

Economic indicators



Central Bank of Iceland
June 2003

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>I Inflation and inflation expectations¹</i>							
Consumer price index.....	June '03	226.8	0.1	2.6	1.8	.	4.8
Core index 1 (CPI less agric. prod., vegetables, fruits and petrol)	June '03	128.5	0.2	3.0	2.5	2.3	6.1
Core index 2 (core index 1 less public services).....	June '03	129.2	0.2	2.7	2.3	1.9	6.1
Domestic goods less agricultural products and vegetables.....	June '03	127.4	0.5	1.9	-0.3	0.0	6.3
Agricultural product and vegetables.....	June '03	116.7	-0.1	1.2	-2.8	-0.2	0.2
Imported goods less alcohol and tobacco.....	June '03	109.2	-0.4	-0.5	-2.2	-0.7	2.7
- food and beverages.....	June '03	121.6	0.0	-3.5	-6.7	-0.2	7.6
- cars and spare parts.....	June '03	114.9	0.0	1.8	1.4	0.1	3.2
- petrol.....	June '03	116.6	-2.8	-4.0	-4.2	-0.2	-11.3
- imported goods less food and beverages.....	June '03	101.7	-0.2	-0.4	-2.5	-0.4	5.2
Housing.....	June '03	165.3	0.3	9.9	9.3	1.6	4.6
Public services.....	June '03	126.7	0.0	7.7	6.0	0.5	5.9
Private services.....	June '03	136.7	0.4	1.6	2.6	0.6	8.0
Groceries (perishable items).....	June '03	122.3	0.2	0.0	-3.0	-0.5	.
Weighted import exchange rate index (Dec. 31 1994=100).....	May 30 '03	100.4	-1.1	-14.5	-9.6	.	-7.7
		<i>Expected Latest 12 mo. period inflation</i>	<i>Change on prev. survey</i>	<i>Exp. 12-mo inflation 1 year ago</i>	<i>Expected annual inflation over next 2 yrs.</i>	<i>Expected annual inflation over next 3 yrs.</i>	<i>Perceived inflation in past 12 mo.</i>
Inflation premium on treasury bonds ³	June 20 '03	.	.	.	1.5	1.9	.
Employers' inflation expectations.....	Feb. '03	2.1	0.5	.	2.4	.	.
Public's inflation expectations.....	April '03	3.7	0.1	6.0	.	.	3.0

1. Index base periods: Consumer price index: May 1988=100; other price indices: March 1997=100. 2. Annualised inflation. 3. Inflation premium at 1, 2, and 3 years maturity, based on the differential between non-indexed and indexed treasury bond yields.

	Latest period	Latest value	Value 1 year ago	% -change ¹ on		From beginn. of year	
				previous period	previous year	Value	Change on prev. year (%) ¹
<i>II Output and demand</i>							
GDP (b.kr.).....	2003/Q1	194.9	192.9	.	3.3	194.9	3.3
National expenditures (b.kr.).....	2003/Q1	190.9	187.8	.	1.2	190.9	1.2
Private consumption (b.kr.).....	2003/Q1	104.3	100.2	.	4.6	104.3	4.6
Public consumption (b.kr.).....	2003/Q1	50.5	46.9	.	3.8	50.5	3.8
Gross fixed investment (b.kr.).....	2003/Q1	36.2	41.0	.	-9.4	36.2	-9.4
Exports (b.kr.).....	2003/Q1	70.8	76.5	.	4.8	70.8	4.8
Imports (b.kr.).....	2003/Q1	-66.8	-71.4	.	-0.5	-66.8	-0.5
Turnover according to VAT statements (b.kr.) ²	Jan.-Feb. '03	184.5	190.1	7.3	-2.4	184.5	-2.4
Turnover in groceries stores (b.kr.).....	May '03	112.5	108.3	1.6	3.8	104.9	3.6
Credit and debit card turnover (b.kr.) ²	May '03	39.9	40.1	-8.7	-2.1	197.3	5.5
Turnover of publicly listed companies on ICEX (b.kr.).....	2003/Q1	98.8	91.1	.	.	98.8	8.4
Sement sales (thous. tons).....	May '03	11.3	10.8	19.2	5.0	42.4	16.5
Automobile registration (number).....	May '03	1,449	1,070	54.1	35.4	4,761	47.8

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 (%)
<i>III Foreign trade and the external economic conditions</i>							
Price of marine products in foreign currency (Jan.1999=100)...	April '03	101.3	103.1	2.4	-1.8	100.7	-3.2
Price of aluminium, LME cash price \$/t.....	June '03	1,410	1,354	1.0	4.1	1,390	2.8
Price of crude oil (Brent) \$/b.....	June '03	26.8	24.1	3.9	11.3	28.7	15.1
Groundfish (1000 tonnes).....	May '03	51.3	53.5	10.1	-4.1	219.3	-3.4
Pelagics (1000 tonnes).....	May '03	88.3	79.2	312.3	11.5	714.4	-42.3
Merchandise exports (b.kr.) ¹	May '03	15.1	18.2	-8.2	-11.1	78.5	-6.1
- marine products (b.kr.) ¹	May '03	10.1	12.4	-8.6	-13.0	47.9	-10.9
- aluminium (b.kr.) ¹	May '03	2.4	3.5	-14.8	-25.5	15.6	-1.0
- other industrial products (b.kr.) ¹	May '03	2.1	1.7	-5.7	27.7	7.5	6.8
Merchandise imports (b.kr.) ¹	May '03	16.8	15.6	-0.9	14.9	76.0	2.7
Merchandise trade balance (b.kr.) ¹ (changes are in b.kr.).....	May '03	-1.7	2.5	.	.	2.5	.
Services exports (b.kr.) ¹	2003/Q1	21.5	23.1	-4.4	4.8	21.5	4.8
Services imports (b.kr.) ¹	2003/Q1	24.2	23.8	3.2	14.7	24.2	14.7
Real effective exchange rate (relative CPI) (1980=100).....	2003/Q1	95.2	84.3	5.8	13.0	95.2	13.0

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 ¹ from previous		From beginn. of year ²	
				period	previous year	Average	Change on prev. year (%)
IV Labour market and wages							
Number of unemployed listed at employment agencies.....	May '03	5,298	3,565	-211	1,733	5,484	53.9
Registered unemployment, s.a. (% of total estim. labour force)	May '03	3.3	2.3	0.0	1.0	3.2	1.1
Unemployment rate, labour force survey (biannual).....	April '03	3.9	3.2	0.7	0.7	.	.
Total hours worked per week, labour force survey	Nov. '02	.	.	1.1	-1.7	.	.
Listed vacancies at employment agencies	May '03	603	276	35	118	330	49.4
New work permits issued.....	May '03	59	90	4	-34	244	-48.1
Work permits issued, total.....	May '03	245	336	11	-27	1,026	-32.9
Wage index (december 1988=100).....	May '03	238.5	225.8	0.2	5.6	237.8	5.6
Real wages (wage index deflated by CPI).....	May '03	131.5	127.2	0.4	3.4	131.5	3.6

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 ratio; percentage changes otherwise.

	Latest period	Latest value	Value 1 year ago	%-change on previous		From beginn. of year	
				period	previous year	Value	Change on prev. year (%)
V Public finances							
Treasury revenue balance (billion kr.)	May '03	0.7	-2.4	.	.	2.4	.
- as a percentage of revenue (%)	May '03	3.0	-13.1	.	.	2.2	.
Net borrowing requirement (billion kr.)	May '03	-2.6	2.0	.	.	-7.4	.
- as percentage of revenue (%)	May '03	-11.6	10.9	.	.	-6.8	.
Treasury revenue (b.kr.).....	May '03	22.4	18.3	-1.9	22.2	108.7	18.3
- from VAT (b. kr.).....	May '03	6.5	5.9	4.9	10.8	28.5	9.1
- from payroll & personal income tax withheld (b.kr.).....	May '03	6.3	5.9	-3.2	5.4	32.2	4.4
- from imports, liquor, car ownership (b.kr.).....	May '03	1.4	1.2	7.9	12.7	6.6	10.3
Treasury expenditures (b.kr.)	May '03	21.7	20.7	3.7	4.8	106.3	5.5

Note: All figures except for the last two columns are based on moving 4-month averages.

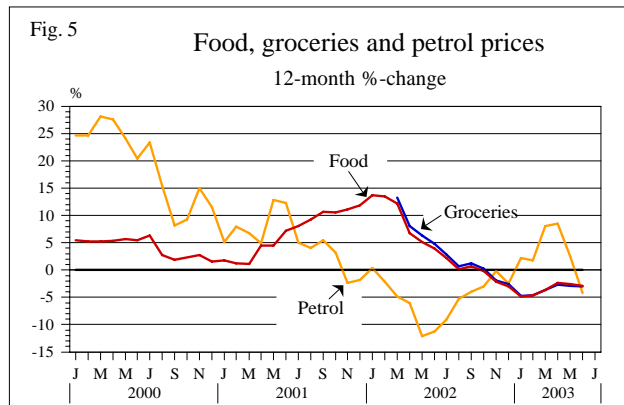
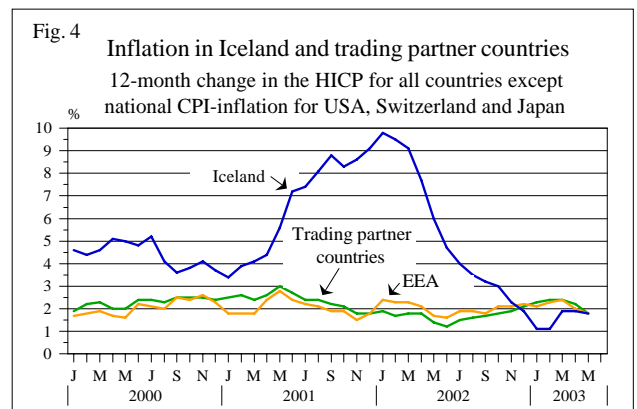
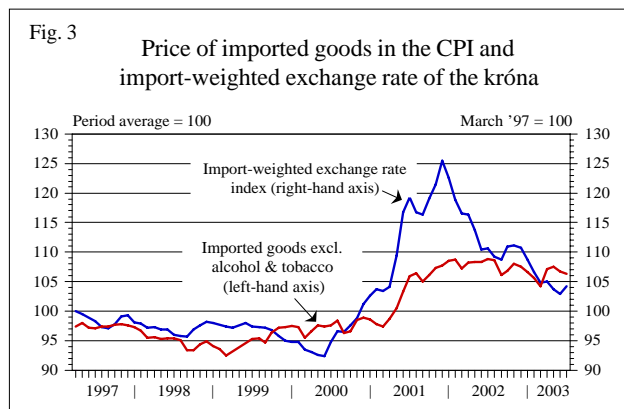
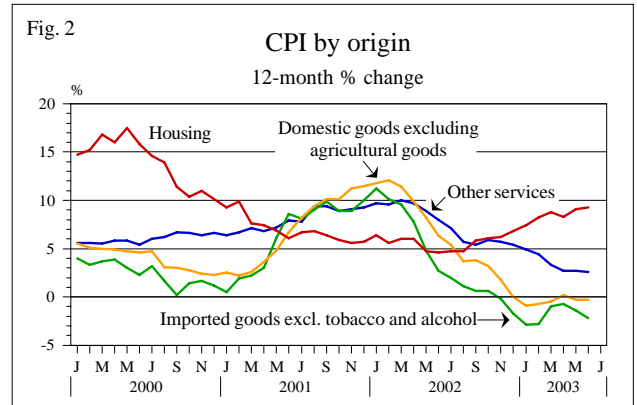
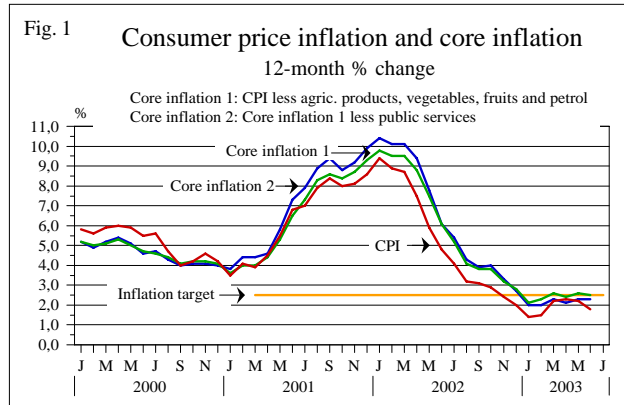
	Latest period	Latest value	Value 1 year ago	%-change on previous		From beginn. of year	
				period	previous year	Average	Change on prev. year (%)
VI Asset markets							
ICEX-15 monthly average (Dec. 1997=100).....	May '03	1,431.3	1,292.4	1.1	10.7	1,388.9	8.7
ICEX Main monthly average (Dec. 1997=100)	May '03	1,489.4	1,329.0	0.5	12.1	1,458.9	12.4
Turnover on Iceland Stock Exchange (ICEX), monthly (b.kr.)	May '03	40.4	34.5	70.5	17.0	180.7	30.2
Residential housing price index ¹ (Jan. 1996=100).....	April '03	178.8	160.1	0.5	11.6	176.0	9.4
Real residential housing prices ¹ (Jan. 1996=100)	April '03	138.0	126.1	0.1	9.4	136.5	7.4
Price of long-term cod quota (kr./kg.)	May '03	1,220	1,000	-2.4	22.0	1,224	48.9

1. In Greater Reykjavik Area. 2. Except for turnover which is cumulated to date.

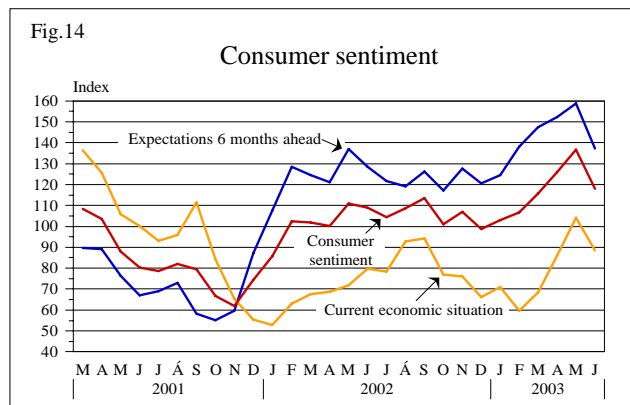
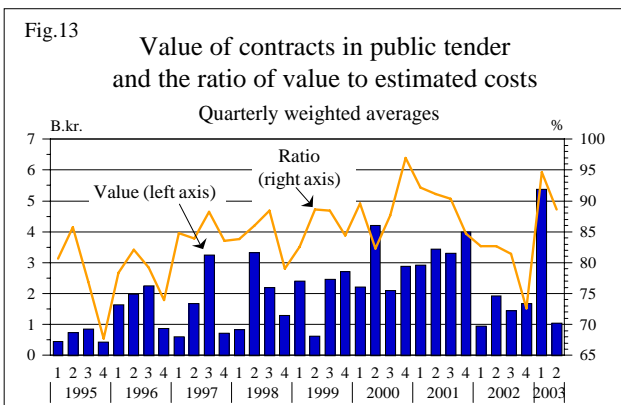
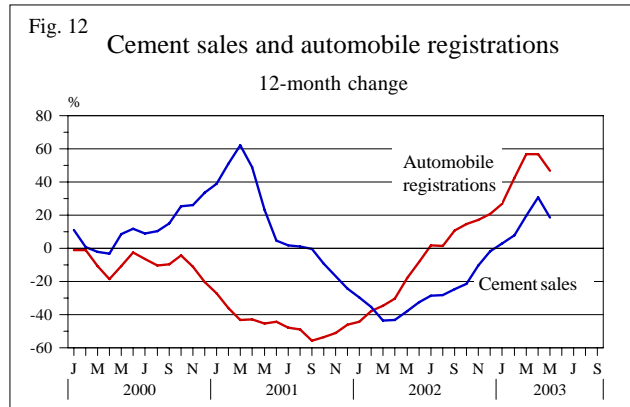
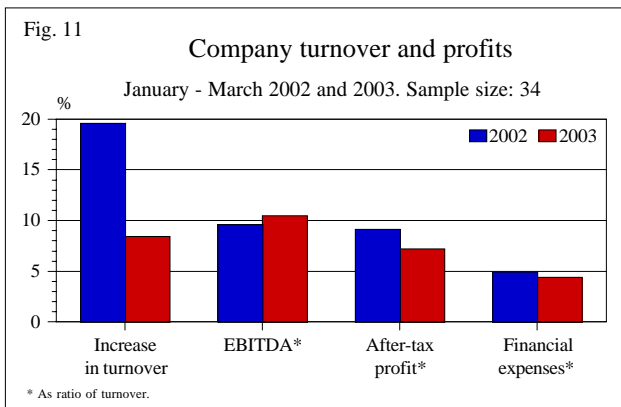
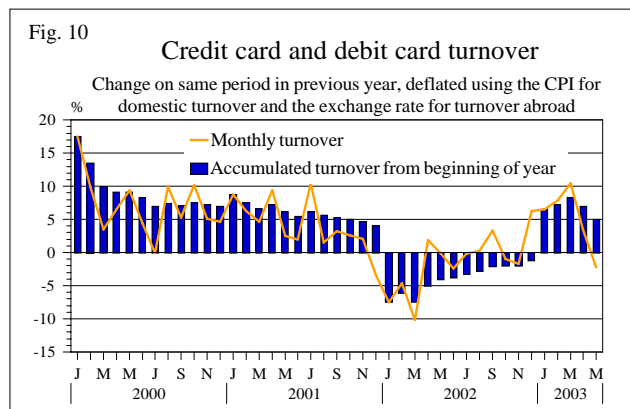
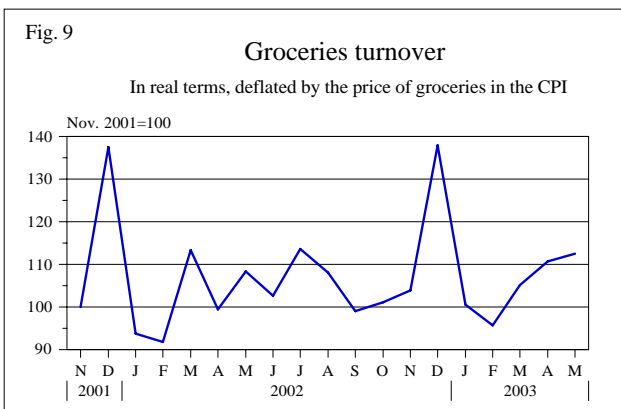
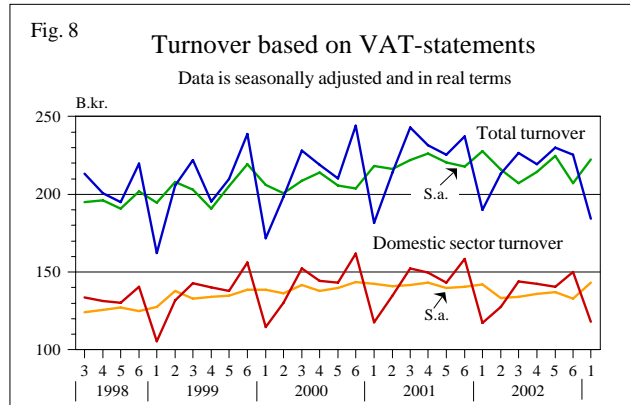
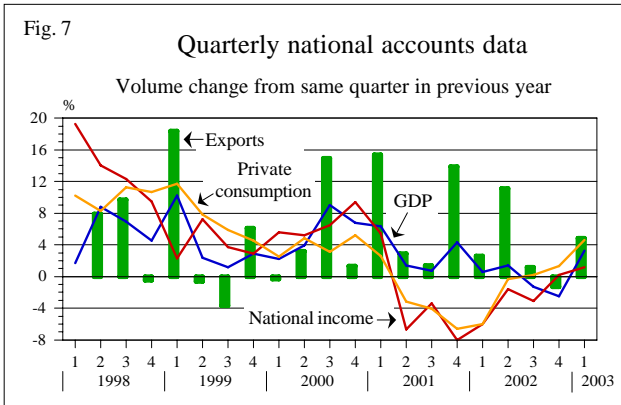
	Latest period	Latest value	Value 1 year ago	%-change on previous		From beginn. of year	
				period	previous year	Average	Change on prev. year (%)
VII Financial markets							
Bank lending to domestic sector (b.kr.).....	May 31 '03	283.4	265.8	4.9	6.6	-	-
- adjusted for estimated indexation effects on inflation- and exchange rate-linked loans (index)	May 31 '03	177.4	156.4	5.7	13.4	-	-
- in real terms (January 1999=100)	May 31 '03	134.7	124.2	4.3	8.4	-	-
Credit system total lending (b.kr.)	Mar. 31 '03	2,028	1,954	2.0	3.8	-	-
M3 (b.kr.)	May 31 '03	431.4	363.0	3.5	18.9	-	-
Central Bank policy interest rate (%)	June 20 '03	5.3	8.5	0.0	-3.2	5.4	-4.2
Money market yield, 3-mo. (%) ¹	June 20 '03	5.3	9.1	0.0	-3.8	5.6	-5.4
Treasury bill yield, 3-mo. (%) ¹	June 20 '03	4.9	8.6	0.3	-3.7	5.1	-4.3
Treasury bill real yield, 3-mo., based on inflation premium (%) ¹	June 20 '03	3.1	5.7	0.1	-2.6	2.9	-3.8
Yield on Treasury notes (4 yrs., RIKB 07 0209) (%) ¹	June 20 '03	6.3	8.4	-0.6	-2.0	6.9	-1.9
Yield on Treasury notes (10½ yrs., RIKB 13 0517) (%) ¹	June 20 '03	7.4	.	-0.5	.	7.7	.
Real yield on housing bonds (25 yrs., IBH 26 0315) (%) ¹	June 20 '03	4.7	5.8	-0.2	-1.1	4.9	-1.0
Real yield on housing bonds (40 yrs., IBH 41 0315) (%) ¹	June 20 '03	4.6	5.6	-0.2	-1.0	4.8	-0.8
Real yield on treasury bonds (5 yrs., RIKS 05 0410) (%) ¹	June 20 '03	4.1	5.3	-0.1	-1.2	4.3	-1.6
Real yield on treasury bonds (15 yrs., RIKS 15 1001) (%) ¹	June 20 '03	4.3	5.4	-0.3	-1.1	4.7	-0.6
Average bank lending rate, non-indexed loans (%) ¹	June 20 '03	9.2	15.8	-2.8	-6.6	11.4	-5.5
Average bank lending rate, indexed loans (%) ¹	June 20 '03	7.0	10.1	-2.2	-3.1	8.7	-1.5
Exchange rate index of króna (Dec 31. 1991=100) ¹	June 20 '03	120.0	129.7	0.7	-7.5	121.3	-10.2

1. All figures except for two last columns are based on 4-week averages.

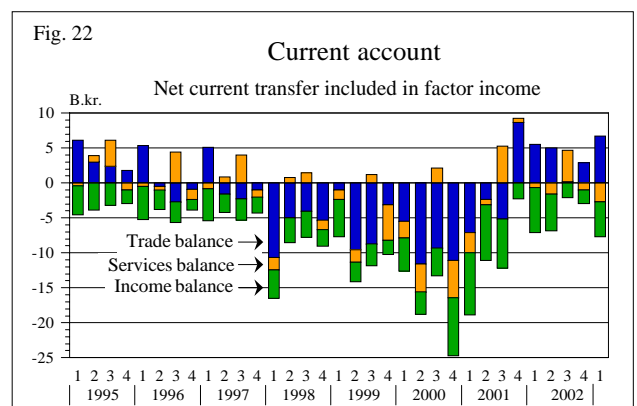
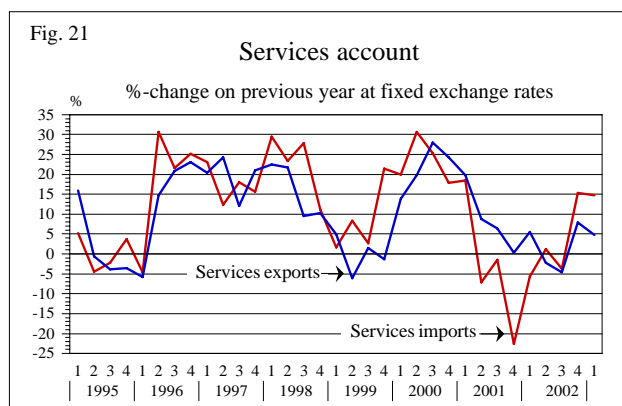
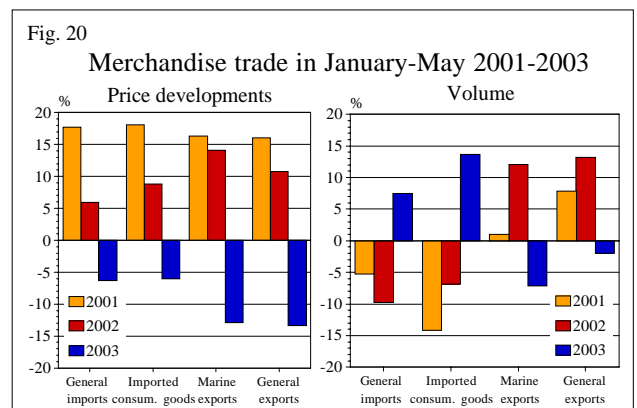
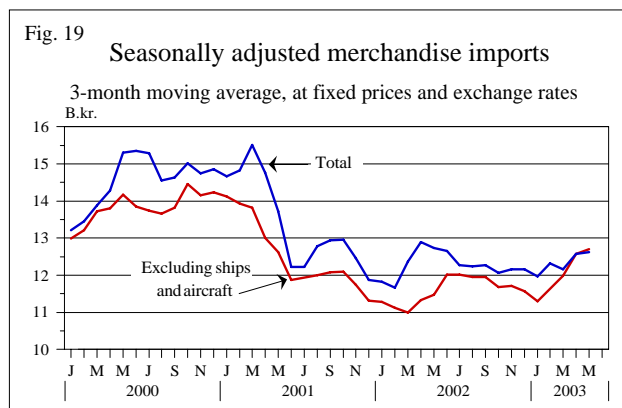
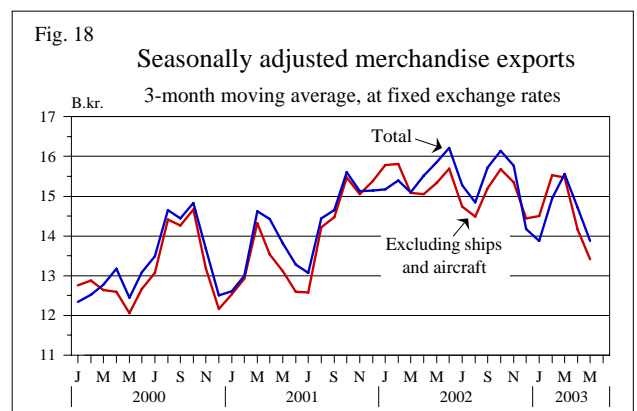
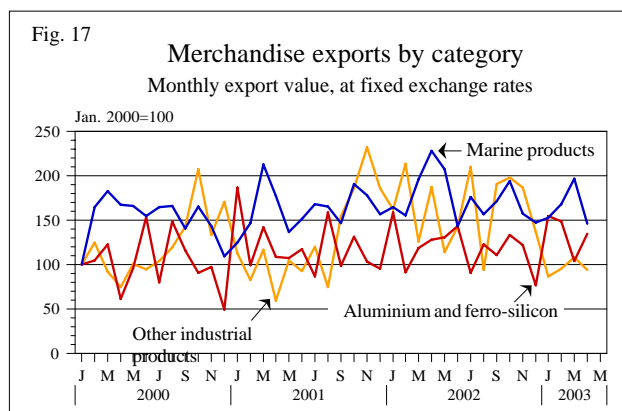
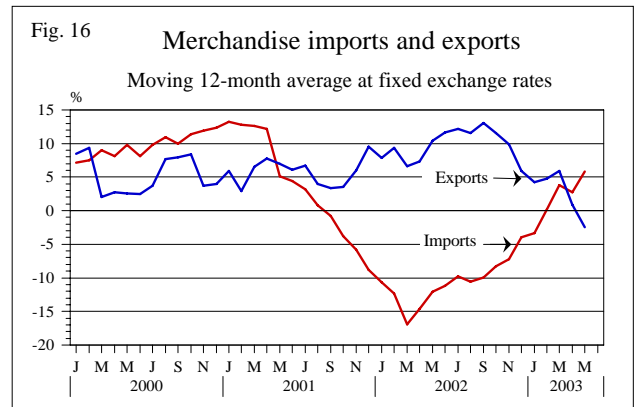
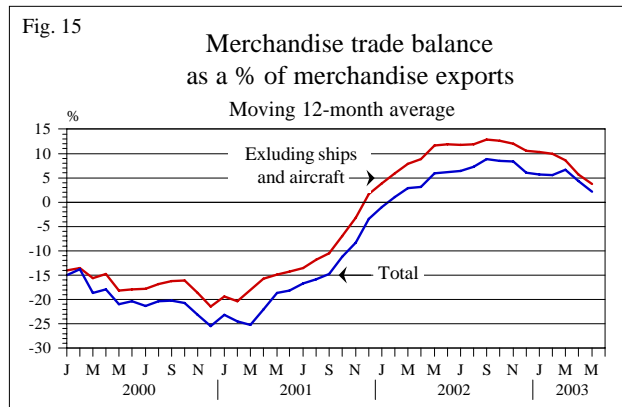
I Inflation and inflation expectations



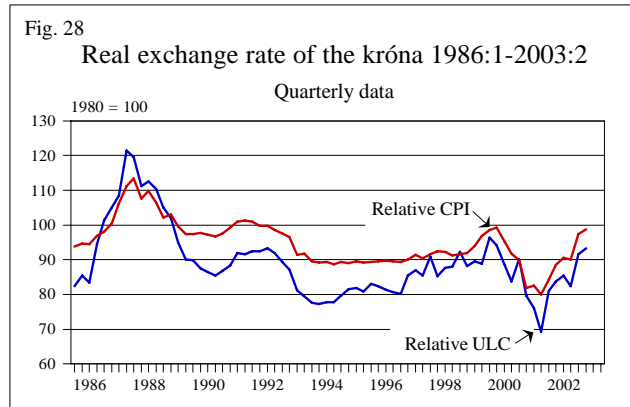
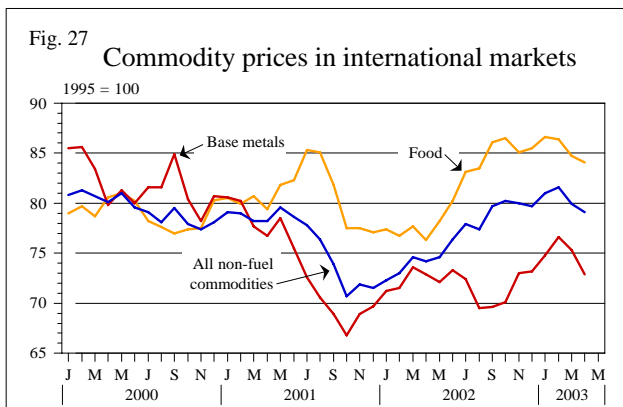
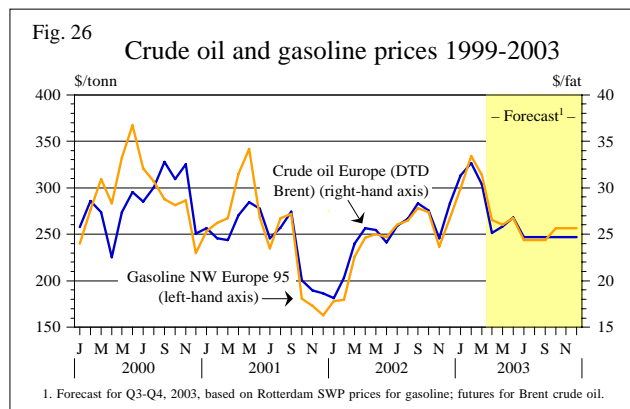
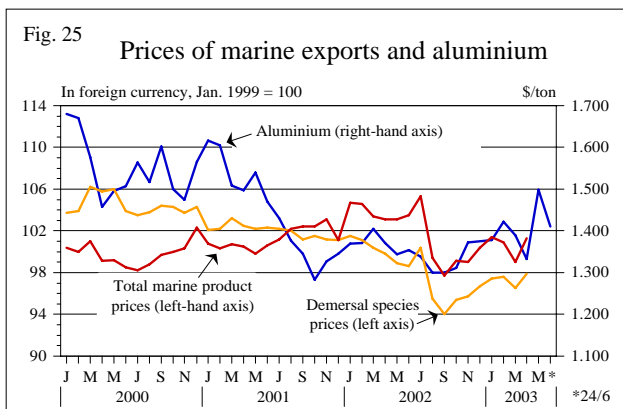
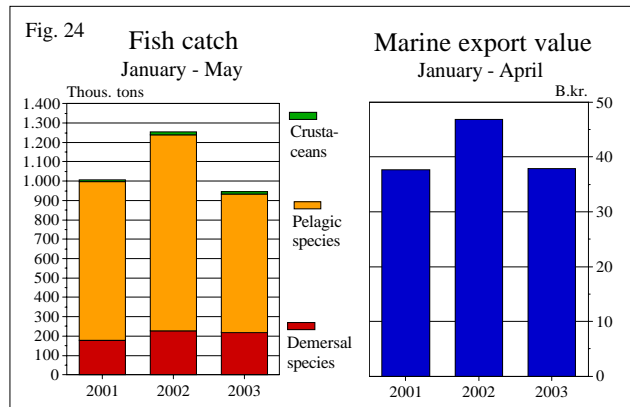
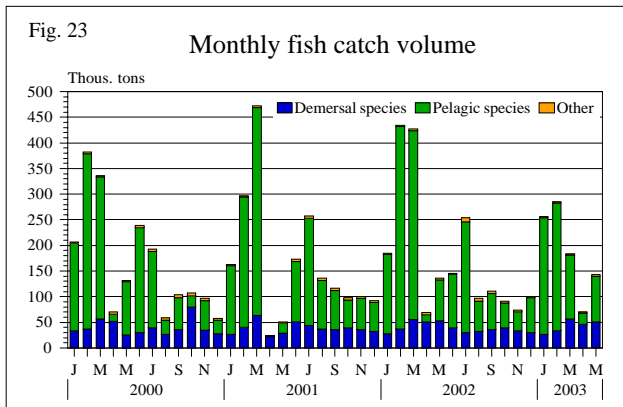
II Output and demand



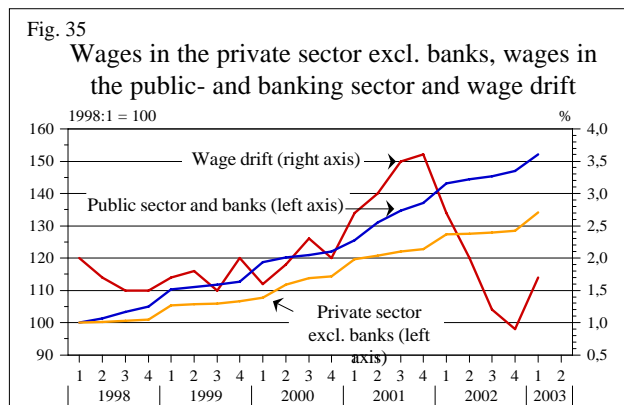
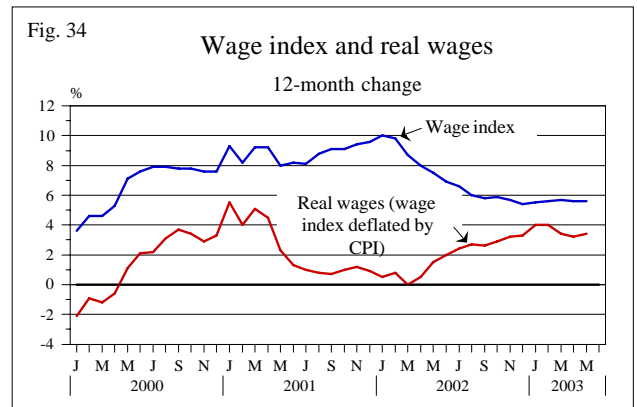
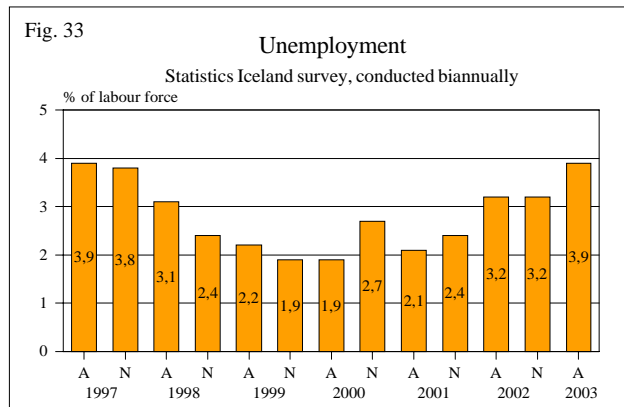
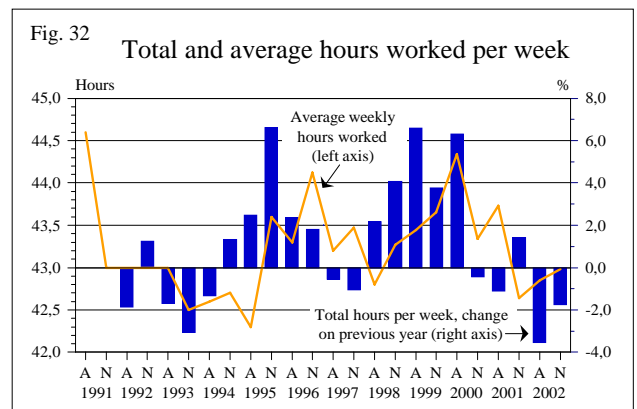
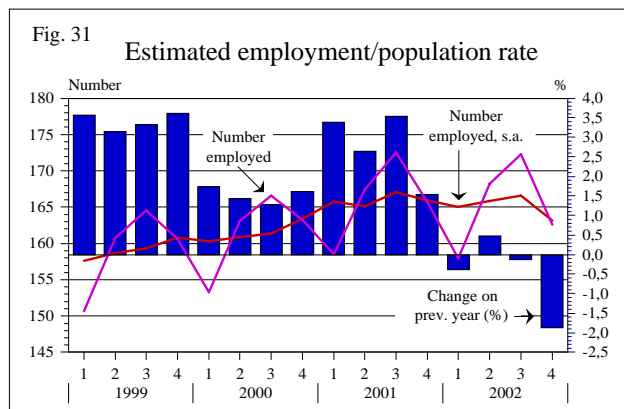
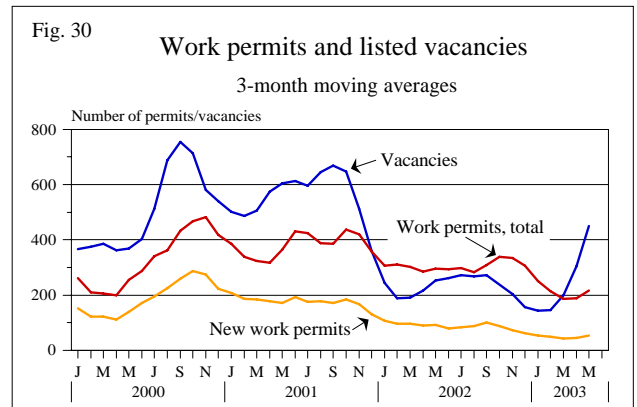
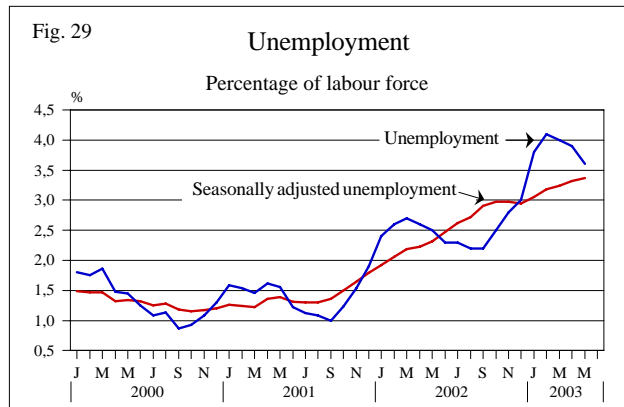
III Foreign trade and the external economic conditions

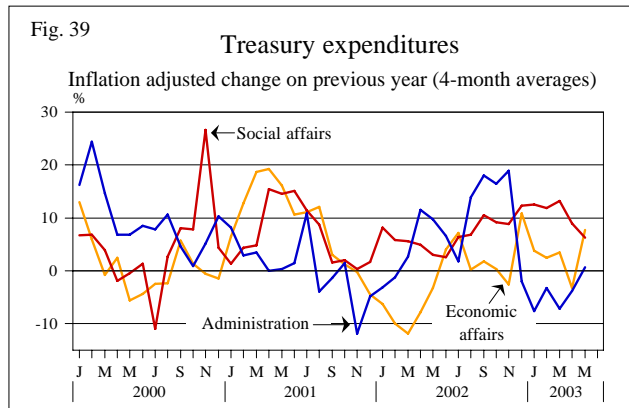
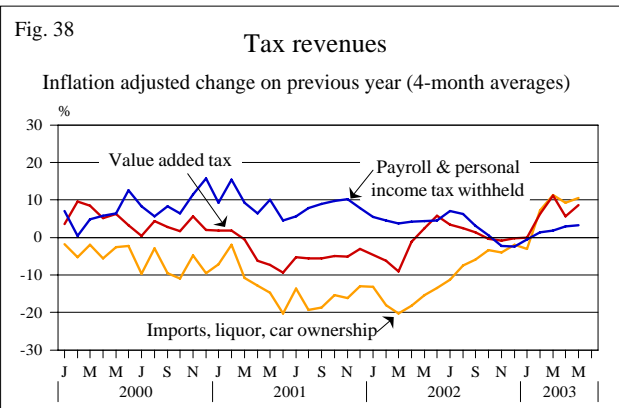
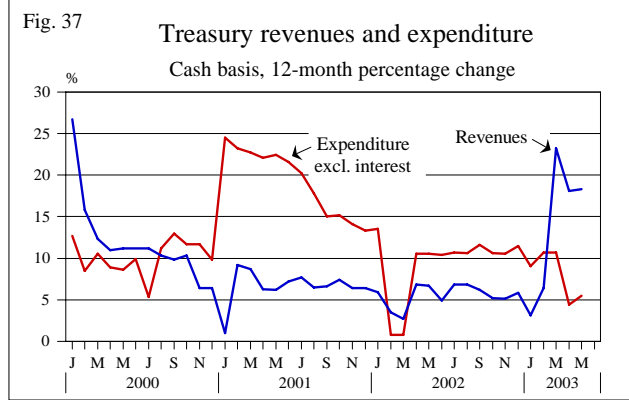
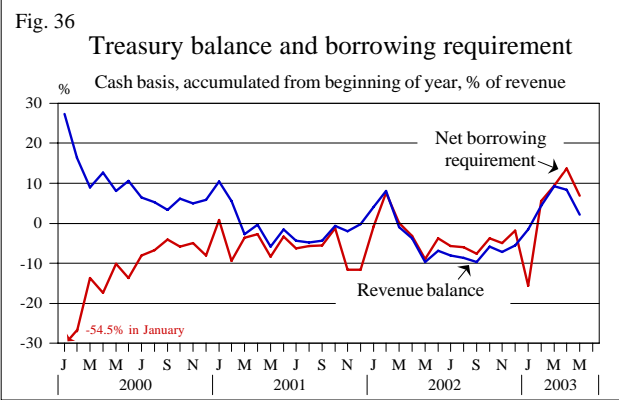


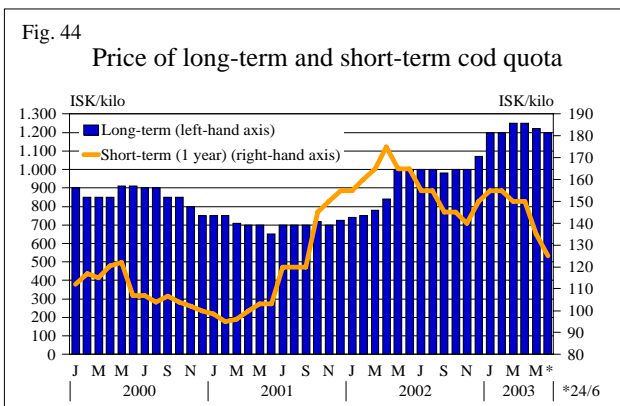
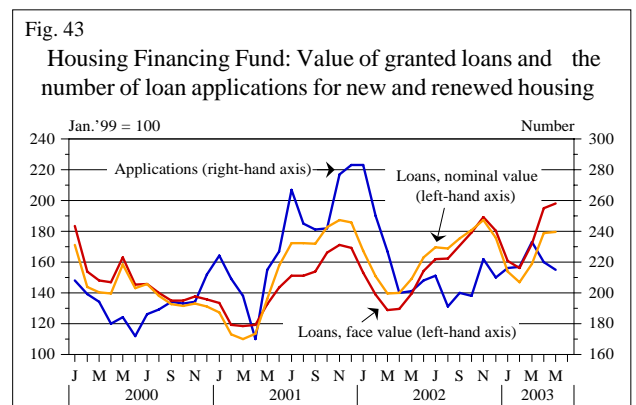
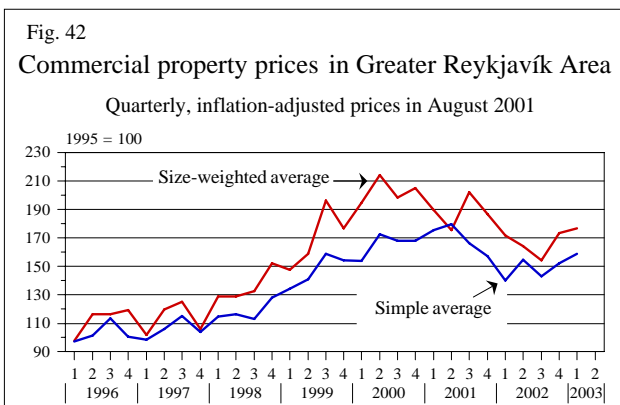
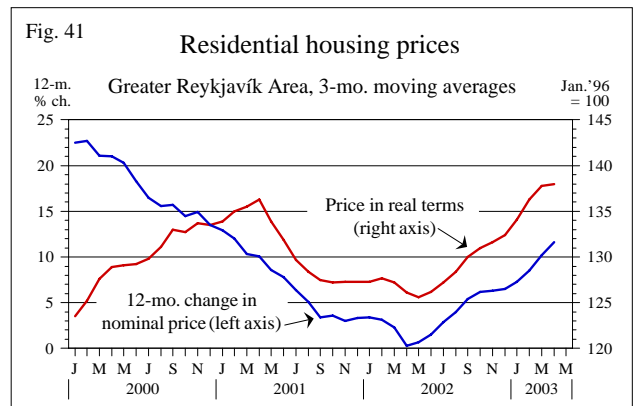
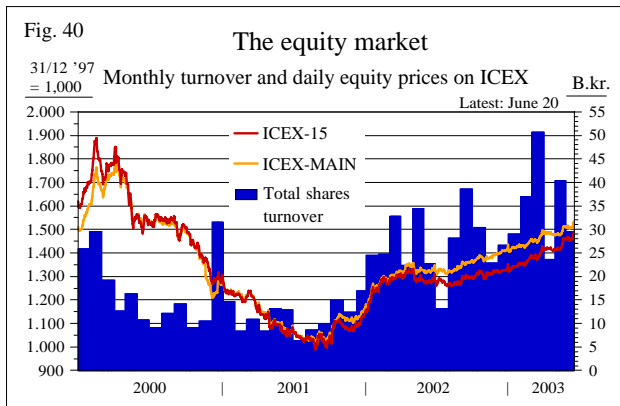
III Foreign trade and the external economic conditions (cont.)



IV Labour market and wages







VII Financial markets

Fig. 45

Credit growth

Credit system lending, quarterly change on previous year

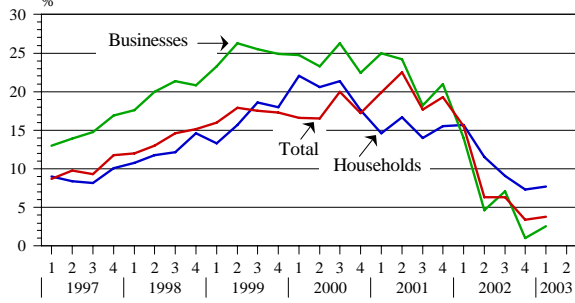
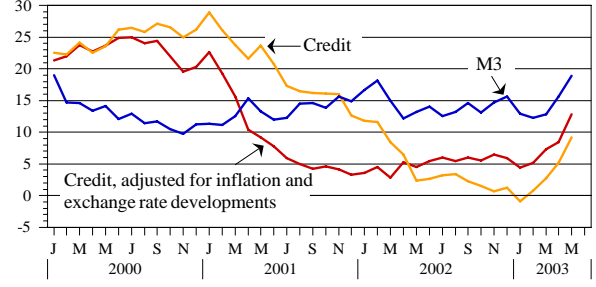


Fig. 46

Growth of M3 and bank credit

(excluding marketable securities)

12-month change



M-47

Raungildi M3 og innlendra útlána innlánsstofnana

Janúar 2000 = 100

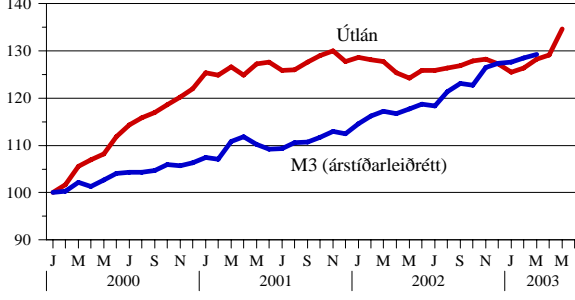


Fig. 48

Base money and repurchase agreements with the Central Bank

12-month change between 3-month moving averages

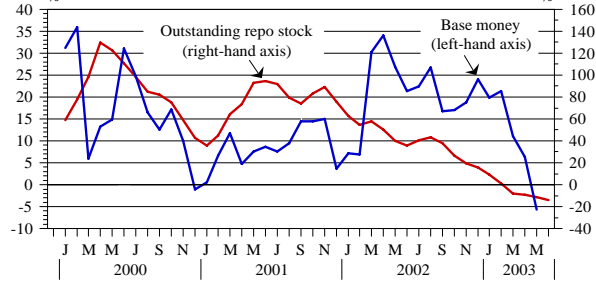


Fig. 49

The Central Bank repo rate and interbank interest rates

Weekly data

Latest: June 20

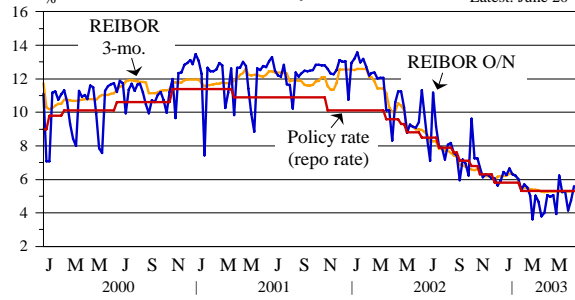


Fig. 50

Short-term interest rates and interest rate spread

Weekly data

Latest: June 20

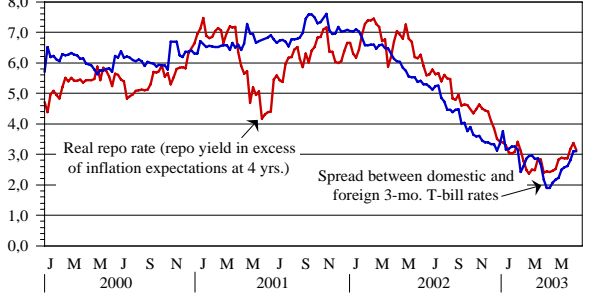


Fig. 51

Long-term nominal treasury bond yields

Daily data

Latest: June 20

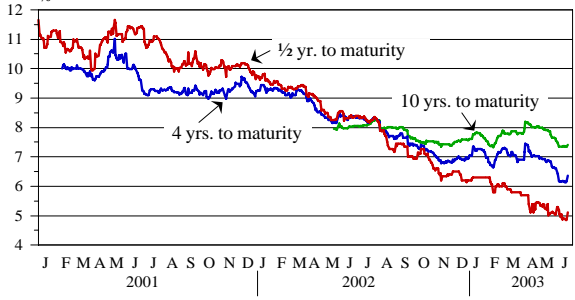
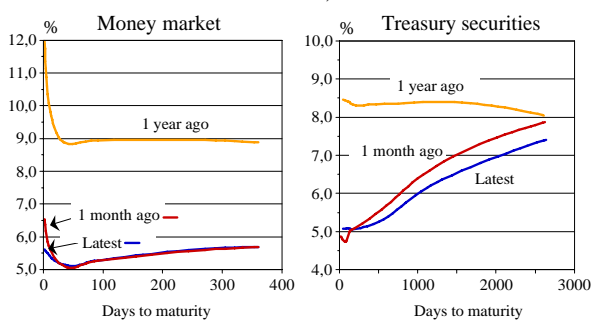


Fig. 52

The term structure of nominal interest rates

June 20, 2003



VII Financial markets (cont.)

