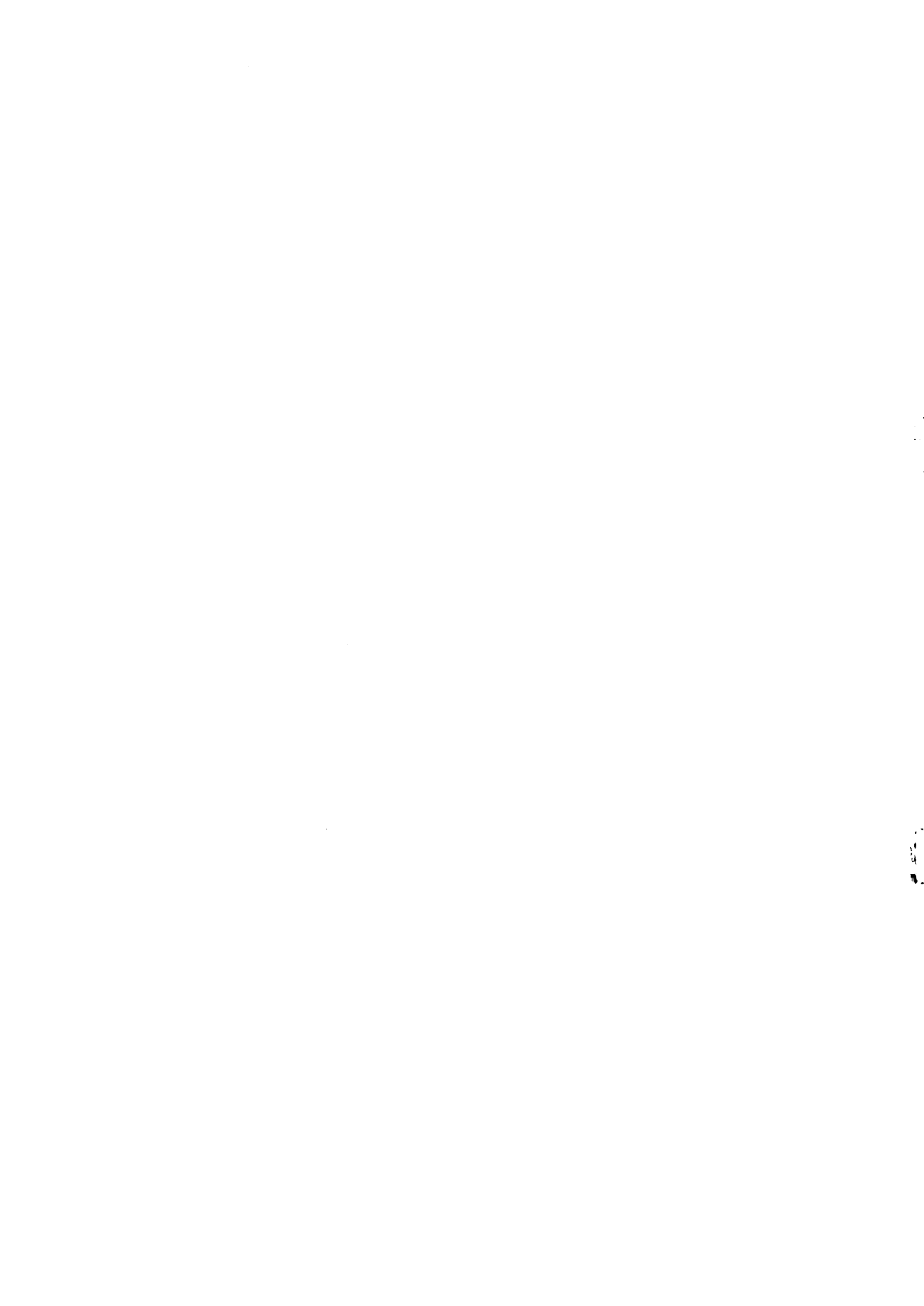


**Monthly Report of the
Deutsche
Bundesbank**

December 1987



Contents

5	The economic scene in the Federal Republic of Germany in autumn 1987 – Overview
11	Money and credit
24	Public finance
32	General economic conditions
40	Balance of payments

Statistical Section

2*	Overall monetary survey
8*	Deutsche Bundesbank
10*	Banks
46*	Minimum reserves
49*	Interest rates
54*	Capital market
60*	Public finance
68*	General economic conditions
74*	Foreign trade and payments

The German original of this Report went to press on December 15, 1987

Reproduction permitted only if source is stated

More detailed statistics than those contained in this Report will be found in the Statistical Supplements to the Monthly Reports of the Deutsche Bundesbank:

Series 1 Banking statistics, by category of banks
Series 2 Securities statistics
Series 3 Balance of payments statistics
Series 4 Seasonally adjusted economic data
Series 5 The currencies of the world

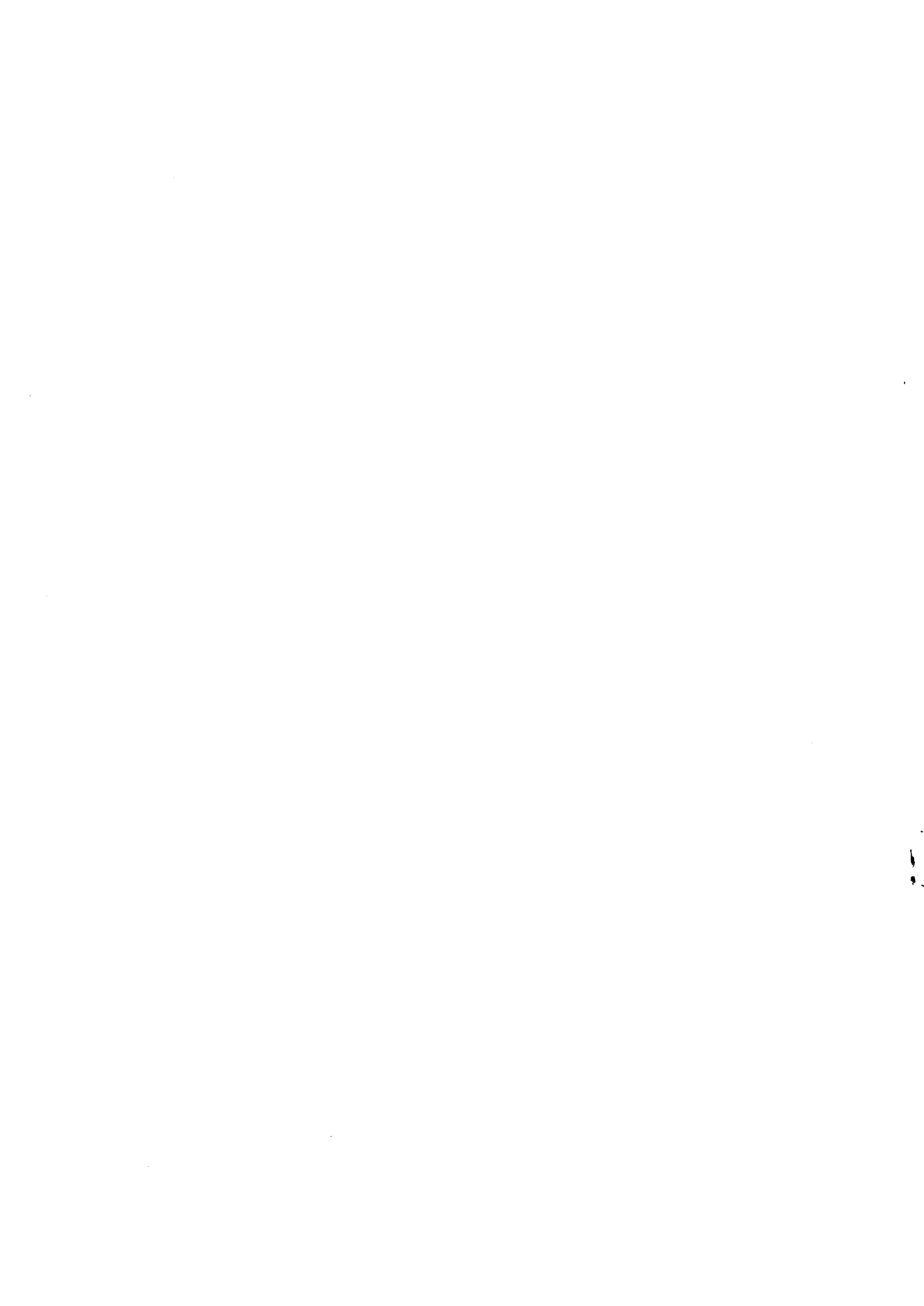
ISSN 0418-8292

Deutsche Bundesbank, Frankfurt am Main,
Wilhelm-Epstein-Strasse 14
Postal address P.O.B. 10 06 02
D-6000 Frankfurt 1

Telephone (0 69) 158-1
or (0 69) 158 . . . plus extension number

Telex 41227 within Germany
414 431 from abroad

Telefax (0 69) 5 60 10 71



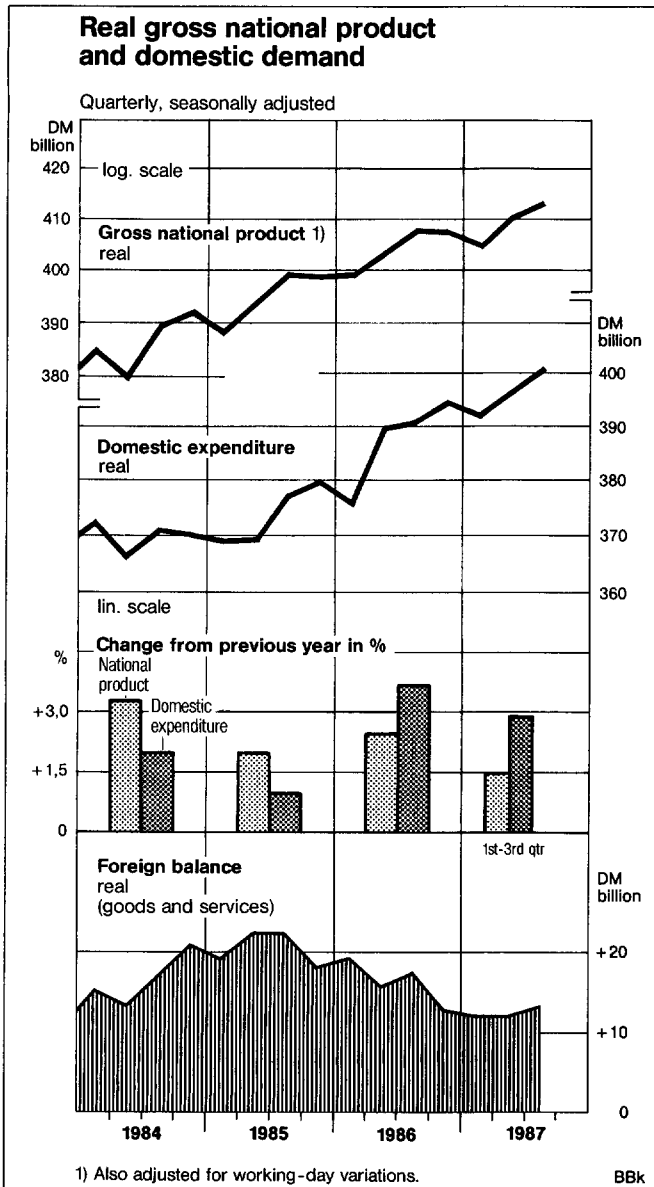
The economic scene in the Federal Republic of Germany in autumn 1987

Overview

5

When the turmoil in the stock and foreign exchange markets began in the last ten days of October, the salient feature of general economic conditions in the Federal Republic of Germany was the sustained growth of the real gross national product and employment. As described in detail in this Report, the main engine of economic activity was domestic demand, so that the external adjustment process, which is directed towards the gradual reduction of the surpluses on current account, was able to continue. Within Germany, developments were essentially free from tensions; those prices and costs which are determined by domestic influences increased only slightly.

The events in the financial markets from mid-October onwards gave rise in Germany and other industrial countries to uncertainty about the continuation of the current economic growth. Fears arose that global business activity might suffer a severe setback; some commentators no longer ruled out the possibility of a world-wide recession. However, seen from the present perspective (i.e. at a certain distance from the initial downturn in share prices and the first sharp decline in the dollar), such apprehensions do not appear to be substantiated by statistically verifiable facts. As far as the situation in Germany is concerned, it is true that economic trends in the wake of the upheavals still cannot be assessed with sufficient reliability since only incomplete data on the reactions of investors and consumers are available; moreover, the nervousness evident in the financial markets has by no means been allayed yet. Nevertheless, a number of factors (which are described in detail in this Report) suggest that the adverse effects on business activity in Germany are likely to remain within bounds. This assessment is corroborated by the fact that the economic performance of other major industrial countries, not least the United States, is now being viewed more favourably than it was immediately after the start of the slump in share prices, which was probably of greater significance for the actions of consumers and investors in the United States, in particular, than for those in Germany (see pages 21-22). In this case too, however, it must be borne in mind that the information on recent trends is incomplete and that, in addition, there is still considerable uncertainty about the further course of events in the capital and foreign exchange markets.



When assessing trends in economic activity in Germany, it is important to keep in mind that at the time of the stock market crash the German economy was in the course of an upswing which, while not particularly strong, was broadly based (for further details see the article beginning on p. 32). In broad areas of the economy the *output of goods* expanded until well into the autumn. According to provisional calculations by the Federal Statistical Office, between the second quarter of this year and the third real GNP rose by $\frac{1}{2}\%$ after adjustment for seasonal and working-day variations (and by slightly more if not rounded down). *Employment* likewise increased during that period and in October, albeit – given the sustained inflow of new job-seekers to the labour market – not sufficiently to bring down unemployment.

Right up to the present, the prime stimulus to growth has come from domestic demand, the mainstay of which has been, as before, *private consumption*. From the second quarter to the third the latter went up by as much as 1% at constant prices and after seasonal adjustment. At bottom this was because of the persistently strong rise in households' income; given the prevailing price stability, this implied a corresponding increase in real purchasing power. After real income, in net terms, had gone up by 5% in 1986, its growth in the present year can be estimated at about 3%. This means that in the last two years consumers' real income has expanded much faster than the average rate of increase between 1980 and 1985.

Enterprises' *propensity to invest* has also been tending to grow since mid-year. At all events, more machinery and equipment has been ordered from domestic producers; in addition, imports of capital goods have gone up sharply. On account of the favourable business conditions, it appears that investors have also been feeling optimistic, at least during this period, about future sales prospects in Germany and abroad.

Even in the *construction industry* slightly more demand was registered during the summer months. Particularly in the field of residential construction, where activity has been distinctly sluggish for quite a long time, numerous new building projects were commissioned. Viewed as a whole, however, demand for construction work has still been running at a relatively low level of late, so that it cannot be said there has been a far-reaching improvement of the situation in the construction sector.

Finally, the German economy also profited until well into the autumn from the revival of exports. After a decline in *foreign demand* over a period of $1\frac{1}{2}$ years, there was a change in trend as early as spring 1987. The subsequent recovery was accompanied by a period of virtually stable exchange rates and a distinct pick-up in economic activity, especially in our European neighbours. It is in trade with these nations that Germany has recorded its most striking export successes in recent months, whereas exports to the United States and other countries of the dollar area have continued to go down in the wake of the exceptionally strong appreciation of the Deutsche Mark.

Simultaneously with the revival of German exports, however, foreign suppliers gained a great deal of ground on Germany's domestic markets, a circumstance which narrowed domestic producers' sales potential. In a year-on-year comparison, real *imports of goods* have recently been increasing over twice as fast as domestic demand. At the same time the strong inflow of imports has contributed materially to the fact that the reduction in the external surpluses, which had temporarily come to a halt in the spring, has been making some headway again of late. At all events, in the last three months (August to October, seasonally adjusted) Germany's *current account* showed lower surpluses than in the preceding period, as described in detail in the article on the balance of payments.

Hence economic trends in Germany prior to the *upheavals in the financial markets* which started in mid-October were fairly satisfactory and warranted the expectation that – buttressed by the basically expansionary economic policy stance – the upswing under conditions of virtually stable prices would continue next year as well. But recent events in the financial markets have created a new situation in two important areas. In Germany's *share markets*, as in those of other countries too, there was a precipitous fall in prices in mid-October. As a result, German equities have lost roughly one-third of their market value up to today. The losses were if anything more marked than those sustained in other industrial countries; this was primarily because the foreign investors who had previously largely determined market trends in Germany drastically reduced their holdings of German shares. At the same time the *rate for the dollar* plummeted again in the foreign exchange markets. From mid-October to the time of going to press the Deutsche Mark appreciated against the US dollar by almost 11% in all, so that the appreciation of the Deutsche Mark against the US dollar since the beginning of this year works out at just over 19%. In connection with this fresh bout of weakness of the US dollar, new tensions arose temporarily in the European Monetary System as well, but they could be relieved by coordinated measures on the part of the monetary authorities.

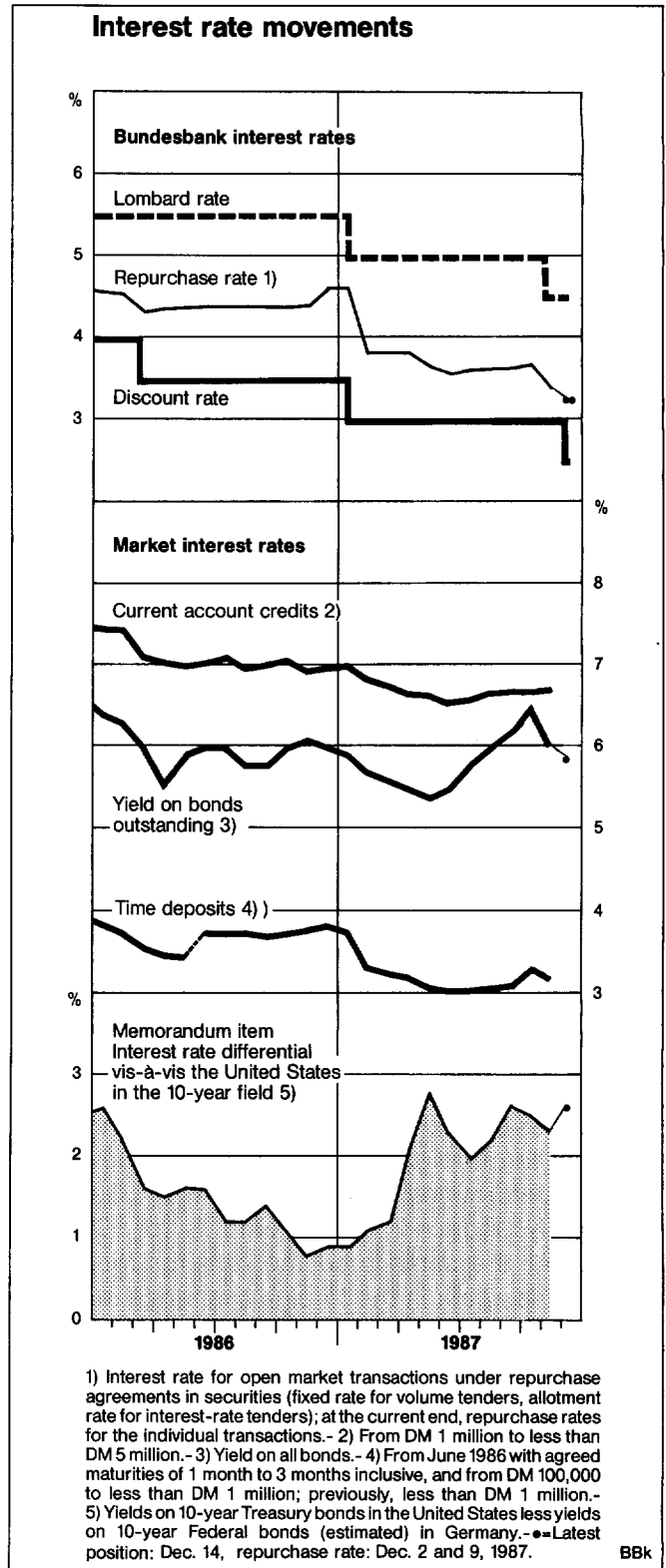
The new situation in the stock and foreign exchange markets raises the question as to how far this has changed the economic outlook. As far as *private consumption* (the mainstay of domestic

demand) is concerned, a significant impairment of the growth originally forecast is scarcely to be expected as a consequence of these events. Households' consumption will continue to be fuelled mainly by the expansion of disposable income; in the year ahead this income will benefit in addition from sizeable tax cuts. The price losses sustained in the stock markets will not perceptibly affect consumers' spending in the final analysis. About 90% of households own no shares and those individuals who do have equities generally keep them in their possession for a relatively long period so that, given the sharp price gains in earlier years, they will probably have achieved gains on balance in many cases even after the recent price losses. Real, i.e. realised, losses in value probably occurred on only a small scale. At all events, there was certainly no panic selling among domestic investors; on the contrary, they seem to have taken over, at a lower price level, large parts of the shares discarded by non-residents.

For *investing non-banks*, price losses in the stock markets are no doubt generally devoid of adverse effects if the enterprises are not immediately obliged to procure additional risk capital by means of new issues. What the enterprises will regard as being more serious, in fact, is the renewed decline in the dollar. It is known from developments towards the end of last year that any such decline may have macroeconomic implications if it has an unfavourable impact on overall sentiment in the economy and thus on expectations for the future. To gain a preliminary idea of investors' response, the Bundesbank commissioned the Ifo Institute to identify project revisions, if any, at the end of November by means of a *survey in the manufacturing sector*. The results of this survey suggest that there have been no radical changes in investment plans for 1988 since the last survey, which took place in the summer. About 20% of the enterprises questioned have revised their earlier investment budgets since the last survey; these revisions are, however, partly negative and partly positive, and just about cancel out. A certain tendency to defer investment projects is apparent among exporting firms, but a tendency to revise plans upwards is discernible among enterprises that are more dependent on the domestic market. Any further depreciation of the dollar might of course weaken exports even more. To this extent, uncertainties and risks to the economy as a whole are still in evidence.

8 The fiscal and monetary policy measures are to be regarded as a counterbalance to dampening influences from abroad. In the field of *fiscal policy* the central, regional and local authorities have accepted the slower growth of tax revenue in the current year and not responded with expenditure cuts. As a consequence the public sector deficits are expanding strongly (for details see p. 27). They will increase further in 1988 since the second stage of the income tax reductions with a volume of about DM 14 billion is coming into effect then. It will primarily benefit private consumption and also promote the external adjustment process in view of the large share of imports in the consumer goods market. In order to strengthen capital spending, the Federal Cabinet decided at the beginning of December that the Reconstruction Loan Corporation should provide low-interest loans totalling DM 21 billion during the years from 1988 to 1990, DM 6 billion of this sum for small and medium-sized enterprises and DM 15 billion for the local authorities. This last-mentioned measure is designed above all to counteract the recent tendency for local authority capital spending to slacken, which it was feared might persist in view of the continuing shortfalls in local authority tax revenue.

Throughout 1987 the basic stance of the *Bundesbank's monetary policy* has been expansionary, as indicated by both the strong growth of the money stock and the low level of interest rates. In the late summer and early autumn it appeared advisable to keep the liquidity of the banking system, which had been boosted by the accumulation of foreign exchange reserves in particular, at a "normal level", and at the same time to allow the allotment rates applied to securities repurchase agreements to follow the very strong upward trend in interest rates in the national and international money and bond markets, in steps that were small and reversible at any time. At the beginning of October the Bundesbank slightly raised (from 3.50 % to 3.60 %) the minimum bidding rate for its repurchase agreements offered in the form of interest rate tenders; after this measure, and given the much stronger demand for central bank money until mid-October, the allotment rate came to 3.85 %, i.e. approximately the same level as in the months from February to April 1987. Compared with the repurchase rates in the period from May to September, this represented an increase of about ¼ percentage point, whereas the yield on bonds outstanding rose by about 1¼ percentage points and money



market rates by up to 1 percentage point during the same months. This upturn in interest rates, in keeping with market trends, can be put down on the face of it to the fact that a massive capital outflow from Germany took place during that period; but the underlying reason is that, following the stabili-

sation of exchange rate relationships after the Louvre accord, interest rate differentials vis-à-vis the dollar were rated more highly again by investors. Other significant factors world-wide were that major commodity prices rose, the growth rates of the global money stock accelerated and inflationary tendencies revived in major industrial countries. Throughout the world this set off a process of rises in interest rates which Germany was unable to evade altogether.

With the world-wide slump in share prices and the renewed downward slide of the US dollar, a new situation arose for the Bundesbank. At first it tolerated a strong increase in the liquidity of the banking system and progressively reduced its own interest rates to historically low levels (for the details see p.11). In addition, it supported the US dollar at times by means of interventions to smooth exchange rates and contributed on a substantial scale with resources of its own to the financing of intramarginal interventions in the EMS. By taking these measures, some of which were closely coordinated with other central banks, the Bundesbank fostered the interest rate reductions in progress in the financial markets and exerted a stabilising influence on the foreign exchange markets. By mid-December the key interest rates in the money market had gone down distinctly, the average yield on German bonds had dropped to just under 6% and – after the discount rate had been reduced to the exceptionally low level of 2½% on December 4 – the banks' lending rates had started to move downwards.

The basically expansionary stance of monetary policy is also reflected in the recent course of the monetary aggregates. As described in more detail below (see the section beginning on p.13), the *money in the hands of domestic non-banks* has continued to expand strongly since the late summer, especially if non-banks' Euro-market deposits and holdings of short-dated bank bonds are included. At the end of October the traditionally defined aggregate M3 was 6½% higher than a year before, while the most liquid aggregates – i.e. currency and sight deposits – grew in the same period at a rate of just over 9%. The sharp turnaround in securities transactions with non-residents has admittedly meant that external payments, taken as a whole, have not imparted any further expansionary stimuli to the domestic money supply since mid-year. However, this

change in trend has curbed the growth of the money stock to only a small extent since bank lending to public authorities and the domestic private sector has increased very sharply at the same time, i.e. monetary expansion has been fuelled instead by domestic lending.

In November too the expansion of the money stock continued in a strong upswing that was once again being buttressed by the foreign sector. The *central bank money stock*, data on which are already available for that month, was 8.2% (annual rate) above the level of the fourth quarter of 1986. It thus overshoot the top edge of this year's target corridor (3% to 6%) by roughly 2 percentage points. The exceptionally high growth rate of the central bank money stock reflects, on the one hand, the economically significant fact that enterprises' and households' cash reserves which are mobilisable without difficulty at any time have expanded particularly strongly in the current year. On the other hand, the underlying trend of monetary expansion in the present year tends to be somewhat overstated owing to the heavy weight (of about 50%) accounted for by the currency component in this major Bundesbank monetary policy indicator. But in spite of this qualification, there can be no doubt that this year too (just as in 1986) the money in the hands of non-banks has increased far faster than the medium-term production potential. The external situation – particularly the appreciation of the Deutsche Mark and the resultant pressure on the domestic price level – has helped to prevent inflationary trends from emerging in Germany. In domestic economic terms, of course, a further period of stable exchange rates would be highly desirable. During this year the Bundesbank has supported this objective, in fulfilment of the various international obligations and agreements, by effecting substantial purchases of foreign exchange. As described more fully elsewhere in this Report, its monetary reserves have risen since the beginning of this year by the equivalent of DM 38.5 billion, or roughly one-half of their level at the end of 1986. This highlights the dilemma between domestic and external stabilisation with which the Bundesbank has had to grapple in 1987, to a greater extent than in the preceding years.

Record of major developments in the money and capital markets in the second half of 1987

July 2

Review of the monetary target for 1987. The Central Bank Council concludes that the target announced last December and providing for an increase of 3% to 6% in the central bank money stock during the period from the fourth quarter of 1986 to the fourth quarter of 1987 should be retained.

July 22

Regular securities repurchase agreements are entered into at the rate of 3.60%. Thus, although the minimum bidding rate is unchanged (3.50%), the allotment rate has worked out marginally (0.05 percentage point) higher, for the first time since mid-May.

August 4

Securities repurchase agreements are tendered at the fixed rate of 3.60%. (Thereafter, up to and including September 9, further repurchase agreements are entered into at the same rate.)

September 23

Repurchase agreements (minimum rate 3.50%) are allotted at the rate of 3.65%.

October 7

Repurchase agreements (minimum rate 3.60%) are entered into at the allotment rate of 3.75%.

October 9

The Federal Government's plan to introduce a 10% withholding tax on interest income as part of the tax reform gives rise to a spate of sales of Deutsche Mark securities, particularly abroad. The yield on bonds issued by the Federal Government, Railways and Post Office rises from 6.38% to 6.58%. Share prices tend to weaken as well.

October 14

Although the minimum bidding rate remains unchanged (3.60%), repurchase agreements are entered into at the allotment rate of 3.85%.

After the announcement of the US trade deficit for August, which, at \$ 15.7 billion, turns out to be larger than expected, prices in the US share and bond markets plummet. The Dow Jones Index drops by 95 points to 2413. The yield on long-term US Government bonds rises by just over 0.3 percentage point to 10.2% (ten-year maturities).

October 15

Interest rates in the German bond market go up by about 0.2 percentage point in response to the previous day's developments in the United States. At the same time the US currency comes under pressure.

October 16

In the United States some statements are publicised which engender doubts in the markets as to the continuation of the Louvre accord of last February. These press reports are reaffirmed at the weekend.

Massive sales of shares in New York; the Dow Jones Index falls by 4 1/2%. Shares are switched on a large scale into Treasury bills and bonds; this results in price rises in the US bond market.

October 19

"Black Monday": prices on the New York stock exchange plunge by 22 1/2%. World-wide slump in stock markets. At the same time the dollar falls temporarily from DM 1.8025 to DM 1.7740. Fears of a further decline in the dollar gain ground. Share prices in Frankfurt drop by 7% while yields in the bond market go up to almost 7% (Federal bonds).

October 20

Record losses registered on the Tokyo stock exchange too (-15 1/2%). Marked price gains in the international bond markets. A new upswing starts in the German bond market as well, with a fall in yields of 0.3 percentage point.

A new securities repurchase agreement at the fixed rate of 3.80%.

October 26

After a short-lived recovery of the dollar, a sustained drop in the rate (to DM 1.7692), followed by further declines later on. German share prices weaken perceptibly and tend to remain under pressure.

October 29

Growing tensions in the European Monetary System. First-ever recourse to the joint financing arrangements for intramarginal interventions in the context of sales of Deutsche Mark by EMS partner central banks.

November 5

The Bundesbank's lombard rate is lowered from 5.0% to 4.5% and a securities repurchase agreement at the fixed rate of 3.50% is announced. At the same time the Banque de France raises its intervention rates in the money market by 1/4 percentage point. Immediately before this, some other European central banks reduce their interest rates. The tensions in the European Monetary System ease distinctly.

November 10

Renewed sharp price falls in several international stock markets and decline in the dollar to DM 1.6530.

November 24

Repurchase rate lowered to 3.25%. Temporary upturn in the dollar rate and marked price gains in German and foreign stock markets.

November 30

The dollar drops to a new all-time low (DM 1.6354). Further share price falls in Frankfurt and in the international stock markets.

December 2

On the initiative of the Federal Government, the Reconstruction Loan Corporation will provide additional low-interest loans totaling DM 21 billion for investments by local authorities and by small and medium-sized enterprises during the period from 1988 to 1990.

December 3

The Bundesbank lowers its discount rate from 3.0% to 2.5%. The central banks of Austria, Belgium, France, the Netherlands, Switzerland and the United Kingdom also reduce their official interest rates. In the ensuing days the dollar temporarily strengthens to just over DM 1.67.

December 4

The Financial Committee of the US Senate approves the packet of measures for reducing the budget deficit and refers it to the plenary session.

December 10

Announcement of the US trade figures for October, which show that the US deficit has turned out much higher than expected. The financial markets' main reaction to these figures is strong pressure on the dollar.

December 14

New all-time low of the dollar, at DM 1.6236.

Money market management and central bank money stock

Between mid-year and the slide in share prices in October monetary trends in Germany had been determined by the world-wide rise in money and capital market rates. In the first half of October, in particular, *key interest rates in the domestic money market* deviated exceptionally widely from the Bundesbank's interest rates, including the rates it applies to securities repurchase agreements. In mid-October longer-term interbank time deposit rates were about 1 percentage point above their level at the end of July. This trend also affected the Bundesbank's allotment rates for securities repurchase agreements, which were offered between the end of September and the middle of October in the form of interest rate tenders (with minimum bidding rates of 3.50 % and 3.60 %). In line with the banks' higher bidding rates, which reflected not least the international tightening of interest rates and which the Bundesbank is bound to take as a basis in the case of "interest rate tenders", effective repurchase rates went up by ¼ percentage point to 3.85 % between the beginning of September and the middle of October. This level virtually meant a return to the interest rates at which the Bundesbank had entered into repurchase agreements at the time of the Louvre accord in February this year.

Upon the collapse of share prices on the international stock exchanges in the last ten days of October (see the section beginning on page 20), there was a sharp reversal in the interest rate trend in the financial markets. The foreign exchange markets responded to the changed situation with increased volatility. With the weakening of the US dollar rate, considerable tensions also built up in the European Monetary System; this led to massive intramarginal intervention and thus to a very generous provision of liquidity by the Bundesbank. Against this background and in order to reduce volatility in the financial markets and ease exchange rate tensions, the Bundesbank lowered its interest rates on several occasions. In the context of coordinated measures by a number of other European central banks, for example, it brought down the lombard rate from 5 % to 4½ % with effect from November 6. Subsequently it reduced the interest rate applied to its securities repurchase agreements (which from the end of October were offered in the form of volume tenders) in two

Interest rate movements in major countries until mid-October and levels at the beginning of December 1987

weekly averages					
Interest rate for	United States	Japan	France	United Kingdom	Federal Republic of Germany
Day-to-day money					
Week ended 1)					
September 6	6.85	3.48	7.19	8.19	3.83
September 13	6.95	3.29	7.13	7.75	3.71
September 20	7.21	3.34	7.47	8.75	3.66
September 27	7.26	3.67	7.48	9.60	3.62
October 4	7.56	3.74	7.54	9.45	3.86
October 11	7.43	3.37	7.64	8.10	3.80
October 18	7.59	3.39	7.70	8.64	3.86
December 13	6.84	4.47	8.19	7.83	3.15
One-month loans					
Week ended					
September 6	6.40	3.94	7.50	9.86	3.90
September 13	6.48	4.00	7.55	9.71	3.96
September 20	6.50	4.03	7.54	9.67	3.96
September 27	6.66	4.23	7.55	9.88	3.95
October 4	6.81	4.36	7.63	10.04	3.95
October 11	6.70	3.97	7.67	9.90	4.04
October 18	6.98	4.06	7.87	9.82	4.11
December 13	6.35	4.84	8.22	8.51	3.66
Capital market yields 2					
Week ended					
September 6	9.18	5.43	10.69	9.89	6.67
September 13	9.42	5.93	10.91	9.91	6.78
September 20	9.42	5.94	10.93	9.88	6.74
September 27	9.46	6.15	11.00	9.82	6.80
October 4	9.60	6.36	11.19	9.92	6.87
October 11	9.75	6.51	11.28	9.91	6.94
October 18	10.13	6.42	11.56	9.96	7.17
December 13	9.14	5.14	10.52	9.55	6.53

1 For the United States, week ended Wednesday in each case. —
 2 United States: yield on US Treasury bonds with remaining period to maturity of ten years. Japan: yield on loan No.90. France: yield on government and government agency loans with remaining period to maturity of seven years and over. United Kingdom: yield on public bonds with remaining period to maturity of 25 years. Federal Republic of Germany: yield on Federal bonds with remaining period to maturity of ten years. BBk

steps from 3.80 % to 3.25 %. Finally, the discount rate was lowered from 3 % to 2½ % with effect from December 4; this is the lowest level ever reached in the 112-year history of German central banking.

In its *liquidity policy management* of the money market, the Bundesbank had to take particular account in the autumn months of the large inflows of foreign exchange. These resulted primarily from the financing of the "intramarginal intervention" undertaken by the partner central banks in the European Monetary System at the end of October/ beginning of November and financed by borrowing from the European Monetary Cooperation Fund (EMCF) (see pages 47-48). In view of the massive scale of the foreign exchange inflows, which were concentrated in a very short period of time, the

12 Bundesbank could not confine itself to absorbing them by a more or less steady reduction in the amounts it bought under repurchase agreements. In fact, it had to shelve plans for an open market operation scheduled for the beginning of November to preclude a sustained oversupply of liquidity to the banking system. With the first two repurchase agreements in December (volume tenders at the rate of 3.25% on December 2 and 9), the usual pattern of three such agreements per month was restored. In addition to securities repurchase agreements, the Bundesbank employed other fine-tuning measures to a major extent only in September, when it provided the banks with central bank balances through shifts of Federal balances to the money market (pursuant to section 17 of the Bundesbank Act).

The adjacent table clearly shows the predominance of the foreign exchange component among the *factors determining liquidity* during the period from September to November. As can be seen, foreign exchange movements at the Bundesbank added a total of DM 17 billion to the central bank balances of the banking system, whereas the other market factors had a contractionary impact. In the course of the ongoing very rapid monetary expansion the banks' liquidity was reduced by the exceptionally sharp rise in current central bank money requirements, which drained a total of DM 2.7 billion. An identical amount was withdrawn from the banking system through the central and regional authorities' cash transactions; the main factor here was the sharp fall associated with the major tax payment date in September. This was followed in the two subsequent months by fairly small inflows of funds to banks from public cash offices. The liquidity effects of the influences shown in the item "Other factors" were on a normal scale, causing a decrease of DM 1.4 billion. In all, market factors resulted in a net inflow to banks of DM 10.2 billion, which was offset by the decline in the amount outstanding under securities repurchase agreements.

The *central bank money stock* continued to grow very vigorously in the autumn. In fact, its growth has tended to gather pace since the late summer. Especially in November, the central bank money stock went up steeply in the wake of the heavy inflows of foreign exchange mentioned before. In November – according to preliminary data – it exceeded the average level of the fourth quarter of

Factors determining bank liquidity* September to November 1987

DM billion; calculated on the basis of daily averages of the months

Item	Sep.	Oct.	Nov. pe	Sep. to Nov. pe
Provision (+) or absorption (–) of central bank balances by				
1. Change in central bank money (increase: –)	– 0.2	– 0.3	– 2.1	– 2.7
Currency in circulation	(+ 0.3)	(– 0.6)	(– 1.5)	(– 1.7)
Minimum reserves on domestic liabilities (at current reserve ratios)	(– 0.6)	(+ 0.3)	(– 0.7)	(– 1.0)
2. Foreign exchange movements (excluding foreign exchange swaps)	+ 1.1	+ 1.5	+ 14.4	+ 17.0
3. Cash transactions of the central and regional authorities (including shifts of Federal balances under section 17 of the Bundesbank Act)	– 6.6	+ 3.0	+ 0.9	– 2.7
4. Other factors	+ 0.2	– 1.3	– 0.3	– 1.4
Total 1 to 4	– 5.5	+ 2.8	+ 12.9	+ 10.2
5. Liquidity policy measures	+ 5.2	– 2.8	– 13.0	– 10.7
– Securities repurchase agreements	(+ 3.3)	(– 1.3)	(– 12.6)	(– 10.6)
– Short-term Treasury bill sales	(–)	(– 0.1)	(– 0.0)	(– 0.2)
– Foreign exchange swaps	(–)	(+ 0.2)	(– 0.2)	(+ 0.0)
– Shifts of Federal balances under section 17 of the Bundesbank Act	(+ 1.9)	(– 1.6)	(– 0.3)	(+ 0.0)
Remaining surplus (+) or deficit (–)	– 0.4	– 0.0	– 0.1	– 0.5
absorbed or covered by				
6. Recourse to unused refinancing facilities (reduction: +)	+ 0.4	+ 0.0	– 0.1	+ 0.4
7. Change in lombard loans (increase: +)	– 0.1	+ 0.0	+ 0.2	+ 0.1
Memorandum items 1				
Unused refinancing facilities	2.3	2.3	2.4	2.4
Lombard loans	0.1	0.1	0.3	0.3
Securities repurchase agreements	34.9	33.6	21.0	21.0
Balance of other assistance measures in the money market ²	1.9	0.3	– 0.1	– 0.1

* For the longer-term trend see pp. 6*-7* in the Statistical Section of this Report. – 1 Levels (in the current or last month of the period). – 2 Transactions under repurchase agreements in bills, short-term Treasury bill sales, foreign exchange swap and repurchase transactions and shifts of Federal balances under section 17 of the Bundesbank Act (net liabilities to banks: –). – pe Partly estimated. Discrepancies in the totals are due to rounding. BBk

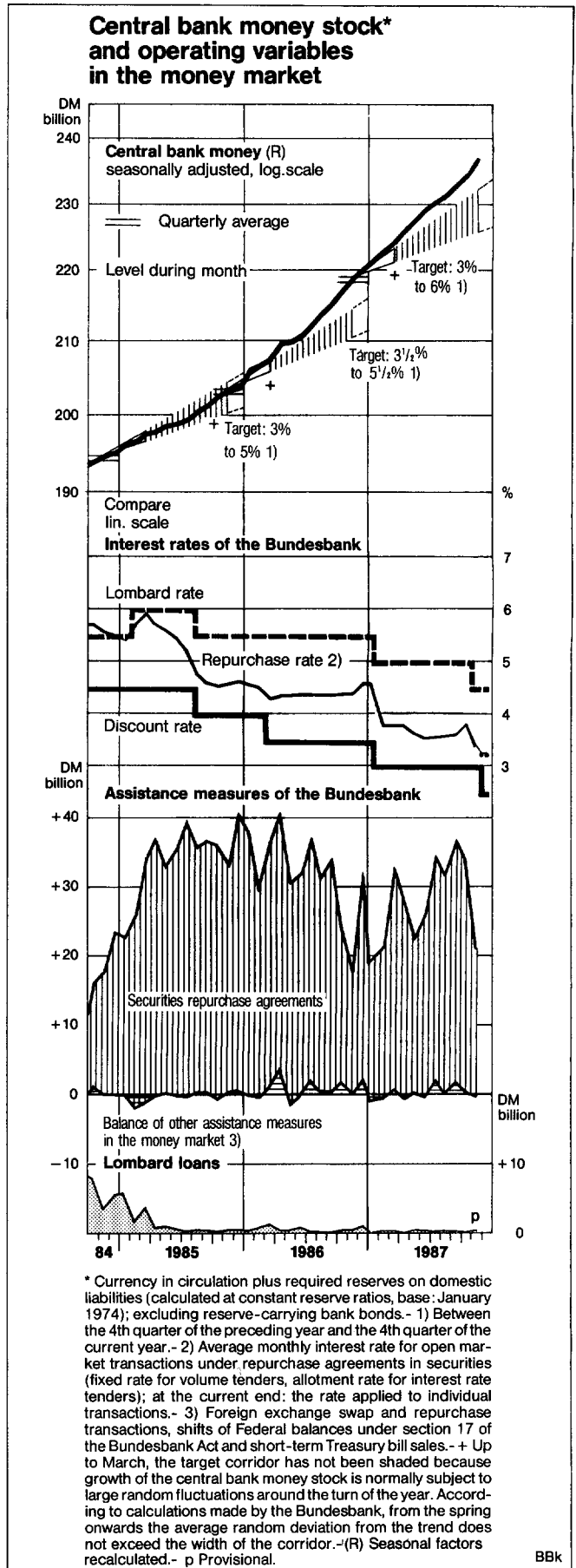
1986 by 8.2% (annual rate).¹ The growth rate is thus perceptibly above the 3% to 6% target corridor (for growth between the fourth quarter of 1986 and the fourth quarter of 1987). Currency in circulation contributed more to the strong expansion of the central bank money stock than did the minimum reserve requirement on bank deposits, even though, among these, sight deposits likewise increased sharply. This is not surprising since during a prolonged period of extremely low deposit rates, such as is now being experienced, non-banks prefer liquid cash balances, as the opportunity cost of holding non-interest-bearing deposits and cash rather than interest-bearing deposits is relatively

¹ The seasonal factors for the central bank money stock have been recalculated in line with the usual practice (for the figures see Table I,3 in the Statistical Section of this Report). The changes from the old values are relatively minor.

low. Owing to the comparatively heavy weight of currency in circulation in the central bank money stock, however, this leads to the underlying tendency of monetary expansion as reflected in the central bank money stock currently being overstated. Even when due account is taken of this particular feature, the fact remains that overall monetary expansion in 1987 distinctly exceeded the real medium and longer-term growth potential of the economy. This is all the more true as just the same applied to 1986. The fact that this has not so far had any adverse effects on prices is mainly attributable to the upward trend of the Deutsche Mark during this period, which – through falling import prices, downward pressure on export prices and the weakness of export business – greatly reduced the scope for domestic price and cost rises. However, these constraints cannot be expected to continue indefinitely, as was demonstrated for instance by price movements in Germany – although, of course, they owed something to other factors too – after the end of the upward pressure on the Deutsche Mark in 1978 and 1979.

Monetary Analysis

A closer look at the growth of money holdings in the hands of domestic non-banks shows – in spite of different statistical definitions – a similar trend, though with a less rapid increase. It should be borne in mind, however, that here – in contrast to the central bank money stock – there are no figures for November. The *money stock in the traditional broad definition M3* (i.e. currency in circulation and sight deposits, time deposits for less than four years and savings deposits at statutory notice held with domestic banks) rose in the three months from August to October at a seasonally adjusted annual rate of 5½%. At the end of October the money stock M3 was 6½% up on the year. The strong growth of currency in circulation and sight deposits between August and October is also reflected in this aggregate. By contrast, the growth rate of savings deposits at statutory notice (seasonally adjusted) declined somewhat. The fall in shorter-term time deposits evident since the spring came to a halt. One reason for this was probably that short-term time deposits attracted higher interest rates in October in the wake of the temporary tightening of rates in the money market and end-of-year influences. Moreover, the marked setback in bond prices in the first half of October presumably induced investors to “park” investible

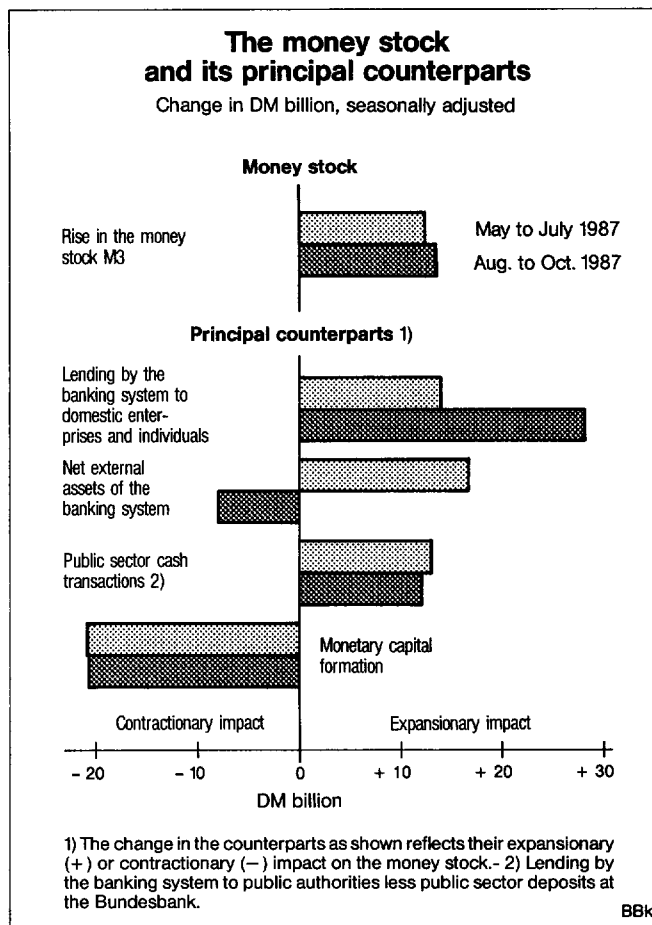


14 funds in time deposit accounts for the time being. In November three-month funds rates were lowered slightly; the banks paid a good 2¾% for amounts of under DM 100,000 during that month. The "basic savings rate" remained unchanged at 2%.

While at the end of October the year-on-year increase in the money stock M3 amounted to 6½% – as mentioned before – and that in the money stock M2 (M3 excluding savings deposits at statutory notice) to 6%, that in the money stock in the narrowest definition M1 (currency and sight deposits) came to just over 9%. The money stock in all definitions has risen faster this year than the nominal production potential (+ 4½%). The "monetary cloak" of the economy thus seems to be rather loosely cut. This impression tends to be intensified if traditional money balances are extended to include domestic non-banks' deposits in the Euro-market and their holdings of short-term bank bonds. In this extended definition, the money stock has been growing slightly more than traditional M3 since mid-year as enterprises have built up their short-term deposits in the money market quite appreciably.

Viewed in the balance sheet context of the Monetary Analysis, between August and October – i.e. essentially in the period before the new spate of foreign exchange inflows into the Federal Republic of Germany – monetary growth was stimulated primarily by buoyant bank lending to the private and public sectors. *Bank lending to the private sector* expanded by DM 29.5 billion between August and October (compared with DM 15.5 billion in the same period of the previous year, when considerable inflows of funds were registered in external payments). Seasonally adjusted and expressed as an annual rate, this is an increase of 7% as against 3½% in the preceding period from May to July. The faster growth was mainly due to the trend in short-term lending to trade and industry. Such lending declined during the period of inflows of funds from abroad which lasted until the early summer. But when in the summer external payments produced an outflow of funds, short-term bank lending, as a substitute for such inflows, increased. In addition, between August and October the banks bought sizeable amounts (DM 3.3 billion) of corporate securities, notably including bonds issued by the Federal Railways and Federal Post Office. In the field of longer-term direct lending, the marked upward

2 In the Statistical Section of this Monthly Report (see Table III, 5, p. 21*) the Bundesbank for the first time presents the figures of the lending commitment statistics, which have been collected in a new form since September this year (as well as the figures on loans promised for housing construction, as collected by the Federal Ministry for Regional Planning, Building and Urban Development). No figures are collected any longer on shorter-term *credit lines*



trend which has been apparent for a number of years continued.

According to the results of the quarterly borrowers statistics, which, of course, only cover the period up to the end of September, bank lending to enterprises (excluding housing) and individuals in particular has increased of late. Bank lending to enterprises grew in the third quarter at a seasonally adjusted annual rate of 7½%. The manufacturing sector borrowed especially heavily from banks. Individuals' demand for consumer credit was even more buoyant. Such lending increased between July and September at a seasonally adjusted annual rate of 9½%. This reflects in particular the very strong demand for passenger cars, which are financed in many cases by bank borrowing. Lending to the housing sector, by contrast, picked up only slightly – at a seasonally adjusted annual growth rate of 4½%.²

The *interest rates* charged on longer-term bank credits at first climbed somewhat in recent months in the wake of the rise which lasted until mid-October in interest rates in the capital market, but

granted and used. For longer-term *loans of fixed amounts and for fixed periods* new promises, out-payments and cancellations are now recorded in addition to the figures hitherto collected on loans promised but not yet paid out. The new statistics thus provide a much more comprehensive picture of the trends in medium and long-term loans promised.

The money stock and its counterparts					
DM billion; change during period					
Item	Year	Aug.	Sep.	Oct. p	Aug. to Oct. p
I. Volume of credit 1	1987	+ 11.4	+ 14.8	+ 17.9	+ 44.1
	1986	+ 2.9	+ 6.2	+ 11.6	+ 20.7
1. Lending by the Bundesbank	1987	- 0.4	- 0.4	+ 0.2	- 0.6
	1986	- 0.3	+ 0.1	+ 4.3	+ 4.2
2. Lending by banks	1987	+ 11.8	+ 15.2	+ 17.7	+ 44.7
	1986	+ 3.2	+ 6.0	+ 7.3	+ 16.5
to enterprises and individuals	1987	+ 8.2	+ 14.4	+ 6.8	+ 29.4
of which	1986	+ 3.8	+ 6.5	+ 5.1	+ 15.4
short-term lending	1987	- 1.0	+ 7.5	- 1.5	+ 5.0
	1986	- 2.4	+ 0.7	- 3.9	- 5.6
longer-term lending 2	1987	+ 7.5	+ 5.9	+ 7.7	+ 21.0
	1986	+ 7.2	+ 5.9	+ 8.4	+ 21.6
to public authorities	1987	+ 3.6	+ 0.8	+ 10.9	+ 15.3
	1986	- 0.6	- 0.5	+ 2.3	+ 1.2
II. Net external assets 3	1987	- 1.3	- 2.3	- 8.3	- 11.9
	1986	+ 9.3	+ 4.2	+ 5.3	+ 18.8
III. Monetary capital formation 4	1987	+ 7.2	+ 5.8	+ 1.3	+ 14.3
of which	1986	+ 5.9	+ 3.3	+ 4.6	+ 13.8
Time deposits and funds borrowed for four years and over	1987	+ 4.2	+ 3.0	+ 3.9	+ 11.1
	1986	+ 3.5	+ 1.6	+ 4.0	+ 9.1
Savings deposits at agreed notice	1987	+ 1.0	+ 0.9	+ 0.4	+ 2.3
	1986	+ 1.5	+ 1.3	+ 1.4	+ 4.1
Bank savings bonds	1987	- 0.5	+ 0.2	- 0.1	- 0.4
	1986	+ 0.6	+ 0.1	+ 0.4	+ 1.1
Bank bonds outstanding 5	1987	+ 2.3	+ 1.3	- 3.5	+ 0.1
	1986	+ 0.2	+ 0.0	- 1.7	- 1.5
IV. Central bank deposits of domestic public authorities	1987	+ 1.9	+ 3.1	- 4.2	+ 0.8
	1986	- 0.7	+ 0.9	- 2.3	- 2.0
V. Other factors	1987	- 9.1	+ 11.9	+ 3.0	+ 5.8
	1986	- 2.2	+ 6.8	+ 5.5	+ 10.1
VI. Money stock M3 6	1987	+ 10.1	- 8.3	+ 9.6	+ 11.4
(Balance: I plus II less III less IV less V)	1986	+ 9.1	- 0.7	+ 9.1	+ 17.5
M2 (M3 less savings deposits)	1987	+ 9.2	- 7.9	+ 8.8	+ 10.1
	1986	+ 7.7	- 1.2	+ 6.6	+ 13.1
M1 (currency and sight deposits)	1987	+ 6.1	- 2.6	+ 3.1	+ 6.6
	1986	+ 0.7	+ 2.2	+ 1.6	+ 4.5
Time deposits and funds borrowed for less than four years	1987	+ 3.1	- 5.3	+ 5.8	+ 3.5
	1986	+ 7.0	- 3.3	+ 5.0	+ 8.6
Savings deposits at statutory notice	1987	+ 0.9	- 0.4	+ 0.7	+ 1.3
	1986	+ 1.5	+ 0.4	+ 2.5	+ 4.4
1 Including lending against Treasury bills and securities. — 2 Excluding lending against securities. — 3 Banks and the Bundesbank. — 4 Excluding time deposits and funds borrowed for less than four years and excluding savings deposits at statutory notice. — 5 Excluding banks' holdings. — 6 Currency, sight deposits, time deposits and funds borrowed for less than four years, savings deposits at statutory notice. — p 1987 provisional.					
Discrepancies in the totals are due to rounding.					BBk

they declined again after the easing of interest rates there. Loans with interest rates locked in for five years cost just over 6¾% on an average in November, while the effective interest rate for mortgage loans locked in for ten years was ¾ percentage point higher and that for variable-rate mortgage loans ⅓ percentage point lower. This was ⅓ to ½ percentage point more than in the

previous trough of long-term interest rates in the early summer of this year; in recent weeks, however, rates have eased further. Short-term lending rates tightened only a little in the autumn months; they are still ranging between 4½% (for bills discounted) and 8⅓% (for credits in current account of under DM 1 million).

Public sector cash transactions continued to have a strong expansionary impact on monetary growth between August and October. The public sector stepped up its bank debt by DM 15.3 billion during this period; this represents a seasonally adjusted increase (annual rate) of some 12%. A substantial part of the new borrowing was accounted for by credit based on the banks' purchases of public bonds (DM 8.6 billion). Just as in the summer months, the buoyancy of bank lending to the public sector, notably in the form of purchases of government paper, was probably associated with the fact that the previously heavy purchases of public bonds by foreigners slackened markedly as from June and eventually gave way in September and October to heavy selling of German government bonds by foreigners. As securities purchases by non-residents, viewed by themselves in the balance sheet context of the Monetary Analysis, are reflected in an increase in the net external assets of the banking system, their replacement by domestic bank loans implies a shift in monetary impulses to the domestic market.

Domestic non-banks' external payments, which had already reversed in the course of the summer, resulted in considerable outflows of funds between August and October. The *net external assets of the banks and the Bundesbank*, a fall in which reflects an efflux of funds in domestic non-banks' external current and capital transactions, decreased by DM 11.9 billion (compared with a rise of DM 14.3 billion between May and July). The fall was particularly steep in October, when foreign investors sold large quantities of German bonds and shares (see pages 17 and 22). The virtual autonomy of monetary growth is evidenced by the fact that these outflows of funds did not significantly curb monetary expansion, but were offset by a corresponding increase in bank lending.

Non-banks' *monetary capital formation* at banks, which had accelerated somewhat towards the middle of the year, slowed down overall monetary

16 growth between August and October. In October, however, when the situation in the financial markets became very unsettled, it declined. In the three-month period under review a total of DM 14.3 billion of longer-term funds flowed to the banks, which was just about as much as a year before. Long-term time deposits (including price-risk-free registered bank bonds) clearly predominated; they grew by DM 11.1 billion. A sizeable amount (DM 1.2 billion) was also added to banks' capital and reserves. The other components of monetary capital formation grew fairly moderately, by contrast. Savings deposits at agreed notice went up by a mere DM 2.3 billion between August and October; the stock of bank savings bonds held by non-banks actually declined by DM 0.4 billion. The amount of bank bonds in the hands of domestic non-banks has remained virtually unchanged in the last three months; an increase in August and September contrasted with a decrease in October, when the price trend in the bond market temporarily turned down markedly (see page 18).

Securities markets

In autumn 1987 the securities markets had to cope world-wide with unexpectedly sharp exchange rate swings, which at times subjected the international financial markets to severe strains. In particular, the stock exchanges registered sudden price falls which far outstripped all previous experience. Within a short period of time German shares lost one-third of their market value and thus dropped to the level of 2½ years ago. Since shares are not of very great importance in households' portfolios in Germany, however, a serious impact on consumption patterns is hardly to be expected. As share issues are of no great significance for the purpose of current corporate financing, either, from this point of view immediate adverse effects on investment behaviour are by no means inevitable. In Germany and also in other highly developed industrial countries, however, these developments have given rise to a certain uncertainty which will probably influence some business decisions.

At the beginning the bearish sentiment in the international share markets also affected the bond markets. Under the influence of the massive international portfolio shifts from shares into bonds, however, the bond markets quickly recovered from their depressed state and, after a phase of rising interest rates lasting several months, once more

experienced a period of steep price increases in the wake of which German bond rates fell below the 6% mark again.

Bond market

The interest rate trend in the German bond market had turned upwards as early as the late spring. The world-wide upturn in interest rates and the simultaneous stabilisation of the Deutsche Mark-dollar exchange rate following the Louvre accord dampened the interest of foreign investors, in particular. But domestic investors, too, were very slow to abandon their "wait-and-see" attitude in the German bond market. Hence by the beginning of August the average yield on German bonds had risen from its trough of May 1987 (5½%) to 6%.

After the upturn in German bond rates, domestic non-banks' propensity to invest picked up perceptibly in August and September. At the same time, however, foreign investors increasingly withdrew from the German market because of the faster rises in interest rates in other financial markets and the associated widening of the yield differential between foreign currency securities and Deutsche Mark paper. German bond prices therefore tended to weaken again until well into October. At the beginning of October the average yield on bonds outstanding, at 6½%, was a full percentage point above the value in the interest rate low of mid-May.

Under these unsettled market conditions, the news of the planned introduction of a withholding tax on interest income led on October 9 to a serious disruption of the market. The consequence was that foreign investors in particular felt a temporary sense of uncertainty. This especially affected Federal bonds, in which foreign investors had been most interested in earlier years. The prices of these securities fell dramatically on the day the tax plans of the Federal cabinet were made public, so that the yields of longer-term bonds rose by 0.2 percentage point. The market situation eased again in the ensuing days, but the initial "jump" in the level of German capital market rates persisted in principle for a while.

After the routine publication (on October 14) of the US trade figures for August, which turned out to be more unfavourable than expected, the international securities markets reacted with price falls along a

broad front, and speculation on a further depreciation of the dollar emerged again in the foreign exchange markets – for the first time after a rather long period of relative stability. The yields on ten-year US Government paper rose by $\frac{1}{3}$ percentage point on that day. The German bond market followed suit, with declines in prices which led to increases of almost 0.2 percentage point in the yield on long-term bonds. But the short-term bond sector, too, was affected to a growing extent by the upward trend of interest rate expectations. In this connection the Bundesbank felt obliged, when settling a pending securities repurchase agreement in the form of an interest rate tender, to take due account of the higher interest rate bids of the market by slightly raising the allotment rate (by 0.10 percentage point p.a.) – an interest rate increase which, however, fell short of those effected at the same time in other countries (see the table on page 11). This could therefore hardly be seen as an autonomous cause of the firming of interest rates in the bond market.

After press reports had appeared which were interpreted to imply that the United States no longer felt bound by that part of the Louvre accord of February 1987 which referred to exchange rates, panic selling of securities was carried out on “Black Monday” (October 19) generating unprecedented price falls in the stock markets. In the German bond market, yields reached their highest level for two years on October 19, at $6\frac{3}{4}\%$. Long-term Federal bonds (those with maturities of over 8 and up to 15 years) yielded $7\frac{1}{2}\%$ at the peak on that day.

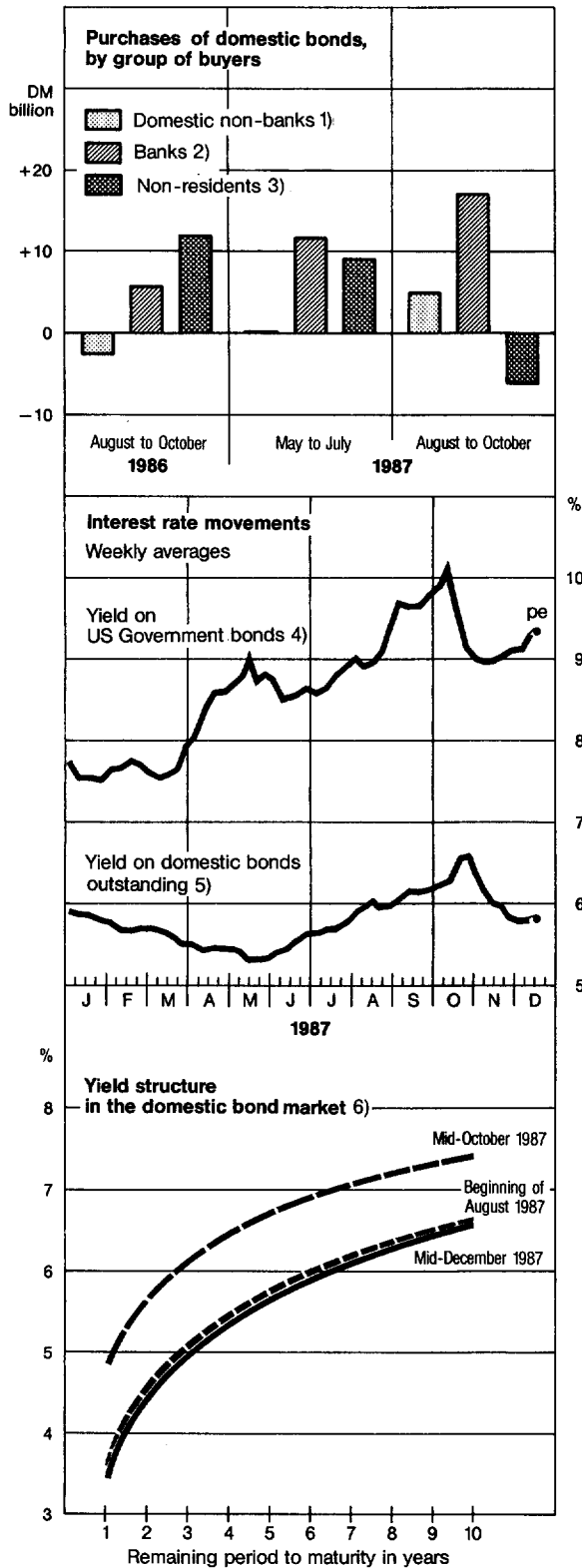
Since then, in capital markets all over the world, there have been switching operations out of shares into bond market paper which have caused sentiment in the bond markets to change rather quickly into a virtual boom. On October 20 alone, the day after the spectacular slump in prices, the yields on the particularly saleable German Federal bonds fell by almost $\frac{1}{3}$ percentage point. Most recently, (mid-December) the yields on long-term Federal bonds have been around $6\frac{1}{2}\%$. Yields at the “short end” of the market, where the measures to ease interest rate and liquidity policy with which the Bundesbank tried to cushion the adjustment process in the financial markets were reflected, declined even more than long-term yields. As a result, the interest rate structure curve has continued to show a particularly steep upward trend of late.

Purchases of bonds

Until mid-October investment activity in the German bond market was marked by the world-wide upswing in interest rate expectations and – to begin with – a rather strong position of the dollar in the foreign exchange markets. Consequently, the funds accruing from purchases of domestic and foreign bonds have been declining steadily since August. After DM 11.5 billion in that month, they halved in September to DM 6 billion, and finally fell in October to DM 2.5 billion. Altogether, the amount raised in the three months from August to October 1987, at DM 20 billion, was one-third less than in the preceding three-month period, albeit more than a year previously (DM 16.5 billion).

The slackening of investments in German bonds was mainly due to *foreign buyers'* withdrawal, first signs of which were evident in spring after the stabilisation of exchange rates and which continued in the months from August to October. As long ago as August, non-residents' purchases in the German bond market virtually ceased to play a role. In September foreign investors reduced their German bond holdings, for the first time since the abolition of “coupon tax” in autumn 1984. They were evidently expecting a further fall in prices in the German bond market as a reaction to the continued strong increase in interest rates in the United States, after the discount rate there had been raised by $\frac{1}{2}$ percentage point at the beginning of September and the interest rate differential between the two markets had widened markedly. There were massive resales by non-residents in October, owing in part – as mentioned – to the announcement of a withholding tax of 10% on interest income, as this tax will also affect non-residents, and thus revive coupon tax for them, although at a lower rate (10% instead of 25%). Non-residents' net sales, amounting to DM 4.4 billion in the whole of October, seem to have been concentrated in the first three weeks of that month; the selling pressure was probably even stronger during that period, because in the last 10 days there occurred the above-described reversal in the bond market. In the entire period under review non-residents sold German bonds to the transaction value of DM 6.2 billion, compared with new investments amounting to DM 9.1 billion in the three months before and purchases of DM 12 billion from August to October 1986.

Conditions in the bond market



1) Residual.- 2) Incl. the Bundesbank; book values.- 3) Net purchases (+) or net sales (-) of domestic bonds by non-residents; transaction values.- 4) Long-term Treasury bonds, excl. "Flower bonds".- 5) Yield on all bonds outstanding.- 6) Regression lines for bonds of the Federal Government, adjusted for coupon effects.- pe Partly estimated.- • = Latest position: Dec. 14, 1987.

BBk

In large part these "refluxes" from abroad seem to have been taken up at first by domestic banks. At all events, *banks* considerably increased their portfolios of domestic bonds in the period under review. This was especially clear in October, when banks took up domestic bonds worth DM 8.2 billion, while total new sales amounted to only DM 2.0 billion net. For the most part these purchases consisted of public bonds, which had formerly been preferred by non-residents. From August to October 1987 the domestic bond holdings of banks (including the Bundesbank) went up by a total of DM 17.1 billion (compared with DM 11.7 billion in the previous period and DM 5.8 billion a year before). DM 10.1 billion of the total amount consisted of public bonds and DM 7.0 billion of bank bonds. At the same time banks slightly reduced their foreign bond portfolios (- DM 0.3 billion).

Domestic non-banks, too, formed a certain counterweight to non-residents' withdrawal from the German bond market. Only in the weak phase of October did they - just like the foreign investors - reduce their purchases in the domestic bond market. In the three-month period from August to October they bought domestic bonds totalling DM 5.1 billion, compared with only a slight increase in their holdings in the preceding period (DM 0.3 billion) and net sales from August to October 1986 (- DM 2.7 billion). On the other hand, domestic investors' interest in foreign bonds, on which their bond demand had largely focused beforehand, slackened markedly in the period under review. The exchange rate risks which have recently become so obvious again have presumably contributed to a certain reassessment of the overall profitability of these generally high-yielding securities. At any rate, German investors' holdings of foreign bonds remained practically unchanged on balance in October, whereas they rose by about DM 2 billion each in the two preceding months. Overall, during the period under review domestic non-banks added DM 4.1 billion of foreign securities to their portfolios; thus, in the period under review their total bond purchases came to DM 9.2 billion, against DM 8.7 billion in the preceding period and net sales amounting to DM 1.1 billion a year previously.

Sales of bonds

Given market participants' highly unsettled state of mind, issuing activity in the German bond

market slackened in the period under review. From August to October *domestic issuers* launched bonds to the market value of DM 54.5 billion; after deduction of redemptions and of the amounts issuers added to their own holdings, net sales came to DM 16 billion, compared with DM 21.1 billion in the previous period. Far more than half of these net sales were effected in August. The decline in sales was particularly marked in the case of bonds of *foreign issuers*. In the period under review they placed securities worth DM 3.8 billion in the German market, compared with DM 10.1 billion from May to July 1987, when especially foreign currency bonds met with rather strong demand in the domestic market.

Among domestic issuers, by far the greatest part of the funds raised was accounted for by the *public sector*, which, at DM 11.4 billion, was responsible for more than two-thirds of the net sales of domestic paper. The vast bulk of this sum (DM 9.4 billion) accrued, as usual, to the Federal Government. It consisted in the main of sales proceeds of long-term bond issues. From sales of special Federal bonds and Federal savings bonds, whose terms were brought into line with market trends several times during the period under review, the Federal Government received DM 0.8 billion net. From August to October 1987 the Federal Railways and Federal Post Office raised DM 1.0 billion and DM 1.4 billion (net), respectively, in the bond market. The Länder Governments, whose borrowing requirements are only one-quarter to one-third smaller than those of the Federal Government, did not take up any funds in the bond market on balance; as is often the case in periods of market tension, the Länder Governments switched to loans against borrowers' notes.

Banks' sales figures reflect investors' changing interests particularly clearly, because they launch their bonds almost entirely in the form of tap issues. Thus in August and September, when interest rates were going up moderately on the whole, they raised DM 3.4 billion and DM 3.3 billion, respectively, from sales of their own bonds. In October, by contrast, when the market was highly unsettled until well into the second half of the month, redemptions exceeded simultaneous gross sales by DM 2.2 billion. In the entire period under review banks were therefore able to sell their own bonds only to the amount of DM 4.5 billion net. Only the lesser part of this sum (DM 1 billion) was

Sales and purchases of bonds						
DM billion						
Period	Sales, total	Domestic bonds 1			Foreign bonds 2	
		Total	of which		Total	of which Foreign Deutsche Mark bonds
			Bank bonds	Public bonds		
1987 May to July	31.2	21.1	7.1	14.1	10.1	1.3
Aug.	11.4	9.7	3.4	6.2	1.6	— 0.1
Sep.	6.1	4.3	3.3	1.0	1.9	0.7
Oct. p	2.3	2.0	— 2.2	4.2	0.3	0.7
Aug. to Oct. p	19.8	16.0	4.5	11.4	3.8	1.3
Compare 1986 Aug. to Oct.	16.5	15.1	5.3	9.9	1.3	1.1
Period	Purchases, total	Residents 3				Non-residents 5
		Total	Banks 4	Non-banks		
				Total	of which Domestic bonds	
1987 May to July	31.2	22.1	x 13.3	8.7	0.3	9.1
Aug.	11.4	11.1	x 5.4	5.7	4.0	0.3
Sep.	6.1	8.2	x 3.1	5.0	2.8	— 2.0
Oct. p	2.3	6.7	x 8.2	— 1.5	— 1.7	— 4.4
Aug. to Oct. p	19.8	26.0	x 16.8	9.2	5.1	— 6.2
Compare 1986 Aug. to Oct.	16.5	4.5	x 5.6	— 1.1	— 2.7	12.0

1 Net sales at market values plus/less changes in issuers' holdings of their own bonds. — 2 Net purchases (+) or net sales (—) of foreign Deutsche Mark bonds and foreign currency bonds by residents; transaction values. — 3 Domestic and foreign bonds. — 4 Including the Bundesbank. — 5 Net purchases (+) or net sales (—) of domestic bonds by non-residents; transaction values. — x Statistically adjusted. — p Provisional.

Discrepancies in the totals are due to rounding. BBk

accounted for by the "traditional" types of bank bonds (mortgage bonds and communal bonds). Banks exploited to a greater extent the possibility of raising resources for general funding purposes by issuing "other" bank bonds.

Private domestic *industrial enterprises* still have direct recourse to the bond market only sporadically. On account of a new issue in summer the outstanding amount of industrial bonds did not decline in the three-month period under review (for the first time for a long while), but rather increased slightly (DM 0.1 billion). For German industrial enterprises, the more attractive segment of the Deutsche Mark bond market still seems to be the market for foreign Deutsche Mark bonds. In the three months from August to October 1987 three

20 German industrial firms raised funds (DM 0.5 billion) in this market sector through bond issues by their foreign financing companies.

Issuing activity in the market for *foreign Deutsche Mark bonds* has slackened since summer, much as in the domestic market. In the months from August to October 1987 foreign borrowers issued Deutsche Mark bonds to the nominal value of DM 3.7 billion, compared with DM 5.8 billion in the three preceding months and DM 8.1 billion a year before. As redemption commitments in the months from August to October totalled DM 3.6 billion, the outstanding amount of foreign Deutsche Mark bonds remained practically unchanged in the period under review. Foreign issuers' marked restraint in the Deutsche Mark bond market by no means reflects any reduced attractiveness of the Deutsche Mark as a debtor currency but has to be seen, rather, against the background of the generally slower pace of the global foreign bond markets. In future the market segment of foreign Deutsche Mark bonds might well become more attractive to debtors and investors, because the yields on bonds issued by non-residents, unlike the interest income from domestic bonds, are not subject to the withholding tax planned for 1989.

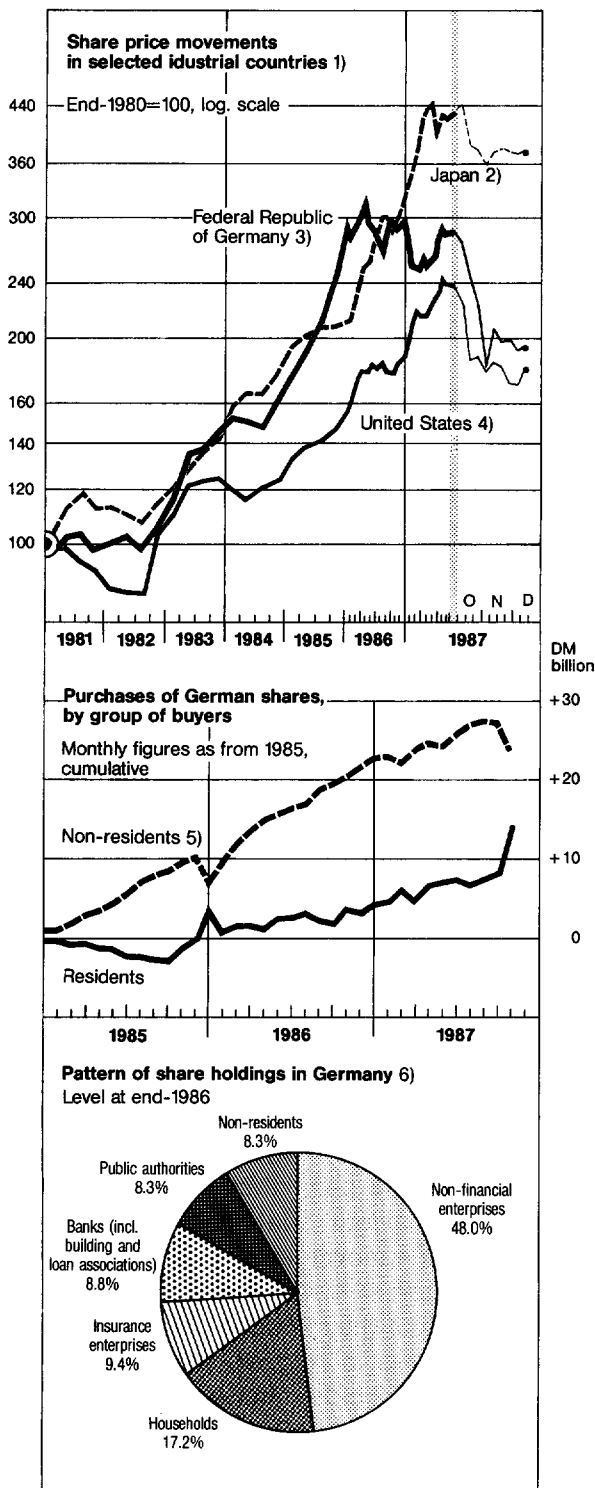
Share market

As mentioned above, the recent turmoil in the international financial markets led to a slump in prices in the German share market too. With large daily fluctuations, the shares quoted on the German stock exchanges lost on an average one-third of their market value within a short period of time, even though private German buyers took advantage of the decline in prices to effect massive purchases of domestic equities. Measured by the index of the Federal Statistical Office (end-1980 = 100), by mid-December, at a level of 194 points, German shares had fallen to the level of mid-1985.

The peak level of prices in the German share market was passed as long ago as April 1986. At the end of 1986 German share prices were 10½% below their all-time high; by mid-October 1987 they had fallen, with fluctuations, by a further 7½%. By contrast, securities prices in the major international stock markets soared repeatedly, not least in connection with the expansionary monetary policy of the major industrial countries,

until "Black Monday" (October 19). Thus, the danger of sharp price falls in these stock markets steadily increased, especially since many market participants were apparently expecting some correction of the preceding speculative exaggerations. Although price movements in the German stock markets in the last few months before the general price adjustment tended to be consistent with the fundamentals, the price losses suffered by German shares were above the international average. Thus, the decline in share prices in the United States and Japan up to the first half of November amounted to about one-fifth, against one-third in Germany. The sharper setback in the German market is mainly due to the fact that in recent years foreign investors have become the predominant group of buyers, with the strongest influence on market trends. Foreign investors, in particular, often seem to see the earnings prospects of listed enterprises, without distinction, in close association with the trends in the international foreign exchange markets and especially with the movement of the US dollar, although only a small part of German exports is conducted with the dollar area (see pages 41-42). At all events, the share prices of the highly export-oriented enterprises registered considerable losses. The German share market's "dependence on the dollar" is not a new phenomenon deriving from recent trends in the stock markets. As early as the first few months of this year pronounced expectations of an appreciation of the Deutsche Mark triggered falls in German share prices which ran counter to international stock exchange trends and were offset to some extent only after the temporary stabilisation of exchange rate movements in the ensuing period. In contrast to the German share market's heavy dependence on non-residents, in the Japanese market for example domestic groups of buyers and, among them, institutional investors and enterprises in the narrower sense play a key role. This may explain why, in spite of a similar exchange rate situation and a price level in the Japanese market which is commonly felt to be unrealistically high, only comparatively small price falls were recorded in the Japanese market. In the case of Germany it must be added that the domestic share market, despite making some progress in the past, is still very narrow by international standards. Major surges of supply and demand, such as result from the portfolio management of institutional investors operating with large amounts of funds, may lead to marked shifts in prices. Such developments are

Conditions in the share market

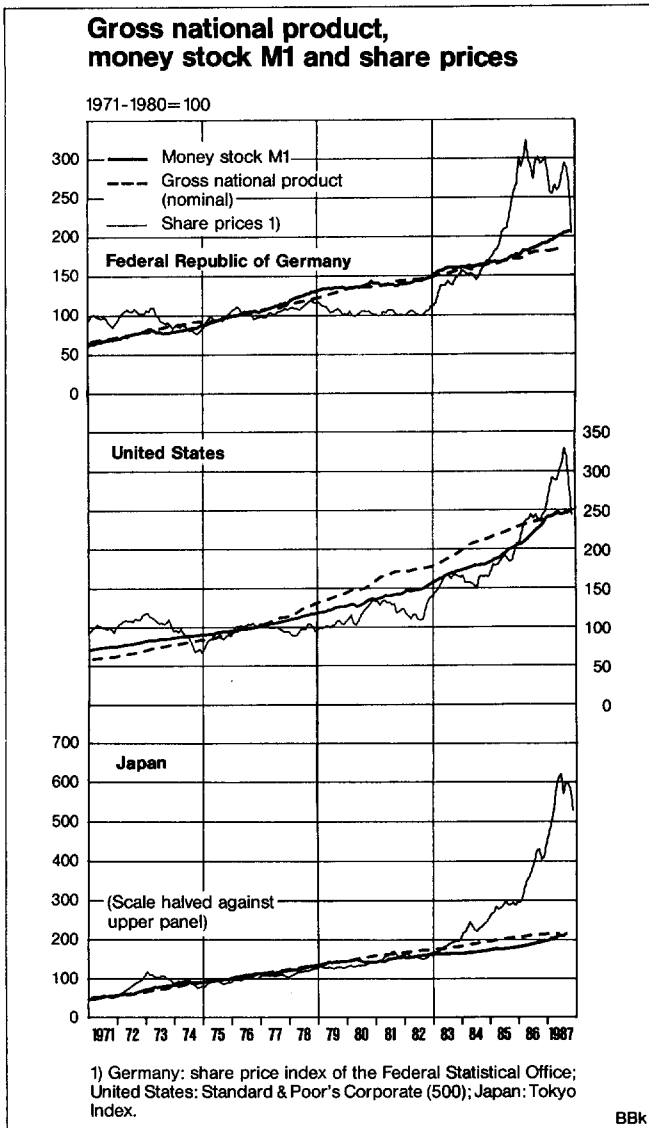


1) Quarterly averages, as from 1986 monthly figures; daily levels of US and Japanese prices extrapolated on the basis of the corresponding FT indices.- 2) Tokyo Index.- 3) Share price index of the Federal Statistical Office.- 4) Standard & Poor's Corporate (500).- 5) Net purchases (+) or net sales (-) of domestic equities (incl. direct investment and investment fund units); transaction values.- 6) On the basis of the Bundesbank's account of financial assets and liabilities, valued at market prices of end-1986.- * = Latest position: Dec. 14, 1987.

BBk

fostered by the fact that in the German share market it is possible to realise transactions within a short period of time, because of a highly efficient settlement system. The German market has therefore at times attracted – partly for technical reasons – the offshoots of the world-wide sales surge.

The statistically heavy price losses of recent weeks have given rise to concern in some quarters as regards their possible impact on the real economy. In particular, commentators have been wondering what their implications for the consumption and investment decisions of households and enterprises may be. The actual, i.e. realised losses of assets in Germany seem, however, to have remained within strict limits. This is suggested by the fact that investment in shares traditionally plays only a minor role in *households'* asset accumulation. In the context of financial asset acquisition, purchases of shares in general only assume importance when other forms of investment which are not or hardly subject to price risks have gained a significance which makes investment in assets more subject to price risks appear justifiable. At the end of 1986 households' share investments, valued at market prices, made up only about 6% of their total financial assets; in Germany only approximately one household in ten holds a share portfolio. A not inconsiderable part of the shares held by private investors seems to be concentrated in major safe custody account deposits, which are held for relatively long periods and whose book losses since the middle of October contrast with the considerable book gains made in previous years. This also applies to a large number of smaller securities deposits, which often contain staff shares which for tax reasons are held on a long-term basis. The strong tendency towards long-term share ownership is illustrated not least by the exceptionally high level of new purchases by domestic private share-buyers during the recent period of crisis, which will be discussed in more detail below. For the rest, when assessing the effects on assets in the private sector it must be remembered that bond prices rose distinctly in parallel to the share price fall. Although the relative increase was much smaller than the price decline in the share market, the significance of bond investments in the overall financial assets of households is far higher; at end-1986, at about 15%, it was more than twice as great as the corresponding weight of share holdings. These discrep-



ancies are even more pronounced in *banks'* portfolios, in which the proportion of shares was only 2½% at end-1986, against a proportion of bond holdings amounting to 14%. This indicates that in general the financial sector, too, is unlikely to exert any significant adverse effects on the real economy.

Nearly half of the share holdings in the German market are accounted for by domestic *non-financial enterprises*. Their share portfolios consist almost exclusively of purchases of participations motivated by business policy considerations; portfolio investments in equities in the context of the financial management of German enterprises are virtually negligible. Changes in the market value of equity participations seem to have very little influence on the propensity to invest. Seen from the financing angle, too, the real repercussions of the price falls in the share market are probably very

limited. The currently depressed price level has, it is true, tended to increase the cost of raising capital resources for enterprises and a number of issues planned for the present year have been postponed under the impact of recent developments. But it is conspicuous that issuing activity has remained relatively buoyant in the last few months, notwithstanding the recent more difficult situation in the German share market. In the period from August to October 1987 domestic enterprises raised new capital to the market value of DM 4.1 billion, no less than DM 2.5 billion of which was in October. In the same three-month period of the previous year the amount enterprises raised in the share market likewise came to DM 4.1 billion; in the months May to July 1987, by contrast, it was only DM 2.3 billion. In spite of the revitalisation of the share market in the last few years, as reflected in these figures, this source of capital has been drawn on so far only by a small – albeit happily growing – number of enterprises. Last year, for instance, share financing made up barely 5% of the overall funding of all enterprises. If only for this reason, it hardly seems likely that short-term price movements in the share market will affect enterprises' longer-term financing and investment decisions. For the rest, in view of the ample liquidity supply and the favourable internal financing situation of enterprises, there is no reason for them to cut back their capital spending because of insufficient funding.

The realisation of price losses might have been of greater significance, at the most, among *foreign investors*. In recent years they have been by far the most important group of buyers of German shares. Quite often, it has been their rather speculative investment behaviour that has given the key stimulus to price movements. In the period under review their interest in German equities lessened perceptibly. While they bought DM 0.5 billion (net) of German shares in August, they reduced their holdings by DM 0.2 billion in September and by as much as DM 3.6 billion in October. The massive foreign resales in October may have been associated with considerable price losses, although these may have been accompanied by exchange rate gains where conversions from Deutsche Mark into dollars were concerned. Major return flows of German equities to the domestic market were recorded, in particular, from the United Kingdom, Switzerland and the United States.

In contrast to this – as already indicated – *domestic non-banks* increased their share holdings vigorously in the period under review, for the first time in a long while. Although precise statistics are not available owing to the differing valuations used in the relevant statistical sources, their net purchases can be estimated at a magnitude of approximately DM 5 billion, almost all of which was concentrated in October. Much the greater part of their fresh buying seems to have been accounted for by domestic paper. Moreover, they bought virtually all the foreign equities placed in Germany during the period under review (DM 0.8 billion). This too implies that serious concern in Germany about the possible adverse effects on assets of the recent share price movements is hardly warranted. On the other hand, it cannot yet be judged today whether the investment propensity of long-term investors who form the “backbone” of a viable capital market, may not have been somewhat impaired by the sharp price fluctuations and the long-term risks posed by investment in shares, which risks have thus become more manifest again.

24 Central, regional and local authorities

Developments since the middle of the year

The tendency towards rising deficits in the budgets of the central, regional and local authorities continued in the third quarter of 1987, the reason being that expenditure increased more sharply, and receipts more slowly, than had been budgeted for. The rise in tax revenue mainly reflected the fact that the growth of income was falling short of the estimates. In addition, however, unexpected burdens on the expenditure side contributed to the higher deficits.

In the third quarter the *deficits* of the central, regional and local authorities amounted to DM 7 billion, against DM 5 billion a year previously.¹ The Federal Government showed a deficit of just over DM 5.5 billion; this was almost DM 1 billion more than a year before. The Länder Governments' deficit in the third quarter, at DM 2.25 billion, was slightly smaller than it had been a year earlier, but this is not in keeping with the trend over the year as a whole. The local authorities, which had recorded a small surplus in the third quarter of 1986, now showed a deficit of DM 0.5 billion. In the first nine months of 1987 the central, regional and local authorities' expenditure exceeded their receipts by DM 27 billion, and thus by just over DM 10 billion more than in the same period of last year.

The rise in the central, regional and local authorities' *expenditure* slowed down (to 3¼%) in the third quarter, after having been particularly sharp (4%) in the first half of the year; this also owed something to shifts in the timing of payments. Looking at the first three quarters of the year taken together, the central, regional and local authorities' expenditure went up by 3¾%. The smallest increase in the third quarter was that for the Federal Government (just over 2½%), while Länder Government spending grew by almost 3% and the local authorities spent 4% more than a year previously.

The driving force behind the expenditure increase, just as in the first half of the year, was spending in the personnel and social sectors. *Personnel expenditure*, the largest outlay item, grew by approximately 4% in the third quarter. This was mainly due to the raising of wages and salaries in the public service by 3.4% at the beginning of the

¹ Besides the figures for the various levels of government specified in the following paragraphs, this also includes the local authorities' income tax shares that have not yet been transferred to them.

Finances of the central, regional and local authorities *

Item	1985	1986	1987	
			1st hf	3rd qtr
DM billion				
Receipts	565.0	587.5	268	141
of which				
Taxes	437.2	452.5	217	118
Profit distribution by the Bundesbank	12.9	12.7	7.5	—
Expenditure	604.3	630	288	148.5
of which				
Personnel expenditure	193.6	202.5	86.5	44
Other operating expenditure	97.3	101	41	22
Social expenditure ¹	115.7	122	63	32
Current grants to enterprises	32.9	34.5	20.5	10
Interest expenditure	56.0	58	32	13
Capital expenditure	52.0	55.5	18	13.5
Financial aid ²	39.4	40.5	17.5	10
Deficit	— 39.3	— 42.5	— 20	— 7
Change from previous year in % ³				
Receipts	+ 4.9	+ 4	+ 1	+ 2
of which				
Taxes	+ 5.4	+ 3.5	+ 2	+ 4
Profit distribution by the Bundesbank	+ 13.9	— 2	— 29	x
Expenditure	+ 3.3	+ 4.5	+ 4	+ 3.5
of which				
Personnel expenditure	+ 3.7	+ 4.5	+ 4.5	+ 4
Other operating expenditure	+ 4.4	+ 3.5	+ 3.5	+ 2
Social expenditure ¹	+ 3.0	+ 5.5	+ 6	+ 5
Current grants to enterprises	— 0.4	+ 4.5	+ 12	— 4
Interest expenditure	+ 4.5	+ 3.5	— 0	— 0
Capital expenditure	+ 5.3	+ 7	+ 3	+ 3
Financial aid ²	— 3.9	+ 3	+ 1	+ 1

* The figures shown here are largely in the budgetary definition. The annual figures, unlike the quarterly ones, also include hospitals keeping commercial accounts. The figures are partly estimated. — 1 Current grants to households and social security funds. — 2 Investment grants, loans and acquisition of participations. — 3 The changes calculated on the basis of provisional figures for the period from 1986 onwards have been rounded to the nearest half percentage point. The rates of change in the first half of 1987 have been adjusted for the payment ahead of schedule, in the preceding year, of Federal grants to the statutory pension insurance funds. BBK

year, but the number of employed persons also appears to have risen further by comparison with last year, notably among the local authorities. *Social expenditure* went up even more steeply; between July and September it was 5% higher than a year before. Especially the sums spent on social assistance grew very vigorously again. Substantial additional burdens were also imposed on the budgets by the baby allowance introduced at the beginning of 1986, a contributory factor here being the not inconsiderable rise in the birth rate in Germany last year. By contrast, somewhat less than a year previously was spent on children's benefits, because the high-birth-rate years are now "growing out" of these benefits. Expenditure on unemployment assistance was somewhat higher than a year before; here the increases in benefits

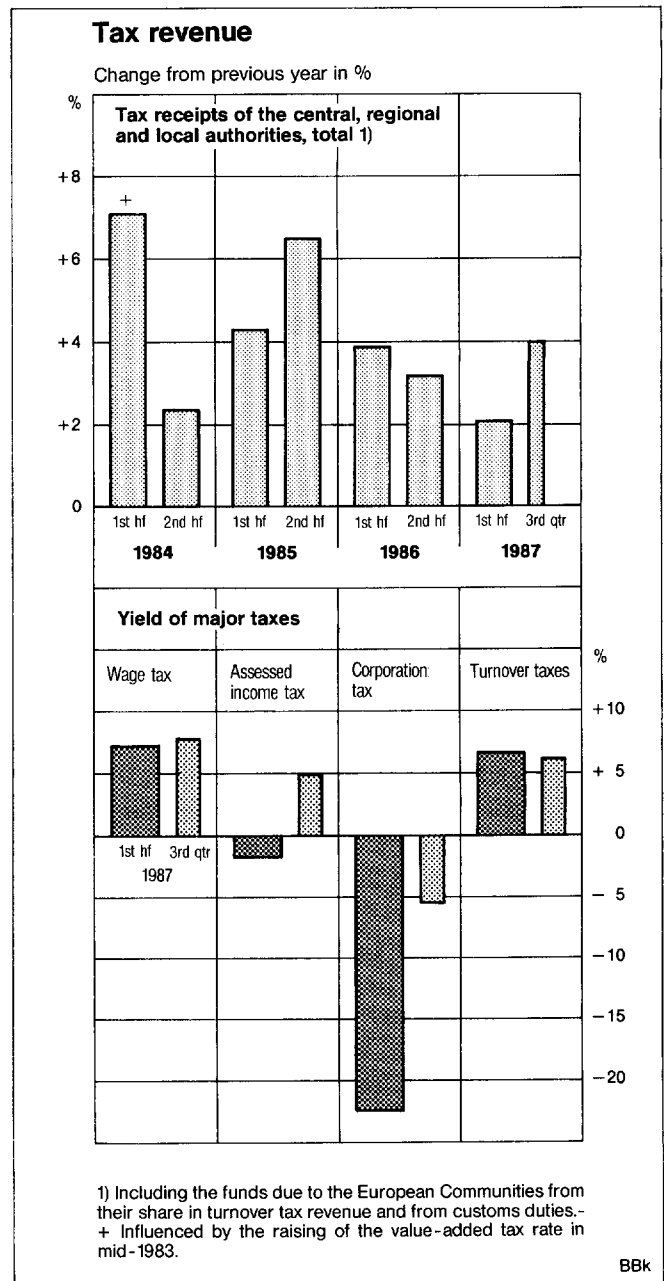
in keeping with the development of income were partly offset by a slight decline in the number of recipients. In this context the extension, from mid-1987, of the periods of entitlement to the unemployment benefits paid by the Federal Labour Office began to take effect, as a result of which fewer persons had to rely on the (lower) unemployment assistance which is subsequently granted in cases of need.

Among the remaining expenditure items, *other operating expenses* grew only moderately (+ 2%) in the third quarter; the main reason for this was, however, that smaller amounts than a year previously flowed out for defence procurements, which fluctuate considerably in the course of a year. *Interest expenditure* was virtually static at last year's level, despite the rise in indebtedness. A major reason for this, besides the particular position of the payment dates, was that interest rates had declined further in 1986 and that the loans due for repayment could for the most part be refinanced at substantially lower cost.

The central, regional and local authorities' *capital expenditure* rose only moderately (after the rapid growth recorded in 1986); in the third quarter it was barely 3% above the corresponding 1986 figure. The fact that the public authorities (mainly the local authorities) have placed fewer construction orders since the beginning of 1987 than they did last year (see page 35) naturally only affects expenditure with a time lag.

The *receipts* of the central, regional and local authorities in the third quarter of this year were 2% higher than a year before. The main reason for this relatively low growth is the fact that the receipts for the third quarter of 1986 had included an instalment of DM 2.4 billion from the Bundesbank profit for that year; in the current year, the substantially lower profit was transferred in a single sum in April. By contrast, *tax revenue*,² the most important source of receipts, rose by 4%; it thus increased significantly more sharply in the third quarter than in the first half of the year, when special factors had dampened the growth of revenue. Including the October figures, tax yields expanded a little more sharply still after the middle of the year.

Among income taxes, receipts of *wage tax*, which is deducted at source, rose particularly steeply (by



almost 8%) in the third quarter. This was mainly a reflection of this year's wage and salary increases, which are again fully subject to the progressive nature of the tax scale; last year the growth of wage tax receipts had been lessened by the first stage of the tax cuts. The progressive structure of the income tax scale also affected *assessed income tax*, which in the third quarter yielded 5% more than a year previously. These receipts would actually have risen substantially more in the third quarter if the refunds to employees liable to assessment (which reduce the assessed income tax yield) had not grown especially vigorously in that period. Receipts of *corporation tax* in the third

² Including the customs duties and turnover tax shares transferred to the European Communities.

Net borrowing in the market by the central, regional and local authorities				
DM billion				
Period	Total	of which		Memorandum item Acquisition of Government bonds by non-residents
		Securities	Borrowers' note loans ¹	
1980	+ 52.5	+ 1.1	+ 52.4	+ 22.0
1981	+ 74.7	— 1.1	+ 76.2	+ 25.2
1982	+ 72.6	+ 31.6	+ 41.3	+ 12.5
1983	+ 56.8	+ 33.3	+ 23.9	+ 15.3
1984	+ 44.2	+ 29.4	+ 15.1	+ 10.1
1985	+ 45.4	+ 38.3	+ 7.5	+ 17.6
1986	+ 38.0	+ 49.7	— 11.3	+ 35.7
1986 1st half	+ 9.7	+ 19.3	— 9.4	+ 18.4
July-October <i>pe</i>	+ 14.2	+ 17.3	— 3.1	+ 9.6
1987 1st half	+ 20.9	+ 28.1	— 7.0	+ 20.3
July-October <i>pe</i>	+ 18.6	+ 14.5	+ 4.2	— 4.3

¹ Including cash advances. — *pe* Partly estimated. BBk

quarter, unlike those of wage tax and assessed income tax, were 5½% below the level of the corresponding period of last year; thus the decline apparent since the middle of 1986 continued. This was chiefly because the advance payments were smaller, presumably owing to the slightly less favourable profitability of a number of enterprises; on the other hand, the final payments for earlier years have apparently started to rise somewhat again recently. *Trade tax* showed similar tendencies to corporation tax; in the third quarter it yielded 4½% less than a year before.

Turnover tax revenue grew strongly, exceeding the figure of the same period of last year by just over 6% in the third quarter. This was primarily a result of the continuing upward trend of private consumption (the main element in the basis of assessment of turnover tax revenue), but it no doubt also owed something to special influences; at all events, the receipts of this tax rose more sharply than would have been consistent with the growth of private consumption.

To finance their deficits the central, regional and local authorities again had to draw relatively heavily on the credit markets after the middle of the year, when market conditions initially were tight for the most part. In the third quarter *new borrowing* amounted to DM 11 billion. After massive borrowing in July and August, however, loans were repaid on balance in September, when the major

tax payment date eased the financial position of the public cash offices. In October borrowing was facilitated by the decline in interest rates which began in the second half of the month; not least for this reason, new debt was particularly high in that month, at DM 7.5 billion.

Between July and October the *Federal Government* raised just over DM 11 billion in the market; this roughly corresponded to the deficit it had to finance. The *Länder Governments* borrowed DM 6.5 billion net in that period. In addition, as always at that time of the year, the *Länder Governments* resorted to the cash reserves they had formed earlier by precautionary borrowing. The *local authorities'* new debt in the four months in question may be estimated at just over DM 1 billion.

The *pattern of borrowing* was mainly determined by the not exactly favourable capital market situation up to the middle of October. Once again, more borrowers' note loans were taken up, as had been the case in previous periods of market pressure: whereas borrowers' note loans were redeemed on balance in 1986 and the first half of 1987, the central, regional and local authorities raised DM 4 billion net by this means between July and October 1987. Notably the *Länder Governments* (as well as the local authorities) used this instrument, while the Federal Government on balance further reduced its liabilities deriving from such loans. In the context of securities-based indebtedness, greater significance than before attached to sales of fairly short and medium-term paper. DM 4.5 billion net was obtained by selling medium-term notes. Furthermore, two-year Treasury discount paper to the amount of almost DM 1 billion was issued by tender by the Federal Government, for the first time this year. Bonds continued to be the most important source of funds, however, accounting for roughly one-half of the central, regional and local authorities' net new borrowing in the four months under review. With three bond issues, each of DM 4 billion, the Federal Government raised DM 9.5 billion, after taking account of price-support operations and redemptions. Apart from a small issue by Land Berlin, the *Länder Governments* had no recourse to bond issues between July and October. Sales of Federal savings bonds yielded DM 0.75 billion net in that period, while the outstanding amount of five-year special Federal bonds fell by approximately DM 1 billion, despite brisk sales at

times during phases of declining interest rates, because heavy redemptions had fallen due.

Expected budgetary results for the whole of 1987

In 1987 as a whole the budgets of the central, regional and local authorities are likely to show substantially less favourable results than in 1986. Viewed from the present perspective, the *deficits*, at an estimated DM 53 to 55 billion, will probably be just over DM 10 billion higher than they were last year, when they amounted to DM 43 billion (under the impact of the tax reduction, they had already risen by DM 3 billion in 1986). According to the budgetary plan, by contrast, the central, regional and local authorities' deficits were supposed to decline slightly in 1987. In assessing the overall public sector budget, moreover, account must be taken of the fact that the social security funds' surpluses are declining in the current year.

Judging by the trends so far this year, the central, regional and local authorities' *expenditure* in 1987 will in all likelihood exceed last year's level by 3½% to 4%, whereas the budgets had envisaged a limitation of the increase to approximately 3%. Thus, for the third successive year the rise in expenditure has overshot the 3% limit recommended by the Financial Planning Council as a medium-term guideline, even though price movements have not exerted any pressure towards expanding government spending: the prices of the goods purchased by the government have remained virtually unchanged. The budget figures look likely to be overshot by both the Federal Government and the Länder Governments. In the case of the Federal Government, it is notably the social benefits, such as the baby allowance introduced in 1986 and unemployment assistance, that are requiring heavier expenditure than planned. Besides, the Federal Government is having to spend more than budgeted for on guarantee commitments, mostly because the claims of German exporters secured via "Hermes" are proving uncollectable as a result of the debt crisis persisting in many countries. Savings may result in a number of items, but these have already been anticipated by entering a general expenditure cut in the 1987 budget. Under these circumstances it may not be possible to absorb in full the above-mentioned and other additional burdens. The Federal Government is therefore expecting its expenditure to increase by about 3% in the current year. At the Länder Government

level, too, the appropriations will probably be exceeded in a number of expenditure items, and in most instances it is apparently not proving possible to economise sufficiently to achieve the overall spending cuts which have been included in the budgets here, too. For the whole of 1987 the growth of Länder Government expenditure will presumably come to about 4%. An expenditure increase of roughly the same magnitude as that of the Länder Governments is also in prospect for the local authorities. Originally the local authorities had intended to expand their spending by as much as 4½%; as the year proceeded, however, they endeavoured to curb the growth of their expenditure. As the burden of social assistance continued to mount sharply, the local authorities began to cut down most on their capital spending. The increase in expenditure on social assistance hits the local authorities particularly hard inasmuch as they can hardly influence this expenditure on their own, and they receive no adequate financial compensation for the additional cost.

In the current year the *receipts* of the central, regional and local authorities will grow substantially less vigorously than their expenditure, i.e. only by about 2%, and hence also less than envisaged. The main reason for this is tax revenue, which according to the official tax estimate of November 1987 will be DM 10.5 billion lower this year than was forecast a year ago. Compared with last year, tax receipts will in all probability grow by only 3½%, although 1987 is a year without tax cuts and the progressive income tax scale is therefore taking full effect again. On the other hand, corporation tax revenue is declining. A significant special factor is that in 1986 heavy receipts flowed in owing to the sale of a large industrial holding, but that some of these payments had to be refunded in 1987. The other receipts were particularly affected by the fact that the Bundesbank's profit transfer was considerably smaller in 1987 than in 1986; this, however, had already been taken into account in the Federal budget.

Budget plans for 1988

The rise in the deficits in the central, regional and local authorities' budgets will continue next year. The crucial reason is the entry into force of the second stage of the 1986-88 tax cuts, which, in order to give a stronger stimulus to economic growth, has been raised to approximately DM 14 billion by

28 bringing forward part of the tax reform planned for 1990. According to the latest tax estimate, given an increase of 4% in nominal GNP, tax revenue will go up by fully 2½% in 1988; the relative tax burden (the overall tax ratio) is, however, declining, viz. to an estimated 22.8% of GNP as against 23.1% in 1987 and as much as 23.7% in 1985. The budget plans of the Federal and Länder Governments for 1988 (more details of the local authorities' plans will not be known until the beginning of next year) are characterised by their endeavours to keep the expansion of the deficits within strict limits, as far as possible, by means of spending restraint. Even if the central, regional and local authorities, taken as a whole, adhere to the medium-term guideline for the growth of their expenditure next year, and if receipts develop as envisaged, the deficits in 1988 will reach almost DM 60 billion, i.e. nearly 3% of GNP. This is a level which, when planning the tax reform, had not been expected to be reached until 1990, when the third, and for the time being final, stage of the programme of tax cuts will come into effect. The present budget plans are, moreover, still subject to considerable risks, some of which are already materialising in terms of cause (e.g. in view of the payment commitments to the European Communities), but cannot yet be quantified. Thus, the central, regional and local authorities are faced all the more with the necessity of exercising discipline in their spending behaviour in 1988 and the succeeding years. Allowance must also be made, however, for the possibility of higher deficits being incurred at times for cyclical reasons, owing to the slower growth of receipts or unavoidable extra expenditure. Acceptance of such a cyclical deterioration would be indispensable in order not to reinforce recessive tendencies. This would also be the more justifiable since it would not in itself imply the abandonment of the medium-term basic orientation of financial policy.

At the beginning of December the Federal Cabinet (partly in order to support the international endeavours to reduce external disequilibria) approved some growth-promoting measures, over and above the tax cuts, with a view to strengthening investment activity. By these measures the Reconstruction Loan Corporation is to be enabled, in addition to its present programmes, to offer low-interest loans totalling DM 21 billion in the years from 1988 to 1990. Under this scheme the local authorities are to be permitted to draw down long-term loans amounting to DM 15 billion with maturities of

twenty years, to assist them in financing their capital projects; the cost of the interest rate reduction of up to 2 percentage points below the market rate for the first ten years is to be met out of the Federal budget. This will not impose much of a burden on the Federal budget to begin with; later on, when the amount of DM 15 billion is fully drawn down, the Federal Government will temporarily have to provide up to approximately DM 300 million a year. The costs for the entire duration of the subsidies are estimated at DM 2.6 billion. In addition to this, the Reconstruction Loan Corporation will increase its loan programme for small and medium-sized enterprises by DM 6 billion; in this case the cost of the lower interest rates will be met out of the Corporation's own earnings. The Corporation is able to do so because it pays no tax on its earnings and, pursuant to the special Reconstruction Loan Corporation Act, is not required to distribute dividends to its shareholders (the Federal Government has an 80% share, and the Länder Governments have a 20% share, in the Corporation's capital). It is also envisaged that the Federal Post Office will increase its investment by DM 1.5 billion in 1988 against 1987.

The *1988 budget of the Federal Government* was approved by the Bundestag at the end of November. Virtually no alterations were made during the budget deliberations to the overall framework submitted along with the Government draft. The spending volume, at DM 275 billion, is, as before, 2½% higher than the amount envisaged for 1987; as the estimates for 1987 will presumably be slightly exceeded, the increase over the actual figure will no doubt be somewhat smaller. The financial deficit is put at DM 30 billion according to the budget; it is thus slightly higher than the amount now expected for 1987 (DM 28 to 29 billion). Some not inconsiderable changes in comparison with the draft were made, however, on both the expenditure and the receipts sides. The appropriations for unemployment assistance and for the baby allowance had to be increased. By way of compensation, cuts in personnel and non-personnel administrative expenditure were approved, and an – admittedly small – general expenditure reduction was included in the overall budget. On the receipts side, Federal Government tax revenue was estimated almost DM 0.5 billion lower than in the draft budget, in accordance with the latest tax estimate. Furthermore, higher supplementary grants to Länder Governments in a weak financial

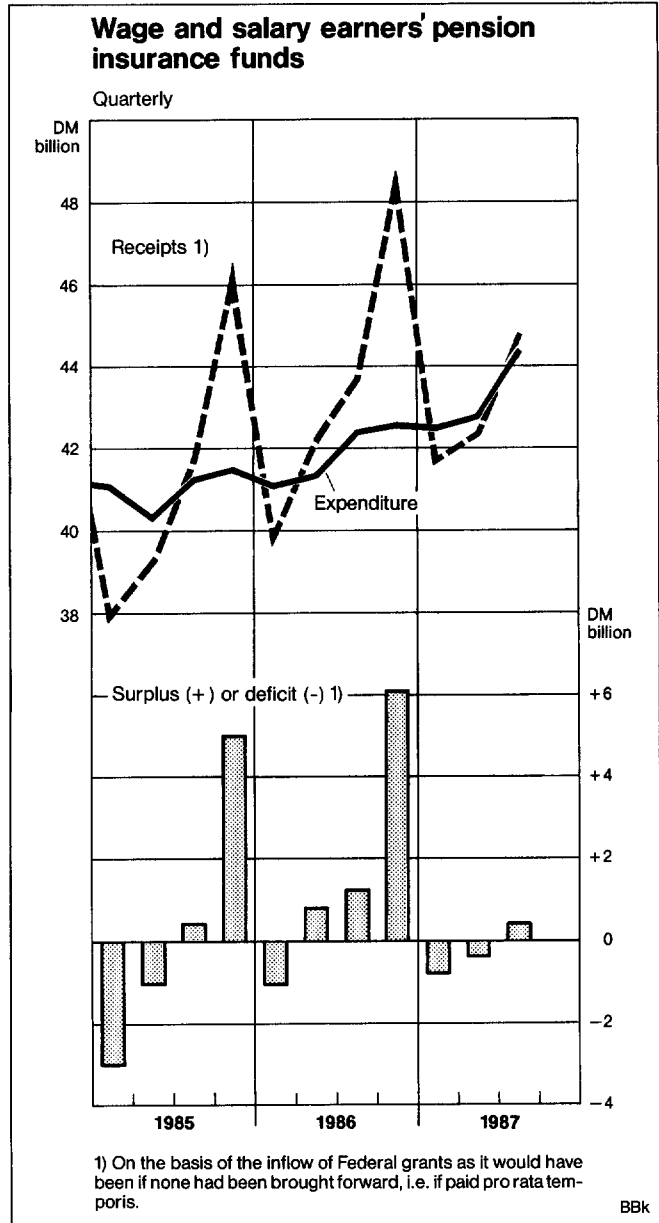
position have been agreed in the meantime; in the Federal budget they will be posted to the debit of tax receipts. A larger amount than in the draft has now been entered for privatisation proceeds, however, because the sale of the Volkswagen shares owned by the Federal Government has been postponed to 1988.

Expenditure at *Länder Government level* is expected to rise by 2½%, according to the draft budgets or policy decisions now available for seven Länder Governments. In the latest official tax estimate, the growth of Länder Government tax revenue is put at just the same rate. This means that the deficits would at the most expand slightly by comparison with 1987, when they will presumably come to just over DM 20 billion. A precondition for this is, however, that the expectations on the receipts side are fulfilled (which depends primarily on the course of economic activity), and that, in contrast to 1986 and 1987, the envisaged spending limit can be adhered to.

Social security funds

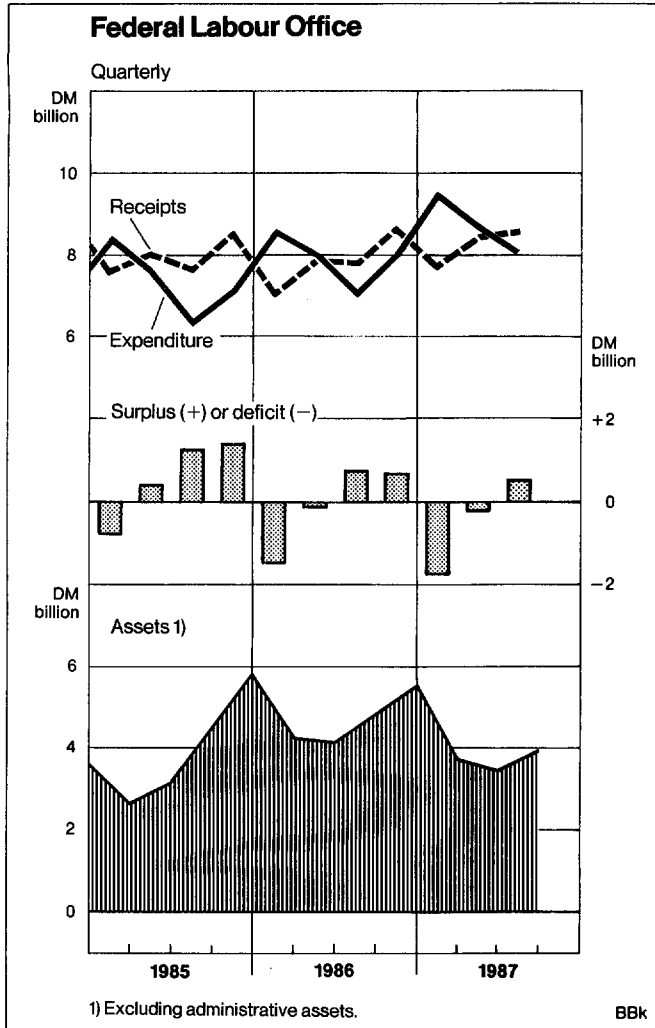
In the current year the finances of the social security funds as a whole are no longer as favourable as they were in 1986. The three major social security sectors with which the following paragraphs deal in the aggregate showed a surplus of DM 1.25 billion in the third quarter, but this was DM 0.5 billion less than a year previously. Expenditure grew sharply again; in the third quarter it was over 5% higher than a year earlier. Receipts increased by 4½%. They thus grew more rapidly than eligible income because the contribution rates to social security as a whole were above the preceding year's level.

The surplus which the *wage and salary earners' pension insurance funds* recorded in the third quarter, at DM 0.4 billion, was DM 0.8 billion below last year's level. This was mainly because the contribution rate, which had been raised to 19.2% of wages and salaries for the period from June 1985 to December 1986, was brought down to 18.7% again at the beginning of 1987. The inflow of compulsory contributions, the prime source of receipts, was therefore only 1¼% higher than a year previously. The general Federal grant to the pension insurance funds, which rises every year in line with the growth of average gross earnings over the three preceding years, increased by just over 3%.



Altogether, receipts went up by 2½% in the third quarter.

Expenditure, in contrast, increased by 4½%. Pension payments required 5% more funds than a year earlier, as pensions were raised by 3.8% from July 1, 1987 in keeping with the upturn in average wages and salaries in 1986 and as the number of current pensions grew by 1½% within the year. On the other hand, the grant which the pension insurance funds pay towards pensioners' health insurance contributions declined further, it is true, because pensioners' own share in their contributions was raised by 0.7 percentage points to 5.9% of the pension in mid-1987; the final stage of the gradual participation of pensioners in the financ-



ing of their health insurance contributions, as decided by Parliament in 1982, has thus been reached. Since mid-1987 the payments pensioners receive from the pension insurance funds have on balance been 3% higher, after an increase of just over 2% a year previously; given the stable price level (between January and September 1987 the price index ascertained for the households of pensioners and social assistance beneficiaries actually declined somewhat by comparison with the preceding year) this implies a perceptible improvement in real terms.

In 1987 as a whole the pension insurance funds will in all probability record a surplus of DM 3 to 4 billion, despite the lowering of the contribution rate at the beginning of the year and the higher pension adjustment in mid-year. Under these circumstances the fluctuation reserves, which corresponded to 1.5 months' expenditure at the end of 1986, can be increased to 1.8 months' spending.

The surplus is, however, no longer as high as it was in 1986.

The development of the finances of the *Federal Labour Office* in the last few months has been characterised by additional burdens. For one thing, extensions of benefits in the context of unemployment assistance entered into effect on July 1. The period of entitlement, relative to the preceding employment periods, was extended, as were the maximum payment periods (graduated according to the beneficiary's age). For another, the renewed slight rise in unemployment had an impact; since June 1987 the number of those registered as unemployed has been above the level of the same period of last year. In the four months from July to October the Federal Labour Office consequently had to spend 13% more than a year previously on unemployment payments, after such expenditure had been only 2% up in the first half of the year. Substantially higher expenditure on short-time working benefits was added to this. Spending on vocational assistance likewise rose sharply again (+ 18%), though not to the same degree as in the first half of the year (+ 25%). Altogether, between July and October the Federal Labour Office spent 14% more than in the corresponding period of last year. On the other hand, receipts also grew vigorously, i.e. by 10%, due to the raising of the contribution rate, from 4.0% to 4.3% of eligible income, at the beginning of the year. The deterioration of the Office's finances therefore remained within bounds: the surplus which is usually recorded at that time of the year amounted to DM 0.5 billion between July and October, against DM 0.8 billion a year earlier.

In view of the Federal Labour Office's expenditure of roughly DM 36 billion in the whole of 1987, the deficit, which came to DM 0.25 billion in 1986, is likely to expand to DM 1 to 1.5 billion this year. The financial prospects for the year ahead must likewise be rated unfavourable. Substantial additional burdens loom on the expenditure side because the improvement in unemployment benefits will then be in effect over a full year. Besides, the Bundestag has approved a package of further statutory measures which extend the arsenal of labour market policy instruments and transfer to the Federal Labour Office functions that have so far been financed by the Federal Government. The associated extra expenditure will come to almost DM 1 billion; all in all, the expenditure in 1988 has been

estimated by the Board of the Federal Labour Office at DM 39.5 billion. In this situation the deficit next year will be significantly higher than it was in 1987.

The *statutory health insurance institutions* registered a surplus of DM 0.25 billion in the third quarter of 1987, whereas a deficit of the same size had been incurred a year previously. The main reason for the better result was that many health insurance institutions raised their contribution rates noticeably, especially at the beginning of 1987, to close the wide gaps which had developed between their receipts and expenditure. The average contribution rate in the third quarter, at 12.7 %, was therefore 0.5 percentage point higher than a year earlier. Their finances can only be stabilised, however, if the health insurance institutions' expenditure no longer increases more sharply than what is known as "basic total pay", i.e. the wages and salaries underlying contribution payments. So far this condition has not been fulfilled. In the third quarter basic total pay grew by not quite 3 %, while expenditure was almost 4 % higher than a year earlier; this result was similar to that of the first half of the year.

As before, the major spending items showed very diverse trends. If the first nine months of this year are viewed as a whole, expenditure on medicaments – mainly that on miscellaneous therapeutical treatment and aids (massages, therapeutical baths, spectacles, etc.) – went up steeply (by 6½ % and 8 %, respectively); the health insurance institutions also had to spend substantially more than a year previously (+ 5 %) on in-patient hospital treatment. Expenditure on treatment by doctors increased by only 3 %, and spending on dental treatment (including prostheses) actually fell almost 6 % short of last year's; in both areas, cost-curbing measures had been negotiated in the agreements on fees.

Judging by financial developments so far, rough equilibrium in the finances of the statutory health insurance institutions over the whole of 1987 is not impossible. The deficit phase which has lasted since 1984 may thus come to an end in 1987 – though at the price of contribution rate increases of almost 1½ percentage points during that period. It cannot yet be said whether it will be possible to limit the expenditure increases next year to the growth of basic total pay. The Federal

Cabinet is at present preparing a structural reform of the statutory health insurance system which is due to enter into effect in 1989. In this context significant savings are envisaged with a view to permitting the introduction of additional benefits in the field of nursing care on the one hand and the lowering of contribution rates on the other.

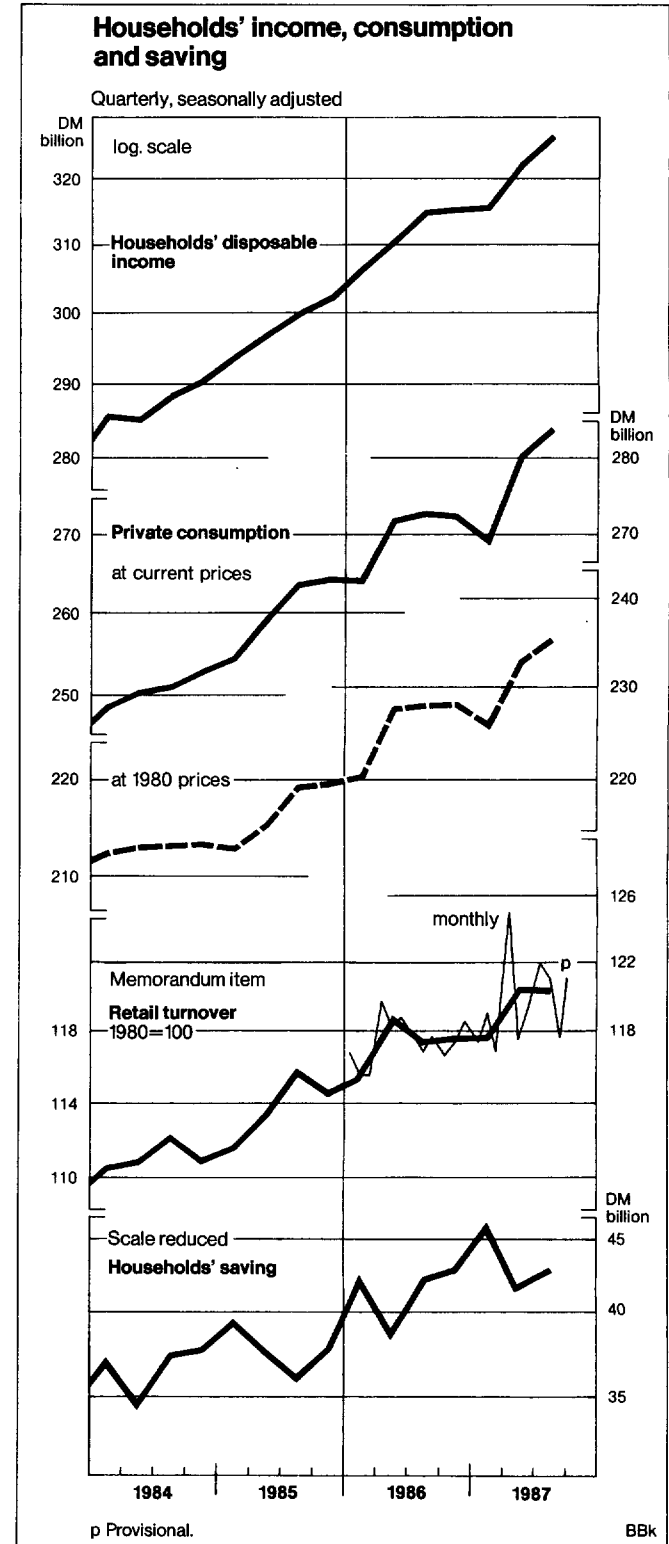
32 Trends in demand

The available data, which cover the period leading up to the most recent turbulence in the share and foreign exchange markets and are more up-to-date in only a few cases, reveal that the growth process in the Federal Republic of Germany continued into autumn. It proceeded without cyclical tensions and exaggerations; consequently, price trends also remained quiet.

The major driving force continued to be domestic demand, which has advanced on a broad front in the last few months. As from spring overall economic trends were supported again by export demand too; German exports after mid-year went up strongly once more. However, at the same time the surplus on current account dropped markedly (see page 40). With the renewed rise in foreign demand, the situation in industry improved too, which after all supplies the majority of German exports. From July to October the manufacturing sector booked a seasonally adjusted 5% more foreign and domestic orders than in the preceding four months. This was accompanied by a noticeable revival in enterprises' investment activity after mid-year. Domestic demand admittedly received its strongest impulses from households' consumption expenditure.

Private consumer demand

Households' consumption remained very buoyant after mid-year too. In the third quarter and after adjustment for seasonal fluctuations it was about 1% higher than in the preceding quarter in nominal terms and, largely because of stable consumer prices, in real terms too. At current prices private consumption rose by 4% on the year and at constant prices by over 3%. In summer and early autumn passenger cars continued to find much favour with consumers. Apart from short interruptions, the trend in households' vehicle purchases has been an upward one for more than three years; a considerable part of the demand has been met by imported vehicles. From July to October a seasonally adjusted 11% more new passenger cars were registered for households than in the preceding four-month period. Other consumer goods producers also profited from the favourable consumption climate. Thus in July-October households spent almost 4% more than in March-June on furniture and appliances. There was strong



demand for textiles, clothing and shoes too. In addition, spending on petrol and heating oil rose noticeably. Both the growth in the number of cars and the fact that households increasingly began to fill up their oil tanks had an effect here. They had to spend markedly more than a year before because the oil price had risen again in 1987. Con-

sumption expenditure not flowing to the retail trade appears to have gone mainly to the services sector. Business is apparently particularly good at present in the trades serving households. In the second quarter of 1987 already, auto repair shops in particular showed two-digit turnover growth on the year. Judging by the results of the Ifo Business Survey, the retail trade is counting in the coming months on further heavy consumer demand. This is borne out by the fact that domestic orders to the consumer goods sector in the period from July to October were a seasonally adjusted 3½% higher than in the preceding four months.

On the income side, the conditions for a strong expansion in private consumption expenditure have been good in the last few months. Households' *disposable income* rose in the third quarter by a seasonally adjusted 1½% against the preceding quarter and by 3½% against the corresponding period of the previous year. While *total gross wages and salaries* in the reporting period went up much less sharply than before (by a seasonally adjusted ½% against the second quarter), this did not signify a fall in dynamism, but was primarily due to the fact that in the second quarter rises in agreed earnings went into effect in major areas of the economy and that considerable back payments were made on the basis of earlier pay settlements. In the third quarter households received markedly higher *pension and maintenance payments* from public cash offices than before. The extension as from July 1 of the length of time unemployment benefits can be paid was significant in the strong rise in current transfers. They increased against the previous quarter by a seasonally adjusted 1½% and were 5% up on the year; the rise in pensions which also went into effect at mid-year had an even stronger impact. It is true that the 3.8% rate of increase was reduced de facto to 3%, as the grants towards pensioners' health insurance contributions were cut. The rise in pensions was nevertheless almost 1 percentage point higher than a year before; given the fact that there was a simultaneous slight fall in the cost of living, pensioners were thus given a strong real growth in purchasing power of the order of 3½%. Of late *other income* will probably have risen relatively strongly; in particular, self-employed persons appear to have withdrawn markedly higher amounts than before for private purposes, although these sums can admittedly only be derived as a residual.

Use of the gross national product *					
Seasonally adjusted quarterly figures					
Period	Gross national product	Private consumption	Government consumption	Investment in machinery and equipment	Construction investment
at current prices in DM billion					
1986 3rd qtr	494.0	273.0	97.2	39.6	55.1
4th qtr	496.2	272.6	95.6	40.8	56.4
1987 1st qtr	497.2	269.8	96.4	42.4	49.1
2nd qtr	503.0	280.5	100.1	41.6	54.5
3rd qtr	508.1	284.0	100.7	42.7	56.0
Change from previous quarter in %					
1986 3rd qtr	1.5	0.5	1.5	-4.0	2.0
4th qtr	0.5	-0.0	-1.5	3.0	2.5
1987 1st qtr	0.0	-1.0	1.0	4.0	-13.0
2nd qtr	1.0	4.0	4.0	-2.0	11.0
3rd qtr	1.0	1.0	0.5	2.5	3.0
at 1980 prices in DM billion					
1986 3rd qtr	408.9	228.1	81.9	33.2	48.3
4th qtr	407.8	228.2	80.8	34.1	49.3
1987 1st qtr	404.7	226.1	81.2	35.8	42.4
2nd qtr	408.8	233.0	81.4	35.1	47.1
3rd qtr	414.5	235.4	82.9	35.6	48.2
Change from previous quarter in %					
1986 3rd qtr	1) 1.0 1.0	0.0	2.0	-5.0	1.5
4th qtr	-0.0 -0.5	0.0	-1.5	2.5	2.0
1987 1st qtr	-0.5 -1.0	-1.0	0.5	5.0	-14.0
2nd qtr	1.5 1.0	3.0	0.0	-2.0	11.0
3rd qtr	0.5 1.5	1.0	2.0	1.5	2.5
Total fixed capital formation					
Total domestic expenditure					
Exports					
Imports					
Memo item Foreign balance (exports less imports)					
at current prices in DM billion					
1986 3rd qtr	94.7	461.9	160.2	128.0	32.2
4th qtr	97.2	468.5	158.2	130.5	27.7
1987 1st qtr	91.5	468.8	154.4	126.1	28.3
2nd qtr	96.0	476.3	157.7	131.0	26.8
3rd qtr	98.7	480.1	160.7	132.8	28.0
Change from previous quarter in %					
1986 3rd qtr	-0.5	0.5	-2.5	-7.0	.
4th qtr	2.5	1.5	-1.0	2.0	.
1987 1st qtr	-6.0	0.0	-2.5	-3.5	.
2nd qtr	5.0	1.5	2.0	4.0	.
3rd qtr	3.0	1.0	2.0	1.5	.
at 1980 prices in DM billion					
1986 3rd qtr	81.6	391.3	137.1	119.6	17.5
4th qtr	83.4	394.9	136.3	123.5	12.9
1987 1st qtr	78.2	392.6	133.5	121.4	12.1
2nd qtr	82.2	396.6	136.8	124.6	12.2
3rd qtr	83.8	401.1	137.9	124.5	13.4
Change from previous quarter in %					
1986 3rd qtr	-1.0	0.5	-2.5	-4.0	.
4th qtr	2.5	1.0	-0.5	3.5	.
1987 1st qtr	-6.5	-0.5	-2.0	-1.5	.
2nd qtr	5.0	1.0	2.5	2.5	.
3rd qtr	2.0	1.0	1.0	-0.0	.

* Provisional figures; not adjusted for working-day variations. — 1 Approximately adjusted for working-day variations. BBk

34 Saving by households proceeded largely in line with income trends in the months under discussion – in contrast to a year before. Private *saving* in the third quarter of 1987 was a seasonally adjusted 2½% higher than in the previous quarter; as a percentage of disposable income, it amounted to 13%. The *saving ratio* thus remained practically at the level reached in the spring months.

Households' investment behaviour changed somewhat after mid-year. *Financial asset acquisition* in liquid form, which had been well to the fore in the first half of the year, lost significance; saving forms with attractive interest rates, in particular bonds, were more in demand again. Thus private savers' commitments in bonds, in longer-term instalment savings schemes and in investments with life insurance companies and private pension funds increased in the summer months. In the third quarter households spent an estimated one-third of their newly formed financial assets on buying bonds, and preferentially foreign currency bonds; pro rata, this was much more than in the first half of the year and in the preceding year. Negatively affected by the change in savers' preferences were mainly deposits on shorter-term time accounts and savings accounts at statutory notice, on which net inpayments were markedly down on the year. In the area of medium-term saving on accounts too, inflows have weakened; what may have played a role here is the fact that banks were not propagating this form of private investment as strongly as before and put acquiring their own issues into the forefront of the investments they were recommending.

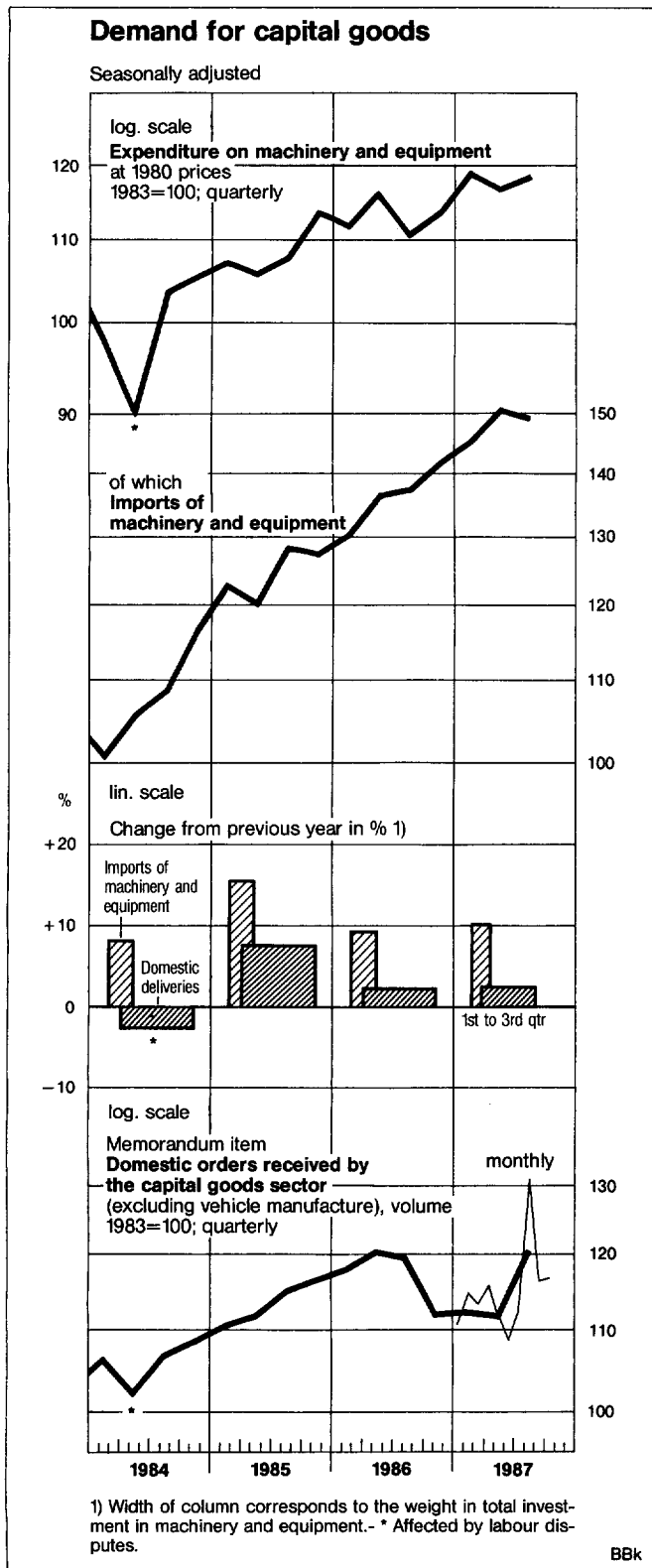
For the first time for a fairly long while, *new borrowing* for consumption purposes rose again in all areas last summer. Overall, households took up more than twice as many additional consumer loans (DM 4.5 billion) from July to September this year as a year before. These were mainly longer-term liabilities, incurred largely to finance passenger car purchases. But in the short-term area too there was heavier borrowing for other types of purchases or holiday trips.

Enterprises' demand for machinery and equipment

After mid-year enterprises were markedly more prepared to undertake investment, whereas in the first half of the year this propensity had been relatively muted. In the period from July to Octo-

ber approximately 7% more *domestic orders*, seasonally adjusted, were booked by producers of capital goods (excluding vehicle manufacture) than in the months from March to June. In the last few months markedly more orders have been placed for electrical engineering products and particularly for EDP equipment and office machines. The demand for mechanical engineering products has also increased, after having stagnated since the setback in autumn last year. Commercial vehicles also experienced increased demand, with announcements of price rises probably having played a role. The cyclical dynamism of domestic demand for domestic machinery and equipment was partially overstated by a concentration of large-scale orders in the period under review. On the other hand, domestic investors – as for a fairly long time past – have apparently been placing an ever greater percentage of their orders with foreign producers, although of course there is no direct statistical evidence of this. In the months from July to September – more recent data are not available – *imports of capital goods*, at least, were a nominal 6½% and a real 8½% up on the year. Of total capital expenditure on machinery and equipment, in real terms a good 26% went on foreign products. It is true that the share taken by imported capital goods increased in earlier years too, but not as fast as recently. In the third quarter deliveries of machinery and equipment produced in Germany were a nominal 8% up on the corresponding level of the previous year and in real terms just under 6½% higher. Overall, *investment in machinery and equipment* in this period was over 7½% up on the year and 7% higher at constant prices.

The quiet trend in the international foreign exchange markets, which lasted for months, no doubt contributed to the revival in investment activity; it will arguably have stabilised sales and earnings expectations in particular. In addition, economic activity in major customer countries firmed, and at home domestic demand continued to expand. As the cost rise remained relatively subdued, enterprises were able to further improve their earnings, although the picture was very mixed here. If in the current year the increase in the *gross income of producing enterprises* is weaker than in the preceding year, it should be remembered that 1986 was a particularly profitable year.



According to Ifo Institute surveys, producing sector enterprises were planning in August-September this year to expand their capital spending in 1988 by 3% after an intended increase of 7% this year. Only the construction industry and mining, which is combating structural adjustment difficulties,

did not intend to increase their capital expenditure. A survey carried out by the Ifo Institute at the Bundesbank's request at the end of November showed that recent events on the stock and currency exchanges had generally not brought about any major change in corporate investment planning. In those industries which are not strongly affected by the dollar depreciation or profit overall because they import many dollar-denominated primary products and energy sources, there were in fact reports of more investment plans being revised upwards than downwards. The areas concerned are the basic and producer goods sector, the consumer goods sector and the food, drink and tobacco industry. On the other hand, it was observable that capital goods producers, who are the most strongly export-oriented, were revising their investment plans more downwards than upwards.

Demand for construction work

The demand for construction work increased once again in summer this year. However, it remained at a comparatively low level, so that it cannot be said that there has been a sustained improvement in the situation in the construction industry. After adjustment for seasonal influences, the orders received by the construction industry in the third quarter were 2½% up on the second. The fairly marked fall on the year of 6½% was due mainly to the fact that large-scale orders had been placed. Seasonally adjusted, in the summer months demand increased in all areas of construction, and the most strongly of all in that area which is the actual weak point in the construction industry, namely residential building. In the third quarter 10% more orders were placed in this sector than in spring, with the corresponding level of the previous year almost being reached. It remains an open question whether this trend is to be assessed as a turnaround in residential construction, for it could be that this is only a temporary increase, in which the interest rate rise in the period under discussion and the associated expectation of a higher interest rate level played a role. It should of course be taken into account here that orders placed with the construction industry only reflect part of the total demand in this sector. The rehabilitation and modernisation of existing residential buildings, which is carried out by the installation and building completion industry especially, gained more and more significance. While up-to-date data are lacking for this sector of the housing market, it

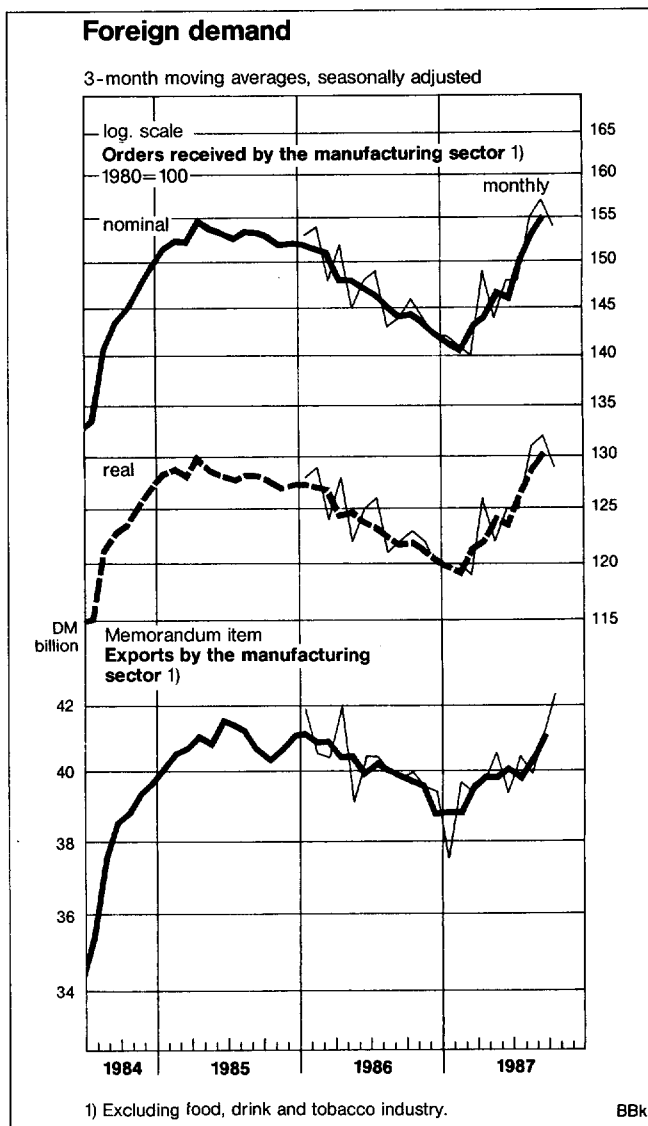
36 is certainly not wrong to assume that demand is rising considerably here.

In the third quarter, seasonally adjusted, private enterprises placed 2½% more orders for *industrial construction* than in the preceding quarter. In addition to investment in environmental protection, to which business is apparently paying increasing attention, extra construction demand also arises from the fact that the focus of production growth is shifting to the services sector. Here, capital spending is in many cases linked to construction measures. Unlike private enterprises, the two large Federal enterprises, Federal Railways and Federal Post Office, showed restraint in placing orders in the summer months.

While the central, regional and local authorities in the summer months placed a seasonally adjusted 3% more orders for *public construction* than in the second quarter, this was markedly lower than a year before. There are strong signs that the local authorities especially have been cautious in placing orders recently; reasons for this will have been the weaker flow of local authority tax receipts – against the background of an ongoing relatively strong rise in current expenditure – and the expected lower receipts associated with the pending tax cuts. To strengthen local authority investment and put it on a sound footing, the Reconstruction Loan Corporation will provide low-interest investment loans to a total of DM 15 billion to local authorities in the next three years, pursuant to recent decisions by the Federal Government.

Foreign demand

In the months up to and including October – more recent data are not available – the situation for German exporters improved. They profited from the further upward trend in economic activity in major partner countries and from the fact that exchange rates remained fairly stable in the period under review up to the end of October; foreign demand for German industrial products increased markedly in this period. In the months from July to October producing sector enterprises received a seasonally adjusted 5½% more *export orders* by value than in the months from March to June. As overall economic trends are being boosted by private consumer demand in major customer countries too, domestic consumer goods producers registered a



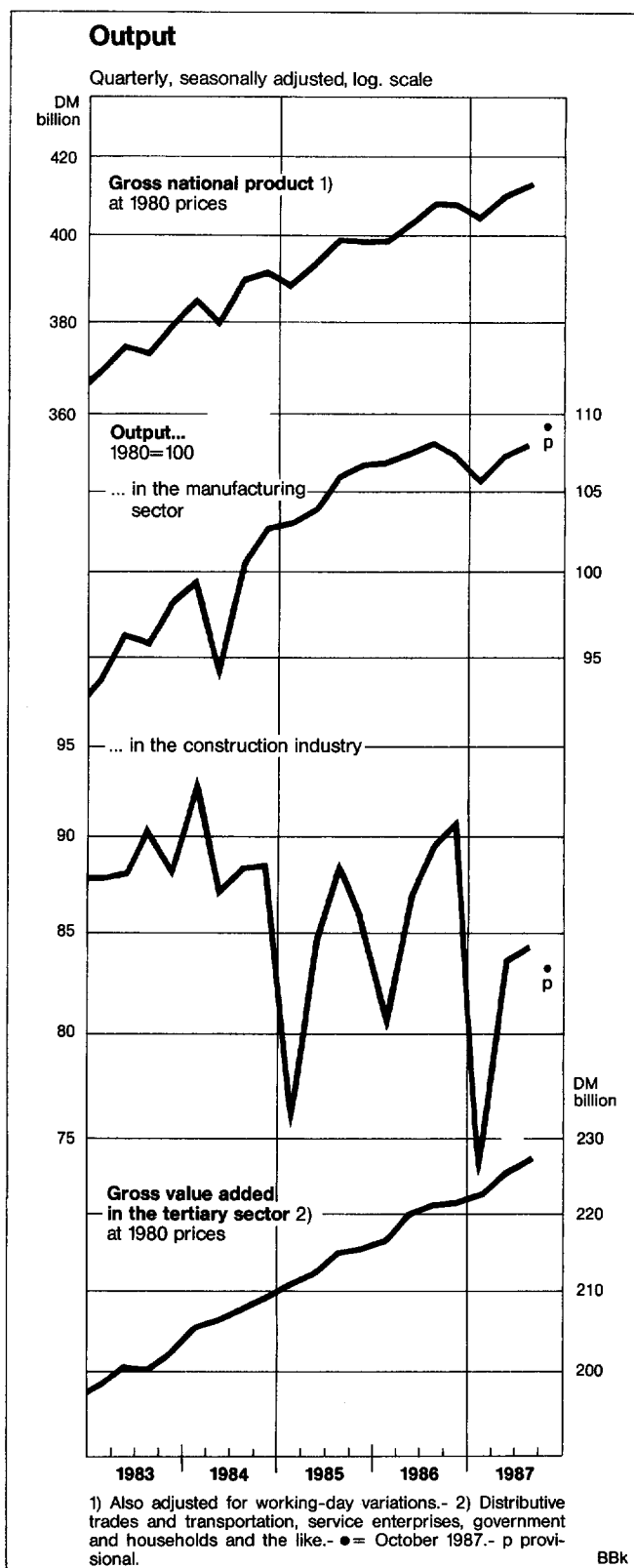
particularly strong increase in export orders; in the period from July to October, seasonally adjusted, they were 6½% above the March-June level. For example, textile industry products were very well received abroad; German cars also experienced heavier demand. However, the strong foreign demand was not restricted to consumer goods. Basic and producer goods and capital goods met with great interest in the period under discussion in partner countries' markets. Domestic producers of capital goods (excluding vehicle manufacture) booked 5% higher export orders from July to October than in the preceding four months.

Output and labour market

Overall output in the economy rose fairly strongly again in the summer months. The *real gross national product*, after adjustment for seasonal

fluctuations and working-day variations, rose by $\frac{1}{2}\%$ in the third quarter against the preceding quarter, this being a year-on-year increase of $1\frac{1}{2}\%$. Growth in output was strongly braked by agricultural production being very badly affected by inferior harvests in major areas. On the other hand, value added in the *services sector*, which has been increasingly important for overall economic production trends for a fairly long time now, seems to have risen considerably again. There are of course few current statistics on this sector. Available indicators do however suggest that the value added in the banking, transportation, telecommunication and postal services and distributive trades area has gone up relatively strongly; the same is arguably the case for the service trades. In the *manufacturing sector* output trends after mid-year pointed clearly upwards, which should probably be seen in connection with heavier exports. In the months from July to October, seasonally adjusted industrial output was a good 1% higher than in the preceding four-month period; there was an estimated rise on the year of about $\frac{1}{2}\%$, after approximate adjustment for working-day variations. Seasonally adjusted output in the *construction industry* in this period was about as high as in spring. The situation in the installation and building completion industry will have been better. As mentioned, this industry is profiting particularly from conservation and modernisation measures.

Given the continuing buoyant trend in the economy, the demand for additional personnel continued; as the labour supply was rising, the demand was still not high enough, however, to ensure a reduction in unemployment. The average number of *employed* in the months July-October, seasonally adjusted, was 25.97 million; this was 120,000 up on the year. Employment has recently increased in the tertiary sector only; here, it was no doubt primarily the banks, non-profit organisations and service trades which added to their staffing levels once more. By contrast, the manufacturing sector has again slightly reduced the number of its personnel in the last few months, seasonally adjusted. Personnel reductions in the construction industry have accelerated, since the difficult situation there has hardly improved in spite of there being somewhat more orders. In addition, the intensified sales crisis in the mining industry has led to the number of employees being further reduced. At the same time, in summer and early autumn, numerous idle



shifts were run, and this increased the number of *short-time workers* markedly. In November the idle shifts disappeared almost completely in the mining industry. This was the main reason for the number of short-time workers in this month, at

Data on the labour market situation

Seasonally adjusted data, in thousands

Period	Employed 1 p	Vacancies 2	Un- employed 2	Short-time workers 3
1983 1st qtr	25,391	72	2,193	1,121
2nd qtr	25,329	75	2,279	633
3rd qtr	25,302	77	2,295	428
4th qtr	25,301	80	2,274	519
1984 1st qtr	25,323	81	2,239	609
2nd qtr	25,347	86	2,263	405
3rd qtr	25,363	90	2,287	246
4th qtr	25,416	95	2,280	275
1985 1st qtr	25,457	101	2,300	432
2nd qtr	25,501	104	2,314	255
3rd qtr	25,572	112	2,303	94
4th qtr	25,626	125	2,303	157
1986 1st qtr	25,687	138	2,284	284
2nd qtr	25,764	150	2,243	162
3rd qtr	25,840	160	2,205	114
4th qtr	25,889	168	2,178	229
1987 1st qtr	25,922	167	2,194	424
2nd qtr	25,945	166	2,226	236
3rd qtr	25,962	170	2,248	215
1987 April	25,940	168	2,226	302
May	25,943	164	2,219	222
June	25,951	165	2,240	184
July	25,955	168	2,251	216
August	25,961	171	2,247	175
September	25,969	179	2,252	253
October	25,976	183	2,249	289
November	...	182	2,243	205

1 Data on the basis of the new employed persons statistics; monthly averages; October 1987: first provisional estimate. — 2 Quarters: averages; months: end-of-month figures. — 3 Unadjusted. — p As from 1985 provisional. BBK

205,000, being no higher than a year before, unlike in summer. Recently short-time working has been fairly widespread in some areas of the capital goods sector. The number of *vacancies* registered with the labour exchanges, seasonally adjusted, increased further and has recently reached a good 180,000. This should be seen as a sign of the severe structural discrepancies between supply and demand in the labour market. The number of jobs advertised in the daily press has also been increasing again.

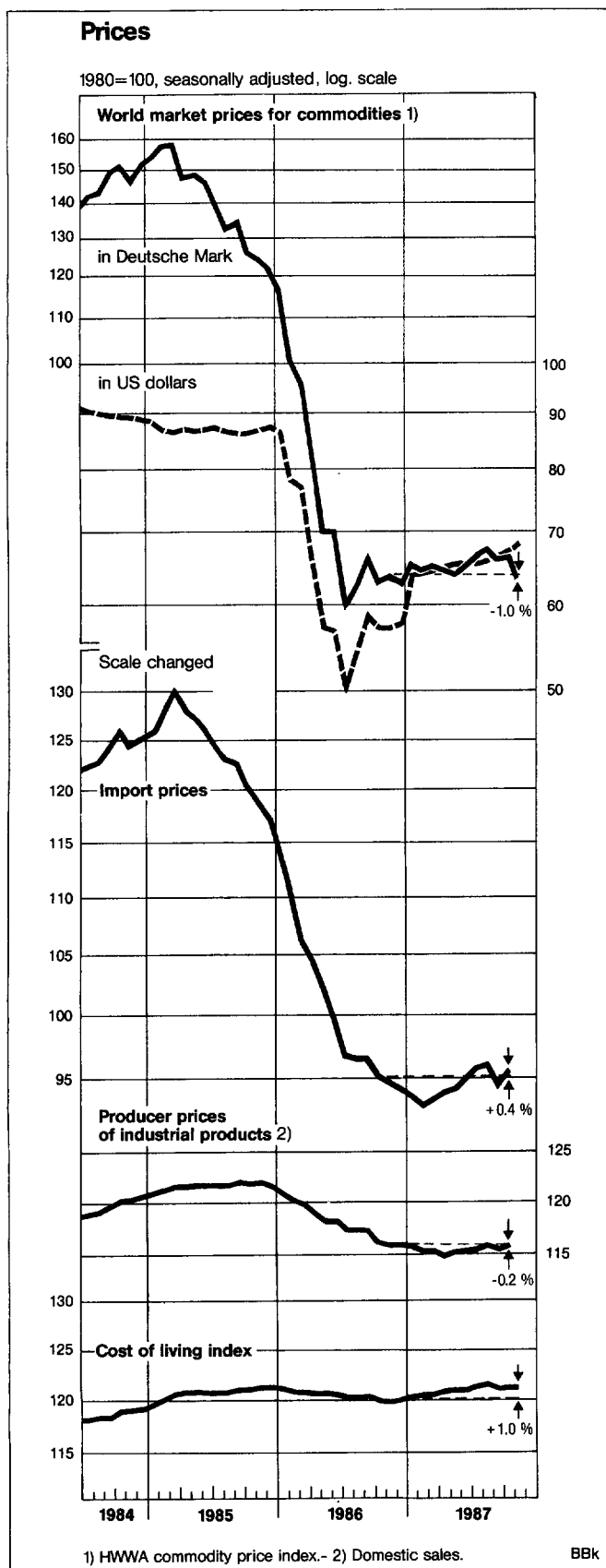
The number of *unemployed* has remained largely stable in the last few months, seasonally adjusted. At 2.24 million at the end of November, it was practically as high as at mid-year, this being a rise on the year of 65,000. The unemployment rate in November was 8.9% of the dependent and 7.9% of the total labour force. In spite of the rise in employment, unemployment is still high. What is playing an important role here is the continuing strong influx into the labour force. This influx is due firstly to a trend towards higher female participation in the working population. Secondly, there has been relatively high immigration for some time now.

Young people born in high birth-rate years are now starting their working life and this is playing a role too, although the young members of the labour force do not constitute a disproportionately high percentage of the unemployed, in contrast to the situation in many other countries. In actual fact the opposite is the case. The unemployment rate for the labour force under 20 years of age is well below average. The situation in the apprenticeship market in the last few years has relaxed gradually too. This has to do among other things with the fact that the number of those applying for an apprenticeship – that is, the youngest members of the labour force – has been falling recently. The labour exchanges registered 590,000 applicants in the 1986-87 vocational training year ending in September, this being a fall on the year of 8%. At the end of that month the labour exchanges had on their books 34,000 applicants for an apprenticeship who had not been found a position, 12,000 fewer than a year before. This contrasted with about 45,000 still unfilled training positions, 13,000 more than at the end of September 1986.

A special investigation made by the Federal Labour Office in May-June this year shows that the structural distortions in the labour market are tending to increase. For those unemployed who were taken out of the unemployment statistics in the period under discussion and were 50 years of age or older, unemployment had lasted almost a year, this being much longer than the average. The unemployment of those in the labour force with no vocational qualification (all age groups) also lasted for an above-average length of time, at nearly 8 months. By contrast, persons with completed vocational training were usually no longer unemployed after six months, and for those under 35 years of age it took about 5½ months before another job was found or before they gave up the intention of remaining in the labour force (e.g. on account of motherhood).

Prices

Price trends in Germany remained subdued in the autumn months as well. As a consequence of the most recent depreciation of the dollar, there was renewed cost relief from abroad; thus in November the Deutsche Mark prices of the raw materials listed in the *HWWA index* fell, although the dollar quotations for these rose further in the world



markets. In dollar terms, commodities were one-fifth more expensive in November than a year before, whereas Deutsche Mark prices for them

were somewhat lower. In autumn the oil price came under renewed pressure in the international markets in the face of an ample supply. The Deutsche Mark price per barrel of crude oil in November was much lower than at mid-year. These trends have only just begun to show up in *import prices*, for which data are available till October. However, imported goods in this month, after adjustment for seasonal influences, were somewhat cheaper than in August; there was a year-on-year rise of only 0.4%.

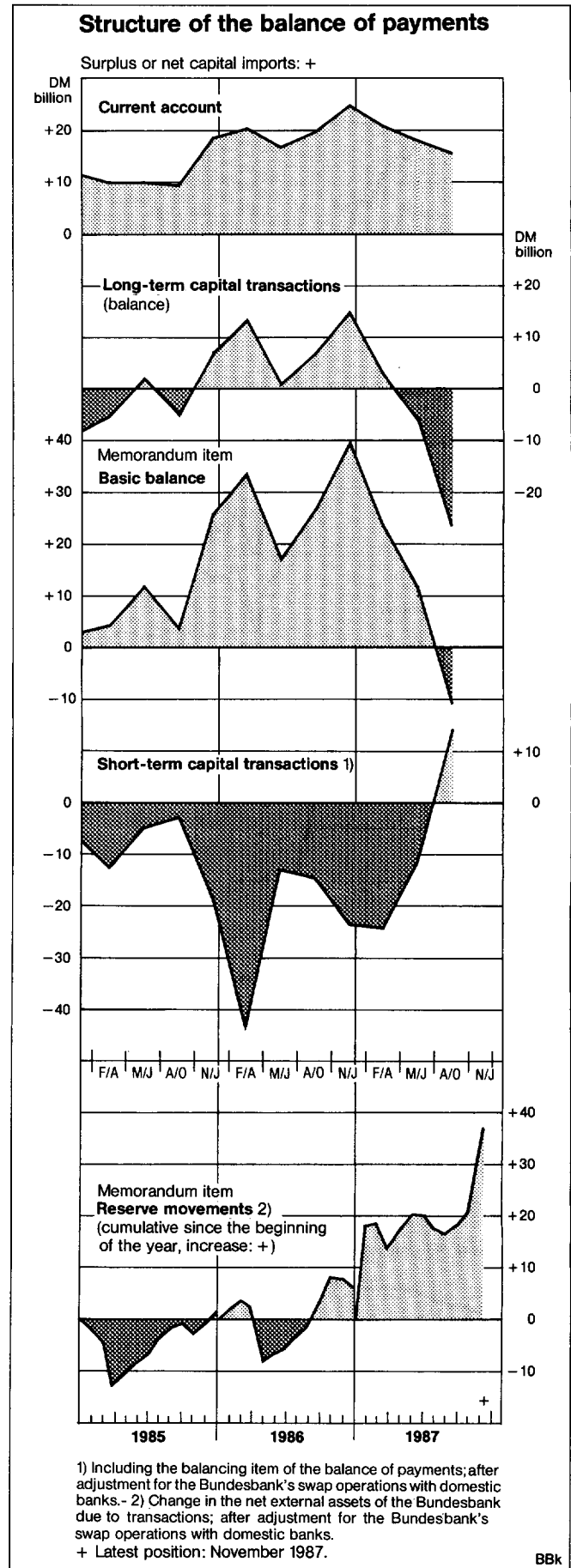
The price rise in the domestic markets, which had started at the industrial producer level in the spring months and at the consumer level already at the turn of the year, has largely come to a halt in the last few months. Industry somewhat raised its *domestic prices*, seasonally adjusted, in October but these were practically no higher than in August and still slightly (-0.2%) lower than in the previous year. Excluding sources of energy, industrial goods at the producer level have however been registering a continuous slight price increase (seasonally adjusted) since the spring months. This is true on trend of the *industrial prices in foreign markets*, which rose markedly in October especially, seasonally adjusted. This indicates that the scope for price rises in foreign business does not appear to have been exhausted. Construction output also became more expensive in the third quarter; the *overall construction price level* rose by 2% on the year.

At the consumer level, November revealed first signs of renewed falls in import prices. Thus prices for sources of energy fell noticeably. This was one of the main reasons for the *cost of living index*, seasonally adjusted, remaining unchanged against the previous month; it showed a year-on-year rise of 1%. Since mid-year, the consumer price level, after adjustment for seasonal influences, has not risen. A contributory factor here has been that the prices of industrial goods (excluding energy) have been almost stable for some time now, seasonally adjusted. This is probably due, among other things, to the favourable cost situation and also to strong foreign competition. In November, consumers spent 0.7% more on these goods than in the previous year. Food continued to be less expensive than a year before. The price rise for services, on the other hand, accelerated markedly in the autumn months; there was a year-on-year increase in November of 2.1%.

Balance of payments

40 During the summer months and until the end of October the external transactions of the Federal Republic of Germany were characterised by the relative consistency of exchange rates and a continuation of the adjustment process. An important role in this context was played by the fact that from June onwards the surpluses on current account were accompanied by increasing outflows of funds on long-term capital account. After the previous period of inflows, there was a reversal in longer-term capital flows owing mainly to interest rate increases abroad. The widening of the interest rate differential, especially vis-à-vis the US dollar, was all the more significant as the actual stability of exchange rates encouraged the expectation that conditions would remain as they were and exposure in higher-yielding foreign currency assets would not be so risky in exchange rate terms. However, towards the end of October this period drew rapidly to an end, when the impression arose, and was ultimately confirmed, that the United States was less interested than before in the maintenance of a stable exchange rate for its currency. The appreciation of the Deutsche Mark which began on October 26 was followed by renewed inflows of capital to Germany. Very likely, however, this was not true of the German share market, which was hit especially hard by the general fall in equity prices in the world, not least because non-residents sold relatively high amounts of German shares (see pages 20-21).

In the German current account, however, the basic tendencies continued in the direction they have been pursuing for some time. After a temporary interruption the reduction of the surplus position was resumed. In the months from August to October the seasonally adjusted current account surplus amounted to DM 18.5 billion and was thus DM 1.5 billion lower than in the period from May to July; hence it fell by DM 4 billion or a fifth compared with the same period of last year. Although exports continued to rise, the increase in imports remained at a disproportionately high level. The surplus reduction is therefore taking place in the desired way, namely under conditions of growth on both the export and the import sides. The focal point of external adjustment is on the import side, a fact which shows that domestic demand in Germany is increasing at a faster rate than domestic production.



Foreign trade

German *exports* increased quite strongly in the months from August to October. In value terms and seasonally adjusted they were just over 1½% higher than in the period from May to July. Since export prices remained virtually constant during this period, this figure also roughly corresponds to the real increase. So in the period under discussion exports were a good 3% higher than in the previous year in volume terms.

The main reasons for the recovery of export activity in the months until October (more recent figures are not available), after quite a long period of stagnation, were the continuation of the economic upswing in major partner countries, the consolidation of the competitiveness of German exporters (not least because of the stabilisation of exchange rates until mid-October), and the fact that certain weak points in export business last year, such as the OPEC countries, decreased in significance. There was a notable expansion in exports to the EEC countries, where import demand increased strongly for cyclical reasons and whose currencies remained largely unchanged vis-à-vis the Deutsche Mark. In the months from August to October exports to these countries exceeded last year's figure by 6½% in value and 7% in volume. Obviously economic integration within the EEC has made such good progress that supplies from the dollar area, which are now relatively favourable in terms of price, do not seriously inhibit the growth of German exports to the neighbouring countries of Western Europe. In addition, exports to the EEC benefited from the increase in these countries' demand for producer and capital goods, which occupy quite a central position in the German export range.

By contrast, the competitiveness in price terms of German exports to the "dollar area" (i.e. to the United States and those countries which mostly invoice their foreign trade in US dollars) was obviously perceptibly impaired by the decrease in the US dollar until February of this year. Although the decline in exports especially to the United States ultimately slowed down to some extent, German exports to this area in the period from August to October were 9% lower in value than they had been a year before. Isolated volume figures, where they are available (such as the number of passenger cars exported), suggest that

Foreign trade, by region

Changes in August-October 1987 from previous year in %

Group of countries	Value	Volume	Per-centage of total in 1986
Exports (f.o.b.) to major buying countries			
EEC member countries 1	+ 6.3	+ 7.3	50.8
Other industrial countries	- 0.9	+ 1.5	33.4
of which			
United States	- 9.0		10.5
OPEC countries	-13.2	-11.8	3.4
Other developing countries	- 3.2	+ 0.9	7.2
Centrally planned economies	-15.5	-14.1	4.9
All countries	+ 1.5	+ 3.3	100
Imports (c.i.f.) from major selling countries			
EEC member countries 1	+ 4.3	+ 5.8	52.2
Other industrial countries	+ 1.0	+ 6.8	29.9
of which			
United States	- 0.2		6.5
OPEC countries	+16.1	-10.1	3.2
Other developing countries	- 2.1	+ 5.1	9.6
Centrally planned economies	+ 6.9	+14.3	5.1
All countries	+ 3.0	+ 5.6	100
1 Including Portugal and Spain (volume partly estimated).			BBk

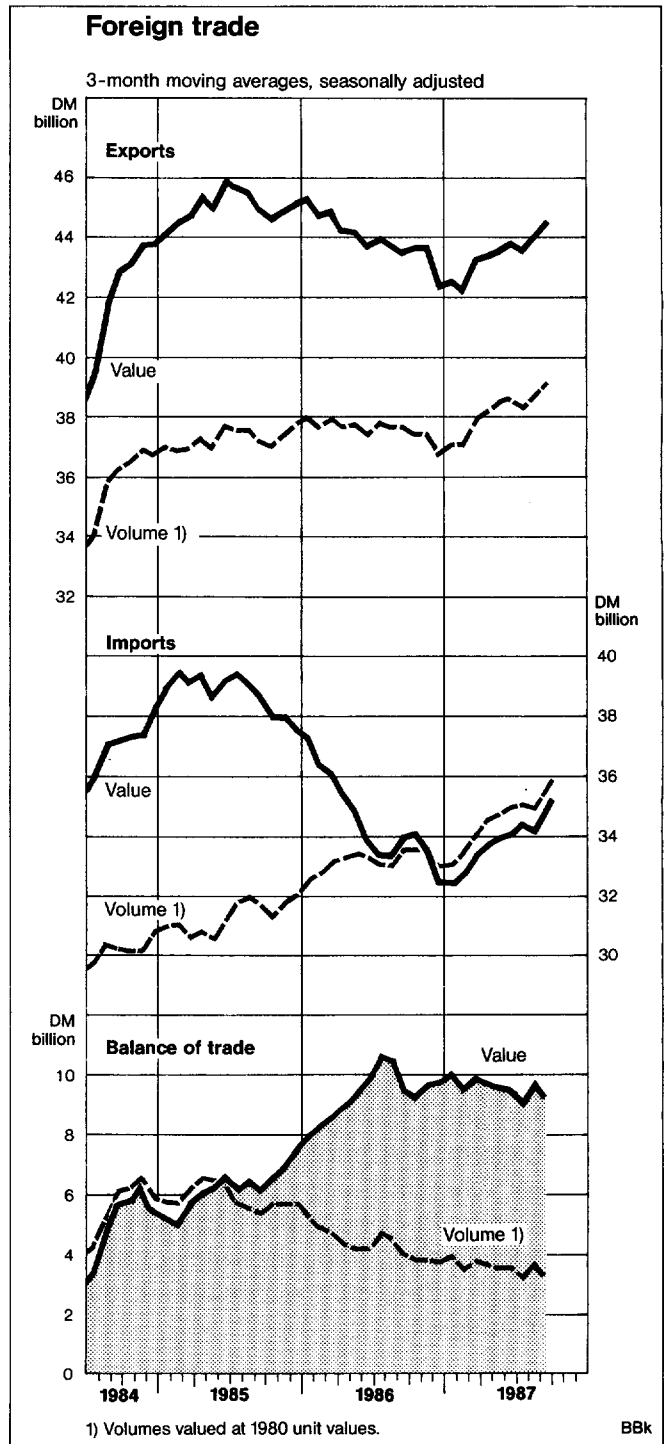
the corresponding export volume decreased as well. It has probably become more difficult to maintain market shares – if necessary, even at the price of certain losses. There was a particular deterioration in the sales prospects for those products which are produced in similar qualities and designs in other countries too. But products of the top quality categories and luxury articles on the US market seem to be much more resistant to price and exchange rate influences. Time will tell whether this is still true after the beginning of the latest appreciation of the Deutsche Mark.

Imports increased more rapidly than exports in the months from August to October; in value terms and seasonally adjusted, they exceeded the figures of the previous three months by just over 3%. Owing to the slight increase in import prices, this corresponds to a real rise of more than 2½%. Compared with the previous year, the real increase amounts to 5½%. This strong expansion is not only due to the persistently favourable development of domestic demand in Germany. Another highly important factor is that many imports have substantially cheapened since the end of 1985, especially when compared with domestic goods, so that for the consumer they constitute a favourable alternative to the domestic article. Especially

42 finished products from abroad have made further inroads on the German market. Compared with last year, imports of these products rose by no less than 7% in real terms in the period from August to October, i.e. twice as fast as domestic sales of domestic goods. In Germany's high absorption capacity for finished goods from abroad lies the key to a reduction of the German current account surpluses; at the same time its strong demand for imports is having a favourable effect on business activity in Germany's major trading partners.

Compared with imports of finished products, imports of sources of energy and of other raw materials and semi-finished products increased only slightly (in the months from August to October by just over 2% in volume terms compared with the corresponding period of last year). Rarely, however, do these products compete particularly with domestic goods. The major part of the requirements of raw materials and primary products is predetermined by domestic production, so that price decreases stimulate imports to only a limited extent. These imports show particularly clearly that an appreciation of the Deutsche Mark, especially against the US dollar, also implies substantial cost cuts for German enterprises.

It was primarily the dollar area which benefited from Germany's growing demand for imports. Imports of goods from the United States and Canada rose distinctly. In value terms they were about as high in the period from August to October as in the previous year; it must be borne in mind, however, that these imports again cheapened considerably (by a further 11%) because of the decline in the US dollar, so that in volume terms they must have risen substantially. There was also a strong increase in imports from the East Asian area. This was due to an attractive product range, and especially to the strong depreciation of the currencies of some major countries in that region, such as South Korea, Taiwan or Hong Kong, vis-à-vis the Deutsche Mark. In the period from August to October the increase in imports from the EEC countries (just under 6% in real terms compared with the corresponding period of last year) was also quite steep, although, with exchange rates remaining largely constant, these countries did not improve their competitive position on the German market – relative to the suppliers from the dollar area. In this case, the heavy demand for finished goods from abroad would appear to have been the main stimu-



lus to import growth. The volume of imports from OPEC countries, by contrast, again decreased strongly (by 10%), chiefly owing to further shifts of crude oil imports to other suppliers. However, imports from this region rose by 16% in terms of their Deutsche Mark value, since oil prices were higher than a year before. Calculated on a dollar basis, the import growth amounted to nearly 30%, a factor which helped to improve the balance of payments situation of some oil-producing countries.

Services and transfer payments

The German deficit on *services account* amounted to DM 3.7 billion in the period from August to October and was thus not much higher than in the previous year. The trend towards increasing expenditure on foreign travel was maintained, since the improved income situation in Germany enhanced the propensity to travel abroad, and the deficit on foreign travel consequently went up slightly. This higher deficit was, however, eclipsed by a rise in the surplus on investment income payments. Since Germany's interest-bearing foreign assets grew strongly along with its current account surpluses, the receipts on investment income account increased more rapidly than the expenditure, despite the exchange rate losses incurred when converting the interest income, which is mainly denominated in dollars. The surplus on this account went up from DM 2.5 billion in August-October 1986 to DM 3.2 billion in the corresponding period of this year.

The deficit on *transfer payments* – unlike that on services transactions – continued to increase sharply. In the period from August to October it amounted to DM 7.3 billion, compared with DM 6.0 billion one year earlier. This was mainly due to the increasing German net contributions to the European Communities. While the gross contributions to the EEC budget remained virtually unchanged at a high level, the decrease in payments by the EEC to Germany in connection with the agricultural market regulations meant that Germany had to pay DM 2.8 billion net to the EEC in the period from August to October, which was DM 1.7 billion more than a year before. However, in the two other major areas of transfer payments, viz. the home remittances of foreign wage and salary earners employed in Germany and pensions and maintenance payments, the transfers remained as high as ever, at DM 1.6 billion each.

Long-term capital transactions

The trend towards the outflow of long-term funds from Germany which had emerged in the early summer became continuously stronger in the months from August to October. In October, when developments in the securities markets were characterised by massive turmoil world-wide, the capital outflow actually reached a record level, at DM 14.5 billion net. However, this amount must be

Major items of the balance of payments

Major items of the balance of payments			
DM billion			
Item	1987		Com- pare 1986
	May- July	Aug.- Oct.	Aug.- Oct.
A. Current account			
Foreign trade			
Exports (f.o.b.)	131.0	130.7	128.7
Imports (c.i.f.)	102.2	102.6	99.6
Balance	+ 28.8	+ 28.1	+ 29.2
Supplementary trade items 1 and merchanting trade	— 0.0	— 1.3	+ 0.2
Services	— 4.0	— 3.7	— 3.4
Transfer payments	— 6.9	— 7.3	— 6.0
Balance on current account	+ 17.9	+ 15.9	+ 19.9
Memorandum item			
Seasonally adjusted	+ 19.9	+ 18.6	+ 22.5
B. Capital account (net capital exports: —)			
Long-term capital			
Direct investment	— 3.6	— 2.5	— 4.6
Securities 2 and official domestic borrowers' notes	— 1.1	— 18.4	+ 10.5
Securities	+ 1.7	— 15.3	+ 12.4
Borrowers' notes	— 2.8	— 3.1	— 1.9
Bank loans	— 0.2	— 4.1	+ 2.0
Official loans	— 1.2	— 0.2	— 0.8
Other	— 0.1	— 1.4	— 0.3
Balance	— 6.1	— 26.7	+ 6.8
Short-term capital			
Banks	— 12.0	+ 24.2	— 5.0
Enterprises 3	+ 0.9	— 5.2	— 5.1
Official	— 0.3	+ 0.6	— 0.7
Balance	— 11.4	+ 19.6	— 10.9
Balance on capital account	— 17.5	— 7.1	— 4.1
C. Balance of unclassifiable transactions (balancing item)	— 0.5	— 3.7	— 1.0
D. Balancing item for the external position of the Bundesbank 4	+ 0.1	— 0.3	— 1.7
E. Change in the net external assets of the Bundesbank (increase: +) 5 (A plus B plus C plus D)	— 0.0	+ 4.8	+ 13.2

1 Mainly warehouse transactions for the account of residents and deduction of goods returned and of commission processing. — 2 Excluding direct investment. — 3 In October 1987 enterprises' short-term capital transactions exclude changes in trade credits, which are included in the balancing item until they are recorded in the statistics. — 4 The differences between the transaction values and the changes in the external position shown in the Weekly Return at balance sheet rates. — 5 Valued at balance sheet rates.

Discrepancies in the totals are due to rounding. BBk

seen against the background of the substantial inflows of funds during the last 1½ years; from the beginning of 1986 until the middle of this year, non-residents invested DM 113 billion in the German securities markets. During the months from August to October, net long-term capital exports added up to a total of DM 26.5 billion after there had been an

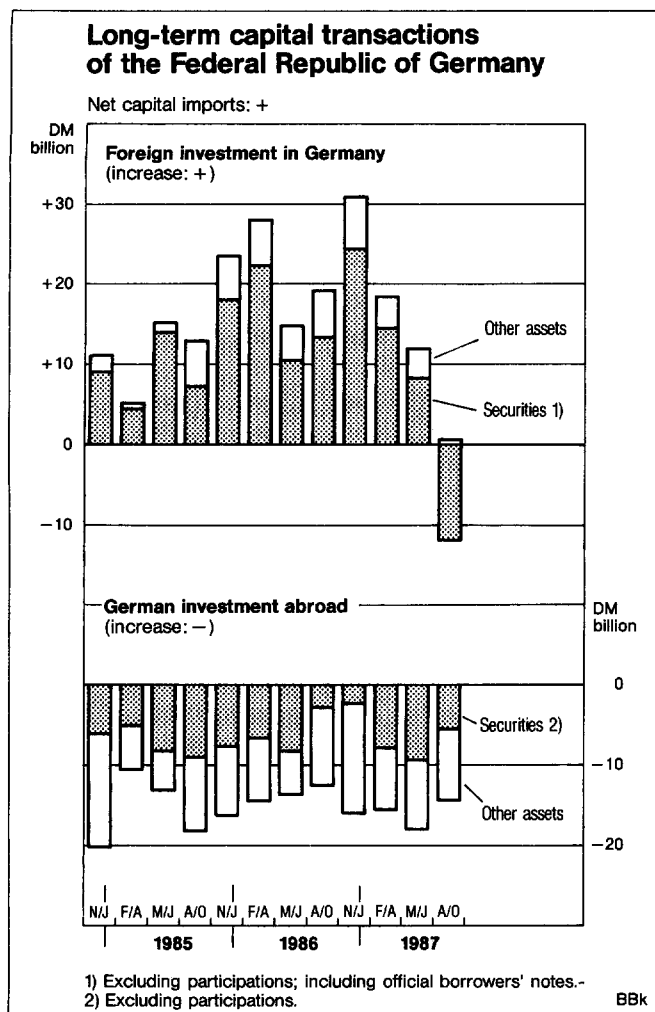
Long-term capital transactions of the Federal Republic of Germany			
DM billion; net capital exports: —			
Item	1987		Compare 1986
	May-July	Aug.-Oct.	Aug.-Oct.
German investment abroad (increase: —)			
Direct investment abroad	— 4.1	— 3.0	— 5.1
Shares and other participations	— 2.4	— 1.9	— 4.0
Advances and loans	— 1.8	— 1.1	— 1.2
Foreign securities 1	— 9.5	— 5.8	— 3.0
Shares and investment fund units	+ 0.6	— 1.9	— 1.7
Deutsche Mark bonds	— 1.3	— 1.3	— 1.1
Foreign currency bonds	— 8.8	— 2.5	— 0.3
Advances and loans to non-residents 2	— 3.7	— 5.7	— 3.5
Banks	— 2.5	— 5.4	— 2.5
Enterprises and individuals	+ 0.0	— 0.2	— 0.2
Official	— 1.2	— 0.2	— 0.8
Other investment abroad	— 0.8	— 0.6	— 0.9
Total	—18.1	—15.1	—12.6
Foreign investment in Germany (increase: +)			
Direct investment in Germany	+ 0.6	+ 0.5	+ 0.6
Shares and other participations	+ 0.1	— 0.2	+ 0.9
Advances and loans	+ 0.4	+ 0.7	— 0.3
Domestic securities 1	+11.2	— 9.6	+15.5
Shares and investment fund units	+ 2.1	— 3.4	+ 3.5
Bonds	+ 9.1	— 6.2	+12.0
Official domestic borrowers' notes	— 2.8	— 3.1	— 1.9
Advances and loans to residents 2	+ 3.1	+ 0.6	+ 5.3
Banks	+ 2.3	+ 1.2	+ 4.5
Enterprises and individuals	+ 0.8	— 0.6	+ 0.8
Other investment in Germany	— 0.0	— 0.0	— 0.0
Total	+12.0	—11.6	+19.3
Balance of long-term capital transactions	— 6.1	—26.7	+ 6.8
1 Excluding direct investment. — 2 Excluding direct investment loans. Discrepancies in the totals are due to rounding. BBk			

outflow of DM 6 billion from May to July. In view of the persistently high current account surplus, this deterioration of the long-term capital account contributed to a more balanced financial structure of the balance of payments; however, this is not true of the month of November, when the long-term capital flows apparently reversed again.

The key factor in the increase in the outflow of long-term capital up to October was the reversal in *foreign investment in Germany*: after non-residents had constantly invested additional funds in Germany, especially in German securities, until the early summer of this year, foreign investors withdrew a total of DM 11.6 billion from Germany from August to October. These transactions consisted almost entirely of net sales of German securities (including official borrowers' notes) by non-resi-

dents. As is described in detail in the "Securities markets" section of this Report (beginning on page 16), non-residents divested themselves, in particular, of German bonds (DM 6.2 billion), which had become less attractive as an investment instrument because of the announced withholding tax, and also because of the upturn in interest rates originating from the US bond market and the absence of expectations of an appreciation of the Deutsche Mark (until mid-October). Towards the end of October — after the turbulence in the international financial markets — the tone in the German bond market improved markedly, owing in part to the renewed weakness of the dollar; this, however, was not yet reflected in the October figures. Besides German bonds, German shares were sold in considerable quantities (DM 3.4 billion net) by non-residents in the period under review; the bulk of these transactions presumably took place after October 19, the day of the world-wide price slump on the stock exchanges. In the case of official borrowers' notes, the capital outflow which had been in progress for some time continued (DM 3.1 billion), mainly owing to the issuing policy of the public authorities and the relatively large volume of repayments (just over DM 1 billion a month). Other investments in Germany by non-residents, i.e. direct investment and long-term loans, resulted in only small imports of funds (DM 1.1 billion) between August and October. On the one hand, this reflected the fact that non-residents were reducing their long-term loans to German business on balance (— DM 0.6 billion). On the other hand, the banks received relatively few funds from abroad (DM 1.2 billion) in the form of deposits or through borrowers' note placements. In both areas of long-term lending it became apparent that the foreign financing companies of German banks and enterprises were sharply curtailing their issuing activity in the wake of the general worsening of the climate in the international bond market, so that the amounts they could transfer to their domestic parent companies declined accordingly.

During the months under review German long-term *capital exports* — unlike long-term capital imports — developed relatively consistently; the total outflow of funds from Germany from August to October, at DM 15 billion, was not much lower than in the previous three months (DM 18 billion). However, there were relatively substantial shifts within overall capital exports. In particular, net purchases of foreign bonds denominated in foreign currencies



decreased continuously over the three months under review (in October these securities were even returned on balance), so that a total of only DM 2.5 billion was invested in these securities, compared with DM 8.8 billion in the period from May to July. The prime reason for this weakening of capital exports was no doubt the increasing interest rate uncertainty in the international capital market, which was accompanied by a sharp drop in the volume of issues. Towards the end of the period the renewed dollar weakness and the tensions within the EMS appear to have depressed German investors' demand for dollar securities and bonds denominated in EMS currencies. The amount transferred abroad through the market for foreign Deutsche Mark bonds from August to October, at DM 1.3 billion, was only as much as in the period from May to July. Despite the turmoil in the international stock markets, German investors increased their exposure in foreign shares (excluding purchases of participations) in October, so that capital exports of this type reached nearly DM 2

billion during the three months under review, whereas from May to July funds had flowed back to Germany on balance. In total, DM 5.8 billion net was invested in foreign securities from August to October; this was perceptibly less than in the three previous months (DM 9.5 billion). At DM 3.0 billion, the amount that flowed out in the months under review through direct investment abroad, which does not depend on current exchange rate and interest rate movements to the same extent as portfolio transactions, was likewise smaller than before. By contrast, capital exports through long-term bank loans to non-residents, at DM 5.4 billion in the period from August to October, more than doubled against the months from May to July (DM 2.5 billion). The recovery evident in the international market of traditional syndicated lending, which in the preceding years had been eclipsed by the expansion of securities-based financing operations, apparently caused non-residents to step up their requests for credit from German banks too. The credits extended by banks were mainly destined for the industrial countries or the Euro-market centres, while credit operations with developing countries and centrally planned economies – with a few exceptions – continued to stagnate.

Short-term capital transactions

As a mirror image of the deterioration of long-term capital transactions, the balance of short-term capital movements between Germany and other countries improved significantly in the months under review, after net exports of funds had been recorded in this sector for a long time. In all, short-term funds totalling DM 16 billion flowed into Germany from abroad between August and October (including the balancing item of the balance of payments), after DM 12 billion net had been exported in the months from May to July.

The course of overall short-term capital movements in the months under review was determined by the short-term capital transactions of the *banks*. After short-term funds had flowed out from banks on a large scale since about the end of 1985, equally massive imports of funds by banks started in the middle of the present year, in connection with the reversal in long-term capital movements. In the months under review these inflows of funds reached a total of DM 24 billion, compared with net exports of funds amounting to DM 12 billion in the months from May to July. As usual, the imports of

Short-term capital transactions of the Federal Republic of Germany			
DM billion; net capital exports: –			
Item	1987		Compare 1986
	May-July	Aug.-Oct.	Aug.-Oct.
Banks	–12.0	+ 24.2	– 5.0
Assets	–12.7	+ 8.3	–19.4
Liabilities	+ 0.7	+ 15.8	+ 14.3
Enterprises and individuals	+ 0.9	– 5.2	– 5.1
Financial relations with foreign banks	– 4.1	– 0.6	– 5.0
Assets	– 2.7	– 2.5	– 4.8
Liabilities	– 1.4	+ 1.9	– 0.2
Financial relations with foreign non-banks	+ 2.2	+ 0.3	+ 0.3
Assets	+ 1.4	+ 0.6	+ 0.6
Liabilities	+ 0.8	– 0.2	– 0.3
Trade credits 1	+ 2.8	– 5.0	– 0.4
Assets	+ 2.4	– 4.9	– 1.3
Liabilities	+ 0.4	– 0.1	+ 0.9
Official	– 0.3	+ 0.6	– 0.7
Assets	+ 0.0	+ 0.1	– 0.5
Liabilities	– 0.3	+ 0.6	– 0.2
Balance of short-term capital transactions	–11.4	+ 19.6	–10.9
Memorandum items			
Balancing item of the balance of payments	– 0.5	– 3.7	– 1.0
Short-term capital transactions including the balancing item of the balance of payments	–11.9	+ 15.9	–11.9

1 Excluding the trade credits for October 1987, which are temporarily included in the balancing item of the balance of payments.
Discrepancies in the totals are due to rounding. BBk

capital were mainly due to a change in the short-term Deutsche Mark position of the banks vis-à-vis non-residents: On the one hand, the corresponding Deutsche Mark assets of the banks fell by DM 12.5 billion between the end of July and the end of October; on the other, their Deutsche Mark liabilities increased by DM 11 billion.¹ Very likely, a substantial part of these Deutsche Mark amounts was the countervalue of non-residents' sales of securities, which had been invested at banks as additional Deutsche Mark deposits or used to repay short-term Deutsche Mark credits. Hence sales of Deutsche Mark securities by non-residents led only to a reorganisation, but not to a reduction, of non-residents' Deutsche Mark assets.

From *non-banks*, by contrast, whose short-term capital movements depend more strongly on seasonal influences than do those of banks, short-term funds flowed out between August and October (DM 8.3 billion including the balancing item of the balance of payments). This was mainly due to the development of trade credits, which,

however, are recorded statistically only up to September. In line with the increase in export turnover, which was partly due to seasonal factors, enterprises' export claims rose considerably in September, which implied corresponding exports of funds; in the previous months, in contrast, funds had been imported via trade credits, as usual at that time of year.

Exchange rate trends and reserve movements

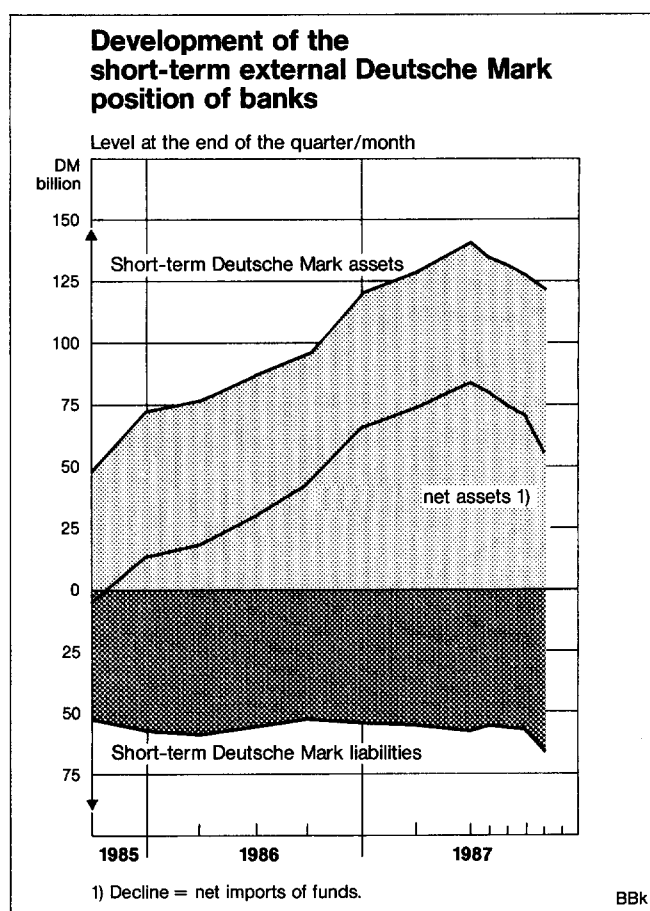
After quite a long period of relative calm in the foreign exchange market, the Deutsche Mark again came under distinct upward pressure towards the end of the period under review, especially against the US dollar and the currencies participating in the exchange rate mechanism of the European Monetary System (EMS). The most recent movements in the foreign exchange market were triggered off by the emerging intention of the United States not to oppose a depreciation of its currency any longer. This was first reflected in the downward slide in prices on the US stock exchanges on October 19, but the US dollar set off on a further nose-dive in the following week; starting from a level of about DM 1.80, the exchange rate – which was subject to additional pressure owing to unexpectedly high US trade deficits – went down to a new all-time low of DM 1.62 per US dollar (on December 14, 1987) and its current level is only slightly higher. Compared with the dollar rate of end-July, this represents a 14 % appreciation of the Deutsche Mark, and compared with the exchange rate at the beginning of the year the Deutsche Mark is now being valued just over 19 % higher. The renewed general weakness of the US dollar, like the turbulence in the financial markets, seems to reflect the uncertainties about the progress being made in reducing the imbalances in the world economy and the associated cyclical risks. At any rate, the exchange rate risks faced by non-resident holders of US dollar assets have increased. Moreover, the drop in the interest rates on US dollar assets, which was connected with the decline in share prices and the counter-movement in the prices of bonds, reduced the yield advantage of US dollar assets over interest rates in hard-currency countries, and thus also over the Deutsche Mark rates. In the short-term sector, however, the two reductions of the Bundesbank's repurchase rate to the current level of 3.25 % have ensured that the interest rate differential vis-à-vis US dollar assets has widened to about 4½ %. The recent

¹ Discrepancies from the figures quoted in the table are due to the changes in the foreign currency assets and liabilities.

lowering of the Bundesbank's discount rate has operated in the same direction. However, the exchange rate situation is still unstable at the time of writing.

The upward pressure on the Deutsche Mark originating from the US dollar also gave rise to exchange rate tensions within the European Monetary System at the end of October. In particular, the French central bank supported the French franc by selling large amounts of Deutsche Mark, most of which it obtained from the Bundesbank in the context of the newly introduced Community financing of intramarginal EMS interventions, while the Banca d'Italia mainly took advantage of the room for manoeuvre available to it in the EMS on account of the wider margins of fluctuation of $\pm 6\%$. However, since the interest rate decisions taken by the Central Bank Council on November 5, 1987 (see page 11), which were coordinated with similar measures in other EEC countries, the tensions in the EMS have eased; against the average of the currencies participating in the exchange rate mechanism, the Deutsche Mark is currently standing at the same level as immediately after these interest rate decisions, i.e. $1\frac{1}{2}\%$ higher than at the end of July and $2\frac{1}{2}\%$ higher than at the beginning of this year.

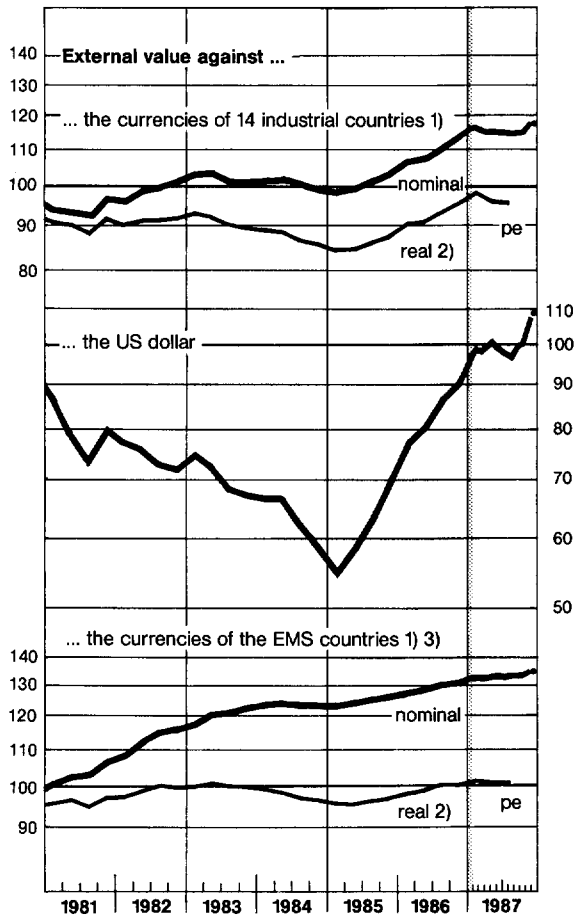
Relative to the major third currencies outside the European Monetary System, the exchange rate changes remained within bounds in the period under review, since these currencies appreciated against the US dollar to more or less the same extent as the Deutsche Mark. Vis-à-vis the pound sterling, for instance, the Deutsche Mark is currently being quoted 1% and vis-à-vis the Swiss franc 2% below its level of the end of July; relative to the Japanese yen it has lost just under 3% in the same period. Overall, i.e. against the currencies of 14 industrial countries, the Deutsche Mark is currently being quoted $2\frac{1}{2}\%$ higher than at the end of July and just under 3% higher than at the beginning of this year. Hence the recent exchange rate shifts have not substantially altered the competitiveness of German exporters in terms of prices – taking the average of their markets – despite the renewed appreciation against the US dollar, since prices and costs in Germany have been rising more slowly than in the other industrial countries, to about the same extent as before.



Against the background of the above-described external tensions, the *net external assets of the Bundesbank* – valued at balance sheet rates – increased by DM 21 billion from the end of July to the time of going to press; thus they have latterly been DM 38.5 billion higher than they were at the beginning of this year. About one-half of the considerable increase in reserves in the months under review was due to the fact that the US dollar holding continued to increase considerably because of the usual receipts from interest income and US dollar conversions by US military agencies and also because the Bundesbank took US dollars out of the market in order to stabilise the markets. On December 14, 1987 the Bundesbank held just over US\$ 40.8 billion, compared with US\$ 29 billion at the end of 1986 (excluding the US dollar reserves contributed to the EMCF). The second half of the increase in the Bundesbank's reserves in the period under review resulted from the obligations which the Bundesbank has assumed in the EMS. After the "obligatory" interventions in January of this year (which were offset only in part by subsequent outflows), intramarginal Deutsche Mark sales by EMS partners were financed by the Bun-

External value of the Deutsche Mark

1980=100, quarterly/monthly, log. scale



1) Weighted external value.- 2) External value after adjustment for the differing price movements in the respective economies (measured by the deflators of total sales).- 3) Excluding the United Kingdom and Greece.- pe partly estimated.- ● = December 1 to 14, 1987.

BBK

desbank. For the first time, advantage was taken of a new option (agreed on by the Committee of the EEC Central Bank Governors on September 8, 1987), which provides for the financing of interventions in Deutsche Mark undertaken with the consent of the Bundesbank within the margins of fluctuation through the European Monetary Cooperation Fund (EMCF). As a result, the Bundesbank's claims denominated in ECUs under the "very short-term financing" facility rose by DM 7 billion.

Statistical Section

I. Overall monetary survey			
1. The money stock and its counterparts	2 *	8. Selected central bank rates abroad	53 *
2. Consolidated balance sheet of the banking system	4 *	9. Money market rates abroad	53 *
3. Central bank money requirements of banks and liquidity policy measures of the Bundesbank	6 *	VI. Capital market	
II. Deutsche Bundesbank		1. Sales and purchases of securities	54 *
1. Assets and liabilities of the Bundesbank	8 *	2. Sales of bonds issued by residents	55 *
III. Banks		3. Redemption of bonds issued by residents	56 *
1. Key components of bank assets and liabilities	10 *	4. Outstanding amount of bonds issued by residents	56 *
2. Assets	12 *	5. Change in share circulation	57 *
3. Liabilities	14 *	6. Yields on domestic securities	57 *
4. Lending to non-banks	16 *	7. Liquid funds and investments of insurance enterprises	58 *
5. Loan commitments to domestic enterprises and individuals	21 *	8. Investment companies' sales receipts	59 *
6. Off-balance-sheet activities	21 *	VII. Public finance	
7. Deposits of and borrowing from non-banks	22 *	1. Finances of the public sector	60 *
8. Lending to domestic public authorities	28 *	2. Finances of the Federal Government, Länder Governments and local authorities	60 *
9. Deposits of and borrowing from domestic public authorities	28 *	3. Federal finance on a cash basis	61 *
10. Sight and time deposits of and funds borrowed from domestic individuals and organisations	30 *	4. Tax revenue of the central, regional and local authorities	61 *
11. Assets and liabilities of the foreign branches of German banks	30 *	5. Tax revenue, by type	62 *
12. Assets and liabilities of foreign banks majority-owned by German banks	31 *	6. Individual taxes of the Federal Government, Länder Governments and local authorities	62 *
13. Assets of the various categories of banks	32 *	7. Indebtedness of the public sector	63 *
14. Liabilities of the various categories of banks	34 *	8. Changes in public sector indebtedness	64 *
15. Lending to non-banks	36 *	9. Indebtedness of the Federal Government	65 *
16. Deposits of and borrowing from non-banks	37 *	10. Indebtedness of the Federal Railways and Federal Post Office	65 *
17. Securities portfolios	38 *	11. Loans raised by public authorities against borrowers' notes	66 *
18. Treasury bills and Treasury discount paper held by banks	38 *	12. Equalisation claims	66 *
19. Bonds of domestic public authorities and their special funds held by banks	39 *	13. Receipts, expenditure and assets of the wage and salary earners' pension insurance funds	67 *
20. Lending to domestic enterprises and individuals, by borrower	40 *	14. Receipts, expenditure and assets of the Federal Labour Office	67 *
21. Savings deposits	42 *	VIII. General economic conditions	
22. Building and loan associations	43 *	1. Origin, distribution and use of national product	68 *
23. Balance sheet total, lending and deposits of credit cooperatives	44 *	2. Index of net output in the producing sector	69 *
24. Debits to giro accounts of non-banks	44 *	3. Labour market	69 *
25. Number of monthly reporting banks and their classification by size	44 *	4. Index of orders received by the manufacturing sector	70 *
26. Number of banks and their branches	45 *	5. Orders received by construction and housing finance	71 *
IV. Minimum reserves		6. Retail turnover	71 *
1. Reserve ratios	46 *	7. Prices	72 *
2. Reserve maintenance	47 *	8. Households' income	73 *
V. Interest rates		9. Pay rates and actual earnings	73 *
1. Discount and lombard rates of the Bundesbank and special interest rate charged for failing to comply with the minimum reserve requirements	49 *	IX. Foreign trade and payments	
2. Rates of the Bundesbank for short-term money market operations	49 *	1. Major items of the balance of payments	74 *
3. The Bundesbank's open market transactions in securities under repurchase agreements	50 *	2. Foreign trade (special trade), by group of countries and country	75 *
4. Rates for sales of money market paper	50 *	3. External services	76 *
5. Rates for prime bankers' acceptances	51 *	4. External transfer payments	76 *
6. Money market rates, by month	51 *	5. External capital transactions	77 *
7. Lending and deposit rates	51 *	6. External position of the Bundesbank	78 *
		7. External assets and liabilities of domestic banks	79 *
		8. External assets and liabilities of domestic enterprises	79 *
		9. Average official foreign exchange quotations on the Frankfurt Exchange	80 *
		10. External value of the Deutsche Mark	81 *
		11. External value of foreign currencies	82 *

banks				Lending to and other claims on domestic public authorities				Securities		Other assets ⁸		End of year or month/ Reporting date	
Securities purchased in open market transactions under repurchase agreements	Foreign bills	Lombard loans	Memo item Loans to domestic banks excluding money market bills purchased ⁴	Total	Federal Government ⁵		Länder Governments	Lending to Federal Railways and Federal Post Office	Bonds and interest-bearing Treasury bonds of Federal and Länder Governments	Bonds and interest-bearing Treasury bonds of Federal Railways and Federal Post Office ⁷	Total		of which Balancing item for the valuation adjustment of the monetary reserves ⁹
					Advances	Equalisation claims ⁶							
6,164	4,425	7,708	54,627	11,120	1,336	8,683	1,101	—	2,280	1,607	18,765	5,760	1980
11,876	5,367	18 5,985	65,203	13,428	3,200	8,683	1,545	—	2,310	1,422	7,363	—	1981
9,103	7,051	12,031	71,639	10,079	—	8,683	1,396	—	3,813	1,593	9,030	—	1982
16,168	9,448	13,295	81,738	9,585	—	8,683	902	—	5,806	1,988	10,261	—	1983
25,736	14,815	7,967	92,614	11,124	1,774	8,683	667	—	2,937	1,400	12,441	—	1984
41,627	17,301	2,315	101,870	8,862	—	8,683	179	—	2,766	1,365	12,574	—	1985
33,191	20,363	2,368	92,907	11,634	2,015	8,683	936	—	3,668	1,540	13,555	—	1986
22,078	19,055	2,964	76,624	10,466	—	8,683	1,783	—	3,138	1,421	17,806	—	1987 May
27,429	19,306	3,730	82,386	9,389	—	8,683	706	—	3,386	1,401	18,684	—	June
36,258	19,405	116	87,871	9,882	1,083	8,683	116	—	3,409	1,412	6,986	—	July
37,329	20,219	1,836	91,169	9,507	—	8,683	824	—	3,360	1,412	17,009	—	Aug.
34,806	22,017	893	89,097	9,284	—	8,683	601	—	3,301	1,339	17,470	—	Sep.
37,167	20,721	17	89,357	10,439	1,073	8,683	683	—	3,263	1,339	7,638	—	Oct. 7
36,524	21,293	37	89,027	9,379	—	8,683	696	—	3,261	1,339	7,685	—	Oct. 15
28,849	21,736	284	82,110	8,727	—	8,683	44	—	3,258	1,339	6,384	—	Oct. 23
28,849	21,810	913	82,848	9,524	—	8,683	841	—	3,254	1,339	6,470	—	Oct. 31
21,554	21,456	37	74,249	9,853	—	8,683	1,170	—	3,211	1,339	6,630	—	Nov. 7
19,622	21,539	435	72,511	9,714	—	8,683	1,031	—	3,211	1,339	7,361	—	Nov. 15
19,622	21,228	177	71,761	8,880	—	8,683	197	—	3,210	1,339	7,717	—	Nov. 23
19,759	21,062	5,106	75,924	11,327	1,208	8,683	1,436	—	3,209	1,339	18,629	—	Nov. 30

Other enterprises and individuals	Foreign depositors ²	Liabilities to banks	Liabilities arising from mobilisation and liquidity paper sold	Liabilities to the EMCF in connection with the European Monetary System ^{2, 13}	Counterpart of special drawing rights allocated ²	Provisions	Capital and reserves	Other liabilities	Memorandum items			End of year or month/ Reporting date
									Currency in circulation		Rediscount quotas fixed ¹⁴	
									Total	of which Coins		
590	7,666	—	4,192	5,364	2,476	2,025	1,390	10,899	91,191	7,461	42,565	1980
635	8,887	—	4,905	—	3,178	2,206	2,164	14,231	91,607	7,817	46,391	1981
649	12,020	—	4,652	—	3,174	3,866	4,769	12,624	96,695	8,120	51,694	1982
610	9,764	—	6,296	—	3,453	4,306	5,009	14,213	104,692	8,619	51,628	1983
729	11,432	—	6,514	—	3,736	6,192	5,384	16,325	109,592	8,956	59,838	1984
868	14,595	—	8,768	—	22 3,273	8,739	5,612	10,852	114,719	9,303	63,831	1985
889	19,898	—	4,808	—	24 2,874	5,792	5,851	7,355	123,733	9,750	59,444	1986
613	18,852	—	5,720	—	2,874	4,743	6,279	1,989	125,656	9,911	52,471	1987 May
756	18,305	—	4,736	—	2,874	4,743	6,279	2,433	126,926	9,974	52,554	June
608	18,386	—	4,703	—	2,874	4,743	6,279	3,345	129,931	9,986	52,596	July
578	19,694	—	5,264	—	2,874	4,743	6,279	4,808	129,089	9,986	52,634	Aug.
645	21,736	—	4,971	—	2,874	4,743	6,279	4,976	128,733	10,102	52,647	Sep.
583	22,034	—	5,439	—	2,874	4,743	6,279	4,992	129,741	10,115	..	Oct. 7
591	21,789	—	5,330	—	2,874	4,743	6,279	5,089	129,000	10,133	..	Oct. 15
623	20,142	—	5,256	—	2,874	4,743	6,279	5,795	127,663	10,138	..	Oct. 23
647	19,739	—	6,285	—	2,874	4,743	6,279	5,956	130,333	10,125	52,698	Oct. 31
635	19,037	—	5,093	—	2,874	4,743	6,279	5,718	131,005	10,080	..	Nov. 7
612	18,329	—	5,130	—	2,874	4,743	6,279	5,934	130,733	10,080	..	Nov. 15
639	18,208	—	5,154	—	2,874	4,743	6,279	6,915	129,838	10,103	..	Nov. 23
684	18,338	—	5,377	—	2,874	4,743	6,279	7,052	133,947	10,218	..	Nov. 30

associations and social security funds. — 12 For further breakdown see Table VII, 4 in the Monthly Reports of the Deutsche Bundesbank up to and including November 1982. — 13 As from September 7, 1983 liabilities arising from transfers of ECUs to other central banks, previously set off against claims on the EMCF, are shown in the Weekly Return of the Bundesbank as liabilities to the EMCF; this method is employed in this table for earlier dates as well. 14 In addition, there are several minor special refinancing facilities (see "Kreditpolitische

Regelungen" [monetary policy regulations] published in the German version of the Annual Reports of the Deutsche Bundesbank). — 15 Increase of DM 1.8 billion owing to a valuation adjustment. — 16 Increase of DM 4.1 billion owing to a valuation adjustment (see "The monetary reserves of the Bundesbank as reflected in its Weekly Return", Monthly Report of the Deutsche Bundesbank, Vol. 34, No. 1, January 1982, p. 13). — 17 Increase of DM 7.3 billion owing to a valuation adjustment; DM 3.4 billion of this was transferred to the EMCF in

connection with the contribution of the dollar reserves. — 18 Special lombard facility. — 19 Decrease of DM 2.5 billion owing to a valuation adjustment. — 20 Increase of DM 1.2 billion owing to a valuation adjustment. — 21 Including a decrease of DM 1.9 billion owing to a valuation adjustment. — 22 Decrease of DM 0.5 billion owing to a valuation adjustment. — 23 Including a decrease of DM 1.7 billion owing to a valuation adjustment. — 24 Decrease of DM 0.4 billion owing to a valuation adjustment.

III. Banks

over 1 year	Bills dis- counted	Loans on a trust basis	Treasury bill credits ⁸	Securities (excluding bank securities) 6, 9	Equalisa- tion and covering claims	Mobilisa- tion and liquidity paper (Treasury bills and Treasury discount paper) ¹⁰	Bonds from own issues	Partici- pations ¹¹	Other assets 12, 14	Memorandum Items			End of year or month
										Total ¹	Bill portfolios		
											of which Redis- countable at the Bundes- bank 13, 14	Securities (incl. bank securities) 6, 15	
918,391	45,874	56,206	7,077	55,304	4,480	10,502	5,310	16,486	40,344	30,895	19,098	211,205	1978
1,036,503	48,157	58,590	5,650	55,377	4,203	4,781	5,902	17,602	44,755	21,559	10,805	17 213,337	1979
1,134,781	53,394	59,981	3,273	56,470	3,943	1,650	4,909	19,061	49,595	19,705	9,820	26 227,946	1980
31 1,238,799	57,790	32 65,538	5,851	33 54,685	3,751	2,350	4,341	20,221	52,708	18,607	9,671	34 242,349	1981
1,320,260	58,825	62,908	10,493	65,796	3,490	1,250	5,474	21,787	58,500	17,579	8,712	36 283,290	1982
1,412,303	60,497	64,965	9,173	76,423	3,266	1,950	6,253	40 25,923	35 62,285	19,135	9,465	319,487	1983
45 1,493,661	62,301	65,841	5,507	89,934	3,055	2,750	6,556	27,635	66,361	17,285	7,985	21 346,803	1984
45 1,575,102	63,704	21 68,774	5,463	18 108,142	2,841	4,943	7,639	29,828	71,468	16,306	6,939	28 381,378	1985 16
1,595,565	63,866	69,179	5,464	19 107,700	2,892	4,943	7,639	30,092	74,100	16,391	6,975	388,712	1985 16
50 1,673,093	59 64,586	70,000	4,841	60 114,145	2,626	1,100	8,445	32,479	76,883	17,016	8,278	31 424,958	1986
1,627,855	66,807	68,906	4,068	24 114,264	2,691	2,600	10,078	31,020	70,291	16,189	7,005	416,344	1986 July
1,637,583	66,479	69,414	4,064	110,546	2,672	2,438	9,952	31,107	71,191	15,576	6,841	416,026	Aug.
1,641,129	64,445	69,253	3,853	112,780	2,672	6,559	10,379	31,131	72,098	15,449	6,293	419,250	Sep.
64 1,647,518	66,512	69,813	3,862	115,915	2,672	1,650	10,504	31,427	72,167	16,727	6,978	422,670	Oct.
1,656,710	67,112	70,079	4,866	116,924	2,672	2,395	10,915	31,442	74,261	17,202	7,897	426,930	Nov.
1,673,093	64,586	70,000	4,841	114,145	2,626	1,100	8,445	32,479	76,883	17,016	8,278	424,958	Dec.
67 1,665,422	63,753	68 74,224	4,842	33 112,298	2,614	4,510	8,343	32,782	76,477	14,888	6,676	31 426,330	1987 Jan.
1,667,818	61,774	74,736	3,152	27 114,552	2,614	6,790	8,708	62 35,513	76,971	19,122	10,531	69 431,359	Feb.
1,669,375	60,728	74,915	3,042	116,797	2,614	2,350	8,726	35,801	73,195	16,718	8,414	434,369	March
1,675,825	59,567	75,091	3,058	113,506	2,613	2,350	8,764	35,768	72,494	15,704	7,594	432,826	April
1,683,954	59,454	74,805	3,137	115,501	2,614	2,600	9,253	35,679	72,249	15,384	7,357	440,401	May
1,687,649	56,352	74,809	3,073	118,090	2,537	1,650	10,682	35,312	71,930	14,150	5,936	443,901	June
1,700,644	58,531	75,310	3,093	121,245	2,483	1,700	11,432	35,680	72,075	14,954	6,337	448,271	July
1,712,255	59,009	75,433	4,194	125,491	2,480	2,250	11,873	35,720	73,025	14,899	6,111	454,642	Aug.
1,720,270	58,480	75,332	4,519	126,792	2,480	1,900	12,243	35,806	73,443	15,064	6,206	458,260	Sep.
1,732,555	60,062	75,463	4,239	133,164	2,481	3,250	12,699	36,062	74,577	16,327	7,630	467,201	Oct. p

foreign branches (see footnote 14). — 12 Including land and buildings, furniture and equipment, unpaid capital, own shares and shares of a controlling company and including objects leased (end-1986: DM 4,267 million). — 13 Including bills sold to the Bundesbank in open market transactions under repurchase agreements. — 14 The amounts recorded under "Domestic assets" may also contain some external assets; up to June 1983 other assets including the working capital put at the disposal of foreign branches (see footnote 11). — 15 Excluding own issues; excluding registered bonds. — 16 The difference between the two lines for the end of 1985 is due to the change in the reporting requirements for credit cooperatives; see footnote *. — 17 — c. DM 1.7 billion. — 18 — c. DM 700 million. — 19 — c. DM 1.2 billion. — 20 + c. DM 500 million. — 21 — c. DM 500 million. — 22 + c. DM 2.3 billion. — 23 — c. DM 2.1 billion. — 24 + c. DM 600 million. — 25 — c. DM 900 million. — 26 — c. DM 3.1 billion. — 27 — c. DM 2.6 billion. — 28 — c. DM 1.0 billion. — 29 — c. DM 1.8 billion. — 30 — c. DM 800 million. — 31 — c. DM 1.1 billion. — 32 + c. DM 1.4 billion. — 33 — c. DM 600 million. — 34 — c. DM 2.4 billion. — 35 — c. DM 2.0 billion. — 36 — c. DM 2.3 billion. — 37 + c. DM 2.4 billion. — 38 + c. DM 2.7 billion. — 39 + c. DM 3.1 billion. — 40 + c. DM 2.0 billion. — 41 + c. DM 3.3 billion. — 42 + c. DM 4.0 billion. — 43 — c. DM 2.7 billion. — 44 — c. DM 1.4 billion. — 45 — c. DM 1.3 billion. — 46 — c. DM 12.5 billion. — 47 — c. DM 8.0 billion. — 48 — c. DM 7.5 billion. — 49 — c. DM 4.6 billion. — 50 — c. DM 3.2 billion. — For footnote 51 ff. see p. 15. — p Provisional.

III. Banks

non-banks 3, 8														End of year or month
borrowed funds; savings										Memorandum items				
posit										Capital (incl. published reserves according to section 10 of the Banking Act) 12, 13	Other liabilities 11, 12	Balance sheet total 2	Liabilities arising from guarantees	Liabilities arising from transactions under repurchase agreements (unless shown above the line)
3 months to less than 4 years	4 years and over	Bank savings bonds 9	Savings deposits	Loans on a trust basis	Bearer bonds outstanding 10	Provisions	Provisions for losses on loans and advances	Capital (incl. published reserves according to section 10 of the Banking Act) 12, 13	Other liabilities 11, 12						Balance sheet total 2	Liabilities arising from guarantees	Liabilities arising from transactions under repurchase agreements (unless shown above the line)
73,446	136,130	64,550	470,727	52,533	334,649	14,301	4,649	66,086	47,042	1,966,169	106,644	7,093	1978	
77,275	155,689	79,593	482,887	52,521	372,495	15,544	5,256	72,134	23 47,826	51 2,138,805	114,044	6,707	1979	
65,475	172,890	97,591	20 490,538	49,929	413,594	16,193	5,804	76,923	83 51,894	2,302,813	129,647	10,669	1980	
81,849	44 186,477	111,782	20 488,051	84 51,933	484,437	17,977	6,306	82,833	76 63,539	27 2,482,043	144,564	9,218	1981	
75,022	195,516	123,876	523,904	49,562	530,822	19,594	6,503	89,671	27 69,690	30 2,648,942	147,396	9,199	1982	
77,136	222,755	137,301	554,727	51,090	584,657	23,093	6,785	96,173	23 78,140	37 2,818,818	87 159,307	7,864	1983	
84,907	20 250,982	154,253	575,637	51,414	619,256	25,739	7,242	104,389	91 81,468	32 3,016,685	161,294	1,995	1984	
33 83,442	30 287,141	164,967	609,056	52,467	653,743	29,186	7,739	114,759	88,882	46 3,214,719	158,044	1,308	1985 14	
87,146	288,138	168,099	631,098	52,480	653,743	29,339	7,892	116,623	89,606	3,259,244	158,896	1,310	1985 14	
28 85,830	75 330,395	39 181,552	678,583	51,996	684,219	33,197	7,990	127,967	83 95,186	96 3,481,117	146,475	20 1,236	1986	
84,630	312,531	176,917	640,167	51,338	680,310	33,239	8,009	126,070	98,489	3,303,426	151,977	659	1986 July	
88,107	316,613	177,525	643,126	51,754	685,545	33,038	7,995	126,278	100,316	25 3,334,173	151,343	447	Aug.	
90,016	318,963	177,688	644,854	51,412	686,796	32,587	7,990	126,527	109,970	18 3,362,963	151,399	718	Sep.	
89,819	322,799	178,174	648,806	51,635	685,491	32,399	7,987	127,128	109,022	61 3,374,328	147,752	897	Oct.	
86,753	327,181	179,013	652,681	51,883	688,552	32,146	7,991	127,423	113,426	27 3,448,604	146,993	1,021	Nov.	
85,830	330,395	181,552	678,583	51,996	684,219	33,197	7,990	127,967	95,186	45 3,481,117	146,475	1,236	Dec.	
84,676	67 331,705	184,026	680,643	97 56,431	694,855	35,827	8,149	128,446	19 92,244	65 3,444,330	144,294	571	1987 Jan.	
88,524	336,543	186,082	683,909	56,806	696,884	38,015	8,298	128,794	87,879	3,462,558	144,776	544	Feb.	
89,424	340,128	186,892	685,636	57,037	699,284	38,261	8,306	130,575	91,321	33 3,492,122	144,919	473	March	
89,027	344,500	187,760	685,985	57,245	696,850	38,115	8,309	131,451	87,982	21 3,474,036	143,874	399	April	
89,303	348,683	188,551	686,485	56,887	705,708	37,465	8,286	133,611	92,595	70 3,517,757	145,294	414	May	
89,167	350,747	189,215	687,884	56,872	705,789	37,250	8,285	134,687	101,468	24 3,544,521	145,359	447	June	
86,416	355,649	189,050	687,063	57,359	706,108	37,079	8,270	135,624	98,148	71 3,537,274	145,580	472	July	
85,442	359,632	188,595	688,955	57,308	709,996	36,772	8,274	135,831	100,811	44 3,578,458	147,284	411	Aug.	
83,037	363,891	188,807	689,568	57,236	713,513	36,676	8,279	136,257	110,147	62 3,595,003	148,696	445	Sep.	
85,553	367,201	188,686	690,715	57,239	712,011	36,553	8,272	136,845	30 112,848	1003,621,859	147,975	322	Oct. p	

also include the working capital of the branches of foreign banks. — 13 Including participation rights capital (end-1986: DM 2,331 million). — 14 The difference between the two lines for the end of 1985 is due to the change in the reporting requirements for credit cooperatives; see Table III, 2, footnote *. — Footnote 17 to 50 see p. 13. — 51 — c. DM 1.9 billion. — 52 + c. DM 1.2 billion. — 53 — c. DM 18.5 billion. — 54 — c. DM 6.5 billion. — 55 — c. DM 11.5 billion. — 56 + c. DM 5.0 billion. — 57 — c. DM 5.5 billion. — 58 — c. DM 2.5 billion. — 59 + c. DM 1.0 billion. — 60 — c. DM 6.0 billion. — 61 + c. DM 1.3 billion. — 62 + c. DM 2.6 billion. — 63 + c. DM 2.5 billion. — 64 — c. DM 1.5 billion. — 65 — c. DM 7.0 billion. — 66 — c. DM 4.1 billion. — 67 — c. DM 4.0 billion. — 68 + c. DM 4.1 billion. — 69 — c. DM 2.8 billion. — 70 + c. DM 1.1 billion. — 71 + c. DM 900 million. — 72 — c. DM 1.6 billion. — 73 — c. DM 2.9 billion. — 74 — c. DM 5.0 billion. — 75 — c. DM 3.4 billion. — 76 — c. DM 2.2 billion. — 77 — c. DM 3.8 billion. — 78 + c. DM 1.6 billion. — 79 — c. DM 3.0 billion. — 80 + c. DM 4.2 billion. — 81 + c. DM 2.8 billion. — 82 + c. DM 800 million. — 83 — c. DM 3.7 billion. — 84 + c. DM 1.5 billion. — 85 + c. DM 3.5 billion. — 86 + c. DM 3.4 billion. — 87 + c. DM 700 million. — 88 + c. DM 5.5 billion. — 89 + c. DM 2.1 billion. — 90 + c. DM 1.9 billion. — 91 — c. DM 5.5 billion. — 92 — c. DM 13.0 billion. — 93 — c. DM 9.0 billion. — 94 — c. DM 3.3 billion. — 95 — c. DM 12.0 billion. — 96 — c. DM 19.5 billion. — 97 + c. DM 4.4 billion. — 98 — c. DM 4.7 billion. — 99 + c. DM 3.9 billion. — 100 — c. DM 3.6 billion. — p Provisional.

										End of year or month
Long-term 4, 5										
Advances and loans	Bills discounted	Loans on a trust basis 3	Securities (excluding bank securities)	Total including securities portfolios, equalisation and covering claims	excluding securities portfolios, equalisation and covering claims	Advances and loans 4	Loans on a trust basis 5	Securities (excluding bank securities) 6	Equalisation and covering claims	
94,835	4,024	868	830	620,526	603,398	565,535	37,863	17,128	—	1978
105,360	4,324	966	448	691,910	675,095	634,514	40,581	16,815	—	1979
112,974	4,511	10	1,035	753,755	736,681	692,455	13 44,228	17,074	—	1980
123,851	5,226		1,243	801,655	785,535	736,985	15 48,550	16,120	—	1981
132,261	5,308		1,900	846,225	829,421	780,370		49,051	—	1982
141,130	4,489		2,288	914,630	897,077	846,988		50,089	—	1983
140,509	3,760		2,524	9 981,783	9 962,430	9 910,818		51,612	—	1984
136,707	2,850		2,340	20 1,061,508	20 1,037,791	20 984,557		53,234	—	1985 7
140,542	2,851		2,343	1,076,836	1,054,141	1,000,505		53,636	—	1985 7
135,469	1,781		1,607	23 1,162,036	23 1,135,045	23 1,080,342		54,703	—	1986
136,970	2,318		1,995	1,120,037	1,092,432	1,038,624		53,808	—	1986 July
136,679	2,282		1,842	1,126,717	1,099,977	1,045,913		54,064	—	Aug.
136,122	2,240		1,778	1,133,154	1,106,518	1,052,518		54,000	—	Sep.
135,490	2,193		1,667	25 1,141,338	25 1,114,078	25 1,059,623		54,455	—	Oct.
135,224	2,012		1,621	1,150,186	1,121,951	1,067,310		54,641	—	Nov.
135,469	1,781		1,607	1,162,036	1,135,045	1,080,342		54,703	—	Dec.
133,598	1,742		1,536	1,163,681	1,136,659	26 1,078,521		27 58,138	—	1987 Jan.
132,327	1,704		1,578	28 1,166,594	1,140,413	1,082,119		58,294	—	Feb.
131,715	1,679		1,632	1,169,824	1,143,090	1,085,027		58,063	—	March
131,665	1,654		1,339	1,175,559	1,149,381	1,091,046		58,335	—	April
131,500	1,657		1,191	1,180,977	1,154,548	1,096,373		58,175	—	May
131,959	1,638		1,147	1,187,903	1,159,246	1,101,099		58,147	—	June
132,686	1,668		1,115	1,197,600	1,168,118	1,109,951		58,167	—	July
132,271	1,655		1,096	1,207,242	1,176,055	1,117,699		58,356	—	Aug.
131,987	1,346		1,071	1,214,698	1,182,517	1,124,380		58,137	—	Sep.
131,626	1,311		1,079	1,223,376	1,190,572	1,132,181		58,391	—	Oct. p
27,186	—	42	16,305	218,734	198,432	194,088		4,344		1978
31,649	—	40	14,120	246,014	225,498	220,707		4,791		1979
34,428	—		10,607	268,152	247,192	241,658		5,534	20 17,017	1980
49,865	—		7,399	297,577	275,148	269,145		6,003		1981
47,845	—		9,284	331,823	300,419	293,839		6,580		1982
48,290	—		12,095	349,928	311,475	304,432		7,043		1983
43,215	—		12,085	379,830	330,370	322,939		7,431		1984
38,865	—		10,132	405,468	343,825	335,653		8,172		1985 7
38,895	—		10,175	406,643	344,461	336,286		8,175		1985 7
29,063	—		8 8,421	423,414	355,893	346,689		9,204		1986
31,923	—		8,709	415,446	348,926	340,166		8,760		1986 July
31,295	—		8,308	416,915	352,042	343,170		8,872		Aug.
30,071	—		7,979	417,707	350,342	341,422		8,920		Sep.
29,893	—		9,162	417,610	350,212	341,213		8,999		Oct.
30,040	—		8,954	420,051	351,916	342,804		9,112		Nov.
29,063	—		8,421	423,414	355,893	346,689		9,204		Dec.
26,127	—		8,315	30 422,257	13 355,916	345,945		30 9,971		1987 Jan.
25,671	—		7,146	8 427,054	356,128	346,041		10,087	8 68,312	Feb.
25,324	—		6,759	427,846	355,352	345,226		10,126		March
24,338	—		6,959	427,187	357,008	346,869		10,139		April
23,854	—		6,735	432,230	360,159	349,957		10,202		May
23,818	—		6,384	430,776	358,807	348,652		10,155		June
23,325	—		7,843	434,308	362,028	351,752		10,276		July
24,620	—		7,475	439,885	364,768	354,406		10,362		Aug.
25,235	—		7,360	441,540	365,803	355,299		10,504		Sep.
25,086	—		7,327	452,360	370,920	360,368		10,552		Oct. p

16 — c. DM 2.7 billion. — 17 — c. DM 1.4 billion. —
 18 — c. DM 1.3 billion. — 19 — c. DM 2.3 billion. —
 20 — c. DM 600 million. — 21 — c. DM 1.2 billion. —

22 — c. DM 3.4 billion. — 23 — c. DM 2.1 billion. —
 24 + c. DM 1.0 billion. — 25 — c. DM 1.6 billion. —
 26 — c. DM 3.5 billion. — 27 + c. DM 3.5 billion. —

28 — c. DM 2.0 billion. — 29 + c. DM 600 million. —
 30 + c. DM 700 million. — 31 — c. DM 500 billion. —
 p Provisional.

5. Lending commitments to domestic enterprises and individuals *

Statistics changed
New additional series

DM million

Period	Commitments for medium and long-term loans of fixed amounts and for fixed periods					Memorandum items Commitments for residential building (reduced range of reporting banks 1)								
	Credit lines promised as at beginning of period	Credit lines promised during period	Loans promised and paid out	Cancellations	Loans promised but not yet paid out at end of period	Credit lines promised as at beginning of period	Credit lines promised				Loans promised etc.	Cancellations and the out 5	Loans promised but not yet paid out at end of period	
							Total	for new construction 2	for modernisation, purchase and acquisition 3	for repayment of other loans 4				
1985					80,017	17,034	58,871	25,705	27,682	5,484	57,608	2,031	16,266	
1986					76,950	16,266	61,740	23,022	30,965	7,753	59,823	1,654	16,529	
1986 June					86,189	18,634	7,517	2,871	3,416	1,230	5,383	93	20,675	
July					84,764	20,675	5,810	2,363	2,774	673	6,211	138	20,136	
Aug.					83,495	20,136	4,609	1,789	2,217	603	5,091	66	19,588	
Sep.					83,956	19,588	5,014	1,861	2,496	657	5,270	72	19,260	
Oct.					82,269	19,260	5,607	2,105	2,825	677	5,580	71	19,216	
Nov.					80,794	19,216	4,430	1,638	2,321	471	4,919	165	18,562	
Dec.					76,950	18,562	6,499	2,003	3,860	636	8,461	71	16,529	
1987 Jan.					73,602	16,529	2,967	931	1,707	329	3,979	861	14,656	
Feb.					72,990	14,656	3,424	1,049	1,939	436	3,423	89	14,568	
March					74,300	14,568	4,750	1,512	2,670	568	3,758	78	15,482	
April					74,830	15,482	4,497	1,669	2,183	645	4,166	33	15,780	
May					77,647	15,780	4,795	1,691	2,542	562	3,917	92	16,566	
June					80,806	16,566	6,328	2,154	3,276	898	4,784	107	18,003	
July					82,563	18,003	6,969	2,590	3,570	809	5,575	45	19,352	
Aug.					84,011	19,352	5,304	2,091	2,696	517	4,847	62	19,747	
Sep. p	6 79,055	25,183	24,036	1,385	6 78,817	19,747	5,019	1,740	2,602	677	5,549	31	19,186	
Oct. p	78,817	25,931	24,691	1,746	78,311	19,186	4,707	1,771	2,503	433	5,305	26	18,562	

* Including non-profit organisations. — 1 Source: Statistics of the Ministry for Regional Planning, Building and Urban Development; only institutions affiliated to the following associations: Deutscher

Sparkassen- und Giroverband (other than Länder building and loan associations), Verband deutscher Hypothekenbanken, Verband öffentlicher Banken (other than housing promotion institutions). —

2 Creation of new housing. — 3 Including commitments for repairs. — 4 Repayment of housing loans from other banks. — 5 Difference. — 6 Statistical decrease of c. DM 5.0 billion. — p Provisional.

6. Off-balance-sheet activities *

DM million

End of year or month	Placing / underwriting commitments (RUFs, NIFs etc. 1)		Memorandum items				Interest rate and currency swaps				Liabilities arising from forward transactions in bonds	
	Total	of which Used 2	Claims on foreign		Total	Interest rate swaps	Currency swaps	Cross-currency interest rate swaps	Commitments to take	Commitments to deliver		
			non-banks, arising from Euro-notes and commercial paper 3)	banks, arising from certificates of deposit and other commercial paper								
Domestic banks												
1986	380	—	119	—	r 32,183	r 16,769	4,245	11,169	1,678	4,701		
1987 May	361	.	45	10	r 51,771	r 31,433	6,500	13,838	1,131	3,160		
June	361	.	80	10	r 56,258	r 34,235	6,463	15,580	1,562	2,807		
July	365	.	68	58	r 61,383	r 38,350	6,662	16,371	1,278	2,684		
Aug.	355	.	200	162	r 66,343	r 42,736	4 6,944	5 16,663	1,334	2,737		
Sep.	363	.	367	262	71,080	45,950	7,333	17,797	1,336	3,217		
Oct. p	367	.	488	187	79,121	53,940	7,900	17,281	1,460	3,635		
Foreign branches of German banks												
1986	3,528	137	1,147	2,287	21,308	17,117	492	3,699	.	.		
1987 May	3,628	22	1,080	2,448	30,452	22,490	1,096	6,866	.	.		
June	3,715	71	1,154	2,360	32,302	24,300	1,098	6,904	.	.		
July	4,111	100	1,106	2,875	33,914	25,947	1,149	6,818	.	.		
Aug.	4,160	96	1,070	2,634	34,716	26,221	1,138	7,357	.	.		
Sep.	4,290	92	1,109	3,315	35,362	26,818	1,146	7,398	.	.		
Oct. p	4,447	114	1,058	2,982	37,090	27,281	2,320	7,489	.	.		
Foreign subsidiaries of German banks												
1986	1,459	52	776	609	15,424	8,581	r 750	r 6,093	.	.		
1987 May	1,382	55	973	717	18,030	10,544	r 861	r 6,625	.	.		
June	1,431	46	1,084	712	18,338	10,984	r 870	r 6,484	.	.		
July	1,316	45	1,070	718	18,861	11,339	r 887	r 6,635	.	.		
Aug.	1,277	56	1,200	675	18,953	11,545	844	6,564	.	.		
Sep. p	1,534	59	973	636	19,470	11,922	934	6,614	.	.		

* Statistical changes of DM 500 and more are given separately (increase: +, decrease: -) in footnote 4 ff. — 1 Excluding underwriting commitments arising from usual syndicated lending. — 2 Commer-

cial paper, Euro-notes and CDs purchased in connection with underwriting facilities. — 3 In addition, claims arising from commercial paper issued by

domestic enterprises: DM 43 million at end-1986. — 4 + c. DM 900 million. — 5 - c. DM 900 million. — p Provisional. — r Revised.

Bank savings bonds 2			Savings deposits					Loans on a trust basis	Memo Item Liabilities arising from transactions under repurchase agreements (unless shown above the line)	End of year or month
Total	Less than 4 years	4 years and over	Total	Statutory notice	Agreed period of notice					
					Total	Less than 4 years	4 years and over			
					Under the Savings Bonuses and Personal Asset Acquisition Acts	Other				
3,009	53	2,956	6,335	.	.	.	—	1,517	.	1978
3,424	35	3,389	5,999	.	.	.	—	1,757	.	1979
3,729	27	3,702	6,019	2,771	3,248	1,380	—	1,621	.	1980
3,521	66	3,455	5,508	2,741	2,767	1,164	—	1,603	.	1981
3,502	191	3,311	5,451	2,833	2,618	1,127	—	1,491	.	1982
4,006	319	3,687	5,743	3,005	2,738	1,168	—	1,570	.	1983
5,220	574	4,646	5,645	3,111	2,534	1,159	—	1,375	.	1984
6,981	655	6,326	6,033	3,494	2,539	1,173	—	1,366	.	1985 3
7,024	663	6,361	6,295	3,632	2,663	1,248	—	1,415	.	1985 3
9,324	679	8,645	6,733	3,945	2,788	1,264	—	1,524	.	1986
8,265	664	7,601	6,455	3,800	2,655	1,232	—	1,423	.	1986 July
8,491	654	7,837	6,553	3,883	2,670	1,230	—	1,440	.	Aug.
8,576	655	7,921	6,608	3,937	2,671	1,224	—	1,447	.	Sep.
8,708	675	8,033	6,611	3,925	2,686	1,228	—	1,458	.	Oct.
9,032	672	8,360	6,574	3,911	2,663	1,224	—	1,439	.	Nov.
9,324	679	8,645	6,733	3,945	2,788	1,264	—	1,524	.	Dec.
9,601	701	8,900	6,761	3,984	2,777	1,259	—	1,518	.	1987 Jan.
9,795	694	9,101	6,900	4,055	2,845	1,290	—	1,555	.	Feb.
10,023	687	9,336	6,873	3,968	2,905	1,326	—	1,579	.	March
10,234	665	9,569	6,947	4,036	2,911	1,304	—	1,607	.	April
10,492	659	9,833	6,922	3,990	2,932	1,313	—	1,619	.	May
10,666	674	9,992	6,936	4,005	2,931	1,312	—	1,619	.	June
10,811	663	10,148	6,955	4,029	2,926	1,294	—	1,632	.	July
10,916	665	10,251	6,968	4,027	2,941	1,300	—	1,641	.	Aug.
10,970	662	10,308	6,862	3,976	2,886	1,288	—	1,598	.	Sep.
11,049	649	10,400	6,854	3,940	2,914	1,275	—	1,639	.	Oct. p
60,419	336	60,083	452,524	.	.	.	38,188	.	.	1978
74,723	747	73,976	465,581	.	.	.	42,775	.	.	1979
91,988	2,873	89,115	474,404	293,508	180,896	88,478	47,980	44,438	204	1980
106,187	8,432	97,755	7 473,071	292,785	180,286	87,093	51,627	41,566	222	1981
118,041	13,757	104,284	508,207	323,204	185,003	91,579	51,538	41,886	301	1982
130,292	8 17,496	9 112,796	537,338	10 353,050	11 184,288	12 97,917	41,661	44,710	344	1983
145,166	20,847	124,319	557,558	367,005	190,553	107,897	34,940	47,716	414	1984
153,405	22,097	131,308	590,090	388,219	201,871	116,796	32,133	52,942	469	1985 3
156,462	22,755	133,707	611,703	400,957	210,746	121,730	33,111	55,905	475	1985 3
16 166,839	17 21,414	18 145,425	657,778	431,939	225,839	132,431	30,489	62,919	656	1986
163,665	21,699	141,966	620,226	408,442	211,784	125,900	27,608	58,276	475	1986 July
163,980	21,562	142,418	622,989	409,742	213,247	126,397	28,123	58,727	513	Aug.
164,028	21,407	142,621	624,733	410,226	214,507	126,698	28,743	59,066	518	Sep.
164,308	21,427	142,881	628,725	412,857	215,868	127,012	29,297	59,559	521	Oct.
164,708	21,354	143,354	632,576	415,637	216,939	127,126	29,831	59,982	567	Nov.
166,839	21,414	145,425	657,778	431,939	225,839	132,431	30,489	62,919	656	Dec.
168,998	21,539	147,459	659,885	437,043	222,842	133,166	26,821	62,855	657	1987 Jan.
170,762	21,730	149,032	662,898	437,891	225,007	134,483	27,263	63,261	656	Feb.
171,221	21,744	149,477	664,583	437,979	226,604	135,127	27,776	63,701	660	March
171,824	21,625	150,199	664,821	437,982	226,839	134,326	28,249	64,264	659	April
172,274	21,533	150,741	665,261	437,721	227,540	133,996	28,706	64,838	661	May
172,556	21,465	151,091	666,602	438,068	228,534	133,951	29,154	65,429	664	June
172,162	21,279	150,883	665,732	441,065	224,667	134,230	24,270	66,167	676	July
171,586	21,125	150,461	667,577	441,955	225,622	134,175	24,821	66,626	666	Aug.
171,700	21,105	150,595	668,278	441,662	226,616	134,121	25,285	67,210	690	Sep.
171,453	20,874	150,579	669,523	442,578	226,945	133,562	25,897	67,486	708	Oct. p

14 — c. DM 500 million. — 15 — c. DM 2.6 billion. —
16 + c. DM 3.0 billion. — 17 + c. DM 600 million. —

18 + c. DM 2.4 billion. — p Provisional.

III. Banks

13. Assets of the various categories of banks *

Domestic and external assets

DM million

End of month	Number of reporting banks	Volume of business 1, 2	Cash balances	Balances with the Bundesbank	Cheques and paper for collection 3	Lending to banks 4					Lending to non-banks 7		
						Total	Balances and loans 4	Bills discounted	Loans on a trust basis	Bank securities 5, 6	Total	Advances and loans	
												Total	Up to 1 year
All categories of banks													
1987 Sep.	4,515	3,657,153	11,996	60,833	4,868	21,178,926	822,358	18,734	6,366	331,468	2,277,138	2,009,535	289,265
Oct. p	4,497	20 3,684,638	11,631	56,500	4,100	21 1,190,709	22 831,279	19,044	23 6,349	334,037	24 2,295,110	25 2,019,701	23 287,146
Commercial banks													
1987 Sep.	315	848,407	2,918	15,582	1,331	246,746	204,092	3,345	1,504	37,805	542,768	443,134	135,873
Oct. p	314	27 866,055	2,785	17,686	1,108	28 255,011	29 212,238	3,308	23 1,493	37,972	30 548,307	31 446,463	23 135,619
Big banks 16													
1987 Sep.	6	314,736	1,590	7,699	477	75,636	65,528	887	27	9,194	209,006	168,601	55,342
Oct. p	6	32 324,620	1,515	9,999	383	33 81,135	33 71,223	839	8	9,065	31 210,140	169,476	55,034
Regional banks and other commercial banks 17													
1987 Sep.	152	410,551	1,216	6,140	644	107,404	83,174	1,641	1,477	21,112	279,188	237,860	57,343
Oct. p	152	33 416,925	1,157	5,883	559	34 109,728	35 85,391	1,698	23 1,485	21,154	26 283,074	23 240,190	57,414
Branches of foreign banks													
1987 Sep.	60	69,020	11	404	70	43,899	40,417	160	—	3,322	23,461	14,356	9,719
Oct. p	59	35 69,327	11	599	54	35 43,900	35 40,308	148	—	3,444	23,292	14,015	9,309
Private bankers 18													
1987 Sep.	97	54,100	101	1,339	140	19,807	14,973	657	—	4,177	31,113	22,317	13,469
Oct. p	97	23 55,183	102	1,205	112	20,248	15,316	623	—	4,309	31,801	22,782	13,862
Regional giro institutions (incl. Deutsche Girozentrale)													
1987 Sep.	12	576,943	220	2,471	1,048	220,532	186,538	978	1,180	31,836	336,417	286,664	14,520
Oct. p	12	33 579,457	197	1,901	651	33 219,447	33 185,476	872	1,197	31,902	340,555	290,049	15,056
Savings banks													
1987 Sep.	588	793,010	5,874	20,107	733	219,551	60,448	4,126	18	154,959	519,300	477,747	72,190
Oct. p	587	797,245	5,739	19,151	655	222,601	61,901	4,388	28	156,284	521,309	478,407	70,102
Regional institutions of credit cooperatives (incl. Deutsche Genossenschaftsbank)													
1987 Sep.	7	161,446	114	3,867	763	111,584	92,139	2,244	544	16,657	39,390	24,235	5,457
Oct. p	7	26 165,691	87	2,086	569	23 114,440	23 94,355	2,214	548	17,323	42,314	24,525	5,669
Credit cooperatives													
1987 Sep.	3,524	454,938	2,821	9,298	549	143,190	70,943	3,639	—	68,608	280,570	261,446	57,650
Oct. p	3,508	457,644	2,770	9,068	590	144,618	71,757	3,619	—	69,242	282,015	262,350	57,347
Mortgage banks													
1987 Sep.	38	515,541	10	227	16	100,820	98,175	7	409	2,229	404,920	387,550	1,003
Oct. p	38	515,467	9	170	10	99,515	96,975	6	398	2,136	406,301	388,899	977
Private													
1987 Sep.	26	332,772	9	185	6	52,631	51,872	7	—	752	274,154	270,008	789
Oct. p	26	331,909	8	133	8	50,534	49,846	6	—	682	275,499	271,423	775
Public													
1987 Sep.	12	182,769	1	42	10	48,189	46,303	—	409	1,477	130,766	117,542	214
Oct. p	12	183,558	1	37	2	48,981	47,129	—	398	1,454	130,802	117,476	202
Banks with special functions													
1987 Sep.	16	250,484	39	271	428	117,591	103,531	4,395	2,711	6,954	127,211	105,750	2,222
Oct. p	16	249,548	44	329	517	116,323	102,074	4,637	2,685	6,927	127,441	105,962	1,999
Postal giro and postal savings bank offices													
1987 Sep.	15	56,384	—	9,010	—	18,912	6,492	—	—	12,420	26,562	23,009	350
Oct. p	15	53,531	—	6,109	—	18,754	6,503	—	—	12,251	26,868	23,046	377
Memorandum item Foreign banks 19													
1987 Sep.	110	154,295	114	1,399	202	81,792	69,599	655	1,145	10,393	67,315	44,745	22,383
Oct. p	109	36 157,868	109	1,525	167	33 83,758	33 71,309	704	1,081	10,664	23 68,225	44,941	22,544

* Excluding the assets of foreign branches; the statistical category "Installment sales financing institutions" was dissolved in December 1988; the banks it used to contain were included in the categories "Regional banks and other commercial banks", "Private bankers", and "Credit cooperatives", in accordance with their

legal form. Statistical changes of DM 100 million and more are given separately in footnote 20 ff. (increase: +, decrease: -). — For footnotes 1 to 13 see Table III, 2, Assets. — 14 Up to June 1983 including the working capital put at the disposal of foreign branches (see foot-

note 11). — 15 Excluding own issues; excluding registered bonds. — 16 Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and their Berlin subsidiaries. — 17 Including private bankers whose business is not organised in the form of a sole proprietorship or

III. Banks

Over 1 year	Bills dis-counted	Loans on a trust basis	Treasury bill credits 8	Securities (excluding bank securities) 6, 9	Equalisation and covering claims	Mobilisation and liquidity paper (Treasury bills and Treasury discount paper) 10	Bonds from own issues	Participations 11	Other assets 12, 14	Memorandum Items				End of month
										Bill portfolios			Securities (including bank securities) 6, 15	
										Total	of which Bills eligible for rediscount at the Bundesbank 13			
All categories of banks														
1,720,270	58,480	75,332	4,519	126,792	2,480	1,900	12,243	35,806	73,443	15,064	6,206	458,260	1987 Sep.	
26 1,732,555	60,062	75,463	23 4,239	23 133,164	2,481	3,250	12,699	36,062	74,577	16,327	7,630	26 467,201	Oct. p	
Commercial banks														
307,261	32,126	10,458	2,709	53,771	570	—	778	19,862	18,422	7,486	3,983	91,576	1987 Sep.	
23 310,844	32,829	10,301	23 2,429	23 55,715	570	1,450	786	20,035	18,887	8,293	4,820	23 93,687	Oct. p	
Big banks 16														
113,259	13,626	416	2,195	23,816	352	—	279	14,020	6,029	3,509	1,994	33,010	1987 Sep.	
114,442	14,085	437	23 1,915	23,875	352	1,000	260	14,127	6,061	3,828	2,314	23 32,940	Oct. p	
Regional banks and other commercial banks 17														
180,517	10,924	8,105	500	21,591	208	—	497	5,266	10,196	2,755	1,292	42,703	1987 Sep.	
182,776	11,207	8,037	500	22,932	208	50	523	5,279	10,672	3,043	1,616	44,086	Oct. p	
Branches of foreign banks														
4,637	3,372	1,391	—	4,342	—	—	—	56	1,119	594	419	7,664	1987 Sep.	
4,706	3,302	1,272	—	4,703	—	400	—	57	1,014	707	513	8,147	Oct. p	
Private bankers 18														
8,848	4,204	546	14	4,022	10	—	2	520	1,078	628	278	8,199	1987 Sep.	
8,920	4,235	555	14	4,205	10	—	3	572	1,140	715	377	8,514	Oct. p	
Regional giro institutions (incl. Deutsche Girozentrale)														
272,144	5,556	28,623	174	15,161	239	—	5,472	6,344	4,439	1,909	457	46,997	1987 Sep.	
274,993	5,979	28,870	174	15,244	239	—	5,752	6,354	4,600	1,981	581	47,146	Oct. p	
Savings banks														
405,557	9,353	7,940	3	23,422	835	—	60	2,842	24,543	2,165	1,090	178,381	1987 Sep.	
408,305	9,684	7,962	3	24,417	836	—	66	2,851	24,873	2,560	1,340	180,701	Oct. p	
Regional institutions of credit cooperatives (incl. Deutsche Genossenschaftsbank)														
18,778	3,761	118	—	11,229	47	—	167	4,079	1,482	876	62	27,886	1987 Sep.	
18,856	3,884	118	—	13,740	47	—	216	4,104	1,875	1,013	250	31,063	Oct. p	
Credit cooperatives														
203,796	5,600	2,298	1	10,921	304	—	55	1,924	16,531	1,340	540	79,529	1987 Sep.	
205,003	5,648	2,307	1	11,405	304	—	54	1,961	16,568	1,367	564	80,647	Oct. p	
Mortgage banks														
386,547	12	12,623	53	4,583	99	—	4,031	208	5,309	—	—	6,812	1987 Sep.	
387,922	15	12,694	53	4,541	99	—	4,083	208	5,171	—	—	6,677	Oct. p	
Private														
269,219	12	1,141	18	2,903	72	—	3,368	24	2,395	—	—	3,655	1987 Sep.	
270,648	15	1,140	18	2,831	72	—	3,346	24	2,357	—	—	3,513	Oct. p	
Public														
117,328	—	11,482	35	1,680	27	—	663	184	2,914	—	—	3,157	1987 Sep.	
117,274	—	11,554	35	1,710	27	—	737	184	2,814	—	—	3,164	Oct. p	
Banks with special functions														
103,528	2,072	13,272	358	5,709	50	—	1,680	547	2,717	1,288	74	12,663	1987 Sep.	
103,963	2,023	13,211	358	5,837	50	—	1,742	549	2,603	1,113	75	12,764	Oct. p	
Postal giro and postal savings bank offices														
22,659	—	—	1,221	1,996	336	1,900	—	—	—	—	—	14,416	1987 Sep.	
22,669	—	—	1,221	2,265	336	1,800	—	—	—	—	—	14,516	Oct. p	
Memorandum Item Foreign banks 19														
22,362	8,036	2,633	—	11,892	9	—	6	530	2,937	1,488	836	22,285	1987 Sep.	
22,397	7,984	2,456	—	12,835	9	450	7	531	3,096	1,701	1,030	23,499	Oct. p	

partnership. — **18** Only banks organised in the form of a sole proprietorship or partnership; see footnote 17. — **19** Sum of the (legally independent) banks majority-owned by foreign banks and included in other categories of banks, and of the category (legally dependent)

"Branches of foreign banks". — **20** — c. DM 3.6 billion. — **21** — c. DM 3.1 billion. — **22** — c. DM 3.0 billion. — **23** — c. DM 100 million. — **24** — c. DM 500 million. — **25** — c. DM 250 million. — **26** — c. DM 150 million. — **27** — c. DM 2.6 billion. —

28 — c. DM 2.2 billion. — **29** — c. DM 2.1 billion. — **30** — c. DM 400 million. — **31** — c. DM 200 million. — **32** — c. DM 1.1 billion. — **33** — c. DM 800 million. — **34** — c. DM 700 million. — **35** — c. DM 600 million. — **36** — c. DM 900 million. — **p** Provisional.

III. Banks

14. Liabilities of the various categories of banks *

Domestic and external liabilities

DM million

End of month	Volume of business 1, 2	Deposits of and borrowing from banks 3, 4							Deposits of and borrowing from non-banks 3, 8						
		Total	Sight and time deposits and borrowed funds 5				Loans on a trust basis	Bills rediscounted 6			Total	Sight and time deposits and			Time deposits 1 month to less than 3 months
			Total	of which		Time deposits and funds borrowed for 1 month to less than 3 months		Total	of which			Total	Total	Sight deposits	
				Sight deposits and borrowed funds	Time deposits and funds borrowed for 1 month to less than 3 months				Own acceptances in circulation	Endorsement liabilities 7					
All categories of banks															
1987 Sep.	3,657,153	845,806	751,394	136,157	71,953	24,462	69,950	7,800	61,590	1,806,475	1,749,239	248,767	175,169		
1987 Oct. p	16 3,684,638	17 859,994	18 764,369	19 146,487	20 59,138	21 24,573	71,052	8,273	62,215	22 1,818,115	23 1,760,876	21 250,408	33 178,313		
Commercial banks															
1987 Sep.	848,407	292,682	252,849	68,547	29,896	8,036	31,797	3,812	27,723	374,324	370,398	84,757	72,387		
1987 Oct. p	26 866,055	27 298,689	28 258,861	20 74,620	20 26,547	21 8,037	31,791	3,947	27,562	29 381,263	29 377,506	87,132	30 75,997		
Big banks 12															
1987 Sep.	314,736	73,143	60,911	19,306	6,957	164	12,068	1,064	10,813	178,238	177,959	44,152	31,855		
1987 Oct. p	31 324,620	23 75,627	23 63,320	21 21,260	21 6,346	147	12,160	1,064	10,892	32 182,450	32 182,152	45,434	21 35,491		
Regional banks and other commercial banks 13															
1987 Sep.	410,551	136,733	118,685	30,357	12,451	6,640	11,408	1,598	9,749	166,517	163,575	30,949	33,539		
1987 Oct. p	25 416,925	23 140,123	29 121,944	34,306	21 10,484	21 6,622	11,557	1,695	9,796	30 168,576	21 165,676	31,605	33,475		
Branches of foreign banks															
1987 Sep.	69,020	59,108	55,226	13,275	8,671	805	3,077	139	2,938	5,089	4,503	2,002	724		
1987 Oct. p	23 69,327	22 59,175	23 55,477	30 13,771	21 8,016	828	3,077	127	2,743	5,089	4,923	2,501	644		
Private bankers 14															
1987 Sep.	54,100	23,698	18,027	5,609	1,817	427	5,244	1,011	4,223	24,480	24,361	7,654	6,269		
1987 Oct. p	21 55,183	23,764	18,120	5,283	1,701	440	5,204	1,061	4,131	24,870	24,755	7,592	6,387		
Regional giro institutions (incl. Deutsche Girozentrale)															
1987 Sep.	576,943	142,256	134,480	26,903	14,075	2,650	5,126	501	4,509	121,694	94,541	11,134	12,341		
1987 Oct. p	25 579,457	24 144,717	24 136,662	30,726	10,301	2,684	5,371	501	4,758	21 122,322	21 94,939	9,710	12,637		
Savings banks															
1987 Sep.	793,010	99,111	81,001	5,376	3,959	5,697	12,413	1,099	11,197	614,840	612,579	80,200	48,906		
1987 Oct. p	797,245	99,338	80,957	6,048	2,345	5,728	12,653	1,141	11,397	617,774	615,512	82,486	47,994		
Regional institutions of credit cooperatives (incl. Deutsche Genossenschaftsbank)															
1987 Sep.	161,446	124,050	118,216	23,346	18,449	188	5,646	517	5,126	12,570	12,096	2,228	1,702		
1987 Oct. p	30 165,691	127,562	121,680	24,235	14,075	188	5,694	609	5,084	13,082	12,604	2,760	1,603		
Credit cooperatives															
1987 Sep.	454,938	49,668	38,781	3,996	957	1,926	8,961	1,062	7,837	366,453	366,081	52,346	38,549		
1987 Oct. p	457,644	49,755	38,755	3,972	802	1,934	9,066	1,166	7,846	367,570	367,197	52,392	38,356		
Mortgage banks															
1987 Sep.	515,541	58,862	54,912	3,016	2,177	3,931	19	—	19	169,838	160,737	542	200		
1987 Oct. p	515,467	59,738	55,746	2,882	2,446	3,971	21	—	21	171,086	161,965	484	215		
Private															
1987 Sep.	332,772	23,848	23,097	1,914	1,584	732	19	—	19	87,365	86,956	403	139		
1987 Oct. p	331,909	24,003	23,248	1,948	1,324	734	21	—	21	88,141	87,735	329	163		
Public															
1987 Sep.	182,769	35,014	31,815	1,102	593	3,199	—	—	—	82,473	73,781	139	61		
1987 Oct. p	183,558	35,735	32,498	934	1,122	3,237	—	—	—	82,945	74,230	155	52		
Banks with special functions															
1987 Sep.	250,484	77,816	69,794	3,612	2,440	2,034	5,988	809	5,179	95,838	81,889	3,712	1,084		
1987 Oct. p	249,548	79,135	70,648	2,944	2,622	2,031	6,456	909	5,547	94,243	80,378	1,674	1,511		
Postal giro and postal savings bank offices															
1987 Sep.	56,384	1,361	1,361	1,361	—	—	—	—	—	50,918	50,918	13,848	—		
1987 Oct. p	53,531	1,060	1,060	1,060	—	—	—	—	—	50,775	50,775	13,770	—		
Memorandum item Foreign banks 15															
1987 Sep.	154,295	113,252	102,480	26,638	13,913	2,737	8,035	832	7,199	27,688	26,647	8,413	3,638		
1987 Oct. p	35 157,868	36 115,903	35 105,396	30 29,572	21 13,230	21 2,665	7,842	855	6,980	21 28,377	27,505	9,188	3,611		

* Excluding the liabilities of foreign branches; the statistical category "instalment sales financing institutions" was dissolved in December 1986; the banks it used to contain were included in the categories "Regional banks and other commercial banks", "Private

bankers" and "Credit cooperatives", in accordance with their legal form. Statistical changes of DM 100 million and more are given separately in footnote 16 ff. (increase: +, decrease: -). — For footnotes 1 to 11 see Table III, 3, Liabilities. — 12 See Table III, 13, foot-

note 16. — 13 Including private bankers whose business is not organised in the form of a sole proprietorship or partnership. — 14 Only banks organised in the form of a sole proprietorship or partnership; see footnote 13. — 15 Sum of the (legally independent)

											Memorandum Items			End of month	
borrowed funds; savings deposits and borrowed					Bearer bonds outstanding 10	Provisions	Provisions for losses on loans and advances	Capital (including published reserves pursuant to section 10 of the Banking Act)	Other liabilities 11	Balance sheet total 2	Liabilities arising from guarantees	Liabilities arising from transactions under repurchase agreements (unless shown above the line)			
3 months to less than 4 years		4 years and over		Bank savings bonds 9									Savings deposits		Loans on a trust basis
All categories of banks															
83,037	363,891	188,807	689,568	57,236	713,513	36,676	8,279	136,257	110,147	3,595,003	148,696	445	1987 Sep. Oct. p		
21 85,553	24 367,201	188,686	690,715	57,239	712,011	36,553	8,272	136,845	25 112,848	16 3,621,859	147,975	322			
Commercial banks															
23,894	51,805	31,813	105,742	3,926	84,567	17,363	2,652	47,501	29,318	820,422	76,157	188	1987 Sep. Oct. p		
21 24,966	24 52,011	31,691	105,709	3,757	83,784	17,358	2,645	47,951	30 34,365	26 838,211	75,636	90			
Big banks 12															
8,070	19,036	13,371	61,475	279	17,208	11,331	1,027	20,761	13,028	303,732	36,780	77	1987 Sep. Oct. p		
7,705	33 18,778	13,390	61,354	298	16,814	11,329	1,027	20,761	30 16,612	31 313,524	37,438	77			
Regional banks and other commercial banks 13															
11,286	30,798	16,938	40,065	2,942	66,917	4,876	1,206	19,975	14,327	400,741	28,471	107	1987 Sep. Oct. p		
12,345	31,312	16,793	40,146	2,900	66,517	4,865	1,200	20,431	21 15,213	25 407,063	27,311	9			
Branches of foreign banks															
1,152	537	—	88	586	—	328	136	3,753	606	66,082	5,013	—	1987 Sep. Oct. p		
1,182	510	—	86	444	—	333	135	3,747	570	23 66,584	5,044	—			
Private bankers 14															
3,386	1,434	1,504	4,114	119	442	828	283	3,012	1,357	49,867	5,893	4	1987 Sep. Oct. p		
3,734	1,411	1,508	4,123	115	453	831	283	3,012	1,970	21 51,040	5,843	4			
Regional giro institutions (incl. Deutsche Girozentrale)															
7,300	58,205	684	4,877	27,153	284,125	4,376	502	13,890	10,100	572,318	15,928	1	1987 Sep. Oct. p		
7,886	59,133	686	4,887	27,383	283,930	4,340	502	13,890	34 9,756	25 574,587	15,924	1			
Savings banks															
22,371	4,774	109,594	346,734	2,261	10,173	7,058	1,821	30,398	29,609	781,696	19,800	180	1987 Sep. Oct. p		
23,204	4,862	109,688	347,278	2,262	10,668	7,030	1,821	30,489	30,145	785,733	19,799	185			
Regional institutions of credit cooperatives (incl. Deutsche Genossenschaftsbank)															
1,064	4,920	1,944	238	474	15,290	1,039	137	5,993	2,967	156,317	7,578	40	1987 Sep. Oct. p		
1,133	4,968	1,905	235	478	15,340	1,028	137	5,997	21 2,545	30 160,606	7,560	40			
Credit cooperatives															
25,806	9,908	44,752	194,720	372	5,330	3,454	1,500	18,116	10,417	447,039	12,657	1	1987 Sep. Oct. p		
26,288	10,050	44,696	195,415	373	5,432	3,435	1,498	18,179	11,775	449,744	12,596	1			
Mortgage banks															
590	159,187	20	198	9,101	255,577	2,223	1,446	12,381	15,214	515,522	7,636	35	1987 Sep. Oct. p		
634	160,415	20	197	9,121	254,801	2,202	1,448	12,381	13,811	515,446	7,609	5			
Private															
518	85,689	20	187	409	204,570	642	239	7,046	9,062	332,753	337	35	1987 Sep. Oct. p		
566	86,471	20	186	406	204,017	638	241	7,046	7,823	331,888	336	5			
Public															
72	73,498	—	11	8,692	51,007	1,581	1,207	5,335	6,152	182,769	7,299	—	1987 Sep. Oct. p		
68	73,944	—	11	8,715	50,784	1,564	1,207	5,335	5,988	183,558	7,273	—			
Banks with special functions															
2,012	75,002	—	79	13,949	58,451	1,163	221	7,978	9,017	245,305	8,940	—	1987 Sep. Oct. p		
1,442	75,672	—	79	13,865	58,056	1,160	221	7,978	8,755	244,001	8,851	—			
Postal giro and postal savings bank offices															
—	90	—	36,980	—	—	—	—	—	4,105	56,384	—	—	1987 Sep. Oct. p		
—	90	—	36,915	—	—	—	—	—	1,696	53,531	—	—			
Memorandum Item Foreign banks 15															
3,509	2,500	3,618	4,969	1,041	523	1,192	341	8,663	2,636	147,092	14,040	98	1987 Sep. Oct. p		
3,684	2,447	3,579	4,996	872	518	1,190	339	8,657	37 2,884	35 150,881	14,016	—			

banks majority-owned by foreign banks and included in other categories of banks, and of the category (legally dependent) "Branches of foreign banks". — 16 — c. DM 3.6 billion. — 17 — c. DM 2.2 billion. — 18 — c. DM 2.1 billion. — 19 — c. DM 400 million. —

20 — c. DM 300 million. — 21 — c. DM 100 million. — 22 — c. DM 700 million. — 23 — c. DM 600 million. — 24 — c. DM 250 million. — 25 — c. DM 800 million. — 26 — c. DM 2.6 billion. — 27 — c. DM 1.9 billion. — 28 — c. DM 1.8 billion. — 29 — c. DM 500 million. —

30 — c. DM 150 million. — 31 — c. DM 1.1 billion. — 32 — c. DM 350 million. — 33 — c. DM 200 million. — 34 — c. DM 450 million. — 35 — c. DM 900 million. — 36 — c. DM 1.0 billion. — 37 + c. DM 100 million. — p Provisional.

16. Deposits of and borrowing from non-banks, by category of banks, maturity and type *

DM million														
End of month	Deposits of and borrowing from domestic and foreign non-banks, total	Sight deposits				Time deposits and funds borrowed for 1 month and over						Bank savings bonds 1	Savings deposits	Loans on a trust basis
		Total	On demand	Less than 1 month	Total	1 month to less than 4 years			4 years and over					
						Total	1 month to less than 3 months	3 months to 1 year		Over 1 year to less than 4 years				
All categories of banks														
1987 Sep.	1,806,475	248,767	241,839	6,928	622,097	258,206	175,169	77,602	5,435	363,891	188,807	689,568	57,236	
Oct. p	6 1,818,115	7 250,408	243,398	7,010	8 631,067	9 263,866	10 178,313	7 79,844	5,709	11 367,201	188,686	690,715	57,239	
Commercial banks														
1987 Sep.	374,324	84,757	80,821	3,936	148,086	96,281	72,387	22,369	1,525	51,805	31,813	105,742	3,926	
Oct. p	8 381,263	87,132	82,952	4,180	12 152,974	11 100,963	13 75,997	7 23,421	1,545	11 52,011	31,691	105,709	3,757	
Big banks 2														
1987 Sep.	178,238	44,152	42,588	1,564	58,961	39,925	31,855	7,583	487	19,036	13,371	61,475	279	
Oct. p	14 182,450	45,434	43,963	1,471	9 61,974	7 43,196	7 35,491	7,220	485	10 18,778	13,390	61,354	298	
Regional banks and other commercial banks 3														
1987 Sep.	166,517	30,949	29,242	1,707	75,623	44,825	33,539	10,440	846	30,798	16,938	40,065	2,942	
Oct. p	13 168,576	31,605	29,863	1,742	7 77,132	45,820	33,475	11,489	856	31,312	16,793	40,146	2,900	
Branches of foreign banks														
1987 Sep.	5,089	2,002	1,775	227	2,413	1,876	724	1,126	26	537	—	88	586	
Oct. p	5,367	2,501	2,069	432	2,336	1,826	644	1,146	36	510	—	86	444	
Private bankers 4														
1987 Sep.	24,480	7,654	7,216	438	11,089	9,655	6,269	3,220	166	1,434	1,504	4,114	119	
Oct. p	24,870	7,592	7,057	535	11,532	10,121	6,387	3,566	168	1,411	1,508	4,123	115	
Regional giro institutions (incl. Deutsche Girozentrale)														
1987 Sep.	121,694	11,134	9,831	1,303	77,846	19,841	12,341	6,300	1,000	58,205	684	4,877	27,153	
Oct. p	7 122,322	9,710	9,182	528	7 79,656	20,523	12,637	6,688	1,198	59,133	686	4,887	27,383	
Savings banks														
1987 Sep.	614,840	80,200	79,278	922	76,051	71,277	48,906	22,125	246	4,774	109,594	346,734	2,261	
Oct. p	617,774	82,486	81,208	1,278	76,060	71,198	47,994	22,960	244	4,862	109,688	347,278	2,262	
Regional institutions of credit cooperatives (incl. Deutsche Genossenschaftsbank)														
1987 Sep.	12,570	2,228	2,068	160	7,686	2,766	1,702	754	310	4,920	1,944	238	474	
Oct. p	13,082	2,760	2,429	331	7,704	2,736	1,603	824	309	4,968	1,905	235	478	
Credit cooperatives														
1987 Sep.	366,453	52,346	51,783	563	74,263	64,355	38,549	23,881	1,925	9,908	44,752	194,720	372	
Oct. p	367,570	52,392	51,749	643	74,694	64,644	38,356	24,329	1,959	10,050	44,696	195,415	373	
Mortgage banks														
1987 Sep.	169,838	542	540	2	159,977	790	200	425	165	159,187	20	198	9,101	
Oct. p	171,086	484	478	6	161,264	849	215	465	169	160,415	20	197	9,121	
Private														
1987 Sep.	87,365	403	401	2	86,346	657	139	416	102	85,689	20	187	409	
Oct. p	88,141	329	323	6	87,200	729	163	456	110	86,471	20	186	406	
Public														
1987 Sep.	82,473	139	139	—	73,631	133	61	9	63	73,498	—	11	8,692	
Oct. p	82,945	155	155	—	74,064	120	52	9	59	73,944	—	11	8,715	
Banks with special functions														
1987 Sep.	95,838	3,712	3,670	42	78,098	3,096	1,084	1,748	264	75,002	—	79	13,949	
Oct. p	94,243	1,674	1,630	44	78,625	2,953	1,511	1,157	285	75,672	—	79	13,865	
Postal giro and postal savings bank offices														
1987 Sep.	50,918	13,848	13,848	—	90	—	—	—	—	90	—	36,980	—	
Oct. p	50,775	13,770	13,770	—	90	—	—	—	—	90	—	36,915	—	
Memorandum Item Foreign banks 5														
1987 Sep.	27,688	8,413	7,802	611	9,647	7,147	3,638	3,302	207	2,500	3,618	4,969	1,041	
Oct. p	7 28,377	9,188	8,106	1,082	9,742	7,295	3,611	3,481	203	2,447	3,579	4,996	872	

* Excluding deposits and borrowing of foreign branches; the statistical category "Instalment sales financing institutions" was dissolved in December 1986; the banks it used to contain were included in the categories "Regional banks and other commercial banks", "Private bankers" and "Credit cooperatives", in accordance with their legal form. Statistical changes of

DM 100 million and more are given separately in footnote 6 ff. (Increase: +, decrease: -). — 1 Including liabilities arising from non-marketable bearer savings bonds, savings bank bonds, etc. — 2 See Table III, 13, footnote 16. — 3 Including private bankers whose business is not organised in the form of a sole proprietorship or partnership. — 4 Only banks organised

in the form of a sole proprietorship or partnership; see footnote 3. — 5 See Table III, 13, footnote 19. — 6 — c. DM 700 million. — 7 — c. DM 100 million. — 8 — c. DM 500 million. — 9 — c. DM 300 million. — 10 — c. DM 200 million. — 11 — c. DM 250 million. — 12 — c. DM 450 million. — 13 — c. DM 150 million. — 14 — c. DM 350 million. — p Provisional.

III. Banks

17. Securities portfolios *

DM million

End of year or month	Securities portfolios		Domestic securities									Marketable equities 4		Investment fund units
	Total	of which With maturities of up to 4 years	Total	Bonds 1)						Public bonds 3	Industrial and other bonds	Total	of which Enterprises	
				Total	Bank bonds 2)			Zero bonds	Variable rate bonds					
					Total	of which With maturities of up to 4 years								
1983	319,487	62,393	310,187	299,832	243,064	47,711	.	.	56,530	238	7,245	6,363	2,251	
1984	7 346,803	64,275	8 337,236	8 325,523	9 256,869	49,323	.	.	68,399	255	8,088	7,248	2,522	
1985 6	10 381,378	62,517	368,227	354,198	273,236	49,930	.	.	80,713	249	9,830	9,043	2,823	
1985 6	388,712	63,299	375,515	361,449	279,860	50,665	.	.	81,320	269	9,835	9,045	2,843	
1986	11 424,958	61,540	406,909	388,733	10 302,973	7 51,391	42	12 1,798	13 85,449	311	11,668	10,667	3,697	
1986 July	416,344	62,249	398,070	380,130	294,141	51,411	34	1,526	85,608	381	12,552	11,387	3,416	
Aug.	416,026	62,643	399,184	382,164	298,521	52,362	26	1,421	83,207	436	11,592	10,626	3,510	
Sep.	419,250	61,977	401,504	384,257	298,821	52,081	35	1,639	85,050	386	11,731	10,748	3,563	
Oct.	422,670	62,342	403,300	385,254	298,561	51,381	42	1,763	86,302	391	12,184	11,184	3,554	
Nov.	426,930	62,977	408,459	389,404	302,223	52,275	25	1,838	86,815	366	12,657	11,655	3,627	
Dec.	424,958	61,540	406,909	388,733	302,973	51,391	42	1,798	85,449	311	11,668	10,667	3,697	
1987 Jan.	11 426,330	61,730	19 408,874	19 390,413	306,140	51,788	39	1,995	83,924	349	11,664	10,604	3,935	
Feb.	20 431,359	21 59,859	22 413,724	396,833	308,262	23 51,022	43	2,138	88,250	321	24 10,081	24 8,890	4,126	
March	434,369	59,774	415,797	398,902	308,523	51,195	54	2,168	90,039	340	9,983	8,807	4,158	
April	432,826	60,688	414,605	397,337	310,217	51,994	30	2,307	86,853	267	10,417	9,171	4,047	
May	440,401	61,676	421,754	403,089	314,760	53,174	23	2,670	88,036	293	11,439	9,465	4,329	
June	443,901	62,352	424,096	405,350	315,888	54,116	29	2,775	89,197	265	10,918	9,510	4,544	
July	448,271	64,305	428,058	409,001	317,208	54,615	24	2,775	91,522	271	10,936	9,641	4,603	
Aug.	454,642	64,287	434,470	414,541	319,482	54,975	25	2,922	94,697	362	11,644	10,358	4,772	
Sep.	458,260	64,268	438,329	418,157	321,850	55,278	20	2,956	96,029	278	25 12,933	11,018	4,824	
Oct. p	467,201	64,433	447,369	426,312	324,179	55,514	20	2,955	101,822	311	14,391	12,010	4,790	

For footnote * see Table III, 2. — 1 Including securities sold to the Bundesbank in open market transactions under repurchase agreements. — 2 Mortgage and communal bonds and other bank bonds; excluding own issues, excluding registered

bonds. — 3 Bonds of public authorities and of the Federal Railways and Federal Post Office (for breakdown see Table III, 19). — 4 As from September 1987 including participation rights tradable on the stock

exchange; see footnote 5. — 5 Including non-exchange-tradable (up to August 1987: all) participation rights; see footnote 4. — 6 The difference between the two lines for the end of 1985 is due to the

18. Treasury bills and Treasury discount paper held by banks *

DM million

End of year or month	Treasury bills and Treasury discount paper, total	Domestic issuers						Foreign issuers
		Total	Public authorities		Länder Governments	Federal Railways and Federal Post Office		
			Federal Government					
			including mobilisation and liquidity paper	excluding mobilisation and liquidity paper				
1983	11,123	10,647	9,327	7,377	1,320	354	122	
1984	8,257	7,694	6,803	4,053	891	131	432	
1985 1	10,406	9,315	8,795	3,852	520	131	960	
1985 1	10,407	9,316	8,796	3,853	520	131	960	
1986	5,941	4,980	4,900	3,800	80	131	830	
1986 July	6,668	5,599	5,571	2,971	28	131	938	
Aug.	6,502	5,442	5,414	2,976	28	131	929	
Sep.	10,412	9,418	9,390	2,831	28	131	863	
Oct.	5,512	4,514	4,486	2,836	28	131	867	
Nov.	7,261	6,275	6,247	3,852	28	131	855	
Dec.	5,941	4,980	4,900	3,800	80	131	830	
1987 Jan.	9,352	8,417	8,267	3,757	150	131	804	
Feb.	9,942	9,004	8,854	2,064	150	131	807	
March	5,392	4,500	4,350	2,000	150	131	761	
April	5,408	4,498	4,348	1,998	150	131	779	
May	5,737	4,744	4,594	1,994	150	131	862	
June	4,723	3,744	3,644	1,994	100	131	848	
July	4,793	3,795	3,695	1,995	100	131	867	
Aug.	6,444	5,129	5,029	2,779	100	131	1,184	
Sep.	6,419	4,780	4,680	2,780	100	131	1,508	
Oct. p	7,489	6,128	6,028	2,778	100	131	1,230	

For footnote * see Table III, 2. — 1 The difference between the two lines for the end of 1985 is due to

the change in the reporting requirements for credit cooperatives; see Table III, 2, footnote *. —

p Provisional.

Other securities 5				Foreign securities										End of year or month		
Total	Banks	Enterprises	Memo Item Shares under syndicate agreements	Total	Bonds				Banks	Public authorities	Enterprises	Marketable shares incl. investment fund units 4	Other securities 5			
					Total	of which		Banks							Public authorities	Enterprises
						Zero bonds	Variable rate bonds									
859	30	829	1,696	9,300	8,646	.	.	.	.	.	436	218	1983
1,103	269	834	1,557	9,567	8,867	.	.	.	.	.	471	229	1984
1,376	351	1,025	1,884	9 13,151	12,027	.	.	.	.	.	758	366	1985 6
1,388	362	1,026	1,884	13,197	12,072	.	.	.	.	.	758	367	1985 6
2,811	1,021	1,790	2,068	8 18,049	14 15,055	15 471	16 1,159	17 5,818	18 3,278	17 5,959	2,133	861	1986			
1,972	626	1,346	2,518	18,274	16,546	677	1,496	6,148	3,763	6,635	1,150	578	1986 July			
1,918	606	1,312	2,205	16,842	15,178	542	1,387	5,387	3,383	6,408	1,098	566	Aug.			
1,953	614	1,339	2,332	17,746	16,184	583	1,392	6,052	4,107	6,025	1,049	513	Sep.			
2,308	924	1,384	2,220	19,370	16,334	558	1,226	6,270	4,408	5,656	2,517	519	Oct.			
2,771	961	1,810	2,643	18,471	15,622	493	1,158	5,820	3,748	6,054	2,357	492	Nov.			
2,811	1,021	1,790	2,068	18,049	15,055	471	1,159	5,818	3,278	5,959	2,133	861	Dec.			
2,862	1,074	1,788	2,021	7 17,456	7 14,674	344	1,154	5,758	3,104	5,812	1,960	822	1987 Jan.			
2,684	1,054	1,630	1,808	19 17,635	15,351	306	1,132	6,300	3,376	5,675	1,985	19 299	Feb.			
2,754	1,093	1,661	1,860	18,572	16,215	289	1,147	6,780	3,644	5,791	2,061	296	March			
2,804	1,100	1,704	1,884	18,221	15,822	385	1,187	6,757	3,456	5,609	2,121	278	April			
2,897	1,208	1,689	2,390	18,647	16,086	553	1,207	6,958	3,565	5,563	2,241	320	May			
3,284	1,180	2,104	1,949	19,805	17,193	651	1,271	7,335	3,835	6,023	2,235	377	June			
3,518	1,318	2,200	2,164	20,213	17,537	669	1,258	7,205	4,107	6,225	2,342	334	July			
3,513	1,307	2,206	2,276	20,172	17,429	607	1,267	7,076	4,397	5,956	2,402	341	Aug.			
10 2,415	695	19 1,720	2,355	19,931	17,103	446	1,248	7,008	4,024	6,071	2,495	10 333	Sep.			
1,876	640	1,236	2,700	19,832	17,061	525	1,279	6,837	4,075	6,149	2,384	387	Oct. p			

change in the reporting requirements for credit cooperatives; see Table III, 2, footnote *. — 11 — c. DM 1.1 billion. — 12 + c. DM 1.4 billion. — 19 — c. DM 600 million. — 20 — c. DM 2.8 billion. — 7 — c. DM 500 million. — 8 — c. DM 800 million. — 13 + c. DM 600 million. — 14 — c. DM 700 million. — 21 — c. DM 1.7 billion. — 22 — c. DM 2.2 billion. — 9 — c. DM 700 million. — 10 — c. DM 1.0 billion. — 15 + c. DM 700 million. — 16 + c. DM 1.5 billion. — 23 — c. DM 1.2 billion. — 24 — c. DM 1.9 billion. — 17 + c. DM 6.0 billion. — 18 + c. DM 3.6 billion. — 25 + c. DM 1.0 billion. — p Provisional.

19. Bonds of domestic public authorities and their special funds held by banks, by issuer *

DM million

End of year or month	Bonds of domestic public authorities and their special funds			Public authorities				Federal Railways and Federal Post Office
	Total	of which With maturities of up to 4 years	Total	Federal Government (incl. Equalisation of Burdens Fund)		Länder Governments	Local authorities and local authority associations	
1983	56,530	14,383	47,282	38,142		9,076	64	9,248
1984	68,399	14,609	58,490	47,563		10,853	74	9,909
1985 1	80,713	12,472	68,934	54,320		14,556	58	11,779
1985 1	81,320	12,518	69,465	54,715		14,684	66	11,855
1986	2 85,449	3 10,028	2 73,316	2 59,340		13,923	53	12,133
1986 July	85,608	10,704	72,538	57,997		14,480	61	13,070
Aug.	83,207	10,150	70,509	56,601		13,833	75	12,698
Sep.	85,050	9,757	72,672	58,977		13,626	69	12,378
Oct.	86,302	10,829	73,888	59,317		14,504	67	12,414
Nov.	86,815	10,575	74,417	59,960		14,394	63	12,398
Dec.	85,449	10,028	73,316	59,340		13,923	53	12,133
1987 Jan.	83,924	9,851	72,042	57,774		14,203	65	11,882
Feb.	88,250	4 8,724	75,458	61,947		13,454	57	12,792
March	90,039	8,391	76,639	63,027		13,559	53	13,400
April	86,853	8,298	74,525	60,172		14,297	56	12,328
May	88,036	7,926	76,192	62,575		13,563	54	11,844
June	89,197	7,531	75,816	61,873		13,891	52	13,381
July	91,522	8,958	77,640	63,880		13,705	55	13,882
Aug.	94,697	8,571	80,112	66,291		13,767	54	14,585
Sep.	96,029	8,431	80,617	66,943		13,622	52	15,412
Oct. p	101,822	8,406	86,286	72,484		13,747	55	15,536

For footnote * see Table III, 2. — 1 The difference between the two lines for the end of 1985 is due to the change in the reporting requirements for credit cooperatives; see Table III, 2, footnote *. — 2 + c. DM 600 million. — 3 + c. DM 500 million. — 4 — c. DM 500 Million. — p Provisional.

(b) Lending to domestic enterprises, by sector of economic activity

DM million													
End of month	Lending to domestic enterprises and self-employed persons												
	Total	Manu- facturing	Energy and water supply, mining	Con- struc- tion	Distrib- utive trades	Agricul- ture and forestry, fisheries	Transport and tele- communications		Financial institutions 1 and insurance enterprises			Other enterprises and the professions 2	
							Total	of which Fed. Rail- ways and Fed. Post Office	Total	of which		Total	of which Housing enter- prises
										Build- ing and loan associa- tions	Finan- cial leasing insti- tutions		
Lending, total													
1986 Sep.	986,231	201,451	43,443	52,887	171,835	46,304	64,445	36,179	37,496	14,485	15,144	368,370	117,648
Dec.	1,001,363	206,197	43,299	50,844	172,004	46,054	65,963	37,179	38,650	14,851	16,157	378,352	117,227
1987 March	996,382	203,687	42,553	51,726	173,602	45,895	65,008	36,193	38,077	13,579	15,947	375,834	116,831
June	1,000,120	204,427	41,989	52,561	173,021	46,301	65,431	35,779	38,905	13,019	16,372	377,485	117,215
Sep.	1,011,215	207,968	41,253	52,247	176,730	46,646	64,796	35,687	38,741	12,807	16,669	382,834	117,290
of which Short-term lending													
1986 Sep.	279,538	88,891	5,337	20,650	83,984	8,790	5,155	105	6,491	2,174	1,912	60,240	10,532
Dec.	279,173	89,897	4,872	18,328	81,842	8,507	5,602	103	6,884	2,672	2,183	63,241	9,964
1987 March	272,715	86,348	4,292	19,341	83,236	8,243	5,512	103	6,281	1,591	1,971	59,462	9,535
June	268,534	84,762	3,982	19,758	81,146	8,550	5,935	113	6,467	1,052	2,046	57,934	9,692
Sep.	267,071	85,336	3,367	18,804	83,187	8,269	4,836	108	6,316	1,288	2,108	56,956	9,174
Long-term lending													
1986 Sep.	633,634	100,653	35,837	27,700	77,809	34,786	54,000	33,907	18,814	4,338	9,795	284,035	103,663
Dec.	649,135	104,349	36,363	28,068	80,155	34,849	54,770	34,755	19,464	4,354	10,212	291,117	104,312
1987 March	652,820	105,903	36,404	28,057	80,330	34,943	53,899	33,757	20,086	4,772	10,289	293,198	104,326
June	660,721	108,132	36,212	28,431	81,439	35,052	53,843	33,418	20,540	5,027	10,245	297,072	104,836
Sep.	673,519	111,232	36,190	29,038	82,977	35,594	54,273	33,336	20,883	5,233	10,205	303,332	105,412

(c) Lending to manufacturing, by industry

DM million											
End of month	Lending to manufacturing										
	Total	Chemical industry, production and processing of nuclear fuels, mineral oil refining	Production of plastic and rubber goods	Extraction and pro- cessing of stones and earths; fine ceramics, glass	Metal production and processing	Steel con- struction, mechanical engineering, manufacture of vehicles, production of office machines, data pro- cessing systems and equipment	Electrical engineering, precision engineering and optical instruments; production of metal goods 3	Wood, paper and printing	Leather, textiles and clothing	Food and drink industries, tobacco processing	
Lending, total											
1986 Sep.	201,451	12,220	8,217	8,827	20,905	45,547	33,796	26,231	17,124	28,584	
Dec.	206,197	11,827	8,264	8,537	21,505	48,692	35,174	25,879	16,456	29,863	
1987 March	203,687	11,845	8,491	8,908	20,880	47,747	34,431	26,237	16,381	28,767	
June	204,427	12,338	8,704	8,775	20,883	47,047	35,134	26,454	16,702	28,390	
Sep.	207,968	13,183	9,029	8,790	20,022	48,640	36,085	26,816	17,213	28,190	
of which Short-term lending											
1986 Sep.	88,891	6,538	3,656	3,493	7,890	22,544	15,934	9,374	9,147	10,315	
Dec.	89,897	5,970	3,497	3,012	7,712	24,947	16,654	8,596	8,378	11,131	
1987 March	86,348	5,838	3,517	3,566	7,175	23,577	15,411	8,831	8,307	10,126	
June	84,762	5,972	3,608	3,347	7,114	22,208	15,561	8,832	8,631	9,489	
Sep.	85,336	6,632	3,668	3,234	6,489	22,900	15,911	8,867	8,753	8,882	
Long-term lending											
1986 Sep.	100,653	5,173	4,123	4,749	11,672	19,413	15,770	15,555	7,318	16,880	
Dec.	104,349	5,326	4,303	4,963	12,228	20,414	16,455	15,960	7,427	17,273	
1987 March	105,903	5,493	4,499	4,773	12,554	20,933	16,870	16,104	7,429	17,248	
June	108,132	5,808	4,593	4,849	12,625	21,710	17,363	16,284	7,411	17,489	
Sep.	111,232	5,925	4,848	4,970	12,509	22,652	18,039	16,615	7,770	17,904	

5 + c. DM 500 million. — 6 — c. DM 1.7 billion. —
7 — c. DM 1.0 billion. — 8 — c. DM 600 million. —
9 + c. DM 1.7 billion. — 10 + c. DM 2.0 billion. —
11 — c. DM 500 million. — 12 — c. DM 1.2 billion. —
13 — c. DM 700 million. — 14 + c. DM 1.2 billion. —

15 + c. DM 1.5 billion. — 16 — c. DM 800 million. —
17 — c. DM 900 million. — 18 — c. DM 1.1 billion. —
19 + c. DM 800 million. — 20 + c. DM 1.1 billion. —
21 — c. DM 2.7 billion. — 22 — c. DM 1.9 billion. —
23 — c. DM 2.3 billion. — 24 — c. DM 1.8 billion. —

25 — c. DM 1.4 billion. — 26 — c. DM 1.3 billion. —
27 — c. DM 5.0 billion. — 28 — c. DM 2.4 billion. —
29 — c. DM 2.6 billion. — 30 + c. DM 2.7 billion. —
31 + c. DM 1.8 billion. — 32 + c. DM 1.0 billion. —
33 — c. DM 1.6 billion. — 34 + c. DM 2.1 billion. —

III. Banks

21. Savings deposits*

(a) Level of savings deposits, by group of savers

DM million										
End of year or month	Savings deposits									Memorandum item Amount of savings bonuses under the Savings Bonuses Act
	Total	Domestic individuals				Domestic non-profit organisations	Domestic enterprises	Domestic public authorities	Non-residents	
		Total	of which		Special savings schemes 1					
			Under the Savings Bonuses and Personal Asset Acquisition Acts							
1983	554,727	526,478	41,861			10,860	5,743	5,349	6,297	3,458
1984	575,637	546,367	34,940			11,191	5,645	5,611	6,823	2,211
1985 3	609,056	578,219	32,133			11,871	6,033	5,476	7,457	1,411
1985 3	631,098	599,562	33,111			12,141	6,295	5,580	7,520	1,461
1986	678,583	644,554	30,489	140,670		13,224	6,733	5,806	8,266	4
1986 July	640,167	607,626	27,608	126,205		12,600	6,455	5,750	7,736	
Aug.	643,126	610,314	28,123	128,295		12,675	6,553	5,823	7,761	
Sep.	644,854	612,054	28,743	130,105		12,679	6,608	5,732	7,781	
Oct.	648,806	615,906	29,297	131,959		12,819	6,611	5,624	7,846	
Nov.	652,681	619,871	29,831	133,833		12,705	6,574	5,647	7,884	
Dec.	678,583	644,554	30,489	140,670		13,224	6,733	5,806	8,266	
1987 Jan.	680,643	646,645	26,821	143,662		13,240	6,761	5,688	8,309	
Feb.	683,909	649,491	27,263	147,459		13,407	6,900	5,742	8,369	
March	685,636	650,880	27,776	150,164		13,703	6,873	5,791	8,389	
April	685,985	650,933	28,249	151,253		13,888	6,947	5,798	8,419	
May	686,485	651,305	28,706	153,038		13,956	6,922	5,857	8,445	
June	687,884	652,541	29,154	154,412		14,061	6,936	5,835	8,511	
July	687,063	651,724	24,270	155,998		14,008	6,955	5,801	8,575	
Aug.	688,955	653,497	24,821	157,776		14,080	6,968	5,812	8,598	
Sep.	689,568	654,108	25,285	159,213		14,170	6,862	5,778	8,650	
Oct. p	690,715	655,383	25,897	159,774		14,140	6,854	5,641	8,697	

(b) Changes

DM million										
Period	Total savings deposits at beginning of period 2	Credits			Debits			Balance of credits and debits	Interest credited	Total savings deposits at end of period 2
		Total	of which to savings accounts under the Savings Bonuses and Personal Asset Acquisition Acts		Total	of which to savings accounts under the Savings Bonuses and Personal Asset Acquisition Acts				
1983	523,908	368,256	10,827	358,785	22,325	9,471	21,245	554,727		
1984	554,726	361,239	9,539	361,810	17,518	571	21,343	575,637		
1985 3	575,636	380,667	8,965	369,258	12,840	11,409	21,883	609,056		
1985 3	575,636	381,704	8,992	370,075	12,847	11,629	22,613	631,098		
1986	631,099	404,242	8,925	378,141	12,495	26,101	21,387	678,583		
1986 July	640,994	35,525	964	36,487	5,138	962	135	640,167		
Aug.	640,166	28,829	700	25,953	198	2,876	84	643,126		
Sep.	643,126	28,987	698	27,362	149	1,625	103	644,854		
Oct.	644,854	32,115	699	28,284	147	3,831	121	648,806		
Nov.	648,804	28,567	647	24,825	115	3,742	135	652,681		
Dec.	652,681	37,811	896	32,309	1,036	5,502	20,400	678,583		
1987 Jan.	678,581	47,339	801	45,399	4,592	1,940	122	680,643		
Feb.	680,642	33,956	697	30,788	287	3,168	99	683,909		
March	683,909	33,047	695	31,437	190	1,610	117	685,636		
April	685,636	32,447	657	32,229	195	218	131	685,985		
May	685,984	27,857	618	27,442	163	415	86	686,485		
June	686,485	29,329	724	28,052	297	1,277	122	687,884		
July	687,882	39,070	891	40,069	5,804	999	170	687,063		
Aug.	688,994	30,912	669	29,069	171	1,843	118	688,955		
Sep.	688,955	28,901	708	28,436	221	465	148	689,568		
Oct. p	689,568	33,158	688	32,180	165	978	169	690,715		

For footnote * see Table III, 7. — 1 Savings deposits for which an increasing rate of interest or — not only for a limited time — a bonus or generally a higher interest than the normal rate is paid under special contracts. — 2 Discrepancies between level at

beginning of period and level at end of preceding period, and between changes in levels and turnover, are mainly due to changes caused by mergers, etc. — 3 The difference between the two lines for the end of

1985 is due to the change in the reporting requirements for credit cooperatives; see Table III, 2, footnote *. — 4 As from June 1986, data not collected. — p Provisional.

22. Building and loan associations

(a) Interim statements

DM million																
End of year or month	Number of associations	Balance sheet total	Lending to banks			Lending to non-banks				Deposits of and borrowing from banks 6		Deposits of and borrowing from non-banks		Bearer bonds outstanding	Capital (including published reserves pursuant to section 10 of the Banking Act)	Memo item New contracts entered into in year or month 8
			Balances and loans (except building loans) 1	Building loans 2	Bank bonds 3	Building loans			Securities (including Treasury bills and Treasury discount paper) 5	Savings deposits	Sight and time deposits and borrowed funds	Savings deposits	Sight and time deposits and borrowed funds 7			
						Loans under savings contracts	Interim and bridging loans	Other building loans 4								
All building and loan associations																
1983	32	155,392	8,286	1,109	4,059	106,058	31,979	1,132	550	2,230	12,815	123,045	3,123	510	6,551	74,472
1984	31	160,937	7,755	1,133	3,904	108,996	34,873	1,231	631	2,108	16,325	122,641	3,713	900	6,872	75,036
1985	31	160,984	6,693	1,058	4,244	108,378	36,258	1,239	535	1,865	17,061	120,698	4,673	1,398	7,344	78,628
1986	29	158,103	6,432	924	4,056	106,126	35,737	1,252	617	1,450	15,156	118,313	5,281	1,812	7,583	82,274
1987 July	29	154,474	5,704	854	4,144	104,748	34,481	1,316	564	1,309	13,434	112,598	5,311	3,818	7,938	6,421
Aug.	29	154,134	5,449	841	r 4,431	104,532	34,297	1,379	r 520	1,295	13,654	111,839	5,361	3,802	7,938	5,875
Sep.	29	154,260	5,375	839	r 4,578	104,429	34,254	1,430	r 520	1,280	13,532	111,369	5,380	4,086	7,938	7,609
Oct. p	29	154,200	5,479	835	4,550	104,391	34,241	1,423	542	1,292	13,507	110,935	5,350	4,040	7,938	7,067
Private building and loan associations																
1987 July	17	104,309	2,902	762	2,365	76,032	19,101	574	376	708	4,243	78,943	5,052	3,818	5,582	4,673
Aug.	17	104,370	2,759	751	r 2,648	75,991	19,007	637	r 337	702	4,582	78,468	5,100	3,802	5,582	4,223
Sep.	17	104,957	3,023	750	r 2,824	75,894	19,100	678	r 334	706	4,705	78,271	5,125	4,086	5,582	5,482
Oct. p	17	104,627	2,994	745	2,837	75,713	19,084	673	314	708	4,589	77,918	5,106	4,040	5,582	5,083
Public building and loan associations																
1987 July	12	50,165	2,802	92	1,779	28,716	15,380	742	188	601	9,191	33,655	259	—	2,356	1,748
Aug.	12	49,764	2,690	90	1,783	28,541	15,290	742	183	593	9,072	33,371	261	—	2,356	1,652
Sep.	12	49,303	2,352	89	1,754	28,535	15,154	752	186	574	8,827	33,098	255	—	2,356	2,127
Oct. p	12	49,573	2,485	90	1,713	28,678	15,157	750	228	584	8,918	33,017	244	—	2,356	1,984

(b) Business activity

DM million																
Period	Changes in savings deposits 9			Capital promised		Capital paid out					Outpayment commitments outstanding at end of period		Interest and repayments received on building loans 10		Memo item Housing bonuses received 12	
	Amounts paid into savings accounts 10	Interest credited to savings accounts	Repayments of savings deposits on cancelled contracts	Total	of which Net allocations 11	Total	Allocations			Newly granted interim and bridging loans and other building loans	Total	of which Allocations	Total	of which Repayments		
							Savings deposits	Loans under savings contracts	of which Applied to settlement of interim and bridging loans							
All building and loan associations																
1983	27,278	3,367	4,309	62,075	40,896	60,671	21,694	6,703	19,464	6,495	19,513	9,682	6,957	22,397	16,971	1,152
1984	24,585	3,419	4,979	62,518	43,752	61,891	23,293	7,255	20,560	6,976	18,038	9,070	6,942	22,945	17,727	993
1985	23,481	3,379	5,760	58,470	42,371	57,421	22,652	6,687	19,508	6,201	15,261	8,952	6,947	25,787	20,108	935
1986	22,681	3,314	6,404	58,159	41,278	55,514	22,270	7,233	18,385	6,749	14,859	9,400	7,493	25,908	20,535	909
1987 July	1,787	39	522	5,220	3,798	4,960	2,109	548	1,556	433	1,295	9,835	7,785	2,323	5,446	112
Aug.	1,661	43	486	5,081	3,828	4,597	1,988	545	1,542	486	1,067	10,271	8,064	2,240	5,446	94
Sep.	2,206	55	566	5,119	3,915	5,326	2,173	655	1,756	586	1,397	10,007	7,999	2,359	5,446	91
Oct. p	1,860	54	536	4,645	3,415	4,617	1,793	520	1,625	467	1,199	10,004	7,976	2,179	5,446	77
Private building and loan associations																
1987 July	1,211	27	404	3,536	2,605	3,481	1,447	442	1,174	370	860	5,195	3,851	1,647	3,716	73
Aug.	1,109	28	371	3,271	2,388	3,011	1,245	341	1,046	308	720	5,440	3,939	1,548	3,716	63
Sep.	1,532	35	424	3,131	2,298	3,474	1,336	420	1,124	372	1,014	5,103	3,769	1,637	3,716	61
Oct. p	1,306	40	428	3,342	2,469	3,212	1,266	361	1,115	331	831	5,223	3,843	1,539	3,716	56
Public building and loan associations																
1987 July	576	12	118	1,684	1,193	1,479	662	106	382	63	435	4,640	3,934	676	1,730	39
Aug.	552	15	115	1,810	1,440	1,586	743	204	496	178	347	4,831	4,125	692	1,730	31
Sep.	674	20	142	1,988	1,617	1,852	837	235	632	214	383	4,904	4,230	722	1,730	30
Oct. p	554	14	108	1,303	946	1,405	527	159	510	136	368	4,781	4,133	640	1,730	21

1 Including postal giro account balances, claims on building and loan associations and claims arising from registered bonds; excluding Bundesbank balances. — 2 Loans under savings contracts and interim and bridging loans. — 3 Including small amounts of banks' other securities. — 4 Including small amounts of loans for purposes other than building. — 5 Including equalisation and covering

claims. — 6 Including liabilities to building and loan associations. — 7 Including small amounts of savings deposits. — 8 Total amount covered by the contracts; only contracts newly entered into, for which the contract fee has been fully paid. Increases in the contractual amount count as new contracts. — 9 For outpayments of savings deposits arising from the allocation of contracts see "Capital paid out". —

10 Including housing bonuses credited. — 11 Only allocations accepted by the beneficiaries; including allocations applied to settlement of interim and bridging loans. — 12 The amounts already credited to the accounts of savers or borrowers are also included in "Amounts paid into savings accounts" and "Interest and repayments received on building loans". — p Provisional. — r Revised.

III. Banks

23. Balance sheet total, lending and deposits of credit cooperatives

DM million						
End of month	Number of credit cooperatives 1	Balance sheet total	Advances and loans, and bill-based credits to non-banks 2	Deposits of and borrowing from non-banks 2		
				Total	Sight and time deposits and borrowed funds 3	Savings deposits 4
1982 March	3,917	310,427	207,267	253,142	101,601	151,541
June	3,872	316,121	211,724	256,659	104,321	152,338
Sep.	3,835	323,357	214,384	260,353	107,731	152,622
Dec.	3,823	337,759	219,027	275,396	110,135	165,261
1983 March	3,817	335,537	218,890	275,556	106,346	169,210
June	3,784	344,178	224,043	278,566	106,629	171,937
Sep.	3,771	349,645	229,293	280,364	107,766	172,598
Dec.	3,761	364,796	237,349	294,199	111,104	183,095
1984 March	3,757	362,860	239,181	295,080	110,555	184,525
June	3,735	367,720	245,430	297,265	111,783	185,482
Sep.	3,724	374,691	250,422	299,710	112,945	186,765
Dec.	3,711	390,100	254,501	315,242	116,846	198,396
1985 March	3,708	387,939	256,558	315,701	115,368	200,333
June	3,691	392,908	259,372	318,634	117,733	200,901
Sep.	3,680	397,921	260,065	321,261	118,380	202,881

Source: Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V., Bonn. The figures cover the transactions of all credit cooperatives (including those mentioned in footnote 1), whereas in the banking statistics collected by the Bundesbank until November 1985 only the cooperatives subject to reporting requirements were covered (since end-1973 about 2,400, prior to that about 2,000) (see also Table III, 2, footnote *). The figures for June and December are based on a general survey, those for March and September are estimated on the basis of a partial survey by the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. As from December 1985 the data for all credit cooperatives can be taken from Tables III, 13 and 14. — 1 Including banks affiliated to Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. and not organised in the form of a cooperative, but excluding regional institutions of credit cooperatives. — 2 Excluding loans on a trust basis. — 3 Excluding bank savings bonds. — 4 Including bank savings bonds.

24. Debits to giro accounts of non-banks *

DM million			
Period	Debits	Period	Debits
1984 Jan.	1,195,143	1986 Jan.	1,410,350
Feb.	1,161,173	Feb.	1,300,107
March	1,209,254	March	1,346,988
April	1,130,625	April	1,440,084
May	1,160,954	May	1,244,951
June	1,173,996	June	1,358,879
July	1,216,119	July	1,441,439
Aug.	1,181,417	Aug.	1,267,009
Sep.	1,158,511	Sep.	1,395,675
Oct.	1,276,314	Oct.	1,443,728
Nov.	1,244,929	Nov.	1,324,839
Dec.	1,364,216	Dec.	1,610,509
1985 Jan.	1,304,620	1987 Jan.	1,442,885
Feb.	1,191,504	Feb.	1,327,837
March	1,303,767	March	1,408,327
April	1,225,697	April	1,419,547
May	1,228,075	May	1,324,048
June	1,217,296	June	1,472,282
July	1,379,066	July	1,549,683
Aug.	1,265,071	Aug.	r 1,392,621
Sep.	1,265,884	Sep.	1,509,616
Oct.	1,346,364	Oct. p	1,477,870
Nov.	1,291,935		
Dec. 1	1,491,601		
Dec. 1	1,500,798		

* Arising from credit transfers, direct debits and cheque clearing. — 1 The difference between the two lines for December 1985 is due to the change in the reporting requirements for credit cooperatives; see Table III, 2, footnote *. — p Provisional. — r Revised.

25. Number of monthly reporting banks and their classification by size

End-December 1986

Category of banks 1	Total number of monthly reporting banks 2	The banks reporting for the monthly banking statistics are graded as follows, according to their volume of business								
		Less than DM 10 million	DM 10 million to less than DM 25 million	DM 25 million to less than DM 50 million	DM 50 million to less than DM 100 million	DM 100 million to less than DM 250 million	DM 250 million to less than DM 500 million	DM 500 million to less than DM 1 billion	DM 1 billion to less than DM 5 billion	DM 5 billion and over
Commercial banks	314	18	19	16	31	56	35	39	79	21
Big banks 3	6	—	—	—	—	—	—	—	—	6
Regional banks and other commercial banks 4	151	3	7	7	14	23	19	19	47	12
Branches of foreign banks	62	—	1	3	7	12	8	12	16	3
Private bankers 5	95	15	11	6	10	21	8	8	16	—
Regional giro institutions (incl. Deutsche Girozentrale)	12	—	—	—	—	—	—	—	—	12
Savings banks	589	—	—	2	7	71	124	164	199	22
Regional institutions of credit cooperatives (incl. Deutsche Genossenschaftsbank)	8	—	—	—	—	—	—	—	2	6
Credit cooperatives 6	3,604	47	458	970	984	777	246	83	38	1
Mortgage banks	37	—	—	—	1	2	2	1	5	26
Private	25	—	—	—	1	1	—	1	4	18
Public	12	—	—	—	—	1	2	—	1	8
Banks with special functions	16	—	—	—	1	—	2	2	1	10
Postal giro and postal savings bank offices	15	—	—	—	—	—	—	—	—	—
Building and loan associations	29	—	—	—	—	1	2	8	10	8
Private	17	—	—	—	—	1	2	5	5	4
Public	12	—	—	—	—	—	—	3	5	4
Total 7 excluding building and loan associations including building and loan associations	4,595 4,624	(65) (65)	(477) (477)	(988) (988)	(1,024) (1,024)	(906) (907)	(409) (411)	(289) (297)	(324) (334)	(98) (106)

1 The statistical category "Installment sales financing institutions" was dissolved in December 1986; the banks it used to contain were included in the categories "Regional banks and other commercial banks", "Private bankers" and "Credit cooperatives", in accordance with their legal form (see Table III, 24, Monthly Report of the Deutsche Bundesbank, Vol. 39, No. 2, February 1987). — 2 Including banks in liqui-

— 3 Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG, and their Berlin subsidiaries. — 4 Including private bankers whose business is not organised in the form of a sole proprietorship or partnership. — 5 Only banks organised in the form of a sole proprietorship or partnership; see footnote 4. — 6 Including other banks not organised in the form of

a cooperative but affiliated to the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. Up to December 1971 the figures for credit cooperatives (Schulze-Delitzsch) and credit cooperatives (Raiffeisen) were recorded and published separately. — 7 Figures in brackets do not contain postal giro and postal savings bank offices.

26. Number of banks and their branches *

(a) Total

Level at end of year or change during year	Level					Change		
	Banks	Domestic branches	Domestic bank offices, total	Memorandum Items		Banks	Domestic branches	Domestic bank offices
				Foreign branches 8	Foreign subsidiaries 9			
1957	13,359	12,974	26,333	.	.	— 192	+ 1,115	+ 923
1962	12,960	19,267	32,227	.	.	— 497	+ 1,686	+ 1,189
1967	10,859	26,285	37,144	.	.	— 647	+ 1,475	+ 828
1972	7,190	35,387	42,577	26	.	— 219	+ 685	+ 466
1974	6,673	37,078	43,751	39	.	— 186	+ 329	+ 143
1975	6,487	37,103	43,590	44	.	— 211	+ 151	— 60
1976	6,276	37,254	43,530	52	.	— 279	+ 510	+ 231
1977	5,997	37,764	43,761	58	.	— 225	+ 417	+ 192
1978	5,772	38,181	43,953	70	.	— 181	+ 526	+ 345
1979	5,591	38,753	44,344	77	.	— 236	+ 558	+ 322
1980	5,355	39,311	44,666	88	.	— 303	+ 510	+ 207
1981	5,052	39,723	44,775	103	.	— 122	+ 186	+ 64
1982	4,930	39,803	44,733	108	.	— 82	+ 114	— 64
1983	4,848	39,806	44,654	114	.	— 50	+ 94	+ 44
1984	4,798	39,900	44,698	115	.	— 59	+ 90	+ 31
1985	4,739	39,990	44,729	118	.	— 77	— 11	— 88
1986	4,662	39,979	44,641	121	109			

(b) By category of banks

Level at end of year	Level at end of year											
	Category of banks	1957			1985			1986			Memorandum Items	
		Banks	Domestic branches	Domestic bank offices, total	Banks	Domestic branches	Domestic bank offices, total	Banks	Domestic branches	Domestic bank offices, total	Foreign branches 8	Foreign subsidiaries 9
Commercial banks 1, 2	364	1,917	2,281	245	5,951	6,196	308	6,382	6,690	92	78	
Big banks	8	787	795	6	3,115	3,121	6	3,118	3,124	54	43	
Regional banks and other commercial banks 1, 2	96	1,020	1,116	105	2,517	2,622	148	2,911	3,059	38	32	
Branches of foreign banks	15	6	21	63	45	108	62	36	98	—	—	
Private bankers 1, 2, 3	245	104	349	71	274	345	92	317	409	—	3	
Regional giro institutions 4	14	191	205	12	239	251	12	235	247	18	21	
Savings banks	871	8,192	9,063	590	17,204	17,794	589	17,248	17,837	—	—	
Regional institutions of credit cooperatives 5	19	89	108	9	46	55	7	48	55	7	8	
Credit cooperatives 2, 6	11,795	2,305	14,100	3,655	15,929	19,584	3,597	15,935	19,532	—	—	
Mortgage banks	44	19	63	37	29	66	37	29	66	—	—	
Private	25	8	33	25	23	48	25	23	48	—	—	
Public	19	11	30	12	6	18	12	6	18	—	—	
Instalment sales financing institutions 1, 2	194	225	419	78	493	571	2	—	2	—	—	
Banks with special functions	16	34	50	16	79	95	16	80	96	2	2	
Building and loan associations 7	.	.	.	21	19	40	20	20	40	2	—	
Private	.	.	.	18	19	37	17	20	37	2	—	
Public	.	.	.	3	—	3	3	—	3	—	—	
Categories of banks not covered by the monthly balance sheet statistics	42	2	44	76	1	77	76	2	78	—	—	
Investment companies	5	—	5	34	1	35	34	2	36	—	—	
Securities depositories	7	1	8	8	—	8	8	—	8	—	—	
Guarantee banks and other banks	30	1	31	34	—	34	34	—	34	—	—	
Memorandum Items												
Banks majority-owned by foreign banks	.	.	.	42	388	430	48	403	451	.	.	
by foreign non-banks	.	.	.	22	50	72	22	57	79	.	.	
Total	13,359	12,974	26,333	4,739	39,990	44,729	4,662	39,979	44,641	121	109	

* Excluding postal giro and postal savings bank offices and, up to 1971, excluding building and loan associations; also excluding banks in liquidation, but including banks transferred to the Federal area after 1945. Branches within the meaning of section 24 (1) 7 of the Banking Act handling inpayments and outpayments, i.e. excluding deposit-receiving agencies, exchange offices, commission agencies, branches and representations. Registered offices, second and other registered offices of banks are recorded as branches, if banking business is conducted there. The first branch established by a foreign bank in the Federal area is recorded as a bank in accordance with section 53 (1) of the Banking Act; all further branches are recorded as branches. Statistical

changes have not been noted among the levels, but have already been eliminated among the changes. — 1 In 1985 10 institutions with 466 branches were recorded as "Commercial banks"; in the Monthly Balance Sheet Statistics they continued to be shown as "Instalment sales financing institutions" (7 "Regional banks" with 461 branches and 3 "Private bankers" with 5 branches). — 2 Through the dissolution of the category "Instalment sales financing institutions" at the end of 1986, reclassification of 72 banks with 469 branches as: "Regional banks" (42 banks/418 branches), "Private bankers" (22/39) and "Credit cooperatives" (8/12). — 3 Only banks organised in the form of a sole proprietorship or

partnership. — 4 Including Deutsche Girozentrale — Deutsche Kommunalbank. — 5 Including Deutsche Genossenschaftsbank. — 6 Including other banks not organised in the form of a cooperative but affiliated to the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. — 7 Since 1972 including legally independent (private and public) building and loan associations and their branches. 9 (1972-1985: 10) legally dependent public building and loan associations (divisions or institutions of other public-law banks) with 4 branches are not recorded separately. — 8 Including sub-branches. — 9 Substantial foreign participations pursuant to section 13a in conjunction with section 10a of the Banking Act.

IV. Minimum reserves

1. Reserve ratios

% of liabilities subject to reserve requirements

Liabilities subject to reserve requirements to residents									
Applicable from	Sight liabilities			Time liabilities			Savings deposits		
	Stage on the progressive scale 1			Stage on the progressive scale 1			Stage on the progressive scale 1		
	1	2	3	1	2	3	1	2	3
	DM 10 mn and under	DM 100 mn and under, but more than DM 10 mn	more than DM 100 mn	DM 10 mn and under	DM 100 mn and under, but more than DM 10 mn	more than DM 100 mn	DM 10 mn and under	DM 100 mn and under, but more than DM 10 mn	more than DM 100 mn
1977 March 1 2	9.35	12.7	14.9	6.6	8.8	10.45	6.15	6.4	6.6
June 1 2	8.9	12.05	14.15	6.3	8.4	9.95	5.85	6.05	6.3
Sep. 1 2	8	10.85	12.75	5.65	7.55	8.95	5.3	5.45	5.65
1978 March 1	8.65	11.7	13.75	6.1	8.15	9.65	5.7	5.9	6.1
June 1	8.05	10.9	12.8	5.7	7.55	9	5.3	5.5	5.7
Nov. 1	8.75	11.85	13.95	6.2	8.25	9.8	5.8	6	6.2
1979 Feb. 1	9.2	12.45	14.65	6.5	8.65	10.3	6.05	6.3	6.5
1980 May 1	8.45	11.45	13.45	6	8	9.45	5.6	5.8	6
Sep. 1	7.65	10.3	12.1	5.4	7.2	8.5	5	5.2	5.4
1981 Feb. 1	7.1	9.6	11.25	5	6.7	7.95	4.65	4.85	5
1982 Oct. 1	6.4	8.65	10.15	4.5	6	7.15	4.2	4.35	4.5
1986 May 1 3	6	9	11	4.5			3.75		
1987 Feb. 1	6.6	9.9	12.1	4.95			4.15		

Liabilities subject to reserve requirements to non-residents							
Applicable from	Sight liabilities	Time liabilities	Savings deposits	Growth of liabilities			Explanatory notes on the growth reserve regulations
				Sight liabilities	Time liabilities	Savings deposits	
1977 March 1	14.9	10.45	6.6	} no special ratios	80		
June 1	14.15	9.95	6.3				
Sep. 1	12.75	8.95	5.65				
1978 Jan. 1	20	15	10				Additional reserve ratio for growth over the average level during the period from September 16 to December 15, 1977
June 1	12.8	9	5.7				
Nov. 1	13.95	9.8	6.2	} no special ratios			
1979 Feb. 1	14.65	10.3	6.5				
1980 May 1	13.45	9.45	6				
Sep. 1	12.1	8.5	5.4				
1981 Feb. 1	11.25	7.95	5				
1982 Oct. 1	10.15	7.15	4.5				
1986 May 1	11	4.5	3.75				
1987 Feb. 1	12.1	4.95	4.15				

1 The ratio of stage 1 on the progressive scale applies to the first DM 10 million of liabilities subject to reserve requirements, the ratio of stage 2 to the next DM 90 million, and the ratio of stage 3 to liabilities exceeding DM 100 million. — 2 As from March 1,

1977 to February 28, 1978 the following discounts were in force for liabilities to residents in places without a Bundesbank office: 1 percentage point for sight liabilities, 0.5 percentage point for savings

deposits. — 3 As from May 1, 1986 the differentiation of the reserve ratios by stages on the progressive scale is no longer applicable to time liabilities and savings deposits.

IV. Minimum reserves

(c) Breakdown by category of banks^o

Monthly average 1	Number of banks subject to reserve requirements	Liabilities subject to reserve requirements DM million	Required reserves prior to deduction of deductible cash balances 4	Average reserve ratio 12 for liabilities to					Memorandum items		
				residents and non-residents, total	residents		non-residents	Deductible cash balances 5	Required reserves after deduction of deductible cash balances 6	Excess reserves 8	
					Total	of which for sight liabilities					DM million
All categories of banks											
1987 Sep.	4,497	1,077,171	62,823	5.8	5.7	10.7	8.6	10,730	52,093	227	
Oct.	4,488	1,073,485	62,581	5.8	5.7	10.7	8.6	10,756	51,825	341	
Commercial banks											
1987 Sep.	302	285,991	20,009	7.0	6.8	11.7	9.2	2,622	17,387	82	
Oct.	302	284,498	19,867	7.0	6.7	11.7	9.2	2,648	17,219	158	
Big banks											
1987 Sep.	6	143,417	10,176	7.1	6.9	12.1	8.8	1,421	8,755	17	
Oct.	6	142,255	10,086	7.1	6.9	12.1	8.9	1,435	8,651	50	
Regional banks and other commercial banks 14											
1987 Sep.	154	116,821	7,896	6.8	6.6	11.6	9.4	1,104	6,792	42	
Oct.	153	116,511	7,837	6.7	6.5	11.6	9.4	1,114	6,723	60	
Branches of foreign banks											
1987 Sep.	59	5,319	484	9.1	7.7	9.5	10.4	8	476	14	
Oct.	59	5,404	496	9.2	7.7	9.5	10.5	8	488	31	
Private bankers 13											
1987 Sep.	83	20,434	1,453	7.1	6.9	10.9	9.4	89	1,364	9	
Oct.	84	20,328	1,448	7.1	6.9	10.9	9.4	91	1,357	17	
Regional giro institutions											
1987 Sep.	12	35,127	2,453	7.0	7.0	11.8	7.4	157	2,296	5	
Oct.	12	34,608	2,423	7.0	7.0	11.8	7.1	158	2,265	18	
Savings banks											
1987 Sep.	588	457,117	24,588	5.4	5.4	10.7	5.3	5,230	19,358	32	
Oct.	587	454,334	24,349	5.4	5.4	10.7	5.4	5,229	19,120	47	
Regional institutions of credit cooperatives											
1987 Sep.	6	6,364	521	8.2	8.0	11.6	11.9	67	454	3	
Oct.	6	6,187	519	8.4	8.2	11.6	11.9	67	452	4	
Credit cooperatives											
1987 Sep.	3,514	283,464	14,654	5.2	5.2	8.7	5.7	2,622	12,032	82	
Oct.	3,505	282,767	14,592	5.2	5.2	8.7	5.6	2,623	11,969	95	
Mortgage banks											
1987 Sep.	33	1,704	98	5.7	5.7	8.3	6.0	7	91	13	
Oct.	34	1,816	104	5.7	5.7	8.3	6.0	7	97	12	
Banks with special functions											
1987 Sep.	14	4,653	352	7.6	7.6	11.6	6.7	24	328	6	
Oct.	14	6,535	579	8.9	8.9	11.7	6.6	23	556	6	
Building and loan associations											
1987 Sep.	28	2,751	148	5.4	5.4	9.5	5.6	1	147	4	
Oct.	28	2,740	148	5.4	5.4	9.5	5.6	1	147	1	
Memorandum item: Postal giro and postal savings bank offices											
1987 Sep.	15	45,373	2,880	6.3	6.3	12.1	10.1	—	2,880	.	
Oct.	15	45,360	2,883	6.4	6.3	12.1	10.0	—	2,883	.	

* Excluding minimum reserves kept by the Federal Post Office on behalf of the postal giro and postal savings bank offices, which since the introduction on May 1, 1958 of the optional central maintenance of minimum reserves are in practice no longer distinguishable from the other central bank deposits of the Federal Post Office. — ^o The category "Instalment sales financing institutions" was dissolved in December 1986; the banks it used to contain were included in the categories "Regional banks and other commercial banks", "Private bankers" and "Credit cooperatives", in accordance with their legal form. — 1 In accordance with sections 5 to 7 of the Minimum Reserves Order. — 2 Liabilities subject to reserve requirements cannot be broken down statistically according to residents and non-residents if the same reserve ratios applied to such liabilities and only overall amounts were reported. — 3 As from May

1986 including the liabilities arising from initial sales to non-residents of bearer bonds and order bonds forming part of a total issue. — 4 Amount after applying the reserve ratios to liabilities subject to reserve requirements (section 5 (1) of the Minimum Reserves Order). Owing to the introduction in March 1978 of deductible cash balances, accompanied by a compensatory increase in reserve ratios, the continuity of the series is not assured. — 5 Banks' holdings of German legal tender pursuant to section 5 (2) of the Minimum Reserves Order. — 6 To be maintained as credit balances on giro accounts at the Bundesbank. — 7 Average credit balances of banks subject to reserve requirements maintained on giro accounts at the Bundesbank. — 8 Actual reserves less required reserves after deduction of deductible cash balances. — 9 Required reserves

after deduction of deductible cash balances. — 10 Between May 1961 and end-December 1966 liabilities to non-residents were exempt from the reserve requirements to an amount equal to credit balances with banks abroad and foreign money market investments. — 11 The exemption of institutions mainly engaged in long-term business and of building and loan associations was abolished with effect from January 1, 1984. — 12 Required reserves prior to deduction of deductible cash balances as % of liabilities subject to reserve requirements. — 13 Only banks organised in the form of a sole proprietorship or partnership. — 14 Including guarantee banks with small amounts. — 15 The stages on the progressive scale for time liabilities and savings deposits were eliminated as from May 1986; uniform reserve ratios apply.

1. Discount and lombard rates of the Bundesbank and special interest rate charged for failing to comply with the minimum reserve requirements

Discount rate 1			Lombard rate			Discount rate 1			Lombard rate		
Applicable from	% p.a.	% p.a.	Applicable from	% p.a.	% p.a.	Applicable from	% p.a.	% p.a.	Applicable from	% p.a.	% p.a.
1948 July 1	5	6	1967 Jan. 6	4 1/2	5 1/2	1977 July 15	3 1/2	4	1977 Dec. 16	3	3 1/2
1949 May 27	4 1/2	5 1/2	1967 Feb. 17	4	5	1979 Jan. 19	3	4	1979 March 30	4	5
1949 July 14	4	5	1967 April 14	3 1/2	4 1/2	1979 June 1	4	5 1/2	1980 July 13	5	6
1950 Oct. 27	6	7	1967 May 12	3	4	1980 Nov. 1	6	7	1980 Feb. 29	7	8 1/2
1952 May 29	5	6	1967 Aug. 11	3	3 1/2	1980 May 2	7 1/2	9 1/2	1980 Sep. 19	7 1/2	3 9
1952 Aug. 21	4 1/2	5 1/2	1969 March 21	3	4	1982 Aug. 27	7	8	1982 Oct. 2	6	7
1953 Jan. 8	4	5	1969 April 18	4	5	1982 Dec. 3	5	6	1983 March 18	4	5
1953 June 11	3 1/2	4 1/2	1969 June 20	5	6	1983 Sep. 9	4	5 1/2	1984 June 29	4 1/2	5 1/2
1954 May 20	3	4	1969 Sep. 11	6	7 1/2	1985 Feb. 1	4 1/2	6	1985 Aug. 16	4	5 1/2
1955 Aug. 4	3 1/2	4 1/2	1969 Dec. 5	6	9	1986 March 7	3 1/2	5 1/2	1987 Jan. 23	3	5
1956 March 8	4 1/2	5 1/2	1970 March 9	7 1/2	9 1/2	1987 Nov. 6	3	4 1/2	1987 Dec. 4	2 1/2	4 1/2
1956 May 19	5 1/2	6 1/2	1970 July 16	7	9						
1956 Sep. 6	5	6	1970 Nov. 18	6 1/2	8						
1957 Jan. 11	4 1/2	5 1/2	1970 Dec. 3	6	7 1/2						
1957 Sep. 19	4	5	1971 April 1	5	6 1/2						
1958 Jan. 17	3 1/2	4 1/2	1971 Oct. 14	4 1/2	5 1/2						
1958 June 27	3	4	1971 Dec. 23	4	5						
1959 Jan. 10	2 3/4	3 3/4	1972 Feb. 25	3	4						
1959 Sep. 4	3	4	1972 Oct. 9	3 1/2	5						
1959 Oct. 23	4	5	1972 Nov. 3	4	6						
1960 June 3	5	6	1972 Dec. 1	4 1/2	6 1/2						
1960 Nov. 11	4	5	1973 Jan. 12	5	7						
1961 Jan. 20	3 1/2	4 1/2	1973 May 4	6	8						
1961 May 5	3	2 4	1973 June 1	7	3 9						
1965 Jan. 22	3 1/2	4 1/2	1974 Oct. 25	6 1/2	8 1/2						
1965 Aug. 13	4	5	1974 Dec. 20	6	8						
1966 May 27	5	6 1/4	1975 Feb. 7	5 1/2	7 1/2						
			1975 March 7	5	6 1/2						
			1975 April 25	5	6						
			1975 May 23	4 1/2	5 1/2						
			1975 Aug. 15	4	5						
			1975 Sep. 12	3 1/2	4 1/2						

Special interest rate charged for failing to comply with the minimum reserve requirements: 3 % p.a. above lombard rate 4

1 This is also the rate for cash advances. Until May 1956 lower rates likewise applied to foreign bills and export drafts; fixed special rates were charged for certain credits which had been granted to the Reconstruction Loan Corporation and which ran out

at the end of 1958 (for details see footnotes to the same table in the Report of the Deutsche Bundesbank for the Year 1961, page 91). — 2 An allowance of 3/4 % per annum was granted to the banks in respect of the lombard loans taken between December 10,

1964 and December 31, 1964. — 3 Lombard loans were generally not granted to the banks at the lombard rate during the following periods: from June 1, 1973 to July 3, 1974 and from February 20, 1981 to May 6, 1982. — 4 Unchanged since January 1, 1951.

2. Rates of the Bundesbank for short-term money market operations *

Open market transactions in bills under repurchase agreements 1				Special lombard loans 2				Sales of Federal Treasury bills not included in the Bundesbank's money market regulating arrangements 3		
Applicable	Rate	Applicable	Rate	Applicable	Rate	Applicable	Rate for bills running for			
						5 days			10 days	
1973 April 16 to April 27	12	1979 Oct. 10 to Oct. 31	7 3/4	1973 Nov. 26 to 1974 Jan. 11	13	1973 Aug. 13 to Aug. 31	3	6 3/4	7	
June 7 to June 20	13			1974 March 14 to April 8	13	Oct. 23 to Oct. 25	6 3/4		7	
July 24 to July 27	15	1982 Jan. 14 to Jan. 21	10	May 28 to July 3	10	1980 Feb. 15			8 1/4	
July 30	14	March 11 to March 18	9 1/2			Feb. 20			5 8 1/4	
Aug. 2 to Aug. 16	13			1981 Feb. 25 to Feb. 26	12	Feb. 25	6	8 1/4		
Aug. 30 to Sep. 6	16			March 3 to Oct. 8	12	1981 May 5 to Sep. 10	7	11 1/2		
Nov. 26 to Dec. 13	11			Oct. 9 to Dec. 3	11					
1974 March 14 to April 5	11 1/2			Dec. 4 to 1982 Jan. 21	10 1/2	1985 Feb. 1 to March 29	8	5 1/2		
April 8 to April 24	10					April 1 to June 6	8	5.3		
1975 July 23 to July 31	4 1/2			1982 Jan. 22 to March 18	10	June 7 to June 20	8	5.0		
Aug. 29 to Sep. 11	4			March 19 to May 6	9 1/2	June 21 to July 18	8	4.8		
Sep. 12 to Oct. 6	3 1/2					July 19 to Aug. 15	8	4.5		
Oct. 21 to Dec. 1	3 1/2					Aug. 16 to				
1977 March 10 to May 31	4					1986 March 5 to	8	4.3		
July 6 to July 14	4									
July 15 to July 26	3 3/4					1987 to Jan. 22	8	4.0		
July 27 to Sep. 5	3 1/2					Jan. 23 to May 12	8	3.5		
Sep. 23 to Nov. 3	3 1/2					May 13 to Nov. 24	8	3.2		
1978 March 13 to June 16	3 1/4					Nov. 25 to	8	3.0		

* For Bundesbank open market transactions in securities under repurchase agreements see Table V, 3. — 1 Purchase from banks of domestic bills eligible for rediscount at the Bundesbank for a period of 10 days; first such transaction on April 16, 1973. —

2 Special lombard loans were first granted on November 26, 1973. — 3 Treasury bills running for a fixed period of 10 days were offered to the banks for the first time on August 13, 1973, and those for a fixed period of 5 days on August 15, 1973. — 4 From

March 10 to April 12, 1977 purchased for 20 days. — 5 Running for 9 days. — 6 Running for 4 days. — 7 Normally running for 7 days; from May 14, 1981 normally running for 5 days. — 8 Normally running for 3 days.

V. Interest rates

3. The Bundesbank's open market transactions in securities under repurchase agreements *

Day of credit advice	Bids by banks		Purchases by the Bundesbank					Running for ... days	
	Number of bidders	Amount	Number	Amount	Fixed interest rate tender		Minimum interest rate tender		
					DM million	DM million	Fixed rate		Minimum rate	Allotment rate
		% p.a.							
1987 Feb. 18	221	17,157	221	3,450	3.80	—	—	35	
March 5	258	28,590	258	14,878	3.80	—	—	34	
March 11	229	21,676	229	15,177	3.80	—	—	35	
March 25	193	8,624	193	6,470	3.80	—	—	28	
April 8	185	12,211	185	6,114	3.80	—	—	28	
April 15	183	16,552	183	12,417	3.80	—	—	28	
April 22	161	7,548	161	6,042	3.80	—	—	28	
May 6	145	7,326	145	5,498	3.80	—	—	28	
May 13	249	18,654	210	9,545	—	3.50	3.55	28	
May 20	213	14,300	191	7,036	—	3.50	3.55	35	
June 3	222	21,659	209	11,247	—	3.50	3.55	28	
June 10	198	14,499	182	8,093	—	3.50	3.55	28	
June 24	214	16,564	201	8,090	—	3.50	3.55	28	
July 1	217	17,924	205	12,364	—	3.50	3.55	35	
July 8	217	14,435	209	11,023	—	3.50	3.55	35	
July 22	329	30,186	281	12,871	—	3.50	3.60	28	
Aug. 5	243	26,686	243	5,370	3.60	—	—	28	
Aug. 12	290	37,713	290	9,459	3.60	—	—	28	
Aug. 19	352	44,949	352	14,411	3.60	—	—	35	
Aug. 25	230	25,225	230	8,090	3.60	—	—	15	
Sep. 2	329	30,536	329	4,934	3.60	—	—	35	
Sep. 9	386	53,404	386	14,455	3.60	—	—	35	
Sep. 23	411	36,988	317	15,417	—	3.50	3.65	28	
Oct. 7	363	32,862	231	7,295	—	3.60	3.75	28	
Oct. 14	439	39,910	266	13,812	—	3.60	3.85	28	
Oct. 21	396	30,764	396	7,743	3.80	—	—	35	
Nov. 11	383	47,359	383	11,880	3.50	—	—	28	
Nov. 25	483	43,286	483	7,879	3.25	—	—	28	
Dec. 2 p	417	43,400	417	4,300	3.25	—	—	34	

* Purchase of bonds eligible as collateral for lombard loans, since July 11, 1983 also of Treasury discount paper with a remaining period to maturity of up to one year; first such transaction on June 21, 1979. — p Provisional.

4. Rates for sales of money market paper

% p.a.													
Rates of the Bundesbank for money market paper included in the money market regulating arrangements							Rates for money market paper not included in the money market regulating arrangements						
Applicable from	Treasury bills of Federal Government and Federal Railways running for		Treasury discount paper of Federal Government, Federal Railways and Federal Post Office running for				Applicable from	Treasury discount paper of Federal Government, Federal Railways and Federal Post Office — financing paper — (types BN, BaN, PN) running for				Treasury financing paper of the Federal Government running for	
	30 to 59 days	60 to 90 days	6 months	12 months	18 months	24 months		24 months	12 months	18 months	24 months	12 months	24 months
	Nominal rates							Nominal rates					
1979 Nov. 1	5.50	5.65	5.75	5.95	5.95	5.95	1987 April 7	—	—	—	—	2.91	3.77
1980 Feb. 29	6.50	6.65	6.75	6.95	6.95	6.95	May 12	—	—	—	—	2.87	3.50
May 2	7.00	7.15	7.25	7.45	7.45	7.45	Aug. 5	—	—	—	4.21	2.87	3.50
1982 Aug. 27	6.50	6.65	6.75	6.95	6.95	6.95	Aug. 6	4.17	—	—	—	2.87	3.50
Oct. 22	5.50	5.65	5.80	5.70	5.80	5.90	Aug. 7	4.17	—	—	—	3.19	3.86
Dec. 3	4.50	4.65	4.75	4.90	5.00	5.15	Aug. 20	—	—	—	—	3.19	3.86
1983 March 18	3.50	3.65	3.80	3.95	4.10	4.25	Sep. 23	—	—	—	—	3.38	4.21
1984 June 29	4.00	4.15	4.30	4.40	4.50	4.60	Oct. 15	—	—	—	—	3.85	4.56
1985 Aug. 16	3.50	3.65	3.80	3.90	4.00	4.10	Nov. 2	—	—	—	—	3.38	4.21
1986 March 7	3.00	3.15	3.30	3.40	3.50	3.60	Nov. 6	—	—	—	—	—	—
1987 Jan. 23	2.50	2.65	2.80	2.90	3.00	3.10	Nov. 12	—	—	—	—	3.15	3.99
Dec. 4	2.00	2.15	2.30	2.40	2.50	2.60	Nov. 23	—	—	—	—	3.05	3.90
1979 Nov. 1	5.55	5.73	5.92	6.33	6.40	6.54	1987 April 7	—	—	—	—	3.00	4.00
1980 Feb. 29	6.57	6.76	6.99	7.47	7.57	7.77	May 12	—	—	—	—	2.95	3.70
May 2	7.08	7.28	7.52	8.05	8.17	8.40	Aug. 5	—	—	—	4.50	2.95	3.70
1982 Aug. 27	6.57	6.76	6.99	7.47	7.57	7.77	Aug. 6	4.45	—	—	—	2.95	3.70
Oct. 22	5.55	5.73	5.76	6.04	6.22	6.48	Aug. 7	4.45	—	—	—	3.30	4.10
Dec. 3	4.53	4.70	4.87	5.15	5.31	5.59	Aug. 20	—	—	—	—	3.30	4.10
1983 March 18	3.52	3.68	3.87	4.11	4.31	4.54	Sep. 23	—	—	—	—	3.50	4.50
1984 June 29	4.03	4.19	4.39	4.60	4.75	4.94	Oct. 15	—	—	—	—	4.00	4.90
1985 Aug. 16	3.52	3.68	3.87	4.06	4.20	4.37	Nov. 2	—	—	—	—	3.50	4.50
1986 March 7	3.02	3.18	3.36	3.52	3.65	3.81	Nov. 6	—	—	—	—	—	—
1987 Jan. 23	2.51	2.67	2.84	2.99	3.11	3.25	Nov. 12	—	—	—	—	3.25	4.25
Dec. 4	2.01	2.16	2.33	2.46	2.58	2.71	Nov. 23	—	—	—	—	3.15	4.14

1 Except as otherwise noted, rate applicable only on the date stated.

5. Rates for prime bankers' acceptances *

% p.a.		Prime bankers' acceptances with a remaining maturity of 10 to 90 days	
Applicable from		Selling	
		Buying	Selling
1975 Aug.	15	3.55	3.40
Sep.	12	3.05	2.90
1976 Nov.	19	3.30	3.15
1977 Aug.	29	3.10	2.95
Dec.	16	2.60	2.45
1979 Jan.	23	2.85	2.70
March	30	3.85	3.70
July	13	5.30	5.15
Nov.	1	6.30	6.15
1980 Feb.	29	7.30	7.15
May	2	7.80	7.65
1982 Aug.	27	7.05	6.90
Oct.	22	5.80	5.65
Dec.	3	4.80	4.65
1983 March	18	3.55	3.40
1984 June	29	4.05	3.90
1985 Aug.	16	3.55	3.40
1986 March	7	3.05	2.90
1987 Jan.	23	2.55	2.40
Dec.	4	2.05	1.90

* Rates of Privatdiskont AG for transactions with banks.

6. Money market rates, by month *

% p.a.		Money market rates reported by Frankfurt banks						Fibor 1	
Period		Day-to-day money		One-month funds		Three-month funds		Three-month funds	Six-month funds
		Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates		
		Monthly averages							
1985 Sep.		4.59	4.30—5.50	4.66	4.55—4.75	4.69	4.60—4.75	4.71	4.77
Oct.		4.54	3.90—4.85	4.76	4.65—4.90	4.81	4.65—5.05	4.84	4.88
Nov.		4.61	4.45—5.60	4.63	4.55—4.75	4.84	4.75—5.00	4.88	4.93
Dec.		4.64	2 3.00—6.00	4.87	3 4.80—5.00	4.83	3 4.75—4.95	4.86	4.91
1986 Jan.		4.58	4.20—5.20	4.72	4.60—4.90	4.67	4.60—4.80	4.72	4.75
Feb.		4.59	4.25—6.00	4.28	4.20—4.40	4.49	4.40—4.60	4.54	4.59
March		4.90	4.00—5.60	4.66	4.45—4.95	4.54	4.40—4.75	4.56	4.56
April		4.76	4.35—5.50	4.53	4.35—4.75	4.49	4.35—4.65	4.53	4.53
May		4.30	3.90—5.00	4.63	4.55—4.80	4.60	4.50—4.75	4.62	4.62
June		4.39	3.90—5.50	4.50	4.40—4.70	4.60	4.50—4.70	4.65	4.67
July		4.61	4.10—5.50	4.61	4.50—4.70	4.63	4.55—4.75	4.65	4.70
Aug.		4.49	4.00—4.65	4.58	4.45—4.70	4.57	4.45—4.70	4.61	4.65
Sep.		4.49	3.00—4.65	4.49	4.40—4.65	4.50	4.40—4.65	4.53	4.56
Oct.		4.41	4.00—5.50	4.58	4.50—4.70	4.59	4.50—4.75	4.64	4.66
Nov.		4.45	4.20—4.75	4.55	4.40—4.65	4.69	4.60—4.80	4.73	4.73
Dec.		5.00	4 4.50—6.00	5.01	3 4.70—5.50	4.81	3 4.65—5.05	4.84	4.81
1987 Jan.		4.24	2.50—5.25	4.49	3.80—4.95	4.49	4.00—4.90	4.54	4.57
Feb.		3.83	3.40—4.30	3.74	3.60—3.90	3.97	3.85—4.10	4.03	4.10
March		3.84	3.45—5.10	3.99	3.90—4.10	3.99	3.90—4.10	4.04	4.08
April		3.75	3.50—5.00	3.86	3.75—4.00	3.89	3.80—4.00	3.91	3.96
May		3.69	3.50—4.80	3.76	3.65—4.00	3.76	3.65—4.00	3.81	3.86
June		3.61	3.20—5.05	3.65	3.55—3.80	3.70	3.60—3.80	3.73	3.78
July		3.73	2.25—5.10	3.81	3.65—4.10	3.83	3.65—4.10	3.86	3.97
Aug.		3.78	3.55—4.30	3.92	3.80—4.05	3.95	3.80—4.05	4.00	4.22
Sep.		3.71	3.50—4.50	3.94	3.85—4.05	3.99	3.90—4.10	4.04	4.37
Oct.		3.74	2.50—4.05	4.01	3.60—4.20	4.70	4.00—5.10	4.74	4.85
Nov.		3.55	3.00—3.85	3.60	3.35—3.80	3.94	3.70—4.20	3.98	4.06

* Money market rates are not fixed or quoted officially; the monthly averages computed from daily quotations are unweighted. — 1 Frankfurt interbank offered rate; ascertained daily at 11 a.m. by Privatdiskont AG on the basis of selling rates reported by banks in Frankfurt am Main, Munich and

Düsseldorf (for the first time on August 12, 1985). — 2 At the end of December: 3.0% to 6.0%. — 3 The highest rates are estimated rates. — 4 At the end of December: 5.0% to 6.0%.

7. Lending and deposit rates * Average interest rates and spread

Reporting period 1	Lending rates							
	Current account credit 2				Bills discounted 2			
	Less than DM 1 million		DM 1 million and over but less than DM 5 million		Bills of less than DM 100,000 eligible for rediscount at the Bundesbank			
	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread		
1986 Oct.	8.63	7.25—10.00	7.07	6.50—8.75	4.88	3.75—7.25		
Nov.	8.65	7.25—10.00	6.95	6.25—8.50	4.87	3.75—7.00		
Dec.	8.63	7.25—10.00	6.99	6.25—8.75	4.88	3.75—7.00		
1987 Jan.	8.63	7.25—10.00	7.01	6.25—8.50	4.85	3.75—7.00		
Feb.	8.55	7.25—10.00	6.86	6.00—8.25	4.60	3.50—6.75		
March	8.45	7.00—9.90	6.77	6.00—8.25	4.55	3.50—6.75		
April	8.37	7.00—9.75	6.67	6.00—8.00	4.54	3.50—6.50		
May	8.32	7.00—9.75	6.64	5.80—8.00	4.51	3.50—6.50		
June	8.29	6.75—9.75	6.55	5.75—7.75	4.50	3.50—6.50		
July	8.28	6.75—9.75	6.60	5.75—7.75	4.47	3.40—6.50		
Aug.	8.28	7.00—9.75	6.67	5.75—8.00	4.51	3.50—6.50		
Sep.	8.28	7.00—9.75	6.69	5.75—8.25	4.50	3.40—6.50		
Oct.	8.34	7.00—9.75	6.69	6.00—8.00	4.56	3.50—6.50		
Nov. p	8.34	7.00—9.75	6.71	5.75—8.75	4.52	3.50—6.50		

* For the method of data collection see Monthly Report of the Deutsche Bundesbank, most recently Vol. 35, No. 1, January 1983, p. 14 ff. The average rates are calculated as unweighted arithmetic means

from the interest rates reported to be within the spread. The spread is ascertained by eliminating the 5% of the reports containing the maximum and mini-

mum interest rates. — 1 Second and third weeks of the months indicated. — 2 Interest rates as % p.a. — p Provisional.

8. Selected central bank rates abroad

Country/Interest rate	New rate		Previous rate		Country/Interest rate	New rate		Previous rate	
	% p.a.	Applicable from	% p.a.	Applicable from		% p.a.	Applicable from	% p.a.	Applicable from
1. EEC member countries					2. Other European countries				
Belgium-Luxembourg Discount rate 1	7	Dec. 4, '87	7 ¼	July 23, '87	Austria Discount rate	3	Dec. 4, '87	3 ½	Jan. 23, '87
Denmark Discount rate	7	Oct. 27, '83	7 ½	April 22, '83	Sweden Discount rate	7 ½	Sep. 19, '86	8	April 18, '86
Rate for central bank lending 2	9 ½	Aug. 3, '87	—	—	Switzerland Discount rate	2 ½	Dec. 4, '87	3	Nov. 6, '87
France Intervention rate 3	7 ¾	Dec. 4, '87	8	Nov. 25, '87	3. Non-European countries				
Greece Discount rate 4	20 ½	July 1, '80	19	July 1, '79	Canada Discount rate 8	8.56	Nov. 26, '87	8.09	Oct. 29, '87
Ireland Rate for central bank lending 6	9 ¾	Sep. 21, '87	10 ¼	July 13, '87	Japan Discount rate	2 ½	Feb. 23, '87	3	Nov. 1, '86
Italy Discount rate	12	Aug. 28, '87	11 ½	March 14, '87	United States Discount rate	6	Sep. 4, '87	5 ½	Aug. 21, '86
Netherlands Discount rate	3 ¾	Dec. 4, '87	4	Nov. 25, '87					
Lombard rate 7	4 ¼	Dec. 4, '87	4 ½	Nov. 25, '87					
Portugal Discount rate	14 ½	Oct. 15, '87	15	March 23, '87					
Spain Discount rate	8	July 26, '77	7	Aug. 10, '74					
United Kingdom Intervention rate 5	8 ¾	Dec. 3, '87	8 ¾	Nov. 4, '87					

1 As from May 9, 1985 floating discount rate geared to the rate for 3-month Treasury bills. — 2 The rate at which the Danmarks National Bank provides central bank money on a daily basis. — 3 The rate at which the Banque de France purchases short-term paper. — 4 As the banks are not normally indebted to the central bank, the discount rate is at

present not used for controlling the interest rate level. — 5 The rate at which the Bank of England purchases bills (running up to two weeks) within band 1. — 6 Short-term facility rate: rate at which the central bank grants the commercial banks short-term credit. — 7 The rate at which the Nederlandsche

Bank provides (against collateral) the larger part of its central bank money. — 8 As from March 13, 1980 floating discount rate (average weekly Treasury bill tender rate plus ¼ percentage point). The rate applying about one month earlier is also stated for comparative purposes.

9. Money market rates abroad

Monthly or weekly averages of daily figures 1
% p.a.

Month or week	Amsterdam		Brussels		London		New York		Paris	Zurich	Euro-dollar market 8			Memo item	
	Day-to-day money	Treasury bills (three months) Market discount	Day-to-day money 2	Treasury bills (three months) Tender rate 3	Day-to-day money 4	Treasury bills (three months) Tender rate 5	Federal funds 6	Treasury bills (three months) Tender rate 5	Day-to-day money secured by private paper	Three-month loans 7	Day-to-day money	One-month loans	Three-month loans	Swap rates in the open market 9	US\$/DM £/DM
1986 July	6.13	5.65	6.34	7.35	9.03	9.45	6.56	5.84	7.25	4.30	6.69	6.66	6.60	— 2.02	— 5.34
Aug.	5.62	5.26	6.37	7.35	9.30	9.39	6.17	5.57	7.04	3.89	6.24	6.19	6.12	— 1.65	— 5.31
Sep.	5.32	5.13	5.76	7.35	8.23	9.61	5.89	5.19	7.08	3.75	6.06	6.00	5.93	— 1.42	— 5.59
Oct.	5.40	5.20	6.26	7.35	8.50	10.63	5.85	5.17	7.36	3.53	5.94	5.94	5.93	— 1.39	— 6.47
Nov.	5.65	5.41	5.81	7.35	9.76	10.63	6.04	5.35	7.25	3.50	6.00	6.03	6.01	— 1.33	— 6.38
Dec.	6.17	5.96	5.09	7.40	9.71	10.66	6.91	5.53	7.80	3.50	7.64	6.77	6.28	— 1.30	— 6.16
1987 Jan.	6.01	5.54	6.82	7.75	10.70	10.52	6.43	5.45	8.90	3.29	6.25	6.20	6.15	— 1.66	— 6.39
Feb.	5.30	5.23	6.90	7.75	10.50	10.42	6.10	5.59	8.36	3.03	6.13	6.32	6.39	— 2.23	— 6.50
March	5.54	5.34	5.83	7.40	9.94	9.35	6.13	5.56	7.89	3.24	6.19	6.46	6.44	— 2.46	— 5.94
April	5.24	5.26	5.65	7.25	8.71	9.43	6.37	5.76	7.91	3.25	6.36	6.63	6.81	— 2.89	— 5.78
May	5.19	5.12	5.41	7.05	8.15	8.46	6.85	5.75	8.02	3.25	6.74	7.03	7.29	— 3.61	— 5.06
June	5.19	5.11	5.42	6.75	8.29	8.54	6.73	5.69	8.01	3.25	6.80	7.05	7.17	— 3.44	— 5.10
July	5.19	5.14	5.62	6.65	7.95	8.84	6.58	5.78	7.46	3.25	6.57	6.77	6.93	— 3.08	— 5.27
Aug.	4.84	5.20	4.82	6.65	8.19	9.79	6.73	6.00	7.41	3.25	6.56	6.76	7.00	— 3.02	— 5.96
Sep.	4.89	5.24	5.24	6.65	8.96	9.69	7.22	6.32	7.35	3.25	7.11	7.42	7.56	— 3.47	— 5.95
Oct.	5.32	5.57	4.61	7.15	8.77	9.78	7.29	6.40	7.69	3.53	7.25	7.58	8.35	— 3.63	— 5.18
Nov.	...	...	...	6.85	8.58	8.29	...	5.75	8.66	3.04	6.69	6.97	7.47	— 3.51	— 4.93
Week ended p															
1987 Oct. 30			5.44	7.15	8.80	9.79	7.03	5.12	7.78	3.25	6.93	7.14	7.71	— 3.29	— 4.67
Nov. 6			6.39	7.15	8.21	8.29	6.43	5.80	8.62	...	6.59	6.87	7.45	— 3.51	— 5.03
13			5.65	7.15	8.58	8.29	6.68	5.74	8.99	...	6.70	6.81	7.35	— 3.34	— 4.74
20			5.32	7.00	8.21	8.29	6.77	6.01	8.63	...	6.79	6.93	7.46	— 3.48	— 4.94
27			...	6.85	9.15	8.29	6.78	5.70	8.50	3.00	6.68	7.05	7.52	— 3.61	— 4.99

1 Unless stated otherwise. — 2 Rates in the compensation market, weighted by the amounts lent out. — 3 For monthly and weekly figures the latest rate in each case. — 4 Average of the lowest and highest rate for day-to-day money quoted daily in the Financial Times. — 5 Months: average of the tender rates at

the weekly Treasury bill auctions (New York: Monday; London: Friday); weeks: average of the tender rates on the day of issue. — 6 Weekly average (Thursdays to Wednesdays). — 7 Three-month deposits with big banks in Zurich; months: average of the rates reported on the three return dates (10th, 20th and

last day of the month); figure in the fourth week = last day of the month. — 8 The rates are based on quotations reported by Frankfurt and Luxembourg banks. — 9 Rates for three-month contracts. — p Partly provisional figures.

2. Sales of bonds* issued by residents

DM million nominal value

Period	Total	Bank bonds 1					Industrial bonds 6	Public bonds 7	Memo item DM bonds issued by non-residents
		All bank bonds	Mortgage bonds 2	Communal bonds 3	Bonds of specialised banks 4	Other bank bonds 5			
Gross sales 8									
1984	227,394	175,409	21,914	68,906	14,957	69,632	606	51,379	19,072
1985	261,153	197,281	24,575	84,610	19,881	68,217	648	63,222	31,146
1986	257,125	175,068	19,097	79,993	21,434	54,549	650	81,408	37,577
1986 Oct.	20,037	12,022	1,097	5,153	1,345	4,427	—	8,015	2,218
Nov.	22,691	12,476	1,340	6,069	1,673	3,395	—	10,215	2,419
Dec.	19,178	13,909	1,440	6,120	2,210	4,139	30	5,240	1,160
1987 Jan.	32,881	19,782	2,274	8,341	3,768	5,399	150	12,949	3,633
Feb.	25,643	13,323	1,039	6,894	1,356	4,033	—	12,320	3,169
March	22,984	11,899	1,495	5,720	1,021	3,663	—	11,085	4,755
April	17,942	13,700	1,496	6,228	2,126	3,850	—	4,242	1,925
May	20,775	13,235	1,577	5,383	2,433	3,843	—	7,541	1,050
June	14,566	11,126	1,268	5,085	1,594	3,179	—	3,439	1,790
July	20,748	12,366	1,181	5,710	1,115	4,359	45	8,337	2,930
Aug.	20,499	10,226	1,974	4,074	744	3,434	145	10,129	270
Sep.	16,735	12,132	1,645	4,953	1,152	4,382	—	4,602	930
Oct.	17,689	9,775	1,088	5,007	459	3,221	—	7,914	2,535
of which Bonds with a maximum maturity according to terms of issue of over 4 years									
1984	129,809	82,830	17,347	42,170	8,526	14,787	606	46,373	18,872
1985	163,536	104,819	20,178	56,923	11,990	15,729	648	58,070	31,076
1986	198,955	120,808	17,220	66,925	14,961	21,700	650	77,501	37,252
1986 Oct.	13,721	7,941	1,018	4,201	861	1,861	—	5,781	2,218
Nov.	18,463	8,658	1,253	4,934	1,126	1,345	—	9,805	2,419
Dec.	15,267	10,128	1,271	4,924	1,904	2,029	30	5,110	1,160
1987 Jan.	25,688	14,603	2,098	7,573	2,607	2,324	150	10,935	3,633
Feb.	22,519	10,199	904	6,232	1,051	2,012	—	12,320	3,169
March	20,142	9,057	1,466	4,964	735	1,892	—	11,085	4,755
April	14,350	10,108	1,454	5,437	1,435	1,782	—	4,242	1,925
May	17,026	9,486	1,542	4,742	1,623	1,578	—	7,541	1,050
June	10,976	7,567	1,195	4,344	894	1,134	—	3,409	1,790
July	13,598	7,895	1,008	4,620	586	1,680	45	5,658	2,930
Aug.	17,489	7,215	1,728	3,431	523	1,533	145	10,129	270
Sep.	12,861	8,259	1,348	4,102	651	2,157	—	4,602	930
Oct.	14,775	6,912	879	4,284	330	1,419	—	7,864	2,535
Net sales 9									
1984	72,111	35,300	5,133	19,775	2,334	8,060	— 201	37,011	8,666
1985	79,368	34,868	4,454	19,239	8,331	2,845	223	44,276	21,119
1986	88,370	30,895	5,750	14,211	9,846	1,091	188	57,289	23,856
1986 Oct.	4,574	— 1,372	98	— 1,525	404	— 348	— 53	6,000	756
Nov.	12,098	3,095	787	1,847	1,154	— 693	— 19	9,022	1,536
Dec.	— 1,608	— 4,488	— 101	— 3,145	179	— 1,420	17	2,863	— 136
1987 Jan.	20,625	11,543	887	4,250	3,074	3,332	— 29	9,110	1,925
Feb.	11,937	2,039	— 75	639	557	918	— 7	9,905	1,948
March	11,213	2,185	497	— 374	615	1,447	— 44	9,071	3,684
April	— 1,385	— 1,929	— 770	— 2,919	868	892	— 41	585	432
May	15,411	9,443	892	3,633	2,149	2,770	— 32	6,000	— 712
June	2,787	— 56	— 340	— 342	137	489	— 7	2,850	544
July	6,572	643	— 1,206	— 176	87	1,938	5	5,923	1,821
Aug.	10,734	3,891	1,129	519	355	1,887	125	6,718	— 771
Sep.	5,617	3,827	— 46	1,609	379	1,885	— 6	1,796	— 323
Oct.	2,796	— 1,524	— 1,825	636	— 439	105	— 7	4,327	1,230

* Excluding securities from pre-currency-reform issues and old savers' securities. — 1 Excluding registered bank bonds. — 2 Including ship mortgage bonds. — 3 Including Kommunalschatzanweisungen, Landesbodenbriefe, Bodenkulturschuldverschreibungen, bonds issued to finance shipbuilding and guaranteed by local authorities as well as bonds with other designations, if they were issued under section 8 (2) of the Act on Mortgage Bonds and Similar Bonds of Public-Law Banks. — 4 This includes all bearer bonds of the following banks: AKA-Ausfuhrkredit-Gesellschaft mbH, Bayerische Landesanstalt für Aufbaufinanzierung, Deutsche Genossenschaftsbank, (as from 1987 including DG-Bank Bayern),

Deutsche Siedlungs- und Landesrentenbank, Deutsche Verkehrs-Kredit-Bank AG, Industriekreditbank AG — Deutsche Industriebank, Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation), Landwirtschaftliche Rentenbank, Deutsche Ausgleichsbank (formerly: Equalisation of Burdens Bank) and building and loan associations. — 5 This item contains, in particular, bonds of regional giro institutions, the proceeds of which are, in the main, extended as credit to trade and industry. Also including "unsecured" mortgage bonds, bearer bonds (including convertible and option bonds) issued by banks, and marketable savings bonds. — 6 Including conver-

tible and option bonds issued by industrial borrowers. — 7 Including Federal Railways and Federal Post Office, but excluding bonds issued on behalf of the Equalisation of Burdens Fund. — 8 Gross sales means only initial sales of newly issued securities, not, however, resales of repurchased bonds. The figures include those cases of securities sales where the buyer, for reasons connected with printing or for other reasons, has not received physical securities. — 9 Gross sales less redemptions; the minus sign indicates an excess of redemptions over the amount newly sold during the period under review. Discrepancies in the totals are due to rounding.

VI. Capital market

3. Redemption of bonds * issued by residents

DM million nominal value

Period	Total	Bank bonds 1					Industrial bonds	Public bonds	Memo item DM bonds issued by non-residents
		All bank bonds	Mortgage bonds	Communal bonds	Bonds of specialised banks	Other bank bonds			
1984	155,285	140,107	16,783	49,133	12,627	61,572	807	14,368	10,406
1985	181,785	162,413	20,120	65,371	11,549	65,370	425	18,946	10,026
1986	168,756	144,174	13,350	65,779	11,587	53,460	462	24,117	13,723
1986 Oct.	15,462	13,394	1,000	6,678	941	4,775	53	2,015	1,463
Nov.	10,593	9,381	553	4,221	519	4,088	19	1,193	883
Dec.	20,786	18,396	1,542	9,265	2,031	5,559	13	2,376	1,296
1987 Jan.	12,256	8,238	1,387	4,092	694	2,066	179	3,839	1,708
Feb.	13,706	11,284	1,114	6,256	799	3,115	7	2,415	1,221
March	11,771	9,713	997	6,094	406	2,216	44	2,015	1,071
April	19,326	15,629	2,266	9,147	1,258	2,958	41	3,657	1,493
May	5,364	3,792	685	1,750	284	1,073	32	1,541	1,762
June	11,779	11,182	1,608	5,427	1,458	2,689	7	590	1,246
July	14,176	11,723	2,387	5,886	1,028	2,421	40	2,414	1,109
Aug.	9,766	6,335	845	3,555	389	1,547	20	3,411	1,041
Sep.	11,118	8,306	1,691	3,344	773	2,498	6	2,806	1,253
Oct.	14,893	11,299	2,913	4,372	898	3,116	7	3,587	1,305

* Excluding securities from pre-currency-reform issues and old savers' securities. Including change in the amount held by trustees. Minus sign (—) indicates

that the decline in the amount held by trustees was in excess of the redemptions. The explanations given in Table VI, 2 (footnotes 2 to 7) regarding the indivi-

dual categories of securities also apply to Tables VI, 3 and 4. — 1 Excluding registered bank bonds. Discrepancies in the totals are due to rounding.

4. Outstanding amount of bonds * issued by residents

DM million nominal value

End of year or month	Total	Bank bonds 1					Industrial bonds	Public bonds	Memo item DM bonds issued by non-residents
		All bank bonds	Mortgage bonds	Communal bonds	Bonds of specialised banks	Other bank bonds			
1981	615,787	484,390	110,650	240,945	32,112	100,683	3,590	127,807	80,317
1982	690,302	530,749	120,049	278,160	36,670	95,870	2,957	156,596	83,624
1983	777,874	584,458	129,001	307,553	44,358	103,547	2,366	191,050	87,603
1984	849,985	619,760	134,134	327,328	46,691	111,607	2,164	228,061	96,269
1985	929,353	654,628	138,588	346,565	55,022	114,453	2,388	272,337	117,387
1986	1,017,723	685,523	144,338	360,777	64,866	115,541	2,576	329,625	141,243
1986 Oct.	1,007,233	686,915	143,652	362,074	63,534	117,655	2,578	317,740	139,844
Nov.	1,019,331	690,010	144,439	363,922	64,688	116,962	2,559	326,762	141,379
Dec.	1,017,723	685,523	144,338	360,777	64,866	115,541	2,576	329,625	141,243
1987 Jan.	1,038,348	697,066	145,225	365,027	69,019	117,795	2,546	338,736	143,168
Feb.	1,050,285	699,105	145,150	365,666	69,577	118,713	2,539	348,641	145,117
March	1,061,497	701,290	145,647	365,292	70,192	120,160	2,496	357,712	148,801
April	1,060,112	699,361	144,877	362,372	71,059	121,052	2,455	358,297	149,233
May	1,075,524	708,804	145,769	366,005	73,208	123,821	2,423	364,297	148,521
June	1,078,311	708,749	145,429	365,664	73,345	124,311	2,416	367,146	149,064
July	1,084,883	709,392	144,224	365,488	73,432	126,248	2,421	373,070	150,886
Aug.	1,095,617	713,283	145,353	366,007	73,787	128,135	2,546	379,788	150,114
Sep.	1,101,234	717,110	145,307	367,616	74,166	130,020	2,541	381,583	149,791
Oct.	1,104,029	715,586	143,482	368,252	73,727	130,125	2,533	385,910	151,021
Maturity in years	Breakdown by remaining period to maturity 2 Position as at October 31, 1987								
	Issues falling due en bloc								
4 and under	598,841	440,257	67,093	224,793	43,961	104,410	45	158,539	34,884
over 4 but less than 10	434,794	220,185	43,472	123,395	28,590	24,728	2,245	212,364	94,114
10 and over	19,832	4,855	1,073	2,719	295	769	—	14,977	11,952
	Issues not falling due en bloc								
4 and under	11,613	11,340	6,791	4,065	292	192	243	30	6,535
over 4 but less than 10	27,374	27,374	16,484	10,311	553	26	—	—	3,130
10 to less than 20	11,427	11,427	8,496	2,895	36	—	—	—	140
20 and over	147	147	74	74	—	—	—	—	266

* Excluding securities from pre-currency-reform issues and old savers' securities; including bonds temporarily held in the issuers' portfolios. — 1 Excluding bonds handed to the trustee for

temporary safe custody and excluding registered bank bonds. — 2 Calculated from month under review until final maturity for issues falling due en

bloc and until mean maturity of the residual amount outstanding for issues not falling due en bloc. Discrepancies in the totals are due to rounding.

5. Change in share circulation

DM million nominal value

Period	Circulation at end of period under review	Net increase or net decrease during period under review	Increase during period under review									Decrease during period under review		
			Cash payment 1	Ex-change of convertible bonds	Issue of bonus shares 2	Contri-bution of claims	Contri-bution of shares, mining shares, GmbH shares, etc.	Contri-bution of other real assets	Merger, and transfer of assets	Trans-formation from other legal form of corpora-tion	Con- version of Reichs- Mark capital	Re- duction of capital, and liquida- tion	Merger, and transfer of assets	Trans- formation into other legal form of corpora- tion
1980	91,134	+ 3,500	3,677	25	653	329	33	86	16	121	—	1,102	41	297
1981	94,483	+ 3,349	3,083	96	734	1	19	19	4	141	0	453	54	241
1982	97,932	+ 3,449	3,087	6	431	21	324	109	176	85	—	427	322	41
1983	101,071	+ 3,139	4,242	38	641	4	397	278	104	329	—	2,135	723	36
1984	104,695	+ 3,624	2,982	10	612	0	118	164	138	640	—	854	121	65
1985	108,911	+ 4,216	3,761	8	842	29	193	452	197	318	—	945	566	73
1986	114,680	+ 5,769	4,543	17	1,050	20	554	11	160	1,030	—	1,017	476	123
1986 Oct.	113,813	+ 586	452	—	8	—	81	—	—	50	—	0	—	5
Nov.	114,102	+ 289	181	0	25	15	0	—	—	130	—	56	—	6
Dec.	114,680	+ 578	678	—	9	5	17	—	—	30	—	84	—	77
1987 Jan.	114,945	+ 265	211	—	16	—	101	8	17	—	—	48	40	0
Feb.	115,149	+ 204	305	3	3	—	—	—	—	0	—	5	—	102
March	115,362	+ 213	104	1	22	—	—	—	13	77	—	1	3	—
April	115,732	+ 370	368	—	2	9	53	—	35	20	—	81	35	1
May	115,939	+ 207	117	0	86	1	1	10	—	42	—	50	—	—
June	116,417	+ 478	208	—	53	—	—	—	8	271	—	22	40	—
July	116,279	— 138	120	—	80	116	—	10	31	439	—	829	1	104
Aug.	116,804	+ 525	405	—	32	20	—	28	—	113	—	8	18	47
Sep.	116,611	— 193	223	—	89	—	—	—	420	8	—	99	834	—
Oct.	117,283	+ 672	588	5	9	—	20	—	1	69	—	2	18	0

1 Including share issues out of company profits. —
2 Issued under the Act on Capital Increase out of

Company Resources and on the Profit and Loss
Account of December 23, 1959, and the Companies Act

of September 6, 1965, sections 207 to 220.
Discrepancies in the totals are due to rounding.

6. Yields on domestic securities

% p.a.

Period	Fully taxed bonds 1												Shares 3	
	Bonds issued during period under review (yield on newly issued bonds)					Bonds outstanding (yield on bonds outstanding)								
	Bonds, total	of which				Bonds, total	of which				Memo Item DM bonds of foreign issuers 2	Including tax credit	excluding	
		Mortgage bonds	Com-munal bonds	Industrial bonds	Public bonds		Mortgage bonds	Com-munal bonds	Industrial bonds	Public bonds				
1980	8.5	8.4	8.5	—	8.5	8.6	8.7	8.7	8.9	8.5	9.0	6.01	3.84	
1981	10.2	10.1	10.3	—	10.2	10.6	10.6	10.6	11.1	10.4	10.8	5.83	3.73	
1982	8.9	8.9	9.0	—	8.9	9.1	9.1	9.1	9.3	9.0	9.6	4.89	3.13	
1983	7.9	8.0	7.9	—	7.9	8.0	8.0	8.0	7.9	7.9	8.3	3.34	2.14	
1984	7.7	7.8	7.7	—	7.8	7.8	7.8	7.8	7.8	7.8	7.9	3.61	2.31	
1985	6.9	7.0	7.0	7.4	6.9	6.9	7.0	7.0	7.1	6.9	7.3	2.47	1.58	
1986	6.1	6.3	6.1	—	5.9	6.0	6.1	6.0	6.6	5.9	6.6	2.74	1.75	
1986 Nov.	6.3	6.2	6.2	—	6.4	6.1	6.3	6.1	6.6	6.1	6.7	2.69	1.72	
Dec.	5.9	6.3	6.0	—	5.8	6.0	6.1	6.0	6.5	5.9	6.5	2.74	1.75	
1987 Jan.	5.9	6.1	5.9	6.7	5.9	5.9	6.0	5.9	6.5	5.8	6.4	3.06	1.96	
Feb.	5.7	5.9	5.8	—	5.8	5.7	5.9	5.7	6.4	5.7	6.4	3.23	2.07	
March	5.7	5.6	5.7	—	5.8	5.6	5.8	5.6	6.6	5.6	6.3	3.26	2.08	
April	5.6	5.7	5.6	—	5.7	5.5	5.6	5.4	6.5	5.5	6.2	3.23	2.07	
May	5.4	5.3	5.6	—	5.4	5.4	5.5	5.4	6.4	5.4	6.1	3.34	2.14	
June	5.6	5.5	5.5	—	6.0	5.5	5.6	5.5	6.5	5.6	6.2	3.17	2.03	
July	5.8	5.7	5.8	—	6.1	5.8	5.9	5.7	6.6	5.8	6.4	2.99	1.91	
Aug.	6.0	5.9	5.8	—	6.1	6.0	6.1	6.0	6.7	6.0	6.6	2.94	1.88	
Sep.	6.2	6.2	6.1	—	6.6	6.2	6.2	6.1	6.8	6.2	6.7	3.01	1.93	
Oct.	6.4	6.5	6.2	—	6.6	6.5	6.5	6.4	7.0	6.5	6.8	3.82	2.45	
Nov.	...	...	...	...	...	6.0	6.1	5.9	6.8	6.0	6.4	4.33	2.77

1 Bearer bonds with maximum maturities according to the terms of issue of over 4 years, if their mean remaining maturities exceed 3 years. Convertible bonds etc., bank bonds with unscheduled redemption, zero bonds, floating rate notes and foreign currency bonds of domestic issuers are not included. Group yields for the various categories of securities

are weighted with the amounts outstanding or (in the case of issuing yields) the amounts sold of the bonds included in the calculation. Monthly figures for yields on bonds outstanding are calculated on the basis of the yields on the four bank week return dates of a month (including the yields on the last day of the preceding month); as from 1986 they

are calculated on the basis of the yields on all the business days of a month. The annual figures are the unweighted means of the monthly figures. — 2 As far as quoted on German stock exchanges. — 3 Dividend yield; end of year or month. Source: Federal Statistical Office.

VI. Capital market

7. Liquid funds and investments of insurance enterprises *

DM million

End of month	Number of enterprises covered	Total assets covered	Liquid funds 1 (except time balances with banks)	Time balances with banks 2	Investments (excluding time balances with banks)							
					Total	Mortgage loans, and land charges in annuity and other forms	Registered bonds, loans against borrowers' notes and other loans	Securities 3	Participations	Loans and advance payments on insurance policies	Real estate and equivalent titles	Equalisation claims 4
All insurance enterprises covered												
1984 Sep.	611	422,776	1,808	4,084	416,884	63,211	168,084	130,257	9,720	6,151	36,023	3,438
1984 Dec.	610	430,370	2,896	3,841	423,633	64,222	169,884	132,054	11,279	6,260	36,514	3,420
1985 March	616	448,124	1,522	4,955	441,647	64,744	179,467	139,442	11,714	6,397	36,484	3,399
1985 June	612	459,072	1,588	5,394	452,090	65,490	184,115	142,494	12,907	6,536	37,197	3,351
1985 Sep.	607	469,123	1,516	4,560	463,047	66,447	190,856	144,660	13,274	6,670	37,971	3,169
1985 Dec.	605	477,075	3,136	3,544	470,395	67,150	193,460	147,501	14,130	6,797	38,282	3,075
1986 March	611	493,993	1,832	5,901	486,260	67,836	203,702	152,454	14,042	6,876	38,331	3,019
1986 June	611	504,721	1,732	5,550	497,439	68,239	210,054	155,868	14,349	7,038	38,905	2,986
1986 Sep.	610	515,116	1,851	5,020	508,245	68,948	216,044	158,418	15,293	7,123	39,464	2,955
1986 Dec.	610	524,174	3,734	4,527	515,913	69,966	219,545	160,473	16,343	7,102	39,653	2,831
1987 March	614	536,972	1,872	7,505	527,595	70,443	229,663	r 160,825	r 17,467	7,159	39,199	2,839
1987 June p	618	544,889	2,144	6,726	536,019	70,093	235,310	162,364	18,963	6,896	39,589	2,804
Life insurance companies												
1984 Sep.	102	258,765	757	867	257,141	53,433	109,315	61,653	2,642	6,095	22,195	1,808
1984 Dec.	102	263,799	1,467	815	261,517	54,282	111,041	62,969	2,717	6,204	22,517	1,787
1985 March	104	271,107	473	758	269,876	54,717	116,839	65,079	2,678	6,338	22,453	1,772
1985 June	104	277,629	565	1,113	275,951	55,387	120,330	66,367	2,731	6,479	22,910	1,747
1985 Sep.	104	285,070	624	1,048	283,398	56,209	125,244	67,397	2,863	6,612	23,442	1,631
1985 Dec.	104	290,553	1,650	729	288,174	56,813	127,338	69,068	2,907	6,736	23,731	1,581
1986 March	105	298,998	592	872	297,534	57,451	133,944	71,320	2,954	6,814	23,569	1,482
1986 June	105	306,280	706	721	304,853	57,832	138,383	73,276	3,041	6,927	23,947	1,447
1986 Sep.	105	313,915	696	1,030	312,189	58,457	142,928	74,486	3,599	7,010	24,261	1,448
1986 Dec.	105	320,335	1,985	747	317,603	59,376	145,879	75,530	3,914	7,044	24,434	1,426
1987 March	105	329,036	627	1,003	327,406	59,862	153,635	76,507	4,532	7,101	24,331	1,438
1987 June p	105	333,519	901	1,312	331,306	59,506	157,605	76,782	4,724	6,838	24,478	1,373
Pension funds and burial funds												
1984 Sep.	117	52,059	193	374	51,492	6,506	19,265	20,967	21	—	3,809	924
1984 Dec.	117	54,031	199	834	52,998	6,618	19,327	22,212	21	—	3,910	910
1985 March	118	55,001	117	400	54,484	6,648	20,264	22,725	21	—	3,930	896
1985 June	117	56,235	141	392	55,702	6,708	20,609	23,492	21	—	3,984	888
1985 Sep.	116	57,465	120	393	56,952	6,803	20,927	24,297	21	—	4,074	830
1985 Dec.	115	59,277	166	539	58,572	6,852	21,286	25,475	21	—	4,135	803
1986 March	115	60,584	138	435	60,011	6,873	22,226	25,850	21	—	4,197	844
1986 June	115	61,676	153	502	61,021	6,856	22,728	26,272	21	55	4,246	843
1986 Sep.	115	63,182	144	558	62,480	6,899	23,391	26,980	21	55	4,320	814
1986 Dec.	115	65,281	195	1,235	63,851	6,955	23,834	27,933	21	—	4,354	754
1987 March	114	62,034	119	510	61,405	6,931	22,982	r 26,717	r 21	—	4,017	737
1987 June p	114	63,295	204	618	62,473	6,912	23,774	27,002	21	—	4,062	702
Health insurance companies												
1984 Sep.	47	23,062	37	277	22,748	893	10,480	9,019	293	—	1,800	263
1984 Dec.	47	23,883	152	185	23,546	914	10,891	9,305	318	—	1,850	268
1985 March	46	24,501	42	241	24,218	918	11,273	9,546	318	—	1,894	269
1985 June	46	25,236	60	441	24,735	941	11,557	9,721	323	—	1,922	271
1985 Sep.	46	25,473	43	250	25,180	967	11,780	9,846	326	—	1,991	270
1985 Dec.	46	26,150	120	141	25,889	998	12,167	10,079	360	—	2,023	262
1986 March	47	27,041	86	262	26,693	1,017	12,705	10,291	362	—	2,057	261
1986 June	47	27,526	33	376	27,117	1,046	13,036	10,283	366	—	2,125	261
1986 Sep.	47	27,711	82	215	27,414	1,075	13,197	10,325	377	—	2,178	262
1986 Dec.	47	28,364	144	157	28,063	1,102	13,692	10,402	395	—	2,213	259
1987 March	48	29,040	31	229	28,780	1,120	14,382	10,399	397	—	2,215	267
1987 June p	48	29,708	93	347	29,268	1,129	14,857	10,239	509	—	2,249	285
Indemnity, accident and transport insurance companies												
1984 Sep.	316	65,765	619	2,142	63,004	2,261	21,577	28,202	4,322	56	6,237	349
1984 Dec.	315	64,883	941	1,451	62,491	2,291	21,106	26,862	5,634	56	6,180	362
1985 March	319	72,792	761	3,031	69,000	2,341	23,656	30,688	5,787	59	6,099	370
1985 June	316	74,502	701	2,753	71,048	2,335	24,163	31,280	6,602	57	6,256	355
1985 Sep.	312	74,360	575	2,201	71,584	2,349	24,881	30,913	6,703	58	6,331	349
1985 Dec.	311	73,686	853	1,544	71,289	2,365	24,573	30,347	7,369	61	6,233	341
1986 March	315	72,533	810	3,721	68,002	2,381	26,103	30,669	2,678	62	5,765	344
1986 June	314	72,953	628	3,266	69,059	2,393	26,676	30,910	2,821	56	5,854	349
1986 Sep.	313	72,365	622	2,526	69,217	2,404	26,852	30,658	2,946	58	5,952	347
1986 Dec.	314	71,105	912	1,821	68,372	2,424	26,719	29,786	3,171	58	5,893	321
1987 March	317	77,783	804	5,051	71,928	2,426	28,892	31,202	3,171	58	5,853	326
1987 June p	320	77,774	742	3,721	73,311	2,442	29,385	31,628	3,430	58	5,967	401

End of month	Number of enterprises covered	Total assets covered	Liquid funds 1 (except time balances with banks)	Time balances with banks 2	Investments (excluding time balances with banks)							
					Total	Mortgage loans, and land charges in annuity and other forms	Registered bonds, loans against borrowers' notes and other loans	Securities 3	Participations	Loans and advance payments on insurance policies	Real estate and equivalent titles	Equalisation claims 4
Reinsurance companies												
1984 Sep.	29	23,125	202	424	22,499	118	7,447	10,416	2,442	—	1,982	94
Dec.	29	23,774	137	556	23,081	117	7,519	10,706	2,589	—	2,057	93
1985 March	29	24,723	129	525	24,069	120	7,435	11,404	2,910	—	2,108	92
June	29	25,470	121	695	24,654	119	7,456	11,634	3,230	—	2,125	90
Sep.	29	26,755	154	668	25,933	119	8,024	12,207	3,361	—	2,133	89
Dec.	29	27,409	347	591	26,471	122	8,096	12,532	3,473	—	2,160	88
1986 March	29	34,837	206	611	34,020	114	8,724	14,324	8,027	—	2,743	88
June	30	36,286	212	685	35,389	112	9,231	15,127	8,100	—	2,733	86
Sep.	30	37,943	307	691	36,945	113	9,676	15,969	8,350	—	2,753	84
Dec.	29	39,089	498	567	38,024	109	9,421	16,822	8,842	—	2,759	71
1987 March	30	39,079	291	712	38,076	104	9,772	16,000	9,346	—	2,783	71
June p	31	40,593	204	728	39,661	104	9,689	16,713	10,279	—	2,833	43

* Source: Federal Supervisory Office for Insurance Enterprises (BAV). — 1 Cash balances, credit balances with the Bundesbank, postal giro account balances

and balances on current accounts with banks. — 2 At fixed period or notice of one month or more. — 3 Excluding Debt Register claims; see footnote 4. —

4 Including other Debt Register claims, which had formerly been included in "Securities". — p Provisional. — r Revised.

8. Investment companies' sales receipts

DM million							
Period	Total	Sales receipts of German investment funds open to the general public				Net acquisition of foreign investment fund units by residents	Memo item Sales receipts of German specialised funds
		Total	Share-based funds 1	Bond-based funds	Open-end real estate funds		
1977	7,616	7,635	1,080	6,283	292	17	2,105
1978	6,283	6,294	613	5,170	511	10	2,284
1979	2,225	2,264	— 163	2,236	191	40	2,189
1980	— 1,271	— 1,200	— 902	— 493	195	70	2,230
1981	— 2,522	— 2,530	— 1,105	— 1,339	— 86	7	2,553
1982	934	998	— 672	1,335	335	63	3,809
1983	3,853	3,815	— 574	1,719	1,522	38	3,706
1984	4,101	4,166	— 1,128	4,536	758	65	4,590
1985	8,188	8,281	— 957	8,489	749	91	7,360
1986	12,847	12,935	— 530	12,142	1,323	89	12,291
1985 Nov.	1,233	1,246	— 98	1,321	23	13	816
Dec.	777	799	— 75	814	60	22	1,335
1986 Jan.	988	1,018	— 303	1,137	184	30	1,579
Feb.	1,497	1,510	— 92	1,528	74	13	843
March	1,175	1,157	— 102	1,152	107	18	1,070
April	1,486	1,494	— 18	1,316	160	8	1,059
May	796	803	— 29	764	68	7	595
June	776	791	— 4	713	74	15	728
July	830	830	— 77	771	136	0	729
Aug.	1,649	1,680	— 60	1,532	88	31	614
Sep.	629	633	— 74	636	71	4	374
Oct.	677	679	— 34	527	118	2	931
Nov.	1,240	1,239	— 9	1,144	104	1	1,027
Dec.	1,104	1,101	— 40	922	139	3	2,742
1987 Jan.	1,793	1,791	— 11	1,313	467	2	1,512
Feb.	1,633	1,628	— 44	1,366	306	5	1,281
March	1,151	1,137	— 6	837	294	14	1,882
April	1,205	1,189	— 101	931	359	16	1,318
May	1,557	1,537	— 282	1,026	229	20	1,359
June	1,130	1,125	— 0	852	273	5	742
July	1,446	1,434	— 76	1,001	357	12	1,133
Aug.	1,695	1,662	— 168	1,279	215	33	800
Sep.	932	842	— 57	621	164	90	818
Oct.	564	556	— 176	286	94	8	1 816

1 Including mixed funds, which hold bonds among their assets as well as shares.

Discrepancies in the totals are due to rounding.

VII. Public finance

1. Finances of the public sector *

DM billion

Period	Central, regional and local authorities 1									Social security funds 2			Public sector, total 3			
	Receipts		Expenditure							Balance of receipts and expenditure	Re-ceipts 6	Ex-pen-diture	Balance of receipts and expenditure	Re-ceipts	Ex-pen-diture	Balance of receipts and expenditure
	Total	of which Taxes	Total 4	of which												
				Person-nel expend-iture	Other operat-ing expend-iture	Current grants	Interest paid	Capital forma-tion	Financial aid 5							
1970 7	188.3	154.2	196.3	61.5	31.7	49.3	6.9	32.3	15.3	- 8.0	91.1	86.2	+ 4.9	267.4	270.6	- 3.2
1975	297.2	242.1	361.5	119.0	51.9	105.2	14.8	47.8	22.5	- 64.3	189.5	192.3	- 2.8	459.6	526.7	- 67.1
1978	393.2	319.1	433.1	142.1	63.1	126.7	22.1	49.5	28.6	- 39.9	236.1	237.4	- 1.3	596.8	638.0	- 41.2
1979	423.2	342.8	469.9	151.8	70.8	132.5	25.1	55.4	34.1	- 46.7	253.3	252.7	+ 0.6	643.4	689.5	- 46.1
1980	452.7	365.0	510.1	164.0	76.5	142.1	29.7	62.4	35.4	- 57.4	275.2	271.6	+ 3.6	690.4	744.2	- 53.7
1981	466.8	370.3	542.9	174.0	81.7	155.0	36.7	59.3	36.3	- 76.1	299.1	293.2	+ 5.9	724.0	794.2	- 70.2
1982	492.8	378.7	562.8	178.9	85.4	160.5	45.2	54.3	38.5	- 70.0	315.2	310.4	+ 4.8	763.6	828.7	- 65.2
1983	515.2	396.6	570.5	183.9	89.0	158.1	51.4	50.4	37.7	- 55.3	315.7	316.9	- 1.2	791.9	848.4	- 56.4
1984	538.5	414.7	584.9	186.7	93.2	160.8	53.6	49.4	41.0	- 46.3	328.2	331.1	- 2.8	828.1	877.3	- 49.2
1985 p	565.0	437.2	604.3	193.6	97.3	165.5	56.0	52.0	39.4	- 39.3	343.6	341.7	+ 1.9	868.5	905.9	- 37.4
1986 pe	587.5	452.5	630.0	202.5	101.0	172.5	58.0	55.5	40.5	- 42.5	360.0	353.5	+ 6.5	906.5	942.5	- 36.0
1986 1st qtr	126.4	105.3	136.9	41.1	19.5	42.7	18.4	7.3	8.0	- 10.5	83.9	87.5	- 3.5	199.6	213.6	- 14.0
2nd qtr	139.8	107.5	142.9	42.4	20.5	45.9	13.8	10.2	9.6	- 3.2	89.1	88.1	+ 1.0	217.3	219.5	- 2.2
3rd qtr	139.2	113.6	144.3	42.4	21.8	43.9	13.1	13.3	10.2	- 5.1	89.9	87.9	+ 2.0	218.8	222.0	- 3.2
4th qtr	151.9	126.1	174.8	53.7	28.0	45.6	11.9	19.1	16.6	- 23.0	97.4	90.0	+ 7.4	240.8	256.3	- 15.5
1987 1st qtr	129.5	108.7	142.2	42.1	20.7	45.7	18.0	7.6	8.1	- 12.8	87.5	91.3	- 3.8	206.5	223.1	- 16.6
2nd qtr	138.4	108.5	145.7	44.6	20.4	46.2	14.2	10.4	9.6	- 7.3	90.5	91.4	- 0.9	218.4	226.5	- 8.2

* The budgetary definition used here differs from the methods employed for the government account of the national accounts and, in the case of the quarterly figures, in some respects also from the financial statistics. — 1 Federal Government, Länder Governments, local authorities, municipal special-purpose associations, Equalisation of Burdens Fund, ERP Special Fund and EEC shares. The quarterly figures, unlike the annual figures based on the annual accounts statistics of the Federal Statistical Office, do not include municipal special-purpose

associations, hospitals keeping commercial accounts and various special accounts. — 2 Statutory pension insurance funds, Federal Labour Office, statutory health insurance and accident insurance institutions, agricultural old-age pension funds, and supplementary pension funds for government employees. The annual figures differ from the sum of the quarterly figures as the latter are all provisional. The quarterly figures for some fields of insurance are estimated. — 3 After adjustment for payments by the central, regional and local authorities to the social

security funds. — 4 Including discrepancies in clearing transactions between the central, regional and local authorities. — 5 Expenditure on investment grants, loans and acquisition of participations. — 6 Including Federal Government liquidity assistance to the Federal Labour Office. — 7 Excluding municipal special-purpose associations and excluding supplementary pension funds for government employees. — p Provisional. — pe Partly estimated. Discrepancies in the totals are due to rounding.

2. Finances of the Federal Government, Länder Governments and local authorities *

DM billion

Period	Federal Government			Länder Governments 1, 2			Local authorities 2		
	Receipts	Expenditure	Balance of receipts and expenditure	Receipts	Expenditure	Balance of receipts and expenditure	Receipts	Expenditure	Balance of receipts and expenditure
1970	88.6	87.6	+ 1.0	74.0	77.1	- 3.1	50.8	56.5	- 5.7
1975	125.0	160.0	- 35.0	126.4	146.3	- 19.9	92.0	101.2	- 9.2
1978	164.3	190.8	- 26.5	164.1	176.5	- 12.4	116.6	118.2	- 1.6
1979	179.2	205.1	- 25.9	177.2	191.8	- 14.6	125.1	130.4	- 5.3
1980	189.9	217.6	- 27.6	186.2	208.6	- 22.4	139.9	145.6	- 5.7
1981	196.9	234.9	- 38.0	190.6	216.6	- 26.0	142.0	152.1	- 10.1
1982	208.9	246.6	- 37.7	199.6	224.2	- 24.6	145.8	153.0	- 7.3
1983	216.8	248.7	- 31.9	206.9	228.3	- 21.4	150.3	151.7	- 1.3
1984	225.2	253.9	- 28.6	216.1	234.3	- 18.2	155.8	154.7	+ 1.1
1985	236.7	259.4	- 22.8	226.2	243.3	- 17.1	163.6	162.9	+ 0.7
1986	239.9	263.2	- 23.3	236.0	253.5	- 17.5	170.5	172.5	- 2.0
1986 1st qtr	51.3	62.7	- 11.4	53.3	55.5	- 2.2	30.5	32.5	- 2.1
2nd qtr	64.4	63.8	+ 0.6	54.1	57.1	- 2.9	35.7	35.0	+ 0.6
3rd qtr	58.7	63.6	- 4.9	56.4	58.9	- 2.5	37.7	37.6	+ 0.1
4th qtr	65.5	73.1	- 7.6	63.2	73.0	- 9.7	46.1	46.5	- 0.4
1987 1st qtr	52.9	64.2	- 11.3	54.4	58.6	- 4.2	32.0	33.9	- 1.9
2nd qtr	62.7	64.9	- 2.1	54.3	58.9	- 4.6	35.8	36.3	- 0.5
3rd qtr	59.5	65.2	- 5.7	58.0	60.2	- 2.2	...	...	...

* See corresponding footnote to Table VII, 1. — 1 Including Berlin, Bremen, Hamburg. — 2 The quarterly figures, unlike the annual figures based on the annual accounts statistics of the Federal

Statistical Office, do not include hospitals keeping commercial accounts and various special accounts. In 1985 and 1987 additional hospitals, included under "Länder Governments", which started to keep com-

mercial accounts left the range of those reporting for the quarterly statistics. Annual figures for 1986 are partly estimated. Discrepancies in the totals are due to rounding.

3. Federal finance on a cash basis

DM billion										
Period	Cash receipts 1	Cash expenditure 1, 2	Cash surplus (+) or deficit (-)	Financing 3						Cash surplus (+) or deficit (-), cumulative from beginning of year
				Change						
				in cash resources 4	in Bundesbank advances	in market debt	in liabilities arising from investment assistance levy	Items in course of settlement 5	Seigniorage	
(a)	(b)	(c)	(d)	(e)	(f)					
1970	86.47	87.04	- 0.56	+ 1.74	+ 0.12	+ 1.84	-	- 0.03	0.38	- 0.56
1975	130.14	164.19	- 34.05	+ 3.13	- 1.08	+ 37.44	-	+ 0.01	0.80	- 34.05
1980	199.50	228.26	- 28.76	- 1.45	+ 1.34	+ 25.46	-	+ 0.04	0.48	- 28.76
1982	222.60	258.80	- 36.19	+ 0.43	- 3.20	+ 39.15	-	+ 0.20	0.47	- 36.19
1983	233.86	264.84	- 30.98	+ 0.79	-	+ 31.84	+ 0.54	- 1.04	0.43	- 30.98
1984	244.31	272.98	- 28.66	- 1.10	+ 1.77	+ 24.00	+ 0.08	+ 1.40	0.31	- 28.66
1985	257.54	280.45	- 22.90	+ 0.74	- 1.77	+ 27.35	- 0.52	- 1.76	0.34	- 22.90
1986	266.01	289.51	- 23.50	- 0.75	+ 2.01	+ 21.04	- 0.02	- 0.60	0.32	- 23.50
1986 Aug.	18.43	22.30	- 3.88	- 1.23	-	+ 1.09	- 0.00	+ 1.55	0.01	- 15.17
Sep.	23.52	21.94	+ 1.58	- 0.13	-	- 0.37	- 0.00	- 1.35	0.02	- 13.60
Oct.	19.08	25.27	- 6.19	- 0.14	+ 2.81	+ 2.81	- 0.00	+ 0.36	0.07	- 19.79
Nov.	17.31	23.44	- 6.13	- 0.01	+ 0.84	+ 6.07	- 0.00	- 0.83	0.02	- 25.92
Dec.	34.93	32.52	+ 2.41	+ 0.27	- 1.64	+ 1.04	- 0.00	- 1.57	0.04	- 23.50
1987 Jan.	17.52	24.58	- 7.06	- 0.31	+ 1.73	+ 2.69	- 0.00	+ 2.33	0.00	- 7.06
Feb.	19.30	21.81	- 2.50	+ 0.16	- 1.94	+ 3.54	- 0.00	+ 1.06	0.00	- 9.56
March	26.81	24.70	+ 2.12	+ 4.86	- 1.80	+ 4.54	- 0.00	-	0.00	- 7.45
April	24.31	25.12	- 0.82	- 4.30	-	- 3.50	- 0.00	-	0.01	- 8.26
May	17.12	23.43	- 6.31	+ 0.57	-	+ 6.86	- 0.00	-	0.01	- 14.57
June	26.34	24.73	+ 1.61	- 0.08	-	- 1.73	- 0.00	-	0.04	- 12.96
July	20.45	25.40	- 4.94	- 1.13	+ 1.08	+ 2.71	- 0.00	-	0.02	- 17.90
Aug.	19.00	22.45	- 3.45	+ 1.10	- 1.08	+ 5.60	- 0.00	-	0.03	- 21.35
Sep.	25.41	22.65	+ 2.76	+ 2.11	-	- 0.74	- 0.00	-	0.09	- 18.59
Oct. p	18.42	24.51	- 6.09	- 2.42	-	+ 3.63	- 0.00	-	0.04	- 24.68

1 The cash transactions recorded as cash receipts and expenditure concern payments into and out of the accounts kept with the Bundesbank by the Federal Government. The cash receipts and outgoings differ from those in the official financial statistics primarily because they are recorded not at the time they are entered in the

budgetary accounts but at the time of the actual receipt or outpayment and because transactions on behalf of the European Communities, which are entered not in the Federal budget but in appendices thereto, are settled through the accounts of the Federal Government. — 2 Including small amounts of special transactions. — 3 Cash balance = column (a) less

(b) less (c) less (d) less (e) less (f). — 4 Deposits with the Bundesbank and other credit balances. — 5 Up to June 1981 only items in course of settlement with the Equalisation of Burdens Fund; thereafter, in general only redemptions in course of settlement. — p Provisional.

4. Tax revenue of the central, regional and local authorities

DM million									
Period	Total	Central and regional authorities					Local authorities		
		Total	Federal Government	Länder Governments	Equalisation of Burdens Fund	European Communities	Total	Berlin, Bremen, Hamburg	Balance of untransferred tax shares 1
1970	2 154,245	135,660	83,597	50,482	1,582	-	18,240	1,756	+ 237
1975	242,068	208,747	120,012	81,560	1,241	5,933	33,273	3,193	+ 49
1980	364,991	313,711	177,543	125,474	75	10,619	51,203	3,907	+ 78
1984	414,697	357,473	198,865	143,872	2	14,735	57,101	4,486	+ 123
1985	437,201	375,642	207,930	152,516	2	15,193	61,469	5,102	+ 91
1986	452,436	388,637	210,585	160,099	1	17,953	63,762	4,995	+ 37
1986 4th qtr	126,085	109,962	61,429	43,920	0	4,614	21,423	1,320	- 5,300
1987 1st qtr	108,743	92,544	48,887	39,119	0	4,538	11,223	1,250	+ 4,977
2nd qtr	108,454	92,921	50,001	38,318	0	4,601	15,665	1,200	- 132
3rd qtr	...	101,575	55,244	42,001	0	4,331	...	...	...
1986 Oct.	.	26,233	14,552	10,120	0	1,562	.	.	.
Nov.	.	27,609	15,174	10,922	0	1,513	.	.	.
Dec.	.	56,120	31,704	22,877	0	1,540	.	.	.
1987 Jan.	.	27,069	13,604	11,987	0	1,477	.	.	.
Feb.	.	27,512	15,184	10,860	0	1,468	.	.	.
March	.	37,963	20,100	16,271	0	1,592	.	.	.
April	.	25,409	13,841	10,008	0	1,559	.	.	.
May	.	25,405	13,735	10,127	0	1,543	.	.	.
June	.	42,107	22,425	18,183	0	1,499	.	.	.
July	.	30,118	16,492	12,096	0	1,530	.	.	.
Aug.	.	30,047	16,556	12,276	0	1,215	.	.	.
Sep.	.	41,411	22,196	17,629	0	1,586	.	.	.
Oct. p	.	28,155	15,555	10,983	0	1,616	.	.	.

1 Difference between the local authorities' share in the income taxes received by the Länder cash offices in the period in question (see Table VII, 5) and the

amounts passed on to the local authorities during the same period. — 2 Excluding anticyclical

surcharge; including DM 109 million of levies on defence imports. — p Provisional.

VII. Public finance

5. Tax revenue, by type

DM million																	
Period	Total 1	Joint taxes										Federal taxes 5	Länder taxes 5	EEC share in customs duties	Memo item Local authorities' share in income taxes		
		Income taxes 2						Turnover taxes 3									
		Total	Wage tax	As-sessed income tax	Corporation tax	Investment income tax	Total	Value-added tax	Turnover tax on imports	Share in trade tax 4							
1970	6 141,339	61,824	35,086	16,001	8,717	2,021	38,125	26,791	11,334	4,355	27,396	9,531	—	7,152			
1975	221,393	111,491	71,191	28,001	10,054	2,246	54,082	35,722	18,361	6,888	33,611	12,143	3,177	13,887			
1980	335,889	173,852	111,559	36,796	21,322	4,175	93,448	52,850	40,597	6,464	41,529	16,072	4,524	22,253			
1984	381,879	194,621	136,350	26,368	26,312	5,591	110,483	55,500	54,983	4,135	48,803	18,581	5,257	24,408			
1985	402,069	214,241	147,630	28,569	31,836	6,206	109,825	51,428	58,397	4,491	49,684	18,476	5,352	26,430			
1986	415,953	222,535	152,233	29,880	32,301	8,121	111,139	58,587	52,552	4,673	51,170	21,255	5,181	27,317			
1986 4th qtr	118,094	63,458	45,273	8,940	8,238	1,007	29,333	16,086	13,247	2,346	16,743	4,817	1,397	8,132			
1987 1st qtr	99,087	52,200	35,896	7,722	7,000	1,582	30,814	18,814	12,000	46	9,257	5,483	1,288	6,543			
2nd qtr	99,374	50,849	37,204	5,819	5,732	2,095	28,185	15,238	12,946	1,100	12,194	5,706	1,341	6,453			
3rd qtr	108,978	59,678	41,837	7,513	7,209	3,119	28,177	15,619	12,558	1,136	13,181	5,433	1,372	7,402			
1986 Oct.	27,984	11,747	12,051	—	379	—	193	268	4,834	4,401	887	4,184	1,446	485	1,751		
Nov.	29,323	11,691	11,831	—	402	—	115	376	10,507	6,083	296	4,275	2,108	445	1,715		
Dec.	60,787	40,020	21,391	—	9,720	—	8,546	363	9,591	4,422	1,163	8,284	1,262	466	4,667		
1987 Jan.	29,170	15,313	13,725	—	283	—	330	975	11,257	7,429	3,828	—	9	755	1,446	408	2,101
Feb.	29,165	10,940	11,309	—	293	—	338	262	11,329	7,454	3,875	46	4,211	2,228	410	1,652	
March	40,752	25,947	10,862	—	7,732	—	7,008	345	8,228	3,931	4,297	9	4,291	1,808	470	2,789	
April	26,910	11,053	11,316	—	1,305	—	444	597	9,175	4,661	4,513	808	3,784	1,617	473	1,502	
May	27,131	9,999	12,210	—	708	—	2,023	519	9,554	5,227	4,327	285	4,334	2,504	456	1,725	
June	45,333	29,798	13,677	—	7,831	—	7,310	979	9,456	5,351	4,106	6	4,076	1,585	412	3,226	
July	32,253	15,795	14,940	—	706	—	173	1,388	9,182	4,704	4,478	842	4,360	1,632	443	2,135	
Aug.	32,041	14,716	13,924	—	625	—	37	1,455	9,896	5,609	4,287	292	4,373	2,306	459	1,995	
Sep.	44,683	29,168	12,973	—	8,844	—	7,073	277	9,099	5,306	3,794	2	4,448	1,495	471	3,273	
Oct. p	30,072	13,038	13,090	—	313	—	47	308	9,893	5,391	4,502	851	4,253	1,535	500	1,917	

1 This total, unlike that in Table VII, 4, includes neither the revenue from Equalisation of Burdens levies, trade tax on returns and capital (less Federal and Länder shares in trade tax), tax on total wages paid, the taxes on land and buildings and other local authority taxes, nor the balance of untransferred tax shares. — 2 The yield of wage tax and assessed income tax was distributed among the Federal

Government, the Länder Governments and the local authorities in the ratio of 43:43:14 as from 1970 and in the ratio of 42.5:42.5:15 as from 1980, and the yield of corporation tax and investment income tax between the Federal Government and the Länder Governments in the ratio of 50:50 as from 1970. — 3 The Federal Government's share: 70% in 1970, 68.25% in 1975, 67.5% in 1980, 66.5% in 1983, 65.5% in 1984 and

1985, 65% in 1986 and 1987; the remainder went to the Länder Governments. As from 1975 the EEC share must be deducted from the Federal Government's share stated. — 4 Federal Government and Länder Governments 50% each. — 5 For breakdown see Table VII, 6. — 6 Including DM 109 million of levies on defence imports. — p Provisional.

6. Individual taxes of the Federal Government, Länder Governments and local authorities

DM million														
Period	Federal taxes						Länder taxes				Local authority taxes			
	Income tax surcharge	Mineral oil tax	Tobacco tax	Spirits taxes	Capital transaction taxes 1	Other Federal taxes 2	Beer tax	Property tax	Motor vehicle tax	Other Länder taxes	Trade tax 3	Tax on total wages paid	Taxes on land and buildings	Other local taxes 4
1970	949	11,512	6,537	2,228	1,224	4,947	1,175	2,877	3,830	1,650	10,728	1,389	2,683	879
1975	695	17,121	8,886	3,122	1,743	2,042	1,275	3,339	5,303	2,227	17,898	2,998	4,150	1,276
1980	39	21,351	11,288	3,885	2,490	2,477	1,262	4,664	6,585	3,560	27,090	870	5,804	1,727
1984	16	24,033	14,429	4,238	3,378	2,707	1,254	4,492	7,284	5,551	28,320	—	7,103	1,528
1985	9	24,521	14,452	4,153	3,862	2,888	1,254	4,287	7,350	5,585	30,759	—	7,366	1,497
1986	9	25,644	14,480	4,065	4,177	2,794	1,263	4,396	9,356	6,239	31,987	—	7,636	1,532
1986 4th qtr	2	8,795	5,103	1,280	794	770	303	1,236	1,889	1,390	8,326	—	1,643	368
1987 1st qtr	1	3,985	2,144	922	1,472	732	289	1,252	2,005	1,936	7,561	—	1,825	317
2nd qtr	2	6,043	3,657	965	846	681	303	1,290	2,488	1,625	7,779	—	2,162	238
3rd qtr	1	7,003	3,620	887	1,014	657	354	1,362	2,079	1,638	...	...	...	...
1986 Oct.	1	2,186	1,238	294	252	214	105	69	739	534	...	...	...	...
Nov.	0	2,230	1,255	285	279	226	111	1,036	597	365	...	...	...	...
Dec.	1	4,380	2,610	701	263	330	87	131	553	492	...	...	...	...
1987 Jan.	1	125	39	76	256	258	109	89	699	550	...	...	...	...
Feb.	—	1,879	849	380	870	234	91	977	561	599	...	...	...	...
March	0	1,981	1,257	466	346	241	90	185	745	788	...	...	...	...
April	0	1,838	1,135	321	288	202	92	101	881	543	...	...	...	...
May	1	2,132	1,325	301	318	256	108	1,073	792	531	...	...	...	...
June	1	2,073	1,197	343	240	223	103	116	815	552	...	...	...	...
July	0	2,407	1,158	275	285	236	120	122	840	550	...	...	...	...
Aug.	0	2,236	1,208	292	444	193	92	1,088	616	510	...	...	...	...
Sep.	0	2,360	1,254	320	286	228	142	152	623	578	...	...	...	...
Oct. p	1	2,208	1,232	310	247	257	110	132	684	608	...	...	...	...

1 Securities transfer tax, company tax, insurance and stamp taxes. — 2 Other excise taxes including the Federal Government's residual share in customs

duties received (1986: DM 58 million). Up to end-1971 the customs duties accrued in full to the Federal Government. — 3 On returns and capital. —

4 As from 1974 including tax-like receipts. — p Provisional.

7. Indebtedness of the public sector *

DM million

End of month	Total	Bundesbank advances	Treasury discount paper	Medium-term notes	5-year special Federal bonds 1	Federal savings bonds	Bonds 1	Direct lending by banks 2	Loans of non-banks		Old debt		Liabilities arising from the investment assistance levy
									Social security funds 3	Other 2	Equalisation claims 4	Other 5	
Public authorities, total													
1970 Dec.	125,890	8 2,720	9 1,750	3,210	—	575	16,916	59,556	5,725	11,104	22,150	2,183	—
1975 Dec.	256,389	361	9 12,276	6,401	—	9,802	30,878	150,139	18,426	7,638	19,264	1,204	—
1980 Dec.	468,612	2,437	5,963	18,499	8,641	24,080	54,707	305,724	10,570	20,801	16,959	230	—
1983 Dec.	671,708	901	15,496	19,743	47,255	15,906	77,303	437,908	10,527	30,085	15,993	53	540
1984 Dec.	717,522	2,440	10,180	21,946	61,244	21,101	90,661	456,268	9,809	27,581	15,672	4	615
1985 Dec.	760,192	179	9,877	25,723	71,955	25,921	109,911	464,921	9,088	27,173	15,342	3	100
1986 Sep.	778,296	175	6,671	27,991	79,101	27,391	133,000	454,314	8,501	25,936	15,130	3	85
Dec.	800,967	2,950	8,225	33,279	80,105	28,128	143,362	456,259	8,223	25,351	15,000	3	82
1987 March	812,992	934	5,345	40,333	85,105	28,920	154,789	450,505	7,810	24,212	14,957	2	81
June	819,579	706	4,866	41,160	86,622	28,891	159,621	451,026	7,791	23,987	14,824	2	81
Federal Government													
1970 Dec. 6	56,512	8 2,409	1,700	3,000	—	575	10,420	15,536	4,124	2,247	14,424	2,078	—
1975 Dec. 6	113,680	—	11,553	5,868	—	9,802	19,638	39,638	9,735	3,912	12,371	1,163	—
1980 Dec.	232,320	1,336	5,963	18,199	8,641	24,080	43,234	100,979	2,517	16,099	11,044	227	—
1983 Dec.	341,444	—	13,918	13,053	47,255	15,906	67,161	148,653	2,864	21,313	10,732	51	540
1984 Dec.	367,297	1,773	9,314	12,924	61,244	21,101	78,055	151,355	2,567	17,703	10,643	2	615
1985 Dec.	392,356	—	9,282	15,473	71,955	25,921	92,600	147,001	2,254	17,217	10,552	1	100
1986 Sep.	403,455	—	6,578	17,895	79,101	27,391	111,570	132,090	1,980	16,302	10,463	1	85
Dec.	415,390	2,015	8,084	23,220	80,105	28,128	119,180	126,288	1,968	15,862	10,458	1	82
1987 March	424,147	—	5,161	30,834	85,105	28,920	129,085	117,616	1,879	15,052	10,415	1	81
June	425,784	—	4,727	32,166	86,622	28,891	131,316	114,839	1,843	14,887	10,410	1	81
ERP Special Fund													
1970 Dec.	1,296	—	—	—	—	—	—	879	—	417	—	—	—
1975 Dec.	1,297	—	—	—	—	—	—	1,047	—	250	—	—	—
1980 Dec.	3,280	—	—	—	—	—	—	3,030	—	250	—	—	—
1983 Dec.	5,787	—	—	—	—	—	—	5,537	—	250	—	—	—
1984 Dec.	6,558	—	—	—	—	—	—	6,308	—	250	—	—	—
1985 Dec.	6,687	—	—	—	—	—	—	6,437	—	250	—	—	—
1986 Sep.	6,220	—	—	—	—	—	—	5,987	—	233	—	—	—
Dec.	6,415	—	—	—	—	—	—	6,182	—	233	—	—	—
1987 March	6,214	—	—	—	—	—	—	6,214	—	—	—	—	—
June	6,044	—	—	—	—	—	—	6,044	—	—	—	—	—
Länder Governments													
1970 Dec.	27,786	311	9 50	210	—	—	5,794	10,817	617	2,181	7,726	80	—
1975 Dec.	67,001	361	9 723	533	—	—	10,764	42,271	4,397	1,019	6,893	40	—
1980 Dec. 7	137,804	1,101	—	300	—	—	11,241	112,989	3,608	2,648	5,915	2	—
1983 Dec.	212,026	901	1,578	6,889	—	—	9,912	177,878	2,992	6,811	5,261	2	—
1984 Dec.	230,551	667	866	9,022	—	—	12,401	191,932	2,644	7,989	5,029	2	—
1985 Dec.	247,411	179	595	10,250	—	—	17,131	204,079	2,319	8,068	4,790	2	—
1986 Sep.	253,521	175	94	10,096	—	—	21,270	207,457	1,966	7,795	4,666	2	—
Dec.	264,351	936	141	10,059	—	—	24,022	215,086	1,942	7,622	4,542	2	—
1987 March	267,230	934	184	9,499	—	—	25,554	217,344	1,637	7,535	4,542	2	—
June	271,651	706	140	8,994	—	—	28,155	220,063	1,653	7,525	4,415	2	—
Local authorities 10													
1970 Dec.	40,295	—	—	—	—	—	702	32,324	984	6,260	—	26	—
1975 Dec.	74,411	—	—	—	—	—	475	67,183	4,294	2,458	—	1	—
1980 Dec.	95,208	—	—	—	—	—	232	88,726	4,445	1,805	—	0	—
1983 Dec.	112,452	—	—	—	—	—	229	105,840	4,671	1,711	—	0	—
1984 Dec.	113,116	—	—	—	—	—	206	106,674	4,599	1,638	—	0	—
1985 Dec.	113,738	—	—	—	—	—	180	107,404	4,516	1,638	—	0	—
1986 Sep.	115,100	—	—	—	—	—	160	108,780	4,555	1,605	—	0	—
Dec.	114,811	—	—	—	—	—	160	108,704	4,313	1,634	—	0	—
1987 March	115,400	—	—	—	—	—	150	109,330	4,295	1,625	—	0	—
June	116 100	—	—	—	—	—	150	110 080	4 295	1 575	—	0	—

* Excluding public authorities' mutual indebtedness. —
 1 Excluding bonds in the issuers' portfolios. —
 2 Mainly loans against borrowers' notes. Including loans raised abroad. — 3 Including Debt Register claims and Federal savings bonds. — 4 Up to 1982, including covering claims. — 5 Commutation and compensation debt and old debt mainly expressed in foreign currency in accordance with the London

Debts Agreement; excluding own portfolio. —
 6 In this table (unlike Table VII, 9) the Public Works Corporation and the Equalisation of Burdens Fund are included in the Federal Government debt as from 1970, and not as from 1972 and 1980, respectively. —
 7 As from 1978 including net borrowing for the Housing Promotion Institution of the Land of North

Rhine-Westphalia. — 8 Including DM 387 million of special Bundesbank credit to the Federal Government. — 9 In 1970 and 1975 including small amounts of tax reserve certificates. — 10 Data other than end-of-year figures have been estimated. Including indebtedness of municipal special-purpose associations (as from 1975) and municipal hospitals.

VII. Public finance

8. Changes in public sector indebtedness *

DM million

Item	End-1985	End-1986	End of June 1987	Change						
				1986				1987		
				Total	1st half	1st qtr	2nd qtr	1st half	1st qtr	2nd qtr
Borrowers										
Federal Government 1	392,356	415,390	425,784	+ 23,034	+ 5,234	+ 8,968	- 3,734	+ 10,394	+ 8,758	+ 1,636
Equalisation of Burdens Fund	(1,574)	(1,641)	(1,069)	(+ 67)	(+ 45)	(+ 12)	(+ 33)	(- 572)	(- 572)	(- 0)
ERP Special Fund	6,687	6,415	6,044	- 272	- 385	- 272	- 113	- 371	- 201	- 170
Länder Governments	247,411	264,351	271,651	+ 16,940	+ 4,606	+ 1,755	+ 2,851	+ 7,300	+ 2,879	+ 4,421
Local authorities 2	113,738	114,811	116,100	+ 1,073	+ 1,062	+ 762	+ 300	+ 1,289	+ 589	+ 700
Total	760,192	800,967	819,579	+ 40,775	+ 10,518	+ 11,214	- 696	+ 18,612	+ 12,025	+ 6,587
Types of debt										
Bundesbank advances	179	2,950	706	+ 2,772	+ 793	+ 3,165	- 2,372	- 2,244	- 2,016	- 228
Treasury discount paper 3	9,877	8,225	4,866	- 1,652	- 2,977	- 1,881	- 1,096	- 3,359	- 2,880	- 478
Medium-term notes	25,723	33,279	41,160	+ 7,556	+ 2,362	+ 3,538	- 1,175	+ 7,882	+ 7,054	+ 828
Five-year special Federal bonds 4	71,955	80,105	86,622	+ 8,150	+ 4,483	+ 1,327	+ 3,156	+ 6,517	+ 5,000	+ 1,518
Federal savings bonds	25,921	28,128	28,891	+ 2,207	+ 1,043	+ 1,729	- 686	+ 763	+ 792	- 29
Bonds 4	109,911	143,362	159,621	+ 33,451	+ 14,433	+ 9,542	+ 4,891	+ 16,259	+ 11,427	+ 4,833
Direct lending by banks 5	464,921	456,259	451,026	- 8,662	- 8,163	- 4,887	- 3,276	- 5,233	- 5,755	+ 522
Loans from social security funds	9,088	8,223	7,791	- 866	- 584	- 496	- 87	- 432	- 413	- 19
Other loans 5	27,173	25,351	23,987	- 1,821	- 679	- 772	+ 93	- 1,365	- 1,139	- 226
Old debt										
Commutation and compensation debt 4	0	1	1	+ 0	- 0	- 0	- 0	- 0	+ 0	- 0
Equalisation claims	15,342	15,000	14,824	- 342	- 182	- 42	- 140	- 175	- 43	- 132
Other 4, 6	3	2	2	- 0	- 0	- 0	- 0	- 0	-	- 0
Liabilities arising from the investment assistance levy	100	82	81	- 18	- 12	- 8	- 4	- 1	- 1	- 0
Total	760,192	800,967	819,579	+ 40,775	+ 10,518	+ 11,214	- 696	+ 18,612	+ 12,025	+ 6,587
Creditors										
Banking system										
Bundesbank	11,629	15,302	12,776	+ 3,674	+ 1,615	+ 3,593	- 1,978	- 2,526	- 2,180	- 346
Banks	467,600	467,100	467,500	- 500	- 6,200	- 6,000	- 200	+ 400	- 1,300	+ 1,700
Domestic non-banks										
Social security funds 7	9,100	8,200	7,800	- 900	- 600	- 500	- 100	- 400	- 400	-
Other 8	149,563	151,465	152,303	+ 1,902	- 2,697	+ 220	- 2,918	+ 838	+ 1,005	- 167
Foreign creditors pe	122,300	158,900	179,200	+ 36,600	+ 18,400	+ 13,900	+ 4,500	+ 20,300	+ 14,900	+ 5,400
Total	760,192	800,967	819,579	+ 40,775	+ 10,518	+ 11,214	- 696	+ 18,612	+ 12,025	+ 6,587

* Excluding public authorities' mutual indebtedness. — 1 In 1980 the Federal Government took over the debts of the Equalisation of Burdens Fund. Since then they have been recorded among the Federal Government's figures together with the Federal debt proper; they are shown among the Equalisation of

Burdens Fund's figures only as a memorandum item. — 2 Data other than end-of-year figures have been estimated. Including indebtedness of municipal special-purpose associations and municipal hospitals. — 3 Excluding mobilisation and liquidity paper. — 4 Excluding bonds in the issuers' portfolios. —

5 Including loans raised abroad. — 6 Old debt mainly expressed in foreign currency in accordance with the London Debts Agreement. — 7 Excluding public bonds acquired by supplementary pension funds for government employees. — 8 Difference. — **pe** Partly estimated.

9. Indebtedness of the Federal Government *

End of month	DM million													
	Total	Bundesbank advances	Treasury discount paper 1		Medium-term notes	5-year special Federal bonds 2	Federal savings bonds	Bonds 2	Direct lending by banks 3	Indebtedness to non-banks		Old debt		Liabilities arising from the investment assistance levy
			Total	of which Treasury financing paper						Social security funds 4	Other 3	Equalisation and covering claims	Other 5	
1970 Dec.	47,323	7 2,301	1,700	—	2,900	—	575	8,665	11,800	4,019	1,680	11,605	2,078	—
1975 Dec.	108,502	—	11,553	123	5,585	—	9,802	18,160	38,206	9,336	3,390	11,306	1,163	—
1980 Dec. 6	232,320	1,336	5,963	2,818	18,199	8,641	24,080	43,234	100,979	2,517	16,099	11,044	227	—
1982 Dec.	309,064	—	15,249	4,646	8,958	34,298	13,508	57,386	146,049	2,805	19,889	10,820	102	—
1983 Dec.	341,444	—	13,918	3,483	13,054	47,255	15,906	67,161	148,653	2,864	21,313	10,732	51	540
1984 Dec.	367,297	1,773	9,314	2,931	12,924	61,244	21,101	78,055	151,355	2,567	17,703	10,643	2	615
1985 Dec.	392,356	—	9,282	3,525	15,473	71,955	25,921	92,600	147,001	2,254	17,217	10,552	1	100
1986 Oct.	409,081	2,814	6,549	2,766	20,642	78,269	27,561	115,130	129,192	1,900	16,476	10,463	1	84
Nov.	415,996	3,656	8,129	2,706	21,667	78,344	27,788	119,761	127,914	1,895	16,295	10,463	1	83
Dec.	415,390	2,015	8,084	2,653	23,220	80,105	28,128	119,180	126,288	1,968	15,862	10,458	1	82
1987 Jan.	419,811	3,747	8,103	2,666	26,892	80,107	28,462	122,239	122,277	1,949	15,537	10,415	1	82
Feb.	421,410	1,804	5,558	2,655	28,795	83,114	28,599	125,415	120,556	1,873	15,199	10,415	1	82
March	424,147	—	5,161	2,515	30,834	85,105	28,920	129,085	117,616	1,879	15,052	10,415	1	81
April	420,651	—	5,005	2,359	30,834	84,868	28,683	128,093	115,766	1,860	15,046	10,415	1	81
May	427,516	—	4,841	2,195	32,496	86,182	28,783	131,531	116,344	1,857	14,987	10,415	1	79
June	425,784	—	4,727	2,081	32,166	86,622	28,891	131,316	114,839	1,843	14,887	10,410	1	81
July	429,573	1,083	4,517	1,871	35,615	85,678	29,146	133,710	113,081	1,805	14,491	10,366	1	81
Aug.	434,093	—	5,321	1,802	35,243	86,836	29,107	137,899	113,128	1,755	14,357	10,366	1	81
Sep.	433,351	—	5,317	1,798	35,768	86,352	29,471	137,976	112,043	1,753	14,224	10,366	1	81
Oct. p	436,983	—	5,355	1,836	37,453	85,528	29,642	140,873	112,236	1,657	13,793	10,366	1	81

* Excluding indebtedness to central, regional and local authorities and special funds. — 1 Excluding mobilisation and liquidity paper. — 2 Excluding bonds in the issuers' portfolios. — 3 Including loans raised abroad. — 4 Up to 1976 including Debt Register claims; as from 1973 including loans granted

by supplementary pension funds for government employees. — 5 Commutation and compensation debt and old debt mainly expressed in foreign currency in accordance with the London Debts Agreement; excluding bonds in own portfolio. — 6 In 1980 the Federal Government took over the debts of the

Equalisation of Burdens Fund. Since then they have been recorded among the Federal Government's figures together with the Federal debt proper. — 7 Including DM 387 million of special Bundesbank credit to the Federal Government. — p Provisional.

10. Indebtedness of the Federal Railways and Federal Post Office

End of month	DM million													
	Total	Advances 1	Treasury bills	Treasury discount paper	Medium-term notes	Bonds 2	Bank advances		Loans of non-banks 3		Commutation and compensation debt	Debt to central, regional and local authorities and ERP Special Fund	Memo Item External indebtedness 6, pe	
							Postal giro and postal savings bank offices	Other banks 3, 4	Social security funds 5	Other 4				
Federal Railways														
1970 Dec.	17,005	165	336	400	987	6,071	46	4,980	369	1,566	88	1,996	—	
1975 Dec.	26,261	—	—	820	1,145	8,782	435	11,152	507	2,275	48	1,098	1,700	
1980 Dec.	32,595	—	—	231	1,033	14,184	491	12,893	206	3,056	19	483	4,200	
1982 Dec.	35,977	—	—	231	933	16,324	234	13,176	467	4,329	9	273	5,200	
1983 Dec.	35,848	—	—	231	1,543	15,614	183	12,665	508	4,909	5	190	6,100	
1984 Dec.	35,772	—	—	131	1,394	15,742	182	12,533	636	5,025	—	129	6,500	
1985 Dec.	36,153	—	—	131	1,924	16,551	81	11,765	755	4,862	—	83	8,000	
1986 Dec.	38,009	—	—	131	2,142	19,680	1	10,233	793	4,974	—	56	11,100	
1987 March	38,922	—	—	131	2,042	20,671	1	9,919	792	5,312	—	54	12,300	
June	38,551	—	—	131	2,042	20,732	1	9,425	804	5,365	—	52	12,900	
Sep. p	39,439	—	—	131	2,452	21,819	—	8,966	806	5,220	—	45	...	
Federal Post Office														
1970 Dec.	20,300	—	—	300	1,030	4,348	5,558	6,276	717	1,674	10	387	—	
1975 Dec.	40,050	—	—	300	997	9,621	10,835	14,708	553	2,639	6	391	700	
1980 Dec.	33,859	—	—	—	944	7,790	16,063	6,901	348	1,719	2	93	1,500	
1982 Dec.	40,862	—	—	525	2,101	9,581	16,459	8,638	472	3,014	1	71	2,600	
1983 Dec.	43,100	—	—	525	2,101	10,708	18,477	8,032	434	2,756	1	68	3,000	
1984 Dec.	45,503	—	—	—	1,904	12,686	19,321	8,192	553	2,790	—	58	3,300	
1985 Dec.	50,315	—	—	—	1,688	16,665	19,702	9,004	456	2,747	—	54	5,200	
1986 Dec.	55,014	—	—	—	947	20,644	22,064	7,380	441	3,494	—	46	9,200	
1987 March	55,995	—	—	—	947	22,644	21,533	7,005	411	3,411	—	44	9,800	
June	57,571	—	—	—	589	24,624	21,533	6,976	411	3,395	—	44	10,900	
Sep. p	59,373	—	—	—	589	26,223	21,533	7,236	410	3,340	—	42	...	

1 Advances of the Bundesbank or of the Deutsche Verkehrskreditbank. — 2 Including bonds issued to increase capital, which are redeemed by the Federal Government. — 3 Federal Railways: including credits

or loans secured by depositing Treasury discount paper. — 4 Including loans raised abroad. — 5 As from 1978 including loans of supplementary

pension funds for government employees. — 6 Loans raised abroad and securities held by foreigners. — pe Partly estimated. — p Provisional.

VII. Public finance

11. Loans raised by public authorities against borrowers' notes

DM million								
Period	Total 1	Central, regional and local authorities					Federal Railways 4	Federal Post Office
		Total	Federal Government 2	Länder Governments	Local authorities 3, 4	ERP Special Fund		
Level at end of year or month								
1970	90,170	72,159	17,855	13,609	39,399	1,296	8,958	9,053
1975	204,266	170,508	48,770	47,675	72,767	1,297	15,467	18,292
1980	360,617	334,429	118,957	118,417	93,775	3,280	17,128	9,060
1981	439,128	409,341	157,855	146,609	100,163	4,714	18,588	11,199
1982	480,086	449,413	168,195	168,836	107,155	5,226	18,478	12,195
1983	504,246	474,502	172,415	186,560	109,935	5,592	18,455	11,289
1984	520,068	489,971	171,239	201,156	111,118	6,458	18,505	11,592
1985 March	519,464	489,711	168,753	203,325	111,165	6,468	18,361	11,392
June	522,311	491,833	169,298	205,216	111,034	6,285	18,159	12,319
Sep.	522,999	492,091	166,686	207,199	111,921	6,285	18,273	12,635
Dec.	527,510	497,702	166,115	213,501	111,799	6,287	17,547	12,261
1986 March	521,573	492,204	159,767	213,746	112,346	6,345	17,171	12,198
June	516,929	487,288	154,363	214,255	112,518	6,152	17,472	12,169
Sep.	514,254	485,948	150,016	216,927	112,985	6,020	16,653	11,653
Dec.	513,608	486,192	143,792	223,177	112,808	6,415	16,056	11,360
1987 March	506,025	479,076	134,222	225,243	113,547	6,064	16,078	10,871
June	504,857	478,386	131,244	227,116	114,142	5,884	15,646	10,825
Increase or decrease during period								
1975	+ 45,530	+ 44,521	+ 19,789	+ 17,030	+ 7,562	+ 140	+ 2,503	- 1,494
1980	+ 53,230	+ 51,404	+ 24,532	+ 21,032	+ 4,666	+ 1,174	+ 777	+ 1,050
1981	+ 78,511	+ 74,913	+ 38,898	+ 28,193	+ 6,388	+ 1,434	+ 1,460	+ 2,139
1982	+ 40,958	+ 40,071	+ 10,340	+ 22,227	+ 6,993	+ 512	- 109	+ 996
1983	+ 24,161	+ 25,089	+ 4,220	+ 17,724	+ 2,780	+ 366	- 23	- 905
1984	+ 15,822	+ 15,469	- 1,176	+ 14,596	+ 1,183	+ 866	+ 50	+ 303
1985	+ 7,442	+ 7,731	- 5,124	+ 12,345	+ 681	- 171	- 958	+ 669
1986	- 13,902	- 11,510	- 22,323	+ 9,676	+ 1,009	+ 128	- 1,491	- 901
1985 1st qtr	- 604	- 260	- 2,486	+ 2,169	+ 47	+ 10	- 144	- 200
2nd qtr	+ 2,847	+ 2,122	+ 545	+ 1,891	- 131	- 183	- 202	+ 927
3rd qtr	+ 688	+ 258	- 2,612	+ 1,983	+ 887	-	+ 114	+ 316
4th qtr	+ 4,511	+ 5,611	- 571	+ 6,302	- 122	+ 2	- 726	- 374
1986 1st qtr	- 5,937	- 5,498	- 6,348	+ 245	+ 547	+ 58	- 376	- 63
2nd qtr	- 4,644	- 4,916	- 5,404	+ 509	+ 172	- 193	+ 301	- 29
3rd qtr	- 2,675	- 1,340	- 4,347	+ 2,672	+ 467	- 132	- 819	- 516
4th qtr	- 646	+ 244	- 6,224	+ 6,250	- 177	+ 395	- 597	- 293
1987 1st qtr	- 7,583	- 7,116	- 9,570	+ 2,066	+ 739	- 351	+ 22	- 489
2nd qtr	- 1,168	- 690	- 2,978	+ 1,873	+ 595	- 180	- 432	- 46

1 Excluding Debt Register claims and cash advances, including small amounts of mortgage debt, land charges and debts outstanding from

previous purchases. — 2 Including the Equalisation of Burdens Fund. — 3 Data other than end-of-year figures have been estimated. Including municipal

special-purpose associations (as from 1975) and municipal hospitals. — 4 Including contractually agreed loans.

12. Equalisation claims *

DM million					
Item	Total	Bundesbank	Banks 1	Insurance enterprises	Building and loan associations
I. Origin					
(1) Amount of equalisation claims allocated 2	22,229	5 8,683	7,616	5,864	66
(2) Scheduled and additional redemption up to end of December 1986	7,228	—	3,952	3,239	37
(3) Amount of equalisation claims at end of December 1986	15,001	8,683	3,664	2,625	29
of which					
Held by Fund for the Purchase of Equalisation Claims 3	1,845	—	1,059	776	10
II. Breakdown by debtor and type of interest					
(1) Breakdown by debtor					
(a) Federal Government	10,458	8,683	384	1,391	—
(b) Länder Governments	4,543	—	3,280	1,234	29
(2) Breakdown by type of interest					
(a) Non-interest-bearing equalisation claims	—	—	—	—	—
(b) 3 % equalisation claims	11,613	6 8,136	3,477	—	—
(c) 3 ½ % equalisation claims	2,652	—	3	2,620	29
(d) 4 ½ % equalisation claims	184	—	184	—	—
(e) 3 % special equalisation claims	5	—	—	5	—
(f) Non-interest-bearing debt certificate 4	547	547	—	—	—
(3) Total (1a plus 1b = 2a to 2f)	15,001	8,683	3,664	2,625	29

* Owing to differences in method, figures may deviate from those given in Table VII, 7, 8 and 9. — 1 Including equalisation claims for postal giro and postal savings bank offices. — 2 Including title to equalisation claims which are already being serviced,

i.e. on which interest and redemption are being paid, although they have not yet been inscribed in the Debt Registers. — 3 In accordance with section 8ff. of the Act on the Redemption of Equalisation Claims dated July 30, 1965. — 4 For providing Berlin

(West) with funds. — 5 According to the Weekly Return of the Bundesbank as of December 31, 1986. — 6 In accordance with the Act Accompanying the Budget of 1983, article 9, bearing interest at the rate of only 1 % as from January 1, 1983.

13. Receipts, expenditure and assets of the wage and salary earners' pension insurance funds

DM million

Period	Receipts 1			Expenditure 1			Balance of receipts and expenditure	Assets 3				Memo item Administrative assets	
	Total	of which		Total	of which			Total	Deposits 4	Securities 5	Mortgage and other loans 6		Real estate
		Contributions	Federal payments		Pension payments 2	Pensioners' health insurance							
1970	51,450	42,388	7,290	47,717	38,132	4,649	+ 3,733	24,186	5,983	11,748	6,407	48	1,825
1975	91,432	76,270	11,073	94,361	72,666	12,390	- 2,929	39,903	7,808	16,298	15,731	66	3,274
1976	101,205	82,653	15,114	107,222	82,827	14,725	- 6,017	32,704	8,341	12,660	11,638	65	3,547
1977	107,125	87,328	16,661	116,595	92,964	13,420	- 9,470	22,370	6,719	7,061	8,527	63	3,618
1978	115,659	7 93,786	19,598	120,593	98,773	11,670	- 4,934	16,518	5,966	4,537	5,944	72	3,791
1979	125,816	102,790	21,162	125,807	103,552	12,145	+ 9	16,201	7,200	3,892	5,045	64	3,864
1980	135,636	111,206	22,335	132,515	108,937	12,797	+ 3,121	18,804	10,279	3,783	4,679	64	3,929
1981	143,131	120,526	19,932	139,411	114,450	13,459	+ 3,720	21,783	13,809	3,618	4,294	63	4,013
1982	147,569	121,605	23,434	148,511	122,230	14,354	- 942	20,558	12,913	3,536	4,039	71	4,125
1983	146,697	121,112	23,662	151,498	127,304	12,943	- 4,801	15,125	7,890	3,416	3,756	62	4,265
1984	156,420	129,159	25,494	160,675	134,848	12,923	- 4,255	10,001	3,141	3,308	3,485	67	4,357
1985	165,949	137,662	26,601	164,540	140,539	11,081	+ 1,409	11,953	5,516	3,162	3,203	71	4,455
1986	174,797	145,891	27,248	167,982	145,736	9,940	+ 6,815	18,168	12,043	3,137	2,897	90	4,536
1986 1st qtr	40,782	33,082	7,367	41,167	35,931	2,555	- 385	11,895	5,561	3,112	3,149	73	4,422
2nd qtr	43,424	34,820	8,205	41,409	35,750	2,578	+ 2,016	12,775	6,580	3,046	3,072	77	4,486
3rd qtr	43,726	36,543	6,762	42,469	37,061	2,386	+ 1,257	13,898	7,805	3,024	2,992	77	4,520
4th qtr	46,847	41,418	4,960	42,628	37,013	2,405	+ 4,219	18,168	12,043	3,137	2,897	90	4,536
1987 1st qtr	41,760	34,378	6,986	42,560	37,368	2,402	- 800	17,158	10,215	4,036	2,830	76	4,512
2nd qtr	42,417	34,772	7,238	42,817	37,350	2,431	- 400	16,361	9 065	4,459	2,750	87	4,576
3rd qtr	44,774	37,227	7,129	44,354	38,921	2,257	+ 420	16,648	9,043	4,843	2,674	88	4,614

1 The annual figures differ from the sum of the quarterly figures as the latter are all provisional. — 2 Payments by pension insurance funds to health insurance institutions under section 183 of the Reich Insurance Order have been deducted from pension payments. — 3 Excluding administrative assets. Largely corresponds to fluctuation reserves. Level at

the end of the year or quarter. — 4 Including cash resources. — 5 Including money market paper held up to 1976; including Debt Register claims (until 1980). As from end-1986 funds placed in security-based investment funds. — 6 Excluding loans to other social security funds; including participations. —

7 As from 1978 including pension insurance contributions paid for recipients of public financial benefits. Source: Federal Minister of Labour and Social Affairs and Association of German Pension Insurance Funds.

14. Receipts, expenditure and assets of the Federal Labour Office

DM million

Period	Receipts			Expenditure				Balance of receipts and expenditure	Federal Government liquidity assistance	Assets 6			
	Total 1	of which		Total	of which					Total	Deposits 7	Securities	Loans 8
		Contributions	Levies 2		Unemployment payments 3, 4	Promotion of winter construction	Vocational assistance 4, 5						
1970	3,574	3,097	—	3,907	715	1,303	989	- 333	—	5,708	966	9 1,982	2,760
1975	9,234	7,787	899	17,836	10,749	1,120	3,612	- 8,602	7,282	1,765	159	281	1,325
1976	14,061	12,497	1,055	15,930	9,194	1,262	3,073	- 1,869	2,990	2,918	1,591	275	1,052
1977	15,368	13,773	1,040	15,082	8,210	1,368	2,933	+ 286	—	3,249	2,181	266	801
1978	17,755	14,740	1,024	17,522	9,710	1,487	3,574	+ 232	—	3,466	2,656	221	589
1979	17,502	15,926	1,023	19,739	9,445	2,205	5,074	- 2,237	—	1,300	724	205	371
1980	19,050	17,321	1,139	21,674	10,122	1,974	6,327	- 2,625	1,840	589	220	144	225
1981	19,872	18,140	1,110	28,165	14,579	2,528	7,427	- 8,293	8,209	730	445	136	149
1982	26,314	24,287	1,267	33,365	20,243	2,218	6,956	- 7,051	7,003	771	530	131	111
1983	31,039	28,672	1,498	32,644	20,178	1,560	6,871	- 1,605	1,576	399	186	125	88
1984	32,805	30,446	1,401	29,644	15,936	1,613	7,652	+ 3,160	—	3,558	3,366	121	71
1985	32,043	29,492	1,409	29,737	15,314	1,442	8,486	+ 2,306	—	5,823	5,359	406	57
1986	31,649	29,122	1,433	31,862	14,928	1,347	10,499	- 213	—	5,506	5,191	248	68
1986 1st qtr	7,115	6,613	217	8,628	4,470	701	2,280	- 1,513	—	4,269	3,995	215	58
2nd qtr	7,920	6,932	708	8,073	3,880	527	2,475	- 153	—	4,112	3,675	384	53
3rd qtr	7,860	7,342	272	7,105	3,174	100	2,592	+ 755	—	4,856	4,378	425	52
4th qtr	8,754	8,235	235	8,056	3,404	18	3,151	+ 698	—	5,506	5,191	248	68
1987 1st qtr	7,778	7,203	278	9,564	4,692	705	2,959	- 1,787	—	3,729	3,387	143	199
2nd qtr	8,519	7,646	567	8,740	4,009	479	2,965	- 221	—	3,487	3,168	162	156
3rd qtr	8,676	8,217	212	8,120	3,601	41	3,125	+ 556	—	3,980	3,785	153	42

1 Excluding Federal Government liquidity assistance. — 2 Levies to promote winter construction and to pay bankruptcy compensation to employees. — 3 Unemployment benefits, follow-up unemployment assistance (up to 1980) and short-time working benefits. — 4 Including

health insurance and, as from 1978, pension insurance contributions. — 5 Vocational training, measures to foster the commencement of work, rehabilitation and job creation measures. — 6 Excluding administrative assets. Level at the end of the

year or quarter. — 7 Including cash resources. — 8 Excluding loans out of budgetary expenditure; including participations. — 9 Including Debt Register claims and money market paper. Source: Federal Labour Office.

VIII. General economic conditions

1. Origin, distribution and use of national product

Item	1970	1976	1980	1983	1984	1985 p	1986 p	1984	1985 p	1986 p	1984	1985 p	1986 p
	DM billion							Change from previous year in %			Percentage of total		
I. Origin of national product													
(a) at current prices													
Gross value added													
Agriculture, forestry and fisheries	21.8	31.1	30.4	32.2	34.7	31.9	34.1	+ 7.5	- 7.9	+ 6.8	2.0	1.7	1.7
Producing sector	333.7	500.6	632.2	685.1	710.6	745.8	807.4	+ 3.7	+ 5.0	+ 8.3	40.1	40.4	41.4
Energy supply 1, mining	22.7	42.4	50.2	62.7	65.4	68.0	67.0	+ 4.2	+ 4.0	- 1.4	3.7	3.7	3.4
Manufacturing	259.5	389.7	482.8	524.9	547.2	584.0	642.1	+ 4.3	+ 6.7	+ 9.9	30.9	31.7	33.0
Construction	51.6	68.5	99.2	97.4	98.0	93.8	98.3	+ 0.5	- 4.3	+ 4.9	5.5	5.1	5.0
Distributive trades, transport 2	103.5	173.6	225.7	254.9	268.6	276.3	277.3	+ 5.4	+ 2.9	+ 0.3	15.2	15.0	14.2
Services 3	114.4	231.8	335.1	430.4	459.4	485.3	510.8	+ 6.7	+ 5.6	+ 5.3	26.0	26.3	26.2
All enterprises	573.4	937.1	1,223.3	1,402.6	1,473.2	1,539.3	1,629.5	+ 5.0	+ 4.5	+ 5.9	83.2	83.4	83.7
do. adjusted 4	555.4	898.3	1,169.4	1,320.9	1,389.1	1,455.1	1,545.0	+ 5.2	+ 4.7	+ 6.2	78.5	78.9	79.3
Government	62.6	129.8	172.4	195.8	200.1	207.3	217.4	+ 2.2	+ 3.6	+ 4.9	11.3	11.2	11.2
Households 5	10.0	20.2	27.2	32.6	34.2	36.4	39.4	+ 4.9	+ 6.4	+ 8.3	1.9	2.0	2.0
All sectors plus Non-deductible turnover tax 6	628.0	1,048.3	1,369.0	1,549.3	1,623.4	1,698.8	1,801.9	+ 4.8	+ 4.6	+ 6.1	91.7	92.1	92.5
plus Import levies 7	39.9	61.8	96.5	109.4	116.0	116.6	118.1	+ 6.1	+ 0.6	+ 1.3	6.8	6.3	6.1
plus Import levies 7	7.4	11.6	13.5	16.2	16.5	16.4	17.0	+ 1.7	- 0.4	+ 3.4	0.9	0.9	0.9
Gross domestic product	675.3	1,121.7	1,478.9	1,674.8	1,755.8	1,831.9	1,937.0	+ 4.8	+ 4.3	+ 5.7	99.2	99.3	99.4
Net factor incomes from abroad	+ 0.4	+ 4.5	+ 6.3	+ 5.6	+ 14.1	+ 13.1	+ 11.1				0.8	0.7	0.6
Gross national product at market prices	675.7	1,126.2	1,485.2	1,680.4	1,769.9	1,844.9	1,948.0	+ 5.3	+ 4.2	+ 5.6	100.0	100.0	100.0
(b) at 1980 prices													
Gross national product at market prices	1,134.0	1,328.2	1,485.2	1,498.9	1,548.1	1,579.0	1,617.7	+ 3.3	+ 2.0	+ 2.5			
do. per employed person, in DM	42,520	51,900	56,410	59,170	61,040	61,820	62,710	+ 3.2	+ 1.3	+ 1.4			
II. Distribution of national product (at current prices)													
Wage and salary income 8	360.6	631.3	844.4	920.9	954.0	990.8	1,040.6	+ 3.6	+ 3.9	+ 5.0	53.9	53.7	53.4
Entrepreneurial and property income	169.8	250.9	304.2	365.3	403.9	430.0	472.0	+ 10.6	+ 6.5	+ 9.8	22.8	23.3	24.2
Net national product at factor cost (national income) plus Indirect taxes 9	530.4	882.2	1,148.6	1,286.2	1,357.9	1,420.8	1,512.7	+ 5.6	+ 4.6	+ 6.5	76.7	77.0	77.7
Net national product at market prices plus Depreciation	607.7	1,001.9	1,311.5	1,469.0	1,547.9	1,613.5	1,708.4	+ 5.4	+ 4.2	+ 5.9	87.5	87.5	87.7
Gross national product at market prices	675.7	1,126.2	1,485.2	1,680.4	1,769.9	1,844.9	1,948.0	+ 5.3	+ 4.2	+ 5.6	100.0	100.0	100.0
III. Use of national product (at current prices)													
Private consumption	368.9	632.5	840.8	964.2	1,003.6	1,042.6	1,081.9	+ 4.1	+ 3.9	+ 3.8	56.7	56.5	55.5
Government consumption	106.5	221.7	297.8	336.2	350.2	365.6	381.7	+ 4.2	+ 4.4	+ 4.4	19.8	19.8	19.6
Civil expenditure	86.7	188.1	257.4	288.4	301.3	315.7	330.2	+ 4.5	+ 4.8	+ 4.6	17.0	17.1	17.0
Defence expenditure	19.8	33.6	40.4	47.8	48.9	49.9	51.5	+ 2.4	+ 2.0	+ 3.2	2.8	2.7	2.6
Fixed capital formation	172.1	225.7	335.8	343.8	354.6	360.8	376.8	+ 3.1	+ 1.7	+ 4.4	20.0	19.6	19.3
Machinery and equipment	65.9	86.1	127.3	135.6	137.6	153.9	161.4	+ 1.5	+ 11.8	+ 4.9	7.8	8.3	8.3
Construction	106.2	139.6	208.5	208.2	217.1	207.0	215.4	+ 4.2	- 4.7	+ 4.1	12.3	11.2	11.1
Increase in stocks	+ 14.2	+ 17.2	+ 13.8	- 1.8	+ 6.6	- 1.2	- 2.9				0.4	- 0.1	- 0.1
Domestic expenditure	661.6	1,097.1	1,488.2	1,642.4	1,715.0	1,767.7	1,837.4	+ 4.4	+ 3.1	+ 3.9	96.9	95.8	94.3
Net exports of goods and services 10	+ 14.1	+ 29.1	- 3.0	+ 38.0	+ 54.9	+ 77.2	+ 110.6				3.1	4.2	5.7
Exports	152.9	309.0	422.3	524.8	590.8	650.2	639.8	+ 12.6	+ 10.1	- 1.6	33.4	35.2	32.8
Imports	138.8	279.9	425.3	486.8	535.9	573.0	529.2	+ 10.1	+ 6.9	- 7.6	30.3	31.1	27.2
Gross national product at market prices	675.7	1,126.2	1,485.2	1,680.4	1,769.9	1,844.9	1,948.0	+ 5.3	+ 4.2	+ 5.6	100.0	100.0	100.0

Source: Federal Statistical Office. — 1 Including water supply. — 2 Including telecommunications. — 3 Banks, insurance enterprises, letting of dwellings and other services. — 4 Enterprises' gross value added less imputed remuneration for bank services. — 5 Including private non-profit organisations. — 6 Turnover tax receipts and turnover tax withheld

because of statutory special regulations. — 7 Import duties, excise taxes on imports, price adjustment levies and monetary compensatory amounts on imports of agricultural products. — 8 Including employers' contributions to social security funds and other social security expenditure by employers

(inter alia on company old-age pension schemes). — 9 Production taxes, non-deductible turnover tax and import levies less subsidies. — 10 Including transactions in goods and services with the GDR. — p Provisional. Discrepancies in the totals are due to rounding.

2. Index of net output in the producing sector*

Per calendar month

Period	Producing sector, total		of which											
			Basic and producer goods sector		Capital goods sector			Consumer goods sector			Construction			
	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %	Total		of which			1980 = 100	Change from previous year in %	of which Textile industry	1980 = 100	Change from previous year in %
					1980 = 100	Change from previous year in %	Mechanical engineering	Road vehicle manufacture	Electrical engineering					
1983 average	95.5	+ 0.6	93.9	+ 3.2	98.8	- 0.3	92.6	108.0	98.3	91.6	+ 1.4	89.4	89.0	+ 0.6
1984 "	98.7	+ 3.4	97.9	+ 4.3	102.3	+ 3.5	93.0	107.3	105.8	94.1	+ 2.7	91.7	89.5	+ 0.6
1985 "	102.6	+ 4.0	98.7	+ 0.8	112.1	+ 9.6	99.1	119.0	118.0	94.5	+ 0.4	94.5	83.7	- 6.5
1986 "	104.8	+ 2.1	98.1	- 0.6	117.1	+ 4.5	104.3	124.9	123.8	96.5	+ 2.1	95.7	87.1	+ 4.1
1986 July	105.9	+ 2.0	101.1	- 1.2	114.5	+ 3.2	107.1	115.4	121.2	96.8	+ 5.3	91.8	108.8	+ 1.2
Aug.	91.2	- 0.9	91.5	- 4.1	93.9	+ 1.7	86.8	91.3	102.4	80.2	- 3.8	62.7	92.5	- 1.5
Sep.	112.4	+ 4.3	102.1	+ 0.6	125.7	+ 5.8	110.1	129.1	135.8	108.0	+ 5.9	107.4	111.8	+ 4.3
Oct.	119.9	+ 0.1	106.4	- 2.2	133.4	+ 1.2	112.7	143.6	144.8	113.8	+ 2.6	113.9	115.8	- 1.5
Nov.	109.4	- 0.9	97.8	- 1.4	123.0	- 1.7	106.2	129.1	133.5	99.3	+ 0.6	97.7	97.2	+ 14.5
Dec.	102.3	+ 3.9	86.5	+ 1.5	122.8	+ 5.1	129.2	116.9	125.8	88.3	+ 4.5	83.5	73.9	+ 8.5
1987 Jan.	92.1	- 6.2	89.8	- 6.9	99.6	- 5.8	78.2	122.2	106.7	91.9	- 3.3	93.7	33.2	- 33.7
Feb.	98.5	+ 1.3	92.9	- 0.7	113.9	+ 1.7	92.1	133.3	122.3	96.6	+ 3.2	100.4	43.3	+ 20.3
March	107.7	+ 6.2	100.6	+ 3.3	125.4	+ 9.3	106.2	144.2	135.3	105.0	+ 9.4	107.2	55.9	- 11.0
April	106.6	- 6.7	100.7	- 4.9	119.6	- 7.6	103.3	138.0	126.9	98.6	- 5.8	98.1	92.2	- 9.4
May	103.5	+ 4.8	100.3	+ 2.9	114.7	+ 5.2	94.1	129.4	122.7	93.3	+ 8.1	93.4	92.1	+ 0.7
June	103.3	- 3.5	98.5	- 2.8	116.3	- 4.0	108.6	125.9	117.9	91.8	- 3.8	92.5	94.7	- 7.5
July	102.3	- 3.4	101.5	+ 0.4	108.3	- 5.4	96.3	113.6	115.2	93.9	- 3.0	84.9	101.0	- 7.2
Aug.	93.4	+ 2.4	95.3	+ 4.2	96.4	+ 2.7	82.7	95.4	104.9	84.9	+ 5.9	68.9	90.6	- 2.1
Sep.	112.7	+ 0.3	102.7	+ 0.6	127.8	+ 1.7	105.5	135.0	136.7	108.5	+ 0.5	107.3	106.2	- 5.0
Oct. p	117.6	- 1.9	106.6	+ 0.2	132.0	- 1.0	107.0	144.3	139.1	109.1	- 4.1	109.3	107.7	- 7.0

Source: Federal Statistical Office. — * Results for kinds of activity units. — p Provisional.

3. Labour market*

Period	Employed persons 1		of whom:							Short-time workers, thousands	Unemployed persons		Unemployment rate in % 3	Vacancies, thousands
			Wage and salary earners			Producing sector excluding construction and energy		Construction						
	Thousands	Change from previous year in %	Total 1, 2		Foreigners, thousands	Thousands	Change from previous year in %	Thousands	Change from previous year in %		Thousands	Change from previous year in thousands		
			Thousands	Change from previous year in %										
1981 average	26,144	- 0.7	22,869	- 0.6	1,912	7,498	- 2.1	1,229	- 2.7	347	1,272	+ 383	5.5	208
1982 "	25,709	- 1.7	22,436	- 1.9	1,787	7,239	- 3.5	1,155	- 6.0	606	1,833	+ 561	7.5	105
1983 "	25,331	- 1.5	22,057	- 1.7	1,694	6,935	- 4.2	1,121	- 2.9	675	2,258	+ 425	9.1	76
1984 "	25,363	+ 0.1	22,097	+ 0.2	1,609	6,854	- 1.2	1,108	- 1.2	384	2,266	+ 8	9.1	88
1985 "	25,540	+ 0.7	22,274	+ 0.8	1,568	6,938	+ 1.2	1,028	- 7.2	235	2,304	+ 38	9.3	110
1986 "	25,796	+ 1.0	22,525	+ 1.1	1,570	7,059	+ 1.7	1,003	- 2.4	197	2,228	- 76	9.0	154
1986 Oct.	26,134	+ 1.0	.	.	.	7,130	+ 1.4	1,039	- 1.8	235	2,026	- 123	8.1	155
Nov.	26,053	+ 1.0	22,765	+ 1.2	.	7,113	+ 1.2	1,026	- 1.5	205	2,068	- 143	8.3	145
Dec.	25,930	+ 1.0	.	.	1,545	7,064	+ 1.1	1,003	- 1.0	247	2,218	- 129	8.9	141
1987 Jan.	25,783	+ 1.0	.	.	.	7,038	+ 0.9	923	- 1.6	428	2,497	- 93	10.0	150
Feb.	25,651	+ 0.9	22,428	+ 1.0	.	7,038	+ 0.6	889	- 2.0	382	2,488	- 105	10.0	165
March	25,666	+ 0.8	.	.	1,557	7,045	+ 0.4	p 916	p - 2.5	463	2,412	- 36	9.6	180
April	25,797	+ 0.8	.	.	.	7,035	+ 0.2	p 969	p - 3.2	302	2,216	- 14	8.8	179
May	25,867	+ 0.7	22,586	+ 0.8	.	7,027	+ 0.1	p 983	p - 3.3	222	2,099	- 23	8.3	181
June	25,928	+ 0.6	.	.	.	7,036	- 0.1	p 991	p - 3.7	184	2,097	+ 19	8.3	183
July	25,989	+ 0.5	.	.	.	7,067	- 0.4	p 997	p - 4.0	216	2,176	+ 44	8.7	180
Aug.	26,105	+ 0.5	22,840	+ 0.5	.	7,089	- 0.5	p 1,005	p - 4.1	175	2,165	+ 45	8.6	177
Sep.	26,251	+ 0.4	.	.	.	7,110	- 0.6	p 1,006	p - 4.4	253	2,107	+ 61	8.4	180
Oct.	pe 26,240	pe + 0.4	.	.	.	.	.	.	.	289	2,093	+ 67	8.3	171
Nov.	...	...	...	...	...	...	...	...	...	205	2,133	+ 65	8.5	157

Source: Federal Statistical Office; for employed foreigners, short-time workers, unemployed and vacancies: Federal Labour Office. — * Monthly figures: level at end of month; employed persons:

averages; short-time workers: level at mid-month. — 1 Provisional as from 1985. — 2 Quarterly figures are averages. — 3 All unemployed as % of the dependent labour force (excluding the armed forces) accord-

ing to the microcensus or (as from January 1985 to February 1987) the EEC sample survey on labour; reference figure last changed as from March 1987. — pe First preliminary estimate. — p Provisional.

VIII. General economic conditions

4. Index of orders received by the manufacturing sector *

1980 = 100; per calendar month

Period	Manufacturing sector						Basic and producer goods sector					
	Total	Change from previous year in %	Domestic orders	Change from previous year in %	Foreign orders	Change from previous year in %	Total	Change from previous year in %	Domestic orders	Change from previous year in %	Foreign orders	Change from previous year in %
1973 average	67.8	+ 16.9	70.8	+ 11.1	61.3	+ 34.1	69.0	+ 17.9	74.6	+ 15.5	57.1	+ 25.8
1974 "	73.4	+ 8.3	73.2	+ 3.4	73.7	+ 20.2	82.7	+ 19.9	84.8	+ 13.7	78.1	+ 36.8
1975 "	72.1	— 1.8	75.6	+ 3.3	64.5	— 12.5	72.8	— 12.0	77.4	— 8.7	63.1	— 19.2
1976 "	81.8	+ 13.5	82.0	+ 8.5	81.4	+ 26.2	82.7	+ 13.6	86.9	+ 12.3	73.9	+ 17.1
1977 "	82.7	+ 1.1	84.5	+ 3.0	79.0	— 2.9	80.2	— 3.0	82.6	— 4.9	75.2	+ 1.8
1978 "	86.8	+ 5.0	88.8	+ 5.1	82.5	+ 4.4	83.6	+ 4.2	85.1	+ 3.0	80.4	+ 6.9
1979 "	96.3	+ 10.9	97.1	+ 9.3	94.5	+ 14.5	95.4	+ 14.1	96.1	+ 12.9	93.7	+ 16.5
1980 "	100.0	+ 3.8	100.0	+ 3.0	100.0	+ 5.8	100.0	+ 4.8	100.0	+ 4.1	100.0	+ 6.7
1981 "	104.5	+ 4.5	98.8	— 1.2	116.7	+ 16.7	104.5	+ 4.5	100.2	+ 0.2	113.7	+ 13.7
1982 "	103.4	— 1.1	98.3	— 0.5	114.4	— 2.0	102.0	— 2.4	97.3	— 2.9	111.9	— 1.6
1983 "	107.9	+ 4.4	103.1	+ 4.9	118.3	+ 3.4	109.2	+ 7.1	103.5	+ 6.4	121.2	+ 8.3
1984 "	118.2	+ 9.5	109.5	+ 6.2	137.1	+ 15.9	120.8	+ 10.6	110.3	+ 6.6	142.8	+ 17.8
1985 "	127.8	+ 8.1	116.4	+ 6.3	152.3	+ 11.1	125.7	+ 4.1	114.0	+ 3.4	150.3	+ 5.3
1986 "	127.9	+ 0.1	119.1	+ 2.3	146.9	— 3.5	119.0	— 5.3	110.0	— 3.5	137.8	— 8.3
1986 Aug.	108.9	— 3.1	105.0	+ 1.7	117.1	— 11.4	106.1	— 7.9	101.4	— 5.9	115.9	— 11.3
Sep.	131.5	+ 2.5	125.7	+ 5.3	144.1	— 2.2	119.7	— 3.7	113.6	— 2.3	132.6	— 6.2
Oct.	137.3	— 2.8	128.8	— 2.0	155.8	— 4.2	126.1	— 8.6	118.7	— 7.5	141.6	— 10.7
Nov.	122.6	— 5.5	113.5	— 4.3	142.1	— 7.8	110.7	— 8.5	103.5	— 7.7	125.8	— 10.1
Dec.	122.9	+ 0.8	113.5	+ 2.5	143.3	— 2.0	105.7	— 4.2	95.6	— 1.8	127.0	— 7.7
1987 Jan.	120.6	— 8.8	109.9	— 8.2	143.8	— 9.9	110.6	— 13.7	100.0	— 11.7	133.0	— 16.6
Feb.	127.8	— 2.2	118.9	+ 1.1	147.3	— 7.4	115.0	— 3.1	102.4	— 3.1	141.8	— 2.9
March	137.3	+ 4.0	129.2	+ 5.1	155.0	+ 2.2	121.5	+ 1.3	110.0	+ 0.5	145.7	+ 2.8
April	130.5	— 6.9	121.1	— 6.7	150.7	— 7.4	117.9	— 10.9	109.2	— 9.5	136.2	— 13.2
May	120.2	± 0.0	112.9	— 0.8	136.0	+ 1.6	114.4	— 0.3	106.1	— 0.8	131.9	+ 0.4
June	122.0	— 5.4	111.5	— 7.0	144.8	— 2.5	118.4	— 2.9	107.8	— 5.9	140.9	+ 2.5
July	125.5	— 1.6	116.8	— 2.3	144.2	— 0.8	121.5	— 1.6	111.7	— 4.3	142.1	+ 3.0
Aug.	117.0	+ 7.4	112.1	+ 6.8	127.6	+ 9.0	107.5	+ 1.3	101.2	— 0.2	120.8	+ 4.2
Sep.	136.2	+ 3.6	126.9	+ 1.0	156.4	+ 8.5	123.7	+ 3.3	114.8	+ 1.1	142.7	+ 7.6
Oct. p	138.8	+ 1.1	129.2	+ 0.3	159.7	+ 2.5	128.6	+ 2.0	117.0	— 1.4	153.3	+ 8.3

Period	Capital goods sector						Consumer goods sector					
	Total	Change from previous year in %	Domestic orders	Change from previous year in %	Foreign orders	Change from previous year in %	Total	Change from previous year in %	Domestic orders	Change from previous year in %	Foreign orders	Change from previous year in %
1973 average	66.1	+ 21.3	67.4	+ 12.9	63.8	+ 39.9	71.1	+ 4.7	73.6	+ 2.9	57.7	+ 21.0
1974 "	68.7	+ 3.9	65.9	— 2.2	73.5	+ 15.2	72.7	+ 2.3	74.7	+ 1.5	61.4	+ 6.4
1975 "	71.4	+ 3.9	74.6	+ 13.2	66.1	— 10.1	72.3	— 0.6	74.8	+ 0.1	58.6	— 4.6
1976 "	81.2	+ 13.7	78.4	+ 5.1	85.8	+ 29.8	82.2	+ 13.7	83.3	+ 11.4	76.5	+ 30.5
1977 "	83.4	+ 2.7	84.8	+ 8.2	81.0	— 5.6	84.8	+ 3.2	86.0	+ 3.2	78.1	+ 2.1
1978 "	87.8	+ 5.3	90.6	+ 6.8	83.2	+ 2.7	89.0	+ 5.0	89.7	+ 4.3	84.8	+ 8.6
1979 "	96.9	+ 10.4	98.1	+ 8.3	95.0	+ 14.2	96.0	+ 7.9	96.4	+ 7.5	93.9	+ 10.7
1980 "	100.0	+ 3.2	100.0	+ 1.9	100.0	+ 5.3	100.0	+ 4.2	100.0	+ 3.7	100.0	+ 6.5
1981 "	105.9	+ 5.9	98.3	— 1.7	118.7	+ 18.7	100.4	+ 0.4	98.2	— 1.8	112.9	+ 12.9
1982 "	105.4	— 0.5	99.7	+ 1.4	114.8	— 3.3	100.2	— 0.2	96.7	— 1.5	119.6	+ 5.9
1983 "	108.2	+ 2.7	103.6	+ 3.9	115.9	+ 1.0	105.0	+ 4.8	101.4	+ 4.9	125.3	+ 4.8
1984 "	119.3	+ 10.3	110.9	+ 7.0	133.3	+ 15.0	111.4	+ 6.1	105.5	+ 4.0	144.3	+ 15.2
1985 "	133.6	+ 12.0	122.4	+ 10.4	152.5	+ 14.4	115.0	+ 3.2	107.4	+ 1.8	157.4	+ 9.1
1986 "	136.4	+ 2.1	128.9	+ 5.3	149.2	— 2.2	118.6	+ 3.1	110.9	+ 3.3	161.5	+ 2.6
1986 Aug.	112.9	— 1.2	111.1	+ 7.3	115.9	— 12.5	102.3	— 0.3	97.3	+ 0.5	129.9	— 3.7
Sep.	135.6	+ 3.7	131.3	+ 7.9	142.8	— 2.2	138.7	+ 8.7	129.5	+ 9.0	189.9	+ 7.5
Oct.	141.7	— 2.0	132.8	— 1.9	156.7	— 2.1	142.6	+ 3.9	133.0	+ 4.5	195.5	+ 1.5
Nov.	131.8	— 5.2	121.7	— 3.8	148.8	— 7.1	115.8	— 2.1	109.5	— 1.3	150.8	— 5.6
Dec.	140.9	+ 2.0	133.7	+ 3.2	152.9	± 0.0	100.8	+ 5.3	95.2	+ 6.3	132.0	+ 1.9
1987 Jan.	129.4	— 7.6	118.3	— 7.8	148.0	— 7.2	112.1	— 4.9	105.1	— 4.6	151.2	— 6.0
Feb.	137.0	— 3.3	131.1	+ 2.3	146.8	— 10.6	122.9	+ 2.7	114.7	+ 3.3	168.2	+ 0.2
March	144.7	+ 3.3	140.0	+ 4.8	152.6	+ 1.0	141.9	+ 10.4	131.1	+ 11.1	202.0	+ 8.2
April	138.6	— 6.1	129.0	— 7.2	154.7	— 4.6	127.6	— 3.5	119.8	— 2.3	171.4	— 7.7
May	126.5	— 1.4	120.6	— 3.4	136.5	+ 1.9	112.0	+ 5.3	105.8	+ 5.7	146.2	+ 3.2
June	128.6	— 7.9	118.8	— 9.9	145.1	— 5.0	109.5	— 0.7	101.3	— 1.0	155.3	+ 0.1
July	133.5	— 2.6	126.7	— 2.4	144.8	— 3.1	110.0	+ 1.5	103.2	+ 0.8	147.7	+ 3.9
Aug.	124.8	+ 10.5	122.3	+ 10.1	129.0	+ 11.3	110.6	+ 8.1	105.1	+ 8.0	140.9	+ 8.5
Sep.	141.6	+ 4.4	132.6	+ 1.0	156.5	+ 9.6	141.2	+ 1.8	130.5	+ 0.8	201.0	+ 5.8
Oct. p	144.5	+ 2.0	136.5	+ 2.8	157.8	+ 0.7	139.4	— 2.2	129.8	— 2.4	193.0	— 1.3

Source: Federal Statistical Office. — * Excluding food, drink and tobacco industry; results for kinds of activity units; figures excluding value-added tax. — p Provisional.

5. Orders received by construction and housing finance

Period	Orders received by construction 1							Orders on hand 1, 4 in construction		Estimated cost 5 of approved buildings		Capital promised for residential buildings 7, 8	
	Total		Building				Civil engi- neering 1980 = 100			DM million 6	Change from previous year in %	DM million	Change from previous year in %
	1980 = 100	Change from previous year in %	1980 = 100	Residen- tial building	Indus- trial building 2	Public building 3							
1981 average	85.3	-14.7	90.5	89.6	92.0	89.9	77.1	93.5	-6.5	7,777	-3.4	6,580	-4.7
1982 "	85.9	+0.7	90.3	90.4	92.4	86.0	78.9	82.8	-11.4	7,415	-4.7	7,009	+6.5
1983 "	94.4	+9.9	101.7	109.3	102.5	81.9	82.9	89.2	+7.7	9,008	+21.5	⁸ 8,637	+23.2
1984 "	88.9	-5.8	88.0	87.9	91.2	82.1	90.4	82.6	-7.4	7,185	-20.2	8,513	.
1985 "	87.4	-1.7	82.9	68.2	99.9	85.5	94.4	77.3	-6.4	6,371	-11.3	8,673	+1.9
1986 "	95.3	+9.0	89.2	64.8	117.5	93.3	105.0	81.7	+5.7	6,551	+2.8	8,693	+0.2
1986 Aug.	110.5	+18.3	105.3	61.4	160.6	104.8	118.7			7,084	+4.9	8,175	+10.8
Sep.	114.2	+8.7	106.8	73.9	130.5	139.8	126.0	85.9	+9.7	7,046	+3.6	8,721	+8.9
Oct.	99.1	+9.5	92.7	65.9	121.2	102.3	109.2			6,993	+3.6	9,113	-21.1
Nov.	75.0	+3.0	71.0	53.8	92.5	70.7	81.5			5,463	+2.2	7,571	-14.7
Dec.	77.3	+2.5	74.0	50.2	100.5	79.8	82.6	74.1	+5.0	5,018	-18.8	9,723	-4.6
1987 Jan.	53.1	-8.4	55.4	33.7	83.0	54.5	49.4			4,244	-10.7	6,411	-8.8
Feb.	64.9	+1.1	65.6	44.7	95.1	59.4	63.7			4,662	-11.8	6,864	+3.7
March	100.9	-1.7	94.9	73.1	117.6	103.3	110.4	85.0	+6.1	6,970	+10.9	8,750	+14.9
April	99.5	-4.4	94.0	65.9	127.0	98.2	108.3			6,862	-9.8	8,086	-11.8
May	96.9	-8.8	90.2	62.1	124.2	92.3	107.6			6,666	-8.0	8,265	-13.5
June	112.6	-4.5	102.3	74.9	129.6	115.8	128.8	87.2	+0.8	7,297	-11.2	9,968	-8.8
July	103.2	-9.8	96.2	61.9	128.3	116.7	114.4			7,608	+1.1	11,157	+10.5
Aug.	98.6	-10.8	88.6	63.3	114.8	98.9	114.5			7,236	+2.1	^r 9,357	^r +14.5
Sep.	115.9	+1.5	107.9	76.6	140.0	121.4	128.5	83.3	-3.0	7,114	+1.0	8,542	-2.1
Oct.	...	...	...	...	...	...	...			...	...	8,698	-4.6

Source: Federal Statistical Office; banking associations. — 1 Excluding value-added tax. — 2 Including Federal Railways and Federal Post Office. — 3 Excluding Federal Railways and Federal Post Office. — 4 End of quarter. — 5 Including value-added tax. — 6 Annual figures are ascertained

separately and differ slightly from the aggregated monthly figures. — 7 Loans promised by savings banks, regional giro institutions, public and private mortgage banks and building and loan associations for new housing construction, for the modernisation and upkeep of older flats, for the purchase of flats

and residential buildings, as well as for the rescheduling of debts. — 8 Loans in respect of housing, but not connected with new housing construction, were not fully recorded prior to 1984. — r Revised.

6. Retail turnover *

Period	of which												
	Enterprises 1 mainly dealing in												
	Total			Food, drink and tobacco		Textiles, clothing, footwear, leather goods		Household furniture and appliances 2		Vehicles 3		Department stores	
	1980 = 100	Change from previous year in % not adjusted	price- adjusted	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %
1981 average	103.8	+3.8	-1.7	107.1	+7.1	101.6	+1.6	102.6	+2.6	100.6	+0.6	96.3	-3.7
1982 "	104.8	+1.0	-3.6	112.3	+4.9	99.6	-2.0	100.9	-1.7	102.1	+1.5	93.3	-3.1
1983 "	108.4	+3.4	+0.9	114.7	+2.1	101.9	+2.3	104.5	+3.6	114.5	+12.1	94.3	+1.1
1984 "	111.1	+2.5	+0.4	117.2	+2.2	104.6	+2.6	107.1	+2.5	117.5	+2.6	91.5	-3.0
1985 "	113.9	+2.5	+0.7	119.0	+1.5	108.6	+3.8	106.2	-0.8	121.5	+3.4	92.1	+0.7
1986 "	117.4	+3.1	+3.6	121.3	+1.9	112.7	+3.8	110.3	+3.9	138.5	+14.0	94.4	+2.5
1986 Oct.	124.6	+1.1	+1.7	124.9	+2.8	135.6	+1.7	124.1	+5.3	145.7	+9.5	92.1	+1.5
Nov.	122.8	-2.5	-1.7	119.2	-3.6	135.2	-4.8	129.0	+3.7	129.8	+7.8	110.3	-1.3
Dec.	151.6	+7.1	+7.6	143.1	+3.5	160.6	+11.3	168.0	+5.1	152.3	+35.6	153.9	+3.8
1987 p Jan.	108.3	+0.7	+1.0	117.9	+3.0	105.6	+5.0	93.4	-0.7	102.7	-8.0	107.7	+3.0
Feb.	103.0	+3.1	+3.1	109.8	+1.0	79.4	+5.0	98.2	+7.9	117.7	+1.0	75.7	+3.0
March	116.5	+0.8	+0.7	119.5	-1.0	103.2	-3.0	107.0	+4.1	162.3	+9.0	80.7	-1.9
April	129.3	+4.9	+4.7	127.8	+5.0	126.6	+8.0	110.0	+0.1	177.5	+4.0	89.7	+3.0
May	114.5	-2.7	-3.1	120.3	-5.0	105.2	-7.0	100.9	+2.4	149.0	+3.0	82.8	-6.0
June	113.3	+2.1	+1.7	122.3	+2.0	95.8	+2.0	100.0	+1.0	151.6	+2.0	79.7	+1.0
July	121.9	+4.7	+4.0	129.3	+4.0	110.1	+9.0	109.8	+4.0	156.2	+4.0	101.0	+4.0
Aug.	107.3	+2.8	+1.8	118.8	+1.0	93.7	+3.0	97.0	+3.7	114.5	+1.0	83.0	+1.0
Sep.	113.4	+0.2	-0.3	119.4	+4.0	111.3	-9.0	111.8	+3.9	134.7	+4.0	79.5	-4.0
Oct.	129.3	+3.8	+2.9	128.6	+3.0	143.7	+6.0	129.1	+4.0	150.1	+3.0	95.8	+4.0

Source: Federal Statistical Office. — * Including value-added tax. — 1 Excluding department stores and other enterprises not dealing mainly in a specific

field. — 2 Including electrical equipment and apparatus as well as musical instruments. —

3 Including vehicle parts and tyres. — p Provisional.

VIII. General economic conditions

7. Prices

Period	Index of producer prices of industrial products in domestic sales ¹					Index of producer prices of farm products ¹			Indices of prices in foreign trade		Indices of unit values in foreign trade			Index of world market prices of raw materials ^{3, 4}
	Total		of which Products of			Total		of which Vegetable products	Exports	Imports	Exports	Imports	Terms of trade ²	
	1980 = 100	Change from previous year in %	the basic and producer goods sector	the capital goods sector	the consumer goods sector	1980 = 100	Change from previous year in %							
	1980 = 100	1980 = 100	1980 = 100	1980 = 100	1980 = 100	1980 = 100	1980 = 100							
1977 average	87.7	+ 2.7	81.7	90.7	87.6	100.5	- 1.1	94.2	88.5	80.9	85.9	79.1	108.6	52.3
1978 "	88.7	+ 1.1	81.0	92.8	89.0	97.0	- 3.5	93.6	89.9	77.9	86.7	76.8	112.9	51.4
1979 "	93.0	+ 4.8	89.6	95.5	93.4	98.4	+ 1.4	96.2	94.1	87.0	91.3	85.5	106.8	67.6
1980 "	100	+ 7.5	100	100	100	100	+ 1.6	100	100	100	100	100	100	100
1981 "	107.8	+ 7.8	109.7	104.1	104.9	106.0	+ 6.0	106.7	105.8	113.6	106.3	113.8	93.4	106.5
1982 "	114.1	+ 5.8	113.9	110.0	109.0	109.8	+ 3.6	105.5	110.4	116.2	110.9	114.5	96.9	101.2
1983 "	115.8	+ 1.5	113.4	113.0	111.0	108.2	- 1.5	107.2	112.3	115.8	112.4	114.1	98.5	92.6
1984 "	119.2	+ 2.9	118.0	115.5	114.5	106.9	- 1.2	106.5	116.2	122.8	116.3	120.8	96.3	90.7
1985 "	121.8	+ 2.2	120.9	118.4	117.4	103.1	- 3.6	101.1	119.4	124.6	120.8	123.9	97.5	87.3
1986 "	118.2	- 3.0	106.1	121.1	118.6	97.2	- 5.7	98.7	116.8	101.0	116.8	104.1	112.2	p 63.4
1986 Oct.	116.2	- 4.7	101.8	121.9	118.9	96.1	- 5.3	96.1	115.6	94.8	114.7	101.1	113.5	p 57.4
Nov.	115.9	- 4.9	101.6	121.9	118.9	95.7	- 7.1	95.9	115.4	94.6	115.0	99.2	115.9	p 57.1
Dec.	115.7	- 4.8	101.1	121.9	118.9	94.6	- 8.6	97.4	115.3	94.4	116.3	98.5	118.1	p 57.6
1987 Jan.	115.9	- 4.4	103.1	122.3	119.0	93.3	- 8.1	98.4	115.0	94.4	114.1	98.1	116.3	p 64.2
Feb.	115.5	- 4.2	101.5	122.5	119.2	94.2	- 7.1	99.4	115.0	93.7	114.8	98.7	116.3	p 64.8
March	115.4	- 3.9	101.5	122.7	119.3	95.7	- 4.7	100.0	115.1	93.9	114.1	99.2	115.0	p 65.0
April	115.1	- 3.6	101.9	123.1	119.5	95.3	- 3.2	101.1	115.2	94.2	113.5	97.6	116.3	p 65.4
May	115.2	- 2.9	102.3	123.3	119.8	93.9	- 3.5	101.5	115.4	94.4	113.2	96.6	117.2	p 65.9
June	115.3	- 2.7	102.0	123.5	119.9	93.9	- 5.1	101.6	115.5	94.9	112.7	96.9	116.3	p 65.7
July	115.6	- 1.8	102.7	123.6	120.0	92.3	- 6.8	100.3	115.7	95.3	114.8	98.6	116.4	p 65.7
Aug.	115.8	- 1.4	103.0	123.7	120.1	93.2	- 5.0	97.6	115.8	95.5	113.4	97.1	116.8	p 65.9
Sep.	115.6	- 1.6	102.3	123.7	120.3	p 93.4	p - 5.5	96.1	115.8	94.9	113.5	97.5	116.4	p 66.3
Oct.	116.0	- 0.2	102.9	123.7	120.6	p 93.9	p - 2.3	97.2	116.0	95.2	...	...	...	p 67.1

Source: Federal Statistical Office; for index of world market prices: Hamburgisches Welt-Wirtschafts-Archiv. — 1 Excluding value-added tax. — 2 Index of export unit values as % of the index of import unit values. — 3 Food and industrial raw materials;

on a dollar basis. — 4 Rebased from original base 1975 = 100. — 5 Including value-added tax. — 6 The figures for the period 1976 to 1979 have been recalculated from the original base 1976 = 100. —

7 Mineral oil products, electricity, gas and coal as well as contributions towards the cost of central heating, warm water and district heating (calculated by the Bundesbank). — p Provisional.

8. Households' income

Period	Gross wages and salaries 1		Net wages and salaries 2		Government current transfers 3		"Mass income" (3 plus 5)		Disposable income 4		Private saving 5		Saving ratio 6
	DM billion	Change from previous year in %	DM billion	Change from previous year in %	DM billion	Change from previous year in %	DM billion	Change from previous year in %	DM billion	Change from previous year in %	DM billion	Change from previous year in %	%
1970	315.7	+ 18.6	246.7	+ 16.4	79.8	+ 7.7	326.5	+ 14.1	432.3	+ 12.6	63.4	+ 20.0	14.7
1971	356.3	+ 12.9	273.6	+ 10.9	89.2	+ 11.7	362.8	+ 11.1	478.2	+ 10.6	68.7	+ 8.4	14.4
1972	390.0	+ 9.5	300.3	+ 9.8	101.2	+ 13.4	401.5	+ 10.7	533.5	+ 11.6	81.4	+ 18.5	15.3
1973	439.3	+ 12.6	327.8	+ 9.1	112.9	+ 11.6	440.6	+ 9.8	580.8	+ 8.9	85.4	+ 4.9	14.7
1974	483.3	+ 10.0	356.5	+ 8.8	129.9	+ 15.1	486.4	+ 10.4	632.8	+ 9.0	99.1	+ 16.0	15.7
1975	500.0	+ 3.5	369.9	+ 3.8	162.4	+ 25.0	532.3	+ 9.4	698.4	+ 10.4	113.0	+ 14.1	16.2
1976	534.2	+ 6.9	386.3	+ 4.4	173.1	+ 6.6	559.4	+ 5.1	739.8	+ 5.9	107.3	- 5.1	14.5
1977	571.4	+ 7.0	408.3	+ 5.7	186.5	+ 7.7	594.8	+ 6.3	786.9	+ 6.4	103.7	- 3.3	13.2
1978	610.1	+ 6.8	440.9	+ 8.0	196.0	+ 5.1	636.8	+ 7.1	839.9	+ 6.7	111.0	+ 7.0	13.2
1979	657.8	+ 7.8	477.5	+ 8.3	207.0	+ 5.6	684.5	+ 7.5	910.7	+ 8.4	125.7	+ 13.2	13.8
1980	714.3	+ 8.6	512.0	+ 7.2	221.9	+ 7.2	733.9	+ 7.2	978.1	+ 7.4	137.4	+ 9.3	14.0
1981	743.6	+ 4.1	530.8	+ 3.7	238.2	+ 7.3	769.0	+ 4.8	1,041.6	+ 6.5	153.7	+ 11.9	14.8
1982	756.8	+ 1.8	533.7	+ 0.6	249.7	+ 4.8	783.4	+ 1.9	1,065.7	+ 2.3	147.7	- 3.9	13.9
1983	770.7	+ 1.8	539.3	+ 1.0	254.0	+ 1.7	793.3	+ 1.3	1,098.1	+ 3.0	133.9	- 9.3	12.2
1984	796.9	+ 3.4	551.6	+ 2.3	255.6	+ 0.6	807.2	+ 1.7	1,150.9	+ 4.8	147.3	+ 10.0	12.8
1985 p	826.1	+ 3.7	564.8	+ 2.4	260.1	+ 1.8	825.0	+ 2.2	1,194.2	+ 3.8	151.6	+ 2.9	12.7
1986 p	867.2	+ 5.0	594.5	+ 5.3	268.6	+ 3.3	863.1	+ 4.6	1,248.8	+ 4.6	167.0	+ 10.2	13.4
1986 p 3rd qtr	215.3	+ 5.3	148.4	+ 5.8	66.8	+ 3.5	215.2	+ 5.1	302.8	+ 5.1	34.0	+ 19.4	11.2
4th qtr	244.6	+ 4.7	164.0	+ 4.9	68.7	+ 4.9	232.6	+ 4.9	343.6	+ 4.3	52.4	+ 12.5	15.2
1987 p 1st qtr	202.6	+ 3.3	141.1	+ 2.4	71.2	+ 5.2	212.3	+ 3.3	310.8	+ 3.0	52.0	+ 8.1	16.7
2nd qtr	220.3	+ 4.3	148.6	+ 2.9	68.9	+ 5.2	217.5	+ 3.6	311.7	+ 3.6	35.0	+ 7.8	11.2
3rd qtr	222.7	+ 3.5	151.5	+ 2.1	70.3	+ 5.2	221.8	+ 3.1	313.9	+ 3.6	34.2	+ 0.5	10.9

1 Including employers' other social security expenditure (inter alia on company old-age pension schemes but excluding employers' contributions to social security funds). — 2 After deducting wage tax payable on gross wages and salaries and employees' contributions to social security funds. — 3 Social security pensions, maintenance payments and civil servants' pensions (net), less households' transfers to government. — 4 "Mass income" plus property income of all households and self-employed persons' private withdrawals from entrepreneurial income, less current transfers to non-residents. — 5 Including claims on company pension funds. — 6 Saving as a percentage of disposable income. — p Provisional. Discrepancies in the totals are due to rounding.

1 Including employers' other social security expenditure (inter alia on company old-age pension schemes but excluding employers' contributions to social security funds). — 2 After deducting wage tax payable on gross wages and salaries and employees' contributions to social security funds. — 3 Social security pensions, maintenance payments and civil servants' pensions (net), less households' transfers to government. — 4 "Mass income" plus property income of all households and self-employed persons' private withdrawals from entrepreneurial income, less current transfers to non-residents. — 5 Including claims on company pension funds. — 6 Saving as a percentage of disposable income. — p Provisional. Discrepancies in the totals are due to rounding.

1 Including employers' other social security expenditure (inter alia on company old-age pension schemes but excluding employers' contributions to social security funds). — 2 After deducting wage tax payable on gross wages and salaries and employees' contributions to social security funds. — 3 Social security pensions, maintenance payments and civil servants' pensions (net), less households' transfers to government. — 4 "Mass income" plus property income of all households and self-employed persons' private withdrawals from entrepreneurial income, less current transfers to non-residents. — 5 Including claims on company pension funds. — 6 Saving as a percentage of disposable income. — p Provisional. Discrepancies in the totals are due to rounding.

9. Pay rates and actual earnings *

Period	Overall economy						Producing sector (including construction)					
	Negotiated wage and salary level				Wages and salaries		Negotiated wage and salary level				Wages and salaries	
	on an hourly basis		on a monthly basis		per employee		on an hourly basis		on a monthly basis		per employee	
	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %	1980 = 100	Change from previous year in %
1970	43.7	+ 13.6	45.0	+ 13.0	46.1	+ 15.3	43.8	+ 15.2	44.1	+ 14.4	44.3	+ 16.7
1971	49.9	+ 14.1	50.9	+ 13.3	51.4	+ 11.3	50.1	+ 14.4	50.3	+ 14.2	49.1	+ 10.8
1972	54.6	+ 9.5	55.6	+ 9.1	56.1	+ 9.2	54.5	+ 8.7	54.6	+ 8.6	53.9	+ 9.7
1973	60.4	+ 10.6	61.3	+ 10.3	62.4	+ 11.2	60.0	+ 10.2	60.1	+ 10.1	59.9	+ 11.3
1974	68.2	+ 13.0	68.9	+ 12.5	69.2	+ 10.9	67.6	+ 12.6	67.7	+ 12.5	66.8	+ 11.5
1975	74.6	+ 9.3	74.8	+ 8.5	73.6	+ 6.4	73.7	+ 9.1	73.8	+ 9.1	71.9	+ 7.5
1976	79.0	+ 6.0	79.2	+ 5.9	78.7	+ 7.0	78.3	+ 6.2	78.4	+ 6.2	77.8	+ 8.3
1977	84.5	+ 6.9	84.7	+ 6.9	84.1	+ 6.9	84.2	+ 7.5	84.3	+ 7.5	83.0	+ 6.7
1978	89.3	+ 5.7	89.4	+ 5.6	88.7	+ 5.4	89.2	+ 5.9	89.2	+ 5.9	87.6	+ 5.5
1979	93.7	+ 4.9	93.7	+ 4.8	93.7	+ 5.7	93.5	+ 4.9	93.6	+ 4.9	93.4	+ 6.5
1980	100.0	+ 6.7	100.0	+ 6.7	100.0	+ 6.7	100.0	+ 6.9	100.0	+ 6.9	100.0	+ 7.1
1981	105.6	+ 5.6	105.5	+ 5.5	104.9	+ 4.9	105.7	+ 5.7	105.7	+ 5.7	105.3	+ 5.3
1982	109.9	+ 4.1	109.7	+ 4.0	109.2	+ 4.1	110.1	+ 4.1	110.0	+ 4.1	110.2	+ 4.7
1983	113.5	+ 3.3	113.3	+ 3.3	112.7	+ 3.2	113.7	+ 3.3	113.7	+ 3.3	114.5	+ 3.9
1984	116.8	+ 2.8	116.4	+ 2.8	116.1	+ 3.0	117.1	+ 3.0	117.1	+ 2.9	118.7	+ 3.7
1985 p	120.8	+ 3.4	119.6	+ 2.7	119.5	+ 2.9	122.0	+ 4.2	120.1	+ 2.6	122.8	+ 3.5
1986 p	125.8	+ 4.1	123.7	+ 3.5	124.1	+ 3.8	127.3	+ 4.4	124.7	+ 3.8	127.9	+ 4.2
1987 p 1st qtr	128.5	+ 4.0	126.0	+ 3.7	116.2	+ 2.3	129.3	+ 4.3	126.6	+ 4.3	117.9	+ 3.1
2nd qtr	130.7	+ 3.8	128.2	+ 3.4	125.8	+ 3.5	132.4	+ 3.7	129.6	+ 3.6	131.4	+ 2.9
3rd qtr	131.3	+ 3.7	128.7	+ 3.3	125.8	+ 3.0	133.1	+ 3.5	130.3	+ 3.4	131.3	+ 3.0
1987 p June	131.0	+ 3.8	128.4	+ 3.4	.	.	132.6	+ 3.6	129.8	+ 3.6	138.5	+ 3.3
July	131.2	+ 3.7	128.6	+ 3.3	.	.	132.9	+ 3.5	130.1	+ 3.4	137.4	+ 2.8
Aug.	131.3	+ 3.7	128.7	+ 3.3	.	.	133.2	+ 3.5	130.3	+ 3.5	128.7	+ 3.3
Sep.	131.4	+ 3.7	128.8	+ 3.3	.	.	133.3	+ 3.4	130.4	+ 3.4	127.9	+ 2.9
Oct.	131.5	+ 3.6	128.8	+ 3.3	.	.	133.3	+ 3.4	130.5	+ 3.3	...	...

* In calculating the negotiated wage and salary level, lump-sum payments and across-the-board increases

were added together and related to the entire duration of the wage agreements. — p Provisional.

IX. Foreign trade and payments

1. Major items of the balance of payments (Balances)

DM million

Period	Current and capital accounts										Balancing item for the Bundes- bank's external position 7	Change in the Bundes- bank's net external assets (in- crease: +) 8
	Current account					Capital account (capital exports: —)						
	Balance on current account	Foreign trade 1	Supple- mentary trade items 2 and mer- chanting trade	Services 3	Transfer payments	Balance of capital trans- actions	Long- term capital trans- actions	Short- term capital trans- actions 4	Balance of unclassi- fiable trans- actions 5, 6			
1971	+ 2,769	+ 15,892	+ 256	- 2,768	- 10,611	+ 10,884	+ 6,293	+ 4,592	+ 2,702	- 5,370	+ 10,986	
1972	+ 2,730	+ 20,278	- 598	- 4,195	- 12,756	+ 11,932	+ 15,551	- 3,620	+ 1,029	- 495	+ 15,195	
1973	+ 12,354	+ 32,979	- 82	- 6,153	- 14,390	+ 13,143	+ 12,950	+ 194	+ 931	- 10,279	+ 16,149	
1974	+ 26,580	+ 50,846	- 1,263	- 8,421	- 14,581	- 25,297	- 6,282	- 19,015	- 3,189	- 7,231	- 9,136	
1975	+ 10,023	+ 37,276	- 1,236	- 9,334	- 16,683	- 13,282	- 18,231	+ 4,949	+ 1,039	+ 5,480	+ 3,260	
1976	+ 9,858	+ 34,469	- 408	- 7,718	- 16,485	- 337	- 780	+ 443	+ 732	- 7,489	+ 1,301	
1977	+ 9,478	+ 38,436	- 260	- 12,632	- 16,066	+ 33	- 12,611	+ 12,644	+ 940	- 7,880	+ 2,570	
1978	+ 18,003	+ 41,200	+ 1,712	- 8,518	- 16,391	+ 4,783	- 2,805	+ 7,588	- 3,014	- 7,586	+ 12,185	
1979	- 11,031	+ 22,429	+ 25	- 13,930	- 19,555	+ 9,262	+ 12,200	- 2,938	- 3,185	- 2,334	- 7,288	
1980	- 28,480	+ 8,947	- 585	- 14,252	- 22,590	+ 1,761	+ 5,491	- 3,730	+ 1,175	+ 2,164	- 25,730	
1981	- 11,741	+ 27,720	+ 601	- 15,771	- 24,291	+ 6,499	+ 7,856	- 1,357	+ 2,959	+ 3,561	+ 1,278	
1982	+ 9,866	+ 51,277	+ 1,522	- 17,423	- 25,510	- 4,383	- 14,888	+ 10,505	- 2,405	- 411	+ 2,667	
1983	+ 10,594	+ 42,089	+ 3,198	- 9,421	- 25,272	- 15,776	- 6,979	- 8,797	+ 1,108	+ 2,430	- 1,644	
1984	+ 23,887	+ 53,966	- 1,718	+ 1,709	- 30,070	- 37,026	- 19,848	- 17,177	+ 10,039	+ 2,118	- 981	
1985	+ 44,516	+ 73,353	- 1,342	+ 2,269	- 29,764	- 50,730	- 13,615	- 37,114	+ 8,057	- 3,104	- 1,261	
1986	+ 80,554	+ 112,619	- 921	+ 3,525	- 27,619	- 68,966	+ 35,655	- 104,621	- 5,624	- 3,150	+ 2,814	
1983 1st qtr	+ 6,159	+ 11,916	+ 1,909	- 2,382	- 5,285	+ 4,297	- 7,338	+ 11,635	+ 1,939	- 1,629	+ 10,766	
2nd qtr	+ 2,626	+ 10,208	+ 263	- 1,495	- 6,351	- 13,755	- 3,781	- 9,974	- 2,618	+ 2,338	- 11,409	
3rd qtr	- 5,833	+ 8,320	- 892	- 6,799	- 6,461	+ 423	+ 3,430	- 3,007	+ 3,007	+ 858	- 1,545	
4th qtr	+ 7,642	+ 11,645	+ 1,918	+ 1,255	- 7,175	+ 6,741	+ 711	- 7,452	+ 1,220	+ 863	+ 544	
1984 1st qtr	+ 4,909	+ 11,373	- 88	+ 79	- 6,456	- 1,216	+ 5,007	- 6,223	+ 3,119	- 908	+ 5,904	
2nd qtr	+ 2,162	+ 8,602	- 524	+ 1,125	- 7,040	- 3,812	- 10,135	+ 6,323	+ 948	- 304	- 1,007	
3rd qtr	- 938	+ 12,100	- 1,289	- 4,106	- 7,642	- 10,330	- 7,081	- 3,249	+ 4,028	+ 2,149	- 5,092	
4th qtr	+ 17,755	+ 21,891	+ 184	+ 4,611	- 8,931	- 21,668	- 7,639	- 14,028	+ 1,944	+ 1,181	- 787	
1985 1st qtr	+ 6,419	+ 13,624	- 117	+ 247	- 7,336	- 16,597	- 3,909	- 12,687	- 2,466	+ 4,206	- 8,438	
2nd qtr	+ 10,720	+ 18,542	- 2,578	+ 1,943	- 7,187	- 11,017	- 1,324	- 9,693	+ 6,253	- 2,709	+ 3,247	
3rd qtr	+ 6,755	+ 17,555	+ 73	- 3,579	- 7,294	- 1,332	- 2,541	+ 1,208	+ 281	- 2,311	+ 3,393	
4th qtr	+ 20,623	+ 23,633	+ 1,280	+ 3,658	- 7,948	- 21,784	- 5,841	- 15,943	+ 3,988	- 2,290	+ 537	
1986 1st qtr	+ 16,507	+ 22,551	+ 653	+ 69	- 6,766	- 11,235	+ 22,219	- 33,453	- 3,111	- 1,030	+ 1,131	
2nd qtr	+ 18,544	+ 28,142	- 2,193	- 608	- 6,796	- 28,424	- 861	- 27,563	+ 1,821	+ 1,075	- 6,984	
3rd qtr	+ 17,914	+ 29,422	- 664	- 4,176	- 6,668	- 7,546	+ 9,681	- 17,227	- 1,507	- 982	+ 7,879	
4th qtr	+ 27,589	+ 32,504	+ 1,283	+ 1,191	- 7,389	- 21,761	+ 4,617	- 26,378	- 2,827	- 2,212	+ 788	
1987 1st qtr	+ 20,072	+ 27,782	- 277	- 1,086	- 6,347	- 4,363	+ 14,425	- 18,788	- 1,493	- 77	+ 14,139	
2nd qtr	+ 19,282	+ 27,755	+ 251	- 2,108	- 6,617	- 14,134	+ 332	- 14,466	+ 636	- 283	+ 5,502	
3rd qtr	+ 13,644	+ 27,923	- 1,778	- 5,652	- 6,849	- 14,115	- 18,539	+ 4,424	+ 1,035	+ 142	- 1,365	
1986 Jan.	+ 4,033	+ 7,076	- 522	+ 49	- 2,570	+ 2,406	+ 11,037	- 8,631	- 2,338	- 950	+ 3,151	
Feb.	+ 7,263	+ 7,009	+ 1,055	+ 1,026	- 1,827	- 3,354	+ 9,301	- 12,655	- 3,532	- 44	+ 332	
March	+ 5,211	+ 8,466	+ 120	- 1,007	- 2,368	- 10,286	+ 1,881	- 12,167	+ 2,759	- 36	- 2,352	
April	+ 7,914	+ 10,095	- 646	+ 800	- 2,335	- 10,446	+ 2,328	- 12,774	- 1,675	+ 703	- 3,504	
May	+ 6,302	+ 8,133	- 491	+ 675	- 2,015	- 12,566	- 1,988	- 10,578	+ 1,196	+ 619	- 4,448	
June	+ 4,328	+ 9,914	- 1,057	- 2,083	- 2,447	- 5,413	- 1,202	- 4,211	+ 2,300	+ 247	+ 968	
July	+ 6,025	+ 10,930	- 467	- 1,580	- 2,858	- 1,460	+ 4,285	- 5,745	- 2,353	- 458	+ 1,755	
Aug.	+ 4,545	+ 8,128	- 259	- 1,548	- 1,775	- 243	+ 7,636	- 7,879	- 1,922	- 357	+ 2,023	
Sep.	+ 7,344	+ 10,365	+ 62	- 1,047	- 2,035	- 5,844	- 2,240	- 3,604	+ 2,768	- 168	+ 4,101	
Oct.	+ 8,058	+ 10,695	+ 384	- 844	- 2,177	+ 1,979	+ 1,375	+ 604	- 1,828	- 1,128	+ 7,080	
Nov.	+ 9,412	+ 10,235	+ 542	+ 1,325	- 2,691	- 12,777	+ 10,353	- 23,130	- 399	+ 360	- 3,405	
Dec.	+ 10,119	+ 11,574	+ 357	+ 710	- 2,521	- 10,963	- 7,111	- 3,852	- 599	- 1,445	- 2,887	
1987 Jan.	+ 5,393	+ 7,196	- 40	+ 326	- 2,090	+ 12,099	+ 11,715	+ 384	+ 797	- 103	+ 18,186	
Feb.	+ 6,465	+ 10,448	+ 181	- 308	- 3,857	- 7,387	+ 606	- 7,994	+ 1,306	+ 17	+ 400	
March	+ 8,214	+ 10,138	- 419	- 1,105	- 400	- 9,074	+ 2,104	- 11,178	- 3,596	+ 8	- 4,447	
April	+ 6,089	+ 8,889	- 287	- 432	- 2,082	- 3,662	+ 73	- 3,735	+ 984	- 154	+ 3,256	
May	+ 7,768	+ 10,553	+ 37	- 284	- 2,538	- 5,616	+ 2,622	- 8,238	+ 1,520	- 237	+ 3,434	
June	+ 5,425	+ 8,313	+ 502	- 1,393	- 1,997	- 4,856	- 2,364	- 2,492	- 1,868	+ 109	- 1,189	
July	+ 4,699	+ 9,909	- 562	- 2,297	- 2,351	- 7,028	- 6,372	- 656	- 120	+ 197	- 2,252	
Aug.	+ 2,401	+ 6,508	- 336	- 1,752	- 2,020	+ 386	- 4,123	+ 4,510	- 3,471	- 4	- 688	
Sep.	+ 6,544	+ 11,505	- 879	- 1,604	- 2,478	- 7,474	- 8,044	+ 570	+ 2,556	- 50	+ 1,576	
Oct. p	+ 6,929	+ 10,106	- 77	- 300	- 2,800	+ 2	- 14,511	+ 14,513	- 2,773	- 217	+ 3,940	

1 Special trade according to the official foreign trade statistics: imports c.i.f., exports f.o.b. — 2 Mainly warehouse transactions for account of residents and deduction of goods returned and of commission processing. — 3 Excluding expenditure on freight and insurance included in the c.i.f. import value. — 4 The figure for the last month is provisional and excludes trade credits, changes in which are included in the balance of unclassifiable transactions until they

are recorded under short-term capital transactions. — 5 Net errors and omissions on current and capital accounts (= balancing item). — 6 The figure for the last month includes trade credits. — 7 Counterpart of changes in the Bundesbank's external position which are not due to external current and capital transactions: changes in the Deutsche Mark value of the Bundesbank's assets and liabilities denominated in foreign currencies owing to the valuation adjustment

at the end of the year and the allocation of IMF special drawing rights; as from 1982 also the differences between the transaction values and the changes in the external position shown in the Weekly Return at balance sheet rates. — 8 As from 1982 valued at balance sheet rates; see Monthly Report of the Deutsche Bundesbank, Vol. 34, No. 1, January 1982, p. 13. — p Provisional. Discrepancies in the totals are due to rounding.

2. Foreign trade (special trade) by group of countries and country *

Group of countries/Country		1987										1986		
		1984			1985			1986			1987			Percentage of total exports or imports
		September	October	January-October	September	October	January-October	September	October	January-October	Change from previous year in %			
		DM million												
All countries 1	Exports	488,223	537,164	526,363	45,792	48,780	432,837	+ 3.1	+ 1.1	- 1.5	100			
	Imports	434,257	463,811	413,744	34,287	38,674	339,271	+ 0.7	+ 3.0	- 2.7	100			
	Balance	+ 53,966	+ 73,353	+ 112,619	+ 11,505	+ 10,105	+ 93,565							
I. Industrialised western countries	Exports	395,907	441,291	443,505	39,765	42,509	371,976	+ 4.7	+ 3.0	+ 0.3	84.3			
	Imports	337,837	365,570	339,577	28,159	32,024	281,060	+ 1.0	+ 3.3	- 1.6	82.1			
	Balance	+ 58,070	+ 75,722	+ 103,928	+ 11,606	+ 10,485	+ 90,916							
A. EEC member countries 2	Exports	243,639	267,265	267,454	24,671	26,210	229,265	+ 8.8	+ 4.3	+ 2.4	50.8			
	Imports	217,269	235,664	216,020	17,752	20,400	178,360	+ 1.5	+ 4.5	- 2.0	52.2			
	Balance	+ 26,370	+ 31,600	+ 51,433	+ 6,919	+ 5,809	+ 50,905							
of which														
Belgium and Luxembourg	Exports	34,018	36,967	37,172	3,499	3,649	32,242	+ 8.1	+ 1.9	+ 3.2	7.1			
	Imports	28,834	29,112	29,250	2,532	2,884	24,299	+ 1.8	+ 1.5	- 1.3	7.1			
	Balance	+ 5,184	+ 7,855	+ 7,922	+ 967	+ 765	+ 7,943							
Denmark	Exports	10,030	11,810	12,215	1,013	1,091	9,236	- 4.7	- 9.0	- 10.2	2.3			
	Imports	7,111	8,018	7,659	704	705	6,272	- 6.2	- 7.1	- 1.0	1.9			
	Balance	+ 2,919	+ 3,793	+ 4,556	+ 310	+ 385	+ 2,965							
France	Exports	61,336	64,001	62,331	5,707	5,881	52,825	+ 5.6	+ 2.7	+ 0.8	11.8			
	Imports	45,840	49,280	47,083	3,678	4,549	39,265	- 9.7	+ 5.9	- 0.9	11.4			
	Balance	+ 15,497	+ 14,721	+ 15,248	+ 2,029	+ 1,333	+ 13,561							
United Kingdom	Exports	40,579	45,967	44,600	3,928	4,385	37,931	+ 10.6	+ 13.8	+ 1.3	8.5			
	Imports	33,286	37,164	29,758	2,686	2,663	24,252	+ 14.8	+ 2.4	- 3.9	7.2			
	Balance	+ 7,294	+ 8,803	+ 14,842	+ 1,243	+ 1,722	+ 13,679							
Italy	Exports	37,663	41,795	42,879	4,264	4,535	38,016	+ 13.9	+ 7.9	+ 6.6	8.1			
	Imports	34,173	37,155	38,092	3,086	3,788	32,528	+ 2.0	+ 2.1	+ 1.6	9.2			
	Balance	+ 3,490	+ 4,640	+ 4,787	+ 1,177	+ 747	+ 5,488							
Netherlands	Exports	42,125	46,254	45,458	4,043	4,223	38,067	+ 3.7	- 1.0	- 0.2	8.6			
	Imports	53,047	58,277	47,798	3,747	4,130	37,284	+ 3.6	+ 9.7	- 8.7	11.6			
	Balance	- 10,922	- 12,023	- 2,340	+ 297	+ 93	+ 782							
B. Other European countries	Exports	83,214	94,804	98,029	9,011	9,425	82,273	+ 5.1	+ 1.0	+ 0.8	18.6			
	Imports	61,621	67,187	64,221	5,760	6,152	54,021	+ 2.8	+ 1.9	+ 0.5	15.5			
	Balance	+ 21,593	+ 27,617	+ 33,808	+ 3,251	+ 3,273	+ 28,252							
of which														
Norway	Exports	5,484	6,797	7,103	502	536	4,841	- 13.6	- 9.5	- 19.4	1.3			
	Imports	10,546	11,007	6,599	423	484	4,482	- 12.4	- 0.5	- 20.3	1.6			
	Balance	- 5,061	- 4,209	+ 505	+ 79	+ 52	+ 359							
Austria	Exports	24,334	27,395	28,119	2,686	2,673	23,515	+ 4.9	- 4.3	- 0.1	5.3			
	Imports	13,727	15,350	16,383	1,589	1,646	14,413	+ 2.6	+ 0.9	+ 4.9	4.0			
	Balance	+ 10,607	+ 12,044	+ 11,735	+ 1,098	+ 1,027	+ 9,102							
Sweden	Exports	12,976	14,734	14,747	1,434	1,610	12,900	+ 16.2	+ 14.1	+ 6.3	2.8			
	Imports	9,929	10,870	9,984	846	941	8,182	+ 4.8	+ 2.0	- 2.0	2.4			
	Balance	+ 3,046	+ 3,864	+ 4,763	+ 588	+ 669	+ 4,718							
Switzerland	Exports	25,872	28,856	31,033	2,974	3,005	26,728	+ 5.0	+ 0.7	+ 2.7	5.9			
	Imports	15,636	17,164	18,494	1,743	1,828	15,615	+ 6.1	+ 1.3	+ 1.7	4.5			
	Balance	+ 10,236	+ 11,691	+ 12,539	+ 1,231	+ 1,178	+ 11,113							
C. Non-European countries	Exports	69,055	79,223	78,022	6,082	6,874	60,438	- 9.5	+ 0.9	- 7.2	14.8			
	Imports	58,948	62,718	59,335	4,647	5,472	48,679	- 2.8	+ 0.5	- 2.0	14.3			
	Balance	+ 10,107	+ 16,505	+ 18,687	+ 1,435	+ 1,402	+ 11,759							
of which														
Japan	Exports	6,918	7,888	8,707	890	1,004	8,367	+ 10.0	+ 22.7	+ 16.8	1.7			
	Imports	18,306	20,720	24,030	2,051	2,388	20,900	+ 0.6	+ 3.1	+ 3.5	5.8			
	Balance	- 11,388	- 12,831	- 15,324	- 1,161	- 1,385	- 12,533							
Canada	Exports	4,321	5,475	5,285	404	433	3,965	- 15.2	- 1.5	- 10.6	1.0			
	Imports	4,056	3,845	3,372	284	296	2,817	+ 7.2	- 3.2	- 1.6	0.8			
	Balance	+ 264	+ 1,629	+ 1,913	+ 120	+ 137	+ 1,148							
United States	Exports	46,834	55,533	55,206	4,039	4,674	41,230	- 12.7	- 2.5	- 10.3	10.5			
	Imports	31,097	32,341	26,864	1,957	2,414	21,207	- 3.1	+ 2.8	- 4.8	6.5			
	Balance	+ 15,737	+ 23,192	+ 28,343	+ 2,082	+ 2,259	+ 20,023							
II. Centrally planned economies	Exports	23,325	27,883	25,892	1,711	1,932	18,331	- 16.4	- 13.7	- 14.3	4.9			
	Imports	26,432	26,310	21,157	1,734	1,896	15,950	+ 3.7	+ 9.6	- 10.9	5.1			
	Balance	- 3,107	+ 1,574	+ 4,736	- 23	+ 36	+ 2,381							
III. OPEC countries 3	Exports	27,947	25,199	17,913	1,128	1,201	11,335	- 15.1	- 7.1	- 25.5	3.4			
	Imports	27,290	27,100	13,229	917	1,113	9,217	+ 3.3	+ 26.6	- 19.8	3.2			
	Balance	+ 658	- 1,901	+ 4,684	+ 211	+ 88	+ 2,117							
IV. Developing countries 4	Exports	39,528	41,153	37,990	3,075	3,041	30,502	+ 2.7	- 9.3	- 2.4	7.2			
	Imports	42,464	44,550	39,530	3,458	3,620	32,836	- 3.9	- 7.3	- 2.1	9.6			
	Balance	- 2,936	- 3,396	- 1,539	- 382	- 578	- 2,334							

* Compiled from the official foreign trade statistics. Exports (f.o.b.) by country of destination, imports (c.i.f.) by country of origin. A more detailed breakdown of the regional structure of foreign trade is contained in the Statistical Supplements to the

Monthly Reports of the Deutsche Bundesbank, Series 3, Balance of payments statistics, Table 2 (c). — 1 Including fuel and other supplies for ships and aircraft. — 2 Including Portugal and Spain. — 3 OPEC (Organization of Petroleum Exporting Countries):

Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela. — 4 Excluding OPEC countries. Discrepancies in the totals are due to rounding.

IX. Foreign trade and payments

3. External services (Balances)

DM million

Period	Total 1	Travel	Transportation	Insurance	Investment income	Government services		Other services			
						Total	Receipts from foreign military agencies 2	Total	of which		
								Commission fees, publicity and trade fairs	Licences and patents	Personal services 3	
1983	- 9,421	-25,477	+ 9,423	- 120	+ 3,597	+ 14,772	+ 16,763	-11,617	- 6,347	- 1,503	- 2,475
1984	+ 1,709	-25,287	+ 9,685	- 229	+ 9,572	+ 17,722	+ 19,394	- 9,755	- 6,551	- 1,516	- 3,150
1985	+ 2,269	-25,739	+ 10,830	- 368	+ 8,722	+ 20,296	+ 21,561	-11,471	- 7,528	- 1,754	- 2,848
1986	- 3,525	-27,882	+ 9,312	+ 116	+ 6,708	+ 19,584	+ 20,365	-11,363	- 6,988	- 2,176	- 2,432
1985 2nd qtr	+ 1,943	- 6,145	+ 2,573	- 182	+ 2,836	+ 4,869	+ 5,245	- 2,008	- 1,791	- 338	- 717
3rd qtr	- 3,579	-10,375	+ 2,765	- 187	+ 2,304	+ 5,156	+ 5,495	- 3,241	- 1,829	- 421	- 780
4th qtr	+ 3,658	- 4,219	+ 2,745	+ 18	+ 2,853	+ 5,171	+ 5,566	- 2,910	- 1,980	- 432	- 646
1986 1st qtr	+ 69	- 5,119	+ 2,395	+ 139	+ 580	+ 5,086	+ 5,089	- 3,012	- 1,930	- 544	- 387
2nd qtr	- 608	- 6,456	+ 2,261	+ 89	+ 1,409	+ 5,047	+ 5,154	- 2,959	- 1,748	- 522	- 785
3rd qtr	- 4,176	-11,302	+ 2,235	+ 335	+ 2,391	+ 4,666	+ 4,931	- 2,501	- 1,540	- 499	- 581
4th qtr	+ 1,191	- 5,005	+ 2,421	- 447	+ 2,328	+ 4,785	+ 5,191	- 2,891	- 1,770	- 611	- 679
1987 1st qtr	- 1,086	- 5,430	+ 2,162	- 210	+ 1,224	+ 4,529	+ 4,631	- 3,362	- 1,757	- 573	- 581
2nd qtr	- 2,108	- 7,608	+ 1,957	+ 408	+ 1,411	+ 4,810	+ 4,942	- 3,085	- 1,585	- 672	- 871
3rd qtr	- 5,652	-11,608	+ 2,202	+ 57	+ 2,827	+ 4,865	+ 5,093	- 3,994	- 1,819	- 665	- 881
1987 Jan.	+ 326	- 1,884	+ 847	- 10	+ 843	+ 1,532	+ 1,565	- 1,002	- 634	- 235	- 17
Feb.	- 308	- 1,613	+ 652	- 10	+ 180	+ 1,450	+ 1,427	- 965	- 493	- 100	- 287
March	- 1,105	- 1,933	+ 664	- 190	+ 201	+ 1,547	+ 1,639	- 1,394	- 630	- 238	- 277
April	- 432	- 2,298	+ 671	- 60	+ 678	+ 1,516	+ 1,606	- 939	- 572	- 253	- 230
May	- 284	- 2,152	+ 610	- 60	+ 942	+ 1,505	+ 1,526	- 1,128	- 543	- 90	- 318
June	- 1,393	- 3,158	+ 676	+ 528	- 209	+ 1,789	+ 1,809	- 1,018	- 470	- 329	- 324
July	- 2,297	- 4,075	+ 782	+ 40	+ 742	+ 1,810	+ 1,829	- 1,595	- 683	- 377	- 299
Aug.	- 1,752	- 4,198	+ 748	+ 40	+ 1,446	+ 1,397	+ 1,578	- 1,185	- 577	- 182	- 295
Sep.	- 1,604	- 3,335	+ 672	- 23	+ 639	+ 1,658	+ 1,687	- 1,214	- 558	- 106	- 287
Oct. p	- 300	- 2,600	+ 760	+ 50	+ 1,164	+ 1,690	+ 1,756	- 1,364	-	-	-

1 Excluding expenditure on freight and insurance included in the c.i.f. import value, but including receipts of German maritime shipping and of German insurance enterprises from services connected with

transactions in goods. — 2 Receipts in respect of goods and services supplied. — 3 Excluding remuneration of foreign workers, who from the economic point of view are considered residents;

wage remittances by foreign workers to their home countries are therefore shown under transfer payments. — p Provisional. Discrepancies in the totals are due to rounding.

4. External transfer payments (Balances)

DM million

Period	Total	Private 1				Official 1					
		Total	Remittances by foreign workers 2	Maintenance payments and pensions	Other payments	Total	Indemnification	International organisations		Maintenance payments and pensions 3	Other payments
								Total	of which European Communities		
1983	-25,272	-11,109	- 7,700	- 1,945	- 1,464	-14,162	- 1,717	- 7,695	- 6,092	- 3,926	- 824
1984	-30,070	-11,453	- 8,350	- 2,343	- 760	-18,616	- 1,629	- 9,084	- 7,456	- 6,155	- 1,748
1985	-29,764	-11,201	- 7,550	- 2,440	- 1,211	-18,563	- 1,591	- 9,951	- 8,222	- 5,082	- 1,937
1986	-27,619	-10,849	- 7,000	- 2,188	- 1,661	-16,770	- 1,546	- 9,752	- 7,929	- 4,502	- 968
1985 2nd qtr	- 7,187	- 2,597	- 1,700	- 652	- 245	- 4,590	- 415	- 2,732	- 2,141	- 1,216	- 227
3rd qtr	- 7,294	- 3,177	- 2,350	- 607	- 220	- 4,117	- 399	- 1,891	- 1,664	- 1,202	- 625
4th qtr	- 7,948	- 2,873	- 1,850	- 565	- 458	- 5,075	- 383	- 2,978	- 2,735	- 1,168	- 546
1986 1st qtr	- 6,766	- 2,534	- 1,600	- 621	- 313	- 4,232	- 381	- 2,478	- 1,744	- 1,106	- 266
2nd qtr	- 6,796	- 2,642	- 1,700	- 483	- 459	- 4,154	- 378	- 2,670	- 2,184	- 1,145	+ 38
3rd qtr	- 6,668	- 3,122	- 2,000	- 647	- 475	- 3,546	- 408	- 1,729	- 1,479	- 1,112	- 297
4th qtr	- 7,389	- 2,550	- 1,700	- 437	- 413	- 4,838	- 379	- 2,876	- 2,521	- 1,140	- 443
1987 1st qtr	- 6,347	- 2,344	- 1,600	- 544	- 200	- 4,003	- 374	- 1,951	- 1,260	- 1,148	- 531
2nd qtr	- 6,617	- 2,516	- 1,700	- 462	- 355	- 4,100	- 370	- 2,734	- 2,350	- 1,125	+ 128
3rd qtr	- 6,849	- 2,517	- 1,600	- 580	- 337	- 4,332	- 407	- 2,389	- 2,009	- 1,215	- 320
1987 Jan.	- 2,090	- 785	- 550	- 169	- 66	- 1,305	- 126	- 592	- 183	- 423	- 163
Feb.	- 3,857	- 767	- 500	- 188	- 79	- 3,090	- 123	- 2,372	- 2,208	- 345	- 249
March	- 400	- 792	- 550	- 187	- 55	+ 392	- 125	+ 1,014	+ 1,131	- 380	- 118
April	- 2,082	- 818	- 550	- 146	- 122	- 1,264	- 118	- 651	- 573	- 379	- 117
May	- 2,538	- 836	- 550	- 167	- 119	- 1,701	- 130	- 1,168	- 1,089	- 393	- 11
June	- 1,997	- 862	- 600	- 149	- 113	- 1,135	- 121	- 916	- 688	- 354	+ 256
July	- 2,351	- 919	- 550	- 246	- 123	- 1,432	- 129	- 905	- 675	- 453	+ 54
Aug.	- 2,020	- 833	- 550	- 149	- 134	- 1,187	- 143	- 497	- 406	- 358	- 189
Sep.	- 2,478	- 765	- 500	- 184	- 81	- 1,713	- 136	- 987	- 928	- 405	- 185
Oct. p	- 2,800	- 750	- 450	- 190	- 110	- 2,050	- 125	- 1,356	- 1,302	- 400	- 169

1 Transfer payments are classified as "Private" or "Official" according to the sector to which the German party concerned belongs. — 2 Estimated;

after allowing for cash exported by foreigners travelling home. — 3 Including payments by social

security funds. — p Provisional. Discrepancies in the totals are due to rounding.

5. External capital transactions *

DM million											
Item	1984	1985	1986	1986		1987					
				3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	Aug.	Sep.	Oct. p
I. Long-term capital transactions											
1. Total net German investment abroad											
(increase/capital exports: —)	—45,090	—61,750	— 53,280	— 9,700	—15,306	—15,286	—15,621	—17,570	— 4,153	— 5,347	— 5,575
Direct investment	—12,526	—14,173	— 19,547	— 4,033	—10,025	— 4,824	— 4,236	— 2,753	— 462	— 1,884	— 671
in shares	— 5,637	— 3,291	— 9,940	— 2,576	— 6,578	— 2,263	— 1,427	+ 1,024	+ 1,219	+ 25	— 85
in other capital interests	— 3,029	— 4,632	— 4,153	— 199	— 2,302	— 760	— 1,002	— 2,822	— 1,606	— 1,059	— 411
other investment	— 3,859	— 6,250	— 5,454	— 1,258	— 1,145	— 1,801	— 1,807	— 955	— 76	— 850	— 175
Securities investment	—15,741	—31,524	—20,584	— 2,561	— 2,634	— 5,933	— 7,746	— 9,475	— 2,019	— 2,245	— 1,489
in shares 1	— 29	— 4,062	— 5,078	+ 836	— 1,566	+ 1,170	+ 388	— 787	— 382	— 391	— 1,142
in bonds	—15,712	—27,462	— 15,506	— 3,398	— 1,068	— 7,103	— 8,134	— 8,688	— 1,637	— 1,854	— 347
of which											
DM bonds of foreign issuers 2	— 1,716	— 7,241	— 6,702	— 1,985	+ 16	— 2,192	— 905	— 1,121	+ 146	— 725	— 713
Long-term credit transactions	—14,260	—13,092	— 10,165	— 2,378	— 1,755	— 3,857	— 2,683	— 4,739	— 1,494	— 1,092	— 3,119
of which											
Public sector lending to developing countries 3	— 4,005	— 3,722	— 3,659	— 693	— 1,241	— 350	— 937	— 274	— 169	+ 205	— 184
Other capital movements 4	— 2,563	— 2,961	— 2,984	— 728	— 892	— 672	— 956	— 602	— 177	— 125	— 297
2. Total net foreign investment in the Federal Republic of Germany (increase/capital imports: +)											
Direct investment	+ 25,242	+ 48,135	+ 88,935	+ 19,380	+ 19,923	+ 29,711	+ 15,953	— 969	+ 29	— 2,697	— 8,936
in shares	+ 2,105	+ 2,145	+ 2,968	+ 403	+ 861	— 567	+ 110	+ 593	+ 182	+ 383	— 53
in other capital interests 5	+ 364	+ 352	+ 699	+ 100	+ 309	— 612	— 206	+ 25	+ 26	—	+ 47
other investment	+ 2,055	+ 1,159	+ 1,006	+ 315	+ 215	— 41	+ 207	— 220	— 5	— 193	— 43
Securities investment	— 313	+ 434	+ 1,263	— 13	+ 337	+ 86	+ 109	+ 788	+ 161	+ 576	— 57
in shares 1	+ 17,446	+ 38,321	+ 73,937	+ 15,305	+ 18,283	+ 24,699	+ 14,335	+ 825	+ 732	— 2,235	— 8,075
in bonds	+ 3,628	+ 6,861	+ 15,024	+ 2,945	+ 2,943	+ 1,688	+ 2,253	+ 1,322	+ 466	— 208	— 3,652
of which											
Government and municipal bonds 6	+ 13,818	+ 31,460	+ 58,913	+ 12,360	+ 15,339	+ 23,010	+ 12,082	— 497	+ 267	— 2,027	— 4,422
Long-term credit transactions	+ 7,200	+ 23,869	+ 48,490	+ 10,196	+ 14,752	+ 18,742	+ 9,612	+ 2,787	+ 1,442	— 1,538	— 3,501
of which	+ 5,711	+ 7,781	+ 12,144	+ 3,721	+ 816	+ 5,620	+ 1,543	— 2,348	— 870	— 832	— 802
Loans against borrowers' notes	+ 1,865	— 1,811	— 1,276	— 75	— 1,085	— 1,145	— 2,235	— 3,741	— 874	— 1,369	— 1,087
Other capital movements	— 21	— 112	— 114	— 49	— 36	— 41	— 35	— 38	— 16	— 14	— 6
Overall balance of long-term capital transactions	—19,848	—13,615	+ 35,655	+ 9,681	+ 4,617	+ 14,425	+ 332	—18,539	— 4,123	— 8,044	—14,511
II. Short-term capital transactions											
1. Banks 7											
Assets	—17,756	—33,419	— 65,789	—23,245	—26,232	— 7,119	—17,573	+ 5,760	+ 1,964	+ 299	+ 6,062
Liabilities	+ 17,809	+ 5,722	+ 7,003	+ 11,233	+ 747	— 4,082	+ 5,731	+ 3,572	+ 1,488	+ 3,872	+ 10,486
Balance	+ 53	—27,697	— 58,786	—12,012	—25,485	—11,201	—11,842	+ 9,332	+ 3,452	+ 4,171	+ 16,548
2. Enterprises and individuals											
"Financial ties" 7											
Assets	— 8,366	— 7,312	— 26,058	— 2,076	+ 2,218	— 7,436	+ 194	— 3,354	+ 1,146	+ 459	— 3,511
Liabilities	+ 2,579	+ 1,456	— 13,563	— 4,000	— 5,652	— 156	— 2,132	+ 929	+ 760	— 124	+ 1,002
Balance	— 5,787	— 8,868	— 39,621	— 6,077	— 3,434	— 7,592	— 1,939	— 2,425	+ 1,906	+ 335	— 2,509
Trade credits 7, 8											
Assets	—12,662	— 4,116	— 522	+ 3,442	+ 1,686	+ 1,569	— 152	— 2,335	+ 1,421	— 6,307	.
Liabilities	+ 2,998	+ 423	— 4,631	— 1,934	+ 596	+ 305	+ 261	— 454	— 2,164	+ 2,094	.
Balance	— 9,664	— 3,693	— 5,153	+ 1,508	+ 2,282	+ 1,874	+ 109	— 2,789	— 743	— 4,213	.
Balance	—15,451	— 9,549	— 44,774	— 4,569	— 1,152	— 5,718	— 1,830	— 5,214	+ 1,163	— 3,878	.
3. Official											
Assets	— 1,780	+ 131	— 1,061	— 646	+ 258	— 1,869	— 794	+ 307	— 105	+ 277	+ 474
Liabilities											
Balance	— 1,780	+ 131	— 1,061	— 646	+ 258	— 1,869	— 794	+ 307	— 105	+ 277	+ 474
Overall balance of short-term capital transactions	—17,177	—37,114	—104,621	—17,227	—26,378	—18,788	—14,466	+ 4,424	+ 4,510	+ 570	.
III. Balance of all statistically recorded capital movements (net capital exports: —)											
	—37,026	—50,730	— 68,966	— 7,546	—21,761	— 4,363	—14,134	—14,115	+ 386	— 7,474	.

* Increase in assets and decrease in liabilities: —; decrease in assets and increase in liabilities: +. — 1 Including investment fund units. — 2 At the time of issue, excluding shares of foreign syndicate members. — 3 As defined by the DAC. — 4 Mainly private real estate and Federal Government participations in international organisations. — 5 Mainly

shares in private limited companies. — 6 Including bonds of the Federal Railways and Federal Post Office. — 7 The transaction values shown here are mainly derived from changes in totals. As far as possible, purely statistical changes have been eliminated. The transaction values of the balance of payments in short-term capital transactions may

therefore deviate from the changes in totals in Tables IX, 7 and 8. — 8 Terms of payment and down payments for goods and services, including the long-term assets and liabilities which cannot be shown separately; the latest month's figures are not yet available. — p Provisional. Discrepancies in the totals are due to rounding.

IX. Foreign trade and payments

6. External position of the Bundesbank*

(a) Levels according to the Weekly Return

DM million

End of year or month	Monetary reserves (gross)					External liabilities			Net monetary reserves (column 1 less column 6)	External loans and other external assets		Net external position (total of columns 9 to 11)
	Total (columns 2 to 5)	Gold	Foreign currency balances 1	Reserve position in the International Monetary Fund and special drawing rights 2	Claims on the EMCF 3 in connection with the European Monetary System (net) 2	Total	Liabilities arising from foreign business 4	Liabilities to the EMCF 3 in connection with the European Monetary System		Loans to the World Bank	Other assets	
1981	76,716	13,688	37,272	9,186	16,571	11,419	11,419	—	65,297	2,486	1,102	68,885
1982	84,483	13,688	38,981	12,219	19,596	15,387	15,387	—	69,096	2,456	—	71,552
1983	81,554	13,688	37,819	14,603	15,444	14,101	14,101	—	67,452	2,456	—	69,908
1984	81,623	13,688	37,500	16,094	14,341	15,152	15,152	—	66,471	2,456	—	68,927
1985	83,555	13,688	39,502	13,180	17,186	18,338	18,338	—	65,217	2,449	—	67,666
1986	91,592	13,688	50,195	11,389	16,321	23,556	23,556	—	68,036	2,444	—	70,480
1986 Nov.	93,764	13,688	51,725	12,968	15,383	22,841	22,841	—	70,923	2,444	—	73,367
1986 Dec.	91,592	13,688	50,195	11,389	16,321	23,556	23,556	—	68,036	2,444	—	70,480
1987 Jan.	108,833	13,688	51,466	11,188	32,491	22,611	22,611	—	86,222	2,444	—	88,666
1987 Feb.	109,487	13,688	53,100	11,162	31,537	22,865	22,865	—	86,622	2,444	—	89,066
1987 March	104,947	13,688	56,024	11,845	23,391	22,773	22,773	—	82,174	2,444	—	84,619
1987 April	107,574	13,688	58,001	11,006	24,879	22,143	22,143	—	85,431	2,444	—	87,875
1987 May	110,738	13,688	64,198	11,156	21,696	21,873	21,873	—	88,865	2,444	—	91,309
1987 June	109,079	13,688	62,580	11,090	21,722	21,403	21,403	—	87,676	2,444	—	90,120
1987 July	106,814	13,688	58,713	11,009	23,403	21,389	21,389	—	85,424	2,444	—	87,868
1987 Aug.	107,450	13,688	59,728	10,581	23,454	22,714	22,714	—	84,736	2,444	—	87,180
1987 Sep.	111,120	13,688	59,723	10,550	27,160	24,805	24,805	—	86,315	2,441	—	88,756
1987 Oct.	113,030	13,688	65,734	10,316	23,292	22,775	22,775	—	90,255	2,441	—	92,696
1987 Nov.	126,224	13,688	71,940	10,191	30,405	21,274	21,274	—	104,949	2,441	—	107,390

(b) Supplementary figures on "Reserve position in the International Monetary Fund and special drawing rights" and "Claims on the EMCF in connection with the European Monetary System"

DM million

End of year or month	Reserve position in the IMF and special drawing rights							Claims on the EMCF in connection with the European Monetary System			
	Total	Reserve position in the IMF			Special drawing rights			Total	ECU balances 6	Difference between ECU value and book value of the reserves contributed	Other assets 7
		Drawing rights within the reserve tranche 5	Bundesbank loans under the General Arrangements to Borrow (Including the "Witteveen Facility")	for financing the oil facilities	Total	Allocated	Accepted				
1	2	3	4	5	6	7	8	9	10	11	
1981	9,186	3,120	2,437	—	3,628	3,178	451	16,571	37,189	— 23,369	2,751
1982	12,219	4,178	3,159	—	4,881	3,174	1,707	19,596	38,497	— 21,022	2,121
1983	14,603	7,705	2,504	—	4,394	3,453	941	15,444	42,376	— 26,931	—
1984	16,094	9,174	2,632	—	4,288	3,736	552	14,341	42,008	— 27,666	—
1985	13,180	7,418	1,955	—	3,807	3,273	533	17,186	39,822	— 22,637	—
1986	11,389	6,462	1,007	—	3,920	2,874	1,046	16,321	31,661	— 16,297	957
1986 Nov.	12,968	7,310	1,147	—	4,512	3,273	1,238	15,383	33,302	— 17,919	—
1986 Dec.	11,389	6,462	1,007	—	3,920	2,874	1,046	16,321	31,661	— 16,297	957
1987 Jan.	11,188	6,425	992	—	3,771	2,874	897	32,491	32,110	— 15,929	16,311
1987 Feb.	11,162	6,393	928	—	3,841	2,874	967	31,537	32,113	— 15,929	15,354
1987 March	11,845	6,607	928	—	4,309	2,874	1,435	23,391	35,708	— 15,929	3,612
1987 April	11,006	6,620	803	—	3,583	2,874	709	24,879	36,523	— 15,257	3,612
1987 May	11,156	6,630	655	—	3,871	2,874	997	21,696	36,952	— 15,257	—
1987 June	11,090	6,717	655	—	3,717	2,874	843	21,722	36,978	— 15,257	—
1987 July	11,009	6,708	581	—	3,720	2,874	846	23,403	39,253	— 15,850	—
1987 Aug.	10,581	6,664	551	—	3,366	2,874	491	23,454	39,304	— 15,850	—
1987 Sep.	10,550	6,652	551	—	3,347	2,874	472	27,160	43,010	— 15,850	—
1987 Oct.	10,316	6,472	537	—	3,307	2,874	432	23,292	40,200	— 16,907	—
1987 Nov.	10,191	6,390	411	—	3,390	2,874	516	30,405	40,254	— 16,907	7,059

* Valuation of the gold holdings and the external assets according to the provisions of the Commercial Code (until end-1986: Companies Act) and the Bundesbank Act (assets according to the lower-value method, i.e. purchase value or lowest value on a balance sheet date). In the course of the year, valuation at the balance sheet rate of the preceding year. — 1 Mainly

US dollar assets. — 2 For breakdown see Table (b). — 3 European Monetary Cooperation Fund. — 4 Including mobilisation and liquidity paper sold to foreigners by the Bundesbank (see sections 42 and 42a of the Bundesbank Act). — 5 Comprising subscription payments in cash and Deutsche Mark callings by the IMF to finance its sales of Deutsche Mark (net) to other

countries. — 6 Resulting from the provisional contribution of gold and dollar reserves and from transfers from other central banks. — 7 Assets resulting from the very short-term financing and short-term monetary support. Discrepancies in the totals are due to rounding.

7. External assets and liabilities of domestic banks *

(excluding the Bundesbank)

DM million																		
End of reporting period	External assets										External liabilities							
	Total	Short-term					Long-term					Total	Short-term 5			Long-term 6, 7		
		foreign banks 1, 2	Claims on foreign non-banks 1, 3		Foreign notes and coins	Total	foreign banks 1	Claims on foreign non-banks 1		Foreign securities and participations 4	Total		Liabilities to foreign banks 1, 5	foreign non-banks 1	Total	Liabilities to foreign banks 1, 6	foreign non-banks 1	
			foreign non-banks 1, 3	foreign non-banks 1				foreign non-banks 1	foreign non-banks 1									
1982	198,556	70,068	62,197	7,552	319	128,488	40,074	72,753	15,661	154,580	84,822	58,327	26,495	69,758	61,866	7,892		
1983	208,936	67,245	59,028	7,813	404	141,691	47,244	78,835	15,612	156,234	85,917	57,493	28,424	70,317	60,715	9,602		
1984	243,021	89,118	79,624	9,025	469	153,903	54,699	82,827	16,377	181,159	107,664	71,183	36,481	73,495	60,881	12,614		
1985	283,337	115,561	103,747	11,351	463	167,776	61,232	86,135	20,409	182,627	104,662	72,872	31,790	77,965	62,524	15,441		
1986	353,286	173,470	160,515	12,465	490	179,816	66,015	86,884	26,917	192,958	103,622	75,693	27,929	89,336	66,729	22,607		
1986 Oct.	326,617	146,630	134,996	11,178	456	179,987	66,081	86,963	26,943	193,923	106,590	78,068	28,522	87,333	66,944	20,389		
Nov.	341,054	162,340	149,953	11,925	462	178,714	65,735	86,957	26,022	189,860	101,094	74,833	26,261	88,766	66,626	22,140		
Dec.	353,286	173,470	160,515	12,465	490	179,816	66,015	86,884	26,917	192,958	103,622	75,693	27,929	89,336	66,729	22,607		
1987 Jan.	344,619	165,837	153,055	12,331	451	178,782	65,928	86,606	26,248	191,451	100,578	73,529	27,049	90,873	67,038	23,835		
Feb.	351,248	170,033	157,804	11,755	474	181,215	66,856	87,276	27,083	188,455	96,157	69,685	26,472	92,298	67,420	24,878		
March	361,631	178,169	164,789	12,810	570	183,462	67,470	88,057	27,935	190,810	97,077	70,337	26,740	93,733	67,550	26,183		
April	363,305	179,313	165,690	13,104	619	183,992	68,716	87,775	27,501	194,923	100,207	73,284	26,923	94,716	67,768	26,948		
May	373,214	187,771	174,021	13,068	682	185,443	69,548	87,972	27,923	194,769	99,202	71,149	28,053	95,567	68,311	27,256		
June	382,318	196,335	182,390	13,236	709	185,983	69,399	87,675	28,909	199,271	102,804	75,125	27,679	96,467	68,751	27,716		
July	382,166	193,445	180,086	12,697	662	188,721	70,609	88,845	29,267	198,762	101,528	75,044	26,484	97,234	68,592	28,642		
Aug.	380,293	190,446	176,633	13,272	541	189,847	71,763	88,935	29,149	199,186	102,404	75,363	27,041	96,782	68,136	28,646		
Sep.	381,738	190,602	175,805	14,286	511	191,136	73,140	89,024	28,972	204,650	106,652	78,443	28,209	97,998	68,040	29,958		
Oct. p	375,003	181,988	166,803	14,703	482	193,015	75,378	88,800	28,837	212,154	115,103	86,911	28,192	97,051	67,597	29,454		

* Excluding the external assets and liabilities of the foreign branches of domestic banks. Statistical increases and decreases have not been eliminated; the assets also include banks' long-term external assets changes in which are ascribed to official capital transactions in the balance of payments. To this extent the changes in totals are not comparable with the figures shown in Table IX, 5. Assets and liabilities in foreign currencies are normally valued at

middle rates. — 1 Including the respective international organisations. — 2 For Deutsche Mark claims payable on demand the level at the end of the previous year is used for accounting reasons; including foreign bills acquired as a money market investment. — 3 Including foreign Treasury bills and Treasury discount paper; between November 1972 and August 1983 only a few small holdings were reported. — 4 As from June 1982 including the

working capital of the foreign branches of domestic banks (DM 1.6 billion). — 5 Including repurchase commitments (which do not have to be shown in the balance sheet); for lack of detailed records they are assigned to the foreign banking sector. — 6 Including the working capital of the branches of foreign banks. — 7 Excluding foreign-held bank bonds outstanding. — p Provisional.

8. External assets and liabilities of domestic enterprises *

(excluding banks)

DM million																				
End of reporting period	External assets							External liabilities												
	Total	from short-term financial operations				from long-term financial operations			Total	from short-term financial operations				from long-term financial operations						
		foreign banks	Claims on foreign non-banks 1		Total	foreign banks	Claims on foreign non-banks			from trade credits	Total	Liabilities to foreign banks 2		Liabilities to foreign non-banks 1		Total	Liabilities to foreign banks		foreign non-banks	from trade credits
			foreign non-banks 1	foreign non-banks 1			foreign non-banks	foreign non-banks 1				foreign non-banks 1	foreign non-banks 1	foreign non-banks 1						
1982	138,216	17,489	5,399	12,090	12,665	869	11,796	108,062	174,084	62,461	51,234	11,227	36,400	19,190	17,210	75,223				
1983	145,942	17,994	5,054	12,940	13,726	1,166	12,560	114,222	177,943	62,600	49,934	12,666	38,811	20,285	18,526	76,532				
1984	163,767	26,190	7,789	18,401	15,650	1,718	13,932	121,927	183,751	65,184	51,000	14,184	38,484	20,316	18,168	80,083				
1985	174,981	33,287	12,224	21,063	18,289	1,504	16,785	123,405	185,725	66,988	46,694	20,294	38,391	18,416	19,975	80,346				
1986	197,163	59,178	37,337	21,841	18,348	1,834	16,514	119,637	168,776	54,179	35,917	18,262	39,982	16,414	23,568	74,615				
1986 Oct.	207,567	66,701	42,956	23,745	18,910	1,895	17,015	121,956	177,863	61,889	42,610	19,279	41,200	17,659	23,541	74,774				
Nov.	208,379	65,821	42,113	23,708	19,111	1,899	17,212	123,447	176,249	60,342	41,492	18,850	40,813	17,044	23,769	75,094				
Dec.	197,163	59,178	37,337	21,841	18,348	1,834	16,514	119,637	168,776	54,179	35,917	18,262	39,982	16,414	23,568	74,615				
1987 Jan.	199,790	65,175	42,599	22,576	18,893	1,809	17,084	115,722	169,988	54,935	37,718	17,217	41,434	16,553	24,881	73,619				
Feb.	201,896	65,894	41,407	24,487	19,059	1,766	17,293	116,943	171,290	55,685	38,608	17,077	41,945	16,555	25,390	73,660				
March	204,376	66,140	41,857	24,283	19,463	1,767	17,696	118,773	171,540	54,108	36,001	18,107	42,962	16,471	26,491	74,470				
April	208,429	69,442	44,875	24,567	19,396	1,633	17,763	119,591	169,828	52,805	34,753	18,052	43,064	16,430	26,634	73,959				
May	208,386	67,986	43,379	24,607	19,674	1,645	18,029	120,726	169,952	52,294	34,045	18,249	43,115	16,343	26,772	74,543				
June	206,100	66,346	42,744	23,602	19,602	1,541	18,061	120,152	171,095	52,391	33,889	18,502	43,973	16,350	27,623	74,731				
July	207,647	70,986	48,120	22,866	19,622	1,491	18,131	117,039	171,412	52,771	33,546	19,225	44,294	16,384	27,910	74,347				
Aug.	204,780	69,928	47,472	22,456	19,879	1,499	18,380	114,973	169,907	53,459	33,723	19,736	44,265	16,098	28,167	72,183				
Sep.	208,430	69,094	45,744	23,350	19,868	1,553	18,315	119,468	172,249	53,639	34,159	19,480	44,333	15,936	28,397	74,277				
Oct. p	.	72,787	50,426	22,361	20,262	1,771	18,491	.	.	54,646	35,632	19,014	44,055	15,431	28,624	.				

* Statistical increases and decreases have not been eliminated; for this reason the changes in totals are

not comparable with the figures shown in Table IX, 5. — 1 Including balances on clearing accounts. —

2 Including endorsement liabilities in respect of bills discounted abroad. — p Provisional.

IX. Foreign trade and payments

9. Average official foreign exchange quotations on the Frankfurt Exchange *

Spot middle rates in Deutsche Mark

Period	Telegraphic transfer								
	Amsterdam	Brussels	Dublin	Helsinki	Copenhagen	Lisbon	London	Madrid	Milan/Rome
	100 guilders	100 francs	1 Irish pound	100 Markkaa	100 kroner	100 escudos	1 pound sterling	100 pesetas	1,000 lire 1
Annual average									
1982	90.904	5.323	3.446	50.598	29.138	3.072	4.242	2.215	1.796
1983	89.503	4.998	3.178	45.880	27.926	2.325	3.871	1.783	1.683
1984	88.700	4.926	3.083	47.384	27.479	1.942	3.791	1.769	1.620
1985	88.664	4.957	3.113	47.441	27.766	1.717	3.785	1.728	1.5394
1986	88.639	4.859	2.906	42.775	26.815	1.451	3.184	1.549	1.4557
Monthly average									
1986 April	88.710	4.906	3.039	44.421	27.110	1.516	3.402	1.578	1.4604
May	88.804	4.899	3.044	43.733	27.030	1.498	3.388	1.573	1.4579
June	88.820	4.895	3.031	43.120	26.989	1.483	3.369	1.564	1.4573
July	88.748	4.858	2.994	42.494	26.737	1.452	3.251	1.566	1.4565
Aug.	88.705	4.829	2.779	41.810	26.576	1.413	3.067	1.538	1.4521
Sep.	88.579	4.827	2.747	41.555	26.438	1.391	3.004	1.523	1.4485
Oct.	88.484	4.817	2.725	40.976	26.540	1.365	2.862	1.504	1.4453
Nov.	88.510	4.813	2.725	40.920	26.508	1.357	2.886	1.489	1.4452
Dec.	88.476	4.806	2.720	40.650	26.452	1.340	2.859	1.480	1.4415
1987 Jan.	88.636	4.815	2.674	40.096	26.366	1.304	2.798	1.434	1.4113
Feb.	88.587	4.830	2.662	40.109	26.487	1.291	2.788	1.418	1.4058
March	88.544	4.829	2.672	40.743	26.571	1.300	2.920	1.425	1.4060
April	88.635	4.827	2.673	41.026	26.530	1.293	2.953	1.426	1.4019
May	88.724	4.822	2.675	41.077	26.584	1.286	2.983	1.428	1.3846
June	88.775	4.824	2.679	41.145	26.549	1.282	2.963	1.440	1.3816
July	88.812	4.823	2.679	41.232	26.360	1.280	2.973	1.456	1.3817
Aug.	88.765	4.815	2.675	41.290	26.079	1.277	2.966	1.478	1.3808
Sep.	88.841	4.815	2.674	41.310	25.958	1.269	2.981	1.494	1.3835
Oct.	88.869	4.804	2.678	41.410	26.030	1.263	2.993	1.519	1.3829
Nov.	88.859	4.779	2.658	40.696	25.912	1.230	2.985	1.486	1.3569
Difference between buying and selling rates and middle rate, in Deutsche Mark									
	0.110	0.010	0.007	0.100	0.060	0.010	0.007	0.005	0.0050

Period	Telegraphic transfer							
	Montreal	New York	Oslo	Paris	Stockholm	Tokyo	Vienna	Zurich
	1 Canadian dollar	1 US dollar	100 kroner	100 francs	100 kronor	100 yen	100 Schillings	100 francs
Annual average								
1982	1.9694	2.4287	37.713	36.995	38.894	0.9766	14.227	119.721
1983	2.0738	2.5552	34.991	33.559	33.294	1.0764	14.215	121.614
1984	2.1979	2.8456	34.893	32.570	34.386	1.1974	14.222	121.181
1985	2.1577	2.9424	34.210	32.764	34.160	1.2338	14.230	120.016
1986	1.5619	2.1708	29.379	31.311	30.449	1.2915	14.223	120.918
Monthly average								
1986 April	1.6395	2.2745	31.818	31.555	31.417	1.2992	14.244	119.523
May	1.6212	2.2282	30.043	31.391	31.188	1.3360	14.225	120.280
June	1.6106	2.2365	29.373	31.376	31.029	1.3333	14.229	121.408
July	1.5600	2.1532	28.825	31.069	30.488	1.3575	14.219	123.366
Aug.	1.4865	2.0636	28.059	30.683	29.774	1.3392	14.214	124.151
Sep.	1.4714	2.0401	27.817	30.538	29.526	1.3190	14.217	123.485
Oct.	1.4442	2.0047	27.257	30.548	29.128	1.2826	14.213	122.111
Nov.	1.4621	2.0264	26.903	30.582	29.099	1.2443	14.207	120.153
Dec.	1.4437	1.9916	26.468	30.455	28.828	1.2272	14.209	119.464
1987 Jan.	1.3643	1.8581	25.910	29.998	28.108	1.2016	14.209	119.175
Feb.	1.3693	1.8265	26.055	30.022	28.081	1.1900	14.216	118.445
March	1.3894	1.8339	26.480	30.048	28.597	1.2113	14.226	119.323
April	1.3736	1.8110	26.750	30.028	28.692	1.2677	14.227	121.158
May	1.3325	1.7863	26.859	29.922	28.582	1.2726	14.222	121.706
June	1.3587	1.8184	27.106	29.944	28.680	1.2576	14.228	120.635
July	1.3938	1.8470	27.344	30.033	28.698	1.2293	14.224	120.290
Aug.	1.4023	1.8581	27.348	29.959	28.640	1.2589	14.223	120.759
Sep.	1.3777	1.8129	27.279	29.949	28.425	1.2658	14.209	120.704
Oct.	1.3777	1.8021	27.193	29.929	28.369	1.2572	14.208	120.514
Nov.	1.2781	1.6812	26.204	29.443	27.701	1.2426	14.209	121.674
Difference between buying and selling rates and middle rate, in Deutsche Mark								
	0.0040	0.0040	0.060	0.080	0.080	0.0015	0.020	0.100

* Calculated from daily quotations. Figures on average rates for previous years and on daily rates are to be found in the Statistical Supplements to the Monthly Reports of the Deutsche Bundesbank,

Series 5, The currencies of the world. These Supplements include a table on the daily exchange rate movements of the US dollar. — 1 In accordance with a decision of the governing committee of the

Frankfurt stock exchange, the exchange rate of the lira is to be fixed with four digits after the decimal point as from May 1985.

10. External value of the Deutsche Mark*

End-1972 = 100 1

Yearly or monthly average	External value of the Deutsche Mark 2															Real external value of the Deutsche Mark (measured by consumer prices) ⁵	
	against the currencies of countries participating in the European Monetary System (EMS)										against the currencies of other countries						
	against the US dollar	French franc	Dutch guilder	Italian lira	Belgian and Luxembourg franc	Danish krone	Irish pound	Pound sterling ³	Japanese yen	Canadian dollar	Norwegian krone	Austrian Schilling	Swedish krona	Swiss franc	against the currencies of the countries participating in the EMS ⁴		Total (14 industrial countries)
1973	121.7	105.3	104.0	121.7	105.1	104.7	116.4	116.4	106.7	122.2	104.6	101.3	109.8	99.7	109.1	110.4	109.3
1974	124.7	117.1	103.1	139.4	108.2	108.6	125.0	125.0	117.9	122.5	103.6	99.9	114.8	96.6	117.8	116.9	108.6
1975	131.3	109.8	102.1	147.1	107.5	107.8	138.8	138.8	126.3	134.1	103.0	97.9	113.0	88.1	116.6	118.6	103.5
1976	128.1	119.7	104.3	183.3	110.2	110.8	167.4	167.4	123.2	126.9	105.1	98.5	115.9	83.3	128.5	125.6	104.0
1977	138.9	133.3	105.0	210.7	111.0	119.5	186.6	186.6	120.8	148.5	111.3	98.4	129.5	86.8	139.2	134.6	105.6
1978	160.7	141.4	107.0	234.4	112.7	126.7	196.4	196.4	109.4	184.3	126.6	100.0	150.7	74.6	147.2	140.7	105.9
1979	175.9	146.2	108.7	251.3	115.0	132.6	201.5	194.7	125.2	207.1	134.0	100.9	156.6	76.2	152.9	147.8	106.5
1980	177.6	146.5	108.6	261.0	115.7	143.2	202.4	179.2	130.5	208.4	131.9	98.5	155.9	77.4	155.0	148.2	100.5
1981	143.1	151.4	109.6	278.5	118.1	145.5	207.8	166.2	102.1	172.3	123.2	97.5	150.0	73.0	160.4	140.2	91.4
1982	132.9	170.4	109.3	308.7	135.2	158.4	219.4	178.3	107.2	164.7	128.8	97.2	173.1	70.1	176.0	147.3	93.0
1983	126.5	187.8	111.0	329.4	143.9	165.3	238.0	195.5	97.4	156.6	138.7	97.3	201.2	89.0	188.0	151.9	93.1
1984	113.6	193.4	112.0	342.1	146.0	168.0	245.2	199.6	87.4	147.7	139.0	97.2	194.8	69.3	192.7	149.8	89.0
1985	110.3	192.3	112.0	360.4	145.1	166.3	242.8	200.0	84.8	151.4	141.8	97.2	196.1	70.0	194.6	149.6	86.5
1986	149.0	201.2	112.0	380.7	148.0	172.2	260.6	238.5	81.1	208.0	165.8	97.2	220.1	69.5	201.6	162.6	91.5
1983 Nov.	120.1	191.6	111.3	335.7	146.1	166.5	243.0	190.7	91.6	149.2	134.9	97.3	197.5	67.9	190.9	150.2	90.9
1983 Dec.	117.3	192.1	111.4	336.1	146.3	167.2	243.3	191.8	89.2	146.9	136.2	97.5	196.3	67.1	191.3	149.4	90.3
1984 Jan.	114.8	192.6	111.6	336.5	146.7	167.2	243.9	191.0	87.1	144.0	135.9	97.5	194.9	66.8	191.7	148.5	89.7
1984 Feb.	119.1	193.9	112.1	342.1	147.2	168.4	245.3	194.3	90.4	149.4	138.0	97.5	198.3	68.5	193.2	151.1	91.0
1984 March	124.1	194.2	112.1	344.7	147.2	169.2	246.9	200.0	90.8	158.3	140.1	97.4	199.4	69.4	193.7	153.0	91.6
1984 April	122.0	193.8	112.0	343.2	146.9	169.7	246.8	201.2	89.1	156.8	139.4	97.3	198.6	69.5	193.3	152.2	90.9
1984 May	117.2	193.5	111.8	342.1	146.3	169.0	246.2	197.9	87.7	152.3	137.7	97.2	196.8	69.2	192.8	150.5	89.5
1984 June	117.7	193.6	111.9	342.9	146.6	169.4	247.1	200.5	89.2	154.2	138.4	97.1	198.1	69.9	193.1	151.3	90.2
1984 July	113.2	193.3	112.1	340.4	145.7	168.8	246.5	201.1	89.2	150.6	139.8	97.0	195.2	70.9	192.5	150.3	89.3
1984 Aug.	111.6	193.4	112.0	341.9	145.2	168.3	245.2	199.4	87.8	146.2	139.4	97.1	193.7	70.3	192.6	149.5	88.4
1984 Sep.	106.6	193.3	112.0	342.3	145.0	167.2	244.0	198.6	84.8	140.2	138.0	97.2	189.8	69.3	192.5	147.6	86.6
1984 Oct.	105.0	193.2	112.0	342.9	145.4	166.8	243.9	202.0	84.1	139.1	140.0	97.2	189.5	69.0	192.6	147.5	86.7
1984 Nov.	107.8	193.3	112.0	344.4	145.1	166.7	244.0	203.6	85.1	142.5	141.0	97.2	192.1	69.1	192.8	148.5	87.2
1984 Dec.	103.9	193.0	112.1	341.7	144.5	165.5	242.4	205.2	83.6	137.8	140.2	97.1	191.1	69.2	192.1	147.3	86.5
1985 Jan.	101.7	192.8	112.2	340.8	143.9	164.9	242.7	211.4	83.9	135.2	140.3	97.1	191.5	70.3	191.8	147.3	86.5
1985 Feb.	97.9	192.5	112.4	342.5	144.4	165.1	242.9	209.4	82.7	132.8	139.1	97.1	189.5	71.2	192.2	146.3	85.7
1985 March	97.4	192.5	112.3	349.0	144.6	165.1	242.5	204.2	81.7	135.5	138.9	97.2	190.9	71.3	193.1	146.1	85.5
1985 April	104.5	192.3	112.3	353.9	144.8	165.8	241.6	197.4	85.3	143.3	140.1	97.2	194.7	70.3	193.8	148.0	86.0
1985 May	103.5	192.1	112.1	353.3	144.6	166.0	241.5	194.8	84.6	143.1	139.4	97.2	193.5	70.6	193.5	147.4	85.5
1985 June	105.2	192.0	112.0	353.4	144.9	165.7	241.4	192.7	85.0	144.5	139.5	97.2	193.4	70.4	193.5	147.6	85.5
1985 July	110.5	191.6	111.8	361.5	144.8	165.9	241.1	188.2	86.6	150.1	140.4	97.2	194.8	69.5	194.4	148.9	85.9
1985 Aug.	115.5	192.4	111.7	371.5	145.5	167.2	242.9	195.5	88.9	157.4	143.1	97.2	199.3	68.9	196.3	151.7	87.2
1985 Sep.	113.5	192.2	111.7	371.6	145.4	167.4	243.3	195.4	87.2	156.3	142.4	97.2	198.0	69.0	196.2	150.9	86.8
1985 Oct.	121.9	192.1	112.0	374.1	145.7	167.5	244.3	201.0	85.0	167.3	145.0	97.2	201.5	68.8	196.7	152.9	87.6
1985 Nov.	124.3	192.0	111.9	374.5	145.4	167.1	244.4	202.5	82.3	171.9	145.8	97.2	201.5	68.9	196.6	153.0	87.5
1985 Dec.	128.2	192.7	111.8	378.1	146.6	167.6	245.5	207.7	84.4	179.6	147.5	97.2	204.5	70.2	197.6	155.2	88.8
1986 Jan.	131.9	193.3	111.9	378.0	147.0	169.3	248.4	217.1	85.7	186.4	149.9	97.2	208.2	71.0	198.0	157.3	89.8
1986 Feb.	138.1	193.3	112.2	377.2	147.1	170.2	249.8	226.6	82.7	195.0	151.3	97.2	212.1	70.3	198.1	158.6	90.4
1986 March	142.3	193.7	112.1	377.1	147.2	170.6	250.1	227.7	82.5	200.6	152.8	97.1	214.0	70.7	198.2	159.5	90.6
1986 April	141.7	199.6	112.0	379.5	146.6	170.3	248.8	222.2	80.5	197.5	152.4	97.1	213.1	70.2	200.4	159.3	90.2
1986 May	144.6	200.7	111.8	380.1	146.8	170.8	248.4	223.1	78.3	199.7	161.4	97.2	214.7	69.8	200.9	159.7	90.2
1986 June	144.1	200.8	111.8	380.3	146.9	171.1	249.4	224.4	78.5	201.1	165.1	97.2	215.8	69.1	201.0	159.8	90.3
1986 July	149.7	202.8	111.9	380.5	148.0	172.7	252.5	232.5	77.1	207.6	168.2	97.3	219.6	68.0	202.1	161.4	90.9
1986 Aug.	156.2	205.3	112.0	381.7	148.9	173.7	272.0	246.5	78.1	217.8	172.8	97.3	224.9	67.6	203.5	164.4	92.2
1986 Sep.	158.0	206.3	112.1	382.6	149.0	174.6	275.2	251.7	79.3	220.1	174.3	97.3	226.8	68.0	204.1	165.7	92.8
1986 Oct.	160.7	206.2	112.2	383.4	149.3	174.0	277.4	264.2	81.6	224.2	177.9	97.3	229.9	68.7	204.3	167.8	93.5
1986 Nov.	159.0	206.0	112.2	383.5	149.4	174.2	277.4	262.0	84.1	221.5	180.2	97.3	230.1	69.8	204.3	168.0	93.2
1986 Dec.	161.8	206.8	112.3	384.5	149.6	174.5	277.9	264.4	85.3	224.3	183.2	97.3	232.3	70.2	204.8	169.2	94.1
1987 Jan.	173.4	210.0	112.0	392.7	149.3	175.1	282.7	270.2	87.1	237.4	187.2	97.3	238.2	70.4	206.9	172.9	96.1
1987 Feb.	176.4	209.8	112.1	394.2	148.9	174.3	284.0	271.2	87.9	236.5	186.1	97.3	238.4	70.9	206.9	173.6	96.3
1987 March	175.7	209.6	112.2	394.2	148.9	173.8	282.9	258.9	86.4	233.1	183.1	97.2	234.1	70.3	206.9	172.0	95.3
1987 April	177.9	209.8	112.1	395.3	149.0	174.0	282.8	256.0	82.5	235.7	181.3	97.2	233.4	69.3	207.1	171.2	94.5
1987 May	180.4	210.5	111.9	400.3	149.1	173.7	282.6	253.4	82.2	240.8	180.5	97.2	234.3	69.0	207.9	171.7	94.6
1987 June	177.2	210.4	111.9	401.1	149.1	173.9	282.2	255.1	83.2	238.3	178.9	97.2	233.5	69.6	208.0	171.6	94.6
1987 July	174.5	209.7	111.8	401.1	149.1	175.1	282.2	254.3	85.1	232.3	177.3	97.2	233.3	69.8	207.8	171.5	94.5
1987 Aug.	173.4	210.3	111.9	401.4	149.3	177.0	282.6	254.9	83.1	230.9	173.3	97.2	233.8	69.5	208.2	171.1	93.9
1987 Sep.	177.8	210.3	111.8	400.6	149.3	177.9	282.7	253.6	82.7	235.0	177.8	97.3	235.6	69.5	208.1	171.5	93.5
1987 Oct.	178.8	210.5	111.8	400.8	149.7	177.4	282.3	252.6	83.2	235.0	178.3	97.3	236.0	69.6	208.2	171.8	p 93.5
1987 Nov.	191.7	213.9	111.8	408.4	150.5	178.2	284.4	253.3	84.2	253.4	185.1	97.3	241.7	69.0	210.7	175.0	...

* For method of calculation see the article "New calculation of the external value of the Deutsche Mark and foreign currencies", Monthly Report of the Deutsche Bundesbank, Vol. 37, No. 1, January 1985. — 1 The figures for end-1972 are in principle based on the central rates at the time, but in the case of the pound sterling, the Irish pound and the Canadian dollar, whose exchange rates were floating, the market

rates of end-1972 were taken as a basis. — 2 The indices for the groups of countries are weighted geometric means of bilateral nominal external values. — 3 The United Kingdom has not so far participated in the exchange rate mechanism of the European Monetary System. — 4 Excluding the United Kingdom and Greece, which are not participating in the

exchange rate mechanism. The EMS did not come into force until March 13, 1979. For the time prior to this date the weighted external value vis-à-vis the same group of countries is shown. — 5 Weighted external value against the currencies of 14 industrial countries after adjustment for differences in the rate of price rises (geometric mean). — p Provisional.

IX. Foreign trade and payments

11. External value of foreign currencies *

End-1972 = 100 1

Yearly or monthly average	Weighted external value of foreign currencies against 14 industrial countries 2													
	US dollar	Currencies of countries participating in the European Monetary System (EMS)						Currencies of other countries						
		French franc	Dutch guilder	Italian lira	Belgian and Luxembourg franc	Danish krone	Irish pound	Pound sterling 3	Japanese yen	Canadian dollar	Norwegian krona	Austrian Schilling	Swedish krona	Swiss franc
1973	90.9	103.5	103.4	88.2	102.2	102.8	96.5	94.0	106.7	96.6	103.6	104.3	98.5	108.8
1974	93.4	97.1	108.8	79.9	103.8	102.9	94.5	91.1	100.2	99.8	109.3	109.5	97.9	118.1
1975	92.8	106.3	111.7	76.1	105.5	105.2	89.6	83.2	96.3	95.6	111.8	112.5	101.6	132.0
1976	96.9	102.3	114.2	63.2	107.9	106.4	81.8	71.2	101.4	100.3	113.7	115.7	103.2	147.0
1977	95.0	96.3	119.2	57.4	113.3	104.3	78.9	66.9	111.6	92.1	114.1	120.5	97.9	149.2
1978	85.1	94.0	121.2	53.2	116.0	103.1	79.0	66.4	135.3	82.7	105.5	120.8	87.0	181.3
1979	83.6	94.5	123.2	51.4	117.3	102.1	78.9	70.6	124.8	79.7	103.7	123.2	87.1	183.8
1980	83.6	94.7	123.1	49.4	116.4	94.0	76.2	77.6	119.6	79.8	105.6	126.7	87.5	180.6
1981	92.7	87.0	117.0	43.8	110.0	87.9	69.2	78.3	137.1	80.3	106.6	124.2	86.0	183.0
1982	103.0	79.9	122.4	40.7	99.5	84.4	68.4	74.8	130.1	80.6	107.5	127.9	77.1	197.2
1983	106.9	73.4	123.8	38.9	96.0	84.0	66.0	68.8	143.7	81.8	103.5	129.8	67.2	204.6
1984	114.8	70.1	121.4	36.8	94.0	81.4	63.6	65.6	153.4	79.4	101.2	129.0	68.4	201.3
1985	118.5	70.6	121.1	34.7	94.4	82.2	64.0	65.2	156.7	75.8	98.8	129.3	67.7	199.0
1986	95.3	72.4	129.8	35.3	98.9	85.7	67.8	59.4	194.6	69.5	91.8	134.7	65.5	215.8
1983 Nov.	109.4	71.0	122.4	37.7	93.9	82.2	63.4	69.5	149.0	82.0	104.7	128.9	67.5	206.1
1983 Dec.	110.8	70.5	121.8	37.5	93.5	81.6	63.2	68.6	151.5	81.7	103.2	128.3	67.6	207.6
1984 Jan.	111.9	69.9	121.1	37.2	92.9	81.2	62.7	68.4	153.5	81.8	102.8	127.8	67.8	207.4
1984 Feb.	110.4	70.5	122.1	37.1	93.6	81.7	63.4	68.4	151.3	81.5	102.8	129.2	67.6	205.0
1984 March	107.9	71.2	123.3	37.2	94.6	82.2	64.2	67.2	154.2	79.5	102.3	130.2	68.0	204.4
1984 April	108.9	71.0	123.0	37.2	94.4	81.6	64.1	66.4	155.9	79.1	102.5	130.0	68.1	203.4
1984 May	111.9	70.4	122.1	37.0	94.0	81.2	63.4	66.7	155.1	78.8	102.6	129.4	67.9	202.3
1984 June	112.4	70.7	122.4	37.1	94.2	81.4	63.7	66.1	153.2	78.3	102.7	129.9	67.8	201.1
1984 July	116.3	70.3	121.6	37.1	94.3	81.2	63.5	65.3	150.4	77.8	101.0	129.7	68.5	197.0
1984 Aug.	116.5	70.0	121.1	36.8	94.3	81.1	63.4	65.5	151.5	79.2	100.6	129.2	68.6	197.9
1984 Sep.	119.6	69.2	120.0	36.3	93.7	80.7	63.0	64.7	153.3	79.3	100.3	128.2	69.3	198.6
1984 Oct.	121.1	69.2	120.0	36.2	93.4	80.9	63.4	63.4	153.7	79.2	98.7	128.1	69.4	199.5
1984 Nov.	119.1	69.6	120.6	36.2	94.1	81.5	63.9	63.4	154.2	79.0	98.8	128.5	68.9	200.4
1984 Dec.	122.1	69.2	119.8	36.3	94.0	81.7	64.1	62.2	154.2	79.3	98.7	128.1	68.7	198.8
1985 Jan.	124.6	69.3	119.8	36.4	94.5	82.1	64.6	60.1	152.6	79.7	98.8	128.3	68.7	195.6
1985 Feb.	128.4	69.0	118.8	36.0	93.6	81.5	63.9	60.2	152.0	78.7	98.8	127.9	68.9	191.8
1985 March	129.1	68.9	118.7	35.2	93.3	81.3	63.4	61.7	153.4	76.7	98.7	127.8	68.2	191.2
1985 April	122.9	69.8	119.7	35.0	93.9	81.7	63.5	65.2	151.6	76.7	99.1	128.6	67.5	195.9
1985 May	123.6	69.6	119.5	35.0	93.6	81.3	63.1	65.8	152.0	76.1	99.1	128.3	67.6	194.5
1985 June	121.9	69.8	119.8	35.0	93.6	81.5	62.9	66.8	152.1	76.3	99.2	128.4	67.8	195.2
1985 July	117.5	70.6	120.6	34.4	94.1	81.8	62.9	69.3	152.6	76.3	99.1	129.0	67.7	199.3
1985 Aug.	115.2	71.5	122.5	34.0	94.9	82.5	64.1	67.9	152.7	75.6	99.0	130.3	67.3	204.3
1985 Sep.	116.4	71.2	122.1	33.8	94.6	82.0	63.7	67.5	154.5	75.0	99.1	130.0	67.5	203.2
1985 Oct.	109.6	72.2	123.2	34.0	95.4	83.0	64.9	66.6	164.5	73.8	98.5	130.7	67.2	206.3
1985 Nov.	107.1	72.3	123.5	34.0	95.7	83.3	65.2	66.1	171.6	72.8	97.9	130.7	67.3	206.2
1985 Dec.	106.1	73.0	124.9	34.0	95.9	84.0	66.1	65.3	170.8	71.5	98.0	131.8	67.1	204.7
1986 Jan.	105.0	73.5	126.2	34.4	96.6	84.3	67.0	63.1	171.3	70.7	97.9	132.8	66.8	204.7
1986 Feb.	100.7	74.1	127.0	34.8	97.3	84.6	68.2	60.9	182.2	69.8	98.0	133.2	66.2	208.7
1986 March	98.3	74.3	127.7	35.0	97.7	84.9	68.6	61.1	185.5	69.4	97.6	133.8	66.0	208.6
1986 April	97.7	71.8	127.6	34.8	98.3	84.7	68.2	62.5	189.6	70.1	97.4	133.6	66.1	209.5
1986 May	95.3	71.5	128.0	34.8	98.4	84.8	68.6	62.4	197.1	70.3	92.1	133.5	65.9	211.3
1986 June	96.0	71.5	128.1	34.8	98.3	84.9	68.5	62.1	196.6	69.7	90.2	133.5	65.7	213.5
1986 July	93.0	71.4	129.3	35.1	98.5	84.9	69.1	60.4	204.7	69.4	89.5	133.9	65.3	219.1
1986 Aug.	91.1	71.6	131.3	35.6	99.4	85.9	66.3	57.9	207.6	68.6	88.8	135.1	64.9	224.2
1986 Sep.	90.9	71.7	131.9	35.7	99.9	86.1	66.3	57.1	206.2	68.7	88.7	135.7	64.8	224.4
1986 Oct.	91.0	72.5	133.2	36.0	100.6	87.5	67.5	54.8	203.3	68.6	88.0	136.7	64.8	224.4
1986 Nov.	92.5	72.6	133.2	36.0	100.5	87.5	67.3	55.4	196.2	69.1	87.0	136.9	64.8	220.8
1986 Dec.	91.7	72.8	133.9	36.2	100.9	87.9	67.7	55.3	195.4	69.2	86.2	137.5	64.6	220.8
1987 Jan.	87.6	72.9	136.3	36.0	102.7	89.2	68.0	55.3	198.7	69.2	86.0	139.0	64.1	224.3
1987 Feb.	86.3	73.3	136.6	36.0	103.3	89.8	68.0	55.4	198.4	70.4	86.7	139.5	64.3	223.7
1987 March	85.5	72.8	135.4	35.7	102.6	89.2	66.8	57.7	200.5	70.9	87.1	138.8	64.8	223.5
1987 April	83.4	72.5	135.2	35.5	102.3	88.6	66.5	58.2	210.7	70.5	87.6	138.3	64.8	226.3
1987 May	82.7	72.4	135.6	35.1	102.4	88.9	66.4	59.0	213.1	69.1	88.1	138.5	64.6	227.8
1987 June	84.2	72.4	135.6	35.0	102.3	88.7	66.6	58.5	208.9	69.6	88.8	138.6	64.8	225.6
1987 July	85.6	72.6	135.5	35.0	102.2	88.0	66.4	58.6	202.6	70.7	89.6	138.6	64.7	224.7
1987 Aug.	85.4	72.2	135.2	34.9	101.9	86.9	66.2	58.3	207.0	70.6	89.5	138.3	64.5	225.2
1987 Sep.	83.5	72.4	135.6	35.0	102.1	86.7	66.3	58.9	210.4	70.7	89.6	138.4	64.2	225.6
1987 Oct.	83.2	72.4	135.8	35.1	101.9	87.1	66.3	59.2	209.5	71.0	89.4	138.5	64.1	225.5
1987 Nov.	79.4	72.3	137.7	34.9	102.8	88.0	66.8	60.4	214.8	69.5	87.5	139.8	63.7	231.2

* For method of calculation see the article "New calculation of the external value of the Deutsche Mark and foreign currencies", Monthly Report of the Deutsche Bundesbank, Vol. 37, No. 1, January 1985. — 1 The figures for end-1972 are in principle based on the central rates at the time, but in the case of the

pound sterling, the Irish pound and the Canadian dollar, whose exchange rates were floating, the market rates of end-1972 were taken as a basis. — 2 The indices of the nominal external value of foreign currencies are weighted geometric means and relate

to the same group of countries as the calculation of the external value of the Deutsche Mark. — 3 The United Kingdom has not so far participated in the exchange rate mechanism of the European Monetary System.

List

of the subjects dealt with during the past twelve months in the Monthly Reports of the Deutsche Bundesbank

- December 1986 The economic scene in the Federal Republic of Germany in autumn 1986
- January 1987 The monetary target for 1987
Adjustment of central rates within the European Monetary System
Capital formation and investment policy of insurance enterprises since 1979
Foreign banks – a new sub-group in the banking statistics
Trend and level of international debt
- February 1987 The economic scene in the Federal Republic of Germany around the turn of 1986–87
The balance of payments of the Federal Republic of Germany in 1986
- March 1987 Overall economic trends, income and consumption of households in the second half of 1986
Trend of international capital links between enterprises from 1976 to 1985
- April 1987 Changes in the structure of the public authorities' debt since 1980
New off-balance-sheet financial instruments and their implications for banks in the Federal Republic of Germany
- May 1987 The results of the capital finance account for 1986
Longer-term trends in the bank's investments in securities
Foreign Deutsche Mark assets and liabilities at the end of 1986
- June 1987 The economic scene in the Federal Republic of Germany in spring 1987
- July 1987 The balance of payments of the Federal Republic of Germany with the other countries of the European Community
The central, regional and local authorities' expenditure on social benefits in the last five years
- August 1987 The profitability of German banks in 1986
The markets for private ECUs
Private non-financial and financial asset acquisition and its financing
- September 1987 The economic scene in the Federal Republic of Germany in summer 1987
- October 1987 Overall economic trends and households' income in the first half of 1987
Seasonal adjustment as a tool for analysing economic activity
The credit information exchange for loans of one million Deutsche Mark or more at the Deutsche Bundesbank
- November 1987 Enterprises' profitability and financing in 1986
Trends in the finances of the Länder Governments since 1982

Information on previously published special studies will be found in the index of special studies appended to the Monthly Report of January 1987.

Printed by Otto Lembeck, Frankfurt am Main und Butzbach

