

German enterprises' profitability and financing in 2000

This article is an update of the analysis contained in the December 2001 *Monthly Report*, which, for the first time, presented extrapolated results from the Bundesbank's corporate balance sheet statistics for the years 1994 to 1999 distinguished according to legal form. That report also extended the area of coverage to Germany as a whole. These changes should be noted when making comparisons with the results published in previous years.

In 2000, enterprises in the producing sector, in the wholesale and retail trade and in transport were able to more than offset the previous dip in their earnings. Owing to the sharp growth in business, however, this was scarcely reflected in their gross return on turnover. After tax, corporations posted large increases in profits, since their extensive utilisation of temporary tax breaks in the context of the corporate tax reform meant that they paid less tax on earnings than in 1999. This was accompanied by increased distributions of retained earnings, which lowered the aggregate own funds ratio. But that is unlikely to lead to a long-term weakening of the capital base. The multi-stage tax reform has, in fact, significantly improved the underlying conditions for strengthening firms' financial viability in the longer run.

Cyclical setting

*Sharp
economic
growth*

Overall, 2000 was quite a good year for the German economy. This also holds true for the average of the enterprises in the producing sector, in the wholesale and retail trade and in transport examined in this article. Real GDP grew by 3%, which was twice as fast as the average rate during the 1990s. This expansion also distinctly outpaced that of overall potential output. As a result, there was a notable improvement in capacity utilisation which, for the first time in some while, returned to something like its normal level, albeit with marked sectoral differences.

*Buoyant export
demand*

Foreign demand was a mainstay of growth in 2000, with real exports increasing by over 13%, compared with 5½% in the previous year. The German export sector benefited from both buoyant business activity in its main markets abroad and from the perceptible improvement in its price competitiveness, which was due mainly to domestic cost discipline and exchange-rate developments. The euro depreciated by more than 18% against the US dollar between the start of 2000 and its low at the end of October, which meant a cumulative loss of 30% since its introduction on 1 January 1999. Although this made imports more expensive, there was a sharp rise in real imports as well.

*Slack domestic
economic
activity*

By contrast, growth in domestic demand, at 2%, was noticeably weaker than in the two preceding years. The main reason for this was the sharp deterioration in the terms of trade owing to the surge in oil prices and the euro's depreciation. This effectively meant a transfer

of income from residents to non-residents amounting to €28 billion at constant prices. Despite the satisfactory expansion of overall output, only a 1½% higher real income was available for domestic distribution, compared with +2% in both 1998 and 1999. In addition to reducing the purchasing power of households – they increased their consumption spending by no more than 1½% in real terms – the sharp rise in energy prices, together with exchange-rate-induced higher prices for imported inputs, placed a strain on business costs. This put a perceptible brake on the favourable earnings potential implied by buoyant sales activity and stable unit labour costs.

In the later course of the year, this – along with the looming global economic slowdown – led to a noticeable slackening in the propensity to invest. Nevertheless, on an annual average, firms substantially stepped up their fixed capital formation in 2000, with spending on new machinery, equipment and other plant rising by almost 9% at constant prices. This owed something to the fact that investment projects were evidently brought forward to 2000 in view of the new depreciation rules that were due to come into force on 1 January 2001. By contrast, construction investment declined again after having risen marginally in 1999 for the first time since 1994. Investment in new residential buildings showed the most pronounced decrease, contracting by 2¾% at 1995 prices. The year-on-year fall in investment in other construction amounted to 2¼%. The adverse trend in construction work actually worsened in 2001.

*Moderate pay
developments*

In 2000 the pay settlements, which are a major component of overall costs, were both appropriate to the labour market situation and consistent with price stability. On an annual average, nationally agreed wage and salary rates went up by a total of 2% on a monthly basis. Owing to the negative wage drift, actual earnings rose somewhat less strongly, at 1½%. Unit labour costs in the economy as a whole remained virtually unchanged. At 72¼%, the wage ratio – ie the share of national income allocated to the compensation of employees – was likewise on a par with 1999.

*Marked
differences
in growth
between ...*

There were wide disparities in the extent to which the individual sectors examined in this article participated in the sharp overall economic growth in 2000. The main determinant was whether their activities were geared more to foreign business, which was thriving, or to supplying the domestic market, where growth was more subdued. Thus, real gross value added in the manufacturing sector, which exports more than one-third of its products, expanded by no less than 6%. Measured by turnover, the growth amounted to almost 9½%, with a 16% increase in exports and a rise of just over 5½% in domestic sales. Producers of intermediate and capital goods were the main beneficiaries of the favourable global economic climate. The slack domestic demand meant that producers of consumer goods were able to increase their total turnover by no more than 4%.

*... manu-
facturing, ...*

*... wholesale
and retail
trade, and
transport, ...*

The picture in the wholesale and retail trade was also marked by stark contrasts. At current prices, retail sales in 2000 were only

1½% up on 1999 and, at constant prices, stagnated. By contrast, wholesale turnover increased by 6½% in nominal terms and by 2½% in real terms. Firstly, this was a reflection of buoyant trade in exports and capital goods. Secondly, it was a result of the fact that a large proportion of imported goods (which also showed a sharp rise) were handled via the wholesale trade. The quite clear difference between the nominal and real figures mirrors the sharp rise in import prices that occurred in 2000. The fast pace of growth in manufacturing output in turn stimulated demand for transport services. Real gross value added in the transport sector (including communication) increased by 7½% in the period under review.

Besides the retail trade, the energy, gas and water supply industry as well as the construction sector faced adverse cyclical circumstances in 2000. The real gross value added by utilities was no more than 1% up on the year; measured at current prices, it actually declined perceptibly. This implies a falling deflator of gross value added in this sector, which at first sight appears to be at variance with the 3% rise in producer prices. One explanation for this might be that the considerable price discounts owing to the deregulation of the electricity market ate into the electricity generators' profits to some extent. These price reductions were offset, however, by the sharp increase in natural gas prices. Overall construction output declined by 3% at constant prices, thereby continuing the negative trend that had persisted since 1995. Output in the main building trades was cut

*... utilities and
construction*

back by more than 3½%, with turnover shrinking by as much as 5%.

*Total output of
the sectors
examined*

At 4%, the total real gross value added in 2000 by the economic sectors examined in this article rose in line with firms' total output. The fact that GDP grew less strongly was due, firstly, to the virtually stagnant development of general government and of non-profit institutions. Secondly, the balance of taxes on products and subsidies on products (which, together with real gross value added, gives GDP valued at market prices) declined in 2000.

Profitability

*Profits before
tax ...*

The overall favourable cyclical climate in 2000 had a perceptible impact on enterprises' aggregate profit and loss account.¹ The annual result before taxes on income was 5½% higher than in 1999, when it had fallen by 3½%.² The dip in earnings in 1999, which had been brought about not least by the East Asia crisis, was thus more than offset. This finding is confirmed, by and large, by the (latterly far more volatile) national accounts data on the earnings of non-financial corporations,³ although for a number of reasons those data are only partly comparable with the figures of the corporate balance sheet statistics. According to the national accounts data, corporations' profits went up by 13½% in 2000, after having declined by 8½% in 1999.

The gross profit shown in the corporate balance sheet statistics rose almost as much as

turnover. Measured as the gross return on turnover, profitability in 2000 amounted to just under 3½%, which was virtually the same as in 1999. This signifies a somewhat poorer result than in 1998, although the figures are distinctly better than in the period from 1994 (the start of the cylindered series) to 1997, when the return had been a little over 2½%. In this connection it should be borne in mind that the profitability and financing ratios derived from the corporate balance sheet statistics obviously apply only to the firms still in existence during the reporting year. The results therefore tend to be better than they would be if enterprises that had become insolvent were included in a hypothetical analysis.

*... and gross
return on
turnover*

The annual results after tax appear in an even more favourable light than gross profit, with the former increasing in 2000 by 11%. The main reason for this was a perceptible fall in

Profits after tax

¹ For more details on the method of extrapolation by legal form and on the data pool, see Deutsche Bundesbank, German enterprises' earning and financial patterns, by form of business, *Monthly Report*, December 2001, p60-64. The update for 2000 is based on around 17,000 annual accounts. Owing to the fact that current figures on turnover from the turnover tax statistics, which are needed for the extrapolation, are not yet available, it was not possible to break the data for 2000 down by legal form. No analysis of the funds flow was undertaken either, since the deteriorating trend with regard to the data means that the data on the flow and use of funds are subject to major uncertainty (see *Monthly Report*, December 2001, p64).

² The annual result corresponds to the profit for the year before profit/loss transfers and provides a better indication of the profits generated by the enterprises analysed in this article, since numerous firms are associated through profit transfer agreements (and partial profit transfer agreements) with enterprises which are not recorded in the corporate balance sheet statistics (eg holding companies) to which their profits/losses are transferred.

³ Under ESA '95 these include non-financial quasi-corporations (in Germany OHGs and KGs and similar hybrid legal forms).

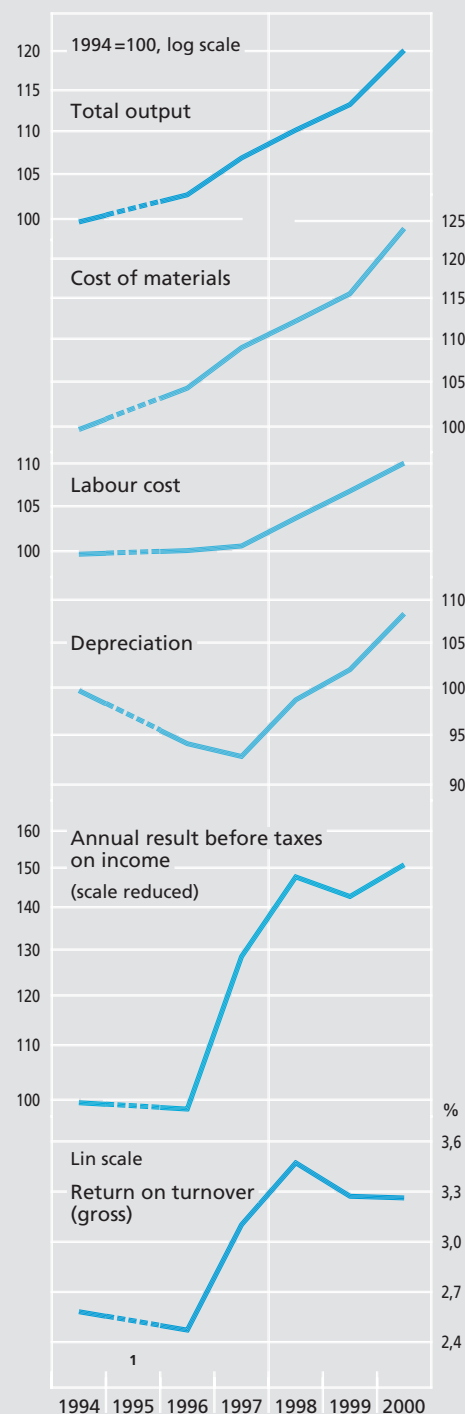
taxes on income and earnings, which is discussed in greater detail below. As a result, the net return on turnover (ie the ratio of post-tax profits to turnover) improved slightly to 2½%. Since 1994, this ratio had risen by ½ percentage point. However, the net return to turnover ratio is only suited to showing the trend in after-tax earnings over time. This is because it overstates the real return as the taxes deducted solely comprise trade earnings tax and the income taxes paid by corporations. By contrast, the annual results of non-corporations (ie partnerships and sole proprietorships) are taxed as part of those entrepreneurs' private income and do not appear in the profit and loss account of such enterprises.

Especially positive earnings trend in industry

The considerable disparities in the respective earnings level of the individual sectors reflect the sectoral differences in business momentum described above. The manufacturing sector, which benefited from the sharp rise in foreign demand and buoyant investment activity at home, lifted its annual result before taxes on income by 15% (in 1999 it had fallen by 5½%). Owing to the similarly sharp growth in business activity, however, the sector's gross return on turnover grew only moderately by not quite 4½%, thereby just about matching its 1998 level. The post-tax picture is similar; although the annual result expanded by 22½%, the (more informative) net return on turnover in 2000 was no higher than in 1998.

Within industry, the main beneficiaries of the buoyant export demand and investment activity were those branches which are strongly ori-

Selected indicators from the profit and loss accounts of German enterprises



1 No data are available for 1995.

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Enterprises' profit and loss account *

Item	1998	1999	2000	1999	2000
	DM billion			Change from previous year in %	
Income					
Turnover	6,017	6,164	6,546	2.5	6
Change in stocks of own products ¹	31.5	51.5	50	63.5	-3
Total output	6,048	6,215.5	6,596	3	6
Interest received	33.5	35	40	4.5	14.5
Other income of which	292	325.5	363.5	11.5	11.5
from participating interests	35	40	61	14.5	52.5
from profit and loss transfers	31.5	33.5	37.5	6.5	12
Total income	6,373.5	6,576	6,999.5	3	6.5
Cost					
Cost of materials	3,775.5	3,890	4,174.5	3	7.5
Labour cost ²	1,112	1,145	1,180.5	3	3
Depreciation of tangible fixed assets	234.5	242.5	257.5	3.5	6
Other ³	204.5	213	222.5	4	4.5
Interest paid	30	29.5	35	-1.5	18.5
Taxes on income and earnings ⁴	84	85.5	100.5	2	17.5
Other of which	190	189.5	194	-0.5	2.5
Excise taxes	68	67.5	64.5	-0.5	-4.5
Other cost of which	122	122	130	0	6.5
Profit and loss transfers	106.5	100.5	106.5	-5.5	6
Total cost	843.5	897.5	956.5	6.5	6.5
Profit for the year	40.5	43.5	51.5	7.5	18.5
Memo item					
Annual result ⁵	6,240	6,450	6,863.5	3.5	6.5
Annual result before taxes on income ⁶	133.5	125.5	136	-6	8.5
Net interest paid	142	135.5	150	-4.5	10.5
	210	203	214.5	-3.5	5.5
	51	51	60.5	0	18.5
	as % of turnover			Change from previous year in percentage points	
Gross income ⁷	38	37.5	37	-0.5	-0.5
Annual result ⁵	2.5	2	2.5	-0.5	0.5
Annual result before taxes on income ⁶	3.5	3.5	3.5	0	0
Net interest paid	1	1	1	0	0

* Extrapolated results. Estimated figures, rounded to the nearest half or full DM billion or percentage point. — ¹ Including other capitalised production. — ² Wages, salaries, social security contributions and voluntary social security expenditure. — ³ Predominantly write-downs of debtors, investments and participating interests. — ⁴ In the case of partnerships and sole proprietorships trade earnings tax only. — ⁵ Profit for the year before profit/loss transfers. — ⁶ Taxes on income and earnings. — ⁷ Total output less cost of materials.

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ented to exports or to capital goods, such as manufacturers of chemicals and chemical products, of motor vehicles and electrical machinery and apparatus as well as – with certain qualifications – manufacturers of machinery and equipment. Few manufacturers of consumer goods or producers of building materials were able to keep pace with the growth in earnings in the former branches, and some of them saw their profit level fall. This development was also accompanied by marked differences according to size category. Large enterprises with a turnover of more than DM100 million, which are relatively strongly engaged in export business, achieved double-digit increases in profits both before and after taxes, while small and medium-sized firms suffered a slide in earnings.

The overall buoyant trend in manufacturing business also sharply boosted turnover in the transport sector. Firms in that sector were not able to turn this into higher profits, however, and instead sustained a fall in earnings on balance. Presumably this was mainly due to the sharp rise in costs caused, above all, by higher fuel prices. The situation in the wholesale trade was similar in that markedly higher gross and net annual results. It should be noted in this context that turnover was inflated by large price increases, especially in the case of refined oil products. This was matched on the cost side by a significant rise in expenditure on goods for resale. Added to this was an exceptionally sharp rise in spending on excise taxes, which is discussed below, and interest payments. The gross return on turnover fell markedly in both the transport

Lower earnings in the transport sector and the wholesale trade

sector and the wholesale trade to around 1½% in each case.

Further fall in earnings in the retail trade and ...

The retail trade experienced a further erosion of earnings, a trend which had begun in the early 1990s and which been interrupted only in 1997 by a sharp rise in profits. In 2000 the result before taxes on income declined by 2½% although, owing to the small growth in business, the gross return on turnover remained at just under 2%. One factor that contributed to the unfavourable earnings trend in the retail trade – besides consumers' general restraint – was fierce price competition on the supplier side. This had been initiated by the market entry of a foreign retail group, but ultimately these cut-throat prices could not be sustained.

... in the construction sector

Of all the sectors examined here, the construction sector once again showed the poorest performance. The gross annual result declined by one-tenth, having already decreased by more than two-fifths in 1999. Compared with its last peak in 1994, it has fallen by more than 65½%. With business volume likewise contracting, the construction sector's return on turnover remained at the previous year's depressed level of 1%; this was the lowest earnings score recorded by any sector. It should be noted, however, that the divergent sectoral returns on turnover reflect not only differences in the profitability of firms but also marked differentials with regard to industry-specific levels of capitalisation.⁴

Disparate gross and net trends in the profits of utilities

The high ratio of gross income to turnover in the capital-intensive utilities sector, which at 10½% again led the rankings in 2000, is

also to be seen in that light. Even so, the sector's gross return on turnover ratio was down on 1999, when it had been 11%. The main reason for this was that the growth of the annual result before taxes lagged significantly behind the sharp expansion in turnover that resulted primarily from the steep price increases for imports of natural gas being passed through to the final consumers. At the same time, the rise in utility enterprises' turnover was in fact significantly retarded in 2000 by a 14% fall in electricity generators' selling prices. By contrast, the net return on turnover rose noticeably by 1 percentage point to 6½%, as the cost of taxes on earnings was one-quarter lower than in 1999. This was due to the special features of the corporate tax reform that came into force on 1 January 2001, which will be discussed in more detail below.

Income and cost in detail

The total output (which is made up of turnover plus changes in stocks of own products and other capitalised production) of the sectors examined in this article increased by 6% in 2000 and thus twice as sharply as on an average of the two preceding years. This reflects not only the positive cyclical trend but also the fact that the sharp rise in import prices – driven by the energy markets but also by the euro's depreciation – intensified upward pressure on the producer prices of industrial products. Moreover, the average rate

Total output

⁴ For details see Deutsche Bundesbank, German enterprises' earnings and financial patterns, by form of business, op cit p49.

of growth of total output masks significant differences across the individual sectors, which range from -6% in construction to 9½% in manufacturing and 12% for utilities. By and large, the changes in stocks of own products and other capitalised production remained at the high level of 1999.

Interest received, other income and total income

Interest received and other income, which includes income from participating interests, profit transfers and other operating income, again increased more sharply than total output in 2000. Interest received grew by 14½%, compared with 4½% in the previous year. This was due partly to the sharp rise of 7% in the stock of interest-bearing debtors and investments and partly to the higher level of the average credit interest rate, which amounted to 4% in 2000. Other income went up by 11½%, as in 1999, not least because income from participating interests showed a significant increase over 12 months. Consequently, total income was 6½% up on its 1999 level.

Total cost and the cost of materials

Total cost rose at almost the same pace as income but because it was lower, there was still room for a marked increase in the gross annual result. The major strain on enterprises' expenditure in 2000 was the strong growth in the cost of materials which, at 7½%, was more than twice as high as in the two preceding years. As a result, the share of the cost of materials in total output rose perceptibly to almost 63½% from just under 61½% in 1994. As mentioned above, the main reason for the higher cost of materials was the distinct increase in the prices of imported inputs, in general, and of refined oil products, in par-

ticular. This placed a disproportionate burden on industries such as chemicals and chemical products which are especially dependent on fossil energy. The wholesale trade and gas suppliers were also heavily affected, although as a rule they can rapidly pass on changes in input prices for refined oil products and natural gas to their customers.

At 3%, labour cost rose at a notably slower pace in 2000 than total cost. As a result, their (direct) share of total output fell by ½ percentage point to 18%. Since the workforce in the examined sectors expanded by ½%, according to the official statistics, the growth in labour cost per employee was even somewhat slower. This was mainly due to the moderate pay developments described earlier in this article. Furthermore, social security contributions were again lowered slightly owing to higher government transfers to the statutory pension insurance scheme funded by revenue from the "ecological tax". Differentials in the change in labour cost from sector to sector may largely be explained in terms of divergent trends in employment. In manufacturing, the wholesale and retail trade and the transport sector employment rose, in some instances significantly, which led to an above-average increase in labour cost. By contrast, the haemorrhage of jobs in construction and utilities, which has been evident for quite some time, accelerated in 2000. As a result, labour cost fell distinctly in those sectors.

Labour cost, ...

Depreciation charges went up by just over 6%, compared with 3½% in 1999. That figure contains very sharp increases in other depreciation (+18½%), which were mostly

... depreciation ...

comprised of uncollectable debtors plus write-downs of investments and participating interests. This may have been due to major stock price adjustments on the equity markets, which mainly occurred in the second half of 2000 and, in the case of some enterprises, led to corresponding value adjustments at the end of the business year. At 4½%, however, the consumption of fixed assets increased only slightly more than in 1999. This was mainly attributable to declining depreciation in the accounts of construction firms and utilities.

... interest paid
and ...

In 2000, producing enterprises paid around 17½% more interest than in 1999, though this cost item amounted to only 1½% of total output. This considerable increase was due, firstly, to an expansion of the stock of interest-bearing creditors by 8½% and, secondly, to a perceptible rise in banks' short and long-term lending rates. The average rate of interest payable by enterprises consequently went up by almost ½ percentage point to 5½%, a level last reached in 1997-98. Since interest received grew more moderately – and from a lower base – than interest paid, net interest paid increased by one-fifth.

... taxes

As mentioned above, considerable relief was afforded to enterprises' profit and loss accounts by the decline in the amount spent on taxes on income. The marked increase in the gross annual result would *per se* lead one to expect higher tax payments. The alleviating effect was mainly due to changes in corporation tax legislation as part of the corporate tax reform that entered into force on 1 January 2001. This already had a major im-

pact on accounting for the financial year 2000 because, for the last time, enterprises had the option of cutting their tax bill by releasing profits retained in earlier years and taxed at a rate of 45% ("EK 45") and earmarking them for distribution to shareholders in 2001. At the turn of 2001-02, the remaining stock of retained profits with tax paid at 45% was reallocated the 40% tax category ("EK 40"); during a transitional period of 15 years these retained earnings, too, can be distributed as dividends. The tax relief accrued to enterprises because, under the "old" corporation tax regime, distributed profits were taxed at only 30%. (This rate will continue to apply in future to EK 40 disbursements even though under the "new" legislation the rate of corporation tax has been set a uniform 25% for both retained and distributed earnings.) Moreover, such special dividend payments were evidently used to offset losses within groups, which is no longer possible under the new tax legislation. The "tax facility" of 15 percentage points was either reimbursed to enterprises or could be used as an offset (at the beginning of 2002, this claimable corporation tax facility was reduced to "only" 10 percentage points).⁵ Many corporations made use of this disbursement option, with the result that, as gauged from the government cash accounts, corporation tax refunds in 2001 actually exceeded corporation tax payments.

⁵ In practice, different "tax advantages" may arise owing to the solidarity surcharge on the corporation tax liability, depending partly on the level of the solidarity surcharge previously paid on the retained earnings now released.

By contrast, a marked 6½% rise was recorded in expense on other taxes, which include taxes on land and buildings and excise taxes. This owed much to the entry into force of the second stage of the “ecological tax reform” on 1 January 2000, which further raised the rates of tax on fuel and electricity. This was reflected, above all, in the cost accounts of wholesale traders, which pay the largest share of petroleum taxes to the public exchequer, and the energy sector.

Balance sheet trends and key balance sheet ratios

Balance sheet total

The sharp expansion of business activity and the favourable overall trend in earnings in 2000 were also mirrored in the size of the balance sheet. The growth by 7½% of the adjusted balance sheet total⁶ was even larger than in 1999, when it had expanded by 7%. It also considerably surpassed the increase in total assets and liabilities in the period from 1994 to 1999, when the average rate of growth had been “only” 3½%. In terms of firm size, balance sheet growth shows a spread similar to that displayed by income growth: enterprises with a turnover of more than DM100 million recorded a balance sheet growth that was higher than average, while smaller enterprises registered barely any increase. When comparing sectors, construction was an exception to the general trend in that its balance sheet total shrank by 5%. The rates of increase in the other sectors were within a comparatively narrow range between 7% and 10%.

On the asset side, the sharp growth in the balance sheet was mainly due to financial assets, which increased by one-tenth in 2000, raising their share of total assets to 51½%. As in the two preceding years, non-financial assets increased by 5%, although it should be noted that the stock of tangible fixed assets grew only by 4%, ie more slowly than in 1999. This trend was not broadly based, however; it was chiefly attributable to a decline in construction and a quite small increase in the utilities sector. Inventories increased more sharply than before, however, which may be due to unplanned stockbuilding, especially towards the end of 2000. This somewhat qualifies the absolute growth of non-financial assets.

Non-financial and financial assets

The trend in financial assets was mainly characterised by rapid growth in participating interests, which increased by 17½% and enlarged their share of total assets to 13%; in 1994, the ratio had been 9%. This reflects the continuing trend towards “external expansion”, which increasingly represents an alternative to internal investment within the enterprise. Another important factor was the very high level of stock market prices during the early part of the year under review. Firstly, this made the acquisition of participating interests much dearer. Secondly, this offered enterprises greater opportunities to “pay for” such acquisitions with their own highly priced shares – which gave a considerable boost to the international boom in corporate mergers.

Participating interests and investments

⁶ As part of the Bundesbank's evaluation of the annual accounts, enterprises' own funds are adjusted *inter alia* for subscribed capital unpaid, owns shares held and loans to partners and proprietors, which is reflected in a contraction of the balance sheet total.

Conversely, the increase in the stock of investments (largely debt securities) was more modest than in earlier years since enterprises evidently attached little strategic importance to them given the high (and partially exaggerated) profit and growth expectations.

Short and long-term debtors

The enterprises' short and long-term debtors rose by 9% and 15%, respectively. In the short-term range, one factor that had an impact was the marked increase in trade debtors which, in turn, was due to the sharp expansion in business activity. This is also reflected in short-term creditors, the level of which increased by 11½% in 2000. There was also a further perceptible growth in lending and borrowing between affiliated enterprises, which likewise pushed up the level of their debtors and creditors.

Modest transfers to own funds

The release of retained profits on tax grounds, described elsewhere in this article, was a major factor limiting the increase in own funds to "only" 5% compared with a rise of 8% in borrowed funds. The divergent trends of the two items was further accentuated, however, by the fact that the released amounts did not lead to an immediate matching reduction in total liabilities since, for accounting purposes, they were treated as short-term borrowed funds until their disbursement. The (vertical) own funds ratio therefore fell by just under ½ percentage point to 17%. In all probability, however, the decline in the equity ratio shown for 2000 does not indicate a sustained deterioration in corporate financing. It is, in fact, more likely that corporations will generate additional own funds in future through greater profit re-

Enterprises' balance sheet *

Item	1998	1999	2000	1999	2000
	DM billion			Change from previous year in %	
Assets					
Non-financial assets	1,858	1,949.5	2,045.5	5	5
Tangible fixed assets ¹	984	1,030	1,070	4.5	4
Inventories ²	874	919.5	976	5	6
Financial assets	1,841	2,005	2,201.5	9	10
Cash ³	171	173	168	1	-3
Debtors	1,151.5	1,248	1,365	8.5	9.5
Short-term	1,069	1,162	1,266	8.5	9
Long-term	83	86	99	3.5	15
Investments	111.5	120	125.5	7.5	4.5
Participating interests	406.5	463.5	544	14	17.5
Prepayments	16	17	17.5	6.5	3
Total assets = balance sheet total ⁴	3,715	3,972	4,265	7	7.5
Liabilities					
Own funds ^{4, 5}	655.5	696.5	732	6.5	5
Borrowed funds	3,042.5	3,257	3,511.5	7	8
Creditors	2,310	2,478.5	2,695.5	7.5	9
Short-term	1,670	1,784	1,989.5	7	11.5
Long-term	640	694.5	706	8.5	1.5
Provisions ⁵	732.5	778.5	816	6.5	5
of which					
Provisions for pensions	302.5	328	347.5	8.5	6
Deferred income	17	18.5	21	9	13.5
Total liabilities = balance sheet total ⁴	3,715	3,972	4,265	7	7.5
Memo items					
Turnover	6,017	6,164	6,546	2.5	6
do. as % of balance sheet total	162	155	153	.	.

* Extrapolated results. Estimated figures, rounded to the nearest half or full DM billion or percentage point. — 1 Including intangible assets. — 2 Including contracts in progress. — 3 Notes and coins and bank balances. — 4 Less adjustments to capital accounts. — 5 Including pro rata share of special reserves.

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Ratios relating to enterprises' assets and liabilities structure *

Item	1998	1999	2000
	as % of balance sheet total ¹		
Tangible fixed assets ²	26.5	26	25
Stocks ³	23.5	23	23
Short-term debtors	29	29.5	29.5
Long-term liabilities ⁴	44	44	42.5
of which Own funds ¹	17.5	17.5	17
Short-term creditors	45	45	46.5
	as % of tangible fixed assets ²		
Own funds ¹	66.5	67.5	68.5
Long-term liabilities ⁴	165.5	170	169.5
	as % of fixed assets ⁵		
Long-term liabilities ⁴	107.5	107.5	103
	as % of short-term creditors		
Liquidities ⁶ and short-term debtors	78.5	79	75.5
	as % of borrowed funds ⁷		
Internally generated funds ⁸	14	14	13.5

* Extrapolated figures. Estimated figures, rounded to the nearest half or full percentage point. — ¹ Less adjustments to capital accounts. — ² Including intangible assets. — ³ Including contracts in progress. — ⁴ Own funds, provisions for pensions, long-term creditors and special reserves. — ⁵ Tangible fixed assets including intangible assets, participating interests, long-term debtors and investments held as fixed assets. — ⁶ Cash and investments held as current assets. — ⁷ Creditors, provisions and pro rata share of special reserves less cash. — ⁸ Annual result, depreciation allowances, changes in provisions, in special reserves and in prepayments and deferred income less write-ups of tangible fixed assets.

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tion, which will doubtless be encouraged by the lowering of the corporation tax rate to 25%. Moreover, past experience suggests that the raising of capital by issuing new shares will regain importance once the mood on the stock markets picks up.

All sectors of the economy except the wholesale and retail trade saw their own funds ratio decline in 2000. In the construction sector, where corporations are thinly represented, this was probably due less to tax considerations than to the ongoing erosion of the equity capital base brought about by sizeable losses. The equity ratio in the construction sector reached an all-time low of 1½%; this was also the lowest ratio of any of the economic sectors examined. As before, manufacturing firms (22½%) and utilities (26%) were at the top of the table. This wide contrast in the provision with own funds reflects not only differences in terms of financial viability but also variations in industry-specific capital intensity and diverging preferences for a particular legal form of business organisation.⁷

The (largely tax-induced) limited increase in own funds was also mirrored in other major asset and liability ratios. What is most striking is that the increase in long-term liabilities failed to match the growth of fixed assets, which was principally driven by the large-scale acquisition of participating interests; the corresponding ratio dropped by 4½ percentage points in 2000 compared with 1999. The ratio of liquidities and short-term debtors to

Provision with own funds by sector

Capital and financing structures

⁷ For details see Deutsche Bundesbank, German enterprises' earnings and financial patterns, by form of business, op cit p49.

short-term creditors likewise fell by 3½ percentage points to 75½%. Internally generated funds (ie the cash flow from business operations) amounted to 13½% of borrowed funds, compared with 14% in the two preceding years.

On balance, favourable trend in profitability and ...

In 2000, the enterprises in the economic sectors examined in this article, in the aggregate, more than made good the decline in profitability sustained in 1999. The boom in foreign demand gave a boost mainly to enterprises with a high share of exports, whereas firms that are geared more to supplying the domestic market, which showed relatively subdued growth, had a more difficult time. After

taxes, corporations recorded large increases in profits as they paid less tax on income than in 1999 owing to exceptional rules applying in connection with the reform of corporation tax. This was accompanied, however, by a greater release of profits retained in earlier years. Nevertheless, the resulting decline in the own funds ratio is likely to be no more than a temporary phenomenon and should not be construed as indicating a weakening of German firms' financial viability. Indeed, the corporation tax reform has, not least, significantly improved the conditions for an expansion of the equity capital base – for corporations and non-corporations alike.

... only temporary weakness in capital formation

The tables accompanying this article are printed on the following pages.

German enterprises' balance sheet and profit and loss account, by economic sector *

DM billion

Item	All sectors ¹					Manufacturing				
	1994	1996	1997	1998	1999	1994	1996	1997	1998	1999
I. Balance sheet										
Assets										
Tangible fixed assets ²	949.5	938.8	940.9	984.0	1,030.0	389.0	399.7	400.2	419.5	437.0
Inventories ³	810.5	821.3	828.1	874.0	919.5	318.9	332.5	339.3	361.0	370.0
<i>of which</i>										
Raw materials and consumables	115.0	111.4	113.5	120.0	127.5	81.8	82.7	86.8	91.5	95.5
Work in progress	130.1	131.1	133.1	137.5	143.5	88.5	91.4	96.8	99.5	94.5
Finished goods, goods for resale	406.3	423.8	441.3	472.0	480.0	118.2	125.2	124.9	135.0	141.0
Non-financial assets	1,760.0	1,760.1	1,769.1	1,858.0	1,949.5	707.9	732.3	739.5	781.0	807.0
Cash ⁴	174.6	185.1	180.8	171.0	173.0	84.3	87.3	89.2	82.0	80.5
Debtors	1,027.9	1,046.2	1,082.8	1,151.5	1,248.0	457.1	483.1	520.4	564.5	624.5
Short-term	955.6	967.8	1,003.4	1,069.0	1,162.0	425.9	446.6	481.6	526.0	586.0
<i>of which</i>										
Trade debtors	513.9	506.8	514.7	519.5	556.0	207.8	210.5	221.1	224.0	240.0
Long-term	72.3	78.4	79.4	83.0	86.0	31.2	36.5	38.8	38.5	38.5
Investments	81.6	90.2	99.3	111.5	120.0	38.6	42.1	47.7	53.5	54.0
Participating interests	296.4	336.0	350.0	406.5	463.5	193.7	223.2	230.5	264.0	298.0
Financial assets	1,580.5	1,657.5	1,712.9	1,841.0	2,005.0	773.8	835.8	887.8	964.0	1,056.5
Prepayments	16.3	15.5	15.7	16.0	17.0	4.4	4.4	4.3	5.0	5.0
Balance sheet total ⁵	3,356.8	3,433.1	3,497.7	3,715.0	3,972.0	1,486.1	1,572.5	1,631.6	1,749.5	1,868.5
Liabilities										
Own funds ^{6, 7}	557.6	580.9	609.3	655.5	696.5	325.4	351.0	376.4	410.0	442.5
Creditors	2,110.8	2,138.9	2,167.1	2,310.0	2,478.5	778.1	812.8	835.2	906.5	972.5
Short-term	1,533.6	1,551.9	1,578.8	1,670.0	1,784.0	567.0	595.9	621.9	673.0	722.5
<i>of which</i>										
to credit institutions	308.2	320.7	329.3	357.0	377.5	103.5	109.3	110.2	117.5	132.5
Trade creditors	475.3	472.6	481.6	486.0	498.5	156.2	156.1	165.4	171.0	174.5
Long-term	577.2	587.0	588.3	640.0	694.5	211.1	216.9	213.4	233.5	250.0
<i>of which</i>										
to credit institutions	373.2	377.7	381.9	418.5	461.0	126.6	126.7	127.4	143.0	156.5
Provisions ⁷	674.5	698.0	705.5	732.5	778.0	378.8	405.1	416.5	429.0	449.5
<i>of which: Provisions for pensions</i>	259.8	276.8	283.3	302.5	328.0	180.7	197.2	202.9	215.5	229.5
Borrowed funds	2,785.3	2,836.9	2,872.6	3,042.5	3,257.0	1,156.9	1,217.9	1,251.7	1,335.5	1,422.0
Deferred income	13.9	15.4	15.8	17.0	18.5	3.7	3.6	3.4	3.5	4.0
Balance sheet total ⁵	3,356.8	3,433.1	3,497.7	3,715.0	3,972.0	1,486.1	1,572.5	1,631.6	1,749.5	1,868.5
II. Profit and loss account										
Turnover	5,438.2	5,613.5	5,853.4	6,017.0	6,164.0	2,256.1	2,386.4	2,546.4	2,654.0	2,730.0
Change in stocks of own products ⁸	33.8	24.2	11.4	31.5	51.5	3.5	8.1	6.5	15.0	4.5
Total output	5,472.1	5,637.7	5,864.8	6,048.0	6,215.5	2,259.6	2,394.5	2,552.9	2,669.0	2,734.5
Interest received	35.0	30.5	30.5	33.5	35.0	18.2	15.8	15.9	18.0	17.5
Other income	235.4	241.5	252.1	292.0	325.5	115.7	120.8	127.4	154.0	172.0
Total income	5,742.5	5,909.7	6,147.4	6,373.5	6,576.0	2,393.4	2,531.1	2,696.2	2,841.0	2,924.0
Cost of materials	3,357.0	3,511.1	3,668.3	3,775.5	3,890.0	1,174.9	1,279.9	1,375.0	1,443.5	1,489.0
Labour cost ⁹	1,069.1	1,073.3	1,078.2	1,112.0	1,145.0	558.3	568.3	576.8	598.0	615.0
Depreciation	236.9	223.6	220.7	234.5	242.5	114.8	106.5	108.9	118.5	124.0
of tangible fixed assets	211.1	197.7	196.6	204.5	213.0	101.1	96.0	98.1	102.5	108.0
Other ¹⁰	25.8	25.9	24.0	30.0	29.5	13.6	10.5	10.8	16.0	16.0
Interest paid	91.4	81.3	79.6	84.0	85.5	35.8	31.6	31.4	34.0	34.5
Taxes	156.1	162.8	184.1	190.0	189.5	102.8	111.4	131.5	135.0	131.0
on income and earnings ¹¹	42.5	45.9	56.6	68.0	67.5	21.1	23.9	31.5	38.0	35.5
Other ¹²	113.6	116.9	127.5	122.0	122.0	81.7	87.6	100.0	97.0	95.5
<i>of which: Excise taxes</i>	99.0	104.1	104.0	106.5	100.5	74.8	81.8	81.4	85.5	80.5
Other cost	737.8	769.7	799.5	843.5	897.5	362.2	388.4	405.4	433.5	457.0
Total cost	5,648.3	5,821.7	6,030.3	6,240.0	6,450.0	2,348.8	2,486.0	2,629.1	2,763.0	2,850.0
Profit for the year ¹³	94.2	87.9	117.1	133.5	125.5	44.6	45.0	67.1	78.0	74.0
Annual result before taxes on income ¹⁴	141.5	140.0	182.7	210.0	203.0	68.0	71.8	101.6	117.5	111.0

* Extrapolated results on the basis of data from the turnover tax statistics of the Federal Statistical Office. 1998 and 1999: estimated figures, rounded to the nearest half or full DM billion. — 1 Electricity, gas and water supply, mining (including quarrying), manufacturing, construc-

tion, wholesale and retail trade and transport (excluding railways and communication). — 2 Including intangible assets. — 3 Including contracts in progress. — 4 Notes and coins and bank balances. — 5 Less adjustments to capital accounts. — 6 Capital, reserves and profit

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of which										Item
Manufacture of food products and beverages					Manufacture of textiles					
1994	1996	1997	1998	1999	1994	1996	1997	1998	1999	
56.1	56.8	56.2	57.0	55.5	7.0	6.6	6.4	6.5	7.0	I. Balance sheet
26.7	25.6	26.7	27.0	25.5	7.4	7.0	7.2	7.5	7.5	Assets
8.1	8.2	8.3	8.5	8.0	2.0	2.1	2.1	2.0	2.0	Tangible fixed assets ²
2.5	2.0	2.4	2.5	2.0	1.6	1.5	1.5	1.5	1.5	Inventories ³
15.9	15.2	15.8	16.0	15.0	3.8	3.4	3.6	4.0	4.0	of which
										Raw materials and consumables
										Work in progress
										Finished goods, goods for resale
82.8	82.3	82.9	84.0	81.0	14.5	13.6	13.6	14.5	14.5	Non-financial assets
5.5	5.3	6.3	6.5	6.5	1.1	1.1	1.0	1.0	1.0	Cash ⁴
42.3	45.2	46.7	51.0	49.0	7.7	7.6	7.8	8.0	8.5	Debtors
36.7	39.4	40.6	45.0	43.0	7.1	6.9	7.0	7.5	8.0	Short-term
										of which
20.0	20.5	21.4	21.0	20.5	4.6	4.4	4.5	4.5	4.5	Trade debtors
5.6	5.8	6.1	6.0	6.0	0.6	0.7	0.7	0.5	1.0	Long-term
1.2	1.5	1.8	2.0	2.0	0.2	0.2	0.1	0.0	0.0	Investments
11.6	13.5	14.3	16.0	15.5	1.4	1.3	1.2	1.5	1.5	Participating interests
60.5	65.5	69.1	75.5	73.5	10.3	10.2	10.1	11.0	11.5	Financial assets
0.5	0.5	0.5	0.5	0.5	0.1	0.1	0.1	0.0	0.0	Prepayments
143.8	148.4	152.5	160.0	155.0	24.9	23.9	23.7	25.0	26.0	Balance sheet total ⁵
25.2	28.5	30.6	30.5	29.5	4.7	5.0	5.0	5.5	6.0	Liabilities
98.1	98.4	99.3	106.0	103.0	16.5	15.2	15.3	16.0	16.5	Own funds ^{6, 7}
64.3	64.6	66.4	69.0	66.5	11.2	10.0	10.3	10.5	10.5	Creditors
										Short-term
16.0	15.4	15.8	17.0	19.5	3.3	2.8	2.8	3.0	3.5	of which
24.7	25.3	26.2	25.5	21.0	4.0	3.5	3.6	3.5	3.0	to credit institutions
33.8	33.8	32.8	37.0	36.0	5.2	5.2	5.0	5.5	6.0	Trade creditors
										Long-term
25.1	25.3	24.5	28.0	27.0	3.1	2.9	2.8	3.0	3.0	of which
20.3	21.3	22.4	23.0	22.5	3.6	3.6	3.4	3.5	3.5	to credit institutions
7.6	8.1	8.6	9.0	8.5	1.5	1.7	1.5	1.5	2.0	Provisions ⁷
										of which: Provisions for pensions
118.4	119.7	121.7	129.0	125.5	20.1	18.8	18.8	19.5	20.5	Borrowed funds
0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Deferred income
143.8	148.4	152.5	160.0	155.0	24.9	23.9	23.7	25.0	26.0	Balance sheet total ⁵
283.5	286.4	296.8	294.0	288.5	39.8	38.7	39.8	41.5	40.5	II. Profit and loss account
0.4	0.3	0.1	0.5	-0.5	0.0	-0.1	0.1	0.0	-0.5	Turnover
										Change in stocks of own products ⁸
283.9	286.7	296.9	294.5	288.5	39.8	38.6	39.9	42.0	40.0	Total output
1.3	1.0	1.1	1.0	1.0	0.2	0.2	0.2	0.0	0.0	Interest received
11.2	11.9	11.7	13.0	12.5	2.3	2.1	1.9	2.0	2.0	Other income
296.5	299.6	309.7	308.5	302.0	42.3	40.8	42.0	44.0	42.0	Total income
175.1	178.0	187.5	184.0	180.5	21.9	21.6	22.7	24.0	22.0	Cost of materials
40.4	41.1	40.9	41.5	41.5	10.5	10.0	9.8	10.0	10.5	Labour cost ⁹
13.3	13.4	12.8	13.0	13.0	2.1	1.9	1.7	2.0	2.5	Depreciation
12.0	12.2	11.9	11.5	11.5	1.8	1.6	1.5	1.5	1.5	of tangible fixed assets
1.2	1.2	0.9	1.5	1.5	0.2	0.3	0.2	0.0	1.0	Other ¹⁰
4.9	4.1	3.9	4.0	4.0	0.9	0.7	0.7	0.5	0.5	Interest paid
8.0	8.1	8.0	7.5	7.0	0.4	0.4	0.4	0.5	0.5	Taxes
2.0	2.0	2.1	2.5	2.0	0.3	0.3	0.4	0.5	0.5	on income and earnings ¹¹
6.0	6.0	5.9	5.0	5.0	0.1	0.1	0.1	0.0	0.0	Other ¹²
2.8	3.9	2.6	2.5	2.0	0.0	0.0	0.0	0.0	0.0	of which: Excise taxes
49.2	49.6	50.7	52.0	50.5	6.1	5.8	6.1	6.5	6.0	Other cost
290.9	294.3	303.8	302.5	296.5	41.9	40.4	41.4	43.5	42.0	Total cost
5.6	5.3	5.9	6.5	5.0	0.4	0.4	0.7	0.5	0.0	Profit for the year ¹³
8.1	7.7	8.6	9.5	8.0	0.7	0.8	1.3	1.5	0.5	Annual result before taxes on income ¹⁴

brought forward less adjustments to capital accounts. — ⁷ Including pro rata share of special reserves. — ⁸ Including other capitalised production. — ⁹ Wages, salaries, social security contributions and voluntary social security expenditure. — ¹⁰ Write-downs of current

and financial assets. — ¹¹ In the case of partnerships and sole proprietorships trade earnings tax only. — ¹² Including trade capital tax (up to 1997). — ¹³ Total income less total cost. — ¹⁴ Profit for the year before profit and loss transfers and before taxes on income and earnings.

German enterprises' balance sheet and profit and loss account, by economic sector * (cont'd)

DM billion

Item	Manufacturing sector (cont'd); of which									
	Manufacture of textile products					Manufacture of wood and wood products				
	1994	1996	1997	1998	1999	1994	1996	1997	1998	1999
I. Balance sheet										
Assets										
Tangible fixed assets ²	2.1	2.0	1.9	2.0	2.0	11.7	11.9	11.1	11.0	11.5
Inventories ³	5.5	4.9	5.3	5.5	5.0	8.6	8.6	8.4	8.5	9.0
of which										
Raw materials and consumables	1.5	1.4	1.5	1.5	1.5	2.6	2.5	2.4	2.5	2.5
Work in progress	0.7	0.6	0.6	0.5	0.5	1.5	1.3	1.3	1.5	1.5
Finished goods, goods for resale	3.2	2.9	3.1	3.0	3.0	3.8	4.0	4.0	4.0	4.0
Non-financial assets	7.6	6.9	7.1	7.5	7.0	20.3	20.5	19.4	19.5	20.0
Cash ⁴	0.9	0.7	0.8	0.5	1.0	1.3	1.2	1.1	1.0	1.5
Debtors	4.7	4.4	4.6	4.5	4.5	7.4	7.3	7.0	6.5	7.5
Short-term	4.4	4.1	4.3	4.5	4.5	7.0	6.7	6.5	6.0	6.5
of which										
Trade debtors	2.7	2.5	2.5	2.5	2.5	5.0	4.8	4.6	4.5	4.5
Long-term	0.3	0.3	0.3	0.5	0.5	0.4	0.5	0.6	0.5	1.0
Investments	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.0	0.5
Participating interests	0.5	0.5	0.5	0.5	1.0	0.7	0.7	0.7	1.0	0.5
Financial assets	6.0	5.7	5.9	6.0	6.5	9.5	9.3	9.0	9.0	10.0
Prepayments	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.0	0.0
Balance sheet total ⁵	13.7	12.6	13.1	13.5	13.5	30.0	30.0	28.6	28.5	30.0
Liabilities										
Own funds ^{6, 7}	2.0	1.9	2.2	2.5	2.5	2.9	2.9	2.5	2.0	1.5
Creditors	10.3	9.5	9.7	10.0	9.5	24.7	24.7	24.0	24.5	26.5
Short-term	7.4	6.8	7.1	7.5	7.0	15.0	14.5	14.0	14.0	15.0
of which										
to credit institutions	2.2	2.1	2.2	2.5	2.5	4.7	4.6	4.6	4.5	4.5
Trade creditors	2.7	2.5	2.5	2.5	2.0	5.4	5.2	4.9	4.5	4.5
Long-term	3.0	2.7	2.6	2.5	2.5	9.7	10.2	10.0	10.5	11.0
of which										
to credit institutions	1.3	1.2	1.1	1.0	1.5	7.2	7.8	7.7	8.0	8.5
Provisions ⁷	1.4	1.2	1.2	1.0	1.5	2.4	2.4	2.2	2.0	2.0
of which: Provisions for pensions	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.5	0.5
Borrowed funds	11.7	10.7	10.9	11.0	11.0	27.1	27.1	26.2	26.5	28.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance sheet total ⁵	13.7	12.6	13.1	13.5	13.5	30.0	30.0	28.6	28.5	30.0
II. Profit and loss account										
Turnover	30.1	27.0	27.7	28.5	28.5	49.7	48.0	48.1	48.5	47.5
Change in stocks of own products ⁸	0.1	0.0	0.3	0.0	0.0	0.5	0.3	0.3	0.5	0.5
Total output	30.3	27.0	28.0	28.5	28.5	50.1	48.3	48.3	48.5	48.0
Interest received	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.0
Other income	0.9	0.8	0.8	1.0	1.0	1.4	1.5	1.4	1.5	1.5
Total income	31.3	27.9	28.9	30.0	29.5	51.7	49.9	49.8	50.5	50.0
Cost of materials	18.2	16.5	17.5	18.0	18.0	26.1	25.6	26.2	27.0	26.5
Labour cost ⁹	6.1	5.4	5.2	5.0	5.0	12.9	12.5	12.0	12.0	12.0
Depreciation	0.6	0.5	0.5	0.5	0.5	2.7	2.6	2.5	2.5	2.5
of tangible fixed assets	0.5	0.4	0.4	0.5	0.5	2.5	2.4	2.3	2.0	2.5
Other ¹⁰	0.1	0.1	0.1	0.0	0.0	0.2	0.3	0.2	0.5	0.5
Interest paid	0.5	0.4	0.4	0.5	0.5	1.3	1.2	1.1	1.0	1.0
Taxes	0.3	0.3	0.3	0.5	0.5	0.5	0.4	0.4	0.5	0.5
on income and earnings ¹¹	0.3	0.2	0.3	0.0	0.5	0.4	0.3	0.3	0.5	0.5
Other ¹²	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0
of which: Excise taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other cost	4.6	4.2	4.2	4.5	5.0	6.9	7.0	6.7	7.0	7.0
Total cost	30.4	27.2	28.1	29.0	29.0	50.4	49.4	49.0	49.5	49.5
Profit for the year ¹³	0.9	0.7	0.8	1.0	0.5	1.3	0.6	0.8	1.0	0.5
Annual result before taxes on income ¹⁴	1.2	1.0	1.1	1.0	1.0	1.7	0.8	1.2	1.0	1.0

* Extrapolated results on the basis of data from the turnover tax statistics of the Federal Statistical Office. 1998 and 1999: estimated figures, rounded to the nearest half or full DM billion. — 1 Including reproduction of recorded media. — 2 Including intangible assets. — 3 Includ-

ing contracts in progress. — 4 Notes and coins and bank balances. — 5 Less adjustments to capital accounts. — 6 Capital, reserves and profit brought forward less adjustments to capital accounts. — 7 Including pro rata share of special reserves. — 8 Including other capitalised

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Publishing and printing ¹					Manufacture of chemicals and chemical products					Item
1994	1996	1997	1998	1999	1994	1996	1997	1998	1999	
19.6	20.8	21.1	22.5	24.5	42.7	47.9	43.2	48.0	50.5	I. Balance sheet
7.9	8.6	9.7	10.0	10.5	24.2	28.6	28.8	31.5	32.0	Assets
1.9	1.9	2.2	2.5	2.5	7.0	7.6	7.8	8.0	8.5	Tangible fixed assets ²
2.0	2.0	2.3	2.5	2.5	3.8	4.5	6.8	6.5	4.5	Inventories ³
3.8	4.4	4.8	5.0	5.5	13.3	16.3	14.0	16.5	18.5	of which
										Raw materials and consumables
										Work in progress
										Finished goods, goods for resale
27.5	29.4	30.8	32.5	35.0	66.9	76.5	72.0	79.0	82.5	Non-financial assets
3.9	4.4	4.7	5.5	5.0	9.9	9.3	8.4	3.5	6.5	Cash ⁴
22.9	26.3	25.8	27.5	33.5	49.3	54.4	60.0	65.5	79.0	Debtors
20.9	23.9	23.6	25.5	30.5	45.3	48.3	52.8	60.5	74.0	Short-term
										of which
10.8	11.9	11.7	12.5	14.0	18.3	19.9	21.2	20.0	22.0	Trade debtors
2.0	2.4	2.2	2.5	3.0	4.1	6.1	7.3	5.0	4.5	Long-term
0.7	1.3	1.5	1.0	2.0	7.9	5.9	5.8	5.5	4.0	Investments
5.1	5.5	5.1	5.5	8.0	55.5	71.9	67.1	83.5	87.5	Participating interests
32.6	37.5	37.2	39.5	48.0	122.6	141.6	141.3	158.0	177.0	Financial assets
0.4	0.4	0.4	0.5	0.5	0.3	0.5	0.3	0.5	0.5	Prepayments
60.4	67.3	68.4	72.5	83.5	189.8	218.5	213.5	237.5	259.5	Balance sheet total ⁵
6.5	8.7	9.4	9.0	11.5	73.8	80.6	77.1	83.0	86.5	Liabilities
40.8	42.9	42.1	46.5	53.0	56.3	72.7	75.1	89.0	102.5	Own funds ^{6, 7}
26.0	28.6	27.8	31.5	36.0	43.5	58.3	61.7	73.5	87.5	Creditors
										Short-term
5.3	5.5	5.6	6.0	6.5	3.9	6.2	5.8	6.0	10.5	of which
8.4	9.0	9.3	10.5	12.0	11.0	11.7	12.5	13.5	13.0	to credit institutions
14.8	14.3	14.3	15.0	17.0	12.8	14.4	13.5	15.5	15.0	Trade creditors
										Long-term
9.4	9.3	9.5	10.0	11.5	5.0	4.7	5.0	6.5	8.0	of which
12.5	15.0	16.2	16.0	18.0	59.6	64.8	61.0	65.0	70.0	to credit institutions
7.0	8.5	9.2	9.0	10.0	35.0	39.5	36.9	41.5	44.0	Provisions ⁷
										of which: Provisions for pensions
53.3	57.9	58.3	62.5	71.0	115.9	137.5	136.1	154.5	172.5	Borrowed funds
0.6	0.7	0.7	0.5	1.0	0.1	0.4	0.4	0.5	0.5	Deferred income
60.4	67.3	68.4	72.5	83.5	189.8	218.5	213.5	237.5	259.5	Balance sheet total ⁵
103.1	116.7	119.0	119.0	129.5	208.5	221.4	235.1	244.0	247.5	II. Profit and loss account
0.2	-0.1	0.4	0.5	0.0	0.1	0.2	0.3	1.0	0.5	Turnover
103.3	116.7	119.4	119.5	130.0	208.6	221.6	235.3	245.0	248.0	Change in stocks of own products ⁸
0.9	0.7	0.7	0.5	0.5	2.2	2.2	1.8	2.0	2.0	Total output
6.7	5.9	6.3	6.5	6.5	15.3	15.3	17.1	26.5	28.5	Interest received
										Other income
110.8	123.3	126.4	127.0	137.0	226.1	239.1	254.3	273.5	278.5	Total income
39.6	47.1	47.8	49.0	53.0	100.2	109.6	114.3	118.5	119.0	Cost of materials
32.8	35.7	36.3	35.5	38.5	52.2	52.5	51.8	56.5	54.5	Labour cost ⁹
6.0	6.2	6.5	6.5	7.0	14.1	11.9	12.9	14.0	15.0	Depreciation
5.2	5.4	5.5	5.5	6.0	11.6	10.9	11.8	12.0	14.0	of tangible fixed assets
0.8	0.7	1.0	0.5	1.0	2.5	1.0	1.0	1.5	1.0	Other ¹⁰
2.2	2.1	1.8	2.0	2.0	2.6	2.9	3.0	4.0	4.0	Interest paid
1.4	1.5	1.9	2.0	2.5	4.1	4.6	6.2	4.5	4.5	Taxes
1.3	1.4	1.8	2.0	2.0	3.5	4.1	5.8	4.5	4.5	on income and earnings ¹¹
0.1	0.2	0.2	0.0	0.0	0.6	0.5	0.4	0.0	0.5	Other ¹²
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	of which: Excise taxes
25.5	27.7	27.8	27.5	30.0	45.9	50.1	56.3	59.0	69.0	Other cost
107.6	120.3	122.2	122.5	132.5	219.0	231.6	244.4	256.5	266.0	Total cost
3.2	3.1	4.2	4.0	4.5	7.1	7.5	9.9	17.0	13.0	Profit for the year ¹³
5.0	5.4	7.0	7.0	7.5	11.5	13.0	17.2	22.5	18.0	Annual result before taxes on income ¹⁴

production. — ⁹ Wages, salaries, social security contributions and voluntary social security expenditure. — ¹⁰ Write-downs of current and financial assets. — ¹¹ In the case of partnerships and sole proprietorships trade earnings tax only. — ¹² Including trade capital

tax (up to 1997). — ¹³ Total income less total cost. — ¹⁴ Profit for the year before profit and loss transfers and before taxes on income and earnings.

German enterprises' balance sheet and profit and loss account, by economic sector (cont'd)

DM billion

Item	Manufacturing sector (cont'd); of which									
	Manufacture of rubber and plastic products					Manufacture of other non-metallic mineral products				
	1994	1996	1997	1998	1999	1994	1996	1997	1998	1999
I. Balance sheet										
Assets										
Tangible fixed assets 1	15.5	15.1	16.0	17.0	18.5	22.4	24.9	24.6	26.0	25.0
Inventories 2	8.8	9.2	9.5	10.0	11.5	10.2	10.9	11.6	13.5	13.0
of which										
Raw materials and consumables	2.9	2.8	3.0	3.0	3.5	2.6	2.6	2.9	3.5	3.0
Work in progress	1.5	1.7	1.7	2.0	2.5	1.6	1.5	2.0	2.0	2.0
Finished goods, goods for resale	4.1	4.4	4.6	5.0	5.0	5.2	6.0	6.0	7.0	7.0
Non-financial assets	24.3	24.3	25.5	27.5	30.0	32.6	35.7	36.2	39.0	37.5
Cash 3	1.7	2.1	2.4	2.0	2.0	5.0	3.7	4.1	4.0	3.5
Debtors	14.1	13.8	15.6	17.0	20.0	15.7	14.8	15.8	19.0	18.5
Short-term	13.1	12.9	14.8	15.5	18.5	14.6	13.3	14.2	16.0	16.5
of which: Trade debtors	7.4	7.6	8.0	8.5	9.5	7.1	6.5	6.6	6.5	7.0
Long-term	1.0	0.9	0.9	1.0	1.5	1.1	1.5	1.6	3.0	1.5
Investments	0.2	0.2	0.2	0.5	0.0	0.4	0.5	0.4	0.5	0.5
Participating interests	3.9	3.1	3.9	6.5	8.0	6.8	8.0	5.4	6.0	8.0
Financial assets	19.9	19.2	22.2	25.5	30.5	27.9	27.0	25.8	29.5	30.5
Prepayments	0.1	0.2	0.2	0.0	0.5	0.2	0.2	0.2	0.0	0.0
Balance sheet total 4	44.4	43.7	47.8	53.0	61.0	60.7	62.9	62.2	69.0	68.0
Liabilities										
Own funds 5,6	8.3	8.0	9.7	10.5	12.0	12.9	13.4	13.0	14.5	15.0
Creditors	28.3	28.6	30.3	34.5	39.5	35.1	37.3	37.4	42.5	41.5
Short-term	18.7	18.8	20.4	22.5	26.0	22.6	23.9	24.2	27.5	27.0
of which										
to credit institutions	4.8	5.0	4.9	5.5	6.0	5.1	6.2	6.0	6.5	7.0
Trade creditors	5.1	5.0	5.5	5.5	6.0	6.1	5.5	5.6	5.5	5.0
Long-term	9.6	9.7	9.9	12.0	13.5	12.5	13.4	13.2	15.0	14.5
of which: to credit institutions	6.3	6.5	6.6	9.0	9.5	8.3	9.0	9.3	10.5	9.5
Provisions 6	7.8	7.1	7.7	8.0	9.0	12.6	12.2	11.7	12.0	12.0
of which: Provisions for pensions	3.4	2.8	3.2	3.5	4.0	5.1	4.6	4.5	4.5	5.0
Borrowed funds	36.0	35.7	38.1	42.5	48.5	47.7	49.5	49.1	54.5	53.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Balance sheet total 4	44.4	43.7	47.8	53.0	61.0	60.7	62.9	62.2	69.0	68.0
II. Profit and loss account										
Turnover	74.3	77.0	83.3	88.0	92.5	85.4	79.8	82.5	83.5	85.0
Change in stocks of own products 7	0.4	0.4	0.3	0.5	0.5	0.2	0.6	0.1	1.0	0.0
Total output	74.7	77.4	83.7	88.5	93.0	85.6	80.5	82.6	84.5	85.5
Interest received	0.3	0.2	0.2	0.5	0.5	0.6	0.5	0.4	0.5	0.5
Other income	3.5	3.1	3.4	3.5	3.5	5.3	4.6	5.0	6.5	6.0
Total income	78.5	80.8	87.3	92.5	97.0	91.5	85.6	88.0	91.0	92.0
Cost of materials	36.4	38.7	42.7	45.5	47.5	38.0	36.0	37.5	38.5	39.0
Labour cost 8	21.2	21.2	21.9	23.0	24.5	22.4	21.5	22.2	22.5	22.5
Depreciation	4.4	4.2	4.4	4.5	4.5	6.3	6.1	6.2	6.0	6.0
of tangible fixed assets	4.1	3.8	4.1	4.0	4.5	6.0	5.7	5.6	5.5	5.5
Other 9	0.3	0.4	0.3	0.5	0.5	0.4	0.4	0.5	0.5	0.5
Interest paid	1.4	1.2	1.2	1.5	1.5	1.6	1.6	1.6	1.5	1.5
Taxes	0.9	0.9	1.0	1.0	1.0	1.9	1.3	1.3	1.5	1.5
on income and earnings 10	0.8	0.8	0.9	1.0	1.0	1.7	1.1	1.2	1.0	1.5
Other 11	0.1	0.1	0.1	0.0	0.0	0.2	0.2	0.2	0.0	0.0
of which: Excise taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other cost	12.6	12.4	13.6	14.5	15.5	16.6	16.5	16.7	18.0	18.5
Total cost	76.9	78.7	84.8	90.0	94.5	86.8	83.0	85.4	88.0	89.0
Profit for the year 12	1.5	2.1	2.5	2.5	2.5	4.7	2.6	2.5	3.0	3.0
Annual result before taxes on income 13	2.5	3.1	3.7	4.0	4.5	6.4	4.1	4.2	5.0	4.5

* Extrapolated results on the basis of data from the turnover tax statistics of the Federal Statistical Office. 1998 and 1999: estimated figures, rounded to the nearest half or full DM billion. — 1 Including intangible assets. — 2 Including contracts in progress. — 3 Notes and coins

and bank balances. — 4 Less adjustments to capital accounts. — 5 Capital, reserves and profit brought forward less adjustments to capital accounts. — 6 Including pro rata share of special reserves. — 7 Including other capitalised production. — 8 Wages, salaries, social security

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Manufacture of fabricated metal products					Manufacture of machinery and equipment n.e.c.					Item
1994	1996	1997	1998	1999	1994	1996	1997	1998	1999	
36.5	35.2	31.2	33.0	36.0	38.4	35.8	39.1	42.5	42.0	I. Balance sheet
31.2	33.7	27.3	30.0	32.0	60.8	65.9	70.3	72.0	67.0	Assets
7.1	7.2	6.8	7.0	7.0	12.6	13.1	14.6	15.5	15.5	Tangible fixed assets 1
11.7	12.7	8.8	10.0	11.0	26.8	27.9	31.8	31.0	27.0	Inventories 2
8.7	10.0	8.8	9.5	10.5	13.2	14.2	14.4	17.0	17.5	of which
										Raw materials and consumables
										Work in progress
										Finished goods, goods for resale
67.7	68.9	58.5	63.5	68.0	99.2	101.7	109.4	114.5	109.0	Non-financial assets
5.5	6.5	5.4	5.5	6.0	12.2	10.4	12.4	13.5	13.0	Cash 3
35.3	35.1	30.3	32.5	37.0	69.9	71.5	80.2	89.0	95.5	Debtors
33.1	32.4	27.9	30.0	33.5	67.0	68.4	77.2	85.0	92.0	Short-term
19.4	20.1	17.2	18.0	19.0	35.8	35.0	38.4	39.5	38.5	of which: Trade debtors
2.2	2.7	2.4	2.5	3.5	2.9	3.1	3.1	3.5	3.5	Long-term
1.0	0.5	0.7	1.5	1.0	5.1	4.8	4.6	5.5	4.5	Investments
8.1	7.7	4.7	6.0	7.0	18.8	17.4	22.2	23.5	30.5	Participating interests
49.9	49.8	41.2	45.5	50.5	105.9	104.0	119.4	131.5	143.5	Financial assets
0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.6	0.5	0.5	Prepayments
118.1	119.2	100.1	109.0	119.0	205.7	206.3	229.4	246.5	253.5	Balance sheet total 4
16.3	18.8	14.6	16.5	17.5	42.1	39.7	47.5	57.5	65.5	Liabilities
80.1	81.3	70.9	77.0	84.0	116.1	118.9	128.3	131.0	132.0	Own funds 5, 6
54.7	55.6	46.1	50.5	55.5	91.4	94.7	103.9	104.5	100.5	Creditors
										Short-term
										of which
										to credit institutions
11.8	11.9	11.2	13.0	14.0	15.6	14.2	13.8	15.5	20.5	Trade creditors
14.7	14.6	12.8	13.0	14.0	18.8	18.5	20.0	20.5	20.0	Long-term
25.4	25.6	24.8	26.5	29.0	24.6	24.2	24.4	27.0	31.5	of which: to credit institutions
16.1	16.4	15.9	17.5	19.5	13.1	13.1	12.9	15.0	18.5	Provisions 6
21.7	19.0	14.5	16.0	17.5	47.3	47.5	53.5	58.0	56.0	of which: Provisions for pensions
10.9	8.8	6.3	7.0	8.0	21.0	20.7	23.0	26.0	26.0	
101.8	100.2	85.4	93.0	101.5	163.3	166.4	181.8	189.0	188.0	Borrowed funds
0.1	0.1	0.1	0.0	0.0	0.3	0.2	0.1	0.0	0.0	Deferred income
118.1	119.2	100.1	109.0	119.0	205.7	206.3	229.4	246.5	253.5	Balance sheet total 4
175.5	184.4	163.3	176.0	180.0	260.1	273.2	308.3	334.0	322.5	II. Profit and loss account
0.8	1.4	0.9	1.5	1.5	0.2	3.9	0.9	3.0	0.5	Turnover
										Change in stocks of own products 7
176.3	185.8	164.2	177.5	181.5	260.4	277.1	309.3	337.0	323.0	Total output
0.9	0.8	0.5	0.5	0.5	2.3	1.9	2.0	2.5	2.0	Interest received
7.0	6.9	6.2	7.0	7.5	15.2	13.2	15.4	18.0	20.0	Other income
184.2	193.5	171.0	185.0	190.0	277.9	292.2	326.6	357.0	345.5	Total income
81.3	86.8	74.8	82.0	83.0	125.6	140.4	155.9	173.0	165.0	Cost of materials
56.0	59.0	52.2	55.5	58.0	85.7	86.7	92.8	98.0	98.0	Labour cost 8
9.4	9.4	8.0	9.0	9.5	11.1	10.2	10.9	12.5	11.5	Depreciation
8.7	8.6	7.4	8.0	9.0	9.7	8.7	9.3	10.0	10.0	of tangible fixed assets
0.7	0.8	0.7	0.5	0.5	1.4	1.4	1.6	2.5	1.5	Other 9
3.7	3.2	2.9	3.0	3.0	4.4	3.8	3.9	4.0	4.0	Interest paid
2.2	2.4	2.1	2.5	2.5	3.5	3.4	4.1	6.0	5.5	Taxes
2.0	2.1	1.9	2.0	2.0	3.1	2.9	3.7	5.5	5.5	on income and earnings 10
0.3	0.3	0.2	0.0	0.0	0.5	0.5	0.4	0.0	0.0	Other 11
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	of which: Excise taxes
26.6	27.6	24.7	27.0	28.5	43.0	43.0	48.3	54.0	53.5	Other cost
179.2	188.3	164.7	178.5	184.0	273.3	287.4	316.0	347.5	337.0	Total cost
5.0	5.2	6.3	6.5	6.0	4.6	4.9	10.6	9.5	8.5	Profit for the year 12
										Annual result before taxes
6.9	7.2	8.5	8.5	8.0	7.7	8.1	14.0	16.5	16.0	on income 13

contributions and voluntary social security expenditure. — 9 Write-downs of current and financial assets. — 10 In the case of partnerships and sole proprietorships trade earnings tax only. — 11 Including trade

capital tax (up to 1997). — 12 Total income less total cost. — 13 Profit for the year before profit and loss transfers and before taxes on income and earnings.

German enterprises' balance sheet and profit and loss account, by economic sector (cont'd)

DM billion

Item	Manufacturing sector (cont'd); of which									
	Manufacture of electrical machinery and apparatus n.e.c					Manufacture of electrical and optical instruments				
	1994	1996	1997	1998	1999	1994	1996	1997	1998	1999
I. Balance sheet										
Assets										
Tangible fixed assets ¹	20.7	22.1	23.3	23.0	22.5	7.5	8.2	9.4	12.0	12.5
Inventories ²	31.9	34.0	35.1	33.0	33.0	10.2	11.5	12.3	13.5	15.0
of which										
Raw materials and consumables	6.8	7.0	7.5	7.5	8.0	2.5	2.9	3.2	3.5	4.0
Work in progress	7.0	8.4	8.0	8.0	7.5	3.4	3.8	4.0	4.5	5.0
Finished goods, goods for resale	7.9	9.5	9.6	9.5	9.5	3.7	4.2	4.2	4.5	5.0
Non-financial assets	52.6	56.1	58.4	56.0	55.5	17.7	19.7	21.7	25.5	27.5
Cash ³	4.6	4.9	5.2	5.0	5.5	1.9	1.8	2.1	2.5	2.5
Debtors	44.5	49.2	54.3	54.0	65.0	11.4	14.7	17.2	18.5	21.0
Short-term	42.9	47.2	52.1	52.0	63.0	10.7	12.9	15.1	17.0	19.5
of which: Trade debtors	18.7	21.3	22.2	21.0	26.0	6.2	6.9	7.5	7.5	8.5
Long-term	1.6	2.0	2.3	2.5	2.0	0.7	1.8	2.1	1.5	1.5
Investments	13.1	12.8	16.0	17.5	19.0	1.0	0.2	0.1	0.5	0.5
Participating interests	24.1	24.6	28.7	29.0	36.0	2.0	2.9	3.9	5.5	7.0
Financial assets	86.3	91.4	104.2	105.5	125.0	16.3	19.7	23.4	26.5	31.0
Prepayments	0.2	0.2	0.2	0.0	0.5	0.1	0.1	0.1	0.0	0.0
Balance sheet total ⁴	139.1	147.7	162.8	162.0	181.0	34.1	39.5	45.2	52.0	58.5
Liabilities										
Own funds ^{5, 6}	33.0	35.0	40.7	40.0	45.5	6.0	7.3	9.7	12.0	13.0
Creditors	60.2	64.8	71.5	72.5	82.0	19.8	22.3	24.0	28.0	31.5
Short-term	49.5	53.0	59.8	60.5	66.5	13.5	15.4	17.0	20.0	21.5
of which										
to credit institutions	5.6	5.8	6.4	6.5	8.5	3.3	4.2	4.9	6.0	6.0
Trade creditors	9.0	9.7	10.6	11.5	12.5	3.0	3.3	3.5	4.0	4.5
Long-term	10.7	11.8	11.7	12.5	15.5	6.3	6.8	6.9	8.0	10.0
of which: to credit institutions	4.8	4.6	5.2	5.5	6.5	3.5	4.0	4.0	4.5	5.5
Provisions ⁶	45.8	47.8	50.5	49.0	53.0	8.3	10.0	11.5	12.0	14.0
of which: Provisions for pensions	20.6	22.1	24.3	24.0	26.5	4.7	5.6	6.4	6.5	7.5
Borrowed funds	106.0	112.6	122.0	121.5	135.5	28.2	32.2	35.4	40.0	45.5
Deferred income	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Balance sheet total ⁴	139.1	147.7	162.8	162.0	181.0	34.1	39.5	45.2	52.0	58.5
II. Profit and loss account										
Turnover	158.2	184.3	203.6	207.5	224.5	49.5	55.7	60.1	63.0	68.0
Change in stocks of own products ⁷	0.2	0.9	-0.1	1.0	1.0	0.0	0.5	0.5	1.0	0.5
Total output	158.3	185.2	203.4	208.5	225.5	49.5	56.2	60.6	64.0	69.0
Interest received	3.4	2.2	2.8	3.5	3.5	0.3	0.2	0.3	0.5	0.5
Other income	9.3	9.6	11.4	13.5	16.5	2.5	3.3	3.7	4.0	4.5
Total income	171.0	197.0	217.6	225.0	245.5	52.3	59.7	64.5	68.5	74.0
Cost of materials	86.2	104.5	117.7	120.5	134.0	21.7	24.7	26.8	29.0	31.0
Labour cost ⁸	50.3	53.3	55.2	54.0	58.0	17.5	19.6	20.6	21.5	23.5
Depreciation	7.7	7.6	7.8	9.5	8.5	2.3	2.4	2.5	2.5	3.0
of tangible fixed assets	6.4	6.5	6.9	7.0	7.5	2.0	2.0	2.1	2.5	2.5
Other ⁹	1.3	1.1	0.9	2.5	1.0	0.3	0.4	0.4	0.5	0.5
Interest paid	3.0	2.5	2.9	3.0	3.5	1.0	1.0	1.0	1.0	1.0
Taxes	1.4	2.5	2.6	2.0	2.5	0.5	0.8	0.9	1.0	1.0
on income and earnings ¹⁰	1.2	2.2	2.3	1.5	2.0	0.5	0.7	0.8	1.0	1.0
Other ¹¹	0.3	0.4	0.3	0.0	0.0	0.1	0.1	0.1	0.0	0.0
of which: Excise taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other cost	19.9	22.5	25.5	34.0	33.0	8.5	9.9	10.9	11.5	13.5
Total cost	168.5	192.9	211.7	222.5	239.5	51.6	58.4	62.7	67.0	73.5
Profit for the year ¹²	2.4	4.0	5.9	2.5	6.0	0.8	1.3	1.9	1.5	0.5
Annual result before taxes on income ¹³	2.8	5.8	8.0	4.0	8.0	1.3	1.9	2.4	2.5	1.5

* Extrapolated results on the basis of data from the turnover tax statistics of the Federal Statistical Office. 1998 and 1999: estimated figures, rounded to the nearest half or full DM billion. — 1 Including intangible assets. — 2 Including contracts in progress. — 3 Notes and coins

and bank balances. — 4 Less adjustments to capital accounts. — 5 Capital, reserves and profit brought forward less adjustments to capital accounts. — 6 Including pro rata share of special reserves. — 7 Including other capitalised production. — 8 Wages, salaries, social security

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Manufacture of motor vehicles, trailers and semi-trailers					Electricity, gas and water supply					Item
1994	1996	1997	1998	1999	1994	1996	1997	1998	1999	
40.4	42.2	48.2	49.0	54.5	208.5	191.1	190.5	190.5	198.5	I. Balance sheet
23.4	24.0	26.2	28.0	30.5	13.7	10.0	9.5	9.5	10.0	Assets
6.1	5.8	6.4	7.0	7.5	9.2	5.9	5.3	5.0	5.5	Tangible fixed assets ¹
6.3	7.7	8.5	8.5	9.0	0.9	1.1	1.1	1.5	1.5	Inventories ²
10.8	10.0	10.6	12.0	12.5	1.9	1.6	1.9	1.5	2.0	of which
										Raw materials and consumables
										Work in progress
										Finished goods, goods for resale
63.9	66.2	74.4	77.0	85.0	222.2	201.0	200.0	200.0	208.5	Non-financial assets
16.0	19.1	20.5	17.0	11.0	15.6	16.4	12.9	13.0	14.5	Cash ³
42.9	55.5	61.5	70.5	80.5	91.0	82.3	83.6	83.0	90.0	Debtors
40.6	52.4	57.7	66.5	76.0	82.5	73.7	75.0	74.5	81.5	Short-term
13.6	12.7	14.3	15.0	16.0	33.1	32.0	29.5	29.5	35.0	of which: Trade debtors
2.3	3.1	3.8	4.0	5.0	8.5	8.6	8.7	9.0	8.5	Long-term
4.6	8.3	9.6	12.0	13.0	30.0	35.4	36.8	41.0	46.5	Investments
26.5	36.4	37.6	40.5	42.0	43.9	51.0	55.2	66.5	74.5	Participating interests
90.0	119.3	129.2	140.0	146.5	180.5	185.1	188.6	203.5	225.0	Financial assets
0.5	0.2	0.3	0.5	0.5	1.0	1.0	1.0	1.0	1.0	Prepayments
154.4	185.7	203.9	217.5	232.0	403.8	387.1	389.6	404.5	434.5	Balance sheet total ⁴
39.8	44.5	49.6	58.0	63.0	106.6	106.5	105.1	110.5	114.0	Liabilities
47.0	56.7	61.8	67.5	71.5	154.8	140.8	150.9	156.5	171.5	Own funds ^{5, 6}
39.7	48.8	52.9	58.0	61.0	80.6	72.6	79.0	78.5	87.5	Creditors
										Short-term
5.5	6.4	6.5	5.0	3.5	7.5	7.1	9.4	8.5	9.5	of which
16.6	17.2	20.3	21.0	25.0	20.0	16.1	16.5	14.5	15.0	to credit institutions
7.3	7.9	9.0	9.5	10.5	74.1	68.2	71.8	78.0	84.0	Trade creditors
3.5	3.6	3.6	4.0	4.5	40.9	36.1	35.6	37.5	44.0	Long-term
67.3	84.2	92.1	91.5	97.0	134.8	131.1	124.9	128.0	138.5	of which: to credit institutions
28.9	39.3	43.3	44.5	48.5	32.2	29.8	27.4	29.0	35.0	Provisions ⁶
										of which: Provisions for pensions
114.3	140.9	153.9	159.0	168.5	289.6	271.9	275.8	284.5	310.0	Borrowed funds
0.3	0.3	0.4	0.5	0.5	7.6	8.7	8.8	9.5	11.0	Deferred income
154.4	185.7	203.9	217.5	232.0	403.8	387.1	389.6	404.5	434.5	Balance sheet total ⁴
272.8	313.9	359.8	391.5	426.5	270.1	251.3	259.1	258.5	251.0	II. Profit and loss account
0.2	1.1	0.6	1.0	0.5	1.9	1.6	1.6	1.5	1.5	Turnover
273.0	315.0	360.4	392.5	427.0	272.1	252.9	260.7	260.0	252.5	Change in stocks of own products ⁷
2.7	3.0	3.1	3.5	3.5	4.9	4.2	4.1	4.5	6.0	Total output
12.7	18.3	19.4	24.0	25.5	19.7	17.0	15.8	19.5	24.0	Interest received
										Other income
288.4	336.4	382.9	420.0	456.0	296.6	274.1	280.7	284.0	282.5	Total income
164.6	203.4	235.7	263.5	291.5	174.0	155.3	163.6	161.0	150.0	Cost of materials
66.4	68.6	73.6	75.5	78.0	39.0	35.8	34.9	37.0	36.5	Labour cost ⁸
16.6	13.3	16.4	18.5	22.0	28.8	25.9	24.3	26.0	27.0	Depreciation
14.2	12.6	14.7	15.5	16.5	27.9	25.1	23.7	24.5	25.5	of tangible fixed assets
2.4	0.6	1.7	3.0	5.5	0.9	0.8	0.6	1.5	1.5	Other ⁹
2.3	2.0	2.2	2.5	2.5	6.0	4.7	4.6	4.5	5.0	Interest paid
1.8	3.4	5.5	9.0	7.0	7.3	9.9	11.8	13.0	16.5	Taxes
1.2	2.8	5.0	9.0	7.0	5.8	8.3	10.4	12.0	14.0	on income and earnings ¹⁰
0.5	0.5	0.5	0.0	0.0	1.5	1.6	1.3	1.0	2.5	Other ¹¹
0.0	0.0	0.0	0.0	0.0	0.5	0.6	0.6	0.5	1.0	of which: Excise taxes
35.0	43.5	45.2	44.5	50.5	37.4	35.8	34.4	34.5	38.5	Other cost
286.7	334.1	378.6	414.0	451.0	292.4	267.4	273.5	276.5	273.5	Total cost
1.7	2.3	4.3	6.0	5.0	4.2	6.7	7.1	7.5	8.5	Profit for the year ¹²
4.9	4.5	8.2	13.0	11.0	12.5	19.2	22.9	26.0	28.0	Annual result before taxes on income ¹³

contributions and voluntary social security expenditure. — ⁹ Write-downs of current and financial assets. — ¹⁰ In the case of partnerships and sole proprietorships trade earnings tax only. — ¹¹ Including trade

capital tax (up to 1997). — ¹² Total income less total cost. — ¹³ Profit for the year before profit and loss transfers and before taxes on income and earnings.

German enterprises' balance sheet and profit and loss account, by economic sector (cont'd)

DM billion

Item	Construction					Wholesale trade and commission trade				
	1994	1996	1997	1998	1999	1994	1996	1997	1998	1999
I. Balance sheet										
Assets										
Tangible fixed assets ³	67.5	69.3	64.3	65.0	72.0	81.6	80.3	81.2	84.0	87.5
Inventories ⁴	178.4	168.5	154.1	157.0	192.5	126.4	130.4	136.9	139.5	141.5
<i>of which</i>										
Raw materials and consumables	7.6	7.6	7.2	7.5	12.0	6.4	6.0	6.1	6.5	6.5
Work in progress	35.7	33.3	30.3	32.0	45.0	2.6	2.5	2.2	2.5	2.5
Finished goods, goods for resale	14.3	13.6	14.6	16.0	14.0	113.4	117.0	123.8	126.0	128.0
Non-financial assets	245.9	237.8	218.4	222.0	264.0	208.0	210.7	218.1	223.5	229.5
Cash ⁵	24.0	26.1	21.5	21.5	22.0	25.9	26.6	27.2	27.0	29.5
Debtors	112.2	111.8	103.4	103.0	107.5	211.8	211.9	214.4	224.5	239.0
Short-term	106.8	106.0	97.6	95.0	100.5	201.9	201.6	204.6	214.5	227.0
<i>of which: Trade debtors</i>	71.4	67.3	62.7	61.0	64.5	128.0	126.5	129.7	129.0	137.5
Long-term	5.4	5.8	5.9	8.0	7.5	10.0	10.3	9.8	10.0	11.5
Investments	7.7	7.5	7.7	6.5	9.0	2.8	2.4	2.5	2.5	3.0
Participating interests	6.3	7.4	7.0	7.5	10.0	25.5	25.7	28.6	35.0	41.5
Financial assets	150.1	152.8	139.6	139.0	149.0	266.0	266.5	272.7	289.0	313.0
Prepayments	5.5	4.9	4.5	4.5	5.5	1.7	1.7	1.8	1.5	1.5
Balance sheet total ⁶	401.5	395.5	362.5	365.5	418.5	475.7	478.9	492.5	514.5	544.0
Liabilities										
Own funds ^{7, 8}	17.8	16.6	10.5	9.5	7.5	67.6	67.7	73.4	79.0	84.5
Creditors	344.0	339.8	316.0	321.0	371.0	363.1	366.8	373.0	388.0	409.0
Short-term	289.8	282.7	258.2	262.0	304.0	288.1	291.7	297.5	307.0	318.5
<i>of which</i>										
to credit institutions	36.8	41.3	39.5	42.5	44.0	67.9	69.0	70.2	75.0	80.5
Trade creditors	62.5	60.2	57.0	57.0	66.0	115.1	118.2	117.5	114.0	114.0
Long-term	54.2	57.1	57.8	59.0	67.0	75.1	75.1	75.5	81.0	90.5
<i>of which: to credit institutions</i>	41.1	44.0	45.9	46.5	52.5	45.2	46.4	47.2	51.0	57.0
Provisions ⁸	39.3	38.5	35.6	34.5	39.5	44.2	43.6	45.2	46.5	49.5
<i>of which: Provisions for pensions</i>	7.1	7.9	7.6	8.0	9.0	15.2	15.4	16.4	17.5	19.0
Borrowed funds	383.3	378.3	351.6	355.5	410.5	407.4	410.4	418.2	434.5	458.5
Deferred income	0.4	0.5	0.4	0.5	0.5	0.8	0.8	0.9	1.0	0.5
Balance sheet total ⁶	401.5	395.5	362.5	365.5	418.5	475.7	478.9	492.5	514.5	544.0
II. Profit and loss account										
Turnover	495.5	471.3	454.2	437.5	447.0	1,247.1	1,272.3	1,314.0	1,317.5	1,330.0
Change in stocks of own products ⁹	27.1	13.5	2.6	13.0	44.0	0.6	0.3	0.4	1.5	1.0
Total output	522.6	484.8	456.8	450.5	491.0	1,247.7	1,272.6	1,314.4	1,319.0	1,331.0
Interest received	2.3	2.1	2.0	2.0	2.5	5.4	4.4	4.5	4.5	5.0
Other income	15.6	18.4	17.6	17.5	19.0	35.6	33.8	36.1	39.0	45.5
Total income	540.5	505.4	476.4	470.0	512.5	1,288.7	1,310.8	1,355.0	1,363.0	1,381.5
Cost of materials	256.6	241.5	229.0	227.0	253.0	996.9	1,025.5	1,060.9	1,063.0	1,071.0
Labour cost ¹⁰	175.6	163.0	151.8	148.5	158.5	104.2	106.9	109.7	113.0	114.0
Depreciation	23.5	22.3	20.5	19.5	21.0	23.5	22.1	22.1	22.5	22.0
of tangible fixed assets	20.4	17.8	16.6	16.0	16.5	18.6	16.8	16.4	16.5	16.5
Other ¹¹	3.1	4.5	3.8	3.5	4.5	4.9	5.3	5.7	6.0	5.5
Interest paid	9.1	9.0	8.6	8.5	9.0	15.7	13.7	13.3	14.0	14.0
Taxes	4.5	3.4	3.1	3.0	3.0	27.9	24.5	23.4	20.5	24.0
on income and earnings ¹²	3.4	2.4	2.2	2.0	2.0	6.7	5.9	6.3	6.5	7.5
Other ¹³	1.1	1.0	0.9	1.0	1.0	21.2	18.6	17.1	14.5	16.5
<i>of which: Excise taxes</i>	0.0	0.0	0.0	0.0	0.0	17.9	15.7	16.0	13.5	13.5
Other cost	61.8	61.0	58.8	57.0	66.5	104.5	106.0	111.7	116.0	120.0
Total cost	531.1	500.3	471.8	464.0	510.5	1,272.7	1,298.8	1,341.1	1,348.5	1,365.0
Profit for the year ¹⁴	9.4	5.1	4.6	6.0	2.5	16.0	12.0	13.9	14.5	16.5
Annual result before taxes on income ¹⁵	13.1	7.5	7.1	9.0	5.0	24.4	19.2	22.7	23.0	25.5

* Extrapolated results on the basis of data from the turnover tax statistics of the Federal Statistical Office. 1998 and 1999: estimated figures, rounded to the nearest half or full DM billion. — 1 Including repair of motor vehicles and motor cycles and personal and household

goods. — 2 Excluding communication. — 3 Including intangible assets. — 4 Including contracts in progress. — 5 Notes and coins and bank balances. — 6 Less adjustments to capital accounts. — 7 Capital, reserves and profit brought forward less adjustments to capital

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Retail trade (including sale of motor vehicles and automotive fuel) ¹					Transport (excluding railways) ²					Item
1994	1996	1997	1998	1999	1994	1996	1997	1998	1999	
										I. Balance sheet
										Assets
100.6	97.7	99.2	104.5	107.0	81.1	80.0	85.9	99.0	103.5	Tangible fixed assets ³
162.8	171.9	181.1	200.0	200.0	4.3	2.9	2.8	3.0	4.5	Inventories ⁴
										of which
5.0	5.6	5.0	6.0	5.0	2.4	1.2	1.3	1.5	2.0	Raw materials and consumables
1.1	1.5	1.5	1.5	1.5	0.7	0.4	0.4	0.5	0.5	Work in progress
155.0	163.9	173.5	191.0	191.5	0.7	0.8	0.8	1.0	1.0	Finished goods, goods for resale
263.4	269.6	280.4	304.5	307.0	85.4	82.9	88.8	102.0	108.0	Non-financial assets
15.6	18.0	17.2	16.5	17.5	7.5	8.8	11.1	9.5	8.0	Cash ⁵
92.3	93.4	95.4	105.5	109.0	41.1	43.1	46.6	52.0	57.5	Debtors
84.9	86.4	89.1	98.5	100.5	36.9	38.1	41.0	45.5	49.5	Short-term
47.6	47.1	47.6	51.0	51.5	21.1	20.1	21.0	22.0	24.0	of which: Trade debtors
7.4	7.0	6.2	7.0	8.0	4.2	5.1	5.6	7.0	8.0	Long-term
0.9	0.7	0.8	1.0	1.0	0.5	0.7	1.9	4.0	2.5	Investments
13.1	14.7	14.1	17.0	18.0	6.2	6.9	7.7	9.5	12.5	Participating interests
121.7	126.8	127.5	140.0	145.5	55.3	59.5	67.3	75.5	80.0	Financial assets
1.7	1.7	1.9	2.0	1.5	1.6	1.5	1.9	2.0	2.5	Prepayments
386.9	398.1	409.7	446.0	454.0	142.3	143.9	158.0	179.5	190.5	Balance sheet total ⁶
11.2	8.0	8.3	10.0	10.5	17.7	19.4	24.0	28.5	30.5	Liabilities
346.5	357.4	367.3	399.5	407.0	102.5	100.2	105.8	115.5	124.0	Own funds ^{7, 8}
236.1	239.2	248.7	272.0	276.0	57.7	55.8	61.3	64.5	67.0	Creditors
										Short-term
75.7	77.6	82.1	95.0	94.5	14.6	13.7	15.5	15.5	16.5	of which
95.7	97.4	100.9	105.5	105.0	21.7	20.4	21.4	22.0	23.5	to credit institutions
110.4	118.2	118.7	127.5	131.0	44.8	44.4	44.5	51.0	57.0	Trade creditors
82.2	88.5	89.4	97.0	100.0	33.1	31.9	32.3	37.0	43.0	Long-term
28.4	31.8	33.2	35.5	35.5	21.5	23.5	26.9	34.0	35.0	of which: to credit institutions
10.5	12.1	12.9	13.5	13.5	8.4	9.9	11.4	13.5	14.5	Provisions ⁸
										of which: Provisions for pensions
374.9	389.2	400.5	435.0	443.0	124.0	123.7	132.8	149.5	159.0	Borrowed funds
0.8	0.9	0.9	1.0	1.0	0.5	0.7	1.3	1.5	1.5	Deferred income
386.9	398.1	409.7	446.0	454.0	142.3	143.9	158.0	179.5	190.5	Balance sheet total ⁶
930.5	991.8	1,027.4	1,074.5	1,116.0	186.3	192.2	204.6	227.0	241.0	II. Profit and loss account
1.1	0.5	0.4	0.5	0.0	0.5	0.3	0.2	0.0	0.0	Turnover
										Change in stocks of own products ⁹
931.6	992.4	1,027.8	1,075.0	1,116.0	186.8	192.4	204.8	227.0	241.0	Total output
2.6	2.3	2.3	2.5	2.0	0.9	1.0	1.1	1.5	1.5	Interest received
26.1	25.9	26.9	29.0	29.5	17.8	19.6	22.0	27.0	27.5	Other income
960.3	1,020.6	1,057.0	1,106.0	1,148.0	205.6	213.0	227.9	255.0	270.0	Total income
659.4	705.9	735.0	771.0	808.0	73.1	81.7	84.8	91.5	101.5	Cost of materials
122.4	129.7	132.0	135.5	136.0	54.4	55.7	59.5	65.5	68.0	Labour cost ¹⁰
21.8	22.8	20.5	22.0	22.5	20.0	19.5	19.8	22.5	22.0	Depreciation
19.9	19.6	18.7	20.0	20.5	19.0	18.2	18.9	21.0	21.0	of tangible fixed assets
1.9	3.2	1.8	2.0	2.0	1.0	1.3	0.9	1.0	0.5	Other ¹¹
18.3	16.7	16.2	17.0	17.0	5.5	4.7	4.7	5.0	5.0	Interest paid
7.5	7.8	8.3	9.0	9.5	2.6	2.4	2.7	5.0	4.0	Taxes
3.3	3.1	3.5	4.0	3.5	1.2	1.2	1.5	4.0	3.0	on income and earnings ¹²
4.2	4.6	4.8	5.5	6.0	1.4	1.2	1.2	1.0	1.0	Other ¹³
3.3	3.8	4.0	4.5	5.5	0.0	0.0	0.0	0.0	0.0	of which: Excise taxes
115.1	122.7	127.4	134.0	138.0	46.8	45.7	50.9	57.5	64.0	Other cost
944.5	1,005.6	1,039.4	1,089.5	1,131.0	202.3	209.6	222.5	246.5	264.0	Total cost
15.7	15.0	17.6	17.0	17.0	3.2	3.4	5.4	8.5	6.0	Profit for the year ¹⁴
										Annual result before taxes
19.3	18.0	21.9	21.5	21.0	1.5	1.4	2.5	8.0	6.5	on income ¹⁵

accounts. — **8** Including pro rata share of special reserves. — **9** Including other capitalised production. — **10** Wages, salaries, social security contributions and voluntary social security expenditure. — **11** Write-downs of current and financial assets. — **12** In the case of partnerships

and sole proprietorships trade earnings tax only. — **13** Including trade capital tax (up to 1997). — **14** Total income less total cost. — **15** Profit for the year before profit and loss transfers and before taxes on income and earnings.