



KEY INDICATORS FOR THE EURO AREA

This update: **11-Sep-19**
Next update: **07-Oct-19**

DG ECFIN - Directorate A - Policy, strategy and communication

	LTA ⁽¹⁾	2017	2018	18Q3	18Q4	19Q1	19Q2	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	
1. Output														
Economic Sentiment	indicator	100.0	110.1	111.2	110.9	108.8	106.0	104.1	105.6	103.9	105.2	103.3	102.7	103.1
Industrial confidence	balance	-5.5	5.6	6.6	5.9	3.6	-0.5	-4.3	-1.6	-4.3	-2.9	-5.6	-7.3	-5.9
Services confidence	balance	10.2	14.6	15.1	15.3	13.4	11.5	11.6	11.5	11.8	12.1	11.0	10.6	9.3
Industrial production (excluding construction)	% ch. on prev. period				-0.1	-1.1	0.6	-0.6	-0.2	-0.5	0.8	-1.6	--	--
	% ch. on prev. year		2.9	0.9	0.5	-2.0	-0.5	-1.3	-0.7	-0.7	-0.8	-2.6	--	--
Gross domestic product	% ch. on prev. period				0.2	0.3	0.4	0.2						
	% ch. on prev. year	1.6	2.5	1.9	1.7	1.2	1.3	1.2						
Labour productivity	% ch. on prev. period				-0.1	0.0	0.1	0.0						
	% ch. on prev. year	0.7	1.0	0.4	0.2	-0.2	0.0	-0.1						
2. Private consumption														
Consumer confidence	balance	-10.7	-5.4	-4.9	-5.1	-6.4	-7.0	-7.0	-6.6	-7.3	-6.5	-7.2	-6.6	-7.1
Retail confidence	balance	-8.6	2.3	1.3	1.8	-0.3	-1.0	-0.6	0.3	-1.1	-0.9	0.1	-0.7	0.5
Private consumption	% ch. on prev. period				0.2	0.4	0.4	0.2						
	% ch. on prev. year	1.3	1.6	1.4	1.1	1.2	1.1	1.2						
Retail sales	% ch. on prev. period				-0.1	0.6	0.8	0.6	0.1	0.2	-0.4	1.2	-0.6	--
	% ch. on prev. year	0.9	2.5	1.6	1.3	1.5	2.4	2.0	2.1	2.1	1.1	2.8	2.2	--
3. Investment														
Capacity utilisation (manufacturing)	level (%)	81.0	83.0	83.9	83.8	83.6	83.6	82.8	--	82.8	--	--	81.9	--
Production expectations (manufacturing)	balance	7.3	16.5	16.1	15.6	14.1	8.8	4.9	7.3	3.5	7.3	3.8	2.6	3.7
Gross fixed capital formation	% ch. on prev. period				0.5	1.5	0.2	0.5						
	% ch. on prev. year	1.6	3.5	2.3	3.4	4.0	4.0	2.8						
- equipment investment	% ch. on prev. period				0.8	0.5	0.6	1.2						
	% ch. on prev. year		5.2	4.9	4.9	2.8	3.9	3.1						
- construction investment	% ch. on prev. period				0.1	1.3	4.6	0.0						
	% ch. on prev. year		4.8	5.8	4.9	5.9	7.9	6.1						
Change in stocks	contrib. to GDP (pp.)	0.0	0.1	0.0	0.2	-0.3	-0.2	0.0						
4. Labour market														
Employment expectations (manuf.)	balance	-7.6	7.6	9.1	8.1	7.4	3.4	-0.3	1.6	1.1	0.2	-2.3	-3.9	-2.7
Employment expectations (services)	balance	6.2	11.1	13.0	12.6	11.5	9.8	9.8	10.0	10.4	9.6	9.5	9.4	8.3
Employment	% ch. on prev. period				0.3	0.3	0.4	0.2						
	% ch. on prev. year	0.8	1.6	1.5	1.4	1.4	1.4	1.2						
Employment (000)	abs. ch. on prev. period		2,421	2,351	420	488	595	398						
Compensation of employees per head (nominal)	% ch. on prev. period				0.7	0.5	0.4	0.5						
	% ch. on prev. year	2.1	1.6	2.2	2.5	2.2	2.2	2.1						
Unemployment expectations	balance	26.6	6.7	4.0	5.2	8.9	8.3	7.2	8.1	8.3	5.7	7.5	9.6	13.1
Unemployment rate	% of lab. force		9.1	8.2	8.0	7.9	7.8	7.6	7.7	7.6	7.6	7.5	7.5	--
Unemployment (000)	abs. ch. on prev. period		-1,498	-1,368	-381	-174	-281	-273	-150	-63	-87	-75	-16	--
5. International transactions														
World trade	% ch. on prev. period				1.1	-0.5	-0.3	-0.7	0.6	-0.6	0.6	-1.4	--	--
	% ch. on prev. year		4.9	3.4	3.8	1.6	0.5	-0.4	1.4	0.1	0.0	-1.4	--	--
Export order books	balance	-17.8	-1.4	1.2	1.1	-2.6	-7.3	-11.6	-9.3	-8.3	-12.3	-14.1	-16.4	-13.3
Trade balance (merchandise)	billion EUR		241.3	195.6	42.0	44.5	56.5	52.8	18.6	15.3	19.6	17.9	--	--
Exports of goods and services	% ch. on prev. period				0.4	1.0	0.9	0.0						
	% ch. on prev. year	4.9	5.4	3.5	3.3	1.9	3.4	2.4						
Imports of goods and services	% ch. on prev. period				0.9	1.0	0.4	0.2						
	% ch. on prev. year	4.6	4.8	2.8	3.8	3.3	3.8	2.6						
Current-account balance	billion EUR		360.6	336.8	74.4	80.8	91.3	71.8	22.7	23.1	30.3	18.4	--	--
Direct investment	billion EUR		78.5	35.8	-17.0	-87.4	52.0	-17.8	24.3	-44.8	17.1	9.9	--	--
Portfolio investment	billion EUR		297.0	216.3	48.5	108.3	-89.5	-51.6	-44.1	18.1	-58.5	-11.2	--	--
6. Prices														
Consumer inflation expectations	balance	22.5	17.4	22.2	22.5	24.1	20.5	21.5	20.6	19.3	23.2	21.9	20.6	20.7
Headline inflation (HICP) ⁽²⁾	% ch. on prev. year		1.5	1.8	2.1	1.9	1.4	1.4	1.4	1.7	1.2	1.3	1.0	1.0
Core HICP	% ch. on prev. year		1.1	1.2	1.2	1.2	1.1	1.2	1.0	1.4	1.0	1.3	1.1	1.1
Domestic producer prices	% ch. on prev. year		3.0	3.2	4.3	4.0	3.0	1.6	2.9	2.6	1.6	0.7	0.2	--
Import prices	% ch. on prev. year		2.2	1.2	2.5	1.6	1.0	0.3	1.3	1.2	0.3	-0.7	-0.6	--
Oil (Brent) in USD	level		54.7	71.6	75.8	68.3	63.7	68.5	66.9	71.6	70.4	63.5	64.2	59.6
	% ch. on prev. period				1.2	-9.9	-6.8	7.6	3.8	7.0	-1.7	-9.8	1.2	-7.3
	% ch. on prev. year		21.3	30.8	45.4	11.2	-5.4	-8.6	0.0	-0.3	-8.5	-16.5	-14.5	-19.2
Oil (Brent) in EUR	level		48.5	60.7	65.2	59.9	56.1	61.0	59.2	63.7	62.9	56.2	57.2	53.6
	% ch. on prev. period				3.6	-8.2	-6.4	8.8	4.3	7.6	-1.3	-10.6	1.8	-6.4
	% ch. on prev. year		18.9	25.0	46.8	14.7	2.4	-3.1	9.1	8.9	-3.3	-13.6	-11.0	-16.2
Non-energy commodity prices (EUR)	% ch. on prev. period				-4.9	0.1	3.1	2.1	-0.7	0.9	-1.4	2.5	4.3	-7.4
	% ch. on prev. year		9.1	-3.0	-0.5	-0.3	1.5	0.2	3.7	4.1	-3.4	0.1	10.0	2.3
7. Monetary and financial indicators														
Nominal interest rates (3 month)	level		-0.33	-0.32	-0.32	-0.32	-0.31	-0.32	-0.31	-0.31	-0.31	-0.33	-0.37	-0.41
Nominal interest rates (10 year)	level		0.39	0.48	0.38	0.38	0.13	-0.10	0.05	0.00	-0.07	-0.26	-0.35	-0.63
ECB repo rate	level		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)	% ch. on prev. period				-1.6	-7.6	1.5	6.5	3.5	4.0	-2.1	0.3	3.1	-4.4
	% ch. on prev. year		16.2	-3.1	-1.6	-12.0	-7.6	-1.8	-1.2	0.3	-4.2	-1.3	1.3	-2.3
Money demand (M3)	% ch. on prev. year		4.9	3.9	3.7	3.9	4.1	4.7	4.5	4.7	4.8	4.5	5.2	--
Loans to households	% ch. on prev. year		2.6	3.0	3.1	3.2	3.3	3.3	3.3	3.3	3.4	3.3	3.4	--
Loans to non-financial corporations	% ch. on prev. year		2.5	3.8	4.2	4.0	3.7	3.9	3.7	3.9	3.8	3.9	4.0	--
Bilateral exchange rate EUR/USD	level		1.13	1.18	1.16	1.14	1.14	1.12	1.13	1.12	1.12	1.13	1.12	1.11
	% ch. on prev. period				-2.3	-1.9	-0.5	-1.1	-0.5	-0.5	-0.5	0.9	-0.6	-0.9
	% ch. on prev. year		2.0	4.6	-1.0	-3.1	-7.5	-5.6	-8.4	-8.4	-5.4	-3.3	-3.9	-3.6
Nominal effective exchange rate	% ch. on prev. period				0.7	-0.7	-1.2	-0.1	-0.6	-0.1	0.6	0.6	-0.4	0.6
	% ch. on prev. year		2.4	2.5	0.6	-0.1	-2.2	-1.2	-2.9	-2.7	-0.8	0.0	-1.8	-0.9

(1) LTA=Long-Term Average; (2) flash estimation for the last month, if final data not available yet

1. Output

According to Eurostat's estimate (t+65), **real GDP growth** slowed down in 2019-Q2. GDP increased by 0.2% quarter-on-quarter (q-o-q), down from 0.4% in the first quarter of 2019. As compared to 2018-Q2, GDP increased by 1.2%, compared to 1.3% in the previous quarter.

In August 2019, the Commission's **Economic Sentiment Indicator** increased slightly in the euro area (by 0.4 pts. to 103.1 pts.). The slight improvement resulted from markedly higher confidence in industry (by 1.4) and retail trade (by 1.2), while confidence deteriorated significantly in services (by -1.3 pts.) and construction (by -1.3 pts.) and, to a lesser extent, among consumers (by -0.5 pts.).

The PMI Composite Output Index **increased from 51.5** in July to 51.9 in August (slightly higher than the flash reading of 51.8). The manufacturing PMI increased from 46.5 in July to 47.0 in August and thereby remained below the threshold of 50, now signalling contraction for seven months in a row. At the same time, the PMI Services Business Activity Index increased slightly, from 53.2 in July to 53.5 in August.

In June, industrial production (excluding construction) decreased by 1.6% (m-o-m), after growing in May (+0.8%). The biggest contraction was recorded for capital goods (-4.0%) and non-durable consumer goods (-2.8%), while increases were recorded for intermediate goods (+0.9%) and energy (+0.4%). In comparison to the same month of the previous year, industrial production declined by 2.6%; it has failed to grow for the eighth consecutive month.

2. Private consumption

In 2019-Q2, the **growth** rate of private consumption decelerated to 0.2% q-o-q (0.4% in 2019-Q1) and contributed 0.1 pps. to GDP growth. With respect to the same period of the preceding year, private consumption expanded by 1.2%, marginally up from 1.1% in the preceding quarter.

In August, **consumer confidence** decreased by 0.5 pts. to -7.1 pts., after an increase by 0.6 pts. in the previous month. The decline reflects the deterioration in households' expectations about the general economic situation, while their assessment of both their past and future financial situation improved somewhat, and their intentions to make major purchases remained unchanged.

In July 2019 compared to June, the retail trade volume decreased by 0.6%, after having increased by 1.2% in the previous month. Compared with July 2018, the retail trade volume increased by 2.2% (2.8% in June).

In August, retail trade confidence improved by 1.2pts. fuelled by more optimistic views on the present business

situation and, to a lesser extent, the adequacy of the volume of stocks, while expectations about the business situation worsened.

3. Investment

In 2019-Q2, **gross fixed** capital formation **increased** by 0.5% (q-o-q), up from 0.2% in 2019-Q1. As compared to the same period of the previous year it increased by 2.8%, compared to 4.0% in the preceding quarter. In 2019-Q3, the **capacity utilisation** rate in manufacturing (survey conducted in July) decreased to 81.9% from 82.8% in the previous quarter. While it has been easing since the first quarter of 2018, it has remained above its historical average (81.0%) for the eighteenth consecutive quarter. The rate of capacity utilisation in services remained almost stable at 90.5% in 2019-Q3, close to the all-time high of 90.8% in 2019-Q1.

4. Labour market

The unemployment rate remain relatively low, but the pace of employment growth has declined and employment expectations have become less positive. In July 2019, the unemployment rate stood at 7.5%, unchanged from June and down from 8.1% in July 2018. It is at its lowest level since July 2008.

In 2019-Q2, **employment** growth (in terms of employed persons) was 0.2% q-o-q, down from 0.4% in the quarter before. Compared to the same period in 2018, employment increased by 1.2% (1.4% in 2019-Q1).

According to the **Commission's August survey**, employment expectations increased markedly in industry (from -3.9 to -2.7). Meanwhile, employment plans of surveyed enterprises decreased in retail trade, services and in construction. Consumers' unemployment expectations increased from 9.6 pts. in July to **13.1 pts.** in August and reached the highest level since December 2016, while remaining well below the long-term average (26.6 pts.).

5. International transactions

The CPB world trade volume (goods) decreased by 1.4% (m-o-m) in June, after an increase of 0.6% in May.

In August, the assessment of export order books in manufacturing increased to -13.3 pts. from -16.4 pts. in July which had been the lowest level in 34 months. Meanwhile export expectations in the third quarter (survey conducted in July) decreased for the seventh consecutive month and are at the lowest level since the beginning of 2013.

In June, the seasonally adjusted **trade balance** surplus stood at €17.9 bn, down from €19.6 bn in May. The seasonally adjusted **current-account balance** decreased



KEY INDICATORS FOR THE EURO AREA

to €8.4 bn in June from €0.3 bn in May.

6. Prices

In August 2019, the rate of **annual HICP** inflation remained at 1.0% according to Eurostat's flash estimate. Looking at the main components of euro area inflation, food, alcohol & tobacco is expected to have the highest annual rate in August (2.1%, compared with 1.9% in July), followed by services (1.3%, compared with 1.2% in July), non-energy industrial goods (0.4%, stable compared with July) and energy (-0.6%, compared with 0.5% in July). At 1.1%, the unchanged rate of core inflation (all items excluding energy and unprocessed food) was marginally higher than headline inflation, as decreasing prices of energy (-0.6%) were broadly offset by faster growth of unprocessed food prices (2.5%).

In July, **industrial producer** prices were up by 0.2% (m-o-m, -0.6% in June) and up by 0.2% (y-o-y, 0.7% in the previous month).

In April, Brent crude oil prices recovered on the back of increasing demand and returned to above 70 USD/bbl with the local high at 74.57 on 24 April. In May and the beginning of June, prices tended to decrease. On 2 July, OPEC and Russia decided to maintain production limits, but, due to fears of a widespread economic slowdown, the market reaction was the immediate slide of oil prices by 2.66 USD. Since then the prices fluctuate between 56.23 and 66.72 USD. On 10 September 2019, Brent crude oil traded at 62.38 USD/bbl (56.50 EUR/bbl).

7. Monetary and financial indicators

Money market interest rates have remained close to the ECB's deposit facility rate since mid-2016, but since August 2019 they went further down and are currently slightly below the ECB' deposit facility rate, which can be associated with expectations of an economic slowdown and a more dovish stance of main central banks. On 10 September, the 3-month EURIBOR stood at around -0.44%.

At its meeting on 25 July 2019, the ECB Governing Council decided to keep the **ECB interest rates** on the main refinancing operations, on the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.40%, respectively. In its modified forward guidance, the Council expected them to remain at their present levels "*at least through the first half of 2020*".

Benchmark **sovereign bond yields** in the euro area have been decreasing since October 2018 from a monthly average of 0.46% to -0.63% in August 2019. On 3 September, the benchmark sovereign bond yield in the euro area reached its historically lowest level at -0.75%, before moving slightly up again. On 11 September they were at -0.55%.

According to the July 2019 ECB bank **lending survey**, banks tightened credit standards for loans to enterprises in 2019-Q2, whereas credit standards for loans to households for house purchase remained broadly unchanged. Conditions for consumer loans and other lending also tightened. According to banks, the demand for loans from enterprises increased in the second quarter, after having decreased in the previous quarter. In the same time households' demand for loans had increased across all loan categories.

In July 2019, the annual growth in M3 increased to 5.2% from 4.5% in June. Meanwhile, the annual growth rate of loans to the private sector (adjusted for loan sales, securitisation and notional cash pooling services) increased to 3.6% in July from 3.5% in June. The annual growth rate of adjusted loans to **households** stood at 3.4% in July, compared with 3.3% the previous month, while the growth rate of **loans to non-financial corporations** stood at 3.9%, unchanged from the previous month.

At its meeting on **30-31 July**, the Federal Reserve's FOMC decided to lower the target range for the U.S. federal funds rate by 25 basis points to 2.0-2.25%. In its statement, the FOMC assessed that the job gains had been solid and unemployment rate remained low and that the economic activity was rising at moderate rate, but it also pointed that growth of business fixed investment had been soft. It also took into account "implications of global development" and muted inflation pressures. It made the decision to lower the interest rate paid on required and excess reserve balances from 2.35% to 2.10%. On 10 September, the USD 3-month Libor rate stood at 2.1316%.

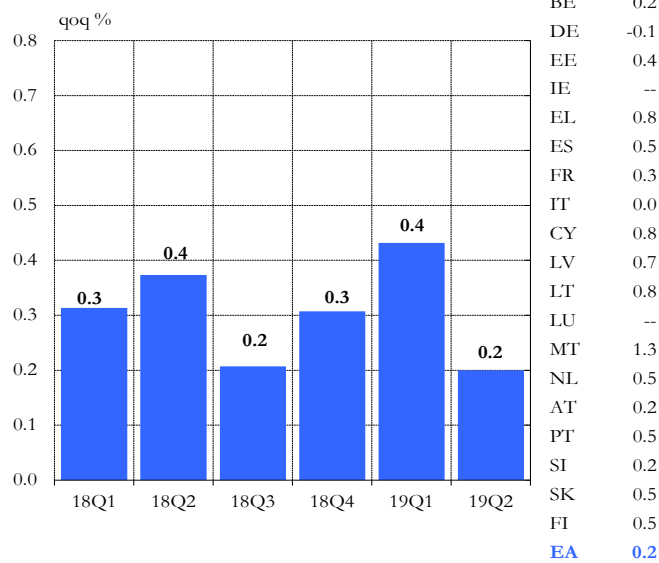
From October 2018 until mid-July 2019, the **EUR/USD exchange rate** has been broadly stable, fluctuating between 1.11 and 1.16. Since the beginning of July, euro is losing against the dollar. In the beginning of September, the exchange rate fell temporarily below the rate 1.100. On 10 September, the reference rate stood at 1.104. In August, in nominal effective terms, the euro appreciated by 0.6%, after a having depreciated in July, and it stood 0.9% lower than in August 2018.

Stock market indices were generally going up **between January** 2019 and early May. Since then their trend changed several times, but eventually in the beginning of September Dow Jones and EuroSTOXX 50 are close to its levels from April 2019. Only the Nikkei is lagging behind in terms of upward movements, although it followed similar directions. Comparing its average level in the first 10 days of September with its average level in April, the Dow Jones gained 0.7%, the EuroSTOXX50 gained 0.2%, while the Nikkei 225 lost 4.6%.

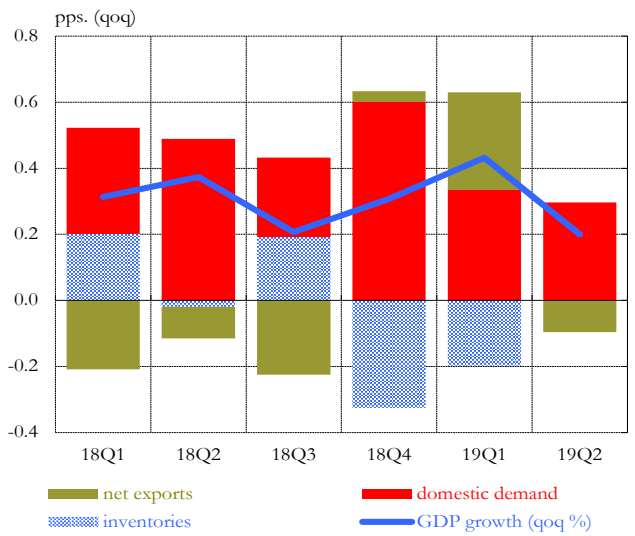
KEY INDICATORS FOR THE EURO AREA

1. OUTPUT

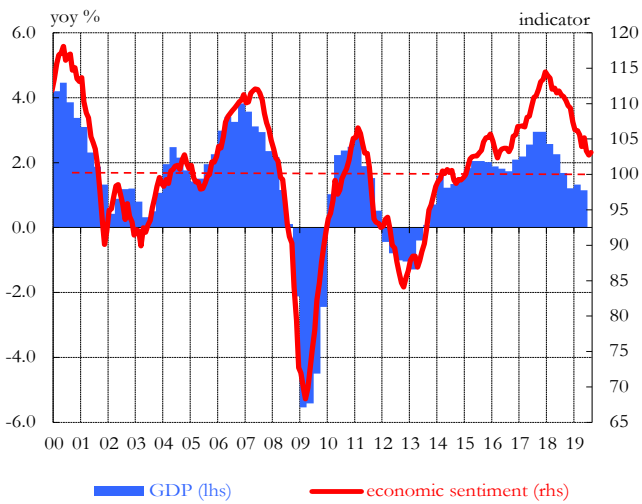
GDP



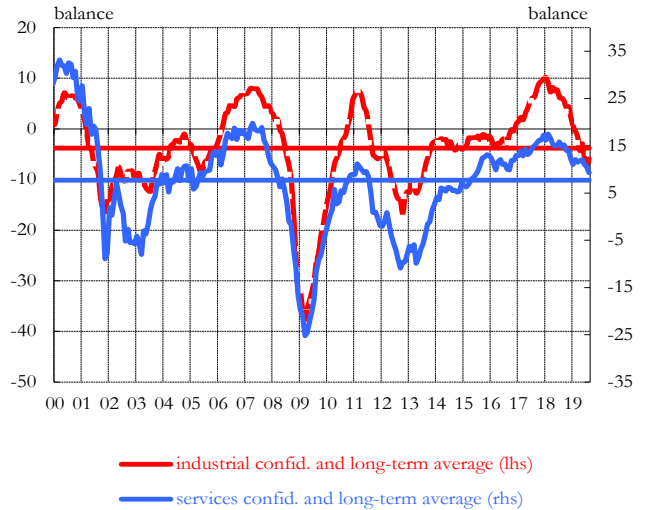
Contributions to GDP growth



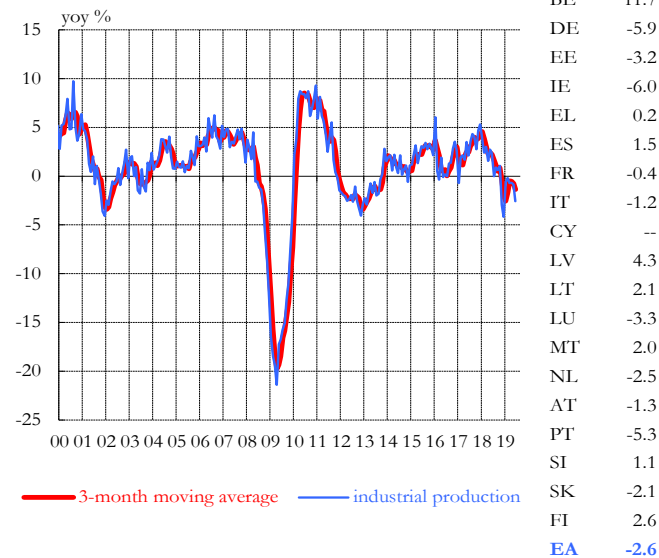
GDP and Economic Sentiment Indicator



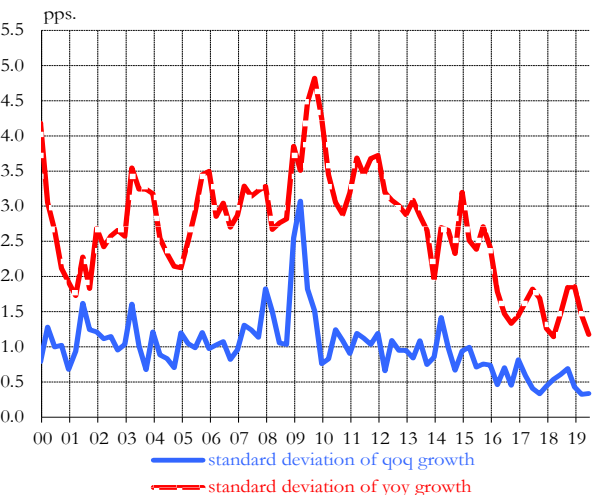
Industrial and services confidence



Industrial production



GDP growth divergence, euro area*



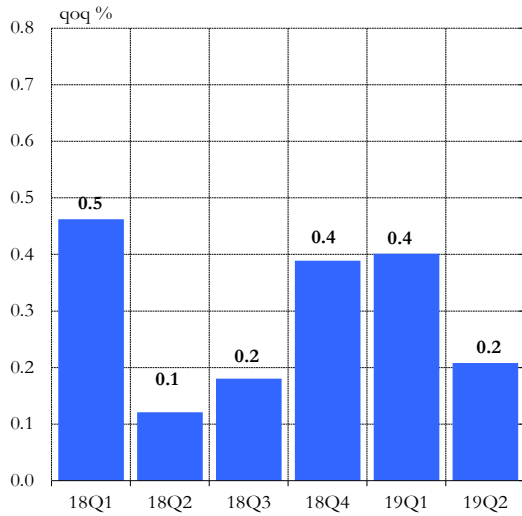
* Calculations since 2015 without Ireland.

KEY INDICATORS FOR THE EURO AREA

2. PRIVATE CONSUMPTION

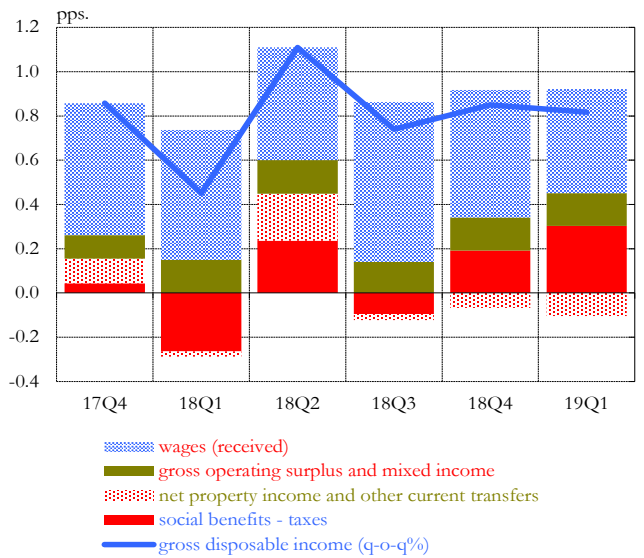
Private consumption

19Q2



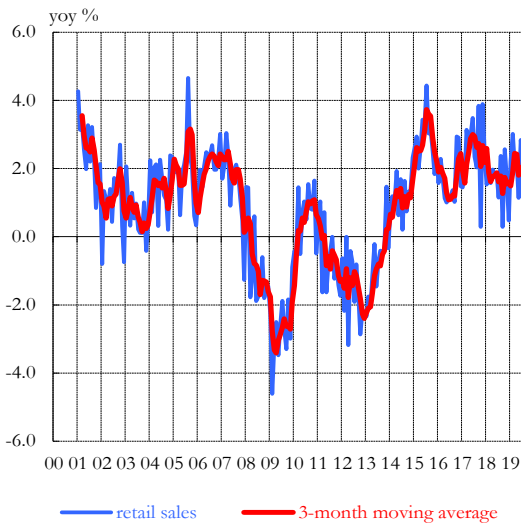
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EE	-0.3
IE	--
EL	-0.4
ES	0.3
FR	0.2
IT	0.0
CY	1.5
LV	1.0
LT	2.0
LU	--
MT	0.7
NL	0.8
AT	0.5
PT	-0.3
SI	1.0
SK	0.6
FI	0.9
EA	0.2

Household adjusted gross disposable income



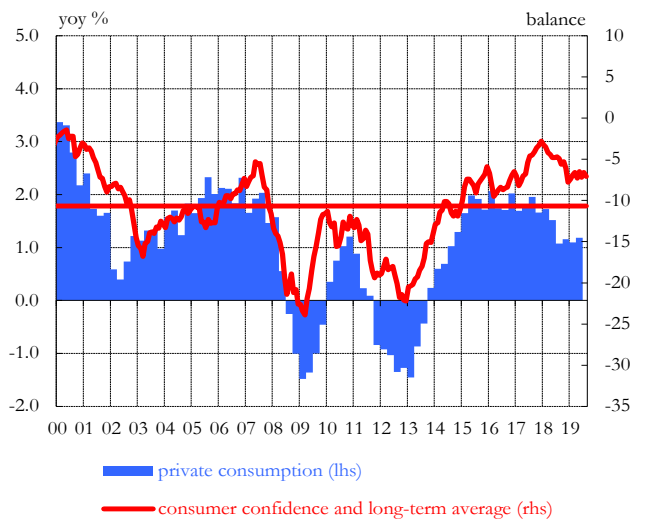
Retail sales

Jul-19

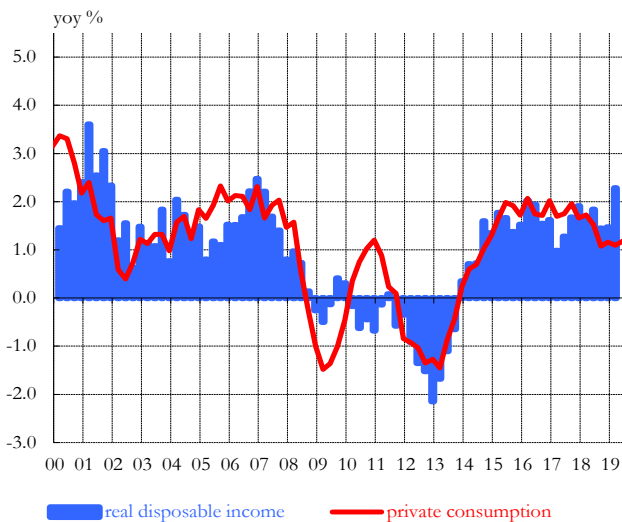


BE	1.2
DE	1.7
EE	3.9
IE	4.8
EL	--
ES	3.1
FR	2.7
IT	1.8
CY	--
LV	1.3
LT	4.8
LU	1.6
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NL	--
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PT	4.4
SI	6.3
SK	-0.8
FI	1.8
EA	2.2

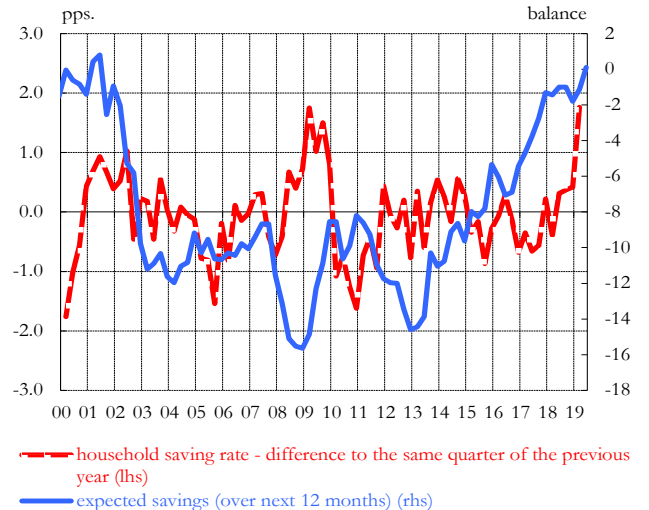
Consumer confidence and private consumption



Households: real disposable income and consumption



Households: actual saving rate and expected savings

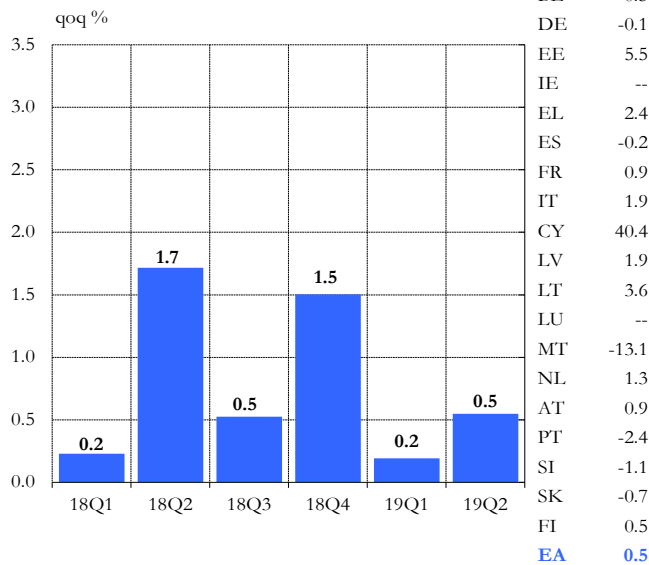


KEY INDICATORS FOR THE EURO AREA

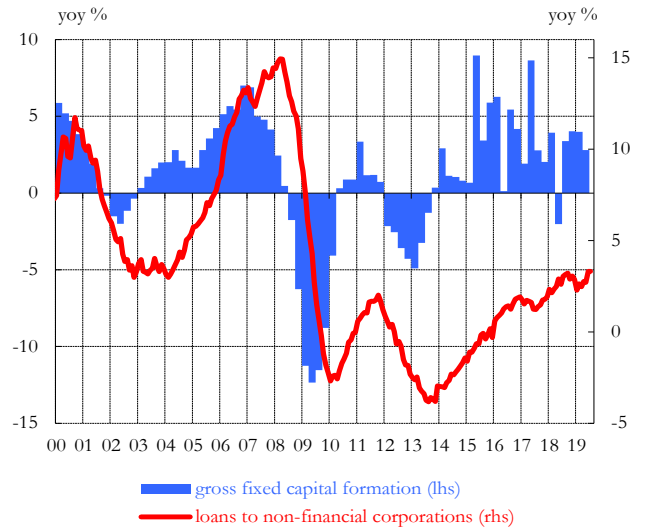
3. INVESTMENT

Gross fixed capital formation

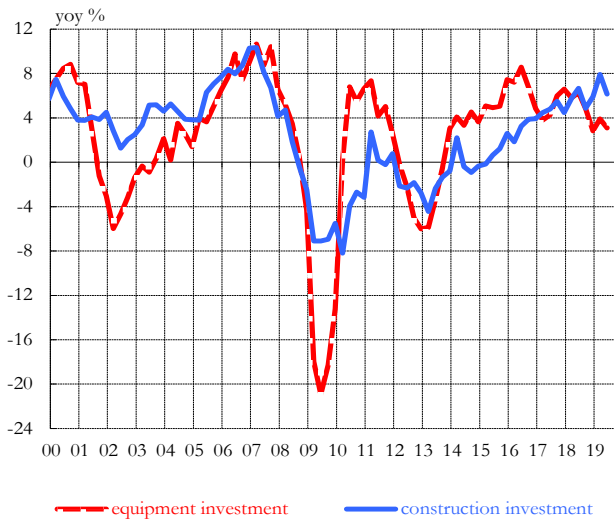
19Q2



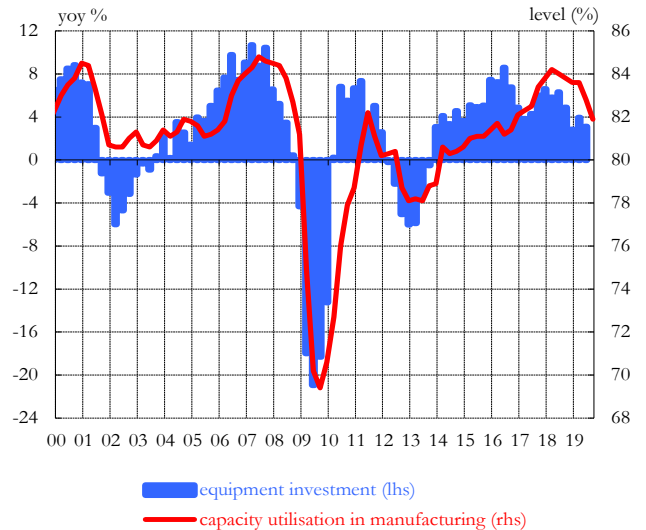
Gross fixed capital formation and corporate loans



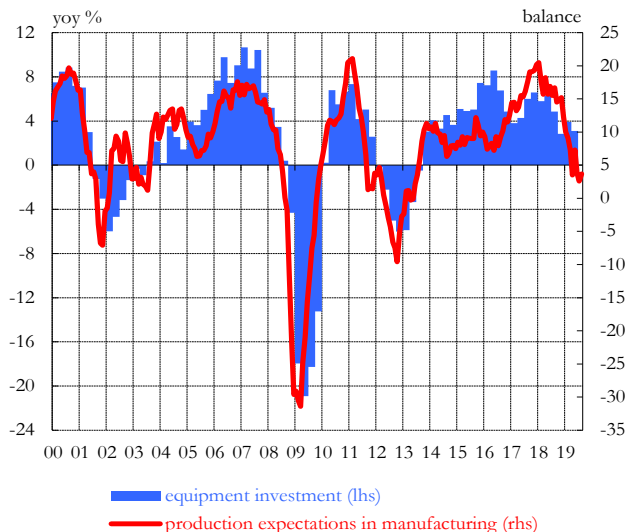
Equipment and construction investment



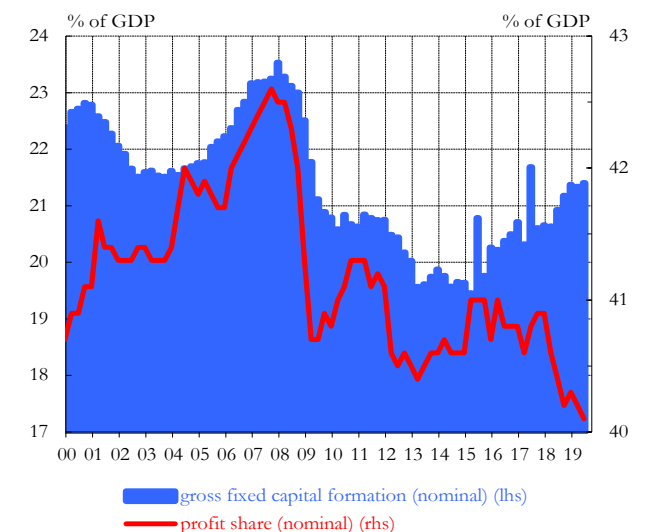
Equipment investment and capacity utilisation



Equipment investment and production expectations



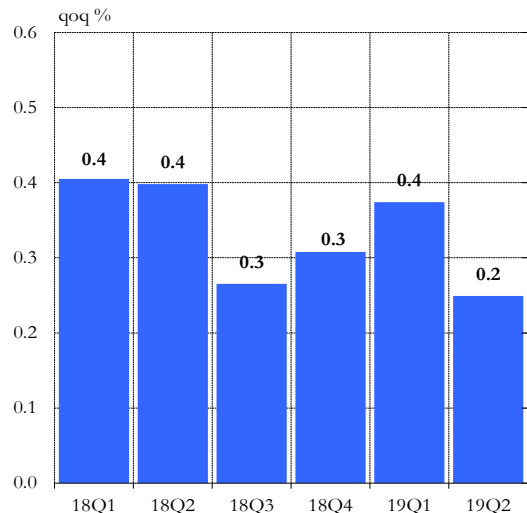
Gross fixed capital formation and profit share



KEY INDICATORS FOR THE EURO AREA

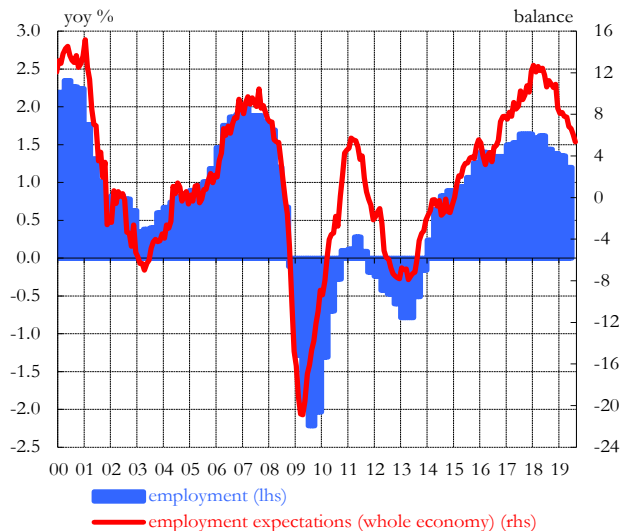
4. LABOUR MARKET

Employment

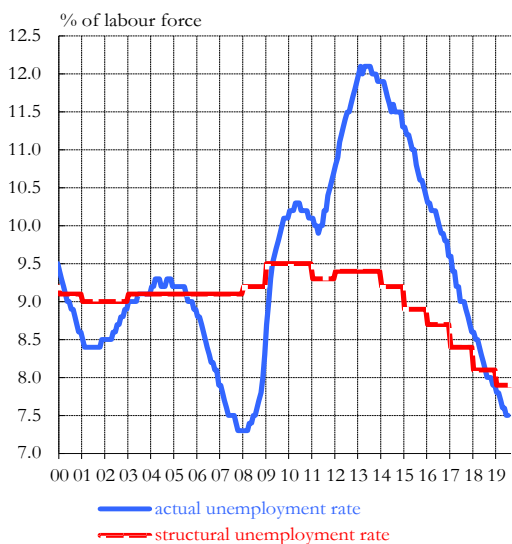


19Q2	
BE	0.4
DE	0.1
EE	-0.4
IE	-0.6
EL	0.7
ES	0.3
FR	0.3
IT	0.5
CY	0.7
LV	-1.1
LT	-0.5
LU	--
MT	--
NL	0.4
AT	0.2
PT	-0.6
SI	0.6
SK	0.3
FI	0.3
EA	0.2

Employment and employment expectations

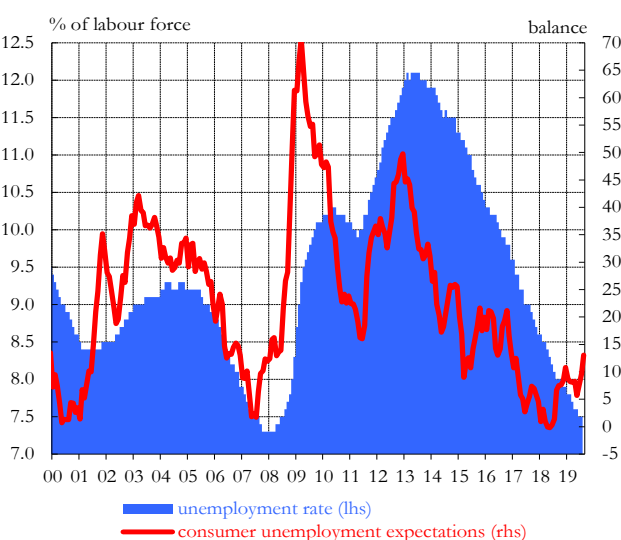


Actual and structural unemployment rate

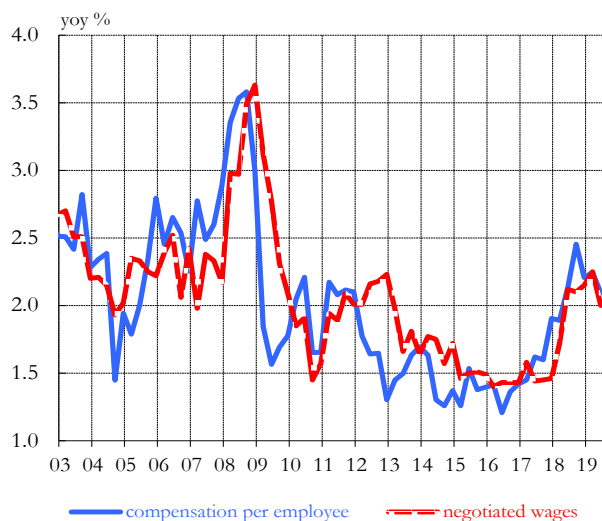


Jul-19	
BE	5.7
DE	3.1
EE	--
IE	5.3
EL	--
ES	13.9
FR	8.5
IT	9.9
CY	7.0
LV	6.5
LT	6.4
LU	5.7
MT	3.4
NL	3.4
AT	4.4
PT	6.5
SI	4.5
SK	5.3
FI	6.7
EA	7.5

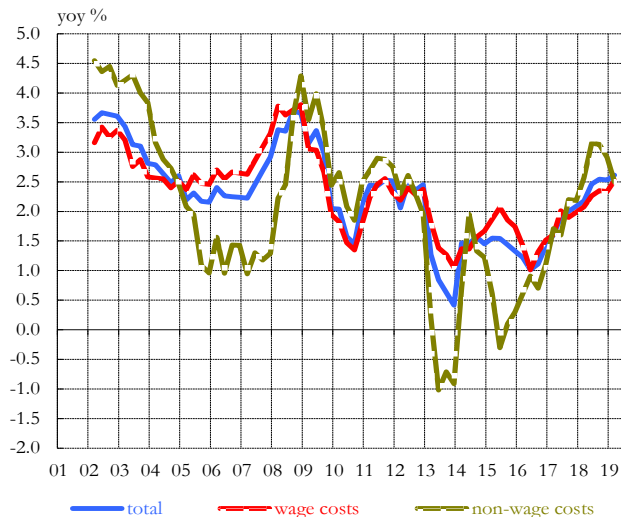
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)

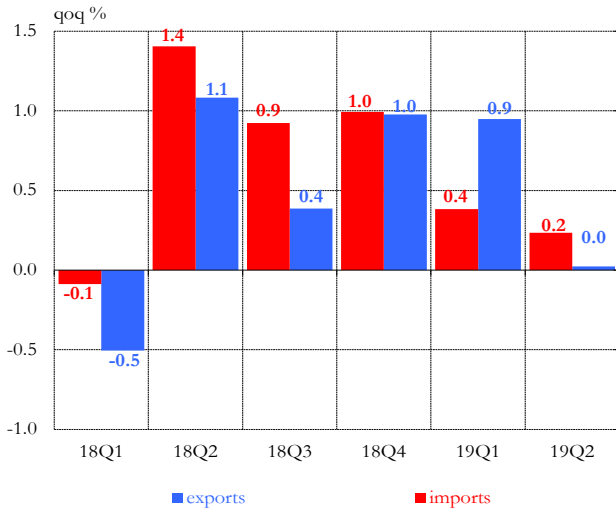


Labour costs in the private business sector (nominal)

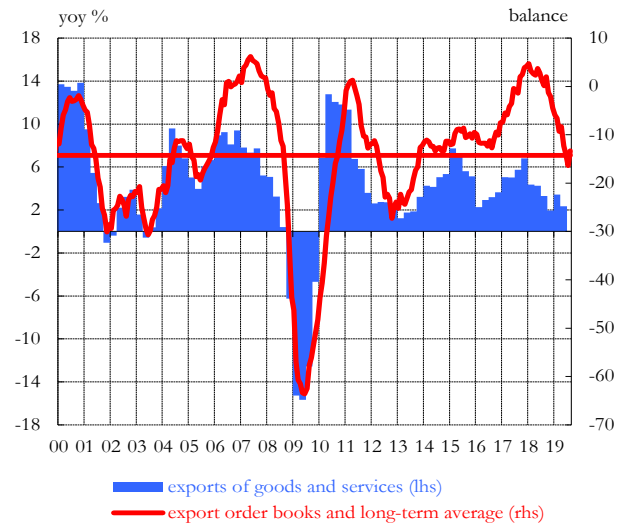


5. INTERNATIONAL TRANSACTIONS

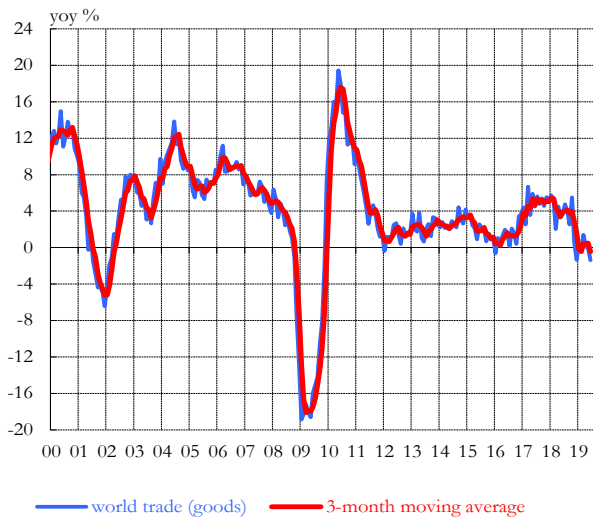
Exports and imports of goods and services



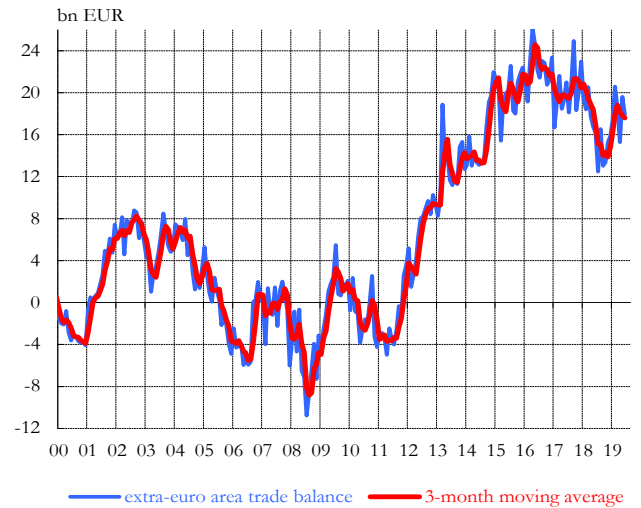
Exports and export order books



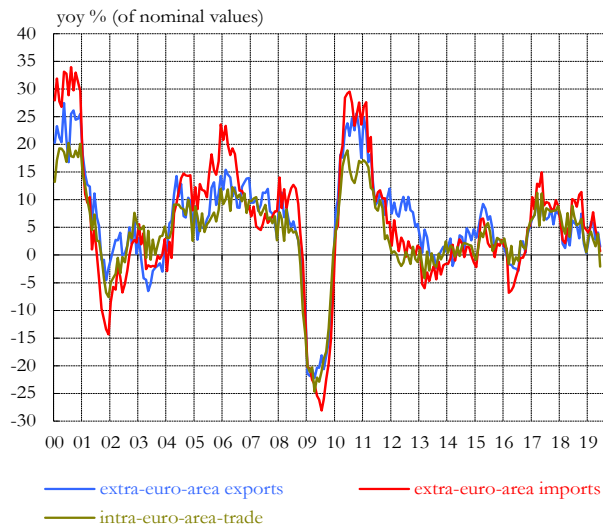
World trade



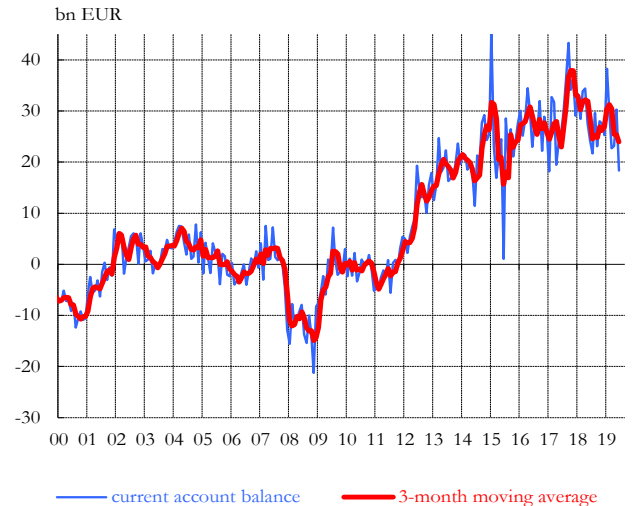
Extra euro-area trade balance



Extra- and intra-euro-area trade

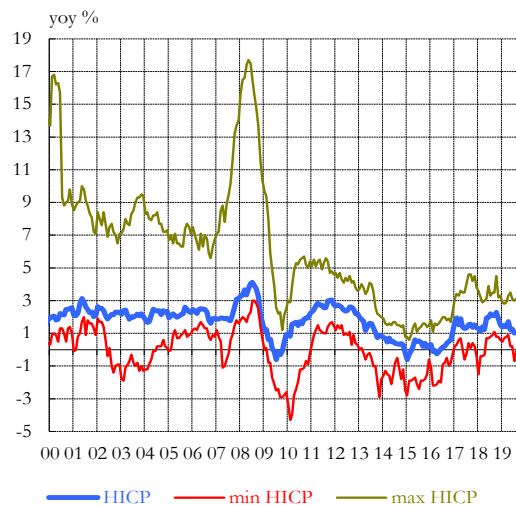


Current-account balance



6. PRICES

Harmonised index of consumer prices (HICP)

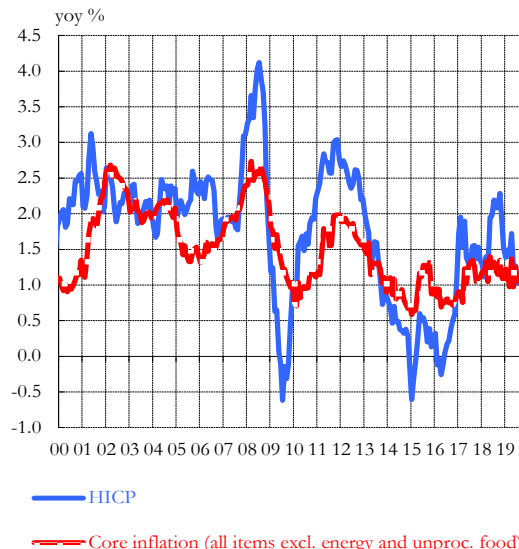


Note: Flash estimate added, if final data not available.

Aug-19

BE	0.9
DE	1.0
EE	--
IE	--
EL	0.1
ES	0.4
FR	1.2
IT	0.5
CY	0.5
LV	3.1
LT	2.5
LU	1.4
MT	1.7
NL	--
AT	--
PT	-0.1
SI	2.4
SK	3.0
FI	1.2
EA	1.0

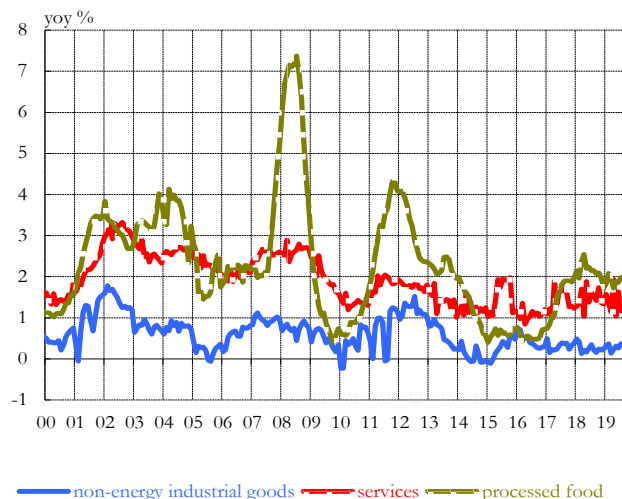
HICP headline and core inflation



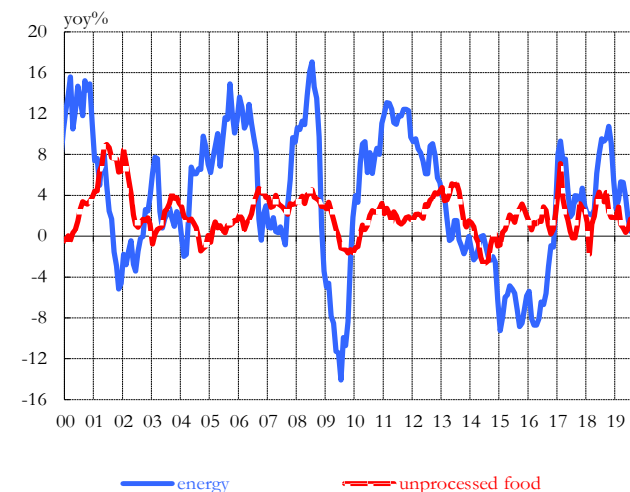
Jul-19

BE	1.7
DE	1.1
EE	2.3
IE	0.5
EL	0.6
ES	1.0
FR	1.2
IT	0.4
CY	0.6
LV	3.2
LT	2.5
LU	2.0
MT	1.7
NL	2.3
AT	1.5
PT	-0.5
SI	2.1
SK	2.6
FI	1.0
EA	1.1

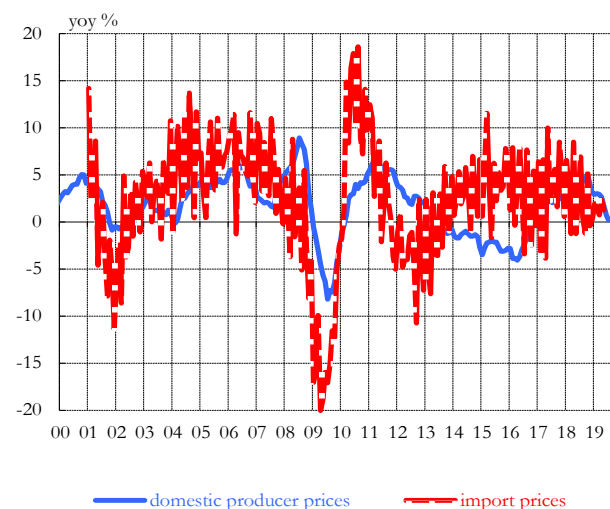
Breakdown of core inflation



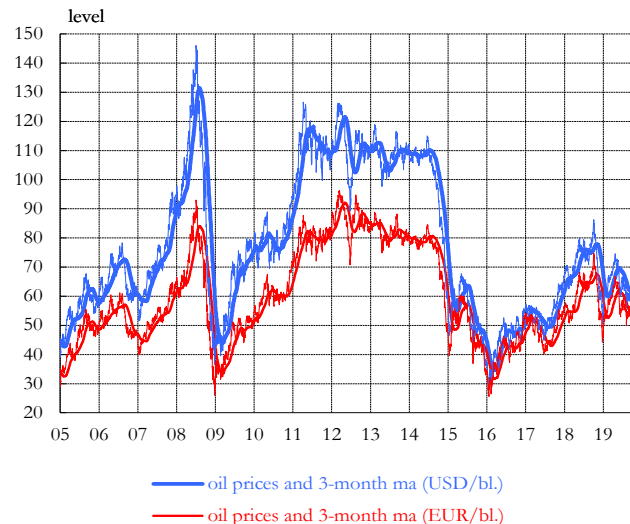
Energy and unprocessed food



Domestic producer prices and import prices



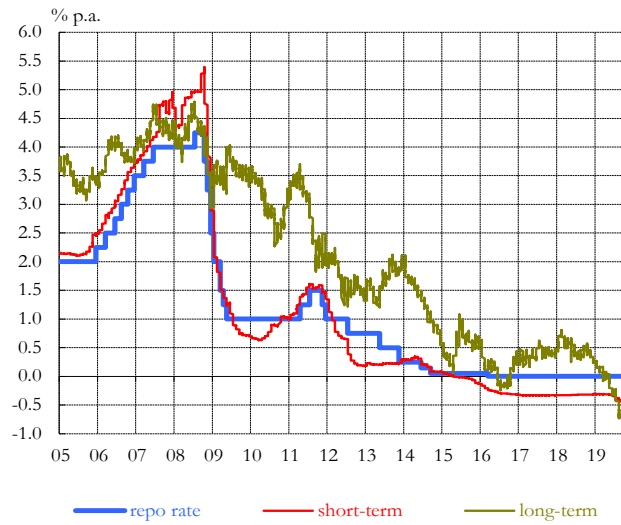
Oil prices



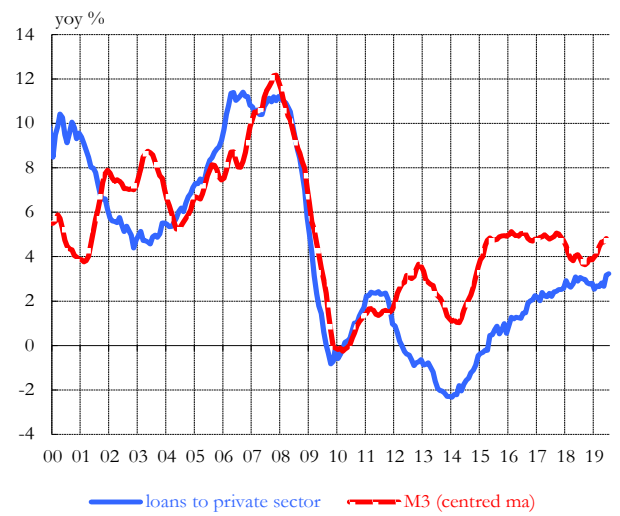
KEY INDICATORS FOR THE EURO AREA

7. MONETARY AND FINANCIAL INDICATORS

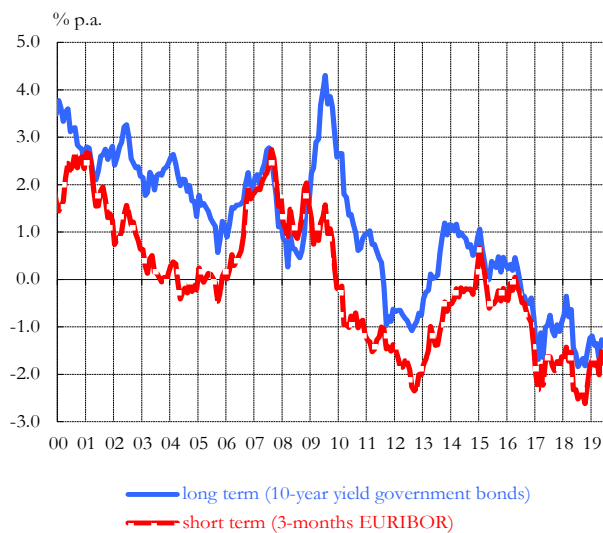
Nominal interest rates



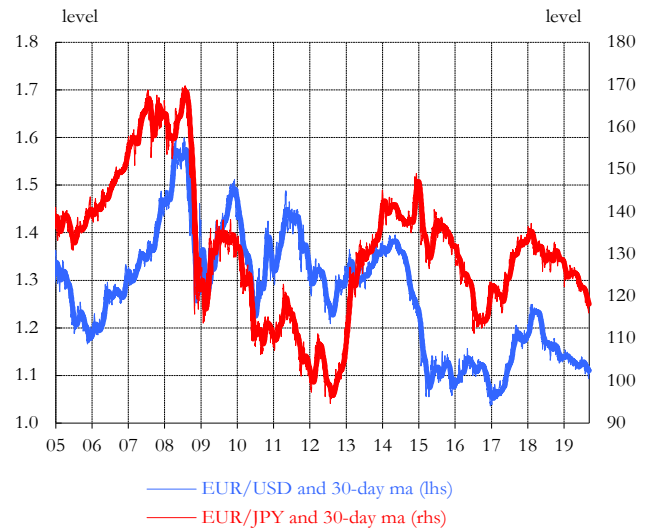
Loans to private sector and money supply



Real interest rates



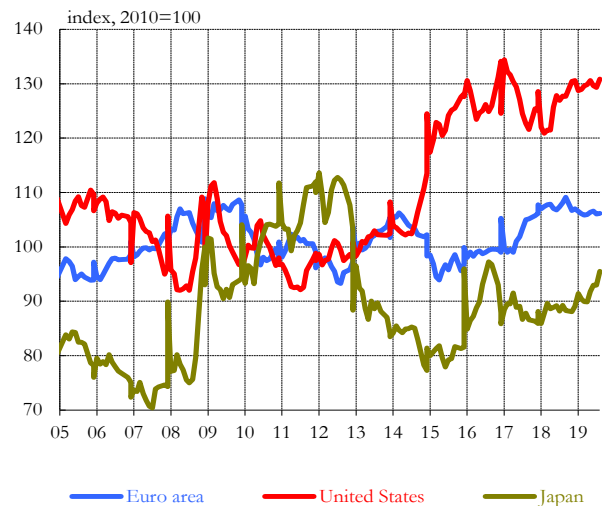
Euro vis-à-vis US dollar and JP yen



Stock market indices



Nominal effective exchange rates

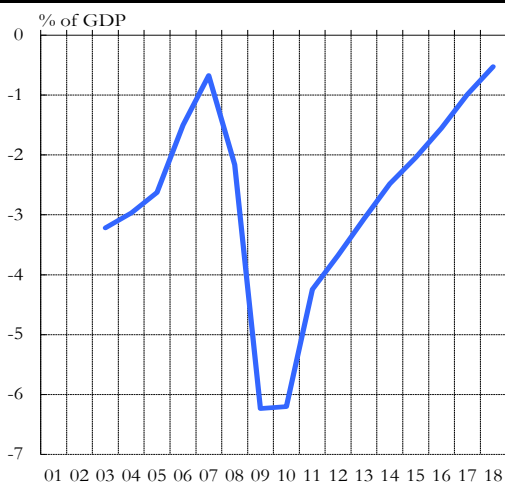


KEY INDICATORS FOR THE EURO AREA

8. PUBLIC FINANCES

General government balance

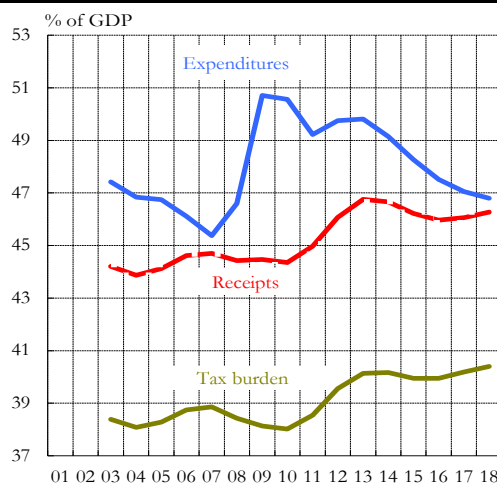
2018



General government expenditure and receipts

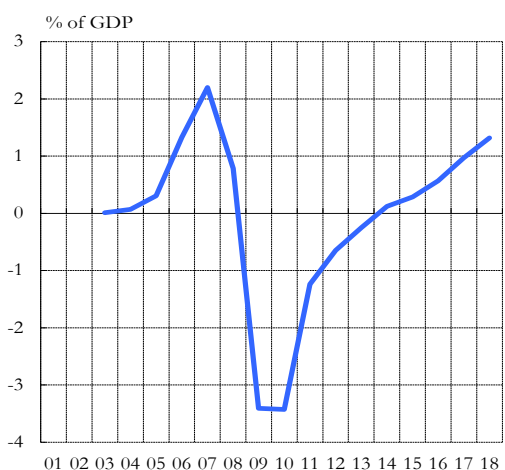
tax burden

2018



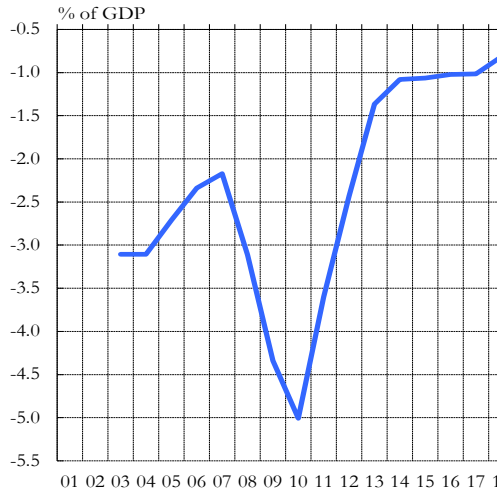
Primary balance

2018



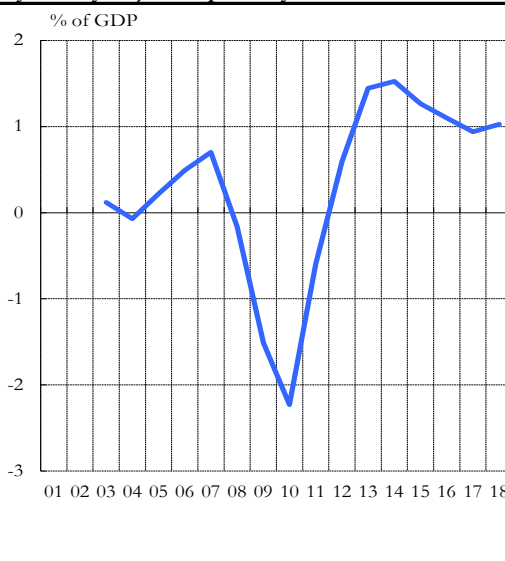
Cyclically adjusted balance

2018



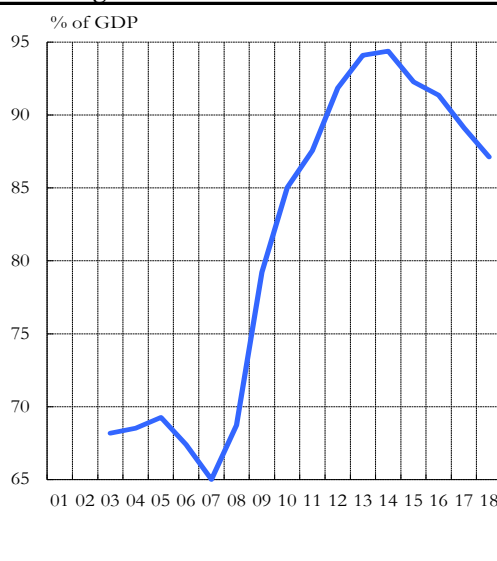
Cyclically adjusted primary balance

2018



General government debt

2018



* Figures are from the Commission's spring 2019 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 (2010), 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.	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 (2010), 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 adjusted, 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 (2010), ESA 2010), EUR. Data are seasonally and calendar adjusted.	Eurostat
Equipment investment	Gross fixed capital formation at constant market prices (chain-linked volumes, reference year (2010), 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 (2010), 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 (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 expectations (whole economy)	Weighted average of managers' employment expectations over the next three months in the manufacturing (19%), services (65%), construction (6%) and retail sectors (10%). Weights in brackets according to value-added share on GDP of the respective 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	Transactions in goods and services plus income and current transfers between residents and non-residents of the euro area. 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 2010), 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 2010), 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