

Economic indicators



Central Bank of Iceland
September 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.....	Sept. '03	227.9	0.7	1.1	2.2	.	3.1
Core index 1 (CPI excl. agric. prod., vegetables, fruit and petrol)	Sept. '03	129.2	0.7	2.0	3.0	2.7	3.8
Core index 2 (core index 1 excl. public services).....	Sept. '03	129.6	0.6	1.7	2.7	2.2	3.9
Domestic goods excl. agricultural products and vegetables.....	Sept. '03	128.0	0.7	0.6	0.2	0.0	3.8
Agricultural products and vegetables.....	Sept. '03	115.9	0.2	-2.4	-2.8	-0.2	-0.5
Imported goods excl. alcohol and tobacco.....	Sept. '03	108.8	1.5	-2.2	-0.8	-0.3	0.6
- food and beverages.....	Sept. '03	117.2	0.2	-11.0	-8.2	-0.2	-1.4
- cars and spare parts.....	Sept. '03	115.7	0.3	2.5	1.8	0.1	2.6
- petrol.....	Sept. '03	122.9	2.6	-7.4	-0.9	0.0	-4.0
- imported goods excl. food and beverages.....	Sept. '03	100.3	2.0	-1.4	-0.7	-0.1	1.5
Housing.....	Sept. '03	170.3	0.5	9.8	10.2	1.7	5.8
Public services.....	Sept. '03	129.3	1.2	4.3	6.2	0.5	4.0
Private services.....	Sept. '03	136.4	-0.1	-0.1	1.4	0.3	5.4
Groceries (perishable items).....	Sept. '03	121.7	0.2	-2.6	-2.8	-0.5	.
Weighted import exchange rate index (Dec. 31 1994=100).....	Aug. 29 '03	106.8	1.2	7.3	-3.6	.	-5.7
	Expected Latest period	Expected 12 mo. inflation	Change on prev. survey	Exp. 12-mo inflation 1 year ago	Expected annual inflation over next 2 yrs.	Expected annual inflation over next 3 yrs.	Perceived inflation in past 12 mo.
Inflation premium on Treasury bonds ³	Sept. 19 '03	.	.	.	1.6	2.0	.
Employers' inflation expectations.....	Feb. '03	2.1	0.5	.	2.4	.	.
Public's inflation expectations.....	June '03	3.4	-0.3	4.2	.	.	2.8

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, Change on	
				previous period	previous year	Value	prev. year (%) ¹
<i>II Output and demand</i>							
GDP (b.kr.).....	2003/Q2	196.4	193.3	.	2.7	390.2	2.9
National expenditure (b.kr.).....	2003/Q2	208.6	189.6	.	9.6	399.0	5.6
Private consumption (b.kr.).....	2003/Q2	112.4	104.6	.	7.4	216.4	6.4
Public consumption (b.kr.).....	2003/Q2	53.7	49.3	.	5.1	105.6	4.7
Gross fixed investment (b.kr.).....	2003/Q2	42.7	36.5	.	17.2	78.2	3.0
Exports (b.kr.).....	2003/Q2	66.4	79.3	.	-6.6	137.0	-1.4
Imports (b.kr.).....	2003/Q2	-78.5	-75.5	.	10.4	-145.9	5.6
Turnover according to VAT statements (b.kr.) ²	May-June '03	235.2	235.7	1.4	-2.2	629.2	-2.2
Turnover in groceries stores (b.kr.).....	August '03	114.0	119.0	-4.2	5.5	108.1	4.1
Credit and debit card turnover (b.kr.) ²	August '03	43.8	42.4	-3.1	3.0	327.3	6.2
Turnover of publicly listed companies on ITEX (b.kr.).....	Jan.-June '03	184.2	180.0	.	.	184.2	2.3
Cement sales (thous. tons).....	August '03	12.6	11.1	-16.2	14.0	83.8	16.4
Automobile registrations (number).....	August '03	996	707	-30.0	40.9	8,900	48.1

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, Change on	
				previous period	previous year	Value	prev. year (%)
<i>III Foreign trade and external economic conditions</i>							
Price of marine products in foreign currency (Jan. 1999=100)...	July '03	96,9	105,3	0,4	-8,0	99,0	-4,8
Price of aluminium, LME cash price \$/t.....	Sept. '03	1,396	1,300	-4,2	7,4	1,400	3,7
Price of crude oil (Brent) \$/b.....	Sept. '03	25,2	29,9	-15,7	-10,9	28,4	17,0
Groundfish (1,000 tonnes).....	August '03	32,4	35,1	-7,6	18,8	334,8	3,3
Pelagics (1,000 tonnes).....	August '03	97,9	190,4	-48,8	65,3	1,146,0	-34,6
Merchandise exports (b.kr.) ¹	July '03	14,9	16,2	1,9	-6,3	107,6	-5,5
- marine products (b.kr.) ¹	July '03	10,0	10,4	11,9	-1,7	66,8	-7,6
- aluminium (b.kr.) ¹	July '03	2,3	2,6	-17,5	-8,0	20,6	-6,5
- other industrial products (b.kr.) ¹	July '03	2,1	2,5	-7,1	-14,3	16,2	4,2
Merchandise imports (b.kr.) ¹	July '03	20,0	17,4	12,1	17,6	113,5	7,6
Merchandise trade balance (b.kr.) ¹	July '03	-5,1	-1,1	.	.	-6,0	.
Services exports (b.kr.) ¹	2003/Q2	22,6	25,1	6,4	-9,7	43,9	-9,3
Services imports (b.kr.) ¹	2003/Q2	27,9	26,6	13,0	5,2	52,7	4,5
Real effective exchange rate (relative CPI) (1980=100).....	2003/Q2	96,0	88,5	1,8	8,5	95,2	10,1

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 (%)
<i>IV Labour market and wages</i>							
Number of unemployed listed at employment agencies.....	August '03	4,452	3,404	-217	1,048	5,203	47.1
Registered unemployment, s.a. (% of total estim. labour force)	August '03	3.6	2.7	0.1	0.8	3.3	1.0
Unemployment rate, labour force survey (biannual).....	April '03	3.9	3.2	0.7	0.7	.	.
Listed vacancies at employment agencies	August '03	848	264	40	221	456	91.5
New work permits issued.....	August '03	51	99	-39	-48	450	-38.5
Work permits issued, total.....	August '03	214	291	-44	-26	2,002	-15.7
Wage index (december 1988=100).....	July '03	239.3	226.5	0.1	5.7	238.2	5.6
Real wages (wage index deflated by CPI).....	July '03	132.0	126.9	0.3	4.0	131.6	3.7

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	Value	Change on prev. year (%)
<i>V Public finances</i>							
Treasury revenue balance (billion kr.)	August '03	-3.4	-2.6	-	-	-6.3	-
- as % of revenue	August '03	-17.3	-13.6	-	-	-3.7	-
Net borrowing requirement (billion kr.)	August '03	7.3	1.7	-	-	16.6	-
- as % of revenue	August '03	36.5	9.1	-	-	9.7	-
Treasury revenue (b.kr.).....	August '03	19.9	18.8	0.4	5.4	170.7	11.8
- from VAT (b. kr.).....	August '03	7.0	6.3	7.9	10.1	52.8	9.0
- from payroll & personal income tax withheld (b.kr.)	August '03	6.7	6.2	0.1	7.3	52.7	6.1
- from imports, alcohol, car ownership (b.kr.)	August '03	1.6	1.4	4.7	11.1	11.3	11.2
Treasury expenditures (b.kr.)	August '03	23.3	21.4	4.9	8.9	176.9	6.7

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

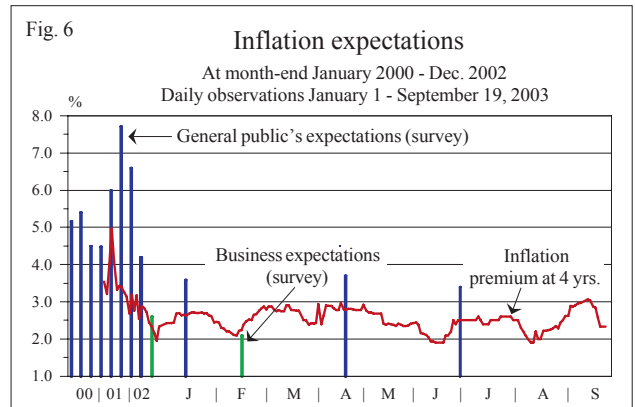
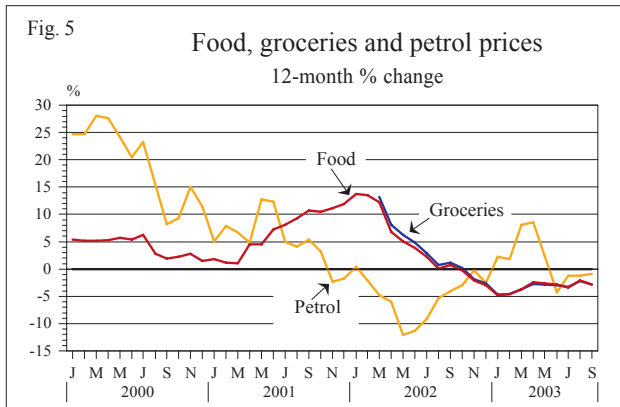
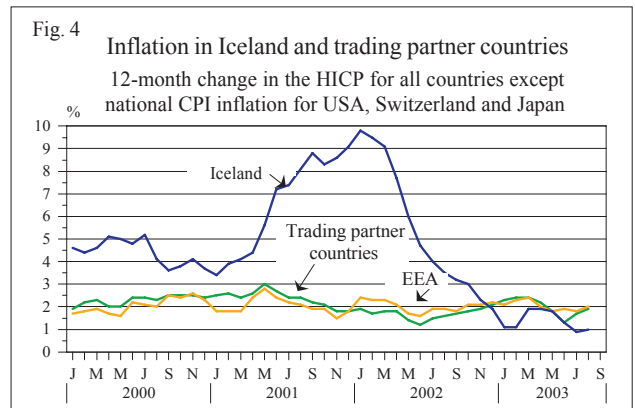
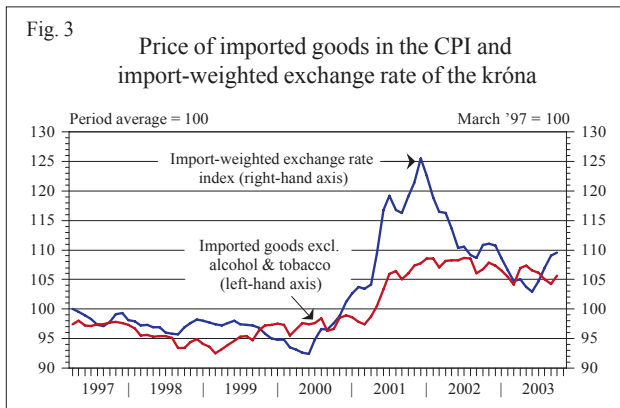
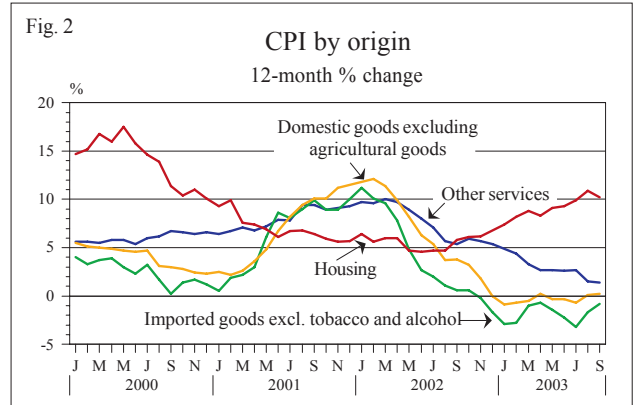
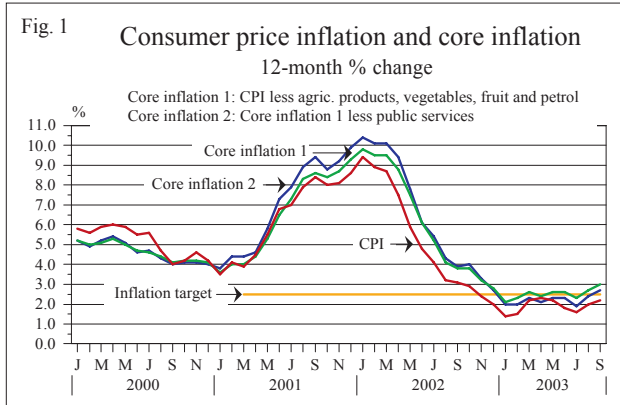
	Latest period	Latest value	Value 1 year ago	% change on previous		From beginn. of year	
				period	previous year	Average	Change on prev. year (%)
<i>VI Asset markets</i>							
ICEX-15 monthly average (Dec. 1997=100).....	August '03	1,618.2	1,267.9	7.6	27.6	1,442.5	13.0
ICEX Main monthly average (Dec. 1997=100)	August '03	1,640.3	1,328.1	6.5	23.5	1,499.4	14.6
Turnover on Iceland Stock Exchange (ICEX), monthly (b.kr.)	August '03	43.3	28.1	227.6	54.0	284.2	40.1
Residential housing price index ¹ (Jan. 1996=100).....	August '03	187.7	163.8	1.1	14.6	180.2	11.7
Real residential housing prices ¹ (Jan. 1996=100)	August '03	144.6	128.4	1.1	12.6	139.2	9.6
Price of long-term cod quota (kr./kg.)	August '03	1,200	1,000	0.0	20.0	1.215	36.7

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

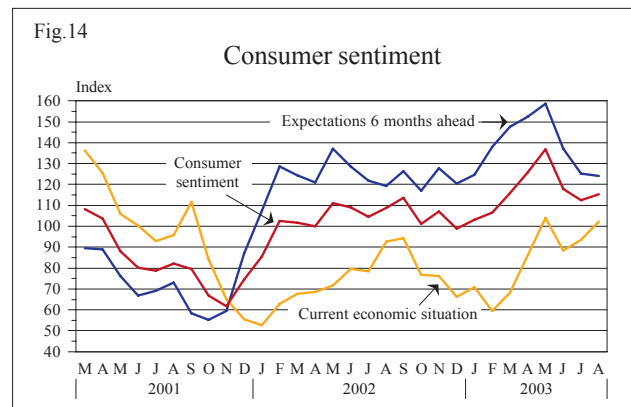
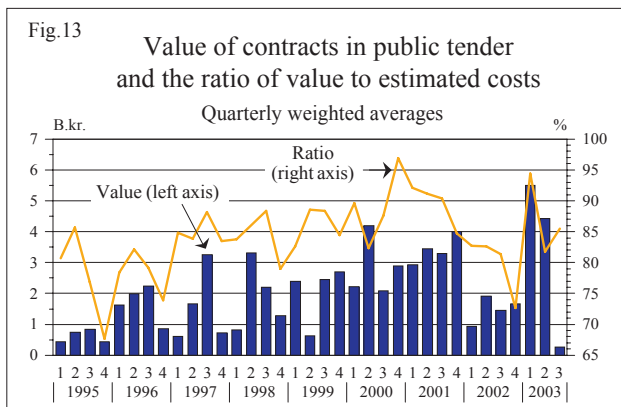
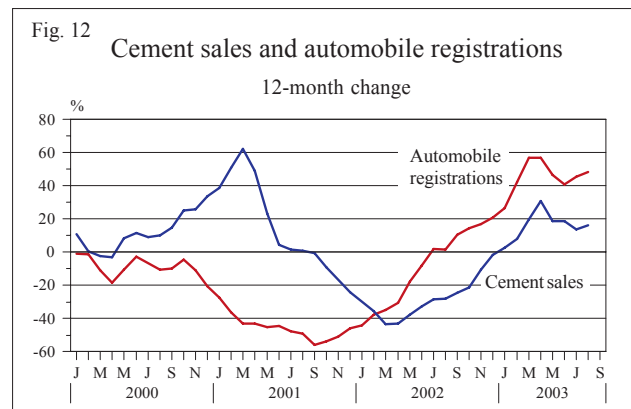
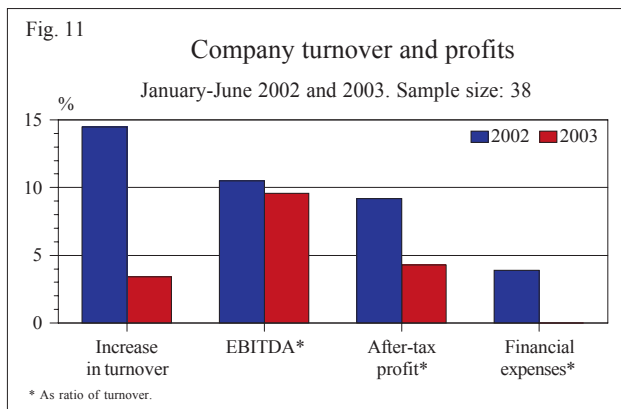
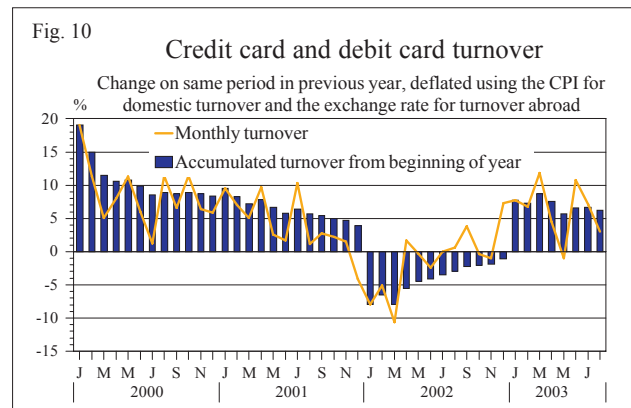
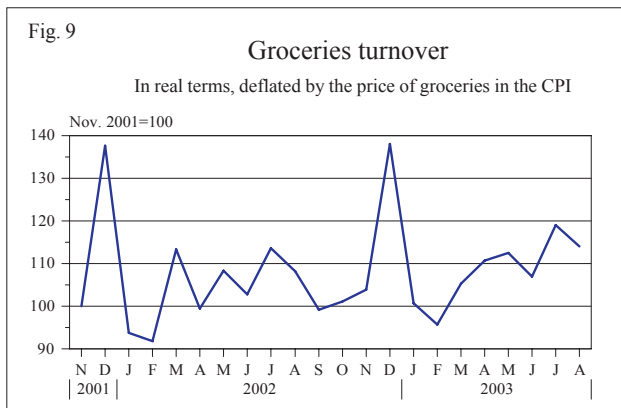
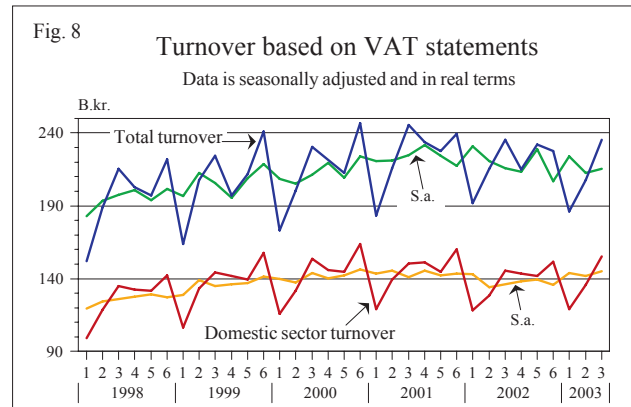
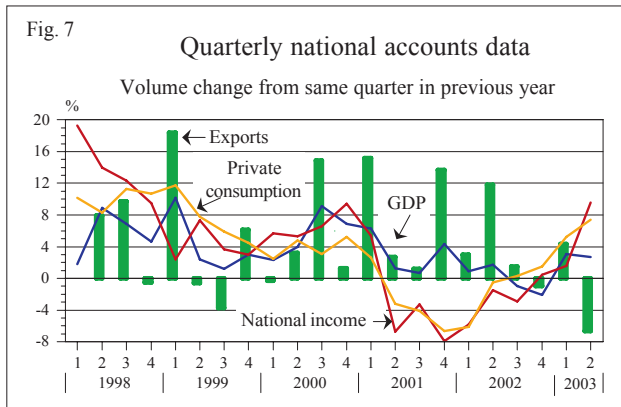
	Latest period	Latest value	Value 1 year ago	% change on previous		From beginn. of year	
				period	previous year	Average	Change on prev. year (%)
<i>VII Financial markets</i>							
Bank lending to domestic sector (b.kr.).....	August 31 '03	783.8	685.2	2.5	13.2	-	-
- adjusted for estimated indexation effects on inflation- and exchange rate-linked loans (index)	August 31 '03	183.0	158.3	2.2	14.4	-	-
- in real terms (January 1999=100)	August 31 '03	141.4	126.4	1.8	11.9	-	-
Credit system total lending (b.kr.)	June 30 '03	2,133	1,931	5.2	10.5	-	-
M3 (b.kr.)	August 31 '03	454.3	379.9	6.7	19.6	-	-
Central Bank policy interest rate (%)	Sept. 19 '03	5.3	7.1	0.0	-1.8	5.4	-3.7
Money market yield, 3-mo. (%) ¹	Sept. 19 '03	5.2	7.4	0.0	-2.2	5.4	-4.5
Treasury bill yield, 3-mo. (%) ¹	Sept. 19 '03	4.8	7.5	-0.2	-2.7	5.1	-3.7
Treasury bill real yield, 3-mo., based on inflation premium (%) ¹	Sept. 19 '03	2.0	4.8	-0.6	-2.8	2.5	-3.4
Yield on Treasury notes (4 yrs., RIKB 07 0209) (%) ¹	Sept. 19 '03	6.4	7.7	0.4	-1.2	6.8	-1.7
Yield on Treasury notes (10½ yrs., RIKB 13 0517) (%) ¹	Sept. 19 '03	7.4	7.9	0.0	-0.6	7.6	3.8
Real yield on housing bonds (25 yrs., IBH 26 0315) (%) ¹	Sept. 19 '03	4.4	5.6	0.0	-1.1	4.8	-1.0
Real yield on housing bonds (40 yrs., IBH 41 0315) (%) ¹	Sept. 19 '03	4.4	5.5	0.0	-1.1	4.7	-0.9
Real yield on Treasury bonds (5 yrs., RIKS 05 0410) (%) ¹	Sept. 19 '03	3.6	5.0	-0.5	-1.4	4.2	-1.4
Real yield on Treasury bonds (15 yrs., RIKS 15 1001) (%) ¹	Sept. 19 '03	4.0	5.3	-0.1	-1.3	4.5	-0.8
Average bank lending rate, non-indexed loans (%) ¹	Sept. 19 '03	12.0	14.4	0.0	-2.4	12.1	-4.0
Average bank lending rate, indexed loans (%) ¹	Sept. 19 '03	9.0	10.1	0.0	-1.1	9.2	-1.0
Exchange rate index of króna (Dec 31. 1991=100) ¹	Sept. 19 '03	126.9	129.5	0.9	-2.0	122.8	-7.3

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

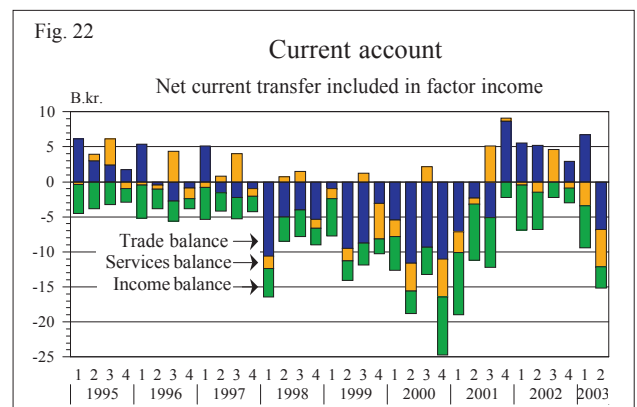
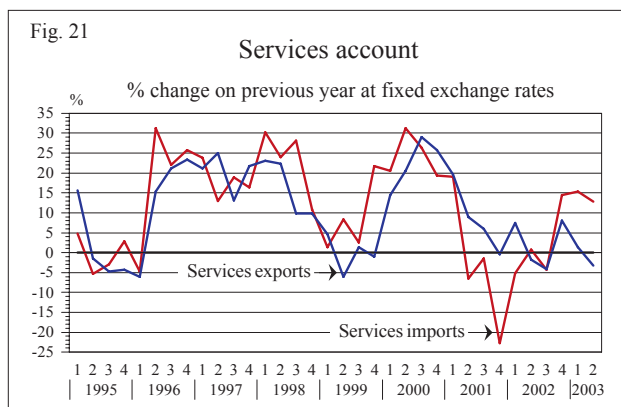
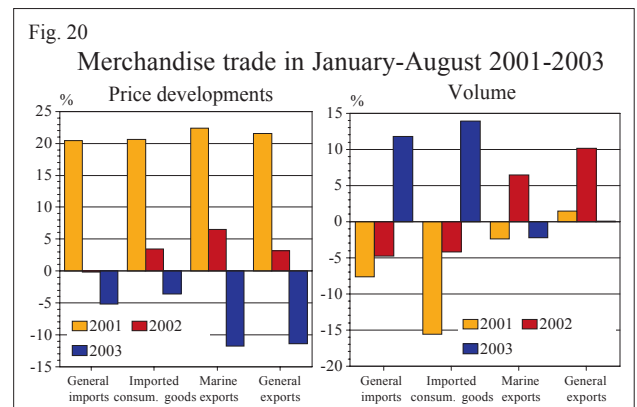
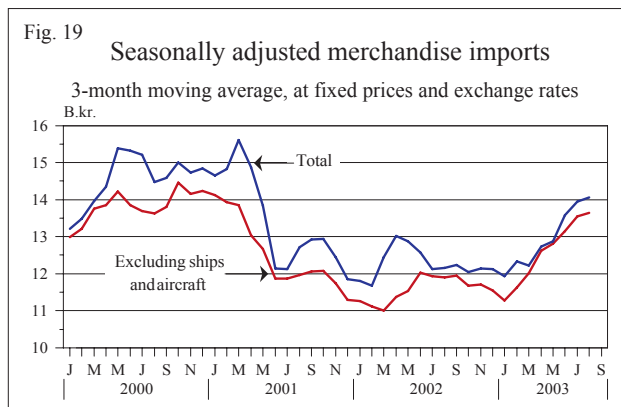
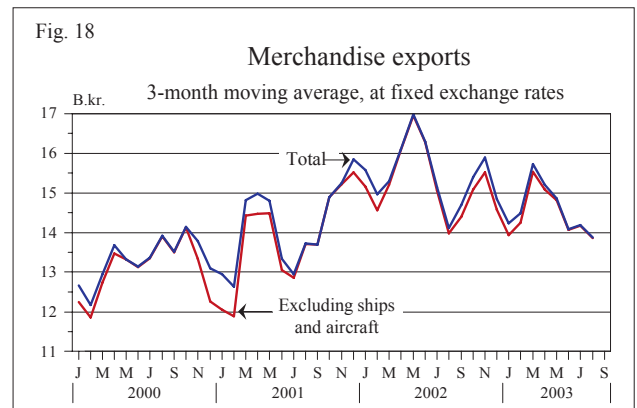
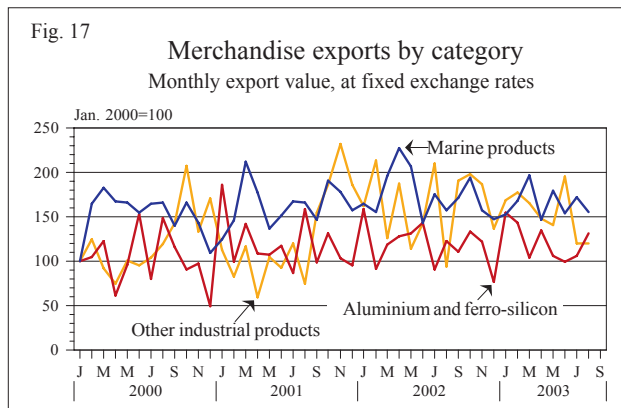
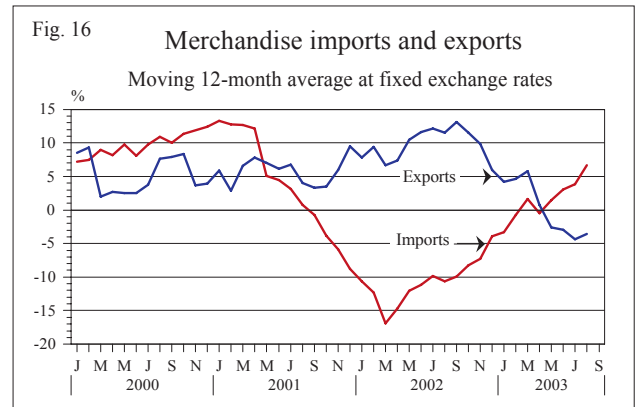
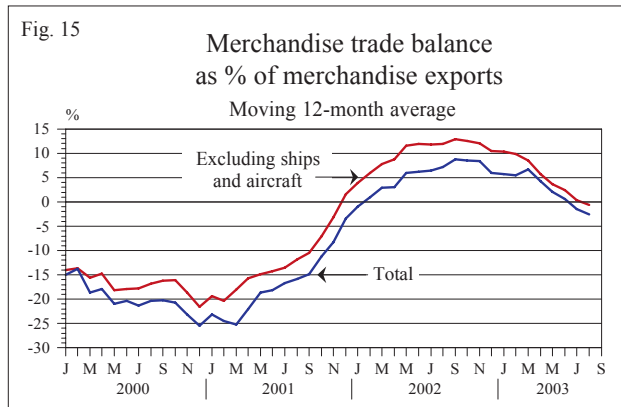
I Inflation and inflation expectations



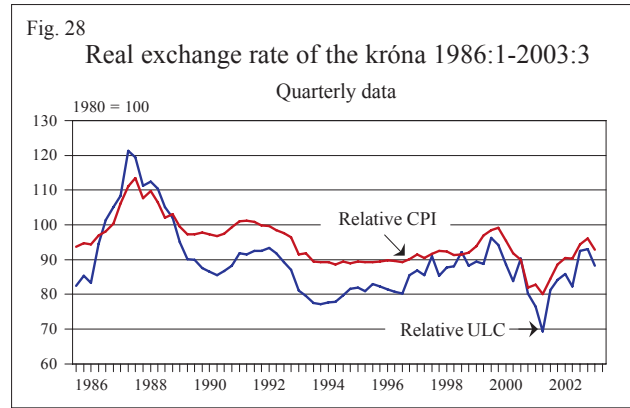
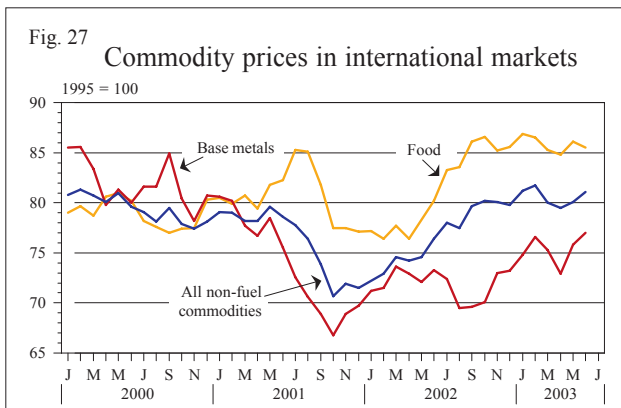
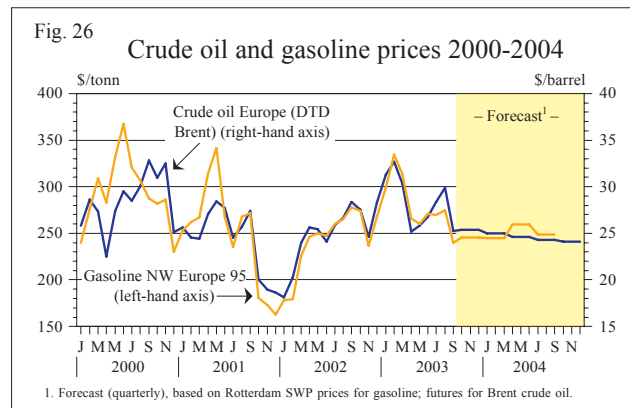
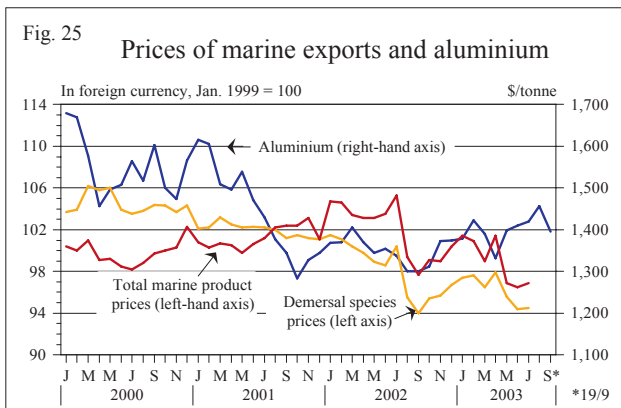
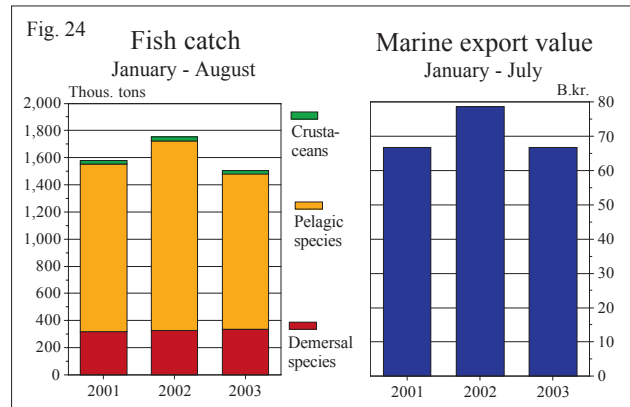
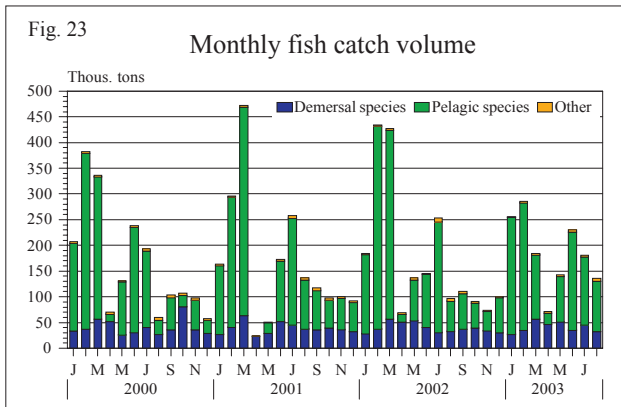
II Output and demand



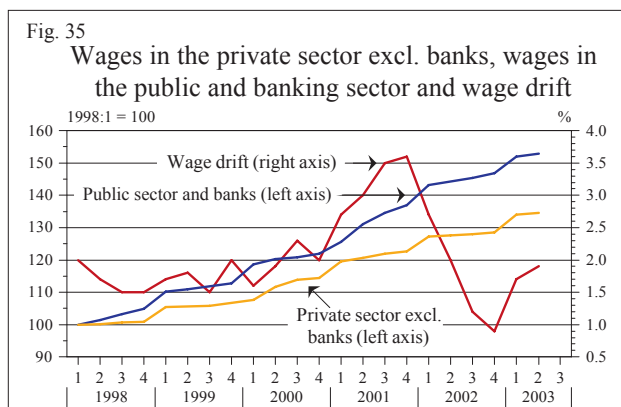
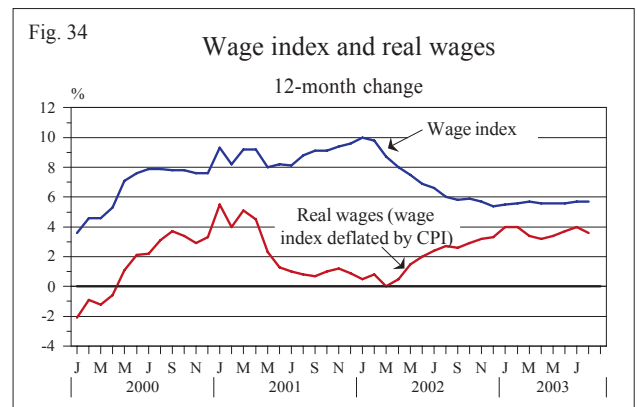
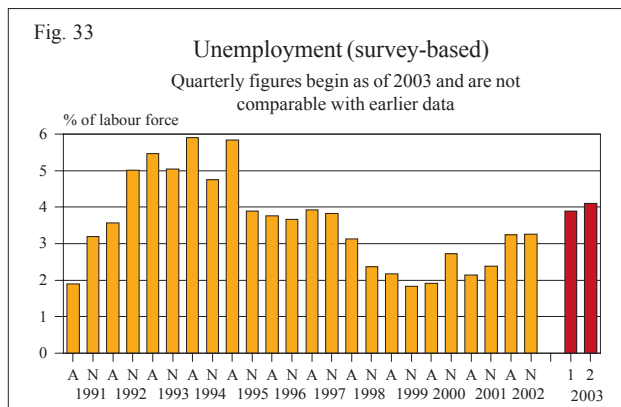
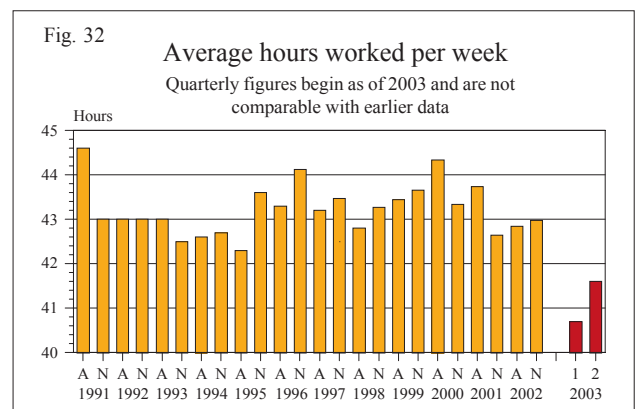
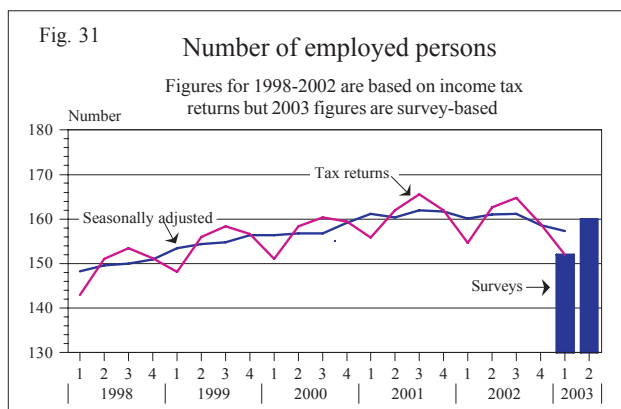
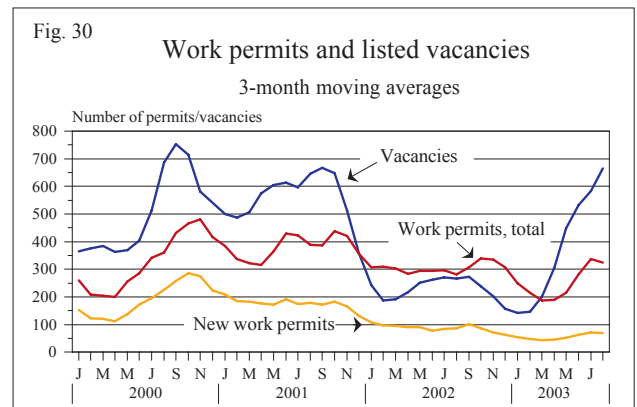
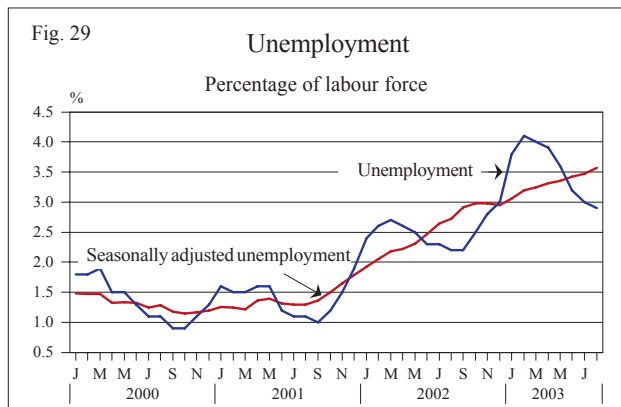
III Foreign trade and external economic conditions

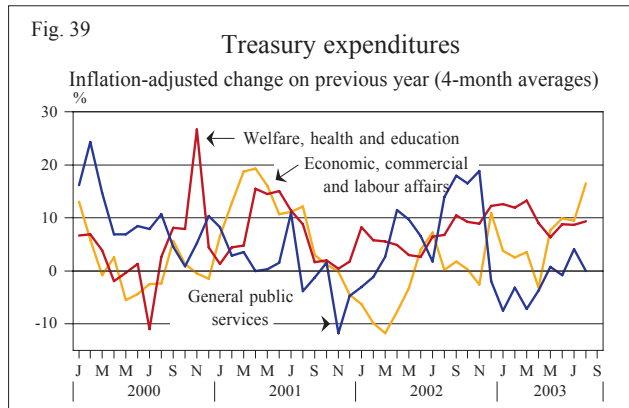
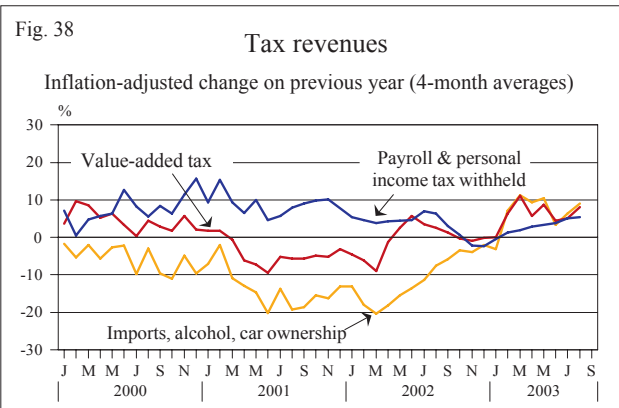
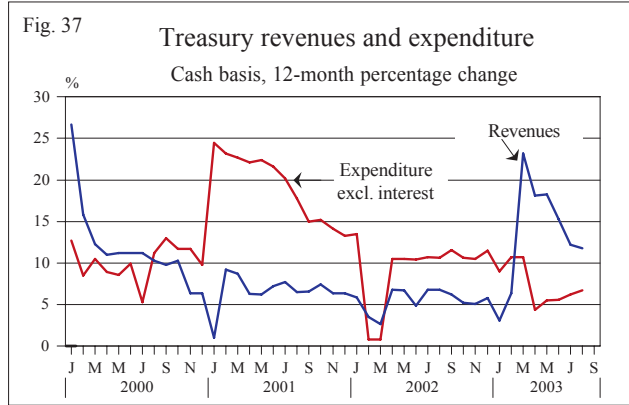
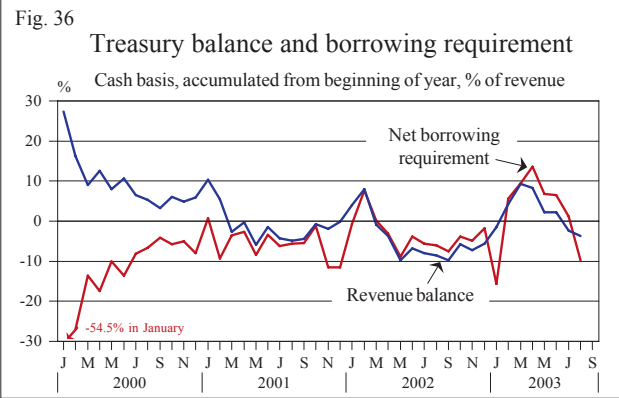


III Foreign trade and the external economic conditions (cont.)

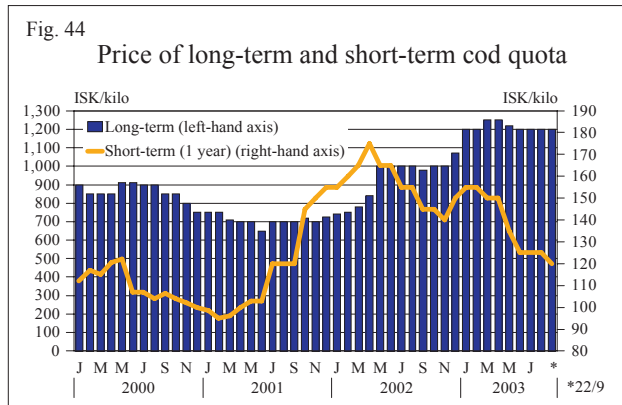
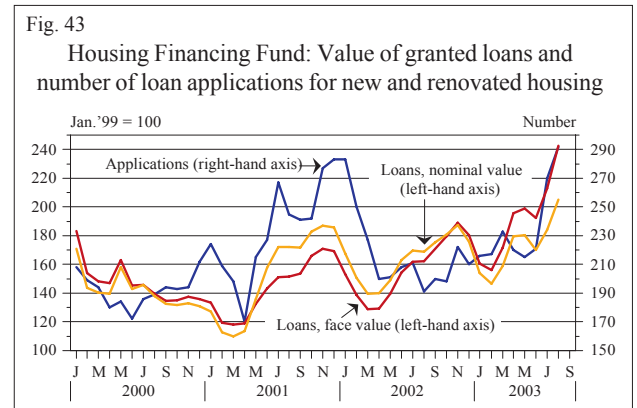
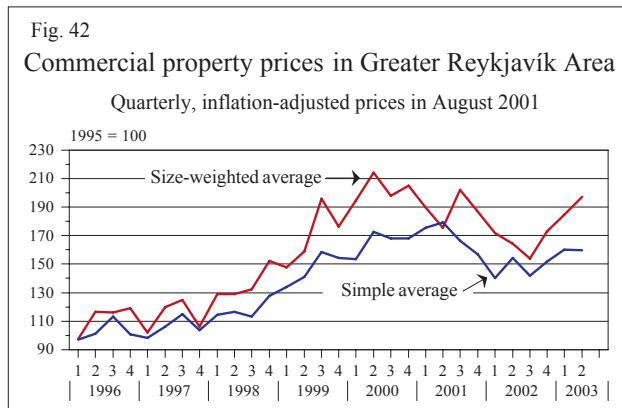
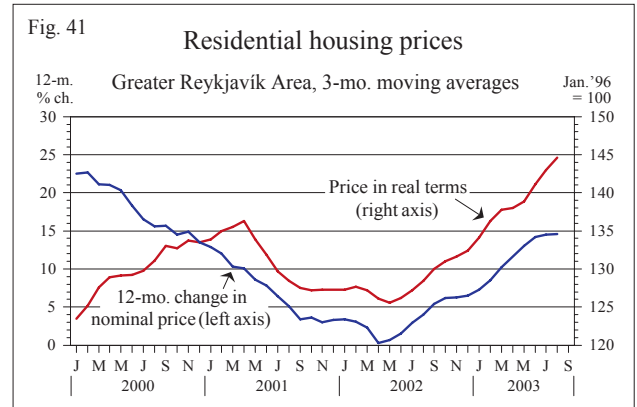
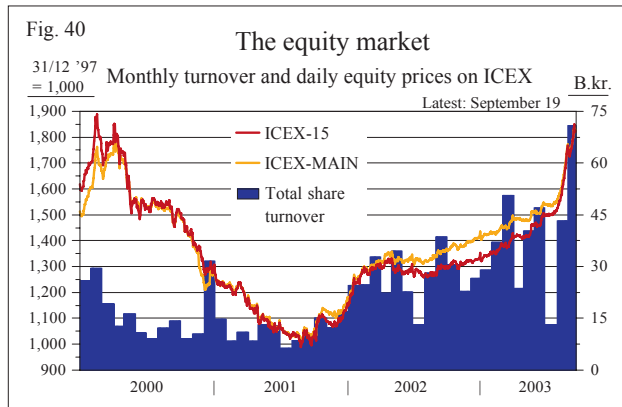


IV Labour market and wages





VI Asset markets



VII Financial markets

Fig. 45

Credit growth

Credit system lending, quarterly change on previous year

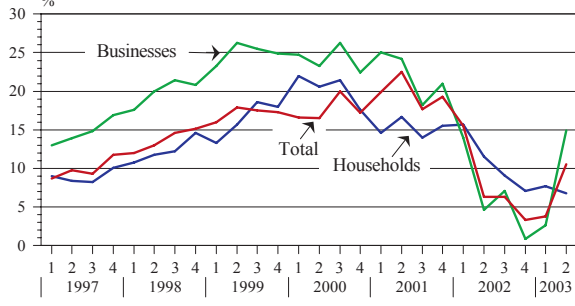


Fig. 46

Growth of M3 and bank credit

(excluding market securities)

12-month change

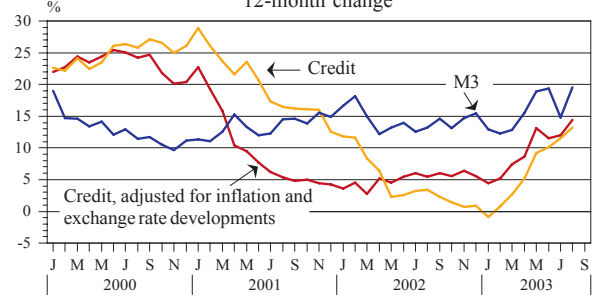


Fig. 47

Real growth of M3 and bank credit

M3 is seasonally adjusted

Jan. 2000 = 100

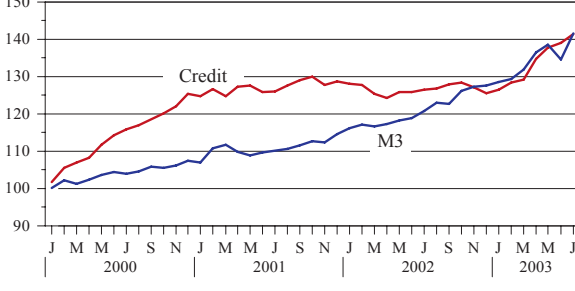


Fig. 48

Base money and repurchase agreements with the Central Bank

12-month change between 3-month moving averages

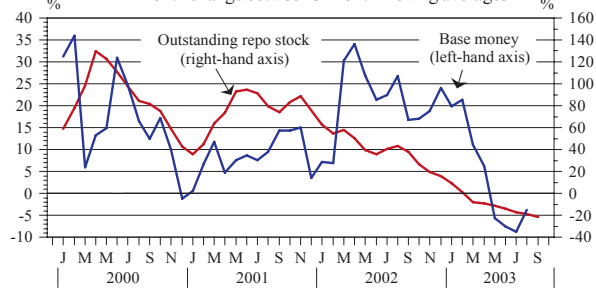


Fig. 49

The Central Bank repo rate and interbank interest rates

Weekly data

Latest: September 19

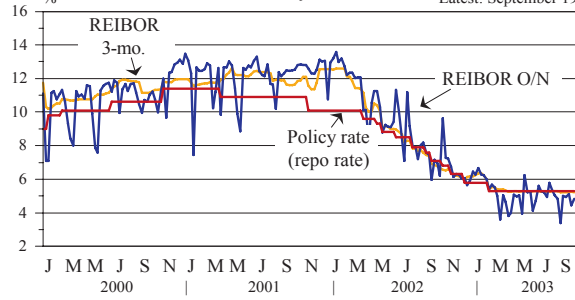


Fig. 50

Short-term interest rates and interest rate spread

Weekly data

Latest: September 19

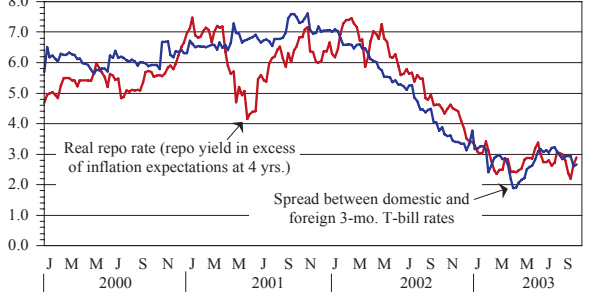


Fig. 51

Long-term nominal Treasury bond yields

Daily data

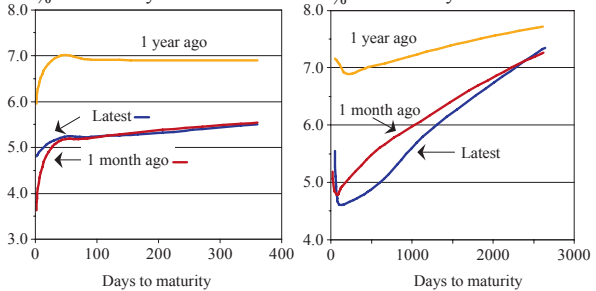
Latest: September 19



Fig. 52

The term structure of nominal interest rates

September 19, 2003



VII Financial markets (cont.)

