



# ECONOMIC INDICATORS

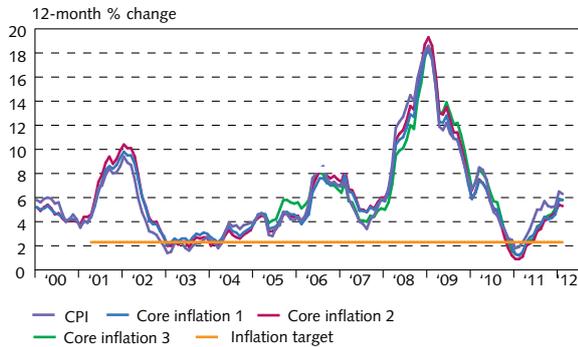
## CENTRAL BANK OF ICELAND

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- 5 *II Output and demand*
- 8 *III Foreign trade and external economic conditions*
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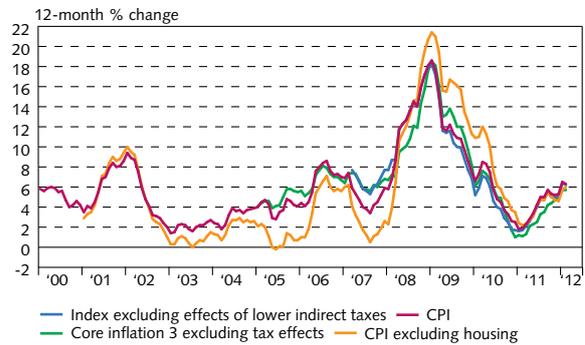
# I Inflation and inflation expectations

I-1 Consumer price inflation and core inflation



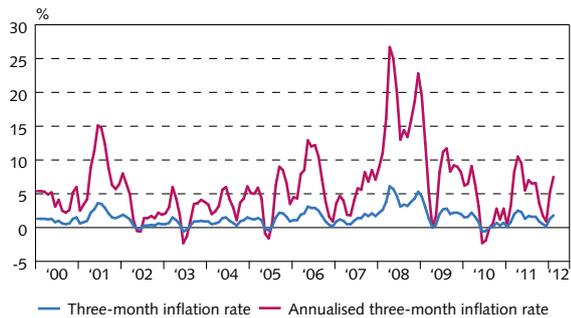
Overall index and measures of underlying inflation. Core Index 1 excludes prices of agricultural products and petrol, and Core Index 2 excludes prices of public services as well. Core Index 3 is Core Index 2 excluding the effects of changes in real interest rates on the housing component of the CPI. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-2 Inflation: various measurements



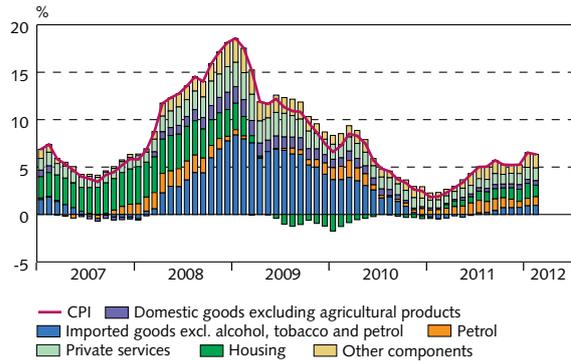
Monthly data.  
Source: Statistics Iceland.

I-3 Seasonally adjusted inflation



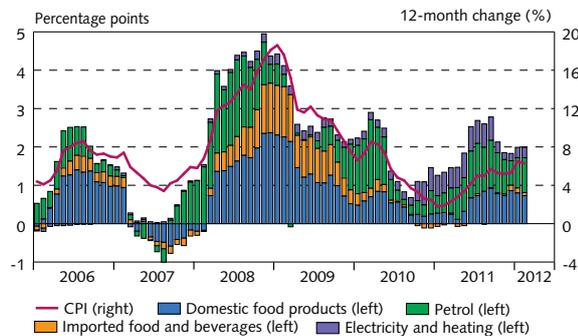
This inflation measurement is very volatile but indicates how inflation pressures are developing. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-4 Components of CPI inflation



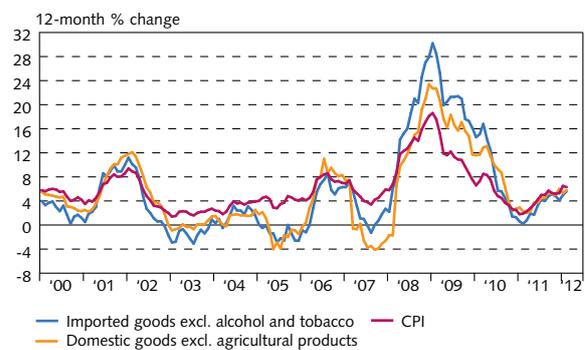
Contribution of individual items to 12-month inflation. Monthly data.  
Source: Statistics Iceland.

I-5 Contribution of food, petrol and energy costs to annual inflation



Monthly data.  
Source: Statistics Iceland.

I-6 Price developments: goods

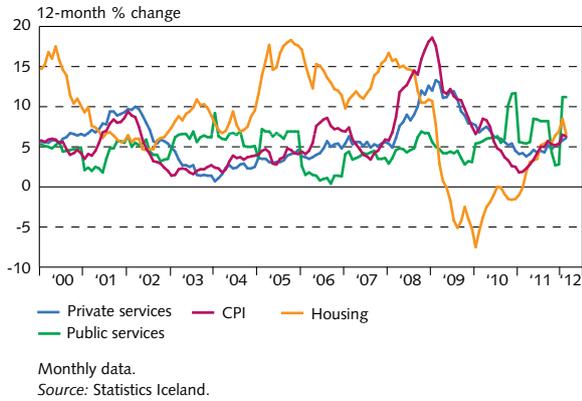


Monthly data.  
Source: Statistics Iceland.

# I Inflation and inflation expectations

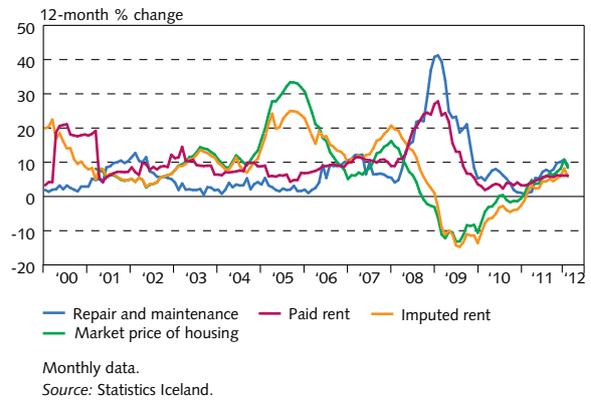
I-7

Price developments: housing and services



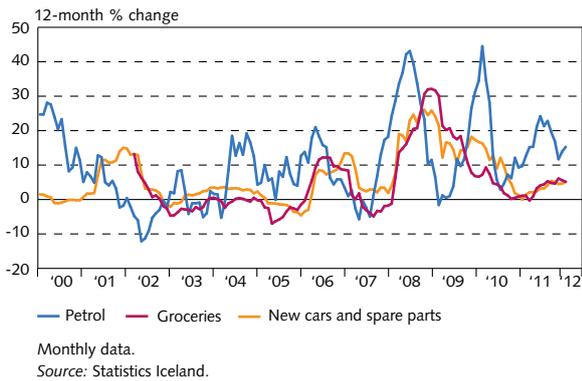
I-8

Price developments: housing



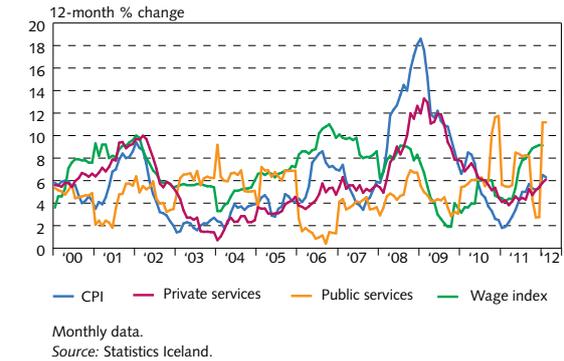
I-9

Price developments: various components



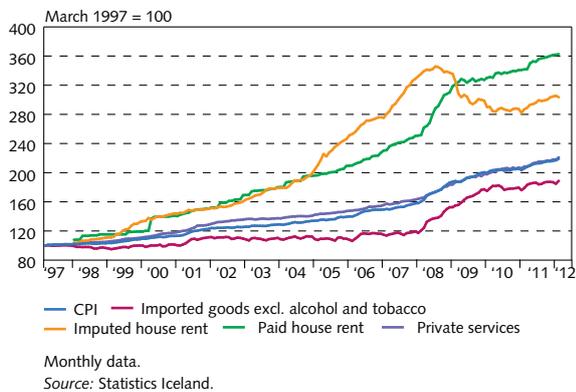
I-10

Price and wage developments: wages, inflation and services



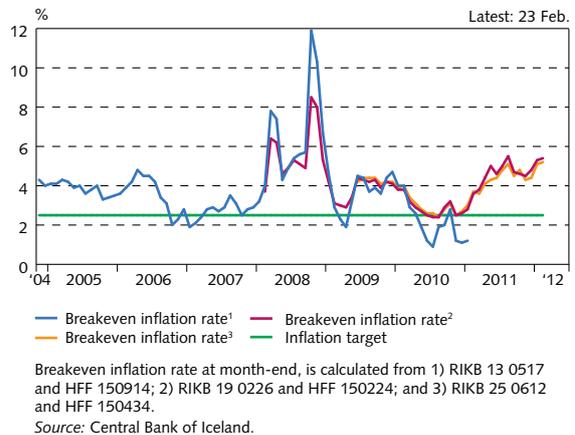
I-11

Price developments: goods, housing and services



I-12

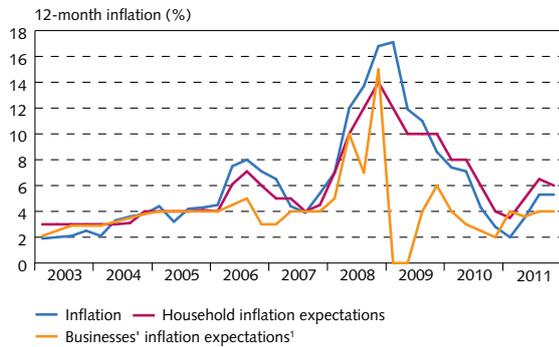
Breakeven inflation rate



# I Inflation and inflation expectations

I-13

Inflation expectations of businesses and households one year ahead and current inflation

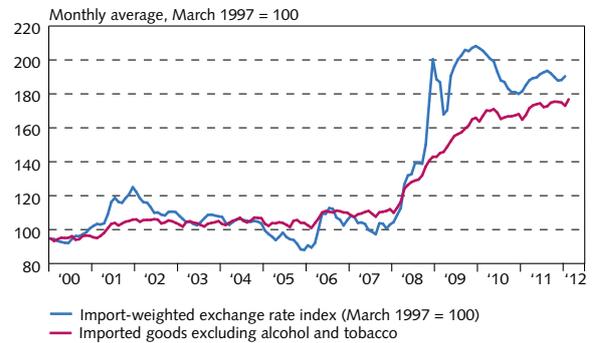


1. Inflation expectations according to surveys carried out by Capacent Gallup. Respondents are asked about inflation 12 months ahead and median figures are used. Businesses' inflation expectations were measured on an irregular basis before Q3/2006 until then, measurements are interpolated. Quarterly data.

Sources: Capacent Gallup, Statistics Iceland.

I-14

Import price levels and exchange rate developments

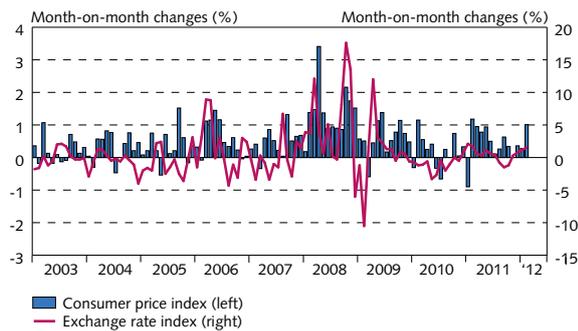


Import-weighted exchange rate index and price of imported goods in the CPI. The import exchange rate index is published with a one-month time lag, as price level measurements are carried out at mid-month.

Monthly data  
Sources: Statistics Iceland, Central Bank of Iceland.

I-15

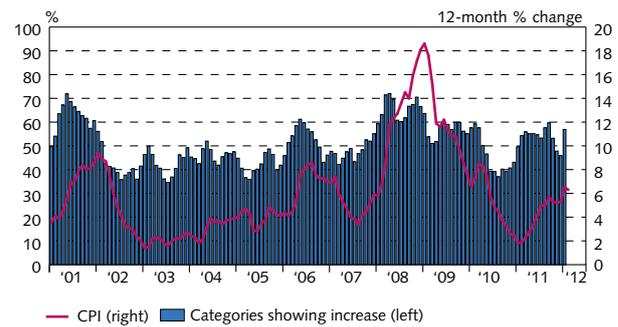
Price level and exchange rate developments



The exchange rate index is calculated based on a narrow trade basket. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-16

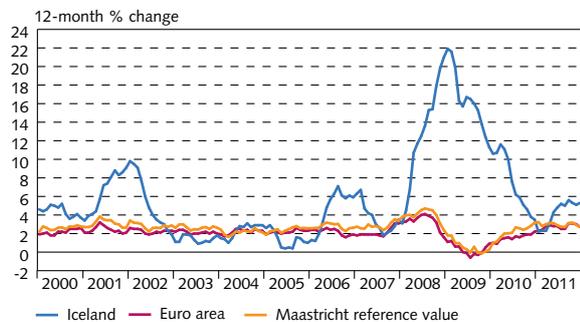
Distribution of price increases in the CPI



The percentage of goods categories that increase in price is a 3-month centred average. Monthly data.  
Source: Statistics Iceland.

I-17

Inflation in Iceland and Europe

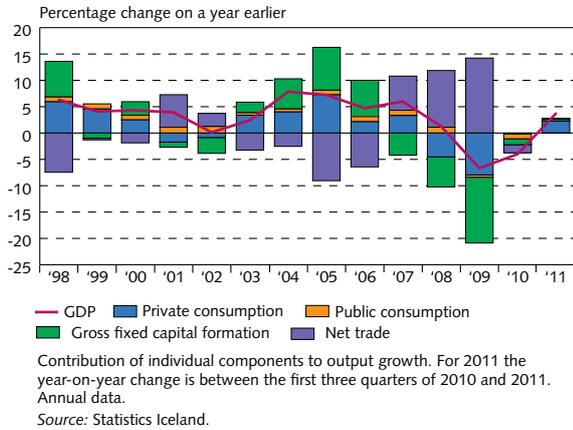


Harmonised indices of consumer prices. Monthly data.  
Source: Statistics Iceland.

## II Output and demand

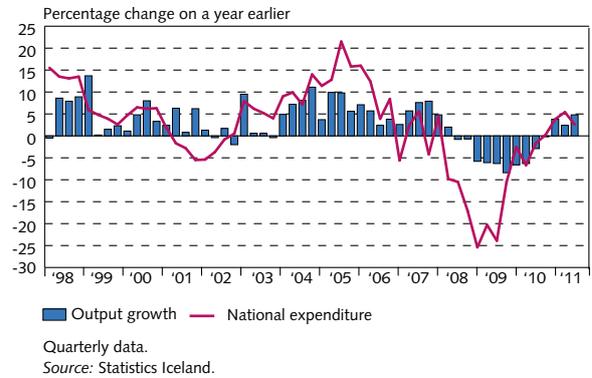
II-1

Gross domestic product



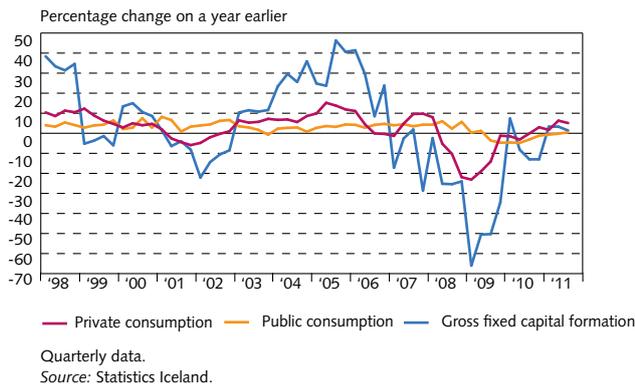
II-2

Output growth and national expenditure



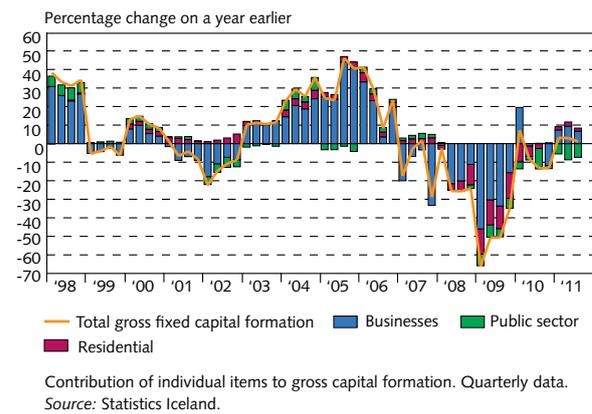
II-3

Private consumption, public consumption and gross fixed capital formation



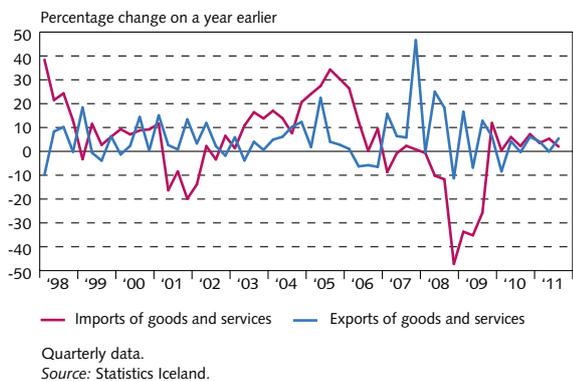
II-4

Gross fixed capital formation



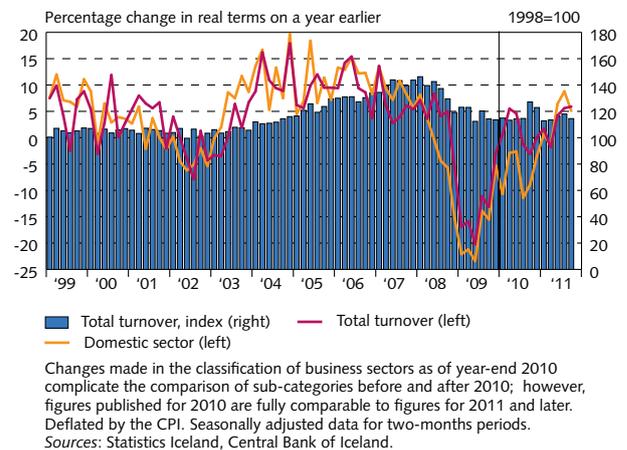
II-5

Foreign trade



II-6

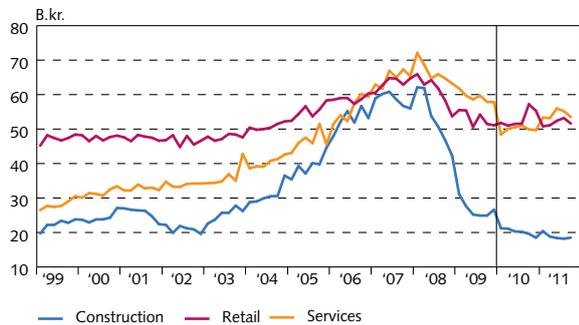
Turnover according to VAT returns



## II Output and demand

II-7

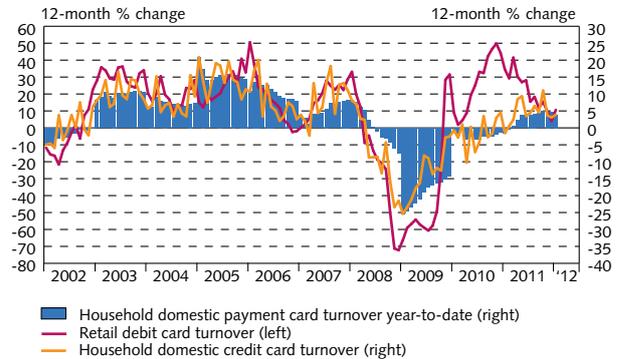
Turnover according to VAT returns: several components



Changes made in the classification of business sectors as of year-end 2010 complicate the comparison of sub-categories before and after 2010; however, figures published for 2010 are fully comparable to figures for 2011 and later. Deflated by the CPI. Retail sector is deflated by the CPI excluding housing and petrol, and construction sector is deflated by the CPI. Seasonally adjusted data for two-month periods.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-8

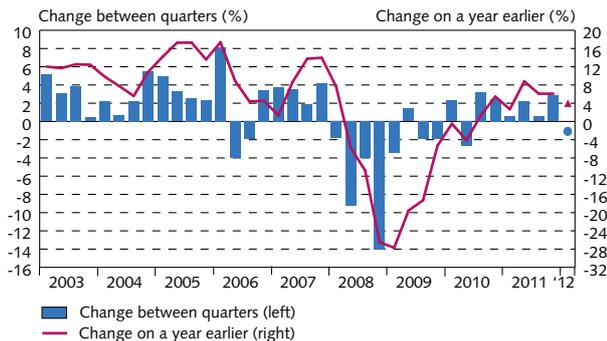
Payment card turnover



Debit and credit card turnover deflated by the CPI less housing costs. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-9

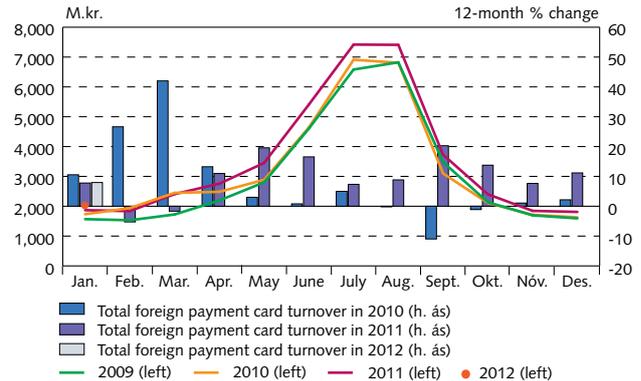
Total household payment card turnover



Seasonally adjusted debit and credit card turnover deflated by the CPI less housing costs. Turnover abroad is deflated by the exchange rate index. Data for Q1/2012 are for January.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-10

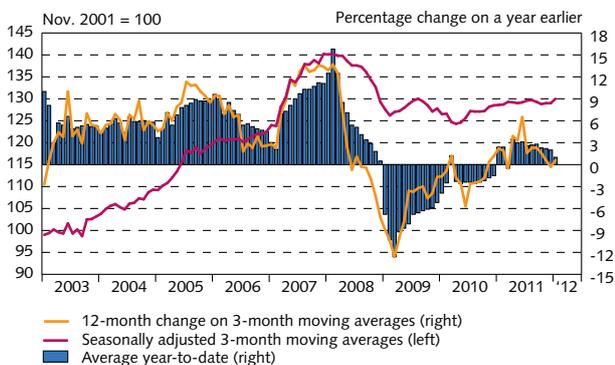
Foreign payment card turnover in Iceland



Foreign payment card turnover deflated by the CPI less housing costs. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-11

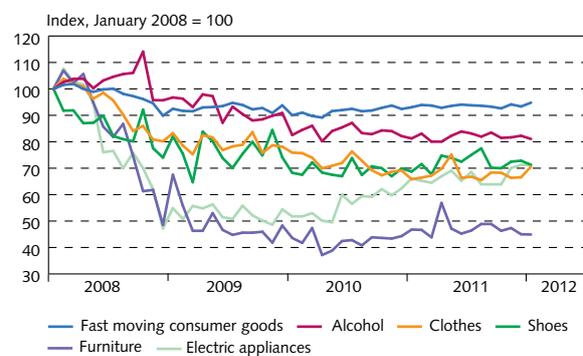
Groceries turnover



Deflated by price of groceries in CPI. Monthly data.  
Sources: Icelandic Centre for Retail Studies, Central Bank of Iceland.

II-12

Retail sub-indices

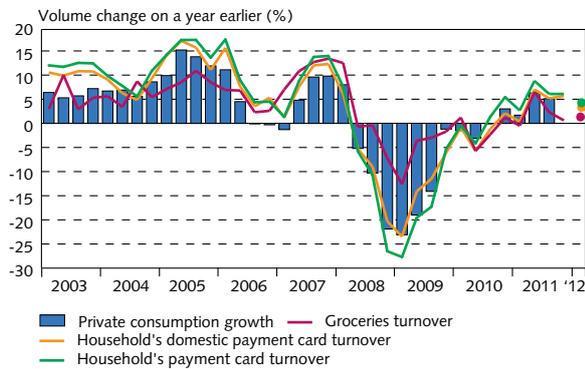


Seasonally adjusted. Deflated by price indices of each component. Monthly data.  
Sources: Icelandic Centre for Retail Studies, Central Bank of Iceland.

## II Output and demand

II-13

Private consumption, groceries and payment card turnover

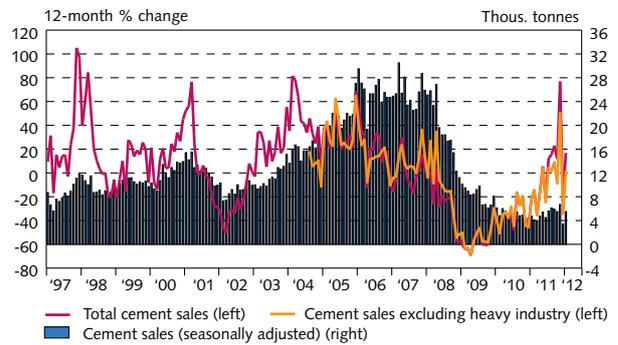


Data for Q1/2012 are for January. Quarterly data.

Sources: Icelandic Centre for Retail Studies, Statistics Iceland, Central Bank of Iceland.

II-14

Cement sales

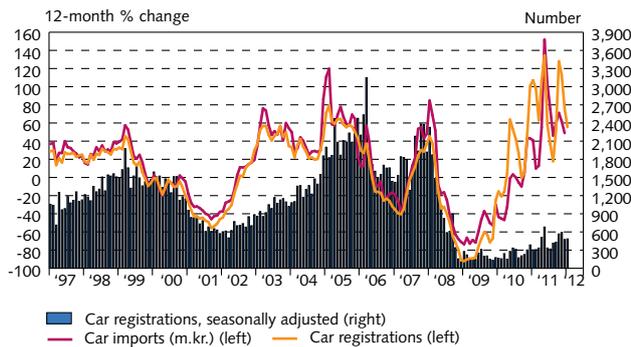


3-month moving average. Monthly data.

Sources: Aalborg Portland hf., BM Vallá, Semmentsverksmiðjan hf., Central Bank of Iceland.

II-15

Importation and new registration of motor vehicles

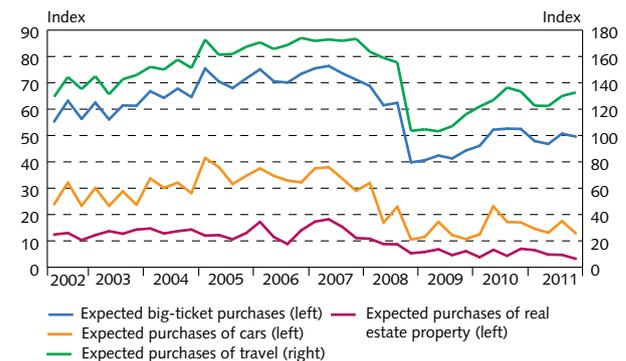


3-month moving average. New motor vehicle registrations include new and used vehicles in all categories (passenger cars, motor coaches, and delivery and transport vehicles). Monthly data.

Sources: Bilgreinasambandið, Statistics Iceland, Central Bank of Iceland.

II-16

Indices of expected big-ticket purchases

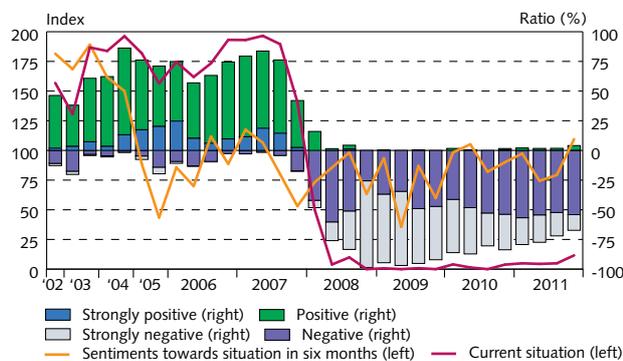


Indices of expected big-ticket purchases are based on Capacent Gallup consumer sentiment survey. The index for expected big-ticket purchases is an average of the other three indices. Quarterly data.

Source: Capacent Gallup.

II-17

Capacent Gallup Business Sentiment Indices

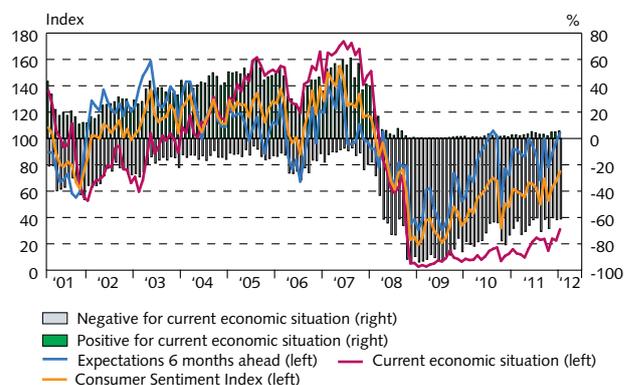


The Business sentiment indices are based upon Capacent Gallup's survey of the largest companies in Iceland. The columns show the sentiments towards the current situation in the economy.

Source: Capacent Gallup.

II-18

Consumer sentiment (Gallup)



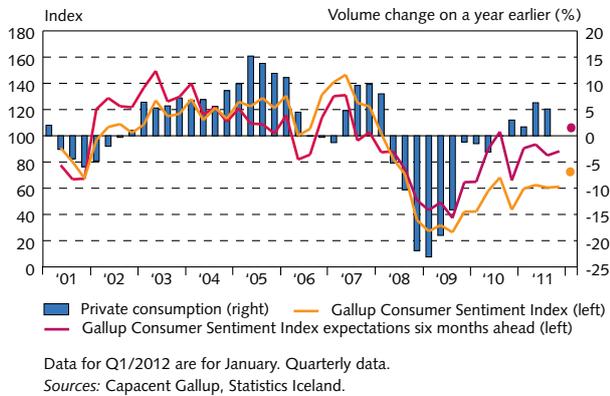
Monthly data.

Source: Capacent Gallup.

## II Output and demand

II-19

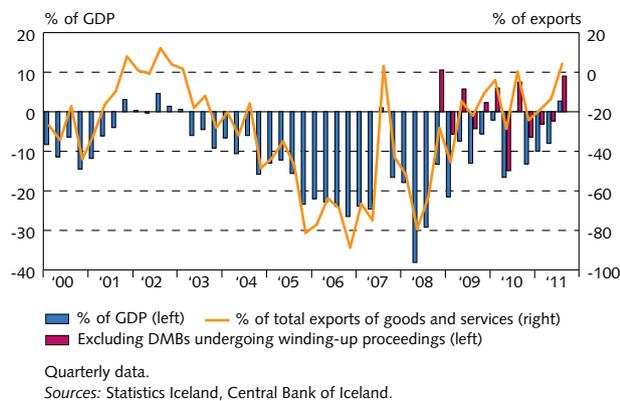
Private consumption and Gallup Consumer Sentiment Index



## III Foreign trade and external economic conditions

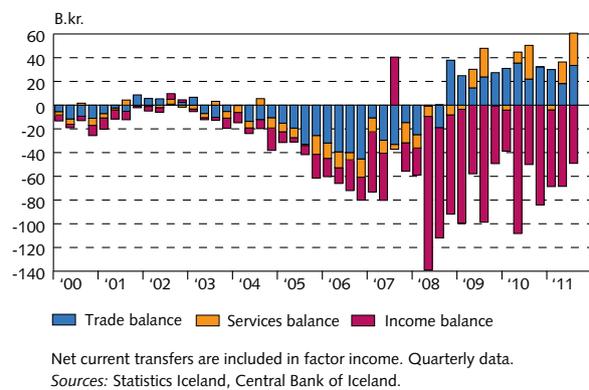
III-1

Current account balance



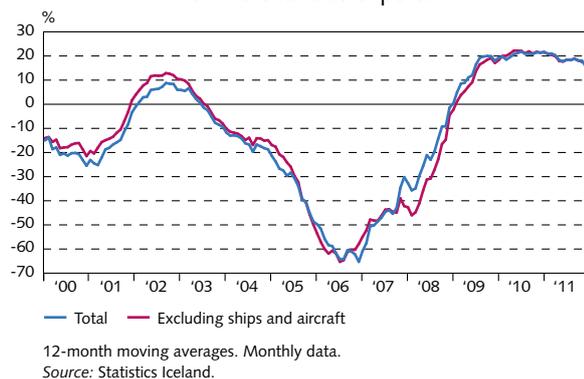
III-2

Components of current account



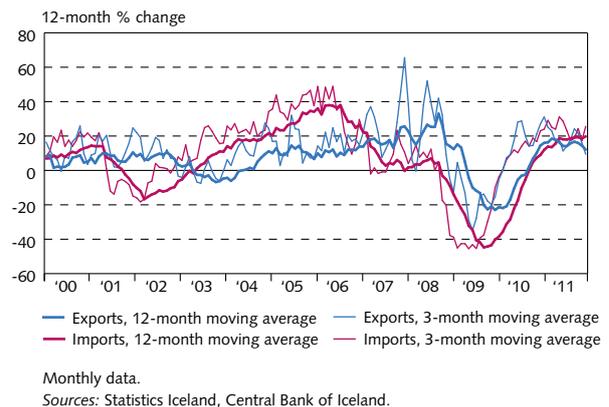
III-3

Merchandise trade balance as percentage of merchandise exports



III-4

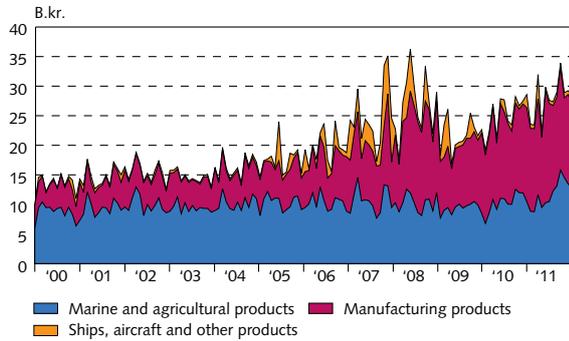
Merchandise imports and exports at constant exchange rates



### III Foreign trade and external economic conditions

III-5

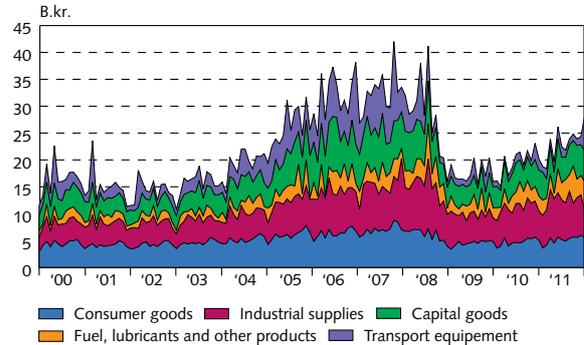
Components of merchandise exports



Merchandise export values at constant exchange rates based on monthly average export-weighted exchange rate index (broad trade basket). Monthly data.  
 Sources: Statistics Iceland, Central Bank of Iceland.

III-6

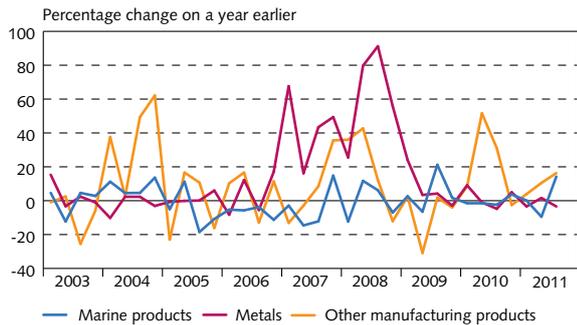
Components of merchandise imports



Merchandise import values at constant exchange rates based on import-weighted exchange rate index (broad trade basket). Monthly data.  
 Sources: Statistics Iceland, Central Bank of Iceland.

III-7

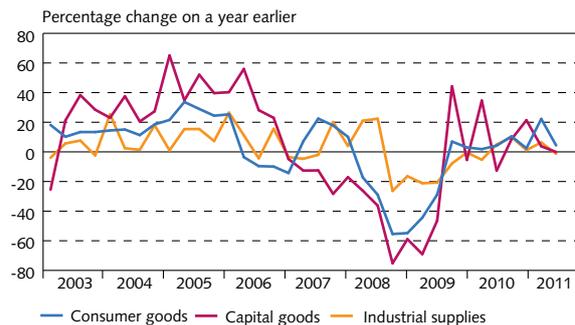
Volume changes on main export products



Quarterly data.  
 Source: Statistics Iceland.

III-8

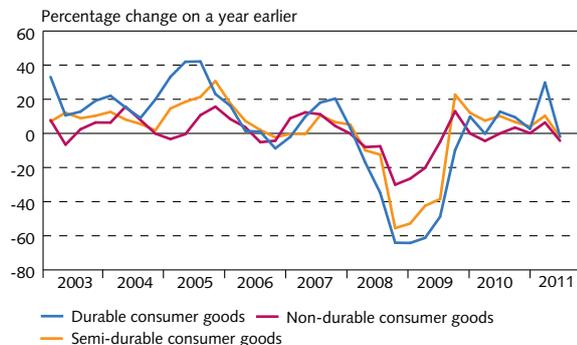
Volume changes on main import products



Capital goods including ships and aircraft. Quarterly data.  
 Source: Statistics Iceland.

III-9

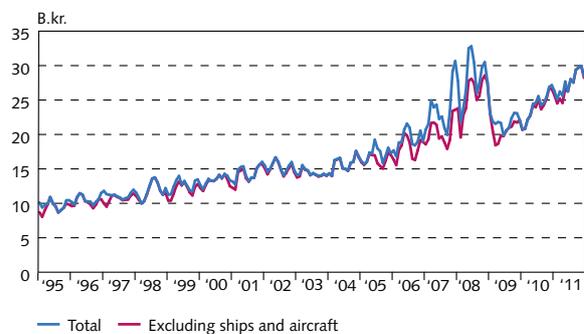
Volume changes on import products



Non-durable consumer goods are disposable items such as tobacco and pharmaceuticals. Semi-durables are products that are neither disposable nor durable, such as clothing. Consumer durables are products with a long life-time, such as household appliances. Quarterly data.  
 Source: Statistics Iceland.

III-10

Merchandise exports

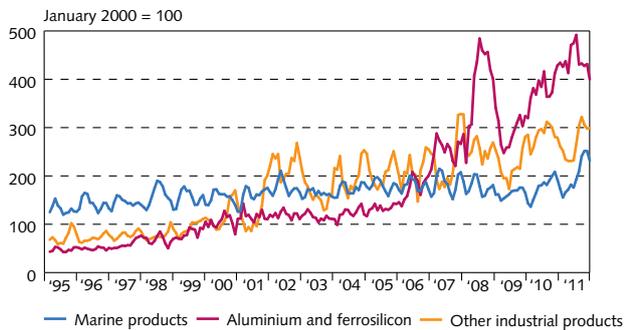


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.  
 Sources: Statistics Iceland, Central Bank of Iceland.

### III Foreign trade and external economic conditions

III-11

Merchandise exports by category

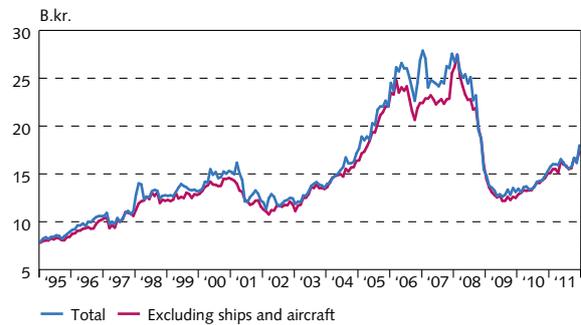


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-12

Seasonally adjusted merchandise imports

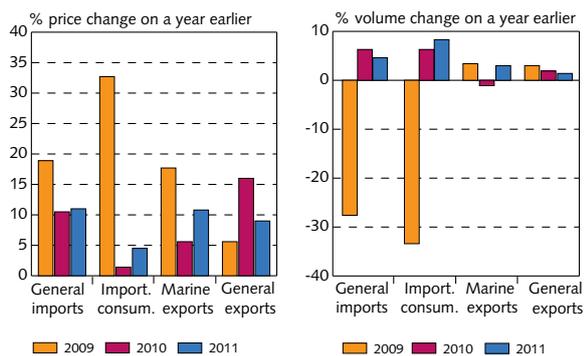


Imported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). The index of foreign price levels is calculated by weighting together the consumer price indices in main trading partner countries using a currency basket. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-13

Merchandise trade in  
January - December

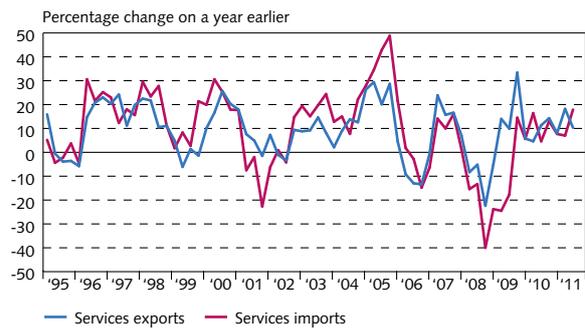


General imports are total imports excluding ships, aircraft, and sundry items (residual). General exports are total exports excluding ships, aircraft, and sundry items (residual). Monthly data.

Source: Statistics Iceland.

III-14

Services balance

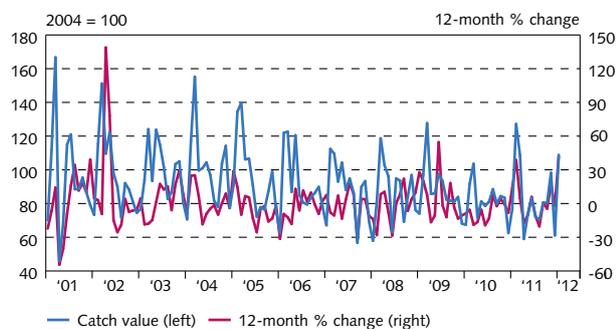


Quarterly data at constant exchange rates.

Source: Central Bank of Iceland.

III-15

Fish catch volume

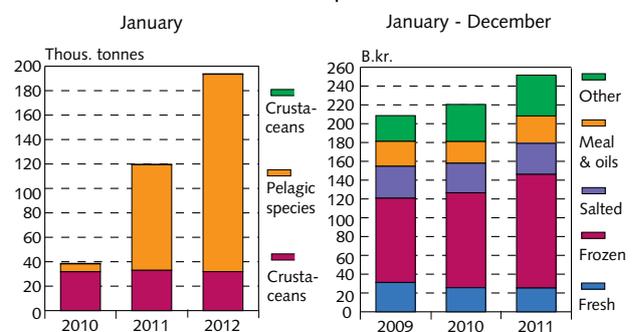


Monthly data at constant price levels.

Source: Statistics Iceland.

III-16

Marine export value



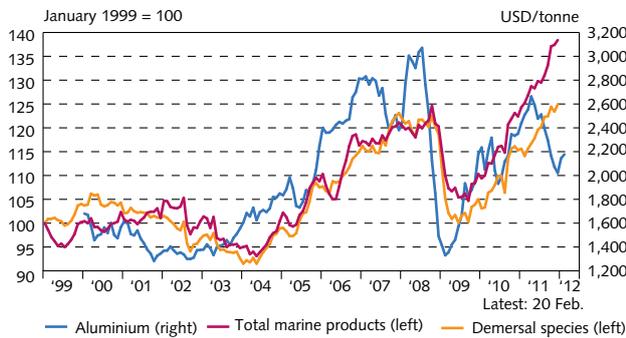
Cumulative catch volume from beginning of year. Cumulative value of marine exports from beginning of year; nominal fob value. Monthly data.

Sources: Directorate of Fisheries, Statistics Iceland.

### III Foreign trade and external economic conditions

III-17

Export prices

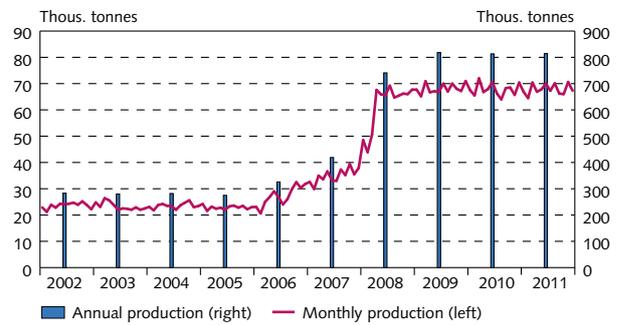


Foreign currency prices of marine products are calculated by dividing marine products prices in Icelandic krónur by the export-weighted trade basket. LME aluminium prices are in US dollars. Monthly averages plus most recent aluminium prices.

Sources: Statistics Iceland, London Metal Exchange (LME), Central Bank of Iceland.

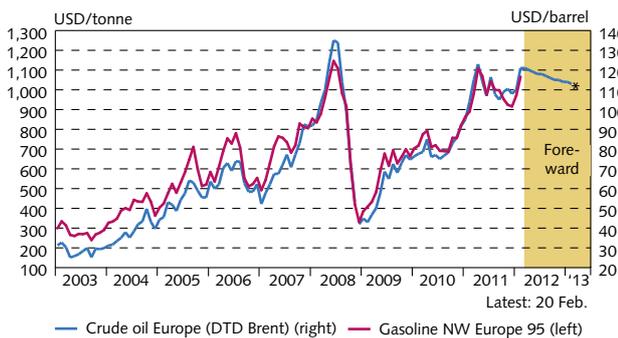
III-18

Aluminium production



III-19

Global crude oil and gasoline prices

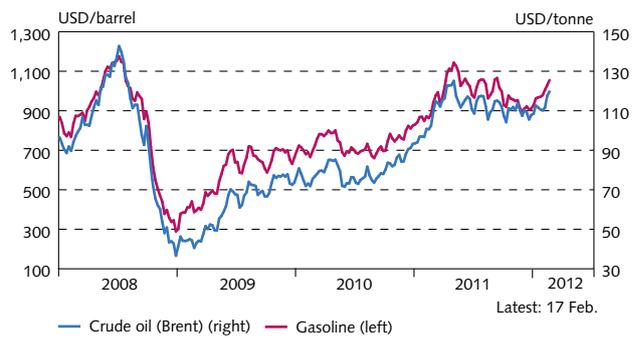


Monthly averages, most recent daily prices, and forward prices 12 months ahead in US dollars.

Sources: Bloomberg, Nymex.

III-20

Global crude oil and gasoline prices

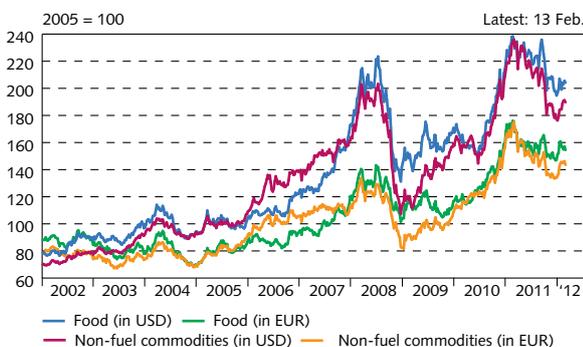


Weekly data.

Source: Bloomberg.

III-21

Commodity prices in international markets

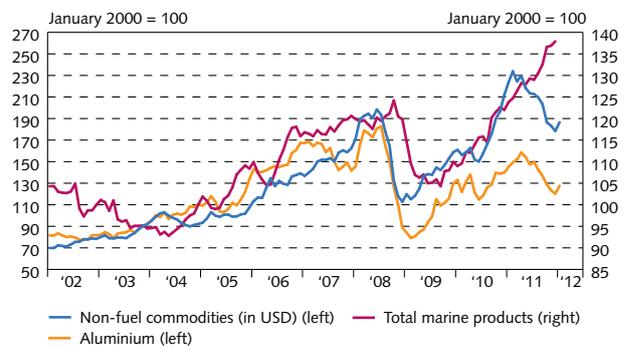


Weekly data.

Source: Macrobond.

III-22

Global commodity prices and Icelandic export prices



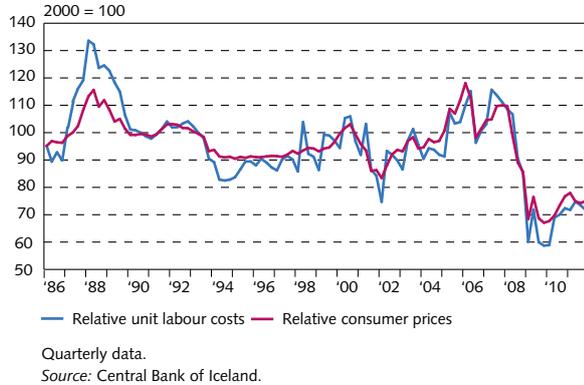
Monthly data.

Sources: London Metal Exchange, Macrobond, Statistics Iceland.

### III Foreign trade and external economic conditions

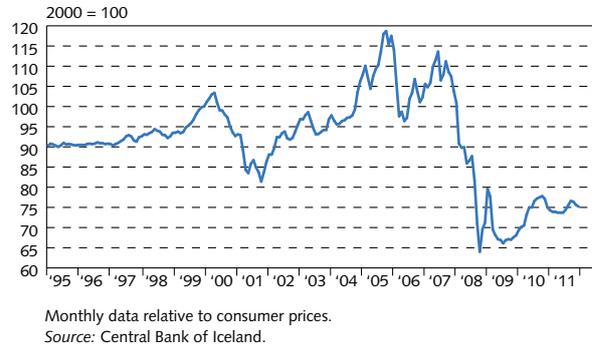
III-23

Real exchange rate



III-24

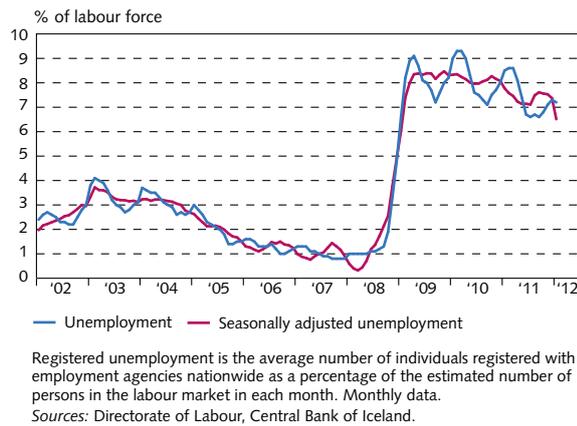
Real exchange rate



### IV Labour market and wages

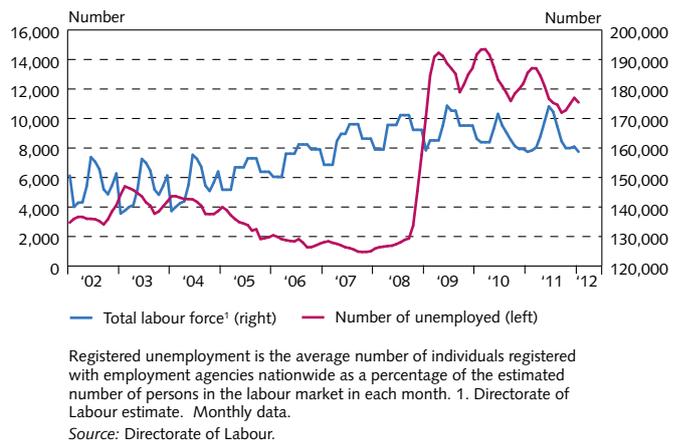
IV-1

Unemployment



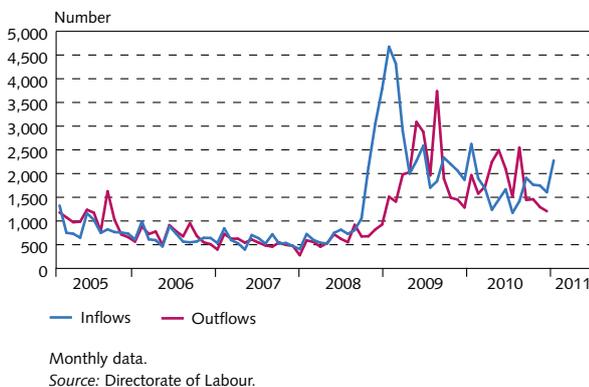
IV-2

Number of unemployed and total labour force



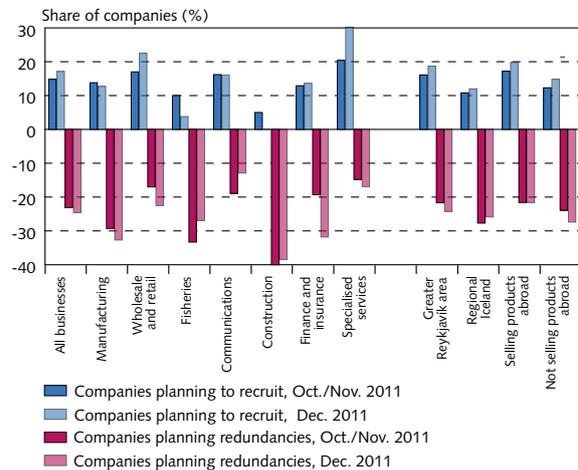
IV-3

Unemployment register: Inflows and outflows



IV-4

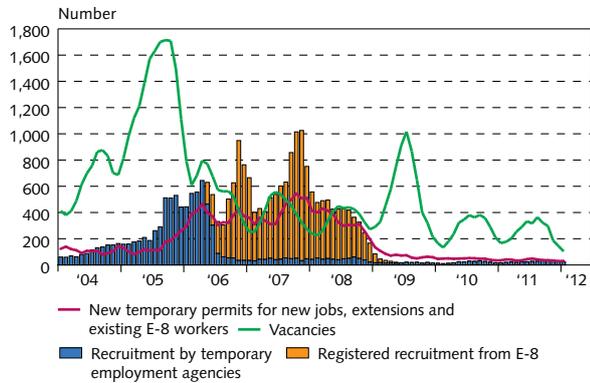
Companies planning to change staffing levels during the next 6 months



## IV Labour market and wages

IV-5

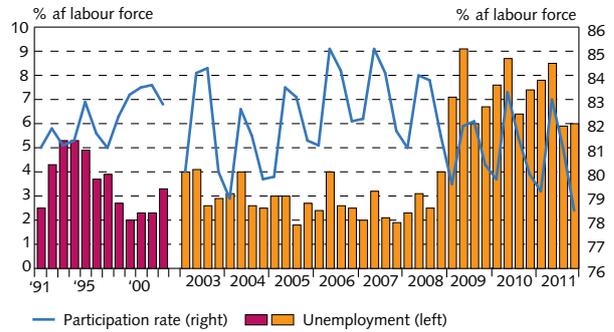
Vacancies and foreign labour



3-month moving average. The E-8 countries are Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, Czech Republic, and Hungary. Monthly data.  
 Source: Directorate of Labour.

IV-6

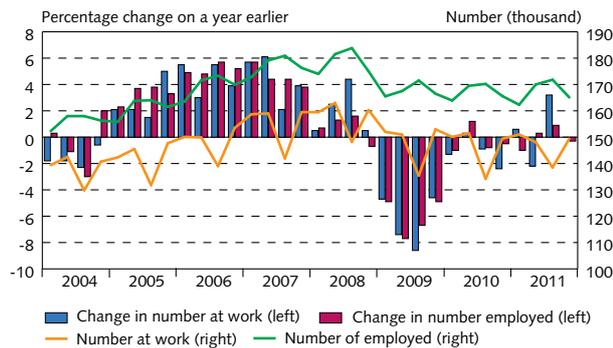
Unemployment rate and labour participation rate



Until 2003, the Statistics Iceland labour market survey included only one week in April and one week in November; however, since January 2003, it has been continuous and the results published quarterly. As a result, figures from January 2003 and thereafter are not entirely comparable with earlier figures. Quarterly data.  
 Source: Statistics Iceland.

IV-7

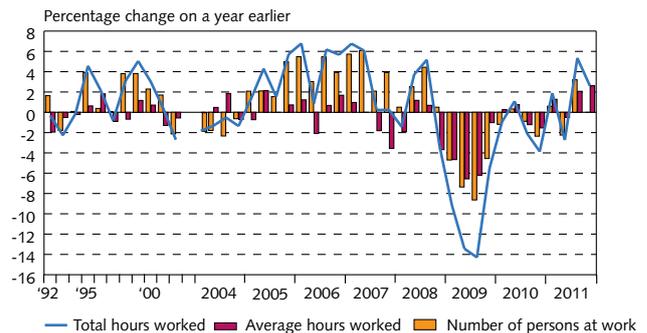
Employed persons and number of persons at work



Employed persons are those who worked at least one hour during the reference week or were absent from work that they were hired to carry out. Persons at work are those who worked one hour or more during the reference week. Quarterly data.  
 Source: Statistics Iceland.

IV-8

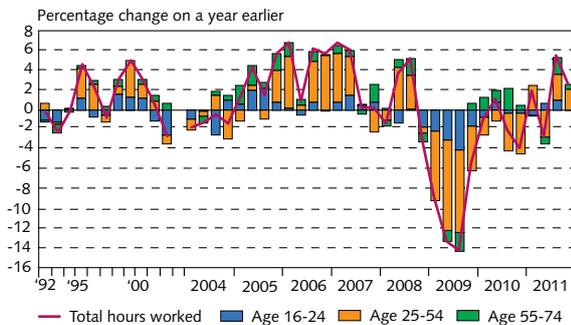
Changes in labour force



Until 2003, the Statistics Iceland labour market survey included only one week in April and one week in November; however, since January 2003, it has been continuous and the results published quarterly. As a result, figures from January 2003 and thereafter are not entirely comparable with earlier figures. Quarterly data.  
 Source: Statistics Iceland.

IV-9

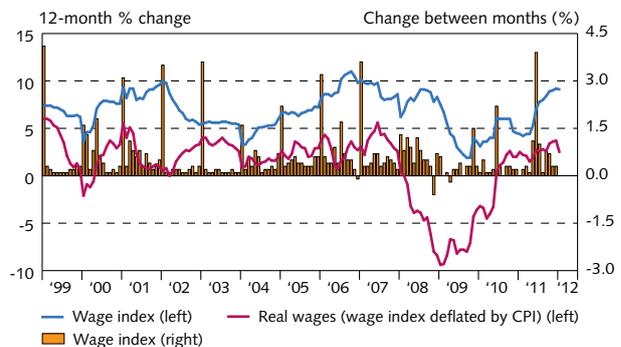
Changes in labour force



Contribution of age groups to changes in total hours worked. Until 2003, the Statistics Iceland labour market survey included only one week in April and one week in November; however, since January 2003, it has been continuous and the results published quarterly. As a result, figures from January 2003 and thereafter are not entirely comparable with earlier figures. Quarterly data.  
 Source: Statistics Iceland.

IV-10

Nominal and real wages

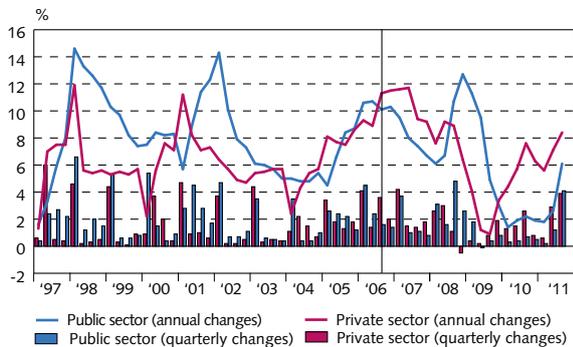


Real wages are the wage index deflated by the CPI. Monthly data.  
 Source: Statistics Iceland.

## IV Labour market and wages

IV-11

Wage changes by sector

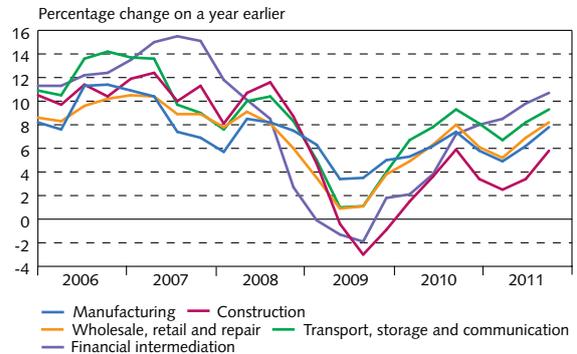


Until 2006, private sector wages, on the one hand, and public sector and banking sector wages, on the other, are components of the wage index; however, from 2006 onwards, the banking sector is included in private sector wages. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

IV-12

Private sector wage index by sector

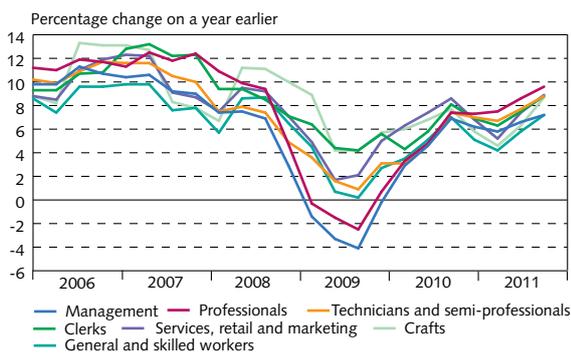


Sectors are defined according to ÍSTARF 95 classification system. Quarterly data.

Source: Statistics Iceland.

IV-13

Private sector wage index by occupational group

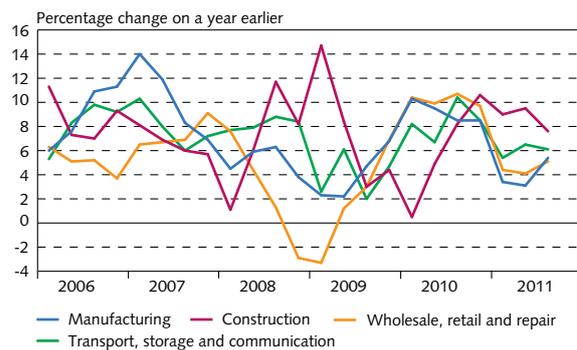


Occupational groups are defined according to ÍSTARF 95 classification system. Quarterly data.

Source: Statistics Iceland.

IV-14

Private sector labour cost index by sector

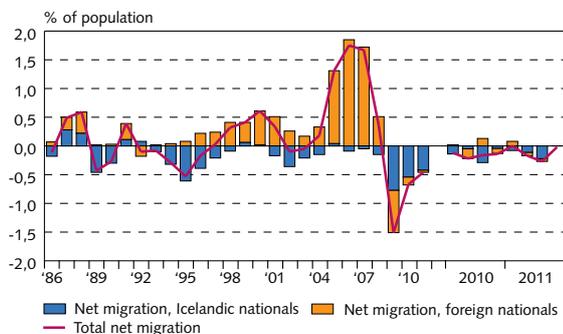


Total labour cost excluding irregular bonuses per hour. Sectors are defined according to ÍSAT 95 classification system. Quarterly data.

Source: Statistics Iceland.

IV-15

Migration

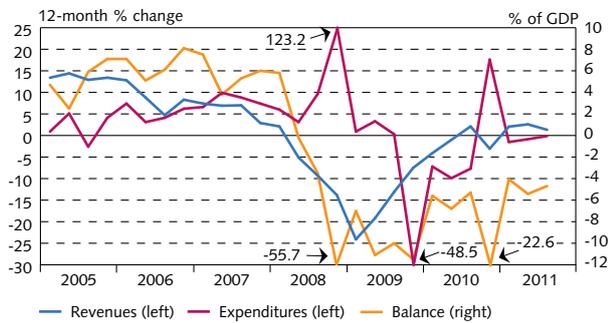


Yearly numbers for the period 1986-2011 and quarterly numbers from Q1/2010. Source: Statistics Iceland.

## V Public finances

V-1

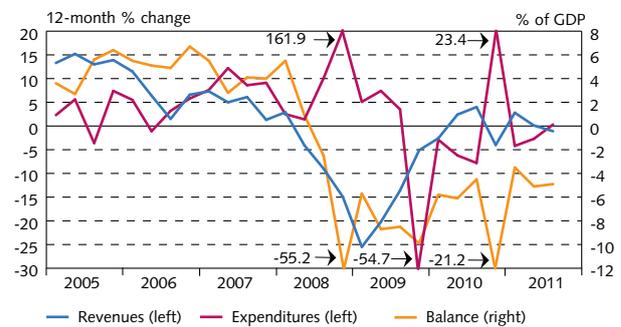
Public sector revenues, expenditures and balance



Percentage of gross domestic product from last four quarters. In real terms, deflated by CPI. Quarterly data.  
Source: Statistics Iceland.

V-2

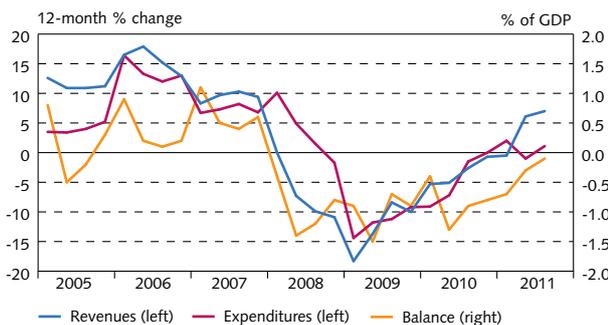
Treasury revenues, expenditures and balance



Percentage of gross domestic product from last four quarters. In real terms, deflated by CPI. Quarterly data.  
Source: Statistics Iceland.

V-3

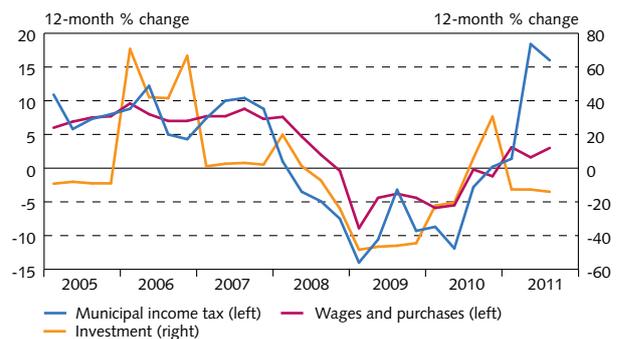
Local government revenues, expenditures and balance



In real terms, deflated by CPI. Quarterly data.  
Source: Statistics Iceland.

V-4

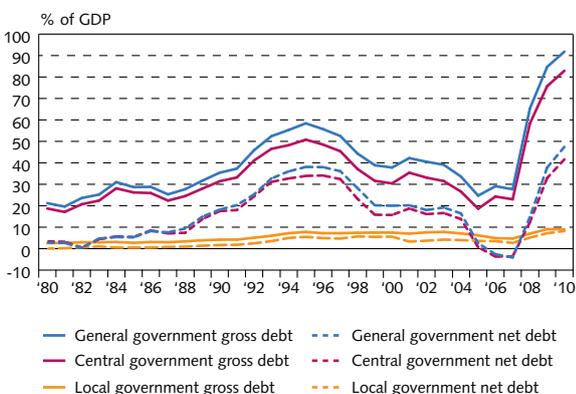
Local government revenues and expenditures



In real terms, deflated by CPI. Quarterly data.  
Source: Statistics Iceland.

V-5

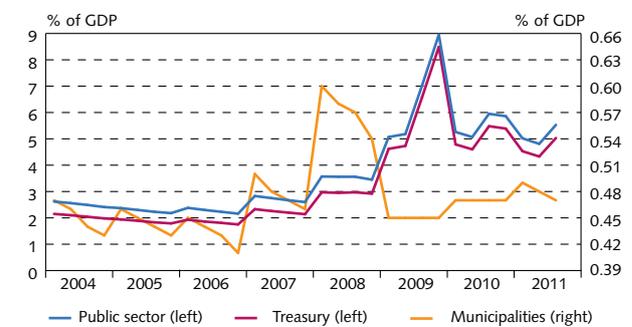
Public sector debt



Excluding civil service pension liabilities and equity holdings. Debt on transaction accounts netted out of assets.  
Sources: Ministry of Finance, Statistics Iceland.

V-6

Public sector interest expense

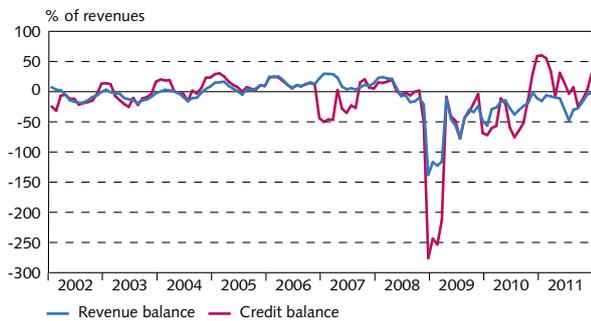


Figures for 2010 are preliminary. Quarterly data.  
Source: Statistics Iceland.

## V Public finances

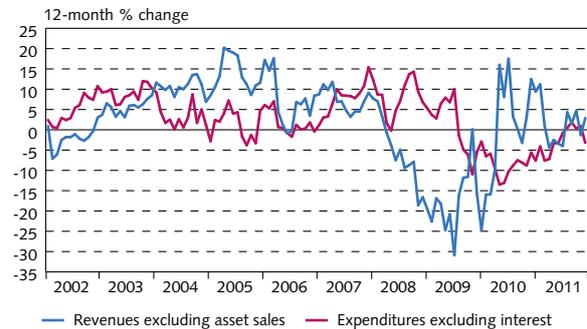
V-7

Treasury balance and net credit balance



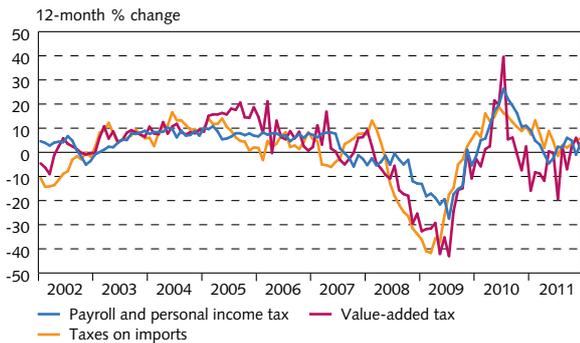
V-8

Regular revenues excluding asset sales, regular expenditure excluding interest



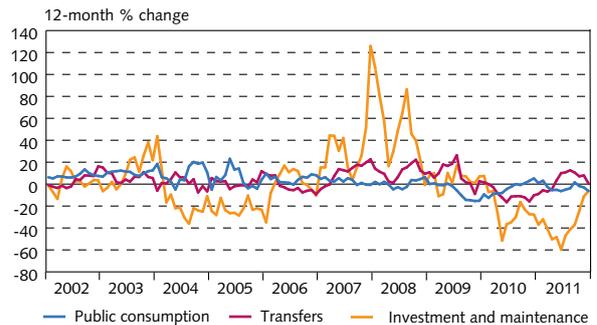
V-9

Tax revenues



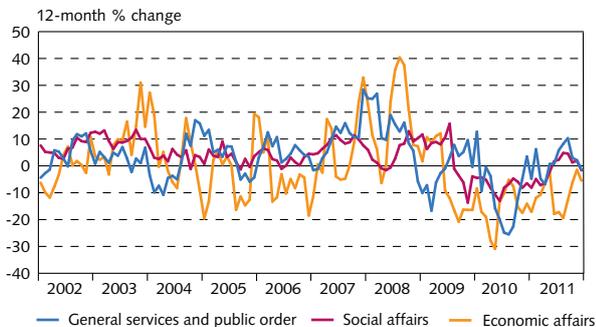
V-10

Treasury expenditures by type



V-11

Treasury expenditures by function



# VI Asset markets

VI-1

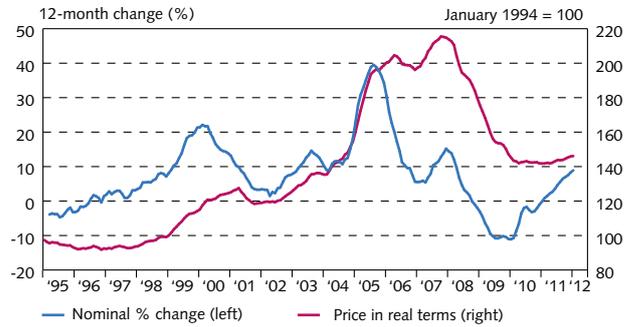
Housing market prices and turnover in greater Reykjavík



Turnover is based on the number of purchase agreements on the date of purchase. Monthly data.  
Sources: Registers Iceland, Central Bank of Iceland.

VI-2

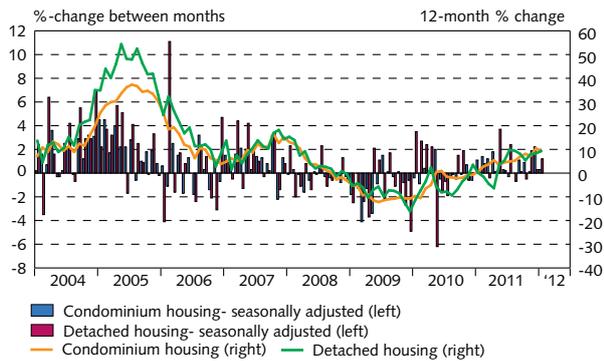
Housing market prices in greater Reykjavík



Price per sq.m. (immediate payment). 3-month average. Monthly data.  
Sources: Registers Iceland, Central Bank of Iceland.

VI-3

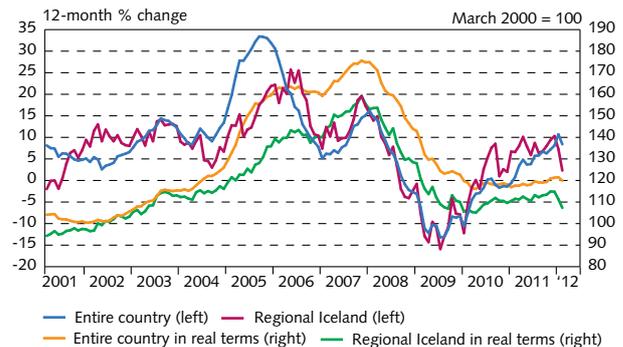
House prices in greater Reykjavík



Monthly data.  
Sources: Registers Iceland, Central Bank of Iceland.

VI-4

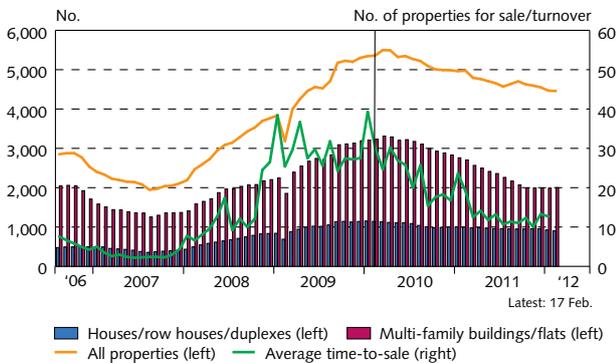
Market price of residential housing



Monthly data.  
Source: Statistics Iceland.

VI-5

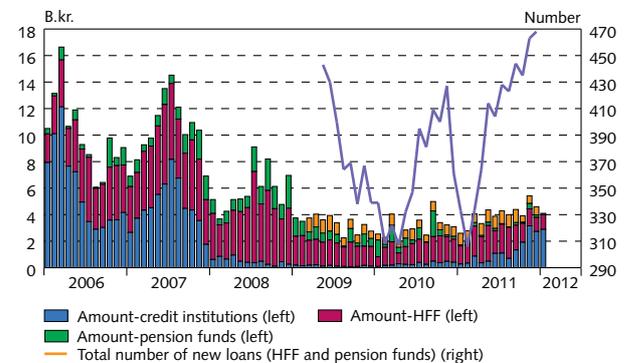
Advertised property and average time to sale



Monthly average of advertisements on Morgunbladid real estate website. The count is carried out by property code so as to avoid a repeat count of the same property. Monthly turnover is according to the number of officially registered purchase agreements. The average time to sale is the length of time (in months) that it takes to sell advertised property divided by the turnover for the month in question.  
Sources: Morgunbladid Real Estate Website (mbl.is), Registers Iceland.

VI-6

Number and amount of new residential housing loans

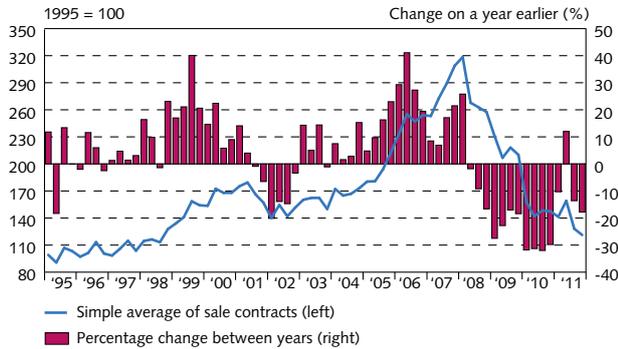


Information on new pension fund loans is based on a sample covering the nation's 20 largest pension funds. During the survey period, the number of pension funds in the sample rose from 18 to 20. The sample now extends to almost 97% of Icelandic pension funds' net assets. Monthly data. Latest month excludes the pension funds. Number of new loans is shown as a 3-month rolling average.  
Sources: Housing Financing Fund, Central Bank of Iceland.

## VI Asset markets

VI-7

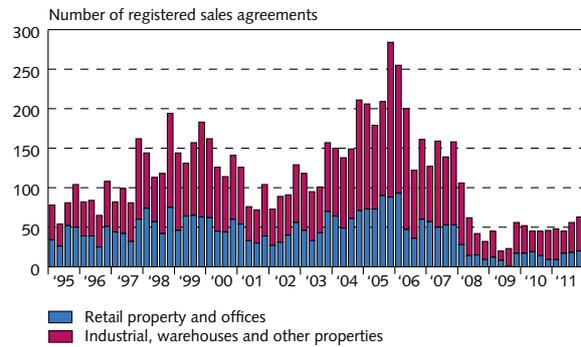
Commercial property prices in greater Reykjavík



Weighted average of industrial, retail, and office housing. Data are subject to uncertainty due to sparsity and divergence of measurements. Quarterly data.  
Sources: Registers Iceland, Central Bank of Iceland.

VI-8

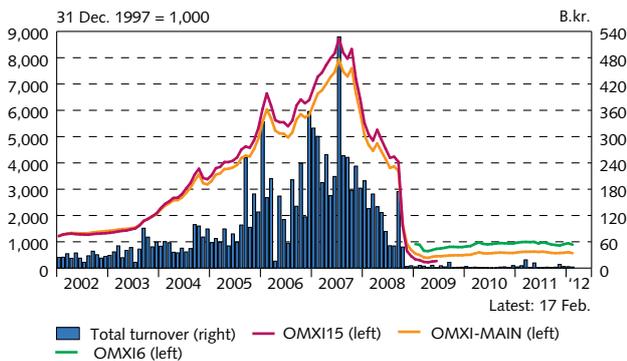
Turnover of commercial housing



Before June 2006, turnover is based on purchase day, otherwise on day of registered sales agreement.  
Sources: Registers Iceland, Central Bank of Iceland.

VI-9

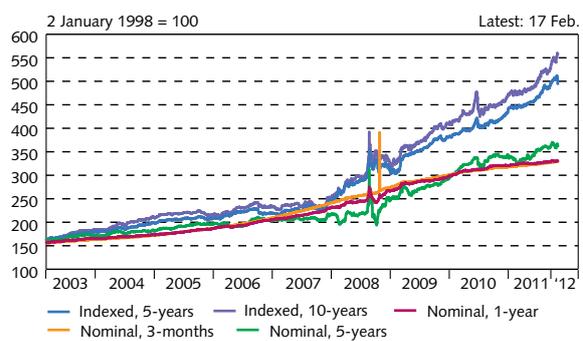
Equity market



Total monthly volume of listed shares and monthly average of main stock indices.  
Source: Nasdaq OMX Iceland.

VI-10

Bond indices

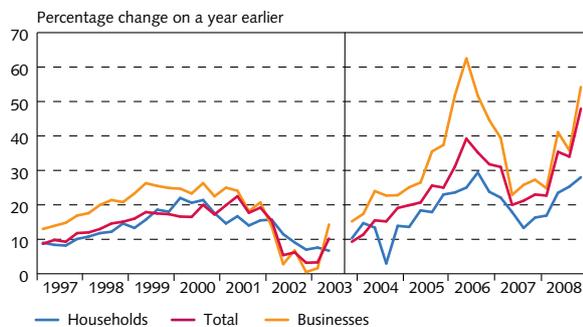


Indices are the OMX Nordic Exchange Iceland's calculations of yields on fixed-maturity bonds. Daily data.  
Source: Nasdaq OMX Iceland.

## VII Financial markets

VII-1

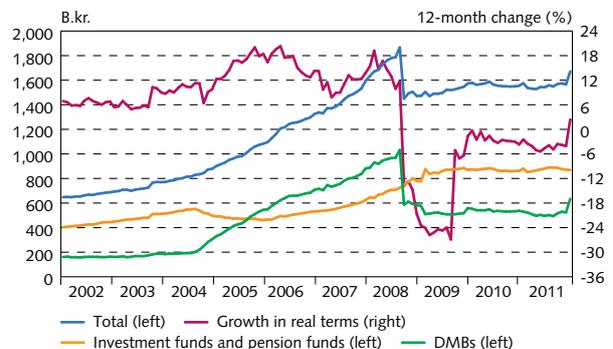
Credit system lending growth



Due to reclassification of lending, data from Q3 2003 are not comparable to earlier data. Quarterly data. The series have not been updated since September 2008 due to lack of data.  
Source: Central Bank of Iceland.

VII-2

Household debt with major credit institutions

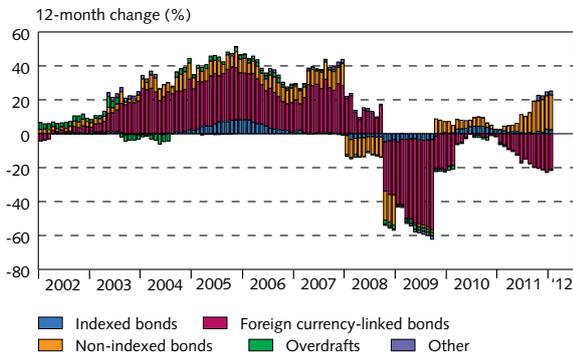


From September 2008, debt to DMBs are shown at discounts as taken over by the new banks. The total includes insurance companies and the student loan fund. Latest data can be partly estimated.  
Source: Central Bank of Iceland.

## VII Financial markets

VII-3

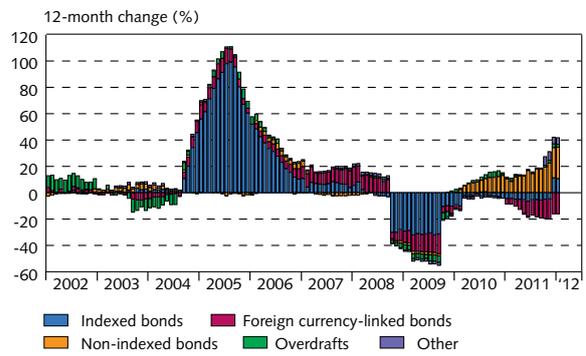
Credit institution lending to businesses



Contribution of individual components to lending growth. From September 2008, lending is shown at discounts as taken over by the new banks. The category labelled "other" includes bills of exchange, redeemed guarantees, and asset financing agreements. Data from October 2008 are preliminary. Monthly data. Source: Central Bank of Iceland.

VII-4

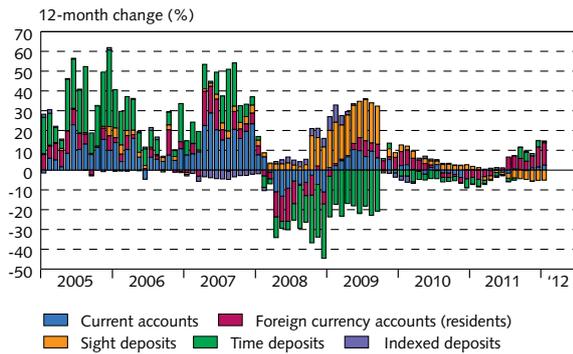
DMB lending to households



Contribution of individual components to lending growth. From September 2008, lending is shown at discounts as taken over by the new banks. The category labelled "other" includes bills of exchange, redeemed guarantees, and asset financing agreements. Data from October 2008 are preliminary. Monthly data. Source: Central Bank of Iceland.

VII-5

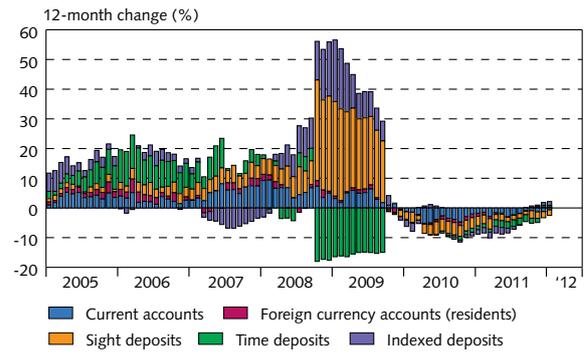
Companies' deposits



Contribution of individual components to deposit growth. Term deposits include money market accounts and other non-sight deposits. Indexed deposits include pension savings, indexed vacation allowance accounts, and other indexed savings. Data from October 2008 are preliminary. Monthly data. Source: Central Bank of Iceland.

VII-6

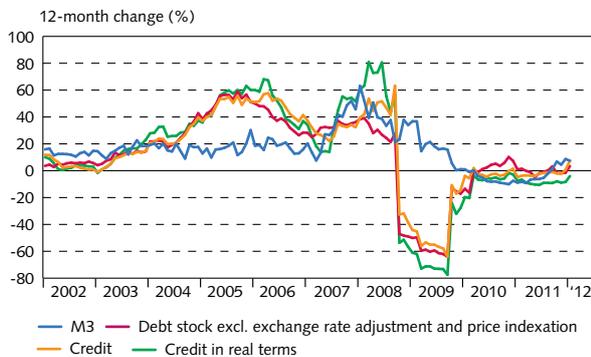
Household deposits



Contribution of individual components to deposit growth. Term deposits include money market accounts and other non-sight deposits. Indexed deposits include pension savings, indexed vacation allowance accounts, and other indexed savings. Data from October 2008 are preliminary. Monthly data. Source: Central Bank of Iceland.

VII-7

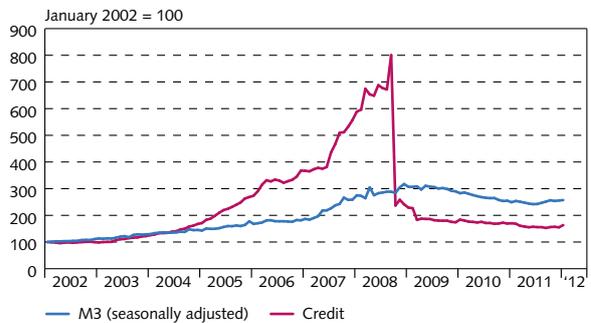
M3 and domestic bank credit



Corrected for estimated effects of price level and exchange rate movements on indexed and foreign-denominated loans. Real loan values are deflated by the CPI. Corrected for entry of Kaupthing from January 2002 onwards. Data from October 2008 are preliminary. Monthly data. Sources: Statistics Iceland, Central Bank of Iceland.

VII-8

Real M3 and domestic bank credit

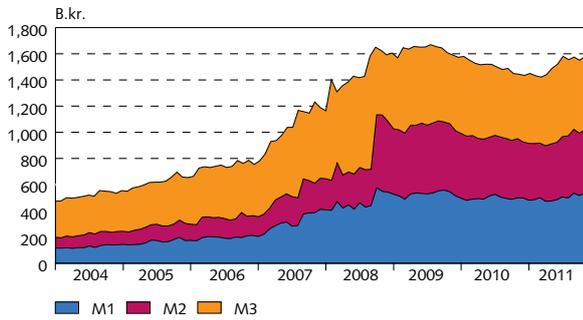


Lending and M3 at constant price levels are deflated by the CPI. Data from October 2008 are preliminary. Monthly data. Sources: Statistics Iceland, Central Bank of Iceland.

## VII Financial markets

VII-9

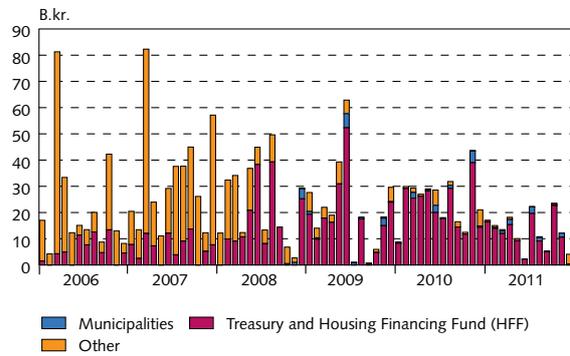
M3 and domestic bank credit



Data from October 2008 are preliminary. Monthly data.  
Source: Central Bank of Iceland.

VII-10

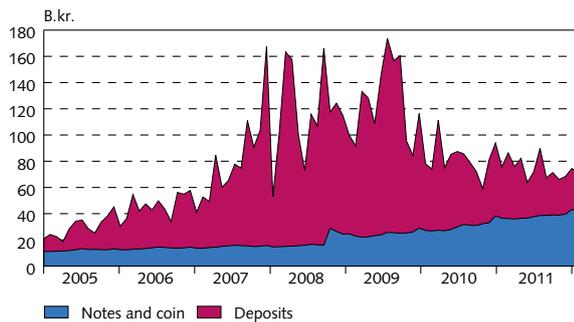
Bond auctions



Monthly data.  
Source: Central Bank of Iceland.

VII-11

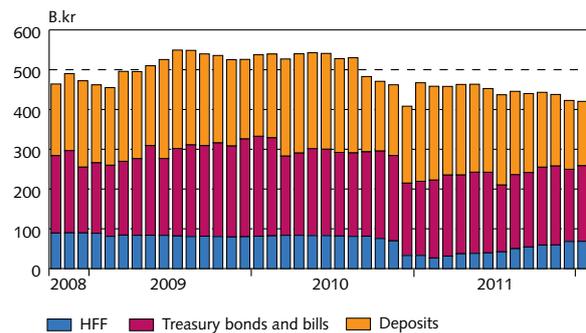
Base money (M0)



Categorisation of base money according to Central Bank of Iceland. Monthly data.  
Source: Central Bank of Iceland.

VII-12

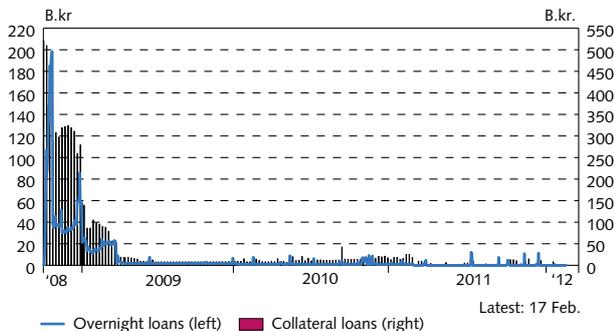
Non-residents' króna assets



Sources: Icelandic Securities Depository, Central Bank of Iceland.

VII-13

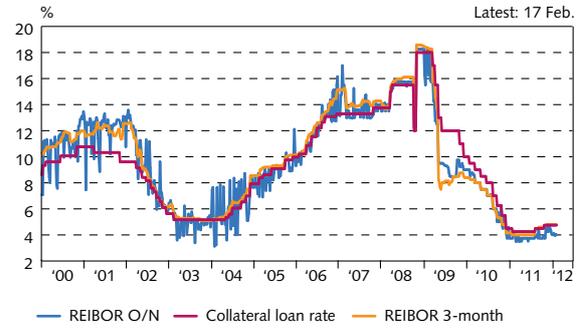
Central Bank collateral loans and overnight loans



Weekly data for collateral loans; daily data for overnight loans.  
Source: Central Bank of Iceland.

VII-14

Central Bank collateral loan rate and money market interest rates

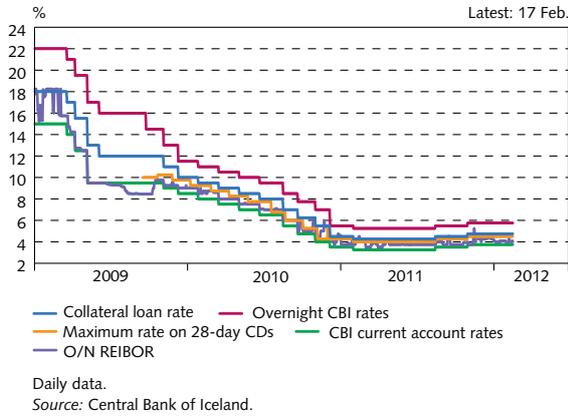


Weekly data.  
Source: Central Bank of Iceland.

## VII Financial markets

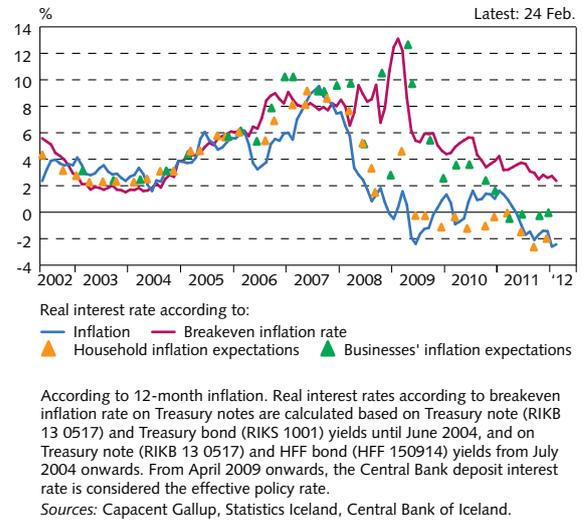
VII-15

Central Bank and short-term market interest rates



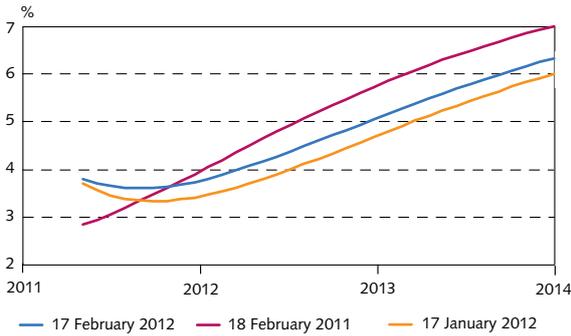
VII-16

Central Bank real interest rate



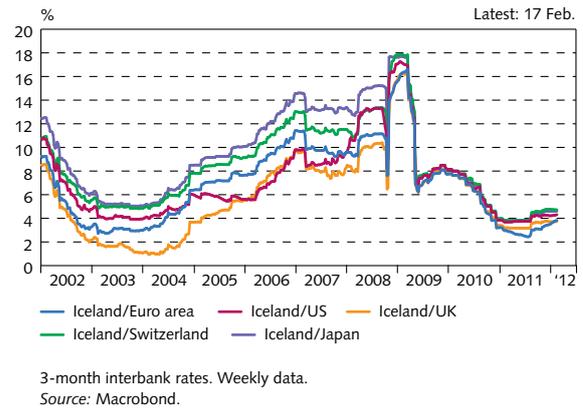
VII-17

Forward interest rates on Treasury bond market



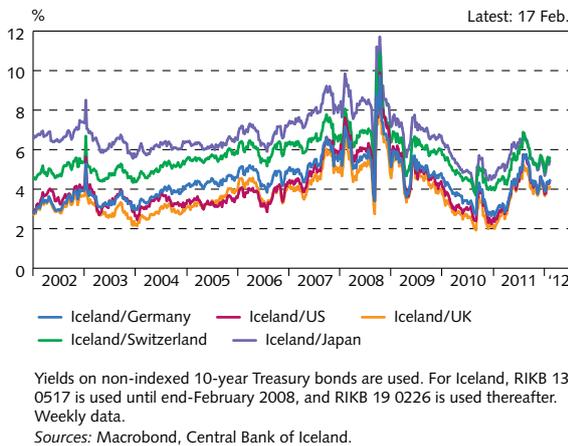
VII-18

Short-term interest rate differential



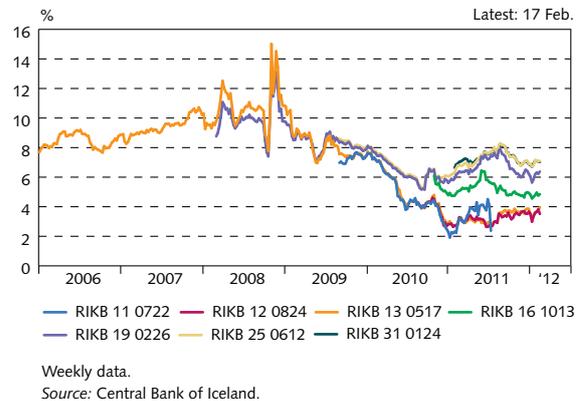
VII-19

Long-term interest rate differential



VII-20

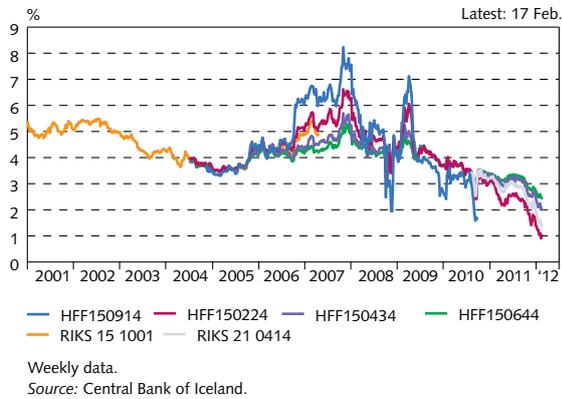
Long-term nominal Treasury bond yields



## VII Financial markets

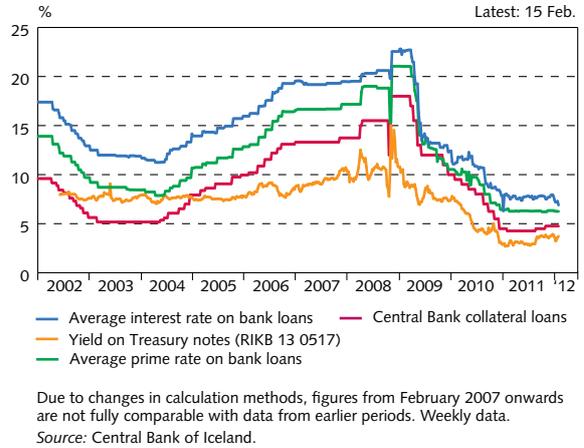
VII-21

Yields on indexed long-term bonds



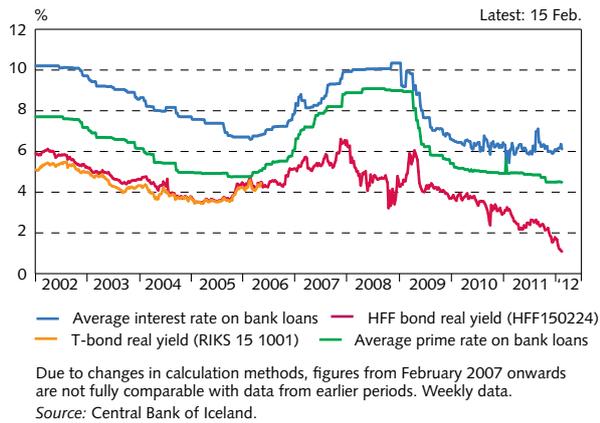
VII-22

Average nominal interest rates



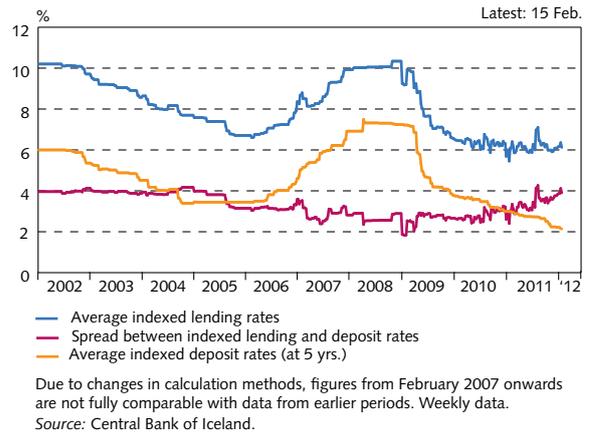
VII-23

Average indexed interest rates



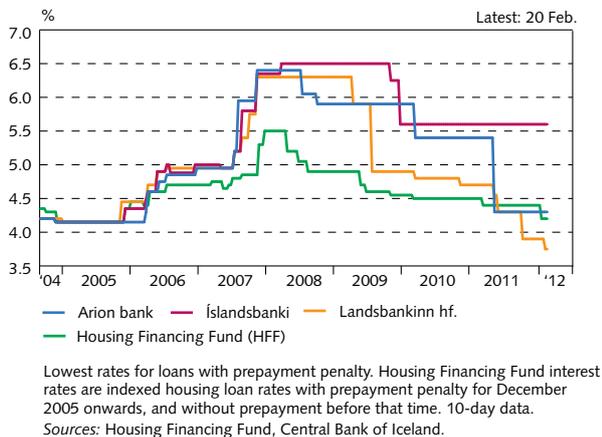
VII-24

Bank lending and deposit rates



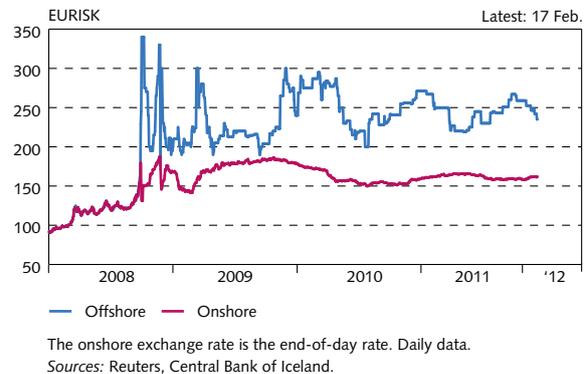
VII-25

Interest rates on indexed housing loans



VII-26

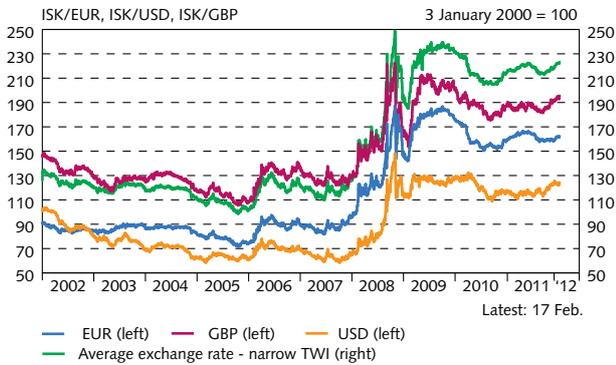
The ISK exchange rate markets against the euro



## VII Financial markets

VII-27

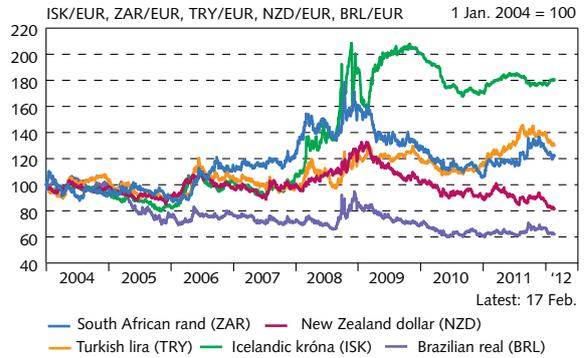
Exchange rate of the króna against foreign currencies



The exchange rate index is calculated based on a narrow trade basket. Daily data.  
Source: Central Bank of Iceland.

VII-28

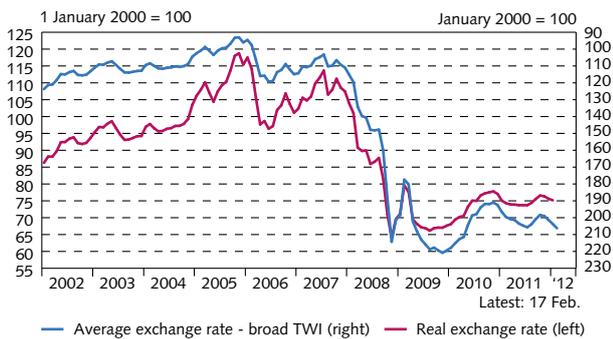
Exchange rate of high-yielding currencies against the euro



Daily data.  
Source: Macrobond.

VII-29

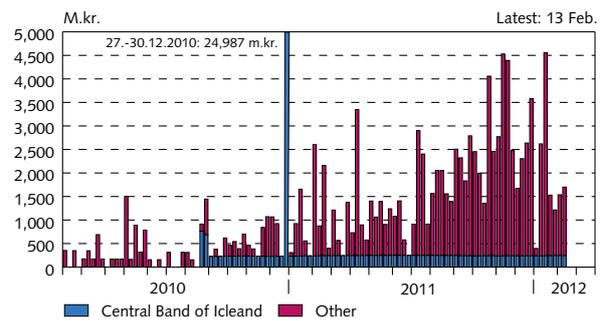
Nominal and real effective exchange rate of the króna



Monthly data.  
Source: Central Bank of Iceland.

VII-30

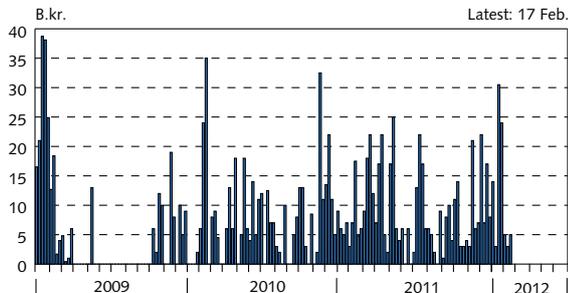
FX-market turnover



Weekly data.  
Source: Central Bank of Iceland.

VII-31

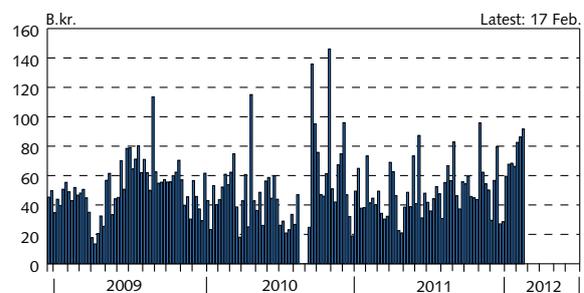
Turnover on the interbank market for krónur



Weekly data.  
Source: Central Bank of Iceland.

VII-32

Bond market turnover



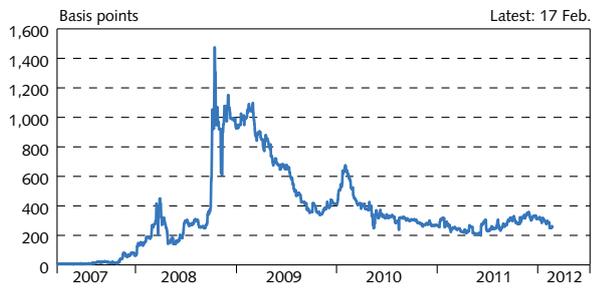
Weekly data.  
Source: Central Bank of Iceland.

## VII Financial markets

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VII-33

### CDS spread for Iceland



5-year EUR credit spread on the Republic of Iceland. Daily data.  
Sources: Bloomberg, Central Bank of Iceland.