

Economic Indicators



Central Bank of Iceland
January 2004

Overview of economic indicators

	Latest period	Latest value	Change (%)			Contribution to inflation (%)	12-mo. ch. 1 year ago (%)
			on prev. month	over 6 months ²	over 12 months		
I Inflation and inflation expectations¹							
Consumer price index	Jan. '04	230.1	0.0	3.2	2.4	.	1.4
Core index 1 (CPI excl. agric. prod., vegetables, fruit and petrol)	Jan. '04	130.1	-0.2	2.7	2.7	2.4	2.1
Core index 2 (core index 1 excl. public services).....	Jan. '04	129.9	-0.8	1.6	2.1	1.7	2.0
Domestic goods excl. agricultural products and vegetables.....	Jan. '04	128.7	0.5	2.1	1.5	0.1	-0.9
Agricultural products and vegetables.....	Jan. '04	117.7	1.0	4.4	-0.1	0.0	-4.4
Imported goods excl. alcohol and tobacco.....	Jan. '04	108.7	-1.6	1.3	0.3	0.1	-2.9
- food and beverages	Jan. '04	126.2	2.9	11.0	-1.1	0.0	-9.9
- cars and spare parts.....	Jan. '04	117.9	0.2	5.1	3.5	0.3	-2.1
- petrol	Jan. '04	124.0	1.8	7.1	1.6	0.1	2.2
- imported goods excl. food and beverages	Jan. '04	97.9	-3.9	-3.2	-1.1	-0.2	-2.6
Housing	Jan. '04	172.0	0.1	5.8	7.9	1.3	7.4
Public services.....	Jan. '04	137.3	5.9	15.6	9.1	0.7	4.8
Private services.....	Jan. '04	137.3	-0.1	0.4	0.7	0.2	4.9
Groceries (perishable items)	Jan. '04	124.2	1.2	4.3	0.6	0.1	.
Weighted import exchange rate index (Dec. 31 1994=100).....	Dec. 31 '03	104.5	-1.5	-0.8	-1.4	.	-12.0
			Expected Latest period inflation	Change on prev. survey	Exp. 12-mo inflation 1 year ago	Expected annual inflation over next 2 yrs. 3 yrs.	Perceived inflation in past 12 mo.
Breakeven inflation rate ³	Jan. 16 '04	2.4 2.8	.
Employers' inflation expectations	Sept. '03	2.9	-0.8	.	.	2.8	.
Public's inflation expectations.....	Oct. '03	3.1	-0.3	3.5	.	.	2.9

1. Index base periods: Consumer price index: May 1988=100; other price indices: March 1997=100. 2. Annualised inflation. 3. Difference between non-indexed and indexed Treasury bond yields at 2 and 3 years' maturity.

	Latest period	Latest value	Value 1 year ago	% change ¹ on		From beginn. of year ¹	
				previous period	previous year	Value	Change on prev. year (%)
II Output and demand							
GDP (b.kr.).....	2003/Q3	202.6	194.4	.	3.2	594.7	3.1
National expenditure (b.kr.).....	2003/Q3	211.0	189.1	.	9.3	611.0	6.8
Private consumption (b.kr.).....	2003/Q3	112.2	104.9	.	6.5	330.1	6.3
Public consumption (b.kr.).....	2003/Q3	53.1	49.4	.	3.8	158.3	4.2
Gross fixed investment (b.kr.).....	2003/Q3	44.7	34.1	.	26.9	122.8	10.4
Exports of goods and services (billion kr.).....	2003/Q3	79.0	80.8	.	1.0	217.4	0.1
Imports of goods and services (billion kr.).....	2003/Q3	-87.4	-75.6	.	15.8	-233.8	9.3
Domestic turnover according to VAT statements (billion kr.)....	Sept.-Oct. '03	157.8	139.9	2.9	10.3	721.8	6.2
Turnover in groceries stores (b.kr.).....	Dec. '03	144.7	138.0	36.8	4.9	110.6	4.3
Credit and debit card turnover (b.kr.) ²	Dec. '03	50.0	45.9	4.6	7.6	517.4	9.1
Turnover of publicly listed companies on ICEX (b.kr.).....	Jan.-Sept. '03	198.5	185.5	.	.	198.5	7.1
Cement sales (thous. tons).....	Dec. '03	10.2	6.9	-17.4	47.7	136.7	19.1
Automobile registrations (number).....	Nov. '03	902	573	-15.2	57.4	11,875	48.5

1. Change between periods is presented in real terms. 2. Change in seasonally adjusted values.

	Latest period	Latest value	Value 1 year ago	% change on		From beginn. of year	
				previous period	previous year	Value	Change on prev. year (%)
III Foreign trade and external economic conditions							
Price of marine products in foreign currency (Jan.1999=100)...	Nov. '03	95.5	99.0	0.1	-3.6	97.6	-4.4
Price of aluminium, LME cash price USD/t.....	Jan. '04	1,609	1,379	3.5	16.8	1,590	15.3
Price of crude oil (Brent) USD/b.....	Jan. '04	32.1	31.3	7.3	2.5	30.9	-1.2
Groundfish (1,000 tonnes).....	Dec. '03	32.6	32.1	-17.9	1.5	490.6	3.6
Pelagics (1,000 tonnes).....	Dec. '03	54.3	68.5	96.8	-20.7	1,456.0	-9.9
Merchandise exports (excl. ships & aircraft, b.kr.)	Nov. '03	16.8	16.0	7.0	7.4	168.8	-5.5
- marine products (b.kr.) ¹	Nov. '03	9.5	9.5	-0.6	2.3	104.9	-7.5
- aluminium (b.kr.) ¹	Nov. '03	2.6	3.2	-16.9	-19.7	31.7	-7.8
- other industrial products (b.kr.) ¹	Nov. '03	4.0	2.6	60.3	56.1	26.8	5.3
Merchandise imports (excl. ships & aircraft, b.kr.).....	Nov. '03	16.2	15.2	-12.5	9.1	179.6	13.7
Merchandise trade balance (excl. ships & aircraft, b.kr.).....	Nov. '03	0.6	0.8	.	.	-10.8	.
Services exports (b.kr.) ¹	2003/Q3	35.1	32.6	41.8	14.3	80.3	6.8
Services imports (b.kr.) ¹	2003/Q3	32.6	28.0	11.2	23.8	85.7	17.7
Real effective exchange rate (relative CPI) (1980=100).....	2003/Q4	93.0	90.2	1.1	3.1	96.2	2.5

Note: In the case of volumes and values, 'From beginning of year' refers to cumulated figures to date, but in the case of prices or indices it refers to the average price or index. 1. Changes are calculated at constant exchange rates.

	Latest period	Latest value	Value 1 year ago	Change ¹ from		From beginn. of year ²	
				previous period	previous year	Average	Change on prev. year (%)
<i>IV Labour market and wages</i>							
Number of unemployed listed at employment agencies.....	Dec. '03	4,728	4,483	328	245	4,893	34.8
Registered unemployment, s.a. (% of total estim. labour force)	Dec. '03	3.2	3.0	-0.1	0.2	3.3	0.8
Unemployment rate, labour force survey (biannual).....	2003/Q4	2.9	.	0.3	.	3.4	.
Listed vacancies at employment agencies	Dec. '03	390	133	-14	193	459	108.0
New work permits issued.....	Dec. '03	68	61	-19	11	858	-14.9
Work permits issued, total.....	Dec. '03	278	260	13	7	3,299	-9.3
Wage index (december 1988=100).....	Nov. '03	240.7	228.1	0.1	5.5	238.9	5.6
Real wages (wage index deflated by CPI).....	Nov. '03	131.1	127.4	0.0	2.9	131.5	3.5

1. Change from previous period refers to change in the number of unemployed and change in the rate of unemployment; percentage changes otherwise. 2. Average from beginning of year except for work permits where the cumulated number of permits is shown. Change on previous year refers to change in the average number of unemployed and change in the unemployment rate; percentage changes otherwise.

	Latest period	Latest value	Value 1 year ago	% change on		From beginn. of year	
				previous period	previous year	Value	Change on prev. year (%)
<i>V Public finances</i>							
Treasury revenue balance (billion kr.)	Nov. '03	-1.9	-1.1	.	.	-10.9	.
- as % of revenue	Nov. '03	-9.2	-5.8	.	.	-4.7	.
Net borrowing requirement (billion kr.)	Nov. '03	0.9	0.6	.	.	1.6	.
- as % of revenue	Nov. '03	4.2	3.3	.	.	0.7	.
Treasury revenue (b.kr.)	Nov. '03	20.5	18.8	0.9	6.8	229.4	9.0
- from VAT (b. kr.)	Nov. '03	7.2	6.5	-1.8	7.4	70.7	7.1
- from payroll & personal income tax withheld (b.kr.)	Nov. '03	6.5	5.8	-0.9	10.1	72.1	5.9
- from imports, alcohol, car ownership (b.kr.)	Nov. '03	1.6	1.4	-4.7	13.6	16.0	10.6
Treasury expenditures (b.kr.)	Nov. '03	22.4	19.9	-2.0	10.2	240.3	6.4

Note: First four columns refer to 4 month moving averages of monthly values, the last two to totals for current year to date. All changes are in real terms.

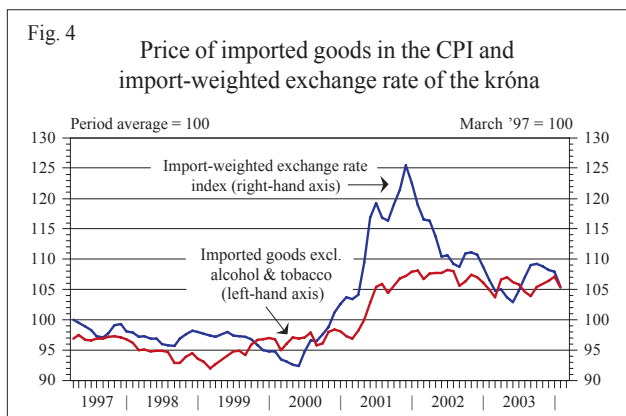
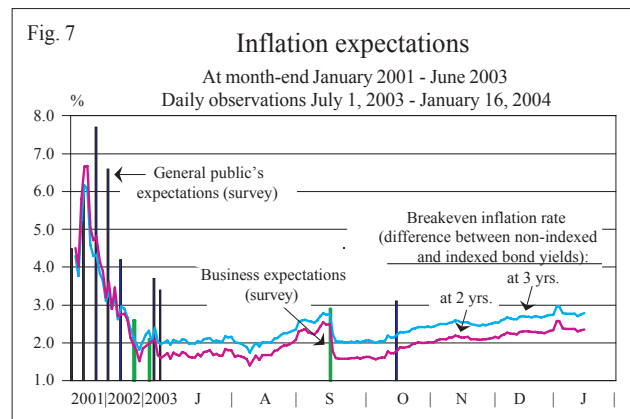
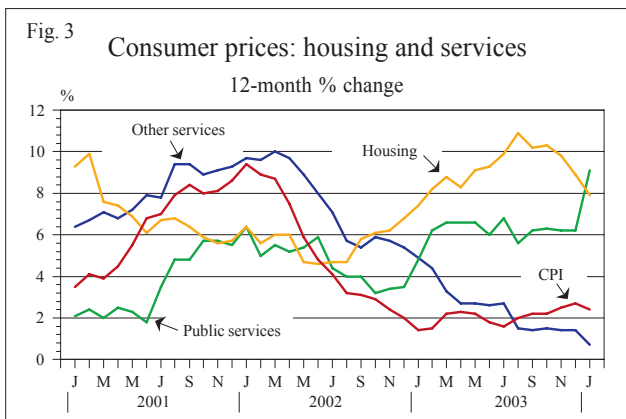
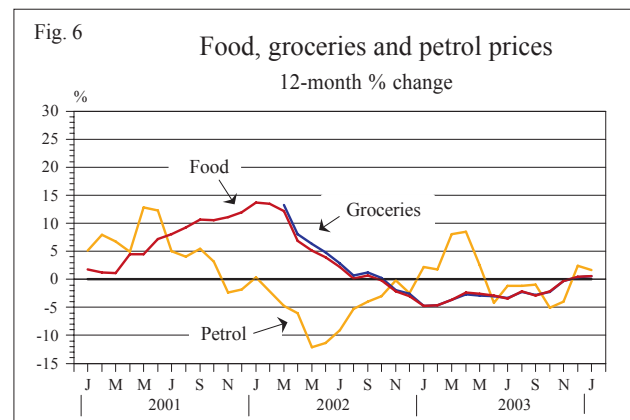
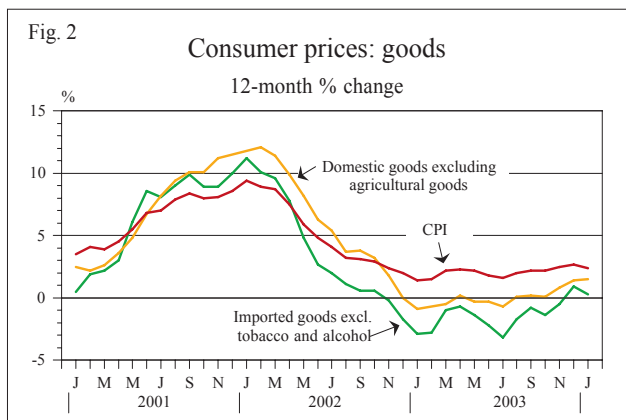
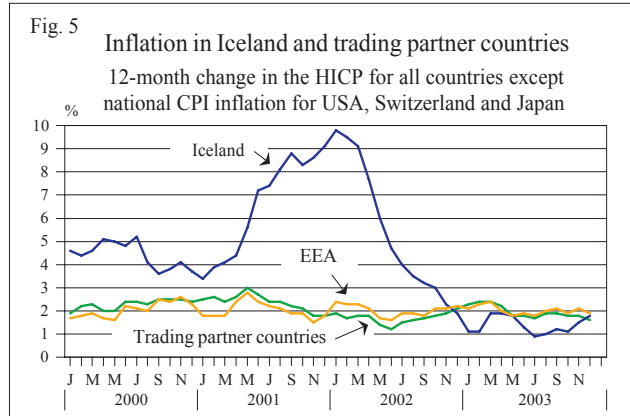
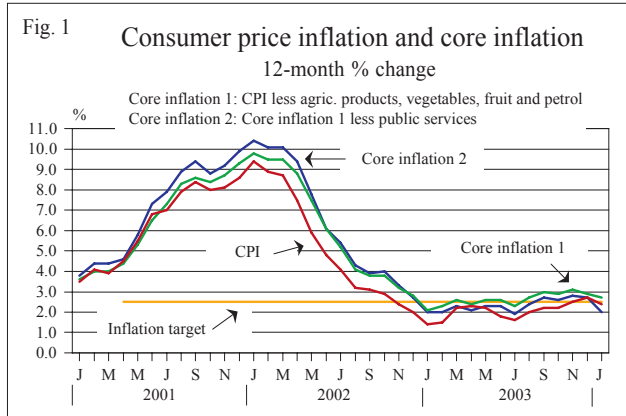
	Latest period	Latest value	Value 1 year ago	% change on		From beginn. of year	
				previous period	previous year	Average ¹	Change on prev. year (%)
<i>VI Asset markets</i>							
ICEX-15 equity price index ² (Dec. 1997=1,000).....	Dec. '03	2,077.6	1,326.4	5.3	56.6	1,604.1	24.6
ICEX-Main equity price index ² (Dec. 1997=1,000)	Dec. '03	2,040.8	1,407.6	4.8	45.0	1,637.4	22.9
Equity turnover on ICEX ² , monthly total.....	Dec. '03	59.1	26.6	21.9	122.1	553.6	72.3
Residential housing price index, broad index ³ (Jan. 1999=100)	Dec. '03	162.2	149.5	-0.5	8.5	158.4	12.3
Real residential housing prices, narrow index ³ (Jan. 1996=100)	Nov. '03	145.1	131.6	-0.1	10.2	140.8	10.0
Price of long-term cod quota (kr./kg.)	Dec. '03	1,250	1,070	0.0	16.8	1,223	31.5

1. Except for turnover which is cumulated to date. 2. ICEX = Iceland Stock Exchange. Prices are monthly averages. 3. In Greater Reykjavik Area.

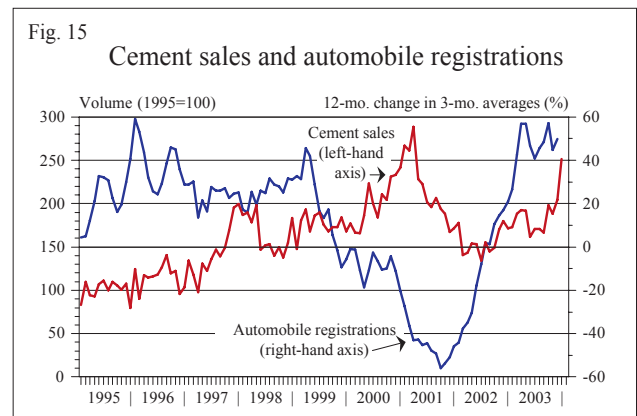
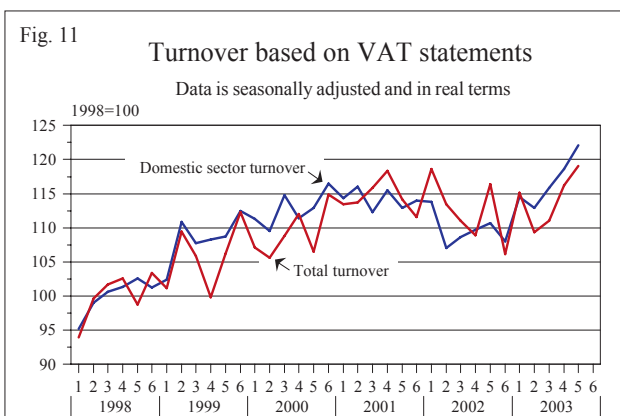
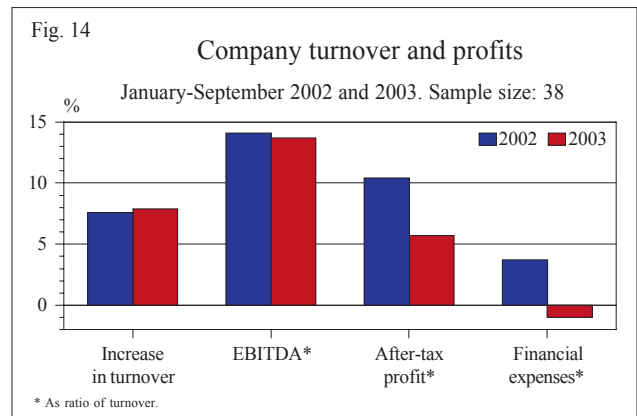
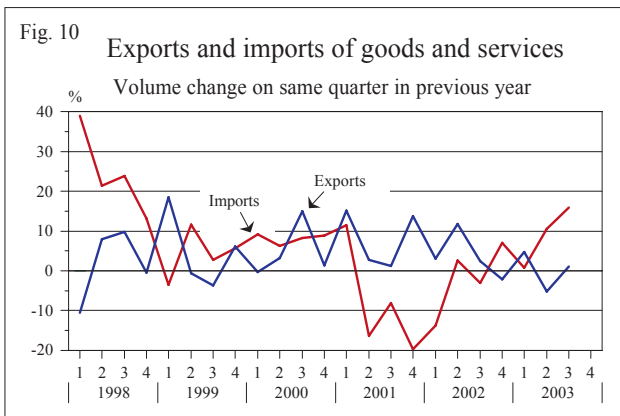
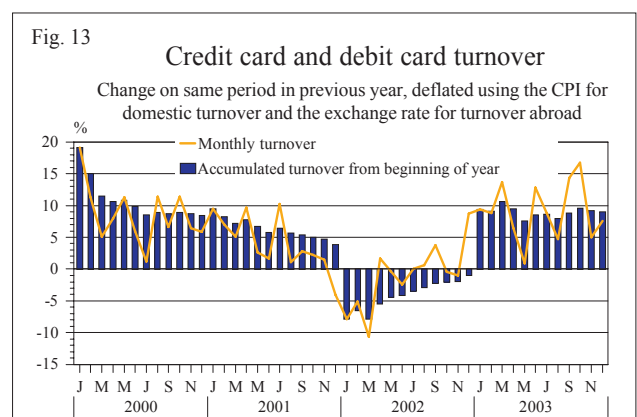
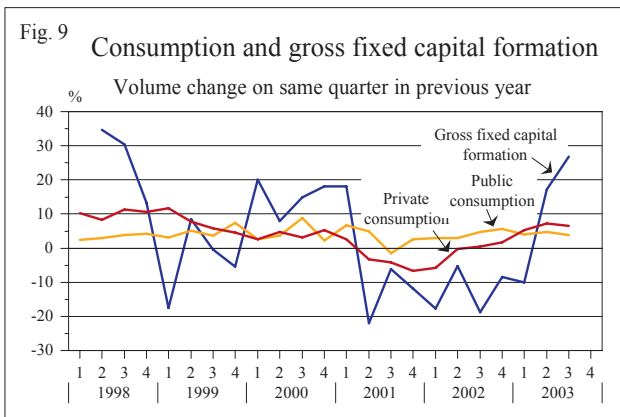
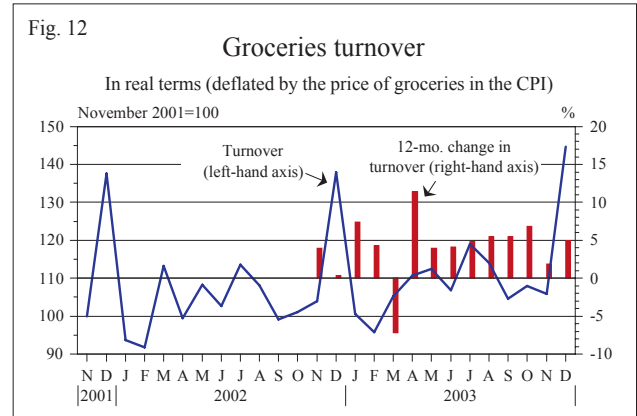
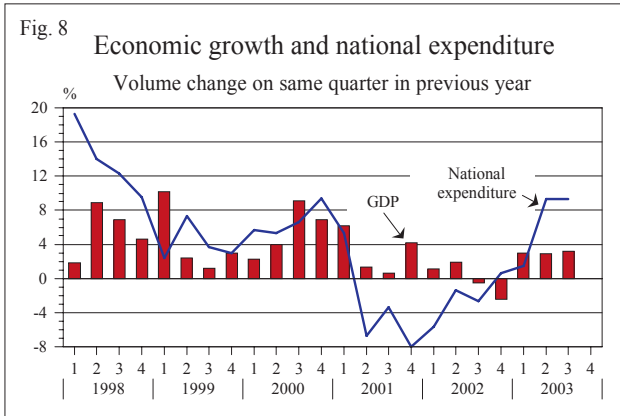
	Latest period	Latest value	Value 1 year ago	% change on		From beginn. of year	
				previous period	previous year	Average ¹	Change on prev. year (%)
<i>VII Financial markets</i>							
Bank lending to domestic sector (b.kr.) ¹	Nov. 30 '03	801.9	698.3	0.2	13.7	.	.
- adjusted for estimated indexation effects on inflation- and exchange rate-linked loans (index) ¹	Nov. 30 '03	186.2	161.7	0.4	14.0	.	.
- in real terms (January 1999=100) ¹	Nov. 30 '03	143.4	128.3	-0.1	11.8	.	.
Credit system total lending (b.kr.)	Sept. 30 '03	2,167	1,977	2.0	9.6	.	.
M3 (b.kr.)	Nov. 30 '03	486.9	393.6	1.5	23.7	.	.
Central Bank policy interest rate (%)	Jan. 16 '04	5.3	5.8	0.0	-0.5	5.3	-0.5
Money market yield, 3-mo. (%) ²	Jan. 16 '04	5.1	6.2	0.0	-1.1	5.1	-1.1
Treasury bill yield, 3-mo. (%) ²	Jan. 16 '04	5.0	5.9	0.2	-0.8	5.1	-0.8
Treasury bill real yield, 3-mo., based on inflation premium (%) ²	Jan. 16 '04	1.3	3.3	0.0	-2.0	1.3	-1.9
Yield on Treasury notes (3 yrs., RIKB 07 0209) (%) ²	Jan. 16 '04	7.4	7.1	0.1	0.3	7.4	0.3
Yield on Treasury notes (9½ yrs., RIKB 13 0517) (%) ²	Jan. 16 '04	7.9	7.7	0.1	0.2	7.9	0.2
Real yield on housing bonds (25 yrs., IBH 26 0315) (%) ²	Jan. 16 '04	4.7	5.1	0.0	-0.4	4.7	-0.4
Real yield on housing bonds (40 yrs., IBH 41 0315) (%) ²	Jan. 16 '04	4.6	5.1	0.0	-0.4	4.7	-0.4
Real yield on Treasury bonds (5 yrs., RIKS 05 0410) (%) ²	Jan. 16 '04	3.6	4.5	0.0	-0.9	3.6	-0.9
Real yield on Treasury bonds (15 yrs., RIKS 15 1001) (%) ²	Jan. 16 '04	4.3	4.9	0.0	-0.6	4.2	-0.6
Average bank lending rate, non-indexed loans (%) ²	Jan. 16 '04	11.7	12.5	0.0	-0.8	11.7	-0.8
Average bank lending rate, indexed loans (%) ²	Jan. 16 '04	8.6	9.5	0.0	-0.9	8.6	-0.9
Exchange rate index of króna (Dec 31. 1991=100) ²	Jan. 16 '04	122.3	124.7	-2.2	-1.9	121.7	-2.2

1. For comparability, financial companies which were reclassified as deposit money banks or moved into that category through mergers are included retrospectively for the entire period. This adjustment is made only for percentage changes and not applied to the original stock figures. 2. All figures except for two last columns are based on 4-week averages.

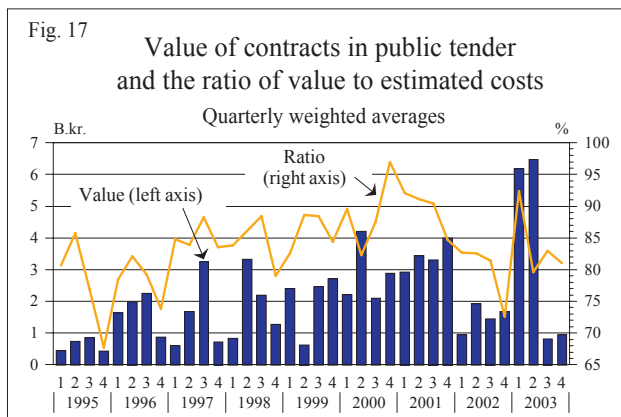
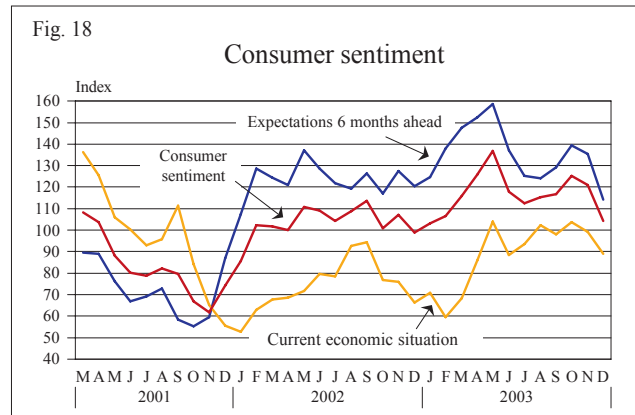
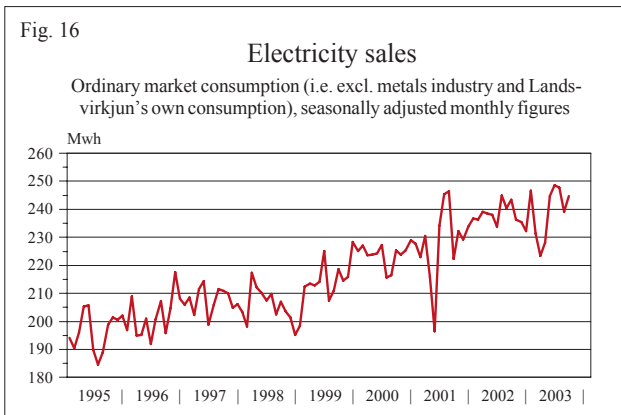
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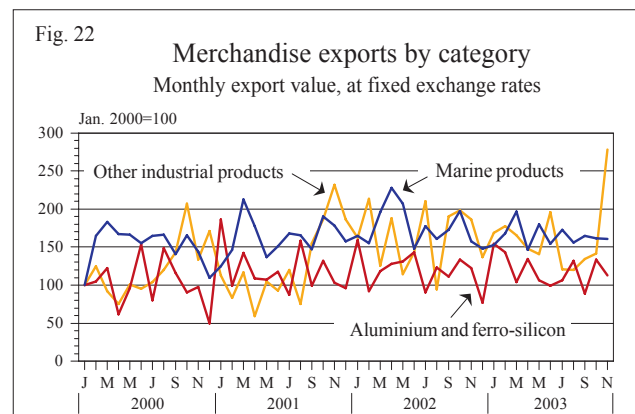
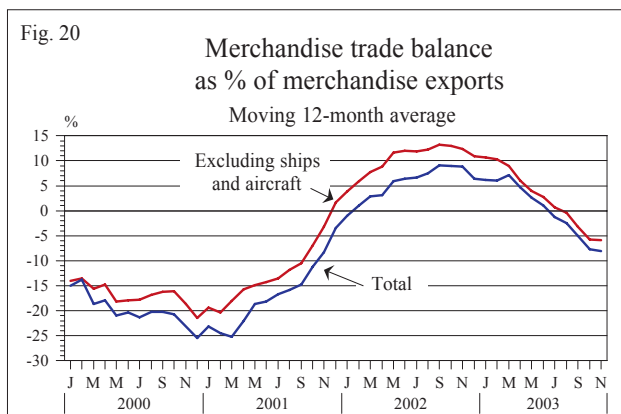
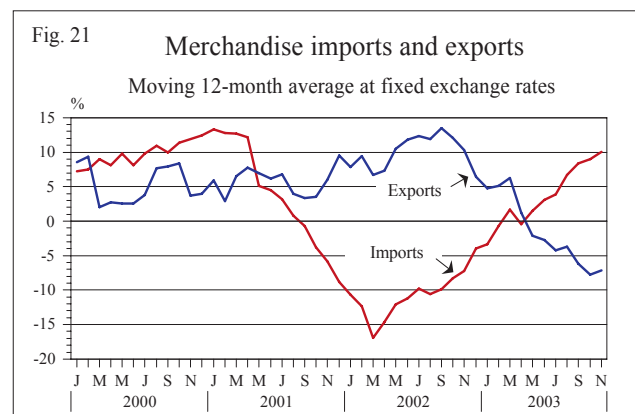
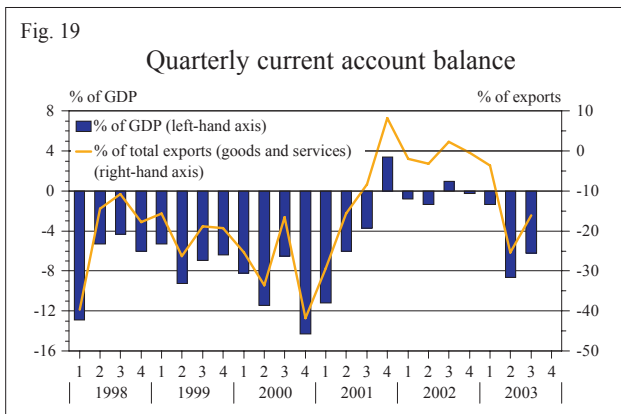
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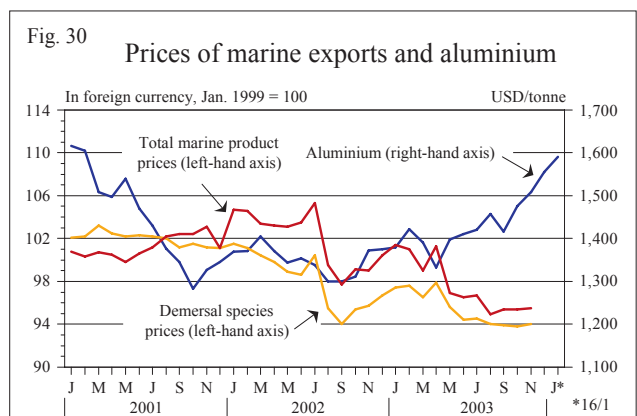
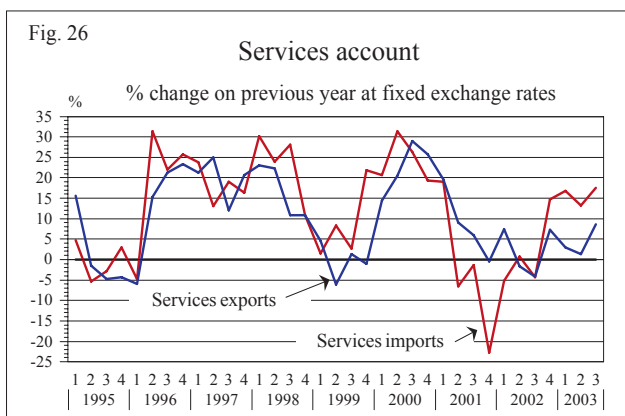
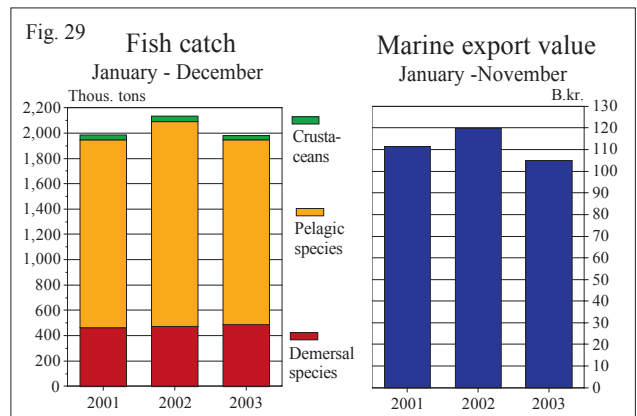
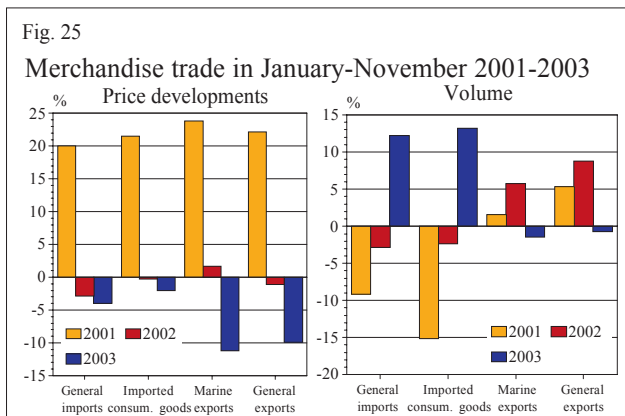
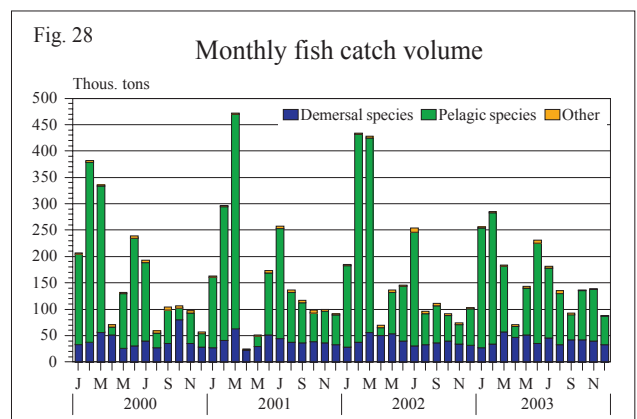
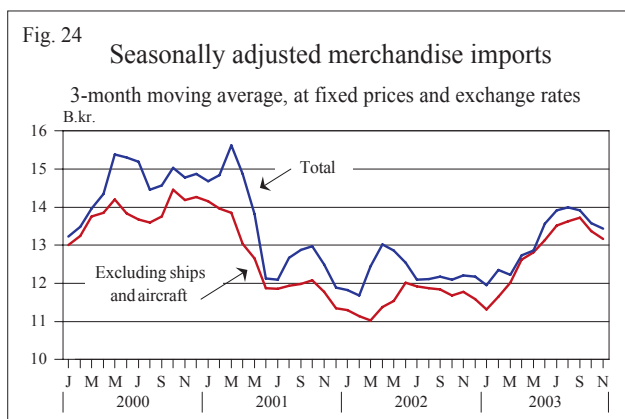
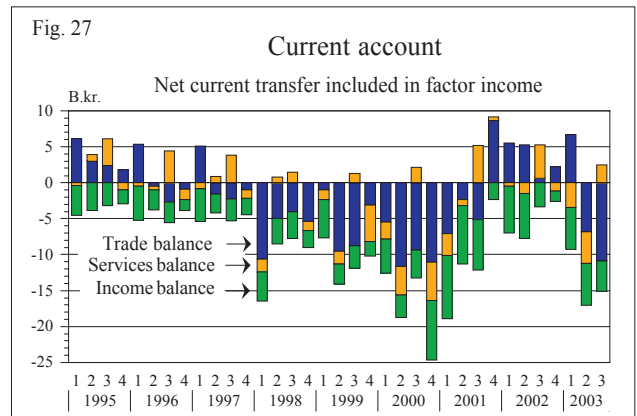
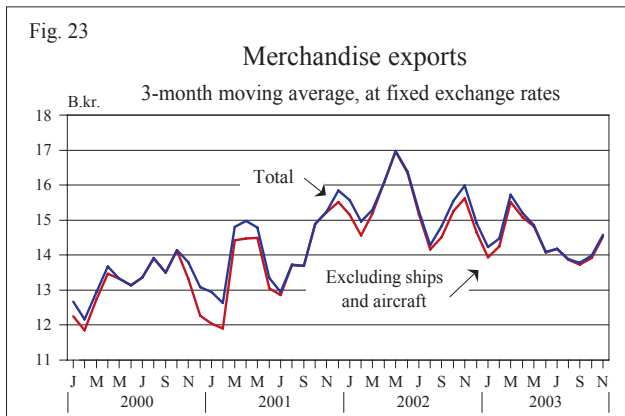
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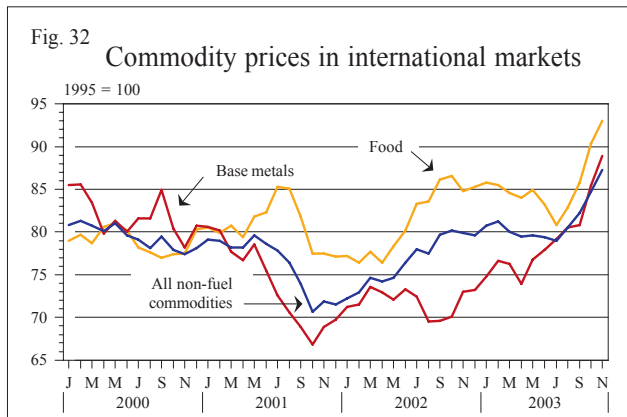
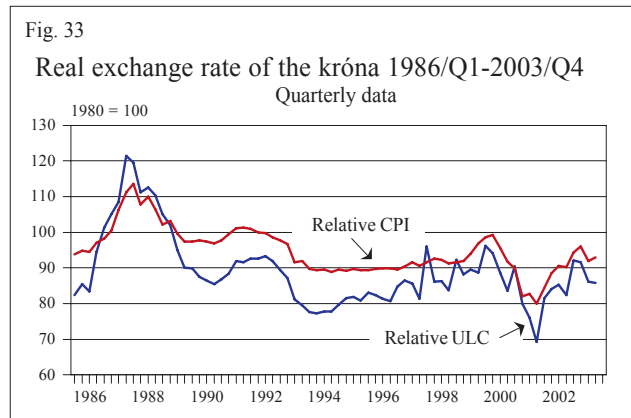
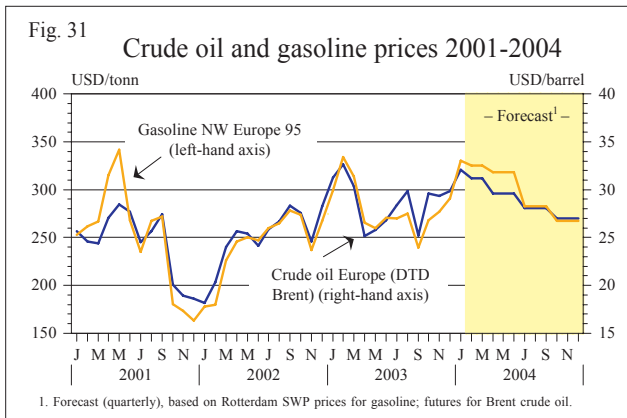
III Foreign trade and external economic conditions



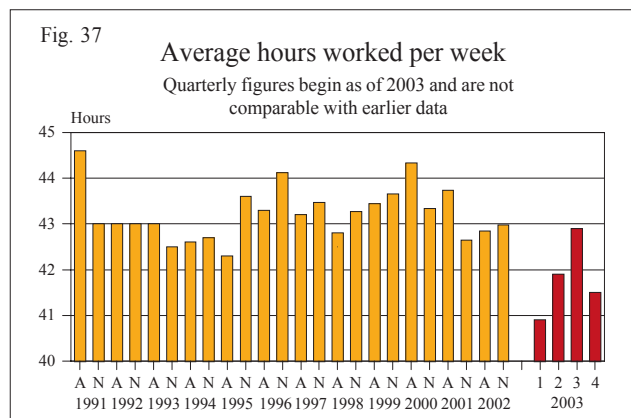
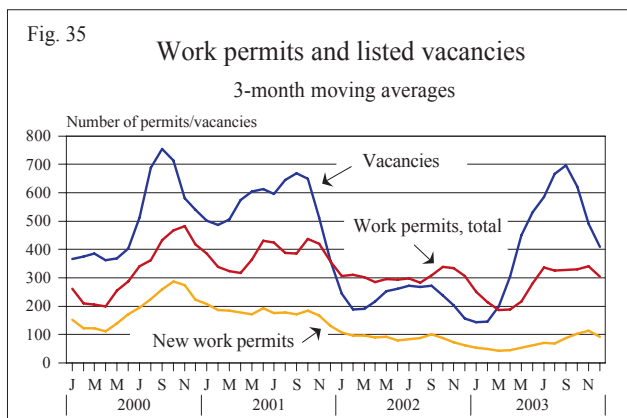
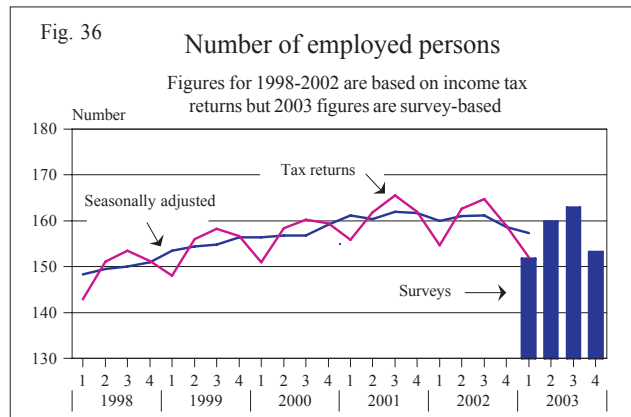
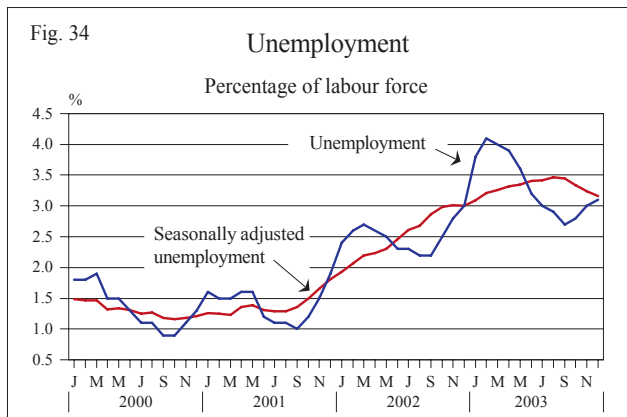
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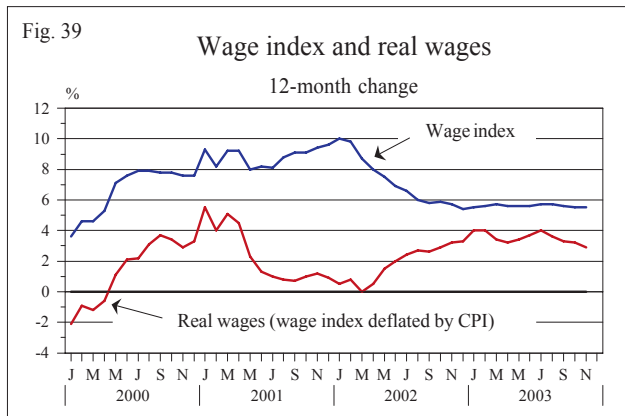
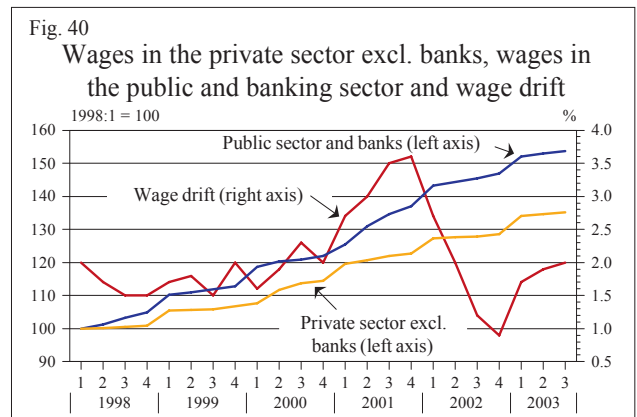
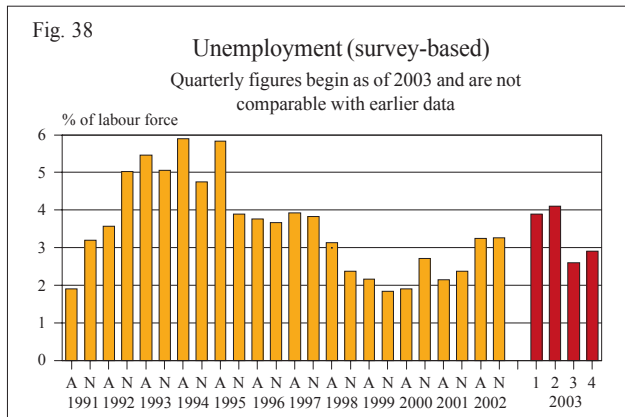
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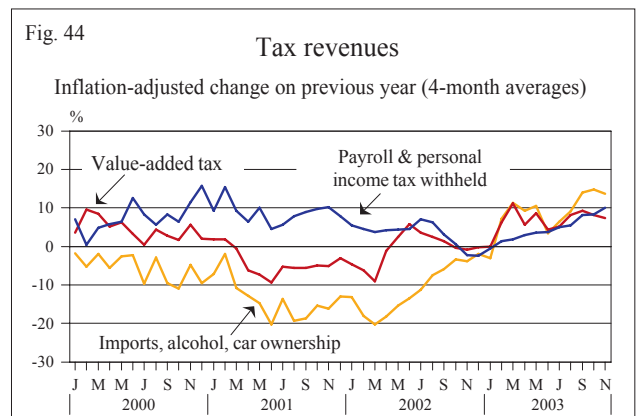
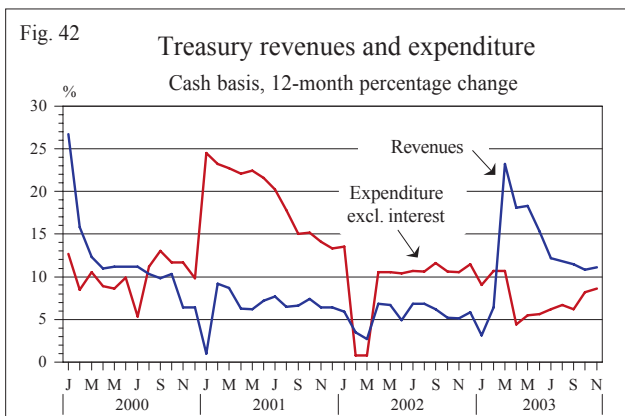
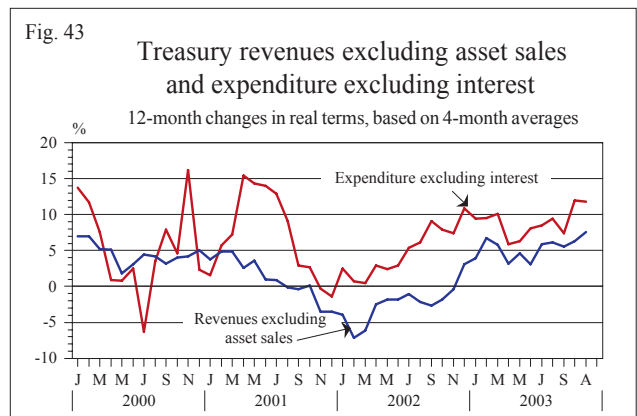
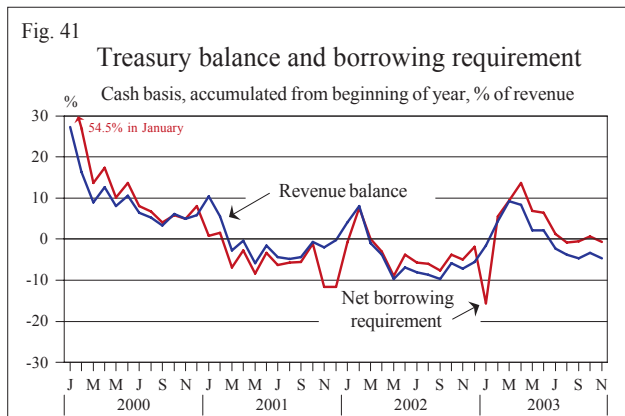
IV Labour market and wages



IV Labour market and wages



V Public finances

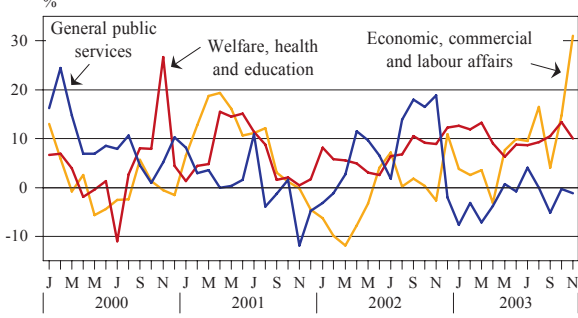


V Public finances

Fig. 45

Treasury expenditures

Inflation-adjusted change on previous year (4-month averages)



VI Asset markets

Fig. 46

The equity market

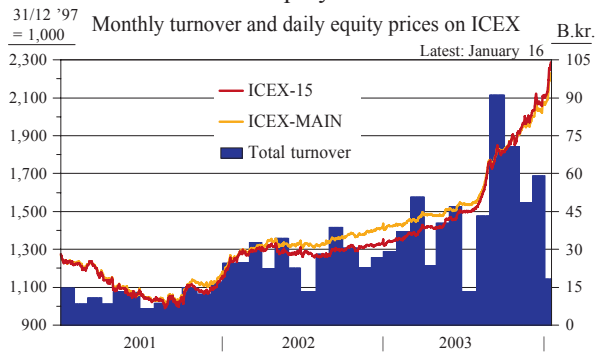


Fig. 49

Housing Financing Fund: Value of granted loans and number of loan applications for new and renovated housing

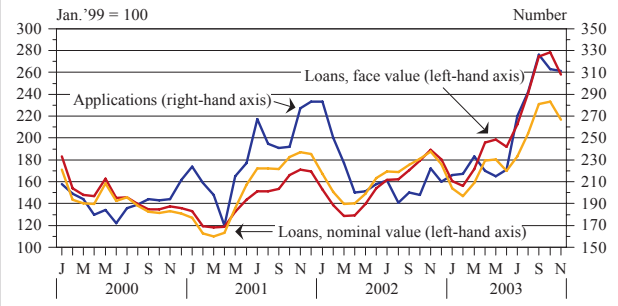
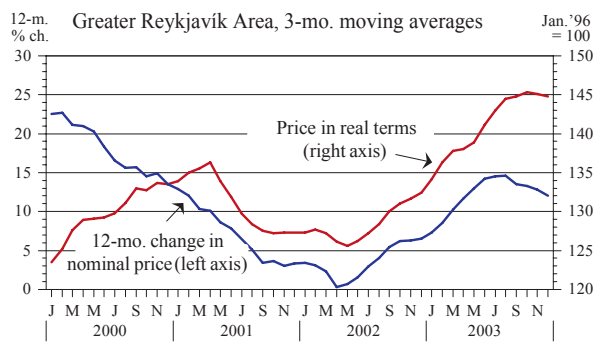


Fig. 47

Residential housing prices



M-50

Verð veiðiheimilda í þorski

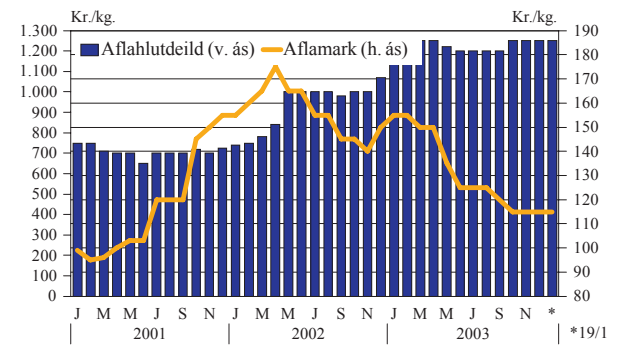
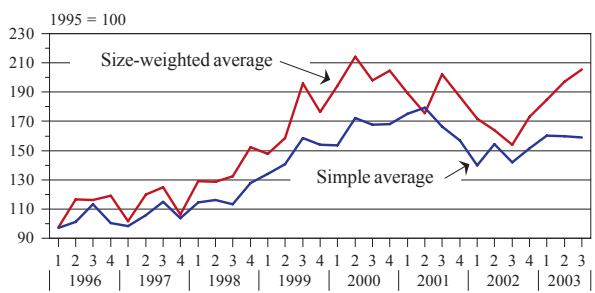


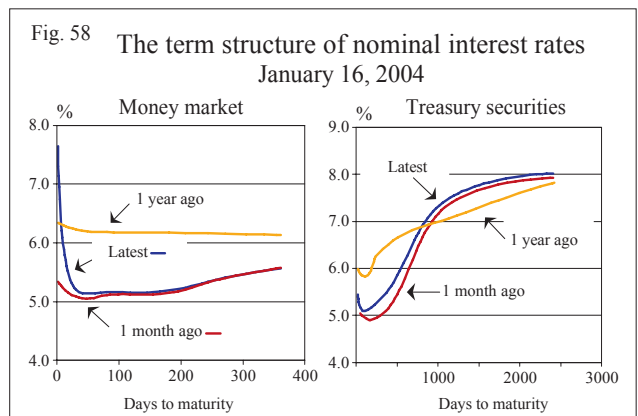
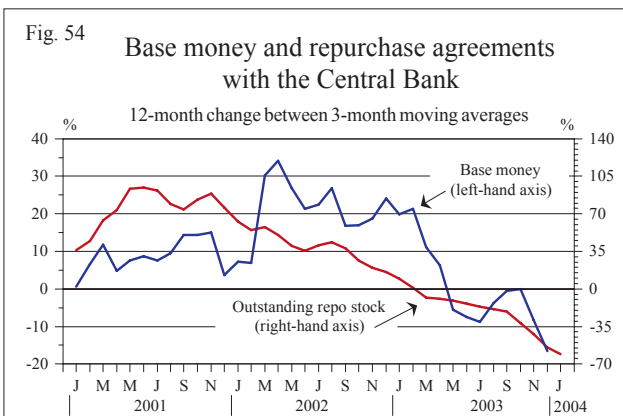
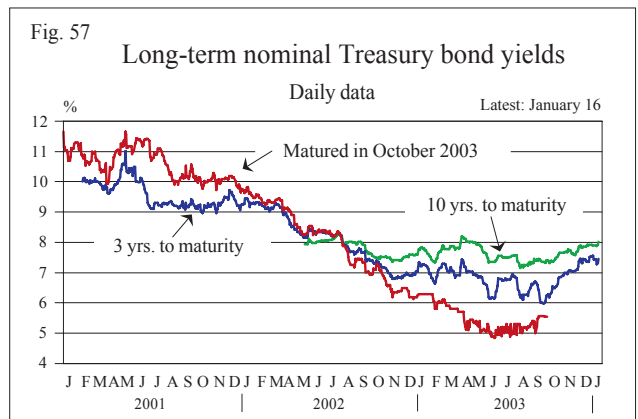
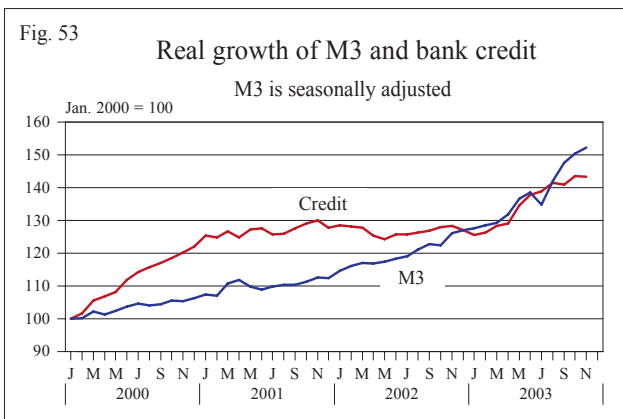
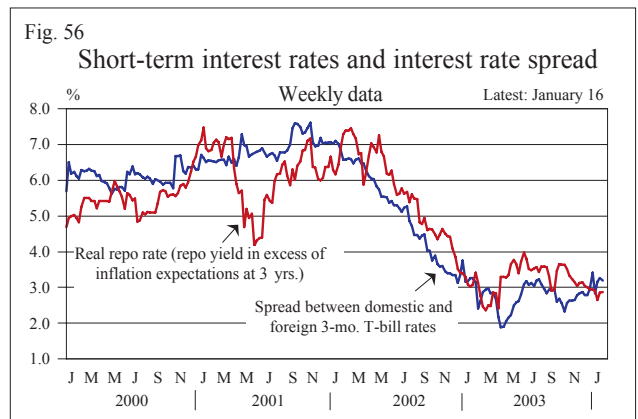
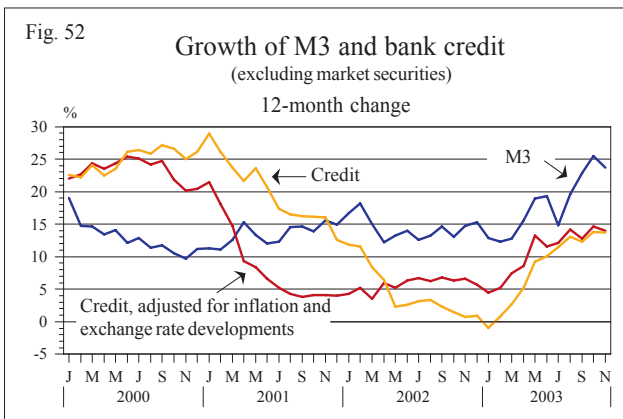
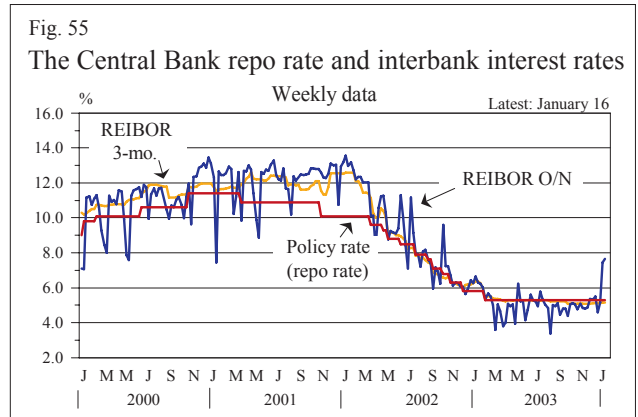
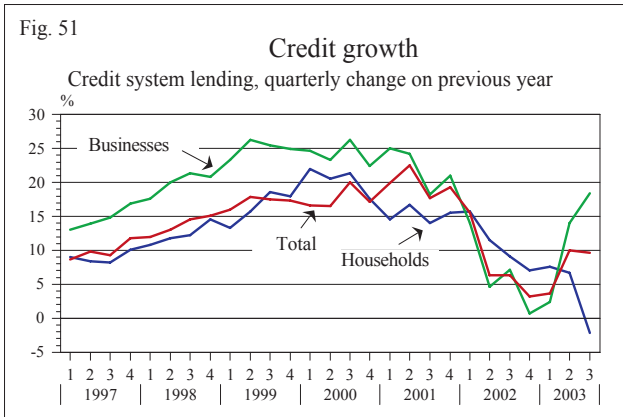
Fig. 48

Commercial property prices in Greater Reykjavík Area

Quarterly, inflation-adjusted prices in August 2001



VII Financial markets



VII Financial markets

