EUROPEAN CENTRAL BANK

EUROSYSTEM

MONTHLY BULLETIN
OCTOBER

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

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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 the Governing Council's regular economic and monetary analyses, and in line with its forward guidance, the Governing Council decided at its meeting on 2 October 2014 to keep the key ECB interest rates unchanged. Following up on the decisions of 4 September 2014, the Governing Council also decided on the key operational details of both the asset-backed securities purchase programme and the new covered bond purchase programme. This will allow the Eurosystem to start purchasing covered bonds and asset-backed securities (ABSs) in the fourth quarter of 2014, starting with covered bonds in the second half of October. The programmes will last for at least two years. Together with the series of targeted longer-term refinancing operations to be conducted until June 2016, these purchases will have a sizeable impact on the Eurosystem's balance sheet.

The new measures will support specific market segments that play a key role in the financing of the economy. They will thereby further enhance the functioning of the monetary policy transmission mechanism, facilitate credit provision to the broad economy and generate positive spillovers to other markets. Taking into account the overall subdued outlook for inflation, the weakening in the euro area's growth momentum over the recent past and the continued subdued monetary and credit dynamics, the Eurosystem's asset purchases should ease the monetary policy stance more broadly. They should also strengthen the Governing Council's forward guidance on the key ECB interest rates and reinforce the fact that there are significant and increasing differences in the monetary policy cycle between major advanced economies.

Together with the monetary accommodation already in place, the determined implementation of the new measures will underpin the firm anchoring of medium to long-term inflation expectations, in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2%. As all the measures work their way through to the economy they will contribute to a return of inflation rates to levels closer to the Governing Council's aim. Should it become necessary to further address risks of too prolonged a period of low inflation, the Governing Council is unanimous in its commitment to using additional unconventional instruments within its mandate.

Regarding the economic analysis, following four quarters of moderate expansion, euro area real GDP remained unchanged between the first and second quarter of this year. Survey data available up to September confirm the weakening in the euro area's growth momentum, while remaining consistent with a modest economic expansion in the second half of the year. Looking ahead to 2015, the outlook for a moderate recovery in the euro area remains in place, but the main factors and assumptions shaping this assessment need to be monitored closely. Domestic demand should be supported by the monetary policy measures, the ongoing improvements in financial conditions, the progress made in fiscal consolidation and structural reforms, and lower energy prices supporting real disposable income. Furthermore, demand for exports should benefit from the global recovery. At the same time, the recovery is likely to continue to be dampened by high unemployment, sizeable unutilised capacity, continued negative bank loan growth to the private sector, and the necessary balance sheet adjustments in the public and private sectors.

The risks surrounding the economic outlook for the euro area remain on the downside. In particular, the recent weakening in the euro area's growth momentum, alongside heightened geopolitical risks, could dampen confidence and, in particular, private investment. In addition, insufficient progress in structural reforms in euro area countries constitutes a key downward risk to the economic outlook.

According to Eurostat's flash estimate, euro area annual HICP inflation was 0.3% in September 2014, after 0.4% in August. Compared with the previous month, this reflects a stronger decline in energy prices and somewhat lower price increases in most other components of the HICP. On the basis of current information, annual HICP inflation is expected to remain at low levels over the coming months, before increasing gradually during 2015 and 2016.

The Governing Council will continue to closely monitor the risks to the outlook for price developments over the medium term. In this context, the Governing Council will focus in particular on the possible repercussions of dampened growth dynamics, geopolitical developments, exchange rate developments and the pass-through of the monetary policy measures.

Turning to the monetary analysis, data for August 2014 continue to point to subdued underlying growth in broad money (M3), with the annual growth rate increasing moderately to 2.0% in August, after 1.8% in July. Annual growth in M3 continues to be supported by its most liquid components, with the narrow monetary aggregate M1 growing at an annual rate of 5.8% in August.

The annual rate of change of loans to non-financial corporations (adjusted for loan sales and securitisation) remained negative at -2.0% in August, after -2.2% in the previous month. On average over recent months, net redemptions have moderated from the historically high levels recorded a year ago. Lending to non-financial corporations continues to reflect the lagged relationship with the business cycle, credit risk, credit supply factors 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) was 0.5% in August, broadly unchanged since the beginning of 2013.

Against the background of weak credit growth, the ECB is now close to finalising the comprehensive assessment of banks' balance sheets, which is of key importance to overcome credit supply constraints.

A cross-check of the outcome of the economic analysis with the signals coming from the monetary analysis confirms the recent decisions taken by the Governing Council to provide further monetary policy accommodation and to support lending to the real economy.

Monetary policy is focused on maintaining price stability over the medium term and its accommodative stance contributes to supporting economic activity. However, in order to strengthen investment activity, job creation and potential growth, other policy areas need to contribute decisively. In particular, the legislation and implementation of structural reforms clearly need to gain momentum in several countries. This applies to product and labour markets as well as to actions to improve the business environment for firms. As regards fiscal policies, euro area countries should not unravel the progress already made and should proceed in line with the rules of the Stability and Growth Pact. This should be reflected in the draft budgetary plans for 2015 that governments will now deliver, in which they will address the relevant country-specific recommendations. The Pact should remain the anchor for confidence in sustainable public finances, and the existing flexibility within the rules should allow governments to address the budgetary costs of major structural reforms, to support demand and to achieve a more growth-friendly composition of fiscal policies. A full and consistent implementation of the euro area's existing fiscal and macroeconomic surveillance framework is key to bringing down high public debt ratios, to raising potential growth and to increasing the euro area's resilience to shocks.

This issue of the Monthly Bulletin contains two articles. The first article discusses the impact of the economic crisis on euro area labour markets. The second article explains the concept of fiscal effort and raises awareness of the conceptual issues and measurement problems surrounding its assessment.

ECONOMIC AND MONETARY DEVELOPMENTS

1 THE EXTERNAL ENVIRONMENT OF THE EURO AREA

The global recovery is gradually progressing but remains vulnerable to setbacks amid somewhat widening dispersion in regional and country growth dynamics. Following a rather weak first half of the year, global activity is expected to strengthen in the coming quarters, supported by accommodative monetary policies in advanced economies, favourable financial market conditions and improved global sentiment. However, heightened geopolitical risks, financial stability concerns and structural impediments are restricting medium-term growth prospects, particularly in emerging market economies. Global inflation has softened recently whereas inflationary pressures remain contained, reflecting economic slack that is slowly diminishing and weakening commodity prices.

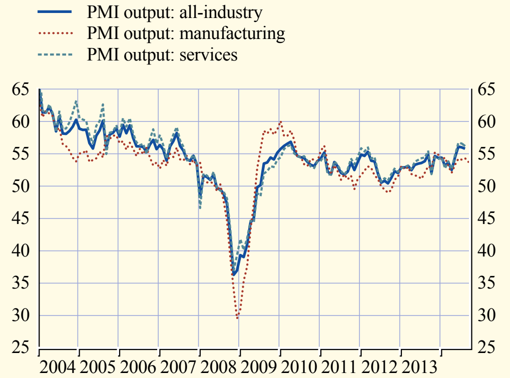
1.1 GLOBAL ECONOMIC ACTIVITY AND TRADE

The world economy is continuing along a gradual, yet fragile and uneven, path to recovery. Following some weakness in the first half of 2014, global GDP growth is expected to gain vigour in the second half of the year. Advanced economies should benefit increasingly from accommodative monetary policies, reduced fiscal consolidation and balance sheet adjustment by the private sector. This should bolster external demand for emerging market economies, where growth is still constrained by structural hurdles and geopolitical uncertainty. While the global effects of the crisis in Ukraine have, so far, been rather limited, the associated risks have increased. An escalation of the conflict and an intensification of the sanctions could have more far-reaching implications for global growth through trade, financial and confidence channels.

The most recent sentiment indicators suggest sustained global momentum in the third quarter of the year amid increasing divergence across countries. The global composite output Purchasing Managers' Index (PMI) excluding the euro area declined marginally to 55.8 in August, but remained around the high levels registered in June and July, supported by solid activity in the services sector. At the country level, while strong economic expansion was signalled in the United States and the United Kingdom, growth appeared to be more subdued in Japan and in major emerging market

Chart 1 Global PMI (excluding the euro area)

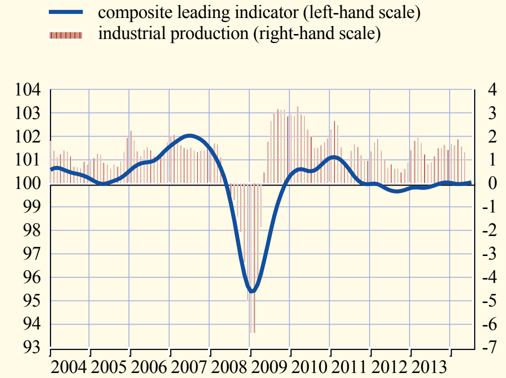
(seasonally adjusted monthly data)



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.

economies excluding China. Meanwhile, the latest global manufacturing PMI excluding the euro area weakened slightly in September, remaining nonetheless above historical averages (see Chart 1). In quarterly terms, growth in global manufacturing output remained broadly stable in the third quarter of the year compared with the previous quarter.

Looking ahead, the new orders component of the global manufacturing PMI stood slightly lower in September, signalling stable demand for the manufacturing sector. At the same time, the OECD's composite leading indicators, designed to anticipate turning points in economic activity relative to trend, remained unchanged in July for the ninth consecutive month, pointing to a stable positive momentum in most major economies around the world (see Chart 2).

Growth in global trade, after turning marginally negative in the second quarter of 2014, showed signs of bottoming out at the beginning of the third quarter. According to the CPB Netherlands Bureau for Economic Policy Analysis, the volume of world imports of goods increased by 0.3% in July on a three-month-on-three-month basis, reflecting sustained trade momentum in advanced economies coupled with improved trade activity in emerging market economies, notably emerging Asia and Latin America. Meanwhile, the global PMI for new manufacturing export orders remained unchanged in September, while it increased in the third quarter of the year compared with the previous quarter, also pointing to a rebound in global trade momentum in the short term. However, world trade developments remain volatile overall and are subject to high uncertainty, partly owing to geopolitical tensions and subdued economic activity in several world regions, suggesting a very gradual recovery of world trade going forward.

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

1.2 GLOBAL PRICE DEVELOPMENTS

After having increased in the second quarter of 2014, global inflation weakened in July and August. Headline consumer price inflation in the OECD area eased slightly to 1.8% year on year in August from 1.9% in July, owing primarily to a significantly weaker contribution from the energy component. Excluding food and energy, OECD annual CPI inflation remained stable at 1.9% in August for the fourth consecutive month (see Table 1). Consumer price inflation

Table 1 Price developments in selected economies

(annual percentage changes)

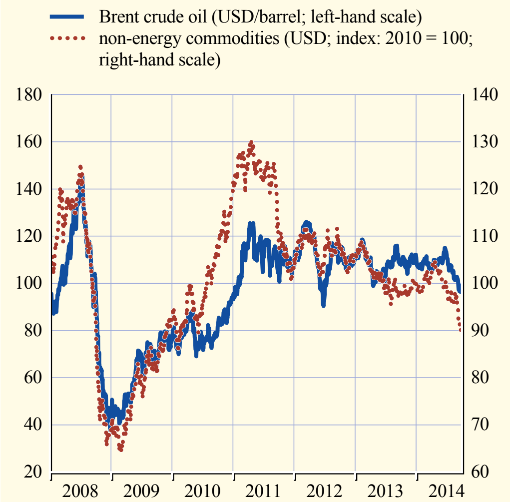
	2012	2013	2014					
			Mar.	Apr.	May	June	July	Aug.
OECD	2.3	1.6	1.6	2.0	2.1	2.1	1.9	1.8
United States	2.1	1.5	1.5	2.0	2.1	2.1	2.0	1.7
Japan	0.0	0.4	1.6	3.4	3.7	3.6	3.4	3.3
United Kingdom	2.8	2.6	1.6	1.8	1.5	1.9	1.6	1.5
China	2.6	2.6	2.4	1.8	2.5	2.3	2.3	2.0
Memo item:								
OECD excluding food and energy	1.8	1.6	1.7	2.0	1.9	1.9	1.9	1.9

Sources: OECD, national data, BIS, Eurostat and ECB calculations.

moderated in most advanced and emerging market economies. Looking ahead, inflationary pressures are expected to remain contained, against the backdrop of ample unutilised capacity and weakening commodity prices.

Oil prices, which are an important determinant of global inflation, have been declining since early July, driven by a well-supplied oil market (see Chart 3). Brent crude oil prices stood at USD 96 per barrel on 1 October 2014, which is around 11% lower than one year previously. Against the backdrop of continued weak oil demand, current levels of oil supply in the market are ample and inventories are increasing. Consequently, oil prices have been under downward pressure. Despite geopolitical tensions in Russia, Iraq and Libya, global oil production remained robust as growth in US shale oil production continued to surge and Libyan oil output increased after the lifting of a year-long blockade of its export terminals. On the demand side, the International Energy Agency has lowered its global oil demand forecast for 2014 and 2015, driven in particular by weaker projections for Chinese and European oil demand. Looking ahead, oil market participants have priced in slightly higher oil prices over the medium term (December 2015 Brent futures contracts are trading at USD 97 per barrel), as geopolitical tensions in major oil-producing countries are mainly expected to affect the expansion of oil supply capacity in these countries in the future.

Chart 3 Main developments in commodity prices



Sources: Bloomberg and HWWI.

Non-energy commodity prices have also declined over the past month and are currently around 6% lower than early September, reflecting both lower food and metal prices. Food prices have continued to decline, mainly as a result of lower grain prices, with favourable weather conditions continuing to boost supplies. Metal prices have also declined, driven principally by concerns over faltering economic growth in China. In aggregate terms, the non-energy commodity price index (denominated in US dollars) is currently around 8% lower compared with one year ago.

1.3 DEVELOPMENTS IN SELECTED ECONOMIES

UNITED STATES

In the United States, the recovery in economic activity remains on track. Following a weather-related contraction in the first quarter of 2014, economic activity rebounded strongly in the second quarter. According to the third estimate by the Bureau of Economic Analysis, real GDP, following a decline of 2.1% (0.5% quarter on quarter) in the first quarter of 2014 (see Table 2), increased at an annualised rate of 4.6% (1.1% quarter on quarter), which was higher than previously estimated. The second-quarter expansion was supported mainly by a reversal of the temporary factors that had restricted growth in the previous quarter, such as inventory building and exports. In addition, personal consumption expenditure and private fixed investment also made a positive contribution to growth. Meanwhile, net exports contributed negatively to GDP growth, albeit less so than in the first quarter.

Table 2 Real GDP growth in selected economies

(percentage changes)

	Annual growth rates					Quarterly growth rates		
	2012	2013	2013 Q4	2014 Q1	2014 Q2	2013 Q4	2014 Q1	2014 Q2
United States	2.3	2.2	3.1	1.9	2.6	0.9	-0.5	1.1
Japan	1.5	1.5	2.4	2.7	0.0	-0.1	1.5	-1.8
United Kingdom	0.3	1.7	2.7	3.0	3.1	0.7	0.8	0.8
China	7.7	7.7	7.7	7.4	7.5	1.7	1.5	2.0

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

High-frequency indicators point to sustained growth momentum in the third quarter of 2014. The outlook for consumer spending is positive amid strong auto and retail sales in August and an improvement in consumer sentiment (the University of Michigan index was at a 14-month high in September). The near-term outlook for business activity also remains favourable given the positive momentum in business sentiment indicators. For example, in August, the ISM indices for manufacturing and non-manufacturing reached three-year and nine-year highs, respectively, while small business optimism (NFIB index) continued to recover. Housing market data generally point to a resumption of growth in construction activity from low levels, notwithstanding some volatility in high-frequency indicators and a slowdown in home price appreciation. Looking further ahead, the US recovery is expected to become more sustained with the support of continued improvements in the labour and housing markets, accommodative financial conditions, and fading headwinds from both household balance sheet repair and fiscal policy.

Annual CPI inflation eased in August, partly reversing the increases from earlier this year. Headline CPI inflation slowed by 0.3 percentage point to 1.7%, the same rate as inflation excluding food and energy, which has declined by 0.2 percentage point since July. While the slowdown was exacerbated by the sharp decrease in energy costs, the decline in August was broad-based across core consumer categories. Food price inflation, however, remained on an upward trend. Looking ahead, inflation is expected to increase only gradually, as slack in the labour market and subdued wage growth are expected to keep price pressures contained.

In the context of generally improving economic prospects, on 17 September 2014 the Federal Open Market Committee announced a further measured reduction in the pace of its monthly asset purchases by USD 10 billion, to USD 15 billion, while reaffirming “that it likely will be appropriate to maintain the current target range for the federal funds rate for a considerable time after the asset purchase program ends”. The Committee expects that, should incoming information remain broadly in line with its expectations, it will end its current programme of asset purchases at its next meeting in October.

JAPAN

In Japan, the second preliminary release of national accounts data for the second quarter of 2014 confirmed that economic activity contracted sharply after the introduction of the VAT hike in April and the frontloaded spending in the preceding quarter, which more than reversed previous gains. Real GDP receded by 1.8% quarter on quarter on a seasonally-adjusted basis, following growth of 1.5% in the first quarter of the year. The downward revision from the first estimate is largely the result of a lower contribution of domestic demand (excluding inventories), namely private non-residential investment, which was only partially offset by a higher inventory contribution.

Following the weak outturn in the second quarter of 2014, the latest monthly indicators signal a somewhat muted recovery in economic activity. Private consumption and industrial production remained weak overall in July and August, below the levels observed at the start of the year. Most indicators also point to some deterioration in sentiment: the September manufacturing PMI moderated slightly to 51.7, from 52.2 in August, while the Bank of Japan's TANKAN showed a small improvement in business confidence among large manufacturing firms and a decline in confidence for large non-manufacturing firms and small and medium-sized enterprises. According to the Bank of Japan, real exports of goods fell slightly in August, by 0.4% month on month, offsetting some of the gains observed in July; real imports of goods also fell for a second consecutive month.

As regards price developments, inflation continued to ease after surging in April and May with the introduction of the VAT hike. Annual CPI inflation dropped slightly to 3.3% in August, from 3.4% in July, reflecting to a certain extent a declining positive contribution from energy prices. Annual CPI excluding food and energy remained unchanged in August at 2.3%.

In its latest monetary policy meeting on 4 September 2014, the Bank of Japan opted to leave its main policy guidelines unchanged.

UNITED KINGDOM

In the United Kingdom, the sustained momentum in economic activity in the first half of 2014 is expected to continue in the third quarter of the year. According to the second estimate, real GDP growth accelerated slightly to 0.9% quarter on quarter in the second quarter, from 0.7% in the first quarter, driven by domestic demand and, in particular, private consumption and investment. The labour market continued to strengthen and the unemployment rate fell to a five-year low of 6.2% in the three months to July. Surveys of output for the third quarter of the year confirm the sustained momentum in GDP growth, with robust activity growth across all sectors and especially the services sector. Nevertheless, surveys of business expectations indicate a potential softening of growth in the last quarter of the year. The need to repair private and public sector balance sheets and the weakness in external demand represent the main downside risks to economic activity.

Annual CPI inflation declined further to 1.5% in August, 0.3 percentage point below the Bank of England's inflation forecast for the third quarter of 2014 (Inflation Report, August 2014). Consumer price inflation excluding food and energy marginally increased to 1.9% in August from 1.8% in July. Overall, inflationary pressures are expected to remain subdued, owing to moderate wage growth and the effects of the appreciation of the pound sterling.

At its meeting on 4 September 2014, the Bank of England's Monetary Policy Committee maintained the policy rate at 0.5% and the size of the Asset Purchase Programme at GBP 375 billion.

CHINA

Growth momentum in China seems to have softened on the back of a weakening housing market. The strong moderation in residential investment since the start of the year has reflected weak housing sales, as consumers anticipated further falls in house prices triggered by developers' attempts to reduce high housing inventories. Nevertheless, robust government spending on infrastructure seems to have prevented a steeper fall in investment, while retail sales have remained resilient. Strong exports, particularly to emerging Asia, the United States and the euro area, have also supported growth, with record trade balance surpluses observed in July and August. Authorities emphasised again that China was moving towards a lower, but more sustainable, growth path and that growth prospects should be adapted accordingly, downplaying market expectations of additional policy stimulus.

Price pressures remain subdued, with annual CPI inflation continuing to fluctuate around 2%, while PPI inflation has been in negative territory for the last two and a half years. Loan and credit growth has been trending downward in line with stricter macro-prudential oversight and restrictions on interbank activity. Nonetheless, financial leverage remains on an upward path.

1.4 EXCHANGE RATES

Over the past month, the exchange rate of the euro depreciated against the currencies of most of the euro area's main trading partners. On 1 October 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 1.8% below its level at the beginning of September and 3.1% below its level one year previously (see Chart 4 and Table 3). Movements in exchange rates were largely related to developments in expectations about future monetary policy, as well as to adjustments in market expectations regarding the economic outlook for the euro area relative to other major economies.

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.

In bilateral terms, since early September, the exchange rate of the euro depreciated markedly against both the US dollar (by 4.0%) and the pound sterling (by 1.5%), but strengthened against the Japanese yen (by 1.1%). Over the period under review it also depreciated overall

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 1 October 2014 with respect to	
		1 September 2014	1 October 2013
EER-20		-1.8	-3.1
Chinese renminbi	18.7	-4.1	-6.7
US dollar	16.8	-4.0	-7.0
Pound sterling	14.8	-1.5	-6.7
Japanese yen	7.2	1.1	4.5
Swiss franc	6.4	0.0	-1.5
Polish zloty	6.2	-0.6	-1.2
Czech koruna	5.0	-0.9	7.2
Swedish krona	4.7	-1.1	5.3
Korean won	3.9	0.9	-7.8
Hungarian forint	3.2	-1.3	4.8
Danish krone	2.6	-0.1	-0.2
Romanian leu	2.0	0.3	-0.9
Croatian kuna	0.6	0.4	0.4

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.

against the currencies of the major emerging market economies. Meanwhile, changes against currencies of other EU Member States over the past month were mixed but of low magnitude, ranging from a depreciation of 0.9% vis-à-vis the Czech koruna to an appreciation of 0.4% vis-à-vis the Croatian kuna. 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 August 2014, annual M3 growth recovered further, although monetary data continued to signal weak underlying money and credit growth. Annual broad money growth was driven mainly by a preference of money-holders for liquid assets, especially overnight deposits. On the counterpart side, the external source of money creation has remained supportive over recent months, but it is losing momentum, while the drag emanating from credit contraction is moderating. Shifts away from longer-term financial liabilities have also continued to support M3 growth. The slower pace of contraction of MFI lending to the private sector in August confirmed previous indications of a turnaround in loan dynamics around the second quarter of 2014.

THE BROAD MONETARY AGGREGATE M3

In August, the annual growth rate of M3 increased for the fourth consecutive month, to stand at 2.0%, after 1.8% in July and 1.6% in June (see Chart 5). These increases notwithstanding, the underlying growth of broad money remained weak. Annual broad money growth was driven mainly by a preference of money-holders for liquid assets, especially overnight deposits.

On the component side, monthly inflows for M3 were accounted for in full by M1 inflows. Preference for holding liquid assets in an environment of very low interest rates (mainly applicable to households) appears to have been the main factor driving these inflows.

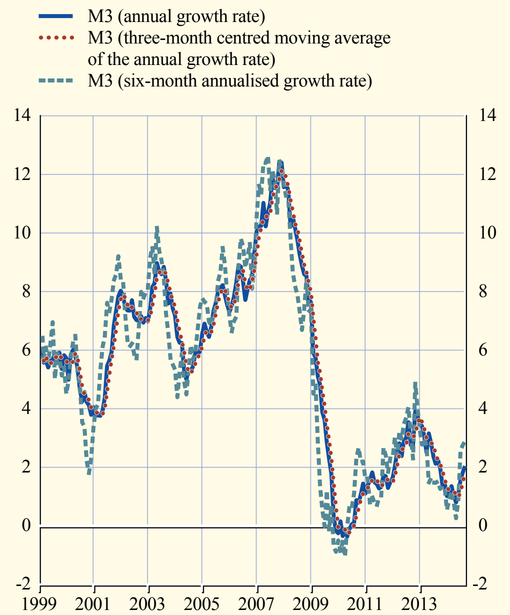
On the counterpart side, the external source of money creation has remained supportive over recent months, but it is losing momentum, as net external assets registered a monthly outflow for the first time since February 2013. The drag on money growth emanating from credit contraction is moderating, confirming previous indications of a turnaround in loan dynamics around the second quarter of 2014.

Shifts away from longer-term financial liabilities also continued to support M3 growth. The further contraction of longer-term financial liabilities, excluding capital and reserves, continued to reflect both MFIs' reduced funding needs and the shift towards deposit-based funding that is being encouraged by the current regulatory regime.

The contraction of MFIs' main assets, which had been abating since the beginning of 2014, has come to a halt in recent months. In the three months to August, these main assets increased by €17 billion (after having declined by

Chart 5 M3 growth

(percentage changes; adjusted for seasonal and calendar effects)



Source: ECB.

€8 billion in the three months to July). There are signs of a levelling-off of the overall deleveraging trend in the euro area. While MFIs in non-stressed countries have started to expand their main assets, the decline continued in stressed countries, albeit at a reduced pace.

MAIN COMPONENTS OF M3

The annual growth rate of M1 increased to 5.8% in August, after 5.6% in July (see Table 4). Both overnight deposits and currency in circulation registered inflows. With other non-risky assets also offering reduced returns, the opportunity cost of holding overnight deposits is low. Thus, the robust annual growth of M1 confirms the persistently strong preference for liquidity displayed by the money-holding sector in an environment of very low interest rates.

In this environment, the annual rate of change in short-term deposits other than overnight deposits (M2 minus M1) remained very low: in August, it rose marginally, month on month, to stand at -1.7%. This was related to a slight increase in the annual growth in short-term savings deposits (deposits redeemable at notice of up to three months), which stood at 0.3% in August, after 0.2% in July. At the same time, the annual rate of change in short-term time deposits (deposits with an agreed maturity of up to two years) remained stable at -4.2% in August. Given the generally very low interest rates and the improved funding situation of banks, these types of deposit may be less attractive because they do not offer a remuneration that compensates holders for the lower degree of liquidity in comparison with overnight deposits.

Although remaining clearly negative, the annual rate of change in marketable instruments (M3 minus M2) increased further in August, to stand at -6.4%, after -6.8% in July. The August increase mainly reflects a modest outflow, which was concentrated on money market fund shares/units.

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 Q3	2013 Q4	2014 Q1	2014 Q2	2014 July	2014 Aug.
M1	**56.2**	**6.9**	**6.4**	**6.0**	**5.2**	**5.6**	**5.8**
Currency in circulation	9.4	2.6	4.1	6.0	5.6	5.6	5.8
Overnight deposits	46.8	7.8	6.9	6.0	5.2	5.6	5.8
M2-M1 (=other short-term deposits)	37.7	0.3	-1.2	-2.4	-2.1	-1.8	-1.7
Deposits with an agreed maturity of up to two years	16.5	-5.0	-6.3	-6.8	-5.4	-4.2	-4.2
Deposits redeemable at notice of up to three months	21.2	5.0	3.3	1.4	0.7	0.2	0.3
M2	**93.9**	**4.0**	**3.1**	**2.4**	**2.1**	**2.5**	**2.7**
M3-M2 (=marketable instruments)	6.1	-17.2	-17.1	-13.1	-12.5	-6.8	-6.4
M3	**100.0**	**2.2**	**1.5**	**1.2**	**1.1**	**1.8**	**2.0**
Credit to euro area residents		**-0.5**	**-1.2**	**-1.9**	**-2.2**	**-1.9**	**-1.8**
Credit to general government		2.0	0.1	-0.2	-1.3	-1.8	-1.2
Loans to general government		-6.0	-6.7	-4.0	-2.6	-1.1	-0.7
Credit to the private sector		-1.2	-1.6	-2.3	-2.5	-1.9	-1.9
Loans to the private sector		-1.9	-2.2	-2.3	-1.9	-1.6	-1.5
Loans to the private sector adjusted for sales and securitisation[2)]		-1.4	-1.8	-2.0	-1.5	-1.0	-0.9
Longer-term financial liabilities (excluding capital and reserves)		**-4.2**	**-3.6**	**-3.4**	**-3.4**	**-3.4**	**-3.4**

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.

While the annual rate of change in money market fund shares/units decreased, that for repurchase agreements increased sharply. The annual rate of change in short-term MFI debt securities contracted at a slightly slower pace. Given the currently very low yields offered by money market instruments, money market funds find it very difficult to offer an attractive remuneration, especially when compared with overnight deposits. Despite a monthly inflow, the continued contraction of short-term debt securities, especially those offered to retail customers, reflects the shift towards deposit-based funding that is being encouraged by the current regulatory regime.

The annual growth rate of M3 deposits – which include repos and represent the broadest component of M3 for which a timely sectoral breakdown is available – increased to 2.4% in August, from 2.1% in July. This increase was driven by deposits held by both households and non-financial corporations, reflecting their preference for liquidity in an environment of low interest rates. The annual growth rate of deposits held by households increased to 2.0% in August, up from 1.8% in July. The annual growth rate of deposits held by non-financial corporations, which has remained at robust levels since early 2013, rose to 6.0% in August, up from 5.9% in the previous month. Over and beyond the need for firms to improve their liquidity conditions in the context of tight access to bank lending, the robust growth of non-financial corporations' deposits may also reflect the capacity of euro area firms to generate internal sources of financing. In addition, strong annual growth was also recorded for deposits held by insurance corporations and pension funds (ICPFs) – 5.7% in August, after 3.5% in July – reflecting the aforementioned expansion of repurchase agreements. By contrast, the annual rate of change in deposits held by other financial intermediaries (OFIs) continued to decline, albeit at a somewhat reduced pace.

MAIN COUNTERPARTS OF M3

The annual rate of change in MFI credit to euro area residents increased further to stand at -1.8% in August, after -1.9% in July (see Table 4). This reflected an increase in the annual rate of change in credit to the general government sector (to -1.2%, from -1.8% in the previous month), and an unchanged pace of contraction of credit to the private sector (-1.9%).

The higher annual rate of change in credit to general government in August was driven mainly by monthly net purchases of government securities by euro area MFIs. The annual rate of change in government debt securities held by MFIs increased to -1.4% in August, from -2.1% in July.

The annual rate of change in loans to the private sector originated by MFIs (adjusted for sales and securitisation) increased for the fifth consecutive month, to -0.9% in August (see Table 5). The monthly flow in August 2014 was slightly negative, driven by monthly net redemptions of loans to insurance corporations and pension funds.

The annual rate of change in loans to non-financial corporations (adjusted for sales and securitisation) increased to -2.0% in August, after -2.2% in July and the low of -3.2% in February. The annual growth rate of loans to households (adjusted for sales and securitisation) remained unchanged, again standing at 0.5% in August.

Regarding loans to non-financial corporations, the latest data confirm previous indications of a turnaround in loan dynamics around the second quarter of 2014. This turnaround would be consistent with the past lead-lag relationship of sectoral MFI loans with respect to the business cycle. The turnaround in loan dynamics should be supported further by expected improvements in supply conditions and increases in demand, as indicated by the July 2014 euro area bank lending survey (BLS).

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 Q3	2013 Q4	2014 Q1	2014 Q2	2014 July	2014 Aug.
Non-financial corporations	**41.1**	**-3.7**	**-3.6**	**-3.0**	**-2.7**	**-2.4**	**-2.2**
Adjusted for sales and securitisation[2]	-	*-2.8*	*-2.9*	*-3.0*	*-2.7*	*-2.2*	*-2.0*
Up to one year	24.5	-3.7	-4.1	-4.8	-4.6	-2.4	-2.1
Over one and up to five years	17.0	-5.7	-5.3	-5.3	-4.0	-3.6	-3.5
Over five years	58.5	-3.1	-2.9	-1.5	-1.5	-1.9	-1.8
Households[3]	**49.8**	**0.1**	**0.1**	**-0.2**	**-0.4**	**-0.5**	**-0.5**
Adjusted for sales and securitisation[2]	-	*0.3*	*0.3*	*0.3*	*0.4*	*0.5*	*0.5*
Consumer credit[4]	10.9	-2.7	-3.0	-2.7	-2.0	-1.6	-1.6
Lending for house purchase[4]	74.0	0.8	0.9	0.6	0.2	-0.1	0.0
Other lending	15.1	-1.2	-1.5	-1.7	-1.7	-1.4	-1.7
Insurance corporations and pension funds	**0.9**	**12.8**	**10.9**	**9.5**	**5.0**	**7.1**	**0.2**
Other non-monetary financial intermediaries	**8.2**	**-5.8**	**-9.1**	**-11.3**	**-7.5**	**-4.9**	**-4.0**

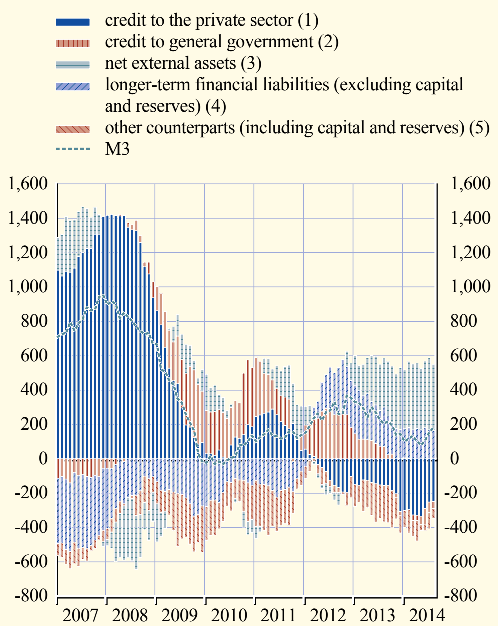
Source: ECB.
Notes: MFI sector including the Eurosystem; sectoral classification based on the ESA 95. For further details, see the relevant technical notes.
1) As at the end of the last month available. Sector loans as a percentage of total MFI loans to the private sector; maturity breakdown and breakdown 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.

The annual rate of change in MFIs' longer-term financial liabilities (excluding capital and reserves) stood at -3.4% in August, unchanged from July, on the back of a monthly outflow of €13 billion. The holdings of longer-term MFI debt securities by the money-holding sector declined in August, by the same amount as in July (€11 billion), driven by a further contraction of net issuance. Given the improved market conditions for MFI debt issuance, as illustrated by the further narrowing of the spreads between non-secured bank bond yields and swap rates, this development is likely to reflect both balance sheet deleveraging in stressed countries and the prospect of longer-term central bank funding via the targeted longer-term refinancing operations (TLTROs) announced in June 2014.

In August, the net external asset position of euro area MFIs decreased by €13 billion, which was the first decline recorded since February 2013. In the 12 months to August, the net external asset position of euro area MFIs increased by €381 billion, reflecting current account surpluses and a keen interest of international investors in euro area securities (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.

For around two years now, MFIs' net external assets have increased, thereby representing the main factor supporting M3 growth thus far.

Overall, despite the pick-up in M3 growth, the latest monetary data confirm the weakness in underlying money and credit dynamics. Broad money growth was supported, in particular, by a reduced pace of credit contraction and by shifts away from longer-term financial liabilities, while the contribution of net external asset has moderated. At the same time, subdued monetary dynamics continue to reflect a search for yield by the money-holding sector in an environment characterised by a low remuneration of monetary assets and returning confidence.

2.2 DEBT SECURITIES ISSUANCE

In July 2014, debt securities issuance by euro area residents continued to contract, albeit at a slightly slower pace than in June. The annual growth rate of debt securities issuance by non-financial corporations increased visibly in July, but did not fully compensate for the persistently negative growth rate of debt securities issuance by MFIs, which is partly due to the ongoing deleveraging process. The annual growth rate of equity issuance by MFIs remained strong in July, reflecting the ongoing strengthening of balance sheets in this sector of the economy.

DEBT SECURITIES

The annual growth rate of debt securities issuance by euro area residents remained negative at -0.5% in July, up from -0.9% in the previous month (see Table 6). At the sectoral level, the annual growth rate of issuance by non-financial corporations (NFCs) increased to 8.7%, up from 8.1%, while the growth rate of issuance by MFIs remained negative at -7.1%, up from -7.2% in June. For the general government sector, the growth rate of issuance remained at 3.7%. Finally, the annual growth rate of debt securities issuance by non-monetary financial corporations became less negative and stood at -2.4% in July, up from -3.9% in June.

Table 6 Securities issued by euro area residents

Issuing sector	Amount outstanding (EUR billions) July 2014	Annual growth rates[1)] 2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 June	2014 July
Debt securities	**16,492**	**-0.8**	**-0.9**	**-0.8**	**-0.9**	**-0.9**	**-0.5**
MFIs	4,704	-8.7	-8.9	-8.0	-7.4	-7.2	-7.1
Non-monetary financial corporations	3,212	0.9	0.2	-2.1	-3.1	-3.9	-2.4
Non-financial corporations	1,108	10.2	9.6	8.7	7.4	8.1	8.7
General government	7,469	3.3	3.3	3.9	3.7	3.7	3.7
of which:							
Central government	6,789	4.1	4.0	4.5	4.2	4.0	3.9
Other general government	680	-3.8	-3.1	-0.7	-1.0	0.8	1.6
Quoted shares	**5,887**	**1.0**	**0.8**	**1.1**	**1.6**	**1.4**	**1.4**
MFIs	627	7.8	7.4	8.6	9.8	6.5	6.9
Non-monetary financial corporations	478	1.6	0.8	1.3	2.1	3.2	4.3
Non-financial corporations	4,783	0.2	0.1	0.3	0.6	0.6	0.4

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

The fact that the growth rate of debt securities issuance is negative in the MFI sector suggests that European banks continued to deleverage in July.

The maturity breakdown of debt securities issued reveals that refinancing activity in July was concentrated on the long-term fixed rate segment of the market. The annual growth rate of long-term debt securities issuance increased slightly to 0.3%, compared with an annual growth rate of zero in June. This reflected a year-on-year decrease of 4.9% in the issuance of long-term floating rate debt securities (compared with a decrease of 5.5% in June) and a 2.3% increase in the issuance of long-term fixed rate debt securities (up from 2.1% in the previous month). The annual growth rate of short-term debt securities issuance remained in negative territory and stood at -5.2%, up from -11.0% in the previous month.

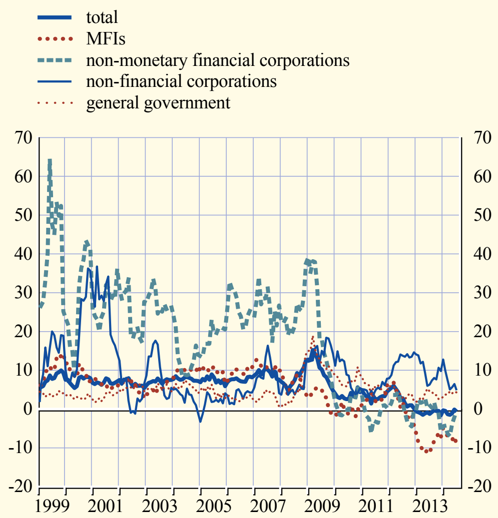
Looking at short-term trends, the increase in debt issuance activity by NFCs was less pronounced than indicated by the annual growth rate (see Chart 7). In July, the annualised six-month growth rate of debt securities issuance by NFCs was 4.8%, down from 6.5% in the previous month, while that for MFIs declined to -9.2%, down from -7.0% in June. In the case of non-monetary financial corporations, the corresponding rate remained negative, increasing to -0.3%, after -2.0% in June. By contrast, the annualised six-month growth rate of issuance by the general government sector declined to 4.3%, down from 4.5% in June.

QUOTED SHARES

In July 2014, the annual growth rate of quoted shares issued by euro area residents remained broadly stable, standing at 1.4% (see Chart 8). As regards NFCs, year-on-year growth of equity issuance declined to 0.4%. The corresponding growth rate for non-monetary financial corporations, on the other hand, rose to 4.3%. Finally, the annual growth rate of equity issuance by MFIs remained robust in July.

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

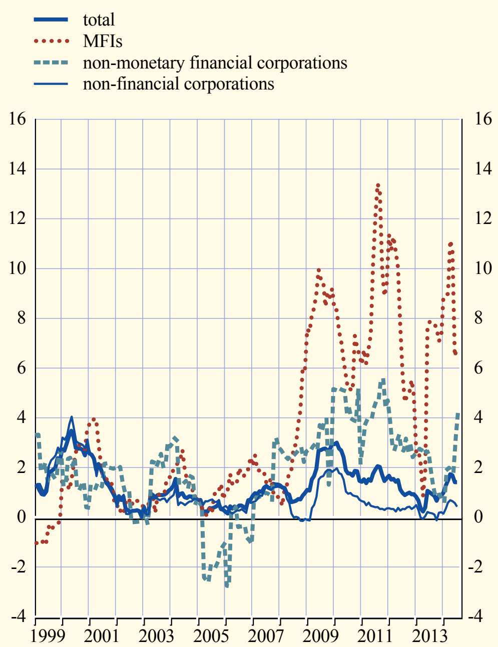
(six-month annualised growth rates; seasonally adjusted)



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.

It stood at 6.9%, up from 6.5% in June. The fact that issuance of quoted shares was driven mainly by the MFI sector suggests that European banks continued to build up capital buffers in July.

2.3 MONEY MARKET INTEREST RATES

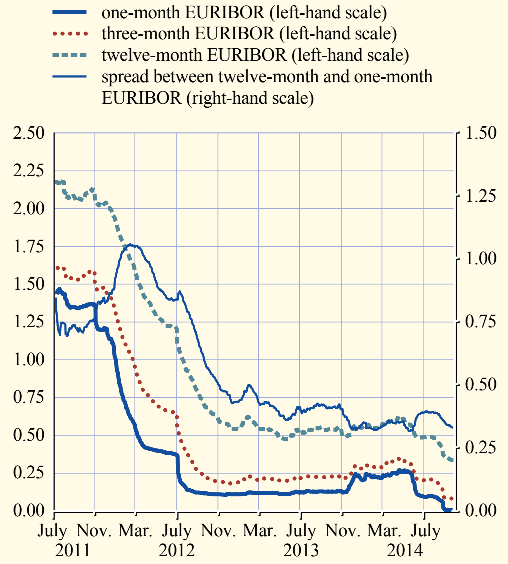
Money market rates declined during September following the decisions taken by the Governing Council on 4 September, with EURIBOR, EONIA and EONIA swap rates reaching historically low levels. Excess liquidity increased after the allotment of the first targeted longer-term refinancing operation.

Unsecured money market interest rates decreased between 4 September and 1 October, following the Governing Council meeting on 4 September, when it was decided to lower key ECB interest rates and to purchase non-financial private sector assets. As a result, the one-month, three-month, six-month and twelve-month EURIBOR decreased by 5, 7, 7 and 8 basis points during the review period, to stand at 0.01%, 0.08%, 0.18% and 0.34% respectively, i.e. at historically low levels. The spread between the twelve-month and one-month EURIBOR – an indicator of the slope of the money market yield curve – decreased slightly to stand at around 33 basis points on 1 October (see Chart 9).

As regards expectations of future money market rates, the rates implied by three-month EURIBOR futures maturing in December 2014 and in March, June and September 2015 also decreased slightly compared with the levels prevailing before 4 September 2014, and stood at 0.07%, 0.06%, 0.06% and 0.06% respectively on 1 October. Market uncertainty, as measured by the implied volatility of short-term options on three-month EURIBOR futures, decreased slightly over the period under review, standing at around 0.03% on 1 October. The three-month EONIA swap rate decreased further after the September Governing Council meeting, and traded at negative values throughout the period under review, standing at -0.04% on 1 October. The spread between the three-month EURIBOR and the three-month EONIA swap rate also decreased during the review period, standing at 12 basis points on 1 October.

Chart 9 Money market interest rates

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



Sources: ECB and Thomson Reuters.

In the course of September the EONIA showed little volatility, fluctuating in a narrow range around 0% and reaching a historically low level, before spiking to 0.20% on the last day of the month (see Chart 10).

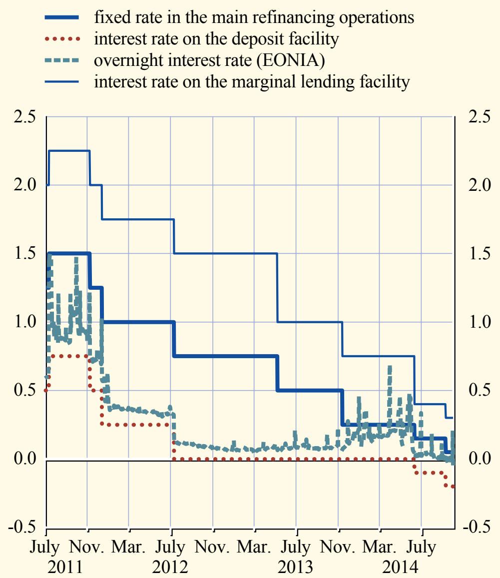
Between 4 September and 1 October 2014 the Eurosystem conducted several refinancing operations, all as fixed rate tender procedures. In the main refinancing operations (MROs) of the ninth maintenance period of 2014, conducted on 9, 16, 23 and 30 September, the Eurosystem allotted €110.7 billion, €105.7 billion,

€90.3 billion and €89.1 billion respectively. The Eurosystem also carried out one three-month LTRO on 24 September (in which €11.0 billion was allotted) and its first targeted longer-term refinancing operation (TLTRO) on 18 September (in which €82.6 billion was allotted) (see Box 1).

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. As at 1 October, a total of €673.6 billion had been repaid since 30 January 2013. Of the total repayments, €366.6 billion was related to the LTRO allotted on 21 December 2011, and the remaining €307.0 billion was related to that allotted on 29 February 2012.

Chart 10 ECB interest rates and the overnight interest rate

(percentages per annum; daily data)



Sources: ECB and Thomson Reuters.

Excess liquidity was rather stable in the eighth maintenance period of 2014, averaging €130.0 billion, broadly unchanged compared with the previous maintenance period when it averaged €129.6 billion. The decrease in outstanding open market operations, mostly deriving from the three-year LTRO repayments, was compensated for by lower absorption by autonomous factors. Average daily recourse to the deposit facility increased to €25.2 billion in the eighth maintenance period, from €24.6 billion in the previous maintenance period, while average current account holdings in excess of reserve requirements decreased from €105.2 billion to €104.9 billion. Average recourse to the marginal lending facility decreased slightly, from €0.3 billion to €0.2 billion.

Excess liquidity decreased to average levels of around €90.4 billion in the first two weeks of the ninth maintenance period, mainly on account of lower outstanding open market operations, before increasing to average levels of around €133.1 billion after the settlement of the first TLTRO, which injected €47.9 billion of liquidity in net terms.

Box 1

THE TARGETED LONGER-TERM REFINANCING OPERATION OF SEPTEMBER 2014

On 5 June 2014 the Governing Council decided to conduct a series of targeted longer-term refinancing operations (TLTROs) between September 2014 and June 2016, with the intention of supporting lending to the non-financial private sector and thereby enhancing monetary policy transmission. These operations are part of a broader monetary policy package that has included further cuts in key ECB interest rates and the announcement of an asset-backed securities purchase programme as well as a new, third covered bond purchase programme. The measures are aimed at reinforcing the accommodative monetary policy stance in view of the persistently weak inflation outlook, slowing growth momentum and subdued monetary and credit dynamics. This box discusses the outcome of the first TLTRO of September 2014.

In the context of the TLTROs, counterparties are entitled to an initial borrowing allowance equal to 7% of the total amount of their loans to the euro area non-financial private sector as of 30 April 2014, excluding loans to households for house purchase. Counterparties have the option of drawing on their initial allowance in the first two operations of September and December 2014.[1] The TLTRO of 18 September therefore has to be seen in conjunction with the operation that will be allotted on 10 December.

Given the common base of the TLTROs in September and December, banks may prefer one operation over the other for reasons unrelated to the overall attractiveness of the TLTROs. For example, banks' funding structures and refinancing obligations may make it more attractive for them to participate in December rather than in September. Moreover, many banks are currently in the process of finalising their planning for the year ahead, rendering the December operation more appealing for them, as they would then be in a better position to determine their demand for TLTRO funds, also taking into account further repayments of the three-year LTROs. Finally, participating in the December TLTRO would allow significant banks to take the results of the ECB's comprehensive assessment into consideration.

Eligible counterparties could choose to participate either on an individual basis or as part of a "TLTRO group" through a "lead institution", which conforms to Eurosystem eligibility criteria. Group formation allows banks to deploy the balance sheet of the whole group in order to borrow centrally and then redistribute liquidity through internal capital markets. Furthermore, it enhances risk diversification in the presence of weak credit demand among group members, while minimising the operational cost per participating bank as a result of economies of scale.

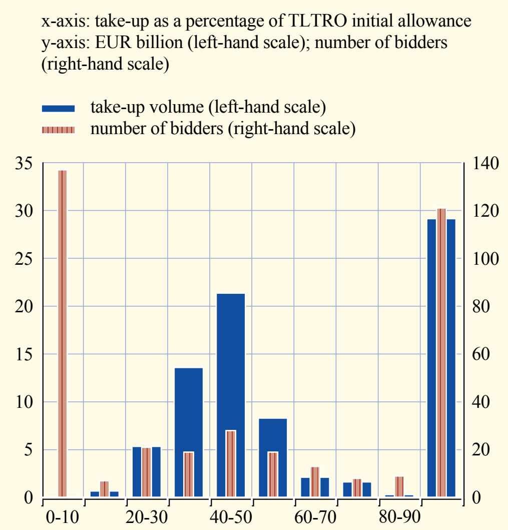
A total of 63 groups encompassing 1,244 institutions were given approval to participate in the TLTROs. They comprise 27 cross-border groups, representing 233 institutions, and 36 domestic groups with a total of 1,011 institutions. For the first TLTRO in September, 53 groups submitted reporting templates, while ten decided not to do so yet. Of the former, 37 groups comprising 520 institutions bid for a total amount of €41.8 billion in the first TLTRO, representing 41% of their initial allowance. The remaining 218 bidders were individual banks. Additional counterparties that intend to participate in the second TLTRO will have to submit their reporting templates by 20 November 2014.

Overall, a total of €82.6 billion was allotted to 255 bidders representing 738 credit institutions in the first TLTRO. On the basis of the balance sheet data submitted by the banks up to 28 August, this amounts to 40% of the initial allowance of €206.7 billion. Participation was broadly based

1 Additional liquidity will be provided in a series of follow-up TLTROs conducted on a quarterly basis between March 2015 and June 2016. These additional amounts can cumulatively reach up to three times their net lending to the euro area non-financial private sector, excluding loans to households for house purchase, between 30 April 2014 and the respective allotment reference date in excess of a benchmark. The maturity of all TLTRO loans is set for September 2018, with banks able to opt for early repayment as of 24 months after each TLTRO. The respective interest rate of the TLTRO loans will be fixed over the life of each operation at the prevailing rate for the Eurosystem's main refinancing operations (MROs) at the time of take-up, plus a fixed spread of 10 basis points. For further details, see http://www.ecb.europa.eu/press/pr/date/2014/html/pr140703_2.en.html and http://www.ecb.europa.eu/press/pr/date/2014/html/pr140729.en.html.

across the euro area. The average amount bid for was €324 million, while the median amount was €30 million, reflecting the skewed density of bank sizes. A large number of bidders (121) exhausted their initial allowance in the first TLTRO (see chart). On average, these bidders were entitled to relatively low initial allowances. They accounted for 35% of the total amount borrowed. By contrast, bidders accounting for 50% of the total amount allotted in the first TLTRO used no more than half their initial allowance. Eligible counterparties which have not reached their initial allowance in the first TLTRO will actually be able to increase their initial borrowing amount up to that limit in the second TLTRO.

Utilisation of initial allowance in the first TLTRO



Source: ECB.
Note: The chart refers to the counterparties that submitted reporting templates for the TLTROs by 28 August 2014 and were therefore eligible for participation in the first TLTRO.

The impact of the first TLTRO allotment of €82.6 billion on liquidity depends on changes in other Eurosystem credit operations settled during the same week because banks may be substituting these operations for the TLTRO. Repayments on the three-year LTROs that were settled on the same day as the first TLTRO amounted to €19.9 billion. The MRO that was settled on the same day as the first TLTRO saw a decline of €15 billion compared with the maturing MRO, while the overall size of the three-month LTRO that was settled the same week did not change. Overall, following the settlement of all operations, €47.9 billion of liquidity was injected in net terms, compared with an allotment result of €82.6 billion. Excess liquidity increased by €44.5 billion, to €121.9 billion on the settlement day of the first TLTRO.

A full analysis of banks' bids in the TLTROs in comparison with their initial allowances will only be possible after the second TLTRO in December, as banks' demand for these operations will then have been revealed more fully. Nevertheless, initial indications of their motives can be seen from their borrowing in September. Counterparties seem to have bid in the September TLTRO because of its attractiveness compared with market sources of funding with comparable maturities of four years. In particular, those that had both larger amounts of long-term bonds maturing before the next TLTRO and less favourable market funding costs tended to borrow larger amounts in the first TLTRO. Counterparties' current bids therefore largely reflect their cost/return considerations.

The incentives embedded in the TLTRO measure should stimulate the supply of credit by banks that submitted bids, and by the banking system in general. However, it is not yet possible to assess the extent to which borrowing in the first TLTRO is being translated into increased net lending to the economy. Nevertheless, the reduction in lenders' funding costs achieved through this first operation should be passed on to their borrowers and is thus likely to result in easier financing conditions for the private sector. Analysis of the lending behaviour of individual bidders' over the coming months will provide useful information in this regard.

2.4 BOND MARKETS

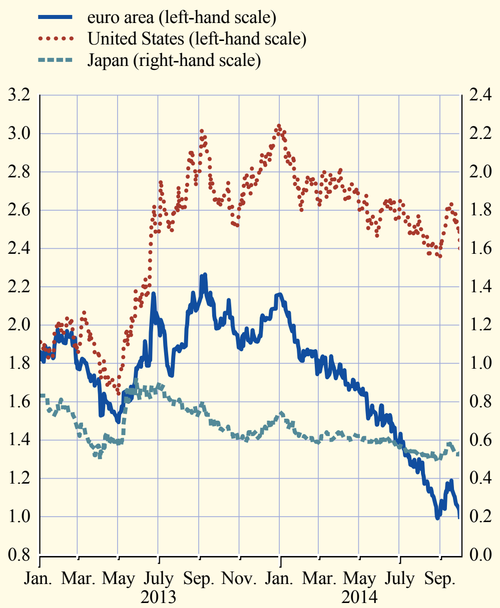
Between end-August and early October, AAA-rated ten-year euro area government bond yields remained broadly unchanged, despite having increased in the first part of the review period. Long-term government bond yields in the United States increased slightly over the period. Market indicators of long-term inflation expectations in the euro area decreased, but remain consistent with medium to long-term price stability.

Between the end of August and 1 October 2014, AAA-rated ten-year euro area government bond yields remained broadly unchanged, standing at around 1.0% on 1 October (see Chart 11). Shorter-term AAA-rated euro area government bond yields decreased slightly over the review period. As a result, the slope of the term structure, as measured by the gap between the ten-year and the two-year bond yield, increased by around 4 basis points to stand at around 112 basis points. Ten-year government bond yields in the United States and Japan increased over the review period, by around 4 and 3 basis points, to stand at around 2.4% and 0.5% respectively.

At the start of the review period, AAA-rated long-term euro area government bond yields increased somewhat, but this increase was reversed in the last part of the period, following some weak economic data for the euro area. The decision taken by the Governing Council on 4 September to lower key ECB interest rates and to purchase non-financial private sector assets did not have a significant effect on the AAA-rated long-term euro area government bond yields, while long-term yields on euro area government bonds in stressed euro area countries generally decreased following the September meeting. Shorter-term euro area bond yields also declined across euro area countries following the September Governing Council meeting. Long-term bond yields in the United States increased in the first part of the review period, following a general improvement in economic data and some market expectations of a faster pace of monetary policy tightening in the United States. By the end of the review period, most of the increase had been reversed following some mixed economic data. The Federal Reserve's decision to further reduce the pace of its asset purchases by USD 10 billion was expected by market participants and did not have a significant effect on long-term bond yields in the United States.

Chart 11 Long-term government bond yields

(percentages per annum; daily data)

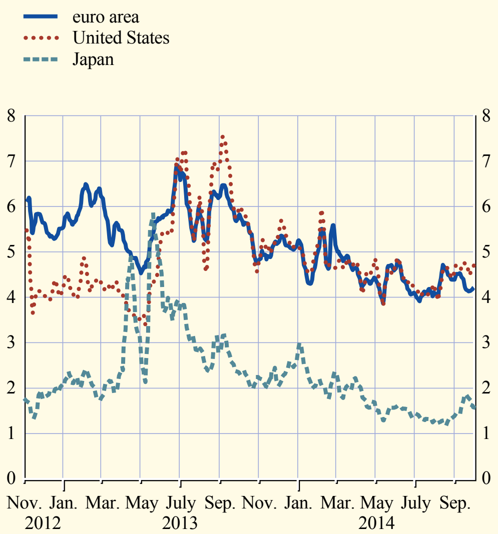


Sources: EuroMTS, ECB, Bloomberg and Thomson Reuters.
Notes: Long-term government bond yields refer to ten-year bonds or to the closest available bond maturity. The euro area bond yield is based on the ECB's data on AAA-rated bonds, which currently include bonds from Austria, Finland, Germany and the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

Investor uncertainty about near-term developments in the euro area bond market, as measured by the implied volatility extracted from bond options with a short maturity, decreased over the review period, standing at around 4% on 1 October (see Chart 12). Bond market uncertainty in the

Chart 12 Implied government bond market volatility

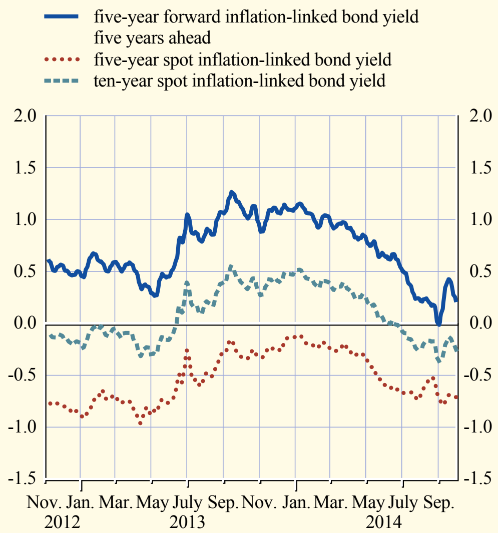
(percentages per annum; five-day moving averages of daily data)



Source: Bloomberg.
Notes: Implied government bond market volatility is a measure of uncertainty surrounding short-term (up to three months) developments in German, Japanese 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.

United States and Japan increased over the period under review, with implied volatility in bond markets standing at around 5% in the United States and at around 2% in Japan on 1 October.

Long-term real bond yields in the euro area, as measured by the yields on inflation-linked government bonds, increased over the period under review (see Chart 13). Between late August and early October, real ten-year bond yields increased by around 7 basis points, to -0.25%. Real five-year bond yields decreased slightly, standing at -0.71% on 1 October. As a result, the long-term forward real interest rate in the euro area increased by 19 basis points, to stand at around 0.20% 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, decreased in the review period. On 1 October, break-even inflation rates stood at around 0.9% at the five-year maturity horizon and at around 1.4% at the ten-year maturity horizon. The bond-based five-year forward break-even inflation rate five years ahead decreased during the review period and stood at 1.89% on 1 October (see Chart 14). At the same time, the considerably less volatile long-term forward break-even inflation rates calculated from inflation-linked swaps declined less, standing at 1.92% at the end of the period under consideration. Currently, investors consider the risk of inflation rising much higher than 2% as relatively small and, consequently, the market price for inflation risk is very low from a historical perspective. Overall, and taking into account currently very low if not negative inflation risk premia, inflation expectations remain consistent with the objective of inflation rates that are below, but close to, 2% in the medium to long-term.

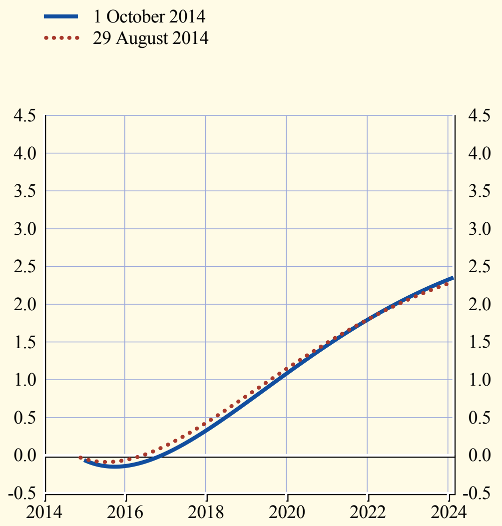
Chart 14 Euro area zero coupon break-even inflation rates and inflation-linked swap rates

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

Sources: Thomson Reuters and ECB calculations.
Notes: 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.

Between end-August and 1 October, the term structure of implied forward overnight interest rates in the euro area shifted slightly upwards for longer maturities, while decreasing slightly for shorter maturities. Specifically, the implied forward interest rate at the ten-year maturity increased by around 8 basis points, while decreasing by around 8 basis points at the two-year maturity, over the review period (see Chart 15).

In the period under review, the yield spreads of investment-grade corporate bonds issued by euro area financial and non-financial corporations (relative to the Merrill Lynch EMU AAA-rated government bond index) decreased for all rating categories. The yield spreads of corporate bonds issued by highly rated euro area financial corporations decreased slightly more than those of corporate bonds issued by highly rated non-financial corporations.

2.5 INTEREST RATES ON LOANS AND DEPOSITS

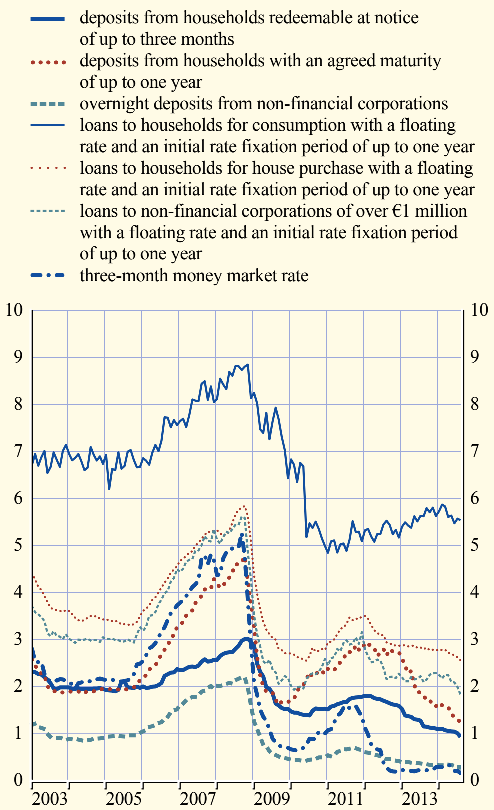
In August 2014, MFI interest rates on deposits from households and non-financial corporations decreased for both short-term and long-term deposits, with the exception of long-term deposits of non-financial corporations. All MFI lending rates declined, with the sole exception of MFI lending rates on consumer credit. Spreads vis-à-vis market rates remained broadly unchanged for loans with both short and long interest rate fixation periods. The spread between rates on small and large loans also remained broadly unchanged for both interest rate fixation periods.

Looking first at short maturities and shorter interest rate fixation periods, all main rates saw a decline in August 2014. MFI interest rates on deposits with an agreed maturity of up to one year decreased by 10 basis points, to 0.5%, in the case of non-financial corporations and by 9 basis points, to 1.2%, in the case of households. Lending rates on loans to households for house purchase with a floating rate and an initial rate fixation period of up to one year declined by 7 basis points, to 2.6%, whereas rates on consumer credit remained broadly unchanged and stood at 5.5% (see Chart 16).

With respect to non-financial corporations, interest rates on small loans (defined as loans of up to €1 million) decreased by 13 basis points, to 3.5%, while those on large loans (defined as loans of more than €1 million) with short interest rate fixation periods decreased by 16 basis points, to 1.8%. The spread between interest rates on small loans with short rate fixation periods to non-financial corporations and those on corresponding large loans remained broadly unchanged in August, standing at 164 basis points, and therefore remained considerably higher than the average of about 120 basis points recorded since 2007. The magnitude of the spread continues to suggest that financing conditions remain tighter for small and medium-sized enterprises than for large firms.

Chart 16 Short-term MFI interest rates and a short-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).

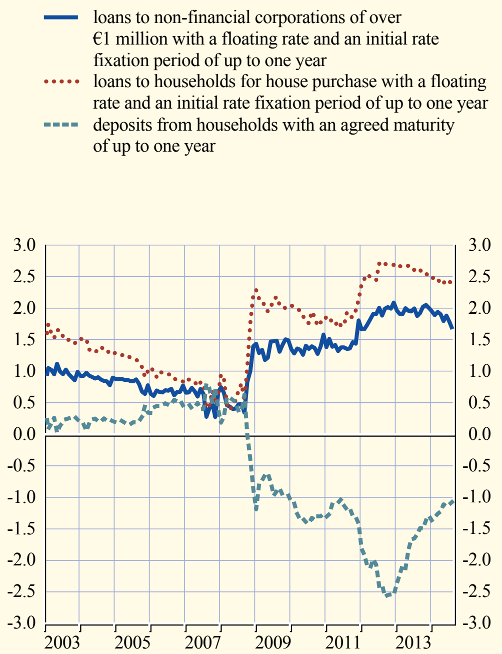
Given that the three-month EURIBOR declined slightly in August, the spread between the three-month money market rate and MFI interest rates on household loans with short interest rate fixation periods remained broadly unchanged, standing at 240 basis points, while the corresponding spread vis-à-vis interest rates on large loans to non-financial corporations with short fixation periods decreased by 11 basis points, to 167 basis points, and that vis-à-vis small loans declined by 9 basis points to stand at 330 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 80 and 110 basis points, whereas MFIs' interest rates on both small and large short-term loans to non-financial corporations and on loans to households for house purchase have declined by between 10 and 100 basis points.

Turning to longer maturities and longer interest rate fixation periods, MFI interest rates on long-term deposits from non-financial corporations increased by 14 basis points, to 1.6%, in August, while those for households decreased by 9 basis points, to 1.7%. Interest rates on loans to households for house purchase with long interest rate fixation periods declined further in August,

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

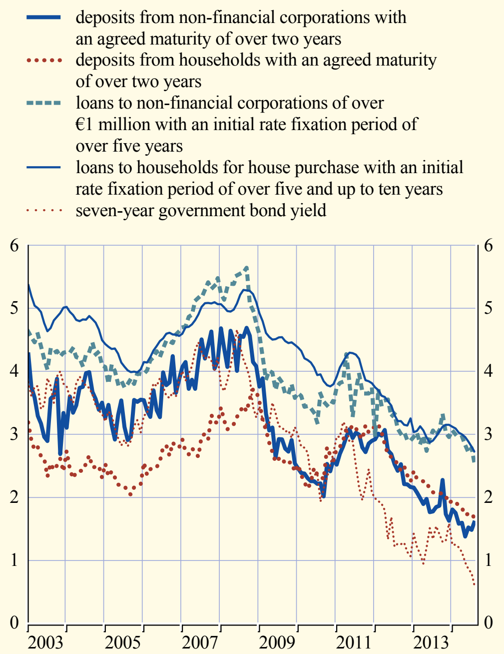
(percentage points; rates on new business)



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.

namely by 10 basis points, to 2.7% (see Chart 18). Lending rates on small loans to non-financial corporations with long interest rate fixation periods decreased by 14 basis points, to 2.9%, while those on large loans decreased by 26 basis points, to 2.5%. Hence, the spread between rates on small loans with long interest rate fixation periods and rates on corresponding large loans remained broadly unchanged at 40 basis points in August. Since the average yield on AAA-rated seven-year euro area government bonds declined further in August, to stand at 0.6%, the spread between rates on loans with long interest rate fixation periods and the yield on such bonds also remained broadly unchanged.

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 less markedly, namely by around 100 basis points. Over the same period, the spread between rates on loans with long interest rate fixation periods and the average yield on AAA-rated seven-year government bonds, which can be considered to be a benchmark for longer maturities, has fluctuated between 140 and 280 basis points in the case of loans to non-financial corporations, and between 140 and 220 basis points in the case of loans to households for house purchase, in both cases thus remaining far above pre-crisis levels prevailing in August 2007, which were around 80 basis points for large loans to non-financial corporations and around 100 basis points for both small loans to non-financial corporations and loans for house purchase.

Overall, the recent reductions of 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 banks' deposit and lending rates. At the same time, weak economic conditions and the need for banks to consolidate their balance sheets may still be putting upward pressure on bank lending rates in some euro area countries.

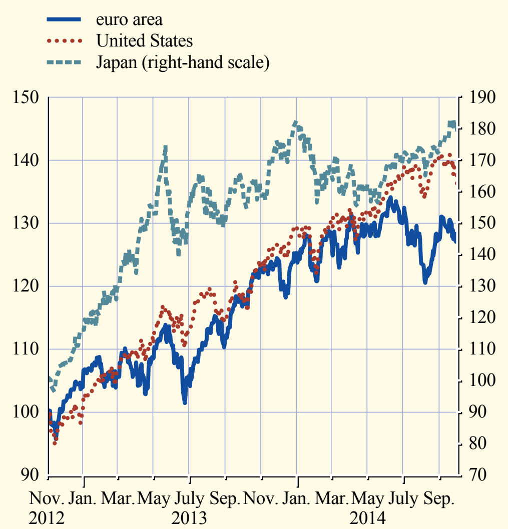
2.6 EQUITY MARKETS

Between the end of August and early October 2014, stock prices remained broadly unchanged in the euro area, while decreasing in the United States. Stock market uncertainty, as measured by implied volatility, decreased in the euro area, while increasing slightly in the United States and Japan.

Between end-August and 1 October, stock prices in the euro area, as measured by the broad-based Dow Jones EURO STOXX index, remained essentially unchanged (see Chart 19). They initially increased, following the Governing Council decision on 4 September to lower key ECB interest rates and to purchase non-financial private sector assets. Thereafter, they reverted to levels similar to those at the beginning of the period, against a background of weak economic data in the euro area. Stock prices in the United States, as measured by the Standard & Poor's 500 index, decreased by around 3% over the same period. In contrast, stock prices in Japan, as measured by the Nikkei

Chart 19 Stock price indices

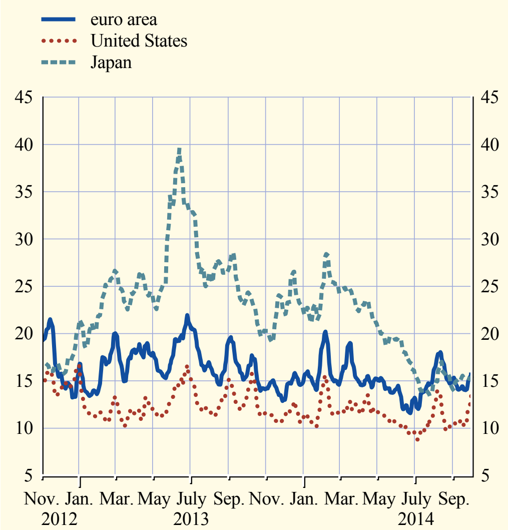
(index: 1 November 2012 = 100; daily data)



Source: Thomson Reuters.
Notes: 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.

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.

225 index, increased by around 4% over the period under review. The Federal Reserve's decision to further reduce the pace of its asset purchases by USD 10 billion was expected and did not have a significant impact on stock prices.

At the sectoral level, in the euro area the largest declines in stock prices took place in the consumer services sector and the industrial sector. The best performing sectors in the euro area were the healthcare sector and the utilities sector. In the United States, stock prices declined in most sectors. The largest declines took place in the oil and gas sector and the basic materials sector.

Between the end of August and early October, stock market uncertainty in the euro area, as measured by implied volatility, increased to stand at around 16% on 1 October, despite having decreased slightly in the first part of the review period (see Chart 20). Implied volatility also increased in both the United States and Japan, but with a much larger increase, of around 3%, in the United States.

3 PRICES AND COSTS

According to Eurostat's flash estimate, euro area annual HICP inflation was 0.3% in September 2014, after 0.4% in August. Compared with the previous month, this reflects a stronger decline in energy prices and somewhat lower price increases in most other components of the HICP. On the basis of current information, annual HICP inflation is expected to remain at low levels over the coming months, before increasing gradually during 2015 and 2016.

The risks to the outlook for price developments over the medium term will be closely monitored, in particular with regard to the possible repercussions of dampened growth dynamics, geopolitical developments, exchange rate developments and the pass-through of monetary policy measures.

3.1 CONSUMER PRICES

Looking at the latest data, according to Eurostat's flash estimate, euro area annual HICP inflation was 0.3% in September 2014, after 0.4% in August. This outcome was driven by a lower annual rate of change in non-energy industrial goods prices, services prices and energy prices, which was only partially offset by a higher increase in total food prices (see Table 7 and Chart 21). Looking beyond developments in individual months, low inflation in the euro area continues to reflect mainly subdued rates of change in non-energy industrial goods prices and, in particular, low or negative rates of change in the energy and unprocessed food components. In fact, HICP inflation excluding energy and food has been largely stable since late 2013, indicating that the lower headline inflation rates recorded this year have been related mainly to the energy and food price components.

Looking at the main components of the HICP in more detail, Eurostat's flash estimate suggests a slight decline in the annual rate of change in energy price inflation (-2.4% in September, compared with -2.0% in August). Lower oil prices denominated in euro were the main factor behind this development. Box 2 examines the factors underlying the developments in consumer gas prices. The weakness of European gas prices in 2014 is due to a combination of low demand and close-to-full gas storage facilities across Europe.

Table 7 Price developments

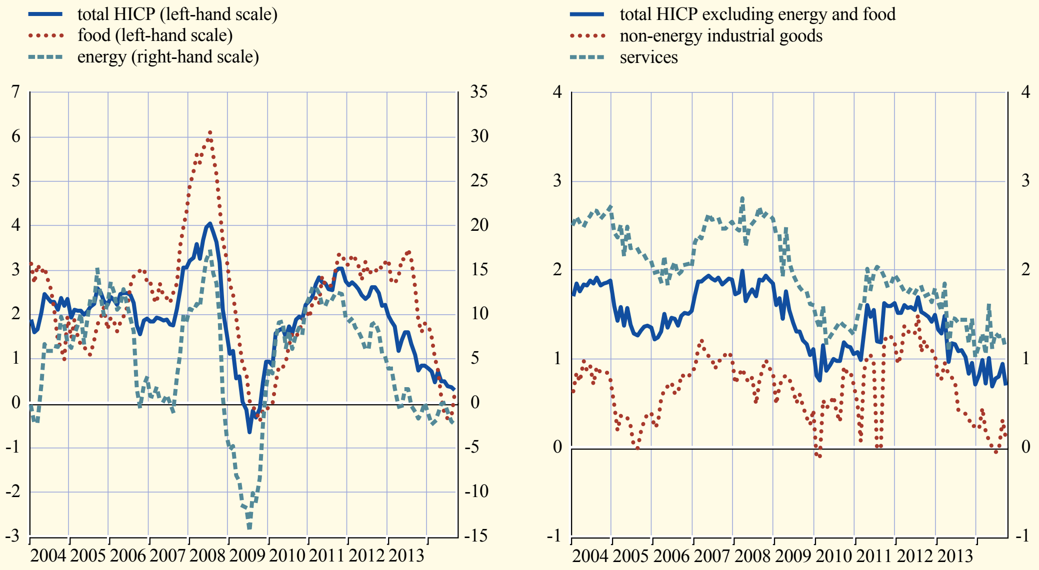
(annual percentage changes, unless otherwise indicated)

	2012	2013	2014 Apr.	2014 May	2014 June	2014 July	2014 Aug.	2014 Sep.
HICP and its components 1)								
Overall index	2.5	1.4	0.7	0.5	0.5	0.4	0.4	*0.3*
Energy	7.6	0.6	-1.2	0.0	0.1	-1.0	-2.0	*-2.4*
Food	3.1	2.7	0.7	0.1	-0.2	-0.3	-0.3	*0.2*
Unprocessed food	3.0	3.5	-0.7	-2.1	-2.8	-2.6	-2.4	*-0.9*
Processed food	3.1	2.2	1.6	1.5	1.4	1.1	1.0	*0.9*
Non-energy industrial goods	1.2	0.6	0.1	0.0	-0.1	0.0	0.3	*0.1*
Services	1.8	1.4	1.6	1.1	1.3	1.3	1.3	*1.1*
Other price indicators								
Industrial producer prices	2.8	-0.2	-1.2	-1.0	-0.8	-1.1	.	.
Oil prices (EUR per barrel)	86.6	81.7	78.2	79.4	82.3	79.9	77.6	76.5
Non-energy commodity prices	-5.2	-8.0	-7.5	-6.9	-4.2	-4.8	-4.2	-2.5

Sources: Eurostat, ECB and ECB calculations based on Thomson Reuters data.
1) HICP inflation and its components in September 2014 refer to Eurostat's flash estimates.

Chart 21 Breakdown of HICP inflation: main components

(annual percentage changes; monthly data)



Source: Eurostat.

Box 2

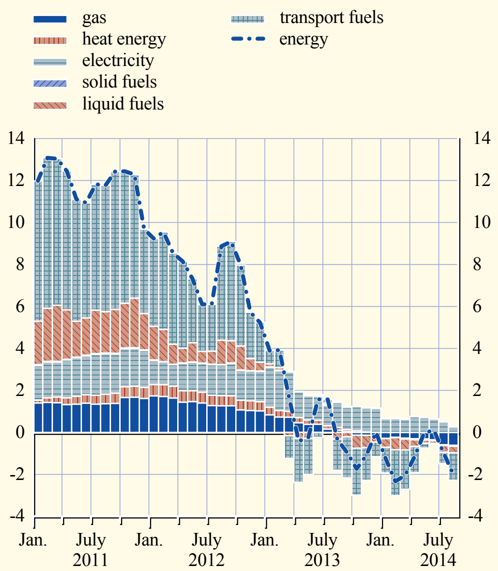
DEVELOPMENTS IN CONSUMER GAS PRICES IN THE EURO AREA

This box looks at the factors underlying the evolution of consumer natural gas prices, which have been one element behind the disinflation observed in the euro area since 2012. Natural gas prices are a sizeable component of HICP energy, accounting for one-sixth of the index. The annual rate of change in HICP energy fell from above 10% in late 2011 to being slightly negative, on average, over the last twelve months (see Chart A). The decline was strongest in oil-energy consumer prices (i.e. transport and liquid fuels), but electricity and especially gas consumer prices also played a role. The annual rate of change in consumer gas prices fell from a peak of 11% in early 2012 to around -4% in July 2014. The decline in consumer natural gas price inflation therefore accounted for 0.3 percentage point – or more than 10% – of the decline observed in overall HICP inflation since 2012, which is considerably greater than its share in the overall HICP (slightly less than 2%). This significant development is due to a combination of factors. To understand them, this box looks at the structure of the natural gas market and its evolution in Europe.

In comparison with oil markets, natural gas markets are much more segmented across geographical regions as a result of the higher transportation costs involved and the limited storability of natural gas. Despite this fragmentation, until about 2010 global oil prices and wholesale gas prices co-moved strongly. This is shown in Chart B, which plots crude oil prices alongside wholesale gas prices in the United States, Europe and Japan.

Chart A Contribution to annual rate of change in HICP energy

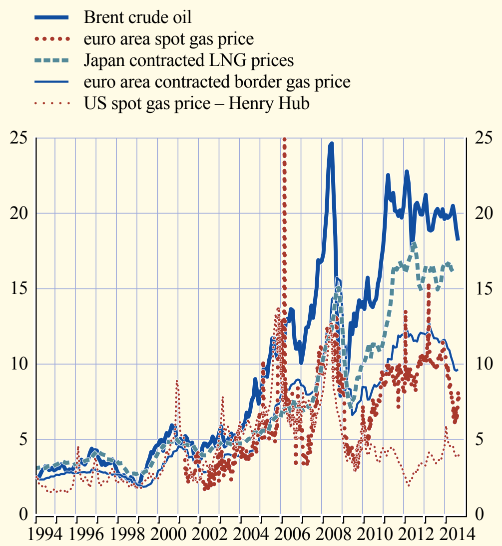
(annual percentage changes; percentages)



Sources: Eurostat and ECB calculations.

Chart B Evolution of crude oil and wholesale natural gas prices

(USD/MMBtu)



Sources: Haver Analytics and ECB calculations.
Notes: The European spot gas price is calculated as the average of Belgium (Zeebrugge) and Netherlands (TTF) prices. MMBtu stands for one million British thermal units.

Gas prices in Japan and Europe moved most closely with crude oil prices, as they were formally indexed to the price of oil. Wholesale gas prices in the United States were more volatile, but they also tended to co-move broadly with oil prices on account of some switching between energy types (natural gas and fuel oil).[1] However, since 2010, natural gas prices and crude oil prices in the United States have stopped co-moving, primarily owing to the growing production of shale gas. In Japan, wholesale gas prices continue to co-move with oil prices, although the indexation with oil prices may come under pressure as spot markets in Asia start to develop.[2]

The situation in Europe has become more nuanced in recent years.[3] In Europe, unlike in the United States, most gas has been supplied on the basis of long-term contracts agreed between incumbent gas companies and the key gas-producing countries of Norway, Russia and the Netherlands. These prices are captured by the "euro area contracted border price" series shown in Chart B. However, spot markets for natural gas have also grown steadily in importance in Europe. This evolution, combined with high oil prices and low demand for natural gas following the economic crisis, has led to a renegotiation of many indexed contracts, linking new contracts

1 See, for example, the discussion in Brown, S. P. A. and Yücel, M. K., "What Drives Natural Gas Prices?", *The Energy Journal*, International Association for Energy Economics, Vol. 29, No 2, 2008, pp. 45-60. "Natural gas market analysts generally emphasize weather and inventories as drivers of natural gas prices. … we show that when these and other additional factors are taken into account, movements in crude oil prices have a prominent role in shaping natural gas prices. Our findings imply a continuum of prices at which natural gas and petroleum products are substitutes."
2 See, for instance, the discussion in Medlock III, K. B., "Natural Gas Price in Asia: What to Expect and What It Means", James A. Baker III Institute for Public Policy, Rice University, Houston, 2014.
3 For a more detailed discussion of wholesale gas prices in Europe, see also Section 5, "Wholesale gas prices", *Quarterly Report on European Gas Markets*, Vol. 6, issue 2, Market Observatory for Energy, DG Energy, European Commission, second quarter 2013.

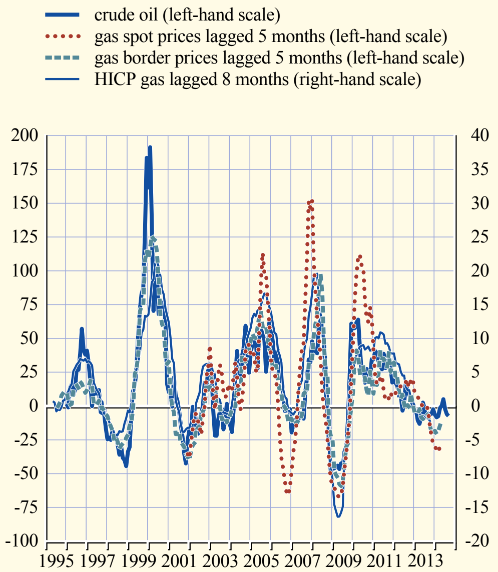
to spot markets (so-called "gas-to-gas pricing"). In Europe, spot market prices for natural gas have tended to be below those of contracted border prices and to be more volatile, as they reflect supply-demand developments in the natural gas market (e.g. increased demand owing to cold weather will tend to push up prices even if only for a limited period of time). As also shown in Chart B, since 2009 gas prices in Europe have increasingly decoupled from oil prices and did not increase as strongly as oil prices between 2009 and 2011. In 2012 and 2013 there were no strong movements in either oil or natural gas prices.

Since the beginning of 2014, wholesale gas prices in Europe have declined, despite the difficult political situation in Ukraine and uncertainties concerning Russia's gas supply. This has surprised many analysts. Market evidence suggests that, despite the geopolitical risks, the weakness of European gas prices is due to a combination of factors: ongoing low demand, resulting from subdued economic activity; the very mild winter (lower heating demand) and relatively cool summer (lower air conditioning demand) in 2014; and the fact that gas storage facilities are almost full across Europe. The decline in wholesale gas prices (border and, in particular, spot market prices) has been higher than expected on the basis of past co-movements with oil prices (see Chart C). In addition, consumer prices thus far have followed contracted border gas prices more closely, perhaps because spot markets are more oriented towards larger industrial users.

Another noteworthy feature is that there are some differences in consumer gas prices across the larger euro area economies, despite a high degree of co-movement in terms of year-on-year changes (see Chart D). For instance, consumer natural gas prices in Italy declined by around 10%

Chart C Co-movement of HICP gas with crude oil and wholesale natural gas prices

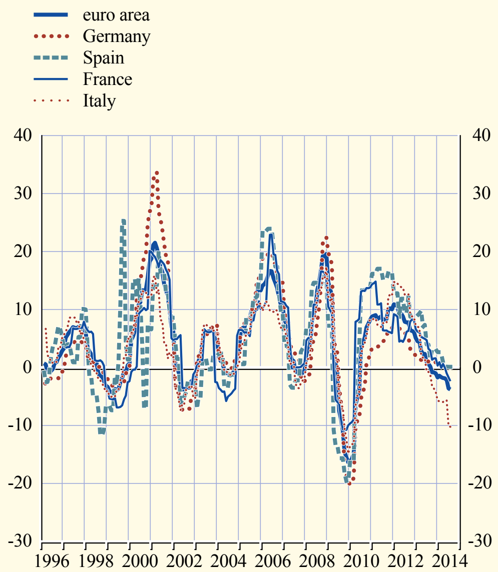
(annual percentage changes; percentages)



Sources: Eurostat, Haver Analytics and ECB calculations.

Chart D Annual rates of change in consumer gas prices in largest euro area economies

(annual percentage changes; percentages)



Sources: Eurostat and ECB calculations.

in year-on-year terms in August 2014. While this decline was greater than in the other large euro area countries, in the second half of 2013 Italy had the highest consumer gas prices among the large euro area economies: 9.5 euro cent per kwh, compared with 8.9 euro cent in Spain, 7.3 euro cent in France, 6.9 euro cent in Germany and 7.9 euro cent in the euro area on average. One reason for this decline may be the convergence of Italian gas spot market prices (PSV – Virtual Trading Point) with those on the euro EU gas spot markets, as the Italian energy regulator uses spot prices as an input for retail price regulation. More generally, it is worth noting that, despite increased price correlation between European hubs, price differentials in European retail gas markets remain significant. Efforts to improve the functioning of the internal energy markets could be beneficial to consumers.[4]

Looking ahead, the recent decline in oil prices, moderate demand growth for natural gas and the growing importance of spot markets suggest subdued pressures on wholesale natural gas prices. However, tensions between the EU and Russia over the situation in Ukraine are a source of upward risks. Furthermore, colder than usual winter weather could also lead to a rise in spot market prices, although such an increase would likely be short-lived.

4 In the "Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets in 2012", published by the Agency for the Cooperation of Energy Regulators (ACER) and Council of European Energy Regulators (CEER) in November 2013, it is stated that "In gas, although price correlation between European hubs remains high, price differentials in parts of Europe remain significant, leading to substantial welfare losses."

For the total food component, comprising both processed and unprocessed food prices, Eurostat's flash estimate shows an increase in the annual rate of change to 0.2% in September 2014, from -0.3% in August. The increase was mainly due to a rise in the annual rate of change in unprocessed food prices (to -0.9%). The downward trend of this component appears to have stabilised recently. Over the past three months, the annual rate of decline in unprocessed food prices has become less negative, increasing since June by 1.9 percentage points. The continuing low year-on-year rate of change in unprocessed food prices is mainly the result of more favourable weather conditions this year than last year. Processed food price inflation declined only marginally in September to 0.9%, which was 0.1 percentage point lower than in August.

Annual HICP inflation excluding the volatile food and energy components fell slightly to 0.7% in September, from 0.9% in August. This change reflected a lower annual rate of change in both services prices (down from 1.3% in August to 1.1% in September) and non-energy industrial goods prices (down from 0.3% in August to 0.1% in September).

The continuing low levels of non-energy industrial goods and services price inflation reflect relatively weak consumer demand, the dampening impact of the past appreciation of the exchange rate and low pricing power among firms. The level of HICP inflation excluding energy and food has remained relatively stable since late 2013, hovering around rates between 0.7% and 1.0%, which is consistent with the ongoing moderate expansion in economic growth.

3.2 INDUSTRIAL PRODUCER PRICES

The latest data on industrial producer prices and survey-based evidence point to continued subdued pipeline pressures. No additional data on industrial producer prices had become available by the cut-off date for this publication. In July 2014, producer price inflation (excluding construction) continued to hover in negative territory (-1.1% year on year, after -0.8% in June). If energy is excluded, industrial producer price inflation remained unchanged at -0.1% in July (see Table 7 and Chart 22).

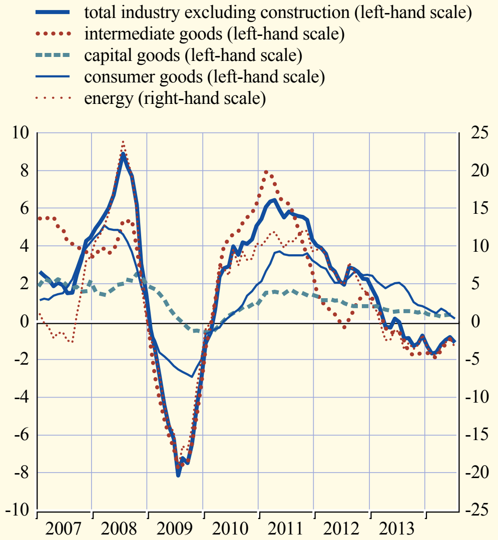
Pipeline pressures for HICP non-energy industrial goods inflation remained weak in July. Producer price inflation for non-food consumer goods stood at 0.3% in July – unchanged from June. At the earlier price stages, the annual rate of change in intermediate producer goods prices increased somewhat in July, albeit remaining in negative territory (-0.7%). External cost pressures have developed in different ways in recent months. While the annual rate of change of crude oil prices in euro fell further, that of industrial raw material commodity prices increased, thereby returning to positive territory in September.

Pipeline pressures for HICP food inflation weakened at the later stages of the price chain. Producer price inflation for the consumer food industry dropped to -0.1% in July, from 0.2% in June (driven by prices in the meat and dairy processing industries). Earlier in the price chain, pipeline pressures continued to be weak, with the annual rate of change of both euro area farm gate prices and international food commodity prices in euro terms continuing to record negative annual growth rates.

From a sectoral perspective, the latest survey-based evidence – in the form of the Purchasing Managers' Index data for September – suggests slightly weakened pipeline pressures in the manufacturing sector. Both the index for input prices and that for prices charged in this sector fell slightly. At the same time, both indices increased marginally for the services sector. All indices continue to hover close to the threshold value of 50 for positive price changes, below their long-term averages (see Chart 23).

Chart 22 Breakdown of industrial producer prices

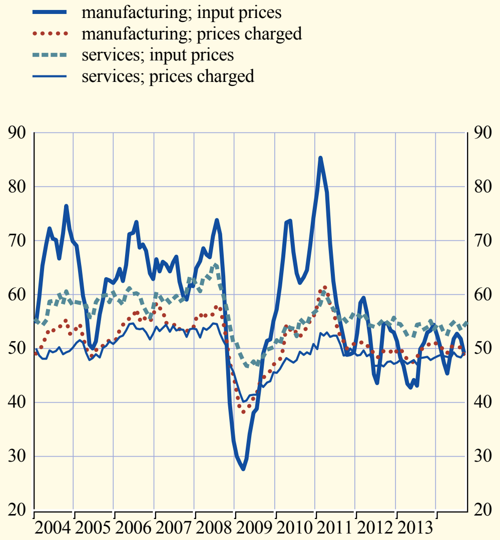
(annual percentage changes; monthly data)



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.

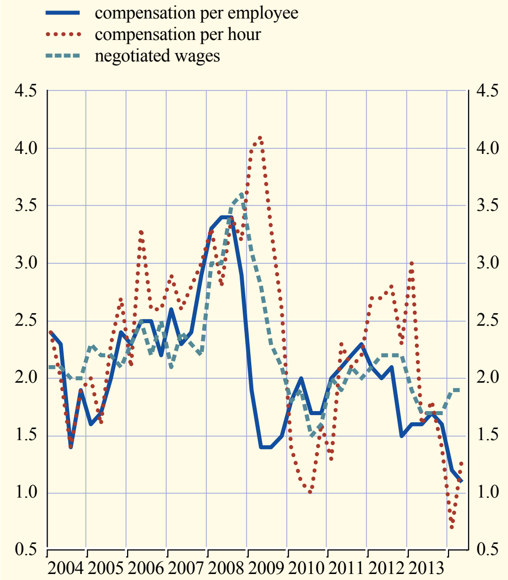
According to the European Commission's survey, selling price expectations for both the industrial sector (excluding construction) and the services sector declined in September and continue to hover at levels below their long-term averages.

3.3 LABOUR COST INDICATORS

The latest data on labour costs confirm continued moderate domestic price pressures (see Table 8 and Chart 24). In the second quarter of 2014, annual wage growth slowed at the euro area level when measured per employee, while it increased when measured per hour. The pattern of wage growth at the euro area level continues to conceal substantial divergences in wage developments across countries.

Chart 24 Selected labour cost indicators

(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.

Compensation per employee increased at an annual rate of 1.1% in the second quarter of 2014, down from the 1.2% recorded in the first quarter. This slowdown was mainly attributable to a lower contribution from the industrial sector (see Chart 25). Wage growth as measured by compensation per hour increased to 1.3% in the second quarter of 2014, compared with 0.7% in the previous quarter. The divergence between these two indicators was related to a higher annual growth rate of the number of employees in the second quarter, whereas the annual growth rate of hours worked declined somewhat. Negotiated wages in the euro area grew at an annual rate of 1.9% in the second quarter, which was substantially higher than that for compensation per employee.

The annual growth rate of unit labour costs increased to 0.9% in the second quarter of 2014, resulting mainly from a sharp slowdown in labour productivity.

Table 8 Labour cost indicators

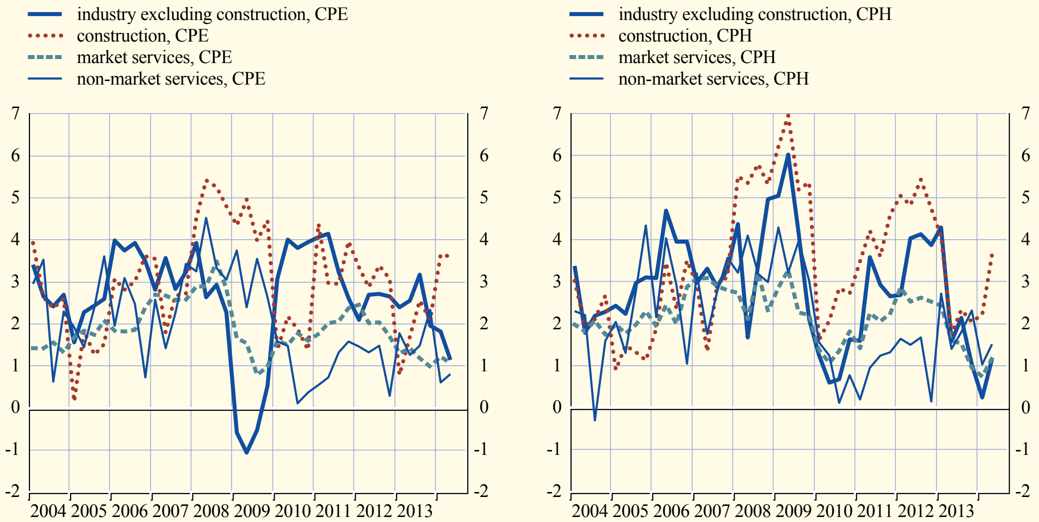
(annual percentage changes, unless otherwise indicated)

	2012	2013	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2
Negotiated wages	2.2	1.8	1.7	1.7	1.7	1.9	1.9
Compensation per employee	1.9	1.6	1.6	1.7	1.6	1.2	1.1
Compensation per hour	2.6	1.9	1.6	1.8	1.4	0.7	1.3
Memo items:							
Labour productivity	0.0	0.4	0.4	0.5	0.9	0.8	0.2
Unit labour costs	1.9	1.2	1.2	1.2	0.7	0.4	0.9

Sources: Eurostat, national data and ECB calculations.

Chart 25 Sectoral labour cost developments

(annual percentage changes; quarterly data)



Sources: Eurostat, national data and ECB calculations.
Notes: 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 public administration, education or health (approximated by the sum of sections O to Q of the NACE Revision 2 breakdown). "Market services" are defined as the remaining difference to total services (sections G to U of the NACE Revision 2 breakdown).

3.4 THE OUTLOOK FOR INFLATION

On the basis of current information, annual HICP inflation is expected to remain at low levels over the coming months, before increasing gradually during 2015 and 2016. Together with the monetary accommodation already in place, the determined implementation of recent monetary policy measures will underpin the firm anchoring of medium to long-term inflation expectations, in line with the Governing Council's aim of maintaining inflation rates below, but close to, 2%.

The risks to the outlook for price developments over the medium term will be closely monitored, in particular with regard to the possible repercussions of dampened growth dynamics, geopolitical developments, exchange rate developments and the pass-through of monetary policy measures.

4 OUTPUT, DEMAND AND THE LABOUR MARKET

Following four quarters of moderate expansion, euro area real GDP remained unchanged between the first and second quarters of this year. Survey data available up to September confirm the weakening in the euro area's growth momentum, while remaining consistent with a modest economic expansion in the second half of the year. Looking ahead to 2015, the outlook for a moderate recovery in the euro area remains in place, but the main factors and assumptions shaping this assessment need to be monitored closely. Domestic demand should be supported by the monetary policy measures, the ongoing improvements in financial conditions, the progress made in fiscal consolidation and structural reforms, and lower energy prices supporting real disposable income. Furthermore, demand for exports should benefit from the global recovery. At the same time, the recovery is likely to continue to be dampened by high unemployment, sizeable unutilised capacity, continued negative bank loan growth to the private sector, and the necessary balance sheet adjustments in the public and private sectors. The risks surrounding the economic outlook for the euro area remain on the downside.

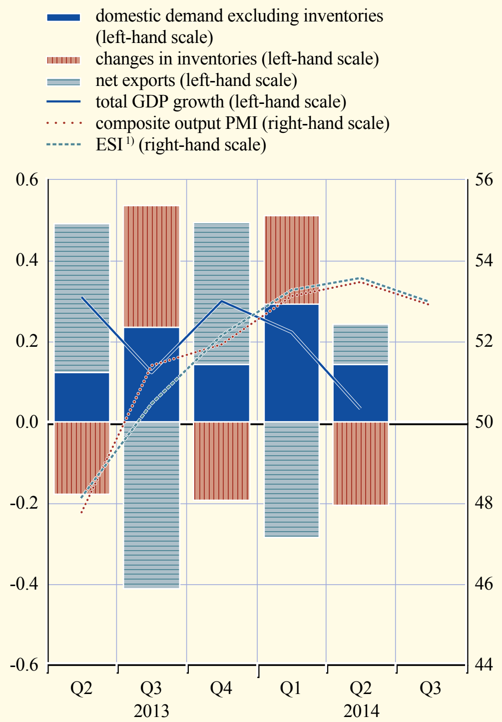
4.1 REAL GDP AND DEMAND COMPONENTS

Following four consecutive quarters of moderate positive growth real GDP recorded zero growth, quarter on quarter, in the second quarter of 2014 (see Chart 26). This reflected positive contributions from domestic demand and net trade, while changes in inventories made a negative contribution. Although the outcome was lower than expected, it appears that part of the weakness reflected temporary and technical factors relating to the mild winter and the number of working days in the quarter. However, it also appears that a cyclical slowdown has taken place in some euro area countries. In the second quarter of 2014 output still stood almost 2.5% below its pre-recession peak in the first quarter of 2008, but 3.5% above its post-recession trough in the second quarter of 2009.

As regards the third quarter of this year, survey data confirm the weakening in the euro area growth momentum. The composite output Purchasing Managers' Index (PMI) and the European Commission's Economic Sentiment Indicator both declined in the third quarter, however, they still point to positive, albeit modest, growth. Box 3 reviews the cyclical decline that started this summer, using survey data.

Chart 26 Real GDP growth and contributions, the 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.
1) The Economic Sentiment Indicator (ESI) is normalised with the mean and standard deviation of the PMI over the period shown in the chart.

Box 3

WHAT LIES BEHIND THE RECENT DECLINE IN ECONOMIC SENTIMENT?

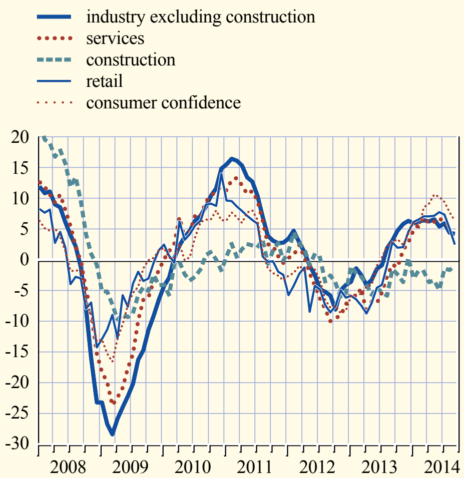
Following four quarters of moderate expansion, euro area real GDP was flat in the second quarter of 2014. Although this outcome partly reflected one-off factors relating to weather conditions, the number of "bridge days" and the timing of school holidays, it also appears that there was some loss of growth momentum at the beginning of the summer. More recent survey data, available for the full third quarter, suggest that this cyclical slowdown has continued. This is, for instance, the case for the Economic Sentiment Indicator (ESI), a summary indicator published by the European Commission and derived from the confidence surveys for different economic sectors (industry, services, construction and retail trade) as well as households (as measured by consumer confidence).[1] After being on an upward trend since the autumn of 2012, the ESI started to flatten out at the start of this year before beginning to fall from May onwards. This box looks at recent developments in the ESI, from both a country and a sectoral perspective, to better understand the reasons behind the recent slowdown.

The recent slowdown has been relatively broad-based across countries

The decline of the ESI between May and September 2014 was relatively widespread across countries, as illustrated by Chart B. Among the larger countries, Italy and Germany recorded the sharpest declines, followed by France. By contrast, the ESI for Spain and, to a lesser extent, for the Netherlands, has been more resilient in the last few months.

Chart A Business confidence across sectors

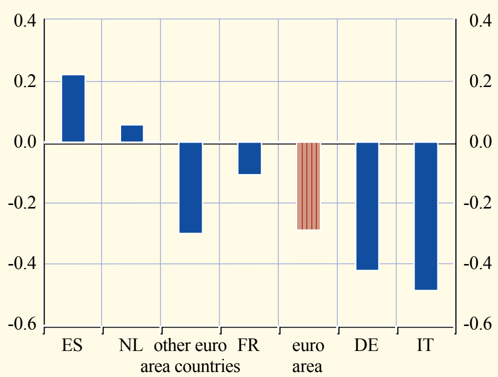
(percentage balances; mean-adjusted)



Sources: European Commission and ECB calculations.

Chart B Economic Sentiment Indicator: breakdown by country

(index change between May 2014 and September 2014)



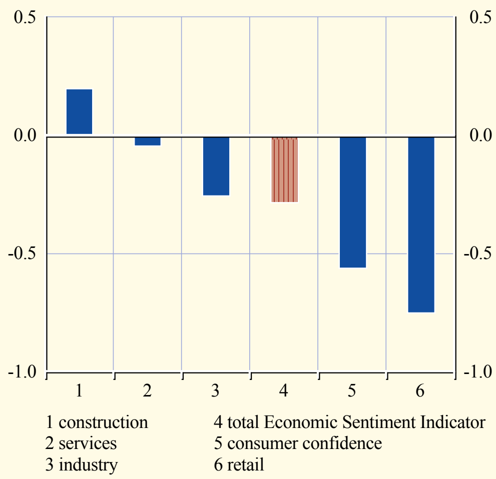
Sources: European Commission and ECB calculations.
Note: The data are adjusted with a mean of zero and a standard deviation of one.

1 The weights in the ESI are as follows: 40% for industry, 30% for services, 20% for households, and 5% each for the construction and the retail sectors. For more information on the European Business and Consumer Surveys, please refer to *A User Manual to the Joint Harmonised EU Programme of Business and Consumer Surveys*, European Commission, March 2014.

It appears difficult to clearly identify reasons for the slowdown. Notably, several financial factors, such as the accommodative monetary policy stance and the exchange rate, should support the recovery in the period ahead. At the same time, it appears plausible to assume that the impact of the crisis in Ukraine and uncertainty regarding the implementation of structural reforms help to explain the decline in economic sentiment. The importance of these factors, however, seems to differ across countries.

Chart C Economic Sentiment Indicator: breakdown by sector

(index change between May 2014 and September 2014)



Sources: European Commission and ECB calculations.
Note: The data are adjusted with a mean of zero and a standard deviation of one.

Sentiment in the services sector has held up better than that in industry

Although the decline in the ESI has also been widespread across most economic sectors, a closer look at the sectoral developments shows that the main drivers behind the recent slowdown have been developments in the industrial and retail trade sectors, as well as in consumer confidence. Services confidence, on the other hand, has remained broadly stable. Sentiment in the construction sector has improved somewhat, which contrasts with developments in the other main sectors. However, this improvement has taken place from a very low level and this sector's weight in overall confidence is relatively small.

The recent weakening of sentiment in industry is expected to continue in the coming months, as the forward-looking survey results are worse than those depicting the current situation. (The indicator on industrial confidence is derived from questions on the level of order books and the stock of finished products, which relate to current developments, and on production expectations, which are forward-looking.) Expectations are also weak in the consumer and retail sector confidence surveys. This contrasts somewhat with the outcome in the services sector, for which the forward-looking results (on demand expectations) have increased slightly, while the results for the current situation have declined (based on questions on the business and demand situation). For this sector, it appears that the recent weakening is perceived as being more temporary in nature.

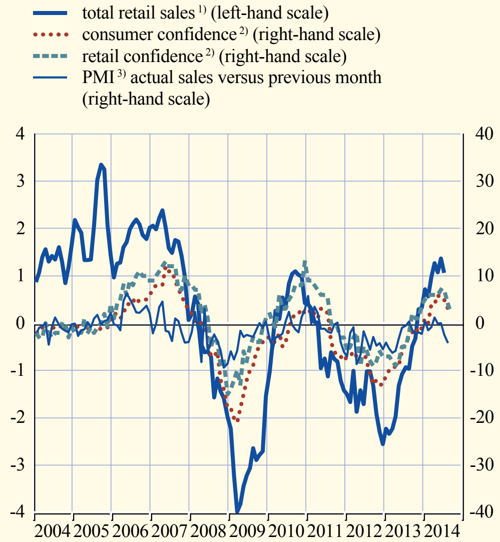
Conclusions

Following the weaker than expected outcome for GDP growth in the second quarter of this year, survey data suggest that this cyclical slowdown continued in the third quarter, although they remain consistent with modest growth. The recent decline in the ESI, which started in May this year, reflects relatively broad-based developments across countries. As regards sectoral developments, it appears that the industrial and retail sectors are the main drivers of the recent decline, while the services sector has remained more resilient. The forward-looking elements of the ESI suggest that the decline may continue for industry as well as for consumer and retail sector confidence in the coming months, while the short-term outlook for the services sector is less gloomy. Thus, the surveys suggest that the composition of value-added growth may change in the third quarter relative to the second quarter, with positive growth for services alongside more muted developments for industry.

Private consumption in the euro area rose by 0.3%, quarter on quarter, in the second quarter of 2014, following positive but modest growth in the four previous quarters. The latest rise was broad based and appears to reflect rising consumption of retail goods, passenger cars and services.

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.

With regard to the third quarter of this year, the available information tends, on balance, to suggest a slowdown in private consumption growth compared with the second quarter. In July the volume of retail sales declined by 0.4%, month on month, thus standing 0.2% below the average level recorded in the second quarter, when it increased by 0.3%, quarter on quarter. In contrast, in July and August new passenger car registrations in the euro area stood, on average, almost 1% above their average level in the second quarter, when they rose by slightly more than 1.5%, quarter on quarter. Survey data on the retail sector for the third quarter of 2014 suggest that the consumption of retail goods continued to display modest growth (see Chart 27). For instance, although the European Commission's indicator on confidence in the retail sector weakened in the third quarter, it still stood above its long-term average. In addition, consumer confidence declined further in September, albeit remaining above its long-term average. The latest developments suggest that the strengthening of underlying consumption dynamics that started towards the end of 2012 is levelling off. The PMI for the retail sector declined from an average of 50.4 in the second quarter of 2014 to 46.7, on average, in July and August. This is consistent with falling – or at best muted – growth in sales in the third quarter. Finally, the indicator on expected major purchases remained at a low level in the third quarter, suggesting that consumers continue to be cautious when deciding whether to purchase durable goods.

Following four quarters of positive growth, gross fixed capital formation contracted by 0.3%, quarter on quarter, in the second quarter of 2014. With regard to the breakdown of investment in the second quarter, a decline in construction investment was partly offset by a rise in non-construction investment – with each of these components accounting for around half of total investment. Looking ahead, business investment is expected to increase moderately, as demand gradually picks up, confidence and financing conditions improve and uncertainty diminishes.

As regards the third quarter, incoming data on fixed investment are, on balance, consistent with a rebound and positive growth. Industrial production of capital goods – an indicator of future non-construction investment – rose by 2.6%, month on month, in July. In the same month capital goods production stood 2.4% above the average level recorded in the second quarter of 2014, when it declined by 0.7% on a quarterly basis. This seems to indicate a strong start to the third quarter, however, high monthly volatility in production data warrants caution. Survey results are consistent with positive growth in the third quarter. For instance, although the manufacturing PMI, which had followed an upward trend between mid-2012 and the second quarter of this year, declined in the third quarter, it still remains above the theoretical no-growth threshold of 50. Similarly, the European Commission's industrial confidence indicator declined somewhat in the third quarter, but remained above its long-term average level.

In July 2014 construction production recorded zero growth, month on month, having declined in the two previous months. As a result, in July construction production stood 0.7% below the average level recorded in the second quarter. This represents an improvement relative to the second quarter, when construction production contracted by 1.1% on a quarterly basis. Survey data point to muted developments in the third quarter. For instance, the European Commission's indicator for construction confidence was still well below its historical average level in the third quarter and the PMI for construction activity in the euro area stood far below the threshold of 50 in July and August.

The contribution of euro area net trade to GDP growth returned to positive territory in the second quarter of 2014. While quarterly export growth rose (to 0.5%), import growth declined (reaching 0.3%) in the second quarter. The latest developments for the third quarter are consistent with a small decline in export growth alongside a rise in import growth, which, taken together, would be consistent with a small negative net trade contribution in that quarter. In July the value of exports was unchanged from the average level recorded in the second quarter, while imports stood 1.4% above their average level in the second quarter. According to short-term indicators, trade prices stood in July close to the average levels recorded in the second quarter, suggesting that, in volume terms, trade flows were rather similar to those in value terms. More timely survey data available for the whole of the third quarter suggest that export growth was broadly similar to the level recorded in the second quarter. Although the PMI for new export orders was consistently above the expansion threshold of 50 in the third quarter, it nevertheless declined slightly compared with the second quarter. The European Commission's survey indicator for export order books also displayed a small decline in the third quarter.

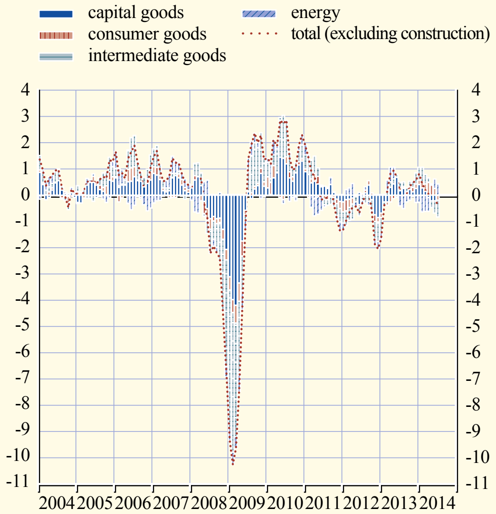
4.2 SECTORAL OUTPUT

In the second quarter of 2014 real value added shrank by 0.1%, quarter on quarter, mainly as a result of developments in the construction and agricultural sectors. At the same time, value added remained flat in services, while it rose in industry excluding construction. Total value added has recorded an accumulated rise of almost 1% since the first quarter of 2013, and in the second quarter of 2014 it stood almost 4% above its post-recession trough in the second quarter of 2009. Survey data point towards positive but modest growth in value added in the third quarter of this year. As regards sectoral developments, the latest PMIs for output indicate that the strongest growth will be seen in the services sector, followed by manufacturing, whereas the construction sector is expected to display more sluggish developments.

Industrial production (excluding construction) rebounded by 1.0%, month on month, in July. As a result, it stood 0.4% above its average level in the second quarter. This was a relatively robust start to the third quarter compared with the quarterly decline of 0.1% recorded in the second quarter (see Chart 28). The ECB's indicator for euro area industrial new orders (excluding heavy transport equipment) also rose by 1.0%, month on month, in July, following a rise of the same magnitude in the previous month. The indicator therefore stood 1.1% above the level recorded in the second quarter, when it declined by 0.1% on a quarterly basis. Survey data, which are available up to

Chart 28 Industrial production growth and contributions

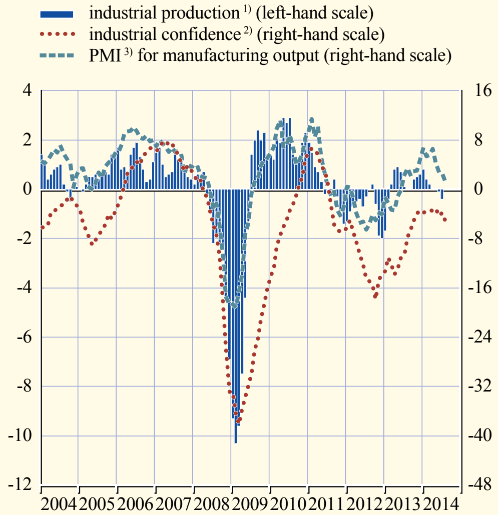
(growth rate and percentage point contributions; monthly data; seasonally adjusted)



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 the PMI for 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.

September, paint a less buoyant picture of developments in the third quarter (see Chart 29). The PMI for manufacturing output declined in the third quarter, although it still points to positive growth.

In July construction production stood below the average level recorded in the second quarter. Moreover, more timely survey data point to continued weakness in the construction sector and subdued underlying growth momentum.

Although the PMI for services business activity declined slightly in September, it nevertheless rose in the third quarter of 2014. It recorded an average of 53.4 in the third quarter, which is consistent with a small increase in output in the services sector in that quarter. Other business surveys, such as those of the European Commission, paint a similar picture.

4.3 LABOUR MARKET

Labour markets, which began to stabilise in the spring of 2013, have shown further signs of a gradual improvement. In recent quarters employment has risen, while unemployment has fallen. Survey data, which have been improving since early 2013, have recently shown signs of a stabilisation, thereby pointing to slow employment growth in the period ahead.

Employment, which fell by an accumulated 1.7% between the second quarter of 2011 and the third quarter of 2013, has improved for four consecutive quarters. Following quarterly growth of 0.1% in both the last quarter of 2013 and the first quarter of this year it rose further, by 0.2%, in the second

Table 9 Employment growth

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

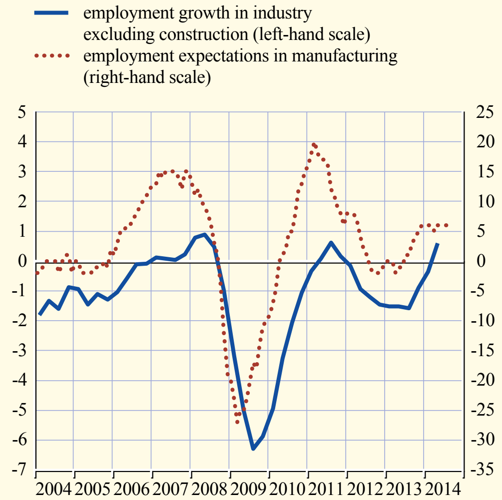
	Persons employed					Hours worked				
	Annual rates		Quarterly rates			Annual rates		Quarterly rates		
	2012	2013	2013 Q4	2014 Q1	2014 Q2	2012	2013	2013 Q4	2014 Q1	2014 Q2
Whole economy	-0.6	-0.8	0.1	0.1	0.2	-1.4	-1.1	0.1	-0.1	0.2
of which:										
Agriculture and fishing	-1.9	-1.4	-0.2	-0.1	-0.2	-2.9	-0.9	-0.1	0.6	-0.5
Industry	-2.1	-2.3	0.0	-0.1	0.3	-3.3	-2.4	-0.3	-0.1	0.4
Excluding construction	-0.9	-1.4	0.2	0.2	0.5	-2.0	-1.2	-0.1	0.1	0.6
Construction	-4.7	-4.6	-0.6	-0.9	0.0	-6.1	-5.1	-0.9	-0.6	-0.1
Services	-0.1	-0.3	0.2	0.1	0.2	-0.7	-0.7	0.2	-0.2	0.1
Trade and transport	-0.8	-0.8	0.2	-0.1	0.5	-1.6	-1.3	0.1	-0.2	0.3
Information and communication	1.2	0.0	0.7	0.1	0.5	0.6	-0.1	0.7	-0.1	0.3
Finance and insurance	-0.4	-0.7	-0.1	0.0	-0.8	-0.9	-0.8	-0.2	-0.5	-1.0
Real estate activities	-0.4	-1.9	-1.2	1.3	0.0	-1.1	-2.4	-1.5	1.0	-0.6
Professional services	0.7	0.4	0.1	0.4	0.4	0.5	-0.1	-0.3	0.4	0.4
Public administration	-0.3	-0.2	0.3	0.2	0.0	-0.5	-0.5	0.7	-1.0	0.1
Other services [1]	0.6	0.0	0.1	0.3	0.3	-0.1	-0.5	0.1	1.6	-0.4

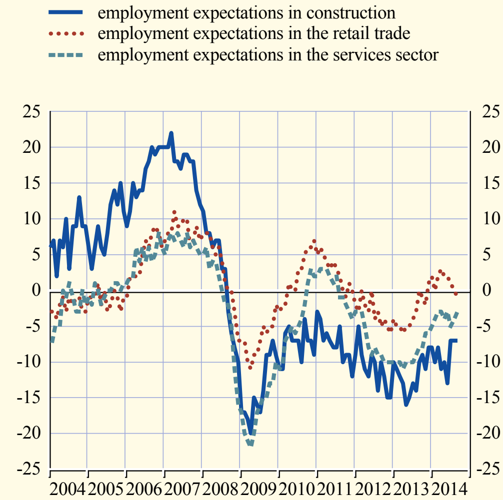
Sources: Eurostat and ECB calculations.
1) Also includes household services, the arts and activities of extraterritorial organisations.

quarter of 2014 (see Table 9). The latest developments thus confirm that a recovery is taking place. At the sectoral level, the latest outcome for headcount employment reflects employment growth in the services sector and in industry excluding construction. At the same time, the construction sector recorded flat growth, while the agricultural sector saw a fall in employment. Hours worked also rose by 0.2%, quarter on quarter, in the second quarter, reflecting sectoral developments similar to those seen in headcount employment. Survey data are consistent with a continued moderate strengthening of labour markets in the third quarter of 2014 (see Chart 30).

Chart 30 Employment growth and employment expectations

(annual percentage changes; percentage balances; seasonally adjusted)

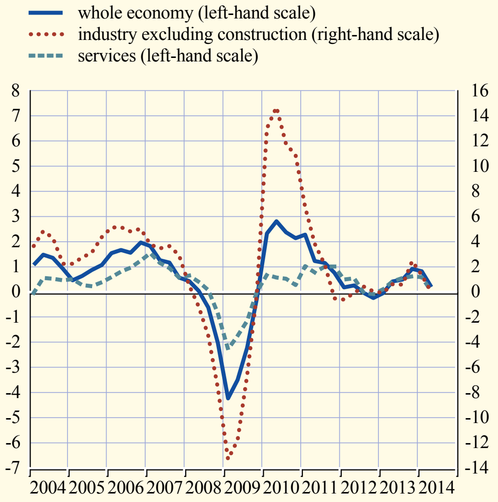




Sources: Eurostat and European Commission Business and Consumer Surveys.
Note: Percentage balances are mean-adjusted.

Chart 31 Labour productivity per person employed

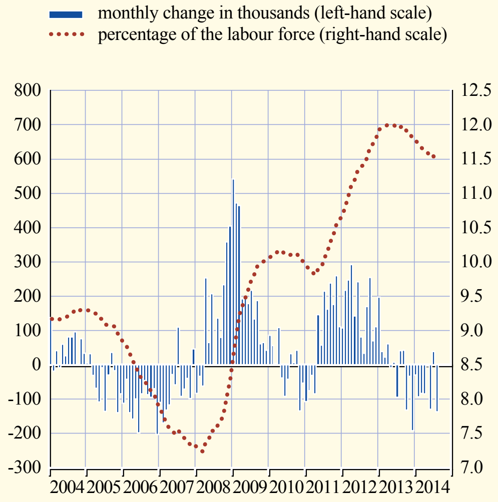
(annual percentage changes)



Sources: Eurostat and ECB calculations.

Chart 32 Unemployment

(monthly data; seasonally adjusted)



Source: Eurostat.

Productivity per person employed recorded a positive growth rate for the fifth consecutive quarter, rising further, by 0.2% in annual terms, in the second quarter of 2014 (see Chart 31). The latest increase was entirely due to developments in the construction sector and the agricultural and fishing sector. At the same time, the annual growth rate of hourly labour productivity rose by 0.2 percentage point, to stand at 0.6%, in the second quarter. The PMI for productivity suggests continued positive productivity growth in the third quarter.

The unemployment rate, which declined in the last quarter of 2013 as well as in the first and second quarters of this year, remained unchanged, at 11.5%, from June to August (see Chart 32). However, the number of unemployed persons in the euro area nonetheless declined further in the three-month period to August. The decline in the unemployment rate since its most recent peak in April 2013 has been relatively broad based across gender and age groups. However, although this decline has been considerably stronger in the group of countries under stress, cross-country differences within the euro area still remain sizeable. This is clearly illustrated by looking at the average unemployment rate so far this year (up to and including August), which has ranged from around 5% to 25%.

4.4 THE OUTLOOK FOR ECONOMIC ACTIVITY

Survey data available up to September confirm the weakening in the euro area's growth momentum, while remaining consistent with a modest economic expansion in the second half of the year. Looking ahead to 2015, the outlook for a moderate recovery in the euro area remains in place, but the main factors and assumptions shaping this assessment need to be monitored closely. Domestic demand should be supported by the monetary policy measures, the ongoing improvements in financial conditions, the progress made in fiscal consolidation and structural reforms, and lower energy prices supporting real disposable income. Furthermore, demand for exports should benefit from the global recovery. At the same time, the recovery is likely to continue to be dampened by high unemployment, sizeable unutilised capacity, continued negative bank loan growth to the private sector, and the necessary balance sheet adjustments in the public and private sectors.

The risks surrounding the economic outlook for the euro area remain on the downside. In particular, the recent weakening in the euro area's growth momentum, alongside heightened geopolitical risks, could dampen confidence and, in particular, private investment. In addition, insufficient progress in structural reforms in euro area countries constitutes a key downward risk to the economic outlook.

ARTICLES

THE IMPACT OF THE ECONOMIC CRISIS ON EURO AREA LABOUR MARKETS[1]

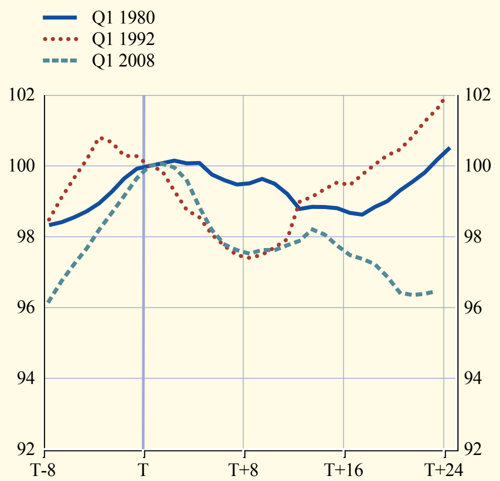
The economic crisis has had a heavy impact on euro area labour markets. A notable feature of the crisis throughout its duration has been the considerable degree of cross-country heterogeneity of labour market adjustments – with some economies emerging relatively unscathed, while others have seen steep and persistent increases in unemployment. This article analyses the impact of the crisis as a whole on euro area labour markets, paying particular attention to the different impacts of the two euro area recessions during the crisis and the interplay of sectoral and institutional features driving labour market outcomes. Despite ongoing structural reforms in some countries, progress has been partial and uneven across the euro area. Further reductions in labour market rigidities are necessary to increase the adjustment capacity of euro area labour markets and to speed up adjustment, thereby helping to reduce the current high levels of structural unemployment.

1 TWO RECESSIONS AND THEIR DIFFERENT IMPACTS ON EURO AREA LABOUR MARKETS

In comparison to the recessions experienced across the euro area countries since the 1980s, the impact of the economic crisis since 2008 has been particularly severe and long-lasting (see Chart 1). Six years after the start of the first euro area recession (which began in the second quarter of 2008), euro area employment remains some 4% below its pre-crisis peak, five and a half million people have lost their jobs and the euro area unemployment rate, having risen from a pre-crisis low of 7.3% to a peak of 12.0% early in 2013, has declined only modestly since then (see Chart 2). In part, this strong impact reflects the systemic – and synchronised – nature of the initial economic crisis, financial crises typically having a much larger and longer-lasting impact than non-financial recessions.[2] However, it also reflects the interplay of sectoral and institutional features of the euro area economies, which have led to considerable cross-country heterogeneity in labour market outcomes, whereby there have been heavy and persistent job losses in some euro area economies, but modest and relatively short-lived deteriorations in others.

Chart 1 Euro area employment across recessions

(index: T=100 at cyclical peak in GDP; intervals are quarters)



Sources: Eurostat and ESCB calculations.

1 This article summarises the work of an ad hoc ESCB task force charged with extending earlier analyses of the impact of the crisis on euro area labour markets to include the second euro area recession. For a more detailed version, including the background research informing this article, see "Comparisons and contrasts of the impact of the crisis on euro area labour markets", *Occasional Paper Series*, ECB, forthcoming. This article built on the ECB's 2012 Structural Issues Report entitled "Euro area labour markets and the crisis", *Occasional Paper Series,* No 138, ECB, 2012, which was summarised in the article of the same name that was published in the October 2012 issue of the ECB's Monthly Bulletin, for which data were available generally only to the end of 2011 and which thus omitted much of the impact of the second euro area recession.

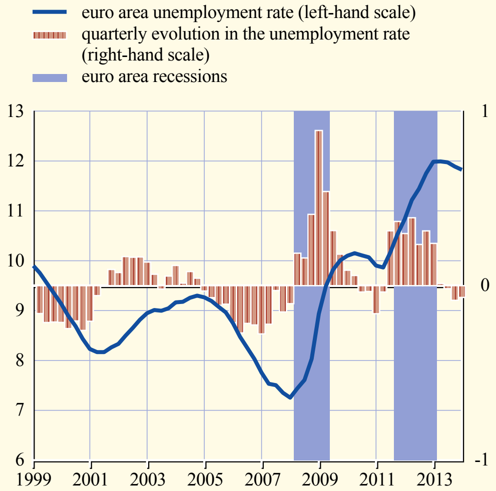
2 See Reinhart, C.M. and Rogoff, K.S., *This Time Is Different: Eight Centuries of Financial Folly*, Princeton University Press, 2008, and more recently, "Recovery from Financial Crises: Evidence from 100 Episodes", *NBER Working Paper*, No 19823, National Bureau of Economic Research, January 2014. The economic and financial turmoil of 2008-09 affected virtually all western economies – albeit to varying degrees – concurrently, while earlier recessions had tended to be more localised, reflecting isolated economic or financial imbalances within affected countries. In addition, the contraction in euro area real GDP was particularly strong over the course of the crisis (almost 6% from peak to trough), and GDP has still not returned to its pre-crisis level.

To some extent, differences in outcomes reflect the different nature of the two recessionary "phases" of the crisis. The first phase encompassed the deep and sharp global downturn in activity and trade (widely referred to as the five-quarter "Great Recession" of 2008-09) and its aftermath, which affected all euro area economies to some extent. The second phase refers to the longer-lasting "second dip" (which resulted in a six-quarter recession for the euro area economy, beginning in the final quarter of 2011, following the emergence of sovereign debt concerns in some countries), in which adjustment was principally concentrated in the most "stressed" economies.

Over the course of the Great Recession, all countries saw some deterioration in their unemployment rates, with national increases ranging from 0.2 percentage point in Germany to 9.8 percentage points in Latvia. Six years on, however, the range of outcomes is more marked still (see Chart 3). By mid-2013, at the upper end, national unemployment rates had increased by some 19 percentage points in Greece and 16 percentage points in Spain, translating into unemployment rates of 27% and 26%, respectively. Overall, seven countries (Ireland, Greece, Spain, Italy, Cyprus, Portugal and Slovenia) stand out as having seen particularly large and persistent increases in their unemployment rates since the start of the crisis. Together, these countries form the group most strongly affected by the financial market stress

Chart 2 Unemployment developments in the euro area

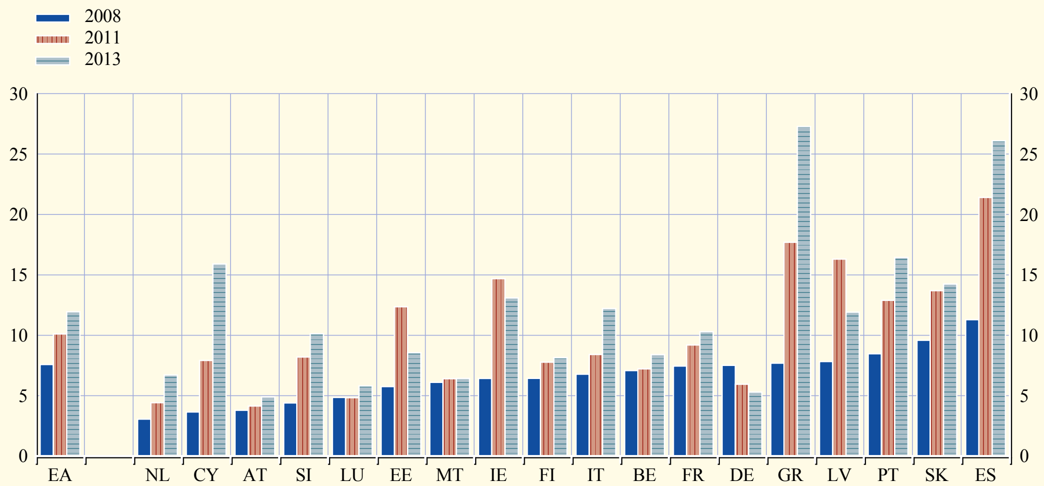
(percentages of the labour force; quarter-on-quarter changes in thousands)



Sources: Eurostat and ESCB calculations.
Notes: Shaded bars indicate euro area recessions, defined in terms of negative quarter-on-quarter GDP growth.

Chart 3 Changes in unemployment rates across the euro area

(percentages of the labour force; countries ordered according to their unemployment rate in 2008)



Sources: Eurostat and ESCB calculations.

(and are henceforth collectively referred to as the "stressed economies"). However, a simple comparison of changes in unemployment rates over the course of the crisis obscures an important facet of the country-level developments observed. In particular, while all countries experienced increases (at least, initially) in their unemployment rates as a consequence of the Great Recession, over the course of the second phase of the crisis, four countries (Germany, Estonia, Ireland and Latvia) managed to reduce their unemployment rates. In Germany, these declines are likely to reflect ongoing improvements to labour market flexibility as a consequence of comprehensive reforms introduced in advance of the crisis. In Estonia, Ireland and Latvia, they reflect the earlier timing of the downturn and the swift and comprehensive measures introduced in response to the adverse labour market effects of the crisis.[3]

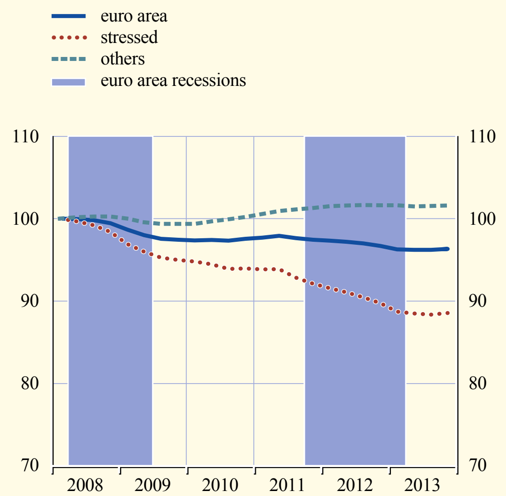
2 THE CONCENTRATION OF JOB LOSSES OVER THE CRISIS

The marked rise in euro area unemployment over the course of the crisis has been heavily concentrated temporally, sectorally, demographically and by country. While virtually all euro area economies were affected to some extent during the first recession, over the course of the second euro area recession the brunt of the job losses was (almost exclusively) borne by the stressed economies (see Chart 4).

The Great Recession had a strong sectoral bias (see Chart 5), with a high proportion of employment losses resulting from marked contractions in industry-dependent sectors (such as manufacturing, transport and business services) and, in particular, in the construction sector. All the euro area

Chart 4 Euro area employment – stressed economies versus other economies

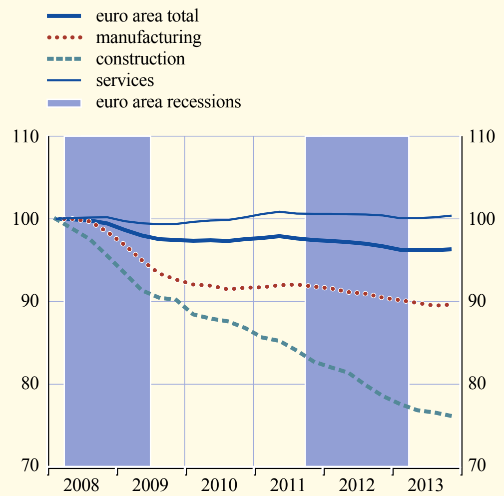
(index: Q1 2008=100)



Sources: Eurostat and ESCB calculations.
Notes: Shaded bars indicate euro area recessions during the crisis, defined in terms of negative quarter-on-quarter GDP growth. The stressed economies comprise Ireland, Greece, Spain, Italy, Cyprus, Portugal and Slovenia.

Chart 5 Euro area employment by sector

(index: Q1 2008=100)

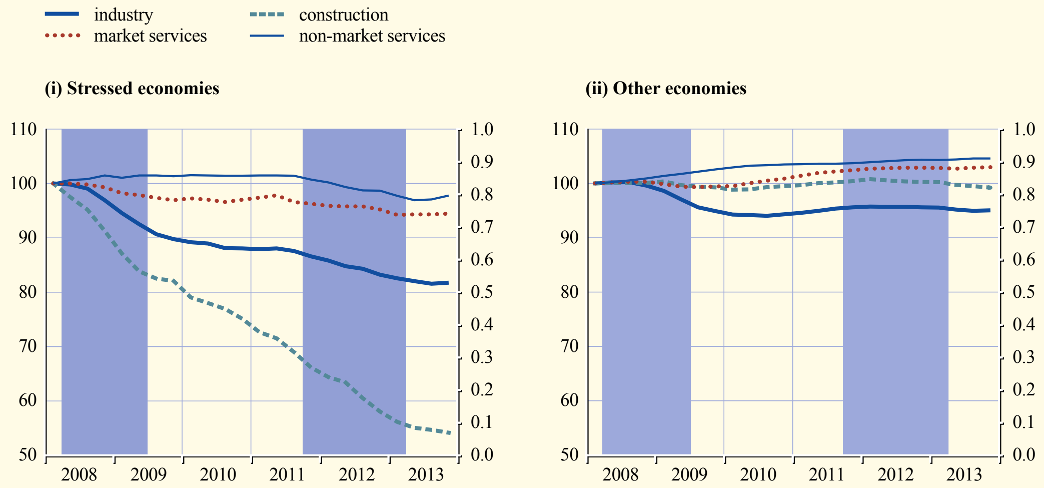


Sources: Eurostat and ESCB calculations.
Notes: Shaded bars indicate euro area recessions during the crisis, defined in terms of negative quarter-on-quarter GDP growth. The stressed economies comprise Ireland, Greece, Spain, Italy, Cyprus, Portugal and Slovenia.

3 Both Estonia and Ireland increased spending on active labour market policies to retrain and reintegrate the unemployed. In addition, employment protection legislation was eased in Estonia, while sectoral wage agreements were reformed in Ireland to make them more responsive to economic conditions. In Latvia, public sector wages were cut sharply.

Chart 6 Euro area employment by sector – stressed economies versus other economies

(index: Q1 2008=100)



Sources: Eurostat and ESCB calculations.
Note: The stressed economies comprise Ireland, Greece, Spain, Italy, Cyprus, Portugal and Slovenia.

economies were hit more or less proportionally, albeit with differences reflecting the sectoral compositions of each economy. The downturn in the industry-dependent sectors reflected the strong downturn in global trade. Meanwhile the credit crunch hit the construction sector particularly hard, leading to a sharp fall in construction activity across the euro area. The most acute impact was seen in countries undergoing the consequences of recently burst housing bubbles. During the second phase of the crisis, however, virtually all of the job losses observed were concentrated in the stressed economies, while employment remained largely stable or even increased elsewhere. In the stressed economies, job losses continued largely unabated in the industry and construction sectors, but intensified strongly in the services sector. Indeed, whereas non-market services – including public administration and predominantly publicly provided activities (such as education and health care) – had continued to contribute positively to employment developments in virtually all countries during the first phase of the crisis, fiscal consolidation during the second phase led to a notable downturn in public sector employment in some of the economies under the severest market stress, reinforcing the employment contraction seen in the other sectors.[4]

EMPLOYMENT LOSSES BY WORKER ATTRIBUTE

EU Labour Force Survey data allow further breakdowns of employment and unemployment developments by gender, age, qualification level, professional status and contract type (see Chart 7).[5] Overall, men, younger workers and the low-skilled have been particularly hard hit by the crisis. The stronger impact on men than women doubtless reflects in part the heavy concentration of the crisis in sectors (industry, construction, transport) in which men are typically strongly represented. This pattern is repeated across countries and over the course of the crisis.

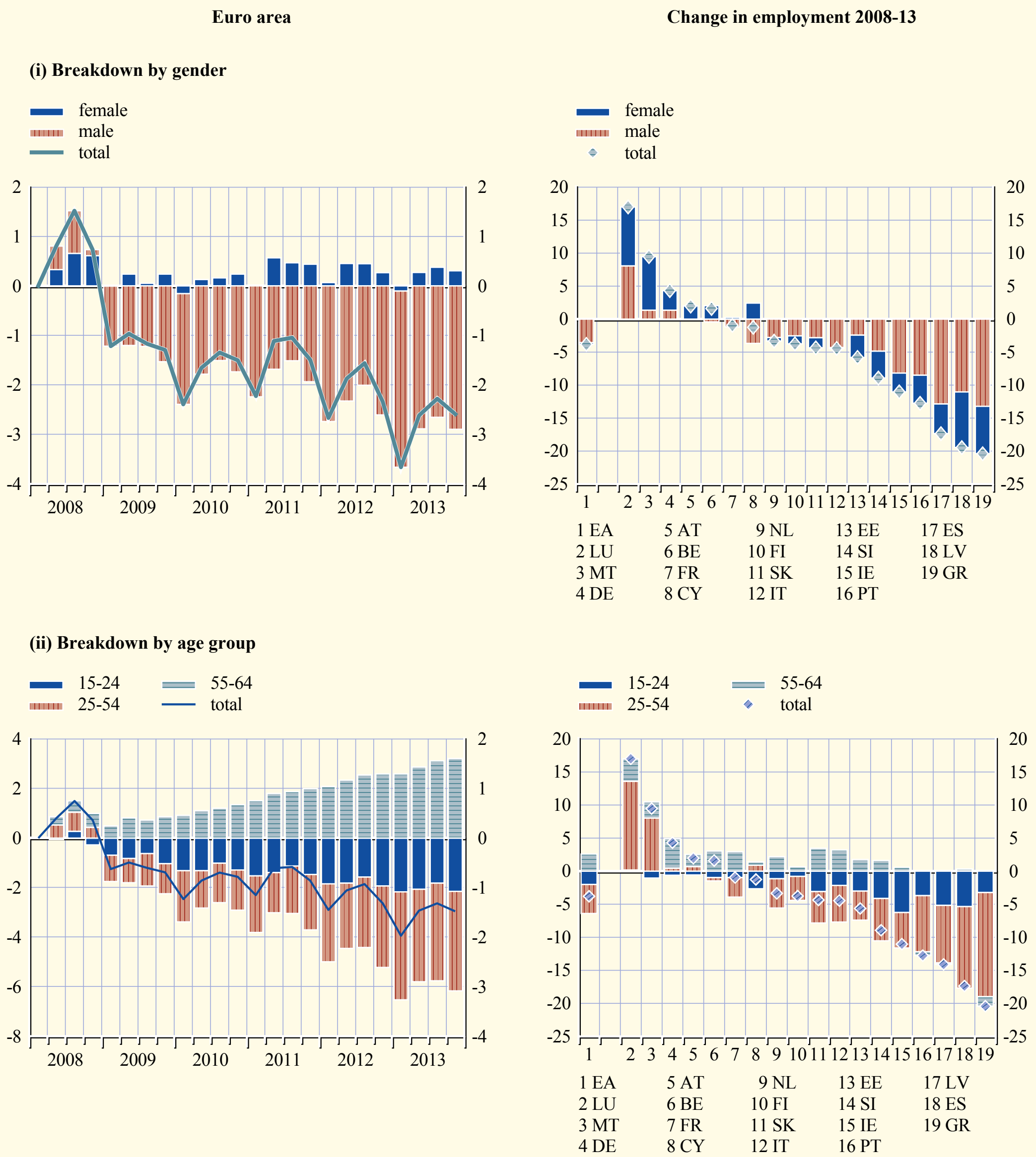
4 See the box entitled "The effect of the crisis on employment and wages in non-market services", *Monthly Bulletin*, ECB, Frankfurt am Main, December 2013.

5 Labour force survey data for Luxembourg need to be interpreted with particular caution, not least since they typically exclude cross-border workers, a group that accounts for roughly 40% of total employment in Luxembourg and which was particularly hard hit by the crisis. As a consequence, employment growth may be overstated, and unemployment developments may be underestimated.

A breakdown by age shows that young workers (aged under 25) and prime age workers (aged 25-54) have been considerably harder hit than older workers (aged 55 and over). (See also Box 1 on youth labour market developments over the course of the crisis.) To some extent, the ongoing growth in employment of older workers is likely to reflect increased financial needs as they replace wealth losses experienced as a result of the financial crisis,[6] as well as ongoing changes in several euro area

Chart 7 Employment developments in the euro area – disaggregated results

(cumulative losses; percentage point contributions)



Sources: Eurostat and ESCB staff calculations.

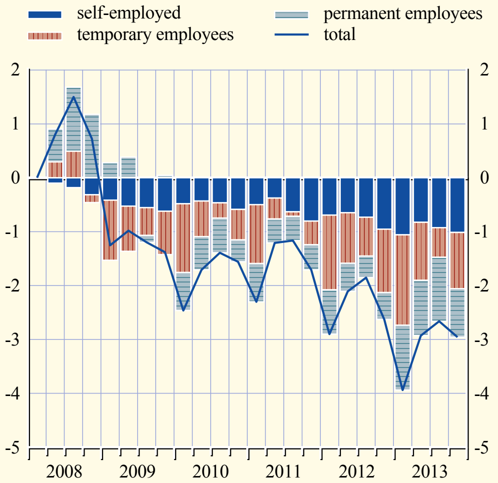
6 See Duval, R., Eris, M and Furceri, D. (2011), "The Effects of Downturns on Labour Force Participation: Evidence and Causes", *OECD Economics Department Working Papers*, No 875, OECD Publishing, Paris.

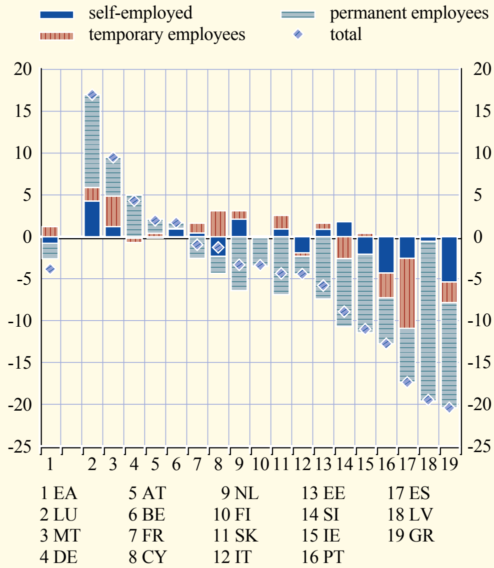
Chart 7 Employment developments in the euro area – disaggregated results (cont'd)

(cumulative losses; percentage point contributions)

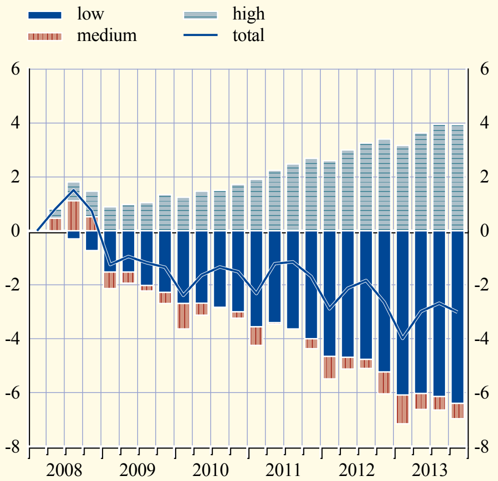
Euro area | **Change in employment 2008-13**

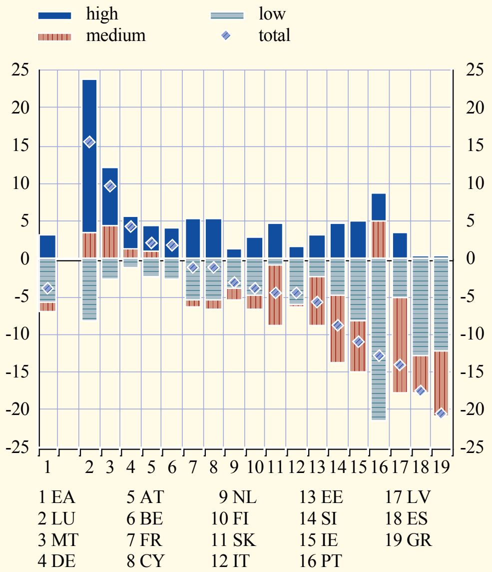
(iii) Breakdown by status and contract type





(iv) Breakdown by educational level





Sources: Eurostat and ESCB staff calculations.

countries to pension entitlements and retirement ages.[7] However, it is also likely to reflect the strong institutional disparities in some euro area economies, in particular strong employment protection legislation for permanent workers, which discourages the selective retention of potentially more flexible and dynamic workers and promotes dismissals along "last in, first out" lines. By dint of both lower tenure and a higher propensity to be employed on temporary contracts, younger and prime age workers are likely to have been less costly to dismiss than older workers (see panel (ii) of Chart 7[8] and the discussion in Box 2).

7 It may also reflect the greater experience and sector or firm-specific human capital embodied in older workers, which make them more valuable than younger workers to firms faced with lay-off decisions.
8 Disaggregating employment reactions to the two phases of the crisis by contract type (see panel (iii) in Chart 7) reveals the disproportionate impact of job losses on temporary workers in both phases of the crisis.

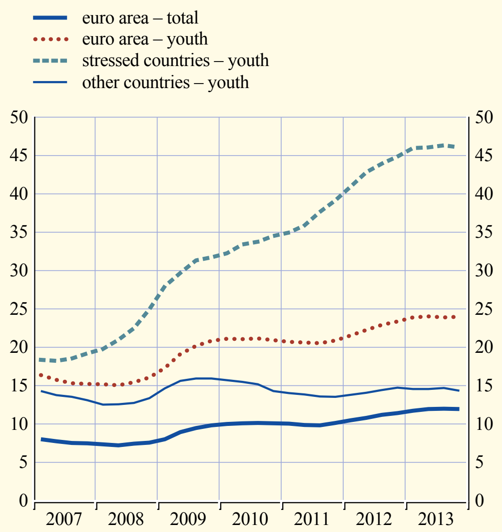
Box 1

YOUTH EMPLOYMENT AND UNEMPLOYMENT DURING THE CRISIS

Youth unemployment (among the under-25s) has risen substantially over the course of the crisis – from around 15.4% in 2007 to around 24% by the middle of 2013. In some euro area countries, the increase has been more substantial still, with youth unemployment rising to over 45% in the stressed economies as a whole (see Chart A) and to 56% in Spain and 59% Greece by the middle of 2013. There are many reasons why youth unemployment rates are typically higher than aggregate unemployment rates, not least the lower experience and firm-specific human capital of young workers and their lower participation rates (discussed below). However, the very rapid rise of youth unemployment over the crisis can also be partly explained by the typically higher representation of the under-25s among temporary workers, who are generally more vulnerable to cyclicality than permanent workers and who were disproportionately displaced from employment during the crisis.[1] The rise in youth unemployment poses a particular challenge for euro area policy-makers, not only because of the possible long-term "scarring" effects[2] of protracted unemployment spells at the beginning of young people's working lives on later career

Chart A Unemployment rates and youth unemployment rates across the euro area over the course of the crisis

(percentages of the respective labour forces)



Source: Eurostat (EU Labour Force Survey).

1 See "Comparisons and contrasts of the impact of the crisis on euro area labour markets", *Occasional Paper Series*, Box 2, Section 2.1.2, ECB, Frankfurt am Main, forthcoming and the box entitled "Developments in youth unemployment in euro area countries since the onset of the crisis", Monthly Bulletin, ECB, Frankfurt am Main, February 2014.
2 See Arulampalam, W., "Is Unemployment Really Scarring? Effects of Unemployment Experience on Wages," *The Economic Journal*, 111(475), 2011, pp. 585-686, which finds "permanent scars" in terms of both wage penalties and re-employment probabilities from protracted unemployment spells early in young people's working lives.

and earnings development, but also because evidence from earlier recessions suggests that these protracted unemployment spells may lead to a higher propensity for discouragement and inactivity among young people, thus having an adverse impact on longer-term developments in the potential labour supply.

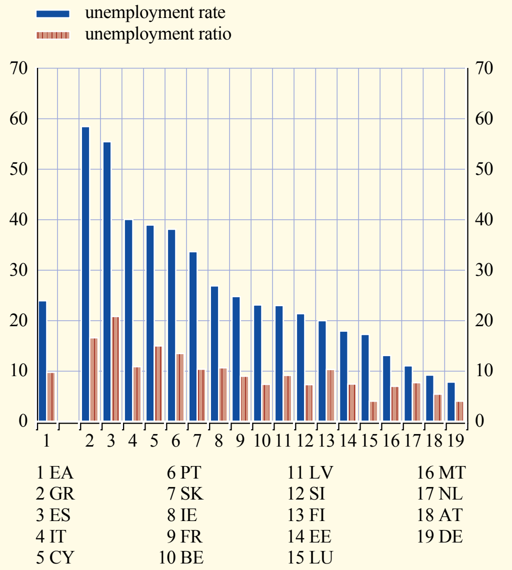
An alternative measure of youth unemployment – unemployment ratios

To some extent, simple comparisons of youth unemployment rates somewhat exaggerate the impact of the crisis on youth labour markets, since the cohort typically includes two distinct groups with very different characteristics: the first group consisting of 15-19 year olds includes a large number of young people who are still at school or in training; the second group, which is made up of 20-24 year olds, may be less likely to be still in education or training, but may have yet to find their first job. Consequently, the first group typically has a significantly lower participation rate than both the latter group and the population of (25-54 year-old) "prime age" workers.[3]

An alternative – and potentially more meaningful – measure is the youth unemployment ratio, which is computed as the ratio of young unemployed to the total cohort. Chart B shows that on this metric, youth unemployment seems to be somewhat less pronounced than is suggested by headline rates, but that substantial differences nevertheless remain across countries, with youth

Chart B Unemployment rates and unemployment ratios for young persons (aged 15-24) in 2013

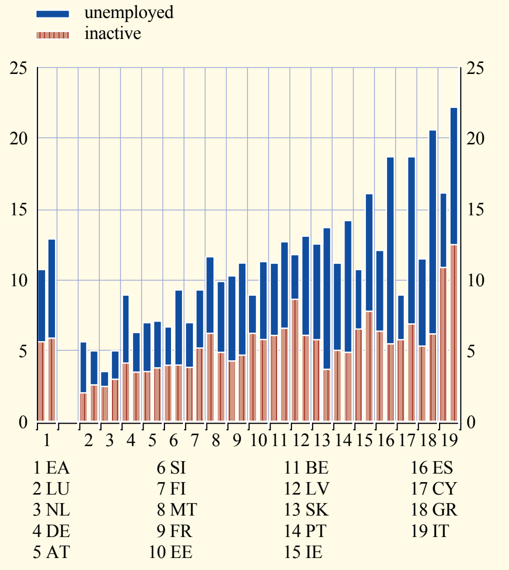
(unemployment rates as a percentage of youth labour force; unemployment ratios as a percentage of the total population aged 15-24)



Source: Eurostat (EU Labour Force Survey).

Chart C Proportion of young people not in employment, education or training, by country, in 2007 and 2013

(percentages of the total population aged 15-24)



Sources: Eurostat and ECB calculations.
Notes: Left-hand bars represent 2007 averages and right-hand bars 2013 averages.

3 In 2012 participation rates (i.e. the proportion of each cohort actively engaged in the euro area labour force) ranged from 19.9% for the under-20s to 64.2% for the 20-24 year-olds, compared with 78.1% for "prime age" workers.

unemployment ratios in the stressed economies standing at around four to five times higher than those of Germany, Luxembourg, the Netherlands and Austria.

Young people not in employment, education or training

Lower unemployment ratios to some extent reflect the fact that it is easier for younger cohorts than older workers to exercise the "outside option" of staying on in education and training during periods of economic downturn. That said, the numbers exercising this option over the course of the crisis appear to have been lowest in those countries characterised by the highest youth unemployment ratios. Chart C combines the proportion of under-25 year olds who are unemployed with that of those who are not in more productive activities (not in employment, education or training). Together, these groups form a category that is typically referred to in the literature as NEETs. It shows that, aside from the strong divergence in youth unemployment ratios across the euro area countries, youth inactivity rates are also highest in those countries where unemployment rates are typically higher. As a consequence, NEET rates increased among the 15-24 year-old age group in all euro area countries over the course of the crisis, with the exception of Germany, Malta and Austria. However, in most countries, the large increase in the NEET rate is mainly explained by a rise in the number of unemployed rather than by an increase in inactivity.

Concluding remarks

Despite diminished labour market prospects, young people who are not yet in education, employment or training nevertheless remain attached to the labour market and are looking for work. While, in time, the EU "youth guarantee" initiative[4] may help to provide access to work experience and productivity-enhancing training for young people who are currently only marginally attached to the labour market, it is no substitute for wider efforts to encourage more flexible labour markets. These will require a dismantling of harmful labour market dualities – including overly rigid employment protection legislation, which effectively reserves job opportunities for incumbent "insiders" and thus significantly reduces young people's access to compete in the labour market.

4 See the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (OJ C 120, 26.4.2013, p.1), which recommends ensuring that all under-25s are offered some form of employment, traineeship or continued education within four months of leaving education or becoming unemployed.

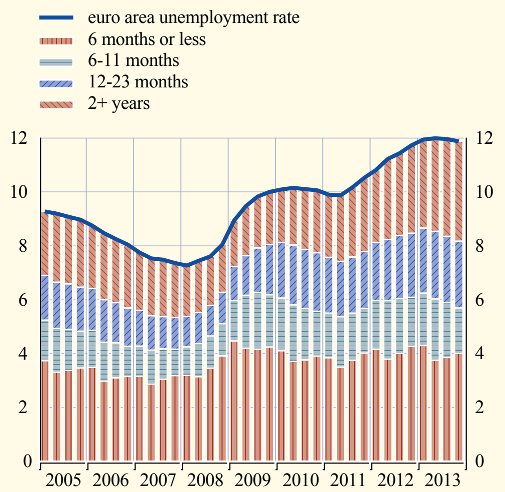
Low-skilled workers have been disproportionately displaced from employment over both phases of the crisis, whereas the employment of high-skilled workers has kept on increasing in all but the worst affected economies. While medium-skilled workers (those with secondary level education or equivalent trade certification) saw something of a reprieve in the rate of job losses during the recovery in euro area GDP between mid-2009 and late 2011, low-skilled workers endured ongoing employment losses. This divergent evolution of employment by skill level appears to have been particularly acute in the stressed economies, where job losses among the low-skilled account for a substantial part of the decrease in employment.

3 STRUCTURAL MISMATCH AND STRUCTURAL UNEMPLOYMENT

At the onset of the crisis, the initial strong (3 percentage point) rise in the euro area unemployment rate was driven largely by increases in short-term unemployment (see Chart 8), as is typical during the

Chart 8 Euro area unemployment rate by duration

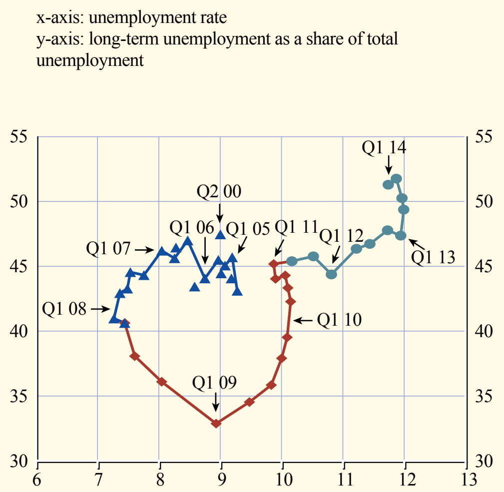
(percentages of the labour force; shares of total unemployment)



Sources: Eurostat and ESCB calculations.
Notes: Long-term unemployment is defined as persons out of work for 12 months or more.

Chart 9 Evolution of the euro area unemployment rate and long-term unemployment share

(percentages of the labour force; shares of total unemployment)



Sources: Eurostat and ESCB calculations.
Notes: Long-term unemployment is defined as persons out of work for 12 months or more. Blue lines show the period from Q2 2000 to Q1 2008 (pre-crisis), red lines cover the first part of the crisis, from Q2 2008 to Q1 20011, while the lines with circles represent the second part of the crisis and the subsequent recovery.

initial job-shedding phases of recessions. However, as the crisis took hold, job-finding rates declined markedly (see Box 2), leading to longer unemployment spells. This raised both the unemployment rate and the share of long-term unemployment (defined here as persons unemployed for 12 months or more). Chart 9 summarises the contemporaneous evolutions of the euro area unemployment rate and the share of long-term unemployment. With the onset of the second phase of the crisis, both metrics deteriorated further, the unemployment rate rising by a further 2 percentage points, while long-term unemployment rose from around 45% (in line with its pre-crisis average) to around 52% of total unemployment. By the end of 2013 the stock of long-term unemployed accounted for over 6% of the total euro area labour force, more than double its pre-crisis level, so that much of the progress made in reducing average unemployment spells from the mid-2000s had been reversed. From a policy perspective, the marked rise in long-term unemployment has been one of the most serious labour market consequences of the crisis, since long unemployment spells may translate into structural unemployment and thus a marked reduction in potential output in the longer term.

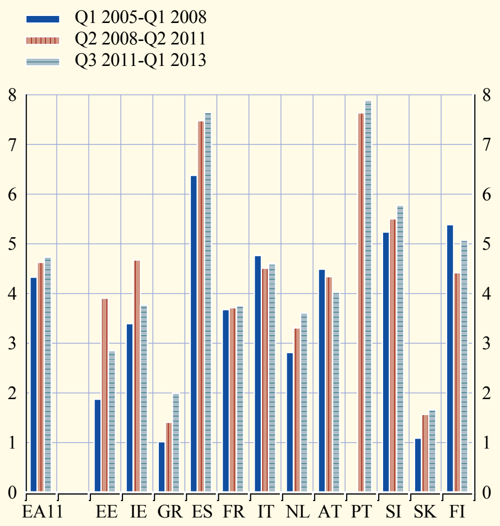
Box 2

LABOUR MARKET FLOWS OVER THE COURSE OF THE CRISIS

This box uses quarterly Labour Force Survey (LFS) data to analyse labour market flows across euro area countries over the course of the crisis. Reflecting data availability, the analysis covers twelve euro area countries (EE, IE, GR, ES, FR, IT, NL, AT, PT, SI, SK and FI) over the period up to (at least) the end of 2012. These data track changes in the labour market status of individuals over the consecutive quarters they remain in the survey.[1] To assess the impact of the different phases of the crisis, developments in labour market flows are compared over three distinct periods: the pre-crisis period (from the first quarter of 2005 to the first quarter of 2008), the Great Recession and its aftermath (from the second quarter of 2008 to the second quarter of 2011) and the sovereign debt crisis (from the third quarter of 2011 to the first quarter of 2013). The LFS microdata include detailed information on worker and job characteristics, which permit analysis of the main determinants of worker flows. This analysis focuses on movements between employment and unemployment (job separation rates) and unemployment to employment (job-finding rates).

Chart A Flows out of employment into unemployment over the crisis

(job separation rates; percentages)



Sources: Eurostat (EU Labour Force Survey microdata) and ESCB calculations.
Notes: Separation rates are computed as percentages of those employed in the previous quarter. Separations include voluntary quits.

Chart A shows that, over the course of the crisis, job separation rates[2] – due to job losses and voluntary quits – increased for the euro area 11[3] from around 4.3% to 4.7% during the Great Recession, with a further marginal increase in the second phase of the crisis. At the country level, job separation rates rose sharply in Estonia, Ireland and Spain, and to a lesser extent in Greece, the Netherlands, Slovenia and Slovakia with the onset of the Great Recession. By contrast, France and Italy show a markedly lower cyclical sensitivity, with job destruction rates hardly changing over the whole period. For the most part, job destruction rates rose further over the second phase of the crisis. However, several economies – Estonia, Ireland and Austria – appear to show a subsequent decline in separation rates in the second phase of the crisis, albeit to still elevated rates compared with the pre-crisis period (with the exception of Austria). Analysis of worker characteristics shows that much of the sharp rise in job destruction rates in the first phase of the crisis – particularly in Ireland, Spain and Estonia, and to a lesser extent in Greece, Slovenia and Slovakia – can be attributed directly to the strong downsizing in the construction sector.[4]

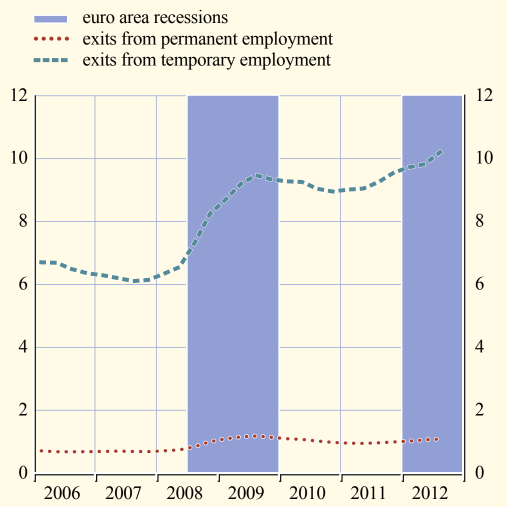
Differences by contract type

At the start of the crisis in 2008, job destruction rates for temporary workers rose sharply, to reach almost 10% of total temporary employment (on a moving average basis; see Chart B), and have remained at similar or even slightly higher levels ever since. By contrast, while job

1 These linked LFS microdata are available only at country level. Flows series have been provided by the respective national central banks.
2 Defined as the ratio of newly unemployed (who were employed one quarter earlier) to total employment.
3 Portugal is not included in these aggregates since data are available only from the second quarter of 2011.
4 There are various reasons for the marked cross-country differences in the starting levels of the flow data, not least, labour market institutions (including employment protection legislation), which can slow both the outflows from and inflows into employment. In Greece, a relatively low ratio of temporary employees also appears to play a role in explaining the low job separation rates there, since rates among permanent workers are similar to those of other euro area economies. (See, also, Section 1.1.2 of the 2012 Structural Issues Report, entitled "Euro area labour markets and the crisis", *Occasional Paper Series,* No 138, ECB, October 2012.)

Chart B Job destruction rates by contract type, euro area 11

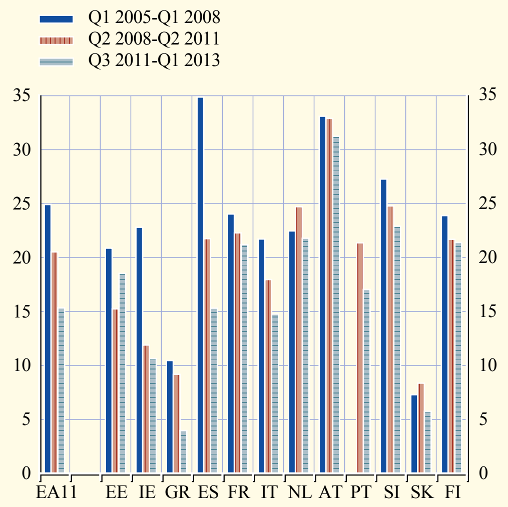
(job destruction rates; percentages)



Sources: Eurostat (EU Labour Force Survey microdata) and ESCB calculations.
Notes: The euro area 11 comprises AT, EE, ES, FI, FR, GR, IE, IT, NL, SI and SK. The data are four quarter moving averages.

Chart C Flows from unemployment to employment over the crisis

(job-finding rates; percentages)



Sources: Eurostat (EU Labour Force Survey microdata) and ESCB calculations.
Note: Job-finding rates are computed as percentages of those unemployed in the previous quarter.

destruction rates among permanent employees also rose markedly at the onset of the crisis – from less than 0.9% in advance of the crisis to 1.4% in 2009, before settling at around 1.2% since then – they remain far lower than the destruction rates seen for temporary employees. Furthermore, job separation rates for euro area workers of both contract types appear to have remained at elevated levels since the onset of the crisis, particularly among temporary workers, despite the typically more limited fall in GDP over the second phase of the crisis.

Flows out of unemployment

Turning to the data on flows out of unemployment and focusing on movements into employment,[5] Chart C shows that in advance of the crisis, roughly 25% of the unemployed across the euro area 11 found a job in each quarter, but that this probability declined notably with the onset of the crisis and has fallen further still – to around 15% – since the second phase of the crisis. At the country level, this downward trend has occurred across virtually all euro area labour markets in the sample, with the exception of Estonia, where a cyclical recovery is evident. Among the countries most affected by the crisis, the probability of exiting from unemployment to employment has declined particularly sharply, falling from almost 35% to 15% in Spain, to 10% in Ireland and to less than 5% in Greece. Job-finding rates in Italy, Portugal and Slovakia have also shown notable declines.

Chart D shows that job-finding rates among the unemployed differ considerably according to unemployment duration. While the duration dependence of unemployment was already clearly

5 For the euro area 11, flows from unemployment to inactivity appear to have shown a moderate decline since the start of the crisis (although to a much lower degree than the decline in flows from unemployment to employment described in the text).

visible in advance of the crisis (with job-finding rates typically considerably higher among those with lower unemployment spells than for those unemployed for more than a year), job-finding rates have fallen substantially for both groups over the course of the crisis. Country-level analyses reveal similar patterns, albeit with some improvements visible in job-finding rates among the shorter-term unemployed in Estonia, Ireland and Finland. The significant downward trend in job-finding rates among those unemployed for 12 months or more warrants particular attention from policy-makers as it points to an elevated risk of a marked increase in structural unemployment across the euro area and potential hysteresis effects.

Chart D Job-finding rates by unemployment duration

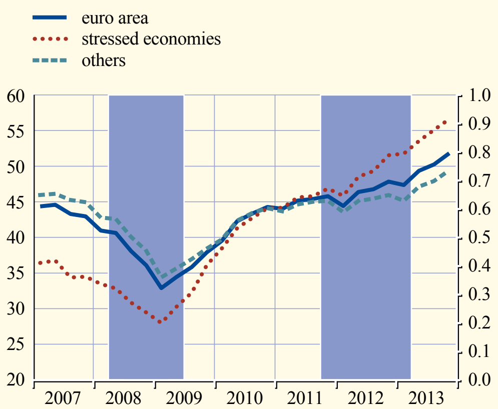
(job-finding rates; percentages)

Sources: Eurostat (EU Labour Force Survey microdata) and ESCB calculations.

While many euro area economies have seen marked rises in long-term unemployment over the course of the crisis, the stressed economies have, on the whole, suffered much steeper increases (see Chart 10). Part of the explanation for this undoubtedly lies in the subdued labour demand conditions still prevalent in many of the stressed economies, but it may also partly reflect a divergence between the labour market characteristics of the unemployed and the skill needs of potential employers. To illustrate more clearly the degree of cross-country heterogeneity, Chart 11 compares the contemporaneous evolutions of unemployment and the long-term unemployment share in Germany and Spain.

Chart 10 Long-term unemployment in stressed economies and other economies

(percentages of total unemployment)

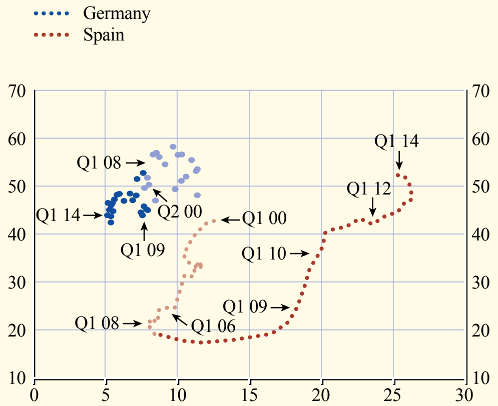


Sources: Eurostat and ESCB calculations.

Chart 11 Evolution of the unemployment rate and the share of long-term unemployment: Germany and Spain

(percentages)

x-axis: unemployment rate (as a share of the labour force)
y-axis: long-term unemployment (as a share of total unemployment)



Sources: Eurostat and ESCB calculations.
Notes: Long-term unemployment is defined as persons without jobs for 12 months or more. The lighter shaded parts of the lines show the pre-crisis period.

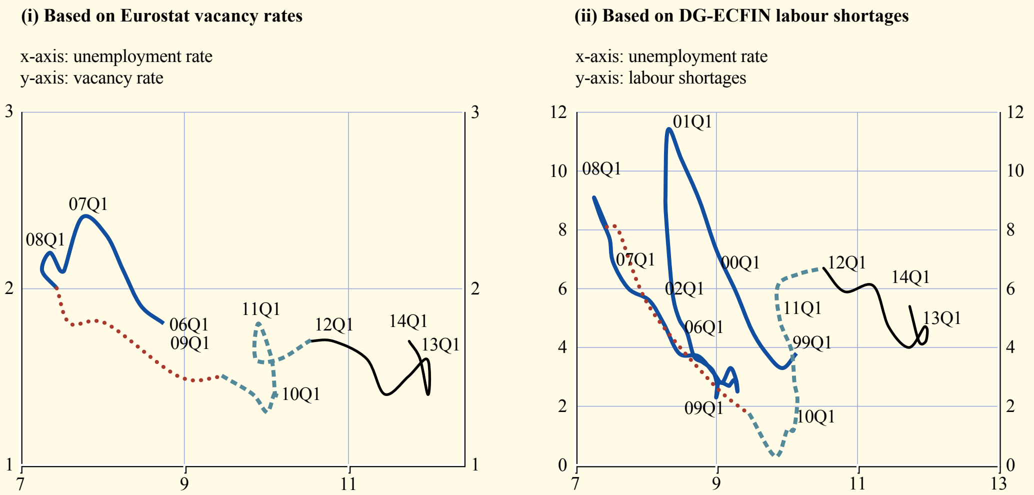
Both countries began the crisis with unemployment rates of around 8%. However, in Germany, the advent of the crisis led to little disruption in the downward trends seen in both the unemployment rate and the long-term unemployment share since the mid-2000s, in part as a consequence of structural reforms introduced at that time. Meanwhile, in Spain, the unemployment rate has increased more than fourfold, while the share of long-term unemployment has risen from less than one-fifth to over one-half of total unemployment. Similar, albeit less pronounced, patterns are seen in all of the stressed economies, suggesting that there are considerable barriers to re-employment in these economies.

AN OUTWARD SHIFT IN THE EURO AREA BEVERIDGE CURVE

Beveridge curve analysis provides a simple and well-established approach to investigating the extent to which developments in unemployment may be the result of a transitory downturn in labour demand or a structural mismatch. Chart 12 shows the euro area Beveridge curve according to two measures of labour demand: (i) euro area vacancy rates; and (ii) employers' perceptions of labour shortages. Prior to the crisis, the counter-clockwise movements observed in the aggregate euro area Beveridge curve from the mid-2000s reflected a typical business cycle pattern, with unemployment falling as vacancies increased. However, as the Great Recession took hold, strong declines in labour demand resulted in a strong increase in euro area unemployment, with the euro area Beveridge curve moving outwards, reflecting low vacancy rates and high unemployment.

During the initial stages of the crisis, it was not clear whether this simply reflected typical cyclical movements along a pre-existing Beveridge curve (and thus the transitory effects of low demand) or the first signs of an outward shift of the Beveridge curve, marking the start of a structural change in the underlying unemployment-vacancy relationship. However, the pick-up in labour demand seen over the course of 2010 only generated a very small decrease in the euro area unemployment rate.

Chart 12 Evolution of the euro area Beveridge curve over the crisis



Sources: Eurostat (harmonised euro area unemployment rate, job vacancy rate and manufacturing employers' perceptions of labour shortages) and ESCB calculations.
Notes: Blue lines show the pre-crisis period from Q1 2006 in panel (i) and from Q1 1999 in panel (ii) to Q1 2008 in both panels; red lines represent the Great Recession period from Q2 2008 to Q2 2009; green lines depict the subsequent recovery from Q3 2009 to Q3 2011, while the black lines trace the evolution of the Beveridge curve since the onset of the second recession and during the subsequent recovery (i.e. from Q4 2011 to the latest observation).

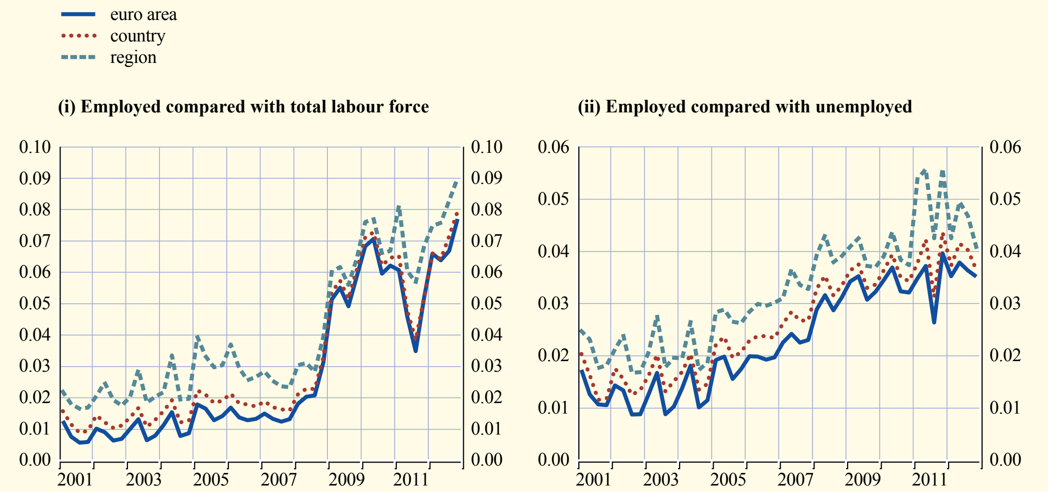
Moreover, the second recessionary episode, starting in the final quarter of 2011, led to a further strong increase in the unemployment rate even though aggregate vacancy rates remained elevated. Accordingly, Beveridge curve analysis shows mounting signs of entrenched mismatch across euro area labour markets. Visual inspection and econometric analysis suggest considerable diversity in Beveridge curve movements at the country level, with strong evidence of notable outward shifts also having taken place in Spain and France by a variety of metrics.[9]

EVIDENCE OF SKILL MISMATCH

An obvious factor that may help to explain the Beveridge curve movements observed over the course of the crisis would be an increase in skill mismatch (that is, the discrepancy between the skills of labour force participants and the skill needs of employers) across the euro area. Analysis of the evolution of skill mismatch[10] across 16 of the euro area economies (subject to data availability) suggests a notable increase in skill mismatch in the initial phase of the crisis at regional, country and euro area level, irrespective of whether mismatch is measured relative to the labour force as a whole or simply by comparing the skills of those in work to those of the unemployed (see Chart 13). In both cases, the gap appears to be higher at the regional level than at the intra-country level, suggesting that at least part of the strong skill mismatch evident at euro area level could be significantly alleviated through higher inter-regional labour mobility.

Chart 13 Skill mismatch indicators for the euro area

(percentage differences)



Sources: Eurostat and ESCB calculations.
Notes: The skill mismatch index (SMI) is computed as the difference between skill demand (proxied by the educational attainments of the employed) and skill supply (proxied by the educational attainments of the labour force or unemployed, respectively). The country index aggregates 16 SMIs computed at country level across six skill levels. The region index aggregates SMIs computed at regional level.

9 Visual inspection suggested that several other candidates (e.g. Greece and Slovenia) showed clear outward shifts, while results for other stressed economies were often inconclusive owing to data limitations or the lag structure of the adjustment process. (See also Bonthuis, B., Jarvis, V. and Vanhala, J., "What's going on behind the euro area Beveridge curve(s)?" *Working Paper Series,* No 1586, ECB, September 2013.)

10 Skill mismatch indices are computed as the difference between skill demand and supply at country and regional level, whereby skill supply is approximated by the share of the labour force (or unemployed, respectively) with a given level of educational attainments (disaggregated according to the six discrete levels of the International Standard Classification of Education) and skill demand is proxied by the educational attainments of those employed. See, also, Section 3.4 of "Comparisons and contrasts of the impact of the crisis on euro area labour markets", *Occasional Paper Series*, ECB, forthcoming, and Section 2.2 of the 2012 Structural Issues Report, entitled "Euro area labour markets and the crisis", *Occasional Paper Series,* No 138, ECB, October 2012.

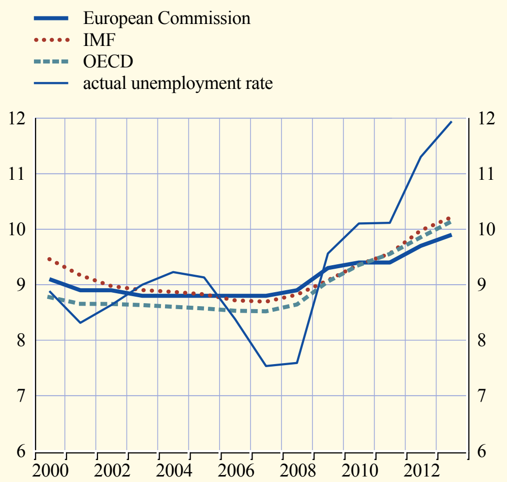
Country-based results suggest particularly marked and immediate increases in skill mismatch at the start of the crisis in Ireland, Greece, Spain and Portugal, probably reflecting a sharp reversal of earlier construction booms, with mismatch emerging somewhat later (albeit to a similar degree) in the remaining stressed economies (Italy, Cyprus and Slovenia). While skill mismatch appears to have remained subdued over the crisis in some euro area economies (Belgium, Germany and Austria, where it has even shown a marked decline beginning in the mid-2000s) or at least to have remained contained within its normal historical limits in others (France, Luxembourg, the Netherlands and Slovakia), Estonia appears to be a remarkable case, in which all the adverse effects of the crisis on skill mismatch were reversed within just a few years, following a wave of far-reaching labour market reforms adopted from 2009. These included a marked easing of employment protection legislation, combined with a trebling of spending on active labour market programmes to retrain the unemployed.[11]

ESTIMATES OF STRUCTURAL UNEMPLOYMENT

The strong increases in both long-term unemployment and measured skill mismatch give rise to important concerns related to structural unemployment. Estimates provided by international organisations – in particular, the European Commission, the OECD and the IMF – suggest that the crisis has resulted in an increase in structural unemployment across the euro area, from an average (across institutions) of 8.8% in 2008, in advance of the onset of the crisis, to 9.4 % in 2010, following the Great Recession, and, further, to 10.3% by 2013, following the emergence of sovereign debt concerns (see Chart 14). Overall, however, these estimates suggest that the average 1.6 percentage point increase in structural unemployment represents around one-third of the almost 5 percentage point increase seen in the headline unemployment rate, while cyclical unemployment represents around two-thirds of the increase. In addition to the strong upward revisions to estimates for the euro

Chart 14 Structural unemployment estimates for the euro area

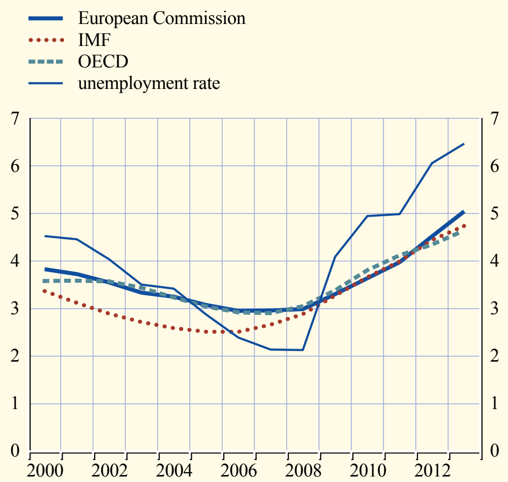
(percentages of the active labour force)



Sources: European Commission, Eurostat, IMF, OECD and ESCB calculations.

Chart 15 Dispersion of structural unemployment estimates across countries

(standard deviations)



Sources: European Commission, Eurostat, IMF, OECD and ESCB calculations.
Note: Dispersion is calculated as the standard deviation of differences between country-level structural unemployment estimates and the euro area average.

11 See Brixiova, Z. and Egert, B., "Labour Market Reforms and Outcomes in Estonia", *IZA Discussion Paper series,* No 6336, IZA, Bonn, February 2012.

area, the crisis has also led to a considerable increase in cross-country dispersion (see Chart 15), reflecting marked increases in structural unemployment estimates for Ireland, Greece, Spain, and Portugal – particularly since the advent of the sovereign debt crisis – while Belgium, Germany, Austria and Finland show stable or slightly declining estimates.

Real-time estimates of structural unemployment are surrounded by considerable uncertainty, varying by institution, by methodology and over time, so that there are sizeable differences in estimates for some economies – in particular, for Greece, Cyprus and Portugal. However, the marked and consistent upward revisions of each subsequent release have been a feature common to all institutions.

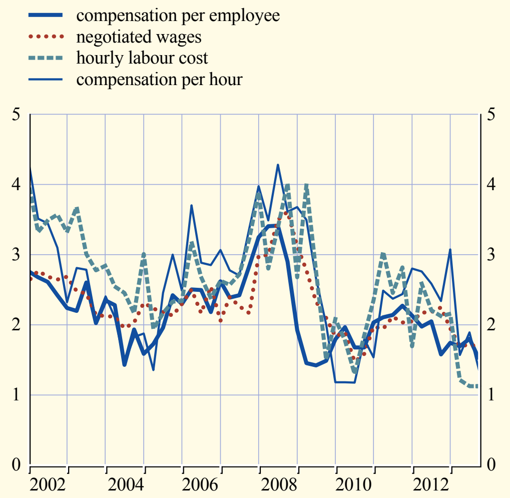
4 WAGE ADJUSTMENT OVER THE CRISIS

Against the background of heavy employment losses, sharp rises in unemployment in some countries and lengthening unemployment spells, Chart 16 suggests that in the initial phase of the crisis, euro area wage responses to labour market conditions were rather limited, with all four main wage indicators continuing to grow strongly into 2009. For compensation per employee and negotiated wages, this ongoing growth largely reflected stipulations in wage contracts concluded before the crisis, that is to say it was a consequence of the longer-run nature of collective bargaining and indexation agreements. For hourly wage series, it also reflected the large downward adjustment in hours worked that was observed in some euro area countries combined with the less-than-proportional reduction in compensation.

Unit labour costs rose sharply in 2008-09 (see Chart 17) on the back of robust wage growth and a strong decline in labour productivity. While some deceleration in the rate of wage growth was apparent by the start of 2009, it remained insufficient to prevent the loss of almost four million jobs across the euro area over this period.

Chart 16 Euro area wage indicators

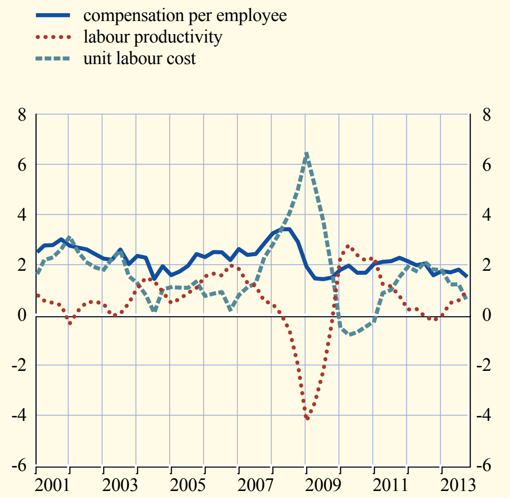
(annual percentage changes)



Sources: Eurostat and ESCB calculations.

Chart 17 Euro area labour cost indicators

(annual percentage changes)



Sources: Eurostat and ESCB calculations.

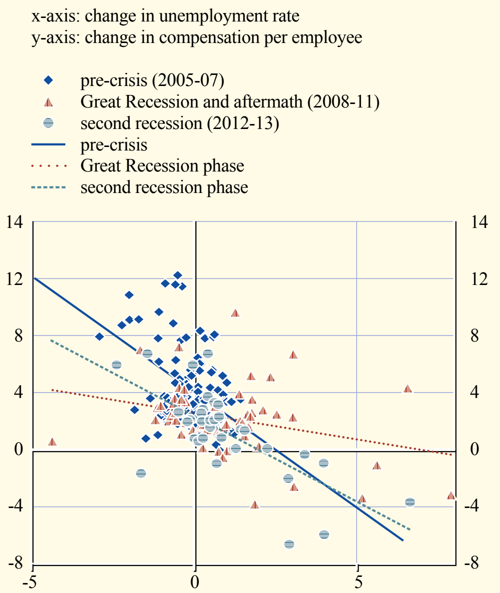
On the whole, the growth of compensation per employee remained robust, averaging over 2% per year well into 2012. Nevertheless, some signs of greater wage responsiveness became apparent as sovereign debt concerns emerged, leading to further job losses in the stressed economies, with the growth in negotiated wages and compensation per employee declining markedly below its long-term average by 2010-11.

Chart 18 depicts a traditional Phillips curve relationship between annual changes in compensation per employee and unemployment rates at the country level in the pre-crisis period and for the two phases of the crisis. It shows that, during the first phase of the crisis (surrounding the Great Recession of 2008-09), the estimated response of wages to changes in the unemployment rate was lower than in the pre-crisis period, but appears to have increased (with a "steeper" Phillips curve) in the second phase.[12]

Turning to wage developments in the private and public sectors across the euro area, Chart 19 shows that, while the growth rate of private sector hourly compensation rebounded in line with the recovery after the Great Recession, compensation growth remained subdued in the public sector,

Chart 18 Phillips curves for the euro area

(annual percentage point changes; annual percentage changes)



Sources: Eurostat and ESCB calculations.
Notes: Data points are country-based contemporaneous relationships over the period shown. Latvia is excluded owing to data limitations.

Chart 19 Euro area compensation per hour – private and public sectors

(annual percentage changes)

Sources: Eurostat and ESCB calculations.

12 These basic Phillips curves charts do not take account of other factors affecting wage developments (such as productivity or inflation). Nevertheless, econometric analysis on the basis of panel estimates for a wage equation covering the majority of the euro area countries shows that the euro area is characterised by downward wage rigidities, with wages typically showing a more muted response to changes in unemployment during downturns (See Section 4.2 of "Comparisons and contrasts of the impact of the crisis on euro area labour markets", *Occasional Paper Series*, ECB, forthcoming). However, the analysis finds that wages were increasingly responsive to rising unemployment as the crisis continued, possibly as a result of "threshold effects" reflecting the large magnitude of the rise in unemployment in some euro area countries, the protracted nature of the crisis, incipient downward pressures on wages following the wave of labour market reforms introduced in some countries and ongoing public sector pay restraint resulting from fiscal consolidation.

in part reflecting fiscal consolidation efforts across many euro area economies, including public sector wage freezes and cuts in some euro area countries. Moreover, as the second phase of the downturn continued, the growth in private sector compensation decelerated markedly, bringing growth rates down towards the lower levels seen in the public sector over the trough of the Great Recession. However, stylised facts based on aggregate data obscure an important element of wage growth over the crisis – namely, the upward impact on aggregate wages of employment composition effects, reflecting the heavy concentration of job losses among lower paid workers (including the low skilled and the young). Therefore, comparisons based entirely on aggregate trends may to some extent underestimate the increase in wage flexibility in the euro area in recent years.[13]

5 CONCLUDING REMARKS

The considerable increase in unemployment observed over the course of the crisis has been heavily concentrated in those euro area economies particularly affected by the financial market stress, where the crisis exposed sectoral overheating, structural imbalances and labour market rigidities. This contributed to sharp falls in output and employment. Some groups (the young, the unskilled, those on temporary contracts and those displaced from earlier overheated construction sectors) were particularly hard hit. Moreover, the crisis has led to a strong increase in long-term and structural unemployment in some countries.

During the first phase of the crisis, the estimated response of wages in the euro area to changes in the unemployment rate was lower than in the pre-crisis period, but appears to have increased (with a "steeper" Phillips curve) as the crisis persisted. In the presence of high unemployment, a more rapid and flexible response of wages to labour market conditions should help to restore competitiveness and encourage job creation. Further reforms to collective bargaining – which enable firm-level wage agreements to better reflect local labour market conditions and productivity developments, and which allow for greater wage differentiation – would improve signalling mechanisms regarding demand for different types of worker.[14]

Labour market reforms have been particularly intense in those countries in receipt of international financial assistance (Ireland, Greece, Spain, Cyprus and Portugal). These efforts notwithstanding, progress in labour market reform remains partial and uneven across the euro area. While the impact of reforms that have already been undertaken may take some time to produce their full effects, more may be required to achieve the degree of labour market flexibility compatible with membership of a monetary union. Enhanced efforts to increase inter-regional and inter-country labour mobility across the euro area economies would help tackle high localised unemployment levels, thus reducing the risk that current high levels of unemployment translate into further increases in structural unemployment, and help alleviate emerging bottlenecks in stronger growing euro area economies. Further reductions in employment adjustment rigidities and labour market dualities would also help to speed up the reallocation of employment to more productive sectors.

Countering the strong rise in long-term unemployment will require greater emphasis on (re-)activation policies, via a reprioritisation of active labour market policies – including targeted retraining measures – so as to enhance the employability of those displaced from permanently

13 For a more detailed analysis of this aspect of wage adjustment, see "Comparisons and contrasts of the impact of the crisis on euro area labour markets", *Occasional Paper Series*, ECB, forthcoming.

14 Some labour market reform recommendations were outlined in Mr Draghi's speech at the 2014 Economic Policy Symposium at Jackson Hole, entitled "Unemployment in the euro area".

downsized sectors. Measures should focus in particular on the young and the less skilled in order to prepare these groups for new employment opportunities, help to alleviate the skill mismatch observed and target higher-productivity activities, all of which will help speed up the restructuring process. However, while active labour market policies can help reintegrate young people and the unemployed into employment and provide access to productivity-enhancing training and experience, they are no substitute for the necessary wider efforts to encourage more flexible labour markets.

Finally, in order to reap the full benefits of labour market reforms, further reforms to product markets will be required in order to increase competition and the resilience of the euro area to future shocks, thus avoiding the higher costs of lost output and higher unemployment associated with slower and more protracted adjustments.

THE ASSESSMENT OF FISCAL EFFORT

Sound fiscal policies in all euro area Member States are a prerequisite for the smooth functioning of EMU. The EU fiscal framework calls for government budgets to be close to balance or in surplus over the medium term and for excessive deficits (above 3% of GDP) to be avoided or, if they have occurred, to be corrected promptly. In this context, the assessment of a country's fiscal policy is based on compliance with nominal deficit targets and on whether the required government action – its fiscal effort – to achieve these targets on a sustainable basis in a given time period has been sufficient.

While not directly measurable, the concept of fiscal effort plays a crucial role in framing a fiscal consolidation path which, taking into account the feedback effects of fiscal consolidation on economic activity in the short term, ensures that public finances are brought back onto a sustainable footing as soon as is reasonably possible. The fiscal effort is intended to measure the effect of government policy on the budget balance and thereby serve as an indicator for which the government can be held accountable.

Traditionally, the fiscal effort has primarily been gauged on the basis of the structural budget balance, which adjusts the headline budget balance for the economic cycle and certain one-off effects. It has, however, long been understood that this is an imperfect measure of government action and the crisis has shown that factors outside the government's control in the short term can have a very significant impact on the structural balance. More recently, the assessment of fiscal effort has come to be supplemented by a more detailed "bottom-up" analysis. This approach is intended to arrive at a more direct quantification of fiscal effort in terms of the impact of individual revenue and spending measures. While detailed bottom-up assessments of revenue and expenditure measures are an important complement to the estimation of the structural balance, owing to measurement difficulties they are also no panacea. Moreover it is important to not lose sight of – and to judge fiscal policy against – actual deficit outturns, as these ultimately determine the accumulation of government debt and fiscal sustainability.

1 INTRODUCTION

Sound fiscal policies in all euro area Member States are a prerequisite for the smooth functioning of EMU. When – as happened as a result of the recent economic and financial crisis – government deficits become large, these deficits need to be reduced promptly to limit the resulting increase in government debt, especially if market access is at risk. Fiscal consolidation can, however, have negative short-term effects on economic growth, and this places limits on the deficit reduction that may be appropriate (i.e. achievable) in any given year, which, in turn, implies that consolidation may have to be spread over multiple years. This places the onus on fiscal consolidation strategies and requirements that are well calibrated ex ante (when framing excessive deficit procedure (EDP) recommendations and national budgets) and are followed by a rigorous assessment of their implementation ex post.

Such consolidation strategies contain two key elements: the first is the targeted reduction in the nominal deficit over a predefined period; the second is the fiscal effort the government needs to undertake to achieve its deficit targets, taking into account the feedback effects between fiscal consolidation and economic activity as well as other factors that may affect the link between fiscal effort and deficit reduction. Thus, nominal balances and fiscal effort should play complementary roles, ensuring the overall consistency of the consolidation strategy. Nominal targets for the budget balance are important because they are transparent, ensure accountability and, via their effects on governments' financing needs, determine the impact on fiscal sustainability.[1] Fiscal effort is intended as a concept that more closely reflects the effect of government action on the budget balance, and hence something that the government can directly influence and be held accountable for. In this sense, the fiscal effort is the instrument that the government can use to achieve its policy objectives, and as such it needs to be consistent with the achievement of the desired nominal fiscal targets. It is, however, not directly measurable and there are numerous alternative ways in which this concept has been – or could be – operationalised.

The putting in place of a fiscal consolidation strategy involves setting out plans for the path of the headline deficit, the tax and spending measures deemed necessary to achieve that deficit, as well as the corresponding structural deficit. Given the interaction between macroeconomic and fiscal developments, it first requires the definition of a macroeconomic scenario consistent with the required fiscal consolidation, based on some initial assumptions for tax and spending plans. On the basis of this scenario, a "fiscal gap" to be filled with tax and spending measures can be calculated by comparing the desired deficit path with that which would result from projecting individual revenue and spending components based on existing legislation. The corresponding path of the structural balance is then determined by the estimated path of potential output and the output gap.[2]

Traditionally, and in particular in the context of the Stability and Growth Pact (SGP), the assessment of fiscal effort has been based primarily on the evolution of the structural (budget) balance-to-GDP ratio, i.e. the general government balance-to-GDP ratio corrected for the estimated impact of the economic cycle and certain one-off effects. However, changes in the structural balance reflect not only the impact of fiscal policy decisions taken by the government, but also numerous factors outside the government's control, as will be explained in Section 3. Recently there has been a move to base decisions under the EDP more formally on a detailed bottom-up analysis of fiscal policy measures in order to have a better gauge of the budgetary impact of government action.

Against this background, this article raises awareness of the conceptual issues and measurement problems surrounding the assessment of a country's fiscal effort. To provide the appropriate context, Section 2 summarises how the assessment of fiscal effort has evolved over time in the context of the SGP. Section 3 discusses the measurement and interpretation of the structural budget balance, focusing in particular on the factors which can drive a wedge between the evolution of this indicator and the direction and extent of tax and spending decisions. Section 4 discusses the conceptual issues and measurement problems related to more detailed bottom-up measures of fiscal effort. While motivated in part by recent changes to the assessment of effective action in the context of the EDP and highlighting some important issues in this context, this article also takes a broader conceptual perspective regarding the difficulty of measuring fiscal effort. Section 5 concludes.

2 THE EVOLVING ASSESSMENT OF FISCAL EFFORT IN THE CONTEXT OF THE STABILITY AND GROWTH PACT

The way in which a country's fiscal policy has been assessed in the context of the SGP has evolved considerably over time. Important changes were introduced: first, by the SGP reform of 2005, and later by the "six-pack" in 2011 and "two-pack" in 2013.

1 See also the discussion in Section 5 (fiscal developments), *Monthly Bulletin*, ECB, June 2013.
2 See also European Commission, "Report on Public Finances in EMU" (Part III), 2013, for a discussion on the relationship between structural indicators and bottom-up measures of fiscal effort.

In the original SGP, adopted in 1997, the role of the structural budget balance in the assessment of fiscal policy was largely limited to the "preventive arm". In order to create room for manoeuvre with respect to the 3% of GDP reference value for the nominal deficit, Member States were called upon to achieve budgetary positions which were close to balance or in surplus in the medium term (i.e. the so-called medium-term objective). This was generally interpreted as meaning a budget that was close to balance or in surplus in structural terms. Initially, "structural" was equated with the cyclically adjusted balance (the derivation of which is explained in Section 3). However, the tendency of some Member States to resort to temporary or one-off measures to reduce their deficits led to a move to calculate the structural balance as the cyclically adjusted balance net of certain one-off and temporary measures.[3] Moreover, having observed a tendency for governments to "backload" adjustment towards the medium-term objective in the early years of EMU, an annual adjustment of the structural balance of 0.5% of GDP came to be set as a benchmark. This was codified in the context of the 2005 SGP reform.

By contrast, under the "corrective arm", before the 2005 SGP reform the emphasis was on compliance with nominal deficit limits. In line with the provisions of the Maastricht Treaty, a deficit was, and still is, deemed excessive if the nominal deficit-to-GDP ratio exceeds the 3% of GDP reference value, unless the excess is small and temporary and is due to exceptional circumstances. The correction of the excessive deficit should be completed in the year following its identification, except in the event of special circumstances which, however, were not defined. In its original form, therefore, the SGP did not explicitly provide for the possibility of EDP deadline extensions. The EDP was essentially outcome-driven, with a Member State subject to the EDP being held responsible for taking whatever fiscal effort was needed to bring the nominal deficit below 3% of GDP by the established deadline.

The SGP reform of 2005 – triggered by the decision of the ECOFIN Council in November 2003 not to act on the basis of Commission recommendations to step up the EDPs for France and Germany – explicitly introduced more flexibility to take account of economic conditions under the EDP.[4] It introduced the concept of a benchmark annual change of the structural budget balance-to-GDP ratio of 0.5% into the EDP.[5] It also provided for the EDP deadline to be extended by one year in case the Member State concerned was deemed to have taken effective action – in the sense that the government was assessed to have taken measures that would have permitted meeting the original deadline if the Commission forecast underlying the original EDP recommendation had fully materialised – but there were "unexpected adverse economic events with major unfavourable consequences for government finances". Specifically, if the improvement in the budget balance or structural budget balance fell short of what was recommended, then a careful analysis of the reasons for the shortfall would be made.

The build-up of severe macroeconomic, financial and fiscal imbalances within the euro area and the ensuing sovereign debt crisis in several euro area countries led EU governments to respond with six legislative acts to strengthen the EU economic governance framework (commonly

3 See Koen, V. and van den Noord, P., "Fiscal Gimmickry in Europe: One-Off Measures and Creative Accounting", *OECD Economics Department Working Papers*, No 417, 2005.

4 See also the statement of the ECB's Governing Council on the ECOFIN Council conclusions regarding the correction of excessive deficits in France and Germany of 25 November 2003 and the statement of the ECB's Governing Council on the ECOFIN Council's report on "Improving the implementation of the Stability and Growth Pact" of 21 March 2005.

5 See also European Commission, "Communication on strengthening economic governance and clarifying the implementation of the Stability and Growth Pact", COM/2004/0581, 3 September 2004; Deroose, S. and van Langedijk, S., "Improving the Stability and Growth Pact: the Commission's three pillar approach", *European Economy Occasional Papers*, No 15, February 2005; and Morris, R., Ongena, H. and Schuknecht, L., "The reform and implementation of the Stability and Growth Pact", *Occasional Paper Series*, No 47, ECB, June 2006.

referred to as the "six-pack", which entered into force in December 2011 and also reformed the SGP), as well as two additional regulations to further strengthen surveillance of euro area countries (the "two-pack", which entered into force in May 2013).[6] With respect to the assessment of a country's fiscal effort under the SGP, two innovations included in the six-pack are noteworthy.

- First, annual nominal deficit targets for multi-year EDPs were introduced on top of the recommended change in the structural balance. These targets introduce an asymmetry in the sense that compliance with the nominal deficit targets is seen as sufficient for diagnosing effective action, even in cases where the targets in structural terms have not been met.

- Second, under the preventive arm, an additional indicator for the fiscal effort was introduced in the form of the expenditure benchmark. This requires that recommended improvements to the structural balance that are not delivered in the form of discretionary tax increases are achieved via the expenditure side of the budget. In this way, the expenditure benchmark should help to avoid revenue windfalls being spent rather than being used for the required fiscal consolidation. Concretely, the introduction of the benchmark was also motivated by the experience of some countries (especially Ireland and Spain) being able to achieve structural budget surpluses during the pre-crisis boom, even though government spending was growing at an unsustainable rate and the governments had implemented discretionary tax cuts. This had been possible because tax receipts (and the tax-to-GDP ratio) were inflated by the effects of a housing boom.

Most recently, a further innovation has been introduced with regard to the assessment of effective action for countries under an EDP.[7] As mentioned above, since the 2005 SGP reform, the change in the structural budget balance has been the core element in the assessment of effective action. If the improvement in the structural balance falls significantly short of the adjustment required under the EDP recommendation, the SGP foresees a "careful analysis of the reasons for the shortfall". Following the 2011 SGP reform, and in order to codify the "careful analysis", the Commission presented a methodology which makes adjustments to the change in the structural balance to account for some factors that are outside government control and proposed alternative indicators for the assessment of fiscal effort. In particular, the observed improvement in the structural balance is corrected for revisions to potential output growth and for revenue windfalls/shortfalls, as well as for the effects of other unexpected events, e.g. natural disasters or statistical revisions, which might have occurred since the time of issuing the recommendation. Furthermore, a bottom-up analysis is also applied. This involves adding up the impact of individual revenue measures and estimating the impact of expenditure measures by comparing the outturn for spending (other than specific items outside government control) with the "no policy change" scenario underlying the Commission forecast at the time of the EDP recommendation.[8] The bottom-up analysis and the corrected structural balance are now the core indicators of the careful analysis to decide whether effective action has been taken or whether the EDP should be stepped up.

To sum up, under the SGP, the structural balance remains a main indicator for the assessment of fiscal effort, intended as a gauge of the impact of government action on the budget balance. But it is

6 See the box entitled "Stronger EU economic governance framework comes into force", *Monthly Bulletin*, ECB, December 2011, and also the box entitled "The 'two-pack' regulations to strengthen economic governance in the euro area", *Monthly Bulletin*, ECB, April 2013.

7 See the box entitled "Implementation of the excessive deficit procedure under the reinforced Stability and Growth Pact in euro area Member States", *Monthly Bulletin*, ECB, September 2013.

8 The European Commission describes the "no policy change" assumption as implying the extrapolation of revenue and expenditure trends and the inclusion of measures that are known in sufficient detail at the time of completion of the forecast. While the basic concept is straightforward, its implementation and assessment in practice is less so. For a discussion see European Commission, "Public Finances in EMU – 2008", Part II, Section 2.3.

now formally complemented by additional indicators which rely, inter alia, on a detailed bottom-up assessment of the impact of revenue and expenditure measures. The next two sections take a more conceptual look at the challenges related to the assessment of fiscal effort, looking in Section 3 at the estimation and interpretation of the structural balance and in Section 4 at the challenges related to more detailed, bottom-up assessments of fiscal effort.

3 THE STRUCTURAL BUDGET BALANCE: METHODOLOGICAL ISSUES AND INTERPRETATION

As noted above, the evolution of the structural budget balance, measured as the change in the cyclically adjusted budget balance net of certain one-off and temporary measures, is commonly used as a measure of fiscal effort, not least in the context of the SGP. Understanding how this indicator is calculated and the factors which may drive its evolution is crucial for an analysis of fiscal policy generally and for the implementation of the SGP in particular.

THE ESTIMATION OF THE STRUCTURAL BUDGET BALANCE

For the purposes of implementing the SGP, a commonly agreed method of cyclical adjustment has been developed and refined by the European Commission, also drawing on work carried out by the OECD.[9] In this method, the cyclical component of the budget balance is the product of an estimated output gap[10] and an assumed overall sensitivity of the government balance with respect to output.[11]

The output gap in this context is the difference between actual and potential output as estimated on the basis of a production function. In this respect, potential output is a measure of where the economy would be if all factors of production (i.e. capital and labour) were put to their full use without creating pressure on prices and the rate of inflation.

How the government balance responds to changes in the output gap is summarised in a single, fixed parameter – semi-elasticity. The latter is based on estimates or assumptions for the elasticities of cyclical budget items (taxes, social contributions and unemployment benefits) to macroeconomic aggregates (wages, profits, private consumption and unemployment) and for the elasticity of these macroeconomic aggregates to GDP. These elasticities are usually fairly close to one on average, which implies that the semi-elasticity of the budget balance to GDP is close to the share of cyclical government revenue and spending in GDP. In a typical EU country this is around 0.5; the euro area average is presently 0.52. Thus, for every 1% gap between GDP and its estimated potential, the corresponding cyclical component of the budget balance would be around ½% of GDP.

NON-DISCRETIONARY FACTORS INFLUENCING THE CHANGE IN THE STRUCTURAL BUDGET BALANCE

The year-on-year evolution of the cyclically adjusted (or structural) budget balance-to-GDP ratio is a useful gauge of fiscal effort. However, this indicator only coincides with the action taken by the government if, in the absence of such action, (i) cyclical revenue and spending would behave in accordance with the estimated elasticities, and (ii) non-cyclical revenue and spending would grow

9 Within the ESCB, an alternative method of cyclical adjustment of the budget balance is used. This method is set out in ECB Working Paper No 77. For a more recent discussion, see also the box entitled "The structural balance as an indicator for the underlying fiscal position", *Monthly Bulletin*, ECB, September 2014.

10 See D'Auria et al., "The production function methodology for calculating potential growth rates and output gaps", *European Economy – Economic Papers*, No 420, European Commission, July 2010.

11 See European Commission, "New and updated budgetary sensitivities for the EU budgetary surveillance", September 2005. See also the box entitled "Implementation of the excessive deficit procedure under the reinforced Stability and Growth Pact in euro area Member States", *Monthly Bulletin*, ECB, September 2013.

in line with potential GDP. The main non-discretionary factors that typically influence the change in the structural balance-to-GDP ratio are as follows.

First, receipts from taxes and social contributions depend on bases which often evolve somewhat differently from GDP. This implies that, in any given year, the (near unit) elasticity of receipts with respect to GDP assumed in the context of cyclical adjustment is unlikely to hold. An evolution of receipts that is more (less) favourable than the one implied by this elasticity is now commonly referred to as a revenue "windfall" ("shortfall"), although in many cases such developments may be at least partly predictable ex ante and relate to factors which should be part and parcel of the usual business of revenue forecasting. There are many causes of revenue windfalls/shortfalls; a categorisation is provided in the box. In addition, non-tax receipts also fluctuate in relation to GDP. For example, dividend income depends on the profits of public corporations, which are more volatile than GDP.

Box

CATEGORISATION OF NON-DISCRETIONARY FACTORS GIVING RISE TO FLUCTUATIONS IN THE (STRUCTURAL) REVENUE RATIO (REVENUE "WINDFALLS"/"SHORTFALLS")

The macro composition of GDP fluctuates over time, both on the income side (wage/profit share) and on the expenditure side (domestic/external demand). Wages are taxed more heavily than profits, while exports are tax exempt, so a decline in the wage share and/or export-led growth tends to put downward pressure on the revenue ratio.

The micro composition of GDP components changes over time. For example, a decline in the consumption of highly taxed items such as fuel and tobacco relative to overall consumption will weigh down on the revenue ratio.

Taxes levied on bases which do not form part of GDP. Examples would include financial profits, the transfer of assets and property ownership.

Leads and lags in tax collection, especially in corporation tax where losses are not taxed negatively but can usually be carried forward and offset against future profits for several years.

The size of the undeclared economy in relation to GDP may fluctuate over time. The shadow economy is, in principle, part of GDP but does not generate tax receipts.

More generally, tax liabilities depend on a complex tax code and accounting concepts (e.g. business accounting) which are different from national accounts concepts.

Second, spending on unemployment benefits depends not only on the overall level of unemployment but also on whether unemployed persons qualify for a benefit, which will normally depend on factors such as past social contributions and unemployment duration. Especially during and after significant recession-induced increases in unemployment, average unemployment duration can decline and then increase markedly, leading first to a higher, followed by a lower, "coverage ratio".

Third, interest payments fluctuate depending on the stock of government debt and the average rate of interest on that debt and so will not tend to grow in line with potential GDP. This can, however, be accounted for by monitoring the evolution of the structural primary balance, i.e. the structural balance net of government interest payments.

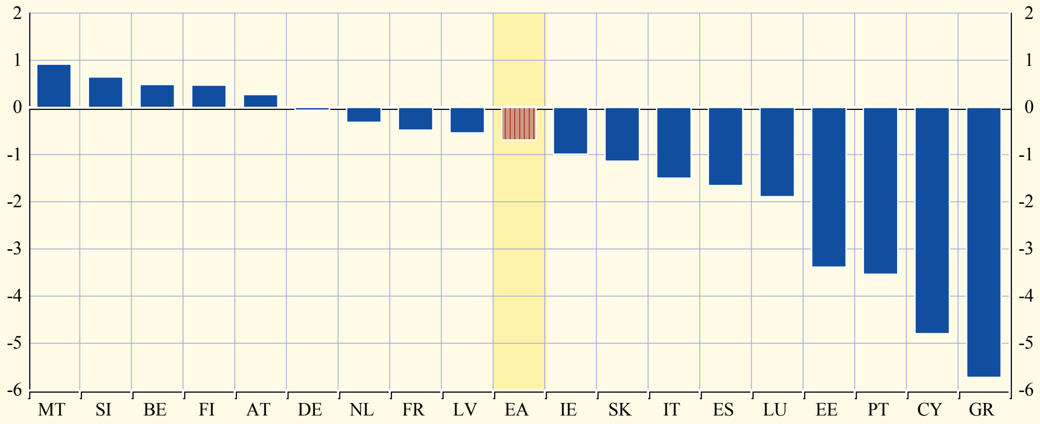
Fourth, there is also no reason why other components of non-cyclical spending would grow in line with potential GDP. Some components of non-cyclical spending have determinants which will put them on an underlying growth path which diverges from that of potential GDP (see also Section 4). The obvious example is spending on pensions and healthcare in the context of an ageing population. Other components of spending (e.g. investment) have no obvious determinant. At the same time, estimates of potential output are prone to revision whenever economic data are revised and/or forecasts turn out to be inaccurate. This typically also leads to a reassessment of the rate of potential GDP growth. Estimates of potential GDP have fallen because of the crisis, resulting in lower – in some countries even negative – estimates of potential GDP growth.[12] Action is then required by the government to curb or reduce spending to make public finances sustainable in view of these changes to medium to long-term growth potential.

Finally, the structural balance-to-GDP ratio has GDP as a denominator, and fluctuations in the denominator affect the ratio. This effect is usually negligible, but it can become relevant when the structural deficit is large and GDP is contracting (or growing) strongly.

Charts 1-3 provide a sense of how some of these factors are likely to have influenced the evolution of the structural balance-to-GDP ratio in euro area Member States during the period of fiscal consolidation from 2010 to 2013. Using estimates of the impact of discretionary tax measures contained in the European Commission's AMECO database, Chart 1 shows the cumulative change in the ratio of structural revenue to potential GDP not explained by discretionary measures.[13]

Chart 1 Changes in the ratio of structural government revenue to potential GDP of euro area Member States not attributed to discretionary measures (2010-13)

(percentage of potential GDP)



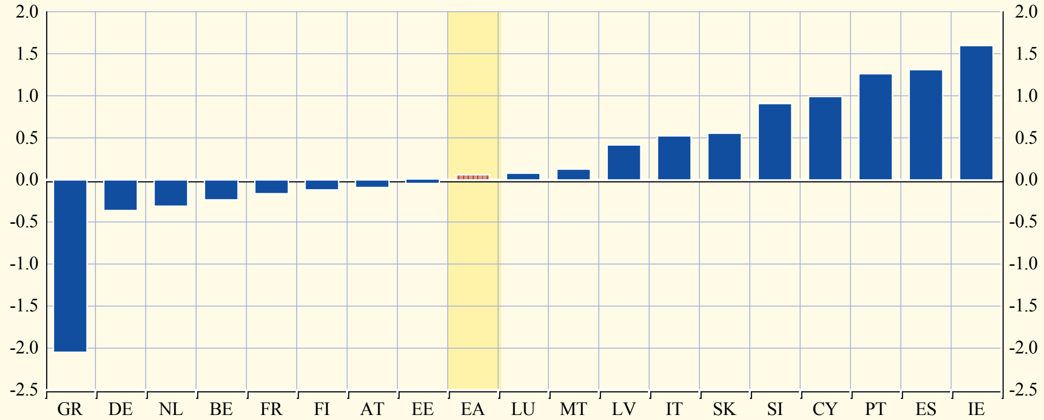
Sources: European Commission and ECB calculations.

12 See the article entitled "Potential output, economic slack and the link to nominal developments since the start of the crisis", *Monthly Bulletin*, ECB, November 2013.

13 It should be noted that estimates of the impact of tax measures are subject to considerable uncertainty for reasons that are reviewed in Section 4.

Chart 2 Changes in the ratio of government interest payments to potential GDP of euro area Member States (2010-13)

(percentage of potential GDP)



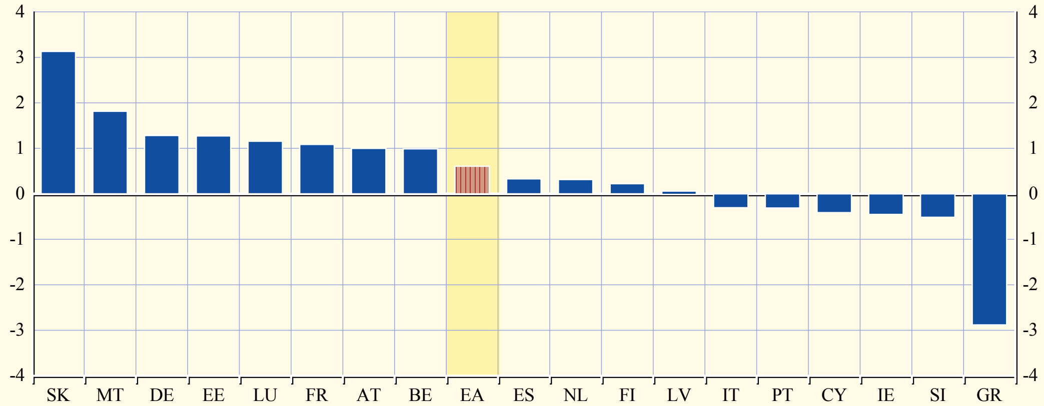
Sources: European Commission and ECB calculations.

Chart 2 reports the change in the ratio of government interest payments to potential GDP over the same period. Chart 3 shows the average rate of potential GDP growth over the period 2010-13 as estimated by the European Commission.

All other things equal, countries towards the right-hand side of each chart will have had to deliver more in terms of tax increases and spending cuts in order to deliver the same improvement in the structural balance-to-GDP ratio than countries towards the left-hand side. In the case of Charts 1 and 2, this additional fiscal effort (in % of GDP) is simply represented by the size of the bar. In the case of differences in potential GDP growth (Chart 3), the additional effort required would correspond to the difference in the rate of potential GDP growth multiplied by the share of non-cyclical government spending in GDP, which is usually around 0.45.

Chart 3 Annual average potential GDP growth of euro area Member States (2010-13)

(annual percentage change)



Sources: European Commission and ECB calculations.

In general, euro area countries affected heavily by the sovereign debt crisis appear towards the right-hand side of the charts. In these countries, after excluding the estimated impact of tax measures, ratios of structural government revenue to potential GDP fell sharply, reflecting, inter alia, the rebalancing of these economies (wage, price and current account adjustments), lower tax receipts from property transactions and from the construction and/or financial sectors, and – probably in some countries – lower tax compliance. Interest payments rose sharply as the stock of government debt increased because of high deficits and the financial support given to the banking sector.[14] Finally, the substantial economic contraction in these countries resulted in particularly large downward revisions to estimates of potential output such that, during the crisis, potential output growth stagnated or even turned negative.

To summarise, the "effort" required of the government in terms of tax increases and spending cuts in order to achieve a given improvement of the structural balance-to-GDP ratio will be larger when (i) there are factors weighing down on the ratio of structural revenue to potential GDP, (ii) the stock of government debt and/or the average interest rate on that debt is rising, and (iii) there are upward pressures on non-cyclical spending and/or potential GDP growth is low or negative.

4 BOTTOM-UP MEASURES OF FISCAL EFFORT

The understanding that the change in the structural budget balance will not always reasonably gauge the discretionary fiscal policy actions undertaken by the government has motivated attempts to measure the fiscal effort using what is sometimes called a bottom-up approach. In this approach, the fiscal effort is computed as the aggregate sum of the estimated budgetary impact of individual government revenue and expenditure measures.[15] Bottom-up estimates of fiscal effort, however, raise their own problems.

First, and as discussed in more detail below, such an analysis relies predominantly on governments' own estimates of the budgetary impact of measures, which are hard to verify. This creates an important incentive problem, especially if these estimates come to play an important role in the EU fiscal surveillance framework where an assessment of lack of fiscal effort can lead to financial sanctions.

Second, from a practical point of view, it needs to be recalled that general government is made up of hundreds, if not thousands, of entities. Keeping track of all of the decisions affecting government revenue and, even more so, spending is therefore just not feasible for the fiscal policy analyst.

Third, from a conceptual perspective, the implementation of a bottom-up approach requires first defining what a "measure" is. This is not straightforward. It requires, in particular, the identification of an unchanged policy baseline, which would track the evolution of both revenue and expenditure

14 The decline for Greece is due to the debt restructuring which took place in March 2012 as well as the modalities of EU/IMF financial assistance.

15 This approach has been used also in the economic literature on the macroeconomic effects of fiscal policy. See Romer, C. and Romer, D., "The Macroeconomic Effects of Tax Changes: Estimates Based on a New Measure of Fiscal Shocks", *American Economic Review*, Vol. 100, 2010; Agnello, L. and Cimadomo, J., "Discretionary fiscal policies over the cycle: new evidence based on the ESCB disaggregated approach", *International Journal of Central Banking*, Vol. 8, No 2, June 2012, pp. 43-85; Devries et al., "A New Action-based Dataset of Fiscal Consolidation", *IMF Working Paper WP/11/128*, 2011; Guajardo et al., "Expansionary Austerity: New International Evidence", *IMF Working Paper WP/11/158*, 2011; and Attinasi, M.G. and Klemm, A., "The growth impact of discretionary fiscal policy measures", *Working Paper Series*, No 1697, ECB, July 2014.

in the absence of government action. In this regard, however, different components of government revenue and spending have different characteristics and cannot be considered in the same way.

There is an important difference between, on the one hand, most government revenues (especially taxes and social contributions) and most social benefits, and, on the other hand, other categories of government spending. In general, taxes, social contributions and social benefits have "determinants" (tax bases, benefit entitlements) which, given present legislation, will determine the relevant receipts and expenditures. In this context, what constitutes a "measure" is relatively clear from a conceptual point of view: it is any change to the legislation that determines tax liabilities and benefit entitlements. Regarding spending, some components of the budget, such as interest payments and contributions to international organisations, are more or less fully outside the control of government. These can reasonably be excluded from any bottom-up analysis. For other government spending categories, it is conceptually more difficult to identify an unchanged policy baseline because the overall level of spending depends to a much greater extent on budget decisions and is relatively disconnected from the evolution of the economy. This, together with the practical impossibility of compiling complete information on spending decisions, means that for most components of government spending, the only practical way forward is to compare spending outturns with an appropriate benchmark.

As already mentioned in Section 2, the SGP now incorporates elements of a bottom-up analysis both in the preventive arm (expenditure benchmark) and as part of the careful analysis performed in the context of the corrective arm. In the case of the careful analysis, the budgetary impact of revenue measures is based on the assessment of the impact of each specific policy measure. In the case of spending, the approaches followed in the preventive and corrective arms diverge. In the preventive arm, under the expenditure benchmark, spending outturns (other than specific items outside the control of government) are compared with the medium-term rate of potential GDP growth defined over a period of ten years (the previous five years, the current year and a projection four years ahead). In the corrective arm, the impact of spending measures is estimated by comparing spending outturns against the "no policy change" spending forecast contained in the scenario underlying the Commission forecast at the time of the EDP recommendation.

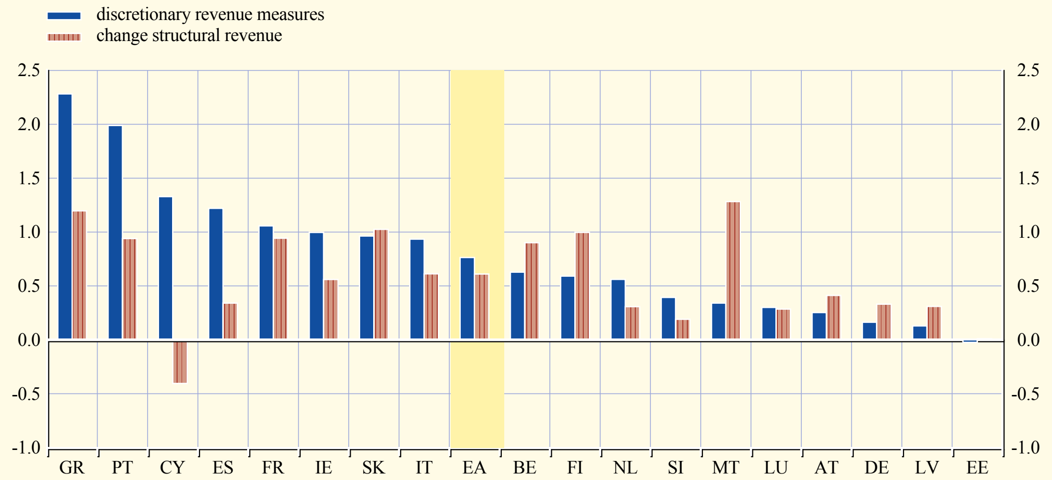
The following sub-sections discuss in more detail the challenges surrounding the assessment of fiscal effort based on (i) estimates of the impact of revenue measures, and (ii) the benchmarking of expenditure.

4.1 ESTIMATING THE IMPACT OF REVENUE MEASURES

It is increasingly common for governments to provide estimates of the impact of (planned) revenue measures when presenting the draft budget. Recently, the European Commission published data for the period 2010-13 on discretionary revenue measures as compiled by country analysts. As already noted in Section 3, the estimated impact of discretionary revenue measures can differ significantly from the change in the ratio of structural revenue to potential GDP. To illustrate this point, Chart 4 compares the discretionary revenue measures with the change in the structural revenue ratio. For the period 2011-13, the two measures point towards a positive effort in almost all countries, with a limited discrepancy between the two measures for the euro area as a whole (0.2 percentage point of potential GDP). In some countries, however, the change in the structural revenue ratio did not fully reflect the amount of discretionary revenue measures taken by the governments (Greece, Portugal, Cyprus, Spain, Ireland, Italy and the Netherlands), whereas the opposite was true for other countries (Latvia,

Chart 4 Discretionary revenue measures versus change in the structural revenue ratio

(average for 2011-13; as a percentage of potential GDP)



Sources: European Commission and ECB calculations.
Note: Countries are sorted on the basis of the average size of discretionary revenue measures.

Germany, Austria, Malta, Finland and Belgium), as the change in the structural revenue ratio signalled a larger fiscal effort than implied by the discretionary revenue measures.

As noted above, for most government revenues (and for social benefits) the concept of a "measure" is, in principle, relatively straightforward. Nonetheless, deriving estimates of the impact of revenue measures still raises numerous methodological questions and practical problems. Chief among them are the following.

First, the capacity to make estimates of the impact of revenue measures rests almost exclusively within the government units or departments concerned, such as the finance ministry, tax administration or social security department. This is where the relevant expertise is acquired and the necessary micro data collected. Except in the case of relatively straightforward changes to the most important tax rates and allowances, it will generally be very challenging – if not impossible – for outside analysts to construct accurate, independent estimates of the impact of such measures. There is therefore usually little choice but to rely on official government estimates.

Second, even though there may be fewer decisions affecting revenue (and fewer government entities that can take such decisions) than affecting expenditure, revenue measures can be very numerous and diverse and putting together a complete and consistent picture is always difficult. This is especially the case for countries where regional and/or local governments have significant revenue-raising powers.

Third, especially when the purpose is to gauge the impact of a particular measure in a given year, the accounting concept matters. The time of recording of tax receipts may be on an accrual basis (when the liability was generated), on a declared liability basis (when the tax return is presented) or on a cash basis (when tax is paid). The accounting concept used for budgeting purposes, and hence usually the basis on which official estimates of the impact of measures is based, usually differs from the way in which receipts are recorded in national accounts.

Fourth, measures have not only direct, but also indirect, effects. The direct effect is the impact on revenues all other things equal (e.g. the difference between applying the old and new tax code to a given tax return). Indirect effects concern both the narrow behavioural response which affects the variable (e.g. tax base) concerned and the broader impact on the economy. Whether and to what extent indirect effects are included in official estimates of the impact of revenue measures will depend on domestic budgeting practices.

Fifth, in most countries, estimates of the impact of revenue measures provided in budget documentation are presented ex ante. It is much less common for these estimates to then be revisited ex post.

4.2 BENCHMARKING EXPENDITURE

As noted above, on the expenditure side, and with the exception of entitlement spending, the concept of a "measure" is generally more problematic. For large swathes of government spending, the borderline between what is "automatic", "neutral" or "unchanged policy", on the one hand, and a "measure", on the other hand, is ill-defined and ultimately subjective. In the context of the "careful analysis", the use of the European Commission's "no policy change" forecast when the EDP recommendation was delivered raises an obvious issue in terms of the nature – and cross-country comparability – of this particular scenario.[16] For instance, if, in a country, spending has been growing robustly and the no policy change forecast projects this forward, then a mere normalisation of spending growth would be counted as fiscal effort. If, in another country, spending has been constrained in the recent past and this is projected forward as a no policy change scenario, then a continuation of this spending constraint would not be measured as fiscal effort.

Given the conceptual blurredness of what constitutes a measure for most types of spending, as well as the practical difficulty posed by the fact that spending decisions are dispersed across a multitude of entities, the only practical way to assess spending policy is to compare spending outturns against an appropriate benchmark.[17] To this end, there is no obviously superior benchmark. The choice of benchmark may be influenced by the policy question that one has in mind, i.e. the intention or purpose behind the measurement of fiscal effort. Beyond this, a benchmark should ideally be exogenous to other fiscal policy changes (both on the spending side and the revenue side) and be easily replicable and understandable.

Two kinds of benchmark may be identified. The first, which is mostly relevant from a budgeting point of view, is the one that keeps spending constant.[18] If this is done in nominal terms, however, this ignores the upward pressure on spending emanating from inflation. Moreover, a fiscal policy which would keep spending constant in nominal terms would generally be very restrictive. For this reason, a price index would probably be a more reasonable benchmark, so that neutral spending policy is defined as spending that is constant in real terms.

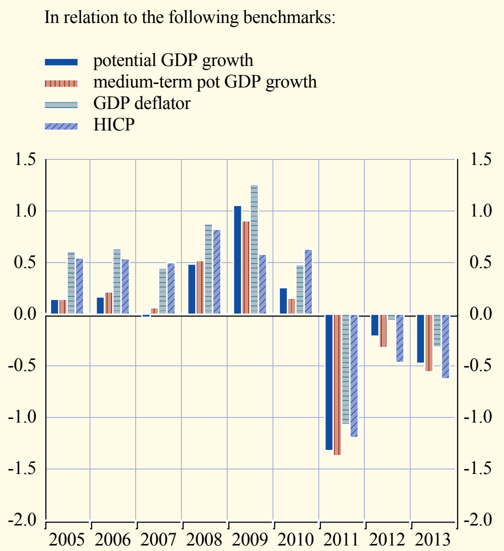
The second kind of benchmark is one which charts a path for spending which, all other things equal, is compatible with a given fiscal objective. The obvious benchmark here is nominal potential or trend

16 Limited information is available regarding the bottom-up methodology currently applied by the European Commission in its assessment of fiscal effort under the corrective arm.
17 Spending totals ultimately depend on day-to-day decisions taken by different government departments as well as by sub-national (regional and local) governments.
18 In this case, the "question" being asked is: given a forecast for pre-determined revenue (e.g. tax receipts) and spending (e.g. interest payments and social benefits), what is the size of spending cuts necessary to deliver a given budget deficit/surplus?

GDP growth. As already explained in Section 3, a path of spending in line with the growth of potential GDP leaves the structural balance-to-GDP ratio unaffected and is "neutral" from this perspective. It is also consistent with the share of spending in GDP being kept broadly constant in the medium term. The downside is that estimates of potential GDP growth tend to be pro-cyclical. A major shock to the economy or revision to the economic outlook often gives rise to a reassessment of the level of potential GDP and potential GDP growth. The same rate of spending growth will be assessed differently across countries (and over time) owing to differences in (and revisions to) the estimated rate of potential GDP growth. This is desirable if the purpose is to assess spending policy against what is viewed as sustainable in view of the changed estimate of potential GDP growth, but from a budgeting perspective it does not gauge the amount of spending cuts needed to deliver this path.

Chart 5 Euro area expenditure measures quantified in relation to different benchmarks

(euro area; percentage point of GDP)



Sources: ECB and European Commission.

More generally, the implications of using different benchmarks and the way these should then be used in the assessment of fiscal policy should be clearly understood. Under normal circumstances, when an economy is growing steadily and real potential GDP is growing, a price index per se will normally be a stricter benchmark than nominal potential GDP growth. Except in cases where there is a need for fiscal consolidation or a desire to reduce the size of government in relation to the rest of the economy, it is normal and appropriate for government spending to grow in real terms. This relationship may, however, be reversed during times of crisis, when potential GDP growth may become negative. Chart 5 shows the implications of the choice of different benchmarks for the assessment of spending policy for the euro area as a whole. Before the crisis, i.e. in 2005-07, spending growth was essentially neutral when assessed against potential GDP growth as a benchmark. Nevertheless, spending was growing in real terms (i.e. by more than the price indices). In 2012-13, however, because of the effect of the crisis on potential GDP growth and a very subdued evolution of the GDP deflator, potential GDP growth became a stricter benchmark than HICP, implying that greater spending cuts were needed to deliver a given fiscal effort.

5 CONCLUSION

The fiscal effort is intended to measure the effect of government action on the budget balance and thereby serve as an indicator for which the government can be held accountable. The fiscal effort represents the means with which the government can achieve its policy objectives and needs to be consistent with the achievement of the desired nominal deficits. The fiscal effort is, however, not directly measurable and there are numerous alternative ways in which this concept has been – or could be – operationalised.

The change in the structural budget balance is a useful gauge of fiscal effort. But it does not always reflect reasonably closely the impact of tax and spending decisions taken by governments. Recently, greater emphasis has been placed on assessments of fiscal effort which seek to identify the impact of individual tax and spending measures. Such "bottom-up" assessments are, in principle, an important complement to estimates of the change in the structural balance. However, their use raises significant conceptual issues and practical challenges. If these assessments are to gain prominence in EU fiscal surveillance, it is important to enhance transparency in relation to methods, concepts, data and information.

In this context, there is an important distinction to be made between most government revenues and social benefits, for which the idea of what constitutes a "measure" is at least conceptually clear, and most other spending, for which an unchanged policy baseline is conceptually difficult to identify. In the former case, a "measure-by-measure" approach may be feasible; in the latter case, the only reasonable approach would appear to be to compare outturns against a relevant benchmark.

Regarding the impact of individual revenue measures, it would be important for Member States' stability programmes and budget documentation to set out clearly the estimated impact of each significant measure and explain the nature of these estimates in terms of the assumptions, accounting concepts and data used. These estimates should be subject to scrutiny and revised ex post. Efforts should be made to systematically publish relevant information that would allow for independent scrutiny. Independent fiscal councils could be given a role in vetting official estimates.

In the case of spending, the choice and nature of the benchmark also needs to be clear and transparent. In this respect, a "no policy change" benchmark is ill-defined and subjective, thus compromising the fairness of evaluation across countries. More appropriate benchmarks would be an inflation index (to capture the effect of spending growing in real terms) or – as at present in the context of the preventive arm of the SGP – nominal potential GDP growth (to capture the growth rate of spending compatible with a stable structural balance).

The appropriateness of fiscal policies will also always need to be judged against results obtained over the medium term, as it is nominal deficit outturns which determine the accumulation of government debt and which ultimately matter for fiscal sustainability. Greater fiscal consolidation needs, resulting from a higher (structural) deficit, a rebalancing economy, low potential growth or an ageing population generally require a greater year-on-year fiscal effort to put or keep public finances on a sound footing. Different approaches to measuring fiscal effort will give rise to differences in the amount of such effort needed to deliver the required adjustment. Even if a recommended fiscal effort is delivered, it may turn out to be insufficient to deliver the desired improvement in the nominal deficit because the assumptions and/or forecasts on which the required effort was calculated turn out to be wrong. In this case, a larger than previously planned fiscal effort will be needed in subsequent years to ensure that the nominal deficit eventually falls to the desired level.

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.

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	0.7	0.57	1.72
2013	7.0	4.0	2.4	-	-1.5	0.9	0.22	2.24
2013 Q4	6.4	3.1	1.5	-	-2.2	1.3	0.24	2.24
2014 Q1	6.0	2.4	1.2	-	-2.3	-1.3	0.30	1.82
Q2	5.2	2.1	1.1	-	-1.9	-1.9	0.30	1.44
Q3	.	.	.	-	.	.	0.16	1.06
2014 Apr.	5.2	2.0	0.8	1.0	-1.8	-2.8	0.33	1.72
May	5.0	2.1	1.1	1.2	-2.0	-1.3	0.32	1.56
June	5.4	2.3	1.6	1.5	-1.8	-2.0	0.24	1.44
July	5.6	2.5	1.8	1.8	-1.6	-1.3	0.21	1.34
Aug.	5.8	2.7	2.0	.	-1.5	.	0.19	1.03
Sep.	.	.	.	.	.	.	0.10	1.06

2. Prices, output, demand and labour markets

	HICP [1)]	Industrial producer prices	Hourly labour costs	Real GDP (s.a.)	Industrial production excluding construction	Capacity utilisation in manufacturing (%)	Employment (s.a.)	Unemployment (% of labour force; s.a.)
	1	2	3	4	5	6	7	8
2012	2.5	2.8	2.0	-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	11.9
2014 Q1	0.7	-1.5	0.6	1.0	1.3	79.8	0.1	11.7
Q2	0.6	-1.0	1.2	0.7	0.9	79.7	0.5	11.6
Q3	0.3	.	.	.	.	.	.	.
2014 Apr.	0.7	-1.2	-	-	1.8	79.5	-	11.6
May	0.5	-1.0	-	-	0.6	-	-	11.6
June	0.5	-0.8	-	-	0.2	-	-	11.5
July	0.4	-1.1	-	-	2.2	79.8	-	11.5
Aug.	0.4	.	-	-	.	-	-	11.5
Sep.	0.3	.	-	-	.	-	-	.

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 [5)] (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	249.3	165.3	78.1	542.1	-12.0	120.8	101.7	98.9	1.3281
2013 Q4	97.0	48.1	42.7	542.1	-12.0	120.8	103.1	100.0	1.3610
2014 Q1	37.2	36.9	41.3	570.6	-11.3	122.8	103.9	100.7	1.3696
Q2	59.1	50.9	-10.0	583.0	.	.	103.8	100.1	1.3711
Q3	.	.	.	.	.	.	101.6	97.8	1.3256
2014 Apr.	20.0	15.7	-105.2	568.0	-	-	104.5	101.1	1.3813
May	12.9	16.5	68.9	568.8	-	-	103.8	100.1	1.3732
June	26.2	18.7	26.2	583.0	-	-	103.0	99.2	1.3592
July	32.7	21.0	-17.3	585.1	-	-	102.6	98.8	1.3539
Aug.	.	.	.	594.1	-	-	101.9	98.1	1.3316
Sep.	.	.	.	.	-	-	100.4	96.6	1.2901

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) For a definition of the trading partner groups and other information, please refer to the General Notes.

1 MONETARY POLICY STATISTICS

1.1 Consolidated financial statement of the Eurosystem
(EUR millions)

1. Assets

	29 August 2014	5 September 2014	12 September 2014	19 September 2014	26 September 2014
Gold and gold receivables	334,433	334,433	334,434	334,434	334,434
Claims on non-euro area residents in foreign currency	249,547	249,786	250,065	247,268	248,444
Claims on euro area residents in foreign currency	24,229	25,385	25,689	26,857	26,450
Claims on non-euro area residents in euro	20,881	21,834	21,139	19,871	20,485
Lending to euro area credit institutions in euro	517,578	492,726	483,131	472,263	520,227
Main refinancing operations	131,762	111,199	110,702	105,689	90,307
Longer-term refinancing operations	384,899	381,390	372,279	366,304	429,593
Fine-tuning reverse operations	0	0	0	0	0
Structural reverse operations	0	0	0	0	0
Marginal lending facility	917	116	150	270	326
Credits related to margin calls	0	21	0	0	1
Other claims on euro area credit institutions in euro	62,628	62,390	63,535	63,325	66,297
Securities of euro area residents in euro	559,853	560,740	561,622	561,395	561,848
Securities held for monetary policy purposes	195,445	195,445	195,137	194,537	194,513
Other securities	364,409	365,295	366,485	366,858	367,335
General government debt in euro	26,709	26,709	26,709	26,709	26,709
Other assets	242,857	238,127	237,479	236,031	233,340
Total assets	2,038,716	2,012,130	2,003,802	1,988,153	2,038,235

2. Liabilities

	29 August 2014	5 September 2014	12 September 2014	19 September 2014	26 September 2014
Banknotes in circulation	971,290	972,555	971,924	970,382	970,045
Liabilities to euro area credit institutions in euro	253,654	220,386	200,296	185,527	234,117
Current accounts (covering the minimum reserve system)	222,757	193,719	179,185	162,433	209,411
Deposit facility	30,864	26,650	21,089	23,077	24,705
Fixed-term deposits	0	0	0	0	0
Fine-tuning reverse operations	0	0	0	0	0
Deposits related to margin calls	33	17	22	17	1
Other liabilities to euro area credit institutions in euro	4,854	4,855	4,780	4,945	4,825
Debt certificates issued	0	0	0	0	0
Liabilities to other euro area residents in euro	93,069	98,476	111,439	115,820	116,597
Liabilities to non-euro area residents in euro	41,585	43,165	40,621	40,860	40,258
Liabilities to euro area residents in foreign currency	1,050	932	883	1,003	810
Liabilities to non-euro area residents in foreign currency	6,052	7,013	7,597	6,153	6,990
Counterpart of special drawing rights allocated by the IMF	53,368	53,368	53,368	53,368	53,368
Other liabilities	217,064	214,651	216,163	213,365	214,494
Revaluation accounts	301,418	301,418	301,418	301,418	301,418
Capital and reserves	95,312	95,312	95,312	95,312	95,312
Total liabilities	2,038,716	2,012,130	2,003,802	1,988,153	2,038,235

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 4 Jan. [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
2014 11 June	-0.10	-0.10	0.15	-	-0.10	0.40	-0.35
10 Sep.	-0.20	-0.10	0.05	-	-0.10	0.30	-0.10

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: Fixed rate	Variable rate tender procedures: Minimum bid rate	Variable rate tender procedures: Marginal rate [4)]	Variable rate tender procedures: Weighted average rate	Running for (...) days
	1	2	3	4	5	6	7	8
				Main refinancing operations				
2014 25 June	115,041	151	115,041	0.15	-	-	-	7
2 July	97,103	124	97,103	0.15	-	-	-	7
9	94,150	138	94,150	0.15	-	-	-	7
16	99,908	142	99,908	0.15	-	-	-	7
23	97,887	139	97,887	0.15	-	-	-	7
30	133,304	162	133,304	0.15	-	-	-	7
6 Aug.	107,922	131	107,922	0.15	-	-	-	7
13	108,203	132	108,203	0.15	-	-	-	7
20	107,612	131	107,612	0.15	-	-	-	7
27	131,762	135	131,762	0.15	-	-	-	7
3 Sep.	111,199	124	111,199	0.15	-	-	-	7
10	110,702	144	110,702	0.05	-	-	-	7
17	105,689	138	105,689	0.05	-	-	-	7
24	90,307	135	90,307	0.05	-	-	-	7
1 Oct.	89,075	131	89,075	0.05	-	-	-	7
				Longer-term refinancing operations [5)]				
2014 12 Mar.	7,522	30	7,522	0.25	-	-	-	28
27	11,617	83	11,617	0.23	-	-	-	91
9 Apr.	28,023	35	28,023	0.25	-	-	-	35
2 May	13,193	97	13,193	0.19	-	-	-	90
14	32,335	54	32,335	0.25	-	-	-	28
29	10,949	89	10,949	0.16	-	-	-	91
11 June	9,970	44	9,970	0.15	-	-	-	28
26	10,386	84	10,386	0.13	-	-	-	91
31 July [6)]	6,786	91	6,786	.	-	-	-	91
28 Aug. [6)]	7,244	72	7,244	.	-	-	-	91
24 Sep. [7)]	82,602	255	82,602	0.15	-	-	-	1,463
25 [6)]	10,971	90	10,971	.	-	-	-	84

2. Other tender operations

Date of settlement	Type of operation	Bids (amount)	Number of participants	Allotment (amount)	Fixed rate tender procedures: Fixed rate	Variable rate tender procedures: Minimum bid rate	Variable rate tender procedures: Maximum bid rate	Variable rate tender procedures: Marginal rate [4)]	Variable rate tender procedures: Weighted average rate	Running for (...) days
	1	2	3	4	5	6	7	8	9	10
2014 12 Mar.	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
14	Collection of fixed-term deposits	144,281	141	144,281	-	-	0.25	0.25	0.24	7
21	Collection of fixed-term deposits	137,465	148	137,465	-	-	0.25	0.25	0.24	7
28	Collection of fixed-term deposits	102,878	119	102,878	-	-	0.25	0.25	0.25	7
4 June	Collection of fixed-term deposits	119,200	140	119,200	-	-	0.25	0.25	0.24	7
11	Collection of fixed-term deposits	108,650	122	108,650	-	-	0.15	0.15	0.13	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.
7) Targeted longer-term refinancing operation. Further information can be found in the "Monetary Policy" section of the ECB's webpage (https://www.ecb.europa.eu) under "Instruments" then "Open market operations".

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
2014 Mar.	17,978.0	9,885.5	553.4	2,395.7	1,232.6	3,910.7
Apr.	18,035.7	9,948.1	541.3	2,364.4	1,257.2	3,924.7
May	18,077.2	10,002.9	543.9	2,356.2	1,270.3	3,903.9
June	17,990.3	10,022.5	546.3	2,342.3	1,208.3	3,870.9
July	18,038.7	10,030.9	550.1	2,326.6	1,295.5	3,835.6

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
2014 13 May	103.5	191.2	87.7	0.0	0.25
10 June	103.9	192.3	88.3	0.0	0.25
8 July	104.4	214.3	109.8	0.0	0.15
12 Aug.	105.0	210.2	105.2	0.0	0.15
9 Sep.	105.2	210.1	104.9	0.0	0.15
7 Oct.	105.3	.	.	.	.

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 [2]	Deposit facility	Other liquidity-absorbing operations [3]	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
2014 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
13 May	536.4	128.1	519.6	0.2	222.6	29.7	152.4	947.9	87.7	-2.1	191.2	1,168.8
10 June	536.8	148.1	507.8	0.1	215.9	28.3	126.0	951.0	111.5	-0.4	192.3	1,171.6
8 July	540.0	111.7	460.1	0.1	209.0	23.9	27.2	958.1	110.0	-12.5	214.3	1,196.3
12 Aug.	547.6	106.6	414.7	0.3	202.2	24.6	0.0	967.6	92.4	-23.6	210.2	1,202.5
9 Sep.	547.8	114.7	387.4	0.2	196.3	25.2	0.0	971.8	66.2	-27.0	210.1	1,207.1

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 liquidity provided under the Eurosystem's covered bond purchase programmes and the Eurosystem's Securities Markets Programme.
3) 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				Holdings of securities other than shares issued by euro area residents				Money market fund shares/ units [2]	Holdings of shares/ other equity issued by euro area residents	External assets	Fixed assets	Remaining assets
		Total	General government	Other euro area residents	MFIs	Total	General government	Other euro area residents	MFIs					
	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
2014 Q1	3,916.3	2,087.4	15.0	1.2	2,071.2	721.9	578.0	22.9	121.0	-	26.6	658.0	7.9	414.5
Q2	3,735.9	1,897.2	13.6	1.2	1,882.4	706.4	569.4	15.6	121.3	-	27.0	675.0	8.1	422.3
2014 May	3,888.0	2,064.3	14.1	1.3	2,049.0	706.3	567.1	17.4	121.8	-	26.9	664.3	8.0	418.2
June	3,735.9	1,897.2	13.6	1.2	1,882.4	706.4	569.4	15.6	121.3	-	27.0	675.0	8.1	422.3
July	3,654.1	1,815.5	13.6	1.2	1,800.7	699.3	564.3	14.2	120.7	-	26.5	680.3	8.1	424.5
Aug. (p)	3,673.7	1,830.6	13.6	1.2	1,815.8	695.3	560.2	14.3	120.9	-	26.7	686.1	8.1	426.8
	MFIs excluding the Eurosystem													
2012	32,694.8	17,987.2	1,153.4	11,043.4	5,790.4	4,901.8	1,627.0	1,423.3	1,851.6	66.8	1,227.8	4,045.7	214.7	4,250.9
2013	30,444.4	16,981.3	1,082.4	10,649.1	5,249.7	4,673.4	1,694.4	1,335.7	1,643.3	58.1	1,232.5	3,855.8	210.6	3,432.7
2014 Q1	30,586.6	16,942.5	1,092.9	10,638.3	5,211.2	4,699.7	1,774.6	1,307.1	1,617.9	54.0	1,248.9	3,981.5	202.3	3,457.8
Q2	30,730.9	16,887.2	1,087.7	10,606.6	5,193.0	4,693.0	1,808.5	1,302.7	1,581.8	45.4	1,236.7	4,077.3	203.2	3,588.1
2014 May	30,869.6	16,927.1	1,095.4	10,587.6	5,244.2	4,716.8	1,806.9	1,315.7	1,594.3	51.7	1,255.8	4,107.0	203.1	3,608.1
June	30,730.9	16,887.2	1,087.7	10,606.6	5,193.0	4,693.0	1,808.5	1,302.7	1,581.8	45.4	1,236.7	4,077.3	203.2	3,588.1
July	30,893.6	16,871.4	1,097.0	10,576.9	5,197.5	4,672.8	1,800.3	1,307.1	1,565.5	43.3	1,238.5	4,173.7	203.5	3,690.4
Aug. (p)	31,102.8	16,812.0	1,086.1	10,544.2	5,181.7	4,679.4	1,830.7	1,295.7	1,553.0	47.2	1,237.1	4,189.7	203.5	3,934.0

2. Liabilities

	Total	Currency in circulation	Deposits of euro area residents				Money market fund shares/ units [3]	Debt securities issued [4]	Capital and reserves	External liabilities	Remaining liabilities
			Total	Central government	Other general government/ other euro area residents	MFIs					
	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	477.8
2014 Q1	3,916.3	965.6	1,860.2	86.1	38.4	1,735.7	-	0.0	440.5	166.5	483.5
Q2	3,735.9	986.1	1,652.4	101.1	50.0	1,501.4	-	0.0	459.4	148.7	489.2
2014 May	3,888.0	980.3	1,811.4	116.7	50.8	1,643.8	-	0.0	442.2	167.8	486.3
June	3,735.9	986.1	1,652.4	101.1	50.0	1,501.4	-	0.0	459.4	148.7	489.2
July	3,654.1	996.3	1,564.8	98.2	45.9	1,420.7	-	0.0	464.4	136.4	492.1
Aug. (p)	3,673.7	998.1	1,566.2	63.8	37.4	1,465.0	-	0.0	473.8	140.7	494.9
	MFIs excluding the Eurosystem										
2012	32,694.8	-	17,195.3	169.6	10,870.4	6,155.3	534.7	4,848.9	2,344.0	3,494.8	4,277.2
2013	30,444.4	-	16,646.2	152.5	10,941.1	5,552.6	462.9	4,352.6	2,399.6	3,106.7	3,476.5
2014 Q1	30,586.6	-	16,654.3	181.1	10,955.7	5,517.5	458.1	4,297.7	2,452.9	3,225.3	3,498.3
Q2	30,730.9	-	16,725.3	214.8	10,984.7	5,525.8	437.6	4,236.3	2,456.0	3,226.0	3,649.6
2014 May	30,869.6	-	16,742.2	172.9	10,952.3	5,617.0	456.9	4,279.2	2,452.4	3,308.8	3,630.2
June	30,730.9	-	16,725.3	214.8	10,984.7	5,525.8	437.6	4,236.3	2,456.0	3,226.0	3,649.6
July	30,893.6	-	16,716.7	194.6	10,987.2	5,534.9	452.9	4,210.5	2,465.5	3,300.8	3,747.3
Aug. (p)	31,102.8	-	16,695.7	182.6	11,034.2	5,478.8	460.0	4,195.4	2,482.9	3,307.5	3,961.3

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	26,251.1	12,214.6	1,170.3	11,044.3	3,629.2	2,195.4	1,433.8	767.0	4,845.6	222.9	4,571.8
2013	24,649.7	11,747.7	1,097.4	10,650.3	3,622.6	2,262.0	1,360.6	792.1	4,488.2	218.9	3,780.2
2014 Q1	24,907.2	11,747.5	1,108.0	10,639.5	3,682.7	2,352.6	1,330.0	804.2	4,639.5	210.2	3,823.2
Q2	25,134.0	11,709.1	1,101.3	10,607.8	3,696.2	2,377.9	1,318.3	805.5	4,752.3	211.3	3,959.6
2014 May	25,177.6	11,698.3	1,109.4	10,588.9	3,707.0	2,373.9	1,333.1	815.0	4,771.3	211.1	3,974.9
June	25,134.0	11,709.1	1,101.3	10,607.8	3,696.2	2,377.9	1,318.3	805.5	4,752.3	211.3	3,959.6
July	25,309.0	11,688.7	1,110.6	10,578.1	3,685.9	2,364.6	1,321.3	805.7	4,854.0	211.6	4,063.3
Aug. (p)	25,545.5	11,645.1	1,099.7	10,545.4	3,700.8	2,390.9	1,310.0	802.7	4,875.8	211.6	4,309.4
	Transactions										
2012	90.5	-35.3	-4.6	-30.8	112.1	183.0	-70.9	38.6	-150.0	-14.0	139.1
2013	-1,616.7	-278.3	-73.6	-204.7	-26.6	46.2	-72.8	14.1	-79.3	-2.1	-1,244.5
2014 Q1	185.0	-2.7	9.1	-11.8	35.4	58.8	-23.4	13.4	117.6	-8.8	30.2
Q2	165.5	-18.3	-6.0	-12.4	-8.9	2.6	-11.5	5.3	68.3	1.4	117.7
2014 May	82.2	-60.3	1.6	-61.9	45.7	9.1	36.6	-12.8	36.6	0.4	72.8
June	-58.1	26.7	-7.7	34.4	-17.8	-6.4	-11.4	-1.5	-33.2	0.5	-32.9
July	139.3	-11.6	7.6	-19.2	-16.6	-19.1	2.4	4.1	61.3	0.3	101.8
Aug. (p)	192.5	-44.8	-11.1	-33.7	4.5	16.6	-12.1	-3.6	-7.3	0.1	243.7

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	26,251.1	876.8	251.0	10,934.9	467.9	2,853.2	2,396.4	3,793.4	4,729.6	-52.1
2013	24,649.7	921.2	214.8	10,981.2	404.8	2,586.4	2,340.4	3,308.9	3,954.3	-62.3
2014 Q1	24,907.2	916.5	267.2	10,994.1	404.1	2,558.8	2,422.1	3,391.9	3,981.7	-29.2
Q2	25,134.0	935.3	315.9	11,034.6	392.2	2,533.2	2,457.3	3,374.8	4,138.9	-48.1
2014 May	25,177.6	928.9	289.6	11,003.1	405.2	2,563.1	2,426.9	3,476.6	4,116.5	-32.3
June	25,134.0	935.3	315.9	11,034.6	392.2	2,533.2	2,457.3	3,374.8	4,138.9	-48.1
July	25,309.0	944.7	292.8	11,033.1	409.6	2,524.3	2,470.6	3,437.2	4,239.4	-42.6
Aug. (p)	25,545.5	946.7	246.4	11,071.6	412.9	2,521.5	2,495.5	3,448.2	4,456.3	-53.7
	Transactions									
2012	90.5	19.5	-5.1	180.5	-18.2	-125.3	156.0	-251.4	151.4	-16.9
2013	-1,616.7	44.4	-37.0	162.8	-46.6	-199.2	79.1	-441.6	-1,187.1	8.6
2014 Q1	185.0	-5.3	52.0	8.5	6.9	-26.6	38.5	63.3	13.7	34.1
Q2	165.5	18.8	48.7	35.9	-11.6	-20.8	17.6	-43.6	134.8	-14.2
2014 May	82.2	7.1	33.1	20.5	-4.1	11.9	-9.1	-14.9	51.9	-14.3
June	-58.1	6.4	26.3	31.3	-12.9	-20.0	19.3	-103.0	5.9	-11.5
July	139.3	9.4	-23.1	-4.2	17.4	-16.9	14.7	33.3	103.4	5.2
Aug. (p)	192.5	2.0	-46.4	34.2	3.4	-8.1	15.2	-5.8	209.2	-11.1

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]

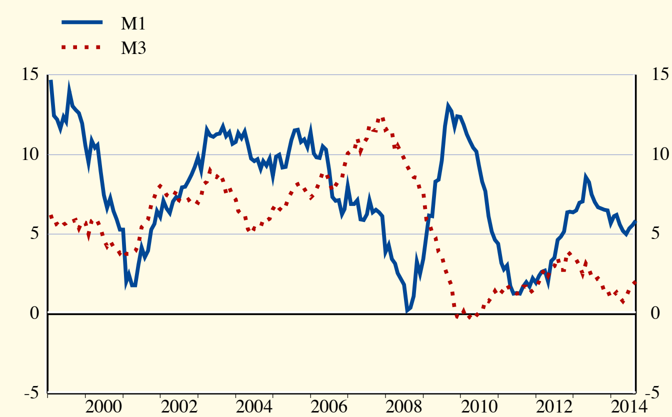
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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	789.8	9,779.3	-	7,569.0	3,406.0	13,055.3	10,854.0	-	1,035.4
2013	5,391.1	3,812.4	9,203.5	624.7	9,828.1	-	7,303.2	3,402.3	12,693.8	10,539.9	-	1,161.9
2014 Q1	5,488.3	3,791.7	9,280.0	602.1	9,882.1	-	7,348.6	3,453.1	12,658.1	10,530.8	-	1,262.8
Q2	5,547.2	3,808.4	9,355.6	602.3	9,957.9	-	7,288.8	3,439.6	12,595.0	10,467.5	-	1,364.1
2014 May	5,532.7	3,799.9	9,332.6	594.5	9,927.1	-	7,323.7	3,466.1	12,610.9	10,492.4	-	1,307.7
June	5,547.2	3,808.4	9,355.6	602.3	9,957.9	-	7,288.8	3,439.6	12,595.0	10,467.5	-	1,364.1
July	5,598.6	3,807.4	9,406.0	611.3	10,017.3	-	7,295.8	3,465.8	12,576.1	10,437.3	-	1,415.1
Aug. (p)	5,656.4	3,794.4	9,450.8	609.7	10,060.5	-	7,317.6	3,502.5	12,568.3	10,435.4	-	1,414.6
Transactions												
2012	307.4	78.6	386.0	-55.8	330.2	-	-116.7	184.4	-103.2	-71.0	-15.4	100.1
2013	291.2	-66.7	224.5	-124.1	100.3	-	-89.8	-25.0	-305.9	-247.9	-221.6	361.5
2014 Q1	89.3	-23.9	65.4	-14.5	50.9	-	9.0	17.2	-28.2	-10.0	-7.3	87.1
Q2	56.6	15.6	72.2	3.4	75.6	-	-76.8	-35.2	-39.4	-44.0	11.8	83.4
2014 May	32.5	10.5	43.0	5.0	48.0	-	-15.8	0.8	-23.7	-57.7	-8.7	27.9
June	14.5	8.3	22.9	8.7	31.6	-	-36.9	-36.3	11.0	-9.5	-3.9	43.5
July	51.1	-2.1	49.0	9.2	58.2	-	-1.0	18.9	-5.1	-19.8	-21.0	39.6
Aug. (p)	55.9	-13.8	42.1	-1.9	40.2	-	5.5	26.8	-10.3	-3.0	-2.4	-12.9
Growth rates												
2012	6.4	2.1	4.5	-6.6	3.5	3.5	-1.5	5.8	-0.8	-0.6	-0.1	100.1
2013	5.7	-1.7	2.5	-16.2	1.0	1.2	-1.2	-0.7	-2.3	-2.3	-2.1	361.5
2014 Q1	5.6	-2.3	2.2	-13.6	1.0	1.1	-1.0	-0.9	-2.5	-2.2	-2.0	382.6
Q2	5.4	-1.8	2.3	-8.8	1.6	1.5	-1.6	-2.6	-2.2	-1.8	-1.1	387.9
2014 May	5.0	-1.9	2.1	-12.1	1.1	1.2	-1.2	-1.4	-2.6	-2.0	-1.4	353.6
June	5.4	-1.8	2.3	-8.8	1.6	1.5	-1.6	-2.6	-2.2	-1.8	-1.1	387.9
July	5.6	-1.8	2.5	-6.8	1.8	1.8	-1.3	-1.8	-1.9	-1.6	-1.0	416.6
Aug. (p)	5.8	-1.7	2.7	-6.4	2.0	.	-1.1	-1.2	-1.9	-1.5	-0.9	380.9

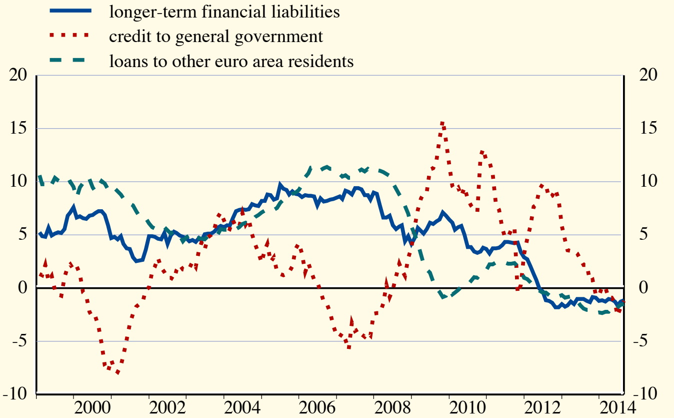
C1 Monetary aggregates [1]

(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]

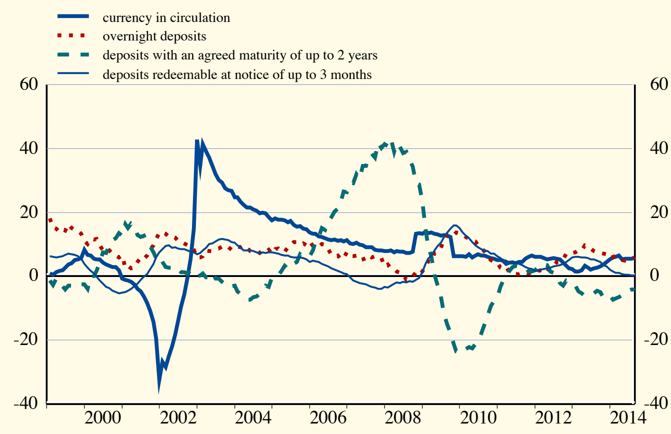
(EUR billions and annual growth rates; seasonally adjusted; outstanding amounts and growth rates at end of period; transactions during period)

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	182.9	2,685.0	106.1	2,395.2	2,382.7
2013	909.6	4,481.5	1,690.8	2,121.6	118.8	417.9	87.9	2,510.7	91.7	2,372.4	2,328.4
2014 Q1	926.3	4,562.0	1,667.4	2,124.3	116.8	402.0	83.2	2,472.6	91.2	2,358.7	2,426.2
Q2	930.2	4,617.0	1,675.8	2,132.6	131.4	394.6	76.3	2,454.1	89.9	2,299.2	2,445.6
2014 May	928.5	4,604.2	1,672.9	2,127.0	120.8	396.5	77.3	2,480.9	91.1	2,311.9	2,439.8
June	930.2	4,617.0	1,675.8	2,132.6	131.4	394.6	76.3	2,454.1	89.9	2,299.2	2,445.6
July	935.5	4,663.1	1,674.8	2,132.6	129.8	410.8	70.8	2,451.3	90.5	2,289.6	2,464.5
Aug. (p)	943.3	4,713.1	1,659.8	2,134.6	130.0	403.5	76.1	2,445.5	91.8	2,287.9	2,492.4
	Transactions										
2012	20.2	287.2	-36.0	114.7	-17.0	-20.0	-18.8	-105.9	-10.2	-156.3	155.7
2013	45.6	245.5	-109.9	43.2	-11.9	-48.6	-63.6	-137.3	-14.3	-18.7	80.5
2014 Q1	16.1	73.2	-26.2	2.2	-2.1	-8.1	-4.3	-37.5	-0.5	-7.7	54.7
Q2	3.9	52.7	7.3	8.3	14.4	-7.2	-3.7	-16.8	-1.3	-60.4	1.8
2014 May	2.8	29.6	7.6	3.0	1.2	-5.5	9.2	5.5	0.0	-12.2	-9.1
June	1.7	12.8	2.8	5.6	10.6	-1.9	-0.1	-17.7	-1.2	-12.8	-5.2
July	5.3	45.9	-2.0	-0.1	-1.8	16.3	-5.3	-11.2	0.5	-10.7	20.3
Aug. (p)	7.8	48.1	-15.7	1.9	0.1	-7.1	5.1	-10.8	1.4	-3.3	18.2
	Growth rates										
2012	2.4	7.2	-1.9	5.8	-11.8	-3.9	-9.8	-3.8	-8.8	-6.1	6.9
2013	5.3	5.8	-6.1	2.1	-9.5	-10.4	-37.6	-5.1	-13.5	-0.8	3.4
2014 Q1	6.5	5.4	-6.4	1.1	-9.9	-10.4	-28.4	-4.6	-9.6	-1.7	4.0
Q2	5.5	5.3	-4.5	0.5	5.3	-8.2	-25.7	-3.2	-6.9	-3.9	2.6
2014 May	5.5	4.9	-4.7	0.5	-7.0	-9.3	-27.7	-3.2	-6.7	-3.5	3.4
June	5.5	5.3	-4.5	0.5	5.3	-8.2	-25.7	-3.2	-6.9	-3.9	2.6
July	5.6	5.6	-4.2	0.2	1.1	-3.9	-28.3	-2.6	-5.1	-4.2	3.4
Aug. (p)	5.8	5.8	-4.2	0.3	6.4	-5.2	-24.5	-2.5	-2.9	-4.3	3.5

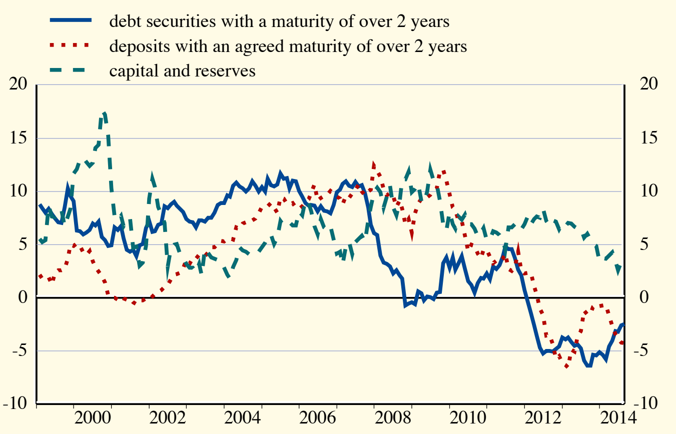
C3 Components of monetary aggregates [1]

(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.

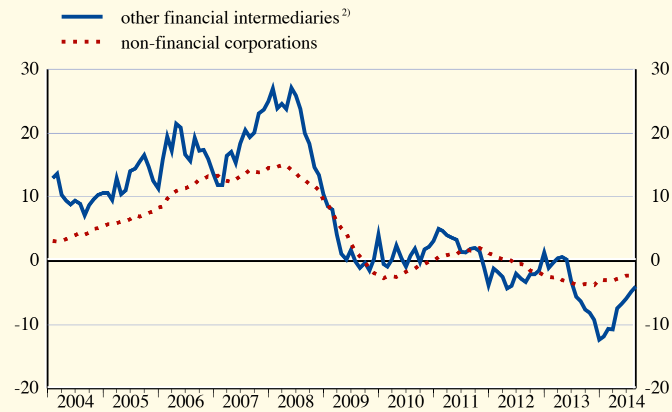
2.3 Monetary statistics [1]

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

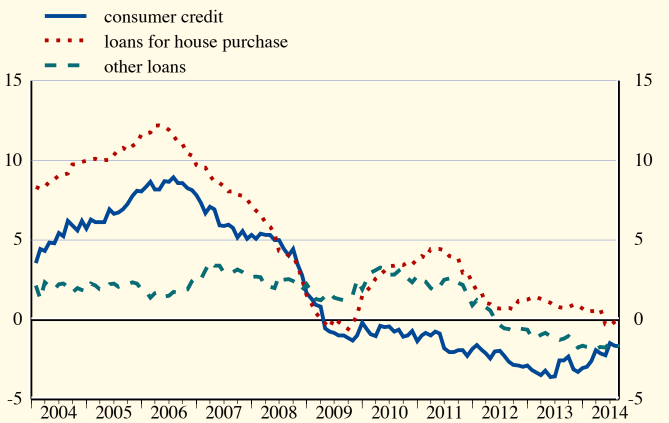
3. Loans as counterpart to M3

	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	865.5	4,355.7	-	1,067.5	740.5	2,547.8	5,220.4	-	573.3	3,851.3	795.7
2014 Q1	101.1	860.2	4,337.1	-	1,058.7	732.0	2,546.4	5,232.3	-	572.6	3,867.2	792.5
Q2	98.3	872.2	4,307.8	-	1,056.4	734.6	2,516.8	5,189.1	-	569.9	3,831.2	787.9
2014 May	95.9	887.7	4,317.3	-	1,038.6	734.2	2,544.4	5,191.5	-	568.2	3,833.3	790.1
June	98.3	872.2	4,307.8	-	1,056.4	734.6	2,516.8	5,189.1	-	569.9	3,831.2	787.9
July	102.5	852.1	4,292.6	-	1,051.7	731.4	2,509.6	5,190.0	-	570.8	3,833.0	786.2
Aug. (p)	96.6	852.1	4,292.1	-	1,051.2	731.4	2,509.5	5,194.6	-	568.3	3,842.2	784.1
	Transactions											
2012	-2.0	12.7	-107.3	-60.1	6.5	-51.4	-62.4	25.6	34.3	-17.7	48.5	-5.1
2013	9.6	-120.6	-133.1	-127.9	-44.6	-44.9	-43.7	-3.7	14.1	-18.0	27.4	-13.1
2014 Q1	2.8	6.9	-28.0	-26.9	-6.6	-6.8	-14.6	8.3	9.7	0.5	10.7	-2.8
Q2	-2.8	12.4	-16.7	-6.2	-0.2	7.2	-23.7	-36.9	7.8	-2.1	-34.5	-0.3
2014 May	-4.1	0.8	-10.8	-7.6	-8.5	-3.6	1.4	-43.6	2.1	-2.4	-38.9	-2.3
June	2.5	-14.1	0.4	4.9	19.1	4.0	-22.7	1.7	2.8	1.4	-0.4	0.7
July	4.1	-11.6	-14.4	-16.1	-5.3	-2.1	-7.0	2.1	2.8	0.7	2.3	-0.9
Aug. (p)	-5.9	-1.3	-0.7	-0.4	-0.5	-0.2	0.0	5.0	5.1	-1.6	8.5	-1.9
	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	-12.3	-2.9	-2.8	-4.0	-5.7	-1.7	-0.1	0.3	-3.0	0.7	-1.6
2014 Q1	9.0	-10.8	-3.1	-3.1	-4.9	-5.1	-1.7	-0.1	0.4	-1.9	0.6	-1.8
Q2	4.7	-5.9	-2.3	-2.2	-2.8	-3.3	-1.8	-0.6	0.5	-1.5	-0.4	-1.4
2014 May	2.9	-6.7	-2.6	-2.6	-4.9	-4.2	-1.2	-0.7	0.4	-2.2	-0.3	-1.8
June	4.7	-5.9	-2.3	-2.2	-2.8	-3.3	-1.8	-0.6	0.5	-1.5	-0.4	-1.4
July	7.1	-4.9	-2.4	-2.2	-2.4	-3.6	-1.9	-0.5	0.5	-1.6	-0.1	-1.4
Aug. (p)	0.2	-4.0	-2.2	-2.0	-2.1	-3.5	-1.8	-0.5	0.5	-1.6	0.0	-1.7

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	984.8	122.9	439.4	223.7	321.7	4,344.6	1,059.2	739.4	2,545.9
2014 Q1	99.4	82.0	4.0	13.4	979.0	117.8	440.3	221.2	317.4	4,336.4	1,061.1	731.3	2,544.1
Q2	99.1	82.9	3.9	12.2	997.0	121.3	449.8	234.6	312.6	4,316.0	1,066.1	735.3	2,514.6
2014 June	99.1	82.9	3.9	12.2	997.0	121.3	449.8	234.6	312.6	4,316.0	1,066.1	735.3	2,514.6
July	104.3	87.6	4.5	12.2	977.4	125.5	429.0	235.5	312.9	4,302.6	1,057.1	733.1	2,512.4
Aug. (p)	100.6	84.0	4.5	12.1	968.0	122.2	417.3	237.9	312.7	4,283.1	1,038.4	732.3	2,512.4
	Transactions												
2013	8.8	8.8	-0.3	0.3	-75.7	44.8	-54.8	3.9	-24.9	-133.6	-44.4	-44.9	-44.3
2014 Q1	9.3	9.4	-0.2	0.1	6.2	-5.2	4.6	-3.7	5.3	-17.6	4.0	-6.5	-15.1
Q2	-0.2	0.9	0.0	-1.1	18.4	3.6	9.6	13.6	-4.8	-7.8	7.1	8.7	-23.6
2014 June	1.9	2.6	0.0	-0.6	10.0	25.1	18.2	3.6	-11.8	6.9	25.4	2.9	-21.4
July	5.1	4.6	0.6	0.0	-11.2	4.2	-10.7	0.3	-0.8	-12.5	-9.5	-1.1	-1.9
Aug. (p)	-3.6	-3.6	0.0	-0.1	-10.6	-3.3	-11.9	2.1	-0.8	-19.7	-18.8	-1.0	0.1
	Growth rates												
2013	10.7	13.7	-7.0	2.2	-6.7	24.4	-10.3	1.9	-7.1	-3.0	-4.0	-5.7	-1.7
2014 Q1	8.9	9.1	2.6	9.7	-8.8	0.0	-13.8	2.3	-7.6	-3.1	-4.9	-5.1	-1.6
Q2	4.6	5.2	5.5	0.3	-5.5	-2.6	-11.2	10.1	-5.8	-2.3	-2.8	-3.3	-1.8
2014 June	4.6	5.2	5.5	0.3	-5.5	-2.6	-11.2	10.1	-5.8	-2.3	-2.8	-3.3	-1.8
July	7.0	7.4	25.8	-0.7	-2.1	13.2	-6.2	9.7	-4.1	-2.4	-2.4	-3.6	-2.0
Aug. (p)	0.5	-0.1	28.5	-3.2	-3.1	3.6	-9.1	10.0	-3.1	-2.2	-2.1	-3.4	-1.8

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	5,229.7	575.8	128.6	169.5	277.7	3,857.5	12.7	55.4	3,789.4	796.5	408.6	136.5	76.4	583.6
2014 Q1	5,223.6	570.1	126.9	166.3	277.0	3,863.1	13.1	54.7	3,795.3	790.4	400.9	135.1	75.9	579.3
Q2	5,194.5	572.1	125.7	168.9	277.5	3,829.6	13.2	54.5	3,761.9	792.8	399.8	141.1	75.5	576.3
2014 June	5,194.5	572.1	125.7	168.9	277.5	3,829.6	13.2	54.5	3,761.9	792.8	399.8	141.1	75.5	576.3
July	5,192.6	572.0	124.1	169.8	278.1	3,835.8	13.3	54.6	3,768.0	784.8	399.5	133.1	75.0	576.6
Aug. (p)	5,192.5	568.1	122.7	169.0	276.4	3,841.8	13.1	55.0	3,773.6	782.6	397.0	131.8	74.4	576.5
	Transactions													
2013	-4.2	-18.1	-4.0	-6.8	-7.3	27.2	-1.4	-1.5	30.1	-13.3	-10.7	-3.5	-3.7	-6.1
2014 Q1	-9.8	-4.4	-1.5	-1.6	-1.3	0.3	0.2	-1.0	1.1	-5.7	-2.1	-1.2	-0.4	-4.0
Q2	-22.8	2.5	-1.0	4.1	-0.7	-32.0	0.1	-0.3	-31.8	6.7	0.0	6.9	0.1	-0.3
2014 June	15.6	4.2	1.0	4.2	-1.0	4.6	0.2	0.2	4.2	6.8	0.9	8.4	-0.1	-1.5
July	-0.7	-0.2	-1.8	0.9	0.7	6.7	0.0	0.1	6.6	-7.2	-1.7	-7.7	-0.1	0.7
Aug. (p)	0.2	-3.1	-1.3	-0.8	-0.9	5.3	-0.1	0.5	4.9	-1.9	-2.6	-1.3	-0.7	0.0
	Growth rates													
2013	-0.1	-3.0	-2.9	-3.9	-2.5	0.7	-9.9	-2.6	0.8	-1.6	-2.6	-2.5	-4.6	-1.0
2014 Q1	-0.1	-1.9	-0.4	-2.8	-2.1	0.6	-4.6	-2.8	0.6	-1.8	-2.1	-2.8	-2.8	-1.5
Q2	-0.7	-1.5	-2.2	0.1	-2.1	-0.4	-5.0	-2.8	-0.3	-1.4	-1.6	-0.5	-2.7	-1.5
2014 June	-0.7	-1.5	-2.2	0.1	-2.1	-0.4	-5.0	-2.8	-0.3	-1.4	-1.6	-0.5	-2.7	-1.5
July	-0.5	-1.6	-3.1	0.4	-2.2	-0.1	2.4	-3.4	-0.1	-1.4	-1.5	-1.1	-3.1	-1.3
Aug. (p)	-0.4	-1.6	-3.3	0.5	-2.2	0.0	2.6	-2.4	0.0	-1.7	-1.8	-1.5	-3.9	-1.5

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.

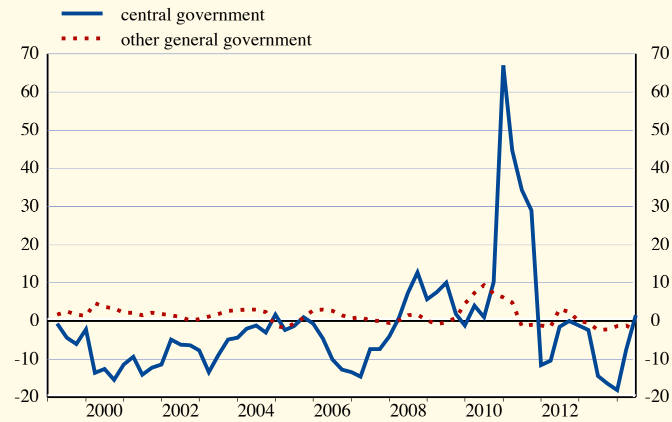
2.4 MFI loans: breakdown [1), 2)]

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

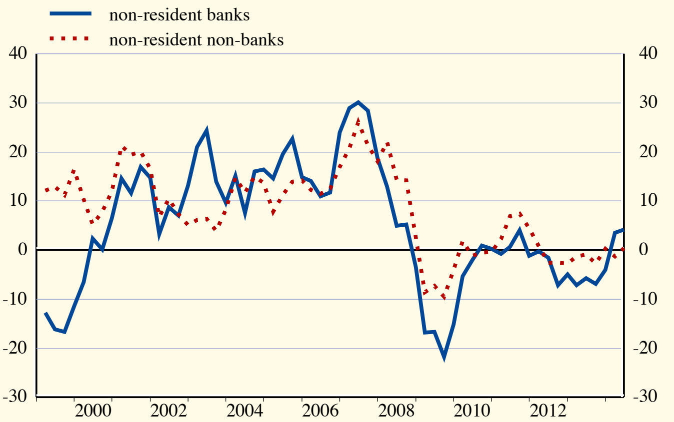
3. Loans to government and non-euro area residents

	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									
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	1,082.4	279.6	213.8	560.7	28.3	2,726.0	1,788.1	937.9	56.5	881.4
2013 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	1,082.4	279.6	213.8	560.7	28.3	2,726.0	1,788.1	937.9	56.5	881.4
2014 Q1	1,092.9	289.2	213.5	562.0	28.2	2,864.4	1,904.3	960.1	58.4	901.7
Q2 (p)	1,087.7	295.6	207.4	556.1	28.5	2,933.4	1,957.1	975.8	57.7	918.1
	Transactions									
2012	-3.6	-4.1	-4.9	2.9	2.4	-128.3	-100.8	-27.5	-1.0	-26.5
2013	-72.1	-61.7	-7.9	-6.7	4.2	-72.7	-75.9	3.2	-2.1	5.3
2013 Q3	-12.4	-5.1	-4.5	-6.4	3.5	-91.4	-77.3	-14.0	2.4	-16.4
Q4	-8.0	-5.4	0.0	0.7	-3.3	-10.9	3.0	-13.9	-2.2	-11.8
2014 Q1	9.1	8.5	-0.3	1.0	-0.1	135.1	113.4	21.6	2.1	19.5
Q2 (p)	-4.5	6.4	-6.1	-5.1	0.3	47.4	36.7	10.2	-1.0	11.2
	Growth rates									
2012	-0.3	-1.2	-2.2	0.5	11.2	-4.2	-4.9	-2.8	-1.8	-2.8
2013	-6.2	-18.1	-3.5	-1.2	17.2	-2.6	-4.0	0.3	-3.6	0.5
2013 Q3	-6.3	-16.3	-7.7	-1.0	20.1	-5.5	-6.9	-2.8	3.3	-3.2
Q4	-6.2	-18.1	-3.5	-1.2	17.2	-2.6	-4.0	0.3	-3.6	0.5
2014 Q1	-3.0	-7.6	-1.7	-1.4	8.5	1.8	3.5	-1.3	1.8	-1.5
Q2 (p)	-1.4	1.5	-5.0	-1.7	1.7	2.9	4.1	0.4	2.3	0.3

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.

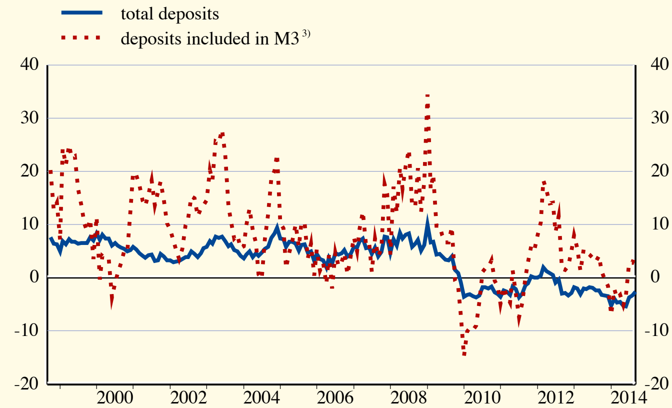
2.5 Deposits held with MFIs: breakdown 1), 2)

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

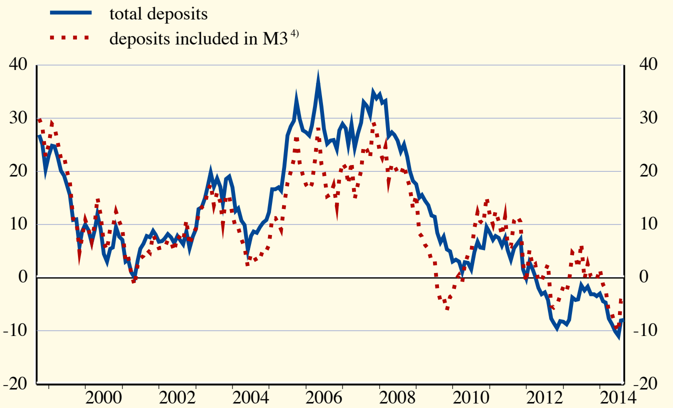
1. Deposits by financial intermediaries

	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	2,020.0	410.1	236.6	1,021.0	13.6	0.3	338.6	260.8
2013	653.6	96.1	76.5	462.8	7.0	0.1	11.0	1,861.8	424.7	221.4	942.7	16.4	0.5	256.1	184.2
2014 Q1	665.6	111.4	78.0	456.0	8.0	0.1	12.0	1,843.2	439.6	215.3	915.3	18.5	0.5	254.0	177.1
Q2	654.5	109.3	75.4	449.5	8.1	0.1	12.1	1,796.9	442.0	212.9	871.3	16.5	0.2	254.0	171.2
2014 May	658.8	110.4	77.3	451.1	8.1	0.1	11.8	1,783.2	437.5	220.3	879.2	16.7	0.3	229.0	147.2
June	654.5	109.3	75.4	449.5	8.1	0.1	12.1	1,796.9	442.0	212.9	871.3	16.5	0.2	254.0	171.2
July	661.7	114.6	75.5	447.2	8.1	0.1	16.2	1,791.0	435.1	214.3	865.6	16.6	0.2	259.1	169.6
Aug. (p)	657.7	110.9	76.5	445.9	8.0	0.2	16.2	1,792.7	430.4	224.0	862.5	16.6	0.4	258.9	171.6
	Transactions														
2012	-12.3	15.2	2.9	-27.6	2.0	0.0	-4.7	-181.2	23.4	-49.5	-166.0	-2.0	-0.3	13.2	9.4
2013	-36.0	-9.2	-5.3	-21.9	1.3	-0.1	-0.8	-54.7	14.8	-14.8	-76.6	3.0	0.3	18.6	32.6
2014 Q1	11.3	15.0	1.2	-6.8	0.9	0.0	1.0	-13.1	14.3	-6.4	-20.8	2.0	-0.1	-2.1	-7.1
Q2	-11.1	-2.1	-2.6	-6.5	0.0	0.0	0.0	-47.9	1.1	-2.4	-44.7	-1.5	-0.2	-0.2	-5.9
2014 May	-6.3	-3.1	-0.6	-1.7	0.1	0.0	-0.9	-23.0	1.3	0.0	-11.3	-0.5	-0.2	-12.4	-15.6
June	-4.6	-1.0	-2.0	-1.9	0.0	0.0	0.3	13.7	4.5	-7.4	-7.8	-0.2	-0.1	24.9	24.0
July	7.0	5.1	0.1	-2.4	0.0	0.0	4.2	-5.2	-4.7	1.0	-6.7	0.1	0.0	5.0	-1.6
Aug. (p)	-4.2	-3.7	0.9	-1.3	-0.1	0.0	0.0	0.3	-5.4	9.7	-3.7	-0.1	0.1	-0.3	1.9
	Growth rates														
2012	-1.7	16.5	3.8	-5.4	50.8	-	-32.1	-8.2	6.0	-17.3	-14.0	-14.0	-	2.9	2.5
2013	-5.2	-8.8	-6.5	-4.5	18.7	-	-7.3	-2.9	3.6	-6.3	-7.5	21.8	-	2.7	10.5
2014 Q1	-4.5	-2.0	-7.1	-5.1	9.3	-	4.8	-7.7	0.0	-9.3	-9.1	23.5	-	-14.3	-12.8
Q2	-3.6	4.8	-4.0	-6.3	9.3	-	34.7	-10.9	-3.0	-7.7	-11.7	1.4	-	-20.5	-23.8
2014 May	-5.3	-1.4	-7.3	-6.2	4.4	-	1.6	-10.0	-1.4	-4.8	-11.1	12.6	-	-23.4	-27.8
June	-3.6	4.8	-4.0	-6.3	9.3	-	34.7	-10.9	-3.0	-7.7	-11.7	1.4	-	-20.5	-23.8
July	-3.3	4.8	-6.8	-5.9	4.7	-	53.8	-8.0	0.3	-8.1	-11.8	-1.5	-	-8.3	-9.8
Aug. (p)	-2.6	6.3	-5.4	-5.7	-2.2	-	83.2	-7.9	-1.0	-4.9	-11.4	2.0	-	-9.3	-11.6

C9 Deposits by insurance corporations and pension funds 2)
(annual growth rates)



C10 Deposits by other financial intermediaries 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)]

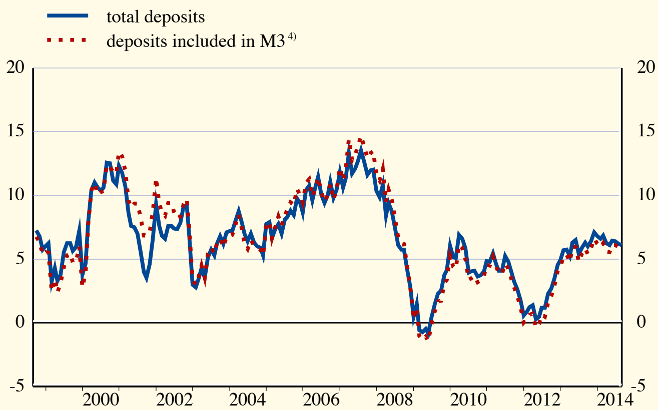
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

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	1,873.9	1,236.7	404.4	122.8	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	1,852.6	1,214.7	400.3	126.4	95.8	1.8	13.6	6,287.4	2,538.5	869.7	813.7	1,976.0	83.7	5.7
Q2	1,874.7	1,248.5	384.1	127.3	97.9	2.0	14.9	6,339.5	2,615.2	855.7	807.8	1,974.5	82.1	4.2
2014 May	1,875.5	1,238.5	393.5	126.5	98.3	1.9	16.8	6,322.8	2,589.5	860.4	809.5	1,975.1	83.3	5.0
June	1,874.7	1,248.5	384.1	127.3	97.9	2.0	14.9	6,339.5	2,615.2	855.7	807.8	1,974.5	82.1	4.2
July	1,876.3	1,243.6	391.8	127.2	98.6	2.0	13.1	6,341.0	2,624.0	852.7	804.8	1,971.7	82.7	5.0
Aug. (p)	1,905.7	1,262.9	395.9	129.1	99.4	2.2	16.3	6,355.1	2,643.3	848.2	802.6	1,972.4	83.6	5.1
	Transactions													
2012	82.2	99.6	-35.5	12.9	9.5	0.0	-4.3	224.6	90.2	33.9	21.6	100.8	-9.5	-12.3
2013	119.6	92.4	-3.7	17.8	7.5	-0.1	5.7	148.4	176.8	-100.1	59.5	32.2	-14.1	-5.9
2014 Q1	-25.9	-25.6	-4.8	3.3	4.1	0.1	-2.9	20.9	15.0	-8.4	6.8	6.4	-0.2	1.3
Q2	17.1	31.7	-17.1	0.9	0.3	0.1	1.1	54.6	77.7	-14.1	-6.0	0.3	-1.7	-1.5
2014 May	16.5	22.6	-6.3	0.0	0.2	0.1	-0.1	25.1	28.2	-3.1	-1.8	2.5	-0.2	-0.5
June	-1.1	10.2	-9.6	0.7	-0.5	0.1	-2.0	16.6	25.5	-4.6	-1.7	-0.6	-1.2	-0.8
July	-0.9	-6.8	7.2	-0.1	0.6	0.0	-1.8	0.7	8.3	-3.2	-3.0	-2.8	0.6	0.8
Aug. (p)	27.2	18.5	3.5	1.0	0.8	0.2	3.1	13.6	19.1	-4.7	-2.3	0.7	0.9	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
2014 Q1	6.2	8.4	-2.5	15.4	5.6	16.7	23.4	2.0	6.8	-9.9	7.5	0.6	-10.1	-30.8
Q2	6.4	8.5	-1.8	10.6	5.0	26.4	40.3	2.1	6.9	-8.0	5.0	0.3	-7.0	-30.5
2014 May	6.5	8.1	-0.3	11.5	5.3	22.1	27.9	2.2	7.5	-8.8	5.5	0.3	-6.9	-26.1
June	6.4	8.5	-1.8	10.6	5.0	26.4	40.3	2.1	6.9	-8.0	5.0	0.3	-7.0	-30.5
July	6.2	8.2	-0.7	9.4	4.1	24.1	26.9	2.1	7.1	-7.6	4.0	0.1	-5.1	-26.9
Aug. (p)	6.1	7.9	-0.5	9.4	3.4	33.2	33.7	2.1	7.3	-7.5	3.1	0.1	-2.8	-23.2

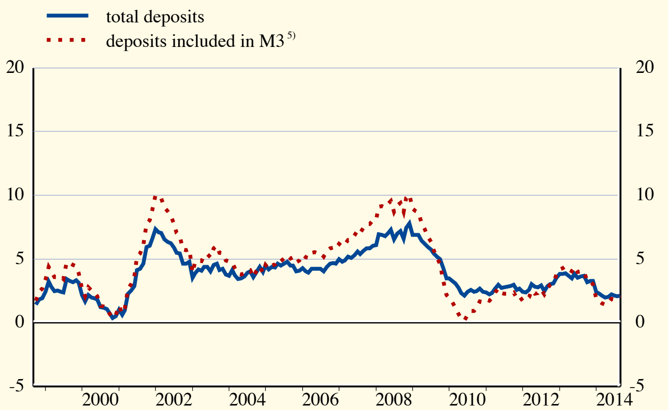
C11 Deposits by non-financial corporations [2)]

(annual growth rates)



C12 Deposits by households [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)]

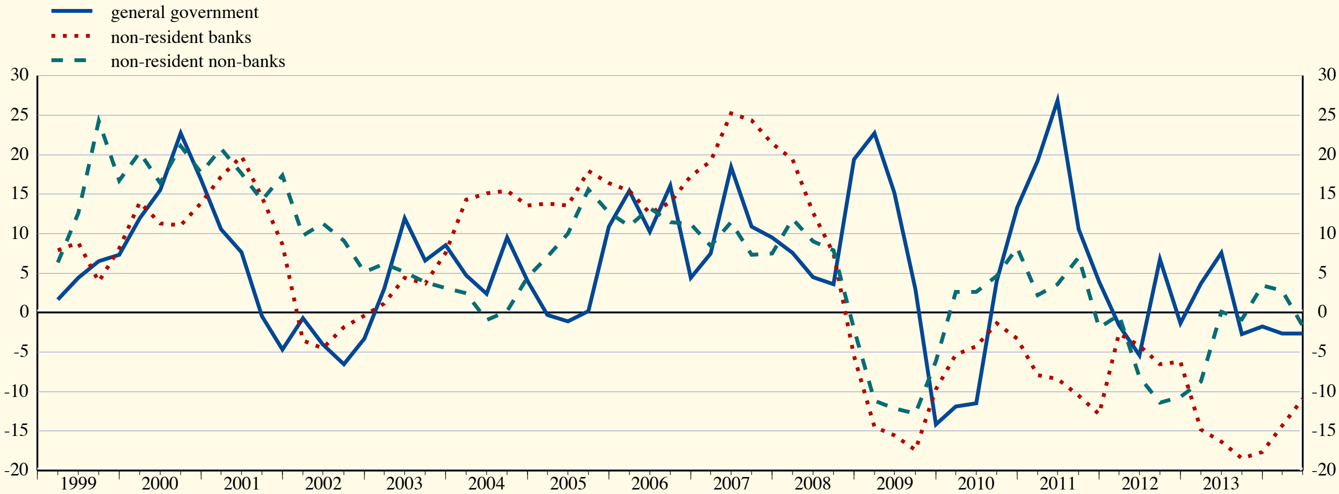
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period; transactions during period)

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									
2012	447.9	169.6	62.8	111.7	103.8	2,895.4	2,016.8	878.6	39.8	838.7
2013	441.0	152.5	64.1	109.2	115.3	2,519.8	1,626.0	893.8	29.8	864.0
2013 Q3	495.5	190.9	70.7	113.6	120.2	2,666.1	1,737.5	928.6	43.0	885.6
Q4	441.0	152.5	64.1	109.2	115.3	2,519.8	1,626.0	893.8	29.8	864.0
2014 Q1	488.0	181.1	73.1	110.7	123.3	2,594.9	1,667.7	927.2	33.8	893.4
Q2 (p)	534.0	214.8	72.5	113.2	133.5	2,581.9	1,659.1	922.5	31.2	891.3
	Transactions									
2012	-7.9	-22.6	-0.3	-0.4	15.5	-240.1	-135.6	-104.5	-5.1	-99.4
2013	-8.0	-17.9	1.1	-2.6	11.3	-324.7	-355.1	30.4	-8.8	39.3
2013 Q3	-49.8	-44.7	-0.1	-1.7	-3.3	-128.8	-127.6	-1.2	7.9	-9.1
Q4	-55.2	-39.1	-6.6	-4.5	-5.0	-124.7	-95.8	-28.9	-13.0	-15.9
2014 Q1	45.5	28.5	9.0	1.3	6.7	63.2	38.1	25.1	3.9	21.2
Q2 (p)	45.4	33.8	-0.6	2.6	9.7	-29.7	-19.0	-11.0	-2.7	-8.3
	Growth rates									
2012	-1.4	-11.7	10.3	-0.4	18.2	-7.5	-6.2	-10.7	-11.9	-10.6
2013	-1.8	-10.5	1.8	-2.3	10.8	-11.3	-17.7	3.4	-22.7	4.6
2013 Q3	-2.8	-5.4	-24.1	2.1	16.3	-13.1	-18.4	-0.9	2.0	-1.0
Q4	-1.8	-10.5	1.8	-2.3	10.8	-11.3	-17.7	3.4	-22.7	4.6
2014 Q1	-2.6	-13.5	9.0	-1.2	9.0	-9.0	-14.4	2.8	-7.8	3.2
Q2 (p)	-2.7	-9.4	2.3	-2.0	6.5	-7.8	-10.9	-1.7	-11.0	-1.3

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.

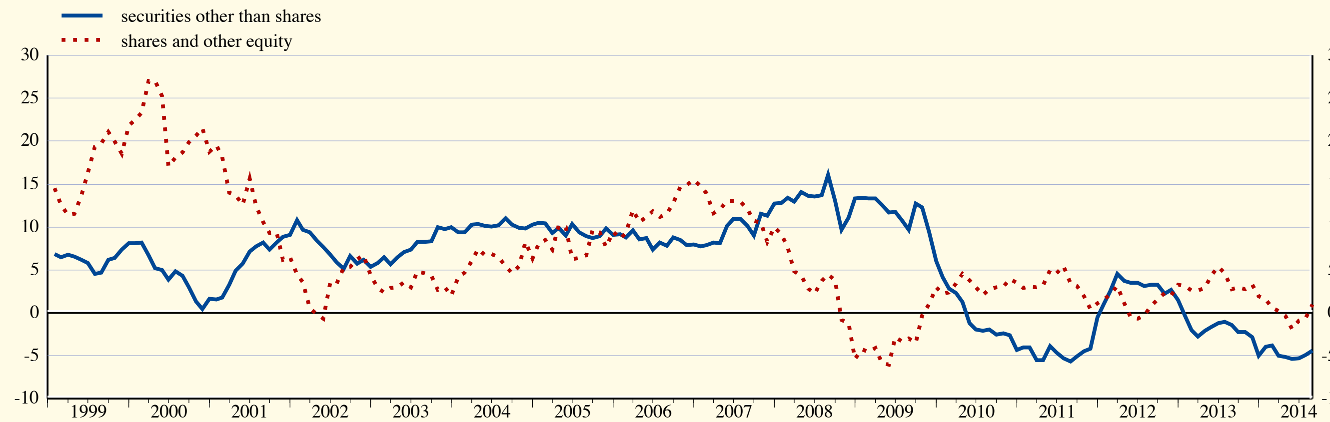
2.6 MFI holdings of securities: breakdown [1), 2)]

(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	5,774.7	1,748.7	102.9	1,594.2	32.8	1,399.6	23.6	872.8	1,528.5	475.7	752.1	300.7
2013	5,472.0	1,540.6	102.7	1,674.1	20.3	1,307.0	28.7	798.6	1,561.4	457.0	775.5	328.9
2014 Q1	5,503.2	1,504.2	113.7	1,755.4	19.2	1,277.8	29.4	803.6	1,560.3	462.4	786.6	311.3
Q2	5,523.8	1,469.0	112.8	1,788.8	19.7	1,270.2	32.5	830.8	1,547.8	449.2	787.4	311.1
2014 May	5,533.7	1,481.1	113.2	1,788.0	18.9	1,284.3	31.4	816.9	1,570.7	458.8	797.0	315.0
June	5,523.8	1,469.0	112.8	1,788.8	19.7	1,270.2	32.5	830.8	1,547.8	449.2	787.4	311.1
July	5,513.4	1,451.0	114.5	1,779.5	20.8	1,275.4	31.7	840.6	1,546.8	450.3	788.2	308.3
Aug. (p)	5,534.7	1,438.7	114.2	1,809.2	21.4	1,264.2	31.6	855.3	1,547.4	452.2	784.9	310.3
	Transactions											
2012	83.1	-17.5	16.0	191.1	10.5	-67.8	-4.0	-45.2	49.8	6.6	37.9	5.3
2013	-288.3	-220.3	-0.3	65.5	-11.3	-93.0	5.9	-34.8	29.7	-12.4	13.4	28.7
2014 Q1	10.0	-38.8	10.5	58.4	-1.4	-20.7	0.5	1.5	-4.3	-0.5	12.6	-16.4
Q2	-8.5	-36.4	-3.4	16.6	0.0	-6.6	2.4	18.8	2.7	-1.0	5.3	-1.6
2014 May	25.8	-26.2	-0.1	11.1	-0.1	39.9	2.1	-0.9	-9.9	-1.1	-12.9	4.1
June	-15.7	-11.9	-0.9	-6.9	0.7	-10.7	1.0	13.0	-3.0	2.3	-1.4	-3.9
July	-24.6	-18.4	0.2	-13.8	0.8	5.1	-1.3	2.8	2.7	1.1	4.5	-2.8
Aug. (p)	7.7	-12.9	-0.8	22.3	0.5	-11.6	-0.4	10.7	-0.7	1.4	-3.7	1.7
	Growth rates											
2012	1.5	-1.0	18.3	14.0	47.7	-4.6	-14.6	-4.8	3.3	1.3	5.2	1.8
2013	-5.0	-12.5	-0.4	4.1	-35.2	-6.6	25.2	-4.0	1.9	-2.6	1.8	9.7
2014 Q1	-5.0	-11.7	-6.4	2.7	-36.9	-7.0	11.0	-2.4	0.2	-0.7	1.0	-0.4
Q2	-5.3	-11.4	-5.1	-1.3	-33.2	-7.4	19.9	2.2	-0.9	-2.9	0.5	-1.1
2014 May	-5.4	-11.9	-5.5	0.9	-37.9	-7.4	10.8	-1.3	-1.8	-3.9	-0.9	-1.1
June	-5.3	-11.4	-5.1	-1.3	-33.2	-7.4	19.9	2.2	-0.9	-2.9	0.5	-1.1
July	-4.9	-11.9	-6.8	0.0	-29.9	-6.9	10.5	2.9	-0.6	-4.6	2.6	-2.6
Aug. (p)	-4.4	-11.9	-0.6	1.2	-34.0	-7.5	9.9	4.5	1.0	0.5	2.5	-1.9

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	USD	JPY	CHF	GBP			Total	USD	JPY	CHF	GBP
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Loans														
To euro area residents														
2012	5,790.4	-	-	-	-	-	-	12,196.7	96.4	3.6	1.7	0.2	0.9	0.5
2013	5,249.7	-	-	-	-	-	-	11,731.5	96.8	3.2	1.7	0.1	0.9	0.4
2014 Q1	5,211.2	-	-	-	-	-	-	11,731.3	96.8	3.2	1.7	0.1	0.9	0.3
Q2 (p)	5,193.0	-	-	-	-	-	-	11,694.3	96.7	3.3	1.8	0.1	0.9	0.4
To non-euro area residents														
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	1,788.1	41.0	59.0	38.7	1.8	3.4	9.5	937.9	40.2	59.8	38.1	3.0	2.7	9.3
2014 Q1	1,904.3	39.1	60.9	39.1	2.6	3.6	10.1	960.1	40.5	59.5	37.9	2.7	2.6	9.4
Q2 (p)	1,957.1	38.5	61.5	40.1	2.7	3.9	9.3	975.8	39.8	60.2	37.3	3.6	2.5	9.7
Holdings of securities other than shares														
Issued by euro area residents														
2012	1,851.6	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	1,643.3	93.7	6.3	2.6	0.1	0.3	2.8	3,030.1	98.4	1.6	0.8	0.2	0.1	0.5
2014 Q1	1,617.9	93.0	7.0	2.9	0.1	0.2	3.3	3,081.8	98.4	1.6	0.8	0.1	0.1	0.5
Q2 (p)	1,581.8	92.9	7.1	2.8	0.1	0.3	3.4	3,111.2	98.3	1.7	0.9	0.1	0.1	0.5
Issued by non-euro area residents														
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	421.7	52.4	47.6	20.2	0.2	0.6	20.0	376.9	38.2	61.8	37.5	4.1	1.0	10.7
2014 Q1	423.4	52.9	47.1	20.0	0.2	0.4	19.8	380.2	37.4	62.6	37.6	5.0	0.7	10.3
Q2 (p)	432.3	52.6	47.4	21.2	0.3	0.5	20.0	398.5	37.7	62.3	38.3	4.8	0.8	10.0
Deposits														
By euro area residents														
2012	6,155.3	93.8	6.2	3.9	0.2	1.1	0.6	11,040.0	97.0	3.0	2.0	0.1	0.1	0.4
2013	5,552.6	93.4	6.6	4.2	0.2	1.0	0.7	11,093.5	96.8	3.2	2.2	0.1	0.1	0.4
2014 Q1	5,517.5	93.0	7.0	4.4	0.2	1.1	0.7	11,136.8	96.8	3.2	2.2	0.1	0.1	0.4
Q2 (p)	5,525.8	92.8	7.2	4.6	0.2	1.0	0.8	11,199.5	96.7	3.3	2.2	0.1	0.1	0.4
By non-euro area residents														
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	1,626.0	51.3	48.7	33.1	1.7	1.5	7.8	893.8	53.9	46.1	29.7	2.1	1.2	6.4
2014 Q1	1,667.7	51.5	48.5	33.8	1.6	1.5	7.2	927.2	53.8	46.2	30.0	2.2	1.0	6.6
Q2 (p)	1,659.1	49.5	50.5	35.4	2.0	1.6	7.4	922.5	52.0	48.0	30.3	2.6	1.1	7.3

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
2012	5,068.0	81.8	18.2	9.6	1.6	1.9	2.5
2013	4,582.7	81.0	19.0	10.7	1.3	1.8	2.7
2014 Q1	4,550.7	80.5	19.5	11.0	1.3	1.8	2.8
Q2 (p)	4,493.7	79.6	20.4	11.6	1.2	1.8	3.0

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			
2014 Jan.	8,035.3	534.4	3,172.8	2,340.6	1,119.9	255.8	611.8
Feb.	8,203.6	543.6	3,215.7	2,421.4	1,144.2	256.1	622.6
Mar.	8,368.8	557.6	3,279.2	2,417.7	1,179.4	255.2	679.6
Apr.	8,474.2	558.2	3,329.6	2,430.7	1,185.7	259.6	710.4
May	8,696.8	561.9	3,405.5	2,521.8	1,218.7	264.8	724.1
June	8,755.3	550.1	3,443.8	2,552.3	1,247.8	258.8	702.5
July (p)	8,850.2	564.4	3,484.6	2,571.6	1,256.8	258.0	714.6
				Transactions			
2013 Q4	60.9	3.1	6.2	43.5	51.7	3.5	-47.2
2014 Q1	229.6	44.8	103.2	50.9	21.5	1.6	7.5
Q2	222.7	3.0	101.9	51.2	32.5	3.6	30.5

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			
2014 Jan.	8,035.3	180.5	7,294.4	5,350.8	886.9	1,943.6	560.4
Feb.	8,203.6	184.3	7,448.2	5,467.9	907.2	1,980.3	571.1
Mar.	8,368.8	190.2	7,531.4	5,549.9	927.9	1,981.5	647.2
Apr.	8,474.2	193.1	7,600.4	5,611.9	932.0	1,988.5	680.8
May	8,696.8	189.2	7,811.4	5,748.7	961.5	2,062.8	696.1
June	8,755.3	175.9	7,918.1	5,798.5	984.1	2,119.6	661.3
July (p)	8,850.2	179.3	8,000.8	5,834.9	990.1	2,165.8	670.0
				Transactions			
2013 Q4	60.9	0.7	111.4	93.6	44.0	26.4	-56.0
2014 Q1	229.6	24.6	143.7	136.6	20.3	1.4	71.7
Q2	222.7	0.3	197.5	127.0	26.2	70.6	25.0

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 Dec.	7,263.5	2,471.4	2,043.2	1,806.4	343.5	155.2	443.8	7,167.1	96.3	819.6
2014 Jan.	7,294.4	2,500.8	2,014.7	1,822.8	345.4	158.2	452.5	7,193.6	100.7	855.3
Feb.	7,448.2	2,530.9	2,084.9	1,865.8	346.7	159.0	461.0	7,346.6	101.6	855.3
Mar.	7,531.4	2,560.6	2,092.5	1,894.2	349.4	163.3	471.4	7,429.6	101.8	835.5
Apr.	7,600.4	2,587.3	2,114.2	1,913.2	351.0	159.6	475.1	7,497.0	103.4	836.5
May	7,811.4	2,644.4	2,195.2	1,963.5	360.0	163.5	484.7	7,706.7	104.8	839.2
June	7,918.1	2,659.8	2,230.1	1,999.6	357.7	171.5	499.2	7,812.1	106.1	824.4
July (p)	8,000.8	2,694.6	2,239.8	2,033.8	360.6	172.9	499.1	7,894.0	106.8	846.5
					Transactions					
2014 Jan.	44.5	7.1	13.0	19.3	1.6	0.6	2.9	44.3	0.2	29.7
Feb.	59.1	23.2	13.2	20.6	0.1	1.5	0.6	58.5	0.6	4.9
Mar.	40.1	26.8	-0.7	13.7	1.5	-2.8	1.5	50.5	-10.4	-19.6
Apr.	55.1	18.0	24.2	13.6	1.8	-3.3	0.8	54.2	0.9	0.8
May	71.3	23.2	13.9	22.2	7.5	0.8	3.8	71.4	0.0	-2.5
June	71.1	13.9	10.7	32.1	-3.8	6.4	11.8	71.0	0.2	-16.5
July (p)	71.8	27.4	13.1	28.7	-0.4	0.7	2.2	71.6	0.3	16.5

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 Q3	3,096.9	1,687.0	394.4	798.6	257.4	9.0	227.4	1,410.0	343.5	548.7	14.9
Q4	3,112.0	1,708.1	390.3	807.4	264.5	10.4	235.5	1,403.8	346.4	547.9	13.7
2014 Q1	3,279.2	1,845.2	414.7	856.8	299.6	11.8	262.2	1,438.1	396.2	553.4	14.5
Q2 (p)	3,443.8	1,912.3	420.5	887.8	319.5	11.3	273.1	1,535.1	418.1	573.6	15.2
	Transactions										
2013 Q4	6.2	9.2	-6.1	2.0	5.9	1.1	6.3	-3.1	6.1	-5.7	-0.6
2014 Q1	103.2	65.6	11.5	26.7	12.8	0.5	14.0	42.4	14.5	18.8	0.4
Q2 (p)	101.9	37.8	3.5	14.1	12.6	0.9	6.8	64.2	14.2	15.3	0.2

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 Q3	2,228.6	817.2	72.6	-	56.2	30.4	658.1	1,411.3	197.8	502.7	112.8
Q4	2,370.0	886.3	85.4	-	64.7	35.5	700.7	1,483.6	215.4	536.0	123.2
2014 Q1	2,417.7	919.0	92.1	-	63.3	33.3	730.3	1,498.7	215.9	553.6	116.5
Q2 (p)	2,552.3	939.6	94.1	-	67.0	29.0	749.5	1,612.7	228.6	590.7	131.4
	Transactions										
2013 Q4	43.5	18.3	3.6	-	2.4	1.6	10.7	23.4	8.7	0.5	10.0
2014 Q1	50.9	20.5	2.8	-	13.0	-1.0	5.8	24.1	5.6	23.5	-0.4
Q2 (p)	51.2	13.1	7.7	-	3.0	-1.6	4.1	38.0	7.9	13.7	5.1

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 Q3	1,064.3	924.0	86.2	-	837.7	-	-	140.3	33.8	47.6	0.5
Q4	1,117.9	971.2	85.1	-	886.1	-	-	146.6	36.6	49.4	0.5
2014 Q1	1,179.4	1,016.1	88.2	-	927.9	-	-	163.3	40.5	59.9	0.4
Q2 (p)	1,247.8	1,075.4	91.2	-	984.1	-	-	172.4	45.8	60.8	0.9
	Transactions										
2013 Q4	51.7	43.7	-0.3	-	44.0	-	-	8.0	3.9	2.0	0.0
2014 Q1	21.5	22.0	1.7	-	20.3	-	-	-0.5	0.8	-0.7	-0.1
Q2 (p)	32.5	28.7	2.5	-	26.2	-	-	3.9	2.7	0.3	0.3

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												
2013 Q2	1,998.7	271.3	1,349.3	1,041.5	456.5	162.1	24.6	3.6	117.5	192.7	88.3	36.4	60.7
Q3	1,959.8	264.2	1,326.8	1,031.8	449.6	156.2	20.1	3.5	115.2	180.2	87.4	36.8	64.3
Q4	1,916.0	252.8	1,292.3	1,010.2	442.6	145.4	19.7	3.1	113.9	178.8	89.7	38.3	64.1
2014 Q1	1,884.6	253.4	1,256.7	976.7	430.4	158.1	21.1	3.1	97.8	163.2	101.6	44.7	64.9
Q2	1,860.6	236.9	1,250.2	975.5	421.9	163.5	19.6	0.1	91.4	164.8	100.7	43.4	64.5
	Transactions												
2013 Q2	-32.5	-15.3	-16.6	-8.0	-	-1.5	-1.4	-0.4	-5.3	1.5	2.7	-1.7	-3.1
Q3	-39.8	-6.9	-21.5	-9.3	-	-5.5	-4.3	0.0	-2.3	-12.7	-0.7	0.5	1.4
Q4	-45.5	-11.3	-34.3	-21.6	-	-10.6	-0.6	-0.4	-1.2	-0.5	2.4	1.2	-3.0
2014 Q1	-41.7	-11.1	-27.9	-27.6	-	0.3	-0.4	0.0	-0.2	-2.4	-1.3	-0.1	1.2
Q2	-20.1	-16.4	1.0	4.5	-	5.1	-1.3	-0.4	-6.8	0.7	-0.3	-1.5	-3.5

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						
2013 Q2	1,998.7	129.4	1,615.2	56.2	1,559.0	29.4	224.8
Q3	1,959.8	124.2	1,580.6	56.1	1,524.5	28.8	226.2
Q4	1,916.0	117.3	1,541.1	61.0	1,480.1	29.0	228.6
2014 Q1	1,884.6	143.5	1,474.0	81.0	1,393.0	28.0	239.0
Q2	1,860.6	130.6	1,467.0	79.6	1,387.3	26.9	236.1
	Transactions						
2013 Q2	-32.5	-12.1	-15.0	0.0	-15.1	-1.6	-3.8
Q3	-39.8	-3.9	-35.5	-0.1	-35.3	-0.7	0.2
Q4	-45.5	-6.2	-39.5	4.8	-44.3	0.7	-0.5
2014 Q1	-41.7	-1.5	-43.5	-4.7	-38.8	0.4	2.8
Q2	-20.1	-13.5	-4.8	-3.4	-1.4	-1.3	-0.4

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												
2013 Q2	1,041.5	759.7	226.0	20.9	0.2	5.5	29.3	192.7	114.3	32.9	81.4	32.4	78.4
Q3	1,031.8	757.9	216.2	21.5	0.2	5.5	30.5	180.2	109.7	29.0	80.6	31.0	70.6
Q4	1,010.2	740.8	204.7	26.8	0.2	5.4	32.2	178.8	107.6	28.7	78.8	33.6	71.2
2014 Q1	976.7	725.6	193.2	24.7	0.2	5.3	27.7	163.2	98.9	26.0	72.8	34.1	64.4
Q2	975.5	728.6	190.4	25.1	0.2	5.4	25.9	164.8	101.5	24.2	77.3	37.9	63.3
	Transactions												
2013 Q2	-8.0	7.7	-5.6	0.2	0.0	-0.2	0.0	1.5	3.2	0.7	2.5	0.1	-1.8
Q3	-9.3	-2.1	-8.9	0.7	0.0	0.0	0.9	-12.7	-4.8	-4.0	-0.8	-1.4	-7.9
Q4	-21.6	-17.3	-11.2	5.3	0.0	-0.1	1.7	-0.5	-1.8	-0.1	-1.7	1.9	1.2
2014 Q1	-27.6	-15.4	-8.7	-0.8	0.0	-0.1	-2.5	-2.4	-2.5	-0.4	-2.1	-1.4	0.1
Q2	4.5	2.9	-1.3	0.1	0.0	0.1	2.6	0.7	2.1	-1.8	3.9	3.6	-1.4

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 Q3	7,148.0	792.4	463.9	2,764.6	788.2	1,581.3	88.9	255.5	264.7	148.4
Q4	7,158.9	785.2	473.6	2,725.1	793.1	1,615.9	91.2	253.5	271.1	150.1
2012 Q1	7,444.1	797.7	474.0	2,867.8	806.5	1,712.4	102.9	258.1	276.3	148.4
Q2	7,467.3	786.6	473.0	2,879.9	801.9	1,716.7	106.7	261.4	292.0	149.1
Q3	7,679.4	786.0	482.5	2,992.5	819.6	1,796.4	108.1	263.1	281.9	149.3
Q4	7,768.2	788.8	481.5	3,040.8	817.9	1,837.7	109.5	261.7	279.0	151.4
2013 Q1	7,957.0	798.7	476.2	3,109.1	835.5	1,913.6	114.6	283.5	275.0	150.8
Q2	7,899.6	777.7	475.7	3,101.9	832.9	1,906.2	100.0	283.1	269.9	152.2
Q3	7,992.7	771.0	479.5	3,118.9	854.1	1,980.7	95.8	283.6	256.1	152.9
Q4	8,080.7	755.8	480.3	3,187.5	874.7	2,021.8	83.0	282.1	240.5	155.0
2014 Q1	8,328.8	767.2	494.0	3,272.0	889.2	2,096.5	98.8	287.4	267.8	155.9
Q2 (p)	8,592.8	759.3	494.1	3,375.9	935.3	2,197.4	99.2	291.5	283.6	156.4

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 Q3	2,764.6	2,346.9	635.0	1,309.3	227.4	17.0	158.2	417.7
Q4	2,725.1	2,303.1	635.5	1,264.2	223.9	16.3	163.2	422.1
2012 Q1	2,867.8	2,418.0	667.7	1,320.8	236.5	17.0	176.0	449.8
Q2	2,879.9	2,411.5	675.3	1,303.7	234.6	16.5	181.4	468.4
Q3	2,992.5	2,500.3	705.8	1,342.5	241.6	17.0	193.4	492.2
Q4	3,040.8	2,535.6	690.3	1,381.1	249.9	17.7	196.7	505.1
2013 Q1	3,109.1	2,617.4	722.6	1,412.8	257.6	17.2	207.1	491.7
Q2	3,101.9	2,600.3	703.5	1,414.6	257.3	16.1	208.9	501.6
Q3	3,118.9	2,606.6	702.0	1,409.1	265.8	16.0	213.7	512.4
Q4	3,187.5	2,656.4	676.3	1,476.5	266.6	15.6	221.4	531.1
2014 Q1	3,272.0	2,726.1	674.6	1,543.0	266.3	15.8	226.4	545.9
Q2 (p)	3,375.9	2,810.2	688.6	1,600.4	279.9	13.4	227.8	565.7

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 Q3	7,061.6	270.7	41.2	409.3	6,137.9	3,275.8	2,050.2	811.8	202.4	86.4
Q4	7,076.2	263.7	41.2	408.1	6,165.0	3,283.1	2,077.4	804.4	198.2	82.7
2012 Q1	7,233.1	271.3	43.3	438.9	6,278.4	3,316.3	2,137.9	824.2	201.1	211.0
Q2	7,300.5	280.8	42.0	419.7	6,348.7	3,315.8	2,205.3	827.6	209.3	166.8
Q3	7,372.1	292.0	43.7	450.1	6,387.9	3,361.1	2,200.8	826.0	198.4	307.3
Q4	7,472.6	266.5	49.1	477.7	6,459.0	3,395.7	2,243.9	819.4	220.2	295.6
2013 Q1	7,585.2	278.5	48.7	492.8	6,541.0	3,440.5	2,252.3	848.1	224.2	371.7
Q2	7,633.8	278.7	45.6	500.0	6,576.6	3,454.6	2,275.3	846.7	232.8	265.8
Q3	7,656.1	278.0	46.2	515.2	6,593.0	3,493.4	2,253.4	846.2	223.7	336.6
Q4	7,741.7	265.5	47.2	537.6	6,673.6	3,535.5	2,296.5	841.7	217.9	338.9
2014 Q1	7,913.3	278.2	48.0	536.6	6,812.8	3,603.4	2,339.1	870.3	237.7	415.5
Q2 (p)	8,057.1	284.0	52.7	531.8	6,943.5	3,666.1	2,405.1	872.2	245.2	535.7

Source: ECB.

3 EURO AREA ACCOUNTS

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

Uses 2014 Q1	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Exports of goods and services						632
Trade balance [1]						-57
Generation of income account						
Gross value added (basic prices)						
Taxes less subsidies on products						
Gross domestic product (market prices)						
Compensation of employees	1,130	113	721	55	242	
Other taxes less subsidies on production	20	8	4	5	4	
Consumption of fixed capital	385	103	219	12	52	
Net operating surplus and mixed income [1]	571	281	254	36	0	
Allocation of primary income account						
Net operating surplus and mixed income						
Compensation of employees						7
Taxes less subsidies on production						
Property income	590	30	229	267	64	105
Interest	305	28	52	161	64	43
Other property income	286	2	177	106	0	63
Net national income [1]	1,993	1,609	118	32	233	
Secondary distribution of income account						
Net national income						
Current taxes on income, wealth, etc.	272	225	39	8	0	2
Social contributions	444	444				1
Social benefits other than social transfers in kind	473	1	17	34	420	1
Other current transfers	213	72	26	49	66	10
Net non-life insurance premiums	47	35	11	1	1	1
Non-life insurance claims	47			47		1
Other	119	37	16	1	65	8
Net disposable income [1]	1,952	1,432	68	42	410	
Use of income account						
Net disposable income						
Final consumption expenditure	1,875	1,374			502	
Individual consumption expenditure	1,690	1,374			316	
Collective consumption expenditure	185				185	
Adjustment for the change in the net equity of households in pension fund reserves	16	0	1	15	0	0
Net saving/current external account [1]	77	74	67	27	-91	-33
Capital account						
Net saving/current external account						
Gross capital formation	430	129	244	10	46	
Gross fixed capital formation	410	126	228	10	46	
Changes in inventories and acquisitions less disposals of valuables	19	3	16	0	0	
Consumption of fixed capital						
Acquisitions less disposals of non-produced non-financial assets	0	-1	1	-1	0	0
Capital transfers	27	8	0	1	17	4
Capital taxes	7	6	0	0		0
Other capital transfers	20	2	0	1	17	4
Net lending (+)/net borrowing (-) (from capital account) [1]	35	48	55	29	-97	-35
Statistical discrepancy	0	24	-24	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 2014 Q1	Euro area	Households	Non-financial corporations	Financial corporations	General government	Rest of the world
External account						
Imports of goods and services						575
Trade balance						
Generation of income account						
Gross value added (basic prices)	2,107	504	1,197	108	298	
Taxes less subsidies on products	255					
Gross domestic product (market prices)[2]	2,362					
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	571	281	254	36	0	
Compensation of employees	1,135	1,135				3
Taxes less subsidies on production	273				273	2
Property income	604	223	94	263	24	92
Interest	294	49	29	209	8	53
Other property income	309	174	64	55	16	39
Net national income						
Secondary distribution of income account						
Net national income	1,993	1,609	118	32	233	
Current taxes on income, wealth, etc.	273				273	1
Social contributions	443	1	18	53	371	2
Social benefits other than social transfers in kind	471	471				2
Other current transfers	173	92	14	48	20	49
Net non-life insurance premiums	47			47		1
Non-life insurance claims	46	36	8	1	0	2
Other	81	56	6	0	19	46
Net disposable income						
Use of income account						
Net disposable income	1,952	1,432	68	42	410	
Final consumption expenditure						
Individual consumption expenditure						
Collective consumption expenditure						
Adjustment for the change in the net equity of households in pension fund reserves	16	16				0
Net saving/current external account						
Capital account						
Net saving/current external account	77	74	67	27	-91	-33
Gross capital formation						
Gross fixed capital formation						
Changes in inventories and acquisitions less disposals of valuables						
Consumption of fixed capital	385	103	219	12	52	
Acquisitions less disposals of non-produced non-financial assets						
Capital transfers	29	8	15	1	5	2
Capital taxes	7				7	0
Other capital transfers	22	8	15	1	-1	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 2014 Q1	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		20,691	18,505	31,822	18,404	7,776	4,551	18,775
Monetary gold and special drawing rights (SDRs)				352				
Currency and deposits		7,228	2,171	9,487	2,115	781	707	2,885
Short-term debt securities		34	55	413	386	60	34	607
Long-term debt securities		1,208	259	6,169	3,190	3,141	422	4,235
Loans		87	3,138	12,727	4,588	493	946	2,690
of which: Long-term		66	2,004	10,098	3,426	374	848	.
Shares and other equity		5,103	8,931	1,985	7,725	2,912	1,616	7,613
Quoted shares		898	1,330	464	2,503	439	284	.
Unquoted shares and other equity		2,712	7,235	1,223	3,956	444	1,131	.
Mutual fund shares		1,494	366	298	1,265	2,029	201	.
Insurance technical reserves		6,510	172	3	0	243	8	273
Other accounts receivable and financial derivatives		521	3,780	686	400	147	817	474
Net financial worth								
Financial account, transactions in financial assets								
Total transactions in financial assets		93	-15	-181	292	125	81	231
Monetary gold and SDRs				0				0
Currency and deposits		13	-52	-181	59	11	74	31
Short-term debt securities		-1	10	63	36	-2	2	1
Long-term debt securities		-29	2	-52	102	25	-14	65
Loans		2	-10	17	0	12	5	33
of which: Long-term		1	-1	-2	-10	3	16	.
Shares and other equity		20	33	5	16	55	1	46
Quoted shares		8	-3	-7	57	3	2	.
Unquoted shares and other equity		-12	42	9	-61	-1	-3	.
Mutual fund shares		24	-7	3	20	53	1	.
Insurance technical reserves		74	6	0	0	14	0	-1
Other accounts receivable and financial derivatives		13	-2	-33	79	11	14	55
Changes in net financial worth due to transactions								
Other changes account, financial assets								
Total other changes in financial assets		262	170	157	134	116	40	118
Monetary gold and SDRs				23				
Currency and deposits		13	-2	41	-38	2	1	11
Short-term debt securities		0	0	1	-7	0	0	8
Long-term debt securities		43	5	54	11	70	6	12
Loans		0	-3	5	-35	0	6	-37
of which: Long-term		0	6	1	-6	0	4	.
Shares and other equity		150	189	31	206	49	26	97
Quoted shares		51	55	18	53	3	12	.
Unquoted shares and other equity		76	120	15	121	3	11	.
Mutual fund shares		23	13	-2	32	43	4	.
Insurance technical reserves		64	0	0	0	-5	0	9
Other accounts receivable and financial derivatives		-8	-19	2	-3	0	0	19
Other changes in net financial worth								
Closing balance sheet, financial assets								
Total financial assets		21,045	18,661	31,798	18,830	8,017	4,672	19,123
Monetary gold and SDRs				375				
Currency and deposits		7,254	2,117	9,347	2,136	794	781	2,927
Short-term debt securities		33	64	477	415	58	36	615
Long-term debt securities		1,222	266	6,171	3,303	3,236	414	4,311
Loans		88	3,125	12,749	4,553	504	958	2,686
of which: Long-term		67	2,008	10,097	3,410	378	868	.
Shares and other equity		5,273	9,152	2,022	7,946	3,015	1,643	7,755
Quoted shares		957	1,382	475	2,613	445	297	.
Unquoted shares and other equity		2,775	7,398	1,247	4,017	445	1,139	.
Mutual fund shares		1,541	372	300	1,317	2,125	206	.
Insurance technical reserves		6,648	178	3	0	252	8	280
Other accounts receivable and financial derivatives		526	3,759	655	477	157	831	548
Net financial worth								

Source: ECB.

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

Liabilities 2014 Q1	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		6,901	28,691	31,027	17,688	7,801	10,975	17,087
Monetary gold and special drawing rights (SDRs)								
Currency and deposits			33	22,504	36	0	280	2,521
Short-term debt securities			77	503	98	2	628	280
Long-term debt securities			1,020	4,255	3,137	52	7,031	3,129
Loans		6,154	8,585		3,898	283	2,392	3,354
of which: Long-term		5,816	6,339		2,261	108	2,112	.
Shares and other equity		8	15,153	2,682	10,312	541	5	7,182
Quoted shares			4,515	570	292	161	0	.
Unquoted shares and other equity		8	10,638	1,293	2,911	379	5	.
Mutual fund shares				819	7,108			.
Insurance technical reserves		37	353	70	1	6,748	1	
Other accounts payable and financial derivatives		702	3,471	1,012	207	174	638	622
Net financial worth [1]	-1,336	13,790	-10,186	795	715	-25	-6,425	
Financial account, transactions in liabilities								
Total transactions in liabilities		21	-46	-194	282	120	178	265
Monetary gold and SDRs								
Currency and deposits			-1	-201	3	0	-7	161
Short-term debt securities			4	61	25	0	12	7
Long-term debt securities			18	-96	-22	1	152	45
Loans		-13	-16		63	15	5	6
of which: Long-term		-12	-2		31	1	19	.
Shares and other equity		0	25	12	119	1	0	18
Quoted shares			13	11	7	0	0	.
Unquoted shares and other equity		0	11	-14	-54	1	0	.
Mutual fund shares				15	165			.
Insurance technical reserves		0	1	-1	0	93	0	
Other accounts payable and financial derivatives		33	-77	31	94	10	16	29
Changes in net financial worth due to transactions [1]	35	72	31	14	10	5	-97	-35
Other changes account, liabilities								
Total other changes in liabilities		4	328	164	205	48	183	43
Monetary gold and SDRs								
Currency and deposits			0	53	0	0	0	-24
Short-term debt securities			0	0	-1	0	0	2
Long-term debt securities			2	22	33	0	172	-28
Loans		6	-3		-76	0	0	10
of which: Long-term		6	1		-28	0	0	.
Shares and other equity		0	318	110	239	-7	0	87
Quoted shares			144	63	16	-2	0	.
Unquoted shares and other equity		0	173	46	123	-6	0	.
Mutual fund shares				1	100			.
Insurance technical reserves		0	0	0	0	67	0	
Other accounts payable and financial derivatives		-2	12	-20	8	-13	11	-4
Other changes in net financial worth [1]	-52	258	-157	-7	-71	68	-143	76
Closing balance sheet, liabilities								
Total liabilities		6,926	28,973	30,997	18,175	7,969	11,336	17,395
Monetary gold and SDRs								
Currency and deposits			32	22,356	39	0	273	2,657
Short-term debt securities			81	564	121	2	641	289
Long-term debt securities			1,039	4,181	3,149	53	7,354	3,146
Loans		6,148	8,565		3,886	298	2,397	3,369
of which: Long-term		5,810	6,338		2,265	109	2,131	.
Shares and other equity		8	15,496	2,805	10,670	536	5	7,288
Quoted shares			4,673	644	315	159	0	.
Unquoted shares and other equity		8	10,823	1,326	2,981	375	5	.
Mutual fund shares				835	7,374			.
Insurance technical reserves		37	354	69	1	6,909	1	
Other accounts payable and financial derivatives		734	3,406	1,022	309	171	665	646
Net financial worth [1]	-1,354	14,119	-10,312	801	655	48	-6,664	

Source: ECB.

3.2 Euro area non-financial accounts

(EUR billions; four-quarter cumulated flows)

Uses	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Generation of income account								
Gross value added (basic prices)								
Taxes less subsidies on products								
Gross domestic product (market prices)								
Compensation of employees	4,516	4,629	4,679	4,684	4,690	4,700	4,717	4,734
Other taxes less subsidies on production	85	99	129	127	129	128	129	127
Consumption of fixed capital	1,421	1,464	1,499	1,506	1,512	1,518	1,525	1,532
Net operating surplus and mixed income [1]	2,190	2,250	2,180	2,171	2,178	2,195	2,208	2,224
Allocation of primary income account								
Net operating surplus and mixed income								
Compensation of employees								
Taxes less subsidies on production								
Property income	2,807	3,018	2,880	2,819	2,766	2,724	2,691	2,670
Interest	1,383	1,547	1,464	1,407	1,357	1,313	1,275	1,252
Other property income	1,424	1,471	1,416	1,411	1,409	1,411	1,416	1,418
Net national income [1]	7,764	7,996	8,026	8,034	8,051	8,082	8,114	8,146
Secondary distribution of income account								
Net national income								
Current taxes on income, wealth, etc.	1,059	1,116	1,173	1,182	1,198	1,205	1,213	1,222
Social contributions	1,704	1,754	1,788	1,795	1,802	1,810	1,817	1,824
Social benefits other than social transfers in kind	1,818	1,845	1,887	1,899	1,911	1,922	1,932	1,935
Other current transfers	777	782	791	796	803	812	818	822
Net non-life insurance premiums	181	182	184	184	185	186	186	187
Non-life insurance claims	182	184	187	187	187	188	188	188
Other	414	416	420	425	431	438	444	447
Net disposable income [1]	7,655	7,889	7,917	7,921	7,934	7,960	7,989	8,021
Use of income account								
Net disposable income								
Final consumption expenditure	7,317	7,483	7,526	7,529	7,543	7,566	7,588	7,613
Individual consumption expenditure	6,546	6,709	6,753	6,754	6,765	6,787	6,808	6,830
Collective consumption expenditure	771	774	772	775	777	779	781	783
Adjustment for the change in the net equity of households in pension fund reserves	56	58	58	57	57	58	58	59
Net saving [1]	337	406	391	392	391	394	400	408
Capital account								
Net saving								
Gross capital formation	1,783	1,877	1,781	1,750	1,735	1,734	1,733	1,740
Gross fixed capital formation	1,763	1,820	1,771	1,743	1,730	1,724	1,723	1,732
Changes in inventories and acquisitions less disposals of valuables	19	57	10	7	4	10	10	8
Consumption of fixed capital								
Acquisitions less disposals of non-produced non-financial assets	1	1	9	2	0	0	0	-1
Capital transfers	221	173	193	198	205	200	164	158
Capital taxes	25	31	25	26	29	30	32	32
Other capital transfers	196	142	167	172	176	170	132	126
Net lending (+)/net borrowing (-) (from capital account) [1]	-16	-1	112	158	182	193	212	222

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	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Generation of income account								
Gross value added (basic prices)	8,213	8,442	8,487	8,489	8,508	8,540	8,581	8,617
Taxes less subsidies on products	943	976	980	978	983	989	991	999
Gross domestic product (market prices)[2]	9,156	9,418	9,467	9,466	9,492	9,530	9,572	9,616
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	2,190	2,250	2,180	2,171	2,178	2,195	2,208	2,224
Compensation of employees	4,527	4,641	4,693	4,699	4,705	4,715	4,732	4,749
Taxes less subsidies on production	1,042	1,086	1,120	1,117	1,123	1,128	1,132	1,137
Property income	2,811	3,038	2,914	2,865	2,812	2,768	2,732	2,705
Interest	1,335	1,493	1,426	1,375	1,326	1,281	1,245	1,220
Other property income	1,476	1,545	1,487	1,490	1,486	1,487	1,487	1,486
Net national income								
Secondary distribution of income account								
Net national income	7,764	7,996	8,026	8,034	8,051	8,082	8,114	8,146
Current taxes on income, wealth, etc.	1,063	1,121	1,179	1,187	1,202	1,210	1,219	1,228
Social contributions	1,704	1,754	1,785	1,792	1,799	1,807	1,814	1,821
Social benefits other than social transfers in kind	1,811	1,839	1,881	1,893	1,905	1,916	1,926	1,928
Other current transfers	670	674	685	687	690	694	697	701
Net non-life insurance premiums	182	184	187	187	187	188	188	188
Non-life insurance claims	176	177	179	179	180	181	182	183
Other	312	314	319	321	323	325	327	330
Net disposable income								
Use of income account								
Net disposable income	7,655	7,889	7,917	7,921	7,934	7,960	7,989	8,021
Final consumption expenditure								
Individual consumption expenditure								
Collective consumption expenditure								
Adjustment for the change in the net equity of households in pension fund reserves	56	58	58	57	57	58	58	59
Net saving								
Capital account								
Net saving	337	406	391	392	391	394	400	408
Gross capital formation								
Gross fixed capital formation								
Changes in inventories and acquisitions less disposals of valuables								
Consumption of fixed capital	1,421	1,464	1,499	1,506	1,512	1,518	1,525	1,532
Acquisitions less disposals of non-produced non-financial assets								
Capital transfers	231	180	205	211	220	215	183	178
Capital taxes	25	31	25	26	29	30	32	32
Other capital transfers	205	149	180	184	191	185	151	145
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)

	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Income, saving and changes in net worth								
Compensation of employees (+)	4,527	4,641	4,693	4,699	4,705	4,715	4,732	4,749
Gross operating surplus and mixed income (+)	1,450	1,493	1,496	1,500	1,506	1,513	1,518	1,525
Interest receivable (+)	202	228	222	217	213	208	203	199
Interest payable (-)	124	147	131	125	120	116	114	112
Other property income receivable (+)	722	749	745	737	729	732	741	740
Other property income payable (-)	10	10	10	10	10	10	10	10
Current taxes on income and wealth (-)	852	885	934	943	951	958	965	970
Net social contributions (-)	1,699	1,749	1,783	1,790	1,797	1,805	1,812	1,819
Net social benefits (+)	1,806	1,834	1,876	1,887	1,899	1,911	1,920	1,923
Net current transfers receivable (+)	71	69	72	74	74	74	75	76
= Gross disposable income	6,093	6,222	6,246	6,247	6,248	6,262	6,289	6,301
Final consumption expenditure (-)	5,298	5,449	5,484	5,481	5,488	5,503	5,518	5,534
Changes in net worth in pension funds (+)	56	58	57	57	56	57	57	58
= Gross saving	850	831	819	823	816	817	828	825
Consumption of fixed capital (-)	386	396	402	403	404	405	407	409
Net capital transfers receivable (+)	13	2	2	0	0	-2	-4	-5
Other changes in net worth (+)	599	-264	-95	-528	-431	-163	-179	402
= Changes in net worth	1,076	174	324	-107	-20	246	239	813
Investment, financing and changes in net worth								
Net acquisition of non-financial assets (+)	558	573	555	549	543	542	541	541
Consumption of fixed capital (-)	386	396	402	403	404	405	407	409
Main items of financial investment (+)								
Short-term assets	42	126	192	173	167	134	95	68
Currency and deposits	118	118	225	228	218	189	130	104
Money market fund shares	-59	-23	-31	-39	-30	-27	-14	-21
Debt securities [1]	-17	30	-2	-16	-21	-28	-20	-15
Long-term assets	388	234	154	192	194	224	238	231
Deposits	58	54	11	7	8	25	53	56
Debt securities	-23	67	-89	-115	-119	-135	-126	-110
Shares and other equity	103	-3	100	151	148	167	136	100
Quoted and unquoted shares and other equity	94	45	60	67	58	76	62	36
Mutual fund shares	9	-48	40	84	91	92	74	64
Life insurance and pension fund reserves	250	116	132	150	156	166	175	185
Main items of financing (-)								
Loans	114	87	13	-1	-12	-2	-19	-8
of which: From euro area MFIs	147	81	25	21	1	8	-4	-5
Other changes in assets (+)								
Non-financial assets	476	191	-778	-1,016	-941	-649	-739	-332
Financial assets	201	-386	613	408	423	406	500	692
Shares and other equity	55	-342	376	250	270	319	448	555
Life insurance and pension fund reserves	122	15	181	164	131	84	71	93
Remaining net flows (+)	-89	-80	4	-12	-13	-8	-8	14
= Changes in net worth	1,076	174	324	-107	-20	246	239	813
Balance sheet								
Non-financial assets (+)	29,932	30,299	29,674	29,227	29,249	29,375	29,069	29,027
Financial assets (+)								
Short-term assets	5,819	5,957	6,128	6,140	6,182	6,158	6,207	6,208
Currency and deposits	5,597	5,728	5,950	5,980	6,032	6,019	6,076	6,084
Money market fund shares	184	166	120	112	109	101	97	91
Debt securities [1]	38	62	58	49	42	39	34	33
Long-term assets	12,221	12,026	12,813	12,975	12,911	13,193	13,565	13,901
Deposits	1,032	1,086	1,100	1,106	1,117	1,130	1,152	1,170
Debt securities	1,409	1,379	1,348	1,294	1,261	1,233	1,208	1,222
Shares and other equity	4,273	3,923	4,413	4,528	4,480	4,719	5,006	5,183
Quoted and unquoted shares and other equity	3,066	2,835	3,166	3,213	3,163	3,362	3,610	3,733
Mutual fund shares	1,207	1,088	1,247	1,315	1,317	1,356	1,397	1,450
Life insurance and pension fund reserves	5,507	5,638	5,952	6,047	6,052	6,111	6,198	6,326
Remaining net assets (+)	271	224	203	162	191	202	172	158
Liabilities (-)								
Loans	6,120	6,210	6,198	6,171	6,171	6,167	6,154	6,148
of which: From euro area MFIs	5,221	5,288	5,296	5,285	5,288	5,282	5,274	5,267
= Net worth	42,121	42,295	42,619	42,333	42,361	42,761	42,858	43,146

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)

	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Income and saving								
Gross value added (basic prices) (+)	4,671	4,832	4,855	4,852	4,862	4,880	4,904	4,922
Compensation of employees (-)	2,837	2,936	2,982	2,983	2,988	2,994	3,004	3,019
Other taxes less subsidies on production (-)	37	46	54	54	56	56	57	54
= Gross operating surplus (+)	1,797	1,850	1,819	1,815	1,819	1,830	1,842	1,849
Consumption of fixed capital (-)	802	828	851	855	859	863	867	871
= Net operating surplus (+)	995	1,022	969	960	960	967	975	979
Property income receivable (+)	550	571	550	550	544	537	526	517
Interest receivable	159	164	150	143	137	132	129	125
Other property income receivable	392	406	400	406	406	405	397	392
Interest and rents payable (-)	257	287	270	259	249	239	231	225
= Net entrepreneurial income (+)	1,288	1,307	1,248	1,251	1,255	1,266	1,269	1,270
Distributed income (-)	924	975	954	946	940	941	940	933
Taxes on income and wealth payable (-)	169	192	201	201	206	204	206	209
Social contributions receivable (+)	69	74	74	74	73	73	74	74
Social benefits payable (-)	69	70	70	70	70	70	70	70
Other net transfers (-)	45	48	49	49	51	53	52	53
= Net saving	151	95	48	60	62	71	75	79
Investment, financing and saving								
Net acquisition of non-financial assets (+)	146	212	134	103	91	88	89	86
Gross fixed capital formation (+)	928	984	966	947	942	938	942	950
Consumption of fixed capital (-)	802	828	851	855	859	863	867	871
Net acquisition of other non-financial assets (+)	19	56	19	10	7	13	14	6
Main items of financial investment (+)								
Short-term assets	33	-29	62	47	40	55	75	78
Currency and deposits	67	6	75	80	81	91	110	100
Money market fund shares	-32	-46	-7	-6	-15	-13	-10	-20
Debt securities [1]	-1	11	-5	-28	-26	-24	-25	-1
Long-term assets	444	491	238	203	66	59	91	42
Deposits	22	70	-2	-34	-31	6	14	2
Debt securities	25	-26	-2	-1	-9	-10	-17	-10
Shares and other equity	262	303	135	172	96	83	93	45
Other (mainly intercompany loans)	136	145	108	66	10	-21	2	4
Remaining net assets (+)	6	-49	26	66	132	87	101	126
Main items of financing (-)								
Debt	174	248	157	120	36	-43	-1	-5
of which: Loans from euro area MFIs	-21	116	-135	-126	-157	-145	-124	-116
of which: Debt securities	70	48	115	102	90	86	83	83
Shares and other equity	237	216	186	165	160	193	216	197
Quoted shares	31	27	27	11	21	23	31	57
Unquoted shares and other equity	206	189	159	155	140	171	185	140
Net capital transfers receivable (-)	65	67	65	67	66	62	62	63
= Net saving	151	95	48	60	62	71	75	79
Financial balance sheet								
Financial assets								
Short-term assets	1,958	1,929	1,988	1,951	1,939	1,969	2,053	2,026
Currency and deposits	1,695	1,705	1,777	1,757	1,765	1,798	1,881	1,855
Money market fund shares	182	134	130	127	113	111	117	106
Debt securities [1]	81	90	81	67	62	60	55	64
Long-term assets	10,863	10,902	11,658	11,942	11,783	12,209	12,501	12,699
Deposits	178	238	293	270	264	280	290	262
Debt securities	258	247	266	262	261	263	259	266
Shares and other equity	7,569	7,388	7,988	8,288	8,134	8,539	8,814	9,046
Other (mainly intercompany loans)	2,859	3,029	3,112	3,121	3,124	3,127	3,138	3,125
Remaining net assets	416	521	426	490	508	501	514	563
Liabilities								
Debt	9,805	9,961	10,038	10,077	10,033	10,013	10,034	10,040
of which: Loans from euro area MFIs	4,652	4,688	4,471	4,443	4,400	4,357	4,286	4,298
of which: Debt securities	881	875	1,033	1,056	1,051	1,083	1,097	1,120
Shares and other equity	13,158	12,465	13,458	13,816	13,680	14,480	15,153	15,496
Quoted shares	3,815	3,297	3,759	3,902	3,864	4,213	4,515	4,673
Unquoted shares and other equity	9,343	9,168	9,699	9,914	9,816	10,266	10,638	10,823

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)

	2010	2011	2012	2012 Q2-2013 Q1	2012 Q3-2013 Q2	2012 Q4-2013 Q3	2013 Q1-2013 Q4	2013 Q2-2014 Q1
Financial account, financial transactions								
Main items of financial investment (+)								
Short-term assets	-6	53	45	21	-17	-38	-62	-43
Currency and deposits	-9	14	15	11	8	3	-14	-7
Money market fund shares	-8	16	33	10	-11	-19	-35	-26
Debt securities [1]	11	24	-3	0	-13	-22	-14	-11
Long-term assets	293	131	207	194	229	264	299	284
Deposits	-5	9	-18	-19	-15	-18	-10	-16
Debt securities	190	41	149	106	119	123	157	141
Loans	32	12	9	11	10	1	4	14
Quoted shares	-1	-11	-8	0	-1	9	1	4
Unquoted shares and other equity	12	13	5	6	5	8	11	8
Mutual fund shares	66	68	69	90	110	140	137	133
Remaining net assets (+)	7	-30	-46	-28	-31	-35	-4	6
Main items of financing (-)								
Debt securities	1	3	7	5	3	3	0	0
Loans	7	11	-16	0	-7	-23	-5	-5
Shares and other equity	7	4	1	2	2	1	5	5
Insurance technical reserves	281	115	156	171	176	184	195	216
Net equity of households in life insurance and pension fund reserves	262	111	139	156	165	171	180	192
Prepayments of insurance premiums and reserves for outstanding claims	19	4	16	15	12	13	16	23
= Changes in net financial worth due to transactions	-1	21	59	9	6	25	38	31
Other changes account								
Other changes in financial assets (+)								
Shares and other equity	119	-105	196	144	128	93	105	103
Other net assets	-6	13	240	140	100	5	-62	29
Other changes in liabilities (-)								
Shares and other equity	-1	-48	67	55	84	72	65	39
Insurance technical reserves	138	16	189	167	131	82	69	95
Net equity of households in life insurance and pension fund reserves	127	19	187	165	130	81	69	93
Prepayments of insurance premiums and reserves for outstanding claims	11	-3	2	2	1	1	1	2
= Other changes in net financial worth	-24	-59	180	61	14	-56	-91	-2
Financial balance sheet								
Financial assets (+)								
Short-term assets	330	371	408	413	367	357	339	370
Currency and deposits	190	193	209	218	201	201	193	212
Money market fund shares	88	102	126	126	107	99	86	100
Debt securities [1]	52	76	74	69	59	56	60	58
Long-term assets	6,043	6,047	6,665	6,804	6,800	6,927	7,047	7,238
Deposits	606	611	594	595	596	591	588	583
Debt securities	2,638	2,660	3,013	3,053	3,055	3,077	3,141	3,236
Loans	469	481	490	489	487	489	493	504
Quoted shares	422	377	404	413	410	426	439	445
Unquoted shares and other equity	418	422	435	437	436	441	444	445
Mutual fund shares	1,490	1,497	1,728	1,818	1,816	1,904	1,943	2,025
Remaining net assets (+)	245	260	250	247	238	227	216	238
Liabilities (-)								
Debt securities	43	46	55	55	52	52	54	55
Loans	292	301	285	300	299	293	283	298
Shares and other equity	447	403	472	492	500	516	541	536
Insurance technical reserves	6,008	6,139	6,484	6,598	6,601	6,661	6,748	6,909
Net equity of households in life insurance and pension fund reserves	5,203	5,332	5,659	5,756	5,760	5,819	5,908	6,042
Prepayments of insurance premiums and reserves for outstanding claims	805	807	825	842	842	842	841	867
= Net financial wealth	-172	-210	28	19	-47	-12	-25	48

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

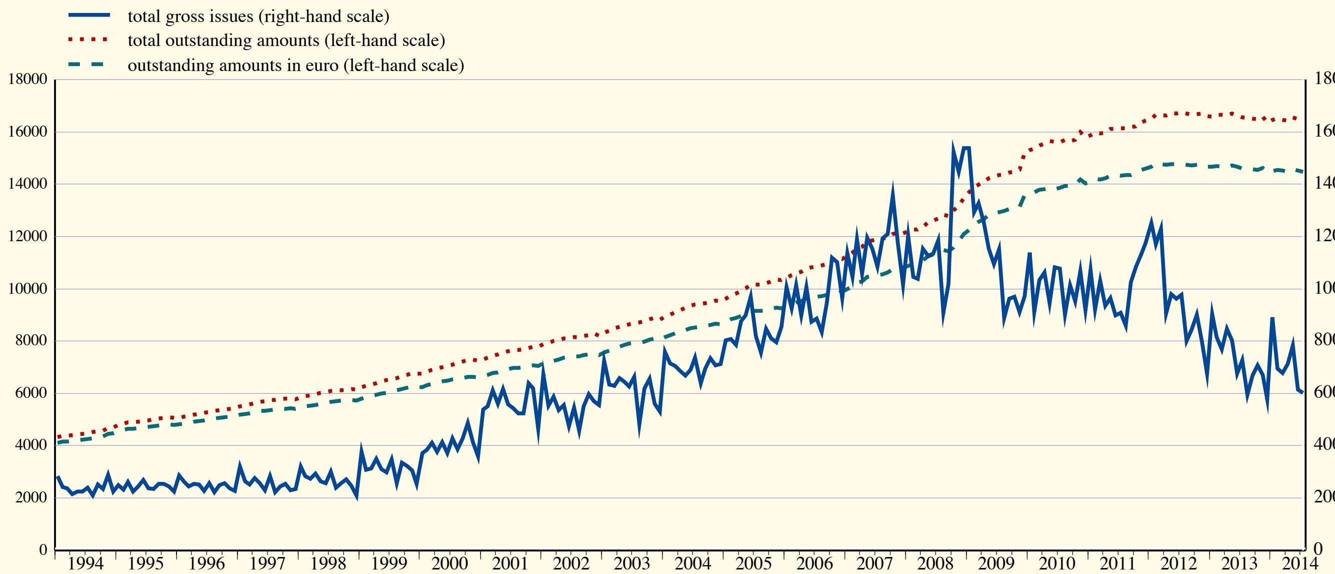
4.1 Securities other than shares by original maturity, residency of the issuer and currency

(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					
	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Outstanding amounts	Gross issues	Net issues	Annual growth rates	Seasonally adjusted [2]	
											Net issues	6-month growth rates
	1	2	3	4	5	6	7	8	9	10	11	12
	Total											
2013 July	16,824.0	641.2	-66.2	14,593.7	592.4	-72.5	16,546.7	727.2	-80.0	-0.9	-48.3	-1.2
Aug.	16,800.0	517.0	-24.2	14,568.0	483.4	-25.9	16,532.0	595.7	-17.9	-0.8	15.8	-0.8
Sep.	16,809.7	607.9	10.3	14,560.8	557.3	-6.7	16,519.0	668.1	-5.2	-0.7	29.1	-0.3
Oct.	16,811.2	644.0	2.5	14,549.9	573.8	-9.8	16,485.5	706.8	-22.3	-1.0	-31.9	-0.5
Nov.	16,920.6	598.3	109.6	14,631.5	539.5	81.8	16,572.5	670.7	85.6	-0.8	9.1	-0.5
Dec.	16,744.1	517.6	-186.3	14,458.0	479.4	-183.3	16,353.4	577.3	-220.2	-1.3	-110.0	-1.6
2014 Jan.	16,766.0	795.4	21.8	14,489.4	739.4	31.4	16,461.4	890.4	90.3	-0.8	63.7	-0.3
Feb.	16,837.4	630.0	67.2	14,548.0	576.9	54.5	16,519.2	695.9	66.9	-0.6	3.4	-0.4
Mar.	16,816.2	650.4	-22.0	14,514.5	581.3	-34.5	16,466.0	677.3	-53.9	-0.8	-44.4	-1.3
Apr.	16,792.9	681.3	-21.9	14,477.4	618.1	-35.7	16,424.4	713.5	-38.2	-1.0	-43.2	-1.5
May	16,895.6	730.4	102.6	14,579.6	657.4	102.0	16,568.2	783.3	127.8	-0.8	39.6	-1.1
June	16,849.2	588.3	-47.2	14,513.7	514.2	-66.5	16,493.1	615.5	-75.4	-0.9	-29.2	-0.1
July	.	.	.	14,466.8	486.0	-50.3	16,492.3	602.5	-19.0	-0.5	18.5	-0.7
	Long-term											
2013 July	15,534.0	204.7	-71.6	13,378.1	173.1	-85.0	15,078.3	195.3	-94.3	0.1	-40.8	-0.9
Aug.	15,527.6	117.3	-6.5	13,368.4	97.7	-10.0	15,076.1	113.0	-6.4	0.2	31.2	0.1
Sep.	15,544.1	223.7	16.9	13,374.0	190.6	6.0	15,082.2	216.7	15.6	0.1	43.2	0.4
Oct.	15,571.1	249.5	27.1	13,382.4	199.4	8.6	15,076.1	228.6	2.9	-0.1	-6.7	0.5
Nov.	15,686.8	251.9	114.5	13,474.0	210.0	90.5	15,183.4	240.1	105.7	0.2	30.2	0.7
Dec.	15,587.6	155.0	-99.8	13,383.5	134.1	-91.0	15,072.1	149.5	-102.7	0.1	-27.9	0.4
2014 Jan.	15,551.9	273.7	-34.6	13,350.5	237.4	-31.9	15,081.8	290.3	-4.0	0.0	1.3	0.9
Feb.	15,615.9	233.0	63.8	13,404.6	198.9	54.0	15,131.4	229.9	62.0	0.3	0.3	0.5
Mar.	15,567.3	256.6	-49.9	13,351.7	208.6	-54.3	15,074.5	238.0	-58.0	-0.1	-38.4	-0.5
Apr.	15,574.9	272.1	7.8	13,339.0	226.0	-12.6	15,061.8	252.3	-10.7	-0.1	-20.4	-0.7
May	15,671.7	326.8	97.7	13,444.1	277.7	105.8	15,203.7	321.2	128.9	0.1	49.9	-0.5
June	15,665.6	248.4	-7.8	13,426.6	196.7	-19.0	15,168.8	228.9	-35.3	0.0	-20.9	-0.4
July	.	.	.	13,365.9	177.7	-65.6	15,141.4	212.4	-45.7	0.3	13.3	-0.2

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	16,595	5,399	3,259	979	6,274	684	958	589	82	68	187	33
2013	16,353	4,887	3,186	1,049	6,558	674	730	385	65	64	188	29
2013 Q3	16,519	5,003	3,245	1,043	6,556	671	664	350	52	63	173	25
Q4	16,353	4,887	3,186	1,049	6,558	674	652	341	58	65	163	25
2014 Q1	16,466	4,820	3,191	1,076	6,698	681	755	372	71	69	202	41
Q2	16,493	4,737	3,157	1,091	6,827	682	704	326	75	74	195	35
2014 Apr.	16,424	4,789	3,171	1,076	6,713	675	714	330	67	77	205	34
May	16,568	4,786	3,231	1,094	6,783	675	783	362	111	84	195	31
June	16,493	4,737	3,157	1,091	6,827	682	615	286	46	61	183	39
July	16,492	4,704	3,212	1,108	6,789	680	602	234	81	64	190	34
Short-term												
2012	1,488	601	136	81	606	64	703	490	37	52	104	21
2013	1,281	474	111	74	571	52	513	315	27	47	103	21
2013 Q3	1,437	539	133	90	628	47	489	294	26	46	106	18
Q4	1,281	474	111	74	571	52	446	269	23	45	91	18
2014 Q1	1,392	530	143	83	579	57	502	289	35	50	100	27
Q2	1,324	516	106	79	572	51	437	246	19	54	92	25
2014 Apr.	1,363	522	141	82	567	50	461	259	22	64	92	24
May	1,365	523	133	83	577	48	462	260	22	59	98	22
June	1,324	516	106	79	572	51	387	219	13	40	86	29
July	1,351	516	127	87	577	44	390	182	38	45	105	21
Long-term [2]												
2012	15,106	4,798	3,122	897	5,668	620	255	99	45	16	84	12
2013	15,072	4,413	3,075	975	5,987	622	217	69	38	17	85	8
2013 Q3	15,082	4,464	3,112	953	5,929	623	175	56	27	18	67	8
Q4	15,072	4,413	3,075	975	5,987	622	206	72	35	20	72	7
2014 Q1	15,074	4,290	3,048	993	6,119	624	253	82	35	19	102	14
Q2	15,169	4,221	3,050	1,012	6,255	631	267	80	56	20	103	9
2014 Apr.	15,062	4,267	3,030	994	6,146	625	252	71	45	13	113	10
May	15,204	4,263	3,098	1,011	6,205	627	321	101	89	25	97	8
June	15,169	4,221	3,050	1,012	6,255	631	229	67	33	22	97	10
July	15,141	4,188	3,084	1,021	6,212	636	212	52	43	20	85	13
of which: Long-term fixed rate												
2012	10,433	2,812	1,214	806	5,157	444	165	54	18	15	71	7
2013	10,678	2,649	1,320	872	5,385	452	144	36	19	14	69	6
2013 Q3	10,653	2,671	1,320	852	5,356	453	121	32	12	14	59	5
Q4	10,678	2,649	1,320	872	5,385	452	137	37	18	18	59	5
2014 Q1	10,751	2,565	1,319	886	5,520	461	183	46	20	16	90	11
Q2	10,912	2,540	1,376	904	5,625	467	182	38	36	18	82	7
2014 Apr.	10,758	2,554	1,336	887	5,519	462	158	36	23	12	78	8
May	10,906	2,559	1,396	902	5,586	463	222	39	70	23	83	7
June	10,912	2,540	1,376	904	5,625	467	165	39	15	18	86	7
July	10,881	2,526	1,394	910	5,581	471	139	29	15	15	72	8
of which: Long-term variable rate												
2012	4,245	1,732	1,811	88	439	175	78	38	25	1	8	5
2013	3,980	1,561	1,651	98	501	169	61	28	17	2	11	2
2013 Q3	4,013	1,580	1,689	97	477	169	43	20	13	3	4	2
Q4	3,980	1,561	1,651	98	501	169	61	31	16	2	10	2
2014 Q1	3,909	1,529	1,615	102	501	163	58	31	13	2	8	3
Q2	3,849	1,490	1,556	102	539	163	73	37	16	2	17	2
2014 Apr.	3,887	1,519	1,576	102	527	162	80	30	15	1	32	1
May	3,889	1,510	1,581	103	531	163	88	58	16	2	11	2
June	3,849	1,490	1,556	102	539	163	51	22	16	2	8	4
July	3,852	1,472	1,568	105	542	165	61	16	25	4	11	5

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

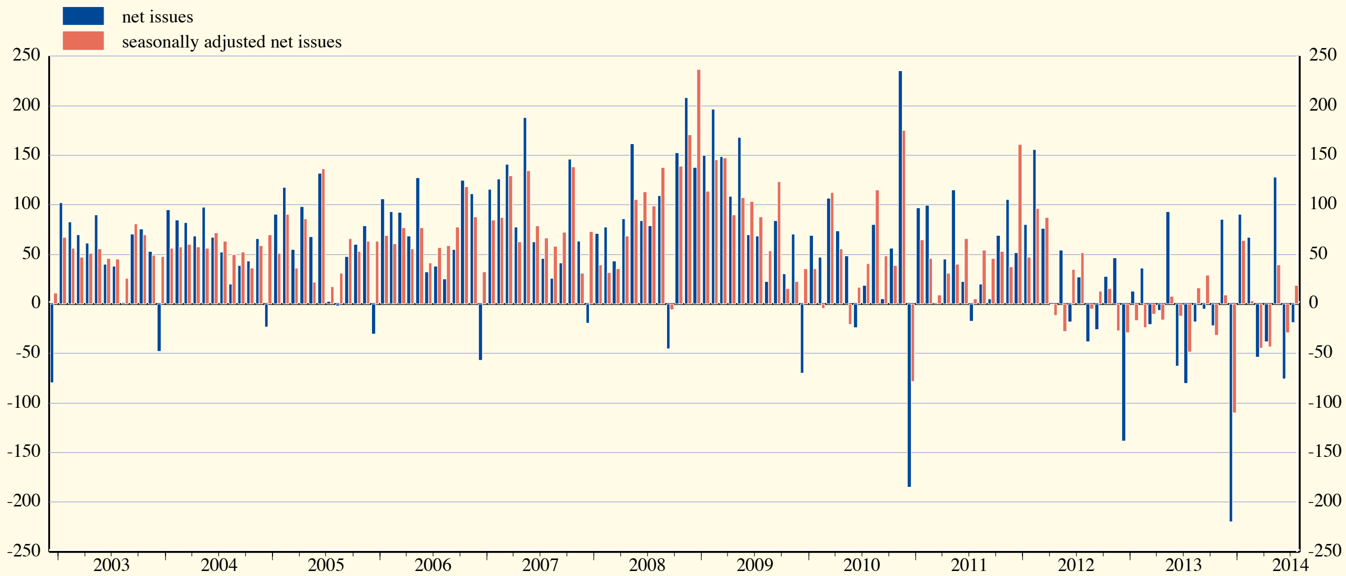
(EUR billions unless otherwise indicated; transactions during the period; nominal values)

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	20.4	-8.1	1.9	10.4	13.1	3.1	-	-	-	-	-	-
2013	-17.3	-39.7	-7.5	6.6	24.0	-0.6	-	-	-	-	-	-
2013 Q3	-34.4	-36.7	-4.9	10.9	-1.6	-2.1	-1.1	-33.5	5.6	10.4	17.1	-0.7
Q4	-52.3	-35.4	-22.6	3.2	0.9	1.4	-44.3	-29.9	-37.2	5.8	16.2	0.8
2014 Q1	34.4	-20.9	-2.6	8.8	46.9	2.3	7.6	-29.8	2.1	6.9	27.6	0.8
Q2	4.7	-28.8	-12.5	4.3	41.6	0.2	-10.9	-28.2	-13.1	4.3	25.4	0.8
2014 Apr.	-38.2	-27.9	-19.9	0.5	14.6	-5.5	-43.2	-31.5	-38.6	-3.2	34.1	-4.0
May	127.8	-11.9	56.8	15.4	68.6	-1.2	39.6	-23.5	40.8	12.5	10.7	-0.9
June	-75.4	-46.8	-74.5	-3.0	41.7	7.3	-29.2	-29.6	-41.6	3.5	31.4	7.2
July	-19.0	-41.4	50.0	14.3	-39.0	-2.9	18.5	-46.3	50.6	12.7	2.3	-0.7
	Long-term											
2012	30.4	0.5	0.0	10.2	15.6	4.2	-	-	-	-	-	-
2013	0.8	-29.4	-4.2	7.2	26.9	0.3	-	-	-	-	-	-
2013 Q3	-28.4	-30.7	-3.9	10.4	-4.2	0.1	11.2	-26.1	4.2	10.2	20.8	2.1
Q4	2.0	-14.5	-11.8	8.7	19.8	-0.2	-1.5	-9.7	-23.6	8.9	22.4	0.5
2014 Q1	0.0	-38.7	-11.9	5.9	44.1	0.7	-12.3	-42.0	-5.9	6.2	30.1	-0.7
Q2	27.6	-23.6	-0.3	5.5	44.1	2.0	2.9	-29.2	-2.9	5.3	28.9	0.7
2014 Apr.	-10.7	-21.3	-18.0	1.1	26.8	0.8	-20.4	-26.3	-34.1	-0.2	40.6	-0.5
May	128.9	-9.6	64.7	14.3	58.5	1.1	49.9	-21.1	46.1	14.7	9.5	0.8
June	-35.3	-39.9	-47.6	1.1	46.9	4.2	-20.9	-40.2	-20.7	1.4	36.8	1.7
July	-45.7	-42.4	28.9	6.6	-43.7	5.0	13.3	-41.2	29.0	7.9	8.4	9.2

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.

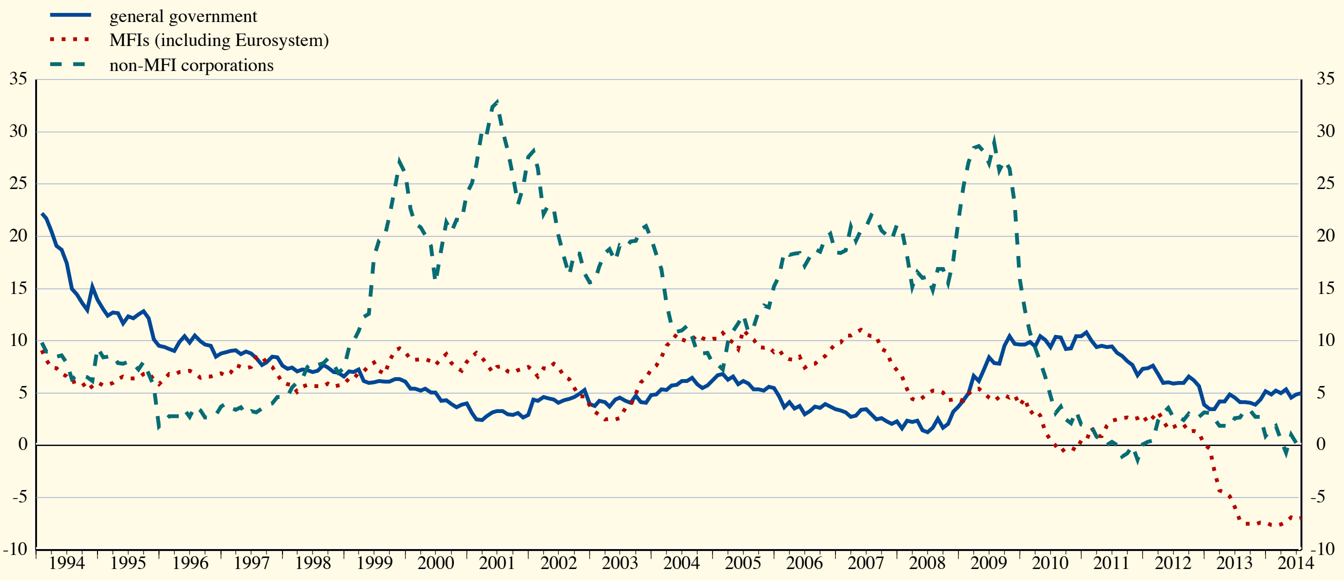
4.3 Growth rates of securities other than shares issued by euro area residents [1]

(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 July	-0.9	-8.7	0.4	10.0	4.1	-4.7	-1.2	-11.2	1.0	6.3	5.6	-5.3
Aug.	-0.8	-9.2	1.3	10.5	4.2	-3.6	-0.8	-9.6	0.3	7.4	5.1	-0.9
Sep.	-0.7	-8.9	1.7	9.9	4.1	-3.8	-0.3	-8.3	1.7	8.0	4.4	-2.8
Oct.	-1.0	-9.0	0.7	9.9	3.8	-4.1	-0.5	-7.4	-0.4	7.6	4.5	-4.6
Nov.	-0.8	-8.8	0.6	9.9	4.0	-2.6	-0.5	-6.2	-1.3	10.7	3.0	-2.0
Dec.	-1.3	-8.9	-2.8	8.1	4.6	-1.1	-1.6	-7.3	-5.7	9.8	3.1	0.1
2014 Jan.	-0.8	-8.1	-1.8	9.5	4.4	-2.0	-0.3	-4.9	-4.4	12.8	3.3	1.8
Feb.	-0.6	-7.8	-2.0	8.6	4.5	0.7	-0.4	-5.9	-4.3	9.9	3.9	2.3
Mar.	-0.8	-7.7	-2.4	7.8	4.2	-0.7	-1.3	-7.0	-6.3	7.5	4.0	1.4
Apr.	-1.0	-7.6	-3.7	6.3	4.7	-1.9	-1.5	-7.7	-6.9	5.0	4.9	1.0
May	-0.8	-7.1	-2.5	7.9	3.8	-1.2	-1.1	-8.0	-3.8	5.6	4.5	-0.5
June	-0.9	-7.2	-3.9	8.1	4.0	0.8	-0.1	-7.0	-2.1	6.5	4.9	1.4
July	-0.5	-7.1	-2.4	8.7	3.9	1.6	-0.7	-9.2	-0.3	4.8	4.6	1.3
	Long-term											
2013 July	0.1	-7.2	0.2	11.8	4.5	0.3	-0.9	-11.3	1.0	6.3	6.5	-3.0
Aug.	0.2	-7.5	1.0	12.1	4.5	0.7	0.1	-9.6	2.0	8.2	6.0	0.8
Sep.	0.1	-7.5	1.2	10.8	4.5	0.3	0.4	-8.2	1.5	9.1	5.4	2.1
Oct.	-0.1	-7.5	0.4	10.7	4.2	0.8	0.5	-6.8	-0.2	9.1	5.5	1.4
Nov.	0.2	-7.4	0.5	10.7	4.8	0.4	0.7	-5.1	-1.0	13.0	4.3	1.6
Dec.	0.1	-7.4	-1.6	9.6	5.7	0.6	0.4	-4.7	-3.7	12.9	4.4	2.6
2014 Jan.	0.0	-7.6	-0.9	10.1	5.5	-1.1	0.9	-3.8	-2.7	14.0	4.6	1.2
Feb.	0.3	-7.7	-0.5	10.0	5.6	1.8	0.5	-5.8	-2.9	11.9	5.3	2.7
Mar.	-0.1	-7.5	-2.1	9.5	5.4	1.0	-0.5	-6.8	-5.5	9.7	5.4	-0.2
Apr.	-0.1	-7.3	-3.3	8.3	5.9	0.5	-0.7	-7.8	-6.4	7.5	6.4	-0.5
May	0.1	-6.9	-1.8	10.5	4.9	0.7	-0.5	-8.6	-2.7	8.2	5.6	-0.3
June	0.0	-7.1	-2.7	9.9	5.2	1.3	-0.4	-9.4	-1.7	7.2	6.0	0.0
July	0.3	-6.9	-1.7	10.0	5.2	2.8	-0.2	-9.9	-0.8	6.3	5.9	4.4

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.

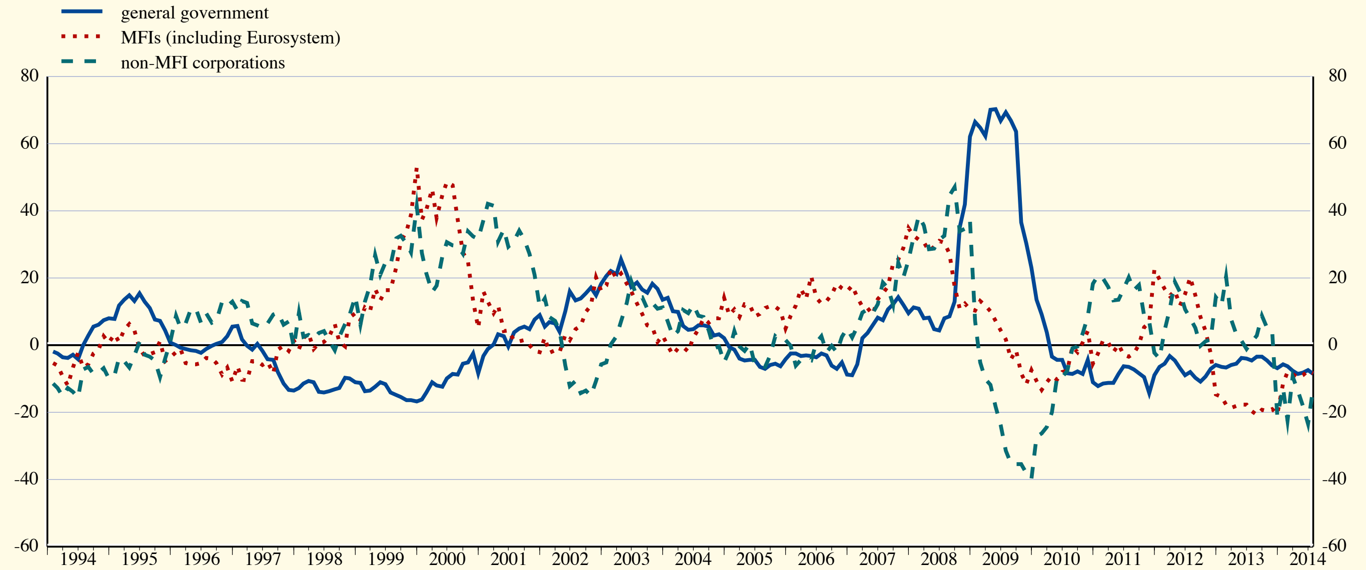
4.3 Growth rates of securities other than shares issued by euro area residents [1] (cont'd)

(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	5.3	4.1	1.9	10.4	5.9	7.3	-0.9	-0.3	-4.9	-0.4	6.6	23.3
2013	3.3	-3.2	6.8	13.4	4.6	4.1	-7.2	-7.5	-9.6	5.0	-1.3	-0.8
2013 Q3	3.0	-4.8	7.9	12.6	4.8	3.4	-8.0	-9.6	-9.1	6.9	-1.9	-5.4
Q4	2.3	-5.0	5.3	10.4	4.3	2.6	-6.7	-9.8	-8.1	11.9	6.5	-4.1
2014 Q1	1.8	-5.9	1.4	9.7	4.9	1.8	-5.1	-8.5	-7.5	13.7	12.8	-2.5
Q2	1.9	-6.2	1.9	9.3	4.9	2.6	-5.4	-6.9	-9.7	13.5	11.3	-3.9
2014 Feb.	1.8	-6.2	0.0	10.0	5.2	2.9	-4.3	-8.4	-5.4	13.6	10.5	-0.9
Mar.	1.7	-6.5	0.5	9.0	5.0	3.0	-5.1	-7.2	-8.2	14.0	10.2	-4.3
Apr.	1.6	-6.5	0.9	8.0	5.0	2.6	-5.4	-6.8	-10.2	13.4	13.8	-5.0
May	2.1	-5.8	3.3	10.3	4.6	2.1	-5.5	-6.8	-9.8	14.2	9.5	-3.0
June	2.1	-6.1	2.4	10.3	4.9	3.0	-5.5	-6.9	-10.0	12.1	10.8	-3.1
July	2.3	-5.6	2.8	10.1	4.7	4.5	-4.9	-7.7	-8.8	13.5	14.3	-1.8
	In euro											
2012	5.5	4.6	0.7	10.6	6.0	7.2	-0.6	2.0	-6.5	-1.4	6.3	22.9
2013	3.1	-4.0	4.2	14.5	4.6	4.1	-7.6	-7.2	-10.8	6.3	-1.8	-1.2
2013 Q3	2.7	-5.9	5.2	13.6	4.9	3.8	-8.5	-9.7	-10.1	8.4	-2.3	-5.8
Q4	2.0	-6.0	3.0	11.1	4.3	2.8	-7.1	-10.3	-9.0	13.1	6.3	-4.5
2014 Q1	1.6	-7.1	-1.1	9.3	4.9	1.7	-5.8	-9.3	-8.7	13.0	12.9	-2.8
Q2	1.8	-7.6	1.2	8.4	4.9	2.2	-6.1	-7.8	-10.9	12.6	11.5	-3.1
2014 Feb.	1.6	-7.4	-2.7	9.4	5.2	2.7	-4.9	-9.2	-6.4	12.7	10.7	-1.4
Mar.	1.5	-7.8	-1.4	8.3	5.0	2.6	-5.8	-8.1	-9.3	13.5	10.3	-4.1
Apr.	1.5	-7.9	-0.5	7.5	5.1	2.3	-6.0	-7.5	-11.6	12.3	14.2	-4.3
May	2.0	-7.3	3.8	9.2	4.7	1.8	-6.3	-7.8	-11.2	13.3	9.8	-2.1
June	1.9	-7.7	2.2	8.8	4.8	2.6	-6.0	-8.0	-10.8	11.0	11.2	-1.6
July	1.9	-7.6	2.3	8.6	4.6	4.4	-5.4	-8.6	-10.3	12.2	14.9	0.6

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

(annual percentage changes)



Source: ECB.

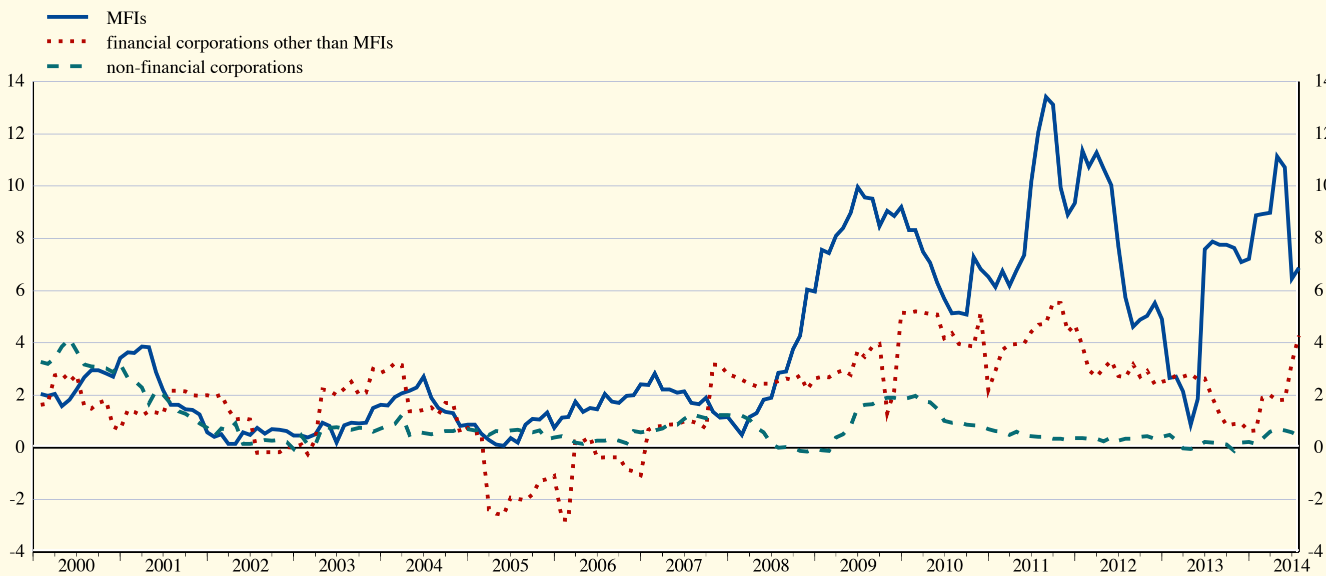
1) Annual percentage changes for monthly data refer to the end of the month, whereas those for quarterly and yearly data refer to the annual change in the period average. See the Technical Notes for details.

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 July	4,066.1	106.8	1.0	311.1	5.8	293.7	2.7	3,461.4	0.3
Aug.	4,196.3	106.8	0.9	352.2	4.6	311.9	3.2	3,532.2	0.3
Sep.	4,245.9	106.9	0.9	365.9	4.9	324.6	2.7	3,555.4	0.4
Oct.	4,325.1	107.0	1.0	384.9	5.0	334.5	2.9	3,605.7	0.4
Nov.	4,414.2	106.9	0.9	397.5	5.5	343.6	2.4	3,673.1	0.3
Dec.	4,521.4	107.1	0.9	404.6	4.9	359.4	2.5	3,757.5	0.4
2013 Jan.	4,677.4	107.2	0.8	445.2	2.6	372.5	2.6	3,859.7	0.5
Feb.	4,663.3	107.0	0.7	418.5	2.7	366.9	2.8	3,877.9	0.3
Mar.	4,663.1	106.8	0.4	382.4	2.2	370.1	2.7	3,910.6	0.0
Apr.	4,763.0	106.7	0.2	412.5	0.9	395.1	2.8	3,955.3	-0.1
May	4,882.5	107.0	0.4	443.4	1.9	407.3	2.6	4,031.8	0.0
June	4,680.3	107.8	1.1	415.7	7.6	393.2	2.6	3,871.4	0.2
July	4,921.3	107.8	1.0	449.7	7.9	416.9	1.9	4,054.7	0.2
Aug.	4,908.5	107.8	0.9	463.8	7.8	414.1	1.3	4,030.5	0.2
Sep.	5,144.2	107.8	0.9	495.4	7.8	425.6	0.8	4,223.2	0.1
Oct.	5,409.5	107.7	0.7	557.2	7.6	455.6	0.9	4,396.7	-0.1
Nov.	5,502.3	107.9	0.9	562.8	7.1	465.0	0.9	4,474.5	0.2
Dec.	5,567.9	108.0	0.9	569.0	7.2	476.0	0.6	4,522.9	0.2
2014 Jan.	5,485.2	108.2	1.0	597.7	8.9	464.7	0.7	4,422.8	0.1
Feb.	5,757.5	108.4	1.3	637.8	8.9	483.6	1.9	4,636.1	0.3
Mar.	5,809.2	108.4	1.5	642.6	9.0	485.5	2.0	4,681.1	0.6
Apr.	5,841.9	108.6	1.7	639.1	11.1	490.5	1.8	4,712.3	0.7
May	5,933.5	108.8	1.7	642.6	10.7	481.9	1.8	4,809.0	0.6
June	5,951.4	109.3	1.4	629.3	6.5	477.6	3.2	4,844.5	0.6
July	5,887.2	109.4	1.4	626.8	6.9	477.8	4.3	4,782.6	0.4

C19 Annual growth rates for quoted shares issued by euro area residents
(annual percentage changes)



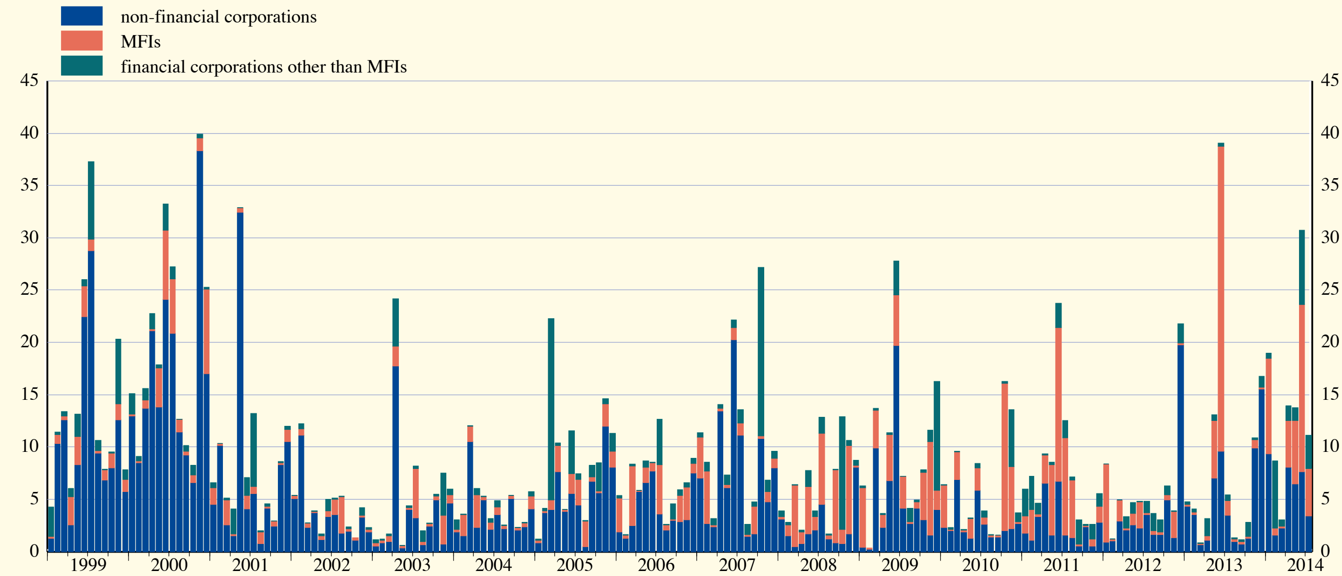
Source: ECB.
1) For details of the calculation of the index and the growth rates, see the Technical Notes.

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 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	0.9	0.1	0.8	4.9	1.7	3.2
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	16.2	5.4	0.0	0.5	-0.5	1.8	0.0	1.8	19.7	15.7	4.1
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	0.1	0.3	-0.3	0.6	10.1	-9.4
Apr.	3.2	5.9	-2.8	0.4	5.2	-4.8	1.7	0.0	1.6	1.1	0.7	0.4
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	1.9	37.1	29.2	0.0	29.1	0.3	0.3	0.1	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.	1.2	2.3	-1.2	0.0	0.0	0.0	0.1	0.5	-0.4	1.0	1.8	-0.8
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.	2.6	7.5	-4.9	0.1	0.0	0.1	1.3	0.1	1.2	1.2	7.4	-6.2
Nov.	10.9	2.1	8.8	0.8	0.0	0.8	0.2	0.1	0.1	9.9	2.0	7.9
Dec.	16.6	9.4	7.2	0.0	0.0	0.0	1.1	0.0	1.1	15.6	9.4	6.2
2014 Jan.	18.9	7.8	11.1	9.1	0.3	8.9	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
Mar.	2.9	2.4	0.5	0.0	0.0	0.0	0.6	0.6	0.0	2.3	1.8	0.5
Apr.	13.9	3.1	10.9	4.5	0.0	4.5	1.4	0.2	1.3	8.0	2.9	5.1
May	13.8	2.8	11.0	6.0	0.0	6.0	1.3	0.4	0.8	6.5	2.3	4.1
June	30.7	1.9	28.8	16.0	0.0	16.0	7.1	0.3	6.8	7.6	1.6	6.0
July	11.1	7.7	3.4	4.5	0.0	4.5	3.1	0.1	3.0	3.4	7.6	-4.1

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 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	1.63	1.93	1.11	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	0.87
Apr.	0.27	1.57	1.44	1.83	1.06	0.99	0.34	0.70	1.24	1.60	0.28
May	0.27	1.42	1.31	1.72	1.05	0.96	0.34	0.61	1.26	1.38	0.29
June	0.27	1.35	1.24	1.74	1.04	0.92	0.31	0.57	1.13	1.52	0.20
July	0.24	1.32	1.21	1.75	1.01	0.90	0.28	0.57	1.14	1.49	0.52
Aug.	0.24	1.23	1.12	1.66	0.93	0.90	0.28	0.47	1.13	1.63	0.25

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 Sep.	7.79	17.02	5.80	6.07	7.62	7.22	2.83	3.05	3.05	3.25	3.35	3.04	3.99	3.16
Oct.	7.68	17.02	5.71	6.04	7.63	7.15	2.77	3.04	3.12	3.27	3.35	3.10	3.95	3.26
Nov.	7.65	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.	7.64	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.	7.70	17.08	5.73	6.08	7.73	7.34	2.76	3.01	3.12	3.31	3.36	3.18	3.80	3.01
Feb.	7.66	17.08	5.87	6.01	7.68	7.38	2.79	2.95	3.09	3.27	3.35	3.23	3.97	3.07
Mar.	7.66	17.08	5.83	5.94	7.54	7.28	2.78	2.90	3.03	3.23	3.29	3.23	4.03	3.12
Apr.	7.61	17.24	5.61	5.83	7.50	7.18	2.72	2.91	3.00	3.24	3.29	3.10	3.87	3.07
May	7.56	17.25	5.64	5.96	7.58	7.27	2.71	2.87	2.96	3.14	3.23	3.29	3.96	2.98
June	7.59	17.21	5.47	5.89	7.46	7.11	2.66	2.84	2.89	3.09	3.20	3.15	3.85	2.94
July	7.44	17.06	5.57	5.80	7.38	6.97	2.63	2.75	2.81	2.99	3.10	3.00	3.78	2.88
Aug.	7.43	17.04	5.54	5.73	7.31	7.01	2.56	2.74	2.71	2.87	3.04	3.05	3.88	2.72

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 Sep.	4.01	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.	4.02	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.	3.95	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.	3.97	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.	4.03	4.61	4.68	4.25	3.99	3.40	3.48	2.15	2.74	2.76	2.94	3.03	3.12
Feb.	3.99	4.54	4.59	4.26	4.08	3.48	3.46	2.08	2.78	2.91	2.77	2.88	3.13
Mar.	3.95	4.60	4.49	4.22	4.10	3.51	3.47	2.17	2.74	2.83	2.99	2.77	3.23
Apr.	3.98	4.59	4.48	4.10	3.95	3.45	3.45	2.20	2.55	2.88	2.57	2.82	3.20
May	3.92	4.50	4.51	4.22	4.06	3.41	3.41	2.06	2.40	2.67	2.80	2.62	3.04
June	3.88	4.29	4.37	4.12	4.04	3.36	3.21	1.94	2.75	2.61	3.35	2.52	2.91
July	3.76	4.32	4.31	3.86	3.89	3.24	3.21	1.91	2.43	2.74	2.37	2.70	2.91
Aug.	3.71	4.18	4.28	3.83	3.82	3.15	3.09	1.74	2.43	2.73	2.50	2.39	2.66

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)

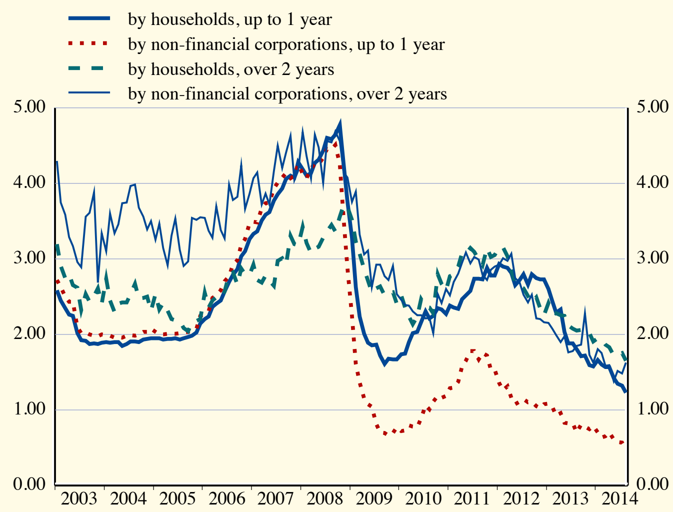
	Deposits from households					Deposits from non-financial corporations			Repos
	Overnight	With an agreed maturity of:		Redeemable at notice of: [2)]		Overnight	With an agreed maturity of:		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
	1	2	3	4	5	6	7	8	9
2013 Sep.	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	1.87	2.55	1.09	1.05	0.33	1.24	2.77	1.01
Feb.	0.28	1.84	2.59	1.11	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
Apr.	0.27	1.75	2.52	1.06	0.99	0.34	1.18	2.73	1.02
May	0.27	1.70	2.48	1.05	0.96	0.34	1.18	2.71	0.87
June	0.27	1.65	2.48	1.04	0.92	0.31	1.15	2.67	0.78
July	0.24	1.59	2.44	1.01	0.90	0.28	1.11	2.61	0.90
Aug.	0.24	1.54	2.43	0.93	0.90	0.28	1.08	2.57	0.82

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 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.	3.61	3.17	3.31	7.59	6.08	4.77	3.67	3.29	3.13
Feb.	3.59	3.21	3.37	7.64	6.20	4.84	3.63	3.33	3.17
Mar.	3.57	3.18	3.33	7.62	6.10	4.77	3.62	3.30	3.13
Apr.	3.63	3.16	3.31	7.51	6.11	4.79	3.63	3.30	3.14
May	3.60	3.15	3.29	7.50	6.10	4.76	3.57	3.28	3.13
June	3.29	3.15	3.29	7.49	6.11	4.79	3.51	3.28	3.13
July	3.24	3.10	3.26	7.40	6.04	4.76	3.44	3.22	3.08
Aug.	3.16	3.08	3.23	7.38	6.04	4.75	3.38	3.18	3.06

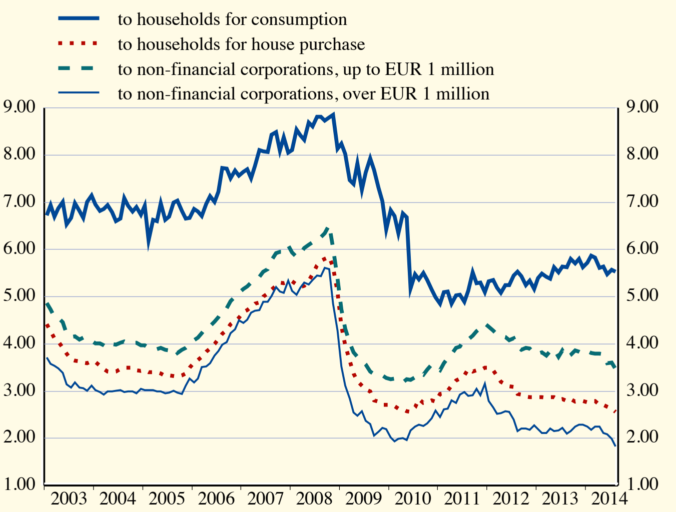
C21 New deposits with an agreed maturity

(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)



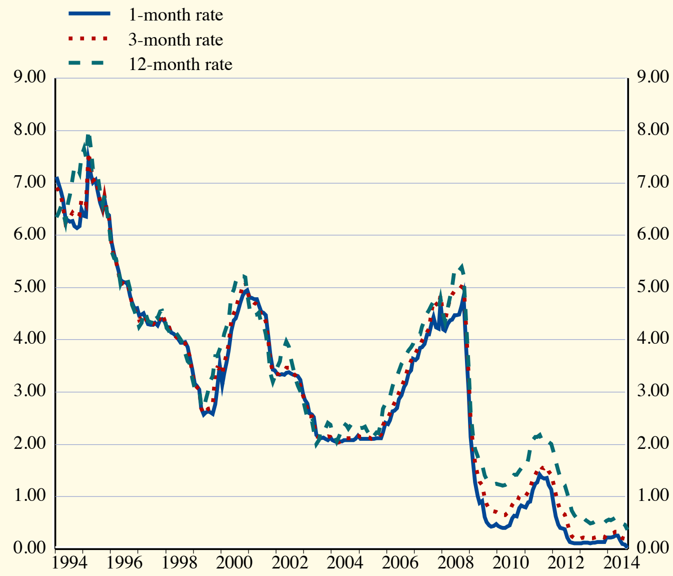
Source: ECB.

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

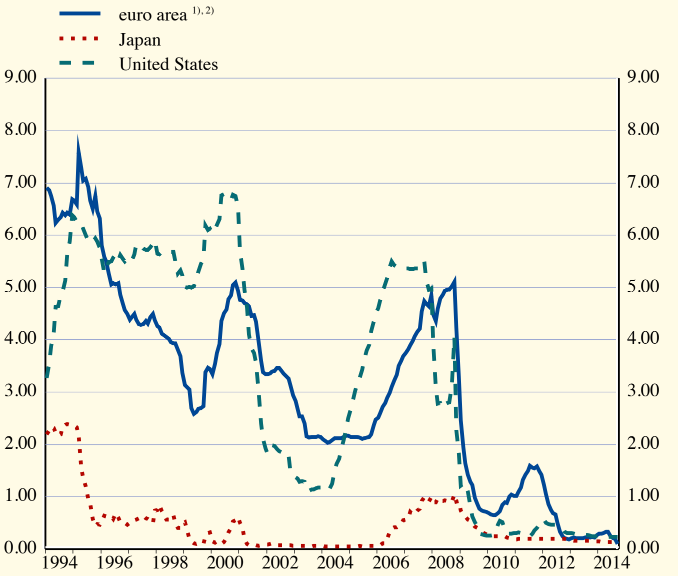
4.6 Money market interest rates
(percentages per annum; period averages)

	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	0.57	0.83	1.11	0.43	0.19
2013	0.09	0.13	0.22	0.34	0.54	0.27	0.15
2013 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
Q2	0.19	0.22	0.30	0.39	0.57	0.23	0.13
Q3	0.02	0.07	0.16	0.27	0.44	0.23	0.13
2013 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
May	0.25	0.26	0.32	0.42	0.59	0.23	0.14
June	0.08	0.15	0.24	0.33	0.51	0.23	0.13
July	0.04	0.10	0.21	0.30	0.49	0.23	0.13
Aug.	0.02	0.09	0.19	0.29	0.47	0.23	0.13
Sep.	0.01	0.02	0.10	0.20	0.36	0.23	0.12

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.

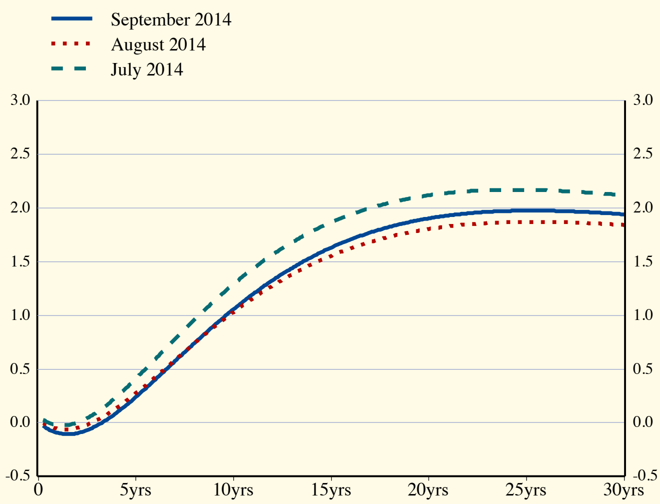
4.7 Euro area yield curves [1]

(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 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
Q2	0.05	-0.01	0.02	0.47	0.88	1.44	1.39	1.42	-0.04	0.16	1.46	3.09
Q3	-0.03	-0.09	-0.10	0.24	0.57	1.06	1.09	1.16	-0.14	-0.02	1.03	2.53
2013 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
May	0.09	0.03	0.06	0.56	0.98	1.56	1.47	1.49	0.01	0.23	1.60	3.23
June	0.05	-0.01	0.02	0.47	0.88	1.44	1.39	1.42	-0.04	0.16	1.46	3.09
July	0.04	-0.02	0.01	0.43	0.81	1.34	1.30	1.33	-0.04	0.14	1.35	2.91
Aug.	0.00	-0.06	-0.05	0.28	0.59	1.03	1.03	1.08	-0.09	0.04	1.01	2.38
Sep.	-0.03	-0.09	-0.10	0.24	0.57	1.06	1.09	1.16	-0.14	-0.02	1.03	2.53

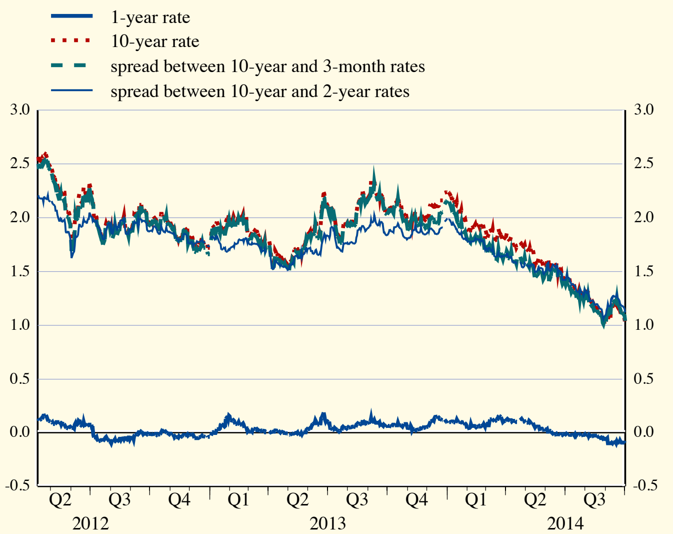
C25 Euro area spot yield curves [2]

(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.

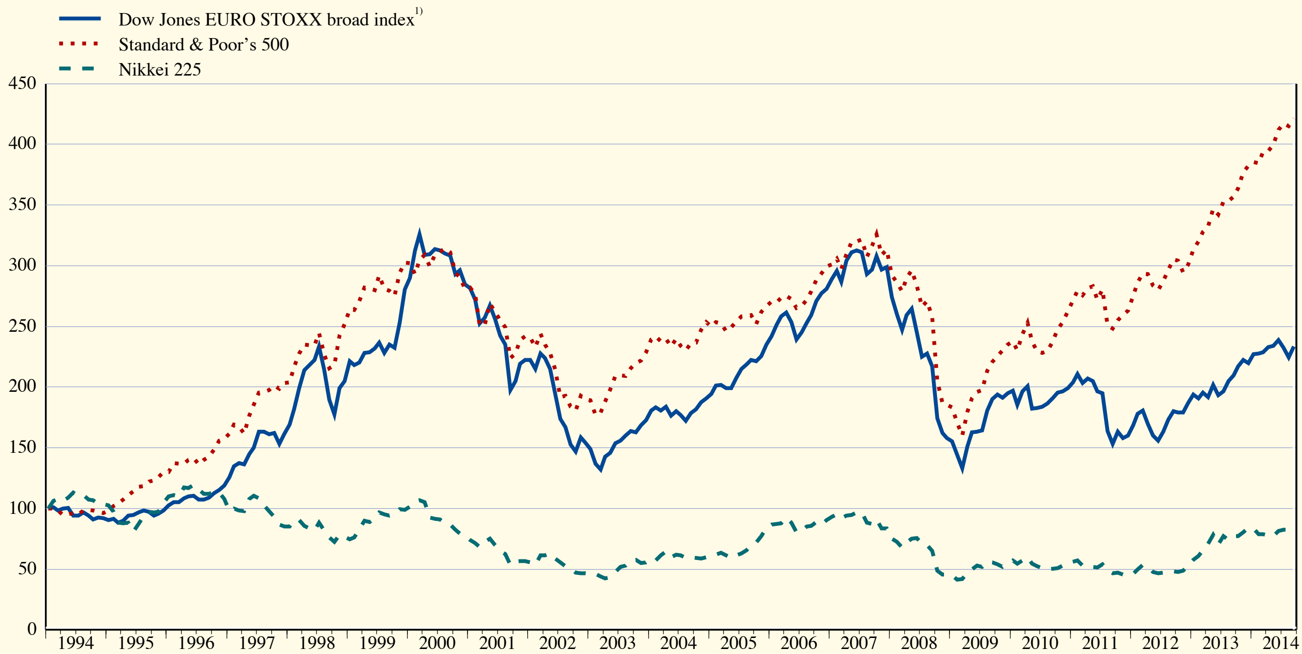
4.8 Stock market indices

(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 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
Q2	326.5	3,214.0	657.3	219.5	524.2	360.3	184.5	471.9	305.3	284.9	311.9	656.5	1,900.4	14,655.0
Q3	319.4	3,173.1	645.9	213.8	509.8	351.1	178.9	446.0	315.3	288.7	304.0	686.1	1,975.9	15,553.1
2013 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
May	324.7	3,197.4	660.9	217.7	521.7	362.3	181.9	470.2	300.4	280.6	315.0	657.2	1,889.8	14,343.1
June	331.5	3,271.7	672.1	220.9	531.9	369.2	185.9	475.0	311.6	295.2	321.4	669.1	1,947.1	15,131.8
July	322.3	3,192.3	659.8	215.3	522.6	361.0	178.3	453.8	311.5	292.0	308.7	660.0	1,973.1	15,379.3
Aug.	311.3	3,089.1	625.9	210.7	497.0	341.5	173.6	435.3	309.8	281.2	296.7	674.1	1,961.5	15,358.7
Sep.	324.0	3,233.4	650.4	215.3	508.7	350.0	184.5	447.9	324.5	292.6	306.1	725.0	1,993.2	15,948.5

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

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 Q3	117.3	1.3	1.3	1.3	1.4	0.4	0.7	0.4	-0.1	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	0.3	0.0	0.1	0.0	0.3	0.5	2.0
Q2	118.2	0.6	0.9	0.0	1.3	0.0	0.2	-1.0	0.0	-0.3	0.3	0.3	2.2
Q3	117.7	0.3	0.8	.	1.2	.	.	.	.	-0.4	.	.	.
2014 Apr.	118.2	0.7	1.1	0.1	1.6	0.0	0.0	-0.2	0.0	-0.1	0.1	0.5	2.3
May	118.1	0.5	0.8	0.0	1.1	0.0	0.1	-0.5	0.0	-0.1	0.1	0.2	2.2
June	118.2	0.5	0.8	-0.1	1.3	0.1	0.0	-0.1	0.0	0.2	0.2	0.3	2.1
July	117.4	0.4	0.8	-0.3	1.3	0.1	0.1	0.0	0.0	-0.2	0.1	0.2	1.8
Aug.	117.6	0.4	0.9	-0.3	1.3	0.1	0.0	0.2	0.1	-0.6	0.2	0.2	1.4
Sep. [3)]	118.1	0.3	0.8	.	1.1	.	.	.	.	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 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
Q2	0.2	1.5	-1.8	-0.1	0.0	-0.4	1.9	1.4	1.8	-2.8	1.6	1.3
Q3	-0.1	1.0	-2.0	.	0.1	-1.8	.	.	.	.	.	.
2014 Apr.	0.7	1.6	-0.7	-0.3	0.1	-1.2	1.8	1.4	2.5	-2.6	2.0	1.3
May	0.1	1.5	-2.1	0.0	0.0	0.0	1.9	1.4	1.4	-2.9	1.2	1.3
June	-0.2	1.4	-2.8	0.0	-0.1	0.1	1.8	1.4	1.6	-2.9	1.6	1.4
July	-0.3	1.1	-2.6	-0.3	0.0	-1.0	1.7	1.3	1.8	-2.9	1.5	1.4
Aug.	-0.3	1.0	-2.4	-0.4	0.3	-2.0	1.7	1.3	1.9	-2.9	1.5	1.3
Sep. [3)]	0.2	0.9	-0.9	.	0.1	-2.4	.	.	.	.	.	.

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.

5.1 HICP, other prices and costs

(annual percentage changes, unless otherwise indicated)

2. Industry, construction and property prices

	Industrial producer prices excluding construction										Construct-ion [1]	Residential property prices [2]	Experimental indicator of commercial property prices [2], [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	6.2	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	1.7	-1.8	-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	-1.0
2013 Q2	108.3	-0.1	-0.1	0.5	-0.5	0.6	1.9	0.8	2.1	-2.0	0.5	-2.4	-1.1
Q3	108.3	-0.6	-0.3	0.3	-1.1	0.6	1.8	0.6	2.0	-2.7	0.5	-1.5	-1.0
Q4	108.0	-1.1	-0.9	-0.3	-1.7	0.5	0.9	0.6	1.0	-2.8	0.7	-1.6	-0.9
2014 Q1	107.6	-1.5	-1.1	-0.5	-1.8	0.4	0.6	0.9	0.5	-4.1	0.2	-0.6	.
Q2	107.2	-1.0	-0.4	-0.2	-1.2	0.3	0.5	0.9	0.5	-2.8	0.3	.	.
2014 Feb.	107.6	-1.7	-1.3	-0.5	-1.8	0.3	0.6	0.8	0.5	-4.4	-	-	-
Mar.	107.3	-1.6	-1.2	-0.5	-1.9	0.3	0.5	0.8	0.4	-4.4	-	-	-
Apr.	107.2	-1.2	-0.5	-0.3	-1.5	0.3	0.7	0.8	0.7	-3.4	-	-	-
May	107.1	-1.0	-0.4	-0.2	-1.2	0.3	0.5	0.8	0.5	-2.7	-	-	-
June	107.3	-0.8	-0.1	-0.1	-0.9	0.4	0.3	1.0	0.3	-2.2	-	-	-
July	107.1	-1.1	-0.4	-0.1	-0.7	0.4	0.2	1.0	0.1	-3.5	-	-	-

3. Commodity prices and gross domestic product deflators

	Oil prices [4] (EUR per barrel)	Non-energy commodity prices						GDP deflators								
		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	44.0	19.3	57.9	40.4	22.6	54.5	108.1	0.8	1.5	1.6	0.8	0.8	3.0	5.0
2011	79.7	15.9	21.3	13.6	15.0	20.0	11.8	109.4	1.2	2.0	2.4	0.8	1.5	3.6	5.8
2012	86.6	-5.2	0.2	-7.6	-1.7	5.8	-6.9	110.9	1.3	1.6	2.1	1.0	1.1	1.6	2.4
2013	81.7	-8.0	-13.4	-5.3	-7.7	-10.1	-5.8	112.5	1.5	1.1	1.2	1.2	0.3	-0.3	-1.3
2013 Q3	82.5	-10.6	-22.2	-4.3	-11.4	-18.2	-5.7	112.6	1.4	1.0	1.4	1.1	0.2	-0.6	-1.6
Q4	80.3	-10.1	-18.4	-5.9	-10.9	-15.4	-7.2	112.7	1.1	0.7	0.9	1.1	0.2	-0.9	-1.9
2014 Q1	78.6	-12.9	-8.8	-14.7	-11.1	-6.8	-14.1	113.1	0.9	0.5	0.8	0.6	0.2	-1.1	-2.0
Q2	79.9	-6.2	-1.3	-8.6	-3.7	1.1	-7.4	113.3	0.7	0.6	0.7	0.6	-0.3	-0.4	-0.8
Q3	78.1	-3.9	-1.5	-4.9	-0.7	0.3	-1.4	.	.	.	.	.	.	.	.
2014 Apr.	78.2	-7.5	0.6	-11.2	-5.4	1.4	-10.4	-	-	-	-	-	-	-	-
May	79.4	-6.9	-2.1	-9.2	-4.0	1.3	-8.0	-	-	-	-	-	-	-	-
June	82.3	-4.2	-2.2	-5.1	-1.6	0.6	-3.3	-	-	-	-	-	-	-	-
July	79.9	-4.8	-5.2	-4.6	-1.6	-1.7	-1.6	-	-	-	-	-	-	-	-
Aug.	77.6	-4.2	0.9	-6.4	-1.1	1.1	-2.7	-	-	-	-	-	-	-	-
Sep.	76.5	-2.5	0.1	-3.7	0.6	1.5	0.0	-	-	-	-	-	-	-	-

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) Input prices for residential buildings.
2) Experimental data based on non-harmonised sources (see http://www.ecb.europa.eu/stats/intro/html/experiment.en.html for further details).
3) Data refer to the Euro 18.
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
(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 [1]											
2012	112.7	1.9	4.4	2.7	2.6	1.9	3.1	1.0	0.6	2.5	0.6	2.3
2013	114.0	1.2	0.8	1.7	1.1	0.7	2.0	1.3	-1.5	0.9	1.3	1.3
2013 Q3	114.2	1.2	0.6	2.6	2.0	0.2	3.2	0.8	-1.1	0.4	1.2	0.8
Q4	114.1	0.7	-1.6	-0.5	0.8	-0.7	1.6	3.0	-1.4	-0.1	2.1	0.7
2014 Q1	114.4	0.4	-2.1	0.5	1.1	-0.3	2.3	-0.1	-0.3	1.3	0.3	0.6
Q2	114.9	0.9	-2.0	1.1	2.9	0.3	3.6	0.2	1.0	2.0	0.8	1.7
	Compensation per employee											
2012	116.6	1.9	1.2	2.5	3.1	1.9	2.5	1.1	1.7	2.5	1.1	1.6
2013	118.4	1.6	1.9	2.5	1.7	0.9	1.2	1.4	1.2	1.6	1.7	0.8
2013 Q3	118.9	1.7	1.9	3.2	2.6	1.0	1.5	1.1	0.7	1.4	1.5	0.9
Q4	119.0	1.6	0.7	2.0	2.1	0.6	0.9	1.8	1.0	1.2	2.3	0.9
2014 Q1	119.5	1.2	0.2	1.8	3.7	1.3	1.5	0.8	0.1	1.5	0.6	0.8
Q2	119.7	1.1	0.5	1.1	3.6	0.8	2.2	1.7	1.5	1.4	0.8	0.8
	Labour productivity per person employed [2]											
2012	103.5	0.0	-3.1	-0.2	0.5	-0.1	-0.6	0.1	1.1	-0.1	0.5	-0.6
2013	103.9	0.4	1.1	0.8	0.6	0.2	-0.7	0.1	2.7	0.7	0.4	-0.5
2013 Q3	104.1	0.5	1.3	0.6	0.5	0.8	-1.6	0.3	1.8	1.0	0.3	0.1
Q4	104.3	0.9	2.4	2.4	1.3	1.3	-0.6	-1.1	2.4	1.3	0.3	0.1
2014 Q1	104.4	0.8	2.3	1.3	2.6	1.6	-0.7	1.0	0.3	0.2	0.3	0.2
Q2	104.2	0.2	2.5	0.0	0.7	0.6	-1.4	1.5	0.5	-0.6	0.0	-0.9
	Compensation per hour worked											
2012	119.3	2.6	2.9	3.6	4.9	2.6	3.1	1.6	2.0	2.6	1.2	2.6
2013	121.6	1.9	1.9	2.2	2.5	1.4	1.4	1.4	1.6	2.1	1.9	1.3
2013 Q3	121.9	1.8	1.7	2.1	2.3	1.3	1.9	0.7	1.8	2.0	1.8	1.2
Q4	122.0	1.4	-0.2	1.0	2.0	0.7	0.8	1.1	0.9	1.5	2.3	0.4
2014 Q1	122.7	0.7	-0.4	0.2	2.2	0.9	1.5	0.8	0.0	1.3	1.0	-1.0
Q2	123.0	1.3	0.0	1.2	3.6	1.1	2.7	2.4	2.8	1.4	1.5	-0.4
	Hourly labour productivity [2]											
2012	106.5	0.8	-2.1	0.9	2.0	0.7	0.1	0.5	1.9	0.2	0.7	0.1
2013	107.2	0.7	0.5	0.6	1.1	0.7	-0.5	0.2	3.3	1.1	0.6	0.0
2013 Q3	107.3	0.7	0.8	-0.3	0.4	1.3	-1.1	0.0	2.5	1.7	0.6	0.3
Q4	107.6	0.8	1.7	1.5	1.2	1.2	-1.0	-1.8	3.1	2.0	0.2	-0.1
2014 Q1	107.9	0.4	2.1	-0.2	1.4	1.1	-0.7	0.8	1.9	0.5	0.7	-1.3
Q2	107.8	0.6	1.9	0.1	1.0	0.9	-0.9	2.2	3.1	0.2	0.8	-1.5

5. Labour cost indices [3]

	Total (index: 2008 = 100)	Total	By component		For selected economic activities			Memo item: Indicator of negotiated wages [4]
			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	108.9	2.0	2.0	2.0	2.4	2.5	2.4	2.2
2013	110.4	1.4	1.5	0.9	2.2	0.9	0.8	1.8
2013 Q3	107.2	0.9	1.0	0.5	1.4	0.1	0.6	1.7
Q4	117.1	1.3	1.6	0.3	2.0	0.4	0.5	1.7
2014 Q1	103.6	0.6	1.0	-0.6	0.9	0.8	0.7	1.9
Q2	115.6	1.2	1.2	1.0	2.5	0.7	0.9	1.9

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) Compensation (at current prices) per employee divided by labour productivity per person employed.
2) Total GDP and value added by economic activity (volumes) per labour input (persons employed and hours worked).
3) 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.
4) 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

	GDP								
	Total	Domestic demand					External balance [1]		
		Total	Private consumption	Government consumption	Gross fixed capital formation	Changes in inventories [2]	Total	Exports [1]	Imports [1]
	1	2	3	4	5	6	7	8	9
	Current prices (EUR billions)								
2010	9,185.8	9,065.0	5,282.7	2,019.9	1,741.2	21.1	120.8	3,793.9	3,673.1
2011	9,444.0	9,315.2	5,427.3	2,032.6	1,796.6	58.7	128.8	4,186.7	4,057.9
2012	9,505.5	9,259.6	5,464.4	2,041.9	1,744.9	8.4	245.9	4,362.7	4,116.8
2013	9,602.6	9,271.4	5,496.2	2,069.8	1,698.6	6.9	331.2	4,410.5	4,079.2
2013 Q2	2,400.8	2,311.8	1,371.3	517.1	422.8	0.6	89.1	1,107.1	1,018.0
Q3	2,406.1	2,326.8	1,377.8	519.5	425.8	3.7	79.3	1,105.5	1,026.2
Q4	2,415.6	2,325.9	1,380.6	517.0	430.9	-2.6	89.7	1,118.7	1,029.0
2014 Q1	2,429.9	2,346.2	1,386.1	522.9	431.0	6.2	83.7	1,115.3	1,031.6
Q2	2,434.3	2,347.8	1,391.2	524.2	427.0	5.4	86.5	1,124.5	1,038.0
	percentage of GDP								
2013	100.0	96.6	57.2	21.6	17.7	0.1	3.4	-	-
	Chain-linked volumes (prices for the previous year)								
	quarter-on-quarter percentage changes								
2013 Q2	0.3	-0.1	0.2	0.0	0.1	-	-	2.3	1.6
Q3	0.1	0.6	0.2	0.3	0.5	-	-	0.1	1.1
Q4	0.3	-0.1	0.1	-0.3	0.9	-	-	1.4	0.7
2014 Q1	0.2	0.5	0.2	0.7	0.2	-	-	0.1	0.8
Q2	0.0	-0.1	0.3	0.2	-0.3	-	-	0.5	0.3
	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	-0.9	-0.7	0.1	-2.9	-	-	1.4	0.4
2013 Q2	-0.6	-1.3	-0.7	0.0	-3.4	-	-	1.6	0.0
Q3	-0.3	-0.4	-0.4	0.6	-2.4	-	-	1.0	0.9
Q4	0.5	0.3	0.2	0.2	-0.1	-	-	3.0	2.6
2014 Q1	1.0	1.0	0.6	0.7	1.8	-	-	3.9	4.1
Q2	0.7	1.0	0.7	0.8	1.3	-	-	2.0	2.8
	contributions to quarter-on-quarter percentage changes in GDP; percentage points								
2013 Q2	0.3	-0.1	0.1	0.0	0.0	-0.2	0.4	-	-
Q3	0.1	0.5	0.1	0.1	0.1	0.3	-0.4	-	-
Q4	0.3	-0.1	0.0	-0.1	0.2	-0.2	0.4	-	-
2014 Q1	0.2	0.5	0.1	0.1	0.0	0.2	-0.3	-	-
Q2	0.0	-0.1	0.2	0.0	-0.1	-0.2	0.1	-	-
	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	-0.9	-0.4	0.0	-0.5	0.0	0.5	-	-
2013 Q2	-0.6	-1.3	-0.4	0.0	-0.6	-0.3	0.7	-	-
Q3	-0.3	-0.4	-0.2	0.1	-0.4	0.2	0.1	-	-
Q4	0.5	0.2	0.1	0.0	0.0	0.1	0.3	-	-
2014 Q1	1.0	0.9	0.3	0.1	0.3	0.1	0.0	-	-
Q2	0.7	0.9	0.4	0.2	0.2	0.1	-0.2	-	-

Sources: Eurostat and ECB calculations.

1) 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.

2) Including acquisitions less disposals of valuables.

5.2 Output and demand

(quarterly data seasonally adjusted; annual data unadjusted)

2. Value added by economic activity

	Gross value added (basic prices)											Taxes less subsidies on products
	Total	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
	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	1,615.1	300.6	943.4
2011	8,468.0	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	980.2
2013	8,610.9	144.0	1,660.7	478.1	1,622.3	358.1	440.0	1,004.8	895.7	1,686.9	320.4	991.7
2013 Q2	2,150.3	36.3	415.3	119.0	404.7	90.1	110.7	250.2	223.4	420.8	79.7	250.5
Q3	2,157.5	35.7	415.7	119.4	407.4	88.9	110.4	251.7	225.3	422.3	80.7	248.5
Q4	2,168.6	36.0	420.0	120.0	409.0	88.8	110.1	253.8	226.5	423.4	81.0	247.0
2014 Q1	2,177.4	36.4	417.9	120.5	410.1	88.8	113.1	254.2	226.9	427.8	81.8	252.4
Q2	2,177.5	36.1	419.2	118.6	410.2	88.3	113.1	255.0	227.9	427.5	81.7	256.8
	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											
2013 Q2	0.3	0.2	0.5	-0.9	0.6	0.2	-0.3	0.1	0.9	0.1	0.0	0.5
Q3	0.2	0.1	0.1	0.1	0.3	-0.7	0.6	0.3	0.3	0.1	0.1	-0.2
Q4	0.4	1.2	0.7	0.1	0.3	0.3	-0.4	0.4	0.3	0.5	0.1	-0.4
2014 Q1	0.2	1.7	-0.3	0.3	0.4	0.1	0.8	-0.1	0.2	0.1	0.2	0.8
Q2	-0.1	-1.2	0.2	-1.8	0.1	-0.1	-0.3	0.3	0.0	-0.1	-0.4	1.1
	annual percentage changes											
2010	2.0	-2.9	9.5	-5.6	0.7	1.5	0.1	-0.1	2.6	1.1	0.4	1.4
2011	1.8	0.3	3.0	-1.6	1.7	3.6	1.6	2.1	2.7	0.9	0.4	0.1
2012	-0.5	-4.9	-1.1	-4.2	-0.9	0.6	-0.3	0.7	0.7	0.2	0.0	-1.9
2013	-0.3	-0.3	-0.6	-4.0	-0.5	-0.7	-0.6	0.8	1.0	0.1	-0.5	-1.4
2013 Q2	-0.5	-0.9	-0.9	-4.9	-0.9	-0.3	-0.8	0.8	1.2	0.0	-0.4	-1.2
Q3	-0.2	0.5	-1.0	-3.6	-0.1	-1.3	-0.1	0.8	1.2	0.2	-0.1	-0.9
Q4	0.7	1.9	1.5	-1.9	1.0	-0.5	-1.5	0.7	1.9	0.3	-0.2	-0.5
2014 Q1	1.0	3.3	1.0	-0.3	1.6	-0.2	0.7	0.7	1.8	0.8	0.4	0.6
Q2	0.6	1.9	0.6	-1.2	1.1	-0.4	0.7	0.9	0.9	0.6	0.0	1.2
	contributions to quarter-on-quarter percentage changes in value added; percentage points											
2013 Q2	0.3	0.0	0.1	0.0	0.1	0.0	0.0	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	0.4	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	-
2014 Q1	0.2	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Q2	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	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	0.3	0.2	0.0	-
2011	1.8	0.0	0.6	-0.1	0.3	0.2	0.1	0.2	0.3	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	-
2013 Q2	-0.5	0.0	-0.2	-0.3	-0.2	0.0	0.0	0.1	0.1	0.0	0.0	-
Q3	-0.2	0.0	-0.2	-0.2	0.0	-0.1	0.0	0.1	0.1	0.0	0.0	-
Q4	0.7	0.0	0.3	-0.1	0.2	0.0	-0.1	0.1	0.2	0.1	0.0	-
2014 Q1	1.0	0.1	0.2	0.0	0.3	0.0	0.0	0.1	0.2	0.2	0.0	-
Q2	0.6	0.0	0.1	-0.1	0.2	0.0	0.0	0.1	0.1	0.1	0.0	-

Sources: Eurostat and ECB calculations.

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	2.0	103.5	3.5	4.7	4.8	4.2	8.4	0.9	0.6	0.9	-4.3	-3.5
2012	-3.0	101.0	-2.5	-2.7	-2.8	-4.5	-1.1	-2.5	-4.9	-2.2	-0.4	-5.0
2013	-1.1	100.2	-0.7	-0.7	-0.7	-1.0	-0.6	-0.5	-3.7	-0.1	-0.8	-2.8
2013 Q3	-1.1	100.3	-1.1	-1.1	-0.9	-0.7	-1.3	-0.9	-3.8	-0.6	-2.1	-1.2
Q4	1.0	100.9	1.5	1.9	2.1	2.4	2.7	0.4	-2.4	1.0	-1.3	-1.2
2014 Q1	2.2	101.1	1.3	3.2	3.3	3.2	4.0	2.4	-0.3	2.8	-9.1	6.6
Q2	1.3	101.0	0.9	1.6	1.6	1.2	0.8	3.6	-0.8	4.2	-4.9	3.4
2014 Mar.	1.1	100.8	0.3	2.3	2.6	2.6	2.7	2.4	-1.0	2.8	-12.2	6.3
Apr.	2.3	101.9	1.8	3.2	3.2	3.3	1.0	6.0	0.1	7.1	-7.8	7.3
May	0.8	100.7	0.6	1.1	1.2	0.1	1.2	2.7	-1.2	3.3	-3.3	4.4
June	-0.1	100.5	0.2	0.5	0.5	0.1	0.2	2.1	-1.4	2.5	-3.4	-1.1
July	1.5	101.5	2.2	3.1	3.1	1.6	4.6	3.6	-0.2	4.0	-4.4	0.4
	month-on-month percentage changes (s.a.)											
2014 Mar.	-0.6	-	-0.4	-0.7	-0.7	-0.7	-0.7	-0.7	0.0	-0.7	0.5	-0.6
Apr.	0.7	-	1.1	1.1	1.1	0.6	0.3	2.9	-0.3	3.5	1.4	0.3
May	-1.2	-	-1.1	-1.6	-1.8	-2.0	-1.0	-1.7	-2.5	-1.6	3.0	-1.4
June	0.0	-	-0.3	-0.2	0.0	0.2	0.2	-1.7	2.5	-2.3	-1.1	-0.4
July	0.8	-	1.0	1.4	1.4	0.5	2.6	1.1	-1.2	1.2	-1.3	0.0

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	Household equipment			
% 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	109.3	9.2	1.7	99.3	-0.8	-1.1	-0.3	-1.4	-0.3	-3.3	840	-0.9
2012	104.4	-3.8	108.8	-0.5	0.5	97.6	-1.7	-1.3	-1.6	-2.5	-2.8	-5.0	745	-11.1
2013	104.4	0.0	107.3	-1.4	-0.4	96.8	-0.8	-1.0	-0.5	-1.4	-2.6	-0.9	713	-4.4
2013 Q3	105.3	1.1	107.5	-1.5	-0.1	97.0	-0.5	-0.6	-0.3	-0.4	-2.6	-0.1	709	-2.2
Q4	106.3	2.8	107.9	0.3	0.2	96.9	0.3	-0.3	1.0	0.5	-0.7	0.3	743	5.3
2014 Q1	107.1	4.4	108.8	1.7	0.6	97.5	1.0	-0.4	2.2	3.5	0.6	0.8	725	5.0
Q2	107.2	3.8	108.2	1.3	0.8	97.9	1.4	1.2	1.7	1.8	0.1	-0.5	738	3.9
2014 Apr.	108.5	5.7	108.8	2.2	1.2	97.6	1.7	2.0	1.5	0.1	0.6	-0.6	744	5.1
May	107.3	4.3	107.6	0.6	0.1	97.8	0.6	0.0	1.4	3.1	-0.1	-0.5	731	3.3
June	106.0	1.6	108.1	1.0	1.2	98.1	1.9	1.7	2.3	2.3	-0.1	-0.3	738	3.3
July	108.2	3.8	108.7	2.7	0.1	97.7	0.8	-0.2	1.5	.	.	-2.9	746	5.7
Aug.	.	.	.	.	.	.	.	.	.	.	.	.	742	4.1
	month-on-month percentage changes (s.a.)													
2014 Apr.	-	1.3	-	0.4	0.0	-	0.1	0.4	-0.4	-1.9	0.2	-0.6	-	2.1
May	-	-1.1	-	-1.1	0.1	-	0.2	0.0	0.5	2.2	0.0	0.3	-	-1.7
June	-	-1.2	-	0.5	0.3	-	0.3	0.5	0.2	0.0	-0.7	0.2	-	0.9
July	-	2.1	-	0.5	-0.3	-	-0.4	-0.6	-0.2	.	.	0.5	-	1.1
Aug.	-	.	-	.	.	-	.	.	.	.	.	.	-	-0.5

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.

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	-20.0	34.4	-11.2
2013 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	-6.9	23.7	-9.6
Q2	102.2	-3.6	-15.3	3.6	8.0	79.7	-7.7	-3.5	-2.9	16.5	-8.0
Q3	100.9	-4.9	-15.8	4.7	5.9	.	-9.9	-3.7	-7.0	21.5	-7.4
2014 Apr.	102.0	-3.5	-15.3	3.2	8.2	79.5	-8.6	-4.1	-3.5	18.3	-8.5
May	102.6	-3.1	-14.6	3.5	8.9	-	-7.1	-3.4	-2.5	15.1	-7.4
June	102.1	-4.3	-15.9	4.0	6.9	-	-7.5	-2.9	-2.8	16.1	-8.0
July	102.2	-3.8	-15.5	4.1	8.2	79.8	-8.3	-3.0	-4.0	19.1	-7.1
Aug.	100.6	-5.3	-15.6	4.5	4.3	-	-10.0	-4.0	-7.3	21.4	-7.4
Sep.	99.9	-5.5	-16.2	5.4	5.2	-	-11.4	-4.0	-9.8	23.9	-7.8

	Construction confidence indicator			Retail trade confidence indicator				Services industries				
	Total [4]	Order books	Employment expectations	Total [4]	Present business situation	Volume of stocks	Expected business situation	Services confidence indicator				Capacity utilisation [3] (%)
								Total [4]	Business climate	Demand in recent months	Demand in the months ahead	
	12	13	14	15	16	17	18	19	20	21	22	23
2010	-28.5	-39.3	-17.6	-3.9	-6.1	7.4	1.8	3.9	1.4	3.0	7.3	.
2011	-25.2	-33.1	-17.2	-5.4	-5.3	11.6	0.6	5.3	2.2	5.4	8.3	.
2012	-27.6	-34.3	-21.0	-15.1	-18.5	14.4	-12.5	-6.8	-11.8	-7.6	-1.0	86.6
2013	-30.0	-38.2	-21.7	-12.5	-18.8	9.3	-9.2	-6.1	-9.9	-8.6	0.2	86.9
2013 Q3	-31.0	-39.7	-22.3	-10.3	-16.2	8.6	-6.1	-5.3	-8.2	-8.6	0.8	87.1
Q4	-28.6	-37.7	-19.5	-6.8	-10.5	6.6	-3.3	-1.3	-4.2	-3.4	3.6	87.1
2014 Q1	-29.0	-39.6	-18.5	-3.1	-5.7	5.6	2.1	3.4	1.0	1.9	7.2	87.2
Q2	-30.7	-40.2	-21.2	-2.3	-3.5	6.7	3.3	3.9	2.7	1.9	7.1	87.3
Q3	-28.1	-38.9	-17.3	-4.7	-5.6	7.8	-0.7	3.3	1.3	2.3	6.3	.
2014 Apr.	-30.4	-40.0	-20.7	-2.6	-5.9	6.2	4.2	3.5	2.3	1.5	6.7	87.3
May	-30.1	-40.4	-19.7	-2.5	-3.0	8.0	3.6	3.8	3.2	2.2	5.9	-
June	-31.7	-40.1	-23.3	-1.9	-1.7	6.0	2.1	4.4	2.6	1.9	8.6	-
July	-28.2	-39.0	-17.3	-2.3	-1.6	6.8	1.5	3.6	1.7	3.1	6.1	87.3
Aug.	-28.4	-39.8	-17.1	-4.6	-6.3	7.3	-0.2	3.1	1.1	2.3	5.9	-
Sep.	-27.7	-37.9	-17.4	-7.2	-9.0	9.3	-3.3	3.2	1.1	1.6	6.8	-

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)]

(quarterly data seasonally adjusted; annual data unadjusted)

1. Employment

	Total	By employment status: Employees	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	145,881	124,720	21,161	4,970	22,791	9,109	35,883	4,068	4,046	1,277	18,396	34,488	10,852
							percentage of total persons employed						
2013	100.0	85.5	14.5	3.4	15.6	6.2	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	-0.9	-1.4	-1.4	-4.6	-0.8	0.0	-0.7	-1.9	0.4	-0.2	0.0
2013 Q3	-0.8	-0.8	-0.7	-0.8	-1.6	-4.1	-0.8	0.2	-0.4	-1.0	0.2	-0.2	-0.2
Q4	-0.4	-0.3	-0.7	-0.4	-0.9	-3.1	-0.3	0.2	-0.3	-1.6	0.6	0.0	-0.3
2014 Q1	0.1	0.2	-0.4	1.0	-0.4	-2.8	0.0	0.6	-0.3	0.3	1.5	0.5	0.2
Q2	0.5	0.7	-0.9	-0.6	0.6	-1.9	0.5	1.0	-0.8	0.4	1.5	0.6	0.9
							quarter-on-quarter percentage changes						
2013 Q3	0.0	0.0	-0.1	0.0	-0.3	-0.4	-0.1	-0.3	0.1	0.3	0.5	0.2	0.3
Q4	0.1	0.2	-0.1	-0.2	0.2	-0.6	0.2	0.7	-0.1	-1.2	0.1	0.3	0.1
2014 Q1	0.1	0.1	-0.3	-0.1	0.2	-0.9	-0.1	0.1	0.0	1.3	0.4	0.2	0.3
Q2	0.2	0.4	-0.4	-0.2	0.5	0.0	0.5	0.5	-0.8	0.0	0.4	0.0	0.3
							Hours worked						
							levels (millions)						
2013	228,792	184,179	44,613	9,981	35,891	15,788	59,443	6,516	6,374	1,960	28,562	49,093	15,183
							percentage of total hours worked						
2013	100.0	80.5	19.5	4.4	15.7	6.9	26.0	2.8	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	-1.1	0.5	-0.5	-0.1
2013	-1.1	-1.1	-1.1	-0.9	-1.2	-5.1	-1.3	-0.1	-0.8	-2.4	-0.1	-0.5	-0.5
2013 Q3	-1.0	-0.9	-1.4	-0.2	-0.7	-4.0	-1.4	-0.2	0.0	-1.7	-0.5	-0.5	-0.4
Q4	-0.2	-0.1	-0.6	0.2	0.0	-3.1	-0.1	0.6	0.3	-2.3	0.0	0.1	0.0
2014 Q1	0.5	0.7	-0.2	1.2	1.1	-1.6	0.5	0.6	-0.1	-1.2	1.3	0.1	1.7
Q2	0.1	0.5	-1.5	-0.1	0.5	-2.2	0.2	0.4	-1.5	-2.2	0.7	-0.2	1.6
							quarter-on-quarter percentage changes						
2013 Q3	-0.1	0.0	-0.2	-0.1	-0.1	-0.6	-0.1	-0.5	0.1	-1.0	0.1	0.1	0.3
Q4	0.1	0.2	-0.4	-0.1	-0.1	-0.9	0.1	0.7	-0.2	-1.5	-0.3	0.7	0.1
2014 Q1	-0.1	-0.1	-0.3	0.6	0.1	-0.6	-0.2	-0.1	-0.5	1.0	0.4	-1.0	1.6
Q2	0.2	0.4	-0.6	-0.5	0.6	-0.1	0.3	0.3	-1.0	-0.6	0.4	0.1	-0.4
							Hours worked per person employed						
							levels (thousands)						
2013	1,568	1,477	2,108	2,008	1,575	1,733	1,657	1,602	1,575	1,535	1,553	1,423	1,399
							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	-0.2	0.6	0.2	-0.5	-0.5	-0.2	-0.1	-0.6	-0.4	-0.2	-0.5
2013 Q3	-0.2	-0.1	-0.7	0.6	0.9	0.2	-0.6	-0.5	0.3	-0.7	-0.7	-0.3	-0.2
Q4	0.2	0.2	0.1	0.6	0.9	0.1	0.2	0.4	0.7	-0.7	-0.7	0.0	0.3
2014 Q1	0.4	0.5	0.1	0.2	1.5	1.2	0.5	0.0	0.2	-1.5	-0.3	-0.4	1.5
Q2	-0.4	-0.2	-0.7	0.6	-0.1	-0.3	-0.3	-0.6	-0.7	-2.6	-0.7	-0.8	0.7
							quarter-on-quarter percentage changes						
2013 Q3	-0.1	-0.1	-0.1	-0.1	0.2	-0.2	0.0	-0.2	0.0	-1.4	-0.4	-0.1	0.0
Q4	-0.1	0.0	-0.3	0.2	-0.3	-0.2	-0.1	0.0	-0.1	-0.3	-0.4	0.4	0.0
2014 Q1	-0.2	-0.2	-0.1	0.7	-0.1	0.3	-0.1	-0.2	-0.5	-0.3	0.0	-1.2	1.2
Q2	-0.1	0.0	-0.2	-0.2	0.1	-0.1	-0.2	-0.2	-0.2	-0.6	0.0	0.1	-0.6

Source: ECB calculations based on Eurostat data.

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

5.3 Labour markets

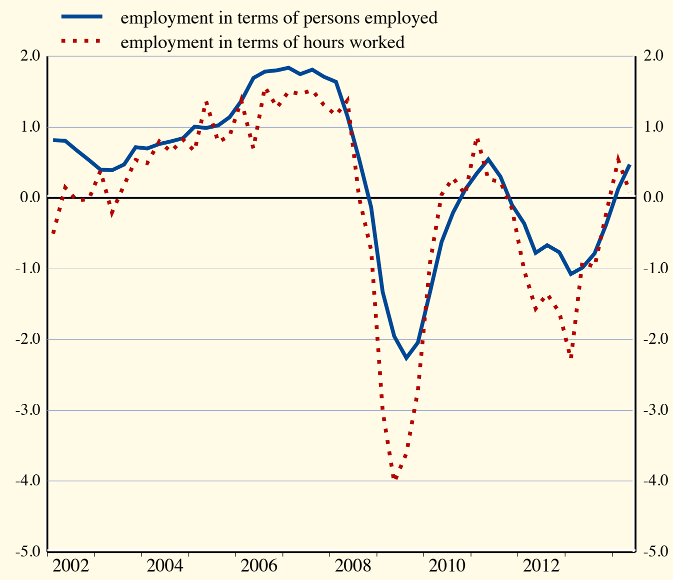
(seasonally adjusted, unless otherwise indicated)

2. Unemployment and job vacancies [1]

	Unemployment										Job vacancy rate [2]
	Total		By age [3]				By gender [4]				
	Millions	% of labour force	Adult		Youth		Male		Female		
			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	15.993	10.1	12.683	8.9	3.310	21.0	8.666	10.0	7.327	10.2	1.5
2011	16.066	10.1	12.828	8.9	3.238	20.9	8.594	9.9	7.472	10.4	1.7
2012	18.084	11.3	14.564	10.1	3.519	23.2	9.736	11.2	8.348	11.4	1.6
2013	19.119	11.9	15.560	10.7	3.559	23.9	10.283	11.9	8.836	12.0	1.5
2013 Q2	19.210	12.0	15.641	10.8	3.569	23.9	10.333	11.9	8.877	12.1	1.5
Q3	19.160	12.0	15.611	10.7	3.550	24.0	10.339	11.9	8.822	12.0	1.4
Q4	18.985	11.9	15.493	10.7	3.492	23.8	10.162	11.7	8.823	12.0	1.6
2014 Q1	18.726	11.7	15.274	10.5	3.452	23.7	10.065	11.6	8.662	11.8	1.7
Q2	18.511	11.6	15.124	10.4	3.387	23.5	9.892	11.4	8.619	11.7	1.7
2014 Mar.	18.640	11.7	15.205	10.5	3.436	23.7	10.018	11.6	8.623	11.8	-
Apr.	18.556	11.6	15.152	10.4	3.405	23.6	9.983	11.6	8.573	11.7	-
May	18.553	11.6	15.159	10.4	3.394	23.5	9.910	11.5	8.643	11.8	-
June	18.424	11.5	15.061	10.3	3.363	23.4	9.783	11.3	8.642	11.8	-
July	18.463	11.5	15.112	10.4	3.351	23.3	9.796	11.3	8.667	11.8	-
Aug.	18.326	11.5	14.994	10.3	3.332	23.3	9.698	11.2	8.628	11.7	-

C28 Employment - persons employed and hours worked

(annual percentage changes)



C29 Unemployment and job vacancy [2] rates

Source: Eurostat.

1) Data for unemployment refer to persons and follow ILO recommendations.
2) Industry, construction and services (excluding households as employers and extra-territorial organisations and bodies); non-seasonally adjusted.
3) 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.
4) 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	0.2	40.6
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	0.2	41.2
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	0.2	41.2
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	0.2	40.8
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	46.5	12.7	9.8	2.8	13.3	0.3	16.0	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	0.5	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	1.7	0.4	3.7	2.1	1.6	0.1	46.8
2013	49.7	46.4	10.5	5.5	2.9	27.6	24.6	1.7	0.4	3.3	2.1	1.2	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	-0.2	-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		Up to 1 year	Over 1 and up to 5 years	Over 5 years	Euro or participating currencies	Other currencies
								Variable interest rate					
	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
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	13.0	12.3	15.0	2.3	1.5	0.4	0.3	40.6
Q3	43.4	43.1	12.2	12.1	15.0	2.3	0.8	0.4	0.3	39.5
Q4	48.7	48.1	13.8	13.3	16.3	2.6	1.1	0.5	0.3	43.8
2009 Q1	42.5	42.4	10.5	12.0	15.6	2.3	1.1	0.1	0.2	38.3
Q2	45.5	45.0	12.0	12.5	15.7	2.5	1.5	0.6	0.5	40.7
Q3	42.8	42.4	10.9	12.1	15.5	2.4	0.7	0.3	0.3	38.7
Q4	48.4	47.6	12.8	13.6	16.4	2.7	1.0	0.8	0.5	43.3
2010 Q1	42.4	42.2	10.1	12.4	15.5	2.4	0.9	0.2	0.3	38.2
Q2	45.3	44.9	12.0	12.7	15.4	2.6	1.4	0.4	0.3	40.4
Q3	43.1	42.8	10.9	12.6	15.3	2.5	0.7	0.3	0.3	39.0
Q4	48.3	47.5	13.1	13.2	16.4	2.8	1.0	0.7	0.3	43.0
2011 Q1	43.1	42.8	10.6	12.6	15.3	2.4	1.0	0.3	0.3	38.9
Q2	45.6	45.2	12.3	12.7	15.3	2.5	1.5	0.3	0.3	40.6
Q3	43.6	43.3	11.3	12.6	15.3	2.5	0.8	0.3	0.3	39.5
Q4	48.9	47.8	13.2	13.2	16.6	2.8	1.0	1.1	0.4	43.5
2012 Q1	43.7	43.4	10.9	12.9	15.4	2.4	1.0	0.3	0.2	39.4
Q2	46.4	46.1	12.8	12.9	15.6	2.6	1.4	0.3	0.3	41.5
Q3	44.6	44.1	11.8	12.7	15.5	2.6	0.7	0.4	0.3	40.3
Q4	50.1	49.4	14.0	13.6	16.9	2.9	1.0	0.7	0.3	44.8
2013 Q1	44.3	44.0	11.3	12.8	15.6	2.4	1.0	0.2	0.3	40.0
Q2	47.5	47.1	13.3	13.0	15.7	2.6	1.5	0.4	0.4	42.4
Q3	45.0	44.5	11.9	12.8	15.5	2.6	0.7	0.5	0.4	40.6
Q4	50.2	49.4	14.1	13.6	16.9	2.9	0.9	0.7	0.3	45.0
2014 Q1	44.6	44.4	11.5	12.9	15.6	2.4	1.0	0.2	0.3	40.4

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
2008 Q1	45.4	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	4.9	3.3	23.8	20.7	1.1	3.6	2.6	1.0	-0.6	2.7
Q3	45.7	42.0	9.8	5.0	2.9	24.3	21.1	1.2	3.7	2.7	1.0	-2.3	0.6
Q4	51.4	46.8	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	-6.8	-4.0
Q2	50.6	46.4	11.2	5.5	3.0	26.8	23.3	1.3	4.2	2.8	1.3	-5.1	-2.1
Q3	50.0	46.0	10.6	5.5	2.8	27.1	23.4	1.3	4.1	2.9	1.1	-7.3	-4.5
Q4	54.7	49.8	11.8	6.8	2.8	28.4	24.0	1.5	4.9	3.0	1.8	-6.2	-3.4
2010 Q1	50.4	46.5	10.7	5.1	2.7	28.0	23.6	1.4	3.9	2.4	1.5	-8.0	-5.3
Q2	49.6	46.1	11.0	5.5	3.0	26.7	23.2	1.3	3.5	2.5	1.1	-4.3	-1.3
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	2.8	2.0	-5.3	-2.4
2011 Q1	48.4	45.3	10.3	4.9	2.9	27.2	23.1	1.3	3.1	2.2	1.0	-5.3	-2.4
Q2	48.5	45.2	10.7	5.3	3.2	26.1	22.8	1.2	3.3	2.3	0.9	-3.0	0.2
Q3	48.0	44.5	10.1	5.3	2.9	26.3	22.8	1.2	3.5	2.3	1.1	-4.4	-1.5
Q4	52.7	48.7	11.3	6.6	3.2	27.6	23.6	1.5	4.0	2.6	1.8	-3.8	-0.7
2012 Q1	48.1	45.4	10.2	4.9	3.0	27.3	23.2	1.2	2.7	2.0	0.8	-4.4	-1.4
Q2	49.1	45.8	10.6	5.3	3.3	26.6	23.2	1.1	3.3	2.1	1.2	-2.7	0.6
Q3	48.5	44.9	10.0	5.3	2.9	26.7	23.3	1.2	3.5	2.2	1.3	-3.9	-1.0
Q4	53.9	48.7	11.1	6.6	3.1	27.9	24.0	1.4	5.2	2.4	2.8	-3.8	-0.6
2013 Q1	48.8	46.2	10.3	5.0	2.8	28.1	23.8	1.2	2.6	1.8	1.0	-4.6	-1.8
Q2	49.4	46.0	10.5	5.4	3.0	27.1	23.5	1.1	3.4	2.0	1.4	-1.9	1.1
Q3	48.5	45.3	10.0	5.3	2.8	27.2	23.5	1.2	3.2	2.2	1.0	-3.5	-0.7
Q4	52.1	48.6	11.1	6.3	2.9	28.3	24.2	1.5	3.6	2.3	1.3	-2.0	0.9
2014 Q1	48.7	46.0	10.2	4.9	2.7	28.2	23.8	1.4	2.7	1.9	0.7	-4.1	-1.4

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

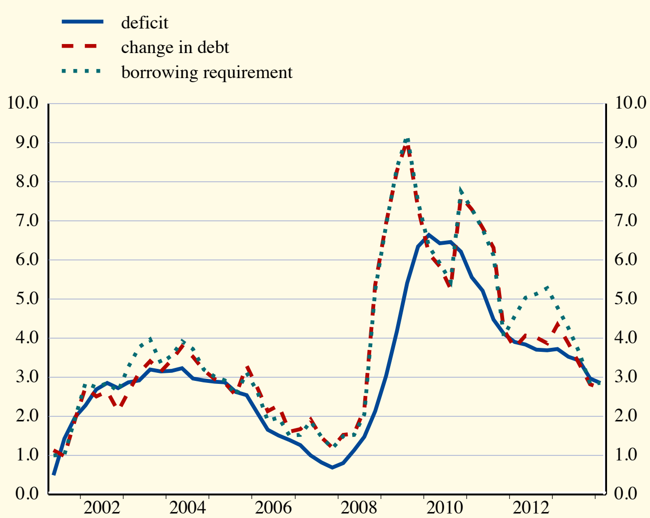
	Total	Financial instruments			
		Currency and deposits	Loans	Short-term securities	Long-term securities
	1	2	3	4	5
2011 Q2	87.4	2.5	15.2	7.5	62.2
Q3	87.0	2.5	15.4	7.8	61.4
Q4	87.4	2.5	15.5	7.4	62.0
2012 Q1	88.4	2.6	16.0	7.6	62.3
Q2	90.1	2.5	16.9	7.3	63.3
Q3	90.2	2.6	16.8	7.2	63.6
Q4	90.7	2.6	17.4	6.8	63.9
2013 Q1	92.5	2.6	17.2	7.0	65.7
Q2	93.6	2.5	17.2	6.9	67.0
Q3	92.9	2.6	16.9	6.9	66.5
Q4	92.6	2.6	16.9	6.3	66.8
2014 Q1	93.9	2.6	16.8	6.4	68.1

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 Q2	5.9	-3.0	2.9	2.5	2.8	0.6	-0.3	-0.5	0.2	0.2	5.7
Q3	0.9	-4.4	-3.5	-3.8	-3.7	-0.5	0.1	0.2	0.5	-0.2	0.3
Q4	2.8	-3.8	-1.1	-0.6	-0.2	-0.3	-0.1	0.1	-0.7	0.2	3.5
2012 Q1	5.5	-4.4	1.1	3.4	4.1	-0.2	-0.5	0.0	-3.2	0.9	8.7
Q2	7.1	-2.7	4.4	4.0	1.8	0.9	0.5	0.7	-0.5	0.9	7.6
Q3	0.7	-3.9	-3.2	-2.1	-2.1	0.5	-0.6	0.1	0.0	-1.1	0.7
Q4	2.2	-3.8	-1.5	-0.4	-2.4	0.3	0.2	1.5	-1.9	0.7	4.1
2013 Q1	7.4	-4.6	2.8	1.5	1.4	-0.6	-0.2	0.9	0.7	0.6	6.8
Q2	5.2	-1.9	3.3	3.7	3.2	0.2	0.0	0.3	-0.3	-0.1	5.5
Q3	-1.4	-3.5	-4.9	-4.3	-3.4	-0.9	0.0	0.0	0.3	-0.8	-1.7
Q4	0.2	-2.0	-1.8	-2.7	-3.1	0.2	-0.3	0.5	-0.7	1.7	0.9
2014 Q1	7.0	-4.1	2.9	2.7	3.4	-0.4	-0.3	0.0	0.2	-0.1	6.7

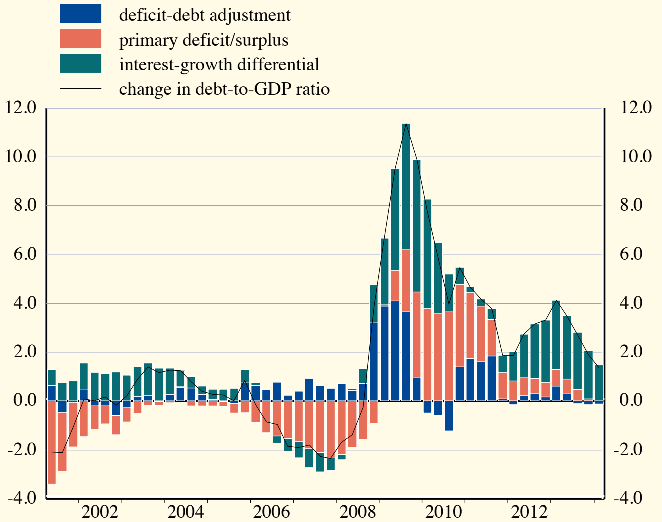
C30 Deficit, borrowing requirement and change in debt

(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

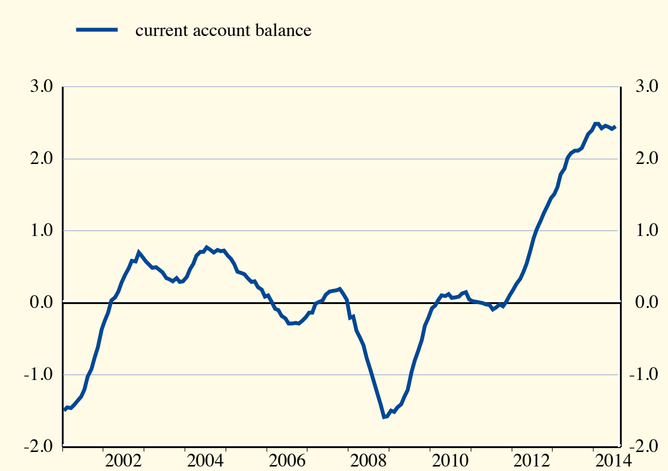
7.1 Summary balance of payments [1]

(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	227.8	165.3	113.2	69.8	-120.5	21.5	249.3	-252.9	-32.2	110.3	17.3	-343.9	-4.4	3.5
2013 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	87.7	48.1	30.5	23.6	-14.4	9.3	97.0	-101.6	-16.3	59.0	3.4	-147.3	-0.3	4.6
2014 Q1	31.6	36.9	19.6	17.6	-42.5	5.5	37.2	-28.7	-24.4	65.6	2.9	-70.3	-2.6	-8.5
Q2	56.4	50.9	34.5	0.1	-29.2	2.7	59.1	-58.5	-0.2	-9.8	6.0	-54.2	-0.3	-0.6
2013 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.	26.4	17.4	10.0	6.8	-7.9	3.0	29.4	-19.8	17.9	-4.5	3.5	-37.6	0.9	-9.6
Nov.	28.8	17.7	8.9	6.7	-4.5	3.7	32.5	-32.9	-23.2	57.5	-1.4	-66.0	0.2	0.4
Dec.	32.5	12.9	11.5	10.0	-2.0	2.6	35.1	-48.9	-11.0	6.0	1.3	-43.7	-1.3	13.7
2014 Jan.	2.8	1.8	7.3	4.5	-10.8	0.9	3.7	8.0	-9.2	45.7	1.0	-26.6	-2.7	-11.7
Feb.	9.3	15.9	6.1	5.6	-18.4	2.6	11.9	-11.0	-0.5	35.6	3.2	-49.8	0.5	-1.0
Mar.	19.6	19.2	6.2	7.5	-13.3	2.0	21.5	-25.7	-14.6	-15.6	-1.3	6.1	-0.3	4.2
Apr.	18.8	15.7	9.4	4.5	-10.8	1.2	20.0	-19.1	-18.7	-86.5	2.9	83.5	-0.3	-0.9
May	12.7	16.5	13.8	-10.8	-6.8	0.2	12.9	-11.0	10.6	58.3	-0.5	-79.0	-0.5	-1.8
June	24.8	18.7	11.3	6.4	-11.5	1.4	26.2	-28.3	7.9	18.4	3.6	-58.6	0.5	2.1
July	32.3	21.0	15.5	3.7	-7.9	0.4	32.7	-37.8	-2.8	-14.5	3.7	-24.8	0.6	5.1
	12-month cumulated transactions													
2014 July	233.6	176.4	120.4	53.8	-117.0	20.0	253.6	-253.8	-63.2	136.5	25.6	-347.0	-5.6	0.2
	12-month cumulated transactions as a percentage of GDP													
2014 July	2.4	1.8	1.2	0.6	-1.2	0.2	2.6	-2.6	-0.7	1.4	0.3	-3.6	-0.1	0.0

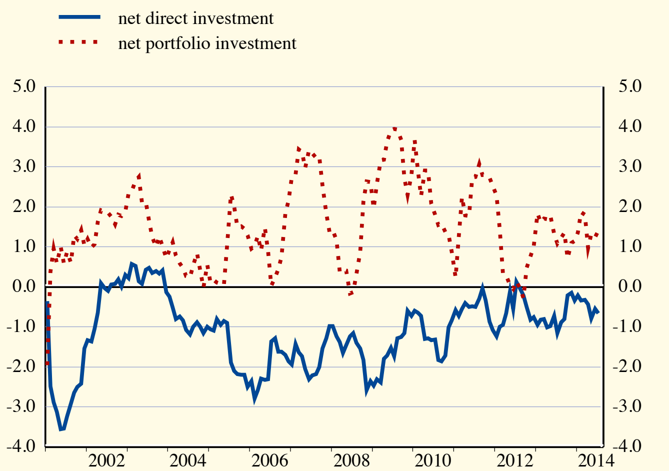
C32 Euro area b.o.p.: current account

(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.

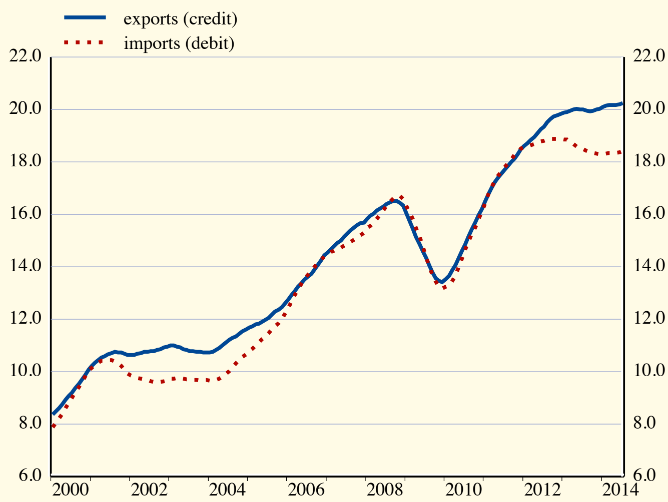
1) The sign convention is explained in the General Notes.

7.2 Current and capital accounts
(EUR billions; transactions)

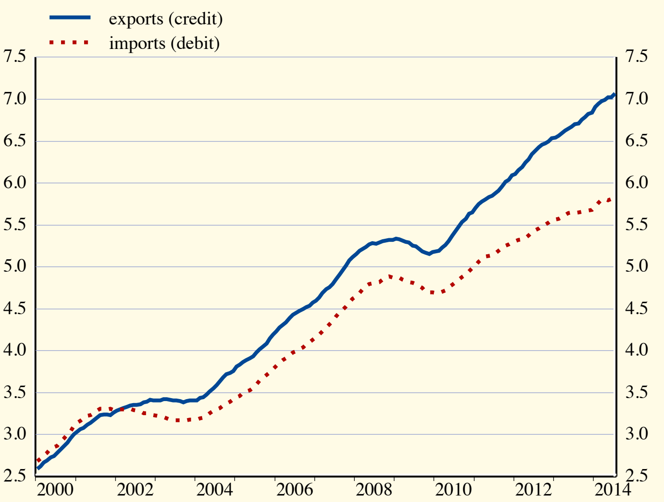
1. Summary current and capital accounts

	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	3,019.2	227.8	1,936.2	1,770.9	663.1	549.9	547.9	478.1	99.8	6.7	220.3	24.4	33.9	12.4
2013 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	749.9	87.7	496.4	448.3	173.3	142.9	133.2	109.7	34.7	1.7	49.1	6.1	13.1	3.8
2014 Q1	797.3	765.7	31.6	482.5	445.6	158.2	138.6	128.3	110.7	28.3	1.6	70.8	6.0	7.6	2.1
Q2	824.4	768.1	56.4	489.3	438.4	170.5	136.0	144.8	144.8	19.7	.	48.9	.	6.2	3.4
2014 May	274.2	261.5	12.7	163.1	146.5	57.4	43.6	47.0	57.8	6.7	-	13.5	-	1.7	1.6
June	282.4	257.5	24.8	164.2	145.5	59.1	47.8	51.9	45.6	7.1	-	18.7	-	2.4	1.0
July	290.0	257.7	32.3	174.0	152.9	65.6	50.1	45.2	41.5	5.3	-	13.2	-	1.1	0.7
	Seasonally adjusted														
2013 Q4	819.2	752.5	66.7	492.2	445.8	170.0	138.8	132.0	115.3	25.1	-	52.5	-	-	-
2014 Q1	828.6	773.0	55.6	495.8	448.9	173.4	147.6	133.9	120.4	25.5	-	56.0	-	-	-
Q2	821.0	759.0	62.0	489.7	441.6	170.3	138.9	136.9	124.5	24.1	-	54.0	-	-	-
2014 May	273.7	251.9	21.8	162.7	147.5	57.9	45.1	44.9	42.6	8.2	-	16.7	-	-	-
June	274.8	256.2	18.6	164.5	148.5	55.9	47.2	46.2	41.4	8.3	-	19.1	-	-	-
July	274.8	256.1	18.7	162.0	151.2	59.5	46.7	45.6	42.0	7.7	-	16.2	-	-	-
	12-month cumulated transactions														
2014 July	3,285.4	3,047.8	237.6	1,962.8	1,783.4	684.8	564.8	539.1	484.4	98.7	-	215.2	-	-	-
	12-month cumulated transactions as a percentage of GDP														
2014 July	33.9	31.5	2.5	20.3	18.4	7.1	5.8	5.6	5.0	1.0	-	2.2	-	-	-

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	30.0	14.0	518.0	464.1	267.5	40.0	143.1	34.6	45.8	58.9	44.8	104.4	99.2	108.1	60.7	49.6
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	125.5	106.1	65.1	-4.5	34.2	-0.1	11.8	15.6	9.7	18.1	24.7	26.5	14.2	11.7
2014 Q1	7.5	2.7	120.8	108.0	59.4	15.7	35.1	4.9	12.8	13.4	11.2	19.6	23.7	28.2	13.6	11.7

3. Geographical breakdown
(cumulated transactions)

2013 Q2 to 2014 Q1	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								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Credits															
Current account	3,266.9	1,042.3	56.3	101.3	504.5	314.9	65.3	63.2	45.1	163.2	38.2	68.7	121.8	278.0	445.7	1,000.9
Goods	1,948.1	621.9	36.9	59.8	276.0	249.1	0.2	33.8	24.2	123.9	27.2	43.8	83.9	126.0	227.4	636.0
Services	674.8	208.7	12.7	21.3	130.8	36.9	7.0	10.8	11.1	25.1	8.6	15.3	21.6	67.1	104.7	201.7
Income	543.7	146.9	5.7	18.1	86.3	25.5	11.3	18.2	9.1	13.5	2.2	8.5	15.3	75.8	107.0	147.2
Investment income	513.5	139.0	4.8	18.0	84.5	25.0	6.8	18.2	9.0	13.4	2.2	8.5	15.3	59.9	105.5	142.5
Current transfers	100.3	64.9	1.0	2.2	11.4	3.5	46.8	0.5	0.7	0.7	0.2	1.0	0.9	9.1	6.5	16.0
Capital account	35.3	29.3	0.0	0.0	1.9	0.2	27.2	0.0	0.0	0.0	0.0	0.0	0.1	2.6	0.4	2.7
	Debits															
Current account	3,036.1	956.5	48.6	96.2	404.4	288.9	118.4	39.6	30.2	-	34.8	91.3	152.3	235.4	408.4	-
Goods	1,775.2	510.2	31.3	52.2	198.2	228.5	0.0	25.7	14.7	198.8	25.9	43.0	137.0	108.7	152.3	559.0
Services	560.9	163.4	8.1	16.8	94.4	43.8	0.3	5.2	7.3	16.1	7.2	9.2	10.7	54.8	116.6	170.4
Income	478.5	148.6	8.0	25.3	100.5	10.5	4.3	7.5	6.3	-	0.8	38.4	3.5	62.1	132.7	-
Investment income	464.5	141.0	7.9	25.2	98.9	4.8	4.3	7.4	6.1	-	0.6	38.2	3.3	61.7	131.6	-
Current transfers	221.4	134.2	1.2	1.9	11.3	6.1	113.8	1.3	1.8	2.4	0.9	0.7	1.1	9.7	6.8	62.4
Capital account	10.4	3.6	0.0	0.0	2.8	0.4	0.4	0.2	0.4	0.1	0.1	0.1	0.0	0.7	0.5	4.8
	Net															
Current account	230.8	85.9	7.6	5.1	100.1	26.1	-53.1	23.6	14.9	-	3.3	-22.6	-30.5	42.6	37.3	-
Goods	172.9	111.7	5.5	7.6	77.8	20.6	0.2	8.1	9.5	-74.9	1.3	0.9	-53.1	17.3	75.1	77.0
Services	113.8	45.3	4.6	4.5	36.4	-6.9	6.7	5.6	3.8	9.0	1.4	6.1	11.0	12.2	-11.9	31.4
Income	65.2	-1.7	-2.3	-7.2	-14.2	15.0	7.0	10.7	2.8	-	1.4	-29.8	11.8	13.6	-25.7	-
Investment income	49.0	-2.0	-3.1	-7.2	-14.4	20.1	2.5	10.8	2.9	-	1.5	-29.7	11.9	-1.8	-26.0	-
Current transfers	-121.1	-69.4	-0.2	0.3	0.2	-2.6	-67.0	-0.8	-1.2	-1.7	-0.7	0.2	-0.2	-0.6	-0.3	-46.4
Capital account	24.9	25.7	0.0	0.0	-0.9	-0.2	26.9	-0.2	-0.4	-0.1	-0.1	0.0	0.0	1.9	0.0	-2.0

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 Q3	16,961.7	18,238.3	-1,276.7	177.4	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	17,128.0	18,280.8	-1,152.7	178.4	190.4	-12.0	6,396.8	4,943.7	5,556.0	8,830.8	-39.4	4,672.5	4,506.3	542.1
2014 Q1	17,499.6	18,585.7	-1,086.1	181.4	192.7	-11.3	6,479.4	4,839.2	5,668.8	9,086.7	-65.8	4,846.6	4,659.8	570.6
	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	207.6	106.5	101.1	2.2	1.1	1.1	271.2	309.5	301.3	407.1	7.4	-225.0	-610.2	-147.3
2013 Q4	166.4	42.4	123.9	6.7	1.7	5.0	215.8	223.9	102.5	150.5	2.1	-109.3	-332.0	-44.7
2014 Q1	371.6	305.0	66.6	15.7	12.9	2.8	82.6	-104.5	112.7	256.0	-26.4	174.1	153.4	28.6
	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	533.3	280.4	252.9	5.6	2.9	2.6	360.7	328.6	250.5	360.8	-17.3	-65.0	-408.9	4.4
2013 Q4	212.8	111.2	101.6	8.6	4.5	4.1	188.4	172.1	50.7	109.7	-3.4	-23.2	-170.6	0.3
2014 Q1	256.1	227.4	28.7	10.8	9.6	1.2	-8.7	-33.1	74.5	140.2	-2.9	190.6	120.3	2.6
Q2	218.8	160.3	58.5	9.0	6.6	2.4	32.0	31.9	151.7	141.9	-6.0	40.7	-13.5	0.3
2014 Mar.	7.0	-18.8	25.7	-	-	-	-24.0	-38.6	44.5	28.9	1.3	-15.1	-9.0	0.3
Apr.	133.9	114.8	19.1	-	-	-	15.4	-3.3	75.6	-10.8	-2.9	45.5	128.9	0.3
May	101.6	90.6	11.0	-	-	-	15.1	25.8	37.6	95.9	0.5	47.9	-31.1	0.5
June	-16.7	-45.0	28.3	-	-	-	1.5	9.4	38.5	56.8	-3.6	-52.6	-111.3	-0.5
July	87.2	49.4	37.8	-	-	-	4.3	1.6	24.3	9.8	-3.7	62.9	38.1	-0.6
	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 Q4	3.2	1.5	-	.	.	.	5.9	7.1	4.8	4.3	.	-1.3	-8.0	0.7
2014 Q1	3.5	1.9	-	.	.	.	4.9	5.8	4.1	4.6	.	1.8	-6.2	1.2
Q2	4.3	2.6	.	.	.	.	4.3	4.5	6.4	5.4	.	2.7	-3.9	1.1

Source: ECB.
1) Net financial derivatives are included in assets.

7.3 Financial account

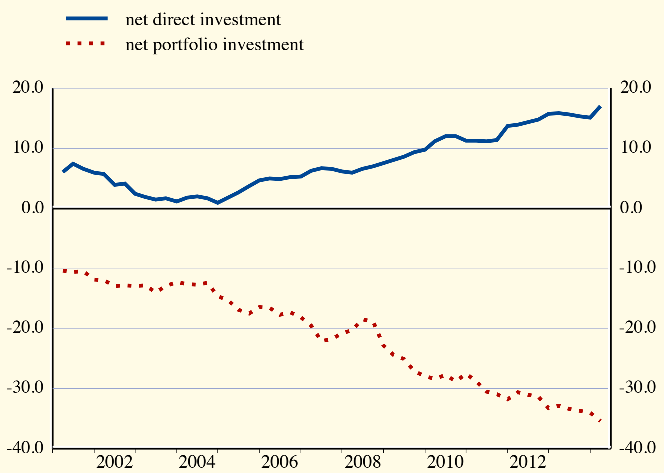
(EUR billions and annual growth rates; outstanding amounts and growth rates at end of period, transactions during period)

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 Q4	6,396.8	4,781.7	271.6	4,510.1	1,615.1	13.1	1,602.0	4,943.7	3,527.6	108.9	3,418.7	1,416.1	12.3	1,403.8
2014 Q1	6,479.4	4,856.2	275.7	4,580.6	1,623.2	10.5	1,612.6	4,839.2	3,474.2	112.1	3,362.1	1,365.1	6.6	1,358.5
	Transactions													
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	360.7	325.0	6.7	318.3	35.7	0.9	34.8	328.6	314.8	7.5	307.4	13.7	1.3	12.4
2013 Q4	188.4	214.6	4.0	210.6	-26.1	0.5	-26.7	172.1	189.9	2.1	187.8	-17.8	0.5	-18.3
2014 Q1	-8.7	-9.7	3.1	-12.7	1.0	1.0	0.0	-33.1	-24.7	2.3	-27.0	-8.3	-3.6	-4.8
Q2	32.0	31.2	1.6	29.6	0.8	-0.5	1.3	31.9	18.5	2.4	16.1	13.3	0.3	13.1
2014 Mar.	-24.0	-11.3	-0.7	-10.7	-12.7	0.1	-12.8	-38.6	-24.8	0.5	-25.3	-13.9	-0.2	-13.6
Apr.	15.4	7.3	1.6	5.7	8.0	-0.1	8.2	-3.3	1.7	0.6	1.0	-5.0	0.0	-5.0
May	15.1	16.3	0.7	15.5	-1.1	-0.2	-0.9	25.8	8.9	1.0	8.0	16.8	0.0	16.9
June	1.5	7.7	-0.7	8.4	-6.1	-0.3	-5.9	9.4	7.9	0.8	7.1	1.5	0.3	1.2
July	4.3	9.7	-1.0	10.7	-5.3	0.0	-5.3	1.6	5.9	0.3	5.5	-4.3	-0.2	-4.2
	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 Q4	5.9	7.2	2.4	7.5	2.2	7.5	2.2	7.1	9.9	7.0	10.0	0.9	11.5	0.9
2014 Q1	4.9	5.9	4.0	6.0	1.9	6.6	1.9	5.8	8.1	6.6	8.2	0.6	-25.4	0.8
Q2	4.3	6.4	3.6	6.5	-1.7	7.3	-1.8	4.5	6.8	8.0	6.7	-0.8	-23.7	-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 Q4	5,556.0	2,293.7	123.1	3.4	2,170.7	48.3	2,809.6	601.5	17.0	2,208.2	88.9	452.7	288.5	55.0	164.2	0.0
2014 Q1	5,668.8	2,352.9	114.9	3.2	2,238.0	48.4	2,831.2	613.4	18.8	2,217.7	81.4	484.7	292.9	57.1	191.8	0.9
	Transactions															
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	250.5	163.7	39.8	0.5	123.8	3.6	78.6	-47.7	1.7	126.3	-7.0	8.3	13.3	14.8	-5.0	-0.7
2013 Q4	50.7	39.6	5.7	0.3	33.9	-0.8	12.4	-10.3	0.6	22.7	-4.5	-1.3	5.7	2.0	-7.0	-0.1
2014 Q1	74.5	23.5	-9.8	-0.1	33.3	-0.5	36.3	11.3	0.7	24.9	-7.3	14.8	-2.8	1.3	17.6	0.5
Q2	151.7	58.4	-0.7	-0.1	59.0	.	64.2	8.6	0.8	55.7	.	29.1	14.0	3.1	15.1	.
2014 Mar.	44.5	21.6	10.4	-0.2	11.1	-	24.8	9.0	2.2	15.8	-	-1.9	-1.6	2.4	-0.2	-
Apr.	75.6	33.2	0.8	0.0	32.4	-	30.2	5.6	0.7	24.6	-	12.2	1.1	-0.6	11.2	-
May	37.6	20.5	1.9	0.0	18.6	-	3.0	-6.4	0.2	9.4	-	14.1	9.5	4.3	4.6	-
June	38.5	4.7	-3.4	-0.1	8.0	-	31.0	9.3	-0.1	21.7	-	2.8	3.4	-0.5	-0.7	-
July	24.3	9.7	-4.2	-0.1	13.9	-	8.4	-0.7	0.3	9.1	-	6.2	2.9	-0.5	3.3	-
	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 Q4	4.8	8.2	54.2	16.1	6.4	8.4	2.8	-7.2	11.3	5.9	-7.2	1.8	4.7	29.3	-3.0	-90.8
2014 Q1	4.1	5.8	18.5	7.3	5.3	-0.7	2.9	-2.9	8.5	4.6	-15.4	3.4	2.0	30.8	5.8	204.5
Q2	6.4	7.8	12.9	2.8	7.5	.	4.8	-0.5	17.2	6.4	.	9.7	9.0	7.3	10.7	.

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 Q4	8,830.8	3,970.0	536.0	3,433.9	4,391.5	1,103.6	3,287.9	1,952.1	469.3	115.5	353.8	289.1
2014 Q1	9,086.7	4,130.0	586.1	3,543.9	4,483.6	1,114.0	3,369.7	2,057.1	473.1	149.3	323.8	263.2
	Transactions											
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	360.8	241.8	-21.5	263.3	77.8	-48.5	126.3	96.0	41.1	30.4	10.7	20.7
2013 Q4	109.7	63.6	-7.2	70.7	87.6	9.8	77.8	59.0	-41.5	-11.5	-30.0	-24.1
2014 Q1	140.2	76.3	13.6	62.7	72.4	-1.9	74.2	70.2	-8.5	7.8	-16.3	-16.1
Q2	141.9	119.5	18.5	101.0	43.2	-20.4	63.6	.	-20.8	-2.0	-18.8	.
2014 Mar.	28.9	57.6	-7.2	64.8	-9.8	-3.4	-6.4	-	-18.9	-7.2	-11.7	-
Apr.	-10.8	24.7	5.1	19.6	-1.0	-10.9	9.9	-	-34.5	-15.7	-18.9	-
May	95.9	27.1	10.1	17.0	64.2	8.1	56.1	-	4.6	9.3	-4.7	-
June	56.8	67.7	3.3	64.4	-20.0	-17.6	-2.4	-	9.2	4.4	4.8	-
July	9.8	10.3	9.4	0.8	0.5	5.0	-4.5	-	-1.0	-4.0	2.9	-
	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 Q4	4.3	6.8	-3.9	8.7	1.8	-4.0	3.9	5.0	8.9	31.7	2.9	7.1
2014 Q1	4.6	6.8	0.1	7.9	3.4	-3.1	5.8	7.7	-1.9	16.8	-7.6	-7.1
Q2	5.4	7.9	6.7	8.1	4.4	-3.0	7.0	.	-5.8	15.6	-12.5	.

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 Q4	4,672.5	17.1	15.5	1.6	2,753.7	2,722.7	31.1	157.2	4.1	109.6	27.2	1,744.5	246.3	1,267.1	564.3
2014 Q1	4,846.6	9.9	8.7	1.3	2,899.6	2,858.5	41.2	158.1	3.7	111.7	35.2	1,779.0	247.0	1,262.1	589.8
	Transactions														
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	-65.0	-19.8	-19.8	0.0	-53.3	-70.2	16.9	-11.0	-1.3	-11.8	-2.3	19.1	2.7	-22.0	4.9
2013 Q4	-23.2	-8.3	-8.3	0.0	-13.0	-8.3	-4.8	5.6	-0.9	5.8	4.2	-7.5	0.8	-11.0	-11.8
2014 Q1	190.6	-6.7	-6.7	0.0	141.4	133.0	8.4	-1.0	-0.3	3.9	4.6	56.9	0.8	28.5	53.1
Q2	40.7	-1.5	.	.	49.3	.	.	0.0	.	.	1.2	-7.0	.	.	13.9
2014 Mar.	-15.1	-3.5	-	-	-21.3	-	-	0.5	-	-	1.0	9.2	-	-	11.6
Apr.	45.5	5.6	-	-	48.8	-	-	-2.1	-	-	-1.6	-6.9	-	-	-4.8
May	47.9	-5.1	-	-	36.9	-	-	1.5	-	-	1.8	14.7	-	-	21.1
June	-52.6	-2.1	-	-	-36.3	-	-	0.5	-	-	1.0	-14.8	-	-	-2.4
July	62.9	1.0	-	-	61.3	-	-	-0.5	-	-	-0.3	1.2	-	-	8.1
	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 Q4	-1.3	-49.5	-50.4	3.2	-1.8	-2.5	24.0	-6.5	-24.0	-9.7	-7.9	1.1	1.1	-1.7	0.6
2014 Q1	1.8	-63.0	-66.0	3.3	2.7	1.8	52.9	-1.2	-26.0	3.1	30.6	1.8	0.2	-0.6	5.9
Q2	2.7	-53.8	.	.	4.1	.	.	2.0	.	.	36.1	1.2	.	.	7.2

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 Q4	4,506.3	340.7	340.1	0.6	2,531.3	2,512.9	18.4	223.5	0.2	215.7	7.7	1,410.8	230.7	939.7	240.4
2014 Q1	4,659.8	311.6	309.6	2.0	2,615.0	2,589.4	25.6	223.2	0.2	216.2	6.9	1,509.9	229.7	972.1	308.1
	Transactions														
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	-408.9	-78.8	-78.4	-0.4	-320.6	-322.6	2.0	-3.8	0.0	-3.4	-0.5	-5.7	5.0	-6.4	-4.3
2013 Q4	-170.6	-17.6	-16.6	-1.0	-125.5	-123.5	-2.0	-8.4	0.0	-8.2	-0.2	-19.1	2.1	-9.1	-12.1
2014 Q1	120.3	-30.2	-30.3	0.1	72.3	64.6	7.7	2.1	0.0	2.2	-0.1	76.0	-1.6	29.4	48.2
Q2	-13.5	-18.2	.	.	-21.7	.	.	1.1	.	.	.	25.4	.	.	.
2014 Mar.	-9.0	-11.4	-	-	-17.2	-	-	0.0	-	-	-	19.6	-	-	-
Apr.	128.9	1.8	-	-	93.7	-	-	-0.3	-	-	-	33.8	-	-	-
May	-31.1	-0.5	-	-	-28.0	-	-	-2.0	-	-	-	-0.6	-	-	-
June	-111.3	-19.5	-	-	-87.3	-	-	3.4	-	-	-	-7.8	-	-	-
July	38.1	-13.4	-	-	44.0	-	-	1.9	-	-	-	5.5	-	-	-
	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 Q4	-8.0	-18.5	-18.5	.	-10.8	-11.2	3.0	-1.7	.	-1.6	-6.1	-0.3	2.2	-0.6	-0.8
2014 Q1	-6.2	-20.2	-20.2	.	-8.3	-8.9	47.2	-0.5	.	-0.8	10.4	0.7	0.2	-0.9	6.9
Q2	-3.9	-20.6	.	.	-6.1	.	.	0.0	.	.	.	3.9	.	.	.

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														Memo items		
	Total	Monetary gold		SDR holdings	Reserve position in the IMF	Foreign exchange								Other claims	Other foreign currency assets	Pre-determined short-term net drains on foreign currency	SDR allo-cations
		In EUR billions	In fine troy ounces (millions)			Total	Currency and deposits		Securities				Financial derivatives				
							With monetary authorities and the BIS	With banks	Total	Equity	Bonds and notes	Money market instruments					
	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 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 Q1	570.6	324.9	346.790	50.2	28.2	166.3	6.5	7.7	152.0	0.3	139.6	12.1	0.1	1.0	22.9	-31.4	52.8
2014 July	585.1	333.1	346.722	51.4	28.4	169.8	4.6	13.0	152.4	0.3	136.5	15.6	-0.2	2.4	25.4	-32.4	53.9
Aug.	594.1	338.0	346.722	52.0	27.5	174.2	4.2	13.9	156.4	0.3	138.6	17.5	-0.3	2.4	24.6	-32.1	54.2
	Transactions																
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	4.4	0.0	-	-0.6	-1.7	6.3	0.2	-2.6	9.6	0.0	15.8	-6.2	-1.0	0.4	-	-	-
2013 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	-	-	-
2014 Q1	2.6	0.0	-	-0.2	-0.7	3.5	-0.4	2.0	2.1	0.1	1.5	0.5	-0.3	0.0	-	-	-
Q2	0.3	.	-	.	.	.	.	.	.	.	.	.	.	.	-	-	-
	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 Q4	0.7	0.0	-	-1.1	-5.5	3.8	2.2	-29.6	6.5	0.1	12.3	-33.1	-	-	-	-	-
2014 Q1	1.2	0.0	-	-0.5	-8.8	5.9	18.4	-13.6	7.3	40.2	14.1	-35.5	-	-	-	-	-
Q2	1.1	.	-	.	.	.	.	.	.	.	.	.	-	-	-	-	-

8. Gross external debt

	Total	By instrument						By sector (excluding direct investment)			
		Loans, currency and deposits	Money market instruments	Bonds and notes	Trade credits	Other debt liabilities	Direct investment: inter-company lending	General government	Eurosystem	MFIs (excluding Eurosystem)	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 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	11,608.3	4,008.4	469.3	4,391.5	230.9	267.1	2,241.1	2,464.7	340.7	3,750.4	2,811.3
2014 Q1	11,851.9	4,087.3	473.1	4,483.6	229.9	342.6	2,235.3	2,543.6	311.6	3,878.3	2,883.1
	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 Q3	125.2	44.4	5.4	45.5	2.4	3.8	23.8	25.8	3.8	41.7	30.2
Q4	120.8	41.7	4.9	45.7	2.4	2.8	23.3	25.7	3.5	39.0	29.3
2014 Q1	122.8	42.3	4.9	46.5	2.4	3.5	23.2	26.4	3.2	40.2	29.9

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

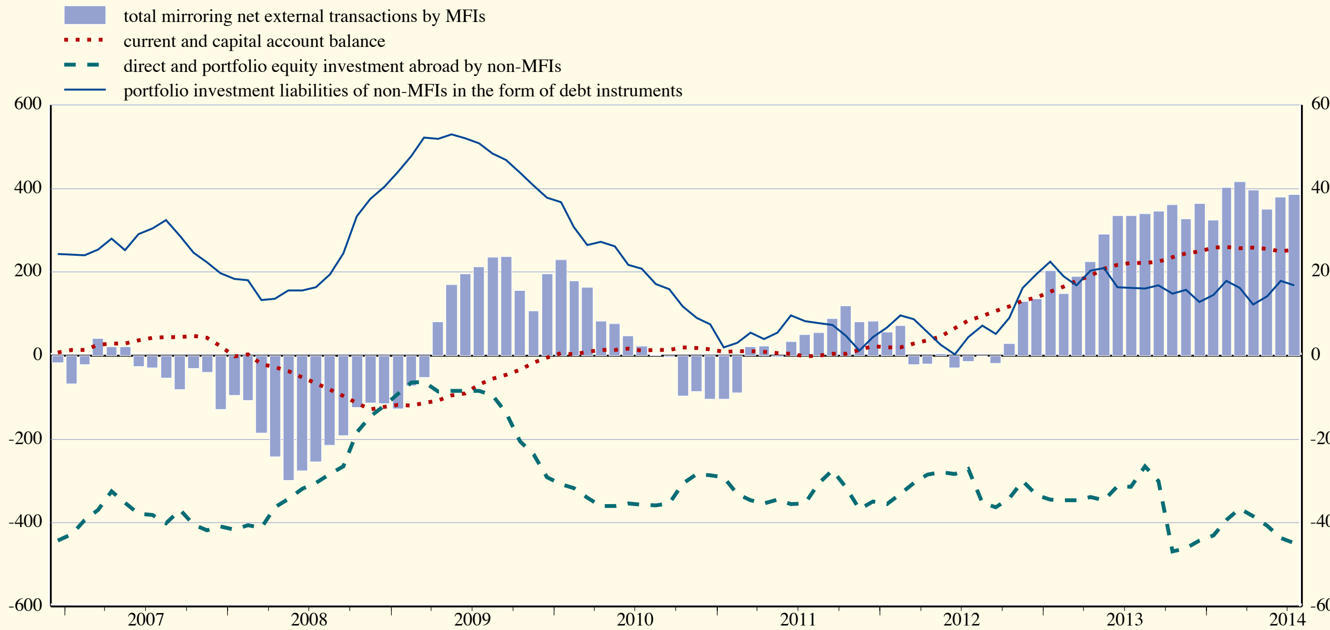
	Total	EU Member States outside the euro area						Canada	China	Japan	Switzer-land	United States	Offshore financial centres	Interna-tional organisa-tions	Other countries
		Total	Denmark	Sweden	United Kingdom	Other EU countries	EU institutions								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2012	Outstanding 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 Q2 to 2014 Q1	Cumulated transactions														
Direct investment	31.4	132.3	1.9	-8.3	139.3	-0.5	0.0	11.7	2.6	-23.4	25.6	-201.3	44.6	-0.3	39.6
Abroad	299.8	83.7	2.4	-3.0	79.0	5.3	0.0	18.6	7.4	-17.2	35.2	65.0	29.0	-0.3	78.3
Equity/reinvested earnings	268.9	87.4	1.8	-0.1	78.6	7.1	0.0	18.0	6.4	-17.0	8.5	90.3	24.4	0.0	50.8
Other capital	30.8	-3.7	0.6	-2.9	0.4	-1.8	0.0	0.6	0.9	-0.2	26.7	-25.3	4.6	-0.3	27.6
In the euro area	268.4	-48.6	0.6	5.3	-60.3	5.9	0.0	7.0	4.8	6.2	9.6	266.3	-15.6	0.0	38.7
Equity/reinvested earnings	260.0	-39.3	0.4	-0.1	-42.3	2.6	0.0	5.0	3.9	6.6	4.7	229.9	22.4	0.0	26.8
Other capital	8.4	-9.3	0.1	5.3	-18.0	3.3	0.0	2.0	0.9	-0.4	4.9	36.4	-38.0	0.1	12.0
Portfolio investment assets	218.7	67.5	-4.3	7.6	42.7	3.8	17.6	12.9	4.3	33.3	10.7	38.2	-10.9	2.2	60.4
Equity	123.2	31.8	1.8	5.1	24.4	0.4	0.2	2.9	2.0	17.1	5.9	48.7	-6.6	0.0	21.5
Debt instruments	95.5	35.7	-6.1	2.6	18.3	3.4	17.4	10.1	2.3	16.3	4.8	-10.5	-4.2	2.2	38.9
Bonds and notes	80.0	38.0	-4.9	7.2	15.8	1.9	18.0	9.2	1.4	0.9	4.8	-1.3	-12.7	2.7	37.1
Money market instruments	15.5	-2.3	-1.2	-4.6	2.5	1.5	-0.6	0.9	0.9	15.3	0.0	-9.2	8.5	-0.5	1.8
Other investment	405.6	82.3	10.5	1.2	65.6	-8.1	13.1	-0.1	-0.3	45.7	53.8	72.4	42.0	6.6	103.3
Assets	83.4	-136.7	-4.6	6.5	-134.1	-7.3	2.9	-1.8	6.6	41.5	20.1	65.5	23.4	8.4	56.3
General government	-1.8	3.7	-0.5	-1.5	6.6	-0.4	-0.4	0.0	-0.1	0.3	-0.1	-2.1	-0.6	0.2	-3.1
MFIs	53.9	-135.3	-7.5	5.0	-126.1	-7.5	0.9	2.6	5.1	38.0	14.6	71.3	65.6	5.1	-13.1
Other sectors	31.2	-5.2	3.4	3.0	-14.6	0.6	2.4	-4.4	1.7	3.3	5.6	-3.7	-41.6	3.1	72.5
Liabilities	-322.2	-219.0	-15.1	5.3	-199.8	0.8	-10.2	-1.7	6.9	-4.1	-33.7	-6.9	-18.6	1.8	-46.9
General government	-1.1	2.4	0.1	0.3	-0.5	0.0	2.5	-0.2	0.0	0.0	0.4	-5.5	-0.2	2.8	-0.8
MFIs	-327.4	-192.8	-14.2	5.8	-171.0	0.4	-13.7	-2.5	3.5	-4.6	-36.1	-12.2	-22.4	0.0	-60.3
Other sectors	6.2	-28.7	-1.0	-0.8	-28.3	0.3	1.0	1.0	3.4	0.5	2.0	10.8	4.0	-1.0	14.2

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	364.6	250.0	-353.1	319.4	-123.8	-121.4	264.2	128.5	-8.3	-9.4	17.2	1.2
2013 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	134.3	96.9	-183.9	169.4	-33.9	-15.7	70.8	48.4	2.0	-27.5	3.2	4.7
2014 Q1	79.5	37.2	12.8	-31.8	-33.3	-42.6	62.7	57.9	-55.9	78.1	2.9	-8.5
Q2	112.3	59.1	-30.9	29.2	-59.0	-70.8	101.0	44.8	7.1	26.5	6.0	-0.6
2013 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.	21.3	29.4	-157.3	174.9	-13.7	-5.7	8.3	-1.0	-0.4	-6.3	3.4	-10.3
Nov.	33.7	32.6	-28.2	4.6	-3.9	-11.5	19.6	52.1	-27.7	-3.0	-1.4	0.5
Dec.	79.3	35.0	1.6	-10.1	-16.3	1.5	42.8	-2.8	30.1	-18.2	1.2	14.4
2014 Jan.	-6.3	3.7	-36.2	29.0	-10.2	-8.6	-7.5	35.2	-20.1	19.2	1.0	-11.7
Feb.	46.7	11.9	25.5	-21.8	-12.0	-18.4	5.4	40.8	-26.2	39.3	3.2	-1.0
Mar.	39.0	21.5	23.5	-39.0	-11.1	-15.6	64.8	-18.1	-9.6	19.6	-1.3	4.2
Apr.	-10.8	20.0	-13.9	-4.0	-32.4	-35.7	19.6	-9.0	9.0	33.5	2.9	-0.9
May	37.9	12.9	-14.6	24.9	-18.6	-14.0	17.0	51.4	-16.1	-2.6	-0.5	-1.8
June	85.3	26.2	-2.5	8.3	-8.0	-21.0	64.4	2.3	14.2	-4.4	3.6	2.1
July	17.3	32.7	-5.3	1.4	-13.9	-12.4	0.8	-1.6	-0.7	7.5	3.7	5.1
	12-month cumulated transactions											
2014 July	384.8	253.7	-249.2	191.4	-156.5	-156.3	268.6	168.0	-34.9	73.8	25.4	0.8

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	1.8	1,880.6	934.3	386.5	516.6	1,524.0	1,794.1	1,152.1	243.4	373.1	1,090.1	360.8
2013	1.0	-3.1	1,896.8	932.8	385.1	532.5	1,537.9	1,738.8	1,098.2	236.3	374.0	1,077.5	337.3
2013 Q3	0.2	-1.8	472.4	231.8	95.2	133.6	383.8	436.2	275.1	60.2	94.3	270.4	84.6
Q4	1.1	-2.2	474.3	231.8	96.3	133.8	386.9	430.8	268.6	58.0	95.8	271.4	81.1
2014 Q1	1.2	0.3	479.4	235.0	95.4	136.7	389.5	436.7	272.1	60.5	95.9	277.4	78.7
Q2	0.6	0.0	480.2	234.2	95.7	137.3	394.8	436.6	270.5	60.1	97.9	279.9	77.9
2014 Feb.	3.3	0.3	160.7	79.2	31.9	46.0	131.6	145.8	90.4	20.3	32.1	93.2	25.5
Mar.	-0.7	3.4	160.0	77.0	31.9	45.0	129.7	145.5	90.1	20.2	32.2	92.7	26.1
Apr.	-1.4	-2.2	159.4	78.9	31.8	45.9	130.8	144.8	89.7	19.9	32.6	93.7	25.7
May	0.4	-0.1	160.6	77.8	32.5	46.0	132.8	145.5	90.8	19.6	32.7	92.2	26.8
June	3.0	2.6	160.2	77.5	31.4	45.4	131.2	146.4	90.0	20.6	32.6	94.1	25.4
July	2.6	0.8	159.8	.	.	.	130.2	147.6	.	.	.	94.4	.
	Volume indices (2000 = 100; annual percentage changes for columns 1 and 2)												
2012	3.5	-3.2	111.9	110.2	117.1	111.7	112.0	99.6	100.8	98.0	96.8	98.9	99.6
2013	1.7	-0.5	113.5	111.6	115.7	114.9	113.1	99.1	100.1	95.3	97.2	98.6	98.3
2013 Q3	2.2	1.8	113.4	111.7	114.3	115.6	113.2	99.4	100.3	97.4	98.0	99.2	97.9
Q4	2.1	1.4	113.6	111.7	115.7	114.6	113.4	99.6	99.8	95.3	99.3	99.9	96.2
2014 Q1	1.5	2.1	114.9	113.3	114.7	117.1	114.2	100.2	100.4	97.8	99.4	101.9	94.3
Q2	0.7	2.1	114.9	113.1	113.9	117.7	115.7	101.7	102.0	97.6	101.9	103.3	94.2
2014 Jan.	1.1	-0.9	113.8	113.9	113.7	117.2	112.5	100.4	101.4	98.4	98.1	101.2	97.4
Feb.	3.6	2.0	115.7	114.4	115.7	118.7	115.9	100.3	99.9	98.1	100.0	102.7	90.7
Mar.	-0.2	5.3	115.1	111.6	114.8	115.6	114.2	100.0	99.9	96.8	100.1	101.7	94.7
Apr.	-0.7	1.3	115.1	114.9	114.0	118.7	115.6	101.6	101.9	97.3	101.9	104.1	94.8
May	0.4	1.6	115.4	112.6	116.2	118.8	116.8	101.9	103.0	95.6	101.8	102.1	97.3
June	2.3	3.6	114.2	111.6	111.5	115.5	114.5	101.8	101.1	100.0	101.9	103.6	90.6

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					Manufac-turing	Total (index: 2010 = 100)	Total					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 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	-0.1	-9.3	-1.3	106.0	-3.6	-3.0	-2.3	-0.4	-7.3	-2.2
Q2	104.3	-0.8	-1.3	-0.2	0.0	-1.7	-0.7	105.4	-2.3	-2.7	-2.6	-0.6	-2.3	-2.0
2014 Feb.	104.2	-1.5	-1.6	0.0	0.1	-11.1	-1.2	106.3	-3.4	-2.7	-1.8	-0.1	-7.8	-1.9
Mar.	103.9	-1.8	-2.2	-0.6	-0.3	-8.9	-1.5	105.3	-4.2	-3.6	-3.0	-0.9	-8.2	-2.8
Apr.	104.0	-1.3	-1.8	-0.6	-0.3	-3.6	-1.1	105.0	-3.3	-3.4	-3.7	-0.8	-4.1	-2.7
May	104.2	-0.9	-1.2	-0.3	-0.1	-2.2	-0.8	105.4	-2.3	-2.9	-2.4	-0.7	-2.1	-1.9
June	104.6	-0.1	-0.8	0.2	0.3	0.7	-0.1	106.0	-1.3	-2.0	-1.8	-0.2	-0.7	-1.3
July	104.6	-0.5	-0.5	0.2	0.2	-4.6	-0.4	105.2	-2.6	-1.2	-1.5	-0.5	-6.1	-1.2

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	1,880.6	34.2	59.5	230.0	249.3	92.2	116.4	59.5	223.7	440.7	120.7	44.6	126.5	97.4	151.3
2013	1,896.8	35.3	59.5	239.2	255.3	88.7	110.7	60.4	221.5	443.9	122.1	43.9	130.4	97.8	154.2
2013 Q1	475.2	8.7	14.7	58.2	62.8	23.5	28.1	15.4	55.5	110.9	29.6	11.0	34.4	24.7	38.1
Q2	475.0	8.8	14.7	59.2	63.0	22.9	27.4	15.6	55.1	110.5	30.0	10.8	33.1	24.8	40.0
Q3	472.4	8.9	15.0	59.9	64.3	21.6	27.8	14.7	55.4	110.0	31.1	11.1	31.8	24.7	38.2
Q4	474.3	8.8	15.2	62.0	65.2	20.7	27.5	14.6	55.5	112.4	31.3	11.0	31.1	23.5	37.8
2014 Q1	479.4	8.9	15.0	63.2	67.7	20.3	26.9	14.6	58.0	112.3	32.0	11.0	33.1	23.5	36.0
Q2	480.2	9.0	15.1	63.1	67.7	19.5	27.4	14.0	59.2	113.6	32.3	10.6	32.5	22.7	36.4
2014 Feb.	160.7	3.0	5.0	21.6	22.7	6.8	8.9	4.9	19.5	37.8	10.8	3.7	11.6	8.1	10.8
Mar.	160.0	2.9	4.9	20.7	22.2	6.6	8.6	4.8	19.7	37.3	10.5	3.5	10.8	7.6	14.0
Apr.	159.4	3.0	5.0	20.9	22.8	6.8	9.1	4.7	19.5	38.1	10.6	3.6	10.7	7.5	11.5
May	160.6	3.0	5.0	21.3	22.2	6.6	9.0	4.7	20.3	38.1	10.9	3.4	11.1	7.6	11.8
June	160.2	3.0	5.2	20.9	22.7	6.2	9.3	4.6	19.5	37.4	10.8	3.5	10.8	7.5	13.1
July	159.8	.	.	.	.	6.4	9.2	4.5	19.4	38.5	11.1	3.6	10.3	7.5	.
	Percentage share of total exports														
2013	100.0	1.9	3.1	12.6	13.5	4.7	5.8	3.2	11.7	23.4	6.4	2.3	6.9	5.2	8.1
	Imports (c.i.f.)														
2012	1,794.1	29.0	53.1	167.5	232.7	144.8	82.3	34.5	151.2	540.7	214.3	49.2	157.5	89.8	111.2
2013	1,738.8	30.1	53.7	164.2	239.8	144.9	81.8	35.8	149.2	509.9	204.3	43.6	141.3	80.3	107.8
2013 Q1	437.5	7.6	13.3	41.8	58.8	37.4	20.0	8.9	35.5	127.2	52.1	11.1	38.0	20.5	28.5
Q2	434.3	7.4	13.5	41.1	59.0	35.6	20.6	8.8	37.3	128.3	50.5	11.0	36.3	20.0	26.5
Q3	436.2	7.8	13.7	40.9	60.7	36.7	20.7	8.9	38.1	127.4	50.6	10.6	34.5	20.1	26.9
Q4	430.8	7.4	13.3	40.5	61.3	35.3	20.4	9.2	38.3	127.0	51.0	10.9	32.5	19.7	25.9
2014 Q1	436.7	7.6	13.5	40.5	62.8	34.7	21.1	9.3	37.0	130.3	53.6	10.7	32.7	19.4	27.8
Q2	436.6	7.5	13.3	40.7	63.9	34.2	21.5	9.5	37.4	129.3	53.2	10.3	32.8	19.9	26.6
2014 Feb.	145.8	2.6	4.4	13.4	21.0	11.5	7.1	3.1	12.5	42.9	17.9	3.5	10.8	6.3	10.2
Mar.	145.5	2.4	4.5	13.7	21.0	11.4	7.2	3.1	12.1	44.3	18.3	3.6	10.8	6.6	8.4
Apr.	144.8	2.6	4.5	13.7	21.4	11.5	7.1	3.1	12.3	42.1	17.4	3.4	10.6	6.6	9.1
May	145.5	2.5	4.3	13.5	21.0	11.5	7.3	3.2	12.3	44.1	17.5	3.4	11.3	6.5	8.0
June	146.4	2.4	4.5	13.5	21.4	11.2	7.1	3.2	12.8	43.1	18.2	3.4	10.8	6.9	9.5
July	147.6	.	.	.	.	10.7	7.3	3.3	12.8	44.1	18.2	3.6	11.2	6.8	.
	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	86.4	5.2	6.4	62.6	16.7	-52.6	34.1	25.0	72.5	-100.0	-93.6	-4.6	-31.1	7.6	40.1
2013	158.0	5.2	5.8	75.0	15.5	-56.2	29.0	24.5	72.3	-66.0	-82.3	0.3	-10.9	17.5	46.4
2013 Q1	37.7	1.2	1.4	16.4	4.0	-13.9	8.0	6.5	20.0	-16.3	-22.6	0.0	-3.5	4.2	9.6
Q2	40.7	1.4	1.2	18.1	4.0	-12.7	6.9	6.8	17.8	-17.8	-20.5	-0.2	-3.2	4.8	13.5
Q3	36.1	1.2	1.3	19.0	3.6	-15.0	7.1	5.8	17.3	-17.4	-19.5	0.5	-2.7	4.6	11.3
Q4	43.5	1.5	1.9	21.5	3.9	-14.6	7.0	5.4	17.2	-14.6	-19.7	0.1	-1.4	3.8	11.9
2014 Q1	42.6	1.4	1.6	22.7	4.9	-14.4	5.7	5.4	20.9	-18.1	-21.6	0.4	0.3	4.0	8.2
Q2	43.6	1.5	1.9	22.4	3.8	-14.6	5.9	4.4	21.8	-15.8	-20.9	0.3	-0.3	2.8	9.7
2014 Feb.	14.8	0.4	0.6	8.2	1.7	-4.7	1.8	1.8	7.0	-5.1	-7.1	0.2	0.8	1.8	0.5
Mar.	14.6	0.4	0.5	7.0	1.2	-4.9	1.4	1.7	7.6	-7.0	-7.9	-0.1	0.0	1.0	5.6
Apr.	14.6	0.4	0.5	7.2	1.3	-4.7	2.0	1.5	7.1	-4.0	-6.8	0.2	0.0	0.9	2.4
May	15.2	0.5	0.7	7.8	1.2	-4.9	1.8	1.5	8.0	-6.1	-6.7	0.0	-0.2	1.2	3.7
June	13.8	0.5	0.7	7.4	1.3	-5.0	2.2	1.4	6.7	-5.7	-7.4	0.1	0.0	0.7	3.6
July	12.2	.	.	.	.	-4.2	1.9	1.2	6.6	-5.6	-7.1	0.0	-0.9	0.7	.

Source: Eurostat.

EXCHANGE RATES

8.1 Effective exchange rates [1)]

(period averages; index: 1999 Q1=100)

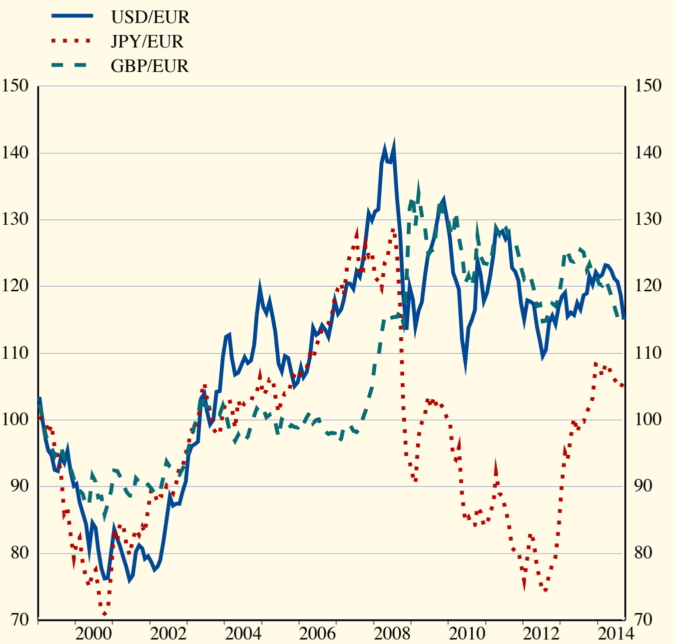
	EER-20						EER-39	
	Nominal	Real CPI	Real PPI	Real GDP deflator	Real ULCM [2)]	Real ULCT	Nominal	Real CPI
	1	2	3	4	5	6	7	8
2011	103.4	100.7	97.2	95.0	106.6	96.8	112.2	97.7
2012	97.9	95.6	92.9	89.8	101.8	91.6	107.1	92.9
2013	101.7	98.9	96.4	93.4	104.8	94.0	112.0	96.2
2013 Q3	101.9	99.2	96.6	93.5	106.2	95.3	112.9	96.8
Q4	103.1	100.0	97.6	94.3	101.0	91.3	114.7	97.8
2014 Q1	103.9	100.7	97.9	95.4	104.4	93.5	116.6	99.1
Q2	103.8	100.1	97.8	95.0	103.6	92.3	116.0	97.9
Q3	101.6	97.8	95.8	.	.	.	113.7	95.6
2013 Sep.	102.0	99.1	96.6	-	-	-	113.3	97.0
Oct.	102.8	99.7	97.3	-	-	-	114.2	97.4
Nov.	102.6	99.5	97.1	-	-	-	114.2	97.3
Dec.	103.9	100.7	98.2	-	-	-	115.8	98.6
2014 Jan.	103.4	100.3	97.5	-	-	-	115.9	98.6
Feb.	103.6	100.4	97.6	-	-	-	116.3	98.9
Mar.	104.6	101.4	98.5	-	-	-	117.5	99.6
Apr.	104.5	101.1	98.5	-	-	-	117.0	99.0
May	103.8	100.1	97.9	-	-	-	116.1	97.8
June	103.0	99.2	97.1	-	-	-	115.1	96.9
July	102.6	98.8	96.7	-	-	-	114.6	96.4
Aug.	101.9	98.1	96.1	-	-	-	114.0	95.9
Sep.	100.4	96.6	94.6	-	-	-	112.4	94.4
	Percentage change versus previous month							
2014 Sep.	-1.5	-1.5	-1.5	-	-	-	-1.4	-1.5
	Percentage change versus previous year							
2014 Sep.	-1.6	-2.5	-2.1	-	-	-	-0.8	-2.7

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
2014 Q1	1.9558	27.442	7.4625	7.6498	3.4528	307.93	4.1843	4.5023	8.8569	0.82787	3.0372
Q2	1.9558	27.446	7.4628	7.5992	3.4528	305.91	4.1665	4.4256	9.0517	0.81471	2.8972
Q3	1.9558	27.619	7.4522	7.6233	3.4528	312.24	4.1747	4.4146	9.2052	0.79378	2.8674
2014 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
May	1.9558	27.437	7.4641	7.5952	3.4528	304.58	4.1800	4.4237	9.0298	0.81535	2.8736
June	1.9558	27.450	7.4588	7.5770	3.4528	305.87	4.1352	4.3930	9.0914	0.80409	2.8808
July	1.9558	27.458	7.4564	7.6146	3.4528	309.81	4.1444	4.4098	9.2327	0.79310	2.8699
Aug.	1.9558	27.816	7.4551	7.6326	3.4528	313.91	4.1919	4.4252	9.1878	0.79730	2.8784
Sep.	1.9558	27.599	7.4449	7.6236	3.4528	313.20	4.1899	4.4095	9.1929	0.79113	2.8543
	Percentage change versus previous month										
2014 Sep.	0.0	-0.8	-0.1	-0.1	0.0	-0.2	0.0	-0.4	0.1	-0.8	-0.8
	Percentage change versus previous year										
2014 Sep.	0.0	7.0	-0.2	0.3	0.0	4.5	-1.1	-1.2	6.0	-6.0	5.9

	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
2014 Q1	1.5275	3.2400	1.5107	8.3576	10.6287	84.5794	16,179.21	4.7892	140.80	4.5184
Q2	1.4699	3.0583	1.4950	8.5438	10.6297	81.9776	15,935.34	4.7517	140.00	4.4352
Q3	1.4326	3.0137	1.4422	8.1734	10.2746	80.3183	15,588.03	4.6593	137.75	4.2323
2014 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
May	1.4755	3.0512	1.4951	8.5658	10.6456	81.4318	15,830.12	4.7600	139.74	4.4337
June	1.4517	3.0388	1.4728	8.4698	10.5365	81.2046	16,167.87	4.6966	138.72	4.3760
July	1.4420	3.0109	1.4524	8.3940	10.4935	81.3058	15,789.65	4.6325	137.72	4.3100
Aug.	1.4306	3.0219	1.4548	8.1965	10.3207	81.0709	15,603.10	4.6569	137.11	4.2310
Sep.	1.4246	3.0089	1.4196	7.9207	10.0019	78.5676	15,362.85	4.6896	138.39	4.1522
	Percentage change versus previous month									
2014 Sep.	-0.4	-0.4	-2.4	-3.4	-3.1	-3.1	-1.5	0.7	0.9	-1.9
	Percentage change versus previous year									
2014 Sep.	-0.9	-0.8	2.7	-3.0	-3.4	-7.9	1.9	-1.6	4.5	-4.3

	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
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
Q2	17.8171	1.5923	8.2049	60.464	47.9415	1.7178	14.4616	1,410.80	1.2192	44.510	1.3711
Q3	17.3879	1.5731	8.2754	58.073	48.0583	1.6584	14.2700	1,361.10	1.2115	42.563	1.3256
2014 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
May	17.7620	1.5957	8.1513	60.258	47.8403	1.7189	14.2995	1,407.13	1.2204	44.686	1.3732
June	17.6516	1.5769	8.2149	59.543	46.7509	1.7008	14.5094	1,385.45	1.2181	44.195	1.3592
July	17.5834	1.5578	8.3880	58.844	46.9984	1.6825	14.4366	1,382.29	1.2150	43.470	1.3539
Aug.	17.5051	1.5783	8.2522	58.320	48.1781	1.6622	14.2052	1,364.17	1.2118	42.644	1.3316
Sep.	17.0717	1.5841	8.1798	57.033	49.0519	1.6295	14.1578	1,336.02	1.2076	41.536	1.2901
	Percentage change versus previous month										
2014 Sep.	-2.5	0.4	-0.9	-2.2	1.8	-2.0	-0.3	-2.1	-0.3	-2.6	-3.1
	Percentage change versus previous year										
2014 Sep.	-2.2	-3.4	2.6	-2.3	12.7	-3.3	6.2	-7.6	-2.1	-1.8	-3.3

Source: ECB.

DEVELOPMENTS OUTSIDE THE EURO AREA

9

9.1 Economic and financial developments in other EU Member States

(annual percentage changes, unless otherwise indicated)

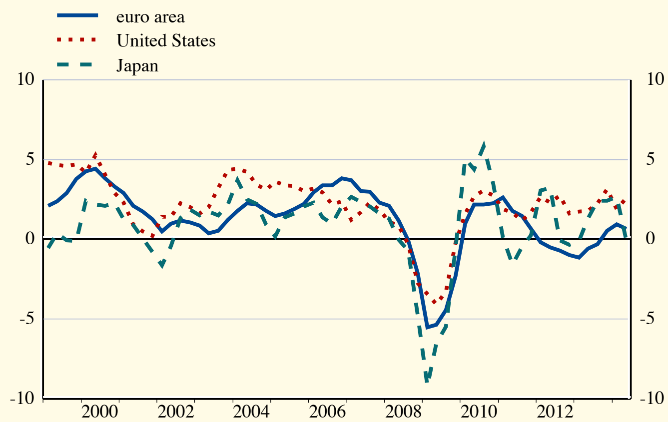
	Bulgaria	Czech Republic	Denmark	Croatia	Lithuania	Hungary	Poland	Romania	Sweden	United Kingdom
	1	2	3	4	5	6	7	8	9	10
HICP										
2012	2.4	3.5	2.4	3.4	3.2	5.7	3.7	3.4	0.9	2.8
2013	0.4	1.4	0.5	2.3	1.2	1.7	0.8	3.2	0.4	2.6
2014 Q1	-1.8	0.3	0.4	0.1	0.3	0.4	0.6	1.3	0.0	1.8
Q2	-1.6	0.2	0.4	0.3	0.2	-0.1	0.3	1.3	0.3	1.7
2014 June	-1.8	0.0	0.4	0.5	0.3	-0.1	0.3	0.9	0.5	1.9
July	-1.1	0.6	0.5	0.5	0.5	0.5	0.0	1.5	0.4	1.6
Aug.	-1.0	0.7	0.3	0.3	0.3	0.3	-0.1	1.3	0.2	1.5
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										
2014 Mar.	3.54	2.20	1.61	4.51	3.33	5.83	4.25	5.31	2.16	2.34
Apr.	3.44	2.00	1.57	4.41	3.26	5.56	4.10	5.15	2.06	2.30
May	3.18	1.73	1.47	4.31	2.98	5.01	3.80	4.72	1.88	2.27
June	3.11	1.55	1.38	3.94	2.92	4.50	3.54	4.48	1.80	2.35
July	3.38	1.49	1.24	3.72	2.90	4.33	3.34	4.16	1.60	2.31
Aug.	3.41	1.38	1.07	3.68	2.61	4.73	3.36	4.21	1.53	2.12
3-month interest rate as a percentage per annum; period average										
2014 Mar.	0.83	0.37	0.29	0.86	0.41	3.24	2.71	2.83	0.93	0.52
Apr.	0.83	0.37	0.31	0.83	0.41	2.94	2.72	2.74	0.91	0.53
May	0.83	0.37	0.35	0.87	0.41	2.55	2.72	2.62	0.92	0.53
June	0.81	0.35	0.36	0.89	0.38	2.50	2.69	2.24	0.85	0.54
July	0.76	0.35	0.38	0.87	0.35	2.29	2.68	1.97	0.52	0.56
Aug.	0.72	0.35	0.37	1.01	0.33	2.06	2.65	1.92	0.52	0.56
Real GDP										
2012	0.6	-1.0	-0.4	-2.2	3.7	-1.7	2.0	0.5	0.9	0.3
2013	0.9	-0.9	0.4	-0.9	3.3	1.1	1.6	3.5	1.6	1.7
2013 Q4	1.2	1.1	0.7	-0.6	3.4	2.9	2.5	5.0	3.0	2.7
2014 Q1	1.2	2.9	1.3	-0.6	3.1	3.3	3.5	3.7	1.8	3.0
Q2	1.6	2.7	0.0	.	3.1	3.7	3.3	1.5	1.9	3.1
Current and capital account balance as a percentage of GDP										
2012	0.5	0.0	6.0	0.2	2.0	3.5	-1.5	-3.0	5.8	-3.6
2013	3.1	0.5	7.3	1.3	3.7	6.8	1.0	1.3	6.2	-4.2
2013 Q4	-2.7	1.1	8.8	-6.7	3.8	8.5	1.1	0.7	5.2	-5.3
2014 Q1	-2.3	9.9	3.7	-16.0	2.6	7.0	0.8	5.2	6.8	-3.4
Q2	4.5	-3.4	5.3	.	8.1	8.4	4.6	-0.5	4.8	.
Gross external debt as a percentage of GDP										
2012	95.0	62.0	181.1	102.7	75.4	129.6	71.0	75.3	191.2	390.6
2013	94.5	71.0	177.1	105.3	67.1	120.3	70.2	68.9	196.9	357.1
2013 Q4	94.5	71.0	177.1	105.3	67.1	120.3	70.2	68.9	196.9	357.1
2014 Q1	93.5	70.1	172.7	107.5	70.5	123.2	69.4	65.4	202.8	353.2
Q2	93.8	.	170.8	.	.	.	.	63.4	.	.
Unit labour costs										
2012	4.4	3.3	1.5	-0.2	1.9	2.5	1.5	4.5	2.9	2.6
2013	5.2	-0.1	1.1	1.4	3.8	3.9	0.1	2.5	0.8	1.3
2013 Q4	1.9	-2.7	0.9	1.8	2.7	3.3	-3.8	0.9	-0.8	0.9
2014 Q1	1.4	1.1	0.5	-5.5	5.2	3.2	-3.3	0.9	1.1	2.1
Q2	0.8	0.9	1.7	.	4.2	1.9	-3.4	-1.0	2.8	.
Standardised unemployment rate as a percentage of labour force (s.a.)										
2012	12.3	7.0	7.5	16.1	13.4	10.9	10.1	6.9	8.0	7.9
2013	12.9	7.0	7.0	17.3	11.8	10.2	10.3	7.0	8.0	7.5
2014 Q1	12.2	6.6	6.8	17.4	11.6	8.0	9.8	7.0	8.1	6.7
Q2	11.5	6.2	6.5	17.0	11.4	8.0	9.2	6.9	8.0	6.3
2014 June	11.4	6.1	6.5	16.7	11.4	8.1	9.1	7.0	8.0	6.2
July	11.3	6.1	6.6	16.6	11.5	7.8	9.0	7.1	7.8	.
Aug.	11.3	6.3	6.7	16.5	11.4	.	8.8	7.1	8.0	.

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

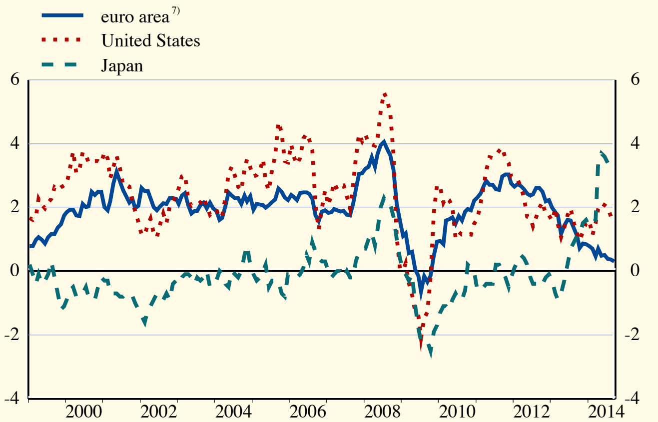
9.2 Economic and financial developments in the United States and Japan
(annual percentage changes, unless otherwise indicated)

	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	Government debt [6] as a % of GDP
	1	2	3	4	5	6	7	8	9	10	11
					United States						
2010	1.6	-1.3	2.5	6.6	9.6	2.5	0.34	3.57	1.3257	-12.2	79.2
2011	3.2	2.1	1.6	3.6	8.9	7.3	0.34	2.10	1.3920	-10.7	83.1
2012	2.1	1.7	2.3	4.4	8.1	8.6	0.43	1.88	1.2848	-9.0	86.5
2013	1.5	0.3	2.2	2.9	7.4	6.7	0.27	3.27	1.3281	-5.7	87.8
2013 Q3	1.6	1.2	2.3	2.7	7.2	6.6	0.26	2.91	1.3242	-6.3	86.6
Q4	1.2	-2.0	3.1	3.2	7.0	6.1	0.24	3.27	1.3610	-4.9	87.8
2014 Q1	1.4	2.5	1.9	2.3	6.7	6.0	0.24	2.97	1.3696	-5.0	88.6
Q2	2.1	1.6	2.6	3.8	6.2	6.6	0.23	2.74	1.3711	-5.1	.
Q3	.	.	.	.	.	.	0.23	2.73	1.3256	.	.
2014 May	2.1	-	-	3.9	6.3	6.7	0.23	2.69	1.3732	-	-
June	2.1	-	-	3.8	6.1	6.7	0.23	2.74	1.3592	-	-
July	2.0	-	-	5.2	6.2	6.7	0.23	2.80	1.3539	-	-
Aug.	1.7	-	-	4.1	6.1	6.5	0.23	2.58	1.3316	-	-
Sep.	.	-	-	.	.	.	0.23	2.73	1.2901	-	-
					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	1.5	0.6	4.3	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	129.66	.	.
2013 Q3	0.9	-1.9	2.4	2.2	4.0	3.8	0.15	0.88	131.02	.	.
Q4	1.4	-1.0	2.4	5.9	3.9	4.3	0.14	0.95	136.48	.	.
2014 Q1	1.5	-2.3	2.7	8.3	3.6	3.9	0.14	0.84	140.80	.	.
Q2	3.6	.	0.0	2.6	3.6	3.2	0.13	0.72	140.00	.	.
Q3	.	.	.	.	.	.	0.13	0.66	137.75	.	.
2014 May	3.7	-	-	1.0	3.5	3.3	0.14	0.75	139.74	-	-
June	3.6	-	-	3.1	3.7	3.0	0.13	0.72	138.72	-	-
July	3.4	-	-	-0.7	3.8	3.0	0.13	0.67	137.72	-	-
Aug.	3.3	-	-	-2.9	.	3.0	0.13	0.62	137.11	-	-
Sep.	.	-	-	.	.	.	0.12	0.66	138.39	-	-

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) 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:

$$\text{a)}\quad \left(\frac{0.5 I_t + \sum_{i=1}^{2} I_{t-i} + 0.5 I_{t-3}}{0.5 I_{t-12} + \sum_{i=1}^{2} I_{t-i-12} + 0.5 I_{t-15}} - 1 \right) \times 100$$

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:

$$\text{b)}\quad \left(\frac{0.5 I_t + \sum_{i=1}^{11} I_{t-i} + 0.5 I_{t-12}}{0.5 I_{t-12} + \sum_{i=1}^{11} I_{t-i-12} + 0.5 I_{t-24}} - 1 \right) \times 100$$

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:

e) $$F_t^Q = (L_t - L_{t-3}) - C_t^Q - E_t^Q - V_t^Q$$

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:

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

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:

g) $$a_t = \left[\prod_{i=0}^{11}\left(1 + F_{t-i}^M / L_{t-1-i}\right) - 1\right] \times 100$$

h) $$a_t = \left(I_t / I_{t-12} - 1\right) \times 100$$

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:

i) $$a_t^M = \left(I_t / I_{t-1} - 1\right) \times 100$$

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:

$$\text{l)} \quad a_t = \left[\prod_{i=0}^{11}\left(1 + N_{t-i}^M / L_{t-1-i}\right) - 1\right] \times 100$$

$$\text{m)} \quad a_t = \left(I_t / I_{t-12} - 1\right) \times 100$$

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) $$a_t = \left[\prod_{i=0}^{5}\left(1 + N_{t-i}^{M} / L_{t-1-i}\right) - 1\right] \times 100$$

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 1 October 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, 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.

5 JUNE 2014

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations (MROs) by 10 basis points to 0.15%, starting from the operation to be settled on 11 June 2014. In addition, it decides to decrease the interest rate on the marginal lending facility by 35 basis points to 0.40% and the interest rate on the deposit facility by 10 basis points to -0.10%, both with effect from 11 June 2014. It also decides to adopt further non-standard measures, notably: (i) to conduct a series of targeted longer-term refinancing operations (TLTROs) maturing in September 2018 to support bank lending to the non-financial private sector, with an interest rate fixed over the life of each operation at the rate on the Eurosystem's main refinancing operations prevailing at the time of take-up, plus a fixed spread of 10 basis points; (ii) to continue conducting the MROs as fixed rate tender procedures with full allotment at least until the end of the reserve maintenance period ending in December 2016; (iii) to conduct the three-month longer-term refinancing operations (LTROs) to be allotted before the end of the reserve maintenance period ending in December 2016 as fixed rate tender procedures with full allotment; (iv) to suspend the weekly fine-tuning operation sterilising the liquidity injected under the Securities Markets Programme; (v) to intensify preparatory work related to outright purchases in the ABS market.

3 JULY AND 7 AUGUST 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 0.15%, 0.40% and -0.10% respectively.

4 SEPTEMBER 2014

The Governing Council of the ECB decides to decrease the interest rate on the main refinancing operations by 10 basis points to 0.05%, starting from the operation to be settled on 10 September 2014. In addition, it decides to decrease the interest rates on both the marginal lending facility and the deposit facility by 10 basis points, to 0.30% and -0.20% respectively, with effect from 10 September 2014. It also decides to (i) purchase a broad portfolio of simple and transparent asset-backed securities (ABSs) with underlying assets consisting of claims against the euro area non-financial private sector under an ABS purchase programme (ABSPP), and (ii) purchase a broad portfolio of euro-denominated covered bonds issued by MFIs domiciled in the euro area under a new covered bond purchase programme (CBPP3). Interventions under both of these programmes will start in October 2014.

2 OCTOBER 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 0.05%, 0.30% and -0.20% respectively. It also decides on the operational details of asset-backed securities and covered bond purchase programmes.

PUBLICATIONS PRODUCED BY THE EUROPEAN CENTRAL BANK

The ECB produces a number of publications which provide information about its core activities: monetary policy, statistics, payment and securities settlement systems, financial stability and supervision, international and European cooperation, and legal matters. These include the following:

STATUTORY PUBLICATIONS

- Annual Report
- Convergence Report
- Monthly Bulletin

RESEARCH PAPERS

- Legal Working Paper Series
- Occasional Paper Series
- Research Bulletin
- Working Paper Series

OTHER/TASK-RELATED PUBLICATIONS

- Enhancing monetary analysis
- Financial integration in Europe
- Financial Stability Review
- Statistics Pocket Book
- The European Central Bank: history, role and functions
- The international role of the euro
- The implementation of monetary policy in the euro area ("General Documentation")
- The monetary policy of the ECB
- The payment system

The ECB also publishes brochures and information materials on a variety of topics, such as the euro banknotes and coins, as well as seminar and conference proceedings.

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.

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.