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Commentaries

Economic conditions

Industry

Industrial business activity remained buoyant in November. This was mainly evidenced by positive developments in demand. In seasonally adjusted terms, new orders showed a further sharp rise with the year-on-year increase going up to 13½%. Taking October and November together, seasonally adjusted incoming orders were 3½% up on their already high level of the third quarter.

Demand

As for some time, orders received from abroad were the main driving force. On a two-month average, they were 5% up on the third quarter, with large-scale orders for the construction of air transport equipment playing a main role. There was also growth in domestic demand, albeit at a slower pace than in export business. In the first two months of the fourth quarter, domestic demand was 2¼% up on the summer. All in all, developments in industrial orders promise to generate robust stimuli for overall output.

Industrial output did not immediately follow the favourable demand in November and was, in fact, somewhat weaker than its strong showing in October. There were cut-backs, in particular, in the production of consumer goods, while output in intermediate and capital goods held up. After adjustment for seasonal and working-day variations, the overall fall in output was moderate, however, with the year-on-year increase going up to +5¾%. In the two fourth-quarter months of October and November taken together, out-

Output

Economic conditions in Germany *

Seasonally adjusted

Period		New orders (volume); 2000 = 100			
		Industry 1			Con- struction
		Total	Domestic	Foreign	
2005	Q1	104.4	95.3	115.9	67.3
	Q2	105.3	96.9	115.9	70.7
	Q3	110.2	99.0	124.2	75.8
	Sep	111.0	99.2	125.8	75.6
	Oct	113.2	100.7	128.8	72.9
	Nov	115.1	101.8	131.7	...
		Output; 2000 = 100			
		Industry 2			Con- struction
		Total	of which		
Inter- mediate goods	Capital goods ³				
2005	Q1	104.1	104.4	108.2	73.1
	Q2	105.3	105.3	110.1	76.3
	Q3	106.9	107.3	111.3	77.2
	Sep	107.8	107.8	112.8	76.4
	Oct	108.9	109.3	113.9	77.5
	Nov	108.4	109.4	114.0	76.6
		Labour market			
		Em- ployed ⁴	Vacancies	Un- employed	Un- employ- ment rate in % ⁵
		Number in thousands			
2005	Q2	38,736	393	4,863	11.7
	Q3	38,730	444	4,811	11.6
	Q4	...	498	4,730	11.4
	Oct	38,724	497	4,803	11.6
	Nov	38,720	499	4,748	11.4
	Dec	...	497	4,638	11.2
		Import prices	Producer prices of industrial prod- ucts ⁶	Con- struction prices ⁷	Con- sumer prices
		2005	Q2	100.3	110.0	102.5	107.9
	Q3	102.6	111.3	102.7	108.7
	Q4	...	112.9	103.0	109.3
	Oct	103.2	112.6	.	109.4
	Nov	103.7	112.6	.	109.2
	Dec	...	112.7	.	109.3

* Data in many cases provisional. — 1 Manufacturing sectors excluding, in particular, food products, beverages and tobacco, and refined petroleum products. — 2 Manufacturing industries not classified under energy plus mining and quarrying. — 3 Including manufacture of motor vehicles, trailers and semi-trailers. — 4 Workplace concept. — 5 Measured on the basis of all civilian members of the labour force. — 6 Domestic sales. — 7 Calculated by the Bundesbank; not seasonally adjusted. Mid-quarter level.

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put was 1½% higher than the average for the third quarter.

In line with the continuing sharp expansion in foreign demand, a large part of production was again intended for export. Although exports in November did not quite match the October figure in seasonally and working-day-adjusted terms, the two-month period of October and November was almost 1% up on the monthly average of the third quarter. In November, imports, too, were clearly down on the month. Nevertheless in terms of value, imports were so high in October that the trade surplus on an average of the two months was somewhat lower than in the third quarter. However, around half of the increase in imports was due to higher prices.

Foreign trade

Construction

Following an increase in October, construction output slowed down again in November after adjustment for seasonal and working-day variations. However, average output in October and November still held up at the third-quarter level, which confirms the impression of a trend towards stabilisation in construction output. In this two-month period, the year-on-year fall narrowed to around 1%, compared with as much as 2½% in the third quarter.

Output

However, in October, the most recent month for which data are available, incoming construction orders declined again in seasonally adjusted terms, and no longer showed a year-on-year increase. Thus, business failed to carry on the good performance of the previ-

Orders received

ous months, which had partly been shaped by a number of large orders. Only demand for housing construction remained largely stable, whereas orders for industrial and public sector construction declined.

Economy as a whole

GDP

Overall, on the basis of the data available so far and in seasonally and working-day-adjusted terms, real GDP growth in the fourth quarter of 2005 appears to have slowed down noticeably again compared with the strong increase in the third quarter. Although industrial output in October and November was clearly up on the preceding months, exports are likely to have been only slightly higher than the positive figure already achieved in the period from July to September. Net exports' mathematical contribution to growth was dampened by the simultaneous increase in imports. In Germany, the pick-up in investment in machinery and equipment seems to have continued, whereas construction investment probably held up at the level reached in the third quarter. Judging by retail trade sales, private consumption still tended to be weak, however.

Labour market

Employment

According to the initial estimate of the Federal Statistical Office, the seasonally adjusted number of persons in work – which had been revised downwards for the period up to spring 2005 owing to a significant overestimation of developments in the case of low-paid part-time workers (mini-jobs) – was nearly unchanged at 38.72 million in Novem-

ber. This was roughly 191,000, or 0.5%, lower than in the same period of 2004. According to data available at present, the reduction in employment subject to social security contributions was slowing down at the end of the period under review. However, robust information is available only up to the middle of 2005.

According to the figures of the Federal Employment Agency, there was a very sharp fall in registered unemployment in December. At 4.64 million, the seasonally adjusted official unemployment figure was 110,000 lower than in November. The unemployment rate fell from 11.4% to 11.2%. This noticeable fall owes something to the relatively small number of redundancies in construction as well as in weather-dependent outdoor occupations as a whole. Added to this is the fact that the Federal Employment Agency brought forward the date for recording the figures, which may have altered the seasonal pattern.

Unemployment

Prices

Prices on the international energy markets essentially showed a sideways movement in December. On a monthly average, spot quotations for a barrel of Brent North Sea oil, at around US\$57½, were only slightly higher than in November. The prices of heating oil and petrol likewise changed only marginally. In December, heating oil cost nearly just as much as it had done in November. In December, the wholesale price of petrol increased somewhat, following marked reductions in October and November. In the first few days of January, however, spot prices rose marked-

Oil prices

ly again. By mid-month, crude oil cost around US\$64.

Consumer prices

At the consumer level, seasonally adjusted prices rose slightly in December, although the year-on-year rate went down to 2.1% from 2.3% in November. The Harmonised Index of Consumer Prices (HICP) was likewise 2.1% up on the year.

On an annual average, the rate of price increase in 2005 was 2.0% compared with 1.6% in 2004. The more rapid pace of increase was due mainly to the sharp rise in energy prices. The average annual rate of HICP inflation amounted to 1.9%, compared with 1.7% in 2004.

Public finances¹

General government indebtedness

Debt level above €1.5 trillion for the first time

According to the latest calculations, the consolidated debt of general government (central, state and local government plus social security funds) as defined in the Maastricht Treaty reached €1.513 trillion at the end of the third quarter of 2005. This means that the debt level rose by €62 billion in the first nine months of the year.

Central government borrowing in 2005 as a whole

Figures are already available for central government indebtedness in 2005 as a whole. These figures show that central government debt increased by €35½ billion.² Bunds accounted for €26½ billion of this amount. The first issue of a US dollar Bund with a nominal value of US\$5 billion raised the equivalent

of just under €4 billion. According to the Federal Ministry of Finance, the issue was fully hedged against currency risks. In net terms, Federal Treasury notes (Schätze) and five-year Federal notes (Bobls) were stocked up by €8½ billion and €5½ billion respectively while loans against borrowers' notes were redeemed in the amount of €10½ billion. Central government raised a further €4½ billion in the money market.

Taking into account central government's assumption of joint responsibility for the German Unity Fund's debt on 1 January 2005, the share of Bunds in the total debt rose by 1 percentage point to almost 58%. The relative weight of Bobls (19%) remained roughly unchanged. By contrast, the share of two-year Schätze rose by ½ percentage point to just over 12% while that of loans against borrowers' notes declined further (to less than 2%). Thus, the trend towards securitised debt continued.

Trend towards securitised debt continues

In 2005, the low level of interest rates produced significant advantages for central government in the refinancing of maturing securities. The greatest refinancing advantages concerned Bunds. While the average coupon

Major savings in interest payments owing to favourable refinancing conditions

¹ In the short commentary on public finances the emphasis is on recent outturns. The quarterly *Monthly Reports* (February, May, August and November), by contrast, contain a detailed description of general government budget trends during the preceding quarter. Detailed statistical data on public finances are published in the Statistical Section of the *Monthly Report*.

² The increase in market debt recorded here may differ from the net borrowing recorded in the budgetary accounts owing mainly to the fact that the funds raised in a calendar year can be attributed to a different fiscal year. The 2005 budget plan envisaged net borrowing of €22 billion. According to the preliminary results, actual net borrowing amounted to just over €31 billion.

of matured securities weighted by volume was roughly 6.9%, the average yield on new issues, including 30-year Bunds, was just under 3.6%. Central government also made significant savings in refinancing Bobls. Here the average issue yield (2.8%) was about 2 percentage points below the weighted average of the coupons on the matured securities. The comparative refinancing gain on two-year Schätze was limited to roughly ten basis points. At the short end, financing via Bubills in the tender allotments was slightly more expensive than in the previous year. Overall, the annual interest costs probably declined by roughly €1½ billion as a result of the favourable refinancing conditions. This should more than compensate for the additional burdens caused by the growth in debt last year.

Outlook
for 2006

The Federal Government has not yet presented a new draft budget for 2006. In the context of the coalition deal, however, there has been talk of net borrowing of €41 billion. The issuance plan presented by the German Finance Agency foresees a gross issue volume of €230 billion. With redemptions of €195 billion, this means that new capital market borrowing of €35 billion net is planned. As last year, central government reserves the option to issue inflation-linked Bunds and Bunds denominated in foreign currencies. Given current market conditions, there is distinct potential for securing further savings in interest costs when refinancing maturing securities this year, too.

Average interest rate on maturing securities and average issue yield on Federal securities

Item	2005		2006
	Average interest ¹ on maturing securities	Average issue yield	Average interest ¹ on maturing securities
Federal bonds (Bunds)	6.89	3.55	6.07
Five-year Federal notes (Bobls)	4.81	2.83	4.75
Treasury notes (Schätze)	2.44	2.36	2.38
Treasury discount paper (Bubills)	2.07	2.11	2.18
<i>Memo item:</i> Average ²	3.81	2.61	3.48

¹ Weighted average by volume of the interest coupon or, in the case of Treasury discount paper (Bubills), the issue yield. — ² In the calculation of the weighting by volume, Bubills were assigned half of their value owing to the six-month maturity.

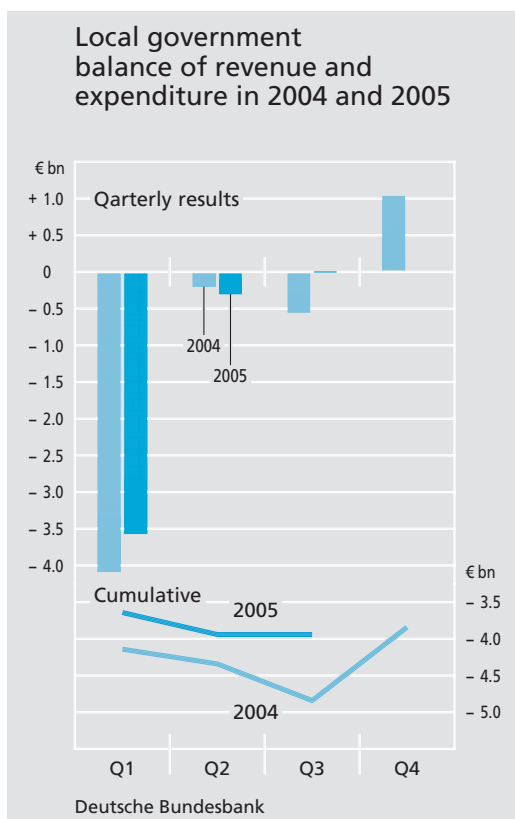
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Local government finances

According to the latest figures on local government finances from the Federal Statistical Office,³ the fiscal balance was developing favourably at the end of the period under review, continuing the trend in the first half of the year. After a deficit of just over €½ billion a year earlier, a balanced result was achieved in the third quarter of 2005. This development is due to the ongoing positive trend in total revenue (+5%). In particular, net revenue from local business tax increased sharply (+10½%) even if there was a slight deceleration at the end of the period under review. Furthermore, the 4½% decline in key

Favourable development in local government finances in 2005 Q3

³ These data do not include the results of the local government budgets of the city states, which are attributed to state government.



grants from state government was more than offset by grants received in connection with the implementation of the Hartz IV reform. Total expenditure also rose significantly on the year. At 3%, however, the increase was still well below that of revenue. The rise in expenditure was due largely to the increase in spending on social benefits (+12%), which was especially sharp in eastern Germany. The rise in local government spending of almost €1 billion resulting from the assumption of the costs of accommodation for recipients of unemployment benefit II was, however, accompanied by additional revenue from central government for its share in housing benefit payments (€¾ billion) and by payments from state government, likewise as a consequence of the Hartz IV reform (just under €½ billion).⁴ Compensation of employees in-

creased somewhat more sharply on the year (at 2%) than it had done in the previous quarters. The decline in fixed capital formation slowed to 3½%.

In the first three quarters of 2005, taken together, total revenue was up by 3¼% while expenditure rose by 2¼%. This results in a cumulative deficit of almost €4 billion, which is significantly lower than in the same period of 2004 (almost €5 billion). Given the ongoing positive development of revenue expected in the final quarter, a smaller deficit can be expected for the year as a whole in comparison with 2004 (just under €4 billion). However, the financial situation of many local governments remains strained. For example, the volume of cash advances continued to grow to just under €24 billion, or just over one-fifth of the total debt. Cash advances are supposed to be used only to bridge short-term liquidity constraints but are clearly being used to a significant extent to finance current expenditure on a longer-term basis.

Probably smaller annual deficit in 2005

In a year-on-year comparison, the Hartz IV reform did not provide significant net relief for local government budgets (excluding city states) in the first three quarters. While the cumulative expenditure on social assistance for persons outside of institutions declined by almost €5 billion, spending on accommodation and other benefits for recipients of unemployment benefit II amounted to €7½ billion. Taking into account additional revenue

Relief provided by Hartz IV reform

⁴ Half of this was attributable to the equalisation of burdens for eastern Germany, which is financed by the west German states with part of the burden falling on the local governments in these states under the tax-sharing arrangements.

received from central government for its share in housing benefits, and payments from state government in connection with the implementation of the Hartz IV reform (€3 billion in total), relief in the first nine months of the year vis-à-vis the same period in 2004 amounted to almost €¾ billion. Central and state government agreed on an audit review designed to examine whether the total annual relief of €2½ billion promised to local government (including city states) has actually been provided. This is not merely a simple comparison with the situation in the previous year. Instead, recipients of unemployment benefit II who are now receiving benefit owing to unfavourable labour market developments or for other reasons (including those related to the reform itself) and who would not have been entitled to unemployment assistance under the former law are classified as former recipients of social assistance. Calculated in this way, the relief for local government is considerably higher at just over €6 billion for the year as a whole. This would have justified central government abolishing its share in housing benefit payments. However, the Federal Government has now decided to waive this right for 2005 and 2006. Compared with the plans from mid-2005, this will provide relief of just over €3½ billion for local government in the current year.

billion, compared with €86.3 billion in October. After deducting redemptions and adjusting for changes in issuers' holdings of their own bonds, net sales, at €1.5 billion, were slightly up on the month (€0.7 billion). At the same time, net sales of foreign bonds and notes in the German market increased from €5.2 billion in October to €11.1 billion. At €12.6 billion, total funds raised in the market in November were noticeably higher than in October (€5.9 billion).

In net terms, of the domestic issuers, the public sector alone recorded inflows of new funds (€9.9 billion) in November, having cut their capital market debt by €1.9 billion in October owing to high redemption commitments. The Federal Government raised €6.3 billion net from sales of its own debt securities following net redemptions in the amount of €5.0 billion in October. On balance, it issued mainly ten-year Bunds (€5.1 billion) together with a limited number of five-year federal notes (Bobl, €1.1 billion), two-year Federal Treasury notes (Schätze, €0.6 billion) and 30-year bonds (€0.2 billion). By contrast, there were net redemptions of Treasury discount papers (Bubills) and Federal savings notes (€0.6 billion and €0.1 billion respectively). State government borrowed somewhat more on the bond market (€3.9 billion net) than in October (€3.1 billion).

Public debt securities

Securities markets

Bond market

In November, domestic borrowers issued bonds in Germany to a market value of €81.1

In contrast to the public sector, credit institutions redeemed around €8.2 billion net worth of debt securities in the period under review following net sales of €1.1 billion in the previous month. There was a marked decline of €6.7 billion in other bank bonds outstand-

Bank debt securities

Sales of debt securities

Sales and purchases of debt securities

€ billion

Item	2004		2005	
	Nov	Oct	Nov	Nov
Sales of domestic debt securities ¹	10.4	0.7		1.5
<i>of which</i>				
Bank debt securities	-0.5	1.1		-8.2
Public debt securities	6.1	-1.9		9.9
Foreign debt securities ²	3.5	5.2		11.1
Purchases				
Residents	9.0	-5.4		3.0
Credit institutions ³	3.9	-3.3		10.7
Non-banks ⁴	5.1	-2.2		-7.7
<i>of which</i>				
Domestic debt securities	1.1	-3.7		-6.2
Non-residents ²	4.9	11.4		9.6
Total sales/purchases	13.9	5.9		12.6

¹ Net sales at market values plus/minus changes in issuers' holdings of their own debt securities. — ² Transaction values. — ³ Book values, statistically adjusted. — ⁴ Residual.

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ing, followed by outstanding debt securities of specialised credit institutions (€2.2 billion) and mortgage Pfandbriefe (€0.4 billion). However, there were sales of public Pfandbriefe worth €1 billion net.

Domestic non-financial enterprises reduced their borrowing in the bond market by €0.2 billion in November. On balance, they redeemed only short-dated commercial paper (€1.8 billion) and issued €1.7 billion net worth of corporate bonds with maturities of more than one year.

In November, as in the previous month, domestic debt securities were, on balance, purchased solely by foreign investors (€9.6 billion), who, in net terms, bought only public-sector debt (€12.4 billion). By contrast,

domestic credit institutions and non-banks reduced their holdings of domestic bonds by €6.2 billion and €1.9 billion respectively. Non-banks scaled back their investment mainly in public sector paper (€4.9 billion); in addition, they removed foreign debt securities and private-sector bonds from their portfolios (€1.5 billion and €1.3 billion respectively). Credit institutions, however, shifted their investment from private sector paper (-€4.3 billion) to government paper (€2.4 billion). Furthermore, they invested €12.6 billion in foreign bonds.

Equity market

Issuing activity in the German equity market picked up sharply in November. Overall, German enterprises placed new shares with a market value of €4.9 billion, having issued only €0.6 billion worth in October. The increase is attributable mainly to equity injections by a number of public limited companies. Against the backdrop of an exchange of shares in connection with a large international takeover, foreign shares were sold for a net total of €23.4 billion, mainly to non-banks (€15.7 billion). On the other hand, foreign direct investors purchased German shares valued at €18.9 billion net, while foreign portfolio investors sold German shares for around €3 billion net.

Mutual fund shares

In November, domestic mutual funds saw inflows of €2.4 billion, most of which accrued to specialised funds which are reserved for institutional investors (€1.5 billion). Mutual

Sales and purchases of shares

Sales of mutual fund shares

Corporate bonds

Purchases of debt securities

funds open to the public sold shares for €0.9 billion net after having to redeem shares for €2 billion in October. Bolstered by the favourable development in the equity markets, equity-based funds found particular favour with investors (€1.4 billion). On the other hand, shares in money market funds, open-end real estate funds and bond-based funds were returned (€0.9 billion, €0.2 billion and €0.1 billion respectively). The majority of certificates were purchased by non-banks (€2.4 billion), which increased their holdings in domestic mutual funds, in particular.

Balance of payments

Current account

The German current account recorded – in unadjusted terms – a surplus of €8.1 billion in November, up €2.0 billion on the month. This can be attributed mainly to a larger trade surplus. At the same time, there was a fall in the deficit on invisible current transactions, which comprise services, income and current transfers.

Foreign trade

According to provisional figures from the Federal Statistical Office, the foreign trade surplus in November went up by €1.1 billion on the month to €13.3 billion. The seasonally adjusted surplus rose by €1¼ billion to €14 billion as imports of goods fell more sharply than exports of goods. Imports of goods were therefore 4% down on the month in seasonally adjusted terms, whereas exports of goods fell by only 1½%. In October and November as a whole, however, imports were still only 1¾% and exports 1% above the respective level in the third quarter.

Major items of the balance of payments

€ billion			
Item	2004	2005	
	Nov	Oct r	Nov
I Current account			
1 Foreign trade ¹			
Exports (fob)	66.5	68.6	71.6
Imports (cif)	54.7	56.4	58.3
Balance	+ 11.8	+ 12.2	+ 13.3
Memo item			
Seasonally adjusted figures			
Exports (fob)	62.2	68.0	67.0
Imports (cif)	49.9	55.3	53.1
2 Supplementary trade items ²	- 1.2	- 1.7	- 1.1
3 Services			
Receipts	9.3	10.4	9.4
Expenditure	10.8	13.3	11.3
Balance	- 1.5	- 3.0	- 1.9
4 Income (net)	+ 0.5	+ 0.9	+ 0.7
5 Current transfers			
from non-residents	0.7	0.5	0.6
to non-residents	3.1	2.8	3.4
Balance	- 2.4	- 2.3	- 2.8
Balance on current account	+ 7.1	+ 6.2	+ 8.1
II Capital transfers (net) ³	- 0.2	+ 0.3	- 0.1
III Financial account (net capital exports: -)			
Direct investment	- 0.8	+ 1.4	+ 19.4
German investment abroad	- 3.9	- 5.0	- 0.9
Foreign investment in Germany	+ 3.1	+ 6.4	+ 20.2
Portfolio investment	+ 5.1	+ 2.4	- 26.6
German investment abroad	- 4.0	- 7.1	- 33.4
of which			
Shares	- 0.7	+ 1.2	- 21.0
Bonds and notes ⁴	- 3.8	- 5.3	- 11.6
Foreign investment in Germany	+ 9.1	+ 9.5	+ 6.8
of which			
Shares	+ 2.1	- 0.1	- 3.0
Bonds and notes ⁴	+ 3.2	+ 13.1	+ 11.2
Financial derivatives	- 0.0	- 3.6	+ 0.2
Credit transactions	- 23.8	- 5.6	- 3.3
Monetary financial institutions ⁵	- 13.2	+ 2.2	+ 6.2
of which			
Short-term	- 11.2	+ 6.9	+ 9.4
Enterprises and individuals	+ 0.3	+ 0.6	+ 2.9
General government	- 0.2	- 0.1	+ 2.3
Bundesbank	- 10.6	- 8.3	- 14.7
Other investment	- 0.3	+ 0.0	- 0.3
Overall balance on financial account	- 19.8	- 5.3	- 10.7
IV Change in the reserve assets at transaction values (increase: -) ⁶	- 0.2	+ 0.2	+ 1.1
V Balance of unclassifiable transactions	+ 13.1	- 1.4	+ 1.6

¹ Special trade according to the official foreign trade statistics (source: Federal Statistical Office). — ² Mainly warehouse transactions for account of residents and deduction of goods returned. — ³ Including the acquisition/disposal of non-produced non-financial assets. — ⁴ Original maturity of more than one year. — ⁵ Excluding Bundesbank. — ⁶ Excluding allocation of SDRs and excluding changes due to value adjustments.

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Invisibles

The deficit on invisible current transactions amounted to €4.0 billion in November, down €0.3 billion on the month. The main reason for this was that the deficit on services decreased by €1.0 billion to €1.9 billion. The deficit on current transfers, however, went up by €0.5 billion to €2.8 billion. In addition, net cross-border income fell by €0.2 billion to €0.7 billion.

Direct investment

Financial transactions in November were greatly influenced by the completion of a major corporate acquisition. In the area of direct investment, there were net capital imports amounting to €19.4 billion. Foreign enterprises increased their investment in Germany by €20.2 billion net. The aforementioned acquisition of a participating interest accounted for a significant proportion of this. German parent companies supplied their foreign affiliates with funds worth €0.9 billion net in November.

Portfolio investment

The transaction in the area of direct investment financed by an exchange of shares simultaneously led to a countermovement in portfolio investment, which recorded net outflows of funds amounting to €26.6 billion. This can be put down mainly to the cross-border investment of German investors, who added foreign securities worth €33.4 billion to their portfolios (compared with €7.1 billion in the previous month). They focused on the acquisition of equities (€21.0 billion) as well as bonds issued by foreign borrowers (€11.6 billion). Foreign investors purchased German

securities for €6.8 billion in the period under review (compared with €9.5 billion in October). This was borne by the demand for German debt securities. There was again increased interest in public bonds in November (€9.1 billion), whereas there was comparatively little demand for private-sector bonds (€2.0 billion, compared with €11.0 billion in October). As in the previous few months, foreign investors sold a net amount of short-term interest-bearing paper (€1.6 billion). They also sold domestic public company shares (€3.0 billion).

Non-securitised credit transactions resulted in net capital exports amounting to €3.3 billion in November. Whereas enterprises and individuals as well as general government transferred net amounts of (mainly short-term) funds abroad (€2.9 billion and €2.3 billion, respectively), the transactions of the banking system, which are essentially a reflection of all other cross-border current and financial transactions, led to outflows of funds amounting to €8.5 billion net. Net capital imports to the credit institutions (€6.2 billion) contrasted with outflows of €14.7 billion net from the Bundesbank. The latter can be attributed almost exclusively to the increase in claims within the large-value payment system TARGET.

The Bundesbank's reserve assets fell in November – at transaction values – by €1.1 billion.

Credit transactions

Reserve assets

Determinants of the current accounts in central and east European EU member states and the role of German direct investment

Most of the eight new central and east European EU member states have posted large current account deficits over the past few years. This reflects the real transfer of resources that is typically associated with the economic catching-up process in these countries. Foreign direct investment plays a special role in this context. Not only does it have a direct impact on the balance of payments through the transfer of capital; in the long term, the ongoing operations of subsidiaries also influence foreign trade and profit distributions and hence the current account of the host country. The increased integration into the international division of labour arising from foreign direct investment should generally promote the sustainability of the foreign trade positions of the new EU member states. However, the net effect on the balance of trade depends strongly on the motivation of foreign investors and the sectors to which the subsidiaries belong. In this respect, it can be shown that it is, above all, foreign direct investment in technology-intensive sectors which has a positive impact on the balance sheet performance of the recipient country.

Current account deficits and monetary integration

While marked current account deficits may be a normal side effect of economic catching-

*Monetary
integration
calls for
sustainable
current
accounts...*

up processes, they may also pose a major obstacle to the future monetary integration of the central and east European economies into the euro area, especially in the event of imbalanced developments. Exchange rate adjustments that might hamper the convergence process cannot be ruled out *a priori*, particularly if there are marked current account imbalances.¹

*... within
ERM II...*

Fundamentally, therefore, the sustainability of the external economic position of member states should be examined at each stage towards deeper monetary integration. For example, the Baltic economies, upon accession to the European Exchange Rate Mechanism (ERM II), rightly undertook to make a substantial reduction in their current account deficits, even though participation in ERM II is not tied to the same strict economic requirements as accession to monetary union.²

*... and the
euro area*

Following accession to monetary union, exchange rate adjustments are, by definition, impossible. In order to prevent tensions within the single currency area and the resultant adjustments to the real economy, Article 121 (1) of the EC Treaty stipulates that the European Central Bank and the European Commission shall also take into account the status and development of current accounts when carrying out convergence assessments.

Development and structure of the current accounts in the central and east European EU member states

The current accounts in the central and east European economies of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia have shown significant fluctuations throughout the period since 1994. While, at the start of this period, the current account deficits were still generally moderate or the current accounts were even in surplus in some cases, the balances became increasingly negative in the mid-1990s as economic activity increased and trade relations were intensified. The Russia crisis in 1998 and the subsequent general economic downturn brought about a temporary slight reduction in deficits. However, there was a renewed sharp rise in deficits at the start of the new millennium. According to estimates, the current account situation in the majority of countries studied was only set to ease again somewhat in 2005.

*Present large
current account
deficits...*

In the past two years, four out of the eight new central and east European EU member states posted a deficit of over 6% of gross domestic product (GDP). On an average of this period, the negative balances in relation to GDP were highest in the Baltic economies. While Lithuania has reduced its deficits considerably from just under 12% to below 9% over the past few years, Estonia and Latvia's

¹ See Deutsche Bundesbank, Developments in the external economic relations of the EU accession countries in central and eastern Europe, December 2002 *Monthly Report*, pp 49-67.

² See the ECB press releases of 27 June 2004 and 29 April 2005.

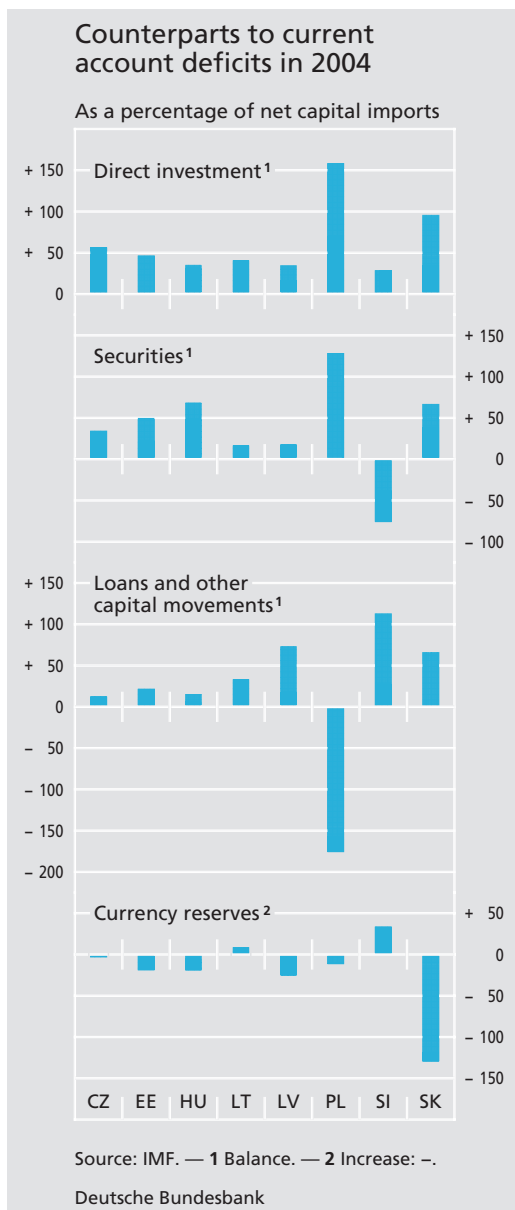
Current accounts of the central and east European EU member states (EU-8)

Balances as a percentage of national GDP



Source: Eurostat.

Deutsche Bundesbank



deficits were still above 10% of GDP in 2005.³

Whether the existing current account balances represent sustainable external positions cannot be determined solely by the size of the deficits. Instead, account also has to be taken of further indicators such as the composition of capital inflows, the development

of currency reserves, the stability of the financial sector, and existing foreign debt.

A more detailed examination of the counterparts of the current account in the central and east European economies reveals a marked rise in foreign direct investment in the mid-1990s. In Poland, this trend has even continued up to the present. In all the other countries, however, the relative importance of direct investment when compared with other capital inflows has decreased during the past few years. As a mirror image of this, loans from abroad, as at the start of the transformation process, have again accounted for an increasing share of the total inflow of funds. Portfolio investments have likewise become more important over the past few years and now constitute a major item in capital movements, above all, in the larger economies under study.

Viewed in isolation, unfavourable developments in the financing structure, such as the trend decline in the importance of foreign direct investment, might increase the risk of short-term and abrupt capital movements. However, this is offset by the fact that the build-up of reserve assets in the countries concerned is continuing at a rapid pace. Capital inflows therefore remain greater than the financing requirements of the current account. Taken by itself, this bolsters the sustainability of the current accounts. Hence, growing currency reserves help to create confidence in the national currency and increase

Favourable financial structure to date

Ongoing build-up of currency reserves

³ The figures given for 2005 are estimates.

... not yet in themselves a cause for concern

Financial indicators of the central and east European member states in 2004

As a percentage

Item	Czech Republic (CZ)	Estonia (EE)	Hungary (HU)	Lithuania (LT)	Latvia (LV)	Poland (PL)	Slovenia (SI)	Slovakia (SK)
Overall return on credit institutions' capital ¹	1.29	2.02	1.89	0.94	1.51	1.32	0.62	1.03
Foreign ownership of bank assets ²	96.2	98.5	62.5	92.3	48.1	67.3	19.3	92.9
Growth of loans ³	1.7	28.2	11.7	32.0	40.4	3.3	19.4	6.9
Gross reserves to imports ⁴	4.4	2.0	2.8	3.3	2.8	4.4	6.1	5.5
Foreign debt to gross domestic product	42.3	89.1	70.4	47.0	80.0	52.3	65.1	57.7

Sources: European Bank for Reconstruction and Development, Eurostat, European Central Bank. — ¹ After taxes and extraordinary items. — ² Total assets of banks in foreign ownership as a percentage of the banking sector's total assets. — ³ Total

loans to residents granted by money-creating credit and financial institutions (consolidated). — ⁴ Gross reserves excluding gold in import months of goods and services.

Deutsche Bundesbank

the potential for defending the exchange rates in ERM II.

Stability of financial sector improved but high credit growth recently

The stability of the financial sector in the central and east European EU member states has generally improved over the past few years.⁴ Alongside improved financial supervision, this is also due to the large foreign holdings in the national credit institutions. In some countries, the level of foreign shareholders amounts to almost 100%. However, the sharp rise in lending recently could point to certain signs of overheating, which experience has shown to harbour risks when combined with large current account deficits.

Foreign debt largely non-critical

Foreign debt does not currently pose a serious problem for most of the central and east European economies. It is only in Estonia,

Hungary and Latvia that foreign debt is comparatively high and significantly above the threshold of 60% of GDP which is often regarded as critical.⁵ The ongoing development in these countries therefore has to be monitored closely. Foreign debt is slightly above 60% of GDP in Slovenia, too. Given a current account that is almost in balance, this appears to be less of a problem, however.

⁴ See European Central Bank (2005), EU Banking Sector Stability, Frankfurt am Main, and European Central Bank (2005), Banking Structures in the New EU Member States, Frankfurt am Main.

⁵ For an analysis of debt ratios, see, for example, International Monetary Fund and International Development Association (2004), Debt Sustainability in Low-Income Countries: Further Considerations on an Operational Framework and Policy Implications, Washington DC. The critical thresholds are derived from the institutional strength and the quality of economic policy in the individual national economies. A foreign debt threshold of 60% of GDP may be assumed for new EU member states with a good economic performance.

Besides the external financing aspect, the causes of current account developments are also relevant for assessing the sustainability of current account balances. These causes are the focus of the studies presented here, which aim to point out the risks that exist and to indicate the extent to which a reduction in the prevailing current account deficits can be expected in the new EU member states in the medium term.

The current account as a reflection of an economy's savings and investment decisions

Savings-investment gap as domestic counterpart to current account

The domestic counterparts to the current account form the starting point of the investigations. To this end, the development of the current account is interpreted as the result of the aggregated savings and investment decisions of an economy. By definition, the current account balance corresponds to the difference between domestic saving and home investment. The determinants of private saving thus constitute key explanatory variables of a country's current account balance.

Borrowing by "catching up" economies in expectation of rising incomes

The "stage of development hypothesis" assumes that the saving ratio is influenced by the relative income level of a national economy. The national per capita income in relation to the per capita income of a given benchmark country indicates an economy's stage of development. If consumption smoothing over time is assumed, households in economies that are catching up will initially borrow from abroad in the expectation that incomes will rise. As the standard of living

converges, the saving ratio is likely to rise accordingly, however, thus allowing a reduction in external debt over the longer term. Econometric analyses of the determinants of current account balances in the eight new central and east European EU member states do indeed show that the comparatively low per capita income of these countries has a negative impact on their saving ratio. (See comments on page 21 for more details.)

The real exchange rate also represents a major determinant of the current account. A previously anticipated real appreciation, through the associated gains in purchasing power, has an impact on intertemporal consumption decisions similar to that of an increase in per capita income. By contrast, an unforeseen long-term appreciation is accompanied by a positive wealth effect, which has a negative impact on the saving ratio.⁶ Owing to these opposing transmission channels, the effect of the real exchange rate on the current account can ultimately only be calculated empirically.

Ambivalent influence of real exchange rate on savings decisions

According to the results of the econometric analyses presented here, the ongoing rise in the real exchange rate has tended to increase the current account deficits in the new EU member states. This suggests that the external purchasing power gains associated with a real appreciation were only used for additional consumption once the gains actually occurred rather than being anticipated as com-

⁶ The impact of the real exchange rate on saving and consumption decisions considered here is independent of potential changes in price competitiveness. See explanatory notes on pages 26-27.

Empirical studies on the determinants of current accounts in the new EU member states of central and eastern Europe

As part of a panel analysis, major determinants of the current account balances in the new EU member states of central and eastern Europe (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) were examined on the basis of quarterly data for the years 1994 to 2004. The starting point for this was the following regression equation for the current account balance or savings-investment gap.

$$CAGDP_{i,t} = \gamma_0 + \gamma_1 RELGDP_{i,t} + \gamma_2 FINGDP_{i,t} + \gamma_3 INVGD P_{i,t} + \gamma_4 REER_{i,t} + \gamma_5 RIR_{i,t} + \gamma_6 M2GDP_{i,t} + \varepsilon_{i,t}$$

CAGDP denotes the ratio of the current account balance to gross domestic product, while RELGDP is defined as a logarithm of relative per capita income in relation to Germany. The government budget balance (FINGDP) and investments (INVGDP) are measured as ratios to gross domestic product and are thus comparable between the countries. The logarithm of the real effective exchange rate (REER) rises in the event of a currency appreciation and falls in the event of a depreciation. The real interest rate (RIR) and the money stock in relation to gross domestic product (M2GDP) were included in the study as financial market variables.

Positive signs are expected for γ_1 , γ_2 and γ_5 and a negative sign for γ_3 . According to theoretical considerations, the relationship between the real exchange rate and the current account (γ_4) is *a priori* just as indeterminate as the net effect of a growing financial sector (γ_6). The absolute values of γ_2 and γ_3 should lie between zero and one since the associated variables, as components of the savings-investment decision, do have a direct influence on the current account but can be at least partially offset by adjustments to private saving. Panel unit root tests confirm the stationarity of the variables.¹

Two estimation methods are compared. A feasible generalised least squares estimate (FGLS) takes account of fixed country effects, panel-specific autoregressive terms, a heteroscedastic error structure and a contemporary correlation between the countries. By contrast, an instrument variable estimator² (IV) allows an explicit modelling of the dynamics by means of a lagged endogenous variable. In this way, the Nickell bias, which arises in the static estimate when calculating the autoregressive terms, can be avoided. Furthermore, selecting the appropriate instruments means that any endogeneity, ie repercussions which the current

Macroeconomic determinants of the current account

Determinant	FGLS estimate	IV estimate
CAGDP (- 1)	-	0.4608*** (2.75)
RELGDP	0.02700*** (5.40)	0.0147*** (2.75)
FINGDP	0.0831** (2.20)	0.1420*** (2.75)
INVGDP	-0.2375*** (- 6.93)	-0.2891*** (- 6.66)
REER	-0.0381* (- 1.94)	-0.0264 (- 1.15)
RIR	0.0009** (2.09)	0.0014*** (2.71)
M2GDP	0.0062 (1.02)	0.0138*** (3.19)

*** (**) [*] means significant on the 1% (5%) [10%] level; t-values in parentheses

account has on the independent variables, is accommodated in the model. These advantages of the dynamic estimator contrast with it being less efficient than the static model. The table shows the results of the FGLS estimate and dynamic IV estimator.

The static and dynamic estimators produce comparable results, ie the results are quite robust with respect to the estimation method. All the variables display the expected sign. The current account deficits are largely due to the convergence process. This is suggested by the significance in the estimate of the low per capita income and investment. The real exchange rate has a negative impact on the current account. The positive wealth effect of a real appreciation evidently depresses private savings. However, the development of the financial markets boosts net saving. With the exception of the money stock in the FGLS estimator and the real exchange rate in the IV estimator, the parameters are significant. The Wald test confirms the significance of the variables overall and the "adjusted R²" is 0.5.

¹ For details of the tests carried out and further details of the estimates, see S Herrmann and A Jochem, Determinants of current account developments in the central and east European EU member states – consequences for the enlargement of the euro area, Discussion Paper of the

Research Centre of the Deutsche Bundesbank, Series 1, Economic Studies, No 32/2005. — ² See T W Anderson and C Hsiao (1981), Estimation of Dynamic Models with Error Components, Journal of the American Statistical Association, Vol 76, pp 598-606.

ponents of future income developments right at the start of the transformation process.⁷

Good investor access to the international capital markets...

Furthermore, the investment ratio is used to explain the domestic saving ratio. A strong correlation between the two variables is expected if, for instance, access to the international capital markets is restricted. Other reasons for a marked correlation and/or investor's preference for domestic markets are discussed in the literature under the subject of "home bias".⁸

... combined with a strong demand for investment is hampering reduction in current account deficits

The empirical studies clearly show that, in the period under review, between 5 and 8 percentage points of the current account deficits of the new EU member states were due to the economies' dynamic investment activity. The real convergence process is thus likely to contribute to the reduction of the current account deficits through a longer-term slowing of capital accumulation as well.

Development of financial markets...

The conditions in the financial markets and the effectiveness of the financial sector also exert an influence on an economy's investment and saving. A significant incentive to save is provided by the level of the real interest rate, which implies a positive correlation with the current account balance. A commonly used variable for the size and development of the financial sector is the ratio of the money stock M2 to GDP.⁹ The thinking behind this is that a sophisticated banking system offers increased investment options, thereby enhancing the attractiveness of saving. On the other hand, it also makes consumer borrowing easier. The nature of the relationship between this variable and the size

of the current account balance is therefore *a priori* indeterminate.

According to the estimates performed in this respect, the impact of financial market developments on the size of the current account balances has been minor up to now. However, an ongoing improvement in financial intermediation seems, on balance, to be having a positive effect on saving. The incentives provided by more efficient investment options evidently outweigh easier access to consumer credit.

... so far without any notable impulses for the current account

Finally, fiscal policy should also be incorporated into the analysis as a further macroeconomic factor influencing the private saving ratio. Within the scope of the intertemporal current account approach,¹⁰ Ricardian equivalence is assumed to apply, according to which an increase in public borrowing is fully offset by an adjustment of private saving so that high public sector deficits ultimately have no impact on aggregate domestic saving.

Validity of "Ricardian equivalence"...

However, the relevant empirical studies contradict this assumption. Rather, they suggest that the fiscal policy of the new EU member states has contributed to the – in some cases –

... cannot be confirmed empirically

⁷ This comes as no surprise in view of the nominal depreciations, some of them sharp, of the central and east European currencies at the start of the transformation process. See Deutsche Bundesbank, *Monthly Report*, October 2002, pp 7-59.

⁸ For a comprehensive overview of the literature on "home bias", see K Lewis (1999), *Trying to Explain the Home Bias in Equities and Consumption*, *Journal of Economic Literature*, Vol 37, pp 571-608.

⁹ The money stock definition is that of the IMF.

¹⁰ This is based, among other things, on work by J Sachs (1981), *The Current Account and Macroeconomic Adjustment in the 1970s*, *Brookings Papers on Economic Activity*, Vol 1, pp 201-268.

high current account deficits. The estimates confirm what is known as the “twin deficit hypothesis”, which states that government budget deficits are a burden on an economy’s current account position. While this effect is not particularly significant in the countries under review, that does not alter the nature of the relationship observed here. The expansionary stance of fiscal policy in some instances is not without risks. It can, for example, crowd out private investment in the capital markets. Furthermore, in the case of public expenditure, there is the risk of it not being amortised over the long term.

*“Normal” level
of current
account
deficits...*

The values estimated for the new EU member states in a panel analysis may be interpreted as a kind of benchmark, or as the “normal” level of the current account position that is compatible with the current stage of development of the economies.¹¹ The deviations resulting from a comparison of these values with the actual current account balances enable statements to be made, albeit with some qualifications, on the sustainability of the existing current account deficits.¹² It is apparent that the size of these deviations has decreased in almost all the countries during the period under review. This means that the significance of exogenous disruptions and of other factors not included in the analysis has evidently become less over time.

*...exceeded
by Hungary
and Estonia*

In most years during the reference period, Hungary posted current account deficits which are larger than is consistent with the “degree of maturity” of the economy. Much the same applies to Estonia, where the residuals of the estimates have risen markedly

over the past three years. Deficits of this kind, which are inconsistent with the state of the real convergence process, point to a possible need for adjustment. This is all the more the case as the current account deficits of the cited countries are among the highest in the new EU member states. The picture looks better for Hungary, however, if the relationship between direct investment and foreign trade is taken into account (see page 31).

On the whole, the results of the study support the assumption that developments in the current accounts of the economies of central and east Europe do not point primarily to existing problems of competitiveness but are instead closely linked to the economic catching-up process and buoyant investment activity. It may therefore be expected that an increasing convergence of per capita incomes and a further expansion of the financial markets will help to reduce the current account deficits.

*Risks based
on possible
setbacks in the
convergence
process*

Despite the progress towards convergence already achieved and increasing convergence in the standards of living in the period under review, it has not been possible so far to ascertain any significant and steady reduction in the current account deficits. This is likely to be due, not least, to the ongoing appreciation of the real exchange rate, which likewise reflects the economic catching-up pro-

¹¹ See explanatory notes on page 21.

¹² See also W Doisy and M Hervé (2003), *Les Déficit Courants des PECO: Quelles Implications pour leur Entrée dans l’Union Européenne et la Zone Euro?*, *Economie Internationale*, Vol 93, pp 59-88, and M Bussière, M Fratzscher and G Müller (2004), *Current Account Dynamics in OECD and EU Acceding Countries – an Inter-temporal Approach*, ECB Working Paper, No 311.

cess and counters the positive impact of income convergence on private saving.

Long-term effects of foreign direct investment on the trade balances of the new EU member states

Direct investment has sustained impact on current accounts

The major importance of investment with regard to the size of the current account deficits in the new EU member states could be related to the particular role played by foreign direct investment. Not only does foreign direct investment affect the balance of payments immediately at the time of the inflow of capital; in the long term, the subsidiaries' cross-border flows of trade and income also have a sustained impact on the current accounts of the host countries. The direction of the effect essentially depends on the purpose of foreign investment and the on-site availability of necessary raw materials and semi-finished products.

Long-term relationship between direct investment and foreign trade

Accordingly, in addition to the saving and investment decisions examined, the scale and structure of accumulated capital inflows from abroad are also important for the long-term outlook of the current account in a given country's economic catching-up process. The core issue here is whether the imports and exports of the host country act as a complement to or a substitute for stocks of foreign direct investment. Transfers of income between the parent and subsidiary are heavily dependent on other factors, such as the underlying tax conditions and the economic situation. The following studies are therefore confined to the relationship between foreign

direct investment and the balance of trade of the new central and east European EU member states.

Since the start of the economic transformation process in the early 1990s, the eight new EU member states in central and eastern Europe have been attracting a growing amount of foreign direct investment. Although foreign trade has also been increasing steadily during this period, it has failed to match the mostly two-digit growth rates posted by stocks of direct investment. Towards the end of 2004, the level of foreign direct investment in the region amounted to two-thirds of annual exports and imports, compared with less than one-quarter ten years earlier.

Strong growth in direct investment and foreign trade

The increase in foreign trade over time and the simultaneous build-up of foreign corporate ownership do not in themselves permit any conclusions to be drawn about possible causal relationships between these factors. Theoretical considerations give reason to assume that the outsourcing of production primarily to reduce wage costs, or to exploit other locational advantages, has a positive effect on the balance of trade of the host country in the longer term. If, however, the motive of the foreign parent company is to gain access to the market, the subsidiary often acts purely as a marketing company and hence primarily stimulates imports from the country of origin. Finally, horizontal direct investment consists in establishing parallel production sites. Typically, these serve to circumvent trade barriers or to reduce transport costs. This kind of foreign investment therefore

Complementarity versus substitutability

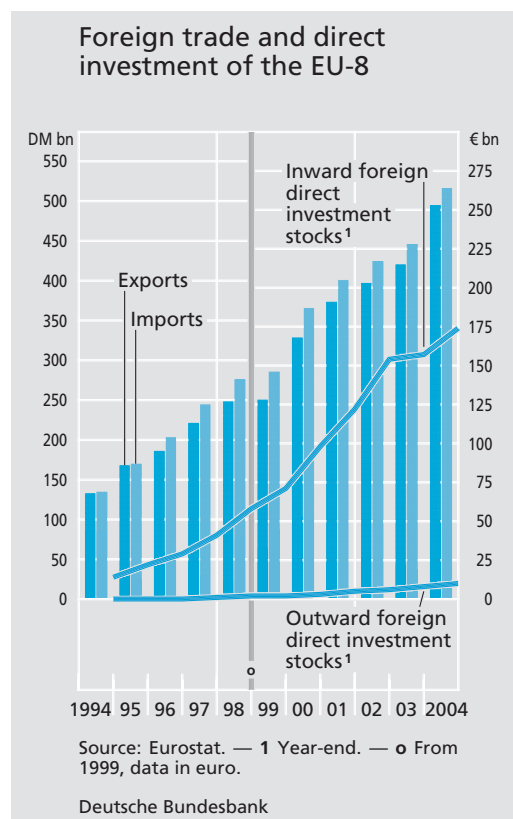
tends to act as a substitute for foreign trade. There is therefore no clear relationship that can be derived *a priori* between direct investment and foreign trade, which means that this question can only be answered empirically.

Direct investment promotes exports and imports

Initially, it is apparent that both exports and imports behave in a manner which is complementary to the stock of foreign direct investment (see explanatory notes on pages 26-27). The positive impact of direct investment stocks on the exports of the host country would suggest that the subsidiaries supply intermediate goods or finished products to the group's parent company or that the foreign subsidiaries are used as a platform for exports to third countries. Cross-sectoral relationships between different enterprises and industry sectors could also play a part and could have a positive impact on the competitiveness of the location. Such spillover effects arise, for instance, from transfers of technology or from the emergence of regions with a specific economic profile.

Imports are likewise boosted by the presence of foreign enterprises. This may be due to the subsidiaries obtaining intermediate goods from their home country or acting as sales companies with a prime focus on the goods produced by the parent company being marketed abroad. Finally, it is possible that some of the foreign-based branches of multinational companies are equipped with capital goods from domestic production.

The overall impact of foreign direct investment on the trade balances of the eight new



EU member states in central and eastern Europe cannot be determined clearly at the macro level in empirical terms either. Generally, however, the presence of foreign enterprises leads to greater integration of the host countries into the international division of labour, which is reflected in an increased exchange of goods and services with other countries. The long-term nature of these business relationships should *a priori* boost the sustainability of existing current account deficits.

Net effect on balance of trade unclear

These results are consistent with a number of other empirical studies using macroeconomic data, which, as a rule, have likewise been unable to ascertain that direct investment has any clear impact on the trade balances of the

Empirical studies of direct investment and the trade balance

The empirical study on the impact of direct investment on foreign trade is based on a panel of the eight new central and east European EU member states. The observation period runs from 1994 to 2004. In a first step, the relationships are analysed at the aggregated level. The regression equations for exports and imports are

$$EXP_{i,t} = \alpha_0 + \alpha_1 GDP_{i,t} + \alpha_2 REER_{i,t} + \alpha_3 FDI_IN_{i,t-1} + \alpha_4 FDI_OUT_{i,t-1} + \varepsilon_{i,t}$$

$$IMP_{i,t} = \beta_0 + \beta_1 GDP_{i,t} + \beta_2 REER_{i,t} + \beta_3 FDI_IN_{i,t-1} + \beta_4 FDI_OUT_{i,t-1} + \eta_{i,t}$$

EXP and IMP denote real exports and imports of goods and services. GDP stands for the real gross domestic product of the country under review and serves as a measure of the size of the economy. The real effective exchange rate (REER) indicates price competitiveness. The real effective exchange rate rises with an appreciation of the domestic currency and falls with a depreciation. The converse development applies to price competitiveness. FDI_IN denotes the stocks of foreign direct investment in the country under review while FDI_OUT stands for that country's direct investment abroad. Both are calculated at constant exchange rates and prices.¹ All variables are captured as logarithms.

A positive sign is expected for α_1 , β_1 and β_2 and a negative sign for α_2 . The signs for α_3 , α_4 , β_3 and β_4 are *a priori* uncertain and can only be determined empirically. Unit root tests indicate that the individual time series are integrated from grade 1. An examination of the residuals as part of the two-stage Engle-Granger procedure produces compelling evidence for the existence of a cointegration relationship.² Additionally, in order to take account of a possible endogeneity, the two regressions were estimated by means of a dynamic OLS procedure (DOLS). Furthermore, fixed country and time effects were incorporated and the variance-covariance matrix was adjusted using White's procedure in order to correct for distortions caused by heteroscedasticity. The results are shown in the table on the page opposite.

Gross domestic product has a significantly positive impact on exports and imports. Contrary to expectations, an appreciation of the real exchange rate is associated not just with higher imports but also with higher exports. This could be due to the fact that the economic catching-up process tends to bring about a real appreciation of the domestic currency without impairing price competitiveness.³ Foreign direct investment is basically a complement to the foreign trade of these central and east European economies. With respect to direct investment abroad by the new EU member states, however, this effect is significant only for exports, which is probably due, not least, to the small scale of such investments.

1 Direct investment stocks are equivalent to the capital stock at the end of the previous year. — 2 For details of the tests carried out and of the estimation procedures, see S Herrmann and A Jochem, Trade balances of the central and east European EU member states and the role of foreign direct investment, Discussion Paper of the Research Centre of the Deutsche Bundesbank, Series 1, Economic Studies, No 41/2005. — 3 This phenomenon is closely linked to what is known as

At the sectoral level, the examination of which is confined to the bilateral relations between Germany (suffix D) and the new EU member states in central and eastern Europe (suffix i), a study is made initially on the impact of direct investment in the three sectors of manufacturing (FDI_VG), agriculture and raw materials (FDI_PS) and services (FDI_DL) on trade in industrial goods. Instead of GDP, industrial output (IND) now serves as a measure of the importance of manufacturing, while price competitiveness is measured by the relative unit labour costs in manufacturing (ULC).

The sectoral regressions are also estimated by means of a dynamic OLS procedure (DOLS) incorporating fixed effects, with panel-corrected standard deviations allowing for the contemporaneous correlation, which is more prominent here. In order to correct for heteroscedasticity, the observations were weighted sectorally according to their variance. Serial correlation was taken into account by incorporating autoregressive terms. The regression equations are

$$EXP_{i,VG,t} = \gamma_0 + \gamma_1 IND_{i,t} + \gamma_2 IND_{D,t} + \gamma_3 ULC_{i,t} + \gamma_4 FDI_VG_{i,t-1} + \gamma_5 FDI_PS_{i,t-1} + \gamma_6 FDI_DL_{i,t-1} + u_{i,t}$$

$$IMP_{i,VG,t} = \delta_0 + \delta_1 IND_{i,t} + \delta_2 IND_{D,t} + \delta_3 ULC_{i,t} + \delta_4 FDI_VG_{i,t-1} + \delta_5 FDI_PS_{i,t-1} + \delta_6 FDI_DL_{i,t-1} + v_{i,t}$$

At the sectoral level, too, the size of the economies is crucially important for the size of trade flows. With increasing price competitiveness (declining relative unit labour costs), exports can be expanded, while imports decline. Direct investment again shows a complementary relationship with foreign trade, with the exception of direct investment in the services sector, which stimulates only imports – not exports – of industrial goods.

Finally, a distinction was made within manufacturing between technology-intensive and less technology-intensive sectors.⁴ The aim is to identify the direct trade effects of direct investment in a given sector (FDI_SEC) separately from the indirect effects arising from direct investment in the other hi-tech sectors (FDI_HIGH) and low-tech sectors (FDI_LOW). In line with the earlier estimates, the following regression equations are used.

$$EXP_{i,k,t} = \lambda_0 + \lambda_1 IND_{i,t} + \lambda_2 IND_{D,t} + \lambda_3 ULC_{i,t} + \lambda_4 FDI_SEC_{i,k,t-1} + \lambda_5 FDI_HIGH_{i,t-1} + \lambda_6 FDI_LOW_{i,t-1} + w_{i,k,t}$$

$$IMP_{i,k,t} = \mu_0 + \mu_1 IND_{i,t} + \mu_2 IND_{D,t} + \mu_3 ULC_{i,t} + \mu_4 FDI_SEC_{i,k,t-1} + \mu_5 FDI_HIGH_{i,t-1} + \mu_6 FDI_LOW_{i,t-1} + z_{i,k,t}$$

Trade in hi-tech sector goods is strongly influenced not only by direct investment in the relevant sector but also by direct investment in other technology-intensive sectors. At the cross-sector level, however,

the Balassa-Samuelson effect. For details of real appreciation in the new EU member states, see, for example, C Fischer, Real currency appreciation in accession countries: Balassa-Samuelson and investment demand, Discussion Paper of the Economic Research Centre of the Deutsche Bundesbank, No 19/02. — 4 The sector formation for direct investment is based on the NACE, Rev 1 classification. The sectors manufacturing of food products, beverages and tobacco (Classes 15

only exports are boosted, while imports are curbed by the presence of foreign enterprises in the hi-tech sector. The spillover effects of direct investment in sectors with less demanding production technology are considerably smaller, although they, too, have a positive impact on the balance of trade for hi-tech goods.

The close correlation between direct investment and foreign trade that was observed for hi-tech sectors cannot be confirmed for trade in simple production technology. The relevant parameters are largely insignificant. Only imports are boosted by direct investment in the same sector and curbed by spill-over effects from the hi-tech sector.

Results of estimates regarding the relationship between direct investment and exports and imports at the aggregated and sectoral levels

Item	Aggregated		Manufacturing		Hi-tech		Low-tech	
	EXP	IMP	EXP_VG	IMP_VG	EXP_High	IMP_High	EXP_Low	IMP_Low
GDP	0.654*** (7.58)	0.663*** (14.29)	–	–	–	–	–	–
IND _i	–	–	0.413 (1.18)	0.508** (2.30)	–0.627 (–0.46)	1.078*** (2.75)	–0.149 (–0.36)	1.637*** (4.53)
IND _D	–	–	1.017** (1.98)	1.749*** (3.02)	0.966 (1.33)	1.734*** (3.39)	0.681 (1.53)	1.532** (5.36)
REER	1.663** (2.23)	2.44*** (2.82)	–	–	–	–	–	–
ULC	–	–	–0.415*** (–3.02)	1.481*** (5.41)	0.816 (0.74)	–0.644** (–2.25)	0.140 (0.61)	0.264 (1.69)
FDI_IN	0.165* (1.74)	0.197*** (4.73)	–	–	–	–	–	–
FDI_OUT	0.053** (2.20)	0.038 (1.43)	–	–	–	–	–	–
FDI_VG	–	–	0.057* (1.85)	0.062* (1.73)	–	–	–	–
FDI_PS	–	–	0.028** (2.53)	0.024*** (2.61)	–	–	–	–
FDI_DL	–	–	–0.008 (–0.27)	0.028* (1.66)	–	–	–	–
FDI_SEC	–	–	–	–	0.063** (2.17)	0.028* (1.72)	0.010 (0.51)	0.020* (1.68)
FDI_HIGH	–	–	–	–	0.109** (2.44)	–0.093*** (–3.06)	0.025 (0.82)	–0.070*** (–2.82)
FDI_LOW	–	–	–	–	0.062* (1.94)	0.033 (1.07)	–0.010 (–0.61)	0.011 (1.28)

*** (**) [*] means significant on the 1% (5%) [10%] level; t-values in parentheses.

and 16), textiles, apparel and leather, etc (Classes 17-19), wood and paper processing including other industry branches (Classes 20-22, 36 and 37) and the chemicals industry (Classes 24-26) have been classified as less technology-intensive. By contrast, the metal industry (Classes 27 and 28), machinery and equipment (Class 29), information and communications technology (Classes 30-33) and the manufactur-

ing of transport equipment (Classes 34 and 35) are ranked as technology-intensive. The foreign trade data compiled according to the SITC, Rev 3, are allocated to these sectors accordingly. Overall, there are 32 cross-section observations (four sectors multiplied by eight countries) for each panel, with an unchanged 11 temporal observations.

new EU member states.¹³ Making more nuanced statements regarding the interplay of direct investment and foreign trade in the new central and east European EU member states calls for an analysis of data with a greater degree of disaggregation. Such an approach would be more likely to permit an assessment of the effects of structural changes during the catching-up process as well as an evaluation of their impact on the current account.¹⁴

Important role of German direct investment...

Owing to limited data availability, sectoral studies are unable to include all foreign direct investment in the countries under review and their external trade relations. However, the Bundesbank's direct investment microdatabase (MIDI), in conjunction with the foreign trade statistics of the Federal Statistical Office, does permit a detailed analysis of these countries' bilateral relations with Germany. As German firms are playing a major role in the establishment of subsidiaries in the eight central and east European EU member states, the analysis of German direct investment should allow significant conclusions to be drawn concerning the general importance of the foreign presence in the region.

... particularly in the manufacturing sector

A further limitation to the sectoral studies presented here is posed by the focus on cross-border trading of industrial goods. Trade in agricultural products and raw materials is largely dependent on other factors, such as the availability of natural resources. And the exchange of services is subject to a number of special factors which render a comparison with the rest of foreign trade unproductive and call for separate treatment.¹⁵

By far the largest amount of German direct investment in the eight new EU member states in central and eastern Europe has been in the manufacture of transport equipment and in the chemicals industry.¹⁶ In 2003, the most recent year for which relevant data are currently available, these two sectors accounted for €5 billion and just under €4 billion respectively in the group of countries under review, which is equivalent to one-third and one-quarter of German direct investment stocks in manufacturing. The information and communications sector (ICT) has also shown a steady growth in German subsidiaries abroad. However, the valued stock at the end of 2003 was less than half of the corresponding book value in the two leading sectors.

Manufacture of transport equipment and chemicals industry most important sectors for German direct investment

With a trading volume of some €20 billion each, transport equipment and ICT goods rank first with respect to trade flows, too, closely followed by machinery and equipment. Interestingly, the initial trade balance deficits vis-à-vis Germany have fallen over time in all of these sectors. In the ICT sector and in the manufacture of transport equip-

Manufacture of transport equipment, ICT and machinery and equipment leading the way in foreign trade

¹³ See, for example, D Holland and O Pommerantz (2003), FDI Penetration and Net Trade in the EU Accession Countries, National Institute of Economic and Social Research, Discussion Paper, No 226. The separate investigation of an export and import equation promises to deliver more accurate results than estimating the trade balance in one step.

¹⁴ The use of sectoral data also reduces the simultaneity problem which limits the informative value of empirical estimates. See R Lipsey and M Weiss (1984), Foreign Production and Exports of Individual Firms, Review of Economics and Statistics, Vol 66, pp 304-308.

¹⁵ See C Buch and A Lipponer (2004), FDI versus cross-border financial services: The globalisation of German banks, Research Centre of the Deutsche Bundesbank, Discussion Paper (Series 1), Economic Studies No 05/2004.

¹⁶ The sectoral breakdown is based on investment target sectors.

EU-8: Direct investment by and foreign trade with Germany by industry sector



Source: Federal Statistical Office and Bundesbank calculations. — ◦ From 1999, data in euro.

Deutsche Bundesbank

ment, the eight central and east European countries have now even become net exporters. In the chemicals industry, however, the trade balance deficit vis-à-vis Germany has steadily expanded. By contrast, in other sectors, namely the textile, wood and paper industries, the countries under review have been posting trade surpluses ever since they started opening up to foreign trade.

Indeterminate influence of direct investment on the trade balance in manufacturing

Looking first of all at the impact of direct investment in manufacturing, agriculture and raw materials, and services on trade in industrial goods, it is apparent that the relationships with both the exports and imports of the host country are generally complementary.¹⁷ It is only in the services sector that the trade effects of foreign subsidiaries are confined to stimulating imports. This is probably due to the fact that sales companies play a dominant role in this sector. The relationship between the trade balance and direct investment within the manufacturing sector is indeterminate, as it is when viewed as an aggregate, since both exports and imports are strengthened. The same is also true of the indirect impact of direct investment in agriculture and raw materials on trade in industrial goods.

Distinction between hi-tech and low-tech sectors...

As has already been shown, however, the manufacturing sector itself does not represent a homogeneous group but comprises a number of very different branches of industry. Activities range from the manufacture of textiles, which is relatively undemanding from a technological viewpoint, to highly complex production processes in information and communications technology. As the level of

technology rises, the links between the various sectors resulting from the shared use of human capital, knowledge transfer and increasing product diversification generally also grow, so that greater cross-sectoral trade effects may also be expected from direct investment in hi-tech sectors.

The distinction made in the empirical studies presented here between a group with hi-tech sectors and a group of "low-tech" sectors represents a compromise between the requirement for an adequate size and sufficient homogeneity of the sectors, although the classification of the various branches of industry according to the input of technology into the production process is undoubtedly open to question when applied to individual enterprises. Broadly speaking, however, it seems reasonable to allocate the metalworking industry, the manufacture of machinery and equipment, information and communications technology and the manufacture of transport equipment to the group with more hi-tech production processes. On the other hand, the manufacture of food products, beverages, tobacco, apparel and leather, wood and paper processing and the chemicals industry have been ranked as less technology-intensive.¹⁸

... as a compromise between group size and homogeneity

¹⁷ While, for the reasons cited, only the manufacturing sector is used for exports and imports, this model specification also takes account of the agriculture and services sectors in the case of direct investment in order to capture cross-sectoral relationships.

¹⁸ The classification of sectors is generally similar to the method used by the European Central Bank, although this study makes a distinction between only two sectors, ie a hi-tech sector and a low-tech sector. See European Central Bank (2005), Competitiveness and the Export Performance of the Euro Area, Occasional Paper Series, No 30.

Positive impact of direct investment in hi-tech sector on trade balance...

From the perspective of the host countries, further direct trade-enhancing effects can be noted in the hi-tech sector arising from direct investment within a single branch of industry. Positive spillover effects on the exports of other industry sectors are an equally important factor. Such effects may be explained by technology transfers or the accumulation of human capital by pioneering companies, which makes the location attractive for other companies to export themselves. On the other hand, the imports of technology-intensive sectors are negatively influenced by direct investment in other hi-tech branches. Here, too, agglomeration effects may be a factor if, for instance, the establishment of suppliers means that intermediate goods which used to be imported can be manufactured locally.

...but impact of direct investment in low-tech sector, if anything, negligible

The close relationship between direct investment and foreign trade observed for the manufacturing sector as a whole and for the hi-tech sector in particular cannot be confirmed for the cross-border trading of goods with less technologically demanding production processes. The estimated parameters are, in the main, insignificant and do not reveal any systematic impact on exports and imports. In the case of the central and east European countries examined, foreign trade with Germany in these product areas is evidently determined largely by other factors.

Overall, German direct investment in the hi-tech sector clearly has a positive impact on the trade balances of the central and eastern European countries studied. This positive effect is due, in particular, to indirect spillover

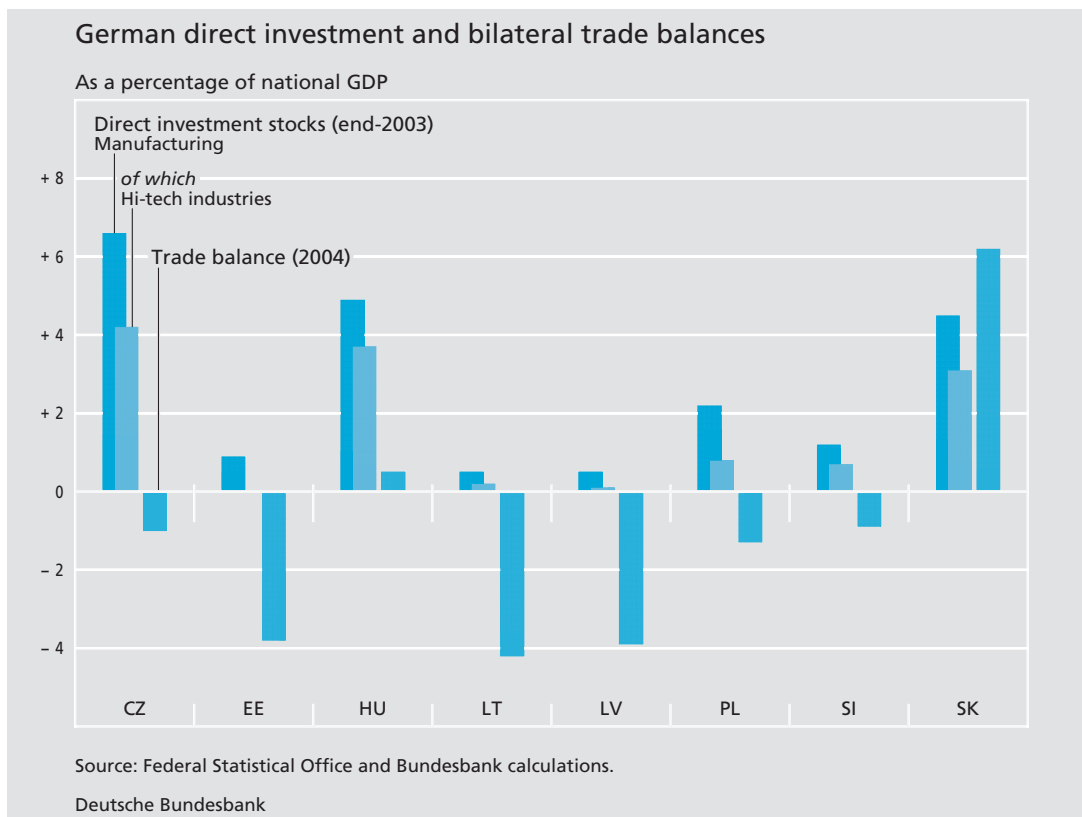
effects among the individual industry sectors which boost exports while tending to reduce imports. By contrast, direct investment in less technology-intensive sectors is of secondary importance for the development of the trade balance.

The described relationships between direct investment and external trade in the new EU member states clearly show that the presence of foreign companies is a major factor for the sustainability and long-term balancing of existing current account deficits. This is especially true of those countries registering significant capital inflows in sectors with technologically demanding production processes.

A comparison of German direct investment and bilateral trade balances confirms that economies in which technology-intensive sectors have a comparatively strong position have only low deficits in their trade in goods with Germany or, in fact, post surpluses. These countries are the Czech Republic, Slovakia, Hungary and Slovenia. On the other hand, in the Baltic economies, which have large trade balance deficits vis-à-vis Germany, direct investment in the hi-tech sector is of almost negligible importance. In this respect, they can hardly expect any positive impulses for reducing their trade balance deficits in the future either. Direct investment from other countries is on a scale quite similar to that of German foreign subsidiaries in terms of the technological intensity of the production processes. What has been said above therefore also applies to the outlook for the overall trade balances in the countries under review.

Presence of foreign companies is an important factor for the sustainability of the external economic situation

Positive impact of direct investment in the Czech Republic, Slovakia, Hungary and Slovenia



By way of qualification, it should be pointed out, however, that the present study highlights only one, albeit important aspect in assessing the sustainability of current account balances.

Summary

The current account deficits in the new EU member states of central and eastern Europe are primarily due to factors associated with the economic catching-up process. As real convergence progresses, the external economic situation of most of these countries should gradually ease. Nevertheless, the rising external debt is not without risks. Problems could occur, above all, if setbacks in the convergence process were to disappoint the re-

turn expectations of foreign investors. Furthermore, a real appreciation of the central and east European currencies accompanying the economic catching-up process will hamper a reduction in current account deficits by influencing saving and consumption decisions.

The Eurosystem requirement for a sufficient degree of real convergence to be achieved prior to accession to European monetary union is therefore also justified given the effects on the current account situation. Joining the euro area too early would make it difficult to set an adequate conversion rate. With imperfect price flexibility, a misvaluation could expand the current account positions in Europe and give rise to matching adjustment costs.

The structure and scale of foreign direct investment are of special importance for the longer-term outlook of external economic developments. From the German perspective, the manufacture of transport equipment and the chemicals industry, in particular, are strongly represented in the new EU member states. Direct investment influences the balance of payments not just in the year of the capital transfer but also in the long term, because the current business activity of the enterprises concerned has an impact on inter-

national trade relations. At both the aggregated and sectoral levels, the empirical studies confirm a complementary relationship between foreign direct investment and the foreign trade of the recipient country. In other words, both the exports and imports of the host country are stimulated by the presence of foreign enterprises. Above all, foreign investment in technology-intensive sectors makes a valuable contribution to the sustainability of the host country's foreign trade position.



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Securities market regulation: inter- national approaches

The organised interaction of buyers and sellers in securities markets serves three key purposes: price discovery, liquidity provision and the reduction of search and information costs. In a world of perfect markets and perfect competition, there is no welfare-theoretical justification for intervention in market mechanisms – but the story is altogether different if these conditions are violated. Reasons to justify such regulations include investor protection, enhancement of the markets' ability to function and the safeguarding of systemic stability.

Central banks have an interest in securities market regulation issues particularly because of their core task of safeguarding purchasing power and financial stability. In a "global village", regulation is at once in a (financial centre) competitive situation yet is increasingly being conducted in a framework of international cooperation. Rulemaking in the European Union is dedicated to the creation of a single market for financial services.

This article discusses reasons for regulation and describes the principles, forms and development trends of securities market regulation. It also provides an overview of key national and international players in securities regulation.

Reasons for regulation

Aims of regulation

If securities markets perform their intended functions (to reach an equilibrium, ie a market-clearing price; to provide selling and buying opportunities, ie liquidity; and to reduce transaction costs) efficiently, ie at the lowest possible costs, there is no (or at least no exclusively welfare-theoretical) justification for public intervention. The conventional justification for regulation is therefore that, because exchanges on securities markets lead to external effects (for non-participating and therefore non-considered third parties), there is a public interest in protecting potentially disadvantaged parties for reasons of market structure (the number and size of sellers, economies of scale and network effects) and owing to information asymmetry. In this light, the regulation and supervision of securities markets is important for investor protection, the safeguarding and maintenance of a functioning competitive framework and the prevention of potential systemic risks.

Markets that adequately fulfil their functions of price discovery and ensuring opportunities for competitive trading promote – in competition with financial institutions – the efficient allocation of capital. Consequently, economic resources are deployed appropriately and risk is assigned to those parties who are best able to bear it. This represents the optimum utilisation of an economy's growth and employment potential.

Role of markets

The markets' role in price discovery is particularly important for allocative efficiency: under optimum conditions, a price that establishes an

equilibrium between the supply of and demand for financial assets reflects all the information relevant to its assessment. If all market players are price takers (ie do not have any market power) and markets exist for all goods or environmental conditions, decentralised management through relative prices is able to bring about the optimum coordination of all activities. No other allocation of resources that could improve the welfare of consumers or producers without being disadvantageous to one of the parties is conceivable.

Real markets, however, are not quite so perfect: in these markets, the obtaining and processing of information is not free, transactions consume resources and goods are exchanged at non-equilibrium prices.¹ The first two aspects are particularly relevant to securities markets. Financial markets – like financial institutions – exist precisely because information is incomplete and because the execution of transactions in these places is not cost-free. The economics of information, which is widely applicable to the financial markets, therefore eases the rigorous assumptions about information requirements and market perfection.² It thus allows the consequences of imperfect or even non-existent markets

Market imperfection

¹ See T Gehrig (1993), Intermediation in Search Markets, in *Journal of Economics and Management Strategy*, pp 97-120. Gehrig explains the coexistence of very different price discovery mechanisms in real markets, in which there are costs associated with finding trading partners. He distinguishes between search markets where trading partners come into direct contact (housing markets and bazaars) and intermediated markets in which middlemen organise price discovery.

² See eg B Nalebuff and J Stiglitz (1983), Information, Competition, and Markets, in *American Economic Review*, Vol 73, pp 278-284 or B Greenwald, J Stiglitz and A Weiss (1984), Informational Imperfections in the Capital Markets and Macroeconomic Fluctuations, in *American Economic Review*, Vol 74, pp 194-199.

and of asymmetric information to be addressed. Hence, it provides an appropriate perspective as a relevant and viable yardstick for setting rules for governing securities markets. Therefore, the main practical issue is to use regulation and supervision to create the conditions under which securities markets can effectively fulfil their intermediary role – with due consideration to the true characteristics of real markets.

*Safeguarding
liquidity*

The price discovery process is facilitated by liquid markets. Liquidity represents the opportunity of finding – at a reasonable cost – a trading partner at any time, ie to trade in large amounts without biasing the price against oneself (called “market impact”, ie a price markdown owing to large orders requiring rapid execution). Liquid secondary markets enable investors to divest themselves of their securities at low cost in the event of funds being needed unexpectedly. Liquid securities markets therefore, at the same time, increase willingness to invest in such paper in the first place. Thus, the main objective of regulation efforts is to lend support to the structural framework that can ensure deep, broad and robust – in short, liquid – markets.

Liquid markets, however, do not guarantee that the discovered price actually matches the fundamental value. A market may thus be able to balance supply and demand at very low costs – therefore being technically or operationally efficient – without simultaneously being able to ensure that the discovered price accurately reflects all of the economically relevant factors.³ Such deviations between technical/operational and fundamental effi-

ciency are, at the same time, a sign of potentially considerable mispricing which – in the event of an abrupt return to more fundamentally justified valuations – can also cause financial stability problems.

Information asymmetry between investors and borrowers is a systemic feature of financial markets. However, this is associated with problems relating to their proper functioning. The disclosure requirements which issuers, especially those in primary markets (see, for instance, the Prospectus Directive adopted by the EU), must meet, are intended to allow investors to form an opinion that would be unfeasible in the absence of such information. However, total transparency is not possible. Under certain circumstances, it would even be fraught with difficulties. That much is obvious at the individual level. This is evidenced, for instance, by the objections of secondary market players to the disclosure of consolidated order books. Were the latent demand of investors to become known, this would undermine intermediaries’ business models and could, in macroeconomic terms, lead to reduced liquidity, thus causing an increase in both transaction costs and price dispersion.⁴

*Effective
information
processing*

Finally, the structure of a number of securities markets deviates from ideal competitive conditions.⁵ For instance, although there are

*Avoiding
market power*

³ See J Tobin (1984), On the Efficiency of the Financial System, in *Lloyds Bank Review*, pp 1-15.

⁴ See A Madhavan, D Porter and D Weaver (2005), Should Securities Markets Be Transparent?, in *Journal of Financial Markets*, Vol 8, pp 266-288.

⁵ These include not only the (public law) stock exchanges but also other securities markets such as alternative or electronic trading platforms or over-the-counter (OTC) markets, in which institutional investors, in particular, are active.

fewer and fewer vendors on the stock exchanges, they are becoming larger and larger. The barriers to entry are high (owing to high overhead costs and the resultant economies of scale). The same applies to the infrastructures on which the securities markets are based, such as the payment and settlement systems used for providing securities services. These systems, too, are characterised by considerably degressive overhead costs. In addition, their attractiveness generally increases commensurately with the number and volume of transactions conducted through them, ie network externalities exist. These, too, promote the concentration of securities trading on a few markets and platforms. In the world of stock exchanges, such a trend towards agglomeration has been evident for some time. In most countries, this trend has intensified to the detriment of regional financial centres – particularly due to improvements in information technology. This technology makes it possible to deal in information-sensitive financial assets more cost-efficiently, thereby leading to implicit standardisation.⁶

Consequently, the few remaining sellers could exploit their market power to the detriment of buyers and, possibly, have less incentive for innovation and technological progress.⁷ The positive effects of concentrating market liquidity on a few platforms, however, include the more rapid execution of trades and the improved possibility of buying or selling major holdings of securities at largely stable prices. Focusing on one or only a very few networks, however, is not the only way to exploit economies of scale. Alliances and

cooperation agreements among diverse marketplace operators could create the above-mentioned positive externalities.⁸ Competition between the trading systems of several marketplaces also holds out the promise of potential advantages in the form of lower costs, extended trading hours and greater product variety. To that extent, another regulatory aim could be to ensure robust variety, which ultimately serves to maintain competition and to keep monopolistic structures under control.

An additional justification for securities regulation is the limitation of systemic risks. Such crises can cause considerable damage to the real economy. Regulatory intervention is therefore aimed at limiting the systemic risks on the markets. Effective securities market regulation therefore promotes market integrity and enhances the stability of the financial system.

Limitation of systemic risks

Principles of regulation

Regulation is obviously not an end in itself. The regulatory framework therefore has to be assessed in terms of its effectiveness. It must be operationally efficient, ie fulfil the desired

Principle of effectiveness, ...

⁶ See T Gehrig (2000), Cities and the Geography of Financial Centers, in J-F Thisse and J-M Huriot (eds), *Economics of Cities*, Cambridge University Press, pp 415-445.

⁷ For information on current trends in the securities market network infrastructure in Europe, see Securities trading, clearing, central counterparties and settlement in EU 25 – an overview of current arrangements, Report by London Economics, commissioned by the Competition Directorate General of the European Commission, 30 June 2005.

⁸ See I Hasan and H Schmiedel, Do networks in the exchange industry pay off? European evidence, Bank of Finland Discussion Papers, 2/2003.

functions. The best reflection of the quality of effective securities regulation is the extent to which it ensures a functioning market mechanism.

*... cost
efficiency, ...*

The benefits of regulation have to be compared with the costs, as regulation ties up resources on the part of both the financial industry and supervisors. It generates costs which are ultimately passed on to the market players. In addition, opportunity costs are created if market players' preferences are met either only partially or not at all, or if innovation is hampered. This is a danger that generally exists in an overregulated environment. Although, in practice, it is difficult to carry out a cost-benefit analysis, it is an indispensable element of a sound regulatory framework.

*... competitive
neutrality...*

In addition, regulation ought to be competitively neutral as a general rule. It should create equal competitive conditions for all market players without giving preferential treatment to or discriminating against any given player. Regulators should also avoid rules that set up barriers to entry or other competitive hurdles which hamper innovation or permit entrenched monopolistic revenue.

*... and
accountability*

Finally, regulators have to carefully assess the implications of securities market regulation, starting with national markets but also looking at cross-border activities. In a world of internationally integrated markets, these two dimensions are inseparably linked. Regulators and supervisors should be required not only to conduct a cost-benefit analysis – both before and after a regulatory measure – but

also to meet stringent transparency standards. Such an approach can help to reveal unnecessary regulation and thus to introduce deregulation measures.

Forms and development trends of regulation

The regulatory framework for securities markets is, in principle, based on two different forms. Under statutory regulation, the state directly influences the market by prescribing rules for the market to follow and by conferring upon a supervisor, ie a government authority, the powers necessary to monitor and enforce compliance with these rules. This contrasts with self-regulation, in which market players independently monitor compliance with rules which they have agreed among themselves and undertaken to follow.⁹ This is often complemented by framework conditions developed by a government supervisor. Self-regulation makes use of market players' expertise in financial market issues. It is thus also able to react more flexibly and quickly to market developments. A stated justification for self-regulation is also that the "securities industry" has a vested interest in functioning markets and protecting its reputation. Self-regulation can also pre-empt or even avoid statutory regulation. Moreover, self-developed standards can serve as a guideline for statutory regulations. One of the dangers of self-regulation, however, is that established market operators can seal off their markets,

*Statutory
regulation
versus self-
regulation*

⁹ See P Howells and K Bain (2004), *Financial Markets and Institutions*, Harlow, p 363.

thereby setting up barriers to new entrants. Even more, self-regulation (of service providers) has also, at times, been exploited at the customers' expense.¹⁰ Securities regulation in most countries is therefore based on a combination of the two forms of regulation, though the specifics vary from one country to another.

Importance of self-regulation

The importance of self-regulatory bodies in setting down the framework conditions for the regulation of securities markets varies considerably in an international comparison. Whereas they are rather significant in the United States, they do not play any role in the United Kingdom and are hardly of any importance in Germany. In the EU, priority is given to the statutory approach to regulation. This is reflected especially in the implementation of the 1999 Financial Services Action Plan. In December 2005, the Commission, following a round of consultation, presented the basic elements of its financial services policy for the next five years.¹¹ The main feature of this strategy is that new statutory regulation initiatives are envisaged for only a few areas (such as the retail markets). Moreover, all new legislative projects must comply with the principles of "better regulation", which attach major importance to, *inter alia*, the accountability of regulators.

Total harmonisation versus minimum harmonisation

Until the mid-1980s, efforts were made in the European Community to achieve total harmonisation of national capital market legislation, but failed owing to the resistance of the member states. Total harmonisation was unable to do sufficient justice to the special characteristics of national markets and

did not appear to be politically appropriate for protecting the markets.¹² As early as 1979, the European Court of Justice, in its "Cassis de Dijon" judgment, determined that the Treaty of Rome implicitly contains the mutual recognition of national laws; total harmonisation was therefore not a prerequisite for the establishment of the European Internal Market.¹³ This heralded a change in outlook from the total harmonisation approach to the principles of minimum harmonisation and mutual recognition. The Commission can set minimum standards for areas in which harmonisation is regarded as being necessary. At the same time, competition for cross-border financial products has been facilitated by the introduction of the "European passport". With this more casuistic and pragmatic approach, the European Commission is seeking to create the conditions for

¹⁰ Collusion to the detriment of investors can often occur even in the absence of institutional conditions; one example is the 1995 NASDAQ price-fixing scandal which, in the end, led to a decimalisation of pricing (formerly pricing in 1/8 increments). See W Christie and P Schultz (1995), Did Nasdaq Market Makers Implicitly Collude?, in *Journal of Economic Perspectives*, Vol 9, pp 199-208.

¹¹ White Paper – Financial Services Policy 2005-2010, 5 December 2005.

¹² The European Community already made attempts to harmonise national capital market regulation in the EU/EC countries in the 1960s and 1970s. The 1957 Treaty of Rome enshrined the dismantling of non-tariff trade barriers and the promotion of the free trade of goods and services (including financial services) between the member states. The Treaty of Rome originally envisaged the principle of "host-country regulation". However, this principle tended rather to entrench the continued existence of fragmented and inefficient financial markets, as the individual EU countries often used the available legal and supervisory scope to shield their home markets from competition. See P Howells and K Bain (2004), *loc cit*, pp 378 ff.

¹³ In addition, a Commission White Paper on Completing the Internal Market (the "Cockfield Report") published in 1985 proposed introducing the principle of home-country regulation, which was enshrined a year later in the Single European Act. See P Howells and K Bain (2004), *loc cit*, pp 380-381.

the gradual realisation of a single internal market for financial services in Europe (see also page 46, "Financial Services Action Plan").

Regulatory competition: minimum standards ("race to the bottom") versus ...

Regulatory policy is a key locational factor. The globalisation of financial markets has made it possible for investors and capital-seeking companies to switch to lightly regulated or completely unregulated markets. This opt-out option has led to displacement competition between different regulatory systems (known as "regulatory arbitrage"). If regulatory requirements involve high financial and staff input for regulated parties, market players have a strong incentive to switch to countries with less regulation and thus lower costs. On the same vein, potential host countries have an incentive to reduce the relative intensity of their regulations in order to attract capital and business. Countries' efforts to outdo each other in reducing regulatory standards can trigger a downward spiral, also known as a "race to the bottom", at the end of which only minimum regulatory standards, at best, can be enforced, making market events increasingly opaque and risky. These problems are, for instance, at the heart of the current international debate on how to properly supervise the hedge fund industry.

... maximum standards ("race to the top")

In contrast, it is also possible to imagine a "race to the top", in which the regulatory system with the highest standards wins the day. If the benefits of participation in the more heavily regulated market at least make up for the costs involved, market players will accept the stricter regime, for example, the

Two angles to regulation

There are two different approaches to explaining government regulation. One explanation for regulation is as the government's aforementioned reaction to functional deficits. This normative view contrasts with the positive theory of regulation ("capture theory"), which ultimately sees the regulatory framework as being the result of a "market for regulation".¹ This theory indicates that it is difficult, in many cases, to pinpoint a public interest that can be protected by the regulatory framework. It also draws attention to the fact that the state is apparently also quite capable of failure. Capture theory imputes a direct interest on the part of particularly affected market players for regulation that is to their advantage (demand for regulation). The real architects of regulatory structures are therefore identified as being individual players, especially financial market players, who call for regulatory intervention – often as protection against market access and additional competition.

¹ Stigler's work, in particular, has been seminal in this field. See, for instance, G J Stigler (1971), The theory of economic regulation, in *Bell Journal of Economics and Management Science*, Vol 2(1), pp 3-21.

Sarbanes-Oxley rules.¹⁴ When implementing comprehensive regulations, countries with especially large and attractive capital markets – in terms of both production and distribution – are at an advantage. They thus take the lead in setting standards. Financial market players from other countries wanting to tap into or keep their foothold in these markets accordingly have an incentive to subject themselves to these regulatory standards. A high standard of regulation can also be regarded by investors as an advantageous sign of quality. More weakly regulated markets could then feel pressure to tighten their own regulatory standards in order to maintain or regain their competitiveness.

National and international securities regulation agents

Regulation in the force field of internationalised securities markets

The regulation of a market for trading securities evolves as a result of the constant interaction of industrial and market structures and associated regulatory measures. To that extent, the status quo of a financial system's securities regulation framework also always mirrors this financial system's historical development and particular structural features.¹⁵ The increasing integration of securities markets is not without consequences for the regulation of these markets and the organisation of such regulation. Internationally active financial service providers and issuers are confronted with numerous national rules and regulations. National securities regulations should therefore be implemented in the light of international developments and needs.

The elimination of barriers to the cross-border exchange of financial services and the creation of a "level playing field" for the production and distribution of financial products is important for the efficiency of the financial markets and thus, above all, for their users, ie investors and capital seekers. For EU countries, securities regulation has been increasingly shifting to the European level. This has resulted in ex ante coordination, which is expedient owing to the ever-advancing integration of European markets. European rules, however, could lead to implicit locational effects for national markets. The safeguarding of the stability of the securities markets is thus no longer a task for national supervisors alone.

Creating a "level playing field"

The regulatory framework of the German financial system and thus also of the securities markets in Germany is increasingly being defined at the European level. One such way is through regulations that enter into force directly and another is through directives that must be transposed into national law (see below regarding the regulatory process in Europe). The framework for German exchanges, however, is still provided largely nationally. Owing to the historical fragmentation of the German stock exchange land-

Regulation in Germany

¹⁴ The US Sarbanes-Oxley Act, passed in 2002, was developed as a response to a number of accounting scandals. Among other things, the Act tightened the disclosure requirements in corporate reporting and extended the obligations of external auditors. It applies not only to listed US companies and their foreign subsidiaries but also to foreign companies listed on a US stock exchange or the NASDAQ.

¹⁵ See T Theurl (2003), Internationale Finanzmarktregulierung: Begründung und Institutionalisierung, in T Eger (ed), *Institutionen und wirtschaftliche Entwicklung*, Berlin (Schriften des Vereins für Socialpolitik, Neue Folge Vol 298), pp 219-240.

scape, the stock exchange and securities supervision systems in Germany were highly decentralised for a long time. This also applies to the vast majority of other national stock exchange systems, however.¹⁶ Only since 1995 has securities supervision been conducted at a Federal level. The regulatory and supervisory tasks are currently performed in a three-pronged system by the Federal Government, the states and each stock exchange's self-regulatory institutions.

At the Federal level, securities supervision is the domain of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, or BaFin). BaFin was created through the amalgamation of the Federal Banking Supervisory Office (*Bundesaufsichtsamt für das Kreditwesen*, or BAKred), the Federal Supervisory Office for Insurance Enterprises (*Bundesaufsichtsamt für das Versicherungswesen*, or BAV) and the Federal Supervisory Office for Securities Trading (*Bundesaufsichtsamt für den Wertpapierhandel*, or BAWe) in May 2002, and reports to the Federal Ministry of Finance. As one of the predecessor agencies, BAWe was established by the Second Financial Market Promotion Act (*Zweites Finanzmarktförderungsgesetz*) of 1994 and given responsibility for supervising German securities markets with effect from 1 January 1995. This was the first time that the Federal Government had been given the power to supervise securities trading.¹⁷ The legal and market supervision¹⁸ of stock exchanges,¹⁹ and thus of trading on stock exchanges, however, is still within the remit of the respective Federal states. Supervision of exchanges is the responsibility of

each respective state's finance ministry or ministry of economic affairs.

The exchanges' self-regulatory bodies are an additional element of German exchange and securities supervision. Each exchange issues a set of stock exchange rules and regulations which it presents to the state supervisor for approval. Moreover, exchanges are required to set up "Trading Surveillance Offices" (*Handelsüberwachungsstellen*), whose task is to independently monitor the trading and settlement of trades at the exchange. If problems occur, they inform the stock exchange supervisory authority and the exchange management, of which they are independent. The Trading Surveillance Offices are a hybrid of statutory regulation and self-regulation.

Financial market regulation in the United Kingdom has changed profoundly in the past two decades.²⁰ By tradition, the system was based strongly on self-regulation by exchanges and organised market players (ie reputation-based supervision). Although the

*Regulation in
the United
Kingdom*

¹⁶ See T Gehrig (2000), *loc cit*.

¹⁷ By contrast, BAKred, which was created in 1962, was solely responsible for supervising market entry and the solvency of credit institutions and financial services institutions, and thus for ensuring the functional viability of the German banking system.

¹⁸ Legal supervision means monitoring compliance with existing rules and regulations under stock exchange law. Market supervision means checking to ensure that stock exchange trading is being conducted properly in accordance with the terms and conditions of business, established trading practices and the stock exchange rules and regulations.

¹⁹ Cash exchanges include those in Berlin-Bremen, Düsseldorf, Frankfurt, Hamburg, Hanover, Munich and Stuttgart. In addition, the "Warenerminbörse Hannover" (Hanover Commodity Exchange), the European Energy Exchange in Leipzig and the German derivatives exchange EUREX are monitored.

²⁰ For an overview of the evolution of financial market regulation in the United Kingdom see, for instance, P Howells and K Bain (2004), *loc cit*.

state provided a framework, it did not constantly intervene. Regulators, however, always reserved the right to intervene at their discretion. The increasing internationalisation of financial markets, the growing importance of new financial products, communication technology innovations, as well as several financial scandals in the United Kingdom in the mid-1980s all paved the way for the “big bang”, which led to a much more rule-based securities regulation framework in the United Kingdom.²¹ The Financial Services Act of 1986, which entered into force on 29 April 1988, was intended to create a modern, more competitively-oriented regulatory system. The main supervisory authority created by the Act, the Securities and Investments Board (SIB), entrusted several self-regulatory organisations (SROs) with the task of supervising the respective markets. However, some of the individual SROs’ spheres of responsibility overlapped and SROs competed with each other for members. Owing to apparent and serious supervisory deficits, further profound changes in the United Kingdom’s securities regulation were implemented in May 1997. The principle of self-regulation was jettisoned in favour of statutory regulation. To that end, the Financial Services Authority (FSA) was created to succeed the SIB with effect from 1 June 1998. Until the FSA completely assumed its regulatory powers at the end of 2001, the existing organisations continued to perform their previous tasks. In parallel, the Bank of England Act of 1998 transferred responsibility for supervising the banking system and the inter-bank money market from the Bank of England to the FSA. The FSA completely assumed its regulatory powers through the Financial

Services and Markets Act (FSMA) in 2000. The FSMA gave the FSA four regulatory objectives: the creation and maintenance of market confidence, public awareness, consumer protection and combating financial crime. Since autumn 2004 the FSA has also been responsible for regulating the mortgage market and, since January 2005, for supervising general insurance business. The FSA is thus evolving more and more into a cross-sector supervisor. It maintains an intensive dialogue with market participants and involves them in the decision-making process through, for instance, consultation procedures.

The regulation of the US securities markets by tradition stresses the principle of self-regulation. However, since the 1930s, ie following the banking and stock exchange crisis, the government has also issued distinct framework regulations. The leitmotif of securities regulation in the United States is to ensure that an investor has all the information about the issuing company and the markets that he needs to make an independent investment decision. Another feature that is distinctive of the USA is the large number of agencies involved in the regulation and supervision of the securities markets. Exchanges in the United States – against the background of the framework rules laid down by the Securities and Exchange Commission (SEC)²² and the Commodity Futures Trading Commis-

*Regulation in
the USA*

²¹ See G Bishop (2001), Die Regulierung oder Selbstregulierung der Finanzmärkte, in C Randzio-Plath (ed), Zur Globalisierung der Finanzmärkte und Finanzmarktstabilität: Herausforderungen für Europa, Baden-Baden, pp 101-116.

²² The SEC was established by the Securities Exchange Act (SEA), which was adopted in 1934 in response to the Great Depression and numerous cases of securities fraud.

Overview of how regulation is organised

Item	Germany	United Kingdom	USA
Regulatory model	Central government regulation with involvement of Federal states; SRO elements	Government regulation	Central government regulation with private sector involvement (SROs)
Responsible authority	German Federal Financial Supervisory Authority (BaFin), each state's stock exchange supervisory authority	Financial Services Authority (FSA)	Securities and Exchange Commission (SEC), state authorities, Commodity Futures Trading Commission (CFTC)
Cross-sector supervision	Yes	Yes	No
Self-regulatory organisations	Yes (exchanges, especially Trading Surveillance Offices)	No	Yes, substantial involvement (exchanges, associations)
Regulatory philosophy	To ensure market transparency and integrity		
Accountability	Federal Ministry of Finance	Treasury	Congress

Source: Based on S Lütz (2002), *Der Staat und die Globalisierung von Finanzmärkten: Regulative Politik in Deutschland, Großbritannien und den USA*, Campus Verlag

(Schriften des Max-Planck-Instituts für Gesellschaftsforschung Köln, Volume 43), p 250.

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sion (CFTC) – are SROs which are responsible for laying down the specific rules and regulations under which exchanges and market players operate. They are also responsible for the proper conduct of securities trading and for sanctioning violations of the stock exchange rules and regulations. Along with the registered exchanges as SROs, the National Association of Securities Dealers (NASD) also plays a key role. As a self-administrative body, the NASD supervises the NASDAQ²³ electronic exchange (to which it was closely linked until 2000) and the over-the-counter (OTC) markets as well as the persons active in the securities industry. It defines standard trading practices and monitors brokers and dealers.²⁴ The task of the SEC, which is a federal supervisory agency (with a mandate from the US Congress), is to constantly monitor the func-

tioning of this self-supervision and, if necessary, to intervene in stock exchange activities for regulatory purposes.²⁵ The SROs are responsible for fleshing out the details of what constitutes permissible trading practices. Although the SEC has thereby delegated part of its control and steering functions, it still reserves the right to supplement or amend existing trading rules. If an SRO wants to amend any rules, these amendments have to be submitted to the SEC for approval. New securities have to be registered with the SEC

²³ National Association of Securities Dealers Automated Quotation System.

²⁴ Since the 1934 Securities Exchange Act did not contain any provisions governing the OTC market, in 1938 Congress passed the Maloney Act, which extended the scope of monitoring to the previously unsupervised OTC market. The NASD was established on the basis of this Act.

²⁵ The securities clearance and settlement agencies are also SROs and are, therefore, registered with the SEC.

prior to issue and the SEC checks for compliance with the formal rules regarding the information to be disclosed. Securities traders (brokers and dealers) are also required to register with the SEC before they are permitted to conduct securities transactions. As a Congressional commission, the SEC is also required to report to Congress on a regular basis and to apply for a renewal of its mandate. Additionally, each US state has its own securities supervisory authority, which regulates intra-state securities trading and has its own regulatory and sanctioning powers. However, the provisions of an individual state apply only to securities trading within that state, not to trading between states. The financial and commodity futures markets and exchanges are regulated and supervised by the Commodity Futures Trading Commission (CFTC), which is a federal commission comparable to the SEC; the SRO approach is pursued here as well.

Regulation at an international level: the International Organization of Securities Commissions (IOSCO) ...

Given the increasingly global nature of securities markets, regulatory authorities are increasingly cooperating at the level of international organisations. The International Organization of Securities Commissions (IOSCO) is an international association of national securities regulators, SROs and exchanges from all over the world. In September 1998, IOSCO adopted and published the "Objectives and Principles of Securities Regulation".²⁶ These comprise 30 principles relating to three primary objectives of securities regulation and supervision: investor protection; market fairness, efficiency and transparency; and the limitation of systemic risk. These principles apply to rule-making super-

visory authorities and – where nationally applicable – to self-regulatory bodies. They relate to the enforcement of rules (by supervisors), cooperation and the exchange of information between supervisory authorities, the obligations of securities issuers, fund business, the requirements for market participants and intermediaries, and the licensing and monitoring of exchanges and other trading systems. These objectives and principles stipulate, for instance, that rule-making supervisory authorities should be independent of external political and economic influences and should be individually accountable. They should also be given extensive powers of investigation and supervision.

As a voluntary association of national authorities, IOSCO can only issue recommendations; however, market discipline is quite capable of giving these recommendations the character of regulations. In 2003, IOSCO therefore adopted a comprehensive methodology for a criteria-based, graded assessment of the status of implementation of IOSCO principles in the individual jurisdictions, which can also serve as a basis for the development of practical action plans to remedy deficits. There are two main purposes behind the detailed specification of the individual principles and the setting of benchmarks: to make self-assessment easier for jurisdictions, and to serve as tools to be used by the World Bank and the IMF in their Financial Sector Assessment Programmes, with which they, for example, assess the quality of supervisory structures in individual countries.

... issues recommendations

²⁶ These were modelled on the IOSCO "Principles for the Oversight of Screen-Based Trading Systems" of 1990.

*At EU level:
the Financial
Services Action
Plan*

The comprehensive package of measures contained in the Financial Services Action Plan (FSAP) of 1999 is a reflection of the political will to press ahead with the creation of a single internal market for financial services within the European Union.²⁷ This action plan, created to harmonise the legal framework, is a milestone in the process of European integration and accordingly triggered high expectations. With an agreement on the transposition of the regulatory capital requirements for banks and financial services providers ("Basel II") into European law having been reached between the EU Council and the Parliament in autumn 2005, the action plan has now largely been completed.

*Lamfalussy
procedure*

The Lamfalussy procedure was introduced as a procedural innovation for implementing selected legislative initiatives from the past few years. The intention was to remedy the shortcomings of the previous legislative process (the "co-decision procedure"²⁸), which was regarded as too unwieldy, inflexible and imprecise for keeping up with current developments in the securities sector.²⁹ This procedure has been used to adopt securities regulation legislation since 2002.

*MiFID: a case
in point*

A total of four legislative items of the action plan have been processed using the Lam-

²⁷ See Deutsche Bundesbank, Regulation of the European securities markets, *Monthly Report*, July 2004, pp 33-48.

²⁸ Pursuant to Article 251 of the EC Treaty: a Commission proposal to the Council of Ministers and the European Parliament, both of which decide independently and on equal terms.

²⁹ See Final Report of the Committee of Wise Men on the Regulation of European Securities Markets, 15 February 2001, p 21.

Lamfalussy procedure

The "Committee of Wise Men", chaired by Alexandre Lamfalussy, presented its final report on the regulation of European securities markets on 15 February 2001. Its recommendations included a reform of the legislative process through the introduction of a four-level procedure.

- At level 1, the member states (the Eco-fin Council) and the European Parliament make fundamental political framework decisions and define the scope of implementing powers.
- These framework laws are fleshed out by implementing measures at level 2. The Commission works together with specially convened committees – in accordance with the comitology procedure developed by the Committee of Wise Men. For securities regulation, these are the Committee of European Securities Regulators (CESR) and the European Securities Committee (ESC), the latter comprising representatives of national governments. After consulting the CESR, the Commission proposes measures on which the ESC then votes. The Commission, in turn, adopts the measures.
- At level 3, the CESR develops common guidelines and recommendations on the national implementation of European legislation. This is to ensure consistent interpretation and application of the rules through coordination and cooperation among national regulatory authorities.
- At level 4, the Commission verifies the accurate and timely transposition of EU legislation into national law.

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falussy procedure since 2002.³⁰ Two of these projects – the Markets in Financial Instruments Directive (MiFID) and the Transparency Directive – are still pending implementing measures, which need to be adopted by the Commission upon a proposal by the European Securities Committee (ESC) and following consultations with the Committee of European Securities Regulators (CESR). In the case of the MiFID, CESR provided the Commission with numerous proposals for implementing measures in February and May 2005; it did the same for the Transparency Directive in June 2005. It is now up to the Commission to develop and adopt, in conjunction with the ESC, concrete legal acts (regulations or directives) in level 2 of the Lamfalussy procedure. The Commission is not bound by CESR's original proposals but will generally base its measures on these proposals. Although several comprehensive rounds of consultation – targeted primarily at market players, associations and the public sector – were already held by securities supervisors prior to the finalisation of the CESR proposals, the Commission has decided to conduct additional rounds of consultation before adopting measures to implement the MiFID.

*Lamfalussy
procedure in its
test phase*

It is still too early for a final assessment of the Lamfalussy procedure since only a very small number of legislative projects have been completed using this procedure. The checking of implementation at level 4, in particular, has only just begun. What is indisputable, however, is that the Lamfalussy procedure has strengthened cooperation among the national supervisory authorities and involves market

players in the legislative procedure through intensive consultations. It is not possible to assess conclusively, however, the extent to which the Lamfalussy procedure has made the European securities legislation process faster and more flexible. Initial experience has shown, however, that the legislative process can still be time-consuming even using the Lamfalussy procedure. In November 2005, the Commission put forward a proposal for a directive³¹ moving the deadline for the transposition of the MiFID into national law from April 2006 to October 2006; the new rules do not even have to be applied until 1 May 2007. This means that the MiFID will not come into effect until at least three years after the level 1 rules were passed – provided transposition into national law is actually accomplished within the (extended) deadline.³² The complex nature of the material, as well as controversy about the content of the rules, especially the specific shape of the transparency requirements and the code of conduct, are factors behind the amended deadline. In addition, market players have indicated that the involvement of the regulatory committees

³⁰ In 2003 and 2004, the following level 1 measures were adopted: the Market Abuse Directive (2003/6/EC) of 28 January 2003; the Prospectus Directive (2003/71/EC) of 4 November 2003; the Markets in Financial Instruments Directive (MiFID) (2004/39/EC) of 21 April 2004, and the Transparency Directive (2004/109/EC) of 15 December 2004. In March 2004, a directive extending the Lamfalussy procedure to the fields of banking, insurance and investment funds was adopted.

³¹ Proposal for a directive of the European Parliament and of the Council amending Directive 2004/39/EC on markets in financial instruments, as regards certain deadlines (COM(2005) 253 final).

³² Delays in the transposition into national law of EU directives by member states has provoked criticism time and again. For instance, the Prospectus Directive was transposed into national law in only 5 of the 25 member states by the 1 July 2005 deadline; Germany was one of these 5 countries.

(ESC, CESR) has led to a certain fragmentation of the legislative process. Although the – at times – comprehensive consultation papers give the institutions and associations concerned an opportunity to get involved, they also tie up considerable resources.

Conclusion

Securities markets make an important contribution to the integration process and the momentum of economic growth. There is a general consensus that securities markets need to be regulated as well as extensive agreement about the aims and principles of such regulation. The regulatory framework must be adapted to both the market structure and market developments, and must be continually refined. Flexible regulation enhances competitiveness and thus contributes to fi-

ancial stability. In view of financial market globalisation, it has for a long time already been impossible to regulate from a purely national perspective. After all, the competition between financial centres runs parallel to the competition between regulatory systems. In order for locations to survive in this competitive environment, the level of regulation and its degree of restrictiveness in the various economic areas will tend to converge. In this process, one element that will need to be checked is whether regulatory goals can be achieved more efficiently through self-regulation or statutory regulation. Another major issue for discussion is the extent to which the international coordination of regulatory measures and bodies is better suited to meeting challenges which are similar the world over than if nations either act alone or restructure their supervisory regimes.



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Abbreviations and symbols

- e Estimated
- p Provisional
- pe Partly estimated
- r Revised
- ... Data available at a later date
- . Data unknown, 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 for the euro area

1 Monetary developments and interest rates

Period	Money stock in various definitions 1,2				Determinants of the money stock 1			Interest rates		
	M1	M2	M 3 3		MFI lending, total	MFI lending to enterprises and households	Monetary capital formation 4	Eonia 5,7	3-month Euribor 6,7	Yield on European government bonds outstanding 8
				3-month moving average (centred)						
	Annual percentage change							% per annum as a monthly average		
2004 May	9.4	5.5	4.9	5.2	5.9	6.0	7.6	2.02	2.09	4.4
June	9.5	5.6	5.3	5.2	6.4	6.2	7.6	2.03	2.11	4.4
July	10.0	5.9	5.5	5.5	6.3	6.3	7.5	2.07	2.12	4.3
Aug	9.2	5.7	5.6	5.7	6.1	6.0	7.5	2.04	2.11	4.1
Sep	9.7	6.2	6.0	5.8	6.0	6.3	7.9	2.05	2.12	4.1
Oct	8.9	6.3	5.8	6.0	6.1	6.6	7.8	2.11	2.15	4.0
Nov	9.7	6.6	6.1	6.2	6.0	6.8	7.8	2.09	2.17	3.9
Dec	9.0	6.7	6.6	6.5	6.1	7.1	8.3	2.05	2.17	3.7
2005 Jan	9.6	7.1	6.8	6.7	6.5	7.3	8.1	2.08	2.15	3.6
Feb	10.1	7.3	6.6	6.6	6.7	7.4	8.7	2.06	2.14	3.6
Mar	9.3	7.1	6.5	6.6	6.3	7.4	8.7	2.06	2.14	3.7
Apr	9.3	7.4	6.8	6.9	6.7	7.7	8.4	2.08	2.14	3.5
May	10.1	7.6	7.3	7.2	6.5	7.9	8.4	2.07	2.13	3.4
June	10.9	8.1	7.6	7.6	6.7	8.2	9.6	2.06	2.11	3.2
July	11.1	8.3	7.9	7.9	6.9	8.4	9.2	2.07	2.12	3.3
Aug	11.6	8.6	8.2	8.2	7.0	8.7	9.2	2.06	2.13	3.3
Sep	11.1	8.8	8.4	8.2	7.4	9.1	8.7	2.09	2.14	3.1
Oct	11.2	8.6	7.9	8.0	7.8	9.4	9.0	2.07	2.20	3.3
Nov	10.4	8.2	7.6	7.6	8.2	9.5	8.8	2.09	2.36	3.5
Dec	11.3	8.4	7.3	...	8.4	9.5	8.5	2.28	2.47	3.4

1 Source: ECB. — 2 Seasonally adjusted. — 3 Excluding money market fund shares/units, money market paper and debt securities with a maturity of up to two years held by non-euro-area residents. — 4 Longer-term liabilities to

euro-area non-MFIs. — 5 Euro OverNight Index Average. — 6 Euro Interbank Offered Rate. — 7 See also footnotes to Table VI.5, p 44*. — 8 GDP-weighted yield on ten-year government bonds.

2 External transactions and positions *

Period	Selected items of the euro-area balance of payments							Euro exchange rates 1		
	Current account		Capital account					Dollar rate	Effective exchange rate 3	
	Balance	of which Trade balance	Balance	Direct investment	Securities transactions 2	Credit transactions	Reserve assets		Nominal	Real 4
	€ million							Euro/US-\$	Q1 1999 = 100	
2004 May	- 23	+ 10,455	+ 3,630	- 2,368	- 14,482	+ 19,861	+ 618	1.2007	102.4	104.5
June	+ 3,600	+ 11,393	+ 3,990	- 6,425	+ 24,522	- 13,357	- 750	1.2138	102.3	104.2
July	+ 7,896	+ 13,733	- 4,788	- 2,750	- 27,492	+ 25,217	+ 237	1.2266	102.8	104.8
Aug	+ 2,999	+ 5,388	+ 2,197	+ 9,259	- 6,498	- 4,339	+ 3,775	1.2176	102.7	104.8
Sep	+ 982	+ 5,421	+ 3,599	+ 1,920	+ 40,496	- 38,281	- 535	1.2218	103.0	105.2
Oct	+ 3,170	+ 8,879	- 16,414	- 10,357	+ 6,090	- 13,069	+ 922	1.2490	104.2	106.3
Nov	+ 4,569	+ 5,224	+ 13,186	- 9,086	- 20,611	+ 42,924	- 40	1.2991	105.6	107.6
Dec	+ 7,746	+ 7,482	+ 5,555	- 412	+ 41,131	- 36,638	+ 1,474	1.3408	107.1	109.2
2005 Jan	- 5,818	+ 1,367	+ 18,253	- 10,478	- 20,737	+ 51,045	- 1,577	1.3119	105.8	108.0
Feb	+ 5,877	+ 5,885	+ 27,084	- 2,740	+ 24,519	+ 394	+ 4,911	1.3014	105.1	107.2
Mar	+ 3,461	+ 8,308	- 19,441	- 6,830	- 7,170	- 6,955	+ 1,513	1.3201	106.0	108.3
Apr	- 11,029	+ 3,844	- 11,233	- 11,559	- 14,458	+ 15,612	- 827	1.2938	105.1	107.3
May	- 3,040	+ 6,003	+ 39,403	+ 7,908	+ 18,896	+ 10,049	+ 2,550	1.2694	104.0	106.2
June	+ 422	+ 8,515	+ 15,260	- 7,919	+ 102,143	- 80,349	+ 1,385	1.2165	101.2	103.4
July	+ 1,424	+ 9,774	+ 3,415	- 83,750	+ 76,189	+ 8,397	+ 2,578	1.2037	101.7	103.9
Aug	- 2,832	+ 838	- 1,322	- 12,163	- 19,976	+ 30,943	- 126	1.2292	102.3	104.6
Sep	- 2,428	+ 5,721	+ 27,713	- 1,698	+ 27,708	+ 2,006	- 302	1.2256	101.8	104.1
Oct	- 7,516	+ 3,234	- 9,908	- 6,431	- 8,044	+ 4,340	+ 227	1.2015	101.4	103.7
Nov	- 8,488	+ 1,873	- 2,834	- 12,201	- 29,873	+ 38,061	+ 1,179	1.1786	100.7	103.0
Dec	...	...	...	...	...	...	...	1.1856	100.7	103.1

* Source: ECB. — 1 See also Tables X.12 and 13, pp 74–75. — 2 Including financial derivatives. — 3 Vis-à-vis the currencies of The-EER-23 group. — 4 Based on consumer prices.

I Key economic data for the euro area

3 General economic indicators

Period	Belgium	Germany	Finland	France	Greece	Ireland	Italy	Luxem- bourg	Nether- lands	Austria	Portugal	Spain	Euro area
Real gross domestic product ¹													
2003	0.9	- 0.2	2.4	0.8	4.6	3.7	0.3	2.9	- 0.1	1.4	- 1.1	3.0	0.7
2004	2.6	1.6	3.6	2.3	4.7	4.9	1.2	4.5	1.7	2.4	1.2	3.1	2.1
2005	...	0.9	...	...	...	...	...	...	...	...	...	...	...
2004 Q2	2.4	2.1	3.6	3.6	4.6	5.2	2.0	4.7	1.4	2.5	2.0	3.1	2.2
Q3	2.6	1.2	3.6	1.4	4.5	5.2	1.3	3.8	2.0	3.1	1.1	3.7	1.9
Q4	2.3	1.3	3.9	1.8	4.8	2.8	0.8	3.6	2.3	3.3	0.6	2.9	1.6
2005 Q1	0.9	- 0.5	1.9	1.4	3.5	...	- 0.3	3.1	- 0.5	1.9	0.0	3.0	1.2
Q2	1.5	1.6	0.5	1.8	3.7	...	0.2	...	1.3	2.0	0.4	3.7	1.2
Q3	1.2	1.3	2.1	1.3	3.8	...	0.0	...	1.3	1.8	0.2	3.6	1.6
Industrial production ^{1,2}													
2002	1.3	- 1.0	2.2	- 1.5	0.8	7.2	- 1.6	2.1	- 0.3	0.8	- 0.5	0.2	- 0.6
2003	0.8	0.4	1.2	- 0.3	0.3	4.7	- 0.6	4.8	- 2.4	2.0	0.1	1.4	0.3
2004	3.2	3.0	4.2	1.8	1.2	0.3	- 0.7	6.9	2.6	6.2	- 2.7	1.6	2.0
2004 Q2	2.0	4.0	3.7	3.3	2.3	3.2	1.0	9.1	3.4	6.3	- 1.0	2.4	3.0
Q3	5.5	4.7	6.2	1.5	0.9	0.1	- 1.0	7.0	3.2	7.9	- 3.3	2.2	2.7
Q4	3.6	2.0	6.1	1.8	- 0.7	- 5.8	- 2.2	5.1	2.6	7.9	- 5.0	0.4	1.1
2005 Q1	- 1.3	2.7	0.2	0.6	- 1.8	1.1	- 2.7	5.0	- 1.5	4.6	- 2.1	0.3	0.6
Q2	0.5	2.4	- 6.7	- 0.1	- 2.6	1.9	- 1.1	4.7	0.3	5.1	- 0.3	0.1	0.7
Q3	- 2.7	^{6p} 3.3	- 1.4	0.4	- 0.5	2.8	0.2	...	- 1.8	^p 3.9	0.9	0.6	1.4
Capacity utilisation in industry ³													
2003	78.7	82.0	81.9	84.8	76.5	75.1	76.3	84.7	81.7	80.0	79.0	78.9	81.0
2004	80.4	83.2	84.5	84.1	75.6	75.6	76.4	85.6	82.7	81.3	80.4	79.0	81.5
2005	79.4	82.9	84.9	83.5	72.1	74.2	76.4	82.3	82.0	81.7	80.0	80.2	81.3
2004 Q3	81.5	83.4	84.7	84.3	76.3	75.3	76.9	87.4	83.1	82.3	81.4	79.8	82.0
Q4	80.9	83.9	86.9	84.6	74.1	75.0	76.7	86.0	82.7	82.4	80.2	79.3	82.1
2005 Q1	80.9	83.9	85.5	84.0	71.9	72.2	76.4	84.9	82.3	82.2	81.6	80.1	81.9
Q2	79.4	81.9	87.5	84.6	72.4	69.7	76.4	83.2	82.0	81.8	79.2	80.1	81.1
Q3	78.2	82.7	82.4	82.5	71.9	78.2	75.9	79.8	81.7	81.3	79.9	80.6	80.9
Q4	79.1	82.9	84.3	82.9	72.2	76.8	76.7	81.4	82.1	81.3	79.2	80.1	81.2
Unemployment rate ⁴													
2003	8.0	8.8	9.0	9.5	9.7	4.6	8.4	3.7	3.7	4.3	6.3	11.5	8.7
2004	7.9	⁷ 9.2	8.8	9.6	10.5	4.5	8.0	4.8	4.6	4.8	6.7	11.0	8.9
2005	8.4	...	...	...	...	4.3	...	...	...	5.2	7.5	...	...
2005 June	8.4	9.2	8.3	9.6	...	4.3	7.6	5.4	4.7	5.2	7.4	9.2	8.6
July	8.4	9.0	8.2	9.5	...	4.3	7.5	5.4	4.6	5.2	7.5	8.9	8.5
Aug	8.4	9.3	8.2	9.4	...	4.4	7.5	5.5	4.6	5.2	7.6	8.7	8.4
Sep	8.4	...	8.3	9.4	...	4.3	7.5	5.6	4.6	5.2	7.6	8.7	8.3
Oct	8.4	...	8.3	9.3	...	4.3	...	5.6	4.7	5.2	7.5	8.6	8.3
Nov	8.4	...	8.3	9.2	...	4.3	...	5.6	4.7	5.2	7.5	8.5	8.3
Dec	8.4	...	...	...	...	4.3	...	...	...	5.2	7.5	...	...
Harmonised Index of Consumer Prices ¹													
2003	1.5	1.0	1.3	2.2	3.4	4.0	2.8	2.5	2.2	1.3	3.3	3.1	2.1
2004	1.9	1.8	0.1	2.3	3.0	2.3	2.3	3.2	1.4	2.0	2.5	3.1	2.1
2005	2.5	1.9	0.8	1.9	3.5	2.2	2.2	3.8	1.5	2.1	2.1	3.4	2.2
2005 June	2.7	1.8	1.0	1.8	3.2	1.9	2.2	3.2	1.5	2.0	0.6	3.2	2.1
July	2.7	1.9	0.9	1.8	3.9	2.2	2.2	4.0	1.5	2.1	1.9	3.3	2.2
Aug	2.9	1.9	1.0	2.0	3.6	2.1	2.2	4.3	1.6	1.9	2.5	3.3	2.2
Sep	3.0	2.6	1.1	2.4	3.8	2.8	2.2	4.7	1.7	2.6	2.7	3.8	2.6
Oct	2.2	2.4	0.8	2.0	3.7	2.7	2.6	5.0	1.5	2.0	2.6	3.5	2.5
Nov	2.3	2.3	1.0	1.8	3.4	2.2	2.4	3.6	1.6	1.7	2.5	3.4	2.3
Dec	2.8	2.1	1.1	1.8	3.5	1.9	2.1	3.4	^p 2.1	1.6	2.5	3.7	2.2
General government financial balance ⁵													
2002	0.0	- 3.8	4.3	- 3.2	- 4.9	- 0.4	- 2.7	2.1	- 2.0	- 0.4	- 2.8	- 0.3	- 2.5
2003	0.1	- 4.1	2.5	- 4.1	- 5.7	0.2	- 3.2	0.2	- 3.2	- 1.2	- 2.9	0.0	- 3.0
2004	0.0	- 3.7	2.1	- 3.7	- 6.6	1.4	- 3.2	- 1.2	- 2.1	- 1.0	- 3.0	- 0.1	- 2.7
General government debt ⁵													
2002	105.8	61.2	42.3	58.8	111.6	32.4	108.3	6.8	51.3	66.7	56.1	53.2	68.5
2003	100.4	64.8	45.2	63.2	108.8	31.5	106.8	6.7	52.6	65.1	57.7	49.4	69.8
2004	96.2	66.4	45.1	65.1	109.3	29.8	106.5	6.6	53.1	64.3	59.4	46.9	70.2

Sources: National data, European Commission, Eurostat, European Central Bank. Latest data are partly based on press reports and are provisional. — 1 Annual percentage change; GDP of Greece, Portugal and the Euro-area calculated from seasonally adjusted data. — 2 Manufacturing, mining and energy; adjusted for working-day variations. — 3 Manufacturing, in %; seasonally adjusted; data are collected in January, April, July and October. — 4 Standardised, as a percentage of the civilian labour force; sea-

sonally adjusted. — 5 As a percentage of GDP; Maastricht Treaty definition; excluding financial intermediation services indirectly measured (FISIM); Euro-area aggregate; European Central Bank, member states; European Commission. — 6 Adjusted in advance by the Federal Statistical Office by way of estimates to the results of the Quarterly Production Survey for the third quarter (industry in Germany: on average - 2.5%). — 7 Comparability impaired owing to changeover to new method of collection and calculation.

II Overall monetary survey in the euro area

1 The money stock and its counterparts *

(a) Euro area

€ billion

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) ²	Capital and reserves ³
		Total	of which Securities	Total	of which Securities								
2004 Apr	89.9	85.8	26.8	4.1	11.0	7.4	70.3	62.9	28.3	10.3	- 1.1	16.4	2.7
May	72.2	47.5	3.9	24.7	30.5	- 21.1	- 11.1	10.0	23.8	5.6	- 0.9	16.3	2.8
June	60.4	46.6	- 8.1	13.8	8.5	17.2	- 23.3	- 40.5	22.1	9.9	- 0.4	8.0	4.5
July	28.1	26.4	- 9.0	1.8	- 4.6	- 1.5	- 7.2	- 5.7	28.1	6.8	0.1	14.9	6.4
Aug	- 18.9	- 13.8	- 10.2	- 5.0	- 0.1	30.3	45.7	15.4	18.7	6.7	- 0.0	9.2	2.8
Sep	53.5	57.5	- 2.8	- 4.0	2.9	34.8	22.6	- 12.3	45.2	3.5	- 0.3	31.8	10.1
Oct	56.4	57.3	5.8	- 0.9	- 1.1	20.5	30.8	10.4	25.2	7.3	0.9	15.3	1.8
Nov	89.9	86.4	17.6	3.5	6.9	10.3	106.0	95.6	29.1	15.4	0.8	7.2	5.8
Dec	27.4	70.4	15.6	- 43.0	- 48.4	26.4	- 7.3	- 33.7	40.9	26.1	1.2	9.1	4.6
2005 Jan	97.7	54.7	15.3	43.0	38.2	- 15.8	83.9	99.7	11.9	1.9	- 0.3	10.7	- 0.4
Feb	60.3	37.0	10.2	23.2	32.5	13.7	66.0	52.4	46.3	7.5	0.5	32.6	5.7
Mar	48.2	53.7	6.6	- 5.6	- 4.5	- 22.7	37.2	59.9	46.7	15.3	- 0.1	23.7	7.8
Apr	136.1	119.6	67.6	16.5	11.9	2.3	109.6	107.3	17.4	5.4	- 0.5	15.2	- 2.7
May	55.6	61.9	2.7	- 6.3	- 3.9	- 39.5	- 6.8	32.8	25.9	0.2	- 0.4	21.5	4.6
June	80.9	74.4	- 21.2	6.5	7.9	102.2	23.5	- 78.7	78.1	26.1	- 0.7	30.0	22.7
July	52.1	52.3	- 9.1	- 0.2	- 0.7	0.6	44.6	43.9	14.6	5.9	- 1.0	6.7	2.9
Aug	- 2.9	1.6	- 3.4	- 4.5	- 5.7	1.7	- 1.3	- 3.0	17.7	1.6	- 1.0	12.8	4.3
Sep	95.7	96.0	11.1	- 0.3	- 6.4	- 19.5	64.1	83.6	19.7	4.1	- 1.6	11.5	5.6
Oct	103.2	89.9	24.5	13.3	17.1	- 9.5	56.1	65.6	41.5	5.7	- 0.5	33.4	2.9
Nov	138.7	101.1	18.3	37.6	44.3	- 43.7	23.9	67.7	22.9	12.8	0.2	5.3	4.5

(b) German contribution

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) ²	Capital and reserves ³
		Total	of which Securities	Total	of which Securities								
2004 Apr	10.8	16.4	13.3	- 5.6	1.1	15.0	22.0	7.0	13.0	4.5	- 1.2	6.2	3.4
May	- 10.4	- 10.6	- 8.3	0.1	6.0	11.1	- 4.9	- 16.0	5.0	4.3	- 0.9	4.9	- 3.3
June	- 9.2	- 12.4	- 12.7	3.2	8.5	21.2	- 8.5	- 29.7	7.9	4.0	- 0.3	- 1.8	6.0
July	6.4	- 4.1	- 1.5	10.5	1.5	- 3.3	- 9.4	- 6.1	8.0	1.7	0.1	2.3	3.9
Aug	- 7.4	- 8.1	- 5.4	0.8	5.4	12.1	12.3	0.2	2.8	1.9	- 0.0	5.2	- 4.3
Sep	5.3	10.7	0.6	- 5.3	- 0.8	11.1	35.0	23.9	9.9	1.1	- 0.3	9.9	- 0.7
Oct	11.7	- 0.6	1.5	12.3	7.3	18.7	8.1	- 10.6	3.9	2.7	0.6	- 0.5	1.1
Nov	6.1	11.8	1.1	- 5.7	- 1.8	3.3	41.4	38.1	0.5	2.6	0.8	- 0.9	- 2.0
Dec	- 14.0	- 1.8	9.9	- 12.2	- 8.2	10.3	- 25.6	- 36.0	2.1	3.7	1.1	- 5.2	2.5
2005 Jan	20.9	6.3	6.3	14.6	10.2	- 4.8	26.3	31.1	2.3	0.6	- 0.3	0.7	1.3
Feb	- 2.2	0.6	- 5.1	- 2.8	1.6	1.7	14.0	12.3	4.9	4.1	0.5	4.8	- 4.5
Mar	8.5	- 1.1	6.2	9.6	9.8	- 10.4	4.0	14.3	10.6	2.6	- 0.0	7.8	0.3
Apr	63.2	50.8	45.3	12.4	7.5	15.6	56.3	40.7	11.8	- 2.8	- 0.5	10.8	4.2
May	- 21.7	- 15.0	- 17.7	- 6.6	- 5.7	- 22.7	- 25.5	- 2.9	- 1.8	- 4.0	- 0.5	2.0	0.7
June	- 27.7	- 9.3	- 16.0	- 18.4	- 12.8	49.9	- 6.3	- 56.2	9.1	- 0.4	- 0.6	4.9	5.3
July	3.9	2.9	4.5	1.0	- 3.0	3.7	14.3	10.6	6.8	1.8	- 0.7	2.8	2.9
Aug	2.8	2.7	2.3	0.2	3.4	- 3.4	- 10.4	- 7.0	- 1.3	0.2	- 1.0	- 1.0	0.6
Sep	5.1	17.1	1.9	- 12.0	- 7.2	- 0.1	16.2	16.3	- 5.6	- 0.4	- 1.5	- 2.0	- 1.7
Oct	10.3	11.0	2.7	- 0.7	- 2.3	- 4.2	2.9	7.1	3.7	- 0.7	- 0.5	0.7	4.2
Nov	4.2	1.9	5.4	2.3	10.0	- 7.0	2.3	9.3	2.5	2.0	0.2	- 2.4	2.7

* The data in this table are based on the consolidated balance sheet of monetary financial institutions (MFIs) (Table II.2); statistical breaks have been eliminated from the flow figures (see also the "Notes on the figures" in the "Explanatory notes" in the Statistical Supplement to the Monthly Report 1, p 30). — 1 Source: ECB. — 2 Excluding MFIs' portfolios. — 3 After

deduction of inter-MFI participations. — 4 Including the counterparts of monetary liabilities of central governments. — 5 Including the monetary liabilities of central governments (Post Office, Treasury). — 6 In Germany, only savings deposits. — 7 Paper held by residents outside the euro area has been eliminated. — 8 Less German MFIs' holdings of paper issued by

II Overall monetary survey in the euro area

(a) Euro area

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V)										Period
	Total 4	of which Intra- Eurosystem liability/ claim related to banknote issue	Total	Money stock M2						Repo transac- tions	Money market fund shares (net) 2,7,8	Debt secur- ities with maturities of up to 2 years (incl money market paper) (net) 2,7	
				Total	Money stock M1			Deposits with an agreed maturity of up to 2 years 5	Deposits at agreed notice of up to 3 months 5,6				
					Total	Currency in cir- culation	Overnight deposits 5						
- 4.7	21.1	-	52.6	33.3	24.4	9.8	14.6	0.6	8.3	5.8	8.0	5.4	2004 Apr
15.5	- 16.0	-	27.7	35.8	18.7	7.3	11.5	11.0	6.0	- 3.6	- 2.1	- 2.4	May
28.7	- 0.0	-	26.9	30.4	44.2	6.4	37.8	- 26.1	12.2	- 4.3	- 3.7	- 4.7	June
- 22.2	- 6.6	-	27.4	19.6	1.4	13.2	- 11.9	10.6	7.6	6.0	3.9	- 2.2	July
- 8.5	17.4	-	- 16.1	- 29.7	- 38.7	- 2.8	- 35.9	3.4	5.6	1.3	11.0	1.3	Aug
11.1	- 2.1	-	34.2	56.6	63.1	4.6	58.5	- 8.6	2.2	- 8.3	- 13.3	- 0.9	Sep
- 6.7	- 3.1	-	61.5	42.0	10.1	6.4	3.8	27.7	4.1	13.9	7.4	- 1.7	Oct
- 14.6	46.6	-	39.1	43.8	50.5	4.4	46.2	- 13.5	6.7	- 5.7	- 3.2	- 4.2	Nov
- 20.4	- 71.3	-	104.7	109.4	38.7	19.7	19.1	39.1	31.6	5.0	- 8.0	- 1.6	Dec
18.2	43.4	-	8.4	- 0.3	14.6	- 8.5	23.2	- 27.8	12.8	- 0.2	12.4	- 3.5	2005 Jan
29.5	- 12.2	-	10.3	4.9	5.0	3.7	1.3	- 5.3	5.2	- 1.7	- 1.9	8.9	Feb
- 22.7	- 26.2	-	27.6	35.0	26.9	8.2	18.7	4.1	4.0	- 0.1	- 0.8	- 6.5	Mar
- 6.5	42.7	-	84.9	57.2	33.1	9.3	23.8	16.7	7.3	- 0.7	13.8	14.7	Apr
- 7.4	- 49.0	-	46.6	34.1	30.1	4.8	25.4	- 1.9	5.9	12.8	7.3	- 7.6	May
38.0	6.5	-	60.5	69.3	77.0	10.7	66.2	- 11.5	3.8	- 0.3	- 14.5	6.0	June
- 0.7	- 12.1	-	51.0	37.7	17.0	9.9	7.2	15.1	5.6	- 0.3	12.9	0.7	July
- 44.3	44.3	-	- 18.8	- 35.0	- 51.3	- 5.5	- 45.8	12.0	4.3	10.6	4.1	1.6	Aug
15.2	- 15.4	-	56.9	78.1	53.5	6.2	47.3	22.6	2.0	- 14.8	- 7.0	0.5	Sep
- 2.6	16.6	-	38.3	36.8	26.8	3.4	23.5	9.7	0.2	6.9	- 6.0	0.6	Oct
5.2	46.0	-	20.9	30.5	33.5	4.0	29.5	- 2.5	- 0.5	- 2.1	- 9.7	2.2	Nov

(b) German contribution

IV De- posits of central gov- ernments	V Other factors			VI Money stock M3 (balance I plus II less III less IV less V) 10										Period
	Total	of which Intra- Eurosystem liability/ claim related to banknote issue 9,11	Currency in cir- culation	Total	Components of the money stock						Money market fund shares (net) 7,8	Debt securities with maturities of up to 2 years (incl money market paper)(net) 7		
					Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6	Repo transac- tions						
- 0.6	13.0	1.9	2.7	0.4	5.8	- 5.0	0.9	- 1.0	1.0	0.1	- 0.3	2004 Apr		
1.0	- 10.7	1.0	2.3	5.3	- 2.7	8.7	0.2	- 0.3	0.3	0.3	- 1.0	May		
2.4	10.3	0.6	2.3	- 8.6	3.3	- 9.8	- 0.3	- 0.8	- 0.1	- 0.1	- 0.8	June		
- 1.0	- 0.1	1.7	3.6	- 3.8	- 8.5	3.9	0.5	0.6	3.9	- 4.2	July			
2.4	- 2.9	3.0	0.8	2.5	1.7	0.7	0.7	- 2.5	1.3	0.7	Aug			
- 3.9	1.5	2.3	1.3	9.0	14.6	- 5.1	0.1	3.9	- 2.3	- 2.1	Sep			
- 2.6	29.4	1.4	1.0	- 0.3	- 3.5	2.3	0.5	3.1	- 1.3	- 1.4	Oct			
- 1.9	- 7.6	0.8	2.1	18.4	29.2	- 9.5	- 0.1	0.8	- 1.9	- 0.2	Nov			
0.1	4.0	0.3	4.8	- 10.0	- 29.5	23.5	9.2	- 7.2	- 3.9	- 2.2	Dec			
1.4	- 4.7	1.1	- 2.0	17.1	23.2	- 15.8	0.9	10.3	- 0.2	- 1.1	2005 Jan			
- 0.8	- 5.6	1.3	1.0	1.0	5.2	- 5.6	0.3	2.2	0.3	- 1.4	Feb			
- 3.3	- 1.7	2.1	2.5	- 7.4	0.4	- 5.5	- 1.0	1.0	1.6	- 3.9	Mar			
- 0.8	54.2	0.9	2.3	12.0	2.4	6.9	0.1	0.3	0.4	1.8	Apr			
- 1.3	- 50.1	2.4	1.0	9.0	9.0	3.0	- 0.4	- 0.3	- 0.5	- 1.9	May			
0.8	6.6	0.7	3.4	5.7	10.0	- 5.8	- 1.2	- 0.1	0.2	2.5	June			
0.4	1.0	0.6	2.2	- 0.6	0.6	1.1	- 0.1	- 1.5	1.4	- 2.0	July			
- 0.4	- 7.9	1.6	- 1.2	9.0	1.7	1.1	- 0.5	3.9	0.2	2.7	Aug			
0.5	4.1	2.3	1.0	6.0	7.1	0.1	0.1	- 2.6	- 0.5	1.8	Sep			
- 1.2	- 3.6	0.0	1.0	7.2	3.4	2.1	- 1.1	4.3	- 2.4	0.9	Oct			
- 0.3	- 17.9	- 0.1	2.1	12.9	15.5	0.8	- 1.4	0.9	- 1.0	- 1.8	Nov			

euro-area MFIs. — 9 Up to end-2002, including national banknotes and coins still in circulation. — 10 The German contributions to the Eurosystem's monetary aggregates should on no account be interpreted as national monetary aggregates and are therefore not comparable with the erstwhile

German money stocks M1, M2 or M3. — 11 The difference between the volume of euro banknotes actually issued by the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosystem (see also footnote 3 on banknote circulation in Table III.2).

II Overall monetary survey in the euro area

2 Consolidated balance sheet of monetary financial institutions (MFIs) *

End of year/month	Total assets or liabilities	Assets										
		Lending to non-banks (non-MFIs) in the euro area									Claims on non- euro-area residents	Other assets
		Total	Enterprises and households				General government					
	Total		Loans	Debt securities 2	Shares and other equities	Total	Loans	Debt securities 3				
Euro area (€ billion) ¹												
2003 Oct	14,490.6	10,258.6	8,060.6	7,025.0	422.8	612.7	2,198.0	819.5	1,378.5	2,950.2	1,281.8	
Nov	14,604.7	10,346.8	8,121.2	7,071.6	427.1	622.5	2,225.5	828.9	1,396.6	2,953.2	1,304.7	
Dec	14,551.8	10,359.3	8,155.1	7,102.5	429.0	623.6	2,204.3	840.1	1,364.1	2,885.7	1,306.8	
2004 Jan	14,761.7	10,406.4	8,179.7	7,118.1	429.0	632.7	2,226.7	835.1	1,391.7	3,014.2	1,341.0	
Feb	14,858.3	10,451.0	8,208.5	7,140.0	434.7	633.9	2,242.5	826.7	1,415.8	3,033.5	1,373.8	
Mar	15,060.2	10,530.2	8,257.4	7,172.3	435.7	649.4	2,272.8	842.3	1,430.5	3,151.8	1,378.2	
Apr	15,223.0	10,620.2	8,342.9	7,230.4	440.4	672.1	2,277.4	836.6	1,440.8	3,228.7	1,374.1	
May	15,251.5	10,683.4	8,383.8	7,270.0	444.5	669.3	2,299.7	830.8	1,468.9	3,196.7	1,371.3	
June	15,323.8	10,750.7	8,433.7	7,321.8	449.0	662.9	2,317.0	836.5	1,480.6	3,182.5	1,390.6	
July	15,346.7	10,780.5	8,460.8	7,356.4	451.2	653.3	2,319.7	842.8	1,477.0	3,185.0	1,381.1	
Aug	15,379.8	10,759.3	8,441.9	7,347.8	450.7	643.3	2,317.5	837.8	1,479.7	3,225.3	1,395.2	
Sep	15,481.9	10,806.1	8,494.4	7,401.9	449.3	643.1	2,311.7	830.7	1,481.1	3,213.9	1,461.9	
Oct	15,580.2	10,860.6	8,549.2	7,450.2	452.1	647.0	2,311.3	830.7	1,480.6	3,218.8	1,500.8	
Nov	15,772.1	10,945.7	8,630.8	7,513.3	457.4	660.1	2,314.9	827.2	1,487.8	3,281.7	1,544.6	
Dec	15,719.1	10,962.7	8,689.9	7,556.8	466.9	666.2	2,272.8	832.9	1,439.9	3,236.9	1,519.5	
2005 Jan	15,987.2	11,068.5	8,746.5	7,597.1	471.2	678.1	2,322.1	838.7	1,483.4	3,372.7	1,546.0	
Feb	16,099.2	11,127.9	8,784.2	7,623.3	481.1	679.8	2,343.7	829.3	1,514.3	3,420.8	1,550.6	
Mar	16,260.4	11,175.1	8,836.6	7,669.9	482.8	683.9	2,338.5	828.1	1,510.4	3,483.3	1,601.9	
Apr	16,567.0	11,313.5	8,955.4	7,722.0	493.4	740.0	2,358.2	832.8	1,525.4	3,602.6	1,650.9	
May	16,755.5	11,382.6	9,026.4	7,786.2	500.8	739.4	2,356.2	830.6	1,525.6	3,661.2	1,711.6	
June	17,039.4	11,514.0	9,141.8	7,919.2	508.9	713.7	2,372.3	829.6	1,542.7	3,723.8	1,801.6	
July	17,112.3	11,560.7	9,192.4	7,977.5	508.2	706.7	2,368.3	830.0	1,538.3	3,757.1	1,794.5	
Aug	17,091.5	11,558.1	9,193.1	7,980.4	507.0	705.7	2,365.0	831.1	1,533.9	3,750.1	1,783.3	
Sep	17,317.7	11,663.3	9,300.1	8,067.7	506.4	726.0	2,363.2	837.2	1,526.0	3,846.5	1,807.9	
Oct	17,452.5	11,759.2	9,358.7	8,133.2	523.0	725.2	2,400.4	833.4	1,567.0	3,904.0	1,789.3	
Nov	17,888.4	11,948.9	9,469.7	8,217.2	544.4	708.1	2,479.2	826.8	1,652.4	4,061.0	1,878.6	
German contribution (€ billion)												
2003 Oct	4,387.2	3,333.3	2,624.5	2,303.4	66.5	254.6	708.8	466.1	242.7	882.7	171.3	
Nov	4,409.5	3,355.4	2,637.9	2,311.5	66.9	259.5	717.5	472.5	245.0	884.0	170.2	
Dec	4,392.5	3,337.7	2,630.9	2,303.9	69.0	258.0	706.7	469.9	236.8	883.7	171.1	
2004 Jan	4,416.6	3,334.2	2,621.1	2,291.7	68.4	260.9	713.2	470.2	242.9	921.4	161.0	
Feb	4,424.0	3,346.3	2,619.5	2,295.4	67.9	256.2	726.7	461.6	265.2	916.1	161.5	
Mar	4,479.7	3,374.8	2,629.5	2,295.8	66.6	267.0	745.3	474.2	271.1	939.4	165.5	
Apr	4,514.1	3,385.7	2,646.0	2,299.2	65.4	281.5	739.6	467.5	272.2	962.8	165.7	
May	4,495.6	3,374.2	2,634.5	2,296.1	66.2	272.3	739.7	461.6	278.0	952.1	169.3	
June	4,477.8	3,364.6	2,621.6	2,295.8	66.5	259.2	742.9	456.3	286.6	944.6	168.6	
July	4,479.3	3,372.7	2,619.4	2,292.9	70.7	255.8	753.4	465.2	288.2	937.4	169.1	
Aug	4,477.2	3,362.1	2,608.0	2,286.8	69.1	252.1	754.2	460.6	293.6	949.3	165.8	
Sep	4,507.8	3,365.6	2,616.9	2,294.9	69.5	252.6	748.6	455.9	292.7	974.8	167.4	
Oct	4,522.7	3,376.3	2,615.4	2,291.9	69.3	254.3	760.9	460.8	300.0	976.6	169.8	
Nov	4,559.3	3,380.9	2,626.0	2,301.2	68.5	256.2	754.9	456.8	298.2	1,005.9	172.4	
Dec	4,511.9	3,363.1	2,620.3	2,285.7	68.7	265.9	742.9	453.1	289.7	969.6	179.2	
2005 Jan	4,562.3	3,381.7	2,623.9	2,283.1	68.7	272.0	757.7	457.7	300.1	1,009.8	170.8	
Feb	4,569.3	3,376.7	2,622.0	2,286.5	69.6	266.0	754.7	453.2	301.5	1,018.7	173.9	
Mar	4,580.5	3,384.2	2,619.8	2,278.0	71.6	270.1	764.4	453.1	311.4	1,029.4	166.9	
Apr	4,706.9	3,446.9	2,670.0	2,283.0	74.7	312.2	776.9	458.0	318.9	1,087.9	172.2	
May	4,682.9	3,426.6	2,656.1	2,286.6	76.1	293.4	770.5	457.3	313.2	1,078.6	177.8	
June	4,650.4	3,397.3	2,644.9	2,291.2	80.8	272.9	752.4	451.9	300.5	1,080.5	172.5	
July	4,665.0	3,400.1	2,646.8	2,288.6	80.4	277.9	753.2	455.8	297.4	1,091.8	173.1	
Aug	4,654.8	3,402.2	2,648.8	2,288.2	80.1	280.4	753.4	452.6	300.8	1,079.7	172.9	
Sep	4,684.5	3,407.5	2,666.3	2,303.8	80.2	282.3	741.2	447.7	293.5	1,103.6	173.4	
Oct	4,699.9	3,417.0	2,676.6	2,311.6	82.1	282.9	740.4	449.3	291.1	1,106.4	176.5	
Nov	4,722.5	3,421.6	2,678.8	2,308.0	83.5	287.3	742.8	441.6	301.2	1,117.8	183.1	

* Monetary financial institutions (MFIs) comprise banks (including building and loan associations), money market funds, and the European Central Bank and national central banks (the Eurosystem). — 1 Source: ECB. — 2 Including money market paper of enterprises. — 3 Including Treasury bills

and other money market paper issued by general government. — 4 From 2002, euro currency in circulation; up to end-2002, also including national banknotes and coins still in circulation (see also footnote 8 on p 12*). Excluding MFIs' cash in hand (in euro). From 2002, the German contribution

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Liabilities											End of year/month
Currency in circulation 4	Deposits of non-banks (non-MFIs) in the euro area										
	Total	of which in euro 5	Enterprises and households							At agreed notice of 6	
			Total	Overnight	With agreed maturities of			over 3 months	over 3 months		
					up to 1 year	over 1 year and up to 2 years	over 2 years				
Euro area (€ billion) 1											
371.2	6,118.4	5,769.3	5,806.7	2,112.8	934.7	73.9	1,208.4	1,386.3	90.6	2003 Oct	
379.1	6,179.9	5,818.3	5,851.8	2,151.0	927.4	75.5	1,215.5	1,391.5	90.8	Nov	
397.9	6,239.4	5,912.6	5,934.1	2,188.8	921.8	74.9	1,232.2	1,424.6	91.8	Dec	
389.1	6,244.5	5,889.6	5,923.5	2,177.7	904.4	75.1	1,235.3	1,440.2	90.8	2004 Jan	
393.5	6,263.6	5,891.4	5,924.9	2,171.7	899.4	74.6	1,242.6	1,446.1	90.5	Feb	
399.6	6,290.5	5,920.7	5,966.5	2,210.4	892.2	73.1	1,250.4	1,450.2	90.3	Mar	
409.4	6,322.1	5,947.9	5,997.9	2,225.0	894.2	71.7	1,261.1	1,456.8	89.2	Apr	
416.6	6,366.8	5,980.0	6,023.2	2,235.3	900.5	71.2	1,266.1	1,461.7	88.3	May	
423.0	6,433.1	6,021.8	6,060.1	2,275.7	875.9	71.3	1,276.3	1,472.9	88.0	June	
436.2	6,417.4	6,028.2	6,069.2	2,260.8	887.0	70.7	1,283.1	1,479.4	88.0	July	
433.4	6,384.5	6,000.9	6,045.8	2,223.8	892.2	69.3	1,289.6	1,482.9	88.0	Aug	
438.0	6,444.1	6,051.3	6,088.9	2,275.5	881.2	67.8	1,293.0	1,483.7	87.7	Sep	
444.4	6,476.5	6,087.4	6,126.5	2,275.2	906.3	69.7	1,300.1	1,486.6	88.6	Oct	
448.8	6,504.0	6,128.7	6,165.8	2,305.9	893.7	69.4	1,315.4	1,492.0	89.4	Nov	
468.4	6,589.6	6,245.0	6,274.3	2,321.0	925.0	71.6	1,344.8	1,521.5	90.5	Dec	
459.9	6,624.1	6,248.9	6,284.3	2,340.9	901.5	71.4	1,347.7	1,532.6	90.2	2005 Jan	
463.6	6,661.4	6,255.0	6,292.4	2,340.9	900.0	70.9	1,354.9	1,534.9	90.8	Feb	
471.8	6,684.8	6,295.3	6,344.2	2,367.7	905.4	70.7	1,370.4	1,538.7	91.2	Mar	
481.1	6,731.3	6,347.6	6,397.3	2,392.3	922.5	71.6	1,375.9	1,544.3	90.7	Apr	
485.8	6,760.8	6,373.2	6,429.1	2,419.6	920.4	72.2	1,377.1	1,549.5	90.3	May	
496.6	6,912.4	6,486.9	6,537.9	2,644.5	904.5	78.2	1,430.1	1,390.2	90.5	June	
506.4	6,936.4	6,504.0	6,571.4	2,654.9	921.7	77.7	1,433.3	1,394.4	89.5	July	
500.9	6,860.8	6,468.0	6,537.6	2,606.5	933.6	77.5	1,435.1	1,396.6	88.4	Aug	
507.1	6,950.4	6,540.3	6,609.3	2,653.3	948.9	83.4	1,439.5	1,397.4	86.9	Sep	
510.5	6,985.3	6,573.7	6,640.3	2,667.7	961.4	83.5	1,445.2	1,396.3	86.2	Oct	
514.5	7,025.2	6,600.9	6,669.9	2,688.7	954.5	87.6	1,458.2	1,394.4	86.4	Nov	
German contribution (€ billion)											
101.5	2,188.7	2,113.6	2,083.5	606.9	216.1	17.8	661.3	492.8	88.6	2003 Oct	
103.9	2,211.8	2,137.8	2,105.1	628.8	214.6	18.3	661.2	493.4	88.9	Nov	
108.5	2,215.1	2,143.0	2,105.2	616.1	216.3	18.5	662.1	502.3	89.9	Dec	
103.5	2,209.9	2,137.7	2,102.7	626.1	202.7	18.5	662.9	503.6	88.8	2004 Jan	
104.4	2,213.0	2,140.9	2,103.8	630.1	198.8	18.3	663.3	504.7	88.5	Feb	
106.7	2,215.1	2,142.0	2,106.6	631.3	200.7	18.0	663.6	504.8	88.2	Mar	
109.3	2,219.4	2,145.3	2,112.5	637.8	196.2	17.5	668.3	505.6	87.1	Apr	
111.6	2,229.8	2,154.8	2,118.4	634.1	202.7	16.9	672.6	505.8	86.2	May	
113.8	2,229.2	2,151.6	2,114.1	636.3	193.0	16.6	676.9	505.5	85.8	June	
117.4	2,226.0	2,149.7	2,113.7	629.2	197.9	16.2	678.5	506.0	85.9	July	
116.7	2,232.2	2,153.1	2,119.1	630.6	199.7	16.0	680.3	506.6	85.8	Aug	
118.0	2,238.1	2,162.0	2,126.3	644.8	191.9	15.9	681.5	506.7	85.5	Sep	
119.0	2,237.6	2,164.0	2,132.6	642.0	197.5	16.0	684.1	507.0	86.1	Oct	
121.1	2,258.0	2,187.6	2,153.3	668.5	188.1	15.7	687.1	507.0	86.9	Nov	
125.9	2,264.6	2,193.8	2,158.6	639.4	208.7	15.7	690.9	516.0	88.0	Dec	
123.9	2,275.5	2,203.9	2,167.3	661.1	193.9	15.7	691.8	517.0	87.8	2005 Jan	
124.9	2,278.8	2,208.6	2,170.9	664.8	189.0	15.7	695.8	517.3	88.3	Feb	
127.4	2,272.0	2,204.8	2,169.7	666.7	183.6	15.5	698.0	517.2	88.7	Mar	
129.7	2,279.1	2,210.9	2,177.8	669.1	192.2	15.7	695.3	517.3	88.2	Apr	
130.7	2,285.8	2,217.2	2,182.7	677.7	193.6	15.7	691.4	516.7	87.7	May	
134.1	2,288.9	2,220.6	2,182.8	686.7	186.4	16.1	691.0	515.4	87.1	June	
136.3	2,289.1	2,221.5	2,185.0	688.3	189.1	16.0	690.0	515.3	86.4	July	
135.2	2,290.5	2,224.1	2,185.3	689.5	189.8	15.7	690.5	514.4	85.4	Aug	
136.2	2,296.5	2,229.3	2,191.8	697.8	189.7	15.9	690.1	514.4	83.9	Sep	
137.2	2,298.5	2,231.2	2,195.7	699.1	194.3	16.3	689.4	513.4	83.2	Oct	
139.3	2,315.7	2,249.4	2,211.4	714.1	193.8	16.6	691.3	512.2	83.5	Nov	

includes the volume of euro banknotes put into circulation by the Bundesbank in accordance with the accounting regime chosen by the Eurosystem (see footnote 3 on banknote circulation in Table III.2). The volume of currency actually put into circulation by the Bundesbank can be

calculated by adding to this total the item "Intra-Eurosystem liability/claim related to banknote issue" (see "Other liability items"). — 5 Excluding central governments' deposits. — 6 In Germany, only saving deposits.

II Overall monetary survey in the euro area

2 Consolidated balance sheet of monetary financial institutions (MFIs) (cont'd) *

Liabilities (cont'd)													
Deposits of non-banks (non-MFIs) in the euro area (cont'd)													
General government										Repo transactions with non-banks in the euro area		Debt securities	
End of year/month	Central governments	Other general government						Total	of which Enterprises and households	Money market fund shares (net) ³	Total	of which denominated in euro	
		Total	Overnight	With agreed maturities of			At agreed notice of ²						
				up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months						over 3 months
Euro area (€ billion) ¹													
2003 Oct	165.8	145.9	78.1	39.9	0.9	23.9	2.8	0.4	224.7	221.1	582.3	1,896.0	1,541.0
Nov	180.4	147.7	80.0	39.6	0.9	24.0	2.9	0.3	224.7	220.9	585.2	1,904.4	1,554.1
Dec	155.7	149.6	79.7	41.5	0.9	24.3	2.9	0.4	208.7	206.4	581.5	1,878.0	1,537.6
2004 Jan	174.1	146.9	78.4	41.2	0.9	23.2	2.9	0.3	213.4	210.7	591.7	1,903.5	1,551.5
Feb	193.0	145.7	76.7	41.3	0.9	23.5	3.0	0.4	227.7	224.4	599.2	1,913.6	1,561.0
Mar	183.8	140.3	73.5	39.1	0.9	23.3	3.1	0.4	218.6	215.0	602.6	1,951.3	1,578.4
Apr	179.6	144.7	77.7	39.2	1.0	23.1	3.2	0.4	224.8	221.8	611.0	1,975.9	1,588.7
May	195.1	148.5	78.3	42.5	1.0	23.1	3.3	0.4	221.2	217.8	609.0	1,986.4	1,591.7
June	223.7	149.2	81.1	40.6	1.0	22.8	3.3	0.4	216.9	213.4	609.2	1,999.9	1,601.1
July	201.5	146.8	77.6	41.3	1.0	22.9	3.4	0.4	223.0	219.5	613.0	2,017.2	1,610.1
Aug	193.0	145.7	78.0	40.7	1.0	22.1	3.5	0.5	224.3	220.2	624.1	2,026.0	1,618.9
Sep	204.1	151.0	81.5	42.8	1.0	21.8	3.5	0.5	215.9	212.5	609.5	2,048.9	1,637.5
Oct	197.4	152.6	83.7	41.9	1.2	21.6	3.7	0.5	229.7	226.7	617.1	2,057.4	1,643.1
Nov	182.8	155.4	89.2	39.2	1.2	21.6	3.7	0.5	223.9	220.9	613.4	2,059.7	1,646.8
Dec	162.4	152.9	84.8	42.0	1.3	20.3	3.8	0.5	228.8	225.9	604.9	2,060.3	1,654.9
2005 Jan	180.6	159.3	92.4	41.0	1.4	20.3	3.8	0.5	228.7	225.5	616.4	2,085.7	1,663.7
Feb	210.1	158.9	92.4	40.6	1.4	20.2	3.9	0.4	227.0	224.2	615.4	2,122.8	1,693.3
Mar	187.4	153.3	87.4	40.0	1.4	20.3	3.8	0.5	227.0	223.3	614.5	2,144.9	1,702.7
Apr	180.9	153.2	88.2	39.0	1.5	20.3	3.8	0.5	226.3	222.5	627.8	2,176.8	1,714.0
May	173.5	158.2	90.6	41.3	1.5	20.4	4.0	0.5	239.2	235.2	634.8	2,202.9	1,721.3
June	211.5	163.0	93.8	42.9	1.5	20.4	3.9	0.4	238.9	234.5	621.3	2,241.7	1,742.5
July	210.8	154.2	87.2	40.8	1.6	20.3	3.9	0.5	238.6	235.3	635.1	2,248.8	1,741.5
Aug	166.8	156.4	89.4	40.8	1.5	20.0	4.2	0.4	249.2	245.4	639.7	2,262.1	1,745.5
Sep	181.9	159.2	90.6	42.4	1.5	20.0	4.3	0.4	234.4	230.8	631.4	2,279.1	1,752.2
Oct	179.3	165.6	99.7	39.9	1.3	20.0	4.2	0.4	241.4	237.7	628.9	2,314.1	1,775.3
Nov	184.6	170.8	104.2	40.6	1.4	20.3	4.0	0.4	239.3	235.8	629.5	2,333.3	1,774.6
German contribution (€ billion)													
2003 Oct	45.5	59.7	13.8	22.1	0.6	21.2	1.6	0.4	21.1	21.1	35.7	829.7	692.4
Nov	45.7	61.0	14.4	22.6	0.6	21.4	1.6	0.3	20.0	20.0	35.2	833.2	698.6
Dec	45.9	64.0	15.8	23.9	0.6	21.6	1.6	0.4	14.1	14.1	35.4	826.4	693.3
2004 Jan	46.0	61.3	14.4	23.6	0.6	20.7	1.7	0.3	16.6	16.6	34.9	836.4	695.5
Feb	47.3	62.0	15.2	23.3	0.6	20.9	1.7	0.4	17.5	17.5	34.7	833.7	695.2
Mar	47.9	60.6	15.4	21.7	0.6	20.7	1.8	0.4	18.2	18.2	34.2	851.5	698.5
Apr	47.3	59.7	14.9	21.4	0.6	20.6	1.8	0.4	17.3	17.3	34.2	858.7	698.9
May	48.3	63.1	15.7	24.1	0.6	20.5	1.8	0.4	17.0	17.0	34.6	861.5	701.5
June	50.7	64.4	17.3	24.0	0.6	20.3	1.8	0.4	16.1	16.1	34.5	859.1	697.1
July	49.7	62.6	15.6	23.7	0.6	20.4	1.9	0.4	16.8	16.8	38.4	860.1	692.4
Aug	52.1	61.0	15.7	22.8	0.6	19.5	2.0	0.5	14.2	14.2	39.6	865.1	696.9
Sep	48.1	63.6	15.8	25.4	0.6	19.3	2.0	0.5	18.1	18.1	37.5	869.5	699.7
Oct	45.6	59.4	15.0	21.9	0.7	19.2	2.1	0.5	21.2	21.2	36.2	865.5	691.2
Nov	43.7	61.1	16.7	21.8	0.7	19.3	2.0	0.5	22.0	22.0	34.3	860.8	687.5
Dec	43.8	62.2	16.0	24.8	0.6	18.1	2.2	0.5	14.8	14.8	30.5	850.2	678.1
2005 Jan	45.2	63.0	17.9	23.9	0.6	18.0	2.0	0.5	25.1	25.1	30.2	854.7	673.7
Feb	44.3	63.5	19.2	23.2	0.6	18.0	2.1	0.4	27.3	27.3	30.5	856.4	671.1
Mar	41.0	61.2	17.5	22.7	0.6	18.0	2.0	0.5	28.3	28.3	32.1	862.2	671.6
Apr	41.8	59.4	17.5	20.9	0.6	18.0	1.9	0.5	28.6	28.6	32.6	875.9	676.5
May	40.5	62.5	18.4	22.8	0.7	18.1	2.1	0.5	28.3	28.3	32.1	880.9	676.1
June	41.3	64.9	19.6	23.9	0.7	18.1	2.2	0.4	28.3	28.3	32.4	890.3	681.5
July	41.7	62.4	18.5	22.4	0.6	18.1	2.3	0.5	26.7	26.7	33.8	892.6	682.4
Aug	41.6	63.6	19.1	23.1	0.6	17.7	2.6	0.4	30.6	30.6	34.0	893.4	678.4
Sep	42.1	62.6	18.0	23.2	0.6	17.7	2.6	0.4	28.0	28.0	33.5	894.6	678.1
Oct	40.9	61.9	19.6	20.9	0.6	17.7	2.6	0.4	32.3	32.3	31.1	896.4	679.9
Nov	40.7	63.6	20.3	21.9	0.6	18.0	2.3	0.4	33.2	33.2	30.1	894.0	668.9

* Monetary financial institutions (MFIs) comprise banks (including building and loan associations), money market funds, and the European Central Bank and national central banks (the Eurosystem). — 1 Source: ECB. — 2 In Germany, only savings deposits. — 3 Excluding holdings of MFIs; for the German contribution, excluding German MFIs' portfolios of securities issued by MFIs in the euro area. — 4 In Germany, bank debt securities with maturities of up to one year are classed as money market paper; up to the January 2002 *Monthly Report*, they were published in this table together

with money market fund shares. — 5 Excluding liabilities arising from securities issued. — 6 After deduction of inter-MFI participations. — 7 The German contributions to the Eurosystem's monetary aggregates should on no account be interpreted as national monetary aggregates and are therefore not comparable with the erstwhile German money stocks M1, M2 or M3. — 8 From 2003, including DM banknotes still in circulation (see also footnote 4 on p 10*). — 9 For the German contribution, the difference

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issued (net) ³								Memo item					End of year/month		
With maturities of			Liabilities to non-euro-area residents ⁵	Capital and reserves ⁶	Excess of inter-MFI liabilities	Other liability items		Monetary aggregates ⁷ (From 2002, German contribution excludes currency in circulation)			Monetary capital formation ¹³	Monetary liabilities of central governments (Post Office, Treasury) ¹⁴			
up to 1 year ⁴	over 1 year and up to 2 years	over 2 years				Total ⁸	of which Intra-Eurosystem-liability/claim related to banknote issue ⁹	M1 ¹⁰	M2 ¹¹	M3 ¹²				Monetary capital formation ¹³	Monetary liabilities of central governments (Post Office, Treasury) ¹⁴
Euro area (€ billion) ¹															
...	...	1,791.9	2,690.5	1,009.3	9.6	1,587.3	-	2,620.4	5,157.9	6,069.0	4,124.4	157.3	2003 Oct		
...	...	1,800.7	2,685.2	1,009.3	4.9	1,631.2	-	2,667.8	5,206.0	6,119.7	4,140.7	158.1	Nov		
...	...	1,785.4	2,634.0	1,004.7	8.9	1,598.3	-	2,727.1	5,295.8	6,178.7	4,138.7	162.9	Dec		
...	...	1,807.9	2,749.4	1,003.5	16.4	1,649.8	-	2,702.9	5,271.7	6,172.4	4,161.1	161.8	2004 Jan		
...	...	1,816.6	2,765.3	1,002.8	21.6	1,670.5	-	2,703.3	5,273.5	6,197.5	4,176.3	166.4	Feb		
...	...	1,856.8	2,856.2	1,020.6	21.2	1,699.3	-	2,745.5	5,310.2	6,225.9	4,241.8	168.2	Mar		
...	...	1,876.4	2,936.8	1,016.5	16.2	1,710.0	-	2,770.7	5,344.5	6,279.8	4,266.8	166.4	Apr		
...	...	1,890.2	2,930.9	1,014.0	17.2	1,689.1	-	2,788.6	5,377.4	6,303.8	4,282.1	167.0	May		
...	...	1,899.8	2,892.7	1,018.9	16.1	1,713.5	-	2,833.4	5,408.0	6,334.2	4,306.2	163.2	June		
...	...	1,919.4	2,897.7	1,026.3	17.4	1,697.9	-	2,834.8	5,428.5	6,362.3	4,340.2	170.8	July		
...	...	1,926.8	2,902.7	1,033.0	20.4	1,729.9	-	2,795.7	5,398.0	6,345.6	4,359.8	173.2	Aug		
...	...	1,948.7	2,861.6	1,039.4	14.6	1,808.9	-	2,857.1	5,451.1	6,376.7	4,391.0	176.0	Sep		
...	...	1,958.5	2,847.5	1,041.7	20.8	1,843.5	-	2,866.0	5,490.4	6,436.1	4,410.9	177.7	Oct		
...	...	1,956.1	2,904.7	1,050.4	44.1	1,921.4	-	2,913.7	5,528.9	6,469.7	4,433.4	185.9	Nov		
...	...	1,958.0	2,842.2	1,047.0	33.6	1,842.9	-	2,948.9	5,632.3	6,568.2	4,461.2	192.8	Dec		
...	...	1,986.4	2,993.4	1,049.8	29.3	1,899.0	-	2,966.0	5,637.3	6,581.7	4,495.0	192.6	2005 Jan		
...	...	2,008.8	3,029.0	1,054.0	21.9	1,903.3	-	2,970.7	5,643.9	6,600.4	4,529.2	195.5	Feb		
...	...	2,038.8	3,110.5	1,062.9	0.4	1,943.0	-	2,998.1	5,681.0	6,628.5	4,584.1	194.2	Mar		
...	...	2,055.9	3,224.7	1,063.8	15.5	2,019.7	-	3,031.6	5,738.9	6,714.0	4,607.0	194.8	Apr		
...	...	2,089.4	3,310.2	1,076.2	- 12.2	2,056.9	-	3,064.6	5,779.0	6,766.5	4,653.9	194.1	May		
...	...	2,123.2	3,252.4	1,132.6	- 14.2	2,156.5	-	3,305.1	5,852.6	6,831.4	4,797.2	196.6	June		
...	...	2,129.6	3,288.0	1,131.1	- 14.9	2,142.1	-	3,321.7	5,889.5	6,882.4	4,804.2	200.9	July		
...	...	2,141.4	3,279.6	1,137.5	- 1.9	2,158.8	-	3,269.2	5,852.9	6,862.6	4,822.8	201.9	Aug		
...	...	2,158.6	3,378.0	1,157.0	- 14.2	2,192.0	-	3,323.5	5,932.9	6,919.2	4,862.4	204.0	Sep		
...	...	2,192.5	3,446.2	1,153.9	- 9.3	2,180.2	-	3,349.9	5,969.9	6,961.8	4,898.3	205.3	Oct		
...	...	2,202.5	3,636.8	1,168.4	- 4.3	2,344.5	-	3,384.4	6,002.3	7,001.9	4,936.3	212.5	Nov		
German contribution (€ billion)															
25.7	30.1	773.9	638.2	279.6	- 63.5	457.6	43.4	620.7	1,371.7	1,484.4	1,825.0	-	2003 Oct		
28.6	31.5	773.1	635.5	279.6	- 70.8	465.2	44.4	643.2	1,394.3	1,509.6	1,824.4	-	Nov		
30.0	31.3	765.1	625.4	279.6	- 67.8	464.3	44.6	631.9	1,395.2	1,505.9	1,818.7	-	Dec		
31.2	29.8	775.4	642.8	276.3	- 47.1	446.8	48.1	640.5	1,391.1	1,503.6	1,824.6	-	2004 Jan		
26.7	31.3	775.8	663.0	270.2	- 60.8	452.6	49.2	645.3	1,392.7	1,502.9	1,819.0	-	Feb		
29.6	31.4	790.6	680.7	273.8	- 54.5	460.7	50.4	646.8	1,394.2	1,507.6	1,837.3	-	Mar		
29.8	31.1	797.7	690.9	274.2	- 52.8	472.2	52.3	652.7	1,395.8	1,508.3	1,848.3	-	Apr		
27.6	32.3	801.5	671.6	270.6	- 61.3	471.9	53.3	649.8	1,401.8	1,513.4	1,851.8	-	May		
29.5	29.7	799.9	642.5	276.7	- 54.5	474.3	53.9	653.5	1,395.1	1,504.8	1,860.1	-	June		
27.2	27.7	805.2	638.2	280.6	- 59.0	478.3	55.6	644.8	1,391.0	1,501.1	1,871.1	-	July		
29.2	26.5	809.4	636.6	278.9	- 69.5	480.2	58.6	646.4	1,394.0	1,503.5	1,874.5	-	Aug		
27.5	26.1	815.9	654.3	277.5	- 80.2	493.1	60.9	660.7	1,403.1	1,512.3	1,880.2	-	Sep		
27.2	25.1	813.3	639.6	278.9	- 58.8	502.5	62.3	656.9	1,402.1	1,511.7	1,882.2	-	Oct		
29.5	22.7	808.7	669.7	277.1	- 73.6	510.9	63.1	685.2	1,420.6	1,529.0	1,879.6	-	Nov		
27.5	22.5	800.2	627.6	277.6	- 69.5	516.2	63.4	655.4	1,423.3	1,518.6	1,875.2	-	Dec		
27.6	21.2	805.8	667.8	279.2	- 76.0	506.0	64.5	679.0	1,432.3	1,536.4	1,883.1	-	2005 Jan		
27.2	26.5	802.8	676.7	275.0	- 77.0	501.8	65.8	684.0	1,431.9	1,543.3	1,880.3	-	Feb		
23.6	26.1	812.6	695.2	276.1	- 95.6	510.3	67.9	684.1	1,425.8	1,535.8	1,893.9	-	Mar		
24.9	26.6	824.5	737.1	281.0	- 43.8	516.5	68.8	686.6	1,435.3	1,547.9	1,907.4	-	Apr		
25.1	24.4	831.5	745.4	282.5	- 89.5	517.3	71.3	696.1	1,447.7	1,557.5	1,911.5	-	May		
27.0	25.0	838.4	693.3	290.0	- 95.1	522.3	72.0	706.3	1,451.0	1,563.7	1,925.0	-	June		
25.2	24.8	842.6	702.5	291.6	- 98.3	526.9	72.6	706.8	1,452.5	1,563.0	1,929.1	-	July		
27.0	25.7	840.7	694.3	292.3	- 111.5	531.3	74.1	708.5	1,454.8	1,572.1	1,927.1	-	Aug		
28.8	25.7	840.1	713.1	294.7	- 120.9	545.1	76.4	715.8	1,462.3	1,578.3	1,926.9	-	Sep		
28.8	26.5	841.0	720.5	298.7	- 131.6	554.0	76.5	718.8	1,466.8	1,585.5	1,930.5	-	Oct		
26.9	27.0	840.2	733.7	304.7	- 154.4	565.6	76.4	734.4	1,481.9	1,599.0	1,938.0	-	Nov		

between the volume of euro banknotes actually issued by the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosystem (see also footnote 3 on banknote circulation in Table III.2). — ¹⁰ Overnight deposits (excluding central governments' deposits), and (for the euro area) currency in circulation, central governments' overnight monetary liabilities, which are not included in the consolidated balance sheet. — ¹¹ M1 plus deposits with agreed maturities of up to 2

years and at agreed notice of up to 3 months (excluding central governments' deposits) and (for the euro area) central governments' monetary liabilities with such maturities. — ¹² M2 plus repo transactions, money market fund shares, money market paper and debt securities up to 2 years. — ¹³ Deposits with agreed maturities of over 2 years and at agreed notice of over 3 months, debt securities with maturities of over 2 years, capital and reserves. — ¹⁴ Non-existent in Germany.

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3 Banking system's liquidity position * Stocks

€ billion; period averages of daily positions

Reserve maintenance period ending in 1	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) 5	Base money 6
	Monetary policy operations of the Eurosystem					Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation 3	Central government deposits	Other factors (net) 4		
	Net assets in gold and foreign currency	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations							
Eurosystem 2												
2003 July	320.4	204.7	45.0	0.4	–	0.3	–	382.7	52.4	2.9	132.2	515.2
Aug	315.8	213.4	45.0	0.2	–	0.1	–	391.6	51.5	– 1.6	132.8	524.6
Sep	315.0	214.0	45.0	0.1	–	0.6	–	391.7	54.4	– 4.4	132.0	524.2
Oct	321.3	208.4	45.0	0.1	–	0.2	–	395.5	48.3	– 1.1	131.9	527.5
Nov	321.8	205.8	45.0	0.1	–	0.3	–	399.4	43.4	– 2.2	131.8	531.4
Dec	320.1	235.5	45.0	0.6	–	0.1	–	416.1	57.0	– 4.5	132.6	548.7
2004 Jan	309.2	232.6	45.0	0.3	–	0.1	–	427.6	37.0	– 11.2	133.6	561.4
Feb	303.3	219.4	56.7	0.4	–	0.2	–	418.0	48.6	– 21.1	134.1	552.3
Mar	303.3	219.4	56.7	0.4	–	0.2	–	418.0	48.6	– 21.1	134.1	552.3
Apr	301.4	217.9	67.1	0.4	–	0.4	–	425.3	51.5	– 25.7	135.3	561.0
May	310.7	213.2	75.0	0.1	–	0.1	0.4	436.4	46.0	– 18.9	135.0	571.5
June	311.3	224.7	75.0	0.1	–	0.5	–	442.5	52.2	– 21.1	137.1	580.1
July	308.2	245.4	75.0	0.3	–	0.1	–	449.1	65.0	– 24.1	138.8	588.1
Aug	300.8	253.6	75.0	0.0	–	0.2	–	460.9	61.1	– 31.8	139.1	600.1
Sep	299.4	251.6	75.0	0.1	–	0.2	–	462.8	56.3	– 32.4	139.3	602.3
Oct	298.8	256.4	75.0	0.3	–	0.0	–	465.1	58.2	– 32.1	139.3	604.4
Nov	298.3	257.9	75.0	0.1	0.2	0.3	–	469.7	55.1	– 32.1	138.4	608.4
Dec	298.0	265.7	75.0	0.1	–	0.1	0.5	475.4	60.2	– 36.0	138.5	614.1
2005 Jan	290.3	272.9	75.0	0.2	0.2	0.1	–	496.0	45.3	– 41.9	139.1	635.2
Feb	280.6	276.6	78.0	0.1	0.1	0.1	–	487.1	63.8	– 55.5	140.0	627.2
Mar	280.2	277.8	82.2	0.1	–	0.1	0.1	489.5	68.5	– 59.2	141.3	630.9
Apr	282.1	278.2	86.9	0.2	–	0.1	–	498.6	67.4	– 62.1	143.3	642.0
May	287.0	276.5	90.0	0.1	–	0.1	–	505.5	62.9	– 58.9	144.0	649.7
June	286.8	273.1	90.0	0.1	–	0.2	0.1	512.8	53.5	– 62.0	145.5	658.5
July	293.3	297.6	90.0	0.1	–	0.2	0.3	522.6	67.4	– 57.3	147.9	670.6
Aug	305.5	309.5	90.0	0.0	–	0.3	0.0	532.6	67.4	– 45.0	149.8	682.7
Sep	304.8	303.5	90.0	–	0.3	0.1	–	531.5	63.1	– 46.2	150.2	681.8
Oct	307.9	288.6	90.0	0.1	–	0.1	0.2	531.6	47.9	– 44.6	151.4	683.1
Nov	315.1	293.4	90.0	0.1	–	0.1	–	535.6	50.4	– 37.9	150.2	686.0
Dec	313.2	301.3	90.0	0.0	–	0.1	0.3	539.8	51.0	– 39.6	153.0	692.9
Deutsche Bundesbank												
2003 July	74.3	115.5	32.4	0.3	–	0.2	–	107.1	0.1	77.1	38.2	145.4
Aug	73.7	111.0	29.6	0.2	–	0.1	–	109.6	0.1	66.5	38.2	147.9
Sep	73.9	114.0	29.1	0.1	–	0.4	–	109.8	0.1	69.2	37.7	147.9
Oct	75.7	106.5	29.7	0.1	–	0.2	–	110.8	0.1	63.4	37.5	148.4
Nov	76.1	102.3	30.8	0.0	–	0.2	–	111.5	0.1	60.0	37.5	149.1
Dec	76.1	118.3	30.9	0.3	–	0.1	–	115.9	0.1	72.2	37.4	153.4
2004 Jan	73.1	119.5	32.3	0.2	–	0.1	–	116.2	0.1	70.9	37.9	154.1
Feb	72.4	109.7	41.3	0.2	–	0.2	–	113.5	0.1	72.0	37.9	151.5
Mar	72.4	109.7	41.3	0.2	–	0.2	–	113.5	0.1	72.0	37.9	151.5
Apr	72.9	97.9	48.7	0.2	–	0.3	–	115.8	0.1	65.7	37.8	153.9
May	75.4	100.7	51.8	0.0	–	0.0	0.1	119.3	0.1	70.9	37.7	157.0
June	75.6	115.6	49.4	0.1	–	0.3	–	121.2	0.1	80.9	38.3	159.9
July	74.6	127.9	49.6	0.2	–	0.0	–	122.7	0.1	91.1	38.5	161.1
Aug	72.1	136.9	50.3	0.0	–	0.1	–	126.2	0.1	94.7	38.3	164.6
Sep	72.2	131.7	50.3	0.1	–	0.1	–	127.5	0.1	88.8	37.9	165.4
Oct	72.1	129.8	48.1	0.2	–	0.0	–	127.7	0.1	84.8	37.5	165.3
Nov	72.2	136.0	46.1	0.1	0.0	0.2	–	128.3	0.1	88.4	37.5	166.0
Dec	72.2	142.4	46.5	0.1	–	0.1	0.1	129.9	0.1	93.4	37.6	167.5
2005 Jan	70.2	144.7	46.9	0.1	0.0	0.1	–	135.2	0.1	89.1	37.4	172.7
Feb	67.7	137.7	49.4	0.0	0.1	0.0	–	133.2	0.1	83.8	37.9	171.1
Mar	67.6	145.3	52.0	0.0	–	0.0	0.0	134.0	0.1	93.5	37.5	171.5
Apr	68.1	133.3	53.0	0.2	–	0.1	–	136.6	0.0	79.8	38.0	174.7
May	69.3	140.3	52.7	0.1	–	0.1	–	138.4	0.1	85.9	38.1	176.5
June	69.5	139.3	52.5	0.1	–	0.1	0.1	141.2	0.1	81.5	38.5	179.7
July	71.1	149.5	53.0	0.1	–	0.0	0.1	142.6	0.1	92.0	38.9	181.6
Aug	74.1	155.6	53.9	0.0	–	0.1	0.0	145.2	0.0	98.9	39.4	184.7
Sep	74.0	148.4	52.6	0.0	0.2	0.0	–	145.2	0.0	90.9	39.0	184.3
Oct	75.1	149.4	55.1	0.0	–	0.0	0.2	145.1	0.1	95.2	39.0	184.2
Nov	77.2	145.0	54.5	0.1	–	0.1	–	145.4	0.0	92.6	38.8	184.2
Dec	77.2	140.9	54.4	0.0	–	0.1	0.2	146.9	0.0	86.0	39.3	186.3

Discrepancies may arise from rounding. — * The banking system's liquidity position is defined as the current account holdings in euro of euro-area credit institutions with the Eurosystem. Amounts are derived from the consolidated financial statement of the Eurosystem and the financial statement of the Bundesbank. — 1 Figures are daily averages for the reserve maintenance period ending in the month indicated. Owing to the changeover to the new operational framework for monetary policy, there is no reserve

maintenance period ending in February 2004. 2 Source: ECB. — 3 From 2002, euro banknotes and other banknotes which have been issued by the national central banks of the Eurosystem and which are still in circulation. In accordance with the accounting procedure chosen by the Eurosystem for the issue of euro banknotes, 8% of the total value of the euro banknotes in circulation are allocated on a monthly basis to the ECB. The counterpart of this adjustment is shown under "Other factors". The remaining 92%

II Overall monetary survey in the euro area

Flows

Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) ⁵	Base money ⁶	Reserve maintenance period ending in ¹
Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation ³	Central government deposits	Other factors (net) ⁴			
	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations								
Eurosystem ²												
- 10.9	+ 10.0	- 0.0	+ 0.0	-	- 0.0	- 0.2	+ 9.5	- 0.2	- 10.3	+ 0.3	+ 9.9	2003 July
- 4.6	+ 8.7	- 0.0	- 0.2	-	- 0.2	-	+ 8.9	- 0.9	- 4.5	+ 0.6	+ 9.4	Aug
- 0.8	+ 0.6	- 0.0	- 0.1	-	+ 0.5	-	+ 0.1	+ 2.9	- 2.8	- 0.8	- 0.4	Sep
+ 6.3	- 5.6	+ 0.0	+ 0.0	-	- 0.4	-	+ 3.8	- 6.1	+ 3.3	- 0.1	+ 3.3	Oct
+ 0.5	- 2.6	- 0.0	- 0.0	-	+ 0.1	-	+ 3.9	- 4.9	- 1.1	- 0.1	+ 3.9	Nov
- 1.7	+ 29.7	+ 0.0	+ 0.5	-	- 0.2	-	+ 16.7	+ 13.6	- 2.3	+ 0.8	+ 17.3	Dec
- 10.9	- 2.9	+ 0.0	- 0.3	-	+ 0.0	-	+ 11.5	- 20.0	- 6.7	+ 1.0	+ 12.7	2004 Jan
- 5.9	- 13.2	+ 11.7	+ 0.1	-	+ 0.1	-	- 9.6	+ 11.6	- 9.9	+ 0.5	- 9.1	Feb
- 1.9	- 1.5	+ 10.4	- 0.0	-	+ 0.2	-	+ 7.3	+ 2.9	- 4.6	+ 1.2	+ 8.7	Apr
+ 9.3	- 4.7	+ 7.9	- 0.3	-	- 0.3	+ 0.4	+ 11.1	- 5.5	+ 6.8	- 0.3	+ 10.5	May
+ 0.6	+ 11.5	+ 0.0	+ 0.1	-	+ 0.4	- 0.4	+ 6.1	+ 6.2	- 2.2	+ 2.1	+ 8.6	June
- 3.1	+ 20.7	- 0.0	+ 0.2	-	- 0.4	-	+ 6.6	+ 12.8	- 3.0	+ 1.7	+ 8.0	July
- 7.4	+ 8.2	+ 0.0	- 0.3	-	+ 0.1	-	+ 11.8	- 3.9	- 7.7	+ 0.3	+ 12.0	Aug
- 1.4	- 2.0	- 0.0	+ 0.1	-	+ 0.0	-	+ 1.9	- 4.8	- 0.6	+ 0.2	+ 2.2	Sep
- 0.6	+ 4.8	+ 0.0	+ 0.2	-	- 0.2	-	+ 2.3	+ 1.9	+ 0.3	- 0.0	+ 2.1	Oct
- 0.5	+ 1.5	+ 0.0	- 0.2	+ 0.2	+ 0.3	-	+ 4.6	- 3.1	- 0.0	- 0.9	+ 4.0	Nov
- 0.3	+ 7.8	+ 0.0	+ 0.0	- 0.2	- 0.2	+ 0.5	+ 5.7	+ 5.1	- 3.9	+ 0.1	+ 5.7	Dec
- 7.7	+ 7.2	+ 0.0	+ 0.1	+ 0.2	- 0.0	- 0.5	+ 20.6	- 14.9	- 5.9	+ 0.6	+ 21.1	2005 Jan
- 9.7	+ 3.7	+ 3.0	- 0.1	+ 0.1	- 0.0	-	- 8.9	+ 18.5	- 13.6	+ 0.9	- 8.0	Feb
- 0.4	+ 1.2	+ 4.2	- 0.0	- 0.1	- 0.0	+ 0.1	+ 2.4	+ 4.7	- 3.7	+ 1.3	+ 3.7	Mar
+ 1.9	+ 0.4	+ 4.7	+ 0.1	-	+ 0.0	- 0.1	+ 9.1	- 1.1	- 2.9	+ 2.0	+ 11.1	Apr
+ 4.9	- 1.7	+ 3.1	- 0.1	-	+ 0.0	-	+ 6.9	- 4.5	+ 3.2	+ 0.7	+ 7.7	May
- 0.2	- 3.4	+ 0.0	+ 0.0	-	+ 0.1	+ 0.1	+ 7.3	- 9.4	- 3.1	+ 1.5	+ 8.8	June
+ 6.5	+ 24.5	+ 0.0	- 0.0	-	- 0.0	+ 0.2	+ 9.8	+ 13.9	+ 4.7	+ 2.4	+ 12.1	July
+ 12.2	+ 11.9	- 0.0	- 0.1	-	+ 0.1	- 0.3	+ 10.0	- 0.0	+ 12.3	+ 1.9	+ 12.1	Aug
- 0.7	- 6.0	- 0.0	+ 0.0	+ 0.3	- 0.2	- 0.0	- 1.1	- 4.3	- 1.2	+ 0.4	- 0.9	Sep
+ 3.1	- 14.9	+ 0.0	+ 0.1	- 0.3	+ 0.0	+ 0.2	+ 0.1	- 15.2	+ 1.6	+ 1.2	+ 1.3	Oct
+ 7.2	+ 4.8	+ 0.0	+ 0.0	-	+ 0.0	- 0.2	+ 4.0	+ 2.5	+ 6.7	- 1.2	+ 2.9	Nov
- 1.9	+ 7.9	+ 0.0	- 0.1	-	+ 0.0	+ 0.3	+ 4.2	+ 0.6	- 1.7	+ 2.8	+ 6.9	Dec
Deutsche Bundesbank												
- 2.9	+ 3.1	- 0.4	- 0.0	-	- 0.0	- 0.1	+ 2.7	- 0.0	- 2.7	- 0.1	+ 2.6	2003 July
- 0.6	- 4.6	- 2.8	- 0.1	-	- 0.1	-	+ 2.5	+ 0.0	- 10.5	+ 0.1	+ 2.5	Aug
+ 0.2	+ 3.1	- 0.5	- 0.1	-	+ 0.3	-	+ 0.2	- 0.0	+ 2.7	- 0.5	- 0.0	Sep
+ 1.8	- 7.5	+ 0.6	+ 0.0	-	- 0.2	-	+ 1.0	- 0.0	- 5.7	- 0.2	+ 0.6	Oct
+ 0.4	- 4.3	+ 1.2	- 0.0	-	- 0.0	-	+ 0.7	+ 0.0	- 3.4	+ 0.0	+ 0.7	Nov
+ 0.0	+ 16.0	+ 0.0	+ 0.3	-	- 0.1	-	+ 4.4	+ 0.0	+ 12.1	- 0.1	+ 4.2	Dec
- 3.0	+ 1.2	+ 1.4	- 0.1	-	+ 0.0	-	+ 0.2	- 0.0	- 1.2	+ 0.5	+ 0.7	2004 Jan
- 0.8	- 9.8	+ 9.0	+ 0.1	-	+ 0.1	-	- 2.7	+ 0.0	+ 1.0	+ 0.0	- 2.6	Feb
+ 0.5	- 11.8	+ 7.4	- 0.0	-	+ 0.2	-	+ 2.4	- 0.0	- 6.3	- 0.1	+ 2.4	Apr
+ 2.5	+ 2.9	+ 3.1	- 0.2	-	- 0.3	+ 0.1	+ 3.4	- 0.0	+ 5.2	- 0.1	+ 3.1	May
+ 0.2	+ 14.9	- 2.4	+ 0.1	-	+ 0.3	- 0.1	+ 1.9	+ 0.0	+ 10.0	+ 0.7	+ 2.9	June
- 1.0	+ 12.3	+ 0.1	+ 0.0	-	- 0.3	-	+ 1.5	- 0.0	+ 10.2	+ 0.1	+ 1.3	July
- 2.5	+ 9.0	+ 0.7	- 0.1	-	+ 0.0	-	+ 3.6	- 0.0	+ 3.6	- 0.1	+ 3.5	Aug
+ 0.1	- 5.2	- 0.1	+ 0.1	-	- 0.0	-	+ 1.3	+ 0.0	- 6.0	- 0.5	+ 0.8	Sep
- 0.1	- 1.9	- 2.2	+ 0.1	-	- 0.0	-	+ 0.2	+ 0.0	- 3.9	- 0.3	- 0.1	Oct
+ 0.1	+ 6.2	- 2.0	- 0.1	+ 0.0	+ 0.2	-	+ 0.6	- 0.0	+ 3.6	- 0.0	+ 0.7	Nov
- 0.0	+ 6.3	+ 0.4	- 0.0	- 0.0	- 0.2	+ 0.1	+ 1.6	+ 0.0	+ 5.0	+ 0.1	+ 1.6	Dec
- 2.0	+ 2.3	+ 0.3	+ 0.1	+ 0.0	+ 0.0	- 0.1	+ 5.3	- 0.0	- 4.3	- 0.2	+ 5.1	2005 Jan
- 2.5	- 6.9	+ 2.6	- 0.1	+ 0.1	- 0.0	-	- 2.0	+ 0.0	- 5.3	+ 0.4	- 1.6	Feb
- 0.0	+ 7.6	+ 2.6	- 0.0	- 0.1	+ 0.0	+ 0.0	+ 0.7	- 0.0	+ 9.7	- 0.4	+ 0.4	Mar
+ 0.4	- 12.0	+ 0.9	+ 0.1	-	+ 0.0	- 0.0	+ 2.7	- 0.0	- 13.7	+ 0.5	+ 3.2	Apr
+ 1.3	+ 7.0	- 0.2	- 0.1	-	- 0.0	-	+ 1.7	+ 0.0	+ 6.1	+ 0.1	+ 1.8	May
+ 0.1	- 1.0	- 0.2	+ 0.0	-	+ 0.0	+ 0.1	+ 2.9	+ 0.0	- 4.4	+ 0.4	+ 3.3	June
+ 1.7	+ 10.2	+ 0.5	- 0.0	-	- 0.0	+ 0.0	+ 1.4	- 0.0	+ 10.5	+ 0.4	+ 1.8	July
+ 3.0	+ 6.1	+ 0.9	- 0.0	-	+ 0.1	- 0.1	+ 2.6	- 0.0	+ 6.9	+ 0.5	+ 3.1	Aug
- 0.2	- 7.2	- 1.3	+ 0.0	+ 0.2	- 0.1	- 0.0	+ 0.0	+ 0.0	- 8.0	- 0.4	- 0.4	Sep
+ 1.1	+ 1.0	+ 2.5	+ 0.0	- 0.2	+ 0.0	+ 0.2	- 0.1	+ 0.0	+ 4.4	- 0.0	- 0.1	Oct
+ 2.1	- 4.4	- 0.5	+ 0.0	-	+ 0.0	- 0.2	+ 0.3	- 0.0	- 2.7	- 0.2	+ 0.1	Nov
- 0.0	- 4.1	- 0.1	- 0.1	-	+ 0.0	+ 0.2	+ 1.5	+ 0.0	- 6.6	+ 0.5	+ 2.1	Dec

of the value of the euro banknotes in circulation is allocated, likewise on a monthly basis, to the NCBs, with each NCB showing in its balance sheet the percentage of the euro banknotes in circulation that corresponds to its paid-up share in the ECB's capital. The difference between the value of the euro banknotes allocated to an NCB and the value of the euro banknotes which that NCB has put into circulation is likewise shown under "Other

factors". From 2003 euro banknotes only. — 4 Remaining items in the consolidated financial statement of the Eurosystem and the financial statement of the Bundesbank. — 5 Equal to the difference between the sum of liquidity-providing factors and the sum of liquidity-absorbing factors. — 6 Calculated as the sum of the "deposit facility", "banknotes in circulation" and "credit institutions' current account holdings".

III Consolidated financial statement of the Eurosystem

1 Assets *

€ billion

On reporting date/ End of month 1	Total assets	Gold and gold receivables	Claims on non-euro-area residents denominated in foreign currency			Claims on euro-area residents denominated in foreign currency	Claims on non-euro-area residents denominated in euro		
			Total	Receivables from the IMF	Balances with banks, security investments, external loans and other external assets		Total	Balances with banks, security investments and loans	Claims arising from the credit facility under ERM II
Eurosystem ²									
2005 May 6	927.1	127.4	155.1	22.2	132.8	21.3	8.9	8.9	—
13	922.9	127.4	155.7	22.4	133.3	20.3	8.9	8.9	—
20	929.8	127.3	156.2	22.3	133.9	20.1	8.8	8.8	—
27	927.8	127.3	155.1	22.3	132.8	20.2	9.0	9.0	—
June 3	940.2	127.1	155.6	22.3	133.3	20.1	9.4	9.4	—
10	938.0	127.0	155.2	22.2	133.0	20.4	9.0	9.0	—
17	940.8	126.8	152.4	21.3	131.0	20.9	9.3	9.3	—
24	967.9	126.7	153.0	21.3	131.6	20.3	9.0	9.0	—
July 1	3 988.4	3 138.5	3 162.6	3 22.2	3 140.4	3 21.0	9.2	9.2	—
8	988.7	138.4	162.5	22.2	140.3	20.9	8.8	8.8	—
15	979.5	138.3	161.6	22.0	139.6	21.6	9.6	9.6	—
22	989.7	138.1	161.0	20.5	140.5	21.2	10.4	10.4	—
29	996.8	138.1	159.6	20.5	139.1	21.5	9.6	9.6	—
Aug 5	994.9	138.0	160.4	20.2	140.2	21.5	9.5	9.5	—
12	987.8	137.9	159.3	20.2	139.1	21.6	9.5	9.5	—
19	984.1	137.8	159.9	20.2	139.7	21.6	9.6	9.6	—
26	992.3	137.8	159.5	20.1	139.4	21.6	9.5	9.5	—
Sep 2	977.0	137.8	159.7	19.9	139.8	22.0	9.4	9.4	—
9	979.0	137.8	158.1	19.8	138.2	21.9	9.0	9.0	—
16	964.2	137.8	159.4	19.8	139.6	21.0	9.2	9.2	—
23	974.2	137.8	160.7	19.6	141.1	21.2	9.1	9.1	—
30	3 996.0	3 149.9	3 160.0	19.4	3 140.6	22.0	9.0	9.0	—
2005 Oct 7	991.0	149.8	161.3	19.4	141.9	21.2	9.0	9.0	—
14	983.4	149.7	160.0	19.4	140.6	21.4	9.2	9.2	—
21	998.6	149.6	161.3	19.3	142.0	21.1	8.5	8.5	—
28	1 003.5	149.2	160.2	19.3	140.9	21.4	8.7	8.7	—
Nov 4	998.6	149.1	161.2	19.3	142.0	20.8	8.2	8.2	—
11	998.3	149.0	159.2	19.2	140.0	20.1	8.5	8.5	—
18	999.1	148.8	159.8	19.2	140.6	20.1	9.2	9.2	—
25	1 017.2	148.7	159.7	19.1	140.6	20.2	9.1	9.1	—
Dec 2	1 013.5	148.6	157.7	19.0	138.6	21.4	9.1	9.1	—
9	1 041.8	148.4	157.3	19.0	138.3	21.5	9.0	9.0	—
16	1 016.9	148.3	156.7	19.6	137.1	22.6	9.5	9.5	—
23	1 019.7	148.1	152.0	16.4	135.6	24.0	9.3	9.3	—
30	3 1 038.2	3 163.9	3 154.1	16.4	3 137.8	23.7	9.2	9.2	—
2006 Jan 6	1 038.6	163.8	155.3	13.8	141.6	22.8	8.9	8.9	—
Deutsche Bundesbank									
2004 Feb	258.2	36.5	40.4	7.6	32.7	—	0.3	0.3	—
Mar	3 256.2	3 38.3	3 41.5	7.6	3 33.8	—	0.3	0.3	—
Apr	268.0	38.3	42.1	7.9	34.2	—	0.3	0.3	—
May	276.6	38.3	41.5	7.8	33.7	—	0.3	0.3	—
June	3 290.3	3 35.8	3 41.2	7.4	3 33.8	—	0.3	0.3	—
July	295.9	35.8	40.4	7.4	33.0	—	0.3	0.3	—
Aug	284.2	35.8	39.8	7.4	32.4	—	0.3	0.3	—
Sep	283.6	3 36.7	3 39.1	7.0	32.1	—	0.3	0.3	—
Oct	293.7	36.7	38.2	7.0	31.3	—	0.3	0.3	—
Nov	298.6	36.7	38.4	6.9	31.5	—	0.3	0.3	—
Dec	3 293.5	3 35.5	3 35.8	6.5	3 29.3	—	0.3	0.3	—
2005 Jan	287.9	35.5	36.2	6.5	29.7	—	0.3	0.3	—
Feb	300.1	35.5	35.7	6.4	29.3	—	0.3	0.3	—
Mar	3 294.6	3 36.4	3 37.4	6.1	3 31.3	—	0.3	0.3	—
Apr	299.0	36.4	37.0	6.1	30.9	—	0.3	0.3	—
May	304.6	36.4	37.2	6.2	31.0	—	0.3	0.3	—
June	3 310.7	3 39.8	3 38.9	5.8	3 33.1	—	0.3	0.3	—
July	317.5	39.8	38.6	5.0	33.5	—	0.3	0.3	—
Aug	315.3	39.8	37.6	5.0	32.6	—	0.3	0.3	—
Sep	3 325.0	3 43.3	3 39.5	5.0	3 34.5	—	0.3	0.3	—
Oct	324.6	43.3	39.3	5.0	34.3	—	0.3	0.3	—
Nov	329.2	43.3	38.2	5.0	33.2	—	0.3	0.3	—
Dec	3 344.1	3 47.9	3 38.3	4.5	3 33.7	—	0.3	0.3	—

* The consolidated financial statement of the Eurosystem comprises the financial statement of the European Central Bank (ECB) and the financial statements of the national central banks of the euro-area member states (NCBs). The balance sheet items for foreign currency, securities, gold

III Consolidated financial statement of the Eurosystem

Lending to euro-area credit institutions related to monetary policy operations denominated in euro							Other claims on euro-area credit institutions denomi- nated in euro	Securities of euro-area residents denominated in euro	General government debt denominated in euro	Other assets	On reporting date/ End of month 1
Total	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations	Structural reverse operations	Marginal lending facility	Credits related to margin calls					
Eurosystem ²											
363.2	273.0	90.0	-	-	0.2	0.0	3.0	80.1	41.2	126.9	2005 May 6
357.5	267.5	90.0	-	-	0.0	0.0	2.8	81.1	41.2	128.1	13
362.5	272.5	90.0	-	-	0.0	0.0	3.0	82.4	41.2	128.3	20
361.2	271.0	90.0	-	-	0.2	0.0	2.8	82.9	41.2	128.1	27
372.0	281.5	90.0	-	-	0.5	0.0	2.5	83.2	41.2	129.0	June 3
369.0	279.0	90.0	-	-	0.0	0.0	2.5	84.0	41.2	129.7	10
373.6	283.5	90.0	-	-	0.1	0.0	2.9	83.4	41.2	130.3	17
400.1	310.0	90.0	-	-	0.0	0.1	3.1	84.2	41.2	130.3	24
398.2	308.0	90.0	-	-	0.2	0.0	3.2	85.7	40.7	129.3	July 1
397.5	307.5	90.0	-	-	0.0	0.0	2.9	87.4	40.7	129.6	8
388.5	298.5	90.0	-	-	0.0	0.0	3.2	85.6	40.7	130.5	15
398.5	308.5	90.0	-	-	0.0	0.0	3.4	85.9	40.7	130.4	22
407.0	317.0	90.0	-	-	0.0	0.0	3.3	85.7	40.8	131.3	29
404.0	314.0	90.0	-	-	0.0	0.0	3.1	85.9	40.8	131.6	Aug 5
398.0	308.0	90.0	-	-	0.0	0.0	2.8	86.5	40.8	131.5	12
393.0	303.0	90.0	-	-	0.0	0.0	3.3	86.3	40.8	131.8	19
400.0	310.0	90.0	-	-	0.0	0.0	3.2	87.6	40.8	132.2	26
383.0	293.0	90.0	-	-	0.0	0.0	3.3	88.7	40.8	132.4	Sep 2
384.5	294.5	90.0	-	-	0.0	0.0	3.4	89.9	40.8	133.6	9
369.5	279.5	90.0	-	-	0.0	0.0	3.6	89.6	40.8	133.5	16
377.6	287.5	90.0	-	-	0.0	0.0	3.6	90.1	40.8	133.5	23
384.0	293.5	90.0	-	-	0.5	0.0	3.4	90.9	40.7	136.2	30
378.0	288.0	90.0	-	-	0.0	0.0	3.7	91.6	40.8	135.7	2005 Oct 7
371.0	281.0	90.0	-	-	0.0	0.0	3.2	91.8	40.8	136.2	14
386.0	296.0	90.0	-	-	0.0	0.0	3.4	91.8	40.8	136.1	21
391.5	301.5	90.0	-	-	0.0	0.0	3.3	92.3	40.8	136.3	28
384.5	294.0	90.0	-	-	0.5	0.0	2.8	92.9	40.8	138.3	Nov 4
385.0	295.0	90.0	-	-	0.0	0.0	3.1	93.2	40.8	139.4	11
383.5	293.5	90.0	-	-	-	0.0	3.7	92.8	40.8	140.5	18
401.0	311.0	90.0	-	-	0.0	0.0	3.5	92.6	40.8	141.7	25
396.5	306.5	90.0	-	-	0.0	0.0	3.1	93.5	40.8	143.0	Dec 2
423.5	333.5	90.0	-	-	0.0	0.0	3.1	94.2	40.8	143.9	9
398.5	308.5	90.0	-	-	-	0.0	3.2	93.9	40.7	143.6	16
404.0	314.0	90.0	-	-	-	-	3.5	94.4	40.3	144.1	23
406.0	315.0	90.0	-	-	0.9	-	3.6	92.4	40.1	145.2	30
406.2	316.0	90.0	-	-	0.2	0.0	3.7	93.0	40.1	144.7	2006 Jan 6
Deutsche Bundesbank											
157.6	109.9	47.5	-	-	0.2	-	0.0	-	4.4	18.9	2004 Feb
141.7	94.1	47.5	-	-	0.2	-	0.0	-	4.4	30.1	Mar
153.7	104.3	49.4	-	-	0.0	-	0.0	-	4.4	29.1	Apr
173.2	123.7	49.5	-	-	0.0	-	0.0	-	4.4	18.9	May
189.4	139.9	49.5	-	-	0.1	-	0.0	-	4.4	19.1	June
196.0	145.1	50.9	-	-	0.0	-	0.0	-	4.4	19.1	July
184.8	135.3	49.5	-	-	0.0	-	0.0	-	4.4	19.1	Aug
173.6	127.4	45.6	-	-	0.6	-	0.0	-	4.4	29.5	Sep
195.1	148.1	46.9	-	-	-	-	0.0	-	4.4	19.0	Oct
199.8	153.5	46.0	-	-	0.3	-	0.0	-	4.4	19.0	Nov
190.4	143.0	47.3	-	-	0.1	-	0.0	-	4.4	26.9	Dec
185.1	134.3	50.9	-	-	0.0	-	0.0	-	4.4	26.3	2005 Jan
205.2	151.7	53.5	-	-	0.0	-	0.0	-	4.4	18.9	Feb
184.4	129.9	52.1	-	-	2.4	-	0.0	-	4.4	31.7	Mar
201.7	148.2	53.5	-	-	-	-	0.0	-	4.4	19.1	Apr
190.8	139.3	51.4	-	-	0.0	-	0.0	-	4.4	35.6	May
208.1	151.2	55.6	-	-	1.3	-	0.0	-	4.4	19.2	June
215.3	163.4	51.9	-	-	0.0	-	0.0	-	4.4	19.1	July
194.5	142.6	51.9	-	-	0.0	-	0.1	-	4.4	38.6	Aug
211.2	156.0	54.8	-	-	0.4	-	0.1	-	4.4	26.1	Sep
203.0	148.6	54.2	-	-	0.2	-	0.1	-	4.4	34.2	Oct
195.0	140.8	54.2	-	-	0.0	-	0.1	-	4.4	47.8	Nov
203.9	146.5	56.4	-	-	0.9	-	0.1	-	4.4	49.3	Dec

and financial instruments are valued at market rates at the end of the quarter.— 1 For the Eurosystem: financial statements for specific weekly dates;

for the Bundesbank: end-of month financial statement.— 2 Source: ECB.— 3 Changes are due mainly to revaluations at the end of the quarter.

III Consolidated financial statement of the Eurosystem

2 Liabilities *

€ billion

On reporting date/ End of month ¹	Total liabilities	Banknotes in circulation ²	Liabilities to euro-area credit institutions related to monetary policy operations denominated in euro					Other liabilities to euro-area credit institutions denominated in euro	Debt certificates issued	Liabilities to other euro-area residents denominated in euro		
			Total	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations			Deposits related to margin calls	Total	General government	Other liabilities
Eurosystem ⁴												
2005 May 6	927.1	512.7	146.5	146.1	0.3	-	-	0.1	-	56.6	49.6	6.9
13	922.9	513.5	141.8	141.8	0.0	-	-	0.1	-	57.2	50.2	7.0
20	929.8	510.9	148.0	147.9	0.0	-	0.0	0.1	-	59.3	52.5	6.9
27	927.8	511.9	144.3	144.2	0.1	-	0.0	0.1	-	61.0	54.3	6.6
June 3	940.2	517.1	146.0	145.9	0.1	-	-	0.1	-	66.1	59.2	6.9
10	938.0	519.1	144.9	144.9	0.0	-	0.0	0.1	-	62.7	55.7	7.1
17	940.8	519.7	147.5	147.5	0.0	-	0.0	0.1	-	62.9	55.8	7.1
24	967.9	520.4	146.6	146.6	0.0	-	-	0.1	-	90.8	83.8	6.9
July 1	5 988.4	526.0	154.0	154.0	0.0	-	0.0	0.2	-	75.7	68.6	7.1
8	988.7	530.3	148.1	147.9	0.2	-	-	0.3	-	77.8	70.7	7.0
15	979.5	531.4	149.7	149.6	0.0	-	0.0	0.2	-	65.6	58.6	7.0
22	989.7	530.2	150.8	150.8	0.0	-	-	0.3	-	75.2	68.3	6.9
29	996.8	533.8	145.2	145.0	0.2	-	0.0	0.1	-	84.9	77.9	6.9
Aug 5	994.9	537.5	152.4	152.4	0.0	-	0.0	0.1	-	71.2	64.2	7.0
12	987.8	536.8	150.9	150.8	0.0	-	-	0.1	-	67.9	61.0	6.9
19	984.1	532.5	149.5	149.5	0.0	-	-	0.1	-	68.5	61.4	7.1
26	992.3	527.7	150.4	150.3	0.0	-	-	0.1	-	80.4	73.4	7.0
Sep 2	977.0	530.9	146.7	146.7	0.0	-	-	0.1	-	63.5	56.4	7.1
9	979.0	532.0	151.5	151.5	0.0	-	0.0	0.1	-	61.5	54.6	6.9
16	964.2	530.4	151.4	151.4	0.0	-	0.0	0.1	-	47.0	39.5	7.5
23	974.2	528.9	148.1	148.1	0.0	-	0.0	0.1	-	60.2	52.9	7.4
30	5 996.0	533.2	145.2	145.1	0.1	-	-	0.1	-	65.4	57.9	7.6
2005 Oct 7	991.0	536.3	154.3	154.1	0.2	-	-	0.2	-	48.2	40.3	7.9
14	983.4	535.4	150.9	150.8	0.0	-	0.0	0.2	-	46.4	38.6	7.8
21	998.6	533.3	149.4	149.3	0.1	-	0.0	0.2	-	63.7	56.3	7.4
28	1 003.5	536.2	150.3	150.2	0.1	-	0.0	0.2	-	65.3	57.6	7.6
Nov 4	998.6	539.7	149.1	148.9	0.1	-	0.0	0.2	-	56.3	48.9	7.4
11	998.3	538.9	152.5	152.4	0.0	-	0.0	0.2	-	53.9	46.3	7.6
18	999.1	537.7	158.2	158.2	0.0	-	-	0.2	-	48.2	40.5	7.7
25	1 017.2	538.2	153.5	153.5	0.1	-	0.0	0.2	-	70.2	62.6	7.6
Dec 2	1 013.5	547.9	158.3	158.0	0.3	-	-	0.2	-	50.8	42.9	7.9
9	1 041.8	554.6	154.1	154.0	0.0	-	-	0.3	-	76.5	68.9	7.7
16	1 016.9	558.6	158.4	158.3	0.1	-	-	0.2	-	42.4	34.5	7.9
23	1 019.7	568.0	150.7	150.7	0.0	-	-	0.2	-	43.5	35.6	7.9
30	5 1 038.2	565.2	155.5	155.3	0.3	-	-	0.2	-	41.8	34.2	7.6
2006 Jan 6	1 038.6	560.3	153.1	153.1	0.0	-	0.0	0.2	-	49.5	42.0	7.5
Deutsche Bundesbank												
2004 Feb	258.2	113.3	36.8	36.7	0.1	-	-	-	-	0.7	0.3	0.4
Mar 5	256.2	115.0	31.0	31.0	0.0	-	-	-	-	0.7	0.4	0.4
Apr	268.0	117.7	38.3	38.3	0.0	-	-	-	-	0.5	0.1	0.4
May	276.6	120.8	43.4	43.4	0.0	-	-	-	-	0.4	0.0	0.4
June 5	290.3	122.3	36.6	36.6	0.0	-	-	-	-	0.5	0.1	0.4
July	295.9	126.0	39.3	39.3	0.0	-	-	-	-	0.4	0.0	0.4
Aug	284.2	125.2	41.4	40.9	0.4	-	-	-	-	0.5	0.0	0.4
Sep	283.6	126.5	40.1	40.1	0.0	-	-	-	-	0.5	0.1	0.4
Oct	293.7	128.2	35.5	35.5	0.0	-	-	-	-	0.5	0.1	0.4
Nov	298.6	129.5	48.3	48.3	0.0	-	-	-	-	0.7	0.3	0.4
Dec 5	293.5	136.3	41.3	41.2	0.1	-	-	0.2	-	0.4	0.0	0.4
2005 Jan	287.9	132.3	40.8	40.8	0.0	-	-	-	-	0.4	0.0	0.4
Feb	300.1	133.0	40.2	40.2	0.0	-	-	-	-	0.4	0.0	0.4
Mar 5	294.6	136.1	38.1	38.1	0.0	-	-	-	-	0.4	0.0	0.3
Apr	299.0	137.9	39.8	39.8	0.0	-	-	-	-	0.4	0.0	0.4
May	304.6	139.4	41.3	41.3	0.0	-	-	-	-	0.4	0.0	0.4
June 5	310.7	142.6	34.6	33.7	0.8	-	-	-	-	0.4	0.0	0.4
July	317.5	145.2	39.7	39.7	0.0	-	-	-	-	0.4	0.0	0.4
Aug	315.3	143.5	39.0	39.0	0.0	-	-	-	-	0.4	0.0	0.4
Sep 5	325.0	145.0	38.8	38.7	0.0	-	-	-	-	0.4	0.1	0.4
Oct	324.6	146.2	37.4	37.3	0.1	-	-	-	-	0.5	0.0	0.5
Nov	329.2	147.3	41.9	41.7	0.2	-	-	-	-	0.4	0.0	0.4
Dec 5	344.1	153.7	46.3	46.3	0.0	-	-	0.2	-	0.4	0.0	0.4

* The consolidated financial statement of the Eurosystem comprises the financial statement of the European Central Bank (ECB) and the financial statements of the national central banks of the euro-area member states (NCBs). The balance sheet items for foreign currency, securities, gold and financial instruments are valued at market rates at the end of the quarter. — 1 For Eurosystem: financial statements for specific weekly dates; for

the Bundesbank: end-of-month financial statements. — 2 According to the accounting regime chosen by the Eurosystem on the issue of euro banknotes, a share of 8% of the total value of the euro banknotes in circulation is allocated to the ECB on a monthly basis. The counterpart of this adjustment is disclosed as an "Intra-Eurosystem liability related to euro-

III Consolidated financial statement of the Eurosystem

Liabilities to non-euro-area residents denominated in euro	Liabilities to euro-area residents in foreign currency	Liabilities to non-euro-area residents denominated in foreign currency			Counterpart of special drawing rights allocated by the IMF	Other liabilities ³	Intra-Eurosystem liability related to euro-banknote issue ²	Revaluation accounts	Capital and reserves	On reporting date/ End of month ¹		
		Total	Deposits, balances and other liabilities	Liabilities arising from the credit facility under ERM II								
Eurosystem ⁴												
9.4	0.4	10.9	10.9	—	5.7	54.7	—	72.0	58.2	2005 May 6		
9.3	0.3	10.4	10.4	—	5.7	54.3	—	72.0	58.2	13		
9.5	0.3	10.7	10.7	—	5.7	55.1	—	72.0	58.2	20		
10.4	0.2	9.8	9.8	—	5.7	54.0	—	72.0	58.3	27		
10.2	0.2	10.3	10.3	—	5.7	54.2	—	72.0	58.3	June 3		
9.8	0.2	10.4	10.4	—	5.7	54.7	—	72.0	58.3	10		
10.1	0.3	8.8	8.8	—	5.7	55.5	—	72.0	58.3	17		
9.9	0.4	8.5	8.5	—	5.7	55.1	—	72.0	58.3	24		
9.7	0.3	5	5	9.1	5.9	56.9	—	5	92.3	July 1		
9.9	0.3	8.9	8.9	—	5.9	56.6	—	92.3	58.3	8		
10.0	0.4	8.7	8.7	—	5.9	57.0	—	92.3	58.3	15		
10.0	0.2	9.0	9.0	—	5.9	57.4	—	92.3	58.3	22		
10.1	0.2	8.0	8.0	—	5.9	57.9	—	92.3	58.3	29		
10.2	0.3	8.9	8.9	—	5.9	57.8	—	92.3	58.3	Aug 5		
10.2	0.3	7.7	7.7	—	5.9	57.3	—	92.3	58.3	12		
10.3	0.4	8.1	8.1	—	5.9	58.3	—	92.3	58.3	19		
10.3	0.2	8.0	8.0	—	5.9	58.7	—	92.3	58.3	26		
11.3	0.5	8.4	8.4	—	5.9	59.0	—	92.3	58.4	Sep 2		
10.7	0.2	7.2	7.2	—	5.9	59.2	—	92.3	58.4	9		
10.6	0.3	7.7	7.7	—	5.9	60.1	—	92.3	58.4	16		
10.3	0.3	9.5	9.5	—	5.9	60.0	—	92.3	58.4	23		
11.1	0.2	10.4	10.4	—	5.9	5	62.3	—	5	103.7	58.4	30
10.6	0.2	10.9	10.9	—	5.9	62.2	—	103.7	58.4	2005 Oct 7		
10.8	0.3	9.3	9.3	—	5.9	62.2	—	103.7	58.4	14		
10.9	0.2	10.4	10.4	—	5.9	62.4	—	103.7	58.4	21		
11.2	0.2	9.8	9.8	—	5.9	62.3	—	103.7	58.4	28		
11.4	0.6	9.9	9.9	—	5.9	63.5	—	103.7	58.4	Nov 4		
11.5	0.3	8.9	8.9	—	5.9	64.1	—	103.7	58.4	11		
11.3	0.3	9.3	9.3	—	5.9	65.9	—	103.7	58.4	18		
11.4	0.3	9.3	9.3	—	5.9	66.1	—	103.7	58.4	25		
12.0	0.5	8.6	8.6	—	5.9	67.2	—	103.7	58.4	Dec 2		
12.1	0.4	8.5	8.5	—	5.9	67.3	—	103.7	58.4	9		
12.1	0.4	8.4	8.4	—	5.9	68.4	—	103.7	58.4	16		
12.4	0.5	8.4	8.4	—	5.9	68.0	—	103.7	58.4	23		
13.2	0.4	8.4	8.4	—	5.9	5	70.0	—	5	119.1	58.4	30
12.6	0.4	10.1	10.1	—	5.9	69.0	—	119.1	58.4	2006 Jan 6		
Deutsche Bundesbank												
7.0	0.0	3.0	3.0	—	1.4	12.7	49.2	29.1	5.0	2004 Feb		
6.5	0.0	3.1	3.1	—	1.5	10.8	50.4	5	32.2	5.0	Mar	
6.2	0.0	3.4	3.4	—	1.5	10.9	52.3	32.2	5.0	Apr		
5.8	0.0	2.7	2.7	—	1.5	11.5	53.3	32.2	5.0	May		
5.6	0.0	3.4	3.4	—	1.5	32.2	53.9	5	29.3	5.0	June	
5.9	0.0	2.6	2.6	—	1.5	30.3	55.6	29.3	5.0	July		
5.8	0.0	2.0	2.0	—	1.5	15.2	58.6	29.3	5.0	Aug		
5.6	0.0	2.0	2.0	—	1.4	12.0	60.9	29.6	5.0	Sep		
5.9	0.0	1.3	1.3	—	1.4	24.1	62.3	29.6	5.0	Oct		
5.6	0.0	1.5	1.5	—	1.4	13.9	63.1	29.6	5.0	Nov		
5.9	0.0	2.0	2.0	—	1.4	5	9.7	63.4	5	27.8	5.0	Dec
3.5	0.0	2.7	2.7	—	1.4	9.5	64.5	27.8	5.0	2005 Jan		
3.4	0.0	2.1	2.1	—	1.4	21.0	65.8	27.8	5.0	Feb		
3.2	0.0	3.1	3.1	—	1.4	9.4	67.9	5	30.1	5.0	Mar	
3.4	0.0	2.7	2.7	—	1.4	9.5	68.8	30.1	5.0	Apr		
3.5	0.0	2.6	2.6	—	1.4	9.6	71.3	30.1	5.0	May		
3.3	0.0	2.5	2.5	—	1.5	13.0	72.0	5	35.9	5.0	June	
3.5	0.0	3.0	3.0	—	1.5	10.8	72.6	35.9	5.0	July		
3.4	0.0	2.1	2.1	—	1.5	10.5	74.1	35.9	5.0	Aug		
3.5	0.0	4.1	4.1	—	1.5	11.0	76.4	5	39.2	5.0	Sep	
3.4	0.0	4.0	4.0	—	1.5	11.0	76.5	39.2	5.0	Oct		
3.4	0.0	2.9	2.9	—	1.5	11.2	76.4	39.2	5.0	Nov		
3.4	0.0	2.8	2.8	—	1.5	11.5	75.1	5	44.3	5.0	Dec	

bank-note issue". The remaining 92 % of the value of the euro banknote in circulation is also allocated to the NCBs on a monthly basis, and each NCB shows in its balance sheet the share of the euro banknotes issued which corresponds to its paid-up share in the ECB's capital. The difference between the value of the euro banknotes allocated to the NCB according to

the aforementioned accounting regime and the value of euro banknotes put into circulation is also disclosed as an "Intra-Eurosystem claim/ liability related to banknote issue". — ³ For the Deutsche Bundesbank: including DM banknotes still in circulation. — ⁴ Source: ECB. — ⁵ Changes are due mainly to revaluations at the end of the quarter.

IV Banks

euro area											Claims on non-euro-area residents		Other assets	Period
to non-banks in other member states											Total	of which Loans		
General government				Total	Enterprises and households		General government							
Secur-ities	Total	Loans	Secur-ities 2		Total	Total	of which Loans	Total	Loans 3	Secur-ities				
End of year or month														
269.7	1,169.1	857.8	311.4	102.8	36.8	36.8	66.0	17.2	48.8	678.1	575.3	224.4	1996	
300.6	1,228.2	911.0	317.2	139.2	41.9	41.2	97.3	23.4	73.9	839.6	710.2	253.1	1997	
394.5	1,254.9	939.1	315.8	218.0	62.5	56.0	155.5	35.6	119.9	922.0	758.0	302.2	1998	
233.0	632.1	488.4	143.7	168.8	65.3	35.9	103.6	20.7	82.8	511.2	404.2	185.8	1999	
259.1	616.9	478.5	138.4	187.3	83.8	44.2	103.5	20.0	83.5	622.4	481.7	218.1	2000	
261.3	587.8	468.7	119.1	232.3	111.3	53.7	121.0	26.2	94.8	727.3	572.0	174.3	2001	
265.0	586.4	448.5	137.9	248.0	125.0	63.6	123.0	25.5	97.5	738.1	589.2	179.9	2002	
256.2	585.6	439.6	146.1	250.2	133.5	62.7	116.6	25.9	90.7	806.4	645.6	163.6	2003	
255.9	603.8	423.0	180.8	275.3	140.6	61.9	134.7	25.7	109.0	897.8	730.4	171.4	2004	
253.3	598.3	432.1	166.2	260.0	136.0	65.2	124.0	25.0	99.0	839.5	680.6	154.0	2004 Feb	
263.0	611.0	444.9	166.2	267.4	137.6	67.0	129.8	24.9	104.9	859.1	697.2	158.0	Mar	
276.2	603.5	437.2	166.3	271.1	139.4	68.8	131.7	25.8	105.9	884.1	722.1	158.1	Apr	
267.2	604.1	431.4	172.7	268.7	137.6	66.3	131.1	25.8	105.3	875.0	707.5	161.6	May	
253.9	607.2	426.2	181.0	269.7	138.4	66.5	131.3	25.7	105.6	867.0	695.6	160.8	June	
252.0	616.2	434.4	181.8	275.0	142.3	67.7	132.8	26.4	106.4	860.7	687.7	161.3	July	
248.4	615.8	429.9	186.0	271.6	137.7	65.0	133.9	26.2	107.6	871.6	696.5	157.9	Aug	
248.5	612.9	425.8	187.1	270.1	138.8	65.3	131.3	25.7	105.6	898.6	725.5	159.6	Sep	
248.7	618.5	430.9	187.7	277.8	139.9	65.1	137.9	25.5	112.4	901.8	727.5	161.9	Oct	
249.1	615.9	426.6	189.3	277.7	143.1	67.5	134.6	25.7	108.9	931.8	756.6	164.6	Nov	
255.9	603.8	423.0	180.8	275.3	140.6	61.9	134.7	25.7	109.0	897.8	730.4	171.4	Dec	
262.0	613.6	427.5	186.2	284.9	145.2	66.3	139.7	25.8	113.9	935.8	762.7	163.1	2005 Jan	
254.5	606.2	422.2	184.0	291.7	147.6	66.6	144.1	26.5	117.5	945.4	771.9	166.2	Feb	
258.6	608.8	420.7	188.2	295.8	144.6	61.4	151.2	28.0	123.2	955.0	780.7	159.1	Mar	
300.7	609.6	422.8	186.8	314.6	151.8	65.5	162.9	30.7	132.1	1,013.1	835.4	164.2	Apr	
280.3	606.2	421.7	184.5	315.0	155.2	66.0	159.8	31.1	128.7	1,001.3	821.1	169.8	May	
259.5	591.0	416.2	174.7	319.6	162.6	68.4	157.0	31.2	125.8	1,001.0	815.4	164.5	June	
263.9	593.9	418.9	175.0	313.4	158.5	64.2	154.9	32.4	122.5	1,014.5	830.9	165.1	July	
265.8	594.8	417.0	177.8	311.9	157.7	62.9	154.2	31.1	123.0	1,002.5	815.7	164.9	Aug	
267.0	584.6	410.7	173.9	313.2	161.0	65.5	152.2	32.6	119.6	1,020.0	829.8	165.2	Sep	
267.5	586.7	413.2	173.6	313.8	164.6	67.0	149.2	31.7	117.5	1,023.2	832.3	168.2	Oct	
270.0	582.9	406.9	176.0	324.0	168.5	67.7	155.4	30.2	125.2	1,031.7	837.8	174.9	Nov	
Changes 1														
30.8	59.1	53.3	5.8	36.5	5.1	4.4	31.4	6.1	25.3	159.4	132.9	28.6	1997	
92.3	25.8	28.1	- 2.3	77.1	18.9	13.0	58.3	12.5	45.7	83.9	52.0	55.3	1998	
30.4	1.3	7.7	- 6.4	48.4	12.2	6.4	36.2	2.0	34.2	33.1	13.8	31.3	1999	
27.3	- 11.4	- 6.7	- 4.6	17.8	16.8	7.2	1.0	- 0.3	1.2	103.9	71.9	32.5	2000	
2.4	- 26.5	- 9.8	- 16.7	31.3	24.3	7.7	7.0	2.2	4.8	110.1	86.6	- 9.9	2001	
6.2	- 0.8	- 20.2	19.4	18.3	15.9	12.0	2.4	- 0.6	3.0	65.7	64.1	- 0.4	2002	
- 4.3	0.8	- 8.7	9.6	6.6	13.4	2.7	- 6.8	- 0.8	- 6.0	116.2	98.5	- 41.5	2003	
0.9	17.8	- 17.0	34.9	26.6	8.2	3.1	18.4	0.0	18.4	111.4	100.5	- 14.7	2004	
9.8	12.7	12.7	- 0.0	7.0	1.4	1.6	5.6	- 0.1	5.8	10.7	8.6	2.1	2004 Mar	
13.2	- 7.5	- 7.6	0.1	3.6	1.8	1.7	1.9	0.9	1.0	21.3	21.2	- 0.4	Apr	
- 8.9	0.6	- 5.9	6.5	- 2.2	- 1.7	- 2.4	- 0.5	0.1	- 0.5	- 4.4	- 10.4	2.6	May	
- 13.4	3.1	- 5.2	8.3	0.9	0.8	0.2	0.1	- 0.2	0.2	- 8.9	- 14.1	- 1.5	June	
- 1.8	9.0	8.2	0.8	3.1	1.6	1.2	1.5	0.8	0.8	- 8.2	- 9.8	0.1	July	
- 3.6	- 0.3	- 4.5	4.2	- 0.6	- 1.7	0.1	1.1	- 0.1	1.2	12.6	10.6	- 3.6	Aug	
- 0.2	- 2.9	- 4.1	1.1	- 0.9	1.5	0.6	- 2.4	- 0.5	- 1.9	34.9	36.0	0.9	Sep	
0.2	5.7	5.1	0.6	7.9	1.3	- 0.0	6.6	- 0.1	6.7	9.0	7.5	1.7	Oct	
0.4	- 2.6	- 4.2	1.6	0.4	3.5	2.7	- 3.1	0.3	- 3.4	41.1	38.9	1.9	Nov	
6.8	- 12.5	- 4.1	- 8.4	- 1.7	- 2.0	- 5.1	0.3	0.0	0.3	- 26.1	- 19.1	2.4	Dec	
6.0	9.8	4.4	5.4	9.1	4.4	4.1	4.8	- 0.0	4.8	25.6	21.0	- 12.4	2005 Jan	
- 7.4	- 7.4	- 5.2	- 2.2	7.2	2.6	0.4	4.6	0.8	3.8	14.6	13.6	0.7	Feb	
4.1	2.6	- 1.6	4.2	3.7	- 3.3	- 5.4	7.0	1.4	5.6	4.1	3.7	- 9.0	Mar	
42.2	0.8	2.2	- 1.4	18.8	7.2	4.1	11.6	2.8	8.9	56.7	53.5	4.2	Apr	
- 20.6	- 3.4	- 1.2	- 2.3	- 0.3	2.9	0.1	- 3.2	0.3	- 3.5	- 25.7	- 27.2	5.0	May	
- 21.0	- 15.4	- 5.7	- 9.8	4.4	7.3	2.3	- 2.9	0.1	- 3.0	- 5.5	- 10.6	- 7.4	June	
4.3	3.0	2.7	0.3	- 6.1	- 4.1	- 4.2	- 2.0	1.2	- 3.2	15.0	16.9	- 0.2	July	
2.1	0.9	- 1.9	2.8	- 1.5	- 0.8	- 1.0	- 0.7	- 1.3	0.5	- 10.2	- 12.8	- 0.7	Aug	
1.2	- 10.0	- 6.2	- 3.9	1.2	3.1	2.4	- 2.0	1.4	- 3.4	14.3	11.1	- 0.4	Sep	
0.6	- 2.2	- 2.5	- 0.3	0.7	3.6	1.6	- 2.9	- 0.9	- 2.0	3.1	2.3	1.9	Oct	
2.2	- 3.9	- 6.3	2.4	10.1	3.9	0.7	6.2	- 1.5	7.7	8.4	5.5	6.3	Nov	

from the flow figures (see also footnote * in Table II.1). — 2 Including debt securities arising from the exchange of equalisation claims.

IV Banks

2 Principal assets and liabilities of banks (MFIs) in Germany, by category of banks *

€ billion

End of month	Number of reporting institutions	Balance sheet total	Cash in hand and credit balances with central banks	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Participating interests	Other assets	
				Total	of which		Total	of which					
					Balances and loans	Securities issued by banks		Loans for up to and including 1 year	for more than 1 year	Bills			Securities issued by non-banks
All categories of banks													
2005 June	2,129	6,892.6	50.5	2,756.9	1,974.7	767.6	3,678.9	462.6	2,558.7	2.8	648.4	142.6	263.7
July	2,118	6,910.8	55.7	2,759.6	1,979.9	764.4	3,687.8	463.4	2,566.1	3.0	649.8	143.7	264.0
Aug	2,110	6,890.4	53.3	2,735.2	1,956.1	762.2	3,693.0	457.6	2,568.8	2.9	656.9	143.5	265.5
Sep	2,098	6,913.3	54.7	2,751.1	1,970.1	763.3	3,698.8	465.0	2,572.6	2.8	651.9	144.5	264.3
Oct	2,089	6,931.0	52.0	2,758.4	1,986.3	755.2	3,710.2	476.4	2,571.3	2.8	649.9	144.5	265.9
Nov	2,088	6,967.7	55.5	2,766.7	1,992.8	757.7	3,728.0	468.8	2,578.7	2.7	666.3	145.1	272.5
Commercial banks ⁵													
2005 Oct	250	1,944.9	14.9	776.7	646.1	127.9	977.3	268.5	540.7	1.6	158.9	75.7	100.3
Nov	252	1,972.8	19.8	781.0	646.0	131.9	997.8	271.1	544.2	1.5	171.1	74.7	99.6
Big banks ⁶													
2005 Oct	5	1,252.1	8.1	491.0	421.1	67.4	615.2	185.8	307.5	1.3	113.8	63.8	74.0
Nov	5	1,282.7	11.8	501.2	428.4	70.1	634.2	190.4	308.3	1.2	125.6	62.6	72.8
Regional banks and other commercial banks													
2005 Oct	159	580.9	6.1	223.7	165.1	58.4	317.0	60.7	210.3	0.3	44.8	11.9	22.3
Nov	159	576.5	7.3	216.5	158.1	58.1	317.6	58.6	212.6	0.2	45.0	12.0	23.0
Branches of foreign banks													
2005 Oct	86	112.0	0.6	62.1	59.9	2.1	45.1	22.0	22.8	0.0	0.3	0.1	4.1
Nov	88	113.6	0.6	63.2	59.5	3.7	45.9	22.2	23.3	0.0	0.4	0.1	3.7
Landesbanken													
2005 Oct	12	1,375.0	3.6	766.8	590.7	165.7	535.7	70.8	371.8	0.3	91.3	27.4	41.5
Nov	12	1,380.4	2.3	771.5	596.2	165.9	531.6	63.8	375.0	0.2	91.7	27.6	47.5
Savings banks													
2005 Oct	463	1,000.1	18.9	231.5	76.2	154.5	713.0	66.3	543.7	0.7	102.3	15.6	21.0
Nov	463	1,005.0	18.8	236.7	82.3	153.7	712.9	64.6	545.1	0.6	102.4	15.7	21.0
Regional institutions of credit cooperatives													
2005 Oct	2	224.9	0.2	154.2	104.7	48.3	51.2	12.7	18.7	0.0	19.7	11.7	7.6
Nov	2	224.7	0.5	151.7	102.2	48.3	52.9	12.0	19.2	0.0	21.6	11.9	7.8
Credit cooperatives													
2005 Oct	1,295	582.1	12.3	147.0	59.4	86.1	397.9	38.9	313.2	0.3	45.2	7.6	17.2
Nov	1,292	587.3	12.3	151.0	64.1	85.3	398.3	37.7	314.6	0.3	45.4	8.5	17.2
Mortgage banks													
2005 Oct	25	901.3	1.3	249.3	151.7	97.6	630.7	9.3	476.0	-	145.4	0.8	19.2
Nov	25	900.0	1.2	249.2	152.4	96.8	628.7	9.3	472.2	-	147.2	0.8	20.0
Building and loan associations													
2005 Oct	26	191.2	0.0	50.7	36.9	13.7	121.6	1.4	102.9	.	17.3	0.4	18.4
Nov	26	191.2	0.1	51.0	37.2	13.7	121.3	1.4	102.8	.	17.1	0.4	18.5
Special purpose banks													
2005 Oct	16	711.5	0.7	382.1	320.6	61.4	282.9	8.4	204.4	-	69.9	5.1	40.7
Nov	16	706.3	0.5	374.6	312.4	62.0	284.6	8.8	205.7	-	69.9	5.5	41.0
Memo item: Foreign banks ⁷													
2005 Oct	127	467.2	2.8	203.9	154.4	49.4	246.0	45.3	147.2	0.2	53.4	0.8	13.7
Nov	129	466.6	3.3	201.9	151.2	50.7	246.9	45.5	147.2	0.2	54.0	0.8	13.8
of which: Banks majority-owned by foreign banks ⁸													
2005 Oct	41	355.2	2.1	141.9	94.5	47.3	200.9	23.3	124.3	0.1	53.2	0.7	9.6
Nov	41	353.1	2.7	138.7	91.7	47.0	200.9	23.3	123.9	0.1	53.6	0.7	10.0

* For the period up to December 1998, section IV (except for Table IV.1) shows the assets and liabilities of banks (excluding building and loan associations) in liabilities of monetary financial institutions (MFIs) in Germany. The assets and liabilities of foreign branches, of money market funds (which are also classified as MFIs) and of the Bundesbank are not

included. For the definitions of the respective items, see the footnotes to Table IV.3. — 1 For building and loan associations: Including deposits under savings and loan contracts (see Table IV.12). — 2 Included in time deposits. — 3 Excluding deposits under savings and loan contracts (see also footnote 2). — 4 Including subordinated negotiable bearer debt

IV Banks

Deposits of banks (MFIs)			Deposits of non-banks (non-MFIs)								Bearer debt securities outstanding ⁴	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	of which				Savings deposits ³		Bank savings bonds				
	Sight deposits	Time deposits		Sight deposits	Time deposits ¹		Memo item Liabilities arising from repos ²	Total	of which At three months' notice					
				for up to and including 1 year	for more than 1 year ¹									
All categories of banks														
1,962.1	299.6	1,662.4	2,569.0	759.7	329.4	766.3	104.0	611.4	522.5	102.3	1,684.4	294.2	382.9	2005 June
1,967.2	263.8	1,703.3	2,575.2	760.5	335.9	766.6	106.7	610.5	522.4	101.6	1,687.4	296.7	384.4	July
1,945.1	271.8	1,673.3	2,574.0	759.7	339.1	765.4	107.7	608.9	521.8	100.7	1,684.7	296.9	389.6	Aug
1,945.9	267.5	1,678.3	2,590.0	772.6	345.1	764.9	115.5	607.4	521.9	100.0	1,681.7	297.8	397.9	Sep
1,957.1	263.7	1,693.3	2,589.0	773.5	348.3	761.9	117.7	605.6	520.7	99.7	1,681.4	297.7	405.8	Oct
1,954.1	276.5	1,677.5	2,619.9	805.7	350.4	760.1	128.9	604.4	519.3	99.3	1,676.3	301.9	415.5	Nov
Commercial banks⁵														
729.6	137.8	591.7	772.5	365.6	179.6	116.4	97.4	102.1	94.0	8.8	207.6	91.1	144.1	2005 Oct
737.8	148.2	589.5	786.2	386.5	178.0	111.4	107.2	101.6	93.6	8.7	207.2	94.2	147.5	Nov
Big banks⁶														
468.3	96.2	372.0	476.3	188.2	134.8	83.4	93.4	69.4	67.6	0.4	160.0	50.5	97.0	2005 Oct
485.2	110.6	374.5	488.5	206.4	135.5	77.6	102.6	68.6	66.7	0.4	158.5	52.1	98.5	Nov
Regional banks and other commercial banks														
179.1	27.3	151.7	273.7	164.4	37.1	31.3	4.0	32.6	26.4	8.3	47.6	37.4	43.1	2005 Oct
168.9	24.0	144.9	275.4	167.0	35.0	32.2	4.6	33.0	26.9	8.3	48.6	38.9	44.6	Nov
Branches of foreign banks														
82.3	14.3	68.0	22.5	13.0	7.7	1.7	-	0.0	0.0	0.1	0.0	3.2	4.0	2005 Oct
83.7	13.6	70.1	22.3	13.1	7.5	1.6	-	0.0	0.0	0.1	0.0	3.2	4.4	Nov
Landesbanken														
452.7	71.4	381.3	331.4	53.8	45.6	214.7	13.1	16.7	15.8	0.6	473.1	59.1	58.6	2005 Oct
452.7	69.0	383.7	332.6	53.3	47.1	214.9	14.2	16.6	15.8	0.6	467.7	60.1	67.3	Nov
Savings banks														
219.3	4.8	214.6	638.1	208.7	46.4	12.2	-	304.3	253.1	66.5	42.2	49.7	50.7	2005 Oct
217.1	4.8	212.3	645.4	215.9	46.9	12.3	-	304.0	252.2	66.3	42.1	49.7	50.8	Nov
Regional institutions of credit cooperatives														
135.2	37.6	97.6	35.5	6.1	11.1	17.2	7.2	-	-	1.2	32.9	10.2	11.2	2005 Oct
134.2	38.3	95.9	35.7	6.6	10.6	17.3	7.5	-	-	1.2	33.2	10.2	11.5	Nov
Credit cooperatives														
76.3	2.0	74.2	413.7	134.4	50.8	25.3	-	181.3	156.5	22.0	31.1	32.5	28.5	2005 Oct
77.0	2.0	75.0	418.3	138.8	51.2	25.5	-	181.0	156.5	21.9	30.4	32.6	29.0	Nov
Mortgage banks														
164.9	5.1	159.9	161.4	2.2	5.6	152.6	-	1.0	0.9	0.1	526.4	22.4	26.2	2005 Oct
163.2	4.8	158.5	162.2	2.0	4.9	154.3	-	1.0	0.9	0.1	526.2	22.4	25.9	Nov
Building and loan associations														
28.6	1.4	27.2	121.4	0.3	1.0	119.5	-	0.4	0.4	0.3	6.3	7.4	27.4	2005 Oct
28.7	1.7	27.0	121.8	0.3	1.0	119.8	-	0.4	0.4	0.3	5.7	7.4	27.6	Nov
Special purpose banks														
150.5	3.6	146.9	115.0	2.5	8.2	104.1	-	-	-	0.2	361.8	25.3	59.0	2005 Oct
143.4	7.7	135.7	117.7	2.4	10.6	104.5	-	-	-	0.2	363.9	25.3	56.0	Nov
Memo item: Foreign banks⁷														
164.2	29.1	135.1	165.0	103.9	20.0	30.8	0.1	6.8	6.6	3.6	99.0	15.6	23.4	2005 Oct
159.4	26.3	133.1	165.4	105.5	18.5	31.2	0.4	6.7	6.6	3.5	99.5	16.9	25.3	Nov
of which: Banks majority-owned by foreign banks⁸														
81.9	14.7	67.1	142.5	90.9	12.3	29.1	0.1	6.8	6.6	3.5	99.0	12.5	19.3	2005 Oct
75.7	12.8	62.9	143.1	92.4	11.0	29.6	0.4	6.7	6.6	3.4	99.5	13.8	20.9	Nov

securities; excluding non-negotiable bearer debt securities. — 5 Commercial banks comprise the sub-groups "Big banks", "Regional banks and other commercial banks" and "Branches of foreign banks". — 6 Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG, Bayerische Hypo- und Vereinsbank AG and Deutsche Postbank AG. — 7 Sum of the banks majority-owned

by foreign banks and included in other categories of banks and the category "Branches (with dependent legal status) of foreign banks". — 8 Separate presentation of the banks majority-owned by foreign banks included in the categories "Regional banks and other commercial banks" and "Mortgage banks".

IV Banks

8 Deposits of domestic households and non-profit institutions at banks (MFIs) in Germany *

€ billion

Period	Sight deposits						Time deposits 1,2					
	Deposits of domestic households and non-profit institutions, total	by creditor group					Domestic non-profit institutions	by creditor group				
		Domestic households						Domestic households				
		Total	Total	Self-employed persons	Employees	Other individuals		Total	Total	Self-employed persons	Employees	Other individuals
End of year or month *												
2002	1,271.6	364.5	352.8	61.3	241.4	50.0	11.7	257.9	238.3	35.2	180.5	22.6
2003	1,301.4	400.4	388.1	66.9	265.1	56.1	12.3	241.0	222.1	29.2	174.5	18.4
2004	1,334.2	428.1	414.8	71.7	283.5	59.6	13.2	235.3	216.9	25.7	175.1	16.2
2005 June	1,341.8	447.4	432.0	75.1	296.3	60.7	15.3	228.7	211.7	23.2	174.2	14.3
July	1,342.4	450.2	435.7	76.2	298.1	61.4	14.5	228.2	211.2	23.2	173.8	14.2
Aug	1,338.7	448.5	433.7	76.9	295.5	61.3	14.8	228.5	211.0	23.2	173.7	14.1
Sep	1,338.9	450.4	435.1	76.1	296.8	62.2	15.3	228.7	211.0	23.1	173.8	14.1
Oct	1,340.0	453.0	438.2	78.5	297.6	62.1	14.8	228.8	211.8	23.2	174.7	13.9
Nov	1,351.0	464.5	449.4	79.1	306.7	63.6	15.1	229.2	212.2	23.2	175.2	13.8
Changes *												
2003	+ 29.2	+ 36.0	+ 35.3	+ 5.6	+ 23.7	+ 6.0	+ 0.6	- 16.9	- 16.2	- 6.0	- 6.0	- 4.2
2004	+ 32.8	+ 27.6	+ 26.7	+ 4.8	+ 19.2	+ 2.7	+ 0.9	- 5.6	- 5.1	- 3.5	+ 0.6	- 2.2
2005 June	+ 2.2	+ 4.9	+ 4.3	+ 0.6	+ 3.0	+ 0.8	+ 0.6	- 1.1	- 0.9	- 0.5	- 0.3	- 0.1
July	+ 0.5	+ 2.9	+ 3.7	+ 1.1	+ 1.9	+ 0.7	- 0.8	- 0.5	- 0.5	- 0.1	- 0.3	- 0.1
Aug	- 3.6	- 1.8	- 2.1	+ 0.7	- 2.6	- 0.1	+ 0.3	+ 0.3	- 0.2	+ 0.0	- 0.1	- 0.1
Sep	+ 0.2	+ 2.0	+ 1.5	- 0.8	+ 1.4	+ 0.9	+ 0.5	+ 0.2	- 0.0	- 0.1	+ 0.1	- 0.0
Oct	+ 1.1	+ 3.1	+ 3.6	+ 2.4	+ 1.2	- 0.1	- 0.5	- 0.4	+ 0.3	+ 0.1	+ 0.4	- 0.2
Nov	+ 11.0	+ 11.5	+ 11.2	+ 0.6	+ 9.1	+ 1.5	+ 0.4	+ 0.4	+ 0.4	- 0.0	+ 0.5	- 0.1

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly*

Report, are not specially marked. — 1 Including subordinated liabilities and liabilities arising from registered debt securities. — 2 Including deposits

9 Deposits of domestic government at banks (MFIs) in Germany, by creditor group *

€ billion

Period	Deposits												
	Domestic government, total	Federal Government and its special funds 1						State governments					
		Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year		
End of year or month *													
2002	113.9	45.6	0.9	3.6	41.1	0.0	13.5	18.9	2.5	1.4	14.9	0.1	22.6
2003	108.1	44.2	2.0	5.2	36.9	0.0	12.6	18.5	3.1	1.3	14.1	0.1	21.9
2004	103.6	41.4	0.8	5.8	34.8	0.0	12.9	15.1	2.7	2.2	10.2	0.1	21.5
2005 June	104.5	39.7	1.1	6.6	31.9	0.0	12.8	19.8	4.8	4.9	10.0	0.1	21.0
July	103.7	41.4	0.6	9.3	31.5	0.0	12.9	19.1	4.6	4.4	10.0	0.1	20.5
Aug	104.0	40.5	1.1	8.2	31.2	0.0	12.9	17.9	3.8	4.1	9.9	0.2	20.5
Sep	103.3	40.8	1.1	9.5	30.1	0.0	12.9	18.7	4.3	4.3	9.8	0.2	19.2
Oct	101.5	39.7	1.1	8.7	29.9	0.0	13.0	18.5	4.8	3.7	9.8	0.2	19.0
Nov	102.0	38.7	1.2	7.6	29.9	0.0	13.0	16.0	3.4	2.6	9.9	0.2	19.0
Changes *													
2003	- 4.8	- 1.4	+ 1.1	+ 1.7	- 4.2	- 0.0	- 1.0	- 0.2	+ 0.5	+ 0.1	- 0.8	- 0.0	- 0.7
2004	- 1.9	- 2.8	- 1.2	+ 0.6	- 2.1	+ 0.0	+ 0.2	- 1.0	- 0.4	+ 0.9	- 1.6	- 0.0	- 2.4
2005 June	+ 2.8	+ 0.5	+ 0.5	+ 0.5	- 0.5	-	+ 0.0	+ 3.4	+ 1.4	+ 2.1	- 0.1	- 0.0	+ 0.2
July	- 0.8	+ 1.7	- 0.6	+ 2.6	- 0.3	-	+ 0.1	- 0.7	- 0.2	- 0.5	- 0.1	+ 0.0	- 0.4
Aug	- 0.0	- 1.2	+ 0.2	- 1.1	- 0.3	- 0.0	+ 0.1	- 1.1	- 0.8	- 0.3	- 0.1	+ 0.1	- 0.0
Sep	- 0.7	+ 0.3	+ 0.1	+ 1.3	- 1.1	- 0.0	- 0.0	+ 0.7	+ 0.5	+ 0.3	- 0.1	+ 0.0	- 1.3
Oct	- 1.8	- 1.1	+ 0.0	- 0.9	- 0.2	+ 0.0	+ 0.1	- 0.2	+ 0.5	- 0.7	+ 0.0	+ 0.0	- 0.2
Nov	+ 0.5	- 1.0	+ 0.1	- 1.0	- 0.0	- 0.0	- 0.0	- 2.5	- 1.4	- 1.1	+ 0.0	- 0.0	- 0.0

* See Table IV.2, footnote*; excluding deposits of the Treuhand agency and its successor organisations, of the Federal Railways, east German Railways and Federal Post Office, and, from 1995, of Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG, and of publicly owned enterprises,

which are included in "Enterprises". Statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following

					Savings deposits ³			Memo item				Period
by maturity					Total	Domestic households	Domestic non-profit institutions	Bank savings bonds ⁴	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) ⁵	Included in time deposits: liabilities arising from repos	
Domestic non-profit institutions	up to and including 1 year	more than 1 year ²										
		Total	of which									
		up to and including 2 years	more than 2 years									
End of year or month *												
19.6	128.3	129.6	6.3	123.3	568.8	559.9	8.9	80.4	0.2	10.8	-	2002
18.9	106.7	134.3	6.1	128.2	583.5	574.3	9.2	76.5	0.2	12.0	-	2003
18.4	94.3	141.0	5.5	135.6	595.7	586.3	9.5	75.1	0.3	12.8	-	2004
17.0	87.9	140.9	5.1	135.8	594.8	584.9	9.9	71.0	0.4	11.5	-	2005 June
17.0	87.4	140.8	5.1	135.7	593.7	583.8	9.9	70.3	0.4	11.5	-	July
17.5	87.4	141.1	5.1	136.0	592.1	582.0	10.1	69.7	0.5	11.4	-	Aug
17.7	87.7	141.0	5.1	135.9	590.5	580.4	10.1	69.3	0.5	11.4	-	Sep
17.0	87.8	141.0	5.2	135.8	589.0	578.9	10.1	69.2	0.5	11.4	-	Oct
17.0	87.8	141.3	5.2	136.1	588.2	578.5	9.7	69.1	0.5	11.3	-	Nov
Changes *												
- 0.7	- 21.6	+ 4.7	- 0.2	+ 4.9	+ 14.7	+ 14.4	+ 0.3	- 4.6	+ 0.0	+ 0.6	-	2003
- 0.5	- 12.3	+ 6.7	- 0.7	+ 7.4	+ 12.2	+ 12.0	+ 0.2	- 1.4	+ 0.1	+ 0.8	-	2004
- 0.2	- 1.3	+ 0.2	+ 0.1	+ 0.2	- 1.2	- 1.3	+ 0.1	- 0.4	- 0.0	- 0.0	-	2005 June
- 0.0	- 0.5	- 0.1	+ 0.0	- 0.1	- 1.1	- 1.1	- 0.0	- 0.7	- 0.0	- 0.0	-	July
+ 0.5	+ 0.1	+ 0.3	+ 0.0	+ 0.3	- 1.6	- 1.8	+ 0.2	- 0.6	+ 0.0	- 0.0	-	Aug
+ 0.2	+ 0.2	- 0.0	+ 0.0	- 0.1	- 1.6	- 1.6	- 0.0	- 0.4	+ 0.0	- 0.0	-	Sep
- 0.7	- 0.3	- 0.1	+ 0.1	- 0.2	- 1.5	- 1.5	+ 0.0	- 0.1	- 0.0	- 0.0	-	Oct
+ 0.0	+ 0.0	+ 0.4	+ 0.0	+ 0.4	- 0.8	- 0.4	- 0.4	- 0.1	+ 0.0	- 0.1	-	Nov

under savings and loan contracts (see Table IV.12). — ³ Excluding deposits under savings and loan contracts (see also footnote 2). — ⁴ Including

liabilities arising from non-negotiable bearer debt securities. — ⁵ Included in time deposits.

Local government and local government associations (including municipal special-purpose associations)						Social security funds						Period
Total	Sight deposits	Time deposits ³		Savings deposits and bank savings bonds ^{2,4}	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds ²	Memo item Fiduciary loans	
		for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year			
End of year or month *												
27.6	10.5	12.2	2.0	3.0	0.2	21.7	2.7	13.7	4.5	0.9	0.1	2002
24.8	9.9	10.1	1.9	2.8	0.2	20.6	2.8	12.5	4.5	0.8	0.0	2003
25.7	10.5	9.6	2.3	3.3	0.3	21.4	2.9	12.9	4.8	0.8	0.0	2004
25.3	10.6	9.0	2.4	3.3	0.3	19.7	4.1	9.9	4.9	0.8	0.0	2005 June
25.0	10.4	8.9	2.4	3.4	0.3	18.2	3.5	9.0	4.9	0.9	0.0	July
27.4	11.5	10.0	2.4	3.5	0.3	18.2	3.7	8.9	4.6	0.9	0.0	Aug
25.5	10.1	9.4	2.4	3.5	0.3	18.4	3.5	9.3	4.7	0.9	0.0	Sep
24.9	10.0	8.9	2.4	3.5	0.3	18.5	4.7	8.2	4.7	0.8	0.0	Oct
27.3	11.6	9.9	2.4	3.3	0.3	20.0	5.2	9.1	4.9	0.8	0.0	Nov
Changes *												
- 2.8	- 0.5	- 2.1	- 0.0	- 0.2	+ 0.0	- 0.4	+ 0.1	- 1.3	+ 0.9	- 0.1	- 0.0	2003
+ 0.8	+ 0.5	- 0.5	+ 0.4	+ 0.5	+ 0.0	+ 1.1	+ 0.1	+ 0.4	+ 0.5	+ 0.1	- 0.0	2004
- 1.2	- 0.5	- 0.7	- 0.0	+ 0.1	+ 0.0	+ 0.1	+ 0.3	- 0.3	+ 0.1	+ 0.0	-	2005 June
- 0.3	- 0.2	- 0.1	- 0.0	+ 0.0	-	- 1.5	- 0.7	- 0.9	+ 0.0	+ 0.1	-	July
+ 2.4	+ 1.1	+ 1.1	+ 0.0	+ 0.2	-	- 0.1	+ 0.3	- 0.1	- 0.3	+ 0.0	-	Aug
- 1.9	- 1.3	- 0.6	+ 0.0	+ 0.0	- 0.0	+ 0.2	- 0.2	+ 0.4	+ 0.1	- 0.0	- 0.0	Sep
- 0.6	- 0.1	- 0.5	- 0.0	- 0.0	-	+ 0.0	+ 1.2	- 1.1	- 0.0	- 0.0	-	Oct
+ 2.4	+ 1.6	+ 1.0	+ 0.1	- 0.2	+ 0.0	+ 1.6	+ 0.5	+ 1.0	+ 0.1	- 0.0	-	Nov

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

liabilities arising from non-negotiable bearer debt securities. — ³ Including deposits under savings and loan contracts. — ⁴ Excluding deposits under savings and loan contracts (see also footnote 3).

IV Banks

10 Savings deposits and bank savings bonds of banks (MFIs) in Germany sold to non-banks (non-MFIs) *

€ billion

Period	Savings deposits 1								Memo item Interest credited on savings deposits	Bank savings bonds, 3 sold to			
	of residents						of non-residents			non-banks, total	domestic non-banks		foreign non-banks
	Total	Total	at three months' notice		at more than three months' notice		Total	of which at three months' notice			Total	of which With maturities of more than 2 years	
			Total	of which Special savings facilities 2	Total	of which Special savings facilities 2							
End of year or month *													
2002	586.2	575.3	472.8	343.5	102.4	88.5	10.9	8.1	17.6	111.3	104.4	86.3	6.9
2003	600.4	590.3	500.8	377.1	89.5	76.4	10.1	7.9	16.0	107.2	100.3	83.9	7.0
2004	613.0	603.5	515.5	397.9	88.0	76.7	9.6	7.7	14.2	105.8	98.4	85.2	7.4
2005 July	610.5	601.9	515.5	402.2	86.4	76.1	8.6	6.9	0.4	101.6	93.8	80.6	7.8
Aug	608.9	600.4	515.0	401.9	85.4	75.1	8.5	6.8	0.3	100.7	93.0	79.9	7.7
Sep	607.4	598.9	515.1	398.5	83.9	73.6	8.5	6.8	0.3	100.0	92.4	79.2	7.6
Oct	605.6	597.2	513.9	398.5	83.2	73.4	8.4	6.8	0.4	99.7	92.1	78.6	7.6
Nov	604.4	596.0	512.5	398.5	83.5	73.6	8.4	6.8	0.4	99.3	91.9	78.0	7.5
Changes *													
2003	+ 14.2	+ 15.1	+ 28.0	+ 23.8	- 12.9	- 12.1	- 0.8	- 0.2	.	- 4.6	- 4.8	- 3.0	+ 0.1
2004	+ 12.6	+ 13.1	+ 14.7	+ 20.1	- 1.5	+ 0.2	- 0.5	- 0.3	.	- 1.0	- 1.5	+ 1.3	+ 0.4
2005 July	- 0.9	- 0.8	- 0.1	+ 0.5	- 0.7	- 0.5	- 0.1	- 0.1	.	- 0.6	- 0.7	- 0.7	+ 0.1
Aug	- 1.6	- 1.5	- 0.5	- 0.3	- 1.0	- 1.0	- 0.1	- 0.1	.	- 0.9	- 0.8	- 0.8	- 0.1
Sep	- 1.5	- 1.5	+ 0.1	- 3.4	- 1.5	- 1.6	- 0.0	- 0.0	.	- 0.8	- 0.6	- 0.7	- 0.2
Oct	- 1.6	- 1.6	- 1.1	+ 1.9	- 0.5	- 0.5	- 0.0	- 0.0	.	- 0.3	- 0.2	- 0.6	- 0.0
Nov	- 1.2	- 1.2	- 1.4	- 0.0	+ 0.2	+ 0.3	- 0.0	- 0.0	.	- 0.4	- 0.3	- 0.6	- 0.1

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Excluding deposits under savings and

loan contracts, which are classified as time deposits. — 2 Savings deposits bearing interest at a rate which exceeds the minimum or basic rate of interest. — 3 Including liabilities arising from non-negotiable bearer debt securities.

11 Debt securities and money market paper outstanding of banks (MFIs) in Germany *

€ billion

Period	Negotiable bearer debt securities and money market paper								Non-negotiable bearer debt securities and money market paper 5			Subordinated		
	Total	of which				with maturities of			Total	of which with maturities of				
		Floating rate bonds 1	Zero coupon bonds 1,2	Foreign currency bonds 3,4	Certificates of deposit	up to and including 1 year	more than 1 year including 2 years	more than 2 years		up to and including 1 year	more than 1 year including 2 years	more than 2 years		
		negotiable debt securities	non-negotiable debt securities											
End of year or month *														
2002	1,462.9	339.2	16.1	159.5	34.7	62.3	120.1	1,280.5	9.9	7.8	0.7	1.3	42.4	2.3
2003	1,490.1	353.4	20.8	177.5	39.0	70.1	105.2	1,314.8	2.4	0.6	0.5	1.2	40.2	3.2
2004	1,550.0	382.6	22.9	214.6	36.5	62.1	94.2	1,393.7	2.4	0.5	0.5	1.5	43.3	3.7
2005 July	1,641.5	414.3	25.2	263.3	38.5	69.5	94.5	1,477.4	2.0	0.4	0.5	1.1	45.9	2.5
Aug	1,639.4	410.2	26.5	267.2	38.4	71.9	91.7	1,475.8	1.9	0.3	0.5	1.1	45.3	2.5
Sep	1,636.0	410.0	26.3	268.3	38.3	72.7	90.2	1,473.1	1.6	0.3	0.5	0.9	45.7	2.5
Oct	1,635.9	405.4	26.5	270.7	38.4	73.5	90.4	1,472.0	1.5	0.2	0.5	0.8	45.5	2.5
Nov	1,630.4	403.0	26.7	277.7	35.2	68.6	90.6	1,471.3	1.6	0.2	0.5	0.8	45.8	2.5
Changes *														
2003	+ 19.6	+ 7.0	+ 4.7	+ 13.2	+ 3.2	+ 0.1	- 14.9	+ 34.4	+ 2.6	+ 2.9	- 0.2	- 0.1	- 1.5	+ 0.3
2004	+ 57.4	+ 27.9	+ 1.8	+ 34.7	- 7.9	- 8.0	- 11.0	+ 76.4	+ 0.0	- 0.2	- 0.1	+ 0.2	+ 3.1	+ 0.5
2005 July	+ 0.2	+ 2.3	+ 0.4	+ 1.6	- 3.8	- 1.6	- 0.8	+ 2.5	+ 0.0	+ 0.1	+ 0.0	- 0.1	- 0.2	+ 0.0
Aug	- 2.1	- 5.0	+ 1.3	+ 3.9	- 0.1	+ 2.4	- 2.8	- 1.6	- 0.2	- 0.2	- 0.0	- 0.0	- 0.7	- 0.0
Sep	- 3.4	- 0.3	- 0.2	+ 1.1	- 0.1	+ 0.8	- 1.5	- 2.7	- 0.2	+ 0.0	- 0.0	- 0.2	+ 0.4	+ 0.0
Oct	- 0.1	- 4.6	+ 0.1	+ 2.3	+ 0.1	+ 0.8	+ 0.3	- 1.1	- 0.1	- 0.1	+ 0.0	- 0.1	- 0.2	- 0.0
Nov	- 5.5	- 2.6	+ 0.2	+ 7.0	- 3.2	- 4.9	- 0.2	- 0.4	+ 0.0	- 0.0	+ 0.0	+ 0.0	+ 0.3	- 0.0

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Including debt securities denominated in foreign currencies. — 2 Issue value when floated. — 3 Including floating

rate notes and zero coupon bonds denominated in foreign currencies. — 4 Bonds denominated in non-euro-area currencies. — 5 Non-negotiable bearer debt securities are classified among bank savings bonds (see also Table IV.10, footnote 2).

IV Banks

12 Building and loan associations (MFIs) in Germany *
Interim statements

€ billion

End of year/month	Number of associations	Balance sheet total	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Deposits of banks (MFIs) 5		Deposits of non-banks (non-MFIs)		Bearer debt securities outstanding	Capital (including published reserves) 7	Memo item New contracts entered into in year or month 8
			Credit balances and loans (excluding building loans) 1	Building loans 2	Bank debt securities 3	Building loans			Securities (including Treasury bills and Treasury discount paper) 4	Deposits under savings and loan contracts	Sight and time deposits	Deposits under savings and loan contracts	Sight and time deposits 6			
						Loans under savings and loan contracts	Interim and bridging loans	Other building loans								
All building and loan associations																
2004	27	183.9	32.9	0.1	11.6	34.5	63.8	9.3	14.2	0.4	27.5	113.2	4.6	6.8	7.4	96.4
2005 Sep	26	190.1	34.4	0.0	13.7	31.2	63.8	9.6	18.4	0.4	27.5	116.3	4.9	6.3	7.4	8.2
Oct	26	191.2	36.9	0.0	13.8	30.9	63.8	9.7	17.3	0.4	28.2	116.5	4.9	6.3	7.4	7.6
Nov	26	191.2	37.2	0.0	13.8	30.3	64.1	9.8	17.1	0.4	28.3	116.8	4.9	5.7	7.4	8.3
Private building and loan associations																
2005 Sep	15	139.1	26.5	0.0	6.4	19.7	46.2	8.7	13.4	0.3	20.3	78.8	4.7	6.3	4.8	5.3
Oct	15	140.0	28.7	0.0	6.4	19.5	46.3	8.7	12.3	0.3	21.0	78.8	4.7	6.3	4.8	4.9
Nov	15	139.8	28.7	0.0	6.4	19.1	46.6	8.9	12.0	0.3	21.0	79.1	4.7	5.7	4.8	5.3
Public building and loan associations																
2005 Sep	11	51.0	8.0	0.0	7.3	11.5	17.5	0.9	5.0	0.1	7.2	37.5	0.2	-	2.7	2.9
Oct	11	51.2	8.2	0.0	7.5	11.4	17.5	0.9	4.9	0.1	7.2	37.6	0.2	-	2.7	2.8
Nov	11	51.4	8.5	0.0	7.5	11.2	17.5	0.9	5.1	0.1	7.2	37.7	0.2	-	2.7	3.0

Trends in building and loan association business

€ billion

Period	Changes in deposits under savings and loan contracts			Capital promised		Capital disbursed					Disbursement commitments outstanding at end of period		Interest and repayments received on building loans 10		Memo item Housing bonuses received 12	
	Amounts paid into savings and loan accounts 9	Interest credited on deposits under savings and loan contracts	Repayments of deposits under cancelled savings and loan contracts	Total	of which Net allocations 11	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 9							
							Total	of which Applied to settlement of interim and bridging loans	Total	of which Applied to settlement of interim and bridging loans						
All building and loan associations																
2004	26.0	3.1	5.4	42.0	28.3	40.3	17.1	4.2	7.8	3.5	15.4	10.4	7.7	13.3	11.0	0.6
2005 Sep	2.0	0.1	0.5	3.1	2.1	3.0	1.3	0.3	0.5	0.3	1.2	10.7	7.7	1.2	2.9	0.0
Oct	1.9	0.1	0.5	3.5	2.4	3.1	1.4	0.4	0.6	0.3	1.1	10.9	7.8	1.1	2.9	0.0
Nov	2.0	0.1	0.5	3.2	1.9	2.8	1.2	0.3	0.4	0.2	1.1	11.1	7.8	1.1	2.9	0.0
Private building and loan associations																
2005 Sep	1.3	0.1	0.3	2.1	1.2	2.2	0.8	0.2	0.3	0.2	1.0	6.3	3.7	0.8	1.9	0.0
Oct	1.2	0.1	0.3	2.5	1.6	2.3	1.0	0.3	0.4	0.2	0.9	6.4	3.8	0.7	1.9	0.0
Nov	1.3	0.1	0.3	2.1	1.1	1.9	0.8	0.2	0.2	0.1	0.9	6.5	3.7	0.7	1.9	0.0
Public building and loan associations																
2005 Sep	0.7	0.0	0.2	1.0	0.8	0.9	0.4	0.1	0.2	0.1	0.2	4.4	4.1	0.4	1.0	0.0
Oct	0.7	0.0	0.2	1.0	0.8	0.8	0.4	0.1	0.2	0.1	0.2	4.5	4.0	0.4	1.0	0.0
Nov	0.7	0.0	0.2	1.1	0.8	0.8	0.5	0.1	0.2	0.1	0.2	4.5	4.1	0.4	1.0	0.0

* Excluding assets and liabilities and/or transactions of foreign branches. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which 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 credit balances. — 2 Loans under savings and loan contracts and interim and bridging loans. — 3 Including money market paper and small amounts of other securities issued by banks. — 4 Including equalisation claims. — 5 Including liabilities to building and loan associations. — 6 Including small amounts of savings deposits. — 7 Including participation rights capital and fund for general banking risks. — 8 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. — 9 For disbursements of deposits under savings and loan contracts arising from the allocation of contracts see "Capital disbursed". — 10 Including housing bonuses credited. — 11 Only allocations accepted by the beneficiaries; including allocations applied to settlement of interim and bridging loans. — 12 The amounts already credited to the accounts of savers or borrowers are also included in "Amounts paid into savings and loan accounts" and "Interest and repayments received on building loans".

V Minimum reserves

1 Reserve ratios Germany

% of liabilities subject to reserve requirements

Applicable from	Sight liabilities	Time liabilities	Savings deposits
1995 Aug 1	2	2	1.5

Euro area

% of reserve base ¹

Applicable from	Ratio
1999 Jan 1	2

¹ Article 3 of the Regulation of the European Central Bank on the application of minimum reserves (excluding liabilities to which a reserve ratio of 0% applies pursuant to Article 4 (1)).

2 Reserve maintenance in Germany up to the end of 1998 – pursuant to the Minimum Reserves Order of the Bundesbank

DM million

Monthly average ¹	Liabilities subject to reserve requirements				Required reserves ²	Actual reserves ³	Excess reserves ⁴		Deficiencies
	Total	Sight liabilities	Time liabilities	Savings deposits			Level	% of the required reserves	
1995 Dec	2,066,565	579,337	519,456	967,772	36,492	37,337	845	2.3	3
1996 Dec	2,201,464	655,483	474,342	1,071,639	38,671	39,522	851	2.2	4
1997 Dec	2,327,879	734,986	476,417	1,116,477	40,975	41,721	745	1.8	3
1998 Dec	2,576,889	865,444	564,878	1,146,567	45,805	46,432	627	1.4	4

¹ Pursuant to sections 5 to 7 of the Minimum Reserves Order. ² Amount after applying the reserve ratios to the liabilities subject to reserve requirements (section 5 (1) of the Minimum Reserves Order). — ³ Average credit

balances of the credit institutions subject to reserve requirements on their giro accounts at the Bundesbank. — ⁴ Actual reserves less required reserves.

3 Reserve maintenance in the euro area – from 1999, pursuant to the ECB Regulation on the application of minimum reserves in accordance with Article 19.1 of the Statute of the ESCB

Maintenance period beginning in ¹	Reserve base ²	Required reserves before deduction of lump-sum allowance ³	Lump-sum allowance ⁴	Required reserves after deduction of lump-sum allowance	Current account ⁵	Excess reserves ⁶	Deficiencies ⁷
Euro area (€ billion)							
2005 May	7,255.5	145.1	0.5	144.6	145.5	0.9	0.0
June	7,385.1	147.7	0.5	147.2	147.9	0.7	0.0
July	7,483.7	149.7	0.5	149.2	149.8	0.6	0.0
Aug	7,509.3	150.2	0.5	149.7	150.2	0.6	0.0
Sep	7,560.8	151.2	0.5	150.7	151.4	0.7	0.0
Oct	7,502.9	150.1	0.5	149.5	150.2	0.7	0.0
Nov	7,624.2	152.5	0.5	152.0	153.0	1.0	0.0
Dec ^P	...	...	...	153.3	...	...	...
2006 Jan	...	...	...	...	...	...	...
Of which: Germany (€ million)							
2005 May	1,914,823	38,296	209	38,088	38,463	375	2
June	1,938,803	38,776	209	38,567	38,897	330	2
July	1,969,869	39,397	208	39,190	39,418	228	3
Aug	1,951,162	39,023	205	38,818	39,047	229	2
Sep	1,945,542	38,911	205	38,706	39,015	309	0
Oct	1,939,827	38,797	204	38,593	38,802	209	1
Nov	1,962,969	39,259	204	39,056	39,343	287	2
Dec ^P	1,953,946	39,079	203	38,875	...	...	...
2006 Jan ^P	1,974,075	39,481	203	39,278	...	...	...

¹ From March 2004, the reserve maintenance period will start on the settlement day of the main refinancing operation immediately following the meeting of the Governing Council of the ECB for which the monthly discussion of the monetary policy stance is scheduled. — ² Article 3 of the Regulation of the European Central Bank on the application of minimum reserves (excluding liabilities to which a reserve ratio of 0% applies, pursuant to Article 4 (1)). — ³ Amount after applying the reserve ratios to the

reserve base. — ⁴ Article 5 (2) of the Regulation of the European Central Bank on the application of minimum reserves. — ⁵ Average credit balances of the credit institutions at the national central banks. — ⁶ Average credit balances less required reserves after deduction of the lump-sum allowance. — ⁷ Required reserves after deduction of the lump-sum allowance.

VI Interest rates

1 ECB interest rates

% per annum

Applicable from	Deposit facility	Main refinancing operations ¹	Marginal lending facility	Applicable from	Deposit facility	Main refinancing operations ¹	Marginal lending facility
1999 Jan 1	2.00	3.00	4.50	2002 Dec 6	1.75	2.75	3.75
Jan 4	2.75	3.00	3.25				
Jan 22	2.00	3.00	4.50	2003 Mar 7	1.50	2.50	3.50
Apr 9	1.50	2.50	3.50	June 6	1.00	2.00	3.00
Nov 5	2.00	3.00	4.00	2005 Dec 6	1.25	2.25	3.25
2000 Feb 4	2.25	3.25	4.25				
Mar 17	2.50	3.50	4.50				
Apr 28	2.75	3.75	4.75				
June 9	3.25	4.25	5.25				
Sep 1	3.50	4.50	5.50				
Oct 6	3.75	4.75	5.75				
2001 May 11	3.50	4.50	5.50				
Aug 31	3.25	4.25	5.25				
Sep 18	2.75	3.75	4.75				
Nov 9	2.25	3.25	4.25				

2 Base rates

% per annum

Applicable from	Base rate as per Discount Rate Transition Act ²	Applicable from	Base rate as per Civil Code ³
1999 Jan 1	2.50	2002 Jan 1	2.57
May 1	1.95	July 1	2.47
2000 Jan 1	2.68	2003 Jan 1	1.97
May 1	3.42	July 1	1.22
Sep 1	4.26	2004 Jan 1	1.14
2001 Sep 1	3.62	July 1	1.13
2002 Jan 1	2.71	2005 Jan 1	1.21
to Apr 3		July 1	1.17
		2006 Jan 1	1.37

1 Up to 21 June 2000, fixed rate tenders; from 28 June 2000, variable rate tenders at minimum bid rate. — 2 Pursuant to the Discount Rate Transition

Act, read in conjunction with the Regulation Governing the Use of the Base Rate as a Reference Variable. — 3 Pursuant to section 247 of the Civil Code.

3 Eurosystem monetary policy operations allotted through tenders

Date of settlement	Bid amount € million	Allotment amount	Fixed rate tenders		Variable rate tenders			Running for ... days
			Fixed rate % per annum	Minimum bid rate	Marginal rate ¹	Weighted average rate		
Main refinancing operations								
2005 Dec 14	378,799	308,500	—	2.25	2.29	2.30	7	
Dec 21	391,591	314,000	—	2.25	2.30	2.31	8	
Dec 29	315,797	315,000	—	2.25	2.25	2.42	6	
2006 Jan 4	359,312	316,000	—	2.25	2.30	2.31	7	
Jan 11	378,353	309,000	—	2.25	2.30	2.31	7	
Jan 18	400,188	324,000	—	2.25	2.30	2.31	7	
Longer-term refinancing operations								
2005 Oct 28	51,313	30,000	—	—	2.17	2.19	90	
Dec 1	52,369	30,000	—	—	2.40	2.41	84	
Dec 22	89,877	12,500	—	—	2.45	2.46	98	
Dec 23	45,003	17,500	—	—	2.44	2.45	97	

Source: ECB. — 1 Lowest or highest interest rate at which funds were allotted or collected.

4 Money market rates, by month

% per annum

Reporting period	Money market rates reported by Frankfurt banks ¹				EONIA ²	EURIBOR ³					
	Overnight money		Three-month funds			One-week funds	One-month funds	Three-month funds	Six-month funds	Nine-month funds	Twelve-month funds
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates							
	Monthly averages										
2005 June	2.07	1.70 – 2.20	2.09	2.06 – 2.12	2.06	2.10	2.10	2.11	2.11	2.10	2.10
July	2.07	1.92 – 2.12	2.10	2.07 – 2.12	2.07	2.10	2.11	2.12	2.13	2.15	2.17
Aug	2.08	1.40 – 2.10	2.11	2.09 – 2.13	2.06	2.10	2.11	2.13	2.16	2.19	2.22
Sep	2.09	2.07 – 2.25	2.12	2.09 – 2.17	2.09	2.11	2.12	2.14	2.17	2.19	2.22
Oct	2.07	1.88 – 2.11	2.18	2.15 – 2.26	2.07	2.10	2.12	2.20	2.27	2.34	2.41
Nov	2.08	1.85 – 2.21	2.34	2.23 – 2.47	2.09	2.13	2.22	2.36	2.50	2.60	2.68
Dec	2.28	1.70 – 2.50	2.45	2.42 – 2.49	2.28	2.37	2.41	2.47	2.60	2.70	2.78

1 Money market rates are not fixed or quoted officially; the monthly averages computed from daily quotations are unweighted. — 2 Euro OverNight Index Average: weighted average overnight rate for interbank operations calculated by the European Central Bank since 4 January 1999 on the basis

of real turnover according to the act/360 method and published via Moneyline Telerate. — 3 Euro Interbank Offered Rate: unweighted average rate calculated by Moneyline Telerate since 30 December 1998 according to the act/360 method. — 4 At end-December, 2.37% to 2.42%.

VI Interest rates

 5 Interest rates for outstanding amounts and new business of banks (MFIs) in the European monetary union *
(a) Outstanding amounts °

Effective interest rate % per annum 1

End of month	Households' deposits		Non-financial corporations' deposits		Loans to households						Loans to non-financial corporations		
					Housing loans			Consumer credit and other loans					
	with an agreed maturity of				with a maturity of								
	up to 2 years	over 2 years	up to 2 years	over 2 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years
2005 Mar	1.92	3.22	2.09	3.71	4.75	4.41	4.78	8.07	6.97	5.77	4.38	3.91	4.40
Apr	1.93	3.22	2.10	3.57	4.69	4.38	4.74	8.02	6.94	5.76	4.34	3.86	4.37
May	1.92	3.19	2.11	3.50	4.63	4.36	4.71	8.00	6.87	5.74	4.33	3.85	4.35
June	1.92	3.22	2.10	3.54	4.62	4.33	4.67	7.92	6.93	5.72	4.32	3.85	4.35
July	1.91	3.18	2.11	3.49	4.57	4.29	4.63	7.89	6.86	5.70	4.30	3.82	4.29
Aug	1.92	3.18	2.10	3.51	4.54	4.24	4.60	7.96	6.86	5.73	4.25	3.80	4.28
Sep	1.91	3.19	2.11	3.53	4.52	4.23	4.59	7.94	6.85	5.71	4.25	3.78	4.26
Oct	1.93	3.17	2.12	3.48	4.50	4.19	4.58	7.95	6.80	5.70	4.24	3.77	4.25
Nov	1.96	3.15	2.16	3.46	4.51	4.17	4.53	7.88	6.77	5.70	4.29	3.79	4.25

(b) New business +

Effective interest rate % per annum 1

Reporting period	Households' deposits						Non-financial corporations' deposits					
	Overnight	with an agreed maturity of			redeemable at notice of		Overnight	with an agreed maturity of				
		up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		up to 1 year	over 1 year and up to 2 years	over 2 years		
2005 Mar	0.74	1.93	2.16	2.40	1.96	2.47	0.94	2.00	2.35	3.15		
Apr	0.74	2.01	2.09	2.32	1.95	2.45	0.95	2.01	2.23	2.92		
May	0.75	1.94	2.01	2.20	1.97	2.43	0.95	2.01	2.12	3.31		
June	0.69	1.95	2.21	2.20	2.17	2.38	0.91	2.01	2.05	3.57		
July	0.68	1.94	2.01	2.19	2.15	2.34	0.94	2.02	2.21	3.11		
Aug	0.69	1.95	2.07	2.32	2.03	2.31	0.96	2.02	2.22	2.90		
Sep	0.69	1.97	2.05	2.04	2.02	2.29	0.96	2.04	2.23	2.97		
Oct	0.69	1.98	2.28	2.16	1.96	2.27	0.97	2.04	2.58	3.44		
Nov	0.70	2.01	2.34	2.18	1.99	2.27	0.99	2.08	2.18	3.43		

Reporting period	Loans to households													
	Over-drafts	Consumer credit				Housing loans					Other loans			
		Total 2	with an initial rate fixation			Total 2	with an initial rate fixation				over 10 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years
			floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years		floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years	over 10 years				
2005 Mar	9.60	7.83	6.62	6.72	8.12	3.97	3.40	3.89	4.35	4.27	3.84	4.60	4.57	
Apr	9.62	7.81	6.60	6.64	8.19	3.95	3.40	3.89	4.36	4.28	3.97	4.71	4.62	
May	9.64	7.82	6.96	6.56	8.00	3.93	3.38	3.85	4.28	4.20	3.86	4.68	4.61	
June	9.61	7.72	6.62	6.50	7.90	3.89	3.32	3.76	4.13	4.09	3.84	4.60	4.50	
July	9.52	7.80	6.67	6.61	7.96	3.87	3.33	3.70	4.06	4.05	3.89	4.54	4.29	
Aug	9.58	7.99	6.99	6.70	8.10	3.89	3.32	3.72	4.00	3.99	3.80	4.59	4.41	
Sep	9.61	7.85	7.04	6.43	7.94	3.82	3.31	3.68	3.98	3.96	3.85	4.51	4.25	
Oct	9.64	7.75	6.82	6.36	7.99	3.82	3.33	3.67	3.99	3.95	3.89	4.50	4.28	
Nov	9.69	7.62	6.74	6.33	7.84	3.85	3.38	3.69	3.97	3.96	4.00	4.29	4.33	

Reporting period	Loans to non-financial corporations						
	Overdrafts	Loans up to €1 million with an initial rate fixation			Loans over €1 million with an initial rate fixation		
		floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years
2005 Mar	5.28	3.90	4.50	4.32	3.02	3.47	4.11
Apr	5.22	3.88	4.51	4.34	3.00	3.53	3.99
May	5.14	3.91	4.45	4.24	2.99	3.60	3.80
June	5.12	3.87	4.45	4.14	2.92	3.44	3.88
July	5.12	3.86	4.40	4.11	2.96	3.57	3.77
Aug	5.04	3.91	4.45	4.13	2.87	3.52	3.81
Sep	5.14	3.81	4.36	4.03	2.90	3.39	3.87
Oct	5.10	3.88	4.43	4.01	2.88	3.58	3.80
Nov	5.09	3.91	4.44	3.99	3.08	3.58	3.98

Source: ECB. — For footnotes *, o and 1 see p 45. For footnote + see p 46. — 2 Annual percentage rate of charge as defined in Directive 87/102/EEC, which contains other related charges which may occur for enquiries, administration, preparation of the documents, guarantees and credit insurance.

VI Interest rates

6 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) *
(a) Outstanding amounts °

End of month	Households' deposits				Non-financial corporations' deposits			
	with an agreed maturity of							
	up to 2 years		over 2 years		up to 2 years		over 2 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2004 Nov	1.90	110,334	2.95	194,704	2.01	69,413	4.71	29,239
Dec	1.94	112,266	2.92	199,018	2.07	73,428	4.62	29,684
2005 Jan	1.94	109,623	2.91	198,936	2.05	71,982	4.61	28,809
Feb	1.92	109,099	2.89	198,918	2.01	70,218	4.56	28,550
Mar	1.98	107,152	2.88	198,059	2.03	69,433	4.57	28,190
Apr	1.98	106,627	2.87	198,127	2.03	71,680	4.42	23,890
May	1.99	106,379	2.83	195,384	2.03	71,741	4.42	23,881
June	1.98	105,056	2.83	195,073	2.03	69,719	4.33	24,559
July	1.98	104,577	2.82	194,330	2.03	72,105	4.23	25,296
Aug	1.97	104,573	2.80	194,000	2.04	74,930	4.19	24,961
Sep	1.97	104,938	2.77	193,451	2.03	74,966	4.19	24,849
Oct	1.98	105,488	2.76	192,845	2.05	78,275	4.10	22,472
Nov	2.01	105,875	2.75	192,758	2.11	76,669	4.07	22,497

End of month	Housing loans to households 3						Consumer credit and other loans to households 4, 5					
	with a maturity of											
	up to 1 year 6		over 1 year and up to 5 years		over 5 years		up to 1 year 6		over 1 year and up to 5 years		over 5 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2004 Nov	5.12	7,586	4.65	33,278	5.65	896,510	8.72	77,971	5.94	70,561	6.17	328,982
Dec	5.25	7,637	4.63	33,190	5.63	897,826	8.72	80,598	5.91	70,109	6.23	331,682
2005 Jan	5.20	7,201	4.60	32,930	5.61	896,162	8.72	79,153	5.88	69,565	6.21	330,629
Feb	5.14	7,107	4.58	32,852	5.60	895,869	8.77	77,215	5.91	69,138	6.20	329,691
Mar	5.14	7,152	4.56	33,789	5.59	894,877	8.80	77,975	5.89	69,157	6.20	327,558
Apr	5.07	7,116	4.58	31,177	5.56	897,746	8.70	76,047	5.86	70,598	6.19	329,222
May	4.99	6,983	4.56	30,996	5.54	898,416	8.76	75,999	5.83	71,128	6.19	328,707
June	4.99	7,118	4.53	30,947	5.52	899,575	8.77	77,156	5.83	71,357	6.18	328,311
July	4.93	7,032	4.49	30,817	5.49	902,650	8.70	75,090	5.79	71,644	6.16	328,183
Aug	4.95	6,792	4.46	30,942	5.47	904,553	8.73	74,731	5.76	71,856	6.15	328,911
Sep	4.95	6,930	4.40	30,916	5.45	906,439	8.74	76,920	5.75	70,882	6.14	328,568
Oct	4.88	6,746	4.37	30,687	5.42	908,391	8.81	76,284	5.73	70,158	6.12	328,289
Nov	4.89	6,778	4.35	30,702	5.40	911,021	8.68	73,793	5.68	70,557	6.10	327,767

End of month	Loans to non-financial corporations with a maturity of					
	up to 1 year 6		over 1 year and up to 5 years		over 5 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2004 Nov	4.61	174,233	4.14	87,256	5.20	486,256
Dec	4.64	166,976	4.15	87,044	5.19	483,878
2005 Jan	4.65	163,146	4.12	86,960	5.15	483,211
Feb	4.69	164,658	4.09	86,165	5.14	483,024
Mar	4.66	164,367	4.06	85,401	5.12	480,353
Apr	4.59	163,098	4.04	84,101	5.09	481,216
May	4.61	162,342	4.06	83,456	5.07	481,891
June	4.63	164,192	4.02	83,350	5.05	478,638
July	4.56	160,600	3.99	84,654	5.01	481,158
Aug	4.55	156,384	3.96	86,614	5.00	479,790
Sep	4.58	162,536	3.92	87,116	4.98	477,806
Oct	4.57	159,761	3.89	87,126	4.96	479,099
Nov	4.54	157,383	3.92	86,744	4.94	479,951

* The MFI interest rate statistics are based on the interest rates applied by MFIs and the related volumes of euro-denominated deposits and loans to households and non-financial corporations domiciled in the euro area. The household sector comprises individuals (including sole proprietors) and non-profit institutions serving households. Non-financial corporations include all enterprises other than insurance companies, banks and other financial institutions. The interest rate statistics gathered on a harmonised basis in the euro area from January 2003 are being collected in Germany on a sample basis. The most recent figures are in all cases to be regarded as provisional. Subsequent revisions appearing in the following *Monthly Report* are not specially marked. Further information on the new interest rate statistics can be found on the Bundesbank's website (Statistics / Reporting system / Banking statistics / EVU-Zinsstatistik). This information is currently available in German only. — ° The statistics on outstanding amounts are collected at

the end of the month. — 1 The effective interest rates may always be calculated either as annualised agreed interest rates or as narrowly defined effective rates. Both calculation methods cover all interest payments on deposits and loans but not any other related charges which may occur for enquiries, administration, preparation of the documents, guarantees and credit insurance. — 2 Data based on monthly balance sheet statistics. — 3 Secured and unsecured loans for home purchase, including building and home improvements; including loans granted by building and loan associations and interim credits as well as transmitted loans granted by the reporting agents in their own name and for their own account. — 4 Consumer credit is defined as loans granted for the purpose of personal use in the consumption of goods and services. — 5 For the purpose of these statistics, other loans are loans granted for other purposes such as business, debt consolidation, education etc. — 6 Including overdrafts.

VI Interest rates
**6 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) * (cont'd)
(b) New business +**

Households' deposits													
Reporting period		with an agreed maturity of						redeemable at notice of ⁸					
		Overnight		up to 1 year		over 1 year and up to 2 years		over 2 years		up to 3 months		over 3 months	
		Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ² € million
2004 Nov	1.15	434,898	1.92	23,384	2.41	856	3.04	2,839	2.16	506,807	2.54	86,549	
2004 Dec	1.17	428,606	1.90	25,470	2.39	929	2.59	2,791	2.13	515,840	2.55	87,804	
2005 Jan	1.19	429,342	1.93	26,734	2.72	1,647	2.89	4,284	2.09	516,803	2.51	87,540	
2005 Feb	1.20	434,050	1.93	22,719	2.52	1,089	2.69	1,796	2.11	517,068	2.51	88,103	
2005 Mar	1.21	436,542	1.91	24,402	2.53	958	2.76	4,236	2.06	516,937	2.49	88,481	
2005 Apr	1.21	439,717	1.88	21,835	2.31	743	2.61	4,268	2.05	517,005	2.47	88,013	
2005 May	1.23	442,889	1.89	22,796	2.20	1,067	2.49	1,225	2.12	516,455	2.45	87,517	
2005 June	1.22	448,210	1.89	25,674	2.72	994	2.25	1,031	2.10	515,200	2.40	86,665	
2005 July	1.17	450,961	1.88	22,781	2.22	1,060	2.35	2,043	2.08	515,042	2.36	85,918	
2005 Aug	1.17	449,144	1.88	23,949	2.37	1,060	2.17	1,469	1.98	514,260	2.33	84,891	
2005 Sep	1.18	450,970	1.89	23,194	2.41	1,123	2.16	2,960	2.00	514,247	2.31	83,344	
2005 Oct	1.18	453,497	1.89	22,812	2.72	1,346	2.37	3,124	1.94	513,181	2.28	82,864	
2005 Nov	1.17	465,158	1.90	32,388	2.77	1,372	2.50	2,923	2.02	512,020	2.29	83,107	

Non-financial corporations' deposits									
Reporting period		with an agreed maturity of							
		Overnight		up to 1 year		over 1 year and up to 2 years		over 2 years	
		Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million
2004 Nov	1.13	142,752	1.95	29,259	2.24	176	4.04	2,678	
2004 Dec	1.14	144,569	2.02	51,843	2.39	211	3.81	2,215	
2005 Jan	1.19	140,648	2.03	39,113	2.50	181	3.50	1,526	
2005 Feb	1.20	140,178	1.97	33,053	2.24	134	3.93	1,055	
2005 Mar	1.22	140,864	1.96	36,334	2.57	236	3.58	996	
2005 Apr	1.24	144,016	1.97	35,595	2.35	314	3.56	907	
2005 May	1.24	144,622	1.98	35,025	2.27	194	3.87	636	
2005 June	1.24	148,194	1.97	48,861	2.08	235	4.10	1,211	
2005 July	1.25	149,050	1.98	36,761	2.20	128	3.38	1,113	
2005 Aug	1.27	151,273	1.99	41,006	2.35	98	3.58	596	
2005 Sep	1.25	152,999	2.01	46,851	2.52	234	3.08	1,419	
2005 Oct	1.25	157,054	2.01	39,509	2.85	308	4.09	1,433	
2005 Nov	1.26	162,669	2.06	47,301	2.29	301	3.99	993	

Loans to households															
Reporting period		Consumer credit with an initial rate fixation of ⁴						Other loans with an initial rate fixation of ⁵							
		Total		floating rate or up to 1 year ¹⁰		over 1 year and up to 5 years		over 5 years		floating rate or up to 1 year ¹⁰		over 1 year and up to 5 years		over 5 years	
		Annual percentage rate of charge ⁹ % pa	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ^{7} € million
2004 Nov	7.70	4.86	1,251	6.20	4,159	8.88	3,133	3.46	8,436	4.84	1,164	4.75	1,989		
2004 Dec	7.18	4.90	1,550	5.95	4,551	8.04	2,846	3.44	10,026	4.54	2,853	4.68	2,967		
2005 Jan	7.94	4.98	1,347	6.38	4,289	9.05	2,847	3.68	9,059	4.64	1,578	4.67	2,251		
2005 Feb	7.92	4.85	1,531	6.35	3,720	8.98	2,743	3.66	4,633	4.68	1,182	4.38	1,653		
2005 Mar	7.82	4.73	1,648	6.26	4,173	8.90	3,353	3.71	7,213	4.72	1,700	4.58	2,224		
2005 Apr	7.84	4.90	1,405	6.15	4,809	8.94	3,627	3.70	7,385	4.79	1,415	4.61	2,157		
2005 May	7.87	5.47	1,324	6.04	3,972	8.93	3,085	3.61	8,078	4.75	1,488	4.58	1,620		
2005 June	7.86	5.35	1,515	6.09	4,707	8.73	3,779	3.65	8,095	4.69	2,177	4.60	2,597		
2005 July	7.94	5.37	1,180	6.19	4,978	8.74	3,699	3.65	8,413	4.62	1,941	4.44	2,397		
2005 Aug	7.98	5.54	1,085	6.23	4,073	8.70	3,487	3.63	8,483	4.64	1,550	4.50	2,399		
2005 Sep	7.91	5.41	1,203	6.16	5,262	8.71	3,081	3.58	9,626	4.61	1,858	4.30	2,490		
2005 Oct	7.83	5.16	1,295	6.00	4,314	8.98	2,752	3.65	6,797	4.60	1,415	4.32	2,295		
2005 Nov	7.53	5.33	1,102	5.75	4,327	8.63	2,993	3.70	5,719	4.51	1,500	4.44	2,844		

For footnotes * and 1 to 6, see p 45*. — + In the case of deposits with an agreed maturity and all loans excluding overdrafts, new business covers all new agreements between households or non-financial corporations and the bank. The interest rates are calculated as volume-weighted average rates across all new agreements concluded during the reporting month. In the case of overnight deposits, deposits redeemable at notice and overdrafts, new business is collected in the same way as outstanding amounts for the sake of simplicity. This means that all outstanding deposit and lending

business at the end of the month has to be incorporated in the calculation of average rates of interest. — ⁷ Estimated. The volume of new business is extrapolated to form the underlying total using the Horvitz-Thompson estimator. — ⁸ Including non-financial corporations' deposits; including fidelity and growth premia. — ⁹ Annual percentage rate of charge as defined in Directive 87/102/EEC, which contains other related charges which may occur for enquiries, administration, preparation of the documents, guarantees and credit insurance. — ¹⁰ Excluding overdrafts.

VI Interest rates

6 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) * (cont'd)
(b) New business +

Loans to households (cont'd)											
Overdrafts 11		Housing loans with an initial rate fixation of 3									
		Total	floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years and up to 10 years		over 10 years		
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Annual percentage rate of charge 9 % pa	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2004 Nov	10.22	50,788	4.72	4.45	1,887	4.40	2,131	4.78	3,961	4.76	3,164
Dec	10.30	52,435	4.61	4.37	2,292	4.29	2,682	4.63	5,217	4.67	3,598
2005 Jan	10.32	50,978	4.55	4.37	2,467	4.20	2,321	4.56	4,631	4.62	3,507
Feb	10.30	50,158	4.49	4.35	1,668	4.20	1,962	4.51	3,504	4.48	2,816
Mar	10.36	50,933	4.49	4.34	2,078	4.13	2,210	4.47	4,901	4.52	3,655
Apr	10.37	48,690	4.50	4.28	2,786	4.13	2,376	4.50	5,023	4.58	3,484
May	10.46	48,565	4.40	4.33	2,075	4.08	2,204	4.39	4,412	4.40	3,324
June	10.38	49,871	4.27	4.25	2,196	4.01	2,449	4.22	5,527	4.26	4,262
July	10.35	47,624	4.22	4.15	3,353	3.94	2,699	4.17	6,315	4.23	4,226
Aug	10.40	48,289	4.19	4.30	2,010	3.88	2,439	4.10	5,789	4.19	4,615
Sep	10.42	50,075	4.18	4.21	2,095	3.95	2,331	4.11	5,388	4.16	4,390
Oct	10.53	49,007	4.19	4.22	2,603	3.94	2,395	4.11	5,674	4.18	3,873
Nov	10.40	46,684	4.25	4.36	2,062	4.05	2,620	4.14	6,669	4.25	4,629

Loans to non-financial corporations								
Overdrafts 11		Loans up to €1 million with an initial rate fixation of 13						
		floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years		
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2004 Nov	5.96	80,969	4.61	6,218	4.83	1,336	4.62	1,141
Dec	6.01	76,804	4.50	6,458	4.75	1,520	4.64	2,147
2005 Jan	5.89	74,567	4.44	5,388	4.82	1,205	4.59	1,497
Feb	5.88	78,066	4.34	5,232	4.84	1,094	4.58	1,160
Mar	5.99	74,692	4.36	7,033	4.67	1,298	4.71	1,341
Apr	5.92	71,303	4.44	6,588	4.64	1,121	4.68	1,329
May	5.95	71,559	4.38	6,289	4.56	1,065	4.38	1,835
June	5.97	72,936	4.41	7,080	4.50	1,346	4.43	1,308
July	5.95	69,329	4.37	6,987	4.54	1,242	4.41	1,542
Aug	5.97	67,834	4.29	6,317	4.54	1,737	4.42	1,350
Sep	5.95	71,180	4.28	7,229	4.46	1,284	4.32	1,533
Oct	5.93	70,819	4.38	6,822	4.45	1,371	4.39	1,375
Nov	5.84	69,640	4.52	6,735	4.54	1,075	4.31	1,545

Loans to non-financial corporations (cont'd)						
Loans over €1 million with an initial rate fixation of 13						
floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years		
		Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2004 Nov	3.16	30,886	3.68	3,855	4.46	4,913
Dec	3.34	43,091	3.95	7,061	4.33	8,560
2005 Jan	3.35	34,508	3.75	4,041	4.27	4,889
Feb	3.40	26,543	3.66	3,928	3.99	5,083
Mar	3.23	44,390	3.59	5,771	4.28	6,314
Apr	3.12	49,798	3.76	4,657	4.28	5,827
May	3.11	42,311	3.68	5,578	3.94	5,733
June	3.15	45,170	3.67	5,302	4.05	6,020
July	3.15	42,996	3.82	4,692	4.09	5,191
Aug	3.17	40,536	3.72	4,520	4.10	5,272
Sep	3.22	41,690	3.51	4,177	4.11	5,925
Oct	3.15	42,531	3.89	3,182	3.97	5,831
Nov	3.30	38,132	3.96	3,327	4.14	6,858

For footnotes * and 1 to 6, see p 45*. For footnotes + and 7 to 10, see p 46*. — 11 Overdrafts are defined as debit balances on current accounts. They include all bank overdrafts regardless of whether they are within or beyond the limits agreed between customers and the bank. — 12 Estimated.

The volume of outstanding amounts reported is extrapolated to form the underlying total using the Horvitz-Thompson estimator. — 13 The amount refers to the single loan transaction considered as new business.

VII Capital market

1 Sales and purchases of debt securities and shares in Germany *

Debt securities													
Period	Sales = total purchases	Sales					Purchases						
		Domestic debt securities 1					Foreign debt securities 3	Residents				Non-residents 7	
		Total	Bank debt securities	Corporate bonds	Public debt securities 2			Total 4	Credit institutions including building and loan associations 5	Non-banks 6	Bundesbank open market operations 5		
DM million													
1992	291,762	284,054	106,857	–	175	177,376	7,708	170,873	132,236	37,368	–	1,269	120,887
1993	395,110	382,571	151,812	–	200	230,560	12,539	183,195	164,436	20,095	–	1,336	211,915
1994	303,339	276,058	117,185	–	65	158,939	27,281	279,989	126,808	154,738	–	1,557	23,349
1995	227,099	203,029	162,538	–	350	40,839	24,070	141,282	49,193	94,409	–	2,320	85,815
1996	254,359	233,519	191,341	–	649	41,529	20,840	148,250	117,352	31,751	–	853	106,109
1997	332,655	250,688	184,911	–	1,563	64,214	81,967	204,378	144,177	60,201	–	–	128,276
1998	418,841	308,201	254,367	–	3,143	50,691	110,640	245,802	203,342	42,460	–	–	173,038
€ million													
1999	292,663	198,068	156,399	–	2,184	39,485	94,595	155,766	74,728	81,038	–	–	136,898
2000	226,393	157,994	120,154	–	12,605	25,234	68,399	151,568	91,447	60,121	–	–	74,825
2001	180,227	86,656	55,918	–	14,473	16,262	93,571	111,281	35,848	75,433	–	–	68,946
2002	175,219	124,035	47,296	–	14,506	62,235	51,184	63,734	13,536	50,198	–	–	111,485
2003	185,193	134,455	31,404	–	30,262	72,788	50,738	95,252	35,748	59,504	–	–	89,941
2004	240,861	133,711	64,231	–	10,778	58,703	107,150	107,071	121,841	–	14,770	–	133,790
2005 Sep	25,382	12,218	–	–	6,585	1,243	17,560	13,164	–	7,678	–	–	14,132
Oct	5,921	675	–	–	1,099	–	1,494	–	5,444	–	–	–	11,365
Nov	12,625	1,524	–	–	8,213	–	160	–	3,015	–	–	–	9,610

Shares												
Period	Sales = total purchases	Sales			Purchases							
		Domestic shares 8		Foreign shares 9	Residents				Non-residents 12			
		Total 10	Credit institutions 5,11		Non-banks 6							
DM million												
1992	32,595	–	17,226	–	15,370	40,651	–	2,984	–	37,667	–	8,055
1993	39,355	–	19,512	–	19,843	30,871	–	4,133	–	26,738	–	8,485
1994	55,125	–	29,160	–	25,966	54,466	–	1,622	–	52,844	–	659
1995	46,422	–	23,600	–	22,822	49,354	–	11,945	–	37,409	–	2,932
1996	72,491	–	34,212	–	38,280	55,962	–	12,627	–	43,335	–	16,529
1997	119,522	–	22,239	–	97,280	96,844	–	8,547	–	88,297	–	22,678
1998	249,504	–	48,796	–	200,708	149,151	–	20,252	–	128,899	–	100,353
€ million												
1999	150,013	–	36,010	–	114,003	103,136	–	18,637	–	84,499	–	46,877
2000	140,461	–	22,733	–	117,728	164,654	–	23,293	–	141,361	–	24,193
2001	82,665	–	17,575	–	65,090	–	–	14,714	–	12,462	–	84,917
2002	37,404	–	9,232	–	28,172	16,472	–	23,236	–	39,708	–	20,932
2003	14,046	–	16,838	–	2,791	–	–	7,056	–	21,687	–	28,678
2004	3,157	–	10,157	–	7,002	7,783	–	5,045	–	2,738	–	4,627
2005 Sep	3,211	–	3,141	–	70	–	–	3,084	–	1,229	–	6,295
Oct	1,010	–	617	–	393	–	–	1,126	–	4,703	–	116
Nov	28,317	–	4,912	–	23,405	12,355	–	7,458	–	4,897	–	15,962

* Up to end-1999, debt securities in this table comprise bonds and money market paper issued by domestic banks; from January 2000, they comprise all debt securities. For mutual fund shares, see Table VII.6. — 1 Net sales at market values plus/minus changes in issuers' portfolios of their own debt securities. — 2 Including Federal Railways Fund, Federal Post Office and Treuhand agency. — 3 Net purchases or net sales (–) of foreign debt securities by residents; transaction values. — 4 Domestic and foreign debt securities. — 5 Book values; statistically adjusted. — 6 Residual; also including purchases of domestic and foreign securities by domestic mutual

funds. — 7 Net purchases or net sales (–) of domestic debt securities by non-residents; transaction values. — 8 Excluding shares of public limited investment companies; at issue prices. — 9 Net purchases or net sales (–) of foreign shares (including direct investment) by residents; transaction values. — 10 Domestic and foreign shares. — 11 Up to end-1998, excluding syndicated shares. — 12 Net purchases or net sales (–) of domestic shares (including direct investment) by non-residents; transaction values. — The figures for the most recent date are provisional; revisions are not specially marked.

VII Capital market

2 Sales of debt securities issued by residents *

Up to end-1998, DM nominal million value; from 1999, € million nominal value

Period	Total	Bank debt securities 1				Debt securities issued by special purpose credit institutions	Other bank debt securities	Corporate bonds 2	Public debt securities 3	Memo item Foreign DM/euro bonds issued by German-managed syndicates
		Total	Mortgage Pfandbriefe	Public Pfandbriefe						
Gross sales 4										
1992	572,767	318,522	33,633	134,363	49,195	101,333	–	254,244	57,282	
1993	733,126	434,829	49,691	218,496	34,028	132,616	457	297,841	87,309	
1994	627,331	412,585	44,913	150,115	39,807	177,750	486	214,261	61,465	
1995	620,120	470,583	43,287	208,844	41,571	176,877	200	149,338	102,719	
1996	731,992	563,076	41,439	246,546	53,508	221,582	1,742	167,173	112,370	
1997	846,567	621,683	53,168	276,755	54,829	236,933	1,915	222,972	114,813	
1998	1,030,827	789,035	71,371	344,609	72,140	300,920	3,392	238,400	149,542	
€ million										
1999	571,269	448,216	27,597	187,661	59,760	173,200	2,570	120,483	57,202	
2000	659,148	500,895	34,528	143,107	94,556	228,703	8,114	150,137	31,597	
2001	687,988	505,646	34,782	112,594	106,166	252,103	11,328	171,012	10,605	
2002	818,725	569,232	41,496	119,880	117,506	290,353	17,574	231,923	10,313	
2003	958,917	668,002	47,828	107,918	140,398	371,858	22,510	268,406	2,850	
2004	990,399	688,844	33,774	90,815	162,353	401,904	31,517	270,400	12,344	
2005 Aug	63,458	47,147	968	7,781	12,340	26,058	710	15,602	–	
Sep	69,302	40,440	2,065	5,800	7,081	25,494	2,945	25,917	–	
Oct	71,449	48,038	2,671	7,440	14,751	23,175	1,539	21,872	–	
Nov	66,344	44,911	2,222	7,917	8,783	25,988	2,263	19,171	200	
of which: Debt securities with maturities of more than four years 5										
1992	430,479	211,775	28,594	99,627	40,267	43,286	–	218,703	51,939	
1993	571,533	296,779	43,365	160,055	26,431	66,923	230	274,524	82,049	
1994	429,369	244,806	36,397	109,732	29,168	69,508	306	184,255	53,351	
1995	409,469	271,763	30,454	141,629	28,711	70,972	200	137,503	85,221	
1996	473,560	322,720	27,901	167,811	35,522	91,487	1,702	149,139	92,582	
1997	563,333	380,470	41,189	211,007	41,053	87,220	1,820	181,047	98,413	
1998	694,414	496,444	59,893	288,619	54,385	93,551	2,847	195,122	139,645	
€ million										
1999	324,888	226,993	16,715	124,067	37,778	48,435	2,565	95,331	44,013	
2000	319,330	209,187	20,724	102,664	25,753	60,049	6,727	103,418	27,008	
2001	299,751	202,337	16,619	76,341	42,277	67,099	7,479	89,933	6,480	
2002	309,157	176,486	16,338	59,459	34,795	65,892	12,149	120,527	9,213	
2003	369,336	220,103	23,210	55,165	49,518	92,209	10,977	138,256	2,850	
2004	424,769	275,808	20,060	48,249	54,075	153,423	20,286	128,676	4,320	
2005 Aug	24,399	15,695	662	5,467	3,550	6,016	675	8,029	–	
Sep	25,034	12,913	1,938	4,111	1,847	5,017	1,457	10,665	–	
Oct	23,433	14,007	2,575	3,212	2,780	5,440	791	8,636	–	
Nov	27,872	14,931	1,920	3,034	2,644	7,332	1,380	11,561	–	
Net sales 6										
1992	304,751	115,786	13,104	58,235	19,585	24,864	–	175	189,142	34,114
1993	403,212	159,982	22,496	122,917	13,156	27,721	180	243,049	43,701	
1994	270,088	116,519	18,184	54,316	6,897	50,914	–	62	153,630	21,634
1995	205,482	173,797	18,260	96,125	3,072	56,342	–	354	32,039	61,020
1996	238,427	195,058	11,909	121,929	6,020	55,199	–	585	42,788	69,951
1997	257,521	188,525	16,471	115,970	12,476	43,607	–	1,560	67,437	63,181
1998	327,991	264,627	22,538	162,519	18,461	61,111	–	3,118	60,243	84,308
€ million										
1999	209,096	170,069	2,845	80,230	31,754	55,238	–	2,185	36,840	22,728
2000	155,615	122,774	5,937	29,999	30,089	56,751	–	7,320	25,522	–
2001	84,122	60,905	6,932	9,254	28,808	34,416	–	8,739	14,479	–
2002	131,976	56,393	7,936	26,806	20,707	54,561	–	14,306	61,277	–
2003	124,556	40,873	2,700	42,521	44,173	36,519	–	18,431	65,253	–
2004	167,233	81,860	1,039	52,615	50,142	83,293	–	18,768	66,605	–
2005 Aug	–	4,836	–	786	–	4,091	–	4,387	685	–
Sep	–	331	–	6,540	–	4,727	–	1,328	853	–
Oct	5,940	219	–	1,245	–	7,283	–	2,483	1,245	–
Nov	5,169	–	–	366	–	286	–	2,146	1,686	–

* For definitions, see the notes in the Statistical Supplement to Monthly Report 2, *Capital market statistics*. — 1 Excluding registered bank debt securities. — 2 Debt securities issued by enterprises. — 3 Including Federal

Railways Fund, Federal Post Office and Treuhand agency. — 4 Gross sales means only initial sales of newly issued securities. — 5 Maximum maturity according to the terms of issue. — 6 Gross sales less redemptions.

VII Capital market

3 Amounts outstanding of debt securities issued residents *

Up to end-1998, DM million nominal value; from 1999, € million nominal value

End of year or month/ Maturity in years	Bank debt securities 1							Corporate bonds	Public debt securities	Memo item Foreign DM/euro bonds issued by German- managed syndicates
	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities					
DM million										
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	
1995	2,870,295	1,606,459	214,803	723,781	222,286	445,589	2,746	1,261,090	402,229	
1996	3,108,724	1,801,517	226,711	845,710	228,306	500,790	3,331	1,303,877	472,180	
1997	3,366,245	1,990,041	243,183	961,679	240,782	544,397	4,891	1,371,313	535,359	
1998	3,694,234	2,254,668	265,721	1,124,198	259,243	605,507	8,009	1,431,558	619,668	
€ million										
1999	2,097,926	1,322,863	134,814	655,024	163,284	369,741	6,280	768,783	339,560	
2000	2,265,121	1,445,736	140,751	685,122	157,374	462,488	13,599	805,786	322,856	
2001	2,349,243	1,506,640	147,684	675,868	201,721	481,366	22,339	820,264	292,199	
2002	2,481,220	1,563,034	155,620	649,061	222,427	535,925	36,646	881,541	247,655	
2003	2,605,775	1,603,906	158,321	606,541	266,602	572,442	55,076	946,793	192,666	
2004	2,773,007	1,685,766	159,360	553,927	316,745	655,734	73,844	1,013,397	170,543	
2005 Sep	2,925,263	1,783,365	157,593	534,333	322,986	768,454	80,516	1,061,381	140,345	
Oct	2,931,203	1,783,584	158,838	527,050	331,725	765,971	81,761	1,065,857	139,710	
Nov	2,936,372	1,775,531	158,472	527,337	329,578	760,145	83,447	1,077,394	137,643	

Breakdown by remaining period to maturity 2

Position at end-November 2005

less than 2	1,004,740	650,026	57,034	218,875	111,217	262,902	24,775	329,937	49,426	
2 to less than 4	695,942	459,332	45,855	148,052	98,549	166,877	12,429	224,180	53,155	
4 to less than 6	446,124	268,442	30,710	97,299	42,795	97,639	15,173	162,508	18,176	
6 to less than 8	258,662	129,678	17,703	33,076	21,577	57,321	8,967	120,016	5,294	
8 to less than 10	256,738	130,126	7,037	18,834	18,656	85,601	12,547	114,064	4,155	
10 to less than 15	102,079	82,269	96	5,589	10,268	66,316	1,878	17,931	4,018	
15 to less than 20	26,561	13,868	35	1,617	8,814	3,401	342	12,352	1,673	
20 and more	145,526	41,787	-	3,995	17,702	20,089	7,334	96,406	1,747	

* Including debt securities temporarily held in the issuers' portfolios. —
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 Shares in circulation issued by residents *

Up to end-1998, DM million nominal value; from 1999, € 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							Memo item Share circulation at market values (market capita- lisation) level at end of period under review 2		
			cash payments and ex- change of convertible bonds 1	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			
DM million												
1992	160,813	9,198	4,295	728	1,743	1,073	-	732	3,030	-	942	364,548
1993	168,005	7,190	5,224	772	387	876	10	707	707	-	783	533,920
1994	190,012	14,237	6,114	1,446	1,521	1,883	-	447	5,086	-	1,367	519,280
1995	211,231	21,217	5,894	1,498	1,421	1,421	-	623	13,739	-	2,133	553,110
1996	216,461	7,131	8,353	1,355	396	1,684	-	3,056	833	-	2,432	723,077
1997	221,575	5,115	4,164	2,722	370	1,767	-	2,423	197	-	1,678	1,040,769
1998	238,156	16,578	6,086	2,566	658	8,607	-	4,055	3,905	-	1,188	1,258,042
€ million												
1999	133,513	11,747	5,519	2,008	190	1,075	-	2,099	1,560	-	708	1,603,304
2000	147,629	14,115	3,620	3,694	618	8,089	-	1,986	1,827	-	1,745	1,353,000
2001	166,187	18,561	7,987	4,057	1,106	8,448	-	1,018	905	-	3,152	1,205,613
2002	168,716	2,528	4,307	1,291	486	1,690	-	868	2,152	-	2,224	647,492
2003	162,131	6,585	4,482	923	211	513	-	322	10,806	-	1,584	851,001
2004	164,802	2,669	3,960	1,566	276	696	-	220	1,760	-	2,286	887,217
2005 Sep	165,339	302	453	98	31	0	-	3	190	-	85	999,658
Oct	163,188	-	2,151	116	23	5	-	391	1,570	-	349	973,005
Nov	163,448	262	447	133	489	21	-	150	352	-	326	1,018,763

* Excluding shares of public limited investment companies. — 0 From January
1994, including the shares of east German companies (resultant increase in
share circulation: DM7,771 million). — 1 Including shares issued out of
company profits. — 2 Enterprises whose shares are listed on the Official Mar-
ket, on the regulated market or on the Neuer Markt (stock market segment

was closed down on 24 March 2003) and enterprises whose shares are traded
on the free market. Source: Bundesbank calculations based on data of the
Herausbergemeinschaft Wertpapier-Mitteilungen and the Deutsche Börse
AG. — 3 Figure revised downwards by DM1,902 million.

VII Capital market

5 Yields and indices on German securities

Period	Yields on debt securities outstanding issued by residents 1										Price indices 2,3			
	Public debt securities				Bank debt securities			Corporate bonds	Memo item Foreign DM/euro bonds issued by German-managed syndicates 1,5	Debt securities		Shares		
	Total	Total	Listed Federal securities	With a residual maturity of more than 9 and including 10 years 4	Total	With a residual maturity of more than 9 and including 10 years	German bond index (REX)			iBoxx € Germany price index	CDAX share price index	German share index (DAX)		
% per annum								Average daily rate	End-1998 = 100	End-1987 = 100	End-1987 = 1000			
1993	6.4	6.3	6.3	6.5	6.5	6.8	6.9	6.8	109.36	.	191.13	2,266.68		
1994	6.7	6.7	6.7	6.9	6.8	7.2	7.0	6.9	99.90	.	176.87	2,106.58		
1995	6.5	6.5	6.5	6.9	6.5	7.2	6.9	6.8	109.18	.	181.47	2,253.88		
1996	5.6	5.6	5.6	6.2	5.5	6.4	5.8	5.8	110.37	.	217.47	2,888.69		
1997	5.1	5.1	5.1	5.6	5.0	5.9	5.2	5.5	111.01	.	301.47	4,249.69		
1998	4.5	4.4	4.4	4.6	4.5	4.9	5.0	5.3	118.18	100.00	343.64	5,002.39		
1999	4.3	4.3	4.3	4.5	4.3	4.9	5.0	5.4	110.60	92.52	445.95	6,958.14		
2000	5.4	5.3	5.2	5.3	5.6	5.8	6.2	6.3	112.48	94.11	396.59	6,433.61		
2001	4.8	4.7	4.7	4.8	4.9	5.3	5.9	6.2	113.12	94.16	319.38	5,160.10		
2002	4.7	4.6	4.6	4.8	4.7	5.1	6.0	5.6	117.56	97.80	188.46	2,892.63		
2003	3.7	3.8	3.8	4.1	3.7	4.3	5.0	4.5	117.36	97.09	252.48	3,965.16		
2004	3.7	3.7	3.7	4.0	3.6	4.2	4.0	4.0	120.19	99.89	268.32	4,256.08		
2005	3.1	3.2	3.2	3.4	3.1	3.5	3.7	3.2	120.92	101.09	335.59	5,408.26		
2005 Sep	2.9	2.9	2.9	3.1	2.8	3.2	3.3	2.9	122.50	102.33	315.92	5,044.12		
Oct	3.1	3.1	3.1	3.2	3.0	3.4	3.5	3.1	120.76	100.89	307.23	4,929.07		
Nov	3.3	3.3	3.3	3.5	3.3	3.6	3.7	3.4	120.55	100.47	322.86	5,193.40		
Dec	3.3	3.3	3.3	3.3	3.2	3.5	3.7	3.4	120.92	101.09	335.59	5,408.26		

1 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. debt securities with unscheduled redemption, zero-coupon bonds, floating -rate notes and bonds not denominated in DM or euro are not included. Group yields for the various categories of securities are weighted by the amounts outstanding of the debt securities included in

the calculation. Monthly figures are calculated on the basis of the yields on all the business days in a month. The annual figures are the unweighted means of the monthly figures. — 2 End of year or month. — 3 Source: Deutsche Börse AG. — 4 Only debt securities eligible as underlying instruments for futures contracts; calculated as unweighted averages. — 5 If quoted on German stock exchanges.

6 Sales and purchases of mutual fund shares in Germany

Period	Sales								Purchases						
	Sales = total purchases	Domestic mutual funds 1 (sales receipts)						Foreign funds 4	Residents					Non-residents 5	
		Total	Mutual funds open to the general public	of which			Specialised funds		Total	Credit institutions including building and loan associations 2		Non-banks 3			
	Total	Money market funds	Securities-based funds	Open-end real estate funds		Total		Total		of which Foreign mutual fund shares	Total	of which Foreign mutual fund shares			
DM million															
1992	81,514	20,474	- 3,102	-	- 9,189	6,087	23,575	61,040	81,518	10,495	2,152	71,023	58,888	- 4	
1993	80,259	61,672	20,791	-	6,075	14,716	40,881	18,587	76,258	16,982	2,476	59,276	16,111	4,001	
1994	130,995	108,914	63,263	31,180	24,385	7,698	45,650	22,081	125,943	9,849	- 689	116,094	22,770	5,052	
1995	55,246	54,071	16,777	6,147	3,709	6,921	37,294	1,175	56,295	12,172	188	44,123	987	- 1,049	
1996	83,386	79,110	16,517	- 4,706	7,273	13,950	62,592	4,276	85,704	19,924	1,685	65,780	2,591	- 2,318	
1997	145,805	138,945	31,501	- 5,001	30,066	6,436	107,445	6,860	149,977	35,924	340	114,053	6,520	- 4,172	
1998	187,641	169,748	38,998	5,772	27,814	4,690	130,750	17,893	190,416	43,937	961	146,479	16,507	- 2,775	
€ million															
1999	111,282	97,197	37,684	3,347	23,269	7,395	59,513	14,086	105,521	19,862	- 637	85,659	14,722	5,761	
2000	118,021	85,160	39,712	- 2,188	36,818	- 2,824	45,448	32,861	107,019	14,454	92	92,565	32,769	11,002	
2001	97,077	76,811	35,522	12,410	9,195	10,159	41,289	20,266	96,127	10,251	2,703	85,876	17,563	951	
2002	66,571	59,482	25,907	3,682	7,247	14,916	33,575	7,089	67,251	2,100	3,007	65,151	4,082	- 680	
2003	48,016	43,943	20,079	- 924	7,408	14,166	23,864	4,073	49,860	- 2,658	734	52,518	3,339	- 1,844	
2004	13,404	1,453	- 3,978	- 6,160	- 1,246	3,245	5,431	11,951	8,340	8,446	3,796	- 106	8,155	5,064	
2005 Sep	5,936	1,264	454	- 406	408	67	809	4,672	6,852	2,755	754	4,097	3,918	- 916	
Oct	4,217	1,155	- 2,036	- 2,936	448	57	3,191	3,062	5,984	467	567	5,517	2,495	- 1,767	
Nov	3,665	2,387	886	- 944	1,564	- 178	1,501	1,278	3,529	1,116	707	2,413	571	136	

1 Including public limited investment companies. — 2 Book values. — 3 Residual. — 4 Net purchases or net sales (-) of foreign fund shares by residents; transaction values. — 5 Net purchases or net sales (-) of domestic

fund shares by non-residents; transaction values (up to end-1988 recorded under shares). — The figures for the most recent date are provisional; revisions are not specially marked.

VIII Public finances in Germany

1 General government budgetary position *

Up to end-1998, DM billion; from 1999, € billion

Period	Central, state and local government 1									Social security funds 2			General government, total			
	Revenue		Expenditure							Balance	Re-venue 5	Ex-pend-iture	Balance	Re-venue	Ex-pend-iture	Balance
	Total	of which Taxes	Total 3	of which												
				Compensation of employees	Other operating expenditure	Current grants	Interest	Fixed asset formation	Financial aid 4							
1993	928.7	749.1	1,060.2	296.8	136.0	340.5	102.1	97.0	87.3	-131.5	660.8	658.7	+ 2.1	1,492.1	1,621.5	-129.4
1994	995.2	786.2	1,102.2	315.5	137.3	353.4	114.0	93.2	86.5	-106.9	694.1	693.7	+ 0.4	1,596.4	1,702.9	-106.5
1995	1,026.4	814.2	1,136.4	324.8	135.5	367.2	129.0	90.1	86.3	-110.1	731.2	743.8	-12.5	1,664.9	1,787.5	-122.6
1996	1,000.3	800.0	1,121.8	326.2	137.0	362.2	130.7	83.9	80.1	-121.5	769.4	784.0	-14.6	1,665.6	1,801.6	-136.1
1997	1,014.3	797.2	1,108.9	325.0	135.7	356.3	132.1	80.1	79.2	-94.5	797.3	794.5	+ 2.9	1,705.3	1,797.0	-91.7
1998	1,072.1	833.0	1,128.8	325.4	137.4	373.7	133.7	79.7	79.8	-56.7	812.2	808.9	+ 3.3	1,765.5	1,818.9	-53.4
1999	566.1	453.1	592.9	168.7	72.4	202.7	69.8	40.8	38.0	-26.8	429.1	425.6	+ 3.5	925.2	948.6	-23.4
2000	612.3	467.3	595.5	169.3	73.7	205.7	67.6	40.7	37.9	+16.8	433.8	434.3	-0.5	974.6	958.2	+16.4
2001 6	555.5	446.2	599.6	169.9	69.8	213.9	66.6	40.1	39.2	-44.2	445.1	449.1	-4.0	923.3	971.5	-48.2
2002 pe	552.9	441.7	609.8	173.3	69.3	227.9	66.1	38.6	33.5	-56.9	457.7	466.0	-8.3	925.9	991.1	-65.2
2003 pe	547.9	442.2	615.4	174.0	68.8	236.5	65.7	36.3	34.8	-67.5	467.7	474.3	-6.6	926.3	1,000.4	-74.1
2004 pe	544.0	443.0	610.4	173.5	68.6	238.1	64.8	34.4	29.9	-66.4	470.3	468.8	+1.5	925.6	990.5	-64.9
2004 Q1 p	116.3	96.9	158.5	41.7	15.7	63.0	25.3	5.4	6.3	-42.1	116.4	116.8	-0.4	206.4	248.9	-42.5
Q2 p	132.9	112.9	141.5	41.5	15.5	59.4	10.0	6.8	6.3	-8.6	115.8	116.4	-0.6	226.0	235.2	-9.2
Q3 p	133.6	107.8	152.1	41.9	16.1	57.5	20.4	8.5	6.3	-18.6	114.0	116.0	-2.1	226.5	247.1	-20.6
Q4 p	159.7	125.6	157.3	46.6	20.7	56.1	8.7	12.6	10.7	+2.4	121.6	118.7	+2.9	263.6	258.3	+5.3
2005 Q1 p	121.7	99.2	159.9	41.1	15.2	66.3	25.2	4.6	6.6	-38.2	117.1	117.5	-0.4	211.3	249.9	-38.6
Q2 p	138.9	108.5	144.8	41.2	16.0	62.8	10.1	6.4	6.3	-6.0	117.3	118.2	-0.9	233.5	240.4	-6.9

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * The budgetary definition used here differs from that employed for the government account in the national accounts and, in the case of the quarterly figures, in some respects also from the financial statistics. — 1 Including subsidiary budgets. Unlike the annual figure based on the annual accounts statistics of the Federal Statistical Office, the quarterly figures do not include municipal special purpose associations and various special accounts. For more details on revenue from the Bundesbank profit, see footnote 1 to Table VIII.2. — 2 The annual figures differ from the sum of

the quarterly figures, as the latter are all provisional. The quarterly figures for some insurance sectors are estimated. — 3 Including discrepancies in clearing transactions between central, state and local government. — 4 Expenditure on investment grants, loans and acquisition of participating interests. — 5 Including Federal Government liquidity assistance to the Federal Labour Office. — 6 Owing to modifications of the system of classification, shifts occurred, in particular, between other operating expenditure and current grants.

2 Budgetary position of central, state and local government *

Up to end-1998, DM billion; from 1999, € billion

Period	Central government		State government				Local government			
	Revenue 1	Expenditure	Western 2,3		Eastern 3		Western 3		Eastern 3	
			Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
			Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
1993	401.6	462.5	326.5	352.8	76.4	92.5	222.5	230.9	54.4	59.0
1994	439.6	478.9	328.8	357.0	79.3	95.9	228.9	235.1	53.9	59.2
1995	439.3	489.9	338.6	370.2	88.4	101.5	225.6	237.9	58.7	60.8
1996	411.9	490.4	344.8	379.7	93.7	105.5	227.7	232.9	55.0	57.7
1997	416.8	480.3	349.2	376.5	94.3	105.2	222.9	226.9	52.6	54.2
1998	439.0	495.6	360.5	380.3	96.4	104.7	231.4	226.3	51.5	52.4
1999	240.3	266.5	191.6	196.6	50.0	53.3	119.8	117.5	26.1	26.3
2000 4	292.1	265.2	193.4	200.9	50.7	53.6	122.4	120.5	25.6	25.6
2001	240.6	261.3	184.6	207.1	50.4	52.6	119.5	123.2	24.8	25.2
2002 pe	240.8	273.5	183.5	207.5	48.0	53.3	119.9	124.5	25.1	25.3
2003 pe	239.6	278.8	182.9	208.8	49.1	53.5	117.1	125.0	24.7	25.5
2004 pe	233.8	273.6	186.4	207.8	48.4	52.1	120.8	124.7	25.0	25.1
2004 Q1 p	44.8	73.4	42.7	52.1	11.1	12.8	25.8	29.7	5.4	5.5
Q2 p	56.4	62.3	46.3	51.0	11.3	11.5	28.8	29.0	5.7	5.8
Q3 p	58.3	71.2	45.2	49.9	12.5	12.5	29.9	30.5	6.2	6.2
Q4 p	74.4	66.7	51.7	54.3	13.1	15.0	35.9	34.9	7.6	7.5
2005 Q1 p	46.0	74.9	45.8	52.9	10.8	12.5	25.7	29.4	5.6	5.5
Q2 p	61.4	66.0	47.0	50.2	11.6	11.5	29.9	30.4	6.2	5.9
Q3 p	68.8	73.2	44.4	50.5	12.2	12.4	31.5	31.5	6.3	6.4

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * See corresponding footnote to Table VIII.1. — 1 Up to 1994, the Bundesbank profit transfer is shown in full; from 1995 onwards, only the DM7 billion envisaged in the budget is shown. From 1995, revenue over and above the envisaged amount accrues directly to the Redemption Fund for

Inherited Liabilities. — 2 Including (eastern and western) Berlin, Bremen and Hamburg. — 3 Unlike the annual figure based on the annual accounts statistics of the Federal Statistical Office, the quarterly figures do not include various special accounts. — 4 Including proceeds from the sale of UMTS licences.

VIII Public finances in Germany

3 Government fiscal position as defined in the national accounts *

Up to end-1998, DM billion; from 1999, € billion

Item	1998	1999	2000 ¹	2001	2002	2003	2004	2005 ^{pe}
Revenue	1,779.3	945.0	967.0	952.6	955.2	963.7	958.7	973.2
<i>of which</i>								
Taxes	897.3	490.5	511.7	488.3	485.4	489.6	487.2	495.3
Social contributions	727.8	375.4	378.4	383.7	389.2	394.4	395.3	396.2
Expenditure	1,862.9	974.3	990.7	1,012.2	1,034.7	1,050.3	1,039.9	1,051.2
<i>of which</i>								
Intermediate consumption	154.3	83.5	82.4	85.2	88.7	89.2	89.5	92.0
Compensation of employees	319.8	165.6	166.1	166.2	169.1	169.0	168.7	167.2
Interest	129.0	63.2	65.1	64.5	62.9	64.6	62.9	63.1
Social benefits ²	998.4	523.1	532.7	551.2	574.1	588.1	586.6	601.3
Gross capital formation	69.4	37.6	36.8	36.8	35.5	32.9	30.7	28.9
Net lending/net borrowing	- 83.6	- 29.3	- 23.7	- 59.6	- 79.6	- 86.6	- 81.2	- 78.0
<i>Memo item</i>								
As defined in the Maastricht Treaty								
Deficit as % of GDP ^{3,4}	2.2	1.5	1.2	2.9	3.8	4.1	3.7	...
Debt level	2,317.6	1,224.3	1,231.0	1,241.5	1,293.0	1,381.0	1,451.0	...
as % of GDP ³	61.2	61.9	60.4	59.6	61.2	64.8	66.4	...

Source: Federal Statistical Office. — * Figures in accordance with ESA 95. In contrast to the figures shown by the Federal Statistical Office, totals include (without affecting net lending/net borrowing) customs duties, the EU share in VAT revenue and EU subsidies. — ¹ Adjusted for proceeds from the sale of UMTS licences. The figures of the Federal Statistical Office record such proceeds (€50.8 billion) under "net increase in non-produced assets", with the result that government expenditure is lower and a surplus (€27.1 billion or 1.3% of GDP) is shown. — ² Including social benefits in kind. — ³ In the European budgetary surveillance procedure, GDP excluding financial intermediation services indirectly measured (FISIM) is still being used as the

basis for calculating the deficit and debt ratios to date. Accordingly, the ratios listed here are therefore higher than those calculated based on August 2005 GDP figures published by the Federal Statistical Office (deficit ratio: up to 0.1 percentage point higher, debt ratio: up to 1 percentage point higher). Financial intermediation services will be incorporated upon notification in spring 2006. — ⁴ Unlike the net lending/net borrowing balance as shown in the national accounts, the deficit ratio as defined in the Maastricht Treaty includes interest payments arising from swap transactions and forward rate agreements.

4 Tax revenue of central, state and local government

Up to end-1998, DM million; from 1999, € million

Period	Central and state government and European Union						Local government ⁴		Balance of untransferred tax shares ⁵	
	Total	Central government ²		State government		European Union ³	Total	of which Eastern Germany		
		Total ¹		Total	of which Eastern Germany					
1991	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
1995	814,190	719,332	390,807	288,520	.	40,005	94,498	8,460	+	359
1996	799,998	706,071	372,390	294,232	.	39,449	94,641	7,175	-	714
1997	797,154	700,739	368,244	290,771	.	41,724	96,531	7,703	-	117
1998	833,013	727,888	379,491	306,127	.	42,271	104,960	8,841	+	164
1999	453,068	396,734	211,727	164,724	.	20,284	56,333	4,810	+	1
2000	467,253	410,117	219,034	169,249	.	21,833	57,241	4,895	-	104
2001	446,248	392,189	213,342	159,115	.	19,732	54,047	4,590	+	12
2002	441,703	389,162	214,371	156,231	.	18,560	52,490	4,769	+	51
2003	442,235	390,437	214,002	155,510	.	20,925	51,671	4,751	+	127
2004	442,966	386,459	208,918	157,900	.	19,641	56,365	5,243	+	142
2005 Q2	111,698	96,535	52,716	39,438	.	4,381	14,538	1,486	+	625
Q3	...	96,077	52,065	38,840	.	5,172	...	...	...	...
2005 July	.	29,328	15,851	11,909	.	1,568	.	.	.	.
Aug	.	28,609	15,801	11,172	.	1,635	.	.	.	.
Sep	.	38,140	20,413	15,759	.	1,969	.	.	.	.
Oct	.	27,794	15,575	11,105	.	1,115	.	.	.	.
Nov	.	27,709	14,883	10,991	.	1,835	.	.	.	.

Source: Federal Ministry of Finance. — ¹ Including receipts from the Equalisation of Burdens levies. — ² Before deducting supplementary central government grants and shares in the revenue of mineral oil tax remitted to state government. — ³ Including the additional (GNP-related) revenue accruing to the EU from the central government tax revenue from

1988. — ⁴ Including local government taxes in Berlin, Bremen and Hamburg. — ⁵ Difference between the local government's share in the income taxes received by the state government cash offices in the period in question (see Table VIII.5) and the amounts passed on to local government during the same period.

VIII Public finances in Germany

7 General government debt *

€ million

End of year or month	Total	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobls) 2	Federal savings notes	Bonds 2	Direct lending by credit institu- tions 4	Loans from non-banks		Old debt		
								Social security funds	Other 4	arisng from German unifica- tion 5	Equalisa- tion claims	Other 6
General government												
1999	1,199,975	12,594	102,364	120,998	41,621	416,051	450,111	281	10,200	476	45,175	105
2000	1,211,439	11,616	109,951	126,276	35,991	438,888	433,443	211	10,524	285	44,146	108
2001	1,223,929	23,036	151,401	130,045	26,395	448,148	422,440	174	13,110	85	8,986	108
2002	1,277,630	30,815	203,951	137,669	17,898	456,300	404,046	137	18,844	29	7,845	97
2003	1,358,121	36,022	246,414	153,616	12,810	471,129	396,832	341	34,163	- 1	6,711	86
2004 Sep	1,429,216	37,494	276,918	166,711	10,568	494,621	390,436	413	46,434	- 38	5,572	87
Dec	1,430,413	35,722	279,796	168,958	10,817	495,418	379,984	430	53,672	- 38	5,572	82
2005 Mar	1,457,149	37,489	290,175	162,644	11,037	506,670	387,456	474	55,586	- 36	5,572	84
June	1,465,358	37,214	295,608	170,389	11,180	507,071	381,150	501	56,623	- 36	5,572	87
Sep P	1,480,094	37,183	302,219	163,335	11,061	525,365	377,442	498	58,508	- 36	4,434	87
Central government 7,8,9												
1999	714,069	11,553	44,335	120,498	41,621	379,808	67,872	60	2,568	476	45,175	104
2000	715,819	11,516	44,678	123,642	35,991	400,490	52,836	29	2,099	285	44,146	107
2001	701,077	21,136	59,643	119,911	26,395	416,195	47,111	26	1,481	85	8,986	107
2002	725,405	30,227	78,584	127,484	17,898	422,558	39,517	0	1,167	29	7,845	97
2003	767,697	35,235	87,538	143,431	12,810	436,194	38,146	223	7,326	- 1	6,711	85
2004 Sep	814,356	35,866	95,200	157,026	10,568	459,482	39,864	268	10,463	- 38	5,572	86
Dec	812,083	34,440	95,638	159,272	10,817	460,380	34,835	333	10,751	- 38	5,572	81
2005 Mar	870,368	36,393	102,959	162,592	11,037	495,478	45,119	373	10,798	- 36	5,572	83
June	874,015	36,021	105,227	170,338	11,180	495,879	38,778	408	10,562	- 36	5,572	86
Sep	885,146	35,989	106,836	163,284	11,061	514,173	38,303	408	10,608	- 36	4,434	86
Dec P	886,129	36,068	108,899	174,351	11,027	510,866	29,419	408	10,608	- 36	4,434	86
State government (western)												
1999	274,208	150	43,033	.	.	.	226,022	23	4,979	.	-	1
2000	282,431	-	48,702	.	.	.	227,914	22	5,792	.	.	1
2001	305,788	1,800	67,721	.	.	.	228,270	5	7,991	.	.	1
2002	328,390	250	97,556	.	.	.	217,333	5	13,246	.	.	1
2003	355,661	472	125,356	.	.	.	207,880	4	21,949	.	.	1
2004 Sep	374,415	900	145,136	.	.	.	198,760	0	29,618	.	.	1
Dec	376,697	750	148,219	.	.	.	193,216	3	34,508	.	.	1
2005 Mar	382,341	250	154,965	.	.	.	190,360	3	36,762	.	.	1
June	384,373	0	157,226	.	.	.	189,139	3	38,005	.	.	1
Sep	389,392	0	160,561	.	.	.	189,090	0	39,741	.	.	1
State government (eastern)												
1999	53,200	891	14,517	.	.	.	37,602	-	189	.	.	.
2000	55,712	100	16,092	.	.	.	39,339	-	182	.	.	.
2001	58,771	100	20,135	.	.	.	37,382	-	1,154	.	.	.
2002	63,782	338	23,838	.	.	.	37,739	-	1,867	.	.	.
2003	68,076	315	28,833	.	.	.	37,022	-	1,906	.	.	.
2004 Sep	71,512	729	31,967	.	.	.	35,295	27	3,495	.	.	.
Dec	71,975	533	31,400	.	.	.	35,428	-	4,614	.	.	.
2005 Mar	73,190	846	32,251	.	.	.	35,866	-	4,227	.	.	.
June	74,898	1,193	33,154	.	.	.	36,142	-	4,409	.	.	.
Sep	74,691	1,194	34,821	.	.	.	34,165	-	4,511	.	.	.

For footnotes, see end of the table.

VIII Public finances in Germany

7 General government debt * (cont'd)

€ million

End of year or month	Total	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobl's) 2	Federal savings notes	Bonds 2	Direct lending by credit institu- tions 4	Loans from non-banks		Old debt		
								Social security funds	Other 4	arising from German unifica- tion 5	Equalisa- tion claims	Other 6
Local government (western) 10												
1999	81,511	.	153	.	.	680	78,726	53	1,898	.	.	.
2000	81,414	.	153	.	.	680	78,656	33	1,891	.	.	.
2001	82,203	.	153	.	.	629	79,470	29	1,922	.	.	.
2002	84,097	.	153	.	.	629	81,307	22	1,986	.	.	.
2003	90,906	.	77	.	.	603	87,868	19	2,339	.	.	.
2004 Sep	93,800	.	77	.	.	656	90,707	20	2,340	.	.	.
Dec	95,057	.	-	.	.	552	91,317	13	3,174	.	.	.
2005 Mar	95,600	.	-	.	.	591	91,819	15	3,175	.	.	.
June	97,250	.	-	.	.	591	93,469	15	3,175	.	.	.
Sep P	97,500	.	-	.	.	591	93,719	15	3,175	.	.	.
Local government (eastern) 10												
1999	20,726	.	51	.	.	335	20,138	124	78	.	.	.
2000	17,048	.	51	.	.	335	16,497	114	50	.	.	.
2001	17,005	.	-	.	.	284	16,581	107	33	.	.	.
2002	16,745	.	-	.	.	284	16,318	102	41	.	.	.
2003	16,951	.	-	.	.	131	16,601	87	132	.	.	.
2004 Sep	17,000	.	-	.	.	131	16,649	90	130	.	.	.
Dec	17,353	.	-	.	.	131	16,914	73	235	.	.	.
2005 Mar	17,250	.	-	.	.	131	16,809	75	235	.	.	.
June	17,250	.	-	.	.	131	16,809	75	235	.	.	.
Sep P	17,200	.	-	.	.	131	16,759	75	235	.	.	.
ERP Special Fund 7												
1999	16,028	.	.	-	.	6,250	9,458	21	299	.	.	.
2000	18,386	.	.	-	.	7,585	10,411	13	377	.	.	.
2001	19,161	.	.	-	.	9,462	9,310	8	381	.	.	.
2002	19,400	.	.	51	.	10,144	8,686	8	512	.	.	.
2003	19,261	.	.	51	.	10,169	8,522	8	512	.	.	.
2004 Sep	18,525	.	.	51	.	10,169	7,909	8	389	.	.	.
Dec	18,200	.	.	51	.	10,169	7,584	8	389	.	.	.
2005 Mar	18,098	.	.	51	.	10,169	7,482	8	389	.	.	.
June	17,270	.	.	51	.	10,169	6,812	-	238	.	.	.
Sep	15,864	.	.	51	.	10,169	5,406	-	238	.	.	.
Indemnification Fund												
1999	132	.	.	.	.	132	.	.	.	.	.	.
2000	204	.	.	.	.	204	.	.	.	.	.	.
2001	285	.	.	.	.	285	.	.	.	.	.	.
2002	369	.	.	.	.	369	.	.	.	.	.	.
2003	469	.	.	.	.	469	.	.	.	.	.	.
2004 Sep	398	.	.	.	.	398	.	.	.	.	.	.
Dec	400	.	.	.	.	400	.	.	.	.	.	.
2005 Mar	302	.	.	.	.	302	.	.	.	.	.	.
June	302	.	.	.	.	302	.	.	.	.	.	.
Sep	301	.	.	.	.	301	.	.	.	.	.	.
German Unity Fund 7,9												
1999	40,102	-	275	500	.	28,846	10,292	-	189	.	.	.
2000	40,425	-	275	2,634	.	29,593	7,790	-	133	.	.	.
2001	39,638	-	3,748	10,134	.	21,292	4,315	-	149	.	.	.
2002	39,441	-	3,820	10,134	.	22,315	3,146	-	26	.	.	.
2003	39,099	-	4,610	10,134	.	23,563	793	-	-	.	.	.
2004 Sep	39,210	.	4,538	9,634	.	23,787	1,251	-	-	.	.	.
Dec	38,650	.	4,538	9,634	.	23,787	690	-	-	.	.	.

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * Excluding intergovernment debt. — 1 Predominantly Treasury discount paper (Bubills). — 2 Excluding issuers' holdings of their own securities. — 3 Treasury notes issued by state government include long-term paper. — 4 Mainly loans against borrowers' notes. Including loans raised abroad. Other loans from non-banks, including loans from supplementary public pension funds and liabilities arising from the investment assistance levy. — 5 Old liabilities arising from housing construction and liabilities arising from housing construction by the former GDR's armed forces and from housing construction in connection with the return of the troops of the former USSR stationed in eastern Germany to their home country. — 6 Old debt mainly denominated in foreign currency, in accordance with the London Debts Agreement; excluding debt securities in own portfolios. —

7 In contrast to the capital market statistics, the debt incurred through the joint issuance of Federal securities is recorded here under central government and its special funds in accordance with the agreed distribution ratios. — 8 On 1 July 1999 central government assumed joint responsibility for the debts of the Redemption Fund for Inherited Liabilities, the Federal Railways Fund and the Equalisation Fund for Safeguarding the Use of Coal. As from July, the aforementioned special funds are recorded under central government. — 9 On 1 January 2005 central government assumed joint responsibility for the debts of the German Unity Fund. As from January, the aforementioned special fund is recorded under central government. — 10 Data other than year-end figures have been estimated. Including debt of municipal special purpose associations.

VIII Public finances in Germany

8 Change in general government debt *

€ million

Item	End of		Net borrowing 1							
			2004					2005		
	2004	Sep 2005 p	Total	Q1	Q2	Q3	Q4	Q1	Q2	Q3 p
Borrowers										
Central government 2	812,083	885,146	+ 44,386	+ 34,993	+ 1,301	+ 10,365	- 2,273	+ 19,633	+ 3,646	+ 11,131
German Unity Fund 2	38,650	-	- 450	+ 520	- 516	+ 107	- 561	-	-	-
ERP Special Fund	18,200	15,864	- 1,061	- 685	- 51	-	- 325	- 102	- 828	- 1,406
Indemnification Fund	400	301	- 69	- 79	+ 6	+ 1	+ 2	- 98	+ 0	- 1
State government (western)	376,697	389,392	+ 21,036	+ 7,541	+ 5,038	+ 6,175	+ 2,282	+ 5,644	+ 2,033	+ 5,019
State government (eastern)	71,975	74,691	+ 3,899	+ 1,585	+ 1,592	+ 260	+ 462	+ 1,216	+ 1,707	- 207
Local government (western) 3	95,057	97,500	+ 4,805	+ 1,961	+ 1,114	+ 491	+ 1,239	+ 1,180	+ 2,251	+ 220
Local government (eastern) 3	17,353	17,200	+ 373	- 30	+ 4	+ 110	+ 289	- 103	+ 78	+ 30
Total	1,430,413	1,480,094	+ 72,917	+ 45,805	+ 8,487	+ 17,509	+ 1,115	+ 27,373	+ 8,888	+ 14,726
Debt by category										
Treasury discount paper (Bubills) 4	35,722	37,183	- 299	+ 1,187	+ 99	+ 187	- 1,772	+ 1,766	- 275	- 31
Treasury notes 5	279,796	302,219	+ 33,382	+ 14,031	+ 9,528	+ 6,946	+ 2,878	+ 10,379	+ 5,433	+ 6,611
Five-year Federal notes (Bobls) 5	168,958	163,335	+ 15,342	+ 6,119	+ 2,907	+ 4,070	+ 2,246	- 6,314	+ 7,745	- 7,053
Federal savings notes	10,817	11,061	- 1,993	- 1,565	- 656	- 22	+ 249	+ 219	+ 143	- 119
Bonds 5	495,418	525,365	+ 24,289	+ 14,792	+ 2,748	+ 5,953	+ 796	+ 11,252	+ 401	+ 18,294
Direct lending by credit institutions 6	379,984	377,442	- 16,223	+ 4,553	- 9,333	- 910	- 10,534	+ 8,109	- 5,627	- 3,718
Loans from social security funds	430	498	+ 89	+ 31	-	+ 42	+ 17	+ 44	+ 27	- 3
Other loans 6	53,632	58,467	+ 19,509	+ 6,700	+ 3,194	+ 2,377	+ 7,238	+ 1,913	+ 1,038	+ 1,884
Old debt 7	44	51	- 41	- 42	+ 0	+ 6	- 4	+ 4	+ 3	+ 0
Equalisation claims	5,572	4,434	- 1,138	+ 0	+ 0	- 1,139	+ 1	-	-	- 1,139
Investment assistance levy	41	41	-	-	-	-	-	-	-	-
Total	1,430,413	1,480,094	+ 72,917	+ 45,805	+ 8,487	+ 17,509	+ 1,115	+ 27,373	+ 8,888	+ 14,726
Creditors										
Banking system										
Bundesbank	4,440	4,440	-	-	-	-	-	-	-	-
Credit institutions	541,700	528,400	+ 17,725	+ 26,088	+ 3,768	+ 3,451	- 15,582	+ 7,637	- 19,521	- 110
Domestic non-banks										
Social security funds	430	498	+ 89	+ 31	-	+ 42	+ 17	+ 44	+ 27	- 3
Other 8	263,943	261,956	- 11,697	- 6,914	+ 3,219	- 10,384	+ 2,380	- 5,108	+ 1,482	+ 1,639
Foreign creditors pe	619,900	684,800	+ 66,800	+ 26,600	+ 1,500	+ 24,400	+ 14,300	+ 24,800	+ 26,900	+ 13,200
Total	1,430,413	1,480,094	+ 72,917	+ 45,805	+ 8,487	+ 17,509	+ 1,115	+ 27,373	+ 8,888	+ 14,726

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * Excluding intergovernment debt. — 1 Net borrowing differs from the change in debt, which includes the assumption and transfer of debts. — 2 See Table VIII.7, footnote 8. — 3 Data other than year-end figures have been estimated. Including debt of municipal special purpose associations. — 4 Excluding mobilisation and liquidity paper. Predominantly Treasury discount paper (Bubills). — 5 Excluding issuers' holdings of their

own securities. — 6 Including loans raised abroad. — 7 Old liabilities arising from housing construction and liabilities arising from the housing construction of the former GDR's armed forces and from housing construction in connection with the return of the troops of the former USSR stationed in eastern Germany to their home country, and old debt in accordance with the London Debts Agreement. — 8 Ascertained as a residual.

9 Loans raised by general government against borrowers' notes

Up to end-1998, DM million; from 1999, € million

End of year or month	Total 1	Central government 2,3	German Unity Fund 3	ERP Special Fund	State government	Local government 4,5	Federal Railways Fund 3	Redemption Fund for Inherited Liabilities 3	Equalisation Fund for Safeguarding the Use of Coal 3
1998	898,030	23,094	31,415	22,215	504,148	184,942	45,098	83,447	3,671
1999	444,031	64,704	10,481	9,778	264,158	94,909	-	-	-
2000	431,364	54,731	7,178	10,801	268,362	90,292	-	-	-
2001	416,067	44,791	4,464	9,699	267,988	89,126	-	-	-
2002	398,910	34,636	3,172	9,205	262,840	89,057	-	-	-
2003	399,304	38,410	793	9,042	260,046	91,013	-	-	-
2004 Sep	399,706	38,664	690	8,305	261,515	90,531	-	-	-
2004 Dec	399,250	36,791	690	7,981	262,070	91,719	-	-	-
2005 Mar	399,064	36,069	-	7,878	264,478	90,639	-	-	-
2005 June	394,063	31,898	-	7,050	264,757	90,358	-	-	-
2005 Sep p	390,109	30,680	-	5,644	263,602	90,184	-	-	-

Source: Bundesbank calculations based on data from the Federal Statistical Office. — 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 See Table VIII.7, footnote 8. — 4 Data other than year-end figures have been estimated. Including municipal special purpose associations. — 5 Including contractually agreed loans.

IX Economic conditions

1 Origin and use of domestic product, distribution of national income Germany

Item	2002			2003			2004				2005		
	2002	2003	2004	2002	2003	2004	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Index 2000=100			Annual percentage change									
At constant prices, chained													
I Origin of domestic product													
Production sector (excluding construction)	99.5	100.5	105.0	- 1.6	1.0	4.4	3.8	6.3	4.2	3.4	0.4	4.2	2.8
Construction	90.5	86.4	85.1	- 4.1	- 4.5	- 1.6	2.3	- 0.5	- 4.2	- 3.1	- 12.0	- 1.9	- 2.7
Wholesale/retail trade, hotel and restaurant services, transport and storage 1	103.7	102.3	104.2	0.7	- 1.3	1.9	2.0	2.4	1.0	2.2	1.0	2.4	1.7
Financing, renting and business services 2	104.6	105.2	107.1	1.5	0.6	1.8	1.4	2.7	1.4	1.7	1.8	1.7	1.8
Public and private services 3	102.4	102.1	102.4	2.0	- 0.3	0.4	0.7	0.6	0.1	0.1	- 1.3	- 0.9	- 0.9
Gross value added	101.8	101.7	103.9	0.3	- 0.1	2.1	2.1	3.0	1.5	1.7	0.0	1.7	1.2
Gross domestic product 4	101.3	101.1	102.8	0.1	- 0.2	1.6	2.0	2.1	1.2	1.3	- 0.5	1.6	1.3
II Use of domestic product													
Private consumption 5	101.3	101.5	102.0	- 0.5	0.1	0.6	0.9	- 0.1	- 0.1	1.5	- 0.7	0.7	- 0.0
Government consumption	102.0	102.1	100.5	1.4	0.1	- 1.6	- 0.9	- 1.3	- 1.0	- 3.0	- 1.8	- 0.1	0.1
Machinery and equipment	89.1	88.9	91.3	- 7.5	- 0.2	2.6	- 1.3	0.9	5.1	5.1	3.7	7.5	4.5
Premises	89.8	88.4	86.3	- 5.8	- 1.6	- 2.3	1.2	- 2.0	- 4.4	- 3.3	- 10.9	- 1.8	- 2.3
Other investment 6	107.6	111.1	113.1	1.3	3.3	1.8	1.9	2.0	1.6	1.7	2.2	2.2	1.9
Changes in inventories 7 8	.	.	.	- 0.6	0.5	0.5	- 0.1	- 0.1	1.7	0.5	0.3	0.8	0.1
Domestic use	97.6	98.1	98.7	- 1.9	0.6	0.6	0.3	- 0.5	1.4	1.0	- 1.2	1.6	0.1
Net exports 8	.	.	.	1.9	- 0.7	1.1	1.7	2.6	- 0.1	0.3	0.7	0.0	1.1
Exports	111.0	113.6	124.2	4.2	2.4	9.3	8.0	13.7	7.3	8.4	3.7	5.0	8.4
Imports	99.9	104.9	112.3	- 1.4	5.1	7.0	3.5	7.1	8.7	8.5	2.2	5.7	6.0
Gross domestic product 4	101.3	101.1	102.8	0.1	- 0.2	1.6	2.0	2.1	1.2	1.3	- 0.5	1.6	1.3
At current prices (€ billion)													
III Use of domestic product													
Private consumption 5	1,266.7	1,287.6	1,312.5	0.6	1.7	1.9	1.9	1.4	1.4	2.9	0.4	1.7	1.4
Government consumption	412.3	415.5	412.8	3.0	0.8	- 0.6	0.3	0.6	- 1.1	- 2.1	- 0.4	1.1	0.8
Machinery and equipment	151.9	146.9	149.4	- 9.3	- 3.2	1.7	- 2.4	0.1	4.3	4.0	2.8	6.3	3.4
Premises	216.5	213.0	210.7	- 6.1	- 1.6	- 1.1	1.3	- 0.8	- 2.7	- 1.5	- 9.0	- 0.9	- 1.8
Other investment 6	24.5	24.5	24.9	- 1.5	- 0.2	1.6	0.5	1.8	2.0	2.2	1.7	1.2	1.1
Changes in inventories 7	- 24.0	- 11.6	- 4.0	.	.	.	.	.	.	.	.	.	.
Domestic use	2,047.9	2,075.8	2,106.2	- 1.1	1.4	1.5	0.9	0.6	2.2	2.1	- 0.0	2.5	1.1
Net exports	97.1	87.6	109.5	.	.	.	.	.	.	.	.	.	.
Exports	765.6	772.7	842.8	4.1	0.9	9.1	6.1	13.0	7.7	9.6	4.7	5.7	9.3
Imports	668.5	685.1	733.4	- 3.6	2.5	7.0	0.2	6.7	10.0	11.1	4.3	7.5	9.0
Gross domestic product 4	2,145.0	2,163.4	2,215.7	1.5	0.9	2.4	3.0	3.1	1.7	1.9	0.4	2.1	1.5
IV Prices (2000 = 100)													
Private consumption	103.0	104.5	106.0	1.2	1.5	1.4	1.0	1.5	1.5	1.4	1.1	1.0	1.4
Gross domestic product	102.7	103.7	104.5	1.4	1.0	0.8	1.0	1.0	0.5	0.6	0.8	0.5	0.2
Terms of trade	102.0	103.0	102.8	2.1	1.0	- 0.2	1.5	- 0.2	- 0.8	- 1.3	- 1.0	- 1.1	- 2.0
V Distribution of national income													
Compensation of employees	1,128.7	1,131.1	1,134.5	0.7	0.2	0.3	0.8	0.7	- 0.1	- 0.1	- 0.2	- 0.4	- 0.7
Entrepreneurial and property income	452.5	468.9	523.8	2.8	3.6	11.7	12.1	17.4	8.0	9.8	3.7	8.3	5.7
National income	1,581.2	1,600.0	1,658.3	1.3	1.2	3.6	4.3	5.6	2.4	2.4	1.1	2.4	1.4
<i>Memo item:</i> Gross national income	2,120.9	2,147.3	2,216.0	1.4	1.2	3.2	3.6	4.3	2.5	2.5	0.8	2.2	1.6

Source: Federal Statistical Office; figures computed in November 2005. — 1 Including communication services. — 2 Financial intermediation, real estate activities, renting and business services. — 3 Including care-at-home services. — 4 Gross value added plus taxes on products (netted with subsidies

on products). — 5 Including non-profit institutions serving households. — 6 Intangible fixed asset formation (inter alia, computer software and entertainment, literary or artistic originals) and cultivated assets. — 7 Including net increase in valuables. — 8 Contribution of growth to GDP.

IX Economic conditions

2 Output in the production sector
Germany

Adjusted for working-day variations ◦

Period	of which											
	Production sector, total	Construc-tion 2	Energy 3	Industry 1								
				Total	of which: by main industrial grouping				of which: by economic sector			
				Inter-mediate goods 4	Capital goods 5	Durable goods	Non-durable goods 6	Chemicals and chemical products	Basic metals	Machinery and equipment	Motor vehicles, trailers and semi-trailers	
2000 = 100												
2000	99.9	100.0	99.9	99.9	99.9	99.9	99.9	99.9	100.0	99.9	99.9	99.9
2001	99.5	92.5	97.3	100.4	99.4	102.3	100.4	98.8	98.0	101.1	102.1	103.9
2002	98.3	89.0	97.4	99.3	98.9	101.1	92.0	98.2	101.7	101.8	99.5	105.4
2003	98.4	85.1	99.8	99.5	99.5	102.0	87.2	97.4	102.0	99.9	97.8	107.6
2004	100.8	80.4	102.6	102.5	103.4	105.7	87.4	98.0	104.6	103.7	101.2	111.9
2004 Mar	105.2	76.3	110.2	107.3	107.9	111.8	96.1	99.6	107.5	111.6	106.3	121.8
Apr	100.6	85.9	101.0	101.9	104.4	103.8	88.1	96.3	107.6	104.1	98.5	114.3
May	99.8	86.8	97.6	101.3	103.5	104.0	86.2	94.7	102.5	105.4	98.5	115.2
June	103.5	93.0	91.0	105.9	107.2	111.1	87.0	97.2	103.5	111.2	106.4	120.7
July	103.3	95.5	92.6	105.1	107.1	108.2	87.0	99.1	105.6	106.6	105.4	112.1
Aug	93.8	85.5	90.7	94.9	98.6	93.5	68.1	95.8	103.7	94.0	98.5	90.6
Sep	106.8	95.0	95.3	109.1	109.1	114.6	96.8	101.4	106.0	107.3	112.8	120.8
Oct	108.2	93.3	104.9	109.9	109.9	113.8	96.6	105.4	108.0	106.8	104.0	126.9
Nov	106.7	85.7	110.0	108.3	107.7	112.3	94.4	104.9	107.7	105.2	104.2	120.4
Dec	95.9	61.8	115.5	96.9	89.5	107.9	78.8	95.5	99.1	84.3	118.3	93.0
2005 Jan	94.8	48.5	112.7	97.1	101.5	95.3	81.8	94.9	112.3	105.0	86.2	106.6
Feb	94.9	43.5	107.9	98.3	99.6	100.4	85.8	94.5	109.1	101.7	93.0	112.1
Mar	r 106.9	r 61.0	112.3	110.5	109.2	117.8	95.8	102.4	118.5	109.3	113.8	126.3
Apr	r 102.7	r 80.9	101.2	104.9	106.3	109.1	87.3	97.5	110.6	105.9	100.9	122.5
May	r 100.6	r 83.1	97.8	102.6	105.5	104.5	79.8	98.2	111.5	101.9	98.6	112.2
June	r 106.4	r 89.4	92.4	109.5	109.5	117.2	90.6	99.0	109.1	106.6	115.3	122.3
July x	r 106.5	r 92.4	96.9	108.9	110.1	113.5	83.9	103.0	115.1	107.6	106.6	121.7
Aug x	r 95.7	r 84.6	92.5	97.0	101.4	94.5	70.0	98.9	110.2	95.4	91.3	90.0
Sep x	r 110.6	r 92.3	93.7	114.1	113.2	120.9	97.8	106.7	114.0	109.0	113.7	129.1
Oct +	112.6	92.6	103.8	115.4	115.5	119.3	99.8	110.9	120.8	112.1	108.0	130.8
Nov +	111.7	84.6	108.4	114.6	113.4	121.9	98.6	106.5	113.7	109.8	113.2	129.5
Annual percentage change												
2000	+ 4.7	- 3.5	- 0.3	+ 6.2	+ 5.7	+ 9.7	+ 3.8	+ 1.5	+ 2.8	+ 8.2	+ 7.1	+ 11.2
2001	- 0.4	- 7.5	- 2.6	+ 0.5	- 0.5	+ 2.4	+ 0.5	- 1.1	- 1.9	+ 1.1	+ 2.2	+ 4.0
2002	- 1.2	- 3.8	+ 0.1	- 1.1	- 0.5	- 1.2	- 8.4	- 0.6	+ 3.8	+ 0.7	- 2.5	+ 1.4
2003	+ 0.1	- 4.4	+ 2.5	+ 0.2	+ 0.6	+ 0.9	- 5.2	- 0.8	+ 0.3	- 1.9	- 1.7	+ 2.1
2004	+ 2.4	- 5.5	+ 2.8	+ 3.0	+ 3.9	+ 3.6	+ 0.2	+ 0.6	+ 2.5	+ 3.8	+ 3.5	+ 4.0
2004 Mar	+ 0.6	- 9.1	+ 1.1	+ 1.2	+ 1.9	+ 1.7	- 1.0	- 0.9	- 4.0	+ 1.0	+ 2.8	+ 0.5
Apr	+ 2.2	- 6.7	+ 0.7	+ 3.2	+ 4.0	+ 4.4	+ 2.8	- 0.4	+ 1.9	+ 1.2	+ 5.6	+ 5.0
May	+ 3.9	- 4.8	+ 2.4	+ 4.9	+ 4.7	+ 6.8	+ 8.0	+ 0.9	+ 0.0	+ 4.0	+ 7.2	+ 7.7
June	+ 3.6	- 5.8	- 0.7	+ 5.0	+ 4.7	+ 7.7	+ 4.2	- 0.1	+ 0.1	+ 13.7	+ 4.5	+ 13.2
July	+ 2.9	- 6.6	+ 2.3	+ 3.8	+ 4.5	+ 4.9	+ 1.4	+ 0.5	+ 0.5	+ 4.8	+ 6.6	+ 3.0
Aug	+ 4.3	- 4.9	+ 0.3	+ 5.6	+ 5.9	+ 8.1	+ 1.3	+ 0.5	+ 5.0	+ 6.6	+ 4.7	+ 13.4
Sep	+ 4.4	- 5.8	+ 3.4	+ 5.4	+ 5.6	+ 7.4	- 0.4	+ 2.2	+ 8.6	+ 5.7	+ 7.9	+ 8.9
Oct	+ 2.9	- 6.0	+ 2.6	+ 3.7	+ 2.8	+ 7.1	- 1.3	+ 0.2	+ 3.8	- 0.4	+ 5.9	+ 12.9
Nov	+ 0.3	- 7.9	+ 5.2	+ 0.5	+ 2.3	- 1.3	- 5.7	+ 1.7	+ 6.2	+ 1.8	- 1.5	- 3.6
Dec	+ 0.9	- 7.9	+ 7.9	+ 0.7	+ 2.8	- 0.8	- 4.9	+ 1.4	+ 7.0	+ 1.6	+ 0.4	- 4.6
2005 Jan	+ 3.0	- 1.6	- 3.0	+ 4.1	+ 5.1	+ 5.2	- 1.9	+ 1.4	+ 10.2	+ 0.4	+ 4.5	+ 9.6
Feb	+ 0.9	- 23.3	+ 1.4	+ 2.2	+ 0.9	+ 3.6	- 0.8	+ 2.7	+ 7.4	- 1.4	+ 6.0	+ 1.8
Mar	r + 1.6	r - 20.1	+ 1.9	+ 3.0	+ 1.2	+ 5.4	- 0.3	+ 2.8	+ 10.2	- 2.1	+ 7.1	+ 3.7
Apr	r + 2.1	r - 5.8	+ 0.2	+ 2.9	+ 1.8	+ 5.1	- 0.9	+ 1.2	+ 2.8	+ 1.7	+ 2.4	+ 7.2
May	r + 0.8	r - 4.3	+ 0.2	+ 1.3	+ 1.9	+ 0.5	- 7.4	+ 3.7	+ 8.8	- 3.3	+ 0.1	- 2.6
June	r + 2.8	r - 3.9	+ 1.5	+ 3.4	+ 2.1	+ 5.5	+ 4.1	+ 1.9	+ 5.4	- 4.1	+ 8.4	+ 1.3
July x	r + 3.1	r - 3.2	+ 4.6	+ 3.6	+ 2.8	+ 4.9	- 3.6	+ 3.9	+ 9.0	+ 0.9	+ 1.1	+ 8.6
Aug x	r + 2.0	r - 1.1	+ 2.0	+ 2.2	+ 2.8	+ 1.1	+ 2.8	+ 3.2	+ 6.3	+ 1.5	+ 2.0	- 0.7
Sep x	r + 3.6	r - 2.8	- 1.7	+ 4.6	+ 3.8	+ 5.5	+ 1.0	+ 5.2	+ 7.5	+ 1.6	+ 0.8	+ 6.9
Oct +	+ 4.1	- 0.8	- 1.0	+ 5.0	+ 5.1	+ 4.8	+ 3.3	+ 5.2	+ 11.9	+ 5.0	+ 3.8	+ 3.1
Nov +	+ 4.7	- 1.3	- 1.5	+ 5.8	+ 5.3	+ 8.5	+ 4.4	+ 1.5	+ 5.6	+ 4.4	+ 8.6	+ 7.6

Source of the unadjusted figures: Federal Statistical Office. — ◦ Using the Census X-12-ARIMA method, version 0.2.8. — 1 Manufacturing sector, unless assigned to the main grouping energy, plus mining and quarrying. — 2 The figures refer to the economic classifications "Site preparation" and "Building of complete constructions or parts thereof; civil engineering". — 3 Electricity, gas, steam and hot water supply, and, in particular, mining of coal and lignite, extraction of crude petroleum and natural gas and manufacture of refined petroleum products. — 4 Including mining and

quarrying. — 5 Including manufacture of motor vehicles, trailers and semi-trailers. — 6 Including printing and service activities related to printing. — x Provisional; adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the third quarter (industry: on average -2.5%). — + Provisional; adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the fourth quarter (industry: on average -2.5%).

IX Economic conditions

3 Orders received by industry *
Germany

Adjusted for working-day variations ◦

Period	Industry		of which									
	2000=100	Annual percentage change	Intermediate goods		Capital goods ¹		Consumer goods ²		of which			
			2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change	Durable goods	Non-durable goods ²		
total												
2001	98.3	- 1.7	95.9	- 4.0	99.4	- 0.6	101.4	+ 1.5	99.8	- 0.1	102.4	+ 2.5
2002	98.3	± 0.0	96.4	+ 0.5	99.6	+ 0.2	99.0	- 2.4	95.7	- 4.1	101.0	- 1.4
2003	99.0	+ 0.7	97.8	+ 1.5	100.7	+ 1.1	95.4	- 3.6	89.9	- 6.1	98.8	- 2.2
2004	104.8	+ 5.9	104.9	+ 7.3	107.2	+ 6.5	94.7	- 0.7	89.1	- 0.9	98.2	- 0.6
2004 Nov	105.3	+ 2.8	106.9	+ 4.8	106.0	+ 1.4	97.2	+ 1.7	95.2	- 2.2	98.4	+ 4.1
Dec	108.2	+ 10.4	95.1	+ 4.4	123.8	+ 16.4	86.5	- 0.3	78.1	- 4.2	91.8	+ 1.9
2005 Jan	106.7	+ 7.0	109.2	+ 7.3	107.1	+ 7.2	96.4	+ 3.8	88.2	- 2.4	101.5	+ 7.4
Feb	105.0	+ 3.8	104.3	+ 2.2	106.1	+ 4.8	102.2	+ 4.0	87.8	- 1.8	111.0	+ 6.7
Mar	116.9	+ 5.2	114.4	+ 3.0	121.0	+ 7.0	108.2	+ 4.3	97.3	- 0.2	115.0	+ 6.9
Apr	105.1	+ 0.9	105.7	- 0.6	107.0	+ 1.8	95.4	+ 2.9	90.7	+ 1.7	98.3	+ 3.5
May	105.5	+ 1.4	106.6	+ 1.6	108.1	+ 0.8	91.3	+ 3.4	85.8	- 2.3	94.7	+ 6.9
June	113.2	+ 7.1	110.8	+ 3.2	119.4	+ 10.4	95.5	+ 6.8	92.9	+ 3.6	97.2	+ 9.0
July	114.5	+ 8.6	114.0	+ 6.5	118.3	+ 10.9	100.7	+ 5.8	89.1	+ 1.0	107.9	+ 8.3
Aug	101.5	+ 5.9	102.2	+ 3.3	101.8	+ 7.7	97.9	+ 6.6	78.9	+ 6.9	109.6	+ 6.5
Sep	117.5	+ 8.5	114.3	+ 5.6	123.1	+ 11.6	105.5	+ 4.7	98.6	+ 5.0	109.7	+ 4.5
Oct	118.9	+ 10.0	117.2	+ 7.6	123.2	+ 12.2	106.7	+ 7.3	103.1	+ 7.0	108.8	+ 7.4
Nov P	120.0	+ 14.0	117.0	+ 9.4	126.2	+ 19.1	104.2	+ 7.2	102.8	+ 8.0	105.0	+ 6.7
from the domestic market												
2001	97.6	- 2.4	96.4	- 3.5	98.0	- 2.0	99.9	+ 0.1	99.5	- 0.4	100.2	+ 0.3
2002	94.6	- 3.1	94.6	- 1.9	94.7	- 3.4	94.6	- 5.3	92.0	- 7.5	96.3	- 3.9
2003	94.7	+ 0.1	95.0	+ 0.4	96.0	+ 1.4	90.0	- 4.9	86.7	- 5.8	92.1	- 4.4
2004	98.2	+ 3.7	100.5	+ 5.8	100.0	+ 4.2	86.9	- 3.4	83.3	- 3.9	89.2	- 3.1
2004 Nov	99.9	+ 0.7	104.1	+ 4.0	99.2	- 1.7	89.6	- 2.5	89.2	- 4.9	89.9	- 0.8
Dec	98.8	+ 10.1	89.5	+ 5.0	114.9	+ 18.5	79.4	- 3.5	72.6	- 6.1	83.6	- 2.2
2005 Jan	96.9	+ 3.4	102.9	+ 6.4	94.3	+ 1.0	87.3	+ 1.0	82.5	- 5.6	90.3	+ 5.2
Feb	95.8	- 0.1	97.6	+ 1.2	95.3	- 2.6	92.2	+ 3.6	83.1	- 1.9	97.8	+ 6.5
Mar	106.6	+ 1.4	107.1	+ 0.2	108.6	+ 1.9	99.7	+ 3.7	92.3	- 1.5	104.3	+ 6.9
Apr	97.9	- 0.1	99.8	- 1.7	99.4	+ 0.5	88.0	+ 3.4	85.6	+ 3.1	89.6	+ 3.5
May	96.0	+ 0.9	100.2	+ 0.1	96.2	+ 1.1	83.8	+ 3.6	80.3	- 1.1	86.0	+ 6.6
June	103.8	+ 5.5	103.8	+ 1.9	109.6	+ 8.9	87.0	+ 6.2	86.2	+ 5.1	87.6	+ 7.1
July	103.9	+ 4.4	108.2	+ 3.5	103.9	+ 4.1	91.9	+ 8.1	84.4	+ 5.5	96.6	+ 9.5
Aug	95.9	+ 4.0	98.7	+ 1.6	95.4	+ 6.0	89.1	+ 4.7	74.9	+ 6.4	98.0	+ 4.0
Sep	105.5	+ 5.7	107.0	+ 4.2	107.3	+ 7.6	96.3	+ 4.4	91.9	+ 6.7	99.0	+ 3.1
Oct	107.3	+ 4.8	111.1	+ 5.8	106.7	+ 3.3	98.4	+ 6.6	95.6	+ 6.6	100.1	+ 6.6
Nov P	107.3	+ 7.4	111.3	+ 6.9	107.3	+ 8.2	96.2	+ 7.4	96.0	+ 7.6	96.3	+ 7.1
from abroad												
2001	99.1	- 0.8	95.1	- 4.9	100.7	+ 0.7	104.8	+ 4.9	100.5	+ 0.5	107.5	+ 7.6
2002	102.8	+ 3.7	99.1	+ 4.2	104.1	+ 3.4	108.6	+ 3.6	103.9	+ 3.4	111.5	+ 3.7
2003	104.3	+ 1.5	102.3	+ 3.2	105.1	+ 1.0	107.5	- 1.0	97.2	- 6.4	113.9	+ 2.2
2004	112.9	+ 8.2	111.7	+ 9.2	113.8	+ 8.3	112.2	+ 4.4	102.3	+ 5.2	118.1	+ 3.7
2004 Nov	112.1	+ 5.3	111.3	+ 6.0	112.2	+ 4.1	114.2	+ 9.8	108.9	+ 3.3	117.4	+ 13.8
Dec	119.9	+ 10.5	103.8	+ 3.5	132.1	+ 14.8	102.6	+ 5.9	90.5	- 0.8	109.9	+ 9.5
2005 Jan	118.9	+ 10.8	119.0	+ 8.4	119.0	+ 12.5	116.9	+ 8.6	101.1	+ 4.0	126.4	+ 11.0
Feb	116.5	+ 8.1	114.9	+ 3.6	116.1	+ 11.3	124.6	+ 4.4	98.6	- 1.5	140.5	+ 7.3
Mar	129.8	+ 9.4	125.9	+ 7.1	132.5	+ 11.3	127.3	+ 5.3	108.6	+ 2.4	138.7	+ 6.8
Apr	114.1	+ 2.0	114.8	+ 0.8	114.0	+ 2.8	112.0	+ 2.0	102.2	- 1.2	117.8	+ 3.6
May	117.3	+ 1.9	116.6	+ 3.7	119.1	+ 0.8	108.0	+ 3.0	98.3	- 4.4	113.9	+ 7.3
June	125.0	+ 8.9	121.7	+ 4.9	128.5	+ 11.4	114.6	+ 7.9	108.2	+ 0.9	118.5	+ 12.3
July	127.7	+ 13.2	123.0	+ 10.8	131.6	+ 16.4	120.4	+ 2.0	99.7	- 6.6	133.0	+ 6.6
Aug	108.5	+ 8.1	107.7	+ 5.8	107.7	+ 9.2	117.5	+ 9.9	88.0	+ 7.8	135.3	+ 10.7
Sep	132.6	+ 11.4	125.7	+ 7.7	137.6	+ 14.6	126.2	+ 5.1	114.0	+ 2.0	133.6	+ 6.8
Oct	133.4	+ 15.7	126.8	+ 10.4	138.4	+ 19.6	125.3	+ 8.5	120.2	+ 7.6	128.3	+ 8.8
Nov P	135.8	+ 21.1	125.9	+ 13.1	143.6	+ 28.0	122.2	+ 7.0	118.3	+ 8.6	124.5	+ 6.0

Source of the unadjusted figures: Federal Statistical Office. — * Economic activities of the manufacturing sector, in particular excluding manufacture of food products, beverages, tobacco and refined petroleum products; results for specific operational segments; figures excluding value-added

tax. — ◦ Using the Census X-12-ARIMA method, version 0.2.8. — ¹ Including manufacture of motor vehicles, trailers and semi-trailers. — ² Including printing and service activities related to printing.

IX Economic conditions

6 Labour market *

Period	Employed 1			Employees 1		Persons in employment 2		Short-time workers 5	Persons employed under employment-promotion schemes 6 7	Persons undergoing vocational further training 7	Unemployed 7		Unemployment rate 7 8 in %	Vacancies, 7 thousands		
	Thousands	Annual change		Thousands	Annual percentage change	Mining and manufacturing sector 3	Construction 4				Thousands	Thousands			Thousands	Annual change, thousands
		in %	Thousands														Thousands
Germany																
2003	38,723	- 0.9	- 369	34,650	- 1.3 ⁹	6,136	817	195	143	260	4,377	+ 315	10.5	355		
2004	38,868	+ 0.4	+ 145	34,652	+ 0.0	6,019	769	151	117	184	4,381	+ 93	10.5	286		
2005	38,747	- 0.3	- 121	...	...	...	...	...	62	113	4,863	+ 482	11.7	413
2004 Dec	39,100	+ 0.5	+ 186	...	...	5,978	744	133	100	149	4,464	+ 244	10.8	225
2005 Jan	38,356	+ 0.1	+ 49	...	...	5,949	684	148	85	135	5,040	+ 442	12.1	268
Feb	38,375	+ 0.1	+ 30	34,083	- 0.5	5,930	660	168	77	122	5,217	+ 575	12.6	333		
Mar	38,434	- 0.1	- 57	...	...	5,925	693	174	67	116	5,176	+ 628	12.5	394
Apr	38,557	- 0.4	- 140	...	...	5,919	721	159	59	113	4,968	+ 524	12.0	434
May	38,718	- 0.3	- 118	34,327	- 0.8	5,915	729	142	53	112	4,807	+ 513	11.6	442		
June	38,762	- 0.4	- 163	...	...	5,911	734	137	50	109	4,704	+ 471	11.3	439
July	38,703	- 0.5	- 180	...	...	5,918	734	109	50	99	4,772	+ 412	11.5	447
Aug	38,760	- 0.4	- 158	34,574	- 0.5	5,946	740	89	51	95	4,729	+ 382	11.4	464		
Sep	39,034	- 0.4	- 177	...	...	5,958	740	96	55	103	4,650	+ 393	11.2	467
Oct	39,157	- 0.5	- 202	...	...	5,937	732	102	58	111	4,556	+ 349	11.0	453
Nov	39,147	- 0.5	- 191	...	...	5,930	...	98	58	114	4,531	+ 273	10.9	422
Dec	...	...	...	...	...	...	...	...	53	113	4,606	+ 142	11.1	394
Western Germany^o																
2003	.	.	.	.	.	5,503	594	160	31	161	2,753	+ 255	8.4	292
2004	.	.	.	.	.	5,380	562	122	24	121	2,783	+ 89	8.5	239
2005	.	.	.	.	.	...	...	...	13	75	3,246	+ 464	9.9	325
2004 Dec	.	.	.	.	.	5,337	546	105	23	99	2,862	+ 174	8.7	192
2005 Jan	.	.	.	.	.	5,234	505	118	19	89	3,269	+ 341	10.0	228
Feb	.	.	.	.	.	5,215	490	133	18	80	3,423	+ 476	10.4	279
Mar	.	.	.	.	.	5,210	515	137	16	78	3,397	+ 524	10.3	320
Apr	.	.	.	.	.	5,202	533	128	14	76	3,263	+ 457	9.9	345
May	.	.	.	.	.	5,199	538	113	13	75	3,171	+ 460	9.7	344
June	.	.	.	.	.	5,194	541	110	12	73	3,117	+ 447	9.5	344
July	.	.	.	.	.	5,198	539	87	10	67	3,173	+ 412	9.6	346
Aug	.	.	.	.	.	5,221	543	69	10	63	3,166	+ 401	9.6	359
Sep	.	.	.	.	.	5,232	543	77	9	68	3,134	+ 432	9.5	357
Oct	.	.	.	.	.	5,210	535	86	9	73	3,097	+ 402	9.4	345
Nov	.	.	.	.	.	5,203	...	81	9	75	3,081	+ 352	9.4	321
Dec	.	.	.	.	.	...	...	...	9	74	3,120	+ 258	9.5	310
Eastern Germany +																
2003	.	.	.	.	.	632	223	35	112	99	1,624	+ 61	18.5	63
2004	.	.	.	.	.	639	207	29	93	63	1,599	+ 4	18.4	47
2005	.	.	.	.	.	...	...	...	49	38	1,617	+ 18	18.8	88
2004 Dec	.	.	.	.	.	641	199	28	77	50	1,602	+ 70	18.5	33
2005 Jan	.	.	.	.	.	715	179	30	65	46	1,771	+ 101	20.5	40
Feb	.	.	.	.	.	715	170	35	59	41	1,794	+ 99	20.7	54
Mar	.	.	.	.	.	715	178	36	51	38	1,779	+ 104	20.5	74
Apr	.	.	.	.	.	717	188	31	45	37	1,705	+ 67	19.7	89
May	.	.	.	.	.	717	191	29	41	37	1,636	+ 54	18.9	98
June	.	.	.	.	.	717	193	27	38	36	1,587	+ 23	18.5	96
July	.	.	.	.	.	720	195	21	39	32	1,599	- 0	18.6	101
Aug	.	.	.	.	.	724	197	20	42	32	1,562	- 19	18.2	106
Sep	.	.	.	.	.	727	197	19	46	34	1,516	- 39	17.6	110
Oct	.	.	.	.	.	727	196	17	49	37	1,459	- 53	17.0	108
Nov	.	.	.	.	.	727	...	17	49	39	1,450	- 79	16.9	100
Dec	.	.	.	.	.	...	...	...	45	38	1,486	- 117	17.3	84

Sources: Federal Statistical Office; Federal Employment Agency. — * Annual and quarterly figures: averages; annual figures: calculated by the Bundesbank; deviations from the official figures are due to rounding. — ^o Excluding West Berlin. — + Including West Berlin. — 1 Work-place concept; averages. — 2 Including active proprietors; monthly figures: end of month. — 3 Up to December 2004, western Germany including West Berlin and eastern Germany excluding West Berlin. — 4 The figures refer to the economic classifications "Site preparation" and "Building of complete constructions or parts thereof; civil engineering". — 5 Mid-month level. — 6 Employees involved in job creation schemes and structural adjustment measures (SAM); provisional and partly revised data. — 7 Mid-month level; end of month figures up to December 2004. — 8 Relative to the total civilian labour force. — 9 The figures from 2003 onwards are positively affected by the first-time in-

clusion of firms which are required to report and which have been identified in the course of drawing up the corporate register. — 10 From January 2004, unemployed persons excluding all those participating in occupational aptitude testing and training schemes. — 11 From January 2005, unemployed persons including recipients of social assistance who are able to work. — 12 From January 2005, including offers of job opportunities. — 13 From June 2005, calculated on the basis of new labour force figures. — 14 Annualised data from the Federal Employment Agency based on information received so far. — 15 Initial preliminary estimate by the Federal Statistical Office. — 16 From September 2005, unemployed persons including recipients of social assistance who are able to work registered with municipalities having separate responsibility for the unemployed.

IX Economic conditions
**8 Households' income *
Germany**

Up to end-1998 DM billion; from 1999 € billion

Period	Gross wages and salaries 1		Net wages and salaries 2		Monetary social benefits received 3		Mass income 4		Disposable income 5		Saving 6		Saving ratio 7
	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	
1991	1,355.4	.	940.9	.	426.1	.	1,367.0	.	1,975.5	.	254.7	.	12.9
1992	1,466.6	8.2	1,001.9	6.5	473.9	11.2	1,475.8	8.0	2,120.2	7.3	268.8	5.6	12.7
1993	1,504.2	2.6	1,030.5	2.9	511.2	7.9	1,541.7	4.5	2,194.0	3.5	264.5	- 1.6	12.1
1994	1,526.0	1.4	1,026.6	- 0.4	529.3	3.5	1,555.9	0.9	2,275.7	3.7	259.1	- 2.1	11.4
1995	1,575.1	3.2	1,034.9	0.8	553.5	4.6	1,588.4	2.1	2,344.9	3.0	257.6	- 0.6	11.0
1996	1,592.5	1.1	1,029.9	- 0.5	599.0	8.2	1,629.0	2.6	2,386.5	1.8	251.7	- 2.3	10.5
1997	1,589.7	- 0.2	1,012.9	- 1.7	613.2	2.4	1,626.1	- 0.2	2,427.6	1.7	245.4	- 2.5	10.1
1998	1,623.0	2.1	1,036.3	2.3	625.0	1.9	1,661.3	2.2	2,474.2	1.9	249.4	1.7	10.1
1999	854.6	3.0	547.5	3.3	330.5	3.4	878.0	3.4	1,297.7	2.6	122.7	- 3.8	9.5
2000	883.4	3.4	569.6	4.0	339.9	2.8	909.5	3.6	1,337.4	3.1	123.2	0.4	9.2
2001	902.0	2.1	590.0	3.6	353.8	4.1	943.9	3.8	1,389.5	3.9	130.9	6.2	9.4
2002	908.4	0.7	591.5	0.2	368.7	4.2	960.1	1.7	1,406.1	1.2	139.4	6.5	9.9
2003	907.7	- 0.1	587.5	- 0.7	379.0	2.8	966.5	0.7	1,435.5	2.1	147.9	6.1	10.3
2004	912.0	0.5	600.3	2.2	379.3	0.1	979.6	1.4	1,466.4	2.1	153.8	4.0	10.5
2003 Q4	252.1	- 0.4	162.2	- 0.4	95.7	3.1	257.9	0.9	365.6	1.2	32.1	1.4	8.8
2004 Q1	213.5	0.9	140.2	2.2	96.7	1.7	236.9	2.0	367.1	1.7	50.8	0.2	13.8
Q2	219.9	1.0	142.4	3.4	94.0	0.2	236.4	2.1	360.6	1.7	35.6	4.2	9.9
Q3	226.5	0.1	153.0	1.7	93.7	- 0.7	246.6	0.8	360.5	1.7	32.4	4.7	9.0
Q4	252.1	- 0.0	164.7	1.5	95.0	- 0.8	259.7	0.7	378.2	3.4	35.1	9.2	9.3
2005 Q1	213.2	- 0.1	140.9	0.4	95.3	- 1.5	236.2	- 0.3	370.3	0.9	52.6	3.7	14.2
Q2	219.1	- 0.4	142.3	- 0.1	94.7	0.7	237.0	0.3	367.6	1.9	37.0	3.7	10.1
Q3	225.4	- 0.5	152.2	- 0.5	93.9	0.3	246.1	- 0.2	365.8	1.5	33.0	2.1	9.0

Source: Federal Statistical Office; figures computed in November 2005. — * Households including non-profit institutions serving households. — 1 Residence concept. — 2 After deducting the wage tax payable on gross wages and salaries and employees' contributions to the social security funds. — 3 Social security benefits in cash from the social security funds, central, state and local government and foreign countries, pension payments (net), private funded social benefits, less social contributions on social benefits, consumption-related taxes and public charges. — 4 Net wages and salaries

plus monetary social benefits received. — 5 Mass income plus operating surplus, mixed income, property income (net), other current transfers received, income of non-profit institutions serving households, less taxes (excluding wage tax and consumption-related taxes) and other current transfers paid. Including the increase in claims on company pension funds. — 6 Including the increase in claims on company pension funds. — 7 Saving as a percentage of disposable income.

**9 Pay rates and actual earnings
Germany**

Period	Overall economy						Production sector (including construction)					
	Negotiated wage and salary level 1				Wages and salaries per employee (workplace concept) 2		Negotiated wage and salary level 1				Wages and salaries per employee (workplace concept) 3	
	on an hourly basis		on a monthly basis		2000 = 100	Annual percentage change	on an hourly basis		on a monthly basis		2000 = 100	Annual percentage change
	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change			2000 = 100	Annual percentage change	2000 = 100	Annual percentage change		
1995	89.8	4.9	90.2	4.6	94.8	3.1	88.3	6.1	89.5	5.5	89.9	4.1
1996	92.1	2.6	92.3	2.4	96.2	1.4	91.6	3.8	92.0	2.9	92.5	2.9
1997	93.5	1.5	93.7	1.5	96.3	0.2	93.4	1.9	93.6	1.7	94.2	1.7
1998	95.2	1.9	95.3	1.8	97.2	0.9	95.1	1.8	95.1	1.7	95.7	1.6
1999	97.9	2.8	98.0	2.7	98.6	1.4	98.0	3.1	98.0	3.0	97.4	1.8
2000	100.0	2.1	100.0	2.1	100.0	1.5	100.0	2.0	100.0	2.0	100.0	2.7
2001	102.0	2.0	101.9	1.9	101.8	1.8	101.8	1.8	101.7	1.7	102.2	2.2
2002	104.7	2.7	104.6	2.6	103.2	1.4	105.0	3.2	104.8	3.1	104.3	2.0
2003	106.7	2.0	106.7	2.0	104.4	1.2	107.6	2.5	107.4	2.4	.	.
2004	108.0	1.2	108.2	1.3	104.9	0.5	109.6	1.8	109.3	1.8	.	.
2003 Q4	120.1	1.2	120.1	1.2	115.0	0.4	119.4	2.3	119.1	2.2	.	.
2004 Q1	99.8	1.8	99.9	1.9	99.2	1.3	99.9	3.2	99.7	3.2	.	.
Q2	100.2	1.4	100.3	1.5	101.4	0.9	100.1	1.4	99.9	1.4	.	.
Q3	111.2	1.0	111.3	1.1	104.0	- 0.0	116.6	0.8	116.3	0.8	.	.
Q4	120.9	0.7	121.1	0.9	114.7	- 0.2	121.8	2.0	121.5	2.0	.	.
2005 Q1	101.0	1.2	101.3	1.4	99.5	0.3	101.4	1.6	101.2	1.5	.	.
Q2	101.1	1.0	101.4	1.2	101.8	0.4	101.3	1.2	101.1	1.2	.	.
Q3	112.2	0.9	112.5	1.1	104.2	0.2	118.4	1.6	118.2	1.6	.	.
2005 May	101.0	0.5	101.3	0.8	.	.	101.4	0.6	101.2	0.6	.	.
June	101.0	0.8	101.3	1.0	.	.	101.4	1.5	101.2	1.5	.	.
July	133.7	1.0	134.1	1.2	.	.	151.9	1.5	151.5	1.5	.	.
Aug	101.4	0.8	101.7	1.0	.	.	101.8	1.7	101.5	1.7	.	.
Sep	101.6	1.0	101.9	1.1	.	.	101.7	1.6	101.5	1.6	.	.
Oct	102.4	1.1	102.8	1.2	.	.	103.7	1.1	103.5	1.1	.	.
Nov	160.9	0.3	161.4	0.4	.	.	165.3	1.5	164.9	1.5	.	.

1 Current data are normally revised upwards on account of additional reports. — 2 Source: Federal Statistical Office; figures computed in November 2005. — 3 Production sector, excluding electricity, gas, steam and hot water supply, and excluding installation and building completion work.

Calculated by the Bundesbank on the basis of data from the Federal Statistical Office, using the old and new classifications of the economic sectors.

X External sector

1 Major items of the balance of payments of the euro area *

€ million

Item	2002	2003	2004	2005					
				Q1	Q2	Q3	Aug	Sep	Oct
A Current account	+ 57,341	+ 33,924	+ 45,594	+ 3,520	- 13,335	- 3,887	- 1,691	- 3,535	- 9,170
1 Goods									
Exports (fob)	1,061,622	1,041,169	1,133,107	278,880	304,282	309,448	97,861	108,040	107,989
Imports (fob)	931,423	933,014	1,026,438	263,320	285,529	292,710	95,739	103,308	105,652
Balance	+ 130,198	+ 108,157	+ 106,669	+ 15,560	+ 18,753	+ 16,738	+ 2,122	+ 4,732	+ 2,336
2 Services									
Receipts	331,073	331,859	360,309	83,924	94,991	101,715	33,169	33,200	33,166
Expenditure	317,360	312,310	332,014	80,700	85,525	93,290	31,409	30,350	29,661
Balance	+ 13,713	+ 19,550	+ 28,294	+ 3,224	+ 9,466	+ 8,424	+ 1,760	+ 2,850	+ 3,505
3 Income	- 37,608	- 37,363	- 33,087	- 3,049	- 25,486	- 10,332	+ 5	- 3,587	- 9,520
4 Current transfers									
Transfer payments from non-residents	85,093	81,703	81,048	32,330	16,645	15,217	5,560	4,559	4,198
Transfer payments to non-residents	134,056	138,121	137,330	44,544	32,712	33,935	11,138	12,090	9,690
Balance	- 48,963	- 56,416	- 56,284	- 12,215	- 16,068	- 18,718	- 5,578	- 7,531	- 5,492
B Capital account	+ 10,219	+ 12,902	+ 17,416	+ 1,123	+ 3,889	+ 2,885	+ 839	+ 1,182	+ 761
C Financial account (net capital exports: -)	- 15,240	+ 4,121	- 8,314	+ 25,896	+ 46,021	+ 18,758	- 5,311	+ 26,005	- 6,591
1 Direct investment	+ 21,890	- 1,660	- 46,778	- 20,048	- 11,605	- 93,981	- 15,000	+ 2,188	- 933
By resident units abroad	- 170,067	- 139,680	- 130,798	- 32,325	- 27,047	- 103,962	- 11,742	- 9,632	- 4,327
By non-resident units in the euro area	+ 191,955	+ 138,018	+ 84,020	+ 12,277	+ 15,442	+ 9,982	- 3,258	+ 11,821	+ 3,395
2 Portfolio investment	+ 136,304	+ 68,904	+ 71,199	+ 3,801	+ 106,651	+ 70,197	- 19,458	+ 14,326	- 5,142
By resident units abroad	- 176,262	- 278,253	- 330,759	- 123,096	- 89,732	- 113,185	- 37,394	- 41,695	- 19,338
Equity	- 38,965	- 77,369	- 102,824	- 48,186	- 746	- 21,425	- 2,801	- 3,931	- 2,582
Bonds and notes	- 88,625	- 176,796	- 174,849	- 74,472	- 74,338	- 75,752	- 21,695	- 34,932	- 28,377
Money market instruments	- 48,669	- 24,090	- 53,087	- 438	- 14,648	- 16,008	- 12,898	- 2,832	+ 11,622
By non-resident units in the euro area	+ 312,563	+ 347,157	+ 401,959	+ 126,897	+ 196,384	+ 183,382	+ 17,936	+ 56,021	+ 14,196
Equity	+ 85,379	+ 111,627	+ 137,498	+ 36,513	+ 27,595	+ 137,860	+ 23,042	+ 9,792	- 9,965
Bonds and notes	+ 167,367	+ 197,481	+ 255,815	+ 45,263	+ 155,676	+ 24,336	- 10,700	+ 32,406	+ 20,013
Money market instruments	+ 59,821	+ 38,050	+ 8,648	+ 45,122	+ 13,113	+ 21,187	+ 5,594	+ 13,824	+ 4,148
3 Financial derivatives	- 10,953	- 11,172	- 4,820	- 7,189	+ 3,203	- 7,627	- 6,304	- 2,034	- 1,449
4 Other investment	- 159,908	- 80,167	- 40,438	+ 44,484	- 55,335	+ 48,176	+ 35,557	+ 11,862	+ 859
Eurosysteem	+ 18,443	+ 9,145	+ 6,952	+ 5,220	- 914	+ 4,678	+ 1,058	+ 4,710	- 985
General government	- 8,112	- 3,807	- 4,861	+ 4,270	- 9,176	+ 8,980	+ 6,713	+ 2,018	+ 2,300
MFIs (excluding the Eurosysteem)	- 142,184	- 17,593	- 12,692	+ 69,095	- 52,180	+ 43,627	+ 24,829	+ 11,211	+ 1,628
Long-term	+ 17,649	+ 1,548	- 23,246	- 11,260	+ 3,570	- 22,043	- 2,362	- 12,747	- 4,413
Short-term	- 159,835	- 19,142	+ 10,554	+ 80,355	- 55,748	+ 65,670	+ 27,191	+ 23,958	+ 6,040
Other sectors 1	- 28,053	- 67,915	- 29,839	- 34,102	+ 6,932	- 9,108	+ 2,957	- 6,077	- 2,083
5 Reserve assets (Increase: -)	- 2,571	+ 28,217	+ 12,524	+ 4,847	+ 3,108	+ 1,992	- 106	- 338	+ 73
D Errors and omissions	- 52,320	- 50,948	- 54,698	- 30,539	- 36,575	- 17,753	+ 6,164	- 23,651	+ 15,001

* Source: European Central Bank. — 1 Enterprises and households.

X External sector

4 Services and income of the Federal Republic of Germany
(balances)

€ million

Period	Services							Other services			Compensation of employees ⁵	Investment income
	Total	Travel ¹	Transportation ²	Financial services	Patents and licences	Government transactions ³	Total	of which				
								Services of self-employed persons ⁴	Construction and assembly work, repairs			
2000	- 49,006	- 37,188	+ 3,386	+ 1,668	- 3,012	+ 2,221	- 16,081	- 2,757	- 753	- 651	- 6,625	
2001	- 49,862	- 37,821	+ 4,254	+ 1,080	- 2,431	+ 3,488	- 18,433	- 2,544	- 591	- 359	- 9,115	
2002	- 35,473	- 35,154	+ 2,771	+ 1,418	- 1,556	+ 5,237	- 8,188	- 2,028	+ 497	- 30	- 14,712	
2003	- 33,970	- 36,761	+ 1,719	+ 1,624	- 755	+ 5,086	- 4,884	- 1,814	+ 1,440	- 155	- 13,628	
2004	- 30,964	- 34,822	+ 4,318	+ 1,626	- 531	+ 5,316	- 6,870	- 1,342	+ 819	+ 262	- 145	
2004 Q1	- 7,088	- 6,493	+ 590	+ 389	- 167	+ 1,275	- 2,681	- 336	+ 267	+ 308	- 771	
Q2	- 5,945	- 8,722	+ 1,532	+ 306	- 291	+ 1,442	- 213	- 368	+ 71	- 11	- 2,390	
Q3	- 11,400	- 13,584	+ 1,011	+ 464	+ 21	+ 1,425	- 738	- 294	+ 220	- 161	+ 1,632	
Q4	- 6,531	- 6,023	+ 1,184	+ 466	- 94	+ 1,174	- 3,238	- 344	+ 261	+ 127	+ 1,384	
2005 Q1	- 6,322	- 6,924	+ 1,202	+ 404	+ 1,010	+ 1,104	- 3,117	- 341	+ 91	+ 246	+ 1,534	
Q2	- 5,636	- 7,799	+ 1,470	+ 474	- 302	+ 950	- 429	- 350	+ 35	- 138	- 2,138	
Q3	- 13,169	- 14,454	+ 1,697	+ 299	- 390	+ 908	- 1,229	- 422	- 3	- 249	+ 2,265	
2005 Jan	- 2,652	- 2,346	+ 252	+ 140	+ 1,175	+ 379	- 2,253	- 136	- 5	+ 87	+ 129	
Feb	- 1,796	- 2,104	+ 476	+ 74	+ 22	+ 343	- 608	- 89	- 76	+ 74	+ 544	
Mar	- 1,873	- 2,474	+ 473	+ 190	- 187	+ 382	- 257	- 116	+ 172	+ 85	+ 862	
Apr	- 936	- 1,692	+ 435	+ 204	- 249	+ 325	+ 42	- 101	+ 102	- 47	- 2,008	
May	- 2,460	- 2,830	+ 511	+ 138	+ 2	+ 303	- 584	- 118	- 13	- 48	- 973	
June	- 2,240	- 3,277	+ 524	+ 132	- 54	+ 322	+ 114	- 131	- 54	- 43	+ 843	
July	- 3,606	- 3,601	+ 578	- 21	- 288	+ 221	- 496	- 163	+ 31	- 92	+ 685	
Aug	- 5,613	- 5,985	+ 566	+ 115	+ 52	+ 404	- 764	- 126	- 7	- 67	+ 522	
Sep	- 3,951	- 4,869	+ 552	+ 205	- 154	+ 284	+ 31	- 132	- 27	- 90	+ 1,058	
Oct	- 2,967	- 3,667	+ 575	+ 133	- 308	+ 250	+ 50	- 150	+ 26	+ 4	+ 920	
Nov	- 1,934	- 1,925	+ 449	+ 120	- 35	+ 234	- 778	- 161	+ 173	+ 18	+ 723	

1 From January 2002, figures subject to significant uncertainty. — 2 Excluding the expenditure on freight included in the cif import figure. — 3 Including the receipts from foreign military agencies for goods and ser-

vices supplied. — 4 Engineering and other technical services, research and development, commercial services, etc. — 5 Wages and salaries.

5 Current transfers of the Federal Republic of Germany
(balances)

€ million

Period	Public 1					Private 1			Total ⁴	Public 1	Private 1
	Total	Total	International organisations ²		Other current transfers ³	Total	Remittances by foreign workers	Other current transfers			
			Total	of which European Communities							
2000	- 28,354	- 19,094	- 17,100	- 15,398	- 1,995	- 9,260	- 3,458	- 5,802	- 1,599	- 1,189	- 410
2001	- 27,416	- 16,927	- 14,257	- 12,587	- 2,670	- 10,489	- 3,520	- 6,969	- 387	- 1,361	+ 974
2002	- 28,061	- 16,286	- 13,045	- 11,214	- 3,241	- 11,776	- 3,470	- 8,305	- 212	- 1,416	+ 1,204
2003	- 28,684	- 18,730	- 15,426	- 13,730	- 3,304	- 9,954	- 3,332	- 6,622	+ 312	- 1,238	+ 1,550
2004	- 28,423	- 17,570	- 14,216	- 12,739	- 3,354	- 10,853	- 3,180	- 7,673	+ 430	- 1,094	+ 1,524
2004 Q1	- 5,711	- 3,169	- 2,316	- 1,672	- 853	- 2,541	- 795	- 1,747	+ 280	- 254	+ 535
Q2	- 7,553	- 4,457	- 4,469	- 4,162	+ 12	- 3,096	- 795	- 2,301	+ 177	- 239	+ 416
Q3	- 8,605	- 5,714	- 4,434	- 4,142	- 1,280	- 2,891	- 795	- 2,096	+ 191	- 261	+ 451
Q4	- 6,554	- 4,229	- 2,996	- 2,763	- 1,233	- 2,324	- 795	- 1,529	- 218	- 340	+ 122
2005 Q1	- 7,328	- 4,720	- 3,734	- 3,189	- 986	- 2,608	- 732	- 1,877	- 1,493	- 2,040	+ 547
Q2	- 6,488	- 3,534	- 3,771	- 3,322	+ 236	- 2,953	- 732	- 2,222	+ 105	- 315	+ 420
Q3	- 7,802	- 5,221	- 4,470	- 4,151	- 751	- 2,582	- 732	- 1,850	+ 49	- 331	+ 379
2005 Jan	- 2,621	- 1,739	- 1,456	- 1,156	- 283	- 881	- 244	- 638	- 1,218	- 1,896	+ 678
Feb	- 2,363	- 1,484	- 1,059	- 901	- 426	- 879	- 244	- 635	- 106	- 63	- 43
Mar	- 2,344	- 1,496	- 1,219	- 1,132	- 277	- 848	- 244	- 604	- 169	- 81	- 88
Apr	- 1,479	- 591	- 1,043	- 987	+ 452	- 888	- 244	- 644	- 199	- 101	- 98
May	- 2,063	- 922	- 1,014	- 949	+ 91	- 1,141	- 244	- 897	+ 273	- 114	+ 387
June	- 2,945	- 2,021	- 1,714	- 1,386	- 307	- 924	- 244	- 680	+ 32	- 99	+ 131
July	- 2,595	- 1,687	- 1,360	- 1,232	- 328	- 908	- 244	- 664	+ 101	- 88	+ 189
Aug	- 2,256	- 1,452	- 1,202	- 1,053	- 250	- 804	- 244	- 560	- 86	- 142	+ 55
Sep	- 2,951	- 2,081	- 1,908	- 1,867	- 173	- 870	- 244	- 626	+ 34	- 101	+ 134
Oct	- 2,310	- 1,516	- 1,057	- 998	- 459	- 794	- 244	- 550	+ 325	- 109	+ 434
Nov	- 2,820	- 1,940	- 1,846	- 1,757	- 94	- 880	- 244	- 636	- 105	- 104	- 1

1 The classification of "public" and "private" transfers depends on the sector to which the participating domestic body belongs. — 2 Current contributions to the budgets of international organisations and to the EU budget

(excluding capital transfers). — 3 Payments to developing countries, pension payments, tax revenue and refunds, etc. — 4 Where identifiable; in particular, debt forgiveness.

7 Financial account of the Federal Republic of Germany

€ million

Item	2002	2003	2004	2004		2005				
				Q4	Q1	Q2	Q3	Sep	Oct	Nov
I Net German investment abroad (Increase/capital exports: -)	- 254,047	- 199,019	- 253,924	- 50,233	- 150,091	- 93,010	- 70,834	- 48,837	- 45,322	- 47,436
1 Direct investment 1	- 16,120	+ 3,556	+ 5,853	+ 8,734	- 10,463	- 13,022	- 2,767	- 1,698	- 4,952	- 854
Equity capital	- 38,612	- 14,801	+ 25,938	+ 1,188	- 2,741	- 4,905	- 897	- 619	- 5,545	+ 113
Reinvested earnings 2	+ 9,740	+ 4,251	+ 899	+ 925	- 220	+ 2,706	+ 2,008	+ 1,150	- 385	- 222
Credit transactions of German direct investors	+ 21,345	+ 24,060	- 13,415	+ 8,209	- 6,713	- 9,203	- 3,084	- 1,664	+ 1,218	- 432
Other capital	- 8,594	- 9,954	- 7,570	- 1,587	- 789	- 1,620	- 794	- 565	- 241	- 313
2 Portfolio investment	- 62,944	- 47,377	- 112,900	- 19,534	- 66,878	- 54,557	- 28,210	- 19,209	- 7,064	- 33,390
Equity 3	- 4,674	+ 7,434	+ 6,199	- 2,127	+ 794	+ 1,040	- 3,597	- 1,372	+ 1,245	- 21,011
Mutual fund shares 4	- 7,088	- 4,073	- 11,951	+ 780	- 14,506	- 7,765	- 11,687	- 4,672	- 3,062	- 1,278
Bonds and notes 5	- 47,456	- 54,045	- 99,938	- 20,222	- 55,973	- 45,813	- 8,596	- 11,278	- 5,283	- 11,577
Money market instruments	- 3,726	+ 3,307	+ 7,210	+ 2,035	+ 2,808	- 2,019	- 4,330	- 1,886	+ 37	+ 477
3 Financial derivatives 6	- 942	- 63	- 4,193	- 3,427	- 3,437	- 567	- 2,953	- 42	- 3,637	+ 214
4 Credit transactions	- 172,354	- 152,053	- 139,099	- 35,009	- 68,134	- 23,794	- 35,799	- 27,547	- 29,400	- 13,136
MFIs 7,8	- 132,536	- 122,305	- 121,390	- 37,222	- 57,496	- 46,925	- 19,085	- 29,393	- 18,280	- 4,301
Long-term	- 33,790	- 32,555	+ 6,297	- 1,864	- 11,076	- 20,999	- 21,228	- 10,939	- 1,937	+ 1,562
Short-term	- 98,746	- 89,750	- 127,687	- 35,358	- 46,420	- 25,926	+ 2,144	- 18,454	- 16,343	- 5,863
Enterprises and households	- 10,976	- 31,245	- 17,436	- 639	- 14,492	+ 9,171	- 10,950	- 9,309	- 2,588	+ 2,767
Long-term	- 1,396	- 2,880	- 3,363	- 845	- 1,091	- 2,506	- 682	+ 436	- 246	- 394
Short-term 7	- 9,580	- 28,365	- 14,072	+ 206	- 13,401	+ 11,678	- 10,268	- 9,745	- 2,342	+ 3,161
General government	+ 7,168	+ 1,267	+ 2,578	+ 165	+ 8,686	- 1,488	+ 3,844	- 1,494	- 502	+ 2,041
Long-term	+ 218	+ 694	+ 781	+ 285	+ 2,200	+ 1,144	+ 4,825	+ 327	+ 31	- 127
Short-term 7	+ 6,950	+ 572	+ 1,798	+ 120	+ 6,486	- 2,633	- 981	- 1,820	- 534	+ 2,168
Bundesbank	- 36,010	+ 230	- 2,851	+ 2,687	- 4,833	+ 15,449	- 9,607	+ 12,648	- 8,029	- 13,643
5 Other investment 9	- 1,686	- 3,083	- 3,586	- 996	- 1,180	- 1,071	- 1,106	- 341	- 269	- 270
II Net foreign investment in Germany (Increase/capital imports: +)	+ 211,222	+ 152,812	+ 141,296	+ 21,026	+ 126,058	+ 71,474	+ 48,425	+ 38,928	+ 40,013	+ 36,753
1 Direct investment 1	+ 53,679	+ 23,841	- 28,054	+ 1,042	- 181	+ 3,622	- 268	+ 3,419	+ 6,382	+ 20,209
Equity capital	+ 35,874	+ 40,475	+ 21,585	+ 11,385	+ 941	+ 4,918	+ 1,047	+ 784	+ 2,629	+ 19,017
Reinvested earnings 2	- 7,080	- 7,668	- 6,415	- 1,152	- 621	- 2,274	- 142	- 169	+ 60	- 140
Credit transactions of foreign direct investors	+ 25,081	- 8,780	- 43,242	- 9,155	- 502	+ 957	- 1,245	+ 2,726	+ 3,521	+ 1,294
Other capital	- 197	- 186	+ 19	- 37	+ 2	+ 21	+ 72	+ 78	+ 172	+ 38
2 Portfolio investment	+ 126,710	+ 112,285	+ 133,656	+ 24,233	+ 55,080	+ 85,298	+ 36,515	+ 19,500	+ 9,509	+ 6,775
Equity 3	+ 15,907	+ 24,188	- 5,198	+ 491	+ 3,534	+ 26,364	+ 8,327	+ 6,284	- 89	- 2,971
Mutual fund shares	- 682	- 1,844	+ 5,064	+ 1,181	+ 128	+ 821	+ 1,834	- 916	- 1,767	+ 136
Bonds and notes 5	+ 82,880	+ 67,141	+ 147,724	+ 22,575	+ 41,947	+ 58,932	+ 27,141	+ 16,555	+ 13,150	+ 11,175
Money market instruments	+ 28,605	+ 22,799	- 13,934	- 13	+ 9,472	- 819	- 786	- 2,423	- 1,785	- 1,565
3 Credit transactions	+ 30,751	+ 16,647	+ 35,476	- 4,314	+ 71,229	- 17,444	+ 12,053	+ 15,960	+ 23,845	+ 9,794
MFIs 7,8	+ 28,453	+ 10,701	+ 32,357	- 749	+ 64,383	- 17,797	+ 3,196	+ 9,690	+ 20,511	+ 10,489
Long-term	+ 18,379	- 5,972	- 10,060	- 5,154	- 2,253	+ 4,527	- 755	+ 40	- 2,695	- 4,804
Short-term	+ 10,075	+ 16,672	+ 42,417	+ 4,405	+ 66,636	- 22,324	+ 3,951	+ 9,650	+ 23,206	+ 15,293
Enterprises and households	+ 3,270	+ 283	+ 7,188	- 1,990	+ 3,463	+ 510	+ 10,662	+ 5,847	+ 3,164	+ 105
Long-term	+ 5,188	- 545	+ 3,919	- 325	+ 3,318	+ 8	+ 3,118	+ 2,751	+ 175	- 843
Short-term 7	- 1,918	+ 828	+ 3,269	- 1,665	+ 145	+ 502	+ 7,544	+ 3,096	+ 2,989	+ 948
General government	- 1,625	+ 3,680	- 1,619	- 2,044	+ 5,152	+ 533	- 3,550	- 1,660	+ 391	+ 246
Long-term	- 125	+ 4,859	- 385	- 845	+ 3,015	- 840	+ 476	- 480	- 166	+ 316
Short-term 7	- 1,500	- 1,179	- 1,233	- 1,199	+ 2,137	+ 1,374	- 4,026	- 1,180	+ 557	- 71
Bundesbank	+ 653	+ 1,983	- 2,451	+ 469	- 1,769	- 690	+ 1,746	+ 2,083	- 222	- 1,046
4 Other investment	+ 83	+ 40	+ 218	+ 65	- 71	- 1	+ 124	+ 49	+ 278	- 24
III Balance of all statistically recorded financial movements (Net capital exports: -)	- 42,825	- 46,207	- 112,628	- 29,208	- 24,033	- 21,536	- 22,409	- 9,909	- 5,309	- 10,683

1 From 1996, new definition for direct investment. — 2 Estimated. — 3 Including participation rights. — 4 From 1991, including accumulated earnings. — 5 From 1975, excluding accrued interest. — 6 Options, whether evidenced by securities or not, and financial futures contracts. — 7 The trans-

action values shown here are mostly derived from changes in stocks. Purely statistical changes have been eliminated as far as possible. — 8 Excluding the Deutsche Bundesbank. — 9 In particular, subscriptions of the Federal Government to international organisations.

X External sector

8 External position of the Bundesbank *

DM million

End of year or month	Reserve assets and other claims on non-residents						Liabilities vis-à-vis non-residents				Net external position (col 1 less col 8)
	Reserve assets						Loans and other claims on non- residents 3	Total	Liabilities arising from external trans- actions 4	Liabilities arising from liquidity Treasury discount paper	
	Total	Gold	Foreign currency balances 1	Reserve position in the Inter- national Monetary Fund and special drawing rights	Claims on the ECB 2 (net)	Total					
1	2	3	4	5	6	7	8	9	10	11	
1994	115,965	113,605	13,688	60,209	7,967	31,742	2,360	24,192	19,581	4,611	91,774
1995	123,261	121,307	13,688	68,484	10,337	28,798	1,954	16,390	16,390	–	106,871
1996	120,985	119,544	13,688	72,364	11,445	22,048	1,441	15,604	15,604	–	105,381
1997	127,849	126,884	13,688	76,673	13,874	22,649	966	16,931	16,931	–	110,918
1998	135,085	134,005	17,109	100,363	16,533	–	1,079	15,978	15,978	–	119,107

* Valuation of the gold holdings and the claims on non-residents in accordance with 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 preceding year's balance sheet rates. — 1 Mainly US dollar assets. — 2 European Central Bank (up to 1993, claims on the European

Monetary Cooperation Fund (EMCF)). — 3 Including loans to the World Bank. — 4 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.

9 External position of the Bundesbank in the euro area °

€ million

End of year or month	Reserve assets and other claims on non-residents						Other claims on non-euro- area residents 1,3	Claims within the Eurosystem (net) 2	Other claims on residents in other euro-area member states	Liabilities vis-à-vis non- residents 3	Net external position (col 1 less col 9)
	Reserve assets										
	Total	Gold and gold receivables	Reserve position in the Inter- national Monetary Fund and special drawing rights	Foreign currency reserves	Total	Total					
1	2	3	4	5	6	7	8	9	10		
1999 Jan 4	95,316	93,940	29,312	8,461	56,167	140	1,225	11	8,169	87,146	
1999	141,958	93,039	32,287	8,332	52,420	9,162	39,746	11	6,179	135,779	
2000	100,762	93,815	32,676	7,762	53,377	313	6,620	14	6,592	94,170	
2001	76,147	93,215	35,005	8,721	49,489	312	– 17,385	5	8,752	67,396	
2002	103,948	85,002	36,208	8,272	40,522	312	18,466	167	9,005	94,942	
2003	95,394	76,680	36,533	7,609	32,538	312	17,945	456	10,443	84,951	
2004	93,110	71,335	35,495	6,548	29,292	312	20,796	667	7,935	85,175	
2005	130,268	86,181	47,924	4,549	33,708	350	42,830	906	6,285	123,983	
2004 July	70,865	76,076	35,721	7,395	32,960	312	– 6,009	486	8,545	62,320	
Aug	87,570	77,171	37,195	7,395	32,581	312	9,455	632	7,755	79,815	
Sep	100,176	75,729	36,680	6,996	32,054	312	23,480	655	7,625	92,552	
Oct	76,043	74,334	36,935	6,889	30,510	312	740	656	7,128	68,915	
Nov	85,702	73,506	37,527	6,685	29,294	312	11,233	651	6,937	78,765	
Dec	93,110	71,335	35,495	6,548	29,292	312	20,796	667	7,935	85,175	
2005 Jan	94,895	73,556	35,888	6,634	31,034	312	20,327	699	6,315	88,580	
Feb	75,603	72,794	36,348	6,538	29,908	312	1,809	687	5,542	70,061	
Mar	100,452	73,813	36,399	6,143	31,271	312	25,627	699	6,322	94,131	
Apr	87,967	74,123	36,905	6,096	31,123	312	12,782	750	6,123	81,845	
May	107,063	76,431	37,282	6,340	32,809	350	29,451	831	6,292	100,771	
June	90,055	78,700	39,816	5,830	33,054	350	10,141	864	5,822	84,232	
July	90,752	77,205	38,927	5,007	33,270	350	12,291	907	6,491	84,261	
Aug	109,966	76,342	39,121	4,990	32,231	350	32,397	878	5,456	104,511	
Sep	103,805	82,825	43,325	4,994	34,506	350	19,747	883	7,580	96,225	
Oct	111,515	82,506	43,325	4,979	34,202	350	27,777	882	7,374	104,141	
Nov	127,813	85,143	46,240	5,012	33,890	350	41,420	901	6,411	121,403	
Dec	130,268	86,181	47,924	4,549	33,708	350	42,830	906	6,285	123,983	

° Claims and liabilities vis-à-vis all countries within and outside the euro area. Up to December 2000, the levels at the end of each quarter are shown, owing to revaluations, at market prices; within each quarter, however, the levels are computed on the basis of cumulative transaction values. From January 2001, all end-of-month levels are valued at market prices. — 1 Including loans to the World Bank. — 2 Including the balances in the

Bundesbank's cross-border payments within the Eurosystem. From November 2000, including the TARGET positions which were previously shown (in columns 6 and 9) as bilateral assets and liabilities vis-à-vis national central banks outside the Eurosystem. — 3 See footnote 2. — 4 Euro opening balance sheet of the Bundesbank as at 1 January 1999.

10 Assets and liabilities of enterprises in Germany (other than banks)
vis-à-vis non-residents *

€ million															
	Claims on non-residents							Liabilities vis-à-vis non-residents							
		Claims on foreign non-banks								Liabilities vis-à-vis foreign non-banks					
				from trade credits						from trade credits					
End of year or month	Total	Balances with foreign banks	Total	from financial operations	Total	Credit terms granted	Advance payments effected	Total	Loans from foreign banks	Total	from financial operations	Total	Credit terms used	Advance payments received	
All countries															
2001	358,120	62,434	295,686	171,939	123,747	114,857	8,890	505,266	60,132	445,134	354,561	90,573	65,988	24,585	
2002 4	331,671	63,817	267,854	148,913	118,941	111,406	7,535	533,423	57,696	475,727	387,850	87,877	62,622	25,255	
2003	362,099	86,627	275,472	159,653	115,819	108,515	7,304	543,186	54,822	488,364	400,431	87,933	60,464	27,469	
2004	377,540	98,632	278,908	159,764	119,144	112,342	6,802	506,434	50,211	456,223	361,111	95,112	63,762	31,350	
2005 June	401,908	98,045	303,863	175,661	128,202	120,921	7,281	512,106	55,859	456,247	357,804	98,443	65,458	32,985	
July	403,117	101,398	301,719	175,052	126,667	119,394	7,273	508,845	58,303	450,542	352,382	98,160	64,644	33,516	
Aug	399,351	101,521	297,830	174,386	123,444	116,235	7,209	510,571	62,444	448,127	350,991	97,136	63,087	34,049	
Sep	417,566	108,972	308,594	178,097	130,497	123,222	7,275	520,747	66,615	454,132	352,748	101,384	68,079	33,305	
Oct	420,570	111,087	309,483	178,222	131,261	124,035	7,226	528,902	68,611	460,291	357,918	102,373	68,261	34,112	
Nov	420,793	106,857	313,936	179,055	134,881	127,707	7,174	532,661	67,459	465,202	360,502	104,700	69,998	34,702	
Industrial countries 2															
2001	298,904	61,403	237,501	151,047	86,454	79,453	7,001	466,206	57,861	408,345	340,344	68,001	54,364	13,637	
2002 4	278,074	62,861	215,213	133,509	81,704	75,996	5,708	493,155	55,770	437,385	372,464	64,921	50,731	14,190	
2003	310,454	85,390	225,064	144,980	80,084	75,236	4,848	499,436	53,087	446,349	383,919	62,430	48,210	14,220	
2004	335,809	97,485	238,324	148,649	89,675	84,903	4,772	468,592	48,304	420,288	349,293	70,995	53,480	17,515	
2005 June	356,114	96,269	259,845	163,385	96,460	91,296	5,164	474,721	53,958	420,763	348,047	72,716	54,489	18,227	
July	357,124	99,571	257,553	162,679	94,874	89,645	5,229	471,098	56,484	414,614	342,714	71,900	53,419	18,481	
Aug	353,381	99,660	253,721	161,873	91,848	86,578	5,270	472,783	60,661	412,122	341,058	71,064	52,061	19,003	
Sep	371,231	107,071	264,160	166,063	98,097	92,748	5,349	482,492	64,857	417,635	342,758	74,877	56,565	18,312	
Oct	373,515	109,358	264,157	165,459	98,698	93,326	5,372	490,063	66,880	423,183	347,760	75,423	56,788	18,635	
Nov	372,484	104,888	267,596	165,875	101,721	96,413	5,308	492,757	65,786	426,971	350,003	76,968	58,069	18,899	
EU member states 2															
2001	198,118	58,039	140,079	79,205	60,874	55,371	5,503	372,937	53,683	319,254	275,749	43,505	34,716	8,789	
2002 4	200,930	60,118	140,812	84,643	56,169	51,693	4,476	402,561	52,503	350,058	307,920	42,138	32,650	9,488	
2003	230,673	81,430	149,243	94,092	55,151	51,459	3,692	411,811	50,304	361,507	321,010	40,497	30,855	9,642	
2004	259,480	92,867	166,613	101,254	65,359	61,563	3,796	376,461	43,838	332,623	284,173	48,450	36,494	11,956	
2005 June	272,034	92,713	179,321	109,810	69,511	65,428	4,083	383,723	49,519	334,204	283,937	50,267	37,484	12,783	
July	275,711	96,116	179,595	110,734	68,861	64,735	4,126	380,039	51,935	328,104	278,313	49,791	36,937	12,854	
Aug	274,080	96,283	177,797	111,850	65,947	61,794	4,153	382,454	56,054	326,400	277,754	48,646	35,457	13,189	
Sep	284,774	103,532	181,242	110,794	70,448	66,166	4,282	390,906	60,227	330,679	278,725	51,954	39,417	12,537	
Oct	287,390	105,073	182,317	111,001	71,316	67,017	4,299	400,294	62,240	338,054	286,162	51,892	39,101	12,791	
Nov	282,362	100,597	181,765	108,073	73,692	69,510	4,182	403,213	62,534	340,679	287,814	52,865	39,877	12,988	
of which: Euro-area member states 1															
2001	126,519	33,787	92,732	46,599	46,133	42,771	3,362	295,943	38,361	257,582	225,711	31,871	24,878	6,993	
2002 4	129,490	32,521	96,969	54,542	42,427	39,350	3,077	331,733	37,366	294,367	263,863	30,504	22,996	7,508	
2003	147,633	45,887	101,746	59,279	42,467	39,619	2,848	338,794	29,541	309,253	279,101	30,152	22,748	7,404	
2004	164,160	55,995	108,165	63,310	44,855	42,231	2,624	305,864	28,295	277,569	244,860	32,709	24,258	8,451	
2005 June	169,344	53,639	115,705	68,377	47,328	44,490	2,838	315,953	29,801	286,152	253,133	33,019	24,049	8,970	
July	172,579	57,070	115,509	69,272	46,237	43,359	2,878	309,986	30,160	279,826	247,496	32,330	23,338	8,992	
Aug	175,804	61,453	114,351	70,430	43,921	41,001	2,920	309,063	31,545	277,518	246,975	30,543	21,372	9,171	
Sep	180,285	64,028	116,257	69,219	47,038	44,019	3,019	312,099	31,185	280,914	247,896	33,018	24,221	8,797	
Oct	185,476	68,024	117,452	69,674	47,778	44,748	3,030	322,574	32,605	289,969	256,370	33,599	24,616	8,983	
Nov	180,007	62,982	117,025	67,580	49,445	46,426	3,019	324,003	32,297	291,706	258,088	33,618	24,397	9,221	
Emerging economies and developing countries 3															
2001	59,216	1,031	58,185	20,892	37,293	35,404	1,889	39,060	2,271	36,789	14,217	22,572	11,624	10,948	
2002 4	53,597	956	52,641	15,404	37,237	35,410	1,827	40,268	1,926	38,342	15,386	22,956	11,891	11,065	
2003	51,645	1,237	50,408	14,673	35,735	33,279	2,456	43,750	1,735	42,015	16,512	25,503	12,254	13,249	
2004	41,731	1,147	40,584	11,115	29,469	27,439	2,030	37,842	1,907	35,935	11,818	24,117	10,282	13,835	
2005 June	45,794	1,776	44,018	12,276	31,742	29,625	2,117	37,385	1,901	35,484	9,757	25,727	10,969	14,758	
July	45,993	1,827	44,166	12,373	31,793	29,749	2,044	37,747	1,819	35,928	9,668	26,260	11,225	15,035	
Aug	45,970	1,861	44,109	12,513	31,596	29,657	1,939	37,788	1,783	36,005	9,933	26,072	11,026	15,046	
Sep	46,335	1,901	44,434	12,034	32,400	30,474	1,926	38,255	1,758	36,497	9,990	26,507	11,514	14,993	
Oct	47,055	1,729	45,326	12,763	32,563	30,709	1,854	38,839	1,731	37,108	10,158	26,950	11,473	15,477	
Nov	48,309	1,969	46,340	13,180	33,160	31,294	1,866	39,904	1,673	38,231	10,499	27,732	11,929	15,803	

* Including the assets and liabilities vis-à-vis non-residents of households in Germany. The assets and liabilities vis-à-vis non-residents of banks (MFIs) in Germany are shown in Table 4 of Section IV, "Banks". 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.7. — 1 From

January 2001, including Greece. — 2 From May 2004, including the new member states: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. — 3 All countries that are not regarded as industrial countries. — 4 Change in the reporting population owing to an increase in the exemption limit.

X External sector
11 Deutsche Mark and euro exchange rates of selected currencies *

Yearly or monthly average	United States	Japan	Denmark	United Kingdom	Sweden	Switzerland	Norway	Canada	Australia	New Zealand
	USD	JPY	DKK	GBP	SEK	CHF	NOK	CAD	AUD ¹	NZD ¹
Historic spot middle rates on the Frankfurt exchange (1 or 100 currency units = DEM ...)										
1991	1.6612	1.2346	25.932	2.926	27.421	115.740	25.580	1.4501	1.2942	0.9589
1992	1.5595	1.2313	25.869	2.753	26.912	111.198	25.143	1.2917	1.1476	0.8406
1993	1.6544	1.4945	25.508	2.483	21.248	111.949	23.303	1.2823	1.1235	0.8940
1994	1.6218	1.5870	25.513	2.4816	21.013	118.712	22.982	1.1884	1.1848	0.9605
1995	1.4338	1.5293	25.570	2.2620	20.116	121.240	22.614	1.0443	1.0622	0.9399
1996	1.5037	1.3838	25.945	2.3478	22.434	121.891	23.292	1.1027	1.1782	1.0357
1997	1.7348	1.4378	26.249	2.8410	22.718	119.508	24.508	1.2533	1.2889	1.1453
1998	1.7592	1.3484	26.258	2.9142	22.128	121.414	23.297	1.1884	1.1070	0.9445
Euro reference exchange rates published by the European Central Bank (EUR 1 = currency units ...) ²										
1999	1.0658	121.32	7.4355	0.65874	8.8075	1.6003	8.3104	1.5840	1.6523	2.0145
2000	0.9236	99.47	7.4538	0.60948	8.4452	1.5579	8.1129	1.3706	1.5889	2.0288
2001	0.8956	108.68	7.4521	0.62187	9.2551	1.5105	8.0484	1.3864	1.7319	2.1300
2002	0.9456	118.06	7.4305	0.62883	9.1611	1.4670	7.5086	1.4838	1.7376	2.0366
2003	1.1312	130.97	7.4307	0.69199	9.1242	1.5212	8.0033	1.5817	1.7379	1.9438
2004	1.2439	134.44	7.4399	0.67866	9.1243	1.5438	8.3697	1.6167	1.6905	1.8731
2005	1.2441	136.85	7.4518	0.68380	9.2822	1.5483	8.0092	1.5087	1.6320	1.7660
2004 June	1.2138	132.86	7.4342	0.66428	9.1430	1.5192	8.2856	1.6492	1.7483	1.9301
July	1.2266	134.08	7.4355	0.66576	9.1962	1.5270	8.4751	1.6220	1.7135	1.8961
Aug	1.2176	134.54	7.4365	0.66942	9.1861	1.5387	8.3315	1.6007	1.7147	1.8604
Sep	1.2218	134.51	7.4381	0.68130	9.0920	1.5431	8.3604	1.5767	1.7396	1.8538
Oct	1.2490	135.97	7.4379	0.69144	9.0620	1.5426	8.2349	1.5600	1.7049	1.8280
Nov	1.2991	136.09	7.4313	0.69862	8.9981	1.5216	8.1412	1.5540	1.6867	1.8540
Dec	1.3408	139.14	7.4338	0.69500	8.9819	1.5364	8.2207	1.6333	1.7462	1.8737
2005 Jan	1.3119	135.63	7.4405	0.69867	9.0476	1.5469	8.2125	1.6060	1.7147	1.8620
Feb	1.3014	136.55	7.4427	0.68968	9.0852	1.5501	8.3199	1.6128	1.6670	1.8192
Mar	1.3201	138.83	7.4466	0.69233	9.0884	1.5494	8.1880	1.6064	1.6806	1.8081
Apr	1.2938	138.84	7.4499	0.68293	9.1670	1.5475	8.1763	1.5991	1.6738	1.7967
May	1.2694	135.37	7.4443	0.68399	9.1931	1.5449	8.0814	1.5942	1.6571	1.7665
June	1.2165	132.22	7.4448	0.66895	9.2628	1.5391	7.8932	1.5111	1.5875	1.7175
July	1.2037	134.75	7.4584	0.68756	9.4276	1.5578	7.9200	1.4730	1.6002	1.7732
Aug	1.2292	135.98	7.4596	0.68527	9.3398	1.5528	7.9165	1.4819	1.6144	1.7675
Sep	1.2256	136.06	7.4584	0.67760	9.3342	1.5496	7.8087	1.4452	1.6009	1.7515
Oct	1.2015	138.05	7.4620	0.68137	9.4223	1.5490	7.8347	1.4149	1.5937	1.7212
Nov	1.1786	139.59	7.4596	0.67933	9.5614	1.5449	7.8295	1.3944	1.6030	1.7088
Dec	1.1856	140.58	7.4541	0.67922	9.4316	1.5479	7.9737	1.3778	1.5979	1.7072

* Calculated from daily quotations. — 1 Exchange rates from Australia and New Zealand; those for New Zealand calculated from rates as at the middle and end of the month. — 2 The ECB publishes daily euro reference exchange rates, which are calculated on the basis of the concertation between

central banks at 2.15 p.m. ECB time. For additional euro reference exchange rates of the ECB, see Statistical Supplement to the Monthly Report 5, *Exchange rate statistics*.

12 Exchange rates for the national currencies of the euro-area member states, the Deutsche Mark value of the ECU * and euro conversion rates

Yearly average	France	Italy	Netherlands	Belgium/ Luxembourg	Austria	Spain	Finland	Ireland	Portugal	Greece GRD 100 / EUR 1 ²	ECU values ¹ ECU 1
	FRF 100	ITL 1,000	NLG 100	BEF/LUF 100	ATS 100	ESP 100	FIM 100	IEP 1	PTE 100		
Historic spot middle rates on the Frankfurt exchange in DEM											
1991	29.409	1.3377	88.742	4.857	14.211	1.597	41.087	2.671	1.149	0.9103	2.05076
1992	29.500	1.2720	88.814	4.857	14.211	1.529	34.963	2.656	1.157	0.8178	2.02031
1993	29.189	1.0526	89.017	4.785	14.214	1.303	28.915	2.423	1.031	0.7213	1.93639
1994	29.238	1.0056	89.171	4.8530	14.214	1.2112	31.108	2.4254	0.9774	0.6683	1.92452
1995	28.718	0.8814	89.272	4.8604	14.214	1.1499	32.832	2.2980	0.9555	0.6182	1.87375
1996	29.406	0.9751	89.243	4.8592	14.214	1.1880	32.766	2.4070	0.9754	0.6248	1.90954
1997	29.705	1.0184	88.857	4.8464	14.210	1.1843	33.414	2.6297	0.9894	0.6349	1.96438
1998	29.829	1.0132	88.714	4.8476	14.213	1.1779	32.920	2.5049	0.9763	0.5952	1.96913
1999	.	.	.	.	.	.	.	.	.	325.76	.
2000	.	.	.	.	.	.	.	.	.	336.63	.
Irrevocable euro conversion rates (EUR 1 = currency units ...) ³											
	6.55957	1936.27	2.20371	40.3399	13.7603	166.386	5.94573	0.787564	200.482	⁴ 340.750	⁵ 1.95583

* Calculated from daily quotations. — 1 As per data from the European Commission. — 2 Up to 1998, reciprocal values of the exchange rates for the Deutsche Mark, published by the Bank of Greece; from 1999, euro reference

exchange rates of the ECB (EUR 1 = GRD ...). — 3 Applicable from 1 January 1999. — 4 Applicable from 1 January 2001. — 5 Deutsche Mark conversion rate.

13 Effective exchange rates * of the euro and selected foreign currencies

1999 Q1 = 100

Period	Effective exchange rate of the euro				Memo item Indicators of the German economy's price competitiveness 1,2			Effective nominal exchange rates of selected foreign currencies against the currencies of 19 industrial countries 1,3						
	EER-23 4				EER-42 5		19 industrial countries 3		49 countries 6			US dollar	Pound sterling	Japanese yen
	Nominal	In real terms based on the consumer prices	In real terms based on the GDP deflator 7	In real terms based on the unit labour costs of the national economy 7	Nominal	In real terms based on the consumer prices	based on the deflators of total sales 7	based on consumer prices						
1999	95.9	95.9	95.6	96.3	96.5	95.8	97.7	98.2	97.8	100.8	102.3	105.1		
2000	86.1	86.0	85.5	84.9	87.9	85.8	91.3	92.7	91.2	105.4	105.2	117.9		
2001	86.7	86.8	86.4	84.6	90.4	87.0	91.3	93.2	91.5	112.0	103.6	106.7		
2002	89.2	90.4	89.7	87.7	94.8	90.9	92.2	94.2	92.7	110.7	104.2	100.8		
2003	99.9	101.7	100.7	98.6	106.6	101.6	95.8	97.8	97.3	97.7	99.2	99.9		
2004	103.8	105.9	104.4	102.8	111.0	105.4	96.1	99.3	98.9	89.8	103.4	101.7		
2005	102.9	105.2	...	...	109.5	103.6	P 95.0	99.5	97.6	88.7	102.9	99.8
1999 Q1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Q2	96.2	96.2	96.1	97.2	96.4	96.0	98.4	98.6	98.0	102.8	102.8	99.0		
Q3	94.8	94.8	94.3	94.9	95.5	94.7	96.9	97.8	97.2	101.4	102.3	106.2		
Q4	92.9	92.7	92.2	93.3	94.3	92.8	95.4	96.3	95.8	99.1	104.1	115.2		
2000 Q1	89.5	89.3	88.8	88.2	91.0	89.2	93.4	94.7	93.4	101.5	106.4	114.9		
Q2	86.5	86.4	85.9	85.6	88.2	86.2	91.5	92.7	91.4	104.3	105.4	118.4		
Q3	85.1	85.1	84.5	83.9	87.0	84.8	90.7	92.1	90.3	106.2	103.9	119.2		
Q4	83.2	83.3	82.7	82.0	85.5	83.1	89.6	91.4	89.5	109.4	105.0	119.2		
2001 Q1	88.3	88.0	87.7	85.9	90.9	87.8	92.0	93.8	92.1	109.3	102.4	108.1		
Q2	85.3	85.4	84.8	83.1	88.8	85.6	90.7	92.7	90.8	113.4	104.1	106.9		
Q3	86.4	86.6	86.2	84.1	90.5	87.1	91.0	93.1	91.6	112.2	103.9	106.8		
Q4	86.8	87.3	86.9	85.4	91.2	87.6	91.6	93.2	91.6	113.1	104.0	104.9		
2002 Q1	86.0	86.9	86.4	84.5	90.4	86.8	91.2	93.2	91.0	116.6	104.9	98.8		
Q2	87.8	89.0	88.1	86.4	93.0	89.2	91.6	93.8	91.8	112.1	103.5	100.8		
Q3	90.9	92.2	91.5	89.5	97.2	93.1	92.6	94.7	93.7	107.0	103.9	103.7		
Q4	91.9	93.3	92.8	90.2	98.6	94.2	93.3	95.0	94.1	107.1	104.4	100.1		
2003 Jan	95.3	96.8	.	.	102.3	97.6	.	96.1	95.5	103.0	102.6	100.4		
Feb	96.6	98.2	96.9	94.9	103.7	98.9	94.7	96.8	96.4	102.2	101.2	99.2		
Mar	97.4	99.0	.	.	104.4	99.5	.	97.1	96.5	101.4	99.3	99.8		
Apr	97.9	99.6	.	.	104.6	99.6	.	97.2	96.5	101.4	98.7	98.6		
May	101.8	103.6	101.6	99.2	108.5	103.3	96.3	98.8	98.2	96.7	96.9	97.7		
June	102.2	104.1	.	.	108.8	103.7	.	99.0	98.4	96.1	98.9	96.3		
July	101.0	102.9	.	.	107.2	102.3	.	98.4	97.6	97.8	98.5	97.3		
Aug	99.8	101.8	101.1	99.4	106.0	101.2	95.9	97.9	96.9	99.1	98.1	98.3		
Sep	99.6	101.7	.	.	105.9	101.1	.	97.5	96.9	97.2	98.2	101.1		
Oct	101.3	103.4	.	.	108.0	103.0	.	98.1	97.6	93.3	98.8	103.7		
Nov	101.2	103.3	103.4	100.7	108.0	102.9	96.2	98.1	97.7	93.0	99.5	103.9		
Dec	104.2	106.1	.	.	111.2	105.8	.	99.0	99.0	90.6	99.5	102.9		
2004 Jan	105.4	107.5	.	.	112.5	107.0	.	99.7	99.6	88.9	101.6	102.9		
Feb	105.3	107.3	105.3	103.7	112.3	106.8	96.8	99.5	99.6	89.3	104.1	102.4		
Mar	103.4	105.5	.	.	110.2	104.8	.	98.9	98.6	90.9	104.2	102.1		
Apr	101.6	103.7	.	.	108.3	103.1	.	98.5	97.8	91.8	104.3	104.0		
May	102.4	104.5	103.0	101.3	109.5	104.2	95.5	98.7	98.4	93.4	103.7	100.0		
June	102.3	104.2	.	.	109.6	104.1	.	98.5	98.2	91.9	104.9	101.6		
July	102.8	104.8	.	.	110.1	104.5	.	99.0	98.5	90.9	105.0	101.2		
Aug	102.7	104.8	103.5	101.9	109.9	104.5	95.7	99.0	98.5	91.3	104.6	100.5		
Sep	103.0	105.2	.	.	110.3	104.7	.	99.2	98.5	90.7	102.8	100.8		
Oct	104.2	106.3	.	.	111.5	105.8	.	99.6	99.0	88.9	101.8	100.8		
Nov	105.6	107.6	105.9	104.3	113.1	107.0	96.5	99.9	99.4	85.4	101.4	102.6		
Dec	107.1	109.2	.	.	114.4	108.4	.	100.7	100.1	84.3	102.8	102.0		
2005 Jan	105.8	108.0	.	.	112.9	106.9	.	100.3	99.2	85.3	101.7	103.6		
Feb	105.1	107.2	106.1	103.6	111.9	105.9	P 96.5	100.1	98.8	86.1	102.9	102.4		
Mar	106.0	108.3	.	.	112.9	106.9	.	100.4	99.0	85.3	103.0	101.4		
Apr	105.1	107.3	.	.	111.9	105.8	.	99.8	98.5	86.8	104.0	100.4		
May	104.0	106.2	103.8	101.6	110.6	104.7	P 95.3	99.7	98.1	87.8	103.2	102.0		
June	101.2	103.4	.	.	107.6	101.8	.	98.6	96.7	89.6	104.4	102.0		
July	101.7	103.9	.	.	108.0	102.1	.	99.0	96.9	90.7	101.6	99.8		
Aug	102.3	104.6	102.0	100.2	108.7	102.8	P 94.4	99.3	97.3	89.2	102.4	99.9		
Sep	101.8	104.1	.	.	108.2	102.4	.	99.3	97.3	88.8	103.4	99.5		
Oct	101.4	103.7	.	.	107.8	101.8	.	99.2	96.9	90.5	102.7	97.1		
Nov	100.7	103.0	...	...	106.9	100.9	P 93.9	99.1	96.4	92.3	102.7	95.2
Dec	100.7	103.1	.	.	106.9	100.8	.	99.2	96.5	91.6	102.9	94.7		

* The effective exchange rate corresponds to the weighted external value of the currency concerned. — 1 The method of calculation is consistent with the procedure used by the ECB to compute the effective exchange rates of the euro (see *Monthly Bulletin*, November 2001, pp 51–65). In contrast to footnote 4, the weights used are based on the relevant trade in the period from 1995 to 1997. — 2 Decline in the figures implies an increase in competitiveness. — 3 Euro-area countries as well as Canada, Denmark, Japan, Norway, Sweden, Switzerland, United Kingdom and United States. — 4 ECB calculations based on the weighted averages of the effective exchange rates of the euro against the currencies of the following countries: Australia, Canada, China, Cyprus, Czech Republic, Denmark, Estonia, Hong Kong, Hungary, Japan, Latvia, Lithuania, Malta, Norway, Poland, Singapore, Slovakia, Slovenia, South Korea, Sweden, Switzerland, United Kingdom and

United States. The weights used in these calculations are based on manufactured goods trade between 1999 and 2001 and capture third-market effects. Where consumer prices were not yet available, estimates have been used. For details of the methodology, see ECB, *Monthly Bulletin*, September 2004, pp 69–72 and the ECB's Occasional Paper No 2, which can be downloaded from the ECB's website (www.ecb.int). — 5 ECB calculations. In addition to the countries belonging to the EER-23 group (see footnote 4), this group also includes the following countries: Algeria, Argentina, Brazil, Bulgaria, Croatia, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, Philippines, Romania, Russian Federation, South Africa, Taiwan, Thailand and Turkey. — 6 Euro-area countries and countries belonging to the EER-42 group except Bulgaria, Latvia, Lithuania and Malta. — 7 Annual and quarterly averages.



DEUTSCHE
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Monthly Report
January 2006

Overview of publications by the Deutsche Bundesbank

This overview provides information about selected recent economic and statistical publications by the Deutsche Bundesbank. Unless otherwise indicated, these publications are available in both English and German, in printed form and on the internet.

The publications are available free of charge from the Communication Division. For a small fee to cover costs, a file which is updated monthly and contains approximately 40,000 time series published by the Bundesbank can be obtained on magnetic tape cassette or CD-ROM from the Division Statistical data processing, mathematical methods. Orders should be sent, in writing, to one of the addresses listed on the reverse of the title page. Selected time series can also be downloaded from the internet.

Annual Report

Financial Stability Review

Monthly Report

For information on the articles published between 1990 and 2005 see the index attached to the January 2006 *Monthly Report*.

Monthly Report articles

February 2005

- The economic scene in Germany around the turn of 2004-05

March 2005

- Credit growth, bank capital and economic activity
- German balance of payments in 2004

April 2005

- The changes to the Stability and Growth Pact
- Deficit-limiting budgetary rules and a national stability pact in Germany
- Supervision of financial conglomerates in Germany

May 2005

- The economic scene in Germany in spring 2005

June 2005

- Investment and financing in 2004
- Germany's external relations with the People's Republic of China

July 2005

- Rapid change in paid employment
- Exchange rates and interest rate differentials: recent developments since the introduction of the euro

August 2005

- The economic scene in Germany in summer 2005

September 2005

- The performance of German credit institutions in 2004
- Recent trends in individual payments
- The role of volatility patterns in financial markets
- Potential financial risk faced by the International Monetary Fund

October 2005

- Germany's financial linkage to the EU budget
- German enterprises' profitability and financing – an analysis based on a new dataset
- New transparency rules for credit institutions
- Risk appetite in a dynamic financial market environment

November 2005

- The economic scene in Germany in autumn 2005

December 2005

- Price-setting behaviour in Germany
- The road to the Single Euro Payments Area

January 2006

- Determinants of the current accounts in central and east European EU member states and the role of German direct investment
- Securities market regulation: international approaches

Statistical Supplements to the Monthly Report¹

- 1 Banking statistics (monthly)
- 2 Capital market statistics (monthly)
- 3 Balance of payments statistics (monthly)
- 4 Seasonally adjusted business statistics (monthly)
- 5 Exchange rate statistics (quarterly)

Special Publications

- The monetary policy of the Bundesbank, October 1995²
- Makro-ökonomisches Mehr-Länder-Modell, November 1996³
- Europäische Organisationen und Gremien im Bereich von Währung und Wirtschaft, May 1997³
- Die Zahlungsbilanz der ehemaligen DDR 1975 bis 1989, August 1999³
- The market for German Federal securities, May 2000
- Macro-Econometric Multi-Country Model: MEMMOD, June 2000
- Bundesbank Act, September 2002
- Weltweite Organisationen und Gremien im Bereich von Währung und Wirtschaft, March 2003³
- European economic and monetary union, February 2004
- Die Europäische Union: Grundlagen und Politikbereiche außerhalb der Wirtschafts- und Währungsunion, April 2005³

Special Statistical Publications

- 1 Banking statistics guidelines and customer classification, July 2003⁴

- 2 Bankenstatistik Kundensystematik Firmenverzeichnisse, December 2005^{3,5}
- 3 Aufbau der bankstatistischen Tabellen, January 2000³
- 4 Financial accounts for Germany 1991 to 2004, September 2005⁶
- 5 Annual accounts of west German enterprises 1971 to 1996, March 1999¹
- 6 Ratios from annual accounts of German enterprises between 2000 and 2002, November 2004⁶
- 7 Erläuterungen zum Leistungsverzeichnis für die Zahlungsbilanz, February 2005³
- 8 Balance of payments statistics of the Federal Republic of Germany, 2nd edition, February 1991^o
- 9 Securities deposits, August 2005
- 10 International capital links, April 2005^{1,6}
- 11 Balance of payments by region, August 2005
- 12 Technologische Dienstleistungen in der Zahlungsbilanz, June 2004³

^o Not available on the internet.

¹ Only the headings and explanatory notes to the data contained in the German originals are available in English.

² Also available in French, Spanish, Russian and Chinese.

³ Available in German only.

⁴ Solely available on the internet, updated at half-yearly intervals. Only the sections "Monthly Balance Sheet Statistics", "External position" and "Customer classification" ("Overall survey on sectoral classification", "Survey on breakdown by industry or activity" and "Explanatory notes on the system of customer classification by industry or activity") are available in English.

⁵ Current version only available on the internet at quarterly intervals.

⁶ Available on the internet only.

Discussion Papers*

Series 1

Economic Studies

35/2005

Monetary policy with model uncertainty: distribution forecast targeting

36/2005

Comparing the value relevance of R&D reporting in Germany: standard and selection effects

37/2005

European inflation expectations dynamics

38/2005

Dynamic factor models

39/2005

Short-run and long-run comovement of GDP and some expenditure aggregates in Germany, France and Italy

40/2005

A "wreckers theory" of financial distress

41/2005

Trade balances of the central and east European EU member states and the role of foreign direct investment

42/2005

Unit roots and cointegration in panels

43/2005

Price setting in German manufacturing: new evidence from new survey data

01/2006

The dynamic relationship between the Euro overnight rate, the ECB's policy rate and the term spread

Series 2

Banking and Financial Studies

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14/2005

Time series properties of a rating system based on financial ratios

15/2005

Inefficient or just different? Effects of heterogeneity on bank efficiency scores

Banking legislation

1 Bundesbank Act and Statute of the European System of Central Banks and of the European Central Bank, June 1998

2 Gesetz über das Kreditwesen, February 2001³

2a Grundsatz I über die Eigenmittel der Institute, January 2001³

2b Grundsatz II über die Liquidität der Institute, August 1999³

7 Instruction sheet for the reporting of large exposures and loans of 3 million Deutsche Mark or more pursuant to sections 13 to 14 of the Banking Act, September 1998

* Discussion Papers which appeared from 2000 onwards are available on the internet.

For footnotes, see p 79*.