

DG ECFIN - Directorate A - Policy, strategy and communication

| | LTA ⁽¹⁾ | 2018 | 2019 | 2020Q1 | 2020Q2 | 2020Q3 | 2020Q4 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 |
|---|--------------------|----------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|
| 1. Output | | | | | | | | | | | | | |
| Economic Sentiment <i>indicator</i> | 100.0 | 111.8 | 103.7 | 100.8 | 72.0 | 88.5 | 91.4 | 89.1 | 92.3 | 92.5 | 89.3 | 92.4 | 91.5 |
| Industrial confidence <i>balance</i> | -5.7 | 6.7 | -5.2 | -8.2 | -27.3 | -13.6 | -8.8 | -12.9 | -11.5 | -9.3 | -10.2 | -6.8 | -5.9 |
| Services confidence <i>balance</i> | 9.4 | 15.2 | 10.8 | 6.7 | -39.2 | -18.0 | -15.4 | -17.0 | -11.0 | -12.0 | -17.0 | -17.1 | -17.8 |
| Industrial production <i>% ch. on prev. period</i> | | | | -3.2 | -15.9 | 16.5 | - | 0.4 | 0.2 | 2.3 | 2.5 | - | - |
| (excluding construction) <i>% ch. on prev. year</i> | 0.7 | 0.8 | -1.4 | -13.4 | -11.8 | -6.3 | - | -6.7 | -6.3 | -3.5 | -0.6 | - | - |
| Gross domestic product ⁽²⁾ <i>% ch. on prev. period</i> | | | | -3.2 | -14.7 | -4.3 | -5.1 | - | - | - | - | - | - |
| Labour productivity <i>% ch. on prev. period</i> | | | | -3.4 | -8.8 | 11.4 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 0.5 | 0.3 | 0.1 | -3.6 | -11.7 | -2.2 | - | - | - | - | - | - | - |
| 2. Private consumption | | | | | | | | | | | | | |
| Consumer confidence <i>balance</i> | -10.7 | -4.8 | -7.0 | -8.6 | -18.5 | -14.4 | -15.6 | -14.6 | -13.6 | -15.5 | -17.6 | -13.8 | -15.5 |
| Retail confidence <i>balance</i> | -8.6 | 1.3 | -0.5 | -3.0 | -26.4 | -11.3 | -10.8 | -10.4 | -8.5 | -6.9 | -12.7 | -12.9 | -18.9 |
| Private consumption <i>% ch. on prev. period</i> | | | | -4.5 | -12.4 | 13.9 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 1.1 | 1.5 | 1.3 | -3.9 | -16.0 | -4.6 | - | - | - | - | - | - | - |
| Retail sales <i>% ch. on prev. period</i> | | | | -2.7 | -4.9 | 10.4 | -1.5 | 4.1 | -1.5 | 1.4 | -5.7 | 2.0 | - |
| <i>% ch. on prev. year</i> | 0.8 | 1.6 | 2.4 | -1.4 | -6.7 | 2.4 | 0.9 | 4.4 | 2.5 | 4.3 | -2.2 | 0.6 | - |
| 3. Investment | | | | | | | | | | | | | |
| Capacity utilisation (manufacturing) <i>level (%)</i> | 80.7 | 83.8 | 82.3 | 80.8 | 68.3 | 72.1 | 76.3 | - | - | 76.3 | - | - | 77.6 |
| Production expectations (manufacturing) <i>balance</i> | 7.1 | 16.5 | 4.4 | -0.2 | -22.7 | 7.1 | 3.7 | 6.9 | 7.2 | 6.4 | -0.1 | 4.9 | 5.2 |
| Gross fixed capital formation ⁽³⁾ <i>% ch. on prev. period</i> | | | | -4.4 | -11.7 | 14.0 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 1.3 | 3.6 | 3.0 | -4.1 | -15.3 | -4.0 | - | - | - | - | - | - | - |
| - equipment investment <i>% ch. on prev. period</i> | | | | -9.7 | -18.0 | 25.4 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 2.4 | 3.8 | 2.2 | -10.0 | -26.6 | -7.6 | - | - | - | - | - | - | - |
| - construction investment <i>% ch. on prev. period</i> | | | | -2.5 | -12.4 | 13.3 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 0.3 | 3.8 | 3.4 | -2.5 | -14.2 | -3.7 | - | - | - | - | - | - | - |
| Change in stocks <i>contrib. to GDP (pp.)</i> | | 0.1 | -0.5 | 0.6 | -0.2 | -1.2 | - | - | - | - | - | - | - |
| 4. Labour market | | | | | | | | | | | | | |
| Employment Expectations Indicator <i>indicator</i> | 100.3 | 113.8 | 107.3 | 101.8 | 72.9 | 90.4 | 89.9 | 90.7 | 92.7 | 91.1 | 88.2 | 90.4 | 88.8 |
| Employment expectations (manuf.) <i>balance</i> | -7.0 | 9.3 | -1.5 | -7.7 | -23.5 | -14.2 | -9.9 | -13.9 | -12.3 | -11.0 | -10.3 | -8.3 | -8.5 |
| Employment expectations (services) <i>balance</i> | 5.7 | 13.1 | 9.4 | 5.4 | -19.5 | -3.5 | -6.7 | -3.5 | -2.3 | -6.2 | -6.9 | -7.0 | -6.7 |
| Employment <i>% ch. on prev. period</i> | | | | -0.3 | -3.0 | 1.0 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 0.8 | 1.6 | 1.2 | 0.4 | -3.0 | -2.1 | - | - | - | - | - | - | - |
| Employment (000) <i>abs. ch. on prev. period</i> | | 2,423 | 1,909 | -452 | -4,739 | 1,576 | - | - | - | - | - | - | - |
| Compensation of employees per head (nominal) <i>% ch. on prev. period</i> | | | | -0.8 | -4.6 | 6.4 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 1.9 | 2.2 | 1.9 | 0.6 | -4.5 | 0.6 | - | - | - | - | - | - | - |
| Unemployment expectations <i>balance</i> | 27.1 | 3.9 | 10.9 | 16.2 | 57.8 | 50.3 | 52.3 | 51.4 | 47.5 | 52.1 | 56.9 | 47.8 | 51.5 |
| Unemployment rate <i>% of lab. force</i> | 9.4 | 8.2 | 7.6 | 7.3 | 7.6 | 8.6 | 8.3 | 8.6 | 8.6 | 8.4 | 8.3 | 8.3 | - |
| Unemployment (000) <i>abs. ch. on prev. period</i> | | -1,385.8 | -991.8 | -129.7 | 208.7 | 1,840.3 | -359.0 | 99.0 | -87.0 | -197.0 | -233.0 | 55.0 | - |
| 5. International transactions | | | | | | | | | | | | | |
| World trade <i>% ch. on prev. period</i> | | | | -2.6 | -12.1 | 12.3 | - | 2.1 | 2.5 | 0.7 | 2.1 | - | - |
| <i>% ch. on prev. year</i> | 4.5 | 3.5 | -0.4 | -3.0 | -14.3 | -4.3 | - | -4.8 | -1.5 | -1.4 | 1.5 | - | - |
| Export order books <i>balance</i> | -18.3 | 1.2 | -13.4 | -18.9 | -46.5 | -41.3 | -29.0 | -40.4 | -38.5 | -31.4 | -29.2 | -26.3 | -23.9 |
| Trade balance (merchandise) <i>billion EUR</i> | | 191.3 | 223.2 | 70.9 | 24.1 | 62.7 | - | 20.9 | 23.4 | 25.2 | 25.1 | - | - |
| Exports of goods and services <i>% ch. on prev. period</i> | | | | -3.8 | -18.9 | 16.8 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 4.3 | 3.6 | 2.5 | -3.1 | -21.5 | -8.9 | - | - | - | - | - | - | - |
| Imports of goods and services ⁽³⁾ <i>% ch. on prev. period</i> | | | | -3.0 | -16.4 | 13.0 | - | - | - | - | - | - | - |
| <i>% ch. on prev. year</i> | 0.3 | 3.7 | 2.0 | -2.9 | -19.0 | -8.8 | - | - | - | - | - | - | - |
| Current-account balance <i>billion EUR</i> | | 336.5 | 280.5 | 50.7 | 42.1 | 67.7 | - | 23.4 | 27.1 | 25.6 | 24.6 | - | - |
| Direct investment <i>billion EUR</i> | | 138.8 | -72.0 | 26.8 | -91.9 | 55.1 | - | 23.9 | 7.0 | 16.8 | -64.0 | - | - |
| Portfolio investment <i>billion EUR</i> | | 203.1 | -46.9 | -188.6 | 182.1 | -26.9 | - | 24.3 | -1.8 | 85.5 | 176.4 | - | - |
| 6. Prices | | | | | | | | | | | | | |
| Consumer inflation expectations <i>balance</i> | | 22.4 | 20.8 | 21.9 | 26.8 | 15.8 | 14.9 | 17.1 | 12.6 | 13.7 | 15.8 | 15.3 | 15.4 |
| Headline inflation (HICP) ⁽³⁾ <i>% ch. on prev. year</i> | | 1.8 | 1.2 | 1.1 | 0.2 | 0.0 | -0.3 | -0.2 | -0.3 | -0.3 | -0.3 | -0.3 | 0.0 |
| Core HICP <i>% ch. on prev. year</i> | | 1.2 | 1.2 | 1.3 | 1.1 | 0.7 | 0.4 | 0.6 | 0.4 | 0.4 | 0.4 | 0.4 | 1.4 |
| Domestic producer prices <i>% ch. on prev. year</i> | | 3.3 | 0.6 | -1.7 | -4.5 | -2.7 | -1.7 | -2.6 | -2.3 | -2.0 | -1.9 | -1.1 | - |
| Import prices <i>% ch. on prev. year</i> | | 1.2 | -0.1 | -0.9 | -2.9 | -2.7 | -2.3 | -2.6 | -2.9 | -2.6 | -2.3 | -2.1 | - |
| Oil (Brent) in USD <i>level</i> | | 71.6 | 64.2 | 51.1 | 33.4 | 43.3 | 45.4 | 44.8 | 41.9 | 41.4 | 43.7 | 50.4 | 55.1 |
| <i>% ch. on prev. period</i> | | | | -18.3 | -34.7 | 29.9 | 4.6 | 3.7 | -6.6 | -1.0 | 5.5 | 15.2 | 9.3 |
| <i>% ch. on prev. year</i> | | 30.8 | -10.4 | -19.8 | -51.3 | -30.1 | -27.4 | -24.8 | -32.6 | -30.6 | -30.3 | -22.9 | -14.0 |
| Oil (Brent) in EUR <i>level</i> | | 60.7 | 57.3 | 46.3 | 30.3 | 37.1 | 38.0 | 37.9 | 35.5 | 35.2 | 36.9 | 41.4 | 45.2 |
| <i>% ch. on prev. period</i> | | | | -17.9 | -34.6 | 22.4 | 2.5 | 0.3 | -6.3 | -0.9 | 4.9 | 12.1 | 9.3 |
| <i>% ch. on prev. year</i> | | 25.0 | -5.6 | -17.4 | -50.3 | -33.5 | -32.6 | -29.3 | -37.1 | -34.9 | -34.9 | -29.7 | -21.6 |
| Non-energy commodity prices (EUR) <i>% ch. on prev. period</i> | | | | 0.0 | -5.5 | 10.9 | 8.9 | 4.9 | 5.9 | 0.5 | 0.5 | 7.2 | 8.1 |
| <i>% ch. on prev. year</i> | | -3.0 | 3.3 | 2.1 | -5.5 | 3.9 | 14.1 | 6.7 | 11.3 | 12.1 | 12.9 | 17.2 | 25.1 |
| 7. Monetary and financial indicators | | | | | | | | | | | | | |
| Nominal interest rates (3 month) <i>level</i> | 1.6 | -0.32 | -0.36 | -0.41 | -0.30 | -0.47 | -0.52 | -0.48 | -0.49 | -0.51 | -0.52 | -0.54 | -0.55 |
| Nominal interest rates (10 year) <i>level</i> | 3.9 | 0.47 | -0.21 | -0.41 | -0.45 | -0.48 | -0.58 | -0.48 | -0.49 | -0.57 | -0.58 | -0.59 | -0.53 |
| ECB repo rate <i>level</i> | 1.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Stock market (Eurostoxx) <i>% ch. on prev. period</i> | | | | -6.0 | -12.7 | 9.8 | 2.4 | -0.9 | -0.9 | -2.2 | 6.2 | 4.4 | 1.6 |
| <i>% ch. on prev. year</i> | 6.1 | -3.1 | 1.6 | 7.0 | -12.3 | -4.8 | -7.7 | -2.0 | -7.4 | -10.3 | -8.4 | -5.3 | -4.8 |
| Money demand (M3) <i>% ch. on prev. year</i> | 5.6 | 4.0 | 5.0 | 6.1 | 8.8 | 10.0 | 11.3 | 9.5 | 10.4 | 10.5 | 11.0 | 12.3 | - |
| Loans to households <i>% ch. on prev. year</i> | 3.6 | 3.0 | 3.4 | 3.6 | 3.0 | 3.0 | 3.1 | 3.0 | 3.1 | 3.2 | 3.1 | 3.1 | - |
| Loans to non-financial corporations <i>% ch. on prev. year</i> | 3.8 | 3.9 | 3.8 | 3.9 | 7.0 | 7.1 | 6.9 | 7.1 | 7.1 | 6.8 | 6.9 | 7.0 | - |
| Bilateral exchange rate EUR/USD <i>level</i> | 1.21 | 1.18 | 1.12 | 1.10 | 1.10 | 1.17 | 1.19 | 1.18 | 1.18 | 1.18 | 1.18 | 1.22 | 1.22 |
| <i>% ch. on prev. period</i> | | | | -0.5 | -0.1 | 6.1 | 2.0 | 3.4 | -0.3 | -0.2 | 0.6 | 2.8 | 0.0 |
| <i>% ch. on prev. year</i> | 0.6 | 4.6 | -5.1 | -3.0 | -2.0 | 5.1 | 7.7 | 6.4 | 7.1 | 6.5 | 7.1 | 9.6 | 9.7 |
| Nominal effective exchange rate <i>% ch. on prev. period</i> | | | | -0.2 | 1.4 | 2.5 | 0.1 | 1.2 | 0.0 | -0.3 | -0.6 | 1.2 | -0.4 |
| <i>% ch. on prev. year</i> | 0.3 | 2.5 | -1.8 | -1.0 | 0.6 | 2.8 | 3.8 | 2.8 | 3.5 | 3.3 | 3.3 | 4.7 | 4.6 |

(1) LTA=Long-Term Average (since 1990 or earlier available); (2) Flash estimate for the last month, if final data not available yet; (3) Data on total gross fixed capital formation (GFCF) and on imports of goods and services don't include Ireland.

1. Output

According to Eurostat's preliminary flash estimate, **real GDP** in 2020-Q4 decreased by 0.7% quarter-on-quarter (q-o-q), after increasing by 12.4% in the previous quarter. As compared to 2019-Q4, GDP decreased by 5.1%.

According to the **European Commission's Winter 2021 Interim Forecast** real GDP decreased by 6.8% in 2020.

In January 2021, the **Economic Sentiment Indicator (ESI)**, edged down by 0.9 pts. to 91.5.

The Eurozone **PMI Composite Output Index** decreased to 47.8 in January from 49.1 in December 2020, signalling a further decline of business activity. The **manufacturing PMI Output Index** decreased from 55.2 in December to 54.8 in January. At the same time, the **services PMI Output Index** decreased from 46.4 to 45.4.

In November 2020, **industrial production** (excluding construction) rose by 2.5% (m-o-m), after an increase by 2.3% in October. Industrial production was 0.6% lower than in November 2019.

2. Private consumption

In 2020-Q3, **private consumption** surged by 13.9% (q-o-q), following a decline of 12.4% in 2020-Q2. With respect to the same period in 2019, private consumption decreased by 4.6%, after a decrease by 16.0% in the preceding quarter.

In January 2021, **consumer confidence** decreased by 1.7 pts. to -15.5, which reflected a deterioration in all its components, i.e. households' assessment of their past and future financial conditions, their intentions to make major purchases and especially their expectations about the general economic situation.

In December 2020, compared to the previous month, the **retail trade volume** increased by 2.0% (after a decrease of 5.7% in November). Retail trade was up by 5.1% for automotive fuels, by 1.9% for foods, drinks and tobacco, and by 1.5% for non-food products (within this category textile, clothing and footwear recorded an increase of 12.4%). Compared with the same month of the previous year, retail trade increased by 0.6%. In December 2020, new passenger car registrations decreased by 8.6% compared with December. Overall, in 2020, the number of new passenger car registrations decreased by 23% compared with 2019.

In January 2021, the slide of **retail trade confidence** (by -6.0 to -18.9 pts.), was fuelled by managers' assessments of the past business situation and the adequacy of the volume of stocks, both of which deteriorated to an extent not seen since the first wave of the pandemic. By **contrast**, the expected business situation worsened only mildly.

3. Investment

In 2020-Q3, **gross fixed capital formation** (excluding Ireland) surged by 14.0% quarter-on-quarter, following a decline by 11.7% in the preceding quarter. Compared with the same quarter of the previous year, it decreased by 4.0% in 2020-Q3 and by 15.3% in 2020-Q2.

In 2021-Q1, the **capacity utilisation rate** in manufacturing (survey conducted in January 2021) increased to 77.6% from 76.3% in 2020-Q4, but remained significantly below its long-term average (80.7%). Reflecting pandemic developments and containment measures, the rate of capacity utilisation in services decreased in 2021-Q1 from 86.2% to 85.1%, which is the new historical low.

4. Labour market

In 2020-Q3, **employment** (in terms of number of persons) increased by 1.0%, after a drop of 3.0% in the previous quarter. In December 2020, the **unemployment rate** stood at 8.3%, unchanged from October 2020 and 0.9 pp. higher than in December 2019. In January 2021, the **Employment Expectations Indicator (EEI)** decreased by 1.6 points to 88.8 after a increase of 2.2 points in the previous month. According to the Commission's surveys, **employment expectations** decreased by 3.4 pts. to -10.4 in retail trade, by 1.0 to -2.2 in construction and by 0.2 pts. to -8.5 pts. in industry, while they increased only in services (by 0.3 pts. to -6.7). At the same time, consumers' **unemployment expectations** increased by 3.7 pts. to 51.5 pts..

5. International transactions

The CPB **world trade volume** (goods) continued its recovery and increased by 2.1% (m-o-m) in November 2020, after an increase of 0.7% in October. Compared with November 2019, it was still 1.5% higher.

In November 2020, the seasonally adjusted **trade balance** stood at €25.1 bn, compared with €25.2 bn in October. At the same time, the seasonally adjusted **current-account balance** decreased from €25.6 bn to €24.6 bn.

The assessment of **export order books in manufacturing** improved by 2.4 pts. to -23.9 pts. in January 2021, continuing its recovery for the seventh month in row. Meanwhile, export expectations in 2021-Q1 (survey conducted in October) improved to -2.8 from -5.1 in 2020-Q4.

6. Prices

Eurostat's flash estimate of annual **HICP inflation** stood at 0.9% in January 2021, up from -0.3% in December 2020. Core inflation stood at 1.4%, up from 0.4% in December 2020. Prices of food, alcohol & tobacco are

expected to have the highest annual rate (1.5%, after 1.3% in December) followed by services (1.4% after 0.7 in December) and non-energy industrial goods (1.4% after **-0.5** in December, raising the contribution to the annual HICP inflation rate from -0.1 in December to +0.4 pps. in January). Prices of energy increased significantly compared to December 2020 (3.8%), but the annual rate of energy inflation stood at -4.1 and contributed thereby -0.4 pps. to the HICP inflation rate (up from -0.7 pps. in December).

In December 2020, **industrial producer prices** rose by 0.8% in m-o-m terms, up from 0.4 in November. Compared with the same month of 2019, they decreased by 1.1% (following a 1.9% decrease in November).

Brent crude oil prices were relatively stable from June until October 2020, fluctuating between 37 and 46 EUR. Since the beginning of November, they trended higher. The monthly average price increased by 33% between October 2020 and January 2021. On 11 February, Brent oil was traded at 60.85 USD/bbl., corresponding to 50.40 EUR/bbl.

7. Monetary and financial indicators

At its meeting on 21 January 2020, the ECB Governing Council reconfirmed its very accommodative monetary policy stance. The **ECB policy interest rates** remained unchanged on the main refinancing operations, with the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50% respectively. Operations under the pandemic emergency purchase programme (PEPP), the third series of the targeted longer-term refinancing operations (TLTRO III), four additional pandemic emergency longer-term refinancing operations (PELTROs), and the asset purchase programme (APP) will be continued as decided previously.

Money market interest rates followed a mildly decreasing trend between the end of April 2020 and January 2021. On 6 January 2021, the 3-month Euribor reached its new all-time low at -0.556% and remains close to this level since. On 11 February it stood at -0.541%.

Benchmark sovereign bond yields (10-year German Bund) remained at low levels. Their average in January 2021 was -0.53% slightly up from December when it stood at -0.59%.

According to the January 2021 **ECB bank lending survey**, banks tightened credit standards across all loan categories, namely loans to enterprises, housing loans, consumer loans and other lending in the fourth quarter 2020.

They also expect further tightening in across all loan categories in the first quarter 2021. Firms' demand for loans declined again in the 2020-Q4, but bank expect a

moderate increase in 2021-Q1. Credit standards for housing loans tightened in 2020-Q4 and further tightening is expected for the next quarter. Net demand for housing loans increased 2020-Q4 while a small decline is expected in the next quarter.

Credit standards for consumer credit and other lending to households continued to tighten moderately in 2020-Q4, while net demand for these loans declined. For the next quarter further tightening of the credit standards is expected along with an increase of demand in this loan category.

In December 2020, the annual growth rate of **M3** increased to 12.3% from 11.0% in November, which is the highest growth rate since December 2007. Meanwhile, the annual growth rate of **loans to the private sector** (adjusted for loan sales, securitisation and notional cash pooling services) stood at 4.7% in December, unchanged from the previous month. The annual growth rate of adjusted **loans to households** stood at 3.1%, (unchanged the previous month), while the growth rate of **loans to non-financial corporations** increased to 7.0% from 6.9% in November.

At its meeting on 26-27 January 2021, the Federal Reserve's FOMC decided to maintain the target range for the **US federal funds rate** at 0.00-0.25%. On 11 February, the USD 3-month Libor rate stood at 0.19%.

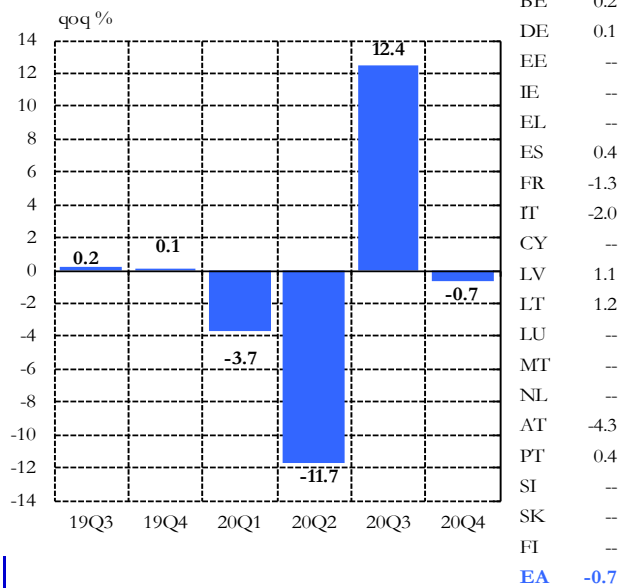
The **EUR/USD exchange rate** was broadly stable between August and late October, hovering between 1.17 and 1.19. It started to increase strongly in the beginning of November 2020 and reached a 32-month high of 1.2338 on 6 January 2021. Then it decreased somewhat. On 11 February, it stood at 1.2147. In January 2021, in nominal effective terms, the euro depreciated 0.4% compared with the previous month, but it stood 4.6% higher than in January 2020.

Main **stock market indices** are on a broadly growing trend since mid-March 2020, after they were hit by the first wave of the pandemic. However, their performance varies significantly. While the Nikkei225's monthly average in January 2021 surpassed its pre-pandemic level (January 2020 average) by 19.0% and the Dow Jones' monthly average has exceeded its pre-pandemic level by 6.7%, the EuroSTOXX's monthly average was still about 4.5% below the value observed in January 2020.

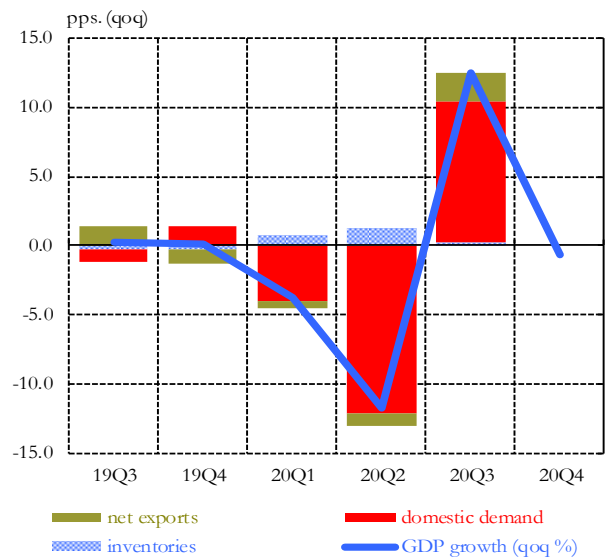
1. OUTPUT

GDP

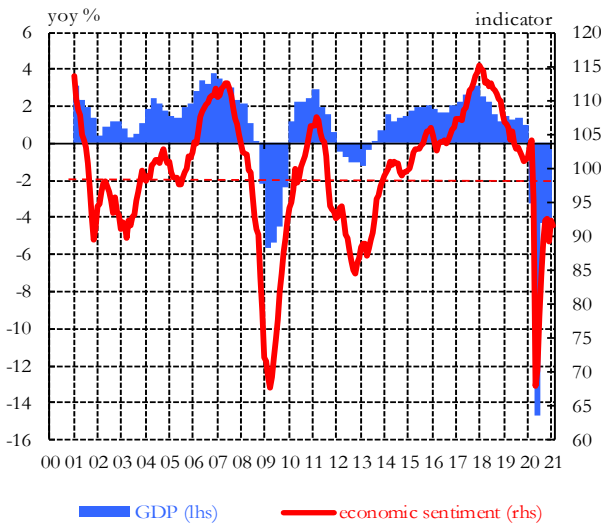
20Q3



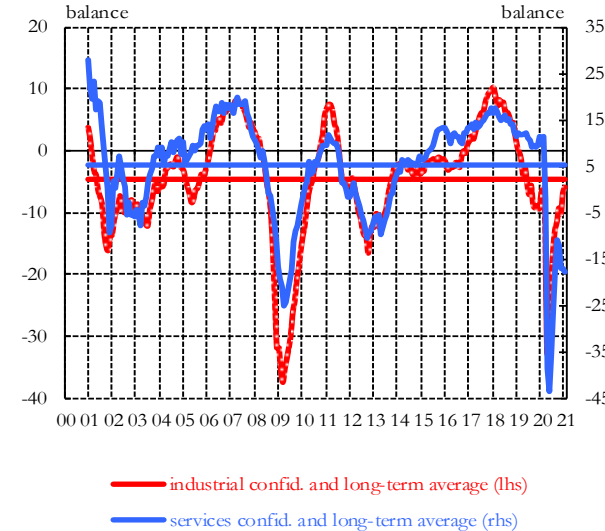
Contributions to GDP growth



GDP and Economic Sentiment Indicator

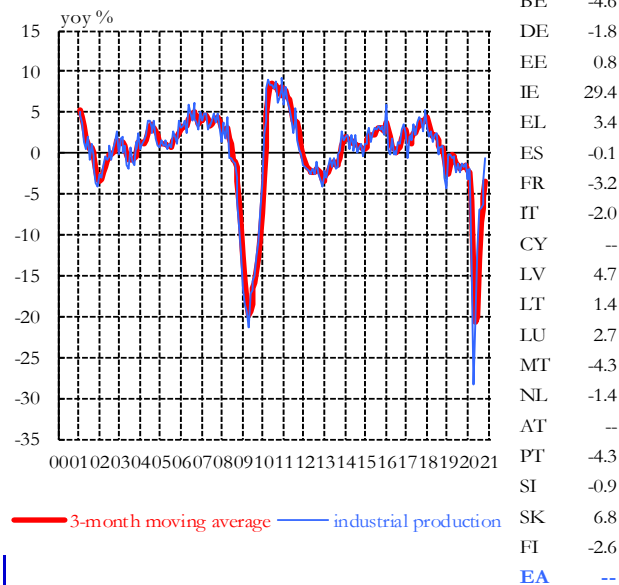


Industrial and services confidence

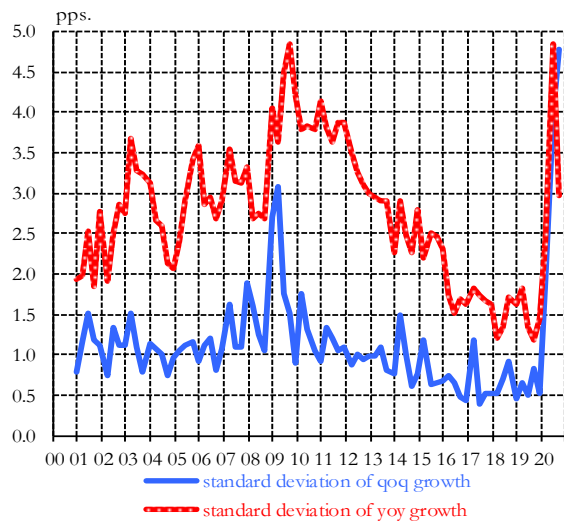


Industrial production

Dec-20



GDP growth divergence, euro area*

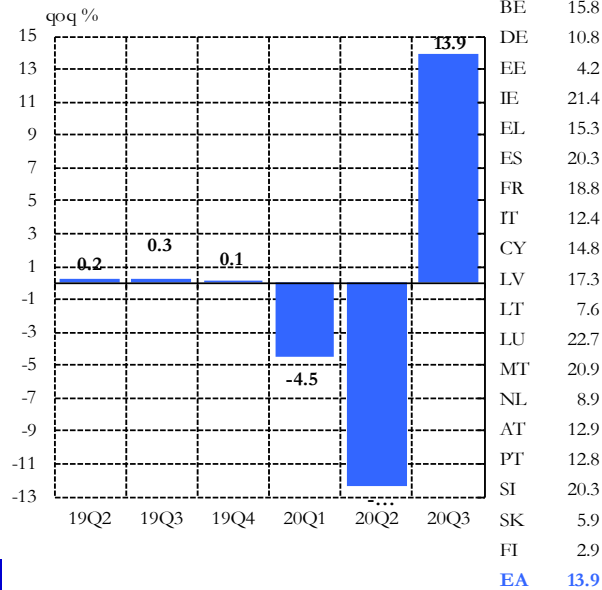


* Calculations since 2015 without Ireland.

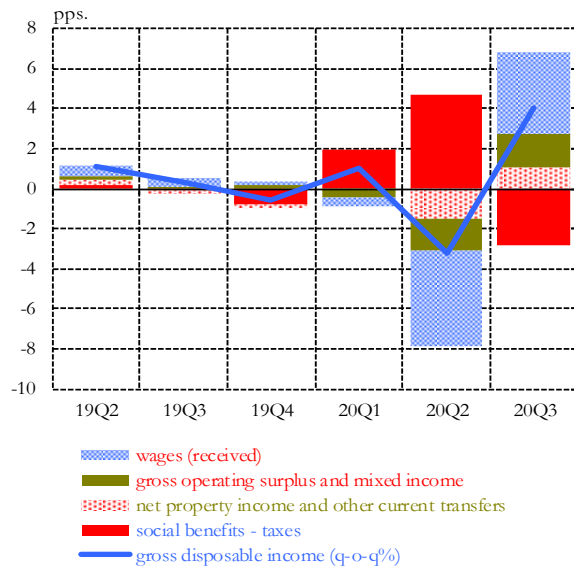
2. PRIVATE CONSUMPTION

Private consumption

20Q3

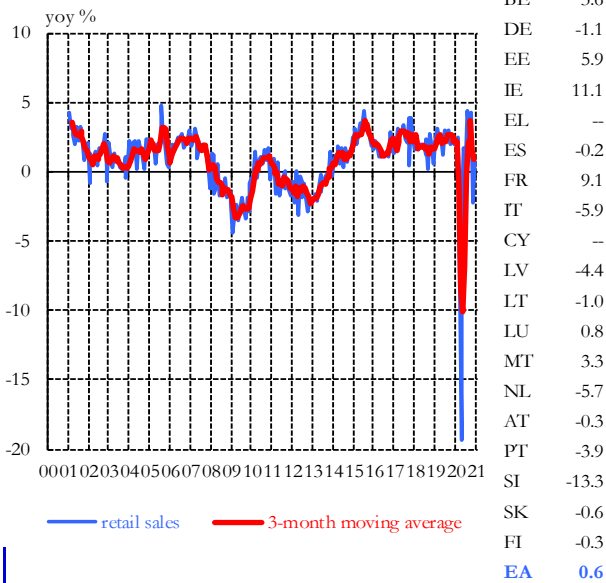


Household adjusted gross disposable income

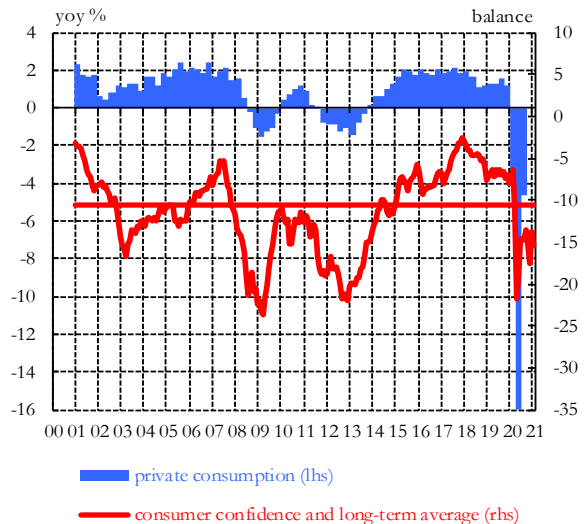


Retail sales

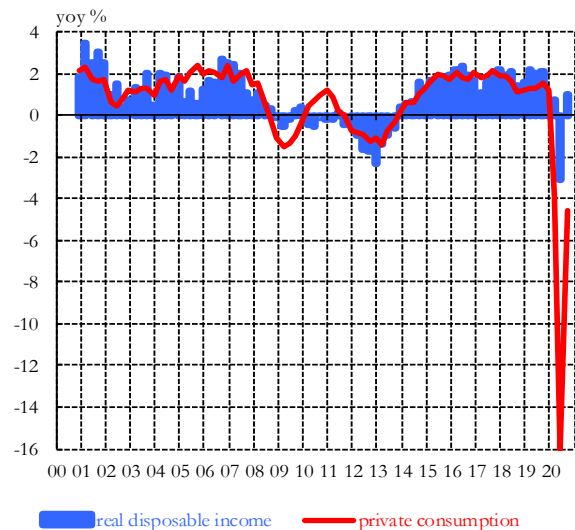
Dec-20



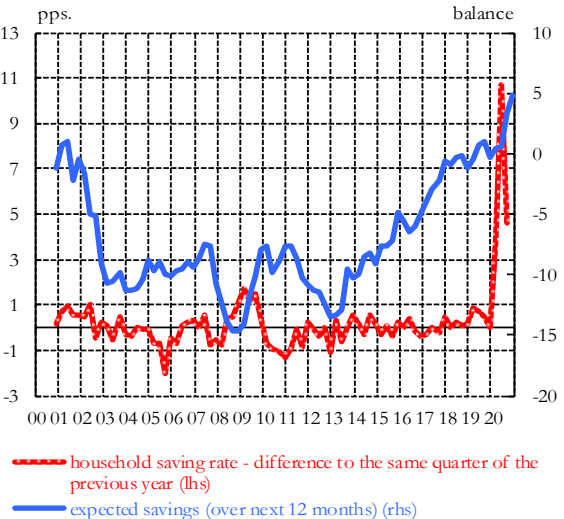
Consumer confidence and private consumption



Households: real disposable income and consumption



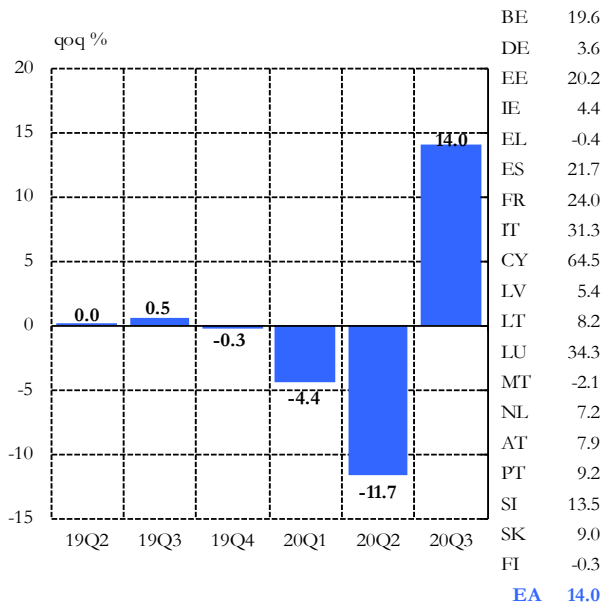
Households: actual saving rate and expected savings



3. INVESTMENT

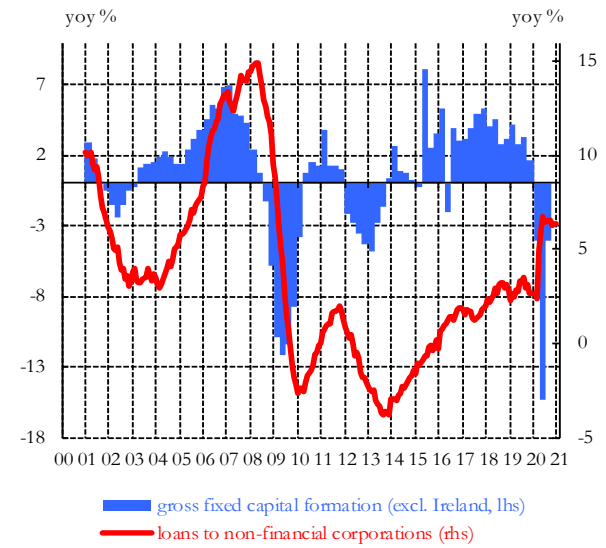
Gross fixed capital formation (excl. Ireland)

20Q3

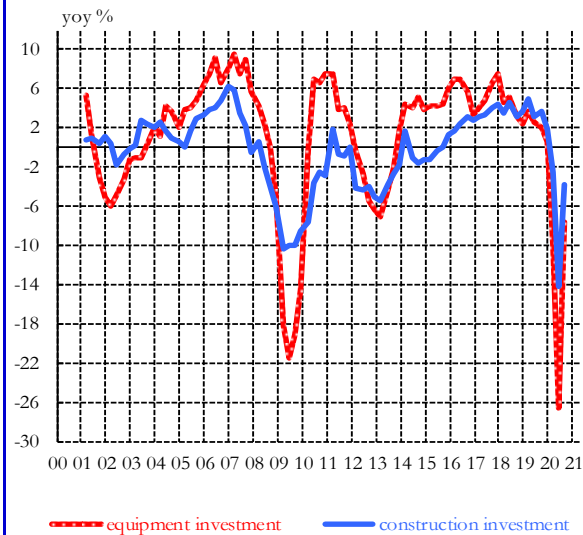


| | |
|-----------|-------------|
| BE | 19.6 |
| DE | 3.6 |
| EE | 20.2 |
| IE | 4.4 |
| EL | -0.4 |
| ES | 21.7 |
| FR | 24.0 |
| IT | 31.3 |
| CY | 64.5 |
| LV | 5.4 |
| LT | 8.2 |
| LU | 34.3 |
| MT | -2.1 |
| NL | 7.2 |
| AT | 7.9 |
| PT | 9.2 |
| SI | 13.5 |
| SK | 9.0 |
| FI | -0.3 |
| EA | 14.0 |

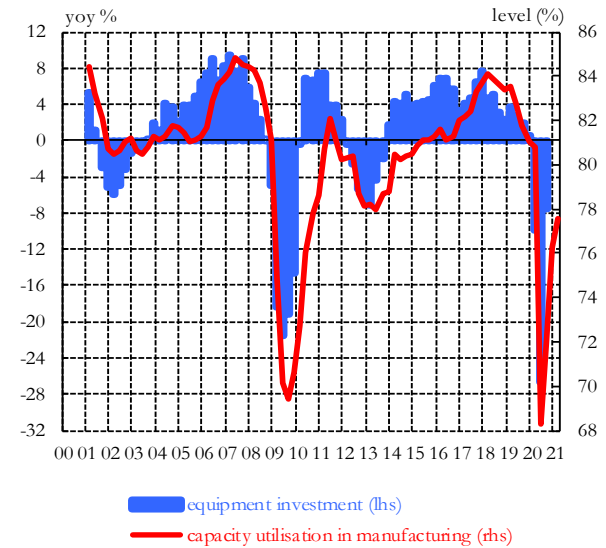
Gross fixed capital formation and corporate loans



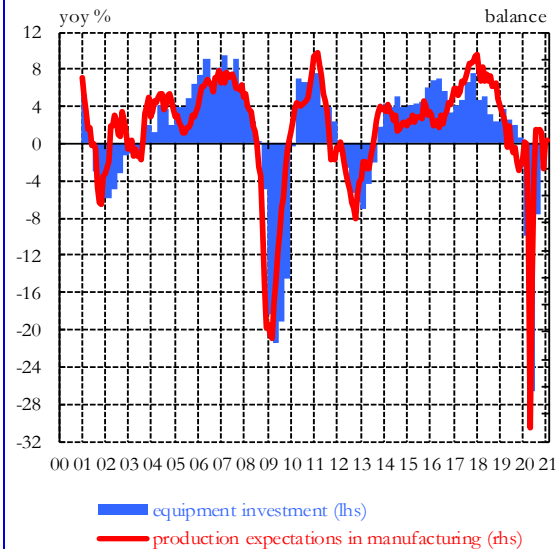
Equipment and construction investment



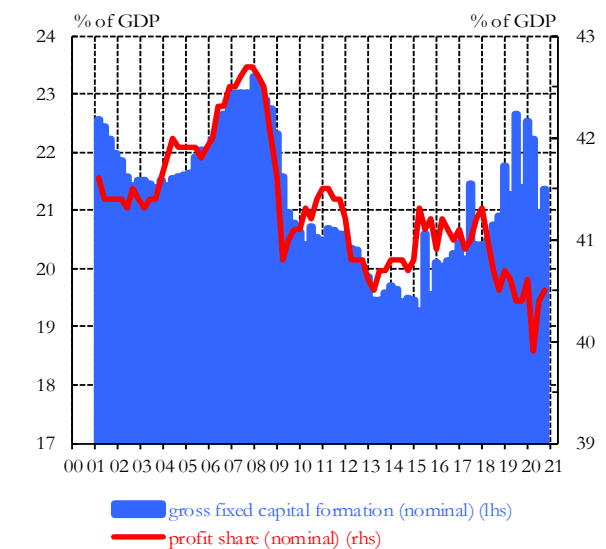
Equipment investment and capacity utilisation



Equipment investment and production expectations



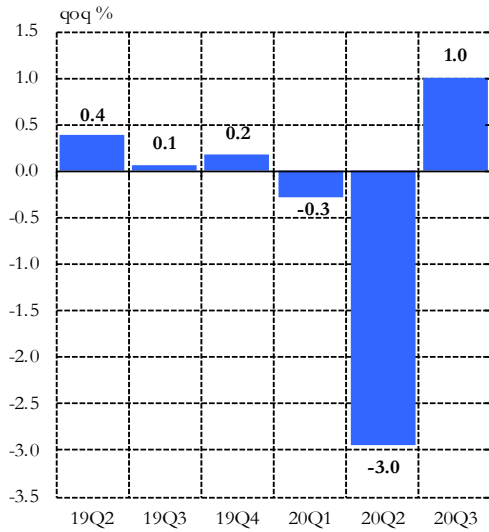
Gross fixed capital formation and profit share



4. LABOUR MARKET

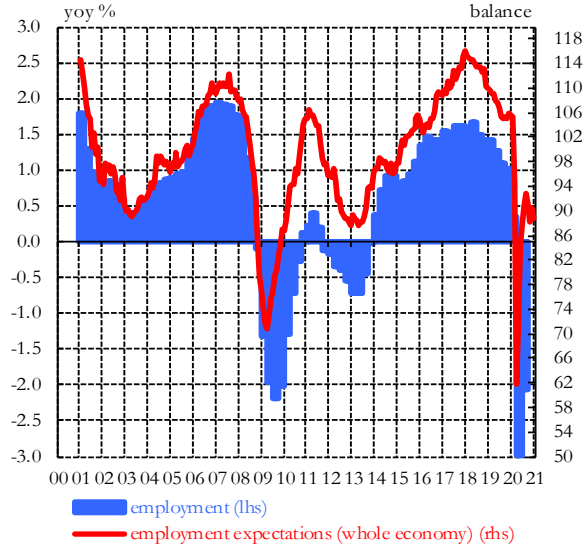
Employment

20Q3



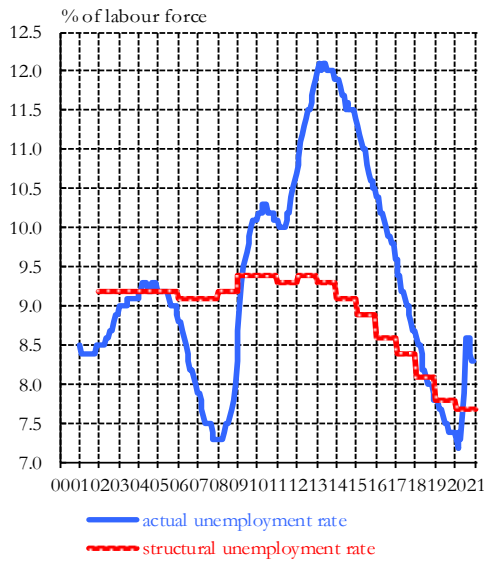
| | |
|-----------|------------|
| BE | 0.2 |
| DE | -0.1 |
| EE | -0.3 |
| IE | 3.3 |
| EL | 1.2 |
| ES | 3.1 |
| FR | 1.3 |
| IT | 0.9 |
| CY | -0.4 |
| LV | 1.4 |
| LT | -1.9 |
| LU | 1.3 |
| MT | 0.5 |
| NL | 1.6 |
| AT | 3.0 |
| PT | 1.2 |
| SI | 0.2 |
| SK | 0.0 |
| FI | 0.1 |
| EA | 1.0 |

Employment and employment expectations



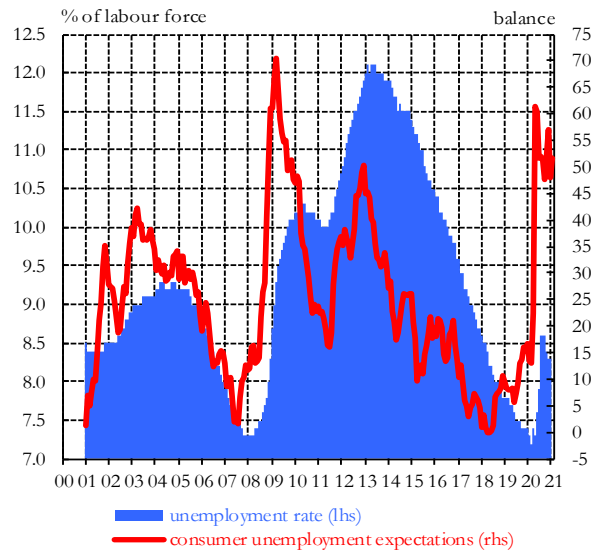
Actual and structural unemployment rate

Nov-20

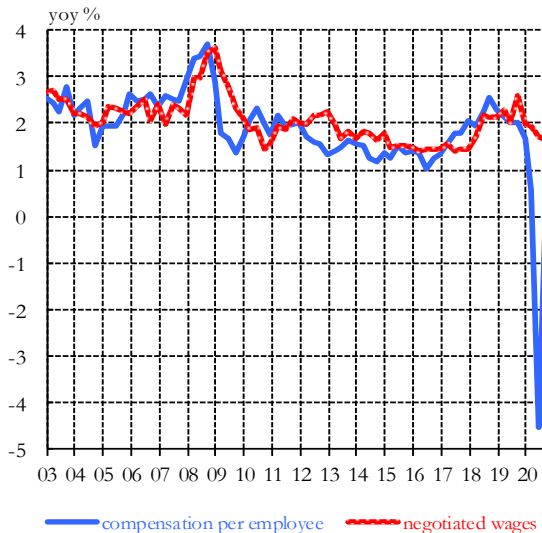


| | |
|-----------|------------|
| BE | 6.1 |
| DE | 4.5 |
| EE | - |
| IE | 7.5 |
| EL | - |
| ES | 16.4 |
| FR | 8.8 |
| IT | 8.9 |
| CY | 7.8 |
| LV | 8.1 |
| LT | 10.4 |
| LU | 6.5 |
| MT | 4.8 |
| NL | 4.0 |
| AT | 5.2 |
| PT | 7.2 |
| SI | 4.9 |
| SK | 7.1 |
| FI | 7.8 |
| EA | 8.3 |

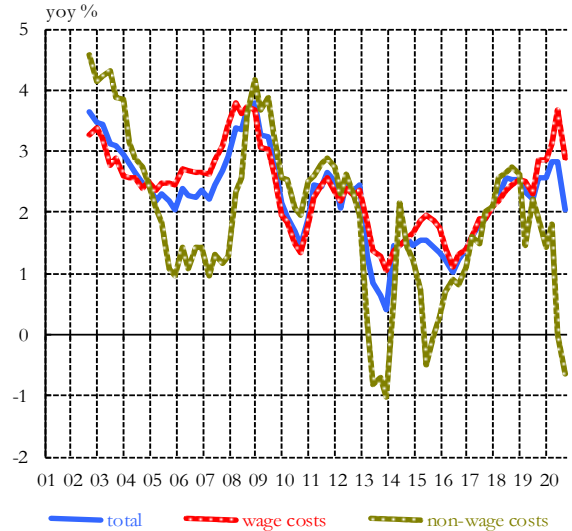
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)

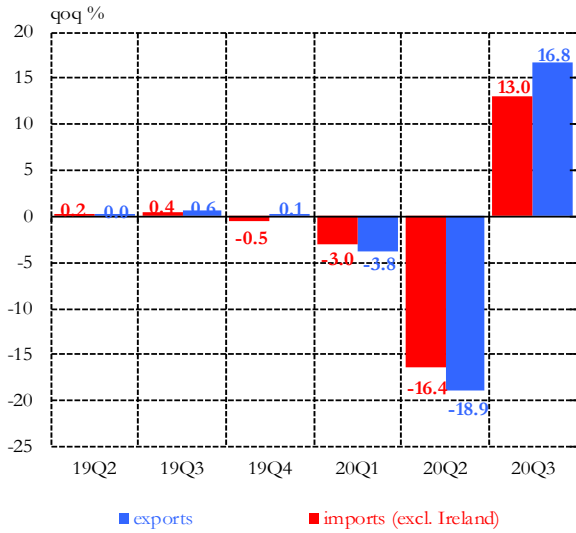


Labour costs in the private business sector (nominal)

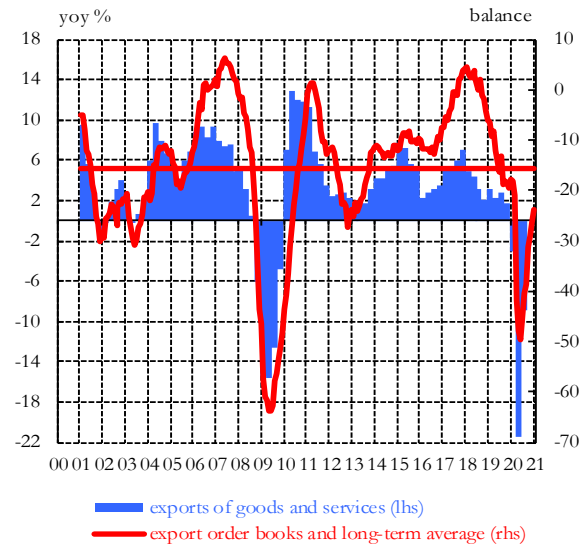


5. INTERNATIONAL TRANSACTIONS

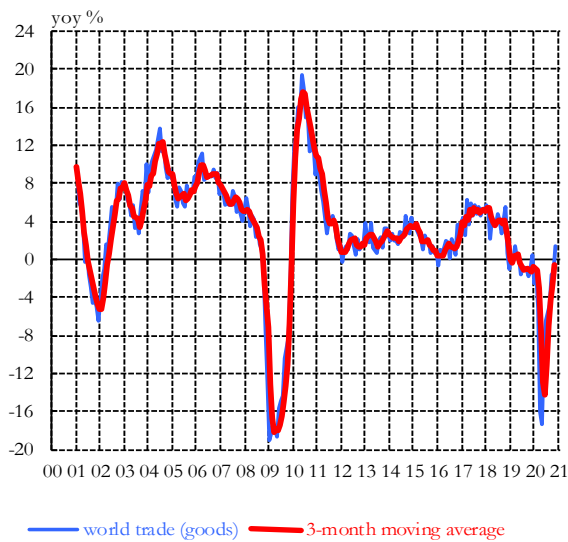
Exports and imports of goods and services



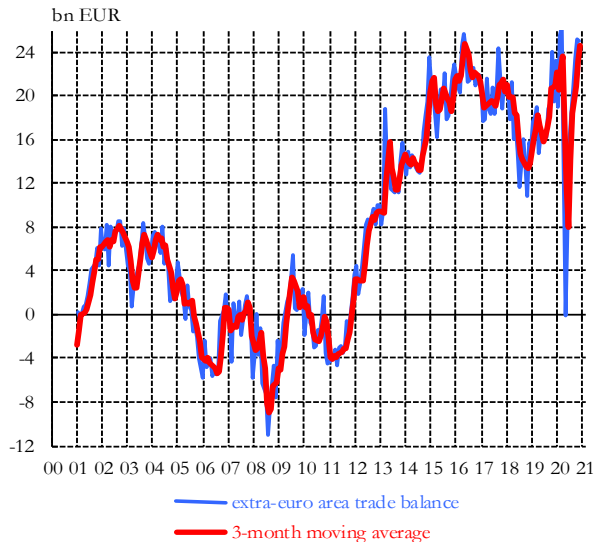
Exports and export order books



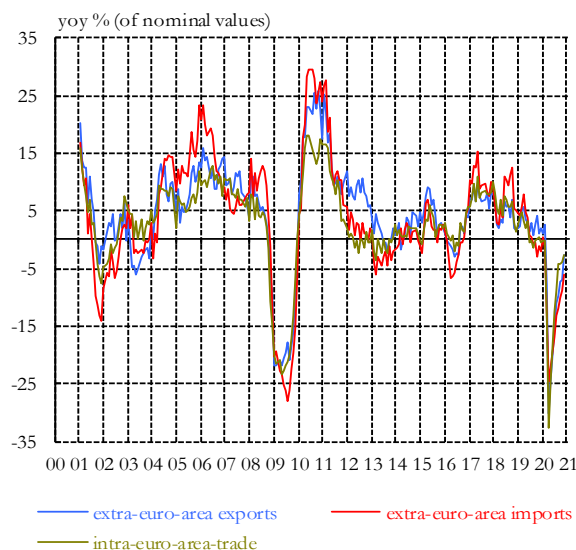
World trade



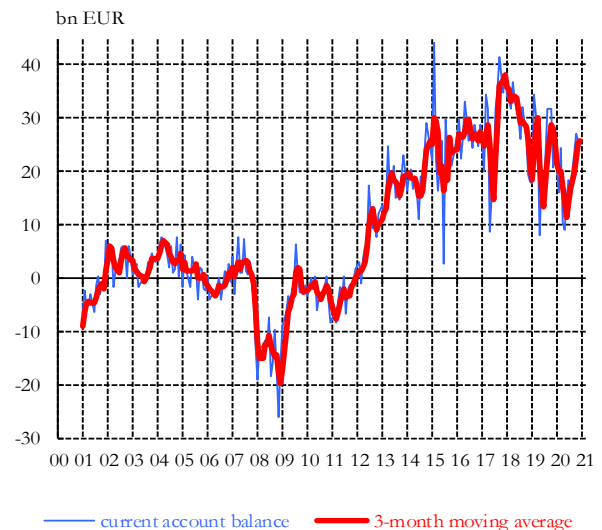
Extra euro-area trade balance



Extra- and intra-euro-area trade

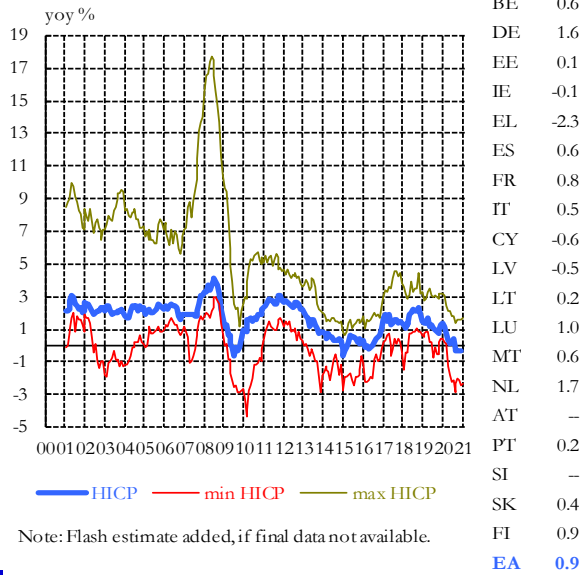


Current-account balance

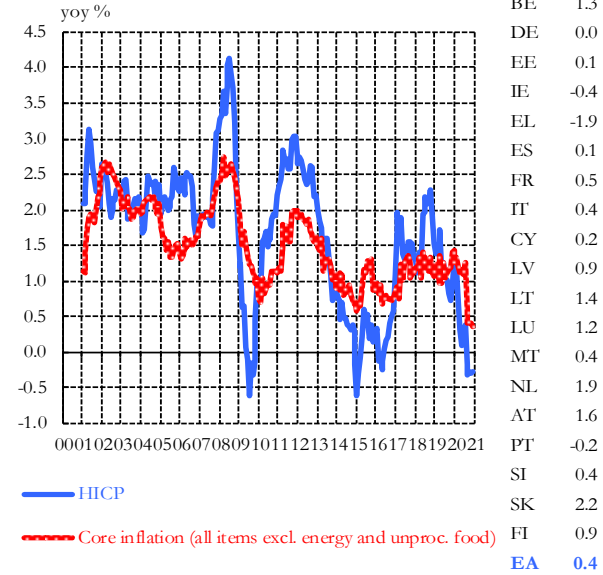


6. PRICES

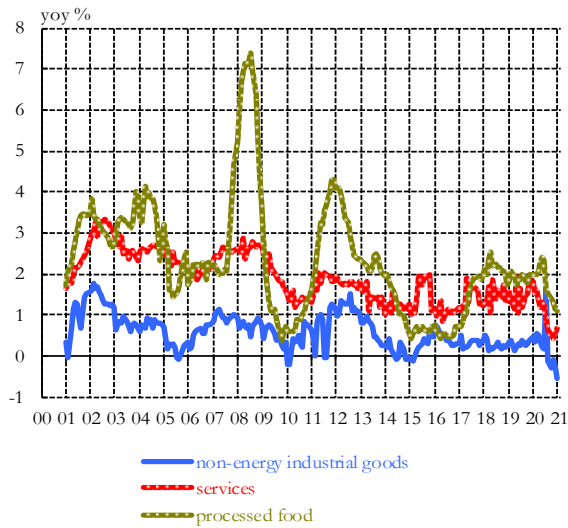
Harmonised index of consumer prices (HICP) Jan-21



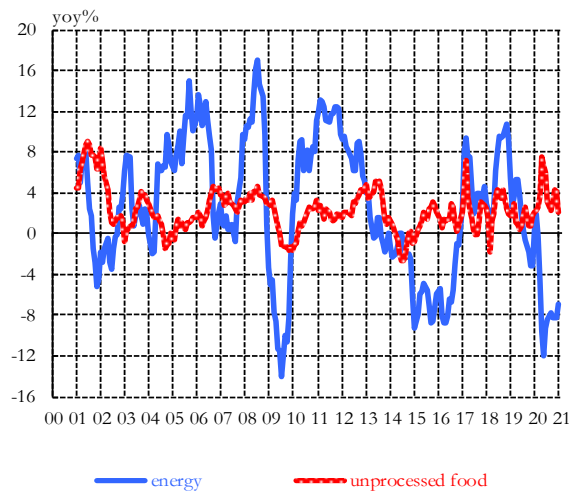
HICP headline and core inflation



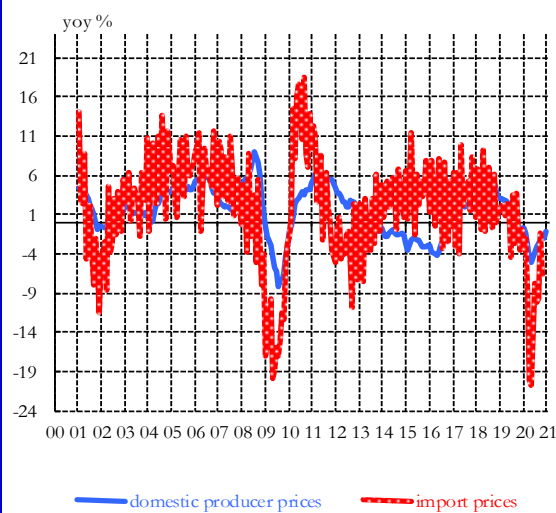
Breakdown of core inflation



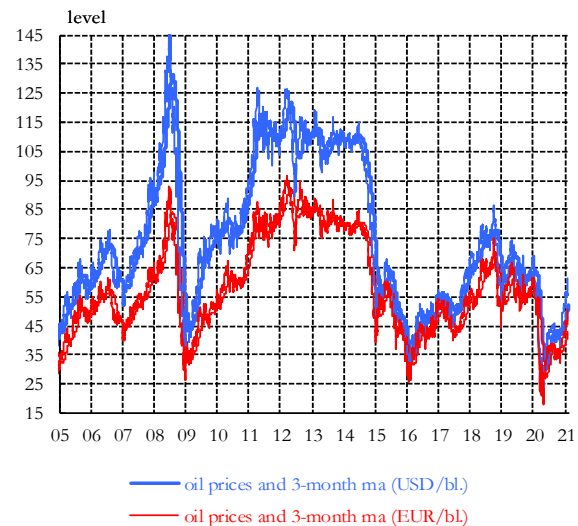
Energy and unprocessed food



Domestic producer prices and import prices

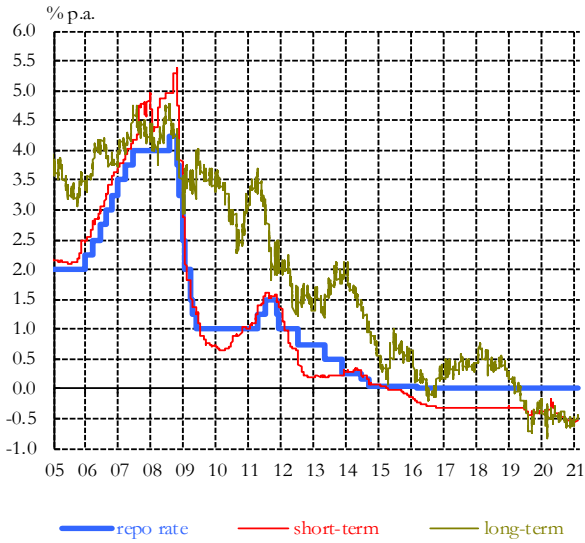


Oil prices

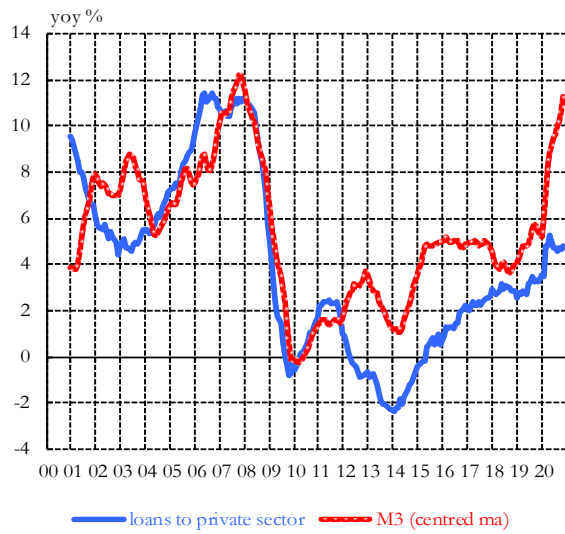


7. MONETARY AND FINANCIAL INDICATORS

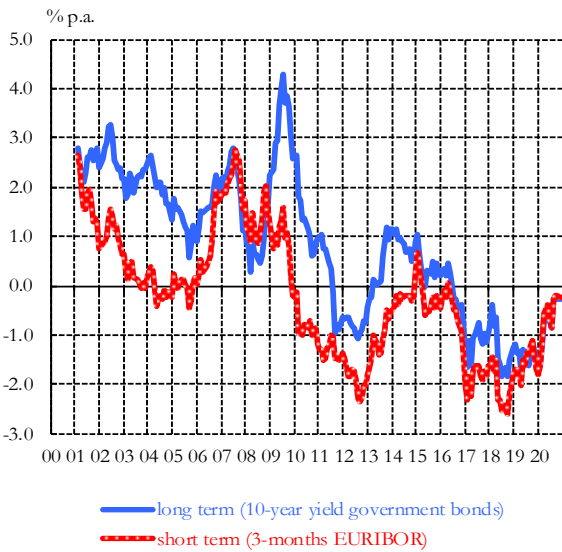
Nominal interest rates



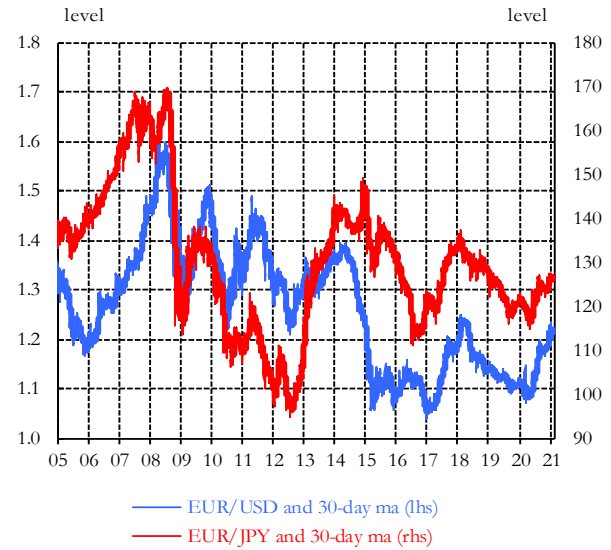
Loans to private sector and money supply



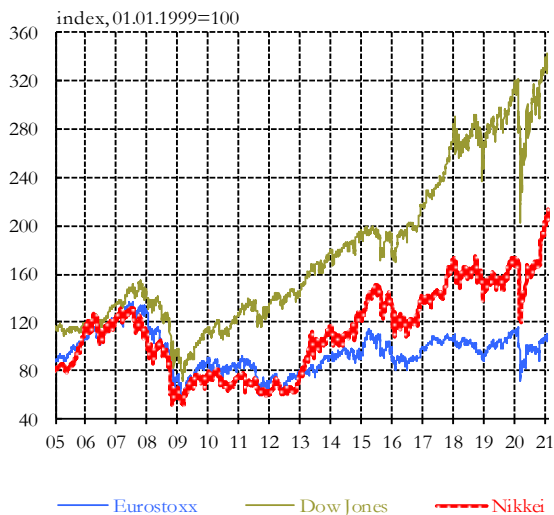
Real interest rates



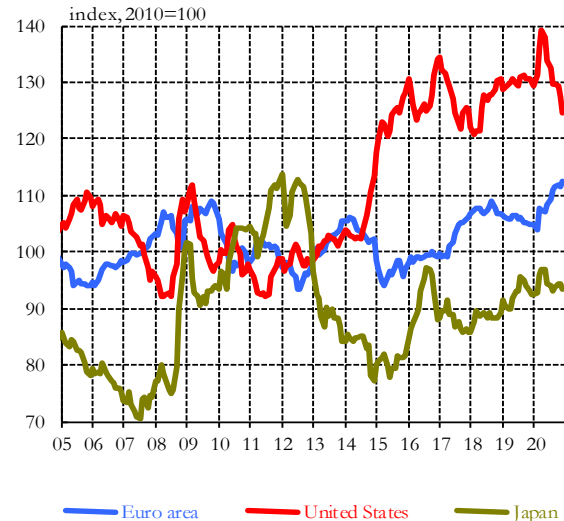
Euro vis-à-vis US dollar and JP yen



Stock market indices



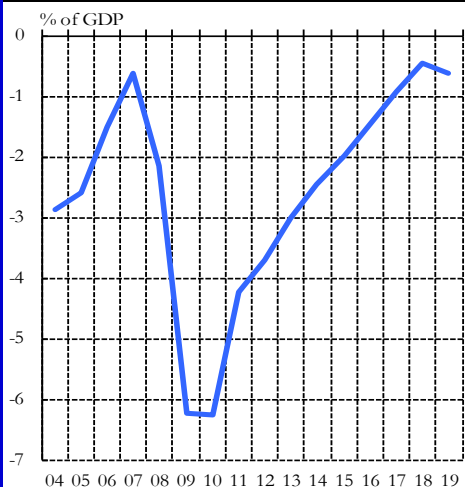
Nominal effective exchange rates



8. PUBLIC FINANCES

General government balance

2019

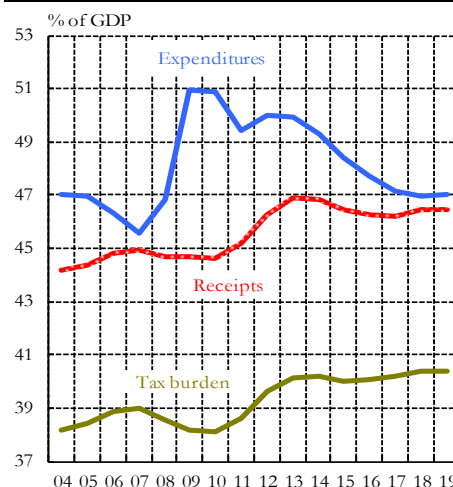


| | |
|-----------|-------------|
| BE | -1.9 |
| DE | 1.5 |
| EE | 0.1 |
| IE | 0.5 |
| EL | 1.5 |
| ES | -2.9 |
| FR | -3.0 |
| IT | -1.6 |
| CY | 1.5 |
| LV | -0.6 |
| LT | 0.3 |
| LU | 2.4 |
| MT | 0.5 |
| NL | 1.7 |
| AT | 0.7 |
| PT | 0.1 |
| SI | 0.5 |
| SK | -1.4 |
| FI | -1.0 |
| EA | -0.6 |

General government expenditure and receipts

tax burden

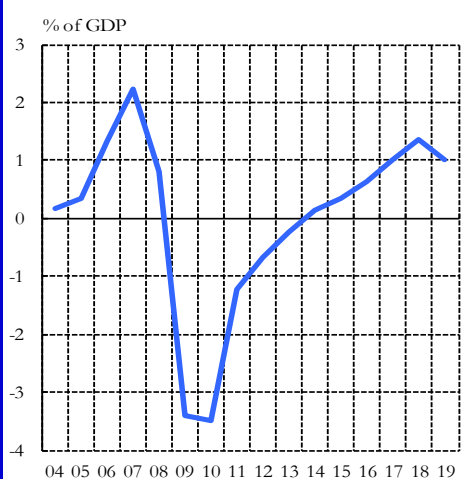
2019



| | |
|-----------|-------------|
| BE | 43.1 |
| DE | 40.3 |
| EE | 32.9 |
| IE | 22.0 |
| EL | 39.3 |
| ES | 34.6 |
| FR | 45.6 |
| IT | 42.2 |
| CY | 35.3 |
| LV | 30.7 |
| LT | 29.8 |
| LU | 39.0 |
| MT | 31.1 |
| NL | 38.9 |
| AT | 42.5 |
| PT | 34.4 |
| SI | 37.3 |
| SK | 34.2 |
| FI | 42.2 |
| EA | 40.4 |

Primary balance

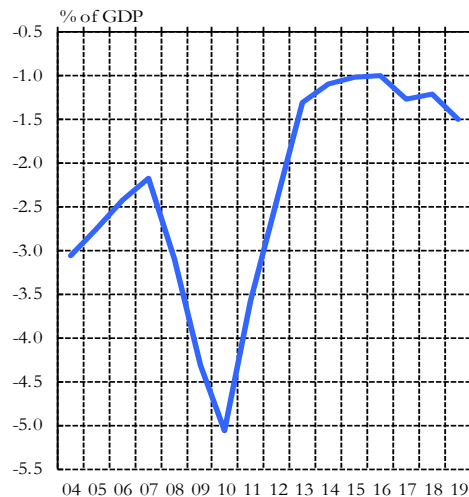
2019



| | |
|-----------|------------|
| BE | 0.0 |
| DE | 2.3 |
| EE | 0.1 |
| IE | 1.8 |
| EL | 4.5 |
| ES | -0.6 |
| FR | -1.6 |
| IT | 1.8 |
| CY | 3.8 |
| LV | 0.1 |
| LT | 1.1 |
| LU | 2.7 |
| MT | 1.9 |
| NL | 2.5 |
| AT | 2.1 |
| PT | 3.1 |
| SI | 2.2 |
| SK | -0.1 |
| FI | -0.2 |
| EA | 1.0 |

Cyclically adjusted balance

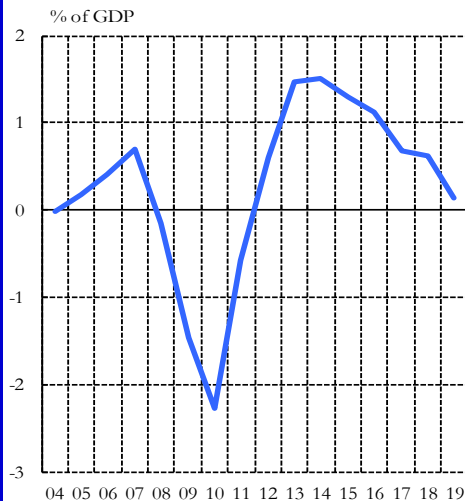
2019



| | |
|-----------|-------------|
| BE | -3.1 |
| DE | 0.9 |
| EE | -2.0 |
| IE | -0.5 |
| EL | 3.9 |
| ES | -4.2 |
| FR | -4.2 |
| IT | -1.9 |
| CY | -1.3 |
| LV | -2.0 |
| LT | -1.3 |
| LU | 2.4 |
| MT | -1.7 |
| NL | 0.5 |
| AT | -0.8 |
| PT | -2.0 |
| SI | -1.9 |
| SK | -2.8 |
| FI | -1.6 |
| EA | -1.5 |

Cyclically adjusted primary balance

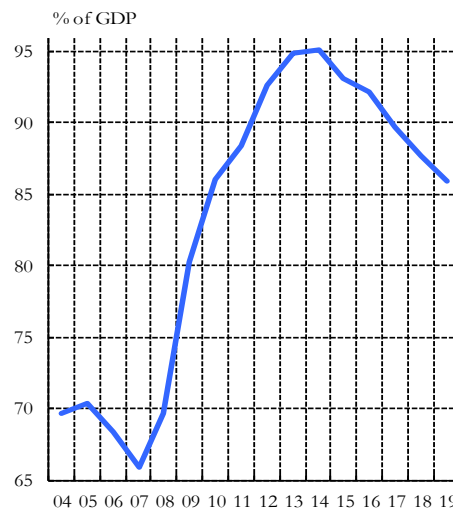
2019



| | |
|-----------|------------|
| BE | -1.1 |
| DE | 1.7 |
| EE | -2.0 |
| IE | 0.8 |
| EL | 6.9 |
| ES | -2.0 |
| FR | -2.8 |
| IT | 1.5 |
| CY | 1.0 |
| LV | -1.3 |
| LT | -0.5 |
| LU | 2.7 |
| MT | -0.3 |
| NL | 1.3 |
| AT | 0.7 |
| PT | 1.0 |
| SI | -0.2 |
| SK | -1.6 |
| FI | -0.8 |
| EA | 0.1 |

General government debt

2019



| | |
|-----------|-------------|
| BE | 98.1 |
| DE | 59.6 |
| EE | 8.4 |
| IE | 57.4 |
| EL | 180.5 |
| ES | 95.5 |
| FR | 98.1 |
| IT | 134.7 |
| CY | 94.0 |
| LV | 36.9 |
| LT | 35.9 |
| LU | 22.0 |
| MT | 42.6 |
| NL | 48.7 |
| AT | 70.5 |
| PT | 117.2 |
| SI | 65.6 |
| SK | 48.5 |
| FI | 59.3 |
| EA | 85.9 |

* Figures are from the Commission's autumn 2020 forecast

KEY INDICATORS FOR THE EURO AREA



| Euro area | Indicators as from 2011 refer to Belgium (BE), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Malta (MT), the Netherlands (NL), Austria (AT), Portugal (PT), Slovenia (SI), Slovakia (SK) and Finland (FI). | |
|---------------------------------|---|-------------|
| Indicator | Note | Source |
| 1. Output | | |
| Sentiment Indicator | The economic sentiment indicator is the weighted average (of the industrial confidence indicator (40%), the services confidence indicator (30%), the consumer confidence indicator (20%), the construction confidence indicator (5%) and the retail trade confidence indicator (5%)). Data are seasonally adjusted. | DG ECFIN |
| Industrial confidence indicator | The industrial confidence indicator is the arithmetic average of the balances (%) referring to the questions on production expectations, order books and stocks (the latter with inverted sign) from the survey of manufacturing industry. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted. | DG ECFIN |
| Services confidence indicator | The services confidence indicator is the arithmetic average of the balances (%) referring to the questions on business situation and recent and expected evolution of demand from the survey of services. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted. | DG ECFIN |
| Industrial production | Monthly Industry Production Index (2015=100), NACE Rev.2, Total industry excluding construction (sections B-D). Mom% and qoq% ch. are seasonally and working day adjusted, yoy% ch. are calendar adjusted. | Eurostat |
| Gross domestic product | Real gross domestic product at constant market prices (chain-linked volumes (2015), ESA 2010), EUR. Data are seasonally and calendar adjusted. | Eurostat |
| Labour productivity | Labour productivity defined as the difference between GDP growth and employment growth. | Eurostat |
| GDP divergence | Standard deviation of GDP growth rates of the euro-area member states. Starting from 2015, Irish data on GDP have been excluded due to its high volatility. | Eurostat |
| 2. Private consumption | | |
| Consumer confidence indicator | The consumer confidence indicator is the arithmetic average of the balances (%) referring to the questions on the financial situation of households, general economic situation, unemployment expectations (with inverted sign) and savings; all over next 12 months. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted. | DG ECFIN |
| Retail confidence indicator | The retail confidence indicator is the arithmetic average of the balances (%) referring to the questions on the present and the future business situation and the volume of stocks (with inverted sign). The long-term average refers to the period from publishing of the indicator up to now. Data are seasonally adjusted. | DG ECFIN |
| Private consumption | Real household & NPISH final consumption expenditure at constant market prices (chain-linked volumes (2015), ESA 2010), EUR. Data are seasonally and calendar adjusted. | Eurostat |
| Retail sales | Retail trade (NACE Rev.2 G47) excluding motor vehicles, motorcycles; Deflated turnover, mom% ch. and qoq% ch. are seasonally- and calendar adjusted, while yoy% ch. are calendar adjusted. | Eurostat |
| 3. Investment | | |
| Capacity utilisation | In percent of full capacity in the manufacturing sector. Data are seasonally adjusted (collected in January, April, July and October). | DG ECFIN |
| Production expectations | Production expectations in manufacturing sector. Data are seasonally adjusted. | DG ECFIN |
| Gross fixed capital formation | Real gross fixed capital formation at constant market prices (chain-linked volumes (2015), ESA 2010), EUR. Data are seasonally and calendar adjusted. Data don't include Ireland, due to high volatility of investment in intellectual property rights. | Eurostat |
| Equipment investment | Gross fixed capital formation at constant market prices (chain-linked volumes, reference year (2015), ESA 2010), EUR, real machinery and equipment and weapons systems. Data are seasonally and calendar adjusted. | Eurostat |
| Construction investment | Gross fixed capital formation at constant market prices (chain-linked volumes, reference year (2015), ESA 2010), EUR, dwellings and other buildings and structures. Data are seasonally and calendar adjusted. | Eurostat |
| Change in stocks | Changes in inventories and acquisitions less disposals of valuables (at prices of previous year). | Eurostat |
| Profit share | Ratio of nominal gross operating surplus and gross mixed income to nominal GDP | Eurostat |

KEY INDICATORS FOR THE EURO AREA



| 4. Labour market | | |
|---|--|-------------|
| Employment Expectations Indicator (total economy) | The Employment Expectations Indicator is made up of four seasonally adjusted balances (in percentage points) which summarise managers' answers to a question about their employment plans in, respectively, the industry, services, retail trade and construction sector. Before being summarised in one composite indicator, the four balance series are weighted so that the relative importance of each economic sector for overall employment is adequately reflected. Data are seasonally adjusted. | DG ECFIN |
| Employment expectations (manufacturing) | Managers' employment expectations over the next three months in the manufacturing sector. Data are seasonally adjusted. | DG ECFIN |
| Employment expectations (services) | Managers' employment expectations over the next three months in the services sector. Data are seasonally adjusted. | DG ECFIN |
| Employment | Total domestic employment (number of persons). Data are seasonally adjusted for Ireland, Greece, France, Cyprus, Malta, Netherlands, Portugal and Slovakia, and seasonally and calendar adjusted data for the remaining member states. | Eurostat |
| Compensation of employees per head | Nominal compensation of employees divided by the number of employees. Data are seasonally and calendar-day adjusted. | DG ECFIN |
| Unemployment expectations | Consumers' unemployment expectations over the next twelve months. Data are seasonally adjusted. | DG ECFIN |
| Unemployment rate | Harmonised unemployment rate (in percent of labour force), ILO definition. Data are seasonally adjusted. | Eurostat |
| Structural unemployment rate | Non-accelerating inflation rate of unemployment. Data are seasonally adjusted. | DG ECFIN |
| Total labour costs | Nominal wage- and non-wage costs less subsidies in the private business sector. Data are seasonally and calendar adjusted. | Eurostat |
| Wage costs | Nominal wage and salary costs include direct remuneration, bonuses, and allowances, payments to employees saving schemes, payments for days not worked and remuneration in kind. Data are seasonally and calendar adjusted. | Eurostat |
| Non-wage costs | Nominal non-wage costs include the employers' social contributions plus employment taxes less subsidies. Data are seasonally and calendar adjusted. | Eurostat |
| Labour productivity | Ratio between GDP and employment. Data are seasonally and calendar adjusted. | DG ECFIN |
| 5. International transactions | | |
| World trade | Volume, 2010=100, seasonally adjusted | CPB |
| Export order books | Managers' export order expectations in the manufacturing sector. Data are seasonally adjusted. | DG ECFIN |
| Extra-euro area exports | Nominal extra-euro area exports of goods, fob. Data are seasonally adjusted. | Eurostat |
| Extra-euro area imports | Nominal extra-euro area imports of goods, cif. Data are seasonally adjusted. | Eurostat |
| Extra-euro area trade balance | Difference between extra-euro area exports and extra-euro area imports. Data are seasonally adjusted. | Eurostat |
| Intra-euro area trade | Nominal intra-euro area trade in goods, fob. Data are seasonally adjusted. | Eurostat |
| Current-account balance | Current-account balance according to the Balance of Payments and International Investment Position Manual (BPM6). Data are seasonally and calendar adjusted. | ECB |
| Exports of goods and services | Exports of goods and services at constant market prices (chain-linked volumes, reference year 2015), EUR. Data are seasonally and calendar adjusted. | Eurostat |
| Imports of goods and services | Imports of goods and services at constant market prices (chain-linked volumes, reference year 2015), EUR. Data are seasonally and calendar adjusted. | Eurostat |
| Direct investment | Nominal transactions/positions in assets abroad by euro-area residents less nominal transactions/positions in euro-area assets by non-residents. To be regarded as a direct investment, ownership in an enterprise must be equivalent to more than 10% of the ordinary shares or voting power. | ECB |
| Portfolio investment | Nominal transactions/positions in securities (including equities) abroad by euro-area residents less nominal transactions/positions in euro-area securities (including equities) by non-residents. To be regarded as a portfolio investment, ownership in an enterprise must be equivalent to less than 10% of the ordinary shares or voting power. | ECB |

KEY INDICATORS FOR THE EURO AREA



| 6. Prices | | |
|--|---|-----------------------|
| HICP | Harmonised index of consumer prices (index 2015=100) | Eurostat |
| Core HICP | HICP excluding energy and unprocessed food (index 2015=100) | Eurostat |
| Producer prices | Domestic producer price index, total industry excluding construction (index 2015=100) | Eurostat |
| Selling price expectation | Managers' selling-price expectations in the manufacturing sector. Data are seasonally adjusted. | DG ECFIN |
| Import prices | Import price index, manufacturing (index 2015=100) | Eurostat |
| Oil prices | Price of north sea Brent in USD/barrel and EUR/barrel | ICE |
| Non-energy commodity prices | Market price for non-fuel commodities in EUR terms (index 2015=100) | HWWI |
| 7. Monetary and financial indicators | | |
| Nominal interest rate (3-month) | 3-month EURIBOR interbank rate (360 days) | ECB/ Macrobo nd |
| Nominal interest rate (10-year) | 10-year interest rate on government bonds for euro area (based upon the 10-year German government bond) | ECB/ Macrobo nd |
| ECB repo rate | Minimum bid rate of main refinancing operations, end of period. | ECB/ Macrobo nd |
| Money demand (M3) | Monetary aggregate including currency in circulation (banknotes and coins), operational deposits in central bank, money in current accounts, saving accounts, money market deposits, certificates of deposit, all other deposits and repurchase agreements. Data are seasonally adjusted. | ECB |
| Loans to private sector | Loans by MFI (monetary and financial institutions) to euro area residents (excl government). Data are seasonally adjusted. | ECB |
| Real long-term interest rates | Nominal interest rate (10-year) deflated by HICP index | DG ECFIN |
| Real short-term interest rates | Nominal interest rate (3-month) deflated by HICP index | DG ECFIN |
| Stock markets | Eurostoxx50, Dow Jones and Nikkei indices (1.1.1999=100) | Macrobo nd |
| Exchange rates | EUR/USD and EUR/JPY reference rates | ECB |
| Nominal effective exchange rate | Graph – Monthly Nominal Effective Exch. Rates vs. rest of IC37 (index 2010 = 100) Table - ECB Nominal effective exch. rate, based on weighted averages of bilateral euro exchange rates (EA19) against the currencies of the EER-18 group. | DG ECFIN/ ECB |
| 8. Public finance | | |
| General government balance | Net lending (+) or net borrowing (-) of general government | DG ECFIN |
| Primary government balance | Net lending (+) or net borrowing (-) of general government minus interest payment | DG ECFIN |
| Cyclically adjusted balance | Net lending (+) or net borrowing (-) of general government corrected for the influence of the business cycle | DG ECFIN |
| Cyclically adjusted primary balance | Primary government balance corrected for the influence of the business cycle | DG ECFIN |
| General government expenditures and receipts | Nominal expenditures and receipts; tax burden includes taxes on production and imports (incl. taxed paid to EU), current taxes on income and wealth (direct taxes) and actual social contributions | DG ECFIN |
| General government debt | Cumulative sum of net lending (+) or net borrowing (-) positions of general government | DG ECFIN |