

Box 2

Euro-denominated debt securities by issuing sector

Since November 1999 the ECB has published statistics on debt securities issues with a breakdown by original maturity, residency of the issuer and currency denomination (see Table 3.5 in the “Euro area statistics” section and Box 2 on pages 17 and 18 of the November 1999 issue of the ECB Monthly Bulletin). The range of securities issues statistics published by the ECB has now been extended to include data broken down by issuing sector on amounts outstanding and gross issues of euro-denominated securities (see Table 3.6 in the “Euro area statistics” section). These new ECB statistics distinguish between six types of issuing sector: MFIs (including the Eurosystem), non-monetary financial corporations, non-financial corporations, central government, other general government and international organisations. A sectoral breakdown of issuing activity in the debt securities markets of the euro area is an important element of monetary and financial analysis. These data can highlight the relative importance of the demands of the public and private sectors on the capital markets and may assist in accounting for movements in market interest rates, particularly for medium to long-term maturities. In addition, when monitored over time, these data can indicate any shifts under way in saving and lending patterns in the euro area economy which may have a bearing on the interpretation of monetary and credit developments or on the transmission mechanism of monetary policy.

The sectoral statistics refer to securities other than shares issued world-wide in euro (including any remaining issues in the national currency denominations of the Member States participating in the euro area). In these statistics, the issuing sector is determined by the entity incurring the liability, in accordance with European standards as set out in the European System of Accounts 1995 (ESA 95).

With regard to euro-denominated debt securities issued by euro area residents, the sectoral breakdown shows that central government had the largest presence in the euro area capital market, with a total amount outstanding of €3,262.9 billion at the end of November 1999, or 54% of the total amount outstanding (see the table below). This compares with a share in the total amounts outstanding at the end of December 1998 of 56%. MFIs had the second largest amount outstanding of euro-denominated debt securities at the end of November, namely €2,208.5 billion or 37% of the total amount outstanding. The equivalent share at the end of December 1998 was 36%.

Non-financial corporations and non-monetary financial corporations were still relatively small sectors of the euro area capital market, with shares in total amounts outstanding of 5% and 3% respectively at the end of November 1999 (4% and 2% respectively at the end of December 1998). As indicated by the changes in the shares of the various issuing sectors in the total amounts outstanding between December 1998 and November 1999, the participation of the non-public sector in the euro area capital market increased relative to the public sector in the course of 1999 (on this topic see also the article in the January 2000 issue of the ECB Monthly Bulletin entitled “The euro area one year after the introduction of the euro: key characteristics and changes in the financial structure”).

With regard to the maturity breakdown of the amounts outstanding of euro-denominated debt securities, all sectors reveal predominantly long-term issuance, although this feature is less marked for non-financial corporations resident in the euro area than for other sectors.

As for the sectoral breakdown of euro-denominated debt securities issued by non-euro area residents, data are collected by the Bank for International Settlements (BIS). BIS data are currently available up to the third quarter of 1999. At the end of September 1999 the share of the amount outstanding of euro-denominated debt securities issued by non-euro area residents in the total amount outstanding of euro-denominated debt securities issued was 9%. Concerning the sectoral breakdown of non-euro area issuers of euro-denominated debt securities, non-euro area banks (including central banks) accounted for the largest share in the total amount outstanding issued by non-euro area residents (28% at the end of September 1999). They were

followed by international organisations (21%), non-financial corporations (19%), non-monetary financial corporations (15%) and central governments (13%). Compared with the end of December 1998, the share of non-financial corporations in the total amount outstanding of euro-denominated debt securities issued by non-euro area residents had increased from 13% to 19% by the end of September 1999, which was by far the largest increase in any issuing sector. This development again reflects the growing importance of the private sector in the issuance of euro-denominated debt securities.

Debt securities issued by euro area residents ¹⁾ denominated in euro ²⁾ by issuing sector

(EUR billions)

	Gross issues in 1999						Amounts outstanding as at	
	Q1	Q2	Q3	Oct.	Nov.	Jan.-Nov. ⁴⁾	end-Dec. 1998	end-Nov. 1999 ⁵⁾
Total	931.9	873.6	853.3	296.9	277.9	2,955.7	5,589.9	6,028.1
- of which issued by								
Non-financial corporations	129.5	125.1	129.8	47.7	41.0	473.1	235.0	282.6
(o/w short-term in %) ³⁾	(81)	(88)	(90)	(87)	(94)	(87)	(20)	(26)
(o/w long-term in %)	(19)	(12)	(10)	(13)	(6)	(13)	(80)	(74)
MFIs (including Eurosystem)	452.6	430.4	412.8	154.4	159.3	1,609.5	1,989.3	2,208.5
(o/w short-term in %) ³⁾	(65)	(68)	(72)	(67)	(72)	(69)	(8)	(10)
(o/w long-term in %)	(35)	(32)	(28)	(33)	(28)	(31)	(92)	(90)
Non-monetary financial corporations	15.7	37.1	22.7	5.5	6.0	87.0	131.0	183.5
(o/w short-term in %) ³⁾	(27)	(13)	(22)	(27)	(20)	(20)	(7)	(3)
(o/w long-term in %)	(73)	(87)	(78)	(73)	(80)	(80)	(93)	(97)
Central government	325.8	271.4	282.0	86.9	68.1	1,034.2	3,127.2	3,262.9
(o/w short-term in %) ³⁾	(43)	(49)	(46)	(47)	(49)	(46)	(10)	(8)
(o/w long-term in %)	(57)	(51)	(54)	(53)	(51)	(54)	(90)	(92)
Other general government	8.3	9.8	6.0	2.5	3.6	30.1	107.5	113.9
(o/w short-term in %) ³⁾	(42)	(41)	(57)	(60)	(56)	(48)	(3)	(3)
(o/w long-term in %)	(58)	(59)	(43)	(40)	(44)	(52)	(97)	(97)
Memo item:								
Total issues in euro by non-residents	76.7	75.2	90.3	.	.	242.2	439.1	593.1
(as % of total issues in euro)	(8)	(8)	(10)	.	.	(8)	(7)	(9)
Non-financial corporations	18.0	22.3	27.9	.	.	68.2	56.0	109.9
Banks (including central banks)	28.6	22.3	30.6	.	.	81.5	117.6	164.1
Non-monetary financial corporations	16.5	19.1	21.8	.	.	57.4	53.4	87.2
Central government	5.6	6.2	4.4	.	.	16.2	65.9	78.9
Other general government	1.9	2.2	2.5	.	.	6.6	25.5	29.7
International organisations	6.1	3.2	3.2	.	.	12.5	120.7	123.3

Sources: ECB and BIS.

1) Data coverage for euro area residents is estimated at around 95% of total issuance.

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

3) Short-term debt securities include issues with a maturity of one year or less (in accordance with the ESA 95, two years in exceptional cases).

4) January to September for issues by non-residents.

5) End-September for issues by non-residents.