

Economic Indicators



Central Bank of Iceland
January 2006

Overview of economic indicators

I Inflation and inflation expectations¹

	Latest period	Latest value	Change (%)			Contribution to 12-mo. inflation (%)	12-mo. ch. 1 year ago (%)
			on prev. month	over 6 months ²	over 12 months		
Consumer price index.....	January '06	249.7	0.3	5.9	4.4	.	4.0
Core index 1 (CPI excl. agric. prod., veg., fruit and petrol).....	January '06	141.1	0.0	5.5	4.3	3.8	4.0
Core index 2 (core index 1 excl. public services).....	January '06	141.1	0.0	5.9	4.5	3.6	4.0
Domestic goods excl. agricultural products and vegetables.....	January '06	130.7	1.1	9.9	-0.3	0.0	1.8
Agricultural products and vegetables.....	January '06	125.2	2.6	11.4	1.1	0.1	5.2
Imported goods excl. alcohol and tobacco.....	January '06	107.9	-1.4	-0.6	-0.8	-0.2	0.1
- food and beverages.....	January '06	116.8	2.4	21.3	-3.8	-0.1	-3.8
- cars and spare parts.....	January '06	115.0	-0.4	-3.8	-4.6	-0.2	2.2
- petrol.....	January '06	145.8	2.2	-0.2	12.8	0.6	4.3
- imported goods excl. food and beverages.....	January '06	94.2	-3.4	-2.8	-2.8	-0.5	-1.0
Housing.....	January '06	224.5	1.5	14.2	17.1	3.8	11.5
Public services.....	January '06	146.0	0.2	1.8	2.6	0.2	3.6
Private services.....	January '06	147.6	0.2	4.2	3.8	0.9	3.6
Groceries (perishable items).....	January '06	122.1	2.0	13.2	-1.5	-0.3	-0.2
Weighted import exchange rate index (Dec. 31 1994=100).....	30. December '05	88.7	0.3	-9.5	-7.9	.	-7.8

	Latest period	Expected 12 mo. inflation	Change on prev. survey	Exp. 12-mo inflation 1 year ago	Expected annual inflation over next 2 yrs.	Expected annual inflation over next 3 yrs.	Perceived inflation in past 12 mo.
Employers' inflation expectations.....	October '05	3.7	0.1	2.8	3.3	.	.
Public's inflation expectations.....	Oct./Nov. '05	4.7	0.6	4.0	.	.	4.4

1. Index base periods: Consumer price index: May 1988=100; other price indices: March 1997=100. 2. Annualised inflation.

II Output and demand

	Latest period	Latest value	Value 1 year ago	% change ¹ on		From beginn. of year ¹	
				previous period	previous year	Value	Change on prev. year (%)
GDP (b.kr.).....	Q3/2005	241.8	229.1	1.9	4.0	717.1	5.1
National expenditure (b.kr.).....	Q3/2005	279.2	236.2	4.6	18.2	807.5	14.0
Private consumption (b.kr.).....	Q3/2005	140.9	124.1	-3.9	12.5	421.3	12.1
Public consumption (b.kr.).....	Q3/2005	61.6	56.5	-0.6	3.7	180.7	3.0
Gross fixed investment (b.kr.).....	Q3/2005	74.5	55.4	15.6	42.3	204.8	31.6
Exports of goods and services (b. kr.).....	Q3/2005	82.4	89.3	2.0	-3.3	233.1	1.7
Imports of goods and services (b. kr.).....	Q3/2005	-119.8	-96.4	8.6	32.2	-323.4	25.0
Domestic turnover according to VAT statements (b. kr.).....	Sept.-Oct. '05	208.2	166.8	5.3	17.8	208.2	-76.9
Turnover in groceries stores (b.kr.).....	December '05	161.5	149.4	34.8	8.1	125.6	9.4
Credit and debit card turnover (b.kr.) ²	December '05	59.9	57.2	0.0	5.2	630.1	10.2
Turnover of publicly listed companies on ISEX (b.kr.).....	Q1-Q3/2005	297.9	202.8	92.9	95.1	297.9	95.1
Cement sales (thous. tons).....	December '05	19.2	11.4	-13.0	68.1	261.4	32.5
Automobile registrations (number).....	November '05	1.983	1.303	8.7	52.2	24.143	59.3

1. Change between periods is presented in real terms. 2. Change in seasonally adjusted values.

III Foreign trade and external economic conditions

	Latest period	Latest value	Value 1 year ago	% change on		From beginn. of year	
				previous period	previous year	Value	Change on prev. year (%)
Price of marine products in foreign currency (Jan.1999=100).....	December '05	108.8	100.4	-0.6	8.3	103.7	8.4
Price of aluminium, LME cash price USD/t.....	December '05	2.247	1.849	9.6	21.5	1.899	10.6
Price of crude oil (Brent) USD/b.....	December '05	56.9	39.7	2.5	43.5	54.5	41.9
Groundfish (1,000 tonnes).....	December '05	37.6	37.0	-19.4	1.7	519.2	-0.9
Pelagics (1,000 tonnes).....	December '05	34.6	47.0	-32.2	-26.3	1.135.9	-3.0
Merchandise exports (excl. ships & aircraft, b.kr.) ¹	November '05	16.6	18.9	4.4	3.0	170.2	0.9
- marine products (b.kr.) ¹	November '05	9.5	11.7	1.3	-4.4	102.3	0.9
- aluminium (b.kr.) ¹	November '05	3.4	3.0	22.3	30.5	33.1	6.2
- other industrial products (b.kr.) ¹	November '05	3.0	3.4	3.3	3.3	27.5	-3.9
Merchandise imports (excl. ships & aircraft, b.kr.) ¹	November '05	27.6	21.2	29.2	52.7	254.5	31.5
Merchandise trade balance (excl. ships & aircraft, b.kr.).....	November '05	-11.0	-2.3	.	.	-84.4	.
Services exports (b.kr.) ¹	Q3/2005	40.1	39.5	40.8	14.1	92.2	15.6
Services imports (b.kr.) ¹	Q3/2005	43.1	33.9	12.3	43.1	114.5	34.5
Real effective exchange rate (relative CPI) (1980=100).....	Q4/2005	111.1	99.9	5.4	11.2	107.0	10.0

Note: In the case of volumes and values, 'From beginning of year' refers to cumulated figures to date, but in the case of prices or indices it refers to the average price or index. 1. Changes are calculated at constant exchange rates.

IV Labour market and wages

	Latest period	Latest value	Value 1 year ago	Change ¹ from previous period		From beginn. of year ² Average Change on prev. year (%)	
Number of unemployed listed at employment agencies	December '05	2,317	4,088	70	-1,771	3,119	-31.6
Registered unemployment, s.a. (% of total estim. labour force)	December '05	1.5	2.7	-0.1	-1.2	2.0	-1.1
Unemployment rate, labour force survey.....	Q4/2005	2.7	2.5	0.9	0.2	3.1	0.0
Listed vacancies at employment agencies.....	December '05	573	727	-55.0	-21.2	1,379	106.6
New work permits issued	December '05	599	168	31.6	256.5	4,311	172.7
Work permits issued, total.....	December '05	956	394	44.4	142.6	6,362	69.7
Wage index (December 1988=100)	December '05	273.9	255.5	0.6	7.2	267.2	6.8
Real wages (wage index deflated by CPI).....	December '05	137.4	133.5	0.2	2.9	137.0	2.6

1. Change from previous period refers to change in the number of unemployed and change in the rate of unemployment; percentage changes otherwise. 2. Average from beginning of year except for work permits where the cumulated number of permits is shown. Change on previous year refers to change in the average number of unemployed and change in the unemployment rate; percentage changes otherwise.

V Public finances

	Latest period	Latest value	Value 1 year ago	% change on previous period		From beginn. of year Value Change on prev. year (%)	
Treasury revenue balance (b. kr.)	November '05	17.5	-0.7	.	.	81.6	.
- as % of revenue	November '05	39.9	-2.9	.	.	22.6	.
Net borrowing requirement (b. kr.).....	November '05	-16.4	-3.8	.	.	-88.8	.
- as % of revenue	November '05	-37.3	-15.7	.	.	-24.6	.
Treasury revenue (b.kr.).....	November '05	43.9	24.3	2.4	72.9	360.8	39.7
- excl. asset sales and irregular items (b. kr.).....	November '05	27.4	23.7	1.5	10.9	292.2	13.5
- from VAT (b. kr.).....	November '05	9.6	8.0	-2.4	14.3	96.8	16.5
- from payroll & personal income tax withheld (b.kr.)	November '05	8.3	7.3	4.2	7.8	90.7	8.1
- from imports, alcohol, car ownership (b.kr.).....	November '05	2.3	1.8	-6.9	17.7	24.0	21.0
Treasury expenditures (b.kr.).....	November '05	24.7	23.2	-6.1	2.1	279.9	4.7
- excl. irregular items (billion kr.)	November '05	24.4	24.5	-1.3	-4.4	273.4	2.4

Note: First four columns show 4-month moving averages of monthly values, last two show current year to date.

VI Asset markets

	Latest period	Latest value	Value 1 year ago	% change on previous period		From beginn. of year Average ¹ Change on prev. year (%)	
ICEX-15 equity price index ² (Dec. 1997=1,000).....	December '05	5,319.1	3,380.2	9.4	57.4	4,285.0	43.6
ICEX-Main equity price index ² (Dec. 1997=1,000).....	December '05	4,923.0	3,181.5	8.8	54.7	3,992.5	40.5
Equity turnover on ICEX ² , monthly total.....	December '05	128.1	89.3	-24.3	43.5	1,201.7	66.6
Residential housing prices, narrow index ³ (Jan. 1994=100)	December '05	286.7	220.0	-0.4	30.3	267.0	32.6
Real residential housing prices, broad index ³ (Jan. 1994=100).....	December '05	198.4	157.8	-1.3	25.8	188.4	30.1
Price of long-term cod quota (kr./kg.).....	January '06	1,700	1,175	4.6	44.7	1,389	18.2

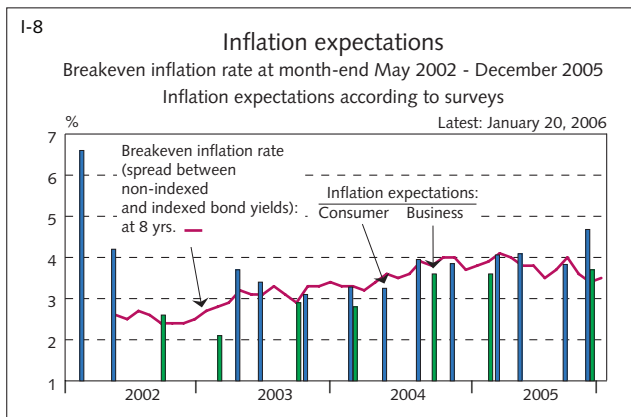
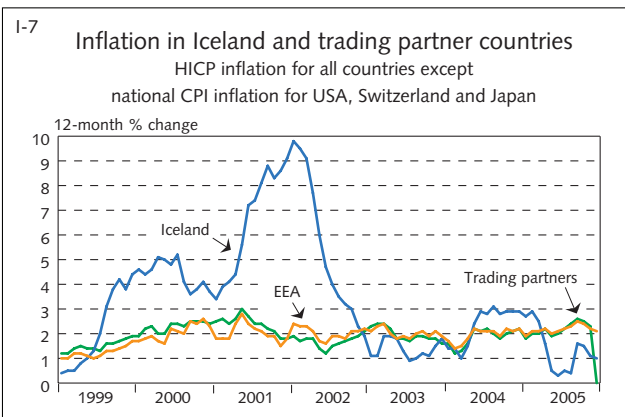
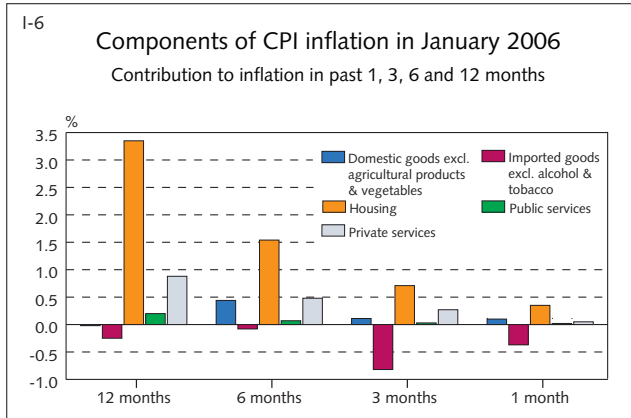
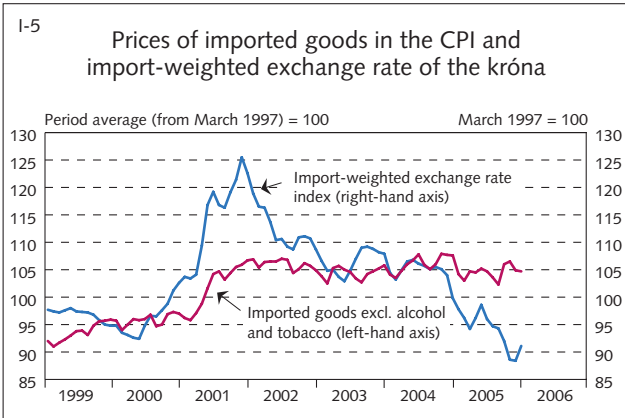
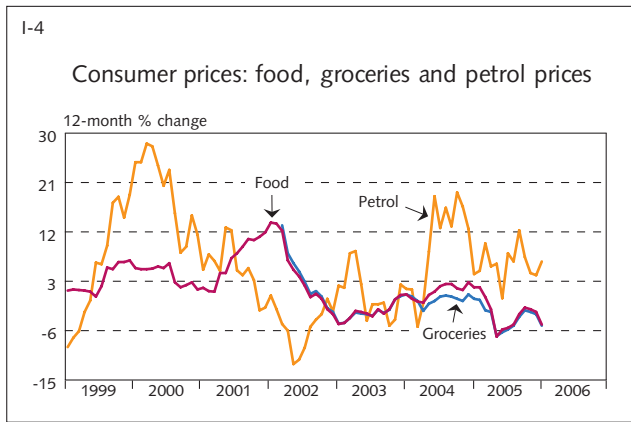
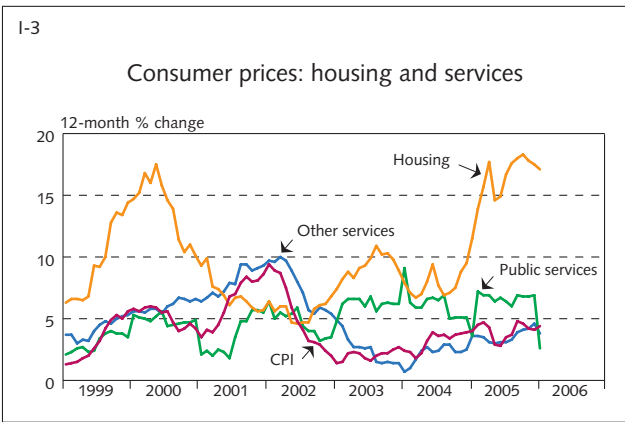
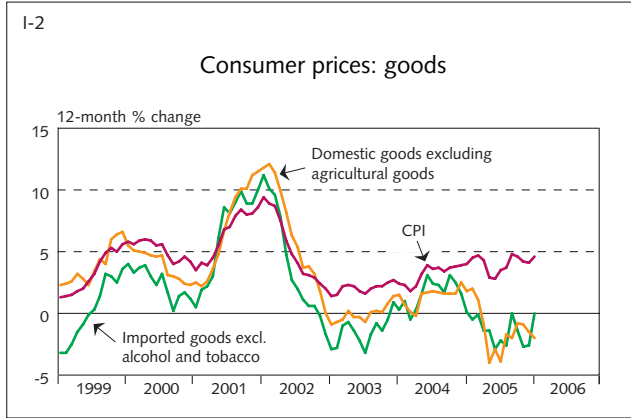
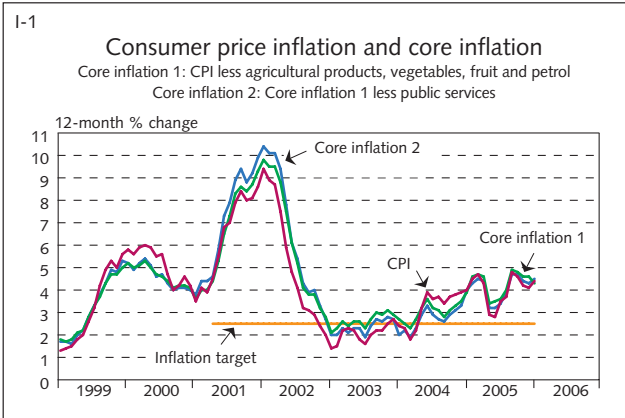
1. Except for turnover which is cumulated to date. 2. ICEX = Iceland Stock Exchange. Prices are monthly averages. 3. In Greater Reykjavik Area.

VII Financial markets

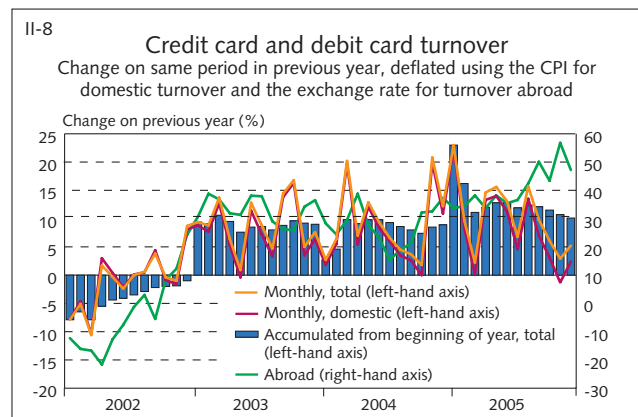
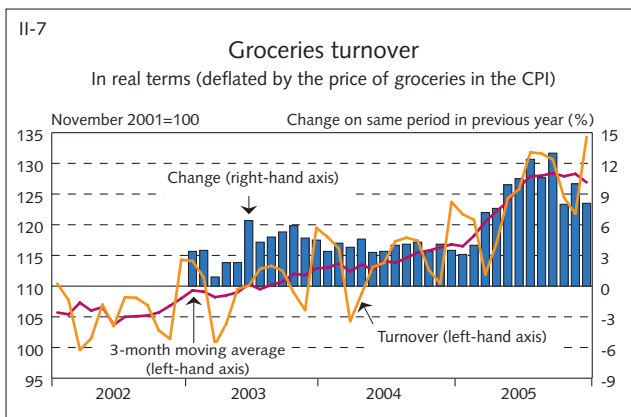
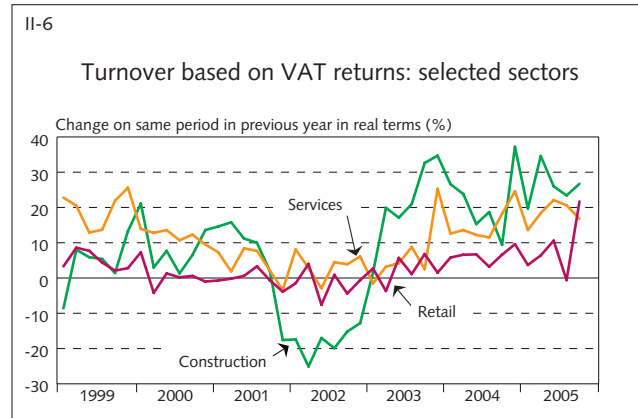
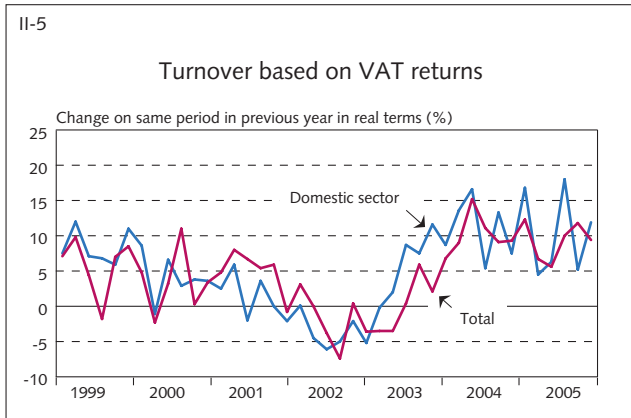
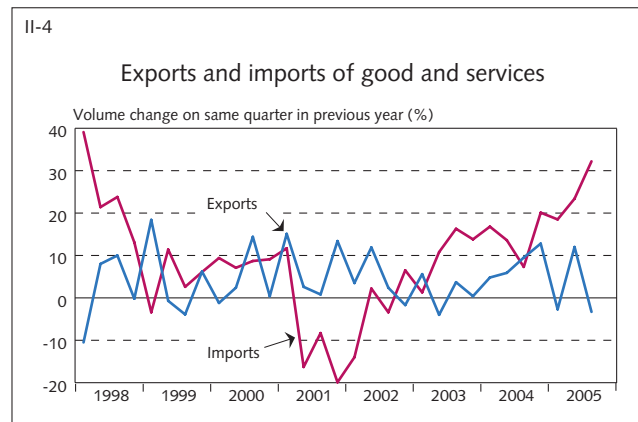
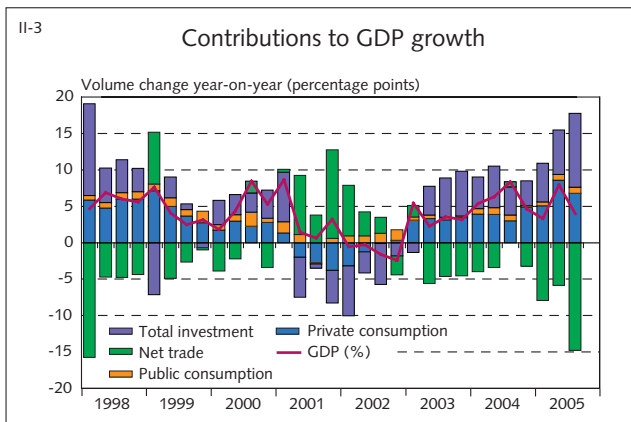
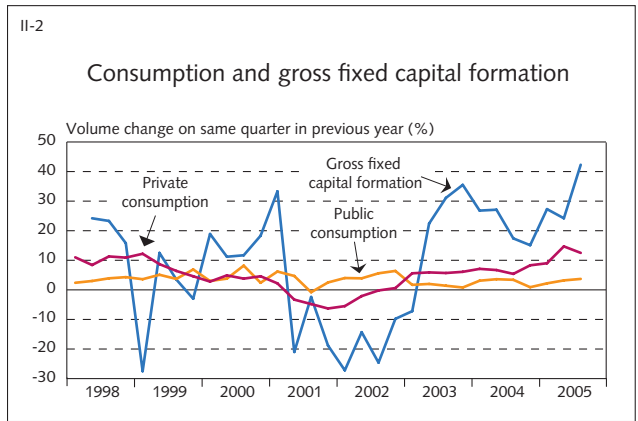
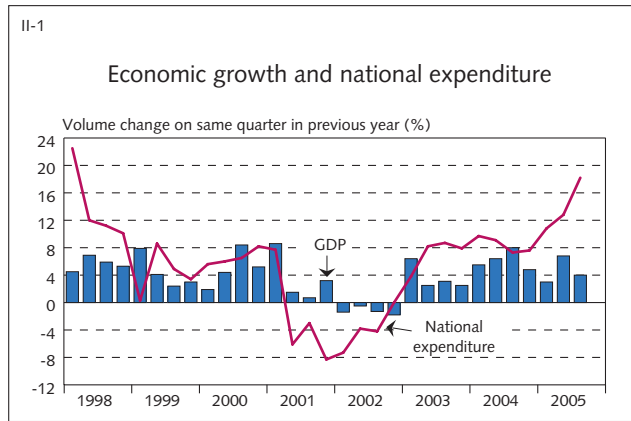
	Latest period	Latest value	Value 1 year ago	% change on previous period		From beginn. of year Average Change on prev. year (%)	
Bank lending to domestic sector (b.kr.) ¹	December '05	1,667.9	1,123.5	0.9	49.3	.	.
- adjusted for estimated indexation effects on inflation- and exchange rate-linked loans (index) ¹	December '05	399.5	268.7	0.2	48.7	.	.
- in real terms (January 2002 = 100) ¹	December '05	1.5	1.4	-2.8	7.1	.	.
Credit system total lending (b.kr.).....	August '05	3,103.1	2,437.1	9.5	27.3	.	.
M3 (b.kr.).....	December '05	694.8	533.8	0.0	30.2	.	.
Central Bank policy interest rate (%).....	January 20 '06	10.50	8.25	0.00	2.25	10.50	2.25
Money market yield, 3-mo. (%) ²	January 20 '06	10.2	8.6	0.1	1.6	10.2	1.6
Treasury bill yield, 3-mo. (%) ²	January 20 '06	10.0	7.5	0.1	2.5	10.0	2.5
Treasury bill real yield, 3-mo., based on breakeven inflation (%) ²	January 20 '06	.	3.5
Yield on Treasury notes (RIKB 10 0317) (%) ²	January 20 '06	8.0	7.8	0.0	0.2	8.0	0.3
Yield on Treasury notes (RIKB 13 0517) (%) ²	January 20 '06	7.8	7.5	0.0	0.3	7.8	0.3
Real yield on HFF bonds (HFF 15 0224) (%) ²	January 20 '06	4.3	3.6	-0.1	0.7	4.3	.
Real yield on HFF bonds (HFF 15 0234) (%) ²	January 20 '06	4.1	3.5	-0.1	0.6	4.1	.
Real yield on HFF bonds (HFF 15 0244) (%) ²	January 20 '06	4.1	3.5	0.0	0.6	4.1	.
Real yield on Treasury bonds (RIKS 15 1001) (%) ²	January 20 '06	4.2	3.5	0.0	0.7	4.2	0.7
Average bank lending rate, non-indexed loans (%) ²	January 20 '06	16.0	13.9	0.2	2.0	16.0	2.0
Average bank lending rate, indexed loans (%) ²	January 20 '06	6.7	7.6	0.0	-0.9	6.7	-0.9
Exchange rate index of króna (Dec. 31 1991=100) ²	January 20 '06	104.2	113.1	-1.3	-8.9	103.8	-9.2

1. For comparability, financial companies which were reclassified as deposit money banks or moved into that category through mergers are included retrospectively for the entire period. This adjustment is made only for percentage changes and not applied to the original stock figures. 2. All figures except for two last columns are based on 4-week averages.

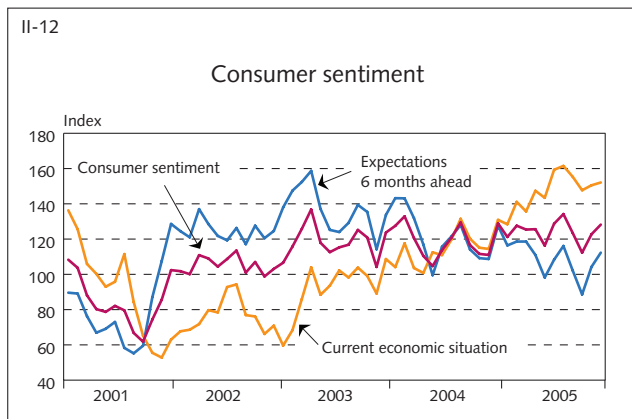
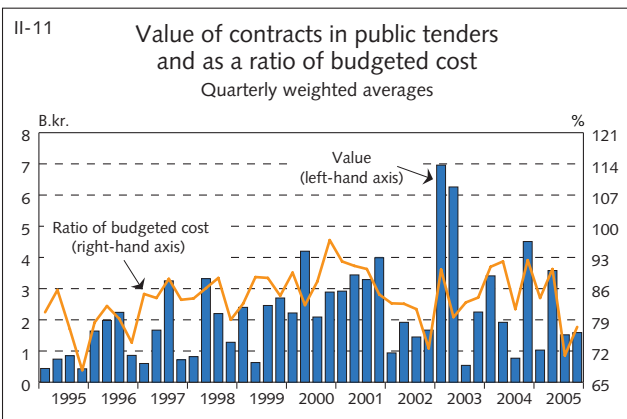
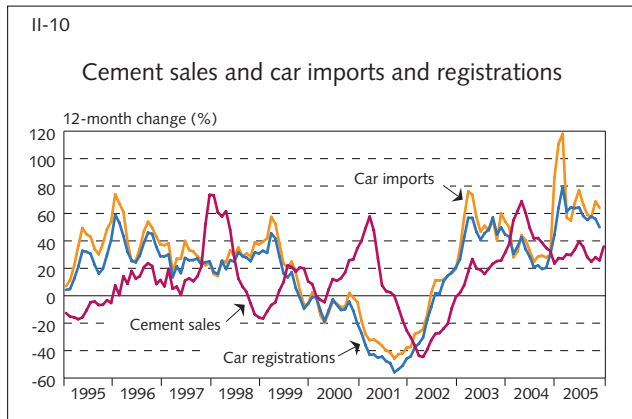
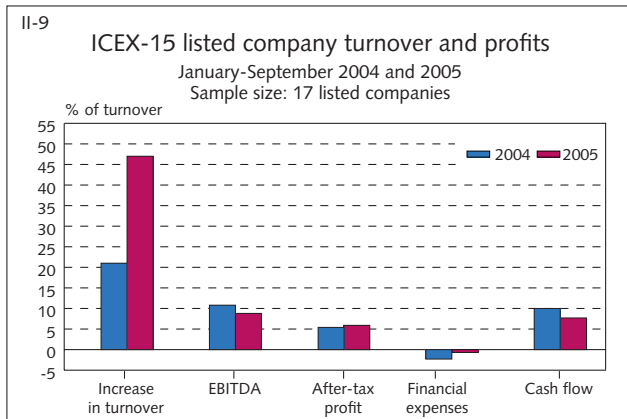
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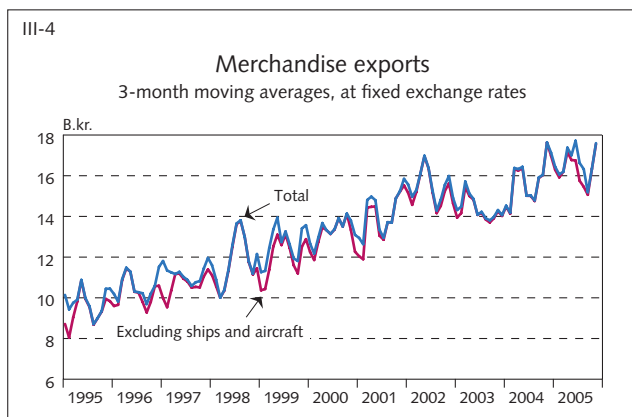
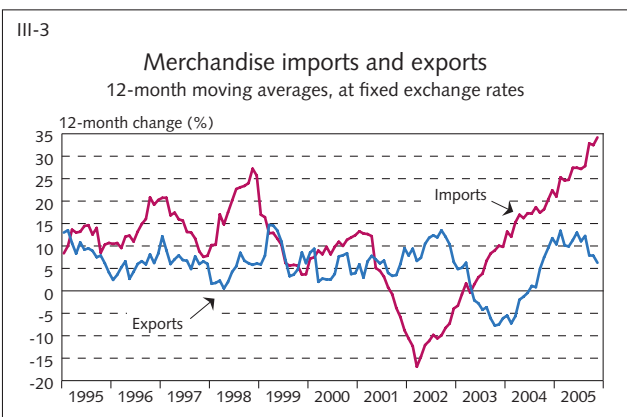
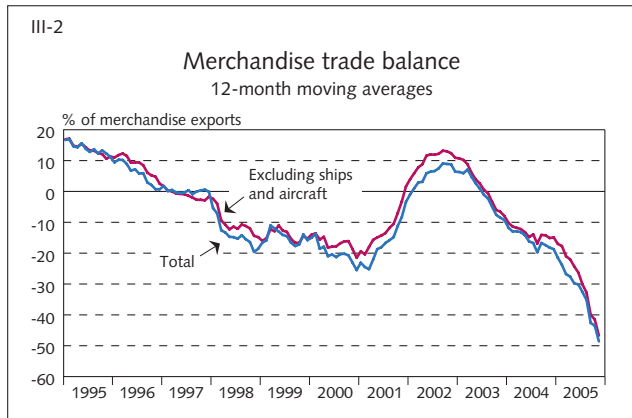
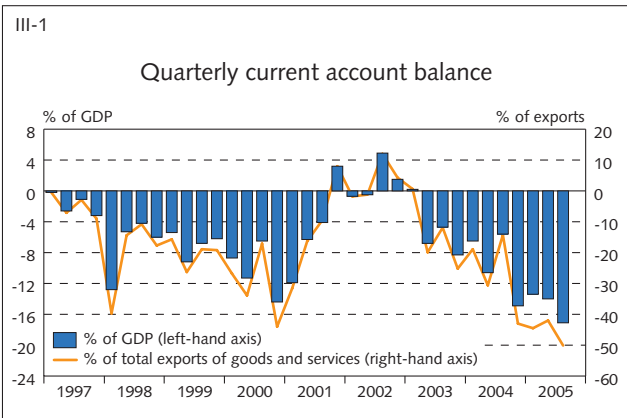
II Output and demand



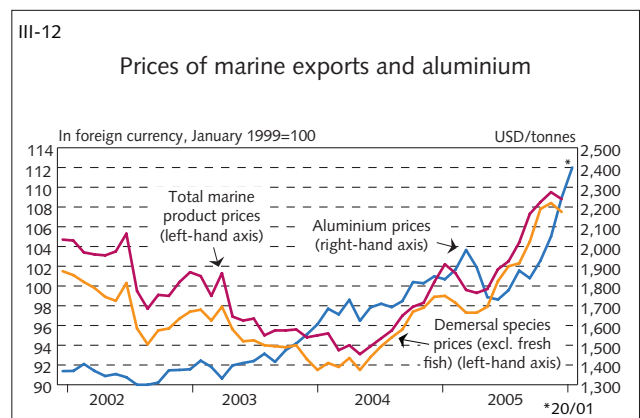
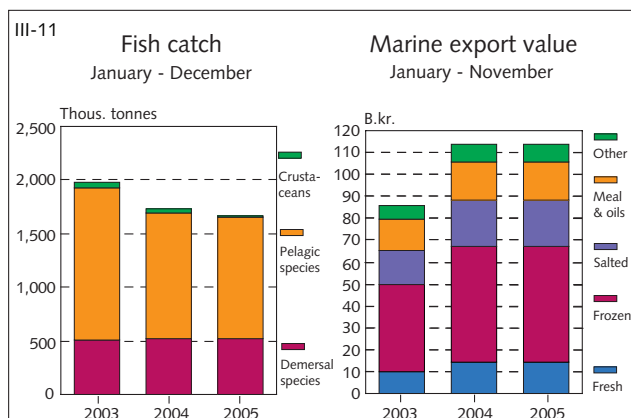
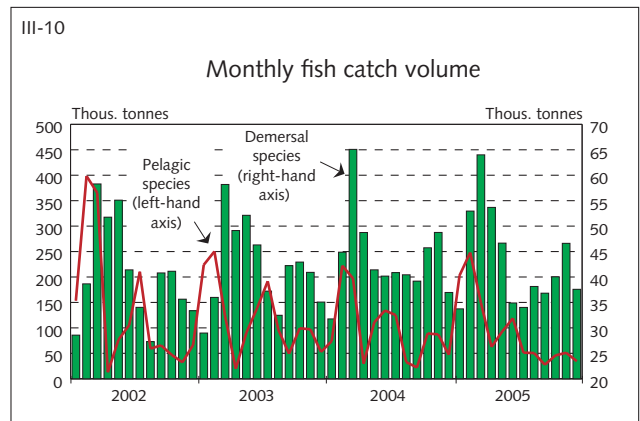
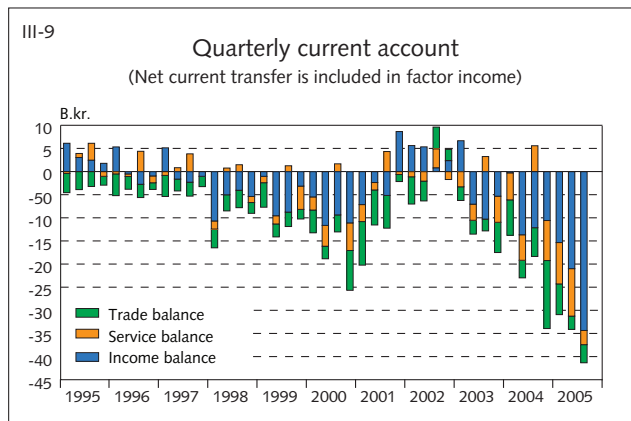
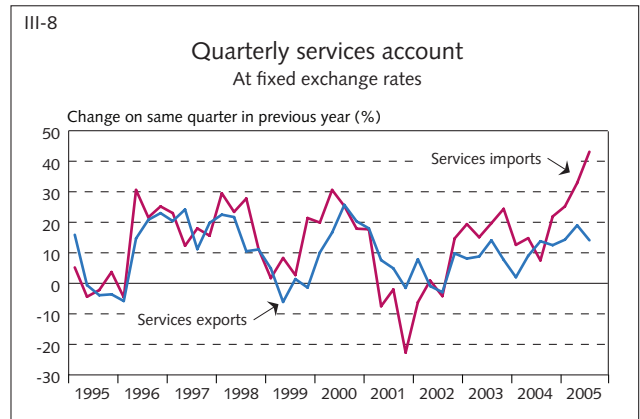
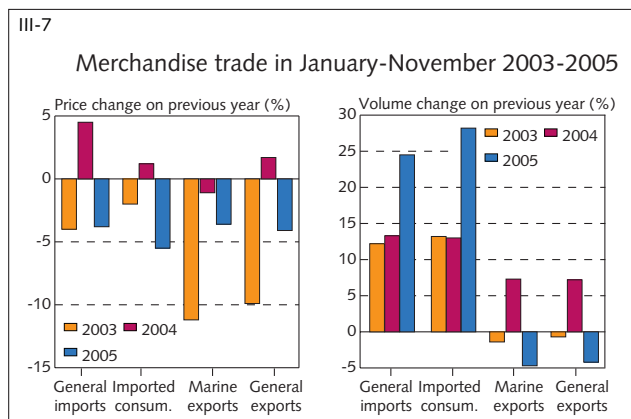
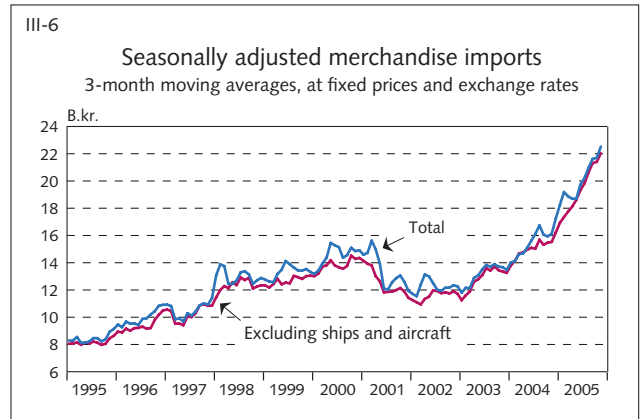
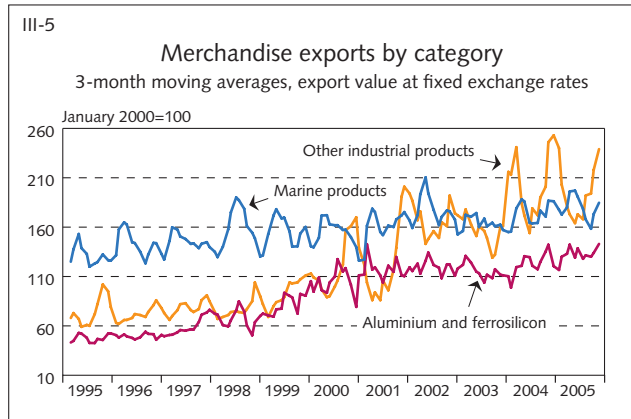
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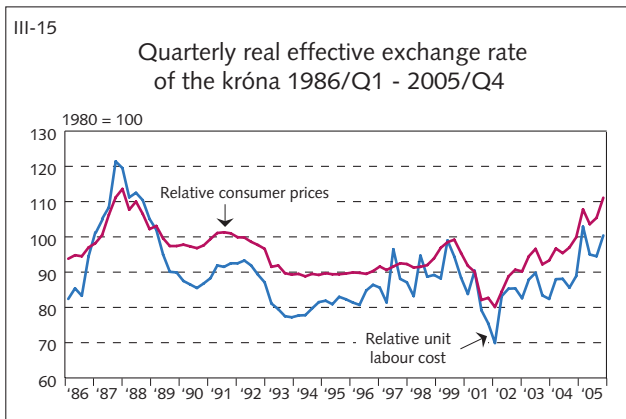
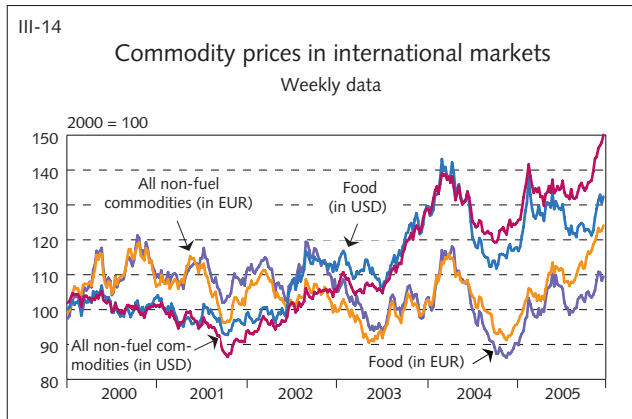
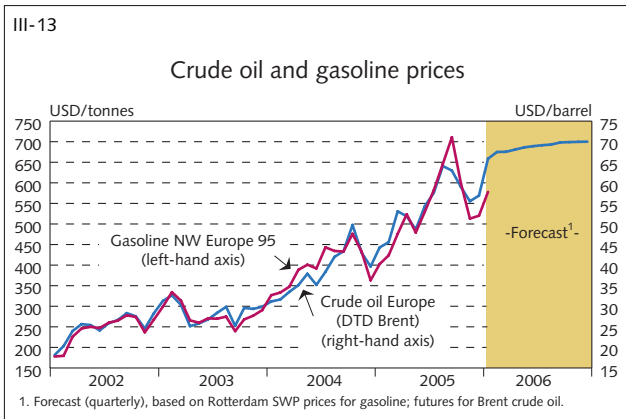
III Foreign trade and external economic conditions



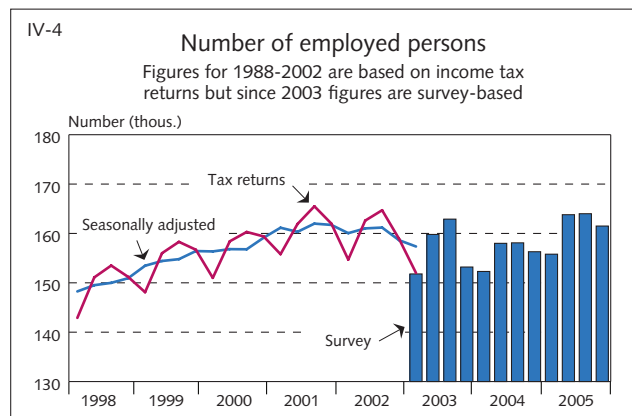
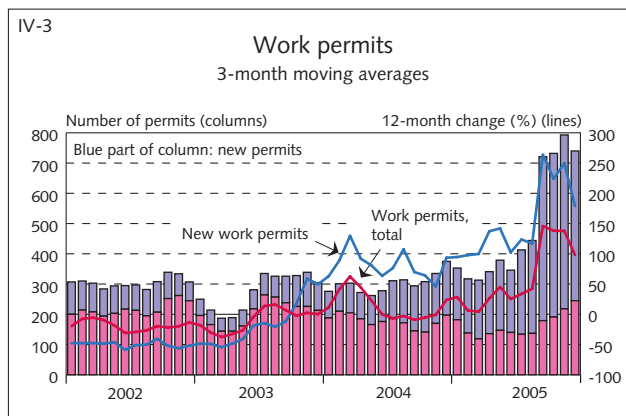
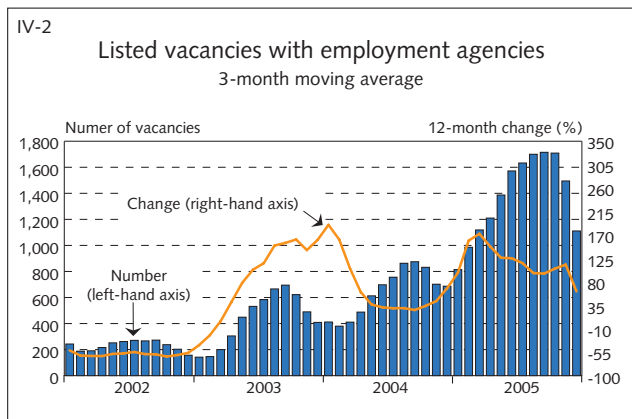
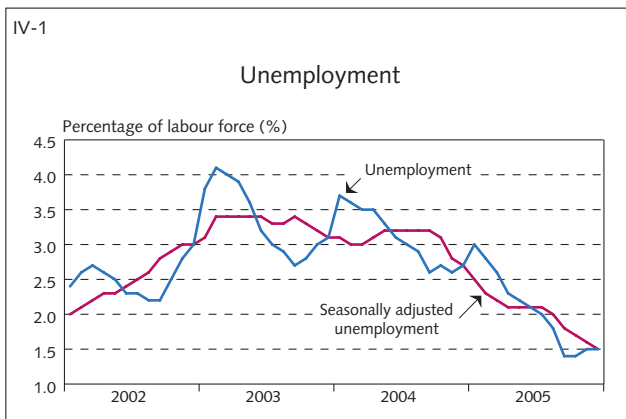
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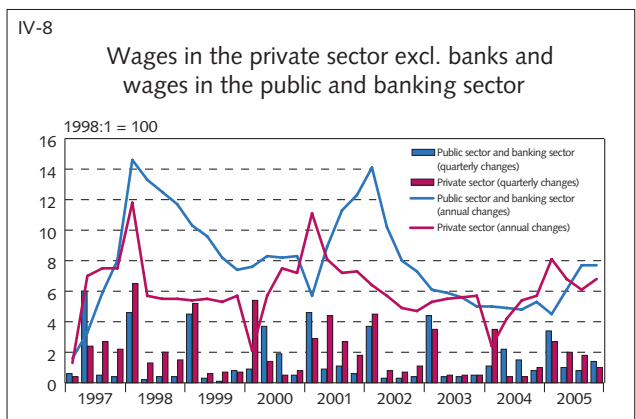
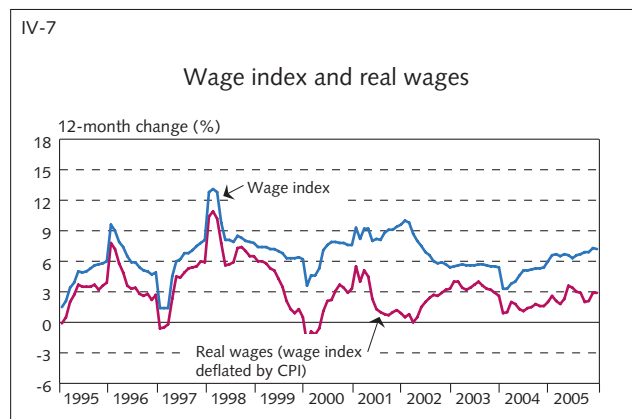
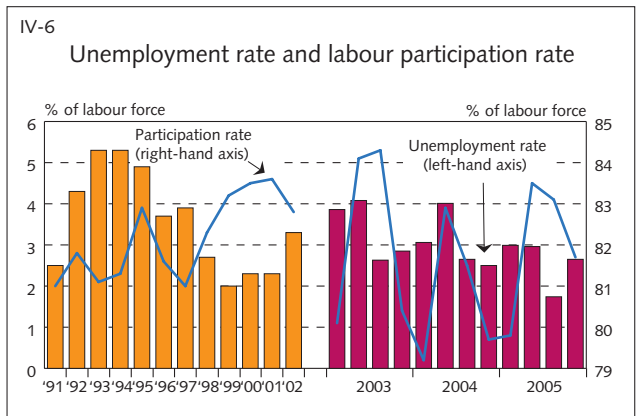
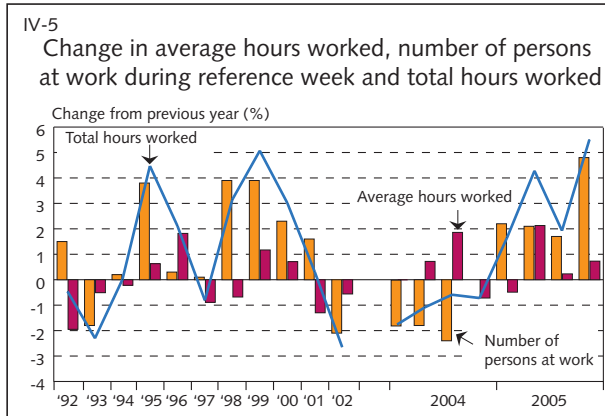
III Foreign trade and external economic conditions



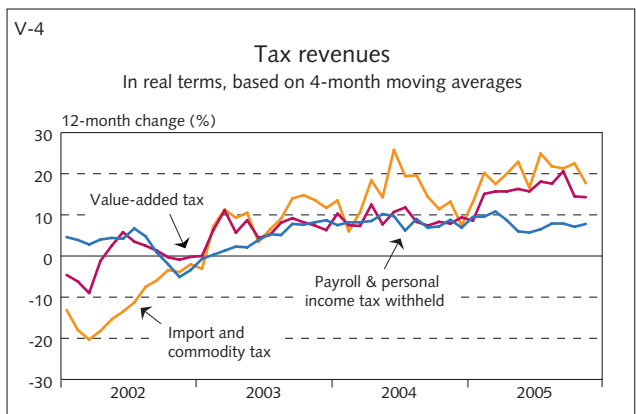
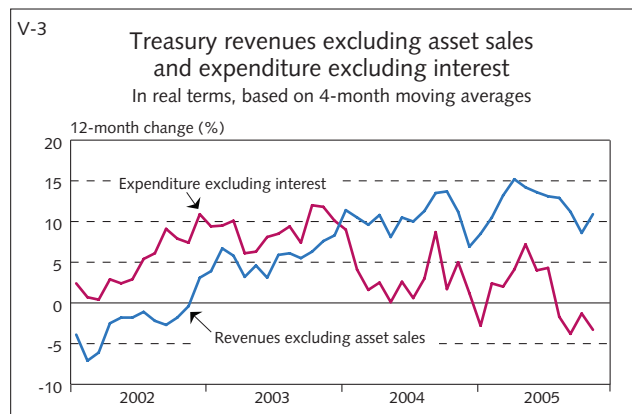
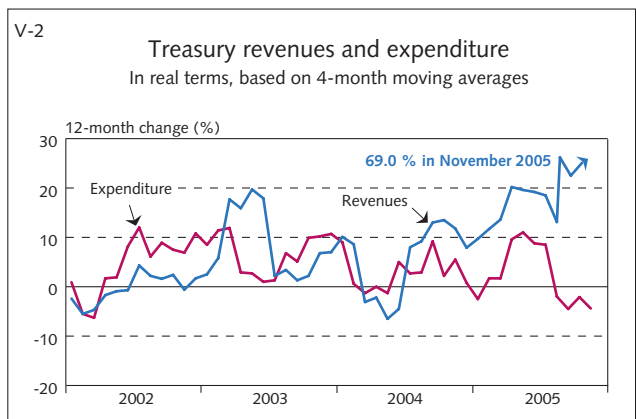
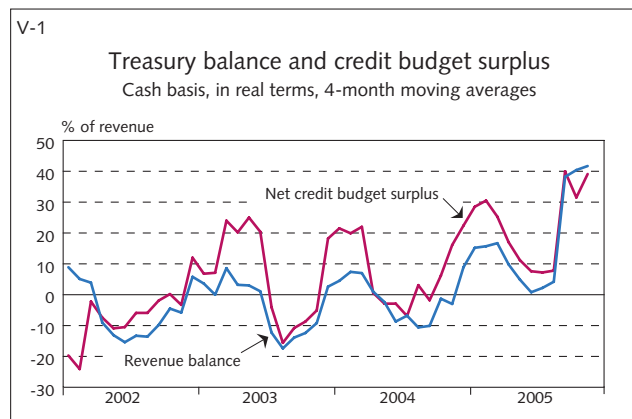
IV Labour market and wages



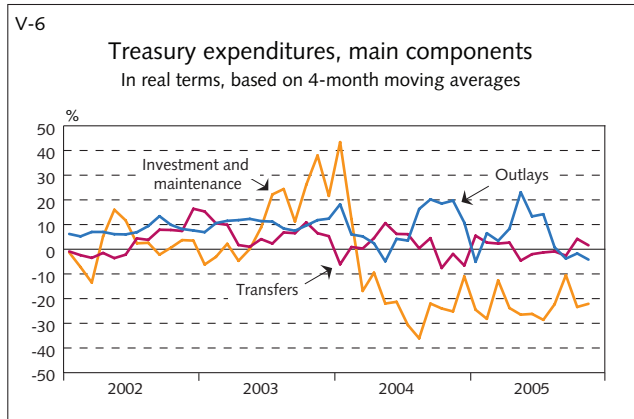
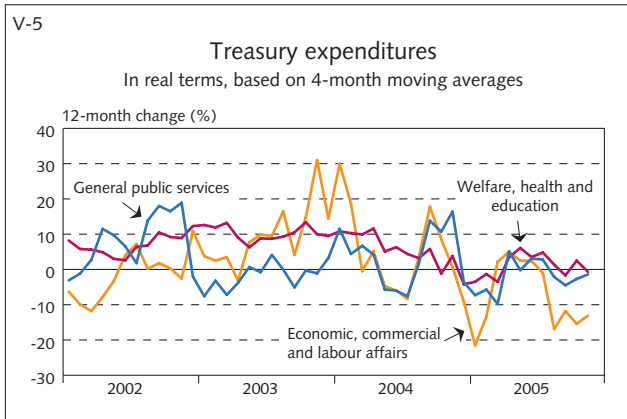
IV Labour market and wages



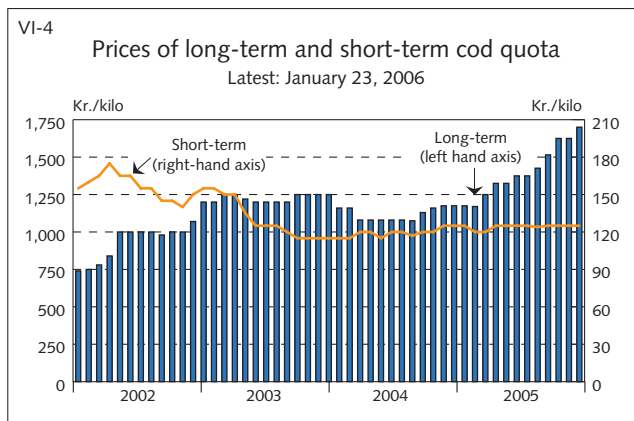
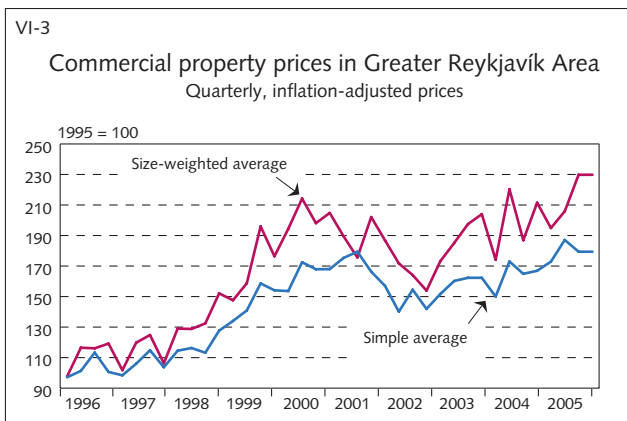
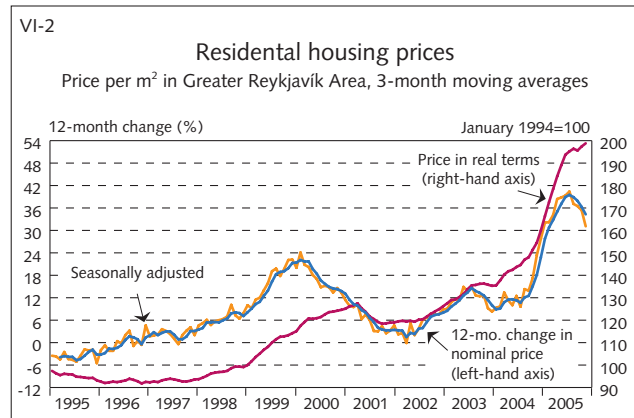
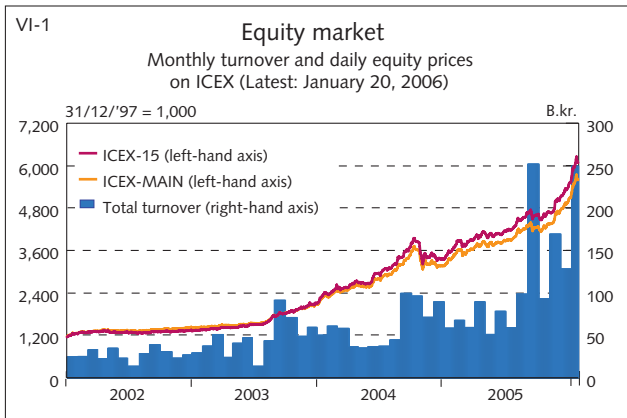
V Public finances



V Public finances



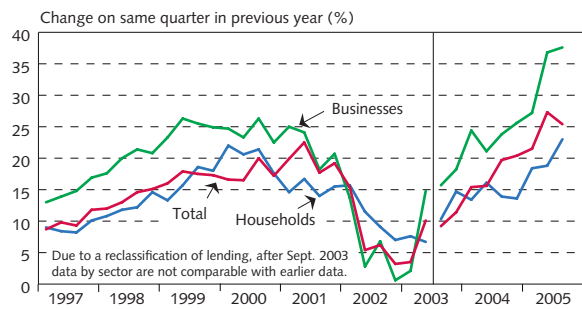
VI Asset markets



VII Financial markets

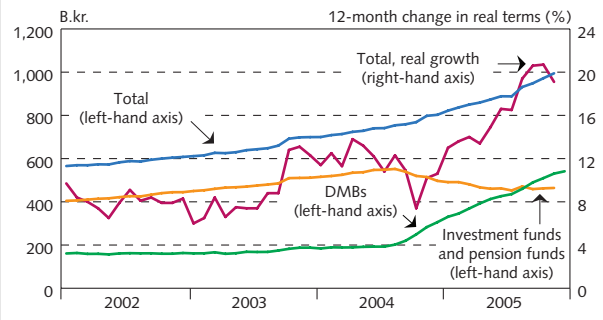
VII-1

Quarterly credit system lending growth



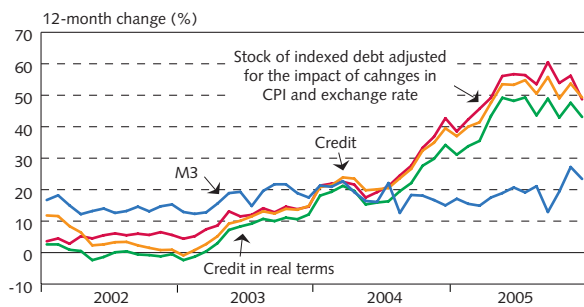
VII-2

Household debt with main credit institutions



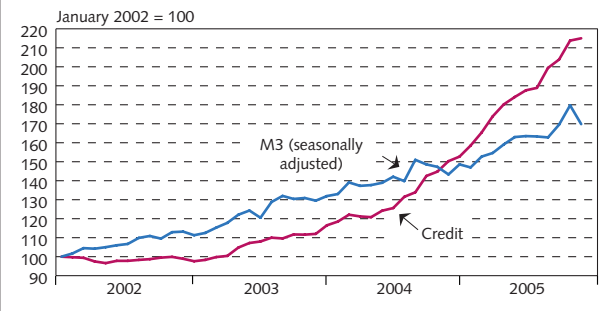
VII-3

Growth of M3 and bank credit



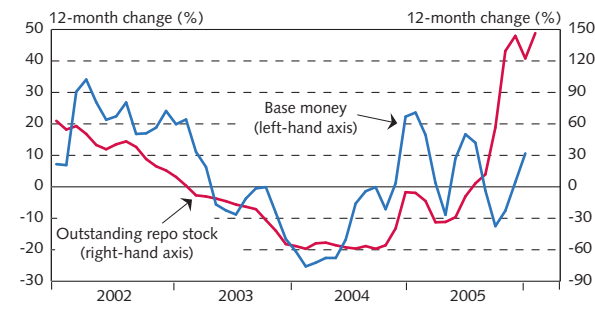
VII-4

Growth of M3 and DMBs' credit to domestic sector
In real terms



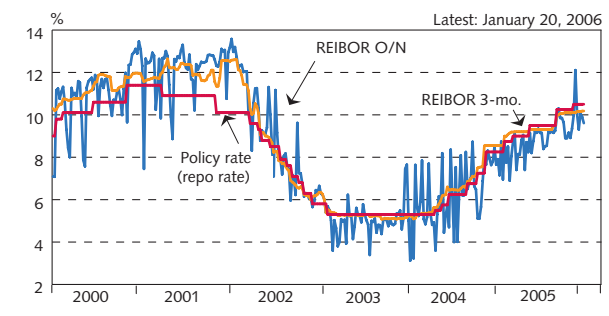
VII-5

Base money and repurchase agreements with the Central Bank
Based on 3-month moving averages



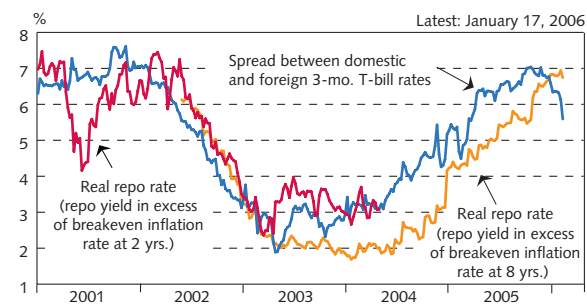
VII-6

The Central Bank repo rate and interbank interest rates
Weekly data



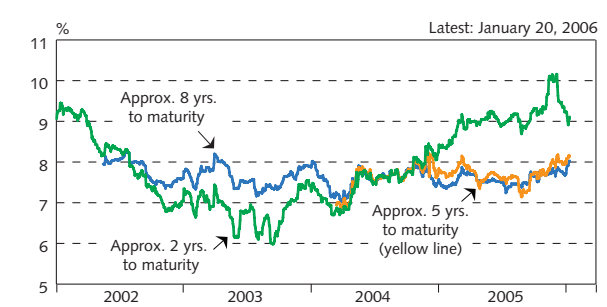
VII-7

Short-term interest rates and differential with abroad
Weekly data



VII-8

Long-term nominal Treasury bond yields
Daily data



VII Financial markets

