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Supplement A — No. 2 February 1984

Economic trends

Economic forecasts for 1983 and 1984[1]

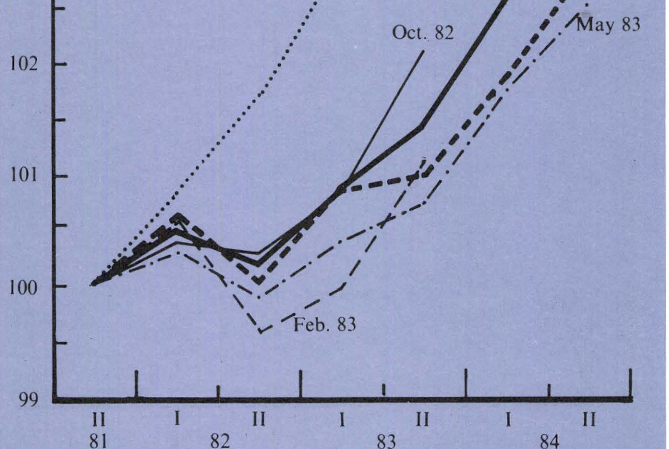
The economic recovery in the Community is expected to strengthen in the course of 1984. A significant stimulus to growth should come from world trade now forecast to grow by 5,0% in 1984 compared to only 1,7% in 1983.

The principal features of the forecast for the Community as a whole are as follows:

- *GDP growth at constant prices is revised upwards, compared to the autumn forecasts, from 0,5% to 0,8% for 1983 and from 1,5% to 2,0% for 1984 (Graph 1).*
- *Inflation, as expressed by the private consumption deflator, fell to 6,2% in 1983 and should decline further to 5,2% in 1984.*
- *GDP at current prices is estimated to have risen by 7,2% in 1983 and is forecast to increase at a similar rate in 1984.*
- *Growth in 1984 will come mainly from fixed investment (+2,2%) and exports (+5,2%).*
- *Private consumption, in real terms, is estimated to have grown by 0,9% in 1983 and should expand by a further 1,1% in 1984.*
- *The unemployment rate will remain at around current levels through 1984 although, year-on-year, a rise from 10,6% in 1983 to 11,0% in 1984 is forecast.*
- *The current account is forecast to move from a deficit of USD 1,6 billion to a surplus of USD 7,9 billion in 1984.*
- *The general government deficit should decline, falling from 5,7% of GDP in 1983 to 5,2% in 1984.*

1 The following summarizes the results for 1983 and 1984 of the Commission's Winter forecasting round. The cut-off date for information used in the forecasts was 3 February 1984. The previous forecast for 1983 and 1984 was summarized in Supplement A, No 10 (October 1983).

GRAPH 1: **GDP at constant prices — EC 10**
Development of forecasts



Source: Commission Services.

International economic environment. — Since the previous forecasts made in September 1983, the world environment has become more buoyant. The recovery in the USA has proved to be stronger than earlier expected and its effects have been felt in many other countries, particularly those of the Pacific Basin. However, this encouraging development has been partly offset by the continued weakness of demand in developing countries, many of which have serious external financial difficulties or are adjusting, as in the case of oil producers, to a sharp decline in export earnings.

The outlook for the world economy is based on continued moderate expansion of the economies of most industrialized countries and of certain newly-industrialized developing countries (Table 1). However, the 'decoupling' of oil use from economic growth, austerity measures in developing countries and the spread of disguised protectionist measures have tended to reduce the elasticity of import growth with respect to GDP.

TABLE 1: **World GDP/GNP** (at constant prices)

	Percentage change on preceding year				
	1980	1981	1982	1983[1]	1984[1]
EC	1,1	−0,4	0,6	0,8	2,0
USA	−0,3	2,6	−2,2	3,4	5,0
Canada	1,0	3,4	−4,4	3,2	4,7
Japan	4,8	3,8	2,9	3,3	4,6
Other OECD	2,4	1,5	0,9	1,2	3,0
— OECD total	1,2	1,7	−0,4	2,2	3,7
OPEC	−0,1	1,9	−4,0	−2,5	−0,5
Other developing countries	5,0	3,0	0,9	0,2	2,4
Other countries	3,2	2,3	2,7	3,3	3,6

[1]) 1983: estimate; 1984: forecast.
Source: Commission services.

TABLE 2: **World imports** (at constant prices)

	Percentage change on preceding year				
	1980	1981	1982	1983 [1]	1984 [1]
EC	1,9	−2,9	2,4	1,7	3,5
USA	2,5	0,0	1,3	12,1	14,7
Canada	−5,4	3,0	−15,8	11,9	9,7
Japan	−5,0	−2,2	0,0	0,4	8,5
Other OECD	4,8	−0,7	2,2	−1,0	3,4
OECD total	1,4	−1,6	1,0	3,8	6,6
OPEC	12,0	27,4	1,2	−8,2	−4,5
Other developing countries	6,0	4,3	−4,8	−2,1	4,1
Other countries	4,0	1,7	−1,2	2,6	3,9
World	3,6	3,8	−0,1	1,7	5,0

[1]) 1983: estimate; 1984: forecast.
Source: Commission services.

Nevertheless, world trade (including the EC) is forecast to grow by 5,0% in 1984 (Table 2). Although the price of oil is assumed to remain stable, some further increase is expected in the prices of certain industrial raw materials as demand expands, and of some agricultural commodities in response to reduced supplies (Table 3). US interest rates are expected to remain high, being influenced by the large US budget deficit at a time when monetary policy maintains an anti-inflationary stance, and the US dollar is forecast to depreciate only modestly vis-à-vis the DM (Table 4).

TABLE 3: **World export prices** [1]

	Percentage change on preceding year				
	1980	1981	1982	1983	1984 [2]
Fuels	67,7	10,7	−3,8	−11,1	−4,5
Other primary commodities	12,7	−9,7	−10,6	4,1	12,2
Manufactures	10,8	−4,8	−1,9	−3,1	1,7

[1] Based on export prices in US dollars.
[2] Forecasts.
Source: United Nations and forecasts by Commission services.

TABLE 4: **Interest and exchange rates assumptions**

	1980	1981	1982	1983	1984
	Annual rate (%)				
Rates of interest (US)					
— short-term [1]	11,6	14,0	10,6	8,6	9,6
— long-term [2]	10,8	12,9	12,2	10,9	12,0
	Change on preceding year (%)				
Exchange rate of USD					
— vis-à-vis ECU [3]	−1,6	+24,7	+13,7	+10,3	+3,8
— vis-à-vis DM [3]	−0,6	+23,9	+ 7,4	+ 5,4	+2,1

[1] 13-week US Treasury Bills.
[2] US Bonds over 10 years.
[3] + (−) signifies an appreciating (depreciating) USD.
Source: Services of the Commission.

GDP growth in the Community. — After very limited growth of only 0,8% in 1983, real GDP in the Community is forecast to rise by 2,0% this year (Table 5). At the outset of 1983 growth was accounted for by domestic demand, especially by a recovery in consumer expenditure and a positive trend in stockbuilding (see half-yearly profile). In 1984, growth will become somewhat wider-based as external demand strengthens and fixed investment, particularly in equipment, begins to recover (Table 9). At the national level, however, the experience of individual countries in 1983 and their prospects for 1984 vary significantly, and reflect the different stages of national adjustment policies. In 1983, growth largely concentrated in Germany and the United Kingdom, has set in motion the European upswing. Meanwhile Belgium, Luxembourg and Italy had zero or negative growth. Although prospects for growth are generally brighter in 1984, GDP is expected to show only very slow growth in France (0,6%) and may even contract somewhat in Luxembourg (−1,0%). For the remaining countries, growth rates of between 1¼% and 3% are forecast.

TABLE 5: **Gross domestic product, volume** (percentage change at constant prices on preceding year, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 [1]	1984 [1]
B	3,2	2,5	3,1	−1,1	1,0	0,0	1,3
DK	2,3	3,7	−0,4	−0,7	3,6	2,0	2,6
D	2,8	4,1	1,9	0,2	−1,0	1,0	3,0
GR	4,7	3,7	1,6	−0,7	0,0	0,3	1,6
F	3,6	3,2	1,3	0,2	1,7	0,3	0,6
IRL	4,1	3,4	3,7	1,6	1,2	0,5	2,3
I	3,1	4,9	3,9	−0,2	−0,3	−1,3	2,2
L	3,1	4,0	1,7	−1,8	−0,9	−2,4	−1,0
NL	3,4	2,4	0,9	−0,6	−1,6	1,0	1,7
UK	1,9	1,6	−2,0	−2,0	2,4	3,2	2,5
EC	2,9	3,3	1,3	−0,4	0,6	0,8	2,0
USA	2,9	2,4	−0,3	2,3	−2,2	3,4	5,0
JAP	4,8	5,1	4,4	3,2	2,9	3,3	4,6

[1] 1983: estimate; 1984: forecast.
Source: Commission services.

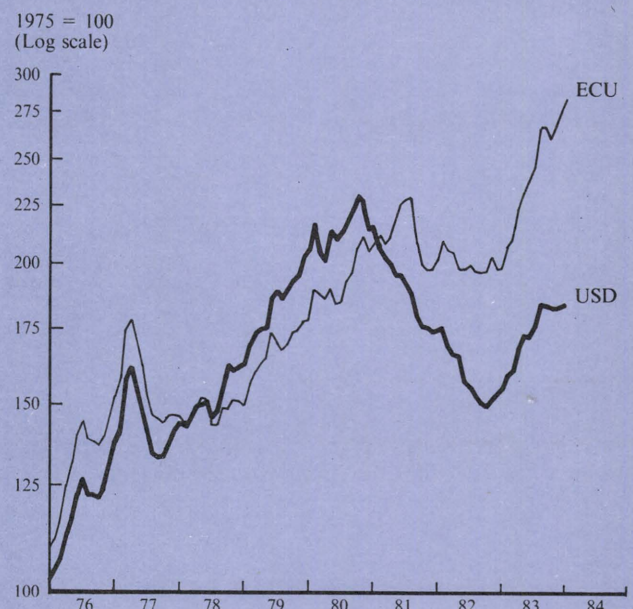
Inflation. — For the Community as a whole, the rate of increase in the price deflator of private consumption decelerated from 8,8% in 1982 to 6,2% in 1983; a further reduction to 5,2% is expected for this year (Table 6). This downward trend is expected to occur in all member countries, except the Netherlands, Germany and the United Kingdom where some marginal increase in year-on-year rates is possible. Only Greece and Italy will continue to experience double-digit inflation in 1984.

TABLE 6: **Deflator of private consumption** (percentage change on preceding year, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 [1]	1984 [1]
B	7,1	3,7	6,7	8,8	7,4	7,7	6,5
DK	10,2	10,4	10,2	11,9	10,5	6,7	5,3
D	5,2	4,2	5,4	5,6	5,3	3,0	3,3
GR	13,4	17,5	22,2	24,4	21,1	19,8	19,2
F	9,4	10,6	13,3	12,9	10,8	9,5	7,2
IRL	13,9	13,4	18,6	20,1	17,1	10,8	9,0
I	14,6	15,0	20,3	19,0	16,8	14,5	10,5
L	6,7	5,8	7,7	7,7	10,0	8,4	7,7
NL	7,7	4,3	6,9	6,4	5,7	2,7	3,1
UK	13,3	13,2	16,4	11,0	8,3	5,4	5,5
EC	9,7	8,9	11,2	10,1	8,8	6,2	5,2
USA	6,9	9,0	10,5	8,9	5,8	3,9	5,1
JAP	8,6	3,5	7,0	4,5	2,9	1,4	1,4

[1] 1983: estimate; 1984: forecast.
Source: Commission services.

GRAPH 2: **Non-oil primary commodity prices**



Source: 'The Economist' Commodity Price Index.

This encouraging downward trend in inflation is the result of a weakening of both internal and external inflationary pressures. The average annual rate of increase of import prices, which had reached over 15% in 1980, fell to 7,1% in 1982 and to 3,8% in 1983 despite the adverse effect, especially on raw material prices, of the appreciation of the US dollar (Graph 2). The rate of increase of import costs is, however, expected to accelerate during the current year reflecting, in particular, the hardening of the prices of a number of primary commodities (Tables 3 and 8). On the other hand, domestically-generated inflationary pressures are expected to ease further, with the rise in unit labour costs decelerating from 4,5% in 1983 to 3,4% in 1984.

TABLE 7: **Deflator of GDP, of imports and unit labour costs** (percentage change on preceding year, EC, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 [1]	1984 [1]
Deflator of GDP	9,9	9,3	10,9	9,2	9,0	6,3	5,1
Deflator of imports (goods and services)	10,8	10,6	14,6	14,1	6,9	3,8	5,8
Unit labour costs (whole economy)	10,3	8,7	11,5	10,2	7,4	4,5	3,4

[1] 1983: estimate; 1984: forecast.
Source: Commission services.

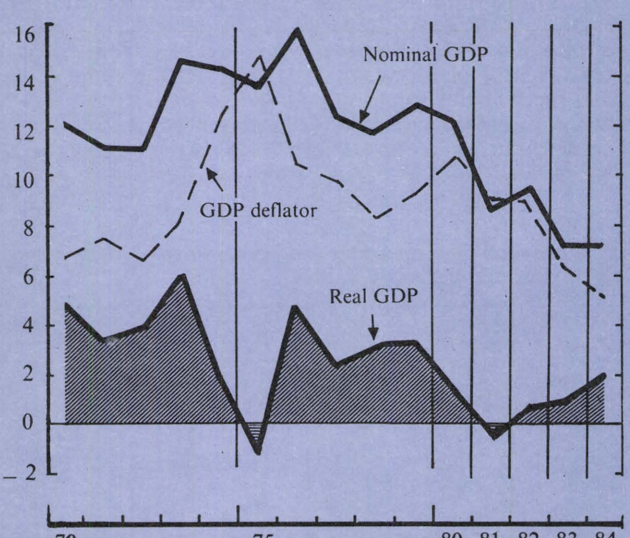
Nominal GDP. — For the Community as a whole, the sharp fall in the rate of growth of GDP at current prices, from 9,6% in 1982 to an estimated 7,2% in 1983, was entirely due to disinflation. No further reduction in the rate of growth of nominal GDP is forecast for 1984 as the expansion of GDP in volume terms will offset the deceleration in prices (Table 7 and Graph 3).

TABLE 8: **Gross domestic product, nominal** (percentage change at current prices on preceding year, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 [1]	1984 [1]
B	7,0	6,7	7,7	3,9	8,2	6,4	7,3
DK	9,7	11,4	7,8	9,8	14,5	9,8	7,7
D	5,2	8,4	6,4	4,1	3,7	4,2	5,9
GR	13,8	23,0	19,7	18,9	23,8	21,8	21,8
F	9,5	14,0	13,2	12,3	14,3	10,5	7,8
IRL	13,6	16,3	18,8	19,3	17,5	11,0	10,3
I	14,7	21,6	25,4	18,5	17,1	13,0	13,3
L	6,3	10,0	9,6	5,9	6,7	4,6	6,3
NL	7,6	6,4	6,6	4,9	4,0	2,0	3,7
UK	13,9	16,8	16,7	10,2	9,7	8,8	7,9
EC	9,8	13,0	12,2	8,9	9,5	7,2	7,2
USA	9,7	11,3	9,1	12,5	3,7	7,7	9,9
JAP	13,1	7,9	7,9	6,7	5,1	4,3	6,0

[1] 1983: estimate; 1984: forecast.
Source: Commission services.

GRAPH 3: **Nominal GDP, deflator of GDP, real GDP**
(percentage change on preceding year, EC, 1970-1984) [1]



[1] 1983: estimate; 1984: forecast.
Source: Commission services.

Components of demand. — *Private consumption,* in real terms, in the Community continued to grow in 1983, despite a contraction of almost 1% in real disposable income (Table 9). A substantial fall in the savings ratio enabled consumers to maintain the real level of their expenditure. In 1984, however, little further fall in the savings ratio is expected as the major adjustment to inflationary expectations has already taken place, and the volume growth of private consumption will be largely due to an increase in real disposable income. Only in the Benelux countries is real consumers' expenditure expected to contract this year (Table 15).

The efforts of many Member-States' Governments to reduce the relative size of their deficits are expected to reduce the rate of growth of *real government consumption* from 1,1% in 1983 to only 0,4% in 1984. This trend is common to all Member States except Germany where the small fall of last year (–0,4%) will be made good in 1984 (+0,5%).

The outlook for *fixed investment* has improved in all countries of the Community and capital formation is forecast to make a significant contribution to growth in 1984. Much of this growth will come from a recovery in investment in equipment which, in 1984, will show positive growth in all member countries except Greece and France. Some improvement in the overall outlook for construction investment is also foreseen but a further contraction is expected in five member countries, mainly as high interest rates have a powerful impact in this sector. After having a neutral effect on GDP growth in 1983, a small positive contribution is expected from *stockbuilding* this year.

The improved prospects for world trade will stimulate Community exports which, taking into account recent improvements in price competitivity, are expected to grow by 5,2% in volume terms. This will enable the *external sector* to make an increased contribution to GDP growth (0,6% in 1984, compared to 0,2% in 1983) as import growth will accelerate less rapidly given the moderate rate of expansion of overall economic activity and the redistribution of the stimulus to growth away from private consumption.

TABLE 9: **Rates of change of demand components and contributions to GDP growth** (EC, 1971-1984) [1]

	Percentage change on preceding period [1] at constant prices				
	1971-1980	1981	1982	1983 [2]	1984 [2]
Private consumption	3,3	0,3	0,5	0,9	1,1
Government consumption	2,9	1,5	1,1	1,1	0,4
Fixed capital formation	1,5	–4,5	–1,7	–0,9	2,2
Exports of goods and services	5,9	3,8	0,9	1,8	5,2
Imports of goods and services	5,3	–2,0	2,3	1,3	3,5
GDP	2,9	–0,3	0,5	0,8	2,0
	8202	8301	8302	8401	8402
Private consumption	0,5	1,2	0,5	1,2	1,4
Government consumption	0,2	2,0	0,1	0,6	0,4
Fixed capital formation	1,1	–2,4	0,2	2,1	4,3
Exports of goods and services	–1,9	1,2	6,8	5,0	4,1
Imports of goods and services	–4,5	2,1	5,6	3,2	2,0
GDP	–0,6	1,3	1,1	2,4	2,2
	Contributions to changes in GDP [3]				
	1971-1980	1981	1982	1983 [2]	1984 [2]
Final domestic demand	2,7	–2,1	0,8	0,6	1,1
Stockbuilding	0,0	1,7	0,6	0,0	0,3
Foreign balance	0,1	1,7	–0,4	0,2	0,6
	8202	8301	8302	8401	8402
Final domestic demand	0,6	0,6	0,4	1,2	1,7
Stockbuilding	–1,9	0,9	0,3	0,6	–0,2
Foreign balance	0,7	–0,2	0,4	0,6	0,7

[1] Half-yearly figures at annual rates, seasonally adjusted (8202 = second half of 1982 etc).
[2] 1983: estimate; 1984: forecast.
[3] Change as percentage of GDP of preceding period.
Source: Commission services.

Balance of Payments. — The Community's external position is forecast to improve more rapidly than previously expected. The trade balance (fob/fob) is estimated to have recorded a surplus equivalent to 0,6% of GDP in 1983, and which should rise to about 0,9% of GDP in 1984. Whereas the improvement in 1983 was a result of movements of both volume and prices, the improvement this year will come entirely from a favourable development of volume flows (exports of goods +5,5%; imports of goods +3,5%), which will be only partly offeset by a small deterioration of the Community's terms of trade. Despite the large improvement in the price competitivity of the

TABLE 10: **Balance on current account** (per cent of GDP, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983[1]	1984[1]
B	0,0	−2,7	−4,7	−4,2	−3,6	−1,5	−0,5
DK	−3,0	−4,7	−3,7	−3,1	−4,1	−2,1	−1,9
D	0,7	−0,8	−1,9	−1,0	0,6	0,7	1,0
GR	−2,8	−2,9	−0,9	−0,2	−3,9	−3,8	−4,3
F	−0,4	0,0	−1,4	−1,4	−2,9	−1,7	−0,8
IRL	−4,9	−11,3	−9,9	−13,1	−8,4	−2,8	−1,3
I	−0,3	1,7	−2,4	−2,3	−1,6	−0,2	−0,1
L	22,5	28,3	22,6	31,5	39,2	37,7	36,1
NL	1,1	−1,1	−1,5	2,2	2,7	3,3	3,9
UK	−0,8	0,0	1,6	2,6	2,0	0,7	0,6
EC	−0,2	−0,4	−1,3	−0,5	−0,5	−0,1	0,3
USA	0,1	−0,1	0,3	0,1	−0,4	−1,4	−2,4
JAP	0,7	−0,8	−1,0	0,5	0,6	1,9	2,6

[1] 1983: estimate; 1984: forecast.
Source: Commission services.

Community's merchandise exports in recent years, its gain in market share in 1984 (world trade +5,0%; EC exports +5,5%) will be small because some of its exports markets (LDC's, EFTA) are growing more slowly than the average and, in addition, the type of goods supplied by the Community are not necessarily those for which demand is growing most rapidly.
As the Community's deficit on services and current transfers is forecast to remain relatively stable in 1983 and 1984, the improvement on trade account will be fully transmitted to the current balance, which is expected to move from a small deficit (equivalent to 0,1% of GDP) in 1983 to a surplus (0,3% of GDP) in 1984 (Table 10). Apart from Greece, no Member State is expected to record a deficit larger than 2% of GDP whereas, in 1982, five countries had such deficits.

Labour markets. — Despite the faster rate of economic growth foreseen for the Community, unemployment is expected to remain around its current level. On an annual average basis, the unemployment rate is forecast to rise from 10,6% in 1983 to 11,0% in 1984, corresponding to 12 million and 12,4 million people respectively. Whereas, in 1983, total employment declined in every Member State except Denmark (+0,1%), employment in 1984 is forecast to increase in four countries (Denmark, Germany, Italy and the United Kingdom). However, only in Germany and the United Kingdom will this increase be greater than the change in the civilian labour force, and thus lead to a reduction in unemployment.

TABLE 11: **Number of unemployed as percentage of working population** (EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983[1]	1984[1]
B	5,7	8,8	9,4	11,2	13,1	14,5	14,9
DK	3,6	6,1	7,0	9,2	9,9	10,5	10,8
D	2,6	3,4	3,4	4,7	6,8	8,4	7,8
GR	:	:	:	:	5,8	7,8	8,6
F	3,6	6,0	6,4	7,8	8,7	8,9	9,7
IRL	7,2	7,4	8,2	10,2	12,3	14,7	16,6
I	5,9	7,5	8,0	8,8	9,1	10,7	11,9
L	0,3	0,7	0,7	1,0	1,2	1,6	1,9
NL	3,3	5,7	6,5	9,4	12,7	15,4	16,8
UK	4,1	5,0	6,4	9,6	11,0	11,7	11,4
EC	4,0	5,3	5,9	7,8	9,5	10,6	11,0
USA	6,2	6,0	5,8	7,6	9,7	9,5	7,8
JAP	1,8	2,2	2,1	2,2	2,4	2,6	2,5

[1] 1983: estimate; 1984: forescast.
Source: Commission services.

Within the Community, the population of working age has continued to expand but as the participation rate has declined over recent years (from 66,7% in 1981 to 65,7% in 1984), the growth of the total labour force has been moderate (+0,2% in 1983, +0,3% in 1984). Although the continued improvement in labour productivity taking the Community economy as a whole (+2,4% in 1983, and +2,3% in 1984) has dampened the effects of the recovery on employment demand, the decline in total employment is forecast to decelerate further (from −1,0% in 1983 to −0,1% in 1984).

Wages. — Since 1981, the rate of increase of compensation per employee has decelerated more quickly than the increase in the consumer price deflator, and has contributed to the easing of domestic inflationary pressures. Some further deceleration in the rate of growth of average employee compensation at the Community level is foreseen for 1984 (from 7,0% in 1983 to 5,8% in 1984) which implies that average real wages will increase by 0,6% compared to 0,8% in 1983 (Table 12). However, in Denmark, Italy, Luxembourg, and particularly in the Netherlands, the real value of compensation per employee is expected to fall in 1984.

TABLE 12: **Compensation of employees per head** (percentage change on preceding year, EC countries, EC, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983[1]	1984[1]
B	12,0	5,5	9,0	7,5	7,7	5,8	7,9
DK	11,5	9,4	10,8	10,0	11,7	7,5	5,2
D	8,5	5,9	6,8	5,3	4,4	3,5	3,8
GR	18,3	22,0	14,4	24,3	26,7	18,6	24,1
F	13,8	13,3	14,8	14,4	13,5	10,8	8,7
IRL	18,1	18,3	21,1	17,1	15,2	11,6	9,1
I	18,5	17,8	22,5	21,2	17,1	13,7	10,2
L	10,5	6,0	7,8	8,5	6,7	7,1	5,6
NL	11,0	6,0	5,4	3,5	5,7	2,8	0,2
UK	16,1	15,0	20,0	13,2	8,5	8,1	6,8
EC	12,7	10,7	13,4	11,6	8,7	7,0	5,8

[1] 1983: estimate; 1984: forecast.
Source: Commission services.

The decline in the rate of growth of average employee compensation combined with a further relatively high increase in productivity point to a significant deceleration in the rate of growth of unit labour costs. Taking the Community economy as a whole, unit labour costs, which are estimated to have risen by 4,5% last year, should rise by only 3,4% in 1984—a deceleration that augurs well both for the future rate of inflation and the maintenance of price competitivity of Community exports. In the Netherlands, unit labour costs this year are expected to fall by over 2%.

Government finance. — The adjustment policies introduced in most Member States over the last few years have begun to show some results and the rate of increase of general government current expenditure is expected to decelerate further over the outlook period (+12,5% in 1982, +9,0% in 1983 and +6,7% in 1984). Such a trend is expected in all Member States except Belgium (+6,5% in 1983, +8,4% in 1984). For seven Member States, the fastest growing item of general government current expenditure in 1984 will be interest payments which, for the Community as a whole, are estimated to account for 11,0% of current expenditure, compared to 9,3% in 1981. Indeed, in 1984, gross interest payments are forecast to be greater than the overall borrowing requirement of general government. Only in the United Kingdom has the relative importance of this item diminished over the last three years.
As the rate of growth of current revenue is expected to exceed that of current expenditure in 1984, and despite some further increase in capital formation and net capital transfers, the general government borrowing requirement is forecast to decline both in value terms and as a percentage of GDP (Table 13).

TABLE 13: **General government lending or borrowing (−) as percentage of GDP** (EC countries, EC, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983[1]	1984[1]
B	−4,9	−7,1	−9,1	−12,6	−11,6	−11,6	−10,9
DK	−1,0	−2,0	−3,6	−7,1	−9,2	−8,2	−6,9
D	−1,7	−2,8	−3,1	−3,9	−3,5	−3,0	−1,8
GR	−4,6	−4,8	−5,4	−10,6	−8,3	−9,2	−9,8
F	−0,5	−0,7	0,3	−1,8	−2,6	−3,4	−3,5
IRL	−9,1	−11,9	−12,8	−15,8	−16,2	−13,4	−12,3
I	−8,7	−9,5	−8,4	−11,7	−11,9	−11,9	−11,9
L	2,0	0,7	−0,8	−2,3	−1,4	−2,3	−0,6
NL	−1,6	−4,3	−4,0	−5,2	−7,2	−6,6	−6,8
UK	−3,3	−3,2	−3,4	−2,7	−2,0	−3,5	−2,5
EC	−3,2	−3,6	−3,5	−5,4	−5,4	−5,7	−5,2

[1] 1983: estimate; 1984: forecast.
Source: Commission services.

Money supply. — The annual growth rate of the money supply in the Community as a whole is forecast to continue its downward trend, with end-year rates of 10,7%, 9,8% and 8,6% for 1982, 1983 and 1984 respectively (Table 14).

TABLE 14: **Money supply M2/M3** (percentage change at end of year on twelve months earlier, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983[1]	1984[1]
B	10,3	6,0	2,7	6,6	5,9	5,5	6,7
DK	11,7	10,8	8,1	9,6	11,8	25,4	7,5
D	10,0	6,0	6,2	5,0	7,1	5,3	5,3
GR	23,8	18,4	24,7	34,3	31,5	20,0	21,3
F	14,8	14,4	9,7	11,4	10,8	8,8	6,0
IRL	18,4	19,0	16,9	17,4	12,9	7,5	11,4
I	19,5	20,3	12,0	16,0	17,2	14,4	14,2
L	—	—	—	—	—	—	—
NL	10,8	7,6	3,6	5,2	7,6	10,3	10,0
UK	14,5	12,7	18,6	14,6	9,2	11,5	8,9
EC	13,8	11,9	10,5	10,8	10,7	9,8	8,6
USA	9,5	8,2	9,0	10,0	9,2	—	—
JAP	16,9	9,1	7,2	8,7	7,0	—	—

[1] 1983: estimate; 1984: forecast.
Source: Commission services.

TABLE 16: **Contributions to real GDP growth** [1] (EC countries, 1971-1984)

		1971-80	1981	1982	1983[2]	1984[2]
B	Final domestic demand	3,2	−4,3	−0,4	−3,1	−0,3
	Stockbuilding	−0,1	−0,3	−0,4	0,6	0,1
	Foreign balance	0,0	3,1	0,7	2,4	1,6
DK	Final domestic demand	1,5	−3,0	3,8	1,9	1,4
	Stockbuilding	−0,2	−0,1	0,6	−0,9	0,5
	Foreign balance	0,7	2,2	−0,2	0,9	0,7
D	Final domestic demand	2,6	−2,1	−2,0	0,9	2,1
	Stockbuilding	0,0	−1,1	0,4	0,8	0,2
	Foreign balance	0,2	2,1	0,9	−0,8	0,6
GR	Final domestic demand	4,5	−1,3	1,6	−0,2	1,4
	Stockbuilding	0,1	−1,7	1,2	−0,6	0,2
	Foreign balance	0,1	−2,1	−2,5	1,1	0,1
F	Final domestic demand	3,4	−0,3	3,5	−0,3	−0,5
	Stockbuilding	0,0	−1,6	0,9	−0,6	0,1
	Foreign balance	0,0	0,8	−2,0	1,1	1,0
IRL	Final domestic demand	4,0	1,6	−3,7	−4,4	−0.3
	Stockbuilding	−0,2	−0,5	1,2	0,2	0,0
	Foreign balance	0,0	−0,2	4,9	4,7	2,6
I	Final domestic demand	3,0	−3,4	−0,5	−1,3	1,4
	Stockbuilding	0,4	−4,3	0,4	−0,9	0,4
	Foreign balance	−0,1	2,7	−0,1	0,7	0,4
L	Final domestic demand	3,6	−1,3	−2,2	−2,7	−2,2
	Stockbuilding	0,0	1,0	−0,7	0,0	0,0
	Foreign balance	−0,5	−0,5	1,1	0,4	1,2
NL	Final domestic demand	2,8	−4,5	0,4	0,5	−0,9
	Stockbuilding	−0,1	−1,7	1,2	−0,6	1,7
	Foreign balance	0,6	3,9	−1,1	1,1	0,9
UK	Final domestic demand	1,7	−1,6	2,8	3,5	2,0
	Stockbuilding	−0,2	0,3	0,8	0,6	0,4
	Foreign balance	0,1	0,4	−0,5	−0,9	0,0

[1] Change as percentage of GDP of preceding period.
[2] 1983: estimate; 1984: forecast.
Source: Commission services.

TABLE 15: **Demand components of constant prices** (percentage change on preceding year, EC countries, 1971-1984)

		1971-80	1981	1982	1983[1]	1984[1]
B[3]	Private consumption	3,7	−1,6	1,8	−2,8	−0,6
	Government consumption	4,2	0,9	−1,4	−1,5	−0,8
	Fixed capital formation	2,1	−14,7	−2,3	−6,0	1,3
	Exports of goods and services	5,6	3,6	1,6	2,2	4,0
	Imports of goods and services	5,7	−1,6	0,5	−1,9	1,6
	GDP	3,2	−1,1	1,1	0,0	1,3
DK[3]	Private consumption	1,5	−0,8	2,1	2,2	1,8
	Government consumption	4,4	2,3	4,1	1,6	−0,2
	Fixed capital formation	−0,9	−16,8	6,0	2,1	3,6
	Exports of goods and services	4,7	6,3	1,7	3,9	3,2
	Imports of goods and services	1,8	−1,2	2,7	1,4	1,5
	GDP	2,3	−0,7	3,6	2,0	2,6
D[4]	Private consumption	3,3	−0,4	−1,9	1,0	1,5
	Government consumption	2,4	1,0	−0,9	−0,4	0,5
	Fixed capital formation	1,6	−4,2	−5,2	2,4	5,7
	Exports of goods and services	5,8	8,1	3,7	−1,1	6,2
	Imports of goods and services	5,5	−0,2	0,5	1,5	4,7
	GDP	2,8	0,0	−1,0	1,0	3,0
GR[2]	Private consumption	4,7	1,6	0,6	0,0	1,3
	Government consumption	6,1	6,7	1,0	3,0	1,5
	Fixed capital formation	2,4	−8,6	−1,0	−4,1	1,2
	Exports of goods and services	10,6	−8,6	−5,8	6,0	4,7
	Imports of goods and services	5,8	2,5	5,9	−1,7	2,6
	GDP	4,7	−0,4	0,0	0,3	1,6
F[2]	Private consumption	4,2	2,1	3,3	0,6	0,0
	Government consumption	3,0	2,3	2,2	−0,2	−0,2
	Fixed capital formation	2,4	−1,4	0,5	−3,2	−2,3
	Exports of goods and services	8,0	5,4	−3,7	2,3	5,4
	Imports of goods and services	8,4	1,6	4,8	−2,4	1,0
	GDP	3,6	0,3	1,6	0,3	0,6
IRL[3]	Private consumption	2,7	−0,2	−5,0	−3,5	−1,0
	Government consumption	6,3	1,9	3,3	0,0	−2,0
	Fixed capital formation	5,1	7,4	−8,5	−9,3	−1,9
	Exports of goods and services	8,0	2,3	4,3	9,8	9,6
	Imports of goods and services	6,3	2,2	4,3	1,4	5,5
	GDP	4,1	1,6	1,2	0,5	2,3
I[2]	Private consumption	3,2	0,5	0,3	−0,8	1,4
	Government consumption	3,0	3,1	1,8	2,3	1,5
	Fixed capital formation	1,1	−0,6	−5,3	−6,5	1,8
	Exports of goods and services	7,0	5,2	1,2	3,3	5,0
	Imports of goods and services	6,0	−5,3	2,1	0,3	4,0
	GDP	3,1	0,1	−0,3	−1,4	2,2
L[3]	Private consumption	4,1	1,7	−1,6	−1,5	−2,5
	Government consumption	3,8	2,1	0,3	−0,3	−0,7
	Fixed capital formation	2,8	−13,3	−2,2	−7,5	−2,6
	Exports of goods and services	3,1	1,6	0,3	−1,4	0,6
	Imports of goods and services	3,8	2,2	−0,9	−1,9	−0,9
	GDP	3,1	−1,8	−1,1	−2,4	−1,0
NL[5]	Private consumption	3,9	−1,9	−1,4	0,2	−1,2
	Government consumption	2,7	1,6	0,6	0,8	−2,0
	Fixed capital formation	0,8	−10,0	−4,9	1,1	1,1
	Exports of goods and services	5,4	0,8	−0,7	4,3	4,5
	Imports of goods and services	4,1	−7,0	1,7	2,4	3,1
	GDP	3,4	−0,8	−1,6	1,0	1,7
UK[5]	Private consumption	2,1	−0,2	1,2	3,7	2,1
	Government consumption	2,5	−0,2	1,4	2,7	0,9
	Fixed capital formation	0,5	−9,5	5,8	4,2	3,4
	Exports of goods and services	4,1	−1,7	1,6	1,4	5,0
	Imports of goods and services	3,2	−3,0	3,3	5,2	5,1
	GDP	1,9	−1,3	2,3	3,2	2,5

[1] 1983: estimate; 1984: forecast.
[2] 1970 prices.
[3] 1975 prices.
[4] 1976 prices.
[5] 1980 prices.
Source: Commission services.

TABLE A.1: **Industrial production**[1] - 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	May	June	July	Aug.	Sept.	Oct.	Nov.	
B	2,4	4,3	−1,0	−2,9	0	−1,3	0	0,9	0,8	2,4	−1,6	5,4	−0,5	0,2	−0,7	1,6	:	2,2
DK	2,3	3,6	0,2	0,3	2,4	−3,1	1,2	1,4	2,1	−0,1	5,3	1,8	−8,3	8,7	0,2	−6,5	6,6	2,3
D	1,8	5,0	0,2	−2,0	−2,9	−3,1	−1,4	1,4	2,2	−0,2	0	3,6	−2,8	0,2	1,1	0,3	(1,2)	(6,3)
GR	7,5	6,0	0,9	−0,6	−4,2	−4,4	2,4	2,4	−1,8	0,4	−4,7	5,0	−2,8	3,5	−2,2	1,1	:	2,3
F	1,6	4,7	−0,7	−2,3	−1,5	−2,3	0,8	0,8	1,0	0,8	2,3	−1,5	1,6	0	−1,5	−0,8	2,3	0
IRL	7,9	7,7	−0,8	0,6	−0,4	−1,4	1,8	5,1	−2,9	3,7	0,3	3,0	4,2	−4,4	1,4	0,7	:	3,8
I	2,1	6,7	5,0	−2,2	−2,6	−4,6	−0,7	0,6	−4,7	1,7	2,6	−3,0	3,7	−2,3	2,2	−1,3	6,4	1,3
L	3,2	3,4	−3,3	−6,8	−3,7	−0,1	−4,2	−1,2	2,6	2,6	−3,3	−4,6	8,8	−4,6	4,7	5,0	−0,8	12,5
NL	0,9	2,8	0	0,9	−3,6	−2,8	0,6	3,5	−1,2	−0,9	2,8	−4,5	3,8	−3,7	0	1,9	2,8	7,3
UK	3,7	3,8	−6,5	−3,7	1,8	0,4	−0,4	1,3	−0,1	1,4	0,3	−1,5	2,1	−0,2	1,0	−0,5	0,4	4,5
EC	2,7	4,7	−0,5	−2,4	−1,5	−1,5	−1,6	0,6	0,1	(1,7)	1,4	−0,5	0,5	1,3	(0,7)	(−0,6)	(1,2)	(4,1)
USA	6,1	4,7	−4,5	2,5	−8,5	−0,3	−2,4	2,9	4,9	(5,3)	1,5	1,5	2,2	1,5	(1,5)	(0,7)	(0,7)	(17,4)
JAP	6,3	7,3	4,7	1,0	0,3	0,5	−1,2	0,9	1,5	3,3	0,2	1,0	0,2	(2,7)	(1,8)	(−1,2)	(2,1)	(7,8)

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

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

TABLE A.3: **Consumer price index** - 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	Aug.	Sept.	Oct.	Nov.	Dec.	
B	4,5	6,6	7,6	8,7	7,7	1,9	1,7	1,3	2,5	1,2	0,6	1,0	1,0	0,7	0	0,5	0,2	7,2
DK	9,6	12,3	11,7	10,1	6,9	2,5	0,8	1,5	1,2	2,0	0,3	0	0,5	1,1	0,5	0,9	0	6,0
D	4,1	5,5	5,9	5,3	2,9	0,7	0,5	0,6	1,0	0,5	0,4	0,4	0,3	0,2	0	0,2	0,2	2,6
GR	19,0	24,9	24,5	21,0	20,5	5,6	5,4	6,9	0,8	5,8	0,1	−0,9	−0,3	3,8	2,0	1,3	1,6	20,0
F	10,7	13,6	13,4	12,0	9,4	1,9	2,6	2,8	2,1	1,9	0,5	0,9	0,6	0,7	0,8	0,4	0,3	9,2
IRL[7]	13,2	18,2	20,4	17,2	10,2	1,6	2,5	2,8	2,9	1,8	(0,9)	(0,9)	(0,9)	(0,6)	(0,6)	(0,6)	:	10,3
I	14,8	21,2	19,5	16,4	14,7	4,5	3,6	2,9	2,3	(3,5)	0,6	0,8	0,5	1,3	1,5	1,1	(0,5)	(12,7)
L	4,5	6,3	8,1	9,4	8,7	2,5	2,0	0,9	2,7	2,3	0,3	1,5	0,7	1,0	0,9	0,5	0,5	8,0
NL	4,3	7,0	6,8	6,0	2,8	0,9	0,1	0,7	0,9	(1,0)	0,1	0,5	0,3	0,4	0,5	0,2	(0)	(2,9)
UK	13,4	18,0	11,9	8,6	4,6	0,7	0,5	2,0	1,3	1,1	0,2	0,5	0,4	0,5	0,3	0,4	0,3	5,3
EC	10,4	14,3	12,9	11,0	8,5	2,1	2,0	2,3	1,7	(2,0)	0,4	0,6	0,4	0,9	0,8	0,6	(0,4)	(8,1)
USA	11,3	13,5	10,3	6,2	3,2	0,2	0	1,3	1,2	0,9	0,3	0,4	0,3	0,5	0,3	0,2	0,1	3,8
JAP	3,6	8,0	5,0	2,6	1,7	0,9	−0,4	1,1	−0,4	1,1	−0,7	−0,5	−0,3	1,3	0,9	−0,7	−0,4	1,5

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	May	June	July	Aug.	Sept.	Oct.	Nov.	
B	2,3	3,9	1,2	−3,3	−1,3	0,3	0,9	−4,2	−5,3	3,2	−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	4,8	3,5	0,1	0,8	1,7	−5,3	4,0	2,8
D	2,8	2,6	0,3	−2,6	−2,7	−1,2	−0,6	2,3	0,4	−1,1	1,8	5,9	−9,3	4,7	3,9	−7,0	4,5	1,3
GR	4,9	−2,1	−3,5	−3,3	−3,7	−0,3	1,9	−0,7	−1,6	1,4	17,0	−5,5	1,3	−3,2	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	3,3	−2,7	−1,1	3,8	1,2	−9,4	7,6	−3,8
IRL	8,7	3,3	−0,7	−0,7	−5,4	−2,1	3,1	−1,5	−5,2	0,1	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	1,2	5,3	−5,6	7,0	−2,4	:	:	8,0
NL	4,7	−0,3	−3,8	−4,9	−2,7	1,4	−1,0	−0,4	0,4	0,8	−4,0	5,1	−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	0,7	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	1,5	2,4	−4,0	3,2	1,9	:	:	4,7
USA	4,6	2,1	−2,9	1,4	−1,3	−0,9	2,4	0,3	4,9	0,3	2,9	0,6	−0,1	−2,1	1,2	(1,8)	(1,1)	(8,0)
JAP	4,6	3,6	−0,8	1,8	0,9	0,4	−1,9	1,8	−0,2	(2,2)	−1,1	−2,6	5,0	0,9	(−3,5)	(2,7)	:	(3,9)

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	May	June	July	Aug.	Sept.	Oct.	Nov.	
B/L	−2890	−2064	−4993	−5418	−3082	−343	−133	170	−176	:	−132	−63	−112	153	(−414)	:	:	522
DK	−2198	−3022	−2116	−1475	−1866	−445	−571	−174	−240	−115	−137	−63	54	−57	−112	−73	10	161
D	15967	8939	3615	11239	21599	5872	5718	5945	4614	4112	1669	1748	1161	1664	1287	1428	1302	−676
GR	−3340	−4162	−3853	−3951	−5826	−1163	−1457	−1270	−1664	−1052	−395	−688	−426	−337	−288	−355	:	−17
F	−4081	−6194	−16948	−17283	−24457	−6243	−6850	−6095	−4301	−3137	−1860	−1243	−1131	−1284	−723	−705	−1175	979
IRL	−1137	−1947	−1893	−2467	−1574	−332	−300	−298	−92	−53	−70	−16	35	−77	−11	−73	:	−8
I	−319	−3893	−15307	−13554	−12513	−2968	−2502	−2651	−1887	−2369	−29	−743	−384	−1172	−813	−438	:	586
NL	−2198	−2622	−2981	1320	3500	523	548	944	1270	843	425	432	404	69	369	0	:	−264
UK	−5588	−7998	−3353	−445	−3295	−810	118	−2182	−2781	−2465	−1210	−600	−1193	−695	−578	−1365	−925	−1025
EC[8]	−5782	−22962	−47829	−32033	−27515	−6015	−6077	−5396	−5354	(−4491)	−1866	−1186	(−1485)	−1747	(−1259)	(−1987	:	(72)
USA	−31014	−27146	−26113	−35538	−43518	−14131	−13727	−11374	−18045	−22486	−7515	−5556	−7235	−8436	−6815	−10353	(−8768)	(−4525)
JAP	14286	−5541	−7707	7832	7034	2061	1097	4385	6005	(6973)	2374	1210	2620	2784	(1569)	(1630)	(2363)	(1994)

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 As % of total labour force.

7 Monthly series calculated by linear interpolation.

8 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 stock**[9] - Percentage change on preceding period (s.a.)

	1979	1980	1981	1982	1983	1982	1983				1983							Change over 12 months %[4]
						IV	I	II	III	IV	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
B (M2)	6,2	2,7	5,9	5,9	:	0,0	0,6	1,5	3,6	:	:	:	:	:	:	:	:	5,7
DK (M2)	10,6	7,8	9,0	11,5	24,7	3,1	5,8	7,7	5,2	3,9	3,2	0,5	1,8	2,8	0,1	0,1	3,8	24,7
D (M3)	6,0	6,2	4,8	7,1	5,3	0,1	3,3	1,1	1,6	−0,8	0,6	0,9	0,4	0,2	0,2	−0,6	−0,5	5,3
GR (M3)	18,4	24,7	34,7	29,0	:	6,4	1,8	4,9	4,4	:	1,1	0,9	1,6	1,8	2,5	1,2	:	(19,9)
F (M2)	14,7	10,0	11,5	11,7	:	1,4	2,3	2,8	1,1	:	0,2	0,9	0,3	−0,2	1,7	1,0	:	9,1
IRL (M3)	19,0	17,9	17,6	12,9	5,6	2,4	−0,9	1,7	1,2	3,5	−0,4	0,6	−0,4	1,0	−0,1	2,6	1,0	5,6
I (M2)	20,3	12,7	10,0	17,0	:	6,5	2,0	3,6	4,5	:	1,7	1,7	1,5	1,3	0,7	:	:	16,3
NL (M2)	7,0	3,8	5,3	8,8	:	−0,1	5,5	2,5	1,6	:	1,2	0,2	0	1,4	0,2	:	:	8,6
UK (£M3)	11,7	19,6	13,9	10,3	10,8	2,1	2,4	3,9	0,5	3,6	1,6	0,8	0,1	−0,4	1,4	0,6	1,5	10,8
EC[10]	11,9	10,9	9,7	10,9	:	2,0	2,7	2,7	1,8	:	1,0	0,9	0,5	0,3	(0,9)	:	:	(9,4)
USA (M2)	7,9	8,9	10,1	9,2	:	2,2	5,6	2,1	1,5	:	0,9	0,6	0,5	0,4	0,7	:	:	12,0
JAP (M2)	9,1	7,2	11,0	7,9	:	1,4	1,5	1,6	2,3	:	0,7	1,7	−0,3	1,0	−0,2	:	:	5,9

TABLE A.7: **Short-term interest rates**[11]

	1979	1980	1981	1982	1983	1982	1983				1983						1984	Change over 12 months %[5]
						IV	I	II	III	IV	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	
B	10,9	14,2	15,6	14,1	10,5	12,4	12,3	9,5	9,3	11,0	9,3	9,3	9,3	9,5	10,8	11,0	11,0	−1,3
DK	12,5	16,9	14,9	16,4	12,1	17,5	18,2	5,4	13,7	13,1	7,9	7,1	13,7	11,7	9,3	13,1	12,5	−5,9
D	6,9	9,5	12,3	8,8	5,8	6,4	5,3	5,6	5,8	6,5	5,6	5,8	5,8	6,2	6,5	6,5	6,2	0,3
GR	:	11,0	16,8	20,2	19,4	15,8	19,6	14,0	11,8	10,0	16,8	16,5	11,8	15,0	16,8	10,0	13,3	−3,0
F	9,8	12,3	15,6	14,6	12,5	12,7	12,3	12,6	12,6	12,3	12,2	12,4	12,6	12,3	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	13,8	13,4	12,6	12,8	12,3	12,3	12,4	−4,0
I	12,0	17,6	20,0	20,1	18,1	19,1	19,4	17,8	17,5	17,9	17,6	17,6	17,5	17,6	17,9	17,9	17,9	−1,1
NL	9,6	10,6	11,8	8,3	5,7	5,3	4,3	5,4	6,2	6,1	5,6	6,3	6,2	6,1	6,3	6,1	6,0	0,9
UK	13,9	16,8	14,2	12,2	10,1	10,6	10,9	9,7	9,7	9,4	10,0	9,8	9,7	9,3	9,3	9,4	9,4	−2,3
EC[12]	10,3	13,4	15,0	13,2	10,8	11,4	11,1	10,3	10,5	10,6	10,4	10,5	10,5	10,5	10,7	10,6	10,6	−0,9
USA	10,1	11,6	14,0	10,6	8,7	8,1	8,6	8,7	8,8	9,0	9,3	9,3	8,8	8,6	8,9	9,0	8,9	0,8
JAP	5,9	10,9	7,4	6,9	6,4	6,9	6,7	6,2	6,5	6,4	6,4	6,5	6,5	6,4	6,0	6,4	:	−0,5

TABLE A.8: **Long-term interest rates**[13]

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

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

	1979	1980	1981	1982	1983	1982	1983				1983						1984	Change over 12 months %[2]
						IV	I	II	III	IV	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	
BFR/LFR	40,17	40,60	41,29	44,68	45,44	45,45	44,87	45,22	45,69	45,94	45,54	45,68	45,85	45,91	45,97	45,96	46,07	2,3
DKR	7,21	7,83	7,92	8,15	8,13	8,21	8,09	8,08	8,18	8,17	8,17	8,20	8,17	8,15	8,16	8,18	8,18	1,1
DM	2,51	2,53	2,51	2,38	2,27	2,33	2,28	2,27	2,28	2,26	2,27	2,28	2,27	2,25	2,26	2,26	2,26	−1,7
DR	50,78	59,24	61,62	65,30	78,09	67,01	78,32	76,67	76,50	81,11	74,44	76,01	78,98	80,43	81,11	81,19	82,33	6,2
FF	5,83	5,87	6,04	6,43	6,77	6,60	6,53	6,81	6,85	6,88	6,84	6,86	6,86	6,89	6,88	6,89	6,90	6,1
IRL	0,669	0,676	0,691	0,690	0,715	0,691	0,692	0,718	0,723	0,727	0,721	0,722	0,725	0,727	0,727	0,727	0,729	5,5
LIT	1 138	1 189	1 263	1 324	1 350	1 339	1 326	1 347	1 355	1 371	1 346	1 354	1 364	1 370	1 371	1 370	1 371	3,8
HFL	2,75	2,76	2,78	2,62	2,54	2,55	2,52	2,55	2,55	2,53	2,54	2,55	2,54	2,53	2,54	2,54	2,54	−0,4
UKL	0,646	0,598	0,553	0,561	0,587	0,566	0,619	0,586	0,570	0,574	0,575	0,568	0,568	0,578	0,571	0,573	0,571	−6,5
USD	1,371	1,391	1,116	0,981	0,890	0,934	0,948	0,912	0,861	0,840	0,879	0,852	0,852	0,866	0,844	0,822	0,804	−16,4
YEN	300,5	315,0	245,4	243,5	211,4	241,7	223,2	216,6	208,7	196,3	211,4	208,3	206,5	201,7	198,2	192,6	188,0	−16,0
SDR	1,061	1,068	0,946	0,888	0,833	0,866	0,868	0,846	0,817	0,802	0,827	0,812	0,811	0,815	0,802	0,788	0,776	−11,2

TABLE A.10: **Effective exchange rates: export aspect**[14] - Percentage change on preceding period

	1979	1980	1981	1982	1983	1982	1983				1983						1984	Change over 12 months %[2]
						IV	I	II	III	IV	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	
B/L	1,2	−0,5	−5,4	−9,2	−2,0	−0,3	1,2	−1,1	−1,8	−1,1	−0,5	−0,7	−0,4	0	−0,5	−0,4	−0,6	−4,7
DK	−0,8	−7,9	−6,8	−4,0	0,1	2,0	2,2	−1,2	−2,7	−0,4	−0,7	−1,3	0,5	0,4	−0,7	−0,8	−0,5	−5,7
D	4,8	0,4	−5,2	5,1	4,5	1,8	2,6	0,3	−1,8	0,1	−0,2	−1,2	0,4	1,2	−1,1	−0,5	−0,5	−2,1
GR	−5,4	−13,5	−9,4	−7,3	−17,2	−0,3	−15,3	2,2	−0,8	−6,3	1,0	−2,9	−3,8	−1,6	−1,5	−0,8	−2,0	−7,7
F	0,9	0,4	−8,7	−8,0	−6,2	0,5	1,5	−5,3	−2,0	−1,2	−0,2	−1,1	−0,1	−0,1	−0,6	−0,8	−0,9	−10,1
IRL	0,2	−2,0	−8,3	−1,1	−3,4	0,3	2,2	−5,4	−2,5	−1,0	−0,3	−1,3	−0,3	0,4	−1,0	−0,4	−0,8	−9,9
I	−3,2	−3,7	−12,2	−6,7	−3,4	−0,9	1,2	−2,5	−1,9	−2,0	−0,1	−1,5	−0,8	−0,3	−0,7	−0,6	−0,8	−8,1
NL	1,8	0,1	−5,0	5,5	2,4	2,2	1,4	−1,6	−0,9	0	0	−0,8	0,3	0,8	−0,8	−0,5	−0,6	−3,6
UK	6,2	10,1	1,1	−4,6	−7,0	−2,4	−9,2	4,9	1,2	−1,8	−0,3	0,4	−0,2	−1,7	0,6	−1,3	−0,4	1,7
ECU	5,9	2,2	−14,9	−5,3	−4,8	0,9	−0,7	−2,3	−3,6	−2,5	−0,7	−2,3	−0,2	0,1	−1,6	−1,8	−1,7	−11,7
USA	−3,3	−0,3	14,0	12,2	8,1	1,9	−1,9	2,8	3,9	0,6	1,0	2,0	0	−1,7	1,8	1,7	1,2	12,2
JAP	−7,1	−4,1	14,0	−4,8	9,8	1,6	9,7	1,3	0,6	4,5	0,7	−0,3	0,7	3,4	0,3	1,6	1,3	8,9

9 National sources for Belgium, Denmark, Germany, France, Ireland and the United Kingdom; seasonal adjustment by Eurostat for Greece, Italy and the Netherlands.
10 Average of monthly changes, seasonally adjusted, weighted for GDP at 1975 prices and purchasing power parities. For money supply, the monthly change in Belgium is obtained by linear interpolation of quarterly data.
11 National sources; three-month interbank rates except: Belgium: yield on issue of four-month *Fonds des Rentes* certificates; Denmark: daily money market rate (monthly average). Annual average, end quarter and end month.
12 Average weighted for GDP at 1975 prices and purchasing power parities.
13 Yield on public sector bonds. Annual average. Average for last month of quarter and monthly average for Germany, Italy, Luxembourg and the Netherlands. End quarter and end month for the other Member States.
14 Weighting coefficients are calculated so as to allow not only for bilateral trade but also for competition on third markets and on the domestic market of the exporting country.

Note: (s.a.) = seasonally adjusted.
: = data not available.
() = estimated.

Major economic policy measures — February 1984

Community (EC)

None.

Belgium (B)

None.

Denmark (DK)

None.

Greece (GR)

9.1 It was announced that a commercial intervention agency would be set up for the import, purchase and sale of all products intended to satisfy the needs of the public and private sectors. It will take the form of a limited company under private law, and its purpose will be to ensure the best conditions and to supply the market when imbalances lead to abnormal price variations.

9.1 Measures were announced to improve the competitiveness of firms in the tourist sector. Financial measures will be taken to facilitate the settlement of loans contracted to solve cash-flow problems, the tax on luxury items will be reduced, tax incentives will be granted to improve advertising abroad.

25.1 The Economics Ministry announced measures to encourage the setting up of small and medium-sized cooperative businesses, to develop their financial resources and to introduce a system of guarantees for their borrowing.

France (F)

4.1 The Council of Ministers adopted a package of measures to combat inflation. They concern:

(1) Development of incomes: the purchasing power of wages paid by public sector undertakings in 1984 will develop in line with the actual situation of the undertaking concerned; family allowances will rise by an annual average of 6,1 %; the arrangements for commercial mark-ups are retained; dividend payments cannot increase by more than 5%;

(2) cost controls: corporate taxation and employers' social security contributions will be held steady; public service changes will be kept in check; financial costs will be reduced (reductions in rates), and productivity and investment will be promoted;

(3) prices policy: the overshooting that occurred in a number of branches in relation to agreed increases in the prices of services from 1982 to 1983 will be set against the increases provided for in the agreements for 1984; the application of price controls to services will be reinforced; rent controls will limit the rise to the equivalent of 80 % of the rise in the building cost index.

11.1 An agreement was signed between the employers' organizations and three employees' organizations, the CFC, the CFTC and FO, on the system of unemployment insurance. This agreement, which has not yet been ratified by the CGT or the CFDT, provides in particular for a two-year discontinuation of the special allowance introduced in favour of workers dismissed for economic reasons. Within the insurance scheme itself, a new system is introduced for extra unemployment benefits payable to insured persons whose remuneration exceeds a certain threshold and who have paid a supplementary contribution; the agreement also provides for a degressive scale.

17.1 The total amounts available for loans on special conditions to promote investment by firms will be increased to FF 60 000 million in 1984; this was made possible in particular by the success of the CODEVI (industrial development savings accounts).

Ireland (IRL)

25.1 **Budget 1984.** The main features are:

— The Exchequer Borrowing Requirement (EBR) and the Current Budget Deficit (CBD) are to be reduced by about 1% and 0,7% of GDP respectively. On the basis of the new budgetary definitions following the organization of the Post Office operations into two state-owned bodies separate from Central Government, the magnitudes are now: EBR IRL 1 874 million (12,2% of GDP; 1983 13,3%) and CBD IRL 1 089 million (7,1% of GDP; 1983 7,8%).

— Total current expenditure is planned to rise by about 11,5% but excluding debt servicing by 10,5%, a small real increase. Capital spending will fall by about 5% in real terms.

— Total current revenue is planned to rise by 13%. The share of taxation in GDP rises from 33,6% to 35%. Despite some concessions on the income tax side, the total income tax take will rise by an estimated 18,5% derived mainly from fiscal drag. The VAT base is broadened by the imposition of an 8% charge on clothing, excluding young children's clothing, but no further large increases have been made in indirect taxation.

— The effect on inflation is estimated at 0,9%.

Italy (I)

None.

Luxembourg (L)

None.

Netherlands (NL)

None.

United Kindom (UK)

None.

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