

EUROPEAN ECONOMY

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Economic trends

*In this number:
Quarterly national accounts:
third quarter 1983*

Marginal increase in the Community's GDP in the third quarter of 1983. — According to estimates based on quarterly national accounts for the four largest Member States, the Community's GDP in the third quarter of 1983 rose in real terms by 0,8% (seasonally adjusted, annual rate) over the previous quarter following a quasi-stagnation in the second quarter. The sluggishness of output growth in the third quarter mainly reflected trends in domestic demand: gross fixed investment rose by 2,4% but public consumption fell for the second consecutive quarter and private consumption stagnated after only small gains in the first and second quarters of the year. Final domestic demand excluding changes in stocks consequently rose at only 0,3% at annual rate. With stockbuilding rising to the tune of 0,3% of GDP total domestic demand expanded at a rate of 0,6%. Exports of goods and services fell marginally but an even larger fall was recorded on the side of imports and the real external balance improved at a rate corresponding to 0,2% of GDP (Table 1).

As in the previous quarters, developments showed large divergencies between the various Member States. In Germany GNP rose by only 0,6% in the third quarter after substantially higher gains in the preceding two quarters. The failure of German GNP to maintain its momentum in the third quarter was attributable both to a decline in exports and to a drop in consumption. Indeed, private consumption showed a fall of 1,6% and public consumption slowed by as much as 4,4%. Despite a rise of 3,8% in gross fixed asset formation, domestic final demand, excluding stockbuilding, therefore fell at an annual rate of 1,1%. Stockbuilding, on the other hand, rose strongly and total domestic demand, in fact, expanded by 1,9%. Despite the rise in stocks, imports of goods and services fell, but the decline in exports was even faster and the external balance deteriorated at a rate corresponding to 1,1% of GDP leaving only a modest net increase in expenditure on domestic output. In France, where GDP had shown an increase of 1,8% in the second quarter, a decline of 1,7% was recorded in the third quarter. Domestic demand fell by as much as 5,6%, or only slightly less than the 5,9% decline seen in the second quarter, as both stockbuilding, gross fixed investment and private consumption contracted. With a 8,7% (annual rate) rise in exports

of goods and services and a fall in imports of a similar order of magnitude, the external balance in volume terms improved strongly albeit less than in the previous quarter and not enough to compensate the decline in domestic demand.

A 2,7% increase in GDP was recorded in the United Kingdom in the third quarter: the real external balance deteriorated slightly (0,4% of GDP) but domestic demand rose at a good rate (3,2%) reflecting mainly the buoyancy of gross fixed asset formation and private consumption; stockbuilding and public consumption, in fact, changed little over the previous quarter.

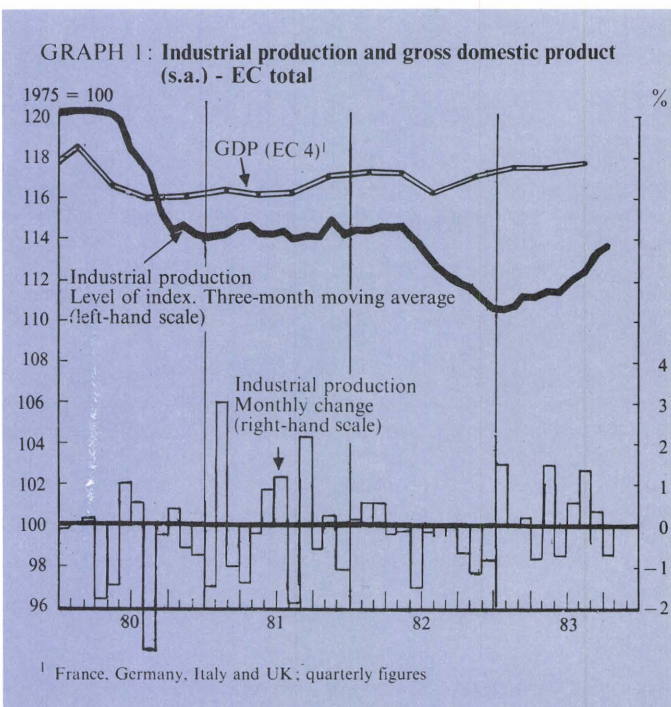


TABLE 1: Major supply and demand components at constant prices
(Percentage change on preceding period, annual rates; seasonally adjusted)

	GDP ¹	Imports ²	Exports ²	Foreign balance ^{1,2}	Domestic demand	Change in stocks ³	Final domestic demand	Gross fixed investment	Government consumption	Private consumption
EC 4										
1980 Q1	3,6	11,6	11,1	-0,2	3,8	-0,4	4,3	4,4	2,7	4,8
Q2	-5,0	-9,2	-10,7	-0,4	-4,6	-0,3	-4,4	-8,8	1,8	-4,5
Q3	-1,5	-6,9	-6,8	0,1	-1,5	-3,1	1,6	-1,1	2,4	2,4
Q4	0,1	-0,6	1,5	0,5	-0,4	-0,8	0,4	0,1	0,7	0,4
1981 Q1	0,5	-0,7	8,5	2,4	-1,8	-1,3	-0,5	-7,2	5,6	0,0
Q2	-1,6	-2,0	12,1	3,7	-5,1	-4,1	-1,0	-2,8	-4,7	0,7
Q3	1,8	11,0	13,0	0,6	1,2	-0,5	1,7	0,2	5,3	1,2
Q4	2,9	5,4	10,1	1,3	1,6	2,8	-1,3	-3,9	-1,4	-0,4
1982 Q1	0,3	5,3	-6,9	-3,4	3,8	3,4	0,4	-4,4	3,1	1,2
Q2	0,0	2,1	-3,6	-1,6	1,7	1,2	0,5	1,6	-1,8	0,8
Q3	-3,2	-9,3	-7,4	0,5	-3,7	-3,1	-0,6	-0,5	-1,3	-0,5
Q4	2,6	-2,8	8,4	3,0	-0,4	-2,6	2,2	2,1	2,6	2,2
1983 Q1	1,9	6,8	-4,8	-3,1	5,2	5,1	0,1	-5,0	3,3	0,8
Q2	-0,2	0,3	3,8	1,0	-1,2	-1,6	0,5	0,6	-0,6	0,8
Q3	0,8	-1,8	-0,9	0,2	0,6	0,3	0,3	2,4	-1,3	0,1
Federal Republic of Germany										
1982 Q1	-3,6	16,5	-4,0	-5,7	2,3	6,1	-3,9	-17,6	4,6	-1,6
Q2	-0,5	-7,1	-1,5	1,7	-2,2	0,1	-2,4	7,5	-6,2	-4,3
Q3	-3,0	-8,4	-8,1	-0,3	-2,9	-0,6	-2,3	4,0	-3,8	-3,9
Q4	-0,6	-7,4	4,7	3,8	-4,5	-5,3	1,1	5,3	0,7	-0,2
1983 Q1	2,5	6,0	-5,2	-3,4	6,4	5,1	1,0	-15,5	6,4	7,5
Q2	4,3	10,2	0,4	-2,7	7,5	2,5	4,8	24,5	1,3	-0,2
Q3	0,6	-4,7	-7,5	-1,1	1,9	2,8	-1,1	3,8	-4,4	-1,6
France										
1982 Q1	0,6	-5,6	-19,2	-3,6	4,3	-0,3	4,6	2,7	1,1	6,0
Q2	2,8	16,1	-11,6	-6,3	9,5	5,2	4,3	6,8	2,2	3,9
Q3	-2,2	-7,6	10,4	4,3	-6,1	-5,3	-1,0	-3,2	0,0	-0,4
Q4	3,7	1,2	14,8	3,0	0,7	-0,7	1,4	-5,8	2,1	3,7
1983 Q1	-1,4	8,9	-18,1	-6,5	5,4	5,1	0,3	4,1	2,1	-1,3
Q2	1,8	-18,7	13,7	8,2	-5,9	-4,4	-1,7	-12,6	0,0	1,7
Q3	-1,7	-8,0	8,7	4,0	-5,6	-4,1	-1,5	-0,7	1,1	-2,3
United Kingdom⁴										
1982 Q1	2,4	-0,7	-5,6	-1,4	4,0	1,4	2,5	19,9	4,2	-2,2
Q2	2,0	7,0	5,6	-0,2	2,3	1,3	1,0	-9,3	0,1	4,3
Q3	0,2	-15,5	-14,0	0,2	0,1	-5,8	6,3	18,0	0,3	5,5
Q4	10,5	-0,4	17,6	4,6	5,9	-0,5	6,3	2,1	7,8	7,0
1983 Q1	5,7	20,0	-3,8	-5,5	12,0	9,0	2,6	13,3	8,3	-2,1
Q2	-5,9	4,9	-5,5	-2,7	-3,4	-4,2	0,9	-10,1	-6,0	6,7
Q3	2,7	3,2	1,6	-0,4	3,2	0,0	3,1	5,1	-0,4	3,8
Italy										
1982 Q1	5,9	7,2	4,0	-0,5	6,7	6,3	-0,1	-6,7	0,8	1,9
Q2	-5,6	-2,6	-7,8	-1,5	-4,4	-3,4	-0,8	-9,1	0,9	1,1
Q3	-8,7	-5,9	-20,1	-4,1	-4,9	-1,1	-3,9	-18,8	0,8	-0,7
Q4	-0,7	-1,5	-1,7	-0,1	-0,7	-2,0	1,4	12,1	0,8	-1,0
1983 Q1	2,5	-8,7	19,7	6,5	-3,9	0,5	-4,4	-13,8	3,4	-3,6
Q2	-6,6	7,6	11,1	1,1	-8,0	-3,2	-4,7	-8,0	1,8	-5,4
Q3	3,7	9,3	0,7	-1,7	5,8	2,6	3,0	2,4	1,9	3,4

¹ FR of Germany: GNP.

² Goods and services; including intra-Community trade; FR of Germany: including factor incomes.

³ Change on previous period as a percentage of previous period's GDP.

⁴ The GDP series for the United Kingdom present the estimates from the expenditure side. The estimates from the output side give, for the period considered, substantially different results:

GDP change estimated from the side of	1982				1983		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Expenditure	2,4	2,0	0,2	10,5	5,7	-5,9	2,7
Output	-0,4	2,9	2,0	0,8	3,2	0,0	4,9

Source: Estimates by the Commission services based on national accounts data for the Federal Republic of Germany (Bundesbank), France (INSEE), Italy (ISCO) and the United Kingdom (CSO). Figures for Germany do not include the adjustment for calendar irregularities.

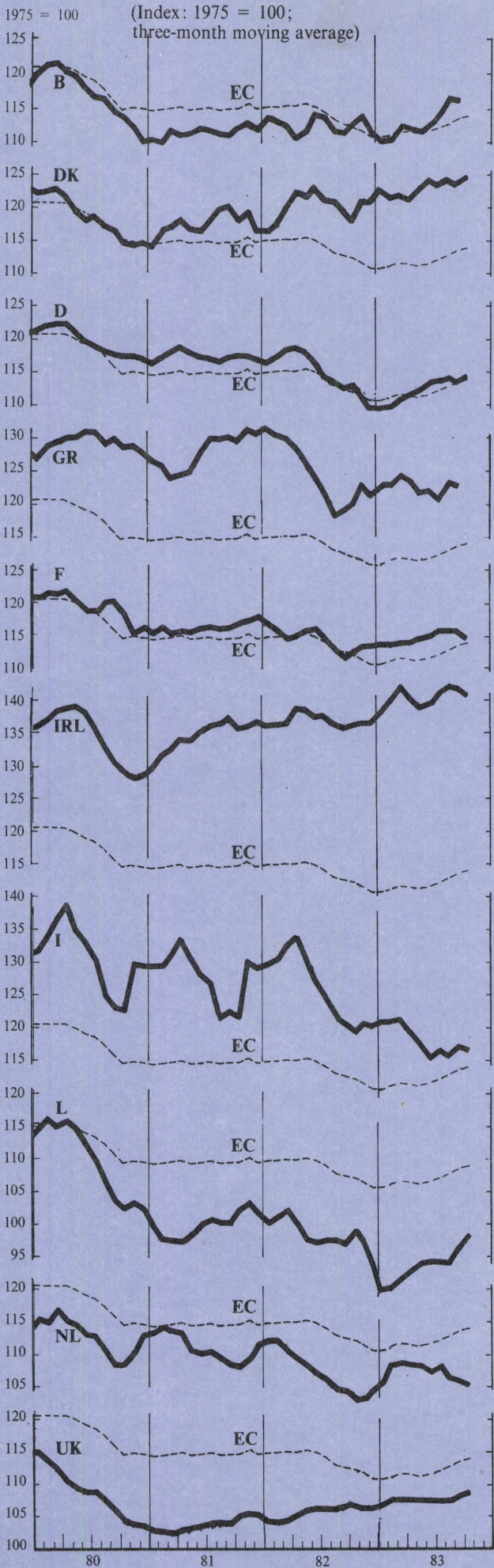
Italy recorded a 3,7% rise in GDP in the third quarter following, however, a sharp decline in the previous quarter. The foreign balance deteriorated by 1,7% of GDP (or even more than in the UK) but domestic demand rose at an annual rate of 5,8%, as, presumably, all major demand components showed a certain buoyancy after the more sluggish trends during the preceding quarters.

Industrial production down in October 1983. — Industrial production in the Community, seasonally adjusted, according to provisional Eurostat estimates, fell by 0,7% from September to October after a small increase the month before. The trend of industrial output - measured as the moving average over three months of the seasonally adjusted index rose further, much in line with the general upward tendency seen since the beginning of the year. The level of industrial production in October was up by 1,6% over a year earlier as compared to 12-month increases of (15,8) and (8,2%) in the United States and Japan, respectively (Table A.1)¹

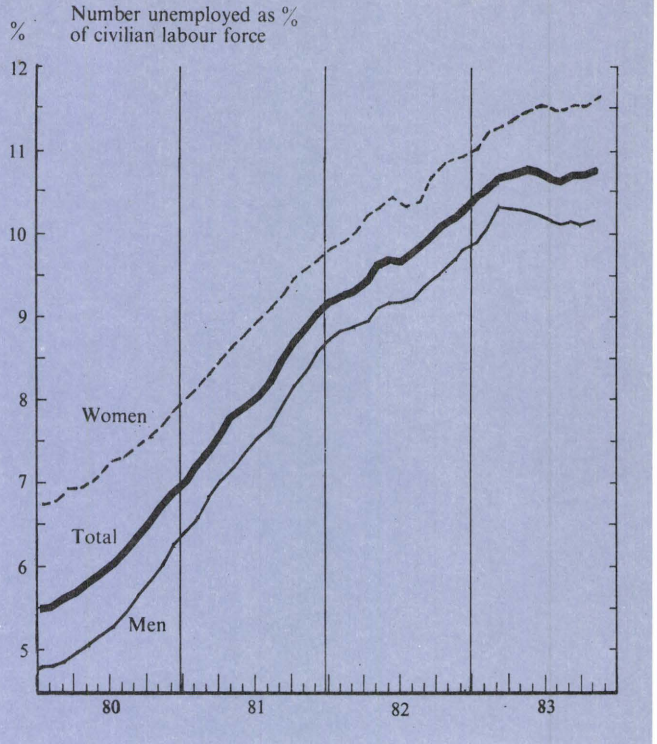
¹ Past figures for Germany and, as a result, also for the EC as a whole have been substantially revised as a result of a change of base year (from 1975 to 1980).

Within the Community, industrial output developments have been rather disparate with some Member States (Belgium, Denmark, Germany, Ireland, Luxembourg, the Netherlands and the United Kingdom) recording fairly large increases over 12 months, while in others (Greece, France and Italy) output in October was lower than during the corresponding month of 1982. In Belgium, industrial production in September was 2,9% higher than a year earlier and the trend - although flattening in September appears to remain on the rise (Graph 2). In Denmark, despite a decline of 5,3% in October, industrial production stood 4,1% higher than a year earlier and seemed to remain on a rising trend. German industrial production, following the relatively fast recovery in the first half of 1983, stalled in the third quarter but the level of October was nevertheless 3,8% higher than in October 1982. In Ireland the October level showed a 12-month increase close to that of Denmark but this mainly reflected a pronounced increase in the first quarter of 1983: in the subsequent period, the trend has been rather stagnant. In the Netherlands industrial output in October was some 2,8% higher than a year earlier, but the trend has been declining in recent months.

GRAPH 2: Industrial production (s.a.)



GRAPH 3: Unemployment (s.a.), EC 9



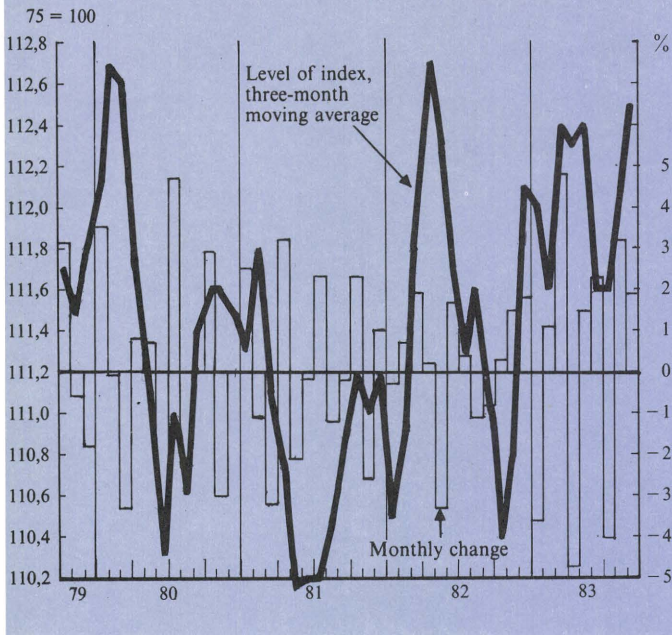
In Greece output has been stagnating during most of 1983 and in September was slightly lower than in September 1982. France, on the other hand, recorded a modest increase in industrial production during the four quarters to July-September 1983 but in September and October showed large declines, the October level falling 0,8% below the previous year's level. In Italy, the large decline in industrial output in the second quarter of 1983 has not been compensated for in subsequent months and output in October stood 1,1% below the level of October 1982.

Stabilization of unemployment rate confirmed. — The rate of unemployment in the Community rose by only one tenth of a point to 10,8% (seasonally adjusted) in November. The less adverse trend of unemployment over the past few months thus seems to have been confirmed in November. In two of the larger Member States, the Federal Republic of Germany and the United Kingdom, rates of unemployment were unchanged in relation to October at 8,3% and 11,8% respectively. The rates in the other two large Member States, France and Italy, were slightly higher than a month earlier at 9,1% and 12,3% respectively. The rate of unemployment also rose slightly in Luxembourg and the Netherlands, while Belgian and Danish rates are declining: they stood at 14,7% in Belgium and 9,8% in Denmark in November.

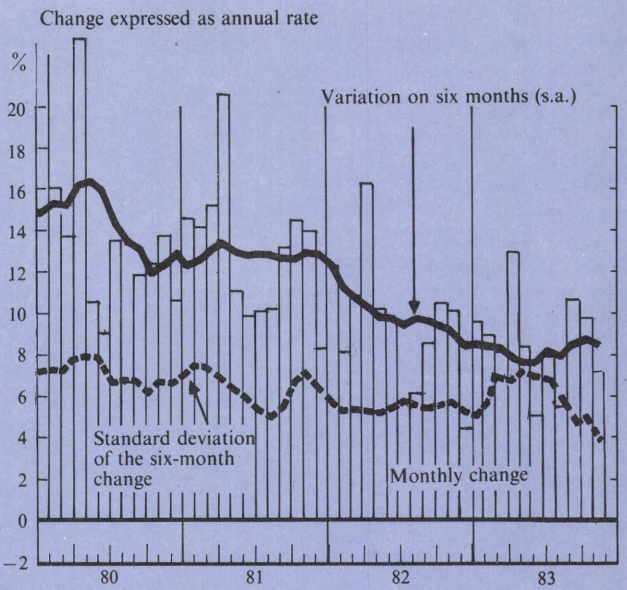
Retail sales expand. — Seasonally adjusted retail sales increased by 1,9% in the Community as a whole in September 1983, the underlying trend as reflected in the three-month moving average is again rising. In relation to September 1982, retail sales in the Community have expanded by 4,8% in absolute figures. The indices of Italy, the Netherlands, Denmark and the Federal Republic of Germany rose over the 12-month period (although only very slightly in the latter two countries), while those of the other Member States declined, the fall being particularly marked in France.

Inflation trend moderates again. — The month-to-month increase in consumer prices in the Community in November at 0,6% was below that recorded in October, which in turn had shown a deceleration from September. As a result the annual rise fell from 8,4 to 8,1% (Table A.3). In addition the trend rate, measured as the seasonally adjusted increase over six months at an annual rate, slowed down, reversing the upward trend

GRAPH 4: Volume of retail sales (s.a.), EC-9



GRAPH 5: Consumer prices EC 10

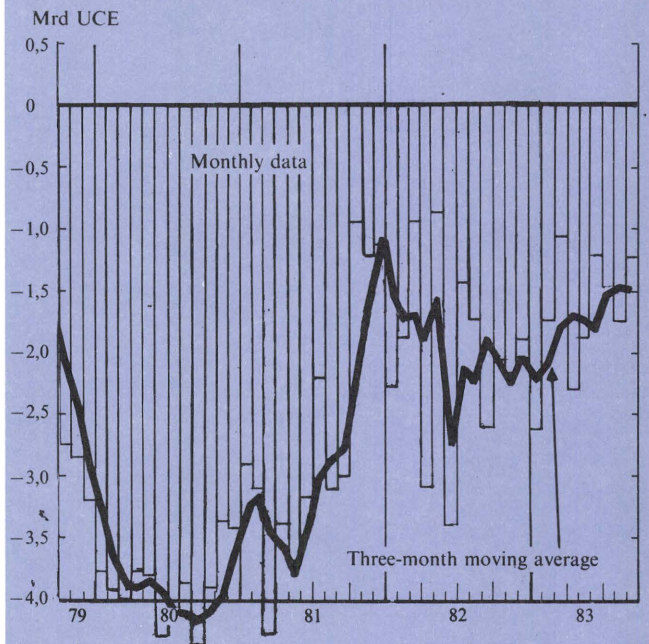


evident since the end of the Summer. The reversal of trend was found in all four larger Member States. The rise over 12 months ranged from 19,9% in Greece to 2,6% in Germany but the most recent developments have shown a smaller divergence as the inflation rate has accelerated somewhat in Germany and slowed down in Greece. Thus the standard deviation of trend rates fell markedly in November (Graph 5).

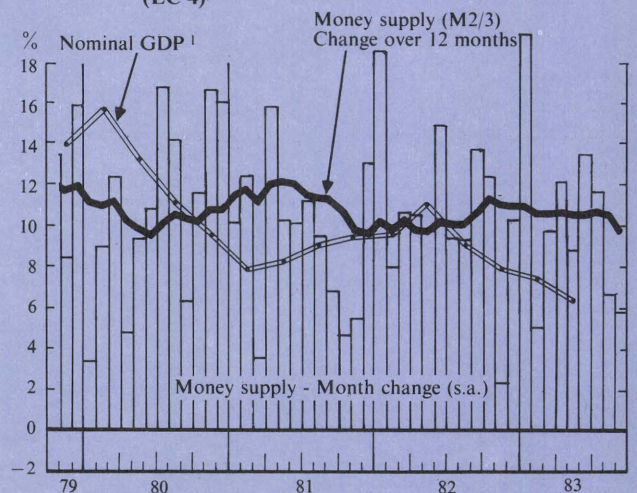
Third quarter visible trade balance in Community shows substantial improvement. — The Community's visible trade deficit, fob/cif, seasonally-adjusted, fell from a revised figure of 1 747 million ECU in August 1983 to one of 1 245 million ECU in September. Monthly figures are notably erratic, as the three-monthly moving average also can be (Graph 6), but the run of quarterly figures in Table A5 does now fairly clearly indicate a continued improvement. Of the four larger Community countries, France's visible trade deficit has been falling sharply, while 1983 also seems likely to show an improvement over 1982, but a much less dramatic one, in Italy. In Germany and the United Kingdom, however, there has been a marked deterioration, the latter country now recording a substantial deficit. In all the smaller countries except Greece, the trend over the past four or five quarters appears to have been little changed. The visible trade deficit of the United States doubled between the first and third quarters of 1983, reaching an annual rate of almost 100 000 million ECU in the latter quarter.

In September, confirmation of slower monetary growth. — Average monetary growth in the Community slowed down once more in September to 0,4%, a decline in the rate of one-tenth of a point in relation to August. The money supply expanded by 2% altogether between the second and the third quarters of 1983, compared to expansion of 2,8% between the first and second quarters. In September, money creation was particularly small in the Federal Republic of Germany (+ 0,2%) because of sizeable non-monetary bank deposits, while in France and the United Kingdom money supply declined, in France because of a contraction of the external and Treasury counterparts as well as a slowdown in bank lending, and in the United Kingdom owing to a fall in the monetary financing of the public sector. The rate of monetary creation also slowed down in Italy. However, the rate of expansion edged upwards in Denmark, Greece and the Netherlands in September, and in Belgium in the third quarter. Preliminary figures for October and November show a slowing down in the rate of growth of the money supply in Denmark (despite some increase in the rate of change over 12 months),

GRAPH 6: Trade balance (s.a.) EC 9



GRAPH 7: Money supply (EC total) and nominal GDP (EC 4)



¹ Change over the same quarter of previous year.

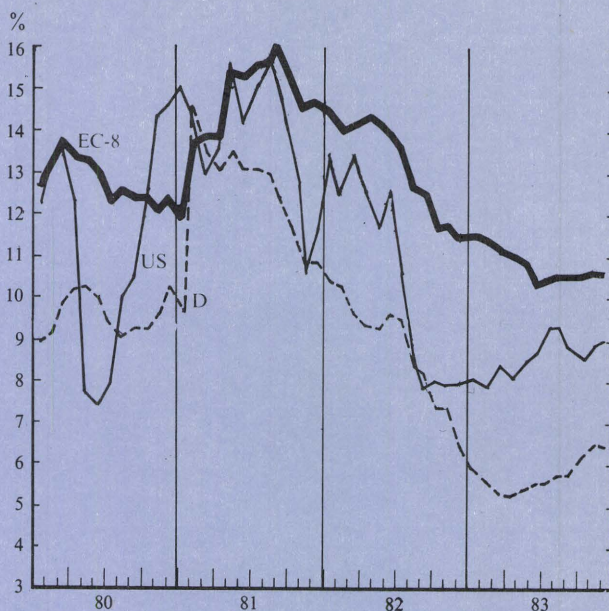
and clearly confirm the slowdown in the growth of M3 in the Federal Republic of Germany; however, monthly figures are somewhat irregular for Ireland and the United Kingdom. According to preliminary estimates, German central bank money will have increased by 7% in the fourth quarter of 1983 on the corresponding quarter of 1982. This represents the upper limit of the target which had been set for its growth.

In December a slight fall in average short-term interest rates. — The average short-term interest rate in the Community in December was one-tenth of a point down at 10.6% on the November rate but one-tenth of a point higher than in earlier months. Increases in the cost of short-term borrowing continued in Belgium, and reappeared in Denmark, and some pressure was apparent in the United Kingdom. Rates eased a little in December in the Federal Republic of Germany and the Netherlands, where they had risen in November; the reduction in Greek rates was more substantial. Short-term interest rates remained stable in France, Ireland and Italy. Average long-term interest rates in the Community declined slightly from 12% in October to 11.9%, and were mainly influenced by the increases in Belgium, Denmark, Greece and the Netherlands (see Table A.8).

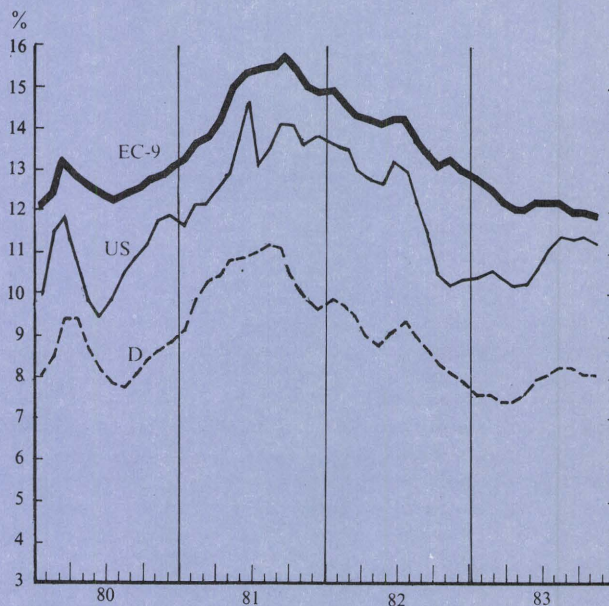
Continued strong rise in dollar. — The average value of the dollar in terms of ECU in December rose by 2.7% compared with November. Its ECU value in December 1983 was thus 16.1% higher than a year earlier. The dollar's average ECU value for 1983 as a whole was 10.2% higher than in 1982. Although the dollar fell back somewhat in the final week of December, a renewed surge took it to record levels against most EMS currencies early in January. The yen also rose by 2.7% against the ECU between November and December. Its rise in ECU terms between December 1982 and December 1983 was 19.9%, and its year-on-year rise was 15.2%. There was little change in December and early January in the exchange-rate mechanism of the EMS. In mid-December the Danish krone joined the Dutch guilder, the French franc and the Irish pound near the top of the narrow fluctuation band. The Deutschmark moved up from just above the mid-point of the band from early December, but at the end of the month was still slightly below the cluster of other currencies already mentioned. The Belgian franc remained near the floor of the band throughout the month. Some intervention was at times required, but bilateral intervention points were generally avoided and the discount of the financial franc remained fairly stable throughout the month at just over 1%. Sterling drifted down slightly against the ECU during the first half of December, but by early January it was back at its level of the beginning of December.

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GRAPH 8: Short-term interest rates



GRAPH 9: Long-term interest rates



GRAPH 10: Exchange rates
Value of USD, yen and some EC currencies in ECU

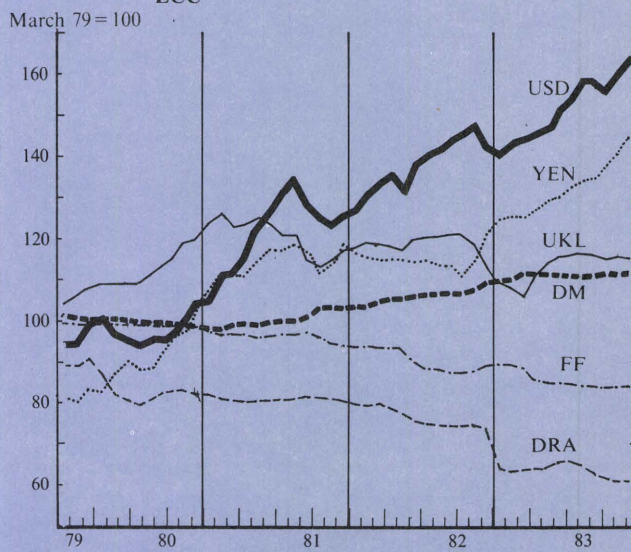


TABLE A.1: Industrial production¹ - Percentage change on preceding period (s.a.)

	1978	1979	1980	1981	1982	1982		1983			1983							Change over 12 months % ²
						III	IV	I	II	III	April	May	June	July	Aug.	Sept.	Oct.	
B	2.4	4.3	-1.0	-2.9	0	-1.3	0	0.9	0.8	2.9	0.2	-1.3	4.8	1.0	-0.8	-0.9	:	2.9
DK	2.3	3.6	0.2	0.3	2.4	-3.1	1.2	1.4	2.1	-0.4	-3.6	5.3	1.8	-8.3	8.7	-0.4	-5.3	4.1
D	2.0	5.5	-0.5	2.0	-2.9	-3.1	-1.4	1.4	2.2	-0.2	0.2	0	3.6	-2.8	0.2	1.1	0.3	3.8
GR	7.5	6.0	0.9	-0.6	-4.2	-4.4	2.4	2.4	-1.8	0.5	0.5	-4.7	5.0	-2.8	3.5	-1.9	:	-0.1
F	1.6	4.7	-0.7	-2.3	-1.5	-2.3	0.8	0.8	1.0	0.8	0	2.3	-1.5	1.6	0	-1.5	-1.6	-0.8
IRL	7.7	6.9	-1.8	1.4	0.4	-1.1	0.8	4.4	-2.2	2.2	-2.1	-0.1	3.0	2.5	-4.0	1.3	1.9	4.4
I	2.1	6.7	5.0	-2.2	-2.6	-4.6	-0.7	0.6	-4.7	1.7	-4.8	2.6	-3.0	3.7	-2.3	2.2	-1.4	-1.1
L	3.2	3.4	-3.3	-6.8	-3.7	-0.1	-4.2	-1.2	2.6	2.6	9.1	-3.3	-4.6	8.8	-4.6	4.7	5.0	4.4
NL	0.9	2.8	0	0.9	-3.6	-2.8	0.6	3.5	-1.2	-1.2	-0.9	2.8	-4.5	3.8	-3.7	-1.0	2.9	2.8
UK	3.7	3.8	-6.5	-3.7	1.8	0.4	-0.5	1.4	-0.1	0.8	0.7	0.4	-1.6	1.4	0.3	0.7	-0.5	2.4
EC	2.5	4.9	-0.8	-2.3	-1.5	-1.3	-1.9	0.7	0.1	(1.7)	-0.8	1.5	-0.7	0.6	(1.4)	(0.3)	(-0.7)	(1.6)
USA	6.1	4.7	-4.5	2.5	-8.5	-0.3	-2.4	2.9	4.9	(5.2)	1.9	1.5	1.5	2.2	(1.3)	(1.4)	(0.9)	(15.8)
JAP	6.3	7.3	4.7	1.0	0.3	0.5	-1.2	0.9	1.5	3.3	-0.2	0.2	1.0	0.2	2.7	(1.8)	(-1.2)	(8.2)

TABLE A.2: Unemployment rate - Number of unemployed as percentage of civilian labour force (s.a.)

	1978	1979	1980	1981	1982	1982		1983			1983							Change over 12 months % ²
						III	IV	I	II	III	May	June	July	Aug.	Sept.	Oct.	Nov.	
B	(8.1)	(8.4)	(9.1)	(11.2)	(13.1)	13.3	13.8	14.2	14.3	14.6	14.2	14.5	14.4	14.6	14.8	14.8	14.7	6.6
DK ⁶	6.5	5.3	6.1	8.2	8.8	9.0	9.0	9.4	9.7	9.6	9.7	9.7	9.6	(9.6)	(9.6)	(9.9)	(9.8)	8.9
D	3.8	3.3	3.3	4.7	6.8	7.2	7.7	8.4	8.5	8.6	8.5	8.6	8.6	8.5	8.6	8.3	8.3	7.9
F	5.2	6.0	6.4	7.8	8.8	9.0	9.1	9.0	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	9.1	2.9
IRL	8.4	7.4	8.3	10.2	12.3	12.6	13.4	14.2	14.8	15.1	14.8	15.0	15.0	15.1	15.3	15.4	15.5	17.4
I	7.1	7.5	8.0	8.8	10.5	10.6	11.2	11.7	11.9	11.9	12.0	11.8	11.9	12.0	12.0	12.1	12.3	10.0
L	0.7	0.7	0.7	1.0	1.3	1.2	1.4	1.5	1.5	1.6	1.5	1.5	1.6	1.6	1.5	1.6	1.7	18.3
NL	(5.4)	(5.5)	(6.2)	(8.8)	(11.7)	12.1	13.0	13.5	14.0	14.4	13.9	14.3	14.3	14.5	14.5	14.5	14.6	14.6
UK	5.3	4.9	6.3	9.6	11.2	11.2	11.8	12.1	12.2	11.8	12.1	12.1	11.9	11.6	12.0	11.8	11.8	0.7
EC ⁹	(5.4)	(5.5)	(6.1)	(7.9)	(9.6)	9.7	10.1	10.5	10.7	10.6	10.8	10.7	10.6	(10.6)	(10.7)	(10.7)	(10.8)	(6.0)
USA	6.0	5.8	7.1	7.6	9.7	10.0	10.7	10.4	10.1	9.4	10.1	10.0	9.5	9.5	9.3	8.8	8.4	(-20.5)
JAP ⁷	2.2	2.1	2.0	2.2	2.4	2.4	2.7	2.7	2.7	2.7	2.7	2.6	2.5	2.8	2.8	2.6	:	(6.5)

TABLE A.3: Consumer price index - Percentage change on preceding period

	1978	1979	1980	1981	1982	1982		1983			1983							Change over 12 months % ²
						III	IV	I	II	III	May	June	July	Aug.	Sept.	Oct.	Nov.	
B	4.5	4.5	6.6	7.6	8.7	2.5	1.9	1.7	1.3	2.5	0.5	0.6	1.0	1.0	0.7	0	0.5	6.9
DK	10.0	9.6	12.3	11.7	10.1	2.6	2.5	0.8	1.5	1.2	1.1	0.3	0	0.5	1.1	0.5	0.9	5.5
D	2.7	4.1	5.5	5.9	5.3	1.1	0.7	0.5	0.6	1.0	0.4	0.4	0.4	0.3	0.2	0	0.2	2.6
GR	12.5	19.0	24.9	24.5	21.0	1.6	5.6	5.4	6.9	0.8	1.8	0.1	-0.9	-0.3	3.8	2.0	1.3	19.9
F	9.1	10.7	13.6	13.4	12.0	1.4	1.9	2.6	2.8	2.1	0.7	0.5	0.9	0.6	0.7	0.8	0.5	9.9
IRL ⁸	7.6	13.2	18.2	20.4	17.2	2.1	1.6	2.5	2.8	2.9	(0.9)	(0.9)	(0.9)	(0.9)	(0.6)	(0.6)	(0.6)	10.3
I	12.1	14.8	21.2	19.5	16.4	4.1	4.5	3.6	2.9	2.3	0.9	0.6	0.8	0.5	1.3	1.5	1.0	12.7
L	3.1	4.5	6.3	8.1	9.4	2.9	2.5	2.0	0.9	2.7	0.5	0.3	1.5	0.7	1.0	0.9	0.5	7.9
NL	4.2	4.3	7.0	6.8	6.0	0.8	0.9	0.1	0.7	0.9	0.1	0.1	0.5	0.3	0.4	0.6	0.3	2.9
UK	8.3	13.4	18.0	11.9	8.6	0.5	0.7	0.5	2.0	1.3	0.4	0.2	0.5	0.4	0.5	0.3	0.4	4.8
EC	7.7	10.4	14.3	12.9	11.0	1.8	2.1	2.0	2.3	1.7	0.7	0.4	0.6	0.4	0.9	0.8	(0.6)	(8.1)
USA	7.6	11.3	13.5	10.3	6.2	1.9	0.2	0	1.3	1.2	0.5	0.3	0.4	0.3	0.5	0.4	0.3	3.5
JAP	3.8	3.6	8.0	5.0	2.6	0.4	0.9	-0.4	1.1	-0.4	1.1	-0.7	-0.5	-0.3	1.3	0.9	-0.2	2.2

TABLE A.4: Volume of retail sales - Percentage change on preceding period (s.a.)

	1978	1979	1980	1981	1982	1982		1983			1983							Change over 12 months % ²
						III	IV	I	II	III	April	May	June	July	Aug.	Sept.	Oct.	
B	2.3	3.9	1.2	-3.3	-1.3	0.3	0.9	-4.2	-5.3	3.2	-4.7	-0.7	0.3	2.1	1.8	-0.3	:	-3.1
DK	-2.4	2.2	-1.5	-0.6	1.5	-2.1	-0.2	2.6	-2.6	5.2	-11.1	4.8	3.5	0.1	0.8	1.7	-5.3	0.4
D	2.8	2.6	0.3	-2.6	-2.7	-1.2	-0.6	2.3	0.4	-1.1	-8.1	1.8	5.9	-9.3	4.7	3.9	-7.0	0.3
GR	4.9	-2.1	-3.5	-3.3	-3.7	-0.3	1.9	-0.7	-1.6	1.4	-6.0	17.0	-5.5	1.3	-3.8	3.1	0.8	-0.3
F	2.1	2.3	-0.4	0.7	1.8	-0.8	1.9	0.1	-4.6	1.0	-9.0	3.3	-2.7	-1.1	3.8	1.2	(-9.4)	-10.5
IRL	8.7	3.3	-0.7	-0.7	-5.4	-2.1	3.1	-1.5	-5.2	0.1	1.8	5.9	0	-4.9	2.8	3.9	:	-3.2
I	2.6	7.3	2.7	2.2	4.6	-2.5	1.9	-1.4	0.5	1.8	-6.2	1.2	5.3	-5.6	7.0	-2.4	:	8.0
NL	4.7	-0.3	-3.8	-4.9	-2.8	1.2	-0.8	-0.4	-0.5	0.8	-1.8	-3.9	5.0	-1.7	-1.7	5.2	:	4.1
UK	5.5	4.3	0	1.2	2.6	2.0	1.4	0.5	2.3	1.0	0.9	0.7	0.3	-0.1	-0.9	3.9	:	7.1
EC	3.1	3.4	0.2	-0.5	0.7	-0.6	0.9	0.3	-0.7	0.8	-5.7	1.5	2.4	-4.0	3.2	1.9	:	4.8
USA	4.6	2.1	-2.9	1.4	-1.3	-0.9	2.4	0.3	4.9	0.2	1.8	2.9	0.6	-0.1	-2.1	(1.1)	(0.8)	(7.8)
JAP	4.6	3.6	-0.8	1.8	0.9	0.4	-1.9	1.8	-0.2	(2.2)	2.2	-1.1	-2.6	5.0	0.9	(-3.5)	(4.8)	(6.0)

TABLE A.5: Visible trade balance - fob/cif, million ECU (s.a.)

	1978	1979	1980	1981	1982	1982		1983			1983							Change over 12 months % ³
						III	IV	I	II	III	April	May	June	July	Aug.	Sept.	Oct.	
B/L	-2890	-2064	-4993	-5418	-3082	-343	-133	170	-176	:	19	-132	-63	-112	(153)	:	:	522
DK	-2198	-3022	-2116	-1475	-1866	-445	-571	-174	-240	-115	-40	-137	-63	54	-57	-112	-73	78
D	15967	8939	3615	11239	21599	5872	5718	5945	4614	4112	1197	1669	1748	1161	1664	1287	:	-695
GR	-3340	-4162	-3853	-3951	-5826	-1163	-1457	-1270	-1664	-1052	-582	-395	-688	-426	-337	-288	:	308
F	-4081	-6194	-16948	-17283	-24457	-6243	-6850	-6095	-4301	-3137	-1198	-1860	-1243	-1131	-1284	-723	-705	1066
IRL	-1137	-1947	-1893	-2467	-1574	-332	-300	-298	-92	-53	-6	-70	-16	35	-77	-11	:	47
I	-319	-3893	-15307	-13554	-12513	-2968	-2502	-2651	-1887	-2369	-1136	-29	-743	-384	-1172	-813	:	211
NL	-2198	-2622	-2981	1320	3500	523	548	944	1270	842	413	425	432	404	69	369	:	117
UK	-5588	-7998	-3353	-445	-3295	-810	118	-2182	-2781	-2465	-971	-1210	-600	-1193	-695	-578	-1365	-1047
EC ⁹	-5782	-22962	-47829	-32034	-27515	-6015	-6077	-5396	-5354(-14477)	-2302	-1866	-1186(-14851)	(-1747)	(-1245)	:	:	:	(1415)
USA	-31014	-27146	-26113	-35538	-43518	-14131	-13727	-11374	-18045	-22486	-4974	-7515	-5556	-7235	-8436	-6815	-10353	-4699
JAP	14286	-5541	-7707	7832	7034	2061	1097	4385	6005	(6973)	2422	2374	1210	2620	2784	(1569)	(1630)	(1155)

Sources: for Community countries: Eurostat, unless otherwise specified; for the USA and Japan: national sources.

¹ National sources, except for the Community, Denmark, Ireland, Belgium and Luxembourg. Because of differences in methods of seasonal adjustment, the change in the EC index adjusted by Eurostat and given in Table 1 may differ from the change in the EC index obtained by aggregating national indices. Data are adjusted for working days. They do not include building; data for France do not include food products and drinks.² % change over 12 months on the basis of the non-adjusted nominal series for the most recent figure given.³ Change on corresponding month in previous year; seasonally adjusted.⁴ Change over 12 months in seasonally adjusted figures for the most recent figure given for each country.⁵ Difference in relation to the same month of the previous year.⁶ From January 1979: new series.⁷ As % of total labour force.⁸ Monthly series calculated by linear interpolation.⁹ The seasonally adjusted position for the Community does not correspond to the sum of positions of the Member States; it is obtained by seasonal adjustment of the sum of gross figures for the various countries' exports and imports.

TABLE A.6: Money stock¹⁰ - Percentage change on preceding period (s.a.)

	1978	1979	1980	1981	1982	1982		1983			1983					Change over 12 months % ⁴		
						III	IV	I	II	III	May	June	July	Aug.	Sept.		Oct.	Nov.
B (M2)	9,6	6,2	2,7	5,9	5,9	2,7	0,0	0,6	1,5	3,6	:	:	:	:	:	:	:	5,7
DK (M2)	8,6	10,6	7,8	9,0	11,5	3,1	2,5	6,1	7,6	5,1	2,6	3,2	0,5	1,9	2,6	0,1	0,6	24,2
D (M3)	11,0	6,0	6,2	4,8	7,1	1,3	0,4	3,3	1,1	1,6	-0,1	-0,7	0,9	0,4	0,2	0,2	-0,6	6,4
GR (M3)	26,0	18,4	24,7	34,7	29,0	5,0	6,4	1,8	4,9	(4,4)	2,2	1,1	0,9	1,6	(1,8)	(2,1)	:	(19,5)
F (M2)	12,4	14,7	10,0	11,5	11,7	2,4	1,4	2,3	2,8	1,1	1,5	0,1	0,9	0,3	-0,2	:	:	7,7
IRL (M2)	28,7	19,0	17,9	17,6	12,9	4,7	2,4	-0,9	1,7	1,2	2,1	-0,4	0,6	-0,4	1,0	-0,1	2,6	:
I (M2)	22,1	20,3	12,7	10,0	17,0	4,3	6,5	2,0	3,6	4,5	0,8	1,7	1,7	1,5	1,3	:	:	17,6
NL (M2)	4,2	7,0	3,8	5,3	8,8	1,6	-0,1	5,5	2,5	1,6	0,7	1,2	0,2	0	1,4	:	:	9,7
UK (EM3)	13,3	11,7	19,6	13,9	10,3	2,4	2,1	2,4	3,9	0,5	0,5	1,6	0,8	0,1	-0,4	1,4	0,6	9,7
EC ¹¹	13,5	11,9	10,9	9,7	10,9	2,5	2,1	2,7	2,8	(2,0)	0,7	1,0	0,9	0,5	(0,4)	:	:	(9,9)
USA (M2)	7,9	7,9	8,9	10,1	9,2	2,8	2,2	5,6	2,1	1,5	1,0	0,9	0,6	0,5	0,4	0,7	:	12,0
JAP (M2)	13,1	9,1	7,2	11,0	7,9	2,6	1,4	1,5	1,6	(1,6)	1,2	0,7	1,7	-0,3	(0,9)	:	:	(6,9)

TABLE A.7: Short-term interest rates¹²

	1979	1980	1981	1982	1983	1982		1983			1983					Change over 12 months % ⁵		
						IV	I	II	III	IV	June	July	August	Sept.	Oct.		Nov.	Dec.
B	10,9	14,2	15,6	14,1	10,5	12,4	12,3	9,5	9,3	11,0	9,5	9,3	9,3	9,3	9,5	10,8	11,0	-1,4
DK	12,5	16,9	14,9	16,4	12,1	17,5	18,2	5,4	13,7	13,1	5,4	7,9	7,1	13,7	11,7	9,3	13,1	-5,1
D	6,9	9,5	12,3	8,8	5,8	6,4	5,3	5,6	5,8	6,4	5,6	5,6	5,8	5,8	6,2	6,5	6,4	0,1
GR	:	11,0	16,8	20,2	19,4	15,8	19,6	14,0	11,8	10,0	14,0	16,8	16,5	11,8	15,0	16,8	10,0	-5,8
F	9,8	12,3	15,6	14,6	12,5	12,7	12,3	12,6	12,6	12,3	12,6	12,2	12,4	12,6	12,3	12,3	12,3	-0,4
IRL	16,0	16,2	16,6	17,5	14,1	15,5	17,3	13,7	12,6	12,3	13,7	13,8	13,4	12,6	12,8	12,3	12,3	-2,2
I	12,0	17,6	20,0	20,1	18,1	19,1	19,4	17,8	17,5	17,9	17,8	17,6	17,6	17,5	17,6	17,9	17,9	-1,3
NL	9,6	10,6	11,8	8,3	5,7	5,3	4,3	5,4	6,2	6,1	5,4	5,6	6,3	6,2	6,1	6,3	6,1	0,8
UK	13,9	16,8	14,2	12,2	10,1	10,6	10,9	9,7	9,7	9,4	9,7	10,0	9,8	9,7	9,3	9,3	9,4	-1,2
EC ¹³	10,3	13,4	15,0	13,2	10,8	11,4	11,1	10,3	10,5	10,6	10,3	10,4	10,5	10,5	10,5	10,7	10,6	-0,8
USA	10,1	11,6	14,0	10,6	8,7	8,1	8,6	8,7	8,8	9,0	8,7	9,3	9,3	8,8	8,6	8,9	9,0	0,9
JAP	5,9	10,9	7,4	6,9	:	6,9	6,7	6,2	6,5	:	6,2	6,4	6,5	6,5	6,4	:	:	-0,5

TABLE A.8: Long-term interest rates¹⁴

	1978	1979	1980	1981	1982	1982		1983			1983					Change over 12 months % ⁵		
						III	IV	I	II	III	May	June	July	Aug.	Sept.		Oct.	Nov.
B	8,5	9,7	12,2	13,8	13,5	13,2	12,7	12,5	11,6	11,4	11,6	11,6	11,4	11,5	11,4	11,3	11,8	-1,1
DK	16,8	16,7	18,7	19,3	20,5	21,2	19,4	14,7	14,3	13,7	13,7	14,3	14,5	14,3	13,7	13,6	13,9	-5,7
D	5,7	7,4	8,5	10,4	9,0	8,7	7,9	7,4	8,0	8,3	7,6	8,0	8,1	8,3	8,3	8,1	8,1	0
GR	10,0	11,2	17,1	17,7	15,4	14,9	13,8	17,9	18,0	18,8	18,2	18,0	18,2	18,7	18,8	19,2	19,3	6,9
F	10,6	10,9	13,7	16,3	16,0	15,8	15,5	14,7	14,5	14,0	14,6	14,5	14,0	14,0	14,0	14,1	14,1	-1,7
IRL	12,8	15,1	15,4	17,2	17,0	15,2	14,5	14,0	13,6	13,7	13,5	13,6	13,8	13,6	13,7	13,8	13,7	-1,8
I	13,7	14,1	16,1	20,6	20,9	20,4	20,5	18,2	17,9	17,6	17,8	17,9	17,9	17,8	17,6	17,4	17,4	-3,3
L	6,6	6,8	7,4	8,6	10,4	10,5	10,9	10,4	9,8	9,3	10,2	9,8	9,3	9,3	9,3	9,4	:	-1,3
NL	8,1	9,2	10,7	12,2	10,5	10,4	8,4	8,0	9,7	9,1	9,2	9,7	9,3	9,4	9,1	8,7	8,9	0
UK	12,6	13,0	13,9	14,8	12,7	11,1	11,0	10,8	10,5	10,5	10,4	10,5	11,2	11,1	10,5	10,5	10,2	-1,2
EC ¹³	10,1	10,9	12,7	14,9	14,0	13,4	12,9	12,1	12,2	12,0	12,1	12,2	12,2	12,2	12,0	12,0	(11,9)	(-1,3)
USA	7,9	8,7	10,8	12,9	12,2	11,5	10,3	10,3	10,6	11,3	10,2	10,6	11,1	11,4	11,3	11,4	11,2	1,0
JAP	6,1	7,7	9,2	8,7	8,1	8,4	7,5	7,6	7,5	7,3	7,6	7,5	7,6	7,5	7,3	7,2	:	-1,2

TABLE A.9: Value of ECU — 1 ECU = ... units of national currency or SDR

	1979	1980	1981	1982	1983	1982		1983			1983					Change over 12 months % ²		
						IV	I	II	III	IV	June	July	August	Sept.	Oct.		Nov.	Dec.
BFR/LFR	40,17	40,60	41,29	44,68	45,44	45,45	44,87	45,22	45,69	45,94	45,43	45,54	45,68	45,85	45,91	45,97	45,96	1,4
DKM	7,21	7,83	7,92	8,15	8,13	8,21	8,09	8,08	8,18	8,17	8,14	8,17	8,20	8,17	8,15	8,16	8,18	0,5
DM	2,51	2,53	2,51	2,38	2,27	2,33	2,28	2,27	2,28	2,26	2,27	2,27	2,28	2,27	2,25	2,26	2,26	-2,2
DR	50,78	59,24	61,62	65,30	78,09	67,01	78,32	76,67	76,50	81,11	75,30	74,44	76,01	78,98	80,43	81,11	81,19	20,2
FF	5,83	5,87	6,04	6,43	6,77	6,60	6,53	6,81	6,85	6,88	6,84	6,84	6,86	6,86	6,89	6,88	6,89	5,3
IRL	0,669	0,676	0,691	0,690	0,715	0,691	0,692	0,727	0,723	0,727	0,720	0,721	0,722	0,725	0,727	0,727	0,727	4,9
LIT	1 138	1 189	1 263	1 324	1 350	1 339	1 326	1 347	1 355	1 371	1 348	1 346	1 354	1 364	1 370	1 371	1 370	2,7
HFL	2,75	2,76	2,78	2,62	2,54	2,55	2,52	2,55	2,55	2,53	2,55	2,54	2,55	2,54	2,53	2,54	2,54	-0,5
UKL	0,646	0,598	0,553	0,561	0,587	0,566	0,619	0,586	0,570	0,574	0,576	0,575	0,568	0,568	0,578	0,571	0,573	-2,8
USD	1,371	1,391	1,116	0,981	0,890	0,934	0,948	0,912	0,861	0,840	0,892	0,879	0,852	0,852	0,866	0,844	0,822	-13,9
YEN	300,5	315,0	245,4	243,5	211,4	241,7	223,2	216,6	208,7	196,3	214,1	211,4	208,3	206,5	201,7	198,2	192,6	-16,6
SDR	1,061	1,068	0,946	0,888	0,833	0,866	0,868	0,846	0,817	0,802	0,835	0,827	0,812	0,811	0,815	0,802	0,788	-9,7

TABLE A.10: Effective exchange rates: export aspect¹⁵ - Percentage change on preceding period

	1979	1980	1981	1982	1983	1982		1983			1983					Change over 12 months % ²		
						IV	I	II	III	IV	June	July	August	Sept.	Oct.		Nov.	Dec.
B/L	1,2	-0,5	-5,4	-9,2	-2,0	-0,3	1,2	-1,1	-1,8	-1,1	-0,7	-0,5	-0,7	-0,4	0	-0,5	-0,4	-3,6
DK	-0,8	-7,9	-6,8	-4,0	0,1	2,0	2,2	-1,2	-2,7	-0,4	-1,3	-0,7	-1,3	0,5	0,4	-0,7	-0,8	-4,4
D	4,8	0,4	-5,2	5,1	4,5	1,8	2,6	0,3	-1,8	0,1	-1,0	-0,2	-1,2	0,4	1,2	-1,1	-0,5	-1,1
GR	-5,4	-13,5	-9,4	-7,3	-17,2	-0,3	-15,3	2,2	-0,8	-6,3	1,9	1,0	-2,9	-3,8	-1,6	-1,5	-0,8	-20,0
F	0,9	0,4	-8,7	-8,0	-6,2	0,5	1,5	-5,3	-2,0	-1,2	-0,9	-0,2	-1,1	-0,1	-0,1	-0,6	-0,8	-8,8
IRL	0,2	-2,0	-8,3	-1,1	-3,4	0,3	2,2	-5,4	-2,5	-1,0	-1,2	-0,3	-1,3	-0,3	0,4	-1,0	-0,4	-7,9
I	-3,2	-3,7	-12,2	-6,7	-3,4	-0,9	1,2	-2,5	-1,9	-2,0	-0,5	-0,1	-1,5	-0,8	-0,3	-0,7	-0,6	-6,5
NL	1,8	0,1	-5,0	5,5	2,4	2,2	1,4	-1,6	-0,9	0	-0,4	0	-0,8	0,3	0,8	-0,8	-0,5	-2,3
UK	6,2	10,1	1,1	-4,6	-7,0	-2,4	-											

Principal economic policy measures — December 1983

Community (EC)

12.12 The Council (ECOFIN), at the Commission's proposal, adopted in the Community languages the decision approving the Annual Economic Report on the economic situation in the Community and setting the main economic guidelines for 1984. It decided on the publication of this decision in the Official Journal of the European Communities.

Belgium (B)

7.12 A Royal Decree was published limiting overtime in firms; hours of overtime will be governed by the agreement with workers' representatives (trade unions), and cannot exceed 65 hours a year. The Decree also provides for compensatory leave, and for a bonus of 50% (instead of 25%) from the first hour of overtime worked.

30.12 The Law on rents was published; it provides in particular for a single annual adjustment on the basis of the change in the consumer price index.

31.12 Several Royal Decrees were published: the application of a reduced rate of VAT (6%) to residential building was extended until 31 December 1985; limits were set on the right to combine civil service employment with other occupations; measures were taken to combat fraud by short-term workers (saving some FB 350 million in unemployment benefits); expenditure on staff in local government and public social assistance committees was reduced, in particular by the introduction of shorter working hours for staff aged 55 and over.

1.1.84 The introduction of price increases for a number of goods and services was announced: postal charges, public transport fares, coffee, some telephone charges and medical fees. The new prices will be introduced during January and February.

Denmark (DK)

16.12 As the draft budget for 1984 was rejected by Parliament, a provisional law authorizing the government to levy taxes and to pay current expenditure was passed.

30.12 The agreement on short-term monetary support between the central banks in the Nordic countries was revised, increasing individual drawing facilities under the scheme to 150 million SDR.

Federal Republic of Germany (D)

1.12 Foreign workers, who choose to return to their country of origin, are entitled to receive a bonus of DM 10 500. The relevant bill applies to non-EC foreigners only.

15.12 The Central Council of the Bundesbank decided to set the target range for the growth of central bank money stock between the fourth quarter of this year and the fourth quarter of 1984 at 4 to 6%.

16.12 The Federal budget for 1984 passed its reading in the Bundesrat. Total expenditure is now definitively set at DM 257 140 million, an increase of 1,6% over 1983. Federal net borrowing is limited to DM 33 610 million.

Greece (GR)

20.12 The Government announced the new wages policy measures to be applied in the public sector in 1984. The system of index-linking in force since 1982 will be fully applied (without the deferrals introduced in 1983); moreover, the upper limits on income brackets used as a basis for indexation are to be raised; the upper limit on the first bracket, to which the rise in the consumer price index will be passed on in full, will now be DR 50 000 (formerly DR 35 000); that on the second bracket, to which half of the rise in the index applies, will be DR 75 000 (formerly DR 50 000); and that on the third bracket, to which one quarter of the rise in the index applies, will be DR 100 000 (formerly DR 80 000).

France (F)

7.12 The Government took a series of measures to revive building activity, the most important of which was the increase in the quota for assisted residential building loans to between 70% and 85%, depending on circumstances (formerly between 50% and 80%).

21.12 The *Banque de France* published the new credit control arrangements for 1984. The general norm for the expansion of the outstanding credit is an index of 97,5 (1983 = 100) at the end of 1984 for so-called 'category one' banks, and an index of 100 (no change) at the end of 1984 for small and medium-sized banks and hire-purchase. Export credits, investment credits and housing loans may expand by 12% in 1984.

4.1 The Council of Ministers adopted a series of measures to combat inflation: in public sector firms, the Government's aim for 1984 is still to maintain purchasing power as far as possible, in view of the firms' situation, with an increase in distributed dividends of no more than 5%. Social benefits will rise by 2,35% in January and by 2,35% in July; old-age benefits will rise by 1,8% in January and by 2,2% in July. The Government will contribute to cost controls by holding companies' social security contributions and taxes steady, and by

limiting rate of increase in public service charges to a level commensurate with the inflation target, i.e. 5% throughout the year. On the prices front, it has been decided that no further increase will be authorized until the index has caught up with the increases made in 1983, when overshooting occurred for a number of occupational categories. Rents may not rise by more than 80% of the increase in the building cost index.

Ireland (IRL)

4.12 The Government announced details of the public expenditure allocations for 1984. The main features are:

- (a) *Current Expenditure*. Expenditure is planned to be IRL 5 061 million, a rise of 8%, implying a small fall in volume terms (officially estimated at 0,7%). Considerable volume cuts are planned in expenditure on health and education in particular. The provision for public service pay and pensions is 8% more than in 1983, implying a small real fall.
- (b) *Public Capital Programme*. The PCP shows a marked cut in planned capital spending. While total public spending will rise by 2% in value, this represents a fall of about 6% in real terms. A notable feature is that the Exchequer financed element will be reduced by 4% in 1984.

The overall aim is to arrest the growth of current spending in real terms and make capital spending more efficient while trying to minimize any adverse effect on employment.

Italy (I)

24.11 Parliament ratified the Decree-Law on tax increases divided under the budget adopted on 30 September. This Decree authorizes new revenue of at least LIT 4 500 000 million, as well as renewing temporary tax provisions.

24.11 The Senate adopted the 1984 Finance Act.

18.12 The Minister for Foreign Trade signed two Decree-Laws relaxing exchange control rules, in particular for foreign investment, exports to the rest of the Community with deferred settlement and transactions by small and medium-sized firms. Moreover, the authority of the '*Medio-credito centrale*' in foreign exchange matters was considerably extended.

23.12 The Finance Act and the budget for 1984 were finally approved by Parliament. The deficit for the central government budget was set at LIT 94 950 000 million, corresponding to a Treasury cash deficit of LIT 109 700 million. Under other laws approved by Parliament, this rises by LIT 3 400 000 million; a revised estimate of the deficit of pensions bodies (INPS) adds another LIT 5 000 000 million. The resulting deficit LIT 118 100 000 million will be reduced by the extra revenue under laws at present in the course of Parliamentary approval, by an increase in petrol prices and by savings on interest due to the reduction in the deficit. The Treasury deficit for 1984 is finally estimated at LIT 104 500 000 million.

29.12 A Decree-Law was passed raising the price of petrol to LIT 1 300 per litre; this should lead to an increase of LIT 2 000 000 million in revenue from excise duties.

Luxembourg (L)

1.1.84 A new Law came into force; its purpose is to stimulate residential building. In particular, it provides for the deduction from taxable income, on certain conditions, of amounts paid under a savings contract for the purpose of residential building.

Netherlands (NL)

9.12 The Government decided to allocate a sum of HFL 800 million to further works under the headings of public investment and residential buildings in 1984 and 1985.

22.12 Public transport fares will increase by an average of 10% from 1 April 1984.

23.12 Parliament adopted a bill to reduce civil service salaries and social benefits by 3% from 1 January 1984.

23.12 The Government decided to take a further step towards freeing prices in 1984: prices will be practically free in industry and trade. Public service charges other than those for public transport can be increased by a maximum of 3% in 1984, while electricity charges to small consumers may not rise by more than 2%.

United Kingdom (UK)

14.12 The Government announced that the rate support grant to local authorities will be increased by UKL 90 million (0,7%) to UKL 11 900 million in the 1984/85 financial year. The share of the central government contribution to local authority expenditure will accordingly be reduced from 52,8% (1983/84) to 51,9% next year. The Government also set revised spending targets, together with harsher penalties in the form of grant reductions for authorities that overspend.

Price (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD	
'European Economy' (4 issues per year)	22.70	1 040	16.50	13.25	23.00	The annual subscription runs from 1 January to 31 December of each year.
Supplements						
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Series B — 'Business survey results' (11 issues per year)	14.65	670	11.00	8.50	16.00	
Both supplements	24.00	1 100	17.50	14.00	27.00	These are surface mail rates; for air subscription rates please apply to the agents.
Combined subscription — 'European Economy' and supplements	43.65	2 000	31.75	25.50	45.00	

