

Tables and charts

Based on statistical information available on October 31, 2003.

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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		
	1 month	12 months	1 month	12 months	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	Base money	M3	DMB lending ⁶	Foreign liabilities
1997	.	1.8	.	1.3	.	7.2	.	7.2	8.3	5.3	5.3	3.1	8.7	12.7	48.0
1998	.	1.7	.	1.6	.	7.5	8.2	7.6	7.5	4.3	4.7	4.6	15.2	30.4	56.8
1999	.	3.4	.	0.2	.	9.0	11.7	9.8	9.6	4.7	4.8	75.9	16.9	22.7	16.9
2000	.	5.0	.	-0.1	.	11.4	12.0	11.5	11.7	5.5	6.3	-10.4	11.2	26.2	29.3
2001	.	6.7	.	-16.7	.	10.1	12.5	10.0	9.9	5.1	5.9	-14.2	14.9	13.4	20.3
2002	.	4.8	.	3.0	.	5.8	6.2	5.8	6.2	4.9	5.2	17.2	15.3	0.9	-0.6
2002															
April	0.0	7.5	2.4	-3.8		9.6	10.5	9.1	8.4	5.4	6.0	25.7	12.2	6.4	-7.8
May	0.0	5.9	3.4	6.3		8.8	9.2	8.7	8.4	5.3	5.8	7.2	13.2	2.3	-9.9
June	0.5	4.8	0.3	9.0		8.5	8.8	8.4	8.3	5.4	5.8	32.9	14.0	2.6	-7.5
July	0.1	4.1	1.5	8.4		8.5	8.1	8.2	8.2	5.3	5.7	29.0	12.6	3.2	-11.1
August	-0.5	3.2	0.4	7.9		7.9	7.6	7.6	7.7	5.3	5.6	19.1	13.2	3.4	-2.9
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	-0.8
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	6.7
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	11.5
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	18.8
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	15.7
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	25.7
July	-0.1	1.6	-2.2	2.7		5.3	5.2	5.1	6.8	4.2	4.6	-2.5	14.8	11.5	43.6
August	-0.1	2.0	-1.9	0.3		5.3	5.1	4.9	6.5	4.0	4.4	5.6	19.6	13.1	33.6
September ..	0.7	2.2	0.0	2.3		5.3	5.1	4.5	6.3	4.3	4.6	-5.4	23.0	13.6	36.7
October	0.5	2.2	0.6	3.2		5.3	5.1	4.5	6.9	4.2	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 % change	Wages, 12-mo. % change	Fin. balance, % of rev., cum. from beg. of year ¹¹	Equity prices ¹²	Housing prices ¹³
	in b.kr.	Merch. imports ⁷	as ratio of: For. short-term liabil. ⁸											
1997	27.8	2.6	0.6	14.1	0.3	131.2	131.0	2.2	90.5	3.9	5.4	0.9	13.6	2.7
1998	29.6	2.2	0.8	17.0	-25.0	136.6	161.6	11.8	91.9	2.8	9.4	4.6	9.8	7.0
1999	35.8	2.6	0.9	12.0	-22.4	144.9	167.3	-4.8	93.6	1.9	6.8	8.7	47.4	21.8
2000	34.2	2.1	0.6	-13.9	-37.5	149.3	186.8	-3.0	96.2	1.3	6.6	5.9	-19.3	13.5
2001	36.6	2.1	0.4	-29.5	-6.5	196.6	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	12.2	203.4	191.2	3.3	88.4	2.5	7.2	-5.6	16.7	6.5
2002														
April	38.0	2.4	0.4	0.0	2.7	20.8	18.1	3.3	86.6	2.6	8.0	-3.7	15.8	0.3
May	36.4	2.4	0.4	0.0	2.5	18.2	15.6	5.8	89.5	2.5	7.5	-9.7	17.6	0.7
June	35.4	2.3	0.4	0.0	-0.4	15.0	15.4	7.6	89.9	2.3	6.9	-6.8	21.0	1.5
July	36.4	2.4	0.4	0.0	-1.1	16.2	17.4	9.3	91.0	2.3	6.6	-8.0	22.3	2.9
August	37.5	2.4	0.4	0.0	1.2	14.6	13.4	0.5	91.2	2.2	6.0	-8.6	22.0	4.0
September ..	49.8	3.3	0.4	1.2	0.1	17.0	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	1.7	18.8	17.1	0.3	89.4	2.5	5.9	-5.8	18.8	6.2
November ..	36.5	2.4	0.2	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	36.9	2.6	0.3	5.5	4.7	16.1	11.4	2.9	93.4	3.8	5.5	-1.5	8.4	7.3
February	36.4	2.5	0.2	2.2	2.3	16.4	14.1	3.0	95.0	4.1	5.6	4.3	8.1	8.5
March	36.0	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	-5.1	14.9	20.0	-4.7	93.2	3.0	5.7	-2.3	18.9	14.5
August	41.0	2.5	0.2	4.0	-0.8	15.0	15.8	-1.6	91.5	2.9	5.7	-3.7	38.0	14.6
September ..	46.4	2.8	...	4.4	-4.7	14.6	19.2	0.3	91.7	2.7	5.6	-4.6	39.5	14.2
October	...	...	...	4.4	...	...	...	...	92.1	...	...	...	48.7	...

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								
	Feb.	March	April	May	June	July	August	Sep.	Oct.
Consumer price index, May 1988 = 100	224.3	226.7	227.0	226.6	226.8	226.5	226.3	227.9	229.0
<i>1-month % changes:</i>									
Consumer price index	-0.2	1.1	0.1	-0.2	0.1	-0.1	-0.1	0.7	0.5
Domestic goods excl. agric. products and vegetables	0.5	0.2	0.3	-0.9	0.5	0.0	-0.2	0.7	0.2
Agricultural products and vegetables	0.0	-0.4	-0.6	0.2	-0.1	-1.3	0.4	0.2	1.3
Imported goods excl. alcohol and tobacco	-1.3	2.8	0.4	-0.7	-0.4	-1.1	-0.7	1.5	0.5
Petrol	-0.4	5.0	-0.4	-5.7	-2.8	2.7	0.0	2.6	-3.3
Housing	0.9	1.0	0.7	0.7	0.3	1.1	1.3	0.5	0.5
Public services	0.2	0.4	0.0	0.1	0.0	0.8	0.1	1.2	0.2
Other services	0.1	0.0	-0.4	0.1	0.4	0.2	-0.4	-0.1	0.4
Harmonised index of consumer prices (HICP) ¹	-0.2	1.1	-0.1	-0.1	0.1	-0.2	-0.4	0.7	...
<i>12-month % changes:</i>									
Consumer price index	1.5	2.2	2.3	2.2	1.8	1.6	2.0	2.2	2.2
Domestic goods excl. agric. products and vegetables	-0.7	-0.5	0.2	-0.3	-0.3	-0.7	0.1	0.2	0.1
Agricultural products and vegetables	-5.7	-4.2	-2.3	-1.8	-2.8	-3.6	-2.4	-2.8	-1.3
Imported goods excl. alcohol and tobacco	-2.8	-1.0	-0.7	-1.4	-2.2	-3.2	-1.7	-0.8	-1.4
Petrol	1.8	8.1	8.5	2.5	-4.2	-1.2	-1.2	-0.9	-5.1
Housing	8.2	8.8	8.3	9.1	9.3	9.9	10.9	10.2	10.3
Public services	6.2	6.6	6.6	6.6	6.0	6.8	5.6	6.2	6.3
Other services	4.4	3.3	2.7	2.7	2.6	2.7	1.5	1.4	1.5
Harmonised index of consumer prices (HICP) ¹	1.1	1.9	1.9	1.8	1.3	0.9	1.0	1.2	...
Building cost index for residential buildings	3.5	3.3	3.2	3.0	3.2	3.3	3.0	3.6	3.7
Housing prices ²	8.5	10.2	11.6	13.0	14.2	14.5	14.6	14.2	...
<i>Foreign CPI and commodity prices, 12-mo. % changes</i>									
Consumer price index in USA	3.0	3.0	2.2	2.1	2.1	2.1	2.2	2.3	...
Consumer price index in euro area ³	2.4	2.4	2.1	1.8	1.9	1.9	2.1	2.1	...
Commodity prices excl. oil	12.1	7.8	7.5	7.1	4.5	1.8	5.2	...	...
Petrol prices ⁴	60.8	27.8	-2.8	1.5	14.5	10.4	11.7	-4.8	...

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 Reykjavik 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.

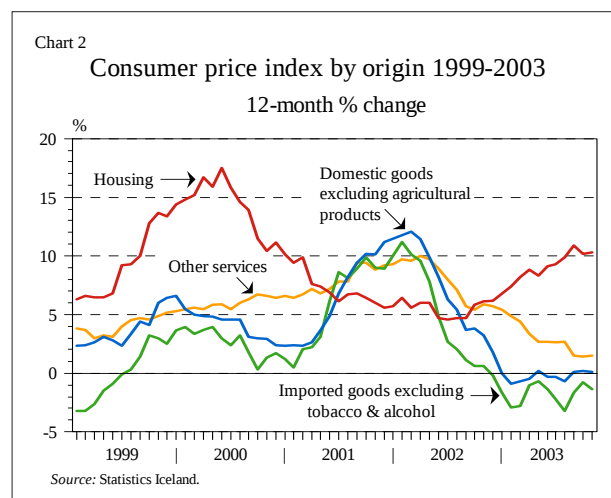
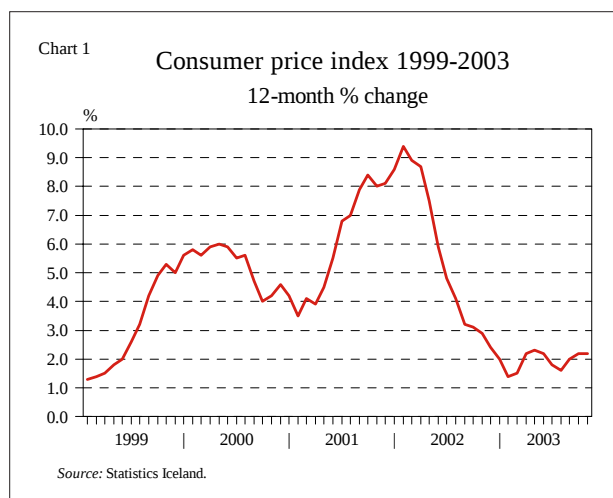


Table 3 Exchange rate of the Icelandic króna

	2003									3-month % ch. to Oct. 31 ³
Monthly averages	Feb.	March	April	May	June	July	August	Sept.	Oct.	
Effective exchange rate indices: ¹										
Official index (31/12 '91 = 100).....	121.7	122.0	120.5	119.0	121.3	124.1	126.5	126.5	125.7	-1.0
Import-weighted index (31/12 '94).....	103.3	103.5	102.3	101.0	102.9	105.3	107.4	107.4	106.6	-0.9
Export-weighted index (31/12 '94).....	103.9	104.1	102.8	101.6	103.6	105.9	107.9	107.9	107.3	-1.1
Central Bank quotations: ²										
U.S. dollar	77.7	78.0	77.1	73.0	74.0	77.1	79.8	79.2	76.2	1.7
Euro	83.7	84.3	83.5	84.4	86.3	87.7	88.9	88.8	89.2	-1.2
Japanese yen.....	0.651	0.658	0.642	0.623	0.626	0.650	0.673	0.689	0.696	-7.6
Pound sterling.....	125.1	123.5	121.2	118.4	122.9	125.4	127.1	127.5	127.8	-3.2
Danish krone	11.26	11.36	11.24	11.37	11.62	11.80	11.96	11.96	12.01	-1.2
Norwegian krone.....	11.09	10.76	10.66	10.72	10.58	10.58	10.75	10.84	10.84	-0.5
Swedish krona	9.15	9.15	9.12	9.22	9.47	9.55	9.62	9.80	9.91	-2.7

% changes ³	Between annual averages				From beginning of year			Previous 12 months		
	1999	2000	2001	2002	Oct. '01	Oct. '02	Oct. '03	Oct. '01	Oct. '02	Oct. '03
<i>Effective exchange rate indices:</i>										
Official index (31/12 '91 = 100).....	0.2	-0.1	-16.7	3.0	-16.4	9.2	-0.6	-18.3	11.3	3.4
Import-weighted index (31/12 '94 = 100)....	0.2	0.2	-16.4	3.1	-16.2	9.3	-0.5	-18.0	11.3	3.5
Export-weighted index (31/12 '94 = 100)....	0.1	-0.2	-17.0	3.0	-16.6	9.1	-0.7	-18.5	11.3	3.2
<i>Central Bank quotations:²</i>										
U.S. dollar	-1.8	-8.2	-19.3	6.9	-18.3	18.0	5.8	-16.0	18.5	14.6
Euro (Deutschemark before 1999).....	2.6	6.3	-17.0	1.5	-16.0	5.8	-4.6	-21.9	8.7	-2.8
Japanese yen.....	-14.6	-12.6	-9.1	10.2	-13.4	10.2	-2.7	-6.2	19.5	1.8
Pound sterling.....	0.6	-1.7	-15.3	2.6	-16.3	9.6	0.7	-16.3	10.6	5.6
Danish krone	2.5	6.5	-17.0	1.2	-16.2	5.8	-4.5	-21.9	8.5	-2.8
Norwegian krone.....	1.5	3.7	-17.7	-5.2	-18.4	-2.2	7.4	-20.8	0.0	8.3
Swedish krona	2.1	2.0	-9.0	0.4	-8.9	3.6	-6.0	-11.8	3.0	-3.2

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.

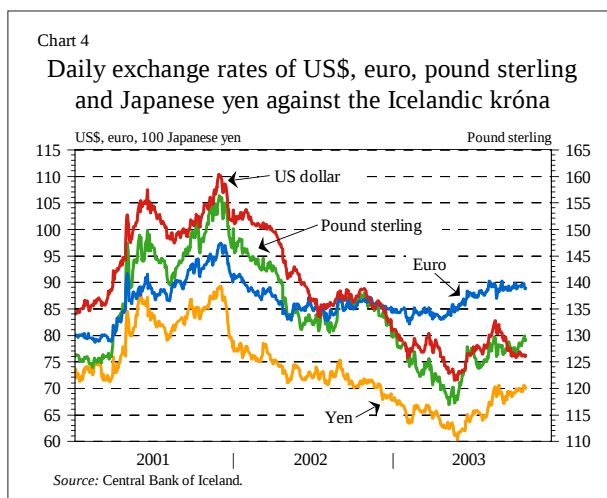
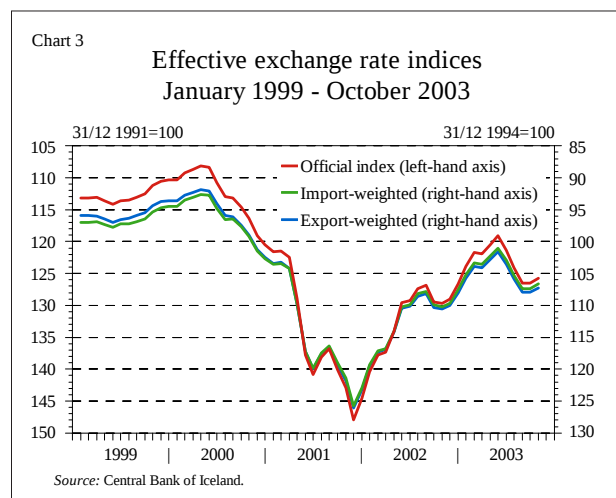


Table 4 Interest rates

<i>All figures are in %</i>	<i>Annual averages¹</i>			<i>At end of month 2003</i>						
	2000	2001	2002	April	May	June	July	August	Sept.	Oct.
<i>Central Bank rates</i>										
Credit institutions' current accounts	5.9	6.8	5.5	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Required deposits ²	8.7	9.4	7.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Overnight loans (discount rates)	11.4	12.3	10.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Repurchase agreements ³	10.4	10.9	8.4	5.3	5.3	5.3	5.3	5.3	5.3	5.3
<i>Yields in the money market⁴</i>										
REIBOR, O/N	11.0	12.3	9.3	5.0	5.3	5.3	5.3	5.0	4.8	4.8
REIBOR, 1-month	11.1	12.1	9.0	5.1	5.1	5.2	5.2	5.1	5.1	5.1
REIBOR, 3-month	11.2	12.0	8.9	5.3	5.3	5.3	5.3	5.2	5.2	5.1
REIBOR, 6-month	11.3	11.8	8.8	5.5	5.5	5.5	5.5	5.3	5.3	5.1
Treasury bills, 3-month	11.1	11.0	7.9	4.5	4.8	5.1	5.0	4.9	4.5	4.5
Treasury bills, 12-month	11.3	10.9	7.9	5.0	4.9	5.1	5.0	4.9	4.5	4.6
Bank bills, 3-month ⁵	11.5	12.5	9.2	5.7	5.6	5.6	5.0	5.3	4.9	4.9
<i>Yields in the capital market⁶</i>										
Treasury notes, up to 5 yrs	11.1	10.6	8.1	7.0	6.6	6.8	6.8	6.5	6.3	6.9
Treasury bonds, 5 yrs	6.0	5.8	5.4	4.0	4.1	4.2	4.2	3.8	3.6	3.6
Treasury bonds, 10 yrs	5.3	5.3	5.2	4.6	4.4	4.3	4.2	4.0	4.3	4.2
Housing bonds, 25 yrs.	5.9	5.9	5.7	4.9	4.8	4.6	4.6	4.4	4.6	4.6
Bank bonds ⁷	6.6	7.0	6.9	5.5	5.4	5.8	5.5	5.4	5.1	...
<i>Deposit money banks' lending rates⁸</i>										
Average rates on non-indexed securities ...	16.7	18.0	15.4	12.0	12.0	12.0	12.0	12.0	11.8	11.7
Average rates on indexed securities	9.5	10.2	10.1	9.2	9.2	9.1	9.1	9.1	9.0	9.0
<i>Rates acc. to Interest Rate Act 38/2001⁹</i>										
Penalty rates	21.9	23.7	21.3	17.5	17.5	17.5	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 and bank bills, yields in trading on ICEX (Iceland Stock Exchange). 5. Average yield on 75-105-day bank bills traded on ICEX. 6. All bond yields are in real terms. 7. The average yield of price-indexed zero-coupon bank notes with approximately 5 years' maturity, not callable. 8. From July 1, 2001, the Bank issues information on banks' average interest rates only as statistical information. 9. 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.

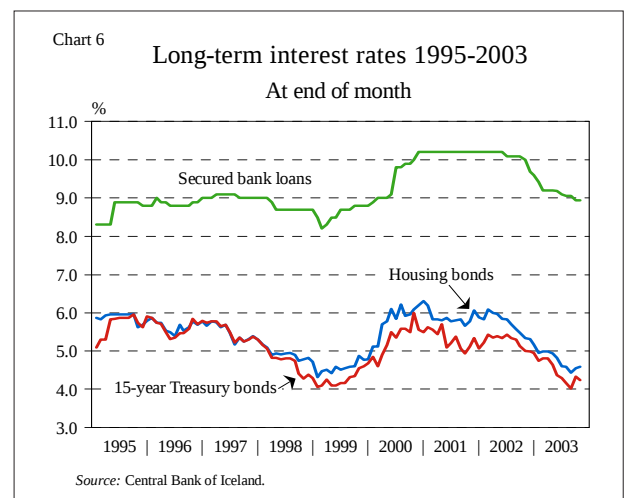
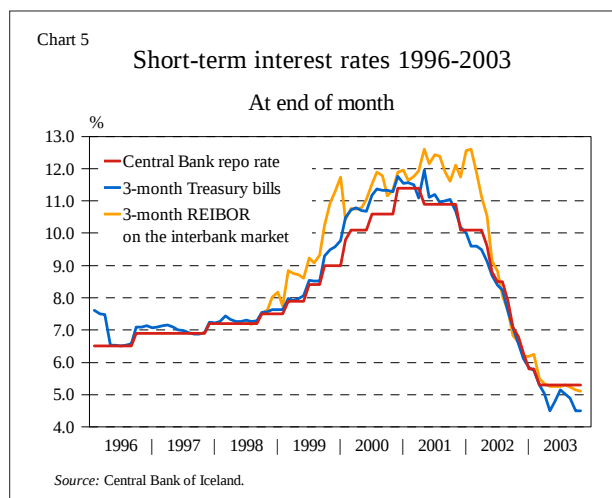


Table 5 Money and credit

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

of the Central Bank, deposit money banks and the banking system	In b.kr. Sept. 2003	% change over year			1-mo. change in b.kr.			12-mo. % change		
		2000	2001	2002	Jul. '03	Aug. '03	Sept. '03	Sept. '01	Sept. '02	Sept. '03
Central Bank										
Net foreign exchange reserves	46.4	.	.	.	3.7	4.6	5.3	.	.	.
Claims on Treasury and gov. inst., net ..	-28.2	.	.	.	-4.2	5.8	-5.3	.	.	.
Claims on deposit money banks.....	55.7	32.0	38.7	27.9	4.1	-5.4	-5.9	51.9	72.1	-25.6
Base money.....	31.6	-10.4	-14.2	17.2	3.5	3.2	-9.4	16.2	3.0	-5.4
Notes and coins in circulation	7.3	0.2	3.6	3.4	0.2	0.0	-0.4	3.5	0.8	8.5
Reserves of deposit money banks	24.2	-13.0	-19.2	22.3	3.3	3.2	-9.1	20.1	3.6	-8.9
Deposit money banks ¹										
Central Bank items	-26.1	.	.	.	-0.9	5.3	5.2	.	.	.
Short-term position, net.....	-47.1	.	.	.	-5.7	2.0	14.3	.	.	.
Credit and listed securities ²	1,135.9	24.8	22.5	2.3	15.2	33.8	48.6	23.0	8.0	21.0
Credit	865.6	26.7	19.7	1.6	6.8	22.0	18.8	21.8	4.3	16.1
Treasury and government institutions	17.6	13.4	9.3	3.4	-2.1	2.2	-1.1	19.4	-6.4	-7.7
Non-bank financial institutions	-	106.8	-45.2	.	-	-	-	20.9	.	.
Industries	571.7	25.5	15.5	2.1	8.9	16.8	3.5	18.4	5.0	19.3
Households	204.3	25.8	9.9	8.1	-1.2	0.4	7.5	10.1	8.8	6.0
Foreign sector.....	72.0	.	1,569.1	13.3	1.3	2.6	8.9	.	53.8	52.8
Listed securities	166.1	14.0	23.9	-3.4	7.7	11.7	14.0	23.7	15.6	25.9
Domestic credit and listed securities	1,051.6	23.8	17.2	0.9	14.1	30.8	39.2	17.6	5.8	19.4
Domestic credit.....	793.7	26.2	13.4	0.9	5.5	19.4	10.0	16.6	2.1	13.6
Deposits	466.7	11.5	15.1	15.5	-14.0	28.6	20.1	14.9	14.9	23.2
Bonds	276.3	60.2	18.9	2.8	-6.3	13.0	12.5	31.0	8.0	25.8
Foreign liabilities for on-lending.....	391.8	29.3	20.3	-0.6	33.7	-16.4	20.8	26.7	-3.8	36.7
Banking system ¹										
Foreign assets, net	-254.5	97.0	9.8	6.7	-27.0	6.3	-3.1	16.0	-5.9	20.5
Credit and marketable securities	1,111.0	25.4	21.2	1.9	11.0	38.9	39.3	23.9	3.1	23.4
Money supply, M1 ³	116.8	4.4	-2.3	23.8	-4.2	9.3	10.9	0.0	8.3	46.2
M2 (M1 + demand savings deposits)	205.0	-3.5	11.0	9.3	-13.8	17.0	9.6	5.9	9.9	28.1
M3 (M2 + time savings deposits).....	474.0	11.2	14.9	15.3	-13.8	28.6	19.7	14.6	14.6	23.0
M4 (M3 + securities issues)	750.3	25.1	16.3	10.7	-20.1	41.6	32.3	20.3	12.1	24.0

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. Sum of notes and coins in circulation and DMBs' demand deposits. Source: Central Bank of Iceland.

Chart 7

M3, DMB lending and base money 1994-2003

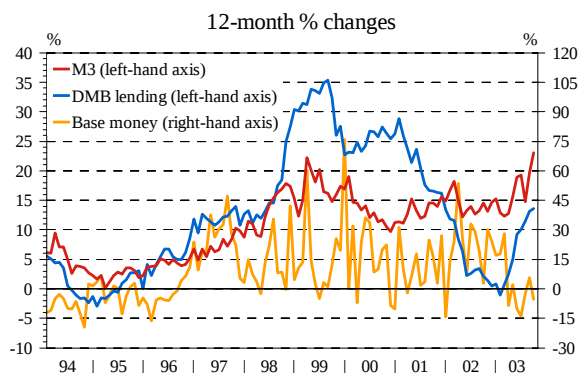


Chart 8

Deposit money bank lending by sector 1991-2003¹

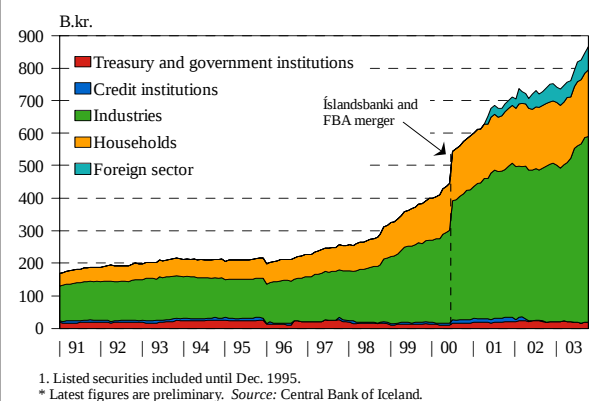


Table 6 The credit system¹

	<i>In b.kr.</i>	<i>% change over year</i>						<i>3-mo. % change</i>		
	<i>June 2003</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>Dec.'02</i>	<i>March'03</i>	<i>June '03</i>
<i>Assets</i>										
Loans and domestic securities.....	2,133.0	11.8	15.1	17.3	17.2	19.3	3.3	0.5	2.1	5.2
Banking system ²	951.3	16.5	27.2	23.7	44.4	13.8	8.0	0.4	4.1	8.1
Miscellaneous credit undertakings....	519.7	14.9	13.2	17.4	-3.8	20.8	-2.0	3.0	2.7	-0.7
Housing Financing Fund	414.5	7.5	7.2	13.9	12.0	18.1	11.5	3.2	3.7	2.3
Credit undertakings subject to minimum reserve requirement ³	61.8	.	.	26.0	-34.9	30.3	-41.4	3.4	-0.8	-18.8
Other credit undertakings ⁴	43.4	31.2	-78.0	9.2	17.2	16.1	9.0	1.1	-0.7	2.3
Pension funds	587.8	14.5	8.9	17.9	4.6	16.4	12.5	3.6	3.6	2.1
Insurance companies	59.5	4.7	9.6	10.1	24.1	12.2	6.3	-5.1	9.1	-2.6
Mutual funds	153.8	68.0	123.5	24.1	-14.0	22.3	39.2	5.1	15.0	6.4
Foreign credit	1,002.9	11.7	19.3	24.0	39.5	30.5	-3.0	-1.0	0.0	12.4
Public lending funds.....	338.8	1.6	-3.7	2.2	0.0	31.9	-3.0	-6.7	-0.6	0.6
Total of above.....	3,613.8	12.5	15.5	18.3	18.4	21.9	3.6	0.2	2.7	5.8
Less inter-institutional lending.....	-1,480.8	13.6	16.0	19.9	20.3	25.9	3.9	-0.2	3.6	6.8
Assets = liabilities	2,133.0	11.8	15.1	17.3	17.2	19.3	3.3	0.5	2.1	5.2
<i>Liabilities</i>										
Domestic liabilities.....	1,496.0	13.7	16.1	21.0	7.2	14.1	6.5	1.1	3.6	5.3
Notes and deposits.....	384.5	9.0	15.7	16.6	11.1	14.9	13.4	2.5	3.3	6.2
Securities	209.0	15.6	30.2	23.0	8.4	7.7	8.8	1.2	7.3	11.5
Insurance indemnity fund.....	51.4	4.8	5.8	9.1	11.5	15.6	4.4	-2.8	9.9	-1.1
Pension funds	711.3	14.4	15.2	27.4	9.9	13.7	5.2	4.0	1.7	4.9
Capital of financial institutions	192.3	9.5	5.7	-1.9	14.3	26.0	19.4	10.0	4.2	-0.3
Other, net.....	-52.6	.	.	.	.	.	.	.	.	.
Foreign credit, net.....	637.0	6.9	12.6	6.6	50.0	31.4	-3.1	-0.9	-1.2	4.8
<i>Credit by sector:⁵</i>										
Central government	149.5	4.5	-0.9	-9.5	-8.4	25.4	2.1	3.3	-5.6	-0.6
Municipalities	90.6	6.6	19.3	13.1	15.9	23.0	2.5	1.6	-0.4	0.4
Industries	1,102.1	16.9	20.8	24.9	22.4	21.0	0.9	-0.8	3.0	9.5
Households	790.9	10.1	14.6	18.0	17.6	15.5	7.1	1.4	2.9	1.2

1. Latest figures are partly preliminary or estimated. 2. In January 2002, Kaupþing 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. Source: Central Bank of Iceland.

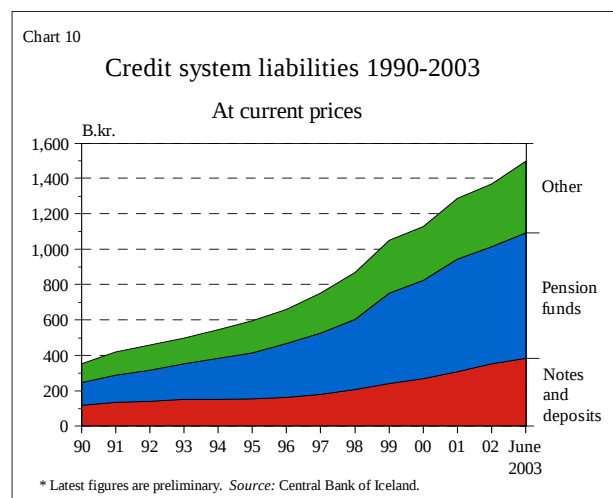
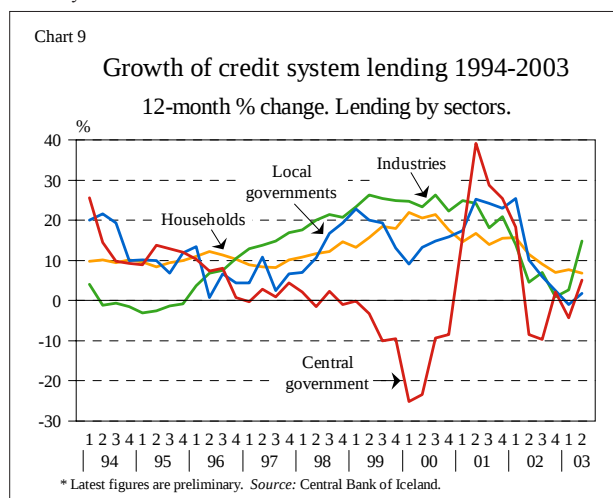


Table 7 Financial markets

At end of period	Outstanding in b.kr.			1-month % change			12-month % change		
	2001	2002	Aug. '03	June '03	July '03	Aug. '03	June '03	July '03	Aug. '03
Money market ¹	22.2	29.6	40.7	-14.4	26.6	-11.9	-33.3	-17.1	-20.9
Securities market ²	645.8	710.0	813.0	4.1	0.8	1.3	20.9	21.8	21.8
thereof Treasury bonds.....	69.0	55.8	52.4	0.7	1.1	1.1	-6.8	-5.7	-4.3
thereof housing bonds	225.3	259.2	288.5	1.0	1.6	1.8	15.3	15.8	16.8
Market capitalisation of listed equities	428.0	529.3	579.9	0.3	-4.8	10.8	10.3	6.3	14.8
Mutual funds' units (open-end).....	99.8	129.9	174.0	3.7	3.4	3.6	41.8	41.3	45.6

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		
	2001	2002	Sept. '03	July '03	Aug. '03	Sept. '03	Sept. '01	Sept. '02	Sept. '03
Wage index (1990=100).....	182.0	195.0	206.6	0.1	0.1	0.1	9.1	5.8	5.6
Real wages (1990=100) ¹	124.7	127.5	131.5	0.3	0.2	-0.6	0.7	2.6	3.3
Number of new work permits.....	4,505	3,637	381	8	-171	167	-46	-135	40
Job vacancies, total	536	221	632	58	244	-216	27	-406	360
thereof Greater Reykjavik Area.....	319	66	129	3	94	-55	23	-347	42
<i>Period averages</i>									
Number of unemployed	1,865	2,009	3,631	4,669	4,452	3,904	1,520	3,178	3,904
Measured unemployment rate (% of labour force)	1.3	1.4	2.5	3.0	2.9	2.7	1.0	2.2	2.7
Seasonally adjusted unemployment rate.....	.	.	.	3.5	3.5	3.6	1.4	2.9	3.6
Quarterly measurements	Averages			3-month % change			12-month % change		
	2001	2002	Q3 '03	Q1 '03	Q2 '03	Q3 '03	Q3 '01	Q3 '02	Q3 '03
Wage index (1990 = 100).....	181.9	195.0	206.3	4.0	0.5	0.5	8.7	6.1	5.7
Wages in the private sector.....	169.4	178.6	188.8	4.4	0.4	0.4	7.2	4.9	5.6
Wages in the public sector and banks.....	202.1	221.9	235.1	3.5	0.5	0.5	11.3	8.0	5.6

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

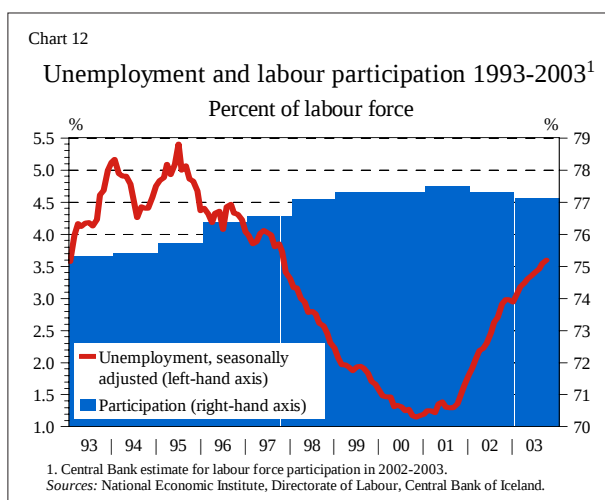
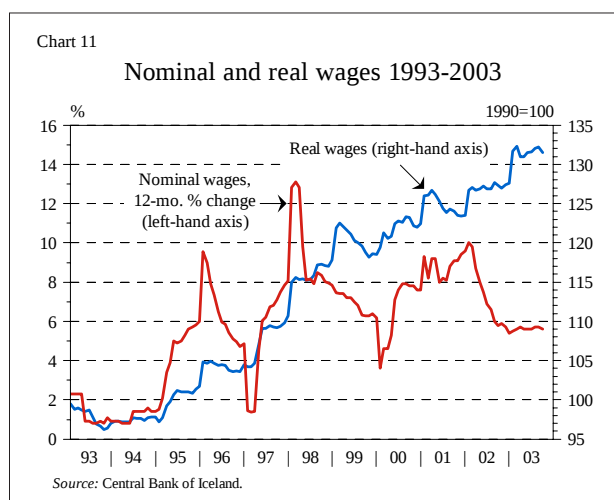


Table 9 National accounts – annual data

	1997	1998	1999	2000	2001	Prelim. 2002	Forecast ¹		
<i>In b.kr.</i>							2003	2004	2005
Gross domestic product (GDP), current prices	513.7	568.9	609.4	662.4	745.2	779.0	812.7	855.1	917.8
Current account balance, current prices.....	-9.1	-39.5	-42.6	-67.1	-30.3	-0.5	-28.4	-44.4	-54.5
GDP at 1990 fixed prices.....	404.9	427.2	444.0	468.5	482.2	479.9	502.5	517.6	539.5
GNP at 1990 fixed prices.....	394.7	425.3	441.4	457.0	469.3	475.9	500.7	514.4	536.3
<i>Volume changes between years, percent</i>									
Private consumption.....	5.1	10.1	7.3	4.0	-3.0	-1.1	5½	4¼	5
Public consumption.....	2.5	3.4	4.6	4.3	3.1	4.0	3½	1	2
Gross fixed capital formation.....	10.0	32.8	-3.0	14.8	-7.0	-14.8	6¾	8	8½
Industries.....	17.8	45.8	-5.1	14.9	-14.3	-22.1	12¼	15	14½
Housing.....	-9.3	1.3	0.3	15.2	17.8	5.2	3	3½	3½
Public works and buildings.....	6.6	23.4	2.7	14.0	-1.7	-12.3	3½	-8½	-8
National expenditure.....	5.5	13.5	4.2	6.8	-3.6	-2.9	5¼	4¼	5
Exports of goods and services.....	5.4	2.0	4.0	5.0	7.7	3.7	0	4	4¾
Exports of goods.....	1.9	-2.6	7.1	-1.3	7.2	6.6	-1½	5	6¼
Exports of services.....	16.0	13.2	-2.5	19.3	8.6	-1.8	3	2¼	1½
Imports of goods and services.....	7.7	23.4	4.2	8.0	-9.0	-2.3	8½	7½	7
Imports of goods.....	5.8	24.3	3.2	2.8	-10.0	-3.2	8¾	10	7¾
Imports of services.....	15.8	21.2	6.9	21.5	-6.9	-0.5	8	2½	5
Gross domestic product (GDP).....	4.7	5.6	4.1	5.7	2.8	-0.6	2	3	4¼
Gross national product (GNP).....	2.9	7.7	3.8	4.6	2.3	1.5	2½	2¾	4¼
Gross national income (GNI).....	5.6	7.7	4.0	3.7	2.5	0.8	2	2½	3¼
Terms of trade (goods and services).....	2.1	5.6	-0.8	-2.7	0.3	0.5	-1½	¼	¾
<i>Percent of GDP</i>									
Private consumption.....	57.1	57.3	58.9	58.8	54.8	53.7	55¼	56	56¼
Gross fixed capital formation.....	20.3	24.6	22.6	24.1	22.3	18.8	20	20¾	21½
Current account balance.....	-1.8	-6.9	-7.0	-10.1	-4.1	-0.1	-3½	-5¼	-6
Gross national saving.....	18.6	17.9	15.6	14.3	17.5	18.8	16½	15½	15½

1. Central Bank of Iceland forecast.

Sources: Statistics Iceland, Central Bank of Iceland.

Chart 13

Growth of GDP, private consumption and gross fixed capital formation 1980-2005

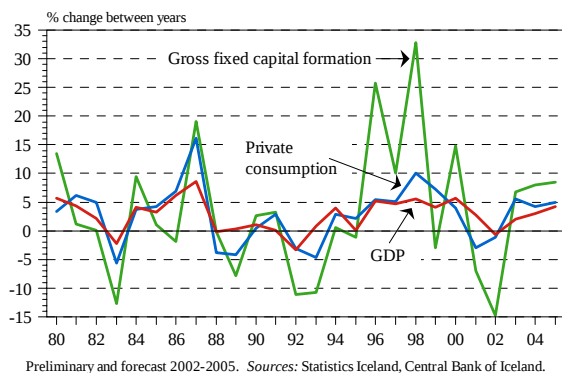


Chart 14

Private consumption, public consumption and gross fixed capital formation as % of GDP 1980-2005

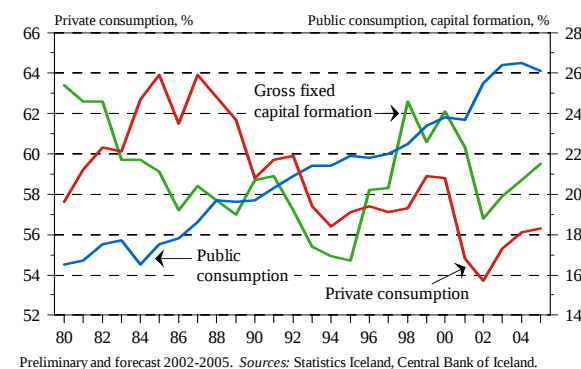


Table 9 (continued) National accounts – quarterly data

<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: Q2	97,452	39,035	43,555	291	180,333	56,021	-71,618	164,736
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	95,228	41,146	45,344	-2,739	178,979	64,635	-74,773	168,841
2001: Q2	102,181	43,990	46,274	53	192,498	71,684	-74,897	189,285
2001: Q3	102,771	44,372	42,202	622	189,967	84,146	-84,131	189,982
2001: Q4	108,233	47,148	38,073	-20	193,434	82,602	-73,478	202,558
2002: Q1	99,189	47,804	41,099	-339	187,752	76,438	-71,429	192,761
2002: Q2	104,628	49,340	36,508	-896	189,581	79,254	-75,533	193,302
2002: Q3	104,865	49,383	34,068	825	189,142	80,147	-75,514	193,775
2002: Q4	109,586	52,250	34,974	229	197,039	73,137	-71,184	198,992
2003: Q1	103,973	51,843	35,524	-858	190,482	70,651	-67,375	193,758
2003: Q2	112,409	53,744	42,674	-261	208,566	66,365	-78,532	196,399

*Volume change from same
quarter in prev. year (%)*

2000: Q2	4.8	3.7	7.9	-0.1	5.3	3.2	6.3	4.0
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	2.6	6.7	18.2	-1.7	5.4	15.2	11.5	6.3
2001: Q2	-3.2	5.0	-22.0	-0.3	-6.7	2.7	-16.4	1.3
2001: Q3	-4.1	-1.5	-6.2	0.8	-3.3	1.2	-8.1	0.7
2001: Q4	-6.6	2.5	-11.8	-2.3	-7.9	13.7	-19.8	4.3
2002: Q1	-6.1	3.0	-17.8	1.7	-5.8	3.0	-13.8	0.9
2002: Q2	-0.5	2.9	-5.2	-0.7	-1.5	11.8	2.6	1.7
2002: Q3	0.3	4.8	-18.9	0.3	-2.9	1.5	-3.0	-1.0
2002: Q4	1.5	5.6	-8.4	0.2	0.5	-1.0	6.9	-2.1
2003: Q1	5.2	4.4	-10.0	0.0	1.6	4.3	0.3	3.1
2003: Q2	7.4	5.1	17.2	0.6	9.6	-6.6	10.4	2.7

Source: Statistics Iceland.

Chart 15

Quarterly economic growth 1998-2003

Volume change in GDP over four quarters (%)

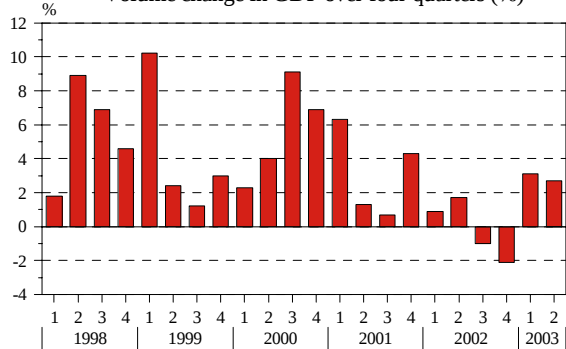


Chart 16

Components of economic growth 1998-2003

Volume change over four quarters (%)

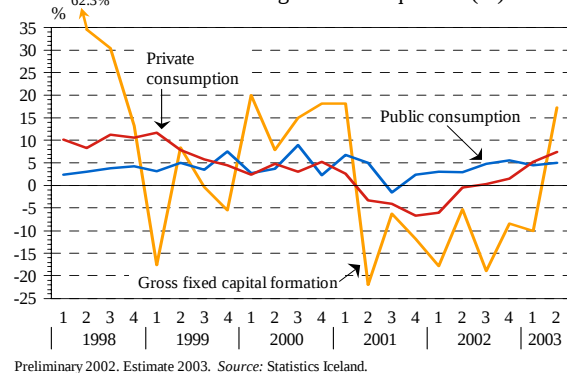


Table 10 Current account balance¹ (continued on next page)

	<i>In b.kr.</i>					<i>% change from previous year²</i>		
	1999	2000	2001	2002	Jan.-Sept. '03	3-mo.	6-mo.	12-mo.
<i>Trade in goods and services</i>								
Trade balance	-22.9	-38.0	-6.7	13.1	-11.4	.	.	.
Merchandise exports fob.	144.9	149.3	196.4	204.3	137.1	-7.1	-10.9	-6.3
Excluding ships and aircraft	138.5	146.1	193.1	202.0	136.2	-5.6	-10.2	-6.0
Marine products	97.7	94.5	121.8	128.6	85.8	-3.5	-11.2	-6.6
Aluminium and ferro-silicon.....	25.7	31.6	44.4	43.5	30.7	0.8	-8.4	-1.7
Other industrial products.....	11.4	15.1	19.0	14.5	15.5	34.3	46.0	12.3
Merchandise imports fob.	167.8	187.3	203.1	191.2	148.5	16.6	13.8	8.5
Excluding ships and aircraft	159.7	177.5	190.1	180.0	144.7	18.8	15.2	12.0
Consumption goods.....	58.3	59.3	60.8	59.5	48.0	15.6	14.4	14.7
Investment goods	41.5	44.3	44.4	38.6	33.2	38.6	28.9	18.2
	<i>In b.kr.</i>					<i>% change from previous year²</i>		
	1999	2000	2001	2002	2003/Q2	3-mo.	6-mo.	12-mo.
<i>Services and income balance</i>								
Services balance.....	-6.9	-9.5	2.3	1.1	-5.3	.	.	.
Services exports	67.2	82.4	107.0	103.9	22.6	-1.9	0.5	1.4
Transportation	30.8	40.8	50.9	51.8	11.3	-5.5	-3.7	2.1
Travel	16.1	18.0	22.9	22.8	5.4	9.7	10.0	8.2
Other receipts.....	20.3	23.6	33.3	29.2	5.9	-4.1	2.3	-4.6
Services imports	-74.2	-91.9	-104.8	-102.8	-27.9	14.7	16.2	10.4
Transportation	-25.6	-32.7	-37.1	-39.6	-9.1	2.1	6.4	11.3
Travel	-31.5	-37.1	-36.4	-33.3	-9.9	24.0	23.7	13.0
Other expenditure.....	-17.1	-22.1	-31.3	-30.0	-9.0	19.8	20.9	6.6
<i>Balance on income</i>	-12.6	-19.4	-25.1	-16.8	-2.8	.	.	.
Receipts	9.3	11.6	16.8	16.3	5.3	79.1	54.8	22.9
Compensation of employees.....	4.9	5.5	5.8	5.4	2.6	147.4	79.6	34.6
Interest payments	2.3	3.5	3.4	4.1	1.1	36.4	28.3	35.7
Dividends and reinvested earnings ³ ..	2.1	2.6	7.7	6.7	1.5	45.8	50.4	7.8
Expenditures.....	-21.9	-31.0	-41.9	-33.1	-8.0	5.3	11.0	0.3
Compensation of employees.....	-0.3	-0.8	-0.5	-0.7	-0.1	-58.1	-33.5	-25.4
Interest payments	-20.8	-28.5	-41.1	-30.6	-7.5	11.5	6.1	-6.1
Dividends and reinvested earnings ³ ..	-0.8	-1.6	-0.3	-1.8	-0.4	-33.4	145.2	491.2
Current transfer, net.....	-0.7	-0.8	-1.0	1.2	-0.3	100.9	40.5	-189.0
<i>Current account balance</i>	-42.6	-67.1	-29.7	-0.8	-15.2	.	.	.

Chart 17

Merchandise trade 1993-2003

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

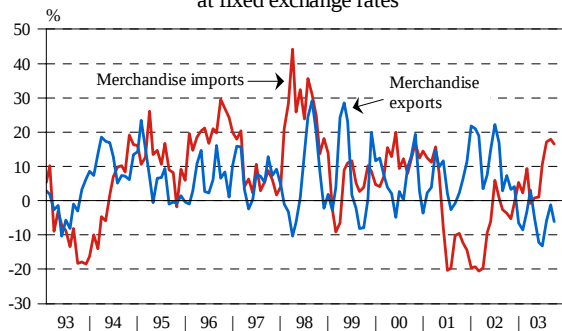


Chart 18

Exports and imports of services 1993-2003

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

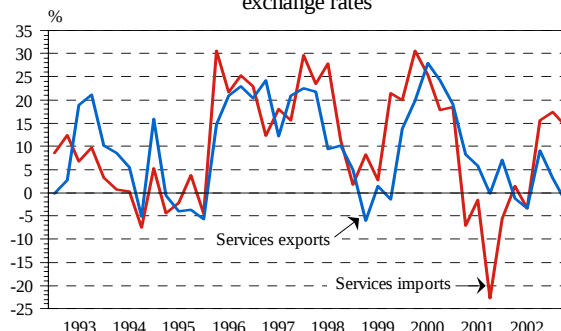


Table 10 (continued) Current account balance¹

	In b.kr.					Change from prev. year (in b.kr.) ²		
	1999	2000	2001	2002	2003/Q2	3-mo.	6-mo.	12-mo.
<i>Capital and financial account</i>	57.1	71.9	17.3	14.2	20.3	.	.	.
Capital transfer, net.....	-0.1	-0.2	0.4	-0.1	-0.1	-0.1	0.0	-0.2
Financial account ⁴	57.2	72.2	17.0	14.4	20.4	9.5	15.6	-6.2
Financial account excl. reserves	62.5	66.4	12.2	20.0	20.4	7.5	13.0	-6.3
Direct investment, net.....	-4.1	-17.5	-20.1	-3.7	-9.7	-10.7	-6.2	-11.1
Abroad	-8.9	-31.0	-34.7	-16.1	-0.5	4.2	5.0	13.6
In Iceland	4.8	13.4	14.6	12.3	-9.2	-14.9	-11.2	-24.7
Portfolio investment, net.....	42.5	39.4	60.8	20.5	64.4	33.3	28.3	-16.8
Assets	-32.4	-50.4	-5.6	-28.2	-6.3	-5.8	-8.1	-28.4
Equities	-26.8	-49.9	-5.8	-23.8	-4.8	-4.8	-6.1	-24.9
Debt securities	-5.6	-0.4	0.2	-4.5	-1.5	-1.0	-1.9	-3.5
Liabilities	74.9	89.8	66.5	48.7	70.7	39.1	36.4	11.6
Equities	4.0	-3.4	4.3	1.5	-1.8	-2.0	-2.3	-0.9
Debt securities	70.8	93.1	62.2	47.2	72.5	41.1	38.7	12.5
Other investment, net ⁴	24.0	44.6	-28.6	3.2	-34.3	-15.0	-9.1	21.7
Assets	-12.7	-7.1	-47.1	-33.6	-42.4	-17.1	-28.3	-23.1
Liabilities	36.6	51.7	18.5	36.9	8.0	2.0	19.2	44.8
Reserve assets	-5.3	5.8	4.8	-5.7	0.0	2.0	2.5	0.1
Net errors and omissions	-14.5	-4.8	12.4	-13.4	-5.2	.	.	.
<i>Memorandum items:</i>								
Long-term borrowing, net.....	84.0	143.0	38.6	40.3	36.8	27.0	30.2	30.8
Assets	-19.4	-0.5	-42.1	-43.8	-43.8	-16.1	-27.7	-26.5
Monetary authorities.....	-1.1	7.0	4.8	-5.7	0.0	2.0	2.5	0.1
General government.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposit money banks.....	-9.3	-4.1	-18.5	-36.2	-37.9	-13.6	-23.9	-38.6
Other sectors	-8.9	-3.5	-28.4	-1.9	-5.9	-4.5	-6.4	12.0
Liabilities	103.4	143.5	80.7	84.1	80.6	43.1	57.9	57.3
Monetary authorities.....	-4.3	9.4	-5.8	4.8	-5.9	-3.5	-14.4	0.2
General government.....	5.6	16.2	42.2	16.3	-1.2	-9.3	-15.0	-38.7
Deposit money banks.....	56.0	73.9	12.9	54.2	65.6	39.8	71.8	95.0
Other sectors	46.0	44.0	31.5	8.8	22.1	16.1	15.5	0.8

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.

Chart 19

Quarterly current account balance 1996-2003
At current exchange rates

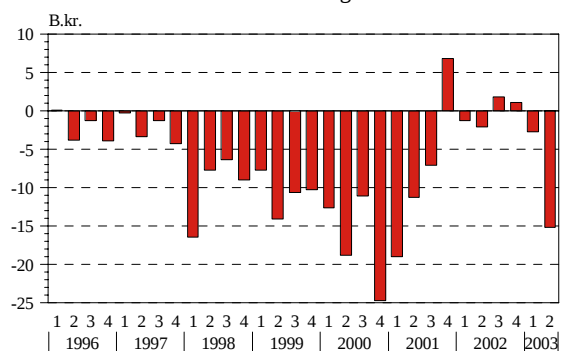


Chart 20

Selected financial account items 1996-2003
Quarterly, at current exchange rates

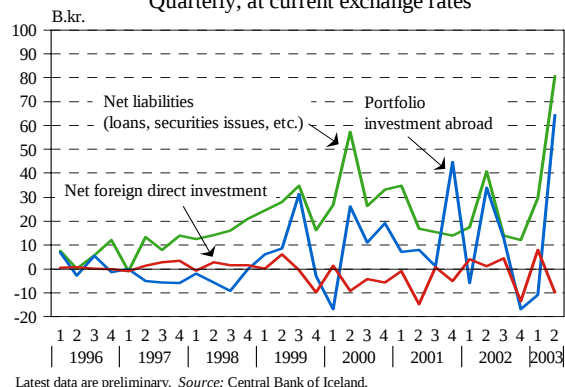


Table 11 International investment position

	Position at end of period, in b.kr								
	1998	1999	2000	2001	2002	Sept. '02	Dec. '02	March '03	June '03
International investment position	-289.2	-302.3	-447.8	-588.8	-557.0	-573.8	-557.0	-565.8	-565.5
Total assets.....	152.4	244.1	315.8	421.1	405.6	409.3	405.6	406.4	484.0
Direct investment abroad	23.7	33.0	56.2	86.7	86.6	89.6	86.6	86.9	86.7
Equity capital	9.8	16.6	41.0	66.6	70.9	66.9	70.9	70.4	72.7
Other capital	13.9	16.4	15.2	20.2	15.7	22.7	15.7	16.5	13.9
Portfolio assets	72.5	138.8	186.3	202.5	169.8	158.6	169.8	168.8	201.6
Equity capital	62.9	125.5	179.7	188.0	151.3	141.5	151.3	149.8	181.0
Debt securities.....	9.5	13.4	6.6	14.6	18.5	17.1	18.5	19.0	20.6
Other investment assets.....	26.6	36.6	39.1	95.2	112.0	111.4	112.0	114.7	158.9
Reserves.....	29.6	35.8	34.2	36.6	37.2	49.8	37.2	35.9	36.9
Total liabilities	441.6	546.4	763.6	1,009.9	962.6	983.1	962.6	972.2	1,049.5
Direct investment in Iceland	32.3	34.9	41.5	69.5	64.6	69.6	64.6	76.4	44.7
Equity capital	24.0	25.3	33.1	63.7	60.2	62.9	60.2	72.0	41.7
Other capital	8.3	9.6	8.5	5.9	4.3	6.7	4.3	4.4	2.9
Portfolio liabilities.....	157.6	227.4	346.7	468.0	468.3	487.4	468.3	477.0	571.4
Equity capital	6.1	6.0	1.2	5.6	7.9	4.3	7.9	5.7	4.2
Debt securities.....	151.5	221.4	345.5	462.4	460.4	483.1	460.4	471.3	567.1
Other investment liabilities	251.7	284.2	375.3	472.4	429.7	426.1	429.7	418.8	433.5
Long-term debt.....	198.6	229.2	288.1	377.0	295.4	298.9	295.4	278.9	282.8
Short-term debt.....	53.1	55.0	87.2	95.4	134.3	127.2	134.3	139.9	150.7
<i>Memorandum items:</i>									
Equity capital, net.....	48.0	117.6	193.1	199.6	165.3	157.1	165.3	154.6	218.7
Net external debt position.....	-337.2	-419.9	-640.9	-788.4	-722.3	-730.9	-722.3	-720.4	-784.2
Monetary authorities.....	26.0	32.2	18.6	21.7	20.8	31.6	20.8	25.9	32.6
General government	-135.3	-138.2	-167.4	-239.6	-225.4	-243.9	-225.4	-212.5	-217.0
Deposit money banks	-94.1	-145.2	-329.5	-377.4	-362.2	-354.7	-362.2	-383.5	-427.3
Other sectors.....	-133.9	-168.6	-162.6	-193.2	-155.5	-163.9	-155.5	-150.3	-172.5
<i>Percent of gross domestic product¹</i>									
International investment position	-50.3	-49.6	-63.6	-75.8	-77.1	-75.9	-77.1	-70.8	-69.9
Net external debt ²	58.6	68.9	91.1	101.5	100.0	96.7	99.9	90.2	97.0
External debt position ²	70.1	82.9	102.4	120.4	123.2	120.3	123.2	111.4	123.8
Long-term debt	58.6	67.4	83.4	97.4	94.6	94.3	94.6	84.0	91.7
Short-term debt.....	11.5	15.5	19.0	23.0	28.6	26.0	28.6	27.4	32.1

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.

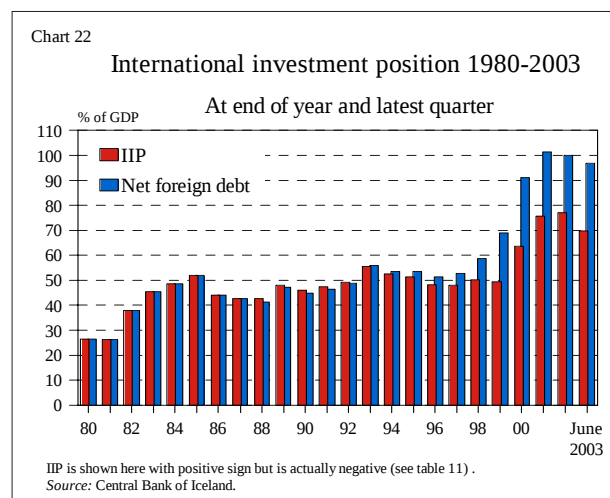
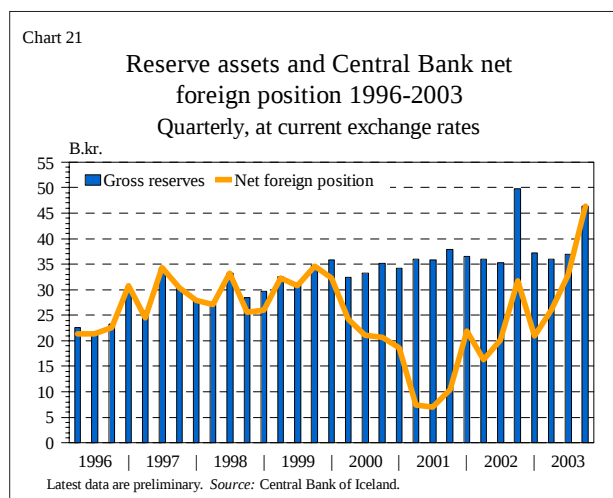


Table 12 A summary of Treasury finances¹

<i>In b.kr.</i>	<i>Accruals basis</i>			<i>Jan.-Dec.</i>		<i>% ch. from prev. year</i>	<i>June-Sept.</i>		<i>% ch. from prev. year</i>
	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>		<i>2002</i>	<i>2003</i>	
Revenues	224.7	237.4	259.2	220.9	233.8	5.8	76.1	78.6	3.2
Expenditures	229.0	228.7	267.3	221.3	246.8	11.5	83.6	89.5	7.1
Financial balance	-4.3	8.6	-8.1	-0.5	-13.0	.	-7.5	-10.9	.
Miscell. short-term accounts	6.0	-6.1	-14.4	-1.2	1.7	.	-0.2	-0.9	.
Net lending	3.3	-12.6	11.3	-12.8	10.6	.	1.7	3.5	.
Equity transactions	-3.2	-11.5	0.7	-11.2	-3.4	.	1.3	-0.1	.
Balance before financing	1.9	-21.5	-10.5	25.7	4.1	.	4.7	8.5	.
Net borrowing	7.6	-16.1	-4.2	-12.5	-9.0	.	-3.0	-2.5	.
Short-term domestic	-8.2	39.0	13.5	39.0	10.6	.	17.6	13.4	.
Long-term domestic	-3.9	6.0	0.0	6.0	0.0	.	0.0	6.0	.
From abroad	-12.5	-0.8	3.0	-0.9	0.1	.	3.2	7.6	.
Other liabilities	8.2	33.9	10.5	33.9	10.5	.	14.4	-0.2	.
Cash balance	1.3	1.2	1.4	0.8	-2.5	.	9.9	2.4	.
<i>Revenues and expenditures</i>									
Total revenues	224.7	237.4	259.2	220.9	233.8	5.8	76.1	78.6	3.2
Personal income taxes, gross	44.1	52.5	55.1	49.5	52.6	6.4	15.2	16.1	6.1
Other income and property taxes ...	25.3	27.0	27.5	25.5	25.5	0.0	6.7	6.2	-6.6
Value-added tax	71.9	72.1	76.3	69.9	73.6	5.3	25.0	27.8	11.3
Taxes on commodities & imports...	18.1	15.9	15.4	16.3	15.6	-4.6	5.6	6.5	16.2
Payroll taxes	19.7	21.9	23.4	21.1	22.6	7.0	7.8	9.1	17.3
Other taxes	21.5	22.3	22.9	21.0	22.1	5.7	8.2	8.7	7.1
Interest, dividends and rent	13.2	16.6	18.7	10.3	11.3	9.9	2.7	1.7	-35.1
Profits from asset sales	3.8	1.1	11.7	1.6	4.4	177.9	3.4	0.4	-89.1
Other revenues	7.1	7.9	8.3	5.7	6.0	5.0	1.7	2.0	16.5
Total expenditures	229.0	228.7	267.3	221.3	246.8	11.5	83.6	89.5	7.1
Expenditure on goods and services	102.0	91.7	116.8	94.0	106.7	13.5	35.7	39.1	9.5
Current transfers	91.6	96.1	112.6	91.5	101.7	11.1	35.6	38.6	8.6
Interest payments	15.2	17.9	16.0	16.8	17.8	5.8	3.9	2.3	-41.0
Maintenance	5.3	5.7	6.1	4.7	4.9	4.8	2.2	1.6	-26.0
Capital expenditures	14.9	17.3	15.8	14.4	15.8	9.7	6.2	7.9	27.0

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

Source: State Accounting Office.

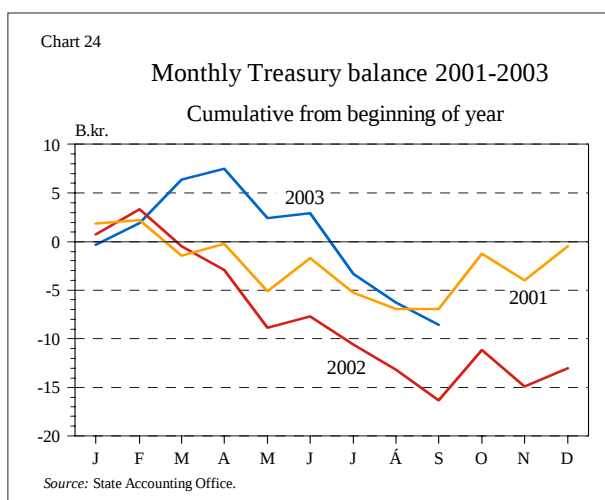
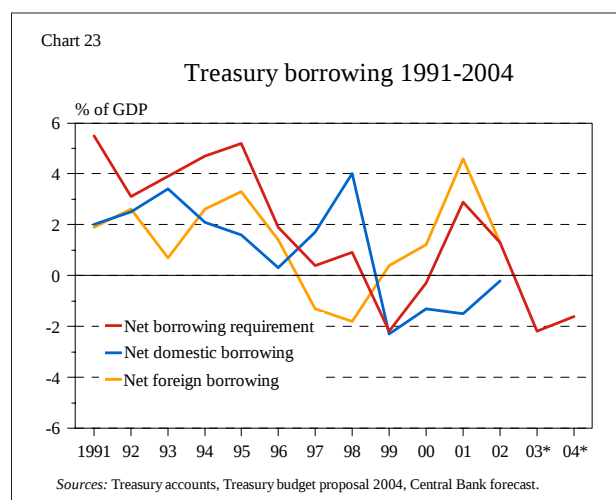


Table 13 Public sector finances¹

<i>In b.kr.</i>	1995	1996	1997	1998	1999	2000	2001	<i>Prelim.</i> 2002	<i>Estimate</i> 2003	2004
<i>General government</i>										
Revenues	163.6	179.1	194.8	220.8	252.8	272.8	295.0	320.5	341.7	363.8
Expenditures	177.0	186.8	194.9	218.0	238.1	256.6	292.5	328.2	350.9	361.5
Financial balance	-13.4	-7.7	-0.1	2.8	14.7	16.3	2.6	-7.7	-9.2	2.3
Net debt	179.3	191.5	196.5	180.7	146.4	158.3	206.3	163.3	201.8	212.2
Gross debt.....	267.6	274.4	279.4	280.5	271.5	278.0	354.6	340.7	345.0	346.5
<i>Central government</i>										
Revenues	131.3	144.6	151.3	170.5	197.0	209.6	223.1	236.6	252.2	268.6
Expenditures	142.8	151.9	148.5	164.3	181.5	193.3	217.1	240.0	258.5	262.1
Financial balance	-11.6	-7.3	2.7	6.2	15.5	16.3	6.0	-3.5	-6.3	6.4
Net debt	155.4	168.2	172.3	151.3	118.8	127.4	168.8	130.6	149.6	155.0
Gross debt.....	232.6	239.2	241.6	237.8	226.0	228.5	298.3	281.1	276.1	273.8
<i>Local government</i>										
Revenues	34.9	40.0	48.2	54.4	61.0	68.5	79.9	87.4	92.5	98.2
Expenditures	36.4	40.5	51.2	58.6	63.8	70.8	84.3	93.1	97.0	102.2
Financial balance	-1.4	-0.4	-3.0	-4.3	-2.7	-2.3	-4.4	-5.8	-4.6	-4.0
Net debt	25.1	24.2	25.0	30.1	28.6	31.7	30.7	32.8	52.2	57.2
Gross debt.....	35.6	35.7	38.4	43.3	46.1	49.8	56.6	60.2	67.9	71.7
<i>General government, % of GDP</i>										
Revenues	36.2	36.9	38.0	38.9	41.5	41.2	39.6	41.1	42.0	42.5
Expenditures	39.1	38.5	38.0	38.4	39.1	38.7	39.2	42.1	43.2	42.3
Financial balance	-3.0	-1.6	0.0	0.5	2.4	2.5	0.3	-1.0	-1.1	0.3
Net debt	39.3	39.0	37.9	31.6	23.4	23.4	26.6	20.8	24.6	24.6
Gross debt.....	58.7	56.0	53.9	49.1	43.4	41.2	45.8	43.4	42.1	40.2

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.

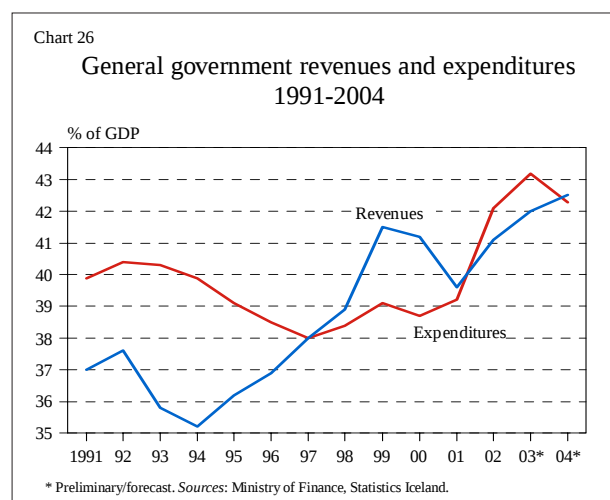
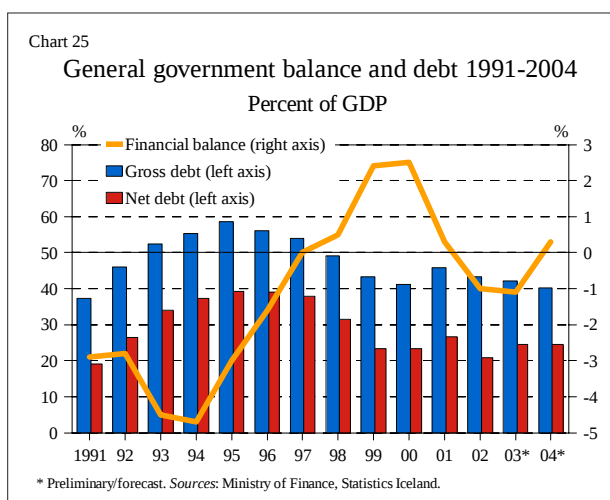


Table 14 Turnover¹

<i>M.kr.</i>	<i>January-June</i>			<i>% ch. on prev. year. Jan.-June²</i>		
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Industries, total	144,594	161,036	152,782	9.6	3.6	-6.9
Industries, excluding fish processing	91,333	96,639	98,768	7.8	-1.6	0.3
Industries, excl. fish proc. and power-intensive	71,629	74,998	79,346	2.7	-2.6	3.8
Retail trade	78,661	83,891	85,841	0.5	-1.8	2.5
Wholesale trade	133,050	137,730	145,638	-1.1	-4.0	5.1
Wholesale trade, excluding fuels	112,590	117,802	125,298	-1.9	-3.7	6.6
Construction	38,552	33,223	38,440	13.8	-19.8	13.5
Total	587,768	628,801	627,353	6.8	-0.5	-2.1
Total, excluding fuels	567,308	608,874	607,013	8.0	-1.2	-0.1

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>Q3</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>Q1 '03</i>	<i>Q2 '03</i>	<i>Q3 '03</i>
Real effective exchange rate (1980=100)									
based on relative consumer prices (CPI)	93.6	96.2	83.6	88.4	93.4	91.7	11.8	8.5	1.3
based on relative unit labour costs (ULC)	89.7	90.7	79.1	83.4	89.4	87.1	13.8	10.7	1.4

<i>% change on previous year</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>Prelim. 2002</i>	<i>Forecast 2003</i>
Nominal effective exchange rate.....	0.8	0.0	1.2	1.5	0.0	0.2	-16.6	2.5	6.1
Foreign consumer prices	2.4	2.0	2.1	1.6	1.6	2.3	2.2	1.8	2.3
Domestic consumer prices	1.7	2.3	1.8	1.7	3.4	5.1	6.6	4.8	1.9
Real exchange rate based on relative CPI.....	0.1	0.3	0.9	1.6	1.8	2.8	-13.1	5.7	5.7
Foreign productivity	1.4	1.5	1.5	1.2	1.2	1.8	1.1	1.0	1.2
Domestic productivity	-1.0	2.1	2.0	2.8	1.3	3.2	1.2	0.7	2.0
Foreign wages	3.1	3.5	3.2	3.0	3.3	3.2	3.3	3.0	3.1
Domestic wages.....	4.3	5.2	5.8	7.1	5.5	5.7	8.0	5.8	5.0
Real exchange rate based on relative ULC.....	4.4	1.1	3.3	4.1	1.8	1.2	-12.8	5.4	7.2

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

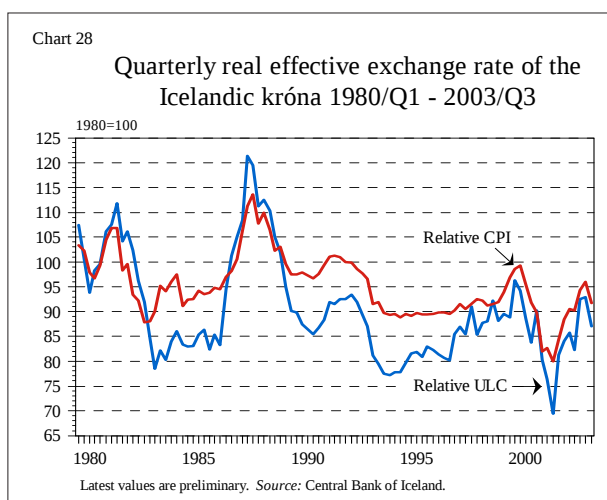
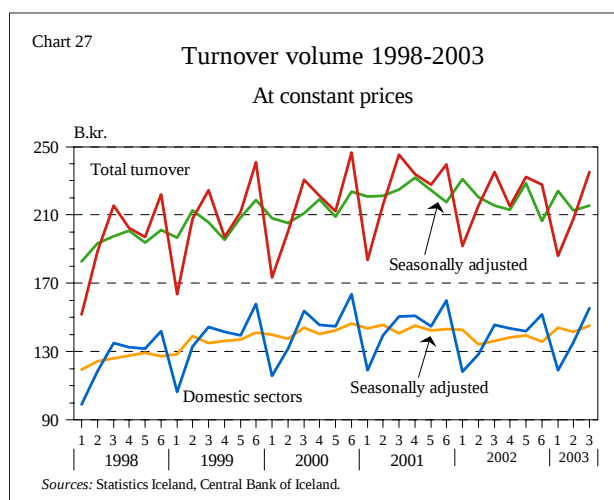


Table 16 Real estate market and asset prices

	2000	2001	2002	Sept 2003	1-mo. % change Aug. '03	12-mo. % change Sept. '03	Sept. '01	Sept. '02	Sept. '03
<i>Real estate market ¹</i>									
Residential housing price index ²	147.4	157.9	163.5	...	1.1	...	3.4	5.4	...
Apartment housing price index ²	146.1	156.0	161.1	186.1	1.3	0.2	4.4	4.2	14.2
New housing loans at market prices (b.kr.) ³	25.8	28.6	32.2	5.3	13.8	13.6	14.0	11.1	60.4
Number of Housing Fin. Fund loan applications ⁴	2,313	2,846	2,535	326.0	8.0	11.6	24.4	-16.9	62.7
<i>Fish quota prices (period averages. kr./kilo)</i>									
Price of long-term cod quota (kr./kilo)	860	709	930	1,200	0.0	0.0	-17.6	40.0	22.4
Price of short-term cod quota (kr./kilo).....	110	117	156	120	0.0	-4.0	12.7	20.8	-17.2
<i>Equity market</i>									
	<i>At end of year</i>				Oct. 31,	<i>% change to Oct. 31, 2003</i>			
	1999	2000	2001	2002	2003	1-mo.	3-mo.	6-mo.	12-mo.
<i>Equity prices, Dec. 31, 1997 = 1,000</i>									
ICEX-15	1,618.4	1,305.9	1,159.0	1,352.0	1,921.6	5.8	26.9	35.6	48.7
ICEX-MAIN (The Main List index).....	1,511.9	1,303.3	1,180.8	1,436.2	1,910.5	4.6	23.4	29.1	39.6
<i>ICEX industry indices Dec. 31, 1997 = 100</i>									
Fisheries	107.7	74.5	86.7	107.3	99.6	-0.1	3.6	-0.8	-3.0
Finance and insurance.....	189.8	163.4	157.9	164.3	239.7	6.1	27.9	34.7	46.4
Transport	210.6	117.6	80.5	118.8	132.9	-2.7	17.3	13.9	30.8
Industry and manufacturing.....	149.8	156.3	120.3	142.8	170.5	-1.1	17.9	19.5	32.4

1. Monthly figures are 3-month moving averages. 2. Greater Reykjavík Area. January 1996=100. 3. Percentage changes are price-adjusted using the price index for residential housing in the Greater Reykjavík 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

	1996	1997	1998	1999	2000	2001	2002	Estimate 2003	% change 2002-2003
<i>B.kr. unless otherwise stated</i>									
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	641.4	753.8	17.5
Household debt with the credit system	350.7	386.2	442.6	510.6	613.8	710.4	761.2	821.2	7.9
Household debt as % of disposable income.....	133.4	134.7	138.7	145.8	158.5	171.1	176.1	181.1	.
Firms' debt with the credit system.....	359.2	420.7	509.4	668.8	813.3	962.3	977.4	1,102.1	12.8
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. Sources: National Economic Institute and Central Bank of Iceland.

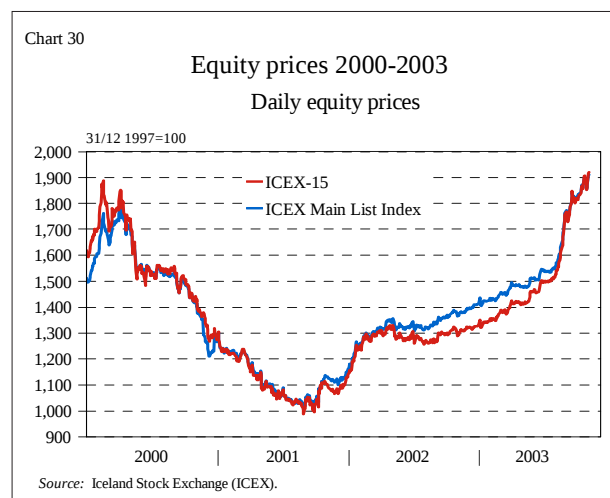
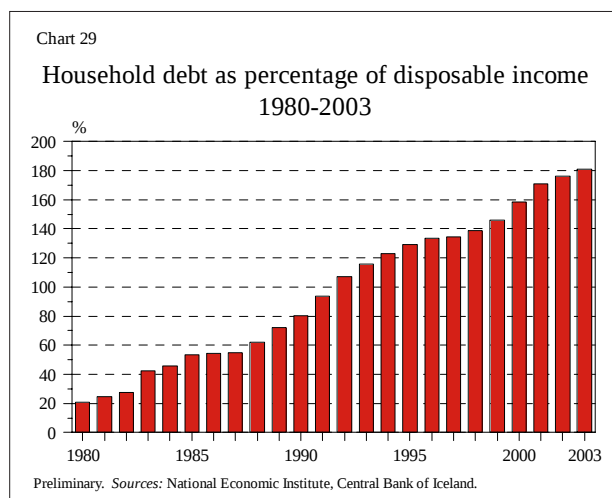


Table 18 Icelandic firms' financial accounts

<i>Accounts of publicly listed firms¹</i>	<i>Annual results, paired comparison</i>				<i>Quarterly results, paired comparison</i>			
	<i>Jan.-Dec.</i>		<i>Change</i>	<i>% of turnover</i>	<i>Jan.-June</i>		<i>Change</i>	<i>% of turnover</i>
<i>All amounts in b.kr</i>	<i>2001</i>	<i>2002</i>	<i>'01-'02</i>	<i>2002</i>	<i>2002</i>	<i>2003</i>	<i>'02-'03</i>	<i>2003</i>
Profit before financial exp. & depreciation.....	43.0	46.4	3.4	10.2	20.0	21.0	-1.0	10.9
Fisheries.....	14.6	13.3	-1.3	23.3	8.4	5.8	2.6	21.9
Transport.....	2.9	8.5	5.6	13.4	2.5	1.8	0.7	5.8
IT industry.....	6.6	7.8	1.2	18.2	3.9	4.8	-0.9	21.2
Industry and manufacturing.....	7.7	10.3	2.6	13.3	4.1	5.7	-1.6	14.2
Profit after taxes.....	3.2	39.2	36.0	8.6	16.6	8.3	8.3	4.5
Fisheries.....	2.2	10.7	8.5	18.6	9.2	3.4	5.8	13.1
Transport.....	-4.4	7.1	11.5	11.2	2.6	-0.8	3.4	-2.4
IT industry.....	-1.3	0.8	2.1	2.1	1.1	0.7	0.4	3.0
Industry and manufacturing.....	3.1	6.0	2.9	7.8	2.7	4.2	-1.5	10.5
Equity ratio.....	30.6	36.7	.	.	34.1	32.4	.	.
Return on equity.....	2.4	20.9	.	.	23.4	12.0	.	.
Sample size at end of period.....	44	44	.	.	38	38	.	.

<i>Accounts of commercial banks and savings banks²</i>					<i>% change</i>	<i>Jan.-June</i>	<i>% change</i>
<i>All amounts in b.kr:</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>'01-'02</i>	<i>2002</i>	<i>'02-'03</i>
Net interest income.....	18.0	21.1	29.4	29.6	0.7	14.6	16.9
Other operating income.....	13.4	13.4	10.3	27.9	171.6	11.9	19.8
Net operating income.....	31.4	34.6	39.6	57.5	45.0	26.5	36.7
Operating expenses.....	19.6	22.7	25.4	34.1	34.4	16.7	21.2
Provisions for bad and doubtful debts.....	3.6	4.0	7.4	9.3	25.5	4.4	6.0
Value adjustments.....	-	1.7	-	-	.	-	-
Taxes.....	1.5	1.9	-0.1	1.2	-956.7	1.0	1.6
Profit.....	6.7	4.4	6.9	12.5	82.3	4.5	7.8
Total assets at end of period.....	627.0	789.7	941.0	1,161.1	23.4	1,149.1	1,384.8
Stockholders' equity at end of period.....	44.2	49.1	60.8	84.5	38.9	72.6	88.6

<i>% at end of period</i>							
Return on equity.....	17.8	9.8	13.9	18.5	.	13.2	19.5
Cost ratio ³	62.3	65.6	64.0	59.4	.	62.8	57.9
Capital ratio.....	10.3	9.7	11.3	12.1	.	10.9	11.0
Capital ratio excluding subordinated loans.....	7.9	6.6	8.0	9.1	.	7.8	8.2

1. Companies listed on Iceland Stock Exchange (ICEX), excluding the finance and insurance sector. 2. The sample includes the largest commercial banks (four) 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.

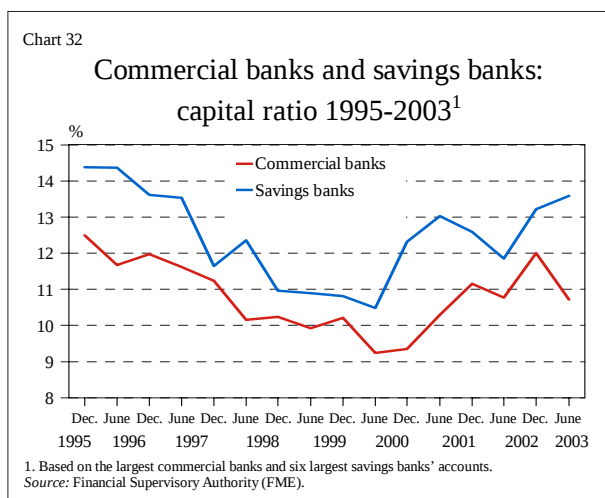
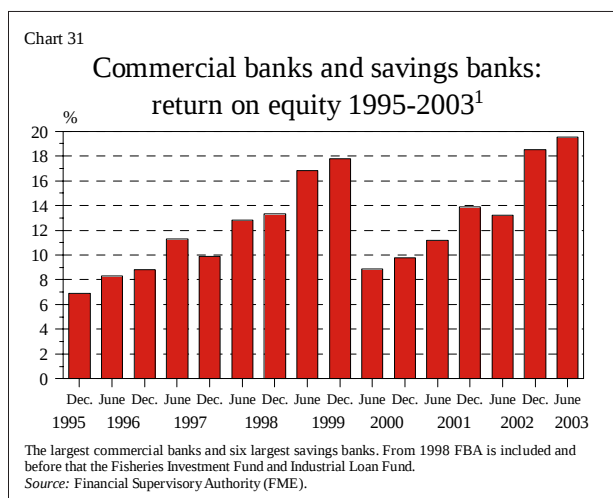


Table 19 International comparison

<i>Based on latest monthly data for each region:</i>	<i>EU-15</i>	<i>EMU-11</i>	<i>USA</i>	<i>UK</i>	<i>Japan</i>	<i>Sweden</i>	<i>Norway</i>	<i>Finland</i>	<i>Denmark</i>	<i>Iceland</i>
Inflation in previous 12 months.....	1.9	2.1	2.3	2.8	-0.2	1.5	2.1	0.7	1.9	2.2
Unemployment ¹	8.0	8.8	6.1	5.0	5.1	4.8	4.6	8.9	6.3	3.6
Economic growth ²	0.5	0.2	2.5	2.0	3.0	1.3	-2.0	0.8	-1.0	2.7
Long-term interest rates (nominal yield) ³	4.3	4.2	3.2	4.9	0.7	4.4	3.9	3.6	3.7	6.9
Long-term interest rates (real yield) ^{3, 4}	...	...	1.7	1.8	...	1.3	...	...	...	3.6
Short-term interest rates ⁵	2.3	2.0	1.0	3.9	0.0	2.7	2.7	2.1	2.2	4.5
<i>In 2002 (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 (2001)	20.0	...	16.1	15.4	26.4	22.3	35.1	27.9	23.5	17.8
Gen. government fin. balance, % of GDP	-2.0	-2.3	-3.4	-1.3	-7.1	1.1	12.8	4.7	1.8	0.2
Gen. government gross debt, % of GDP	71.8	75.0	61.0	50.3	147.2	59.7	23.5	47.2	51.9	44.8
Gen. government expenditure, % of GDP	47.7	48.4	35.6	40.9	38.6	58.3	46.7	49.2	55.3	44.6
Current account balance, % of GDP	0.9	1.1	-4.8	-0.8	2.8	4.1	13.7	7.6	2.9	0.3

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. Converted to US dollars at an exchange rate that eliminates the difference in price levels between the countries.

Sources: EcoWin, Eurostat, International Monetary Fund, OECD.

Table 20 International economic developments

						<i>Preliminary</i>		<i>Forecast</i>	
<i>Annual economic growth¹</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>
World.....	4.0	4.2	2.8	3.6	4.8	2.4	3.0	3.2	4.1
Euro area	1.4	2.3	2.9	2.8	3.5	1.5	0.8	0.5	1.7
United Kingdom.....	2.6	3.4	2.9	2.4	3.1	2.1	1.7	2.0	2.6
United States	3.6	4.4	4.3	4.1	3.8	0.3	2.4	2.7	4.0
Japan.....	3.5	1.9	-1.1	0.2	2.8	0.4	0.2	2.4	1.3
Developing countries	6.6	5.9	3.5	3.9	5.7	4.1	4.6	5.0	5.6
Countries in transition.....	-0.6	1.9	-0.9	4.1	7.1	5.1	4.2	4.9	4.7
<i>Annual growth in world trade (%)</i>	7.0	10.4	4.4	5.8	12.6	0.1	3.2	2.9	5.5
<i>Consumer price inflation</i>									
Euro area	2.2	1.6	1.1	1.1	2.1	2.4	2.3	2.0	1.5
United Kingdom.....	3.0	2.8	2.7	2.3	2.1	2.1	2.2	2.8	2.4
United States	2.9	2.3	1.5	2.2	3.4	2.8	1.6	2.3	1.7
Japan.....	0.0	1.7	0.6	-0.3	-0.9	-0.7	-0.9	-0.3	-0.4
<i>Unemployment, % of labour force</i>									
Euro area	10.8	10.8	10.2	9.4	8.5	8.0	8.4	9.1	9.2
United Kingdom.....	8.1	7.1	6.3	6.0	5.5	5.1	5.2	5.2	5.2
United States	5.4	4.9	4.5	4.2	4.0	4.8	5.8	6.1	6.0
Japan.....	3.4	3.4	4.1	4.7	4.7	5.0	5.4	5.4	5.4
<i>Gen. government fin. balance, % of GDP²</i>									
Euro area	-4.3	-2.6	-2.3	-1.3	0.1	-1.6	-2.3	-2.5	-2.4
United Kingdom.....	-4.4	-2.2	0.2	1.1	3.9	0.8	-1.3	-1.9	-2.2
United States	-2.2	-0.9	0.3	0.7	1.4	-0.5	-3.4	-4.6	-4.2
Japan.....	-5.0	-3.8	-5.5	-7.2	-7.4	-6.1	-7.1	-7.7	-7.8
<i>Long-term interest rates³</i>									
Euro area	7.1	6.0	4.8	4.7	5.4	5.0	4.9	4.3	4.4
United Kingdom.....	7.8	7.1	5.5	5.1	5.3	4.9	4.9	4.5	5.1
United States	6.4	6.4	5.3	5.6	6.0	5.0	4.6	4.1	5.0
Japan.....	3.1	2.4	1.5	1.7	1.7	1.3	1.3	0.9	1.1

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		Króna 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	CPI inflation (%)	Nominal exchange rate ³	Real exchange rate ⁴		Gov. bonds average yield ⁵	Banks' secured lending (real yield)		M3 lending	% change over year		DMBs' Credit system lending					
				Relative CPI	Relative ULC		Non-ind.	Indexed		lending	lending						
1974	0.9	42.4	4.8	116.4	139.2	5.1	-24.8	.	27.6	55.6	64.8	1.2	30.2	5.7			
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	2.3	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	2.5	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	2.9	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	3.0	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	5.5	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	5.0	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	5.2	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	7.7	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	9.2	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	7.8	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	8.0	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	9.2	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	9.3	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	9.1	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	7.9	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	8.7	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	8.9	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	9.0	8.7	12.7	11.8	2.6	65.0	4.7			
1998	183.3	1.7	313.6	91.9	88.1	4.7	11.8	8.8	15.2	30.4	15.1	2.2	70.1	5.6			
1999	189.6	3.4	313.1	93.6	89.7	4.4	8.0	8.6	16.9	22.7	17.3	2.6	82.9	4.1			
2000	199.1	5.0	313.3	96.2	90.7	5.1	12.7	9.5	11.2	26.2	17.2	2.1	102.4	5.7			
2001	212.4	6.7	376.3	83.6	79.1	5.1	9.3	10.2	14.9	13.4	19.3	2.1	120.4	2.8			
2002	222.6	4.8	365.2	88.4	83.4	5.2	14.5	10.2	15.3	0.9	3.3	2.5	123.2	-0.6			

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	Goods & services (volume changes)		Terms of trade	Curr. acc. balance (% of GDP)	Financial balance	Revenues	Expen- ditures	Unem- ployment	Labour particip.	Real wages ⁹	Real disposable income
				Exports	Imports									
1974.....	10.3	7.9	13.9	-2.7	12.5	-6.6	-10.6	-2.6	33.0	35.6	0.4	72.3	.	11.6
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	37.0	40.0	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	37.7	39.4	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	41.7	39.3	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	41.4	39.0	1.3	77.3	1.6	1.3
2001.....	-3.0	-7.0	-3.6	7.7	-9.0	0.3	-4.1	0.2	40.3	40.2	1.4	77.5	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	77.3	2.2	-0.1

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

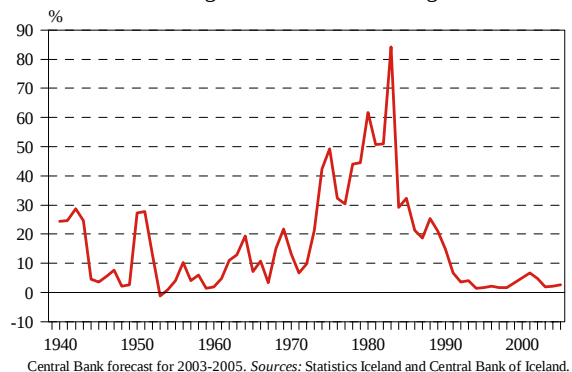


Chart 34

Economic growth 1945-2005

% change in real GDP between years

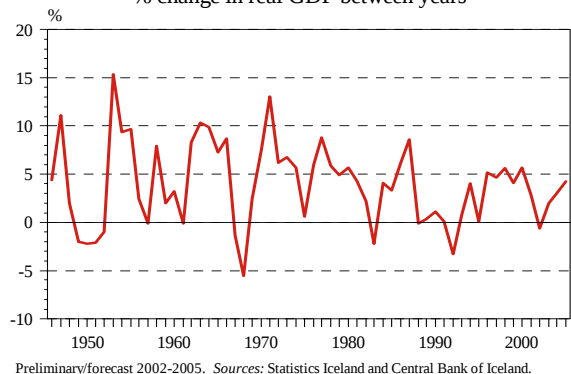


Chart 35

Current account balance 1945-2005

% of GDP

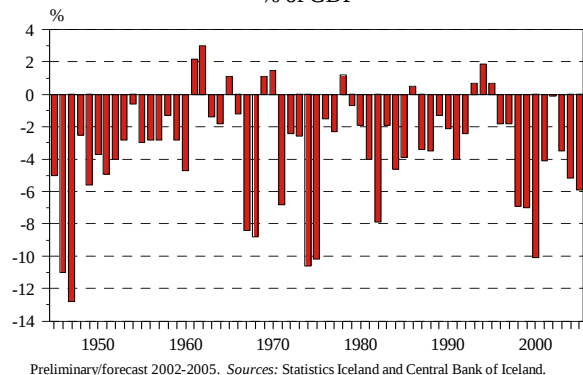


Chart 36

Real effective exchange rate of the Icelandic króna 1960-2004

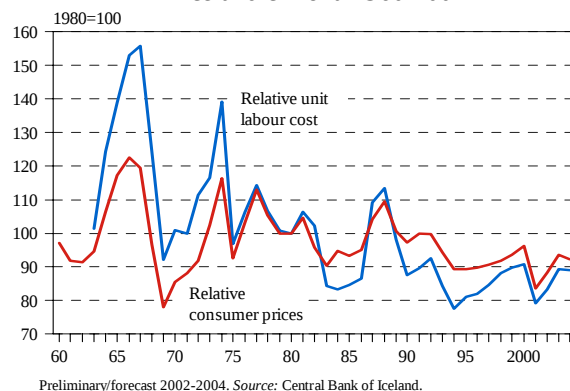


Chart 37

Gross national saving and fixed capital formation 1960-2005

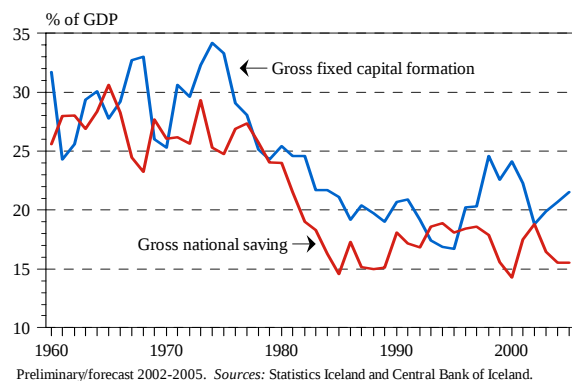


Chart 38

Real yield and broad money 1960-2002

Real yield on non-indexed bank loans and M3 as percent of GDP

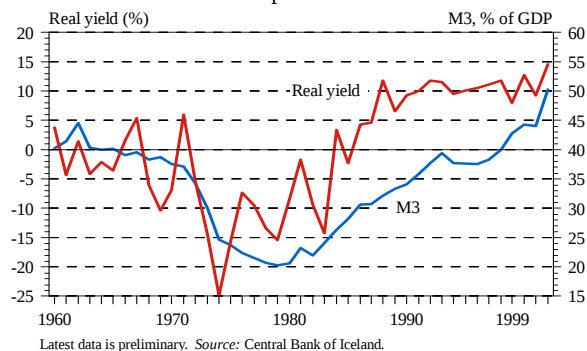


Table 22 Structural indicators for the Icelandic economy

	1970	2002 ¹		1970	2002 ¹
<i>I. Population and labour force (thous.)</i>			<i>IV. National income and expenditure</i>		
Population at end of year.....	204.8	288.5	Gross domestic product (GDP), b.kr.	0.4	779.0
under 16 years of age	70.6	70.3	GDP, billion US\$.....	0.5	8.5
16-74 years of age	127.3	202.7	National income per capita, thous. US\$.....	2.0	29.0
above 74 years of age.....	7.0	15.4	GDP per capita, thous. US\$, PPP-converted ²	2.7	29.0
Annual popul. growth in prev. 5 yrs. (%).....	1.1	1.2	Gross capital formation, % of GDP	25.3	18.8
Labour force (thous.).....	82.7	145.2	Gross national saving, % of GDP	26.1	18.8
Males.....	54.7	83.5	Net national saving, % of net national product	13.8	5.3
Females	28.0	61.7	Exports of goods and services, % of GDP	46.4	39.7
<i>II. Employment by industry (%) (2001)</i>			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	<i>V. Capital and indebtedness</i>		
Manufacturing industry.....	15.2	12.1	<i>% of GDP unless otherwise stated</i>		
Construction, electricity and water	11.3	10.3	Fixed assets, % of GDP	3.4	2.8
Wholesale & retail trade, restaur. & hotels	13.5	16.7	Fixed assets, billion US\$	1.8	21.7
Transport, storage and communication.....	8.4	6.7	Net external debt	20.1	100.0
Finance, insurance, real estate, business serv.	4.0	9.5	Debt service, % of export revenue	11.3	48.2
Producers of government services	12.4	18.9	General government total debt	13.0	43.4
Other services.....	8.3	13.4	General government net debt	-2.3	23.2
<i>III. Merchandise exports</i>			Broad money (M3)	37.5	50.3
<i>By category (%):</i>			Credit system total lending.....	484.8	252.6
Marine products.....	77.1	62.8	to industries	53.6	124.3
Manufactures	18.4	33.0	to households	21.2	96.6
thereof aluminium and ferro-silicon.....	13.2	21.4	Market capitalisation of listed equities	.	67.2
Agricultural products.....	3.4	1.6			
<i>By regions (%):</i>					
United States.....	30.0	10.8			
European Union.....	52.8	70.8			
Other	17.2	18.4			

1. Preliminary data. If preliminary data for 2002 are not available, another year is stated. 2. 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.

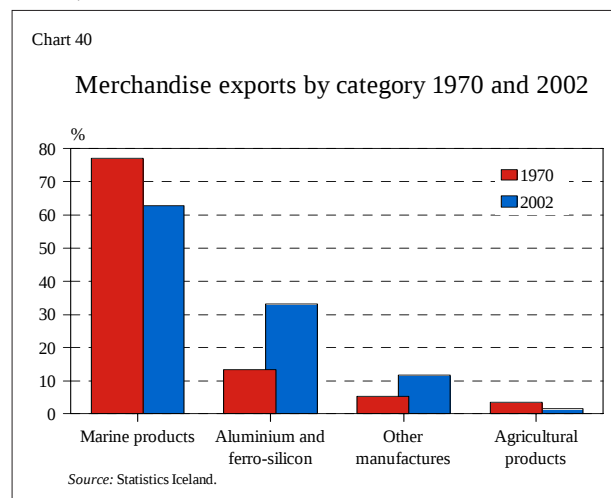
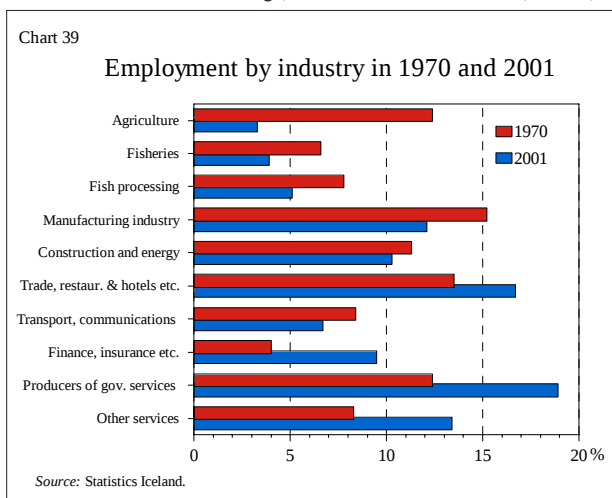


Table 23 Merchandise exports and imports by regions¹

	Share of total (%)						In b.kr.	
	1970	1980	1990	2000	2002	Jan.-Sept. 2003	2002	Jan.-Sept. 2003
<i>Merchandise exports, fob</i>								
European Union	52.8	52.3	70.7	67.4	70.8	71.6	144.0	98.2
Euro area	25.4	30.2	37.6	42.3	47.5	48.4	96.7	66.3
Other EU countries	27.4	22.0	33.1	25.1	23.3	23.2	47.3	31.9
United Kingdom	13.2	16.5	25.3	19.3	17.6	16.7	35.7	22.9
Other Western European countries	2.8	2.3	3.4	7.8	6.9	7.9	14.1	10.9
Eastern Europe and former Soviet Union	9.6	8.8	2.9	1.4	2.4	2.7	4.9	3.7
Russia	6.8	5.4	2.5	0.4	0.4	0.7	0.8	0.9
United States	30.0	21.6	9.9	12.2	10.8	8.8	22.0	12.1
Japan	0.1	1.5	6.0	5.2	3.3	3.7	6.8	5.1
Other OECD countries	0.5	0.6	0.5	2.0	1.3	1.1	2.7	1.6
Developing countries ²	4.2	12.9	5.5	3.0	3.3	3.2	6.7	4.5
Other countries	0.0	0.0	1.1	1.0	1.1	0.9	2.2	1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	203.4	137.1
<i>Merchandise imports, cif</i>								
European Union	64.9	58.0	59.9	57.0	52.5	56.2	109.0	90.5
Euro area	32.0	33.2	35.5	33.5	30.6	34.3	63.5	55.2
Other EU countries	33.0	24.8	24.4	23.6	21.9	21.9	45.5	35.3
United Kingdom	14.3	9.5	8.1	9.0	7.4	7.4	15.5	12.0
Other Western European countries	5.4	8.1	5.2	9.7	9.5	9.2	19.7	14.8
Eastern Europe and former Soviet Union	10.4	10.9	6.5	5.7	10.0	10.8	20.8	17.4
Russia	7.2	9.7	5.0	1.8	3.8	3.0	7.9	4.8
United States	8.2	9.4	14.4	11.0	11.1	7.0	23.0	11.3
Japan	2.9	4.0	5.6	4.9	3.1	3.9	6.5	6.3
Other OECD countries	0.4	5.8	3.7	4.5	4.7	3.2	9.7	5.1
Developing countries ²	7.2	2.7	3.1	5.6	7.5	8.3	15.5	13.4
Other countries	0.6	1.1	1.4	1.5	1.6	1.4	3.3	2.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	207.6	161.1

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

Source: Statistics Iceland.

