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Commentaries

Economic conditions

Industry

Seasonally adjusted industrial output in August was down on the month, July having produced a high figure. This was not a sign of a cyclical deterioration, however. The adverse development was, in fact, due mainly to the school holidays (which may be regarded as an indicator for the summer holiday period) being concentrated this year on the month of August. In order to characterise the output trend, it is therefore advisable to look at August in conjunction with July, which had benefited from a comparatively minor holiday effect. On an average of these two months, seasonally adjusted output was around 1¼% higher than the average from April to June. Even though it should be noted that a downward revision of the provisional figure may be expected for August, there is still a slight cyclical increase compared with the low in output in the second quarter of the year. How slight the recovery is, however, is revealed by the fact that output in July and August just about matched its level of 12 months earlier.

Output

No more than a subdued cyclical upturn is also suggested by incoming orders, the figures for which are still provisional. In August, they were scarcely up on the two preceding months in seasonally adjusted terms and, moreover, will probably be revised downwards. According to current information, July and August taken together were around 1% up on the low second-quarter level and just over ½% down on the year. Additional orders in July and August were placed mainly with

Orders received

Economic conditions in Germany *

Seasonally adjusted

Period		New orders (volume); 2000 = 100			Con- struction
		Industry 1			
		Total	of which		
Domestic	Foreign				
2002	Q4	97.4	93.9	101.7	87.1
2003	Q1	97.4	93.4	102.4	81.6
	Q2	95.6	91.8	100.4	79.2
	June	96.3	91.4	102.5	79.6
	July	96.3	92.4	101.2	84.2
	Aug	96.9	91.5	103.6	...
		Output; 1995 = 100			Con- struction
		Industry 2			
		Total	of which		
Inter- mediate goods	Capital goods ³				
2002	Q4	118.8	116.7	132.0	74.4
2003	Q1	119.5	117.0	133.8	70.5
	Q2	117.8	116.5	129.5	71.2
	June	116.7	116.1	127.3	72.3
	July	121.0	117.0	136.6	73.7
	Aug	117.8	115.3	130.3	69.2
		Labour market			
		Em- ployed ⁴	Vacancies	Un- employed	Un- employ- ment rate in % ⁵
		Number in thousands			
2002	Q4	38,444	411	4,166	10.0
2003	Q1	38,238	385	4,321	10.4
	Q2	38,105	361	4,428	10.6
	July	38,033	349	4,405	10.6
	Aug	...	342	4,406	10.6
	Sep	...	336	4,392	10.5
		Prices; 1995 = 100			
		Import prices	Producer prices of industrial prod- ucts ⁶	Overall construc- tion price level ⁷	Con- sumer price index
		2002	Q4	109.1	104.6	99.4	103.5
2003	Q1	109.9	106.5	99.6	104.3
	Q2	106.1	105.9	99.6	104.3
	July	106.1	106.1	.	104.2
	Aug	107.1	106.3	.	104.5
	Sep	...	...	.	104.7

* Data in many cases provisional. — 1 Manufacturing sectors excluding, in particular, food products, beverages and tobacco, and refined petroleum products. — 2 Manufacturing industries not classified under energy plus mining and quarrying. — 3 Including manufacture of motor vehicles, trailers and semi-trailers. — 4 Workplace concept. — 5 Measured on the basis of all civilian members of the labour force. — 6 Domestic sales. — 7 Calculated by the Bundesbank. Mid-quarter level.

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intermediate goods producers and, to a lesser extent, producers of capital goods. These orders originated predominantly abroad. Domestic demand remained at a low level.

Construction

In the construction sector, too, the particular timing of the holidays was a contributory factor in a seasonally adjusted month-on-month drop in output in August. Combining July and August in order to offset the impact of the holidays produces a slight quarter-on-quarter rise in output. According to the data available so far, the figure was around 5½% down on the year. Even though the figures have yet to be adjusted to the results of the annual overall survey – which means that a year-on-year comparison has only limited validity – the decline does point to the fact that the construction sector has still failed to emerge from its trough.

Nevertheless, new construction orders did show a clear seasonally adjusted increase in July. A factor in this was that a number of fairly large-scale projects were started in road construction and for the railways and post. There was also an increase in new housing construction orders, which may be connected with the debate on cuts in assistance for housing construction. Overall, the level of construction orders placed was still 3¼% lower than in the same period of 2002.

Overall output

The available indicators from industry and construction suggest that the producing sec-

Output

Orders

GDP

tor made a positive contribution to overall output in the third quarter of 2003. Furthermore, surveys report a recovery in the case of business service providers. Developments in the wholesale and retail trade were subdued. Hotels and restaurants suffered further losses of business. Overall, the slight decline in overall output recorded in the first half of 2003 is unlikely to have continued. In fact, on the basis of the currently available data, it may be assumed that there was a slight increase in gross domestic product (GDP) after adjustment for seasonal and working-day variations. However, it is still not possible to identify a sustained cyclical upswing which would lead the economy out of its persistent phase of stagnation in the near future. This is also indicated by the continued cautious assessments of the current situation as revealed by surveys, such as that conducted by the Ifo Institute in trade and industry.

Labour market

Employment

The situation on the labour market worsened further in the summer months. In July (more recent data are unavailable at present), the seasonally adjusted number of persons in work fell by almost 50,000 to 38.03 million. In June, the decline amounted to no more than 20,000 – not least owing to the late start of the holidays. On an average of June and July together, the level of redundancies was roughly just as high as it had been in April and May, although it was smaller than at the beginning of the year. The year-on-year fall widened again to 650,000 persons, or 1.7%.

In September, counter to the underlying trend in employment, there was a slight seasonally adjusted fall in the number of persons officially registered as unemployed. At the end of September, 4.39 million persons were registered as being out of work. Although this was 265,000 more than 12 months earlier, it was 14,000 fewer than at the end of August. The unemployment rate based on the national definition fell to 10.5%; according to the standardised EU definition, the figure was unchanged at 9.4%. This decline in officially registered unemployment was due mainly to the efforts of the Federal Labour Office in applying stricter criteria for providing assistance and in placing greater emphasis on claimants playing an active role in job seeking. This resulted in a continuing large number of outflows from unemployment into another form of non-employment. The adverse cyclical impact is revealed by the large number of persons previously in work who registered as unemployed and by the declining level of vacancies reported to the labour exchanges.

Unemployment

Prices

The slight rise in consumer prices continued in September. Food, especially vegetables, became significantly more expensive as a result of the exceptionally hot and dry weather in the summer months. The seasonally adjusted rate of price increase remained within narrow bounds in the case of services. Excluding increased telephone charges and some higher insurance premiums, however, a downward adjustment would have been to be expected following the sharp holiday-related rise in

Consumer prices

package holiday prices in August. After declining prices in the preceding months, industrial goods became somewhat more expensive again. According to the German Consumer Price Index, prices went up 0.2% overall in seasonally adjusted terms. As in August, the year-on-year figure was +1.1%. The Harmonised Index of Consumer Prices (HICP) also shows an annual rate of inflation running at the same level.

*Industrial
producer prices
and import
prices*

The domestic factory gate prices of industrial products showed a slight seasonally adjusted rise in August. This was partly due to the very high crude oil prices. The year-on-year increase in producer prices went up to 2.1%, the figure being only +0.4% if energy sources are excluded. In the case of imports, too, it was mainly energy that became more expensive because of oil prices, although there were also sharp increases in the case of other imported goods after prices had been going down in the preceding months. The rate of year-on-year fall in import prices went down to 1.7%. Excluding energy, prices were 2.2% lower than 12 months earlier.

Public finance

Indebtedness of central, state and local government

Indebtedness of central, state and local government increased by €4.9 billion in August. By far the largest borrower was central government, which raised €4.0 billion net. Sales of bonds yielded as much as €7.2 billion for central government; this was primarily attrib-

August

Net borrowing in the market

€ billion				
Borrower	2002		2003	
	Total	of which Jan- Aug	Jan- Aug p _e	Aug p _e
Central government ¹	+ 24.4	+ 22.9	+ 38.9	+ 4.0
State government	+ 27.6	+ 18.5	+ 23.9	+ 0.8
Local government ^{2, p_e}	+ 2.4	+ 1.7	+ 3.7	+ 0.4
ERP Special Fund	+ 0.2	+ 0.2	- 0.0	-
German Unity Fund	- 0.2	+ 0.1	- 0.2	- 0.2
Central, state and local government, total	+ 54.5	+ 43.3	+ 66.4	+ 4.9

¹ Including the off-budget special funds not shown separately here. — ² Including special-purpose associations.

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utable to the topping-up of the Federal bond (Bund) issued in July. Furthermore, the volume of outstanding Federal Treasury notes (Schätze) and Treasury discount paper (Bubills) both rose by €0.6 billion. Central government received a further €1.3 billion by raising loans against borrowers' notes. On the other hand, liabilities arising from five-year Federal notes (Bobls) were repaid in the amount of €5.9 billion net. Money market debt increased by €0.2 billion.

At €0.8 billion, net borrowing by state government remained relatively low in August. While €1.8 billion was raised through short-term cash advances from banks, the outstanding volumes of bank loans declined by €0.7 billion and the amount of Treasury notes outstanding fell by €0.3 billion. The indebted-

ness of the German Unity Fund fell by €0.2 billion, with the repayment of bank loans in the amount of €0.3 billion being partly offset by a participation in the top-up of the Bund issue amounting to €0.1 billion. Local government appears to have drawn marginally on the credit markets in August.

Central government borrowing

In September...

In September – a month featuring a major tax payment date – central government expanded its indebtedness by €1.8 billion. At €1.0 billion, the larger part of this amount was borrowed on the money market, whilst the capital market was drawn on for €0.8 billion net. However, as sizeable redemptions had to be made, particularly in the case of Schätze, gross central government borrowing was much higher at €22.5 billion. Central government raised €6.9 billion through the sale of Schätze, with the regular quarterly issue bearing an interest rate of 2.5%, thus making it possible to refinance an issue from September 2001, carrying a coupon of 3.75%, on favourable terms. Central government also raised substantial amounts by topping up the Bund launched in July 2003 with a coupon of 3.75% (€6.8 billion including market-smoothing operations) and through the Bubill tender (€6.4 billion including market-smoothing operations), the average yield of which, at 2.06%, roughly corresponded to the previous month's level. Bobls and bank loans contributed €1.3 billion and €1.0 billion, respectively, to gross borrowing.

In the period from January to September central government's borrowing in the market

Net borrowing in the market by central government

€ billion; 2003

Item	September		January-September	
	Gross	Net	Gross	Net
Change in money market debt	1.0	1.0	12.3	12.3
Change in capital market debt, total ¹	22.5	0.8	172.7	28.5
Treasury discount paper (Bubills)	6.4	1.4	46.3	3.1
Federal Treasury financing paper	0.0	-0.0	0.5	-0.4
Treasury notes (Schätze)	6.9	-3.0	33.1	6.7
Five-year Federal notes (Bobls)	1.3	1.3	29.6	9.1
Federal savings notes	0.0	-0.0	0.6	-4.2
Federal bonds (Bunds)	³ 6.8	0.8	³ 52.9	11.7
Bank loans	1.0	0.3	9.7	2.7
Loans from non-banks	-	-	-	0.9
Other debt	-	-	-	-1.2
Total borrowing	23.5	1.8	185.0	40.7

¹ *Memo item*: Planned borrowing for 2003 as a whole in the Federal budget: €204 billion gross, €19 billion net. — ² Including borrowing for the German Unity Fund: €37.5 billion. — ³ Including borrowing for the German Unity Fund: €6.9 billion (Sept) and €57.2 billion for the German Unity Fund and the ERP Special Fund (Jan-Sept).

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amounted to €185.0 billion gross and €40.7 billion net. This development indicates that the net borrowing requirement of not quite €19 billion budgeted for by central government for 2003 as a whole will be greatly exceeded, primarily because of shortfalls in tax revenue owing to the overall economic situation and the additional burdens incurred through the labour market expenditure. The amount of additional resources required will have to be quantified in a supplementary budget which the Federal Government is planning to submit to parliament soon. As regards the breakdown of the new borrowing, Bunds and Bobls played a particularly significant role, yielding €11.7 billion and €9.1 billion net, respectively. Sales of Schätze, which raised €6.7 billion, also made a major contribution. With net proceeds of €3.1 billion,

... and in the first three quarters

Bubills played a lesser role. Furthermore, €3.7 billion net has been raised this year via the „reactivated“ instrument of loans against borrowers' notes.

Securities markets

Bond market

Bond sales

The volume of issues in the German bond market decreased in August. Domestic borrowers issued bonds to a market value of €75.4 billion, compared with €104.6 billion in July 2003. Redemptions and changes in issuers' holdings of their own bonds amounting to €84.2 billion meant that the volume of domestic bonds outstanding was €8.8 billion lower in August. In July €16.1 billion (net) had been raised from sales of this kind of paper. On balance, €0.8 billion worth of foreign bonds were sold in the German market. Overall, €8.0 billion net worth of domestic and foreign bonds were thus redeemed in August.

Public sector bonds

In August the public sector increased its bond market debt by a mere €0.8 billion. The Federal Government sold €0.5 billion net of bonds (July: €8.9 billion). A €7.0 billion increase in the volume of ten-year Federal bonds (Bunds) outstanding was offset by a €6.6 billion decline in the volume of Federal notes (Bobls) outstanding. Net sales of 30-year Federal bonds and of two-year Federal Treasury notes raised €0.3 billion and €0.2 billion respectively. The *Land* governments increased their bond market debt by €0.1 billion.

The volume of bank bonds outstanding decreased by €10.8 billion net in August, following an increase of €11.3 billion in the previous month. Developments of “uncovered” other bank bonds, most of which have shorter maturities, were the main factor contributing to this decrease; the market volume of these bonds shrank by €11.5 billion. The volume of mortgage Pfandbriefe and public Pfandbriefe outstanding declined by €0.9 billion and €1.4 billion respectively. The only positive figure was for net sales of bonds issued by specialised credit institutions (€3.0 billion). Corporate bonds were sold for €1.1 billion net in August, compared with €0.2 billion in July.

Bank bonds and corporate bonds

In August the main buyers in the bond market were domestic non-banks. They added €13.5 billion to their bond portfolios, allocating almost equal amounts to purchases of domestic and of foreign paper. Domestic credit institutions, however, reduced their holdings of bonds and notes by €14.6 billion. They decreased both their holdings of domestic bonds (-€8.2 billion) and foreign bonds and notes (-€6.5 billion). Foreign investors sold €6.9 billion net of domestic bonds and notes. They purchased €1.6 billion net worth of public sector bonds and sold €8.5 billion of bonds issued by private borrowers.

Bond purchases

Equity market

Again hardly any funds were raised in the German equity market. In August domestic enterprises placed new shares to a market value of only €0.1 billion (July: €0.7 billion). These were solely shares of unlisted enter-

Share sales and purchases

prises. German equities were purchased primarily by foreign investors (€2.3 billion). The credit institutions added €0.8 billion net worth of German shares to their portfolios. By contrast, domestic non-banks sold domestic equities amounting to €2.9 billion in August, after having expanded their holdings again slightly in July (€0.6 billion).

Mutual fund shares

Sales and purchases of mutual fund shares

In August domestic mutual funds sold €2.5 billion worth of shares, compared with €1.3 billion in July. As in July, most of the funds accrued to mutual funds open to the general public (€1.8 billion). In August investors showed a preference for share-based funds, which sold shares amounting to €0.7 billion (July: -€0.1 billion). Open-end real estate funds sold shares amounting to €0.6 billion net, ie less than in the previous month (€1.4 billion). Investment in bond-based funds amounted to €0.5 billion and in mixed funds €0.4 billion. Money market fund shares were, however, redeemed for €0.3 billion. German mutual fund shares were purchased mainly by residents (€1.7 billion), primarily non-banks. Foreign investors added €0.8 billion worth of mutual fund shares issued by German investment trusts to their portfolios.

Balance of payments

Current account

In August, Germany's current account surplus, at €2.3 billion, was up on the previous month. This was partly due to a substantial decrease in the deficit on invisible current transactions, which is that part of the current

Sales and purchases of bonds and notes

Item	2003		2002
	July	August	August
Sales of domestic bonds and notes ¹	16.1	- 8.8	3.3
of which			
Bank bonds	11.3	- 10.8	- 2.7
Public sector bonds	4.5	0.8	5.1
Foreign bonds and notes ²	- 1.4	0.8	- 0.9
Purchases			
Residents	14.5	- 1.1	- 4.6
Credit institutions ³	6.0	- 14.6	- 5.9
Non-banks ⁴	8.6	13.5	1.3
of which			
Domestic bonds and notes	6.9	6.2	1.5
Non-residents ²	0.1	- 6.9	6.9
Total sales/purchases	14.6	- 8.0	2.3

¹ Net sales at market values plus/minus changes in issuers' holdings of their own bonds. — ² Transaction values. — ³ Book values, statistically adjusted. — ⁴ Residual.

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account comprising services, factor income and current transfers. As regards trade in goods, however, Germany saw a drop-off in its surplus.

According to provisional figures from the Federal Statistical Office, the foreign trade surplus in August fell, primarily due to seasonal factors, by €3.7 billion on the month to €10.4 billion. The elimination of seasonal factors resulted in only a slight decline in these figures, the reason being the stronger performance of imports in comparison with exports. In August, imports climbed 2% on the previous month, while exports increased by only 1%. Almost half of this growth in imports, however, is attributable to the higher prices of imported goods, whereas the trend in exports was almost exclusively influenced

Foreign trade

Major items of the balance of payments

€ billion

Item	2002		2003	
	August	July	July	August
I Current account				
1 Foreign trade ¹				
Exports (fob)	51.9	57.7	49.7	
Imports (cif)	41.3	43.6	39.3	
Balance	+ 10.7	+ 14.2	+ 10.4	
Memo item				
Seasonally adjusted figures				
Exports (fob)	56.4	55.1	55.7	
Imports (cif)	44.4	42.6	43.5	
2 Supplementary trade items ²	- 0.3	- 0.6	- 0.4	
3 Services				
Receipts	9.3	9.7	8.4	
Expenditure	15.2	13.9	13.1	
Balance	- 5.8	- 4.1	- 4.7	
4 Factor income (net)	+ 0.2	- 5.3	- 0.3	
5 Current transfers				
from non-residents	1.4	1.0	1.0	
to non-residents	2.8	3.8	3.7	
Balance	- 1.4	- 2.8	- 2.8	
Balance on current account	+ 3.3	+ 1.2	+ 2.3	
II Capital transfers (net) ³	+ 0.1	+ 0.1	+ 0.2	
III Financial account (net capital exports: -)				
Direct investment	+ 0.7	- 2.1	+ 4.8	
German investment abroad	+ 1.6	- 5.4	+ 1.9	
Foreign investment in Germany	- 1.0	+ 3.4	+ 2.8	
Portfolio investment	+ 10.0	- 0.8	- 5.7	
German investment abroad	+ 2.7	- 1.2	- 1.3	
of which				
Shares	+ 2.4	- 2.5	- 0.2	
Bonds and notes	+ 1.7	+ 2.8	+ 1.7	
Foreign investment in Germany	+ 7.3	+ 0.4	- 4.4	
of which				
Shares	- 0.9	+ 1.0	+ 1.7	
Bonds and notes	+ 1.1	+ 3.3	+ 2.4	
Financial derivatives	- 1.9	+ 1.2	+ 0.3	
Credit transactions	- 14.8	+ 2.7	- 4.9	
of which				
Short-term	- 14.1	+ 25.5	- 3.6	
Enterprises and individuals	- 2.0	- 4.2	+ 7.3	
General government	+ 3.3	+ 0.4	+ 0.7	
Bundesbank	- 6.5	- 16.6	- 2.3	
Other investment	- 0.2	- 0.2	- 0.1	
Overall balance on financial account	- 6.2	+ 0.8	- 5.5	
IV Change in the foreign reserves at transaction values (increase: -) ⁴	+ 0.9	+ 0.2	- 0.7	
V Balance of unclassifiable transactions	+ 1.9	- 2.3	+ 3.7	

¹ Special trade according to the official foreign trade statistics (source: Federal Statistical Office). — ² Mainly warehouse transactions for account of residents and deduction of goods returned. — ³ Including the acquisition/disposal of non-produced non-financial assets. — ⁴ Excluding allocation of SDRs and excluding changes due to value adjustments.

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by volume effects. In the combined June-August period, exports were 1% up on the previous period (March-May), whereas imports were down by almost 3%.

The deficit on invisible current transactions with non-residents slipped to €7.7 billion in August from €12.3 billion in July. This was primarily due to the considerable drop in factor income payments to non-residents, which slumped to €0.3 billion net in August (compared with €5.3 billion in July). In contrast, the deficit on services, at €4.7 billion, was somewhat higher than the previous month. Net expenditure on current transactions remained virtually unchanged at €2.8 billion.

Invisibles

As regards portfolio transactions with non-residents, August saw a slight acceleration in the outflow of funds (€5.7 billion net compared with €0.8 billion in July). This was largely the result of foreign investors trimming their net holdings of German securities (€4.4 billion) after having already shown only marginal interest in acquiring such securities the previous month (€0.4 billion). They divested themselves exclusively of German money market paper (€9.3 billion) and, in return, invested €2.4 billion in German bonds and €1.7 billion in shares. German savers, too, were rather hesitant in investing in the international securities markets, as in the previous month (€1.3 billion in August and €1.2 billion in July). They invested primarily in foreign money market paper (€2.5 billion) – alongside shares (€0.2 billion) and investment fund certificates (€0.2 billion) – but, in so doing, sold a net €1.7 billion worth of bonds.

Portfolio investment

*Direct
investment*

Unlike portfolio investment, direct investment resulted in a net capital inflow of €4.8 billion, compared with a net outflow of €2.1 billion in July. German direct investment abroad fell by €1.9 billion net, primarily due to loan repayments made by non-resident branches and subsidiaries to their German parent companies. Foreign proprietors, however, strengthened their foothold in Germany by injecting €2.8 billion of capital into their German branches.

net inflows of €7.3 billion, with enterprises predominantly scaling back their short-term balances with foreign banks. In addition, the public authorities borrowed €0.7 billion net from abroad. By contrast, the non-securitised external transactions of the entire banking system – including the Bundesbank's transactions, which are classified as credit transactions – led to exports of funds totalling €12.8 billion. In this regard, the balances of the TARGET payment system were only of secondary importance.

*Credit
transactions*

In the field of non-securitised credit transactions, the financial transactions of enterprises and individuals with non-residents resulted in

The foreign reserves of the Bundesbank rose – at transaction values – by €0.7 billion in August.

*Foreign
reserves*



Germany's competitive position and foreign trade within the euro area

Joining monetary union represented a major turning point for the German economy. The introduction of the euro means that foreign trade with euro-area partner countries can now be conducted in a common currency. As a result, there are no longer any exchange rate risks, and transaction costs are reduced. The launch of monetary union therefore promised a further increase in trade with the other countries of the euro area. Besides creating trade, monetary union is also expected to redirect trade. Enterprises may find it more (cost-)effective to substitute intra-EMU trade for some of the trade previously conducted with non-euro-area countries. However, the empirical findings on German foreign trade in the first four and a half years of monetary union only partially substantiate these lines of reasoning. There has indeed been quite sharp growth in Germany's trade with its EMU partners since 1999, but the increase in trade with countries outside the euro area has been even greater. When these findings are being interpreted, however, due account has to be taken of the fact that growth differentials and shifts in price competitiveness have mainly stimulated trade in goods with non-euro-area countries.

Theoretical considerations relating to the impact of monetary union on foreign trade

Economic findings

Following the customs union and the single market, monetary union is a further step in European economic (and political) integration. Economists have long been discussing the implications of such regional and monetary integration for foreign trade. The literature identifies three mechanisms, in particular, through which a monetary union might generally stimulate trade among the participating countries.

- First, there are declining transaction costs because cross-border trade within the currency union (intra-trade) can be conducted in a single currency and therefore no longer entails an exchange of currencies.
- Second, in the monetary union there are no longer any fluctuations in the nominal exchange rates. In principle, this should encourage intra-trade. Although it is fundamentally possible to hedge against exchange rate risks, this incurs currency hedging costs which increase along with the length of the planning horizon. Over extended periods, however, an enterprise engaged in foreign trade will be able to protect itself directly against exchange rate fluctuations only with difficulty or not at all. This is likely to apply mainly to small and medium-sized enterprises which have only limited means to deploy indirect hedging, say, by diversifying their production sites across national borders, and this, it is argued, might pose an obstacle to

precisely such enterprises in developing their foreign trade.¹

- Third, it is to be expected that increased price and cost transparency will lead, via lower prices, to an upturn in demand and thus – at least in real terms – to more intense trade.

It is reasonable to assume that, for these reasons, exporting enterprises benefit from the creation of a monetary union. Furthermore, firms for which the costs of foreign trade have hitherto presented a barrier should also increasingly start to participate in cross-border trade. This is likely to lead to an acceleration in the foreign trade of countries taking part in monetary union. Such an effect is described as “trade-creating”.

Trade-creating effects and...

Another – at least theoretical – outcome of a monetary union is the redirection of trade. For the reasons mentioned, monetary union makes cross-border trade within the single currency area more attractive than trade with non-euro-area countries. Intra-trade therefore tends to replace the exchange of goods with non-euro-area countries if such trading is still subject to exchange rate uncertainty and matching transaction costs. Following the creation of a single currency area and the associated intensification of intra-trade, the share of intra-trade in the total foreign trade

... trade-redirecting effects

¹ In the literature, there are varying assessments of the impact of exchange rate risks on foreign trade. The available studies suggest that the trade of industrial countries, in particular, is only slightly curtailed, if at all, by exchange rate risks. See IMF, *World Economic Outlook*, September 2003, p 92 f.

of the countries participating in the currency union should therefore increase.

Empirical findings

Empirical studies come to very widely varying conclusions with regard to the quantitative impact of a monetary union on foreign trade. Andrew Rose, for example, uses a gravity model which is expanded by the membership of a currency union to show that the members of a monetary union can have bilateral trade flows which are three times as large as those of other countries.² However, his dataset covers mainly fairly small and comparatively poor countries as well as currency unions which each have one large dominant economy. The findings are therefore not directly applicable to European monetary union. Recent studies also take account of the causes of the intensity of trade between, for example, neighbouring countries that are not due solely to monetary union.³ With an estimated growth in the volume of trade amounting to just over 50 %, these studies produce significantly lower, albeit still substantial figures. On the basis of various studies, the British Treasury recently came to the conclusion that joining European monetary union might increase the United Kingdom's trade with the euro area by between 5 % and 50 % without simultaneously affecting the trade of goods with other countries.⁴ The wide spread of the figures cited reveals the large degree of uncertainty surrounding such estimates of monetary union's effects on foreign trade. Moreover, it is to be expected that such effects will be achieved only in the long term and not after just a few years. Despite such reservations, it is interesting to study the relevant experience of Germany in the first

few years after the changeover to the single currency.

Development and major determinants of German foreign trade since the launch of monetary union

Overall, there has been a sharp increase in German foreign trade since the launch of monetary union. This was especially the case in 1999 and 2000. Up to the first half of 2003, exports of goods grew by a seasonally adjusted average of 7 % in nominal terms with a matching figure for imports of 5½ %. Part of the growth – mainly in imports – was due to higher prices, however. In real terms, the annual increase was therefore only 6 % on the export side and just over 3½ % on the import side.⁵

Development of German foreign trade

Trade in goods has also increased significantly faster than gross domestic product (GDP). The German economy's degree of openness, defined as the sum of exports and imports of goods in relation to GDP, was roughly 56 % in the first half of 2003. It was therefore higher than in the late 1980s for the Federal Republic of Germany as its territory was defined at that time. On the import side, the continuing economic downturn of the past three years

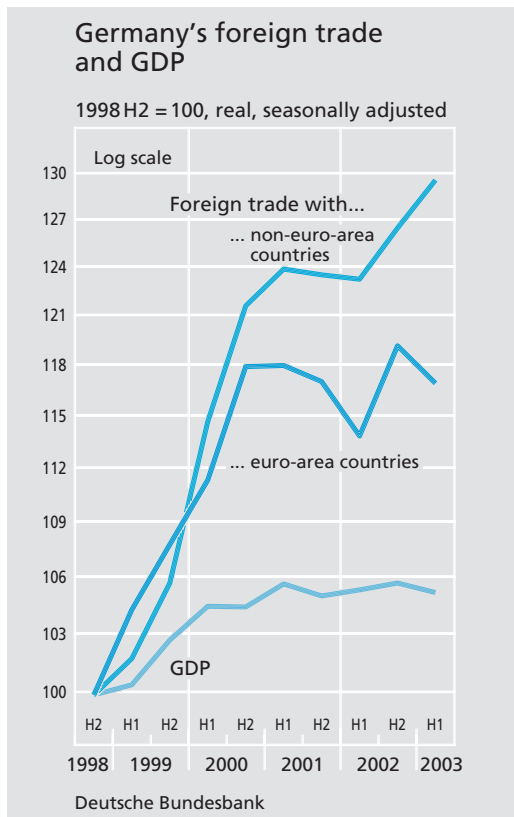
Increasing degree of openness

² See A K Rose (2000), One money, one market: Estimating the effect of common currencies on trade, *Economic Policy*, 30, pp 7-45.

³ See A K Rose and E van Wincoop (2001), National money as a barrier to international trade: The real case for a currency union, *American Economic Review*, 91(2), pp 386-390.

⁴ See HM Treasury (2003), EMU and Trade, p 60.

⁵ As far as possible, export and import figures have been deflated using the relevant price indices or, alternatively, using unit value indices.



has ultimately had a dampening impact on the activities of German importers.

Owing to the comparatively rapid export growth, Germany has been able to achieve a further slight increase in its real market share in world trade since the launch of monetary union. Between 1998 and 2002, this share went up by around 1 percentage point to 10½ %, after having already picked up from its 1995 low in the three years before. The German economy's regained competitive strength also has to be seen in the context of new opportunities for foreign trade expansion arising mainly from the opening of the central and east European economies (see explanatory notes on pages 20-21).

Regionally, at an average annual rate of 6 % in the past four and a half years, the expansion of German foreign trade (exports and imports taken together) with non-euro-area countries was sharper in real terms than the growth in intra-trade (3½ %).⁶ However, this had also been the case, for example, in the eight years prior to monetary union. The expected effects of monetary union (and at least in some respects, those of the single market) in boosting and redirecting trade – which should have benefited mainly intra-trade – are not immediately identifiable in these figures for Germany.

Intra-trading versus external trading

As already mentioned, when evaluating these discrepancies, due account should be taken of the fact that the effects which monetary union has on foreign trade undoubtedly emerge only in the long term and may therefore appear, if at all, only in embryonic form during the period observed. In the periods under observation here, experience has shown that the effects emanating from the growth of export markets and the composition of goods demanded by non-residents are dominant. Furthermore, changes in price competitiveness have an influence on the development of exports and imports.^{7,8} More-

Reasons for the discrepancies

Increasing real global market shares

⁶ In order to ensure comparability, Greece (which did not adopt the euro until 2001) was assigned to the euro area for the entire period under observation.

⁷ Although foreign demand has a direct impact only on German exports, it also has an indirect, albeit weaker impact on imports owing to the large import content of the exports.

⁸ The extent to which changes in price competitiveness affect foreign trade as a whole (exports and imports) depends on enterprises' pricing behaviour and on the elasticities of exports and imports. It may be assumed that an improvement in price competitiveness stimulates exports and dampens imports; the net effect can only be determined empirically. For Germany, econometric studies indicate that, in terms of their price competitiveness, exports have a higher elasticity than imports, thus producing a positive net effect.

over, not only have there been shifts in price competitiveness between Germany and non-euro-area countries – resulting primarily from changes in the euro exchange rate. There have also been shifts in price competitiveness within the euro area owing to varying developments in costs and prices.

Growth differentials

Taking the period 1999-2003 as a basis, the growth of the non-euro-area economies has been distinctly more rapid than that of Germany's partner countries in the euro area. The International Monetary Fund (IMF) estimates growth in the world economy during this period to have averaged 3½ % annually; if Germany is excluded, however, the euro area expanded up to the first half of 2003 by an annual average of no more than just under 2½ %. Non-euro-area trading partners' demand for German goods is therefore also likely to have been stronger.

Structure of demand

Given the existing patterns of specialisation in German foreign trade with a concentration on capital goods (including motor vehicles), the structure of foreign demand may also have been a major factor in the development of exports. There are only incomplete relevant data on this, however. Moreover, IMF and OECD estimates of fixed capital formation for the period 1999-2003 show hardly any differences between the advanced economies as a whole and the euro area (excluding Germany). Thus, the structure of demand evidently does little to explain the discrepancies in regional export developments.

A similar picture to that in world economic growth emerges if developments in import

demand in Germany's major markets are considered. Since the launch of monetary union, imports of goods by the other euro-area countries – Germany's major export market accounting for roughly 43½ % of all German exports – have risen by an annual average of no more than 2½ % in real terms whereas the IMF estimates that global trade has grown by just under 5 % during this period.⁹

Regional demand developments

As already mentioned, other competitors have contributed to these regional differentials. These countries are attempting to establish their place in the international division of labour. Especially important, from a German perspective, is the fact that the two-way trade in goods with the countries of central and eastern Europe has been showing decidedly buoyant growth since the opening of the Iron Curtain. These countries' geographical proximity to Germany, cost advantages in production and the high level of German direct investment in the region have all been major factors in this development.

Increasing importance of central and east European countries

The above-mentioned demand trends both in and outside the euro area have been accentuated by changes in price competitiveness. The depreciation of the euro in the first two years of monetary union led for a time to a significant improvement in the price competitiveness of the German economy (and of the other euro-area economies) vis-à-vis the non-euro-area economies. Even the ensuing ap-

Shifts in price competitiveness...

⁹ The IMF bases its calculation of world trade on total exports and imports of goods. As the differentials in the average growth rates are minor, however, the basic statement that global economic growth has been markedly stronger than the growth in other euro-area countries' intra-imports of goods still holds.

International competitiveness of the German economy and of the other euro-area countries

An economy's international competitiveness is determined by a whole series of price and non-price factors. In general, price competitiveness is assessed with particular reference to cost and price relationships between the domestic economy and its foreign competitors after adjustment for exchange rates – ie expressed in one currency. Such indicators are calculated in a variety of ways for both Germany and the euro area as a whole. Experience has shown that the best indicators of real price competitiveness are those which capture the relative prices and costs of internationally traded goods as comprehensively as possible.¹ The indicators used for Germany are the relative deflators of total sales and unit labour costs in the corporate sector, both of which show a quite similar profile. For the euro area, the ECB provides comparable indicators with the real effective exchange rate of the euro based on unit labour costs in the economy as a whole and the GDP deflator.²

For the period since the launch of monetary union, these indicators largely show a comparatively favourable degree of price competitiveness for both Germany and the euro area as a whole. For example, based on the deflator of total sales in the period from early 1999 to the second quarter of 2003, Germany's mean price competitiveness vis-à-vis its major non-euro-area trading partners was around 10½% up on its long-term average since 1975. For the euro area as a whole, the comparable real external value of the euro based on the GDP deflators likewise points to competitive advantages (of roughly 7½%).³ In both cases, the main reason for this was the depreciation of the euro in the first two years of monetary union. An additional factor from the German perspective was that, owing to a lower rise in costs, domestic enterprises' price competitiveness also showed

an improvement against that of competitors from other euro-area countries.

In addition to price and cost factors, which are captured by the described indicators, an economy's international competitiveness is also influenced by other variables such as product quality, customer service, punctuality of delivery, capacity for innovation and flexibility. Such qualitative features are difficult to capture in their totality. For that reason, the result of enterprises' foreign trade activities is often used as a basis, and shares of the world market which reflect all competitive factors are applied as a reference variable for assessing competitiveness. Nevertheless, when interpreting world market shares, it should be borne in mind that, up to a point, they are "backward-looking" indicators which tend to reflect an economy's past strengths and weaknesses rather than its future ones.

Furthermore, the world market shares which are normally used and which are based on nominal variables may give a distorted impression if there are sharp exchange rate movements. The sharp depreciation of the euro against the US dollar in 1999 and 2000, for example, led to a decline in Germany's (nominal) share of the world market although other indicators, such as growth in (real) exports and relative costs and prices indicated an improvement in price competitiveness. The assessment of an economy's competitive position should therefore be based on real (rather than nominal) world market shares which are adjusted for exchange rate and price effects.⁴

In the recent past, the German economy's real world market shares have largely been consistent with its price

¹ For indicators of price competitiveness, see Deutsche Bundesbank, Real exchange rates as an indicator of international competitiveness, *Monthly Report*, May 1994, pp 45-57, and The indicator quality of different definitions of the real external value of the Deutsche Mark, *Monthly Report*, November 1998, pp 39-52. — ² See European Central Bank, Developments in the euro area's international

cost and price competitiveness, *Monthly Bulletin*, August 2003, pp 67-74. — ³ The relevant time series only stretches back to 1991, however. — ⁴ For the calculation of real world market shares, see Deutsche Bundesbank, Foreign trade and payments, *Monthly Report*, November 2002, p 40. — ⁵ The exports listed in the customs statistics, showing the fob value of the goods, were used for the calculation. —

competitiveness on the world markets (see adjacent chart).⁵ Since the mid-1990s, Germany has recorded a sharp increase in real world market shares – an increase which continued after the launch of monetary union. At 10½% in 2002, Germany gained a larger share of the world market than at any time since the early 1990s.⁶

What is noteworthy in this context is that, of all the euro-area countries whose price competitiveness benefited in a similar fashion from movements in the euro exchange rate, it is, above all, Germany that has significantly expanded its real world market share since the launch of monetary union (+1 percentage point). The other euro-area countries' total share of real global exports remained nearly unchanged during this period, however. If individual countries are considered, it was only Ireland – a country catching up with the advanced economies – that likewise achieved a slight gain in market share (around ¼ percentage point), while Italy and Belgium lost ground somewhat internationally.

The shifts in shares of world trade are also to be seen in the context of the advances made by the emerging economies in South-East Asia and the ongoing integration of central and eastern Europe into the global economy. This has resulted in the industrial countries suffering losses in overall market shares in foreign trade since they have been replaced in some cases by other suppliers. By contrast, the German economy has been able to strengthen its international competitive position, mainly because it has used the opportunities presented by trade with the countries of central and eastern Europe. The geographical proximity to Germany of these economies has undoubtedly been a major advantage in this process.

⁶ The subsequent decline in world market share was caused not only by a deterioration in price competitiveness but also by domestic output being redirected to eastern Germany in the wake of reunification. — ⁷ At 1999 prices. — ⁸ Inverted scale: rising curve (decline in values) denotes an increase in competitiveness — ⁹ Compared with 19 industrial countries based on the deflators of total sales. — ¹⁰ See



Owing to a high level of direct investment, German enterprises have also opened up new markets in this region and ensured the competitiveness of their domestic output, as far as this has been possible, by means of cost-effective subcontracting of supplies.¹⁰ At the same time, there has been a sharp increase in the two-way trade in goods (by an annual average of just under 12% since the launch of monetary union). This now accounts for 13% of total German foreign trade (exports and imports combined) and a good 22% of trade with non-euro-area countries.

also Deutsche Bundesbank, Germany's relative position in the central and east European countries in transition, *Monthly Report*, October 1999, pp 15-27.



appreciation of the single currency up to the early summer of 2003 did not entirely offset this competitive edge. In the second quarter of 2003, German enterprises' price competitiveness vis-à-vis economies outside the euro area was still somewhat better than on a long-term average since 1975, which may serve in this context as a yardstick for a neutral competitive position. That is at least the case when applying the broadly defined indicator of the German economy's price competitiveness based on the price deflators of total sales, which the Bundesbank calculates on an ongoing basis. The price and cost advantages enjoyed by German producers become clearer if the entire period since the introduction of the euro is taken into consideration. The mean price competitiveness of the German economy in this period has

been 10½% better than on a long-term average.

Since the launch of monetary union, there have also been shifts in the price competitiveness of the German economy vis-à-vis the other countries of the euro area. Owing to the single currency, however, these shifts have been due to differing developments in prices and costs among the individual participating countries rather than to exchange rate movements. By mid-2003 the price competitiveness of German producers in relation to that of their euro-area competitors had improved quite significantly (namely, by around 5%) compared with its level at the end of 1998. If the mean indicator value for the period since early 1999 is taken as a basis (as done above for the non-euro-area countries)

*... also within
the euro area*

and compared with its long-term mean value, it becomes apparent that, by this yardstick, Germany has possessed competitive advantages within the euro area, too, since the adoption of the euro (around 2%), although these have been smaller than those vis-à-vis non-euro-area countries.

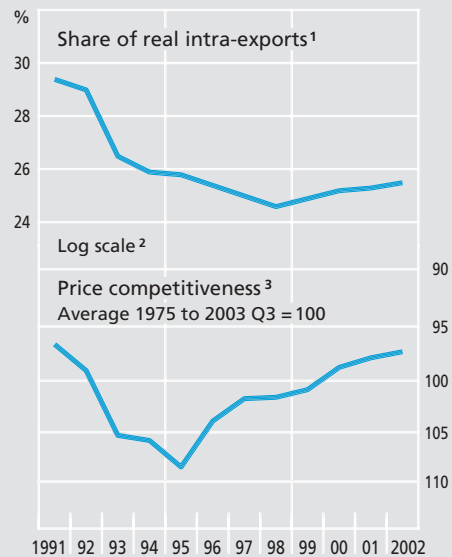
Wage cost indicators

A similar, though not quite so favourable picture is produced by measuring competitiveness on the basis of relative unit labour costs in the corporate sector rather than on deflators of total sales. On this basis, Germany's competitive position vis-à-vis the other euro-area countries during the period from early 1999 to mid-2003 was somewhat less favourable than when the deflators of total sales are used. The difference is mainly attributable to cost advantages deriving from imported inputs, which are reflected in the more broadly defined indicator of total costs.

Interim outcome

It may be noted provisionally that the described dynamics of demand as well as the marked improvement in German producers' price competitiveness have contributed to the comparatively sharp growth in German foreign trade with these non-euro-area countries and may have partially obscured the supposed effects of monetary union. Moreover, the recent downturn in the euro area has curbed Germany's cross-border trade in goods with partner countries in the monetary union; even the slight improvement in Germany's competitiveness vis-à-vis the other euro-area countries has not been able to offset this development entirely. Despite the comparatively slight increase in German exports of goods to other euro-area countries,

Germany's competitive position within the euro area



1 At 1999 prices. — 2 Inverted scale: rise in curve (fall in values) denotes an increase in competitiveness. — 3 Compared with the other euro-area countries.

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German exporters have increased their market shares not only in the world market as a whole but also within the euro area.

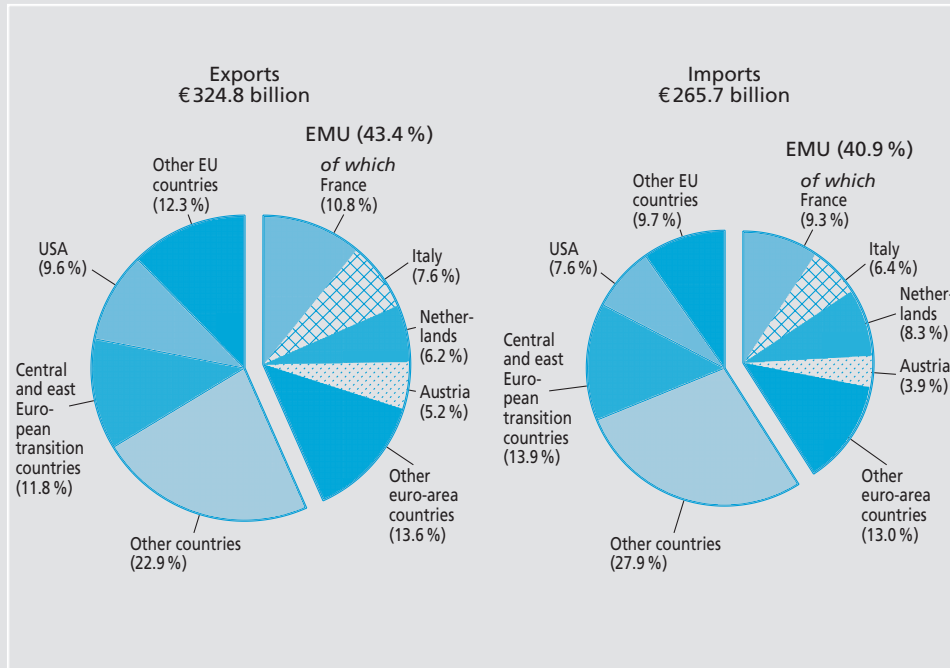
German intra-EMU trade since the launch of European monetary union

The increases in market share within the euro area are revealed by expressing German exports to other euro-area countries as a ratio of intra-EMU trade as a whole (in real terms). In the first half of 2003, this indicator amounted to around 25½%. Since 1998, the last year prior to monetary union, it has

Increases in market share also within euro area

Regional breakdown of German foreign trade

2003 H1



Deutsche Bundesbank

therefore increased by roughly 1 percentage point.¹⁰

The fact, described here, that German exporters have held their own well in comparison with suppliers from other euro-area countries is occasionally also modelled by export performance. This is not based on market shares but on exports in comparison with export market potential. Since German exports to the other euro-area countries since the launch of monetary union have grown more rapidly than those countries' intra-imports overall, German suppliers' export performance in the euro area, between the launch of monetary union and mid-2003, increased by an average of just under 1½ % annually.¹¹

If the growth of German exports to the individual euro-area countries is considered, these exports likewise reflect (in addition to other factors) both demand effects and changes in price competitiveness. Between early 1999 and the first half of 2003 German

Exports to individual countries

¹⁰ The calculations of German market shares of total euro-area exports are based on Eurostat data. To avoid double counting as well as errors and omissions, the regional classification of these data does not entirely match the methodology used by the Federal Statistical Office. In particular, flows of goods from non-euro-area countries are captured as transactions with non-euro-area countries only by the country to which they were delivered for customs purposes. For the intra-trade flows, this means that they are ascribed to the country of consignment and not to the actual country of origin.

¹¹ For the purpose of the calculation, the other euro-area countries are regarded as a single economic area. The OECD, in its *Economic Outlook*, uses a comparable procedure for determining export performance. For the methodology, see M Durand, J Simon and C Webb (1992), OECD's indicators of international trade and competitiveness, *OECD Economics Department Working Papers* No 120, p 21.

enterprises achieved a disproportionately large increase in exports to, for example, the comparatively strong-growth countries of Spain (annual average growth of 10½%), Greece (8%) and Ireland (7%) while these countries simultaneously lost very significant ground – if measured by the deflator of total sales – to domestic suppliers. This also applies, albeit to a lesser extent, to Italy, which is also a major market for German exports within the euro area (+7½% between early 1999 and the first half of 2003) but whose economy showed no more than relatively moderate growth in the period under review. In the case of other countries – such as Belgium, Portugal and Austria – where cost developments were more unfavourable than in Germany or which had growth rates below the euro-area average, the increase in German exports was slower than in German intra-exports overall.

*Breakdown of
exported goods*

Identifying the change in German exporters' euro-area market share in terms of the breakdown of goods is more difficult than a regional analysis. German exporters' specific (real) market shares in intra-trade in intermediate, capital and consumer goods may be calculated in line with their predominant use either for production or consumption;¹² these have remained virtually unchanged since the launch of monetary union, however. To which product categories Germany's gain in market share is to be attributed is therefore initially unclear. At all events, the data show that cross-border trade in capital goods – as a share of Germany's total foreign trade – increased in real terms in the first three years of monetary union; this applies *pro rata* to intra-



trade in capital goods as well. Nevertheless, given the global weakness in investment, these shares fell perceptibly in 2002. On the export side, the German capital goods sector had a roughly 31½% share of aggregate intra-trade in this segment last year. Germany's (real) export market shares in the euro area are smaller in the case of intermedi-

¹² For these three goods segments, the BEC (Broad Economic Categories) classification is used. Intermediate goods include unprocessed or processed food, drinks, other material such as building materials, paper, textiles, metals, fuels and lubricants (with the exception of petrol) as well as parts and accessories for capital goods and motor vehicles, predominantly produced for use in production. Capital goods include machinery and motor vehicles but not private motor vehicles and associated parts and accessories. Consumer goods are deemed to be durable and non-durable goods produced for consumption but excluding food, drinks, private motor vehicles and relevant accessories.

Germany's shares of
intra-EMU exports
by category of goods*



Source: Eurostat and Bundesbank calculations. — * At mean values.

Deutsche Bundesbank

ate goods (23½%) and consumer goods (17½%).¹³

*No classification
of exported
goods*

One serious drawback of the classification of goods by Broad Economic Categories is its failure to assign what in recent times has been an increasing proportion of goods to one of the three main categories. This applies, for example, to private motor vehicles even though it is precisely this sector that is of major importance for the German economy, with motor vehicle and vehicle parts – accounting latterly for 19% of total German exports – playing a very significant role in the export sector, too. Moreover, it is mainly with motor vehicles that Germany has achieved its notable track record of success in exports over the past few years. However, the aforementioned growth differential and

(price) competitiveness mean that this has been achieved, for the most part, outside the euro area. In any case, between 1999 and 2002, total German exports of motor vehicles went up by an annual average of 9½%, which was a significantly faster rate of increase than that in exports as a whole. The only area in which German exporters achieved comparable rates of growth was in information and communications technology (ICT) even though exports of this category of goods slumped in 2002. By contrast, at around 7%, German motor vehicle exports to other euro-area countries grew (in nominal terms) at only a slightly faster pace than German intra-exports overall.

In the case of German imports of goods, the other euro-area countries have, to a small extent, surrendered "market shares" to non-euro-area countries (down from 46% to 45% in real terms) since the launch of monetary union. In actual fact, the opposite might have been expected – not only on account of the trade-creating effect of monetary union but also because of the temporary depreciation-induced gain in price competitiveness by enterprises in the euro area vis-à-vis suppliers from non-euro-area countries. What was evidently more significant, however, was the strong competition from central and east European countries in the German market. By the end of the period under review, these countries had increased their share of German imports to 14%. In the past four years German imports from the other

*Imported goods
by region and
category*

¹³ The analysis by region and category of goods presented here is based on annual figures up to and including 2002.

euro-area countries have shown only very weak growth mainly in those categories of goods "occupied" by the new competitors, such as mechanical engineering products, ICT and vehicles.

However, when euro-area suppliers are compared with each other, differing developments in prices and costs – in addition to special factors – have certainly played a part. For example, countries with above-average rises in costs, such as Italy, Greece and Portugal, have lost market shares to German intra-imports while countries with a flatter development in costs, such as Austria and Finland, have gained shares. The special developments in ICT, which has been subject to sharp fluctuations during the past few years, has impacted on German imports from Ireland. Despite showing a fairly large decline in some years, in the first half of 2003 they were still significantly up on the corresponding figures prior to monetary union.

Summary and conclusions

Conclusion

There has been a marked increase in German foreign trade during the past four and a half years, although the launch of monetary union is likely to have played no more than a

minor role in this development. Factors of greater significance were undoubtedly the, at times, strong demand stimuli (principally from outside the euro area), the relatively favourable price competitiveness of German suppliers and the trend towards the internationalisation of production, which was given a further boost by the integration of the central and east European transition countries. Not least for that reason, German foreign trade with non-euro-area countries has increased more sharply than intra-trade with the euro-area partner countries. Even so, German enterprises have also held their own in competition with suppliers from the other euro-area countries and have slightly increased their market shares of intra-EMU exports. This demonstrates – as do other indicators – the competitiveness of the German export sector compared with enterprises from other euro-area countries. However, the fact that the high rates of growth in German foreign trade were achieved mainly in 1999 and 2000 and the marked flattening of exports since 2001 during the global economic downturn also reveal the major importance of a favourable world economic environment for German foreign trade. The generally expected upturn in the global economy and in world trade is therefore likely to provide the German economy with a new impetus.



The economic situation of small and medium-sized enter- prises in Germany

Small and medium-sized enterprises in Germany are currently facing a particularly difficult situation. An evaluation of the Bundesbank's corporate balance sheet statistics according to size classes, presented here for the first time, confirms this assessment. In the sectors analysed, the persistent sluggish growth environment has had a greater impact on the earnings of small and medium-sized enterprises (SMEs) than on those of large firms. This is likely to have been due mainly to the greater relative dependence of SMEs on the (weak) domestic economic activity. Moreover, the financing conditions for small and medium-sized firms, which had already been tight for some time, have deteriorated further. In particular, the low level of own funds represents a major weakness. Given the large amount of SMEs' outstanding bank borrowing coupled with the banks' heightened risk awareness, improving the equity capital base is likely to be a major priority for many small and medium-sized enterprises in the next few years. In this context, it is imperative that they boost their profitability. Significant economic policy measures have already been initiated in this context. The labour market and social security system reforms currently being discussed will also assist small and medium-sized enterprises, which as a rule, are fairly labour-intensive.

Overall economic environment

Sluggish domestic economic environment has greater impact on SMEs

The German economy has been in a state of virtual stagnation since mid-2000, which has had an especially negative impact on small and medium-sized enterprises (SMEs), also known in Germany as the *Mittelstand*. One major reason for this is that the root of the weak growth momentum can be found mainly in the trend in domestic demand, on which small and medium-sized enterprises are generally far more dependent than large enterprises. The latter, as is illustrated in greater detail below, are usually more export-orientated and more diversified. In addition, the construction industry, which has been in a severe adjustment crisis since the mid-1990s, consists predominantly of small and medium-sized enterprises. Given macroeconomic growth from mid-2000 to mid-2003 of merely ¾% in working-day-adjusted terms, real domestic demand declined by 1¾%, whereas real exports as defined in the national accounts expanded by 8%. Now, however, the growth phase in exports has also halted. In the first half of 2003 seasonally adjusted real exports fell by 1½% vis-à-vis the second half of 2002. In addition to the weak global economy, the situation has been compounded in particular by the preceding strong appreciation of the euro against the US dollar.

Cyclical divergence since the mid-1990s

The basic pattern of weak domestic demand coupled with a relatively robust export business was also typical for most of the 1990s. From 1993, when the German economy was in a cyclical trough, until 2000 real domestic demand – although it did not contract – recorded a relatively low average annual pace

of expansion of 1¾%, while exports grew by 8% per year. All in all, however, macroeconomic growth in this period rose by an annual average of less than 2% and thus by a far smaller margin than the other large industrial nations with the exception of Japan. Since the reunification boom petered out in the early 1990s, Germany has mostly registered the poorest economic performance of all the euro-area countries.

In the industrial sector the contrast between sluggish domestic business and robust export business was even more pronounced than in the economy as a whole. According to the official statistics¹ domestic turnover increased by 16% from the cyclical low in 1993 up to 2002; in the same period, foreign sales nearly doubled.

Especially pronounced in industry

The persistent weakness of the domestic economy has resulted in small and medium-sized enterprises being confronted mostly with a weakening demand for nearly ten years now. Moreover, in economically difficult times large companies seek to push down the prices of the intermediate goods they purchase. As a result, smaller supply companies, which as a rule do not have much bargaining power vis-à-vis large customers, often see their thin margins eroded further.

According to data from the Institute for SME Research (IfM),² which are based on a special analysis of turnover tax statistics for 1999

SMEs' relatively low export ratio

¹ Federal Statistical Office's monthly report on mining and manufacturing.

² See B Günterberg and H J Wolter, Unternehmensgrößenstatistik 2001/2002, *IfM Materialien* No 157, Bonn 2003, pp 131 ff.

conducted on behalf of the Institute, the differences in the export orientation of large enterprises and small and medium-sized enterprises are quite considerable. In this survey, only enterprises which are active in the export business were analysed. The export ratio, ie export turnover as a percentage of overall turnover, of large exporting enterprises with an annual turnover of more than DM100 million was 23.7%, which was considerably higher than enterprises in the smaller size classes (not including small enterprises with an annual turnover of below DM100,000). Export ratios there ranged from 12½% to 19% in 1999. This finding is further accentuated by the fact that many SMEs, in particular in the construction industry and in the retail trade, are not (directly) involved in export business at all.

Definition and economic position of small and medium-sized enterprises

Definition of SMEs ...

The statistical definition of small and medium-sized enterprises is normally based on the criteria "annual turnover" and "number of employees". Even though there is no uniform national and international definition, in Germany the definition of the Institute for SME Research has found widespread use. According to this definition, firms are classified as small enterprises if they have less than €1 million in annual turnover and up to nine employees. Medium-sized enterprises are those with €1 million to €50 million in annual turnover and between 10 and 499 employees. Firms with greater turnover and larger staff are classified as large enterprises.³ For the fol-

lowing analysis of the profitability and financing of SMEs, however, the classification according to annual turnover is the only relevant factor since the annual accounts, which are evaluated in the context of the Bundesbank's corporate balance sheet statistics, do not all contain data on the number of employees, thus making the criterion of number of employees inapplicable.

The small and medium-sized enterprises which have been classified as such according to the number of employees and turnover are to be considered enterprises of the *Mittelstand* in the stricter sense if they also fulfil additional qualitative criteria. Besides management by the owner, these include autonomous economic activity, which notably requires complete or virtually complete independence of any larger economic entity. According to the European Commission's definition, this condition is met if the capital interest held by a large firm in an SME is below 25%. However, even the presence of formal independence is not always an accurate indicator of the actual leeway an independent small or medium enterprise has for decision-making. An SME may have very little real freedom, for example, if it is dependent on only a few large customers which determine to a large extent its product features, prices as well as other business terms and conditions.

... and of the
Mittelstand

³ The turnover threshold separating small and medium-sized enterprises from large enterprises matches the new threshold contained in the European Commission's draft of 2001 amending the recommendation of 1996 concerning the definition of small and medium-sized enterprises. According to this, the threshold value for the number of employees (249), however, will continue to be markedly lower. The Commission's definition also includes the criterion of an annual balance sheet total of no more than €43 million.

However, such a classification according to the degree of independence cannot be made in the extrapolations of the Bundesbank's corporate balance sheet statistics since the turnover tax statistics do not include such data.⁴ This article can therefore focus only on the quantitative definition. However, the resulting inaccuracies are not very great. In the Bundesbank's source material, 93½% of SMEs are independent enterprises. This is in line with the IfM's findings, according to which nearly 95% of SMEs are completely independent, ie have no capital ties with other enterprises.⁵ Measured by turnover, however, the share of dependent companies among the small and medium-sized enterprises – according to the Bundesbank's corporate balance sheet data – amounts to just over one-tenth and is thus somewhat higher.

*Macro-
economic
importance
of SMEs*

The major importance of SMEs can be gleaned from the following data and ratios:

- In 2000, there were 2.89 million non-financial enterprises subject to turnover tax in the group of small and medium-sized enterprises with less than €50 million in annual turnover; these made up 99.7% of all enterprises subject to turnover tax. They generated 43.4% of all turnover reported in the turnover tax statistics.
- According to IfM estimates, in 2000 small and medium-sized enterprises (including those not subject to turnover tax) employed around 70% of the overall workforce and provided 83% of all vocational

training.⁶ They generated just under half of all enterprises' total gross value added.

- The research and development activities of small and medium-sized enterprises present a rather heterogeneous picture. According to the IfM, which uses surveys as a basis of information, in 1999 more than 10.4% of staff in firms with less than 100 employees were engaged in research and development. This figure is actually higher than in larger enterprises with over 5,000 employees, in which "only" around 8% of staff were engaged in research and development. It is striking, however, that enterprises in the size class from 100 to 249 employees and from 250 to 499 employees only had 5.5% and 4.6% of staff, respectively, working in the area of R&D.

Business start-ups and insolvencies

The large macroeconomic importance of SMEs lies in part in the dominant role they play in business start-ups. According to IfM estimates, in the years 1996 to 2000 the average number of newly registered businesses in Germany (adjusted for relocations,

*Business
start-ups and
liquidations*

⁴ For more details, see Deutsche Bundesbank, The methodological basis of the Deutsche Bundesbank's corporate balance sheet statistics, *Monthly Report*, October 1998, p 55.

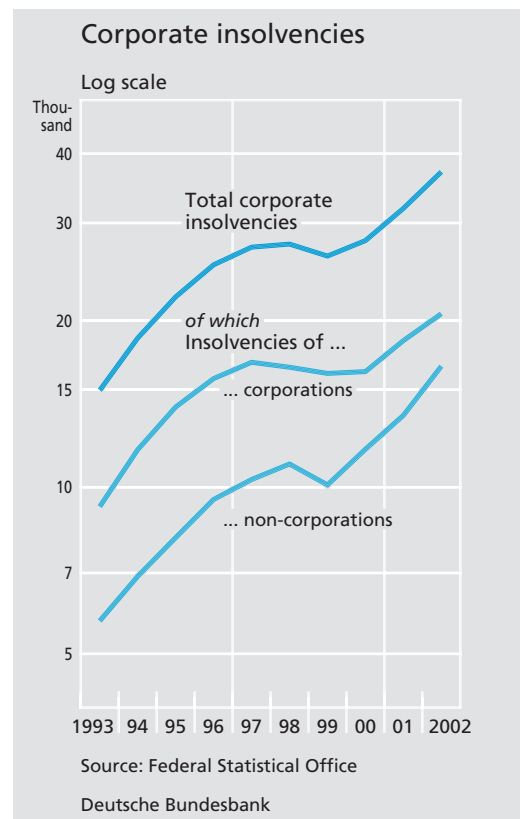
⁵ See B Günterberg and H J Wolter, Unternehmensgrößenstatistik 2001/2002, loc cit p 3.

⁶ These estimates are based in part on data on employees who are subject to social security insurance contributions; these data apply to operational units but not to enterprises. As a result, the weighting of SMEs tends to be too high; particularly in the retail trade, small and medium-sized operational units are often affiliated to large enterprises. See Bundesverband der Deutschen Volksbanken und Raiffeisenbanken, BVR special; *Mittelstand in Zahlen*, Berlin, May 2003, p 7.

sales, changes to the legal form etc) reached 500,000 per year. The bulk of these can be attributed to small and medium-sized enterprises.⁷ In the same period there were also an annual average of 410,000 liquidations – also adjusted for “spurious” deregistrations – resulting in a net number of 90,000 new businesses every year. In the past two years, however, the economic downturn and the disenchantment regarding the potential of the New Economy have led to a steep decline in the number of business start-ups. Since the number of liquidations has declined at a slower pace, the positive balance of start-ups – according to Bundesbank estimates – sank to around 60,000 in 2002.

Insolvencies

Business insolvencies within total liquidations attract widespread public attention. At approximately 37,500, the number of insolvent enterprises in 2002 was two-and-a-half times greater than in 1993; in the period 1999 to 2002 alone, there was an increase of 42%. At 129 per 10,000 enterprises, the insolvency rate reached a new peak in 2002. In particular, the protracted economic downturn and sluggish growth in Germany have contributed to the steep increase in insolvencies by eroding many enterprises’ revenue and depleting their financial reserves. Moreover, on 1 December 2001, a new clause was introduced in insolvency legislation which allows deferred payment of the costs of insolvency proceedings if the debtor is unable to pay. As a result, insolvencies increased in 2002 not only among consumers, but also among sole proprietorships and small firms.⁸ However, should the forecasted economic recovery materialise, the number of insolvencies will prob-



ably decrease in the next few years. Furthermore, the distortions in the insolvency statistics caused by invoking the new statutory provision are likely to wane.

The risk of failure is inherently far greater in the case of new businesses than in established enterprises. For this reason alone the insolvency rate is greater among new and mainly small firms. It therefore comes as no surprise that following a wave of business start-ups, a certain weeding-out process will occur during an economic downturn. For example, of the nearly 29,000 corporate insolvencies recorded in 2002 where the firm’s age

*Insolvencies
by firm age
and size*

⁷ See B. Günterberg and H. J. Wolter, *Unternehmensgrößenstatistik 2001/2002*, loc cit, p. 76.

⁸ See J. Angele, *Insolvenzen 2002*, *Wirtschaft und Statistik*, Heft 4, 2003, p. 295.

Methodological notes on the extrapolation results by size class

The evaluation in this article presents for the first time extrapolation results differentiated also according to size classes. Up to now, data breakdowns from the corporate balance sheet statistics were presented exclusively by sector and form of business organisation.¹ Although methodological particularities emerge when conducting an evaluation according to size classes, these do not impair the information value of the results.

In order to establish the data for the two turnover size classes below and above €50 million, new extrapolations and estimates had to be calculated for the period between 1994 and 2001. In this context, the bounds of the size classes in individual legal-form and sectoral groups were adapted in such a way that all of the groups have a uniform threshold value of €50 million. Owing to a lack of data, this resulted in size classes in some combinations of legal form/sector which could not be extrapolated. As a result, the sum of the size-class-specific extrapolations deviate marginally downward from the previously published results – for example, by 0.2% of turnover in 2000, the latest year for which data breakdowns by form of business organisation are available from the turnover tax statistics.

In addition, the separate extrapolation which was performed owing to a certain redrawing of the thresholds of the size classes led in the case of individual annual result items to deviations vis-à-vis the previously published results. In particular, this affects the financial years from 1998, for which a separate extrapolation was not possible in view of the deteriorating data material; the data trends were therefore merely estimated on the basis of the extrapolation results from 1997.

Account must also be taken of the fact that the extrapolation results by size class are subject to somewhat greater uncertainty than the results of a conventional extrapolation owing to the differing definitions of enterprises in the corporate balance sheet statistics (principle of the smallest legal entity) and the turnover tax statistics collected by the Federal Statistical Office (principle of the corporate group). The differences in the allocation of enterprises to the size classes which result from the varying enterprise definitions can be largely neutralised only after being aggregated across size classes. However, the fact that in our study the classification was restricted to just two size classes minimises this effect.

¹ For more details concerning the method of extrapolation see Deutsche Bundesbank, German enterprises' earning and financing patterns, by form of business organisation, *Monthly Report*, December 2001, pp 60-64 and Deutsche Bundesbank, The methodological basis of the Deutsche Bundesbank's corporate sheet statistics, *Monthly Report*, October 1998, p 57f.

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was registered, a good 60% were less than 8 years old. Furthermore, in cases where the number of staff was known, only a little more than 1% of the firms concerned had more than 100 employees and only 15% had more than 10 employees.

The earnings situation of small and medium-sized enterprises

In 2001, the pre-tax annual result of small and medium-sized enterprises in the producing sector, wholesale and retail trade and in the transportation sector was a good 3% below that of 1994, the year from which data for the whole of Germany have been available in the corporate balance sheet statistics.⁹ Developments here were very volatile; following the strong earnings recovery in 1994 (which is indicated in the figures for western and eastern Germany, which were for a time collated separately), earnings declined markedly until 1996. In the two following years, however, they rose sharply. On the whole, earnings increased by nearly 30% in 1997 and 1998. Profits began to weaken again in 1999 and declined considerably in 2000. Over the entire three-year period 1999

*Pre-tax annual
result of
SMEs ...*

⁹ The annual result corresponds to the annual profit before profit or loss transfers. It provides a better indication of the earnings generated by the enterprises analysed in this article as numerous firms are associated through profit transfer agreements (and partial profit transfer agreements) with enterprises which are not included in the corporate balance sheet statistics (eg holding companies) and to/from which their profits/losses are transferred. The distinction between annual profit and annual result is, however, less significant for SMEs since the degree of economic integration is rather low. However, this distinction is necessary in the case of large enterprises which are used as comparative variable.

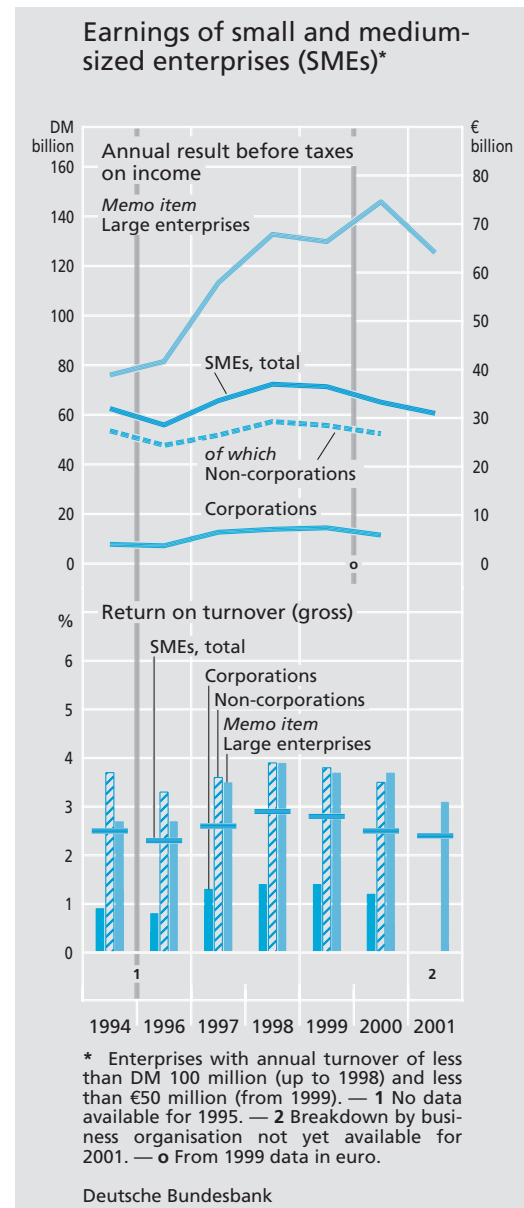
to 2001 the gross annual result shrank by no less than 15%.¹⁰

... compared
to that of large
enterprises

By contrast, larger enterprises increased their gross profits from 1994 to 2001 by approximately 64%, which works out at 7½% per year on average. It is especially remarkable that in 1997 and 1998, profit increases in this category were twice as large as in the group of small and medium-sized enterprises. In 2000, the earnings differential between the two groups was even more pronounced. SMEs sustained a decline in profits amounting to 8½% in the wake of pressure on their sales volume caused in particular by sharp rises in oil prices, which resulted directly in larger energy expenditures and indirectly weakened consumers' purchasing power and firms' propensity to invest. Given the vibrant global economy which carried on well into the year, larger enterprises, by contrast, managed to increase their gross annual result by 12½% in 2000. One year later, however, when export business faltered perceptibly in the wake of the global economic downturn, firms with an annual turnover of more than €50 million posted a particularly marked decline of 14%. If one also includes figures for 1999, which was dented by the East Asia crisis, gross profits of larger enterprises likewise fell considerably – from a relatively high level in 1998 – by 5½% up to 2001.

Reasons for
earnings
divergence

To a large extent, SMEs' disappointing earnings trend since 1994 is a result of the relatively unfavourable domestic economic environment described at the start of this article. Furthermore, in the 1990s small and medium-sized enterprises appeared less able



than larger enterprises to exploit their rationalisation potential and curb rising costs. It is

¹⁰ Profits after taxes are not shown here since this variable offers little information value for SMEs. Partnerships and sole proprietorships are a widespread form of business organisation among SMEs; their annual profits are taxed in the "private sphere" of the entrepreneurs themselves. Income tax liability is therefore not recorded in the profit and loss accounts of these firms. In particular, comparisons of SMEs' profits after taxes with those of larger enterprises, which are often operated as corporations and therefore subject to corporation tax, would lead to erroneous conclusions.

Small and medium-sized enterprises' profit and loss account *

Item	2001		2000			2001		2000		
	SMEs	By comparison	SMEs	of which		SMEs	By comparison	SMEs	of which	
		Large enterprises		Non-corporations	Corporations		Large enterprises		Non-corporations	Corporations
Income	As % of total output					1994 = 100 ¹				
Turnover	97.5	100	98	98.5	97.5	103	140.5	103	103.5	102
Change in stocks of own products ²	2.5	0	2	1.5	2.5	207.5	3 (-2)	170	167.5	173
Total output	100	100	100	100	100	104	140	104	104.5	103
Interest received	0.5	1	0.5	0.5	0.5	116	141	106.5	106	106.5
Other income	4	6.5	4	3.5	5	131	183	127.5	128	127
Total income	104.5	107.5	104.5	104	105.5	105	142	104.5	105	104
Cost										
Cost of materials	58	68.5	58	57.5	58.5	103.5	150	103.5	105	101
Labour cost ⁴	23	14	22.5	21.5	24	105.5	114.5	104.5	103.5	106
Depreciation of tangible fixed assets	4	3.5	4	4.5	4	98.5	119	99	95.5	105
Other ⁵	3.5	3	3.5	4	3.5	92.5	111	96	92.5	101.5
Interest paid	0.5	0.5	0.5	0.5	0.5	149.5	186	126	126.5	126
Taxes on income and earnings ⁶	2	1	2	2.5	2	100.5	147.5	96	96.5	95.5
Other	1	4.5	1	0.5	1	87.5	132.5	94	94	93.5
Other cost	0.5	1	0.5	0.5	1	90	173	98.5	100	97
Other	0	3	0	0	0	81.5	123	81.5	81.5	81.5
Total cost	15	14.5	14.5	14	15.5	116.5	150.5	113.5	115.5	111.5
Total cost	103	106	102.5	101	105	105	142.5	104.5	105.5	103.5
Profit for the year	1.5	1.5	2	3	0.5	96	126.5	106.5	97.5	546
Memo items	As % of turnover									
Annual result ⁷	2	2	2	3	0.5	.	.	.	.	.
Annual result before taxes on income ⁸	2.5	3	2.5	3.5	1	.	.	.	.	.
Net interest paid	2	0	2	2	1.5	.	.	.	.	.

* Extrapolated results. Estimated figures, rounded to the nearest half or full € billion or percentage point. — ¹ Derived from absolute figures. — ² Including other capitalised production. — ³ Owing to negative baseline values change from 1994 in € billion. — ⁴ Gross wages and salaries as well as employers' social contributions. — ⁵ Pre-

dominantly write-downs of debtors, investments and participating interests. — ⁶ In the case of partnerships and sole proprietorships trade earnings tax only. — ⁷ Profit for the year before profit/loss transfers. — ⁸ Taxes on income and earnings.

likely, too, that larger enterprises were better able to benefit from the greater flexibility in structuring their staff's working hours afforded to them by collective agreements and to benefit more from the international integration of production than smaller businesses. A case in point is the increased outsourcing of certain production operations.

*Gross annual
result in
relation to
turnover*

At just under 2½% in 2001, SMEs' gross return on turnover, which indicates the ratio of the annual result before taxes on income to turnover, was at its lowest since 1996; in 1998 and 1999 this figure had been just under 3%. Although larger enterprises saw this ratio decline by a similar margin in the two following years, in 2001 this figure was perceptibly higher at 3%. The actual return differential is probably even greater. First, the widespread form of business organisation in the SME segment, namely partnerships and sole proprietorship, include the (imputed) proprietor's income in the reported annual result. By contrast, corporations include the salaries of managers or top executives in labour costs, which means that the reported profits of non-corporations are correspondingly higher. This also puts the higher return on turnover of the non-corporations vis-à-vis corporations in the SME segment into perspective. A second point to bear in mind is it that SMEs' risk of insolvency is traditionally significantly higher than that of larger enterprises. The return on turnover therefore reflects varying risk premia for invested capital. If the relatively large number of mainly low-profit borderline SMEs which are no longer contained in the corporate balance sheet statis-

tics are taken into consideration, the earnings gap of SMEs is even greater.

The overall figures for SMEs in the segments covered by the corporate balance sheet statistics mask significant sectoral differences. As expected, the construction industry showed the poorest performance from 1994 to 2001. Gross profits in this sector declined by more than four-fifths. In 2001 the return on turnover was only ½%; taking account of the imputed proprietor's income, it was even lower. Wholesale trade, the gross annual result of which in 2001 was 30% below the 1994 level, was last-but-one on the earnings scale. As a proportion of turnover, however, profits in 2001 nonetheless reached almost 2%. By contrast, SMEs in the manufacturing sector achieved cumulative profit growth of 15½% over the period under review. In addition, at just under 3% in 2001, the return on turnover was markedly above the average of all SMEs. This figure appears less impressive, however, compared to larger enterprises in the manufacturing sector, which increased their gross profit by 68½% between 1994 and 2001; at 3½%, the ratio of their annual result to turnover for 2001 likewise distinctly exceeded that of the SMEs in this sector.

*Sharp contrasts
among sectors*

The transportation sector recorded the largest earnings increase between 1994 and 2001, followed by the retail trade, which posted a gain of 30%. At first glance, this appears to be incongruent with a sluggish consumption environment and phases of declining retail turnover. However, on closer inspection, it emerges that in this one sector, small and medium-sized enterprises fared better than

Small and medium-sized enterprises' return on turnover, by economic sector *

Sector	2001		2000		
	SMEs	By comparison	SMEs	of which	
		Large enterprises		Non-corporations	Corporations
All economic sectors ¹	2.5	3	2.5	3.5	1
<i>of which</i>					
Manufacturing sector	3	3.5	3.5	4	2.5
Construction	0.5	-2	1.5	2	0
Wholesale trade	2	1.5	2	3.5	1
Retail trade	2.5	1	2.5	3.5	0.5
Transportation	3.5	0.5	2.5	5.5	-2.5

* Annual result before taxes on income as % of turnover. Estimates, rounded to the nearest half or full percentage point. — 1 Industry, trade and transportation.

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larger enterprises, which saw profits drop by one-quarter. At 2½%, SMEs' return on turnover in the retail trade in 2001 was also much higher. This is largely due, however, to the preponderance of partnerships and sole proprietorships in this sector; as mentioned, their profits include the imputed proprietor's income.

Income and cost in detail

Total output and other income

In the sectors under analysis, SMEs' total output, which in addition to turnover, includes changes in stocks of own products and other capitalised production, increased by only 4% from 1994 to 2001, or just over ½% per year. The sharp falls in the construction industry (-14½%) and in the wholesale trade (-6½%)

contrasted with gains in other sectors; the largest gains were recorded in the transportation sector (+23½%) and in the manufacturing sector (+12½%). Including interest income and other income, SMEs' total income grew by 5% – ie somewhat more than their business activity in the narrower sense. As expected, the contrasts between the SMEs and large enterprises with respect to profits also apply to total income, which in the case of large enterprises increased by 42% from 1994 to 2001.

From 1994 to 2001 SMEs' cost of materials grew by 3½%, ie somewhat more slowly than total output. As a result, the ratio between these two items fell slightly to 58%. By contrast, labour cost grew at an above-average pace to reach almost 23% of total

Cost of materials and labour cost

output in 2001. It is interesting to note that larger enterprises recorded an opposite trend. The cost of materials at these enterprises rose considerably faster than business activity, as a result of which the share of these costs in total output surged to 68½%. By contrast, labour cost increased only moderately; its share grew by 3 percentage points to 14%. Similarly clear differences are observable, for example, within the manufacturing sector and thus do not hinge directly on the varying sectoral mix in the two size classes. One possible explanation for this is that larger enterprises were better able to take advantage of the greater flexibility afforded to them with regard to working hours as well as the advantages of the growing national and international division of labour. According to statistics provided by the Federal Labour Office, whereas firms with 500 and more employees subject to social security insurance contributions shed 11% of their jobs between 1995 (March) and 2001 (June), smaller firms increased their workforce by 2½%.

Depreciation

Another striking difference between the two turnover size classes is evident in the depreciation of tangible fixed assets. In the SME sector, this cost item declined by 7½% since 1994, owing primarily to low investment. The construction industry recorded a particularly sharp decline of 31%. In most of the other sectors, the consumption of fixed assets remained virtually unchanged, or rose only slightly. By contrast, depreciation of tangible fixed assets at larger enterprises increased by 11%. However, at 3% their share of total output was ½ percentage point lower than at

SMEs owing to stronger growth in business activity.

Whereas the amount of interest SMEs paid in 2001 was barely above the level of the mid-1990s, larger enterprises' interest expense increased by nearly half. This development principally reflects the more dynamic expansion of financial assets and the associated rise in the level of indebtedness, which will be examined more closely below. Interest paid as a share of total output by SMEs in 2001 amounted to 2%, which *per se* is a low figure; however, this figure is twice the amount that larger enterprises paid. The most significant factor in this is the relatively large share of bank loans in SMEs' financing (see page 43). The summary item "other cost" recorded above-average growth in both size categories and stood at one-seventh of total output in 2001.

*Interest paid
and other cost*

Balance sheet trends and key balance sheet ratios

The gap between the SMEs and larger enterprises in income growth is also reflected in the balance sheet dynamics. The adjusted balance sheet total¹¹ of small and medium-sized enterprises rose by 16½% between 1994 and 2001, which represents an average annual increase of over 2%. By comparison, in the same period, the balance sheet total of

*Total balance
sheet growth ...*

¹¹ When evaluating firms' annual financial statements, the Bundesbank adjusts the level of own funds, *inter alia*, for goodwill, subscribed capital unpaid, own shares held and loans to partners/shareholders.

larger enterprises rose by well over 38%, or more than 4½% per year.

*... and growth
by sector*

A sectoral analysis shows that the average balance sheet growth of SMEs was depressed in particular by the construction industry, which recorded a 2½% decline in the size of its balance sheet from 1994 to 2001. The expansion rates of the other sectors analysed here ranged from 22% to 29½% – with the exception of the wholesale trade, which recorded growth of 14%. Thus the dispersion is much smaller than at larger enterprises, where this figure ranges from -13% in the construction industry up to 102% in the transportation sector.

*Asset trend
and structure
of SMEs
compared
to larger
enterprises*

The differences in asset growth between SMEs and larger enterprises can be explained by strong divergences in the development of financial assets across all sub-items. Whereas at SMEs financial assets grew by 14% – ie even more slowly than overall assets – they expanded by no less than 58% at larger enterprises. This trend was fuelled chiefly by participating interests which, from an already relatively high level in 1994, grew by 88½% up to 2001, with their share in total assets concurrently rising by 5 percentage points to 19½%. Although at 82½%, the relative increase in participating interests at SMEs was also very large, their book value, at 3% of the balance sheet total, was fairly insignificant. Moreover, the SMEs expanded their stock of debtors far less than the larger enterprises, which, in particular, considerably increased their debtors owed by affiliates.

By contrast, the trend in tangible fixed assets was largely the same at both SMEs and larger enterprises. In general, this position rose very little – by around 13% over the whole observation period, or less than 2% per year. This is consistent both with the moderate turnover growth at SMEs as well as with the finding that the sharper expansion of business activity at larger enterprises mentioned earlier was accompanied by a marked increase in the share of intermediate consumption. Given the strong expansion of participating interests, it appears likely that manufacturing functions were increasingly outsourced to affiliated enterprises. Looking at total non-financial assets, ie including inventories, SMEs actually recorded higher cumulative growth over the observation period, at 18½%, than larger enterprises, which registered an increase of 14½%.

The moderate growth of assets between 1994 and 2001 at small and medium-sized enterprises in the sectors analysed was financed increasingly with own funds. These increased by 21½% and thus distinctly faster than creditors (+16½%) and provisions (+15%). The ratio of own funds to total liabilities, the so-called own funds ratio, was just under 7½% in 2001 – ½ percentage point above the 1994 level and 1 percentage point above the low reached in 1996. Viewed in isolation, this development is positive, but it should not distort the overall picture that the level of own funds at SMEs was very low right up to the end of the reporting period. As a percentage of overall liabilities, they made up less than one-third of the comparable figure at larger enterprises, whose own

*Low level of
own funds
at SMEs*

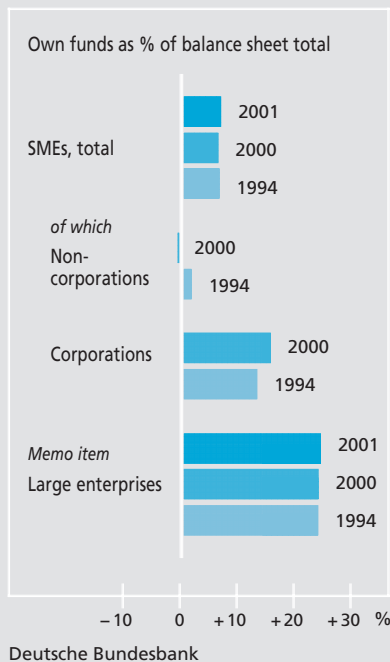
Small and medium-sized enterprises' balance sheets *

Item	2001		2000			2001		2000		
	SMEs	By comparison	SMEs	of which		SMEs	By comparison	SMEs	of which	
		Large enterprises		Non-corporations	Corporations		Large enterprises		Non-corporations	Corporations
	% of balance sheet total					1994 = 100 1				
Assets										
Non-financial assets	62.5	37.5	62	66.5	56	118.5	114.5	115.5	113.5	119
Tangible fixed assets 2	29	22	29	31	26	113	113.5	111	108.5	115.5
Inventories 3	33.5	15.5	33	35.5	30	123.5	116.5	119.5	118	122
Financial assets	37	62.5	37.5	32.5	43.5	114	158	113.5	109	118.5
Cash resources 4	5	3.5	5	4.5	5.5	108.5	90	107.5	103	112
Debtors	28.5	35.5	29	25.5	33.5	109.5	158	110	106.5	114
Short-term	26.5	32.5	27	24	31	108.5	157	109.5	107	111.5
of which										
Owed by affiliated enterprises	6	17.5	6	4	7.5	154.5	200.5	146	155.5	140
Long-term	2	3	2	2	2.5	128	173	121.5	100.5	149.5
Investments	0.5	4	0.5	0.5	0.5	217	134	230.5	231	230
Participating interests	3	19.5	3	2.5	3.5	182.5	188.5	169.5	145	196
Prepayments and accrued income	0.5	0	0.5	0.5	0.5	100	108	100	97	104.5
Total assets 5	100	100	100	100	100	116.5	138	114.5	112	118.5
Liabilities										
Own funds 5, 6	7.5	25	7	-0.5	16	121.5	141	112	7 (-11)	139.5
Borrowed funds	92.5	74.5	93	100.5	83.5	116.5	137	115	114.5	115
Creditors	84.5	47	84.5	94	73	116.5	142	115	114.5	115.5
Short-term	58	38	57.5	60	54	116.5	147	113.5	113	114
of which										
Owed to affiliated enterprises	7.5	16	7	6	9	145	228.5	134	145.5	126.5
Long-term	26.5	9	27.5	34	19	116	124	118.5	117.5	120
Provisions 6	8	28	8	6.5	10.5	115	130	113.5	114.5	113
of which										
Provisions for pensions	3	12	3	1.5	4.5	140.5	140	133.5	115.5	141.5
Accruals and deferred income	0	0.5	0	0	0.5	151	150	153	92	201.5
Total liabilities 5	100	100	100	100	100	116.5	138	114.5	112	118.5
<i>Memo item</i>										
Turnover	150	158	152.5	160.5	143	103	140.5	103	103.5	102

* Estimated on the basis of extrapolated figures rounded to nearest half and full percentage point or € billion. — 1 Computed from absolute amounts. — 2 Including intangible assets. — 3 Including contracts in progress. — 4 Currency and bank balances. — 5 Less adjust-

ments to capital accounts. — 6 Including pro rata share of special reserves. — 7 Owing to negative baseline values change from 1994 in € billion.

Small and medium-sized enterprises' (SMEs) provision with own funds



funds expanded by 41% between 1994 and 2001. However, owing to their greater balance sheet growth, their own funds ratio likewise grew by just ½ percentage point to 25%. In addition, it must be remembered that – as in the case of the income trend – the financial situation of SMEs is presented too positively to the extent that the many weak enterprises which became insolvent no longer feature in the corporate balance sheet statistics.

As is the case with other key ratios, the trend in own funds at SMEs reveals marked divergences among the individual sectors. In the manufacturing sector, the absolute amount of liable capital increased considerably (+48½%); at 12½%, the own funds ratio was also perceptibly above the compar-

able figure in most of the other sectors. Double-digit percentage gains were also recorded in the wholesale trade and in the transportation sector. By contrast, the equity level in the construction industry, already low in 1994, was largely wiped out by 1997. This sector has actually shown a negative net capital position since 1998, which in 2001 amounted to 1½% of the balance sheet total. Small and medium-sized enterprises in the retail trade consistently recorded a negative own funds ratio on balance between 1994 and 2001; nonetheless, this sector has managed to reduce its capital deficit from a low of -5% in 1998 to -3% in 2001.

On closer inspection, it emerges that the balance sheet over-indebtedness only applies to the subgroup of SMEs that are operated as non-corporations. The own funds ratio of small and medium-sized enterprises with this form of business organisation declined from 2% in 1994 to -½% in 2000 (figures for 2001 by form of business organisation are not yet available). However, this finding has to be seen in the context that the annual accounts of non-corporations do not list all assets which are actually available as liable capital. The proprietor has some accounting discretion as to whether assets are classified as private or business assets. Thus it is more attractive to record financial assets and real estate as private assets for tax reasons, for example owing to the more favourable tax treatment of capital gains from sales. However, the liability of proprietors of sole proprietorships and at least some of the partners of partnerships for their firm's debts ultimately also extends to their private assets not shown

Reasons for balance sheet over-indebtedness of SMEs

SMEs' provision with own funds by sector *

Sector	2001		2000		
	SMEs	By comparison	SMEs	of which	
		Large enterprises		Non-corporations	Corporations
Own funds as % of balance sheet total					
All economic sectors ¹	7.5	25	7	- 0.5	16
<i>of which</i>					
Manufacturing sector	12.5	27	12	5	20
Construction	- 1.5	12	- 1	- 6	5.5
Wholesale trade	14	20.5	12.5	10	15
Retail trade	- 3	20	- 4	- 9.5	9
Transportation	9	20.5	8.5	- 3.5	20.5
	1994 = 100 ²				
All economic sectors ¹	121.5	141	112	(- 11)	139.5
<i>of which</i>					
Manufacturing sector	148.5	150	136	88.5	164
Construction	(- 5.5)	80	(- 5)	(- 5)	94
Wholesale trade	132.5	147.5	122.5	120.5	123.5
Retail trade	(- 2)	177	(- 3.5)	(- 5)	168
Transportation	192.5	179.5	171.5	(- 0.5)	166

* Own funds (adjusted for adjustments to capital accounts). Estimates, rounded to the nearest half or full percentage point or € billion. — ¹ Manufacturing sector,

trade and transportation. — ² For negative baseline values: change from 1994 in € billion.

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in the balance sheet. In addition, they often post some of their private assets as collateral when procuring business loans. Conversely, since interest paid on bank loans is tax-deductible, there is an incentive to locate loans in the business accounts. The upshot of these tactical manoeuvres is that the balance sheets of non-corporations often reveal little about the actual financial state of the enterprise in question.

In principle, much of the above also applies to small and medium-sized corporations. Given the constraints imposed by insolvency law, however, balance sheet over-indebtedness stretching over several years is possible only in exceptional circumstances. Not least for this reason, therefore, the group of SMEs which are operated as corporations show

“normal” levels of own funds in their balance sheets, ie a positive figure. From 1994 to 2000 their liable capital increased by 39½% and in 2000 represented 16% of total liabilities, compared to 13½% in 1994.

In 2000 the average own funds ratio of corporations with an annual turnover of less than €50 million was 10 percentage points below the comparable level at large corporations; this gap was even greater at the beginning of the observation period. This difference is attributable, first, to the fact that it is easier for large public limited companies (PLCs), in particular, to procure additional own funds, than it is for corporations in the SME segment. Second, this reflects divergences in capital intensity, which at large enterprises is often higher than at small and

Large firms have higher own funds ratios

medium-sized enterprises – in part for production-related reasons. Another factor is that the issue of splitting assets and liabilities into the private and business sphere is of little relevance to large corporations and of no relevance at all to PLCs.

Provisions

The liabilities structure of SMEs shows not only a relatively weak ratio of own funds but also a relatively low ratio of provisions to total liabilities. In 2001 this figure was 8%, which was somewhat lower than in 1994. The ratio of provisions to the balance sheet total at large enterprises also tended to decline. However, the ratio was still nearly 28% in 2001. Whereas at SMEs especially pension provisions – at 3% of total liabilities – played a minor role, this figure was 12% at larger enterprises. This is mainly due to the fact that, for various reasons, small enterprises prefer, as the vehicle for occupational pensions, direct insurance arrangements and contribution payments to pension funds to an in-house company pension scheme, which is the sole form that allows firms to set up pension provisions.¹²

Creditors

The differences between SMEs and larger enterprises with regard to own funds and provisions have their mirror-image in the level of creditors. At 84½% of total liabilities in 2001, the share of creditors at SMEs was nearly twice as much as at larger enterprises. In the preceding years, the gap between the two groups was of a similar magnitude. In this context, SMEs relied mainly on short and long-term bank loans, the significance of which as a financing instrument increased further during the course of the reporting

period. Measured in terms of total liabilities, their bank debt rose from 34½% in 1994 to 37% in 2001; non-corporations with less than €50 million in annual turnover had a ratio of no less than 45% in 2001. By contrast, larger enterprises' outstanding bank loans made up little more than 9% of their total liabilities; this share rose only marginally during the observation period. At 18½%, liabilities to affiliated enterprises played a bigger role than bank loans for the larger firms.

Concluding remarks

The earnings and financing situation of SMEs in Germany deteriorated markedly during the past ten years. As a result, the disparity vis-à-vis larger enterprises, which had already existed previously, widened further. This remains true even if one takes into consideration that often only a part of the liable capital is reported in the balance sheets of non-corporations. The protracted weak growth momentum in the German economy undoubtedly had a major impact on the unfavourable trend at SMEs. Experience suggests that only a sustained improvement in earnings leads to an increase in enterprises' financial strength and as a result replenishes their level of own funds. On the one hand, the amount of internally generated funds increases and, on the other, the enterprises also become more attractive to external investors. However, in order to better utilise this potential, the aversion on the part of many proprietors of SMEs to third parties holding equity interests in

Priority is to overcome the weak growth momentum

¹² See Deutsche Bundesbank, Company pension schemes in Germany, *Monthly Report*, March 2001, p 50.

their enterprise – for fear of losing their decision-making competence – will have to be overcome and greater external transparency achieved.

*Necessary
economic
policy measures*

In the past few years, significant economic policy measures have been adopted to enhance enterprises' earnings and financing situation, for example the business tax reform that came into force at the beginning of 2001. However, these measures are insufficient in themselves. Above all, structural reforms are necessary in order to overcome the persistent crisis of confidence and growth cri-

sis.¹³ These include the consolidation of public budgets and performance-promoting tax policies, the reform of the social insurance systems, in particular with the goal of decoupling social insurance contributions from wage trends as well as enhancing the efficiency of the labour market. Specific incentives for small and medium-sized enterprises are not an adequate substitute; they can only make a modest contribution to improving the segment's economic situation and run the risk of causing distortions in other areas.

¹³ See Deutsche Bundesbank, *Ways out of the crisis*, March 2003.

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

Small and medium-sized enterprises' (SMEs *) balance sheets and profit and loss accounts in Germany **

DM billion until 1998, from 1999 € billion

Item	All forms of business organisation							Non-corporations ¹		
	1994	1996	1997	1998	1999	2000	2001	1994	1996	1997
I Balance sheet										
Assets										
Tangible fixed assets ³	445.9	444.0	435.6	452.5	247.5	253.5	257.5	273.9	272.7	264.3
Inventories ⁴	470.5	476.6	474.3	508	281.5	288	297.5	285.3	291.8	291.9
of which: Finished goods, goods for resale	256.9	269.4	279.7	299.5	155	158.5	165.5	165.0	173.5	181.0
Non-financial assets	916.4	920.6	909.9	961	529	541	555.5	559.3	564.6	556.2
Cash ⁵	77.7	78.0	76.8	79.5	45	42.5	43	39.4	39.8	39.2
Debtors	451.1	439.6	433.7	451.5	242	254	253	229.2	225.8	220.4
Short-term	421.3	407.7	402.4	417.5	224	235.5	233.5	212.3	208.0	204.0
of which:										
Trade debtors	281.3	270.9	268.1	267	143	146	143	152.2	144.8	143.6
Owed by affiliated enterprises ⁶	67.5	71.9	71.9	83.5	44.5	50.5	53.5	25.8	31.0	29.7
Long-term	29.8	31.9	31.3	34.5	18.5	18.5	19.5	17.0	17.8	16.4
Investments	4.5	5.1	5.6	6	5	5.5	5	2.1	2.5	2.5
Participating interests	28.5	30.2	31.0	36	22	25	26.5	14.8	16.0	16.0
Financial assets	561.8	552.9	547.1	573	314.5	326.5	327.5	285.6	284.1	278.0
Prepayments and accrued income	11.5	10.7	10.6	11	6	6	6	7.2	6.5	6.4
Balance sheet total ⁷	1,489.7	1,484.2	1,467.6	1,545	849.5	873.5	889	852.0	855.2	840.6
Liabilities										
Own funds ^{8, 9}	104.5	92.2	95.3	98.5	54.5	60	65	17.7	6.7	4.4
Creditors	1,259.5	1,264.6	1,246.2	1,317	723.5	740.5	749.5	780.8	792.6	782.7
Short-term	864.9	857.4	840.8	886.5	481	501.5	516	505.8	508.3	500.2
of which:										
Owed to credit institutions	230.2	236.3	235.9	256.5	136	144.5	156.5	147.8	153.4	153.0
Trade creditors	293.3	287.9	286.4	288	153.5	157	154.5	177.6	176.1	175.8
Owed to affiliated enterprises ⁶	91.8	96.5	95.7	104.5	56	63	68	37.9	43.6	42.8
Long-term	394.6	407.1	405.4	430.5	242.5	239	233.5	275.0	284.3	282.5
of which: Owed to credit institutions	283.0	293.0	296.4	316	176.5	176.5	171.5	201.9	211.7	212.7
Provisions ⁹	123.1	123.6	122.2	125.5	69	71.5	72	52.3	54.7	52.5
of which: Provisions for pensions	36.4	38.1	39.6	42.5	23.5	25	26	11.1	11.2	11.0
Borrowed funds	1,382.6	1,388.1	1,368.5	1,442.5	792.5	812	822	833.1	847.2	835.2
Accruals and deferred income	2.6	3.8	3.8	4	2	2	2	1.2	1.2	1.0
Balance sheet total ⁷	1,489.7	1,484.2	1,467.6	1,545	849.5	873.5	889	852.0	855.2	840.6
II Profit and loss account										
Turnover	2,532.9	2,527.5	2,541.9	2,556	1,316.5	1,333.5	1,333	1,473.2	1,473.0	1,478.0
Change in stocks of own products ¹⁰	30.3	18.7	11.2	26.5	28	26.5	32	15.7	8.4	4.8
Total output	2,563.1	2,546.2	2,553.1	2,582.5	1,344.5	1,360	1,365	1,488.9	1,481.4	1,482.8
Interest received	8.8	7.4	7.2	8	4.5	5	5	3.8	3.3	3.2
Other income	86.3	83.6	85.2	93.5	50.5	56	58	42.5	42.1	42.0
Total income	2,658.2	2,637.2	2,645.5	2,684	1,399	1,421	1,428	1,535.2	1,526.8	1,528.0
Cost of materials	1,495.3	1,496.1	1,504.0	1,511.5	777	789.5	790.5	853.0	857.0	859.4
Labour cost ¹¹	574.9	571.2	565.7	575	304.5	308	311	325.6	323.2	320.0
Depreciation	113.2	108.0	104.8	108	57	57.5	57	69.4	66.2	63.9
of tangible fixed assets	101.3	94.9	91.8	95	50	49.5	48	63.2	59.2	56.6
Interest paid	59.7	54.3	52.0	53	28	29.5	30.5	39.0	36.1	34.5
Taxes	23.4	22.1	22.4	22.5	12	11	10.5	11.2	10.2	10.4
on income and earnings ¹²	17.0	16.1	16.7	17.5	9	8.5	8	7.5	6.8	7.0
Other cost	343.5	342.6	345.5	357.5	193	199.5	205	189.7	192.4	194.0
Total cost	2,610.0	2,594.3	2,594.3	2,627.5	1,371	1,395	1,404.5	1,487.9	1,485.1	1,482.2
Profit for the year ¹³	48.2	42.9	51.3	56.5	28	26.5	23.5	47.3	41.7	45.8
Annual result ¹⁴	46.8	41.1	50.2	56	28	25.5	24	47.2	42.0	46.0
Annual result before taxes on income ¹⁵	63.8	57.2	66.9	73.5	37	34	31.5	54.7	48.9	53.1
Internally generated funds (cash flow) ¹⁶	.	.	153.9	166.5	89.5	85.5	81	.	.	107.6

* Enterprises with annual turnover below DM100 million (up to 1998) and below €50 million (from 1999). — ** Extrapolated figures for the manufacturing sector, trade and transportation, based on data from the turnover tax statistics of the Federal Statistical Office. From 1998: estimates, rounded to the nearest half or full DM billion (1998) and euro (from 1999). — ¹ Partnerships (including limited partnerships

in which private limited companies are partners as well as civil-law associations) and sole proprietorships. — ² Including cooperative societies and foundations. — ³ Including intangible assets. — ⁴ Including contracts in progress. — ⁵ Currency and bank balances. — ⁶ Including claims and liabilities vis-à-vis affiliated enterprises with which they are linked by virtue of participating interests as well as claims against

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			Corporations 2						
1998	1999	2000	1994	1996	1997	1998	1999	2000	Item
									I Balance sheet
									Assets
274	148	152	172.0	171.3	171.3	178.5	99	101.5	Tangible fixed assets 3
308	169	172.5	185.2	184.7	182.4	200	112.5	115.5	Inventories 4
									of which: Finished goods, goods for resale
192.5	97.5	100	92.0	95.9	98.7	107	57.5	58.5	
582	317	324.5	357.1	356.0	353.7	378.5	212	217	Non-financial assets
40.5	22.5	21	38.3	38.2	37.6	38.5	22.5	22	Cash 5
231.5	120.5	125	221.8	213.8	213.3	220.5	121.5	129	Debtors
214	111.5	116	209.0	199.7	198.4	203.5	112.5	119	Short-term
									of which
142.5	75.5	77.5	129.1	126.0	124.5	124.5	67	68.5	Trade debtors
									Owed by affiliated enterprises 6
37.5	18.5	20.5	41.7	41.0	42.2	46	26	30	Long-term
17.5	9	8.5	12.8	14.1	14.9	17	9.5	10	Investments
2.5	2.5	2.5	2.4	2.6	3.1	3.5	2.5	3	Participating interests
19	11	11	13.7	14.2	15.0	17.5	11.5	14	
293.5	156.5	159	276.2	268.8	269.0	279.5	158	167.5	Financial assets
6.5	3.5	3.5	4.4	4.2	4.2	4.5	2.5	2.5	Prepayments and accrued income
882.5	477	487	637.7	629.0	626.9	663	372	387	Balance sheet total 7
									Liabilities
2	-2.5	-2	86.8	85.5	90.9	97	57	62	Own funds 8, 9
825.5	449.5	458	478.6	472.0	463.5	491.5	274	282.5	Creditors
524	283	292.5	359.0	349.2	340.6	362	198.5	209	Short-term
									of which:
166	89.5	93.5	82.4	82.9	82.9	90.5	47	51	Owed to credit institutions
176.5	92	94.5	115.7	111.8	110.6	111.5	61	63	Trade creditors
									Owed to affiliated enterprises 6
46.5	24.5	28	53.9	53.0	52.9	57.5	31.5	35	Long-term
301	167	165.5	119.6	122.8	122.9	129.5	75.5	73.5	of which: Owed to credit institutions
227.5	125	125.5	81.1	81.3	83.7	88.5	51.5	51	Provisions 9
54	29.5	30.5	70.8	68.9	69.8	71.5	40	41	of which: Provisions for pensions
11.5	6	6.5	25.4	26.9	28.6	31	17.5	18.5	
879.5	479	488.5	549.4	540.9	533.3	563	313.5	323.5	Borrowed funds
1	0.5	0.5	1.5	2.6	2.8	3	1.5	1.5	Accruals and deferred income
882.5	477	487	637.7	629.0	626.9	663	372	387	Balance sheet total 7
									II Profit and loss account
1,489	766.5	781.5	1,059.7	1,054.5	1,063.8	1,067	550	552.5	Turnover
12	14.5	13.5	14.5	10.3	6.4	15	13	13	Change in stocks of own products 10
1,500.5	781.5	795	1,074.2	1,064.8	1,070.3	1,082	563	565	Total output
3.5	2	2	5.0	4.0	4.1	4.5	2.5	2.5	Interest received
47.5	25	28	43.8	41.5	43.2	45.5	25.5	28.5	Other income
1,552	808	825	1,123.0	1,110.4	1,117.5	1,132	591	596.5	Total income
865.5	447.5	458	642.3	639.1	644.5	646	329.5	331.5	Cost of materials
324.5	170.5	172.5	249.3	248.0	245.7	250.5	134	135	Labour cost 11
65.5	34	34	43.8	41.8	40.9	42.5	23	23.5	Depreciation
58.5	30	30	38.0	35.7	35.2	36.5	20	20	of tangible fixed assets
35.5	18.5	19	20.7	18.2	17.5	17.5	9.5	10	Interest paid
10	5.5	5.5	12.2	11.9	12.0	12.5	6.5	6	Taxes
7	4	4	9.5	9.3	9.6	10.5	5.5	4.5	on income and earnings 12
200	107.5	112	153.8	150.2	151.5	157.5	85.5	87.5	Other cost
1,500.5	783	801	1,122.0	1,109.2	1,112.1	1,127	588	593.5	Total cost
51	25.5	23.5	1.0	1.3	5.4	5.5	3	2.5	Profit for the year 13
51.5	25.5	23.5	-0.5	-0.9	4.2	4.5	2.5	2	Annual result 14
									Annual result before taxes on income 15
58.5	29	27.5	9.1	8.3	13.8	15	8	6.5	Internally generated funds
117.5	60.5	59			46.3	49	29	26.5	(cash flow) 16

partners not netted with equity capital and liabilities vis-à-vis partners. — 7 Less adjustments to capital accounts. — 8 Capital, reserves and profit brought forward, less adjustments to capital accounts. — 9 Including pro rata share of special reserves. — 10 Including other capitalised production. — 11 Gross wages, salaries and employers' social contributions. — 12 In the case of partnerships and sole

proprietorships, trade earnings tax only. — 13 Total income less total costs. — 14 Profit for the year before profit and loss transfers. — 15 Taxes on income and earnings. — 16 Annual result, depreciation allowances, changes in provisions, in special reserves and in prepayments and accrued income less write-ups of tangible fixed assets.

Large enterprises' * balance sheets and profit and loss accounts in Germany **

DM billion until 1998, from 1999 € billion

Item	All forms of business organisation							Non-corporations 1		
	1994	1996	1997	1998	1999	2000	2001	1994	1996	1997
I Balance sheet										
Assets										
Tangible fixed assets 3	500.8	492.4	502.4	528	278	288	290.5	85.0	90.6	97.7
Inventories 4	336.6	342.2	350.9	364	190.5	201	200.5	98.4	95.8	102.1
of which: Finished goods, goods for resale	147.6	154.4	160.8	171.5	90.5	96.5	95	51.3	54.1	59.5
Non-financial assets	837.5	834.6	853.3	892	468.5	489.5	491	183.5	186.4	199.8
Cash 5	96.3	106.6	103.4	91	43.5	37.5	44.5	21.8	23.0	23.3
Debtors	575.4	604.8	646.7	701	398	437	465	119.2	128.6	137.5
Short-term	533.0	558.7	598.9	652.5	372.5	409	427.5	111.8	121.6	130.8
of which										
Trade debtors	232.1	235.2	245.4	252	141	153.5	148	59.8	64.2	69.7
Owed by affiliated enterprises 6	221.4	244.2	274.9	320.5	185	202	227	37.1	42.3	45.7
Long-term	42.4	46.1	47.7	48.5	25.5	28	37.5	7.4	7.0	6.8
Investments	77.0	85.3	94.0	105.5	57	60.5	53	4.6	5.5	4.6
Participating interests	267.1	305.3	318.4	370.5	215.5	251.5	257.5	24.6	27.4	28.1
Financial assets	1,015.9	1,102.0	1,162.4	1,268	714.5	786.5	819.5	170.2	184.5	193.5
Prepayments and accrued income	4.7	4.9	5.1	5	2.5	2.5	2.5	1.4	1.1	1.1
Balance sheet total 7	1,858.0	1,941.5	2,020.8	2,165.5	1,185.5	1,278.5	1,313	355.0	372.0	394.4
Liabilities										
Own funds 8, 9	451.1	485.0	509.5	556.5	303	312.5	325	51.8	62.8	66.8
Creditors	846.1	872.7	918.3	991	547	607.5	614.5	238.3	238.4	255.6
Short-term	665.0	692.4	736.5	783.5	433.5	496.5	499.5	177.9	174.3	186.5
of which										
Owed to credit institutions	76.9	83.9	93.5	99	57	60	58.5	28.1	30.2	34.3
Trade creditors	180.4	183.0	194.5	196.5	100.5	116	108	57.5	58.0	60.9
Owed to affiliated enterprises 6	180.3	204.0	218.6	263	154	185	210.5	41.2	42.8	46.3
Long-term	181.1	180.3	181.8	207.5	113.5	111	115	60.4	64.1	69.1
of which: Owed to credit institutions	89.0	85.4	85.6	102.5	60	59.5	61	28.6	29.2	30.2
Provisions 9	549.6	572.1	581.1	605	328.5	350.5	365	63.9	69.6	70.6
of which: Provisions for pensions	222.8	237.7	243.0	259.5	143.5	154	159.5	24.7	29.3	31.1
Borrowed funds	1,395.7	1,444.9	1,499.3	1,596	875.5	958.5	979	302.2	308.0	326.2
Accruals and deferred income	11.2	11.6	12.0	13	7.5	8	8.5	1.0	1.2	1.3
Balance sheet total 7	1,858.0	1,941.5	2,020.8	2,165.5	1,185.5	1,278.5	1,313	355.0	372.0	394.4
II Profit and loss account										
Turnover	2,894.7	3,072.4	3,294.2	3,447.5	1,829	2,025.5	2,076	831.9	896.1	939.3
Change in stocks of own products 10	3.2	5.4	0.2	4.5	-1.5	1.5	-0.5	2.9	-0.4	-0.3
Total output	2,897.9	3,077.8	3,294.4	3,452	1,827.5	2,027	2,075.5	834.8	895.7	939.0
Interest received	26.1	23.0	23.3	25.5	13.5	16	19	3.9	3.2	3.2
Other income	148.8	157.4	166.4	199.5	116	130.5	139	29.7	30.9	31.8
Total income	3,072.8	3,258.3	3,484.1	3,677	1,957	2,173.5	2,233.5	868.4	929.8	974.0
Cost of materials	1,855.9	2,006.6	2,155.3	2,255	1,206.5	1,378	1,425	558.2	608.7	638.0
Labour cost 11	491.4	498.7	508.7	534.5	280	288	287.5	128.3	135.7	139.1
Depreciation	123.2	114.6	115.2	126	67	72	75	25.2	26.9	26.2
of tangible fixed assets	109.3	101.8	103.9	109	58.5	62	62	21.7	22.4	23.1
Interest paid	31.4	26.8	27.6	31	16	20	23.5	9.5	7.9	7.9
Taxes	132.4	140.5	161.1	171.5	86	89.5	90	13.3	13.9	18.7
on income and earnings 12	25.4	29.7	39.7	50	25.5	25.5	22.5	4.7	4.2	5.2
Other cost	392.9	426.0	451.4	484.5	265	285.5	302.5	111.0	117.7	120.5
Total cost	3,027.2	3,213.2	3,419.2	3,602	1,920.5	2,132.5	2,204	845.4	910.8	950.4
Profit for the year 13	45.6	45.0	64.9	75	36.5	41	29.5	23.0	19.1	23.6
Annual result 14	52.0	53.0	74.7	84	41.5	49.5	42	23.7	19.9	24.6
Annual result before taxes on income 15	77.4	82.7	114.4	134	67	75	64.5	28.4	24.1	29.8
Internally generated funds (cash flow) 16	.	.	198.8	234	128	143	131.5	.	.	52.0

* Enterprises with annual turnover of DM100 million or more (up to 1998) and €50 million or more (from 1999). — ** Extrapolated figures for the manufacturing sector, trade and transportation, based on data from the turnover tax statistics of the Federal Statistical Office. From 1998: estimates, rounded to the nearest half or full DM billion (1998) and euro (from 1999). — 1 Partnerships (including limited partnerships

in which private limited companies are partners as well as civil-law associations) and sole proprietorships. — 2 Including cooperative societies and foundations. — 3 Including intangible assets. — 4 Including contracts in progress. — 5 Currency and bank balances. — 6 Including claims and liabilities vis-à-vis affiliated enterprises with which they are linked by virtue of participating interests as well as claims against

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			Corporations 2						
1998	1999	2000	1994	1996	1997	1998	1999	2000	Item
									I Balance sheet
									Assets
108	59.5	57.5	415.8	401.8	404.8	420	219	230.5	Tangible fixed assets 3
109	57.5	62	238.2	246.4	248.8	255	133	139	Inventories 4
									of which: Finished goods, goods for resale
63.5	33	35	96.3	100.3	101.4	108	57.5	61.5	
217	117	119.5	654.0	648.2	653.6	675	352	369.5	Non-financial assets
23.5	13.5	12.5	74.5	83.6	80.1	67.5	30.5	25.5	Cash 5
153	84	93	456.2	476.2	509.1	548	314	344	Debtors
145	79.5	88	421.3	437.2	468.1	507.5	292.5	320.5	Short-term
									of which
73.5	41.5	42.5	172.3	171.0	175.7	178.5	99.5	110.5	Trade debtors
									Owed by affiliated enterprises 6
54	28.5	35	184.4	201.8	229.3	266.5	156.5	167	Long-term
8	4.5	5	35.0	39.1	41.0	40.5	21	23.5	Investments
5.5	3.5	3.5	72.5	79.8	89.4	100.5	54	57	Participating interests
33.5	20	23.5	242.5	277.9	290.3	337	196	228	
215.5	120.5	132.5	845.7	917.5	968.9	1,052.5	593.5	654	Financial assets
1	0.5	0.5	3.3	3.8	3.9	4	2	2	Prepayments and accrued income
433.5	238	253	1,503.0	1,569.4	1,626.4	1,731.5	947.5	1,025.5	Balance sheet total 7
									Liabilities
75	40.5	44	399.3	422.1	442.7	481.5	262.5	268.5	Own funds 8, 9
282	154	161.5	607.8	634.3	662.7	709	393	446	Creditors
203	111	122.5	487.1	518.1	550.0	581	322.5	374	Short-term
									of which
37	20.5	22.5	48.8	53.7	59.2	61.5	36	37.5	Owed to credit institutions
64	31.5	34	122.8	125.0	133.6	132.5	69.5	82	Trade creditors
									Owed to affiliated enterprises 6
55.5	32	38.5	139.1	161.2	172.3	207.5	122.5	146.5	Long-term
79	43.5	39	120.7	116.2	112.7	128	70	72	of which: Owed to credit institutions
36.5	20.5	19.5	60.5	56.2	55.3	66	40	40	Provisions 9
75.5	42.5	46.5	485.8	502.6	510.4	529.5	285.5	304	of which: Provisions for pensions
33.5	18.5	20.5	198.1	208.4	211.9	226	125	133.5	
357.5	197	208.5	1,093.6	1,136.9	1,173.1	1,238.5	678.5	750	Borrowed funds
1.5	1	0.5	10.2	10.4	10.6	11.5	6.5	7.5	Accruals and deferred income
433.5	238	253	1,503.0	1,569.4	1,626.4	1,731.5	947.5	1,025.5	Balance sheet total 7
									II Profit and loss account
994.5	541	586.5	2,062.8	2,176.3	2,354.9	2,453	1,288	1,439	Turnover
2.5	0	0	0.3	5.8	0.5	2	-1	1.5	Change in stocks of own products 10
997	540.5	586.5	2,063.1	2,182.1	2,355.4	2,455	1,287	1,440.5	Total output
3.5	1.5	2	22.2	19.8	20.1	22	12	14	Interest received
38.5	19.5	21.5	119.2	126.5	134.6	161	96.5	109	Other income
1,039	561.5	610	2,204.5	2,328.4	2,510.1	2,638	1,395.5	1,563.5	Total income
674	368.5	406	1,297.7	1,397.9	1,517.3	1,581	838	971.5	Cost of materials
149.5	80.5	84.5	363.2	363.0	369.6	385	199.5	203.5	Labour cost 11
28	15	15.5	98.0	87.7	89.0	97.5	51.5	56	Depreciation
25	14	14	87.7	79.4	80.8	84	45	48	of tangible fixed assets
9	4.5	5	22.0	18.9	19.6	22.5	11	14.5	Interest paid
19	10.5	11.5	119.1	126.6	142.4	152	75.5	78	Taxes
7	3.5	4	20.7	25.5	34.5	43.5	21.5	22	on income and earnings 12
129.5	68	71.5	281.9	308.3	330.9	355	197.5	214	Other cost
1,009	547.5	594.5	2,181.9	2,302.4	2,468.8	2,593.5	1,373	1,538	Total costs
30	14	15.5	22.6	26.0	41.3	45	22.5	25.5	Profit for the year 13
31	14	15	28.2	33.1	50.1	53	27.5	34.5	Annual result 14
									Annual result before taxes on income 15
37.5	17.5	19	49.0	58.6	84.6	96.5	49	56	Internally generated funds (cash flow) 16
64	33.5	34			146.8	170	95	109	

partners not netted with equity capital and liabilities vis-à-vis partners. — 7 Less adjustments to capital accounts. — 8 Capital, reserves and profit brought forward, less adjustments to capital accounts. — 9 Including pro rata share of special reserves. — 10 Including other capitalised production. — 11 Gross wages, salaries and employers' social contributions. — 12 In the case of partnerships and sole

proprietorships, trade earnings tax only. — 13 Total income less total costs. — 14 Profit for the year before profit and loss transfers. — 15 Taxes on income and earnings. — 16 Annual result, depreciation allowances, changes in provisions, in special reserves and in prepayments and accrued income less write-ups of tangible fixed assets.

Selected ratios of small and medium-sized enterprises (SMEs *) in Germany **

Item	All forms of business organisation							Non-corporations ¹		
	1994	1996	1997	1998	1999	2000	2001	1994	1996	1997
I Balance sheet ratios	% of balance sheet total (adjusted)									
Assets										
Tangible fixed assets ³	29.9	29.9	29.7	29.5	29	29	29	32.2	31.9	31.4
Inventories ⁴	31.6	32.1	32.3	33	33	33	33.5	33.5	34.1	34.7
Cash ⁵	5.2	5.3	5.2	5	5.5	5	5	4.6	4.7	4.7
Debtors	30.3	29.6	29.6	29	28.5	29	28.5	26.9	26.4	26.2
Short-term	28.3	27.5	27.4	27	26.5	27	26.5	24.9	24.3	24.3
Long-term	2.0	2.2	2.1	2	2	2	2	2.0	2.1	1.9
Investments	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.3	0.3	0.3
Participating interests	1.9	2.0	2.1	2.5	2.5	3	3	1.7	1.9	1.9
Liabilities										
Own funds (adjusted) ⁶	7.0	6.2	6.5	6.5	6.5	7	7.5	2.1	0.8	0.5
Creditors	84.5	85.2	84.9	85	85	84.5	84.5	91.6	92.7	93.1
Short-term	58.1	57.8	57.3	57.5	56.5	57.5	58	59.4	59.4	59.5
Long-term	26.5	27.4	27.6	28	28.5	27.5	26.5	32.3	33.2	33.6
Provisions ⁶ of which	8.3	8.3	8.3	8	8	8	8	6.1	6.4	6.2
Provisions for pensions	2.4	2.6	2.7	2.5	3	3	3	1.3	1.3	1.3
Memo item: Turnover	170.0	170.3	173.2	165.5	155	152.5	150	172.9	172.2	175.8
II Profit and loss account ratios	% of total output									
Turnover	98.8	99.3	99.6	99	98	98	97.5	98.9	99.4	99.7
Change in stocks of own products ⁷	1.2	0.7	0.4	1	2	2	2.5	1.1	0.6	0.3
Total output	100	100	100	100	100	100	100	100	100	100
Interest received	0.3	0.3	0.3	0.5	0.5	0.5	0.5	0.3	0.2	0.2
Other income	3.4	3.3	3.3	3.5	4	4	4	2.9	2.8	2.8
Total income	103.7	103.6	103.6	104	104	104.5	104.5	103.1	103.1	103.0
Cost of materials	58.3	58.8	58.9	58.5	58	58	58	57.3	57.9	58.0
Labour cost ⁸	22.4	22.4	22.2	22.5	22.5	22.5	23	21.9	21.8	21.6
Depreciation of tangible fixed assets	4.0	3.7	3.6	3.5	3.5	3.5	3.5	4.2	4.0	3.8
Other depreciation ⁹	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.5
Interest paid	2.3	2.1	2.0	2	2	2	2	2.6	2.4	2.3
Taxes	0.9	0.9	0.9	1	1	1	1	0.8	0.7	0.7
on income and earnings ¹⁰	0.7	0.6	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Other cost	13.4	13.5	13.5	14	14.5	14.5	15	12.7	13.0	13.1
Total cost	101.8	101.9	101.6	101.5	102	102.5	103	99.9	100.3	100.0
Profit for the year	1.9	1.7	2.0	2	2	2	1.5	3.2	2.8	3.1
Annual result ¹¹	1.8	1.6	2.0	2	2	2	2	3.2	2.9	3.1
Annual result before taxes on income ¹²	2.5	2.3	2.6	3	3	2.5	2.5	3.7	3.3	3.6
Internally generated funds ¹³	.	.	6.1	6.5	7	6.5	6	.	.	7.3
III Other ratios	% of turnover									
Inventories	18.6	18.9	18.7	20	21.5	21.5	22.5	19.4	19.8	19.7
Short-term debtors	16.6	16.1	15.8	16.5	17	17.5	17.5	14.4	14.1	13.8
Own funds (adjusted)	% of tangible fixed assets									
Long-term liabilities ¹⁴	23.4	20.8	21.9	22	22	23.5	25	6.5	2.5	1.7
Long-term liabilities ¹⁴	121.7	123.0	126.2	128.5	132	130	128.5	112.5	112.9	115.0
Long-term liabilities ¹⁴	% of fixed assets ¹⁵									
Long-term liabilities ¹⁴	107.3	107.5	109.9	110.5	112.5	110.5	108	100.5	100.2	102.2
Liquidity ¹⁶ and short-term debtors	% of short-term creditors									
Liquidity, ¹⁶ short-term debtors and inventories	58.0	57.0	57.4	56.5	56.5	56	54	50.0	49.1	48.9
Liquidity, ¹⁶ short-term debtors and inventories	112.4	112.6	113.8	114	115	113.5	112	106.4	106.5	107.3
Internally generated funds ¹³	% of borrowed funds ¹⁷ less cash									
Internally generated funds ¹³	.	.	11.9	12	12	11	10.5	.	.	13.5
Annual result ¹¹ and interest paid	% of balance sheet total (adjusted)									
Annual result ¹¹ and interest paid	7.1	6.4	7.0	7	6.5	6.5	6	10.1	9.1	9.6

* Enterprises with annual turnover below DM100 million (up to 1998) and below €50 million (from 1999). — ** Extrapolated figures for the manufacturing sector, trade and transportation based on data from the turnover tax statistics of the Federal Statistical Office. — From 1998: estimates, rounded to the nearest half or full percentage point. — 1 Partnerships (including limited partnerships in which private limited

companies are partners as well as civil-law associations) and sole proprietorships. — 2 Including cooperative societies and foundations. — 3 Including intangible assets. — 4 Including contracts in progress. — 5 Currency and bank balances. — 6 Including pro rata share of special reserves. — 7 Including other capitalised production. — 8 Gross wages and salaries and employers' social contributions. —

			Corporations 2						
1998	1999	2000	1994	1996	1997	1998	1999	2000	Item
% of balance sheet total (adjusted)									
31	31	31	27.0	27.2	27.3	27	26.5	26	I Balance sheet ratios
35	35.5	35.5	29.0	29.4	29.1	30	30	30	Assets
4.5	5	4.5	6.0	6.1	6.0	6	6	5.5	Tangible fixed assets 3
26	25.5	25.5	34.8	34.0	34.0	33	32.5	33.5	Inventories 4
24	23.5	24	32.8	31.7	31.6	30.5	30	31	Cash 5
2	2	2	2.0	2.2	2.4	2.5	2.5	2.5	Debtors
0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	Short-term
2	2.5	2.5	2.2	2.3	2.4	2.5	3	3.5	Long-term
0	-0.5	-0.5	13.6	13.6	14.5	14.5	15.5	16	Investments
93.5	94.5	94	75.1	75.0	73.9	74	73.5	73	Participating interests
59.5	59.5	60	56.3	55.5	54.3	54.5	53.5	54	Liabilities
34	35	34	18.8	19.5	19.6	19.5	20.5	19	Own funds (adjusted) 6
6	6	6.5	11.1	11.0	11.1	11	10.5	10.5	Creditors
1.5	1.5	1.5	4.0	4.3	4.6	4.5	4.5	4.5	Short-term
169	160.5	160.5	166.2	167.7	169.7	161	147.5	143	Long-term
% of total output									
99	98	98.5	98.6	99.0	99.4	98.5	97.5	97.5	II Profit and loss account ratios
1	2	1.5	1.4	1.0	0.6	1.5	2.5	2.5	Turnover
100	100	100	100	100	100	100	100	100	Change in stocks of own products 7
0	0	0.5	0.5	0.4	0.4	0.5	0.5	0.5	Total output
3	3	3.5	4.1	3.9	4.0	4	4.5	5	Interest received
103.5	103.5	104	104.5	104.3	104.4	104.5	105	105.5	Other income
57.5	57.5	57.5	59.8	60.0	60.2	59.5	58.5	58.5	Total income
21.5	22	21.5	23.2	23.3	23.0	23	24	24	Cost of materials
4	4	4	3.5	3.4	3.3	3.5	3.5	3.5	Labour cost 8
0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	Depreciation of tangible fixed assets
2.5	2.5	2.5	1.9	1.7	1.6	1.5	1.5	2	Other depreciation 9
0.5	0.5	0.5	1.1	1.1	1.1	1	1	1	Interest paid
0.5	0.5	0.5	0.9	0.9	0.9	1	1	1	Taxes
13.5	13.5	14	14.3	14.1	14.2	14.5	15	15.5	on income and earnings 10
100	100	101	104.4	104.2	103.9	104	104.5	105	Other cost
3.5	3	3	0.1	0.1	0.5	0.5	0.5	0.5	Total cost
% of turnover									
3.5	3.5	3	0.0	-0.1	0.4	0.5	0.5	0.5	Profit for the year
4	4	3.5	0.9	0.8	1.3	1.5	1.5	1	Annual result 11
8	8	7.5	.	.	4.4	4.5	5.5	5	Annual result before taxes on income 12
% of turnover									
20.5	22	22	17.5	17.5	17.1	18.5	20.5	21	Internally generated funds 13
14.5	14.5	15	19.7	18.9	18.6	19	20.5	21.5	III Other ratios
% of tangible fixed assets									
0.5	-1.5	-1.5	50.5	49.9	53.1	54	57.5	61	Inventories
117	117.5	114	136.4	139.1	143.4	146	153	153.5	Short-term debtors
% of fixed assets 15									
103	103	101	117.6	118.8	121.2	121.5	125.5	123	Own funds (adjusted)
% of short-term creditors									
49	48	47.5	69.3	68.6	69.8	67.5	68.5	68	Long-term liabilities 14
107.5	107.5	106.5	120.8	121.5	123.3	122.5	125.5	123.5	Liquidities 16 and short-term debtors
% of borrowed funds 17 less cash									
14	13.5	12.5	.	.	9.4	9.5	10	9	Liquidities, 16 short-term debtors and inventories
% of balance sheet total (adjusted)									
10	9	9	3.2	2.7	3.5	3.5	3.5	3	Internally generated funds 13
Annual result 11 and interest paid									

9 Write-downs of current and financial assets. — 10 In the case of partnerships and sole proprietorships, trade earnings tax only. — 11 Annual result before profit and loss transfers. — 12 Taxes on income and earnings. — 13 Cash flow: annual result, depreciation allowances, changes in provisions, in special reserves and prepayments and accrued income less write-ups of tangible fixed assets. — 14 Own

funds, provisions for pensions, long-term creditors and special reserves. — 15 Tangible fixed assets (including intangible assets), participations, long-term debtors and investments held as fixed assets. — 16 Cash and investments held as current assets. — 17 Creditors, provisions and pro rata share of special reserves.

Selected ratios of large * enterprises in Germany **

Item	All forms of business organisation							Non-corporations 1		
	1994	1996	1997	1998	1999	2000	2001	1994	1996	1997
I Balance sheet ratios	% of balance sheet total (adjusted)									
Assets										
Tangible fixed assets 3	27.0	25.4	24.9	24.5	23.5	22.5	22	24.0	24.3	24.8
Inventories 4	18.1	17.6	17.4	17	16	15.5	15.5	27.7	25.8	25.9
Cash 5	5.2	5.5	5.1	4	3.5	3	3.5	6.2	6.2	5.9
Debtors	31.0	31.2	32.0	32.5	33.5	34	35.5	33.6	34.6	34.9
Short-term	28.7	28.8	29.6	30	31.5	32	32.5	31.5	32.7	33.2
Long-term	2.3	2.4	2.4	2	2	2	3	2.1	1.9	1.7
Investments	4.1	4.4	4.7	5	5	4.5	4	1.3	1.5	1.2
Participating interests	14.4	15.7	15.8	17	18	19.5	19.5	6.9	7.4	7.1
Liabilities										
Own funds (adjusted) 6	24.3	25.0	25.2	25.5	25.5	24.5	25	14.6	16.9	16.9
Creditors	45.5	45.0	45.4	46	46	47.5	47	67.1	64.1	64.8
Short-term	35.8	35.7	36.4	36	36.5	39	38	50.1	46.9	47.3
Long-term	9.7	9.3	9.0	9.5	9.5	8.5	9	17.0	17.2	17.5
Provisions 6	29.6	29.5	28.8	28	27.5	27.5	28	18.0	18.7	17.9
of which										
Provisions for pensions	12.0	12.2	12.0	12	12	12	12	7.0	7.9	7.9
Memo item: Turnover	155.8	158.3	163.0	159	154	158.5	158	234.3	240.9	238.2
II Profit and loss account ratios	% of total output									
Turnover	99.9	99.8	100.0	100	100	100	100	99.7	100.0	100.0
Change in stocks of own products 7	0.1	0.2	0.0	0	0	0	0	0.3	0.0	0.0
Total output	100	100	100	100	100	100	100	100	100	100
Interest received	0.9	0.7	0.7	0.5	0.5	1	1	0.5	0.4	0.3
Other income	5.1	5.1	5.1	6	6.5	6.5	6.5	3.6	3.4	3.4
Total income	106.0	105.9	105.8	106.5	107	107	107.5	104.0	103.8	103.7
Cost of materials	64.0	65.2	65.4	65.5	66	68	68.5	66.9	68.0	67.9
Labour cost 8	17.0	16.2	15.4	15.5	15.5	14	14	15.4	15.1	14.8
Depreciation of tangible fixed assets	3.8	3.3	3.2	3	3	3	3	2.6	2.5	2.5
Other depreciation 9	0.5	0.4	0.3	0.5	0.5	0.5	0.5	0.4	0.5	0.3
Interest paid	1.1	0.9	0.8	1	1	1	1	1.1	0.9	0.8
Taxes	4.6	4.6	4.9	5	4.5	4.5	4.5	1.6	1.6	2.0
on income and earnings 10	0.9	1.0	1.2	1.5	1.5	1.5	1	0.6	0.5	0.6
Other cost	13.6	13.8	13.7	14	14.5	14	14.5	13.3	13.1	12.8
Total cost	104.5	104.4	103.8	104.5	105	105	106	101.3	101.7	101.2
Profit for the year	1.6	1.5	2.0	2	2	2	1.5	2.8	2.1	2.5
Annual result 11	1.8	1.7	2.3	2.5	2.5	2.5	2	2.9	2.2	2.6
Annual result before taxes on income 12	2.7	2.7	3.5	4	3.5	3.5	3	3.4	2.7	3.2
Internally generated funds 13	.	.	6.0	7	7	7	6.5	.	.	5.5
III Other ratios	% of turnover									
Inventories	11.6	11.1	10.7	10.5	10.5	10	9.5	11.8	10.7	10.9
Short-term debtors	18.4	18.2	18.2	19	20.5	20	20.5	13.4	13.6	13.9
Own funds (adjusted)	90.1	98.5	101.4	105.5	109	108.5	112	60.9	69.4	68.4
Long-term liabilities 14	174.2	186.9	189.7	197.5	205	203.5	209.5	165.2	175.2	173.6
Long-term liabilities 14	105.8	106.0	106.1	106	105.5	98.5	100	119.2	125.6	126.4
Liquidities 16 and short-term debtors	104.1	104.9	104.1	103.5	104	96.5	100	77.2	85.4	84.2
Liquidities, 16 short-term debtors and inventories	154.7	154.3	151.8	150	148	137	140.5	132.5	140.3	139.0
Internally generated funds 13	.	.	14.2	15.5	15.5	15.5	14	.	.	17.2
Annual result 11 and interest paid	4.5	4.1	5.1	5.5	5	5.5	5	9.3	7.5	8.3

* Enterprises with annual turnover of DM100 million (up to 1998) or €50 million (from 1999) or more. — ** Extrapolated figures for the manufacturing sector, trade and transportation based on data from the turnover tax statistics of the Federal Statistical Office. — From 1998: estimates, rounded to the nearest half or full percentage point. — 1 Partnerships (including limited partnerships in which private limited

companies are partners as well as civil-law associations) and sole proprietorships. — 2 Including cooperative societies and foundations. — 3 Including intangible assets. — 4 Including contracts in progress. — 5 Currency and bank balances. — 6 Including pro rata share of special reserves. — 7 Including other capitalised production. — 8 Gross wages and salaries and employers' social contributions. —

			Corporations 2						
1998	1999	2000	1994	1996	1997	1998	1999	2000	Item
% of balance sheet total (adjusted)									I Balance sheet ratios
									Assets
25	25	23	27.7	25.6	24.9	24.5	23	22.5	Tangible fixed assets 3
25	24	24.5	15.8	15.7	15.3	14.5	14	13.5	Inventories 4
5.5	5.5	5	5.0	5.3	4.9	4	3	2.5	Cash 5
35.5	35.5	37	30.4	30.3	31.3	31.5	33	33.5	Debtors
33.5	33.5	35	28.0	27.9	28.8	29.5	31	31.5	Short-term
2	2	2	2.3	2.5	2.5	2.5	2	2.5	Long-term
1	1.5	1.5	4.8	5.1	5.5	6	5.5	5.5	Investments
8	8.5	9.5	16.1	17.7	17.8	19.5	20.5	22	Participating interests
									Liabilities
17	17	17.5	26.6	26.9	27.2	28	27.5	26	Own funds (adjusted) 6
65	65	64	40.4	40.4	40.7	41	41.5	43.5	Creditors
47	46.5	48.5	32.4	33.0	33.8	33.5	34	36.5	Short-term
18	18	15.5	8.0	7.4	6.9	7.5	7.5	7	Long-term
17.5	18	18.5	32.3	32.0	31.4	30.5	30	29.5	Provisions 6
7.5	8	8	13.2	13.3	13.0	13	13	13	of which
229.5	227	232	137.2	138.7	144.8	141.5	136	140.5	Provisions for pensions
									Memo item: Turnover
% of total output									II Profit and loss account ratios
99.5	100	100	100.0	99.7	100.0	100	100	100	Turnover
0.5	0	0	0.0	0.3	0.0	0	0	0	Change in stocks of own products 7
100	100	100	100	100	100	100	100	100	Total output
0.5	0.5	0.5	1.1	0.9	0.9	1	1	1	Interest received
4	3.5	3.5	5.8	5.8	5.7	6.5	7.5	7.5	Other income
104	104	104	106.9	106.7	106.6	107.5	108.5	108.5	Total income
67.5	68	69.5	62.9	64.1	64.4	64.5	65	67.5	Cost of materials
15	15	14.5	17.6	16.6	15.7	15.5	15.5	14	Labour cost 8
2.5	2.5	2.5	4.2	3.6	3.4	3.5	3.5	3.5	Depreciation of tangible fixed assets
0.5	0	0.5	0.5	0.4	0.4	0.5	0.5	0.5	Other depreciation 9
1	1	1	1.1	0.9	0.8	1	1	1	Interest paid
2	2	2	5.8	5.8	6.0	6	6	5.5	Taxes
0.5	0.5	0.5	1.0	1.2	1.5	2	1.5	1.5	on income and earnings 10
13	12.5	12	13.7	14.1	14.0	14.5	15.5	15	Other cost
101	101.5	101.5	105.8	105.5	104.8	105.5	106.5	107	Total cost
3	2.5	2.5	1.1	1.2	1.8	2	1.5	2	Profit for the year
% of turnover									III Other ratios
3	2.5	2.5	1.4	1.5	2.1	2	2	2.5	Annual result 11
4	3.5	3.5	2.4	2.7	3.6	4	4	4	Annual result before taxes on income 12
6.5	6	6	.	.	6.2	7	7.5	7.5	Internally generated funds 13
11	10.5	10.5	11.5	11.3	10.6	10.5	10.5	9.5	Inventories
14.5	14.5	15	20.4	20.1	19.9	20.5	22.5	22.5	Short-term debtors
69.5	68.5	76.5	96.0	105.1	109.4	114.5	120	116.5	Own funds (adjusted)
176	175	181.5	176.0	189.5	193.6	203	213	209	Long-term liabilities 14
% of fixed assets 15									Long-term liabilities 14
125.5	122	119.5	103.6	102.7	102.6	102.5	102	95	Liquidities 16 and short-term debtors
% of short-term creditors									Liquidities, 16 short-term debtors and inventories
85	86	83.5	114.0	111.5	110.9	110	110.5	101	Internally generated funds 13
138.5	137.5	134	162.9	159.0	156.1	154	151.5	138	Annual result 11 and interest paid
19	18	17.5	.	.	13.4	14.5	14.5	15	
% of balance sheet total (adjusted)									
9	8	8	3.3	3.3	4.3	4.5	4	5	

9 Write-downs of current and financial assets. — 10 In the case of partnerships and sole proprietorships, trade earnings tax only. — 11 Annual result before profit and loss transfers. — 12 Taxes on income and earnings. — 13 Cash flow: annual result, depreciation allowances, changes in provisions, in special reserves and prepayments and accrued income less write-ups of tangible fixed assets. — 14 Own

funds, provisions for pensions, long-term creditors and special reserves. — 15 Tangible fixed assets (including intangible assets), participations, long-term debtors and investments held as fixed assets. — 16 Cash and investments held as current assets. — 17 Creditors, provisions and pro rata share of special reserves.



Development and significance of education expenditure in Germany

Young people's education and further education opportunities play a key role in Germany's future economic outlook. The public sector is responsible for the largest portion of education expenditure, although enterprises and private organisations also contribute financially. After Germany's poor performance in the PISA comparative study initiated by the OECD, the effectiveness of the education system has been attracting increasing public attention. Frequent calls are being made for the government to increase its spending on education. Given the present very high government expenditure ratio and budget deficits in Germany, the only way to do so would be by restructuring expenditure. The results of the PISA study and further analyses indicate that the connection between the level of education spending and the performance of schoolchildren and students is not as close as is often assumed. Hence it is probably just as important to make the education system more efficient. Furthermore, demographic trends showing an upcoming decline in the number of schoolchildren will provide relief for the education system. This article reviews education spending in light of these issues.

Compared with education systems in other countries, an important characteristic of education in Germany is the fact that it offers a dual system of vocational education and

*Dual system
produces
well-qualified
workers*

training in industry and schools. Mainly as a result of this approach, over 80% of 25 to 64-year-olds in Germany have a qualification which is higher than the compulsory school leaving certificate. In this sense, Germany ranks as one of the front runners when compared with other countries. However, figures showing the spread of qualifications in the 25 to 34 age group are somewhat less favourable. Nevertheless, on the whole the dual training system is considered to give German workers a good professional grounding – clearly a factor in Germany's favour in terms of its international competitiveness.

*Performance by
international
comparison*

However, frequent criticism has been voiced during the last few years of the quality of the education provided in Germany. For example, there have been recurrent complaints about educational deficiencies among school leavers, particularly from employers. Fairly recently, international comparisons of schoolchildren's performance have been carried out in which Germany has taken part. The TIMS study of mathematical and scientific literacy¹ had already uncovered the first weaknesses. Then, however, came Germany's alarming performance in the PISA study carried out in spring 2000.² The target group in this study comprised 15-year-olds, who in many countries were already in their final year of compulsory schooling. A series of questions was used to provide an in-depth assessment of their reading ability and their mathematical and scientific literacy. Of the 32 participating countries, Germany only achieved a place in the lower half of the league table, although there were considerable differences from one federal state to another. Alongside the poor

average result for German schoolchildren, the wide dispersion of attainment was particularly striking; in no other country was it as sharply pronounced. One implication is that a very large proportion (around one-fifth) of schoolchildren failed to meet the requirements of the second of five performance levels and they therefore have to be rated as a risk group with respect to further career progression. The children's family backgrounds proved to have a particular bearing on performance. In addition to youngsters from immigrant families, children from socio-economic groups which put relatively little emphasis on education also fared well below average.

The subsequent PIRLS study, which examines reading ability at the end of primary school,³ produced more favourable results for German schoolchildren. Whereas average achievement was in the top third among the participating countries (which were not quite the same as for the PISA study) the dispersion remained narrow. The children's backgrounds were also less significant. Although this evidence put some results of the PISA study into perspective, an improvement in the education system in Germany would nonetheless ap-

1 For details of the results of the Third International Mathematics and Science Study, see J Baumert et al (1997), TIMSS – *Mathematisch-naturwissenschaftlicher Unterricht im internationalen Vergleich. Deskriptive Befunde*, Opladen, Germany.

2 Programme for International Student Assessment. See C Artelt et al (2001), *PISA 2000, Zusammenfassung Zentraler Befunde*, Max Planck Institute for Human Development, Berlin.

3 Progress in International Reading Literacy Study (Internationale Grundschul-Leseuntersuchung (IGLU) in Germany). See also W Bos et al (2003), *Erste Ergebnisse aus IGLU*, <http://www.erzwiss.uni-hamburg.de/IGLU/kurz-end.pdf>, Hamburg.

pear to be urgently needed, even if the results suggest that rather more attention needs to be focused on secondary education.

Tertiary education

Apart from the quality of the education provided, the low level of take-up in tertiary education is also criticised. In line with other analyses, the OECD studies indicate that the number of tertiary level students in Germany is well below average. The main response has been to call for university admission in Germany to be made easier and, at the same time, broadened in order to secure Germany's long-term position in the global economy. However, it must be borne in mind that – not least because of the dual training system – there are extensive education opportunities in Germany outside the realm of universities. Given the educational deficiencies of many students bemoaned by university lecturers, the high drop-out rates and the relatively late entry into employment, any broadening of admission to tertiary education also requires better preparation in schools and improvements to the educational services provided by universities.

Education as a key function of general government

The weaknesses and criticisms referred to above have also led to demands for increased government spending on education. However, the way to achieve education results which compare more favourably with those of other countries is clearly likely to be more complicated than that. Nonetheless, it is generally agreed that ensuring educational performance or rather establishing the underlying conditions conducive to a successful education system is one of the key functions of the public sector. This will not only pro-

mote equal opportunities in society but also improve the conditions for achieving growth.

Total education expenditure in Germany

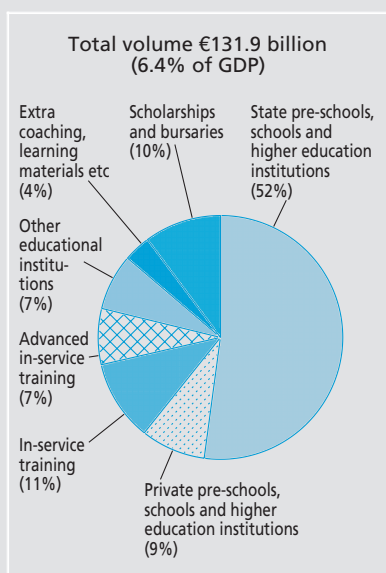
Measuring the level of spending on education proves to be a complicated task. We first need to clarify what we understand by the term "education". Usually, nursery schools are included, even though in Germany their educational task is minimal. In the case of universities, at least expenditure by medical facilities on treating patients is excluded from the figures. However, there is no generally accepted classification of funds made available for research and development. Different methods are also used to record expenditure on in-service and advanced training and funds provided by the public sector to cover trainees' living costs.

Varying definitions of education ...

The definition of "expenditure" also varies. For instance, in the frequently used netted expenditure concept, funds raised from the private sector specifically for educational purposes are deducted from public spending. In the financial statistics, which are frequently taken as a basis, payments made to health care and pension schemes for teachers in western Germany, most of whom are civil servants, are not classified under the relevant area but instead recorded separately. To gain a comprehensive view of the strains that education policy places on the budget in any given year, account needs to be taken of the reclassifications and surcharges for notional contributions to pension insurance schemes.

... and of expenditure

Breakdown of expenditure as in the 2001 education budget



Source: Federal Statistical Office.
Deutsche Bundesbank

Education budget as a broad concept

The broadest national measurement concept is the education budget as published regularly by the Federal Statistical Office.⁴ Two distinct analyses are provided: one based on implementation and the other on financing. The implementation analysis shows the volume of funds spent on each part of the education system, whereas the financing analysis also classifies the money according to its origin (ie whether it comes from the public or the private sector, or from abroad). Implementation figures are currently available up to 2001; data on the origin of funds go as far as 2000 only.

Amount and structure of education spending ...

In 2001, education spending classified according to this measurement concept amounted to €132 billion or 6.4% of GDP. Most of the funds (as shown in the above chart) were

spent on state schools (3.3% of GDP) and the private school system (0.5% of GDP) including pre-schools and higher education institutions.⁵ Job-related expenditure defrayed as part of in-service training was also significant (1.2% of GDP). The remainder comprised (as shown in detail in the table on page 59) assistance for people in full-time education (eg Federal Government educational scholarships and bursaries and funds to cover living costs paid by the Federal Labour Office), child benefit for 19 to 25-year-olds still in education, and other education spending.

Although since 1995 – the first year for which data according to the measurement concept currently in use were available – education spending has risen by €12 billion or an annual average of 1½%, its ratio to GDP has gone down slightly by 0.2 percentage point. The main reason for this was a decline of 0.3 percentage point in state pre-school and general school education, whereas the overall number of people in full-time education increased. The ratio of the remaining “education segments” to GDP remained more or less constant.

As shown in the chart on page 60, the public sector contributed €95 billion (almost three-

... and its development

Origin of resources

⁴ It also includes further education and training, education-related spending by the Federal Labour Office, relevant expenditure as part of assistance for young people, spending on learning materials by private individuals, and public sector expenditure for students’ living costs. Civil servants’ wages are topped up by health care assistance as well as notional contributions to the statutory pension insurance scheme and the supplementary pension funds for public employees. On the other hand, spending by educational establishments on research is excluded.

⁵ The pre-school level accounts for most of the expenditure by private education establishments, ie around two-thirds of the total.

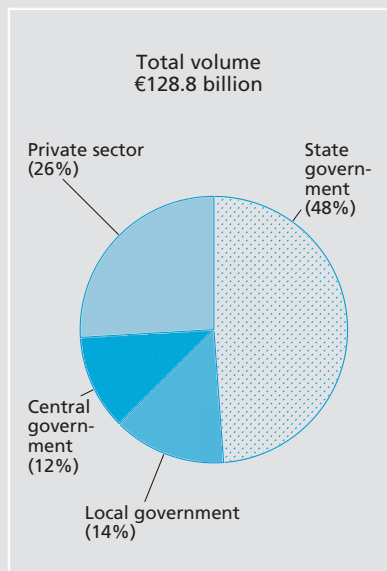
Education budget, by institution

Item	€ billion			As % of GDP		
	1995	2000	2001	1995	2000	2001
Education expenditure						
State pre-schools, schools and higher education institutions	64.6	67.4	68.7	3.6	3.3	3.3
Pre-school 1	4.8	4.3	4.4	0.3	0.2	0.2
General	41.8	43.6	44.3	2.3	2.2	2.1
Vocational 2	7.6	8.2	8.4	0.4	0.4	0.4
Higher education 3	10.4	11.3	11.6	0.6	0.6	0.6
Private pre-schools, schools and higher education institutions	9.6	11.0	11.3	0.5	0.5	0.5
Pre-school 1	6.2	7.0	...	0.3	0.3	...
General	2.4	2.7	...	0.1	0.1	...
Vocational 2	0.9	1.1	...	0.0	0.1	...
Higher education 3	0.2	0.2	...	0.0	0.0	...
In-service training	12.5	13.9	14.1	0.7	0.7	0.7
In the public sector	1.0	1.0	...	0.1	0.0	...
In the private sector	11.5	12.9	...	0.6	0.6	...
Advanced in-service training, total 4	8.9	9.6	9.8	0.5	0.5	0.5
Other educational institutions 5	9.0	9.6	9.8	0.5	0.5	0.5
Expenditure by schoolchildren and students on extra coaching, learning materials etc	4.2	4.6	4.7	0.2	0.2	0.2
Education expenditure, total	108.7	116.1	118.5	6.0	5.7	5.7
Scholarship and bursaries 6						
Government financial support	4.3	4.4	5.0	0.2	0.2	0.2
For schoolchildren	1.9	2.1	...	0.1	0.1	...
For students	2.4	2.3	...	0.1	0.1	...
For people in further education and training	0.0	0.0	...	0.0	0.0	...
Financial support from the Federal Labour Office	5.6	5.2	5.2	0.3	0.3	0.3
Child benefit for 19 to 25-year-olds in full-time education	0.9	3.1	3.1	0.0	0.2	0.2
Scholarships and bursaries, total	10.9	12.6	13.4	0.6	0.6	0.6
Education budget, total	119.6	128.8	131.9	6.6	6.4	6.4

Source: Federal Statistical Office, calculations and estimates by the Federal Ministry of Education and Research. — 1 Nursery schools (excluding day nurseries), pre-school classes and special needs primary school classes; figures may be distorted as a result of the privatisation of nursery schools. — 2 Including technical and vocational schools and universities and medical or nursing schools etc. — 3 Excluding expenditure for the treatment of sick persons and for research and development. — 4 Excluding wages and salaries paid to trainees. — 5 This includes, for

example, youth assistance organisations, grants to private adult education institutions, grants from the Federal Labour Office for private vocational and advanced training institutions and grants for civil servant training. — 6 Payments from the government budgets as grants or loans (gross) to people in education to assist with living costs, including student grants/loans from the Deutsche Ausgleichsbank and spending by university student support services.

Breakdown of contributions to the education budget in 2000



Source: Federal Statistical Office.
Deutsche Bundesbank

quarters) to the total education budget in 2000. Financing from the private sector was predominant almost solely in the area of in-service training. Even in the case of the private education establishments, the public sector still bore almost two-thirds of the costs incurred.

State government the main spender on education

In 2000 state government, which is responsible for the most important cost item, ie the teaching staff, provided almost two-thirds of the public sector resources. In the core area of nursery schools, schools and higher education institutions, its share actually amounted to four-fifths. Local government accounted for almost one-fifth of public sector resources in the education budget. The largest item comprised resources spent on ongoing building maintenance and invested in schools. An-

other key municipal focus is on pre-school establishments. Central government expenditure, which accounted for just under one-sixth of all public sector funds, is concentrated on other educational institutions – which offer courses financed through the Federal Labour Office – and scholarships and bursaries, to which the Federal Government contributed almost two-thirds.

Longer-term trends

To analyse longer-term developments, a narrower definition than that used for education budget figures (ie in accordance with the financial statistics) needs to be adopted; essentially, this definition includes schools and universities.⁶ The long-term development of spending on schools is markedly affected by declining birth rates. Data on universities indicate that a smaller proportion of funds has been allocated to this sector as time has gone on. Overall, the ratio of expenditure for schools and universities to GDP as defined in this concept went down from 4.2% in 1975 (former West Germany) to 3.2% in 2001 (Germany as a whole).

Definition and underlying trend

The ratio of expenditure for general and vocational schools to GDP fell from 3.1% in 1975 to 2.2% in 1990. This decline was mainly attributable to the sharp decrease in the number of schoolchildren during this

Expenditure on schools between 1975 and 1990 ...

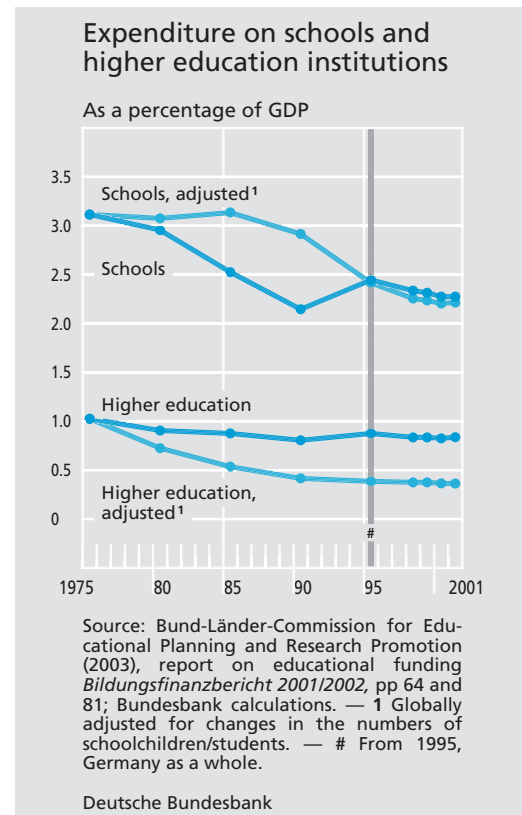
⁶ These data are also used in the report on educational funding published by the Bund-Länder Commission for Education Planning and Research Promotion. They are defined according to the netted expenditure concept. No account is taken of additional notional contributions to cover future old age pension burdens caused by current civil servants.

period. Starting from 8.6 million in 1960, the number of schoolchildren in what was then West Germany had peaked at just over 12 million by the mid-1970s, resulting in a sharp increase in education expenditure. In the following period, the decline in the birth rate ceased to be offset by the only moderate increase in the number of children attending secondary schools, and by the end of the 1980s there were only 9 million schoolchildren. Adjusted for the decline in the number of schoolchildren, expenditure on schools had gone down only marginally to 2.9% of GDP by 1990.

... and afterwards

Following German unification, the unadjusted ratio to GDP of public sector funds allocated to schools went up again to 2.5% in 1995. This was also due to a perceptible rise in the number of schoolchildren in western Germany to just under 9½ million. During this period, the offspring of the early 1960s baby boom generation reached compulsory school age. There was initially a sharp increase in the number of schoolchildren in eastern Germany, too, where, in addition, the restructuring of the education system is likely to have led to a higher number of people in full-time education. Overall, during this period the number of schoolchildren increased decidedly more sharply than the ratio of education expenditure to GDP.

Since the mid-1990s, there has been a further slight decrease in the ratio of public sector expenditure on schools to GDP. It has been around 2.3% since 1998. The main reason for this was that the decline in the birth rate in eastern Germany after reunification



slowed the number of admissions to schools in that part of the country from 1996 onwards. By 2001 the peak figure of just over three million schoolchildren in 1996 had decreased by one-fifth; this mainly affected the primary level initially and resulted in a sizeable need for adjustment in this area. By contrast, in western Germany the number of schoolchildren continued to go up, meaning that figures for Germany as a whole showed a further slight increase.

The developments outlined above also had a considerable impact on the labour market for teachers, who account for the bulk of spending on education. Whereas measures had previously been taken to provide for a sharp increase in the number of teachers, the early 1980s saw a very sharp decline in the number

Impact on the labour market for teachers



of new staff appointed to state schools (as shown in the above chart). Hence, in 1988, for example, just over 6,500 teachers were appointed, ie four-fifths fewer than in 1980. Since the number of teacher training graduates decreased more slowly, by computation only two-fifths of the graduates found teaching jobs in state schools between 1983 and 1988. Between 1991 and 1998, the number of appointments stabilised at around 15,000, subsequently leaping to almost 31,000 in 2001. Only a fairly small part of this rise is attributable to the new positions created in response to the increase in the number of schoolchildren in many western German states. A more significant factor is the need for new teachers to replace those retiring from the profession. Following the wave of appointments in the 1970s, this need has be-

come greater and will remain sizeable for some years to come. In 2001 more than twice as many teachers as in 1993 (nearly 16,000) entered retirement. In the past few years, the increase in the number of part-time teaching jobs has also heightened the need to appoint more teachers; this does not, however, imply an expansion of capacity. After many years of high levels of unemployment among teachers, the evident need to appoint new staff may even lead to teacher shortages in the next few years.

Although there has been a nominally sharp increase in the funds made available for tertiary education since 1975, the ratio of these funds to GDP went down from 1.1% to 0.9% in 2001. The number of students more than doubled during this period from just over 0.8 million to almost 1.9 million. Linking the development of tertiary education resources to the number of registered students is, however, of only limited informational value. For instance, the picture may be distorted if there is an above-average increase in the number of long-term students who do not actually attend classes but claim other benefits to which registered students are entitled.⁷ In view of the considerable cost differences between courses of study, the restriction on the number of students admitted to "expensive" subjects, such as medicine, combined with the large numbers of additional students enrolling for cheaper subjects is also

Spending on tertiary education

⁷ Between 1993 and 2001, the figures from the report on educational funding 2001/2002 published by the Bund-Länder Commission for Education Planning and Research Promotion showed a higher annual increase (of three-tenths) in the nominal per capita expenditure, if account is taken only of those who, owing to their period of study, are in principle still entitled to a state grant/loan.

likely to have resulted in a reduction in the average amount of funds required. Furthermore, spending on research (which is unrelated to the number of students) is included in tertiary sector spending.

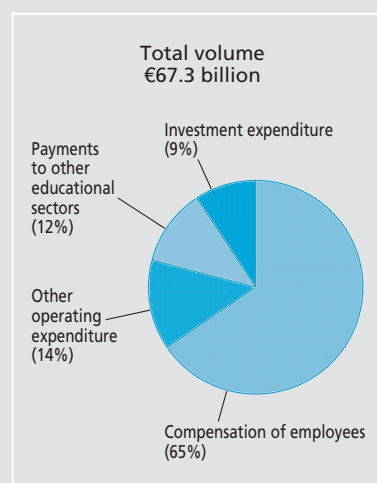
Composition of education expenditure ...

Apart from the long-term trend, the financial statistics also provide some insight into the different types of expenditure which constitute spending on schools and higher education institutions (see adjacent chart). In the total volume of expenditure amounting to €67 billion (excluding additional notional contributions for civil servants' old-age pension provision) in 2000, the largest portion – 65% – comprised compensation of employees. In the school sector, this portion was even distinctly higher (74%). Contributions for other operating expenditure and payments to other educational sectors, which were primarily used to finance staff and other operating costs of private and outsourced facilities, amounted to 14% and 12% respectively. Only 9% was allocated to investment – in buildings in particular.

... and qualitative structure of government spending

This shows, for example, that it is difficult to measure the quality of government spending, in terms of its influence on macroeconomic growth, solely by the share of investment expenditure. It is at least questionable whether a large part of the expenditure classified in the budget as investment actually promotes economic growth. This applies, for instance, to general government participating interests, loans and investment grants – which often tend to be subsidies and distort the allocation of private resources – as well as to investment in what are termed consumption assets.⁸ On

Public spending on schools and higher education institutions in 2000,* by type of expenditure



Source: Federal Statistical Office and Bundesbank calculations. — * Direct expenditure, ie excluding payments to other public budgets.

Deutsche Bundesbank

the other hand, a sizeable proportion of current public sector expenditure, particularly at state government level, represents investment in human capital, which is a key factor in longer-term economic growth.

Education expenditure by international comparison

The primary source of data on international comparisons is the OECD, which regularly monitors education expenditure.⁹ However, the definition used by the OECD differs on several counts from those of the national ap-

Problems with an international comparison of expenditure

⁸ For details, see Deutsche Bundesbank, Developments of public sector investment, and its financing, *Monthly Report*, April 1999, pp 29-46.

⁹ For figures, see OECD (2003), *Education at a Glance*, Paris.

proaches presented in this article.¹⁰ Moreover, as the measurement concept has been developed further in recent years, only limited conclusions can be drawn from a comparison with previous years. Furthermore, the informational value of the data from the OECD is limited not least by the fact that education systems are organised differently in each individual country and that recording practices may well differ from one country to another.¹¹ Above all, it should be borne in mind that comparing the level of expenditure to GDP alone merely allows very limited conclusions to be drawn as to the actual educational provision. The informational value is not least restricted by the varying levels of teachers' pay and the divergent proportions of the population of the normal age to be in full-time education.

*Comparison
of total
expenditure ...*

Overall, according to the OECD method, spending on education facilities in Germany amounted to 5.3% of GDP in 2000. This undershot the 1995 level by ½ percentage point. Thus, spending on education in Germany in 2000 was below the OECD country average by around 0.1% of GDP. Funds provided by general government amounted to 4.3% of GDP, ie remained ½ percentage point below the international average. In Germany an above-average share of education expenditure thus comes from the private sector. This is mainly attributable to the well-developed dual system of vocational education and training since the companies involved assume the costs of the trainees' practical tuition.

This particular feature is also reflected in how expenditure is apportioned to the specific educational levels.¹² These figures reveal clear international differences in the education focus. In Germany, for instance, spending at the elementary level (including nursery schools classified as educational institutions) amounts to 0.6% of GDP, well above the OECD average; this is mainly related to the fact that a significant proportion of expenditure (one-third) is not covered by public sector funds. By contrast, a relatively low figure (2.1%) was recorded for the primary and lower secondary levels, which are almost exclusively government financed. However, at the upper secondary level, which also includes technical and vocational schools, the figure for Germany was back in line with the average of the OECD countries (1.4% of GDP); this was due to the relatively high financial contribution made by the private sector. At the tertiary level, comprising universities in particular, expenditure in 2000 amounted to 1.0% of GDP, compared with an average of 1.3% of GDP in OECD countries.

*... and
spending on
the different
educational
levels*

This kind of expenditure comparison admittedly takes no account of major differences in the key factors affecting the demand for edu-

*Impact of the
number of
schoolchildren/
students*

¹⁰ Most importantly, expenditure on further education and training and as part of the work promotion measures carried out by the Federal Labour Office is not taken into consideration. However, resources allocated by higher education institutions to research and development are included in education expenditure.

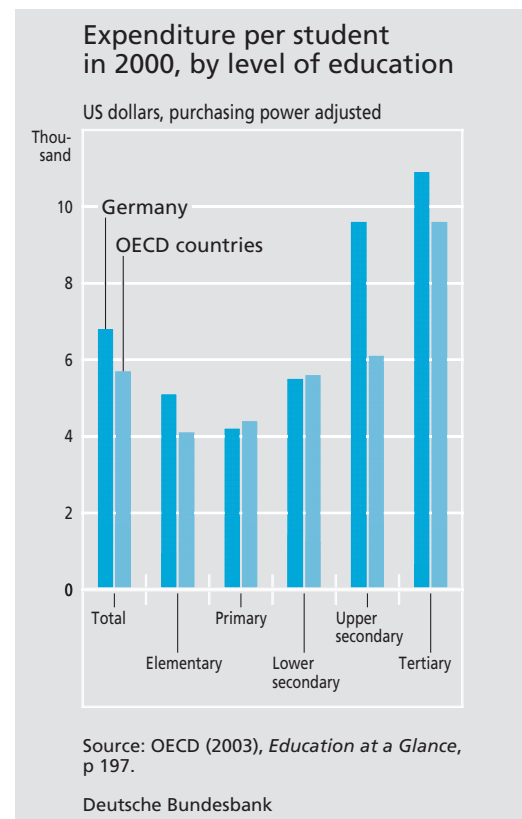
¹¹ For instance, expenditure on schools is far higher if child supervision and catering services are offered in addition to education.

¹² Admittedly, there are difficulties involved in apportioning the funds to the different levels of education. For example, many schools in Germany cover several different educational levels.

cation. First, the proportion of people who are of the normal age to be in full-time education is a key consideration; in the OECD study, this age range has been defined as being from 5 to 29. In 1999 the figure for Germany was one-sixth below the average in the OECD countries.¹³ The number of people in this age range who wish to continue their studies after completing compulsory schooling is also a prime factor. Whereas Germany exceeds the benchmark at the school level, it is lagging well behind at the tertiary level. In 2001, 32% of one age group in Germany started tertiary-level courses lasting at least three years, whereas the average OECD figure was 47%.

Total
expenditure
per schoolchild/
student ...

More enlightening information about education expenditure by international comparison can therefore be derived from the ratio of expenditure to the number of schoolchildren and students. The relevant OECD figures are given in US dollars adjusted for purchasing power.¹⁴ In 2000, average expenditure per schoolchild or student across all levels was around US\$6,850 in Germany (see adjacent chart). This figure was well above the OECD countries' average funds of just under US\$5,750. This lead is, however, largely attributable to the above-average role of the private sector in the financing of, first, vocational training, but also of pre-school facilities. However, government spending still amounted to just over US\$5,550 per schoolchild, compared with US\$5,100 across all OECD countries. Admittedly, this relates not least to the fact that, by international standards, salaries for teaching staff in Germany are relatively high.



The picture varies widely across the different educational levels. For instance, at the elementary level (for children aged three and over who are not yet of compulsory school age) almost US\$5,150 is spent per child, ie far more than the OECD average of just under US\$4,150. The difference is almost entirely due to the fact that far more than the average share of funds does not come from the public sector (attendance fees and funds provided by churches or outsourced municipal companies which run establishments of this kind).

... at
elementary
level ...

¹³ The spending on education ratio would, *ceteris paribus*, be 1 percentage point higher if the age structure were in line with the average across all countries.

¹⁴ The basket of goods used here is admittedly broadly based and not specifically geared to education expenditure.

... at primary
level ...

By contrast, at the primary level, which comprises the first four to six school years, Germany spends US\$4,200 on each schoolchild, ie 4% less than the OECD average. If the pupil-teacher ratio is used to measure the level of individual attention, the OECD average in 2001 was one teacher for every 17 pupils, whereas in Germany the figure was one teacher for 19.4 pupils. In addition, the allocation of just over 640 teaching hours in the 2001 primary school timetable for children aged between seven and eight was 14% below the average across all countries.

... at secondary
level ...

At the lower secondary level, spending in Germany (US\$5,470 per pupil) was also below average, although somewhat less than at the primary level. This was also reflected in the pupil-teacher ratio (15.7 compared with the OECD average of 14.5). On the other hand, spending per upper secondary level pupil – which, in addition to grammar school classes also comprises vocational schools and in-service training – amounted to just under US\$9,630, nearly 60% above the average. Apart from the impact of teachers' salaries, this result was also largely due to the high level of the private sector financial contribution to Germany's dual training system.

... and at
tertiary level

The OECD figures for the tertiary level, which comprises all higher education institutions, indicate that funding in Germany is rather good. However, particular caution should be exercised when assessing the situation because expenditure is relatively closely linked to the course of study chosen and the OECD analysis also includes spending on research and development. Given the fact that the

share of this kind of expenditure is well above average, spending on German higher education institutions was US\$10,900 per student in 2000; this exceeded the OECD average by more than US\$1,300. However, if spending on research is excluded, the benchmark would have been slightly undershot. German higher education institutions recorded a ratio of students to teaching staff of 12.3 in 2001, ie better than the OECD average (16.5), whereas the average period of study was 4.9 years – just over half a year longer.

Conclusions

Mainly as a result of the poor performance of German schoolchildren in the PISA study, greater attention is now being paid to the education system in Germany. Given the key significance of investing in human capital in terms of economic growth, education spending is actually one of the most important components of public sector expenditure. An improvement in the educational results is not at odds with efforts to consolidate the general government budget by reducing the ratio of overall government spending to GDP. Primarily, advantage should be taken, where appropriate, of the possibility of releasing additional funds by restructuring expenditure. Comparative international studies show that merely increasing education expenditure does not necessarily lead to an improvement in educational achievement. Although schoolchildren in a country which spends more on education do perform better on the whole, differences in the volume of expenditure go only a limited way towards explaining the

*Improving
education
without raising
the government
spending ratio*

divergence in attainment levels. The impact on educational performance of other variables, such as class size and the number of teaching hours, also remains limited. A comparative study even considers the conclusion "that political design parameters which have so far been considered important have proved to be relatively meaningless in terms of the development of performance".¹⁵

Demographic relief

It should also be borne in mind that the persistently low birth rate will lead to a significant decline in the total number of schoolchildren in Germany over the next few years. According to the medium variant of the most recent projected population figures,¹⁶ the number of children and young people under 20 years of age in Germany will decline by 10% to 15.5 million between 2001 and 2010. In the subsequent ten years, there will be a further decrease of just over 6%. The ratio of children and young people to the working age population (for the sake of simplicity, defined here as people aged between 20 and 65) will go down from 34% in 2001 to just over 30% in 2010 and to 29% in 2020. This means relief for the education system, but also has implications for staffing policies in this sector. Although retraining and advanced training are likely to require additional funding, this largely affects the private sector.

Encouraging competition among educational establishments

Encouraging competition among different schools and universities will also help to enhance the quality of education. International comparisons suggest that this has a positive impact. Setting comparable performance standards and conducting evaluations,

the results of which are subsequently published, evidently play a key role.¹⁷ Allowing people greater freedom in the choice of schools and furnishing the institutions with suitable incentive mechanisms is likely to promote "competition for quality". Structural reforms combined with the decline in the number of schoolchildren could free up resources which could be used, for example, to cover the additional financing needed to meet the frequent demand for an expansion of all-day schooling and to provide extra assistance for under-achieving pupils.

The OECD studies also have prompted calls for a deliberate increase in the number of students in higher education. However, consideration needs to be given to the relativising effect of the generally broader system of vocational education on, by international standards, the well below-average number of first-year students among youngsters of the same age in Germany. We do not, at present, have any figures which have been adjusted to take this into account. Furthermore, there has already been a marked increase in the number of first-year students in the past few years. This may have been partly the result of the introduction of new short-term courses of study leading to a so-called "Bachelor" degree.

Number of students in tertiary education

¹⁵ Working Group on International Comparative Studies (2003), *Vertiefender Vergleich der Schulsysteme ausgewählter PISA-Teilnehmerstaaten*, German Institute for International Education Research, Berlin, p 206.

¹⁶ See Federal Statistical Office (2003), *Population projection in Germany until the year 2050*, tenth coordinated population projection, Wiesbaden, p 47.

¹⁷ For the results of a comparison of successful countries, see Working Group on International Comparative Studies (2003), *Vertiefender Vergleich der Schulsysteme ausgewählter PISA-Teilnehmerstaaten*, Berlin, pp 207 ff.



*University
fees and
accompanying
scholarship
programmes*

Given the strained government budgetary position, the quality of education may well also be maintained or improved by making students bear a greater portion of the cost of their education, which is at present almost free. Since a university education usually reaps considerable rewards,¹⁸ increased cost-sharing would seem particularly acceptable

provided that accompanying scholarship programmes ensure that university studies are not jeopardised for lack of funds. Coupling greater autonomy with residual fees would enhance competition among universities.

¹⁸ See OECD (2003), *Education at a Glance*, Paris, pp 187 ff.

Statistical Section

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Abbreviations and symbols

- e estimated
- p provisional
- pe partly estimated
- r revised
- ... Data available at a later date
- . Data unknown, not to be published or not meaningful
- 0 Less than 0.5 but more than nil
- nil

Discrepancies in the totals are due to rounding.

I Key economic data for European monetary union

1 Monetary developments and interest rates

Period	Money stock in various definitions 1, 2				Determinants of the money stock 1			Interest rates		
	M1	M2	M 3 3		MFI lending, total	MFI lending to enterprises and individuals	Monetary capital formation 4	EONIA 5, 7	3-month EURIBOR 6, 7	Yield on European government bonds outstanding 8
				3-month moving average (centred)						
	Change from previous year, in %							% p. a. as a monthly average		
2002 Feb	6.2	6.3	7.3	7.4	5.1	6.0	4.8	3.28	3.36	5.1
Mar	6.0	6.3	7.2	7.2	4.8	5.4	4.7	3.26	3.39	5.3
Apr	6.7	6.4	7.2	7.3	4.4	5.1	4.6	3.32	3.41	5.3
May	6.8	6.7	7.5	7.3	4.5	5.3	5.2	3.31	3.47	5.3
Jun	6.9	6.4	7.1	7.2	4.4	5.3	4.3	3.35	3.46	5.2
Jul	7.6	6.5	7.0	7.0	4.0	4.8	5.0	3.30	3.41	5.0
Aug	7.7	6.4	6.9	7.0	4.2	5.1	5.3	3.29	3.35	4.7
Sep	8.0	6.5	7.1	7.0	4.3	5.0	5.2	3.32	3.31	4.5
Oct	8.3	6.8	6.9	7.0	4.3	4.9	5.0	3.30	3.26	4.6
Nov	9.0	6.8	7.0	7.0	3.9	4.6	5.0	3.30	3.12	4.6
Dec	9.9	6.6	6.9	7.1	4.1	4.7	4.9	3.09	2.94	4.4
2003 Jan	9.5	6.6	7.3	7.4	4.2	4.8	4.5	2.79	2.83	4.2
Feb	10.5	7.4	8.1	7.8	4.4	4.9	4.6	2.76	2.69	4.0
Mar	11.8	8.0	8.0	8.2	4.1	4.8	4.3	2.75	2.53	4.1
Apr	11.2	8.0	8.7	8.4	4.8	5.1	4.6	2.56	2.53	4.2
May	11.4	8.5	8.5	8.5	5.1	5.2	4.4	2.56	2.40	3.9
Jun	11.4	8.4	8.4	8.5	4.8	5.1	5.1	2.21	2.15	3.7
Jul	11.6	8.5	8.6	8.4	5.4	5.6	5.3	2.08	2.13	4.0
Aug	11.8	8.5	8.2	...	5.4	5.6	5.4	2.10	2.14	4.2
Sep	...	...	...	...	...	...	...	2.02	2.15	4.2

1 Source: ECB. — 2 Seasonally adjusted. — 3 Excluding holdings of money market fund shares/units by non-residents of the euro area. — 4 Longer-term liabilities to euro area non-MFIs. — 5 Euro OverNight Index

Average. — 6 Euro InterBank Offered Rate. — 7 See also footnotes to table VI.5., p. 44*. — 8 GDP-weighted yield on ten-year government bonds; from 2001 Euro12.

2 Foreign trade and payments *

Period	Selected items of the EMU balance of payments							Euro exchange rates 1									
	Current account			Capital account				Dollar rate	Effective exchange rate 3								
	Balance	of which Trade balance	Balance	Direct investment	Securities transactions 2	Credit transactions	Monetary reserves		nominal	real 4							
	€ million							Euro/US-\$	1st q 1999=100								
2002 Feb	+	4,656	+	10,141	+	13,271	-	9,141	-	6,443	+	26,399	+	2,455	0.8700	86.8	89.0
Mar	+	7,445	+	13,532	+	17,890	-	8,061	+	3,460	+	22,696	-	205	0.8758	86.8	89.3
Apr	-	5,803	+	7,258	+	14,785	+	8,104	+	17,392	-	19,073	+	8,361	0.8858	87.2	89.7
May	+	656	+	10,319	+	5,624	+	1,481	+	32,214	-	29,968	+	1,897	0.9170	88.6	91.1
Jun	+	7,352	+	13,679	-	40,209	-	18,825	+	19,792	-	37,659	-	3,517	0.9554	90.6	93.2
Jul	+	4,817	+	15,278	-	17,417	-	6,663	+	2,509	-	10,712	-	2,552	0.9922	91.7	94.4
Aug	+	9,851	+	12,175	-	11,523	+	1,710	+	6,151	-	21,139	+	1,756	0.9778	91.1	93.6
Sep	+	8,347	+	11,071	-	21,314	-	7,013	+	17,381	-	27,881	-	3,800	0.9808	91.2	93.8
Oct	+	4,704	+	12,439	-	17,405	-	6,163	+	25,884	-	39,262	+	2,136	0.9811	91.7	94.3
Nov	+	10,622	+	12,580	-	20,232	+	7,223	+	14,177	-	39,212	-	2,420	1.0014	92.5	95.1
Dec	+	7,101	+	9,571	-	16,237	+	2,521	-	7,823	-	9,902	-	1,033	1.0183	93.6	96.7
2003 Jan	-	4,764	+	2,065	-	12,655	-	3,144	-	3,678	-	7,382	+	1,549	1.0622	95.8	98.8
Feb	+	3,529	+	9,075	-	25,779	+	3,198	-	11,413	-	22,903	+	5,340	1.0773	97.1	100.2
Mar	+	4,037	+	6,182	+	7,895	-	7,709	+	17,798	-	7,187	+	4,992	1.0807	97.9	101.2
Apr	-	8,608	+	7,381	+	7,845	-	20,175	+	4,638	+	22,855	+	527	1.0848	98.6	102.1
May	+	395	+	8,286	-	29,846	-	250	+	8,549	-	39,584	+	1,438	1.1582	102.5	106.1
Jun	+	2,799	+	10,912	-	21,137	+	24,015	+	12,561	-	58,541	+	828	1.1663	102.7	106.6
Jul	+	1,177	+	15,297	-	6,035	-	3,555	-	38,165	+	34,075	+	1,610	1.1372	101.4	105.2
Aug	1.1139	100.3	103.9
Sep	1.1222	99.9	103.4

* Source: ECB. — 1 See also tables X.12 and 13, p. 74–75. — 2 Including financial derivatives. — 3 Vis-à-vis a narrow group of countries. — 4 Based on consumer prices.

I Key economic data for European monetary union

3 General economic indicators

Period	Belgium	Germany	Finland	France	Greece	Ireland	Italy	Luxembourg	Netherlands	Austria	Portugal	Spain	EMU 6
Real gross domestic product ¹													
2000	3.7	2.9	5.1	3.8	4.4	10.1	3.1	9.1	3.5	3.4	3.7	4.2	3.5
2001	0.8	0.8	1.2	2.1	4.0	6.2	1.8	1.2	1.2	0.8	1.6	2.7	1.6
2002	0.7	0.2	2.2	1.2	3.8	6.9	0.4	1.3	0.2	1.4	0.4	2.3	0.9
2002 Q1	- 0.7	- 1.1	- 0.9	0.9	4.3	5.4	0.0		- 0.1	0.6	1.4	2.1	0.1
Q2	0.4	0.5	3.6	1.5	4.0	7.5	0.3		0.2	1.2	1.9	2.1	1.1
Q3	1.3	0.9	2.8	1.6	3.6	7.2	0.5		0.7	1.4	- 0.4	1.9	1.3
Q4	1.7	0.3	3.3	0.9	3.2	7.5	0.7		0.1	1.4	- 1.3	2.1	0.9
2003 Q1	1.4	0.4	1.8	1.3	4.3	0.5	0.6		- 0.2	0.3	- 1.2	2.4	0.9
Q2	...	- 0.6	0.7	- 0.6	4.5	...	0.3		- 1.2	0.9	- 2.3	2.1	- 0.2
Industrial production ^{1, 2}													
2000	5.2	6.2	11.8	3.5	7.2	15.6	4.0	5.0	3.5	9.0	- 0.2	4.4	5.3
2001	- 0.3	0.5	0.1	1.1	1.0	10.1	- 1.1	3.2	0.5	2.8	3.1	- 1.5	0.5
2002	1.3	- 1.1	1.7	- 1.0	1.7	7.8	- 1.3	0.4	- 0.9	0.8	- 0.2	0.2	- 0.5
2002 Q1	- 2.9	- 3.6	- 6.3	- 1.7	- 0.5	3.0	- 3.6	- 3.8	- 2.2	- 1.7	- 1.2	- 1.1	- 2.7
Q2	2.0	- 2.0	5.1	- 0.4	4.0	11.3	- 2.0	4.0	- 1.4	2.9	1.8	- 1.1	- 0.7
Q3	4.0	- 0.3	3.0	- 1.8	0.1	10.6	- 0.1	- 0.3	- 0.6	0.6	0.4	0.4	0.1
Q4	2.3	1.4	5.2	- 0.1	3.1	6.6	0.7	1.7	0.4	1.4	- 1.9	2.5	1.2
2003 Q1	- 0.3	1.9	2.1	1.0	0.9	2.5	- 0.5	4.1	1.1	...	0.7	1.5	1.1
Q2	- 2.0	0.2	- 1.5	- 1.4	2.4	2.4	- 1.4	- 1.3	- 3.5	...	- 2.4	1.7	- 0.5
Capacity utilisation ³													
2000	84.0	86.4	86.8	87.5	78.1	78.6	78.8	87.8	84.7	84.5	81.2	80.6	84.3
2001	82.3	84.4	85.7	87.4	77.6	78.4	78.9	88.7	84.6	83.1	81.7	79.6	83.4
2002	79.6	82.3	82.7	85.3	77.0	75.9	77.3	85.1	82.9	80.2	79.4	77.2	81.4
2002 Q2	79.6	82.4	82.7	85.8	76.7	76.3	77.3	84.3	82.9	80.6	79.4	77.0	81.5
Q3	80.1	82.4	83.0	85.3	79.0	72.8	76.9	83.8	82.5	80.2	79.1	76.3	81.2
Q4	79.6	82.7	83.1	84.7	76.8	76.9	78.0	85.3	82.8	79.1	81.2	79.3	81.7
2003 Q1	79.3	82.3	82.2	85.1	75.8	74.5	77.5	84.1	82.5	79.7	77.7	78.6	81.3
Q2	78.6	81.8	82.8	84.9	77.1	75.1	75.6	85.9	81.9	80.4	78.5	78.2	80.8
Q3	77.9	81.0	80.7	84.5	76.8	77.1	76.1	84.8	81.0	79.4	75.8	79.5	80.6
Unemployment rate ⁴													
2000	6.9	7.8	9.8	9.3	11.0	4.3	10.4	2.3	2.8	3.7	4.1	11.3	8.5
2001	6.7	7.8	9.1	8.5	10.4	3.9	9.4	2.1	2.4	3.6	4.1	10.6	8.0
2002	7.3	8.6	9.1	8.8	10.0	4.4	9.0	2.8	2.7	4.3	5.1	11.3	8.4
2003 Mar	7.8	9.3	9.2	9.2		4.5	8.8	3.4	3.8	4.3	6.3	11.5	8.8
Apr	7.9	9.4	9.2	9.3		4.6	8.7	3.5	3.9	4.3	6.4	11.4	8.8
May	7.9	9.4	9.2	9.3		4.6	8.6	3.6	4.0	4.3	6.5	11.4	8.8
June	8.0	9.4	9.1	9.3		4.7	8.6	3.7	4.1	4.4	6.6	11.4	8.8
July	8.1	9.4	9.1	9.4		4.7	8.5	3.8	4.1	4.5	6.9	11.4	8.8
Aug	8.0	9.4	9.0	9.4		4.7	...	3.8	4.2	4.5	7.0	11.4	8.8
Sep	8.0	9.4	...	...		...	...	...	...	4.5	...	...	...
Harmonised index of consumer prices ¹													
2000	2.7	1.4	3.0	1.8	2.9	5.3	2.6	3.8	2.3	2.0	2.8	3.5	2.1
2001	2.4	1.9	2.7	1.8	3.7	4.0	2.3	2.4	5.1	2.3	4.4	2.8	2.3
2002	1.6	1.3	2.0	1.9	3.9	4.7	2.6	2.1	3.9	1.7	3.7	3.6	2.3
2003 Mar	1.7	1.2	1.9	2.6	3.9	4.9	2.9	3.7	2.8	1.8	3.8	3.7	2.4
Apr	1.4	1.0	1.3	1.9	3.3	4.6	3.0	3.0	2.2	1.3	3.7	3.2	2.1
May	0.9	0.6	1.1	1.8	3.5	3.9	2.9	2.3	2.3	0.9	3.7	2.7	1.8
June	1.5	0.9	1.2	1.9	3.6	3.8	2.9	2.0	2.2	1.0	3.4	2.8	1.9
July	1.4	0.8	1.0	1.9	3.5	3.9	2.9	1.9	2.1	1.0	2.9	2.9	1.9
Aug	1.6	1.1	1.2	2.0	3.3	3.9	2.7	2.3	2.2	1.0	2.9	3.1	2.1
Sep	1.7	1.1	1.2	2.3	...	3.8	3.0	2.7	...	1.3	3.2	3.0	2.1
General government financial balance ⁵													
2000	0.2	1.3	7.1	- 1.4	- 1.9	4.4	- 0.6	6.4	2.2	- 1.5	- 2.8	- 0.8	0.2
2001	0.6	- 2.8	5.2	- 1.5	- 1.5	0.9	- 2.6	6.1	0.0	0.3	- 4.2	- 0.3	- 1.7
2002	0.1	- 3.5	4.2	- 3.1	- 1.2	- 0.2	- 2.3	2.5	- 1.6	- 0.2	- 2.7	0.1	- 2.2
General government debt ⁵													
2000	109.6	60.2	44.6	57.2	106.2	38.4	110.6	5.5	55.9	66.8	53.3	60.5	69.6
2001	108.5	59.5	44.0	56.8	106.9	36.1	109.5	5.5	52.9	67.3	55.5	56.8	69.2
2002	105.8	60.8	42.7	59.0	104.7	32.4	106.7	5.7	52.4	67.3	58.1	53.8	69.0

Sources: National data, European Commission, Eurostat, European Central Bank. Latest data are partly based on press reports and are provisional. — 1 Annual percentage changes; GDP of Greece and Portugal is calculated from seasonally adjusted data. — 2 Manufacturing, mining, gas and electricity; adjusted for working-day variations. — 3 Manufacturing, in %; seasonally adjusted; data are collected in January, April, July and Octo-

ber. — 4 Standardised, as a percentage of persons in civilian employment; seasonally adjusted. — 5 As a percentage of GDP; Maastricht Treaty definition, ESA95; including proceeds from sales of UMTS licenses. — 6 Including Greece (Harmonised index of consumer prices, General government financial balance and General government debt only from 2001).

II Overall monetary survey in the European monetary union

1 The money stock and its counterparts *

a European monetary union

€ billion

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and individuals		Public authorities		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) ²	Capital and reserves ³
		Total	of which Securities	Total	of which Securities								
2002 Jan	36.3	17.5	5.0	18.7	21.9	- 13.3	0.9	14.2	25.2	3.6	- 3.6	11.0	14.2
Feb	28.8	24.9	8.7	3.9	1.2	- 8.2	3.0	11.2	9.0	1.6	- 1.0	9.3	- 0.8
Mar	70.7	48.5	- 10.4	22.1	16.9	- 5.6	19.9	25.5	23.8	3.7	- 1.3	18.7	2.7
Apr	26.1	44.6	3.0	- 18.5	1.5	- 3.0	17.5	20.5	- 6.3	- 0.2	- 1.9	1.0	- 5.2
May	39.0	32.1	3.9	6.9	9.7	39.0	73.8	34.8	25.8	3.5	- 1.2	19.7	3.7
Jun	32.6	32.5	- 6.9	0.1	- 1.3	41.0	- 26.8	- 67.8	- 5.5	3.3	- 0.2	8.6	- 17.1
Jul	- 18.9	- 15.1	- 12.3	- 3.8	- 2.0	1.5	- 3.5	- 5.0	24.7	1.3	- 0.0	13.8	9.6
Aug	- 6.9	7.1	6.8	- 14.0	- 3.1	14.1	- 10.7	- 24.8	14.1	2.2	0.2	2.7	9.0
Sep	54.6	40.3	4.9	14.3	11.5	18.1	65.5	47.4	22.8	1.0	0.4	12.1	9.3
Oct	28.0	31.0	12.4	- 3.0	- 2.6	29.7	55.1	25.5	9.4	1.3	- 1.0	9.1	0.0
Nov	41.3	26.2	6.8	15.1	6.1	34.9	84.4	49.5	21.7	3.6	- 0.5	16.6	2.0
Dec	50.8	56.9	14.9	- 6.1	- 14.1	21.8	- 33.2	- 55.0	23.6	16.5	0.1	- 1.9	8.9
2003 Jan	49.4	28.1	3.5	21.4	20.0	7.0	18.0	10.7	13.2	- 2.3	- 2.1	6.5	11.0
Feb	51.0	35.5	4.4	15.5	17.8	10.5	67.0	56.5	11.5	7.1	- 1.2	9.7	- 4.1
Mar	48.3	39.0	7.7	9.3	8.7	14.5	6.6	- 7.9	13.7	7.8	- 1.6	12.5	- 4.9
Apr	87.3	71.7	27.8	15.6	21.0	- 4.7	39.8	44.5	4.1	- 3.2	- 2.6	9.8	0.1
May	69.3	42.6	14.3	26.7	30.7	41.1	41.8	0.6	18.4	7.3	- 1.3	19.1	- 6.6
Jun	10.0	24.1	- 8.7	- 14.1	- 14.6	61.4	41.0	- 20.4	21.6	2.9	- 1.6	10.9	9.3
Jul	33.8	16.8	- 2.7	17.0	9.6	- 40.5	- 33.6	6.9	32.7	5.4	- 2.1	19.8	9.5
Aug	0.0	11.6	4.5	- 11.6	- 5.5	- 31.3	- 71.1	- 39.8	16.8	7.7	- 1.6	3.1	7.6

b German contribution

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and individuals		Public authorities		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) ²	Capital and reserves ³
		Total	of which Securities	Total	of which Securities								
2002 Jan	- 7.3	- 8.7	1.5	1.3	1.0	- 21.5	- 5.2	16.3	2.8	1.9	- 3.6	2.7	1.9
Feb	1.8	0.1	- 3.2	1.7	4.2	1.8	- 0.3	- 2.1	5.0	1.2	- 1.0	3.2	1.6
Mar	- 1.0	- 2.4	- 9.5	1.4	3.0	7.6	10.6	3.0	13.3	3.5	- 1.1	10.1	0.9
Apr	11.0	9.9	5.8	1.1	5.2	- 20.2	- 3.0	17.2	- 7.7	- 1.3	- 1.9	- 2.1	- 2.4
May	6.6	3.7	- 0.2	2.9	8.4	10.7	24.6	13.9	0.4	- 0.4	- 1.1	2.2	- 0.4
Jun	- 19.8	- 12.6	- 11.1	- 7.2	- 2.2	25.7	0.1	- 25.6	- 0.5	- 0.7	- 0.2	2.3	- 1.9
Jul	7.2	- 7.4	- 2.8	14.6	6.1	- 16.5	- 5.7	10.8	11.2	0.5	0.1	8.2	2.4
Aug	- 1.7	5.8	6.4	- 7.5	2.2	11.0	6.4	- 4.5	8.9	- 0.2	0.1	5.2	3.7
Sep	12.0	10.8	- 0.7	1.2	4.1	14.9	31.0	15.6	1.5	- 0.5	- 0.5	2.0	0.5
Oct	4.6	5.8	7.4	- 1.2	- 4.6	17.8	11.6	- 6.1	0.1	1.9	- 0.8	- 0.3	- 0.7
Nov	9.4	4.6	4.3	4.8	3.5	19.2	32.0	12.8	5.8	4.1	- 0.6	0.4	1.9
Dec	5.7	17.8	6.8	- 12.1	- 8.5	2.2	- 40.5	- 42.7	- 9.8	3.1	0.2	- 17.0	2.4
2003 Jan	18.3	1.8	3.1	16.4	10.8	- 6.1	8.7	14.8	4.1	- 1.6	- 2.0	3.8	3.9
Feb	- 1.5	5.7	- 1.3	- 7.2	0.5	10.2	20.1	9.9	4.4	6.3	- 1.2	0.9	- 1.5
Mar	4.6	2.7	- 1.2	1.9	5.1	18.8	25.2	6.4	1.7	1.9	- 1.6	- 1.1	2.6
Apr	4.9	6.6	5.9	- 1.7	- 2.6	4.3	14.4	10.1	- 2.6	- 2.0	- 2.5	0.5	1.5
May	1.9	4.0	3.0	- 2.1	2.4	27.3	22.4	- 5.0	- 2.8	- 1.6	- 1.5	4.8	- 4.4
Jun	- 18.0	- 0.9	- 3.0	- 17.1	- 10.0	38.2	24.4	- 13.8	4.8	0.1	- 1.4	3.7	2.4
Jul	0.6	- 8.4	- 0.5	9.0	- 1.6	- 24.6	- 18.6	6.0	8.7	4.9	- 2.1	4.9	1.0
Aug	- 14.1	2.2	0.9	- 16.3	- 11.0	16.5	- 20.6	- 37.1	5.8	3.2	- 1.5	2.2	1.8

* The data in this table are based on the consolidated balance sheet of monetary financial institutions (MFIs) (Table II.2); statistical breaks have been eliminated from the flow figures (see also the "Notes on the figures" in the "Explanatory notes" in the Statistical Supplement to the Monthly Report 1, p 30). — 1 Source: ECB. — 2 Excluding MFIs' portfolios. — 3 After deduction

of inter-MFI participations. — 4 Including the counterparts of monetary liabilities of central governments. — 5 Including the monetary liabilities of central governments (Post Office, Treasury). — 6 In Germany, only savings deposits. — 7 Paper held by residents outside the euro area has been eliminated. — 8 Excluding MFIs portfolios. — 9 Up to end-2002, including

II Overall monetary survey in the European monetary union

a European monetary union

IV De- posits of central gov- ernments	V Other factors			VI Money stock M3 (balance I plus II less III less IV less V) 5,6,10											Period						
	Total 4	of which Intra- Eurosyst- em liability/ claim related to banknote issue	Total	Money stock M2								Repo transac- tions	Money market fund shares (net) 2,7,8	Debt securi- ties with maturities of up to 2 years (incl. money market paper) (net) 2,10							
				Total	Money stock M1			Deposits with an agreed maturity of up to 2 years 5	Deposits at agreed notice of up to 3 months 5,6												
					Total	Currency in circu- lation	Overnight deposits 5														
10.4	0.2	-	-	12.9	-	29.9	-	40.6	6.8	-	47.3	-	6.7	17.5	-	2.3	19.5	-	0.3	2002 Jan	
6.9	3.8	-	-	0.9	-	10.5	-	10.8	-	6.2	-	4.6	-	4.0	4.4	-	4.9	10.4	-	3.9	Feb
1.7	0.4	-	-	39.1	-	27.3	-	11.5	14.0	-	2.6	-	12.3	3.5	-	8.4	3.3	-	0.2	Mar	
0.0	-	13.1	-	42.4	-	39.4	-	40.2	7.4	32.8	-	5.4	-	6.2	-	1.5	7.9	-	3.4	Apr	
-	8.5	12.7	-	48.1	-	27.6	-	14.3	12.2	2.1	10.9	-	2.4	2.4	-	6.7	4.0	-	9.8	May	
6.0	47.6	-	-	25.5	-	46.2	-	60.5	11.8	48.6	-	20.6	-	6.3	-	6.1	-	7.3	-	7.4	Jun
-	3.1	-	25.8	-	13.2	-	15.8	-	22.9	11.0	-	33.8	-	4.2	3.0	-	0.7	12.0	-	8.7	Jul
-	11.0	-	9.6	-	13.6	-	7.5	-	27.1	4.5	-	31.7	-	13.5	6.2	-	7.7	12.3	-	1.1	Aug
1.6	3.3	-	-	45.1	-	41.8	-	62.5	5.6	56.9	-	23.3	-	2.6	2.6	-	2.4	-	2.7	3.6	Sep
5.5	22.0	-	-	20.8	-	19.0	-	8.7	7.2	-	15.8	-	20.5	7.1	-	2.8	2.0	-	2.6	Oct	
-	4.3	-	13.3	-	72.1	-	64.4	-	60.1	7.5	52.6	-	7.3	11.6	-	4.4	14.7	-	2.7	Nov	
-	11.0	-	29.5	-	89.5	-	102.2	-	76.3	19.8	56.5	-	7.8	33.8	-	2.8	-	6.1	-	3.9	Dec
15.2	21.2	-	-	7.8	-	33.4	-	59.5	-	7.4	-	52.1	-	3.4	22.7	-	14.7	19.3	-	7.2	2003 Jan
18.6	-	7.5	-	38.9	-	26.3	-	8.1	7.2	-	0.9	-	2.4	15.8	-	0.9	12.1	-	0.4	Feb	
-	1.1	12.2	-	38.0	-	53.9	-	46.7	7.9	38.8	-	6.1	-	13.3	-	9.8	4.3	-	10.5	Mar	
-	16.5	7.4	-	87.5	-	48.9	-	30.1	9.1	21.0	-	10.2	-	8.7	-	6.4	11.8	-	20.3	Apr	
10.4	27.7	-	-	53.9	-	61.8	-	35.3	7.4	27.9	-	18.8	-	7.7	-	1.0	8.8	-	17.7	May	
29.9	14.4	-	-	5.5	-	30.8	-	54.6	7.3	47.3	-	38.5	-	14.7	-	16.4	-	0.7	-	8.2	Jun
-	26.5	-	18.7	-	5.8	-	3.1	-	15.6	11.1	-	26.6	-	2.8	9.7	-	4.3	9.5	-	5.0	Jul
-	10.4	-	31.2	-	6.4	-	6.4	-	17.6	1.2	-	18.8	-	3.8	7.4	-	1.3	2.0	-	0.7	Aug

b German contribution

IV De- posits of central gov- ernments	V Other factors			VI Money stock M3 (balance I plus II less III less IV less V) 5,6,10											Period							
	Total	of which		Total	Components of money stock								Money market fund shares (net) 7,8	Debt securities with maturities of up to 2 years (incl. money market paper)(net) 7								
		Intra- claim related to banknote issue 9,11	Currency in circu- lation		Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6	Repo transac- tions														
									Total	Currency in circu- lation	Overnight deposits	Deposits with an agreed maturity of up to 2 years				Deposits at agreed notice of up to 3 months 6	Repo transac- tions					
-	1.0	57.5	-	11.6	-	4.1	12	-	90.2	-	13.8	-	10.2	-	2.4	-	2.4	1.2	-	0.6	2002 Jan	
-	0.7	-	0.5	-	3.4	-	4.5	-	0.3	-	0.6	-	3.5	-	0.5	-	1.0	0.5	-	2.8	Feb	
-	0.0	-	6.0	-	3.4	-	2.6	-	0.6	-	2.6	-	1.6	-	0.1	-	0.2	-	0.2	-	0.5	Mar
-	1.9	1.7	-	1.3	-	3.1	-	1.4	9.3	-	4.8	-	7.3	-	0.3	-	0.3	-	0.3	-	2.1	Apr
0.7	1.9	-	-	2.9	-	2.5	-	14.4	6.2	4.5	-	0.6	-	1.3	-	1.3	0.4	-	2.5	-	2.5	May
0.5	-	1.8	-	1.0	-	3.3	-	7.6	13.1	0.3	-	1.0	-	0.6	-	0.6	-	0.5	-	3.7	Jun	
-	1.1	-	10.0	-	2.0	-	3.7	-	9.4	-	5.1	-	0.2	-	1.5	-	1.0	0.3	-	1.8	Jul	
1.3	-	3.4	-	3.2	-	0.9	-	2.4	5.2	3.7	-	0.1	-	0.1	-	1.2	1.3	-	1.2	-	1.2	Aug
1.0	12.3	-	-	2.2	-	1.6	-	12.1	14.9	-	9.0	-	9.0	-	1.0	-	6.4	0.1	-	0.8	Sep	
-	1.6	9.9	-	2.0	-	1.5	-	14.0	1.2	6.8	-	2.2	-	1.0	-	1.0	0.6	-	4.2	-	4.2	Oct
-	0.6	-	3.6	-	1.5	-	2.5	-	27.0	31.8	-	5.6	-	3.3	-	3.2	-	0.2	-	0.8	Nov	
0.0	0.6	-	-	1.5	-	4.3	-	18.5	1.0	7.2	-	12.8	-	3.1	-	3.1	-	0.5	-	0.9	Dec	
-	0.8	12.2	-	0.5	-	0.7	-	3.2	-	9.3	-	4.7	-	4.1	-	5.3	2.5	-	1.1	-	1.1	2003 Jan
-	1.4	-	16.6	-	2.2	-	1.7	-	19.5	5.6	-	0.7	-	3.0	-	2.3	1.3	-	8.1	-	8.1	Feb
-	1.7	22.8	-	1.5	-	2.5	-	0.4	7.1	-	5.2	-	5.2	-	1.7	-	0.4	0.6	-	4.0	Mar	
-	1.1	4.2	-	0.9	-	2.8	-	8.7	8.2	-	2.0	-	2.0	-	1.1	-	0.0	-	0.0	-	1.4	Apr
2.2	14.6	-	-	2.4	-	1.3	-	15.3	6.8	7.4	-	0.7	-	1.0	-	1.0	0.4	-	1.0	-	1.0	May
0.4	13.2	-	-	0.6	-	2.8	-	1.9	16.4	-	11.8	-	11.8	-	1.0	-	1.5	-	0.5	-	1.7	Jun
-	2.8	-	15.7	-	1.1	-	3.4	-	14.2	-	12.5	-	1.3	-	2.0	-	0.2	-	0.4	-	2.2	Jul
0.6	-	5.0	-	2.5	-	0.1	-	1.0	1.7	-	3.0	-	3.0	-	2.7	-	1.5	-	0.6	-	7.2	Aug

national banknotes and coins still in circulation.— 10 The German contributions to the Eurosystem's monetary aggregates should on no account be interpreted as national monetary aggregates and are therefore not comparable with the erstwhile German money stocks M1, M2 or M3. — 11 The difference between the volume of euro banknotes actually issued by

the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosystem (see also footnote 3 on banknote circulation in Table III.2).— 12 Includes decrease of 68 billion owing to the exclusion of currency in circulation.

II Overall monetary survey in the European monetary union

2 Consolidated balance sheet of monetary financial institutions (MFIs) *

End of year/month	Total assets or liabilities	Assets										
		Lending to non-banks (non-MFIs) in the euro area									Claims on non- euro-area residents	Other assets
		Total	Enterprises and individuals				Public authorities					
Total	Loans		Debt securities 2	Shares and other equities	Total	Loans	Debt securities 3					
European monetary union (€ billion) ¹												
2001 Jul	13,183.9	9,296.0	7,261.6	6,394.4	315.0	552.3	2,034.4	832.9	1,201.5	2,619.1	1,268.8	
Aug	13,144.3	9,260.1	7,238.5	6,369.6	323.7	545.1	2,021.6	828.8	1,192.9	2,624.7	1,259.5	
Sep	13,318.6	9,309.1	7,284.1	6,421.9	327.4	534.7	2,025.0	829.8	1,195.2	2,697.8	1,311.7	
Oct	13,424.2	9,339.1	7,325.2	6,451.6	329.9	543.7	2,014.0	827.2	1,186.8	2,742.5	1,342.5	
Nov	13,574.5	9,413.9	7,379.6	6,501.9	333.1	544.6	2,034.3	843.3	1,191.0	2,827.6	1,333.0	
Dec	13,576.7	9,451.3	7,424.4	6,519.3	336.9	568.1	2,026.9	847.7	1,179.2	2,807.8	1,317.6	
2002 Jan	13,667.3	9,495.6	7,444.4	6,534.4	341.9	568.1	2,051.1	844.8	1,206.3	2,829.6	1,342.2	
Feb	13,657.2	9,520.6	7,465.4	6,501.9	349.9	566.7	2,055.3	847.5	1,207.8	2,833.2	1,303.4	
Mar	13,694.4	9,594.9	7,513.2	6,606.1	346.6	560.5	2,081.7	852.6	1,229.1	2,845.2	1,254.2	
Apr	13,680.2	9,612.5	7,550.9	6,641.2	342.9	566.8	2,061.7	832.4	1,229.3	2,826.5	1,241.2	
May	13,711.6	9,645.0	7,573.6	6,659.7	345.0	568.9	2,071.5	829.2	1,242.3	2,845.8	1,220.7	
Jun	13,642.3	9,667.1	7,598.0	6,691.1	343.0	563.9	2,069.1	830.1	1,239.0	2,731.2	1,243.9	
Jul	13,679.1	9,652.9	7,587.0	6,692.6	345.3	549.1	2,065.9	828.5	1,237.4	2,756.7	1,269.5	
Aug	13,649.2	9,645.5	7,592.5	6,692.3	341.0	559.1	2,053.0	818.0	1,235.0	2,745.3	1,258.4	
Sep	13,822.3	9,700.5	7,626.6	6,726.8	350.8	549.1	2,073.9	820.8	1,253.2	2,813.5	1,308.3	
Oct	13,863.8	9,726.2	7,657.3	6,742.7	353.1	561.5	2,068.8	820.4	1,248.5	2,863.5	1,274.1	
Nov	14,010.7	9,761.6	7,678.0	6,754.5	356.7	566.8	2,083.6	829.2	1,254.4	2,937.0	1,312.1	
Dec	13,931.1	9,779.1	7,721.2	6,781.5	367.1	572.7	2,057.8	836.8	1,221.0	2,840.3	1,311.7	
2003 Jan	13,972.1	9,851.5	7,747.0	6,804.7	374.8	567.5	2,104.4	828.9	1,275.5	2,851.9	1,268.7	
Feb	14,112.9	9,904.0	7,776.5	6,831.3	381.2	564.0	2,127.5	828.4	1,299.1	2,909.4	1,299.5	
Mar	14,123.6	9,940.6	7,806.6	6,854.6	386.7	565.3	2,134.0	828.9	1,305.1	2,895.2	1,287.7	
Apr	14,227.1	10,026.1	7,879.4	6,891.0	404.2	584.2	2,146.8	823.3	1,323.5	2,906.3	1,294.6	
May	14,300.7	10,087.3	7,910.2	6,906.9	407.1	596.2	2,177.0	818.9	1,358.2	2,878.4	1,335.1	
Jun	14,377.9	10,101.5	7,940.2	6,943.2	406.7	590.3	2,161.3	819.5	1,341.7	2,960.4	1,316.1	
Jul	14,375.6	10,162.6	7,982.1	6,963.2	403.4	615.5	2,180.5	825.5	1,355.0	2,943.3	1,269.7	
Aug	14,370.2	10,170.8	8,002.4	6,977.0	406.0	619.4	2,168.4	819.7	1,348.7	2,930.3	1,269.1	
German contribution (€ billion)												
2001 Jul	4,289.1	3,302.8	2,569.5	2,256.5	62.0	250.9	733.4	498.7	234.6	759.8	226.5	
Aug	4,298.5	3,293.6	2,566.3	2,256.4	62.8	247.0	727.3	498.1	229.3	780.0	224.9	
Sep	4,323.3	3,288.4	2,575.0	2,269.7	63.7	241.6	713.3	495.0	218.3	808.1	226.8	
Oct	4,334.4	3,288.4	2,579.9	2,271.3	64.4	244.2	708.6	496.2	212.4	818.3	227.6	
Nov	4,336.2	3,303.9	2,587.2	2,279.0	64.8	243.4	716.6	506.6	210.0	837.9	194.5	
Dec	4,328.2	3,321.6	2,608.3	2,289.4	66.0	252.9	713.3	499.3	213.9	821.2	185.4	
2002 Jan	4,321.4	3,315.2	2,600.6	2,280.2	66.9	253.4	714.6	499.7	215.0	820.0	186.2	
Feb	4,322.9	3,316.3	2,600.1	2,283.4	65.1	251.6	716.2	497.1	219.1	822.1	184.4	
Mar	4,334.0	3,315.0	2,597.6	2,290.4	67.2	240.1	717.4	495.4	221.9	829.6	189.3	
Apr	4,330.7	3,324.0	2,605.7	2,293.1	69.0	243.7	718.3	491.2	227.1	816.6	190.1	
May	4,341.9	3,327.7	2,606.9	2,294.6	69.2	243.2	720.8	485.6	235.2	827.5	186.7	
Jun	4,291.6	3,309.3	2,596.0	2,294.8	69.7	231.6	713.3	480.4	232.8	800.0	182.3	
Jul	4,303.6	3,317.5	2,589.5	2,291.3	69.8	228.4	728.0	489.0	239.0	801.2	184.9	
Aug	4,307.0	3,315.3	2,594.9	2,289.8	67.1	238.0	720.4	479.8	240.6	810.2	181.5	
Sep	4,355.6	3,327.5	2,605.3	2,301.6	66.5	237.3	722.2	477.0	245.2	841.9	186.1	
Oct	4,370.5	3,332.3	2,611.3	2,299.8	69.8	241.7	721.0	480.4	240.6	850.3	188.0	
Nov	4,413.9	3,341.1	2,615.3	2,299.5	69.6	246.2	725.8	481.7	244.1	879.3	193.5	
Dec	4,359.5	3,344.6	2,630.8	2,304.4	66.6	259.8	713.8	478.4	235.4	823.8	191.1	
2003 Jan	4,360.7	3,353.2	2,623.2	2,298.5	66.1	258.7	730.0	484.0	246.1	824.1	183.4	
Feb	4,383.3	3,351.8	2,627.3	2,303.8	66.5	257.0	724.6	477.9	246.6	841.9	189.5	
Mar	4,395.2	3,351.2	2,624.8	2,302.6	67.2	255.0	726.4	474.6	251.7	861.8	182.2	
Apr	4,400.8	3,353.3	2,629.0	2,300.8	67.3	260.9	724.3	475.4	248.9	867.7	179.8	
May	4,401.1	3,351.6	2,629.9	2,298.8	67.9	263.2	721.7	470.7	251.1	871.9	177.5	
Jun	4,411.5	3,334.6	2,629.8	2,301.7	67.0	261.1	704.8	463.7	241.2	906.3	170.6	
Jul	4,391.1	3,334.6	2,620.8	2,293.4	64.4	263.0	713.9	474.3	239.6	891.4	165.1	
Aug	4,373.2	3,322.7	2,624.8	2,296.4	64.5	263.9	697.9	469.1	228.8	886.0	164.5	

* Monetary financial institutions (MFIs) comprise banks (including building and loan associations), money market funds, and the European Central Bank and national central banks (the Eurosystem). — 1 Source: ECB. — 2 Including money market paper of enterprises. — 3 Including Treasury bills and other money market paper of public authorities. — 4 From 2002, euro currency in

circulation; up to end-2002, also including national banknotes and coins still in circulation (see also footnote 8 on p 12*). Excluding MFIs' cash in hand (in euro). From 2002 the German contribution includes the volume of euro banknotes put into circulation by the Bundesbank in accordance with the

II Overall monetary survey in the European monetary union

Liabilities											End of year/month
Currency in circulation 4	Deposits of non-banks (non-MFIs) in the euro area										
	Total	of which in euro 5	Enterprises and individuals								
			Total	Overnight	With agreed maturities of			At agreed notice of 6			
					up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		
European monetary union (€ billion) 1											
328.0	5,440.2	5,082.1	5,132.2	1,648.5	933.7	81.7	1,137.9	1,210.4	120.1	2001 Jul	
319.2	5,421.7	5,070.7	5,117.3	1,617.5	949.6	81.4	1,134.7	1,215.3	118.9	Aug	
309.6	5,474.3	5,132.4	5,170.9	1,680.4	933.4	81.5	1,136.0	1,221.6	118.0	Sep	
295.5	5,493.0	5,144.7	5,183.4	1,678.9	938.6	81.1	1,136.1	1,232.4	116.4	Oct	
279.7	5,552.5	5,200.8	5,249.5	1,728.6	944.2	79.9	1,134.9	1,246.6	115.3	Nov	
239.7	5,698.1	5,360.0	5,403.0	1,826.5	952.2	80.0	1,142.4	1,286.5	115.3	Dec	
246.5	5,669.6	5,318.9	5,363.4	1,773.6	948.3	79.5	1,146.2	1,304.0	111.8	2002 Jan	
240.3	5,671.3	5,311.3	5,359.8	1,768.1	946.9	78.7	1,148.1	1,307.2	110.8	Feb	
254.3	5,686.3	5,327.3	5,376.5	1,769.8	954.6	80.4	1,151.5	1,310.6	109.5	Mar	
261.7	5,711.2	5,355.4	5,401.0	1,797.8	959.7	81.0	1,150.8	1,304.2	107.5	Apr	
273.9	5,713.5	5,366.7	5,409.7	1,801.1	961.3	81.5	1,153.0	1,306.4	106.4	May	
285.8	5,749.3	5,407.9	5,438.3	1,844.4	938.5	81.5	1,155.0	1,312.7	106.2	Jun	
296.6	5,725.7	5,384.9	5,422.5	1,816.1	948.2	82.6	1,154.1	1,315.4	106.2	Jul	
301.1	5,688.0	5,358.6	5,396.2	1,783.7	959.7	83.3	1,142.5	1,320.6	106.4	Aug	
306.7	5,730.1	5,399.2	5,434.7	1,837.3	941.0	82.9	1,143.6	1,323.2	106.8	Sep	
313.9	5,745.4	5,410.6	5,446.2	1,819.2	964.2	82.8	1,144.9	1,329.4	105.8	Oct	
321.4	5,799.5	5,466.9	5,504.6	1,871.3	956.8	82.4	1,148.3	1,340.5	105.3	Nov	
341.2	5,880.6	5,567.9	5,593.3	1,924.2	947.6	81.2	1,163.9	1,371.1	105.3	Dec	
312.1	5,869.2	5,535.9	5,568.6	1,877.1	950.7	79.8	1,166.7	1,391.0	103.3	2003 Jan	
319.3	5,912.2	5,559.5	5,585.8	1,874.6	950.5	78.2	1,173.9	1,406.5	102.1	Feb	
327.2	5,963.0	5,609.6	5,639.3	1,913.7	946.7	77.8	1,181.4	1,419.3	100.5	Mar	
336.3	5,977.8	5,638.2	5,669.6	1,930.4	959.0	76.2	1,178.0	1,428.0	97.9	Apr	
343.8	6,040.1	5,694.4	5,714.1	1,954.8	969.8	75.1	1,184.4	1,433.6	96.6	May	
351.0	6,099.0	5,714.2	5,743.0	2,000.5	937.5	74.5	1,187.4	1,448.1	95.0	Jun	
361.5	6,092.2	5,736.9	5,768.6	2,008.5	941.8	74.3	1,193.8	1,457.2	92.9	Jul	
362.7	6,088.0	5,739.0	5,777.3	1,996.1	948.4	74.4	1,203.2	1,463.9	91.3	Aug	
German contribution (€ billion)											
113.7	2,055.6	1,955.4	1,917.4	453.9	235.7	18.3	650.5	440.8	118.2	2001 Jul	
110.5	2,059.2	1,960.9	1,922.0	455.6	240.7	18.1	649.7	440.9	117.0	Aug	
105.8	2,075.2	1,979.0	1,939.6	472.7	240.0	18.3	650.5	441.9	116.2	Sep	
99.9	2,077.6	1,982.9	1,945.0	475.5	241.8	18.6	650.0	444.8	114.4	Oct	
92.4	2,103.2	2,006.3	1,973.0	504.0	240.7	18.7	648.7	447.5	113.5	Nov	
68.0	2,135.1	2,048.0	2,010.0	519.0	244.7	18.6	650.2	463.9	113.6	Dec	
7	63.8	2,113.2	2,024.0	1,989.9	506.4	236.6	652.0	466.4	110.0	2002 Jan	
68.3	2,108.1	2,019.4	1,986.2	505.6	235.1	17.1	653.5	465.9	109.0	Feb	
70.9	2,109.1	2,021.9	1,989.1	504.1	237.3	17.1	656.8	465.9	107.8	Mar	
74.0	2,100.4	2,015.8	1,984.7	513.9	234.0	17.1	655.2	458.6	105.9	Apr	
76.5	2,107.7	2,023.6	1,987.3	519.1	234.2	17.1	654.1	457.9	104.8	May	
79.8	2,119.3	2,035.6	1,997.1	530.9	234.4	17.3	653.0	457.0	104.6	Jun	
83.4	2,112.5	2,030.5	1,993.2	525.8	235.8	17.6	653.9	455.5	104.6	Jul	
84.3	2,098.8	2,018.1	1,979.2	521.5	239.6	17.6	640.1	455.6	104.8	Aug	
85.9	2,105.7	2,023.7	1,987.6	536.6	233.0	17.5	639.6	456.5	104.3	Sep	
87.4	2,115.1	2,035.2	2,003.0	538.0	243.7	17.5	641.5	458.8	103.5	Oct	
89.9	2,147.3	2,066.9	2,035.6	569.5	237.6	17.9	645.7	462.0	102.9	Nov	
94.2	2,170.7	2,092.1	2,054.2	567.8	242.4	18.2	648.0	474.8	103.1	Dec	
84.9	2,159.7	2,082.0	2,048.3	561.2	238.7	18.6	649.7	478.9	101.2	2003 Jan	
86.6	2,173.9	2,094.9	2,058.5	564.8	237.3	18.5	656.1	481.8	100.0	Feb	
89.0	2,175.8	2,098.2	2,063.3	572.0	232.8	18.6	657.9	483.5	98.4	Mar	
91.9	2,176.7	2,100.4	2,068.2	580.4	233.5	18.1	655.8	484.6	95.8	Apr	
93.2	2,189.4	2,112.0	2,073.9	585.9	236.9	17.8	653.8	485.3	94.3	May	
96.0	2,194.7	2,115.7	2,076.1	600.0	225.8	17.6	653.4	486.3	92.9	Jun	
99.4	2,183.0	2,107.8	2,071.3	591.1	225.3	17.3	658.5	488.3	90.8	Jul	
99.3	2,193.4	2,117.6	2,082.5	593.1	228.9	17.5	662.7	491.0	89.3	Aug	

accounting regime chosen by the Eurosystem (see footnote 3 on banknote circulation in Table III.2). The volume of currency actually put into circulation by the Bundesbank can be calculated by adding to this total the item "Intra-Eurosystem liability/claim related to banknote issue" (see "Other

liability items"). — 5 Excluding central governments deposits. — 6 In Germany, only saving deposits. — 7 Includes decrease of €11.6 billion (DM22.7 billion) owing to the change in the method of recording banknote circulation (see also footnote 4).

II Overall monetary survey in the European monetary union

2 Consolidated balance sheet of monetary financial institutions (MFIs) (cont'd) *

Liabilities (cont'd)													
Deposits of non-banks (non-MFIs) in the euro area (cont'd)													
Public authorities										Repo transactions with non-banks in the euro area		Debt securities	
End of year/month	Central governments	Other public authorities						Total	of which Enterprises and individuals	Money market fund shares (net) ³	Total	of which denominated in euro	
		Total	Overnight	With agreed maturities of			At agreed notice of ²						
				up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months						over 3 months
European monetary union (€ billion) ¹													
2001 Jul	155.5	152.4	64.2	56.0	1.7	27.4	2.5	0.6	223.4	218.1	366.4	1,737.1	1,481.7
Aug	152.4	152.0	63.8	56.1	1.8	27.3	2.5	0.6	230.8	225.3	377.6	1,731.1	1,474.4
Sep	147.8	155.5	69.5	54.4	1.6	27.0	2.5	0.6	225.7	220.2	381.2	1,753.9	1,475.3
Oct	153.3	156.3	71.4	53.4	1.6	26.8	2.5	0.5	235.1	227.2	392.3	1,767.9	1,481.4
Nov	150.2	152.8	69.5	51.9	1.6	26.7	2.6	0.5	225.9	218.3	400.8	1,760.3	1,454.6
Dec	139.0	156.0	69.7	54.9	1.7	26.7	2.6	0.5	218.5	214.6	398.0	1,760.8	1,447.7
2002 Jan	148.9	157.3	74.1	51.4	1.7	27.0	2.5	0.5	216.2	211.4	416.6	1,775.9	1,457.5
Feb	155.7	155.7	75.1	49.4	1.7	26.6	2.5	0.5	221.1	215.8	427.0	1,778.2	1,456.9
Mar	157.5	152.3	69.3	51.8	1.6	26.7	2.5	0.5	229.6	224.9	431.2	1,793.1	1,468.5
Apr	157.5	152.7	71.9	50.0	1.4	26.6	2.5	0.4	228.1	223.8	437.5	1,785.5	1,460.7
May	149.0	154.8	68.8	55.2	1.4	26.6	2.4	0.4	234.8	230.7	442.6	1,805.0	1,475.7
Jun	155.0	156.0	71.6	53.3	1.5	26.7	2.4	0.4	229.6	225.9	439.2	1,788.3	1,470.9
Jul	151.9	151.3	69.3	51.4	1.5	26.3	2.4	0.4	228.8	224.9	450.3	1,796.1	1,473.8
Aug	141.0	150.8	67.8	52.4	1.5	26.3	2.4	0.4	236.5	231.9	463.4	1,814.3	1,493.3
Sep	146.3	149.1	70.7	48.4	1.3	25.9	2.4	0.4	238.3	234.4	460.4	1,813.0	1,491.3
Oct	151.8	147.4	72.2	45.3	1.3	25.6	2.5	0.4	235.6	232.1	462.7	1,823.0	1,490.3
Nov	147.5	147.4	71.9	45.6	1.3	25.6	2.5	0.4	229.6	225.8	477.1	1,831.1	1,491.9
Dec	136.4	150.9	75.6	45.1	1.4	25.6	2.8	0.4	226.9	224.4	470.6	1,818.6	1,490.8
2003 Jan	154.7	145.9	70.8	45.9	1.2	24.8	2.8	0.4	233.0	229.7	534.9	1,794.7	1,481.4
Feb	175.8	150.6	72.0	49.9	1.0	24.4	2.9	0.4	233.8	230.3	547.2	1,803.1	1,486.5
Mar	176.2	147.5	71.6	47.1	0.9	24.5	3.0	0.3	224.0	220.8	550.8	1,804.5	1,486.6
Apr	159.7	148.4	74.8	45.2	1.0	24.2	3.0	0.3	230.5	227.0	563.0	1,834.5	1,517.1
May	170.1	155.8	76.7	50.8	0.9	24.1	3.0	0.3	231.4	227.8	571.1	1,821.0	1,515.2
Jun	200.0	156.0	79.9	47.3	0.9	24.6	3.0	0.3	215.0	211.8	571.2	1,832.2	1,516.3
Jul	173.5	150.1	74.9	46.4	0.9	24.5	3.2	0.3	219.9	216.4	584.9	1,848.2	1,518.1
Aug	163.1	147.6	73.7	45.7	0.9	23.9	3.1	0.3	218.7	215.8	587.0	1,861.3	1,515.1
German contribution (€ billion)													
2001 Jul	59.9	78.3	13.1	38.8	1.1	23.1	1.7	0.6	1.7	1.7	24.2	810.8	727.4
Aug	60.0	77.2	13.3	37.6	1.0	23.1	1.7	0.6	4.6	4.6	25.6	812.2	731.4
Sep	57.0	78.5	15.4	36.9	1.0	23.0	1.7	0.6	2.8	2.8	27.2	816.3	734.6
Oct	55.4	77.1	15.3	35.8	1.0	22.8	1.7	0.5	9.4	9.4	27.9	815.1	734.0
Nov	56.6	73.6	14.7	33.0	1.0	22.7	1.7	0.5	4.0	4.0	28.5	795.0	702.6
Dec	49.1	75.9	14.6	35.2	1.2	22.7	1.7	0.5	4.9	4.9	30.2	794.3	699.5
2002 Jan	50.1	73.3	13.6	33.3	1.2	23.0	1.7	0.5	2.5	2.5	31.4	798.9	700.3
Feb	49.4	72.5	13.8	32.6	1.2	22.7	1.7	0.5	3.5	3.5	31.8	804.7	706.4
Mar	49.4	70.6	12.6	32.0	1.2	22.8	1.6	0.5	3.7	3.7	31.6	815.2	715.0
Apr	47.5	68.2	11.8	30.6	1.0	22.7	1.6	0.4	3.4	3.4	31.3	812.8	712.9
May	48.2	72.3	12.4	34.2	1.0	22.7	1.6	0.4	4.7	4.7	31.7	814.1	712.6
Jun	48.7	73.5	13.8	34.1	1.1	22.6	1.6	0.4	4.1	4.1	31.3	808.9	712.2
Jul	47.6	71.7	13.9	32.3	1.0	22.5	1.5	0.4	3.1	3.1	31.6	817.3	715.7
Aug	48.9	70.7	13.0	32.2	1.0	22.6	1.6	0.4	4.3	4.3	32.9	840.1	733.6
Sep	49.9	68.2	13.1	30.0	0.9	22.2	1.6	0.4	10.7	10.7	33.0	841.1	733.7
Oct	48.3	63.7	12.8	26.0	0.9	22.0	1.6	0.4	9.6	9.6	33.6	844.6	730.7
Nov	47.7	64.1	13.1	26.2	0.9	21.9	1.6	0.4	6.4	6.4	33.4	844.9	728.7
Dec	47.7	68.7	15.7	27.7	1.0	22.2	1.6	0.4	3.3	3.3	33.0	826.4	716.6
2003 Jan	46.9	64.5	12.7	26.9	1.0	21.8	1.7	0.4	8.6	8.6	35.5	817.6	702.1
Feb	48.3	67.2	14.8	28.0	0.7	21.7	1.7	0.4	10.9	10.9	36.8	825.8	710.3
Mar	46.6	65.9	14.5	27.1	0.7	21.6	1.6	0.3	11.2	11.2	37.4	819.4	701.0
Apr	45.5	63.1	14.1	24.9	0.7	21.5	1.6	0.3	11.3	11.3	37.2	818.7	699.8
May	47.7	67.8	14.8	28.9	0.7	21.5	1.6	0.3	12.3	12.3	37.7	814.0	698.7
Jun	48.1	70.5	17.4	28.4	0.7	22.1	1.6	0.3	10.8	10.8	37.1	819.6	699.7
Jul	45.3	66.3	14.0	27.9	0.6	21.9	1.6	0.3	10.9	10.9	36.7	822.7	696.4
Aug	46.0	65.0	14.0	27.1	0.6	21.2	1.7	0.3	12.4	12.4	36.1	821.8	688.4

* Monetary financial institutions (MFIs) comprise banks (including building and loan associations), money market funds, and the European Central Bank and national central banks (the Eurosystem). — 1 Source: ECB. — 2 In Germany: only savings deposits. — 3 Excluding holdings of MFIs; for the German contribution: excluding German MFIs' portfolios of securities issued by MFIs in the euro area. — 4 In Germany, bank debt securities with maturities of up to one year are classed as money market paper; up to the January 2002 *Monthly Report* they were published in this table together with money market fund shares. — 5 Excluding liabilities arising from

securities issued. — 6 After deduction of inter-MFI participations. — 7 The German contributions to the Eurosystem's monetary aggregates should on no account be interpreted as national monetary aggregates and are therefore not comparable to the erstwhile German money stocks M1, M2 or M3. — 8 From 2003, including DM banknotes still in circulation (see also footnote 4 on p 10*). — 9 For the German contribution: the difference between the volume of euro banknotes actually issued by the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosystem (see also footnote 3 on banknote circulation in Table III.2). —

II Overall monetary survey in the European monetary union

 3 Banking system's liquidity position *
 Stocks

€ billion; period averages of daily positions

Reserve maintenance period ending in 1	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) 5	Base money 6
	Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation 3	Central government deposits	Other factors (net) 4		
		Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations							
Eurosystem 2												
2001 Apr	382.1	172.4	58.4	2.2	—	0.5	—	354.6	49.5	89.1	121.4	476.4
May	384.4	144.0	59.1	0.4	17.0	0.6	—	352.7	39.4	87.5	124.8	478.1
Jun	385.0	161.7	59.1	0.2	—	0.4	—	351.1	41.3	87.5	125.7	477.3
Jul	397.6	161.9	59.9	0.2	—	0.4	—	350.8	42.5	98.8	127.1	478.3
Aug	402.1	164.0	60.0	0.1	—	0.2	—	347.6	48.8	101.8	127.8	475.6
Sep	401.3	147.1	60.0	0.5	3.5	0.4	—	335.4	45.2	105.4	126.1	461.9
Oct	389.9	136.7	60.0	1.1	—	0.1	—	325.2	43.6	93.6	125.1	450.4
Nov	385.0	132.3	60.0	0.2	—	0.3	—	311.3	46.1	93.1	127.3	438.3
Dec	383.7	122.5	60.0	0.5	12.4	0.8	—	298.0	43.5	109.3	127.4	426.2
2002 Jan	385.2	118.5	60.0	0.4	3.7	0.6	—	344.3	38.3	54.2	130.4	475.2
Feb	386.0	127.3	60.0	0.2	—	0.1	—	306.2	49.6	85.2	132.6	438.8
Mar	386.7	114.6	60.0	0.2	—	0.1	—	283.3	54.2	91.8	132.1	415.6
Apr	395.4	112.7	60.0	0.4	—	0.2	—	285.9	55.9	95.3	131.2	417.3
May	397.7	110.6	60.0	0.1	—	0.3	—	293.7	49.2	93.5	131.7	425.6
Jun	396.2	112.6	60.0	0.5	—	0.4	—	300.8	45.1	91.2	131.8	433.0
Jul	369.1	130.4	60.0	0.2	—	0.2	—	313.4	54.4	60.3	131.4	445.0
Aug	360.0	139.2	55.2	0.1	—	0.1	—	322.7	50.9	50.8	129.9	452.8
Sep	362.3	140.9	50.8	0.1	—	0.2	—	323.6	49.1	51.7	129.6	453.4
Oct	370.0	146.1	45.3	0.1	—	0.1	—	329.2	45.6	58.2	128.3	457.6
Nov	372.1	147.5	45.0	0.1	—	0.1	—	334.0	42.8	58.6	129.3	463.4
Dec	371.5	168.1	45.0	1.1	2.0	0.2	—	350.7	51.7	55.5	129.5	480.5
2003 Jan	360.9	176.3	45.0	0.5	—	0.3	—	353.9	43.7	53.3	131.6	485.8
Feb	356.4	168.6	45.0	0.3	—	0.3	—	340.7	50.2	48.0	131.1	472.2
Mar	352.5	179.5	45.0	0.2	—	0.1	—	347.8	59.1	40.6	129.6	477.5
Apr	337.4	179.4	45.0	0.1	—	0.2	—	358.5	52.1	20.5	130.6	489.3
May	333.1	177.1	45.0	0.4	—	0.2	0.1	366.2	42.6	15.5	130.9	497.3
Jun	331.3	194.7	45.0	0.4	—	0.3	0.2	373.2	52.6	13.2	131.9	505.3
Jul	320.4	204.7	45.0	0.4	—	0.3	—	382.7	52.4	2.9	132.2	515.2
Aug	315.8	213.4	45.0	0.2	—	0.1	—	391.6	51.5	- 1.6	132.8	524.6
Sep	315.0	214.0	45.0	0.1	—	0.6	—	391.7	54.4	- 4.4	132.0	524.2
Deutsche Bundesbank												
2001 Apr	90.1	84.5	37.4	1.5	—	0.2	—	126.2	0.1	50.7	36.4	162.8
May	90.0	67.4	37.8	0.2	7.5	0.5	—	124.8	0.1	47.6	37.4	162.7
Jun	89.7	79.9	37.5	0.1	—	0.3	—	123.6	0.1	45.7	37.5	161.4
Jul	92.8	85.4	37.0	0.1	—	0.3	—	121.8	0.1	55.5	37.7	159.7
Aug	94.2	77.0	38.2	0.1	—	0.2	—	119.3	0.1	52.0	37.8	157.3
Sep	93.7	73.3	38.9	0.1	1.3	0.1	—	115.4	0.1	54.6	37.1	152.7
Oct	91.3	66.3	40.2	0.5	—	0.1	—	110.8	0.1	50.1	37.3	148.2
Nov	89.8	68.2	38.5	0.2	—	0.2	—	104.6	0.1	53.8	38.0	142.9
Dec	89.4	62.4	40.1	0.2	5.0	0.5	—	96.6	0.1	67.1	37.8	134.9
2002 Jan	89.9	63.3	41.1	0.3	1.4	0.3	—	91.7	0.1	64.9	39.0	131.0
Feb	89.9	63.3	42.4	0.1	—	0.0	—	78.5	0.1	78.6	38.6	117.2
Mar	90.0	58.5	40.7	0.2	—	0.1	—	79.7	0.1	71.2	38.3	118.1
Apr	92.3	57.6	40.4	0.3	—	0.2	—	80.8	0.1	71.8	37.9	118.8
May	92.3	53.1	39.7	0.1	—	0.3	—	83.8	0.1	63.1	38.0	122.0
Jun	91.6	60.6	38.8	0.1	—	0.3	—	85.4	0.1	67.3	38.1	123.8
Jul	84.7	67.6	37.1	0.2	—	0.2	—	89.2	0.1	62.0	38.1	127.5
Aug	82.5	63.1	36.4	0.0	—	0.1	—	92.2	0.1	51.8	37.9	130.2
Sep	82.4	64.4	32.7	0.1	—	0.1	—	92.4	0.0	49.1	37.9	130.4
Oct	84.0	69.0	31.7	0.1	—	0.1	—	94.0	0.1	53.0	37.6	131.6
Nov	84.3	73.2	31.6	0.1	—	0.1	—	94.6	0.1	56.5	37.9	132.6
Dec	84.4	91.1	33.8	0.9	0.7	0.2	—	99.3	0.1	73.5	37.8	137.3
2003 Jan	82.3	85.1	36.1	0.5	—	0.1	—	98.3	0.1	66.9	38.6	137.0
Feb	81.4	81.6	36.5	0.2	—	0.3	—	95.5	0.1	65.6	38.3	134.1
Mar	81.4	90.0	34.9	0.1	—	0.1	—	97.5	0.1	70.9	37.9	135.5
Apr	78.5	95.6	32.3	0.1	—	0.2	—	100.7	0.1	67.4	38.2	139.1
May	77.6	98.8	32.4	0.4	—	0.1	0.1	102.5	0.1	68.4	38.1	140.7
Jun	77.2	112.4	32.9	0.3	—	0.2	0.1	104.4	0.1	79.8	38.3	142.8
Jul	74.3	115.5	32.4	0.3	—	0.2	—	107.1	0.1	77.1	38.2	145.4
Aug	73.7	111.0	29.6	0.2	—	0.1	—	109.6	0.1	66.5	38.2	147.9
Sep	73.9	114.0	29.1	0.1	—	0.4	—	109.8	0.1	69.2	37.7	147.9

Discrepancies may arise from rounding. — * The banking system's liquidity position is defined as the current account holdings in euro of euro-area credit institutions with the Eurosystem. Amounts are derived from the consolidated financial statement of the Eurosystem and the financial statement of the Bundesbank. — 1 The reserve maintenance period of the ESCB's minimum reserve system starts on the 24th of each month and ends on the 23rd of the following month. — 2 Source: ECB. — 3 From 2002, euro bank-

notes and other banknotes which have been issued by the national central banks of the Eurosystem and which are still in circulation. In accordance with the accounting procedure chosen by the Eurosystem for the issue of euro banknotes, 8% of the total value of the euro banknotes in circulation are allocated on a monthly basis to the ECB. The counterpart of this adjustment is shown under "Other factors". The remaining 92% of the value of the euro banknotes in circulation is allocated, likewise on a monthly basis,

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Flows

Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) 5	Base money 6	Reserve maintenance period ending in 1
Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation 3	Central government deposits	Other factors (net) 4			
	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations								
Eurosystem 2												
+ 6.5	- 12.8	+ 4.3	+ 1.8	-	- 0.0	-	+ 1.6	- 3.5	+ 1.4	+ 0.4	+ 1.9	2001 Apr
+ 2.3	- 28.4	+ 0.7	- 1.8	+ 17.0	+ 0.1	-	- 1.9	- 10.1	- 1.6	+ 3.4	+ 1.7	May
+ 0.6	+ 17.7	± 0.0	- 0.2	- 17.0	- 0.2	-	- 1.6	+ 1.9	± 0.0	+ 0.9	- 0.8	Jun
+ 12.6	+ 0.2	+ 0.8	+ 0.0	-	+ 0.0	-	- 0.3	+ 1.2	+ 11.3	+ 1.4	+ 1.0	Jul
+ 4.5	+ 2.1	+ 0.1	- 0.1	-	- 0.2	-	- 3.2	+ 6.3	+ 3.0	+ 0.7	- 2.7	Aug
- 0.8	- 16.9	± 0.0	+ 0.4	+ 3.5	+ 0.2	-	- 12.2	+ 3.6	+ 3.6	- 1.7	- 13.7	Sep
- 11.4	- 10.4	+ 0.0	+ 0.6	- 3.5	- 0.3	-	- 10.2	- 1.6	- 11.8	- 1.0	- 11.5	Oct
- 4.9	- 4.4	- 0.0	- 0.9	-	+ 0.2	-	- 13.9	+ 2.5	- 0.5	+ 1.6	- 12.1	Nov
- 1.3	- 9.8	± 0.0	+ 0.3	+ 12.4	+ 0.5	-	- 13.3	- 2.6	+ 16.2	+ 0.7	- 12.1	Dec
+ 1.5	- 4.0	- 0.0	- 0.1	- 8.7	- 0.2	-	+ 46.3	- 5.2	- 55.1	+ 3.0	+ 49.0	2002 Jan
+ 0.8	+ 8.8	± 0.0	- 0.2	- 3.7	- 0.5	-	- 38.1	+ 11.3	+ 31.0	+ 2.2	- 36.4	Feb
+ 0.7	- 12.7	+ 0.0	+ 0.0	-	+ 0.0	-	- 22.9	+ 4.6	+ 6.6	- 0.5	- 23.2	Mar
+ 8.7	- 1.9	- 0.0	+ 0.2	-	+ 0.1	-	+ 2.6	+ 1.7	+ 3.5	- 0.9	+ 1.7	Apr
+ 2.3	- 2.1	- 0.0	- 0.3	-	+ 0.1	-	+ 7.8	- 6.7	- 1.8	+ 0.5	+ 8.3	May
- 1.5	+ 2.0	+ 0.0	+ 0.4	-	+ 0.1	-	+ 7.1	- 4.1	- 2.3	+ 0.1	+ 7.4	Jun
- 27.1	+ 17.8	- 0.0	- 0.3	-	- 0.2	-	+ 12.6	+ 9.3	- 30.9	- 0.4	+ 12.0	Jul
- 9.1	+ 8.8	- 4.8	- 0.1	-	- 0.1	-	+ 9.3	- 3.5	- 9.5	- 1.5	+ 7.8	Aug
+ 2.3	+ 1.7	- 4.4	+ 0.0	-	+ 0.1	-	+ 0.9	- 1.8	+ 0.9	- 0.3	+ 0.6	Sep
+ 7.7	+ 5.2	- 5.5	- 0.0	-	- 0.1	-	+ 5.6	- 3.5	+ 6.5	- 1.3	+ 4.2	Oct
+ 2.1	+ 1.4	- 0.3	+ 0.0	-	- 0.0	-	+ 4.8	- 2.8	+ 0.4	+ 1.0	+ 5.8	Nov
- 0.6	+ 20.6	+ 0.0	+ 1.0	+ 2.0	+ 0.1	-	+ 16.7	+ 8.9	- 3.1	+ 0.2	+ 17.1	Dec
- 10.6	+ 8.2	± 0.0	- 0.6	- 2.0	+ 0.1	-	+ 3.2	- 8.0	- 2.2	+ 2.1	+ 5.3	2003 Jan
- 4.5	- 7.7	± 0.0	- 0.2	-	+ 0.0	-	- 13.2	+ 6.5	- 5.3	- 0.5	- 13.6	Feb
- 3.9	+ 10.9	± 0.0	- 0.1	-	- 0.2	-	+ 7.1	+ 8.9	- 7.4	- 1.5	+ 5.3	Mar
- 15.1	- 0.1	- 0.0	- 0.1	-	+ 0.1	-	+ 10.7	- 7.0	- 20.1	+ 1.0	+ 11.8	Apr
- 4.3	- 2.3	- 0.0	+ 0.3	-	- 0.0	-	+ 7.7	- 9.5	- 5.0	+ 0.3	+ 8.0	May
- 1.8	+ 17.6	+ 0.0	- 0.0	-	+ 0.1	+ 0.1	+ 7.0	+ 10.0	- 2.3	+ 1.0	+ 8.0	Jun
- 10.9	+ 10.0	- 0.0	+ 0.0	-	- 0.0	- 0.2	+ 9.5	- 0.2	- 10.3	+ 0.3	+ 9.9	Jul
- 4.6	+ 8.7	- 0.0	- 0.2	-	- 0.2	-	+ 8.9	- 0.9	- 4.5	+ 0.6	+ 9.4	Aug
- 0.8	+ 0.6	- 0.0	- 0.1	-	+ 0.5	-	+ 0.1	+ 2.9	- 2.8	- 0.8	- 0.4	Sep
Deutsche Bundesbank												
+ 1.0	- 3.1	+ 4.3	+ 1.3	-	- 0.2	-	- 0.0	+ 0.0	+ 3.1	+ 0.5	+ 0.4	2001 Apr
- 0.1	- 17.2	+ 0.3	- 1.2	+ 7.5	+ 0.3	-	- 1.4	+ 0.0	- 3.1	+ 1.1	- 0.1	May
- 0.3	+ 12.5	- 0.3	- 0.1	- 7.5	- 0.2	-	- 1.2	+ 0.0	- 1.9	+ 0.1	- 1.3	Jun
+ 3.2	+ 5.5	- 0.5	+ 0.0	-	+ 0.0	-	- 1.9	- 0.0	+ 9.9	+ 0.2	- 1.7	Jul
+ 1.3	- 8.4	+ 1.2	- 0.1	-	- 0.2	-	- 2.4	- 0.0	- 3.5	+ 0.2	- 2.4	Aug
- 0.4	- 3.7	+ 0.7	+ 0.1	+ 1.3	- 0.0	-	- 3.9	+ 0.0	+ 2.6	- 0.7	- 4.7	Sep
- 2.4	- 7.0	+ 1.3	+ 0.4	- 1.3	- 0.0	-	- 4.7	- 0.0	- 4.5	+ 0.2	- 4.5	Oct
- 1.5	+ 2.0	- 1.7	- 0.3	-	+ 0.2	-	- 6.1	+ 0.0	+ 3.7	+ 0.7	- 5.3	Nov
- 0.4	- 5.8	+ 1.7	+ 0.0	+ 5.0	+ 0.3	-	- 8.1	+ 0.0	+ 13.3	- 0.1	- 7.9	Dec
+ 0.4	+ 0.9	+ 1.0	+ 0.1	- 3.6	- 0.2	-	- 4.8	- 0.0	- 2.2	+ 1.1	- 3.9	2002 Jan
+ 0.0	+ 0.1	+ 1.3	- 0.2	- 1.4	- 0.3	-	- 13.2	- 0.0	+ 13.6	- 0.4	- 13.8	Feb
+ 0.1	- 4.9	- 1.7	+ 0.1	-	+ 0.0	-	+ 1.2	- 0.0	- 7.4	- 0.3	+ 0.9	Mar
+ 2.4	- 0.9	- 0.3	+ 0.1	-	+ 0.1	-	+ 1.0	+ 0.0	+ 0.6	- 0.4	+ 0.7	Apr
- 0.0	- 4.5	- 0.7	- 0.2	-	+ 0.1	-	+ 3.0	+ 0.0	- 8.7	+ 0.1	+ 3.3	May
- 0.7	+ 7.5	- 0.9	+ 0.1	-	- 0.0	-	+ 1.6	- 0.0	+ 4.2	+ 0.2	+ 1.8	Jun
- 6.9	+ 7.0	- 1.7	+ 0.0	-	- 0.1	-	+ 3.8	+ 0.0	- 5.3	- 0.1	+ 3.7	Jul
- 2.2	- 4.5	- 0.7	- 0.1	-	- 0.1	-	+ 3.0	- 0.0	- 10.2	- 0.2	+ 2.7	Aug
- 0.1	+ 1.3	- 3.7	+ 0.0	-	+ 0.1	-	+ 0.2	- 0.0	- 2.8	- 0.0	+ 0.2	Sep
+ 1.6	+ 4.6	- 1.0	+ 0.0	-	- 0.0	-	+ 1.5	+ 0.0	+ 3.9	- 0.3	+ 1.2	Oct
+ 0.4	+ 4.3	- 0.1	- 0.0	-	- 0.0	-	+ 0.7	+ 0.0	+ 3.5	+ 0.3	+ 1.0	Nov
+ 0.1	+ 17.8	+ 2.2	+ 0.9	+ 0.7	+ 0.1	-	+ 4.7	± 0.0	+ 17.1	- 0.2	+ 4.6	Dec
- 2.1	- 6.0	+ 2.4	- 0.5	- 0.7	- 0.0	-	- 1.0	- 0.0	- 6.7	+ 0.8	- 0.2	2003 Jan
- 0.9	- 3.4	+ 0.4	- 0.2	-	+ 0.1	-	- 2.8	- 0.0	- 1.2	- 0.3	- 2.9	Feb
+ 0.0	+ 8.4	- 1.6	- 0.1	-	- 0.2	-	+ 2.0	+ 0.0	+ 5.2	- 0.4	+ 1.4	Mar
- 2.8	+ 5.6	- 2.6	- 0.1	-	+ 0.1	-	+ 3.2	± 0.0	- 3.5	+ 0.3	+ 3.6	Apr
- 0.9	+ 3.2	+ 0.1	+ 0.3	-	- 0.0	+ 0.1	+ 1.8	+ 0.0	+ 1.0	- 0.1	+ 1.6	May
- 0.4	+ 13.6	+ 0.5	- 0.1	-	+ 0.1	+ 0.1	+ 1.9	+ 0.0	+ 11.4	+ 0.1	+ 2.1	Jun
- 2.9	+ 3.1	- 0.4	- 0.0	-	- 0.0	- 0.1	+ 2.7	- 0.0	- 2.7	- 0.1	+ 2.6	Jul
- 0.6	- 4.6	- 2.8	- 0.1	-	- 0.1	-	+ 2.5	+ 0.0	- 10.5	+ 0.1	+ 2.5	Aug
+ 0.2	+ 3.1	- 0.5	- 0.1	-	+ 0.3	-	+ 0.2	- 0.0	+ 2.6	- 0.5	- 0.0	Sep

to the NCBS, with each NCB showing in its balance sheet the percentage of the euro banknotes in circulation that corresponds to its paid-up share in the ECB's capital. The difference between the value of the euro banknotes allocated to an NCB and the value of the euro banknotes which that NCB has put into circulation is likewise shown under "Other factors". From 2003 euro banknotes only. — 4 Remaining items in the consolidated financial

statement of the Eurosystem and the financial statement of the Bundesbank. — 5 Equal to the difference between the sum of liquidity-providing factors and the sum of liquidity-absorbing factors. — 6 Calculated as the sum of the "deposit facility", "banknotes in circulation" and "credit institutions' current account holdings". — 7 Entry of Greece into the euro area on 1 January, 2001.

III Consolidated financial statement of the Eurosystem
1 Assets *

€ billion

On reporting date/ End of month 1	Total assets	Gold and gold receivables	Claims on non-euro-area residents denominated in foreign currency			Claims on euro-area residents denominated in foreign currency	Claims on non-euro-area residents denominated in euro			
			Total	Receivables from the IMF	Balances with banks, security investments, external loans and other external assets		Total	Balances with banks, security investments and loans	Claims arising from the credit facility under ERM II	
Eurosystem ²										
2003 Jan 31	786.7	130.6	233.3	31.2	202.2	18.3	4.9	4.9	—	
Feb 7	782.0	130.6	231.4	31.1	200.3	17.5	5.3	5.3	—	
14	775.4	130.6	229.8	31.2	198.6	17.3	5.7	5.7	—	
21	784.8	130.3	228.0	31.2	196.8	17.7	6.2	6.2	—	
28	790.6	130.3	228.3	31.2	197.2	17.3	5.9	5.9	—	
Mar 7	750.0	130.3	227.9	31.0	196.9	17.4	6.2	6.2	—	
14	838.9	130.3	226.9	31.0	195.9	17.0	5.5	5.5	—	
21	802.3	130.3	223.9	31.6	192.4	17.7	5.1	5.1	—	
28	798.7	130.3	224.1	31.5	192.7	16.8	5.2	5.2	—	
Apr 4	3 774.4	3 122.7	3 216.9	3 30.8	3 186.1	17.1	4.8	4.8	—	
11	770.6	122.7	216.0	30.8	185.2	16.7	4.5	4.5	—	
17	776.5	122.7	215.8	30.7	185.0	16.5	4.6	4.6	—	
25	800.6	122.3	215.8	31.2	184.5	16.9	4.6	4.6	—	
May 2	760.4	122.3	214.5	31.2	183.2	16.7	4.6	4.6	—	
9	765.1	122.3	214.1	31.3	182.8	17.1	4.8	4.8	—	
16	771.9	122.3	215.1	31.6	183.5	16.9	4.5	4.5	—	
23	793.9	122.3	216.2	31.5	184.7	17.2	3.7	3.7	—	
30	801.4	122.2	214.2	31.5	182.7	17.3	3.4	3.4	—	
Jun 6	777.1	122.2	213.5	31.4	182.1	16.4	3.5	3.5	—	
13	801.7	122.2	214.8	31.5	183.3	15.5	3.3	3.3	—	
20	791.7	122.2	212.0	32.3	179.7	16.8	3.4	3.4	—	
27	813.6	122.2	212.9	32.2	180.7	17.1	3.4	3.4	—	
Jul 4	3 802.1	3 120.0	3 206.4	3 31.4	3 175.0	3 15.6	4.0	4.0	—	
11	798.0	120.0	208.4	31.4	177.0	15.0	3.6	3.6	—	
18	795.3	120.0	205.4	31.4	173.9	15.8	4.4	4.4	—	
25	828.5	119.9	204.0	31.4	172.6	15.2	4.4	4.4	—	
Aug 1	802.9	120.0	204.0	31.5	172.5	15.2	4.3	4.3	—	
8	812.6	120.0	203.2	31.9	171.3	15.2	4.4	4.4	—	
15	798.4	120.0	203.0	31.9	171.1	14.7	4.4	4.4	—	
22	800.2	119.8	202.2	31.9	170.3	14.8	4.8	4.8	—	
29	814.8	119.8	203.5	31.9	171.5	15.2	4.6	4.6	—	
Sep 5	809.5	119.8	201.5	32.0	169.5	15.2	4.4	4.4	—	
12	804.4	119.8	202.6	32.5	170.1	14.6	4.5	4.5	—	
19	813.6	119.8	199.6	32.5	167.1	16.4	4.5	4.5	—	
26	829.2	119.7	202.4	32.3	170.1	14.8	4.6	4.6	—	
Oct 3	813.6	130.8	201.0	32.2	168.8	15.1	5.0	5.0	—	
Deutsche Bundesbank										
2001 Nov	225.6	35.4	59.9	8.7	51.3	—	0.3	0.3	—	
Dec	3 239.9	3 35.0	3 58.2	3 8.7	3 49.5	—	0.3	0.3	—	
2002 Jan	230.6	35.0	60.0	8.8	51.2	—	0.3	0.3	—	
Feb	221.4	35.0	59.9	8.8	51.1	—	0.3	0.3	—	
Mar	3 227.4	3 38.5	3 59.6	3 8.8	3 50.8	—	0.3	0.3	—	
Apr	205.3	38.5	58.0	8.3	49.6	—	0.3	0.3	—	
May	218.3	38.5	56.6	8.4	48.2	—	0.3	0.3	—	
Jun	3 217.9	3 35.4	3 51.2	3 8.8	3 42.4	—	0.3	0.3	—	
Jul	211.3	35.4	51.8	8.8	43.0	—	0.3	0.3	—	
Aug	218.3	35.4	50.9	8.7	42.2	—	0.3	0.3	—	
Sep	3 221.9	3 36.2	3 52.7	3 8.8	3 44.0	—	0.3	0.3	—	
Oct	226.4	36.2	52.1	8.6	43.5	—	0.3	0.3	—	
Nov	229.9	36.2	53.0	8.6	44.4	—	0.3	0.3	—	
Dec	3 240.0	3 36.2	3 48.8	3 8.3	3 40.5	—	0.3	0.3	—	
2003 Jan	233.9	36.2	48.9	8.2	40.7	—	0.3	0.3	—	
Feb	236.2	36.2	49.2	8.2	41.0	—	0.3	0.3	—	
Mar	3 239.2	3 34.1	3 48.4	3 8.3	3 40.1	—	0.3	0.3	—	
Apr	230.5	34.1	47.0	8.2	38.7	—	0.3	0.3	—	
May	258.1	34.1	47.8	8.3	39.6	—	0.3	0.3	—	
Jun	3 258.2	3 33.4	3 45.0	3 8.3	3 36.7	—	0.3	0.3	—	
Jul	246.9	33.4	44.8	8.3	36.5	—	0.3	0.3	—	
Aug	248.9	33.4	45.5	8.3	37.1	—	0.3	0.3	—	
Sep	257.5	36.5	44.7	8.5	36.2	—	0.3	0.3	—	

* The consolidated financial statement of the Eurosystem comprises the financial statement of the European Central Bank (ECB) and the financial statements of the national central banks of the euro-area member states

(NCBs).— The balance sheet items for foreign currency, securities, gold and financial instruments are valued at market rates at the end of the quarter.—

III Consolidated financial statement of the Eurosystem

Lending to euro-area credit institutions related to monetary policy operations denominated in euro							Other claims on euro-area credit institutions denomi- nated in euro	Securities of euro-area residents denominated in euro	General government debt denominated in euro	Other assets	On reporting date/ End of month 1
Total	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations	Structural reverse operations	Marginal lending facility	Credits related to margin calls					
Eurosystem ²											
219.2	174.0	45.0	-	-	0.2	0.0	0.3	29.1	44.5	106.5	2003 Jan 31
214.0	169.0	45.0	-	-	0.0	0.0	0.3	30.7	44.4	107.7	Feb 7
206.2	161.0	45.0	-	-	0.1	0.0	0.3	31.7	44.4	109.4	14
216.2	170.0	45.0	-	-	1.1	0.0	0.3	32.6	44.4	109.2	21
223.2	178.0	45.0	-	-	0.1	0.0	0.6	33.5	44.4	107.2	28
182.2	137.1	45.0	-	-	0.1	0.0	0.9	33.5	44.3	107.2	Mar 7
270.1	225.1	45.0	-	-	0.0	0.0	0.5	36.7	44.3	107.5	14
234.9	189.0	45.0	-	-	0.9	0.0	0.3	37.8	44.3	107.8	21
232.0	187.0	45.0	-	-	0.0	0.0	0.3	38.1	44.3	107.4	28
220.0	175.0	45.0	-	-	0.0	0.0	0.3	38.8	44.3	³ 109.6	Apr 4
217.1	172.0	45.0	-	-	0.1	0.0	0.2	39.7	44.3	109.4	11
223.0	178.0	45.0	-	-	0.0	0.0	0.1	39.8	44.3	109.7	17
247.0	202.0	45.0	-	-	0.0	0.0	0.1	40.2	44.3	109.5	25
208.0	163.0	45.0	-	-	0.0	0.0	0.1	40.3	44.3	109.6	May 2
212.0	167.0	45.0	-	-	-	0.0	0.2	40.5	44.3	109.8	9
218.1	173.0	45.0	-	-	0.1	0.0	0.2	41.0	44.3	109.6	16
238.1	193.0	45.0	-	-	0.1	0.0	0.2	42.3	44.3	109.6	23
247.4	202.0	45.0	-	-	0.3	0.1	0.3	42.3	44.3	110.1	30
223.5	178.4	45.0	-	-	0.1	0.0	0.2	43.1	44.3	110.3	Jun 6
246.9	201.4	45.0	-	-	0.4	0.1	0.3	43.4	44.3	111.0	13
238.0	191.0	45.0	-	-	1.9	0.1	0.3	43.8	44.3	110.9	20
257.9	212.0	45.0	-	-	0.8	0.1	0.2	44.1	44.3	111.3	27
251.1	206.0	45.0	-	-	0.0	0.1	0.3	44.1	43.8	³ 116.9	Jul 4
245.1	200.0	45.0	-	-	0.0	0.0	0.3	44.5	43.8	117.4	11
244.1	199.0	45.0	-	-	0.0	0.0	0.3	44.5	43.8	117.0	18
277.8	232.0	45.0	-	-	0.7	0.0	0.3	46.6	43.8	116.5	25
252.1	207.0	45.0	-	-	0.0	0.1	0.2	46.9	43.8	116.5	Aug 1
262.1	217.0	45.0	-	-	0.0	0.1	0.2	47.1	43.8	116.5	8
250.0	205.0	45.0	-	-	0.0	0.0	0.2	47.2	43.8	115.2	15
251.7	205.0	45.0	-	-	1.7	0.0	0.3	47.9	43.8	114.8	22
264.1	219.0	45.0	-	-	0.0	0.0	0.3	48.5	43.8	115.1	29
260.0	215.0	45.0	-	-	0.0	0.0	0.4	49.3	43.8	115.1	Sep 5
253.0	208.0	45.0	-	-	0.0	0.0	0.3	50.0	43.8	115.7	12
263.0	218.0	45.0	-	-	0.0	0.0	0.3	50.4	43.8	115.8	19
276.1	231.0	45.0	-	-	0.0	0.0	0.3	51.2	43.8	116.4	26
249.3	204.0	45.0	-	-	0.3	0.0	0.4	51.2	43.8	117.2	Oct 3
Deutsche Bundesbank											
106.8	45.0	40.4	-	21.3	0.2	-	0.0	-	4.4	18.7	2001 Nov
123.0	80.5	41.1	-	-	1.4	-	0.0	-	4.4	18.9	Dec
112.3	69.5	42.8	-	-	0.0	-	0.0	-	4.4	18.6	2002 Jan
103.7	61.7	40.4	-	-	1.6	-	0.0	-	4.4	18.1	Feb
106.8	65.7	40.4	-	-	0.7	-	0.0	-	4.4	17.7	Mar
86.6	46.7	39.6	-	-	0.3	-	0.0	-	4.4	17.5	Apr
101.0	62.3	38.6	-	-	0.1	-	0.0	-	4.4	17.4	May
109.1	71.2	36.9	-	-	0.9	-	0.0	-	4.4	17.5	Jun
98.2	61.8	36.4	-	-	0.0	-	0.0	-	4.4	21.2	Jul
100.3	68.3	32.0	-	-	0.0	-	0.0	-	4.4	26.9	Aug
104.2	72.4	31.7	-	-	0.1	-	0.0	-	4.4	24.0	Sep
103.9	72.4	31.6	-	-	0.0	-	0.0	-	4.4	29.4	Oct
111.1	77.0	34.0	-	-	0.1	-	0.0	-	4.4	24.8	Nov
125.5	87.1	36.1	-	-	2.2	-	0.0	-	4.4	24.8	Dec
124.3	87.5	36.6	-	-	0.2	-	0.0	-	4.4	19.8	2003 Jan
126.3	91.6	34.7	-	-	0.0	-	0.0	-	4.4	19.7	Feb
130.9	98.4	32.1	-	-	0.4	-	0.0	-	4.4	21.1	Mar
125.0	92.5	32.5	-	-	0.0	-	0.0	-	4.4	19.7	Apr
151.8	118.7	32.9	-	-	0.1	-	0.0	-	4.4	19.7	May
155.0	122.5	32.4	-	-	0.0	-	0.0	-	4.4	20.1	Jun
144.0	115.1	28.8	-	-	0.1	-	0.0	-	4.4	19.9	Jul
145.2	116.0	29.1	-	-	0.0	-	0.0	-	4.4	20.1	Aug
151.4	121.5	29.7	-	-	0.2	-	0.0	-	4.4	20.1	Sep

1 For the Eurosystem: financial statement for specific weekly dates; for the Bundesbank: up to end-2001, financial statement for the last Friday of each

month; from 2002, end-of-month financial statement. — 2 Source: ECB. — 3 Changes are due mainly to revaluations at the end of the quarter.

III Consolidated financial statement of the Eurosystem
2 Liabilities *

€ billion

On reporting date/ End of month ¹	Total liabilities	Banknotes in circulation ^{2,3}	Liabilities to euro-area credit institutions related to monetary policy operations denominated in euro						Other liabilities to euro-area credit institutions denominated in euro	Debt certificates issued	Liabilities to other euro-area residents denominated in euro		
			Total	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations	Deposits related to margin calls			Total	General government	Other liabilities
Eurosystem⁵													
2003 Jan 31	786.7	339.5	126.8	126.6	0.1	-	-	0.0	0.1	2.0	65.1	60.2	4.9
Feb 7	782.0	342.8	133.2	133.2	0.0	-	-	-	0.1	2.0	52.2	47.2	5.0
14	775.4	342.9	128.0	127.9	0.1	-	-	-	0.1	2.0	51.3	46.5	4.8
21	784.8	341.6	131.4	129.0	2.4	-	-	-	0.1	2.0	59.0	54.1	4.8
28	790.6	345.4	125.4	125.3	0.1	-	-	-	0.1	2.0	70.1	65.2	4.9
Mar 7	750.0	350.1	89.5	89.4	0.1	-	-	-	0.1	2.0	60.2	55.2	5.0
14	838.9	350.0	177.4	177.3	0.1	-	-	-	0.0	2.0	60.1	55.0	5.1
21	802.3	350.5	128.6	128.0	0.6	-	-	0.0	0.0	2.0	72.7	67.5	5.2
28	798.7	351.8	129.4	129.4	0.0	-	-	0.0	0.0	2.0	73.6	68.4	5.2
Apr 4	6 774.4	357.8	131.6	131.5	0.1	-	-	0.0	0.1	2.0	53.9	48.6	5.3
11	770.6	360.2	128.4	128.3	0.0	-	-	0.0	0.1	2.0	51.6	46.2	5.4
17	776.5	367.6	132.7	132.4	0.2	-	-	0.0	0.0	2.0	45.0	39.5	5.5
25	800.6	363.9	147.5	147.4	0.1	-	-	0.0	0.0	2.0	59.3	53.9	5.4
May 2	760.4	367.4	122.6	122.5	0.1	-	-	0.0	0.0	2.0	40.1	34.8	5.4
9	765.1	368.1	129.4	129.3	0.1	-	-	0.0	0.0	2.0	37.7	32.2	5.5
16	771.9	366.9	128.6	128.5	0.1	-	-	0.0	0.0	2.0	46.3	41.0	5.3
23	793.9	365.3	126.3	121.7	0.7	3.9	-	0.0	0.0	2.0	69.3	64.1	5.2
30	801.4	371.0	134.9	134.8	0.1	-	-	0.0	0.0	2.0	65.5	60.3	5.2
Jun 6	777.1	376.0	112.7	112.7	0.1	-	-	0.0	0.0	2.0	58.9	53.4	5.5
13	801.7	376.5	139.1	139.0	0.1	-	-	-	0.0	2.0	55.1	49.7	5.4
20	791.7	376.0	134.4	134.1	0.3	-	-	-	0.0	2.0	48.4	42.9	5.5
27	813.6	377.2	131.0	130.9	0.1	-	-	0.0	0.0	2.0	73.0	67.7	5.3
Jul 4	6 802.1	383.7	133.3	133.2	0.1	-	-	0.0	0.0	2.0	57.9	52.7	5.3
11	798.0	386.2	130.9	130.9	0.0	-	-	0.0	0.0	2.0	52.1	46.7	5.4
18	795.3	386.9	133.8	133.7	0.0	-	-	0.0	0.0	2.0	45.7	40.4	5.3
25	828.5	386.3	142.6	142.5	0.0	-	-	0.0	0.0	2.0	70.6	65.3	5.3
Aug 1	802.9	392.1	126.0	125.9	0.1	-	-	0.0	0.0	2.0	56.8	51.4	5.4
8	812.6	395.1	134.6	134.6	0.0	-	-	0.0	0.0	2.0	55.6	50.2	5.3
15	798.4	395.0	129.2	129.2	0.0	-	-	0.0	0.0	2.0	48.7	43.3	5.3
22	800.2	390.0	136.2	135.0	1.2	-	-	0.0	0.1	2.0	48.8	43.5	5.3
29	814.8	390.4	131.0	131.0	0.0	-	-	0.0	0.1	2.0	66.9	61.7	5.3
Sep 5	809.5	393.9	133.4	133.3	0.1	-	-	0.0	0.1	2.0	57.0	51.7	5.3
12	804.4	393.6	131.3	131.3	0.0	-	-	0.0	0.1	2.0	54.2	48.9	5.4
19	813.6	392.1	129.1	128.7	0.5	-	-	0.0	0.1	2.0	67.7	62.2	5.5
26	829.2	391.5	135.7	135.7	0.0	-	-	-	0.1	2.0	76.1	70.9	5.2
Oct 3	813.6	397.6	129.4	129.4	0.0	-	-	-	0.1	2.0	50.0	44.4	5.6
Deutsche Bundesbank													
2001 Nov	225.6	99.0	49.9	49.8	0.1	-	-	-	-	-	0.6	0.1	0.5
Dec	6 239.9	76.5	57.5	57.4	0.1	-	-	-	-	-	1.0	0.1	1.0
2002 Jan	230.6	82.5	46.1	46.1	0.0	-	-	-	-	-	1.0	0.1	0.9
Feb	221.4	79.8	41.6	41.5	0.0	-	-	-	-	-	0.6	0.1	0.6
Mar	6 227.4	80.5	42.0	42.0	0.1	-	-	-	-	-	0.6	0.1	0.5
Apr	205.3	81.7	40.1	38.9	1.2	-	-	-	-	-	0.5	0.1	0.5
May	218.3	84.1	44.9	44.9	0.0	-	-	-	-	-	0.6	0.0	0.6
Jun	6 217.9	86.9	41.4	41.3	0.1	-	-	-	-	-	0.6	0.1	0.5
Jul	211.3	90.0	40.7	40.6	0.0	-	-	-	-	-	0.6	0.1	0.5
Aug	218.3	90.7	44.3	44.2	0.1	-	-	-	-	-	0.5	0.0	0.5
Sep	6 221.9	92.0	41.0	41.0	0.0	-	-	-	-	-	0.6	0.0	0.5
Oct	226.4	94.2	41.3	41.3	0.0	-	-	-	-	-	0.6	0.1	0.5
Nov	229.9	95.7	41.0	40.9	0.0	-	-	-	-	-	0.8	0.1	0.7
Dec	6 240.0	104.5	44.8	44.8	0.0	-	-	-	-	-	0.6	0.0	0.6
2003 Jan	233.9	94.5	40.9	40.8	0.1	-	-	-	-	-	0.5	0.0	0.5
Feb	236.2	96.1	38.1	38.1	0.1	-	-	-	-	-	0.5	0.1	0.5
Mar	6 239.2	98.1	48.1	48.0	0.0	-	-	-	-	-	0.5	0.0	0.4
Apr	230.5	101.8	36.4	36.3	0.0	-	-	-	-	-	0.5	0.1	0.4
May	258.1	103.2	36.3	36.2	0.1	-	-	-	-	-	0.5	0.1	0.4
Jun	6 258.2	105.2	38.8	38.8	0.0	-	-	-	-	-	0.5	0.1	0.4
Jul	246.9	108.5	39.6	39.5	0.1	-	-	-	-	-	0.5	0.0	0.5
Aug	248.9	108.6	41.0	41.0	0.0	-	-	-	-	-	0.5	0.0	0.4
Sep	257.5	109.2	41.7	41.7	0.0	-	-	-	-	-	0.5	0.1	0.4

* The consolidated financial statement of the Eurosystem comprises the financial statement of the European Central Bank (ECB) and the financial statements of the national central banks of the euro-area member states (NCBs). — The balance sheet items for foreign currency, securities, gold and financial instruments are valued at market rates at the end of the quarter. — 1 For the Eurosystem: financial statement for specific weekly dates; for the Bundesbank: up to end-2001, financial statement for the last Friday

of each month; from 2002, end-of-month financial statement. — 2 From 2002, euro banknotes and up to end-2002, banknotes still in circulation issued by the national central banks of the Eurosystem (see also footnote 4). — 3 According to the accounting regime chosen by the Eurosystem on the issue of euro banknotes, a share of 8% of the total value of the euro banknotes in circulation is allocated to the ECB on a monthly basis. The

III Consolidated financial statement of the Eurosystem

Liabilities to non-euro-area residents denominated in euro	Liabilities to euro-area residents denominated in foreign currency	Liabilities to non-euro-area residents denominated in foreign currency			Counterpart of special drawing rights allocated by the IMF	Other liabilities 4	Intra-Eurosystem liability related to euro-banknote issue 3	Revaluation accounts	Capital and reserves	On reporting date/ End of month 1
		Total	Deposits, balances and other liabilities	Liabilities arising from the credit facility under ERM II						
Eurosystem 5										
9.4	1.1	15.8	15.8	—	6.3	73.7	—	82.8	64.1	2003 Jan 31
8.5	1.0	15.8	15.8	—	6.3	73.3	—	82.8	64.1	Feb 7
8.5	1.0	15.2	15.2	—	6.3	72.7	—	82.8	64.4	14
8.4	1.0	14.1	14.1	—	6.3	74.5	—	82.8	63.5	21
8.7	1.0	14.1	14.1	—	6.3	70.2	—	82.8	64.4	28
8.7	1.1	14.8	14.8	—	6.3	69.9	—	82.8	64.4	Mar 7
8.6	1.1	16.1	16.1	—	6.3	70.1	—	82.8	64.5	14
8.4	1.1	14.7	14.7	—	6.3	70.6	—	82.8	64.5	21
8.4	1.1	14.5	14.5	—	6.3	64.2	—	82.8	64.5	28
8.9	1.1	15.4	15.4	—	6.2	65.1	—	68.0	64.5	Apr 4
8.7	1.0	14.6	14.6	—	6.2	65.2	—	68.0	64.6	11
9.2	1.0	14.3	14.3	—	6.2	65.9	—	68.0	64.6	17
8.5	1.0	14.1	14.1	—	6.2	65.5	—	68.0	64.7	25
9.5	1.0	13.0	13.0	—	6.2	65.9	—	67.9	64.7	May 2
8.9	1.0	13.6	13.6	—	6.2	65.6	—	67.9	64.7	9
8.8	1.0	13.6	13.6	—	6.2	65.7	—	67.9	64.7	16
9.6	1.0	16.0	16.0	—	6.2	65.2	—	67.9	65.0	23
8.8	1.0	14.0	14.0	—	6.2	64.9	—	67.9	65.0	30
9.0	1.0	13.7	13.7	—	6.2	64.6	—	67.9	65.0	Jun 6
9.0	1.0	15.2	15.2	—	6.2	64.6	—	67.9	65.0	13
10.6	1.0	14.6	14.6	—	6.2	65.7	—	67.9	65.0	20
8.7	1.0	16.0	16.0	—	6.2	65.5	—	67.9	65.0	27
8.8	0.9	6	6	6	6.0	65.8	—	62.2	65.0	Jul 4
8.7	0.9	17.9	17.9	—	6.0	66.0	—	62.2	65.0	11
8.9	0.9	16.7	16.7	—	6.0	67.1	—	62.2	65.0	18
9.3	0.9	16.6	16.6	—	6.0	66.9	—	62.2	65.0	25
9.1	0.9	16.3	16.3	—	6.0	66.6	—	62.2	65.0	Aug 1
9.0	0.8	15.8	15.8	—	6.0	66.4	—	62.2	65.0	8
9.4	0.8	14.8	14.8	—	6.0	65.2	—	62.2	65.0	15
9.3	0.8	14.9	14.9	—	6.0	64.8	—	62.2	65.0	22
9.4	0.8	16.5	16.5	—	6.0	64.3	—	62.2	65.0	29
9.7	0.8	15.0	15.0	—	6.0	64.4	—	62.2	65.0	Sep 5
9.6	0.8	15.0	15.0	—	6.0	64.5	—	62.2	65.0	12
9.3	0.8	13.8	13.8	—	6.0	65.5	—	62.2	65.0	19
9.3	0.8	15.4	15.4	—	6.0	65.2	—	62.2	65.0	26
9.5	0.7	17.2	17.2	—	6.0	65.0	—	71.2	65.0	Oct 3
Deutsche Bundesbank										
6.9	0.0	4.1	4.1	—	1.7	16.4	—	41.8	5.1	2001 Nov
7.3	0.0	1.4	1.4	—	1.7	47.8	—	41.6	5.1	Dec
7.1	0.0	3.3	3.3	—	1.7	30.6	11.6	41.6	5.1	2002 Jan
7.0	0.0	3.2	3.2	—	1.7	32.6	8.2	41.6	5.1	Feb
7.0	0.0	6	6	6	1.7	30.9	11.6	44.8	5.1	Mar
7.0	0.0	2.4	2.4	—	1.7	9.1	12.9	44.8	5.1	Apr
7.0	0.0	1.6	1.6	—	1.7	12.7	15.7	44.8	5.1	May
6.9	0.0	2.3	2.3	—	1.6	20.9	16.7	35.5	5.1	Jun
7.1	0.0	3.0	3.0	—	1.6	8.9	18.8	35.5	5.1	Jul
7.1	0.0	2.3	2.3	—	1.6	9.2	22.0	35.5	5.1	Aug
7.2	0.0	2.8	2.8	—	1.6	10.2	24.1	37.3	5.1	Sep
7.1	0.0	2.4	2.4	—	1.6	10.6	26.2	37.3	5.1	Oct
7.1	0.0	3.1	3.1	—	1.6	10.5	27.6	37.3	5.1	Nov
7.1	0.0	1.8	1.8	—	1.6	11.1	29.1	34.2	5.0	Dec
7.8	0.0	2.2	2.2	—	1.6	17.6	29.6	34.2	5.0	2003 Jan
7.3	0.0	2.4	2.4	—	1.6	19.1	31.9	34.2	5.0	Feb
7.1	0.0	3.4	3.4	—	1.5	6	33.3	30.4	5.0	Mar
7.1	0.0	2.0	2.0	—	1.5	11.6	34.2	30.4	5.0	Apr
7.3	0.0	2.7	2.7	—	1.5	34.5	36.6	30.4	5.0	May
7.4	0.0	3.2	3.2	—	1.5	31.3	37.3	28.2	5.0	Jun
7.3	0.0	3.0	3.0	—	1.5	14.9	38.4	28.2	5.0	Jul
7.4	0.0	3.5	3.5	—	1.5	12.4	40.8	28.2	5.0	Aug
7.3	0.0	3.6	3.6	—	1.5	16.2	42.2	30.2	5.0	Sep

counterpart of this adjustment is disclosed as an "Intra-Eurosystem liability related to euro-banknote issue". The remaining 92% of the value of the euro banknotes in circulation is also allocated to the NCBs on a monthly basis, and each NCB shows in its balance sheet the share of the euro banknotes issued which corresponds to its paid-up share in the ECB's capital. The difference between the value of the euro banknotes allocated to the NCB

according to the aforementioned accounting regime and the value of euro banknotes put into circulation is also disclosed as an "Intra-Eurosystem claim/ liability related to banknote issue". — 4 For the Deutsche Bundesbank: from 2003, including DM banknotes still in circulation (see also footnote 2). — 5 Source: ECB. — 6 Changes are due mainly to revaluations at the end of the quarter.

IV Banks
2 Principal assets and liabilities of banks (MFIs) in Germany, by category of banks*

€ billion

End of month	Number of reporting institutions	Balance sheet total	Cash in hand and credit balances with central banks	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Participating interests	Other assets	
				Total	of which		Total	of which					
					Balances and loans	Securities issued by banks		Loans	Bills	Securities issued by non-banks			
													for up to and including 1 year
All categories of banks													
2003 Mar	2,354	6,470.0	60.4	2,389.1	1,735.1	642.9	3,580.3	473.2	2,558.3	4.4	528.2	159.4	280.9
Apr	2,346	6,466.0	51.5	2,387.4	1,731.6	644.0	3,590.9	482.1	2,558.6	4.3	530.6	159.8	276.3
May	2,338	6,505.1	52.3	2,434.3	1,776.0	647.7	3,582.2	474.0	2,555.5	4.5	533.9	161.4	275.0
June	2,311	6,511.2	54.3	2,459.7	1,798.0	650.5	3,570.5	466.4	2,554.9	4.5	530.8	160.3	266.3
July	2,285	6,464.7	53.7	2,424.8	1,753.0	659.3	3,563.4	455.9	2,560.6	4.6	530.0	162.2	260.6
Aug	2,271	6,434.7	56.0	2,408.1	1,738.5	658.8	3,548.2	440.1	2,571.5	4.5	519.1	161.9	260.5
Commercial banks ⁵													
2003 July	268	1,812.2	16.2	668.9	531.9	132.4	933.8	234.7	539.6	2.4	150.4	93.0	100.3
Aug	262	1,806.1	21.9	668.4	533.6	131.1	919.0	230.1	541.1	2.5	137.5	92.8	104.0
Big banks ⁶													
2003 July	4	1,063.0	8.4	404.5	347.4	55.0	509.1	140.6	279.3	1.6	84.2	81.8	59.4
Aug	4	1,051.5	13.4	399.7	343.6	54.6	493.4	135.8	279.8	1.6	72.1	81.9	63.2
Regional banks and other commercial banks													
2003 July	180	648.7	7.2	212.3	139.6	71.3	384.3	76.9	244.1	0.8	59.4	10.4	34.4
Aug	175	653.6	7.8	216.7	145.3	70.4	384.7	75.1	246.2	0.8	59.4	10.2	34.3
Branches of foreign banks													
2003 July	84	100.5	0.5	52.2	44.8	6.1	40.4	17.2	16.2	0.1	6.8	0.8	6.5
Aug	83	101.0	0.7	52.0	44.7	6.1	40.9	19.2	15.2	0.1	6.1	0.8	6.5
Land banks													
2003 July	14	1,357.3	3.9	689.1	562.7	121.9	581.0	70.1	410.1	0.3	96.5	34.1	49.3
Aug	13	1,343.7	3.0	683.2	557.3	121.9	577.7	62.2	415.5	0.3	96.3	34.1	45.7
Savings banks													
2003 July	498	976.8	19.0	223.7	67.6	155.3	697.2	75.8	529.8	1.2	89.9	14.3	22.7
Aug	498	977.9	16.9	224.6	68.1	155.7	699.2	75.1	531.7	1.1	90.9	14.3	22.9
Regional institutions of credit cooperatives													
2003 July	2	188.1	1.6	120.9	83.1	37.5	48.8	10.2	22.2	0.1	16.1	11.0	5.8
Aug	2	189.2	1.7	122.2	83.8	38.1	48.6	10.0	22.1	0.1	16.1	11.0	5.8
Credit cooperatives													
2003 July	1,435	554.2	11.7	139.8	57.3	80.8	379.8	46.9	292.6	0.6	39.5	5.6	17.3
Aug	1,429	555.5	11.6	141.2	58.8	80.7	379.7	46.3	293.4	0.6	39.2	5.6	17.4
Mortgage banks													
2003 July	26	865.8	0.8	230.3	155.1	75.0	615.5	11.1	504.4	-	99.9	1.7	17.6
Aug	26	861.9	0.7	227.3	151.2	75.9	615.3	10.2	504.2	-	100.8	1.6	17.1
Building and loan associations													
2003 July	27	167.3	0.0	37.8	26.7	11.2	120.2	1.4	107.6	.	11.1	0.6	8.7
Aug	27	167.7	0.0	38.2	27.1	11.1	120.3	1.4	107.8	.	11.0	0.4	8.8
Banks with special functions													
2003 July	15	542.9	0.5	314.3	268.7	45.2	187.3	5.7	154.3	-	26.7	2.0	38.9
Aug	14	532.6	0.3	303.0	258.4	44.3	188.4	4.8	155.8	-	27.3	2.0	38.8
Memo item: Foreign banks ⁷													
2003 July	132	379.8	2.7	160.9	110.6	49.0	198.1	38.0	116.9	0.2	42.7	2.0	16.2
Aug	130	385.0	3.2	166.8	116.1	49.4	197.4	39.1	115.7	0.2	42.1	1.7	15.9
of which: Banks majority-owned by foreign banks ⁸													
2003 July	48	279.4	2.1	108.7	65.7	42.8	157.6	20.8	100.7	0.1	36.0	1.2	9.7
Aug	47	284.0	2.6	114.8	71.4	43.3	156.5	19.8	100.5	0.1	36.0	0.9	9.4

* For the period up to December 1998, section IV (except for Table IV.1) shows the assets and liabilities of banks (excluding building and loan associations) in liabilities of monetary financial institutions (MFIs) in Germany. The assets and liabilities of foreign branches, of money market funds (which are also classified as MFIs) and of the Bundesbank are not

included. For the definitions of the respective items, see the footnotes to Table IV.3. — 1 For building and loan associations: Including deposits under savings and loan contracts (see Table IV.12). — 2 Included in time deposits. — 3 Excluding deposits under savings and loan contracts (see also footnote 2). — 4 Including subordinated negotiable bearer debt

IV Banks

Deposits of banks (MFIs)			Deposits of non-banks (non-MFIs)							Bearer debt securities outstanding ⁴	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month	
Total	of which		Total	of which		Memo item Liabilities arising from repos ²	Savings deposits ³							
	Sight deposits	Time deposits		Sight deposits	Time deposits ¹		Total	of which At three months' notice	Bank savings bonds					
					for up to and including 1 year	for more than 1 year ¹								
All categories of banks														
1,839.8	275.7	1,563.9	2,429.5	622.2	350.8	756.6	63.9	590.0	489.8	109.8	1,523.6	294.8	382.4	2003 Mar
1,838.1	279.1	1,558.9	2,428.1	625.7	351.5	753.2	61.2	588.5	490.8	109.1	1,519.1	296.1	384.5	Apr
1,875.2	274.3	1,600.6	2,433.9	635.3	355.5	746.9	61.7	587.7	491.5	108.6	1,516.9	294.7	384.4	May
1,875.3	293.6	1,581.6	2,434.2	652.7	337.5	748.7	55.6	587.2	492.5	108.1	1,521.7	294.0	386.0	June
1,825.0	247.1	1,577.7	2,430.3	635.9	346.7	752.9	65.4	587.2	494.6	107.6	1,533.8	294.6	380.9	July
1,799.3	228.9	1,570.3	2,436.1	638.0	343.3	759.3	57.9	588.4	497.3	107.1	1,526.4	295.0	377.8	Aug
Commercial banks ⁵														
692.7	140.2	552.4	675.5	277.7	169.2	124.9	58.0	94.4	82.4	9.3	209.7	101.8	132.5	2003 July
688.9	127.4	561.5	671.4	274.3	165.5	126.3	51.7	96.0	84.4	9.3	210.1	101.8	133.9	Aug
Big banks ⁶														
432.4	100.2	332.1	342.6	123.6	122.0	72.4	56.2	24.0	22.1	0.6	152.9	61.8	73.3	2003 July
426.8	91.9	334.9	336.9	119.6	117.8	73.3	48.3	25.6	23.7	0.6	153.0	61.8	72.9	Aug
Regional banks and other commercial banks														
185.7	27.1	158.4	317.8	146.5	43.2	49.1	1.2	70.3	60.3	8.6	56.8	37.0	51.5	2003 July
187.8	22.4	165.3	319.0	146.5	43.3	50.1	2.5	70.4	60.7	8.7	57.0	37.1	52.7	Aug
Branches of foreign banks														
74.7	12.8	61.9	15.1	7.6	4.0	3.5	0.6	0.0	0.0	0.0	0.0	3.0	7.7	2003 July
74.3	13.0	61.3	15.4	8.2	4.4	2.9	0.9	0.0	0.0	0.0	0.0	2.9	8.3	Aug
Land banks														
450.9	59.9	391.0	324.1	48.2	45.1	214.2	5.5	15.8	14.6	0.8	453.3	63.4	65.7	2003 July
445.8	56.3	389.5	324.6	49.5	42.3	216.2	4.2	15.8	14.6	0.8	447.4	63.4	62.5	Aug
Savings banks														
216.2	5.2	211.0	626.3	186.1	58.9	10.4	–	300.3	245.9	70.6	42.2	45.8	46.4	2003 July
213.9	5.9	208.0	628.7	188.7	59.2	10.4	–	300.0	246.4	70.4	42.6	45.8	46.9	Aug
Regional institutions of credit cooperatives														
107.4	30.2	77.2	32.2	8.1	6.4	17.6	1.9	–	–	0.0	29.7	10.0	8.8	2003 July
107.1	28.8	78.3	33.0	7.4	8.0	17.7	1.8	–	–	0.0	29.4	10.0	9.7	Aug
Credit cooperatives														
74.6	2.3	72.3	396.0	113.3	55.9	23.9	–	176.2	151.3	26.6	31.3	29.8	22.4	2003 July
74.5	1.8	72.6	397.2	115.0	55.8	23.9	–	176.1	151.6	26.3	31.3	30.0	22.5	Aug
Mortgage banks														
123.0	4.6	118.4	146.5	1.3	5.3	139.7	0.1	0.1	0.0	0.2	552.2	19.6	24.5	2003 July
123.1	3.1	120.0	148.8	1.6	6.1	140.8	0.1	0.1	0.0	0.2	545.7	19.8	24.6	Aug
Building and loan associations														
30.2	2.0	28.2	106.3	0.3	0.7	104.8	–	0.3	0.3	0.1	6.7	7.2	16.9	2003 July
30.4	2.1	28.3	106.5	0.3	0.7	105.1	–	0.3	0.3	0.1	6.8	7.1	16.9	Aug
Banks with special functions														
130.0	2.7	127.3	123.5	1.0	5.2	117.3	–	–	–	–	208.7	17.1	63.6	2003 July
115.8	3.6	112.2	125.8	1.3	5.6	118.9	–	–	–	–	213.1	17.1	60.8	Aug
Memo item: Foreign banks ⁷														
138.4	24.1	114.3	116.2	66.8	12.9	26.5	0.7	7.4	7.2	2.6	87.1	13.9	24.2	2003 July
142.5	21.9	120.6	116.1	67.6	12.5	26.0	1.0	7.4	7.2	2.6	88.0	13.9	24.5	Aug
of which: Banks majority-owned by foreign banks ⁸														
63.8	11.3	52.4	101.1	59.2	8.9	23.0	0.1	7.4	7.2	2.6	87.1	10.9	16.5	2003 July
68.2	8.9	59.3	100.7	59.5	8.2	23.1	0.1	7.4	7.2	2.5	88.0	10.9	16.3	Aug

securities; excluding non-negotiable bearer debt securities. — ⁵ Commercial banks comprise the sub-groups "Big banks", "Regional banks and other commercial banks" and "Branches of foreign banks". — ⁶ Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Bayerische Hypo- und Vereinsbank AG. — ⁷ Sum of the banks majority-owned by foreign banks and

included in other categories of banks and the category "Branches (with dependent legal status) of foreign banks". — ⁸ Separate presentation of the banks majority-owned by foreign banks included in the categories "Regional banks and other commercial banks" and "Mortgage banks".

IV Banks
5 Lending by banks (MFIs) in Germany to domestic non-banks (non-MFIs)*

Up to end-1998, DM billion; from 1999, € billion

Period	Lending to domestic non-banks, total 1,2 including negotiable money market paper, securities, equalisation claims | excluding		Short-term lending						Medium and long-term		
			to enterprises and individuals 1			to public authorities			Total	to enter-	
			Total	Loans and bills 3,4	Negotiable money market paper	Total	Loans	Treasury bills 5			Total
End of year or month*											
1993	3,826.4	3,417.8	563.2	544.2	540.8	3.4	19.0	16.8	2.2	3,263.2	2,441.8
1994	4,137.2	3,633.1	583.5	549.1	548.6	0.4	34.4	32.7	1.8	3,553.7	2,661.9
1995	4,436.9	3,936.9	615.2	584.0	583.3	0.7	31.3	30.5	0.8	3,821.7	2,785.5
1996	4,773.1	4,248.7	662.2	617.2	616.2	1.0	45.1	40.2	4.9	4,110.8	3,007.2
1997	5,058.4	4,506.2	667.8	625.8	624.8	1.0	41.9	40.1	1.9	4,390.6	3,223.4
1998	5,379.8	4,775.4	704.3	661.3	660.8	0.5	43.0	38.5	4.5	4,675.5	3,482.4
1999	2,904.5	2,576.5	355.3	328.9	328.7	0.2	26.4	23.6	2.8	2,549.2	1,943.6
2000	3,003.7	2,663.7	371.2	348.2	347.7	0.5	22.9	21.2	1.7	2,632.5	2,038.6
2001	3,014.1	2,704.2	387.9	356.7	355.2	1.5	31.2	28.2	2.9	2,626.2	2,070.2
2002	2,997.2	2,689.1	365.4	331.9	331.0	1.0	33.5	31.1	2.4	2,631.8	2,079.7
2002 Mar	2,996.9	2,694.4	382.5	349.0	348.0	1.0	33.5	31.8	1.6	2,614.4	2,061.7
Apr	3,004.3	2,691.8	379.1	348.2	347.1	1.1	30.8	28.2	2.6	2,625.3	2,069.3
May	3,005.7	2,687.0	373.6	344.9	344.0	0.9	28.6	24.9	3.7	2,632.2	2,072.7
June	2,990.8	2,683.1	370.7	343.1	342.2	0.9	27.6	23.4	4.2	2,620.1	2,066.7
July	2,995.7	2,689.5	370.4	335.5	334.1	1.5	34.9	32.2	2.7	2,625.3	2,068.5
Aug	2,987.3	2,679.9	356.0	331.2	329.9	1.2	24.8	22.1	2.7	2,631.4	2,073.3
Sep	2,995.5	2,687.4	367.4	343.2	341.6	1.5	24.2	21.8	2.4	2,628.2	2,068.8
Oct	2,997.6	2,688.8	364.2	335.7	334.2	1.5	28.5	26.1	2.4	2,633.4	2,076.6
Nov	3,003.5	2,687.5	365.8	332.5	330.9	1.7	33.3	31.4	1.9	2,637.7	2,079.9
Dec	2,997.2	2,689.1	365.4	331.9	331.0	1.0	33.5	31.1	2.4	2,631.8	2,079.7
2003 Jan	3,005.1	2,690.8	371.1	329.7	328.5	1.2	41.4	38.6	2.8	2,634.0	2,076.5
Feb	3,001.9	2,686.4	364.4	329.3	328.1	1.2	35.1	32.7	2.4	2,637.4	2,077.5
Mar	3,005.5	2,681.3	369.2	332.5	330.4	2.2	36.7	34.0	2.7	2,636.3	2,071.6
Apr	3,007.6	2,680.2	366.3	326.5	324.2	2.2	39.8	37.0	2.8	2,641.3	2,079.0
May	3,003.6	2,671.7	356.2	321.4	319.1	2.3	34.7	32.6	2.2	2,647.4	2,080.5
June	2,992.4	2,674.1	359.6	328.9	326.9	2.0	30.9	28.8	1.9	2,632.8	2,077.4
July	2,996.0	2,675.8	357.5	315.5	314.2	1.3	42.0	39.8	2.2	2,638.6	2,081.8
Aug	2,986.9	2,671.9	346.7	308.2	306.8	1.4	38.5	36.5	2.0	2,640.2	2,090.5
Changes*											
1994	+ 320.5	+ 244.0	+ 13.2	+ 7.0	+ 9.9	- 2.9	+ 6.2	+ 6.6	- 0.4	+ 307.2	+ 249.1
1995	+ 312.8	+ 311.9	+ 35.9	+ 37.9	+ 37.7	+ 0.2	- 1.9	- 1.0	- 1.0	+ 276.9	+ 185.1
1996	+ 336.3	+ 312.9	+ 44.3	+ 32.6	+ 32.2	+ 0.4	+ 11.7	+ 7.4	+ 4.3	+ 292.0	+ 221.5
1997	+ 285.2	+ 256.9	+ 2.7	+ 5.9	+ 5.9	+ 0.0	- 3.2	- 0.1	- 3.0	+ 282.5	+ 219.9
1998	+ 335.3	+ 285.5	+ 51.7	+ 50.6	+ 51.2	- 0.6	+ 1.1	- 1.6	+ 2.7	+ 283.6	+ 258.3
1999	+ 156.1	+ 139.5	+ 9.6	+ 6.3	+ 6.4	- 0.0	+ 3.3	+ 2.9	+ 0.4	+ 146.4	+ 146.4
2000	+ 100.7	+ 83.2	+ 14.5	+ 18.1	+ 17.8	+ 0.3	- 3.6	- 2.5	- 1.1	+ 86.1	+ 93.8
2001	+ 11.9	+ 39.2	+ 15.3	+ 7.0	+ 5.9	+ 1.0	+ 8.4	+ 7.8	+ 0.6	- 3.4	+ 32.0
2002	- 19.2	- 18.8	- 23.4	- 25.7	- 25.2	- 0.5	+ 2.3	+ 2.9	- 0.6	+ 4.3	+ 7.6
2002 Mar	- 8.6	+ 0.8	+ 4.9	+ 3.4	+ 3.3	+ 0.1	+ 1.5	+ 1.7	- 0.2	- 13.5	- 9.7
Apr	+ 8.1	- 2.4	- 3.4	- 0.8	- 0.8	+ 0.1	- 2.6	- 3.6	+ 1.0	+ 11.5	+ 8.2
May	+ 2.2	- 4.1	- 5.1	- 2.9	- 2.8	- 0.2	- 2.2	- 3.3	+ 1.1	+ 7.4	+ 3.7
June	- 19.0	- 8.0	- 3.3	- 2.3	- 2.3	+ 0.0	- 1.0	- 1.5	+ 0.5	- 15.6	- 9.6
July	+ 5.1	+ 6.5	- 0.3	- 7.6	- 8.1	+ 0.5	+ 7.3	+ 8.8	- 1.5	+ 5.5	+ 2.1
Aug	- 8.4	- 9.6	- 14.4	- 4.4	- 4.1	- 0.2	- 10.0	- 10.1	+ 0.0	+ 6.1	+ 4.0
Sep	+ 7.9	+ 7.2	+ 11.2	+ 11.8	+ 11.5	+ 0.3	- 0.6	- 0.3	- 0.3	- 3.3	- 3.9
Oct	+ 2.0	+ 1.4	- 3.2	- 7.5	- 7.5	- 0.0	+ 4.3	+ 4.3	+ 0.0	+ 5.2	+ 7.7
Nov	+ 6.0	- 1.3	+ 1.4	- 3.4	- 3.5	+ 0.1	+ 4.8	+ 5.2	- 0.5	+ 4.5	+ 3.5
Dec	- 6.3	+ 1.6	- 0.4	- 0.6	+ 0.1	- 0.7	+ 0.2	- 0.2	+ 0.5	- 5.9	- 0.3
2003 Jan	+ 7.9	+ 1.7	+ 5.7	- 2.2	- 2.4	+ 0.2	+ 7.9	+ 7.5	+ 0.4	+ 2.2	- 3.6
Feb	- 3.3	- 4.4	- 6.7	- 0.4	- 0.4	+ 0.0	- 6.3	- 5.9	- 0.4	+ 3.5	+ 1.0
Mar	+ 3.7	- 5.1	+ 4.8	+ 3.2	+ 2.2	+ 1.0	+ 1.6	+ 1.3	+ 0.3	- 1.2	- 5.9
Apr	+ 2.1	- 1.1	- 3.0	- 6.0	- 6.1	+ 0.1	+ 3.1	+ 3.0	+ 0.1	+ 5.1	+ 7.2
May	- 3.8	- 8.5	- 10.1	- 5.0	- 5.1	+ 0.1	- 5.1	- 4.5	- 0.6	+ 6.3	+ 1.8
June	- 11.1	+ 2.5	+ 3.4	+ 7.5	+ 7.8	- 0.3	- 4.1	- 3.8	- 0.2	- 14.6	- 3.1
July	+ 3.8	+ 1.7	- 1.9	- 13.2	- 12.7	- 0.5	+ 11.3	+ 11.0	+ 0.2	+ 5.7	+ 4.3
Aug	- 9.1	- 4.0	- 10.7	- 7.3	- 7.4	+ 0.1	- 3.4	- 3.3	- 0.1	+ 1.6	+ 8.7

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Up to December 1998, including loans to domestic building and loan associations. — 2 Up to December 1998,

including fiduciary loans (see also footnote 9). — 3 Up to December 1998, bill-based lending (bill holdings plus endorsement liabilities arising from rediscounted bills and bills sent for collection from the banks' portfolios prior to maturity). — 4 From 1999, including small amounts of medium-term series of bills. — 5 From December 1993, including other negotiable

IV Banks

lending 2,6												Period
prises and individuals 1,2					to public authorities 2							
Loans			Securities 6	Memo item Fiduciary loans 9	Total	Loans			Securities 6,10	Equalisation claims 11	Memo item Fiduciary loans 9	
Total	Medium-term 7	Long-term 8				Total	Medium-term 7	Long-term 8				
End of year or month*												
2,241.5	253.9	1,987.5	134.2	66.1	821.4	537.1	36.8	500.3	193.5	75.3	15.5	1993
2,390.4	228.3	2,162.0	203.2	68.3	891.8	577.0	34.5	542.5	230.5	68.1	16.1	1994
2,522.0	214.1	2,307.9	192.9	70.6	1,036.2	713.0	74.5	638.4	234.4	71.3	17.5	1995
2,713.3	215.8	2,497.5	205.9	88.0	1,103.6	773.0	69.5	703.6	231.3	81.3	18.0	1996
2,900.0	216.2	2,683.8	234.1	89.3	1,167.2	833.8	53.0	780.8	239.2	76.0	18.3	1997
3,104.5	206.8	2,897.8	292.4	85.4	1,193.2	868.8	33.1	835.7	235.4	71.6	17.3	1998
1,764.8	182.5	1,582.3	178.9	49.2	605.6	459.5	30.9	428.6	108.6	37.5	8.7	1999
1,838.9	192.8	1,646.0	199.7	50.1	593.9	455.9	30.4	425.5	104.9	33.1	8.4	2000
1,880.5	191.1	1,689.4	189.7	48.9	556.0	440.3	25.6	414.6	111.8	4.0	8.0	2001
1,909.8	193.5	1,716.3	169.9	47.3	552.1	417.1	27.4	389.7	132.0	3.0	7.5	2002
1,882.3	189.4	1,692.9	179.4	48.2	552.7	432.2	25.6	406.6	116.5	3.9	7.9	2002 Mar
1,884.5	189.8	1,694.7	184.8	48.2	556.0	431.9	26.2	405.7	120.1	3.9	7.9	Apr
1,888.0	189.9	1,698.1	184.7	48.1	559.5	430.1	26.3	403.8	125.5	3.9	7.9	May
1,891.0	191.2	1,699.9	175.6	47.6	553.4	426.4	24.4	402.0	123.0	3.9	7.8	June
1,897.5	191.7	1,705.8	171.0	47.5	556.8	425.8	24.5	401.3	128.0	3.0	7.7	July
1,901.6	192.3	1,709.3	171.6	47.5	558.1	426.2	24.7	401.5	128.9	3.0	7.7	Aug
1,900.6	192.1	1,708.6	168.2	47.3	559.3	423.3	24.6	398.7	133.1	3.0	7.7	Sep
1,906.5	193.8	1,712.6	170.1	47.5	556.8	422.1	24.7	397.4	131.8	3.0	7.6	Oct
1,907.6	192.5	1,715.1	172.4	47.3	557.8	417.7	25.5	392.2	137.1	3.0	7.7	Nov
1,909.8	193.5	1,716.3	169.9	47.3	552.1	417.1	27.4	389.7	132.0	3.0	7.5	Dec
1,909.4	194.8	1,714.6	167.1	47.0	557.4	414.2	30.0	384.2	140.3	3.0	7.7	2003 Jan
1,911.1	194.0	1,717.1	166.5	47.1	559.9	414.4	31.5	382.9	142.5	3.0	7.7	Feb
1,907.1	193.1	1,714.0	164.5	47.2	564.6	409.8	29.9	379.8	151.9	3.0	7.6	Mar
1,910.3	193.3	1,717.0	168.6	47.0	562.4	408.6	30.9	377.6	150.8	3.0	7.5	Apr
1,912.9	193.2	1,719.7	167.6	47.0	566.9	407.1	31.5	375.5	156.9	3.0	7.5	May
1,912.8	193.5	1,719.3	164.6	47.0	555.4	405.7	31.5	374.2	146.8	3.0	7.4	June
1,916.9	193.9	1,723.0	164.9	46.9	556.8	404.9	31.3	373.6	149.8	2.0	7.3	July
1,924.6	195.5	1,729.1	165.9	47.3	549.7	403.9	32.9	371.1	143.7	2.0	7.2	Aug
Changes*												
+ 198.7	- 29.2	+ 227.9	+ 48.5	+ 1.9	+ 58.2	+ 26.2	- 2.4	+ 28.5	+ 38.3	- 6.9	+ 0.7	1994
+ 176.0	- 1.9	+ 177.9	+ 3.3	+ 5.9	+ 91.8	+ 91.8	+ 15.3	+ 76.6	- 0.4	- 1.2	+ 1.5	1995
+ 204.4	+ 1.6	+ 202.8	+ 14.0	+ 3.1	+ 70.4	+ 65.7	- 5.5	+ 71.2	- 3.3	+ 8.0	+ 0.1	1996
+ 189.0	+ 0.3	+ 188.7	+ 29.5	+ 1.4	+ 62.6	+ 60.6	- 18.0	+ 78.6	+ 7.0	- 5.3	+ 0.2	1997
+ 205.7	- 8.9	+ 214.6	+ 56.5	- 3.9	+ 25.3	+ 35.0	- 20.0	+ 55.0	- 4.4	- 4.4	- 0.9	1998
+ 121.8	+ 25.1	+ 96.8	+ 24.6	+ 0.3	+ 0.0	+ 8.5	+ 6.2	+ 2.3	- 7.8	- 0.6	- 0.1	1999
+ 71.8	+ 6.9	+ 64.9	+ 22.1	+ 0.8	- 7.7	- 3.8	- 0.4	- 3.5	- 3.1	- 0.8	- 0.3	2000
+ 41.9	- 2.8	+ 44.7	- 9.8	- 1.2	- 35.4	- 16.5	- 5.5	- 10.9	+ 10.1	- 29.1	- 0.4	2001
+ 26.6	- 2.1	+ 28.7	- 19.0	- 1.6	- 3.4	- 23.1	+ 1.0	- 24.1	+ 20.7	- 1.0	- 0.5	2002
+ 0.1	+ 0.4	- 0.3	- 9.8	- 0.2	- 3.9	- 4.4	- 0.5	- 3.9	+ 0.5	- 0.0	- 0.0	2002 Mar
+ 2.4	+ 0.4	+ 2.0	+ 5.8	- 0.1	+ 3.3	- 0.3	+ 0.6	- 0.9	+ 3.6	+ 0.0	- 0.0	Apr
+ 3.8	+ 0.2	+ 3.6	- 0.0	- 0.0	+ 3.6	- 1.9	+ 0.0	- 1.9	+ 5.5	+ 0.0	- 0.0	May
- 0.5	- 1.9	+ 1.4	- 9.0	- 0.5	- 6.1	- 3.6	- 1.8	- 1.8	- 2.4	- 0.0	- 0.1	June
+ 6.4	+ 0.5	+ 5.9	- 4.4	- 0.1	+ 3.4	- 0.7	+ 0.0	- 0.7	+ 5.0	- 1.0	- 0.1	July
+ 4.1	+ 0.6	+ 3.5	- 0.1	+ 0.0	+ 2.1	+ 0.4	+ 0.3	+ 0.2	+ 1.6	+ 0.0	- 0.0	Aug
- 1.0	- 0.3	- 0.7	- 2.8	- 0.2	+ 0.6	- 2.9	- 0.1	- 2.8	+ 3.5	+ 0.0	- 0.0	Sep
+ 5.8	+ 1.8	+ 4.1	+ 1.9	+ 0.2	- 2.5	- 1.2	+ 0.1	- 1.3	- 1.3	- 0.0	- 0.0	Oct
+ 1.3	- 2.8	+ 4.1	+ 2.3	- 0.1	+ 1.0	- 4.3	+ 0.0	- 4.4	+ 5.4	+ 0.0	+ 0.0	Nov
+ 2.2	+ 1.0	+ 1.3	- 2.5	- 0.0	- 5.7	- 0.6	+ 1.9	- 2.5	- 5.1	-	- 0.1	Dec
- 0.4	- 0.0	- 0.4	- 3.2	- 0.2	+ 5.8	- 2.9	+ 0.3	- 3.3	+ 8.7	- 0.0	+ 0.2	2003 Jan
+ 1.7	- 0.7	+ 2.4	- 0.7	+ 0.1	+ 2.4	+ 0.2	+ 1.5	- 1.3	+ 2.2	- 0.0	+ 0.0	Feb
- 4.0	- 0.9	- 3.0	- 2.0	+ 0.1	+ 4.8	- 4.6	- 1.5	- 3.1	+ 9.4	+ 0.0	- 0.1	Mar
+ 3.2	+ 0.2	+ 3.0	+ 4.0	- 0.2	- 2.1	- 1.2	+ 1.0	- 2.2	- 0.9	- 0.0	- 0.0	Apr
+ 2.6	- 0.1	+ 2.7	- 0.8	- 0.1	+ 4.6	- 1.5	+ 0.6	- 2.1	+ 6.1	-	- 0.0	May
- 0.1	+ 0.3	- 0.4	- 3.0	+ 0.0	- 11.5	- 1.4	- 0.0	- 1.4	- 10.1	- 0.0	- 0.1	June
+ 4.1	+ 0.4	+ 3.7	+ 0.3	- 0.1	+ 1.4	- 0.7	- 0.2	- 0.6	+ 3.1	- 1.0	- 0.1	July
+ 7.8	+ 1.6	+ 6.1	+ 1.0	+ 0.4	- 7.1	- 1.0	+ 1.5	- 2.5	- 6.1	- 0.0	- 0.1	Aug

money market paper; excluding mobilisation and liquidity paper. — 6 From 1999, breakdown of securities by medium and long-term lending no longer possible. — 7 Up to December 1998, maturity or period of notice of more than one year to less than four years; from 1999, more than one year up to and including five years. — 8 Up to December 1998, maturity or period of

notice of four years and more; from 1999, of more than five years. — 9 From 1999, no longer included in lending (see also footnote 2). — 10 Excluding debt securities arising from the exchange of equalisation claims (see also footnote 11). — 11 Including debt securities arising from the exchange of equalisation claims.

IV Banks

											Lending to employees and other individuals		Lending to non-profit institutions		
Services sector (including the professions)				Memo items				Other lending							
Total	of which			Lending to self-employed persons ⁴	Lending to craft enterprises	Total	Housing loans	Total	of which		Debit balances on wage, salary and pension accounts	Total	of which Housing loans	Period	
	Housing enterprises	Holding companies	Other real estate enterprises						Instalment loans ⁵						
End of year or quarter *														Lending, total	
700.8	162.3	46.8	183.1	459.0	75.0	905.5	683.0	222.6	108.6	24.3	14.0	3.7	2000		
723.3	169.4	50.3	194.3	458.6	74.7	926.7	704.3	222.4	110.7	22.9	14.1	3.5	2001		
720.9	169.4	48.8	197.9	456.1	74.7	932.5	710.8	221.7	112.3	22.7	14.1	3.5	2002 June		
721.9	171.1	47.8	199.8	453.5	74.0	942.1	716.4	225.8	114.6	23.9	14.5	3.4	Sep		
729.2	165.0	50.2	207.2	451.8	72.4	949.5	725.1	224.3	114.3	23.0	14.4	3.5	Dec		
721.1	163.6	48.6	206.4	448.1	72.9	950.5	725.0	225.4	115.5	22.1	14.3	3.5	2003 Mar		
719.1	163.2	48.5	206.8	444.5	71.9	958.8	729.1	229.8	114.2	22.7	14.2	3.5	June		
														Short-term lending	
122.1	19.6	18.1	30.0	57.1	16.2	52.6	5.2	47.4	2.3	24.3	1.2	0.0	2000		
130.1	21.6	20.4	34.1	56.0	15.8	50.3	5.3	45.0	2.8	22.9	1.4	0.0	2001		
122.6	20.8	18.2	32.5	54.8	16.3	48.2	4.9	43.2	2.5	22.7	1.3	0.0	2002 June		
121.0	20.9	17.3	33.0	53.8	16.1	49.2	5.0	44.2	2.5	23.9	1.7	0.0	Sep		
123.3	19.8	19.1	34.7	53.8	14.8	48.5	5.2	43.3	2.4	23.0	1.7	0.0	Dec		
117.3	19.0	18.0	33.5	52.2	15.3	46.2	4.9	41.3	2.3	22.1	1.7	0.0	2003 Mar		
115.9	18.7	17.9	33.6	51.8	15.0	46.8	5.0	41.7	2.3	22.7	1.7	0.0	June		
														Medium-term lending	
61.4	6.8	6.3	13.6	33.1	5.5	72.2	26.4	45.8	33.0	-	0.6	0.1	2000		
61.9	6.7	6.5	14.7	31.2	5.3	70.5	25.0	45.4	33.4	-	0.6	0.1	2001		
63.2	6.7	6.9	15.4	31.6	5.0	69.7	24.2	45.5	34.1	-	0.6	0.1	2002 June		
62.6	6.6	6.6	15.9	31.3	4.9	70.5	24.1	46.4	35.0	-	0.6	0.1	Sep		
63.2	6.2	7.2	16.7	31.2	4.8	71.1	24.7	46.4	35.3	-	0.5	0.1	Dec		
63.5	6.1	6.7	17.8	31.4	4.8	71.3	24.5	46.9	36.1	-	0.5	0.1	2003 Mar		
62.5	6.1	6.3	17.6	31.0	4.7	72.0	25.4	46.6	36.4	-	0.5	0.1	June		
														Long-term lending	
517.3	135.9	22.5	139.5	368.7	53.2	780.8	651.4	129.4	73.3	-	12.2	3.6	2000		
531.3	141.1	23.4	145.6	371.3	53.7	806.0	674.0	132.0	74.4	-	12.1	3.5	2001		
535.1	142.0	23.6	150.0	369.6	53.4	814.7	681.7	132.9	75.7	-	12.2	3.4	2002 June		
538.3	143.5	24.0	150.9	368.3	53.0	822.4	687.3	135.1	77.0	-	12.2	3.4	Sep		
542.8	139.0	24.0	155.8	366.8	52.8	829.8	695.3	134.6	76.6	-	12.1	3.4	Dec		
540.3	138.5	23.9	155.1	364.4	52.8	832.9	695.7	137.3	77.2	-	12.0	3.4	2003 Mar		
540.7	138.4	24.3	155.6	361.8	52.2	840.1	698.6	141.5	75.5	-	12.0	3.4	June		
Change during quarter *														Lending, total	
+ 1.0	+ 0.6	- 0.5	+ 2.3	- 0.7	- 0.3	+ 6.3	+ 4.2	+ 2.2	+ 1.6	+ 0.4	+ 0.3	- 0.0	2002 Q2		
+ 1.0	+ 1.3	- 0.2	+ 2.2	- 2.1	- 0.7	+ 9.6	+ 6.4	+ 3.3	+ 2.1	+ 1.2	+ 0.4	- 0.0	Q3		
+ 6.1	- 2.2	+ 2.4	+ 4.8	- 1.5	- 1.7	+ 7.3	+ 7.1	+ 0.2	+ 0.6	- 0.9	- 0.1	+ 0.0	Q4		
- 7.4	- 1.3	- 1.6	- 0.2	- 3.8	- 0.2	+ 1.0	+ 1.9	- 0.9	+ 1.8	- 1.0	- 0.1	+ 0.0	2003 Q1		
- 2.2	- 0.4	- 0.1	+ 0.4	- 3.2	- 1.0	+ 8.4	+ 6.9	+ 1.5	+ 1.2	+ 0.5	- 0.0	- 0.0	Q2		
														Short-term lending	
- 1.1	- 0.0	+ 0.1	- 0.8	- 0.1	- 0.2	+ 0.4	- 0.1	+ 0.4	+ 0.1	+ 0.4	+ 0.2	+ 0.0	2002 Q2		
- 1.6	+ 0.1	- 1.0	+ 0.5	- 0.9	- 0.2	+ 1.1	+ 0.1	+ 1.0	+ 0.0	+ 1.2	+ 0.4	+ 0.0	Q3		
+ 2.2	- 1.2	+ 1.8	+ 1.6	- 0.1	- 1.3	- 0.8	+ 0.1	- 0.9	- 0.1	- 0.9	+ 0.1	+ 0.0	Q4		
- 5.9	- 0.8	- 1.0	- 1.2	- 1.6	+ 0.5	- 2.3	- 0.3	- 2.0	- 0.1	- 1.0	- 0.0	+ 0.0	2003 Q1		
- 1.4	- 0.3	- 0.1	+ 0.1	- 0.4	- 0.3	+ 0.6	+ 0.1	+ 0.4	- 0.0	+ 0.5	- 0.0	- 0.0	Q2		
														Medium-term lending	
+ 0.5	- 0.0	- 0.4	+ 0.5	- 0.2	- 0.1	- 0.3	- 0.3	- 0.0	+ 0.2	-	+ 0.0	- 0.0	2002 Q2		
- 0.6	- 0.1	- 0.1	+ 0.3	- 0.3	- 0.1	+ 0.8	- 0.1	+ 0.9	+ 1.0	-	- 0.0	- 0.0	Q3		
- 0.0	- 0.4	+ 0.6	+ 0.5	- 0.5	- 0.1	- 0.0	- 0.0	+ 0.0	+ 0.3	-	- 0.0	+ 0.0	Q4		
- 0.8	- 0.3	- 0.5	+ 0.4	+ 0.0	- 0.1	+ 0.1	- 0.3	+ 0.4	+ 0.8	-	- 0.0	+ 0.0	2003 Q1		
- 1.0	- 0.1	- 0.4	- 0.2	- 0.1	- 0.1	+ 0.7	+ 0.4	+ 0.3	+ 0.3	-	+ 0.0	+ 0.0	Q2		
														Long-term lending	
+ 1.6	+ 0.6	- 0.2	+ 2.5	- 0.4	- 0.0	+ 6.3	+ 4.6	+ 1.7	+ 1.3	-	+ 0.1	- 0.0	2002 Q2		
+ 3.2	+ 1.2	+ 1.0	+ 1.4	- 1.0	- 0.3	+ 7.8	+ 6.4	+ 1.4	+ 1.1	-	+ 0.0	- 0.0	Q3		
+ 4.0	- 0.6	+ 0.0	+ 2.7	- 1.0	- 0.3	+ 8.1	+ 7.1	+ 1.0	+ 0.4	-	- 0.1	+ 0.0	Q4		
- 0.7	- 0.3	+ 0.0	+ 0.6	- 2.2	- 0.6	+ 3.2	+ 2.4	+ 0.7	+ 1.1	-	- 0.1	+ 0.0	2003 Q1		
+ 0.2	- 0.1	+ 0.4	+ 0.5	- 2.7	- 0.6	+ 7.1	+ 6.3	+ 0.8	+ 0.9	-	- 0.0	- 0.0	Q2		

the maintenance and repair of motor vehicles and durable consumer goods. — 4 Including sole proprietors. — 5 Excluding mortgage loans and housing loans, even in the form of instalment credit.

IV Banks
7 Deposits of domestic non-banks (non-MFIs) at banks (MFIs) in Germany*

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item				
			Total	for up to and including 1 year	for more than 1 year 2					Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos		
					Total	for up to and including 2 years	for more than 2 years							
Domestic non-banks, total													End of year or month*	
2000	1,945.8	443.4	819.9	274.7	545.2	9.0	536.2	573.5	109.0	42.1	25.9	–		
2001	2,034.0	526.4	827.0	268.7	558.3	10.3	548.0	574.5	106.0	43.3	26.2	3.1		
2002	2,085.9	575.6	830.6	258.3	572.3	8.8	563.5	575.3	104.4	42.1	27.9	1.5		
2002 Sep	2,025.0	540.8	820.6	257.8	562.8	8.4	554.3	558.3	105.3	41.6	27.5	6.7		
Oct	2,037.6	543.1	829.8	264.2	565.6	8.5	557.1	559.7	105.0	41.6	27.7	7.2		
Nov	2,062.1	572.4	822.6	254.0	568.7	8.7	560.0	562.4	104.7	41.5	27.9	3.0		
Dec	2,085.9	575.6	830.6	258.3	572.3	8.8	563.5	575.3	104.4	42.1	27.9	1.5		
2003 Jan	2,076.4	565.2	830.3	255.7	574.5	8.6	565.9	577.4	103.5	42.1	28.0	3.5		
Feb	2,084.6	571.6	830.0	253.5	576.6	8.3	568.3	579.2	103.7	41.9	29.0	4.1		
Mar	2,089.6	578.9	828.4	249.9	578.5	8.5	570.0	579.3	103.0	42.1	28.9	5.2		
Apr	2,094.8	586.3	828.2	249.5	578.7	8.2	570.5	577.9	102.4	41.8	28.9	5.6		
May	2,101.9	591.7	831.2	253.9	577.2	8.1	569.2	577.1	101.9	41.7	29.3	3.8		
June	2,109.6	608.9	822.7	245.9	576.8	8.0	568.8	576.7	101.3	41.8	29.8	5.7		
July	2,102.3	595.6	829.0	246.4	582.6	8.0	574.6	576.8	100.9	41.7	29.8	7.1		
Aug	2,111.4	598.5	834.5	248.0	586.5	8.0	578.5	578.0	100.4	41.7	30.1	6.1		
Changes*														
2001	+ 88.5	+ 82.3	+ 8.1	– 6.0	+ 14.1	+ 1.3	+ 12.8	+ 1.1	– 2.9	+ 1.0	+ 0.3	+ 3.1		
2002	+ 51.7	+ 48.4	+ 4.1	– 10.2	+ 14.3	– 1.5	+ 15.8	+ 0.8	– 1.6	– 1.1	+ 1.8	– 1.6		
2002 Sep	+ 10.9	+ 13.5	– 2.6	– 1.7	– 0.9	– 0.1	– 0.8	+ 0.5	– 0.5	– 0.0	+ 0.4	+ 4.7		
Oct	+ 12.8	+ 2.3	+ 9.5	+ 6.4	+ 3.1	+ 0.1	+ 3.0	+ 1.4	– 0.3	+ 0.0	+ 0.4	+ 0.5		
Nov	+ 24.5	+ 29.3	– 7.2	– 10.3	+ 3.1	+ 0.2	+ 2.9	+ 2.7	– 0.3	– 0.1	+ 0.2	– 4.3		
Dec	+ 23.8	+ 3.3	+ 8.0	+ 4.4	+ 3.6	+ 0.1	+ 3.5	+ 12.8	– 0.3	+ 0.6	– 0.0	– 1.5		
2003 Jan	– 9.5	– 10.4	– 0.3	– 2.6	+ 2.3	– 0.1	+ 2.4	+ 2.1	– 0.9	– 0.0	+ 0.2	+ 2.0		
Feb	+ 7.6	+ 6.4	– 0.3	– 2.3	+ 2.0	– 0.4	+ 2.4	+ 1.8	– 0.4	– 0.2	+ 0.3	+ 0.7		
Mar	+ 5.1	+ 7.3	– 1.6	– 3.6	+ 2.0	+ 0.3	+ 1.7	+ 0.1	– 0.7	– 0.1	– 0.0	+ 1.1		
Apr	+ 5.1	+ 7.4	– 0.2	– 0.4	+ 0.2	– 0.4	+ 0.6	– 1.4	– 0.6	– 0.2	– 0.0	+ 0.4		
May	+ 7.1	+ 5.4	+ 3.0	+ 4.5	– 1.5	– 0.1	– 1.4	– 0.8	– 0.5	– 0.1	+ 0.3	– 1.9		
June	+ 7.7	+ 17.2	– 8.5	– 8.1	– 0.4	– 0.1	– 0.4	– 0.4	– 0.6	+ 0.1	+ 0.5	+ 1.9		
July	– 7.1	– 13.3	+ 6.5	+ 0.7	+ 5.8	– 0.1	+ 5.9	+ 0.1	– 0.4	– 0.0	+ 0.0	+ 1.4		
Aug	+ 9.1	+ 2.9	+ 5.5	+ 1.6	+ 3.9	+ 0.0	+ 3.9	+ 1.3	– 0.5	– 0.1	+ 0.2	– 1.0		
Domestic public authorities													End of year or month*	
2000	149.1	16.6	127.7	62.1	65.5	1.2	64.4	2.7	2.1	36.0	1.4	–		
2001	122.7	16.1	102.3	37.7	64.5	1.2	63.3	2.3	2.1	36.6	1.4	–		
2002	113.9	16.6	93.3	30.9	62.4	0.9	61.5	2.1	1.9	36.3	1.2	–		
2002 Sep	114.3	13.6	96.6	33.7	62.9	0.8	62.1	2.0	2.1	35.5	1.3	–		
Oct	109.7	13.8	91.9	29.0	62.9	0.8	62.1	2.0	2.0	35.6	1.3	–		
Nov	109.6	13.6	92.0	29.0	63.0	0.8	62.1	2.0	2.0	35.6	1.3	–		
Dec	113.9	16.6	93.3	30.9	62.4	0.9	61.5	2.1	1.9	36.3	1.2	–		
2003 Jan	109.2	13.5	91.8	29.4	62.4	0.9	61.5	2.0	1.9	36.3	1.1	–		
Feb	111.1	15.2	92.0	30.0	61.9	0.6	61.4	2.0	1.8	36.2	1.1	–		
Mar	109.9	15.0	91.1	30.5	60.6	0.5	60.0	2.0	1.8	36.3	1.1	–		
Apr	107.6	14.5	89.4	29.1	60.3	0.6	59.8	1.9	1.8	36.3	1.1	–		
May	111.4	15.0	92.7	32.6	60.0	0.5	59.5	1.9	1.8	36.2	1.1	–		
June	114.5	18.1	92.6	32.6	60.1	0.5	59.5	1.9	1.7	36.2	1.1	–		
July	109.0	14.5	90.9	31.5	59.4	0.5	58.9	1.9	1.7	36.2	1.1	–		
Aug	107.7	14.7	89.2	30.8	58.4	0.5	57.9	2.0	1.7	36.1	1.1	–		
Changes*														
2001	– 26.4	– 0.6	– 25.4	– 24.4	– 1.0	+ 0.0	– 1.1	– 0.5	– 0.0	+ 0.7	– 0.0	–		
2002	– 8.6	+ 0.5	– 8.7	– 6.6	– 2.1	– 0.3	– 1.8	– 0.2	– 0.2	– 0.3	– 0.2	–		
2002 Sep	– 1.1	+ 0.2	– 1.2	+ 0.2	– 1.4	– 0.1	– 1.3	– 0.0	+ 0.0	– 0.1	+ 0.0	–		
Oct	– 4.6	+ 0.2	– 4.7	– 4.7	– 0.0	– 0.0	– 0.0	– 0.0	– 0.1	+ 0.1	– 0.0	–		
Nov	– 0.1	– 0.2	+ 0.1	+ 0.1	+ 0.0	+ 0.0	+ 0.0	+ 0.0	– 0.0	– 0.0	+ 0.0	–		
Dec	+ 4.3	+ 3.0	+ 1.3	+ 1.8	– 0.5	+ 0.1	– 0.6	+ 0.1	– 0.1	+ 0.7	– 0.1	–		
2003 Jan	– 4.7	– 3.1	– 1.5	– 1.4	– 0.1	– 0.0	– 0.1	– 0.0	– 0.1	+ 0.0	– 0.1	–		
Feb	+ 1.9	+ 1.7	+ 0.2	+ 0.6	– 0.4	– 0.3	– 0.1	– 0.0	– 0.0	– 0.1	– 0.0	–		
Mar	– 1.2	– 0.2	– 0.9	+ 0.5	– 1.4	– 0.0	– 1.4	– 0.0	– 0.0	– 0.1	– 0.0	–		
Apr	– 2.3	– 0.5	– 1.7	– 1.4	– 0.3	+ 0.0	– 0.3	– 0.1	– 0.0	+ 0.0	+ 0.0	–		
May	+ 3.8	+ 0.5	+ 3.3	+ 3.5	– 0.3	– 0.0	– 0.3	+ 0.0	– 0.0	– 0.1	– 0.0	–		
June	+ 3.1	+ 3.1	– 0.1	– 0.1	+ 0.0	– 0.0	+ 0.0	+ 0.0	– 0.0	+ 0.0	– 0.0	–		
July	– 5.4	– 3.7	– 1.8	– 1.1	– 0.7	– 0.0	– 0.6	+ 0.0	– 0.0	– 0.1	+ 0.0	–		
Aug	– 0.5	+ 0.2	– 0.8	– 0.7	– 0.1	+ 0.0	– 0.2	+ 0.1	– 0.0	– 0.1	+ 0.0	–		

* See Table IV.2, footnote *; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as

provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Including subordinated liabilities and

IV Banks

8 Deposits of resident individuals and domestic non-profit institutions at banks (MFIs) in Germany*

€ billion

Period	Sight deposits						Time deposits 1,2					
	Deposits of resident individuals and domestic non-profit institutions, total	by creditor group					by creditor group					
		Total	Resident individuals				Total	Resident individuals				
			Total	Self-employed persons	Employees	Other individuals		Total	Self-employed persons	Employees	Other individuals	
End of year or month*												
2000	1,161.5	268.7	259.3	47.7	176.0	35.6	9.4	244.6	225.5	34.9	168.9	21.7
2001	1,242.9	330.4	320.1	55.8	220.9	43.4	10.2	263.4	242.9	36.3	182.4	24.2
2002	1,271.6	364.5	352.8	61.3	241.4	50.0	11.7	257.9	238.3	35.2	180.5	22.6
2003 Mar	1,284.4	377.7	365.7	62.7	250.1	52.9	12.1	255.0	235.0	33.9	179.2	21.9
Apr	1,282.6	380.0	367.9	64.4	250.1	53.4	12.1	252.8	233.5	33.5	178.5	21.5
May	1,284.8	384.4	372.0	65.0	252.9	54.2	12.4	252.2	232.2	33.3	177.7	21.2
June	1,284.6	388.8	375.5	64.0	256.6	54.9	13.3	248.5	228.9	32.1	176.1	20.7
July	1,282.1	388.8	376.3	65.8	255.8	54.7	12.5	246.6	227.4	31.7	175.2	20.4
Aug	1,286.9	394.2	382.0	67.1	259.5	55.3	12.2	245.3	226.2	31.5	174.5	20.2
Changes*												
2001	+ 81.3	+ 61.7	+ 60.8	+ 8.1	+ 45.0	+ 7.8	+ 0.8	+ 18.8	+ 17.4	+ 1.4	+ 13.5	+ 2.5
2002	+ 29.2	+ 34.5	+ 33.1	+ 5.6	+ 22.4	+ 5.1	+ 1.5	- 5.5	- 4.2	- 1.0	- 1.1	- 2.1
2003 Mar	+ 3.2	+ 5.0	+ 5.1	- 1.0	+ 5.2	+ 0.9	- 0.1	- 1.2	- 2.3	- 1.3	- 0.7	- 0.3
Apr	- 1.8	+ 2.3	+ 2.3	+ 1.7	- 0.0	+ 0.6	+ 0.0	- 2.2	- 1.5	- 0.3	- 0.7	- 0.4
May	+ 2.3	+ 4.4	+ 4.1	+ 0.6	+ 2.8	+ 0.7	+ 0.2	- 0.6	- 1.2	- 0.3	- 0.7	- 0.2
June	- 0.2	+ 4.4	+ 3.5	- 0.9	+ 3.7	+ 0.7	+ 0.9	- 3.7	- 3.3	- 1.2	- 1.7	- 0.5
July	- 2.5	- 0.0	+ 0.8	+ 1.8	- 0.8	- 0.2	- 0.8	- 1.9	- 1.5	- 0.3	- 0.9	- 0.3
Aug	+ 4.8	+ 5.4	+ 5.7	+ 1.4	+ 3.7	+ 0.6	- 0.2	- 1.3	- 1.2	- 0.2	- 0.7	- 0.3

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly*

Report, are not specially marked. — 1 Including subordinated liabilities and liabilities arising from registered debt securities. — 2 Including deposits

9 Deposits of domestic public authorities at banks (MFIs) in Germany, by creditor group*

€ billion

Period	Deposits												
	Domestic public authorities, total	Federal Government and its special funds 1						Land governments					
		Total	Sight deposits	Time deposits			Memo item Fiduciary loans	Total	Sight deposits	Time deposits			Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year	Savings deposits and bank savings bonds 2				for up to and including 1 year	for more than 1 year	Savings deposits and bank savings bonds 2	
End of year or month*													
2000	149.1	67.6	2.1	22.6	42.8	0.0	12.5	20.3	3.1	2.1	15.0	0.1	23.3
2001	122.7	46.9	1.6	2.7	42.7	0.0	13.2	19.2	2.7	1.8	14.6	0.1	23.2
2002	113.9	45.6	0.9	3.6	41.1	0.0	13.5	18.9	2.5	1.4	14.9	0.1	22.6
2003 Mar	109.9	45.2	0.6	4.5	40.0	0.0	13.4	20.7	3.4	2.8	14.4	0.1	22.6
Apr	107.6	44.9	0.6	4.5	39.9	0.0	13.4	19.4	2.7	2.2	14.4	0.1	22.6
May	111.4	44.4	0.4	4.4	39.6	0.0	13.4	19.8	3.1	2.3	14.4	0.1	22.6
June	114.5	44.6	0.8	4.8	39.0	0.0	13.5	23.5	5.3	3.8	14.3	0.1	22.5
July	109.0	43.8	0.5	4.8	38.5	0.0	13.5	20.9	3.4	3.3	14.2	0.1	22.4
Aug	107.7	43.8	0.8	4.8	38.2	0.0	13.5	19.6	2.7	2.5	14.2	0.1	22.3
Changes*													
2001	- 26.4	- 20.4	- 0.4	- 19.9	- 0.1	- 0.0	+ 0.5	- 1.2	- 0.6	- 0.2	- 0.4	+ 0.0	+ 0.1
2002	- 8.6	- 1.3	- 0.6	+ 0.9	- 1.6	+ 0.0	+ 0.3	- 0.3	- 0.1	- 0.4	+ 0.3	- 0.0	- 0.6
2003 Mar	- 1.2	+ 0.1	+ 0.0	+ 1.4	- 1.3	-	- 0.0	+ 0.3	+ 0.3	+ 0.0	+ 0.0	- 0.0	- 0.1
Apr	- 2.3	- 0.3	- 0.1	- 0.0	- 0.2	-	- 0.0	- 1.3	- 0.6	- 0.6	- 0.1	+ 0.0	+ 0.0
May	+ 3.8	- 0.5	- 0.1	- 0.1	- 0.2	-	- 0.0	+ 0.4	+ 0.3	+ 0.1	+ 0.0	-	- 0.1
June	+ 3.1	+ 0.2	+ 0.4	+ 0.4	- 0.6	- 0.0	+ 0.1	+ 3.7	+ 2.2	+ 1.5	- 0.1	+ 0.0	- 0.1
July	- 5.4	- 0.8	- 0.3	- 0.0	- 0.5	+ 0.0	+ 0.0	- 2.6	- 1.9	- 0.5	- 0.2	-	- 0.0
Aug	- 0.5	+ 0.0	+ 0.2	+ 0.1	- 0.3	+ 0.0	+ 0.0	- 1.4	- 0.6	- 0.8	+ 0.0	-	- 0.1

* See Table IV.2, footnote*; excluding deposits of the Treuhand agency and its successor organisations, of the Federal Railways, east German Railways and Federal Post Office, and, from 1995, of Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG, and of publicly-owned enterprises,

which are included in "Enterprises". Statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following

IV Banks

					Savings deposits ³				Memo item			Period
Domestic non-profit institutions	by maturity				Total	Domestic individuals	Domestic non-profit institutions	Bank savings bonds ⁴	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) ⁵	Included in time deposits: liabilities arising from repos	
	up to and including 1 year	more than 1 year ²										
		Total	of which	more than 2 years								
	up to and including 1 year	up to and including 2 years	more than 2 years									
End of year or month*												
19.2	123.6	121.1	5.1	116.0	565.5	555.8	9.7	82.7	0.2	10.4	–	2000
20.6	139.3	124.1	6.2	117.9	568.0	558.6	9.4	81.1	0.2	10.5	–	2001
19.6	128.3	129.6	6.3	123.3	568.8	559.9	8.9	80.4	0.2	10.8	–	2002
20.0	124.0	131.0	6.2	124.8	572.9	563.8	9.1	78.7	0.2	11.3	–	2003 Mar
19.4	121.6	131.2	6.2	125.0	571.5	562.4	9.1	78.2	0.2	11.4	–	Apr
20.0	121.1	131.1	6.2	125.0	570.5	561.4	9.1	77.7	0.2	11.4	–	May
19.6	117.3	131.2	6.1	125.1	570.1	560.9	9.2	77.2	0.2	11.5	–	June
19.2	115.5	131.1	6.0	125.1	570.1	560.8	9.2	76.7	0.2	11.5	–	July
19.1	114.0	131.3	6.0	125.3	571.2	561.9	9.3	76.2	0.2	11.6	–	Aug
Changes*												
+ 1.4	+ 15.8	+ 3.0	+ 1.1	+ 1.9	+ 2.5	+ 2.8	– 0.3	– 1.6	+ 0.0	+ 0.0	± 0.0	2001
– 1.3	– 10.9	+ 5.4	+ 0.1	+ 5.3	+ 0.9	+ 1.3	– 0.5	– 0.7	– 0.0	+ 0.3	–	2002
+ 1.0	– 1.8	+ 0.6	+ 0.0	+ 0.6	+ 0.1	+ 0.1	+ 0.0	– 0.7	+ 0.0	+ 0.0	–	2003 Mar
– 0.6	– 2.3	+ 0.2	– 0.1	+ 0.2	– 1.4	– 1.4	+ 0.0	– 0.6	+ 0.0	+ 0.1	–	Apr
+ 0.6	– 0.6	– 0.1	– 0.0	– 0.1	– 1.0	– 1.0	+ 0.0	– 0.5	+ 0.0	+ 0.0	–	May
– 0.4	– 3.8	+ 0.1	– 0.0	+ 0.1	– 0.4	– 0.5	+ 0.1	– 0.5	+ 0.0	+ 0.1	–	June
– 0.4	– 1.8	– 0.1	– 0.1	– 0.0	– 0.0	– 0.1	+ 0.1	– 0.5	–	+ 0.0	–	July
– 0.1	– 1.5	+ 0.2	– 0.1	+ 0.2	+ 1.1	+ 1.1	+ 0.0	– 0.5	+ 0.0	+ 0.1	–	Aug

under savings and loan contracts (see Table IV.12). — ³ Excluding deposits under savings and loan contracts (see also footnote 2). — ⁴ Including

liabilities arising from non-negotiable bearer debt securities. — ⁵ Included in time deposits.

Local authorities and local authority associations (including municipal special-purpose associations)						Social security funds						Period
Total	Sight deposits	Time deposits ³		Savings deposits and bank savings bonds ^{2,4}	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds ²	Memo item Fiduciary loans	
		for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year			
End of year or month*												
30.2	8.9	15.7	2.0	3.6	0.1	31.1	2.5	21.7	5.7	1.2	0.1	2000
27.8	9.2	13.8	1.8	3.1	0.2	28.7	2.7	19.5	5.4	1.1	0.1	2001
27.6	10.5	12.2	2.0	3.0	0.2	21.7	2.7	13.7	4.5	0.9	0.1	2002
24.1	8.3	11.1	1.8	2.9	0.2	19.9	2.7	12.2	4.2	0.8	0.0	2003 Mar
23.6	8.3	10.6	1.8	2.8	0.2	19.7	2.9	11.8	4.2	0.8	0.0	Apr
24.8	9.0	11.1	1.8	2.8	0.2	22.3	2.5	14.9	4.2	0.8	0.0	May
23.4	8.5	10.3	1.8	2.8	0.2	22.9	3.6	13.7	4.9	0.8	0.0	June
23.0	8.2	10.1	1.9	2.8	0.2	21.3	2.3	13.3	4.9	0.8	0.0	July
24.9	9.2	11.0	1.9	2.8	0.2	19.4	2.0	12.5	4.1	0.8	0.0	Aug
Changes*												
– 2.4	+ 0.2	– 2.0	– 0.2	– 0.4	+ 0.0	– 2.4	+ 0.2	– 2.3	– 0.3	– 0.0	– 0.0	2001
+ 0.0	+ 1.3	– 1.4	+ 0.2	– 0.1	+ 0.0	– 7.0	– 0.0	– 5.7	– 1.0	– 0.3	– 0.0	2002
– 1.1	– 0.8	– 0.1	– 0.1	– 0.1	–	– 0.5	+ 0.3	– 0.7	+ 0.0	– 0.0	– 0.0	2003 Mar
– 0.5	– 0.0	– 0.4	+ 0.0	– 0.1	+ 0.0	– 0.1	+ 0.2	– 0.4	+ 0.0	– 0.0	– 0.0	Apr
+ 1.2	+ 0.8	+ 0.5	–	– 0.0	– 0.0	+ 2.6	– 0.4	+ 3.1	– 0.1	+ 0.0	–	May
– 1.4	– 0.5	– 0.8	– 0.0	– 0.0	+ 0.0	+ 0.6	+ 1.1	– 1.3	+ 0.7	+ 0.0	– 0.0	June
– 0.4	– 0.3	– 0.2	+ 0.1	– 0.0	+ 0.0	– 1.6	– 1.2	– 0.4	– 0.1	– 0.0	–	July
+ 1.9	+ 1.0	+ 0.8	+ 0.0	+ 0.0	+ 0.0	– 1.1	– 0.3	– 0.9	+ 0.1	+ 0.0	– 0.0	Aug

Monthly Report, are not specially marked. — ¹ Federal Railways Fund, Indemnification Fund, Redemption Fund for Inherited Liabilities, ERP Special Fund, "German Unity" Fund, Equalisation of Burdens Fund. — ² Including

liabilities arising from non-negotiable bearer debt securities. — ³ Including deposits under savings and loan contracts. — ⁴ Excluding deposits under savings and loan contracts (see also footnote 3).

IV Banks

10 Savings deposits and bank savings bonds of banks (MFIs) in Germany sold to non-banks (non-MFIs)*

€ billion

Period	Savings deposits ¹								Memo item Interest credited on savings deposits	Bank savings bonds, ³ sold to			
	of residents						of non-residents			non-banks, total	domestic non-banks		foreign non-banks
	Total	Total	at three months' notice		at more than three months' notice		Total	of which At three months' notice			Total	of which With maturities of more than 2 years	
			Total	of which Special savings facilities ²	Total	of which Special savings facilities ²							
End of year or month*													
2000	585.2	573.5	450.5	309.0	123.0	104.4	11.7	8.3	19.3	115.9	109.0	94.4	6.8
2001	586.5	574.5	461.9	327.2	112.7	97.2	12.0	8.8	19.9	112.8	106.0	87.2	6.8
2002	586.2	575.3	472.8	343.5	102.4	88.5	10.9	8.1	17.6	111.3	104.4	86.3	6.9
2003 Apr	588.5	577.9	482.7	352.0	95.2	82.6	10.7	8.1	0.4	109.1	102.4	85.2	6.7
May	587.7	577.1	483.4	352.9	93.7	81.1	10.6	8.1	0.4	108.6	101.9	84.9	6.7
June	587.2	576.7	484.4	352.9	92.3	79.6	10.5	8.1	0.3	108.1	101.3	84.6	6.7
July	587.2	576.8	486.5	362.1	90.3	77.7	10.4	8.1	0.4	107.6	100.9	84.4	6.7
Aug	588.4	578.0	489.3	365.0	88.8	76.3	10.3	8.1	0.4	107.1	100.4	84.1	6.7
Changes*													
2001	+ 1.3	+ 1.1	+ 11.4	+ 15.5	- 10.4	- 7.2	+ 0.3	+ 0.5	.	- 2.9	- 2.9	- 7.1	- 0.0
2002	- 0.3	+ 0.8	+ 11.0	+ 16.4	- 10.2	- 8.7	- 1.1	- 0.7	.	- 1.5	- 1.6	- 0.9	+ 0.1
2003 Apr	- 1.5	- 1.4	+ 1.1	+ 1.1	- 2.5	- 2.4	- 0.1	- 0.0	.	- 0.7	- 0.6	- 0.3	- 0.0
May	- 0.9	- 0.8	+ 0.7	+ 0.9	- 1.5	- 1.5	- 0.1	- 0.0	.	- 0.5	- 0.5	- 0.3	- 0.0
June	- 0.4	- 0.4	+ 1.0	- 0.0	- 1.4	- 1.4	- 0.1	- 0.0	.	- 0.5	- 0.6	- 0.3	+ 0.0
July	- 0.0	+ 0.1	+ 2.1	+ 1.4	- 2.0	- 1.9	- 0.1	- 0.0	.	- 0.5	- 0.4	- 0.2	- 0.0
Aug	+ 1.2	+ 1.3	+ 2.8	+ 2.9	- 1.5	- 1.5	- 0.1	- 0.0	.	- 0.5	- 0.5	- 0.3	+ 0.0

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Excluding deposits under savings and

loan contracts, which are classified as time deposits. — 2 Savings deposits bearing interest at a rate which exceeds the minimum or basic rate of interest. — 3 Including liabilities arising from non-negotiable bearer debt securities.

11 Debt securities and money market paper outstanding of banks (MFIs) in Germany*

€ billion

Period	Negotiable bearer debt securities and money market paper								Non-negotiable bearer debt securities and money market paper ⁶				Subordinated	
	Total ¹	of which							Total	of which with maturities of				
		Floating rate bonds ²	Zero coupon bonds ^{2,3}	Foreign currency bonds ^{4,5}	Certifi- cates of deposit	with maturities of				up to and including 1 year	more than 1 year including 2 years	more than 2 years		
						up to and including 1 year ¹	more than 1 year including 2 years ¹	more than 2 years ¹						
End of year or month*)													negotiable debt securities	non- negotiable debt securities
2000	1,412.5	283.1	22.1	128.2	19.7	87.9	62.7	1,261.9	2.7	0.4	1.0	1.3			38.3	2.4
2001	1,472.3	324.0	16.3	144.1	17.6	46.5	124.9	1,300.9	5.8	3.7	1.0	1.2	43.3	2.4
2002	1,462.9	339.2	16.1	159.5	34.7	62.3	120.1	1,280.5	9.9	7.8	0.7	1.3	42.4	2.3
2003 Apr	1,480.0	336.1	21.1	171.6	44.8	82.7	111.0	1,286.4	4.6	2.8	0.6	1.3	39.1	2.9
May	1,478.0	339.1	20.0	168.7	46.1	83.0	104.5	1,290.6	2.2	0.4	0.6	1.3	38.9	2.9
June	1,482.7	338.6	20.5	171.6	44.1	80.9	100.0	1,301.7	2.2	0.4	0.6	1.2	39.0	2.9
July	1,494.5	344.8	23.5	177.1	42.2	79.5	105.1	1,310.0	2.2	0.5	0.5	1.2	39.3	3.0
Aug	1,487.0	342.1	22.1	179.9	35.6	68.0	101.0	1,318.0	2.2	0.5	0.5	1.2	39.4	3.0
Changes*													negotiable debt securities	non- negotiable debt securities
2001	+ 56.2	+ 33.3	- 5.5	+ 15.9	- 2.1	- 41.4	+ 61.7	+ 35.9	+ 3.2	+ 3.4	- 0.1	- 0.1			+ 5.0	± 0.0
2002	+ 9.1	+ 6.3	- 4.5	+ 12.1	+ 16.2	+ 14.2	+ 4.6	- 9.7	+ 4.8	+ 4.9	- 0.3	+ 0.2	- 1.9	- 0.1
2003 Apr	- 3.9	+ 0.7	- 0.5	- 2.1	- 0.9	- 3.1	- 2.9	+ 2.1	+ 2.4	+ 2.4	- 0.0	- 0.0	- 0.6	+ 0.0
May	- 2.0	- 3.4	- 1.1	- 2.9	+ 1.2	+ 0.3	- 6.5	+ 4.2	+ 0.1	+ 0.1	- 0.0	+ 0.0	- 0.2	+ 0.0
June	+ 4.6	- 0.5	+ 0.5	+ 2.9	- 2.0	- 2.1	- 4.5	+ 11.2	- 0.0	+ 0.1	- 0.0	- 0.0	+ 0.1	+ 0.0
July	+ 11.9	+ 6.2	+ 3.1	+ 5.5	- 1.9	- 1.4	+ 5.1	+ 8.2	+ 0.0	+ 0.0	- 0.0	+ 0.0	+ 0.3	+ 0.0
Aug	- 7.5	- 2.7	- 1.4	+ 2.9	- 6.6	- 11.5	- 4.1	+ 8.0	- 0.0	+ 0.0	- 0.0	+ 0.0	+ 0.1	+ 0.1

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Decreases in June 2002 caused by transition to net recording of debt securities outstanding (ie less own debt securities). The statistical break has been eliminated from the changes. —

2 Including debt securities denominated in foreign currencies. — 3 Issue value when floated. — 4 Including floating rate notes and zero coupon bonds denominated in foreign currencies. — 5 Bonds denominated in non-euro-area currencies. — 6 Non-negotiable bearer debt securities are classified among bank savings bonds (see also Table IV.10, footnote 3).

IV Banks

12 Building and loan associations (MFIs) in Germany*
Interim statements

€ billion

End of year/month	Number of associations	Balance sheet total	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Deposits of banks (MFIs) 5		Deposits of non-banks (non-MFIs)		Bearer debt securities outstanding	Capital (including published reserves) 7	Memo item New contracts entered into in year or month 8
			Credit balances and loans (excluding building loans) 1	Building loans 2	Bank debt securities 3	Building loans			Securities (including Treasury bills and Treasury discount paper) 4	Deposits under savings and loan contracts	Sight and time deposits	Deposits under savings and loan contracts	Sight and time deposits 6			
						Loans under savings and loan contracts	Interim and bridging loans	Other building loans								
All building and loan associations																
2002	28	163.8	25.2	0.2	11.7	40.8	58.6	7.9	10.4	0.4	29.5	100.8	3.5	6.9	7.1	79.6
2003 Jun	28	166.8	26.6	0.1	11.3	39.2	61.0	8.3	10.9	0.4	29.2	102.6	3.6	7.1	7.2	8.2
Jul	27	167.3	26.6	0.1	11.2	38.9	61.7	8.4	11.1	0.4	29.8	102.7	3.6	6.7	7.2	8.9
Aug	27	167.7	27.0	0.1	11.1	38.5	62.2	8.5	11.0	0.4	30.0	102.9	3.6	6.8	7.1	8.2
Private building and loan associations																
2003 Jun	17	119.6	20.5	0.1	6.1	25.3	43.7	7.6	7.7	0.3	20.9	69.6	3.4	7.1	4.7	5.4
Jul	16	120.1	20.5	0.1	6.0	25.1	44.3	7.7	7.9	0.3	21.7	69.7	3.4	6.7	4.7	6.0
Aug	16	120.3	20.8	0.1	5.9	24.8	44.8	7.8	7.7	0.3	21.7	69.9	3.5	6.8	4.6	5.5
Public building and loan associations																
2003 Jun	11	47.2	6.1	0.1	5.2	13.9	17.3	0.7	3.2	0.1	8.3	33.0	0.2	-	2.5	2.9
Jul	11	47.2	6.0	0.1	5.2	13.8	17.4	0.7	3.2	0.1	8.2	33.0	0.2	-	2.5	3.0
Aug	11	47.4	6.2	0.1	5.2	13.7	17.4	0.7	3.3	0.1	8.2	33.0	0.2	-	2.5	2.7

Trends in building and loan association business

€ billion

Period	Changes in deposits under savings and loan contracts			Capital promised		Capital disbursed					Disbursement commitments outstanding at end of period		Interest and repayments received on building loans 10		Memo item Housing bonuses received 12	
				Total	of which Net allocations 11	Total	Allocations			Newly granted interim and bridging loans and other building loans	Total	of which Under allocated contracts	Total	of which Repayments during quarter		
	Amounts paid into savings and loan accounts 9	Interest credited on deposits under savings and loan contracts	Repayments of deposits under cancelled savings and loan contracts				Deposits under savings and loan contracts	Loans under savings and loan contracts 9	of which Applied to settlement of interim and bridging loans							of which Applied to settlement of interim and bridging loans
	Total	of which Applied to settlement of interim and bridging loans	Total	of which Applied to settlement of interim and bridging loans	Total	of which Under allocated contracts	Total	of which Repayments during quarter								
All building and loan associations																
2002	22.9	2.7	4.3	44.0	29.4	40.6	17.2	3.8	9.3	3.1	14.2	10.9	7.8	14.2	11.2	0.5
2003 Jun	2.1	0.0	0.4	3.8	2.4	3.6	1.4	0.3	0.7	0.3	1.5	12.1	8.2	1.2	2.9	0.0
Jul	2.3	0.0	0.5	4.7	2.7	4.2	1.7	0.4	0.8	0.3	1.7	12.3	8.0	1.3	0.8	0.1
Aug	2.0	0.0	0.5	3.9	2.2	3.3	1.3	0.3	0.5	0.2	1.5	12.4	8.1	1.2	0.8	0.0
Private building and loan associations																
2003 Jun	1.4	0.0	0.2	2.6	1.5	2.6	1.0	0.2	0.4	0.2	1.2	7.5	4.2	0.8	1.9	0.0
Jul	1.6	0.0	0.3	3.4	1.8	3.2	1.2	0.3	0.5	0.3	1.4	7.8	4.1	0.8	0.8	0.0
Aug	1.4	0.0	0.3	2.7	1.4	2.5	0.9	0.2	0.4	0.2	1.2	7.8	4.1	0.8	0.8	0.0
Public building and loan associations																
2003 Jun	0.7	0.0	0.2	1.2	0.9	1.0	0.5	0.1	0.3	0.1	0.3	4.6	4.0	0.4	1.0	0.0
Jul	0.7	0.0	0.2	1.3	0.9	1.1	0.5	0.1	0.3	0.1	0.3	4.6	3.9	0.4	0.4	0.0
Aug	0.6	0.0	0.2	1.1	0.8	0.9	0.4	0.1	0.2	0.1	0.3	4.7	4.0	0.4	0.4	0.0

* Excluding assets and liabilities and/or transactions of foreign branches. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Including postal giro account balances, claims on building and loan associations, claims arising from registered debt securities and central bank credit balances. — 2 Loans under savings and loan contracts and interim and bridging loans. — 3 Including money market paper and small amounts of other securities issued by banks. — 4 Including equalisation claims. — 5 Including liabilities to building and loan associations. — 6 Including small amounts of savings deposits. — 7 Including participation rights capital and fund for general banking risks. — 8 Total

amount covered by the contracts; only contracts newly entered into, for which the contract fee has been fully paid. Increases in the sum contracted count as new contracts. — 9 For disbursements of deposits under savings and loan contracts arising from the allocation of contracts see "Capital disbursed". — 10 Including housing bonuses credited. — 11 Only allocations accepted by the beneficiaries; including allocations applied to settlement of interim and bridging loans. — 12 The amounts already credited to the accounts of savers or borrowers are also included in "Amounts paid into savings and loan accounts" and "Interest and repayments received on building loans".

V Minimum reserves

1 Reserve ratios

Germany

% of liabilities subject to reserve requirements

Applicable from	Sight liabilities	Time liabilities	Savings deposits
1995 August 1	2	2	1.5

European monetary union

% of reserve base 1

Applicable from	Ratio
1999 January 1	2

1 Article 3 of the Regulation of the European Central Bank of 1 December 1998 on the application of minimum reserves (excluding liabilities to which a reserve ratio of 0 % applies, pursuant to article 4 (1)).

2 Reserve maintenance in Germany up to the end of 1998

– pursuant to the Minimum Reserves Order of the Bundesbank –

DM million

Monthly average 1	Liabilities subject to reserve requirements				Required reserves 2	Actual reserves 3	Excess reserves 4		Shortfall, total
	Total	Sight liabilities	Time liabilities	Savings deposits			Level	as % of the required reserves	
1995 Dec.	2,066,565	579,337	519,456	967,772	36,492	37,337	845	2.3	3
1996 Dec.	2,201,464	655,483	474,342	1,071,639	38,671	39,522	851	2.2	4
1997 Dec.	2,327,879	734,986	476,417	1,116,477	40,975	41,721	745	1.8	3
1998 Dec.	2,576,889	865,444	564,878	1,146,567	45,805	46,432	627	1.4	4

1 Pursuant to sections 5 to 7 of the Minimum Reserves Order. — 2 Amount after applying the reserve ratios to the liabilities subject to reserve requirements (section 5 (1) of the Minimum Reserves Order). — 3 Average credit

balances of the credit institutions subject to reserve requirements on their giro accounts at the Bundesbank. — 4 Actual reserves less required reserves.

3 Reserve maintenance in the European monetary union

– from 1999, pursuant to the ECB Regulation governing minimum reserves according to article 19.1 of the ECB/ESCB Statute –

Maintenance period beginning in 1	Reserve base 2	Required reserves before deduction of lump-sum allowance 3	Lump-sum allowance 4	Required reserves after deduction of lump-sum allowance	Actual reserves 5	Excess reserves 6	Shortfall, total 7
European monetary union (€ billion)							
2002 Dec	6,569.9	131.4	0.5	130.9	131.4	0.6	0.0
2003 Jan	6,549.1	131.0	0.5	130.4	131.0	0.6	0.0
Feb	6,474.5	129.5	0.6	128.9	129.5	0.6	0.0
Mar	6,526.6	130.5	0.5	130.0	130.5	0.5	0.0
Apr	6,544.6	130.9	0.5	130.3	130.8	0.5	0.0
May	6,586.3	131.7	0.5	131.2	131.7	0.5	0.0
June	6,606.0	132.1	0.5	131.6	132.0	0.5	0.0
July	6,633.3	132.7	0.5	132.1	132.7	0.5	0.0
Aug p	6,593.8	131.9	0.5	131.3	131.8	0.5	0.0
Of which: Germany (€ million)							
2002 Dec	1,929,396	38,588	231	38,356	38,574	217	2
2003 Jan	1,911,863	38,237	230	38,007	38,280	273	3
Feb	1,891,376	37,828	230	37,597	37,876	279	4
Mar	1,912,098	38,242	230	38,012	38,224	212	4
Apr	1,906,364	38,127	229	37,898	38,090	192	4
May	1,911,254	38,225	228	37,997	38,220	223	2
June	1,907,522	38,150	226	37,924	38,120	195	2
July	1,908,858	38,177	223	37,954	38,172	218	3
Aug p	1,883,921	37,678	221	37,458	37,642	184	3

1 The reserve maintenance period of the ESCB minimum reserve system starts on the 24th of each month and ends on the 23rd of the following month (the first reserve maintenance period lasted from January 1, 1999 to February 23, 1999). — 2 Article 3 of the Regulation of the European Central Bank of 1 December 1998 on the application of minimum reserves (excluding liabilities to which a reserve ratio of 0 % applies, pursuant to article 4 (1)). — 3 Amount after applying the reserve ratios to the reserve

base. — 4 Article 5 (2) of the Regulation of the European Central Bank of 1 December 1998 on the application of minimum reserves. — 5 Average credit balances of the credit institutions subject to minimum reserve requirements on their reserve accounts at the respective national central bank. — 6 Actual reserves less required reserves after the deduction of the lump-sum allowance. — 7 Required reserves after the deduction of the lump-sum allowance.

VI Interest rates

1 ECB interest rates

% pa			
Applicable from	Deposit facility	Main refinancing operations 1	Marginal lending facility
1999 Jan 1	2.00	3.00	4.50
Jan 4	2.75	3.00	3.25
Jan 22	2.00	3.00	4.50
Apr 9	1.50	2.50	3.50
Nov 5	2.00	3.00	4.00
2000 Feb 4	2.25	3.25	4.25
Mar 17	2.50	3.50	4.50
Apr 28	2.75	3.75	4.75
June 9	3.25	4.25	5.25
Sep 1	3.50	4.50	5.50
Oct 6	3.75	4.75	5.75
2001 May 11	3.50	4.50	5.50
Aug 31	3.25	4.25	5.25
Sep 18	2.75	3.75	4.75
Nov 9	2.25	3.25	4.25
2002 Dec 6	1.75	2.75	3.75
2003 Mar 7	1.50	2.50	3.50
June 6	1.00	2.00	3.00

2 Discount and lombard rates of the Bundesbank

% pa			
Applicable from	Discount rate	Lombard rate 2, 4, 5	
1994 Feb 18	5 1/4	6 3/4	
Apr 15	5	6 1/2	
May 13	4 1/2	6	
1995 Mar 31	4	6	
Aug 25	3 1/2	5 1/2	
Dec 15	3	5	
1996 Apr 19	2 1/2	4 1/2	
to			
1998 Dec 31			

3 Base rates

% pa		Base rate as per Discount Rate Transition Act 3, 4, 5
Applicable from	Base rate as per Civil Code 6	
1999 Jan 1	2.50	
May 1	1.95	
2000 Jan 1	2.68	
May 1	3.42	
Sep 1	4.26	
2001 Sep 1	3.62	
2002 Jan 1	2.71	
to		
Apr 3		
2002 Jan 1	2.57	
July 1	2.47	
2003 Jan 1	1.97	
July 1	1.22	

1 Up to 21 June 2000 fixed rate tenders, from 28 June 2000 variable rate tenders at minimum bid rate. — 2 From 1 August 1990 to 31 December 1993 this was also the rate for cash advances; from 1 January 1994 cash advances have no longer been granted. Wherever reference is made in an Act to the interest rate applicable for cash advances of the Federal Government, the rate will be replaced by the base rate increased by 1.5 percentage points pursuant to the Discount Rate Transition Act (see also footnote 4 a and 5). Pursuant to the Discount Rate Transition Act, read in conjunction with the Lombard Rate Transition Regulation, the lombard rate has been replaced with effect from 1 January 1999 by the rate applied by the European Central Bank (ECB) for its marginal lending facility wherever the lombard rate is used as a reference variable for interest and other payments (see also footnote 4 b and 5). — 3 Pursuant to the Discount Rate Transition Act, read in conjunction with the Regulation Governing the Use of the Base Rate as a Reference Variable, this rate has replaced the discount rate from 1 January 1999 wherever the latter is used in contracts and regulations as a reference variable for interest and other payments. This base rate is the discount rate of the Bundesbank which applied on 31 December 1998. It changes from 1 January, 1 May and 1 September of each year, and will change for the first time on 1 May 1999 if the interest rate applied by the ECB to its longer-term refinancing operations (marginal rate) has changed by at least 0.5 percentage point (see also footnote 4 c and 5). — 4 Wherever the rates listed in this column are used as a reference variable for interest and other payments in Federal legislation (in the field of civil law and judicial procedural law), in

state legislation (as stipulated in the Act Introducing the Civil Code) or in executory instruments and contracts based on such regulations, the following changes apply as from 1 January 2002: (a) the rate for cash advances of the Federal Government has been replaced by the base rate in the Civil Code increased by 1.5%, (b) the lombard rate has been replaced by the ECB's marginal lending facility rate, (c) the base rate pursuant to the Discount Rate Transition Act has been replaced by the base rate pursuant to section 247 of the Civil Code (see also footnote 5). — 5 Pursuant to Article 4 section 1 of the Act on the Amendment of Provisions concerning the Evaluation of Insurance Enterprises' Capital Investment and the Repeal of the Discount Rate Transition Act, the Discount Rate Transition Act, the Regulation Governing the Use of the Base Rate as a Reference Variable and the Lombard Rate Transition Regulation are repealed. Pursuant to Article 4 section 2 of this act, from 4 April 2002 the discount rate and the base rate under the Discount Rate Transition Act have been replaced by the base rate pursuant to section 247 of the Civil Code, the lombard rate by the interest rate on the marginal lending facility of the ECB, and the interest rate for cash advances of the Federal Government by the base rate pursuant to section 247 of the Civil Code increased by 1.5 percentage points. — 6 Starting at 3.62%, it is adjusted on 1 January and 1 July of each year (for the first time on 1 January 2002) by the percentage points by which the reference variable (most recent main refinancing operation of the ECB, marginal rate) has increased or decreased since the last change in the base rate.

4 Eurosystem monetary policy operations allotted through tenders *

Date of settlement	Bid amount € million	Allotment amount	Fixed rate tenders		Variable rate tenders		Running for ... days
			Fixed rate % pa	Minimum bid rate	Marginal rate 1	Weighted average rate	
Main refinancing operations							
2003 July 30	114,569	73,000	—	2.00	2.06	2.07	14
Aug 6	174,505	144,000	—	2.00	2.05	2.06	14
Aug 13	118,015	61,000	—	2.00	2.05	2.06	14
Aug 20	192,891	144,000	—	2.00	2.06	2.06	14
Aug 27	121,927	75,000	—	2.00	2.08	2.08	14
Sep 3	185,556	140,000	—	2.00	2.07	2.08	14
Sep 10	125,756	68,000	—	2.00	2.07	2.08	14
Sep 17	177,865	150,000	—	2.00	2.07	2.08	14
Sep 24	109,738	81,000	—	2.00	2.06	2.07	14
Oct 1	164,023	123,000	—	2.00	2.05	2.06	14
Oct 8	135,884	82,000	—	2.00	2.05	2.06	14
Oct 15	153,304	113,000	—	2.00	2.05	2.05	12
Longer-term refinancing operations							
2003 July 31	25,416	15,000	—	—	2.08	2.10	91
Aug 28	35,940	15,000	—	—	2.12	2.13	91
Sep 25	28,436	15,000	—	—	2.10	2.12	84

Source: ECB. — * Euro area enlarged on 1 January 2001 to include Greece. — 1 Lowest or highest interest rate at which funds were allotted or collected.

VI Interest rates
5 Money market rates, by month

% pa

Reporting period	Money market rates reported by Frankfurt banks 1				Eonia 2	Euribor 3					
	Overnight money		Three-month funds			One-week funds	One-month funds	Three-month funds	Six-month funds	Nine-month funds	Twelve-month funds
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates	Monthly averages						
2001 Sep	3.97	2.95 – 5.50	3.96	3.60 – 4.27	3.99	4.08	4.05	3.98	3.88	3.80	3.77
Oct	3.96	3.65 – 4.76	3.58	3.48 – 3.65	3.97	3.83	3.72	3.60	3.46	3.39	3.37
Nov	3.51	3.15 – 4.20	3.37	3.28 – 3.50	3.51	3.48	3.43	3.39	3.26	3.20	3.20
Dec	3.32	4 2.90 – 4.05	3.33	3.26 – 3.36	3.34	3.38	3.42	3.34	3.26	3.24	3.30
2002 Jan	3.29	2.45 – 3.57	3.32	3.24 – 3.38	3.29	3.35	3.35	3.34	3.34	3.39	3.48
Feb	3.27	2.90 – 3.35	3.34	3.31 – 3.38	3.28	3.32	3.34	3.36	3.40	3.48	3.59
Mar	3.25	2.90 – 3.45	3.37	3.33 – 3.45	3.26	3.33	3.35	3.39	3.50	3.65	3.82
Apr	3.30	3.11 – 3.75	3.39	3.35 – 3.45	3.32	3.32	3.34	3.41	3.54	3.70	3.86
May	3.31	3.21 – 3.50	3.44	3.35 – 3.52	3.31	3.34	3.37	3.47	3.63	3.80	3.96
June	3.35	3.28 – 3.65	3.45	3.40 – 3.48	3.35	3.36	3.38	3.46	3.59	3.73	3.87
July	3.30	3.15 – 3.40	3.39	3.34 – 3.44	3.30	3.34	3.36	3.41	3.48	3.56	3.64
Aug	3.29	3.26 – 3.36	3.33	3.29 – 3.37	3.29	3.32	3.33	3.35	3.38	3.40	3.44
Sep	3.31	3.26 – 3.60	3.29	3.25 – 3.34	3.32	3.32	3.32	3.31	3.27	3.23	3.24
Oct	3.30	3.27 – 3.50	3.24	3.18 – 3.31	3.30	3.31	3.31	3.26	3.17	3.12	3.13
Nov	3.30	3.10 – 3.48	3.11	3.00 – 3.23	3.30	3.32	3.23	3.12	3.04	3.01	3.02
Dec	3.07	5 2.85 – 3.75	2.93	2.83 – 3.03	3.09	3.02	2.98	2.94	2.89	2.87	2.87
2003 Jan	2.79	2.00 – 2.92	2.81	2.77 – 2.86	2.79	2.85	2.85	2.83	2.76	2.72	2.70
Feb	2.77	2.48 – 2.85	2.67	2.48 – 2.80	2.76	2.81	2.77	2.69	2.58	2.53	2.50
Mar	2.71	2.33 – 3.50	2.51	2.43 – 2.58	2.75	2.66	2.60	2.53	2.45	2.42	2.41
Apr	2.56	2.51 – 2.75	2.52	2.47 – 2.56	2.56	2.57	2.58	2.53	2.47	2.45	2.45
May	2.56	2.15 – 2.85	2.39	2.24 – 2.50	2.56	2.61	2.52	2.40	2.31	2.27	2.25
June	2.22	2.05 – 2.80	2.13	2.09 – 2.26	2.21	2.22	2.18	2.15	2.08	2.04	2.01
July	2.08	1.86 – 2.15	2.11	2.08 – 2.14	2.08	2.12	2.13	2.13	2.09	2.07	2.08
Aug	2.09	2.04 – 2.50	2.12	2.10 – 2.15	2.10	2.10	2.12	2.14	2.17	2.21	2.28
Sep	2.03	1.35 – 2.15	2.13	2.09 – 2.16	2.02	2.11	2.13	2.15	2.18	2.21	2.26

1 Money market rates are not fixed or quoted officially; the monthly averages computed from daily quotations are unweighted. — 2 Euro OverNight Index Average: weighted average overnight rate for interbank operations calculated by the European Central Bank since 4 January 1999 on the basis of real turnover according to the act/360 method and published via

Moneyline Telerate (formerly Bridge Telerate). — 3 Euro Interbank Offered Rate: unweighted average rate calculated by Moneyline Telerate (formerly Bridge Telerate) since 30 December 1998 according to the act/360 method. — 4 At the end of December 3.50% to 4.05%. — 5 At the end of December 3.00% to 3.05%.

6 Euro-area retail bank interest rates *, o, +

% pa; period averages

Reporting period	Deposit interest rates						Lending interest rates			
	Overnight	with an agreed maturity of			redeemable at notice of		to enterprises		to households	
		up to and including 1 year	up to and including 2 years	over 2 years	up to and including 3 months	over 3 months	up to and including 1 year	over 1 year	Consumer lending	For home purchase
2000	0.85	3.45	3.45	4.52	2.25	3.79	6.60	6.23	9.87	6.34
2001 1	0.94	3.49	3.49	4.12	2.40	3.59	6.83	6.15	10.12	5.97
2002	0.73	2.80	2.80	3.85	2.13	2.85	6.13	5.71	9.78	5.54
2002 Aug	0.73	2.84	2.85	3.81	2.12	2.94	6.15	5.71	9.79	5.53
Sep	0.73	2.77	2.77	3.64	2.13	2.73	6.12	5.61	9.85	5.38
Oct	0.72	2.74	2.74	3.58	2.11	2.63	6.13	5.54	9.72	5.26
Nov	0.71	2.70	2.69	3.53	2.11	2.55	6.10	5.50	9.70	5.21
Dec	0.68	2.51	2.51	3.45	2.05	2.41	5.98	5.34	9.58	5.10
2003 Jan	0.63	2.43	2.42	3.30	2.05	2.34	5.87	5.27	9.49	4.91
Feb	0.62	2.32	2.32	3.15	2.02	2.12	5.81	5.18	9.40	4.77
Mar	0.59	2.20	2.19	3.08	1.97	2.05	5.69	5.17	9.29	4.69
Apr	0.56	2.15	2.14	3.14	1.93	2.05	5.57	5.14	9.24	4.70
May	0.56	2.08	2.08	2.98	1.91	1.92	5.51	5.01	9.22	4.56
June	0.52	1.85	1.84	2.76	1.83	1.65	5.39	4.86	9.15	4.34
July +	0.46	1.78	1.77	2.65	1.77	1.48	5.26	4.70	9.02	4.16
Aug	0.46	1.74	1.74	2.44	1.61	1.43	5.23	4.84	9.06	4.22

* These euro-area retail bank interest rates should be used with caution and for statistical purposes only, primarily to analyse their development over time rather than their level. They are calculated as the weighted average of national interest rates provided by the national central banks. The national rates represent those rates that are currently available from national sources and which are judged to fit the standard categories. These national rates have been aggregated to derive information for the euro area, in some cases relying on proxies and working assumptions due to the heterogeneity observed in the national financial instruments across euro-area countries. Furthermore, the national interest rates are not harmonised in

terms of their coverage (new business and/or outstanding amounts), the nature of the data (nominal or effective) or the compilation method. The country weights for the euro-area retail bank interest rates are derived from MFI balance sheet statistics or close proxies. The weights reflect the country-specific proportions of the relevant instruments within the euro area, measured as outstanding amounts. The weights are adjusted monthly, which means that interest rates and weights always refer to the same month. — + The aggregated figures are partially based on national estimates as of July 2003. — 1 Euro area enlarged on 1 January 2001 to include Greece.

o Tables and notes taken from the ECB.

VI Interest rates

7 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) *
Outstanding amounts °

End of month	Households' deposits				Non-financial corporations' deposits			
	with an agreed maturity of							
	up to and including 2 years		over 2 years		up to and including 2 years		over 2 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2003 Jan	2.65	151,997	3.33	184,483	2.72	78,517	5.00	30,799
Feb	2.53	149,588	3.33	188,293	2.60	79,509	5.05	30,693
Mar	2.45	147,530	3.31	188,390	2.52	77,837	5.00	29,937
Apr	2.38	144,900	3.30	188,257	2.47	78,278	5.09	29,035
May	2.36	144,074	3.28	188,011	2.44	79,303	5.08	28,165
June	2.15	139,931	3.27	187,960	2.13	76,477	5.09	28,180
July	2.06	137,602	3.25	187,705	2.07	77,253	5.06	28,346
Aug	2.04	135,705	3.24	187,639	2.05	80,534	5.03	28,475

End of month	Housing loans to households 3						Consumer credit and other loans to households 4, 5					
	with a maturity of											
	up to and including 1 year 6		over 1 year and up to and including 5 years		over 5 years		up to and including 1 year 6		over 1 year and up to and including 5 years		over 5 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2003 Jan	5.86	7,556	5.46	31,290	5.96	864,296	9.19	93,025	6.65	71,201	6.41	333,989
Feb	5.85	7,392	5.45	31,146	5.96	865,776	9.36	92,205	6.63	71,146	6.43	334,186
Mar	5.83	7,445	5.41	31,086	5.95	872,486	9.32	92,563	6.63	71,519	6.42	327,047
Apr	5.77	7,375	5.36	31,073	5.94	872,835	9.21	91,072	6.61	71,614	6.42	328,610
May	5.70	7,482	5.32	31,264	5.93	874,918	9.18	89,467	6.56	71,774	6.41	328,951
June	5.72	7,870	5.27	32,349	5.91	874,476	9.19	91,794	6.55	70,545	6.40	330,208
July	5.53	7,737	5.20	32,621	5.88	876,066	9.01	89,466	6.49	71,055	6.36	332,014
Aug	5.54	7,965	5.15	32,710	5.87	877,698	8.91	87,856	6.40	71,010	6.34	333,300

End of month	Loans to non-financial corporations with a maturity of					
	up to and including 1 year 6		over 1 year and up to and including 5 years		over 5 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2003 Jan	5.22	205,132	4.93	88,111	5.55	491,747
Feb	5.32	203,528	4.96	87,569	5.54	491,589
Mar	5.25	200,784	4.90	87,358	5.51	488,963
Apr	5.19	197,032	4.84	87,555	5.49	490,877
May	5.16	194,503	4.81	87,344	5.47	491,026
June	5.05	200,061	4.68	87,487	5.45	487,708
July	4.92	192,725	4.58	87,735	5.42	487,473
Aug	4.91	188,939	4.54	88,873	5.40	489,047

* The MFI interest rate statistics are based on the interest rates applied by MFIs and the related volumes of euro-denominated deposits and loans to households and non-financial corporations domiciled in the euro area. The household sector comprises individuals (including sole proprietors) and non-profit institutions serving households. Non-financial corporations include all enterprises other than insurance companies, banks and other financial institutions. The interest rate statistics gathered on a harmonised basis in the euro area from January 2003 are being collected in Germany on a sample basis. The most recent figures are in all cases to be regarded as provisional. Subsequent revisions appearing in the following Monthly Report are not specially marked. Further information on the new interest rate statistics can be found on the Bundesbank's website (Statistics / Reporting System / Banking statistics / EWU-Zinsstatistik). This information is currently available in German only. — ° The statistics on outstanding amounts are collected at the end of the month. At the close of booking on the last day of the reference month, institutions are required to identify interest rates and volumes of all existing deposit and credit business and to calculate a weighted average rate for each reporting category. Non-performing loans

and loans for debt restructuring at interest rates below market rates are not included in the calculation. — 1 The effective interest rates may always be calculated either as annualised agreed interest rates or as narrowly defined effective rates. Both calculation methods cover all interest payments on deposits and loans but not any other related charges which may occur for enquiries, administration, preparation of the documents, guarantees and credit insurance. Disagios are regarded as interest payments and included in the interest rate calculation. The annualised agreed interest rate and the narrowly defined effective rate differ in the underlying method of annualising interest rate payments. — 2 Data based on monthly balance sheet statistics. — 3 Secured and unsecured loans for home purchase, including building and home improvements; including loans granted by building and loan associations and interim credits as well as transmitted loans granted by the reporting agents in their own name and for their own account. — 4 Consumer credits are loans granted for the purpose of personal use in the consumption of goods and services. — 5 For the purpose of these statistics, other loans are loans granted for other purposes such as business, debt consolidation, education etc. — 6 Including overdrafts.

VI Interest rates
7 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) * (cont'd)
New business +

Households' deposits												
Overnight		with an agreed maturity of						redeemable at notice of ⁸				
		up to and including 1 year		over 1 year and up to and including 2 years		over 2 years		up to and including 3 months		over 3 months		
Reporting period	Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ² € million
2003 Jan	1.20	367,117	2.60	38,283	3.06	2,532	3.52	3,568	2.39	475,951	3.31	99,697
Feb	1.25	373,381	2.42	30,394	2.89	1,263	3.17	3,649	2.36	478,914	3.27	98,505
Mar	1.24	378,520	2.37	34,735	2.99	1,061	2.99	2,430	2.28	480,503	3.23	96,972
Apr	1.21	380,747	2.30	34,394	3.01	1,009	2.99	2,876	2.28	481,578	3.17	94,447
May	1.20	385,009	2.29	30,733	2.69	886	2.92	4,288	2.21	482,057	3.13	92,895
June	1.16	389,213	2.13	31,655	2.69	767	2.82	3,585	2.16	482,986	3.05	91,487
July	1.06	389,222	1.98	29,175	2.54	665	2.63	1,689	2.11	484,903	2.97	89,440
Aug	1.10	394,794	2.07	25,650	2.60	627	2.69	1,378	2.08	487,501	2.92	87,902

Non-financial corporations' deposits								
Overnight		with an agreed maturity of						
		up to and including 1 year		over 1 year and up to and including 2 years		over 2 years		
Reporting period	Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million
2003 Jan	1.42	114,861	2.71	45,720	4.64	307	4.36	1,133
Feb	1.47	115,231	2.62	39,388	3.35	196	4.48	843
Mar	1.40	112,327	2.48	31,973	2.59	259	4.03	1,664
Apr	1.39	115,850	2.38	33,955	2.47	196	3.54	1,681
May	1.39	118,034	2.40	33,417	2.43	56	3.40	502
June	1.25	121,685	2.05	41,507	2.29	322	3.30	887
July	1.16	120,786	2.03	61,029	2.02	109	4.23	424
Aug	1.17	118,950	2.00	39,748	2.52	187	3.68	2,473

Loans to households													
Consumer loans with an initial rate fixation of ⁴							Other loans with an initial rate fixation of ⁵						
Total	up to and including 1 year ¹⁰		over 1 year and up to and including 5 years		over 5 years		up to and including 1 year ¹⁰		over 1 year and up to and including 5 years		over 5 years		
	Effective interest rate ⁹ % pa	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million
2003 Jan	7.78	5.87	3,776	6.69	4,415	8.88	2,912	4.91	16,141	5.53	1,686	5.76	2,290
Feb	7.90	5.78	2,160	6.71	5,214	8.92	3,136	4.45	9,944	5.70	1,485	5.51	2,437
Mar	7.84	5.78	2,441	6.67	5,053	8.72	3,966	4.66	13,036	5.35	1,619	5.39	3,140
Apr	7.82	5.68	2,303	6.67	4,880	8.83	4,109	4.65	8,388	5.27	1,834	5.47	2,764
May	7.87	5.71	1,520	6.69	4,796	8.94	3,489	4.22	8,472	5.43	1,546	5.39	2,637
June	7.76	5.48	2,443	6.64	4,936	8.87	3,773	3.80	10,157	5.00	1,603	4.93	2,973
July	7.83	5.58	1,913	6.59	5,969	8.75	4,405	3.76	9,268	4.94	1,802	5.06	2,654
Aug	7.74	5.73	1,358	6.32	4,844	8.61	3,658	3.86	7,083	4.96	1,461	5.03	2,313

For footnotes * and 1 to 6, see p 45*. — + In the case of deposits with an agreed maturity and all loans excluding overdrafts, new business covers all new agreements between households or non-financial corporations and the bank. This includes all financial arrangements in which terms have been agreed for the first time in the reporting month as well as all newly negotiated (but extant) deposit and lending contracts. The following cases are not regarded as new business (ie they are included in outstanding amounts): (a) Prolongations of existing deposit and loan contracts that are carried out automatically without any active involvement of the households or non-financial corporations; (b) Changes in variable interest rates caused by pre-scheduled automatic interest rate adjustments; (c) Changes from fixed to floating interest rates or vice versa which have been agreed at the beginning of the contract. The interest rates are calculated as volume-

weighted average rates across all new agreements concluded during the reporting month. In the case of overnight deposits, deposits redeemable at notice and overdrafts, new business is collected in the same way as outstanding amounts for the sake of simplicity. This means that all outstanding deposit and lending business at the end of the month has to be incorporated in the calculation of average rates of interest. — ⁷ Estimated. The volume of new business is extrapolated to form the underlying total using the Horvitz-Thompson estimator. — ⁸ Including fidelity and growth premia. — ⁹ Annual percentage rate of charge as defined in Directive 87/102/EEC, which contains other related charges which may occur for enquiries, administration, preparation of the documents, guarantees and credit insurance. — ¹⁰ Including variable rate loans; excluding overdrafts.

VI Interest rates

7 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) * (cont'd)
New business +

Loans to households (cont'd)											
Overdrafts 11		Housing loans with an initial rate fixation of 3									
		Total		up to and including 1 year 10		over 1 year and up to and including 5 years		over 5 years and up to and including 10 years		over 10 years	
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Effective interest rate 9 % pa	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2003 Jan	10.57	66,323	5.39	5.45	3,113	4.94	2,871	5.39	6,402	5.38	3,161
Feb	10.84	65,329	5.18	5.27	2,151	4.76	2,260	5.19	4,859	5.19	3,228
Mar	10.73	66,616	5.07	5.27	2,057	4.60	2,559	5.05	6,252	5.12	3,342
Apr	10.71	64,751	5.04	5.23	2,321	4.48	3,135	5.03	7,423	5.17	3,661
May	10.58	62,766	4.97	5.17	1,697	4.46	2,676	4.97	4,755	5.03	3,151
June	10.65	64,982	4.82	5.00	2,253	4.37	2,685	4.80	5,062	4.85	3,149
July	10.44	63,287	4.69	4.58	2,805	4.16	3,589	4.70	6,864	4.85	3,973
Aug	10.38	63,308	4.84	5.07	2,142	4.25	2,701	4.81	5,441	4.91	3,601

Loans to non-financial corporations									
Overdrafts 11		Other loans up to and including € 1 million with an initial rate fixation of 5. 13							
		up to and including 1 year 10		over 1 year and up to and including 5 years		over 5 years			
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	
2003 Jan	6.73	96,563	5.42	8,671	5.29	1,410	5.36	1,636	
Feb	6.84	96,831	4.94	8,189	5.28	1,134	5.32	1,469	
Mar	6.76	94,106	4.98	8,664	5.27	1,530	5.28	2,577	
Apr	6.71	91,535	5.06	8,346	5.18	1,489	5.26	1,645	
May	6.64	90,296	4.80	7,566	5.11	1,235	5.16	1,699	
June	6.60	93,175	4.49	7,813	4.94	1,008	5.11	1,483	
July	6.51	88,185	4.39	7,881	4.88	1,575	4.90	1,620	
Aug	6.54	85,750	4.39	5,872	4.91	1,626	4.93	1,714	

Loans to non-financial corporations (cont'd)						
Other loans over € 1 million with an initial rate fixation of 5. 13						
up to and including 1 year 10		over 1 year and up to and including 5 years		over 5 years		
Reporting period	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2003 Jan	4.05	42,168	4.27	3,681	4.93	4,988
Feb	3.88	33,419	4.62	4,027	4.96	4,321
Mar	3.89	37,816	4.86	3,283	4.72	4,631
Apr	3.87	35,932	4.12	2,944	4.85	5,828
May	3.62	31,599	3.80	3,613	4.61	6,152
June	3.25	38,751	3.89	3,627	4.26	6,164
July	3.32	33,140	3.91	2,885	4.27	6,336
Aug	3.37	27,576	3.88	2,497	4.51	4,787

For footnotes * and 1 to 6, see p 45*. For footnotes + and 7 to 10, see p 46*. — 11 Overdrafts are defined as debit balances on current accounts. They include all bank overdrafts regardless of whether they are within or beyond the limits agreed between customers and the bank. — 12 Estimated.

The volume of outstanding amounts reported is extrapolated to form the underlying total using the Horvitz-Thompson estimator. — 13 The amount refers to the single loan transaction considered as new business.

VII. Capital market

1. Sales and purchases of debt securities and shares in Germany *)

Debt securities											
Period	Sales						Purchases				
	Sales = total purchases	Domestic debt securities 1				Foreign debt securities 3	Residents				Non-residents 7
		Total	Bank debt securities	Industrial bonds	Public debt securities 2		Total 4	Credit institutions including building and loan assoc. 5	Non-banks 6	Bundesbank open market operations 5	
DM million											
1990	244,827	220,340	136,799	– 67	83,609	24,487	225,066	91,833	133,266	– 33	19,763
1991	231,965	219,346	131,670	– 667	87,011	12,619	173,099	45,095	127,310	– 694	58,866
1992	291,762	284,054	106,857	– 175	177,376	7,708	170,873	132,236	37,368	– 1,269	120,887
1993	395,110	382,571	151,812	– 200	230,560	12,539	183,195	164,436	20,095	– 1,336	211,915
1994	303,339	276,058	117,185	– 65	158,939	27,281	279,989	126,808	154,738	– 1,557	23,349
1995	227,099	203,029	162,538	– 350	40,839	24,070	141,282	49,193	94,409	– 2,320	85,815
1996	254,359	233,519	191,341	– 649	41,529	20,840	148,250	117,352	31,751	– 853	106,109
1997	332,655	250,688	184,911	– 1,563	64,214	81,967	204,378	144,177	60,201	–	128,276
1998	418,841	308,201	254,367	– 3,143	50,691	110,640	245,802	203,342	42,460	–	173,038
€ million											
1999	292,663	198,068	156,399	– 2,184	39,485	94,595	155,766	74,728	81,038	–	136,898
2000	226,594	157,994	120,154	– 12,605	25,234	68,600	154,089	91,447	62,642	–	72,505
2001	180,899	86,656	55,918	– 14,473	16,262	94,245	114,467	35,848	78,619	–	66,432
2002	180,957	124,035	47,296	– 14,506	62,235	56,922	91,562	13,536	78,026	–	89,395
2003 June	9,351	4,044	– 179	– 887	5,111	5,307	4,523	– 2,777	7,300	–	4,828
July	14,621	16,051	– 11,348	– 237	4,465	– 1,430	14,539	– 5,957	8,582	–	82
Aug	– 8,013	– 8,827	– 10,818	– 1,143	849	– 814	– 1,124	– 14,625	13,501	–	– 6,889

Shares									
Period	Sales			Purchases					
	Sales = total purchases	Domestic shares 8	Foreign shares 9	Residents				Non-residents 12	
				Total 10	Credit institutions 5 11	Non-banks 6			
DM million									
1990	50,070	28,021	22,048	52,631	7,215	45,416	–	2,561	
1991	33,478	13,317	20,161	32,247	2,466	29,781	–	1,230	
1992	32,595	17,226	15,370	40,651	2,984	37,667	–	8,055	
1993	39,355	19,512	19,843	30,871	4,133	26,738	–	8,485	
1994	55,125	29,160	25,966	54,466	1,622	52,844	–	659	
1995	46,422	23,600	22,822	49,354	11,945	37,409	–	2,931	
1996	72,491	34,212	38,280	55,962	12,627	43,335	–	16,529	
1997	119,522	22,239	97,280	96,844	8,547	88,297	–	22,677	
1998	249,504	48,796	200,708	149,151	20,252	128,899	–	100,352	
€ million									
1999	150,013	36,010	114,005	103,136	18,637	84,499	–	46,877	
2000	139,704	22,733	116,973	159,528	23,293	136,235	–	19,826	
2001	82,286	17,575	64,714	– 2,127	14,714	12,587	–	84,412	
2002	52,185	9,232	42,954	– 30,444	– 23,236	53,680	–	21,740	
2003 June	11,329	693	10,636	5,430	904	4,526	–	5,899	
July	3,271	650	2,621	– 2,621	– 111	2,732	–	650	
Aug	464	125	339	– 1,799	– 380	1,419	–	– 2,263	

* Until the end of 1999, debt securities comprise the bonds and money market paper of domestic banks, from January 2000 all fixed-interest securities. Investment fund certificates see Table VII.6. — 1 Net sales at market values plus/less changes in issuers' portfolios of their own debt securities. — 2 Including Federal Railways Fund, Federal Post Office and Treuhand agency. — 3 Net purchases or net sales (–) of foreign debt securities by residents; transaction values. — 4 Domestic and foreign debt securities. — 5 Book values; statistically adjusted. — 6 Residual; also including purchases of domestic and foreign securities by domestic invest-

ment funds. — 7 Net purchases or net sales (–) of domestic debt securities by non-residents; transaction values. — 8 At issue prices. — 9 Net purchases or net sales (–) of foreign shares (including direct investment) by residents; transaction values. — 10 Domestic and foreign shares. — 11 Up to the end of 1998, excluding shares under syndicate agreement. — 12 Net purchases or net sales (–) of domestic shares (including direct investment) – before 1989 also including domestic investment fund certificates – by non-residents; transaction values. — The figures for the latest data are to be regarded as provisional; corrections are not specially marked.

VII. Capital market

2. Sales of debt securities issued by borrowers domiciled in Germany *)

Until the end of 1998 DM nominal million value, from 1999 € million nominal value

Period	Bank debt securities 1						Industrial bonds 2	Public debt securities 3	Memo item: Foreign DM/euro bonds issued by German-managed syndicates					
	Total	All bank debt securities	Mortgage bonds (Hypothekendarlehenbriefe)	Communal bonds (Öffentliche Pfandbriefe)	Debt securities issued by specialised credit institutions	Other bank debt securities								
Gross sales 4														
1990	428,698	286,709	14,923	70,701	89,755	111,326	–	141,990	35,168					
1991	442,089	292,092	19,478	91,489	80,738	100,386	707	149,288	32,832					
1992	572,767	318,522	33,633	134,363	49,195	101,333	–	254,244	57,282					
1993	733,126	434,829	49,691	218,496	34,028	132,616	457	297,841	87,309					
1994	627,331	412,585	44,913	150,115	39,807	177,750	486	214,261	61,465					
1995	620,120	470,583	43,287	208,844	41,571	176,877	200	149,338	102,719					
1996	731,992	563,076	41,439	246,546	53,508	221,582	1,742	167,173	112,370					
1997	846,567	621,683	53,168	276,755	54,829	236,933	1,915	222,972	114,813					
1998	1,030,827	789,035	71,371	344,609	72,140	300,920	3,392	238,400	149,542					
€ million														
1999	571,269	448,216	27,597	187,661	59,760	173,200	2,570	120,483	57,202					
2000	659,148	500,895	34,528	143,107	94,556	228,703	8,114	150,137	31,597					
2001	687,988	505,646	34,782	112,594	106,166	252,103	11,328	171,012	10,605					
2002	818,725	569,232	41,496	119,880	117,506	290,353	17,574	231,923	10,313					
2003 May	81,254	59,023	4,550	11,798	9,856	32,819	2,810	19,422	–					
June	75,207	49,503	5,675	7,652	8,036	28,140	2,159	23,545	–					
July	91,686	63,280	4,410	8,695	16,651	33,525	1,778	26,628	–					
Aug	59,741	43,662	1,936	9,084	11,248	21,394	810	15,269	–					
of which: Debt securities with a maturity of over 4 years 5														
1990	272,642	133,347	10,904	43,250	26,767	52,425	–	139,295	29,791					
1991	303,326	172,171	11,911	65,642	54,878	39,741	707	130,448	22,772					
1992	430,479	211,775	28,594	99,627	40,267	43,286	–	218,703	51,939					
1993	571,533	296,779	43,365	160,055	26,431	66,923	230	274,524	82,049					
1994	429,369	244,806	36,397	109,732	29,168	69,508	306	184,255	53,351					
1995	409,469	271,763	30,454	141,629	28,711	70,972	200	137,503	85,221					
1996	473,560	322,720	27,901	167,811	35,522	91,487	1,702	149,139	92,582					
1997	563,333	380,470	41,189	211,007	41,053	87,220	1,820	181,047	98,413					
1998	694,414	496,444	59,893	288,619	54,385	93,551	2,847	195,122	139,645					
€ million														
1999	324,888	226,993	16,715	124,067	37,778	48,435	2,565	95,331	44,013					
2000	319,330	209,187	20,724	102,664	25,753	60,049	6,727	103,418	27,008					
2001	299,751	202,337	16,619	76,341	42,277	67,099	7,479	89,933	6,480					
2002	309,157	176,486	16,338	59,459	34,795	65,892	12,149	120,527	9,213					
2003 May	31,552	18,860	3,350	7,098	3,104	5,308	–	12,692	–					
June	30,256	16,016	2,768	4,559	2,835	5,854	1,757	12,483	–					
July	36,234	21,806	1,825	2,727	9,622	7,631	1,500	12,928	–					
Aug	24,361	16,156	965	3,871	6,108	5,212	657	7,548	–					
Net sales 6														
1990	226,707	140,327	–	3,922	–	72	73,287	71,036	–	67	86,449	21,717		
1991	227,822	139,396	–	4,729	–	22,290	65,985	46,390	558	87,868	18,583			
1992	304,751	115,786	–	13,104	–	58,235	19,585	24,864	–	175	189,142	34,114		
1993	403,212	159,982	–	22,496	–	122,917	–	27,721	–	180	243,049	43,701		
1994	270,088	116,519	–	18,184	–	54,316	–	6,897	–	62	153,630	21,634		
1995	205,482	173,797	–	18,260	–	96,125	–	3,072	–	354	32,039	61,020		
1996	238,427	195,058	–	11,909	–	121,929	–	6,020	–	585	42,788	69,951		
1997	257,521	188,525	–	16,471	–	115,970	–	12,476	–	1,560	67,437	63,181		
1998	327,991	264,627	–	22,538	–	162,519	–	18,461	–	3,118	60,243	84,308		
€ million														
1999	209,096	170,069	–	2,845	–	80,230	–	31,754	–	55,238	2,185	36,840	22,728	
2000	155,615	122,774	–	5,937	–	29,999	–	30,089	–	56,751	7,320	25,522	–	16,705
2001	84,122	60,905	–	6,932	–	9,254	–	28,808	–	34,416	8,739	14,479	–	30,657
2002	131,976	56,393	–	7,936	–	26,806	–	20,707	–	54,561	14,306	61,277	–	44,546
2003 May	10,671	5,826	–	405	–	3,867	–	2,853	–	1,299	2,688	2,157	–	3,530
June	5,994	2,442	–	261	–	646	–	1,089	–	446	1,195	2,356	–	6,688
July	18,004	11,754	–	1,117	–	3,774	–	5,454	–	8,957	1,276	4,974	–	6,254
Aug	–	6,667	–	9,184	–	993	–	3,240	–	10,545	725	1,792	–	1,233

* For definitions see the notes in the Statistical Supplement to the Monthly Report 2, Capital market statistics. — 1 Excluding registered bank debt securities. — 2 Debt securities of enterprises. — 3 Including Federal Railways

Fund, Federal Post Office and Treuhand agency. — 4 Gross sales means only initial sales of newly issued securities. — 5 Maximum maturity according to the terms of issue. — 6 Gross sales less redemptions.

VII. Capital market

3. Outstanding amount of debt securities issued by borrowers domiciled in Germany *

Until the end of 1998 DM million nominal value, from 1999 € million nominal value

End of year or month/ Maturity in years	Bank debt securities ¹							Industrial bonds	Public debt securities	Memo item: Foreign DM/euro bonds issued by German- managed syndicates
	Total	All bank debt securities	Mortgage bonds (Hypotheken- pfandbriefe)	Communal bonds (Öffentliche Pfandbriefe)	Debt securities of specialised credit institutions	Other bank debt securities				
DM million										
1990	1,458,943	900,977	138,025	369,901	155,045	238,005	2,604	555,362	223,176	
1991	1,686,765	1,040,374	142,757	392,190	221,031	284,396	3,161	643,230	241,760	
1992	1,991,515	1,156,162	155,862	450,424	240,616	309,259	2,983	832,370	275,873	
1993	2,394,728	1,316,142	178,357	573,341	227,463	336,981	3,163	1,075,422	319,575	
1994	2,664,814	1,432,661	196,541	627,657	219,214	389,249	3,101	1,229,053	341,210	
1995	2,870,295	1,606,459	214,803	723,781	222,286	445,589	2,746	1,261,090	402,229	
1996	3,108,724	1,801,517	226,711	845,710	228,306	500,790	3,331	1,303,877	472,180	
1997	3,366,245	1,990,041	243,183	961,679	240,782	544,397	4,891	1,371,313	535,359	
1998	3,694,234	2,254,668	265,721	1,124,198	259,243	605,507	8,009	1,431,558	619,668	
€ million										
1999	2,097,926	1,322,863	134,814	655,024	163,284	369,741	6,280	768,783	339,560	
2000	2,265,121	1,445,736	140,751	685,122	157,374	462,488	13,599	805,786	322,856	
2001	2,349,243	1,506,640	147,684	675,868	201,721	481,366	22,339	820,264	292,199	
2002	2,481,220	1,563,034	155,620	649,061	222,427	535,925	36,646	881,541	247,655	
2003 June	2,563,685	1,589,140	158,716	631,162	247,550	551,712	50,916	923,629	215,748	
July	2,581,689	1,600,894	159,833	627,388	253,005	560,668	52,192	928,603	209,494	
Aug	2,575,022	1,591,710	158,840	626,502	256,245	550,123	52,916	930,395	208,261	

Breakdown by remaining period to maturity ²

Position at end-August 2003

	926,188	632,492	50,939	244,246	69,753	267,551	18,001	275,694	72,183
less than 2	926,188	632,492	50,939	244,246	69,753	267,551	18,001	275,694	72,183
2 to less than 4	595,364	405,879	46,795	174,725	70,407	113,954	13,364	176,121	43,249
4 to less than 6	442,861	263,814	35,199	108,719	52,044	67,851	5,825	173,222	57,610
6 to less than 8	254,857	140,730	14,773	65,662	22,633	37,663	7,340	106,785	20,132
8 to less than 10	182,460	75,515	10,596	20,433	16,938	27,548	5,446	101,499	5,001
10 to less than 15	43,313	34,279	502	7,820	6,795	19,161	1,040	7,993	6,042
15 to less than 20	16,642	12,467	35	1,643	6,163	4,627	432	3,743	1,207
20 and more	113,338	26,531	-	3,255	11,511	11,766	1,469	85,339	2,839

* Including debt securities temporarily held in the issuers' portfolios. —
1 Excluding debt securities handed to the trustee for temporary safe custody. — 2 Calculated from month under review until final maturity for

debt securities falling due en bloc and until mean maturity of the residual amount outstanding for debt securities not falling due en bloc.

4. Circulation of shares issued by residents of Germany

Until the end of 1998 DM million nominal value, from 1999 € million nominal value

Period	Share capital = circulation at end of period under review	Net increase or net decrease(-) during period under review	Change in domestic public limited companies' capital due to							Memo item: Share circulation at market values (market capita- lisation) level at end of period under review ²			
			cash payment and ex- change of convertible bonds ¹	issue of bonus shares	contribution of claims and other real assets	contribution of shares, mining shares, GmbH shares, etc.	merger and transfer of assets	change of legal form	reduction of capital and liquidation				
DM million													
1990	144,686	12,650	7,362	751	3,715	1,049	-	43	1,284	-	1,466	.	
1991	151,618	6,932	3,656	610	2,416	407	-	182	411	-	386	.	
1992	160,813	9,198	4,295	728	1,743	1,073	-	732	3,030	-	942	.	
1993	168,005	7,190	5,224	772	387	876	-	10	707	-	783	.	
1994	190,012	14,237	6,114	1,446	1,521	1,883	-	447	5,086	-	1,367	.	
1995	211,231	21,217	5,894	1,498	1,421	1,421	-	623	13,739	-	2,133	.	
1996	216,461	7,131	8,353	1,355	396	1,684	-	3,056	833	-	2,432	.	
1997	221,575	5,115	4,164	2,722	370	1,767	-	2,423	197	-	1,678	.	
1998	238,156	16,578	6,086	2,566	658	8,607	-	4,055	3,905	-	1,188	.	
€ million													
1999	133,513	11,747	5,519	2,008	190	1,075	-	2,099	1,560	-	708	1,603,304	
2000	147,629	14,115	3,620	3,694	618	8,089	-	1,986	1,827	-	1,745	1,353,000	
2001	166,187	18,561	7,987	4,057	1,106	8,448	-	1,018	905	-	3,152	1,205,613	
2002	168,716	2,528	4,307	1,291	486	1,690	-	868	2,152	-	2,224	647,492	
2003 June	162,106	65	214	77	-	20	-	1,012	-	1,069	-	188	739,025
July	162,330	224	267	345	22	8	-	11	-	157	-	272	759,462
Aug	161,545	-	785	80	217	5	-	225	-	825	-	50	775,402

o From January 1994 including the shares of east German companies (resultant increase in share circulation: DM 7,771 million). — 1 Including share issues out of company profits. — 2 Including enterprises whose shares are listed on the Official Market, on the Regulated Market or on the New Market

and enterprises whose shares are listed on the regulated free market. Source: Bundesbank calculations based on data of the "Herausgebergemeinschaft Wertpapier-Mitteilungen" and the "Deutsche Börse AG". — 3 Figure reduced by DM 1,902 million owing to revisions.

VII. Capital market

5. Yields and indices on German securities

Period	Yields on bonds outstanding issued by residents 1								Price indices 2, 3				
	Public bonds				Bank debt securities				Memo item: Foreign DM/euro bonds issued by German- managed syndicates 1,5	Bonds		Shares	
	Total	Total	Listed Federal securities		Total	With re- sidual matur- ities of over 9 to 10 years 4	With re- sidual matur- ities of over 9 to 10 years	Industrial bonds		German bond index (REX)	iBoxx- €-Germany- price index	CDAX share price index	German share index (DAX)
			Total	With re- sidual matur- ities of over 9 to 10 years 4									
% p.a.									Average daily rate	End- 1998=100	End- 1987=100	End- 1987=1000	
1990	8.9	8.8	8.8	8.7	9.0	8.9	9.0	9.2	93.50	.	145.00	1,398.23	
1991	8.7	8.6	8.6	8.5	8.9	8.6	8.9	9.2	96.35	.	148.16	1,577.98	
1992	8.1	8.0	8.0	7.8	8.3	8.1	8.7	8.8	101.54	.	134.92	1,545.05	
1993	6.4	6.3	6.3	6.5	6.5	6.8	6.9	6.8	109.36	.	191.13	2,266.68	
1994	6.7	6.7	6.7	6.9	6.8	7.2	7.0	6.9	99.90	.	176.87	2,106.58	
1995	6.5	6.5	6.5	6.9	6.5	7.2	6.9	6.8	109.18	.	181.47	2,253.88	
1996	5.6	5.6	5.6	6.2	5.5	6.4	5.8	5.8	110.37	.	217.47	2,888.69	
1997	5.1	5.1	5.1	5.6	5.0	5.9	5.2	5.5	111.01	.	301.47	4,249.69	
1998	4.5	4.4	4.4	4.6	4.5	4.9	5.0	5.3	118.18	100.00	343.64	5,002.39	
1999	4.3	4.3	4.3	4.5	4.3	4.9	5.0	5.4	110.60	92.52	445.95	6,958.14	
2000	5.4	5.3	5.2	5.3	5.6	5.8	6.2	6.3	112.48	94.11	396.59	6,433.61	
2001	4.8	4.7	4.7	4.8	4.9	5.3	5.9	6.2	113.12	94.16	319.38	5,160.10	
2002	4.7	4.6	4.6	4.8	4.7	5.1	6.0	5.6	117.56	97.80	188.46	2,892.63	
2003 June	3.3	3.3	3.4	3.6	3.2	3.8	4.5	4.1	119.90	99.50	205.73	3,220.58	
July	3.6	3.6	3.6	4.0	3.5	4.2	4.5	4.3	118.76	97.59	221.81	3,487.86	
Aug	3.8	3.9	3.9	4.1	3.8	4.4	4.4	4.6	117.58	97.43	223.55	3,484.58	
Sep	3.8	3.9	3.9	4.2	3.8	4.4	4.5	4.5	118.79	98.57	210.34	3,256.78	

1 Bearer debt securities with maximum maturities according to the terms of issue of over 4 years, if their mean residual maturities exceed 3 years. Convertible debt securities, etc., debt securities with unscheduled redemption, zero-coupon bonds, floating-rate notes and bonds not denominated in DM or euros are not included. Group yields for the various categories of securities are weighted with the amounts outstanding of the debt securities

included in the calculation. Monthly figures are calculated on the basis of the yields on all the business days of a month. The annual figures are the unweighted means of the monthly figures. — 2 End of year or month. — 3 Source: German Stock Exchange plc. — 4 Only bonds eligible as underlying instruments for futures contracts are included; calculated as unweighted averages. — 5 As far as quoted on German stock exchanges.

6. Sales and purchases of investment fund certificates in Germany

Period	Sales of investment fund certificates								Purchases									
	Domestic funds (sales receipts)								Residents									
	Sales = total purchases	Total	Investment funds open to the general public				Specialised investment funds	Foreign funds 3	Total	Credit institutions including building and loan associations 1		Non-banks 2		Non-residents 4				
			Total	Money market funds	Securities-based funds	Open-end real estate funds				Total	of which Foreign investment fund certificates	Total	of which Foreign investment fund certificates					
DM million																		
1990	25,788	26,857	7,904	—	8,032	—	128	18,952	—	1,069	25,766	4,296	—	362	21,470	—	707	22
1991	50,064	37,492	13,738	—	11,599	—	2,144	23,754	—	12,572	49,890	8,594	—	5	41,296	—	12,577	174
1992	81,514	20,474	—	3,102	—	9,189	6,087	23,575	61,040	81,518	10,495	—	2,152	71,023	—	58,888	—	4
1993	80,259	61,672	20,791	—	6,075	14,716	40,881	18,587	76,258	16,982	2,476	59,276	—	16,111	—	4,001	—	—
1994	130,995	108,914	63,263	31,180	24,385	7,698	45,650	22,081	125,943	9,849	—	689	116,094	22,770	—	5,052	—	—
1995	55,246	54,071	16,777	6,147	3,709	6,921	37,294	1,175	56,295	12,172	188	44,123	—	987	—	1,049	—	—
1996	83,386	79,110	16,517	—	4,706	7,273	13,950	62,592	4,276	85,704	19,924	1,685	65,780	2,591	—	2,318	—	—
1997	145,805	138,945	31,501	—	5,001	30,066	6,436	107,445	6,860	149,977	35,924	340	114,053	6,520	—	4,172	—	—
1998	187,641	169,748	38,998	5,772	27,814	4,690	130,750	17,893	190,416	43,937	961	146,479	16,507	—	2,775	—	—	—
€ million																		
1999	111,282	97,197	37,684	3,347	23,269	7,395	59,513	14,086	105,521	19,862	—	637	85,659	14,722	—	5,761	—	—
2000	117,676	85,160	39,712	—	2,188	36,818	—	2,824	45,448	32,516	106,674	14,454	—	92	92,220	32,424	11,000	—
2001	96,511	76,811	35,522	12,410	9,195	10,159	41,289	19,701	95,407	10,251	2,703	85,156	16,997	—	1,105	—	—	—
2002	66,267	59,482	25,907	3,682	7,247	14,916	33,575	6,784	66,507	2,100	3,007	64,407	3,778	—	241	—	—	—
2003 June	4,271	4,294	2,851	—	854	1,577	2,175	1,443	—	23	4,259	116	—	154	4,143	131	—	12
July	1,382	1,278	1,120	—	539	308	1,376	158	104	2,022	1,140	378	882	—	274	—	640	—
Aug	2,708	2,484	1,809	—	334	1,535	620	675	224	1,954	608	358	1,346	—	134	—	754	—

1 Book values. — 2 Residual. — 3 Net purchases or net sales (–) of foreign investment fund certificates by residents; transaction values. — 4 Net purchases or net sales (–) of domestic investment fund certificates by

non-residents; transaction values (before 1989 classified as shares). — The figures for the latest data are to be regarded as provisional; corrections are not specially marked.

VIII. Public finance in Germany

1. Finances of the public sector *

Up to the end of 1998, DM billion / from 1999, € billion

Period	Central, regional and local authorities 1									Social security funds 2			Public sector, total			
	Receipts		Expenditure							Balance of receipts and expenditure	Re-ceipts 6	Ex-pend-iture	Balance of receipts and expenditure	Re-ceipts	Ex-pend-iture	Balance of receipts and expenditure
	Total	of which Taxes 3	Total 4	of which												
				Person-nel ex-pend-iture	Other operat-ing ex-pend-iture	Current grants	Interest paid	Capital forma-tion	Finan-cial aid 5							
1993	928.7	749.1	1,060.2	296.8	136.0	340.5	102.1	97.0	87.3	-131.5	660.8	658.7	+ 2.1	1,492.1	1,621.5	-129.4
1994	995.2	786.2	1,102.2	315.5	137.3	353.4	114.0	93.2	86.5	-106.9	694.1	693.7	+ 0.4	1,596.4	1,702.9	-106.5
1995	1,026.4	814.2	1,136.4	324.8	135.5	367.2	129.0	90.1	86.3	-110.1	731.2	743.8	-12.5	1,664.9	1,787.5	-122.6
1996	1,000.3	800.0	1,121.8	326.2	137.0	362.2	130.7	83.9	80.1	-121.5	769.4	784.0	-14.6	1,665.6	1,801.6	-136.1
1997	1,014.3	797.2	1,108.9	325.0	135.7	356.3	132.1	80.1	79.2	-94.5	797.3	794.5	+ 2.9	1,705.3	1,797.0	-91.7
1998	1,072.1	833.0	1,128.8	325.4	137.4	373.7	133.7	79.7	79.8	-56.7	812.2	808.9	+ 3.3	1,765.5	1,818.9	-53.4
1999	566.1	453.1	592.9	168.7	72.4	202.7	69.8	40.8	38.0	-26.8	429.1	425.6	+ 3.5	925.2	948.6	-23.4
2000 p	612.3	467.3	595.5	169.3	73.7	205.7	67.6	40.7	37.9	+ 16.8	433.8	434.2	- 0.4	974.6	958.2	+ 16.4
2001 7, pe	554.0	446.2	601.0	169.9	70.1	213.5	66.6	40.9	39.6	-47.0	445.0	449.1	- 4.1	921.8	972.9	-51.1
2002 pe	547.5	441.7	607.3	173.1	69.0	226.0	66.1	38.2	33.8	-59.8	457.7	465.5	- 7.8	920.4	988.0	-67.6
2002 Q1	118.3	98.6	150.2	39.9	15.3	57.9	24.0	6.5	6.0	-31.8	111.3	112.8	- 1.5	206.4	239.8	-33.4
Q2	137.8	105.1	141.8	40.4	15.6	58.5	11.9	7.8	6.7	-4.0	113.0	115.6	- 2.6	228.9	235.6	- 6.6
Q3	135.3	109.4	148.7	41.4	16.5	54.7	19.2	9.7	7.8	-13.4	113.1	116.6	- 3.5	228.0	244.9	-16.9
Q4 p	154.4	129.0	164.7	49.9	21.1	55.8	10.7	13.5	13.4	-10.3	119.3	120.0	- 0.7	254.7	265.7	-11.0
2003 Q1 p	117.2	96.3	154.5	40.9	15.6	61.9	23.6	5.6	6.5	-37.3	116.3	116.8	- 0.5	207.8	245.6	-37.8

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * The budgetary definition used here differs from the methods employed for the government account of the national accounts and, in case of the quarterly figures, in some respects also from the financial statistics. — 1 Incl. subsidiary budgets. The quarterly figures, unlike the annual figures based on the annual accounts statistics of the Federal Statistical Office, do not include municipal special-purpose associations and various special accounts. For the receipts of Bundesbank profit see footnote 1 to Table VIII. 2. — 2 The annual figures differ from the sum of the quarterly figures, as the latter are all provisional. The quarterly figures for some fields of

insurance are estimated. — 3 The tax revenue shown here is taken from the budget statistics and may differ from the data given in Table VIII. 4, which are based on the tax statistics. — 4 Including discrepancies in clearing transactions between the central, regional and local authorities. — 5 Expenditure on investment grants, loans and acquisition of participating interests. — 6 Including Federal Government liquidity assistance to the Federal Labour Office. — 7 Owing to modifications of the system of classification, especially shifts between Other operating expenditure and Current grants.

2. Finances of the Federal Government, Länder Governments and local authorities *

Up to the end of 1998, DM billion / from 1999, € billion

Period	Federal Government		Länder Governments				Local authorities			
	Receipts 1	Expenditure	Western 2, 3		Eastern 3		Western 3		Eastern 3	
			Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
1993	401.6	462.5	326.5	352.8	76.4	92.5	222.5	230.9	54.4	59.0
1994	439.6	478.9	328.8	357.0	79.3	95.9	228.9	235.1	53.9	59.2
1995	439.3	489.9	338.6	370.2	88.4	101.5	225.6	237.9	58.7	60.8
1996	411.9	490.4	344.8	379.7	93.7	105.5	227.7	232.9	55.0	57.7
1997	416.8	480.3	349.2	376.5	94.3	105.2	222.9	226.9	52.6	54.2
1998	439.0	495.6	360.5	380.3	96.4	104.7	231.4	226.3	51.5	52.4
1999	240.3	266.5	191.6	196.6	50.0	53.3	119.8	117.5	26.1	26.3
2000 4	292.1	265.2	193.4	200.9	50.7	53.6	122.4	120.5	25.6	25.6
2001 pe	239.9	260.9	184.0	207.1	49.7	53.2	119.2	123.4	24.8	25.4
2002 pe	238.9	271.5	181.8	206.7	46.6	53.7	119.5	123.7	25.1	25.4
2002 Q1	47.4	68.9	42.4	49.4	10.2	12.0	24.7	29.1	5.2	5.4
Q2	56.3	62.6	43.3	48.8	11.1	11.9	28.8	29.1	5.9	5.8
Q3	62.7	70.6	45.3	49.3	11.8	12.9	29.1	30.5	6.1	6.2
Q4 p	72.5	69.5	50.2	58.5	13.5	16.1	37.0	35.4	7.8	7.7
2003 Q1 p	46.6	71.9	42.2	51.1	9.7	12.6	25.2	29.4	5.3	5.6
Q2 p	59.1	64.6	44.4	50.2	12.0	12.0	.	.	.	.

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * See corresponding footnote to Table VIII. 1. — 1 The Bundesbank profit transfer is shown in full until 1994; from 1995 only the DM 7 billion scheduled in the budget is shown. Since that time, receipts over and above the scheduled amount accrue directly to the Redemption

Fund for Inherited Liabilities. — 2 Including Berlin, Bremen, Hamburg. Including Berlin (East). — 3 The quarterly figures, unlike the annual figures based on the annual accounts statistics of the Federal Statistical Office, do not include various special accounts. — 4 Including receipts from the UMTS licence auctions.

VIII. Public finance in Germany

3. Finances of the Government in the national accounts *

Up to the end of 1998, DM billion / from 1999, € billion

Item	1995 ¹	1996	1997	1998	1999	2000 ²	2001 ^{pe}	2002 ^{pe}
Receipts	1,647.8	1,704.0	1,726.8	1,775.9	943.2	965.5	951.0	954.1
of which								
Taxes	825.8	850.0	856.9	897.4	490.4	511.7	488.3	486.0
Social security contributions	662.5	696.7	720.1	727.7	375.4	378.1	383.6	389.0
Expenditure	1,764.9	1,826.6	1,826.5	1,859.6	972.6	989.5	1,009.9	1,028.4
of which								
Intermediate input	143.2	142.7	140.2	144.1	76.2	78.0	81.1	84.5
Employee compensation	315.9	319.6	319.0	319.3	165.4	165.7	165.5	167.7
Interest	128.9	131.7	133.2	136.4	68.9	68.4	67.7	65.2
Social security benefits ³	902.8	970.7	984.7	998.4	523.1	532.7	548.7	572.9
Gross capital formation	80.5	76.4	69.4	69.9	37.8	37.0	35.9	34.3
Financial balance	- 117.1	- 122.7	- 99.7	- 83.7	- 29.4	- 24.0	- 58.9	- 74.3
as a percentage of the gross domestic product	- 3.3	- 3.4	- 2.7	- 2.2	- 1.5	- 1.2	- 2.8	- 3.5
Memo item								
Debt as defined in Maastricht Treaty	2,010.0	2,143.9	2,232.9	2,298.2	1,210.3	1,221.8	1,232.8	1,283.5
as a percentage of the gross domestic product	57.1	59.8	61.0	60.9	61.2	60.2	59.5	60.8

Source: Federal Statistical Office. — * Figures according to ESA 95. Notwithstanding the figures shown by the Federal Statistical Office, calculated including – with no impact on the balance – customs duties, the EU share in VAT revenue and EU subsidies. — ¹ Adjusted for the balance of notional capital transfers between the public sector and the corporate sector, mainly in connection with the winding-up of the Treuhand agency.

In unadjusted terms, the deficit amounted to 9.8% of GDP. — ² Adjusted for receipts from UMTS licence auctions. In the accounts of the Federal Statistical Office, such receipts (50.85 € billion) are recorded under "net increase in non-produced assets", with the result that government spending is lower and a surplus (22.8 € billion or 1.1% of GDP) is shown. — ³ Monetary social security benefits and social benefits in kind.

4. Tax revenue of the central, regional and local authorities

Up to the end of 1998, DM million / from 1999, € million

Period	Federal and Länder Governments and European Union						Local authorities ⁴		Balance of untransferred tax shares ⁵
	Total	Federal Government ²		Länder Governments		European Union ³	Total	of which in the New Länder	
		Total ¹		Total	of which New Länder				
1991	661,920	577,150	321,334	224,321	19,139	31,495	84,633	2,540	+ 137
1992	731,738	638,423	356,849	247,372	23,807	34,203	93,374	4,034	- 58
1993	749,119	653,015	360,250	256,131	27,542	36,634	95,809	5,863	+ 295
1994	786,162	688,785	386,145	261,947	32,052	40,692	97,116	7,677	+ 260
1995	814,190	719,332	390,807	288,520	.	40,005	94,498	8,460	+ 359
1996	799,998	706,071	372,390	294,232	.	39,449	94,641	7,175	- 714
1997	797,154	700,739	368,244	290,771	.	41,724	96,531	7,703	- 117
1998	833,013	727,888	379,491	306,127	.	42,271	104,960	8,841	+ 164
1999	453,068	396,734	211,727	164,724	.	20,284	56,333	4,810	+ 1
2000	467,253	410,117	219,034	169,249	.	21,833	57,241	4,895	- 104
2001	446,248	392,189	213,342	159,115	.	19,732	54,047	4,590	+ 12
2002	441,703	389,162	214,371	156,231	.	18,560	52,490	4,769	+ 51
2003 Q1 ^P	96,869	84,210	43,325	35,379	.	5,506	9,132	943	+ 3,527
Q2 ^P	.	95,360	51,614	38,249	.	5,497	.	.	.
2003 Apr	.	26,880	14,315	10,733	.	1,831	.	.	.
May	.	30,708	17,075	11,775	.	1,859	.	.	.
June ^P	.	37,773	20,224	15,741	.	1,807	.	.	.
July ^P	.	31,520	17,327	12,334	.	1,858	.	.	.
Aug ^P	.	27,902	15,111	10,944	.	1,846	.	.	.

Source: Federal Ministry of Finance. — ¹ Including receipts from the Equalisation of Burdens levies. — ² Before deduction of supplementary Federal grants and shares in the revenue of mineral oil tax remitted to the Länder Governments. — ³ Including the (GNP-related) receipts accruing to the EU from 1988 to the detriment of the Federal Government's tax

revenue. — ⁴ Including local authority taxes of Berlin, Bremen and Hamburg. — ⁵ Difference between the local authorities' share in the income taxes received by the Länder cash offices in the period in question (see Table VIII. 5) and the amounts passed on to the local authorities during the same period.

VIII. Public finance in Germany
7. Indebtedness of the public sector * (cont 'd)

Up to the end of 1998, DM million / from 1999, € million

End of year or month	Total	Bundes- bank advances	Treasury discount paper ¹	Treasury notes ^{2, 3}	5-year special Federal bonds ²	Federal savings bonds	Debt secur- ities ²	Direct lending by credit institu- tions ⁴	Loans from non-banks		Old debt		
									Social security funds	Other ⁴	owing to German unifica- tion ⁵	Equalisa- tion claims	Other ⁶
"German Unity" Fund / Indemnification Fund ⁷													
1996	83,556	.	-	-	-	.	44,321	38,020	5	1,210	.	.	.
1997	79,717	.	-	-	-	.	44,347	34,720	5	645	.	.	.
1998	79,413	.	-	-	-	.	47,998	30,975	-	440	.	.	.
1999	40,234	.	-	275	500	.	28,978	10,292	-	189	.	.	.
2000	40,629	.	-	275	2,634	.	29,797	7,790	-	133	.	.	.
2001	39,923	.	-	3,748	10,134	.	21,577	4,315	-	149	.	.	.
2002 June	40,028	.	-	3,820	10,134	.	21,902	4,147	-	26	.	.	.
Sep	40,047	.	-	3,820	10,134	.	22,049	4,019	-	26	.	.	.
Dec	39,810	.	-	3,820	10,134	.	22,685	3,146	-	26	.	.	.
2003 Mar	39,833	.	.	4,694	10,134	.	23,420	1,585	-	-	.	.	.
June	39,600	.	.	4,694	10,134	.	23,443	1,329	-	-	.	.	.
ERP Special Fund ⁷													
1996	34,135	.	.	.	.	.	10,750	23,385	-	-	.	.	.
1997	33,650	.	.	.	.	.	10,810	22,840	-	-	.	.	.
1998	34,159	.	.	.	.	.	11,944	20,988	-	1,227	.	.	.
1999	16,028	.	.	.	.	.	6,250	9,458	21	299	.	.	.
2000	18,386	.	.	.	.	.	7,585	10,411	13	377	.	.	.
2001	19,161	.	.	.	.	.	9,462	9,310	8	381	.	.	.
2002 June	19,308	.	.	.	-	.	10,052	8,873	8	376	.	.	.
Sep	19,327	.	.	.	51	.	10,045	8,863	8	361	.	.	.
Dec	19,400	.	.	.	51	.	10,144	8,686	8	512	.	.	.
2003 Mar	19,369	.	.	.	51	.	10,138	8,660	8	512	.	.	.
June	19,399	.	.	.	51	.	10,169	8,660	8	512	.	.	.
Federal Railways Fund ^{7, 8}													
1996	77,785	.	.	1,882	-	.	28,749	41,537	130	5,489	.	.	.
1997	77,254	.	.	1,927	-	.	25,634	44,807	115	4,772	.	.	.
1998	77,246	.	.	-	500	.	31,648	42,488	79	2,531	.	.	.
1999 June	39,231	.	.	-	1,023	.	16,805	20,401	34	968	.	.	.
Debt-Processing Fund / Redemption Fund for Inherited Liabilities ^{7, 8}													
1996	331,918	.	-	54,718	-	.	98,468	81,380	95	7,468	8,630	81,142	19
1997	322,032	.	-	54,028	-	.	98,377	81,616	54	7,233	15	80,692	17
1998	304,978	.	-	31,633	-	.	110,006	79,226	54	4,167	-20	79,899	15
1999 June	151,097	.	-	11,127	2,000	.	58,897	36,133	27	2,015	-9	40,902	4
"Use of Hard Coal" Equalisation Fund ^{7, 8}													
1996	3,108	.	.	.	.	.	-	3,108	-	-	.	.	.
1997	3,229	.	.	.	.	.	-	3,229	-	-	.	.	.
1998	3,971	.	.	.	.	.	300	3,671	-	-	.	.	.
1999 June	2,302	.	.	.	.	.	153	2,148	-	-	.	.	.

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * Excluding public authorities' mutual indebtedness. — ¹ Predominantly Treasury discount paper. — ² Excluding paper in the issuers' portfolios. — ³ Länder Treasury paper also covers the long-term maturity category. — ⁴ Mainly loans against borrowers' notes. Including loans raised abroad. Other loans from non-banks, including loans from supplementary public pension funds and liabilities arising from the investment assistance levy. — ⁵ Old liabilities arising from residential construction and liabilities arising from residential construction by the former GDR's armed forces and from residential construction in connection with the return of the troops of the former USSR in eastern Germany to their home country. — ⁶ Old debt mainly expressed in foreign currency, in

accordance with the London Debts agreement; excluding debt securities in own portfolios. — ⁷ The debt incurred through the joint issue of Federal securities is recorded here – in contrast to the capital market statistics – under the Federal Government and its special funds in accordance with the agreed distribution ratios. — ⁸ Since July 1, 1999 the Federal Government has assumed joint responsibility for the debts of the Redemption Fund for Inherited Liabilities, the Federal Railway Fund and the Equalisation Fund for Safeguarding the Use of Coal. The special funds mentioned are only recorded under the Federal Government from July. — ⁹ Data other than end-of-year figures have been estimated. Including indebtedness of municipal special-purpose associations.

VIII. Public finance in Germany

8. Changes in public sector indebtedness *

Item	Level at end of			Net borrowing 1							2003 Q1 P
	2001	2002	Mar 2003 p	2001		2002					
				Total	Total	Q1	Q2	Q3	Q4		
	€ million										
Borrowers											
Federal Government 2	701,077	725,405	745,400	- 14,910	+ 24,328	+ 20,542	- 4,833	+ 10,110	- 1,491	+ 19,995	
"German Unity" Fund	39,638	39,441	39,439	- 787	- 197	+ 64	-	-	- 261	- 2	
ERP Special Fund	19,161	19,400	19,369	+ 775	+ 239	- 63	+ 210	+ 19	+ 73	+ 31	
Indemnification Fund	285	369	394	+ 81	+ 84	+ 19	+ 21	+ 19	+ 25	+ 25	
West German Länder Governments	305,788	328,390	339,986	+ 23,357	+ 22,603	+ 4,422	+ 4,237	+ 6,170	+ 7,774	+ 11,596	
East German Länder Governments	58,771	63,782	64,965	+ 3,059	+ 5,011	+ 372	+ 1,013	+ 1,377	+ 2,249	+ 1,183	
West German local authorities 3	82,203	84,097	85,100	+ 2,487	+ 2,630	+ 275	+ 1,000	+ 900	+ 455	+ 2,003	
East German local authorities 3	17,005	16,745	16,680	+ 162	- 242	- 32	- 180	- 30	- 1	- 46	
Total	1,223,929	1,277,630	1,311,333	+ 14,224	+ 54,455	+ 25,599	+ 1,468	+ 18,564	+ 8,823	+ 34,722	
Types of debt											
Treasury discount paper 4	23,036	30,815	30,630	+ 11,420	+ 7,779	- 5,219	+ 4,434	+ 9,188	- 625	- 185	
Treasury notes 5	151,401	203,951	220,438	+ 41,449	+ 52,551	+ 7,294	+ 18,301	+ 16,056	+ 10,900	+ 16,486	
Five-year special Federal bonds 5	130,045	137,669	143,172	+ 3,770	+ 7,623	+ 3,375	- 132	+ 2,213	+ 2,167	+ 5,504	
Federal savings bonds	26,395	17,898	15,434	- 9,596	- 8,497	- 3,748	- 2,012	- 884	- 1,854	- 2,464	
Debt securities 5	448,148	456,300	469,566	+ 9,260	+ 8,152	+ 13,469	+ 2,289	- 1,446	- 6,159	+ 13,266	
Direct lending by credit institutions 6	422,440	404,168	401,492	- 9,100	- 17,518	+ 8,297	- 21,875	- 6,624	+ 2,684	- 1,657	
Loans from social security funds	174	195	205	- 37	+ 21	+ 44	+ 21	- 12	- 32	+ 10	
Other loans 6	13,070	18,623	22,418	+ 2,586	+ 5,553	+ 2,124	+ 447	+ 1,212	+ 1,770	+ 3,794	
Old debt 7	193	126	94	- 200	- 67	- 36	- 6	- 0	- 25	- 33	
Equalisation claims	8,986	7,845	7,845	- 35,328	- 1,142	-	-	- 1,139	- 3	-	
Investment assistance levy	40	41	41	- 0	- 0	- 0	-	+ 0	+ 0	- 0	
Total	1,223,929	1,277,630	1,311,333	+ 14,224	+ 54,455	+ 25,599	+ 1,468	+ 18,564	+ 8,823	+ 34,722	
Creditors											
Banking system											
Bundesbank	4,440	4,440	4,440	-	-	-	-	-	-	-	
Credit institutions	534,400	532,900	545,200	- 29,304	- 746	+ 11,671	- 13,200	+ 270	+ 513	+ 12,300	
Domestic non-banks											
Social security funds	174	195	205	- 31	+ 21	+ 44	+ 21	- 12	- 32	+ 10	
Other 8	231,815	229,595	231,588	+ 30,541	- 2,220	+ 1,684	- 2,053	- 794	- 1,057	+ 3,012	
Foreign creditors pe	453,100	510,500	529,900	+ 13,017	+ 57,400	+ 12,200	+ 16,700	+ 19,100	+ 9,400	+ 19,400	
Total	1,223,929	1,277,630	1,311,333	+ 14,224	+ 54,455	+ 25,599	+ 1,468	+ 18,564	+ 8,823	+ 34,722	

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * Excluding public authorities' mutual indebtedness. — 1 Net borrowing differs from the change in indebtedness, which includes the assumption and reduction of debts. — 2 See Table VIII. 7, footnote 8. — 3 Data other than end-of-year figures have been estimated. Including indebtedness of municipal special-purpose associations and municipal hospitals. — 4 Excluding mobilisation and liquidity paper. Predominantly

Treasury discount paper. — 5 Excluding paper in the issuers' portfolios. — 6 Including loans raised abroad. — 7 Old liabilities arising from residential construction and liabilities arising from the residential construction of the former GDR's armed forces and from residential construction in connection with the return of the troops of the former USSR based in eastern Germany to their home country, and old debt in accordance with the London Debts Agreement. — 8 Ascertained as a difference.

9. Loans raised by public authorities against borrowers' notes

Up to the end of 1998, DM million / from 1999, € million

End of year or month	Total 1	Federal Government 2, 3	"German Unity" Fund	ERP Special Fund	Länder Governments	Local authorities 4, 5	Federal Railways Fund 3	Inherited Liabilities Fund 3	"Use of Hard Coal" Equalisation Fund 3
1998	898,030	23,094	31,415	22,215	504,148	184,942	45,098	83,447	3,671
1999	444,031	64,704	10,481	9,778	264,158	94,909	-	-	-
2000	431,364	54,731	7,178	10,801	268,362	90,292	-	-	-
2001	416,067	44,791	4,464	9,699	267,988	89,126	-	-	-
2002 Mar	409,177	41,751	4,392	9,397	264,741	88,895	-	-	-
June	404,661	40,431	4,172	9,256	262,574	88,228	-	-	-
Sep	401,432	39,267	4,044	9,231	260,611	88,280	-	-	-
Dec	398,910	34,636	3,172	9,205	262,840	89,057	-	-	-
2003 Mar p	396,685	33,202	1,585	9,180	264,827	87,892	-	-	-

Source: Bundesbank calculations based on data from the Federal Statistical Office. — 1 Excluding Debt Register claims and cash advances. Including small amounts of: mortgage loans, land charges in annuity and other forms, and debts outstanding. — 2 Including Equalisation of Burdens Fund. —

3 See Table VIII. 7, footnote 8. — 4 Data other than end-of-year figures have been estimated. Including municipal special-purpose associations and municipal hospitals. — 5 Including contractually agreed loans.

IX Economic conditions

1 Origin and expenditure of domestic product, distribution of national income Germany

Item	1999	2000	2001	2002	1st half 2003	2000	2001	2002	1st half 2003	1999	2000	2001	2002
	€ billion					Change from previous year in %				% of total			
at 1995 prices													
I Origin of domestic product													
Producing sector (excluding construction)	430.5	447.3	444.3	443.8	217.8	3.9	- 0.7	- 0.1	0.6	22.5	22.7	22.4	22.3
Construction	105.1	102.1	95.8	90.1	40.5	- 2.9	- 6.1	- 5.9	- 7.0	5.5	5.2	4.8	4.5
Distribution, catering trade, and transportation ¹	334.5	353.5	367.6	371.3	182.4	5.7	4.0	1.0	0.9	17.5	17.9	18.5	18.7
Financing, rents and corporate services ²	546.6	570.9	589.7	595.9	295.0	4.4	3.3	1.1	0.2	28.5	29.0	29.7	29.9
Public and private services ³	382.1	388.4	389.6	394.8	197.3	1.6	0.3	1.3	0.2	20.0	19.7	19.6	19.8
All economic sectors	1,823.5	1,886.7	1,911.5	1,919.9	945.2	3.5	1.3	0.4	0.1	95.2	95.8	96.2	96.5
Memo item: Enterprise sector	1,596.1	1,658.5	1,684.3	1,693.4	831.7	3.9	1.6	0.5	0.2	83.4	84.2	84.8	85.1
Economic sectors, adjusted ⁴	1,730.5	1,786.4	1,806.6	1,815.2	892.0	3.2	1.1	0.5	0.0	90.4	90.7	91.0	91.2
Gross domestic product	1,914.8	1,969.5	1,986.2	1,989.7	978.6	2.9	0.8	0.2	- 0.1	100	100	100	100
II Expenditure of domestic product													
Private consumption ⁵	1,099.1	1,120.6	1,136.9	1,125.3	555.3	2.0	1.4	- 1.0	0.7	57.4	56.9	57.2	56.6
Government consumption	374.3	378.0	382.0	388.4	192.9	1.0	1.0	1.7	0.7	19.5	19.2	19.2	19.5
Machinery and equipment	160.3	176.5	167.8	152.5	72.7	10.1	- 4.9	- 9.1	- 0.3	8.4	9.0	8.4	7.7
Construction	248.7	242.1	230.5	217.1	99.2	- 2.6	- 4.8	- 5.8	- 5.6	13.0	12.3	11.6	10.9
Other investment ⁶	23.4	25.5	27.0	27.4	13.6	9.0	5.6	1.6	1.6	1.2	1.3	1.4	1.4
Changes in stocks ⁷	- 5.7	- 8.1	- 24.7	- 22.0	3.5	.	.	.	.	- 0.3	- 0.4	- 1.2	- 1.1
Domestic demand	1,900.2	1,934.7	1,919.4	1,888.6	937.1	1.8	- 0.8	- 1.6	0.7	99.2	98.2	96.6	94.9
Net exports	14.6	34.8	66.8	101.1	41.5	.	.	.	.	0.8	1.8	3.4	5.1
Exports	581.8	661.5	698.8	722.6	357.4	13.7	5.6	3.4	1.6	30.4	33.6	35.2	36.3
Imports	567.2	626.7	632.0	621.5	315.9	10.5	0.9	- 1.7	4.4	29.6	31.8	31.8	31.2
Gross domestic product	1,914.8	1,969.5	1,986.2	1,989.7	978.6	2.9	0.8	0.2	- 0.1	100	100	100	100
at current prices													
III Expenditure of domestic product													
Private consumption ⁵	1,156.0	1,196.2	1,232.7	1,236.5	614.7	3.5	3.0	0.3	1.6	58.4	58.9	59.4	58.6
Government consumption	378.2	385.6	394.1	404.4	195.8	2.0	2.2	2.6	1.3	19.1	19.0	19.0	19.2
Machinery and equipment	159.6	176.7	167.4	151.9	71.2	10.7	- 5.3	- 9.3	- 2.6	8.1	8.7	8.1	7.2
Construction	245.2	240.2	228.9	215.5	98.6	- 2.1	- 4.7	- 5.9	- 5.7	12.4	11.8	11.0	10.2
Other investment ⁶	21.6	23.2	24.4	24.6	12.0	7.3	5.0	1.0	0.2	1.1	1.1	1.2	1.2
Changes in stocks ⁷	2.1	0.7	- 15.0	- 13.2	11.5	.	.	.	.	0.1	0.0	- 0.7	- 0.6
Domestic demand	1,962.6	2,022.5	2,032.5	2,019.7	1,003.7	3.1	0.5	- 0.6	1.2	99.2	99.6	98.0	95.7
Net exports	16.0	7.5	41.2	90.7	39.2	.	.	.	.	0.8	0.4	2.0	4.3
Exports	586.4	686.1	731.5	757.6	373.5	17.0	6.6	3.6	1.3	29.6	33.8	35.3	35.9
Imports	570.4	678.6	690.2	667.0	334.4	19.0	1.7	- 3.4	2.5	28.8	33.4	33.3	31.6
Gross domestic product	1,978.6	2,030.0	2,073.7	2,110.4	1,042.9	2.6	2.2	1.8	0.8	100	100	100	100
IV Prices (1995=100)													
Private consumption	105.2	106.7	108.4	109.9	110.7	1.5	1.6	1.3	0.9	.	.	.	.
Gross domestic product	103.3	103.1	104.4	106.1	106.6	- 0.3	1.3	1.6	0.9	.	.	.	.
Terms of trade	100.2	95.8	95.8	97.7	98.8	- 4.4	0.1	1.9	1.5	.	.	.	.
V Distribution of national income													
Wages and salaries	1,057.8	1,099.1	1,121.3	1,130.5	536.2	3.9	2.0	0.8	0.2	72.0	72.9	72.7	71.9
Entrepreneurial and property income	410.4	409.3	420.9	441.1	224.5	- 0.3	2.8	4.8	- 1.8	28.0	27.1	27.3	28.1
National income	1,468.2	1,508.4	1,542.2	1,571.5	760.7	2.7	2.2	1.9	- 0.4	100	100	100	100
Memo item: Gross national income (Gross nat. product)	1,965.1	2,020.3	2,065.6	2,108.8	1,032.7	2.8	2.2	2.1	0.4	.	.	.	.

Source: Federal Statistical Office; figures computed in August 2003. — 1 Including telecommunications. — 2 Financial intermediation, real estate activities, rents and corporate services. — 3 Including care-at-home services. — 4 Gross value added after deduction of assumed bank charges, but excluding

taxes on products (offset against subsidies on products). — 5 Including private non-commercial organisations. — 6 Intangible fixed capital formation (inter alia, EDP software, copyrights) and economically useful animals and plants. — 7 Including net increase in valuables.

IX Economic conditions

6 Labour market *

Period	Employed 1,2			Employees 1		Persons in employment 3		Short-time workers 2	Persons employed under employment promotion schemes 2 5	Persons undergoing vocational further training 2	Unemployed 2		Unemployment rate 2 6 in %	Vacancies, 2 thousands		
	Thousands	Change from previous year		Thousands	Change from previous year in %	Mining and manufacturing sector	Construction 4				Thousands	Thousands			Thousands	Change from previous year, thousands
		in %	Thousands													
Germany																
2000	38,750	+ 1.8	+ 676	34,745	+ 1.8	6,373	1,053	86	316	352	3,889	- 211	9.7	514		
2001	38,914	+ 0.4	+ 164	34,834	+ 0.3	6,395	958	123	243	345	3,852	- 37	9.4	506		
2002	38,668	- 0.6	- 246	34,577	- 0.7	6,218 ⁸	883	207	192	332	4,060	+ 209	9.8	451		
2002 Sep	38,868	- 0.9	- 335			6,215	893	216	199	337	3,942	+ 199	9.5	420		
Oct	38,926	- 0.9	- 354			6,187	884	214	202	342	3,930	+ 204	9.4	378		
Nov	38,842	- 1.1	- 448	34,702	- 1.3	6,165	873	205	197	339	4,026	+ 237	9.7	344		
Dec	38,630	- 1.3	- 505			6,128	849	165	180	318	4,225	+ 262	10.1	324		
2003 Jan	37,790	- 1.5	- 560			...	788	195	155	299	4,623	+ 333	11.1	350		
Feb	37,733	- 1.6	- 608	33,683	- 1.8	...	757	227	150	287	4,706	+ 410	11.3	388		
Mar	37,835	- 1.7	- 660			...	778	244	143	275	4,608	+ 452	11.1	415		
Apr	38,029	- 1.7	- 670			...	795	242	138	262	4,495	+ 471	10.8	419		
May	38,096	- 1.7	- 660	33,954	- 2.0	...	801	225	134	255	4,342	+ 396 ⁷	10.4	393		
June	38,104	- 1.6	- 622			...	803	222	131	241	4,257	+ 303	10.2	373		
July	o 38,028	o - 1.7	o - 653			...	804	196	131	220	4,352	+ 305	10.4	367		
Aug	...	...	...	...	...	...	...	150	131	212	4,314	+ 296	10.4	356
Sep	...	...	...	...	...	...	...	169	134	221	4,207	+ 265	10.1	330
Western Germany ⁹																
2000	.	.	.	.	.	5,761	749	59	59	202	2,380	- 224	7.6	448
2001	.	.	.	.	.	5,769	696	94	53	197	2,320	- 60	7.2	436
2002	.	.	.	.	.	5,593 ⁸	654	162	42	192	2,498	+ 178	7.7	377
2002 Sep	.	.	.	.	.	5,585	660	140	42	196	2,440	+ 184	7.4	345
Oct	.	.	.	.	.	5,559	654	154	41	200	2,450	+ 182	7.5	312
Nov	.	.	.	.	.	5,540	647	156	41	198	2,520	+ 199	7.7	285
Dec	.	.	.	.	.	5,506	632	131	38	186	2,647	+ 212	8.1	270
2003 Jan	.	.	.	.	.	...	593	157	35	175	2,898	+ 262	8.8	294
Feb	.	.	.	.	.	...	572	187	34	168	2,951	+ 317	9.0	328
Mar	.	.	.	.	.	...	586	199	33	165	2,880	+ 352	8.8	348
Apr	.	.	.	.	.	...	597	201	32	160	2,811	+ 363	8.6	350
May	.	.	.	.	.	...	601	187	31	159	2,715	+ 306 ⁷	8.2	327
June	.	.	.	.	.	...	601	182	30	151	2,663	+ 255	8.1	306
July	.	.	.	.	.	...	601	162	29	137	2,734	+ 253	8.3	300
Aug	.	.	.	.	.	...	...	119	28	133	2,723	+ 246	8.3	287
Sep	.	.	.	.	.	...	...	139	27	141	2,653	+ 213	8.1	261
Eastern Germany ¹⁰																
2000	.	.	.	.	.	612	305	27	257	150	1,508	+ 13	17.2	66
2001	.	.	.	.	.	626	262	29	190	148	1,532	+ 23	17.3	70
2002	.	.	.	.	.	625 ⁸	229	45	150	140	1,563	+ 31	17.7	74
2002 Sep	.	.	.	.	.	630	233	77	157	141	1,502	+ 15	17.0	75
Oct	.	.	.	.	.	628	231	60	160	142	1,480	+ 22	16.8	65
Nov	.	.	.	.	.	626	227	49	157	141	1,506	+ 38	17.0	59
Dec	.	.	.	.	.	622	217	34	142	132	1,578	+ 49	17.9	54
2003 Jan	.	.	.	.	.	...	196	39	120	125	1,725	+ 71	19.5	55
Feb	.	.	.	.	.	...	185	40	116	118	1,756	+ 94	19.9	61
Mar	.	.	.	.	.	...	192	45	110	110	1,728	+ 99	19.6	67
Apr	.	.	.	.	.	...	198	41	106	102	1,684	+ 108	19.1	69
May	.	.	.	.	.	...	200	38	103	96	1,628	+ 90 ⁷	18.6	67
June	.	.	.	.	.	...	202	39	102	89	1,594	+ 48	18.3	67
July	.	.	.	.	.	...	204	34	102	82	1,618	+ 53	18.5	67
Aug	.	.	.	.	.	...	...	31	104	80	1,591	+ 50	18.2	69
Sep	.	.	.	.	.	...	...	30	108	81	1,554	+ 52	17.8	69

Source: Federal Statistical Office; Federal Labour Office. — * Monthly figures: levels at end of month; employed persons and employees: averages; short-time workers: levels at mid-month; annual and quarterly figures: averages. — 1 Work-place concept. — 2 Annual figures, calculated by the Bundesbank; deviations from the official figures are due to rounding. — 3 Including active proprietors. — 4 The figures refer to the economic classifications "Site preparation" and "Building of complete constructions or parts thereof; civil engineering". — 5 Employees involved in job creation schemes and structural adjustment measures (SAM). — 6 Relative to the total civilian

labour force. — 7 From May 2003 calculated on the basis of new labour force figures. — 8 The figures from March 2002 onwards are positively influenced by the fact that construction firms which are required to report and which have been identified in the course of drawing up the corporate register are included for the first time. — 9 Excluding West Berlin; for the mining, manufacturing and construction sectors, including persons employed in West Berlin. — 10 Including West Berlin; for the mining, manufacturing and construction sectors, excluding persons employed in West Berlin. — o First preliminary estimate.

IX Economic conditions

8 Households' income * Germany

Until the end of 1998 DM billion, from 1999 € billion

Period	Gross wages and salaries 1		Net wages and salaries 2		Monetary social benefits received 3		"Mass income" 4		Disposable income 5		Saving 6		Saving ratio 7
	DM / €	Change from previous year in %	DM / €	Change from previous year in %	DM / €	Change from previous year in %	DM / €	Change from previous year in %	DM / €	Change from previous year in %	DM / €	Change from previous year in %	
1991	1,355.4	.	941.4	.	426.2	.	1,367.6	.	1,917.5	.	250.1	.	13.0
1992	1,467.3	8.3	1,003.0	6.5	473.9	11.2	1,476.9	8.0	2,054.3	7.1	266.1	6.4	13.0
1993	1,505.9	2.6	1,032.7	3.0	511.2	7.9	1,543.9	4.5	2,120.6	3.2	261.3	- 1.8	12.3
1994	1,528.1	1.5	1,029.3	- 0.3	529.4	3.6	1,558.6	1.0	2,181.9	2.9	254.0	- 2.8	11.6
1995	1,577.1	3.2	1,037.9	0.8	553.7	4.6	1,591.7	2.1	2,256.4	3.4	252.1	- 0.7	11.2
1996	1,594.0	1.1	1,032.7	- 0.5	595.7	7.6	1,628.3	2.3	2,307.5	2.3	249.5	- 1.0	10.8
1997	1,591.3	- 0.2	1,015.9	- 1.6	609.6	2.3	1,625.5	- 0.2	2,356.5	2.1	244.7	- 1.9	10.4
1998	1,624.3	2.1	1,038.9	2.3	621.5	1.9	1,660.3	2.1	2,422.8	2.8	249.6	2.0	10.3
1999	855.4	3.0	549.2	3.4	327.5	3.1	876.7	3.3	1,281.1	3.4	125.1	- 1.9	9.8
2000	884.6	3.4	571.7	4.1	338.1	3.2	909.8	3.8	1,325.5	3.5	129.3	3.3	9.8
2001	903.7	2.2	592.4	3.6	347.5	2.8	939.8	3.3	1,373.7	3.6	141.0	9.1	10.3
2002	910.4	0.7	593.5	0.2	365.0	5.1	958.5	2.0	1,382.8	0.7	146.3	3.8	10.6
2001 Q3	224.9	1.5	151.6	3.0	86.5	3.1	238.1	3.0	337.7	3.4	29.4	11.0	8.7
2001 Q4	253.4	1.6	164.0	3.4	87.9	3.0	251.9	3.2	352.8	3.6	32.3	11.8	9.1
2002 Q1	210.4	1.0	137.5	0.4	91.1	4.6	228.6	2.0	343.7	0.7	47.3	3.1	13.8
2002 Q2	218.6	0.7	140.0	0.1	90.0	4.5	230.0	1.8	342.7	0.2	34.2	2.1	10.0
2002 Q3	227.3	1.1	152.4	0.5	91.5	5.8	243.9	2.5	340.5	0.8	30.8	4.6	9.0
2002 Q4	254.1	0.2	163.6	- 0.3	92.5	5.3	256.1	1.7	356.0	0.9	34.1	5.7	9.6
2003 Q1	210.9	0.2	136.7	- 0.6	94.0	3.2	230.6	0.9	352.6	2.6	51.2	8.2	14.5
2003 Q2	217.8	- 0.4	138.0	- 1.5	93.0	3.4	231.0	0.4	348.8	1.8	35.5	4.0	10.2

Source: Federal Statistical Office; figures computed in August 2003. — * Households including non-profit institutions which serve households. — 1 Residence concept. — 2 After deducting the wage tax payable on gross wages and salaries and employees' contributions to the social security funds. — 3 Cash benefits from the social security funds, central, regional and local authorities and foreign countries, pension payments (net), social security benefits from private insurance schemes, less social security contributions on social benefits, consumption-related taxes and public

charges. — 4 Net wages and salaries plus monetary social benefits received. — 5 "Mass income" plus operating surplus, self-employed persons' income, property income (net), other current transfers received, income of non-profit organisations which serve households, less taxes (excluding wage tax and consumption-related taxes) and other current transfers paid. Including the increase in claims on company pension funds. — 6 Including the increase in claims on company pension funds. — 7 Saving as a percentage of disposable income.

9 Pay rates and actual earnings Germany

Period	Overall economy						Producing sector (including construction)					
	Negotiated wage and salary level 1				Wages and salaries per employee (work-place concept) 2		Negotiated wage and salary level 1				Wages and salaries per employee (work-place concept) 3	
	on an hourly basis		on a monthly basis				on an hourly basis		on a monthly basis			
	1995=100	% from previous year	1995=100	% from previous year	1995=100	% from previous year	1995=100	% from previous year	1995=100	% from previous year	1995=100	% from previous year
1991	76.7	.	78.6	.	82.4	.	73.4	.	76.9	.	77.6	.
1992	85.8	12.0	87.3	11.0	91.0	10.4	82.9	12.9	85.9	11.7	88.4	13.9
1993	92.2	7.5	92.9	6.5	95.0	4.4	90.6	9.3	92.0	7.1	92.3	4.4
1994	95.3	3.4	95.6	2.9	96.9	2.0	94.3	4.1	94.8	3.0	96.1	4.1
1995	100.0	4.9	100.0	4.6	100.0	3.2	100.0	6.1	100.0	5.5	100.0	4.1
1996	102.6	2.6	102.4	2.4	101.4	1.4	103.8	3.8	102.9	2.9	102.9	2.9
1997	104.1	1.5	103.9	1.5	101.7	0.3	105.8	1.9	104.6	1.7	104.7	1.7
1998	106.1	1.9	105.7	1.8	102.7	1.0	107.7	1.8	106.4	1.7	106.4	1.6
1999	109.2	2.9	108.6	2.7	104.3	1.5	110.9	3.0	109.4	2.9	108.3	1.8
2000	111.3	2.0	110.8	2.0	105.9	1.6	113.1	2.0	111.6	2.0	111.2	2.7
2001	113.6	2.0	113.0	2.0	107.9	1.9	115.2	1.8	113.6	1.8	113.7	2.2
2002	116.6	2.7	116.0	2.7	109.5	1.5	118.8	3.1	117.2	3.1	116.0	2.0
2001 Q3	117.3	2.0	116.7	1.9	107.2	1.5	123.5	2.0	121.9	2.0	109.2	2.0
2001 Q4	128.5	2.2	127.8	2.1	120.0	1.8	127.7	2.0	125.9	2.0	122.6	1.7
2002 Q1	106.3	2.5	105.7	2.4	102.0	1.2	106.3	2.1	104.9	2.2	108.2	0.9
2002 Q2	107.8	2.8	107.2	2.8	105.1	1.3	109.1	3.5	107.7	3.6	117.8	1.9
2002 Q3	120.3	2.6	119.7	2.6	109.3	1.9	127.4	3.1	125.7	3.1	112.9	3.4
2002 Q4	132.2	2.9	131.5	2.9	121.9	1.5	132.3	3.6	130.5	3.6	125.4	2.3
2003 Q1	109.5	3.0	108.9	3.1	104.1	2.1	110.0	3.4	108.4	3.4	.	.
2003 Q2	110.1	2.1	109.5	2.2	106.8	1.6	111.6	2.3	110.1	2.2	.	.
2003 Feb	109.0	2.6	108.5	2.7	.	.	109.9	3.6	108.4	3.6	.	.
2003 Mar	110.4	3.7	109.9	3.8	.	.	110.0	3.1	108.4	3.1	.	.
2003 Apr	109.7	2.7	109.2	2.8	.	.	110.5	3.4	109.0	3.3	.	.
2003 May	110.1	1.5	109.6	1.6	.	.	111.8	0.7	110.3	0.6	.	.
2003 June	110.4	2.2	109.9	2.2	.	.	112.5	2.8	111.0	2.7	.	.
2003 July	147.6	2.3	146.9	2.3	.	.	168.1	3.0	165.8	2.9	.	.
2003 Aug	110.6	2.2	110.1	2.2	.	.	112.4	2.8	110.9	2.8	.	.

1 Current data are normally revised upwards on account of additional reports. — 2 Source: Federal Statistical Office; figures computed in August 2003. — 3 Producing sector, excluding electricity, gas, steam and hot water

supply, and excluding installation and building completion work. Calculated by the Bundesbank on the basis of data from the Federal Statistical Office, using the old and new classifications of the economic sectors.

X Foreign trade and payments

1 Major items of the balance of payments of the European monetary union *

€ million

Position	2000	2001 1	2002	2002	2003				
				Q4	Q1	Q2	May	June	July
A. Current account	- 65,994	- 19,359	+ 59,604	+ 22,427	+ 2,802	- 5,414	+ 395	+ 2,799	+ 1,177
1. Foreign trade									
Exports (f.o.b.) incl. supplementary items	989,826	1,033,029	1,059,260	273,903	252,608	256,824	84,524	86,002	91,459
Imports (f.o.b.) incl. supplementary items	958,276	957,556	928,157	239,312	235,285	230,246	76,239	75,090	76,162
Balance	+ 31,553	+ 75,473	+ 131,101	+ 34,590	+ 17,322	+ 26,579	+ 8,286	+ 10,912	+ 15,297
2. Services									
Receipts	287,455	324,954	331,954	85,165	75,307	79,840	26,042	27,352	30,731
Expenditure	304,943	328,678	320,877	81,128	74,252	74,211	24,061	24,497	28,531
Balance	- 17,488	- 3,724	+ 11,075	+ 4,036	+ 1,055	+ 5,629	+ 1,980	+ 2,855	+ 2,200
3. Factor income (balance)	- 25,492	- 39,870	- 36,595	- 2,363	- 12,558	- 19,076	- 4,300	- 4,312	- 10,187
4. Current transfers									
Transfer payments from non-residents	66,720	75,274	84,226	19,892	32,579	14,985	5,106	5,173	5,854
Transfer payments to non-residents	121,284	126,518	130,204	33,729	35,595	33,531	10,677	11,829	11,987
Balance	- 54,564	- 51,244	- 45,978	- 13,837	- 3,017	- 18,546	- 5,571	- 6,655	- 6,133
B. Balance of capital transfers	+ 9,839	+ 9,531	+ 11,624	+ 2,625	+ 1,948	+ 2,753	+ 369	+ 2,296	+ 791
C. Financial account (net capital exports: -)	+ 66,883	- 24,864	- 132,150	- 53,874	- 30,539	- 43,138	- 29,846	- 21,137	- 6,035
1. Direct investment	- 16,504	- 102,808	- 33,636	+ 3,581	- 7,655	+ 3,590	- 250	+ 24,015	- 3,555
Investment outside the euro area	- 443,251	- 259,169	- 163,462	- 28,518	- 40,699	- 8,588	- 701	+ 14,894	- 7,495
Foreign investment in the euro area	+ 426,744	+ 156,361	+ 129,824	+ 32,098	+ 33,043	+ 12,178	+ 452	+ 9,121	+ 3,940
2. Investment in securities	- 111,550	+ 64,737	+ 108,388	+ 36,242	+ 2,799	+ 30,225	+ 7,994	+ 12,945	- 35,330
Investment outside the euro area	- 408,986	- 291,027	- 177,846	- 28,796	- 51,392	- 83,562	- 26,439	- 45,023	- 30,716
Equities	- 285,922	- 108,333	- 40,768	- 7,463	+ 9,983	- 23,467	- 5,806	- 14,635	- 8,101
Bonds and notes	- 114,280	- 160,125	- 80,645	- 16,094	- 50,993	- 54,121	- 15,324	- 22,652	- 28,431
Money market paper	- 8,775	- 22,572	- 56,431	- 5,239	- 10,380	- 5,975	- 5,309	- 7,736	+ 5,815
Foreign investment in the euro area	+ 297,430	+ 355,764	+ 286,233	+ 65,038	+ 54,191	+ 113,786	+ 34,433	+ 57,967	- 4,614
Equities	+ 49,940	+ 233,244	+ 88,195	+ 11,781	+ 4,853	+ 20,570	- 9,154	+ 19,551	+ 13,333
Bonds and notes	+ 239,199	+ 115,145	+ 133,502	+ 38,647	+ 49,669	+ 90,758	+ 43,498	+ 46,733	- 16,253
Money market paper	+ 8,288	+ 7,375	+ 64,538	+ 14,612	- 332	+ 2,458	+ 89	- 8,317	- 1,694
3. Financial derivatives	- 3,441	- 3,469	- 13,989	- 4,004	- 92	- 4,477	+ 555	- 384	- 2,835
4. Credit transactions and other investment (balance)	+ 180,810	- 1,133	- 190,680	- 88,376	- 37,472	- 75,270	- 39,584	- 58,541	+ 34,075
Eurosysteem	- 221	+ 5,004	- 1,092	+ 2,075	- 4,951	+ 2,426	+ 1,557	+ 1,109	+ 1,657
Public authorities	- 1,477	+ 2,472	- 8,261	- 720	- 10,173	+ 1,265	- 2,035	- 448	- 871
Credit institutions	+ 158,435	+ 5,913	- 141,168	- 85,754	- 842	- 70,419	- 31,524	- 62,124	+ 46,374
long-term	+ 2,460	- 22,896	+ 21,985	- 2,181	- 4,868	+ 2,589	+ 668	+ 2,443	+ 2,434
short-term	+ 155,969	+ 28,815	- 163,152	- 83,574	+ 4,025	- 73,008	- 32,192	- 64,567	+ 43,940
Enterprises and individuals	+ 24,088	- 14,522	- 40,158	- 3,974	- 21,504	- 8,543	- 7,582	+ 2,921	- 13,084
5. Change in the monetary reserves of the eurosysteem (Increase: -)	+ 17,568	+ 17,815	- 2,235	- 1,317	+ 11,881	+ 2,793	+ 1,438	+ 828	+ 1,610
D. Balance of unclassifiable transactions	- 10,731	+ 34,695	+ 60,923	+ 28,823	+ 25,791	+ 45,799	+ 29,081	+ 16,042	+ 4,067

* Source: European Central Bank. — 1 From January 2001, including Greece.

X Foreign trade and payments

4 Services and factor income of the Federal Republic of Germany (Balances)

Until the end of 1998 DM million, from 1999 € million

Period	Services										Investment income	
	Total	Travel ¹	Trans- portation ²	Financial services	Patents and licences	Government transactions ³	other services					Compen- sation of employees ⁵
							Total	of which		Construction and assembly work, repairs		
								Services of selfemployed persons ⁴				
1998	- 76,062	- 64,465	+ 5,449	+ 3,011	- 4,044	+ 5,462	- 21,474	- 2,586	- 2,484	- 1,584	- 11,753	
1999	- 47,020	- 36,421	+ 2,882	+ 1,005	- 1,896	+ 1,997	- 14,588	- 2,245	- 403	- 756	- 8,843	
2000	- 49,868	- 37,420	+ 3,385	+ 980	- 2,904	+ 2,221	- 16,130	- 2,733	- 782	- 512	- 1,325	
2001	- 51,215	- 37,416	+ 4,144	+ 509	- 2,395	+ 3,488	- 19,545	- 2,536	- 1,123	- 257	- 6,974	
2002	- 38,246	- 35,243	+ 3,032	+ 584	- 1,414	+ 5,257	- 10,461	- 2,026	- 363	- 354	+ 1,105	
2001 Q4	- 7,955	- 6,877	+ 1,129	+ 147	- 563	+ 974	- 2,765	- 640	- 312	- 1	- 198	
2002 Q1	- 11,092	- 6,811	+ 194	- 48	- 440	+ 1,059	- 5,044	- 524	- 388	+ 132	- 2,280	
Q2	- 8,875	- 8,454	+ 1,027	+ 104	- 655	+ 1,228	- 2,126	- 505	- 158	- 148	+ 614	
Q3	- 12,808	- 13,331	+ 717	+ 179	- 442	+ 1,707	- 1,638	- 539	+ 194	- 310	- 1,519	
Q4	- 5,471	- 6,647	+ 1,094	+ 350	+ 123	+ 1,263	- 1,653	- 457	- 10	- 29	+ 4,291	
2003 Q1	- 8,612	- 6,564	+ 751	+ 423	- 216	+ 1,227	- 4,234	- 556	+ 170	+ 173	- 4,511	
Q2	- 8,888	- 7,607	+ 1,296	- 94	- 236	+ 1,202	- 3,449	- 487	+ 6	- 143	- 2,333	
2002 Oct	- 3,869	- 3,400	+ 394	+ 289	- 51	+ 329	- 1,430	- 139	+ 101	- 13	+ 1,963	
Nov	- 1,645	- 1,698	+ 249	+ 7	+ 38	+ 390	- 631	- 145	- 65	- 9	+ 1,574	
Dec	+ 43	- 1,548	+ 451	+ 54	+ 135	+ 544	+ 407	- 173	- 46	- 6	+ 754	
2003 Jan	- 3,920	- 2,658	+ 144	+ 207	- 73	+ 419	- 1,960	- 216	+ 56	+ 59	- 4,966	
Feb	- 2,932	- 1,675	+ 156	+ 149	+ 0	+ 384	- 1,946	- 120	+ 60	+ 52	- 629	
Mar	- 1,760	- 2,231	+ 451	+ 68	- 143	+ 424	- 328	- 221	+ 54	+ 62	+ 1,084	
Apr	- 2,872	- 2,402	+ 375	- 321	- 109	+ 426	- 841	- 196	- 43	- 42	+ 373	
May	- 3,124	- 2,218	+ 290	+ 62	- 55	+ 351	- 1,553	- 136	+ 15	- 50	- 1,119	
June	- 2,892	- 2,987	+ 632	+ 165	- 72	+ 424	- 1,055	- 155	+ 34	- 51	- 1,587	
July	- 4,133	- 3,480	+ 133	+ 135	- 136	+ 467	- 1,252	- 169	+ 156	- 91	- 5,234	
Aug	- 4,724	- 5,031	+ 173	+ 120	- 45	+ 403	- 343	- 110	+ 42	- 107	- 149	

1 From January 2002 figures subject to significant uncertainty. — 2 Excluding the expenditure on freight included in the c.i.f. import value. — 3 Including the receipts from foreign military agencies for goods and ser-

vices supplied. — 4 Engineering and other technical services, research and development, commercial services etc. — 5 Wages and salaries.

5 Current transfers of the Federal Republic of Germany (Balances)

Until the end of 1998 DM million, from 1999 € million

Period	Public ¹						Private ¹			DM million / € million		
	Total	Total	International Organisations ²		other current transfers ³	Total	Remittances by foreign workers	other current transfers	Total ⁴	Public ¹	Private ¹	
			Total	of which European Communities								
1998	- 53,304	- 37,317	- 33,077	- 30,382	- 4,240	- 15,987	- 6,936	- 9,051	+ 1,289	- 2,441	+ 3,730	
1999	- 25,016	- 17,348	- 15,428	- 13,846	- 1,920	- 7,667	- 3,429	- 4,239	- 154	- 1,351	+ 1,197	
2000	- 28,368	- 19,095	- 17,100	- 15,398	- 1,996	- 9,272	- 3,458	- 5,814	- 1,599	- 1,189	- 410	
2001	- 27,432	- 16,927	- 14,257	- 12,587	- 2,670	- 10,505	- 3,520	- 6,985	- 387	- 1,361	+ 974	
2002	- 26,555	- 15,644	- 12,416	- 11,214	- 3,227	- 10,911	- 3,470	- 7,441	- 212	- 1,416	+ 1,204	
2001 Q4	- 7,371	- 4,779	- 3,720	- 3,543	- 1,059	- 2,592	- 880	- 1,712	- 479	- 455	- 24	
2002 Q1	- 5,128	- 2,315	- 1,256	- 832	- 1,059	- 2,813	- 868	- 1,946	+ 160	- 229	+ 389	
Q2	- 8,550	- 5,262	- 5,254	- 4,997	- 8	- 3,289	- 868	- 2,421	- 75	- 274	+ 199	
Q3	- 5,457	- 3,585	- 2,746	- 2,387	- 838	- 1,873	- 868	- 1,005	+ 62	- 348	+ 410	
Q4	- 7,419	- 4,483	- 3,161	- 2,998	- 1,322	- 2,936	- 868	- 2,069	- 359	- 565	+ 207	
2003 Q1	- 5,321	- 3,310	- 2,294	- 1,628	- 1,016	- 2,011	- 833	- 1,178	+ 5	- 233	+ 238	
Q2	- 7,896	- 5,411	- 5,373	- 4,789	- 37	- 2,486	- 833	- 1,653	+ 152	- 276	+ 427	
2002 Oct	- 3,356	- 2,107	- 1,538	- 1,472	- 569	- 1,249	- 289	- 960	- 82	- 104	+ 22	
Nov	- 2,291	- 1,456	- 996	- 953	- 460	- 836	- 289	- 547	- 137	- 248	+ 111	
Dec	- 1,772	- 920	- 627	- 572	- 293	- 852	- 289	- 562	- 139	- 213	+ 74	
2003 Jan	- 759	- 247	+ 94	+ 517	- 341	- 512	- 278	- 234	+ 475	- 104	+ 580	
Feb	- 2,647	- 1,889	- 1,499	- 1,296	- 390	- 758	- 278	- 480	- 504	- 87	- 416	
Mar	- 1,916	- 1,174	- 889	- 850	- 285	- 742	- 278	- 464	+ 33	- 41	+ 74	
Apr	- 2,640	- 1,915	- 1,754	- 1,712	- 161	- 725	- 278	- 447	- 123	- 70	- 53	
May	- 2,390	- 1,476	- 1,647	- 1,565	+ 171	- 914	- 278	- 636	+ 156	- 90	+ 246	
June	- 2,867	- 2,020	- 1,972	- 1,512	- 48	- 847	- 278	- 569	+ 119	- 115	+ 234	
July	- 2,850	- 2,095	- 1,655	- 1,491	- 441	- 754	- 278	- 477	+ 62	- 84	+ 147	
Aug	- 2,755	- 2,074	- 1,602	- 1,575	- 472	- 680	- 278	- 403	+ 226	- 72	+ 298	

1 The classification of "public" and "private" transfers depends on which sector the participating domestic body belongs to. — 2 Current contributions to the budgets of international organisations and to the EU budget

(excluding capital transfers). — 3 Payments to developing countries, pension payments, tax revenue and refunds, etc. — 4 Where identifiable; in particular, debt forgiveness.

X Foreign trade and payments

7 Financial account of the Federal Republic of Germany

€ million

Item	2000	2001	2002	2002		2003				
				Q3	Q4	Q1	Q2	June	July	Aug
I. Net German investment abroad (Increase/capital exports: -)	- 355,670	- 270,851	- 258,451	- 93,592	- 26,547	- 95,947	- 63,257	- 17,018	- 1,523	+ 24,640
1. Direct investment ¹	- 60,030	- 36,314	- 28,700	- 16,437	- 6,256	- 16,036	+ 14,170	+ 6,996	- 5,443	+ 1,933
Equity capital	- 59,125	- 61,618	- 46,821	- 12,158	- 5,102	- 7,471	- 1,557	- 885	- 150	- 216
Reinvested earnings ²	+ 1,671	+ 13,949	- 2,630	- 652	- 661	-	-	-	-	-
Credit transactions of German direct investors	+ 3,281	+ 16,360	+ 27,883	- 1,578	+ 1,727	- 6,787	+ 17,512	+ 8,326	- 4,291	+ 2,512
Other capital	- 5,857	- 5,005	- 7,132	- 2,050	- 2,220	- 1,778	- 1,785	- 444	- 1,002	- 363
2. Portfolio investment	- 203,368	- 129,559	- 69,036	- 8,305	- 9,436	+ 5,562	- 20,019	- 15,072	- 1,217	- 1,252
Equities ³	- 102,252	- 15,614	- 5,330	+ 6,440	- 5,448	+ 14,707	- 816	- 9,789	- 2,544	- 215
Investment fund certificates ⁴	- 32,516	- 19,701	- 6,784	- 1,275	+ 576	- 3,100	- 101	+ 23	- 104	- 224
Bonds and notes ⁵	- 70,251	- 95,098	- 50,806	- 10,521	- 7,185	- 9,616	- 20,576	- 3,646	+ 2,796	+ 1,665
Money market instruments	+ 1,651	+ 853	+ 6,116	- 2,949	+ 2,622	+ 3,571	+ 1,474	- 1,661	- 1,365	- 2,479
3. Financial derivatives ⁶	- 5,490	+ 6,278	- 533	- 3,838	+ 340	+ 2,865	- 2,089	+ 2,093	+ 1,217	+ 333
4. Credit transactions	- 84,596	- 109,871	- 158,634	- 64,670	- 10,909	- 87,752	- 54,678	- 10,847	+ 4,123	+ 23,702
Credit institutions ⁷	- 101,533	- 130,648	- 130,536	- 45,819	- 30,296	- 74,254	- 66,528	- 11,126	+ 26,711	+ 19,138
Long-term	- 40,156	- 47,636	- 31,790	- 4,224	- 9,514	- 11,479	- 8,019	+ 851	- 2,823	- 2,755
Short-term	- 61,378	- 83,012	- 98,746	- 41,595	- 20,782	- 62,774	- 58,509	- 11,978	+ 29,534	+ 21,892
Enterprises and individuals	- 5,116	- 19,217	+ 744	+ 4,698	+ 18,746	- 17,690	- 8,193	+ 3,615	- 5,890	+ 7,065
Long-term	+ 91	- 1,857	- 400	+ 93	- 384	- 756	- 492	- 75	- 155	- 193
Short-term ⁷	- 5,207	- 17,360	+ 1,144	- 4,791	+ 19,130	- 16,934	- 7,701	+ 3,690	- 5,735	+ 7,258
General government	- 19,920	+ 15,980	+ 7,168	+ 4,249	- 368	+ 950	- 547	+ 239	- 318	+ 413
Long-term	- 1,079	+ 257	+ 218	+ 61	+ 14	+ 309	- 5	+ 50	+ 53	+ 221
Short-term ⁷	- 18,841	+ 15,723	+ 6,950	+ 4,310	- 382	+ 641	- 541	+ 189	- 370	+ 192
Bundesbank	+ 41,972	+ 24,015	- 36,010	- 18,402	+ 1,009	+ 3,242	+ 20,590	- 3,575	- 16,380	- 2,914
5. Other investment ⁸	- 2,185	- 1,385	- 1,549	- 341	- 287	- 588	- 641	- 188	- 203	- 76
II. Net foreign investment in Germany (Increase/capital imports: +)	+ 391,974	+ 249,433	+ 172,348	+ 74,101	- 20,668	+ 79,998	+ 34,722	+ 4,252	+ 2,277	- 30,127
1. Direct investment ¹	+ 218,184	+ 23,990	+ 35,635	+ 2,305	+ 5,655	+ 8,454	+ 9,475	+ 8,775	+ 3,355	+ 2,842
Equity capital	+ 121,532	+ 30,089	+ 26,985	+ 2,576	+ 1,754	+ 9,064	+ 2,900	+ 902	+ 587	+ 2,275
Reinvested earnings ²	- 5,839	- 17,513	- 8,379	- 2,098	- 2,091	- 900	- 900	- 300	- 300	- 300
Credit transactions of foreign direct investors	+ 102,826	+ 11,558	+ 17,225	+ 1,924	+ 6,034	+ 385	+ 7,540	+ 8,196	+ 3,084	+ 871
Other capital	- 335	- 143	- 197	- 97	- 41	- 96	- 66	- 23	- 16	- 4
2. Portfolio investment	+ 47,583	+ 156,175	+ 105,998	+ 41,564	- 2,894	+ 30,557	+ 25,964	+ 10,737	+ 398	- 4,404
Equities ³	- 35,923	+ 88,638	+ 16,844	- 428	+ 2,533	- 2,580	+ 2,331	+ 5,897	+ 956	+ 1,731
Investment fund certificates	+ 11,000	+ 1,105	- 241	+ 975	- 1,271	- 901	- 58	+ 12	- 640	+ 754
Bonds and notes ⁵	+ 73,955	+ 81,246	+ 79,231	+ 24,075	- 563	+ 22,682	+ 23,979	+ 9,848	+ 3,343	+ 2,422
Money market instruments	- 1,450	- 14,815	+ 10,164	+ 16,942	- 3,593	+ 11,355	- 289	- 5,020	- 3,261	- 9,311
3. Credit transactions	+ 125,945	+ 69,221	+ 30,641	+ 30,191	- 23,422	+ 40,983	- 742	- 15,261	- 1,468	- 28,584
Credit institutions ⁷	+ 115,294	+ 54,341	+ 28,321	+ 28,422	- 19,542	+ 41,251	- 502	- 15,226	- 3,626	- 29,637
Long-term	+ 15,665	+ 4,425	+ 18,247	+ 5,534	+ 3,244	- 3,099	- 158	- 1,322	+ 435	- 4,112
Short-term	+ 99,629	+ 49,916	+ 10,075	+ 22,888	- 22,786	+ 44,350	- 344	- 13,904	- 4,061	- 25,525
Enterprises and individuals	+ 9,711	+ 11,412	+ 3,334	+ 1,506	- 3,083	- 2,278	- 1,951	- 664	+ 1,681	+ 212
Long-term	+ 4,014	+ 11,351	+ 5,142	+ 1,472	+ 1,444	- 6,014	+ 1,006	+ 772	+ 490	+ 1,219
Short-term ⁷	+ 5,698	+ 61	- 1,807	+ 34	- 4,527	+ 3,736	- 2,958	- 1,436	+ 1,191	- 1,007
General Government	+ 526	+ 837	- 1,667	- 466	+ 12	+ 313	+ 1,683	+ 1	+ 675	+ 268
Long-term	- 372	- 217	- 112	+ 541	- 159	+ 3,407	- 138	+ 55	- 51	- 33
Short-term ⁷	+ 898	+ 1,054	- 1,555	- 1,007	+ 171	- 3,094	+ 1,821	- 54	+ 726	+ 301
Bundesbank	+ 414	+ 2,631	+ 653	+ 728	- 809	+ 1,697	+ 28	+ 628	- 198	+ 574
4. Other investment	+ 263	+ 47	+ 74	+ 42	- 8	+ 5	+ 25	+ 2	- 8	+ 20
III. Balance of all statistically recorded financial movements (Net capital exports: -)	+ 36,305	- 21,419	- 86,103	- 19,490	- 47,215	- 15,950	- 28,535	- 12,766	+ 754	- 5,487

¹ From 1996, new definition for direct investment. — ² Estimated. — ³ Including participation rights. — ⁴ From 1991 including accumulated earnings. — ⁵ From 1975 excluding accrued interest. — ⁶ Options, whether or not evidenced by securities, and financial futures contracts. — ⁷ The trans-

action values shown here are mostly derived from changes in stocks. As far as possible, purely statistical changes have been eliminated. — ⁸ In particular, subscriptions of the Federal Government to International Organisations.

X Foreign trade and payments

8 External position of the Bundesbank *

DM million

End of year or month	Monetary reserves and other claims on non-residents						Liabilities to non-residents				Net external position (col. 1 less col. 8)
	Total	Monetary reserves				Loans and other claims on non- residents 3	Total	Liabilities arising from external trans- actions 4	Liabilities arising from liquidity Treasury discount paper		
		Total	Gold	Foreign currency balances 1	Reserve position in the Inter- national Monetary Fund and special drawing rights					Claims on the ECB 2 (net)	
1	2	3	4	5	6	7	8	9	10	11	
1990	106,446	104,023	13,688	64,517	7,373	18,445	2,423	52,259	52,259	–	54,188
1991	97,345	94,754	13,688	55,424	8,314	17,329	2,592	42,335	42,335	–	55,010
1992	143,959	141,351	13,688	85,845	8,199	33,619	2,608	26,506	26,506	–	117,453
1993	122,763	120,143	13,688	61,784	8,496	36,176	2,620	39,541	23,179	16,362	83,222
1994	115,965	113,605	13,688	60,209	7,967	31,742	2,360	24,192	19,581	4,611	91,774
1995	123,261	121,307	13,688	68,484	10,337	28,798	1,954	16,390	16,390	–	106,871
1996	120,985	119,544	13,688	72,364	11,445	22,048	1,441	15,604	15,604	–	105,381
1997	127,849	126,884	13,688	76,673	13,874	22,649	966	16,931	16,931	–	110,918
1998	135,085	134,005	17,109	100,363	16,533	–	1,079	15,978	15,978	–	119,107

* Valuation of the gold holdings and the claims on non-residents according to section 26 (2) of the Bundesbank Act and the provisions of the Commercial Code, especially section 253. In the course of the year, valuation at the balance sheet rates of the preceding year. — 1 Mainly US dollar assets. — 2 European Central Bank (until 1993 claims on the European

Monetary Cooperation Fund – EMCF). — 3 Including loans to the World Bank. — 4 Including liquidity paper sold to non-residents by the Bundesbank; excluding the liquidity Treasury discount paper sold to non-residents between March 1993 and March 1995, as shown in column 10.

9 External position of the Bundesbank in the European monetary union °

€ million

End of year or month	Monetary reserves and other claims on non-residents						Other claims on non-euro- area residents 1 3	Claims within the Eurosistem (net) 2	Other claims on residents in other EMU member countries	Liabilities to non- residents 3	Net external position of the Bundesbank (col. 1 less col. 9)
	Total	Monetary reserves				Foreign currency reserves					
		Total	Gold and gold receivables	Reserve position in the Inter- national Monetary Fund and special drawing rights	Foreign currency reserves						
1	2	3	4	5	6	7	8	9	10		
1999 Jan 4	95,316	93,940	29,312	8,461	56,167	140	1,225	11	8,169	87,146	
1999	141,958	93,039	32,287	8,332	52,420	9,162	39,746	11	6,179	135,779	
2000	100,762	93,815	32,676	7,762	53,377	313	6,620	14	6,592	94,170	
2001	76,147	93,215	35,005	8,721	49,489	312	17,385	5	8,752	67,396	
2002	103,948	85,002	36,208	8,272	40,522	312	18,466	167	9,005	94,942	
2002 Apr	106,936	94,779	38,072	8,205	48,502	312	11,842	2	9,298	97,638	
May	100,886	91,942	38,649	8,040	45,253	312	8,630	2	8,448	92,438	
June	88,199	86,649	35,435	8,848	42,366	312	1,236	1	9,219	78,980	
July	105,187	87,718	34,596	8,897	44,225	312	17,156	1	10,163	95,025	
Aug	110,682	87,466	35,197	8,797	43,471	312	22,902	1	9,432	101,250	
Sep	108,889	88,937	36,225	8,751	43,961	312	19,639	1	9,966	98,923	
Oct	112,748	87,441	35,530	8,594	43,317	312	24,993	2	9,473	103,276	
Nov	108,615	87,610	35,517	8,542	43,551	312	20,688	5	10,272	98,343	
Dec	103,948	85,002	36,208	8,272	40,522	312	18,466	167	9,005	94,942	
2003 Jan	98,272	85,235	37,934	8,023	39,278	312	12,237	488	9,898	88,374	
Feb	95,491	83,685	35,721	8,008	39,956	312	11,001	493	9,669	85,822	
Mar	98,240	82,530	34,100	8,348	40,083	312	14,908	490	10,599	87,641	
Apr	93,702	79,453	33,442	8,123	37,888	312	13,496	441	9,126	84,575	
May	70,456	78,904	34,252	7,871	36,781	312	9,216	455	9,818	60,638	
June	73,550	78,425	33,435	8,292	36,698	312	5,663	476	10,537	63,014	
July	90,714	79,218	34,759	8,289	36,170	312	10,710	474	10,375	80,339	
Aug	98,605	84,197	37,546	8,583	38,068	312	13,592	504	11,060	87,545	
Sep	91,894	81,206	36,491	8,492	36,223	312	9,902	474	10,879	81,016	

° Claims and liabilities vis-à-vis all countries within and outside EMU. Until December 2000, the levels at the end of each quarter are shown, by virtue of revaluations, at market prices; within each quarter, however, the levels are computed on the basis of cumulative transaction values. From January 2001 onwards, all end-of-month levels will be valued at market prices. — 1 Including loans to the World Bank. — 2 Including the balances in the

Deutsche Bundesbank's cross-border payments within the Eurosistem. From November 2000 including the TARGET positions which were previously shown (in columns 6 and 9) as bilateral assets and liabilities vis-à-vis national central banks outside the Eurosistem. — 3 See footnote 2. — 4 Euro opening balance sheet of the Bundesbank as at January 1, 1999.



Overview of publications by the Deutsche Bundesbank

This overview provides information about selected recent economic and statistical publications by the Deutsche Bundesbank. Unless otherwise indicated, these publications are available in both English and German, in printed form and on the internet.

The publications are available free of charge from the Press and Public Relations Division. For a small fee to cover costs, a file which is updated monthly and contains approximately 40,000 time series published by the Bundesbank can be obtained on magnetic tape cassette or ZIP disk from the Division Statistical data processing, mathematical methods. Orders should be sent, in writing, to one of the addresses listed on the reverse of the title page. Selected time series can also be downloaded from the internet.

Annual Report

Monthly Report

For information on the articles published between 1990 and 2002 see the index attached to the January 2003 *Monthly Report*.

November 2002

- The economic scene in Germany in autumn 2002

December 2002

- Recent tax revenue trends

- Macroeconomic development of earnings and costs since the early 1990s
- Developments in the external economic relations of the EU accession countries in central and eastern Europe
- Reports from the Economic Research Centre

January 2003

- Reserve assets: their development and importance in monetary union
- Role and importance of interest rate derivatives
- The new “Minimum requirements for the credit business of credit institutions” and Basel II
- Reports from the Economic Research Centre

February 2003

- The economic scene in Germany around the turn of 2002-03

March 2003

- The Eurosystem’s monetary policy framework – experience to date and measures to improve its efficiency
- Macroeconomic aspects of share price developments
- The development of production potential in Germany
- German balance of payments in 2002

April 2003

- The development of public finances in Germany following qualification for European monetary union
- The development of bank deposits in Germany
- German enterprises’ profitability and financing in 2001
- Financial sanctions: legal framework and implementation in Germany

May 2003

- The economic scene in Germany in spring 2003

June 2003

- The debate on deflationary risks in Germany
- Overall financial flows in 2002
- The development of German enterprises’ international capital links between end-1998 and end-2001
- German results of euro-area bank lending survey
- Monetary policy: how relevant are other policy-makers? Bundesbank Spring Conference 2003

July 2003

- Economic and monetary policy cooperation between the EU and the acceding countries following the signature of the accession treaty
- The state of public finance in the EU acceding countries
- Financial markets in central and east European countries before accession to the EU
- Reports from the Economic Research Centre

August 2003

- The economic scene in Germany in summer 2003

September 2003

- The performance of German credit institutions in 2002
- Price indicators for the housing market
- Approaches to the validation of internal rating systems

October 2003

- Germany’s competitive position and foreign trade within the euro area
- The economic situation of small and medium-sized enterprises in Germany
- Development and significance of education expenditure in Germany

Statistical Supplements to the Monthly Report¹

- 1 Banking statistics (monthly)
- 2 Capital market statistics (monthly)
- 3 Balance of payments statistics (monthly)
- 4 Seasonally adjusted business statistics (monthly)
- 5 Exchange rate statistics (quarterly)

Special Publications

- The monetary policy of the Bundesbank, October 1995²
- Makro-ökonomisches Mehr-Länder-Modell, November 1996³
- Europäische Organisationen und Gremien im Bereich von Währung und Wirtschaft, May 1997³
- Die Zahlungsbilanz der ehemaligen DDR 1975 bis 1989, August 1999³
- The market for German Federal securities, May 2000
- Macro-Econometric Multi-Country Model: MEMMOD, June 2000
- Bundesbank Act, September 2002
- Die Europäische Wirtschafts- und Währungsunion, December 2002³
- Weltweite Organisationen und Gremien im Bereich von Währung und Wirtschaft, March 2003³

Special Statistical Publications

- 1 Banking statistics guidelines and customer classification, July 2003^{4,5}

- 2 Bankenstatistik Kundensystematik Firmenverzeichnisse, June 2003^{3,6}
- 3 Aufbau der bankstatistischen Tabellen, January 2000³
- 4 Financial accounts for Germany 1991 to 2002, September 2003⁷
- 5 Annual accounts of west German enterprises 1971 to 1996, March 1999¹
- 6 Ratios from annual accounts of German enterprises between 1998 and 2000, March 2003^{1,7}
- 7 Erläuterungen zu den Leistungspositionen der Zahlungsbilanz, September 2001³
- 8 Balance of payments statistics of the Federal Republic of Germany, 2nd edition, February 1991^o
- 9 Securities deposits, September 2003
- 10 International capital links, June 2003^{1,7}
- 11 Balance of payments by region, August 2003
- 12 Technologische Dienstleistungen in der Zahlungsbilanz, May 2002³

^o Not available on the internet.

¹ Only the headings and explanatory notes to the data contained in the German originals are available in English.

² Also available in French, Spanish, Russian and Chinese.

³ Available in German only.

⁴ Only the sections "Monthly Balance Sheet Statistics", "External position" and "Customer classification" ("Overall survey on sectoral classification", "Survey on breakdown by industry or activity" and "Explanatory notes on the system of customer classification by industry or activity") are available in English.

⁵ Current version only available on the internet at half-yearly intervals.

⁶ Current version only available on the internet at quarterly intervals.

⁷ Available on the internet only.

Discussion papers by the Economic Research Centre

February 2003	05/03
A comparison of dynamic panel data estimators: Monte Carlo evidence and an application to the investment function	
March 2003	06/03
A Vectorautoregressive Investment Model (VIM) and Monetary Policy Transmission: Panel Evidence from German Firms	
March 2003	07/03
Die internationale Integration der Geldmärkte in den mittel- und osteuropäischen Beitrittsländern: Abweichungen von der gedeckten Zinsparität, Kapitalverkehrskontrollen und Ineffizienten des Finanzsektors	
March 2003	08/03
Die internationale Integration der Devisenmärkte in den mittel- und osteuropäischen Beitrittsländern: Spekulative Effizienz, Transaktionskosten und Wechselkursprämien	
March 2003	09/03
Determinants of German FDI: New Evidence from Micro-Data	
March 2003	10/03
On the Stability of Different Financial Systems	
April 2003	11/03
Determinants of German Foreign Direct Investment in Latin American and Asian Emerging Markets in the 1990s	
June 2003	12/03
Active monetary policy, passive fiscal policy and the value of public debt: some further monetary arithmetic	

June 2003 13/03
Bidder Behavior in Repo Auctions without Minimum Bid Rate: Evidence from the Bundesbank

June 2003 14/03
Did the Bundesbank React to Stock Price Movements?

15/2003
Money in a New-Keynesian model estimated with German data

16/2003
Exact tests and confidence sets for the tail coefficient of α -stable distributions

Earlier discussion papers are available on the internet, in some cases as abstracts.

Banking legislation

1 Bundesbank Act and Statute of the European System of Central Banks and of the European Central Bank, June 1998

2 Gesetz über das Kreditwesen, February 2001³

2a Grundsatz I über die Eigenmittel der Institute, January 2001³

2b Grundsatz II über die Liquidität der Institute, August 1999³

7 Instruction sheet for the reporting of large exposures and loans of 3 million Deutsche Mark or more pursuant to sections 13 to 14 of the Banking Act, September 1998

For footnotes, see p 79*.