

# Note to Tables 9.1

## Chapter 9 – developments outside the euro area

### Section 9.1 – economic and financial developments in other EU Member States

In general, the selected indicators for economic and financial developments in non-euro area EU Member States follow the same methodological, statistical and legal principles as those for euro area countries. In general, compliance of economic statistics for these countries with EU standards is better for recent observations than for older data. For each of the following indicators further details are available in the General notes in relation to the tables in previous sections of the Statistics Bulletin.

#### 1. HICP

Article 1 of the Protocol on the convergence criteria referred to in Article 140 of the Treaty on the Functioning of the European Union requires price convergence to be measured by means of the consumer price index *on a comparable basis*. Given the differences between national consumer price indices (CPIs), Harmonised Indices of Consumer Prices (HICPs) were developed by the European Commission (Eurostat) in cooperation with the then and future Member States. For all countries shown, monthly data are published with a delay of 10 to 20 days from the end of the month.

For further details see the methodological note to Section 5.1, "HICP, other prices and costs".

#### 2. General government deficit (-)/surplus (+) and general government gross debt

The deficit and debt figures of individual countries are fully consistent with the excessive deficit procedure statistics released by Eurostat. They comply with the European System of Accounts 2010 (ESA 2010) and Council Regulation (EC) No 479/2009.

#### 3. Long-term government bond yield

Article 4 of the Protocol on the convergence criteria referred to in Article 140 of the Treaty on the Functioning of the European Union states that interest rate levels are to

be measured on the basis of long-term government bonds or comparable securities, taking into account differences in national definitions. The statistical definition of the long-term interest rate for the EU Member States was specified, in close liaison with the European Commission, as part of the preparations for Stage Three of Economic and Monetary Union . For Cyprus and Lithuania, primary market yields are reported. The same applies to Slovenia up to October 2003 and to Bulgaria and Romania up to December 2005. As Estonia has very limited government debt, there are currently no suitable long-term government bonds available on the financial market.

#### 4. Three-month interest rate

The three-month money market rates are period averages of the domestic interbank offered rates expressed as percentages per annum.

#### 5. Real GDP

As is the case with all national accounts data, gross domestic product (GDP) in volume (or real as often used by economists) is compiled according to the harmonised accounting definitions and methodology in the ESA 2010. The legal deadline for providing data is, at the latest, 60 days after the end of the reference period. The annual percentage changes shown in the table are calculated from seasonally unadjusted quarterly data. For further details see the methodological note for Section 5.2, "Output and demand".

#### 6. Current and capital accounts

National balance of payments (b.o.p.) data are an important criterion in the assessment of a (non-euro area) country's economic situation and convergence (Article 119 of the Treaty).

The current and capital account balance represents the amount of an economy's net foreign investment, or net lending to or borrowing from, the rest of the world. This ratio to GDP is a commonly used indicator enabling international data to be easily compared.

Regarding the methodological standards used to compile b.o.p. data, all non-euro area EU Member States have adopted the standards set out in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual, and largely follow the recommendations made there as well as those laid down by the ECB and the European Commission for the compilation of the euro area and EU aggregate. Further details on the methodology are available on the ECB's website.<sup>1</sup>

<sup>1</sup> <http://www.ecb.europa.eu/stats/external/balance/html/index.en.html>

## 7. Gross external debt

Gross external debt statistics show the outstanding amount of an economy's actual current (i.e. non-contingent) liabilities that require payment of principal and/or interest to non-residents at some point in the future.

Further methodological information on these statistics is available on the ECB's website.<sup>1</sup>

## 8. Unit labour costs

Unit labour costs data are derived from ESA 2010 national accounts data. The calculation method for unit labour costs is explained in more detail in the methodological note to Section 5.1, "HICP, other prices and costs".

## 9. Standardised unemployment rate

Standardised unemployment data are calculated on the basis of data from the European Union's quarterly Labour Force Survey (LFS), which are then extrapolated using data from the same source or national registers. Some of the revisions of the new Member States' monthly standardised unemployment data may be significant, especially when a new benchmark LFS becomes available.

More information on the calculation methods can be found in the methodological note for Section 5.3, "Labour markets".