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More detailed statistics than those contained  
in this Report will be found in the Supple-  
ments:

Banking statistics  
Capital market statistics  
Balance of payments statistics  
Seasonally adjusted business statistics  
Exchange rate statistics

Moreover, in response to written requests  
and against reimbursement of the costs, the  
Bundesbank makes available, at monthly in-  
tervals, a magnetic tape of these statistical  
time series.

For information on the articles published be-  
tween 1980 and 1994 see the index of art-  
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Report.

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## Commentaries

### Monetary developments

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As in March and April, the money stock M3,<sup>1</sup> as a monthly average, grew moderately in May, after adjustment for seasonal variations; its rate of growth accelerated sharply, however, in the course of the month. In May monetary growth was again stimulated by strong credit expansion; while lending to the public sector increased, that to the private sector declined. Monetary capital formation once more provided a considerable counterweight to the expansionary impact of bank lending on monetary growth. Moreover, domestic non-banks' net purchases of money market fund certificates were very small in May, just as in April. In May the money stock M3 was 0.4% below its average level in the fourth quarter of 1994; its annualised growth rate was thus - 0.8%, against - 1.5% in April. It exceeded its level in the fourth quarter of 1993, on the other hand, by a seasonally adjusted annual rate of 3.5%, compared with 3.6% in the previous month.

*Money stock  
M3*

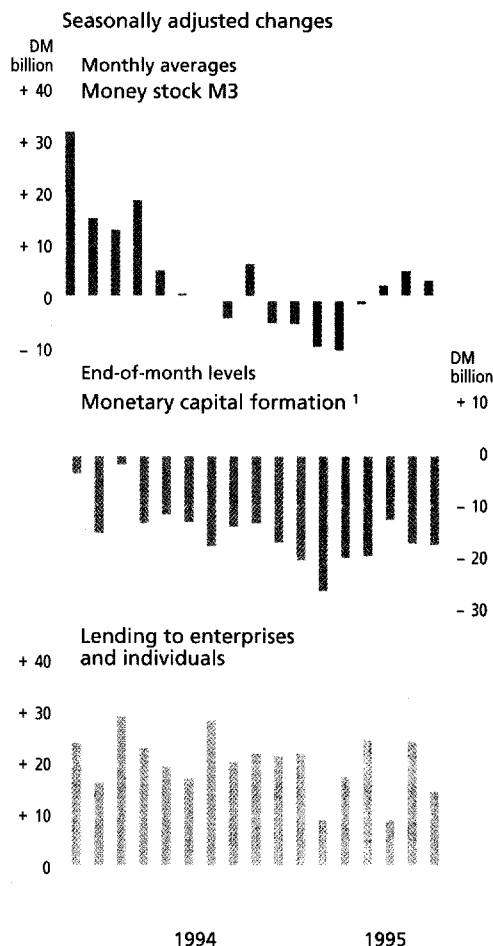
Of the various seasonally adjusted components of the money stock, sight deposits, which had been run down slightly in April, expanded exceptionally fast during May. Savings deposits at three months' notice and currency in circulation likewise increased rapidly. Shorter-term time deposits, by contrast, declined further.

*Components*

---

<sup>1</sup> Currency in circulation and the sight deposits, time deposits for less than four years and savings deposits at three months' notice held by domestic non-banks - other than the Federal Government - at domestic credit institutions.

### The money stock M3 and its principal counterparts \*



\* The changes in the balance sheet counterparts are shown in accordance with their expansionary (+) or contractionary (-) impact on the money stock. — <sup>1</sup> Domestic non-banks' monetary capital formation at domestic credit institutions.

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Money market funds

In May, as in April, domestic non-banks bought money market fund certificates on a small scale (DM 0.4 billion net), according to provisional data, after having sold such certificates to the total value of DM 6.9 billion in the first quarter of 1995. Purchases of domestic money market fund certificates were accompanied by sales of foreign ones. At the same time, domestic money market funds reduced their deposits with domestic banks

by DM 0.4 billion and increased those with the foreign subsidiaries and foreign branches of German credit institutions by DM 1.1 billion.

Domestic non-banks' investments in money market funds are included in the money stock M3 extended,<sup>2</sup> rather than in the money stock M3. Data on this broader aggregate are available until April only. During that month, the seasonally adjusted money stock M3 extended rose slightly. Over the past six months it has declined at a seasonally adjusted annual rate of 1%, whereas M3 has decreased at an annual rate of 2% over the same period.

Extended money stock M3

Public sector cash transactions had a highly expansionary impact on the money creation process in May. Bank lending to public authorities went up strongly, at DM 12.6 billion; DM 2.0 billion of this sum was accounted for by lending against securities. The Federal Government's balances with the Bundesbank and with credit institutions, which are not counted towards the money stock, were run down by DM 0.1 billion.

Public sector

Bank lending to the private sector slackened somewhat in May. The main reason for this was the trend in short-term lending to trade and industry, which is often subject to major fluctuations from month to month. It was

Lending to the private sector

<sup>2</sup> Money stock M3, domestic non-banks' deposits with the foreign subsidiaries and foreign branches of German banks and the short-term bank debt securities and certificates of domestic and foreign money market funds in the hands of domestic non-banks, less the bank deposits and short-term bank debt securities of domestic money market funds, calculated as the average of two end-of-month levels.

reduced in May, seasonally adjusted, after having increased sharply in April. Lending in the form of purchases of securities likewise declined. The rate of expansion of longer-term direct lending, by contrast, remained fairly high. Altogether, lending to enterprises and individuals increased by DM 7.5 billion in May, compared with DM 12.8 billion a year before. Over the past six months such lending had grown at a seasonally adjusted annual rate of 6½ %.

*Net external  
assets of the  
banking system*

The outflows of funds generated by domestic non-banks' external payments almost dried up in May. The net external assets of credit institutions and the Bundesbank, a fall in which reflects such outflows, dropped by only DM 0.1 billion, compared with a decrease of DM 2.3 billion in April and DM 7.7 billion in May last year.

*Monetary  
capital  
formation*

Domestic non-banks' monetary capital formation remained buoyant in May. Altogether, DM 18.5 billion in longer-term funds accrued to banks, compared with DM 12.0 billion a year earlier. Over the past six months monetary capital formation has grown at a seasonally adjusted annual rate of over 10 %, and hence distinctly faster than overall lending to domestic non-banks (7 %). The focus of the longer-term funds accruing in May continued to be on long-term time deposits (DM 7.0 billion) and on sales of bank debt securities to domestic non-banks (DM 6.2 billion). The amount of bank savings bonds outstanding increased by DM 1.3 billion. Savings deposits at over three months' notice rose by DM 0.7 billion. The banks added DM 3.5 billion to their capital and reserves.

## The money stock and its counterparts

DM billion

Item	April 1995	May 1995 p	Com- pare: May 1994
I. Bank lending to domestic non-banks, total <sup>1</sup>	+ 16.4	+ 19.8	+ 17.4
1. Lending by the Bundesbank	- 0.1	- 0.2	- 0.0
2. Lending by credit institutions	+ 16.5	+ 20.1	+ 17.4
to enterprises and individuals	+ 17.4	+ 7.5	+ 12.8
of which			
Short-term lending	+ 5.6	- 2.8	- 4.8
to public authorities	- 0.9	+ 12.6	+ 4.7
II. Net external assets of credit institutions and the Bundesbank	- 2.3	- 0.1	- 7.7
III. Monetary capital formation at credit institutions from domestic sources, total of which	+ 15.4	+ 18.5	+ 12.0
Time deposits for four years and more	+ 5.4	+ 7.0	+ 5.4
Savings deposits at over three months' notice	+ 0.9	+ 0.7	+ 1.3
Bank savings bonds	+ 1.1	+ 1.3	- 1.0
Bank debt securities outstanding <sup>2</sup>	+ 6.3	+ 6.2	+ 3.8
IV. Deposits of the Federal Government in the banking system <sup>3</sup>	+ 0.1	- 0.1	+ 1.8
V. Other factors	- 2.5	- 9.6	- 7.1
VI. Money stock M3 (Balance: I plus II less III less IV less V)	+ 1.1	+ 11.0	+ 3.1
Currency in circulation	+ 0.9	- 0.7	- 0.1
Sight deposits	+ 9.1	+ 7.4	+ 3.1
Time deposits for less than four years	- 12.7	+ 0.1	- 2.1
Savings deposits at three months' notice	+ 3.8	+ 4.1	+ 2.3
Seasonally adjusted: Money stock M3 as a monthly average <sup>4</sup>			
Annual change from 4th qtr of 1993	+ 3.6	+ 3.5	.
Annual change from 4th qtr of 1994	- 1.5	- 0.8	.
Annual change over the past six months	- 1.9	- 1.0	+ 13.2
Money stock M3 extended <sup>5</sup>			
Annual change over the past six months	- 0.9	...	.

<sup>1</sup> Including lending against Treasury bills and against securities. — <sup>2</sup> Excluding banks' holdings. — <sup>3</sup> Sight deposits and time deposits for less than four years. — <sup>4</sup> Of five bank-week return days (end-of-month levels included with a weight of 50 %). — <sup>5</sup> M3 plus Euro-deposits, short-term bank debt securities and money market funds; calculated as the average of two end-of-month levels.

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## Securities markets

### Debt securities market

#### *Sales of debt securities*

Sales of domestic debt securities picked up in May. Domestic borrowers issued debt securities to the market value of DM 56.5 billion, compared with DM 37.7 billion in April and DM 44.6 billion a year before. Net of sizeable redemptions, and after taking due account of changes in issuers' holdings of their own-debt securities, net sales came to DM 13.0 billion, compared with DM 10.5 billion in the previous month and DM 19.1 billion in May 1994. It was again primarily longer-term paper (with maturities of over four years) that was sold. In May foreign debt securities totalling DM 2.7 billion were sold in Germany; roughly three-quarters of this sum consisted of foreign currency bonds. Altogether, domestic and foreign debt securities to the value of DM 15.7 billion were sold in the month under review, compared with DM 13.1 billion in April and DM 21.2 billion in May 1994.

#### *Bank debt securities*

In May the entire amount raised by selling domestic paper (DM 13.4 billion) accrued to credit institutions. At DM 6.0 billion (net), the bulk of the issuing activity was again accounted for by communal bonds. The outstanding amount of other bank debt securities rose by DM 3.6 billion. On balance, debt securities of specialised credit institutions and mortgage bonds were sold to the amount of DM 2.0 billion and DM 1.9 billion, respectively. In May redemptions exceeded sales in the case of the public sector (– DM 0.4 billion net). The main reason for this was the reduction of DM 0.7 billion in the debt securities

#### *Public bonds*

market indebtedness of the Federal Government; in particular, the outstanding amount of five-year special Federal bonds declined sharply (by DM 7.3 billion). Receipts from ongoing sales of Federal savings bonds, by contrast, came to DM 2.0 billion (net). In addition, the Federal Government floated a ten-year debt securities issue with a nominal interest rate of 6,875 % and a volume of DM 12 billion; it also launched by tender four-year Treasury notes with a nominal interest rate of 5,75 % and a volume of DM 5 billion. Sales of earlier debt securities issues launched by the Treuhand agency, the proceeds of which accrue to the Redemption Fund for Inherited Liabilities, yielded altogether DM 0.6 billion (net). The other public issuers' bonded debt changed only marginally.

Debt securities to the nominal value of DM 7.6 billion were sold in May in the market for foreign Deutsche Mark bonds. After deduction of redemptions, net sales, at DM 2.9 billion, were just as high as a year before; DM 6.2 billion was raised in April 1995. On balance, more than three-quarters of this paper was sold abroad.

#### *Foreign Deutsche Mark bonds*

Foreign investors predominated on the buyers' side of the German debt securities market in May. They increased their holdings of domestic debt securities by DM 11.3 billion, with public sector securities being in the forefront (DM 8.5 billion net). Domestic credit institutions bought debt securities totalling DM 6.5 billion net. These primarily consisted of domestic bonds, which accounted for DM 4.2 billion. In May – for the first time since the end of 1993 – domestic non-banks were

#### *Purchases of debt securities*



## Sales and purchases of debt securities

DM billion

Period	Sales							Memo item Balance of transactions with non- residents <sup>3</sup>
	Total	Domestic debt securities <sup>1</sup>			Foreign debt securities <sup>2</sup>			
		Total	of which		Total	of which		
			Bank debt securities	Public debt securities		Foreign currency bonds	Non- residents <sup>2</sup>	
1995 April	13.1	10.5	9.0	1.5	2.6	1.9	+ 2.3	
May	15.7	13.0	13.4	- 0.4	2.7	2.0	+ 8.6	
Compare 1994 May	21.2	19.1	7.7	11.4	2.1	1.0	- 6.2	
	Purchases							
	Total	Residents					Non- residents <sup>2</sup>	
		Total	Total	Banks (incl. the Bundes- bank) <sup>4</sup>	Non-banks <sup>5</sup>			
					Total	Domestic debt securities		
1995 April	13.1	8.3	- 2.8	11.1	9.8	1.3	4.9	
May	15.7	4.4	6.5	- 2.1	- 2.4	0.3	11.3	
Compare 1994 May	21.2	25.3	10.3	15.0	12.5	2.5	- 4.1	

<sup>1</sup> Net sales at market values plus/less changes in issuers' holdings of own-debt securities. — <sup>2</sup> Transaction values. — <sup>3</sup> Purchases of domestic debt securities by non-res-

idents less sales of foreign debt securities to residents; — = capital exports, + = capital imports. — <sup>4</sup> Book values; statistically adjusted. — <sup>5</sup> Residual.

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again on the sellers' side of the German debt securities market; they slightly reduced their debt securities portfolios (by DM 2.1 billion). The reduction only affected domestic public issuers' debt securities (- DM 7.9 billion), while domestic bank debt securities (DM 5.4 billion) and foreign debt securities (DM 0.3 billion) continued to be sought by non-banks.

### Share market

Amount raised

In May domestic enterprises issued new equities in the German share market to the market value of DM 3.6 billion, against DM 1.2 billion in the previous month and DM 1.6 billion in May 1994. At the same time, foreign equities were sold in the domestic market to the tune of DM 0.4 billion (net). Alto-

gether, the amount raised by sales of domestic and foreign participatory instruments came to DM 4.0 billion. On the buyers' side of the share market, foreign investors were particularly active, acquiring equities amounting to DM 3.2 billion (net). On balance, domestic non-banks bought participatory instruments worth DM 2.9 billion. Credit institutions sold shares from their own holdings totalling DM 2.1 billion (net).

Share  
purchases

### Investment funds

In May the amount raised by German investment funds came to DM 1.7 billion. Specialised funds recorded net inflows of DM 0.9 billion. The major part of this sum (DM 0.5 billion) was accounted for by mixed funds, while the bond-based funds and share-based

Amount raised

funds among the specialised funds sold certificates worth DM 0.3 billion and DM 0.1 billion, respectively. In May the funds open to the general public received DM 0.8 billion. This was principally due to the trends among the money market funds, which sold certificates worth DM 0.7 billion. Open-end real estate funds and share-based funds received resources amounting to DM 0.2 billion and DM 0.1 billion, respectively. Bond-based funds and mixed funds each had to redeem certificates worth DM 0.1 billion. In May foreign fund certificates amounting to DM 1.0 billion were sold in the domestic market; on balance, this was entirely due to purchases of traditional investment fund certificates, while shares of foreign money market funds were resold on a small scale. Receipts from sales of domestic and foreign investment fund certificates thus totalled DM 2.7 billion. Domestic non-banks were the main buyers of certificates (DM 2.9 billion); this sum includes net purchases of money market fund certificates amounting to DM 0.4 billion. Domestic credit institutions increased their portfolios of investment fund certificates by DM 0.3 billion. Foreign investors sold certificates of German investment funds worth DM 0.5 billion (net).

*Purchases of investment fund certificates*

## Public finance

### Federal cash trends

In the first half of 1995 the Federal Government's cash deficit came to almost DM 12 billion, compared with just under DM 7½ billion in the same period last year. The expansion was attributable to changes in the

*First half of the year*

flow of the Bundesbank's profit. Up to 1994, the profit transferred by the Bundesbank was included in full in the Federal Government's cash receipts. (However, only a basic amount of DM 7 billion was entered in the budget, while the rest was used direct for redeeming debt.) From 1995 onwards, only the basic amount of DM 7 billion provided for in the budget as receipts accrues to the account of the Federal Government; the balance is passed on direct to the Redemption Fund for Inherited Liabilities likewise for debt redemption purposes. Whereas the transfer reflected in the cash figures of the Federal Government consequently reached the record level of DM 18.3 billion in 1994, it contracted in April 1995 to the basic amount of DM 7 billion mentioned above; DM 3.2 billion was transferred to the Redemption Fund for Inherited Liabilities. If one disregards these differences in payment flows, the Federal Government's cash position improved in the first half of the year, partly because of delays in the expenditure flow, owing to the fact that budget management was of a preliminary nature (pending statutory cover) until the beginning of June.

### Public debt

In May new borrowing by the central, regional and local authorities was considerably higher than in the previous months. In that month alone, it amounted to DM 10½ billion, whereas it had come to no more than barely DM 6½ billion in the first four months of the year taken together. In May the Federal Government raised DM 18 billion (gross) in the capital market, DM 10 billion of which

*May*

was accounted for by the launching of a Federal bond issue and a Treasury note tender; the rest was obtained by sales of tap issues, which were very buoyant, and by market-regulating operations. However, since the Federal Government had to effect exceptionally heavy redemptions (DM 19½ billion) in May, its capital market indebtedness declined by DM 1½ billion net. On the other hand, at the end of May it took up short-term bridging loans in the money market amounting to DM 4 billion, with the result that its overall indebtedness increased by just over DM 2½ billion. Of all the central, regional and local authorities, it was the Länder Governments which registered the heaviest demand in May: they procured DM 5 billion (net), mainly in the form of loans against borrowers' notes and cash advances from banks. By contrast, new borrowing by the local authorities amounted to no more than an estimated DM ½ billion. Of the subsidiary budgets, the Redemption Fund for Inherited Liabilities took up DM 1¼ billion and the ERP Special Fund and the Federal Railways Fund raised DM ¾ billion each, whereas the "German Unity" Fund redeemed just under DM ½ billion on balance.

June

In June the Federal Government drew heavily on the capital market. It obtained just under DM 9½ billion (gross); almost DM 6½ billion of this sum was attributable to sales of tap issues and market-regulating operations, the rest was raised in the form of loans against borrowers' notes. After deduction of the relatively small redemptions, net borrowing amounted to just under DM 5½ billion. Since, on the other hand, the Federal Govern-

### Federal finance on a cash basis \*

DM billion				
Item	January/June		June	
	1994	1995 p	1994	1995 p
Cash receipts	234.42	237.17	39.99	44.05
Cash expenditure	241.73	249.29	40.44	45.16
Cash surplus (+) or deficit (-) <sup>1</sup>	- 7.30	- 11.89	- 0.44	- 1.12
Financing				
1. Change in cash resources <sup>2</sup>	- 3.02	- 6.38	- 1.98	+ 0.46
2. Change in money market debt	-	+ 0.25	-	- 3.88
3. Change in capital market debt, total	+ 4.12	+ 5.09	- 1.59	+ 5.39
(a) Treasury dis- count paper	-	-	-	-
(b) Treasury fin- ancing paper	- 3.55	- 5.84	- 0.54	- 0.36
(c) Federal Treasury notes	- 0.35	+ 2.22	- 2.34	+ 1.39
(d) Special Fed- eral bonds	- 4.25	- 12.14	+ 0.83	+ 1.68
(e) Federal sav- ings bonds	+ 6.07	+ 8.95	+ 1.19	+ 1.69
(f) Debt securities	+ 13.33	+ 16.18	+ 0.04	- 1.20
(g) Bank advances	- 5.84	- 3.96	- 0.55	+ 2.19
(h) Loans from social secur- ity funds	- 0.30	-	- 0.03	-
(i) Loans from other non-banks	- 0.92	- 0.03	- 0.17	-
(j) Other debt	- 0.08	- 0.29	- 0.01	- 0.00
4. Seigniorage	0.16	0.17	0.05	0.06
5. Total (1 less 2 less 3 less 4)	- 7.30	- 11.89	- 0.44	- 1.12
Memo items				
Increase or decrease from the previous year in %				
Cash receipts	+ 7.2	+ 1.2	- 3.1	+ 10.1
Cash expenditure	- 0.0	+ 3.1	+ 3.5	+ 11.7

\* The transactions recorded here as cash receipts and cash expenditure comprise payments into and out of the accounts carried by the Bundesbank for the Federal Government. The cash receipts and cash expenditure differ from those shown 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 not entered in the Federal budget) are conducted through the accounts of the Federal Government. — 1 Including special transactions. — 2 Deposits at the Bundesbank and in the money market.

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## Net borrowing in the market

DM billion

Borrower	1994		1995
	Total pe	of which January/ May	January/ May
Federal Government	+ 27.2	+ 5.7	+ 3.9
Länder Governments	+ 35.8	+ 3.3	+ 13.9
Local authorities 1, pe	+ 8.8	+ 3.4	+ 3.5
ERP Special Fund	- 0.1	- 0.1	+ 1.6
"German Unity" Fund	+ 1.5	+ 0.6	- 1.6
Debt-Processing Fund	- 0.1	- 1.1	.
Federal Railways Fund 2	+ 5.3	+ 1.5	+ 1.9
Redemption Fund for Inherited Liabilities 3	.	.	- 6.3
Central, regional and local authorities, total	+ 78.4	+ 13.3	+ 17.0

1 Including special-purpose associations. — 2 At the beginning of 1994 the old debt of the railways was assumed by the Federal Railways Fund, a new subsidiary budget. — 3 At the beginning of 1995 the debt of the Debt-Processing Fund and the Treuhand agency was assumed by the Redemption Fund for Inherited Liabilities.

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ment repaid money market loans to the tune of almost DM 4 billion, its overall indebtedness increased by no more than DM 1½ billion. Of the subsidiary budgets, the ERP Special Fund raised DM ¾ billion, whereas the Redemption Fund for Inherited Liabilities and the "German Unity" Fund on balance redeemed resources.

## Economic conditions

### Manufacturing

The assessment of economic trends in industry continues to be perceptibly unsettled by the change-over of the surveys to the new statistical classification of economic activities in the European Communities (NACE). Data

on new orders for the first quarter and on output up to and including April have now come to hand. These data, however, are not comparable with last year's figures. Firstly, this is because the level of both demand and output was lower after the beginning of the year owing to the change-over. Secondly, it is not so much cyclical as rather the aforementioned statistical factors which are likely to have been behind the movements from month to month since the start of the year. This probably also explains the sharp rise in manufacturing output in April, seasonally adjusted, against March and the average of the entire first quarter.

### Construction

In April the German construction industry booked slightly fewer orders, seasonally adjusted, than on an average of the first three months of the year. Compared with the previous year, this constituted a decline of 3 % in value and of 4½ % in volume. Both the demand of industry, in particular, and that of the public sector decreased. By contrast, once again more orders were placed in residential construction in the new Länder, whereas housing construction orders in western Germany declined.

*New orders*

In April construction output in Germany was on the whole somewhat lower than in the first quarter when it was at times affected by the unfavourable weather. There has of late been a fall of 3½ % below the comparable 1994 level, after - 5 % on an average of the first quarter.

*Output*

## Economic conditions in Germany

Item	Type 1	1994		1995				
		3rd qtr	4th qtr	1st qtr	2nd qtr	April	May	June
Manufacturing 2		1991 = 100						
Germany 3								
New orders	sa	98.5	103.8	100.7	...	...	...	...
Domestic	sa	94.9	99.1	94.9	...	...	...	...
Foreign	sa	106.0	113.3	112.3	...	...	...	...
Output	sa	95.0	97.5	94.3	...	97.3	...	...
Western Germany								
New orders	sa	97.5	102.6	99.5	...	...	...	...
Output	sa	94.3	96.6	92.9	...	95.6	...	...
Eastern Germany 3								
New orders	sa	126.5	133.8	129.5	...	...	...	...
Output	sa	131.8	137.3	144.8	...	148.7	...	...
Construction		1991 = 100						
Germany 3								
New orders	sa	128.1	136.5	132.8	...	126.5	...	...
Output	sa	125.1	134.3	120.8	...	118.1	...	...
Western Germany								
New orders	sa	109.3	116.5	110.4	...	105.3	...	...
Output	sa	107.2	114.5	105.9	...	101.7	...	...
Eastern Germany 3								
New orders	sa	238.9	253.7	264.1	...	251.2	...	...
Output	sa	201.2	219.9	214.4	...	190.1	...	...
Labour market		Number in thousands						
Western Germany								
Employed in western Germany	sa	28,582	28,555	28,513	...	28,497	...	...
Unemployed	sa	2,570	2,542	2,531	2,545	2,547	2,545	2,556
Unemployment rate 4	sa	8.3	8.2	8.2	8.2	8.2	8.2	8.3
Eastern Germany								
Employed in eastern Germany	u	6,319	6,387	6,310	...	6,334	...	...
Unemployed	u	1,107	1,003	1,084	1,023	1,040	995	1,003
Unemployment rate 4	u	14.7	13.4	14.5	13.7	13.9	13.3	13.4
Prices		1991 = 100						
World raw material prices 5, °	sa	91.7	90.7	89.7	87.8	88.3	89.3	85.9
Import prices	sa	96.8	97.8	98.1	...	97.3	97.2	...
Western Germany								
Producer prices of industrial products 6	sa	101.9	102.7	103.4	...	103.7	103.7	...
Construction prices 7	sa	111.7	112.5	113.1	113.7	...	...	...
Consumer prices 8, °	sa	112.0	112.5	113.0	113.8	113.5	113.6	114.2
Eastern Germany								
Consumer prices 8, °	u	125.3	125.4	126.6	127.5	127.2	127.4	127.8

1 sa = seasonally adjusted, u = unadjusted. — 2 As from 1995 not fully comparable because of the change-over of the surveys to the EC-consistent industrial and goods classification. — 3 Seasonal adjustment subject to increased uncertainty. — 4 Unemployed as % of the total labour

force. — 5 HWWA Index in Deutsche Mark. — 6 Domestic sales. — 7 Calculated by the Bundesbank, mid-quarter level. — 8 Cost-of-living index. — ° Recalculated from the respective original base. — Data in many cases provisional.

## Labour market

*Western  
Germany*

The situation on the German labour market has become gloomier recently. According to provisional estimates by the Federal Statistical Office, seasonally adjusted employment, at 28.5 million employed persons (155,000 fewer than a year earlier), did not decrease any further in the old Länder in April. However, unemployment increased once again slightly in June to a seasonally adjusted 2.56 million persons, this being admittedly roughly 25,000 below the comparable 1994 level. The seasonally adjusted unemployment rate for western Germany amounted to 8.3% after having remained unchanged at 8.2% since October 1994. At the same time, slightly fewer employees than in the preceding months had to accept short-time working; compared with the previous year the number of short-time workers fell by about 145,000. The seasonally adjusted number of vacancies dropped slightly but still exceeded the comparable level last year by about 50,000.

*Eastern  
Germany*

Employment in eastern Germany continued to increase in April but at a slower pace than usual at that time of the year. According to estimates by the Federal Statistical Office, the number of employed (not seasonally adjusted) came to 6.33 million, the corresponding level last year being exceeded by 155,000. In June, at about 1 million, slightly more unemployed were registered at the labour exchanges than in the previous month, although a fall tends to be usual at that time of the year. At 590,000, about 50,000 more persons participated in job-creation and voca-

tional further training schemes than in the same month a year before. In mid-June the number of short-time workers came to just over 70,000, or nearly 35,000 fewer than a year earlier.

## Prices

The dollar quotations for food and industrial raw materials rose on the international markets in June, whereas energy prices, in particular, fell once again. Since the dollar lost only a little in value, Deutsche Mark prices moved largely in line with the international quotations. In May German exporters were able to achieve price increases for the first time for some while, with the result that exports were nearly 2% dearer than a year before. By contrast, import prices dropped again slightly in May, seasonally adjusted; the year-on-year rate of increase fell to ½%. Under the impact of stability imports, the sales prices of west German industry did not rise any further in May, after adjustment for the usual seasonal influences. The year-on-year rate of increase dropped slightly to 1.9%.

*Raw material  
prices*

*Import prices*

*Industrial  
producer prices*

The upward movement of consumer prices accelerated again perceptibly in June, after having almost come to a standstill in the preceding month. The year-on-year rate of increase went up to 2.4% in the old Länder, after a rise of only 2.2% in May. The prices of package tours increased particularly sharply; however, the remuneration for other services, too, was raised steeply following only slight price movements in May. In addition, food prices increased rather noticeably. In eastern

*Consumer  
prices*

Germany the year-on-year rate of increase in the cost-of-living index rose to 2.1%, having been 1.9% previously.

### Balance of payments

Recording Germany's trade in goods with the rest of the world is still being delayed by difficulties in the statistical processing of the figures. Now that the data for April are on hand, the complete balance of payments for April 1995 is available. In addition, the initial figures for major items of the balance of payments for May 1995 are published below.

*Current account*

Germany's current account – the combined outcome of trade in goods and invisibles with non-residents – ran a deficit of DM 1.6 billion in April, whereas in March it had been virtually in balance. After the elimination of seasonal factors, however, the deficit on current account decreased slightly.

*Foreign trade*

It was mainly the higher trade surplus that had a positive effect on the April result. According to calculations by the Federal Statistical Office, it amounted to DM 6.3 billion in value, compared with DM 6.0 billion in March 1995. The seasonally adjusted surplus on trade in goods rose from DM 5.0 billion in March to DM 8.0 billion in April. The main reason for this was the greater buoyancy in exports in the month under review; in March exports had been significantly lower than before. If March and April are taken together, exports were practically the same as in the previous two-month period (January-February). On the other hand, imports – likewise

### Major items of the balance of payments

DM billion

Item	1994 5		1995 5	
	April	April	April	May P
I. Current account				
1. Foreign trade				
Exports (f.o.b.)	54.1		56.3	...
Imports (c.i.f.)	47.9		50.0	...
Balance	+ 6.3	+ 6.3		...
Memorandum item Seasonally adjusted figures				
Exports (f.o.b.)	55.7		60.3	...
Imports (c.i.f.)	48.1		52.3	...
2. Supplementary trade items 1	- 0.5	- 0.6		...
3. Services				
Receipts	7.8		7.7	9.1
Expenditure	11.4		11.7	12.9
Balance	- 3.5	- 4.1	- 3.8	
4. Factor income (net)	+ 2.3	+ 2.1	+ 0.1	
5. Current transfers				
from non-residents	2.1		2.1	2.9
to non-residents	7.0		7.4	7.6
Balance	- 5.0	- 5.3	- 4.7	
Balance on current account	- 0.5	- 1.6		...
II. Capital transfers				
from non-residents	0.1		0.1	0.0
to non-residents	0.1		2.2	0.4
Balance	+ 0.0	- 2.1	- 0.3	
III. Financial account				
(net capital exports: -)				
Direct investment	- 1.3	- 4.6	- 2.2	
German investment abroad	- 1.7	- 5.2	- 2.3	
Foreign investment in Germany	+ 0.4	+ 0.6	+ 0.1	
Portfolio investment 2	- 14.5	- 0.7	+ 9.0	
German investment abroad	- 7.2	- 5.7	- 6.0	
Foreign investment in Germany	- 7.3	+ 4.9	+ 14.9	
Credit transactions 2	+ 18.8	+ 3.9	- 2.5	
Credit institutions	+ 19.6	+ 5.3	+ 1.9	
Long-term	+ 1.9	+ 3.0	+ 2.7	
Short-term	+ 17.6	+ 2.3	- 0.8	
Enterprises and individuals	- 1.6	- 3.9	- 1.9	
Long-term	+ 0.2	+ 0.7	- 0.8	
Short-term 3	- 1.8	- 4.6	- 1.2	
Public authorities	+ 0.8	+ 2.6	- 2.4	
Long-term	- 0.3	+ 2.0	- 1.2	
Short-term	+ 1.2	+ 0.5	- 1.3	
Other investment	- 0.4	- 0.2	- 0.1	
Overall balance on financial account	+ 2.6	- 1.6	+ 4.2	
IV. Balance of unclassifiable transactions	- 5.7	+ 8.6		...
V. Change in the Bundesbank's net external assets at transaction values (increase: +) 4 (I plus II plus III plus IV)	- 3.5	+ 3.2	+ 1.4	

1 Mainly warehouse transactions for account of residents and deduction of goods returned. — 2 Excluding direct investment. — 3 Excluding the changes in financial operations with foreign non-banks and in the trade credits for May 1995 which are not yet known. — 4 Between March 1993 and March 1995 including the Treasury discount paper (liquidity paper) held by non-residents. — 5 Figures subject to major uncertainty owing to changes in the method of data collection in foreign trade.

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seasonally adjusted and in terms of value – declined somewhat in April; however, in March and April they were more than 3 ½ % higher than in January-February.

*Invisibles*

The deficit on invisibles, which had amounted to DM 7.3 billion in April, rose to DM 8.4 billion in May. This increase was mainly due to net factor income, which had shown a surplus of DM 2.1 billion in April but which was in balance in May. On the other hand, the deficit on services, which is largely dependent on the trend in foreign travel expenditure, declined from DM 4.1 billion in April to DM 3.8 billion in May. Current transfers also ran a somewhat lower deficit in May (DM 4.7 billion, compared with DM 5.3 billion in April). The fact that Germany's net contribution to the EC budget fell slightly in May (to DM 2.8 billion from DM 3.1 billion in April) played a part in this.

*Financial transactions*

There were total outflows of DM 1.6 billion in statistically recorded financial transactions in April, compared with net inflows of DM 8.7 billion in March. The deciding factor here was the reversal in portfolio transactions. Net capital inflows of DM 9.4 billion in March were followed by temporary outflows (of DM 0.7 billion net) in April. However, the trend in portfolio transactions with non-residents was reversed again in May, and net capital imports amounted to DM 9.0 billion in this sector. This was essentially due to the substantial increase in the purchases of securities

by foreign investors in the German market (DM 14.9 billion). As usual, by far the greatest proportion of these purchases concerned German bonds and notes (DM 11.3 billion), but foreign demand for shares was also remarkable (DM 3.2 billion), given the fact that in the previous eight months sales had predominated here. In April and May German investors acquired foreign securities worth approximately DM 6 billion.

Long-term capital amounting to DM 4.6 billion net was exported through direct investment in April (May: DM 2.2 billion). In the credit transactions of non-banks, too, it was capital outflows that predominated in April and May, whereas the banks recorded inflows of funds (DM 5.3 billion and DM 1.9 billion, respectively).

The balance of unclassifiable transactions of the balance of payments closed with a surplus of DM 8.6 billion in April, whereas deficits had been recorded in the earlier months of this year. This could indicate that in the monthly data differences in the times the various balance of payments items are recorded play a fairly large role.

The net external assets of the Bundesbank (at transaction values) rose by DM 3.2 billion in April. To a limited extent this reflected operations by the Bundesbank in support of the dollar. In May the net external assets increased by a further DM 1.4 billion.

*Balance of unclassifiable transactions*

*Net external position of the Bundesbank*



## Review of the monetary target and restructuring of the minimum reserve regulations

At its meeting on July 13, 1995, the Central Bank Council of the Bundesbank reviewed this year's monetary target. It decided to abide by that target in principle, although the target corridor has been considerably under-shot in the previous course of the year and it seems rather unlikely, from the present perspective, that the target will be hit at the end of the year. In addition, during that meeting the Central Bank Council completed the restructuring of the minimum reserve regulations that was initiated in March 1993. It lowered the reserve ratio for sight deposits from 5% to 2%, and that for savings deposits from 2% to 1½%, and, when complying with the minimum reserve requirements, abolished the deductibility of credit institutions' cash holdings, which had previously been limited to 25% of the required minimum reserves. These decisions will be analysed in detail in the present article.

### I. Review of the monetary target for 1995

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The Central Bank Council's decision on the review of the monetary target reads as follows:

"In principle, the Deutsche Bundesbank regards the monetary target approved in December 1994, and providing for an increase of 4% to 6% in the money stock M3 during 1995, as being appropriate.

So far this year, the target set for 1995 has been considerably undershot. Besides investments in money market funds towards the end of 1994, this owes particularly much to the high level of monetary capital formation with banks, which appears largely to represent part of the unexpectedly strong counter-movement to the liquidity log-jam of early 1994. As a result, monetary growth is currently distinctly below its trend rate. Bank lending seems to be prefiguring the fact that this deviation will gradually recede as the correction of monetary capital formation tapers off.

The interest rate cut by the Deutsche Bundesbank at the end of March was intended to help speed up monetary growth and bring it back on to the target path. For the sake of the steadiness of medium-term monetary expansion, what is required and, indeed, sufficient is a gradual, rather than an accelerated, approach to the target path. Viewed from the present perspective, it is impossible to tell whether more support, in the shape of further monetary policy decisions, will be necessary to that end.

By its decision to abide by the monetary target, the Bundesbank is underlining the fact that it continues to regard the money stock M3 as the key reference variable for its monetary policy. Although shorter-term fluctuations in monetary growth have increased in recent years, this has not destabilised long-term relationships between movements in the money stock and price movements."

As usual, the monetary target for 1995 was based on medium-term considerations. Specifically, a growth of 2¾ % in all-German real production potential, a normative price increase of 2 % and an "add-on" of 1 percentage point in respect of the slowdown in the trend of the velocity of circulation of money were assumed. Seen from the present vantage point these benchmark figures would not have to be set very differently. Although the growth rate of production potential may not quite be reached if investment activity in western Germany turns out to be somewhat lower than was originally envisaged in the light of the strong appreciation of the Deutsche Mark and the high wage settlements, the risks in this connection remain within bounds. The add-on of 1 percentage point in respect of the slowdown in the trend velocity of circulation of money has been confirmed by updating the trend calculations. So far this year, price movements have been satisfactory overall. Recently, this has owed a great deal to the strong appreciation of the Deutsche Mark in the foreign exchange markets, particularly relative to the US dollar. At the consumer level, year-on-year price rises in western Germany slowed to 2.2 % in May; in June, however, the pace increased slightly again. At present the trend in inflation is rather more favourable in eastern Germany than in western Germany. On the other hand, the moderation of price rises is not yet sufficiently assured, especially at the level of materials and services purchased. Moreover, judging by past experience, external influences cannot be counted on to bring lasting relief on the price front. Hence, the medium-

*Benchmark  
figures for  
deriving the  
target still valid*

term price assumption remains an ambitious objective.

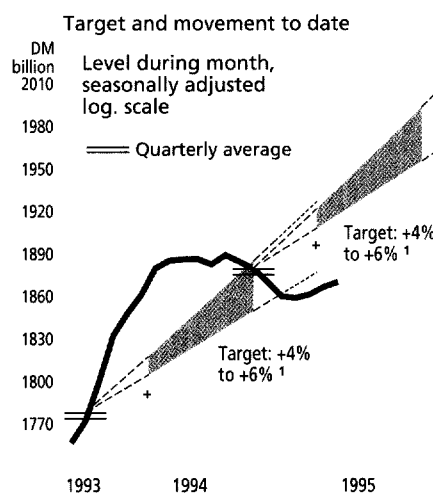
*Monetary starting position seems less ample in retrospect*

When setting this year's monetary target in December 1994, the Bundesbank took due account not only of these macroeconomic benchmark figures but also of the monetary starting position. From today's perspective, on account of the unexpectedly sharp decline in the money stock at the end of 1994, this position seems to have been somewhat less ample than was estimated at the time. However, this must not be viewed as a reason for a retroactive upward adjustment of the monetary target. On the one hand, even a higher four-quarter growth rate in line with the potential which took due account of the changed underlying statistical conditions would still be covered by this year's target corridor. On the other hand, although the Bundesbank, when setting the monetary target for 1995, included a deduction for last year's ample money supply, it included none for the reduction in the money stock around the turn of 1994-5 owing to investments in money market funds.

*Monetary target under-shot*

So far this year, the actual growth of the money stock has been distinctly weaker than would be consistent with the monetary target. In January the money stock M3 decreased considerably, owing partly to a statistical "negative overhang" in December 1994. Since March, however, it has been growing moderately. Even so, in May it undershot its average level in the fourth quarter of 1994 by 0.4%; this corresponds to an annual rate of -0.8%. At the same time, it

## Growth of the money stock M3 \*



\* Average of five bank-week return days; end-of-month levels included with a weight of 50%. — + The target corridor has not been shaded until March because M3 is normally subject to major random fluctuations around the turn of the year. — <sup>1</sup> Between the 4th quarter of the preceding year and the 4th quarter of the current year.

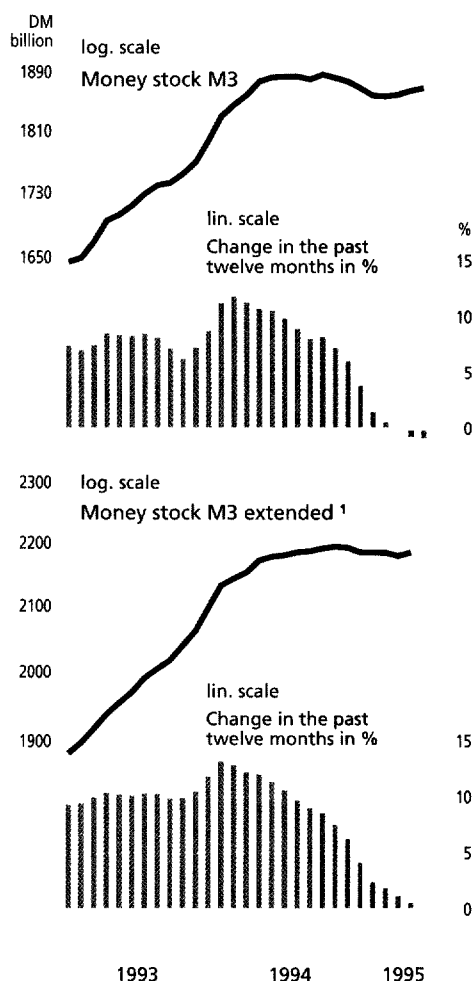
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exceeded its average level in the fourth quarter of 1993 by an annual rate of 3.5%.

Of the components of the money stock, the sluggish pace of monetary expansion in the previous course of this year primarily reflects the decline in shorter-term time deposits. From January to May they decreased at an annual rate of 13%. Such a decline is not unusual in a period of relatively low short-term interest rates, especially since more attractive special savings facilities have been diverting additional funds away from time deposit accounts for some time now. By contrast, the other components of M3 have risen. In this context, currency in circulation has increased rather moderately, at an annual rate of 5½%, and sight deposits quite strongly, at 9%. The strongest growth was

*Decline in time deposits*

### Movement of the money stocks



<sup>1</sup> Derived from two end-of-month levels. From August 1994 including money market fund certificates of domestic non-banks.

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again recorded by savings deposits at three months' notice (an annual rate of 12 ½ %). This discrepancy in the rates of expansion of the individual components, which has persisted for some time, is reflected in the fairly divergent growth rates of the monetary aggregates. It is clearly the narrowly defined money stock M1 that is currently expanding fastest in trend.

The weak growth of the money stock M3 owes little to money market funds, which have been authorised since August 1994 and which were widely expected to have major repercussions on money demand. Although money market funds attracted considerable sums (DM 26 billion) from non-banks in December (mainly in the light of tax considerations), these shifts of deposits to money market funds have not persisted this year. On the contrary, non-banks had resold certificates worth DM 6 billion net by May. This suggests that money market funds are not likely to grow as vigorously as they have done in other countries – at least, given the present interest rate situation. Although a more broadly defined monetary aggregate which, in addition to M3, would include money market fund certificates, shows slightly greater momentum than M3 in the previous course of the year, it likewise exhibits only moderate growth. The newly defined money stock M3 extended, which, in addition, includes Euro-deposits and short-term bank debt securities in the hands of domestic non-banks, has also decreased somewhat compared with the fourth quarter of 1994. This was partly because seasonally adjusted Euro-deposits were run down slightly in the first few months of the year. Against the previous year, all broadly defined monetary aggregates tended to be weak. In April, M3 was 0.7% lower than last year and M3 extended was 0.6% higher. The gap between these two rates of change is not exceptionally wide. On balance, the shift in money demand owing to money market funds is fairly small, so that it does not seem necessary to adjust the monetary target on that account.

*Limited impact  
of money  
market funds*

## Trends in lending

Seasonally adjusted changes during quarter or month

Period	Total lending by credit institutions to domestic non-banks		Lending to enterprises and individuals				Lending to public authorities	
			Total		of which to the housing sector			
	DM billion	in % <sup>1</sup>	DM billion	in % <sup>1</sup>	DM billion	in % <sup>1</sup>	DM billion	in % <sup>1</sup>
1993 1st qtr	78.5	9.4	55.8	8.5	23.2	10.0	22.7	13.0
2nd qtr	69.6	8.1	48.4	7.2	22.3	9.4	21.2	11.7
3rd qtr	89.8	10.3	68.5	10.1	28.1	11.6	21.3	11.2
4th qtr	98.7	11.1	67.4	9.7	40.2	16.4	31.3	16.2
1994 1st qtr	96.0	10.5	70.1	9.8	34.7	13.5	25.9	13.0
2nd qtr	74.3	7.9	59.9	8.2	31.1	11.7	14.4	6.9
3rd qtr	83.8	8.7	71.1	9.5	35.0	12.9	12.8	6.0
4th qtr	63.6	6.4	52.9	6.9	37.6	13.4	10.7	4.9
1995 1st qtr	75.3	7.6	51.5	6.7	24.9	8.6	23.8	10.5
Apr.	25.4	7.4	24.4	7.6	.	.	1.1	6.7
May	28.2	6.5	14.6	6.2	.	.	13.6	7.6

<sup>1</sup> Change during quarter or in the past three months expressed as an annual rate.

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*Exaggerations  
in lending and  
monetary capital  
formation  
corrected*

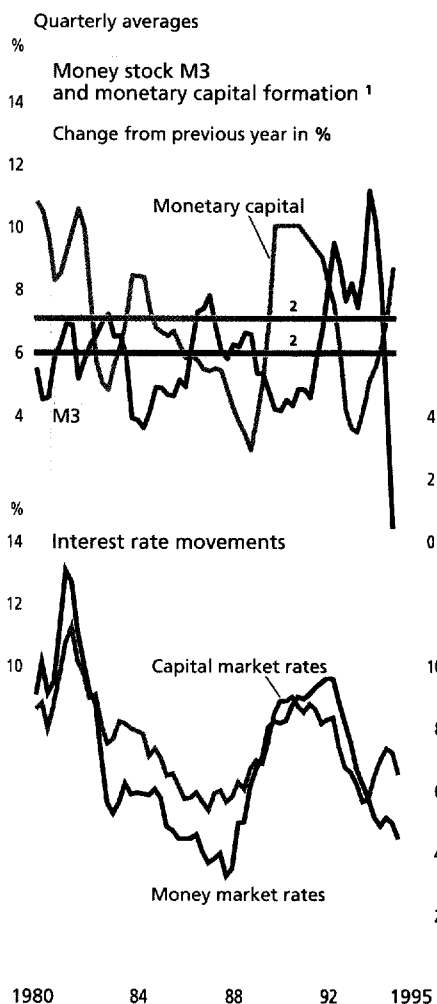
The weakness of monetary expansion presumably owes less to money market funds than developments in bank lending and monetary capital formation which, at least in part, must be regarded as corrections of previous exaggerations. On the one hand, the formerly exceedingly heavy credit demand has moderated as a result of the Federal Government's consolidation efforts, the expiry of promotional measures in the field of residential construction and enterprises' initially improved cash flow in the course of the upswing. On the other hand, there has been a remarkable turnaround in monetary capital formation following the wait-and-see attitude prevailing in the debt securities market in spring 1994.

Towards the end of 1994 bank lending slackened somewhat; in the previous course of this year, it has stayed at this reduced, but still fairly high, level. From January to May lending to domestic non-banks increased at an annual rate of just over 7 ½ %, and that to enterprises and individuals by 7 %. Since the downward trend in interest rates in the capital market probably engendered a certain restraint in the field of longer-term loans, and since a slowdown in housing loans was to be expected anyway following the phasing-out of the special tax regulations, it must be assumed that bank lending will remain a major stimulus to money creation.

*Credit expansion  
remains  
strong*

This is also suggested by the fact that the growth rate of lending to trade and industry has picked up markedly so far this year. By

### Money stock, monetary capital formation and interest rates



1 End-of-month levels, seasonally adjusted. — 2 Average growth between the 1st qtr of 1980 and the 1st qtr of 1995.

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historical standards, the slight moderation of the demand for credit is nothing unusual but rather constitutes a return to normal. This impression remains even if one takes into account the turnaround in non-banks' external payments – from inflows to outflows of funds – which occurred after German reunification, and which caused domestic demand for credit, taken by itself, to rise. If, say, domestic credit expansion and the net ex-

ternal position of the banking system are combined, banks' lending business, ascertained in this way, has increased by 6 % so far this year in comparison with the same period last year. Such an expansion of around 1 percentage point above the growth of the nominal gross domestic product (forecast for the year as a whole) roughly conforms to the experience of comparable business and interest rate cycles in the past.

The fact that current monetary growth has hitherto lagged well behind the expansion of lending is mainly ascribable to the revitalisation of monetary capital formation. In the first five months of this year, after adjustment for seasonal and special influences, it increased at an annual rate of 10 %, and thus much faster than bank lending. In the past such pronounced shifts into long-term investments tended to be effected in periods of high interest rates. The current high level of monetary capital formation is therefore probably primarily a counter-movement to the very strong decline in the propensity to accumulate long-term financial assets between 1992 and early 1994. During that period liquid assets were being substantially built up on the run-down from the interest rate peak. Other factors were a marked liquidity log-jam early in 1994 as a result of changes in tax regulations and rising interest rates emanating from the international financial markets and the associated interest rate volatility. The ratio of financial assets in the portfolios of domestic non-banks included in monetary capital formation to those counted towards the money stock M3 fell markedly as a result. With the acceleration of monetary capital

*Monetary capital formation unusually high*

formation, a combination of liquid and long-term claims on banks is now being reached which is more in line with long-term experience of a "normal" interest rate pattern. This, too, implies a correction of a previous imbalance, rather than a new exceptional situation.

*Liquidity supply  
not tight*

The pronounced swings in monetary capital formation in the past few years have provoked corresponding fluctuations in monetary expansion. Monetary growth has thus deviated significantly – initially upwards, and then downwards – from the trend which in the longer run is mapped out by the increase in bank lending. However, the rather weak monetary expansion in the previous course of the year has not resulted in an underprovision of liquidity to trade and industry, but only in a reduction of the liquidity overhangs accumulated in the past. At present, measured by long-term standards, the supply of liquidity in trade and industry does not appear tight, either in terms of production potential or in terms of the gross domestic product. This is likewise suggested by the somewhat longer-term monetary tendencies: for instance, the money stock M3 rose at an annual rate of just under 5% (and of 6% if money market funds are included) between May 1993 and May 1995. The aggregate M1, which in principle measures the liquidity immediately available for payment purposes, went up at the same time by an annual rate of 8%; in the past two years (from April 1993 to April 1995) M3 extended has risen at an annual rate of just over 6%.

In addition to the persistently buoyant credit expansion and major basic financial ratios, interest rate movements, too, corroborate the statement that monetary conditions certainly cannot be called tight. Money and capital market rates have dropped to a low level. And real interest rates are likewise by no means high, neither by historical standards nor on an international comparison. They are not obstructing a sustained economic recovery. The relatively steep yield curve, which is often regarded as a leading indicator of an upswing in economic activity, points in the same direction.

*Interest rates  
low*

This year's sluggish monetary expansion, which must be interpreted primarily as a counter-movement to previous dislocations, and the associated "normalisation" of major financial ratios imply that the long-term stability of the relationships between the money stock and major macroeconomic benchmark variables still obtains. This is an essential prerequisite for a policy of medium-term-oriented monetary targeting. Recent external investigations and the Bundesbank's own studies on money demand continue to support this proposition. In the appendix a relevant money demand estimate is presented which relates the money stock to the gross domestic product, interest rates and partly also to financial assets. This study, just like a host of older analyses, comes to the conclusion that long-term money demand has remained stable and, what is more, unchanged even after German reunification. Although these empirical investigations – as mentioned on an earlier occasion<sup>1</sup> – are un-

*Long-term  
demand for  
money remains  
stable*

<sup>1</sup> See Deutsche Bundesbank, Review of the 1994 monetary target, Monthly Report, August 1994, page 26.

able to furnish any definitive "proof" (if only because insufficient time has elapsed since reunification), they bear out the idea of abiding by the strategy of medium-term-oriented monetary targeting.

*Money stock  
more volatile in  
the shorter run*

On the other hand, it cannot be denied that, after the monetary union of the two Germanys, the shorter-term monetary growth was subject to stronger fluctuations than before. This owed something not only to the swings in monetary capital formation mentioned above but also to those in other balance sheet counterparts, such as the net external assets of the banking system. Although an increase in the short-term volatility of the money stock does not pose such basic policy problems for the central banks as an erosion of the stability of long-term money demand, it may easily give rise to conflicts with annual monetary targets. Moreover, it is necessary to substantiate monetary growth, and to review the findings thus gained by means of an analysis of the entire monetary policy setting. The Bundesbank acknowledged this fact when it tolerated the overshooting of the target in 1992-3 and pursued the "unorthodox" interest rate policy of spring 1994. In future, too, swings in monetary growth and flexible responses on the part of monetary policy cannot be ruled out. But the central bank must ensure, come what may, that it does not lose sight of the objective of monetary stability and of the medium-term orientation of monetary targeting.

*No revision of  
the monetary  
target*

The judgement that the long-term demand for money has remained stable, and that the current weakness of monetary growth is

largely a reaction to previous dislocations, warrants neither an abandonment nor a revision of this year's monetary target. However, since the monetary target is being considerably undershot at present, it seems rather unlikely that the target will be met at the end of the year. That would entail, from now on, such a vigorous acceleration of monetary growth that, in the longer run, fears of inflation and turmoil in the financial markets could arise. For instance, the money stock M3 would have to grow at an annual rate of 9% between June and December in order to reach the target corridor in the fourth quarter of 1995. For the sake of the steadiness of medium-term monetary expansion, what is required (and, indeed, sufficient) is not an accelerated, but a gradual, approach to the target path.

At the end of March the Bundesbank lowered its interest rates in order to foster monetary growth and bring it back on to the target path. Viewed from the present perspective, it is impossible to tell whether more support in the shape of further monetary policy measures will be necessary to that end. There still seems to be a good chance that monetary growth will accelerate in the further course of the year and thus approach the medium-term potential path. The adjustment process of monetary capital formation should gradually taper off, owing partly to the interest rate pattern in the financial markets. In the recent past the Bundesbank has not changed its interest rates. One of the reasons for this is that, in view of the time-lags to be taken into account, it still remains to be seen how monetary growth will re-

*Caution in  
interest rate  
policy advisable*



spond to the interest rate cut of the end of March, and that the underlying monetary trend, as reflected in the course of lending, is by no means feeble. Moreover, a cautious monetary policy stance appeared advisable in view of the prevailing risks to stability.

## II. Restructuring of the minimum reserve regulations

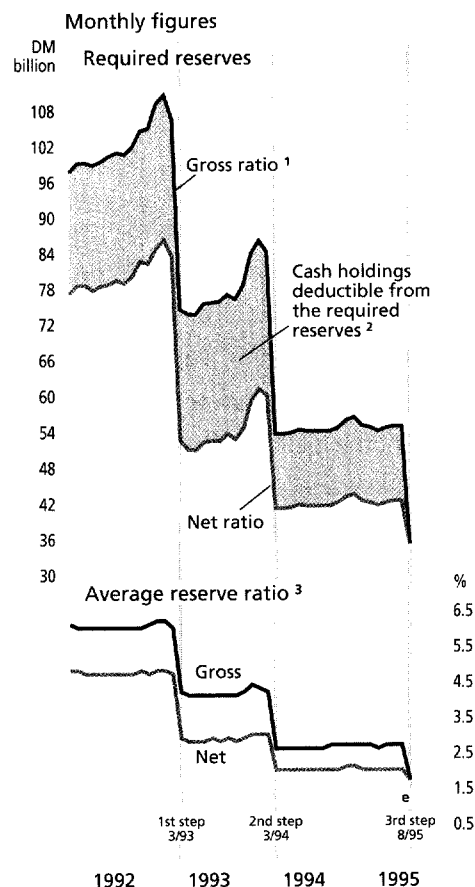
At its meeting on July 13, 1995, the Central Bank Council also completed the restructuring of the minimum reserve regulations that was initiated in March 1993. Its decision reads as follows:

"With effect from August 1, 1995, the minimum reserve ratio for sight liabilities will be lowered from 5% to 2%, and that for savings deposits from 2% to 1.5%. The reserve ratio for time liabilities remains unchanged at 2%. At the same time, the deductibility of the average holding of domestic legal tender in accordance with section 5, paras. (2) and (3) of the Deutsche Bundesbank's Minimum Reserves Order (AMR), will be rescinded. By this move, the Bundesbank is completing its restructuring of the minimum reserve regulations, which has taken place in three steps."

*Phased restructuring ...*

The restructuring of the minimum reserve regulations initiated just over two years ago had the objective of simplifying the minimum reserve system, reducing the incentives to try to circumvent it, and thus safeguarding the longer-term life of this instrument in liberalised, globalised and innovative financial markets. To this end, the minimum reserve

## Restructuring of the minimum reserves



<sup>1</sup> Required reserves before the deduction of cash holdings. — <sup>2</sup> Until February 1994 limited to 50% of the required reserves, from March 1994 to July 1995 limited to 25%; from August 1995 no longer deductible. — <sup>3</sup> Gross or net ratio in relation to the liabilities subject to reserve requirements. — e July-August 1995 position estimated on the basis of the figures for June.

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ratios for time liabilities were lowered from 4.95%, and those for savings deposits from 4.15%, to a uniform 2% in a first step in March 1993. In a second step in March 1994 the progressive reserve stages (of 6.6%, 9.9% and 12.1%) for sight liabilities to residents were abolished and the reserve ratios for liabilities to both residents and non-residents were lowered to a uniform 5%. At the same time, the deductibility of credit institutions'

cash balances when complying with the minimum reserve requirements was reduced from 50 % to 25 % of the required reserves. These measures relieved the banks' of reserve requirements amounting to around DM 53 billion.

*... facilitates  
adjustment for  
the banks*

The second reduction of the minimum reserve ratios was designed as an interim step towards a final rounding-off of the minimum reserve instrument where sight deposits were concerned. The measures were extended over a lengthy period so as not to impair either banks' adaptability when managing their working balances or, in the same context, the buffer function of minimum reserves in the money market. The current lowering of the reserve ratios for sight deposits to 2 % and of those for savings deposits to 1½ % and the simultaneous abolition of the deductibility of credit institutions' cash balances when complying with the minimum reserve requirements have now completed this "shake-out". The measures seemed appropriate at the present time so as to preserve the connection with the measures taken in March 1993 and 1994. Furthermore, they are linked to some extent, both in time and in subject matter, to the introduction of the large-value cheque collection procedure (GSE procedure) at the end of last year, which has led to a reduction or reversal of the float which used to benefit the banks.

*Considerable  
relief afforded  
to the banking  
industry*

Through the restructuring of the minimum reserve regulations since 1993, the banking industry and all the individual categories of banks have been afforded considerable relief. The lowering of the reserve ratios in March

1993 particularly benefited savings banks and credit cooperatives since these banks have relatively large holdings of savings deposits and time deposits. By contrast, the lowering of the reserve ratios for sight deposits in March 1994 mainly benefited banks such as commercial banks, which have disproportionately large holdings of sight deposits. The current measure will affect the individual banking categories more or less equally. This owes something to the fact that the further reduction of the reserve ratio for savings deposits offers the savings banks and credit cooperatives some compensation for the abolition of the deductibility of cash holdings from minimum reserve requirements. The restructuring of the minimum reserve regulations, taken as a whole, reveals that the required reserves have decreased pretty equally among all categories of banks; the dispersion around the mean value (of about 63 %) is strictly limited. In this context, it must be borne in mind that it is not possible for structural policy measures to affect all banks or categories of banks in exactly the same way, given the differences in balance sheet ratios.

At bottom, banks' cash holdings have nothing to do with the monetary policy instrument of the minimum reserves. They are liquid funds held for the purpose of settling cash payments. The fact they they were deductible from minimum reserve requirements was in a sense a relic from the past that was inconsistent with the system, and the underlying conditions for that are no longer in place today. Such deductibility was introduced in 1978 in connection with the abolition of what was known as the "non-Bank-

*Banks' cash  
holdings no  
longer deduct-  
ible from min-  
imum reserve  
requirements*

## Trends in minimum reserve ratios since 1980

% of liabilities subject to reserve requirements										
		Sight liabilities			Time liabilities			Savings deposits		
		Stage on the progressive scale 1								
Applicable from		1	2	3	1	2	3	1	2	3
		Liabilities subject to reserve requirements 2								
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	6	9	11		4.5			3.75	
1987	Feb. 1	6.6	9.9	12.1		4.95			4.15	
1993	Mar. 1	6.6	9.9	12.1		2			2	
1994	Mar. 1		5			2			2	
1995	Aug. 1		2			2			1.5	

1 The ratio of stage 1 on the progressive scale applied 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 The ratio of stage 3 on the progressive scale applied to liabilities subject to reserve requirements to non-residents as long as these ratios were applicable to the various types of deposits.

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place privilege" – which had given preferential treatment to smaller banks in rural areas – and an increase in the risks posed by cash transportation. From today's perspective, these arguments carry much less weight. The abolition of the deductibility of banks' cash holdings from the minimum reserve requirements will probably prompt the banks to rationalise their cash transactions further, wherever this is possible.

*Significance of minimum reserve requirements for monetary policy still unchanged*

The Bundesbank has always made it clear that the restructuring of the minimum reserve regulations does not imply any change in its basic attitude to this instrument, and that it is determined to abide by it for monetary policy reasons.<sup>2</sup> In particular, the minimum reserve system safeguards a stable demand for central bank money and has a

buffer function in money market management which cushions interest rate fluctuations without the central bank needing to intervene continuously in the market. This buffer and stabilising function is not impaired by the change in the minimum reserve regulations now approved. Owing to the abolition of the deductibility of cash holdings from the minimum reserve requirements, the banks' required reserves are reduced by about DM 7 billion net to around DM 36 billion. They thus remain higher than the banks' "working balances" required for settling payments.

After the sharp lowering of the minimum reserves in March 1994, the buffer function of

<sup>2</sup> See Deutsche Bundesbank, The restructuring and lowering of the minimum reserves, Monthly Report, February 1994, page 16 f.

the minimum reserves appeared not to be in operation at times. Thereafter, the banks kept their actual reserves in the course of a month close to the level of the required reserves and accepted the need to take up more expensive lombard loans at the end of the month. However, these adjustment problems have meanwhile been overcome, and the provision of liquidity in the course of the month has returned to normal again. The banks' working balances have probably fallen, too, in the meantime. Besides the abolition of the public authorities' deposit requirement, this no doubt owed something to the settlement of pension payments on a same-day basis, the introduction of the GSE procedure, and the increasing centralisation of payments and of banks' liquidity management. The Bundesbank plans to offset the decreased demand for central bank money resulting from the release from minimum reserve requirements by making corresponding cuts in securities repurchase transactions.

*Banks' working balances likely to have fallen somewhat*

The stabilising function of the minimum reserves, which is important in monetary policy terms, is accompanied in liberalised markets by the disadvantage that, because it imposes a burden, it provokes evasive action which leads to shifts of funds abroad and to disintermediation, and which may adversely affect the stability of the demand for money. Most recently, to be sure, at the ruling minimum reserve ratios, it appeared as if an "equilibrium" had been reached between the domestic market and the Euro-market, especially in the case of time deposits. However, this situation could rapidly change again to the advantage of the Euro-market if money

*Lessening the incentives to circumvent the regulations*

market rates went up. In the case of sight deposits, i.e. deposits for less than 30 days, the "interest rate disadvantage" of the domestic market was still relatively high. The recent harmonisation of the reserve ratios for sight deposits and time deposits at 2% reduces the "interest rate disadvantage" and disintermediation incentives in this area, too. It also seemed to be appropriate in that the demarcation line between sight deposits and time deposits seems to be becoming rather blurred anyway. In the shape of money market funds, which were first authorised in August 1994, a substitute for bank deposits which is not subject to reserve requirements has been added in Germany. Although the Bundesbank includes the amount of funds invested in money market funds in the newly defined money stock M3 extended, such shifts in financial investments hamper the interpretation of monetary developments. In this light, too, it seemed advisable further to simplify the minimum reserve regulations and to keep the minimum reserve ratios as low as was compatible with monetary policy requirements. The small distinction between the minimum reserve ratios for savings deposits and those for the other two types of deposits serves to compensate – as mentioned before – for the abolition of the deductibility of cash holdings from minimum reserve requirements. Given the special nature of savings deposits, this will presumably not lead to any major shifts.

On various occasions, the Bundesbank has pointed out that the minimum reserve policy instrument should likewise be applied by the European central bank system. It facilitates the pursuit of the monetary targeting ap-

*Minimum reserve regulations a major instrument in the European central bank system*

proach favoured by the Bundesbank and fosters a decentralised money market policy stance with a low level of intervention. In the light of the uncertainties which will prevail, particularly in the initial phase of the European monetary union, this seems to be especially important. Some of our partner countries, by contrast, are opposed to the min-

imum reserve instrument. However, following the renewed reduction of the reserve ratios and the abolition of the deductibility of cash holdings from the reserve requirements, the present minimum reserve system now applying in Germany also seems attractive to the future European central bank.

## Appendix

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### Empirical study of the stability of money demand in Germany

#### Econometric methodology

The question of whether money demand has remained stable in Germany even after reunification is of crucial importance for the Bundesbank's policy of monetary targeting. Given the at times very vigorous and volatile growth of the money stock, it has been much debated in the past few years.<sup>1</sup> Most of the empirical studies now available show positive results. Hence German monetary policy makers can continue to count on lastingly stable money demand. The present appendix describes a study of the money stock M3 undertaken by the Bundesbank itself. As is customary nowadays, the money demand functions have been specified as what are known as error correction models, since such models are particularly suitable for connecting long-term equilibria with short-term dynamics. For the rest, the approach is based on the two-stage procedure of Engle and Granger.<sup>2</sup>

#### Selecting the data

The following empirical study is based on quarterly figures. The estimation period extends from the first quarter of 1975 to the first quarter of 1995. All figures are seasonally adjusted. Up to the second quarter of 1990, figures for western Germany have been used, and from the third quarter of 1990, figures for Germany as a whole. In addition to the lagged money stock M3, the gross domestic product as a transaction variable and the yield on domestic bearer debt securities outstanding as a yardstick of opportunity costs are used as explanatory variables. In some of the estimations, an asset variable is likewise used to explain the money demand. The asset variable is composed of the financial assets of domestic households and do-

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<sup>1</sup> See, for instance, L. S. Krole and E. E. Meade, *Searching for the Holy Grail: An Examination of German Money Demand after Unification*, 1994, unpublished, Board of Governors of the Federal Reserve; S. Gerlach, *German Unification and the Demand for M3*, 1994, BIS Working Paper, No. 21, Basle; J.-R. Kim, *Analyse kointegrierter Zeitreihen*, 1994, *Schriften zur angewandten Ökonometrie*, Heft 30 and G. Hansen and J.-R. Kim, *The Stability of German Money Demand – Test of the Cointegration Relation –*, 1995, *Weltwirtschaftliches Archiv*, Band 131, Heft 2, pages 286 to 301.

<sup>2</sup> See R. F. Engle and C. W. J. Granger, *Co-Integration and Error-Correction: Representation, Estimation and Testing*, *Econometrica*, 1987, Vol. 55, No. 2 (March), pages 251 to 276.

## Stationarity tests

Variable	Test specification 1	Level	First differences	Critical value 2
m	c	-0.47	-4.10	-2.90
yn	c	-0.42	-3.43	-2.90
w	c	-0.74	-3.27	-2.90
i		-0.31	-3.62	-1.94
w-yn	c	-1.17	-4.64	-2.90

1 c = constant. — 2 For a significance level of five per cent. The estimates comprise four lagged endogenous variables each.

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mestic enterprises (excluding housing). Corresponding figures are available as end-of-year data from the financial account.<sup>3</sup> The quarterly figures are interpolated on the assumption that growth has been steady. The first differences each show the change in the relevant variable from the previous quarter.

### Estimations

The application of the theory of cointegrated processes is based on the difference stationarity of the underlying time series. This property is later verified on the basis of "augmented Dickey-Fuller tests".<sup>4</sup> In this context, M denotes the money stock M3, I the yield on domestic bearer debt securities outstanding, YN the nominal gross domestic product, and W the financial assets (in the definition described above). Small letters denote

the logarithms of the respective variables. As can be seen from the adjacent table, all the variables are integrated of order one. Thus simple differentiation ensures the stationarity of the time series.<sup>5</sup>

Firstly, the long-term relationships between the money stock and the explanatory variables for both of the approaches presented here (including and excluding the asset variable) are estimated from the first quarter of 1975 up to and including the second quarter of 1990. The table on page 31 shows the corresponding results. The interest elasticity and the income elasticity each show the expected plus or minus sign. If the asset variable is disregarded, the value of the income elasticity is above one; this reflects the declining trend in the velocity of circulation of money. By contrast, the measured income elasticity has a value close to one if financial assets are taken into account as an additional explanatory variable.

Engle and Granger have shown that, if there is an equilibrium relationship between integrated variables, the equation can be estimated in the form of a so-called "error correction model" (ECM). An error correction model constitutes a specification which contains not only a short-term dynamic element but also an additional term which indicates to what extent the deviation from the long-term

<sup>3</sup> See, for instance, Deutsche Bundesbank, Overall financial flows in Germany in 1994, Monthly Report, May 1995, page 17 ff., and various other volumes.

<sup>4</sup> What is known as the "augmented form" of the Dickey-Fuller test, as distinct from the simple form, also includes lagged endogenous variables which take due account of the possibility of autocorrelated processes in the disturbance term.

<sup>5</sup> Unlike an integrated time series, a stationary time series has a constant mean and a finite variance. After a shock, stationary processes always revert to the mean ("mean reverting"). If the time series – as in the above case – are integrated of order one, then stationarity can be achieved by simple differentiation. The percentage rates of change of the time series used thus meet the stationarity requirement.

equilibrium of the previous period is being corrected. This so-called "error correction term" (ECT) should have a minus sign and a significant t-value in order to ensure that existing imbalances are reduced over time.<sup>6</sup> This would imply in the case of money demand that, if the money stock were too high in relation to the explanatory variables, this would lead to a slowdown in monetary growth in the ensuing periods. Hence disturbances in this equilibrium relationship do not last; on the contrary, in the case of a deviation from equilibrium, appropriate counter-movements are triggered.

When modelling the ECM, both the simultaneous values and the values lagged by up to four quarters were included for all the variables at first. Then the non-significant coefficients were successively eliminated.<sup>7</sup> The corresponding results are shown in the table on page 32. The figures in brackets represent the t-values of the coefficients. Relevant tests prove that in both estimations there are neither autocorrelation nor ARCH processes in the error term.<sup>8</sup> In the first equation the exclusion of assets is reflected in an inconstant variance of the error term. If the assets are taken into account, by contrast, the quality of the estimations is improved.

### The question of stability

As a result of the above-mentioned properties of cointegrated time series, stability is often regarded in the context of these models as being synonymous with the existence of a long-term cointegration relationship. In this sense it was examined whether the cointegration relationship existing until the second quarter of 1990 has remained in place since German unification. The corresponding results of the estimations up to the first

### Estimates of the long-term relationships for the money stock M3

Variable	Money demand			
	excluding assets	including assets	excluding assets	including assets
	1st qtr of 1975 to 2nd qtr of 1990		1st qtr of 1975 to 1st qtr of 1995	
c	-0.42	0.07	-0.18	0.04
l	-0.03	-0.02	-0.06	-0.03
yn	1.19	0.98	1.16	0.99
w-yn		0.43		0.44

#### Test statistics <sup>1</sup>

R <sub>k</sub> <sup>2</sup>	0.996	0.998	0.997	0.998
DW	0.79	0.43	0.62	0.56

<sup>1</sup> R<sub>k</sub><sup>2</sup> = Adjusted coefficient of determination, DW = Durbin-Watson statistic.

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<sup>6</sup> As the stationary tests customary at present (augmented Dickey-Fuller tests) have a low degree of closeness owing to what is known as the "common factor restriction", such a test was dispensed with for the long-term relationship. Instead, the existence of cointegration was assessed on the basis of the t-value for the error correction term in the dynamic approach. See J.J.M. Kremers, N.R. Ericsson and J.J. Dolado, *The Power of Cointegration Tests*, Oxford Bulletin of Economics and Statistics, 1992, Vol. 54, No. 3, pages 325 to 348.

<sup>7</sup> For an approach of this kind, see D.F. Hendry, *Predictive Failure and Econometric Modelling in Macroeconomics*, in P. Ormerod (ed.), *Economic Modelling*, London, Heinemann, 1979, pages 217 to 242; D.F. Hendry and J.F. Richard, *On the Formulation of Empirical Models in Dynamic Econometrics*, Journal of Econometrics, 1982, Vol. 20, October, pages 3 to 33; D.F. Hendry and J.F. Richard, *The Econometric Analysis of Time Series*, International Statistical Review, 1983, Vol. 51, August, pages 111 to 163.

<sup>8</sup> ARCH stands for "autoregressive conditional heteroscedasticity". This property of residuals represents a special form of heteroscedasticity, characterized by a variance which follows a process of autoregression.

### Estimates of the error correction models for the money stock M3

Variable	Money demand			
	excluding assets	including assets	excluding assets	including assets
	1st qtr of 1975 to 2nd qtr of 1990		1st qtr of 1975 to 1st qtr of 1995	
$\Delta m_{t-1}$	0.56 ( 5.31)	0.53 ( 5.26)	0.18 ( 2.57)	0.53 ( 5.53)
$\Delta m_{t-4}$	0.37 ( 3.60)	0.37 ( 3.70)		
$\Delta i_t$				
$\Delta i_{t-1}$	-0.03 (-2.06)			
$\Delta yn_t$			0.82 ( 9.69)	1.29 (19.80)
$\Delta yn_{t-1}$				-0.91 (-7.05)
$\Delta (w-yn)_t$				1.25 (14.90)
$\Delta (w-yn)_{t-1}$		0.14 ( 2.10)		-0.75 (-5.60)
ECT	-0.10 (-2.01)	-0.21 (-3.65)	-0.32 (-4.25)	-0.24 (-4.25)
Test statistics 1				
$R_k^2$	0.14	0.22	0.36	0.84
Std	0.007	0.006	0.014	0.007
AR(4)	2.49	1.60	2.10	0.61
White	2.97***	1.41	166.7***	1.31
ARCH(4)	1.68	0.92	0.15	0.17
with dummy variables				
1st qtr of 1975 to 1st qtr of 1995				
$\Delta m_{t-1}$	0.31 ( 5.40)	0.41 ( 3.97)	0.30 ( 5.51)	0.38 ( 3.99)
$\Delta m_{t-4}$				
$\Delta i_t$				
$\Delta i_{t-1}$				
$\Delta yn_t$	0.49 ( 6.69)	1.05 ( 9.96)	0.50 ( 7.07)	1.04 (10.8 )
$\Delta yn_{t-1}$		-0.63 (-3.85)		-0.59 (-3.95)
$\Delta (w-yn)_t$		1.01 ( 8.70)		1.00 ( 9.43)
$\Delta (w-yn)_{t-1}$		-0.47 (-2.84)		-0.46 (-3.06)
ECT	-0.23 (-3.98)	-0.21 (-3.97)	-0.23 (-4.11)	-0.19 (-3.81)
D <sub>1</sub>	0.10 ( 8.47)	0.03 ( 2.78)	0.11 ( 8.94)	0.04 ( 3.23)
D <sub>2</sub>	-0.01 (-0.32)	0.01 ( 0.50)	-0.01 (-0.94)	-0.01 (-0.10)
D <sub>3</sub>			0.02 ( 2.79)	0.02 ( 3.41)
D <sub>4</sub>			-0.01 (-0.65)	-0.01 (-1.79)
Test statistics 1				
$R_k^2$	0.67	0.85	0.69	0.88
Std	0.010	0.007	0.010	0.006
AR(4)	9.39***	0.77	9.46***	1.04
White	21.6***	0.35	19.3***	1.38
ARCH(4)	0.26	0.34	0.17	2.03

1  $R_k^2$  = Adjusted coefficient of determination, Std = Standard error of regression, \*\*/\*\* = significant at the 5%/1 %-level. AR = Breusch-Godfrey test for autocorrelation,<sup>2</sup> White = White test for heteroscedasticity,<sup>3</sup> ARCH = ARCH test.<sup>4</sup> — 2 See T.S. Breusch, Testing for Autocorrelation in Dynamic Linear Models, Australian Economic Papers, 1978, Vol. 17, pages 334 to 355, and L.G. Godfrey, Testing Against General Autoregressive and Moving Average Error

Models when the Regressors Include Lagged Dependent Variables, Econometrica, 1978, Vol. 48, pages 1293 to 1302. — 3 See H.White, A Heteroscedasticity-Consistent Covariance Matrix and a Direct Test for Heteroscedasticity, Econometrica, 1980, Vol. 48, pages 817 to 838. — 4 See R.F.Engle, Autoregressive Conditional Heteroscedasticity with Estimates of the Variance of UK inflation, Econometrica, 1982, Vol. 50, No. 4, pages 987 to 1007.



quarter of 1995 will be found in the table on page 32.<sup>9</sup> On comparing the results, judging by the t-value of the adjustment coefficient, the hypothesis that a long-term relationship continues to exist cannot be denied.

In addition, it is of particular interest to monetary policy makers to ascertain whether the long-term relationship has remained unchanged. To verify this, the coefficients of the relevant estimation for the entire period are compared with those of the estimation for the period up to the intra-German monetary union. As the table on page 31 shows, the values very largely match. However, traditional tests for parameter constancy cannot be used for such estimations as their distribution properties in non-stationary time series are not consistent with those of standard tests.

As the question of parameter constancy in cointegration relationships has been attracting increasing attention of late, a number of authors have developed a new type of test to answer it.<sup>10</sup> Its rationale is to interchange the original null hypothesis (no cointegration) and the alternative hypothesis (cointegration).<sup>11</sup> The null hypothesis then assumes constancy of the regression coefficients in the long-term relationship, whereas the alternative hypothesis maintains that the coefficients are following a "random walk". If an appropriate Lagrange multiplier test for parameter constancy in the long-term relationship is carried out in accordance with Kwiatkowski et al., then the null hypothesis of constant regression coefficients for both long-term relationships (including and excluding financial assets) cannot be rejected.<sup>12</sup>

Hence this study, just like earlier ones, comes to the conclusion that long-term money demand remained stable even after German unification and,

what is more, has stayed unchanged. In other words the basic conditions for medium-term-oriented monetary targeting still apply.

### Shorter-term dynamics

Besides the long-term relationship, the behaviour of short-term dynamics is also relevant to monetary policy. Although disturbances in dynamics do not undermine monetary targeting, they can certainly pose temporary problems to a policy geared to annual targets. As a matter of fact, it cannot be denied that the shorter-term movements of the money stock M3 have been subject to more marked fluctuations since the monetary union with eastern Germany than used to be the case. The more frequent occurrence of shocks to short-term money demand is also reflected in the fact that forecasts based on an error correction model exhibited some exceptionally large errors in the first half of the nineties. The chart on page 34 shows actual and forecast movements, given a forecast horizon of one quarter each. Major deviations occurred, in particular, in the first quarter of 1994 and at the end of 1994. The finding

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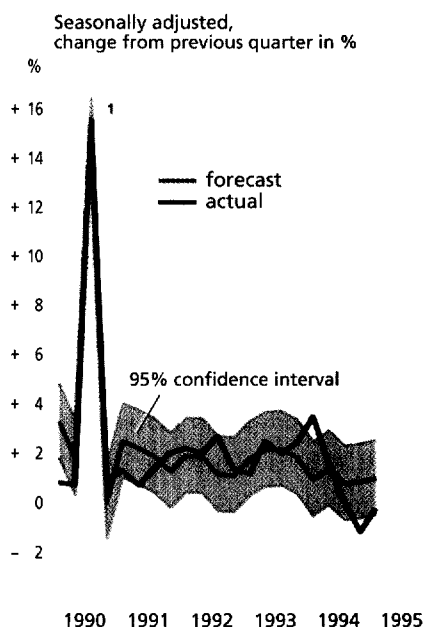
<sup>9</sup> The number of observations available is not sufficient for autonomous estimates on the period since German unification.

<sup>10</sup> See D. Kwiatkowski, P.C.B. Phillips and P. Schmidt, Testing the Null Hypothesis of Stationarity against the Alternative Hypothesis of a Unit Root: How sure are we that Economic Time Series have a Unit Root?, *Journal of Econometrics*, 1992, Vol. 54, pages 159 to 178, and C. E. Quintos and P.C.B. Phillips, Parameter Constancy in Cointegrating Regressions, *Empirical Economics*, 1993, Vol. 18, pages 675 to 706, and B. Hansen, Tests for Parameter Instability in Regressions with I(1) Processes, *Journal of Business & Economic Statistics*, July 1992, No. 3, pages 321 to 335.

<sup>11</sup> Traditional tests are generally based on the null hypothesis of "no cointegration". As econometric hypothesis tests usually accept the null hypothesis as long as there is no strong evidence against it, there is a danger that the no-cointegration hypothesis is not rejected often enough.

<sup>12</sup> Values of 0.0013 result if financial assets are not taken into account, and of 0.0009 if they are. The critical value amounts to 0.463 for a significance level of 5%.

### Forecast and actual movements of the money stock M3



1 Jump as a result of the monetary union with the former GDR.

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that the residuals of the shorter-term money demand function have fluctuated more since the currency union than they did in the years before is consistent with this. For instance, the standard deviation of the residuals in the period from the third quarter of 1990 to the first quarter of 1995 distinctly exceeds that in the period from the second quarter of 1975 to the second quarter of 1990.

For a central bank which is pursuing a monetary targeting strategy, it is important to analyse the nature of such disturbances in depth. Its interest is focused, firstly, on the question of the durability of the effects of shocks on dynamics, and, secondly, on whether the predictability of monetary developments has generally declined or whether the forecast errors mentioned are solely attributable to a small number of special factors.

It was therefore examined, to begin with, whether German unification was associated with a "one-off break" or with a "permanent shift" in short-term relationships. To this end, the money demand estimate was supplemented by two dummy variables (D1 and D2), with the first variable having the value one in the third quarter of 1990, and the second variable assuming the value one from the third quarter of 1990. A corresponding estimate is to be found in the table on page 32. The exclusion of the asset variable once again leads to unsatisfactory time series properties of the residuals. However, judging by the significance of the dummy variables, the hypothesis of a permanent "shift" can be clearly rejected in both cases. Instead, these results suggest that German unification affected monetary growth only temporarily.

Finally, the analysis was extended to cover the most recent past, when institutional and, from the monetary policy makers' point of view, exogenous factors were again affecting monetary growth. Thus, the extension of the withholding tax on interest income to include foreign growth investment funds at the end of 1993/beginning of 1994 and the subsequent liquidity log-jam in the financial markets in the wake of the international interest rate rise brought about considerable distortions of monetary growth rates. At the end of 1994, changes in property tax regulations triggered major shifts of resources out of M3 into money market funds. Therefore, two dummy variables (D3 and D4) were included in the estimations for the respective quarters. As is shown in the table on page 32, they have the expected plus or minus signs and, in some cases, significant values. This can be regarded as an indicator of temporary disruptions. The first shock was followed in the course of last year by a correction movement. However, owing to the brevity of the observation

period, a final verdict on the other effects of the introduction of money market funds cannot yet be passed, though the trend so far suggests that there have been only small shifts in money demand, if anything.

The exceptional trends in the money stock during the past two years can thus largely be explained. The exogenous shocks affecting monetary policy were also largely responsible for the above-mentioned increase in the fluctuations of residuals in the period since German unification. If further

disruptions due to special factors should fail to materialise in future, the volatility from the stochastic part of the estimations is likely to regain magnitudes similar to those obtaining prior to the monetary union with eastern Germany. On the other hand, a permanently higher degree of volatility arising from the deterministic part of the equation cannot be ruled out, according to the findings of our analysis. However, fluctuations of this kind may be attributable to changes in the explanatory variables, and therefore be offset by the estimations.



## Progress in the adjustment process in eastern Germany and the contribu- tion of economic promotion measures

In the five years which have elapsed since the introduction of the monetary, economic and social union between the Federal Republic of Germany and the German Democratic Republic, the economy of the new Länder has made substantial headway in the difficult process of adjusting to the conditions of a free market economy. In the meantime, the new Länder have become able partly to sustain the high growth rates through their own efforts. Living conditions have improved substantially, in spite of the fact that the burdens of transformation persist; the prosperity gap between western and eastern Germany, which evolved over four decades, has been markedly narrowed within a short period of time. This has owed a great deal not only to the regulatory measures taken in 1990 but also to the consistently high level of transfer payments. Economic promotion measures have strongly fostered the restructuring of the east German economy by providing massive financial support, and have pushed ahead the modernisation of the outdated capital stock. In the next few years it will be imperative to reduce the subsidies designed for the exceptional transitional period, or to limit them to the indispensable minimum.

## Dire basic situation

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*Serious shortcomings of the GDR economy*

Even before the political turnaround, the feeble constitution and lack of competitiveness of the socialist command economy in eastern Germany had been reflected in a variety of symptoms. Distorted price relationships and inefficient production conditions were mirrored in the relatively poor provision of the population with essential consumer goods and up-market products. The stock of dwellings showed signs of a rapidly worsening decline; large parts of the public infrastructure were in a deplorable state. There was no mistaking the damage done to nature and the environment by obsolete production facilities and the ruthless exploitation of natural resources. Oversized, cumbersome industrial combines with a high degree of manufacturing penetration and agricultural cooperatives dominated the corporate landscape; in this inflexible big-industry-based monostructural system, small and medium-sized businesses and the professions, which were systematically discriminated against and suppressed, could not lead anything but a shadowy existence. Under this system, the money supply and flow of funds were deprived of their key functions and were subject to the omnipresent planning imposed by the government. In short: the east German economy, which was firmly in the clutches of the GDR regime, was increasingly living on its capital. The GDR's international solvency began to totter, and the hopes entertained by the population that conditions would improve under the old system were finally completely dashed.

The low competitiveness became manifest overnight, particularly upon the introduction of the Deutsche Mark, which gave consumers and investors free access to the western supply of goods; the collapse of the traditional (state-controlled) trading relations with the states of the former Council for Mutual Economic Assistance also had its effect. The upshot was a dramatic decline in aggregate output and in employment, which previously had been marked by a considerable degree of hidden unemployment and a distinctly high participation ratio in the labour force (particularly on the part of women), accompanied by a low level of productivity.

## Sharp growth in the adjustment process

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In the course of 1991, the decline in aggregate output stopped, and gave way to a process of buoyant economic growth that was sparked off largely by the massive west German transfer payments granted since mid-1990. In the second half of 1994 (beyond which the figures of the national accounts do not extend) the real gross domestic product in eastern Germany was nearly one-quarter higher than in the second half of 1990; in that period it grew at an (average) annual rate of 7½%. In the second half of last year the nominal gross domestic product, which may be deemed an overall indicator of the income from employment and property income generated in the new Länder, reached about 50% of the level obtaining in western Germany, calculated on a per capita basis; in the second half of 1990 it had come to barely 30%. When one evaluates these comparat-

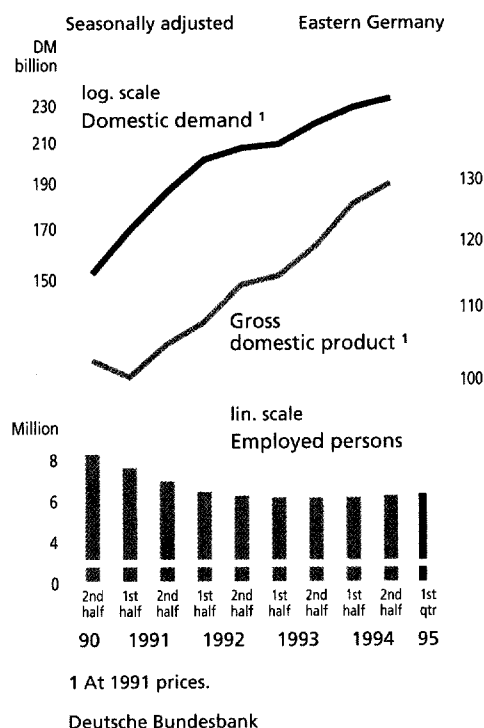
*Gross domestic product on an upward trend*

ive figures, it should not be overlooked that in the old Länder, too, there are considerable differences between individual regions. For example, last year nominal per capita GDP in Rhineland-Palatinate was 14½% below the average of the large-area states in western Germany, whereas in Hesse it was 24½% above that average.

*Trends in the individual economic sectors*

In the meantime, all the major sectors are participating in the strong growth of the east German economy; compared with the socialist command economy, however, their shares in aggregate output have shifted considerably. Major parts of the private services sector, the development of which was impeded before the turnaround (when it was considered to be unproductive, in line with Marxist doctrine), have consistently greatly increased their production. The construction sector has likewise long been enjoying a period of rapid growth. Here, the reversal was initially triggered off primarily by governmental construction orders funded largely by west German resources; now, demand is forging ahead along a broad front in all construction subsectors. Last year, finally, the manufacturing sector, which is more exposed to national and international competition than other sectors, given the nature of its products, and hence is faced with the greatest need to adjust, likewise apparently managed to achieve a breakthrough, albeit with differences in the individual sectors and enterprises. In the past two or three years, more and more east German industrial firms have succeeded in developing new competitive products, and selling them in the new and

### Demand, output and employment



old Länder alike; last year initial successes were scored in international markets as well.

The momentum of industrial activity is illustrated by the fact that output in the manufacturing sector rose by no less than one-fifth in 1994. The rapid pace of growth probably continued after the turn of 1994-5, with the result that the share of industrial value-added in aggregate output rose once again – contrary to the much-discussed theory of the progressive deindustrialisation of economic activity in the new Länder. Altogether, it appears that, in the durable growth process characterising the east German economy, self-sustaining upswing forces are increasingly gaining ground.

*Achievements  
of the Treu-  
hand agency*

The Treuhand agency has made a major contribution to laying the foundations of a new free-market system, of which small and medium-sized enterprises form an integral part. This achievement should not be underestimated, despite all the criticism levelled at specific cases. Under some highly unpropitious environmental conditions, and entrusted with a wide range of disparate duties, the main task assigned to it was to perform the donkey-work associated with restructuring previously state-owned enterprises to cope with competition, and privatising them. By its resolute privatisation policy and a large measure of corporate reorganisation, the Treuhand agency, in its historically unique role, laid the foundation stone for the establishment of many businesses, eliminated many direct and indirect obstacles to investment, and was actively engaged in directing restructuring measures. Of the total of about 12,350 enterprises in its charge, fewer than 200 units remained in its portfolio when it ceased operation at the end of 1994. If one includes sales of parts of enterprises, this implies that more than 15,000 privatisation operations were effected.

If one adds what are known as "small-scale privatisations" of restaurants, pharmacies, shops and the like (about 25,000), from which primarily local purchasers benefited, and also includes sales of real estate, the total figure adds up to more than 90,000 cases of privatisation, almost 4,400 of which were reprivatisations. The investment commitments negotiated or envisaged in that context amounted to DM 211 billion. The agreed privatisation proceeds came to DM 67 billion;

however, since the cost of restructuring was far higher, the level of debt at the end of 1994 totalled DM 204 billion, almost DM 75 billion of which resulted from the repayment of old loans.

After three years of persistently steep economic growth, a change in trend now seems to have occurred on the labour market, too. The decline in employment tailed off in the second half of 1993 and gave way to a sharp increase in the course of 1994. According to estimates by the Federal Statistical Office, the number of employed persons, taking the average of the first four months of the current year, at 6.3 million, was 2½%, or about 160,000, higher than a year before. In this context, the strongest stimuli to employment were provided by the services and construction sectors; industry, too, has probably built up its staff levels recently, after a further reduction of the reserves which were available in the form of short-time working.

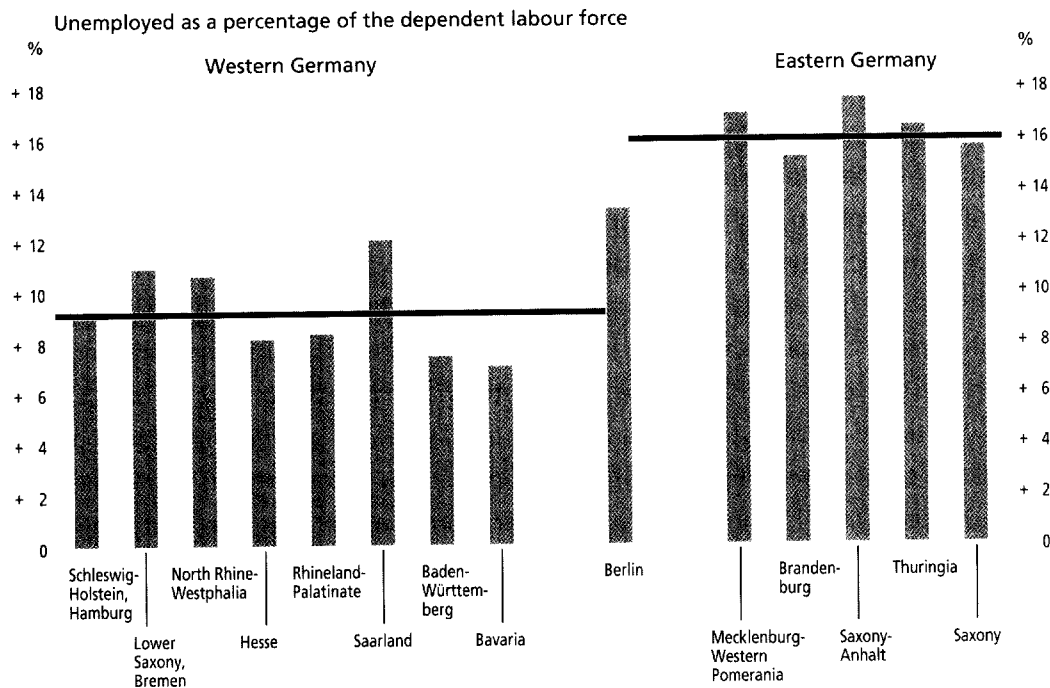
The brightening-up of employment prospects was accompanied by a reduction in unemployment. At the end of June 1995 about one million persons were registered as being out of work. Compared with last year, this implies a decline of about 115,000, or 10%. However, the improvement was partly attributable to the increased deployment of labour-market-policy measures. These included, in particular, job creation programmes and further training courses geared to bridging the difficult transitional period, or to improving the quality of the factor of production "labour". In the spring of this year almost 600,000 persons, i.e. 80,000 more

*Employment*

*Unemployment  
and labour-  
market-policy  
measures*



## Regional unemployment in Germany in 1994



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than twelve months earlier, participated in such schemes.

The serious labour market problems which continue to exist in spite of the improvement are reflected in the persistent, exceptionally high unemployment rate, latterly running at 13½%. For women alone, it actually came to about one-fifth. Although, compared with the levels reached in the GDR, the proportion of women in the labour force has declined, there is still a wide gap relative to conditions in the old Länder. In this context, it also has to be taken into consideration that the public sector employs a relatively high proportion of women, and that it is still overstaffed in the new Länder, compared with west German conditions.

### Considerable improvement in living conditions

The level and trend of aggregate output, as described in the above section, do not adequately reflect the adjustment of living conditions to west German standards achieved since 1990. After all, this analysis does not include west German government transfer payments, which enable domestic demand in the new Länder – i.e. consumption and investment – to greatly exceed output and the resulting income. Last year nominal domestic demand exceeded GDP by almost 65%. Calculated per inhabitant, domestic demand in eastern Germany in 1994 amounted to about 87½% of the west German level, whereas in the second half of 1990 this ratio had come to no more than 48%. These figures are

*Sharp expansion of consumption and investment, fostered by transfer payments*

mainly due to an upsurge in investment which – calculated per inhabitant, let alone per employed person – is now substantially higher than in western Germany. Thus, an up-to-date capital stock of remarkable dimensions has come into being in the new Länder within a conspicuously short space of time. If one adds up the real net fixed capital formation (other than residential construction) of the private and public sectors in eastern Germany between mid-1990 and the end of 1994, the newly accumulated fixed assets amount to an order of magnitude of DM 400 billion.<sup>1</sup> The productivity of the total capital stock has shot up as a result. Thus, major preconditions for a substantial improvement in living standards in the future have been fulfilled of their own accord.

*Sharp wage increases*

This reconstruction effort was initiated and fostered – as will be described in more detail below – by massive government investment incentives. By contrast, the rapid adjustment of wages and salaries to west German levels obstructed this process. It likewise contributed to the sharp decline in employment in the past few years and thus to the high level of unemployment. After all, the adjustment of wages and salaries took place virtually regardless of the economic outcome of the labour input, productivity and the trend in productivity. Hence labour cost pressure massively increased the need to raise productivity by shedding labour.

Nevertheless, a wide gap continues to yawn between the wage or salary level per employed person in eastern Germany and labour productivity – a gap which exerts pressure

towards rationalisation and more capital-intensive production. In the second half of 1994 average wages and salaries in the new Länder reached 70 % of west German gross earnings (compared with 34 % in the second half of 1990), whereas productivity (at current prices) – despite marked differences in individual cases – amounted to no more than 54 % of the west German level (second half of 1990: 26 %). In the manufacturing sector, this gap has become distinctly smaller owing to a surge in productivity, although this is particularly detrimental to employment. Any continuation of negotiated wage and salary adjustments tends to impede a further increase in the number of employed persons, which will be possible in the new Länder if economic growth continues.

In recent years the rapid adjustment of wages and salaries has led to steep rises in the incomes of those persons who kept their jobs or found new ones. But, owing to these accelerated rises, other persons lost their jobs, and thus became dependent on wage substitutes, which – like many other social benefits – have been geared since 1990 to the general framework of the west German social security network, and hence largely to wage and salary trends. The growth of transfer income was also fuelled by the semi-annual pension increases and the conversion of pensions in eastern Germany to west German pension legislation. In the second half of 1994 the basic pension in the East came to 75 % of the west German comparative figure

*Steeply rising social expenditure*

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<sup>1</sup> This calculation incorporates the rates of retirement of gross fixed assets implicitly provided for the individual years in the official statistics for western Germany.

(in July 1995: 79%), compared with about one-third before the establishment of the monetary union. However, the actual income situation of pensioners' households is in many cases more favourable in the new Länder – owing to longer periods of insurance, on an average, and particularly to the higher participation of women in the labour force and to vested rights provisions. All in all, expenditure on social benefits in the new Länder tended to draw even closer to west German levels than did wages and salaries.

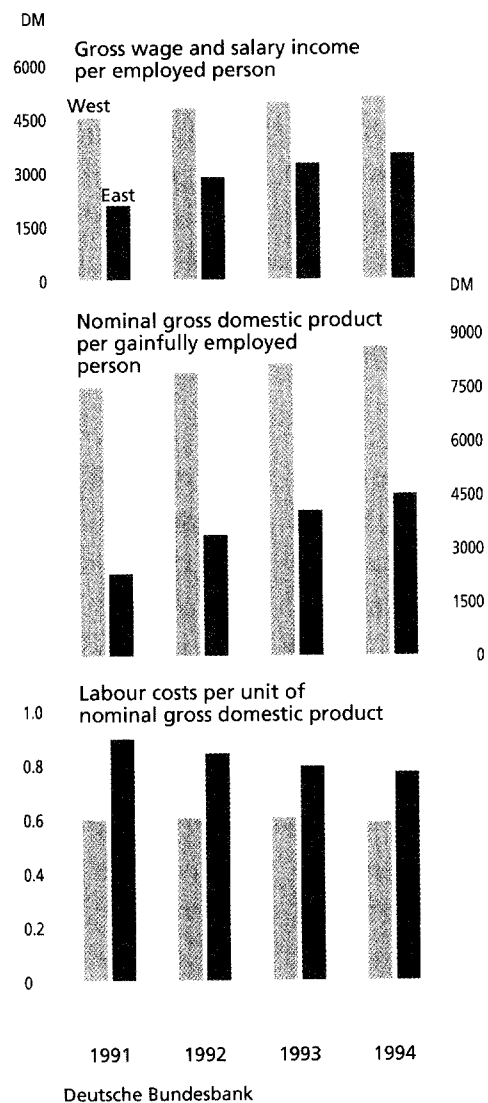
*Entrepreneurial  
and property  
income*

Private income from entrepreneurial activity and property has probably also increased in significance. This is mainly due to the fact that the number of self-employed persons has gone up perceptibly since unification, and that, since the currency conversion, the financial assets of the east German population – calculated per household – have risen to well over DM 40,000, which is probably more than twice the former amount.

*Disposable  
income*

Altogether, between the introduction of the monetary, economic and social union and the second half of 1994, per capita disposable income in the new Länder increased by an annual average of just under 18%. It has thus latterly corresponded to 68% of the comparable income in western Germany (compared with a ratio of about 40% at the time of the introduction of the Deutsche Mark). Just like GDP, per capita disposable income in the old Länder differs considerably from one Land to another. In 1993 (the last year covered by the available statistics) per capita income in Saarland fell 13½% short of the average of the large-area states,

### Wages and labour costs in western and eastern Germany



whereas Baden-Württemberg exceeded that average by 4%.

But in this context it has to be borne in mind that the cost of living in eastern Germany is still perceptibly lower than in western Germany. It is true that the prices of consumer durables are pretty much the same. In many cases, however, essential goods are offered in eastern Germany at distinctly lower prices.

*Prices*

Much the same applies to services, which in the GDR were but poorly developed, although the growth rate of their prices has progressed at a relatively rapid pace owing to the steep wage increases. Rentals continue to be lower than in the west (in spite of two strong rises – in October 1991 and January 1993 – and the introduction of modernisation and quality surcharges), although the difference will diminish again as a result of the adjustment which has been possible since mid-1995.

*Private  
consumption*

The strong expansion of disposable income formed the basis of a considerable growth in private consumption. After the elimination of shortages by means of free access to the western supply of goods, which was opened up by the introduction of the Deutsche Mark in mid-1990, households in eastern Germany initially satisfied not only their current demand but also their pent-up demand (pent up in some cases for a period of several decades), not least by purchasing consumer durables, primarily passenger cars, with the result that private consumption reached an exceptionally high level in the second half of 1990. In the meantime, the pattern of spending by east German consumers has moved more into line with west German conditions; this owes much to the fact that price relationships, which used to be artificially distorted, have fundamentally adopted a more market-related course.

This also includes the gradual adjustment of rentals (and other related expenditure items) to the actual cost of using a dwelling – an adjustment which is an essential prerequisite

of the restructuring and modernisation of the stock of dwellings that is already in progress, and of the construction of new dwellings, i. e. quite generally of the improvement of residential quality. In the days of the GDR, spending on the use of dwellings (including the supply of energy) amounted to no more than 5 % of private consumption expenditure. At present, tenants in eastern Germany, on an average, spend 20 % of their income on the use of dwellings (in western Germany: 26 %). Altogether, up to the second half of 1994, starting from the high level reached in the second half of 1990, per capita spending on private consumption rose by 14½ % a year, in nominal terms, and by 6 % per annum in real terms. If one compares the east with the west, this implies an adjustment to 68½ %, in nominal terms.

The surge in income after the introduction of the Deutsche Mark enabled east German households not only to raise their standard of living within a short period of time but also to save on an increasing scale. As early as 1992, the private saving ratio came quite close to western levels, in spite of the fact that average income was lower. Likewise, the investment behaviour of east German savers has become more and more similar to the west German pattern. Owing to the fact that saving activity has been comparatively high right up to the present, east German residents have made a major contribution towards financing reconstruction in the new Länder.

*Private saving*

## Public sector payments to eastern Germany \*

DM billion

Item	1991	1992	1993	1994	1995
I. Gross payments to eastern Germany					
1. Federal Government	75	88	114	128	151
2. West German Länder Governments and local authorities	5	5	10	14	14
3. "German Unity" Fund	31	24	15	5	—
4. EC budget	4	5	5	6	7
5. Federal Labour Office	24	25	15	14	14
6. Statutory pension insurance institutions	—	5	9	14	14
Gross payments, total	139	152	168	181	200
II. Revenue in eastern Germany					
1. Tax revenue	31	35	37	40	43
2. Administrative revenue	2	2	2	2	2
Revenue, total	33	37	39	42	45
III. Net payments, total (I less II)	106	115	129	139	155

\* Figures partly estimated. — 1 Excluding turnover-tax-revenue-sharing scheme.

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## Record of transfer payments and economic assistance

### Saving gap

The fact that a region exhibits a "saving gap" or an "absorption surplus" in a period of economic restructuring and reorganisation is, in itself, no calamity from an economic point of view. The heavy pent-up demand and "thirst for loans" can normally be satisfied to a certain extent, and for a while, by resorting to external resources. However, in this context, it is necessary to achieve a growth-promoting pattern of utilisation of capital imports and to put them progressively on a broad market-oriented financial basis. In addition, the ratio of domestic saving to recourse to external saving has to be brought into an acceptable equilibrium over the longer term.

So far, the new Länder have bridged the gap between domestic demand and output mainly by resorting to public transfer payments. In this context, the flow of payments from western to eastern Germany has increased continuously from year to year. As early as 1991, gross public transfers came to almost DM 140 billion; in 1995, with the restructuring of the revenue-sharing arrangements between the Federal Government and the Länder Governments, the amount will probably rise to DM 200 billion. The picture does not change fundamentally if one offsets tax and administrative revenue from eastern Germany. Net transfers, defined in this way, will probably total DM 155 billion in 1995, compared with DM 106 billion four years earlier. Relative to western GDP, this yields an overall public net transfer rate of 5 % (against

*Public transfer payments*

4% in 1991). In spite of the steep economic growth, this still corresponds to just over 40% of east German nominal value-added; at the beginning of the transformation of the system in 1991, this ratio actually stood at more than 50%.

*Pattern of utilisation*

With regard to the utilisation of the funds, consumption purposes and social purposes tend to predominate, as before. In this context, payments by the Federal Labour Office and the statutory pension insurance scheme were very significant items, as well as Federal budget funds. This is mainly a reflection of the fact that the west German social security system, with its high standards and the broad range of its benefits, was transferred to east German conditions, and also of a wage policy stance which, from the beginning, was geared towards speeding up the adjustment of eastern wages and salaries to western levels. Only a gradual improvement in the labour market situation will bring financial relief in this area. Investment assistance was likewise comprehensive. In the given circumstances, public economic promotion saw itself playing the role of a driving force and pacemaker of east German economic activity.

*"Aid towards self-help" as the guiding principle*

In this context, the economic policy makers were acting on the general assumption that the enormous restructuring requirements would overtax the internal adjustment potential alone. Backed by the basic idea of granting "aid towards self-help", the promotional strategy, even in the initial phase, was geared towards supporting, for a certain transitional period, the task of transformation by means

of direct supply-side and structural-policy-related measures. Initially, the idea was that the prime requirement was "initial funding", limited in duration and quantity, which was expected to spark off the catching-up process. Monetary integration, which very rapidly produced visible success, together with the assumption of the proven regulatory framework of the "social market economy", fulfilled the key preconditions for this. However, it soon became clear that the intrinsic value of the production facilities and the state of public infrastructure had been rated too optimistically, and that the capital stock would have to be replaced from scratch. In addition, in view of the labour market situation, the pressure towards an expansion and continuation over the medium term of the high-level public financial assistance increased.

On balance, public promotional policy has supported the (real) economic integration of the new Länder over the past five years by providing funds in an unprecedented manner and on an unprecedented scale. By the end of 1994, the promotional volume of the most important measures approved had grown to DM 206 billion (see the table on page 47). If one included the Treuhand agency, with its entrepreneurial and financial rehabilitation efforts, this amount would increase considerably further.<sup>2</sup> The actual outflow of funds followed the approval, in accordance with the operational and technical payment

*Scale of promotion*

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<sup>2</sup> The sum total of all the enterprise-related expenses (including the assumption of old loans) of the Treuhand agency or its successor organisations comes to DM 295 billion, according to the latest calculations.

## State of implementation of major promotional measures for the new Länder

Cumulative figures in DM billion

Item	State of implementation at the end of the year				
	1990	1991	1992	1993	1994
<b>Loans, total</b>					
Commitment volume	9.3	47.8	81.4	107.2	137.1
Outpayments <sup>pe</sup>	3.1	31.0	63.7	91.7	117.5
of which					
ERP loan programmes					
Commitment volume	5.6	14.9	23.6	31.9	40.1
Outpayments	2.2	9.5	18.7	25.8	32.6
Investment loan programme <sup>1</sup>					
Commitment volume	—	6.9	13.5	17.3	21.0
Outpayments	—	5.0	11.5	16.6	20.2
Capital assistance programme					
Commitment volume	0.5	3.7	7.2	10.2	12.9
Outpayments	0.1	2.3	5.8	8.8	11.4
Housing modernisation programme					
Commitment volume	0.2	7.1	14.6	22.3	33.2
Outpayments	0	4.8	11.3	17.7	27.0
Local authority loan programme					
Commitment volume <sup>2</sup>	1.8	11.7	17.3	16.6	15.4
Outpayments	0.4	7.4	12.9	15.2	15.3
<b>Tax concessions, total <sup>3</sup></b>	—	3.3	10.1	18.8	26.6
of which					
Investment grant <sup>4</sup>	—	1.0	5.3	10.5	15.0
Special depreciation	—	1.6	3.3	6.1	9.2
<b>Regional economic promotion</b>					
Commitment volume	1.4	11.9	19.8	30.6	41.9
Outpayments	—	4.6	10.9	19.2	26.3
<b>Promotional volume, total</b>					
Commitment volume	10.7	63.0	111.3	156.6	205.6
Outpayments <sup>pe</sup>	3.1	38.9	84.7	129.7	170.4
<b>Memorandum item</b>					
Net financial requirements of the Treuhand agency	4.3	24.2	53.8	91.9	<sup>5</sup> 129.0

<sup>1</sup> Investment loan programme integrated in the small and medium-sized enterprises programme of the Reconstruction Loan Corporation since 1993. — <sup>2</sup> Net of cancellations. — <sup>3</sup> Only for investment in eastern Germany. —

<sup>4</sup> Actual results of the tax statistics according to the Federal Ministry of Finance. — <sup>5</sup> Including refunds to the Debt-Processing Fund not provided for in the 1994 economic plan.

arrangements, with a certain time-lag, with the increased efficiency of the various promotional administrations probably also playing a role. Altogether, about DM 170 billion was paid out over a period of five years. This was equivalent to about 30% of total gross capital expenditure in eastern Germany. This reflects the great intensity of economic promotion, understood as a public financial contribution. In addition, it has to be taken into consideration in this analysis that purchases by the east German regional and local authorities are subsidised primarily via the public transfer system, and that such funds are not included in the special promotional measures (as covered here).

*Strong investment incentives*

It is true that, owing to double counting in the promotional statistics, the ratio of subsidised capital projects to the total number of capital projects cannot be quantified precisely, but by and large there are probably very few significant capital projects which have not benefited in one way or another from public assistance. This is suggested not only by the diversity and broad scope of the range of governmental programmes offered.<sup>3</sup> In addition, the powerful investment incentives stemming from strong profitability and liquidity effects deriving not least from the possibility of taking advantage of several promotional instruments at the same time also presumably contributed to the heavy demand for economic assistance.

*Promotional strategy*

The basic conception and guiding principle of economic promotion policy for eastern Germany have hardly changed at all in the past five years, in spite of several "belated im-

provements" and shifts of focus. As early as the period of the monetary, economic and social union, investment promotion (spelled out explicitly in the Unification Treaty shortly afterwards), which covers the sector of industrial enterprises, the construction sector and the public sector, was at the heart of this policy. The main thrust of the measures consists in providing effective investment incentives via a graduated scale of preferences and increased fund transfers to east German public authorities, in order to outweigh the initial locational disadvantages of eastern Germany. To some extent, this was achieved by restricting certain promotional conditions in western Germany; however, it was of far greater importance that, through the granting of high-risk premiums and liquidity advantages, the profitability thresholds and financing requirements for investments in eastern Germany were lowered to an unprecedented extent.

### **Subsidy-policy-related instruments and fields of application**

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When mapping out the promotional policy for eastern Germany, the public sector did not have to break new ground at all. On the contrary, it could largely fall back on the conceptual and institutional framework of the

*Loan programmes*

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<sup>3</sup> Promotional assistance ranges from loan and guarantee facilities via tax concessions, regional assistance, infrastructural measures, environmental and energy-saving programmes (including the elimination of ecological old burdens) to research and innovation promotion, liquidity assistance, measures for enhancing the capital base and the promotion of sales and foreign trade. In addition, besides low-priced sales of real property, there are various training, advisory and information schemes.



subsidy policy practised in western Germany for a long time, with a wide range of promotional instruments which had been developed over several decades. In view of the liquidity situation, which was very tight for many east German enterprises, particularly in the initial stages, and the narrow, precarious capital base, accompanied by business prospects which were rather uncertain, public loan programmes have played an important part in the subsidy policy mix of promotional instruments from the outset. For instance, the ratio of paid-out promotional loans to the entire promotional volume of the measures came to about 78 % in 1991; in the subsequent period, after the development of other instruments, its significance decreased, although, at 63 %, it remained predominant in 1994, too. It is true that these ratios would have to be put lower if the analysis were confined to the subsidy component of the loans. But access to the loans, which are favourable in several respects, particularly for small and medium-sized enterprises (the main targets of the loan programmes), can be a significant factor in corporate investment and financing considerations, especially where the marginal tax burden is still low.

*ERP loans*

The loan programmes from the ERP Special Fund, the implementation of which was assigned to the Reconstruction Loan Corporation and the German Equalisation Bank, met with a good response. Besides the considerable interest rate gap relative to comparable commercial loans, their most important features comprise the following: their lack of an interest rate risk for the borrower, an early redemption option for the debtor (without

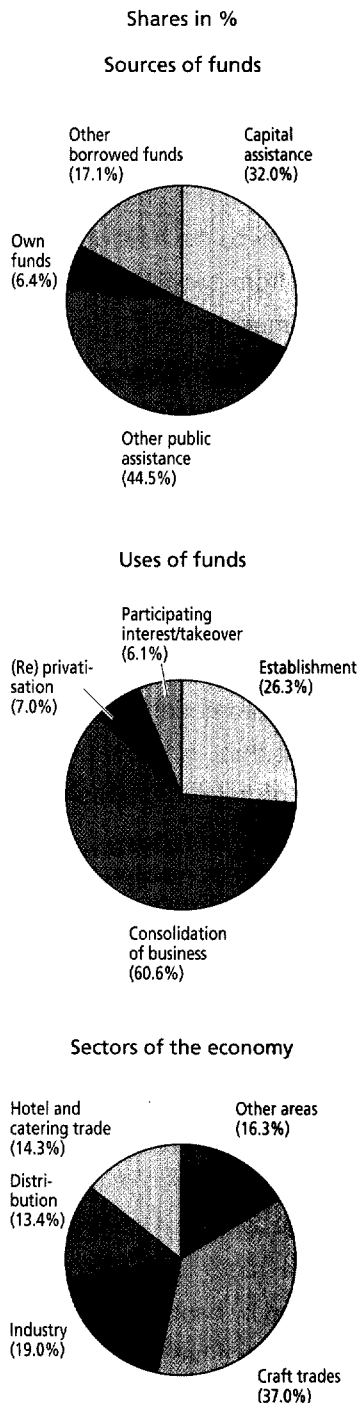
prepayment compensation), the long life of the loans (15 to 20 years), the redemption-free years granted (not more than five), the partial release from liability (up to 40 %) of the principal bankers that handle the loan, and the high ERP financing share (up to 50 % of the total invested). In the period between February 1990 and the end of 1994, a total of 235,000 loans to the tune of DM 40 billion was granted from the ERP programmes. Of this sum, as much as DM 33 billion has already been paid out; relative to the overall outpayments to western Germany since the ERP Special Fund came into being, this represented a rate of just over one-third. For the current year, the Federal Government has again provided a generous loan framework for eastern Germany, amounting to DM 10 billion. In addition, there is DM 4 billion in respect of ERP promotion in the old Länder, with the result that, as in the previous years, about 70 % of total promotion will go to eastern Germany.

The second element of the often-practised "twin financing" procedure, in addition to ERP loans, is the capital aid managed by the German Equalisation Bank, which, taking the average of the years between 1990 and 1994, accounted for about 30 % of the total funding of the investment promoted. Its special advantage is that it strengthens enterprises' capital base, since no collateral (as usually required by banks) has to be provided, and no debt service has to be effected in the first few years. Although the number of loans approved is tending to decrease, there has been – much as in the case of the ERP – a strong rise in the average loan amount

*Capital aid*

## Capital assistance programme

- Results of promotion in 1994 -



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granted per application; this is mainly due to the increased investment volumes of the applicants. Given a total number of about 131,000 loan commitments, capital aid played an important part in shaping the setting-up of businesses in eastern Germany. It is conspicuous that promotional activity has shifted in the meantime from the mere setting-up of businesses to a phase of corporate expansion, and that loans are being extended on a considerable scale for what is known as "follow-up" investment.

Other loans (including working-fund credits) for small and medium-sized industrial enterprises are offered through the own-funds programmes of the Reconstruction Loan Corporation and the Equalisation Bank. This applies particularly to the investment loan programme of the Reconstruction Loan Corporation, which has been continued since 1993 in the context of the traditional programme for small and medium-sized enterprises, and to the business establishment programme of the Equalisation Bank, which provides supplementary funds for investment promotion on favourable terms. Financing conditions in eastern Germany have improved now that (apart from the multi-stage guarantee system of the public sector) guarantee and capital venture companies have been established and have started operation. In addition, the east German regional and local authorities have established promotional banks and economic promotion companies of their own.

*Own-funds loans and supplementary measures*

The increasing propensity of the east German residential construction sector to invest has also led to a strong expansion of the housing

*Promotion of residential construction*

## Housing modernisation programme of the Reconstruction Loan Corporation

### Results of promotion between 1990 and 1994

Item		Total <sup>1</sup>	of which	
			Households	Housing enterprises
Number of loan commitments	Thousand	458.2	.	.
Commitment amount	DM billion	33.2	20.1	5.9
Outpayment amount	DM billion	27.0	.	.
Subsidised housing units	Thousand	<sup>2</sup> 1,950.7	787.1	537.7
Investment amount per subsidised housing unit	DM thousand	23	33	17
Investment amount	DM/m <sup>2</sup>	317	350	284
Commitment amount	DM/m <sup>2</sup>	238	275	189
Financing share of the Reconstruction Loan Corporation	%	75.1	78.6	66.5

<sup>1</sup> Including cooperatives and regional and local authorities. — <sup>2</sup> Of which, 40,100 newly constructed dwellings.

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modernisation programme of the Reconstruction Loan Corporation, which is subsidised by the Federal Government; in 1994 commitments increased by more than 60 % to DM 12.5 billion. Since the autumn of 1990 almost 460,000 loans have been granted, and just under 2 million dwellings have been promoted; this is equivalent to about 28 % of the entire east German stock of dwellings. Given an average financing share of 75 %, the government promotional element is of particular significance here, especially since sizeable tax concessions can be exploited as well. The credit ceiling was raised in several steps to DM 60 billion (six times the amount originally envisaged) and, at the end of 1994, at a "utilisation rate" of 55 %, little more than one-half of the ceiling was being utilised. The extent of public sector commitment

in the residential construction sector in the new Länder is also apparent from the fact that in 1994 new dwellings subsidised by the Federal and Länder Governments made up about 44 % of all construction authorisations, with construction activity generally increasing.

The joint scheme for "Improving the Regional Economic Structure" constituted a promotional instrument which, from as early as the late sixties, has been developed in western Germany into the most important component of regional structural policy. In the new Länder, where the joint scheme is being im-

*Regional joint scheme*

plemented on an area-wide basis,<sup>4</sup> it has left its traditional promotion-policy-related limits far behind. It is true that, in principle, the same provisions of regional promotion apply to the new Länder. However, the promotional preconditions have been extended and – what is even more significant – the promotional ceilings have been raised; they have been provided with a strong preferential bias (of up to 7 percentage points over the most-promoted regions in the old Länder). The budget funds available (and the commitment authorisations) have been increased sharply.

*Scale of the  
investment  
grants*

Between October 1990 and the end of 1994, the Federal and Länder Governments and the EU<sup>5</sup> provided investment grants amounting to about DM 42 billion within the framework of the regional joint scheme. Of this sum, about DM 25½ billion went to trade and industry; the other funds served to support economy-related infrastructural projects at the local authority level. Local authorities and local authority associations were actually able to meet, on an average, about 70 % of purchasing costs by using the promotional funds. In the case of private investment, the financing share, at an average of 20 %, was not as high, although the joint scheme promotion rate can be increased, by means of other types of economic assistance, to a maximum subsidy rate of 35 % of the capital spending.

*Tax concessions*

In this context, investment allowances, which, unlike investment grants, constitute tax-free premiums to which the beneficiary has a legal right, become payable in many cases. However, they are payable only on

industrial investment in machinery and equipment, and have been modified several times since their introduction in mid-1990. In the first place, the allowance rate has been gradually lowered and, in addition, has become more differentiated. For investment initiated after June 30, 1994, it generally amounts to 5 %; but small and medium-sized enterprises qualify for an increased allowance of 10 %. Secondly, the range of beneficiaries has been somewhat reduced by the Act on Excise Taxes in the Single European Market, while the life of the investment allowance has been extended to the end of 1996. Until the end of last year, investment allowances were paid out to the tune of DM 15 billion. If one includes special depreciation allowances – granted also in respect of industrial buildings in eastern Germany – (and amounting to a total of 50 % in the first five years, in addition to straight-line tax depreciation) and other special tax provisions, tax concessions for industrial investment in eastern Germany had come to an estimated DM 26½ billion by the end of 1994.

### **New emphases in promotional policy**

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In the current year, economic assistance to eastern Germany will continue to run at a

*Trends in 1995*

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<sup>4</sup> The Unification Treaty provided for the transfer of the regional joint scheme to the new Länder as a whole for a transitional period of five years (with the possibility of extension). When it drew up its 23rd general plan, the Planning Committee for Regional Economic Promotion decided to extend the promotion period until the end of 1996.

<sup>5</sup> The resources for this come from the EC Regional Fund. In 1994 eastern Germany was given the highest promotional priority, with the status of an Objective 1 region, which implied a doubling of EC structural resources during the period between 1994 and 1999.

## Results of the promotion of the joint scheme for "Improving the Regional Economic Structure"

### New Länder

Item		1991 1	1992	1993	1994	1990 to 1994 2
<b>Trade and industry</b>						
Approved applications	Thousand	4.75	6.24	8.05	7.44	26.00
Funds granted	DM billion	8.62	6.38	6.98	6.70	25.43
Average loan amount	DM million	1.81	1.02	0.87	0.90	0.98
Average investment volume subsidised	DM million	9.05	5.68	3.98	4.18	4.95
Financial share of joint scheme	%	20.0	18.0	21.8	21.5	19.8
Subsidised investment volume	DM billion	43.02	35.40	32.06	31.12	128.67
Funds paid out	DM billion	3.14	4.27	5.05	4.16	16.66
<b>Economy-related infrastructure</b>						
Approved applications	Thousand	1.02	0.81	2.19	1.60	5.47
Funds granted	DM billion	3.29	2.65	4.81	5.91	16.49
Average loan amount	DM million	3.24	3.26	2.20	3.70	3.02
Average investment volume subsidised	DM million	5.32	5.33	2.92	5.19	4.31
Financial share of joint scheme	%	60.9	61.2	75.2	71.3	70.0
Subsidised investment volume	DM billion	5.41	4.33	6.39	8.28	23.55
Funds paid out	DM billion	1.46	2.03	3.24	2.86	9.67

1 Including fourth quarter of 1990. — 2 Owing to subsequent revisions (waivers, repayments), the figures do

not add up to the sum totals of the annual values indicated.

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high level. This is suggested not only by the budget estimates and appropriation framework of the various promotional budgets, which will be faced with heavy demand if the momentum of investment persists. In addition, improvements already adopted in the benefits legislation applicable to the regional joint scheme and the Consolidation Fund established at the end of 1994 (which is intended to provide loans at favourable interest rates, dormant participating interests or comparable financial assistance of a capital-replacing nature) point in the same direction, as does the newly launched infrastructure programme of the Reconstruction Loan Corporation. As early as February 1995, it was decided to prolong the capital aid programme, which had been re-opened for western Germany, too, in 1994, by three years until the

end of 1998. Moreover, with the reform of the revenue equalisation scheme and the funds deriving from the Investment Promotion Act for the Reconstruction of Eastern Germany, the financial situation of the east German regional and local authorities has been put on a sound basis, which will make it possible to address the further rapid improvement of the infrastructure.

Furthermore, the 1996 Annual Tax Act (in the version approved by the Bundestag at the beginning of June) stipulates that, besides the allowance for small and medium-sized enterprises amounting to 10%, the general investment allowance of 5% should be reactivated for another two years, albeit in a form which focuses on the manufacturing sector. The period of validity of special depreciation

1996 Annual  
Tax Act

allowances is also to be prolonged until the end of 1998 (although their volume is to be reduced to an extent which varies from sector to sector).<sup>6</sup> Moreover, the collection of property tax in eastern Germany will remain in abeyance until the end of 1998. Besides, there are plans to improve the capital base of small and medium-sized enterprises by granting special tax concessions. However, in terms of capital market policy this poses certain problems since, in this way, certain credit relationships would be artificially cheapened by means of a new tax advantage.

*Limits to  
economic  
promotion*

Thus, major elements of promotional policy for eastern Germany are being extrapolated, garnished with additional features associated with the promotion of small and medium-sized enterprises, and reduced in other areas in cautious steps. It is particularly important that the measures should be limited in duration. After all, it has to be borne in mind that, with the progressive improvement of the general economic situation and the progress made in dismantling impediments to investment, the marginal return on promotion is tending to decrease, and mere exploitation of

the benefits is probably growing in importance. What was necessary, or tolerable, during difficult transitional periods ceases to be warranted, or effective, when conditions return to normal. High and lasting subsidies would not only hamper the requisite consolidation of public sector budgets but also give rise to serious allocative distortions. Moreover, in the light of the control function performed by the credit markets and the potential of a stability-oriented monetary policy, any subsidisation of the capital input should remain an exception as a matter of principle. Over the medium term, it will be desirable to curb the total volume of financial assistance and successively to confine the relevant measures to what is absolutely essential. Failing this, there is a risk that a "subsidy mentality" will spread throughout the new Länder; an effective antidote to such a development could be the credible announcement of temporary assistance, tapering off after a certain time.

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<sup>6</sup> In addition, from 1996 onwards both promotional instruments are to benefit small and medium-sized enterprises in the manufacturing sector in West Berlin, and the allowance for small and medium-sized enterprises is likewise to be granted to small-scale enterprises in distribution.

## East German enterprises' profitability and financing in 1993

The advances made in adjustment in eastern Germany, which have been described in more detail in the preceding article, were also reflected in the annual accounts of enterprises in the new Länder, which are submitted to the Bundesbank in the context of its rediscount business. In 1993, on which the analysis largely focuses in view of the available source material, the manufacturing sector expanded its output sharply and for the first time joined the construction industry and large areas of the services sector as an engine of growth. Economic expansion thus spread markedly in the year under review. The roughly 2,380 east German enterprises in the manufacturing, construction and distribution sectors included in this analysis were once again able to improve their profitability significantly in 1993. In total, however, losses still predominated. It is to be rated as a positive sign that for the first time the stocks of own funds were on the whole increased slightly, even though – as measured by the sharp rise in the balance sheet total – they diminished in significance again.

### Structural features of the range of east German enterprises included in the analysis

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Roughly 2,380 east German enterprises submitted annual accounts to the Bundesbank both for 1993 and for 1992. Compared with the previous years, the source material thus

*Two samples*

increased considerably in scope. The analyses for 1991 and 1992<sup>1</sup> were based on data of around only 860 and 1,460 enterprises, respectively. The number of enterprises which submitted annual accounts to the Bundesbank for 1991 and 1992 has now risen to 1,760; 1,130 of these are also included in the sample of 2,380 firms for 1993. In order to make comprehensive use of the available source material, the following analysis will use the broader statistical base of the new sample both for a more detailed analysis of profitability and financing in 1993 and for the changes compared with 1992. In addition, the trend in some important figures between 1991 and 1993 will be considered using the smaller data base which dates back to earlier periods.

*Breakdown  
by economic  
sector and  
legal form*

Of the 2,380 enterprises included in the new sample, 920 are from the manufacturing sector, 400 from the construction industry and 1,060 from the distribution sector. The numerical weights of these three economic sectors, at 38½%, 17% and 44½%, respectively, have remained almost unchanged compared with the sample analysed last year. Broken down by legal form, 1,860, or 78%, of the enterprises analysed were organised as incorporated enterprises, of which 20 were public limited companies and 1,790 private limited companies. Compared with west German conditions, the share of incorporated enterprises has always been exceptionally high since east German balance sheets were first evaluated; this is due to the fact that most producing enterprises in the former GDR were organised as industrial combines and state-owned undertakings and were transformed into incorporated enterprises after the political turnaround.

After the firms were sold or returned to former owners by the Treuhand agency, the new owners, as a rule, saw no reason to change the legal form. The large number of new firms which were established, for which the legal forms of partnerships and sole proprietorships were frequently chosen, apparently focused more on economic activities in the craft trades and other parts of the services sector in the narrower sense (i.e. excluding distribution and transportation). Bill of exchange financing is less usual here, with the result that scarcely any balance sheets from these areas are submitted to the Bundesbank.

In that respect, our analysis does not provide a representative picture of the entire east German economy; this applies equally to the Bundesbank's analyses of west German enterprises.<sup>2</sup> However, even within the economic sectors analysed the degree of representativeness of the submitted annual accounts is limited.<sup>3</sup> The informative value of

*Representativeness  
of the data*

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1 See Deutsche Bundesbank, Balance sheet ratios and earnings of east German enterprises in 1991, Monthly Report, July 1993, page 27 ff. and East German enterprises' profitability and financing in 1992, Monthly Report, July 1994, page 19 ff.

2 By contrast, service enterprises, which (not least because of the existing pent-up demand) developed on average exceptionally dynamically in eastern Germany after the political turnaround, carry quite a considerable weight in the relevant analyses of the Reconstruction Loan Corporation. This is also a major reason why the profitability and financing of east German enterprises appear to be notably more favourable in the analyses of the Reconstruction Loan Corporation.

3 As in western Germany, larger enterprises, for example, are represented more strongly in the available source material, in terms of numbers, than is consistent with their significance in the corporate sector as a whole. These structural distortions can be largely eliminated for western Germany by expanding the individual items of the balance sheet and the profit and loss account by turnover size category on the basis of the data from the turnover tax statistics. The same procedure is, however, not yet possible for the new Länder because the number of enterprises in the individual turnover size categories is too small.



this analysis is, however, not thereby fundamentally called in question. This is confirmed at least in the case of the manufacturing sector by the results of the cost structure statistics compiled by the Federal Statistical Office.<sup>4</sup> If the conceptual differences from the cost structure statistics are taken into account, the key ratios for 1992 ascertained from the cost structure statistics hardly differ significantly from the corresponding figures of the two cylindered samples analysed here. Owing to the exceptionally great differences which still exist between the successful enterprises, on the one hand, and those which have a low profitability and are financially weak, on the other, it is advisable to examine not only the average figures but also the dispersion of the individual figures – as was done in the two earlier analyses.

*Comparability  
with the  
figures for  
western  
Germany*

Since the beginning of 1993 the annual accounts submitted to the Bundesbank's branch offices in eastern Germany (i. e. most accounts for the financial year 1992 and all accounts for the financial year 1993) have had to meet the same criteria as applied in western Germany. Most of the valuations based on the special features of balance sheet legislation in eastern Germany<sup>5</sup> are eliminated in the Bundesbank's evaluation of the annual accounts, with the result that the profitability and balance sheet ratios shown are, at least in that respect, largely comparable with the west German figures.<sup>6</sup>

## Income and cost

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Total output (turnover plus changes in stocks of own products, including capitalised production) of the 2,380 east German enterprises included in the large sample came to DM 48 billion in 1993; it was thus 7½% higher than a year earlier. The overall fairly sharp expansion of business activity was sustained by all of the three economic sectors analysed here. In contrast to 1992, the manufacturing enterprises included in this analysis were able to increase their total output (by 6½%). This result largely matches the picture drawn by the Federal Statistical Office, according to which manufacturing turnover in 1993 rose by nearly 7½%. A particularly steep increase in turnover (+ 13½%) was also recorded by the construction industry in 1993. Total output of the distribution sector in 1993 exceeded the previous year's figure by 6½%.

*Sharp  
expansion of  
total output  
in the three  
economic  
sectors*

The other income of the enterprises included in our sample increased even more sharply (+ 15%) than their business activity as such. Apart from the reversal of provisions, which

*Other income,  
total income*

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4 Unlike in the old Länder, in eastern Germany this is an overall survey which for 1992 comprised roughly 5,150 enterprises from the mining and manufacturing sectors with 20 or more employees.

5 See Deutsche Bundesbank, Balance sheet ratios and earnings of east German enterprises in 1991, loc. cit., page 31.

6 In principle, the stocks of own funds, for example, shown by east and west German enterprises are similarly adjusted for items such as subscribed capital unpaid, own shares held, loans to partners, etc. In the east German balance sheets these include, in addition, the accounting conveniences under the Deutsche Mark Balance Sheet Act, which were created solely for the purpose of balance sheet adjustment. The Reconstruction Loan Corporation, by contrast, makes no adjustments to the balance sheet material submitted to it in the context of its lending business.

had previously been made for rehabilitation measures, one factor in this was probably that the firms realised considerable extraordinary income (book profits) from sales of real estate. In 1993 interest received shot up starting from a relatively low level; at the same time, however, interest paid increased substantially owing to the considerable expansion of long-term creditors. All in all, the income of the enterprises analysed here grew by 8½% in the year under review compared with 1992.

*Total cost, cost  
of materials*

In 1993 cost rose comparatively moderately against the preceding year, namely by just under 3% to DM 56½ billion. This was the result of sharply diverging trends in the individual cost items. Expenditure on goods (including expenditure on goods purchased), which, at DM 33 billion, constitutes the most important cost item, increased by 6% and thus only slightly less than turnover and total output. The main reason for this was the exceptionally sharp rise in the cost of materials in the construction industry, which exceeded the growth of total output and which probably owed something to the fact that enterprises increasingly raised intermediate consumption at the expense of their value added. In the manufacturing sector, by contrast, the cost of materials grew noticeably more slowly than total output, inter alia because of the distinct decline in the import prices of raw materials and semi-finished products.

*Declining cost  
of depreciation*

In the year under review enterprises' profit and loss accounts were relieved quite considerably by the decline of 8% in the cost of

depreciation. This is largely due to the fact that there has meanwhile been a decrease in demand for extraordinary depreciation, especially of economically obsolete plant dating from the period of the socialist command economy, which had been very high immediately after the political turnaround. By contrast, depreciation of new tangible fixed assets, to which generous special regulations apply in eastern Germany, increased sharply in line with the rapid growth of the modernised part of the capital stock.

*Moderate rise  
in labour cost*

Under the persistently heavy labour cost pressure, industrial firms, in particular, were compelled to make further reductions in their staff levels in order to improve their competitiveness. According to the official statistics, the number of persons employed in the manufacturing sector on an annual average in 1993 was 14½% lower than in 1992; the labour cost of the manufacturing enterprises analysed here declined by 2½%. In the construction industry, on the other hand, surging wage rises and the recruitment of new labour had the same effect, with the result that labour cost grew very sharply (by 9%). The distribution enterprises included in our sample had to cope with an increase of 7½% in labour cost. On the whole, the labour cost of the enterprises analysed here rose by 1½% in the year under review and thus much more slowly than total output and turnover. Between 1991 and 1993 the share of labour cost in total output was reduced by 3 percentage points, given two-digit wage and salary increases throughout that period. At 21%, labour cost has of late been only slightly below the comparative west German

Profit and loss account of enterprises in the new Länder in 1993 \*

Item	All enterprises			Manufacturing		Construction		Distribution 1	
	DM million	Change from 1992 in %	Memorandum item Change from 1991 in % 2	DM million	Change from 1992 in %	DM million	Change from 1992 in %	DM million	Change from 1992 in %
<b>Income</b>									
Turnover	46,810	6.9	10.6	22,583	6.8	6,026	7.9	18,201	6.6
plus Change in stocks of own products 3	1,199	45.0	93.5	312	- 5.1	864	81.0	24	12.4
Total output	48,009	7.6	11.5	22,895	6.7	6,890	13.7	18,225	6.6
plus Interest received	415	31.0	119.4	331	36.6	25	- 7.7	59	24.2
Other income	5,773	14.1	23.3	4,707	12.8	499	18.2	567	21.6
Total income	54,179	8.4	13.1	27,932	7.9	7,414	13.9	18,851	7.0
<b>Cost</b>									
Cost of materials, expenditure on goods 4	32,899	5.9	7.7	14,481	3.4	3,936	19.2	14,481	5.4
Labour cost 5	10,000	1.4	- 3.1	6,169	- 2.5	2,202	8.8	1,629	7.6
Depreciation	3,762	- 8.0	22.6	2,510	- 15.5	452	- 3.7	801	23.3
Interest paid	1,466	8.4	78.6	974	2.5	131	41.0	360	16.8
Taxes on income and earnings	356	1.7	79.7	220	14.3	28	- 34.1	108	- 6.0
Other	175	- 10.8	121.4	73	2.3	12	- 53.5	90	- 9.5
Other cost	182	17.5	54.3	147	21.4	17	- 7.6	18	16.5
Total cost	7,986	- 2.6	0.7	5,635	- 6.0	846	- 1.7	1,505	11.6
Total cost	56,469	2.8	7.0	29,989	- 1.5	7,595	11.8	18,885	6.8
Profit for the year	- 2,272	8 (2,633)	.	- 2,057	8 (2,504)	- 181	8 (100)	- 34	8 (29)
Memorandum item Profit for the year before taxes on income 6	- 2,089	8 (2,611)	.	- 1,985	8 (2,505)	- 169	8 (87)	56	8 (19)
Interest paid (net) 7	1,051	1.5	61.8	643	- 9.2	106	61.2	302	15.4
Number of enter- prises	2,379	.	.	917	.	401	.	1,061	.

\* Results of a cylindered sample of 2,379 manufacturing, construction and distribution enterprises. — 1 Retail trade, wholesale trade and intermediaries. — 2 Cylindered sample of 1,127 enterprises. — 3 Including capitalised production. — 4 Including expenditure on goods pur-

chased. — 5 Wages, salaries, social security contributions and voluntary social security expenses. — 6 Taxes on income and earnings, in particular corporation tax and trade earnings tax. — 7 Balance of interest paid and interest received. — 8 DM billion.

**Selected ratios from the 1993 profit and loss accounts, by the size of the profits-turnover ratio \***

Item	Groups of enterprises			
	1st quartile	2nd quartile	3rd quartile	4th quartile
Cost of materials, expenditure on goods <sup>1</sup>	68.6	74.8	68.6	60.8
Labour cost <sup>2</sup>	31.1	14.3	16.2	19.5
Depreciation	12.4	4.8	5.6	7.6
Taxes	0.3	0.2	0.6	2.2
Interest paid	5.2	2.1	1.8	2.6
Other cost	22.8	8.8	12.4	18.6
Gross income	31.4	25.2	31.4	39.2
Interest paid (net) <sup>3</sup>	3.9	1.7	0.7	1.9
Profit for the year before taxes on income <sup>4, 5</sup>	-24.1	-0.5	1.3	10.9

\* Profit for the year before taxes on income as % of turnover. — 1 Including expenditure on goods purchased. — 2 Wages, salaries, social security contributions and voluntary social security expenses. — 3 Balance of interest paid and interest received. — 4 As % of turnover. — 5 Taxes on income and earnings, in particular corporation tax and trade earnings tax.

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level. However, it still absorbed two-thirds of gross income, which reflects the value added, compared with just over one-half in western Germany.

In 1993 the 2,380 enterprises analysed recorded a total loss (before taxes on income of enterprises operating in the black) of DM 2 billion. Compared with the preceding year's figure, when the loss came to just over DM 4½ billion, the overall economic situation is thus less poor or – stated in positive terms – has perceptibly improved. On the whole, the earnings situation remained unsatisfactory in 1993 but, in view of the acceleration in growth, another major step was taken towards a positive overall result last year. In 1993 the negative profits-turnover ratio – the ratio of losses to turnover – amounted to

4½%. In 1991 the loss ratio had still reached a two-digit figure, as the data from the smaller sample show.

However, these average yields mask a wide dispersion. The lowest 25% (first quartile) of the enterprises as classified by their profits-turnover ratio recorded a loss of DM 3½ billion, which is equivalent to almost one-quarter of the turnover in this group. The firms in the second quartile only just failed to reach the profit threshold, and the enterprises in the third segment generated a profits-turnover ratio of just under 1½%. In the upper segment a profit for the year before taxes on income of more than DM 1 billion and a gross profits-turnover ratio of 11% were achieved. It is notable that manufacturing enterprises are represented disproportionately highly in the first and the fourth quartiles, whereas firms from the construction and distribution sectors are concentrated in the two medium segments. On the whole, about 60% of the 2,380 enterprises – almost as many as in 1992 in percentage terms – were operating in the black in 1993. The share of profit-making manufacturing enterprises increased markedly, namely from 40½% to 44½%. The corresponding ratio in the two other sectors, by contrast, declined, albeit from a relatively high level (roughly 75% in each case).

*... and wide dispersion of the profits-turnover ratios*

*Sharp decrease in losses...*

### Balance sheet trends and structures

Largely in line with the expansion of business activity, the balance sheet total in 1993 rose by 8½% compared with 1992 to DM 42 billion. The pronounced differences in the

*Balance sheet total of all enterprises and by economic sector*

Selected ratios from the annual accounts \*

Item	All enterprises			Manufacturing		Construction		Distribution 1		Memorandum item Old Länder; all enterprises 2
	1993	Change from 1992 in percentage points	Memorandum item Change from 1991 in percentage points 3	1993	Change from 1992 in percentage points	1993	Change from 1992 in percentage points	1993	Change from 1992 in percentage points	
Balance sheet ratios	% of balance sheet total (adjusted)									
Assets										
Tangible fixed assets 4	42.7	- 0.8	- 3.5	48.0	- 0.5	27.9	- 3.4	36.1	1.3	26.5
Stocks	17.1	- 0.1	- 0.3	13.1	- 0.9	18.7	4.1	28.1	- 0.6	20
Cash 5	7.0	0.4	1.7	7.8	0.7	6.7	- 0.1	4.6	- 0.3	5
Debtors	30.8	0.3	1.5	28.1	0.3	45.2	- 0.8	29.9	- 0.5	35
Short-term	29.9	0.3	1.3	27.1	0.4	44.5	- 0.6	29.1	- 0.9	32.5
Long-term	0.9	0.0	0.3	1.0	- 0.1	0.7	- 0.2	0.7	0.3	2.5
Investments	0.1	0.0	0.1	0.2	0.1	0.1	0.0	0.1	0.0	2.5
Participating interests	1.9	0.2	0.3	2.6	0.4	0.5	0.1	0.8	0.0	10.5
Liabilities										
Own funds 6, 7	12.7	- 0.9	- 8.6	10.4	0.0	10.7	- 4.3	20.9	- 1.9	17.5
Creditors	73.2	3.9	10.3	72.2	3.6	78.9	8.6	72.6	2.0	61
Short-term	48.3	- 3.1	- 1.4	43.0	- 5.2	64.8	7.8	53.8	- 4.2	44.5
Long-term	24.9	7.0	11.6	29.1	8.7	14.1	0.8	18.8	6.2	16
Provisions 7	14.0	- 3.0	- 1.6	17.3	- 3.5	10.3	- 4.4	6.4	- 0.1	21.5
Profit and loss account ratios	% of total output									
Cost of materials, expenditure on goods 8	68.5	- 1.1	- 2.4	63.3	- 2.0	57.1	2.6	79.5	- 0.9	61.5
Labour cost 9	20.8	- 1.3	- 3.1	26.9	- 2.6	32.0	- 1.4	8.9	0.0	20
Depreciation	7.8	- 1.4	0.8	11.0	- 2.8	6.6	- 1.1	4.4	0.6	4
Taxes	0.7	- 0.1	0.4	1.0	0.1	0.4	- 0.3	0.6	- 0.1	3
Interest paid	3.1	0.1	1.2	4.3	- 0.1	1.9	0.4	2.0	0.2	2
Other cost	16.6	- 1.8	- 1.8	24.6	- 3.3	12.3	- 1.9	8.3	0.4	13.5
Gross income	31.5	1.1	2.4	36.7	2.0	42.9	- 2.6	20.5	0.9	38.5
Interest paid (net) 10	2.2	- 0.1	0.6	2.8	- 0.5	1.5	0.4	1.7	0.2	1
Profit for the year	% of turnover									
Profit for the year before taxes on income 11	- 4.9	6.3	6.5	- 9.1	12.5	- 3.0	2.0	- 0.2	0.2	1.5
	- 4.5	6.3	6.7	- 8.8	12.4	- 2.8	1.8	0.3	0.1	2

\* Results of a cylindered sample of 2,379 manufacturing, construction and distribution enterprises. — 1 Retail trade, wholesale trade and intermediaries. — 2 Results as estimated for the Monthly Report of November 1994, rounded to the nearest half or full percentage point. — 3 Cylindered sample of 1,127 enterprises. — 4 Including intangible assets. — 5 Notes and coins, bank and Postbank bal-

ances. — 6 Less adjustments to capital accounts. — 7 Including pro rata share of special reserves. — 8 Including expenditure on goods purchased. — 9 Wages, salaries, social security contributions and voluntary social security expenses. — 10 Balance of interest paid and interest received. — 11 Taxes on income and earnings, in particular corporation tax and trade earnings tax.

Balance sheet of enterprises in the  
new Länder in 1993 \*

	All enter- prises 1	Manu- fac- turing	Con- struc- tion	Dis- tribu- tion 2
DM million				
<b>Assets</b>				
Tangible fixed assets 3	17,995	13,150	1,603	3,242
Stocks	7,194	3,594	1,071	2,528
Cash 4	2,939	2,141	387	411
Debtors	12,975	7,699	2,592	2,685
Short-term	12,605	7,433	2,552	2,620
of which				
Trade debtors	5,360	2,663	1,069	1,628
Long-term	370	266	40	64
Investments	57	44	5	8
Participating interests	810	710	29	71
Prepayments and accrued income	163	66	48	48
<b>Liabilities</b>				
Own funds 5, 6	5,343	2,849	615	1,878
Creditors	30,828	19,774	4,523	6,531
Short-term	20,347	11,796	3,714	4,837
Long-term	10,481	7,978	809	1,694
Provisions 6	5,900	4,737	591	572
Accruals and deferred income	61	44	5	12
<b>Balance sheet total</b>	<b>42,133</b>	<b>27,405</b>	<b>5,735</b>	<b>8,993</b>
Change from previous year in %				
<b>Assets</b>				
Tangible fixed assets 3	6.3	4.7	11.1	11.0
Stocks	7.4	- 0.5	59.1	4.9
Cash 4	14.4	15.8	23.4	0.7
Debtors	9.4	7.0	22.5	5.2
Short-term	9.6	7.7	22.9	4.1
of which				
Trade debtors	- 1.7	- 5.0	- 4.5	6.5
Long-term	2.2	- 7.6	1.2	85.1
Investments	57.0	69.9	42.1	15.2
Participating interests	25.4	27.0	61.2	2.9
Prepayments and accrued income	9.0	- 16.8	32.9	45.1
<b>Liabilities</b>				
Own funds 5, 6	0.8	5.6	- 10.6	- 1.9
Creditors	14.5	11.3	39.8	10.1
Short-term	1.8	- 5.5	41.6	- 0.8
Long-term	50.9	51.3	31.8	60.2
Provisions 6	- 10.7	- 12.0	- 12.7	4.5
Accruals and deferred income	19.5	1.4	99.5	130.5
<b>Balance sheet total</b>	<b>8.3</b>	<b>5.9</b>	<b>24.6</b>	<b>7.1</b>

\* Results of a cylindered sample of 2,379 manufacturing, construction and distribution enterprises. — 1 Consolidated results. — 2 Retail trade, wholesale trade and intermediaries. — 3 Including intangible assets. — 4 Notes and coins, bank and Postbank balances. — 5 Less adjustments to capital accounts. — 6 Including pro rata share of special reserves.

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movements of assets and liabilities evident in the first few years of reconstruction between the manufacturing sector, on the one hand, and the construction and distribution sectors, on the other, decreased in the year under review. Nevertheless, the construction sector, with an expansion of the balance sheet total of 24½%, was still far ahead of the manufacturing sector (6%) and distribution (7%). A similar growth profile can be observed in major individual balance sheet items.

The total stock of tangible fixed assets expanded by 6½% to DM 18 billion in 1993, with the construction industry and distribution again making a particularly strong contribution. In the manufacturing sector tangible fixed assets grew by 4½% and thus at a below-average rate, which – viewed superficially – does not give a true impression of the fast pace at which a modern capital stock is being created in this sector, too. Lying behind this growth rate there is a sharp expansion of the existing stock of new plant, on the one hand, but, on the other, a decline in the stock of buildings and real estate. Some industrial enterprises apparently sold parts of their real property which was previously too large and no longer necessary for production.

In 1993 the "financial superstructure" of east German enterprises was still underdeveloped but there are signs of a gradual change. The stocks of investments and participating interests were increased by a total of 57% and 25½%, respectively, but together they reached only 2% of the balance sheet total (compared with 12½% in western Ger-

*Stock of  
tangible fixed  
assets*

*Weak "financial  
superstructure"*

many). Conversely, tangible fixed assets, as measured by the balance sheet total, have a relatively high weight at 42½%. The main reason for this is not only the overall earnings position, which is still unsatisfactory and leaves too little room for financial investment, but also the fact that fixed capital formation is more urgent and probably also more profitable.

*Own funds*

On the liabilities side of the east German corporate balance sheets we analysed there was a reversal in trend in 1993 insofar as the decline in own funds in the two preceding years was replaced by a small increase (+ 1%), albeit one which remained distinctly below the balance sheet growth. The own funds ratio consequently decreased further but at a slower pace than in the two previous years.<sup>7</sup> At 12½% it was distinctly below the comparative figure for western Germany (17½%). The relatively good provision with own funds at the start of Deutsche Mark accounting – due, in particular, to the fact that in many cases enterprises were freed of debts during the course of privatisation by the Treuhand agency and supplied with fresh capital by the new owners – was diminished mainly by the high losses which east German enterprises incurred thereafter.

In the light of accelerated economic growth, the stock of own funds of east German enterprises is likely to have increased overall in 1994. From that point of view it does not appear to be justified to talk generally, as is occasionally done, of a sustained erosion of the capital base or of an increasing weakness of the east German enterprises' capital base.

**Selected ratios from the 1993 balance sheets, by the size of the own funds ratio**

% of the balance sheet total (adjusted)

Item	Groups of enterprises			
	1st quartile	2nd quartile	3rd quartile	4th quartile
<b>Assets</b>				
Tangible fixed assets 1	43.8	35.4	42.0	45.5
Stocks	18.9	20.7	17.5	14.5
Cash 2	6.7	4.6	4.2	9.7
Debtors	29.3	38.1	30.0	29.0
Short-term	28.3	37.3	28.8	28.3
Long-term	1.1	0.8	1.2	0.7
Investments	0.1	0.0	0.0	0.3
Participating interests	0.7	0.6	5.9	0.9
<b>Liabilities</b>				
Own funds 3, 4	- 39.5	5.1	15.5	40.0
Creditors	122.3	86.8	71.7	44.2
Short-term	72.6	60.4	48.8	31.1
Long-term	49.7	26.4	22.9	13.1
Provisions 4	17.1	7.9	12.8	15.7

1 Including intangible assets. — 2 Notes and coins, bank and Postbank balances. — 3 Less adjustments to capital accounts. — 4 Including pro rata share of special reserves.

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Backing this typical view, there are, of course, enormous differences from one economic sector to another and from one enterprise to another. In the manufacturing sector own funds grew in step with the balance sheet total in 1993 for the first time since the end of 1990; their share in the balance sheet total stabilised at 10½%. On the other hand, the own funds ratio dropped in the construction and distribution sectors; but even there it has of late been above the respective west German ratio, to which it has thus drawn closer.

<sup>7</sup> The Reconstruction Loan Corporation shows a distinctly better provision with own funds of east German enterprises for 1993 in its analysis, inter alia as a result of the differences in methodology explained in footnotes 2 and 6 on page 56 and page 57. However, as regards the direction of the trend the analysis of the Reconstruction Loan Corporation arrives at the same result as the Bundesbank, namely that the own funds ratio dropped perceptibly between 1991 and 1993.

*Wide  
dispersion  
of the own  
funds ratio*

In 1993 the dispersion of the provision with own funds relative to the balance sheet total was even more pronounced from enterprise to enterprise than in the two preceding years. It should be emphasised, in particular, that in the lowest 25 % (first quartile) of the enterprises classified by their own funds ratio financing conditions have continued to deteriorate considerably. As measured by the relevant balance sheet items which were adjusted by the Bundesbank as part of its balance sheet evaluation, firms in this group were heavily overindebted; their assets were 39 ½ % below the total of creditors and provisions. In the upper quartile the ratio of own funds to the balance sheet total came to 40 %.

*Creditors,  
provisions*

The 2,380 enterprises analysed here expanded their long-term creditors by roughly

one-half in 1993 compared with the previous year. Their long-term debt to credit institutions rose by as much as 60 % to DM 6 ½ billion; at 15 ½ % of the balance sheet total, it exceeded the comparative figure in the old Länder (10 %), which should be seen as a reflection of the lower overall own funds ratio. The stock of provisions (which unlike in western Germany still includes hardly any provisions for pensions) was, on balance, reduced sharply, in the year under review. This was principally because – as noted – provisions formed hitherto for rehabilitation measures were reversed. The share of provisions in the balance sheet total of the enterprises included in this analysis therefore declined distinctly and, at 14 %, reached just two-thirds of the corresponding west German weight.



## The circulation of Deutsche Mark abroad

The amount of Deutsche Mark in circulation has increased at a faster pace during the past few years.<sup>1</sup> This development cannot be explained by the amount of currency required for domestic transactions alone. It is more likely that the volume of Deutsche Mark notes circulating abroad has risen sharply. Recording the amount of Deutsche Mark held abroad has proved extremely difficult as only the proportion of the currency circulating outside the German banking system is known but not how much of this is accounted for by the domestic non-banks and how much is held abroad. In the present analysis different methods are used to try to estimate the proportion of currency circulating abroad. It comes to the conclusion that this proportion could have amounted to something between 30% and 40% at the end of 1994. Despite such a significantly high ratio, however, the Bundesbank's monetary targeting has not been called into question.

It is of considerable importance for a central bank and for the monetary policy it is pursuing to know how much of the currency it has channelled into the economy is circulating abroad rather than at home. Firstly, most of the currency circulating abroad is used only there for transactions or hoarding purposes and consequently does not affect demand at

---

<sup>1</sup> The figures on currency used in the present analysis always refer to the total amount of currency in circulation less the domestic credit institutions' cash holdings.

home or, at least, does not affect it in the same way as the currency circulating in the domestic economy. Secondly, foreign demand for currency affects a central bank's money market management. Considerations of this kind were among the reasons why similar investigations were conducted in the United States, and these showed that up to 70 % of dollar notes are held abroad.

*Recording problems*

The proportion of currency circulating abroad cannot be established through the usual statistical sources used for monetary analysis. The Deutsche Bundesbank's intermediate target variable – M3 – comprises the currency in circulation (excluding the cash holdings of domestic credit institutions) and the sight deposits, time deposits for less than four years and savings deposits at three months' notice held by domestic non-banks (excluding the Federal Government) with domestic credit institutions. The banking statistics make it possible to distinguish clearly between residents and non-residents and between domestic and foreign credit institutions only in the case of the various types of deposit. On the other hand, all that is known about currency in circulation is the total amount of it circulating outside the German banking system, but it is not possible to distinguish between the volume circulating at home and the volume circulating abroad.

#### Indications of Deutsche Mark holdings abroad

*Amount of currency in circulation*

The amount of Deutsche Mark in circulation totalled DM 226 billion at the end of 1994, and the number of banknotes amounted to

#### International comparison of per capita currency holdings

1993, in US dollars

Country	Amount
Germany	1,579
Canada	607
United States	1,271
Japan	2,944
Switzerland	3,060
France	746
Netherlands	1,323
United Kingdom	492
Italy	987
Portugal	475
Denmark	766
Sweden	985
Poland	143
Turkey	78

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2.4 billion. There are several indications that a considerable proportion of this is held abroad. This is probably due not least to the greater stability of the Deutsche Mark compared with other national currencies and to its general acceptability.

If the currency stock of a country is seen in terms of the number of inhabitants, currency holdings of Germans and Americans are relatively high on an international comparison (see the table above). Many other countries (for example, France, Canada, Italy), whose currencies presumably are not in great demand abroad, have a much lower figure, on the other hand. The relatively insignificant holdings of currency in countries such as Poland and Turkey are certainly not only due to the state of development there but to a large

*Per capita currency holdings*

extent probably also to the holdings of foreign currency, including Deutsche Mark, associated with the instable monetary environment.

According to this calculation, every German held currency averaging just under DM 2,800 at the end of 1994, which comes to just over DM 11,000 for a four-person household. If it is assumed in the light of experience that this sum is improbable and therefore has to be taken as an indication that a considerable proportion of Deutsche Mark in circulation is to be found abroad, this supposition is confirmed all the more by looking at the various denominations (see the adjacent table). It is unlikely that the average German household in 1994 held approximately 25 DM 100 notes and two DM 1,000 notes.

A significant foreign element is also suggested by the temporal trend of the Deutsche Mark in circulation. In view of the increasing spread of cashless payments and other financial innovations, one would expect that in Germany, too, currency holdings for transactions would decline over time. In France and the United Kingdom, for example, the ratio between currency holdings and private consumption or the gross domestic product has fallen continuously over the past few decades. On the other hand, this ratio has tended to increase in Germany since the second half of the seventies (see the chart on page 68);<sup>2</sup> much the same is true of the United States, for example, as it may also be assumed that a large proportion of the US currency in circulation is to be found abroad. One indication that the Deutsche Mark is not only held at home for transactions purposes

*Currency  
holdings for  
transactions  
purposes*

### Denominations of Deutsche Mark notes per household

Year	Notes of DM...	Number of items
1994	5	2.0
	10	13.4
	20	10.9
	50	11.3
	100	24.7
	200	1.6
	500	1.4
	1,000	2.0

#### Memorandum item: per capita/household

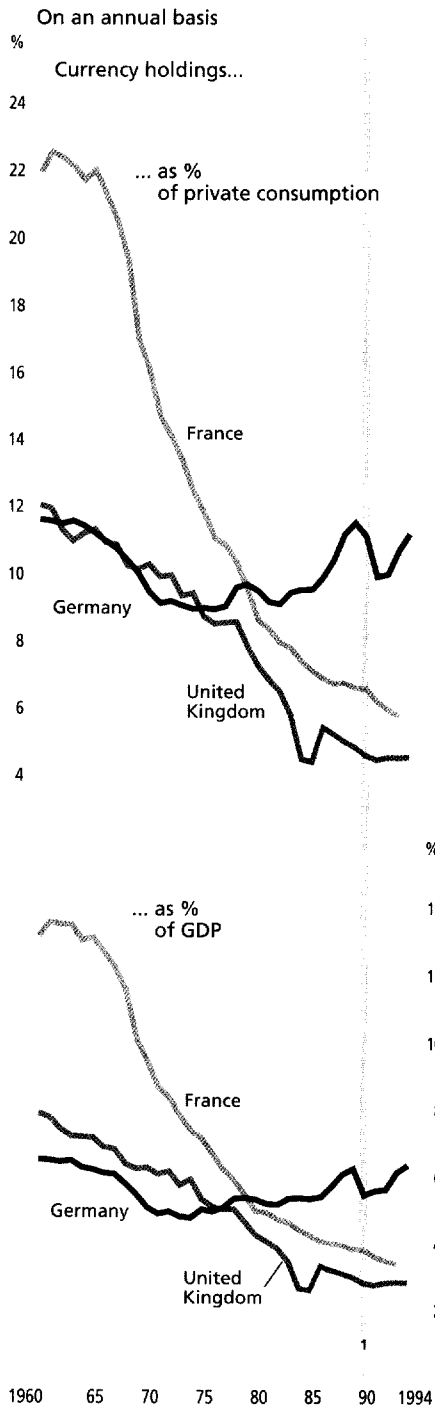
1984	1,000	0.31/0.70
1988	1,000	0.65/1.45
1991	1,000	0.59/1.33
1993	1,000	0.75/1.74
1994	1,000	0.87/2.00

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is that the pattern of the stocks of the various denominations in relation to transactions variables also differs over time. Hence the relationship between the circulation of small-denomination notes (DM 5 to DM 50) and private consumption has fallen continuously during the past few decades; the opposite is the case with respect to the other notes, especially the large-denomination DM 500 and DM 1,000 notes (see also the chart on page 69).

<sup>2</sup> The statistical break which resulted from German unification must always be borne in mind when interpreting the German figures.

### Currency holdings relative to private consumption and gross domestic product \*



\* Excluding credit institutions' cash holdings. — † From 1990 Germany as now territorially defined.

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### Methods of establishing the proportion of Deutsche Mark circulating abroad and their results

Direct methods of establishing the level of Deutsche Mark circulating abroad are not very promising. For example, one cannot expect to receive reliable answers through surveys either at home or abroad. The statistically recorded outflows and return flows of notes which are used to establish the external asset position and which are largely based on data from credit institutions presumably do not accurately reflect the dimension of the problem either. This is probably due, among other things, to the fact that outflows and return flows are not settled exclusively through the German banking system and that not every country with a potential volume of Deutsche Mark in circulation is included in the reporting system for credit institutions. All in all, there are probably no prospects of success in trying to establish the amount of currency circulating abroad more or less directly from survey results or statistical information.

*Direct recording methods*

Consequently, one must resort to indirect methods. These are based on the use of variables which are affected by foreign demand for Deutsche Mark or else an attempt is made to draw on certain information on the use of Deutsche Mark at home and/or abroad. In principle, the indirect methods which will be explained below may be divided into two groups: in the first of these groups a "conclusion by analogy" from an earlier period in which the foreign factor was negligible or from conditions in countries which are com-

*Indirect methods*

parable with Germany but whose currencies are not in demand abroad is used to determine the amount of Deutsche Mark held abroad. In the second group econometric estimates of currency demand functions, which in some cases are linked to the first group, are involved.

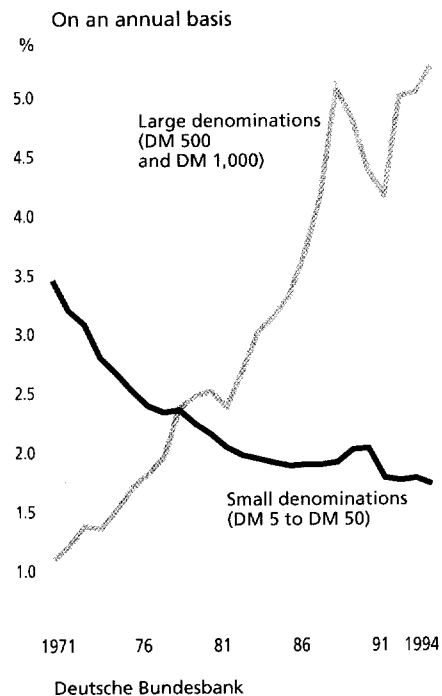
*Seasonal pattern*

Recent US calculations of the amount of dollars circulating abroad have been made on the basis of seasonal movements of total currency in circulation. The rationale for this is that the seasonal pattern of currency in circulation as a whole is influenced by foreign demand for the domestic currency. Hence the use of Deutsche Mark for transactions and hoarding purposes in other countries is probably associated with the seasonal trends in Germany to only a slight degree at most and does not show a pronounced seasonal figure. This means that the seasonal movement of total currency in circulation is restrained by Deutsche Mark holdings abroad and therefore shows a less erratic pattern. The amount of Deutsche Mark notes circulating in Germany can be estimated by making a comparison with the seasonal pattern of currency in an appropriate country without a foreign influence (e.g. the Netherlands) or of variables in which a clear distinction can be made between the domestic and the foreign components (for example, sight deposits). The foreign part then remains as a residual.

*Currency provision of eastern Germany*

Information which – given certain assumptions – may be used to answer the question under discussion here can also be derived from the increase in the currency in circulation associated with the introduction of the Deut-

### Small and large-denomination banknotes relative to private consumption



sche Mark in eastern Germany in the middle of 1990. If one assumes that the increase in the amount of Deutsche Mark in circulation at that time was due exclusively to the currency conversion in eastern Germany, a per capita currency provision in the new Länder can be calculated and from this result – taking account of the difference in living standards – a corresponding figure for western Germany can be derived. If this is multiplied by the number of inhabitants, the approximate amount of currency held at home is obtained; the foreign component can then be established by comparing this figure with the total amount of Deutsche Mark in circulation.

An econometric estimate of currency demand functions also provides opportunities for measuring currency holdings abroad or, at

*Estimate of currency demand functions*

least, their order of magnitude. It is relatively undisputed that domestic money demand depends on an opportunity cost measure, usually an interest rate variable, and a transactions variable such as private consumption. The objective of such a procedure is to establish the corresponding function which will provide the best statistical test results from among several alternatives (each with a domestic currency ratio of varying size). The foreign portion is the difference between total currency in circulation and the amount of currency held at home estimated in this way. A similar method consists of specifying a domestic currency demand function for a period in which foreign demand for Deutsche Mark was still insignificant. This would probably apply to the sixties, for example. A function established for that period is then extrapolated into the future. Under certain conditions the amount of Deutsche Mark circulating abroad can then be derived from the difference between the actual and the forecasted currency trend.

As already mentioned, there are several reasons why one would expect the currency ratio, that is to say, the amount of currency in circulation relative to a transactions variable, to decline with the passage of time. As the chart on page 68 shows, this is substantially true of Germany only up to the beginning of the seventies and to a lesser extent up to the end of the seventies. If it is assumed that the reversal in the trend is due to increased foreign demand for Deutsche Mark, a comparison of the trend in the total currency ratio for the Deutsche Mark with that of another country (for example, Austria) or of earlier

periods (for example, 1960 to 1980 or 1970 to 1977) can be used to derive the amount of currency circulating abroad.

The final method is the analysis of the life of banknotes. It is assumed in this procedure that the life of Deutsche Mark notes is prolonged through their use abroad. Under certain conditions a comparison of the actual with the "normal" life of banknotes makes it possible, in turn, to establish the amount of Deutsche Mark circulating abroad.

*Analysis  
of the age of  
banknotes*

Although the methods briefly described here are very different and largely independent of each other, they produce fairly similar results for the level of currency holdings abroad at the end of 1994. These results show that at that time between 30% and 40% of the total amount of Deutsche Mark in circulation could have been circulating abroad; in absolute terms this would have amounted to between DM 65 billion and DM 90 billion. However, the calculation methods used do not enable the temporal trend in the currency circulating abroad to be established in the past with a more or less acceptable degree of reliability and clarity. However, there are many indications that the demand from abroad has been increasing since the beginning of the eighties.

*Results*

One may object to the above-mentioned result of the calculations presented here on the grounds that the sharp rise in the amount of Deutsche Mark in circulation could also be attributed to hoarding at home and to shadow-economy activities; currency holdings resulting from these cannot be separ-

*Hoarding  
and the  
shadow  
economy*

ated in all of the methods used from the currency circulating abroad. However, the role of these factors should not be overestimated. Hoarding at home and the currency circulating in the shadow economy are captured in the domestic part, for example, in the methods used in conjunction with currency demand estimates and therefore do not overstate the foreign holdings which were determined in this way and which run at a level similar to the results obtained by other methods. Generally speaking, it should be remembered, as far as hoarding at home is concerned, that an ever-growing section of the domestic population is familiar with reliable alternatives to holding currency and that German savers have become increasingly interest-rate-sensitive. The temporal trend in the holdings of various Deutsche Mark notes also tends to confirm the results submitted here because it is not only the number of large denominations which are probably used predominantly for hoarding purposes but also the number of other notes (for example, DM 100 notes) that have grown disproportionately in the past, for example, relative to the transactions variables. Finally, it must be remembered in this context that a significant proportion of shadow-economy activities is settled through foreign countries and, to that extent, is correctly recorded as foreign holdings in the calculations described above. Overall, it is likely that the spread mentioned at the beginning is more or less an accurate reflection of the amount of currency circulating abroad.

### Monetary policy consequences of the large foreign element

---

The demand for currency from abroad creates an additional need for central bank money, but it is uncertain whether or not this need is backed by a corresponding demand for goods at home. The notion of financing transactions at home is linked to the traditional monetary aggregates, which include currency in circulation. From that point of view, it appears – at first sight – that a fundamental principle of a policy of monetary targeting, as pursued by the Bundesbank, is open to question as a result of the substantial foreign element. At the end of 1994, however, currency in circulation amounted to only 12 % of M3, the Bundesbank's intermediate target variable; even if the foreign element came to 40 %, there is probably only a relatively slight distortion in the temporal trend of M3. Problems could arise only if the foreign element were subject to particularly sharp annual fluctuations. However, there is little to suggest that this is the case. Instead, the trend would appear to be steady. For that reason no add-on should be made for the currency circulating abroad when deriving the monetary target either. This is true not least because it cannot be assumed that the foreign part will never affect purchasing power at home. Besides, the foreign element is already taken into account in the adjustment for the trend velocity of money (see page 18 of this Report). According to that, monetary targeting is not appreciably impaired by the amount of Deutsche Mark circulating abroad.

*Repercussions  
on monetary  
targeting*





# Statistical Section

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### Abbreviations and symbols

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- e** Estimated
- p** Provisional
- pe** Partly estimated
- r** Revised
- ... Figure available at a later date
- . Figure unknown or not to be published  
or not meaningful
- 0** Less than 0.5 but more than nil
- Nil

Discrepancies in the totals are due to rounding.

## I. Key economic data

### 1. Monetary developments and interest rates

Period	Money stock in various definitions, seasonally adjusted 1				Factors determining the money stock, seasonally adjusted 1, 3			Interest rates		
	M3, monthly average	M3, extended 2	M2 3	M1 3	Bank lending to enterprises and individuals 4	Monetary capital formation	Day-to-day money	Current account credit 5	Yield on listed Federal securities outstanding	
	Average annual change, in %				Annual averages, in % p. a.			Monthly averages, in % p. a.		
1987	7.3	6.9	6.8	9.1	3.9	5.6	3.7	6.7	5.8	
1988	6.3	6.6	6.2	9.5	4.5	4.3	4.0	6.6	6.1	
1989	5.7	8.3	8.8	6.4	6.4	4.7	6.6	8.3	7.0	
1990	4.6	7.0	12.5	4.6	8.1	10.5	7.9	9.9	8.8	
1991	.	.	.	.	.	.	8.8	10.9	8.6	
1992	8.1	9.3	11.7	6.6	11.3	8.0	9.4	12.0	8.0	
1993	7.8	10.2	8.5	9.3	8.7	4.0	7.5	11.1	6.3	
1994	8.9	9.8	6.8	9.8	9.2	6.0	5.3	9.6	6.7	
	Change from the 4th qtr of the previous year, annual rate in %				Change over the last six months, expressed as an annual rate, in %			Monthly averages, in % p. a.		
1994 June	10.8	9.8	8.1	5.4	9.2	9.0	5.6	5.1	9.4	6.9
July	9.4	6.0	5.0	1.6	5.3	9.2	6.9	5.0	9.4	6.7
Aug.	8.1	3.8	4.1	0.8	8.0	9.5	6.8	4.9	9.4	6.9
Sep.	7.7	3.1	3.6	- 2.9	6.7	8.9	7.8	4.8	9.4	7.3
Oct.	6.7	0.5	2.1	- 5.1	5.4	8.7	8.1	4.9	9.4	7.4
Nov.	5.8	- 0.6	1.3	- 7.8	3.8	8.8	8.9	5.0	9.3	7.3
Dec.	4.9	- 1.7	0.4	- 10.7	1.6	8.2	10.1	4.9	9.3	7.4
1995 Jan.	- 5.6	- 2.8	- 0.1	- 8.5	5.3	7.4	10.2	5.0	9.3	7.5
Feb.	- 4.0	- 2.5	- 0.3	- 9.1	3.6	7.7	10.7	5.0	9.3	7.3
Mar.	- 2.7	- 2.9	- 1.1	- 8.4	2.9	6.8	10.6	4.8	9.3	7.1
Apr.	- 1.5	- 1.9	- 0.9	- 8.2	2.5	7.0	10.5	4.7	9.0	6.8
May	- 0.8	- 1.0	...	- 3.7	6.5	6.4	10.2	4.7	8.8	6.5
June	...	...	...	...	...	...	...	4.6	8.8	6.4

1 From January 1991 including eastern Germany. Statistical alterations have been eliminated. — 2 Monthly average, calculated from end-of-month levels; from August 1994 including money market funds. — 3 End-of-month

level. — 4 Excluding the Bundesbank, including lending in the form of securities. — 5 DM 1 million and more but less than DM 5 million.

### 2. Public finance

### 3. Foreign trade and payments

Period	Central, regional and local authorities 1				Social security funds 1	Balance of payments 1			Exchange rates 4	
	Receipts	Expenditure	Financial balance	Level of debt	Financial balance	Current account 2	Capital account	Dollar rate	External value of the Deutsche Mark 5	
	Change from previous year in %		DM billion			DM billion	Total excl. short-term credits			Short-term credits 3
1987	2.4	3.7	- 51.0	848.8	3.5	82.8	- 24.2	- 17.2	1.80	178.9
1988	3.0	3.1	- 53.3	903.0	- 1.5	87.0	- 86.0	- 35.6	1.76	177.4
1989	9.4	4.1	- 22.2	928.8	13.2	107.5	- 21.7	- 104.9	1.88	175.7
1990	3.6	6.9	- 46.3	1,053.5	16.2	79.0	- 65.2	- 0.6	1.62	185.5
1991	.	.	- 121.8	1,173.9	14.3	- 31.9	- 20.8	54.0	1.66	183.1
1992	pe 12.4	pe 9.7	pe - 110.0	1,345.2	pe - 7.0	- 33.7	28.6	72.8	1.56	188.7
1993	pe 3.0	pe 4.8	pe - 133.0	1,509.1	pe 4.0	- 25.8	166.3	- 177.1	1.65	193.4
1994	pe 5.9	pe 2.8	pe - 106.0	1,654.7	pe - 1.5	- 33.4	- 69.2	113.6	1.62	193.4
1993 3rd qtr	- 0.4	2.7	- 35.2	1,444.3	- 0.8	- 9.4	29.6	10.4	1.68	192.1
4th qtr	5.7	1.0	- 54.8	1,509.1	6.2	- 9.6	75.8	- 79.6	1.68	193.6
1994 1st qtr	p 8.5	p 4.9	p - 22.4	1,587.4	p - 3.9	- 4.8	- 30.7	35.5	1.72	189.9
2nd qtr	p 7.7	p 1.7	p - 1.0	1,585.8	p 0.1	- 4.4	- 36.2	41.4	1.66	191.6
3rd qtr	p 5.9	p 0.8	p - 24.5	1,602.1	p - 3.3	- 12.4	- 12.0	39.1	1.56	195.7
4th qtr	p 3.3	p 2.2	p - 53.0	1,654.7	p 6.5	- 13.0	9.7	- 2.4	1.54	196.3
1995 1st qtr	...	...	...	...	...	p - 3.5	4.6	6.6	1.48	202.0
2nd qtr	...	...	...	...	...	...	...	...	1.40	205.3
1995 Feb.	.	.	.	.	.	.	- 4.5	7.8	1.50	200.5
Mar.	.	.	.	.	.	.	9.5	- 2.8	1.41	207.0
Apr.	.	.	.	.	.	.	0.1	6.8	1.38	206.9
May	.	.	.	.	.	.	7.5	...	1.41	204.5
June	.	.	.	.	.	.	...	...	1.40	204.4

1 From the 1st qtr of 1991 including eastern Germany.

1 From July 1990 including eastern Germany. — 2 Seasonally adjusted quarterly figures; from 1993 figures subject to significant uncertainty owing to changes in the method of data collection in foreign trade. — 3 Including balance of unclassifiable transactions. — 4 Monthly or quarterly and annual averages. — 5 Weighted external value of the Deutsche Mark (against the currencies of 18 industrial countries).









II. Overall monetary survey

2. Consolidated balance sheet of the banking system \*  
Assets

DM billion

End of year or month	Lending to domestic non-banks													
	Total assets	Bundesbank											Credit institutions	
		Total	Domestic non-banks, total	Public authorities				Post office, Telekom				Domestic non-banks, total	Enterprises	
				Total	Advances, Treasury bills and Treasury discount paper	Securities 1	Equalisation claims	Total	Advances, Treasury bills and Treasury discount paper	Securities 1				
1990	3,831.9	2,888.6	13.5	12.7	0.7	3.3	8.7	0.8	0.8	0.7	0.8	2,875.0	2,271.5	
1991	4,147.5	3,160.6	13.7	13.0	0.2	4.1	8.7	0.7	0.7	0.7	0.7	3,147.0	2,517.8	
1992	4,504.5	3,497.5	19.3	19.0	4.5	5.7	8.7	0.3	0.3	0.3	0.3	3,478.2	2,739.0	
1993	5,001.7	3,839.8	13.4	13.1	-	4.4	8.7	0.3	0.3	0.3	0.3	3,826.4	2,986.0	
1994	5,277.8	4,149.0	11.9	11.6	-	2.9	8.7	0.3	0.3	0.3	0.3	4,137.2	3,210.9	
1994 May	5,030.2	3,936.7	12.8	12.5	-	3.8	8.7	0.3	-	0.3	0.3	3,923.9	3,056.3	
June	5,052.0	3,969.1	12.7	12.4	-	3.7	8.7	0.3	-	0.3	0.3	3,956.4	3,085.2	
July	5,066.5	3,996.4	12.5	12.2	-	3.5	8.7	0.3	-	0.3	0.3	3,983.9	3,104.9	
Aug.	5,088.5	4,012.6	12.4	12.1	-	3.4	8.7	0.3	-	0.3	0.3	4,000.2	3,122.8	
Sep.	5,114.9	4,040.2	12.2	11.9	-	3.3	8.7	0.3	-	0.3	0.3	4,028.0	3,149.5	
Oct.	5,140.2	4,069.5	12.1	11.8	-	3.2	8.7	0.3	-	0.3	0.3	4,057.4	3,171.5	
Nov.	5,208.0	4,107.4	12.1	11.8	-	3.1	8.7	0.3	-	0.3	0.3	4,095.3	3,195.4	
Dec.	5,277.8	4,149.0	11.9	11.6	-	2.9	8.7	0.3	-	0.3	0.3	4,137.2	3,210.9	
1995 Jan.	5,266.3	4,144.8	11.8	11.5	-	2.8	8.7	0.2	-	0.2	0.2	4,133.0	3,164.2	
Feb.	5,315.8	4,173.0	11.6	11.4	-	2.7	8.7	0.2	-	0.2	0.2	4,161.4	3,178.9	
Mar.	5,318.5	4,188.4	11.5	11.2	-	2.5	8.7	0.2	-	0.2	0.2	4,176.9	3,190.1	
Apr.	5,347.7	4,204.9	11.3	11.1	-	2.4	8.7	0.2	-	0.2	0.2	4,193.5	3,204.7	
May	5,371.6	4,224.8	11.1	10.9	-	2.2	8.7	0.2	-	0.2	0.2	4,213.7	3,212.3	

Liabilities

DM billion

End of year or month	Money stock M3												Memorandum items	
	Total liabilities	Money stock M2											Money stock M3, monthly average 10	Money stock M3, extended, plus money market funds 11
		Total	Money stock M1				Domestic non-banks' sight deposits			Domestic non-banks' time deposits for less than 4 years		Domestic non-banks' savings deposits at three months' notice 9		
			Total	Total	Currency in circulation (excluding credit institutions' cash in hand) 7	Domestic non-banks' sight deposits	Enterprises and individuals 2	Public authorities 8	Total	of which Enterprises and individuals 2				
1990	3,831.9	1,503.0	987.6	584.3	158.6	425.8	391.2	34.6	403.3	350.4	515.4	1,461.4	1,642.9	
1991	4,147.5	1,597.7	1,084.5	604.0	171.8	432.3	402.9	29.4	480.5	422.8	513.1	1,550.0	1,762.8	
1992	4,504.5	1,718.7	1,196.5	669.6	200.5	469.1	440.7	28.4	527.0	469.7	522.2	1,685.1	1,929.2	
1993	5,001.7	1,906.7	1,319.2	726.3	212.0	514.3	486.2	28.2	592.9	531.0	587.4	1,834.4	2,173.4	
1994	5,277.8	1,937.0	1,282.7	764.1	225.9	538.2	507.9	30.3	518.6	462.2	654.3	1,900.5	2,231.0	
1994 May	5,030.2	1,899.6	1,290.7	689.4	213.7	475.6	452.7	22.9	601.3	543.9	608.9	1,886.4	2,175.8	
June	5,052.0	1,901.4	1,289.2	702.4	214.8	487.7	464.3	23.4	586.8	528.9	612.2	1,882.6	2,168.9	
July	5,066.5	1,891.1	1,275.3	695.0	216.0	479.0	457.2	21.8	580.3	526.8	615.8	1,877.7	2,163.5	
Aug.	5,088.5	1,889.9	1,270.2	696.0	214.7	481.4	459.3	22.1	574.1	518.3	619.8	1,878.1	2,165.6	
Sep.	5,114.9	1,881.6	1,258.3	701.3	218.3	483.0	461.7	21.2	557.0	504.3	623.3	1,871.6	2,157.7	
Oct.	5,140.2	1,885.4	1,258.0	711.5	217.2	494.3	472.5	21.8	546.5	495.0	627.3	1,866.4	2,174.7	
Nov.	5,208.0	1,907.0	1,275.0	749.4	220.3	529.1	504.4	24.7	525.6	475.7	631.9	1,880.2	2,197.9	
Dec.	5,277.8	1,937.0	1,282.7	764.1	225.9	538.2	507.9	30.3	518.6	462.2	654.3	1,900.5	2,231.0	
1995 Jan.	5,266.3	1,895.1	1,231.3	710.0	219.9	490.1	469.1	20.9	521.4	465.7	663.8	1,902.0	2,199.5	
Feb.	5,315.8	1,889.4	1,220.2	708.0	219.3	488.7	466.6	22.1	512.2	458.4	669.2	1,874.4	2,189.1	
Mar.	5,318.5	1,869.2	1,198.4	695.8	221.8	474.0	455.1	18.9	502.6	452.0	670.8	1,861.9	2,168.8	
Apr.	5,347.7	1,870.4	1,195.8	705.8	222.7	483.1	461.4	21.7	489.9	444.9	674.6	1,856.7	2,173.7	
May	5,371.6	1,881.5	1,202.7	712.6	222.0	490.6	469.8	20.8	490.1	440.4	678.8	...	...	

\* Consolidated statistical balance sheet of the credit institutions (excluding assets and liabilities of foreign branches and of building and loan associations), including the Bundesbank (see Tables III. 1 and IV. 1 and 2), from June 1990 including east German credit institutions. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 From January 1995 the securities issued by the Federal Railways Fund are recorded under public authorities. — 2 Including Federal Railways and Federal Post Office and Telekom. — 3 Including Treasury bills and Treasury

discount paper of Federal Railways and Federal Post Office. — 4 Including Treasury bills and Treasury discount paper of the Federal and Länder Governments, excluding liquidity paper. — 5 Including the working capital put at the disposal of foreign branches. — 6 Including counterpart of coins in circulation. — 7 Including DM notes and coins held abroad. — 8 Excluding Federal Government's deposits (see footnote 13). — 9 Until June 1993 savings deposits at statutory notice. — 10 Money stock as a monthly average of five bank-week return days (end-of-month levels included with a weight of 50%). Notwithstanding the other time series, east German credit

II. Overall monetary survey

								External assets					
and individuals 2				Public authorities									
Short-term 3	Medium and long-term	Securities	Total	Short-term 4	Medium and long-term	Securities	Equalisation claims	Total	Bundesbank	Credit institutions 5	Other assets 6	End of year or month	
521.0	1,697.4	53.1	603.6	27.1	456.1	118.7	1.7	718.4	106.6	611.8	225.0	1990	
575.8	1,876.0	65.9	629.2	26.1	485.1	115.5	2.4	729.6	97.3	632.2	257.3	1991	
571.2	2,077.2	90.6	739.3	26.0	501.7	147.2	64.3	794.1	144.0	650.1	212.9	1992	
544.2	2,307.6	134.2	840.4	19.0	552.6	193.5	75.3	950.4	122.8	827.6	211.5	1993	
549.1	2,458.7	203.2	926.2	34.4	593.1	230.5	68.1	901.0	116.0	785.0	227.8	1994	
517.5	2,377.0	161.9	867.6	13.7	558.0	222.0	73.9	883.5	124.0	759.5	210.0	1994 May	
530.3	2,394.0	161.0	871.2	14.8	558.2	224.1	74.1	873.2	125.2	748.1	209.6	June	
524.7	2,414.2	166.0	879.0	14.0	561.1	231.2	72.8	867.5	126.0	741.6	202.6	July	
520.3	2,434.3	168.2	877.4	12.8	560.1	232.8	71.7	870.8	127.0	743.8	205.1	Aug.	
534.3	2,443.4	171.8	878.5	12.5	562.5	231.2	72.2	869.4	126.8	742.7	205.3	Sep.	
534.8	2,457.8	178.9	885.9	16.5	566.6	232.1	70.7	857.8	126.3	731.5	212.8	Oct.	
542.3	2,474.4	178.7	899.9	24.7	572.9	232.5	69.8	882.4	124.6	757.8	218.2	Nov.	
549.1	2,458.7	203.2	926.2	34.4	593.1	230.5	68.1	901.0	116.0	785.0	227.8	Dec.	
537.3	2,431.0	195.9	968.8	38.3	627.4	235.1	68.1	874.1	116.5	757.5	247.4	1995 Jan.	
544.4	2,439.6	195.0	982.4	37.8	626.6	245.6	72.5	884.4	116.9	767.5	258.4	Feb.	
553.6	2,442.7	193.8	986.8	44.5	632.3	236.0	74.0	879.7	118.3	761.4	250.4	Mar.	
559.4	2,452.8	192.5	988.8	45.5	637.7	232.3	73.3	892.0	120.1	771.9	250.9	Apr.	
556.7	2,465.7	189.9	1,001.4	50.3	644.4	234.3	72.4	910.5	121.1	789.4	236.3	May	

		Domestic non-banks' monetary capital with credit institutions							External liabilities				
Bundesbank liquidity paper ("Bulis") purchased by domestic non-banks p.e. 12	Federal Government's deposits in the banking system 13	Total	Time deposits for 4 years and more (incl. loans on a trust basis)	Savings deposits with a period of notice of more than 3 months	Bank savings bonds	Bearer debt securities outstanding (net) 14	Capital and reserves 15	Total	Bundesbank 16	Credit institutions 17	Excess of inter-bank liabilities	Other liabilities	End of year or month
-	12.7	1,852.8	560.1	241.0	236.7	603.1	211.9	395.2	44.9	350.3	5.2	283.9	1991
-	0.4	1,988.5	564.3	248.6	240.0	696.0	239.5	456.0	29.2	426.8	23.7	317.3	1992
0.1	13.5	2,146.1	603.1	272.0	219.1	789.8	262.1	536.4	42.4	494.0	28.0	371.1	1993
0.2	3.0	2,338.1	669.5	286.2	206.9	889.3	286.3	613.5	26.7	586.7	17.4	368.9	1994
0.6	8.9	2,198.0	636.1	271.3	202.3	807.6	280.7	576.2	43.5	532.8	19.0	328.5	1994 May
0.1	3.1	2,212.4	638.5	271.9	201.7	816.9	283.3	570.0	40.5	529.5	26.1	339.0	June
0.3	3.8	2,232.4	644.4	272.8	201.2	828.9	285.1	577.2	40.3	536.8	16.4	345.6	July
0.2	3.7	2,248.8	652.1	273.7	199.6	837.4	286.0	587.8	40.6	547.2	18.8	339.4	Aug.
0.5	8.3	2,261.3	655.5	274.5	199.3	844.7	287.4	583.1	34.2	548.9	20.3	360.4	Sep.
0.4	2.7	2,275.0	660.3	275.0	200.8	854.4	284.5	588.2	34.8	553.4	22.5	366.5	Oct.
0.7	0.1	2,300.2	665.3	275.4	204.1	870.7	284.8	596.7	34.9	561.8	30.0	373.9	Nov.
0.2	3.0	2,338.1	669.5	286.2	206.9	889.3	286.3	613.5	26.7	586.7	17.4	368.9	Dec.
0.2	0.1	2,368.8	666.1	279.3	214.7	917.0	291.6	614.5	26.5	588.0	13.4	374.4	1995 Jan.
0.2	0.0	2,390.6	673.7	278.8	219.2	926.0	292.9	635.0	26.2	608.9	13.3	387.4	Feb.
-	4.2	2,408.5	679.5	280.2	222.8	935.5	290.5	631.6	21.5	610.2	15.4	389.5	Mar.
-	4.3	2,425.4	685.0	281.1	223.8	943.3	292.2	644.4	20.0	624.4	21.3	382.0	Apr.
0.0	4.1	2,446.9	691.9	281.8	225.1	952.4	295.7	659.8	19.6	640.2	15.6	363.8	May

institutions could not be included here until July 1990. — 11 Money stock M3 plus domestic non-banks' deposits with domestic credit institutions' foreign branches and foreign subsidiaries, and bearer debt securities outstanding with maturities of less than two years; from September 1994 including domestic and foreign money market funds in the hands of domestic non-banks (adjusted for domestic money market funds' bank deposits and bank debt securities for less than two years). — 12 Included in "Other liabilities". — 13 Sight deposits and time deposits for less than 4 years. Up to December 1993 central bank deposits of domestic public authorities. —

14 Amount outstanding after deducting credit institutions' holdings of their own and other credit institutions' bonds. Including bank debt securities held by banks and non-banks abroad. — 15 Bundesbank and the credit institutions. After deduction of the asset items: unpaid capital, own shares and participating interests in domestic credit institutions. — 16 Including liquidity paper sold to foreign parties and including counterpart of special drawing rights allocated. — 17 Including the working capital of the branches of foreign banks.





### III. Deutsche Bundesbank

#### 1. Assets

DM billion

End of year or month/ Reporting date	Monetary reserves and other external assets 1, 2												Lending to domestic	
	Total assets	Total	Monetary reserves						Claims on the European Monetary Institute 3	Memo item Claims on the European Monetary Institute (gross) 3	Foreign currency balances	External loans and other external assets	Total	Securities purchased in open market transactions under re-purchase agreements
			Total	Gold	Reserve position in the IMF and special drawing rights			Special drawing rights						
					Drawing rights within the reserve tranche	Loans under special borrowing arrangements								
1990	349.6	106.4	15	104.0	13.7	4.6	—	2.8	18.4	29.4	64.5	2.4	208.5	117.4
1991	359.9	97.3	15	94.8	13.7	5.4	—	2.9	17.3	29.1	55.4	2.6	225.3	148.5
1992	368.3	144.0	16	141.4	13.7	6.8	—	1.4	33.6	41.7	85.8	2.6	188.9	124.1
1993	405.6	122.8	16	120.1	13.7	6.8	—	1.7	36.2	48.0	61.8	2.6	257.5	184.5
1994	356.5	116.0	17	113.6	13.7	6.2	—	1.7	31.7	44.4	60.2	2.4	217.7	146.3
1994 Sep.	343.3	126.8	17	124.4	13.7	6.5	—	1.8	34.3	46.7	68.2	2.4	192.5	121.5
Oct.	347.3	126.3	17	123.9	13.7	6.5	—	1.8	35.0	47.0	66.9	2.4	195.9	126.7
Nov.	375.0	124.6	17	122.3	13.7	6.6	—	1.8	33.0	45.0	67.2	2.4	228.2	139.0
Dec.	356.5	116.0	17	113.6	13.7	6.2	—	1.7	31.7	44.4	60.2	2.4	217.7	146.3
1995 Jan.	350.6	116.5	17	114.2	13.7	6.2	—	1.7	29.6	42.2	63.0	2.4	211.4	134.6
Feb.	350.2	116.9	17	114.8	13.7	6.7	—	2.9	29.6	42.2	61.8	2.1	210.6	144.8
Mar.	334.2	118.3	17	116.2	13.7	6.7	—	2.9	29.7	42.3	63.2	2.1	195.4	127.3
Apr.	327.8	120.1	17	118.0	13.7	7.1	—	2.9	30.1	40.1	64.3	2.1	189.0	119.9
1995 May 7	324.7	120.4	17	118.3	13.7	7.1	—	2.9	30.1	40.1	64.6	2.1	185.4	121.3
15	326.2	120.7	17	118.6	13.7	7.1	—	3.0	30.1	40.1	64.8	2.1	186.9	122.8
23	323.4	121.1	17	119.0	13.7	7.1	—	3.0	30.1	40.1	65.2	2.1	183.7	119.4
31	331.1	121.1	17	119.0	13.7	7.1	—	3.0	30.1	40.1	65.1	2.1	190.5	120.2
June 7	327.2	122.0	17	119.9	13.7	7.3	—	3.0	30.1	40.1	65.8	2.1	187.0	123.1
15	329.3	121.9	17	119.8	13.7	7.3	—	3.0	30.1	40.1	65.7	2.1	188.6	124.0
23	325.3	122.0	17	119.9	13.7	7.3	—	3.0	30.1	40.1	65.8	2.1	184.9	121.3
30	326.5	122.6	17	120.4	13.7	7.3	—	3.0	30.2	40.2	66.3	2.1	185.6	115.2

#### 2. Liabilities

DM billion

End of year or month/ Reporting date	Deposits									
	Total liabilities	Banknotes in circulation	Domestic credit institutions 10	Domestic public authorities					Domestic enterprises and individuals 12	Foreign depositors 1
				Total	Federal Government	Federal special funds	Länder Governments	Other public depositors 11		
1990	349.6	166.9	76.7	19.1	15.3	0.0	3.7	0.1	6.4	49.1
1991	359.9	181.3	72.4	12.7	11.6	0.0	1.0	0.1	9.8	39.4
1992	368.3	213.4	88.9	0.4	0.1	0.0	0.3	0.0	0.8	24.6
1993	405.6	224.3	73.4	13.5	13.0	0.0	0.4	0.1	0.8	22.0
1994	356.5	236.2	56.2	0.2	0.0	0.0	0.1	0.0	0.7	18.5
1994 Sep.	343.3	225.6	49.2	0.2	0.1	0.0	0.1	0.0	0.8	17.0
Oct.	347.3	225.8	51.8	0.2	0.1	0.0	0.1	0.1	0.7	17.3
Nov.	375.0	228.5	70.2	0.2	0.1	0.0	0.1	0.0	0.7	17.8
Dec.	356.5	236.2	56.2	0.2	0.0	0.0	0.1	0.0	0.7	18.5
1995 Jan.	350.6	228.3	58.9	0.2	0.0	0.0	0.1	0.1	0.5	18.2
Feb.	350.2	227.9	58.9	0.2	0.0	0.0	0.1	0.1	0.5	18.3
Mar.	334.2	229.0	46.0	0.2	0.1	0.0	0.1	0.0	0.5	17.8
Apr.	327.8	230.4	47.8	0.3	0.0	0.1	0.1	0.1	0.5	16.1
1995 May 7	324.7	232.7	42.4	0.2	0.0	0.0	0.1	0.0	0.5	16.6
15	326.2	230.9	45.7	0.4	0.1	0.0	0.2	0.2	0.6	16.1
23	323.4	229.7	43.3	0.2	0.0	0.0	0.1	0.0	0.5	16.0
31	331.1	230.4	50.6	0.2	0.0	0.0	0.1	0.1	0.6	15.8
June 7	327.2	232.9	43.5	0.2	0.0	0.0	0.1	0.1	0.6	16.0
15	329.3	232.0	46.4	1.3	1.1	0.0	0.1	0.0	0.5	16.2
23	325.3	229.5	45.0	0.1	0.0	0.0	0.1	0.0	0.5	15.1
30	326.5	230.8	43.7	0.2	0.0	0.0	0.1	0.1	0.9	15.0

1 The Bundesbank's external positions denominated in foreign currencies, ECUs and SDRs are shown at balance sheet rates. — 2 For further breakdown see Table X, 6, and Deutsche Bundesbank, Balance of payments statistics, Statistical Supplement to the Monthly Report, Table II, 6. — 3 Up to December 31, 1993 claims on the EMCF in connection with the European Monetary System. — 4 Excluding prime bankers' acceptances; the Bundesbank ceased buying prime bankers' acceptances with effect from January 1992. — 5 Including Equalisation of Burdens Fund and ERP Special Fund. —

6 Since the entry into force of the second stage of the economic and monetary union on January 1, 1994, the Bundesbank may no longer grant any direct credit to public authorities. — 7 Resulting from the currency reform of 1948, including non-interest-bearing debt certificates in respect of the currency conversion in Berlin (West); including amounts exchanged for Treasury bills and Treasury discount paper and sold; see also item "Liabilities arising from liquidity paper sold". — 8 Up to December 23, 1991 including foreign securities (from December 31, 1990 to December 23, 1991).

III. Deutsche Bundesbank

credit institutions				Lending to and other claims on domestic public authorities				Securities			End of year or month/ Reporting date
Domestic bills	Foreign bills	Lombard loans	Memorandum item Loans to domestic credit institutions excluding money market bills purchased 4	Total	Federal Government 5, 6		Länder Governments 6	Bonds and interest-bearing Treasury paper of Federal and Länder Governments	Bonds and interest-bearing Treasury paper of the Post Office, Telekom 8	Other assets 9	
					Advances	Equalisation claims 7					
54.1	30.8	6.2	207.6	9.4	—	8.7	0.7	3.3	1.0	21.0	1990
36.2	38.7	1.9	225.3	8.9	—	8.7	0.2	4.1	0.7	23.6	1991
50.0	13.2	1.6	188.9	13.2	4.4	8.7	0.2	5.7	0.3	16.2	1992
47.6	10.5	14.8	257.5	8.7	—	8.7	—	4.4	0.3	11.9	1993
52.1	9.5	9.8	217.7	8.7	—	8.7	—	2.9	0.3	11.0	1994
52.4	8.7	9.9	192.5	8.7	—	8.7	—	3.3	0.3	11.8	1994 Sep.
53.0	9.7	6.5	195.9	8.7	—	8.7	—	3.2	0.3	13.0	Oct.
52.7	9.5	27.0	228.2	8.7	—	8.7	—	3.1	0.3	10.1	Nov.
52.1	9.5	9.8	217.7	8.7	—	8.7	—	2.9	0.3	11.0	Dec.
53.9	9.6	13.4	211.4	8.7	—	8.7	—	2.8	0.2	10.9	1995 Jan.
53.6	9.8	2.5	210.6	8.7	—	8.7	—	2.7	0.2	11.0	Feb.
54.6	9.1	4.3	195.4	8.7	—	8.7	—	2.5	0.2	9.0	Mar.
54.7	9.4	5.0	189.0	8.7	—	8.7	—	2.4	0.2	7.4	Apr.
54.9	9.0	0.2	185.4	8.7	—	8.7	—	2.4	0.2	7.6	1995 May 7
54.8	9.3	0.1	186.9	8.7	—	8.7	—	2.4	0.2	7.2	15
54.7	9.4	0.1	183.7	8.7	—	8.7	—	2.2	0.2	7.5	23
54.8	9.4	6.0	190.5	8.7	—	8.7	—	2.2	0.2	8.5	31
54.4	9.4	0.0	187.0	8.7	—	8.7	—	2.2	0.2	7.1	June 7
54.1	9.2	1.3	188.6	8.7	—	8.7	—	2.2	0.2	7.7	15
54.4	9.2	0.1	184.9	8.7	—	8.7	—	2.1	0.2	7.3	23
54.7	9.3	6.3	185.6	8.7	—	8.7	—	2.1	0.2	7.4	30

Liabilities to credit institutions	Liabilities arising from liquidity paper sold 13	Liabilities to the European Monetary Institute 1	Counterpart of special drawing rights allocated 1	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		
—	4.8	—	2.6	5.0	8.1	11.0	179.7	12.8	84.6	1990
—	6.9	—	2.6	5.5	8.9	20.4	194.6	13.3	78.8	1991
—	2.0	—	2.7	9.2	9.6	16.8	227.3	13.9	64.4	1992
—	26.2	—	2.9	9.8	11.2	21.4	238.6	14.3	65.3	1993
—	6.0	—	2.7	11.3	11.8	12.8	250.9	14.7	65.6	1994
—	16.3	—	2.9	11.3	11.8	8.2	240.2	14.6	65.3	1994 Sep.
—	16.3	—	2.9	11.3	11.8	9.1	240.4	14.6	65.3	Oct.
—	16.3	—	2.9	11.3	11.8	15.4	243.1	14.7	65.5	Nov.
—	6.0	—	2.7	11.3	11.8	12.8	250.9	14.7	65.6	Dec.
—	6.2	—	2.7	11.3	11.8	12.4	242.9	14.6	65.6	1995 Jan.
—	6.1	—	2.7	11.3	11.8	12.3	242.5	14.6	65.6	Feb.
—	1.2	—	2.7	11.3	11.8	13.7	243.7	14.7	65.6	Mar.
—	1.4	—	2.7	10.0	12.4	6.2	245.1	14.8	65.6	Apr.
—	1.3	—	2.7	10.0	12.4	6.0	247.5	14.8	...	1995 May 7
—	1.4	—	2.7	10.0	12.4	6.1	245.7	14.9	...	15
—	1.4	—	2.7	10.0	12.4	7.3	244.5	14.9	...	23
—	1.4	—	2.7	10.0	12.4	7.1	245.3	14.9	65.6	31
—	1.4	—	2.7	10.0	12.4	7.6	247.8	14.9	...	June 7
—	1.5	—	2.7	10.0	12.4	6.3	246.9	14.9	...	15
—	1.5	—	2.7	10.0	12.4	8.5	244.4	14.9	...	23
—	1.2	—	2.7	10.0	12.4	9.6	245.7	14.9	...	30

DM 0.1 billion). From January 1995, the bonds and interest-bearing Treasury notes of the Federal Railways Fund are assigned to the public authorities (Federal special funds). — 9 Including the items "German coins", "Balances on a postal giro accounts" and "Other assets". — 10 From January 1992 including deposits of the Postbank. — 11 Local authorities, local authority associations and social security funds. — 12 Up to December 1991 including deposits of the Federal Post Office (see footnote 11). — 13 Up to October 1992 mobilisation and liquidity

paper. — 14 Excluding the special rediscount line for financing export orders (see "The current monetary policy regulations of the Deutsche Bundesbank"). From July 1990 to October 1992 including the refinancing quotas set for east German credit institutions. — 15 Decrease of DM 1.8 billion owing to a valuation adjustment. — 16 Decrease of DM 4.4 billion owing to a valuation adjustment. — 17 Decrease of DM 2.7 billion owing to a valuation adjustment.





IV. Credit institutions

Bills dis- counted	Trust loans 3	Treasury bills and negotiable money market paper issued by non-banks 7	Securities issued by non-banks	Equalisa- tion claims 8	Mobilisa- tion and liquidity paper (Treasury bills and Treasury discount paper) 9	Debt securities from own issues	Particip- ating interests 10	Tangible assets	Other assets 11	Memorandum item		Period
										Bill portfolios		
										Total	of which Redis- count- able at central banks 12	
End of year or month *												
63.9	69.2	5.5	107.7	2.9	4.9	7.6	30.1	38.1	42.5	16.4	7.0	1985
64.6	70.0	4.8	114.1	2.6	1.1	8.4	32.5	40.0	43.1	17.0	8.3	1986
59.7	75.5	4.3	130.4	2.4	2.0	9.5	37.3	40.9	42.8	18.1	8.6	1987
59.3	76.4	4.5	151.9	2.2	1.5	11.7	39.9	41.8	44.0	16.1	8.8	1988
61.2	79.5	5.0	162.3	1.9	0.9	10.5	47.2	42.4	49.9	13.5	7.5	1989
63.8	85.8	20.3	195.8	1.7	1.4	12.5	60.5	43.1	122.1	16.4	9.7	1990
64.9	88.6	13.1	212.7	2.4	3.9	18.9	64.0	45.4	147.2	12.3	7.3	1991
54.2	94.3	10.0	283.0	64.3	-	27.1	75.1	49.9	97.6	12.6	6.5	1992
46.6	97.0	5.6	390.7	75.3	8.2	33.4	89.6	53.1	85.3	9.2	4.2	1993
47.7	101.7	2.8	500.3	68.1	0.3	27.7	104.7	56.4	93.4	10.1	5.1	1994
46.6	97.0	5.6	390.7	75.3	8.2	33.4	89.6	53.1	85.3	9.2	4.2	1993 Dec.
45.7	101.5	4.1	398.5	75.9	7.2	32.8	94.1	51.8	85.6	8.5	3.5	1994 Jan.
39.9	101.6	4.0	415.6	75.4	4.7	35.1	94.4	51.1	89.0	10.6	5.6	Feb.
49.6	101.6	2.4	433.3	74.6	7.6	34.7	93.9	51.2	82.6	10.0	5.0	Mar.
49.6	102.2	2.6	443.6	74.2	3.8	35.0	94.5	51.7	82.1	9.6	4.7	Apr.
49.7	101.6	2.4	451.2	73.9	6.5	36.0	96.0	52.5	79.9	9.4	4.5	May
48.0	101.3	2.5	451.9	74.1	2.7	35.1	97.7	53.2	77.3	9.0	4.1	June
49.5	101.1	2.1	465.2	72.8	1.8	34.1	98.2	54.1	77.9	9.7	4.9	July
49.0	101.7	3.0	468.8	71.7	1.6	35.1	98.7	55.0	75.4	9.7	4.9	Aug.
47.8	101.6	2.5	470.7	72.2	1.5	34.0	99.2	56.0	77.8	9.4	4.6	Sep.
50.0	101.7	3.0	478.8	70.7	1.3	33.6	100.3	56.8	80.0	10.5	5.7	Oct.
49.4	102.3	3.2	479.4	69.8	1.3	31.8	103.1	57.2	82.8	10.1	5.5	Nov.
47.7	101.7	2.8	500.3	68.1	0.3	27.7	104.7	56.4	93.4	10.1	5.1	Dec.
49.5	98.8	3.0	496.9	68.1	0.2	24.2	106.2	54.9	110.5	10.4	5.5	1995 Jan.
49.7	98.9	2.3	507.4	72.5	0.5	22.8	107.5	55.1	118.7	10.4	5.5	Feb.
50.8	98.8	3.0	497.5	74.0	0.0	22.7	108.2	54.8	113.8	11.4	6.6	Mar.
52.0	99.6	3.5	493.5	73.3	-	23.0	108.4	55.4	112.7	12.2	7.4	Apr.
52.4	100.9	4.0	495.0	72.4	0.0	24.5	109.6	57.1	93.9	12.2	7.6	May
Changes *												
- 0.3	+ 1.2	- 0.4	+ 12.7	- 0.3	- 3.8	+ 0.8	+ 2.5	+ 1.9	+ 0.6	+ 0.6	+ 1.2	1986
- 4.4	+ 1.6	- 0.2	+ 19.9	- 0.2	+ 0.9	+ 1.1	+ 2.1	+ 1.1	- 0.3	+ 1.1	+ 0.3	1987
- 0.4	+ 0.7	+ 0.0	+ 24.2	- 0.3	- 0.6	+ 2.1	+ 3.1	+ 0.9	+ 1.1	- 2.0	+ 0.2	1988
+ 2.6	+ 3.2	+ 0.5	+ 12.0	- 0.2	- 0.6	- 1.2	+ 7.3	+ 0.6	+ 5.6	- 2.6	- 1.3	1989
+ 2.6	+ 6.5	+ 2.8	+ 36.8	- 0.3	+ 0.6	+ 2.0	+ 11.7	- 0.8	+ 11.2	+ 3.0	+ 2.2	1990
+ 1.1	- 0.3	- 7.3	+ 21.5	- 0.3	+ 2.5	+ 6.4	+ 5.8	+ 2.3	+ 11.8	- 4.1	- 2.4	1991
- 10.8	+ 3.4	- 3.2	+ 71.2	- 1.0	- 3.9	+ 8.1	+ 11.7	+ 3.5	+ 3.6	+ 0.3	- 0.9	1992
- 7.5	+ 2.3	- 4.9	+ 121.5	- 11.4	+ 8.2	+ 6.2	+ 14.0	+ 3.2	+ 7.4	- 3.4	- 2.3	1993
+ 1.1	+ 0.9	- 2.8	+ 91.8	- 6.9	- 7.9	- 5.7	+ 15.5	+ 3.3	+ 5.2	+ 0.9	+ 0.9	1994
- 2.7	- 0.7	+ 3.2	+ 9.1	- 0.4	+ 1.5	- 6.6	+ 5.8	- 1.3	+ 11.2	- 0.3	- 0.7	1993 Dec.
- 0.9	+ 0.2	- 1.5	+ 7.5	+ 1.0	- 1.0	- 0.5	+ 4.4	- 1.3	+ 0.3	- 0.7	- 0.7	1994 Jan.
- 5.8	+ 0.3	- 0.1	+ 17.4	- 0.5	- 2.5	+ 2.2	+ 0.4	- 0.7	+ 3.5	+ 2.1	+ 2.1	Feb.
+ 9.7	- 0.0	- 1.6	+ 18.0	- 0.7	+ 2.9	- 0.3	- 0.4	+ 0.2	- 9.6	- 0.6	- 0.6	Mar.
+ 0.0	+ 0.6	+ 0.2	+ 10.3	- 0.4	- 3.8	+ 0.3	+ 0.5	+ 0.4	- 0.3	- 0.4	- 0.3	Apr.
+ 0.0	- 0.5	- 0.2	+ 7.9	- 0.3	+ 2.7	+ 1.0	+ 1.6	+ 0.9	- 2.2	- 0.3	- 0.1	May
- 1.7	- 0.1	+ 0.1	+ 1.0	- 0.3	- 3.9	- 0.9	+ 1.9	+ 0.7	- 2.6	- 0.4	- 0.4	June
+ 1.5	- 0.1	- 0.4	+ 13.4	- 1.3	- 0.8	- 1.0	+ 0.5	+ 0.9	+ 0.6	+ 0.7	+ 0.8	July
- 0.4	+ 0.3	+ 0.9	+ 3.6	- 0.7	- 0.2	+ 1.0	+ 0.5	+ 0.9	- 2.5	- 0.0	+ 0.0	Aug.
- 1.3	- 0.0	- 0.5	+ 1.9	+ 0.5	- 0.2	- 1.1	+ 0.5	+ 1.0	+ 2.5	- 0.3	- 0.3	Sep.
+ 2.2	+ 0.3	+ 0.5	+ 8.5	- 1.5	- 0.2	- 0.4	+ 1.2	+ 0.8	+ 2.1	+ 1.1	+ 1.1	Oct.
- 0.6	+ 0.4	+ 0.2	+ 0.2	- 0.9	+ 0.1	- 1.8	+ 2.7	+ 0.4	+ 2.8	- 0.4	- 0.2	Nov.
- 1.8	- 0.4	- 0.4	+ 2.0	- 1.7	- 1.0	- 4.1	+ 1.8	- 0.8	+ 10.6	- 0.0	- 0.4	Dec.
+ 1.8	+ 0.6	+ 0.2	+ 5.2	- 0.1	- 0.1	- 3.5	+ 1.5	- 1.5	+ 17.1	+ 0.3	+ 0.4	1995 Jan.
+ 0.2	+ 0.4	- 0.7	+ 12.4	+ 0.1	+ 0.3	- 1.4	+ 1.7	+ 0.2	+ 8.2	- 0.0	+ 0.0	Feb.
+ 1.1	+ 0.2	+ 0.7	- 7.9	+ 1.4	- 0.5	- 0.1	+ 0.9	- 0.3	- 4.9	+ 1.0	+ 1.0	Mar.
+ 1.2	+ 0.8	+ 0.5	- 4.1	- 0.7	- 0.0	+ 0.4	+ 0.2	+ 0.7	- 1.1	+ 0.9	+ 0.9	Apr.
+ 0.4	+ 1.2	+ 0.5	+ 1.3	- 0.9	+ 0.0	+ 1.5	+ 1.1	+ 1.6	+ 1.2	+ 0.0	+ 0.1	May

footnote 5). — 5 Up to November 1993 including negotiable money market paper; excluding registered debt securities. — 6 Including loans to domestic building and loan associations. — 7 Treasury bills and Treasury discount paper (excluding mobilisation and liquidity paper); up to November 1993 excluding marketable money market paper. — 8 Including debt securities arising from the exchange of equalisation claims. — 9 From November 1992 liquidity paper only. — 10 Including the working capital put at the disposal

of foreign branches; from December 1993 including shares in affiliated undertakings. — 11 Including unpaid capital and own shares. From June 1990 to November 1993 including the "computed counterparts" of the east German credit institutions in respect of the currency conversion (July 1, 1990: DM 53.9 billion). — 12 Up to November 1993: bills rediscountable at the Bundesbank.



IV. Credit institutions

Bank savings bonds <sup>8</sup>	Trust loans <sup>5</sup>	Bearer debt securities outstanding <sup>9</sup>	Provisions for liabilities and charges	Value adjustments <sup>10</sup>	Capital (including published reserves) <sup>11</sup>	Other liabilities <sup>12</sup>	Memorandum items				Period
							Balance sheet total	Sub-ordinated liabilities <sup>13</sup>	Liabilities in respect of guarantees	Liabilities from sales with an option to repurchase	
End of year or month *											
168.1	52.5	653.7	29.3	7.9	116.6	89.6	3,259.2	-	158.9	1.3	1985
181.6	52.0	684.2	33.2	8.0	128.0	95.2	3,481.1	-	146.5	1.2	1986
192.1	57.8	712.0	37.3	8.3	137.4	95.4	3,686.8	-	151.6	0.8	1987
192.4	59.3	705.5	38.9	6.0	145.3	104.2	3,922.6	-	157.8	1.0	1988
207.2	62.0	759.8	38.4	3.1	161.0	117.2	4,209.8	-	168.8	0.9	1989
230.5	67.3	900.3	40.2	18.1	198.7	173.3	5,178.9	-	181.1	1.0	1990
240.6	69.3	1,039.0	51.5	34.8	218.0	171.6	5,497.3	-	199.8	0.9	1991
245.0	76.8	1,155.0	59.3	38.8	245.2	193.0	5,890.0	-	216.5	0.6	1992
225.2	79.2	1,312.0	63.9	51.9	266.3	223.7	6,539.8	48.2	245.8	0.6	1993
213.1	84.4	1,428.1	62.3	45.2	292.8	237.0	6,897.6	58.5	267.3	0.5	1994
225.2	79.2	1,312.0	63.9	51.9	266.3	223.7	6,539.8	48.2	245.8	0.6	1993 Dec.
217.5	83.8	1,333.7	66.0	52.8	273.3	214.7	6,554.6	49.0	240.9	0.7	1994 Jan.
214.6	83.8	1,342.2	69.3	52.6	279.9	204.5	6,587.6	49.7	239.3	0.5	Feb.
211.6	83.5	1,339.7	68.1	52.3	282.8	205.1	6,538.3	50.3	239.2	0.5	Mar.
209.3	83.9	1,343.3	65.2	53.0	284.5	200.8	6,555.9	50.7	240.2	0.5	Apr.
208.3	84.5	1,351.7	64.0	52.3	286.8	195.4	6,584.9	51.2	241.6	0.5	May
207.6	84.9	1,361.5	63.3	51.7	289.4	207.4	6,601.3	52.2	242.0	0.5	June
207.2	85.1	1,377.8	62.4	49.3	291.3	216.5	6,617.7	52.4	244.1	0.4	July
205.6	85.4	1,390.8	63.4	47.5	292.2	209.7	6,641.5	53.0	241.0	0.3	Aug.
205.3	85.2	1,394.7	62.8	47.4	293.8	230.2	6,660.9	54.3	242.9	0.3	Sep.
206.8	85.6	1,404.6	61.9	46.4	291.0	237.3	6,715.8	55.2	244.7	0.5	Oct.
210.1	86.0	1,416.1	60.9	46.2	291.6	239.5	6,811.0	56.8	247.7	0.5	Nov.
213.1	84.4	1,428.1	62.3	45.2	292.8	237.0	6,897.6	58.5	267.3	0.5	Dec.
221.1	81.7	1,440.5	63.0	44.6	297.9	242.6	6,840.3	59.5	266.3	0.3	1995 Jan.
225.7	81.7	1,446.8	72.7	42.8	300.0	247.9	6,910.6	60.3	269.3	0.3	Feb.
229.4	81.5	1,452.2	72.7	42.6	297.8	249.0	6,891.1	61.3	266.3	0.3	Mar.
230.5	82.5	1,462.1	72.5	42.7	299.0	250.4	6,940.3	62.2	267.9	0.3	Apr.
231.8	83.9	1,478.0	72.0	42.6	302.6	231.9	6,981.2	63.3	268.8	0.3	May
Changes *											
+ 10.3	- 0.3	+ 30.5	+ 3.9	+ 0.1	+ 11.3	+ 9.3	+ 241.2	-	- 12.4	- 0.6	1986
+ 10.6	+ 1.2	+ 27.8	+ 4.1	+ 0.3	+ 9.6	+ 3.5	+ 220.9	-	+ 5.0	- 0.5	1987
+ 0.3	+ 1.4	- 6.5	+ 1.5	- 2.2	+ 8.6	+ 11.1	+ 232.9	-	+ 6.4	+ 0.2	1988
+ 14.8	+ 2.8	+ 54.3	- 0.5	- 2.9	+ 15.6	+ 18.7	+ 296.3	-	+ 11.6	- 0.1	1989
+ 23.3	+ 4.6	+ 140.5	+ 1.3	+ 0.0	+ 16.4	+ 46.4	+ 457.0	-	+ 11.5	+ 0.1	1990
+ 10.1	- 1.1	+ 138.7	+ 11.3	+ 16.7	+ 18.6	+ 10.9	+ 363.8	-	+ 18.7	- 0.1	1991
+ 4.4	+ 4.4	+ 115.9	+ 4.3	+ 4.2	+ 21.6	+ 28.7	+ 429.5	-	+ 16.7	- 0.3	1992
- 13.3	+ 2.2	+ 159.6	+ 4.6	+ 14.0	+ 22.2	+ 27.8	+ 656.9	+ 0.0	+ 29.3	- 0.0	1993
- 12.2	+ 1.1	+ 117.4	+ 0.4	- 4.1	+ 31.9	+ 17.3	+ 386.1	+ 10.3	+ 21.6	- 0.1	1994
+ 0.7	- 0.2	+ 1.1	+ 3.6	+ 0.0	+ 2.0	+ 0.7	+ 129.0	+ 0.0	+ 15.0	+ 0.0	1993 Dec.
- 7.8	+ 0.2	+ 21.6	+ 3.8	+ 0.8	+ 6.9	- 8.9	+ 10.5	+ 0.8	- 4.9	+ 0.1	1994 Jan.
- 2.9	+ 0.1	+ 9.9	+ 3.3	- 0.2	+ 6.6	- 9.0	+ 38.0	+ 0.7	- 1.6	- 0.1	Feb.
- 2.9	- 0.2	- 2.5	+ 0.6	- 0.2	+ 3.0	- 2.1	- 42.2	+ 0.6	- 0.2	- 0.0	Mar.
- 2.3	+ 0.1	+ 3.6	- 2.9	+ 0.7	+ 1.6	- 3.9	+ 18.1	+ 0.4	+ 1.1	+ 0.0	Apr.
- 1.1	+ 0.7	+ 8.4	- 1.2	- 0.7	+ 2.5	- 4.8	+ 32.6	+ 0.5	+ 1.4	- 0.0	May
- 0.6	+ 0.5	+ 9.8	- 0.6	- 0.6	+ 2.7	+ 12.8	+ 21.5	+ 1.0	+ 0.4	- 0.1	June
- 0.5	+ 0.2	+ 16.3	- 1.0	- 0.5	+ 1.9	+ 9.2	+ 18.8	+ 0.2	+ 2.1	- 0.0	July
- 1.6	+ 0.3	+ 13.0	- 0.6	- 1.2	+ 0.8	- 6.4	+ 24.1	+ 0.7	- 3.1	- 0.1	Aug.
- 0.3	- 0.1	+ 3.9	- 0.6	- 0.1	+ 1.6	+ 21.3	+ 22.6	+ 1.2	+ 1.9	-	Sep.
+ 1.5	+ 0.5	+ 9.8	- 0.8	- 1.0	+ 2.5	+ 3.0	+ 60.1	+ 0.9	+ 1.7	+ 0.1	Oct.
+ 3.3	+ 0.3	+ 11.6	- 1.1	- 0.3	+ 0.5	+ 0.7	+ 88.5	+ 1.6	+ 3.0	- 0.0	Nov.
+ 2.9	- 1.5	+ 11.9	+ 1.4	- 0.9	+ 1.2	+ 1.4	+ 93.6	+ 1.7	+ 19.7	+ 0.0	Dec.
- 0.9	+ 0.9	+ 12.4	+ 0.7	- 0.6	+ 5.3	+ 10.8	- 35.4	+ 1.0	- 1.0	- 0.1	1995 Jan.
+ 4.6	+ 0.2	+ 6.3	+ 5.3	- 1.9	+ 2.1	+ 9.1	+ 77.1	+ 0.9	+ 3.0	- 0.0	Feb.
+ 3.6	+ 0.1	+ 5.4	+ 0.0	- 0.2	- 2.2	+ 5.7	- 6.7	+ 1.0	- 3.0	+ 0.0	Mar.
+ 1.1	+ 0.9	+ 9.9	- 0.2	+ 0.1	+ 1.1	+ 1.0	+ 48.5	+ 0.8	+ 1.6	- 0.0	Apr.
+ 1.4	+ 1.4	+ 15.9	- 0.5	- 0.1	+ 3.7	+ 1.3	+ 58.2	+ 1.1	+ 2.9	- 0.0	May

outstanding, discounted and credited to the borrowers. — **7** Including liabilities to domestic building and loan associations. — **8** Including liabilities arising from non-negotiable bearer debt securities. — **9** Including negotiable subordinated bearer debt securities; excluding non-negotiable bearer debt securities. — **10** From January 1990 including all untaxed general value adjustments and individual country risk value adjustments, which were previously mainly shown under "Other liabilities". —

**11** Including participation rights capital (end-1994: DM 28.0 billion). From December 1993 including fund for general banking risks. — **12** Including "Special reserves". From June 1990 including the "computed counterparts" of the east German credit institutions in respect of the currency conversion (July 1, 1990: DM 30.1 billion). — **13** Collected separately only as from December 1993.

IV. Credit institutions

3. Credit institutions' principal assets and liabilities, by category of banks \*

DM billion

End of month	Number of reporting credit institutions	Volume of business	Cash in hand and balances with central banks	Lending to credit institutions			Lending to non-banks				Participating interests	Other assets	
				Total	of which		Total	of which					
					Balances and advances	Securities issued by credit institutions		Loans and advances not evidenced by certificates for	Bills discounted	Securities issued by non-banks			
						up to 1 year	over 1 year						
<b>All categories of banks</b>													
1995 Mar.	3,696	6,947.6	72.7	2,144.4	1,579.0	522.7	4,431.0	579.5	3,127.6	50.8	497.5	108.2	191.3
Apr.	3,691	6,997.0	74.0	2,173.6	1,603.8	525.8	4,449.8	585.3	3,142.7	52.0	493.5	108.4	191.2
May	3,680	7,038.3	76.7	2,198.9	1,623.5	530.9	4,477.6	591.1	3,161.8	52.4	495.0	109.6	175.5
<b>Commercial banks</b>													
1995 Mar.	336	1,686.1	20.1	463.0	381.7	73.8	1,101.4	254.7	649.9	30.9	131.5	57.7	43.9
Apr.	336	1,700.1	18.5	472.9	387.9	76.2	1,106.6	257.7	652.8	31.6	129.8	57.7	44.4
May	335	1,725.7	16.7	486.1	399.5	77.9	1,118.8	259.7	656.6	31.8	135.5	58.4	45.7
<b>Big banks <sup>1</sup></b>													
1995 Mar.	3	639.4	11.8	165.2	143.8	20.5	414.3	111.4	226.7	14.4	57.0	36.3	11.8
Apr.	3	649.7	10.3	173.6	151.2	21.6	417.7	114.4	228.1	15.0	54.4	36.2	12.0
May	3	662.7	9.2	178.0	155.2	22.1	426.6	113.9	230.4	15.1	61.1	36.8	12.1
<b>Regional banks and other commercial banks <sup>2</sup></b>													
1995 Mar.	200	894.4	7.4	222.5	174.1	42.7	616.4	113.8	402.7	12.0	65.9	20.8	27.3
Apr.	200	895.5	6.9	222.0	170.9	44.0	618.0	113.7	404.1	12.2	66.4	20.8	27.7
May	199	903.3	6.2	227.6	175.7	44.7	620.0	116.2	405.6	12.4	64.3	20.9	28.6
<b>Branches of foreign banks</b>													
1995 Mar.	66	99.4	0.3	59.9	52.2	7.3	36.3	13.3	7.5	3.0	5.5	0.0	2.9
Apr.	66	102.1	0.4	62.3	54.5	7.4	36.5	13.4	7.4	2.9	5.9	0.0	2.9
May	66	106.6	0.5	65.4	57.4	7.6	37.8	13.6	7.5	2.8	6.9	0.0	2.9
<b>Private bankers <sup>3</sup></b>													
1995 Mar.	67	52.9	0.7	15.4	11.6	3.2	34.4	16.3	13.0	1.5	3.1	0.6	1.8
Apr.	67	52.7	0.9	15.1	11.3	3.2	34.4	16.1	13.1	1.5	3.1	0.6	1.8
May	67	53.1	0.8	15.2	11.1	3.5	34.4	15.9	13.2	1.5	3.2	0.6	2.1
<b>Regional giro institutions (including Deutsche Girozentrale)</b>													
1995 Mar.	13	1,210.8	1.6	497.0	417.7	76.0	660.1	53.9	486.4	4.1	62.2	25.1	27.0
Apr.	13	1,227.6	2.2	511.3	430.6	77.3	661.4	52.0	489.4	4.1	62.8	25.2	27.6
May	13	1,234.9	5.6	508.7	425.3	80.1	665.5	53.1	492.2	4.3	63.1	25.5	29.5
<b>Savings banks</b>													
1995 Mar.	631	1,409.4	26.4	330.6	94.6	230.2	1,008.8	129.0	714.8	8.6	129.8	8.8	34.9
Apr.	627	1,414.2	28.6	329.7	95.0	229.3	1,012.5	129.6	717.9	8.9	129.3	8.8	34.6
May	627	1,419.3	30.8	331.6	97.9	228.3	1,013.7	128.6	722.3	8.8	127.2	8.9	34.3
<b>Regional institutions of credit cooperatives (including Deutsche Genossenschaftsbank)</b>													
1995 Mar.	4	226.5	0.8	137.4	111.7	23.4	75.5	12.0	27.8	1.8	19.6	7.4	5.4
Apr.	4	223.1	1.0	137.1	111.8	23.0	73.0	10.8	27.8	1.7	18.4	7.6	4.4
May	4	228.4	0.8	139.7	113.7	23.6	75.8	13.8	28.0	1.8	18.1	7.6	4.4
<b>Credit cooperatives</b>													
1995 Mar.	2,660	818.1	15.9	178.6	96.1	76.8	594.7	96.6	388.5	5.1	94.9	4.8	24.1
Apr.	2,658	823.6	16.3	181.2	98.2	77.3	597.7	98.5	390.8	5.3	93.2	4.8	23.6
May	2,647	827.0	16.9	184.8	101.7	77.4	597.0	97.6	393.3	5.3	90.9	4.8	23.6
<b>Mortgage banks</b>													
1995 Mar.	33	847.7	1.0	161.3	149.3	11.2	658.7	7.4	630.4	0.1	15.4	2.5	24.2
Apr.	34	857.3	0.9	163.5	151.5	11.1	665.7	7.3	636.5	0.1	15.8	2.5	24.6
May	35	867.4	0.8	164.3	152.0	11.3	674.6	7.7	645.0	0.1	15.8	2.5	25.2
<b>Credit institutions with special functions <sup>4</sup></b>													
1995 Mar.	19	749.0	7.0	376.6	327.9	31.2	331.7	25.8	229.9	0.2	44.1	1.9	31.8
Apr.	19	751.2	6.5	378.0	328.8	31.5	332.9	29.4	227.5	0.3	44.1	1.9	32.0
May	19	735.6	5.1	383.6	333.4	32.4	332.2	30.7	224.4	0.2	44.5	1.9	12.8
<b>Memorandum item: Foreign banks <sup>5</sup></b>													
1995 Apr.	157	316.3	2.7	136.6	109.7	23.1	158.0	43.1	69.5	6.2	30.8	2.2	16.7
May	156	325.2	2.6	143.9	116.8	23.3	158.8	43.9	69.1	6.2	31.0	2.2	17.7
<b>of which: Credit institutions majority-owned by foreign banks <sup>6</sup></b>													
1995 Apr.	91	214.1	2.4	74.3	55.2	15.7	121.5	29.7	62.0	3.3	24.9	2.1	13.8
May	90	218.6	2.2	78.5	59.3	15.7	121.0	30.3	61.6	3.4	24.1	2.1	14.8

\* Excluding the assets and liabilities of foreign branches. Statistical alterations are not specially marked here, see changes in the Statistical Supplement to the Monthly Report, Banking statistics. For the definition of the items see the notes to Table IV. 1 "Assets" and IV. 2 "Liabilities", page 16\* ff. The figures for the latest date are always to be regarded as

provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG. — 2 Including private bankers whose business is not organised in the form of a sole proprietorship or partnership. —

IV. Credit institutions

Deposits of credit institutions			Deposits of non-banks							Bearer debt securities outstanding	Capital (including published reserves)	Other liabilities	End of month		
Total	of which		Total	of which					Total					of which At three months' notice	Bank savings bonds
	Sight deposits	Time deposits		Sight deposits	Time deposits for			Savings deposits							
					1 month to less than 3 months	3 months to less than 4 years	4 years and more								
<b>All categories of banks</b>															
1,815.4	425.3	1,273.4	3,018.0	493.3	389.3	147.2	707.5	970.0	683.0	229.4	1,452.2	297.8	364.2	1995 Mar.	
1,841.8	438.0	1,285.4	3,028.6	501.8	378.5	145.4	715.2	974.8	686.9	230.5	1,462.1	299.0	365.6	Apr.	
1,858.4	435.7	1,304.0	3,052.7	510.1	379.2	144.7	723.3	979.7	691.1	231.8	1,478.0	302.6	346.4	May	
<b>Commercial banks</b>															
634.7	192.0	396.0	628.8	161.1	124.0	41.1	117.9	144.8	101.4	29.3	197.1	110.4	115.1	1995 Mar.	
646.7	195.0	403.5	627.6	162.1	119.7	41.5	118.9	145.2	101.8	29.5	196.1	110.4	119.2	Apr.	
661.1	204.1	408.7	634.3	163.9	122.5	41.2	120.7	145.6	102.2	29.6	197.8	111.7	120.9	May	
<b>Big banks <sup>1</sup></b>															
223.3	70.9	137.4	292.0	84.2	58.8	17.4	31.5	85.4	55.9	10.6	33.3	47.7	43.1	1995 Mar.	
229.7	71.5	143.3	293.7	84.9	58.3	18.3	32.1	85.5	55.7	10.7	32.9	47.7	45.6	Apr.	
239.2	76.5	147.6	297.0	85.2	60.1	17.9	33.4	85.7	55.8	10.7	33.2	47.7	45.6	May	
<b>Regional banks and other commercial banks <sup>2</sup></b>															
313.4	96.3	196.7	296.6	63.4	55.6	18.9	82.1	55.8	43.0	16.7	162.2	56.2	65.9	1995 Mar.	
316.6	98.3	196.3	293.2	63.3	51.9	18.3	82.6	56.2	43.4	16.9	161.6	56.3	67.8	Apr.	
318.9	102.0	195.0	295.5	63.9	53.0	18.4	82.8	56.3	43.8	16.9	163.0	57.4	68.5	May	
<b>Branches of foreign banks</b>															
81.8	21.1	52.1	11.0	4.0	1.1	1.5	2.1	0.1	0.0	0.1	—	3.1	3.5	1995 Mar.	
84.3	22.0	53.9	11.4	4.4	1.1	1.6	2.1	0.0	0.0	0.1	—	3.0	3.4	Apr.	
87.1	22.7	56.3	12.1	4.7	1.1	1.6	2.3	0.0	0.0	0.1	0.0	3.1	4.3	May	
<b>Private bankers <sup>3</sup></b>															
16.3	3.6	9.8	29.1	9.6	8.5	3.3	2.1	3.5	2.5	1.9	1.6	3.4	2.6	1995 Mar.	
16.1	3.2	9.9	29.2	9.5	8.4	3.4	2.2	3.5	2.6	1.9	1.5	3.4	2.5	Apr.	
15.9	3.0	9.8	29.6	10.0	8.3	3.4	2.1	3.6	2.6	1.9	1.6	3.5	2.5	May	
<b>Regional giro institutions (including Deutsche Girozentrale)</b>															
413.2	108.7	292.7	267.8	23.7	16.9	12.7	153.0	15.9	14.1	2.3	447.8	42.8	39.3	1995 Mar.	
425.0	120.3	293.2	270.1	23.1	16.3	13.3	155.6	16.0	14.2	2.3	451.6	42.8	38.0	Apr.	
424.8	114.1	299.0	272.9	23.2	15.9	13.7	157.6	16.1	14.3	2.3	455.9	43.4	37.9	May	
<b>Savings banks</b>															
245.2	37.8	184.8	972.7	172.7	126.1	35.4	13.1	496.4	320.8	127.3	84.6	54.7	52.0	1995 Mar.	
242.5	33.7	186.0	977.7	179.1	122.6	34.7	13.1	498.8	322.8	127.7	84.8	55.3	53.8	Apr.	
242.4	31.4	188.1	981.0	179.8	122.8	34.2	12.9	501.0	324.6	128.4	85.2	56.1	54.5	May	
<b>Regional institutions of credit cooperatives (including Deutsche Genossenschaftsbank)</b>															
156.5	48.3	102.6	15.4	3.2	1.1	1.5	9.0	0.0	0.0	0.2	31.0	9.5	14.1	1995 Mar.	
153.8	45.0	103.1	15.3	3.2	1.2	1.2	9.1	0.0	0.0	0.1	30.6	9.6	13.7	Apr.	
159.3	51.1	102.5	15.0	3.0	1.0	1.2	9.2	0.0	0.0	0.1	30.7	9.8	13.6	May	
<b>Credit cooperatives</b>															
97.0	9.1	73.5	623.0	103.5	113.9	51.0	24.6	259.8	197.2	69.6	38.7	37.0	22.4	1995 Mar.	
98.5	9.3	74.5	624.0	105.2	111.3	50.3	24.8	261.8	198.7	70.0	39.4	37.2	24.5	Apr.	
99.4	8.1	76.6	626.4	106.9	109.5	49.9	24.9	264.0	200.4	70.5	39.8	37.6	23.7	May	
<b>Mortgage banks</b>															
90.3	10.1	77.5	243.1	1.6	0.9	1.4	235.4	0.2	0.2	0.1	456.8	20.1	37.4	1995 Mar.	
95.3	14.9	77.7	245.2	1.7	1.0	1.3	236.8	0.2	0.2	0.1	461.7	20.3	34.8	Apr.	
94.8	11.1	81.0	247.6	1.5	1.0	1.3	239.5	0.2	0.2	0.1	469.1	21.2	34.8	May	
<b>Credit institutions with special functions <sup>4</sup></b>															
178.4	19.3	146.4	267.3	27.5	6.4	4.1	154.5	52.9	49.3	0.7	196.2	23.3	83.9	1995 Mar.	
179.9	19.9	147.3	268.7	27.5	6.4	3.1	156.8	52.8	49.3	0.8	197.8	23.3	81.5	Apr.	
176.6	15.8	148.0	275.6	31.7	6.5	3.0	158.6	52.7	49.3	0.8	199.5	22.9	61.0	May	
<b>Memorandum item: Foreign banks <sup>5</sup></b>															
184.3	54.8	113.6	74.7	21.1	10.4	7.7	11.5	14.6	8.8	6.1	14.6	15.9	26.7	1995 Apr.	
190.0	59.0	115.3	76.6	22.1	11.0	7.7	11.8	14.6	8.9	6.0	14.7	15.9	27.9	May	
<b>of which: Credit institutions majority-owned by foreign banks <sup>6</sup></b>															
100.1	32.8	59.7	63.2	16.8	9.3	6.1	9.3	14.6	8.8	6.0	14.6	12.9	23.3	1995 Apr.	
102.9	36.3	59.0	64.5	17.4	10.0	6.1	9.4	14.6	8.8	5.9	14.7	12.8	23.6	May	

<sup>3</sup> Only credit institutions organised in the form of a sole proprietorship or partnership; see also footnote 2. — <sup>4</sup> Including Deutsche Postbank AG. — <sup>5</sup> Sum of the credit institutions majority-owned by foreign banks and included in other categories of banks, and of the category "Branches of

foreign banks" (of dependent legal status). — <sup>6</sup> Separate presentation of the credit institutions majority-owned by foreign banks, included in the banking categories "Regional banks and other commercial banks", "Private bankers" and "Mortgage banks".

















IV. Credit institutions

Total	Services sector (including the professions)					Memorandum items		Lending to employed and other individuals				Lending to non-commercial organisations		Period
	of which			Other real estate enterprises	Lending to self-employed persons	Lending to craft enterprises	Total	Housing loans	Other lending			Total	of which Housing loans	
	Housing enterprises	Investment companies	Investment companies						Total	of which	Debit balances on wage and salary accounts and pension accounts			
<b>End of year or quarter *</b>														<b>Lending, total</b>
760.5	196.1	30.7	195.8	546.1	107.4	892.4	567.9	324.5	148.1	37.7	26.5	8.9	1992	
845.0	214.5	34.2	213.5	604.8	116.2	984.3	638.7	345.7	154.5	38.1	29.4	9.4	1993	
848.4	216.6	35.9	208.6	612.8	118.8	1,000.9	653.7	347.1	155.8	39.2	29.1	9.0	1994 Mar.	
862.7	222.4	35.4	209.0	624.9	121.8	1,026.9	675.0	352.0	158.7	40.3	28.9	9.1	June	
881.1	229.2	36.1	211.5	638.3	123.6	1,056.6	698.2	358.3	159.7	41.4	29.2	9.2	Sep.	
889.1	213.1	37.7	217.5	662.0	125.3	1,092.5	729.3	363.2	160.9	39.4	30.2	9.4	Dec.	
870.6	211.0	39.9	192.7	663.0	126.1	1,107.7	743.0	364.6	178.2	40.5	25.2	7.7	1995 Mar.	
<b>Short-term lending</b>														
138.3	16.8	11.2	38.4	99.3	30.8	78.7	7.2	71.5	2.9	37.7	3.6	0.1	1992	
143.8	18.1	11.3	39.3	99.9	31.3	80.6	7.9	72.7	3.2	38.1	3.4	0.0	1993	
134.3	18.1	12.6	33.6	95.2	31.9	78.9	7.6	71.3	3.2	39.2	3.1	0.0	1994 Mar.	
137.7	19.2	12.1	34.7	95.9	32.9	79.8	7.6	72.2	3.0	40.3	2.7	0.0	June	
143.0	20.6	13.0	37.4	96.3	32.9	81.6	7.7	73.9	2.9	41.4	2.5	0.0	Sep.	
156.1	21.8	14.2	43.2	101.6	32.3	82.3	8.1	74.2	3.0	39.4	2.7	0.1	Dec.	
153.4	23.3	15.1	38.7	99.8	33.7	81.8	8.0	73.8	3.1	40.5	2.2	0.1	1995 Mar.	
<b>Medium-term lending</b>														
99.4	10.3	4.6	54.0	40.1	6.6	78.4	21.5	56.9	40.1	-	1.3	0.1	1992	
88.7	11.0	4.5	41.4	41.0	6.7	77.2	20.4	56.8	40.3	-	1.6	0.1	1993	
87.7	15.6	4.8	35.7	39.9	6.6	75.1	19.5	55.6	39.9	-	1.5	0.1	1994 Mar.	
80.7	16.0	4.5	28.6	38.9	6.6	75.4	19.5	55.9	40.6	-	1.2	0.1	June	
75.2	16.3	4.3	23.0	39.0	6.6	76.0	19.9	56.1	40.4	-	1.2	0.1	Sep.	
70.7	16.7	3.8	17.9	40.1	6.8	76.8	20.9	55.9	39.6	-	1.2	0.1	Dec.	
63.8	16.1	4.0	12.9	39.8	6.9	76.3	21.0	55.3	41.5	-	0.7	0.1	1995 Mar.	
<b>Long-term lending</b>														
522.9	169.0	15.0	103.4	406.7	70.0	735.3	539.2	196.1	105.1	-	21.6	8.8	1992	
612.6	185.4	18.4	132.9	464.0	78.2	826.5	610.3	216.2	111.0	-	24.5	9.2	1993	
626.3	182.9	18.5	139.3	477.8	80.2	846.9	626.2	220.2	112.7	-	24.5	8.9	1994 Mar.	
644.4	187.3	18.8	145.7	490.1	82.4	871.8	647.9	223.9	115.2	-	25.1	8.9	June	
662.9	192.3	18.9	151.1	503.0	84.1	899.0	670.6	228.4	116.3	-	25.5	9.1	Sep.	
662.3	174.6	19.6	156.4	520.2	86.2	933.4	700.3	233.0	118.3	-	26.3	9.2	Dec.	
653.4	171.6	20.9	141.1	523.4	85.5	949.6	714.0	235.6	133.5	-	22.3	7.5	1995 Mar.	
<b>Change during quarter *</b>														<b>Lending, total</b>
+ 12.9	+ 6.1	- 0.5	- 1.4	+ 12.7	+ 2.7	+ 26.1	+ 20.5	+ 5.6	+ 2.6	+ 1.1	+ 0.5	+ 0.0	1994 2nd qtr	
+ 16.9	+ 4.9	+ 0.8	+ 2.4	+ 13.5	+ 1.8	+ 29.4	+ 21.6	+ 7.8	+ 2.0	+ 1.1	+ 0.3	+ 0.2	3rd qtr	
+ 31.5	+ 6.3	+ 1.5	+ 6.8	+ 23.7	+ 1.7	+ 36.1	+ 31.0	+ 5.1	+ 1.0	+ 2.0	+ 1.0	+ 0.2	4th qtr	
+ 1.9	+ 4.7	+ 2.3	- 14.1	+ 1.7	+ 3.3	+ 15.7	+ 13.5	+ 2.1	- 0.3	+ 1.1	- 4.0	- 1.7	1995 1st qtr	
<b>Short-term lending</b>														
+ 3.7	+ 1.0	- 0.5	+ 1.1	+ 0.6	+ 0.7	+ 0.8	- 0.0	+ 0.8	- 0.2	+ 1.1	- 0.4	+ 0.0	1994 2nd qtr	
+ 5.6	+ 1.4	+ 0.8	+ 2.7	+ 0.4	+ 0.0	+ 1.8	+ 0.1	+ 1.9	+ 0.1	+ 1.1	- 0.2	+ 0.0	3rd qtr	
+ 13.4	+ 1.2	+ 1.3	+ 5.8	+ 5.4	- 0.6	+ 0.9	+ 0.4	+ 0.4	+ 0.1	- 2.0	+ 0.2	+ 0.1	4th qtr	
- 0.1	+ 1.5	+ 0.9	- 3.9	- 1.5	+ 1.4	- 0.5	- 0.1	- 0.5	+ 0.1	+ 1.1	- 0.5	- 0.1	1995 1st qtr	
<b>Medium-term lending</b>														
- 8.5	+ 0.4	- 0.3	- 8.4	- 0.2	- 0.1	+ 0.3	- 0.1	+ 0.4	+ 0.7	-	+ 0.0	- 0.0	1994 2nd qtr	
- 5.3	+ 0.3	- 0.2	- 5.7	+ 0.1	- 0.0	+ 0.6	+ 0.4	+ 0.2	- 0.2	-	+ 0.0	+ 0.0	3rd qtr	
- 4.5	+ 0.4	- 0.4	- 5.1	+ 1.2	+ 0.2	+ 0.8	+ 1.0	- 0.2	- 0.9	-	+ 0.0	+ 0.0	4th qtr	
- 2.8	- 0.6	+ 0.2	- 1.8	- 0.4	+ 0.1	- 0.5	+ 0.0	- 0.6	- 0.7	-	- 0.5	- 0.0	1995 1st qtr	
<b>Long-term lending</b>														
+ 17.6	+ 4.6	+ 0.3	+ 5.9	+ 12.4	+ 2.1	+ 24.9	+ 20.6	+ 4.4	+ 2.1	-	+ 0.8	+ 0.0	1994 2nd qtr	
+ 16.6	+ 3.1	+ 0.2	+ 5.4	+ 13.1	+ 1.8	+ 27.0	+ 21.3	+ 5.7	+ 2.2	-	+ 0.5	+ 0.1	3rd qtr	
+ 22.6	+ 4.8	+ 0.7	+ 6.1	+ 17.2	+ 2.0	+ 34.4	+ 29.5	+ 4.8	+ 1.8	-	+ 0.7	+ 0.1	4th qtr	
+ 4.8	+ 3.8	+ 1.2	- 8.5	+ 3.5	+ 1.8	+ 16.8	+ 13.6	+ 3.2	+ 0.3	-	- 3.1	- 1.6	1995 1st qtr	

Since March 1995 the figures have been collected and published on the basis of the "Klassifikation der Wirtschaftszweige" ("Classification of economic activities") of the Federal Statistical Office, Edition 1993 (WZ 93), and the Bundesbank's Customer Classification (form 10234/ISBN 3-927951-45-5) has been brought into line with this. The switch from the "old" to the "new" classification has resulted in a multitude of changes between the indi-

vidual areas and sectors. Since the statistical adjustment, i.e. elimination, of the consequent breaks was possible only in part, and since the content of the columns has sometimes changed, the figures for the first quarter of 1995 are comparable to the figures for previous periods only to a very limited extent.

IV. Credit institutions

8. Lending to domestic public authorities \*

DM billion

Lending to domestic public authorities (excluding Treasury bill and securities portfolios and excluding equalisations claims)												
Period	Domestic public authorities, total				Federal Government and its special funds 1				Länder Governments			
	Total	Short-term	Medium-term	Long-term 2	Total	Short-term	Medium-term	Long-term 2	Total	Short-term	Medium-term	Long-term 2
<b>End of year or month *</b>												
1992	518.4	16.7	47.6	454.1	79.6	1.6	9.0	69.0	248.7	8.9	30.9	208.9
1993	569.4	16.8	36.8	515.8	83.4	1.9	6.9	74.6	272.5	8.8	22.6	241.1
1994	625.8	32.7	34.5	558.7	91.2	13.7	5.6	71.9	298.4	10.3	22.5	265.6
1994 Oct.	581.4	14.7	31.3	535.3	77.6	0.8	4.7	72.2	282.0	5.7	20.2	256.1
Nov.	595.8	22.9	31.6	541.3	77.8	0.9	4.8	72.1	295.3	13.2	20.5	261.6
Dec.	625.8	32.7	34.5	558.7	91.2	13.7	5.6	71.9	298.4	10.3	22.5	265.6
1995 Jan.	663.9	36.5	44.4	583.0	126.7	16.2	14.4	96.1	300.6	10.5	23.6	266.4
Feb.	663.0	36.4	43.5	583.0	128.9	18.2	14.0	96.7	298.7	9.3	23.4	266.0
Mar.	675.1	42.7	44.3	588.0	142.7	25.9	14.0	102.7	297.5	7.5	24.2	265.7
Apr.	681.7	44.0	45.1	592.6	140.4	22.6	13.9	103.9	304.9	9.7	25.1	270.1
May	693.2	48.8	46.5	597.9	147.1	27.6	15.7	103.8	310.6	10.8	24.7	275.1
<b>Changes *</b>												
1993	+ 51.0	+ 1.2	- 10.8	+ 60.6	+ 3.8	+ 0.3	- 2.1	+ 5.7	+ 23.7	- 0.1	- 8.3	+ 32.1
1994	+ 33.5	+ 6.6	- 2.4	+ 29.2	- 2.2	+ 1.8	- 1.3	- 2.7	+ 26.0	+ 2.3	- 0.1	+ 23.8
1994 Oct.	+ 7.7	+ 3.6	+ 1.0	+ 3.1	+ 1.3	+ 0.0	+ 0.0	+ 1.3	+ 4.9	+ 3.3	+ 0.9	+ 0.7
Nov.	+ 14.5	+ 8.2	+ 0.3	+ 6.0	+ 0.1	+ 0.1	+ 0.1	- 0.2	+ 13.1	+ 7.5	+ 0.3	+ 5.3
Dec.	+ 7.0	- 0.2	+ 2.9	+ 4.4	+ 3.4	+ 2.8	+ 0.8	- 0.2	+ 3.1	- 2.9	+ 2.1	+ 4.0
1995 Jan.	+ 9.1	+ 1.3	+ 3.4	+ 4.4	+ 7.4	- 0.0	+ 2.3	+ 5.2	+ 2.2	+ 0.3	+ 1.1	+ 0.9
Feb.	- 2.6	- 2.2	- 0.8	+ 0.5	+ 0.2	+ 0.0	- 0.5	+ 0.7	- 1.8	- 1.2	- 0.2	- 0.3
Mar.	+ 8.9	+ 4.5	+ 0.8	+ 3.6	+ 9.7	+ 5.8	+ 0.1	+ 3.8	- 1.2	- 1.8	+ 0.8	- 0.2
Apr.	+ 3.7	- 2.2	+ 0.8	+ 5.1	- 5.2	- 4.7	- 0.1	- 0.4	+ 7.4	+ 2.2	+ 0.9	+ 4.4
May	+ 11.5	+ 4.8	+ 1.4	+ 5.3	+ 6.7	+ 5.0	+ 1.8	- 0.1	+ 5.6	+ 1.0	- 0.5	+ 5.0

Lending to domestic public authorities (excluding Treasury bill and securities portfolios and excluding equalisations claims) (cont'd)												
Period	Local authorities and local authority associations				Municipal special-purpose associations with sovereign functions				Social security funds			
	Total	Short-term	Medium-term	Long-term 2	Total	Short-term	Medium-term	Long-term 2	Total	Short-term	Medium-term	Long-term 2
<b>End of year or month *</b>												
1992	175.2	5.4	7.2	162.7	14.2	0.4	0.5	13.3	0.7	0.4	0.1	0.2
1993	195.1	5.5	6.6	183.1	17.6	0.4	0.7	16.6	0.8	0.3	0.0	0.4
1994	216.1	7.5	5.8	202.9	18.8	0.6	0.5	17.8	1.3	0.7	0.0	0.5
1994 Oct.	202.4	7.4	5.9	189.1	18.3	0.4	0.5	17.4	1.1	0.5	0.0	0.5
Nov.	202.4	7.1	5.8	189.5	18.5	0.5	0.5	17.6	1.8	1.2	0.0	0.5
Dec.	216.1	7.5	5.8	202.9	18.8	0.6	0.5	17.8	1.3	0.7	0.0	0.5
1995 Jan.	218.7	8.3	5.9	204.4	16.4	0.5	0.4	15.5	1.6	0.9	0.0	0.6
Feb.	217.6	7.4	5.8	204.4	16.1	0.4	0.4	15.3	1.6	1.0	0.0	0.6
Mar.	218.2	8.1	5.7	204.4	15.3	0.5	0.3	14.5	1.3	0.7	0.0	0.6
Apr.	219.6	10.4	5.7	203.5	15.3	0.5	0.3	14.5	1.4	0.7	0.1	0.6
May	218.6	9.0	5.7	203.8	15.3	0.5	0.3	14.5	1.7	1.0	0.1	0.6
<b>Changes *</b>												
1993	+ 19.9	+ 1.2	- 0.6	+ 19.3	+ 3.4	- 0.0	+ 0.1	+ 3.3	+ 0.1	- 0.0	- 0.0	+ 0.2
1994	+ 8.0	+ 2.0	- 0.8	+ 6.8	+ 1.2	+ 0.2	- 0.2	+ 1.2	+ 0.5	+ 0.4	+ 0.0	+ 0.1
1994 Oct.	+ 1.3	+ 0.4	+ 0.0	+ 0.9	+ 0.1	- 0.1	+ 0.0	+ 0.2	+ 0.1	+ 0.0	- 0.0	+ 0.0
Nov.	+ 0.4	- 0.2	- 0.2	+ 0.7	+ 0.3	+ 0.1	+ 0.0	+ 0.2	+ 0.7	+ 0.7	- 0.0	- 0.0
Dec.	+ 0.7	+ 0.3	+ 0.0	+ 0.4	+ 0.3	+ 0.1	+ 0.0	+ 0.2	- 0.5	- 0.5	+ 0.0	+ 0.0
1995 Jan.	+ 1.6	+ 0.9	+ 0.1	+ 0.6	- 2.5	- 0.1	- 0.1	- 2.3	+ 0.3	+ 0.2	+ 0.0	+ 0.0
Feb.	- 0.7	- 0.9	- 0.1	+ 0.3	- 0.3	- 0.1	- 0.0	- 0.2	- 0.0	- 0.0	+ 0.0	- 0.0
Mar.	+ 0.7	+ 0.7	- 0.0	+ 0.0	+ 0.0	+ 0.1	- 0.1	+ 0.0	- 0.3	- 0.4	- 0.0	+ 0.0
Apr.	+ 1.4	+ 0.3	- 0.0	+ 1.1	- 0.0	- 0.1	+ 0.0	+ 0.0	+ 0.1	+ 0.1	+ 0.1	- 0.0
May	- 1.1	- 1.4	+ 0.0	+ 0.3	- 0.0	+ 0.0	- 0.0	+ 0.0	+ 0.3	+ 0.2	+ 0.0	+ 0.0

\* Excluding lending to the Treuhand agency and its successor organisations and to the Federal Railways, east German Railways and Federal Post Office or, from 1995, to Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG, as well as to publicly owned enterprises, which are included in "Enterprises and individuals" (Table IV. 7). Methodological discrepancies as against the data on bank lending to domestic public authorities contained in Tables VIII. 7 and 8 are explained in the annex to the article "Public authorities' bank balances and other claims on banks" in Monthly Report of

the Deutsche Bundesbank, Vol. 24, No. 1, January 1972, page 44. Statistical alterations have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Federal Railways Fund, Indemnification Fund, Redemption Fund for Inherited Liabilities, ERP Special Fund, "German Unity" Fund, Equalisation of Burdens Fund. — 2 Including trust loans (or, up to November 1993, loans on a trust basis).

IV. Credit institutions

9. Securities portfolios \*

DM billion													
Period	Domestic securities							Foreign securities					
	Total	Bank debt securities 1	Public debt securities 2	Corporate debt securities 3	Shares	Investment fund certificates	Other securities	Total	Bank debt securities	Debt securities issued by non-banks	Shares and investment fund certificates	Other securities	
<b>End of year or month *</b>													
1992	739.4	672.9	429.5	147.2	41.0	23.9	27.0	4.3	66.5	21.3	40.7	3.9	0.6
1993	908.2	820.9	485.9	193.5	70.8	26.6	40.4	3.7	87.3	22.3	56.4	6.6	2.0
1994	1,037.6	947.3	506.2	230.5	128.5	28.8	49.9	3.4	90.3	22.7	60.5	6.2	0.9
1994 Dec.	1,037.6	947.3	506.2	230.5	128.5	28.8	49.9	3.4	90.3	22.7	60.5	6.2	0.9
1995 Jan.	1,022.7	933.2	494.5	235.1	116.0	33.1	51.2	3.3	89.5	22.5	60.0	6.1	0.9
Feb.	1,033.1	942.6	493.9	245.6	113.2	34.5	51.8	3.6	90.5	22.7	61.0	5.9	0.9
Mar.	1,020.2	928.5	490.0	236.0	107.5	37.4	53.8	3.8	91.6	23.0	62.1	5.7	0.8
Apr.	1,019.3	926.2	492.2	232.3	105.5	38.1	54.2	3.8	93.1	23.5	63.1	5.7	0.8
May	1,026.0	930.2	497.3	234.3	103.7	36.2	54.6	4.0	95.8	24.0	65.4	5.7	0.8
<b>Changes *</b>													
1993	+ 183.5	+ 163.5	+ 59.8	+ 65.1	+ 23.1	+ 2.7	+ 13.4	- 0.7	+ 20.0	+ 0.3	+ 15.3	+ 2.8	+ 1.6
1994	+ 113.2	+ 108.1	+ 21.2	+ 38.3	+ 37.3	+ 2.2	+ 9.4	- 0.2	+ 5.1	+ 0.9	+ 5.5	- 0.2	- 1.0
1994 Dec.	- 1.6	+ 0.2	- 2.5	- 0.8	+ 4.8	- 3.0	+ 2.3	- 0.5	- 1.9	- 0.6	- 0.5	- 0.7	- 0.1
1995 Jan.	- 1.6	- 2.9	- 7.3	+ 1.0	- 2.1	+ 4.3	+ 1.2	- 0.1	+ 1.2	+ 0.1	+ 1.2	- 0.1	+ 0.0
Feb.	+ 12.9	+ 11.0	- 0.2	+ 11.2	- 2.4	+ 1.4	+ 0.7	+ 0.3	+ 2.0	+ 0.4	+ 1.7	- 0.1	- 0.1
Mar.	- 9.6	- 11.7	- 2.9	- 9.5	- 4.5	+ 3.0	+ 2.0	+ 0.2	+ 2.1	+ 0.5	+ 1.8	- 0.2	- 0.0
Apr.	- 1.1	- 2.4	+ 2.2	- 3.7	- 1.9	+ 0.7	+ 0.4	- 0.0	+ 1.3	+ 0.4	+ 0.9	+ 0.0	- 0.0
May	+ 6.3	+ 4.0	+ 5.2	+ 2.0	- 1.9	- 1.9	+ 0.4	+ 0.2	+ 2.4	+ 0.4	+ 2.0	- 0.1	- 0.0

\* Excluding securities portfolios of building and loan associations, excluding debt securities arising from the exchange of equalisation claims (see also Table IV. 1, footnote 8) and excluding money market paper. Including securities sold to the Bundesbank in open market transactions under repurchase agreements. Statistical alterations have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following

Monthly Report, are not specially marked. — 1 Excluding own issues, excluding registered debt securities. — 2 From 1995 including issues of the Federal Railways and the east German Railways. — 3 Including issues of Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG and previous issues of the Federal Post Office and the Treuhand agency; until 1994 also including issues of the Federal Railways and the east German Railways (see also footnote 2).

10. Treasury bill and debt securities portfolios of domestic public authorities and their special funds \*

DM billion											
Period	Treasury bills and Treasury discount paper (excluding mobilisation and liquidity paper)					Debt securities of domestic public authorities and their special funds					
	Total	Public authorities			Federal Railways, Federal Post Office, Treuhand agency 2	Total	Public authorities			Federal Railways, east German Railways, Federal Post Office, Treuhand agency 2	
	Total	Federal Government and its special funds 1	Länder Governments			Total	Federal Government and its special funds 1	Länder Governments	Local authorities and local authority associations		
<b>End of year or month *</b>											
1992	9.6	9.3	9.3	-	0.2	186.6	147.2	104.6	42.5	0.2	39.4
1993	5.2	2.2	2.2	-	3.1	262.8	193.5	119.8	73.3	0.5	69.3
1994	1.8	1.8	1.6	0.2	0.0	357.6	230.5	149.5	80.6	0.5	127.1
1994 Dec.	1.8	1.8	1.6	0.2	0.0	357.6	230.5	149.5	80.6	0.5	127.1
1995 Jan.	1.8	1.7	1.6	0.2	0.0	349.6	235.1	154.1	80.2	0.7	114.5
Feb.	1.4	1.4	1.2	0.2	0.0	357.1	245.6	162.9	82.1	0.6	111.5
Mar.	1.9	1.7	1.5	0.2	0.1	342.1	236.0	153.6	81.8	0.7	106.1
Apr.	1.6	1.5	1.3	0.2	0.1	336.6	232.3	150.0	81.7	0.7	104.3
May	1.6	1.5	1.3	0.2	0.1	336.7	234.3	152.3	81.4	0.6	102.3
<b>Changes *</b>											
1993	- 4.8	- 7.2	- 7.2	± 0.0	+ 2.3	+ 87.9	+ 65.1	+ 34.0	+ 30.8	+ 0.3	+ 22.8
1994	- 3.4	- 0.4	- 0.6	+ 0.2	- 3.0	+ 75.7	+ 38.3	+ 30.4	+ 7.9	- 0.0	+ 37.5
1994 Dec.	- 0.0	- 0.0	- 0.1	+ 0.0	+ 0.0	+ 4.2	- 0.8	- 2.2	+ 1.4	- 0.0	+ 5.1
1995 Jan.	- 0.0	- 0.0	- 0.0	- 0.0	+ 0.0	- 1.2	+ 1.0	- 0.8	+ 1.5	+ 0.3	- 2.2
Feb.	- 0.4	- 0.4	- 0.4	- 0.0	+ 0.0	+ 8.6	+ 11.2	+ 9.2	+ 2.1	- 0.1	- 2.6
Mar.	+ 0.5	+ 0.4	+ 0.3	+ 0.1	+ 0.1	- 13.6	- 9.5	- 9.6	+ 0.1	+ 0.0	- 4.1
Apr.	- 0.3	- 0.2	+ 0.2	+ 0.0	- 0.0	- 5.6	- 3.7	- 3.6	- 0.1	- 0.0	- 1.9
May	- 0.1	- 0.0	+ 0.0	- 0.1	- 0.0	+ 0.1	+ 2.0	+ 2.3	- 0.3	- 0.0	- 1.9

For footnote \* see Table IV. 1. — 1 Federal Railways Fund, Indemnification Fund, Redemption Fund for Inherited Liabilities, ERP Special Fund, "German Unity" Fund. From 1995 including issues of the Federal Railways and the

east German Railways. — 2 Issues of the Federal Railways and the east German Railways included up to 1994 only (see also footnote 1).







#### IV. Credit institutions

##### 12. Deposits of domestic individuals and non-commercial organisations \*

DM billion

Period	Deposits of domestic individuals and non-commercial organisations, total	Sight deposits							Time deposits <sup>1</sup>					
		Total	by creditor group				by maturity		Total	by creditor group				
			Domestic individuals				Domestic non-commercial organisations	On demand		Less than 1 month	Domestic individuals			
			Total	Self-employed	Employees	Other individuals					Total	Self-employed	Employees	
End of year or month *														
1992	1,688.8	288.5	273.5	58.9	183.8	30.8	15.0	284.3	4.3	422.0	386.4	104.6	226.3	
1993	1,850.9	327.3	310.3	67.7	203.8	38.8	17.0	322.0	5.3	478.2	436.1	115.7	256.2	
1994	1,850.5	333.2	315.0	65.5	210.2	39.3	18.2	329.0	4.1	405.8	361.0	97.4	210.8	
1994 Dec.	1,850.5	333.2	315.0	65.5	210.2	39.3	18.2	329.0	4.1	405.8	361.0	97.4	210.8	
1995 Jan.	1,832.9	316.8	300.6	61.2	201.6	37.7	16.2	313.4	3.3	398.7	357.4	98.9	207.2	
Feb.	1,834.0	315.5	299.4	59.4	202.1	37.8	16.1	312.4	3.1	392.8	351.6	97.3	204.0	
Mar.	1,823.1	306.7	291.5	56.4	198.2	37.0	15.1	303.9	2.7	384.9	344.1	94.8	199.8	
Apr.	1,829.1	315.3	300.5	59.2	202.9	38.5	14.8	312.2	3.1	376.8	337.5	93.4	195.5	
May	1,831.0	317.0	301.5	60.0	203.2	38.3	15.6	314.4	2.6	371.8	332.4	92.6	192.1	
Changes *														
1993	+ 162.8	+ 38.9	+ 36.9	+ 8.8	+ 21.4	+ 6.6	+ 2.0	+ 37.8	+ 1.1	+ 54.3	+ 48.1	+ 10.9	+ 28.9	
1994	- 0.5	+ 5.8	+ 4.6	- 2.3	+ 6.1	+ 0.8	+ 1.2	+ 7.0	- 1.2	- 72.6	- 75.3	- 18.3	- 45.7	
1994 Dec.	+ 2.8	- 14.1	- 13.3	+ 0.4	- 12.9	- 0.8	- 0.8	- 14.0	- 0.1	- 18.0	- 19.6	- 6.7	- 9.4	
1995 Jan.	- 17.2	- 16.4	- 14.4	- 4.3	- 8.6	- 1.6	- 2.0	- 15.6	- 0.8	- 1.8	+ 1.4	+ 2.0	- 0.3	
Feb.	+ 1.1	- 1.3	- 1.2	- 1.8	+ 0.5	+ 0.1	- 0.1	- 1.0	- 0.3	- 5.9	- 5.8	- 1.6	- 3.2	
Mar.	- 10.1	- 8.7	- 7.8	- 3.1	- 3.9	- 0.8	- 0.9	- 8.4	- 0.3	- 7.2	- 7.4	- 2.5	- 4.2	
Apr.	+ 5.8	+ 8.6	+ 9.0	+ 2.8	+ 4.7	+ 1.5	- 0.4	+ 8.3	+ 0.4	- 8.1	- 6.7	- 1.3	- 4.3	
May	+ 1.9	+ 1.7	+ 0.9	+ 0.8	+ 0.3	- 0.2	+ 0.8	+ 2.2	- 0.5	- 5.0	- 5.1	- 0.9	- 3.5	

\* Excluding deposits of foreign branches (see Table IV. 18) and of building and loan associations (see Table IV. 19). From June 1990 including liabilities of east German credit institutions. Statistical alterations have been

eliminated from the changes. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Including

##### 13. Deposits of domestic public authorities, by creditor group \*

DM billion

Period	Domestic public authorities, total	Federal Government and its special funds <sup>1</sup>							Länder Governments				
		Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds <sup>2</sup>	Trust loans <sup>3</sup>	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds <sup>2</sup>	Trust loans <sup>3</sup>
				Less than 4 years	4 years and more					Less than 4 years	4 years and more		
End of year or month *													
1992	266.9	96.8	2.6	2.8	72.1	0.0	19.3	74.9	4.4	3.3	23.5	0.0	43.7
1993	276.5	100.0	1.8	3.7	74.5	0.0	20.0	75.5	4.4	2.1	23.7	0.0	45.2
1994	285.5	107.3	4.4	2.9	77.3	0.0	22.7	79.0	5.6	1.9	24.3	0.1	47.1
1994 Dec.	285.5	107.3	4.4	2.9	77.3	0.0	22.7	79.0	5.6	1.9	24.3	0.1	47.1
1995 Jan.	269.6	104.1	1.1	2.5	78.1	0.0	22.4	75.1	3.0	3.2	24.3	0.1	44.5
Feb.	269.8	104.1	0.8	2.3	78.7	0.0	22.3	74.9	3.0	2.7	24.4	0.1	44.7
Mar.	268.1	109.0	1.1	6.9	78.5	0.0	22.4	74.9	2.9	2.9	24.2	0.1	44.8
Apr.	266.7	109.2	1.0	6.3	79.3	0.0	22.5	74.5	3.2	1.9	24.1	0.1	45.2
May	272.6	110.1	1.1	5.8	80.1	0.0	23.1	74.8	3.0	1.8	24.2	0.1	45.6
Changes *													
1993	+ 8.8	+ 2.4	- 1.6	+ 0.9	+ 2.3	+ 0.0	+ 0.8	+ 0.6	+ 0.0	- 1.2	+ 0.2	+ 0.0	+ 1.5
1994	+ 7.2	+ 5.3	+ 3.4	- 0.8	+ 2.8	- 0.0	- 0.1	+ 3.7	+ 1.2	- 0.2	+ 0.8	+ 0.0	+ 1.9
1994 Dec.	+ 14.1	+ 1.8	+ 3.0	+ 0.7	- 0.3	-	- 1.7	+ 1.6	+ 1.2	- 0.1	+ 0.1	- 0.0	+ 0.4
1995 Jan.	- 11.2	- 2.9	- 3.1	- 0.3	+ 0.7	+ 0.0	- 0.3	- 0.4	- 2.6	+ 1.2	- 0.0	+ 0.0	+ 0.9
Feb.	+ 0.3	+ 0.0	- 0.3	- 0.2	+ 0.6	- 0.0	- 0.2	- 0.1	- 0.0	- 0.4	+ 0.1	+ 0.0	+ 0.2
Mar.	- 1.8	+ 4.9	+ 0.3	+ 4.6	- 0.2	+ 0.0	+ 0.1	- 0.1	- 0.2	+ 0.2	- 0.2	- 0.0	+ 0.1
Apr.	- 1.3	+ 0.2	- 0.1	- 0.6	+ 0.9	+ 0.0	+ 0.0	- 0.4	+ 0.3	- 0.9	- 0.1	- 0.0	+ 0.4
May	+ 5.8	+ 0.9	+ 0.1	- 0.6	+ 0.8	+ 0.0	+ 0.6	+ 0.2	- 0.1	- 0.1	+ 0.1	-	+ 0.4

\* Excluding deposits of the Treuhand agency and its successor organisations and of the Federal Railways, east German Railways and Federal Post Office or, from 1995, of Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG, as well as publicly owned enterprises, which are included in

"Enterprises". Statistical alterations have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report,

IV. Credit institutions

							Savings deposits			Bank savings bonds 2	Trust loans 3	Memo item Subordinated liabilities (excluding negotiable debt securities) 4	Period
by maturity							Total	Domestic individuals	Domestic non-commercial organisations				
Other individuals	Domestic non-commercial organisations	1 month to less than 4 years											
		Total	1 month to less than 3 months	3 months to 1 year	Over 1 year to less than 4 years	4 years and more	Total	Domestic individuals	Domestic non-commercial organisations				
<b>End of year or month *</b>													
55.5	35.7	374.9	264.4	106.6	3.9	47.1	761.0	748.6	12.4	216.1	1.2	-	1992
64.2	42.1	428.4	325.5	99.3	3.5	49.8	850.2	836.6	13.6	194.1	1.1	3.2	1993
52.9	44.8	352.0	267.0	81.5	3.5	53.9	930.6	915.7	14.8	179.9	1.0	6.7	1994
52.9	44.8	352.0	267.0	81.5	3.5	53.9	930.6	915.7	14.8	179.9	1.0	6.7	1994 Dec.
51.4	41.2	349.9	267.3	79.0	3.6	48.8	932.8	918.8	14.0	183.7	1.0	7.0	1995 Jan.
50.3	41.2	344.4	261.3	79.4	3.7	48.4	937.2	923.3	13.8	187.6	1.0	7.4	Feb.
49.5	40.8	337.3	253.8	79.7	3.9	47.6	940.1	926.2	13.9	190.5	1.0	7.7	Mar.
48.5	39.4	329.5	246.8	78.6	4.0	47.3	944.7	930.6	14.1	191.3	1.0	7.9	Apr.
47.7	39.4	325.0	243.5	77.4	4.1	46.8	949.1	934.8	14.3	192.0	1.0	8.2	May
<b>Changes *</b>													
+ 8.3	+ 6.2	+ 53.3	+ 61.8	- 8.2	- 0.3	+ 1.1	+ 88.9	+ 87.7	+ 1.2	- 19.2	- 0.1	+ 0.0	1993
- 11.3	+ 2.7	- 76.6	- 58.6	- 18.1	- 0.0	+ 4.0	+ 80.6	+ 79.3	+ 1.2	- 14.2	- 0.1	+ 3.4	1994
- 3.5	+ 1.6	- 19.0	- 15.4	- 3.6	+ 0.1	+ 0.9	+ 32.7	+ 32.1	+ 0.5	+ 2.4	- 0.1	+ 0.6	1994 Dec.
- 0.2	- 3.3	- 2.1	+ 0.3	- 2.5	+ 0.1	+ 0.2	+ 2.2	+ 3.0	- 0.9	- 1.5	+ 0.3	+ 0.4	1995 Jan.
- 1.0	- 0.0	- 5.5	- 6.0	+ 0.4	+ 0.1	- 0.4	+ 4.4	+ 4.5	- 0.1	+ 3.9	+ 0.0	+ 0.4	Feb.
- 0.7	+ 0.2	- 6.9	- 7.4	+ 0.3	+ 0.2	- 0.3	+ 2.9	+ 2.9	+ 0.0	+ 2.9	+ 0.0	+ 0.4	Mar.
- 1.0	- 1.5	- 7.9	- 6.9	- 1.1	+ 0.1	- 0.3	+ 4.6	+ 4.4	+ 0.2	+ 0.6	+ 0.0	+ 0.2	Apr.
- 0.8	+ 0.1	- 4.5	- 3.3	- 1.3	+ 0.1	- 0.5	+ 4.5	+ 4.2	+ 0.2	+ 0.7	+ 0.0	+ 0.2	May

subordinated liabilities and liabilities arising from registered debt securities. — 2 Including liabilities arising from non-negotiable bearer debt securities. — 3 Up to November 1993: loans on a trust basis. — 4 Collected separately only as from December 1993.

Local authorities and local authority associations					Municipal special-purpose associations with sovereign functions					Social security funds					Period
Total	Sight deposits	Time deposits 4		Savings deposits and bank savings bonds 2	Total	Sight deposits	Time deposits 4		Savings deposits and bank savings bonds 2	Total	Sight deposits	Time deposits 4		Savings deposits and bank savings bonds 2	
		Less than 4 years	4 years and more 4				Less than 4 years	4 years and more 4				Less than 4 years	4 years and more 4		
<b>End of year or month *</b>															
30.3	12.5	13.8	0.7	3.3	3.3	1.3	1.5	0.1	0.4	61.5	7.5	35.9	13.8	4.2	1992
33.8	13.4	16.4	0.7	3.3	4.1	1.6	1.9	0.2	0.4	63.1	7.0	37.8	14.3	4.1	1993
36.0	13.7	17.6	0.9	3.7	4.7	1.7	2.3	0.3	0.4	58.6	7.7	31.7	14.9	4.2	1994
36.0	13.7	17.6	0.9	3.7	4.7	1.7	2.3	0.3	0.4	58.6	7.7	31.7	14.9	4.2	1994 Dec.
31.4	10.0	16.9	0.8	3.7	4.2	1.2	2.3	0.3	0.4	54.8	5.6	30.8	14.1	4.3	1995 Jan.
33.1	10.7	17.8	0.8	3.9	4.0	1.2	2.1	0.3	0.4	53.7	6.2	28.9	14.1	4.5	Feb.
29.8	8.5	16.6	0.8	3.9	3.6	1.0	2.0	0.2	0.4	50.8	5.3	26.2	14.8	4.5	Mar.
30.5	10.1	15.6	0.8	4.0	3.5	1.0	1.9	0.2	0.4	49.0	6.3	23.4	14.9	4.5	Apr.
34.1	10.6	18.5	0.9	4.1	3.6	1.0	2.0	0.2	0.4	50.0	4.9	25.6	14.8	4.6	May
<b>Changes *</b>															
+ 3.4	+ 0.8	+ 2.6	- 0.1	+ 0.1	+ 0.8	+ 0.3	+ 0.5	+ 0.1	+ 0.0	+ 1.5	- 0.6	+ 1.9	+ 0.3	- 0.0	1993
+ 2.1	+ 0.3	+ 1.2	+ 0.2	+ 0.4	+ 0.6	+ 0.1	+ 0.3	+ 0.1	+ 0.1	- 4.5	+ 0.7	- 6.0	+ 0.7	+ 0.2	1994
+ 2.4	+ 1.8	+ 0.4	+ 0.1	+ 0.2	+ 0.0	- 0.1	+ 0.0	+ 0.0	+ 0.0	+ 8.2	+ 2.5	+ 5.5	+ 0.1	+ 0.1	1994 Dec.
- 4.5	- 3.7	- 0.7	+ 0.1	- 0.2	- 0.5	- 0.5	- 0.0	+ 0.0	- 0.1	- 2.8	- 2.1	- 0.7	+ 0.1	- 0.1	1995 Jan.
+ 1.7	+ 0.7	+ 0.8	+ 0.0	+ 0.1	- 0.2	+ 0.0	- 0.2	- 0.0	+ 0.0	- 1.1	+ 0.7	- 1.9	- 0.1	+ 0.2	Feb.
- 3.3	- 2.2	- 1.1	- 0.0	+ 0.1	- 0.4	- 0.2	- 0.1	- 0.1	- 0.0	- 2.9	- 1.0	- 2.7	+ 0.7	- 0.0	Mar.
+ 0.7	+ 1.7	- 1.0	+ 0.0	+ 0.1	- 0.1	- 0.0	- 0.2	+ 0.0	+ 0.0	- 1.8	+ 1.0	- 2.8	+ 0.1	- 0.0	Apr.
+ 3.6	+ 0.5	+ 2.9	+ 0.0	+ 0.1	+ 0.2	+ 0.0	+ 0.2	-	- 0.0	+ 1.0	- 1.3	+ 2.2	- 0.1	+ 0.2	May

are not specially marked. — 1 Federal Railways Fund, Indemnification Fund, Redemption Fund for Inherited Liabilities, ERP Special Fund, "German Unity" Fund, Equalisation of Burdens Fund. — 2 Including liabilities arising

from non-negotiable bearer debt securities. — 3 Up to November 1993: loans on a trust basis. — 4 Including trust loans (or, up to November 1993, loans on a trust basis).

IV. Credit institutions

14. Savings deposits and bank savings bonds sold to non-banks \*

DM billion														
Period	Savings deposits									Memo item Interest credited on savings deposits	Bank savings bonds, 2 sold to			
	Total	of residents				Total	of non- residents	Total	domestic non-banks			foreign non- banks		
		Total	at three months' notice		at over three months' notice				Total		of which With maturities of 4 years and more		Total	
			of which Special savings facilities 1	of which Special savings facilities 1	More than 3 months but less than 4 years									4 years and more
End of year or month *														
1992	785.0	770.7	522.2	309.4	248.6	-	177.4	71.2	14.3	37.1	245.0	240.0	199.3	4.9
1993	877.2	859.4	587.4	180.8	272.0	199.6	202.0	70.0	17.7	38.6	225.2	219.1	182.4	6.1
1994	959.4	940.5	654.3	249.4	286.2	225.0	217.1	69.1	18.9	36.1	213.1	206.9	176.3	6.2
1994 Dec.	959.4	940.5	654.3	249.4	286.2	225.0	217.1	69.1	18.9	28.1	213.1	206.9	176.3	6.2
1995 Jan.	961.9	943.1	663.8	255.6	279.3	222.2	218.4	61.0	18.8	1.0	221.1	214.7	184.4	6.4
Feb.	966.8	948.0	669.2	263.9	278.8	221.8	218.3	60.5	18.9	0.6	225.7	219.2	188.8	6.5
Mar.	970.0	951.0	670.8	274.2	280.2	223.8	219.9	60.3	18.9	0.6	229.4	222.8	192.2	6.6
Apr.	974.8	955.7	674.6	280.1	281.1	224.8	220.8	60.3	19.1	0.5	230.5	223.8	193.1	6.6
May	979.7	960.5	678.8	286.6	281.8	225.4	221.3	60.4	19.2	0.6	231.8	225.1	194.3	6.7
Changes *														
1993	+ 92.1	+ 88.7	+ 65.0	+ 59.6	+ 23.6	+ 0.0	+ 24.8	- 1.2	+ 3.5	.	- 13.3	- 14.6	- 10.9	+ 1.3
1994	+ 82.4	+ 81.2	+ 67.5	+ 64.4	+ 13.7	+ 24.6	+ 14.6	- 0.9	+ 1.2	.	- 12.2	- 12.2	- 6.0	+ 0.1
1994 Dec.	+ 33.8	+ 33.1	+ 23.0	+ 15.0	+ 10.1	+ 8.5	+ 7.3	+ 2.7	+ 0.7	.	+ 2.9	+ 2.8	+ 3.0	+ 0.1
1995 Jan.	+ 2.6	+ 2.6	+ 9.9	+ 6.9	- 7.3	- 0.7	+ 0.8	- 8.1	- 0.0	.	- 0.9	- 1.0	- 0.8	+ 0.1
Feb.	+ 4.9	+ 4.9	+ 4.7	+ 7.1	+ 0.2	+ 0.3	+ 0.7	- 0.5	+ 0.0	.	+ 4.6	+ 4.5	+ 4.4	+ 0.1
Mar.	+ 3.1	+ 3.1	+ 1.7	+ 8.0	+ 1.4	+ 1.9	+ 1.7	- 0.2	+ 0.0	.	+ 3.6	+ 3.6	+ 3.4	+ 0.1
Apr.	+ 4.8	+ 4.7	+ 3.8	+ 5.1	+ 0.9	+ 1.1	+ 0.9	- 0.0	+ 0.1	.	+ 1.1	+ 1.1	+ 1.0	+ 0.1
May	+ 4.9	+ 4.8	+ 4.1	+ 6.5	+ 0.7	+ 0.6	+ 0.5	+ 0.2	+ 0.1	.	+ 1.4	+ 1.3	+ 1.2	+ 0.1

For footnote \* see Table IV. 11. — 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. Up to November 1993 special savings facilities of domestic individuals; from

December 1993 special savings facilities of non-banks and, from January 1995, of domestic non-banks. — 2 Including liabilities arising from non-negotiable bearer debt securities.

15. Debt securities and money market paper outstanding \*

DM billion														
Period	Negotiable bearer debt securities and money market paper 1								Non-negotiable bearer debt securities and money market paper 1, 5				Subordinated	
	Total	of which				with maturities of			Total	with maturities of			negoti- able debt securi- ties 6	non- negoti- able debt securi- ties 6
		Floating- rate notes 2	Zero- coupon bonds 2, 3	Foreign currency bonds 4	Certi- ficates of deposit	up to 1 year	over 1 year and up to 4 years	over 4 years		up to 1 year	over 1 year and up to 4 years	over 4 years		
End of year or month *														
1992	1,155.0	96.9	23.2	17.7	0.0	7.6	281.9	865.5	18.8	1.9	12.3	4.6	-	-
1993	1,286.3	100.0	7.7	26.7	-	16.5	259.6	1,010.3	15.0	2.2	9.0	3.9	25.7	0.4
1994	1,399.1	121.3	8.4	41.4	1.0	20.7	262.3	1,116.0	10.2	1.8	5.4	3.0	29.0	0.3
1994 Dec.	1,399.1	121.3	8.4	41.4	1.0	20.7	262.3	1,116.0	10.2	1.8	5.4	3.0	29.0	0.3
1995 Jan.	1,411.4	122.9	8.2	43.7	1.0	21.5	269.6	1,120.3	9.9	1.6	5.4	2.9	29.1	0.2
Feb.	1,417.5	126.0	7.0	44.2	1.0	19.9	274.1	1,123.5	9.8	1.5	5.3	2.9	29.2	0.2
Mar.	1,422.6	126.0	7.5	44.6	1.1	19.9	274.4	1,128.2	9.7	1.5	5.3	2.9	29.6	0.3
Apr.	1,432.2	127.2	7.0	46.4	1.1	19.8	280.8	1,131.6	9.5	1.4	5.3	2.9	29.9	0.3
May	1,447.5	130.1	7.2	48.1	1.1	20.4	285.7	1,141.4	9.4	1.3	5.3	2.8	30.6	0.3
Changes *														
1993	+ 159.6	+ 3.8	- 15.3	+ 14.4	- 0.0	+ 7.0	- 19.4	+ 172.0	- 3.0	+ 0.4	- 3.1	- 0.4	+ 0.0	- 0.0
1994	+ 114.1	+ 22.6	+ 0.7	+ 15.8	+ 1.0	+ 4.2	+ 2.7	+ 107.1	- 4.8	- 0.4	- 3.5	- 0.8	+ 3.3	- 0.1
1994 Dec.	+ 11.7	+ 6.1	+ 0.5	+ 4.0	+ 0.4	- 0.9	+ 4.3	+ 8.3	- 0.6	- 0.2	- 0.3	- 0.0	+ 0.2	- 0.0
1995 Jan.	+ 12.4	+ 1.6	- 0.2	+ 2.3	- 0.0	+ 0.8	+ 7.2	+ 4.4	- 0.3	- 0.2	- 0.0	- 0.1	+ 0.0	- 0.1
Feb.	+ 6.2	+ 3.1	- 1.2	+ 0.5	- 0.0	- 1.6	+ 4.5	+ 3.2	- 0.2	- 0.1	- 0.1	- 0.0	+ 0.1	- 0.0
Mar.	+ 5.0	- 0.0	+ 0.5	+ 0.3	+ 0.1	+ 0.1	+ 0.2	+ 4.6	- 0.0	- 0.0	- 0.0	+ 0.0	+ 0.4	+ 0.0
Apr.	+ 9.7	+ 1.2	- 0.5	+ 1.8	+ 0.1	- 0.1	+ 6.4	+ 3.4	- 0.2	- 0.1	- 0.0	- 0.1	+ 0.2	+ 0.0
May	+ 15.2	+ 2.9	+ 0.2	+ 1.7	- 0.1	+ 0.6	+ 4.8	+ 9.8	- 0.1	- 0.1	- 0.0	- 0.0	+ 0.7	+ 0.0

For footnote \* see Table IV. 2. — 1 Up to November 1993 including subordinated paper. — 2 Including debt securities in foreign currencies. — 3 Issue value when floated. — 4 Including debt securities in international units of account; including floating-rate notes in foreign currencies and

zero-coupon bonds. — 5 In the Tables on deposits, non-negotiable bearer debt securities are classified under bank savings bonds (see Table IV. 14, footnote 2). — 6 Collected separately only as from December 1993.

IV. Credit institutions

16. Lending commitments to domestic enterprises and individuals \*

DM billion							Memorandum item						
Commitments for medium and long-term loans of fixed amounts and for fixed periods							Commitments for residential building (reduced range of reporting credit institutions 1)						
Period	Loans promised as at beginning of period	Loans promised during period	Loans promised and paid out	Cancellations	Loans promised but not yet paid out at end of period	Loans promised as at beginning of period	Loans promised				Loans promised and paid out	Cancellations, etc. 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			
1992	130.7	518.0	468.0	35.9	144.8	24.5	97.8	38.3	54.9	4.6	90.4	4.3	27.5
1993	144.8	684.4	603.5	48.4	177.4	27.5	151.5	58.1	83.6	9.8	132.2	3.1	46.7
1994	177.4	668.2	601.7	53.1	190.8	46.7	158.3	68.5	81.2	8.5	148.5	3.3	53.1
1994 Sep.	200.7	50.5	45.3	3.6	202.4	58.4	11.6	5.2	5.8	0.6	11.8	0.7	57.5
Oct.	202.4	44.8	44.3	3.7	199.3	57.5	10.1	4.3	5.4	0.4	11.1	0.0	56.6
Nov.	199.3	45.0	43.7	3.5	197.2	56.6	11.0	5.1	5.6	0.3	11.9	0.2	55.5
Dec.	197.2	83.6	80.4	9.6	190.8	55.5	20.0	10.2	9.3	0.6	21.8	0.6	53.1
1995 Jan.	190.8	37.4	39.1	4.3	184.7	53.1	7.7	3.3	4.1	0.3	8.4	0.5	51.9
Feb.	183.0	36.0	34.1	3.2	181.8	51.9	6.8	2.9	3.4	0.5	7.6	0.0	51.3
Mar.	181.8	47.9	42.0	5.4	182.4	51.3	10.4	4.1	5.6	0.8	9.7	0.6	51.4
Apr.	182.4	39.4	34.4	3.6	183.8	51.4	9.0	3.4	5.1	0.4	7.6	0.2	52.7
May	183.8	47.5	40.6	3.5	187.3	...	...	...	...	...	...	...	...

\* Including non-profit organisations. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Source: Statistics of the Ministry for Regional Planning, Building and Urban Development; only institutions affiliated to the following associations: Deutscher Sparkassen- und Giroverband (excluding Länder building and loan associations and excluding savings banks in the former

GDR), Verband deutscher Hypothekenbanken, Verband öffentlicher Banken (excluding housing promotion institutions). — 2 Creation of new housing. — 3 Including commitments for repairs. — 4 Repayments of housing loans from other credit institutions. — 5 Ascertained as a difference. — 6 Statistical increase of DM 3.0 billion. — 7 Statistical decrease of DM 1.7 billion.

17. Off-balance-sheet operations of domestic credit institutions, their foreign branches and their foreign subsidiaries \*

DM billion									
End of year or month	Placing/underwriting commitments 1	Interest-rate and currency swaps 2				Liabilities arising from forward exchange transactions 3		Liabilities arising from forward transactions in bonds 3	
		Total	Interest-rate swaps	Currency swaps	Cross-currency interest-rate swaps	Commitments to take	Commitments to deliver	Commitments to take	Commitments to deliver
<b>Domestic credit institutions</b>									
1992	0.2	921.7	789.8	34.0	97.9	822.3	839.7	2.1	7.2
1993	0.3	1 413.1	1 236.0	50.3	126.9	1 011.3	1 036.2	8.8	14.6
1994	0.2	2 007.9	1 792.0	52.3	163.6	1 123.5	1 125.8	4.1	8.2
1995 Feb.	0.2	2 090.5	1 870.8	52.4	167.3	1 077.3	1 091.2	4.9	9.0
Mar.	0.2	2 149.5	1 930.8	50.3	168.3	1 048.4	1 057.0	5.3	8.5
Apr.	0.2	2 214.5	1 993.2	51.7	169.6	1 065.2	1 072.8	5.2	9.1
May	0.2	2 311.6	2 081.6	56.3	173.8	1 036.4	1 046.9	7.1	10.0
<b>Foreign branches of domestic credit institutions</b>									
1992	4.6	224.7	175.3	23.2	26.2	331.6	348.3	0.1	0.8
1993	4.2	338.4	271.7	34.1	32.6	382.9	393.2	0.2	0.8
1994	3.1	494.4	425.1	40.7	28.6	515.9	533.4	0.2	0.2
1995 Jan.	2.7	503.2	433.1	41.5	28.5	522.0	545.4	0.4	0.3
Feb.	2.8	499.1	432.8	37.9	28.5	560.9	582.3	0.3	0.4
Mar.	2.7	516.9	447.6	41.6	27.7	594.8	615.1	0.6	0.5
Apr.	2.7	515.0	439.8	44.8	30.5	596.4	614.3	0.1	0.2
<b>Foreign subsidiaries of domestic credit institutions</b>									
1992	1.6	190.0	172.6	10.2	7.2	.	.	.	.
1993	.	264.3	237.7	15.0	11.6	.	.	.	.
1994	.	315.8	286.6	19.1	10.0	.	.	.	.
1995 Jan.	.	321.9	292.1	20.3	9.5	.	.	.	.
Feb.	.	334.7	304.0	21.5	9.2	.	.	.	.
Mar.	.	343.3	311.3	22.2	9.7	.	.	.	.
Apr.	.	360.2	330.3	20.1	9.8	.	.	.	.

\* The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Excluding underwriting commitments arising from usual syndicated lending. From December 1993 reduced by

commitments drawn down. From December 1993 no longer requested from foreign subsidiaries. — 2 It is the principal amounts that are listed. — 3 Data on foreign subsidiaries are no longer collected.



IV. Credit institutions

Deposits 6, 7														Money market paper and debt securities outstanding 9	Working capital and own funds	Other liabilities 10	Period
Total	of credit institutions			of non-banks							Foreign non-banks						
	Total	in Germany 4	abroad	Total	Domestic non-banks 8												
					Total	Short-term	Medium and long-term										
					Total	of which Enterprises and individuals	Total	of which Enterprises and individuals									
<b>End of year or month *</b>														<b>Foreign branches</b>			
431.7	182.4	18.9	163.4	249.3	131.7	130.0	107.1	1.8	1.6	117.6	2.2	6.9	29.4	1992			
651.8	368.8	146.7	222.2	283.0	171.9	170.4	143.5	1.5	1.4	111.0	49.1	8.1	25.2	1993			
769.7	480.6	167.3	313.3	289.1	176.9	174.8	155.9	2.2	1.8	112.1	76.6	9.5	23.0	1994			
709.4	423.3	127.8	295.5	286.1	170.3	168.6	145.7	1.7	1.5	115.8	60.4	8.8	21.1	1994 Sep.			
717.4	422.9	131.0	292.0	294.4	177.3	175.5	155.6	1.7	1.5	117.2	63.7	8.8	21.1	Oct.			
731.3	436.4	140.2	296.2	294.9	177.7	175.7	156.0	1.9	1.6	117.2	71.5	8.8	21.9	Nov.			
769.7	480.6	167.3	313.3	289.1	176.9	174.8	155.9	2.2	1.8	112.1	76.6	9.5	23.0	Dec.			
783.1	480.3	154.0	326.2	302.9	187.7	184.6	166.8	3.1	2.7	115.2	70.7	9.5	22.3	1995 Jan.			
787.9	488.1	154.8	333.3	299.8	182.8	179.0	160.8	3.8	3.5	117.0	72.5	9.6	22.8	Feb.			
797.5	497.0	158.0	339.0	300.5	180.4	177.2	158.6	3.1	2.8	120.2	70.1	9.6	22.6	Mar.			
821.2	516.3	171.7	344.6	304.9	183.9	180.7	162.2	3.2	2.9	121.0	69.7	9.5	22.9	Apr.			
<b>Changes *</b>																	
+ 61.5	+ 5.9	+ 6.5	- 0.7	+ 55.6	+ 39.7	+ 40.0	+ 35.9	- 0.3	- 0.2	+ 15.9	+ 2.9	+ 1.2	+ 27.9	1993			
+ 138.1	+125.6	+ 21.2	+104.3	+ 12.6	+ 5.6	+ 5.0	+ 13.0	+ 0.7	+ 0.4	+ 6.9	+ 27.5	+ 1.4	+ 5.5	1994			
+ 4.8	+ 5.5	- 1.0	+ 6.5	- 0.7	- 3.0	- 3.2	- 2.7	+ 0.3	+ 0.1	+ 2.3	+ 2.3	+ 0.1	+ 1.9	1994 Sep.			
+ 12.8	+ 3.0	+ 3.3	- 0.3	+ 9.9	+ 7.1	+ 7.1	+ 10.0	- 0.0	- 0.0	+ 2.7	+ 3.3	+ 0.0	+ 1.3	Oct.			
+ 6.7	+ 8.8	+ 8.9	- 0.1	- 2.2	+ 0.1	- 0.1	+ 0.1	+ 0.2	+ 0.1	- 2.3	+ 7.8	- 0.0	- 1.5	Nov.			
+ 42.5	+ 47.0	+ 27.3	+ 19.7	- 4.4	- 0.6	- 0.9	- 0.0	+ 0.2	+ 0.2	- 3.8	+ 5.1	+ 0.7	+ 2.5	Dec.			
+ 19.4	+ 3.7	- 13.1	+ 16.8	+ 15.7	+ 11.0	+ 10.1	+ 11.1	+ 0.9	+ 0.9	+ 4.7	- 5.9	+ 0.0	+ 1.3	1995 Jan.			
+ 14.0	+ 14.1	+ 1.1	+ 13.1	- 0.1	- 4.6	- 5.3	- 5.8	+ 0.7	+ 0.7	+ 4.5	+ 1.9	+ 0.1	+ 3.7	Feb.			
+ 20.0	+ 16.2	+ 3.6	+ 12.6	+ 3.8	- 2.0	- 1.4	- 1.8	- 0.6	- 0.6	+ 5.8	- 2.4	- 0.0	+ 2.7	Mar.			
+ 22.5	+ 18.6	+ 13.7	+ 5.0	+ 3.8	+ 3.6	+ 3.5	+ 3.6	+ 0.1	+ 0.1	+ 0.2	- 0.5	- 0.1	- 0.1	Apr.			
<b>End of year or month *</b>														<b>Foreign subsidiaries</b>			
304.0	178.5	19.5	159.0	125.4	60.4	57.2	54.9	3.2	3.2	65.0	31.3	12.8	23.4	1992			
368.5	223.2	40.4	182.8	145.3	73.9	70.6	67.3	3.3	3.3	71.4	44.1	14.9	31.9	1993			
412.5	258.2	33.8	224.4	154.3	65.4	62.4	59.5	3.1	3.1	88.8	48.2	16.7	27.9	1994			
388.0	241.1	30.9	210.2	146.9	70.6	67.8	65.3	2.8	2.8	76.3	43.5	16.3	26.8	1994 Sep.			
387.9	240.5	29.2	211.3	147.4	72.9	69.7	67.7	3.2	3.2	74.5	43.1	16.3	26.3	Oct.			
396.9	249.1	32.6	216.6	147.7	71.3	68.1	66.4	3.2	3.2	76.4	45.5	16.6	26.5	Nov.			
412.5	258.2	33.8	224.4	154.3	65.4	62.4	59.5	3.1	3.1	88.8	48.2	16.7	27.9	Dec.			
409.2	255.3	30.3	225.1	153.8	63.6	60.5	58.7	3.2	3.1	90.2	49.0	17.0	27.3	1995 Jan.			
411.1	259.4	35.1	224.4	151.7	62.0	58.6	56.7	3.4	3.4	89.7	51.9	17.0	26.9	Feb.			
413.4	262.7	33.5	229.2	150.7	63.8	60.4	58.1	3.3	3.3	86.9	52.1	17.0	27.8	Mar.			
406.0	256.7	31.9	224.8	149.3	63.0	59.6	57.0	3.5	3.5	86.3	50.9	17.4	28.4	Apr.			
<b>Changes *</b>																	
+ 78.5	+ 56.0	+ 23.0	+ 33.0	+ 22.5	+ 13.1	+ 13.0	+ 12.0	+ 0.1	+ 0.1	+ 9.4	+ 10.9	+ 2.5	+ 3.8	1993			
+ 55.9	+ 42.5	- 6.0	+ 48.5	+ 13.5	- 7.8	- 7.7	- 7.3	- 0.1	- 0.1	+ 21.2	+ 5.7	+ 2.2	+ 1.6	1994			
+ 3.6	+ 1.3	- 4.2	+ 5.5	+ 2.3	+ 0.3	+ 0.1	+ 0.0	+ 0.2	+ 0.2	+ 2.1	+ 0.6	+ 0.3	+ 2.4	1994 Sep.			
+ 2.0	+ 0.9	- 1.6	+ 2.4	+ 1.1	+ 2.4	+ 2.0	+ 2.5	+ 0.4	+ 0.4	- 1.3	- 0.4	+ 0.0	+ 0.4	Oct.			
+ 6.8	+ 7.0	+ 3.2	+ 3.8	- 0.2	- 1.8	- 1.8	- 1.5	+ 0.0	+ 0.0	+ 1.5	+ 2.3	+ 0.2	- 0.8	Nov.			
+ 17.5	+ 10.4	+ 1.3	+ 9.0	+ 7.2	- 5.8	- 5.6	- 6.8	- 0.1	- 0.2	+ 12.9	+ 2.7	+ 0.1	+ 2.3	Dec.			
- 1.0	- 1.2	- 3.5	+ 2.3	+ 0.2	- 1.7	- 1.8	- 0.6	+ 0.1	+ 0.1	+ 1.9	+ 0.8	+ 0.3	+ 0.4	1995 Jan.			
+ 6.8	+ 7.4	+ 5.0	+ 2.3	- 0.6	- 1.5	- 1.8	- 1.9	+ 0.2	+ 0.2	+ 0.9	+ 2.9	- 0.0	+ 1.6	Feb.			
+ 7.0	+ 6.4	- 1.3	+ 7.6	+ 0.7	+ 2.1	+ 2.1	+ 1.7	- 0.0	- 0.0	- 1.4	+ 0.2	+ 0.0	+ 2.9	Mar.			
- 7.3	- 5.9	- 1.6	- 4.3	- 1.5	- 0.8	- 0.9	- 1.1	+ 0.1	+ 0.1	- 0.7	- 1.2	+ 0.5	+ 0.4	Apr.			

institution. — 5 Treasury bills, Treasury discount paper and other money market paper, debt securities, including own-debt securities. — 6 Including liabilities arising from trust loans. — 7 Up to November 1993 including certificates of deposit, from December 1993 including

registered money market paper. — 8 Excluding subordinated liabilities and excluding non-negotiable debt securities. — 9 Issues of negotiable and non-negotiable debt securities and money market paper. — 10 Including subordinated liabilities.

IV. Credit institutions

19. Building and loan associations \*  
Interim statements

DM billion

End of year or month	Number of associations	Balance sheet total	Lending to credit institutions			Lending to non-banks				Deposits of credit institutions 6		Deposits of non-banks		Bearer debt securities outstanding	Capital (including published reserves) 8	Memorandum item New contracts entered into in year or month 9
			Balances and loans (except building loans) 1	Building loans 2	Bank debt securities 3	Building loans			Securities (including Treasury bills and Treasury discount paper) 5	Deposits under savings and loan contracts	Sight and time deposits	Deposits under savings and loan contracts	Sight and time deposits 7			
						Loans under savings and loan contracts	Interim and bridging loans	Other building loans 4								
<b>All building and loan associations</b>																
1994	35	221.0	15.5	0.7	19.0	100.6	55.3	13.9	11.1	1.2	34.6	150.8	6.2	3.0	9.8	18.2
1995 Feb.	35	219.8	15.3	0.7	18.7	100.4	55.1	14.0	11.5	1.3	33.7	150.3	5.7	3.2	9.9	8.8
Mar.	35	221.4	15.5	0.7	19.0	100.4	55.9	14.0	11.6	1.2	33.8	150.9	6.0	3.4	9.9	12.3
Apr.	35	222.1	15.8	0.7	19.2	100.8	55.6	14.3	11.6	1.2	35.2	149.9	5.8	3.4	10.2	9.8
May	35	220.7	14.0	0.7	19.1	100.5	56.2	14.5	11.6	1.2	34.6	149.7	5.8	3.5	10.4	9.9
<b>Private building and loan associations</b>																
1995 Feb.	22	155.3	10.1	0.5	14.3	69.7	35.9	13.2	8.9	0.7	25.7	103.5	5.7	3.2	6.1	5.6
Mar.	22	156.7	10.2	0.5	14.6	69.6	36.6	13.1	9.0	0.7	25.7	104.1	6.0	3.4	6.1	8.4
Apr.	22	157.2	10.6	0.5	14.7	69.9	36.3	13.5	9.1	0.7	27.3	103.1	5.8	3.4	6.5	6.9
May	22	155.7	8.9	0.5	14.6	69.6	36.8	13.6	9.1	0.7	26.5	103.0	5.8	3.5	6.5	6.9
<b>Public building and loan associations</b>																
1995 Feb.	13	64.5	5.2	0.2	4.4	30.7	19.2	0.9	2.6	0.6	8.0	46.8	0.0	-	3.7	3.2
Mar.	13	64.7	5.3	0.2	4.4	30.8	19.3	0.9	2.5	0.6	8.0	46.8	0.1	-	3.7	3.9
Apr.	13	64.9	5.2	0.2	4.4	31.0	19.3	0.9	2.5	0.5	7.9	46.8	0.1	-	3.7	3.0
May	13	64.9	5.1	0.2	4.6	30.9	19.5	0.9	2.5	0.5	8.1	46.7	0.0	-	3.9	3.0

Trends in building and loan business

DM billion

Period	Changes in deposits under savings and loan contracts			Capital promised		Capital paid out					Outpayment commitments outstanding at end of period		Interest and repayments received on building loans 11		Memorandum item Housing bonuses received 13	
	paid into savings accounts under savings and loan contracts 10	Interest credited on deposits under savings and loan contracts	Repayments of deposits under cancelled savings and loan contracts	Total	of which Net allocations 12	Total	Allocations				Newly granted interim and bridging loans and other building loans	Total	of which Under allocated contracts	Total		of which Repayments during quarter
							Deposits under savings and loan contracts		Loans under savings and loan contracts							
							Total	of which Applied to settlement of interim and bridging loans	Total	of which Applied to settlement of interim and bridging loans						
<b>All building and loan associations</b>																
1994	38.2	4.2	6.3	76.7	52.4	75.4	29.5	7.7	22.4	6.6	23.6	174.3	117.7	27.6	22.4	0.5
1995 Feb.	2.7	0.0	0.5	5.0	3.7	5.1	2.1	0.6	1.6	0.5	1.4	13.6	9.9	2.3	-	0.0
Mar.	3.7	0.0	0.7	6.3	4.0	6.4	2.4	0.6	1.8	0.5	2.2	13.4	9.6	2.7	5.5	0.1
Apr.	2.8	0.0	0.5	8.1	6.4	7.0	3.3	0.8	2.1	0.7	1.5	14.4	10.5	2.2	-	0.0
May	2.7	0.0	0.6	5.9	3.8	6.0	2.3	0.5	1.8	0.5	1.9	14.1	10.0	2.3	-	0.0
<b>Private building and loan associations</b>																
1995 Feb.	1.8	0.0	0.4	3.4	2.5	3.7	1.5	0.5	1.1	0.4	1.0	7.5	4.8	1.7	-	0.0
Mar.	2.6	0.0	0.5	4.3	2.4	4.4	1.5	0.4	1.2	0.3	1.7	7.2	4.5	2.0	3.9	0.0
Apr.	2.0	0.0	0.4	6.4	5.1	5.3	2.6	0.7	1.5	0.6	1.2	8.3	5.5	1.6	-	0.0
May	1.9	0.0	0.4	4.1	2.5	4.3	1.6	0.4	1.3	0.3	1.4	7.8	4.9	1.6	-	0.0
<b>Public building and loan associations</b>																
1995 Feb.	0.9	0.0	0.2	1.6	1.2	1.5	0.6	0.1	0.5	0.1	0.4	6.2	5.0	0.7	-	0.0
Mar.	1.1	0.0	0.2	2.0	1.5	2.0	0.9	0.2	0.7	0.2	0.5	6.2	5.0	0.7	1.6	0.0
Apr.	0.8	0.0	0.1	1.7	1.3	1.6	0.7	0.1	0.6	0.1	0.4	6.2	5.1	0.6	-	0.0
May	0.8	0.0	0.2	1.8	1.3	1.7	0.7	0.1	0.5	0.1	0.5	6.3	5.1	0.7	-	0.0

\* Excluding assets and liabilities and/or transactions of the foreign branches. From August 1990 including assets and liabilities and/or transactions with building and loan association savers in the former GDR. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Including postal giro account balances, claims on building and loan associations, claims arising from registered debt securities and central bank balances. — 2 Loans under savings and loan contracts and interim and bridging loans. — 3 Including money market paper. — 4 Including trust loans. — 5 Including equalisation claims. — 6 Including liabilities to building and loan associations. — 7 Including small amounts of savings deposits. —

8 Including participation rights capital; from December 1993 including fund for general banking risks. — 9 Total amount covered by the contracts; only contracts newly entered into, for which the contract fee has been fully paid. Increases in the sum contracted count as new contracts. — 10 For outpayments of deposits under savings and loan contracts arising from the allocation of contracts see "Capital paid out". — 11 Including housing bonuses credited. — 12 Only allocations accepted by the beneficiaries; including allocations applied to settlement of interim and bridging loans. — 13 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".





V. Minimum reserves

2. Reserve maintenance (cont'd)  
Breakdown by category of banks

Monthly average <sup>1</sup>	Number of credit institutions subject to reserve requirements	Liabilities subject to reserve requirements DM million	Required reserves prior to deduction of deductible cash balances <sup>4</sup>	Average reserve ratio <sup>12</sup> for liabilities to			Memorandum items		
				residents and non-residents, total	residents	non-residents	Deductible cash balances <sup>5</sup>	Required reserves after deduction of deductible cash balances <sup>6</sup>	Excess reserves <sup>8</sup>
			%				DM million		
<b>All categories of banks <sup>11</sup></b>									
1995 Apr.	3,702	1,990,922	54,551	2.7	2.7	3.0	12,386	42,165	441
May	3,698	1,998,375	55,106	2.8	2.7	3.1	12,500	42,606	306
<b>Commercial banks</b>									
1995 Apr.	320	478,165	14,578	3.0	3.0	3.3	3,153	11,425	148
May	322	483,948	14,847	3.1	3.0	3.4	3,184	11,663	92
<b>Big banks</b>									
1995 Apr.	3	246,952	7,559	3.1	3.0	3.2	1,890	5,669	31
May	3	249,396	7,694	3.1	3.1	3.2	1,924	5,771	23
<b>Regional banks and other commercial banks <sup>13</sup></b>									
1995 Apr.	192	198,012	5,907	3.0	2.9	3.5	1,169	4,737	83
May	194	200,970	6,020	3.0	2.9	3.5	1,166	4,855	45
<b>Branches of foreign banks</b>									
1995 Apr.	63	8,098	327	4.0	3.9	4.2	9	319	24
May	63	8,423	343	4.1	3.9	4.2	9	334	18
<b>Private bankers <sup>14</sup></b>									
1995 Apr.	62	25,104	785	3.1	3.1	3.1	86	699	11
May	62	25,159	789	3.1	3.1	3.1	86	703	7
<b>Regional giro institutions</b>									
1995 Apr.	13	72,916	2,195	3.0	3.1	2.6	275	1,920	11
May	13	74,068	2,253	3.0	3.1	2.7	278	1,975	4
<b>Savings banks</b>									
1995 Apr.	625	804,416	21,035	2.6	2.6	2.3	5,254	15,782	102
May	625	808,536	21,289	2.6	2.6	2.3	5,316	15,973	43
<b>Regional institutions of credit cooperatives</b>									
1995 Apr.	4	7,104	288	4.1	4.0	4.4	26	262	0
May	4	6,919	270	3.9	3.9	3.8	25	245	1
<b>Credit cooperatives</b>									
1995 Apr.	2,658	524,536	13,477	2.6	2.6	2.3	3,103	10,374	146
May	2,653	526,127	13,600	2.6	2.6	2.4	3,136	10,464	147
<b>Mortgage banks</b>									
1995 Apr.	32	13,494	325	2.4	2.4	2.6	11	314	16
May	32	13,740	330	2.4	2.4	2.4	11	320	7
<b>Credit institutions with special functions <sup>11</sup></b>									
1995 Apr.	15	88,847	2,613	2.9	2.9	2.6	562	2,051	13
May	14	83,637	2,479	3.0	3.0	2.5	549	1,930	9
<b>Building and loan associations</b>									
1995 Apr.	35	1,444	40	2.7	2.7	3.3	1	39	4
May	35	1,401	38	2.7	2.7	3.2	1	37	4

\* From August 1990 including reserve maintenance of the east German credit institutions. — 1 Pursuant to sections 5 to 7 of the Minimum Reserves Order. — 2 Including liabilities arising from initial sales to non-residents of bearer debt securities and order debt securities forming part of a total issue. — 3 From August to December 1990 including liabilities in "giro accounts with savings banks and savings accounts evidenced by a passbook" in eastern Germany; from January 1991 including liabilities in "savings accounts evidenced by a passbook" in eastern Germany. — 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 credit institutions 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 The exemption of institutions mainly engaged in long-term business and of building and loan associations was abolished with effect from January 1, 1984. — 11 From February 1992 including the "Deutsche Bundespost Postbank". — 12 Required reserves prior to deduction of deductible cash balances as % of liabilities subject to reserve requirements. — 13 Including guarantee banks with small amounts. — 14 Only credit institutions organised in the form of a sole proprietorship or partnership.

## VI. Interest rates

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

% p.a.								
Applicable from	Discount rate 1	Lombard rate	Applicable from	Discount rate 1	Lombard rate	Applicable from	Discount rate 1	Lombard rate 2
1969 Mar. 21	3	4	1977 July 15	3 1/2	4	Dec. 16	3 1/2	5 1/2
Apr. 18	4	5	Dec. 16	3	3 1/2			
June 20	5	6				1989 Jan. 20	4	6
Sep. 11	6	7 1/2	1979 Jan. 19	3	4	Apr. 21	4 1/2	6 1/2
Dec. 5	6	9	Mar. 30	4	5	June 30	5	7
			June 1	4	5 1/2	Oct. 6	6	8
1970 Mar. 9	7 1/2	9 1/2	July 13	5	6			
July 16	7	9	Nov. 1	6	7	1990 Nov. 2	6	8 1/2
Nov. 18	6 1/2	8						
Dec. 3	6	7 1/2	1980 Feb. 29	7	8 1/2	1991 Feb. 1	6 1/2	9
			May 2	7 1/2	9 1/2	Aug. 16	7 1/2	9 1/4
1971 Apr. 1	5	6 1/2	Sep. 19	7 1/2	3 9	Dec. 20	8	9 3/4
Oct. 14	4 1/2	5 1/2						
Dec. 23	4	5	1982 Aug. 27	7	8	1992 July 17	8 3/4	9 3/4
			Oct. 22	6	7	Sep. 15	8 1/4	9 1/2
1972 Feb. 25	3	4	Dec. 3	5	6			
Oct. 9	3 1/2	5				1993 Feb. 5	8	9
Nov. 3	4	6	1983 Mar. 18	4	5	Mar. 19	7 1/2	9
Dec. 1	4 1/2	6 1/2	Sep. 9	4	5 1/2	Apr. 23	7 1/4	8 1/2
						July 2	6 3/4	8 1/4
1973 Jan. 12	5	7	1984 June 29	4 1/2	5 1/2	July 30	6 3/4	7 3/4
May 4	6	8				Sep. 10	6 1/4	7 1/4
June 1	7	9	1985 Feb. 1	4 1/2	6	Oct. 22	5 3/4	6 3/4
			Aug. 16	4	5 1/2			
1974 Oct. 25	6 1/2	8 1/2				1994 Feb. 18	5 1/4	6 3/4
Dec. 20	6	8	1986 Mar. 7	3 1/2	5 1/2	Apr. 15	5	6 1/2
						May 13	4 1/2	6
1975 Feb. 7	5 1/2	7 1/2	1987 Jan. 23	3	5			
Mar. 7	5	6 1/2	Nov. 6	3	4 1/2	1995 Mar. 31	4	6
Apr. 25	5	6	Dec. 4	2 1/2	4 1/2			
May 23	4 1/2	5 1/2						
Aug. 15	4	5	1988 July 1	3	4 1/2			
Sep. 12	3 1/2	4 1/2	July 29	3	5			
			Aug. 26	3 1/2	5			

\* Special interest rate charged for failing to comply with the minimum reserve requirements: 3 % p.a. above lombard rate; unchanged since January 1, 1951. — 1 Until July 31, 1990 this was also the rate for cash advances. — 2 From August 1, 1990 to December 31, 1993 this was also the

rate for cash advances; since January 1, 1994 cash advances have no longer been granted. — 3 Lombard loans were generally not granted to the credit institutions 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.

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

% p.a.									
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 (mobilisation and liquidity paper) 3					
Applicable	Rate	Applicable	Rate	Applicable	Rate	Days	Applicable	Rate	Days
1973 Apr. 16 to Apr. 27	12	1973 Nov. 26 to		1981 May 5 to May 13	11.5	7	1990	7.0	3
June 7 to June 20	13			May 14 to Sep. 10	11.5	5	Mar. 23 to		
July 24 to July 27	15	1974	13						
July 30	14	to Jan. 11	13	1985 Feb. 1 to Mar. 29	5.5	3	1992	7.3	3
Aug. 2 to Aug. 16	13	Mar. 14 to Apr. 8	13	Apr. 1 to June 6	5.3	3	Sep. 18 to Sep. 21	9.0	3
Aug. 30 to Sep. 6	16	May 28 to July 3	10	June 7 to June 20	5.0	3	Sep. 22 to Sep. 24	8.9	3
Nov. 26 to Dec. 13	11	1981 Feb. 25 to Feb. 26	12	June 21 to July 18	4.8	3	Sep. 25 to Oct. 28	8.8	3
		Mar. 3 to Oct. 8	12	July 19 to Aug. 15	4.5	3	Oct. 29 to Dec. 20	8.6	3
1974 Mar. 14 to Apr. 5	11.5	Oct. 9 to Dec. 3	11	Aug. 16 to			Dec. 21 to Dec. 27	8.5	3
Apr. 8 to Apr. 24	10	Dec. 4 to					Dec. 28 to		
1975 July 23 to July 31	4.5	1982	10.5	1986	4.3	3	1993	8.4	3
Aug. 29 to Sep. 11	4	to Jan. 21	10	Mar. 5 to			Mar. 25 to May 2	7.5	3
Sep. 12 to Oct. 6	3.5	Jan. 22 to Mar. 18	9.5				May 3 to Sep. 9	7.0	3
Oct. 21 to Dec. 1	3.5	Mar. 19 to May 6		1987	4.0	3	Sep. 10 to Oct. 21	6.25	3
				Jan. 23 to May 12	3.5	3	Oct. 22 to		
1977 Mar. 10 to May 31 4	4			May 13 to Nov. 24	3.2	3			
July 6 to July 14	4			Nov. 25 to			1994	5.75	3
July 15 to July 26	3.75						Feb. 18 to Apr. 14	5.25	3
July 27 to Sep. 5	3.5			1988	3.0	3	Apr. 15 to Apr. 21	5.0	3
Sep. 23 to Nov. 3	3.5			July 1 to			Apr. 22 to Aug. 25	5.3	3
							Aug. 26 to	4.5	3
1978 Mar. 13 to June 16	3.25			1989	3.5	3			
				Jan. 20 to Apr. 20	4.5	3			
1979 Oct. 10 to Oct. 31	7.75			Apr. 21 to June 29	5.0	3			
				June 30 to Aug. 28	5.5	3			
1982 Jan. 14 to Jan. 21	10			Aug. 29 to Oct. 5	6.0	3			
Mar. 11 to Mar. 18	9.5			Oct. 6 to Nov. 16	6.5	3			
				Nov. 17 to					

\* For Bundesbank open market transactions in securities under repurchase agreements see Table VI, 3. — 1 Purchases from credit institutions of domestic bills rediscountable 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 Offered to credit institutions for the first time on August 13, 1973; from November 1, 1992 liquidity paper only. — 4 From March 10 to April 12, 1977 bought for 20 days.

VI. Interest rates

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

Allotment rate <sup>1</sup> , % p.a.							
Period	Monthly averages	Period	Monthly averages	Period	Monthly averages	Period	Monthly averages
1988 Jan.	3.25	1990 Jan.	7.70	1992 Jan.	9.40	1994 Jan.	6.00
Feb.	3.25	Feb.	7.76	Feb.	9.41	Feb.	6.00
Mar.	3.25	Mar.	7.81	Mar.	9.48	Mar.	5.87
Apr.	3.25	Apr.	7.78	Apr.	9.56	Apr.	5.62
May	3.25	May	7.80	May	9.60	May	5.30
June	3.33	June	7.80	June	9.60	June	5.05
July	3.83	July	7.89	July	9.63	July	4.89
Aug.	4.25	Aug.	7.94	Aug.	9.70	Aug.	4.85
Sep.	4.25	Sep.	7.96	Sep.	9.53	Sep.	4.85
Oct.	4.28	Oct.	8.00	Oct.	8.83	Oct.	4.85
Nov.	4.38	Nov.	8.00	Nov.	8.75	Nov.	4.85
Dec.	4.84	Dec.	8.51	Dec.	8.77	Dec.	4.85
1989 Jan.	5.13	1991 Jan.	8.56	1993 Jan.	8.63	1995 Jan.	4.85
Feb.	5.78	Feb.	8.50	Feb.	8.51	Feb.	4.85
Mar.	5.90	Mar.	8.50	Mar.	8.31	Mar.	4.85
Apr.	5.91	Apr.	8.58	Apr.	8.05	Apr.	4.51
May	6.29	May	8.60	May	7.63	May	4.51
June	6.53	June	8.73	June	7.60	June	4.50
July	6.60	July	8.79	July	7.25		
Aug.	6.65	Aug.	8.93	Aug.	6.80		
Sep.	6.89	Sep.	9.00	Sep.	6.75		
Oct.	7.33	Oct.	9.00	Oct.	6.63		
Nov.	7.30	Nov.	9.05	Nov.	6.33		
Dec.	7.30	Dec.	9.29	Dec.	6.05		

Day of credit advice	Bids by credit institutions		Purchases by the Bundesbank					Running for ... days
	Number of bidders	Amount	Number	Amount	Fixed-rate tenders	Variable-rate tenders		
		DM million			DM million	Fixed rate	Marginal allotment rate	
1994 Nov. 9	638	216,265	638	50,873	4.85	—	—	14
Nov. 15	639	257,458	639	74,703	4.85	—	—	16
Nov. 23	681	222,178	681	54,487	4.85	—	—	14
Dec. 1	620	263,434	620	88,287	4.85	—	—	13
Dec. 7	694	243,649	694	62,175	4.85	—	—	14
Dec. 14	811	287,603	811	92,087	4.85	—	—	14
Dec. 21	886	257,724	886	54,209	4.85	—	—	14
Dec. 28	830	252,101	830	92,076	4.85	—	—	14
1995 Jan. 4	821	245,652	821	49,214	4.85	—	—	14
Jan. 11	905	286,436	905	93,162	4.85	—	—	14
Jan. 18	820	229,610	820	44,868	4.85	—	—	14
Jan. 25	852	267,574	852	89,709	4.85	—	—	14
Feb. 1	717	238,913	717	46,673	4.85	—	—	14
Feb. 8	284	66,794	284	20,068	4.85	—	—	7
Feb. 8	770	222,335	770	71,204	4.85	—	—	14
Feb. 15	775	272,314	775	65,434	4.85	—	—	14
Feb. 22	825	279,759	825	71,410	4.85	—	—	14
Mar. 1	730	277,278	730	67,297	4.85	—	—	14
Mar. 8	773	281,777	773	71,213	4.85	—	—	14
Mar. 15	805	277,784	805	61,191	4.85	—	—	14
Mar. 22	822	269,692	822	68,842	4.85	—	—	14
Mar. 29	630	185,409	630	58,468	4.85	—	—	14
Apr. 5	808	271,579	808	73,395	4.50	—	—	15
Apr. 12	754	154,080	669	57,970	—	4.50	4.50	14
Apr. 20	728	181,639	449	62,144	—	4.51	4.51	13
Apr. 26	734	152,095	649	57,780	—	4.51	4.51	14
May 3	613	159,942	560	63,527	—	4.51	4.52	14
May 10	638	140,794	582	59,238	—	4.51	4.52	14
May 17	587	134,968	519	60,151	—	4.51	4.52	15
May 24	622	126,827	530	60,072	—	4.51	4.52	14
June 1	509	128,159	432	64,000	—	4.51	4.51	12
June 7	476	109,257	440	59,076	—	4.50	4.51	14
June 13	480	130,108	453	64,956	—	4.50	4.51	15
June 21	570	124,488	534	56,296	—	4.50	4.51	14
June 28	486	119,514	456	58,920	—	4.50	4.51	14
July 5	550	137,300	...	65,900	—	4.50	4.51	14

\* Purchases of debt securities eligible as collateral for lombard loans; since July 11, 1983 also of Treasury discount paper; first such transaction on June 21, 1979. Excluding quick tenders; first such transaction on November 28, 1988. The figures for the latest date are always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. — 1 Unweighted average of the interest

rates of the monthly securities repurchase agreements with maturities of one month or, since October 1992, two weeks; uniform or, since September 1988, marginal allotment rate (variable-rate tenders) and fixed rate (fixed-rate tenders). — 2 Spread of the rates at which most of the allotments took place.



## VI. Interest rates

### 5. Lending and deposit rates \* (cont'd)

#### Lending rates

Mortgage loans secured by residential real estate <sup>2</sup>									
with interest rates fixed (effective interest rate) <sup>6</sup>									
Reporting period <sup>1</sup>	for 2 years		for 5 years		for 10 years		with variable interest rates (effective interest rates) <sup>6</sup>		
	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	
1994 June	7.26	6.76 - 8.09	7.71	7.17 - 8.20	8.36	7.77 - 8.94	7.68	6.90 - 8.85	
July	7.24	6.56 - 8.09	7.76	7.43 - 8.20	8.33	7.98 - 8.87	7.68	6.87 - 8.85	
Aug.	7.29	6.70 - 8.09	7.82	7.45 - 8.31	8.39	8.04 - 8.85	7.69	6.87 - 8.85	
Sep.	7.63	7.08 - 8.31	8.25	7.77 - 8.74	8.78	8.35 - 9.21	7.86	6.98 - 8.85	
Oct.	7.83	7.32 - 8.58	8.43	8.04 - 8.90	8.84	8.47 - 9.33	7.98	7.18 - 9.12	
Nov.	7.85	7.35 - 8.58	8.45	8.04 - 8.95	8.88	8.58 - 9.35	8.01	7.19 - 9.06	
Dec.	7.90	7.50 - 8.79	8.42	8.11 - 8.95	8.81	8.50 - 9.34	8.05	7.22 - 9.32	
1995 Jan.	7.99	7.50 - 8.68	8.50	8.20 - 8.95	8.88	8.57 - 9.50	8.09	7.24 - 9.12	
Feb.	7.90	7.48 - 8.58	8.38	8.08 - 8.87	8.70	8.46 - 9.23	8.09	7.28 - 9.12	
Mar.	7.78	7.29 - 8.45	8.25	7.97 - 8.85	8.61	8.35 - 9.23	8.01	7.23 - 9.06	
Apr.	7.27	6.61 - 8.04	7.82	7.49 - 8.58	8.36	8.07 - 8.95	7.75	6.96 - 8.96	
May	7.04	6.43 - 8.04	7.56	7.18 - 8.36	8.19	7.94 - 8.85	7.63	6.90 - 8.90	
June	6.76	6.12 - 7.77	7.33	6.97 - 8.04	8.01	7.76 - 8.68	7.49	6.66 - 8.85	

#### Deposit rates

Time deposits with agreed maturities of 1 to 3 months inclusive <sup>2</sup>						Bank savings bonds with regular interest payments <sup>2</sup>			
Reporting period <sup>1</sup>	Less than DM 100,000		DM 100,000 and more but less than DM 1 million		DM 1 million and more but less than DM 5 million		Maturity of 4 years		
	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	Average interest rate	Spread	
1994 June	3.76	3.00 - 4.25	4.25	3.75 - 4.65	4.61	4.10 - 4.90	5.51	4.75 - 6.25	
July	3.68	3.00 - 4.25	4.16	3.65 - 4.60	4.51	4.00 - 4.80	5.64	5.00 - 6.25	
Aug.	3.65	3.00 - 4.15	4.14	3.55 - 4.55	4.51	4.00 - 4.80	5.71	5.00 - 6.25	
Sep.	3.64	3.00 - 4.15	4.16	3.65 - 4.55	4.50	4.00 - 4.80	6.08	5.25 - 6.50	
Oct.	3.69	3.00 - 4.25	4.19	3.75 - 4.65	4.53	4.00 - 4.88	6.37	5.50 - 7.00	
Nov.	3.70	3.00 - 4.25	4.22	3.75 - 4.70	4.57	4.13 - 5.00	6.52	5.50 - 7.00	
Dec.	3.88	3.25 - 4.50	4.41	3.90 - 4.95	4.81	4.25 - 5.25	6.55	5.75 - 7.00	
1995 Jan.	3.79	3.00 - 4.30	4.31	3.75 - 4.75	4.64	4.20 - 5.00	6.68	5.80 - 7.00	
Feb.	3.71	3.00 - 4.25	4.21	3.60 - 4.65	4.52	4.13 - 4.90	6.62	6.00 - 7.00	
Mar.	3.75	3.00 - 4.25	4.24	3.75 - 4.63	4.57	4.20 - 4.90	6.51	6.00 - 7.00	
Apr.	3.51	2.85 - 4.00	3.97	3.50 - 4.40	4.26	3.95 - 4.55	6.05	5.50 - 6.50	
May	3.45	2.80 - 4.00	3.91	3.50 - 4.25	4.20	3.75 - 4.50	5.81	5.25 - 6.25	
June	3.39	2.75 - 4.00	3.85	3.40 - 4.20	4.14	3.80 - 4.40	5.54	5.00 - 6.00	

Savings deposits <sup>2</sup>						Savings deposits - Special savings facilities <sup>2</sup>					
Reporting period <sup>1</sup>	at three months' notice <sup>7</sup>		at agreed notice				Lump-sum savings contracts concluded for 1 year		Instalment savings contracts concluded for 7 years with one-off bonus (effective interest rate) <sup>8</sup>		
	Average interest rate	Spread	of 12 months		of 4 years and more		Average interest rate	Spread	Average interest rate	Spread	
			Average interest rate	Spread	Average interest rate	Spread				Average interest rate	Spread
1994 June	2.08	2.00 - 3.00	3.02	2.50 - 4.00	4.11	3.50 - 5.00	4.51	4.00 - 5.00	5.15	5.03 - 5.92	
July	2.08	2.00 - 3.00	3.01	2.50 - 4.00	4.10	3.50 - 5.00	4.49	4.00 - 5.00	5.14	5.03 - 5.92	
Aug.	2.07	2.00 - 3.00	3.01	2.50 - 4.00	4.09	3.50 - 5.00	4.50	4.00 - 5.00	5.15	5.03 - 5.92	
Sep.	2.07	2.00 - 3.00	3.01	2.50 - 4.00	4.08	3.50 - 5.00	4.66	4.00 - 5.15	5.15	5.03 - 5.92	
Oct.	2.07	2.00 - 3.00	3.01	2.50 - 4.00	4.08	3.50 - 5.00	4.87	4.25 - 5.25	5.14	5.03 - 5.92	
Nov.	2.07	2.00 - 3.00	3.00	2.50 - 4.00	4.07	3.50 - 5.00	4.91	4.25 - 5.25	5.14	5.03 - 5.92	
Dec.	2.07	2.00 - 3.00	3.01	2.50 - 4.00	4.08	3.50 - 5.00	4.99	4.25 - 5.50	5.14	5.03 - 5.92	
1995 Jan.	2.06	2.00 - 3.00	3.01	2.50 - 4.00	4.08	3.50 - 5.00	5.02	4.50 - 5.50	5.14	5.03 - 5.92	
Feb.	2.05	2.00 - 3.00	3.00	2.50 - 4.00	4.08	3.50 - 5.00	5.01	4.50 - 5.30	5.14	5.03 - 5.92	
Mar.	2.06	2.00 - 3.00	3.01	2.50 - 4.00	4.08	3.50 - 5.00	4.98	4.50 - 5.25	5.14	5.03 - 5.92	
Apr.	2.05	2.00 - 3.00	2.99	2.50 - 4.00	4.06	3.50 - 5.00	4.62	4.00 - 5.00	5.13	5.03 - 5.92	
May	2.04	2.00 - 3.00	2.98	2.50 - 4.00	4.04	3.50 - 5.00	4.44	3.97 - 4.75	5.13	5.03 - 5.92	
June	2.04	2.00 - 3.00	2.95	2.50 - 4.00	4.01	3.25 - 5.00	4.23	3.75 - 4.75	5.12	5.03 - 5.92	

For footnotes \*, 1 to 5 see page 45\*. — <sup>6</sup> The figures refer to the time when the contract was concluded and not to the entire duration of the contract. The calculation of the effective interest rate is based on an annual redemption rate of 1% plus interest saved; the repayment conditions agreed upon

in each case by the credit institutions involved are taken into account (at present mostly monthly payment and inclusion). — <sup>7</sup> Until June 1993 savings deposits at statutory notice. These rates do not include any bonus payments. — <sup>8</sup> Saving over six years and blocked for one year.









## VII. Capital market

### 3. Outstanding amount of debt securities \* issued by residents

DM million nominal value

End of year or month	Bank debt securities <sup>1</sup>						Industrial bonds	Public debt securities	Memo item DM debt securities issued by non-residents
	Total	All bank debt securities	Mortgage bonds	Communal bonds	Debt securities of specialised credit institutions	Other bank debt securities			
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
1987	1,110,682	715,870	142,866	367,622	74,748	130,633	2,520	392,292	150,011
1988	1,151,640	707,837	138,169	369,043	71,859	128,765	2,420	441,383	178,617
1989	1,232,236	760,650	141,948	369,973	81,015	167,714	2,672	468,914	201,460
1990	1,458,943	900,977	138,025	369,901	155,045	238,005	2,604	555,362	223,176
1991	1,686,765	1,040,374	142,757	392,190	221,031	284,396	3,161	643,230	241,760
1992	1,991,515	1,156,162	155,862	450,424	240,616	309,259	2,983	832,370	275,873
1993	2,394,728	1,316,142	178,357	573,341	227,463	336,981	3,163	1,075,422	319,575
1994	2,664,814	1,432,661	196,541	627,657	219,214	389,249	3,101	1,229,053	341,210
1994 Nov.	2,627,707	1,422,583	194,982	628,302	218,425	380,874	3,103	1,202,021	338,483
Dec.	2,664,814	1,432,661	196,541	627,657	219,214	389,249	3,101	1,229,053	341,210
1995 Jan.	2,687,186	1,446,212	197,721	626,372	219,600	402,519	2,601	1,238,373	346,441
Feb.	2,701,264	1,453,974	199,139	627,507	218,942	408,386	2,601	1,244,689	351,448
Mar.	2,709,884	1,462,243	202,237	627,440	218,857	413,709	2,601	1,245,040	354,003
Apr.	2,721,215	1,471,669	203,795	632,725	219,907	415,242	2,601	1,246,945	360,163
May	2,735,494	1,486,749	206,058	640,412	221,429	418,851	2,592	1,246,154	363,088

#### Breakdown by remaining period to maturity <sup>2</sup>

Position at end-May 1995

Maturity in years	Total	All bank debt securities	Mortgage bonds	Communal bonds	Debt securities of specialised credit institutions	Other bank debt securities	Industrial bonds	Public debt securities	Memo item DM debt securities issued by non-residents
less than 2	726,245	490,882	48,874	187,587	80,711	173,709	1,352	234,012	77,421
2 to less than 4	731,801	429,897	56,077	191,643	55,552	126,626	455	301,449	101,978
4 to less than 6	486,572	276,361	43,032	123,334	44,083	65,912	512	209,698	79,635
6 to less than 8	372,633	166,493	27,155	86,642	27,962	24,733	47	206,093	45,771
8 to less than 10	295,038	109,238	27,308	47,396	11,415	23,120	-	185,799	41,813
10 to less than 15	22,339	10,927	3,405	2,988	981	3,553	26	11,387	6,133
15 to less than 20	3,656	1,006	165	134	572	136	200	2,450	862
20 and more	97,209	1,944	42	691	152	1,060	-	95,265	9,477

\* Including debt securities temporarily held in the issuers' portfolios. Notes on the individual categories of securities and on the area involved see Table VII.2. — 1 Excluding debt securities handed to the trustee for temporary safe

custody. — 2 Calculated from month under review until final maturity for debt securities falling due en bloc and until mean maturity of the residual amount outstanding for debt securities not falling due en bloc.

### 4. Changes in share circulation

DM million nominal value

Period	Share capital = circulation at end of period under review	Net increase or net decrease (-) during period under review	Change in domestic public limited companies' capital due to						
			cash payments and exchange of convertible bonds <sup>1</sup>	issue of bonus shares	contribution of claims and other real assets	contribution of shares, mining shares, GmbH shares, etc.	merger and transfer of assets	change of legal form	reduction of capital and liquidation
1985	108,911	4,216	3,769	842	481	193	- 369	245	- 945
1986	114,680	5,769	4,560	1,050	31	554	- 316	907	- 1,017
1987	117,768	3,088	3,081	425	238	184	- 465	791	- 1,165
1988	121,906	4,137	2,712	1,226	318	1,070	- 323	377	- 1,241
1989	132,036	10,132	4,730	767	1,017	546	- 82	3,725	- 571
1990	144,686	12,650	7,362	751	3,715	1,049	- 43	1,284	- 1,466
1991	151,618	6,932	3,656	610	2,416	407	- 182	411	- 386
1992	160,813	9,198	4,295	728	1,743	1,073	- 732	3,030	- 942
1993	168,005	7,190	5,224	772	387	876	10	707	- 783
1994	190,012	14,237	6,114	1,446	1,521	1,883	- 447	5,086	- 1,367
1994 July	186,341	1,498	876	549	52	99	- 18	195	- 254
Aug.	187,174	834	402	134	312	41	- 18	- 22	- 16
Sep.	187,309	135	143	149	75	52	37	- 297	- 25
Oct.	188,909	1,600	1,360	15	188	156	- 40	- 30	- 50
Nov.	189,068	160	281	32	34	0	- 14	- 118	- 55
Dec.	190,012	944	233	332	421	111	- 2	- 33	- 118
1995 Jan.	203,415	13,402	566	137	21	23	- 217	12,896	- 24
Feb.	204,439	1,024	562	-	449	160	- 81	- 22	- 43
Mar.	204,477	38	263	-	-	5	- 28	95	- 297
Apr.	204,422	- 55	246	9	1	45	- 1	18	- 373
May	205,885	1,463	1,030	78	-	345	-	78	- 68

o From January 1994 including the shares of east German companies (resultant increase in share circulation: DM 7.771 million). — 1 Including share issues out of company profits.

VII. Capital market

5. Yields and indices on domestic securities

Period	Yields										Price indices <sup>1 2</sup>		
	Debt securities <sup>3</sup>							Shares			Bonds	Shares	
	Yield on debt securities outstanding							Dividend yield <sup>4</sup>			German bond index (REX)	All share price index (FWBX)	German share index (DAX)
Total	of which		Public debt securities		Memorandum item DM debt securities issued by non-residents <sup>6</sup>	Yield on newly issued debt securities	including tax credit <sup>1 7</sup>	excluding tax credit <sup>1</sup>	Average rate	End-1987=100			
	Bank debt securities	Industrial bonds	Total	Listed Federal securities							With residual maturities of 9 to 10 years <sup>5</sup>		
% p.a.													
1990	8.9	9.0	9.0	8.8	8.8	8.7	9.2	8.7	3.78	2.42	93.50	145.00	1 398.23
1991	8.7	8.9	8.9	8.6	8.6	8.5	9.2	8.6	3.80	2.43	96.35	148.16	1 577.98
1992	8.1	8.3	8.7	8.0	8.0	7.9	8.8	8.0	4.01	2.57	101.54	134.92	1 545.05
1993	6.4	6.5	6.9	6.3	6.3	6.5	6.8	6.4	2.88	1.84	109.36	191.13	2 266.68
1994	6.7	6.8	7.0	6.7	6.7	6.9	6.9	6.7	3.32	2.13	99.90	176.87	2 106.58
1994 Sep.	7.4	7.4	7.4	7.3	7.3	7.5	7.5	7.3	3.37	2.15	100.57	172.24	2 011.75
Oct.	7.5	7.5	7.6	7.4	7.4	7.5	7.6	7.4	3.33	2.13	100.68	175.20	2 071.63
Nov.	7.4	7.5	7.5	7.3	7.3	7.5	7.5	7.3	3.39	2.17	101.16	173.04	2 048.26
Dec.	7.4	7.5	7.7	7.4	7.4	7.5	7.6	7.2	3.32	2.13	99.90	176.87	2 106.58
1995 Jan.	7.5	7.6	7.9	7.5	7.5	7.6	7.6	7.4	3.21	2.25	100.92	169.53	2 021.27
Feb.	7.3	7.4	7.7	7.3	7.3	7.4	7.5	7.2	3.12	2.19	101.49	175.10	2 102.18
Mar.	7.1	7.2	7.4	7.1	7.1	7.3	7.4	7.0	3.45	2.42	102.97	161.62	1 922.59
Apr.	6.8	6.8	7.2	6.8	6.8	7.1	7.1	6.7	3.39	2.37	103.73	168.53	2 015.94
May	6.6	6.6	7.0	6.5	6.5	6.9	6.8	6.5	3.23	2.26	105.73	173.58	2 092.17
June	6.4	6.4	6.8	6.4	6.4	6.8	6.7	...	3.20	2.24	103.82	174.13	2 083.93

1 End of year or month. — 2 Source: German Stock Exchange plc. — 3 Bearer debt securities with maximum maturities according to the terms of issue of over 4 years, if their mean residual maturities exceed 3 years. Convertible debt securities, etc., bank debt securities with unscheduled redemption, zero-coupon bonds, floating-rate notes and foreign currency bonds are not included. Group yields for the various categories of securities are weighted with the amounts outstanding or (in the case of issue yields) the amounts sold of the debt securities included in the calculation. Monthly figures for yields on debt securities outstanding 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. — 4 Source: Federal Statistical Office; the Federal Statistical Office discontinued its share market statistics at the end of June 1995. — 5 Only debt securities deliverable at the DTB (German Financial Futures Exchange) are included. — 6 As far as quoted on German stock exchanges. — 7 Method of calculation changed from January 1995 owing to reduction of the corporation tax credit included in the Location Protection Bill.

6. Sales and purchases of investment fund certificates

Period	DM million														
	Sales of investment fund certificates								Purchases						
	Domestic funds (sales receipts)								Residents						
Sales = total purchases + (col. 2 plus col. 8 or col. 9 plus col. 14)	Investment funds open to the general public							Foreign funds <sup>3</sup>	Total	Credit institutions <sup>1</sup>		Non-banks <sup>2</sup>		Non-residents <sup>4</sup>	Memo item Net transactions with non-residents (col. 14 less col. 8)
	Total	Total	Money market funds	Securities-based funds	Open-end real estate funds	Specialised investment funds	Total			Total	of which Foreign investment fund certificates	Total	of which Foreign investment fund certificates		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1990	25 788	26 857	7 904	-	8 032	- 128	18 952	- 1 069	25 766	4 177	- 362	21 589	- 707	22	1 091
1991	50 064	37 492	13 738	-	11 599	2 144	23 754	12 572	49 890	7 225	- 5	42 665	12 577	174	12 398
1992	81 514	20 474	-3 102	-	- 9 189	6 087	23 575	61 040	81 443	10 145	2 152	71 298	58 888	71	60 969
1993	80 404	61 672	20 791	-	6 075	14 716	40 881	18 732	76 417	15 844	2 476	60 573	16 256	3 987	14 745
1994	136 951	108 914	63 263	31 180	24 385	7 698	45 650	28 037	132 832	8 679	- 689	124 153	28 726	4 119	23 918
1994 Aug.	10 240	4 030	1 564	-	1 356	208	2 466	6 210	10 190	995	- 24	9 195	6 234	50	6 160
Sep.	5 371	2 042	2 118	1 423	526	170	- 76	3 329	5 504	212	- 134	5 292	3 463	- 133	3 462
Oct.	8 802	6 320	2 758	2 431	205	122	3 563	2 482	8 979	504	36	8 475	2 446	- 177	2 659
Nov.	9 313	7 033	6 489	4 364	1 997	128	543	2 280	7 709	1 338	388	6 371	1 892	1 604	676
Dec.	37 179	31 334	24 256	22 962	541	753	7 078	5 845	36 556	1 783	- 540	34 773	6 385	623	5 222
1995 Jan.	4 091	3 650	- 781	- 1 756	- 216	1 191	4 431	441	4 296	1 169	- 52	3 127	493	- 205	646
Feb.	2 308	2 375	-1 054	- 2 293	939	300	3 429	- 67	2 202	566	- 104	1 636	37	106	173
Mar.	1 599	2 198	-1 515	- 1 682	- 33	200	3 713	- 599	1 903	2 067	42	- 164	- 641	- 304	295
Apr.	3 444	1 817	256	301	- 484	439	1 561	1 627	3 041	415	- 22	2 626	1 605	403	1 224
May	2 664	1 658	757	678	- 153	233	901	1 006	3 169	283	- 104	2 886	1 110	- 505	1 511

1 Book values. — 2 Residual. — 3 Net purchases or net sales (-) of foreign investment fund certificates (also of money market funds) by residents; transaction values. — 4 Net purchases or net sales (-) of domestic

investment fund certificates by non-residents; transaction values. — The figures for the latest date are to be regarded as provisional.





### VIII. Public finance

#### 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			Items in course of settlement	Seigniorage	
				in cash resources 4	in Bundesbank advances	in market debt			
(a)	(b)	(c)	(d)	(e)					
1980	199.50	228.25	- 28.76	- 1.45	+ 1.34	+ 25.46	-	0.48	- 28.76
1986	266.01	289.51	- 23.50	- 0.75	+ 2.01	+ 21.02	- 0.60	0.32	- 23.50
1987	270.68	296.10	- 25.42	+ 3.47	- 2.01	+ 27.10	+ 3.39	0.42	- 25.42
1988	274.29	310.71	- 36.42	- 1.16	-	+ 34.69	-	0.56	- 36.42
1989	306.52	320.26	- 13.74	+ 2.43	-	+ 15.37	-	0.80	- 13.74
1990	332.99	368.85	- 35.86	+ 8.27	-	+ 51.65	- 8.82	1.31	- 35.86
1991	405.61	449.51	- 43.90	- 3.71	-	+ 30.20	+ 8.82	1.16	- 43.90
1992	438.22	475.09	- 36.88	- 11.55	+ 4.35	+ 20.25	-	0.72	- 36.88
1993	450.28	512.30	- 62.01	+ 12.95	- 4.35	+ 78.54	-	0.78	- 62.01
1994	463.72	497.55	- 33.83	- 6.12	-	+ 27.21	-	0.50	- 33.83
1994 May	35.28	39.15	- 3.87	- 0.78	-	+ 3.08	-	0.02	- 6.85
June	39.99	40.43	- 0.44	- 1.98	-	- 1.59	-	0.05	- 7.30
July	33.59	38.37	- 4.78	+ 0.27	-	+ 4.89	-	0.16	- 12.07
Aug.	35.59	36.21	- 0.62	- 1.72	-	- 1.12	-	0.03	- 12.70
Sep.	39.87	42.47	- 2.60	+ 2.70	-	+ 5.29	-	0.01	- 15.30
Oct.	31.87	39.27	- 7.39	- 3.59	-	+ 3.79	-	0.02	- 22.69
Nov.	30.99	45.64	- 14.65	- 6.64	-	+ 7.93	-	0.08	- 37.34
Dec.	57.38	53.87	+ 3.51	+ 5.86	-	+ 2.29	-	0.05	- 33.83
1995 Jan.	41.03	48.28	- 7.25	- 0.11	-	+ 7.14	-	0.00	- 7.25
Feb.	36.17	37.93	- 1.76	+ 0.08	-	+ 1.84	-	0.00	- 9.01
Mar.	43.49	43.21	+ 0.28	- 5.47	-	- 5.75	-	0.00	- 8.74
Apr.	37.01	35.03	+ 1.97	- 0.03	-	- 2.01	-	0.01	- 6.77
May p	35.43	39.44	- 4.01	- 1.31	-	+ 2.60	-	0.10	- 10.78

1 The cash transactions recorded as cash receipts and cash expenditure comprise payments into and out of the accounts carried by the Bundesbank for the Federal Government. The cash receipts and cash expenditure differ from those shown 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 trans-

actions on behalf of the European Communities (which are entered not in the Federal budget but in appendices thereto) are conducted 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). — 4 Deposits at the Bundesbank and other credit balances.

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

DM million

Period	Federal and Länder Governments and European Communities						Local authorities 4		Balance of untransferred tax shares 5
	Total	Total 1	Federal Government	Länder Governments		European Communities 3	Total	of which in the New Länder	
				Total	of which New Länder 2				
1980	364,991	313,711	177,543	125,474	.	10,619	51,203	.	+ 78
1985	437,201	375,639	207,930	152,516	.	15,193	61,469	.	+ 91
1986	452,436	388,636	210,585	160,099	.	17,953	63,762	.	+ 37
1987	468,660	403,649	218,838	166,488	.	18,323	64,850	.	+ 162
1988	488,097	419,303	222,672	172,964	.	23,667	68,862	.	- 69
1989	535,526	461,796	249,786	189,214	.	22,795	73,620	.	+ 111
1990 6	549,667	474,482	261,832	191,266	.	21,384	74,447	.	+ 738
1991 7	661,920	577,150	321,334	224,321	19,139	31,495	84,633	2,540	+ 137
1992	731,738	638,423	356,849	247,372	23,807	34,203	93,374	4,034	- 58
1993	749,119	653,015	360,250	256,131	27,542	36,634	95,809	5,863	+ 295
1994	786,162	688,785	386,145	261,947	32,052	40,692	97,116	7,677	+ 260
1994 4th qtr	219,675	194,368	110,043	72,793	8,665	11,532	33,057	2,628	- 7,751
1995 1st qtr	.	170,676	89,271	70,996	...	10,408	.	.	.
1995 Jan.	.	51,598	22,363	24,580	...	4,656	.	.	.
Feb.	.	55,581	30,379	20,963	...	4,238	.	.	.
Mar.	.	63,497	36,529	25,454	...	1,514	.	.	.
Apr.	.	46,834	25,244	18,158	...	3,432	.	.	.
May p	.	53,355	28,499	21,320	...	3,537	.	.	.

1 Including receipts from the Equalisation of Burdens levies (1980: DM 75 million). — 2 After taking account of the distribution of the Länder Governments' share in all-German turnover tax revenue on the basis of the number of inhabitants in the old and new Länder. — 3 Including the (GNP-related) receipts accruing to the EC from 1988 to the detriment of the Federal Government's tax revenue. — 4 Including local authority taxes of

Berlin, Bremen and Hamburg. — 5 Difference between the local authorities' share in the income taxes received by the Länder cash offices in the period in question (see Table VIII. 5) and the amounts passed on to the local authorities during the same period. — 6 Excluding the tax revenue of the former GDR. — 7 From 1991 including the tax revenue in the new Länder.







VIII. Public finance

7. Indebtedness of the public sector \* (cont 'd)

DM million													
End of year or month	Total	Bundesbank advances	Treasury discount paper	Treasury notes 1	5-year special Federal bonds 1	Federal savings bonds	Debt securities 1	Direct lending by credit institutions 2	Loans from non-banks		Old debt		
									Social security funds 3	Other 2	owing to German unification 4	Equalisation claims	Other 5
<b>"German Unity" Fund</b>													
1991	50,482		-	-			25,701	22,625	5	2,152			
1992	74,371		-	8,655			42,371	21,787	5	1,553			
1993	87,676		1,876	8,873			43,804	31,566	5	1,552			
1994 Mar.	88,246		897	8,838			43,679	33,276	5	1,552			
June	88,515		897	8,809			43,637	33,285	17	1,871			
Sep.	89,383		897	8,854			43,816	33,930	17	1,871			
Dec.	89,188		897	8,867			43,859	33,677	17	1,871			
<b>Debt-Processing Fund</b>													
1991	27,472		14,777					11,250	-	1,445		-	
1992	91,747		11,909					13,583	2	1,676	7	64,577	
1993	101,230		5,437					20,197	-	1,676	7	73,921	
1994 Mar.	101,417		4,376					21,094	-	1,676	7	74,272	
June	99,937		4,376					21,503	2	1,420	7	72,637	
Sep.	98,508		3,740					21,803	2	1,420	7	71,543	
Dec.	102,428		3,740					22,003	2	1,420	7	75,263	
<b>ERP Special Fund</b>													
1988	5,970							5,970					
1989	7,063							7,063					
1990	9,485							9,485					
1991	16,368							16,368					
1992	24,283						4,633	19,650					
1993	28,263						9,318	18,945					
1994 Mar.	28,086						9,361	18,725					
June	28,147						9,482	18,665					
Sep.	28,070						9,805	18,265					
Dec.	28,143						10,298	17,845					

\* Excluding public authorities' mutual indebtedness. — 1 Excluding paper in the issuers' portfolios. — 2 Mainly loans against borrowers' notes. Including loans raised abroad. Other loans from non-banks, including liabilities arising from the investment assistance levy. — 3 Including Debt Register claims and special Federal paper. — 4 Assumption of liabilities arising from residential construction by the former GDR's armed forces and from residential construction in connection with the return of the troops of the former USSR

based in eastern Germany to their home country. — 5 Commutation and compensation debt, and old debt mainly expressed in foreign currency, in accordance with the London Debts agreement; excluding debt securities in own portfolios. — 6 Data other than end-of-year figures have been estimated. Including indebtedness of municipal special-purpose associations and municipal hospitals. — 7 Provisional amount of liabilities to the Currency Conversion Equalisation Fund.

8. Loans raised by public authorities against borrowers' notes

DM million											
End of year or month	Central, regional and local authorities								Federal Railways 5 / Federal Post Office		
	Total 1	Total	Federal Government 2	"German Unity" Fund	Debt-Processing Fund	ERP Special Fund	Länder Governments 3	Local authorities 3, 4, 5		Federal Railways Fund	
1985	527,510	497,702	166,115	-	-	6,287	213,501	111,799	-	29,808	
1986	513,608	486,192	143,792	-	-	6,415	223,177	112,808	-	27,416	
1987	515,708	489,779	127,003	-	-	5,713	241,083	115,980	-	25,929	
1988	529,422	502,724	118,447	-	-	5,890	260,717	117,670	-	26,698	
1989	523,599	496,044	101,893	-	-	6,753	267,375	120,023	-	27,555	
1990	543,952	517,022	80,434	11,595	8,815	9,285	283,226	123,667	-	26,930	
1991	579,176	549,325	59,784	24,782	12,695	16,319	298,254	137,491	-	29,851	
1992	590,477	555,633	42,028	23,345	15,261	19,650	304,656	150,693	-	34,844	
1993 Mar.	597,271	559,712	37,249	25,415	16,530	19,410	306,509	154,599	-	37,559	
June	607,817	569,399	34,856	27,425	20,130	19,310	309,938	157,740	-	38,418	
Sep.	618,646	577,705	31,811	30,538	21,680	19,115	312,269	162,292	-	40,941	
Dec.	636,125	594,345	29,903	33,123	21,873	18,945	322,097	168,404	-	41,780	
1994 Mar.	645,298	628,997	24,770	34,833	22,770	18,725	324,059	171,175	32,665	6 16,301	
June	644,553	628,045	22,842	35,173	22,925	18,665	323,743	171,685	33,012	6 16,508	
Sep.	645,768	629,637	14,159	35,818	23,225	18,265	329,453	173,717	35,000	6 16,131	
Dec. pe	672,061	654,816	17,428	35,565	23,425	17,845	347,622	176,435	36,497	6 17,245	

1 Excluding Debt Register claims and cash advances. Including small amounts of: mortgage loans, land charges in annuity and other forms, and debts outstanding. — 2 Including Equalisation of Burdens Fund. — 3 From 1991, in the whole of Germany. — 4 Data other than end-of-year figures

have been estimated. Including municipal special-purpose associations and municipal hospitals. — 5 Including contractually agreed loans. — 6 From 1994 Federal Post Office only.

VIII. Public finance

9. Changes in public sector indebtedness \*

DM million										
Item	Level at end of			Net borrowing <sup>1</sup>						
	1992	1993	1994 pe	1993			1994			
				Total	1st-3rd qtr	4 th qtr	Total	1st half	1st-3rd qtr	4 th ptr pe
<b>Borrowers</b>										
Federal Government	611,099	685,283	712,488	+ 74,184	+ 54,876	+ 19,308	+ 27,205	+ 4,125	+ 13,187	+ 14,019
"German Unity" Fund	74,371	87,676	89,187	+ 13,305	+ 10,738	+ 2,567	+ 1,512	+ 839	+ 1,708	- 196
Debt-Processing Fund	91,747	101,230	102,428	+ 139	- 54	+ 193	- 144	- 9	- 344	+ 200
ERP Special Fund	24,283	28,263	28,143	+ 3,979	+ 4,081	- 102	- 119	- 116	- 192	+ 73
Federal Railways Fund	-	-	71,173	-	-	-	+ 5,295	+ 1,114	+ 3,396	+ 1,899
West German Länder Governments	366,602	393,577	414,254	+ 26,975	+ 9,373	+ 17,601	+ 20,677	+ 1,450	+ 3,998	+ 16,679
East German Länder Governments	22,528	40,263	55,369	+ 17,735	+ 7,133	+ 10,602	+ 15,106	+ 627	+ 2,163	+ 12,943
West German local authorities <sup>2</sup>	141,349	153,870	158,200	+ 12,521	+ 7,651	+ 4,870	+ 4,330	+ 2,080	+ 2,680	+ 1,650
East German local authorities	13,245	18,989	23,500	+ 5,744	+ 3,105	+ 2,639	+ 4,511	+ 1,911	+ 2,861	+ 1,650
<b>Total</b>	<b>1,345,224</b>	<b>1,509,150</b>	<b>1,654,742</b>	<b>+ 154,582</b>	<b>+ 96,904</b>	<b>+ 57,678</b>	<b>+ 78,373</b>	<b>+ 12,021</b>	<b>+ 29,457</b>	<b>+ 48,916</b>
<b>Types of debt</b>										
Bundesbank advances	4,542	-	-	- 4,542	- 4,415	- 126	-	-	-	-
Treasury discount paper <sup>3</sup>	36,186	30,589	20,506	- 5,597	- 5,134	- 463	- 10,082	- 5,588	- 8,175	- 1,907
Treasury notes <sup>4</sup>	109,733	150,138	169,959	+ 40,405	+ 23,056	+ 17,349	+ 16,322	+ 3,889	+ 7,538	+ 8,783
Five-year special Federal bonds <sup>4</sup>	153,825	188,767	181,737	+ 34,943	+ 31,578	+ 3,365	- 7,030	- 4,245	- 7,950	+ 920
Federal savings bonds	35,415	46,093	59,334	+ 10,677	+ 6,393	+ 4,284	+ 13,242	+ 6,073	+ 10,408	+ 2,833
Debt securities <sup>4</sup>	362,230	402,073	465,408	+ 39,843	+ 27,728	+ 12,116	+ 33,967	+ 12,016	+ 27,981	+ 5,986
Direct lending by credit institutions <sup>5</sup>	539,235	578,352	639,874	+ 39,117	+ 19,150	+ 19,967	+ 37,569	+ 3,755	+ 5,593	+ 31,976
Loans from social security funds	7,021	6,076	5,329	- 945	- 450	- 495	- 826	- 413	- 851	+ 25
Other loans <sup>5</sup>	18,052	19,187	23,844	+ 1,135	- 723	+ 1,858	- 4,319	- 3,235	- 4,798	+ 479
Old debt <sup>6</sup>	1,639	1,617	1,575	- 23	- 9	- 14	- 42	- 16	- 19	- 23
Equalisation claims	77,269	86,181	87,096	- 432	- 269	- 163	- 427	- 216	- 272	- 155
Investment assistance levy	79	79	79	- 0	+ 0	- 0	+ 0	+ 0	+ 0	- 0
<b>Total</b>	<b>1,345,224</b>	<b>1,509,150</b>	<b>1,654,742</b>	<b>+ 154,582</b>	<b>+ 96,904</b>	<b>+ 57,678</b>	<b>+ 78,373</b>	<b>+ 12,021</b>	<b>+ 29,457</b>	<b>+ 48,916</b>
<b>Creditors</b>										
<b>Banking system</b>										
Bundesbank	18,958	13,081	11,614	- 5,877	- 5,255	- 622	- 1,510	- 665	- 1,145	- 364
Credit institutions	719,100	803,400	911,000	+ 75,000	+ 47,300	+ 27,700	+ 65,000	+ 35,000	+ 39,200	+ 25,800
<b>Domestic non-banks</b>										
Social security funds <sup>7</sup>	7,000	6,100	5,300	- 900	- 400	- 500	- 900	- 500	- 900	-
Other <sup>8</sup>	255,365	179,368	202,028	- 76,041	- 65,541	- 10,500	+ 8,983	- 1,914	+ 7,502	+ 1,481
Foreign creditors <sup>pe</sup>	344,800	507,200	524,800	+ 162,400	+ 120,800	+ 41,600	+ 6,800	- 19,900	- 15,200	+ 22,000
<b>Total</b>	<b>1,345,224</b>	<b>1,509,150</b>	<b>1,654,742</b>	<b>+ 154,582</b>	<b>+ 96,904</b>	<b>+ 57,678</b>	<b>+ 78,373</b>	<b>+ 12,021</b>	<b>+ 29,457</b>	<b>+ 48,916</b>

\* Excluding public authorities' mutual indebtedness. — 1 Net borrowing is lower than the increase in indebtedness which includes the assumption of debts. — 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 paper in the issuers' portfolios. — 5 Including loans raised

abroad. — 6 Liabilities arising from the residential construction of the former GDR's armed forces and from residential construction in connection with the return of the troops of the former USSR based in eastern Germany to their home country, and old debt in accordance with the London Debts Agreement. — 7 Excluding public bonds acquired by supplementary pension funds for government employees. — 8 Ascertained as a difference.

10. Indebtedness of the Treuhand privatisation agency

DM million										
End of year or month	Credit market debt							Assumption of old loans	Liabilities arising from enterprises' equalisation claims	
	Total	Total	Short-term direct lending by banks	Commercial paper	Medium-term notes	Treuhand notes	Debt securities			Loans against borrowers notes
1990	14,058	4,330	4,330	-	-	-	-	-	9,728	-
1991	39,402	24,192	6,670	4,867	-	-	-	12,655	15,210	-
1992	106,792	54,669	5,689	9,070	-	-	15,218	24,692	38,010	14,113
1993 Mar.	125,253	75,539	6,204	5,959	-	4,342	32,353	26,682	34,644	15,070
June	142,942	99,150	3,779	7,093	-	9,837	50,124	28,317	29,583	14,209
Sep.	147,667	111,654	4,864	4,930	-	14,425	58,039	29,397	21,527	14,486
Dec.	168,322	134,488	3,208	5,866	4,982	22,690	68,245	29,497	19,684	14,150
1994 Mar.	172,626	144,861	1,875	1,312	6,482	29,087	76,898	29,207	14,891	12,874
June	178,980	157,822	6,679	2,172	6,482	31,095	82,867	28,527	8,128	13,030
Sep.	183,322	169,691	2,376	1,806	6,482	39,442	91,564	28,022	2,598	11,033
Dec.	204,619	203,504	3,737	50	9,982	48,730	96,759	44,246	752	363

Source: Treuhand agency.

VIII. Public finance

11. Indebtedness of the Federal Government

DM million

End of year or month	Total	Bundesbank advances	Treasury discount paper 1		Federal Treasury paper 2	5-year special Federal bonds 2	Federal savings bonds	Debt securities 2, 3	Direct lending by credit institutions 4	Indebtedness to non-banks		Old debt		
			Total	of which Treasury financing paper						Social security funds 5	Other 4, 6	owing to German unification 7	Equalisation claims	Other 8
1985 9	392,356	—	9,282	3,525	15,473	71,955	25,921	92,600	147,001	2,254	17,317	—	10,552	1
1986	415,390	2,015	8,084	2,653	23,220	80,105	28,128	119,180	126,288	1,968	15,944	—	10,458	1
1987	440,476	—	5,267	1,747	38,458	84,417	31,128	143,469	111,904	1,712	13,760	—	10,361	1
1988	475,169	—	5,263	1,475	44,202	89,705	34,895	172,059	106,196	1,633	10,955	—	10,260	1
1989	490,541	—	11,823	7,830	43,367	93,870	33,366	195,765	92,110	1,399	8,685	—	10,155	1
1990	542,189	—	19,494	18,213	38,763	123,014	30,892	239,282	72,523	1,294	6,880	—	10,046	1
1991	586,493	—	19,932	18,649	47,861	133,663	34,696	278,734	52,654	1,616	5,737	1,481	9,934	186
1992	611,099	4,354	24,277	23,819	50,516	153,825	35,415	289,049	37,081	1,457	3,671	1,451	9,818	186
1993	685,283	—	23,276	22,904	60,565	188,767	46,093	325,201	26,129	730	3,211	1,421	9,698	194
1994 June	689,408	—	19,729	19,357	60,218	184,522	52,166	338,529	20,285	429	2,294	1,412	9,637	186
July	694,302	—	19,120	18,748	60,652	182,837	53,679	345,695	18,699	351	2,092	1,412	9,580	186
Aug.	693,178	—	18,421	18,049	61,031	184,018	55,229	345,673	15,669	251	1,709	1,412	9,580	185
Sep.	698,469	—	17,777	17,405	63,351	180,817	56,501	354,522	12,807	182	1,337	1,412	9,580	184
Oct.	702,260	—	17,451	16,159	64,002	184,035	57,297	354,111	13,059	94	1,037	1,411	9,580	182
Nov.	710,194	—	16,568	15,276	64,446	185,795	58,251	360,674	12,244	89	951	1,411	9,580	184
Dec.	712,488	—	15,870	14,578	66,987	181,737	59,334	359,833	16,654	63	862	1,391	9,576	183
1995 Jan.	719,633	—	14,300	13,008	66,999	179,851	60,396	369,433	15,787	63	1,716	1,391	9,518	180
Feb.	721,473	—	12,748	11,456	69,203	177,056	61,520	372,109	15,988	63	1,701	1,391	9,518	176
Mar.	715,727	—	11,753	10,461	70,234	173,073	63,168	371,599	14,147	63	831	1,382	9,307	172
Apr. p	713,715	—	10,930	9,637	70,891	175,201	64,518	369,746	10,677	63	829	1,382	9,307	171
May p	716,313	—	10,388	9,096	67,814	167,920	66,593	377,218	14,628	63	829	1,382	9,307	171

1 Excluding mobilisation and liquidity paper. — 2 Excluding paper in the issuers' portfolios. — 3 From January 1991 including debt securities taken over from the Federal Railways totalling DM 12,622 million. — 4 Including loans raised abroad. — 5 Including loans granted by supplementary pension funds for government employees. — 6 Including liabilities arising from the investment assistance levy. — 7 Assumption of liabilities arising from residential construction of the former GDR's armed forces and from

residential construction in connection with the return of the troops of the former USSR based in eastern Germany to their home country. — 8 Commutation and compensation debt and old debt mainly expressed in foreign currency. — 9 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.

12. Indebtedness of the Federal Railways and Federal Post Office

DM million

End of year or month	Total	Advances 1	Treasury discount paper	Medium-term notes	Treasury notes	Debt securities 2	Bank advances		Loans from non-banks 3		Debt to central, regional and local authorities and ERP Special Fund	Memorandum item External indebtedness 6, pe
							Postal giro and postal savings bank offices	Other banks 3, 4	Social security funds 5	Other 3		
<b>Federal Railways</b>												
1985	36,153	—	131	—	1,924	16,551	81	11,765	755	4,862	83	8,000
1988	42,705	—	131	—	1,233	24,297	—	10,322	733	5,959	30	11,900
1989	44,140	121	722	—	1,489	23,195	—	10,765	753	7,062	33	12,100
1990	47,065	—	131	—	911	26,591	—	11,250	722	7,431	29	13,000
1991	37,969	83	—	—	911	16,939	—	11,419	657	7,946	15	11,500
1992	48,017	116	—	—	1,629	23,292	—	14,133	219	8,620	8	12,200
1993 Mar.	50,052	2	—	—	2,000	24,712	—	14,577	151	8,602	8	10,800
June	51,128	56	—	—	2,000	24,693	—	15,185	113	9,074	8	10,200
Sep.	53,500	—	—	—	2,000	24,703	—	17,783	82	8,925	8	9,100
Dec.	58,098	11	—	—	2,000	29,369	—	17,727	79	8,906	6	10,800
<b>Federal Post Office</b>												
1985	50,315	—	—	—	1,688	16,665	19,702	9,004	456	2,747	54	5,200
1988	64,122	—	—	—	200	32,201	22,066	6,313	373	2,934	35	9,500
1989	66,161	—	—	—	200	32,401	23,919	5,703	365	3,548	25	8,500
1990	70,979	—	—	—	484	36,801	26,197	4,960	291	2,236	11	8,800
1991	81,271	—	—	—	2,252	41,801	27,405	7,531	208	2,074	—	8,900
1992	96,646	7	1,275	—	3,080	52,989	27,437	9,953	131	1,759	20	10,400
1993	104,514	7	449	500	7,095	56,913	24,495	13,255	128	1,659	20	15,000
1994 Mar.	104,197	—	1,125	500	7,095	56,001	23,175	14,505	124	1,653	20	14,200
June	107,932	—	157	700	7,095	60,297	23,175	14,793	97	1,598	20	14,100
Sep.	111,930	—	535	700	7,095	64,094	23,375	14,477	85	1,549	20	14,100
Dec.	124,113	—	954	850	28,444	73,001	3,620	15,476	94	1,655	20	...

1 Advances of the Bundesbank or of the Deutsche Verkehrskreditbank. — 2 Including bonds issued to increase capital, which are redeemed by the Federal Government. Federal Railways: from January 1991 excluding debt securities taken over by the Federal Government totalling DM 12,622 million. — 3 Federal Railways: including credits or loans secured by

depositing Treasury discount paper. — 4 Including loans raised abroad. — 5 Including loans granted by supplementary pension funds for government employees. — 6 Loans raised abroad and securities held by non-residents. — 7 Commercial paper.

VIII. Public finance

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 5					Memorandum item Administrative assets
	Total	of which		Total	of which			Total	Deposits 6	Securities	Mortgage and other loans 7	Real estate	
		Contributions 2	Federal payments		Pension payments 3	Pensioners' health insurance 4							
<b>Old Länder</b>													
1990	212,904	174,916	34,775	203,312	175,188	10,961	+ 9,592	35,570	25,971	7,771	1,731	96	5,034
1991	226,397	183,328	38,663	215,730	185,570	11,285	+ 10,667	43,841	30,977	11,232	1,513	120	5,404
1992	238,428	193,310	39,806	228,049	195,812	11,781	+ 10,379	49,812	38,319	10,055	1,307	131	5,839
1993	243,119	196,357	41,837	248,866	207,633	13,064	- 5,747	39,786	29,957	8,499	1,100	229	6,297
1994 pe	266,977	215,707	47,424	266,812	221,097	14,428	+ 165	33,516	24,194	8,173	914	235	6,861
1994 1st qtr	62,100	48,956	12,105	64,873	54,154	3,493	- 2,773	34,954	25,253	8,415	1,059	227	6,402
2nd qtr	65,184	51,952	12,202	65,618	54,252	3,548	- 434	32,323	22,477	8,608	1,011	228	6,547
3rd qtr	66,534	53,815	11,872	67,747	56,399	3,702	- 1,213	28,981	19,512	8,279	963	229	6,725
4th qtr	73,159	60,984	11,245	68,024	56,292	3,685	+ 5,135	33,516	24,194	8,173	914	235	6,861
1995 1st qtr	64,850	51,997	12,124	69,122	57,490	3,999	- 4,272	27,216	18,363	7,698	870	286	7,114
<b>New Länder</b>													
1991	32,140	25,598	6,406	31,624	26,711	3,417	+ 516						
1992	42,324	32,553	9,463	46,918	40,017	2,515	- 4,594						
1993	53,241	36,051	10,834	55,166	45,287	2,834	- 1,925						
1994 pe	63,303	40,894	13,792	67,979	54,864	3,445	- 4,676						
1994 1st qtr	14,796	9,206	3,548	16,650	13,562	811	- 1,854						
2nd qtr	15,886	9,912	3,530	16,760	13,625	754	- 874						
3rd qtr	15,732	10,262	3,601	17,793	14,515	955	- 2,061						
4th qtr	16,891	11,514	3,114	16,626	13,162	925	+ 265						
1995 1st qtr	16,575	10,680	3,664	18,304	15,307	1,046	- 1,729						

1 The annual figures differ from the sum of the quarterly figures, as the latter are all provisional. From 1993 including financial compensation payments. — 2 Including contributions for recipients of public financial benefits. — 3 Payments by pension insurance funds to health insurance institutions under section 50 of the Social Security Code V have been deducted from pension payments. — 4 From 1995 including nursing

insurance scheme for pensioners. — 5 Largely corresponds to fluctuation reserves. Level at the end of the year or quarter. From 1992 figures for the whole of Germany. — 6 Including cash resources. — 7 Excluding loans to other social security funds; including participating interests. — 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	Subsidies or working fund credits of the Federal Government	Assets 6					
	Total 1	of which		Total	of which				Total	Deposits 7	Securities	Loans 8		
		Contributions	Levies 2		Unemployment relief 3, 4	Promotion of winter construction							Promotion of vocational training 4, 5	
<b>Old Länder</b>														
1990	40,701	38,368	994	41,424	18,432	1,035	16,146	- 723	706	91	0	75	16	
1991	65,632	62,524	1,125	42,048	17,542	1,412	16,818	+ 23,585	-	4,973	9	4,894	72	7
1992	76,368	73,365	1,440	47,508	21,742	1,373	17,648	+ 28,860	-	72	0	68	5	
1993	81,509	76,326	1,820	58,970	34,149	1,467	15,895	+ 22,540	-	65	-	62	3	
1994	85,873	77,807	3,809	58,244	35,163	1,366	14,382	+ 27,629	-	57	-	54	3	
1994 1st qtr	18,947	18,107	304	15,038	9,444	679	3,232	+ 3,909	-	61	-	58	3	
2nd qtr	21,080	18,480	1,477	14,494	8,929	534	3,381	+ 6,586	-	61	-	58	3	
3rd qtr	21,444	19,443	1,006	13,715	8,486	98	3,381	+ 7,729	-	58	-	55	3	
4th qtr	24,402	21,776	1,021	14,997	8,305	55	4,388	+ 9,404	-	57	-	54	3	
1995 1st qtr	19,878	18,596	340	14,993	8,998	557	3,787	+ 4,885	-	55	-	53	3	
<b>New Länder</b>														
1991	4,559	4,552	0	29,875	17,857	74	8,317	- 25,316	1,025	-	-	-	-	
1992	3,313	3,297	3	46,015	14,569	357	20,228	- 42,702	8,940	-	-	-	-	
1993	3,600	3,569	8	50,566	13,856	452	20,996	- 46,966	24,419	-	-	-	-	
1994	3,785	3,730	13	41,619	13,179	456	16,891	- 37,835	10,142	-	-	-	-	
1994 1st qtr	859	846	5	10,824	3,709	201	3,600	- 9,965	5,629	-	-	-	-	
2nd qtr	893	879	5	10,753	3,484	216	3,983	- 9,860	4,527	-	-	-	-	
3rd qtr	972	955	2	9,705	3,116	30	3,946	- 8,733	1,049	-	-	-	-	
4th qtr	1,062	1,050	1	10,338	2,869	10	5,363	- 9,276	-1,063	-	-	-	-	
1995 1st qtr	936	919	7	9,082	3,128	200	4,141	- 8,146	4,344	-	-	-	-	

1 Excluding Federal Government liquidity assistance. — 2 Levies to promote winter construction and to pay bankruptcy compensation to employees. — 3 Unemployment benefits, short-time-working benefits. Including the integration allowance paid to resettlers from eastern Europe and emigrants from the GDR as a replacement for the unemployment benefits. — 4 Including contributions to the statutory health insurance, and to the pension insurance funds. — 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 participating interests. — 9 Including DM 4,894 million in transfers from the Federal Government pursuant to the 1991 supplementary budget. — Source: Federal Labour Office.

IX. Economic conditions

1. Origin, distribution and expenditure of national product  
Western Germany

Item	1990	1991	1992 p	1993 p	1994 p	1991	1992 p	1993 p	1994 p	1991	1992 p	1993 p	1994 p
	DM billion					Change from previous year in %				Percentage of total			
<b>at current prices</b>													
<b>I. Origin of national product</b>													
Gross value added													
Agriculture, forestry and fisheries	36.7	33.9	32.8	29.3	29.7	- 7.8	- 3.1	- 10.8	+ 1.3	1.3	1.2	1.0	1.0
Producing sector	939.4	1,002.2	1,028.6	981.1	1,013.4	+ 6.7	+ 2.6	- 4.6	+ 3.3	37.6	36.5	34.5	34.4
Energy supply 1, mining	70.2	74.1	76.0	73.5	74.1	+ 5.5	+ 2.6	- 3.3	+ 0.7	2.8	2.7	2.6	2.5
Manufacturing	741.6	790.8	799.9	749.0	770.4	+ 6.6	+ 1.1	- 6.4	+ 2.9	29.6	28.4	26.3	26.2
Construction	127.6	137.3	152.7	158.6	168.9	+ 7.6	+ 11.2	+ 3.9	+ 6.5	5.1	5.4	5.6	5.7
Distribution, transportation 2	346.8	386.7	405.9	405.6	412.9	+ 11.5	+ 5.0	- 0.1	+ 1.8	14.5	14.4	14.3	14.0
Services 3	707.9	797.0	891.9	964.8	1,035.1	+ 12.6	+ 11.9	+ 8.2	+ 7.3	29.9	31.6	33.9	35.1
All enterprises	2,030.8	2,219.7	2,359.2	2,380.8	2,491.1	+ 9.3	+ 6.3	+ 0.9	+ 4.6	83.2	83.7	83.7	84.6
do. adjusted 4	1,934.6	2,108.5	2,235.1	2,247.7	2,348.7	+ 9.0	+ 6.0	+ 0.6	+ 4.5	79.0	79.3	79.1	79.7
Government	253.2	271.2	289.4	299.7	302.2	+ 7.1	+ 6.7	+ 3.6	+ 0.8	10.2	10.3	10.5	10.3
Households 5	58.3	64.6	70.9	74.9	78.3	+ 10.7	+ 9.8	+ 5.6	+ 4.5	2.4	2.5	2.6	2.7
All sectors	2,246.1	2,444.2	2,595.4	2,622.3	2,729.1	+ 8.8	+ 6.2	+ 1.0	+ 4.1	91.6	92.0	92.2	92.7
Gross domestic product 6	2,426.0	2,647.6	2,813.0	2,853.7	2,977.7	+ 9.1	+ 6.2	+ 1.4	+ 4.3	99.2	99.8	100.4	101.1
Net factor incomes from abroad	+ 22.6	+ 20.4	+ 6.8	- 10.9	- 32.4	.	.	.	.	0.8	0.2	-0.4	-1.1
Gross national product at market prices	2,448.6	2,668.0	2,819.8	2,842.8	2,945.3	+ 9.0	+ 5.7	+ 0.8	+ 3.6	100	100	100	100
<b>II. Distribution of national product</b>													
Wage and salary income 7	1,317.1	1,422.2	1,513.6	1,535.9	1,554.0	+ 8.0	+ 6.4	+ 1.5	+ 1.2	53.3	53.7	54.0	52.8
Entrepreneurial and property income	575.1	621.2	627.2	593.3	643.0	+ 8.0	+ 1.0	- 5.4	+ 8.4	23.3	22.2	20.9	21.8
National income	1,892.2	2,043.5	2,140.7	2,129.2	2,197.1	+ 8.0	+ 4.8	- 0.5	+ 3.2	76.6	75.9	74.9	74.6
<b>III. Expenditure of national product</b>													
Private consumption	1,320.7	1,448.8	1,536.3	1,588.9	1,644.5	+ 9.7	+ 6.0	+ 3.4	+ 3.5	54.3	54.5	55.9	55.8
Government consumption	444.1	466.5	502.9	508.5	520.2	+ 5.1	+ 7.8	+ 1.1	+ 2.3	17.5	17.8	17.9	17.7
Machinery and equipment	234.6	263.9	257.6	213.3	205.6	+ 12.5	- 2.4	- 17.2	- 3.6	9.9	9.1	7.5	7.0
Construction	273.2	299.3	329.3	338.5	358.4	+ 9.6	+ 10.0	+ 2.8	+ 5.9	11.2	11.7	11.9	12.2
Increase in stocks	+ 11.5	+ 20.4	- 2.6	- 11.5	+ 8.0	.	.	.	.	0.8	-0.1	-0.4	0.3
Domestic expenditure	2,284.1	2,498.9	2,623.5	2,637.7	2,736.8	+ 9.4	+ 5.0	+ 0.5	+ 3.8	93.7	93.0	92.8	92.9
Foreign balance 8	+ 164.6	+ 169.1	+ 196.3	+ 205.1	+ 208.5	.	.	.	.	6.3	7.0	7.2	7.1
Exports	884.4	998.3	1,062.4	1,043.3	1,110.5	+ 12.9	+ 6.4	- 1.8	+ 6.4	37.4	37.7	36.7	37.7
Imports	719.8	829.3	866.1	838.1	902.0	+ 15.2	+ 4.4	- 3.2	+ 7.6	31.1	30.7	29.5	30.6
Gross national product at market prices	2,448.6	2,668.0	2,819.8	2,842.8	2,945.3	+ 9.0	+ 5.7	+ 0.8	+ 3.6	100	100	100	100
<b>at prices of 1991</b>													
Private consumption	1,370.0	1,448.8	1,480.4	1,483.0	1,495.4	+ 5.7	+ 2.2	+ 0.2	+ 0.8	54.3	54.8	56.2	55.8
Government consumption	465.0	466.5	485.3	479.7	485.1	+ 0.3	+ 4.0	- 1.2	+ 1.1	17.5	18.0	18.2	18.1
Machinery and equipment	240.9	263.9	252.8	208.3	201.9	+ 9.5	- 4.2	- 17.6	- 3.1	9.9	9.4	7.9	7.5
Construction	291.4	299.3	312.2	309.7	322.3	+ 2.7	+ 4.3	- 0.8	+ 4.1	11.2	11.6	11.7	12.0
Increase in stocks	+ 15.0	+ 20.4	- 0.5	- 7.0	+ 12.4	.	.	.	.	0.8	-0.0	-0.3	0.5
Domestic expenditure	2,382.4	2,498.9	2,530.2	2,473.8	2,517.1	+ 4.9	+ 1.3	- 2.2	+ 1.7	93.7	93.7	93.7	93.9
Foreign balance 8	+ 161.5	+ 169.1	+ 170.8	+ 165.2	+ 163.2	.	.	.	.	6.3	6.3	6.3	6.1
Exports	899.3	998.3	1,047.3	1,016.2	1,077.0	+ 11.0	+ 4.9	- 3.0	+ 6.0	37.4	38.8	38.5	40.2
Imports	737.8	829.3	876.5	851.0	913.8	+ 12.4	+ 5.7	- 2.9	+ 7.4	31.1	32.5	32.2	34.1
Gross national product at market prices	2,543.9	2,668.0	2,701.0	2,639.0	2,680.3	+ 4.9	+ 1.2	- 2.3	+ 1.6	100	100	100	100
Gross domestic product at market prices	2,520.4	2,647.6	2,694.3	2,648.6	2,709.6	+ 5.0	+ 1.8	- 1.7	+ 2.3	99.2	99.8	100.4	101.1

Source: Federal Statistical Office. — 1 Including water supply. — 2 Including telecommunications. — 3 Credit institutions, 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 Gross value added by all economic sectors plus turnover tax receipts and turnover tax withheld because of statutory special

regulations and import levies (import duties, excise taxes on imports, price adjustment levies and monetary compensatory amounts on imports of agricultural products). — 7 Including employers' contributions to social security funds and other social security expenditure by employers (inter alia on company old-age pension schemes). — 8 Including transactions in goods and services with the former GDR or the new Länder.



IX. Economic conditions

3. Orders received by the manufacturing sector

Per calendar month

Manufacturing												
Total		Domestic orders		Foreign orders		Intermediate goods producers		Capital goods producers		Durable and non-durable consumer goods producers		
1991=100	Change from previous year in %	1991=100	Change from previous year in %	1991=100	Change from previous year in %	1991=100	Change from previous year in %	1991=100	Change from previous year in %	1991=100	Change from previous year in %	
<b>Germany</b>												
1992	97.3	- 2.7	98.2	- 1.8	95.5	- 4.5	98.0	- 2.0	96.4	- 3.6	97.2	- 2.8
1993	90.5	- 7.0	89.2	- 9.2	93.1	- 2.5	91.3	- 6.8	90.3	- 6.3	88.7	- 8.7
1994	98.0	+ 8.3	94.0	+ 5.4	105.9	+ 13.7	99.4	+ 8.9	98.6	+ 9.2	93.4	+ 5.3
1994 Mar.	110.9	+ 10.0	105.0	+ 5.2	122.7	+ 19.4	108.5	+ 7.2	109.6	+ 12.6	118.8	+ 11.9
Apr.	92.2	+ 5.3	88.2	+ 2.7	100.2	+ 9.9	94.3	+ 4.0	91.1	+ 6.9	89.1	+ 5.1
May	92.7	+ 9.1	89.8	+ 7.4	98.5	+ 12.3	96.4	+ 12.0	92.1	+ 6.6	84.9	+ 6.4
June	101.2	+ 10.0	95.5	+ 6.5	112.9	+ 17.0	103.6	+ 8.5	104.1	+ 13.0	90.2	+ 8.4
July	91.7	+ 4.7	89.0	+ 2.1	96.9	+ 9.6	92.5	+ 3.7	94.6	+ 6.9	84.2	+ 2.7
Aug.	91.3	+ 10.4	91.4	+ 8.9	90.9	+ 12.9	93.3	+ 12.0	89.2	+ 11.6	90.3	+ 4.3
Sep.	106.9	+ 10.3	102.4	+ 5.3	116.0	+ 20.5	106.7	+ 11.5	108.6	+ 12.3	104.3	+ 4.3
Oct.	98.8	+ 7.5	94.9	+ 5.2	106.7	+ 11.8	102.4	+ 10.8	96.9	+ 6.1	93.8	+ 1.8
Nov.	103.5	+ 12.7	98.6	+ 10.5	113.4	+ 16.8	107.1	+ 14.8	103.8	+ 13.8	94.6	+ 5.8
Dec.	103.7	+ 12.5	97.5	+ 11.0	116.2	+ 14.6	102.6	+ 16.6	115.1	+ 10.9	85.6	+ 5.7
1												
1995 Jan. P	101.0	+ 13.5	94.9	+ 10.2	113.5	+ 19.5	107.3	+ 16.5	96.9	+ 12.7	93.6	+ 7.2
Feb. P	101.5	+ 8.6	95.1	+ 6.0	114.5	+ 13.0	105.8	+ 13.4	97.0	+ 5.9	99.5	+ 2.4
Mar. P	117.3	+ 5.8	110.7	+ 5.4	130.7	+ 6.5	119.9	+ 10.5	116.3	+ 6.1	113.1	- 4.8
<b>Western Germany</b>												
1992	97.5	- 2.5	97.9	- 2.1	96.7	- 3.3	98.4	- 1.6	96.6	- 3.4	97.2	- 2.8
1993	89.9	- 7.8	88.0	- 10.1	94.0	- 2.8	90.9	- 7.6	89.7	- 7.1	88.1	- 9.4
1994	97.1	+ 8.0	91.9	+ 4.4	107.5	+ 14.4	98.4	+ 8.3	98.0	+ 9.3	92.2	+ 4.7
1994 Mar.	110.6	+ 10.0	103.4	+ 4.8	124.9	+ 20.0	107.9	+ 6.8	110.0	+ 13.5	117.7	+ 11.5
Apr.	91.5	+ 4.9	86.3	+ 1.9	102.2	+ 10.8	93.8	+ 3.6	90.6	+ 7.2	88.1	+ 4.8
May	92.2	+ 8.9	88.1	+ 6.1	100.4	+ 14.0	95.8	+ 11.1	92.2	+ 7.5	83.9	+ 5.7
June	100.2	+ 10.0	93.3	+ 5.8	114.3	+ 17.8	102.6	+ 8.0	103.5	+ 13.9	88.9	+ 7.9
July	90.9	+ 4.1	87.2	+ 1.2	98.3	+ 9.8	91.6	+ 2.9	94.3	+ 6.8	83.3	+ 2.2
Aug.	90.3	+ 9.7	89.4	+ 8.0	92.1	+ 13.1	92.2	+ 11.4	88.3	+ 11.1	89.4	+ 4.0
Sep.	105.9	+ 10.2	100.0	+ 4.5	117.8	+ 21.4	105.3	+ 10.6	108.4	+ 13.5	102.9	+ 3.7
Oct.	97.8	+ 7.2	92.6	+ 4.3	108.1	+ 12.6	101.0	+ 10.0	96.6	+ 6.7	92.2	+ 1.3
Nov.	101.9	+ 12.0	95.6	+ 9.1	114.5	+ 16.7	105.3	+ 13.5	102.6	+ 13.5	92.7	+ 5.1
Dec.	102.6	+ 12.6	95.1	+ 11.4	117.7	+ 14.6	101.1	+ 15.7	114.6	+ 12.1	84.5	+ 5.6
1												
1995 Jan. P	100.0	+ 13.4	92.6	+ 9.8	114.9	+ 19.6	106.0	+ 16.0	96.1	+ 12.8	92.9	+ 7.8
Feb. P	100.6	+ 8.6	93.2	+ 6.8	115.7	+ 12.0	104.3	+ 12.2	96.8	+ 7.6	99.0	+ 2.6
Mar. P	115.6	+ 4.5	107.8	+ 4.3	131.4	+ 5.2	118.2	+ 9.5	114.1	+ 3.7	112.5	- 4.4
<b>Eastern Germany</b>												
1992	91.9	- 8.1	104.7	+ 4.7	62.4	- 37.6	89.2	- 10.8	93.7	- 6.3	95.7	- 4.3
1993	104.9	+ 14.1	120.0	+ 14.6	69.7	+ 11.7	102.4	+ 14.8	104.7	+ 11.7	114.9	+ 20.1
1994	122.6	+ 16.9	147.4	+ 22.8	64.3	- 7.7	128.0	+ 25.0	111.4	+ 6.4	139.4	+ 21.3
1994 Mar.	121.1	+ 9.7	144.9	+ 13.6	63.4	- 10.2	128.2	+ 18.0	101.7	- 5.0	158.3	+ 23.7
Apr.	111.3	+ 10.7	139.5	+ 21.5	47.7	- 28.4	112.1	+ 14.9	104.5	+ 4.6	131.0	+ 15.8
May	107.4	+ 14.1	131.7	+ 32.1	48.7	- 37.5	116.6	+ 33.3	92.2	- 9.1	123.2	+ 29.8
June	127.4	+ 13.2	149.0	+ 18.0	74.2	- 5.6	131.8	+ 22.4	117.8	+ 0.5	142.6	+ 23.8
July	112.8	+ 17.0	134.8	+ 20.5	59.3	+ 0.7	120.4	+ 22.2	102.5	+ 10.8	118.6	+ 17.2
Aug.	117.8	+ 24.4	140.8	+ 26.8	61.9	+ 10.1	123.2	+ 25.5	109.6	+ 25.1	124.9	+ 18.8
Sep.	134.5	+ 14.6	161.3	+ 19.9	68.9	- 13.9	145.0	+ 31.6	114.5	- 4.7	160.9	+ 19.1
Oct.	127.6	+ 13.4	151.0	+ 19.9	70.4	- 14.5	139.5	+ 27.2	105.9	- 2.8	154.7	+ 15.3
Nov.	148.1	+ 31.9	175.1	+ 35.9	86.3	+ 21.0	157.1	+ 44.4	131.6	+ 21.5	169.2	+ 22.1
Dec.	133.5	+ 8.2	156.6	+ 4.7	76.5	+ 14.9	141.8	+ 32.3	124.9	- 11.7	131.0	+ 5.2
1												
1995 Jan. P	125.1	+ 12.0	145.7	+ 11.0	70.8	+ 7.1	137.6	+ 21.2	112.5	+ 7.4	120.4	- 6.2
Feb. P	122.4	+ 3.6	139.6	- 8.5	77.1	+ 61.3	142.4	+ 33.6	101.4	- 20.3	117.1	- 10.3
Mar. P	158.8	+ 31.1	178.3	+ 23.1	107.3	+ 69.2	161.8	+ 26.2	162.6	+ 59.9	135.4	- 14.5

Source: Federal Statistical Office.— 1 Figures not fully comparable owing to the switch in data collection to an EC-uniform economic sector classification.

IX. Economic conditions

4. Orders received by construction \*

	Germany					Western Germany					Eastern Germany				
	Total		Residential construction	Industrial construction 1	Public construction 2	Total		Residential construction	Industrial construction 1	Public construction 2	Total		Residential construction	Industrial construction 1	Public construction 2
	1991 = 100	Change from previous year in %	1991 = 100			1991 = 100	Change from previous year in %	1991 = 100			1991 = 100	Change from previous year in %	1991 = 100		
1992	112.6	+ 12.6	116.7	114.4	107.9	106.5	+ 6.5	113.7	105.9	103.0	148.0	+ 48.0	140.3	163.7	133.5
1993	120.6	+ 7.1	149.6	114.5	111.4	108.5	+ 1.9	136.7	99.6	102.3	191.9	+ 29.7	251.4	200.2	158.8
1994	131.9	+ 9.4	184.5	120.6	115.4	113.3	+ 4.4	157.0	100.8	102.4	240.6	+ 25.4	401.7	234.3	183.2
1994 Apr.	128.7	+ 10.6	184.0	117.6	110.6	112.6	+ 4.5	159.0	100.6	99.3	223.3	+ 33.7	381.3	215.3	169.0
May	136.1	+ 16.3	186.7	123.1	123.0	117.0	+ 10.3	159.5	102.0	109.7	248.6	+ 37.3	401.5	244.4	192.1
June	154.2	+ 10.2	216.5	139.9	136.0	133.9	+ 5.6	189.8	116.8	121.3	273.4	+ 26.1	427.9	272.7	212.2
July	129.0	+ 1.2	168.7	113.5	125.1	110.2	- 2.0	142.5	95.5	109.0	239.3	+ 10.7	376.2	217.4	209.1
Aug.	134.3	+ 8.5	171.4	119.1	131.4	113.2	+ 3.9	139.6	99.2	114.4	258.3	+ 22.1	422.6	233.8	219.9
Sep.	148.5	+ 8.5	203.9	125.7	144.4	126.6	+ 1.6	178.1	103.4	124.2	276.8	+ 32.6	407.5	254.6	249.5
Oct.	130.0	- 0.7	177.7	112.2	124.4	108.7	- 4.1	142.5	93.0	107.7	255.0	+ 9.0	455.4	222.9	210.8
Nov.	125.9	+ 9.2	180.7	118.4	103.7	102.8	+ 4.2	144.7	94.5	87.6	262.0	+ 23.1	465.4	256.1	187.3
Dec.	135.6	+ 9.6	191.8	139.6	98.3	114.8	+ 6.9	159.3	116.2	85.8	257.8	+ 17.3	448.5	273.9	163.3
1995 Jan.	106.1	+ 2.3	137.7	114.7	77.4	88.7	- 2.5	109.2	98.5	63.9	208.7	+ 17.2	363.5	208.1	147.4
Feb.	107.0	+ 2.5	164.3	103.8	77.9	88.7	- 2.8	126.6	84.8	70.4	214.7	+ 18.4	462.3	213.4	117.0
Mar.	146.0	- 3.8	201.8	136.8	125.1	125.4	- 9.1	165.0	112.3	117.6	267.0	+ 14.3	492.1	278.4	164.0
Apr.	122.8	- 4.6	170.3	112.9	107.6	104.6	- 7.1	137.1	92.4	99.9	230.0	+ 3.0	432.8	231.0	147.6

Source: Federal Statistical Office.— \* Excluding value-added tax.—  
1 Including the railways and post office.— 2 Excluding the railways and post office.

5. Retail turnover \*  
Western Germany

	Total		of which											
	Change from previous year in %		Enterprises 2 mainly dealing in											
	1986 = 100	not adjusted	price-adjusted 1	food, drink and tobacco		textiles, clothing, footwear, leather goods		household furniture and appliances 3		vehicles 4		Department stores		
			1986 = 100	Change from previous year in %	1986 = 100	Change from previous year in %	1986 = 100	Change from previous year in %	1986 = 100	Change from previous year in %	1986 = 100	Change from previous year in %	1986 = 100	Change from previous year in %
1988	108.3	+ 3.9	+ 3.4	106.1	+ 4.0	103.1	+ 0.2	115.2	+ 7.3	114.8	+ 5.3	101.2	+ 1.8	
1989	113.5	+ 4.8	+ 2.7	111.5	+ 5.1	104.7	+ 1.6	122.3	+ 6.2	125.1	+ 9.0	102.9	+ 1.7	
1990	125.5	+ 10.6	+ 8.3	120.6	+ 8.2	114.8	+ 9.6	135.2	+ 10.5	146.8	+ 17.3	110.4	+ 7.3	
1991	136.5	+ 8.8	+ 5.7	125.1	+ 3.7	123.7	+ 7.8	145.6	+ 7.7	172.2	+ 17.3	113.8	+ 3.1	
1992	137.9	+ 1.0	- 1.9	123.8	- 1.0	124.4	+ 0.6	150.7	+ 3.5	172.2	± 0.0	113.5	- 0.3	
1993	134.5	- 2.5	- 4.3	122.9	- 0.7	125.8	+ 1.1	153.7	+ 2.0	151.9	- 11.8	112.7	- 0.7	
1994	133.8	- 0.5	- 1.6	122.1	- 0.7	121.8	- 3.2	153.4	- 0.2	154.2	+ 1.5	104.4	- 7.4	
1994 Jan.	118.8	+ 1.9	+ 0.3	109.7	- 0.9	109.2	- 3.2	135.6	+ 5.9	127.6	+ 11.7	111.0	- 7.6	
Feb.	117.8	+ 1.6	+ 0.6	109.6	- 0.8	98.2	+ 7.3	136.5	+ 0.3	136.0	+ 0.1	93.1	+ 3.1	
Mar.	149.0	+ 3.7	+ 2.8	134.3	+ 6.9	132.1	+ 0.9	166.8	+ 3.3	196.6	+ 1.6	105.6	+ 1.3	
Apr.	128.1	- 9.3	- 9.8	114.9	- 11.3	119.6	- 11.1	143.3	- 3.3	159.4	- 13.3	86.7	- 15.7	
May	132.1	+ 3.6	+ 2.6	121.9	+ 1.2	116.2	+ 2.0	143.1	+ 4.8	169.6	+ 5.7	89.4	- 0.8	
June	131.1	+ 1.1	± 0.0	122.9	- 0.1	106.5	+ 1.7	144.9	- 0.5	172.9	+ 3.2	89.4	- 4.1	
July	127.9	- 5.2	- 6.3	124.1	- 1.1	106.5	- 12.3	134.4	- 9.6	155.2	- 1.8	98.8	- 16.9	
Aug.	125.0	+ 1.9	+ 0.6	119.8	+ 2.5	106.8	- 2.2	137.7	+ 3.8	133.8	+ 1.4	93.0	- 3.4	
Sep.	132.8	+ 0.4	- 1.0	119.2	+ 1.3	135.9	- 2.2	148.9	± 0.0	147.0	+ 1.9	92.6	- 7.3	
Oct.	134.7	- 1.6	- 2.7	119.9	- 2.5	139.0	- 4.4	156.6	- 2.6	147.5	+ 2.2	98.0	- 7.7	
Nov.	140.3	- 2.8	- 4.0	123.2	- 2.4	128.6	- 11.9	176.2	- 1.8	150.1	+ 6.1	117.4	- 13.8	
Dec.	168.4	+ 0.1	- 1.3	145.5	- 0.4	162.9	+ 1.9	216.7	- 0.8	154.4	+ 4.7	177.2	- 8.5	

Source: Federal Statistical Office.— \* Including value-added tax.— 1 At 1985 prices.— 2 Excluding department stores and other enterprises not dealing mainly in a specific field.— 3 Including electrical equipment and apparatus as well as musical instruments.— 4 Including vehicle parts and tyres.



IX. Economic conditions

6. Labour market \*

	Employed 1. p			Wage and salary earners 1		Persons in employment 2		Short-time workers	Persons employed under employment promotion schemes 3	Persons undergoing vocational further training	Unemployed		Unemployment rate 4 in %	Vacancies, thousands		
	Thousands	Change from previous year		Thousands	Change from previous year, in %	Mining and manufacturing sector	Construction				Thousands	Thousands			Thousands	Change from previous year, thousands
		in %	Thousands													
<b>Germany</b>																
1992	.	.	.	32,354	- 2.2	8,310	1,410	653	466	861	2,979	+ 376	7.8	356		
1993	.	.	.	31,674	- 2.1	7,570	1,452	948	310	731	3,419	+ 441	8.9	279		
1994	34,886	.	.	31,350	- 1.0	7,054	1,516	372	338	568	3,698	+ 279	9.6	285		
1994 June	34,875	- 1.0	- 338	.	.	7,037	1,534	374	344	561	3,595	+ 329	9.3	298		
July	34,788	- 0.8	- 286	.	.	7,034	1,545	241	359	524	3,707	+ 214	9.6	303		
Aug.	34,880	- 0.7	- 232	31,418	- 0.8	7,048	1,568	196	370	516	3,636	+ 146	9.4	303		
Sep.	35,224	- 0.6	- 205	.	.	7,034	1,574	221	378	555	3,493	+ 46	9.1	304		
Oct.	35,173	- 0.4	- 132	.	.	6,991	1,559	220	390	588	3,447	- 77	8.9	297		
Nov.	35,100	- 0.3	- 88	31,550	- 0.4	6,976	1,552	215	398	604	3,430	- 129	8.9	280		
Dec.	34,997	- 0.2	- 65	.	.	6,925	1,532	176	399	598	3,560	- 129	9.2	263		
1995 Jan.	34,629	- 0.1	- 46	.	.	...	1,473	209	383	574	3,850	- 179	10.0	292		
Feb.	34,655	- 0.1	- 29	...	...	...	1,457	245	387	559	3,827	- 215	10.0	325		
Mar.	34,693	- 0.1	- 18	.	.	...	1,478	250	392	565	3,674	- 226	9.6	359		
Apr.	5 34,750	- 0.0	- 1	.	.	...	1,485	229	397	564	3,605	- 202	9.4	362		
May	...	...	...	...	...	...	...	216	399	585	3,461	- 204	9.0	356		
June	...	...	...	...	...	...	...	193	395	583	3,457	- 138	9.0	351		
<b>Western Germany</b>																
1992	29,452	+ 0.9	+ 262	26,385	+ 1.0	7,347	1,076	283	78	372	1,808	+ 119	5.9	324		
1993	28,994	- 1.6	- 458	25,930	- 1.7	6,828	1,080	767	51	348	2,270	+ 462	7.4	243		
1994	28,619	- 1.3	- 375	25,561	- 1.4	6,381	1,088	275	57	309	2,556	+ 286	8.3	234		
1994 June	28,632	- 1.4	- 395	.	.	6,365	1,099	267	55	309	2,478	+ 312	8.0	246		
July	28,521	- 1.3	- 369	.	.	6,361	1,103	154	59	291	2,570	+ 245	8.3	247		
Aug.	28,568	- 1.2	- 345	25,583	- 1.3	6,376	1,117	121	61	283	2,531	+ 216	8.2	247		
Sep.	28,846	- 1.2	- 339	.	.	6,364	1,119	148	65	300	2,453	+ 164	7.9	241		
Oct.	28,790	- 0.9	- 275	.	.	6,326	1,110	153	69	311	2,446	+ 88	7.9	230		
Nov.	28,710	- 0.8	- 238	25,649	- 0.9	6,312	1,104	150	70	318	2,450	+ 42	7.9	216		
Dec.	28,609	- 0.7	- 216	.	.	6,267	1,090	117	71	317	2,545	+ 31	8.2	212		
1995 Jan.	28,324	- 0.7	- 202	.	.	...	1,040	138	69	303	2,745	+ 9	8.9	243		
Feb.	28,343	- 0.7	- 190	...	...	...	1,025	160	70	300	2,720	- 22	8.8	273		
Mar.	28,380	- 0.6	- 178	.	.	...	1,041	157	70	304	2,610	- 30	8.5	299		
Apr.	5 28,416	- 0.5	- 155	.	.	...	1,049	139	71	301	2,564	- 26	8.3	304		
May	...	...	...	...	...	...	...	132	72	314	2,466	- 40	8.0	300		
June	...	...	...	...	...	...	...	121	73	314	2,454	- 24	7.9	297		
<b>Eastern Germany</b>																
1992	6,386	- 12.8	- 935	5,969	- 14.1	963	334	370	388	489	1,170	+ 257	14.6	33		
1993	6,196	- 3.0	- 190	5,744	- 3.8	742	372	181	260	383	1,149	- 21	15.1	36		
1994	6,267	+ 1.1	+ 71	5,789	+ 0.8	673	429	97	280	259	1,142	- 7	15.2	51		
1994 June	6,243	+ 0.9	+ 57	.	.	672	435	107	289	251	1,117	+ 17	14.8	52		
July	6,267	+ 1.3	+ 83	.	.	672	442	87	300	233	1,136	- 30	15.1	56		
Aug.	6,312	+ 1.8	+ 113	5,835	+ 1.5	672	452	75	309	234	1,105	- 70	14.7	56		
Sep.	6,378	+ 2.1	+ 134	.	.	671	454	73	313	255	1,041	- 118	13.8	63		
Oct.	6,383	+ 2.3	+ 143	.	.	666	448	67	321	277	1,001	- 165	13.3	67		
Nov.	6,390	+ 2.4	+ 150	5,901	+ 2.1	664	448	65	328	286	980	- 171	13.0	65		
Dec.	6,388	+ 2.4	+ 151	.	.	658	442	59	329	281	1,015	- 161	13.5	51		
1995 Jan.	6,305	+ 2.5	+ 156	.	.	...	433	71	314	271	1,105	- 188	14.8	49		
Feb.	6,312	+ 2.6	+ 161	...	...	...	431	85	317	259	1,107	- 193	14.8	52		
Mar.	6,313	+ 2.6	+ 160	.	.	...	437	93	323	261	1,064	- 197	14.2	59		
Apr.	5 6,334	+ 2.5	+ 154	.	.	...	436	90	326	262	1,040	- 176	13.9	58		
May	...	...	...	...	...	...	...	84	327	272	995	- 164	13.3	56		
June	...	...	...	...	...	...	...	72	322	269	1,003	- 114	13.4	54		

Source: Federal Statistical Office; Federal Labour Office.—  
\* Monthly figures: levels at end of month; employed persons and wage and salary earners: averages; short-time workers: levels at mid-month; annual and quarterly figures: averages.— 1 Work-place concept.— 2 Including active

proprietors.— 3 Employees involved in job creation schemes and receiving productive grants towards labour costs (for eastern Germany from April 1993, for western Germany from February 1995).— 4 Relative to the total labour force.— 5 First preliminary estimate.

IX. Economic conditions

7. Prices

	Cost-of-living index for all households					Overall construction price level 2		Index of producer prices of industrial products sold on the domestic market 3	Index of producer prices of farm products	Indices of foreign trade prices		Index of world market prices of raw materials 4
	Total	Food	Other durable and non-durable consumer goods	Services and repairs	Rents, including garage rents	1991 = 100	Change from previous year in %			Exports	Imports	
<b>Germany</b>												
1992	101.4	+ 1.4	.	+ 0.7	- 2.4	- 6.9						
1993	101.6	+ 0.2	.	± 0.0	- 1.5	- 4.7						
1994	102.2	+ 0.6	.	+ 0.9	+ 0.8	+ 0.5						
1994 June	102.1	+ 0.5	.	+ 0.6	+ 1.1	+ 3.1						
July	102.1	+ 0.4	.	+ 0.5	+ 0.1	+ 4.6						
Aug.	102.3	+ 0.7	.	+ 0.7	+ 0.5	+ 2.2						
Sep.	102.3	+ 0.8	.	+ 1.3	+ 1.7	+ 6.4						
Oct.	102.5	+ 1.0	.	+ 1.4	+ 1.6	+ 2.2						
Nov.	102.8	+ 1.3	.	+ 1.7	+ 1.7	+ 6.8						
Dec.	102.9	+ 1.6	.	+ 1.7	+ 2.3	+ 13.1						
1995 Jan.	103.4	+ 1.6	.	+ 1.8	+ 2.2	+ 8.4						
Feb.	103.7	+ 1.8	.	+ 2.0	+ 1.8	+ 8.2						
Mar.	103.7	+ 1.8	.	+ 1.8	+ 1.2	+ 5.6						
Apr.	104.0	+ 2.0	.	+ 1.7	+ 0.8	+ 1.2						
May	...	...	.	+ 1.8	+ 0.5	- 1.7						
June	...	...	.	...	...	- 8.3						
<b>Western Germany</b>												
1986	99.9	- 0.1	- 0.4	- 2.3	+ 2.3	+ 1.8	82.2	+ 1.9	94.2	- 2.6	- 5.7	.
1987	100.1	+ 0.2	- 0.5	- 1.1	+ 2.0	+ 1.6	83.7	+ 1.8	91.9	- 2.4	- 2.8	.
1988	101.4	+ 1.3	± 0.0	+ 0.3	+ 2.8	+ 2.1	85.4	+ 2.0	93.1	+ 1.3	+ 0.1	.
1989	104.2	+ 2.8	+ 2.2	+ 3.1	+ 2.5	+ 2.9	88.2	+ 3.3	96.0	+ 3.1	+ 8.7	.
1990	107.0	+ 2.7	+ 3.6	+ 2.2	+ 2.5	+ 3.5	93.6	+ 6.1	97.6	+ 1.7	- 5.1	.
1991	110.7	+ 3.5	+ 3.1	+ 3.2	+ 3.5	+ 4.3	100.0	+ 6.8	100.0	+ 2.5	- 0.6	.
1992	115.1	+ 4.0	+ 2.4	+ 2.8	+ 5.5	+ 5.5	105.3	+ 5.3	101.4	+ 1.4	- 2.3	.
1993	119.9	+ 4.2	+ 0.6	+ 2.9	+ 6.4	+ 5.8	109.6	+ 4.1	101.4	± 0.0	- 7.8	.
1994	123.5	+ 3.0	+ 1.5	+ 1.8	+ 4.3	+ 4.6	111.5	+ 1.7	102.0	+ 0.6	+ 2.1	.
1994 June	123.6	+ 3.0	+ 2.0	+ 1.7	+ 4.4	+ 4.7			101.8	+ 0.4	+ 0.1	.
July	123.7	+ 2.9	+ 2.2	+ 1.5	+ 4.0	+ 4.6			101.9	+ 0.4	- 1.2	.
Aug.	123.8	+ 3.0	+ 2.1	+ 1.9	+ 4.1	+ 4.4	111.9	+ 1.6	102.1	+ 0.7	+ 3.0	.
Sep.	123.9	+ 3.0	+ 2.2	+ 1.8	+ 3.9	+ 4.2			102.0	+ 0.7	+ 4.2	.
Oct.	124.0	+ 2.8	+ 2.1	+ 1.8	+ 3.8	+ 4.2			102.2	+ 1.0	+ 6.5	.
Nov.	124.2	+ 2.7	+ 1.4	+ 1.7	+ 3.4	+ 4.3	112.2	+ 1.8	102.6	+ 1.4	+ 3.7	.
Dec.	124.4	+ 2.7	+ 1.3	+ 1.9	+ 3.5	+ 4.3			102.7	+ 1.6	+ 1.7	.
1995 Jan.	125.0	+ 2.3	+ 2.1	+ 1.0	+ 3.1	+ 4.2			103.2	+ 1.7	+ 5.7	.
Feb.	125.5	+ 2.4	+ 2.1	+ 1.0	+ 3.2	+ 4.2	112.9	+ 2.2	103.4	+ 1.8	+ 8.4	.
Mar.	125.6	+ 2.3	+ 2.0	+ 0.9	+ 3.2	+ 4.1			103.5	+ 1.8	+ 7.5	.
Apr.	125.9	+ 2.3	+ 1.6	+ 1.0	+ 3.2	+ 4.0			103.8	+ 2.1	+ 7.0	.
May	126.1	+ 2.2	+ 1.6	+ 1.0	+ 3.1	+ 4.0	114.0	+ 2.3	103.8	+ 1.9	+ 3.4	.
June	126.5	+ 2.3	...	...	...	...			...	...	...	.
<b>Eastern Germany</b>												
1992	120.4	+ 11.2	+ 1.5	+ 5.7	+ 10.3	+ 119.5	110.3	+ 10.3	102.3	+ 2.3	+ 3.4	.
1993	131.0	+ 8.8	- 0.4	+ 2.3	+ 11.9	+ 57.4	116.8	+ 5.9	104.2	+ 1.9	- 7.1	.
1994	135.4	+ 3.4	+ 1.2	+ 0.7	+ 7.3	+ 10.2	120.2	+ 2.9	105.5	+ 1.2	+ 4.4	.
1994 June	135.6	+ 3.2	+ 1.7	+ 0.5	+ 7.1	+ 9.7			105.3	+ 1.0	+ 1.4	.
July	135.6	+ 3.2	+ 2.3	+ 0.4	+ 6.5	+ 10.3			105.3	+ 0.9	- 0.3	.
Aug.	135.7	+ 3.4	+ 1.7	+ 0.8	+ 6.5	+ 10.4	120.5	+ 2.9	105.5	+ 1.2	+ 4.5	.
Sep.	135.9	+ 3.4	+ 1.9	+ 0.7	+ 6.6	+ 10.5			105.7	+ 1.2	+ 8.5	.
Oct.	135.7	+ 3.1	+ 1.8	+ 0.3	+ 6.2	+ 11.0			105.7	+ 1.2	+ 10.8	.
Nov.	135.8	+ 3.0	+ 1.1	+ 0.5	+ 5.3	+ 11.0	121.3	+ 3.0	106.0	+ 1.3	+ 8.4	.
Dec.	135.8	+ 3.0	+ 1.2	+ 0.5	+ 5.1	+ 11.0			106.0	+ 1.5	+ 6.8	.
1995 Jan.	136.7	+ 1.8	+ 2.0	+ 0.3	+ 5.0	+ 2.3			106.0	+ 0.7	+ 9.6	.
Feb.	137.4	+ 2.0	+ 2.5	+ 0.3	+ 5.8	+ 2.4	122.3	+ 2.9	106.8	+ 1.4	+ 13.4	.
Mar.	137.4	+ 1.9	+ 2.2	+ 0.2	+ 5.8	+ 2.4			106.8	+ 1.5	+ 13.8	.
Apr.	137.8	+ 2.0	+ 1.8	+ 0.3	+ 6.0	+ 2.5			106.7	+ 1.4	+ 12.8	.
May	138.0	+ 1.9	+ 1.6	+ 0.3	+ 6.0	+ 2.5	123.1	+ 2.5	106.8	+ 1.6	...	.
June	138.4	+ 2.1	+ 1.5	+ 0.3	+ 6.4	+ 2.5			...	...	...	.

Source: Federal Statistical Office; for index of world market prices: Hamburgisches Welt-Wirtschaftsarchiv. — 1 Western Germany: 1985 = 100, eastern Germany: July 1990 to June 1991 = 100. — 2 Calculated by the

Bundesbank. — 3 Excluding value-added tax. — 4 HWWA index of raw materials prices, on a Deutsche Mark Basis.

IX. Economic conditions

8. Households' income  
Western Germany

Period	Gross wages and salaries 1		Net wages and salaries 2		Government current transfers 3		"Mass income" 4		Disposable income 5		Private saving 6		Saving ratio 7
	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 %	
1984	831.4	+ 3.5	585.6	+ 2.5	257.4	+ 0.8	843.0	+ 2.0	1,149.1	+ 5.0	147.9	+ 9.4	12.9
1985	861.9	+ 3.7	600.1	+ 2.5	262.1	+ 1.8	862.2	+ 2.3	1,188.2	+ 3.4	151.6	+ 2.5	12.8
1986	906.1	+ 5.1	632.9	+ 5.5	271.1	+ 3.4	904.0	+ 4.9	1,234.0	+ 3.9	167.6	+ 10.5	13.6
1987	945.1	+ 4.3	654.6	+ 3.4	285.4	+ 5.3	940.0	+ 4.0	1,283.5	+ 4.0	175.5	+ 4.7	13.7
1988	982.2	+ 3.9	682.3	+ 4.2	298.5	+ 4.6	980.8	+ 4.3	1,340.8	+ 4.5	187.1	+ 6.6	14.0
1989	1,027.1	+ 4.6	707.3	+ 3.7	308.5	+ 3.3	1,015.8	+ 3.6	1,409.7	+ 5.1	188.8	+ 0.9	13.4
1990	1,108.8	+ 8.0	784.4	+ 10.9	327.0	+ 6.0	1,111.4	+ 9.4	1,548.4	+ 9.8	227.7	+ 20.6	14.7
1991	1,196.3	+ 7.9	823.1	+ 4.9	345.4	+ 5.6	1,168.5	+ 5.1	1,691.8	+ 9.3	243.0	+ 6.7	14.4
1992 P	1,272.7	+ 6.4	865.9	+ 5.2	370.9	+ 7.4	1,236.8	+ 5.8	1,785.0	+ 5.5	248.7	+ 2.3	13.9
1993 P	1,286.3	+ 1.1	876.1	+ 1.2	395.5	+ 6.6	1,271.6	+ 2.8	1,832.7	+ 2.7	243.8	- 2.0	13.3
1994 P	1,291.7	+ 0.4	864.3	- 1.3	408.4	+ 3.3	1,272.7	+ 0.1	1,875.0	+ 2.3	230.5	- 5.5	12.3
1993 3rd qtr P	319.0	- 0.3	221.8	- 0.0	99.8	+ 7.1	321.6	+ 2.1	444.5	+ 2.9	49.3	- 7.2	11.1
4th qtr P	365.1	+ 0.7	243.9	+ 0.2	103.0	+ 5.7	346.8	+ 1.8	500.8	+ 1.8	73.4	- 3.4	14.7
1994 1st qtr P	297.7	+ 1.4	202.9	+ 0.4	101.1	+ 5.0	304.0	+ 1.9	462.0	+ 3.5	64.7	- 6.6	14.0
2nd qtr P	307.7	- 0.3	204.6	- 1.8	99.7	+ 3.4	304.2	- 0.2	451.2	+ 2.3	49.5	- 4.5	11.0
3rd qtr P	318.5	- 0.2	217.6	- 1.9	102.7	+ 2.9	320.3	- 0.4	453.6	+ 2.1	45.8	- 7.0	10.1
4th qtr P	367.9	+ 0.8	239.3	- 1.9	104.9	+ 1.9	344.2	- 0.8	508.2	+ 1.5	70.5	- 4.0	13.9

1 Including employers' other social security expenditure (inter alia on company old-age pension schemes but excluding employers' contributions to social security funds); residence concept. — 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 Net

wages and salaries plus government current transfers. — 5 "Mass income" plus all households' property income and plus self-employed persons' private withdrawals from entrepreneurial income, less current transfers to non-residents. — 6 Including claims on company pension funds. — 7 Saving as a percentage of disposable income.

9. Pay rates and actual earnings

Period	Overall economy						Producing sector (including construction)					
	Negotiated wage and salary level 1				Wages and salaries per employee (work-place concept)		Negotiated wage and salary level 1				Wages and salaries per employee (work-place concept)	
	on an hourly basis		on a monthly basis				on an hourly basis		on a monthly basis			
	1991=100	% from previous year	1991=100	% from previous year	1991=100	% from previous year	1991=100	% from previous year	1991=100	% from previous year	1991=100	% from previous year
<b>Western Germany</b>												
1993 P	111.0	+ 4.6	109.9	+ 3.6	108.6	+ 2.9	112.2	+ 6.0	110.0	+ 4.0	108.9	+ 2.7
1994 P	113.2	+ 2.0	111.7	+ 1.7	110.7	+ 2.0	114.4	+ 2.0	111.5	+ 1.4	112.8	+ 3.6
1994 3rd qtr P	118.6	+ 1.9	117.0	+ 1.8	109.3	+ 1.3	123.9	+ 2.0	120.7	+ 1.8	109.6	+ 2.2
4th qtr P	127.8	+ 1.2	126.0	+ 1.1	125.9	+ 1.8	126.6	+ 0.3	123.4	+ 0.1	126.1	+ 3.2
1995 1st qtr P	106.7	+ 3.8	105.2	+ 3.7	.	.	108.5	+ 5.2	105.7	+ 5.1	.	.
1994 Nov. P	173.5	- 0.0	171.1	- 0.1	.	.	169.1	- 2.0	164.7	- 2.2	148.6	+ 2.3
Dec. P	104.9	+ 2.1	103.5	+ 2.0	.	.	105.4	+ 2.3	102.7	+ 2.1	120.1	+ 4.8
1995 Jan. P	106.4	+ 3.5	104.9	+ 3.4	.	.	108.2	+ 4.9	105.4	+ 4.8	.	.
Feb. P	106.7	+ 3.8	105.3	+ 3.7	.	.	108.5	+ 5.1	105.7	+ 5.0	.	.
Mar. P	107.0	+ 4.1	105.5	+ 4.0	.	.	108.7	+ 5.7	105.9	+ 5.5	.	.
Apr. P	108.8	+ 5.0	107.2	+ 4.9	.	.	110.3	+ 5.8	107.3	+ 5.6	.	.
May P	107.6	+ 4.0	106.0	+ 3.9	.	.	109.0	+ 5.3	106.0	+ 5.1	.	.
<b>Eastern Germany</b>												
1993 P	151.1	+ 17.3	147.9	+ 16.5	154.3	+ 13.3	154.7	+ 18.8	150.5	+ 17.0	184.6	+ 18.0
1994 P	165.2	+ 9.3	160.5	+ 8.5	165.3	+ 7.1	177.3	+ 14.6	169.0	+ 12.3	207.8	+ 12.6
1994 3rd qtr P	167.0	+ 7.3	162.1	+ 6.3	164.5	+ 4.5	180.3	+ 14.0	171.5	+ 11.2	209.1	+ 10.5
4th qtr P	187.6	+ 7.9	181.7	+ 7.0	186.5	+ 4.6	196.3	+ 12.3	185.6	+ 9.9	231.5	+ 10.6
1995 1st qtr P	163.9	+ 7.9	158.1	+ 6.7	.	.	184.8	+ 13.1	173.4	+ 10.2	.	.
1994 Nov. P	239.9	+ 8.1	232.4	+ 7.2	.	.	229.9	+ 12.6	217.3	+ 10.1	250.0	+ 12.8
Dec. P	161.5	+ 7.5	156.5	+ 6.6	.	.	179.8	+ 11.5	169.9	+ 9.1	223.0	+ 9.7
1995 Jan. P	163.4	+ 7.8	157.6	+ 6.6	.	.	184.0	+ 13.1	172.6	+ 10.2	.	.
Feb. P	163.8	+ 7.8	158.0	+ 6.6	.	.	185.1	+ 13.3	173.6	+ 10.3	.	.
Mar. P	164.6	+ 8.1	158.7	+ 6.9	.	.	185.5	+ 13.0	174.0	+ 10.0	.	.
Apr. P	167.8	+ 9.2	161.8	+ 8.4	.	.	188.8	+ 12.1	177.1	+ 10.1	.	.
May P	168.1	+ 8.7	162.1	+ 7.8	.	.	189.4	+ 11.7	177.7	+ 9.8	.	.

1 Results of the recalculation; current data are normally revised upwards on account of additional reports. For methodological notes see Deutsche

Bundesbank, The movement of negotiated wage rates and actual earnings since the mid-eighties, Monthly Report, August 1994, page 43f.



X. Foreign trade and payments

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

DM million

Group of countries / Country	1992	1993 1	1994 1	1994 1		1995 1				
				November	December	January	February	March p. r	April p	
All countries 2	Exports Imports Balance	671,203 637,546 + 33,656	628,387 566,495 + 61,891	685,267 611,138 + 74,129	62,548 53,775 + 8,773	65,287 58,841 + 6,446	56,078 47,194 + 8,883	57,066 51,093 + 5,974	65,000 59,000 + 6,000	56,300 50,000 + 6,300
I. Industrialised countries	Exports Imports Balance	540,037 510,077 + 29,960	487,459 439,088 + 48,371	527,832 468,964 + 58,869	47,916 41,409 + 6,507	48,837 44,682 + 4,155	43,463 36,019 + 7,444	44,280 38,928 + 5,352	...	...
1. EC member countries	Exports Imports Balance	424,905 380,319 + 44,585	367,818 317,515 + 50,303	395,458 338,722 + 56,736	35,588 29,826 + 5,762	36,897 29,826 + 4,565	33,060 25,956 + 7,104	33,156 27,901 + 5,254	...	...
of which										
Austria	Exports Imports Balance	39,922 28,009 + 11,913	37,257 26,405 + 10,852	39,739 29,390 + 10,349	3,438 2,755 + 682	3,319 2,642 + 677	3,203 1,455 + 1,748	2,948 1,790 + 1,158	...	...
Belgium and Luxemburg	Exports Imports Balance	49,579 44,823 + 4,755	42,744 34,010 + 8,734	45,868 37,459 + 8,409	4,120 3,058 + 1,063	4,195 3,058 + 619	3,706 2,940 + 766	3,856 3,432 + 423	...	...
France	Exports Imports Balance	86,999 76,423 + 10,576	77,323 65,433 + 11,890	82,129 67,653 + 14,476	7,396 5,736 + 1,660	7,768 6,705 + 1,062	7,141 5,229 + 1,912	6,911 5,594 + 1,316	...	...
Italy	Exports Imports Balance	62,395 58,468 + 3,927	47,466 48,179 - 713	51,891 51,592 + 299	4,713 4,603 + 110	4,896 4,965 - 69	4,335 4,057 + 277	4,650 4,308 + 342	...	...
Netherlands	Exports Imports Balance	55,748 61,166 - 5,418	48,317 49,955 - 1,638	51,447 50,090 + 1,357	4,471 4,148 + 323	4,781 4,619 + 162	4,162 4,218 - 56	4,059 3,838 + 221	...	...
Spain	Exports Imports Balance	27,425 17,088 + 10,337	20,493 14,675 + 5,818	21,659 17,023 + 4,636	2,098 1,609 + 489	2,258 1,652 + 606	1,959 1,547 + 412	2,006 1,878 + 128	...	...
Sweden	Exports Imports Balance	14,630 14,094 + 536	12,677 12,548 + 129	15,321 14,038 + 1,283	1,510 1,374 + 136	1,576 1,307 + 269	1,516 958 + 558	1,332 975 + 356	...	...
United Kingdom	Exports Imports Balance	51,952 43,572 + 8,380	50,284 35,462 + 14,822	54,753 38,134 + 16,619	4,997 3,503 + 1,494	4,991 3,459 + 1,532	4,311 2,990 + 1,321	4,559 3,178 + 1,381	...	...
2. Other European industrial countries	Exports Imports Balance	49,182 42,321 + 6,861	48,539 40,879 + 7,661	50,498 44,987 + 5,511	4,475 4,283 + 192	4,544 4,392 + 151	4,012 3,463 + 549	4,446 3,701 + 745	...	...
of which										
Switzerland	Exports Imports Balance	35,605 25,352 + 10,252	33,797 24,114 + 9,683	37,067 26,614 + 10,453	3,262 2,581 + 681	3,220 2,561 + 659	3,047 1,947 + 1,100	3,350 2,128 + 1,223	...	...
3. Non-European industrial countries	Exports Imports Balance	65,951 87,437 - 21,486	71,102 80,694 - 9,593	81,876 85,255 - 3,379	7,853 8,255 - 402	7,397 7,300 + 97	6,392 6,601 - 209	6,678 7,326 - 647	...	...
of which										
Japan	Exports Imports Balance	14,701 38,038 - 23,338	15,773 34,106 - 18,333	17,917 33,999 - 16,082	1,688 2,948 - 1,260	1,657 2,519 - 862	1,418 2,519 - 1,101	1,571 2,840 - 1,269	...	...
United States	Exports Imports Balance	42,704 42,358 + 347	46,751 40,342 + 6,409	54,159 44,442 + 9,717	5,307 3,758 + 1,549	4,802 4,100 + 703	4,227 3,530 + 697	4,336 3,823 + 514	...	...
II. Countries in transition	Exports Imports Balance	48,218 52,477 - 4,259	57,019 54,803 + 2,216	64,023 65,466 - 1,443	6,159 6,085 + 73	6,459 6,766 - 307	4,932 5,384 - 452	5,098 5,973 - 875	...	...
of which										
China	Exports Imports Balance	5,744 11,651 - 5,907	9,598 13,809 - 4,211	10,235 15,355 - 5,120	858 1,215 - 357	958 1,406 - 449	703 1,280 - 577	737 1,303 - 566	...	...
Russia	Exports Imports Balance	. . . + 673	11,393 10,720 + 673	10,754 13,155 - 2,401	1,005 1,257 - 252	1,096 1,275 - 178	714 1,159 - 445	721 1,177 - 456	...	...
III. Developing countries	Exports Imports Balance	81,994 74,727 + 7,267	82,332 72,390 + 9,942	92,246 76,505 + 15,741	8,366 6,272 + 2,094	9,868 7,375 + 2,493	7,611 5,786 + 1,825	7,593 6,183 + 1,410	...	...
of which										
East Asian newly industrialising countries 3	Exports Imports Balance	17,261 21,208 - 3,947	20,246 21,503 - 1,257	24,336 22,664 + 1,672	2,224 1,942 + 282	2,492 2,103 + 390	1,940 1,683 + 257	2,136 1,776 + 360	...	...
OPEC countries 4	Exports Imports Balance	22,828 14,860 + 7,968	18,207 13,672 + 4,535	17,528 12,760 + 4,767	1,508 1,112 + 396	1,994 1,168 + 826	1,535 941 + 594	1,265 1,012 + 252	...	...

\* Compiled from the official foreign trade statistics. Exports (f.o.b.) by country of destination, imports (c.i.f.) by country of origin. A detailed breakdown of the regional structure of foreign trade is contained in the Statistical Supplement to the Monthly Report of the Deutsche Bundesbank, Balance of payments statistics, Table, I / 3c. Individual countries' membership of country groups according to the latest status. — 1 Figures subject to

significant uncertainty owing to changes in the method of data collection in foreign trade. — 2 Including fuel and other supplies for ships and aircraft and other data not classifiable by region. — 3 Hong Kong, Singapore, South Korea and Taiwan. — 4 OPEC (Organization of the Petroleum Exporting Countries): Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela.

X. Foreign trade and payments

3. Services and factor income  
(Balances)

DM million

Period	Services											
	Total	Travel	Transportation 1	Financial services	Patents and licences	Government transactions 2	Other services					Investment income
							Total	Services of selfemployed persons 3	Construction and assembly work, repairs	Compensation of employees 4		
										of which		
1990 o	- 11,142	- 30,940	+ 5,008	+ 724	- 2,935	+ 20,249	- 3,248	- 1,389	+ 503	- 1,751	+ 28,902	
1991	- 16,432	- 34,238	+ 5,272	+ 1,032	- 3,881	+ 20,069	- 4,687	- 1,561	+ 869	- 2,481	+ 32,181	
1992	- 31,257	- 39,876	+ 3,595	+ 1,587	- 3,801	+ 16,665	- 9,427	- 1,454	+ 749	- 3,850	+ 26,398	
1993	- 41,323	- 44,731	+ 3,617	+ 2,375	- 3,951	+ 13,105	- 11,739	- 1,762	- 251	- 4,888	+ 23,091	
1994	- 50,782	- 50,043	+ 3,803	+ 1,639	- 3,719	+ 10,838	- 13,300	- 1,682	- 1,876	- 4,747	+ 12,759	
1993 3rd qtr	- 14,629	- 16,269	+ 747	+ 464	- 541	+ 3,188	- 2,218	- 420	+ 224	- 1,472	+ 3,790	
4th qtr	- 9,343	- 9,295	+ 1,488	+ 595	- 1,233	+ 2,788	- 3,686	- 409	+ 345	- 1,473	+ 3,900	
1994 1st qtr	- 8,875	- 10,278	+ 1,055	+ 706	- 959	+ 3,399	- 2,797	- 416	- 216	- 789	+ 3,810	
2nd qtr	- 11,758	- 12,201	+ 1,054	+ 294	- 925	+ 2,690	- 2,671	- 404	- 113	- 1,115	+ 7,208	
3rd qtr	- 18,665	- 17,741	+ 507	+ 294	- 740	+ 2,631	- 3,617	- 441	- 1,073	- 1,485	+ 1,482	
4th qtr	- 11,484	- 9,823	+ 1,186	+ 345	- 1,094	+ 2,117	- 4,215	- 421	- 474	- 1,358	+ 259	
1995 1st qtr	- 11,967	- 10,559	+ 986	+ 625	- 1,157	+ 1,996	- 3,858	- 408	- 731	- 813	- 457	
1994 July	- 6,193	- 6,038	+ 67	+ 139	- 315	+ 638	- 684	- 134	- 68	- 484	- 1,442	
Aug.	- 7,483	- 6,651	+ 105	+ 60	- 171	+ 896	- 1,721	- 143	- 624	- 549	+ 908	
Sep.	- 4,989	- 5,052	+ 336	+ 96	- 254	+ 1,097	- 1,211	- 165	- 382	- 453	+ 2,016	
Oct.	- 5,103	- 4,202	+ 311	+ 81	- 433	+ 682	- 1,542	- 130	- 266	- 446	- 2,015	
Nov.	- 3,250	- 2,815	+ 391	+ 185	- 301	+ 685	- 1,397	- 130	- 48	- 469	+ 891	
Dec.	- 3,130	- 2,806	+ 484	+ 79	- 361	+ 750	- 1,276	- 161	- 161	- 443	+ 1,383	
1995 Jan.	- 4,469	- 3,453	+ 238	+ 271	- 400	+ 604	- 1,728	- 139	- 325	- 314	- 3,427	
Feb.	- 2,818	- 3,067	+ 359	+ 223	- 272	+ 643	- 705	- 131	- 53	- 228	+ 74	
Mar.	- 4,680	- 4,038	+ 389	+ 131	- 485	+ 749	- 1,425	- 138	- 353	- 271	+ 2,896	
Apr.	- 4,084	- 3,957	+ 196	+ 103	- 306	+ 563	- 684	- 122	- 154	- 326	+ 2,462	
May	- 3,771	- 3,835	+ 457	+ 297	- 234	+ 909	- 1,365	- 158	- 73	- 338	+ 408	

o From July 1990 including the external transactions of the former GDR. — 1 Excluding the expenditure on freight included in the c.i.f. import value. — 2 Including the receipts from foreign military agencies for goods and services supplied. — 3 Engineering and other technical services, research and development, commercial services etc. — 4 Wages and salaries.

4. Current transfers  
(Balances)

DM million

Period	Public 1					Private 1			DM million		
	Total	Total	International Organisations 2		Other current public transfers 3	Total	Remittances by foreign workers	Other current private transfers	Total 4	Public 1	Private 1
			Total	of which European Communities							
1990 o	- 38,834	- 24,143	- 15,845	- 13,601	- 8,299	- 14,691	- 7,060	- 7,631	- 2,124	- 2,241	+ 117
1991	- 62,588	- 47,496	- 24,307	- 21,857	- 23,189	- 15,092	- 6,429	- 8,663	- 1,009	- 1,827	+ 818
1992	- 55,104	- 38,421	- 28,208	- 25,298	- 10,212	- 16,683	- 6,825	- 9,858	+ 1,069	- 106	+ 1,175
1993	- 57,487	- 41,062	- 30,488	- 27,286	- 10,574	- 16,425	- 6,838	- 9,587	+ 883	- 830	+ 1,713
1994	- 61,160	- 44,380	- 34,738	- 31,912	- 9,642	- 16,780	- 7,500	- 9,280	+ 1,155	- 320	+ 1,475
1993 3rd qtr	- 13,995	- 10,035	- 7,402	- 6,663	- 2,634	- 3,960	- 1,847	- 2,113	+ 561	-	+ 561
4th qtr	- 16,744	- 12,847	- 9,961	- 8,889	- 2,886	- 3,897	- 1,749	- 2,148	- 271	- 491	+ 220
1994 1st qtr	- 13,003	- 8,660	- 6,159	- 5,048	- 2,501	- 4,343	- 1,900	- 2,443	+ 742	-	+ 742
2nd qtr	- 14,619	- 10,487	- 8,470	- 8,066	- 2,016	- 4,132	- 1,800	- 2,332	- 75	- 4	- 71
3rd qtr	- 16,202	- 12,071	- 9,420	- 8,578	- 2,651	- 4,130	- 1,900	- 2,230	+ 1,053	- 16	+ 1,070
4th qtr	- 17,336	- 13,161	- 10,688	- 10,220	- 2,473	- 4,174	- 1,900	- 2,274	- 566	- 300	- 266
1995 1st qtr	- 11,178	- 6,810	- 4,674	- 3,825	- 2,136	- 4,368	- 1,900	- 2,468	+ 499	- 21	+ 520
1994 July	- 5,969	- 4,523	- 3,778	- 3,125	- 746	- 1,445	- 600	- 845	- 55	-	- 55
Aug.	- 4,979	- 3,610	- 2,743	- 2,657	- 867	- 1,369	- 600	- 769	- 52	- 2	- 50
Sep.	- 5,254	- 3,938	- 2,900	- 2,795	- 1,038	- 1,316	- 700	- 616	+ 1,160	- 14	+ 1,174
Oct.	- 4,605	- 3,369	- 2,402	- 2,359	- 967	- 1,236	- 600	- 636	- 186	-	- 186
Nov.	- 4,826	- 3,463	- 2,850	- 2,584	- 613	- 1,363	- 600	- 763	- 16	-	- 16
Dec.	- 7,905	- 6,330	- 5,436	- 5,277	- 894	- 1,575	- 700	- 875	- 364	- 300	- 64
1995 Jan.	- 1,364	- 114	+ 586	+ 865	- 701	- 1,249	- 600	- 649	+ 650	-	+ 650
Feb.	- 5,889	- 4,466	- 3,841	- 3,622	- 625	- 1,423	- 600	- 823	- 53	-	- 53
Mar.	- 3,926	- 2,230	- 1,419	- 1,068	- 810	- 1,696	- 700	- 996	- 97	- 21	- 77
Apr.	- 5,311	- 4,216	- 3,462	- 3,288	- 754	- 1,095	- 600	- 495	- 2,114	- 2,133	+ 19
May	- 4,730	- 3,377	- 2,951	- 2,882	- 426	- 1,354	- 600	- 754	- 340	- 304	- 36

o From July 1990 including the external transactions of the former GDR. — 1 The classification of "public" and "private" transfers depends on which sector the participating domestic body belongs to. — 2 Current contributions to the budgets of International Organisations and to the EC budget. — 3 Payments to developing countries, pension payments, tax revenue and refunds, etc. — 4 Where identifiable; in particular, debt forgiveness.



X. Foreign trade and payments

7. External position of the Bundesbank \*

DM million

End of year or month	Monetary reserves and other claims on non-residents						Liabilities to non-residents				Net external position (col. 1 less col. 8)
	Total	Monetary reserves			Reserve position in the International Monetary Fund and special drawing rights 2	Claims on the EMI 3 (net) 2	Loans and other claims on non-residents 4	Total	Liabilities arising from external transactions 5	Liabilities arising from liquidity Treasury discount paper	
		Total	Gold	Foreign currency balances 1							
	1	2	3	4	5	6	7	8	9	10	11
1989	99,959	97,527	13,688	58,308	8,229	17,303	2,432	51,642	51,642	-	48,317
1990	106,446	104,023	13,688	64,517	7,373	18,445	2,423	52,259	52,259	-	54,188
1991	97,345	94,754	13,688	55,424	8,314	17,329	2,592	42,335	42,335	-	55,010
1992	143,959	141,351	13,688	85,845	8,199	33,619	2,608	26,506	26,506	-	117,453
1993	122,763	120,143	13,688	61,784	8,496	36,176	2,620	39,541	23,179	16,362	83,222
1994	115,965	113,605	13,688	60,209	7,967	31,742	2,360	24,192	19,581	4,611	91,774
1994 June	125,191	122,571	13,688	66,039	8,375	34,470	2,620	37,769	18,725	19,044	87,422
July	125,963	123,344	13,688	66,122	8,386	35,148	2,620	37,652	18,042	19,610	88,312
Aug.	127,001	124,631	13,688	67,349	8,370	35,225	2,370	37,912	18,019	19,893	89,089
Sep.	126,771	124,411	13,688	68,166	8,285	34,272	2,360	31,485	18,027	13,458	95,286
Oct.	126,299	123,939	13,688	66,920	8,315	35,016	2,360	32,140	18,363	13,778	94,159
Nov.	124,618	122,258	13,688	67,152	8,380	33,038	2,360	32,210	18,775	13,436	92,408
Dec.	115,965	113,605	13,688	60,209	7,967	31,742	2,360	24,192	19,581	4,611	91,774
1995 Jan.	116,543	114,184	13,688	63,025	7,879	29,592	2,360	23,917	19,238	4,679	92,626
Feb.	116,884	114,774	13,688	61,827	9,617	29,642	2,110	23,622	19,291	4,331	93,261
Mar.	118,348	116,238	13,688	63,233	9,620	29,697	2,110	18,748	18,748	-	99,600
Apr.	120,085	117,975	13,688	64,262	9,947	30,078	2,110	17,257	17,257	-	102,828
May	121,108	118,998	13,688	65,144	10,026	30,140	2,110	16,838	16,838	-	104,270

Supplementary stock figures on "Reserve position in the International Monetary Fund and special drawing rights" and "Claims on the European Monetary Institute"

DM million

End of year or month	Reserve position in the IMF and special drawing rights						Claims on the European Monetary Institute				
	Reserve position in the IMF			Special drawing rights			Total	ECU balances 9	Difference between ECU value and book value of the reserves contributed	Other claims 10	
	Total	Drawing rights within the reserve tranche 6	Loans under special borrowing arrangements 7	Total	Allocated	Net acquisitions or net use 8					
	1	2	3	4	5	6	7	8	9	10	
1989	8,229	5,166	-	3,063	2,701	361	17,303	32,125	-	14,823	-
1990	7,373	4,565	-	2,808	2,573	235	18,445	29,370	-	10,925	-
1991	8,314	5,408	-	2,906	2,626	280	17,329	29,129	-	11,800	-
1992	8,199	6,842	-	1,357	2,687	-	33,619	34,826	-	8,040	6,834
1993	8,496	6,833	-	1,663	2,876	-	36,176	43,663	-	11,787	4,300
1994	7,967	6,242	-	1,726	2,738	-	31,742	44,433	-	12,692	-
1994 June	8,375	6,638	-	1,738	2,876	-	34,470	48,871	-	14,402	-
July	8,386	6,649	-	1,738	2,876	-	35,148	47,550	-	12,401	-
Aug.	8,370	6,595	-	1,774	2,876	-	35,225	47,627	-	12,401	-
Sep.	8,285	6,510	-	1,774	2,876	-	34,272	46,674	-	12,401	-
Oct.	8,315	6,541	-	1,774	2,876	-	35,016	46,980	-	11,964	-
Nov.	8,380	6,567	-	1,813	2,876	-	33,038	45,002	-	11,964	-
Dec.	7,967	6,242	-	1,726	2,738	-	31,742	44,433	-	12,692	-
1995 Jan.	7,879	6,154	-	1,726	2,738	-	29,592	42,169	-	12,577	-
Feb.	9,617	6,720	-	2,898	2,738	160	29,642	42,218	-	12,577	-
Mar.	9,620	6,723	-	2,898	2,738	160	29,697	42,274	-	12,577	-
Apr.	9,947	7,050	-	2,898	2,738	160	30,078	40,061	-	9,983	-
May	10,026	7,070	-	2,956	2,738	218	30,140	40,123	-	9,983	-

\* Valuation of the gold holdings and the claims on non-residents according to section 26 (2) of the Bundesbank Act and the provisions of the Commercial Code, especially section 253. In the course of the year, valuation at the balance sheet rates of the preceding year. — 1 Mainly US dollar assets. — 2 For breakdown see Table below. — 3 European Monetary Institute (until 1993 claims on the European Monetary Cooperations Fund — EMCF). — 4 Mainly loans to the World Bank. — 5 Including liquidity paper sold to non-residents by the Bundesbank; excluding the liquidity Treasury discount paper sold to non-residents between March 1993 and March 1995,

as shown in column 10. — 6 Comprising subscription payments in cash and Deutsche Mark callings by the IMF to finance its sales of Deutsche Mark (net) to other countries. — 7 Including the "Witteveen Facility". — 8 Difference between actual holdings and SDRs allocated. — 9 Resulting from the provisional contribution of gold and dollar reserves and from transfers from other central banks. — 10 Assets resulting from the very short-term financing mechanism and from short-term monetary support. — Discrepancies in the totals, including discrepancies from Table III. 1, are due to rounding.



X. Foreign trade and payments

8. Assets and liabilities of domestic enterprises (excluding credit institutions)  
vis-à-vis non-residents \*

DM million														
End of year or month	Claims on non-residents							Liabilities to non-residents						
	Total	Balances with foreign banks	Claims on foreign non-banks					Total	Loans from foreign banks	Liabilities to foreign non-banks				
			Total	from financial operations	from trade credits					Total	from financial operations	from trade credits		
					Total	Credit terms granted	Advance payments effected					Total	Credit terms used	Advance payments received
<b>All countries</b>														
1991	306,747	90,654	216,093	68,120	147,973	134,881	13,092	271,684	75,631	196,053	95,224	100,829	64,672	36,157
1992	315,182	102,878	212,304	64,155	148,149	135,416	12,733	286,898	76,626	210,272	110,506	99,766	63,265	36,501
1993	362,764	143,134	219,630	71,528	148,102	134,876	13,226	294,209	76,992	217,217	119,358	97,859	62,838	35,021
1994	403,293	163,554	239,739	78,088	161,651	147,835	13,816	314,383	75,433	238,950	128,932	110,018	71,790	38,228
1994 Dec.	403,293	163,554	239,739	78,088	161,651	147,835	13,816	314,383	75,433	238,950	128,932	110,018	71,790	38,228
1995 Jan.	416,742	174,741	242,001	79,926	162,075	148,250	13,825	305,286	73,069	232,217	124,475	107,742	68,551	39,191
Feb.	415,193	173,417	241,776	80,138	161,638	147,971	13,667	304,929	72,931	231,998	124,363	107,635	68,153	39,482
Mar.	421,174	174,367	246,807	80,400	166,407	152,318	14,089	311,390	75,249	236,141	124,783	111,358	71,591	39,767
Apr.	426,882	178,463	248,419	81,806	166,613	152,671	13,942	312,179	73,669	238,510	128,327	110,183	69,961	40,222
May P	...	180,260	...	...	...	...	...	...	74,719	...	...	...	...	...
<b>EC countries</b>														
1991		80,601		35,977					61,353		45,838			
1992		90,757		31,476					63,551		57,261			
1993		128,619		35,496					62,521		58,828			
1994		150,227		35,708					62,945		65,491			
1994 Dec.		150,227		35,708					62,945		65,491			
1995 Jan.		162,388		41,740					62,727		72,606			
Feb.		159,096		42,423					62,024		71,555			
Mar.		159,825		43,086					64,529		72,711			
Apr.		163,941		44,347					63,013		72,096			
May P		165,619		...					64,120		...			
<b>Other industrial countries</b>														
1991		7,202		25,772					12,419		40,738			
1992		8,062		25,825					11,182		43,551			
1993		9,445		28,739					11,764		50,248			
1994		7,427		33,358					10,236		53,348			
1994 Dec.		7,427		33,358					10,236		53,348			
1995 Jan.		6,431		28,573					8,112		41,211			
Feb.		7,680		28,032					8,669		42,254			
Mar.		7,105		27,618					8,479		41,235			
Apr.		6,873		27,389					8,292		45,394			
May P		6,632		...					8,239		...			
<b>Countries in transition</b>														
1991		150		282					6		127			
1992		154		971					28		392			
1993		209		1,150					23		332			
1994		46		1,829					31		327			
1994 Dec.		46		1,829					31		327			
1995 Jan.		88		2,138					52		462			
Feb.		83		2,136					68		449			
Mar.		79		2,202					51		399			
Apr.		83		2,317					51		443			
May P		104		...					40		...			
<b>Developing countries</b>														
1991		2,701		6,089					1,853		8,521			
1992		3,905		5,883					1,865		9,302			
1993		4,861		6,143					2,684		9,950			
1994		5,854		7,193					2,221		9,766			
1994 Dec.		5,854		7,193					2,221		9,766			
1995 Jan.		5,834		7,475					2,178		10,196			
Feb.		6,558		7,547					2,170		10,105			
Mar.		7,358		7,494					2,190		10,438			
Apr.		7,566		7,753					2,313		10,394			
May P		7,905		...					2,320		...			

\* Including domestic individuals' assets and liabilities vis-à-vis non-residents. Domestic credit institutions' assets and liabilities vis-à-vis non-residents are shown in table 5 in section IV "Credit institutions". Statistical increases and

decreases have not been eliminated; to this extent the changes in totals are not comparable with the figures shown in Table X. 6. Inclusion of individual countries in the groups of countries according to the current position.







# List of previous publications

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

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### August 1994

- Review of the 1994 monetary target
- The trend in agreed pay rates and actual earnings since the mid-eighties
- Recent trends in the Deutsche Bundesbank's cashless payments

### September 1994

- The economic scene in Germany in summer 1994

### October 1994

- The profitability of German credit institutions in 1993
- The trend in and significance of assets held in the form of investment fund certificates
- Comparison of the provision of business enterprises in selected EC countries with own funds

### November 1994

- West German enterprises' profitability and financing in 1993
- The monetary policy implications of the increasing use of derivative financial instruments
- The Fifth Act Amending the Banking Act

### December 1994

- The economic scene in Germany in autumn 1994

### January 1995

- The monetary target for 1995
- Demand for money and currency substitution in Europe

- Recent developments in service transactions with non-residents

#### February 1995

- The economic scene in Germany around the turn of 1994-5

#### March 1995

- The finances of the statutory pension insurance funds since the beginning of the nineties
- Changes in the methodology of the balance of payments
- Germany's balance of payments in 1994

#### April 1994

- The decision of the Central Bank Council of March 30, 1995
- Trends towards securitisation in the German financial system and their implementations for monetary policy
- The finances of the Länder since unification

#### May 1995

- Overall financial flows in Germany in 1994
- International capital links between enterprises from the end of 1991 to the end of 1993
- Recent trends in, and the pattern of, domestic non-banks' Euro-deposits

#### June 1995

- The economic scene in Germany in spring 1995

#### July 1995

- Review of the monetary target and restructuring of the minimum reserve regulations

- Progress in the adjustment process in eastern Germany and the contribution of economic promotion measures
- East German enterprises' profitability and financing in 1993
- The circulation of Deutsche Mark abroad

### Special publications

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- No. 7 The monetary policy of the Bundesbank, March 1994

### Special statistical publications

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- 1 Banking statistics guidelines
- (5) Annual accounts of west German enterprises 1971 to 1991, October 1993
- (6) Ratios from the annual accounts of west German enterprises for 1990, March 1994
- (8) Balance of payments statistics of the Federal Republic of Germany, 2nd edition, February 1991
- (10) International capital links, May 1994
- (11) Balance of payments by region, August 1994
- (12) Technological services in the balance of payments, May 1994

### Banking regulations

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- (2) Banking Act, September 1994
- 3 Monetary policy regulations, April 1995

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