

Tables and charts

Based on statistical information available on February 27, 2004.

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Table 1 Main monthly indicators (continued on next page)

	Consumer prices		Exchange rate		Interest rates (end of period, %)					Money and credit ⁵					
	% change in CPI over the previous ¹		% ch. in effective exchange rate ^{1,2}		Short-term rates			Long-term rates		12-month % change		Base money	DMB lending ⁶	Foreign liabilities	
	1 month	12 months	1 month	12 months	Central Bank repo yield	3-month REIBOR ³	3-month Treasury bills	5-y. non-indexed T-notes	10-year Treasury bonds ⁴	25-year housing bonds ⁴	M3				DMB
1998.....	.	1.7	.	1.6	7.5	8.2	7.6	7.5	4.3	4.7	4.6	15.2	30.3	56.8	
1999.....	.	3.4	.	0.2	9.0	11.7	9.8	9.6	4.7	4.8	75.9	16.9	22.8	15.2	
2000.....	.	5.0	.	-0.1	11.4	12.0	11.5	11.7	5.5	6.3	-10.4	11.2	26.2	33.0	
2001.....	.	6.7	.	-16.7	10.1	12.5	10.0	9.1	5.1	5.9	-14.2	14.9	13.4	20.3	
2002.....	.	4.8	.	3.0	5.8	6.2	5.8	6.9	4.9	5.2	17.2	15.3	0.9	-17.4	
2003.....	.	2.1	.	6.4	5.3	5.1	4.5	7.5	4.3	4.6	-33.5	23.5	16.4	-5.7	
2002															
September ..	0.5	3.1	-2.0	8.2	7.1	6.8	7.1	7.4	5.1	5.5	3.0	14.6	2.1	-3.8	
October	0.5	2.9	-0.2	10.2	6.8	6.6	6.6	7.1	5.0	5.3	30.3	13.1	1.4	7.6	
November ..	-0.2	2.4	0.5	14.6	6.3	6.2	6.1	6.9	5.0	5.3	24.3	14.7	0.5	3.4	
December ...	0.1	2.0	1.9	14.2	5.8	6.2	5.8	6.9	4.9	5.2	17.2	15.3	0.8	-17.4	
2003															
January	0.4	1.4	2.2	13.3	5.8	6.3	5.8	7.0	4.7	5.0	17.7	12.9	-1.0	-9.5	
February	-0.2	1.5	1.8	13.2	5.3	5.5	5.3	7.3	4.8	5.0	28.0	12.3	0.7	-6.5	
March.....	1.1	2.2	-0.2	12.6	5.3	5.4	5.0	6.9	4.8	5.0	-8.5	12.8	2.5	-8.3	
April.....	0.1	2.3	1.2	11.3	5.3	5.3	4.5	7.0	4.6	4.9	2.1	15.6	5.0	-5.9	
May	-0.2	2.2	1.2	8.9	5.3	5.3	4.8	6.6	4.4	4.8	-10.1	18.9	9.2	-8.0	
June	0.1	1.8	-1.9	6.5	5.3	5.3	5.1	6.8	4.3	4.6	-13.8	19.3	10.1	-0.3	
July	-0.1	1.6	-2.2	2.7	5.3	5.3	5.1	6.8	4.2	4.6	-2.5	14.8	11.5	12.0	
August.....	-0.1	2.0	-1.9	0.3	5.3	5.2	4.9	6.5	4.0	4.4	5.6	19.6	13.1	3.1	
September ..	0.7	2.2	0.0	2.3	5.3	5.2	4.5	6.3	4.3	4.6	-5.4	22.9	12.3	-4.2	
October	0.5	2.2	0.6	3.2	5.3	5.1	4.5	6.9	4.2	4.6	-1.2	25.5	13.8	-30.8	
November ..	0.1	2.5	0.5	3.1	5.3	5.1	4.5	7.1	4.3	4.6	-17.2	23.7	13.7	-25.1	
December ...	0.3	2.7	0.5	1.7	5.3	5.1	4.5	7.5	4.3	4.6	-33.5	23.5	16.4	-5.7	
2004															
January	0.0	2.4	3.3	2.7	5.3	5.3	4.5	7.3	4.4	4.7	-12.5	26.5	20.8	-23.2	
February	-0.3	2.3	1.1	2.0	5.3	5.3	4.5	7.0	4.1	4.6	...	...	...	...

1. Percentage changes between period averages. 2. Based on the official effective exchange rate basket (trade-weighted). Positive sign indicates appreciation of the Icelandic króna. 3. Average yield on the interbank market in Icelandic króna. 4. Yield in excess of changes in the CPI. 5. Annual figures are changes over year. Latest figures are preliminary. 6. DMBs = deposit money banks = commercial and savings banks and other institutions permitted to accept deposits from the public. Foreign lending excluded from January 2002.

Table 1 (continued) Main monthly indicators

	Foreign exchange market and reserves				Foreign trade and external conditions				Labour market		Treasury fin.		Asset prices		
	Gross foreign currency reserves:		CB net purchases (b.kr.)	Trade balance (b.kr.)	Merchandise exports (b.kr.)	Merchandise imports (b.kr.)	Marine product prices 12-mo. % ch. ⁹	Real exchange rate of króna ¹⁰	Unemployment	Wages, 12-mo. % change	Fin. balance, % of rev., cum. from beg. of year ¹¹	Equity prices ¹²	Housing prices ¹³		
	in b.kr.	as ratio of:												12-mo. % changes	% changes
1998.....	29.6	2.2	0.8	17.0	-25.5	136.6	162.1	11.8	91.9	2.8	9.4	4.6	9.8	7.0	
1999.....	35.8	2.6	0.9	12.0	-22.9	144.9	167.8	-4.8	93.6	1.9	6.8	8.7	47.4	21.8	
2000.....	34.2	2.1	0.6	-13.9	-38.0	149.3	187.3	-3.0	96.2	1.3	6.6	5.9	-19.3	13.5	
2001.....	36.6	2.1	0.4	-29.5	-6.7	196.4	203.1	1.6	83.6	1.4	8.8	-0.2	-11.2	3.3	
2002.....	37.2	2.5	0.2	4.5	13.1	204.3	191.2	3.3	88.4	2.5	7.2	-5.6	16.7	6.5	
2003.....	58.1	3.5	0.3	43.2	-16.9	182.6	199.5	0.4	93.8	3.4	5.6	-3.4	56.4	12.1	
2002															
September ..	49.8	3.3	0.4	1.2	0.2	17.1	17.0	-0.6	89.6	2.2	5.8	-9.7	24.3	5.4	
October	36.5	2.4	0.3	1.2	1.9	19.0	17.1	0.3	89.4	2.5	5.9	-5.8	18.8	6.2	
November ..	36.5	2.4	0.3	1.0	1.3	16.5	15.2	0.6	89.9	2.8	5.7	-7.2	20.4	6.3	
December ...	37.2	2.5	0.3	1.1	-1.1	13.3	14.4	4.2	91.5	3.0	5.4	-5.6	16.7	6.5	
2003															
January	36.2	2.5	0.2	5.5	4.9	16.4	11.4	2.9	93.4	3.8	5.5	-1.5	8.4	7.3	
February	36.1	2.5	0.2	2.2	2.0	16.1	14.1	3.0	95.0	4.1	5.6	4.3	8.1	8.5	
March	35.9	2.5	0.2	2.5	-0.5	16.7	17.3	1.9	94.9	4.0	5.7	9.3	8.3	10.2	
April	38.5	2.7	0.2	2.1	-2.4	14.1	16.5	4.1	95.9	3.9	5.6	8.3	7.5	11.6	
May	36.9	2.6	0.2	2.8	-1.7	15.1	16.8	0.5	97.1	3.6	5.6	2.2	14.1	13.0	
June	36.9	2.4	0.2	3.5	-3.2	14.3	17.5	-1.6	95.2	3.2	5.6	2.2	14.6	14.2	
July	36.5	2.3	0.2	4.4	-5.0	15.0	20.0	-4.7	93.2	3.0	5.7	-2.3	19.4	14.5	
August	41.0	2.5	0.2	4.0	-0.9	14.9	15.8	-1.3	91.5	2.9	5.7	-3.7	38.0	14.6	
September ..	46.4	2.8	0.2	4.4	-4.7	14.6	19.2	0.0	91.6	2.7	5.6	-4.6	39.5	13.5	
October	51.7	3.1	0.3	4.4	-2.8	15.8	18.6	0.3	92.5	2.8	5.5	-3.4	48.7	13.3	
November ..	57.8	3.5	0.3	3.8	-0.3	16.0	16.2	1.1	93.2	3.0	5.5	-4.7	52.7	12.8	
December ...	58.1	3.5	0.3	3.7	-2.5	13.7	16.2	-1.4	93.6	3.1	5.4	-3.4	56.4	12.1	
2004															
January	56.7	3.4	...	7.0	0.3	16.7	16.4	-2.8	96.6	3.7	3.3	...	76.8	10.7	
February .....	...	...	...	1.4	...	...	...	...	...	...	...	...	...	...

7. Gross foreign exchange reserves at end of period as a ratio of the average monthly value of merchandise imports. Calculated at fixed exchange rates. 8. The denominator is foreign short-term liabilities of credit institutions (deposit money banks and investment banks). 9. Prices in SDR. Annual figures are % changes between annual averages. 10. Real effective exchange rate of the Icelandic króna based on relative consumer prices (a trade-weighted average of trading partners' consumer prices is used). 1980 = 100. 11. Cash basis. 12. The ICEX-15 index from January 1 1998. Earlier the ICEX stock price index. Annual figures are % changes over year. 13. Residential housing in the Greater Reykjavík Area. 3-month moving average of price per m² based on present value of contracts. Annual figures are % changes over year.

Sources: Statistics Iceland, Directorate of Labour, State Accounting Office, Iceland Stock Exchange (ICEX), The Land Registry of Iceland, Central Bank of Iceland.

Table 2 Prices

	2003							2004	
	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Consumer price index, May 1988 = 100	226.8	226.5	226.3	227.9	229.0	229.3	230.0	230.1	229.4
<i>1-month % changes:</i>									
Consumer price index	0.1	-0.1	-0.1	0.7	0.5	0.1	0.3	0.0	-0.3
Domestic goods excl. agric. products and vegetables	0.5	0.0	-0.2	0.7	0.2	0.0	-0.2	0.5	-0.3
Agricultural products and vegetables	-0.1	-1.3	0.4	0.2	1.3	-0.1	-0.7	1.0	-0.5
Imported goods excl. alcohol and tobacco	-0.4	-1.1	-0.7	1.5	0.5	0.5	0.6	-1.6	-0.6
Petrol	-2.8	2.7	0.0	2.6	-3.3	0.0	2.4	1.8	-0.5
Housing	0.3	1.1	1.3	0.5	0.5	-0.1	0.5	0.1	0.2
Public services	0.0	0.8	0.1	1.2	0.2	0.1	0.0	5.9	-2.3
Other services.....	0.4	0.2	-0.4	-0.1	0.4	0.1	0.3	-0.1	0.4
Harmonised index of consumer prices (HICP) ¹	0.1	-0.2	-0.4	0.7	0.3	0.2	0.2	-0.2	...
<i>12-month % changes:</i>									
Consumer price index	1.8	1.6	2.0	2.2	2.2	2.5	2.7	2.4	2.3
Domestic goods excl. agric. products and vegetables	-0.3	-0.7	0.1	0.2	0.1	0.8	1.4	1.5	0.7
Agricultural products and vegetables	-2.8	-3.6	-2.4	-2.8	-1.3	-0.7	0.4	-0.1	-0.6
Imported goods excl. alcohol and tobacco	-2.2	-3.2	-1.7	-0.8	-1.4	-0.5	0.9	0.3	1.0
Petrol	-4.2	-1.2	-1.2	-0.9	-5.1	-4.0	2.4	1.6	1.5
Housing	9.3	9.9	10.9	10.2	10.3	9.8	8.9	7.9	7.1
Public services	6.0	6.8	5.6	6.2	6.3	6.2	6.2	9.1	6.3
Other services.....	2.6	2.7	1.5	1.4	1.5	1.4	1.4	0.7	1.0
Harmonised index of consumer prices (HICP) ¹	1.3	0.9	1.0	1.2	1.1	1.5	1.8	1.4	...
Building cost index for residential buildings	3.2	3.3	3.0	3.6	3.7	3.3	3.5	1.3	1.4
Housing prices ²	14.2	14.5	14.6	13.5	13.3	12.8	12.1	10.7	...
<i>Foreign CPI and commodity prices, 12-mo. % changes</i>									
Consumer price index in USA.....	2.1	2.1	2.2	2.3	2.0	1.8	1.9	1.9	...
Consumer price index in euro area ³	1.9	1.9	2.1	2.2	2.0	2.2	2.0	-8.8	-9.3
Commodity prices excl. oil.....	3.9	1.3	3.9	3.1	6.7	10.0	12.9	...	...
Petrol prices ⁴	14.5	10.4	11.7	-4.8	7.3	18.7	5.3	-0.1	-6.0

1. Deviates from the CPI calculated by Statistics Iceland in that the latter includes own housing, education and health care. 2. Present value of price per m² in the Greater Reykjavík Area. 12-month % changes between 3-month moving averages. 3. Harmonised index of consumer prices (HICP). 1996=100. 4. Crude oil (Brent). Sources: Statistics Iceland, The Land Registry of Iceland, Bloomberg, EcoWin.

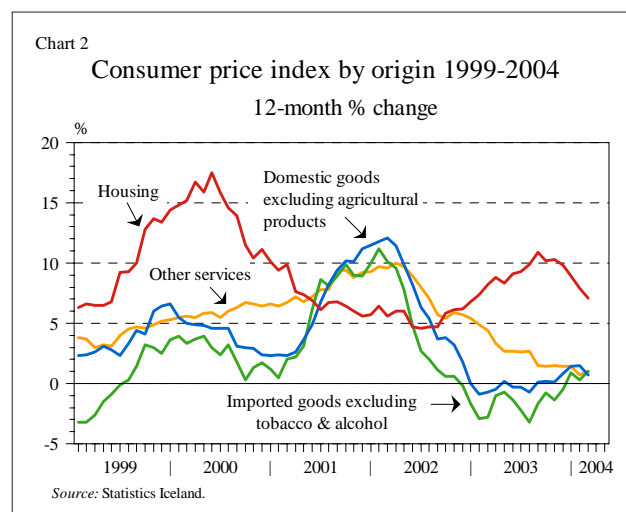
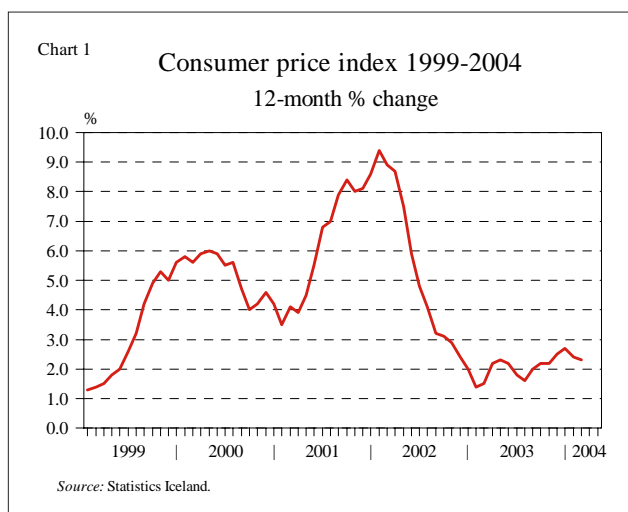


Table 3 Exchange rate of the Icelandic króna

Monthly averages	2003							2004		3-month % ch. to Feb. 27 ³
	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
<i>Effective exchange rate indices:¹</i>										
Official index (31/12 '91 = 100).....	121.3	124.1	126.5	126.5	125.7	125.1	124.6	120.6	119.3	4.4
Import-weighted index (31/12 '94).....	102.9	105.3	107.4	107.4	106.6	106.2	105.6	102.1	100.9	4.6
Export-weighted index (31/12 '94).....	103.6	105.9	107.9	107.9	107.3	106.9	106.5	103.2	102.2	4.1
<i>Central Bank quotations:²</i>										
U.S. dollar	74.0	77.1	79.8	79.2	76.2	75.8	73.1	69.4	68.5	6.7
Euro	86.3	87.7	88.9	88.8	89.2	88.7	89.7	87.6	86.7	3.2
Japanese yen	0.626	0.650	0.673	0.689	0.696	0.694	0.677	0.653	0.643	6.3
Pound sterling.....	122.9	125.4	127.1	127.5	127.8	128.0	127.7	126.6	128.0	-0.6
Danish krone	11.62	11.80	11.96	11.96	12.01	11.93	12.05	11.76	11.63	3.4
Norwegian krone.....	10.58	10.58	10.75	10.84	10.84	10.82	10.90	10.18	9.88	10.8
Swedish krona	9.47	9.55	9.62	9.80	9.91	9.86	9.95	9.58	9.44	5.3
<i>% changes³</i>										
	Between annual averages				From beginning of year			Previous 12 months		
	2000	2001	2002	2003	Feb. '02	Feb. '03	Feb. '04	Feb. '02	Feb. '03	Feb. '04
Official index (31/12 '91 = 100).....	-0.1	-16.7	3.0	6.4	4.0	2.9	2.9	-10.7	12.3	1.2
Import-weighted index (31/12 '94 = 100)....	0.2	-16.4	3.1	6.6	3.9	2.8	3.0	-10.7	12.5	1.6
Export-weighted index (31/12 '94 = 100)....	-0.2	-17.0	3.0	6.2	4.1	2.9	2.8	-10.8	12.1	0.9
<i>Central Bank quotations:²</i>										
U.S. dollar	-8.2	-19.3	6.9	19.2	2.6	3.8	1.9	-14.1	29.2	11.4
Euro (Deutschemark before 1999).....	6.3	-17.0	1.5	-0.6	5.0	1.2	3.7	-8.5	3.9	-3.3
Japanese yen.....	-12.6	-9.1	10.2	10.1	4.5	3.2	3.9	-1.8	14.0	2.9
Pound sterling.....	-1.7	-15.3	2.6	9.4	5.0	5.9	-1.9	-12.4	15.9	-4.9
Danish krone	6.5	-17.0	1.2	-0.6	4.9	1.2	3.8	-9.0	3.9	-3.0
Norwegian krone.....	3.7	-17.7	-5.2	5.9	1.8	7.4	8.2	-14.3	4.1	9.6
Swedish krona	2.0	-9.0	0.4	-1.0	2.6	0.8	5.2	-8.3	4.7	-2.5

1. Based on a trade-weighted (goods and services) basket of trading partners' currencies. 2. Exchange rate of respective currency against the Icelandic króna. 3. Positive sign indicates an appreciation of the Icelandic króna.

Source: Central Bank of Iceland.

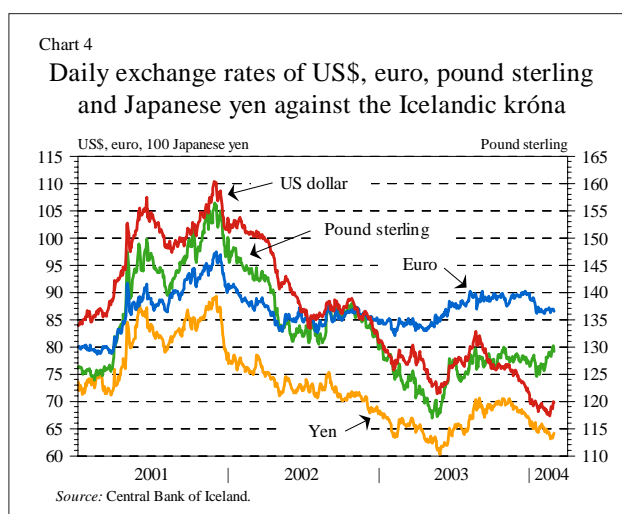
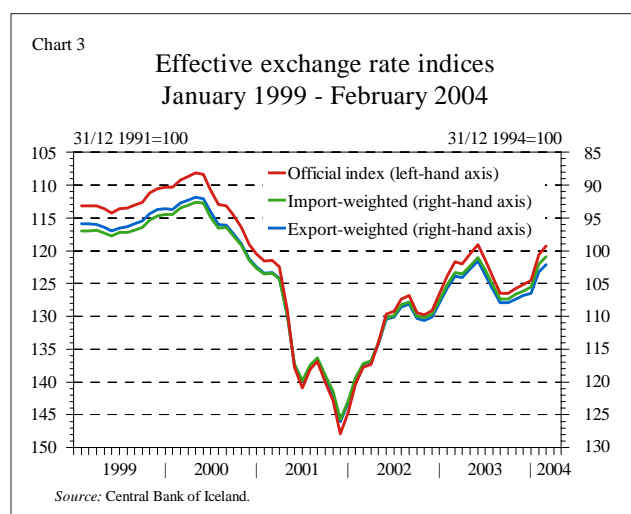


Table 4 Interest rates

All figures are in %	Annual averages ¹			At end of month August 2003 - February 2004						
	2001	2002	2003	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<i>Central Bank rates</i>										
Credit institutions' current accounts	6.8	5.5	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Required deposits ²	9.4	7.1	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Overnight loans (discount rates).....	12.3	10.7	7.8	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Repurchase agreements ³	10.9	8.4	5.4	5.3	5.3	5.3	5.3	5.3	5.3	5.3
<i>Yields in the money market⁴</i>										
REIBOR, O/N	12.3	9.3	5.1	5.0	4.8	4.8	4.9	4.4	3.1	5.7
REIBOR, 1-month	12.1	9.0	5.3	5.1	5.1	5.1	5.1	4.8	5.2	5.3
REIBOR, 3-month	12.0	8.9	5.3	5.2	5.2	5.1	5.1	5.1	5.3	5.3
REIBOR, 6-month	11.8	8.8	5.5	5.3	5.3	5.1	5.1	5.2	5.3	5.3
Treasury bills, 3-month.....	11.0	8.1	5.0	4.9	4.5	4.5	4.5	4.5	4.5	4.5
Treasury bills, 6-month ⁵	10.9	7.9	5.0	5.0	4.4	4.6	4.9	4.9	5.1	5.2
<i>Yields in the capital market⁶</i>										
Treasury notes, up to 5 yrs.....	10.6	8.1	6.8	6.5	6.3	6.9	7.1	7.5	7.3	7.0
Treasury bonds, 5 yrs.....	5.8	5.4	4.0	3.8	3.6	3.6	3.6	3.6	4.1	3.9
Treasury bonds, 10 yrs.....	5.3	5.2	4.4	4.0	4.3	4.2	4.3	4.3	4.4	4.1
Housing bonds, 25 yrs.	5.9	5.7	4.7	4.4	4.6	4.6	4.6	4.6	4.7	4.6
<i>Deposit money banks' lending rates⁷</i>										
Average rates on non-indexed securities ...	18.0	15.4	12.0	12.0	11.8	11.7	11.7	11.7	11.6	11.5
Average rates on indexed securities.....	10.2	10.1	9.1	9.1	9.0	9.0	8.7	8.6	8.5	8.2
<i>Rates acc. to Interest Rate Act 38/2001⁸</i>										
Penalty rates.....	23.7	21.3	17.3	17.0	17.0	17.0	17.0	17.0	17.0	17.0

1. Arithmetic averages of end-of-month figures. Central Bank rates are time-weighted averages. 2. On May 21 1998, previously indexed terms became non-indexed. 3. Since March 1998 yields in auctions. Tap sales before that time. 4. REIBOR are yields on the interbank market in Icelandic króna which began in June 1998. For Treasury bills, yields in trading on ICEX (Iceland Stock Exchange). 5. Treasury bills with the closest maturity to 6 months. 6. All bond yields are in real terms. 7. From July 1, 2001, the Bank issues information on banks' average interest rates only as statistical information. 8. Interest rates that have legal status in the month shown. From July 1, 2001, penalty rates are revised at 6-month intervals. *Source:* Central Bank of Iceland.

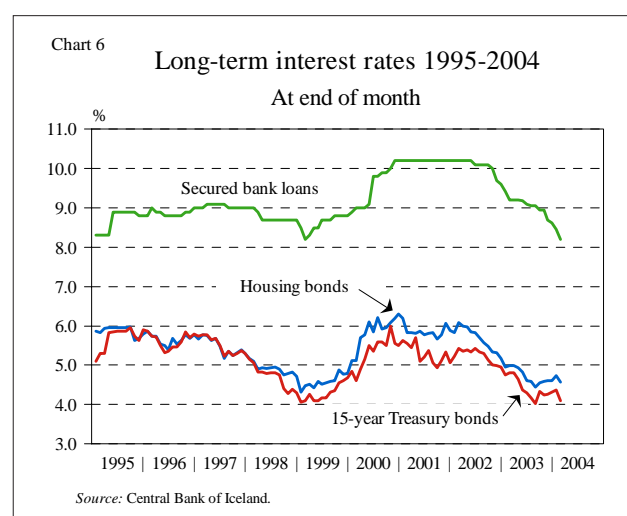
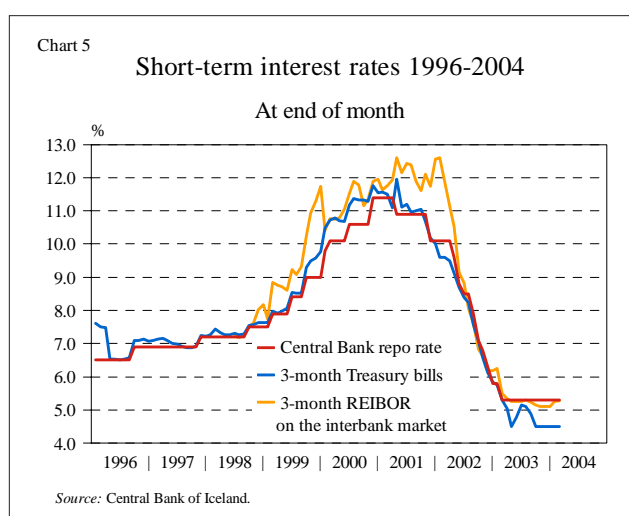


Table 5 Money and credit

Selected items from the balance sheets of the Central Bank, deposit money banks and the banking system

	In b.kr. Jan. 2004	% change over year			1-mo. change in b.kr.			12-mo. % change		
		2001	2002	2003	Nov. '03	Dec. '03	Jan. '04	Jan. '02	Jan. '03	Jan. '04
Net foreign exchange reserves	56.5	.	.	.	6.1	0.3	-1.7	.	.	.
Claims on Treasury and gov. inst., net..	-30.0	.	.	.	-8.8	3.1	-7.8	.	.	.
Claims on deposit money banks.....	42.0	38.7	27.9	-65.2	-2.6	-17.6	18.0	117.8	-8.6	-42.9
Base money.....	32.4	-14.2	17.3	-33.5	-4.1	-11.6	10.7	13.9	17.7	-12.5
Notes and coins in circulation.....	8.2	3.6	3.5	9.5	0.1	0.7	-0.2	5.3	8.2	16.7
Reserves of deposit money banks	24.2	-19.2	22.3	-46.7	-4.1	-12.3	10.9	16.4	20.1	-19.4
<i>Deposit money banks¹</i>										
Central Bank items	-20.3	.	.	.	-3.2	5.7	-9.6	.	.	.
Short-term position, net.....	-21.5	.	.	.	1.9	19.9	-2.4	.	.	.
Credit and listed securities ²	1,231.1	22.1	1.9	28.0	44.0	17.1	31.3	20.7	-0.4	31.7
Credit ³	946.0	17.4	5.2	25.6	30.3	24.3	15.5	20.4	-0.2	28.8
Treasury and government institutions	19.7	8.1	1.6	-15.2	-1.1	-0.1	4.1	11.2	-8.2	12.2
Non-bank financial institutions	17.3	-45.2	.	.	-10.0	-2.6	-2.8	28.8	.	.
Industries	617.9	15.5	2.1	26.6	7.0	12.5	42.1	11.6	1.5	37.9
Households	180.5	9.9	8.1	15.4	5.6	3.7	-8.0	15.9	0.5	11.7
Foreign sector.....	110.7	.	63.1	118.2	28.4	9.2	-2.8	.	10.4	96.1
Listed securities	166.8	23.9	-3.4	40.7	3.3	0.3	3.2	5.7	9.0	41.5
Domestic credit and listed securities.....	1,075.2	12.7	7.9	20.6	3.4	13.4	26.2	16.2	0.6	25.5
Domestic credit.....	835.3	13.2	0.8	16.4	1.9	15.1	18.3	11.6	-1.0	20.8
Deposits	485.2	15.1	15.5	23.8	6.9	0.4	5.5	17.0	12.6	27.2
Bonds	591.8	18.9	27.1	111.7	29.3	17.0	48.0	26.3	18.0	122.6
Foreign liabilities for on-lending.....	187.8	20.3	-17.4	-5.7	7.5	6.4	-42.5	7.7	-9.5	-23.2
<i>Banking system¹</i>										
Foreign assets, net	142.4	-8.2	-35.1	-199.5	35.9	33.0	31.1	-19.4	-39.8	-244.4
Domestic credit and marketable securities	1,075.2	12.7	7.9	20.6	3.4	13.4	26.2	16.2	0.6	25.5
Money supply, M1 ⁴	128.6	-2.3	23.8	32.0	-3.4	-0.3	12.8	5.6	12.0	58.9
M2 (M1 + demand savings deposits)....	213.9	11.0	9.3	29.6	-0.7	1.4	6.9	11.8	9.4	38.0
M3 (M2 + time savings deposits).....	493.4	14.9	15.3	23.5	7.0	1.2	5.3	16.7	12.9	26.5
M4 (M3 + securities issues)	1,085.2	16.3	19.7	58.2	36.3	18.2	53.3	20.3	14.7	65.8

1. Since March 1998, all percentage changes have been calculated using figures including FBA. This applies to the following items: credit (and subcategories of credit), listed securities, bonds, foreign liabilities and M4. 2. Treasury bills, equities and leasing contracts also included. 3. Lending series have been adjusted retroactively following reclassification under the ÍSAT standard. Data on lending to foreign entities available since January 2001. 4. Sum of notes and coins in circulation and DMBs' demand deposits. *Source:* Central Bank of Iceland.

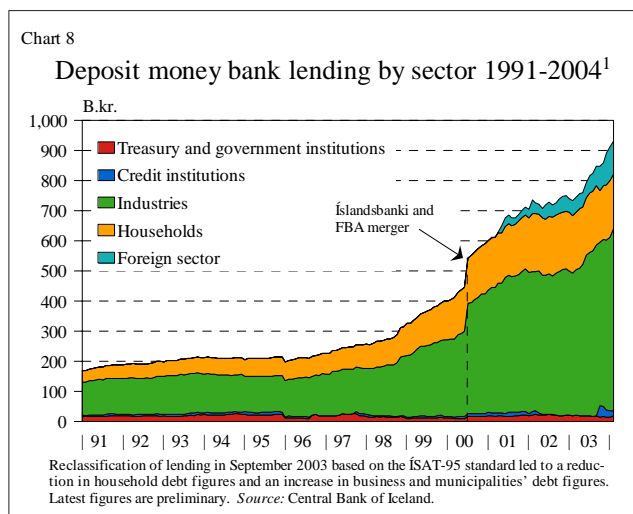
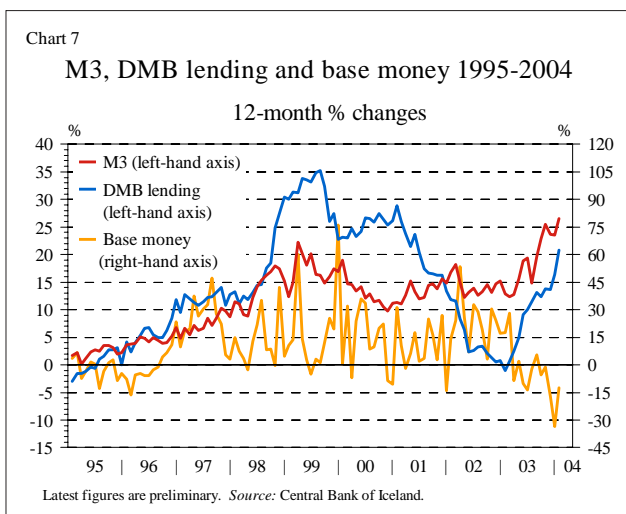


Table 6 The credit system¹

	In b.kr. Dec. 2003	% change over year						3-mo. % change		
		1998	1999	2000	2001	2002	2003	June '03	Sept. '03	Dec. '03
Assets										
Loans and domestic securities.....	2,230.6	15.1	17.3	17.3	19.2	3.2	12.5	5.1	1.9	2.9
Banking system ²	1,046.8	27.2	23.7	44.4	13.8	8.0	23.8	8.1	6.5	3.3
Miscellaneous credit undertakings....	550.9	13.2	17.4	-3.8	20.8	-2.0	8.0	-0.7	3.2	2.7
Housing Financing Fund.....	445.7	7.2	13.9	12.0	18.1	11.5	14.1	2.3	4.1	3.3
Credit undertakings subject to minimum reserve requirements ³	62.2	.	.	-34.9	30.3	-41.4	-19.0	-18.8	-1.0	1.6
Other credit undertakings ⁴	43.1	-78.0	9.2	17.2	16.1	9.0	0.8	2.3	0.7	-1.5
Pension funds.....	625.3	8.9	17.9	4.6	16.4	12.2	12.7	2.5	2.8	3.7
Insurance companies.....	61.8	9.6	10.1	24.1	12.2	6.3	10.4	-2.6	-3.7	7.8
Mutual funds.....	184.7	123.5	24.1	-14.0	22.3	39.2	47.0	6.4	14.6	4.8
Foreign credit.....	1,149.6	19.3	24.0	39.6	30.0	-4.3	30.9	13.2	5.6	10.4
Public lending funds.....	332.9	-3.7	2.2	0.0	31.9	-3.0	-1.7	0.6	0.0	-1.8
Total of above.....	3,952.0	15.5	18.3	18.4	21.7	3.1	19.4	6.1	4.8	4.9
Less inter-institutional lending.....	-1,721.5	16.0	19.9	20.4	25.8	3.0	29.8	7.6	8.9	7.7
Assets = liabilities.....	2,230.6	15.1	17.3	17.3	19.2	3.2	12.5	5.1	1.9	2.9
Liabilities										
Domestic liabilities.....	1,632.8	16.1	21.0	7.2	14.2	6.6	18.9	5.1	2.3	5.8
Notes and deposits.....	432.7	15.7	16.6	11.1	14.9	13.4	23.5	6.2	7.8	4.4
Securities.....	225.8	30.2	23.0	9.9	6.4	0.1	40.3	13.3	7.6	2.6
Insurance indemnity fund.....	48.3	5.8	9.1	11.5	15.6	4.4	2.2	-1.1	-0.8	-5.2
Pension funds.....	786.0	15.2	27.4	9.9	13.7	4.9	18.3	5.3	4.7	5.8
Capital of financial institutions.....	218.9	5.7	-1.9	14.3	26.0	19.4	18.2	-0.3	3.5	9.9
Other, net.....	-78.9	.	.	.	.	.	.	.	.	.
Foreign credit, net.....	597.8	12.6	6.6	50.3	30.8	-3.7	-1.9	5.1	0.9	-4.2
Credit by sector:⁵										
Central government.....	148.9	-0.9	-9.5	-8.4	25.4	1.7	-6.2	-0.6	7.3	-6.8
Municipalities ⁶	119.9	19.3	13.1	15.9	23.0	4.1	30.4	1.5	19.7	7.6
Industries ⁶	1,185.6	20.8	24.9	22.5	20.7	0.6	21.8	9.3	6.3	1.8
Households ⁶	776.1	14.6	18.0	17.6	15.5	7.0	2.3	1.2	-7.3	6.0

1. Partly preliminary or estimated. 2. In January 2002, Kaupping was licensed to operate as a commercial bank and was thereby reclassified from "Investment Banks, etc." (now termed "Credit undertakings subject to minimum reserve requirements") to "Banking system". 3. Credit undertakings subject to minimum reserve requirements comprise: Frjálsi fjárfestingarbankinn hf., Framtak fjárfestingarbanki hf., Lýsing, SP-fjármögnun, Europay and Greiðslumiðlun hf. In May 2003, Glitnir leasing company merged into Íslandsbanki and was thereby reclassified to "Banking system". 4. Other credit undertakings comprise: The Agricultural Loan Fund, the Agricultural Productivity Fund, the Municipal Loan Fund and the Regional Development Fund. 5. Partly estimated. 6. Since September 2003 sectoral breakdown of lending has been automatically classified. As a consequence, lending to households has diminished, but lending to municipalities and industries has grown. *Source:* Central Bank of Iceland.

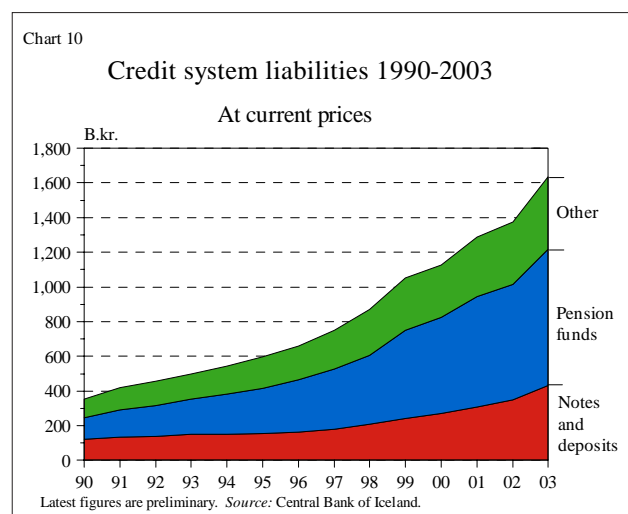
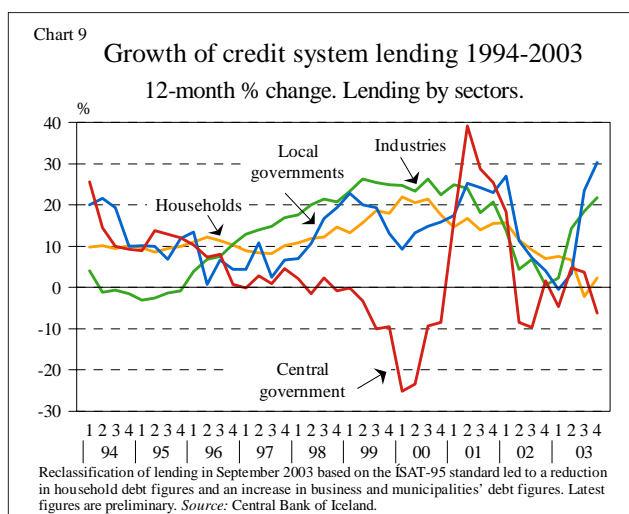


Table 7 Financial markets

At end of period	Outstanding in b.kr.			1-month % change			12-month % change		
	2001	2002	2003	Oct. '03	Nov. '03	Dec. '03	Oct. '03	Nov. '03	Dec. '03
Money market ¹	22.2	29.6	36.3	-14.3	8.9	-20.6	18.4	19.1	22.5
Securities market ²	645.8	710.0	1.173.0	8.5	21.3	5.1	28.2	57.0	65.2
thereof Treasury bonds.....	69.0	55.8	53.1	0.5	0.3	1.3	-5.7	-5.6	-4.7
thereof housing bonds.....	225.3	259.2	307.7	2.2	1.5	1.0	18.0	18.2	18.7
Market capitalisation of listed equities	428.0	529.3	658.8	3.5	2.3	4.6	19.4	19.0	24.5
Mutual funds' units (open-end).....	99.8	129.9	198.1	1.0	0.6	3.9	52.5	41.9	52.5

1. Bills issued by Treasury, commercial banks, savings bank and investment credit funds. 2. Government bonds, government notes, housing bonds, housing authority bonds and listed bond issues of banks, savings banks, investment credit funds, leasing companies, firms, municipalities and non-residents. Open-end mutual funds' units not included. *Source:* Central Bank of Iceland

Table 8 Labour market

Changes in indices are in percent. Other changes indicate increase/decrease in jobs or permits	Averages			1-month change			12-month change		
	2002	2003	Jan. '04	Nov. '03	Dec. '03	Jan. '04	Jan. '02	Jan. '03	Jan. '04
Wage index (1990=100).....	195.0	205.9	210.9	0.1	0.1	1.6	10.0	5.5	3.3
Real wages (1990=100) ¹	127.5	131.8	132.9	0.0	-0.2	1.6	0.5	4.0	0.9
Number of new work permits.....	3,637	3,299	303	-144	31	25	-33	-128	90
Job vacancies, total.....	221	459	394	66	-62	4	-253	-48	260
thereof Greater Reykjavik Area.....	66	104	91	26	-35	22	-243	4	18
<i>Period averages</i>	2001	2002	2003	Nov. '03	Dec. '03	Jan. '04	Jan. '02	Jan. '03	Jan. '04
Number of unemployed.....	2,009	3,631	4,893	4,400	4,728	5,088	3,306	5,208	5,088
Measured unemployment rate (% of labour force)	1.4	2.5	3.4	3.0	3.1	3.7	2.4	3.8	3.7
Seasonally adjusted unemployment rate.....	.	.	.	3.2	3.1	3.1	1.9	3.1	3.1
<i>Quarterly measurements</i>	Averages			3-month % change			12-month % change		
	2002	2003	Q4 '03	Q2 '03	Q3 '03	Q4 '03	Q4 '01	Q4 '02	Q4 '03
Wage index (1990 = 100).....	195.0	205.8	207.3	0.5	0.5	0.5	9.3	5.7	5.5
Wages in the private sector.....	178.6	188.5	189.7	0.4	0.4	0.5	7.3	4.7	5.7
Wages in the public sector and banks.....	221.9	234.5	236.2	0.5	0.5	0.5	12.3	7.3	5.0

1. Deflated by consumer prices. *Sources:* Statistics Iceland, Directorate of Labour, Central Bank of Iceland.

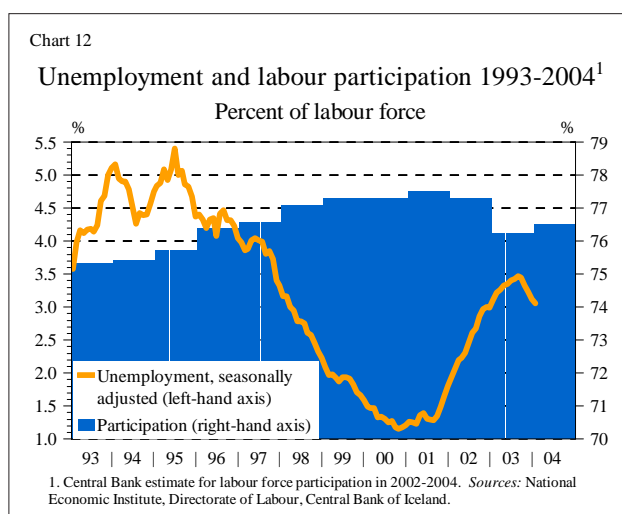
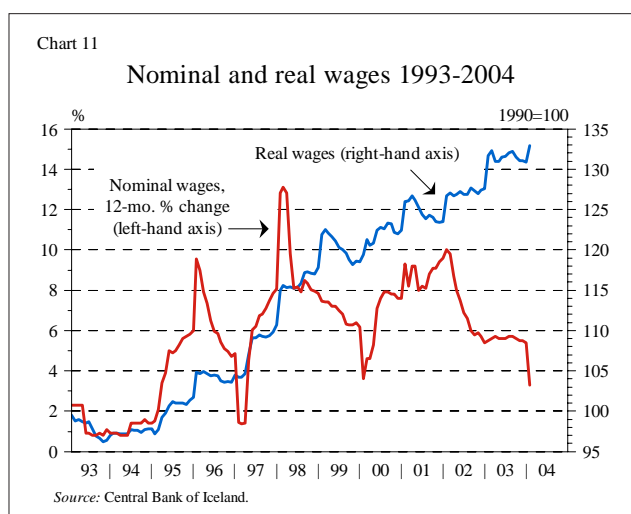


Table 9 National accounts – annual data

<i>In b.kr.</i>	1997	1998	1999	2000	2001	Prelim. 2002	Forecast ¹		
							2003	2004	2005
Gross domestic product (GDP), current prices....	513.7	568.9	609.4	662.4	745.2	779.0	811.9	862.4	932.1
Current account balance, current prices.....	-9.4	-39.5	-42.6	-67.1	-30.4	-2.2	-45.5	-64.8	-75.9
GDP at 1990 fixed prices	405.7	428.2	445.9	471.1	484.4	481.4	494.6	512.0	535.0
GNP at 1990 fixed prices	394.7	425.3	441.4	457.0	469.3	475.9	488.9	504.8	528.8
<i>Volume changes between years, percent</i>									
Private consumption	5.1	10.1	7.3	4.0	-3.0	-1.1	6	5	6
Public consumption	2.5	3.4	4.6	4.3	3.1	4.0	3	¾	2
Gross fixed capital formation.....	10.0	32.8	-3.0	14.8	-7.0	-14.8	12½	13	9
Industries	17.8	45.8	-5.1	14.9	-14.3	-22.1	18½	26	13½
Housing	-9.3	1.3	0.3	15.2	17.8	5.2	6	4½	4
Public works and buildings.....	6.6	23.4	2.7	14.0	-1.7	-12.3	10½	-16	-3½
National expenditure	5.5	13.5	4.2	6.8	-3.6	-2.9	6¾	5¾	5¾
Exports of goods and services.....	5.4	2.0	4.0	5.0	7.7	3.7	¼	4	4½
Exports of goods	1.9	-2.6	7.1	-1.3	7.2	6.6	...	...	...
Exports of services	16.0	13.2	-2.5	19.3	8.6	-1.8	...	...	...
Imports of goods and services.....	7.7	23.4	4.2	8.0	-9.0	-2.3	10½	9½	8
Imports of goods	5.8	24.3	3.2	2.8	-10.0	-3.2	...	...	...
Imports of services	15.8	21.2	6.9	21.5	-6.9	-0.5	...	...	...
Gross domestic product (GDP)	4.7	5.6	4.1	5.7	2.8	-0.6	2¾	3½	4½
Gross national product (GNP).....	4.7	5.6	4.3	4.7	2.4	0.6	2¾	3¼	4¾
Gross national income (GNI).....	5.6	7.7	4.0	3.7	2.5	0.8	1	3½	5
Terms of trade (goods and services)	2.1	5.6	-0.8	-2.7	0.3	0.5	-4¼	¼	¼
<i>Percent of GDP</i>									
Private consumption	57.1	57.3	58.9	58.8	54.8	53.7	55¾	56	56½
Gross fixed capital formation.....	20.3	24.6	22.6	24.1	22.3	18.8	21¼	23	24
Current account balance	-1.8	-6.9	-7.0	-10.1	-4.1	-0.3	-5½	-7½	-8¼
Gross national saving	18.6	17.9	15.6	14.3	17.5	18.8	15½	15½	16

1. Central Bank of Iceland forecast.

Sources: Statistics Iceland, Central Bank of Iceland

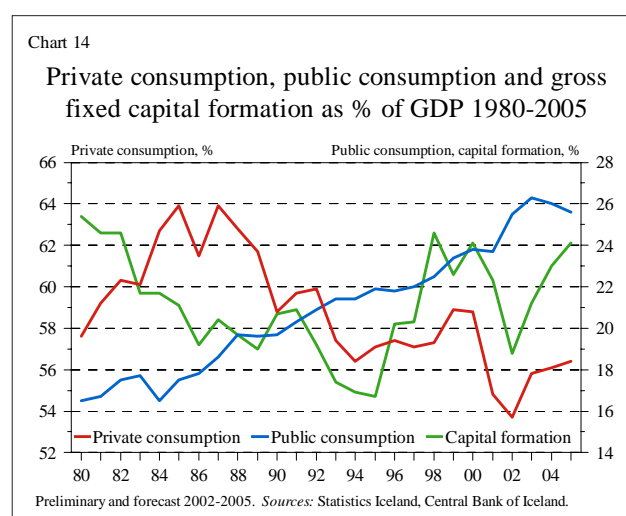
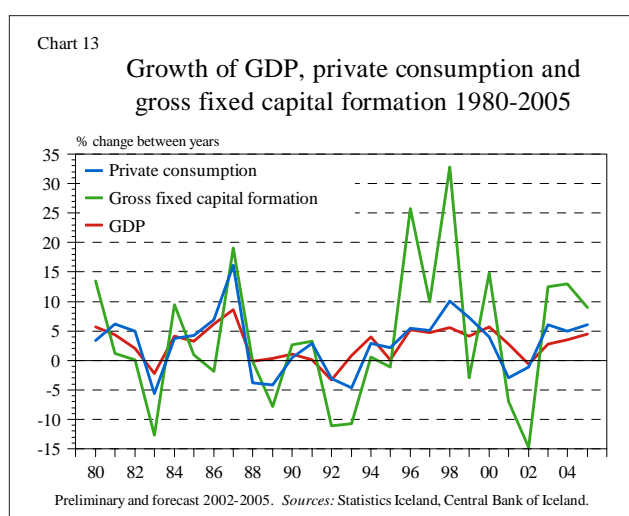


Table 9 (continued) National accounts – quarterly data

<i>In b.kr.</i>	<i>Private consumption</i>	<i>Public consumption</i>	<i>Gross fixed cap. format.</i>	<i>Changes in stocks</i>	<i>National expenditure</i>	<i>Exports</i>	<i>Imports</i>	<i>GDP</i>
2000: Q3	98,315	40,567	40,505	-469	178,918	66,790	-73,971	171,737
2000: Q4	105,377	41,391	39,499	3,004	189,271	58,972	-75,376	172,867
2001: Q1	95,229	41,146	43,627	-2,739	177,263	64,635	-74,773	167,125
2001: Q2	102,181	43,990	44,974	53	191,198	71,684	-74,897	187,985
2001: Q3	102,770	44,372	41,542	622	189,306	84,146	-84,131	189,321
2001: Q4	108,232	47,148	36,273	-20	191,634	82,602	-73,478	200,758
2002: Q1	99,188	47,804	41,099	-339	187,752	76,438	-71,429	192,761
2002: Q2	104,628	49,340	36,508	-896	189,580	79,254	-75,533	193,301
2002: Q3	104,866	49,383	34,068	825	189,142	80,831	-75,550	194,423
2002: Q4	109,587	52,250	35,105	229	197,171	72,279	-71,192	198,258
2003: Q1	105,304	51,669	35,524	-858	191,640	70,996	-67,690	194,946
2003: Q2	112,672	53,562	42,596	-460	208,370	67,411	-78,636	197,145
2003: Q3	112,171	53,087	44,710	1,024	210,992	79,023	-87,428	202,587
<i>Volume change from same quarter in prev. year (%)</i>								
2000: Q3	3.1	8.9	14.9	-0.1	6.6	14.9	8.2	9.1
2000: Q4	5.2	2.3	18.2	2.4	9.4	1.3	8.8	6.9
2001: Q1	2.5	6.7	18.2	-1.7	5.3	15.2	11.5	6.2
2001: Q2	-3.3	5.0	-22.0	-0.3	-6.7	2.7	-16.4	1.3
2001: Q3	-4.2	-1.5	-6.2	0.8	-3.4	1.2	-8.1	0.6
2001: Q4	-6.7	2.5	-11.8	-2.3	-8.0	13.7	-19.8	4.2
2002: Q1	-5.8	3.0	-17.8	1.7	-5.7	3.0	-13.8	1.1
2002: Q2	-0.3	2.9	-5.2	-0.7	-1.4	11.8	2.6	1.9
2002: Q3	0.5	4.8	-18.9	0.3	-2.7	2.4	-3.0	-0.5
2002: Q4	1.7	5.6	-8.4	0.2	0.6	-2.1	7.0	-2.4
2003: Q1	5.2	4.0	-10.0	0.0	1.5	4.8	0.7	3.0
2003: Q2	7.2	4.7	17.2	0.5	9.3	-5.2	10.5	2.9
2003: Q3	6.5	3.8	26.9	-0.4	9.3	1.0	15.8	3.2

Source: Statistics Iceland.

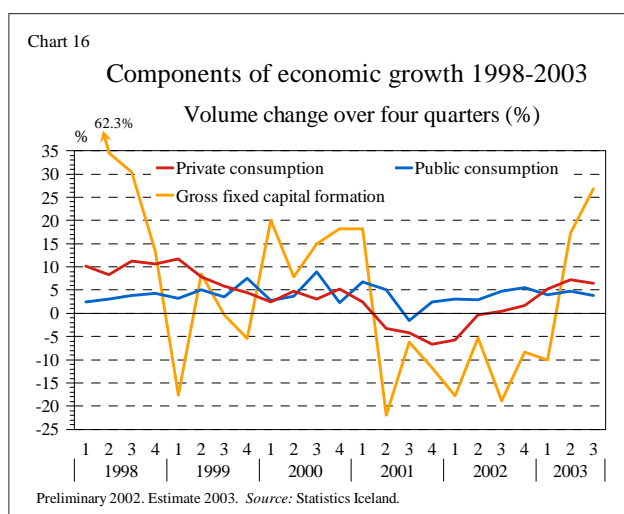
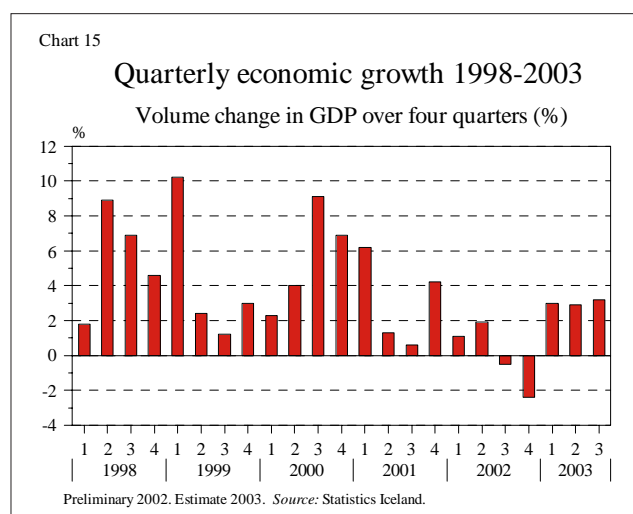


Table 10 Current account balance¹ (continued on next page)

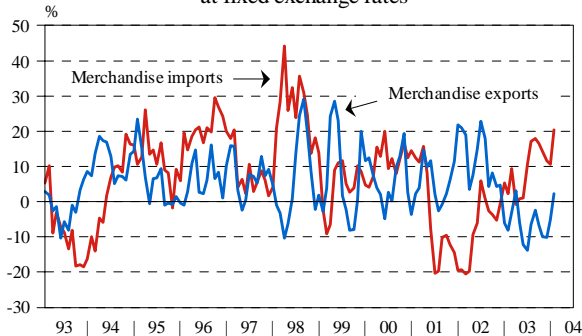
<i>Trade in goods and services</i>	<i>In b.kr.</i>					<i>% change from previous year²</i>		
	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>Jan. '04</i>	<i>3-mo.</i>	<i>6-mo.</i>	<i>12-mo.</i>
Trade balance	-38.0	-6.7	13.1	-16.9	0.3	.	.	.
Merchandise exports fob.....	149.3	196.4	204.3	182.6	16.7	1.3	-4.7	-5.6
Excluding ships and aircraft	146.1	193.1	202.0	181.2	16.7	3.7	-2.9	-4.9
Marine products	94.5	121.8	128.6	113.7	9.0	1.8	-4.1	-6.6
Aluminium and ferro-silicon.....	31.6	44.4	43.5	40.3	3.8	-6.5	-5.2	-4.0
Other industrial products.....	15.1	19.0	14.5	21.6	3.5	25.1	4.0	0.3
Merchandise imports fob.	187.3	203.1	191.2	199.5	16.4	21.0	17.5	13.0
Excluding ships and aircraft	177.5	190.1	180.0	195.7	16.4	25.0	20.4	17.9
Consumption goods.....	59.3	60.8	59.5	66.3	.	.	.	.
Investment goods	44.3	44.4	38.6	46.1	3.9	37.4	30.7	28.9

<i>Services and income balance</i>	<i>In b.kr.</i>					<i>% change from previous year²</i>		
	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2003/Q4</i>	<i>3-mo.</i>	<i>6-mo.</i>	<i>12-mo.</i>
Services balance.....	-9.5	1.7	1.8	-11.3	-6.7	.	.	.
Services exports	82.4	106.5	104.5	101.9	21.2	-7.5	2.9	3.7
Transportation	40.8	50.9	51.7	49.7	10.9	-2.1	2.8	2.2
Travel	18.0	22.9	22.8	24.4	4.7	3.9	13.7	13.7
Other receipts	23.6	32.7	30.0	27.8	5.6	-22.7	-7.2	-1.4
Services imports.....	-91.9	-104.8	-102.7	-113.1	-27.9	16.7	17.5	17.6
Transportation	-32.7	-37.1	-39.3	-39.8	-9.8	8.2	8.8	8.1
Travel	-37.1	-36.4	-33.4	-39.9	-10.8	29.7	27.6	27.3
Other expenditure.....	-22.1	-31.3	-30.0	-33.4	-7.3	11.7	17.1	19.0
Balance on income	-19.4	-25.2	-19.3	-17.4	-1.1	.	.	.
Receipts	11.6	16.8	17.1	18.5	6.0	-0.2	8.4	15.2
Compensation of employees.....	5.5	5.8	5.4	6.2	1.6	5.5	14.2	22.4
Interest payments	3.5	3.4	4.9	4.1	1.1	-11.3	-12.5	-10.4
Dividends and reinvested earnings ³ ..	2.6	7.7	6.8	8.1	3.3	1.5	17.1	27.9
Expenditures.....	-31.0	-42.1	-36.4	-35.9	-7.0	-19.4	-4.5	5.2
Compensation of employees.....	-0.8	-0.5	-0.7	-0.5	-0.1	-2.7	-19.5	-29.3
Interest payments	-28.5	-41.1	-34.2	-31.7	-7.1	-8.3	-3.4	-1.2
Dividends and reinvested earnings ³ ..	-1.6	-0.5	-1.5	-3.7	0.2	-122.9	-18.5	174.1
Current transfer, net.....	-0.8	-1.0	1.2	-0.9	-0.4	-12.2	-115.1	-184.4
Current account balance.....	-67.1	-30.4	-2.2	-45.5	-13.4	.	.	.

Chart 17

Merchandise trade 1993-2004

12-month % changes of 3-month moving averages at fixed exchange rates

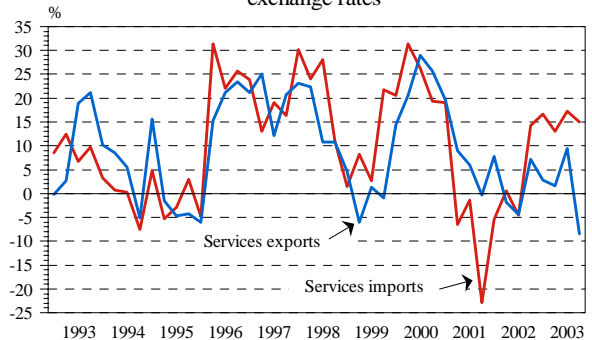


Latest data are preliminary. Sources: Statistics Iceland, Central Bank of Iceland.

Chart 18

Exports and imports of services 1993-2003

% change from same quarter in previous year at fixed exchange rates



Latest data are preliminary. Source: Central Bank of Iceland.

Table 10 (continued) Current account balance¹

	<i>In b.kr.</i>					<i>Change from prev. year (in b.kr.)²</i>		
	2000	2001	2002	2003	2003/Q4	3-mo.	6-mo.	12-mo.
<i>Capital and financial account</i>	71.9	18.3	11.5	31.8	-7.7	.	.	.
Capital transfer, net.....	-0.2	0.4	-0.1	-0.4	-0.2	-0.1	-0.3	-0.3
Financial account ⁴	72.2	17.9	11.7	32.2	-7.5	-14.6	1.4	21.3
Financial account excl. reserves.....	66.4	13.1	17.3	55.6	6.1	9.8	22.1	39.4
Direct investment, net.....	-17.5	-16.8	-9.2	-8.5	-7.6	-2.1	-2.9	0.1
Abroad.....	-31.0	-33.6	-19.9	-15.1	-12.6	2.2	0.1	3.7
In Iceland.....	13.4	16.9	10.8	6.5	5.0	-4.3	-3.0	-3.6
Portfolio investment, net.....	39.4	60.8	22.2	234.4	75.4	91.2	152.2	213.6
Assets.....	-50.4	-5.6	-30.0	-45.4	-17.9	-8.8	-9.6	-17.2
Equities.....	-49.9	-5.8	-25.7	-40.6	-17.1	-9.3	-11.0	-16.4
Debt securities.....	-0.4	0.2	-4.3	-4.8	-0.8	0.6	1.4	-0.8
Liabilities.....	89.8	66.5	52.2	279.8	93.3	100.0	161.8	230.8
Equities.....	-3.4	4.3	1.5	-2.6	1.2	-2.2	-2.0	-4.0
Debt securities.....	93.1	62.2	50.7	282.4	92.1	102.2	163.8	234.8
Other investment, net ⁴	44.6	-30.9	4.4	-170.2	-61.7	-79.3	-127.2	-174.3
Assets.....	-7.1	-47.1	-30.4	-150.8	-90.7	-86.4	-96.0	-122.2
Liabilities.....	51.7	16.2	34.8	-19.5	29.0	7.1	-31.2	-52.1
Reserve assets.....	5.8	4.8	-5.7	-23.4	-13.6	-24.4	-20.6	-18.1
Net errors and omissions.....	-4.8	12.1	-9.3	13.7	21.1	.	.	.
<i>Memorandum items:</i>								
Long-term borrowing, net.....	143.0	36.3	45.1	83.9	15.9	-0.9	17.3	41.6
Assets.....	-0.5	-42.1	-40.4	-179.0	-105.1	-110.2	-115.3	-141.1
Monetary authorities.....	7.0	4.8	-5.7	-23.3	-13.6	-24.4	-20.6	-18.0
General government.....	-	-	-	-	-	-	-	-
Deposit money banks.....	-4.1	-18.5	-33.3	-155.7	-95.7	-90.6	-102.2	-124.4
Other sectors.....	-3.5	-28.4	-1.4	0.0	4.2	4.7	7.5	1.4
Liabilities.....	143.5	78.4	85.4	262.9	121.1	109.3	132.6	182.7
Monetary authorities.....	9.4	-5.8	4.8	-15.9	-0.1	0.9	-5.9	-20.4
General government.....	16.2	42.2	17.5	-4.7	0.1	10.7	-6.1	-21.2
Deposit money banks.....	73.9	12.9	54.2	262.9	115.0	91.4	145.2	212.1
Other sectors.....	44.0	29.1	8.9	20.5	6.1	6.4	-0.6	12.2

1. Latest figures are preliminary. 2. At constant exchange rates, based on the latest period indicated. 3. Dividend payments and reinvestment of earnings on direct investment. 4. Positive value represents inflow of capital due to foreign borrowing or decrease in assets. Negative value accounts for outflow of capital, debt repayments or increase in assets. *Source:* Central Bank of Iceland.

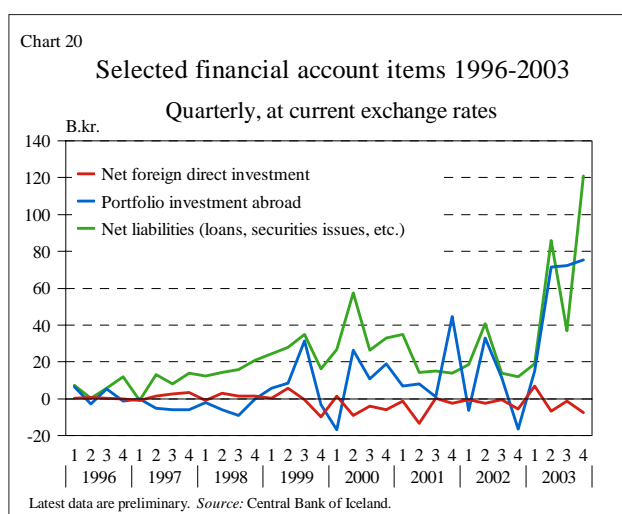
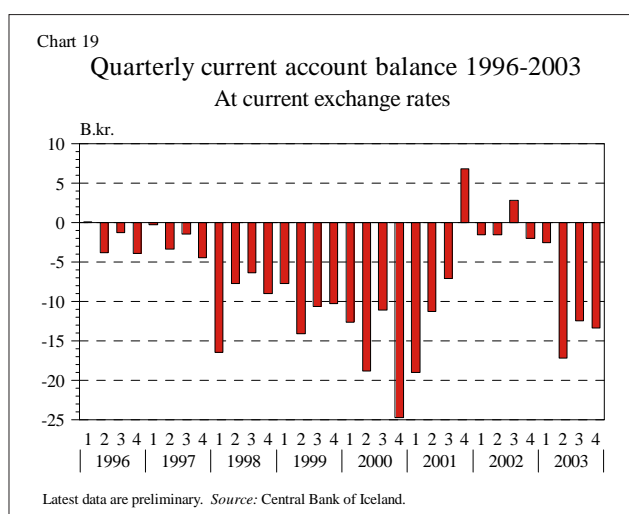


Table 11 International investment position

	Position at end of period, in b.kr								
	1998	1999	2000	2001	2002	March '03	June '03	Sept. '03	Dec. '03
International investment position	-289.2	-302.3	-448.7	-587.0	-567.1	-549.6	-554.2	-573.2	-538.9
Total assets.....	152.4	244.1	315.8	421.1	397.2	403.0	485.4	528.7	671.3
Direct investment abroad	23.7	33.0	56.2	86.7	89.6	86.9	86.7	89.4	101.9
Equity capital	9.8	16.6	41.0	66.6	70.7	70.4	72.7	76.1	82.2
Other capital	13.9	16.4	15.2	20.2	18.9	16.5	13.9	13.3	19.7
Portfolio assets	72.5	138.8	186.3	202.5	159.3	165.3	202.2	220.3	250.8
Equity capital	62.9	125.5	179.7	188.0	148.9	147.5	179.5	195.2	225.8
Debt securities.....	9.5	13.4	6.6	14.6	10.4	17.8	22.6	25.1	25.1
Other investment assets.....	26.6	36.6	39.1	95.2	111.1	114.9	159.7	172.6	260.4
Reserves.....	29.6	35.8	34.2	36.6	37.2	35.9	36.9	46.4	58.1
Total liabilities.....	441.6	546.4	764.5	1,008.1	964.3	952.6	1,039.6	1,101.9	1,210.2
Direct investment in Iceland	32.3	34.9	41.5	69.5	61.5	65.3	44.7	55.1	54.6
Equity capital	24.0	25.3	33.1	63.7	56.6	60.9	41.7	52.1	48.7
Other capital.....	8.3	9.6	8.5	5.9	4.9	4.4	2.9	3.0	6.0
Portfolio liabilities.....	157.6	227.4	346.7	468.0	468.3	476.1	570.8	665.2	753.1
Equity capital	6.1	6.0	1.2	5.6	7.9	5.7	4.2	5.0	5.9
Debt securities.....	151.5	221.4	345.5	462.4	460.4	470.5	566.6	660.2	747.2
Other investment liabilities	251.7	284.2	376.2	470.6	434.5	411.1	424.1	381.5	402.5
Long-term debt.....	198.6	229.2	289.0	377.3	296.6	282.3	272.8	261.7	257.9
Short-term debt.....	53.1	55.0	87.2	93.3	137.9	128.8	151.3	119.8	144.6
<i>Memorandum items:</i>									
Equity capital, net.....	48.0	117.6	193.1	199.6	169.2	163.4	217.3	224.5	267.2
Net external debt position.....	-337.2	-419.9	-641.8	-786.6	-736.3	-713.0	-771.5	-797.7	-806.1
Monetary authorities.....	26.0	32.2	18.6	21.7	20.8	25.9	32.6	46.2	58.1
General government	-135.3	-138.2	-167.4	-239.6	-226.9	-214.1	-219.6	-221.9	-218.7
Deposit money banks	-94.1	-145.2	-329.5	-377.4	-367.9	-369.0	-409.7	-450.7	-468.3
Other sectors.....	-133.9	-168.6	-163.4	-191.4	-162.2	-155.7	-174.9	-171.4	-177.3
<i>Percent of gross domestic product¹</i>									
International investment position	-50.2	-49.4	-63.8	-75.6	-78.5	-69.0	-68.3	-69.7	-67.4
Net external debt ²	58.5	68.6	91.2	101.3	101.9	89.6	95.1	97.0	100.8
External debt position ²	70.0	82.5	102.5	120.1	123.8	110.7	122.2	126.7	143.8
Long-term debt.....	58.5	67.1	83.6	97.4	94.8	83.6	89.3	96.3	109.7
Short-term debt.....	11.5	15.4	18.9	22.7	29.0	27.1	32.9	30.4	34.1

1. Foreign debt at year-end at annual average exchange rates (based on SDR). Quarterly ratios as percent of estimated annual GDP. 2. Direct investment capital and portfolio equities excluded. *Source:* Central Bank of Iceland.

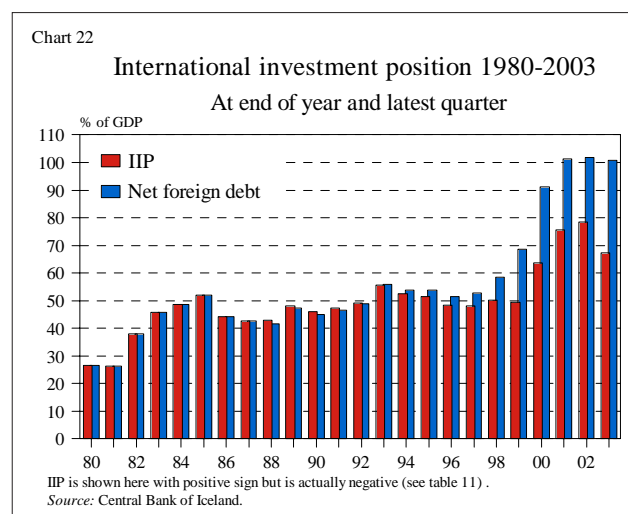
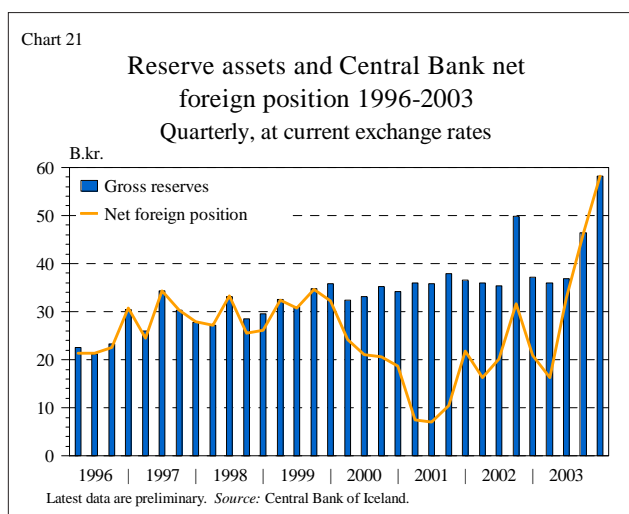


Table 12 A summary of Treasury finances¹

	Accruals basis			Jan.-Dec.		% ch. from prev. year	Sept-Dec.		% ch. from prev. year
	2000	2001	2002	2002	2003		2002	2003	
<i>In b.kr.</i>									
Revenues	224.7	237.4	259.2	233.8	259.8	11.1	81.1	89.1	9.8
Expenditures.....	229.0	228.7	267.3	246.8	268.7	8.9	81.0	91.8	13.3
Financial balance.....	-4.3	8.6	-8.1	-13.0	-8.9	.	0.1	-2.7	.
Miscell. short-term accounts	6.0	-6.1	-14.4	1.7	9.8	.	2.8	10.6	.
Net lending	3.3	-12.6	11.3	10.6	6.5	.	6.6	4.3	.
Equity transactions	-3.2	-11.5	0.7	-3.4	4.5	.	-4.5	0.9	.
Balance before financing.....	1.9	-21.5	-10.5	-4.1	11.8	.	5.1	13.2	.
Net borrowing	7.6	-18.8	-4.2	-9.0	-7.5	.	-3.0	-2.5	.
Short-term domestic	-8.2	41.6	13.5	10.6	-6.0	.	0.6	-9.3	.
Long-term domestic	-3.9	6.0	0.0	0.0	8.5	.	0.0	0.5	.
From abroad	-12.5	1.8	3.0	0.1	1.6	.	0.9	-4.5	.
Other liabilities.....	8.2	33.9	10.5	10.5	-16.0	.	-0.4	-5.4	.
Cash balance.....	1.3	1.4	-1.2	-2.5	-1.6	.	2.7	1.3	.
<i>Revenues and expenditures</i>									
Total revenues.....	224.7	237.4	259.2	233.8	259.8	11.1	81.1	89.1	9.8
Personal income taxes, gross.....	44.1	52.5	55.1	52.6	55.8	6.1	19.4	21.3	9.8
Other income and property taxes ...	25.3	27.0	27.5	25.5	28.1	10.4	8.5	12.9	51.6
Value-added tax	71.9	72.1	76.3	73.6	80.3	9.0	25.2	27.5	9.0
Taxes on commodities & imports...	18.1	15.9	15.4	15.6	17.5	12.4	5.4	6.2	14.6
Payroll taxes	19.7	21.9	23.4	22.6	25.2	11.5	7.5	8.7	16.2
Other taxes.....	21.5	22.3	22.9	22.1	23.7	6.8	7.3	7.1	-2.5
Interest, dividends and rent	13.2	16.6	18.7	11.3	11.0	-3.2	5.0	3.4	-32.5
Profits from asset sales.....	3.8	1.1	11.7	4.4	11.6	164.9	0.4	-0.7	-291.5
Other revenues.....	7.1	7.9	8.3	6.0	6.7	11.1	2.4	2.7	11.1
Total expenditures	229.0	228.7	267.3	246.8	268.7	8.9	81.0	91.8	13.3
Expenditure on goods and services	102.0	91.7	116.8	106.7	120.6	13.1	39.3	44.9	14.5
Current transfers	91.6	96.1	112.6	101.7	108.7	6.9	32.9	35.6	8.1
Interest payments.....	15.2	17.9	16.0	17.8	14.9	-16.0	2.3	3.0	33.8
Maintenance.....	5.3	5.7	6.1	4.9	5.0	2.1	1.7	1.8	8.6
Capital expenditures	14.9	17.3	15.8	15.8	19.4	23.4	4.9	6.4	30.3

1. First three columns on accruals basis as in the Treasury accounts but latest figures on cash basis.

Source: State Accounting Office.

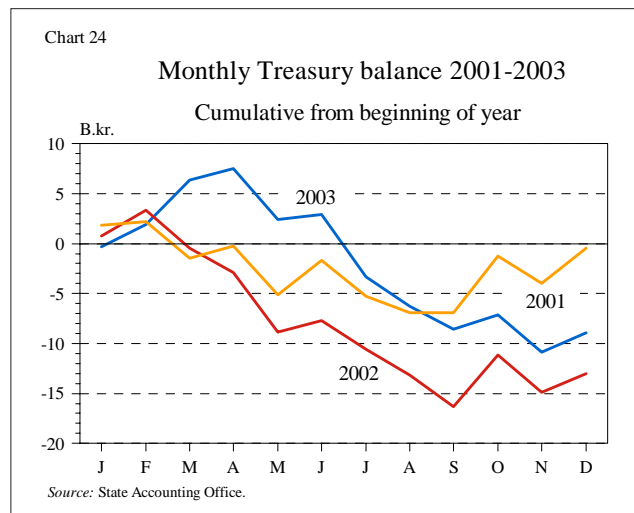
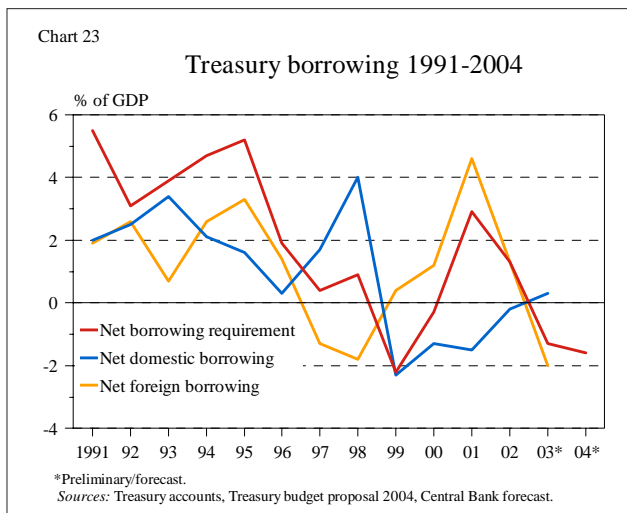


Table 13 Public sector finances¹

In b.kr.

	1995	1996	1997	1998	1999	2000	2001	2002	<i>Prelim.</i> 2003	<i>Prel./forecast</i> 2004
<i>General government</i>										
Revenues	163.6	179.1	194.8	220.8	252.8	272.8	295.0	320.5	344.5	364.6
Expenditures	177.0	186.8	194.9	218.0	238.1	256.6	292.5	328.2	357.0	361.5
Financial balance.....	-13.4	-7.7	-0.1	2.8	14.7	16.3	2.6	-7.7	-12.4	3.2
Net debt	179.3	191.5	196.5	180.7	147.0	158.7	199.3	181.2	195.0	194.0
Gross debt.....	267.6	274.4	279.4	280.5	271.5	278.0	354.6	340.7	345.0	338.0
<i>Central government</i>										
Revenues	131.3	144.6	151.3	170.5	198.9	212.6	227.1	236.6	255.7	269.0
Expenditures	142.8	151.9	148.5	164.3	183.3	195.6	222.6	240.0	263.3	263.9
Financial balance.....	-11.6	-7.3	2.7	6.2	15.6	16.9	4.6	-3.5	-7.6	5.2
Net debt	155.4	168.2	172.3	151.3	118.8	127.4	168.8	148.4	156.0	151.0
Gross debt.....	232.6	239.2	241.6	237.8	226.0	228.5	298.3	281.1	276.0	264.0
<i>Local government</i>										
Revenues	34.9	40.0	48.2	54.4	61.0	68.5	79.9	87.4	92.5	99.5
Expenditures	36.4	40.5	51.2	58.6	63.8	70.8	84.3	93.1	99.0	103.0
Financial balance.....	-1.4	-0.4	-3.0	-4.3	-2.7	-2.3	-4.4	-5.8	-6.6	-3.6
Net debt	25.1	24.2	25.0	30.1	28.6	31.7	30.7	32.8	39.0	43.0
Gross debt.....	35.6	35.7	38.4	43.3	46.1	49.8	56.6	60.2	68.0	73.0
<i>General government, % of GDP</i>										
Revenues	36.2	36.9	38.0	38.9	41.5	41.2	39.6	41.1	42.1	42.5
Expenditures	39.1	38.5	38.0	38.4	39.1	38.7	39.2	42.1	43.6	42.1
Financial balance.....	-3.0	-1.6	0.0	0.5	2.4	2.5	0.3	-1.0	-1.5	0.4
Net debt	39.3	39.0	37.9	31.6	23.5	23.5	25.7	23.1	23.5	22.5
Gross debt.....	58.7	56.0	53.9	49.1	43.4	41.2	45.8	43.4	41.6	39.2

1. The public sector includes the central and local governments and the social security system. Revenues and expenditures are here itemised according to the UN system of national accounts and deviate from the Treasury accounts on accruals basis or (within the year) on cash basis shown in Table 12. The main differences are that by SNA standards i) in each year only pension liability increases due to activities during that year are shown; ii) instead of showing depreciation of tax claims as expenditures, a precautionary deduction is made on the revenue side; iii) profits from the sale of government assets are not shown as revenues. Instead, they are shown as a part of lending and borrowing transactions.

Sources: Ministry of Finance, Statistics Iceland, Central Bank of Iceland.

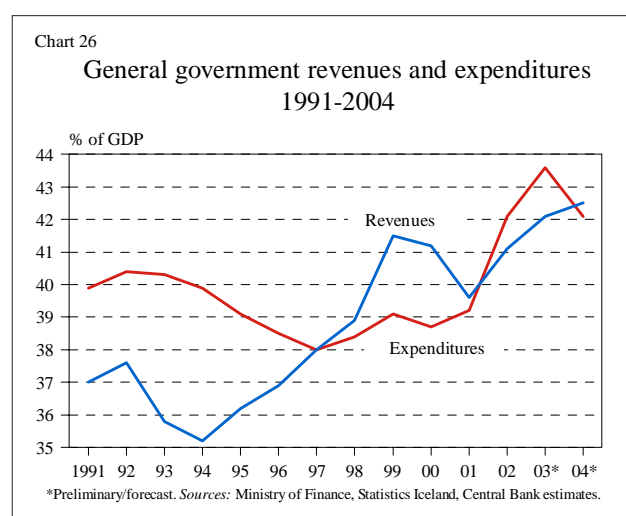
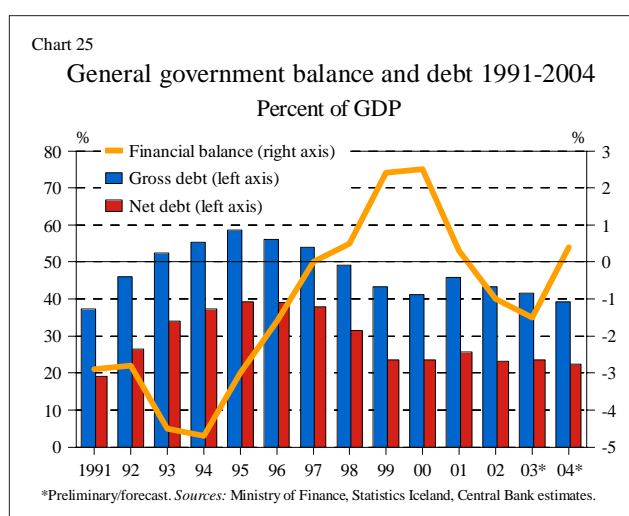


Table 14 Turnover¹

<i>M.kr.</i>	<i>January-October</i>			<i>% ch. on prev. year, Jan.-Oct.²</i>		
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Industries, total	255,392	268,151	258,086	12.8	-0.8	-5.6
Industries, excluding fish processing	161,738	166,629	170,837	8.3	-2.6	0.6
Industries, excl. fish proc. and power-intensive	126,843	128,371	138,679	3.6	-4.3	6.0
Retail trade	139,191	145,654	150,424	1.0	-1.7	3.7
Wholesale trade	228,105	233,755	251,486	-1.6	-3.1	7.0
Wholesale trade, excluding fuels	191,455	198,651	215,553	-2.3	-2.5	8.9
Construction	71,419	61,219	74,669	10.2	-19.0	19.6
Total	1,031,685	1,068,524	1,095,648	7.2	-2.1	0.6
Total, excluding fuels	990,263	1,033,419	1,059,715	7.3	-1.9	3.0

1. Based on VAT reports. Figures are not comparable with the period before 1998 due to new methodology. 2. Based on price-adjusted turnover, deflated by the consumer price index. *Sources:* Statistics Iceland, Central Bank of Iceland.

Table 15 Real effective exchange rate of the Icelandic króna¹

	<i>Annual averages</i>					<i>Q4</i>	<i>% change on prev. year</i>		
	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2003</i>	<i>Q2'03</i>	<i>Q3'03</i>	<i>Q4'03</i>
Real effective exchange rate (1980=100)									
based on relative consumer prices (CPI)	93.6	96.2	83.6	88.4	93.8	93.0	1.8	-4.2	1.1
based on relative unit labour costs (ULC)	89.6	90.7	79.1	83.4	88.4	85.0	-0.4	-5.8	-1.1
<i>% change on previous year</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
Nominal effective exchange rate	0.0	1.2	1.5	0.0	0.2	-16.6	2.5	6.2	3.3
Foreign consumer prices	2.0	2.1	1.6	1.6	2.3	2.2	1.8	2.1	1.3
Domestic consumer prices	2.3	1.8	1.7	3.4	5.1	6.6	4.8	2.1	1.8
Real exchange rate based on relative CPI	0.3	0.9	1.6	1.8	2.9	-13.1	5.7	6.1	3.8
Foreign productivity	1.5	1.5	1.2	1.2	1.9	1.2	1.0	1.1	1.4
Domestic productivity	2.1	2.0	2.9	1.3	3.3	1.4	0.4	3.8	2.0
Foreign wages	3.5	3.2	3.0	3.3	3.2	3.3	3.1	3.0	2.9
Domestic wages	5.2	5.8	7.1	5.5	5.7	8.0	5.8	5.5	5.0
Real exchange rate based on relative ULC	1.1	3.3	4.1	1.8	1.2	-12.8	5.4	6.0	4.8

1. Latest values are preliminary. *Source:* Central Bank of Iceland.

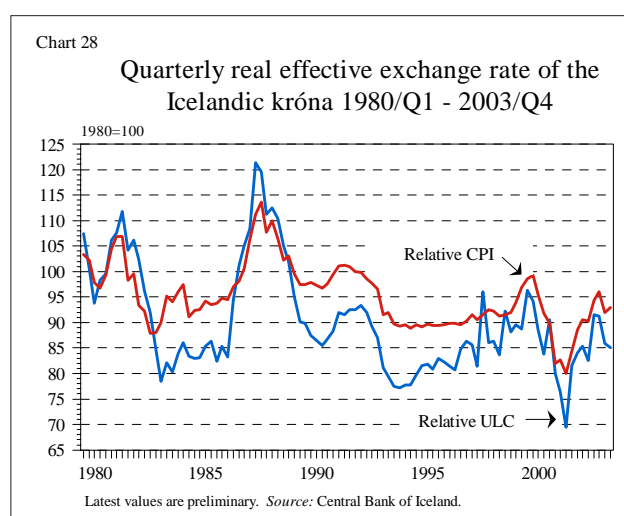
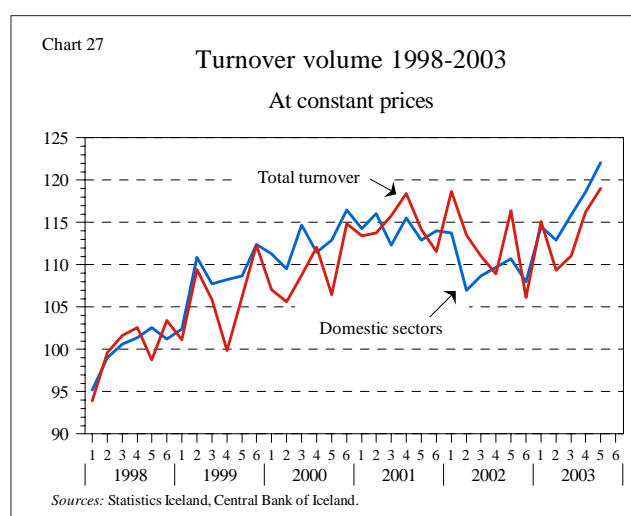


Table 16 Real estate market and asset prices

	2001	2002	2003	1-mo. % change			12-mo. % change		
				Jan. '04	Dec. '03	Jan. '04	Jan '02	Jan. '03	Jan. '04
<i>Real estate market¹</i>									
Residential housing price index ²	157.9	163.5	183.4	190.7	0.2	0.1	3.4	7.3	10.7
Apartment housing price index ²	156.0	161.1	180.7	186.9	0.1	0.1	4.0	7.7	9.6
New housing loans at market prices (b.kr.) ³	28.6	32.2	49.6	3.8	-10.2	-15.8	18.5	11.9	34.8
Number of Housing Fin. Fund loan applications ⁴	2,846	2,535	3,271	299.7	-0.4	-3.3	26.4	-23.6	38.7
<i>Fish quota prices (period averages. kr./kilo)</i>									
Price of long-term cod quota (kr./kilo)	709	930	1222.5	1,250	0.0	0.0	-1.3	62.2	4.2
Price of short-term cod quota (kr./kilo).....	117	156	132	115	0.0	0.0	57.4	0.0	-25.8
<i>Equity market</i>									
	<i>At end of year</i>				<i>Feb. 27,</i>	<i>% change to Feb. 27, 2004</i>			
<i>Equity prices, Dec. 31, 1997 = 1,000</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>1-mo.</i>	<i>3-mo.</i>	<i>6-mo.</i>	<i>12-mo.</i>
ICEX-15	1,305.9	1,159.0	1,352.0	2,114.3	2,628.8	9.9	29.9	49.3	89.3
ICEX-MAIN (The Main List index).....	1,303.3	1,180.8	1,436.2	2,075.2	2,538.3	9.7	27.4	43.6	74.0
<i>ICEX industry indices Dec. 31. 1997 = 100</i>									
Fisheries.....	74.5	86.7	107.3	100.0	104.9	1.5	5.0	6.2	0.9
Finance and insurance.....	163.4	157.9	164.3	252.4	324.7	13.9	29.4	50.6	85.8
Transport	117.6	80.5	118.8	139.4	185.5	10.9	38.8	43.0	55.8
Industry and manufacturing.....	156.3	120.3	142.8	172.8	199.3	7.4	14.5	25.2	40.4

1. Monthly figures are 3-month moving averages. 2. Greater Reykjavik Area. January 1996=100. 3. Percentage changes are price-adjusted using the price index for residential housing in the Greater Reykjavik Area. 4. Housing Financing Fund applications for new and renovated housing. Sources: The Land Registry of Iceland, Federation of Icelandic Fishing Vessel Owners, Housing Financing Fund, The Icelandic Quota Exchange, Iceland Stock Exchange (ICEX), Central Bank of Iceland.

Table 17 Households and firms: assets and debt

<i>B.kr. unless otherwise stated</i>	1996	1997	1998	1999	2000	2001	<i>Preliminary</i>		<i>% change</i> 2002-2003
							2002	2003	
Household assets in resident. housing and cars ¹	648.8	685.9	726.6	759.2	794.8	852.7	899.4	935.2	4.0
Assets in pension funds.....	302.0	345.6	398.2	507.3	557.3	640.1	664.6	786.0	18.3
Household debt with the credit system.....	350.7	386.2	442.6	510.6	613.8	710.4	758.6	776.1	8.9
Household debt as % of disposable income.....	133.4	134.7	146.1	157.3	165.4	176.8	182.4	179.5	.
Firms' debt with the credit system.....	359.2	420.7	509.4	668.8	813.3	962.3	973.2	1,185.6	24.7
Debt of firms in fisheries sector.....	116.1	123.5	139.7	160.3	165.2	195.5	188.0	190.0	1.1

1. National Economic Institute national wealth estimates. 2. Due to reclassification of lending within the credit system, household debt is 50.3 b.kr lower than would otherwise have been the case at the end of 2003 and corporate debt 27.9 b.kr. lower, compared with the former classification. Year-on-year changes are based on the former classification. Sources: National Economic Institute and Central Bank of Iceland.

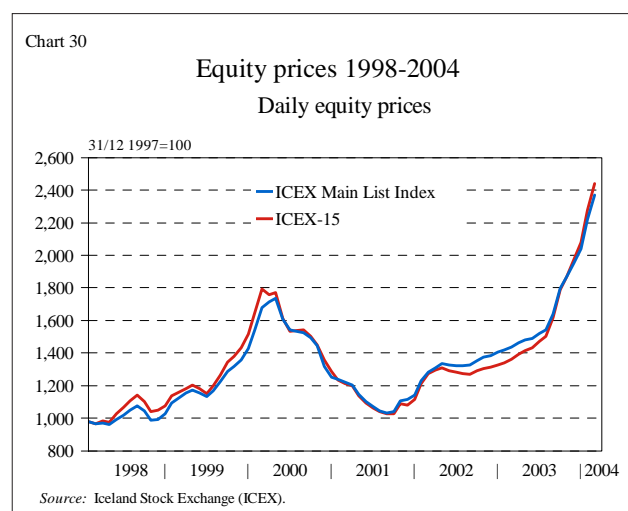
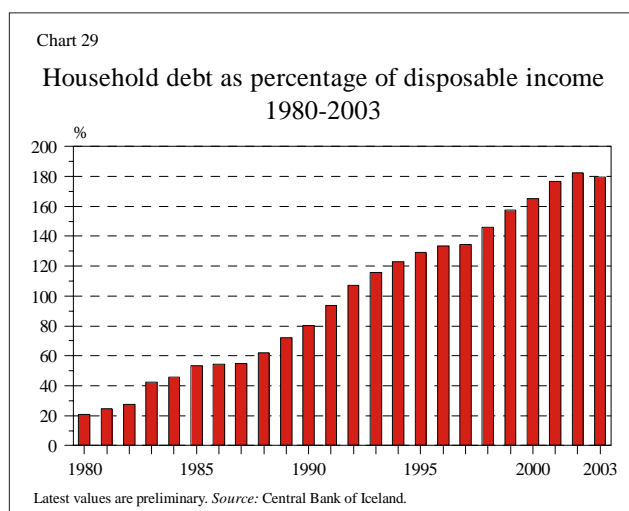


Table 18 Icelandic firms' financial accounts

		<i>Annual results, paired comparison</i>							
<i>Accounts of publicly listed firms¹</i>		<i>Jan.-Dec.</i>		<i>Change</i>	<i>% of turnover</i>				
		<i>2002</i>	<i>2003</i>	<i>'02-'03</i>	<i>2002</i>	<i>2003</i>			
<i>All amounts in b.kr</i>									
Profit before financial exp. & depreciation.....		33.4	34.8	1.4	11.6	10.9			
Fisheries.....		10.8	8.4	-2.4	23.6	21.1			
Transport.....		2.6	3.2	0.6	10.6	10.8			
IT industry.....		8.1	9.8	1.7	22.7	23.7			
Industry and manufacturing.....		8.7	9.9	1.2	13.4	11.2			
Profit after taxes.....		16.7	16.1	-0.6	6.5	5.1			
Fisheries.....		8.7	3.5	-5.2	19.0	8.8			
Transport.....		2.3	4.4	2.1	9.6	14.6			
IT industry.....		1.2	1.6	0.4	3.5	3.8			
Industry and manufacturing.....		5.3	5.8	0.5	8.1	6.6			
Equity ratio.....		37.0	35.5	.	.	.			
Return on equity.....		13.0	15.5	.	.	.			
Sample size at end of period.....		24	24	-	.	.			
<i>Accounts of commercial banks and savings banks²</i>		<i>% change</i>							
<i>All amounts in b.kr:</i>		<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>'00-'01</i>	<i>'01-'02</i>	<i>'02-'03</i>
Net interest income.....		18.0	21.1	29.4	29.6	36.0	39.1	0.7	21.6
Other operating income.....		13.4	13.4	10.3	27.9	45.6	-23.5	171.6	63.5
Net operating income.....		31.4	34.6	39.6	57.5	81.6	14.7	45.0	41.9
Operating expenses.....		19.6	22.7	25.4	34.1	44.9	12.0	34.4	31.5
Provisions for bad and doubtful debts.....		3.6	4.0	7.4	9.3	13.2	86.6	25.5	41.9
Value adjustments.....		-	1.7	-	-	-	.	.	.
Taxes.....		1.5	1.9	-0.1	1.2	2.9	-107.4	-956.7	144.1
Profit.....		6.7	4.4	6.9	12.5	18.6	57.6	82.3	48.4
Total assets at end of period.....		627.0	789.7	941.0	1.161.1	1.597.3	19.2	23.4	37.6
Stockholders' equity at end of period.....		44.2	49.1	60.8	84.5	113.5	23.8	38.9	34.4
<i>% at end of period</i>									
Return on equity.....		17.8	9.8	13.9	18.5	22.5	.	.	.
Cost ratio ³		62.3	65.6	64.0	59.4	55.0	.	.	.
Capital ratio.....		10.3	9.7	11.3	12.2	12.3	.	.	.
Capital ratio excluding subordinated loans.....		7.9	6.6	8.0	9.1	9.2	.	.	.

1. Companies listed on Iceland Stock Exchange (ICEX), excluding the finance and insurance sector. 2. The sample includes the largest commercial banks (three) and the six largest savings banks. 3. Operating expenses as a percentage of net operating income. Sources: Financial Supervisory Authority (FME), Central Bank of Iceland.

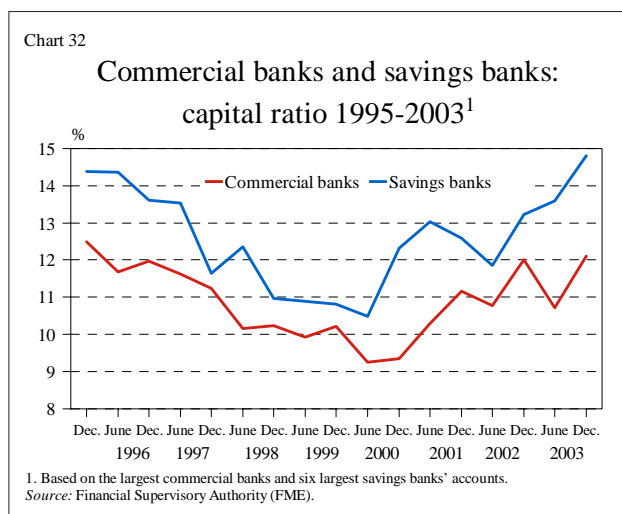
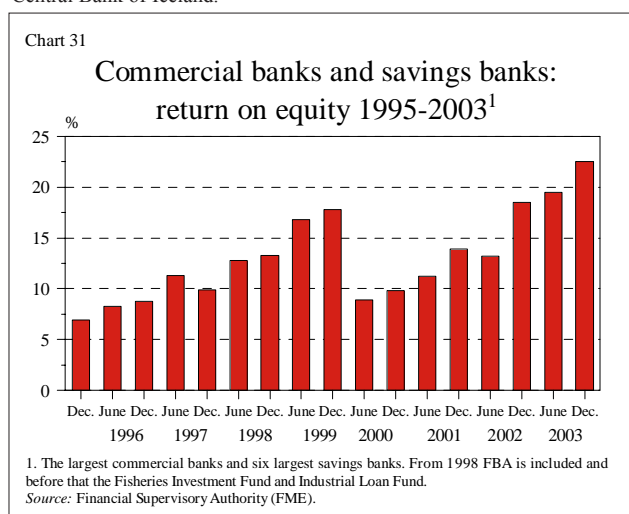


Table 19 International comparison

Based on latest monthly data for each region:	EU-15	EMU-11	USA	UK	Japan	Sweden	Norway	Finland	Denmark	Iceland
Inflation in previous 12 months.....	1.8	1.6	1.9	2.6	-0.3	0.7	-1.8	0.2	1.1	2.3
Unemployment ¹	8.0	8.8	5.6	4.9	5.0	5.9	4.6	9.0	6.5	3.1
Economic growth ²	0.9	0.6	4.3	2.8	3.6	1.9	0.2	1.6	0.3	3.2
Long-term interest rates (nominal yield) ³....	.	3.2	2.9	4.6	0.4	3.8	3.2	3.3	3.5	7.0
Long-term interest rates (real yield) ^{3, 4}.....	.	.	1.1	1.2	.	3.1	.	.	.	3.9
Short-term interest rates ⁵.....	.	2.0	0.9	4.1	0.0	2.4	1.7	2.0	2.0	4.5
<i>In 2003 (unless otherwise stated):</i>										
GDP per capita based on PPP, in thous. US\$ ⁶	...	25.3	35.2	26.4	26.6	26.0	36.5	26.5	29.3	28.9
Gross saving, % of GDP (2002) ⁷	19.9	.	14.6	15.1	26.4	21.2	32.1	26.4	22.8	18.8
Gen. government fin. balance, % of GDP....	-2.7	-2.7	-4.9	-2.9	-7.4	0.2	9.8	2.6	0.8	-1.0
Gen. government gross debt, % of GDP.....	72.6	75.7	63.4	53.5	154.6	62.5	23.7	52.6	50.7	41.5
Gen. government expenditure, % of GDP....	48.4	48.9	35.9	42.8	38.3	59.0	48.4	51.0	56.6	46.5
Current account balance, % of GDP.....	0.1	0.4	-5.0	-2.7	2.9	3.7	12.7	7.3	3.7	-3.3

1. Seasonally adjusted. 2. Annual GDP growth based on latest quarterly figures. Seasonally adjusted except for Iceland. 3. Five-year Treasury bonds. 4. Figures are omitted where price indexation is not applied. 5. Three-month money market rates. 6. 2001. Converted to US dollars at an exchange rate that eliminates the difference in price levels between the countries. 7. 2001 for Japan. Sources: EcoWin, Eurostat, International Monetary Fund, OECD.

Table 20 International economic developments

	1997	1998	1999	2000	2001	Preliminary		Forecast		
						2002	2003	2004	2005	
<i>Annual economic growth¹</i>										
World.....	4.2	2.8	3.6	4.8	2.4	3.0	3.2	4.1	...	
Euro area.....	2.3	2.9	2.8	3.5	1.5	0.9	0.4	1.8	2.2	
United Kingdom.....	3.4	2.9	2.4	3.1	2.1	1.7	2.4	2.8	2.6	
United States.....	4.4	4.3	4.1	3.8	0.3	2.4	3.1	4.6	3.6	
Japan.....	1.9	-1.1	0.2	2.8	0.4	0.2	2.7	2.2	1.7	
Developing countries.....	5.9	3.5	3.9	5.7	4.1	4.6	5.0	5.6	...	
Countries in transition.....	1.9	-0.9	4.1	7.1	5.1	4.2	4.9	4.7	...	
<i>Annual growth in world trade (%).....</i>	10.4	4.4	5.8	12.6	0.1	3.2	2.9	5.5	...	
<i>Consumer price inflation</i>										
Euro area.....	1.6	1.1	1.1	2.1	2.4	2.3	2.1	1.7	1.7	
United Kingdom.....	2.8	2.7	2.3	2.1	2.1	2.2	2.9	1.6	1.8	
United States.....	2.3	1.5	2.2	3.4	2.8	1.6	2.3	1.5	1.9	
Japan.....	1.7	0.6	-0.3	-0.9	-0.7	-0.9	-0.3	-0.2	-0.2	
<i>Unemployment, % of labour force</i>										
Euro area.....	10.8	10.2	9.4	8.5	8.0	8.4	8.8	8.8	8.5	
United Kingdom.....	7.1	6.3	6.0	5.5	5.1	5.2	5.0	4.9	4.8	
United States.....	4.9	4.5	4.2	4.0	4.8	5.8	6.0	5.7	5.5	
Japan.....	3.4	4.1	4.7	4.7	5.0	5.4	5.3	5.1	5.0	
<i>Gen. government fin. balance, % of GDP²</i>										
Euro area.....	-2.6	-2.3	-1.3	0.1	-1.7	-2.3	-2.7	-2.6	-2.7	
United Kingdom.....	-2.2	0.1	1.1	3.9	0.7	-1.5	-2.9	-2.9	-3.2	
United States.....	-0.9	0.3	0.7	1.4	-0.5	-3.4	-4.9	-5.1	-4.9	
Japan.....	-3.8	-5.5	-7.2	-7.4	-6.1	-7.1	-7.4	-6.8	-6.9	
<i>Long-term interest rates³</i>										
Euro area.....	5.9	4.7	4.6	5.4	5.0	4.9	4.2	4.5	5.1	
United Kingdom.....	7.1	5.5	5.1	5.3	4.9	4.9	4.4	4.7	5.2	
United States.....	6.4	5.3	5.6	6.0	5.0	4.6	4.0	4.6	5.3	
Japan.....	2.4	1.5	1.7	1.7	1.3	1.3	1.1	1.7	1.8	

1. Real GDP percent change between years. 2. General government, e.g. central government, local governments and social security transactions. 3. Yields on ten-year Treasury bonds. Sources: Consensus Forecasts, International Monetary Fund, OECD.

Table 21 Historical economic indicators (continued on next page)

	Consumer prices ¹		Krona effective exchange rate ²			Interest rates (%)		Money and credit			Ratio of gr. reserves to merch. imports ⁶	External debt, % of GDP ⁷	Growth of real GDP (%)	
	Consumer price index	inflation (%)	Nominal exchange rate ³	Real exchange rate ⁴		Gov. bonds average yield ⁵	Banks' secured lending		M3 lending	DMBs' lending				Credit system lending
				Relative CPI	Relative ULC		Non-ind.	Indexed						
1975	1.4	49.4	7.5	92.4	96.9	3.9	-15.7	29.0	32.1	46.4	1.3	42.8	0.7	
1976	1.8	32.4	8.5	103.3	106.4	5.8	-7.4	32.5	26.8	32.2	2.2	40.7	6.0	
1977	2.4	30.3	9.7	113.1	114.2	3.5	-9.5	43.9	40.5	41.8	2.0	37.6	8.8	
1978	3.5	44.0	13.9	105.3	106.6	3.3	-13.4	48.7	47.3	62.8	2.6	39.2	5.9	
1979	5.0	44.5	18.7	100.0	100.7	3.5	-15.4	55.9	58.1	46.4	2.5	39.7	4.9	
1980	8.1	61.8	25.9	100.0	100.0	3.5	-8.3	65.4	66.4	71.1	2.4	35.9	5.7	
1981	12.2	50.8	34.7	104.4	106.3	3.2	-1.7	70.5	72.2	54.1	3.0	36.5	4.3	
1982	18.4	51.0	54.5	95.8	102.2	3.5	-9.4	58.0	92.0	100.2	2.1	46.4	2.1	
1983	33.9	84.2	100.0	90.3	84.3	3.8	-14.2	78.7	85.6	82.9	2.5	57.2	-2.2	
1984	43.7	29.2	116.3	94.7	83.4	7.0	3.4	33.4	43.0	40.2	2.1	60.2	4.1	
1985	57.9	32.4	148.7	93.2	84.5	6.9	-2.3	47.6	29.7	35.2	2.8	63.6	3.3	
1986	70.2	21.3	171.0	95.0	86.4	8.5	4.3	35.0	19.1	20.1	3.6	56.5	6.2	
1987	83.4	18.8	177.3	104.1	109.0	8.7	4.7	35.2	42.1	31.4	2.4	49.4	8.6	
1988	104.6	25.4	202.6	109.4	113.4	8.7	11.8	24.0	37.2	34.0	2.4	51.3	-0.1	
1989	126.7	21.1	254.7	100.6	98.1	7.4	6.5	27.2	25.2	33.8	3.0	56.8	0.3	
1990	145.5	14.8	283.7	97.3	87.4	7.0	9.3	14.9	11.0	12.5	3.3	55.2	1.1	
1991	155.4	6.8	283.6	99.9	89.6	8.1	10.0	14.4	11.6	15.4	3.2	56.0	0.1	
1992	161.2	3.7	285.0	99.8	92.5	7.4	11.8	3.8	5.3	11.8	4.0	58.8	-3.3	
1993	167.8	4.1	308.8	94.4	84.3	6.7	11.5	6.5	5.0	11.1	4.3	66.7	0.8	
1994	170.3	1.5	324.8	89.3	77.6	5.0	9.5	2.3	-1.3	4.5	2.6	63.4	4.0	
1995	173.2	1.7	322.3	89.4	81.0	5.6	10.1	2.2	0.0	5.9	2.4	63.4	0.1	
1996	177.1	2.3	322.9	89.7	81.9	5.5	10.5	6.8	11.8	9.3	3.0	62.9	5.2	
1997	180.3	1.8	318.7	90.5	84.5	5.3	11.1	8.7	12.7	11.8	2.6	65.0	4.7	
1998	183.3	1.7	313.6	91.9	88.0	4.7	11.8	15.2	30.3	15.1	2.2	70.1	5.6	
1999	189.6	3.4	313.1	93.6	89.6	4.4	8.0	16.9	22.8	17.3	2.6	82.9	4.1	
2000	199.1	5.0	313.3	96.2	90.7	5.1	12.7	11.2	26.2	17.2	2.1	103.2	5.7	
2001	212.4	6.7	376.3	83.6	79.1	5.1	9.3	14.9	13.4	19.3	2.1	120.9	2.8	
2002	222.6	4.8	365.2	88.4	85.7	5.2	14.5	15.3	0.9	3.2	2.5	124.6	-0.6	
2003	227.3	2.1	343.3	93.8	91.4	4.4	...	23.5	16.4	12.5	3.5	150.0	2%	

1. Annual averages (May 1988=100) and changes between years. 2. Annual averages. Exchange rate of the króna against a trade-weighted average of foreign currencies. 3. 1983=100. 4. 1980=100. ULC= unit labour cost. 5. Annual average yield of indexed Treasury bonds of all maturities. Yields on Iceland Stock Exchange from 1987. Before that, primary market yields. 6. Gross foreign exchange reserves at end of period as a ratio of the average monthly value of merchandise imports. Calculated at fixed exchange rates. 7. Gross debt. Direct investment capital excluded.

Table 21 (continued) Historical economic indicators

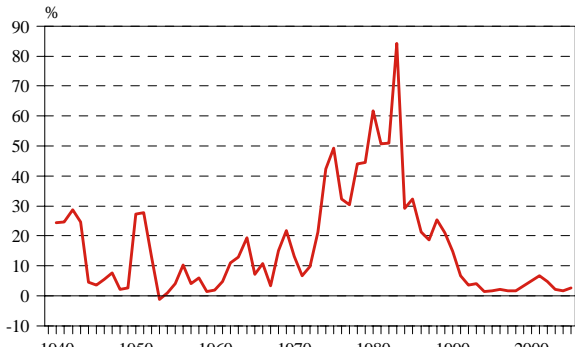
	Components of GDP (% change from previous year)				External trade (% change from prev. year)			Gen. government (% of GDP) ⁸			Labour market (% of labour force)		Wages (% change from previous year)		
	Private consump- tion	Gross fixed cap. formation	National expendi- ture	Exports	Goods & services (volume changes)		Terms of trade	Curr. acc. balance (% of GDP)	Financial balance	Revenues	Expens- ditures	Unem- ployment	Labour particip.	Real wages ⁹	Real disposable income
					Imports	Imports										Revenues	particip.	Real disposable income
1975.....	-9.6	-8.8	-5.5	2.6	-12.8	-11.1	-10.2	-2.7	33.0	35.7	0.5	72.2	.	-15.1	
1976.....	5.4	-2.7	-3.5	13.1	-3.6	7.8	-1.5	1.1	32.1	31.1	0.5	73.4	.	2.3	
1977.....	12.9	11.5	15.0	8.9	20.6	7.0	-2.3	-0.2	30.5	30.7	0.3	72.5	.	15.5	
1978.....	9.0	-5.8	2.1	15.2	3.7	0.3	1.2	0.1	31.0	30.9	0.3	73.6	.	8.5	
1979.....	2.8	-1.5	3.5	6.3	2.5	-8.6	-0.7	0.9	32.4	31.4	0.4	73.0	.	2.0	
1980.....	3.4	13.5	5.7	2.7	3.0	-2.8	-1.9	1.3	33.8	32.5	0.3	74.1	.	1.1	
1981.....	6.2	1.2	5.6	3.2	7.1	-0.5	-4.0	1.3	34.9	33.6	0.4	76.8	0.7	5.5	
1982.....	5.0	0.1	5.0	-8.9	-0.6	-0.8	-7.9	1.7	36.0	34.3	0.8	77.6	1.7	2.2	
1983.....	-5.6	-12.7	-8.6	11.0	-9.7	-1.3	-1.9	-2.0	34.0	36.1	1.0	77.4	-16.7	-12.5	
1984.....	3.7	9.4	6.4	2.4	9.2	0.6	-4.6	2.2	35.4	33.1	1.3	77.6	-3.1	-2.5	
1985.....	4.2	1.0	2.7	11.1	9.4	-0.9	-3.9	-1.7	34.0	35.7	0.9	79.3	1.2	10.8	
1986.....	6.9	-1.9	4.5	5.9	0.9	5.4	0.5	-4.0	33.7	37.8	0.7	80.9	5.7	9.5	
1987.....	16.2	19.1	15.7	3.3	23.3	4.3	-3.4	-0.9	33.9	34.7	0.4	84.1	9.0	25.8	
1988.....	-3.8	-0.1	-0.6	-3.6	-4.6	-0.8	-3.5	-2.0	37.4	39.5	0.6	80.1	2.2	-2.7	
1989.....	-4.2	-7.8	-4.4	2.9	-10.3	-3.9	-1.3	-4.6	37.5	42.0	1.6	78.7	-9.1	-9.4	
1990.....	0.5	2.6	1.5	0.0	1.0	-2.0	-2.1	-3.3	35.8	39.0	1.8	77.5	-4.9	-4.6	
1991.....	2.9	3.3	3.8	-5.9	5.3	3.5	-4.0	-2.9	37.2	40.1	1.5	76.2	1.4	2.1	
1992.....	-3.1	-11.1	-4.5	-2.0	-6.0	-0.6	-2.4	-2.8	37.7	40.5	3.0	75.5	-0.8	-1.9	
1993.....	-4.7	-10.7	-3.8	6.5	-7.8	-3.9	0.7	-4.5	35.9	40.4	4.4	75.3	-2.6	-7.6	
1994.....	2.9	0.6	2.1	9.5	4.1	0.4	1.9	-4.8	36.0	40.8	4.8	75.4	-0.3	0.0	
1995.....	2.2	-1.1	2.3	-2.3	3.9	1.3	0.7	-3.0	36.2	39.1	5.0	75.7	2.8	3.8	
1996.....	5.4	25.7	7.1	9.9	16.5	-3.1	-1.8	-1.6	36.9	38.5	4.3	76.4	4.0	4.1	
1997.....	5.1	10.0	5.5	5.4	7.7	2.1	-1.8	0.0	38.0	38.0	3.9	76.6	3.6	2.5	
1998.....	10.1	32.8	13.5	2.0	23.4	5.6	-6.9	0.5	38.9	38.4	2.8	77.1	7.6	8.7	
1999.....	7.3	-3.0	4.2	4.0	4.2	-0.8	-7.0	2.4	41.5	39.1	1.9	77.3	3.3	3.0	
2000.....	4.0	14.8	6.8	5.0	8.0	-2.7	-10.1	2.5	41.2	38.7	1.3	77.3	1.6	1.3	
2001.....	-3.0	-7.0	-3.6	7.7	-9.0	0.3	-4.1	0.3	39.6	39.2	1.4	15½	2.0	1.6	
2002.....	-1.1	-14.8	-2.9	3.7	-2.3	0.5	-0.1	-1.0	41.1	42.1	2.5	15½	2.2	-0.1	
2003.....	6	12½	6¾	¼	10½	-6¾	-5½	-1.5	42.1	43.6	3.4	16	3.4	1¼	

8. Central and local governments and the social security system. 9. Deflated by consumer prices.

Sources: Directorate of Labour, Iceland Stock Exchange, Ministry of Finance, Statistics Iceland, Central Bank of Iceland.

Chart 33

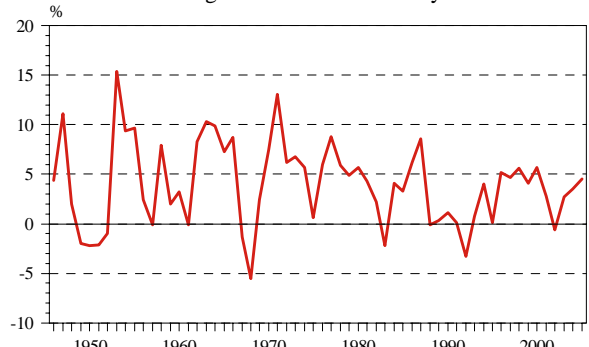
Consumer price inflation 1939-2005
% change between annual averages



Central Bank forecast for 2004-2005. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 34

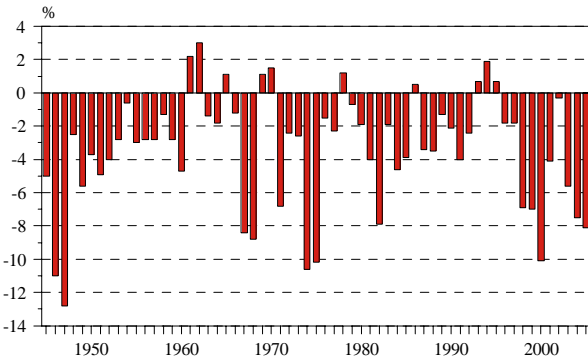
Economic growth 1945-2005
% change in real GDP between years



Preliminary/forecast 2002-2005. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 35

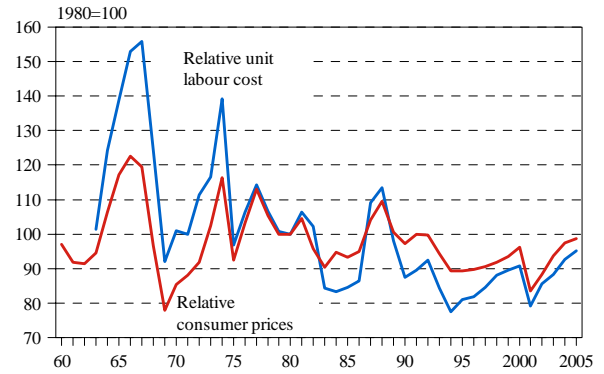
Current account balance 1945-2005
% of GDP



Preliminary/forecast 2002-2005. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 36

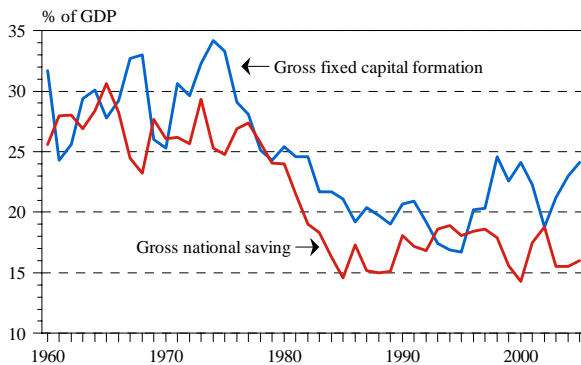
Real effective exchange rate of the Icelandic króna 1960-2005



Preliminary/forecast 2002-2005. Source: Central Bank of Iceland.

Chart 37

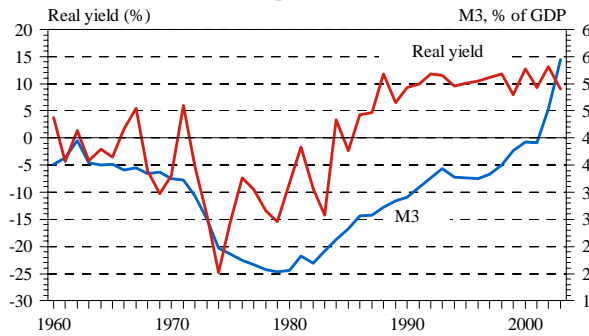
Gross national saving and fixed capital formation 1960-2005



Preliminary/forecast 2002-2005. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 38

Real yield and broad money 1960-2003
Real yield on non-indexed bank loans and M3 as percent of GDP



Latest data are preliminary. Source: Central Bank of Iceland.

Table 22 Structural indicators for the Icelandic economy

I. Population and labour force (thous.)			1970	2003	IV. National income and expenditure			1970	2002
Population at end of year.....	204.8	290.6			Gross domestic product (GDP), b.kr.....	0.4	779.0		
under 16 years of age.....	70.6	70.4			GDP, billion US\$.....	0.5	8.5		
16-74 years of age.....	127.3	204.3			National income per capita, thous. US\$.....	2.0	29.0		
above 74 years of age.....	7.0	15.8			GDP per capita, thous. US\$, PPP-converted ²	2.7	29.0		
Annual popul. growth in prev. 5 yrs. (%).....	1.1	1.1			Gross capital formation, % of GDP.....	25.3	18.8		
Labour force (thous.).....	82.7	146.4			Gross national saving, % of GDP.....	26.1	18.8		
Males.....	54.7	84.1			Net national saving, % of net national product	13.8	5.3		
Females.....	28.0	62.3			Exports of goods and services, % of GDP.....	46.4	39.7		
II. Employment by industry (%) (2001)			1970	2001	Public consumption, % of GDP.....	12.7	25.5		
Agriculture.....	12.4	3.3			Gen. government total expend., % of GDP ³ ...	28.9	42.1		
Fisheries.....	6.6	3.9			Total taxes, % of GDP ³	28.9	37.8		
Fish processing.....	7.8	5.1			V. Capital and indebtedness			1970	2003 ¹
Manufacturing industry.....	15.2	12.1			% of GDP unless otherwise stated				
Construction, electricity and water.....	11.3	10.3			Fixed assets, % of GDP (2001).....	3.4	2.8		
Wholesale & retail trade, restaur. & hotels....	13.5	16.7			Fixed assets, billion USD (2001).....	1.8	21.7		
Transport, storage and communication.....	8.4	6.7			Net external debt.....	20.1	100.8		
Finance, insurance, real estate, business serv.	4.0	9.5			Debt service, % of export revenue.....	11.3	61.6		
Producers of government services.....	12.4	18.9			General government total debt.....	13.0	41.6		
Other services.....	8.3	13.4			General government net debt.....	-2.3	23.5		
III. Merchandise exports			1970	2003	Broad money (M3).....	37.5	59.4		
By category (%):					Credit system total lending.....	484.8	271.4		
Marine products.....	77.1	62.3			to industries.....	53.6	144.3		
Manufactures.....	18.4	33.9			to households.....	21.2	94.4		
thereof aluminium and ferro-silicon.....	13.2	22.1			Market capitalisation of listed equities.....	.	80.2		
Agricultural products.....	3.4	1.9							
By regions (%):									
United States.....	30.0	9.3							
European Union.....	52.8	72.1							
Other.....	17.2	18.7							

1. Preliminary data. If preliminary data for 2003 are not available another year is stated. Converted to US dollars at an exchange rate that eliminates the difference in price levels between the countries. 3. National accounts basis. Sources: Iceland Stock Exchange, National Economic Institute, OECD, Statistics Iceland, Central Bank of Iceland.

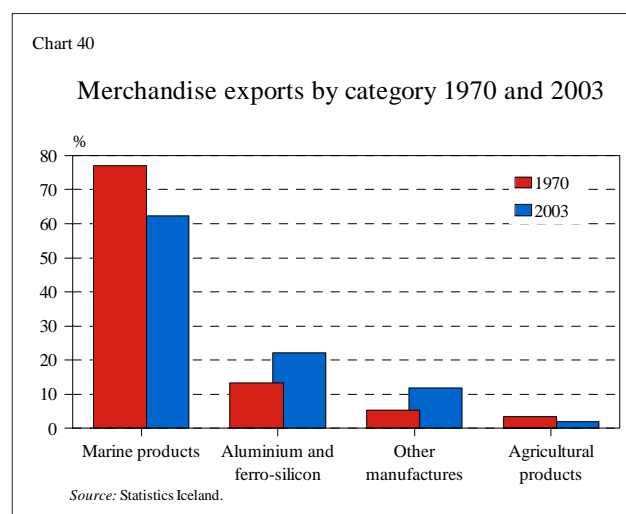
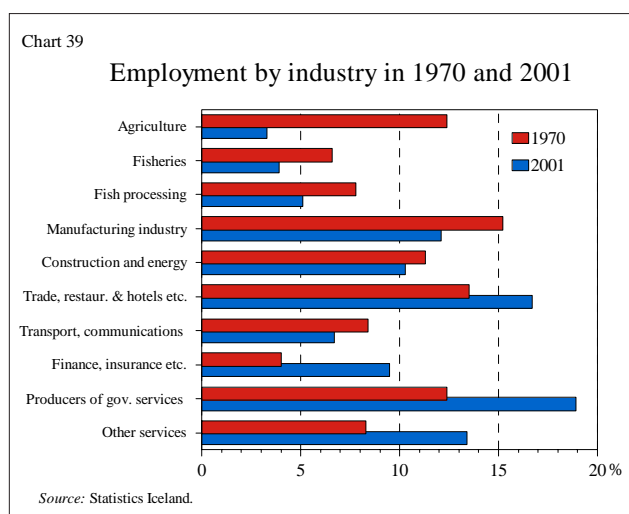


Table 23 Merchandise exports and imports by regions¹

	Share of total (%)					In b.kr.		
	1970	1980	1990	2000	2003	January 2004	January 2004	
<i>Merchandise exports, fob</i>								
European Union	52.8	52.3	70.7	67.4	72.1	74.7	131.6	12.5
Euro area	25.4	30.2	37.6	42.3	48.2	46.2	87.9	7.7
Other EU countries	27.4	22.0	33.1	25.1	23.9	28.5	43.7	4.8
United Kingdom	13.2	16.5	25.3	19.3	17.5	20.6	32.0	3.4
Other Western European countries	2.8	2.3	3.4	7.8	7.8	5.1	14.3	0.8
Eastern Europe and former Soviet Union	9.6	8.8	2.9	1.4	2.6	2.6	4.8	0.4
Russia	6.8	5.4	2.5	0.4	0.6	0.3	1.0	0.1
United States	30.0	21.6	9.9	12.2	9.3	11.7	16.9	2.0
Japan	0.1	1.5	6.0	5.2	3.2	1.7	5.9	0.3
Other OECD countries	0.5	0.6	0.5	2.0	0.3	1.1	0.6	0.2
Developing countries ²	4.2	12.9	5.5	3.0	3.9	2.7	7.2	0.4
Other countries	0.0	0.0	1.1	1.0	0.8	0.4	1.4	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	182.6	16.7
<i>Merchandise imports, cif</i>								
European Union	64.9	58.0	59.9	57.0	56.9	57.5	123.2	10.2
Euro area	32.0	33.2	35.5	33.5	34.9	36.0	75.6	6.4
Other EU countries	33.0	24.8	24.4	23.6	22.0	21.5	47.6	3.8
United Kingdom	14.3	9.5	8.1	9.0	7.4	7.6	16.1	1.4
Other Western European countries	5.4	8.1	5.2	9.7	8.7	6.7	18.9	1.2
Eastern Europe and former Soviet Union	10.4	10.9	6.5	5.7	10.4	13.2	22.6	2.4
Russia	7.2	9.7	5.0	1.8	2.8	1.6	6.1	0.3
United States	8.2	9.4	14.4	11.0	7.4	7.7	16.1	1.4
Japan	2.9	4.0	5.6	4.9	3.8	3.8	8.3	0.7
Other OECD countries	0.4	5.8	3.7	4.5	2.3	2.2	4.9	0.4
Developing countries ²	7.2	2.7	3.1	5.6	9.0	7.6	19.6	1.4
Other countries	0.6	1.1	1.4	1.5	1.4	1.2	3.0	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	216.5	17.8

1. Country groups are based on the year 2000. 2. International Monetary Fund's definition.

Source: Statistics Iceland.

