

## General notes

The Statistics 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 (<https://www.ecb.europa.eu>). This allows user-friendly access to data via the ECB's Statistical Data Warehouse (SDW) (<https://sdw.ecb.europa.eu>), which includes search and download facilities. For further information, please [contact us](#).

Unless otherwise indicated, all data series including observations for 2015 relate to the group of 19 countries that are members of the euro area (the Euro 19) for the whole time series. For interest rates, balance sheets and 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 refer to 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 and Lithuania in 2015, bringing the number of euro area countries to 19. From October 2012, the euro area statistics also include the European Stability Mechanism (ESM), 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 are based on 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 19 for all years, despite the fact that the euro area has only had this composition since 1 January 2015. Unless otherwise indicated, the ECB's Statistics 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. Such series 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") and of other financial corporations, 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 under "Monetary and financial statistics".

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 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<sup>1</sup> 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 (unless otherwise indicated) Bulgaria, the Czech Republic, Denmark, Croatia, 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 and the IMF's Balance of Payments and International Investment Position 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.

<sup>1</sup> 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>).

## Monetary policy statistics

Section 1.4 shows statistics on minimum reserves 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.

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 euro area national central banks (NCBs) 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 interest 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 Economic and Monetary Union (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

Section 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 small differences 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 data, broken down by sector, type and original maturity, on loans granted by MFIs other than the Eurosystem (i.e. the banking system) resident in the euro area. Section 2.5 provides data, broken down by sector and instrument, on 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 2.3 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 MFI sector. Since December 2014 this has been carried out on the basis of Regulation ECB/2013/33<sup>2</sup>. Detailed sector definitions are set out in the third edition of the ECB's "Monetary financial institutions and markets statistics sector manual – Guidance for the statistical classification of customers" available at <http://www.ecb.europa.eu/pub/pdf/other/mfmarketstatisticssectormanual200703en.pdf>.

Section 2.8 shows outstanding amounts and transactions on the balance sheet of

<sup>2</sup> OJ L 297, 7.11.2013, p. 1.

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 securities held by euro area investment funds. This section contains a geographical breakdown of the issuers of securities held by investment funds, as well as a breakdown by economic sector for issuers resident in the euro area.

Since December 2008 harmonised statistical information has been collected and compiled on the basis of an ECB regulation concerning statistics on the assets and liabilities of investment funds. Since December 2014 this has been carried out on the basis of Regulation ECB/2013/38<sup>3</sup>. Further information on these investment fund statistics can be found in the ECB's "Manual on investment fund statistics" available at <http://www.ecb.europa.eu/pub/pdf/other/manualinvestmentfundstatistics200905en.pdf>.

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 have been collected under an ECB regulation as of December 2009. Since December 2014 the data collection has been carried out on the basis of Regulation ECB/2013/40<sup>4</sup>.

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. 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 the issuers of securities other than shares held by insurance corporations and pension funds.

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<sup>3</sup> OJ L 297, 7.11.2013, p. 73.

<sup>4</sup> OJ L 297, 7.11.2013, p. 107.

## 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 2010.

In short, the sequence of accounts (showing 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 in the capital account.

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, in particular revaluations (e.g. those resulting from changes in asset prices) are 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, investment funds (other than money market funds), other financial institutions (OFIs, including financial auxiliaries and captive financial institutions), and insurance corporations and pension funds.

Section 3.2 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 Section 3.1.

Sections 3.3 and 3.4 display four-quarter cumulated flows (transactions) for, respectively, non-financial corporations' and 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 summary indicators and charts for households and non-financial corporations.

## 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 18 for the whole time series (i.e. a fixed composition).

Statistics on securities other than shares and statistics on listed shares (Sections 4.1 to 4.4) are produced by the ECB using data from the ESCB and the Bank for International Settlements (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) debt securities (ESA 2010 category F.3) and (ii) listed shares (ESA 2010 category F.511) excluding shares/units issued by money market funds and other investment funds. 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, even if they are issued under longer-term facilities. Long-term debt securities comprise securities that have an original maturity of more than one year. Issues with optional maturity dates, the latest of which is more than one year away, and issues with 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 debt securities whose coupon remains unchanged for the life of the security. Variable rate issues comprise debt securities whose coupon rate and/or underlying principal are linked to a general price index for goods and services (such as the consumer price index), an interest rate, or an asset price which results in a variable nominal coupon payment over the life of the issue. For the purposes of securities issues statistics, mixed interest rate debt securities are classified as variable interest rate debt securities. 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 2010. 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 listed shares issued by euro area residents broken down by issuing sector. The monthly data for listed shares issued by non-financial corporations correspond to the quarterly series shown in Section 3.4 (financial balance sheet; listed shares).

Columns 3, 5, 7 and 9 in Table 1 of Section 4.4 show annual growth rates for listed 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, and 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 ECB's Monthly Bulletin 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 gross domestic product. 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<sup>5</sup>. Spreads between the ten-year rates and the three-month and two-year rates are also shown. Additional yield curves (daily releases, including charts and tables) and the corresponding methodological information are available on the ECB's website at <http://www.ecb.europa.eu/stats/money/yc/html/index.en.html>, where 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 cost 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 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 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 concerning short-term statistics<sup>6</sup>. Since January 2009 the

<sup>5</sup> Svensson, L.E., "Estimating and Interpreting Forward Interest Rates: Sweden 1992-1994", *CEPR Discussion Papers*, No 1051. Centre for Economic Policy Research, London, 1994.

<sup>6</sup> OJ L 162, 5.6.1998, p. 1.

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<sup>7</sup> 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<sup>8</sup>. 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 is based on the commodity imports of the euro area (columns 2-4), and the other (columns 5-7) 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 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 ECB's 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<sup>9</sup> and in the implementing Commission Regulation (EC) No 1216/2003 of 7 July 2003<sup>10</sup>. 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 2010<sup>11</sup> quarterly national accounts. In September 2014 the updated ESA 2010 Regulation replaced the ESA 95 and became compulsory in the Member States of the EU. As in the past, the new regulation sets out the methodology, common standards, definitions, classifications and accounting rules used for compiling national accounts and tables in the EU as well as the data transmission programme setting out the time

<sup>7</sup> OJ L 393, 30.12.2006, p. 1.

<sup>8</sup> OJ L 155, 15.6.2007, p. 3.

<sup>9</sup> OJ L 69, 13.3.2003, p. 1.

<sup>10</sup> OJ L 169, 8.7.2003, p. 37.

<sup>11</sup> OJ L 174, 26.6.2013, p. 1.

limits by which Member States have to make their data available. The ESA 2010 also employs concepts related to other statistical classifications, e.g. NACE Revision 2. The publication of euro area national accounts data applying this new classification began in November 2014.

Indices for turnover in industry and for retail trade (Table 3 in Section 5.2) measure the turnover, including all duties and taxes (with the exception of VAT), invoiced during the reference period. 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 2010 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 3 June 2014 on government finance statistics (ECB/2014/21)<sup>12</sup>. Harmonised data provided by the NCBs are updated on a regular basis.

The quarterly euro area aggregates in Sections 6.1 to 6.3 are provided by Eurostat and may not be fully consistent with the annual data, for instance owing to different data cut-off dates.

The monthly euro area aggregates in Section 6.4 are compiled by the ECB on the basis of security-by-security information from the ESCB's Centralised Securities Database (CSDB)<sup>13</sup>.

Individual euro area country data in Section 6.5 are reported on the basis of Eurostat data (for government deficit/surplus and government debt) and CSDB data (for debt service and average nominal yields). The annual figures presented in Section 6.5 on government deficit/surplus and government debt are reported to the European Commission under Commission Regulation (EU) No 220/2014 of 7 March 2014 amending Council Regulation (EC) No 479/2009 as regards references to the European system of national and regional accounts in the European Union.

<sup>12</sup> OJ L 267, 6.9.2014, pp. 9-26.

<sup>13</sup> See the methodological note on "Debt securities issuance and service by EU governments", available on the ECB's website (<http://www.ecb.europa.eu>).

## External transactions and positions

On 9 December 2011 the ECB Guideline on the statistical reporting requirements of the European Central Bank in the field of external statistics (ECB/2011/23)<sup>14</sup> was adopted by the Governing Council of the ECB. This legal act lays down the ECB's reporting requirements in the field of external statistics, in accordance with the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).

The euro area balance of payments (b.o.p.) and international investment position (i.i.p.) are compiled by the ECB on the basis of the information provided by euro area national central banks. The euro area aggregates are based on transactions and positions vis-à-vis non-euro area residents, treating the euro area as a single economic entity. 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 (generally in April and October) as a result of revisions to the underlying data sources and/or methodological changes in the compilation of the source data. Additional information on concepts, definitions and revision practices can be found in the "B.o.p. and i.i.p. book" available on the ECB's website under:

<http://www.ecb.europa.eu/pub/pdf/other/eubopintiinvposstmeth201611.en.pdf>.

The sign conventions for the b.o.p. current and capital accounts (tables in Sections 7.1, 7.2 and 7.4), give a plus sign for credit and debit transactions as well as surpluses; a negative sign denotes a deficit. As regards the b.o.p. financial account (tables in Sections 7.1, 7.3 and 7.4), a plus sign represents a net increase, and a minus sign a net decrease, in assets or liabilities. The i.i.p. is valued at current market prices, with the exception of direct investment, where book values are generally used for unquoted shares, and other investment (e.g. loans and deposits).

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 4 in Section 7.2 and Table 10 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 ESM, are considered to be resident 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.

Table 1 in Section 7.3 summarises the i.i.p. and financial transactions in the euro area b.o.p. In Table 2, columns 6 and 12 refer respectively to direct investment by resident units abroad and direct investment by non-resident units in the euro area (the so-called "directional principle"). These direct investment concepts are from the previous edition of the IMF's Balance of Payments and International Investment

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<sup>14</sup> OJ L 65, 3.3.2012, p. 1.

Position Manual (BPM5) and have been included to bridge the gap between the concepts in the two manuals.

In Table 7 in Section 7.3, the breakdown into "currency and deposits" and "loans" is based on the sector of the non-resident counterparty, 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 BPM6.

The outstanding amounts for the Eurosystem's international reserves and related assets and liabilities are shown in Table 9 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 9 are in line with the recommendations included in the IMF's template guidelines on international reserves and foreign currency liquidity available at

<http://www.imf.org/external/np/sta/ir/IRProcessWeb/pdf/guide2013.pdf>. 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 2014. 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) available on the ECB's website under <http://www.ecb.europa.eu/pub/pdf/other/statintreservesen.pdf>. 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 11 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 11 shows a breakdown of gross external debt by instrument and institutional sector, while net external debt (i.e. gross external debt net of external debt assets) is shown in Table 13.

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 relate to the current and capital accounts (column 2) and financial derivatives (column 11). An occasional paper on the monetary presentation of the euro area balance of payments is available in the "Statistics" section of the ECB's website under "Balance of payments and international investment positions"

(<http://www.ecb.europa.eu/pub/pdf/scpops/ecbocp96.pdf>. See also Box 1 in the June 2003 issue of the ECB's Monthly Bulletin under <http://www.ecb.europa.eu/pub/pdf/mobu/mb200306en.pdf>).

Section 7.5 shows Eurostat data on euro area external trade in goods. 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 Standard International Trade Classification Revision 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. For more details see page 22 of "Euro area balance of payments and international investment position statistics - 2015 quality report" (April 2016) available on the ECB's website under <http://www.ecb.europa.eu/pub/pdf/other/euroareabalanceofpaymentsiipstatistics201604en.pdf>.

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 cited in 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 cited in 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 ECB's Monthly Bulletin available on the ECB's website under <http://www.ecb.europa.eu/pub/pdf/mobu/mb200812en.pdf>.

## Exchange rates

Section 8.1 shows nominal and real effective exchange rate (EER) 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 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 1995-97, 1998-2000, 2001-03, 2004-06, 2007-09 and 2010-12 and are calculated to account for "third-market effects". The EER indices are obtained by chain-linking the indicators on the basis of each of these six 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-19 group of trading partners is composed of the non-euro area EU Member States plus Australia, Canada, China, Hong Kong, Japan, Norway, Singapore, South Korea, Switzerland and the United States. The EER-18 group excludes Croatia. The EER-38 group comprises the EER-19 plus the following: Algeria, Argentina<sup>15</sup>, 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-18.

For more detailed information on the calculation of the EERs, see the relevant methodological note available on the ECB's website under <http://sdw.ecb.europa.eu/reports.do?node=100000232> 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 is available on the ECB's website under <http://www.ecb.europa.eu/pub/pdf/scpops/ecbocp134.pdf>.

The bilateral exchange rates shown in Section 8.2 are monthly averages of those published daily by the ECB as reference rates for these currencies. The last rate published for the Icelandic krona is 290.0 per euro, as at 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.

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<sup>15</sup> Data for Argentina are currently not available due to the state of emergency in the national statistical system declared by the government of Argentina on 07 January 2016. As a consequence, Argentina is not included in the calculation of the EER-38 CPI deflated series from February 2016. The policy regarding the inclusion of Argentina will be reconsidered in the future depending on further developments.