

# Adjustment and growth in the euro area economies

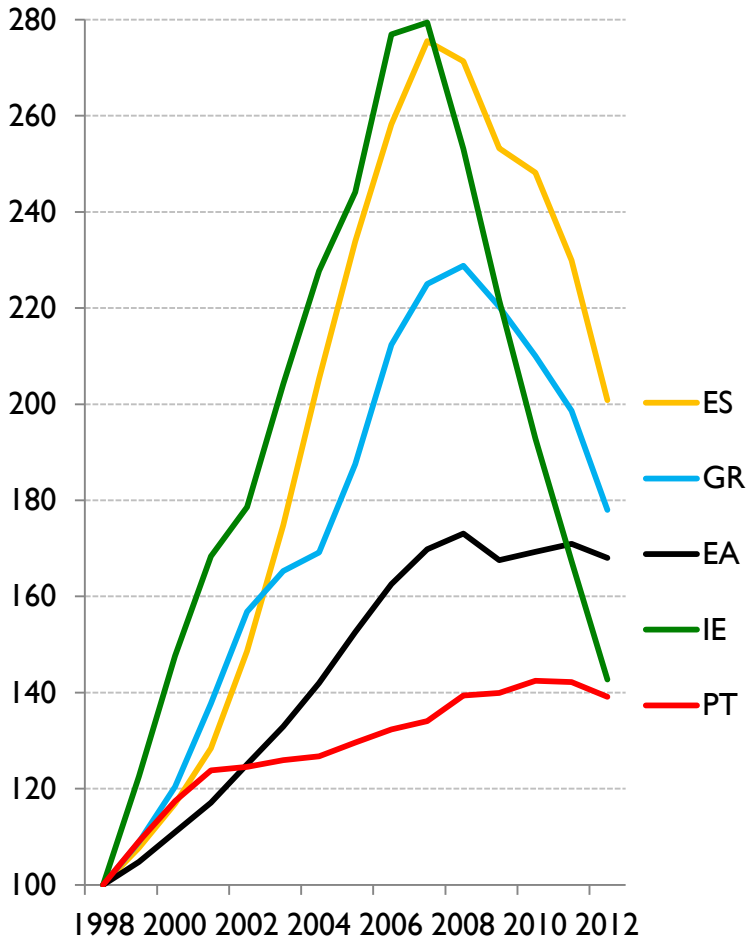
**Benoît Cœuré**

**Member of the Executive Board  
European Central Bank**

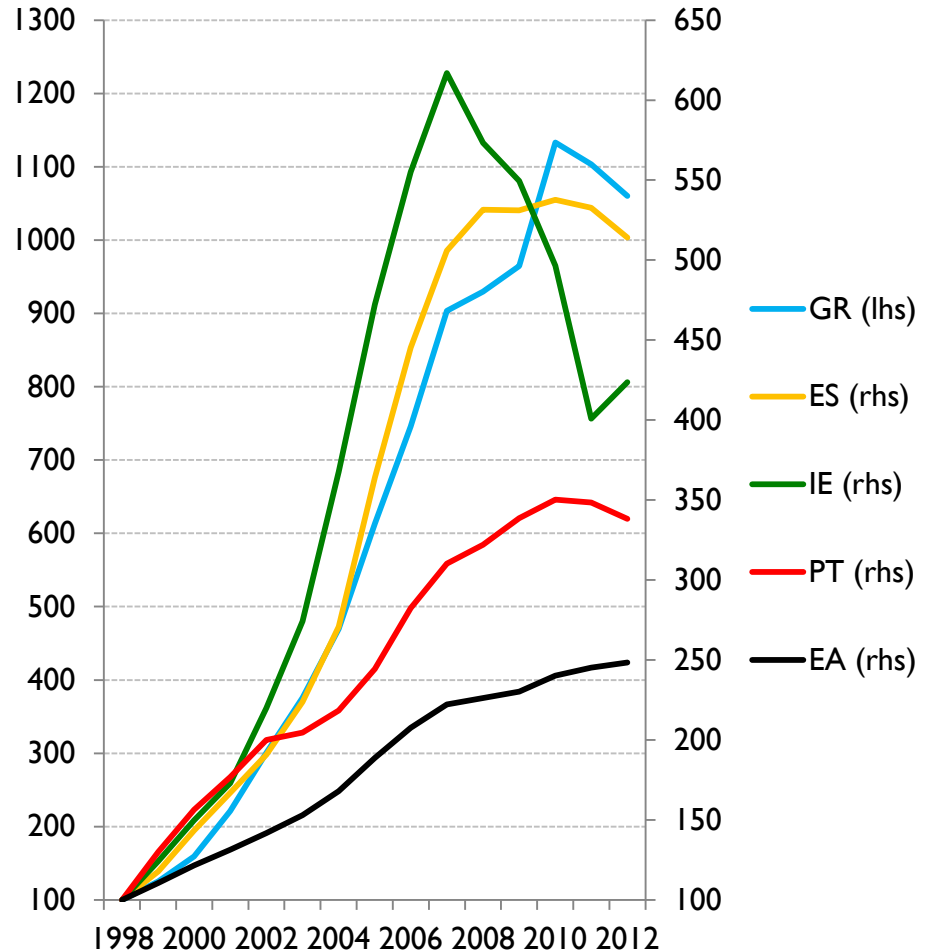
**Nova School of Business and Economics  
Lisbon, 22 February 2013**

# House prices and credit growth

## House prices (1998=100)



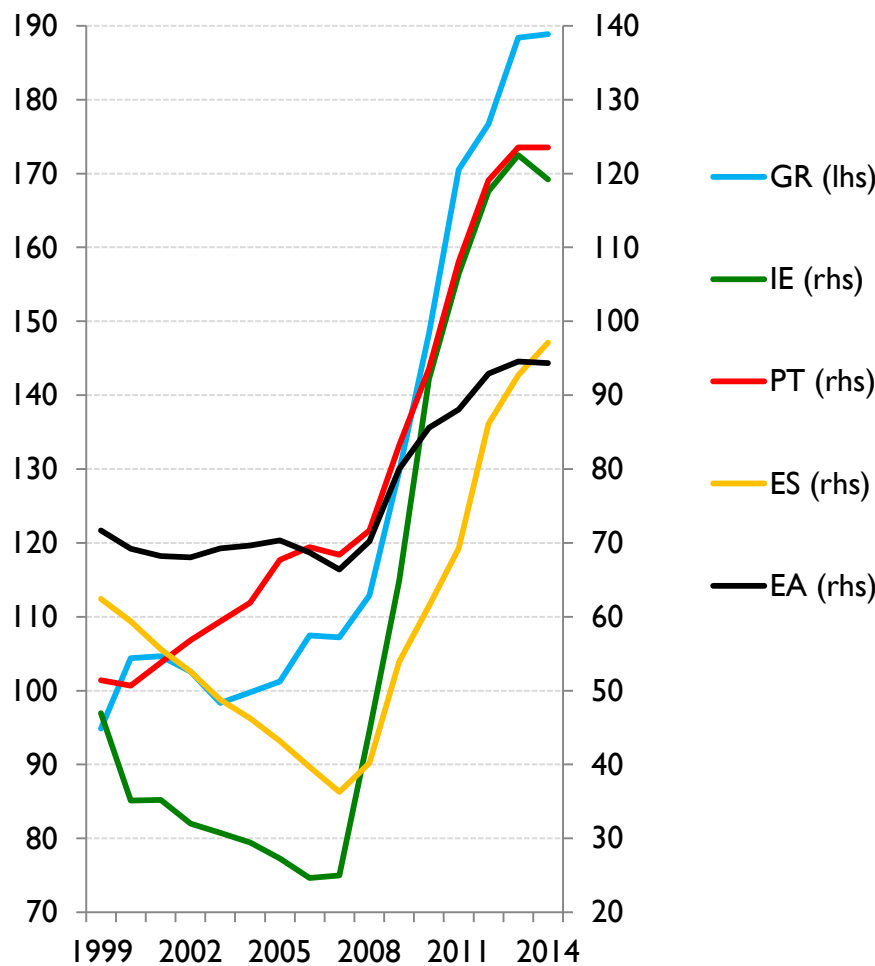
## Loans for house purchase (1998=100)



Source: ECB. Latest data is Q3-2012

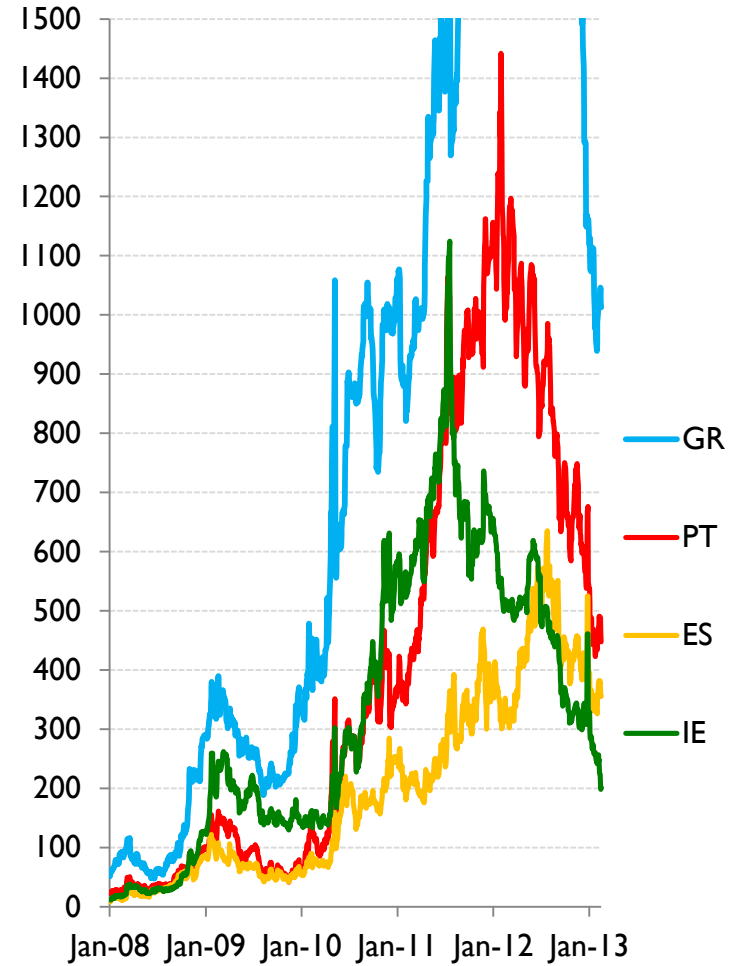
# Government debt and risk premia

**General government debt (in % of GDP)**



Source: EC. Note: 2012-2014 is EC forecast.

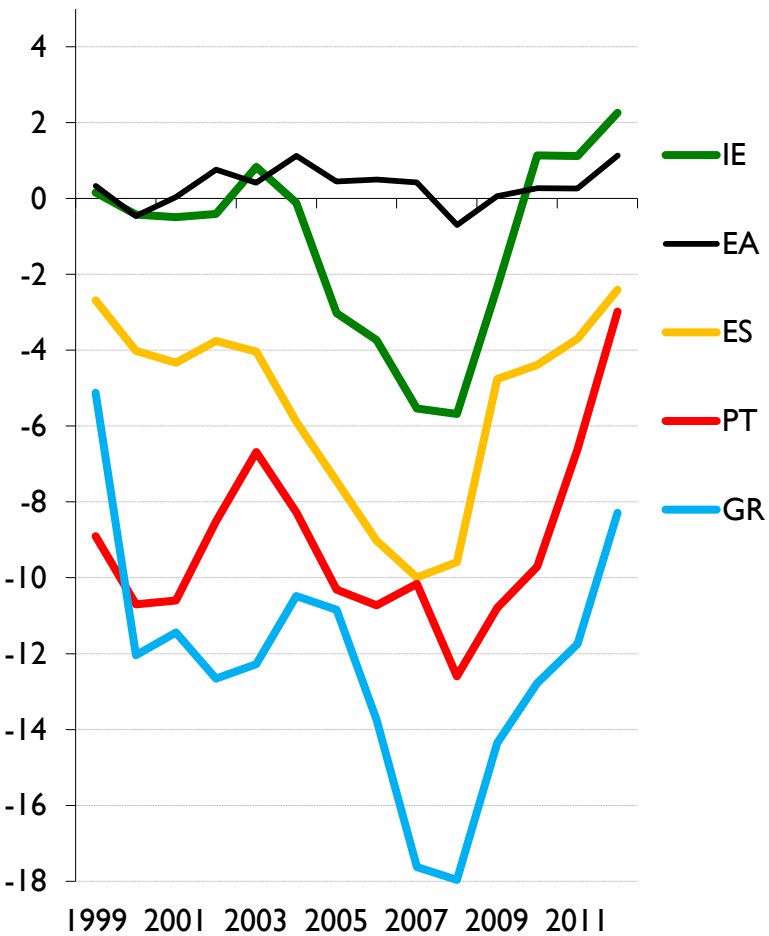
**Spread vis-à-vis German Bund (in basis points)**



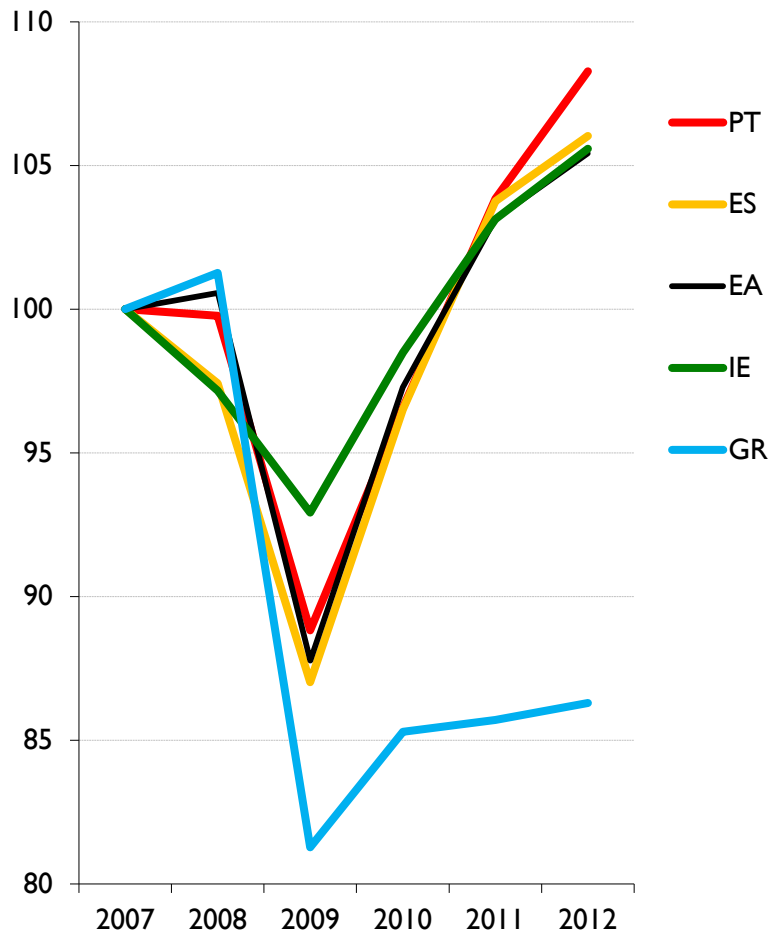
Source: Bloomberg. Latest data: 14 February 2013

# Current account and export growth

Current account in % of GDP



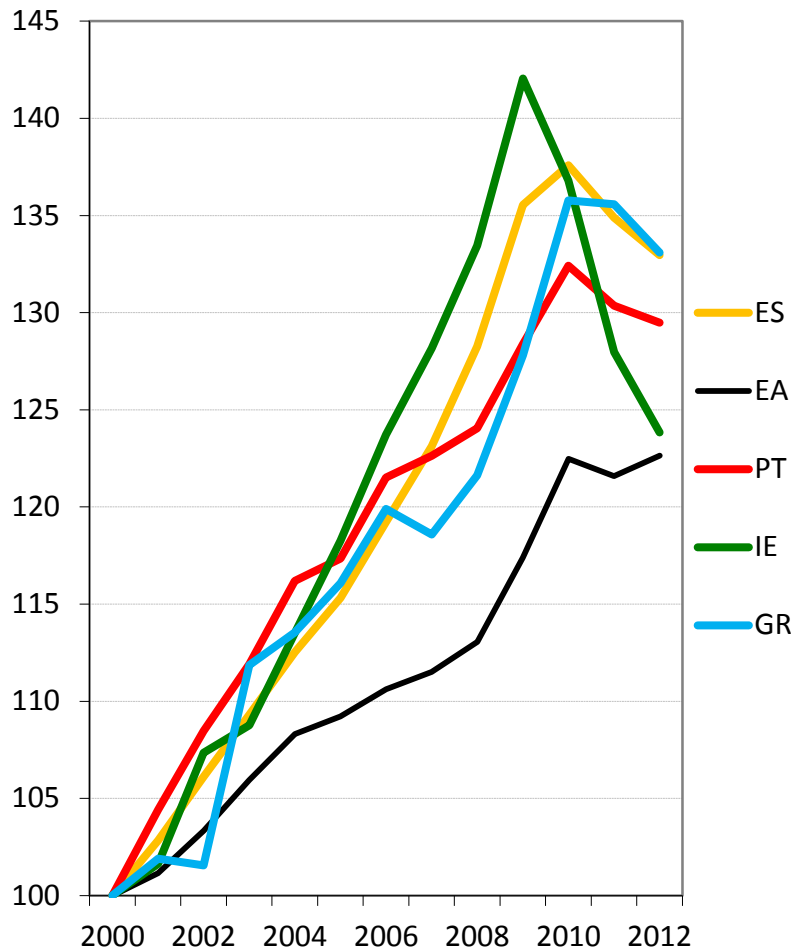
Real per capita exports of goods and services (2007=100)



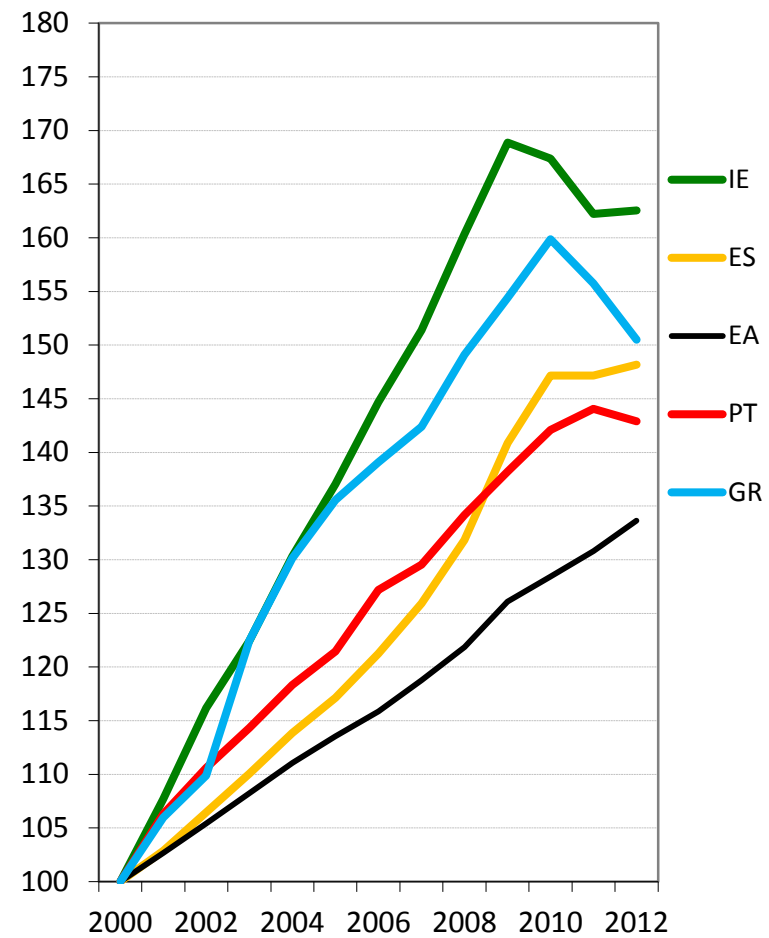
Source: EC. Note: 2012-2014 is EC forecast.

# Unit labour costs and wages

ULC (2000=100 )



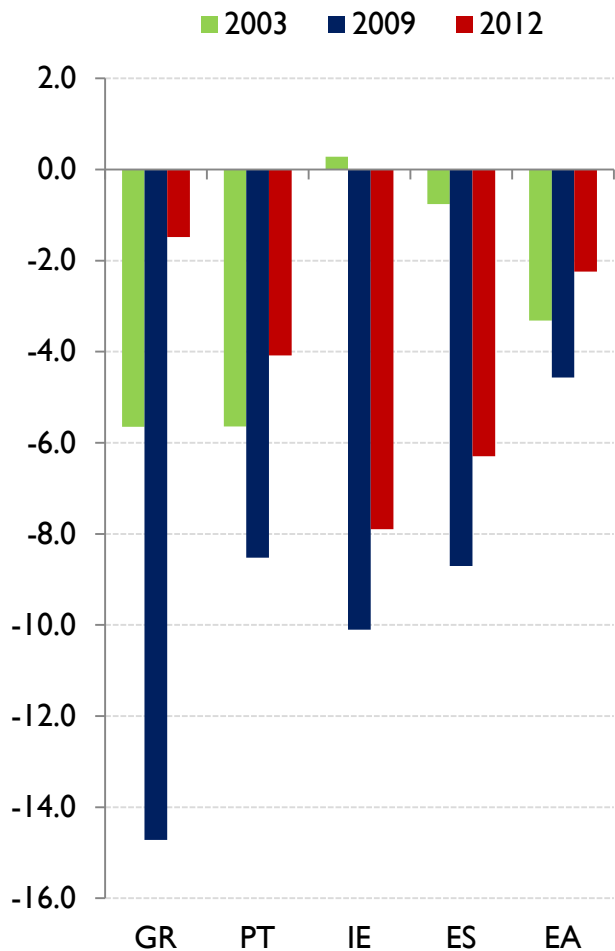
Compensation per employee (2000=100 )



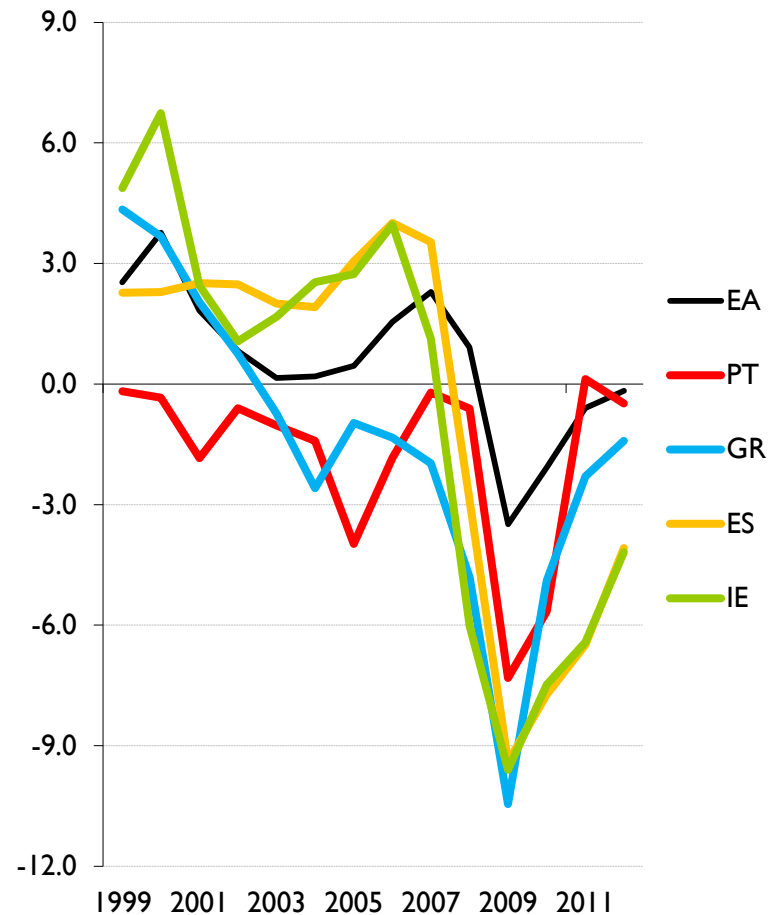
Source: EC.

# Structural and primary balances

**Structural fiscal balance (in % of GDP)**



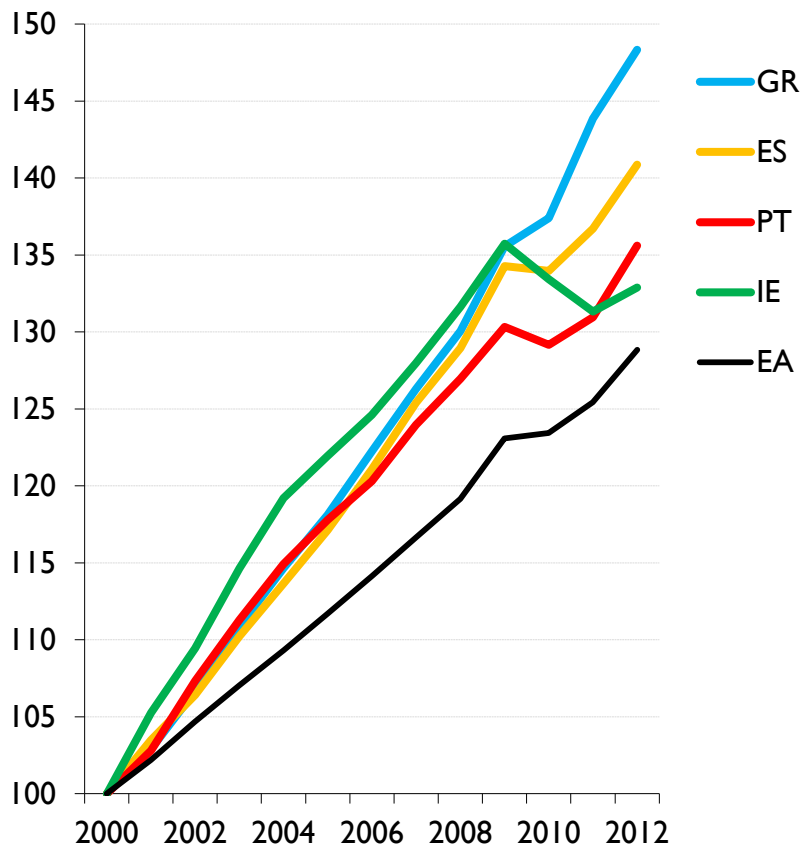
**Primary fiscal balance (net of banking sector support) in % of GDP**



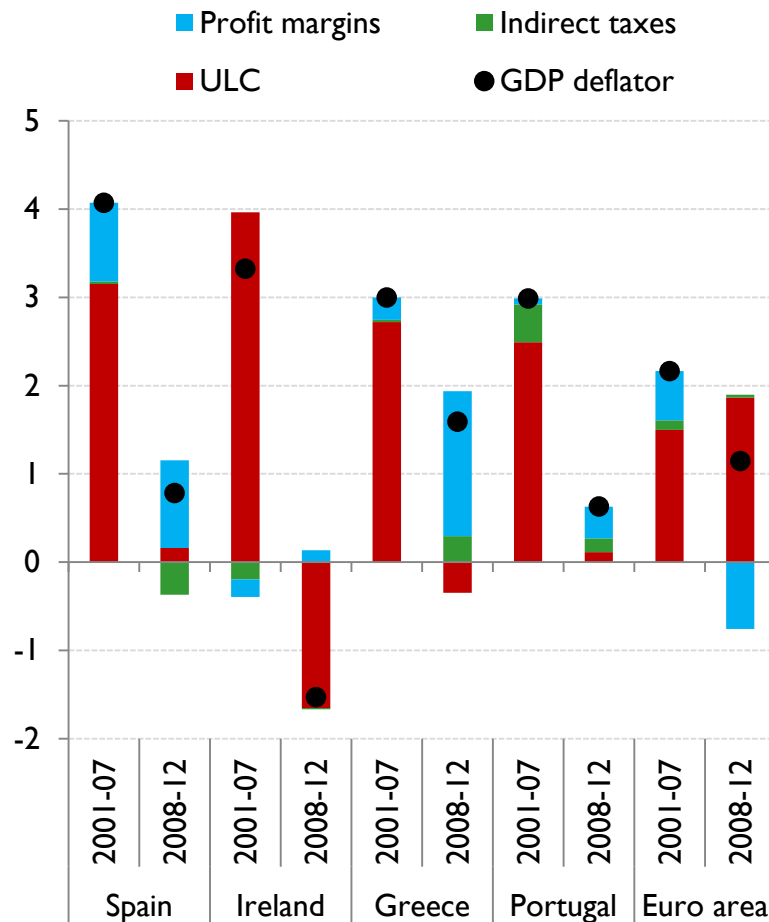
Source: EC.

# HICP and GDP deflator

## HICP (2000=100)



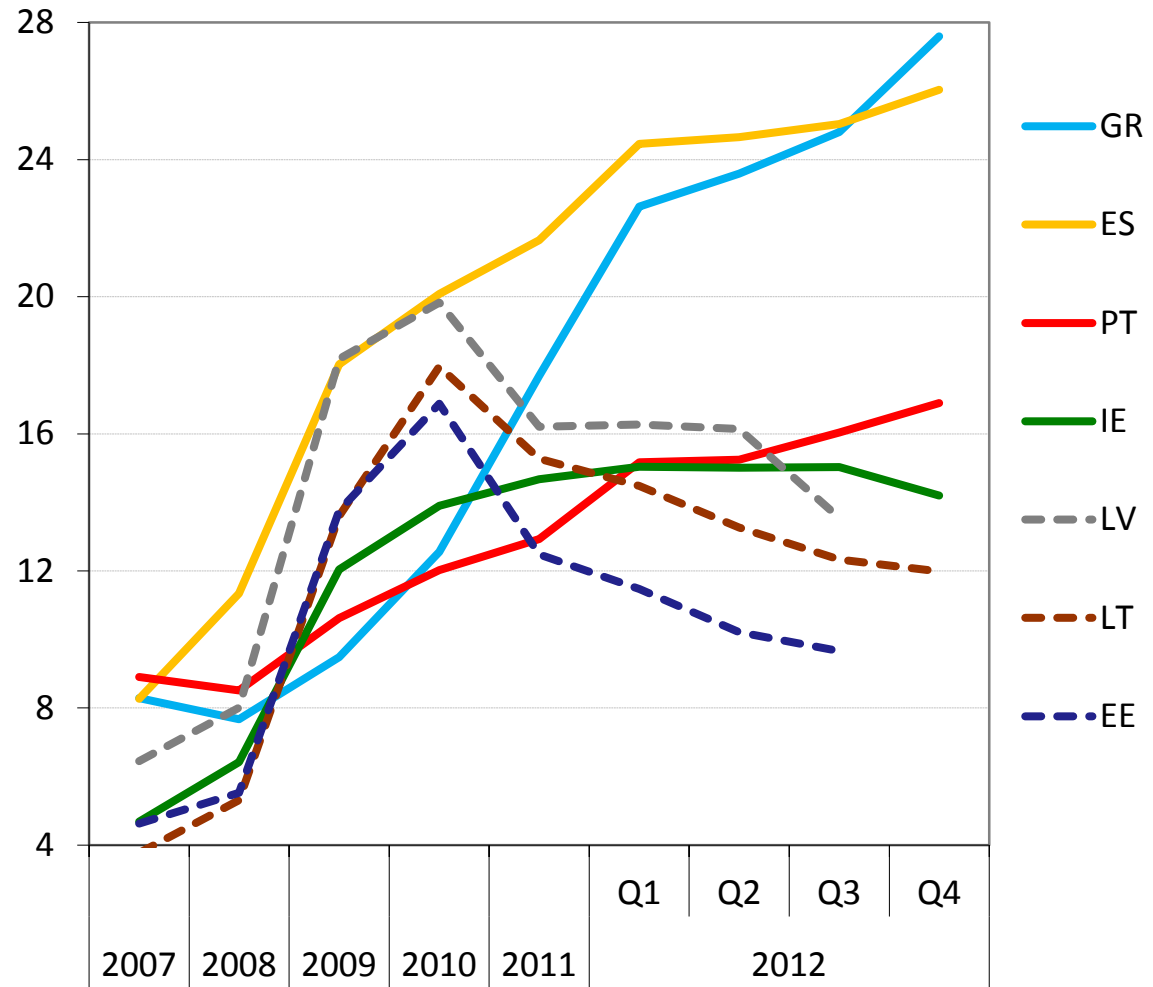
## GDP deflator and contributions from ULC indirect taxes and profit margins (average growth in 2001-07, 2008-12)



Source: Eurostat. Data for the GDP deflator at factor cost only available since 2000. Latest observation: 2012 Q3.

# Unemployment rate

Unemployment rate (in % of the labour force)

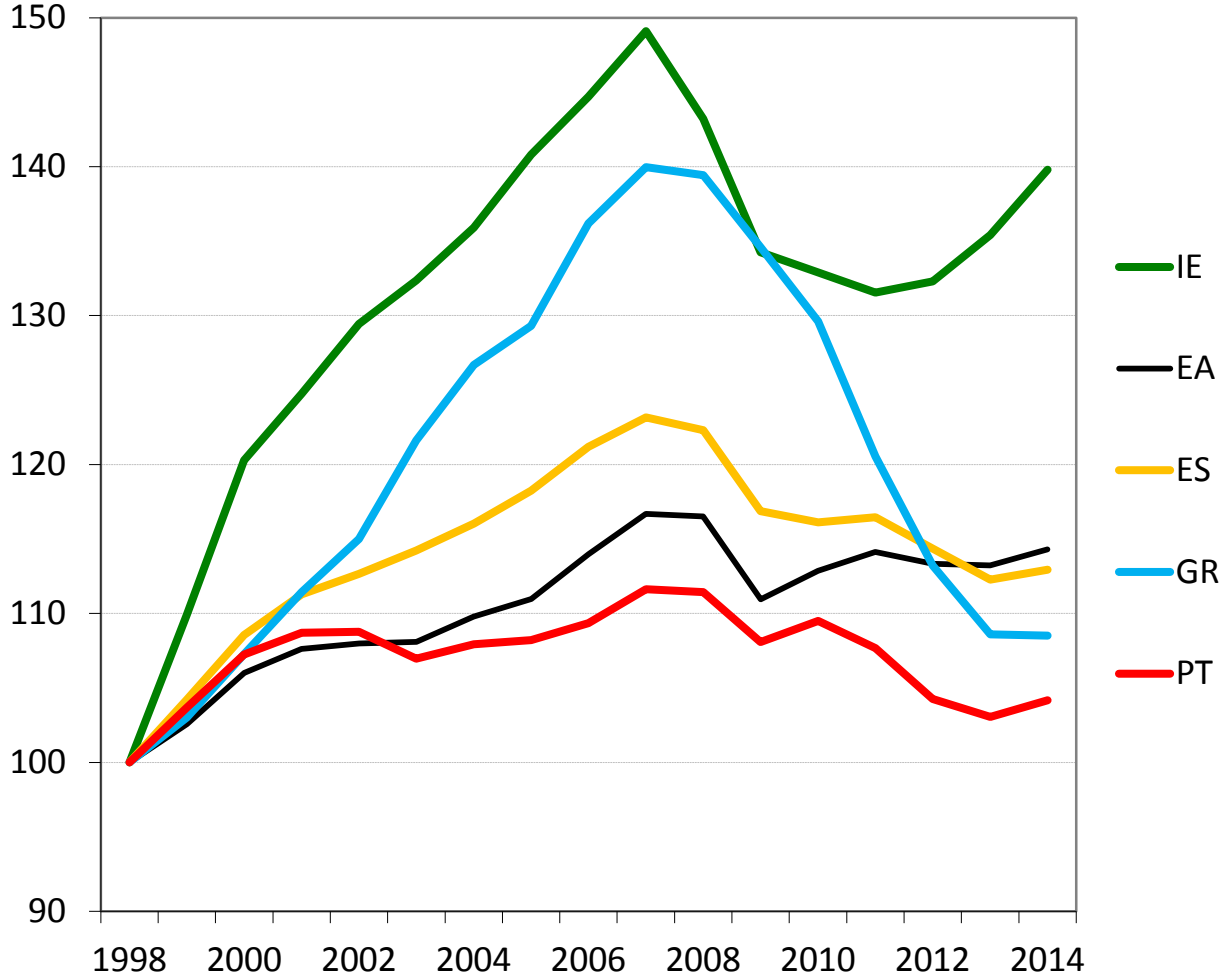


Source: LFS



# Per capita real GDP

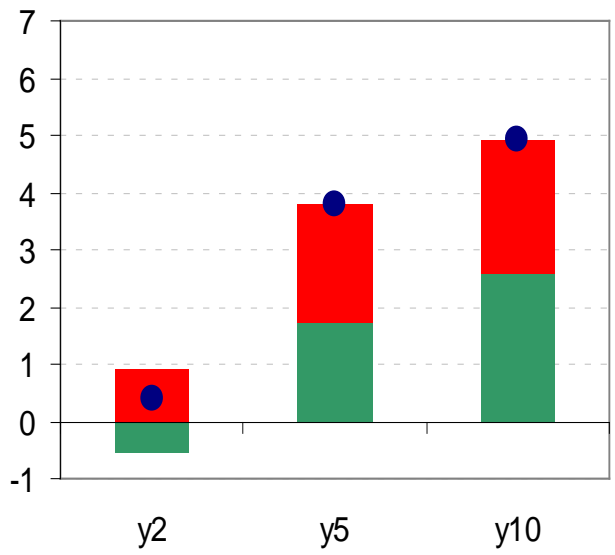
Per capita real GDP (1998=100)



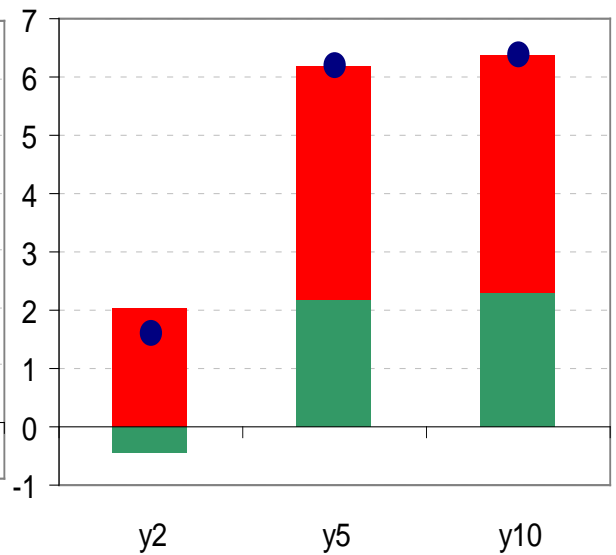
Source: EC, 2012-2014 is EC forecast

# Impact of structural reforms

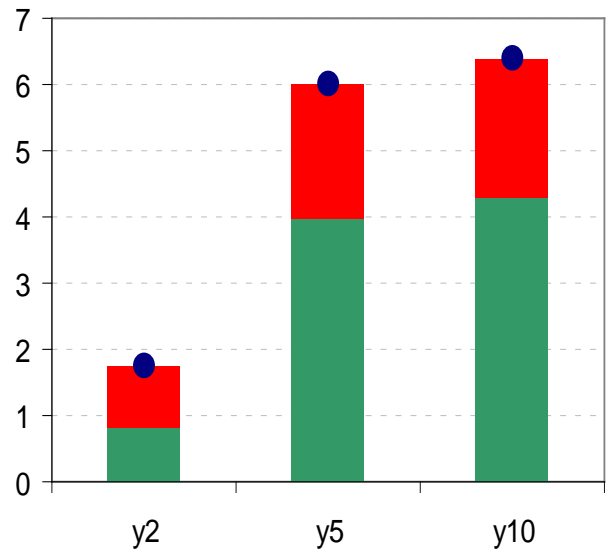
Real GDP



Employment



Exports



■ Product market

■ Labour market

● Product and labour market

**Deviations from pre-reform levels in percent.** Source: EAGLE (calibrated for Portugal). Notes: The reform is a reduction of wage and price mark-ups by 10 p.p. distributed in a gradual way and has a full impact after five years.

**Thank you for your attention**