

Macroeconomic Imbalances Procedure Scoreboard

Eurostat publishes latest indicators for early detection of macroeconomic imbalances

Eurostat, the statistical office of the European Union, publishes today the indicators of the Macroeconomic Imbalances Procedure (MIP) Scoreboard. The MIP is part of the Six-Pack regulation on economic governance adopted by the European Parliament and Council in November 2011¹.

The MIP Scoreboard, based on data as of 1 November 2013², provide the statistical support to the annual Alert Mechanism Report³ released by the European Commission at the start of the European Semester. The Alert Mechanism Report contains a macroeconomic reading of potential imbalances and identifies those Member States for which in-depth analyses are required.

The Scoreboard consists of eleven headline indicators relevant for the early detection of existing or emerging macroeconomic imbalances at Member State level. The full data series are available on a regularly updated dedicated section of the Eurostat website⁴. Compared to 2012, the definition of some scoreboard indicators⁵ has been modified to better meet user needs.

Overall, the MIP relevant data are part of statistical domains (National Accounts, Balance of Payments, Labour Market Statistics, etc.) with long track records and of recognised quality. A few specific points are noted in the annexed table of data. Eurostat is the main provider of data for the MIP Scoreboard indicators. Some data are also provided by the Commission's Directorate General for Economic and Financial Affairs, the European Central Bank and the International Monetary Fund.

1. The scoreboard is defined in Regulation (EU) 1176/2011 on the prevention and correction of macroeconomic imbalances.
2. http://epp.eurostat.ec.europa.eu/portal/page/portal/macroeconomic_imbalance_procedure/indicators
3. The Alert Mechanism Report can be found on the website of the Directorate General for Economic and Financial Affairs: http://ec.europa.eu/economy_finance/economic_governance/macroeconomic_imbalance_procedure/index_en.htm
4. http://epp.eurostat.ec.europa.eu/portal/page/portal/excessive_imbalance_procedure/imbalance_scoreboard
5. As regards the Real Effective Exchange Rate, the basket of countries increased from 36 to 42 by adding Croatia (as a new EU Member State) and China, Brazil, Russia, South Korea and Hong Kong. This allows better accounting for the increasing role of some emerging economies when measuring competitiveness.
An internationally comparable framework was introduced for house price indices with the adoption of Regulation (EU) 93/2013, at the beginning of 2013.
The headline indicators on private debt and credit flow are now based on consolidated- instead of non-consolidated data. Consolidated debt and credit flow are smaller than the non-consolidated data since transactions within the same sector, such as intra-company loans, are eliminated. The change was made for two reasons: Intra-company loans that reflect institutional, corporate financing, accounting, or tax practices do not necessarily represent an economic imbalance, and statistical information on consolidated debt and credit flow has now become available for all Member States. In addition, financial derivatives have been excluded from the definition of those indicators.

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MIP scoreboard 2012

| | External Imbalances and Competitiveness | | | | | | | | | Internal Imbalances | | | | | | |
|----|---|------------|---|------------------------------|----------------------|------------------------------|----------------------|------------------------------|----------------------|---|--|---|-------------------------------------|----------------------------|------------|--|
| | Current Account Balance as % of GDP | | Net International Investment Position as % of GDP | Real Effective Exchange Rate | | Share of World Exports | | Nominal Unit Labour Cost | | House Price Developments % y-o-y change in deflated prices (2012/11) | Private Sector Credit Flow as % of GDP, consolidated | Private Sector Debt as % of GDP, consolidated | General Government Debt as % of GDP | Unemployment Rate | | % y-o-y change in Total Financial Sector Liabilities (2012/11) |
| | 3 year average (2010-12) | p.m.: 2012 | | % change (3 years) (2012/09) | p.m.: % y-o-y change | % change (5 years) (2012/07) | p.m.: % y-o-y change | % change (3 years) (2012/09) | p.m.: % y-o-y change | | | | | 3 year average (2010-2012) | p.m.: 2012 | |
| BE | -0.4 | -2.0 | 48 | -4.3 | -2.3 | -14.9 | -5.2 | 6.6 | 4.1 | -0.2 | -1.5 | 146 | 100 | 7.7 | 7.6 | -3.9 |
| BG | -0.9 | -1.3 | -80 | -4.0 | -2.0 | 4.8 | -5.5 | 7.4 | -0.5 | -5.3 ^p | 2.5 | 132 | 19 | 11.3 | 12.3 | 10.1 |
| CZ | -3.0 | -2.4 | -50 | 0.4 | -2.8 | -4.2 | -4.6 | 3.9 | 3.8 | -3.9 | 0.6 | 72 | 46 | 7.0 | 7.0 | 5.4 |
| DK | 5.9 | 6.0 | 38 | -7.7 | -2.8 | -18.6 | -4.8 | 1.0 | 1.6 | -5.1 | 6.1 | 239 | 45 | 7.5 | 7.5 | 5.0 |
| DE | 6.5 | 7.0 | 42 | -8.9 | -3.2 | -13.1 | -4.6 | 3.0 | 3.1 | 1.8 | 1.5 | 107 | 81 | 6.2 | 5.5 | 4.4 |
| EE | 0.9 | -1.8 | -54 | -3.4 | -0.6 | 6.5 | -4.1 | -2.8 | 4.2 | 3.5 | 4.7 | 129 | 10 | 13.2 | 10.2 | 12.9 |
| IE | 2.3 | 4.4 | -112 | -12.2 | -4.3 | -16.3 | -3.3 | -10.4 | 0.0 | -11.7 | -1.6 | 306 | 117 | 14.4 | 14.7 | -0.7 |
| EL | -7.5 | -2.4 | -109 | -4.5 | -3.9 | -26.7 | -7.3 | -8.1 | -6.2 | -12.4 ^{**} | -6.8 | 129 | 157 | 18.2 | 24.3 | -3.4 |
| ES | -3.1 | -1.1 | -93 | -5.2 | -2.3 | -14.6 | -4.9 | -5.6 | -3.0 | -16.9 | -10.5 | 194 | 86 | 22.3 | 25.0 | 3.3 |
| FR | -1.8 | -2.2 | -21 | -7.8 | -3.2 | -14.0 | -6.8 | 4.1 | 2.1 | -2.3 | 3.5 | 141 | 90 | 9.9 | 10.2 | -0.1 |
| HR | -0.5 | 0.0 | -89 | -8.3 | -2.6 | -24.7 | -7.4 | 0.8 | 1.2 | -2.4 | -2.1 | 132 | 56 | 13.8 | 15.9 | 0.9 |
| IT | -2.3 | -0.4 | -25 | -6.2 | -1.8 | -23.8 | -5.0 | 3.1 | 2.3 | -5.4 ^p | -1.0 | 126 | 127 | 9.2 | 10.7 | 7.1 |
| CY | -6.7 | -6.9 | -82 | -5.8 | -1.9 | -26.6 | -9.4 | 0.8 | -2.7 | -2.2 | 10.0 | 299 | 87 | 8.7 | 11.9 | -1.9 |
| LV | -0.6 | -2.5 | -67 | -8.5 | -1.4 | 12.3 | 5.4 | -5.8 | 3.4 | -0.6 | -1.0 ^p | 92 ^p | 41 | 16.9 | 15.0 | 4.1 ^p |
| LT | -1.3 | -0.2 | -53 | -6.7 | -2.0 | 29.3 | 5.7 | -4.6 | 1.9 | -3.2 | -0.3 | 63 | 41 | 15.6 | 13.4 | -0.3 |
| LU | 7.0 | 6.6 | 169 | -2.3 | -1.4 | -18.3 | -4.0 | 9.8 | 4.7 | 2.5 | -5.0 | 317 | 22 | 4.8 | 5.1 | 11.3 |
| HU | 0.6 | 1.0 | -103 | -1.2 | -2.3 | -17.8 | -7.4 | 4.4 | 2.7 | -9.2 | -6.1 | 131 | 80 | 11.0 | 10.9 | -8.3 |
| MT | -1.6 | 1.6 | 25 | -7.7 | -2.1 | 4.5 | -1.9 | 4.9 | 3.7 | 0.3 | -1.6 | 155 | 71 | 6.6 | 6.4 | 4.1 |
| NL | 8.8 | 9.4 | 47 | -6.0 | -1.8 | -12.0 | -3.3 | 3.3 | 2.8 | -8.7 | 0.2 | 219 | 71 | 4.7 | 5.3 | 4.9 |
| AT | 2.2 | 1.6 | 0 | -4.7 | -1.7 | -21.2 | -6.3 | 4.1 | 3.0 | .* | 2.7 | 147 | 74 ^{***} | 4.3 | 4.3 | -0.9 |
| PL | -4.6 | -3.7 | -67 | 1.3 | -2.3 | 1.3 | -2.7 | 4.4 | 2.0 | -5.9 ^p | 3.4 | 75 | 56 | 9.8 | 10.1 | 9.6 |
| PT | -6.5 | -2.0 | -115 | -4.0 | -1.5 | -16.0 | -5.3 | -5.3 | -3.1 | -8.6 ^p | -5.4 | 224 | 124 | 13.6 | 15.9 | -3.6 |
| RO | -4.4 | -4.4 | -68 | -1.9 | -6.0 | 5.9 | -7.1 | 4.8 | 6.5 | -9.2 | 0.9 | 73 | 38 | 7.2 | 7.0 | 5.3 |
| SI | 1.2 | 3.3 | -45 | -4.5 | -1.2 | -19.9 | -6.9 | 0.4 | 0.8 | -8.4 | -2.9 | 114 | 54 | 8.1 | 8.9 | -0.8 |
| SK | -1.7 | 2.2 | -64 | -3.2 | 0.0 | 4.2 | 1.5 | 0.9 | 1.0 | -5.9 | 3.2 | 73 | 52 | 14.0 | 14.0 | 2.6 |
| FI | -0.5 | -1.7 | 18 | -8.3 | -2.7 | -30.8 | -7.1 | 4.8 | 4.4 | -0.5 ^p | 9.0 | 158 | 54 | 8.0 | 7.7 | -0.2 |
| SE | 6.2 | 6.0 | -10 | 10.1 | -0.8 | -18.8 | -6.0 | 0.7 | 2.9 | -0.2 | 1.8 | 212 | 38 | 8.1 | 8.0 | 4.4 |
| UK | -2.8 | -3.8 | -9 | 5.8 | 4.3 | -19.0 | -1.7 | 6.1 | 3.0 | -0.9 | 2.6 | 179 | 89 | 7.9 | 7.9 | -4.3 |

* HPI (House Price Index) data up until 2011 from Statistics Austria. For 2012, Eurostat estimates a deflated rate of 9.6% based on non-harmonised HPI data from ECB and Central Bank of Austria.

** Eurostat estimate based on HPI data from Bank of Greece produced in agreement with the Greek Statistical office, ELSTAT.

*** Eurostat expressed a reservation on Austrian general government sector debt, see Eurostat News Release 152/2013.

For Financial Accounts and Balance of Payments, new and better information frequently leads to revisions of historical data. This concerns especially the stock indicators (private debt and net international investment positions). Some historical data for Croatia may not be fully comparable with data from other Member States.

p= provisional data, e= estimated

p.m.: Where headline indicator spans several years; the 2012 value is provided for information

Annex: Brief definition of the indicators

Current account balance

The current account covers all transactions occurring between resident and non-resident entities, and refers to international trade in goods and services, income and current transfers. For the Scoreboard indicator, the current account balance as a percentage of GDP is expressed as the average of the past three years.

Net international investment position

International investment position statistics record the net financial position (assets minus liabilities) of a country vis-à-vis the rest of the world. Data cover stocks of direct and portfolio investments, financial derivatives and other investment and reserve assets. The indicator is expressed as a percentage of GDP.

Real effective exchange rate (REER)

The REER aims to assess a country's competitiveness relative to its principal competitors in international markets. This depends on exchange rate movements, but also on the relative cost or price developments in the country and its trading partners.

The specific REER for the scoreboard takes account of exchange rate and consumer price developments in a basket of 42 countries (the EU28 Member States plus Australia, Brazil, Canada, China, Hong Kong, Japan, Norway, New Zealand, Mexico, Russia, South Korea, Switzerland, Turkey and United States). The indicator is expressed as the percentage change over three years (a positive value means a loss of competitiveness).

Share of world exports

This indicator captures the share of exports of goods and services of a country in total world exports. The indicator is expressed as the percentage change over five years.

Nominal unit labour cost

This indicator compares remuneration (compensation per employee) and productivity (GDP per person employed including self-employed) to show how the remuneration of employees is related to the productivity of their labour. The indicator is expressed as the percentage change over three years.

House price developments

This indicator measures the evolution of prices in the house market relative to the evolution of the whole final consumption basket. The house price index captures price changes of all residential properties purchased by households (flats, detached houses, terraced houses, etc.), both new and existing, independently of their final use and their previous owners. The indicator is expressed as year on year growth rate.

Private sector credit flow

The private sector credit flow represents the net amount of liabilities (loans and securities other than shares excluding financial derivatives) which the sectors Non-Financial corporations and Households and Non-Profit institutions serving households have incurred during a year. Transactions within sectors are eliminated (consolidated). The indicator is expressed as a percentage of GDP.

Private sector debt

The private sector debt is the stock of liabilities in the form of loans and securities other than shares excluding financial derivatives held by the sectors Non-Financial corporations and Households and Non-Profit institutions serving households. Transactions within sectors are eliminated (consolidation). The indicator is expressed as a percentage of GDP.

General government debt

Public debt is defined in the Maastricht Treaty as consolidated general government gross debt at nominal value, outstanding at the end of the year. The general government sector comprises central government, state government, local government, and social security funds. The indicator is expressed in percentage of GDP.

Unemployment rate

The unemployment rate is the number of unemployed persons as a percentage of the labour force based on International Labour Office definition. The labour force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who: - are without work during the reference week; - are available to start work within the next two weeks; - and have been actively seeking work in the past four weeks or had already found a job to start within the next three months. The indicator is expressed as the average of the past three years.

Total financial sector liabilities

The financial sector liabilities measure the evolution of the sum of all liabilities (which includes currency and deposits, securities other than shares, loans, shares and other equity, insurance technical reserves and other accounts payable) of the financial sector. The indicator is expressed as year on year growth rate.