

# Economic Indicators



Central Bank of Iceland

March 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 <sup>2</sup>	over 12 months		
<b>I Inflation and inflation expectations<sup>1</sup></b>							
Consumer price index .....	March '04	230.7	0.6	2.5	1.8	.	2.2
Core index 1 (CPI excl. agric. prod., vegetables, fruit and petrol)	March '04	130.9	0.8	2.6	2.3	2.1	2.6
Core index 2 (core index 1 excl. public services).....	March '04	131.0	0.8	2.2	2.0	1.6	2.3
Domestic goods excl. agricultural products and vegetables .....	March '04	127.7	-0.5	-0.5	0.1	0.0	-0.5
Agricultural products and vegetables.....	March '04	116.9	-0.2	1.7	-0.3	0.0	-4.2
Imported goods excl. alcohol and tobacco.....	March '04	109.4	1.2	1.1	-0.5	-0.2	-1.0
- food and beverages .....	March '04	122.2	-1.6	8.7	-1.6	0.0	-7.2
- cars and spare parts.....	March '04	118.3	0.3	4.5	3.5	0.3	-1.2
- petrol .....	March '04	120.9	-2.0	-3.2	-5.3	-0.2	8.1
- imported goods excl. food and beverages .....	March '04	100.0	2.9	-0.6	-1.0	-0.2	-1.7
Housing .....	March '04	173.4	0.6	3.7	6.7	1.1	8.8
Public services.....	March '04	134.1	0.0	7.6	5.9	0.5	6.6
Private services.....	March '04	138.8	0.7	3.6	1.7	0.4	3.3
Groceries (perishable items) .....	March '04	122.6	-0.8	1.5	-0.6	-0.1	-3.7
Weighted import exchange rate index (Dec. 31 1994=100) .....	Feb. 27 '04	101.5	0.4	-10.2	-1.6	.	-11.1
	Latest period	Expected 12 mo. 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 <sup>3</sup> .....	March 19 '04	.	.	.	1.9	2.2	.
Employers' inflation expectations .....	February '04	2.8	-0.1	.	2.6	.	.
Public's inflation expectations.....	February '04	3.3	0.2	3.6	.	.	3.0

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 <sup>1</sup> on		From beginn. of year <sup>1</sup>	
				previous period	previous year	Value	Change on prev. year (%)
<b>II Output and demand</b>							
GDP (b.kr.).....	2003/Q4	211.8	200.8	.	4.9	806.4	4.0
National expenditure (b.kr.).....	2003/Q4	223.8	199.5	.	10.2	833.6	8.1
Private consumption (b.kr.).....	2003/Q4	119.1	110.3	.	6.4	448.0	6.4
Public consumption (b.kr.).....	2003/Q4	55.3	52.2	.	2.2	212.6	3.0
Gross fixed investment (b.kr.) .....	2003/Q4	49.5	36.8	.	32.7	174.5	19.0
Exports of goods and services (billion kr.).....	2003/Q4	66.7	72.3	.	-3.9	284.5	-0.7
Imports of goods and services (billion kr.).....	2003/Q4	-78.6	-71.0	.	10.8	-311.6	9.7
Domestic turnover according to VAT statements (billion kr.)....	Nov.-Dec. '03	244.8	149.7	-3.7	8.1	966.6	6.5
Turnover in groceries stores (b.kr.).....	February '04	100.1	95.7	-3.4	4.6	101.9	3.8
Credit and debit card turnover (b.kr.) <sup>2</sup> .....	February '04	42.5	39.5	2.9	6.4	83.2	4.6
Turnover of publicly listed companies on ICEX (b.kr.).....	Jan.-Dec. '03	324.0	292.4	.	.	324.0	10.8
Cement sales (thous. tons).....	February '04	11.3	6.2	24.4	81.9	20.4	56.4
Automobile registrations (number).....	February '04	963	792	1.2	21.6	1,915	24.0

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 (%)
<b>III Foreign trade and external economic conditions</b>							
Price of marine products in foreign currency (Jan.1999=100)...	February '04	95.2	101.0	0.2	-5.7	95.1	-6.1
Price of aluminium, LME cash price USD/t.....	March '04	1,640	1,390	-2.7	18.0	1,644	17.7
Price of crude oil (Brent) USD/b.....	March '04	34.8	30.3	10.0	14.7	32.5	3.5
Groundfish (1,000 tonnes) .....	February '04	29.8	27.1	-8.5	10.0	29.8	10.0
Pelagics (1,000 tonnes) .....	February '04	74.5	227.4	37.2	-67.2	74.5	-67.2
Merchandise exports (excl. ships & aircraft, b.kr.) .....	January '04	16.7	15.9	27.6	7.5	16.7	7.5
- marine products (b.kr.) <sup>1</sup> .....	January '04	9.0	8.8	5.7	4.0	9.0	4.0
- aluminium (b.kr.) <sup>1</sup> .....	January '04	2.5	3.5	2.8	-25.8	2.5	-25.8
- other industrial products (b.kr.) <sup>1</sup> .....	January '04	4.7	3.2	200.5	50.5	4.7	50.5
Merchandise imports (excl. ships & aircraft, b.kr.).....	January '04	16.4	11.4	4.9	46.7	16.4	46.7
Merchandise trade balance (excl. ships & aircraft, b.kr.).....	January '04	0.3	4.4	.	.	0.3	.
Services exports (b.kr.) <sup>1</sup> .....	2003/Q4	21.2	23.5	-39.6	-7.3	80.3	5.6
Services imports (b.kr.) <sup>1</sup> .....	2003/Q4	27.9	24.6	-13.5	16.5	85.7	16.3
Real effective exchange rate (relative CPI) (1980=100).....	2004/Q1	97.2	94.3	4.4	3.0	97.2	3.0

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 <sup>1</sup> from previous		From beginn. of year <sup>2</sup>	
				period	previous year	Average	Change on prev. year (%)
<i>IV Labour market and wages</i>							
Number of unemployed listed at employment agencies.....	February '04	5,097	5,758	9	-661	5,093	-7.1
Registered unemployment, s.a. (% of total estim. labour force)	February '04	2.9	3.2	-0.1	-0.4	2.9	-0.2
Unemployment rate, labour force survey (biannual).....	2003/Q3	2.9	.	0.3	.	3.5	.
Listed vacancies at employment agencies .....	February '04	357	170	-9.4	110.0	376	147.0
New work permits issued.....	February '04	93	35	-17	165.7	205	144.0
Work permits issued, total.....	February '04	321	169	6	89.9	624	63.4
Wage index (december 1988=100).....	February '04	245.4	237.5	0.2	3.3	245.2	3.3
Real wages (wage index deflated by CPI).....	February '04	133.6	132.3	0.5	1.0	133.3	1.0

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 previous		From beginn. of year	
				period	previous year	Average	Change on Value prev. year (%)
<i>V Public finances</i>							
Treasury revenue balance (billion kr.) .....	Dec. '03	-0.7	0.0	-	-	-8.9	-
- as % of revenue .....	Dec. '03	-3.0	0.1	-	-	-3.4	-
Net borrowing requirement (billion kr.) .....	Dec. '03	-3.3	-1.3	-	-	-11.8	-
- as % of revenue .....	Dec. '03	-14.8	-6.3	-	-	-4.6	-
Treasury revenue (b.kr.).....	Dec. '03	22.3	20.3	8.2	7.0	259.8	8.8
- from VAT (b. kr.).....	Dec. '03	6.9	6.3	-4.9	6.3	80.3	6.7
- from payroll & personal income tax withheld (b.kr.) .....	Dec. '03	6.8	5.9	3.5	11.3	79.7	6.4
- from imports, alcohol, car ownership (b.kr.) .....	Dec. '03	1.5	1.3	-2.2	11.7	17.5	10.1
Treasury expenditures (b.kr.) .....	Dec. '03	22.9	20.3	2.1	10.4	268.7	6.6

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.

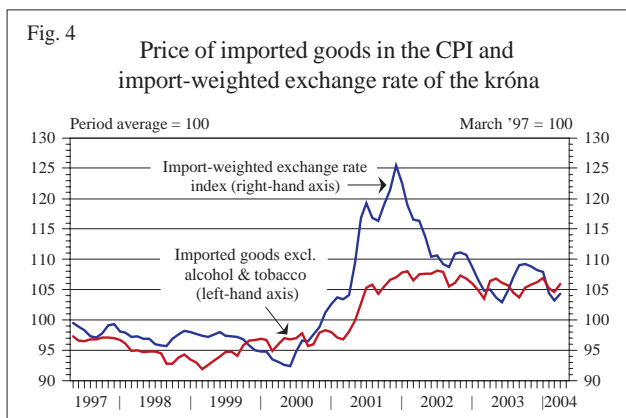
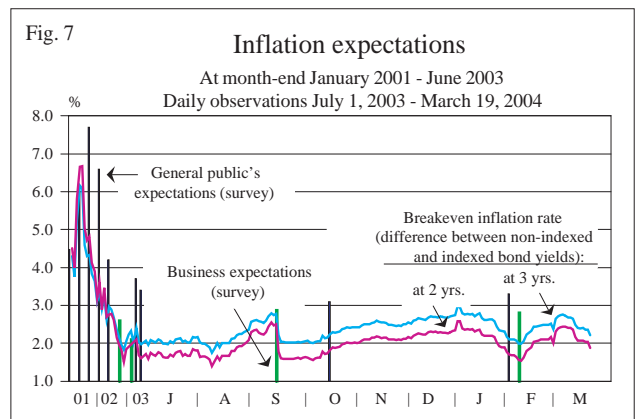
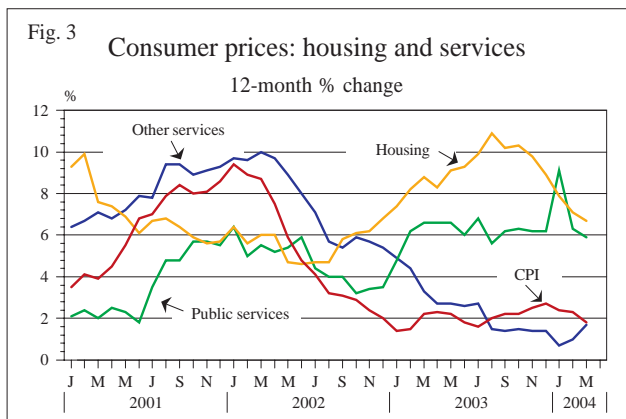
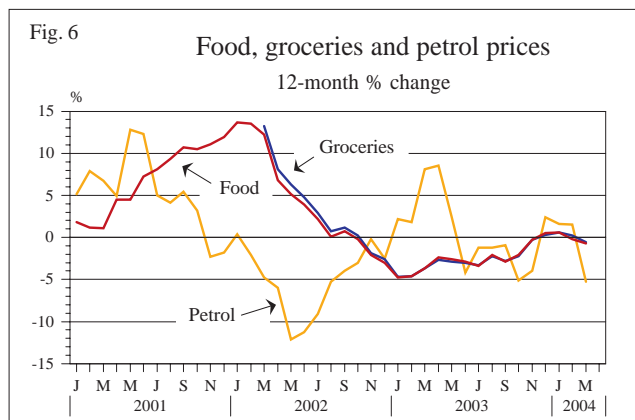
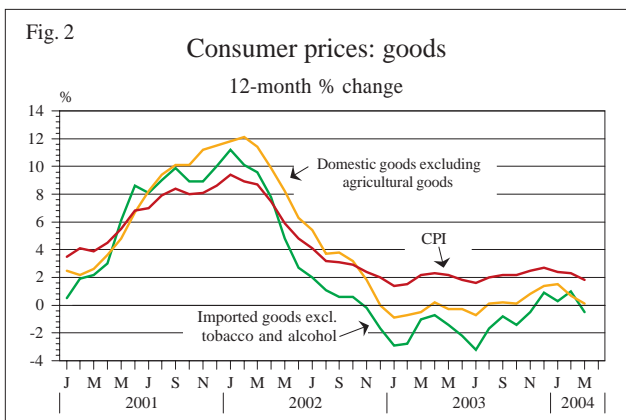
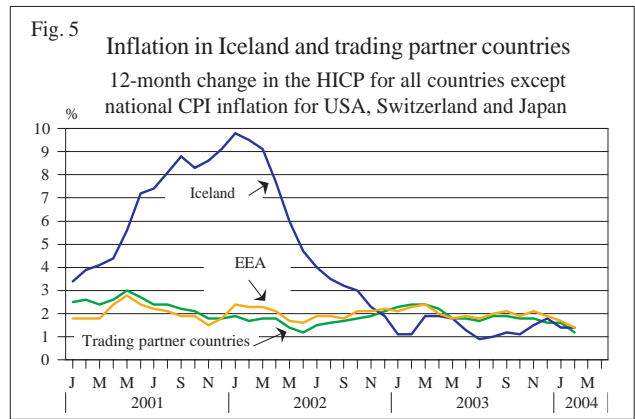
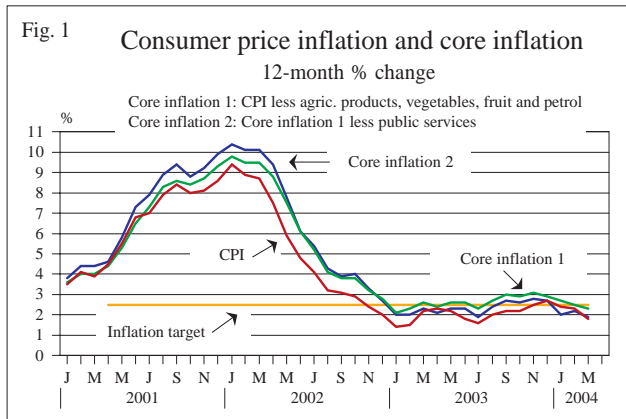
	Latest period	Latest value	Value 1 year ago	% change on previous		From beginn. of year	
				period	previous year	Average	Change on age <sup>1</sup> prev. year (%)
<i>VI Asset markets</i>							
ICEX-15 equity price index <sup>2</sup> (Dec. 1997=1,000).....	February '04	2,438.3	1,364.0	7.0	78.8	2,358.2	74.4
ICEX-Main equity price index <sup>2</sup> (Dec. 1997=1,000) .....	February '04	2,368.4	1,437.3	6.7	64.8	2,293.7	60.5
Equity turnover on ICEX <sup>2</sup> , monthly total.....	February '04	60.5	37.0	21.4	63.5	110.4	67.1
Residential housing price index, broad index <sup>3</sup> (Jan. 1999=100)	February '04	166.4	152.5	2.3	9.1	164.5	9.0
Real residential housing prices, narrow index <sup>3</sup> (Jan. 1996=100)	December '03	144.9	132.4	-0.1	9.4	141.2	9.9
Price of long-term cod quota (kr./kg.) .....	February '04	1,160	1,200	-7.2	-3.3	1,205	0.4

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

	Latest period	Latest value	Value 1 year ago	% change on previous		From beginn. of year	
				period	previous year	Average	Change on age <sup>1</sup> prev. year (%)
<i>VII Financial markets</i>							
Bank lending to domestic sector (b.kr.) <sup>1</sup> .....	Feb. 29 '04	854.3	696.6	2.3	21.4	.	.
- adjusted for estimated indexation effects on inflation- and exchange rate-linked loans (index) <sup>1</sup> .....	Feb. 29 '04	202.9	164.9	2.3	21.9	.	.
- in real terms (January 1999=100) <sup>1</sup> .....	Feb. 29 '04	121.6	100.9	1.7	20.5	.	.
Credit system total lending (b.kr.) .....	Dec. 31 '03	2,231	1,983	2.9	12.5	.	.
M3 (b.kr.) .....	Feb. 29 '04	482.2	393.4	-2.2	22.6	.	.
Central Bank policy interest rate (%) .....	March 19 '04	5.3	5.3	0.0	0.0	5.3	-0.2
Money market yield, 3-mo. (%) <sup>2</sup> .....	March 19 '04	5.3	5.4	0.1	-0.2	5.2	-0.6
Treasury bill yield, 3-mo. (%) <sup>2</sup> .....	March 19 '04	5.2	5.3	0.1	0.0	5.2	-0.3
Treasury bill real yield, 3-mo., based on breakeven inflation (%) <sup>2</sup>	March 19 '04	3.0	2.4	-0.3	0.5	3.0	0.2
Yield on Treasury notes (3 yrs., RIKB 07 0209) (%) <sup>2</sup> .....	March 19 '04	6.9	7.1	-0.3	-0.2	7.1	0.1
Yield on Treasury notes (9½ yrs., RIKB 13 0517) (%) <sup>2</sup> .....	March 19 '04	7.3	7.8	-0.4	-0.5	7.6	-0.1
Real yield on housing bonds (25 yrs., IBH 26 0315) (%) <sup>2</sup> .....	March 19 '04	4.5	4.9	-0.2	-0.5	4.6	-0.4
Real yield on housing bonds (40 yrs., IBH 41 0315) (%) <sup>2</sup> .....	March 19 '04	4.7	4.9	0.0	-0.2	4.7	-0.2
Real yield on Treasury bonds (5 yrs., RIKS 05 0410) (%) <sup>2</sup> .....	March 19 '04	3.7	4.2	-0.4	-0.6	3.8	-0.6
Real yield on Treasury bonds (15 yrs., RIKS 15 1001) (%) <sup>2</sup> .....	March 19 '04	4.0	4.8	-0.3	-0.8	4.2	-0.6
Average bank lending rate, non-indexed loans (%) <sup>2</sup> .....	March 19 '04	11.5	12.0	0.0	-0.5	11.5	-0.8
Average bank lending rate, indexed loans (%) <sup>2</sup> .....	March 19 '04	8.2	9.2	-0.1	-1.0	8.3	-1.0
Exchange rate index of króna (Dec 31. 1991=100) <sup>2</sup> .....	March 19 '04	120.4	122.1	1.0	-1.4	120.1	-2.1

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.

# I Inflation and inflation expectations



## II Output and demand

Fig. 8 Economic growth and national expenditure

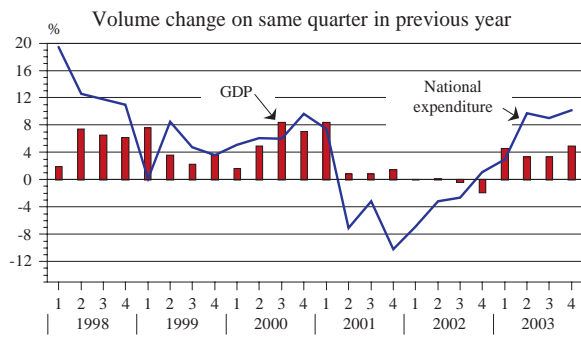


Fig. 12 Groceries turnover

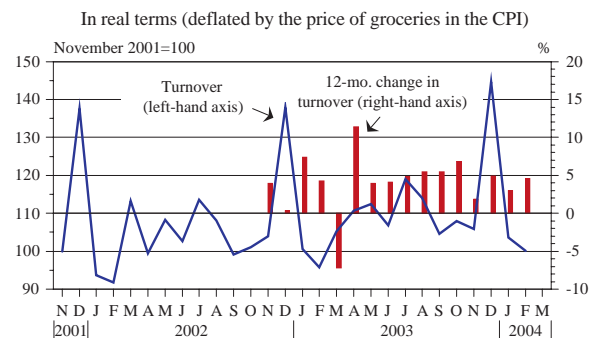


Fig. 9 Consumption and gross fixed capital formation

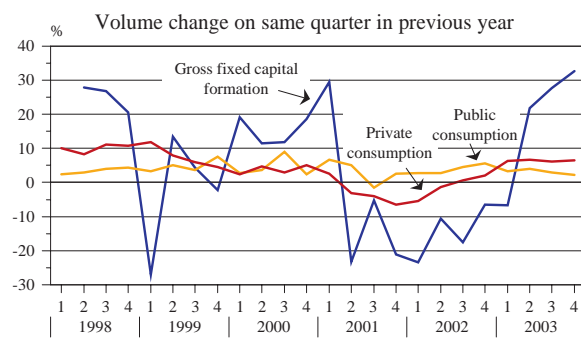


Fig. 13 Credit card and debit card turnover

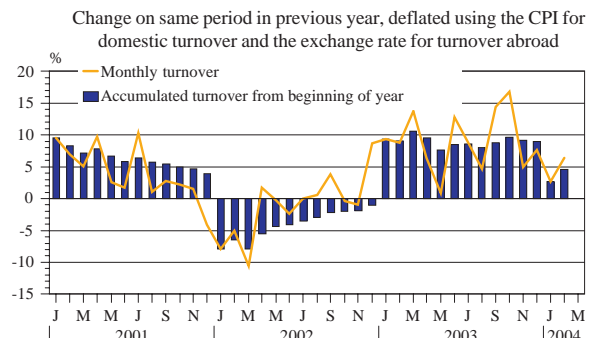


Fig. 10 Exports and imports of goods and services

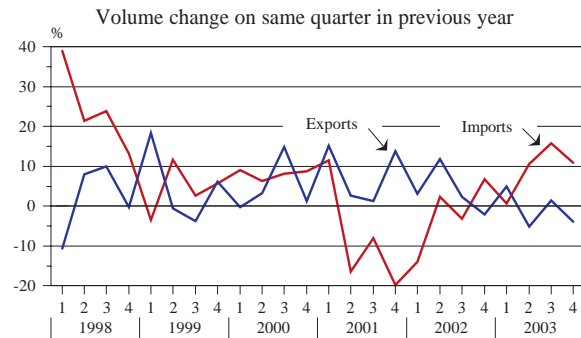


Fig. 14 Company turnover and profits

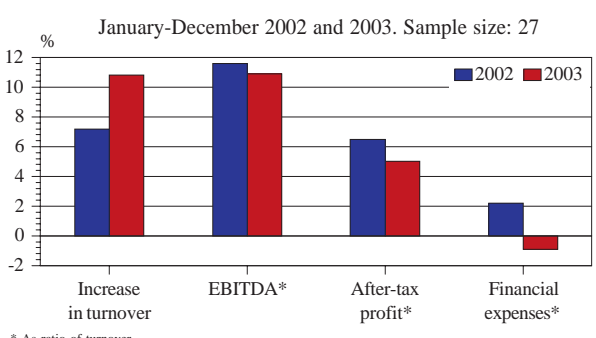


Fig. 11 Turnover based on VAT statements

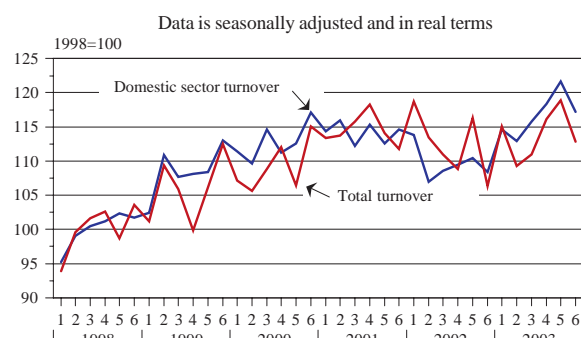
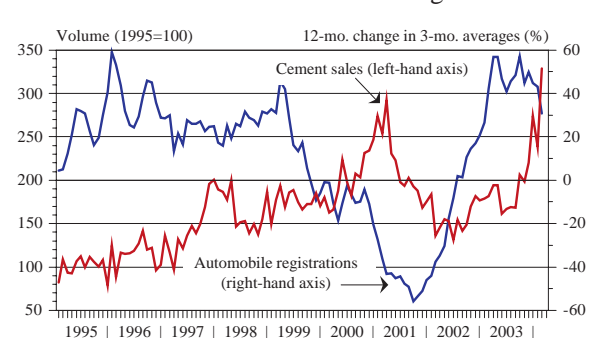
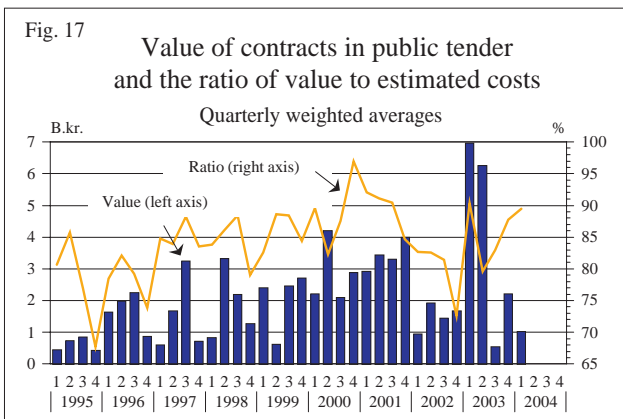
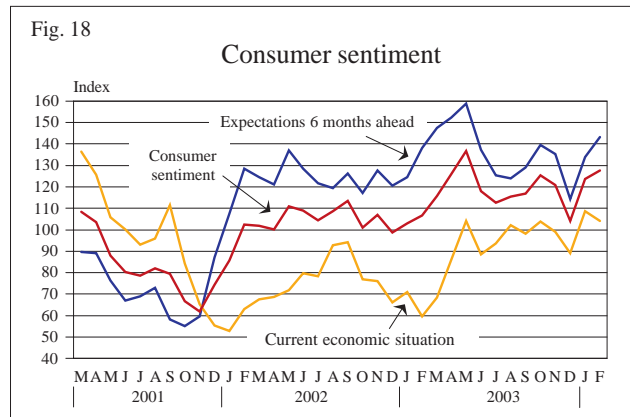
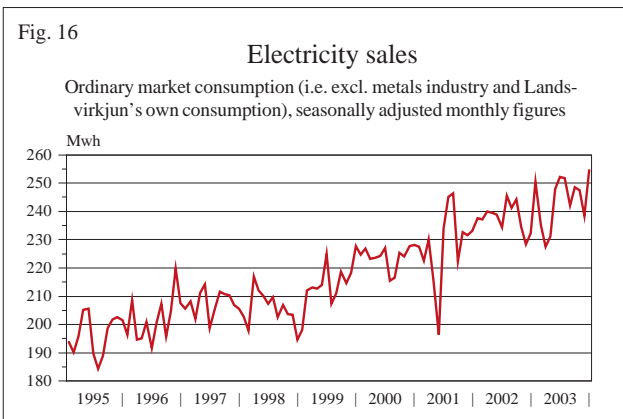


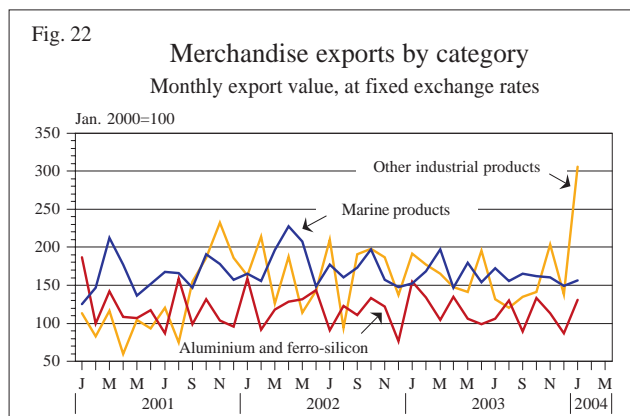
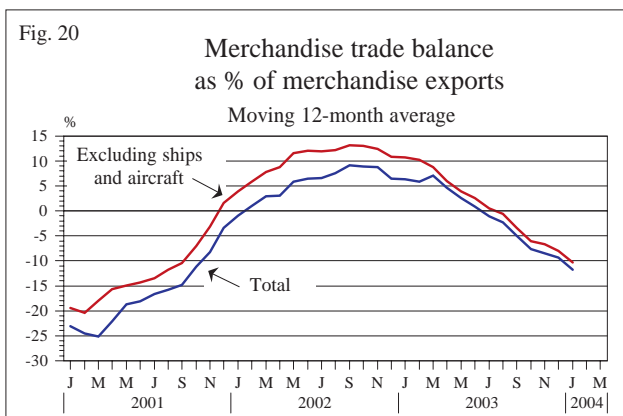
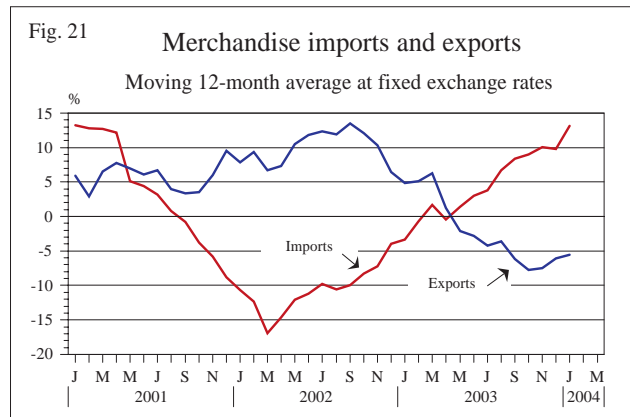
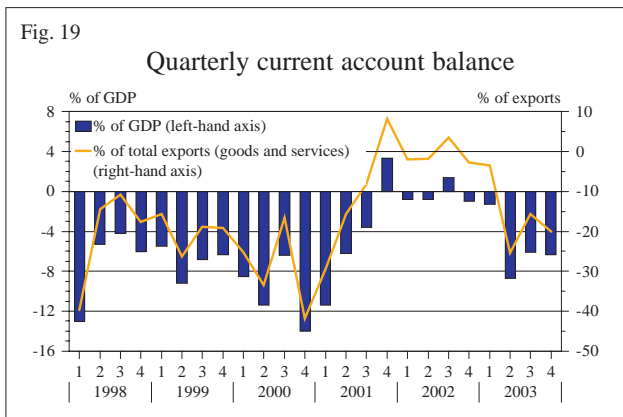
Fig. 15 Cement sales and automobile registrations



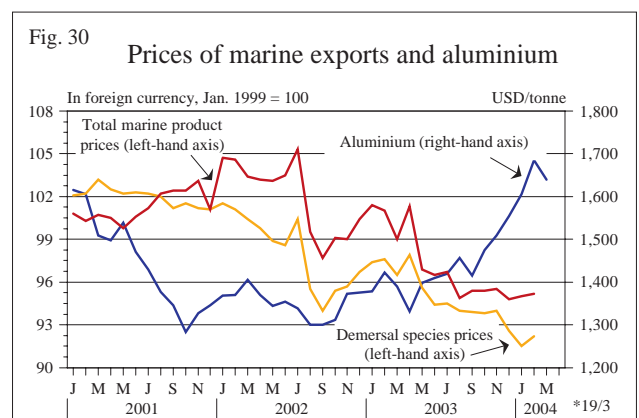
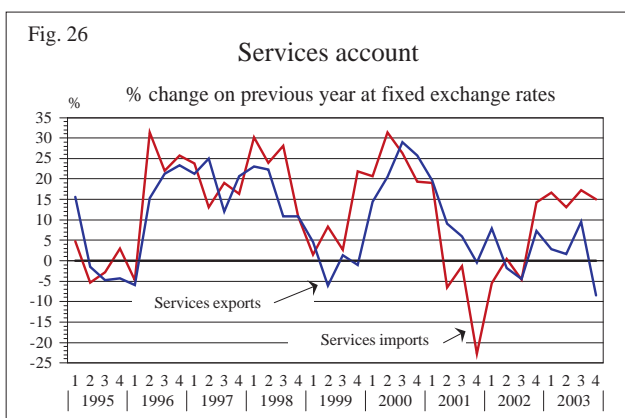
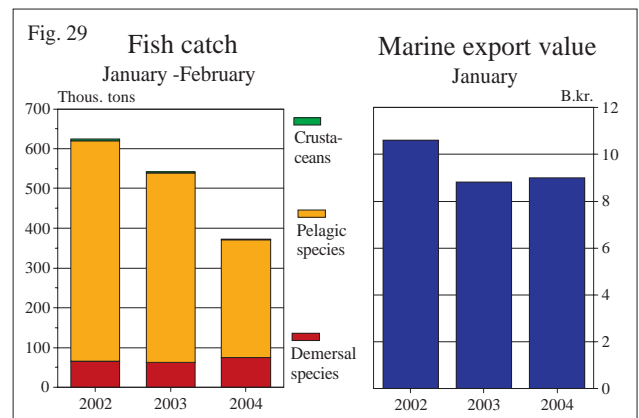
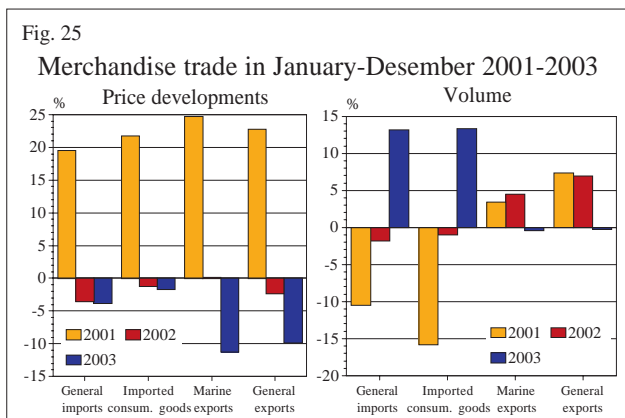
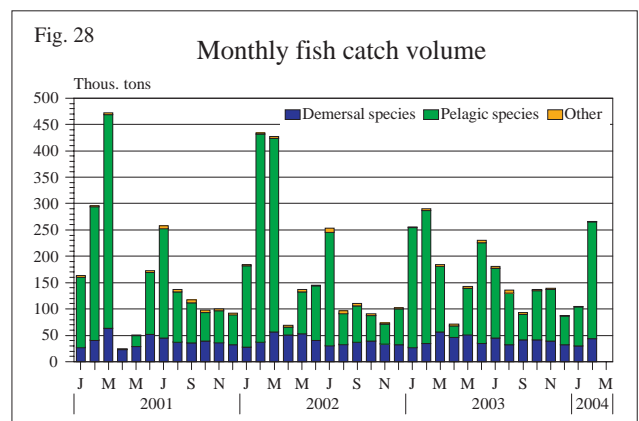
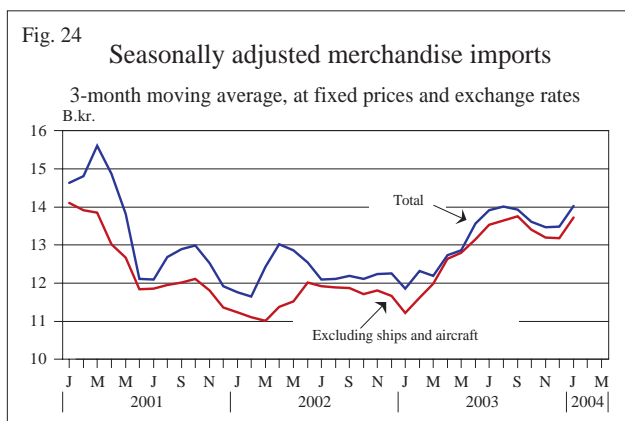
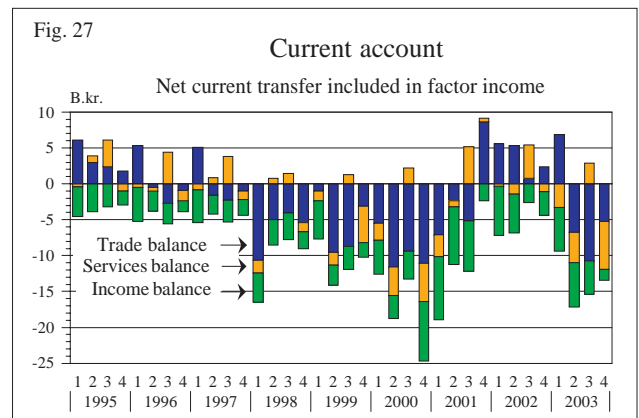
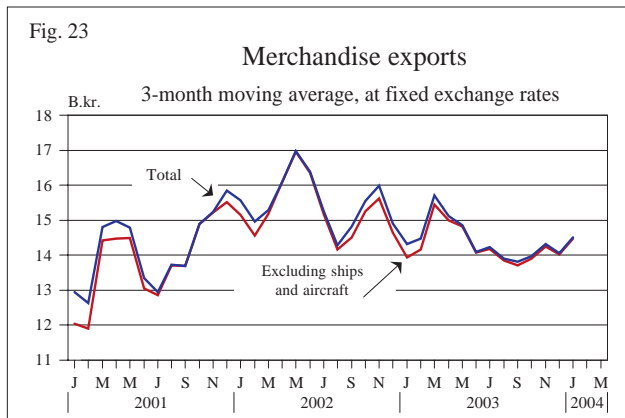
## II Output and demand



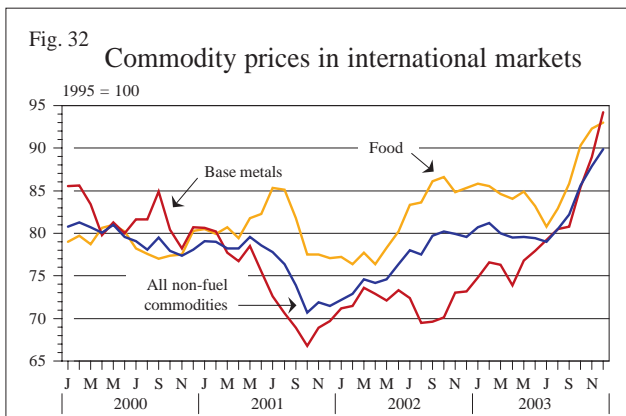
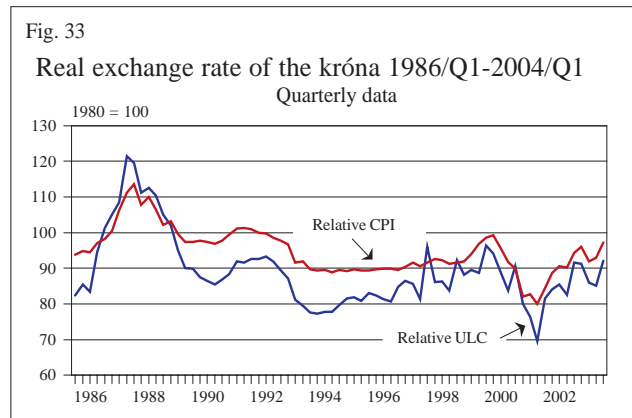
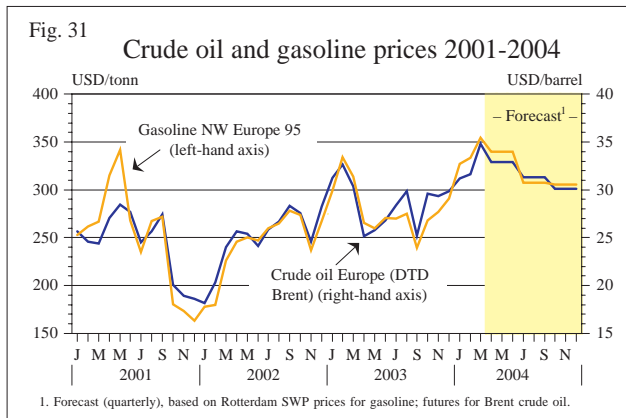
## III Foreign trade and external economic conditions



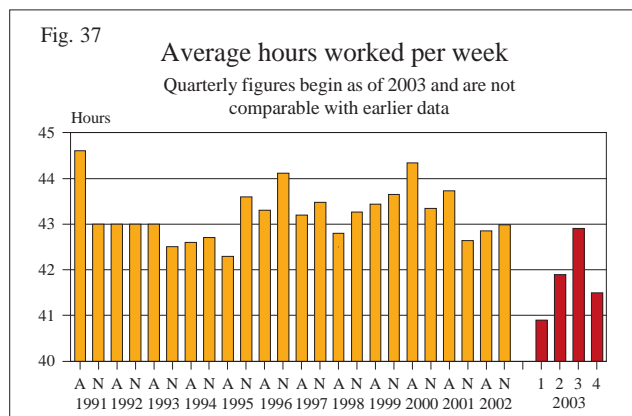
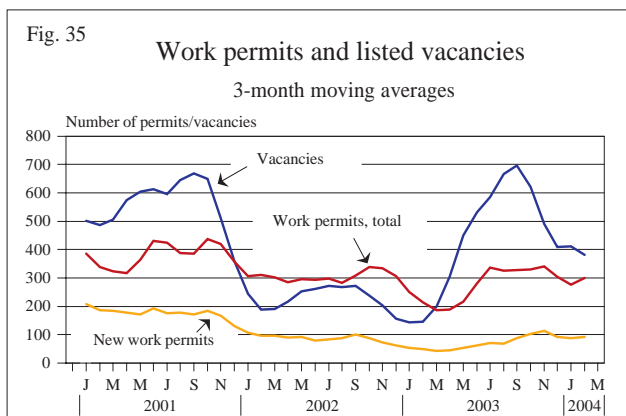
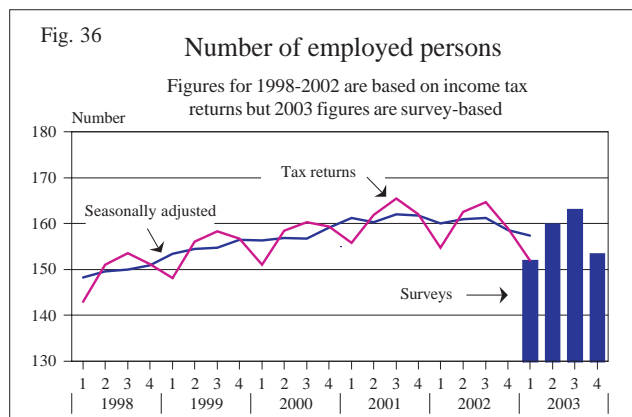
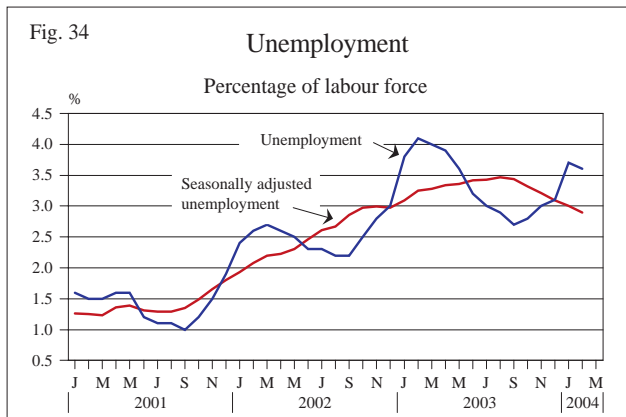
### III Foreign trade and external economic conditions



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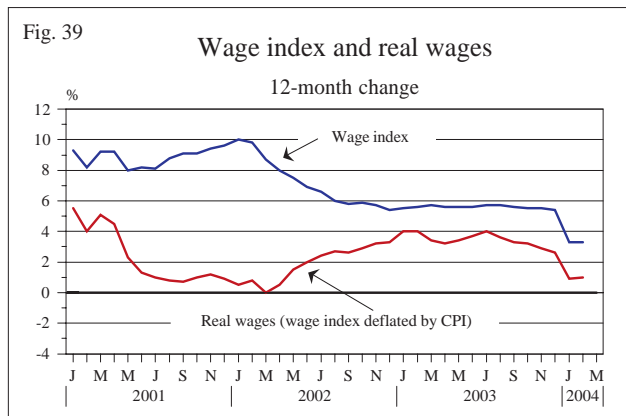
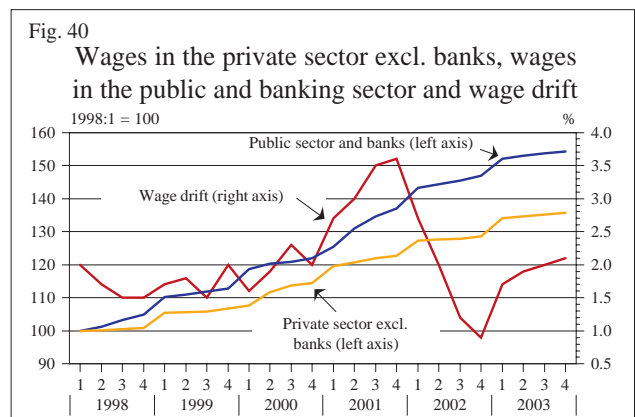
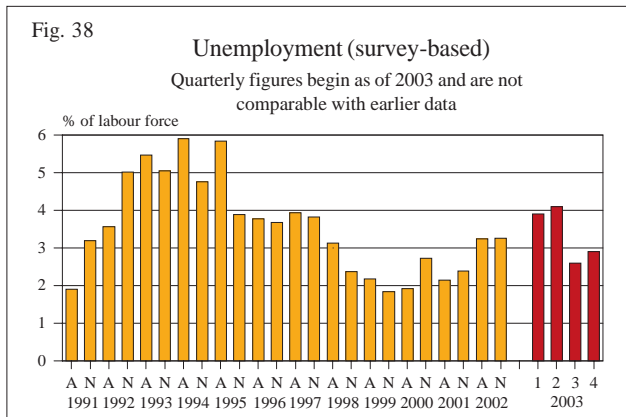


### IV Labour market and wages

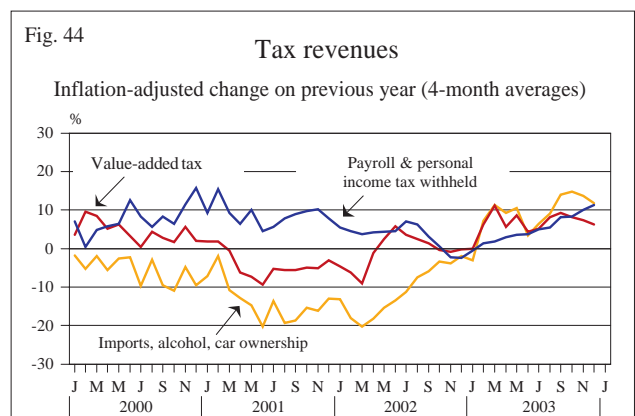
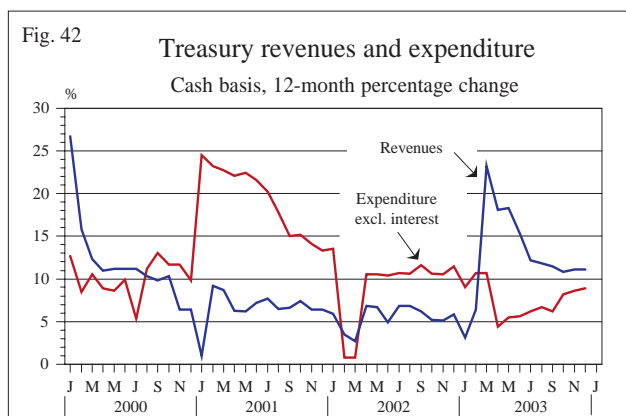
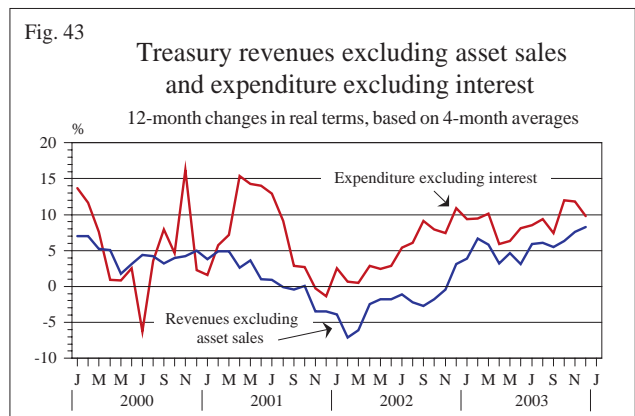
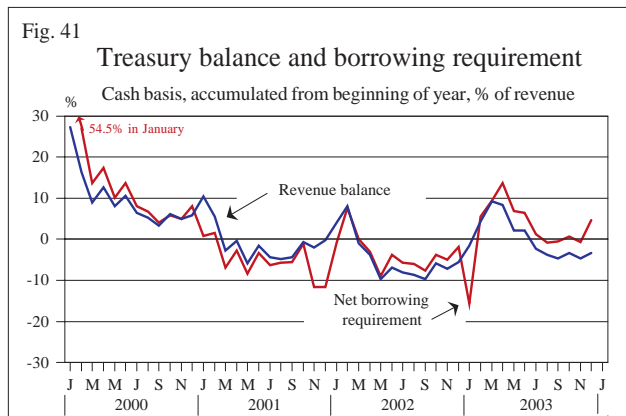




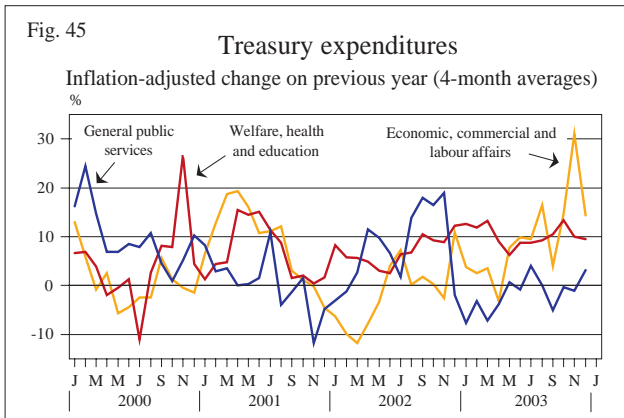
## IV Labour market and wages



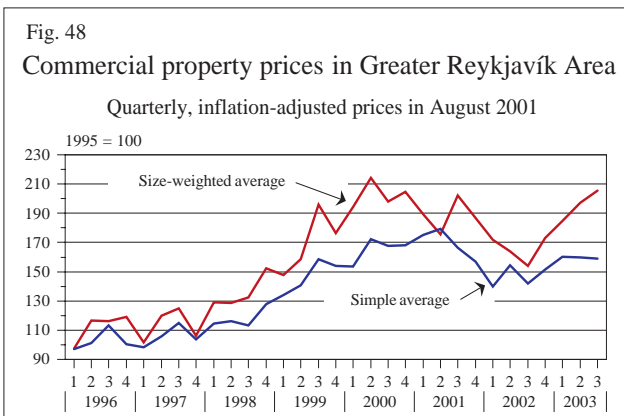
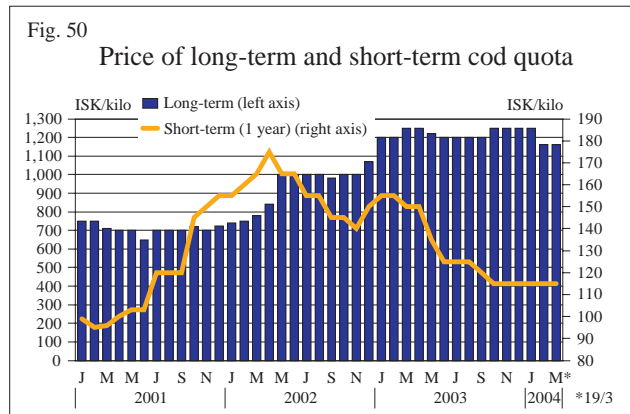
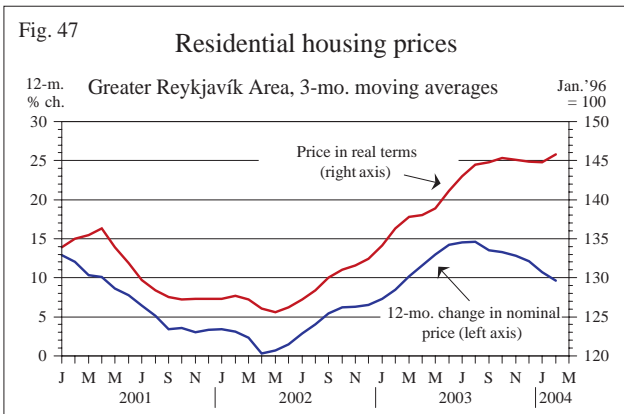
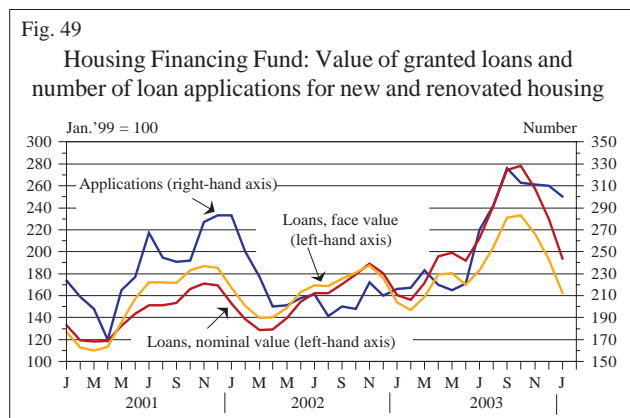
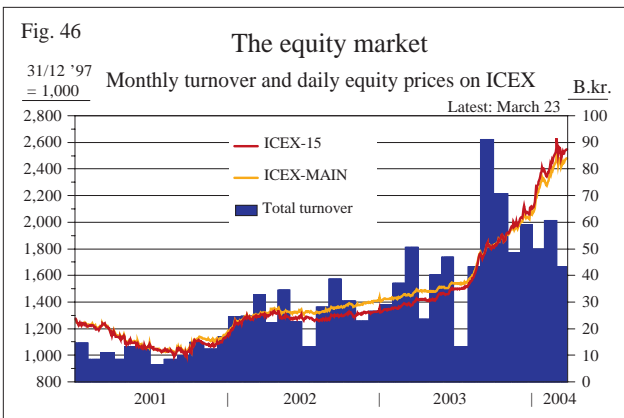
## V Public finances



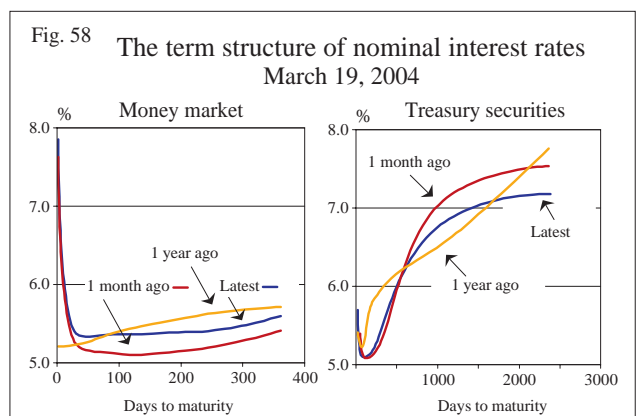
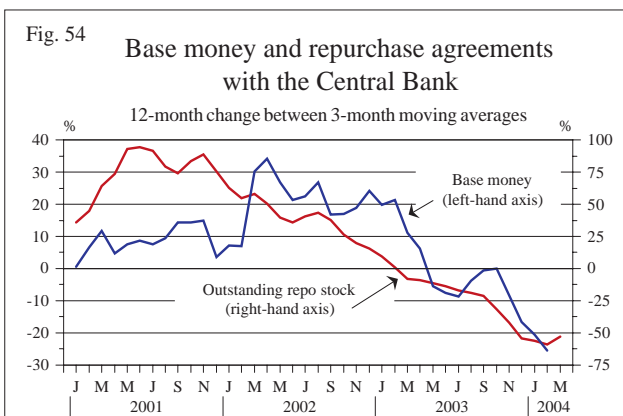
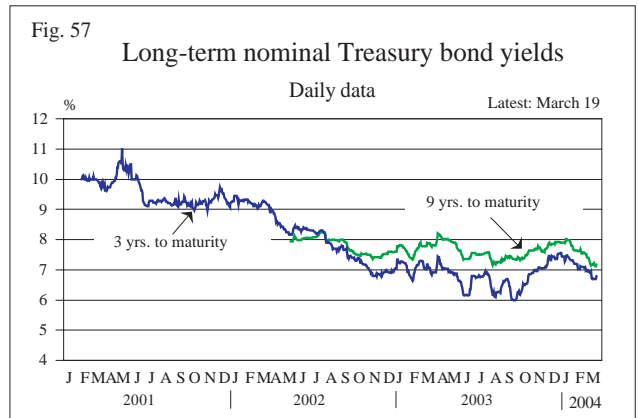
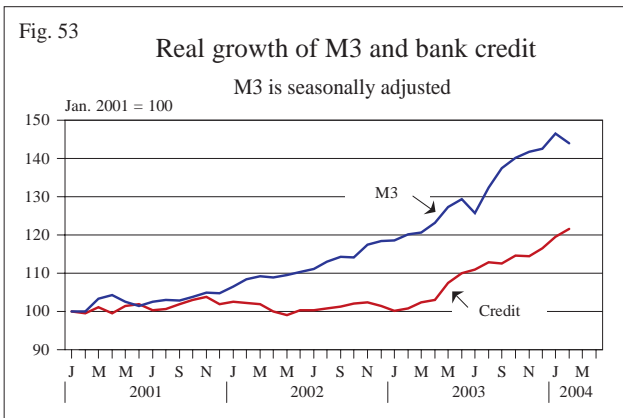
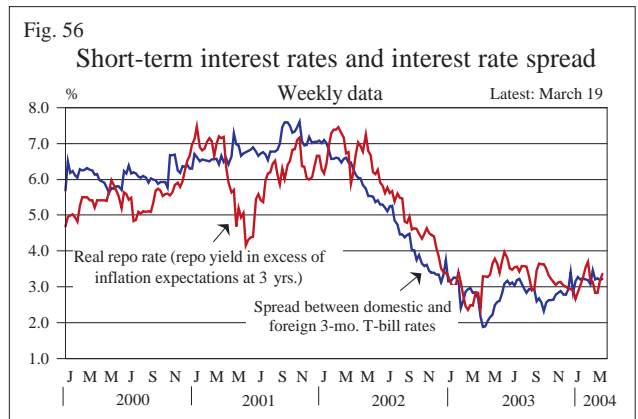
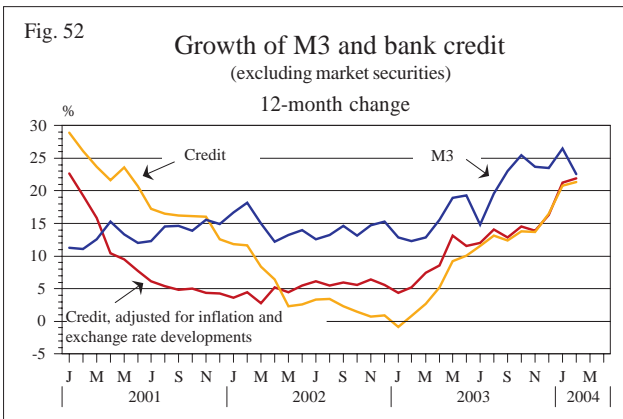
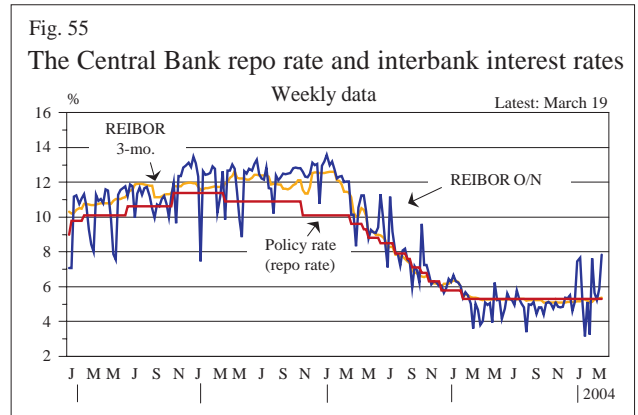
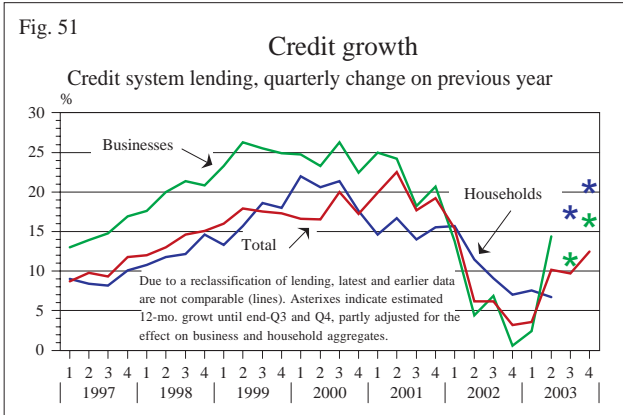
## V Public finances



## VI Asset markets



## VII Financial markets



## VII Financial markets

