

Economic Indicators



Central Bank of Iceland
March 2009

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.....	March '09	334.5	-0.6	12.4	15.2	.	8.7
Core index 1 (CPI excl. agricultural products and petrol).....	March '09	189.1	-0.5	14.1	15.3	13.6	8.0
Core index 2 (core index 1 excl. public services).....	March '09	191.9	-0.5	14.9	16.2	13.3	8.2
Domestic goods excl. agricultural products.....	March '09	169.5	-0.5	20.3	20.7	1.5	6.4
Agricultural products.....	March '09	161.7	-0.5	18.6	21.7	1.2	5.1
Imported goods excl. alcohol and tobacco.....	March '09	155.7	0.4	22.1	25.3	8.2	7.7
- food and beverages.....	March '09	192.7	-1.3	51.0	50.6	1.3	7.4
- cars and spare parts.....	March '09	169.4	0.4	14.0	21.4	1.8	7.5
- petrol.....	March '09	191.0	-3.1	-27.7	-1.6	-0.1	28.6
- imported goods excl. food and beverages.....	March '09	133.8	1.5	38.7	30.9	5.2	2.2
Housing.....	March '09	303.1	-3.1	-4.6	2.9	0.7	15.9
Public services.....	March '09	165.4	-0.1	4.4	4.7	0.3	4.6
Private services.....	March '09	187.5	0.3	12.0	13.0	2.7	6.1
Groceries (perishables).....	March '09	171.9	-0.6	28.7	30.1	4.4	6.3
Weighted import exchange rate index (Dec. 31, 1994=100).....	February 27 '09	160.7	-3.1	40.7	47.8	.	6.6

	Latest period	Expected 12 mo. inflation	Change from prev. survey	Expected 12 month inflation year ago	Expected inflation in 24 months	Assessment of inflation in past 12 m.
Businesses' inflation expectations.....	December '08	15.0	8.0	4.0	.	.
Household inflation expectations.....	October '08	14.0	2.0	4.5	7.0	14.0

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		Year-to-date ¹	
				previous period	previous year	Value	Change on prev. year (%)
GDP (b.kr.).....	Q4/2008	399.3	334.7	-1.8	-1.5	1,465.1	0.3
National expenditure (b.kr.).....	Q4/2008	367.1	368.6	-13.4	-18.8	1,507.6	-9.3
Private consumption (b.kr.).....	Q4/2008	185.5	202.2	-11.6	-23.8	793.8	-7.7
Public consumption (b.kr.).....	Q4/2008	96.4	80.7	2.3	3.6	360.0	2.8
Gross fixed investment (b.kr.).....	Q4/2008	90.9	85.7	-18.5	-24.8	350.4	-21.8
Exports of goods and services (b. kr.).....	Q4/2008	194.8	128.2	-7.0	-9.2	655.1	7.1
Imports of goods and services (b. kr.).....	Q4/2008	-162.6	-162.1	-36.5	-47.1	-697.6	-18.0
Domestic turnover according to VAT returns (b. kr.) ¹	Nov.-Dec. '08	294.7	298.3	-7.0	-5.6	1,752.1	0.3
Turnover in grocery stores (b.kr.).....	February '09	110.7	128.4	-5.2	-13.8	113.8	-10.3
Credit and debit card turnover (b.kr.) ¹	February '09	50.1	57.8	-5.7	-29.7	103.9	-29.2
Turnover of publicly listed companies on OMXI (b.kr.).....	Q4/2008	331.0	198.1	.	67.1	331.0	67.1
Cement sales (thous. tons).....	February '09	7.2	20.0	7.9	-64.1	13.9	-62.2
Automobile registrations (number).....	February '09	137	1,551	-41.7	-91.2	372	-89.8

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

III Foreign trade and external economic conditions

	Latest period	Latest value	Value 1 year ago	% change on		Year-to-date	
				previous period	previous year	Value	Change on prev. year (%)
Price of marine products in foreign currency (Jan.1999=100).....	January '09	115.1	120.4	-4.2	-4.3	115.1	-4.3
Price of aluminium, LME cash price USD/t.....	March '09	1,401	3,005	5.3	-53.4	1,381	-49.6
Price of crude oil (Brent) USD/b.....	March '09	50.0	103.4	16.3	-51.7	46.0	-52.5
Demersals (1,000 tonnes).....	February '09	73.2	42.0	84.4	74.3	112.9	63.4
Pelagics (1,000 tonnes).....	February '09	26.3	43.2	-15.2	-39.0	57.4	-35.8
Merchandise exports (excl. ships & aircraft, b.kr.) ¹	January '09	33.2	24.2	-37.8	-19.7	33.2	-19.7
- marine products (b.kr.) ¹	January '09	13.3	10.3	-35.4	-24.4	13.3	-24.4
- aluminium (b.kr.) ¹	January '09	11.9	7.5	-41.3	-6.8	11.9	-6.8
- other industrial products (b.kr.) ¹	January '09	5.6	4.7	-34.0	-30.6	5.6	-30.6
Merchandise imports (excl. ships & aircraft, b.kr.) ¹	January '09	33.2	33.3	12.8	-41.8	33.2	-41.8
Merchandise trade balance (excl. ships & aircraft, b.kr.).....	January '09	0.0	-9.1	.	.	0.0	.
Services exports (b.kr.) ¹	Q4/2008	49.6	32.3	-35.6	-16.7	183.0	-7.3
Services imports (b.kr.) ¹	Q4/2008	54.0	50.1	-32.5	-41.5	212.4	-18.3
Real effective exchange rate (relative CPI) (2000=100).....	Q4/2008	68.3	109.8	-20.4	-37.8	85.5	-20.6

Note: In the case of volumes and values, 'year-to-date' refers to cumulated figures, 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		Year-to-date ²	
				previous period	previous year	Average	Change on prev. year (%)
Number of unemployed listed at employment agencies	February '09	13,276	1,631	2,820	11,645	11,866	647.2
Registered unemployment, s.a. (% of total est. labour force)	February '09	6.7	0.8	1.3	5.9	6.1	5.2
Unemployment rate, labour force survey.....	Q4/2008	4.0	2.5	1.5	1.5	3.0	0.3
Listed vacancies at employment agencies	February '09	423	260	41.5	62.7	361	62.6
Work permits issued, total	February '09	88	260	-27	-66.2	209	-51.5
New permits for new jobs and permit extensions	February '09	35	626	-22	-94.4	80	-92.1
Wage index (December 1988=100)	February '09	355.7	333.5	0.0	6.7	355.7	7.1
Real wages (wage index deflated by CPI).....	February '09	132.0	145.5	-0.5	-9.3	132.4	-9.3

1. Change from previous period refers to change in the number of unemployed and change in the rate of unemployment; otherwise, it refers to percentage change. 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; it refers to percentage change.

V Public finances

	Latest period	Latest value	Value 1 year ago	% change on		Year-to-date	
				previous period	previous year	Value	Change on prev. year (%)
Treasury revenue balance (b.kr.)	January '09	-49.2	14.1	.	.	16.2	.
- as percentage of revenue.....	January '09	-117.5	29.7	.	.	29.4	.
Net borrowing requirement (b. kr.)	January '09	102.5	-10.5	.	.	16.0	.
- as percentage of revenue.....	January '09	244.9	-22.1	.	.	29.0	.
Treasury revenue (b. kr.)	January '09	41.9	47.4	9.5	-24.9	55.1	-17.9
- excl. asset sales and irregular items (b. kr.).....	January '09	41.9	47.4	9.5	-24.9	55.1	-17.9
- from VAT (b. kr.).....	January '09	9.5	12.0	-7.4	-32.7	9.6	-35.7
- from payroll & personal income tax withheld (b. kr.)	January '09	11.6	11.3	2.4	-13.1	12.1	-11.5
- from imports (b. kr.)	January '09	3.3	4.7	-8.3	-39.7	3.8	-40.6
Treasury expenditures (b. kr.).....	January '09	91.1	33.3	0.0	131.4	38.9	3.9
- excl. irregular items (b. kr.)	January '09	43.0	33.3	0.0	9.8	38.9	3.9

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		Year-to-date	
				previous period	previous year	Average ¹	Change on prev. year (%)
OMXI-15 equity price index ² (Dec. 1997=1,000).....	February '09	311.5	5,078.4	-6.2	-93.9	321.8	-93.9
Equity turnover on OMXI, ² monthly total	February '09	6.1	135.6	102.9	-95.5	9.0	-97.3
Residential housing prices, narrow index ³ (Jan. 1994=100)	February '09	327.2	346.4	-0.1	-5.5	327.4	-5.3
Real residential housing prices, broad index ³ (Jan. 1994=100)	February '09	168.8	209.5	-1.1	-19.4	169.8	-19.9
Price of long-term cod quota (kr./kg.)	March '09	1,600	3,800	-11.1	-57.9	1,800	-52.4

1. Except for turnover, which is cumulative to date. 2. OMXI = Iceland Stock Exchange (OMX Iceland). Prices are monthly averages. 3. In Greater Reykjavik.

VII Financial markets

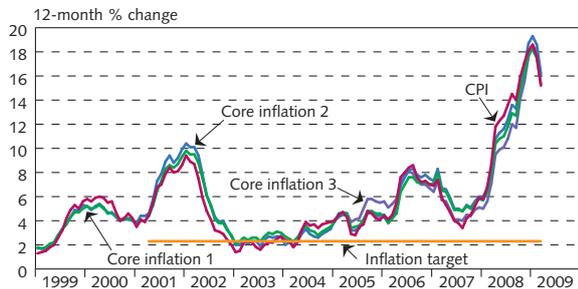
	Latest period	Latest value	Value 1 year ago	% change on		Year-to-date	
				previous period	previous year	Average	Change on prev. year (%)
Bank lending to domestic sector (b.kr.) ¹	September '08	4,827.4	2,893.6	17.1	66.8	.	.
adjusted for estimated indexation effects on inflation- and exchange rate-linked loans (index) ¹	September '08	580.3	478.0	5.8	27.5	.	.
in real terms (January 2002=100)	September '08	422.9	335.4	1.4	26.1	.	.
Credit system total lending (b.kr.).....	September '08	7,705.1	5,208.1	14.9	47.9	.	.
M3 (b.kr.)	September '08	1,230.3	786.2	7.4	56.5	.	.
Central Bank policy interest rate (%)	March 20 '09	17.00	13.75	-1.0	3.3	17.00	3.25
Money market yield, 3-mo. (%) ²	March 20 '09	18.0	13.8	-0.4	4.2	15.8	1.8
Money market yield, 12-mo. (%) ²	March 20 '09	15.1	13.4	-0.6	1.7	16.4	2.5
Yield on Treasury notes (RIKB 10 0317) (%) ²	March 20 '09	10.0	12.2	0.1	-2.2	12.4	0.3
Yield on Treasury notes (RIKB 13 0517) (%) ²	March 20 '09	8.4	10.2	-0.8	-1.7	10.3	0.2
Real yield on HFF bonds (HFF150224) (%) ²	March 20 '09	5.6	4.9	0.8	0.7	4.7	-1.0
Real yield on HFF bonds (HFF150234) (%) ²	March 20 '09	5.0	4.5	0.4	0.4	4.5	-0.6
Real yield on HFF bonds (HFF150244) (%) ²	March 20 '09	4.7	4.4	0.3	0.2	4.3	-0.5
Average bank lending rate, non-indexed loans (%) ²	March 20 '09	23.4	19.5	0.1	3.8	22.9	3.4
Average bank lending rate, indexed loans (%) ²	March 20 '09	10.3	10.0	0.0	0.3	10.3	0.4

1. For comparability, financial companies that 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.

I Inflation and inflation expectations

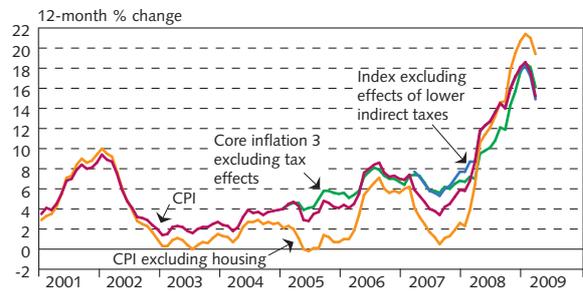
I-1

Inflation
Consumer price inflation and core inflation



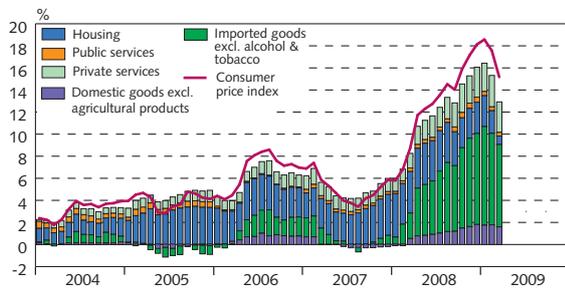
I-2

Inflation
Various measurements



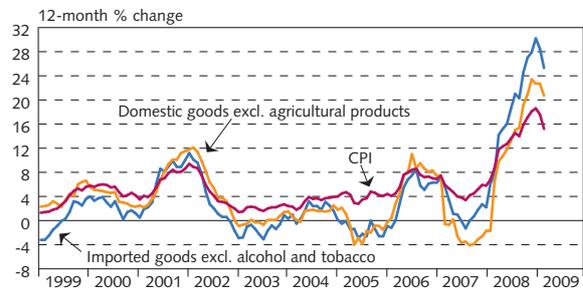
I-3

Components of CPI inflation
Contribution to inflation in past 12 months



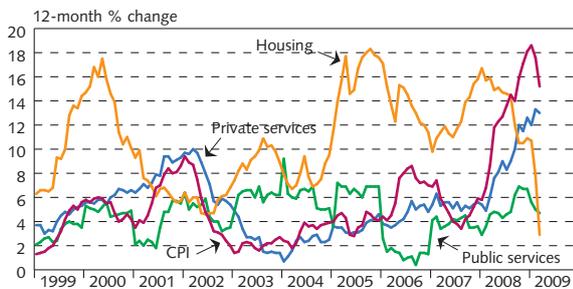
I-4

Consumer prices
Goods



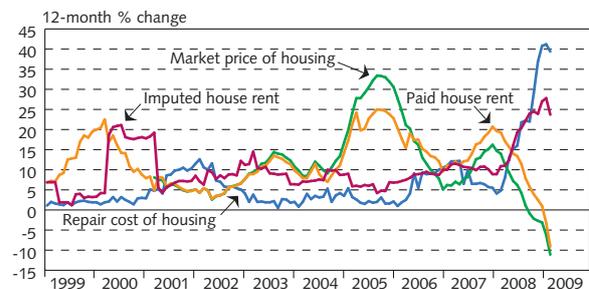
I-5

Consumer prices
Housing and services



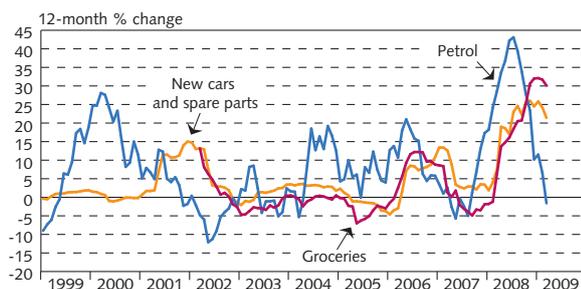
I-6

Consumer prices
Housing



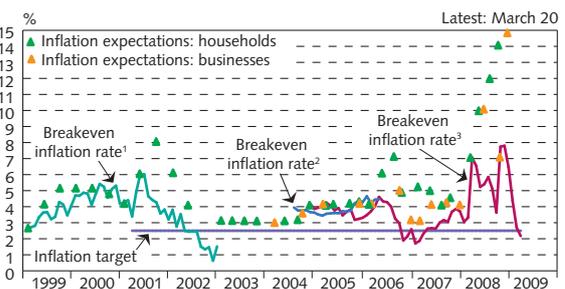
I-7

Consumer prices
Selected components



I-8

Inflation expectations
Breakeven inflation rate at month-end and inflation expectations according to surveys

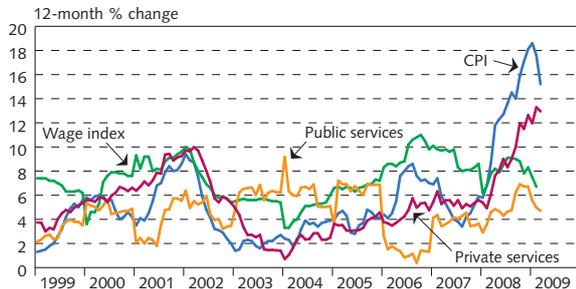


1. Spread between RIKB 03 1010 and RIKS 03 0210.
2. Spread between RIKB 13 0517 and RIKS 15 1001.
3. Spread between RIKB 13 0517 and HFF150914.

I Inflation and inflation expectations

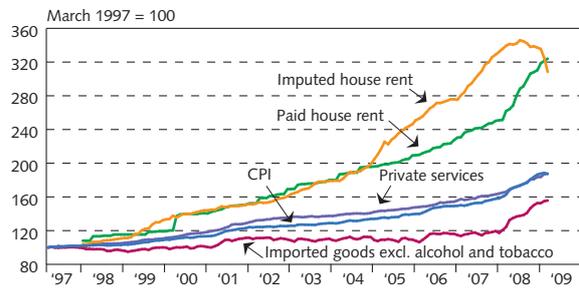
I-9

Wage and inflation development
Wages, inflation and services



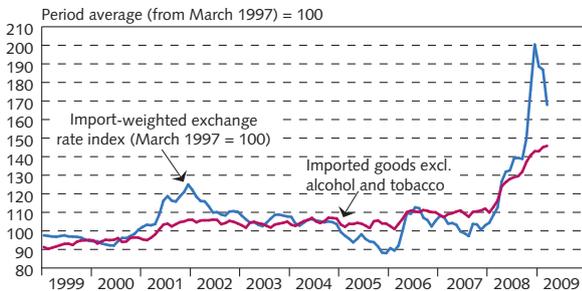
I-10

Consumer prices
Goods, housing and services



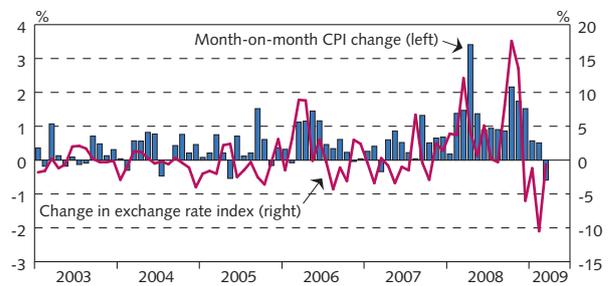
I-11

Import-weighted exchange rate of the króna
and prices of imported goods in the CPI



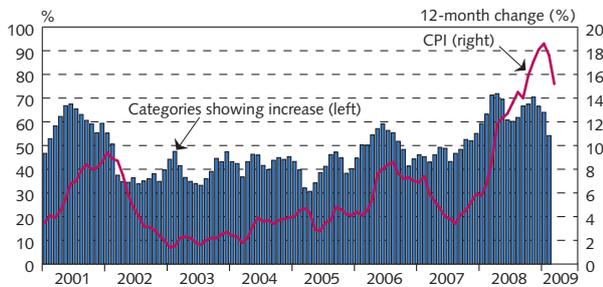
I-12

Price and exchange rate development
Month-on-month CPI and exchange rate change



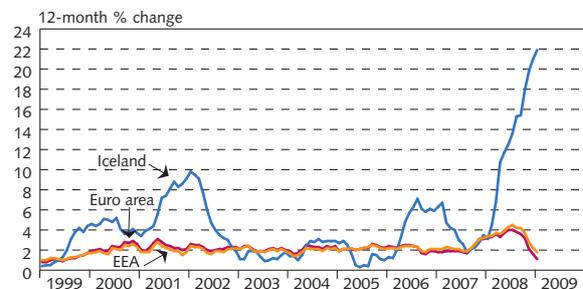
I-13

Distribution of price increases in CPI



I-14

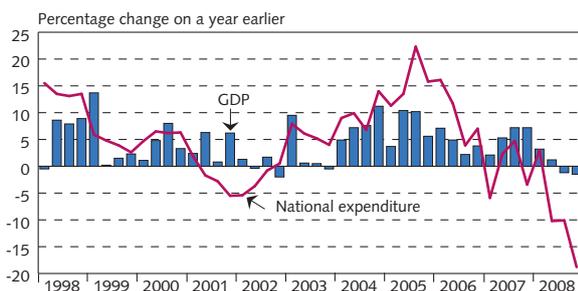
Inflation in Iceland and in Europe
HICP inflation for all countries except national
CPI inflation for USA, Switzerland and Japan



II Output and demand

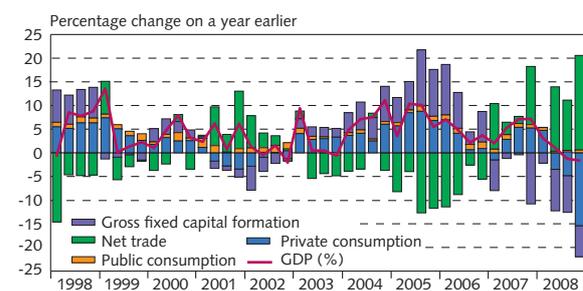
II-1

Economic growth and national expenditure
Quarterly data



II-2

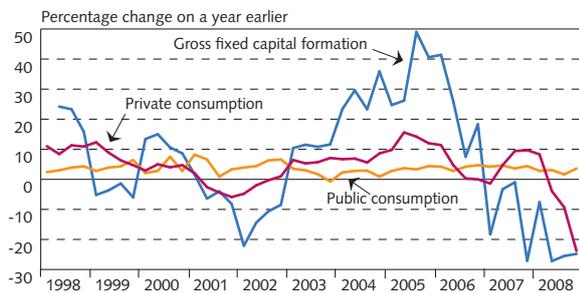
Contributions to GDP growth
Quarterly data



II Output and demand

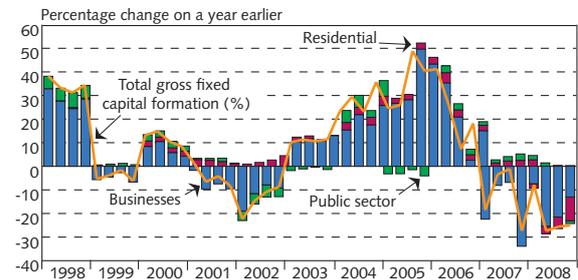
II-3

Consumption and gross fixed capital formation
Quarterly data



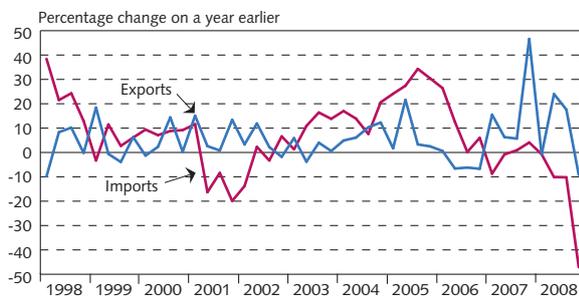
II-4

Contribution to gross fixed capital formation
Quarterly data



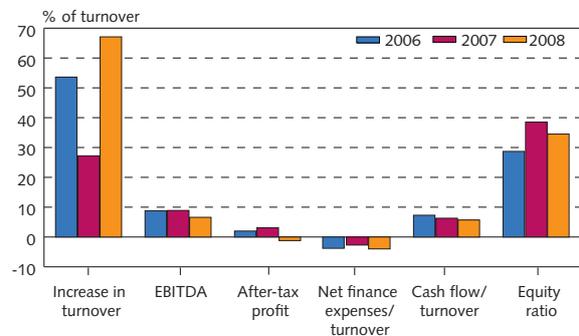
II-5

Exports and imports of goods
Quarterly data



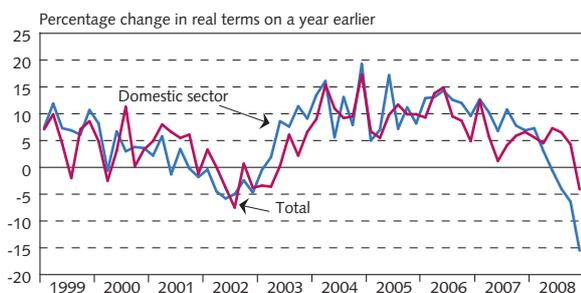
II-6

OMXI-listed company turnover and profits
2006-2008



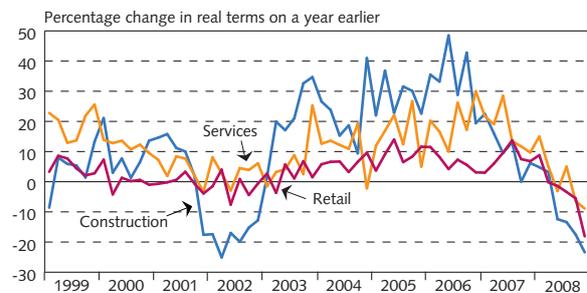
II-7

Turnover based on VAT returns
Seasonally adjusted



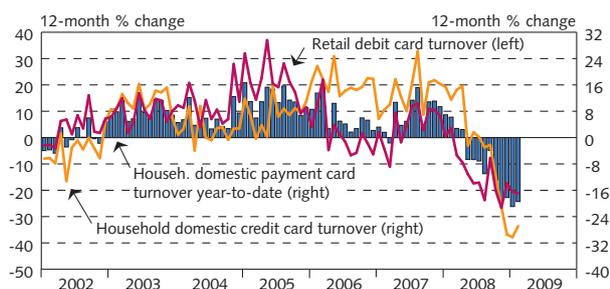
II-8

Turnover based on VAT returns
Selected sectors



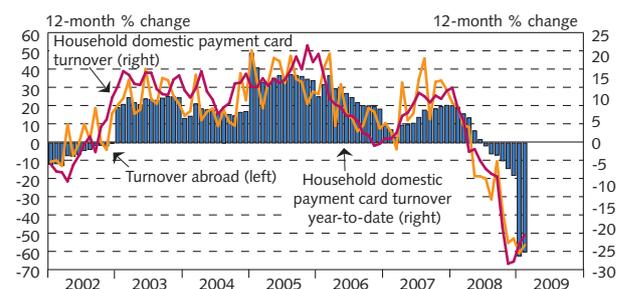
II-9

Payment card turnover
Deflated by the CPI less housing cost for domestic turnover and the exchange rate for turnover abroad



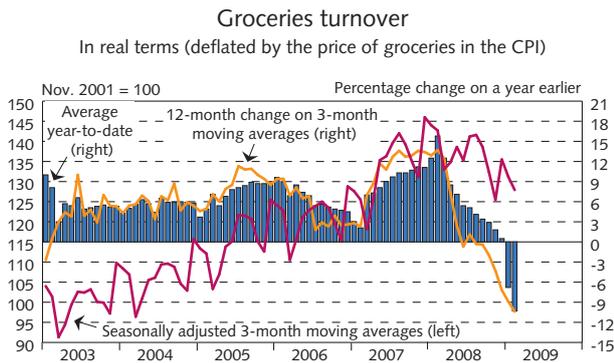
II-10

Payment card turnover
Deflated by the CPI less housing cost for domestic turnover and the exchange rate for turnover abroad

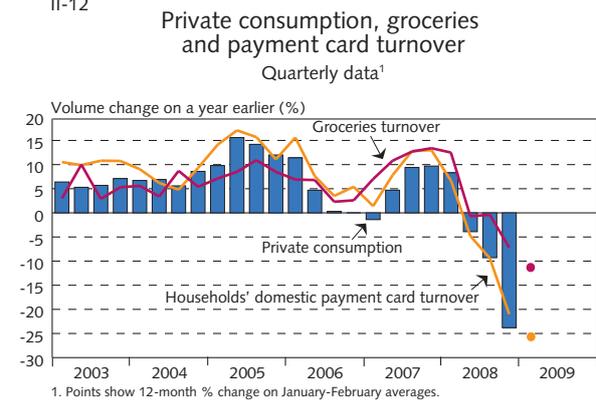


II Output and demand

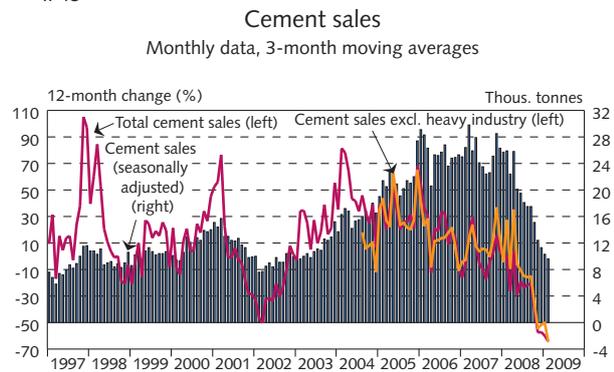
II-11



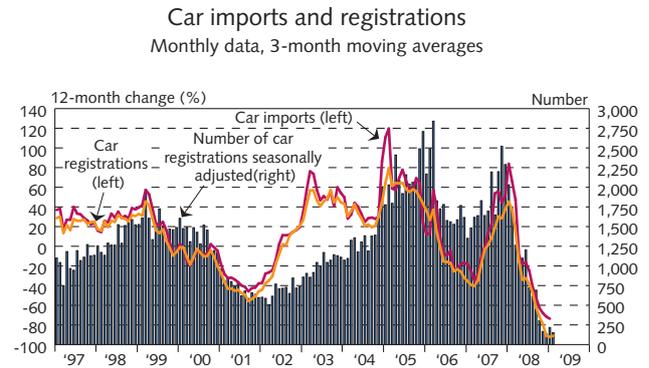
II-12



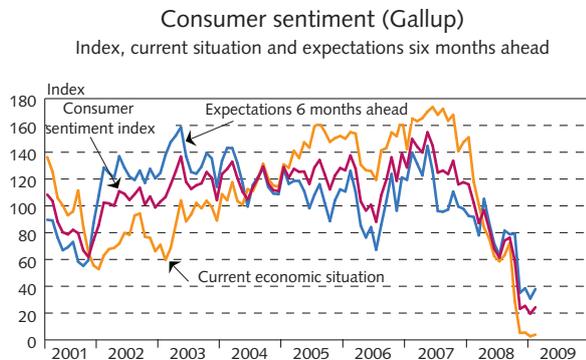
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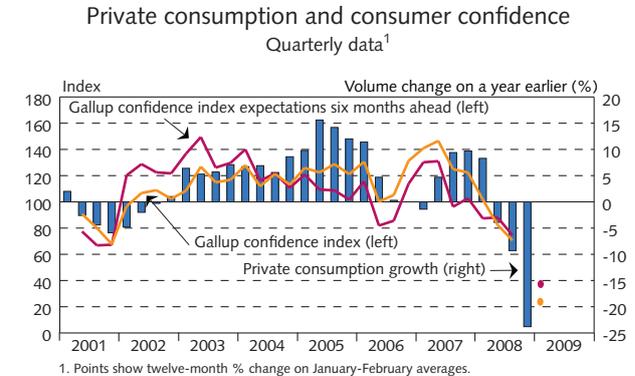
II-14



II-15

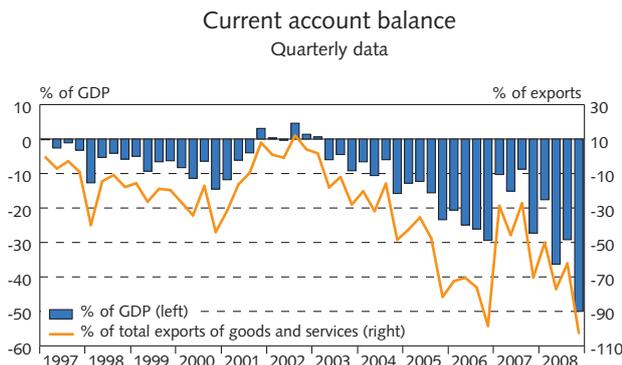


II-16

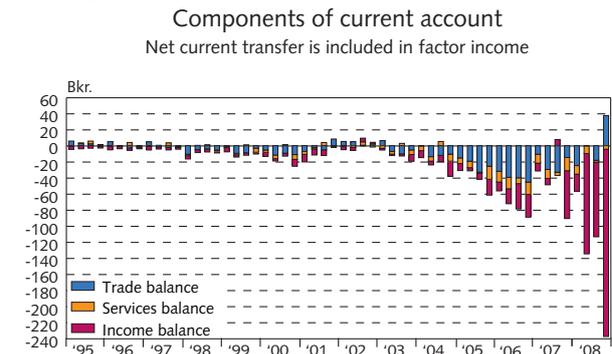


III Foreign trade and external economic conditions

III-1



III-2



III Foreign trade and external economic conditions

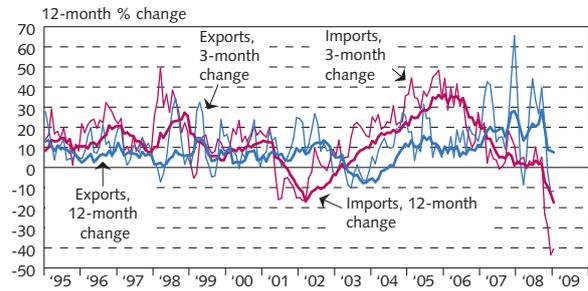
III-3

Merchandise trade balance
12-month moving averages



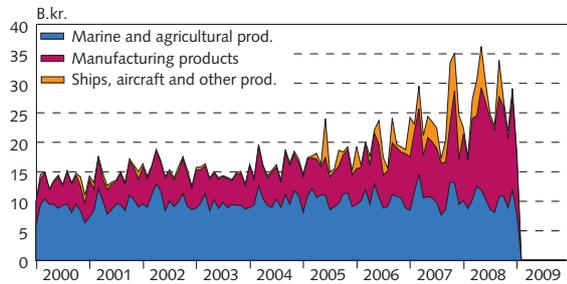
III-4

Merchandise imports and exports
12- and 3-month moving averages, at fixed exchange rates



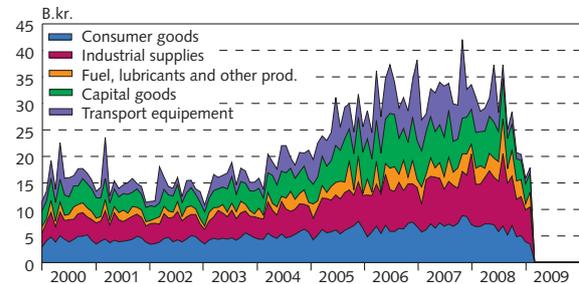
III-5

Components of merchandise exports
Export value at fixed prices



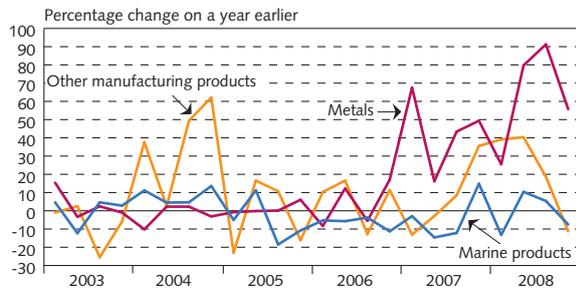
III-6

Components of merchandise imports
Import value at fixed prices



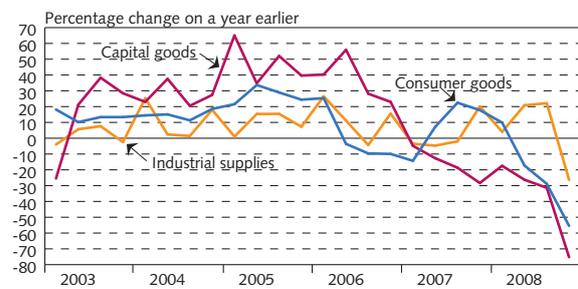
III-7

Volume changes on main export products
Quarterly data



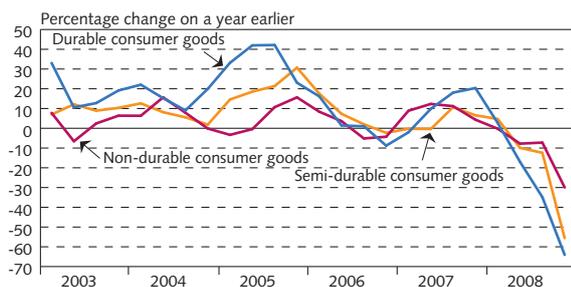
III-8

Volume changes on main import products
Quarterly data



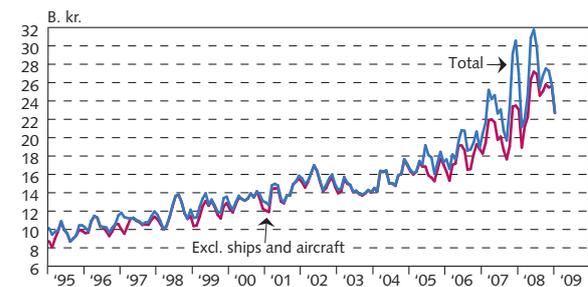
III-9

Volume changes on consumer goods
Quarterly data



III-10

Merchandise exports
3-month moving averages, at fixed exchange rates

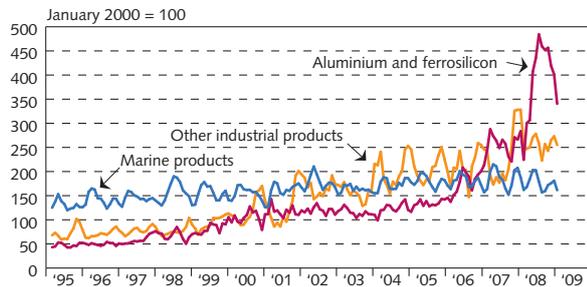


III Foreign trade and external economic conditions

III-11

Merchandise exports by category

3-month moving averages, export value at fixed exchange rates



III-12

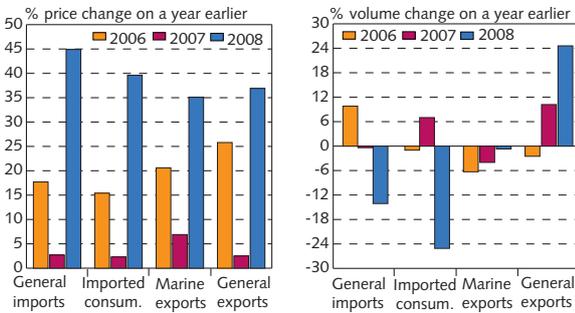
Seasonally adjusted merchandise imports

3-month moving averages, at fixed prices and exchange rates



III-13

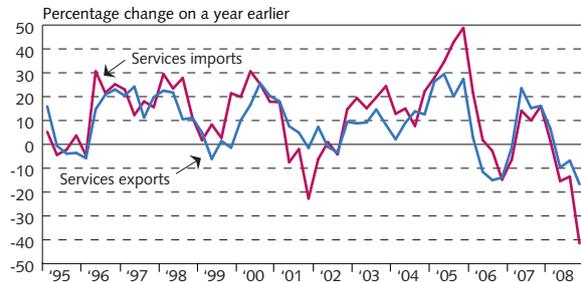
Merchandise trade in January - December 2006-2008



III-14

Services account

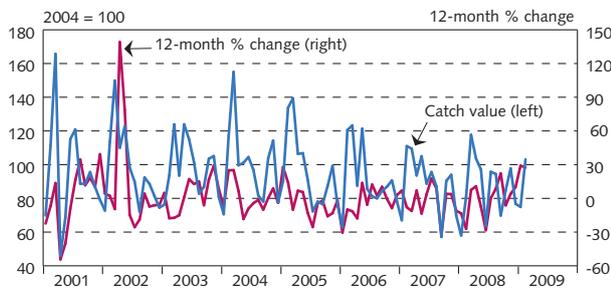
Quarterly data at fixed exchange rate



III-15

Fish catch volume

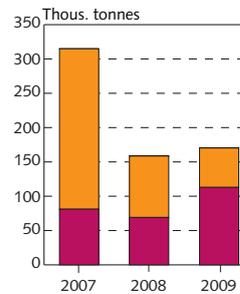
At fixed price levels



III-16

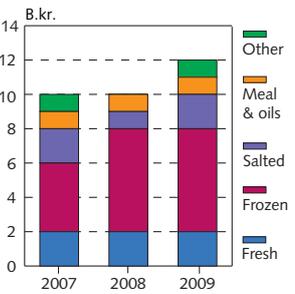
Fish catch

January-February



Marine export value

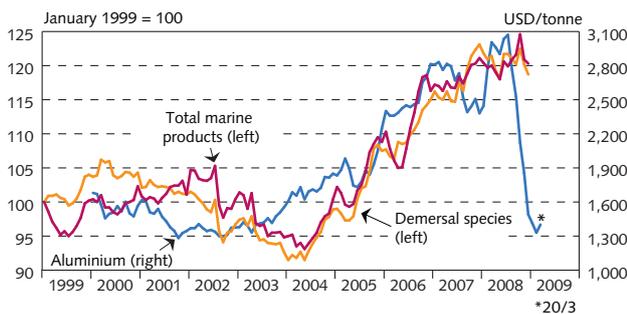
January



III-17

Export prices

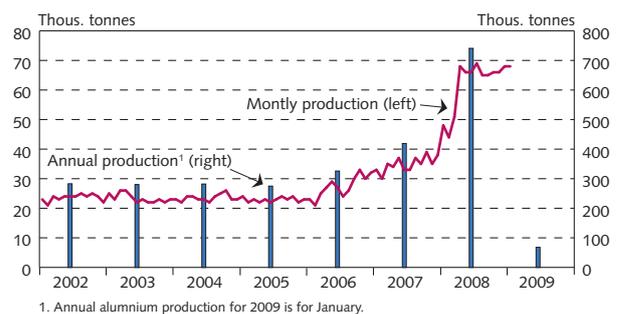
Currency-weighted for marine exports and in USD for aluminium



III-18

Aluminium production

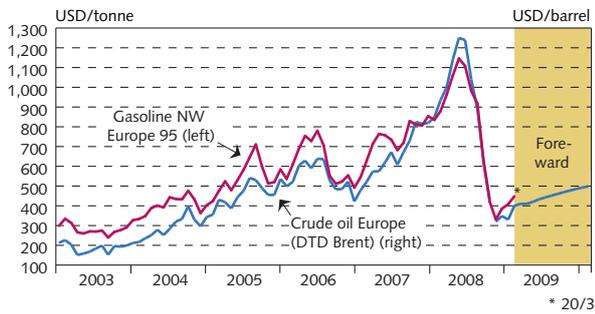
Monthly data



III Foreign trade and external economic conditions

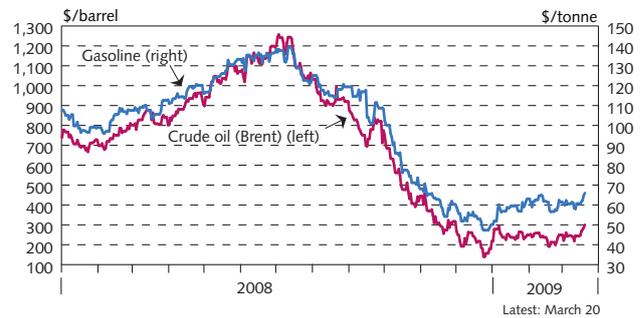
III-19

Crude oil and gasoline prices
Forecast based on futures prices



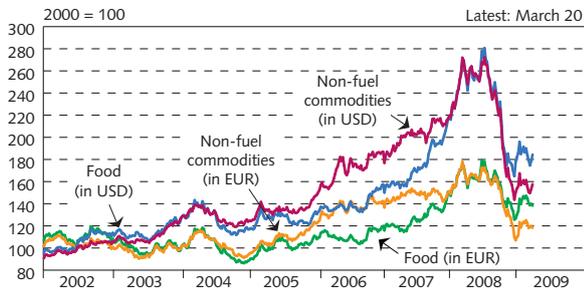
III-20

Crude oil and gasoline prices
Daily data



III-21

Commodity prices in international markets
Weekly data



III-22

Real effective exchange rate of the króna
Quarterly data



III-23

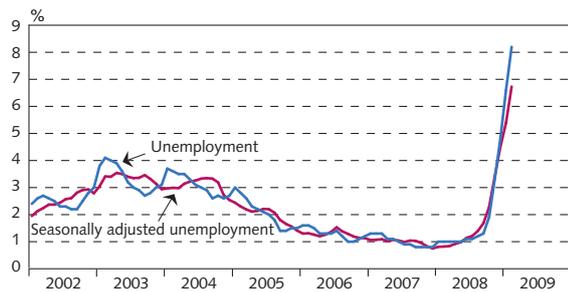
Real effective exchange rate of the króna
Monthly data



IV Labour market and wages

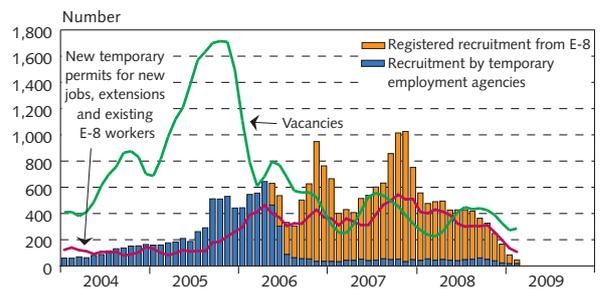
IV-1

Unemployment
Percentage of labour force



IV-2

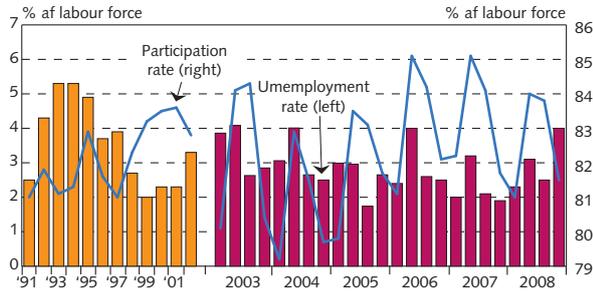
Foreign labour
3-month moving averages



IV Labour market and wages

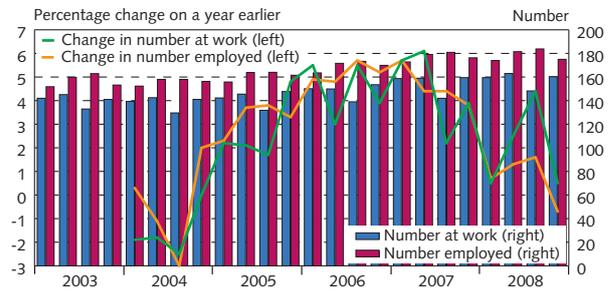
IV-3

Unemployment rate and labour participation rate
Statistics Iceland labour market survey



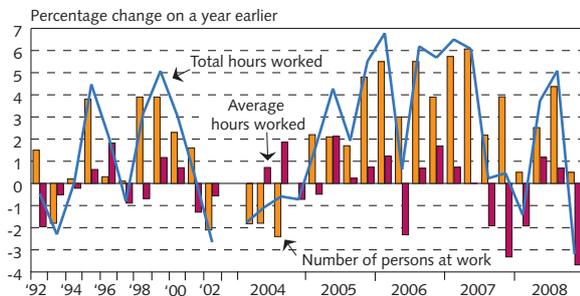
IV-4

Employed persons and number of persons at work
Quarterly data



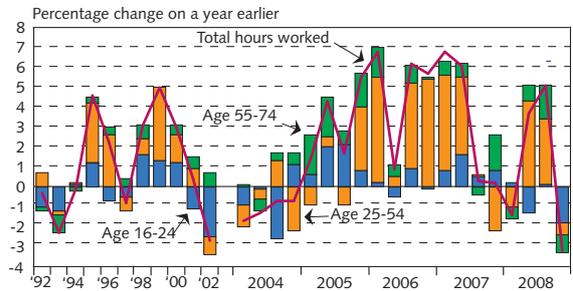
IV-5

Labour use
Survey-based



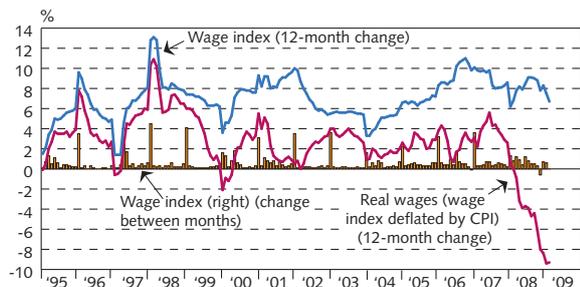
IV-6

Labour use
Contribution of age groups to total hours worked



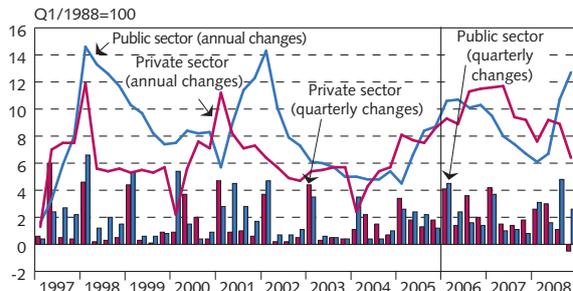
IV-7

Nominal and real wages
Statistics Iceland wage index



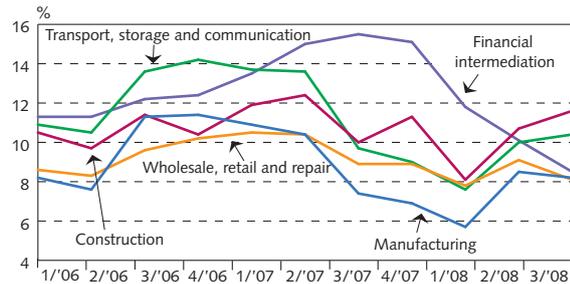
IV-8

Wage changes by sectors
Statistics Iceland wage index



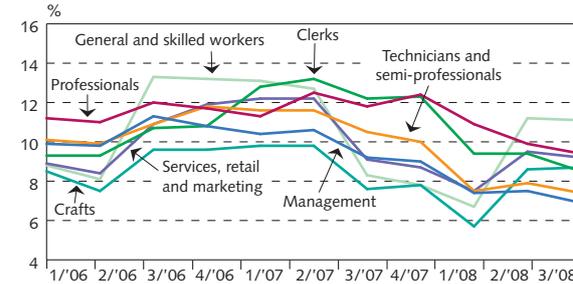
IV-9

Private sector wage index by sector
Percentage change on a year earlier



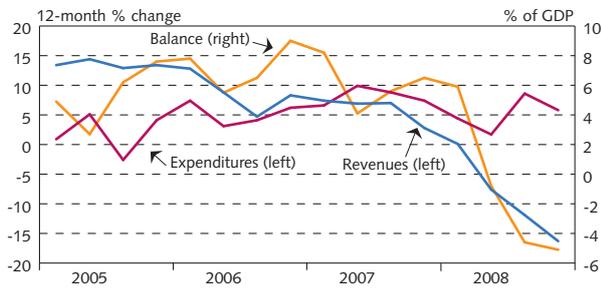
IV-10

Private sector wage index by occupational group
Percentage change on a year earlier

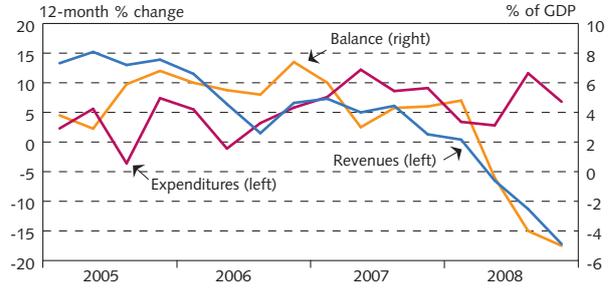


V Public finances

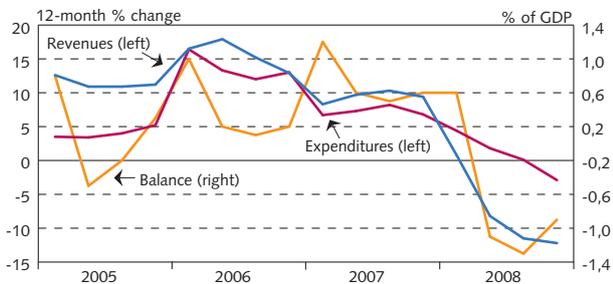
V-1 Public sector revenues, expenditures and balance
In real terms deflated by CPI



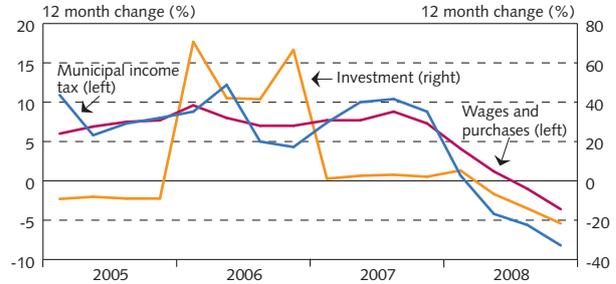
V-2 Treasury revenues, expenditures and balance
In real terms deflated by CPI



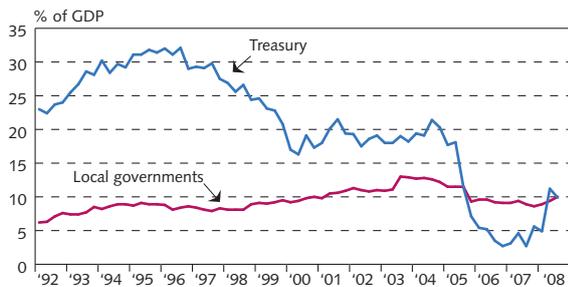
V-3 Local government revenues, expenditures and balance
In real terms deflated by CPI



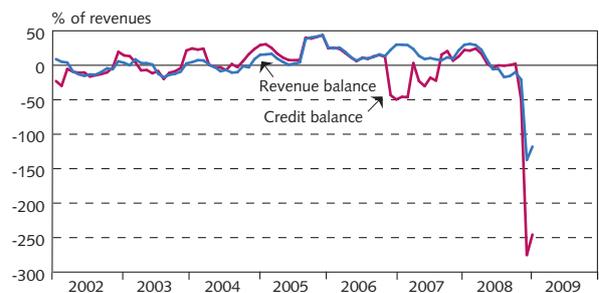
V-4 Local government revenues and expenditures
In real terms deflated by CPI



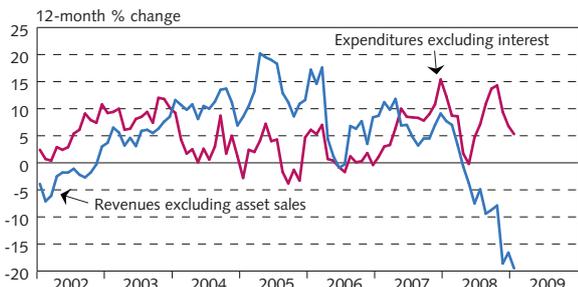
V-5 Debt of treasury and local government
Credit system



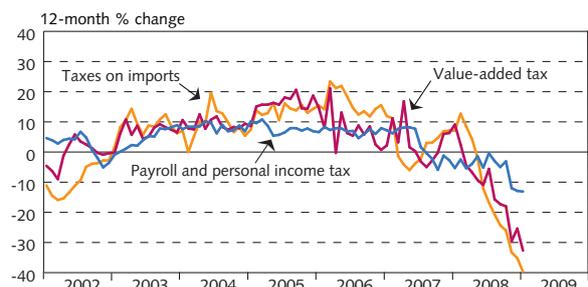
V-6 Treasury balance and net credit balance
4-month moving averages in real terms



V-7 Regular revenues excluding asset sales, regular expenditure excluding interest
4-month moving averages in real terms



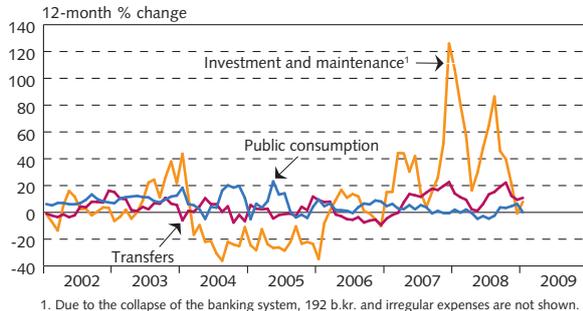
V-8 Tax revenues
4-month moving averages in real terms



V Public finances

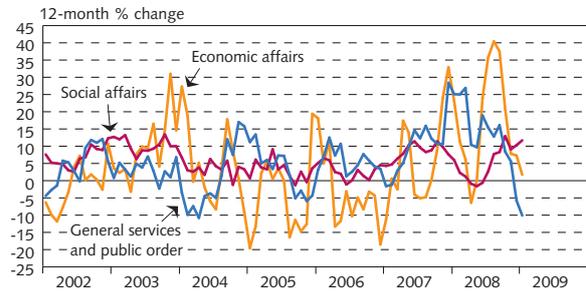
V-9

Treasury expenditures by type
4-month moving averages in real terms



V-10

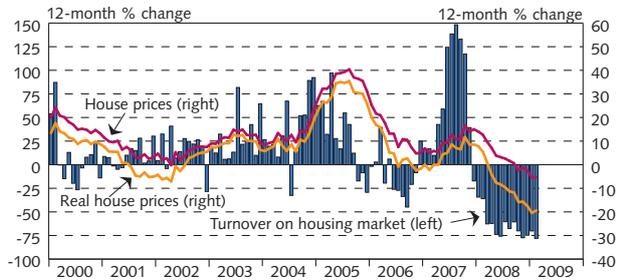
Treasury expenditures by function
4-month moving averages in real terms



VI Asset markets

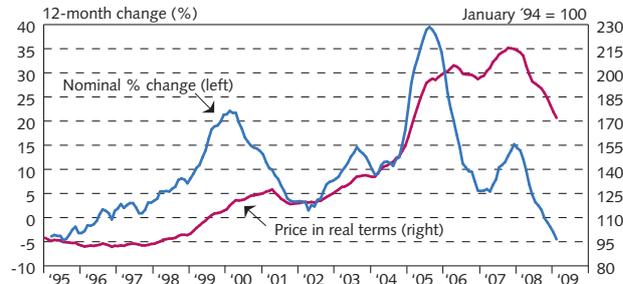
VI-1

Residential housing in Greater Reykjavik
Monthly turnover and prices



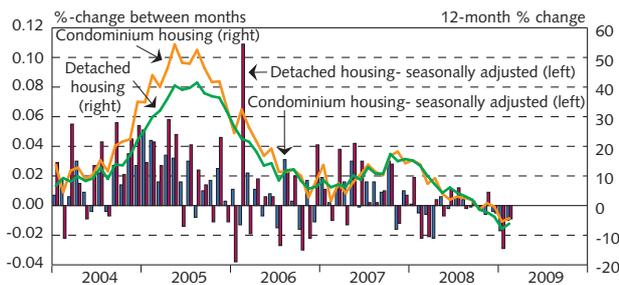
VI-2

Residential housing prices in Greater Reykjavik
Price per m², 3-month moving averages



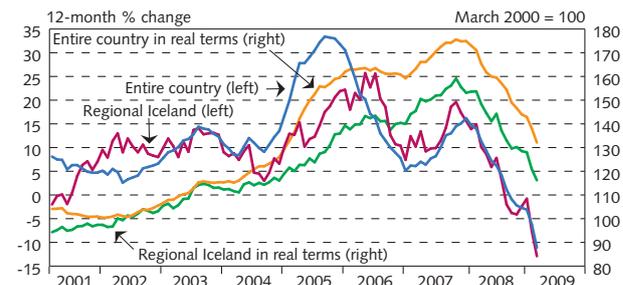
VI-3

Residential housing prices in Greater Reykjavik
Condominiums and detached housing



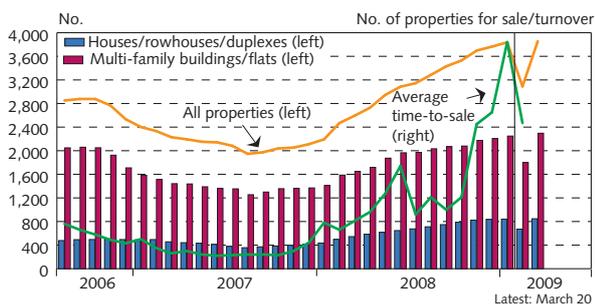
VI-4

Market price of residential housing
Entire country and regional Iceland



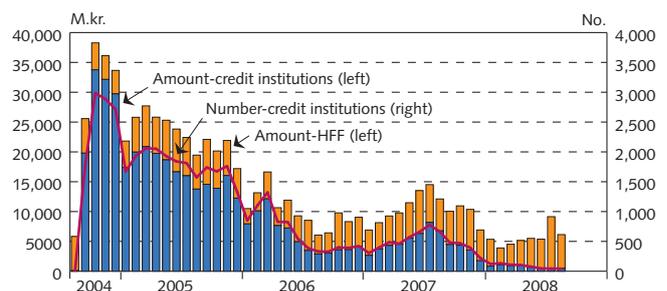
VI-5

Advertised property and average time-to-sale
Advertisements on the Morgunbladid real estate website



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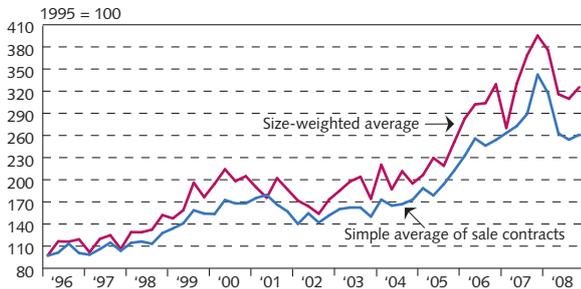
Number and amount of new housing loans
Credit institutions, and HFF



VI Asset markets

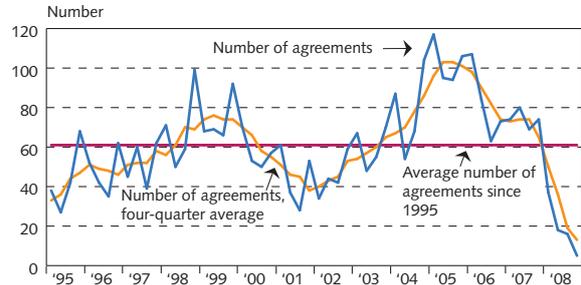
VI-7

Commercial property prices in Greater Reykjavik
Weighted average of industrial, retail and office premises in real terms



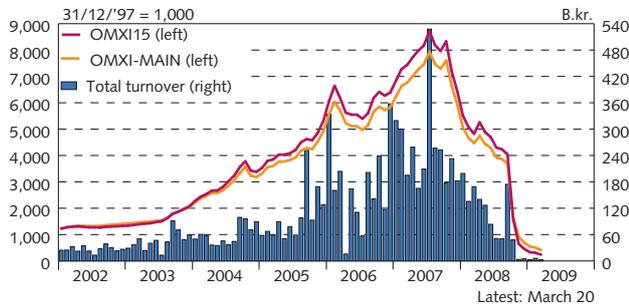
VI-8

Turnover of commercial housing
Number of registered sales agreements for commercial housing



VI-9

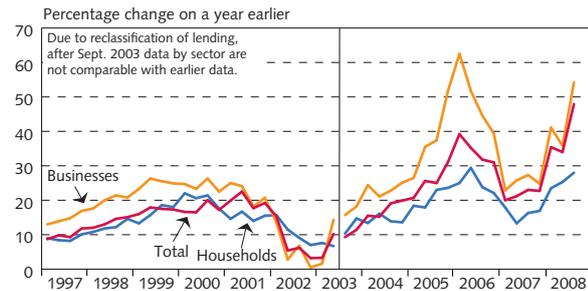
OMXI equity market
Monthly turnover and equity prices



VII Financial markets

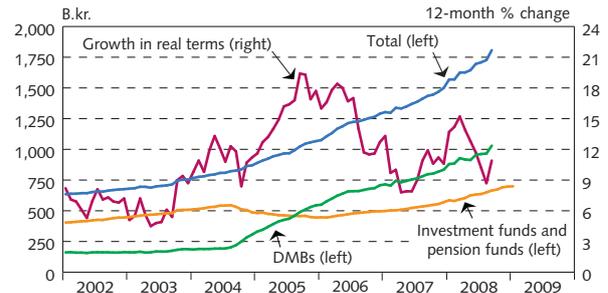
VII-1

Credit system lending growth
Quarterly data



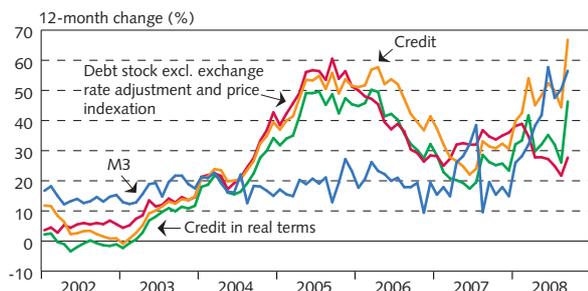
VII-2

Household debt with main credit institutions
Monthly data



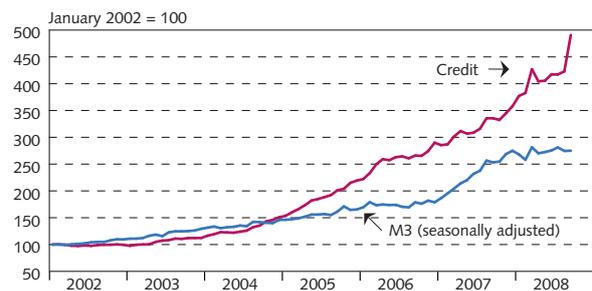
VII-3

Growth of M3 and bank credit
Monthly data



VII-4

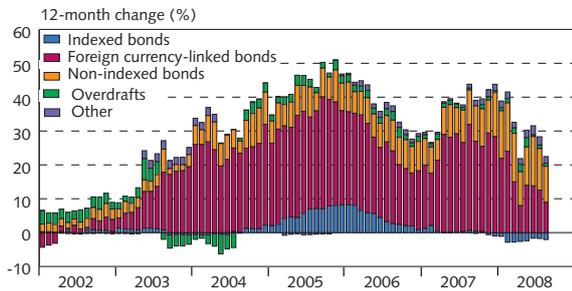
Growth of M3 and DMB credit to domestic sector
Monthly data



VII Financial markets

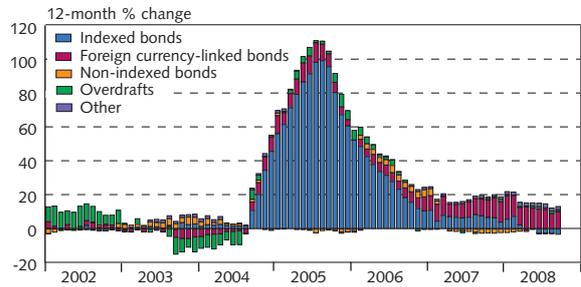
VII-5

DMB credit to companies
Contribution to credit growth



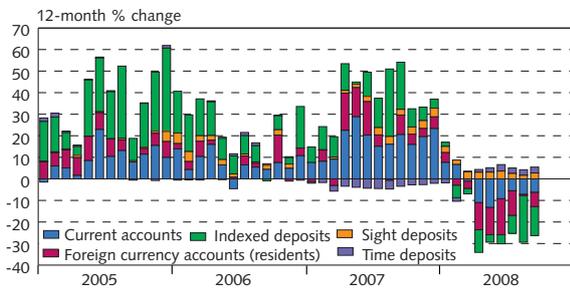
VII-6

DMB credit to households
Contribution to credit growth



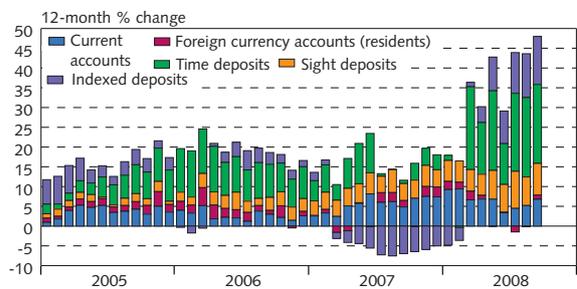
VII-7

Companies' deposits
Contribution to deposit growth



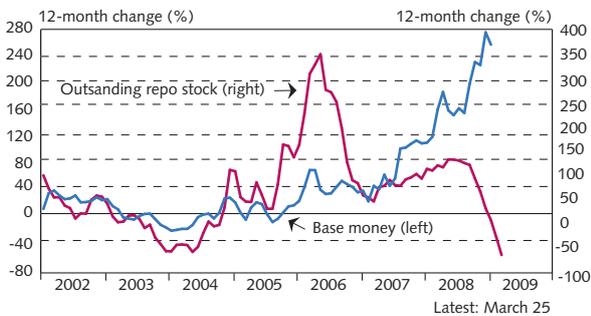
VII-8

Household deposits
Contribution to deposit growth



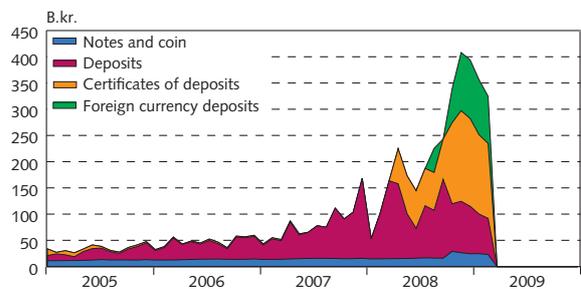
VII-9

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



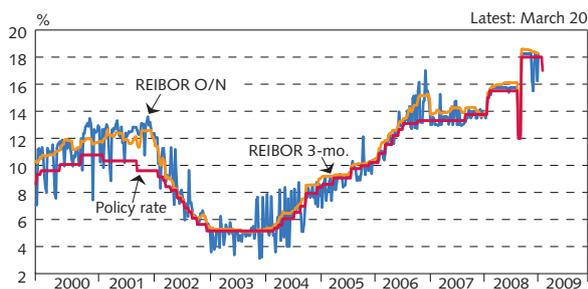
VII-10

Base money
Balance sheet of the Central Bank



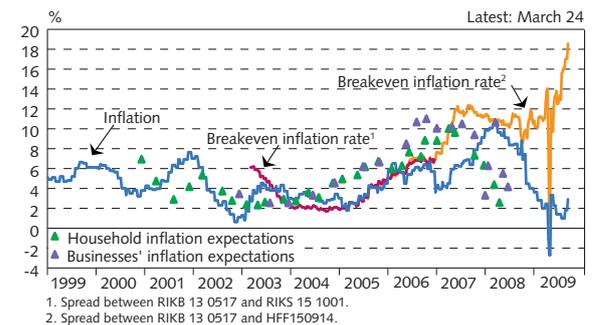
VII-11

Central Bank policy rate and interbank interest rates
Weekly data



VII-12

Central Bank policy interest rate in real terms
Weekly data

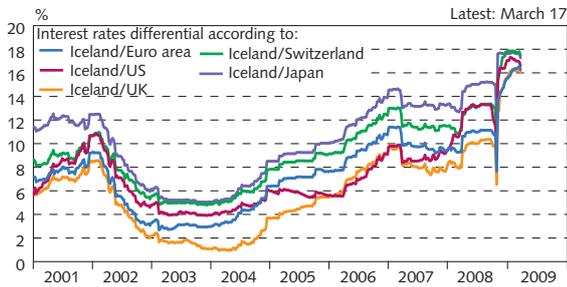


1. Spread between RIKB 13 0517 and RIKS 15 1001.
2. Spread between RIKB 13 0517 and HFF150914.

VII Financial markets

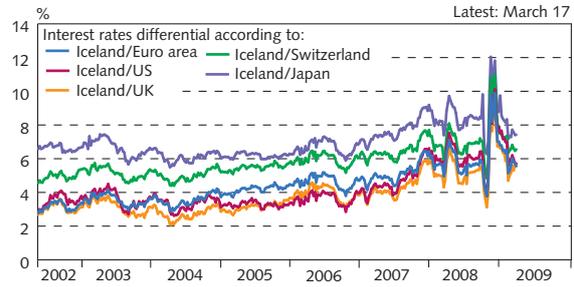
VII-13

Short-term interest rates differential
3-month interbank rates



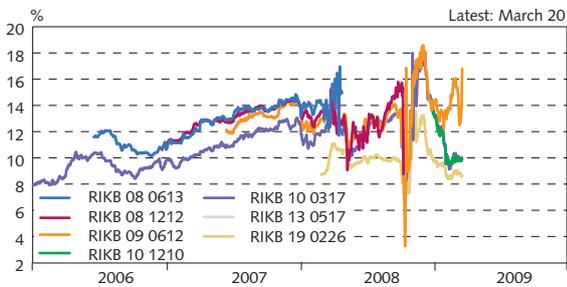
VII-14

Long-term interest rates differential
10-year governments bonds



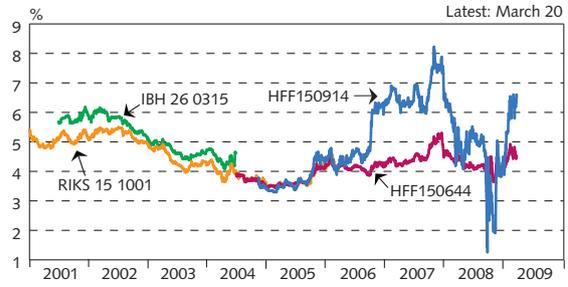
VII-15

Long-term nominal Treasury bond yields
Daily data



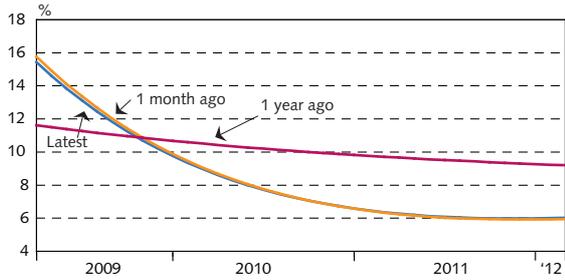
VII-16

Yields on indexed long-term bonds
Daily data



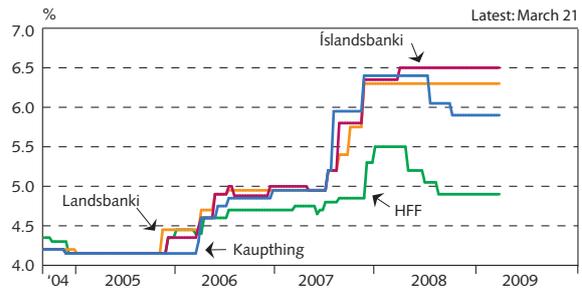
VII-17

Forward interest rates on Treasury bond market
March 20, 2009



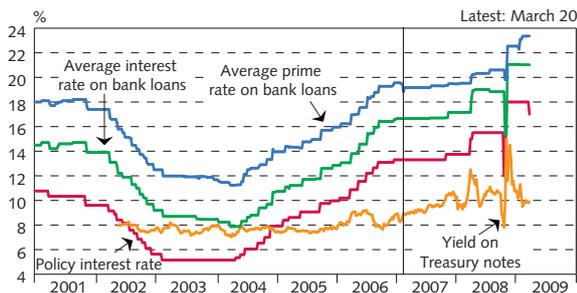
VII-18

Interest rates on indexed housing loans
Housing loans' lowest interest rates



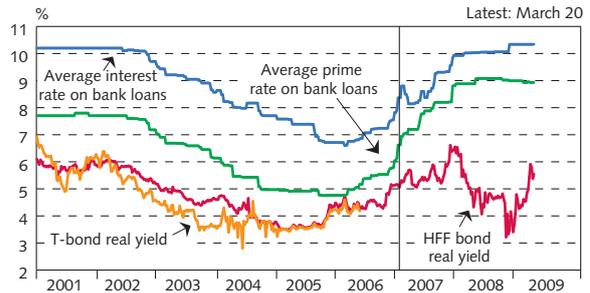
VII-19

Average nominal interest rates
Bank lending rates, T-note yields and policy interest rate



VII-20

Average indexed interest rates
Bank lending rates and real yield on housing bonds and T-bonds

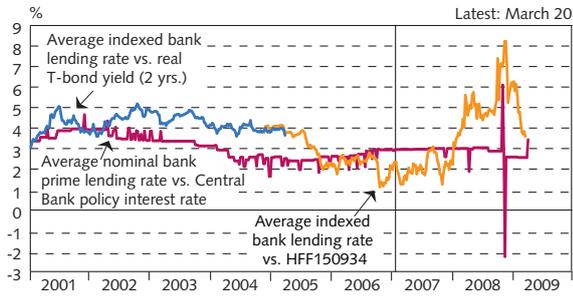


VII Financial markets

VII-21

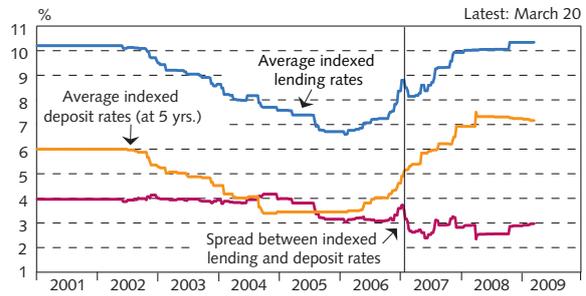
Interest rate spreads

Between nominal bank prime rates and the policy rate;
between indexed bank lending rates and T-bond yield



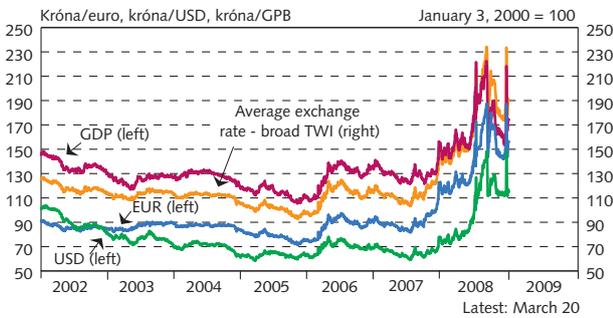
VII-22

Bank lending and deposit rates Indexed terms



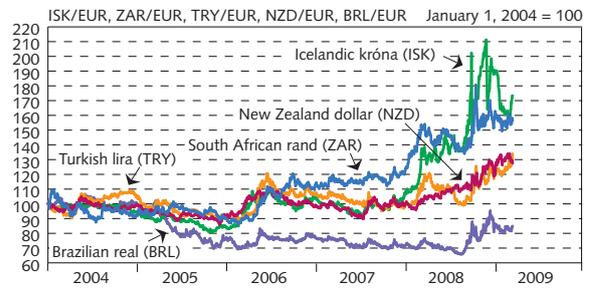
VII-23

Exchange rate of the króna Daily data



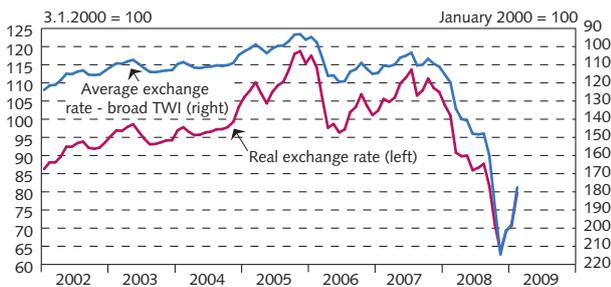
VII-24

Exchange rate of high-yielding currencies against the Euro Daily data



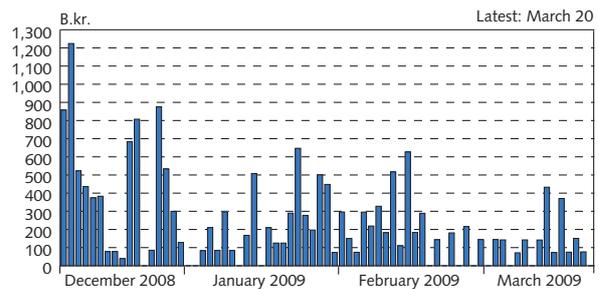
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Nominal and real effective exchange rate of the króna Monthly averages



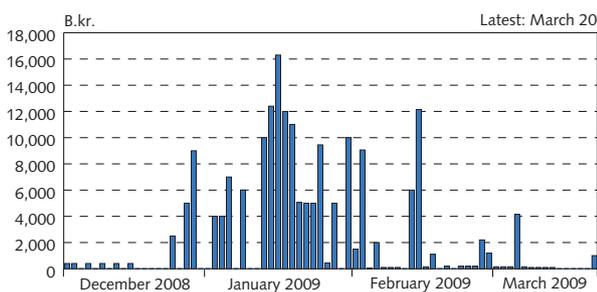
VII-26

FX-market turnover Daily data



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Turnover on interbank market for Icelandic króna Daily data



VII-28

Bond market turnover Daily data

