

# Tables and charts

*Based on statistical information available on July 25, 2003.*

*A list of symbols is on the inside of the front cover.*

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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 <sup>5</sup>			
	% change in CPI over the previous <sup>1</sup>		% ch. in effective exchange rate <sup>1,2</sup>		Short-term rates			Long-term rates				12-month % change			
	1 month	12 months	1 month	12 months	Central Bank repo yield	3-month REIBOR <sup>3</sup>	3-month Treasury bills	5-y. non-indexed 1-notes	10-year Treasury bonds <sup>4</sup>	25-year housing bonds <sup>4</sup>	Base money	M3 lending <sup>6</sup>	DMB lending <sup>6</sup>	Foreign liab. for on-lending	
1997 .....															
1998 .....															
1999 .....															
2000 .....															
2001 .....															
2002 .....															
2002															
January .....	0.9	9.4	3.0	-13.3	10.1	12.6	9.6	9.3	5.2	5.8	13.9	16.7	11.8	17.1	48.0
February .....	-0.3	8.9	1.9	-11.9	10.1	11.9	9.6	9.1	5.4	6.1	24.3	18.2	11.6	16.6	56.8
March .....	0.4	8.7	0.3	-10.8	10.1	11.1	9.5	9.0	5.4	6.0	53.5	15.0	8.4	16.8	16.9
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	2.1	29.3
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	-0.2	20.3
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	2.2	-0.6
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	0.0	
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	10.8	
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	2.3	8.8	
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	1.5	22.9	
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	0.7	18.8	
December .....	0.1	2.0	1.9	14.2	5.8	6.2	5.8	6.9	4.9	5.2	17.2	15.8	1.1	13.6	
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	-0.9	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	0.8	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	2.7	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	5.2	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	19.4	10.1	25.7	
July <sup>†</sup> .....	-0.1	1.6	-2.2	2.6	5.3	5.3	5.2	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 5**

	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.)	as ratio of:	Trade balance (b.kr.)	Merchandise exports (b.kr.)	Merchandise imports (b.kr.)	Marine product prices 12-mo. % ch. <sup>10</sup>	Real exchange rate of króna <sup>11</sup>	Un-employment	Wages, 12-mo. % change	Fin. balance, % of rev., cum. from beg. of year <sup>12</sup>	Equity prices <sup>13</sup>	Housing prices <sup>14</sup>			
	in b.kr.	For. short-term liabil. <sup>9</sup>													12-mo. % changes	12-mo. % changes	
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	88.3	2.5	7.2	-5.6	16.7	6.5			
2002																	
January	37.4	2.2	0.4	0.0	5.3	18.9	13.6	3.2	83.4	2.4	10.0	4.0	2.5	3.4			
February	36.4	2.2	0.5	0.0	2.7	16.1	13.4	3.9	85.0	2.6	9.8	8.0	6.1	3.1			
March	36.0	2.2	0.4	0.0	-2.7	18.1	20.8	2.6	85.0	2.7	8.7	-0.9	11.3	2.3			
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	91.3	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	2.5	16.6	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	17.2	1.8	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	4.2	96.3	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	97.3	3.6	5.6	2.2	14.1	...			
June	36.9	2.5	...	3.5	...	...	...	...	97.2	3.2	5.6	2.2	14.6	...			
July <sup>†</sup>	...	...	...	3.9	...	...	...	...	...	...	...	...	18.9	...			

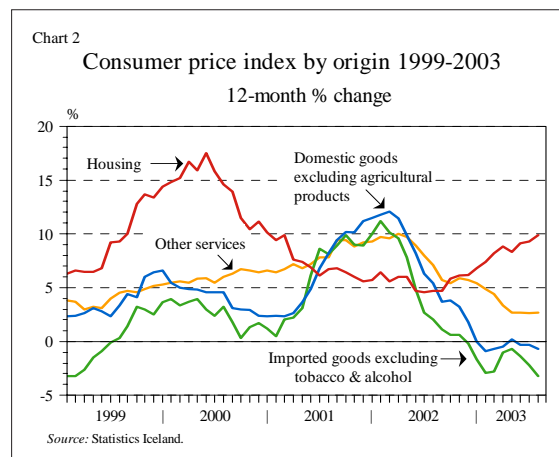
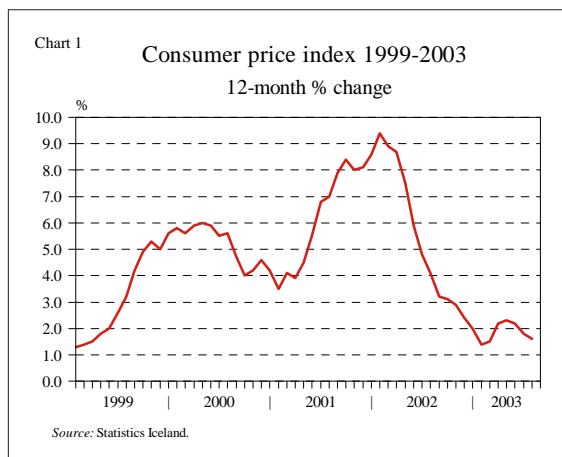
8. Gross foreign exchange reserves at end of period as a ratio of the average monthly value of merchandise imports. Calculated at fixed exchange rates. 9. The denominator is foreign short-term liabilities of credit institutions (deposit money banks and investment banks). 10. Prices in SDR. Annual figures are % changes between annual averages. 11. 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. 12. Cash basis. 13. The ICEX-15 index from January 1 1998. Earlier the ICEX stock price index. Annual figures are % changes over year. 14. Residential housing in the Greater Reykjavík Area. 3-month moving average of price per m<sup>2</sup> based on present value of contracts. Annual figures are % changes over year. † To July 25, 2003.

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

	2002		2003						
	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July
Consumer price index, May 1988 = 100 .....	223.7	223.9	224.7	224.3	226.7	227.0	226.6	226.8	226.5
<i>1-month % changes:</i>									
Consumer price index .....	-0.2	0.1	0.4	-0.2	1.1	0.1	-0.2	0.1	-0.1
Domestic goods excl. agric. products and vegetables .....	-0.7	-0.9	0.5	0.5	0.2	0.3	-0.9	0.5	0.0
Agricultural products and vegetables .....	-0.8	-1.8	1.6	0.0	-0.4	-0.6	0.2	-0.1	-1.3
Imported goods excl. alcohol and tobacco .....	-0.5	-0.8	-1.0	-1.3	2.8	0.4	-0.7	-0.4	-1.1
Petrol .....	-1.2	-3.9	2.6	-0.4	5.0	-0.4	-5.7	-2.8	2.7
Housing .....	0.5	1.2	1.1	0.9	1.0	0.7	0.7	0.3	1.1
Public services .....	0.2	0.0	3.0	0.2	0.4	0.0	0.1	0.0	0.8
Other services.....	0.1	0.3	0.5	0.1	0.0	-0.4	0.1	0.4	0.2
Harmonised index of consumer prices (HICP) <sup>1</sup> .....	-0.2	0.0	0.2	-0.2	1.1	-0.1	-0.1	0.1	...
<i>12-month % changes:</i>									
Consumer price index .....	2.4	2.0	1.4	1.5	2.2	2.3	2.2	1.8	1.6
Domestic goods excl. agric. products and vegetables .....	1.8	0.0	-0.9	-0.7	-0.5	0.2	-0.3	-0.3	-0.7
Agricultural products and vegetables .....	-2.7	-2.4	-4.4	-5.7	-4.2	-2.3	-1.8	-2.8	-3.6
Imported goods excl. alcohol and tobacco .....	-0.2	-1.7	-2.9	-2.8	-1.0	-0.7	-1.4	-2.2	-3.2
Petrol .....	-0.2	-2.5	2.2	1.8	8.1	8.5	2.5	-4.2	-1.2
Housing .....	6.2	6.8	7.4	8.2	8.8	8.3	9.1	9.3	9.9
Public services .....	3.4	3.5	4.8	6.2	6.6	6.6	6.6	6.0	6.8
Other services.....	5.7	5.4	4.9	4.4	3.3	2.7	2.7	2.6	2.7
Harmonised index of consumer prices (HICP) <sup>1</sup> .....	2.3	1.9	1.1	1.1	1.9	1.9	1.8	1.3	...
Building cost index for residential buildings .....	5.8	4.6	2.7	3.5	3.3	3.2	3.0	3.2	3.3
Housing prices <sup>2</sup> .....	6.3	6.5	7.3	8.5	10.2	11.6	12.6	12.5	13.1
<i>Foreign CPI and commodity prices, 12-mo. % changes</i>									
Consumer price index in USA.....	2.2	2.4	2.6	3.0	3.0	2.2	2.1	2.1	...
Consumer price index in euro area <sup>3</sup> .....	2.3	2.3	2.1	2.4	2.4	2.1	1.9	2.0	...
Commodity prices excl. oil.....	11.4	11.6	12.5	12.1	7.2	6.9	7.1	...	...
Petrol prices <sup>4</sup> .....	28.2	52.6	60.5	60.8	27.8	-2.8	1.5	14.5	...

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 m<sup>2</sup> 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.

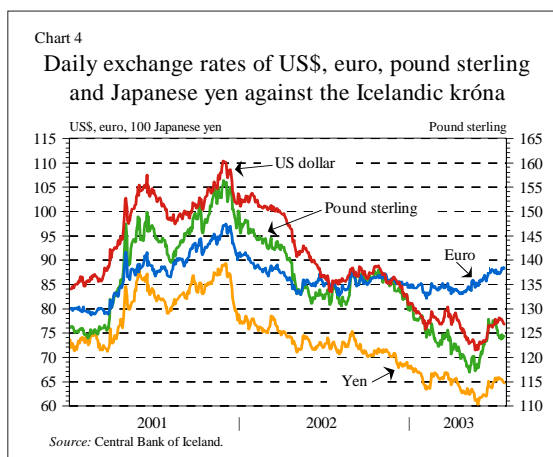
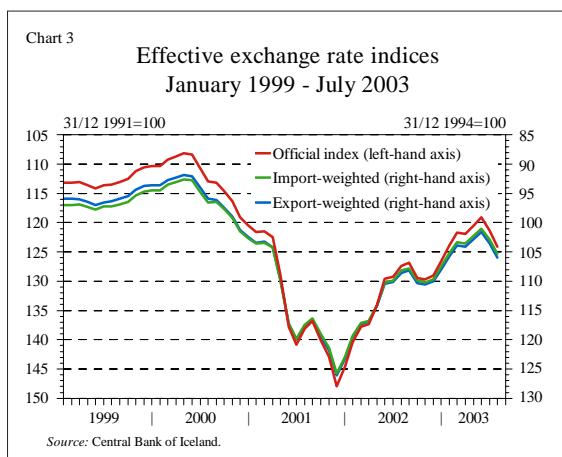


### Table 3 Exchange rate of the Icelandic króna

Monthly averages	2002		2003							3-month % ch. to July 25 <sup>3</sup>
	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	
<i>Effective exchange rate indices:<sup>1</sup></i>										
Official index (31/12 '91 = 100).....	129.1	126.6	123.9	121.7	122.0	120.5	119.0	121.3	124.1	1.5
Import-weighted index (31/12 '94 = 100) <sup>1</sup> ...	109.6	107.5	105.2	103.3	103.5	102.3	101.0	102.9	105.3	1.4
Export-weighted index (31/12 '94 = 100) <sup>1</sup> ...	110.1	108.0	105.7	103.9	104.1	102.8	101.6	103.6	105.9	1.6
<i>Central Bank quotations:<sup>2</sup></i>										
U.S. dollar .....	86.1	83.5	79.5	77.7	78.0	77.1	73.0	74.0	77.2	2.4
Euro .....	86.2	85.1	84.5	83.7	84.3	83.5	84.4	86.3	87.7	-0.5
Japanese yen.....	0.708	0.684	0.670	0.651	0.658	0.642	0.623	0.626	0.652	2.8
Pound sterling.....	135.3	132.5	128.5	125.1	123.5	121.2	118.4	122.9	125.5	6.0
Danish krone .....	11.60	11.45	11.37	11.26	11.36	11.24	11.37	11.62	11.80	-0.6
Norwegian krone .....	11.77	11.65	11.52	11.09	10.76	10.66	10.72	10.58	10.56	4.8
Swedish krona .....	9.49	9.35	9.21	9.15	9.15	9.12	9.22	9.47	9.55	-1.6
<i>% changes<sup>3</sup></i>										
<i>Effective exchange rate indices:</i>	Between annual averages				From beginning of year			Previous 12 months <sup>4</sup>		
	1999	2000	2001	2002	July'01	July'02	July'03	July'01	July'02	July'03
Official index (31/12 '91 = 100).....	0.2	-0.1	-16.7	3.0	-11.8	12.1	0.6	-18.0	8.4	1.8
Import-weighted index (31/12 '94 = 100)....	0.2	0.2	-16.4	3.1	-11.7	12.2	0.6	-17.8	8.5	1.9
Export-weighted index (31/12 '94 = 100)....	0.1	-0.2	-17.0	3.0	-12.0	12.0	0.5	-18.2	8.3	1.7
<i>Central Bank quotations:<sup>2</sup></i>										
U.S. dollar .....	-1.8	-8.2	-19.3	6.9	-15.5	20.6	5.2	-21.6	17.2	11.4
Euro (Deutschemark before 1999).....	2.6	6.3	-17.0	1.5	-10.3	9.1	-4.0	-17.3	4.9	-5.1
Japanese yen.....	-14.6	-12.6	-9.1	10.2	-8.2	10.4	5.3	-10.5	12.8	10.2
Pound sterling.....	0.6	-1.7	-15.3	2.6	-11.7	11.6	4.7	-17.6	6.7	7.9
Danish krone .....	2.5	6.5	-17.0	1.2	-10.5	9.0	-3.9	-17.4	4.6	-5.0
Norwegian krone .....	1.5	3.7	-17.7	-5.2	-13.1	1.7	8.6	-19.5	-2.4	5.4
Swedish krona .....	2.1	2.0	-9.0	0.4	-5.9	8.6	-3.8	-9.7	4.6	-5.5

1. Based on a trade-weighted (goods and services) basket of trading partners' currencies. 2. Exchange rate of respective currency against the Icelandic króna. 3. Positive sign indicates an appreciation of the Icelandic króna. 4. To July 25, 2003.

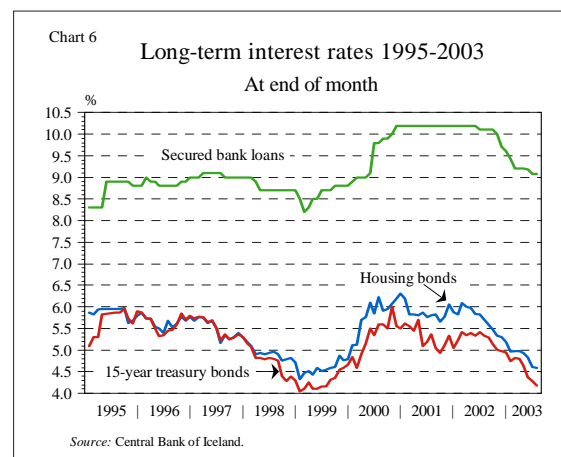
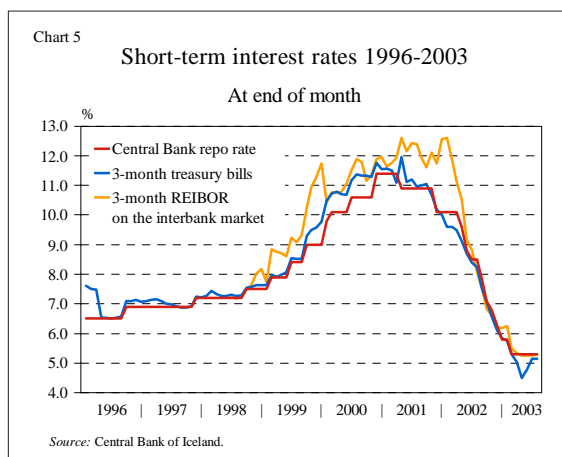
Source: Central Bank of Iceland.



### Table 4 Interest rates

All figures are in %	Annual averages <sup>1</sup>			At end of month January-July 2003 <sup>10</sup>						
	2000	2001	2002	Jan.	Feb.	March	April	May	June	July
<i>Central Bank rates</i>										
Credit institutions' current account.....	5.9	6.8	5.5	3.3	2.8	2.8	2.8	2.8	2.8	2.8
Required deposits <sup>2</sup> .....	8.7	9.4	7.1	4.6	4.1	4.1	4.1	4.1	4.1	4.1
Overnight loans (discount rates).....	11.4	12.3	10.7	8.2	7.7	7.7	7.7	7.7	7.7	7.7
Repurchase agreements <sup>3</sup> .....	10.4	10.9	8.4	5.8	5.3	5.3	5.3	5.3	5.3	5.3
<i>Yields in the money market<sup>4</sup></i>										
REIBOR, O/N.....	11.0	12.3	9.3	6.2	5.5	4.8	5.0	5.3	5.3	5.3
REIBOR, 1-month.....	11.1	12.1	9.0	6.3	5.5	5.2	5.1	5.1	5.2	5.2
REIBOR, 3-month.....	11.2	12.0	8.9	6.3	5.5	5.4	5.3	5.3	5.3	5.3
REIBOR, 6-month.....	11.3	11.8	8.8	6.3	5.6	5.5	5.5	5.5	5.5	5.5
Treasury bills, 3-month.....	11.1	11.0	7.9	5.8	5.3	5.0	4.5	4.8	5.1	5.2
Treasury bills, 12-month.....	11.3	10.9	7.9	6.3	5.3	5.1	5.0	4.9	5.1	5.1
Bank bills, 3-month <sup>5</sup> .....	11.5	12.5	9.2	6.2	5.6	5.5	5.7	5.6	5.6	5.3
<i>Yields in the capital market<sup>6</sup></i>										
Treasury notes, up to 5 yrs.....	11.1	10.6	8.1	7.0	7.3	6.9	7.0	6.6	6.8	6.9
Treasury bonds, 5 yrs.....	6.0	5.8	5.4	4.4	4.4	4.4	4.0	4.1	4.2	4.2
Treasury bonds, 10 yrs.....	5.3	5.3	5.2	4.7	4.8	4.8	4.6	4.4	4.3	4.2
Housing bonds, 25 yrs.....	5.9	5.9	5.7	5.0	5.0	5.0	4.9	4.8	4.6	4.6
Bank bonds <sup>7</sup> .....	6.6	7.0	6.9	6.2	6.0	5.8	5.5	5.4	5.8	...
<i>Deposit money banks' lending rates<sup>8</sup></i>										
Average rates on non-indexed securities...	16.7	18.0	15.4	12.5	12.0	12.0	12.0	12.0	12.0	12.0
Average rates on indexed securities.....	9.5	10.2	10.1	9.4	9.2	9.2	9.2	9.2	9.1	9.1
<i>Rates acc. to Interest Rate Act 38/2001<sup>9</sup></i>										
Penalty rates.....	21.9	23.7	21.3	17.5	17.5	17.5	17.5	17.5	17.5	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. 10. To July 25, 2003. Source: Central Bank of Iceland.

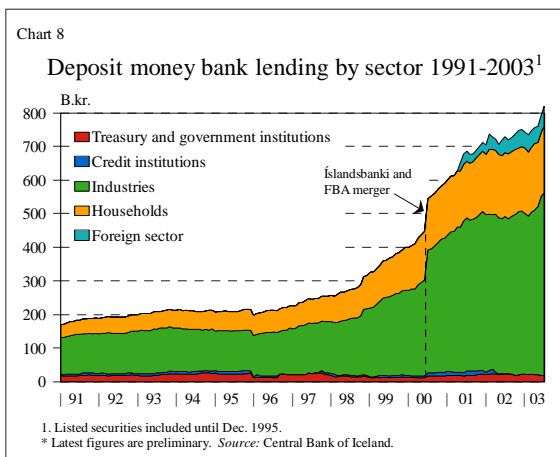
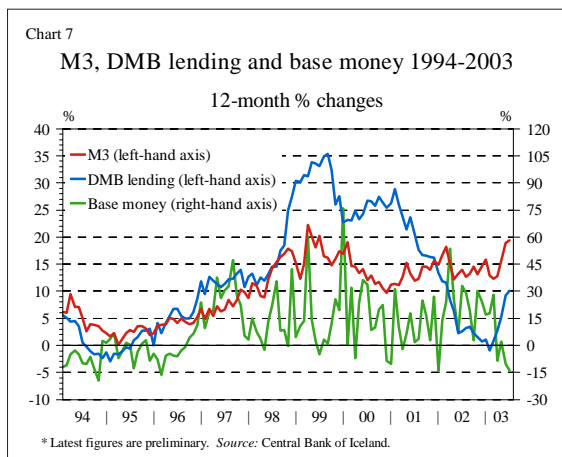


## Table 5 Money and credit

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

	In b.kr. June 2003	% change over year			1-mo. change in b.kr.			12-mo. % change		
		2000	2001	2002	Apr. '03	May '03	June '03	June '01	June '02	June '03
<b>Central Bank</b>										
Net foreign exchange reserves .....	32.8	.	.	.	1.7	-0.3	5.5	.	.	.
Claims on Treasury and gov. inst., net..	-24.5	.	.	.	0.8	0.1	1.4	.	.	.
Claims on deposit money banks.....	62.8	32.0	38.7	27.9	-2.9	-4.7	-3.4	42.2	96.9	-24.6
Base money.....	34.4	-10.4	-14.2	17.2	-0.2	-4.2	1.7	1.9	32.9	-13.8
Notes and coins in circulation.....	7.5	0.2	3.6	3.4	0.3	0.3	0.0	5.8	0.4	6.0
Reserves of deposit money banks .....	26.9	-13.0	-19.2	22.3	-0.5	-4.5	1.8	0.8	42.9	-18.0
<b>Deposit money banks<sup>1</sup></b>										
Central Bank items .....	-35.7	.	.	.	3.3	-0.1	5.5	.	.	.
Short-term position, net.....	-57.8	.	.	.	3.8	4.4	4.5	.	.	.
Credit and listed securities <sup>2</sup> .....	1,038.3	24.8	22.5	2.2	1.4	37.0	33.3	26.9	7.9	12.5
Credit.....	818.1	26.7	19.7	1.8	2.8	27.2	24.7	26.4	4.7	10.9
Treasury and government institutions	18.6	13.4	9.3	3.6	0.1	-2.1	0.0	7.5	28.9	-19.6
Non-bank financial institutions.....	-	106.8	-45.2	-100.0	-	-	-	36.0	-89.8	-100.0
Industries .....	542.6	25.5	15.5	2.3	12.0	32.5	9.3	24.5	2.1	16.5
Households .....	197.6	25.8	9.9	8.1	-8.5	0.8	6.9	12.2	12.9	3.0
Foreign sector.....	59.2	1,569.1	13.3	-0.7	2.6	8.5	.	45.9	23.4	.
Listed securities.....	132.6	14.0	23.9	-4.2	-0.5	-2.9	5.0	22.1	8.0	7.6
Domestic credit and listed securities.....	967.6	23.8	17.2	0.8	1.8	35.1	25.1	20.9	6.2	11.7
Domestic credit.....	758.8	26.2	13.4	1.1	3.5	24.7	16.2	20.5	2.6	10.1
Deposits .....	432.1	11.5	15.1	16.1	8.8	14.3	8.2	12.2	14.3	19.6
Bonds.....	257.0	60.2	18.9	2.7	-5.1	8.1	26.5	30.2	17.8	14.0
Foreign liabilities for on-lending.....	353.7	29.3	20.3	-0.6	11.4	5.8	30.8	33.7	2.2	25.7
<b>Banking system<sup>1</sup></b>										
Foreign assets, net .....	-230.7	97.0	9.8	6.7	7.2	-8.1	-0.7	39.1	-9.6	5.3
Credit and marketable securities .....	1,021.9	25.4	21.2	1.8	2.5	43.1	34.8	28.3	3.8	14.6
Money supply, M1 <sup>3</sup> .....	100.9	4.4	-2.3	26.5	2.3	13.6	2.4	-9.6	7.8	35.6
M2 (M1 + demand savings deposits)....	192.2	-3.5	11.0	10.6	2.8	16.3	11.0	-0.2	8.3	26.7
M3 (M2 + time savings deposits).....	439.6	11.2	14.9	15.8	9.1	14.7	8.2	12.0	14.0	19.4
M4 (M3 + securities issues).....	696.6	25.1	16.3	10.9	4.0	22.8	34.6	18.1	15.4	17.3

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.

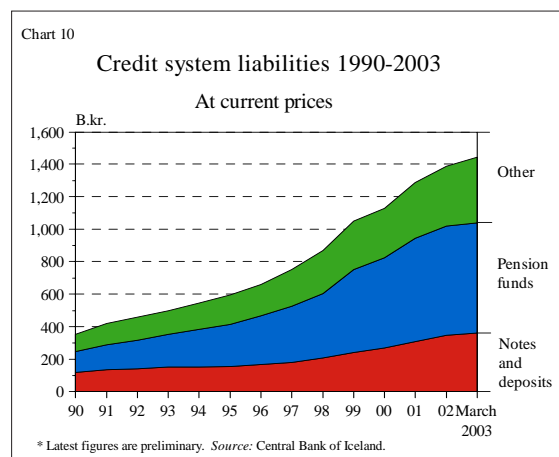
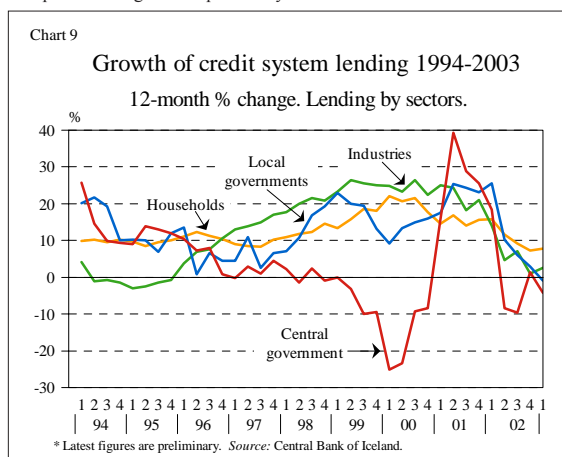




### Table 6 The credit system<sup>1</sup>

	In b.kr. March 2003	% change over year						3-mo. % change		
		1997	1998	1999	2000	2001	2002	Sept. '02	Dec. '02	Mar. '03
<b>Assets</b>										
Loans and domestic securities.....	2,028.5	11.8	15.1	17.3	17.2	19.3	3.4	2.4	0.6	2.0
Banking system <sup>2</sup> .....	880.4	16.5	27.2	23.7	44.4	13.8	8.2	0.9	0.6	3.9
Industrial credit funds <sup>2</sup> .....	75.3	25.0	21.0	22.9	-39.3	33.2	-38.1	2.4	8.7	0.6
Housing credit funds.....	402.1	7.5	7.2	13.9	12.0	18.1	10.8	2.5	2.5	3.6
Pension funds.....	575.8	14.5	8.9	17.9	4.6	16.4	13.6	2.2	4.6	2.5
Insurance companies.....	61.1	4.7	9.6	10.1	24.1	12.2	13.3	6.1	1.1	2.3
Leasing companies.....	46.1	76.4	38.9	23.7	29.0	13.3	-4.6	1.7	-1.3	-2.1
Mutual funds.....	144.5	68.0	123.5	24.1	-14.0	22.3	39.2	10.8	5.1	15.0
Foreign credit.....	868.1	11.7	19.3	24.0	39.5	30.5	-5.0	1.1	-1.9	-0.6
Public lending funds <sup>3</sup> .....	336.8	1.6	-3.7	2.2	0.0	31.9	-3.0	3.9	-6.7	-0.6
Total of above.....	3,390.2	12.5	15.5	18.3	18.4	21.9	3.3	2.1	0.3	2.2
Less inter-institutional lending.....	1,361.8	13.6	16.0	19.9	20.3	25.9	3.1	1.8	-0.1	2.5
Assets = liabilities.....	2,028.5	11.8	15.1	17.3	17.2	19.3	3.4	2.4	0.6	2.0
<b>Liabilities</b>										
Domestic liabilities.....	1,445.1	13.7	16.1	21.0	7.2	14.1	7.9	3.2	1.9	4.0
Notes and deposits.....	361.9	9.0	15.7	16.6	11.1	14.9	13.2	5.0	2.3	3.5
Securities.....	187.4	15.6	30.2	23.0	8.4	7.7	8.8	5.4	1.2	7.3
Insurance indemnity fund.....	52.0	4.8	5.8	9.1	11.5	15.6	8.3	-1.6	0.8	6.0
Pension funds.....	678.0	14.4	15.2	27.4	9.9	13.7	5.6	-0.3	4.3	1.4
Capital of financial institutions.....	192.9	9.5	5.7	-1.9	14.3	26.0	18.1	0.4	8.9	5.2
Other, net.....	-27.1	.	.	.	.	.	.	.	.	.
Foreign credit, net.....	583.4	6.9	12.6	6.6	50.0	31.4	-5.7	0.6	-2.3	-2.5
<b>Credit by sector:</b>										
Central government.....	150.4	4.5	-0.9	-9.5	-8.4	25.4	1.3	8.5	2.6	-4.9
Municipalities.....	90.2	6.6	19.3	13.1	15.9	23.0	2.8	0.2	1.9	-0.7
Industries.....	1,006.5	16.9	20.8	24.9	22.4	21.0	1.0	2.7	-0.6	2.8
Households.....	781.4	10.1	14.6	18.0	17.6	15.5	7.3	1.0	1.6	2.8

1. Included are the banking system, investment credit funds, pension funds, state lending funds, insurance companies, leasing companies, mutual funds and foreign sector. Figures are partly estimated. Latest figures are preliminary. 2. Beginning June 30, 2000, due to the FBA-Íslandsbanki merger, figures for FBA investment bank count as banking system, but previously as industrial credit funds. 3. Due to revised methodology, figures for 1997 and later years are not comparable to figures for previous years. Source: Central Bank of Iceland.



### Table 7 Financial markets

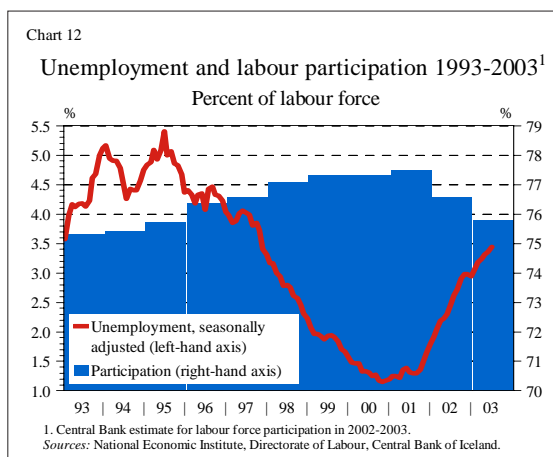
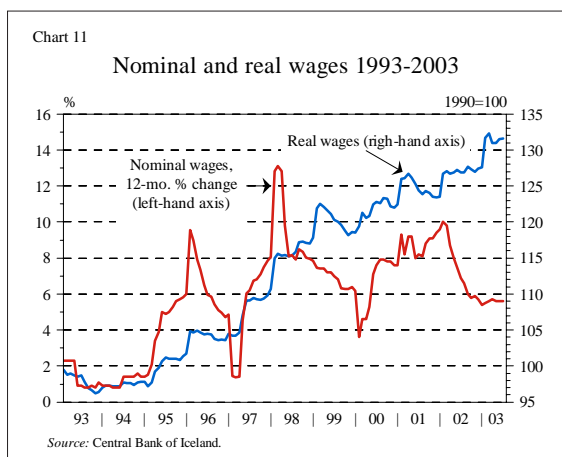
At end of period	Outstanding in b.kr.			1-month % change			12-month % change		
	2001	2002	May'03	Mar.'03	Apr.'03	May'03	Mar.'03	Apr.'03	May'03
Money market <sup>1</sup> .....	22.2	29.6	42.7	38.0	-9.7	4.5	27.1	-10.4	5.6
Securities market.....	645.8	710.0	765.4	0.4	0.1	3.0	12.3	14.1	15.9
thereof Treasury bonds.....	69.0	55.8	50.9	0.9	2.2	2.2	-29.5	-18.3	-9.9
thereof housing bonds.....	225.3	259.2	276.2	1.8	1.5	0.8	15.3	15.9	15.2
Market capitalisation of listed equities	428.0	529.3	548.2	0.3	-0.5	1.6	13.0	10.4	9.7
Mutual funds units (open-end).....	99.8	129.9	156.7	1.6	5.0	3.7	43.1	41.0	43.1

1. Bills issued by Treasury, commercial banks, savings bank and investment credit funds. 2. Government bonds, government notes, housing bonds, state housing fund bonds and listed bond issues of banks, savings banks, investment credit funds, leasing companies, firms, municipalities and foreign parties. 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	June'03	Apr.'03	May'03	June'03	June'01	June'02	June'03
Wage index (1990=100).....	182.0	195.0	205.8	0.1	0.2	0.2	8.2	6.9	5.6
Real wages (1990=100) <sup>1</sup> .....	124.7	127.5	131.6	0.0	0.4	0.1	1.3	2.0	3.7
Number of new work permits.....	4,505	3,637	377	41	25	132	172	-219	114
Job vacancies, total.....	536	221	546	152	155	-57	160	-356	292
thereof Greater Reykjavik Area.....	319	66	87	7	8	-35	33	-294	54
<i>Period averages</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>Apr.'03</i>	<i>May'03</i>	<i>June'03</i>	<i>June'01</i>	<i>June'02</i>	<i>June'03</i>
Number of unemployed.....	1,865	2,009	3,631	5,509	5,298	5,081	1,820	3,558	5,081
Measured unemployment rate (% of labour force)	1.3	1.4	2.5	3.9	3.6	3.2	1.2	2.3	3.2
Seasonally adjusted unemployment rate.....	.	.	.	3.3	3.4	3.4	1.3	2.5	3.4
Quarterly measurements	Averages			3-month % change			12-month % change		
	2001	2002	Q2'03	Q4'02	Q1'03	Q2'03	Q2'01	Q2'02	Q2'03
Wage index (1990 = 100).....	181.9	195.0	205.3	0.7	4.0	0.5	8.4	7.5	5.6
Wages in the private sector.....	169.4	178.6	188.1	0.4	4.4	0.4	8.1	5.7	5.5
Wages in the public sector and banks.....	202.1	221.9	234.0	1.1	3.5	0.5	8.9	10.2	5.9

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

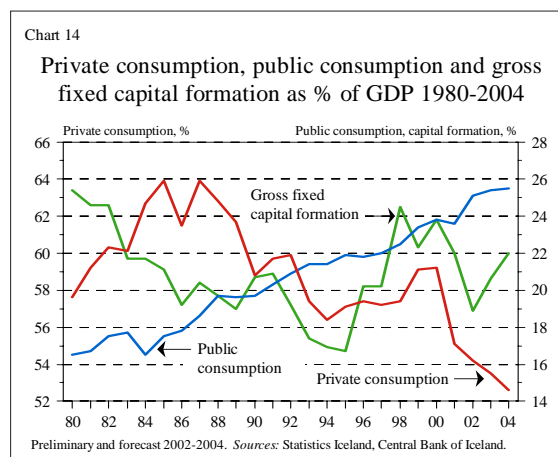
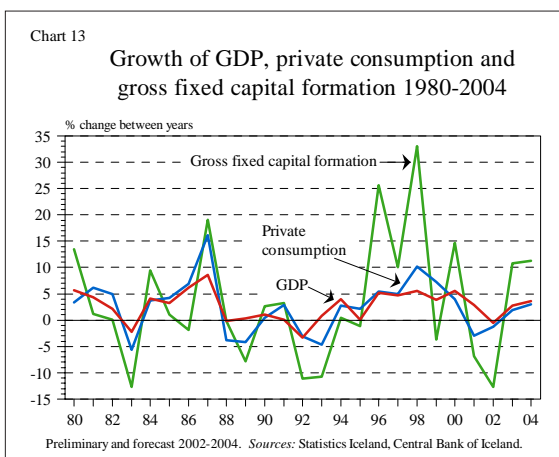


**Table 9 National accounts – annual data**

<i>Billion króna</i>	1996	1997	1998	1999	2000	<i>Preliminary<sup>1</sup></i>		<i>Forecast<sup>1</sup></i>	
						2001	2002	2003	2004
Gross domestic production (GDP), current prices	485.2	512.7	567.6	606.6	658.2	740.7	774.4	814.4	869.5
Current account balance, current prices .....	-8.7	-8.9	-39.5	-42.6	-67.1	-29.0	1.8	-6.2	-17.4
GDP at 1990 fixed prices .....	396.4	404.9	427.2	444.0	468.5	482.2	479.9	506.2	524.3
GNP at 1990 fixed prices .....	383.5	394.7	425.3	441.4	457.0	469.3	475.9	500.5	516.5
<i>Volume changes between years, percent</i>									
Private consumption .....	5.4	5.0	10.2	7.3	4.0	-3.0	-1¼	2	3
Public consumption .....	1.2	2.5	3.4	4.5	3.8	2.9	3	2½	2½
Gross fixed capital formation .....	25.6	10.0	33.0	-3.7	14.7	-6.9	-12¾	10¾	11¼
Industries .....	46.1	17.8	39.0	-5.8	14.9	-14.3	-19½	14	20¾
Housing .....	7.1	-9.3	-1.1	0.3	10.5	17.8	5¼	3	3½
Public works and buildings .....	-3.7	6.6	22.9	0.9	18.1	-1.5	-8¼	11¼	-7
National expenditure .....	7.1	5.5	13.5	4.0	6.7	-3.6	-2½	3¾	4¾
Exports of goods and services .....	9.8	5.5	2.0	4.0	5.0	7.9	3	2	4
Exports of goods .....	9.1	1.9	-2.6	7.1	-1.3	7.2	6	1½	4
Exports of services .....	12.0	16.0	13.2	-2.5	19.3	9.1	-2¾	3	4¼
Imports of goods and services .....	16.5	7.7	23.5	4.2	8.0	-9.0	-2½	4½	7
Imports of goods .....	16.6	5.8	24.3	3.2	2.8	-10.0	-3¼	4½	8
Imports of services .....	16.9	15.8	21.2	6.9	21.5	-6.9	-1	4¾	4¾
Gross domestic production (GDP) .....	5.2	4.7	5.5	3.9	5.5	2.9	-½	2¾	3½
Gross national product (GNP) .....	4.6	2.9	7.7	3.8	4.6	2.3	1½	3	3¼
Gross national income (GNI) .....	4.6	5.6	7.7	3.8	3.4	2.4	2	2¾	3¼
Terms of trade (goods and services) .....	-3.1	2.1	5.6	-0.8	-2.7	0.2	½	-½	¾
<i>Percent of GDP</i>									
Private consumption .....	57.4	57.2	57.4	59.1	59.2	55.1	54¼	53½	52½
Gross fixed capital formation .....	20.2	20.2	24.5	22.3	23.8	22.0	19	20½	22
Current account balance .....	-1.8	-1.7	-7.0	-7.0	-10.2	-3.9	¼	-¾	-2
Gross national saving .....	18.4	18.4	17.7	15.2	13.9	17.8	18¾	18½	18½

1. Central Bank of Iceland preliminary figures and forecast for 2002-2004.

Sources: Statistics Iceland, Central Bank of Iceland.



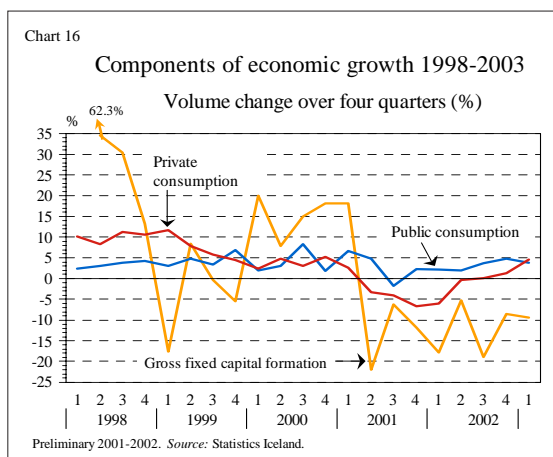
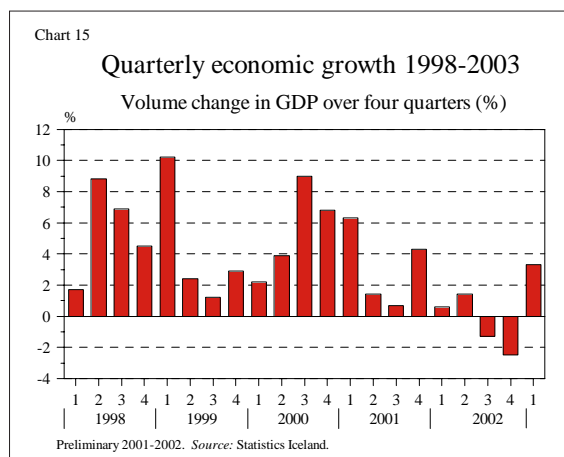
**Table 9 (continued) National accounts – quarterly data**

Billion króna	Private consumption	Public consumption	Gross fixed cap. format.	Changes in stocks	National expenditure	Exports	Imports	GDP
2000: Q1	88,430	36,698	35,168	-332	159,964	49,849	-57,672	152,141
2000: Q2	97,451	38,736	42,806	291	179,284	56,021	-71,618	163,687
2000: Q3	98,315	40,284	39,740	-469	177,870	66,790	-73,971	170,689
2000: Q4	105,377	41,023	38,729	3,004	188,134	58,972	-75,376	171,730
2001: Q1	95,228	40,828	45,448	-2,739	178,765	64,764	-74,773	168,756
2001: Q2	102,181	43,575	37,085	53	182,894	71,819	-74,897	179,816
2001: Q3	102,771	43,998	42,310	622	189,700	84,318	-84,131	189,887
2001: Q4	108,233	46,647	38,182	-20	193,042	82,731	-73,478	202,295
2002: Q1	100,194	46,894	41,037	-339	187,786	76,524	-71,432	192,878
2002: Q2	105,119	48,331	36,539	-896	189,094	78,650	-75,516	192,228
2002: Q3	104,809	48,377	34,071	825	188,082	80,083	-75,402	192,763
2002: Q4	109,351	51,133	34,885	229	195,598	72,973	-71,111	197,460
2003: Q1	104,321	50,513	36,201	-182	190,853	70,840	-66,808	194,885

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

2000: Q1	2.5	2.0	20.0	-0.4	5.6	-0.3	9.1	2.2
2000: Q2	4.8	3.1	7.9	-0.1	5.2	3.2	6.3	3.9
2000: Q3	3.1	8.3	14.9	-0.1	6.5	14.9	8.2	9.0
2000: Q4	5.2	1.8	18.2	2.4	9.4	1.3	8.8	6.8
2001: Q1	2.6	6.6	18.2	-1.7	5.4	15.4	11.5	6.3
2001: Q2	-3.2	4.8	-21.9	-0.3	-6.7	2.9	-16.4	1.4
2001: Q3	-4.1	-1.7	-6.2	0.8	-3.4	1.4	-8.1	0.7
2001: Q4	-6.6	2.3	-11.8	-2.3	-8.0	13.9	-19.8	4.3
2002: Q1	-6.0	2.1	-17.8	1.7	-6.0	2.6	-13.8	0.6
2002: Q2	-0.3	2.0	-5.2	-0.7	-1.6	11.1	2.6	1.4
2002: Q3	0.2	3.7	-18.8	0.3	-3.1	1.2	-3.2	-1.3
2002: Q4	1.3	4.7	-8.5	0.2	0.2	-1.3	6.8	-2.5
2003: Q1	4.6	3.8	-9.4	0	1.2	4.8	-0.5	3.3

Source: Statistics Iceland.



**Table 10 Current account balance (continued on next page)<sup>1</sup>**

<i>Trade in goods and services</i>	<i>Billion króna</i>					<i>% change from previous year<sup>2</sup></i>		
	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>Jan.-May'03</i>	<i>3-mo.</i>	<i>6-mo.</i>	<i>12-mo.</i>
Trade balance .....	-22.9	-38.0	-6.7	12.2	2.5	.	.	.
Merchandise exports fob .....	144.9	149.3	196.4	203.4	78.5	-12.4	-7.9	-2.4
Excluding ships and aircraft .....	138.5	146.1	193.1	201.1	77.9	-12.5	-7.5	-2.9
Marine products .....	97.7	94.5	121.8	127.7	47.9	-17.1	-10.3	-5.4
Aluminium and ferro-silicon.....	25.7	31.6	44.4	43.5	18.4	-8.7	0.2	2.0
Other industrial products.....	11.4	15.1	19.0	23.6	9.0	6.2	-5.6	5.5
Merchandise imports fob .....	167.8	187.3	203.1	191.2	76.0	1.1	4.9	1.5
Excluding ships and aircraft .....	159.7	177.5	190.1	180.0	73.7	13.5	10.8	5.8
Consumption goods.....	58.3	59.3	60.8	59.5	25.5	.	17.6	9.6
Investment goods .....	41.5	44.3	44.4	38.6	15.9	13.1	11.6	2.9

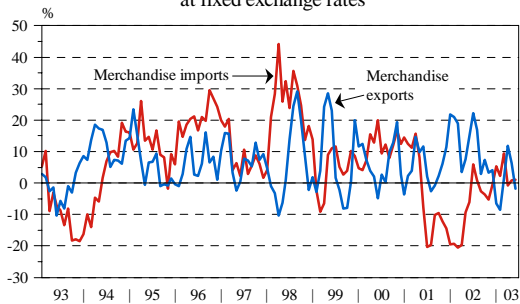
  

<i>Services and income balance</i>	<i>Billion króna</i>					<i>% change from previous year<sup>2</sup></i>		
	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003:Q1</i>	<i>3-mo.</i>	<i>6-mo.</i>	<i>12-mo.</i>
Services balance .....	-6.9	-9.5	2.3	1.1	-2.7	.	.	.
Services exports .....	67.2	82.4	107.0	103.9	21.5	4.6	6.2	0.8
Transportation .....	30.8	40.8	50.9	51.8	10.6	-2.0	9.0	3.9
Travel .....	16.1	18.0	22.9	22.8	3.1	11.8	16.0	7.7
Other receipts .....	20.3	23.6	33.3	29.2	7.8	12.0	-1.6	-8.4
Services imports .....	-74.2	-91.9	-104.8	-102.8	-24.2	14.9	15.1	6.2
Transportation .....	-25.6	-32.7	-37.1	-39.6	-9.3	10.7	25.4	10.9
Travel .....	-31.5	-37.1	-36.4	-33.3	-6.6	13.7	12.6	1.2
Other expenditure.....	-17.1	-22.1	-31.3	-30.0	-8.3	21.0	6.5	6.1
Balance on income .....	-12.6	-19.4	-25.1	-16.8	-4.6	.	.	.
Receipts .....	9.3	11.6	16.8	16.3	4.3	32.2	10.4	6.3
Compensation of employees.....	4.9	5.5	5.8	5.4	1.5	23.2	13.6	2.8
Interest payments .....	2.3	3.5	3.4	4.1	1.0	8.8	22.1	24.0
Dividends and reinvested earnings ...	2.1	2.6	7.7	6.7	1.8	62.5	4.5	0.9
Expenditures.....	-21.9	-31.0	-41.9	-33.1	-8.9	4.3	1.0	-10.6
Compensation of employees.....	-0.3	-0.8	-0.5	-0.7	-0.1	54.7	-0.8	55.3
Interest payments .....	-20.8	-28.5	-41.1	-30.6	-7.4	-10.2	-9.9	-21.2
Dividends and reinvested earnings ...	-0.8	-1.6	-0.3	-1.8	-1.3	710.9	32,686.5	-492.5
Current transfer, net.....	-0.7	-0.8	-1.0	1.2	-0.4	19.1	19.5	-188.2
Current account balance .....	-42.6	-67.1	-29.7	-0.8	-1.0	.	.	.

Chart 17

**Merchandise trade 1993-2003**

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

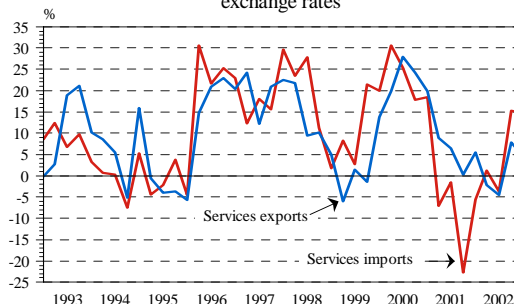


Latest data are preliminary. Sources: Statistics Iceland, Central Bank of Iceland.

Chart 18

**Exports and imports of services 1993-2003**

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

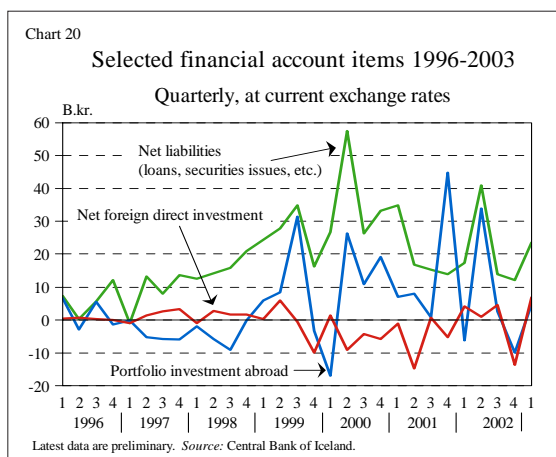
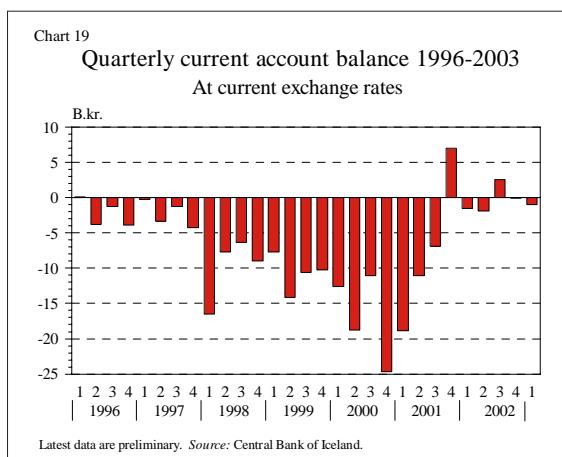


Latest data are preliminary. Source: Central Bank of Iceland.

**Table 10 (continued) Current account balance<sup>1</sup>**

	Billion króna					Change from prev. year (in b.kr.): <sup>2</sup>		
	1999	2000	2001	2002	2003:Q1	3-mo.	6-mo.	12-mo.
<i>Capital and financial account</i> .....	57.1	71.9	17.3	14.2	14.1	.	.	.
Capital transfer, net.....	-0.1	-0.2	0.4	-0.1	0.1	0.1	0.0	-0.3
Financial account <sup>4</sup> .....	57.2	72.2	17.0	14.4	14.1	0.0	5.0	2.3
Financial account excl. reserves .....	62.5	66.4	12.2	20.0	14.3	-0.6	-5.6	10.6
Direct investment, net.....	-4.1	-17.5	-20.1	-3.7	6.9	3.3	-5.7	12.8
Abroad .....	-8.9	-31.0	-34.7	-16.1	0.3	0.8	5.8	16.2
In Iceland.....	4.8	13.4	14.6	12.3	6.6	2.5	-11.5	-3.4
Portfolio investment, net.....	42.5	39.4	60.8	20.5	4.8	10.1	-39.4	-12.2
Assets.....	-32.4	-50.4	-5.6	-28.2	-7.3	-1.8	-11.2	-23.1
Equities.....	-26.8	-49.9	-5.8	-23.8	-6.7	-1.0	-11.5	-17.1
Debt securities.....	-5.6	-0.4	0.2	-4.5	-0.6	-0.9	0.3	-6.0
Liabilities.....	74.9	89.8	66.5	48.7	12.0	12.0	-28.2	10.9
Equities.....	4.0	-3.4	4.3	1.5	-2.5	-0.3	1.7	0.3
Debt securities.....	70.8	93.1	62.2	47.2	14.5	12.3	-29.8	10.6
Other investment, net <sup>4</sup> .....	24.0	44.6	-28.6	3.2	2.6	-14.0	39.5	10.0
Assets.....	-12.7	-7.1	-47.1	-33.6	-6.4	-9.9	1.8	-11.9
Liabilities.....	36.6	51.7	18.5	36.9	9.0	-4.1	37.8	21.8
Reserve assets.....	-5.3	5.8	4.8	-5.7	-0.2	0.6	10.5	-8.3
Net errors and omissions.....	-14.5	-4.8	12.4	-13.4	-13.2	.	.	.
<i>Memorandum items:</i>								
Long-term borrowing, net.....	84.0	143.0	38.6	40.3	16.3	-1.0	11.0	-7.1
Assets.....	-19.4	-0.5	-42.1	-43.8	-7.2	-9.2	1.9	-38.8
Monetary authorities.....	-1.1	7.0	4.8	-5.7	-0.2	0.6	10.5	-8.3
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	-6.0	-9.3	-13.1	-39.5
Other sectors.....	-8.9	-3.5	-28.4	-1.9	-1.0	-0.5	4.4	8.9
Liabilities.....	103.4	143.5	80.7	84.1	23.5	8.2	7.9	32.4
Monetary authorities.....	-4.3	9.4	-5.8	4.8	-5.7	-10.7	-0.1	4.4
General government.....	5.6	16.2	42.2	16.3	-4.9	-6.6	-41.5	-27.7
Deposit money banks.....	56.0	73.9	12.9	54.2	29.5	24.9	50.2	68.0
Other sectors.....	46.0	44.0	31.5	8.8	4.6	0.6	-1.7	-14.2

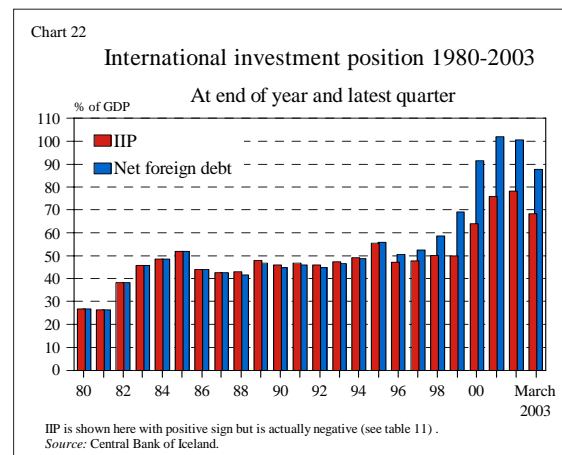
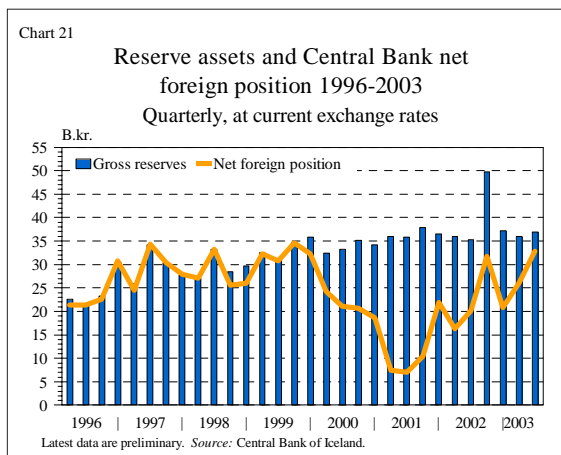
1. Latest figures are preliminary. 2. At current exchange rates, based on the period indicated. 3. Dividend payments and reinvestment of earnings on direct investment. 4. Positive value represents inflow of capital due to foreign borrowing or decrease in assets. Negative value accounts for outflow of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



### Table 11 International investment position

	Position at end of period, billion kr									
	1998	1999	2000	2001	2002	June '02	Sept. '02	Dec. '02	March '03	
International investment position .....	-289.2	-302.3	-447.6	-586.4	-562.5	-572.7	-581.8	-562.5	-554.5	
Total assets.....	152.4	244.1	315.8	421.1	405.4	401.9	408.7	405.4	405.8	
Direct investment abroad .....	23.7	33.0	56.2	86.7	86.4	88.9	88.9	86.4	86.9	
Equity capital .....	9.8	16.6	41.0	66.6	69.8	66.8	66.8	69.8	70.4	
Other capital .....	13.9	16.4	15.2	20.2	16.7	22.1	22.1	16.7	16.5	
Portfolio assets .....	67.1	137.6	186.3	202.5	169.8	167.9	158.6	169.8	168.3	
Equity capital .....	57.5	124.3	179.7	188.0	151.3	153.6	141.5	151.3	149.3	
Debt securities.....	14.9	14.6	6.6	14.6	18.5	14.3	17.1	18.5	19.0	
Other investment assets.....	26.6	36.6	39.1	95.2	112.0	109.7	111.4	112.0	114.7	
Reserves.....	29.6	35.8	34.2	36.6	37.2	35.4	49.8	37.2	35.9	
Total liabilities .....	441.6	546.4	763.4	1,007.5	967.9	974.6	990.5	967.9	960.3	
Direct investment in Iceland .....	32.3	34.9	41.4	67.0	69.9	73.8	77.1	69.9	76.4	
Equity capital .....	24.0	25.3	33.1	63.6	66.2	64.0	64.0	66.2	72.0	
Other capital .....	8.3	9.6	8.3	3.4	3.7	9.8	13.1	3.7	4.4	
Portfolio liabilities.....	152.5	226.2	346.7	468.0	464.9	464.0	477.0	464.9	456.9	
Equity capital .....	1.0	4.8	1.2	5.6	7.9	4.0	4.3	7.9	5.7	
Debt securities.....	156.6	222.6	345.5	462.4	457.0	460.0	472.7	457.0	451.2	
Other investment liabilities .....	251.7	284.2	375.3	472.4	433.1	436.8	436.5	433.1	427.1	
Long-term debt.....	198.6	229.2	288.1	377.0	295.4	312.0	298.9	295.4	279.2	
Short-term debt.....	53.1	55.0	87.2	95.4	137.7	124.8	137.6	137.7	147.9	
<i>Memorandum items:</i>										
Equity capital, net.....	48.0	117.6	193.3	202.1	159.9	164.7	149.1	159.9	154.1	
Net external debt position.....	-337.2	-419.9	-640.9	-788.5	-722.4	-737.4	-730.9	-722.4	-708.6	
Monetary authorities.....	26.0	32.2	18.6	21.7	20.8	20.1	31.6	20.8	25.9	
General government .....	-135.3	-138.2	-167.4	-239.6	-225.4	-226.9	-243.9	-225.4	-212.5	
Deposit money banks .....	-94.1	-145.2	-329.5	-377.4	-362.2	-364.5	-354.7	-362.2	-371.7	
Other sectors.....	-133.9	-168.6	-162.6	-193.2	-155.5	-166.1	-163.9	-155.5	-150.3	
<i>Percent of gross domestic product<sup>1</sup></i>										
International investment position .....	-50.3	-50.1	-64.0	-76.0	-78.3	-76.1	-77.4	-78.3	-68.5	
Net external debt <sup>2</sup> .....	58.6	69.4	91.6	102.1	100.5	98.0	97.3	100.5	87.6	
External debt position <sup>2</sup> .....	70.1	83.5	103.1	121.1	123.9	119.2	121.0	123.9	108.6	
Long-term debt.....	58.6	67.9	84.0	98.0	95.2	95.9	94.8	95.2	79.0	
Short-term debt.....	11.5	15.6	19.1	23.1	28.7	23.3	26.2	28.7	29.6	

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.

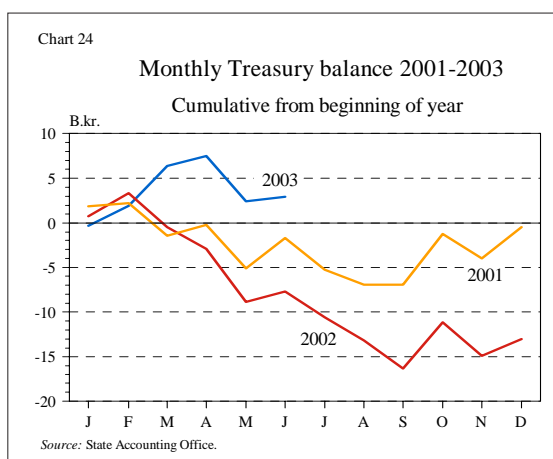
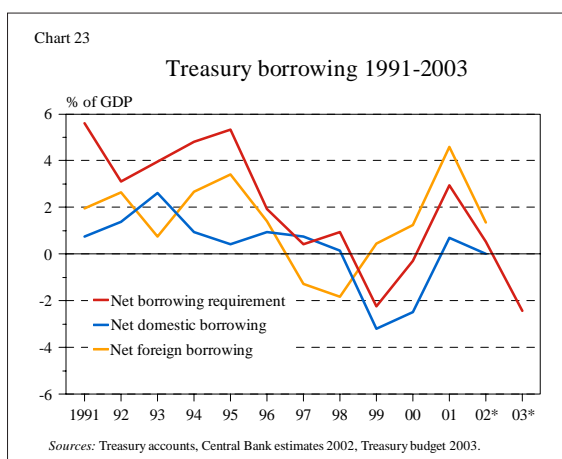


**Table 12 A summary of Treasury finances<sup>1</sup>**

<i>In b.kr.</i>	<i>Accruals basis</i>			<i>Jan.-Dec.</i>			<i>March-June</i>		<i>% ch. from prev. year</i>	
	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2001</i>	<i>2002</i>	<i>2002</i>	<i>2003</i>			
Revenues .....	222.6	224.7	237.4	220.9	233.8	5.8	71.8	86.4	20.4	
Expenditures .....	199.0	229.0	228.7	221.3	246.8	11.5	82.8	85.4	3.2	
Financial balance .....	23.6	-4.3	8.6	-0.5	-13.0	.	-11.0	1.0	.	
Miscell. short-term accounts .....	-13.8	6.0	-6.5	-1.2	1.7	.	0.2	-0.5	.	
Net lending .....	-2.5	3.3	-12.6	-12.8	10.6	.	3.3	1.5	.	
Equity transactions .....	6.3	-3.2	-11.3	-11.2	-3.4	.	0.0	4.0	.	
Balance before financing .....	13.6	1.9	-21.8	25.7	4.1	.	7.5	-6.0	.	
Net borrowing .....	5.5	7.6	-16.1	-12.5	-9.0	.	-3.0	-2.5	.	
Short-term domestic .....	-16.6	-8.2	39.0	39.0	10.6	.	4.9	0.8	.	
Long-term domestic .....	-5.4	-3.9	6.0	6.0	0.0	.	0.0	5.0	.	
From abroad .....	-13.9	-12.5	-0.8	-0.9	0.1	.	-2.9	2.9	.	
Other liabilities .....	2.7	8.2	33.9	33.9	10.5	.	7.8	-7.2	.	
Cash balance .....	2.5	1.3	1.2	0.8	-2.5	.	-5.6	4.2	.	
<i>Revenues and expenditures</i>										
Total revenues .....	222.6	224.7	237.4	220.9	233.8	5.8	71.8	86.4	20.4	
Personal income taxes, gross .....	38.6	44.7	53.1	49.5	52.6	6.4	17.4	18.1	4.2	
Other income and property taxes ...	23.5	25.3	27.0	25.5	25.5	0.0	6.8	4.6	-31.5	
Value-added tax .....	70.0	71.9	72.1	69.9	73.6	5.3	23.1	24.6	6.6	
Taxes on commodities & imports...	18.5	18.1	15.9	16.3	15.6	-4.6	5.2	5.5	5.6	
Payroll taxes .....	17.8	19.7	21.9	21.1	22.6	7.0	7.5	8.3	10.5	
Other taxes .....	19.4	20.9	21.7	21.0	22.1	5.7	5.9	6.6	11.5	
Interest, dividends and rent .....	12.0	13.2	16.6	10.3	11.3	9.9	3.2	5.0	55.8	
Profits from asset sales .....	16.1	3.8	1.1	1.6	4.4	177.9	0.8	11.8	1,289.0	
Other revenues .....	6.8	7.1	7.9	5.7	6.0	5.0	1.9	2.0	4.3	
Total expenditures .....	199.0	229.0	228.7	221.3	246.8	11.5	82.8	85.4	3.2	
Expenditure on goods and services	84.1	102.0	91.7	94.0	106.7	13.5	35.4	40.3	13.8	
Current transfers .....	77.9	91.6	96.1	91.5	101.7	11.1	31.0	33.0	6.3	
Interest payments .....	15.3	15.2	17.9	16.8	17.8	5.8	9.5	4.5	-52.3	
Maintenance .....	5.0	5.3	5.7	4.7	4.9	4.8	1.5	1.7	8.0	
Capital expenditures .....	16.7	14.9	17.3	14.4	15.8	9.7	5.3	6.0	12.0	

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

Source: State Accounting Office.



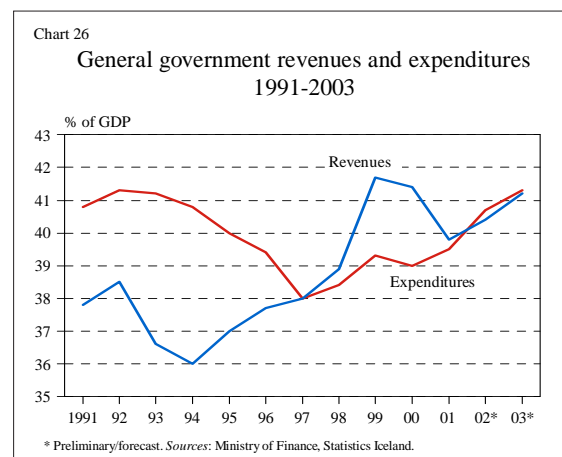
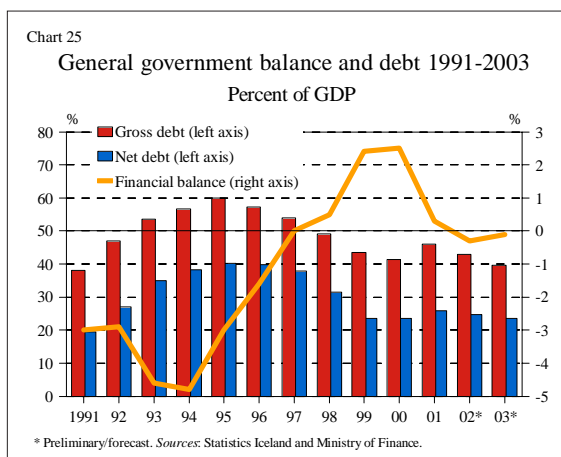


**Table 13 Public sector finances<sup>1</sup>**

<i>In b.kr.</i>	1994	1995	1996	1997	1998	1999	2000	2001	<i>Estimate</i>	
									2002	2003
<i>General government</i>										
Revenues .....	154.5	163.6	179.1	194.8	220.8	252.8	272.8	295.0	313	335
Expenditures .....	175.1	177.0	186.8	194.9	218.0	238.1	256.6	292.5	315	336
Financial balance .....	-20.6	-13.4	-7.7	-0.1	2.8	14.7	16.3	2.6	-2	-1
Net debt .....	165.5	179.3	191.5	196.5	180.7	147.0	158.7	199.3	193	192
Gross debt.....	245.1	267.6	274.4	279.4	280.5	271.5	277.9	354.6	335	325
<i>Central government</i>										
Revenues .....	125.1	131.3	144.6	151.3	170.5	197.0	209.6	223.1	234	249
Expenditures .....	138.5	142.8	151.9	148.5	164.3	181.5	193.3	217.1	233	248
Financial balance.....	-13.4	-11.6	-7.3	2.7	6.2	15.5	16.3	6.0	0	1
Net debt .....	144.9	155.4	168.2	172.3	151.3	118.8	127.4	168.8	156	154
Gross debt.....	213.9	232.6	239.2	241.6	237.8	226.0	228.5	298.3	279	268
<i>Local government</i>										
Revenues .....	31.9	34.9	40.0	48.2	54.4	61.0	68.5	78.8	85	92
Expenditures .....	38.8	36.4	40.5	51.2	58.6	63.8	70.8	84.3	89	95
Financial balance.....	-6.8	-1.4	-0.4	-3.0	-4.3	-2.7	-2.3	-5.5	-4	-3
Net debt .....	22.2	25.1	24.2	25.0	30.1	28.7	31.7	30.7	37	39
Gross debt.....	31.8	35.6	35.7	38.4	43.3	46.1	49.8	56.6	56	57
<i>General government, % of GDP</i>										
Revenues .....	36.0	37.0	37.7	38.0	38.9	41.7	41.4	39.8	40.4	41.2
Expenditures .....	40.8	40.0	39.4	38.0	38.4	39.3	39.0	39.5	40.7	41.3
Financial balance.....	-4.8	-3.0	-1.6	0.0	0.5	2.4	2.5	0.3	-0.3	-0.1
Net debt .....	38.2	40.2	39.9	37.9	31.6	23.6	23.6	25.9	24.7	23.5
Gross debt.....	56.6	60.0	57.2	53.9	49.1	43.6	41.4	46.0	42.9	39.7

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 Turnover<sup>1</sup>**

M.kr:	January-April			% ch. on prev. year. Jan.-April <sup>2</sup>		
	2001	2002	2003	2001	2002	2003
Industries, total .....	106,783	106,617	98,731	29.1	-8.1	-9.1
Industries, excluding fish processing .....	61,715	61,549	63,147	18.9	-8.2	0.7
Industries, excl. fish proc. and power-intensive .....	47,260	46,946	49,558	11.4	-8.6	3.6
Retail trade .....	49,054	52,874	54,657	0.2	-1.8	3.5
Wholesale trade .....	82,599	87,641	90,504	2.0	-2.7	2.6
Wholesale trade, excluding fuels .....	70,201	75,244	77,865	1.8	-2.4	3.6
Construction .....	22,656	19,324	21,838	15.3	-21.5	10.9
Total .....	359,447	398,090	392,162	6.9	2.0	-3.3
Total, excluding fuels .....	347,049	385,693	379,524	8.3	1.2	-1.5

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.

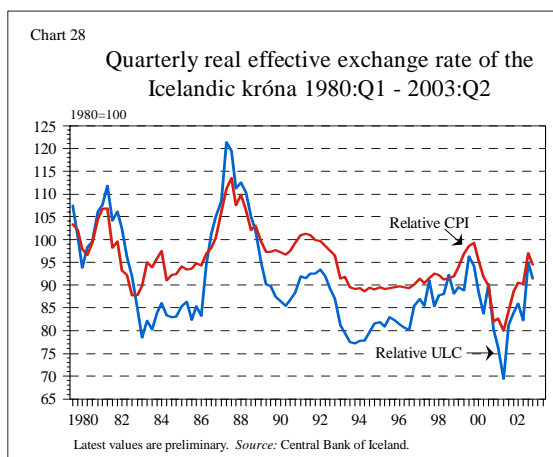
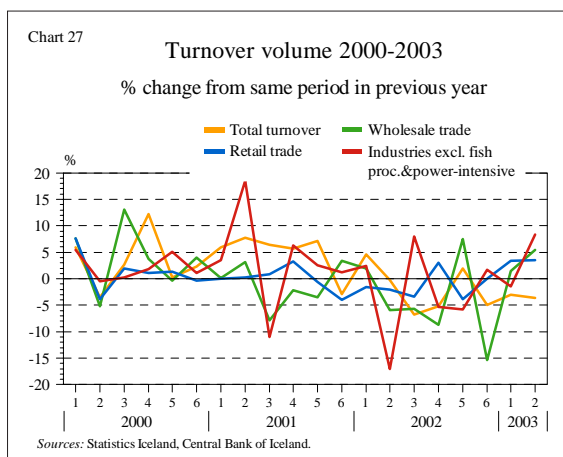
**Table 15 Real effective exchange rate of the Icelandic króna**

Real effective exchange rate (1980=100)	Annual averages <sup>1</sup>					Q2	% change on prev. year <sup>1</sup>		
	1999	2000	2001	2002	2003	2003	Q4 '02	Q1 '03	Q2 '03
based on relative consumer prices (CPI) .....	93.6	96.2	83.7	88.4	94.6	94.5	12.6	14.9	6.7
based on relative unit labour costs (ULC) .....	89.7	90.7	79.1	83.3	90.3	91.4	18.5	16.9	8.8

% change on previous year							Prelim.	Forecast	
	1995	1996	1997	1998	1999	2000	2001	2002	2003
Nominal effective exchange rate .....	0.8	0.0	1.2	1.5	0.0	0.2	-16.6	2.5	7.3
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	7.0
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	3.3	3.3	2.9	3.2
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	8.4

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



### Table 16 Real estate market and asset prices

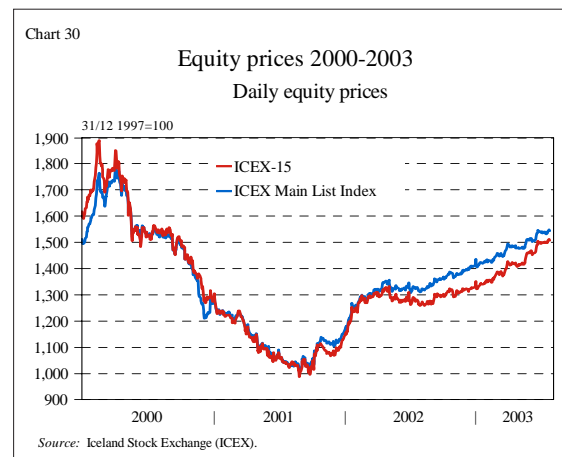
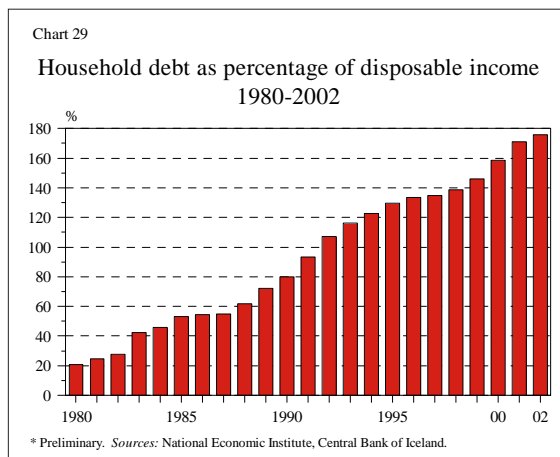
	2000	2001	2002	May 2003	1-mo. % change		12-mo. % change		
					Apr '03	May '03	May '01	May '02	May '03
<i>Real estate market<sup>1</sup></i>									
Residential housing price index <sup>2</sup> .....	147.4	157.9	163.5	...	0.5	...	8.6	0.7	...
Apartment housing price index <sup>2</sup> .....	146.1	156.0	161.1	177.9	0.9	0.8	8.2	0.5	13.1
New housing loans at market prices (b.kr.) <sup>3</sup> .....	25.8	28.6	32.2	3.7	13.9	1.7	-18.7	5.4	42.6
Number of Housing Fin. Fund loan applications <sup>4</sup>	2,313	2,846	2,535	215.0	-5.6	-2.4	16.8	-6.7	7.1
<i>Fish quota prices (period averages. kr./kilo)</i>									
Price of long-term cod quota (kr./kilo).....	860	709	930	1,200	0.0	-2.4	-23.1	42.9	22.0
Price of short-term cod quota (kr./kilo).....	110	117	156	125	0.0	-10.0	-15.6	60.2	-18.2
<i>Equity market</i>									
	At end of year				July 25,	% change to July 25, 2003			
Equity prices, Dec. 31, 1997 = 1,000	1999	2000	2001	2002	2003	1-mo.	3-mo.	6-mo.	12-mo.
ICEX-15.....	1,618.4	1,305.9	1,159.0	1,352.0	1,506.9	0.5	6.9	12.1	18.9
ICEX-MAIN (The Main List index).....	1,511.9	1,303.3	1,180.8	1,436.2	1,543.6	0.1	4.4	8.2	17.4
<i>ICEX industry indices Dec. 31. 1997 = 100</i>									
Fisheries.....	107.7	74.5	86.7	107.3	96.5	-0.3	-5.7	-9.1	-5.1
Finance and insurance.....	189.8	163.4	157.9	164.3	185.6	0.6	3.9	12.5	14.7
Transportation.....	210.6	117.6	80.5	118.8	114.9	-1.9	0.0	-0.4	39.6
Industries and production.....	149.8	156.3	120.3	142.8	145.9	-6.2	2.6	3.0	19.6

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

### Table 17 Households and firms: assets and debt

	1995	1996	1997	1998	1999	2000	2001	2002	% change 2001-2002
<i>B.kr. unless otherwise stated</i>									
Household assets in resident. housing and cars <sup>1</sup>	623.1	662.3	697.3	729.4	764.1	808.1	883.4	921.3	4.3
Assets in pension funds.....	258.1	302.0	345.6	398.2	507.3	557.3	640.1	668.8	4.5
Household debt with the credit system.....	317.9	350.7	386.2	442.6	510.6	613.8	710.4	760.4	7.0
Household debt as % of disposable income.....	129.4	133.4	134.7	138.7	145.8	158.5	171.1	175.9	.
Firms' debt with the credit system.....	327.3	359.2	420.7	509.4	668.8	804.4	962.3	978.9	1.7
Debt of firms in fisheries sector.....	93.6	116.1	123.5	139.7	160.3	165.2	195.5	188.0	-3.8

1. National Economic Institute national wealth estimates. Sources: National Economic Institute and Central Bank of Iceland.



**Table 18 Icelandic firms' financial accounts**

Accounts of publicly listed firms <sup>1</sup>	Annual results, paired comparison				Results for Q1, paired comparison			
	Jan.-Dec.		Change '01-'02	% of turnover 2002	Jan.-March		Change '02-'03	% of turnover 2003
	2001	2002			2002	2003		
All amounts in b.kr								
Profit before financial exp. & depreciation.....	43.0	46.4	3.4	10.2	10.3	10.3	0.0	10.5
Fisheries.....	14.6	13.3	-1.3	23.3	5.2	3.3	-1.9	23.8
Transportation.....	2.9	8.5	5.6	13.4	-0.8	-0.1	0.7	-0.7
IT industry.....	6.6	7.8	1.2	18.2	1.9	2.2	0.3	18.6
Manufacture and production industries.....	7.7	10.3	2.6	13.3	2.2	3.3	1.1	16.2
Profit after taxes.....	3.2	39.2	36.0	8.6	8.3	7.1	-1.2	7.2
Fisheries.....	2.2	10.7	8.5	18.6	5.1	3.4	-1.7	24.9
Transportation.....	-4.4	7.1	11.5	11.2	-0.4	-0.2	0.2	-1.3
IT industry.....	-1.3	0.8	2.1	2.1	0.5	0.5	0.0	4.7
Manufacture and production industries.....	3.1	6.0	2.9	7.8	1.8	2.0	0.2	10.0
Equity ratio.....	30.6	36.7	.	.	34.9	37.9	.	.
Return on equity.....	2.4	20.9	.	.	4.2	5.3	.	.
Sample size at end of period.....	44	44	44	44	40	40	.	.

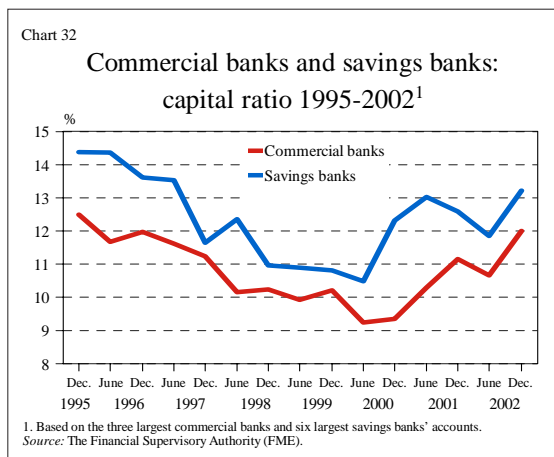
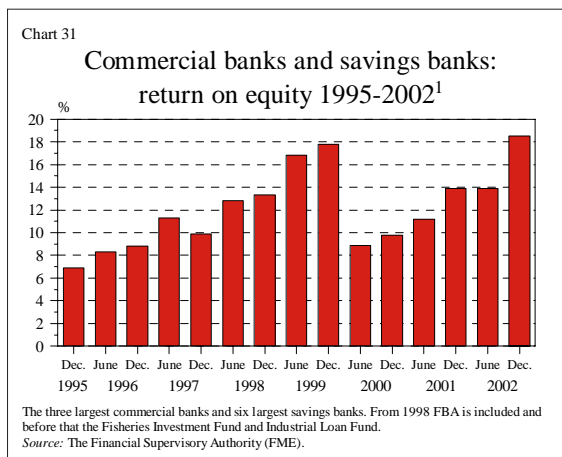
Accounts of commercial banks and savings banks<sup>2</sup>

All amounts in b.kr.	1997	1998	1999	2000	2001	2002	% change	
							'00-'01	'01-'02
Net interest income.....	13.3	14.4	18.0	21.1	29.4	29.6	39.1	0.7
Other operating income.....	8.5	9.9	13.4	13.4	10.3	27.9	-23.5	171.6
Net operating income.....	21.8	24.3	31.4	34.6	39.6	57.5	14.7	45.0
Operating expenses.....	14.4	16.5	19.6	22.7	25.4	34.1	12.0	34.4
Provisions for bad and doubtful debts.....	2.0	3.1	3.6	4.0	7.4	9.3	86.6	25.5
Value adjustments.....	0.0	0.0	0.0	1.7	0.0	0.0	.	.
Taxes.....	1.2	0.5	1.5	1.9	-0.1	1.2	-107.4	-956.7
Profit.....	3.0	4.1	6.7	4.4	6.9	12.5	57.6	82.3
Total assets at end of period.....	385.5	496.9	627.0	789.7	941.0	1,161.1	19.2	23.4
Stockholders' equity at end of period.....	33.0	37.6	44.2	49.1	60.8	84.5	23.8	38.9

% at end of period

Return on equity.....	9.9	13.3	17.8	9.8	13.9	18.5	.	.
Cost ratio <sup>3</sup> .....	66.0	68.1	62.3	65.6	64.0	59.4	.	.
Capital ratio.....	11.3	10.3	10.3	9.7	11.3	12.1	.	.
Capital ratio excluding subordinated loans.....	9.9	8.6	7.9	6.6	8.0	9.1	.	.

1. Companies listed on Iceland Stock Exchange (ICEX), excluding the finance and insurance sector. The sample includes the three largest commercial banks and the three largest savings banks. FBA is included from 1998 but before 1998 the Fisheries Investment Fund and Industrial Loan Fund are included.  
3. Operating expenses as a percentage of net operating income. Sources: The 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.....	1.8	2.0	2.1	2.9	-0.4	1.6	1.7	0.9	2.2	1.6
Unemployment <sup>1</sup> .....	8.1	8.8	6.4	5.0	5.4	4.8	3.9	9.6	6.0	3.4
Economic growth <sup>2</sup> .....	1.1	0.8	2.0	2.1	2.5	2.0	0.6	1.3	1.5	3.3
Long-term interest rates (nominal yield) <sup>3</sup> ...	4.0	3.9	3.0	4.0	3.4	3.9	4.0	3.3	3.4	6.9
Long-term interest rates (real yield) <sup>3,4</sup> .....	...	...	1.9	1.1	...	2.7	...	...	...	4.2
Short-term interest rates <sup>5</sup> .....	2.4	2.1	0.9	3.4	0.0	2.7	3.5	2.1	2.1	5.2
<i>In 2002 (unless otherwise stated):</i>										
GDP per capita based on PPP, in thous. US\$ <sup>6</sup>	...	24.3	35.6	24.5	26.4	25.6	30.2	26.1	29.9	30.2
Gross saving, % of GDP (2000) <sup>7</sup> .....	19.6	...	16.1	14.5	27.7	20.9	35.1	27.5	23.7	17.8
Gen. government fin. balance, % of GDP....	-2.0	-2.2	-3.1	-1.4	-7.9	1.7	12.4	3.2	2.2	-0.7
Gen. government gross debt, % of GDP .....	69.9	72.8	60.7	50.8	142.7	62.8	24.7	47.6	43.2	42.9
Gen. government expenditure, % of GDP....	44.8	45.5	31.9	38.9	37.6	52.6	43.0	44.8	50.8	40.7
Current account balance, % of GDP .....	0.5	0.9	-4.9	-1.7	3.2	3.9	16.4	6.5	2.4	0.2

1. Seasonally adjusted. 2. Annual GDP growth based on latest quarterly figures. Seasonally adjusted except for Denmark, Iceland and Sweden. 3. Five-year Treasury bonds. 4. Figures are omitted where price indexation is not applied. 5. Three-month money market rates. 6. 2001. Converted to US dollars at an exchange rate that eliminates the difference in price levels between the countries. 7. 2000 for Japan.

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

## Table 20 International economic developments

	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>Preliminary</i>		<i>Forecast</i>		
						<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	
<i>Annual economic growth <sup>1</sup></i>										
World.....	4.1	4.3	2.8	3.6	4.7	2.3	3.0	3.2	4.1	
Euro area.....	1.4	2.3	2.9	2.8	3.5	1.4	0.8	0.6	1.7	
United Kingdom.....	2.6	3.4	2.9	2.4	3.1	2.1	1.9	1.8	2.5	
United States .....	3.6	4.4	4.3	4.1	3.8	0.3	2.4	2.2	3.6	
Japan.....	3.5	1.9	-1.1	0.2	2.8	0.4	0.1	0.9	0.6	
Developing countries .....	6.6	5.9	3.5	3.9	5.7	3.9	4.6	5.0	5.8	
Countries in transition.....	-0.5	2.0	-0.8	3.6	6.6	5.1	4.1	4.0	4.1	
<i>Annual growth in world trade (%) .....</i>	7.0	10.6	4.4	5.6	12.6	0.1	2.9	4.3	6.1	
<i>Consumer price inflation</i>										
Euro area.....	2.2	1.6	1.1	1.1	2.3	2.6	2.3	1.9	1.4	
United Kingdom.....	3.0	2.8	2.7	2.3	2.1	2.1	2.2	2.8	2.7	
United States .....	2.9	2.3	1.5	2.2	3.4	2.8	1.6	2.2	1.8	
Japan.....	0.1	1.7	0.6	-0.3	-0.9	-0.7	-0.9	-0.5	-0.6	
<i>Unemployment, % of labour force</i>										
Euro area.....	10.9	10.9	10.2	9.4	8.4	8.0	8.3	9.0	9.0	
United Kingdom.....	8.2	7.1	6.3	6.0	5.5	5.1	5.2	5.4	5.3	
United States .....	5.4	4.9	4.5	4.2	4.0	4.8	5.8	6.1	5.9	
Japan.....	3.3	3.4	4.1	4.7	4.8	5.0	5.4	5.5	5.6	
<i>Gen. government fin. balance, % of GDP <sup>2</sup></i>										
Euro area.....	-4.3	-2.6	-2.3	-1.3	0.1	-1.5	-2.2	-2.1	-1.8	
United Kingdom.....	-4.4	-2.2	0.2	1.1	3.9	0.7	-1.4	-1.4	-1.3	
United States .....	-2.2	-0.9	0.3	0.8	1.4	-0.5	-3.1	-3.0	-2.7	
Japan.....	-4.9	-3.7	-5.5	-7.1	-7.4	-7.2	-7.9	-7.7	-7.8	
<i>Long-term interest rates <sup>3</sup></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: International Monetary Fund, OECD, Consensus Forecasts.

**Table 21 Historical economic indicators (continued on next page)**

	Consumer prices <sup>1</sup>		Krona effective exchange rate <sup>2</sup>		Interest rates (%)		Money and credit		Ratio of gr. reserves to merch. imports <sup>6</sup>	External debt, % of GDP <sup>7</sup>	Growth of real GDP (%)	
	Consumer price index	CPI inflation (%)	Nominal exchange rate <sup>3</sup>	Real exchange rate <sup>4</sup>		Gov. bonds average yield <sup>5</sup>	% change over year					
				Relative CPI	Relative ULC		M3 lending	DMBS <sup>8</sup> Credit system lending				
1974	0.9	42.4	4.8	116.4	139.2	5.1	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	14.4	11.6	15.4	3.2	55.5	0.1
1992	161.2	3.7	285.0	99.8	92.5	7.4	3.8	5.3	11.8	4.0	55.2	-3.3
1993	167.8	4.1	308.8	94.4	84.3	6.7	6.5	5.0	11.1	4.3	56.0	0.8
1994	170.3	1.5	324.8	89.3	77.6	5.0	2.3	-1.3	4.5	2.6	58.8	4.0
1995	173.2	1.7	322.3	89.4	81.0	5.6	2.2	0.0	5.9	2.4	66.7	0.1
1996	177.1	2.3	322.9	89.7	81.9	5.5	6.8	11.8	9.3	3.0	61.6	5.2
1997	180.3	1.8	318.7	90.5	84.5	5.3	8.7	12.7	11.8	2.6	64.3	4.7
1998	183.3	1.7	313.6	91.9	88.1	4.7	15.2	30.4	15.1	2.2	70.1	5.5
1999	189.6	3.4	313.1	93.6	89.7	4.4	16.9	22.7	17.3	2.6	83.5	3.9
2000	199.1	5.0	313.3	96.2	90.7	5.1	11.2	26.2	17.2	2.1	103.1	5.5
2001	212.4	6.7	376.3	83.6	78.8	5.1	14.9	13.4	19.3	2.1	121.1	2.9
2002	222.6	4.8	365.2	88.3	83.1	5.2	15.8	1.1	3.4	2.5	123.9	-0.5

1. Annual averages (May 1988=100) and changes between years. 2. Annual averages. Exchange rate of the krona 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				External trade (% change from prev. year)			Gen. government (% of GDP) <sup>8</sup>			Labour market		Wages (% change from previous year)	
	(% change from previous year)		Goods & services (volume changes)		Terms of trade (% of GDP)	Curr. acc. balance	Financial balance		Revenues	Expenditures	(% of labour force)		Real wages <sup>9</sup>	Real disposable income
	Private consumption	Gross fixed capital formation	National expenditure	Exports			Imports	Gen. government balance			Revenues	Unemployment		
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.....	-4.6	-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.....	2.8	0.5	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	-2.2	3.9	1.3	0.7	-3.0	37.0	40.0	5.0	75.7	2.8	3.8
1996.....	5.4	25.6	7.1	9.8	16.5	-3.1	-1.8	-1.6	37.7	39.4	4.3	76.4	4.0	4.1
1997.....	5.0	10.0	5.5	5.5	7.7	2.1	-1.7	0.0	38.0	38.0	3.9	76.6	3.6	2.5
1998.....	10.2	33.0	13.5	2.0	23.5	5.6	-7.0	0.5	38.9	38.4	2.8	77.1	7.6	8.7
1999.....	7.3	-3.7	4.0	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	14.7	6.7	5.0	8.0	-2.7	-10.2	2.5	41.4	39.0	1.3	77.3	1.6	1.3
2001.....	-3.0	-6.9	-3.6	7.9	-9.0	0.2	-3.9	0.3	39.8	39.5	1.4	77.5	2.0	1.6
2002.....	-1.2	-12.7	-2.6	2.9	-2.5	0.5	0.2	-0.3	40.4	40.7	2.5	76.6	2.2	0.9

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 1939-2004**  
% change between annual averages

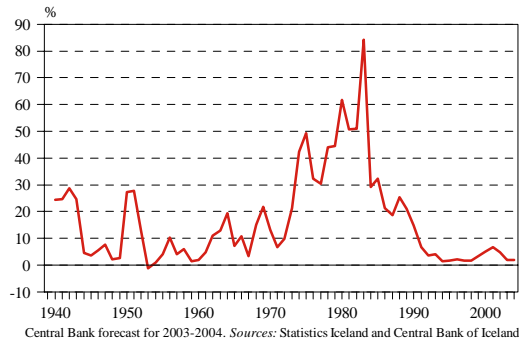


Chart 34

**Economic growth 1945-2004**  
% change in real GDP between years

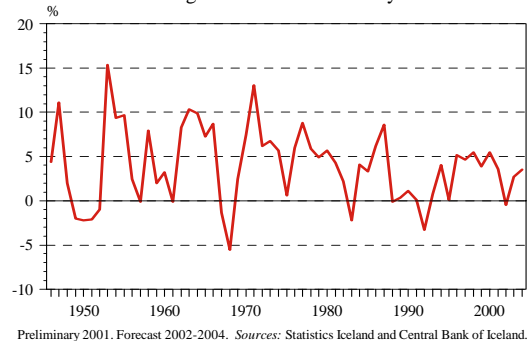


Chart 35

**Current account balance 1945-2004**  
% of GDP

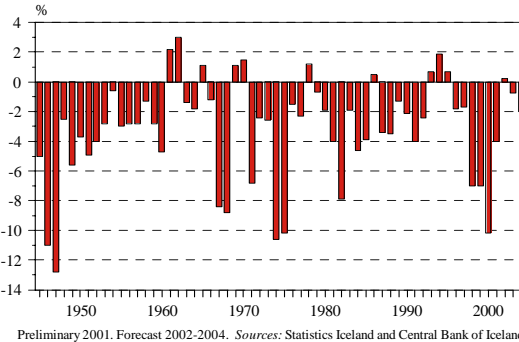


Chart 36

**Real effective exchange rate of the Icelandic króna 1960-2003**

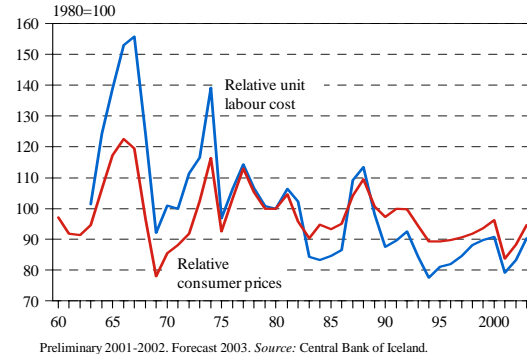


Chart 37

**Gross national saving and fixed capital formation 1960-2004**

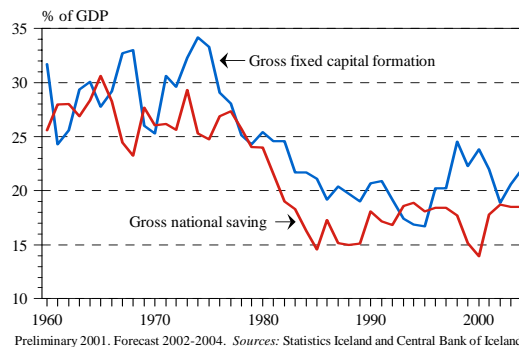
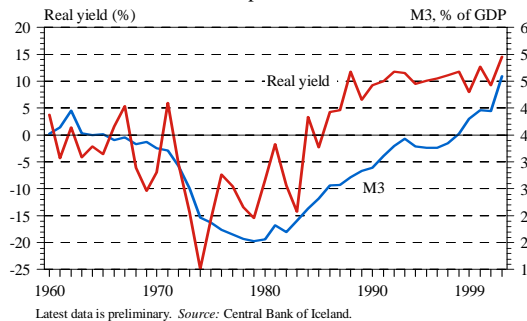


Chart 38

**Real yield and broad money 1960-2002**  
Real yield on non-indexed bank loans and M3 as percent of GDP



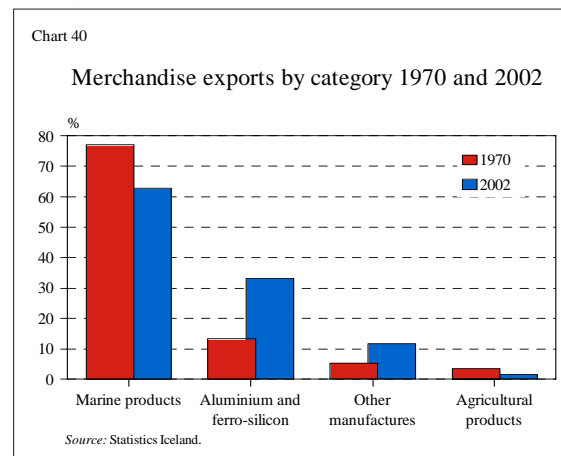
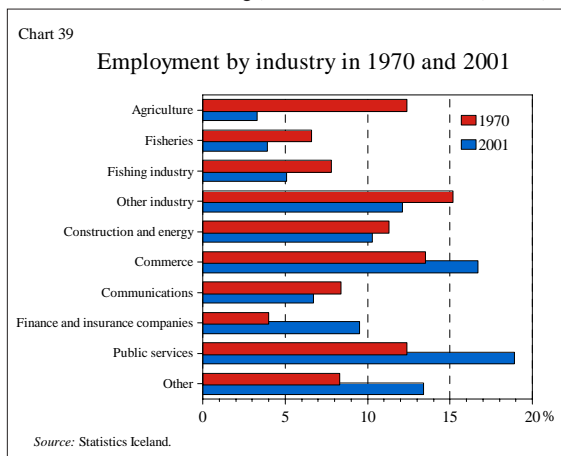


**Table 22 Structural indicators for the Icelandic economy**

	1970	2002 <sup>1</sup>		1970	2002 <sup>1</sup>
<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	774.4
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	28.9
above 74 years of age.....	7.0	15.4	GDP per capita, thous. US\$, PPP-converted <sup>2</sup>	2.7	28.5
Annual popul. growth in prev. 5 yrs. (%).....	1.1	1.2	Gross capital formation, % of GDP .....	25.3	18.9
Labour force (thous.).....	82.7	145.2	Gross national saving, % of GDP .....	26.1	18.7
Males.....	54.7	83.5	Net national saving, % of national income.....	11.6	4.7
Females .....	28.0	61.7	Exports of goods and services, % of GDP .....	46.4	39.7
<i>II. Employment by industry (%) (2000)</i>			<i>V. Capital and indebtedness</i>		
Agriculture .....	12.4	3.3	<i>% of GDP unless otherwise stated</i>		
Fisheries .....	6.6	3.9	Fixed assets, % of GDP.....	3.4	2.9
Fish processing.....	7.8	5.1	Fixed assets, billion US\$.....	1.8	21.7
Manufacturing industry.....	15.2	12.1	Net external debt .....	20.1	100.5
Construction, electricity and water .....	11.3	10.3	Debt service, % of export revenue.....	11.3	48.2
Wholesale & retail trade, restaur. & hotels....	13.5	16.7	General government total debt.....	13.0	42.9
Transport, storage and communication.....	8.4	6.7	General government net debt .....	-2.3	24.7
Finance, insurance, real estate, business serv.	4.0	9.5	Broad money (M3).....	37.5	51.0
Producers of government services .....	12.4	18.9	Credit system total lending.....	84.6	255.5
Other services.....	8.3	13.4	to industries .....	53.6	125.8
<i>III. Merchandise exports</i>			to households.....	21.2	97.7
<i>By category (%):</i>			Market capitalisation of listed equities .....	.	67.1
Marine products.....	77.1	62.8			
Manufactures .....	18.4	33.0			
thereof aluminium and ferro-silicon.....	13.2	21.4			
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 regions<sup>1</sup>**

	Share of total (%)						Billion kr.	
	1970	1980	1990	2000	2002	Jan.-May 2003	2002	Jan.-May 2003
<i>Merchandise exports, fob</i>								
European Union .....	52.8	52.3	70.7	67.4	70.8	72.4	144.0	56.8
Euro area .....	25.4	30.2	37.6	42.3	47.5	49.5	96.7	38.9
Other EU countries .....	27.4	22.0	33.1	25.1	23.3	22.9	47.3	18.0
United Kingdom .....	13.2	16.5	25.3	19.3	17.6	16.0	35.7	12.6
Other Western European countries .....	2.8	2.3	3.4	7.8	6.9	7.5	14.1	5.9
Eastern Europe and former Soviet Union .....	9.6	8.8	2.9	1.4	2.4	2.6	4.9	2.1
Russia .....	6.8	5.4	2.5	0.4	0.4	0.7	0.8	0.5
United States .....	30.0	21.6	9.9	12.2	10.8	9.9	22.0	7.7
Japan .....	0.1	1.5	6.0	5.2	3.3	2.6	6.8	2.0
Other OECD countries .....	0.5	0.6	0.5	2.0	1.3	1.2	2.7	1.0
Developing countries <sup>2</sup> .....	4.2	12.9	5.5	3.0	3.3	3.1	6.7	2.4
Other countries .....	0.0	0.0	1.1	1.0	1.1	0.7	2.2	0.6
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	203.4	78.5
<i>Merchandise imports, cif</i>								
European Union .....	64.9	58.0	59.9	57.0	52.5	56.4	109.0	46.6
Euro area .....	32.0	33.2	35.5	33.5	30.6	33.8	63.5	27.9
Other EU countries .....	33.0	24.8	24.4	23.6	21.9	22.5	45.5	18.6
United Kingdom .....	14.3	9.5	8.1	9.0	7.4	7.8	15.5	6.5
Other Western European countries .....	5.4	8.1	5.2	9.7	9.5	9.3	19.7	7.7
Eastern Europe and former Soviet Union .....	10.4	10.9	6.5	5.7	10.0	10.4	20.8	8.6
Russia .....	7.2	9.7	5.0	1.8	3.8	3.0	7.9	2.5
United States .....	8.2	9.4	14.4	11.0	11.1	6.5	23.0	5.3
Japan .....	2.9	4.0	5.6	4.9	3.1	4.0	6.5	3.3
Other OECD countries .....	0.4	5.8	3.7	4.5	4.7	3.6	9.7	3.0
Developing countries <sup>2</sup> .....	7.2	2.7	3.1	5.6	7.5	8.4	15.5	6.9
Other countries .....	0.6	1.1	1.4	1.5	1.6	1.4	3.3	1.2
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	207.6	82.6

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

Source: Statistics Iceland.

