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)

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

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

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)**

- **2003**
- **2009**
- **2012**

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

- **EA**
- **PT**
- **GR**
- **ES**
- **IE**

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)

Unemployment rate

Unemployment rate (in % of the labour force)

Source: LFS
Per capita real GDP

Source: EC, 2012-2014 is EC forecast
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