec.	20.6	14.5	-1.6	0.0	16.1	-	-0.3	-4.4	0.2	4.0	-	6.4	12.0	2.5	-5.6	-
2014 Jan.	17.6	6.8	-1.2	0.0	8.1	-	2.9	3.8	0.1	-0.9	-	7.9	3.0	2.1	4.9	-
Feb.	14.6	-4.8	-19.8	-0.1	14.9	-	10.5	2.5	0.1	8.0	-	9.0	-1.2	-1.7	10.1	-
	Growth rates															
2011	-1.2	-3.9	-15.2	-7.2	-3.4	-15.9	-0.9	-7.7	-0.2	2.2	-2.9	8.4	8.6	25.5	8.0	120.3
2012	4.0	3.2	5.0	3.0	3.1	0.1	5.1	-5.4	-6.3	9.0	-8.1	0.5	-5.5	3.7	12.6	29.8
2013 Q2	5.1	7.6	47.6	5.2	6.3	15.5	4.6	-4.0	2.7	7.5	-4.5	-2.2	-7.8	50.9	8.3	-67.0
Q3	5.6	9.7	73.5	5.8	7.6	13.0	4.1	-4.6	10.8	6.8	-6.0	-1.9	-4.0	37.6	2.3	-56.3
Q4	4.8	8.2	54.2	16.1	6.4	8.4	2.8	-7.2	11.3	5.9	-6.8	1.7	4.7	29.3	-3.2	-90.8

4. Portfolio investment liabilities

	Total	Equity			Debt instruments							
					Bonds and notes				Money market instruments			
		Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs		Total	MFIs	Non-MFIs	
								General government				General government
	1	2	3	4	5	6	7	8	9	10	11	12
	Outstanding amounts (international investment position)											
2011	7,741.7	3,074.9	562.0	2,512.9	4,222.4	1,254.8	2,967.6	1,722.8	444.4	92.4	352.0	306.8
2012	8,423.6	3,524.4	543.2	2,981.1	4,446.3	1,202.4	3,243.9	1,930.5	452.9	91.7	361.2	286.2
2013 Q3	8,680.2	3,809.0	535.2	3,273.8	4,352.4	1,119.7	3,232.7	1,924.6	518.9	130.4	388.5	314.7
Q4	8,801.1	3,964.7	536.8	3,427.9	4,368.4	1,104.1	3,264.3	1,954.0	468.0	116.6	351.4	284.2
	Transactions											
2010	211.6	173.6	-16.2	189.8	95.5	-49.7	145.1	117.7	-57.5	12.5	-70.0	-50.3
2011	184.9	64.4	18.9	45.5	165.3	-15.9	181.2	101.1	-44.8	-4.5	-40.3	-42.1
2012	289.7	164.9	-16.3	181.3	128.8	-78.9	207.6	163.6	-4.0	5.9	-10.0	-27.4
2013 Q2	68.4	66.7	-16.9	83.6	3.8	-22.6	26.4	10.3	-2.2	-0.3	-1.9	-1.2
Q3	74.1	44.4	11.2	33.2	-14.2	-22.0	7.9	6.3	43.8	23.5	20.2	20.5
Q4	104.9	58.4	-7.0	65.3	90.4	9.8	80.5	62.2	-43.8	-11.0	-32.8	-29.6
2013 Oct.	4.2	-3.4	-10.4	7.0	26.3	10.9	15.5	-	-18.8	-1.3	-17.5	-
Nov.	76.2	20.2	1.4	18.8	55.7	2.9	52.8	-	0.3	0.9	-0.6	-
Dec.	24.5	41.5	2.0	39.5	8.4	-4.0	12.3	-	-25.3	-10.6	-14.7	-
2014 Jan.	36.9	14.8	9.7	5.1	-4.5	-7.3	2.7	-	26.7	23.2	3.5	-
Feb.	38.9	7.8	7.8	0.0	51.9	-4.7	56.6	-	-20.8	-6.8	-14.0	-
	Growth rates											
2011	2.5	2.0	3.0	1.6	4.5	-1.2	7.2	6.5	-8.7	1.0	-10.2	-12.4
2012	3.7	5.2	-3.0	6.8	3.0	-6.3	7.0	9.5	-0.8	6.2	-2.7	-8.7
2013 Q2	4.7	7.4	-7.1	10.2	2.5	-4.1	5.1	6.9	5.9	12.6	4.1	3.4
Q3	5.1	7.4	-4.3	9.7	1.3	-5.5	3.8	4.4	25.4	60.2	16.8	14.9
Q4	4.2	6.6	-3.9	8.5	1.8	-4.0	4.0	5.2	8.4	32.2	2.1	5.1

Source: ECB.

7.3 Financial account

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

5. Other investment assets

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other assets	Total	Loans/ currency and deposits	Other assets		Trade credits	Loans/currency and deposits			Trade credits	Loans/currency and deposits	
											Currency and deposits				Currency and deposits
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts (international investment position)														
2011	4,927.3	36.2	35.5	0.7	3,069.9	3,008.1	61.8	162.5	6.8	116.1	30.2	1,658.7	248.5	1,217.4	520.9
2012	4,897.5	40.9	40.2	0.7	2,926.0	2,855.7	70.3	168.0	5.3	121.4	29.2	1,762.7	254.0	1,306.6	567.8
2013 Q3	4,781.8	25.2	24.5	0.7	2,848.5	2,764.3	84.3	149.1	5.0	101.9	22.7	1,759.0	246.6	1,259.1	543.1
Q4	4,662.1	16.1	15.5	0.6	2,754.5	2,723.4	31.1	156.6	4.1	109.4	26.9	1,734.9	246.3	1,259.4	538.0
	Transactions														
2010	155.8	-2.7	-2.6	0.0	11.7	2.8	8.9	41.2	-0.2	40.8	4.9	105.6	8.8	74.0	44.9
2011	197.8	-3.1	-3.1	0.1	51.7	21.7	29.9	4.3	-0.3	4.0	10.3	145.0	8.6	112.2	41.4
2012	-34.9	5.2	5.2	0.0	-121.0	-128.1	7.1	6.2	-1.5	6.3	-1.0	74.5	8.3	38.2	5.0
2013 Q2	-1.6	-10.9	-10.9	0.0	10.8	14.2	-3.4	-4.8	0.0	-4.4	-0.2	3.3	1.3	-5.2	6.4
Q3	-82.4	6.2	6.2	0.0	-65.5	-88.4	22.9	-1.7	-0.1	-1.8	-1.2	-21.4	-2.2	-20.4	-12.1
Q4	-20.6	-8.3	-8.3	0.0	-12.8	-7.8	-5.0	5.9	-0.9	5.7	4.2	-5.4	1.3	-9.6	-10.8
2013 Oct.	72.8	-4.4	-	-	77.0	-	-	1.4	-	-	2.0	-1.2	-	-	-0.5
Nov.	27.0	-5.1	-	-	2.8	-	-	5.1	-	-	3.9	24.2	-	-	24.1
Dec.	-120.4	1.2	-	-	-92.6	-	-	-0.6	-	-	-1.7	-28.4	-	-	-34.4
2014 Jan.	127.8	-3.3	-	-	134.0	-	-	-2.0	-	-	-0.2	-0.9	-	-	7.8
Feb.	45.0	0.1	-	-	30.4	-	-	1.5	-	-	4.2	13.0	-	-	13.7
	Growth rates														
2011	4.2	-6.3	-6.4	8.8	1.9	0.9	76.8	2.9	-3.3	4.1	51.5	9.1	4.0	9.0	9.8
2012	-0.7	13.0	13.2	1.0	-3.9	-4.2	12.2	4.0	-22.2	5.7	-3.3	4.5	3.4	3.2	1.1
2013 Q2	-2.8	-22.3	-23.0	3.4	-4.1	-4.1	-3.9	-2.6	-24.9	-5.1	-20.2	-0.2	-1.7	-3.4	-5.0
Q3	-3.9	-13.1	-13.4	3.3	-5.0	-5.6	19.1	2.3	-5.7	0.2	-9.5	-2.3	-0.3	-4.8	-7.4
Q4	-1.3	-49.5	-50.4	3.2	-1.8	-2.5	23.7	-6.3	-24.0	-9.7	-8.1	1.2	1.3	-1.6	0.8

6. Other investment liabilities

	Total	Eurosystem			MFIs (excluding Eurosystem)			General government				Other sectors			
		Total	Loans/ currency and deposits	Other liabilities	Total	Loans/ currency and deposits	Other liabilities	Total	Trade credits	Loans	Other liabilities	Total	Trade credits	Loans	Other liabilities
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Outstanding amounts (international investment position)														
2011	5,284.5	410.3	407.5	2.8	3,221.8	3,154.9	66.9	229.3	0.1	222.3	6.9	1,423.2	227.2	1,014.5	181.5
2012	5,116.5	423.9	423.0	0.9	2,976.1	2,893.4	82.8	231.6	0.1	224.0	7.5	1,484.8	229.7	1,023.8	231.3
2013 Q3	4,838.3	360.7	359.2	1.6	2,740.9	2,659.9	81.0	229.6	0.2	222.8	6.6	1,507.1	229.3	1,006.6	271.3
Q4	4,569.5	340.6	340.1	0.6	2,531.2	2,512.9	18.4	222.5	0.2	215.1	7.3	1,475.1	230.5	1,003.8	240.7
	Transactions														
2010	139.9	9.3	6.7	2.6	-9.2	-15.1	5.9	66.1	0.0	65.5	0.6	73.7	16.3	31.3	26.1
2011	25.8	134.8	135.0	-0.2	-289.9	-328.6	38.6	74.2	0.0	74.2	0.0	106.8	10.6	75.9	20.3
2012	-214.2	18.4	20.2	-1.8	-232.8	-250.0	17.2	2.5	0.0	1.5	1.0	-2.3	7.3	-10.0	0.4
2013 Q2	-136.7	-21.6	-22.1	0.5	-92.7	-74.8	-17.9	0.0	0.0	-0.9	0.8	-22.3	-0.8	-3.6	-18.0
Q3	-135.3	-10.2	-10.3	0.2	-102.0	-124.4	22.4	5.3	0.0	5.1	0.1	-28.3	0.6	-28.3	-0.7
Q4	-165.7	-17.6	-16.6	-1.0	-126.5	-123.5	-3.0	-8.9	0.0	-9.0	0.1	-12.6	2.3	-2.4	-12.5
2013 Oct.	35.3	-9.7	-	-	51.0	-	-	-3.7	-	-	-	-2.3	-	-	-
Nov.	-39.4	-9.4	-	-	-28.3	-	-	-0.7	-	-	-	-1.1	-	-	-
Dec.	-161.7	1.4	-	-	-149.3	-	-	-4.6	-	-	-	-9.3	-	-	-
2014 Jan.	115.7	-6.5	-	-	112.6	-	-	0.7	-	-	-	8.9	-	-	-
Feb.	-27.0	-13.3	-	-	-17.6	-	-	1.2	-	-	-	2.7	-	-	-
	Growth rates														
2011	0.6	50.4	51.0	.	-8.3	-9.6	90.6	48.8	.	50.9	-0.6	9.0	5.2	8.9	14.0
2012	-4.0	4.6	5.1	.	-7.2	-7.9	25.8	1.1	.	0.7	15.6	0.0	3.2	-0.9	1.4
2013 Q2	-8.6	-8.3	-8.3	.	-12.0	-11.9	-15.7	-5.2	.	-5.4	2.2	-2.1	0.8	-2.7	-2.4
Q3	-9.9	-15.1	-15.2	.	-12.8	-13.3	9.2	-0.8	.	-0.9	1.6	-4.2	1.7	-4.5	-8.6
Q4	-7.9	-18.5	-18.5	.	-10.9	-11.2	1.8	-2.0	.	-2.0	-1.3	0.1	2.3	0.0	-0.9

Source: ECB.

7.3 Financial account

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

7. Reserve assets [1]

	Reserve assets: Total	Monetary gold: In EUR billions	Monetary gold: In fine troy ounces (millions)	SDR holdings	Reserve position in the IMF	Foreign exchange: Total	Currency and deposits: With monetary authorities and the BIS	Currency and deposits: With banks	Securities: Total	Securities: Equity	Securities: Bonds and notes	Securities: Money market instruments	Financial derivatives	Other claims	Memo items: Other foreign currency assets	Memo items: Pre-determined short-term net drains on foreign currency	Memo items: SDR allo-cations
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Outstanding amounts (international investment position)																
2010	591.2	366.2	346.962	54.2	15.8	155.0	7.7	16.0	131.3	0.5	111.2	19.5	0.0	0.0	26.3	-24.4	54.5
2011	667.1	422.1	346.846	54.0	30.2	160.9	5.3	7.8	148.1	0.8	134.1	13.3	-0.4	0.0	97.4	-86.0	55.9
2012	689.4	437.2	346.693	52.8	31.9	166.8	6.1	8.8	151.3	0.2	130.9	20.2	0.6	0.6	32.8	-35.0	55.0
2013 Q2	564.3	315.9	346.672	51.3	31.5	164.7	5.3	7.8	151.6	0.2	133.8	17.6	0.0	0.8	27.3	-31.0	54.2
Q3	586.8	340.5	346.674	50.5	30.5	164.3	5.1	9.3	149.7	0.2	134.0	15.5	0.2	0.9	21.5	-29.4	53.6
Q4	542.0	301.9	346.566	50.1	28.9	160.0	6.6	5.7	147.4	0.2	135.8	11.4	0.3	1.0	22.5	-30.1	52.7
2014 Feb.	578.6	333.1	346.816	50.1	28.3	166.2	5.8	6.6	153.6	0.2	140.5	13.0	0.2	1.0	23.9	-32.7	52.8
Mar.	570.2	324.9	346.792	50.2	28.2	165.9	6.1	7.7	152.0	0.3	139.5	12.1	0.1	1.0	22.9	-31.1	52.8
	Transactions																
2010	10.5	0.0	-	-0.1	4.9	5.6	-5.4	6.6	4.3	0.0	10.6	-6.3	0.0	0.0	-	-	-
2011	10.3	0.0	-	-1.6	13.0	-1.2	-2.3	-8.3	9.3	0.1	15.9	-6.8	0.1	0.0	-	-	-
2012	15.0	0.0	-	-0.3	2.1	12.5	1.8	1.2	9.1	-0.4	0.4	9.1	0.4	0.7	-	-	-
2013 Q2	1.2	0.0	-	-0.3	-0.3	1.5	0.1	-1.8	3.5	0.0	6.4	-2.8	-0.2	0.2	-	-	-
Q3	2.9	0.0	-	-0.2	-0.6	3.6	-0.2	1.7	2.2	0.0	4.0	-1.7	-0.1	0.0	-	-	-
Q4	0.3	0.0	-	0.4	-1.2	1.0	1.5	-3.3	2.9	0.0	6.1	-3.3	-0.1	0.1	-	-	-
	Growth rates																
2010	2.0	0.0	-	-0.1	46.7	3.7	-43.3	75.9	3.5	-5.2	10.2	-24.6	-	-	-	-	-
2011	1.6	0.0	-	-3.0	83.3	-1.3	-30.0	-52.7	6.8	27.4	14.2	-45.3	-	-	-	-	-
2012	2.2	0.0	-	-0.5	7.1	8.0	41.6	15.2	6.3	-53.5	0.2	82.5	-	-	-	-	-
2013 Q2	0.7	0.0	-	-0.9	-1.2	3.1	2.1	-1.6	3.9	-41.8	5.2	-4.5	-	-	-	-	-
Q3	1.1	0.0	-	-1.3	-6.2	5.8	-13.6	22.4	6.2	0.0	7.1	-0.6	-	-	-	-	-
Q4	0.7	0.0	-	-1.1	-5.5	3.8	2.2	-29.6	6.5	0.1	12.3	-33.1	-	-	-	-	-

8. Gross external debt

	Total	By instrument: Loans, currency and deposits	By instrument: Money market instruments	By instrument: Bonds and notes	By instrument: Trade credits	By instrument: Other debt liabilities	By instrument: Direct investment: inter-company lending	By sector (excluding direct investment): General government	By sector: Eurosystem	By sector: MFIs (excluding Eurosystem)	By sector: Other sectors
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts (international investment position)										
2010	10,848.6	4,724.7	441.4	3,756.0	203.3	200.2	1,523.0	2,067.8	270.3	4,751.7	2,235.8
2011	11,972.5	4,799.2	444.4	4,222.4	227.3	258.0	2,021.1	2,258.8	410.3	4,569.0	2,713.2
2012	12,245.7	4,564.1	452.9	4,446.3	229.8	322.5	2,230.0	2,448.4	423.9	4,270.2	2,873.3
2013 Q2	12,211.3	4,451.7	483.8	4,406.0	230.5	347.8	2,291.5	2,454.0	374.2	4,134.7	2,956.9
Q3	11,982.3	4,248.5	518.9	4,352.4	229.4	360.4	2,272.7	2,468.8	360.7	3,991.0	2,889.0
Q4	11,625.6	4,071.9	468.0	4,368.4	230.7	266.9	2,219.8	2,460.8	340.6	3,751.9	2,852.6
	Outstanding amounts as a percentage of GDP										
2010	118.2	51.5	4.8	40.9	2.2	2.2	16.6	22.5	2.9	51.8	24.4
2011	126.8	50.8	4.7	44.7	2.4	2.7	21.4	23.9	4.3	48.4	28.7
2012	128.8	48.0	4.8	46.8	2.4	3.4	23.5	25.8	4.5	44.9	30.2
2013 Q2	128.0	46.7	5.1	46.2	2.4	3.6	24.0	25.7	3.9	43.3	31.0
Q3	125.2	44.4	5.4	45.5	2.4	3.8	23.8	25.8	3.8	41.7	30.2
Q4	121.0	42.4	4.9	45.5	2.4	2.8	23.1	25.6	3.5	39.1	29.7

Source: ECB.

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

7.3 Financial account

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

9. Geographical breakdown

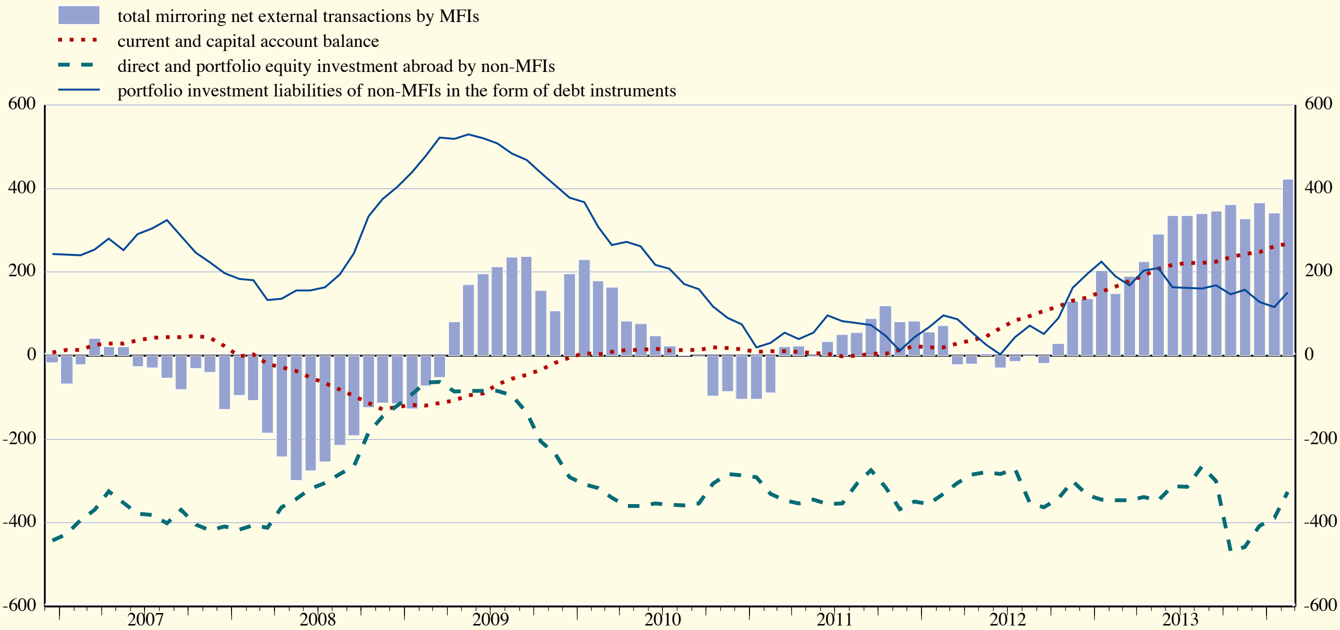
	Total	EU Member States outside the euro area						Canada	China	Japan	Switzer-land	United States	Offshore financial centres	Interna-tional organisa-tions	Other countries
		Total	Denmark	Sweden	United Kingdom	Other EU countries	EU institutions								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2012	Outstanding amounts (international investment position)														
Direct investment	1,491.5	395.5	-12.0	14.7	106.8	287.3	-1.2	107.0	80.2	-23.3	165.7	178.3	-243.2	-0.2	831.6
Abroad	6,125.7	1,724.5	33.4	173.5	1,181.7	335.9	0.1	217.3	101.6	78.8	629.1	1,434.9	627.7	0.1	1,311.5
Equity/reinvested earnings	4,562.5	1,281.2	26.8	104.2	889.3	260.9	0.0	169.9	83.3	56.5	476.9	1,016.9	512.3	0.1	965.5
Other capital	1,563.1	443.4	6.6	69.2	292.5	75.0	0.1	47.4	18.4	22.2	152.3	418.0	115.5	0.0	346.0
In the euro area	4,634.2	1,329.1	45.5	158.8	1,074.9	48.6	1.3	110.3	21.4	102.0	463.4	1,256.7	871.0	0.3	479.9
Equity/reinvested earnings	3,231.7	1,034.9	36.6	142.8	821.9	32.3	1.3	88.1	7.8	88.7	280.9	951.7	443.1	0.1	336.3
Other capital	1,402.5	294.2	8.9	16.0	253.0	16.2	0.0	22.2	13.6	13.3	182.5	304.9	427.9	0.2	143.7
Portfolio investment assets	5,254.8	1,679.6	99.5	227.4	1,046.3	118.6	187.7	102.0	61.2	215.5	131.4	1,638.6	433.5	33.2	959.8
Equity	1,952.0	394.6	17.2	48.8	314.2	14.2	0.1	39.6	57.2	106.1	117.1	621.7	237.0	0.9	377.6
Debt instruments	3,302.8	1,284.9	82.3	178.6	732.1	104.4	187.5	62.4	4.0	109.4	14.3	1,016.8	196.6	32.3	582.2
Bonds and notes	2,840.7	1,133.8	75.6	148.2	620.1	103.5	186.4	58.1	2.6	36.7	11.3	855.4	184.8	31.7	526.4
Money market instruments	462.1	151.1	6.6	30.4	112.0	0.9	1.2	4.3	1.3	72.7	3.0	161.4	11.8	0.6	55.8
Other investment	-218.9	-247.6	11.3	-26.9	-48.9	44.9	-228.0	1.9	-15.2	5.1	-33.9	58.1	49.0	-77.5	41.2
Assets	4,897.5	2,194.5	78.1	87.2	1,847.7	162.2	19.4	28.2	49.4	81.8	268.2	684.6	541.3	37.3	1,012.3
General government	168.0	65.5	1.0	4.6	43.4	1.6	14.9	1.8	3.1	0.9	1.5	11.0	3.3	30.7	50.3
MFIs	2,966.9	1,530.1	58.4	50.8	1,293.2	125.3	2.2	16.4	24.3	65.9	147.1	396.0	393.1	5.2	388.7
Other sectors	1,762.7	599.0	18.7	31.8	511.0	35.3	2.2	10.0	21.9	15.0	119.6	277.6	144.9	1.4	573.3
Liabilities	5,116.5	2,442.1	66.8	114.1	1,896.5	117.3	247.3	26.3	64.6	76.8	302.0	626.5	492.3	114.8	971.1
General government	231.6	110.5	0.3	0.9	26.3	0.2	82.8	0.1	0.0	0.1	1.1	29.6	1.2	83.7	5.2
MFIs	3,400.1	1,647.7	56.3	88.7	1,309.1	89.6	104.0	17.1	38.3	50.7	239.4	338.7	392.7	28.3	647.2
Other sectors	1,484.8	683.9	10.2	24.6	561.1	27.5	60.5	9.1	26.3	25.9	61.6	258.2	98.3	2.8	318.7
2013 Q1 to 2013 Q4	Cumulated transactions														
Direct investment	24.9	24.3	2.9	-14.5	36.9	-1.0	0.0	1.3	7.6	-2.7	21.4	-135.0	63.2	0.0	44.8
Abroad	324.2	16.5	4.7	-10.4	18.8	3.4	0.0	1.2	10.9	1.8	25.8	161.4	30.2	0.0	76.5
Equity/reinvested earnings	290.7	23.3	6.5	1.1	11.4	4.3	0.0	14.6	9.0	1.2	6.0	172.2	15.8	0.0	48.5
Other capital	33.4	-6.9	-1.9	-11.5	7.4	-0.9	0.0	-13.4	1.9	0.6	19.8	-10.9	14.3	0.0	28.0
In the euro area	299.2	-7.8	1.7	4.1	-18.1	4.5	0.0	-0.1	3.3	4.5	4.3	296.4	-33.0	0.0	31.7
Equity/reinvested earnings	288.8	-1.7	0.8	1.3	-5.6	1.8	0.0	3.6	4.0	5.2	7.0	265.7	-17.5	0.0	22.5
Other capital	10.5	-6.1	0.9	2.8	-12.5	2.7	0.0	-3.7	-0.7	-0.7	-2.7	30.7	-15.5	0.0	9.2
Portfolio investment assets	250.2	31.4	-5.4	7.3	6.0	4.3	19.3	7.9	6.6	38.8	8.7	72.4	6.8	1.2	76.3
Equity	163.4	35.7	1.2	4.5	29.6	0.5	0.0	1.2	4.6	36.0	6.5	61.1	6.8	0.0	11.5
Debt instruments	86.8	-4.3	-6.6	2.8	-23.6	3.8	19.3	6.7	1.9	2.9	2.2	11.3	0.0	1.2	64.8
Bonds and notes	78.9	13.1	-5.7	7.6	-11.4	2.2	20.4	5.3	0.5	-3.6	1.0	8.7	-9.3	1.1	61.9
Money market instruments	7.9	-17.4	-0.9	-4.8	-12.2	1.5	-1.1	1.3	1.4	6.5	1.2	2.6	9.3	0.1	2.9
Other investment	341.7	67.9	14.1	9.6	48.0	-5.1	1.4	-2.2	22.4	39.4	25.9	16.5	97.7	-9.2	83.4
Assets	-62.4	-231.0	1.8	3.8	-229.0	-8.6	1.0	-1.8	11.4	38.0	11.2	24.2	56.7	1.6	27.2
General government	-10.7	-1.3	-0.3	-1.5	0.0	-0.6	1.1	0.0	-0.1	-0.3	-0.1	-4.4	-0.7	0.2	-4.0
MFIs	-72.9	-220.8	-2.0	-0.4	-209.1	-8.9	-0.3	1.7	11.5	33.3	2.7	21.9	61.3	1.1	14.3
Other sectors	21.2	-8.9	4.2	5.7	-19.9	1.0	0.1	-3.5	0.0	5.0	8.5	6.8	-3.9	0.3	16.8
Liabilities	-404.0	-298.9	-12.2	-5.8	-277.1	-3.5	-0.4	0.4	-11.0	-1.3	-14.7	7.7	-40.9	10.9	-56.2
General government	-4.4	-4.1	0.2	0.3	-6.5	0.0	1.9	0.0	0.0	0.0	0.4	-8.5	-0.2	8.7	-0.6
MFIs	-400.4	-264.7	-12.4	-6.5	-236.0	-6.0	-3.7	0.0	-12.0	-0.3	-16.5	-2.2	-46.8	2.4	-60.5
Other sectors	0.8	-30.1	-0.1	0.5	-34.6	2.6	1.4	0.4	1.0	-1.1	1.4	18.4	6.0	-0.2	4.9

Source: ECB.

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

	B.o.p. items mirroring net transactions by MFIs											
	Total	Current and capital account balance	Transactions by non-MFIs								Financial derivatives	Errors and omissions
			Direct investment		Portfolio investment				Other investment			
			By resident units abroad	By non-resident units in euro area	Assets		Liabilities		Assets	Liabilities		
					Equity	Debt instruments	Equity	Debt instruments				
	1	2	3	4	5	6	7	8	9	10	11	12
2011	82.6	22.6	-479.1	387.4	55.7	-47.0	44.7	44.6	-149.3	180.7	-5.6	27.8
2012	136.4	139.9	-413.5	330.2	-55.0	-193.4	181.4	196.0	-81.2	1.4	5.2	25.5
2013	365.2	248.5	-316.6	290.0	-123.6	-121.3	258.9	128.5	-10.7	-3.3	18.1	-3.3
2012 Q4	115.9	71.1	-97.1	35.5	-50.5	-42.7	87.9	87.4	46.5	-84.4	27.4	34.7
2013 Q1	27.7	30.8	-52.4	23.6	-50.1	-55.2	76.0	24.8	-34.8	63.7	8.3	-6.9
Q2	148.9	65.9	-67.6	90.5	-10.3	-22.8	84.7	27.3	1.6	-22.5	-1.9	3.8
Q3	53.8	56.3	-49.2	35.9	-29.5	-27.7	32.8	28.1	22.9	-23.0	7.6	-0.4
Q4	134.8	95.4	-147.4	140.0	-33.7	-15.6	65.4	48.4	-0.4	-21.5	4.1	0.2
2013 Feb.	-31.6	11.0	-7.2	18.3	-18.1	-28.7	8.3	7.8	-36.9	11.3	2.3	0.3
Mar.	25.3	25.0	-20.9	4.0	-14.8	-6.2	35.2	-0.8	-3.0	13.9	1.1	-8.1
Apr.	9.0	17.6	-21.7	14.5	-18.4	-27.2	16.0	30.4	-19.6	20.3	-5.6	2.8
May	84.7	16.0	-13.0	56.4	-6.4	-10.1	30.6	30.9	-10.0	-5.0	-8.7	4.0
June	55.2	32.3	-32.8	19.6	14.5	14.5	38.1	-34.0	31.2	-37.7	12.4	-2.9
July	12.5	28.5	-7.5	12.7	-13.2	-12.7	-0.6	9.5	10.3	-12.3	-2.0	-0.4
Aug.	28.3	11.8	-28.0	28.0	2.2	-1.1	9.2	0.9	8.2	-4.6	6.7	-5.0
Sep.	13.0	16.1	-13.8	-4.8	-18.6	-13.9	24.1	17.7	4.4	-6.1	2.9	5.0
Oct.	21.6	29.2	-158.7	178.6	-13.7	-5.7	7.1	-1.8	-0.2	-5.9	3.8	-11.1
Nov.	33.8	30.7	-23.7	3.4	-3.9	-11.5	18.8	52.4	-29.3	-1.7	-1.4	-0.1
Dec.	79.5	35.4	35.0	-42.1	-16.1	1.5	39.6	-2.3	29.1	-13.8	1.8	11.3
2014 Jan.	9.2	8.0	-25.0	17.9	-8.1	-4.0	5.1	6.2	2.9	9.6	-0.1	-3.3
Feb.	49.9	16.6	51.0	-14.9	-14.9	-18.2	0.0	42.6	-14.5	3.9	2.7	-4.4
	12-month cumulated transactions											
2014 Feb.	422.0	267.2	-259.1	273.4	-111.3	-94.4	223.2	151.6	9.6	-39.6	13.5	-12.1

C38 Main b.o.p. items mirroring developments in MFI net external transactions [1]
(EUR billions; 12-month cumulated transactions)



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

7.5 Trade in goods

1. Values and volumes by product group [1]

(seasonally adjusted, unless otherwise indicated)

	Total (n.s.a.)		Exports (f.o.b.)					Imports (c.i.f.)					
			Total				Memo item:	Total				Memo items:	
	Exports	Imports		Intermediate	Capital	Consumption	Manufacturing		Intermediate	Capital	Consumption	Manufacturing	Oil
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Values (EUR billions; annual percentage changes for columns 1 and 2)												
2012	7.6	1.9	1,879.6	933.9	386.0	516.6	1,522.9	1,796.8	1,151.9	247.8	371.0	1,092.8	360.7
2013	1.0	-3.3	1,895.9	932.1	384.4	531.9	1,536.7	1,736.4	1,096.6	235.6	373.3	1,075.5	337.9
2013 Q1	1.0	-5.4	475.3	236.5	96.2	132.7	382.8	437.0	278.6	59.2	92.0	267.4	86.7
Q2	1.8	-3.2	474.7	232.3	97.2	132.1	384.5	433.6	275.4	58.8	91.9	267.7	84.5
Q3	0.3	-2.0	472.1	231.6	95.0	133.4	383.0	436.1	274.9	59.9	94.1	270.2	84.8
Q4	1.0	-2.6	473.8	231.6	96.0	133.6	386.4	429.6	267.6	57.6	95.4	270.3	81.8
2013 Sep.	3.1	1.1	158.8	77.5	31.6	44.8	128.7	145.7	90.8	19.7	32.2	90.6	27.7
Oct.	1.4	-3.1	158.5	78.2	32.3	45.0	129.4	145.1	91.6	19.3	31.5	90.9	28.3
Nov.	-1.9	-5.2	158.6	77.3	32.2	44.7	128.9	142.6	87.9	19.6	32.1	90.0	26.6
Dec.	3.9	0.8	156.6	76.1	31.5	44.0	128.1	141.9	88.1	18.7	31.7	89.3	26.9
2014 Jan.	0.9	-2.8	158.7	.	.	.	128.1	144.8	.	.	.	91.3	.
Feb.	2.9	0.4	160.6	.	.	.	130.6	145.7	.	.	.	91.8	.
	Volume indices (2000 = 100; annual percentage changes for columns 1 and 2)												
2012	3.6	-3.0	112.0	110.3	117.1	111.8	112.1	99.7	100.9	99.7	96.3	99.2	99.6
2013	1.4	-0.7	113.5	111.5	115.9	115.0	113.4	99.0	100.0	95.1	97.1	98.5	98.6
2013 Q1	0.2	-4.4	113.6	112.2	116.7	115.5	113.3	98.3	99.3	95.1	96.1	97.7	97.7
Q2	1.8	-1.2	113.4	110.9	116.7	114.3	113.2	99.0	100.9	93.6	95.5	97.6	101.2
Q3	1.9	1.7	113.5	111.5	114.5	115.5	113.3	99.4	100.3	96.9	97.8	99.2	98.6
Q4	1.8	1.1	113.6	111.6	115.6	114.6	113.7	99.3	99.5	94.6	99.1	99.6	96.8
2013 Aug.	-3.7	-2.9	113.5	111.5	114.3	116.0	113.7	99.1	99.8	100.0	96.1	98.2	97.0
Sep.	4.8	5.2	114.4	111.8	114.8	116.0	114.2	99.2	98.5	95.9	100.3	100.0	94.5
Oct.	2.5	0.7	114.1	113.0	117.6	115.6	114.4	100.2	101.7	94.1	98.8	100.3	99.2
Nov.	-1.4	-1.6	114.0	111.8	116.3	115.1	113.8	99.2	98.3	97.9	99.9	99.8	96.2
Dec.	4.8	4.4	112.6	110.1	113.0	113.1	113.0	98.5	98.6	91.9	98.5	98.7	95.2
2014 Jan.	1.1	-0.3	114.1	.	.	.	112.9	100.4	.	.	.	101.1	.

2. Prices [2]

(annual percentage changes, unless otherwise indicated)

	Industrial producer export prices (f.o.b.) [3]							Industrial import prices (c.i.f.)						
	Total (index: 2010 = 100)	Total					Memo item: Manufac-turing	Total (index: 2010 = 100)	Total					Memo item: Manufac-turing
			Intermediate goods	Capital goods	Consumer goods	Energy				Intermediate goods	Capital goods	Consumer goods	Energy	
% of total	100.0	100.0	30.1	42.0	18.5	9.4	96.4	100.0	100.0	29.0	25.4	23.3	22.4	80.4
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2012	106.1	2.2	0.9	1.8	2.3	9.4	2.2	111.2	3.4	0.2	1.6	3.2	8.0	2.1
2013	105.0	-1.0	-1.5	-0.2	0.8	-7.9	-0.9	108.2	-2.7	-2.4	-1.9	0.0	-5.5	-1.7
2013 Q3	105.0	-1.4	-1.8	-0.6	0.5	-9.3	-1.3	108.1	-3.3	-3.2	-2.6	-0.8	-5.3	-2.5
Q4	104.3	-1.4	-2.1	-0.4	0.4	-8.2	-1.3	106.8	-3.2	-3.1	-2.1	-0.8	-5.6	-2.3
2014 Q1	104.1	-1.6	-1.8	-0.3	0.0	-9.2	-1.3	106.0	-3.6	-3.1	-2.3	-0.4	-7.3	-2.2
2013 Oct.	104.4	-1.6	-2.1	-0.5	0.5	-11.4	-1.4	106.8	-3.6	-3.1	-2.6	-0.8	-6.6	-2.7
Nov.	104.3	-1.4	-2.1	-0.4	0.3	-8.3	-1.3	107.0	-3.2	-3.3	-1.9	-0.8	-5.9	-2.3
Dec.	104.2	-1.2	-2.0	-0.4	0.4	-4.6	-1.0	106.7	-2.7	-3.1	-1.8	-0.8	-4.2	-2.0
2014 Jan.	104.2	-1.4	-1.6	-0.2	0.0	-7.9	-1.1	106.4	-3.0	-2.8	-1.9	-0.2	-5.9	-1.9
Feb.	104.2	-1.5	-1.6	0.0	0.2	-11.0	-1.2	106.3	-3.4	-2.7	-1.8	0.0	-7.7	-1.9
Mar.	103.9	-1.8	-2.2	-0.6	-0.2	-8.8	-1.5	105.2	-4.3	-3.7	-3.0	-0.8	-8.5	-2.8

Source: Eurostat.

1) Product groups as classified in the Broad Economic Categories. Unlike the product groups shown in Table 2, intermediate and consumption product groups include agricultural and energy products.

2) Product groups as classified in the Main Industrial Groupings. Unlike the product groups shown in Table 1, intermediate and consumer goods do not include energy products, and agricultural goods are not covered. Manufacturing has a different composition compared with the data shown in columns 7 and 12 of Table 1. Data shown are price indices which follow the pure price change for a basket of products and are not simple ratios of the value and volume data shown in Table 1, which are affected by changes in the composition and quality of traded goods. These indices differ from the GDP deflators for imports and exports (shown in Table 3 in Section 5.1), mainly because those deflators include all goods and services and cover cross-border trade within the euro area.

3) Industrial producer export prices refer to direct transactions between domestic producers and non-domestic customers. Contrary to the data shown for values and volumes in Table 1, exports from wholesalers and re-exports are not covered.

7.5 Trade in goods
(EUR billions, unless otherwise indicated; seasonally adjusted)

3. Geographical breakdown

	Total	EU Member States outside the euro area				Russia	Switzer-land	Turkey	United States	Asia			Africa	Latin America	Other countries
		Denmark	Sweden	United Kingdom	Other EU countries						China	Japan			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Exports (f.o.b.)														
2012	1,879.6	34.2	59.5	230.0	249.3	92.1	116.3	59.5	223.3	440.1	120.4	44.6	126.4	97.4	151.5
2013	1,895.9	35.2	59.4	239.3	254.7	88.7	110.7	60.3	221.4	443.8	122.1	43.9	130.3	97.6	154.4
2012 Q3	475.3	8.5	14.9	58.3	62.7	23.4	29.0	15.1	58.6	111.1	29.7	11.5	31.5	24.5	37.8
Q4	469.1	8.6	14.5	58.0	61.7	23.1	28.5	15.2	53.6	110.7	28.9	11.2	32.5	24.7	37.9
2013 Q1	475.3	8.7	14.6	58.3	62.8	23.6	28.0	15.5	55.4	110.8	29.6	11.0	34.5	24.8	38.2
Q2	474.7	8.8	14.7	59.2	62.7	22.8	27.4	15.6	55.2	110.4	30.0	10.7	33.1	24.8	40.1
Q3	472.1	8.9	15.0	59.9	64.1	21.6	27.8	14.7	55.4	110.2	31.2	11.1	31.7	24.6	38.3
Q4	473.8	8.8	15.1	61.8	65.1	20.7	27.5	14.6	55.5	112.4	31.4	11.0	31.0	23.5	37.8
2013 Sep.	158.8	3.0	5.0	20.5	21.5	7.1	8.9	5.0	19.0	36.9	10.4	3.8	10.2	8.1	13.6
Oct.	158.5	2.9	5.2	20.6	21.9	7.1	9.4	4.8	18.6	37.3	10.4	3.6	10.2	8.2	12.3
Nov.	158.6	3.0	5.1	20.9	21.7	6.9	9.2	5.1	18.7	37.7	10.6	3.7	10.3	7.6	12.3
Dec.	156.6	2.9	4.9	20.3	21.4	6.7	8.8	4.7	18.2	37.4	10.3	3.7	10.5	7.7	13.2
2014 Jan.	158.7	3.1	5.1	20.6	22.8	6.9	9.3	5.0	18.7	37.2	10.8	3.9	10.6	7.8	11.6
Feb.	160.6	.	.	.	.	6.8	8.9	4.9	19.5	37.7	10.8	3.7	11.2	8.2	.
	Percentage share of total exports														
2013	100.0	1.9	3.1	12.6	13.4	4.7	5.8	3.2	11.7	23.4	6.4	2.3	6.9	5.1	8.1
	Imports (c.i.f.)														
2012	1,796.8	29.0	53.1	167.4	232.7	144.8	82.3	34.1	151.2	540.8	213.9	49.1	157.5	92.6	111.3
2013	1,736.4	30.0	53.7	163.6	238.7	144.8	81.8	35.8	149.0	509.5	204.3	43.6	141.1	80.3	108.1
2012 Q3	450.0	7.3	13.6	42.2	58.3	35.4	21.4	8.5	39.3	133.3	53.5	12.3	40.0	23.2	27.7
Q4	441.6	7.2	12.9	41.6	58.1	36.6	20.2	8.7	35.9	130.8	51.3	11.4	40.3	22.3	27.1
2013 Q1	437.0	7.6	13.3	41.7	58.7	37.4	20.0	8.9	35.5	127.5	52.2	11.1	37.7	20.5	28.3
Q2	433.6	7.4	13.5	41.0	58.8	35.7	20.6	8.8	37.3	127.4	50.3	10.9	36.3	20.1	26.8
Q3	436.1	7.8	13.7	40.7	60.4	36.4	20.7	8.9	38.0	127.7	50.7	10.7	34.6	20.1	27.1
Q4	429.6	7.3	13.3	40.2	60.9	35.2	20.4	9.1	38.2	126.9	51.0	10.9	32.5	19.7	26.0
2013 Sep.	145.7	2.5	4.5	13.4	20.4	12.1	6.9	3.0	13.0	42.8	17.0	3.7	11.4	6.9	8.8
Oct.	145.1	2.5	4.5	13.3	20.3	11.8	6.9	3.0	13.1	42.9	16.6	3.6	11.4	6.7	8.7
Nov.	142.6	2.4	4.5	13.3	20.5	11.3	6.8	3.1	12.8	41.8	16.9	3.6	10.5	6.4	9.2
Dec.	141.9	2.3	4.3	13.6	20.1	12.1	6.7	3.1	12.2	42.2	17.5	3.7	10.6	6.6	8.1
2014 Jan.	144.8	2.6	4.6	13.2	20.8	11.8	6.7	3.1	12.4	43.0	17.3	3.6	10.9	6.5	9.3
Feb.	145.7	.	.	.	.	11.6	7.1	3.0	12.6	42.7	17.7	3.5	10.7	6.3	.
	Percentage share of total imports														
2013	100.0	1.7	3.1	9.4	13.8	8.3	4.7	2.1	8.6	29.3	11.8	2.5	8.1	4.6	6.2
	Balance														
2012	82.7	5.2	6.4	62.5	16.7	-52.7	34.0	25.4	72.1	-100.7	-93.4	-4.6	-31.1	4.8	40.2
2013	159.5	5.2	5.8	75.7	16.0	-56.1	29.0	24.6	72.4	-65.7	-82.2	0.3	-10.8	17.3	46.3
2012 Q3	25.3	1.2	1.3	16.1	4.4	-12.0	7.6	6.6	19.3	-22.2	-23.8	-0.7	-8.5	1.3	10.1
Q4	27.5	1.4	1.6	16.4	3.6	-13.5	8.3	6.5	17.7	-20.0	-22.3	-0.2	-7.9	2.4	10.8
2013 Q1	38.3	1.2	1.4	16.6	4.2	-13.8	8.0	6.6	19.9	-16.7	-22.7	0.0	-3.2	4.3	9.9
Q2	41.0	1.4	1.2	18.1	3.9	-12.8	6.8	6.7	17.9	-17.0	-20.3	-0.2	-3.2	4.7	13.3
Q3	36.0	1.1	1.4	19.2	3.7	-14.9	7.1	5.7	17.4	-17.5	-19.6	0.5	-2.9	4.5	11.2
Q4	44.1	1.5	1.9	21.7	4.2	-14.5	7.1	5.5	17.3	-14.5	-19.6	0.1	-1.5	3.8	11.8
2013 Sep.	13.0	0.5	0.5	7.0	1.1	-4.9	2.0	2.0	6.0	-6.0	-6.6	0.1	-1.1	1.2	4.7
Oct.	13.5	0.4	0.7	7.3	1.6	-4.7	2.5	1.8	5.5	-5.6	-6.2	0.0	-1.2	1.5	3.6
Nov.	15.9	0.6	0.6	7.6	1.2	-4.4	2.4	2.0	5.8	-4.1	-6.3	0.1	-0.2	1.3	3.2
Dec.	14.7	0.5	0.6	6.8	1.3	-5.4	2.1	1.6	5.9	-4.8	-7.2	0.0	-0.1	1.0	5.1
2014 Jan.	13.9	0.5	0.5	7.4	2.0	-4.8	2.6	1.9	6.3	-5.8	-6.6	0.3	-0.3	1.3	2.4
Feb.	15.0	.	.	.	.	-4.8	1.8	1.9	6.9	-5.0	-6.9	0.2	0.6	1.9	.

Source: Eurostat.

EXCHANGE RATES

8

8.1 Effective exchange rates [1]

(period averages; index: 1999 Q1=100)

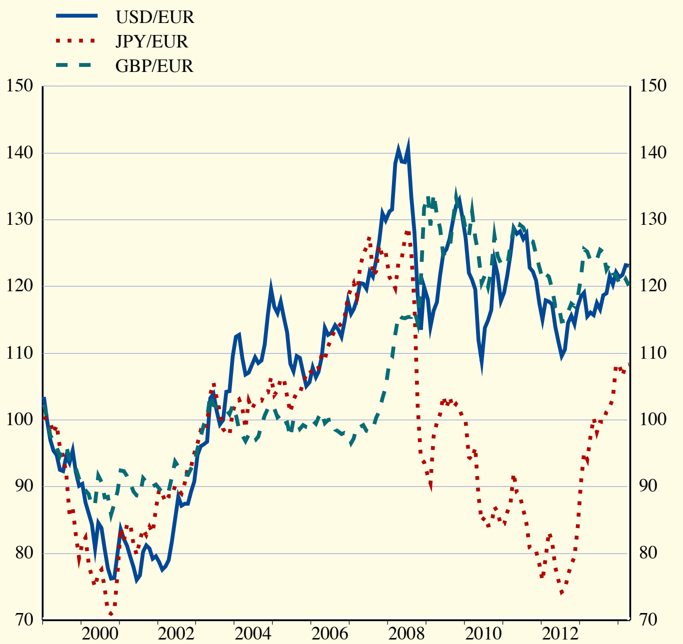
	EER-20						EER-39	
	Nominal	Real CPI	Real PPI	Real GDP deflator	Real ULCM [2]	Real ULCT	Nominal	Real CPI
	1	2	3	4	5	6	7	8
2011	103.4	100.7	97.4	95.1	106.0	96.7	112.2	97.7
2012	97.9	95.6	93.1	89.8	100.6	91.4	107.1	92.9
2013	101.7	98.9	96.5	93.2	102.5	94.6	112.0	96.2
2013 Q1	100.7	98.3	95.9	92.5	102.8	94.3	110.2	95.0
Q2	100.8	98.3	95.8	92.9	102.2	94.2	110.6	95.0
Q3	101.9	99.2	96.7	93.3	102.8	94.7	112.9	96.8
Q4	103.1	100.0	97.7	94.1	102.4	95.4	114.7	97.8
2014 Q1	103.9	100.7	98.1	.	.	.	116.6	99.1
2013 Apr.	100.5	97.9	95.5	-	-	-	109.8	94.4
May	100.5	98.0	95.6	-	-	-	110.0	94.6
June	101.6	98.9	96.4	-	-	-	112.0	96.2
July	101.5	98.9	96.4	-	-	-	112.0	96.2
Aug.	102.2	99.5	97.0	-	-	-	113.4	97.3
Sep.	102.0	99.1	96.8	-	-	-	113.3	97.0
Oct.	102.8	99.7	97.5	-	-	-	114.2	97.4
Nov.	102.6	99.5	97.2	-	-	-	114.2	97.3
Dec.	103.9	100.7	98.4	-	-	-	115.8	98.6
2014 Jan.	103.4	100.3	97.7	-	-	-	115.9	98.6
Feb.	103.6	100.5	97.8	-	-	-	116.3	98.9
Mar.	104.6	101.3	98.8	-	-	-	117.5	99.6
Apr.	104.5	101.1	98.6	-	-	-	117.0	99.1
	Percentage change versus previous month							
2014 Apr.	-0.1	-0.2	-0.1	-	-	-	-0.4	-0.6
	Percentage change versus previous year							
2014 Apr.	4.0	3.3	3.3	-	-	-	6.6	4.9

C39 Effective exchange rates

(monthly averages; index: 1999 Q1=100)

C40 Bilateral exchange rates

(monthly averages; index: 1999 Q1=100)



Source: ECB.

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

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

8.2 Bilateral exchange rates

(period averages; units of national currency per euro)

	Bulgarian lev	Czech koruna	Danish krone	Croatian kuna	Lithuanian litas	Hungarian forint	Polish zloty	New Romanian leu	Swedish krona	Pound sterling	New Turkish lira
	1	2	3	4	5	6	7	8	9	10	11
2011	1.9558	24.590	7.4506	7.4390	3.4528	279.37	4.1206	4.2391	9.0298	0.86788	2.3378
2012	1.9558	25.149	7.4437	7.5217	3.4528	289.25	4.1847	4.4593	8.7041	0.81087	2.3135
2013	1.9558	25.980	7.4579	7.5786	3.4528	296.87	4.1975	4.4190	8.6515	0.84926	2.5335
2013 Q3	1.9558	25.853	7.4580	7.5459	3.4528	297.96	4.2477	4.4410	8.6798	0.85453	2.6092
Q4	1.9558	26.658	7.4593	7.6290	3.4528	297.43	4.1853	4.4506	8.8575	0.84074	2.7537
2014 Q1	1.9558	27.442	7.4625	7.6498	3.4528	307.93	4.1843	4.5023	8.8569	0.82787	3.0372
2013 Oct.	1.9558	25.662	7.4592	7.6193	3.4528	294.76	4.1902	4.4444	8.7479	0.84720	2.7095
Nov.	1.9558	26.927	7.4587	7.6326	3.4528	297.68	4.1887	4.4452	8.8802	0.83780	2.7316
Dec.	1.9558	27.521	7.4602	7.6365	3.4528	300.24	4.1760	4.4635	8.9597	0.83639	2.8276
2014 Jan.	1.9558	27.485	7.4614	7.6353	3.4528	302.48	4.1799	4.5205	8.8339	0.82674	3.0297
Feb.	1.9558	27.444	7.4622	7.6574	3.4528	310.20	4.1741	4.4918	8.8721	0.82510	3.0184
Mar.	1.9558	27.395	7.4638	7.6576	3.4528	311.49	4.1987	4.4933	8.8666	0.83170	3.0629
Apr.	1.9558	27.450	7.4656	7.6267	3.4528	307.37	4.1853	4.4620	9.0329	0.82520	2.9393
	Percentage change versus previous month										
2014 Apr.	0.0	0.2	0.0	-0.4	0.0	-1.3	-0.3	-0.7	1.9	-0.8	-4.0
	Percentage change versus previous year										
2014 Apr.	0.0	6.2	0.1	0.3	0.0	2.9	1.2	1.9	7.0	-3.0	25.6

	Australian dollar	Brazilian real	Canadian dollar	Chinese yuan renminbi	Hong Kong dollar	Indian rupee	Indonesian rupiah	Israeli shekel	Japanese yen	Malaysian ringgit
	12	13	14	15	16	17	18	19	20	21
2011	1.3484	2.3265	1.3761	8.9960	10.8362	64.8859	12,206.51	4.9775	110.96	4.2558
2012	1.2407	2.5084	1.2842	8.1052	9.9663	68.5973	12,045.73	4.9536	102.49	3.9672
2013	1.3777	2.8687	1.3684	8.1646	10.3016	77.9300	13,857.50	4.7948	129.66	4.1855
2013 Q3	1.4465	3.0304	1.3760	8.1111	10.2696	82.3565	14,115.14	4.7459	131.02	4.2904
Q4	1.4662	3.0931	1.4275	8.2903	10.5522	84.4048	15,682.97	4.7994	136.48	4.3633
2014 Q1	1.5275	3.2400	1.5107	8.3576	10.6287	84.5794	16,179.21	4.7892	140.80	4.5184
2013 Oct.	1.4328	2.9860	1.4128	8.3226	10.5724	84.0071	15,109.54	4.8232	133.32	4.3283
Nov.	1.4473	3.0959	1.4145	8.2221	10.4604	84.4990	15,575.06	4.7711	134.97	4.3176
Dec.	1.5243	3.2133	1.4580	8.3248	10.6254	84.7631	16,455.73	4.8019	141.68	4.4517
2014 Jan.	1.5377	3.2437	1.4884	8.2368	10.5586	84.5099	16,471.94	4.7569	141.47	4.5005
Feb.	1.5222	3.2581	1.5094	8.3062	10.6012	84.9503	16,270.18	4.8043	139.35	4.5194
Mar.	1.5217	3.2187	1.5352	8.5332	10.7283	84.2990	15,785.89	4.8087	141.48	4.5361
Apr.	1.4831	3.0864	1.5181	8.5984	10.7107	83.3624	15,801.66	4.8010	141.62	4.4989
	Percentage change versus previous month									
2014 Apr.	-2.5	-4.1	-1.1	0.8	-0.2	-1.1	0.1	-0.2	0.1	-0.8
	Percentage change versus previous year									
2014 Apr.	18.3	18.4	14.4	6.7	5.9	17.8	24.8	1.8	11.0	13.4

	Mexican peso	New Zealand dollar	Norwegian krone	Philippine peso	Russian rouble	Singapore dollar	South African rand	South Korean won	Swiss franc	Thai baht	US dollar
	22	23	24	25	26	27	28	29	30	31	32
2011	17.2877	1.7600	7.7934	60.260	40.8846	1.7489	10.0970	1,541.23	1.2326	42.429	1.3920
2012	16.9029	1.5867	7.4751	54.246	39.9262	1.6055	10.5511	1,447.69	1.2053	39.928	1.2848
2013	16.9641	1.6206	7.8067	56.428	42.3370	1.6619	12.8330	1,453.91	1.2311	40.830	1.3281
2013 Q3	17.1005	1.6612	7.9303	57.813	43.4394	1.6795	13.2329	1,469.03	1.2348	41.675	1.3242
Q4	17.7331	1.6439	8.2375	59.354	44.2920	1.7006	13.8224	1,445.53	1.2294	43.151	1.3610
2014 Q1	18.1299	1.6371	8.3471	61.468	48.0425	1.7379	14.8866	1,465.34	1.2237	44.722	1.3696
2013 Oct.	17.7413	1.6351	8.1208	58.809	43.7440	1.6956	13.5283	1,454.73	1.2316	42.549	1.3635
Nov.	17.6340	1.6327	8.2055	58.811	44.1581	1.6833	13.7626	1,434.06	1.2316	42.695	1.3493
Dec.	17.8278	1.6659	8.4053	60.552	45.0628	1.7244	14.2234	1,446.99	1.2245	44.323	1.3704
2014 Jan.	17.9964	1.6450	8.3927	61.263	46.0304	1.7327	14.8242	1,453.94	1.2317	44.822	1.3610
Feb.	18.1561	1.6466	8.3562	61.238	48.2554	1.7295	14.9820	1,462.51	1.2212	44.568	1.3659
Mar.	18.2447	1.6199	8.2906	61.901	49.9477	1.7513	14.8613	1,479.99	1.2177	44.765	1.3823
Apr.	18.0485	1.6049	8.2506	61.646	49.2978	1.7345	14.5815	1,441.28	1.2189	44.657	1.3813
	Percentage change versus previous month										
2014 Apr.	-1.1	-0.9	-0.5	-0.4	-1.3	-1.0	-1.9	-2.6	0.1	-0.2	-0.1
	Percentage change versus previous year										
2014 Apr.	13.6	4.6	9.4	14.9	20.8	7.6	23.0	-1.3	-0.1	18.0	6.0

Source: ECB.

DEVELOPMENTS OUTSIDE THE EURO AREA

9.1 Economic and financial developments in other EU Member States

(annual percentage changes, unless otherwise indicated)

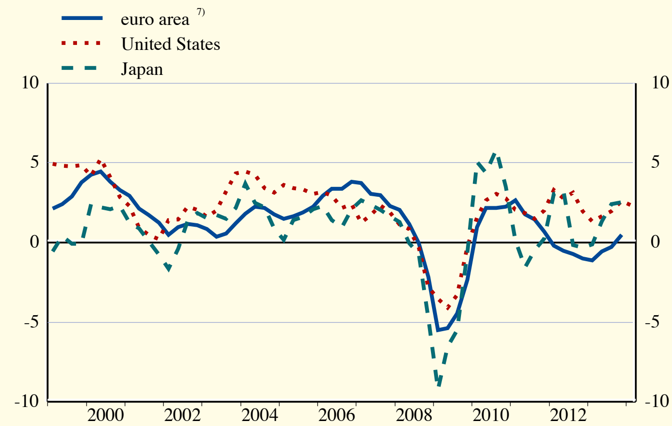
	Bulgaria	Czech Republic	Denmark	Croatia	Lithuania	Hungary	Poland	Romania	Sweden	United Kingdom
	1	2	3	4	5	6	7	8	9	10
	HICP									
2012	2.4	3.5	2.4	3.4	3.2	5.7	3.7	3.4	0.9	2.8
2013	0.4	1.4	0.5	2.3	1.2	1.7	0.8	3.2	0.4	2.6
2013 Q4	-1.0	1.1	0.4	0.6	0.5	0.7	0.6	1.3	0.3	2.1
2014 Q1	-1.8	0.3	0.4	0.1	0.3	0.4	0.6	1.3	0.0	1.8
2014 Jan.	-1.4	0.3	0.8	0.4	0.2	0.8	0.6	1.2	0.2	1.9
Feb.	-2.1	0.3	0.3	-0.2	0.3	0.3	0.7	1.3	0.1	1.7
Mar.	-2.0	0.3	0.2	-0.1	0.4	0.2	0.6	1.3	-0.4	1.6
	General government deficit (-)/surplus (+) as a percentage of GDP									
2011	-2.0	-3.2	-1.9	-7.8	-5.5	4.3	-5.1	-5.5	0.2	-7.6
2012	-0.8	-4.2	-3.8	-5.0	-3.2	-2.1	-3.9	-3.0	-0.6	-6.1
2013	-1.5	1.5	-0.8	-4.9	-2.2	-2.2	-4.3	-2.3	-1.1	-5.8
	General government gross debt as a percentage of GDP									
2011	16.3	41.4	46.4	52.0	38.3	82.1	56.2	34.7	38.6	84.3
2012	18.4	46.2	45.4	55.9	40.5	79.8	55.6	38.0	38.3	89.1
2013	18.9	46.0	44.5	67.1	39.4	79.2	57.0	38.4	40.6	90.6
	Long-term government bond yield as a percentage per annum; period average									
2013 Oct.	3.71	2.33	1.93	4.99	4.01	5.58	4.28	5.22	2.44	2.26
Nov.	3.64	2.18	1.80	4.97	3.99	5.82	4.38	5.29	2.30	2.31
Dec.	3.43	2.20	1.89	5.10	3.69	5.78	4.42	5.29	2.39	2.50
2014 Jan.	3.56	2.43	1.86	5.11	3.42	5.60	4.42	5.22	2.37	2.48
Feb.	3.58	2.28	1.67	4.78	3.33	6.03	4.47	5.35	2.23	2.37
Mar.	3.54	2.20	1.61	4.51	3.33	5.83	4.25	5.31	2.16	2.34
	3-month interest rate as a percentage per annum; period average									
2013 Oct.	1.03	0.45	0.27	1.72	0.40	3.60	2.67	2.86	1.21	0.52
Nov.	0.97	0.40	0.25	1.35	0.40	3.33	2.65	2.44	1.16	0.52
Dec.	0.97	0.38	0.26	1.01	0.40	3.00	2.67	2.33	1.01	0.52
2014 Jan.	0.96	0.37	0.28	0.95	0.41	2.99	2.70	1.88	0.95	0.52
Feb.	0.89	0.37	0.27	0.88	0.41	2.99	2.71	3.29	0.94	0.52
Mar.	0.83	0.37	0.29	0.86	0.41	3.24	2.71	2.83	0.93	0.52
	Real GDP									
2012	0.6	-1.0	-0.4	-1.9	3.7	-1.7	2.0	0.5	0.9	0.3
2013	0.9	-0.9	0.4	-1.0	3.3	1.1	1.6	3.5	1.5	1.7
2013 Q3	1.0	-1.0	0.9	-0.7	2.4	1.7	1.8	4.3	0.7	1.8
Q4	1.2	1.2	0.5	-0.9	3.4	2.7	2.2	5.2	3.1	2.7
2014 Q1	.	.	.	.	.	.	.	.	.	3.1
	Current and capital account balance as a percentage of GDP									
2011	1.4	-2.3	6.3	-0.8	-1.2	2.7	-3.0	-3.9	5.9	-1.1
2012	0.5	0.0	6.0	0.2	2.0	3.5	-1.5	-3.0	5.8	-3.6
2013 Q2	6.8	-1.5	8.1	-2.2	8.9	5.6	4.0	2.3	6.0	-1.6
Q3	11.5	1.2	8.6	25.0	3.0	7.2	0.2	1.2	6.5	-6.1
Q4	-2.7	1.1	8.8	-6.7	3.8	7.7	1.5	0.5	4.9	-4.8
	Gross external debt as a percentage of GDP									
2011	94.3	59.6	183.3	103.4	77.4	150.0	72.3	77.1	200.0	419.6
2012	94.3	62.0	181.8	102.2	75.4	129.6	71.0	75.3	191.2	390.6
2013 Q2	92.8	65.6	175.1	106.4	70.5	128.5	73.7	73.5	197.9	395.1
Q3	94.4	64.6	174.3	102.6	69.5	121.5	72.8	71.9	197.2	363.5
Q4	94.6	71.0	176.7	104.9	67.1	118.7	69.8	68.6	196.8	354.2
	Unit labour costs									
2012	4.4	3.3	1.5	1.1	1.9	2.5	1.5	4.5	2.9	2.6
2013	5.2	-0.1	1.2	.	3.8	4.0	.	2.5	0.7	1.5
2013 Q2	7.8	0.9	0.9	1.3	3.3	4.5	1.4	2.9	0.5	1.7
Q3	3.8	1.5	0.8	0.5	4.9	3.5	1.7	1.4	1.3	2.0
Q4	1.9	.	1.1	.	2.9	3.4	.	0.9	-1.1	.
	Standardised unemployment rate as a percentage of labour force (s.a.)									
2012	12.3	7.0	7.5	15.9	13.4	10.9	10.1	7.1	8.0	7.9
2013	12.9	7.0	7.0	17.2	11.8	10.2	10.3	7.3	8.0	7.5
2013 Q4	13.1	6.7	6.8	17.4	11.0	9.2	10.0	7.3	8.0	7.1
2014 Q1	13.1	6.7	.	17.4	11.2	.	9.7	7.2	.	.
2014 Jan.	13.2	6.6	6.9	17.5	11.3	8.2	9.8	7.3	8.2	6.8
Feb.	13.1	6.6	6.9	17.5	11.5	7.9	9.7	7.2	8.1	.
Mar.	13.1	6.7	6.5	17.3	10.8	.	9.6	7.2	8.1	.

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

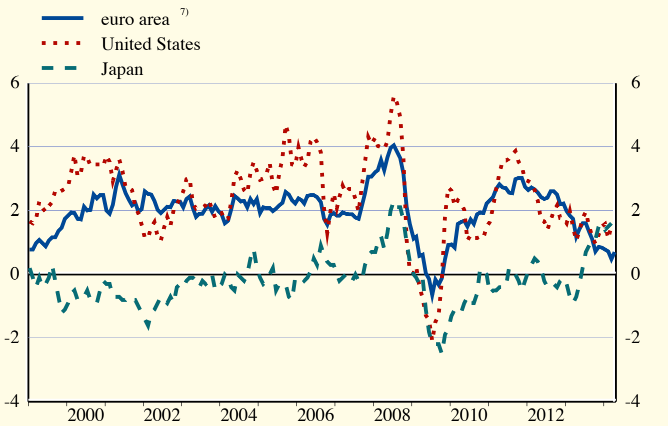
9.2 Economic and financial developments in the United States and Japan
(annual percentage changes, unless otherwise indicated)

	Consumer price index	Unit labour costs [1]	Real GDP	Industrial production index (manufacturing)	Unemployment rate as a % of labour force [2] (s.a.)	Broad money [3]	3-month interbank deposit rate [4]	10-year zero coupon government bond yield; [4] end of period	Exchange rate [5] as national currency per euro	Government deficit (-)/ surplus (+) as a % of GDP	Govern-ment debt [6] as a % of GDP
	1	2	3	4	5	6	7	8	9	10	11
					United States						
2010	1.6	-1.2	2.5	6.6	9.6	2.5	0.34	3.57	1.3257	-12.2	79.2
2011	3.2	2.0	1.8	3.6	8.9	7.3	0.34	2.10	1.3920	-10.7	83.1
2012	2.1	1.1	2.8	4.4	8.1	8.6	0.43	1.88	1.2848	-9.3	86.5
2013	1.5	1.1	1.9	2.9	7.4	6.8	0.27	3.27	1.3275	.	.
2013 Q1	1.7	1.7	1.3	3.2	7.7	7.3	0.29	2.09	1.3206	-7.2	88.0
Q2	1.4	2.0	1.6	2.7	7.5	7.1	0.28	2.82	1.3062	-5.7	87.2
Q3	1.6	1.9	2.0	2.7	7.2	6.6	0.26	2.91	1.3242	-7.0	86.9
Q4	1.2	-1.0	2.6	3.2	7.0	6.1	0.24	3.27	1.3638	.	.
2014 Q1	1.4	.	2.3	2.4	6.7	6.0	0.24	2.97	1.3696	.	.
2013 Dec.	1.5	-	-	2.4	6.7	5.4	0.24	3.27	1.3704	-	-
2014 Jan.	1.6	-	-	1.8	6.6	5.5	0.24	2.93	1.3610	-	-
Feb.	1.1	-	-	2.5	6.7	6.4	0.24	2.90	1.3659	-	-
Mar.	1.5	-	-	3.0	6.7	6.0	0.23	2.97	1.3823	-	-
Apr.	.	-	-	.	6.3	.	0.23	2.87	1.3813	-	-
					Japan						
2010	-0.7	-4.8	4.7	15.6	5.1	2.8	0.23	1.18	116.24	-8.3	186.7
2011	-0.3	0.8	-0.4	-2.8	4.6	2.7	0.19	1.00	110.96	-8.8	202.9
2012	0.0	-1.4	1.4	0.6	4.4	2.5	0.19	0.84	102.49	-8.7	211.0
2013	0.4	-0.8	1.5	-0.8	4.0	3.6	0.15	0.95	129.53	.	.
2013 Q1	-0.6	0.0	-0.1	-7.8	4.2	2.9	0.16	0.70	121.80	.	.
Q2	-0.3	-0.6	1.3	-3.1	4.0	3.5	0.16	1.02	129.07	.	.
Q3	0.9	-1.9	2.4	2.2	4.0	3.8	0.15	0.88	131.02	.	.
Q4	1.4	-1.0	2.5	5.9	3.9	4.3	0.14	0.95	137.01	.	.
2014 Q1	1.5	.	.	8.2	.	3.9	0.14	0.84	140.80	.	.
2013 Dec.	1.6	-	-	7.3	3.7	4.2	0.15	0.95	141.68	-	-
2014 Jan.	1.4	-	-	10.6	3.7	4.3	0.14	0.82	141.47	-	-
Feb.	1.5	-	-	7.1	3.6	4.0	0.14	0.81	139.35	-	-
Mar.	1.6	-	-	7.0	.	3.5	0.14	0.84	141.48	-	-
Apr.	.	-	-	.	.	.	0.14	0.81	141.62	-	-

C41 Real gross domestic product
(annual percentage changes; quarterly data)



C42 Consumer price indices
(annual percentage changes; monthly data)



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

1) Seasonally adjusted. The data for the United States refer to the private non-agricultural business sector.
2) Japanese data from March to August 2011 include estimates for the three prefectures most affected by the earthquake in that country. Data collection was reinstated as of September 2011.
3) Period averages; M2 for the United States, M2+CDs for Japan.
4) Percentages per annum. For further information on the three-month interbank deposit rate, see Section 4.6.
5) For more information, see Section 8.2.
6) General government debt consists of deposits, securities other than shares and loans outstanding at nominal value and is consolidated within the general government sector (end of period).
7) Real GDP data refer to the Euro 18. HICP data refer to the changing composition of the euro area. For further information, see the General Notes.

LIST OF CHARTS

TECHNICAL NOTES

EURO AREA OVERVIEW

CALCULATION OF GROWTH RATES FOR MONETARY DEVELOPMENTS

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

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

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

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

SECTION 1.3

CALCULATION OF INTEREST RATES ON INDEXED LONGER-TERM REFINANCING OPERATIONS

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

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

SECTIONS 2.1 TO 2.6

CALCULATION OF TRANSACTIONS

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

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

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

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

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

where L_{t-3} is the amount outstanding at the end of month t-3 (the end of the previous quarter) and, for example, C_t^Q is the reclassification adjustment in the quarter ending in month t.

For those quarterly series for which monthly observations are now available (see below), the quarterly transactions can be derived as the sum of the three monthly transactions in the quarter.

CALCULATION OF GROWTH RATES FOR MONTHLY SERIES

Growth rates can be calculated from transactions or from the index of adjusted outstanding amounts. If F_t^M and L_t are defined as above, the index I_t of adjusted outstanding amounts in month t is defined as:

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

The base of the index (for the non-seasonally adjusted series) is currently set as December 2010 = 100. Time series for the index of adjusted outstanding amounts are available on the ECB's website (www.ecb.europa.eu) in the "Monetary and financial statistics" sub-section of the "Statistics" section.

The annual growth rate a_t for month t – i.e. the change in the 12 months ending in month t – can be calculated using either of the following two formulae:

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

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

Unless otherwise indicated, the annual growth rates refer to the end of the indicated period. For example, the annual percentage change for the year 2002 is calculated in h) by dividing the index for December 2002 by the index for December 2001.

Growth rates for intra-annual periods can be derived by adapting formula h). For example, the month-on-month growth rate a_t^M can be calculated as:

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

Finally, the three-month moving average (centred) for the annual growth rate of M3 is obtained as $(a_{t+1} + a_t + a_{t-1})/3$, where a_t is defined as in g) or h) above.

CALCULATION OF GROWTH RATES FOR QUARTERLY SERIES

If F_t^Q and L_{t-3} are defined as above, the index I_t of adjusted outstanding amounts for the quarter ending in month t is defined as:

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

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

SEASONAL ADJUSTMENT OF THE EURO AREA MONETARY STATISTICS[1]

The approach used is based on multiplicative decomposition using X-12-ARIMA.[2] The seasonal adjustment may include a day-of-the-week adjustment, and for some series it is carried out indirectly by means of a linear combination of components. This is the case for M3, which is derived by aggregating the seasonally adjusted series for M1, M2 less M1, and M3 less M2.

The seasonal adjustment procedures are first applied to the index of adjusted outstanding amounts.[3] The resulting estimates of seasonal factors are then applied to the levels and to the adjustments arising from reclassifications and revaluations, in turn yielding seasonally adjusted transactions. Seasonal (and trading day) factors are revised at annual intervals or as required.

SECTIONS 3.1 TO 3.5

EQUALITY OF USES AND RESOURCES

In Section 3.1 the data conform to a basic accounting identity. For non-financial transactions, total uses equal total resources for each transaction category. This accounting identity is also reflected in the financial account – i.e. for each financial instrument category, total transactions in financial assets equal total transactions in liabilities. In the other changes in assets account and the financial balance sheets, total financial assets equal total liabilities for each financial instrument category, with the exception of monetary gold and special drawing rights, which are by definition not a liability of any sector.

1 For details, see “Seasonal adjustment of monetary aggregates and HICP for the euro area”, ECB (August 2000) and the “Monetary and financial statistics” sub-section of the “Statistics” section of the ECB’s website (www.ecb.europa.eu).

2 For details, see Findley, D., Monsell, B., Bell, W., Otto, M. and Chen, B. C. (1998), “New Capabilities and Methods of the X-12-ARIMA Seasonal Adjustment Program”, Journal of Business and Economic Statistics, 16, 2, pp.127-152, or“X-12-ARIMA Reference Manual”, Time Series Staff, Bureau of the Census, Washington, D.C.
For internal purposes, the model-based approach of TRAMO-SEATS is also used. For details of TRAMO-SEATS, see Gomez, V. and Maravall, A. (1996), “Programs TRAMO and SEATS: Instructions for the User”, Banco de España, Working Paper No 9628, Madrid.

3 It follows that for the seasonally adjusted series, the level of the index for the base period (i.e. December 2010) generally differs from 100, reflecting the seasonality of that month.

CALCULATION OF BALANCING ITEMS

The balancing items at the end of each account in Sections 3.1, 3.2 and 3.3 are computed as follows.

The trade balance equals euro area imports minus exports vis-à-vis the rest of the world for goods and services.

Net operating surplus and mixed income is defined for resident sectors only and is calculated as gross value added (gross domestic product at market prices for the euro area) minus compensation of employees (uses) minus other taxes less subsidies on production (uses) minus consumption of fixed capital (uses).

Net national income is defined for resident sectors only and is computed as net operating surplus and mixed income plus compensation of employees (resources) plus taxes less subsidies on production (resources) plus net property income (resources minus uses).

Net disposable income is also defined only for resident sectors and equals net national income plus net current taxes on income and wealth (resources minus uses) plus net social contributions (resources minus uses) plus net social benefits other than social transfers in kind (resources minus uses) plus net other current transfers (resources minus uses).

Net saving is defined for resident sectors and is calculated as net disposable income plus the net adjustment for the change in the net equity of households in pension fund reserves (resources minus uses) minus final consumption expenditure (uses). For the rest of the world, the current external account is compiled as the trade balance plus all net income (resources minus uses).

Net lending/net borrowing is computed from the capital account as net saving plus net capital transfers (resources minus uses) minus gross capital formation (uses) minus acquisitions less disposals of non-produced non-financial assets (uses) plus consumption of fixed capital (resources). It can also be calculated in the financial account as total transactions in financial assets minus total transactions in liabilities (also known as changes in net financial worth (wealth) due to transactions). For the household and non-financial corporation sectors, there is a statistical discrepancy between the balancing items computed from the capital account and the financial account.

Changes in net financial worth (wealth) due to transactions are computed as total transactions in financial assets minus total transactions in liabilities, whereas other changes in net financial worth (wealth) are calculated as (total) other changes in financial assets minus (total) other changes in liabilities.

Net financial worth (wealth) is calculated as total financial assets minus total liabilities, whereas changes in net financial worth (wealth) are equal to the sum of changes in net financial worth (wealth) due to transactions (lending/net borrowing from the financial account) and other changes in net financial worth (wealth).

Changes in net worth (wealth) are calculated as changes in net worth (wealth) due to savings and capital transfers plus other changes in net financial worth (wealth) and other changes in non-financial assets.

The net worth (wealth) of households is calculated as the sum of the non-financial assets and net financial worth (wealth) of households.

SECTIONS 4.3 AND 4.4

CALCULATION OF GROWTH RATES FOR DEBT SECURITIES AND QUOTED SHARES

Growth rates are calculated on the basis of financial transactions and therefore exclude reclassifications, revaluations, exchange rate variations and any other changes which do not arise from transactions. They can be calculated from transactions or from the index of notional stocks. If N_t^M represents the transactions (net issues) in month t and L_t the level outstanding at the end of month t, the index I_t of notional stocks in month t is defined as:

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

As a base, the index is set equal to 100 in December 2008. The growth rate a_t for month t, corresponding to the change in the 12 months ending in month t, can be calculated using either of the following two formulae:

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

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

The method used to calculate the growth rates for securities other than shares is the same as that used for the monetary aggregates, the only difference being that an "N" is used instead of an "F". This is to show that the method used to obtain "net issues" for securities issues statistics differs from that used to calculate equivalent "transactions" for the monetary aggregates.

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

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

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

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

The calculation formula used for Section 4.3 is also used for Section 4.4 and is likewise based on that used for the monetary aggregates. Section 4.4 is based on market values, and the calculations are based on financial transactions, which exclude reclassifications, revaluations and any other changes that do not arise from transactions. Exchange rate variations are not included, as all quoted shares covered are denominated in euro.

SEASONAL ADJUSTMENT OF SECURITIES ISSUES STATISTICS [4]

The approach used is based on multiplicative decomposition using X-12-ARIMA. The seasonal adjustment of total securities issues is carried out indirectly by means of a linear combination of sector and maturity component breakdowns.

The seasonal adjustment procedures are applied to the index of notional stocks. The resulting estimates of seasonal factors are then applied to the outstanding amounts, from which seasonally adjusted net issues are derived. Seasonal factors are revised at annual intervals or as required.

As in formulae l) and m), the growth rate a_t for month t, corresponding to the change in the six months ending in month t, can be calculated using either of the following two formulae:

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

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

TABLE 1 IN SECTION 5.1

SEASONAL ADJUSTMENT OF THE HICP [4]

The approach used is based on multiplicative decomposition using X-12-ARIMA (see footnote 2 on page S81). The seasonal adjustment of the overall HICP for the euro area is carried out indirectly by aggregating the seasonally adjusted euro area series for processed food, unprocessed food, industrial goods excluding energy, and services. Energy is added without adjustment, since there is no statistical evidence of seasonality. Seasonal factors are revised at annual intervals or as required.

TABLE 2 IN SECTION 7.1

SEASONAL ADJUSTMENT OF THE BALANCE OF PAYMENTS CURRENT ACCOUNT

The approach used is based on multiplicative decomposition, using X-12-ARIMA or TRAMO-SEATS depending on the item. The raw data for goods, services, income and current transfers are

4 For details, see "Seasonal adjustment of monetary aggregates and HICP for the euro area", ECB (August 2000) and the "Monetary and financial statistics" sub-section of the "Statistics" section of the ECB's website (www.ecb.europa.eu).

pre-adjusted in order to take into account significant working day effects. The working day adjustment for goods and services takes account of national public holidays. The seasonal adjustment of these items is carried out using these pre-adjusted series. The seasonal adjustment of the total current account is carried out by aggregating the seasonally adjusted euro area series for goods, services, income and current transfers. Seasonal (and trading day) factors are revised at biannual intervals or as required.

SECTION 7.3

CALCULATION OF GROWTH RATES FOR THE QUARTERLY AND ANNUAL SERIES

The annual growth rate for quarter t is calculated on the basis of quarterly transactions (F_t) and positions (L_t) as follows:

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

The growth rate for the annual series is equal to the growth rate in the last quarter of the year.

GENERAL NOTES

The "Euro area statistics" section of the Monthly Bulletin focuses on statistics for the euro area as a whole. More detailed and longer runs of data, with further explanatory notes, are available in the "Statistics" section of the ECB's website (www.ecb.europa.eu). This allows user-friendly access to data via the ECB's Statistical Data Warehouse (http://sdw.ecb.europa.eu), which includes search and download facilities. Further services available in the "Data services" sub-section include subscriptions to different datasets and a repository of compressed Comma Separated Value (CSV) files. For further information, please contact us at: statistics@ecb.europa.eu.

In general, the cut-off date for the statistics included in the Monthly Bulletin is the day preceding the Governing Council of the ECB's first meeting of the month. For this issue, the cut-off date was 7 May 2014.

Unless otherwise indicated, all data series relate to the group of 18 countries that are members of the euro area (the Euro 18) for the whole time series. For interest rates, monetary statistics, the HICP and reserve assets (and, for consistency reasons, the components and counterparts of M3 and the components of the HICP), euro area statistical series take into account the changing composition of the euro area.

The composition of the euro area has changed a number of times over the years. When the euro was introduced in 1999, the euro area comprised the following 11 countries (the Euro 11): Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. Greece then joined in 2001, forming the Euro 12. Slovenia joined in 2007, forming the Euro 13; Cyprus and Malta joined in 2008, forming the Euro 15; Slovakia joined in 2009, forming the Euro 16; and Estonia joined in 2011, forming the Euro 17. Latvia joined in 2014, bringing the number of euro area countries to 18. From October 2012, the euro area statistics also include the European Stability Mechanism, an international organisation resident in the euro area for statistical purposes.

EURO AREA SERIES WITH A FIXED COMPOSITION

Aggregated statistical series for fixed compositions of the euro area relate to a given fixed composition for the whole time series, regardless of the composition at the time to which the statistics relate. For example, aggregated series are calculated for the Euro 18 for all years, despite the fact that the euro area has only had this composition since 1 January 2014. Unless otherwise indicated, the ECB's Monthly Bulletin provides statistical series for the current composition.

EURO AREA SERIES WITH A CHANGING COMPOSITION

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

For the HICP, as well as statistics based on the balance sheet of the MFI sector ("monetary statistics"), rates of change are compiled from chain-linked indices, with the new composition introduced by the linking factor at the point of enlargement. Thus, if a country joins the euro area in January of a given year, the factors contributing to the chain-linked indices relate to the previous composition of the euro area up to and including December of the previous year, and the enlarged composition of the euro area thereafter. For further details on monetary statistics, refer to the "Manual on MFI balance sheet statistics", available in the "Statistics" section of the ECB's website.

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

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

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

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

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

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

OVERVIEW

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

MONETARY POLICY STATISTICS

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

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

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

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

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

MONEY, BANKING AND OTHER FINANCIAL CORPORATIONS

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

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

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

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

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

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

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

Since December 2008 harmonised statistical information has been collected and compiled on the basis of Regulation ECB/2007/8[3] concerning statistics on the assets and liabilities of investment funds. Further information on these investment fund statistics can be found in the "Manual on investment fund statistics" (ECB, May 2009).

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

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

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

EURO AREA ACCOUNTS

Section 3.1 shows quarterly integrated euro area accounts data, which provide comprehensive information on the economic activities of households (including non-profit institutions serving households), non-financial corporations, financial corporations and general government, as well as on the interaction between these sectors and both the euro area and the rest of the world. Non-seasonally adjusted data at current prices are displayed for the last available quarter, following a simplified sequence of accounts in accordance with the methodological framework of the European System of Accounts 1995.

In short, the sequence of accounts (transactions) comprises: (1) the generation of income account, which shows how production activity translates into various categories of income; (2) the allocation of primary income account, which records receipts and expenses relating to various forms of property income (for the economy as a whole; the balancing item of the primary income account is national income); (3) the secondary distribution of income account, which shows how the national income of an institutional sector changes because of current transfers; (4) the use of income account, which shows how disposable income is spent on consumption or saved; (5) the capital account, which shows how savings and net capital transfers are spent in the acquisition of non-financial assets (the balancing item of the capital account is net lending/net borrowing); and (6) the financial account, which records the net acquisitions of financial assets and the net incurrence of liabilities. As each non-financial transaction is mirrored by a financial transaction, the balancing item of the financial account conceptually also equals net lending/net borrowing as calculated from the capital account.

4 OJ L 15, 20.01.2009, p. 1.

In addition, opening and closing financial balance sheets are presented, which provide a picture of the financial wealth of each individual sector at a given point in time. Finally, other changes in financial assets and liabilities (e.g. those resulting from the impact of changes in asset prices) are also shown.

The sectoral coverage of the financial account and the financial balance sheets is more detailed for the financial corporation sector, which is broken down into MFIs, other financial intermediaries (including financial auxiliaries), and insurance corporations and pension funds.

Section 3.2 shows four-quarter cumulated flows (transactions) for the "non-financial accounts" of the euro area (i.e. accounts (1) to (5) above), also following the simplified sequence of accounts.

Section 3.3 shows four-quarter cumulated flows (transactions and other changes) for households' income, expenditure and accumulation accounts, as well as outstanding amounts in the financial and non-financial balance sheet accounts, presenting data in a more analytical manner. Sector-specific transactions and balancing items are arranged in a way that more clearly depicts the financing and investment decisions of households, while respecting the accounting identities presented in Sections 3.1 and 3.2.

Section 3.4 displays four-quarter cumulated flows (transactions) for non-financial corporations' income and accumulation accounts, as well as outstanding amounts for the financial balance sheet accounts, presenting data in a more analytical manner.

Section 3.5 shows four-quarter cumulated financial flows (transactions and other changes) and outstanding amounts for the financial balance sheets of insurance corporations and pension funds.

FINANCIAL MARKETS

The series on financial market statistics for the euro area cover those EU Member States that had adopted the euro at the time to which the statistics relate (i.e. a changing composition), with the exception of statistics on securities issues (Sections 4.1 to 4.4), which relate to the Euro 17 for the whole time series (i.e. a fixed composition).

Statistics on securities other than shares and statistics on quoted shares (Sections 4.1 to 4.4) are produced by the ECB using data from the ESCB and the BIS. Section 4.5 presents MFI interest rates on euro-denominated deposits from and loans to euro area residents. Statistics on money market interest rates, long-term government bond yields and stock market indices (Sections 4.6 to 4.8) are produced by the ECB using data from wire services.

Statistics on securities issues cover: (i) securities other than shares, excluding financial derivatives; and (ii) quoted shares. The former are presented in Sections 4.1, 4.2 and 4.3, while the latter are presented in Section 4.4. Debt securities are broken down into short-term and long-term securities. "Short-term" means securities with an original maturity of one year or less (in exceptional cases, two years or less). Securities with (i) a longer maturity, (ii) optional maturity dates, the latest of which is more than one year away, or (iii) indefinite maturity dates are classified as "long-term". Long-term debt securities issued by euro area residents are broken down further into fixed and variable rate issues. Fixed rate issues consist of issues where the coupon rate does not change during the life of the issue. Variable rate issues comprise all issues where the coupon is periodically refixed with reference to an independent interest rate or index. The euro-denominated securities indicated in Sections 4.1, 4.2 and 4.3 also include items expressed in national denominations of the euro.

Section 4.1 shows securities other than shares, broken down by original maturity, residency of the issuer and currency. It presents outstanding amounts, gross issues and net issues of securities other than shares, broken down into: (i) issues denominated in euro and issues in all currencies; (ii) issues by euro area residents and total issues; and (iii) total and long-term maturities. Net issues differ from the changes in outstanding amounts owing to valuation changes, reclassifications and other adjustments. This section also presents seasonally adjusted statistics, including six-month annualised seasonally adjusted growth rates for total and long-term debt securities. Seasonally adjusted data are derived from the index of notional stocks, from which the seasonal effects have been removed. See the Technical Notes for details.

Section 4.2 contains a sectoral breakdown of outstanding amounts, gross issues and net issues for issuers resident in the euro area in line with the ESA 95. The ECB is included in the Eurosystem.

The total outstanding amounts for total and long-term debt securities in column 1 of Table 1 in Section 4.2 correspond to the data on outstanding amounts for total and long-term debt securities issued by euro area residents in column 7 of Section 4.1. The outstanding amounts for total and long-term debt securities issued by MFIs in column 2 of Table 1 in Section 4.2 are broadly comparable with the data on debt securities issued on the liabilities side of the aggregated MFI balance sheet in column 8 of Table 2 in Section 2.1. The total net issues for total debt securities in column 1 of Table 2 in Section 4.2 correspond to the data on total net issues by euro area residents in column 9 of Section 4.1. The residual difference between long-term debt securities and total fixed and variable rate long-term debt securities in Table 1 of Section 4.2 consists of zero coupon bonds and revaluation effects.

Section 4.3 shows seasonally adjusted and non-seasonally adjusted growth rates for debt securities issued by euro area residents (broken down by maturity, type of instrument, sector of the issuer and currency), which are based on financial transactions that occur when an institutional unit incurs or redeems liabilities. The growth rates therefore exclude reclassifications, revaluations, exchange rate variations and any other changes that do not arise from transactions. The seasonally adjusted growth rates have been annualised for presentational purposes. See the Technical Notes for details.

Columns 1, 4, 6 and 8 in Table 1 of Section 4.4 show the outstanding amounts of quoted shares issued by euro area residents broken down by issuing sector. The monthly data for quoted shares issued by non-financial corporations correspond to the quarterly series shown in Section 3.4 (financial balance sheet; quoted shares).

Columns 3, 5, 7 and 9 in Table 1 of Section 4.4 show annual growth rates for quoted shares issued by euro area residents (broken down by the sector of the issuer), which are based on financial transactions that occur when an issuer issues or redeems shares for cash, excluding investments in the issuer's own shares. The calculation of annual growth rates excludes reclassifications, revaluations and any other changes that do not arise from transactions.

Section 4.5 presents statistics on all the interest rates that MFIs resident in the euro area apply to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area. Euro area MFI interest rates are calculated as a weighted average (by corresponding business volume) of the euro area countries' interest rates for each category.

MFI interest rate statistics are broken down by type of business coverage, sector, instrument category and maturity, period of notice or initial period of interest rate fixation. These MFI interest rate statistics replaced the ten transitional statistical series on euro area retail interest rates that had been published in the Monthly Bulletin as of January 1999.

Section 4.6 presents money market interest rates for the euro area, the United States and Japan. For the euro area, a broad spectrum of money market interest rates is covered, ranging from interest rates on overnight deposits to those on twelve-month deposits. Before January 1999, synthetic euro area interest rates were calculated on the basis of national rates weighted by GDP. With the exception of the overnight rate prior to January 1999, monthly, quarterly and yearly values are period averages. Overnight deposits are represented by end-of-period interbank deposit bid rates up to and including December 1998 and period averages for the euro overnight index average (EONIA) thereafter. As of January 1999, euro area interest rates on one, three, six and twelve-month deposits are euro interbank offered rates (EURIBOR); prior to that date, they are London interbank offered rates (LIBOR) where available. For the United States and Japan, interest rates on three-month deposits are represented by LIBOR.

Section 4.7 shows end-of-period rates estimated from nominal spot yield curves based on AAA-rated euro-denominated bonds issued by euro area central governments. The yield curves are estimated using the Svensson model[5]. Spreads between the ten-year rates and the three-month and two-year rates are also released. Additional yield curves (daily releases, including charts and tables) and the corresponding methodological information are available at: http://www.ecb.europa.eu/stats/money/yc/html/index.en.html. Daily data can also be downloaded.

Section 4.8 shows stock market indices for the euro area, the United States and Japan.

PRICES, OUTPUT, DEMAND AND LABOUR MARKETS

Most of the data described in this section are produced by the European Commission (mainly Eurostat) and national statistical authorities. Euro area results are obtained by aggregating data for individual countries. As far as possible, the data are harmonised and comparable. Statistics on labour costs indices, GDP and expenditure components, value added by economic activity, industrial production, retail sales passenger car registrations and employment in terms of hours worked are working day-adjusted.

The Harmonised Index of Consumer Prices (HICP) for the euro area (Table 1 in Section 5.1) is available from 1995 onwards. It is based on national HICPs, which follow the same methodology in all euro area countries. The breakdown into goods and services components is derived from the classification of individual consumption by purpose (Coicop/HICP). The HICP covers monetary expenditure by households on final consumption in the economic territory of the euro area. The table includes seasonally adjusted HICP data, which are compiled by the ECB, and experimental HICP-based indices of administered prices.

Industrial producer prices (Table 2 in Section 5.1), industrial production, industrial turnover and retail sales (Section 5.2) are covered by Council Regulation (EC) No 1165/98 of 19 May 1998

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

concerning short-term statistics[6]. Since January 2009 the revised classification of economic activities (NACE Revision 2), as covered by Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90, as well as certain EC Regulations on specific statistical domains[7], has been applied in the production of short-term statistics. The breakdown by end use of product for industrial producer prices and industrial production is the harmonised sub-division of industry excluding construction (NACE Revision 2, sections B to E) into Main Industrial Groupings (MIGs) as defined by Commission Regulation (EC) No 656/2007 of 14 June 2007[8]. Industrial producer prices reflect the ex-factory gate prices of producers. They include indirect taxes except VAT and other deductible taxes. Industrial production reflects the value added of the industries concerned.

The two non-energy commodity price indices shown in Table 3 in Section 5.1 are compiled with the same commodity coverage, but using two different weighting schemes: one based on the respective commodity imports of the euro area (columns 2-4), and the other (columns 5-7) based on estimated euro area domestic demand, or "use", taking into account information on imports, exports and the domestic production of each commodity (ignoring, for the sake of simplicity, inventories, which are assumed to be relatively stable over the observed period). The import-weighted commodity price index is appropriate for analysing external developments, while the use-weighted index is suitable for the specific purpose of analysing international commodity price pressures on euro area inflation. The use-weighted commodity price indices are experimental data. For more details as regards the compilation of the ECB commodity price indices, see Box 1 in the December 2008 issue of the Monthly Bulletin.

The labour cost indices (Table 5 in Section 5.1) measure the changes in labour costs per hour worked in industry (including construction) and market services. Their methodology is laid down in Regulation (EC) No 450/2003 of the European Parliament and of the Council of 27 February 2003 concerning the labour cost index[9] and in the implementing Commission Regulation (EC) No 1216/2003 of 7 July 2003[10]. A breakdown of the labour cost indices for the euro area is available by labour cost component (wages and salaries, and employers' social contributions plus employment-related taxes paid by the employer less subsidies received by the employer) and by economic activity. The ECB calculates the indicator of negotiated wages (memo item in Table 5 of Section 5.1) on the basis of non-harmonised, national-definition data.

Unit labour cost components (Table 4 in Section 5.1), GDP and its components (Tables 1 and 2 in Section 5.2), GDP deflators (Table 3 in Section 5.1) and employment statistics (Table 1 in Section 5.3) are derived from the ESA 95[11] quarterly national accounts. The ESA 95 was amended by Commission Regulation (EU) No 715/2010 of 10 August 2010[12] introducing NACE Revision 2, the updated statistical classification of economic activities. The publication of euro area national accounts data applying this new classification began in December 2011.

Indices for turnover in industry and for the retail trade (Table 4 in Section 5.2) measure the turnover, including all duties and taxes (with the exception of VAT), invoiced during the reference period.

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

Retail trade turnover covers all retail trade (excluding sales of motor vehicles and motorcycles), including automotive fuel. New passenger car registrations cover registrations of both private and commercial passenger cars.

Qualitative business and consumer survey data (Table 5 in Section 5.2) draw on the European Commission Business and Consumer Surveys.

Unemployment rates (Table 4 in Section 5.3) conform to International Labour Organization guidelines. They refer to persons actively seeking work as a share of the labour force, using harmonised criteria and definitions. The labour force estimates underlying the unemployment rate are different from the sum of the employment and unemployment levels published in Section 5.3.

GOVERNMENT FINANCE

Sections 6.1 to 6.5 show the general government fiscal position in the euro area. The data are mainly consolidated and are based on the ESA 95 methodology. The annual euro area aggregates in Sections 6.1 to 6.3 are compiled by the ECB on the basis of statistical reporting requirements laid down in the ECB Guideline of 31 July 2009 on government finance statistics (ECB/2009/20)[13]. Harmonised data provided by the NCBs are regularly updated. The annual deficit and debt data for the euro area aggregates may therefore differ from those published by the European Commission. The quarterly euro area aggregates in Sections 6.4 and 6.5 are compiled by the ECB on the basis of Eurostat and national data.

Section 6.1 presents annual figures on general government revenue and expenditure on the basis of definitions laid down in Commission Regulation (EC) No 1500/2000 of 10 July 2000[14] amending the ESA 95. Section 6.2 shows details of general government gross consolidated debt at nominal value in line with the Treaty provisions on the excessive deficit procedure. Sections 6.1 and 6.2 include government deficit/surplus and debt data for the individual euro area countries as reported to the Commission under Council Regulation (EU) No 679/2010, owing to their importance within the framework of the Stability and Growth Pact. Section 6.3 presents changes in general government debt. The difference between the change in the government debt and the government deficit – the deficit-debt adjustment – is mainly explained by government transactions in financial assets and by foreign exchange valuation effects. Section 6.4 presents non-seasonally adjusted quarterly figures on general government revenue and expenditure on the basis of definitions laid down in Regulation (EC) No 1221/2002 of the European Parliament and of the Council of 10 June 2002 on quarterly non-financial accounts for general government[15]. Section 6.5 presents quarterly figures on gross consolidated government debt, the deficit-debt adjustment and the government borrowing requirement. These figures are compiled using data provided by the Member States under Regulation (EC) No 501/2004 and Regulation (EC) No 222/2004 and data provided by the NCBs.

EXTERNAL TRANSACTIONS AND POSITIONS

The concepts and definitions used in balance of payments and international investment position (i.i.p.) statistics (Sections 7.1 to 7.4) are generally in line with the IMF Balance of Payments

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

Manual (fifth edition, October 1993), the ECB Guideline of 16 July 2004 on the statistical reporting requirements of the ECB (ECB/2004/15)[16] and the amending ECB Guideline of 31 May 2007 (ECB/2007/3)[17]. Additional information regarding the methodologies and sources used in the euro area b.o.p. and i.i.p. statistics can be found in the ECB publication entitled "European Union balance of payments/international investment position statistical methods" (May 2007) and in the reports of the Task Force on Portfolio Investment Collection Systems (June 2002), the Task Force on Portfolio Investment Income (August 2003) and the Task Force on Foreign Direct Investment (March 2004), all of which can be downloaded from the ECB's website. In addition, a report by the ECB/European Commission (Eurostat) Task Force on Quality looking at balance of payments and international investment position statistics (June 2004) is available on the website of the Committee on Monetary, Financial and Balance of Payments Statistics (www.cmfb.org). The annual quality report on the euro area b.o.p./i.i.p., which is based on the Task Force's recommendations and follows the basic principles of the ECB Statistics Quality Framework published in April 2008, is available on the ECB's website.

On 9 December 2011 the ECB Guideline on the statistical requirements of the European Central Bank in the field of external statistics (ECB/2011/23)[18] was adopted by the Governing Council of the ECB. This legal act lays down new reporting requirements in the field of external statistics, which mainly reflect methodological changes introduced in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). The ECB will begin publishing the euro area's b.o.p., i.i.p. and international reserves statistics in accordance with Guideline ECB/2011/23 and the BPM6 in 2014, with backdata. The tables in Sections 7.1 and 7.4 follow the sign convention in the IMF Balance of Payments Manual – i.e. surpluses in the current account and the capital account have a plus sign, while in the financial account a plus sign denotes an increase in liabilities or a decrease in assets. In the tables in Section 7.2, both credit and debit transactions are presented with a plus sign. Furthermore, as of the February 2008 issue of the Monthly Bulletin, the tables in Section 7.3 have been restructured in order to allow the data on the balance of payments, the international investment position and related growth rates to be presented together; in the new tables, transactions in assets and liabilities that correspond to increases in positions are shown with a plus sign.

The euro area b.o.p. is compiled by the ECB. Recent monthly figures should be regarded as provisional. Data are revised when figures for the following month and/or the detailed quarterly b.o.p. are published. Earlier data are revised periodically or as a result of methodological changes in the compilation of the source data.

Table 1 in Section 7.2 also contains seasonally adjusted data for the current account. Where appropriate, the adjustment also covers working day, leap year and/or Easter-related effects. Table 3 in Section 7.2 and Table 9 in Section 7.3 present a breakdown of the euro area b.o.p. and i.i.p. vis-à-vis major partner countries, both individually and as a group, distinguishing between EU Member States outside the euro area and countries or areas outside the European Union. The breakdown also shows transactions and positions vis-à-vis EU institutions and international organisations (which, with the exception of the ECB and the European Stability Mechanism, are considered to be outside the euro area for statistical purposes, regardless of their physical location) as well as offshore centres. The breakdown does not cover transactions or positions in portfolio investment liabilities, financial derivatives or international reserves. In addition, separate data

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

are not provided for investment income payable to Brazil, mainland China, India or Russia. The geographical breakdown is described in the article entitled "Euro area balance of payments and international investment position vis-à-vis main counterparts" in the February 2005 issue of the Monthly Bulletin.

The data on the euro area b.o.p. financial account and i.i.p. in Section 7.3 are based on transactions and positions vis-à-vis non-residents of the euro area, regarding the euro area as a single economic entity (see also Box 9 in the December 2002 issue of the Monthly Bulletin, Box 5 in the January 2007 issue of the Monthly Bulletin and Box 6 in the January 2008 issue of the Monthly Bulletin). The i.i.p. is valued at current market prices, with the exception of direct investment, where book values are used for unquoted shares, and other investment (e.g. loans and deposits). The quarterly i.i.p. is compiled on the basis of the same methodological framework as the annual i.i.p. As some data sources are not available on a quarterly basis (or are available with a delay), the quarterly i.i.p. is partly estimated on the basis of financial transactions, asset prices and foreign exchange developments.

Table 1 in Section 7.3 summarises the i.i.p. and financial transactions in the euro area b.o.p. The breakdown of the change in the annual i.i.p. is obtained by applying a statistical model to i.i.p. changes other than transactions, using information from the geographical breakdown and currency composition of assets and liabilities, as well as price indices for different financial assets. In this table, columns 5 and 6 refer to direct investment by resident units abroad and direct investment by non-resident units in the euro area.

In Table 5 in Section 7.3, the breakdown into "loans" and "currency and deposits" is based on the sector of the non-resident counterpart – i.e. assets vis-à-vis non-resident banks are classified as deposits, whereas assets vis-à-vis other non-resident sectors are classified as loans. This breakdown follows the distinction made in other statistics, such as the MFI consolidated balance sheet, and conforms to the IMF Balance of Payments Manual.

The outstanding amounts for the Eurosystem's international reserves and related assets and liabilities are shown in Table 7 of Section 7.3. These figures are not fully comparable with those in the Eurosystem's weekly financial statement owing to differences in coverage and valuation. The data in Table 7 are in line with the recommendations for the template on international reserves and foreign currency liquidity. By definition, the assets included in the Eurosystem's international reserves take account of the changing composition of the euro area. Before countries join the euro area, the assets of their national central banks are included in portfolio investment (in the case of securities) or other investment (in the case of other assets). Changes in the gold holdings of the Eurosystem (column 3) are due to transactions in gold within the terms of the Central Bank Gold Agreement of 26 September 1999, which was updated on 27 September 2009. More information on the statistical treatment of the Eurosystem's international reserves can be found in a publication entitled "Statistical treatment of the Eurosystem's international reserves" (October 2000), which can be downloaded from the ECB's website. The website also contains more comprehensive data in accordance with the template on international reserves and foreign currency liquidity.

The euro area's gross external debt statistics in Table 8 of Section 7.3 represent outstanding actual (rather than contingent) liabilities vis-à-vis non-euro area residents that require the payment of principal and/or interest by the debtor at one or more points in the future. Table 8 shows a breakdown of gross external debt by instrument and institutional sector.

Section 7.4 contains a monetary presentation of the euro area balance of payments, showing the transactions by non-MFIs that mirror the net external transactions by MFIs. Included in the transactions by non-MFIs are b.o.p. transactions for which a sectoral breakdown is not available. These concern the current and capital accounts (column 2) and financial derivatives (column 11). An up-to-date methodological note on the monetary presentation of the euro area balance of payments is available in the "Statistics" section of the ECB's website. See also Box 1 in the June 2003 issue of the Monthly Bulletin.

Section 7.5 shows data on euro area external trade in goods. The source is Eurostat. Value data and volume indices are seasonally and working day-adjusted. The breakdown by product group in columns 4 to 6 and 9 to 11 of Table 1 in Section 7.5 is in line with the classification contained in the Broad Economic Categories and corresponds to the basic classes of goods in the System of National Accounts. Manufactured goods (columns 7 and 12) and oil (column 13) are in line with the SITC Rev. 4 definition. The geographical breakdown (Table 3 in Section 7.5) shows major trading partners both individually and in regional groups. China excludes Hong Kong. On account of differences in definitions, classification, coverage and time of recording, external trade data, in particular for imports, are not fully comparable with the goods item in the b.o.p. statistics (Sections 7.1 and 7.2). Part of the difference arises from the inclusion of insurance and freight services in the recording of imported goods in external trade data.

Industrial import prices and industrial producer export prices (or industrial output prices for the non-domestic market) shown in Table 2 in Section 7.5 were introduced by Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98, which is the principal legal basis for short-term statistics. The industrial import price index covers industrial products imported from outside the euro area under sections B to E of the Statistical Classification of Products by Activity in the European Economic Community (CPA) and all institutional import sectors except households, governments and non-profit institutions. It reflects the cost, insurance and freight price excluding import duties and taxes, and refers to actual transactions in euro recorded at the point when ownership of the goods is transferred. The industrial producer export prices cover all industrial products exported directly by euro area producers to the extra-euro area market under sections B to E of NACE Revision 2. Exports from wholesalers and re-exports are not covered. The indices reflect the free on board price expressed in euro and calculated at the euro area frontier, including any indirect taxes except VAT and other deductible taxes. Industrial import prices and industrial producer export prices are available by Main Industrial Grouping as defined by Commission Regulation (EC) No 656/2007 of 14 June 2007. For more details, see Box 11 in the December 2008 issue of the Monthly Bulletin.

EXCHANGE RATES

Section 8.1 shows nominal and real effective exchange rate indices for the euro, which are calculated by the ECB on the basis of weighted averages of the euro's bilateral exchange rates against the currencies of the selected trading partners of the euro area. A positive change denotes an appreciation of the euro. Weights are based on trade in manufactured goods with those trading partners in the periods 1995-1997, 1998-2000, 2001-2003, 2004-2006 and 2007-2009 and are calculated to account for third-market effects. The EER indices are obtained by chain-linking the indicators based on each of these five sets of trade weights at the end of each three-year period. The base period of the resulting EER index is the first quarter of 1999. The EER-20 group of trading partners is composed of the 10 non-euro area EU Member States plus Australia, Canada, China, Hong Kong, Japan, Norway, Singapore, South Korea, Switzerland and the United States. The EER-19 group excludes Croatia. The EER-39 group comprises the EER-20 plus the following countries: Algeria, Argentina, Brazil, Chile, Iceland, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, the Philippines, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela. Real EERs are calculated using consumer price indices (CPIs), producer price indices (PPIs), gross domestic product deflators and unit labour costs, both for the manufacturing sector (ULCM) and for the total economy (ULCT). ULCM-deflated EERs are available only for the EER-19.

For more detailed information on the calculation of the EERs, see the relevant methodological note and ECB Occasional Paper No 134 ("Revisiting the effective exchange rates of the euro" by Martin Schmitz, Maarten De Clercq, Michael Fidora, Bernadette Lauro and Cristina Pinheiro, June 2012), which can be downloaded from the ECB's website.

The bilateral rates shown in Section 8.2 are monthly averages of those published daily as reference rates for these currencies. The most recent rate for the Icelandic krona is 290.0 per euro and refers to 3 December 2008.

DEVELOPMENTS OUTSIDE THE EURO AREA

Statistics on other EU Member States (Section 9.1) follow the same principles as data relating to the euro area. However, data shown in this table on current and capital accounts and gross external debt follow the respective national concept and do not include special-purpose vehicles. The data for the United States and Japan contained in Section 9.2 are obtained from national sources.

ANNEXES

CHRONOLOGY OF MONETARY POLICY MEASURES OF THE EUROSYSTEM[1]

12 JANUARY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

9 FEBRUARY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also approves specific national eligibility criteria and risk control measures for the temporary acceptance in a number of countries of additional credit claims as collateral in Eurosystem credit operations.

8 MARCH, 4 APRIL AND 3 MAY 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.

6 JUNE 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 15 January 2013, notably to continue its fixed rate tender procedures with full allotment.

5 JULY 2012

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

2 AUGUST 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

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

6 SEPTEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively. It also decides on the modalities for undertaking Outright Monetary Transactions (OMTs) in secondary markets for sovereign bonds in the euro area.

4 OCTOBER AND 8 NOVEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

6 DECEMBER 2012

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively. It also decides on the details as regards the tender procedures and modalities to be applied in its refinancing operations up to 9 July 2013, notably to continue its fixed rate tender procedures with full allotment.

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

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.75%, 1.50% and 0.00% respectively.

2 MAY 2013

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

6 JUNE, 4 JULY, 1 AUGUST, 5 SEPTEMBER AND 2 OCTOBER 2013

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.50%, 1.00% and 0.00% respectively.

7 NOVEMBER 2013

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

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

The Governing Council of the ECB decides that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.25%, 0.75% and 0.00% respectively.

PUBLICATIONS PRODUCED BY THE EUROPEAN CENTRAL BANK

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- Enhancing monetary analysis
- Financial integration in Europe
- Financial Stability Review
- Statistics Pocket Book
- The European Central Bank: history, role and functions
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- The monetary policy of the ECB
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For a complete list of documents (in PDF format) published by the ECB and the European Monetary Institute, the ECB's forerunner from 1994 to 1998, please visit the ECB's website at http://www.ecb.europa.eu/pub/. Language codes indicate the languages in which each publication is available.

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GLOSSARY

This glossary contains selected items that are frequently used in the Monthly Bulletin. A more comprehensive and detailed glossary can be found on the ECB's website (www.ecb.europa.eu/home/glossary/html/index.en.html).

Autonomous liquidity factors: liquidity factors that do not normally stem from the use of monetary policy instruments. Such factors are, for example, banknotes in circulation, government deposits with the central bank and the net foreign assets of the central bank.

Balance of payments (b.o.p.): a statistical statement that summarises, for a specific period of time, the economic transactions of an economy with the rest of the world.

Bank lending survey (BLS): a quarterly survey on lending policies that has been conducted by the Eurosystem since January 2003. It addresses qualitative questions on developments in credit standards, terms and conditions of loans and loan demand for both enterprises and households to a predefined sample group of banks in the euro area.

Borrowing requirement (general government): net incurrence of debt by the general government.

Break-even inflation rate: the spread between the yield on a nominal bond and that on an inflation-linked bond of the same (or as similar as possible) maturity.

Capital account: a b.o.p. account that covers all capital transfers and acquisitions/disposals of non-produced, non-financial assets between residents and non-residents.

Capital accounts: part of the system of national (or euro area) accounts consisting of the change in net worth that is due to net saving, net capital transfers and net acquisitions of non-financial assets.

Central parity (or central rate): the exchange rate of each ERM II member currency vis-à-vis the euro, around which the ERM II fluctuation margins are defined.

Compensation per employee or per hour worked: the total remuneration, in cash or in kind, that is payable by employers to employees, i.e. gross wages and salaries, as well as bonuses, overtime payments and employers' social security contributions, divided by the total number of employees or by the total number of employees' hours worked.

Consolidated balance sheet of the MFI sector: a balance sheet obtained by netting out inter-MFI positions (e.g. inter-MFI loans and deposits) in the aggregated MFI balance sheet. It provides statistical information on the MFI sector's assets and liabilities vis-à-vis residents of the euro area not belonging to this sector (i.e. the general government and other euro area residents) and vis-à-vis non-euro area residents. It is the main statistical source for the calculation of monetary aggregates, and it provides the basis for the regular analysis of the counterparts of M3.

Collateral: assets pledged or transferred in some form as a guarantee for the repayment of loans, as well as assets sold under repurchase agreements. Collateral used in Eurosystem reverse transactions must fulfil certain eligibility criteria.

Current account: a b.o.p. account that covers all transactions in goods and services, income and current transfers between residents and non-residents.

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

Debt (financial accounts): loans taken out by households, as well as the loans, debt securities and pension fund reserves (resulting from employers' direct pension commitments on behalf of their employees) of non-financial corporations, valued at market prices at the end of the period.

Debt (general government): the gross debt (currency and deposits, loans and debt securities) at nominal value outstanding at the end of the year and consolidated between and within the sectors of general government.

Debt security: a promise on the part of the issuer (i.e. the borrower) to make one or more payment(s) to the holder (the lender) on a specified future date or dates. Such securities usually carry a specific rate of interest (the coupon) and/or are sold at a discount to the amount that will be repaid at maturity. Debt securities issued with an original maturity of more than one year are classified as long-term.

Debt-to-GDP ratio (general government): the ratio of general government debt to GDP at current market prices. It is the subject of one of the fiscal criteria laid down in Article 126(2) of the Treaty on the Functioning of the European Union to define the existence of an excessive deficit.

Deficit (general government): the general government's net borrowing, i.e. the difference between total government revenue and total government expenditure.

Deficit-debt adjustment (general government): the difference between the general government deficit and the change in general government debt.

Deficit ratio (general government): the ratio of the general government deficit to GDP at current market prices. It is the subject of one of the fiscal criteria laid down in Article 126(2) of the Treaty on the Functioning of the European Union to define the existence of an excessive deficit. It is also referred to as the budget deficit ratio or the fiscal deficit ratio.

Deflation: a significant and persistent decline in the prices of a very broad set of consumer goods and services that becomes entrenched in expectations.

Deposit facility: a standing facility of the Eurosystem enabling eligible counterparties to make, on their own initiative, overnight deposits with the NCB in their respective jurisdiction. Deposits are remunerated at a pre-specified rate that normally provides a floor for overnight market interest rates.

Disinflation: a process of decelerating inflation that may lead to negative inflation rates of a temporary nature.

Direct investment: cross-border investment for the purpose of obtaining a lasting interest in an enterprise resident in another economy (assumed, in practice, for ownership of at least 10% of the ordinary shares or voting power). Included are equity capital, reinvested earnings and other capital associated with inter-company operations. The direct investment account records net transactions/positions in assets abroad by euro area residents (as "direct investment abroad") and net transactions/positions in euro area assets by non-residents (as "direct investment in the euro area").

Effective exchange rates (EERs) of the euro (nominal/real): weighted averages of bilateral euro exchange rates against the currencies of the euro area's main trading partners. The EER indices of the euro are calculated against different groups of trading partners: the EER-20 comprises the ten non-euro area EU Member States and ten trading partners outside the EU, and the EER-40 encompasses the EER-20 and 20 additional countries. The weights used reflect the share of each partner country in the euro area's trade in manufactured goods and account for competition in third markets. Real EERs are nominal EERs deflated by a weighted average of foreign, relative to domestic, prices or costs. They are thus measures of price and cost competitiveness.

Enhanced credit support: the non-standard measures taken by the ECB/Eurosystem during the financial crisis with a view to supporting financing conditions and credit flows above and beyond what could be achieved through reductions in key ECB interest rates alone.

EONIA (euro overnight index average): a measure of the effective interest rate prevailing in the euro interbank overnight market. It is calculated as a weighted average of the interest rates on unsecured overnight lending transactions denominated in euro, as reported by a panel of contributing banks.

Equities: securities representing ownership of a stake in a corporation, e.g. shares traded on stock exchanges (quoted shares), unquoted shares and other forms of equity. Equities usually produce income in the form of dividends.

ERM II (exchange rate mechanism II): the exchange rate arrangement that provides the framework for exchange rate policy cooperation between the euro area countries and the EU Member States not participating in Stage Three of EMU.

EURIBOR (euro interbank offered rate): the rate at which what is known as a prime bank is willing to lend funds (denominated in euro) to another prime bank. The EURIBOR is computed daily, based on the rates of a sample of selected banks, for different maturities of up to 12 months.

Euro area: the area formed by those EU Member States in which the euro has been adopted as the single currency in accordance with the Treaty on the Functioning of the European Union.

European Commission surveys: harmonised surveys of business and/or consumer sentiment conducted on behalf of the European Commission in each of the EU Member States. Such questionnaire-based surveys are addressed to managers in the manufacturing, construction, retail and services industries, as well as to consumers. From each monthly survey, composite indicators are calculated that summarise the replies to a number of different questions in a single indicator (confidence indicators).

Eurosystem: the central banking system made up of the ECB and the NCBs of those EU Member States whose currency is the euro.

Eurozone Purchasing Managers' Surveys: surveys of business conditions in manufacturing and in services industries conducted for a number of countries in the euro area and used to compile indices. The Eurozone Manufacturing Purchasing Managers' Index (PMI) is a weighted indicator calculated from indices of output, new orders, employment, suppliers' delivery times and stocks of purchases. The services sector survey asks questions on business activity, expectations of future business activity, the amount of business outstanding, incoming new business, employment, input prices and prices charged. The Eurozone Composite Index is calculated by combining the results from the manufacturing and services sector surveys.

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

External trade in goods: exports and imports of goods with countries outside the euro area, measured in terms of value and as indices of volume and unit value. External trade statistics are not comparable with the exports and imports recorded in the national accounts, as the latter include both intra-euro area and extra-euro area transactions, and also combine goods and services. Nor are they fully comparable with the goods item in b.o.p. statistics. Besides methodological adjustments, the main difference is that imports in external trade statistics are recorded including insurance and freight services, whereas they are recorded free on board in the goods item in the b.o.p. statistics.

Financial account: a b.o.p. account that covers transactions between residents and non-residents in direct investment, portfolio investment, other investment, financial derivatives and reserve assets.

Financial accounts: part of the system of national (or euro area) accounts showing the financial positions (stocks or balance sheets), financial transactions and other changes of the different institutional sectors of an economy by type of financial asset.

Financial vehicle corporation (FVC): an entity whose principal activity is to carry out securitisation transactions. An FVC typically issues marketable securities that are offered for sale to the general public, or sold in the form of private placements. These securities are backed by a portfolio of assets (typically loans) which are held by the FVC. In some cases, a securitisation transaction may involve a number of FVCs, where one FVC holds the securitised assets and another issues the securities backed by those assets.

Fixed rate tender: a tender procedure in which the interest rate is specified in advance by the central bank and in which participating counterparties bid the amount of money they wish to transact at the fixed interest rate.

Fixed rate full-allotment tender procedure: a tender procedure in which the interest rate is pre-specified by the central bank (fixed rate) and in which counterparties bid the amount of money they want to transact at that rate, knowing in advance that all their bids will be satisfied (full allotment).

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

General government: a sector defined in the ESA 95 as comprising resident entities that are engaged primarily in the production of non-market goods and services intended for individual and collective consumption and/or in the redistribution of national income and wealth. Included are central, regional and local government authorities as well as social security funds. Excluded are government-owned entities that conduct commercial operations, such as public enterprises.

Gross domestic product (GDP): the value of an economy's total output of goods and services less intermediate consumption, plus net taxes on products and imports. GDP can be broken down by output, expenditure or income components. The main expenditure aggregates that make up GDP are household final consumption, government final consumption, gross fixed capital formation, changes in inventories, and imports and exports of goods and services (including intra-euro area trade).

Gross external debt: the outstanding amount of an economy's actual (i.e. non-contingent) current liabilities that require payment of principal and/or interest to non-residents at some point in the future.

Harmonised Index of Consumer Prices (HICP): a measure of the development of consumer prices that is compiled by Eurostat and harmonised for all EU Member States.

Hourly labour cost index: a measure of labour costs, including gross wages and salaries (in cash and in kind, including bonuses) and other labour costs (employers' social contributions plus employment-related taxes paid by the employer minus subsidies received by the employer), per hour actually worked (including overtime).

Implied volatility: the expected volatility (i.e. standard deviation) in the rates of change of the price of an asset (e.g. a share or a bond). It can be derived from the asset's price, maturity date and exercise price of its options, as well as from a riskless rate of return, using an option pricing model such as the Black-Scholes model.

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

Index of negotiated wages: a measure of the direct outcome of collective bargaining in terms of basic pay (i.e. excluding bonuses) at the euro area level. It refers to the implied average change in monthly wages and salaries.

Industrial producer prices: factory-gate prices (transportation costs are not included) of all products sold by industry, excluding construction, on the domestic markets of the euro area countries, excluding imports.

Industrial production: the gross value added created by industry at constant prices.

Inflation: an increase in the general price level, e.g. in the consumer price index.

Inflation-indexed government bonds: debt securities issued by the general government, the coupon payments and principal of which are linked to a specific consumer price index.

Insurance corporations and pension funds: financial corporations and quasi-corporations that are engaged primarily in financial intermediation as the consequence of the pooling of risks.

International investment position (i.i.p.): the value and composition of an economy's outstanding net financial claims on (or financial liabilities to) the rest of the world.

International reserves: external assets readily available to and controlled by monetary authorities for directly financing or regulating the magnitude of payment imbalances through intervention in exchange markets. The international reserves of the euro area comprise non-euro-denominated claims on non-euro area residents, gold, special drawing rights and the reserve positions in the IMF which are held by the Eurosystem.

Investment funds (except money market funds): financial institutions that pool capital raised from the public and invest it in financial and non-financial assets. See also MFIs.

Job vacancies: a collective term covering newly created jobs, unoccupied jobs or jobs about to become vacant in the near future, for which the employer has recently taken active steps to find a suitable candidate.

Key ECB interest rates: the interest rates, set by the Governing Council, which reflect the monetary policy stance of the ECB. They are the rates at the main refinancing operations, on the marginal lending facility and on the deposit facility.

Labour force: the sum total of persons in employment and the number of unemployed.

Labour productivity: the output that can be produced with a given input of labour. It can be measured in several ways, but is commonly measured as GDP (volume) divided by either total employment or total hours worked.

Liquidity-absorbing operation: an operation through which the Eurosystem absorbs liquidity in order to reduce excess liquidity, or to create a shortage of liquidity. Such operations can be conducted by issuing debt certificates or fixed-term deposits.

Longer-term refinancing operation (LTRO): an open market operation with a maturity of more than one week that is executed by the Eurosystem in the form of a reverse transaction. The regular monthly operations have a maturity of three months. During the financial market turmoil that started in August 2007, supplementary operations with maturities ranging from one maintenance period to 36 months were conducted, the frequency of which varied.

M1: a narrow monetary aggregate that comprises currency in circulation plus overnight deposits held with MFIs and central government (e.g. at the post office or treasury).

M2: an intermediate monetary aggregate that comprises M1 plus deposits redeemable at a period of notice of up to and including three months (i.e. short-term savings deposits) and deposits with an agreed maturity of up to and including two years (i.e. short-term time deposits) held with MFIs and central government.

M3: a broad monetary aggregate that comprises M2 plus marketable instruments, in particular repurchase agreements, money market fund shares and units, and debt securities with a maturity of up to and including two years issued by MFIs.

Main refinancing operation (MRO): a regular open market operation executed by the Eurosystem in the form of reverse transactions. Such operations are carried out through a weekly standard tender and normally have a maturity of one week.

Marginal lending facility: a standing facility of the Eurosystem enabling eligible counterparties, on their own initiative, to receive overnight credit from the NCB in their jurisdiction at a pre-specified rate in the form of a reverse transaction. The rate on loans extended within the scope of the marginal lending facility normally provides an upper bound for overnight market interest rates.

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

MFI credit to euro area residents: MFI loans granted to non-MFI euro area residents (including general government and the private sector) and MFI holdings of securities (shares, other equity and debt securities) issued by non-MFI euro area residents.

MFI interest rates: the interest rates that are applied by resident credit institutions and other MFIs, excluding central banks and money market funds, to euro-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the euro area.

MFI longer-term financial liabilities: deposits with an agreed maturity of over two years, deposits redeemable at a period of notice of over three months, debt securities issued by euro area MFIs with an original maturity of more than two years and the capital and reserves of the euro area MFI sector.

MFI net external assets: the external assets of the euro area MFI sector (such as gold, foreign currency banknotes and coins, securities issued by non-euro area residents and loans granted to non-euro area residents) minus the external liabilities of the euro area MFI sector (such as non-euro area residents' deposits and repurchase agreements, as well as their holdings of money market fund shares/units and debt securities issued by MFIs with a maturity of up to and including two years).

MFIs (monetary financial institutions): financial institutions which together form the money-issuing sector of the euro area. These include (i) the Eurosystem, (ii) resident credit institutions (as defined in EU law), (iii) other financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or invest in securities, as well as electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money, and (iv) money market funds, i.e. collective investment undertakings that invest in short-term and low-risk instruments.

Minimum bid rate: the lower limit to the interest rates at which counterparties may submit bids in variable rate liquidity-providing tender operations.

Open market operation: a financial market operation executed on the initiative of the central bank. These operations include reverse transactions, outright transactions as well as the issuance of fixed-term deposits or debt certificates or foreign exchange swaps. The open market operations can be liquidity providing or liquidity absorbing.

Other investment: an item in the b.o.p. and the i.i.p. that covers the financial transactions/positions with non-residents in trade credits, deposits and loans, and other accounts receivable and payable.

Portfolio investment: euro area residents' net transactions and/or positions in securities issued by non-residents of the euro area ("assets") and non-residents' net transactions and/or positions in securities issued by euro area residents ("liabilities"). Included are equity securities and debt securities (bonds and notes, and money market instruments). Transactions are recorded at the effective price paid or received, less commissions and expenses. To be regarded as a portfolio asset, ownership in an enterprise must be equivalent to less than 10% of the ordinary shares or voting power.

Price stability: as defined by the Governing Council, a year-on-year increase in the HICP for the euro area of below 2%. The Governing Council has also made it clear that, in the pursuit of price stability, it aims to maintain inflation rates below, but close to, 2% over the medium term.

Purchasing power parity (PPP): the rate at which one currency is converted into another so as to equalise the purchasing power of the two currencies by eliminating the differences in the price levels prevailing in the countries concerned. In their simplest form, PPPs show the ratio of the prices in national currency of the same good or service in different countries.

Reference value for M3 growth: the annual growth rate of M3 that is deemed to be compatible with price stability over the medium term.

Reserve requirement: the requirement for institutions to hold minimum reserves with the central bank over a maintenance period. Compliance with the requirement is determined on the basis of the average of the daily balances in the reserve accounts over the maintenance period.

Reverse transaction: an operation whereby the NCB buys or sells assets under a repurchase agreement or conducts credit operations against collateral.

Securitisation: a transaction or scheme whereby an asset or a pool of cash flow-producing assets, often consisting of loans (mortgages, consumer loans, etc.), is transferred from an originator (usually a credit institution) to a financial vehicle corporation (FVC). The FVC effectively converts these assets into marketable securities by issuing debt instruments with principal and interest serviced through the cash flows produced by the asset pool.

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

Survey of Professional Forecasters (SPF): a quarterly survey that has been conducted by the ECB since 1999 to collect macroeconomic forecasts on euro area inflation, real GDP growth and unemployment from a panel of experts affiliated to financial and non-financial organisations based in the EU.

Unit labour costs: a measure of total labour costs per unit of output calculated for the euro area as the ratio of total compensation per employee to labour productivity (defined as GDP (volume) per person employed).

Variable rate tender: a tender procedure where the counterparties bid both the amount of money they wish to transact with the central bank and the interest rate at which they wish to enter into the transaction.

Volatility: the degree of fluctuation in a given variable.

Write-down: a downward adjustment to the value of loans recorded in the balance sheets of MFIs when it is recognised that the loans have become partly unrecoverable.

Write-off: the removal of the value of loans from the balance sheets of MFIs when the loans are considered to be totally unrecoverable.

Yield curve: a graphical representation of the relationship between the interest rate or yield and the residual maturity at a given point in time for sufficiently homogenous debt securities with different maturity dates. The slope of the yield curve can be measured as the difference between the interest rates or yield at two selected maturities.

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