

## Tables and charts

*Based on statistical information available on May 21, 2004.*

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

### **A Tables**

Table 1	Main monthly indicators .....	67
Table 2	Prices .....	69
Table 3	Exchange rate of the Icelandic króna .....	70
Table 4	Interest rates .....	71
Table 5	Money and credit .....	72
Table 6	The credit system .....	73
Table 7	Financial markets .....	74
Table 8	Labour market .....	74
Table 9	National accounts .....	75
Table 10	Current account balance .....	77
Table 11	International investment position .....	79
Table 12	Summary of Treasury finances .....	80
Table 13	Public sector finances .....	81
Table 14	Turnover.....	82
Table 15	Real effective exchange rate of the Icelandic króna .....	82
Table 16	Real estate market and asset prices .....	83
Table 17	Households and firms: assets and debt.....	83
Table 18	Icelandic firms' financial accounts.....	84
Table 19	International comparison .....	85
Table 20	International economic developments .....	85
Table 21	Historical economic indicators .....	86
Table 22	Structural indicators for the Icelandic economy .....	89
Table 23	Merchandise exports and imports by regions .....	90

### **B Charts**

Chart 1	Consumer price index 1999-2004 .....	69
Chart 2	Consumer price index by origin 1999-2004 .....	69
Chart 3	Effective exchange rate indices 1999-2004 .....	70
Chart 4	Daily exchange rates of US\$, euro, pound sterling and Japanese yen against the Icelandic króna 2001-2004 .....	70

Chart 5	Short-term interest rates 1996-2004 .....	71
Chart 6	Long-term interest rates 1996-2004 .....	71
Chart 7	M3, DMB lending and base money 1995-2004 .....	72
Chart 8	Deposit money bank lending by sector 1991-2004 .....	72
Chart 9	Growth of credit system lending 1994-2003 .....	73
Chart 10	Credit system liabilities 1990-2003 .....	73
Chart 11	Nominal and real wages 1993-2004 .....	74
Chart 12	Unemployment and labour participation 1993-2004 .....	74
Chart 13	Growth of GDP, private consumption and gross fixed capital formation 1980-2006 .....	75
Chart 14	Private consumption, public consumption and gross fixed capital formation as % of GDP 1980-2006 .....	75
Chart 15	Quarterly economic growth 1998-2003 .....	76
Chart 16	Components of economic growth 1998-2003 .....	76
Chart 17	Merchandise trade 1993-2004 .....	77
Chart 18	Exports and imports of services 1993-2003 .....	77
Chart 19	Quarterly current account balance 1996-2003 .....	78
Chart 20	Selected financial account items 1996-2003 .....	78
Chart 21	Reserve assets and Central Bank net foreign position 1996-2004 .....	79
Chart 22	International investment position 1980-2003 .....	79
Chart 23	Treasury borrowing 1991-2004 .....	80
Chart 24	Monthly Treasury balance 2001-2004 .....	80
Chart 25	General government balance and debt 1991-2004 .....	81
Chart 26	General government revenues and expenditures 1991-2004 .....	81
Chart 27	Turnover volume 1998-2004 .....	82
Chart 28	Quarterly real effective exchange rate of the Icelandic króna 1980-2004 .....	82
Chart 29	Household debt as percentage of disposable income 1980-2003 .....	83
Chart 30	Equity prices 1998-2004 .....	83
Chart 31	Commercial banks and savings banks: return on equity 1995-2003 .....	84
Chart 32	Commercial banks and savings banks: capital ratio 1995-2003 .....	84
Chart 33	Consumer price inflation 1939-2006 .....	88
Chart 34	Economic growth 1945-2006 .....	88
Chart 35	Current account balance 1945-2006 .....	88
Chart 36	Real effective exchange rate of the Icelandic króna 1960-2005 .....	88
Chart 37	Gross national saving and fixed capital formation 1960-2006 .....	88
Chart 38	Real yield and broad money 1960-2003 .....	88
Chart 39	Employment by industry in 1970 and 2001 .....	89
Chart 40	Merchandise exports by category 1970 and 2003 .....	89
Chart 41	Merchandise exports by region 1970 and 2003 .....	90
Chart 42	Merchandise imports by region 1970 and 2003 .....	90

**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 T-notes	10-year Treasury bonds <sup>4</sup>	25-year housing bonds <sup>4</sup>	Base money	M3 lending <sup>6</sup>	DMB liabilities	Foreign liabilities	
1998 .....	. .	1.7	. .	1.6	7.5	8.2	7.6	7.5	4.3	4.7	4.6	15.2	30.3	56.8	
1999 .....	. .	3.4	. .	0.2	9.0	11.7	9.8	9.6	4.7	4.8	75.9	16.9	22.8	15.2	
2000 .....	. .	5.0	. .	-0.1	11.4	12.0	11.5	11.7	5.5	6.3	-10.4	11.2	26.2	33.0	
2001 .....	. .	6.7	. .	-16.7	10.1	12.5	10.0	9.1	5.1	5.9	-14.2	14.9	13.4	-0.2	
2002 .....	. .	4.8	. .	3.0	5.8	6.2	5.8	6.9	4.9	5.2	17.2	15.3	0.9	-0.4	
2003 .....	. .	2.1	. .	6.4	5.3	5.1	4.8	7.5	4.3	4.6	-33.5	23.5	16.5	-5.7	
2002															
December ...	0.1	2.0	1.9	14.2	5.8	6.2	5.8	6.9	4.9	5.2	17.2	15.3	0.8	-0.4	
2003															
January .....	0.4	1.4	2.2	13.3	5.8	6.3	5.8	7.0	4.7	5.0	17.7	12.9	-1.0	9.4	
February .....	-0.2	1.5	1.8	13.2	5.3	5.5	5.3	7.3	4.8	5.0	28.0	12.3	0.7	12.5	
March .....	1.1	2.2	-0.2	12.6	5.3	5.4	5.0	6.9	4.8	5.0	-8.5	12.8	2.5	8.9	
April .....	0.1	2.3	1.2	11.3	5.3	5.3	4.5	7.0	4.6	4.9	2.1	15.6	5.0	12.2	
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	17.5	
June .....	0.1	1.8	-1.9	6.5	5.3	5.3	5.1	6.8	4.3	4.6	-13.8	19.3	10.1	23.5	
July .....	-0.1	1.6	-2.2	2.7	5.3	5.3	5.1	6.8	4.2	4.6	-2.5	14.8	11.5	12.0	
August .....	-0.1	2.0	-1.9	0.3	5.3	5.2	4.9	6.5	4.0	4.4	5.6	19.6	13.1	28.2	
September ..	0.7	2.2	0.0	2.3	5.3	5.2	4.5	6.3	4.3	4.6	-5.4	23.0	12.4	17.3	
October .....	0.5	2.2	0.6	3.2	5.3	5.1	4.6	6.9	4.2	4.6	-1.2	25.5	13.8	-18.9	
November ..	0.1	2.5	0.5	3.1	5.3	5.1	4.8	7.1	4.3	4.6	-17.2	23.7	13.7	-11.7	
December ...	0.3	2.7	0.5	1.7	5.3	5.1	4.8	7.5	4.3	4.6	-33.5	23.5	16.5	-5.7	
2004															
January .....	0.0	2.4	3.3	2.7	5.3	5.3	5.1	7.3	4.4	4.7	-12.5	26.5	20.8	-23.2	
February .....	-0.3	2.3	1.1	2.0	5.3	5.3	5.4	7.0	4.1	4.6	-30.0	22.6	21.4	-31.3	
March .....	0.6	1.8	-1.7	0.5	5.3	5.4	5.0	6.8	3.9	4.4	-28.7	24.6	23.9	-29.9	
April .....	0.6	2.2	-1.5	-2.2	5.3	5.4	5.3	6.8	3.7	4.1	-7.7	21.2	23.5	-13.2	
May <sup>†</sup> .....	0.8	3.2	-0.5	-3.9	5.5	5.6	5.5	7.4	3.9	4.2	...	...	...	...	

† To May 21, 2004. 1. Percentage changes between period averages. 2. Based on the official effective exchange rate basket (trade-weighted). Positive sign indicates appreciation of the Icelandic króna. 3. Average yield on the interbank market in Icelandic króna. 4. Yield in excess of changes in the CPI. 5. Annual figures are changes over year. Latest figures are preliminary. 6. DMBs = deposit money banks = commercial and savings banks and other institutions permitted to accept deposits from the public. Foreign lending excluded from January 2002.

**Table 1 (continued) Main monthly indicators**

	Foreign exchange market and reserves			Foreign trade and external conditions				Labour market		Treasury fn.		Asset prices	
	Gross foreign currency reserves:			Trade balance (b.kr.)	Merchandise exports (b.kr.)	Merchandise imports (b.kr.)	Marine product prices, 12-mo. % ch. <sup>9</sup>	Real exchange rate of króna <sup>10</sup>	Un-employment %	Wages, 12-mo. % change	Fin. balance, % of rev., cum. from beg. of year <sup>11</sup>	Equity prices <sup>12</sup>	Housing prices <sup>13</sup>
	in b.kr.	Merch. imports <sup>7</sup>	as ratio of: For short-term liabil. <sup>8</sup>										
1998	29.6	2.2	0.8	17.0	136.6	162.1	11.8	91.9	2.8	9.4	4.6	9.8	7.1
1999	35.8	2.6	0.9	12.0	144.9	167.8	-4.8	93.6	1.9	6.8	8.7	47.4	21.3
2000	34.2	2.1	0.6	-13.9	149.3	187.3	-3.0	96.2	1.3	6.6	5.9	-19.3	13.8
2001	36.6	2.1	0.4	-29.5	196.4	203.1	1.6	83.6	1.4	8.8	-0.2	-11.2	3.3
2002	37.2	2.5	0.2	4.5	204.3	191.2	3.3	88.4	2.5	7.2	-5.6	16.7	7.6
2003	58.1	3.5	0.3	43.2	182.6	199.5	0.4	93.8	3.4	5.6	-3.4	56.4	11.4
2002													
December	37.2	2.5	0.3	1.1	13.3	14.4	4.2	91.5	3.0	5.4	-5.6	16.7	7.6
2003													
January	36.2	2.5	0.2	5.5	16.4	11.4	2.9	93.4	3.8	5.5	-1.5	8.4	8.0
February	36.1	2.5	0.2	2.2	16.1	14.1	3.0	95.0	4.1	5.6	4.3	8.1	8.5
March	35.9	2.5	0.2	2.5	16.7	17.3	1.8	94.9	4.0	5.7	9.3	8.3	9.6
April	38.5	2.7	0.2	2.1	14.1	16.5	4.2	95.9	3.9	5.6	8.3	7.5	10.4
May	36.9	2.6	0.2	2.8	15.1	16.8	0.5	97.1	3.6	5.6	2.2	14.1	11.3
June	36.9	2.4	0.2	3.5	14.3	17.5	-1.6	95.2	3.2	5.6	2.2	14.6	12.6
July	36.5	2.3	0.2	4.4	15.0	20.0	-4.7	93.2	3.0	5.7	-2.3	19.4	13.4
August	41.0	2.5	0.2	4.0	14.9	15.8	-1.2	91.5	2.9	5.7	-3.7	38.0	14.6
September	46.4	2.8	0.2	4.4	14.6	19.2	0.0	91.6	2.7	5.6	-4.6	39.5	13.8
October	51.7	3.1	0.3	4.4	15.8	18.6	0.3	92.5	2.8	5.5	-3.4	48.7	13.3
November	57.8	3.5	0.3	3.8	16.0	16.2	1.1	93.1	3.0	5.5	-4.7	52.7	12.6
December	58.1	3.5	0.3	3.7	13.7	16.2	-1.4	93.6	3.1	5.4	-3.4	56.4	11.4
2004													
January	56.4	3.4	0.3	7.0	16.7	16.4	-2.9	96.4	3.7	3.3	-1.2	76.8	10.0
February	57.3	3.5	0.3	1.4	14.2	14.1	-2.3	97.3	3.6	3.3	8.1	89.3	8.9
March	66.7	3.8	0.3	1.8	20.1	20.3	-2.7	96.1	3.5	3.8	-0.5	79.8	9.1
April	65.6	3.8	...	1.5	...	...	-4.6	95.6	3.5	4.0	...	91.1	10.8
May <sup>†</sup>	...	...	...	1.5	...	...	...	96.1	...	...	...	82.7	...

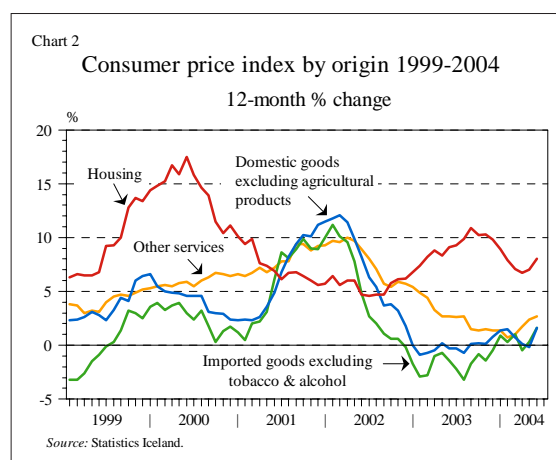
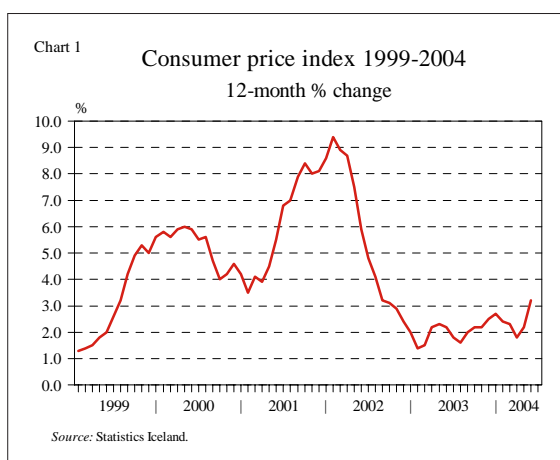
7. Gross foreign exchange reserves at end of period as a ratio of the average monthly value of merchandise imports. Calculated at fixed exchange rates. 8. The denominator is foreign short-term liabilities of credit institutions (deposit money banks and investment banks). 9. Prices in SDR. Annual figures are % changes between annual averages. 10. Real effective exchange rate of the Icelandic króna based on relative consumer prices (a trade-weighted average of trading partners' consumer prices is used). 1980 = 100. 11. Cash basis. 12. The ICEx-15 index from January 1 1998. Earlier the ICEx stock price index. Annual figures are % changes over year. 13. Residential housing in the Greater Reykjavik Area. 3-month moving average of price per m<sup>2</sup> based on present value of contracts. Annual figures are % changes over year.

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

## Table 2 Prices

	2003				2004				
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May
Consumer price index, May 1988 = 100 .....	227.9	229.0	229.3	230.0	230.1	229.4	230.7	232.0	233.9
<i>1-month % changes:</i>									
Consumer price index .....	0.7	0.5	0.1	0.3	0.0	-0.3	0.6	0.6	0.8
Domestic goods excl. agric. products and vegetables .....	0.7	0.2	0.0	-0.2	0.5	-0.3	-0.5	0.1	0.8
Agricultural products and vegetables .....	0.2	1.3	-0.1	-0.7	1.0	-0.5	-0.2	-0.7	1.4
Imported goods excl. alcohol and tobacco .....	1.5	0.5	0.5	0.6	-1.6	-0.6	1.2	1.2	0.6
Petrol .....	2.6	-3.3	0.0	2.4	1.8	-0.5	-2.0	4.1	3.3
Housing .....	0.5	0.5	-0.1	0.5	0.1	0.2	0.6	1.0	1.7
Public services .....	1.2	0.2	0.1	0.0	5.9	-2.3	0.0	0.0	0.7
Other services.....	-0.1	0.4	0.1	0.3	-0.1	0.4	0.7	0.2	0.5
Harmonised index of consumer prices (HICP) <sup>1</sup> .....	0.7	0.3	0.2	0.2	-0.2	-0.3	0.7	0.5	...
<i>12-month % changes:</i>									
Consumer price index .....	2.2	2.2	2.5	2.7	2.4	2.3	1.8	2.2	3.2
Domestic goods excl. agric. products and vegetables .....	0.2	0.1	0.8	1.4	1.5	0.7	0.1	-0.2	1.6
Agricultural products and vegetables .....	-2.8	-1.3	-0.7	0.4	-0.1	-0.6	-0.3	-0.4	0.8
Imported goods excl. alcohol and tobacco .....	-0.8	-1.4	-0.5	0.9	0.3	1.0	-0.5	0.3	1.6
Petrol .....	-0.9	-5.1	-4.0	2.4	1.6	1.5	-5.3	-1.0	8.4
Housing .....	10.2	10.3	9.8	8.9	7.9	7.1	6.7	7.0	8.0
Public services .....	6.2	6.3	6.2	6.2	9.1	6.3	5.9	5.9	6.6
Other services.....	1.4	1.5	1.4	1.4	0.7	1.0	1.7	2.4	2.7
Harmonised index of consumer prices (HICP) <sup>1</sup> .....	1.2	1.1	1.5	1.8	1.4	1.4	1.0	1.5	...
Building cost index for residential buildings .....	3.6	3.7	3.3	3.5	1.3	1.4	2.6	2.7	5.0
Housing prices <sup>2</sup> .....	13.8	13.3	12.6	11.4	10.0	8.9	9.1	10.8	...
<i>Foreign CPI and commodity prices, 12-mo. % changes</i>									
Consumer price index in USA.....	2.3	2.0	1.8	1.9	1.9	1.7	1.7	2.3	...
Consumer price index in euro area <sup>3</sup> .....	2.2	2.0	2.2	2.0	1.9	1.6	1.7	2.0	...
Commodity prices excl. oil.....	3.1	6.9	9.6	12.2	15.8	19.4	23.6	...	...
Petrol prices <sup>4</sup> .....	-4.8	7.3	18.7	5.3	-0.1	-6.0	11.5	33.7	...

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. Data for 2004 are preliminary. 3. Harmonised index of consumer prices (HICP). 1996=100. 4. Crude oil (Brent). Sources: Statistics Iceland, The Land Registry of Iceland, EcoWin.

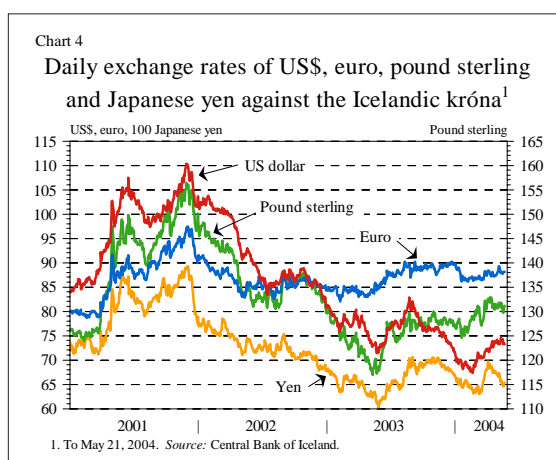
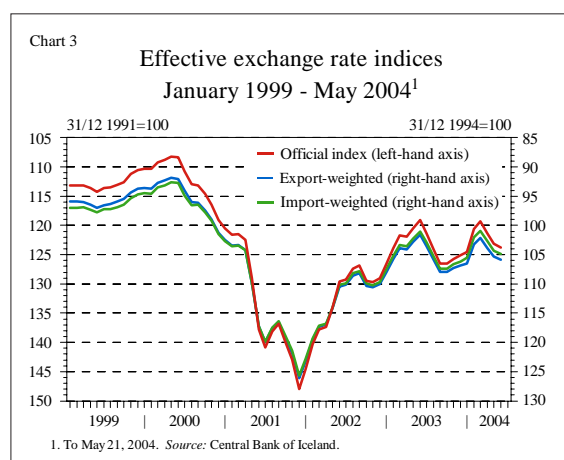


**Table 3 Exchange rate of the Icelandic króna**

Monthly averages	2003				2004					3-month
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May <sup>†</sup>	% ch. to May 21
<i>Effective exchange rate indices:<sup>1</sup></i>										
Official index (31/12 '91 = 100).....	126.5	125.7	125.1	124.6	120.6	119.3	121.3	123.2	123.8	-3.9
Import-weighted index (31/12 '94).....	107.4	106.6	106.2	105.6	102.1	100.9	102.7	104.3	104.9	-4.0
Export-weighted index (31/12 '94).....	107.9	107.3	106.9	106.5	103.2	102.2	103.8	105.3	105.9	-3.7
<i>Central Bank quotations:<sup>2</sup></i>										
U.S. dollar .....	79.2	76.2	75.8	73.1	69.4	68.5	71.1	73.1	73.7	-6.9
Euro .....	88.8	89.2	88.7	89.7	87.6	86.7	87.2	87.6	88.2	-2.1
Japanese yen .....	0.689	0.696	0.694	0.677	0.653	0.643	0.655	0.679	0.657	-3.5
Pound sterling.....	127.5	127.8	128.0	127.7	126.6	128.0	129.9	131.6	130.9	-2.1
Danish krone .....	11.96	12.01	11.93	12.05	11.76	11.63	11.70	11.77	11.85	-2.2
Norwegian krone .....	10.84	10.84	10.82	10.90	10.18	9.88	10.20	10.56	10.75	-8.3
Swedish krona .....	9.80	9.91	9.86	9.95	9.58	9.44	9.44	9.55	9.65	-2.9
<i>% changes<sup>3</sup></i>										
	Between annual averages				From beginning of year			Previous 12 months		
	2000	2001	2002	2003	May '02	May '03	May '04 <sup>†</sup>	May '02	May '03	May '04 <sup>†</sup>
Official index (31/12 '91 = 100).....	-0.1	-16.7	3.0	6.4	8.5	5.5	0.0	8.2	10.4	-4.1
Import-weighted index (31/12 '94 = 100)....	0.2	-16.4	3.1	6.6	8.5	5.6	0.0	8.3	10.6	-4.0
Export-weighted index (31/12 '94 = 100)....	-0.2	-17.0	3.0	6.2	8.5	5.4	0.0	8.1	10.2	-4.2
<i>Central Bank quotations:<sup>2</sup></i>										
U.S. dollar .....	-8.2	-19.3	6.9	19.2	13.0	12.9	-2.7	14.9	27.7	-2.3
Euro (Deutschemark before 1999).....	6.3	-17.0	1.5	-0.6	6.6	0.1	2.0	4.0	1.3	-3.9
Japanese yen .....	-12.6	-9.1	10.2	10.1	6.6	13.0	1.8	19.8	22.3	-7.9
Pound sterling.....	-1.7	-15.3	2.6	9.4	11.7	10.4	-3.3	11.1	13.7	-10.1
Danish krone .....	6.5	-17.0	1.2	-0.6	6.5	0.0	1.9	3.7	1.1	-3.6
Norwegian krone .....	3.7	-17.7	-5.2	5.9	-0.1	8.4	0.3	-2.2	7.1	0.6
Swedish krona .....	2.0	-9.0	0.4	-1.0	4.7	-0.4	2.3	3.9	1.4	-4.2

† To May 21, 2004. 1. Based on a trade-weighted (goods and services) basket of trading partners' currencies. 2. Exchange rate of respective currency against the Icelandic króna. 3. Positive sign indicates an appreciation of the Icelandic króna.

Source: Central Bank of Iceland.

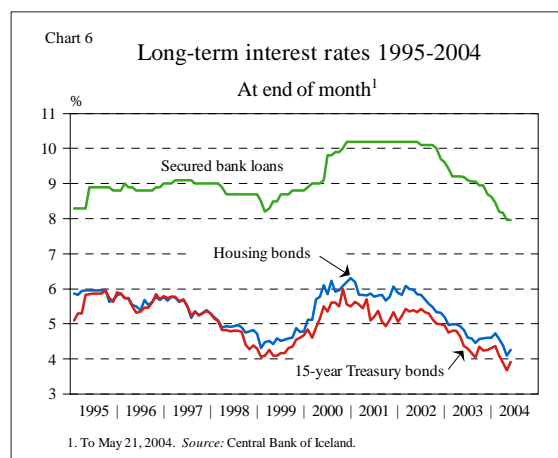
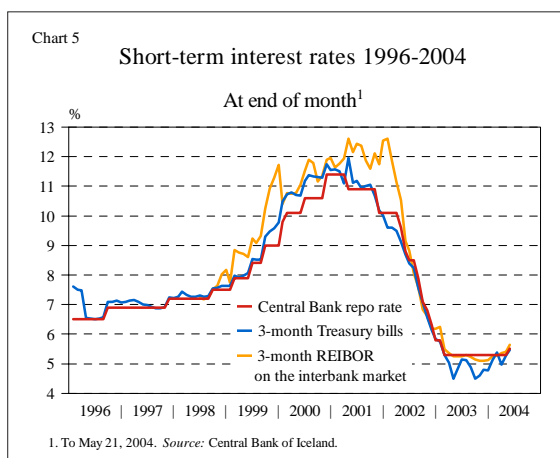


**Table 4 Interest rates**

All figures are in %	Annual averages <sup>1</sup>			At end of month November 2003 - May 2004						
	2001	2002	2003	Nov.	Dec.	Jan.	Feb.	March	April	May <sup>†</sup>
<i>Central Bank rates</i>										
Credit institutions' current accounts .....	6.8	5.5	2.9	2.8	2.8	2.8	2.8	2.8	2.8	3.0
Required deposits <sup>2</sup> .....	9.4	7.1	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.3
Overnight loans (discount rates) .....	12.3	10.7	7.8	7.7	7.7	7.7	7.7	7.7	7.7	7.9
Repurchase agreements <sup>3</sup> .....	10.9	8.4	5.4	5.3	5.3	5.3	5.3	5.3	5.3	5.5
<i>Yields in the money market<sup>4</sup></i>										
REIBOR, O/N .....	12.3	9.3	5.1	4.9	4.4	3.1	5.7	5.2	4.8	5.3
REIBOR, 1-month .....	12.1	9.0	5.3	5.1	4.8	5.2	5.3	5.3	5.3	5.4
REIBOR, 3-month .....	12.0	8.9	5.3	5.1	5.1	5.3	5.3	5.4	5.4	5.6
REIBOR, 6-month .....	11.8	8.8	5.5	5.1	5.2	5.3	5.3	5.4	5.5	5.8
Treasury bills, 3-month .....	11.0	8.1	5.0	4.8	4.8	5.1	5.4	5.0	5.3	5.5
Treasury bills, 6-month <sup>5</sup> .....	10.9	7.9	5.0	4.9	4.9	5.1	5.3	5.1	5.3	5.6
<i>Yields in the capital market<sup>6</sup></i>										
Treasury notes, up to 5 yrs. ....	10.6	8.1	6.8	7.1	7.5	7.3	7.0	6.8	6.8	7.4
Treasury bonds, 5 yrs. ....	5.8	5.4	4.0	3.6	3.6	4.1	3.9	3.3	3.2	3.6
Treasury bonds, 10 yrs. ....	5.3	5.2	4.4	4.3	4.3	4.4	4.1	3.9	3.7	3.9
Housing bonds, 25 yrs. ....	5.9	5.7	4.7	4.6	4.6	4.7	4.6	4.4	4.1	4.2
<i>Deposit money banks' lending rates<sup>7</sup></i>										
Average rates on non-indexed securities ...	18.0	15.4	12.0	11.7	11.7	11.6	11.5	11.5	11.3	11.3
Average rates on indexed securities .....	10.2	10.1	9.1	8.7	8.6	8.5	8.2	8.2	8.0	8.0
<i>Rates acc. to Interest Rate Act 38/2001<sup>8</sup></i>										
Penalty rates .....	23.7	21.3	17.3	17.0	17.0	17.0	17.0	17.0	17.0	17.0

† May 21, 2004. 1. Arithmetic averages of end-of-month figures. Central Bank rates are time-weighted averages. 2. On May 21 1998, previously indexed terms became non-indexed. 3. Since March 1998 yields in auctions. Tap sales before that time. 4. REIBOR are yields on the interbank market in Icelandic króna which began in June 1998. For Treasury bills, yields in trading on ICEX (Iceland Stock Exchange). 5. Treasury bills with the closest maturity to 6 months. 6. All bond yields are in real terms. 7. From July 1, 2001, the Bank issues information on banks' average interest rates only as statistical information. 8. Interest rates that have legal status in the month shown. From July 1, 2001, penalty rates are revised at 6-month intervals.

Source: Central Bank of Iceland.

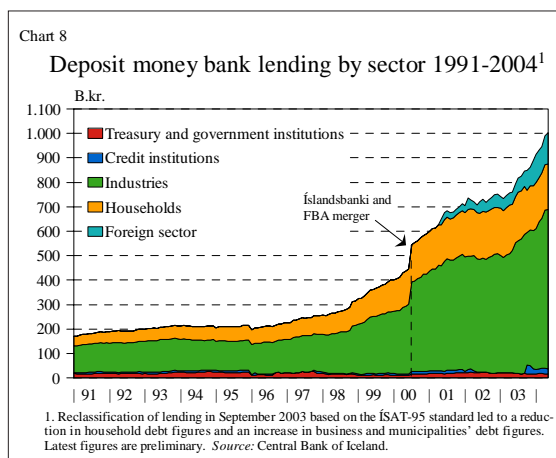
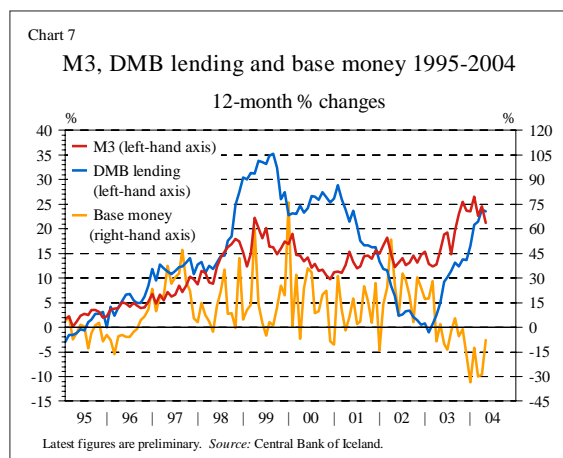


### Table 5 Money and credit

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

	In b.kr. April 2004	% change over year			1-mo. change in b.kr.			12-mo. % change		
		2001	2002	2003	Feb. '04	Mar. '04	Apr. '04	Apr. '02	Apr. '03	Apr. '04
Net foreign exchange reserves .....	65.5	.	.	.	0.8	9.3	-1.1	.	.	.
Claims on Treasury and gov. inst., net ..	-29.4	.	.	.	1.0	-14.1	13.7	.	.	.
Claims on deposit money banks.....	36.8	38.7	27.9	-65.2	-5.1	5.4	-5.4	113.5	-9.7	-48.1
Base money.....	34.0	-14.2	17.3	-33.5	-1.4	-4.6	7.6	6.1	2.1	-7.7
Notes and coins in circulation.....	7.9	3.6	3.5	9.5	-0.1	0.0	0.3	-19.0	12.0	10.2
Reserves of deposit money banks .....	26.1	-19.2	22.3	-46.7	-1.3	-4.6	7.3	13.6	0.0	-12.0
<b>Deposit money banks<sup>1</sup></b>										
Central Bank items .....	-10.9	.	.	.	6.4	-9.8	12.2	.	.	.
Short-term position, net.....	-20.5	.	.	.	5.0	-7.5	2.8	.	.	.
Credit and listed securities <sup>2</sup> .....	1,316.3	22.1	1.9	28.0	21.6	52.8	10.6	-30.8	7.6	34.3
Credit <sup>3</sup> .....	1,013.7	17.4	5.2	25.6	15.8	41.9	9.8	-30.2	7.4	33.5
Treasury and government institutions	15.4	8.1	1.6	-15.2	-1.5	-2.4	-0.4	20.3	-2.9	-14.3
Non-bank financial institutions.....	20.5	-45.2	.	.	4.3	1.4	-2.5	-87.9	.	.
Industries .....	665.6	15.5	2.1	26.6	10.1	35.0	17.0	-32.8	8.2	39.9
Households .....	185.1	9.9	8.1	15.4	5.1	-0.8	0.3	-13.8	0.0	16.0
Foreign sector .....	127.1	.	63.1	118.2	-3.1	10.8	8.7	.	55.7	135.0
Listed securities.....	164.5	23.9	-3.4	40.7	-15.1	0.7	12.1	5.7	12.3	26.0
Domestic credit and listed securities.....	1,159.5	12.7	7.9	20.6	17.5	35.8	6.0	-17.6	9.4	10.9
Domestic credit.....	886.6	13.2	0.8	16.4	18.9	31.2	1.2	-22.8	5.0	23.5
Deposits .....	497.2	15.1	15.5	23.8	-10.8	25.7	-3.1	-28.8	15.6	21.4
Bonds .....	674.5	18.9	27.1	111.7	12.2	58.1	12.5	-62.6	14.3	133.9
Foreign liabilities for on-lending.....	218.1	20.3	-17.4	-5.7	-13.5	7.1	36.7	2.7	12.2	-13.2
<b>Banking system<sup>1</sup></b>										
Foreign assets, net .....	174.1	-33.2	-8.3	-199.5	7.6	31.2	-7.0	-169.2	-20.9	-282.7
Domestic credit and marketable securities	1,135.1	12.7	7.9	20.6	21.1	19.0	19.6	-26.0	7.5	25.8
Money supply, M1 <sup>4</sup> .....	114.2	-2.3	23.8	32.0	-12.0	3.5	-5.4	-37.4	18.7	34.5
M2 (M1 + demand savings deposits)....	206.4	11.0	9.3	29.7	-15.8	14.2	-5.6	-30.7	15.2	25.2
M3 (M2 + time savings deposits).....	505.1	14.9	15.3	23.5	-10.9	25.7	-2.7	-28.6	15.6	21.2
M4 (M3 + securities issues).....	1,179.7	16.3	19.7	58.2	36.3	18.2	147.8	20.3	14.7	80.3

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. Lending series have been adjusted retroactively following reclassification under the ISAT standard. Data on lending to foreign entities available since January 2001. 4. Sum of notes and coins in circulation and DMBs' demand deposits. Source: Central Bank of Iceland.

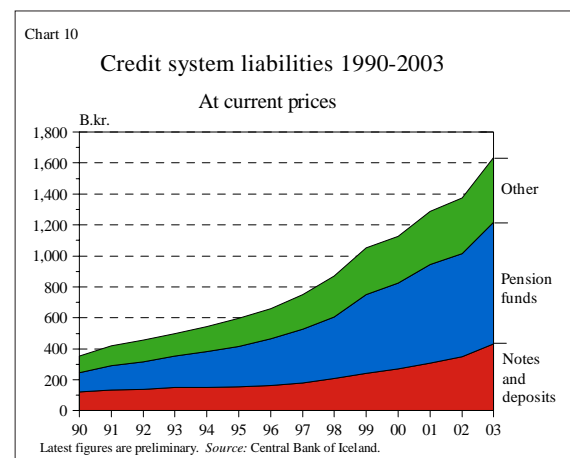
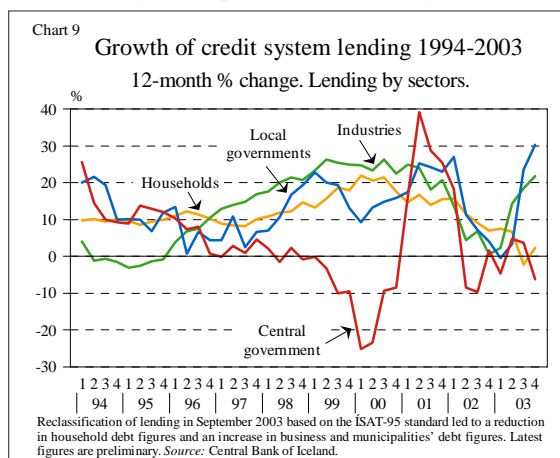




**Table 6 The credit system<sup>1</sup>**

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

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



**Table 7 Financial markets**

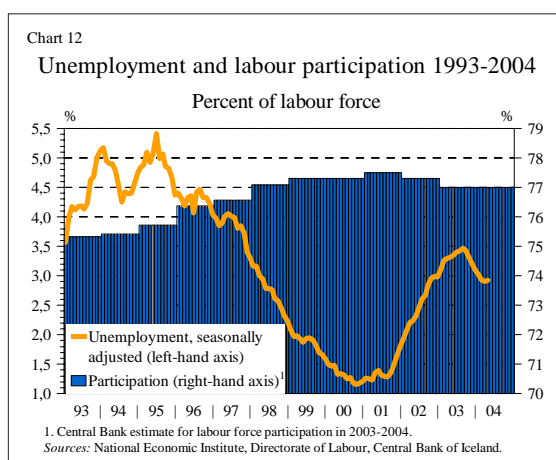
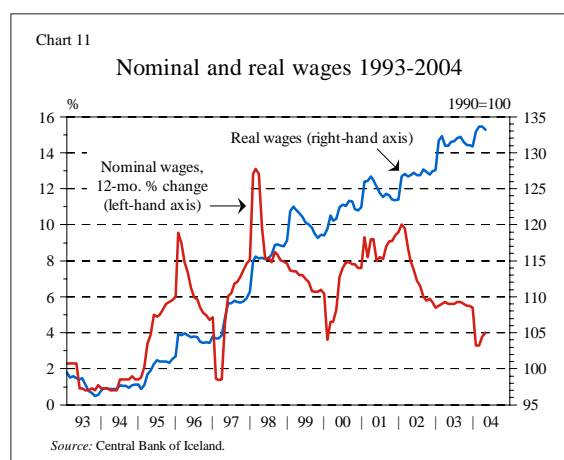
At end of period	Outstanding in b.kr.			1-month % change			12-month % change		
	2002	2003	Mar. '04	Jan. '04	Feb. '04	Mar. '04	Jan. '04	Feb. '04	Mar. '04
Money market <sup>1</sup> .....	22.2	29.6	42.5	11.4	-14.4	23.0	13.8	5.5	-6.0
Securities market <sup>2</sup> .....	645.8	710.0	1,302.0	3.5	1.7	5.2	66.9	67.4	65.0
thereof Treasury bonds.....	69.0	55.8	50.7	-7.0	0.2	2.3	-12.3	2.5	3.9
thereof housing bonds.....	225.3	259.2	318.1	1.0	1.0	1.3	18.5	18.3	17.8
Market capitalisation of listed equities	428.0	529.3	781.5	12.0	8.1	-2.0	39.0	47.4	44.0
Mutual funds' units (open-end).....	99.8	129.9	223.8	3.2	4.3	5.0	49.2	50.6	46.7

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

**Table 8 Labour market**

Changes in indices are in percent. Other changes indicate increase/decrease in jobs or permits	Averages			1-month change			12-month change		
	2002	2003	Apr. '04	Feb. '04	Mar. '04	Apr. '04	Apr. '02	Apr. '03	Apr. '04
Wage index (1990=100).....	195.0	205.9	213.1	0.2	0.6	0.3	8.0	5.6	4.0
Real wages (1990=100) <sup>1</sup> .....	127.5	131.8	133.2	0.5	0.0	-0.3	0.5	3.2	1.8
Number of new work permits.....	3,637	3,299	212	18	-38	-71	-70	-64	-8
Job vacancies, total.....	221	459	625	-37	125	143	-384	193	177
thereof Greater Reykjavik Area.....	66	104	174	16	40	27	-317	32	60
<i>Period averages</i>	2001	2002	2003	Feb. '04	Mar. '04	Apr. '04	Apr. '02	Apr. '03	Apr. '04
Number of unemployed.....	2,009	3,631	4,893	5,097	4,991	4,904	3,692	5,509	4,904
Measured unemployment rate (% of labour force)	1.4	2.5	3.4	3.6	3.5	3.5	2.6	3.9	3.5
Seasonally adjusted unemployment rate.....	.	.	.	2.9	2.9	2.9	2.2	3.3	2.9
<i>Quarterly measurements</i>	Averages			3-month % change			12-month % change		
	2002	2003	Q1 '04	Q3 '03	Q4 '03	Q1 '04	Q1 '02	Q1 '03	Q1 '04
Wage index (1990 = 100).....	195.0	205.8	211.5	0.5	0.5	2.0	9.5	5.6	3.5
Wages in the private sector.....	178.6	188.5	191.8	0.4	0.5	1.1	6.4	5.3	2.4
Wages in the public sector and banks.....	221.9	234.5	244.4	0.5	0.5	3.5	14.1	6.2	5.0

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

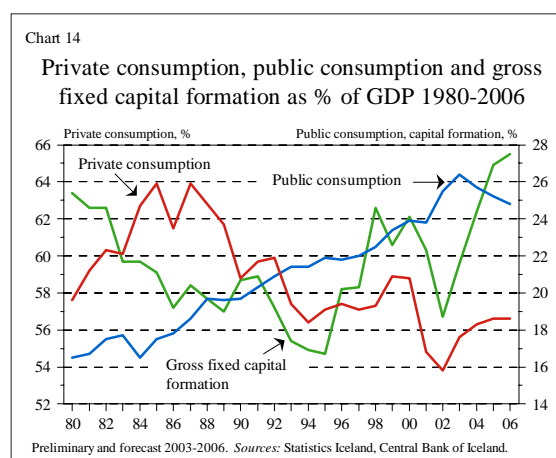
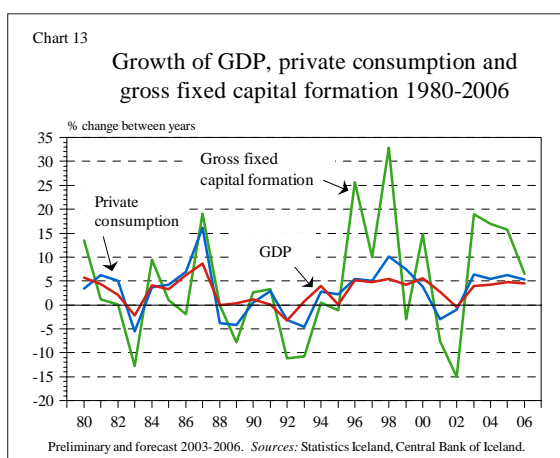


**Table 9 National accounts – annual data**

<i>In b.kr.</i>	1998	1999	2000	2001	2002	Estimate 2003	Forecast <sup>1</sup>		
							2004	2005	2006
Gross domestic product (GDP), current prices....	568.8	609.5	661.9	743.6	778.5	806.4	866.3	945.0	1,024.3
Current account balance, current prices.....	-39.5	-42.6	-67.1	-30.4	-2.2	-45.5	-76.1	-107.9	-122.8
GDP at 1990 fixed prices .....	428.2	445.9	471.1	484.4	481.4	500.8	522.1	546.8	571.5
GNP at 1990 fixed prices .....	418.4	436.1	456.6	467.2	469.1	489.8	511.0	532.8	554.1
<i>Volume changes between years, percent</i>									
Private consumption .....	10.1	7.4	3.8	-3.0	-1.0	6.4	5½	6¼	5¼
Public consumption .....	3.4	4.9	4.3	3.2	3.9	3.0	½	2	2
Gross fixed capital formation .....	32.9	-3.0	14.8	-7.6	-15.1	19.0	17	15¾	6½
Industries .....	45.8	-5.1	14.9	-15.2	-22.7	24.0	30¼	24¾	7¼
Housing .....	1.3	0.3	15.2	17.8	5.2	13.3	12	4	3
Public works and buildings .....	23.4	2.7	14.0	-1.7	-12.3	12.0	-17	-8½	9
National expenditure .....	13.5	4.2	6.8	-3.7	-2.8	8.0	7	7¼	5
Exports of goods and services.....	2.1	4.0	5.0	7.7	3.6	-0.7	5	4	6
Exports of goods .....	-2.6	7.1	-1.3	7.3	6.6	-1.1	5	3¼	7¾
Exports of services .....	13.2	-2.5	19.4	8.5	-1.9	0.0	4½	5½	2½
Imports of goods and services.....	23.5	4.2	8.0	-9.0	-2.6	9.7	11¾	11½	7
Imports of goods .....	24.3	3.2	2.7	-10.0	-3.4	7.2	13	14½	7½
Imports of services .....	21.2	6.9	21.5	-6.9	-0.7	14.6	9½	4½	5
Gross domestic product (GDP) .....	5.5	4.2	5.6	2.7	-0.5	4.0	4¼	4¾	4½
Gross national product (GNP).....	5.6	4.2	4.7	2.3	0.4	4.5	4¼	4¼	4
Gross national income (GNI).....	7.7	4.0	3.7	2.5	0.8	2.5	3½	4¼	4¼
Terms of trade (goods and services) .....	5.6	-0.8	-2.7	0.3	0.5	-4.4	-1¾	1¼	¼
<i>Percent of GDP</i>									
Private consumption.....	57.3	58.9	58.8	54.8	53.8	55.6	56¼	56¼	56½
Gross fixed capital formation.....	24.6	22.6	24.1	22.3	18.7	21.6	24½	26¾	27½
Current account balance.....	-6.9	-7.0	-10.1	-4.1	-0.3	-5.6	-8¾	-11½	-12
Gross national saving.....	17.9	15.6	14.3	17.9	18.8	15.8	15½	15½	15½

1. Central Bank of Iceland forecast.

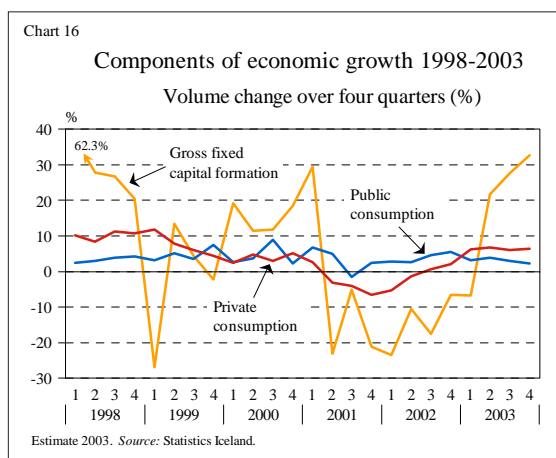
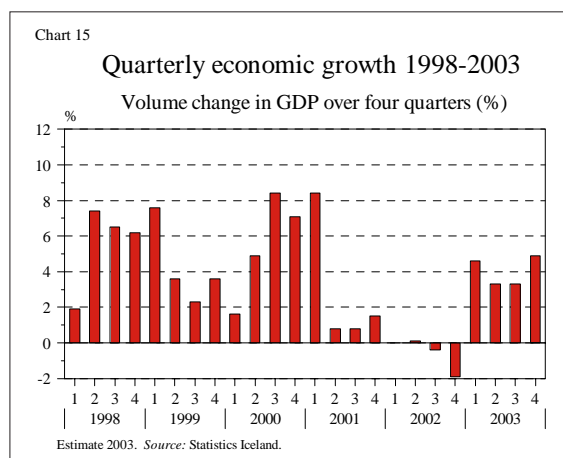
Sources: Statistics Iceland, Central Bank of Iceland



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

<i>In b.kr.</i>	<i>Private consumption</i>	<i>Public consumption</i>	<i>Gross fixed cap. format.</i>	<i>Changes in stocks</i>	<i>National expenditure</i>	<i>Exports</i>	<i>Imports</i>	<i>GDP</i>
2000: Q4 .....	105,245	41,391	43,456	3,004	193,095	58,972	-75,376	176,691
2001: Q1 .....	95,027	41,146	42,547	-2,739	175,981	64,635	-74,773	165,843
2001: Q2 .....	102,023	43,990	38,085	53	184,151	71,684	-74,897	180,938
2001: Q3 .....	102,611	44,372	44,955	622	192,559	84,146	-84,131	192,574
2001: Q4 .....	108,072	47,148	39,884	-20	195,084	82,602	-73,478	204,208
2002: Q1 .....	97,900	47,714	35,501	-339	180,776	76,495	-71,239	186,032
2002: Q2 .....	105,290	49,249	36,124	-896	189,766	79,239	-75,333	193,672
2002: Q3 .....	105,284	49,291	37,145	825	192,545	80,789	-75,342	197,992
2002: Q4 .....	110,303	52,156	36,797	229	199,486	72,279	-70,995	200,770
2003: Q1 .....	104,096	51,341	33,381	-858	187,960	71,010	-67,487	191,483
2003: Q2 .....	112,324	53,196	43,061	-240	208,341	67,461	-78,412	197,390
2003: Q3 .....	112,444	52,727	48,594	-220	213,546	79,264	-87,086	205,724
2003: Q4 .....	119,136	55,298	49,509	-184	223,759	66,722	-78,639	211,842
<i>Volume change from same quarter in prev. year (%)</i>								
2000: Q4 .....	5.1	2.3	18.5	2.3	9.6	1.3	8.8	7.1
2001: Q1 .....	2.6	6.7	29.5	-1.8	7.4	15.2	11.5	8.4
2001: Q2 .....	-3.2	5.0	-23.2	-0.3	-7.1	2.7	-16.4	0.8
2001: Q3 .....	-4.1	-1.5	-5.2	0.8	-3.2	1.2	-8.1	0.8
2001: Q4 .....	-6.6	2.5	-21.1	-2.2	-10.2	13.7	-19.8	1.5
2002: Q1 .....	-5.4	2.8	-23.5	1.7	-6.9	3.1	-14.0	0.0
2002: Q2 .....	-1.3	2.7	-10.6	-0.7	-3.2	11.8	2.4	0.1
2002: Q3 .....	0.6	4.6	-17.5	0.3	-2.6	2.4	-3.2	-0.4
2002: Q4 .....	2.0	5.5	-6.6	0.2	1.1	-2.1	6.7	-1.9
2003: Q1 .....	6.3	3.2	-6.7	0.0	3.0	5.0	0.6	4.6
2003: Q2 .....	6.7	3.9	21.8	0.6	9.7	-5.1	10.6	3.3
2003: Q3 .....	6.1	2.9	27.7	-0.7	9.0	1.4	15.7	3.3
2003: Q4 .....	6.4	2.2	32.7	-0.2	10.2	-3.9	10.9	4.9

Source: Statistics Iceland.



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

	<i>In b.kr.</i>					<i>% change from previous year<sup>2</sup></i>		
	2000	2001	2002	2003	Jan.-Mar: '04	3-mo.	6-mo.	12-mo.
<i>Trade in goods and services</i>								
Trade balance .....	-38.0	-6.7	13.1	-16.9	0.1	.	.	.
Merchandise exports fob .....	149.3	196.4	204.3	182.6	51.0	3.8	-0.9	-5.9
Excluding ships and aircraft .....	146.1	193.1	202.0	181.2	50.8	5.2	0.5	-4.9
Marine products .....	94.5	121.8	128.6	113.7	30.8	4.2	-1.1	-6.3
Aluminium and ferro-silicon.....	31.6	44.4	43.5	40.3	10.3	-8.7	-4.5	-6.6
Other industrial products.....	15.1	19.0	14.5	21.6	8.2	35.9	14.1	4.0
Merchandise imports fob .....	187.3	203.1	191.2	199.5	50.9	20.4	15.6	14.7
Excluding ships and aircraft .....	177.5	190.1	180.0	195.7	50.8	25.7	19.7	17.4
Consumption goods.....	59.3	60.8	59.5	66.3	.	20.0	18.1	16.4
Investment goods .....	44.3	44.4	38.6	46.1	11.0	24.6	26.9	28.0
<i>Services and income balance</i>								
	2000	2001	2002	2003	2003/Q4	3-mo.	6-mo.	12-mo.
Services balance.....	-9.5	1.7	1.8	-11.3	-6.7	.	.	.
Services exports .....	82.4	106.5	104.5	101.9	21.2	-7.5	2.9	3.7
Transportation .....	40.8	50.9	51.7	49.7	10.9	-2.1	2.8	2.2
Travel .....	18.0	22.9	22.8	24.4	4.7	3.9	13.7	13.7
Other receipts .....	23.6	32.7	30.0	27.8	5.6	-22.7	-7.2	-1.4
Services imports .....	-91.9	-104.8	-102.7	-113.1	-27.9	16.7	17.5	17.6
Transportation .....	-32.7	-37.1	-39.3	-39.8	-9.8	8.2	8.8	8.1
Travel .....	-37.1	-36.4	-33.4	-39.9	-10.8	29.7	27.6	27.3
Other expenditure.....	-22.1	-31.3	-30.0	-33.4	-7.3	11.7	17.1	19.0
Balance on income .....	-19.4	-25.2	-19.3	-17.4	-1.1	.	.	.
Receipts .....	11.6	16.8	17.1	18.5	6.0	-0.2	8.4	15.2
Compensation of employees.....	5.5	5.8	5.4	6.2	1.6	5.5	14.2	22.4
Interest payments .....	3.5	3.4	4.9	4.1	1.1	-11.3	-12.5	-10.4
Dividends and reinvested earnings <sup>3</sup> ..	2.6	7.7	6.8	8.1	3.3	1.5	17.1	27.9
Expenditures.....	-31.0	-42.1	-36.4	-35.9	-7.0	-19.4	-4.5	5.2
Compensation of employees.....	-0.8	-0.5	-0.7	-0.5	-0.1	-2.7	-19.5	-29.3
Interest payments .....	-28.5	-41.1	-34.2	-31.7	-7.1	-8.3	-3.4	-1.2
Dividends and reinvested earnings <sup>3</sup> ..	-1.6	-0.5	-1.5	-3.7	0.2	-122.9	-18.5	174.1
Current transfer, net.....	-0.8	-1.0	1.2	-0.9	-0.4	-12.2	-115.1	-184.4
Current account balance.....	-67.1	-30.4	-2.2	-45.5	-13.4	.	.	.

Chart 17

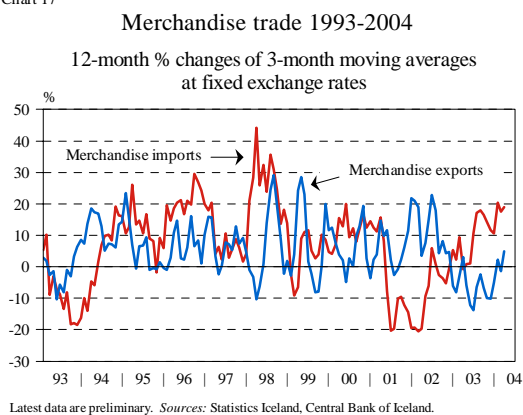
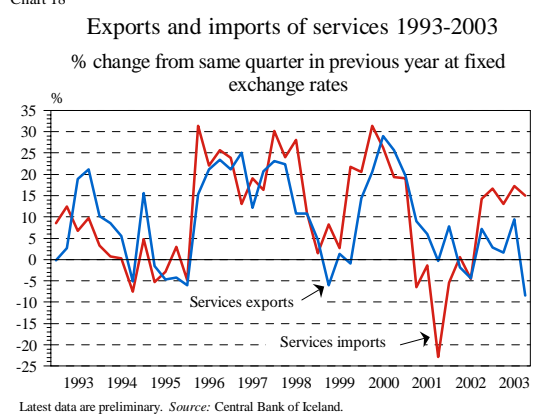


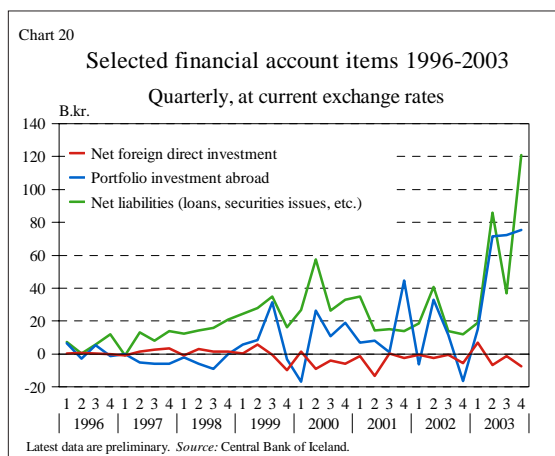
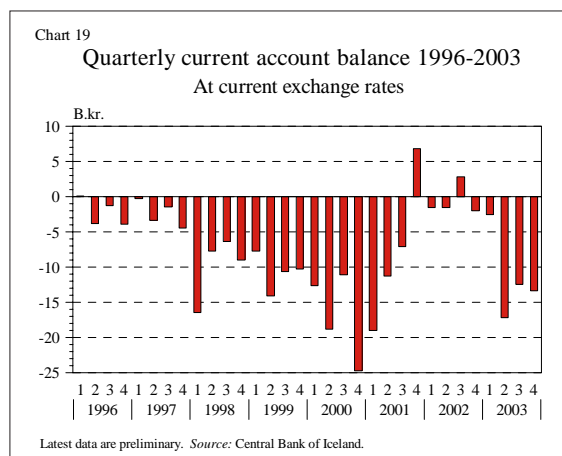
Chart 18



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

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

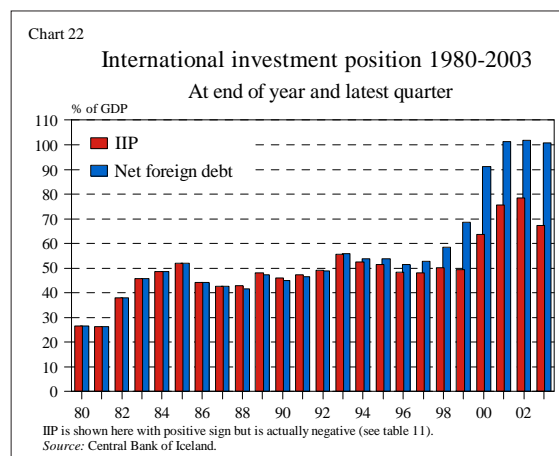
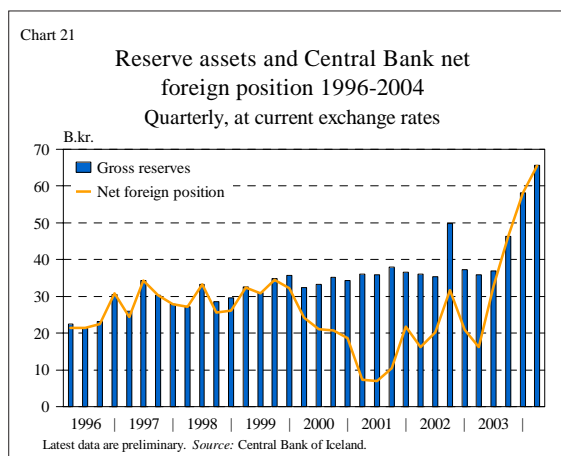
1. Latest figures are preliminary. 2. At constant exchange rates, based on the latest period indicated. 3. Dividend payments and reinvestment of earnings on direct investment. 4. Positive value represents inflow of capital due to foreign borrowing or decrease in assets. Negative value accounts for outflow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



**Table 11 International investment position**

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

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

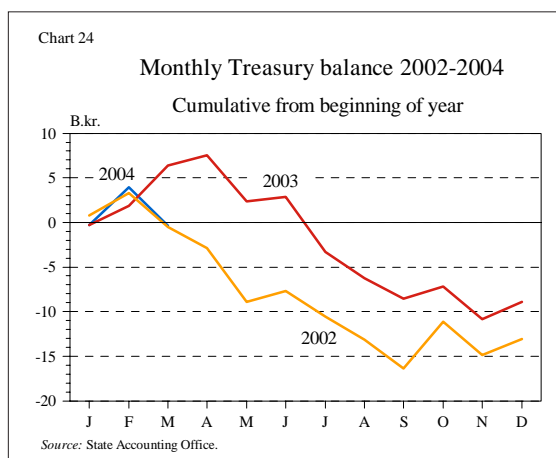
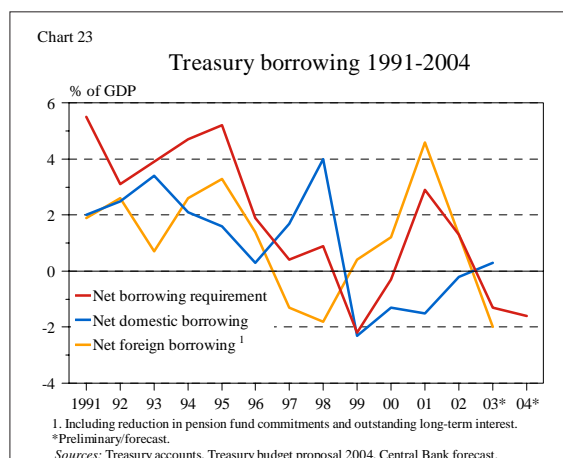


**Table 12 Summary of Treasury finances<sup>1</sup>**

<i>In b.kr.</i>	<i>Accruals basis</i>			<i>Jan.-Dec.</i>		<i>% ch. from prev. year</i>	<i>Nov.-Feb.</i>		<i>% ch. from prev. year</i>
	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2002</i>	<i>2003</i>		<i>2003</i>	<i>2004</i>	
Revenues .....	224.7	237.4	259.2	233.8	259.8	11.1	87.0	97.0	11.5
Expenditures .....	229.0	228.7	267.3	246.8	268.7	8.9	87.0	94.8	9.0
Financial balance.....	-4.3	8.6	-8.1	-13.0	-8.9	.	0.0	2.2	.
Miscell. short-term accounts .....	6.0	-6.1	-14.4	1.7	9.8	.	4.5	13.0	.
Net lending .....	3.3	-12.6	11.3	10.6	6.5	.	5.9	0.3	.
Equity transactions .....	-3.2	-11.5	0.7	-3.4	4.5	.	-4.7	0.6	.
Balance before financing.....	1.9	-21.5	-10.5	-4.1	11.8	.	5.7	16.1	.
Pension funds .....	7.6	-18.8	-4.2	-9.0	-7.5	.	-2.8	-2.5	.
Net borrowing .....	-8.2	41.6	13.5	10.6	-6.0	.	-9.0	1.0	.
Short-term domestic .....	-3.9	6.0	0.0	0.0	8.5	.	0.0	0.5	.
Long-term domestic .....	-12.5	1.8	3.0	0.1	1.6	.	-1.5	2.9	.
From abroad .....	8.2	33.9	10.5	10.5	-16.0	.	-7.5	-2.4	.
Cash balance.....	1.3	1.4	-1.2	-2.5	-1.6	.	-6.1	14.6	.
<i>Revenues and expenditures</i>									
Total revenues.....	224.7	237.4	259.2	233.8	259.8	11.1	87.0	97.0	11.5
Personal income taxes, gross.....	44.1	52.5	55.1	52.6	55.8	6.1	20.0	22.0	9.9
Other income and property taxes ...	25.3	27.0	27.5	25.5	28.1	10.4	12.1	18.4	51.6
Value-added tax .....	71.9	72.1	76.3	73.6	80.3	9.0	25.5	28.1	10.4
Taxes on commodities & imports...	18.1	15.9	15.4	15.6	17.5	12.4	5.1	5.6	8.8
Payroll taxes .....	19.7	21.9	23.4	22.6	25.2	11.5	7.5	8.6	14.3
Other taxes.....	21.5	22.3	22.9	22.1	23.7	6.8	8.6	8.5	-0.9
Interest, dividends and rent .....	13.2	16.6	18.7	11.3	11.0	-3.2	5.0	3.8	-24.8
Profits from asset sales.....	3.8	1.1	11.7	4.4	11.6	164.9	0.7	-0.9	-235.6
Other revenues.....	7.1	7.9	8.3	6.0	6.7	11.1	2.5	2.9	19.6
Total expenditures <sup>2</sup> .....	229.0	228.7	267.3	246.8	268.7	8.9	87.0	94.8	.
Expenditure on goods and services	102.0	91.7	116.8	106.7	120.6	13.1	38.8	47.2	.
Current transfers .....	91.6	96.1	112.6	101.7	108.7	6.9	36.2	37.5	.
Interest payments.....	15.2	17.9	16.0	17.8	14.9	-16.0	6.6	4.0	.
Maintenance.....	5.3	5.7	6.1	4.9	5.0	2.1	1.1	1.5	.
Capital expenditures .....	14.9	17.3	15.8	15.8	19.4	23.4	4.2	4.6	.

1. First three columns on accruals basis as in the Treasury accounts but latest figures on cash basis. 2. The most recent expenditure figures are not comparable with earlier data due to changes in the presentation of the accounts, which have increased total expenditures by 4 b.kr. so far this year.

Source: State Accounting Office.



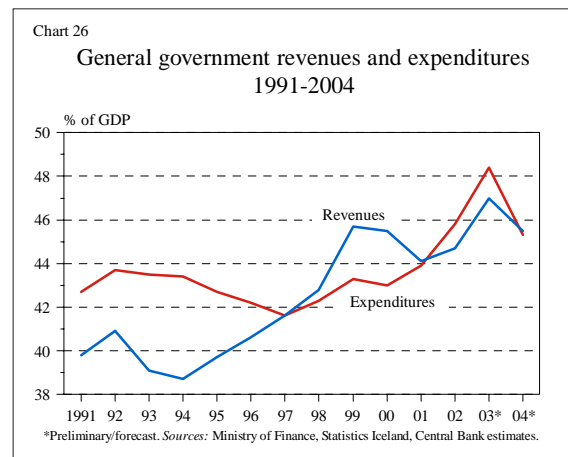
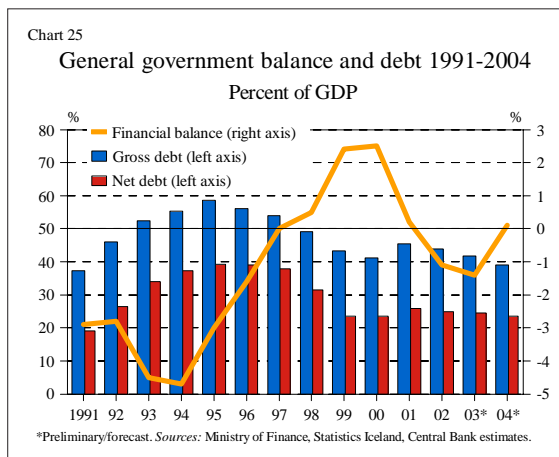


**Table 13 Public sector finances<sup>1</sup>**

<i>In b.kr.</i>		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
										<i>Prelim. Forecast</i>	
<i>General government</i>											
Revenues .....		179.7	197.2	213.2	242.9	278.6	301.1	328.5	348.0	379.4	393.9
Expenditures .....		193.1	205.0	213.3	240.0	264.0	284.6	327.2	356.7	390.4	392.7
Financial balance.....		-13.4	-7.7	-0.1	2.8	14.6	16.6	1.3	-8.7	-11.0	1.2
Net debt .....		179.2	191.5	196.5	180.7	147.0	158.8	200.1	195.2	199.6	206.9
Gross debt.....		267.5	274.4	279.4	280.4	271.5	277.4	352.9	343.4	340.5	341.8
<i>Central government</i>											
Revenues .....		141.3	155.7	162.4	183.9	213.8	228.7	245.4	257.3	279.8	292.0
Expenditures .....		152.9	163.0	159.6	177.8	198.2	211.7	240.9	262.0	288.5	286.4
Financial balance.....		-11.6	-7.3	2.7	6.2	15.6	16.9	4.6	-4.7	-8.7	5.6
Net debt .....		155.3	168.2	172.3	151.3	118.8	127.5	169.6	150.1	148.4	152.7
Gross debt.....		232.6	239.2	241.6	237.8	226.0	228.0	296.5	279.6	276.3	275.6
<i>Local government</i>											
Revenues .....		40.9	46.9	55.5	62.9	69.9	77.7	89.5	97.3	102.4	107.5
Expenditures .....		42.3	47.4	58.5	67.2	72.8	80.3	94.8	102.7	105.8	110.7
Financial balance.....		-1.4	-0.4	-3.0	-4.3	-2.9	-2.6	-5.3	-5.5	-3.4	-3.2
Net debt .....		25.1	24.2	25.0	30.1	28.7	31.7	30.7	45.3	54.0	56.9
Gross debt.....		35.6	35.7	38.4	43.3	46.1	49.8	56.6	60.2	65.0	71.7
<i>General government, % of GDP</i>											
Revenues .....		39.7	40.6	41.6	42.8	45.7	45.5	44.1	44.7	47.0	45.5
Expenditures .....		42.7	42.2	41.6	42.3	43.3	43.0	43.9	45.8	48.4	45.3
Financial balance.....		-3.0	-1.6	0.0	0.5	2.4	2.5	0.2	-1.1	-1.4	0.1
Net debt .....		39.3	39.0	37.9	31.6	23.5	23.5	25.8	24.9	24.5	23.6
Gross debt.....		58.7	56.0	53.9	49.1	43.4	41.1	45.5	43.8	41.7	39.0

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>**

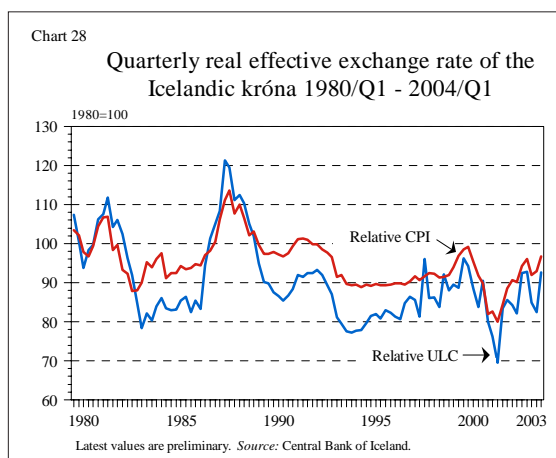
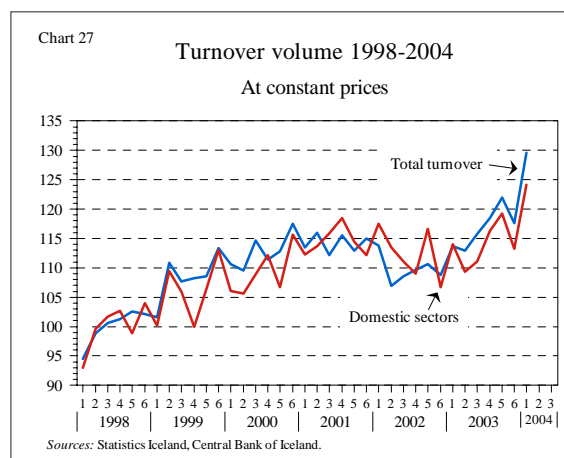
<i>M.kr.</i>	<i>January-February</i>			<i>% ch. on prev. year, Jan.-Feb.<sup>2</sup></i>		
	2002	2003	2004	2002	2003	2004
Industries, total .....	50,042	45,845	46,552	12.4	-9.7	-0.8
Industries, excluding fish processing .....	30,528	29,588	31,454	4.7	-4.5	3.9
Industries, excl. fish proc. and power-intensive	23,046	23,059	25,312	2.4	-1.4	7.3
Retail trade .....	25,253	26,073	27,985	-1.6	3.4	7.2
Wholesale trade .....	41,675	42,194	49,533	1.0	0.9	16.0
Wholesale trade, excluding fuels .....	35,718	36,183	43,549	2.0	1.5	20.2
Construction .....	9,527	9,828	12,738	-17.4	1.6	26.6
Total .....	187,290	184,449	205,475	4.6	-3.0	8.9
Total, excluding fuels .....	181,333	178,438	199,491	3.9	-1.4	11.7

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<sup>1</sup>**

	<i>Annual averages</i>					<i>Q1</i>	<i>% change on prev. year</i>		
	1999	2000	2001	2002	2003	2004	Q3'03	Q4'03	Q1'04
Real effective exchange rate (1980=100)									
based on relative consumer prices (CPI) .....	93.6	96.2	83.6	88.4	93.8	96.7	1.6	3.2	2.5
based on relative unit labour costs (ULC) .....	89.5	90.8	79.2	83.9	88.2	92.6	0.8	0.4	0.1
<i>% change on previous year</i>	1996	1997	1998	1999	2000	2001	2002	<i>Prelim.</i> 2003	<i>Forecast</i> 2004
Nominal effective exchange rate .....	0.0	1.2	1.5	0.0	0.2	-16.6	2.5	6.2	1.0
Foreign consumer prices .....	2.0	2.1	1.6	1.6	2.3	2.2	1.8	2.1	1.3
Domestic consumer prices .....	2.3	1.8	1.7	3.4	5.1	6.6	4.8	2.1	3.3
Real exchange rate based on relative CPI .....	0.3	0.9	1.6	1.8	2.9	-13.1	5.7	6.1	3.0
Foreign productivity .....	1.5	1.5	1.2	1.2	1.9	1.2	1.0	1.1	1.4
Domestic productivity .....	2.1	2.0	2.9	1.4	3.3	1.1	-0.1	4.8	2.0
Foreign wages .....	3.5	3.2	3.0	3.3	3.2	3.3	3.1	3.0	2.8
Domestic wages .....	5.2	5.8	7.1	5.5	5.7	8.0	5.8	5.5	5.0
Real exchange rate based on relative ULC .....	1.1	3.3	4.1	1.7	1.4	-12.7	5.9	5.1	2.5

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



**Table 16 Real estate market and asset prices**

<i>Real estate market</i> <sup>1</sup>	2001	2002	2003	<i>1-mo. % change</i>			<i>12-mo. % change</i>		
				Apr. '04	Mar. '04	Apr. '04	Apr. '02	Apr. '03	Apr. '04
Residential housing price index <sup>2</sup> .....	151.8	158.9	177.7	194.9	1.8	2.1	1.5	10.4	10.8
Apartment housing price index <sup>3</sup> .....	156.0	161.1	180.7	199.5	1.2	2.4	-0.5	12.2	10.5
New housing loans at market prices (b.kr.) <sup>4</sup> .....	28.6	32.2	49.6	4.6	6.4	9.4	9.2	50.7	11.1
Number of Housing Fin. Fund loan applications <sup>5</sup>	2,846	2,535	3,271	280	-6.9	3.9	17.6	10.2	25.0
<i>Fish quota prices (period averages. kr./kilo)</i>									
Price of long-term cod quota (kr./kilo) .....	709	930	1,223	1,080	-	-6.9	20.0	48.8	-13.6
Price of short-term cod quota (kr./kilo).....	117	156	132	120	-	4.3	75.0	-14.3	-20.0
<i>Equity market</i>									
<i>Equity prices, Dec. 31, 1997 = 1,000</i>	<i>At end of year</i>				<i>May 21, 2004</i>	<i>% change to May 21, 2004</i>			
	2000	2001	2002	2003		<i>1-mo.</i>	<i>3-mo.</i>	<i>6-mo.</i>	<i>12-mo.</i>
ICEX-15 .....	1,305.9	1,159.0	1,352.0	2,114.3	2,664.7	-0.5	7.3	34.8	85.1
ICEX-MAIN (The Main List index).....	1,303.3	1,180.8	1,436.2	2,075.2	2,574.6	-0.3	6.8	31.6	72.3
<i>ICEX industry indices Dec. 31, 1997 = 100</i>									
Fisheries .....	74.5	86.7	107.3	100.0	108.6	1.0	1.3	9.5	9.6
Finance and insurance.....	163.4	157.9	164.3	252.4	341.8	0.0	12.7	38.6	91.9
Transport .....	117.6	80.5	118.8	139.4	187.0	-3.6	8.5	39.9	60.5
Industry and manufacturing.....	156.3	120.3	142.8	172.8	215.2	3.1	13.9	23.1	52.0

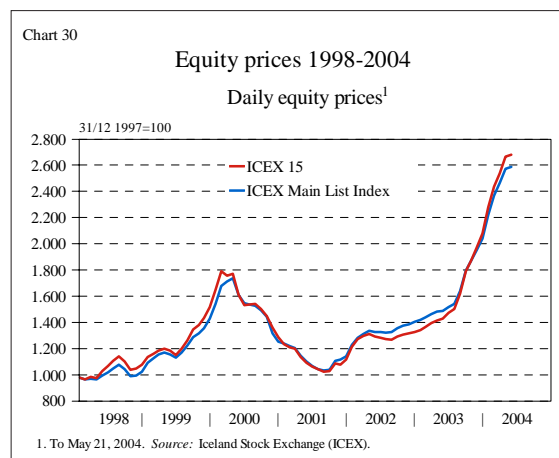
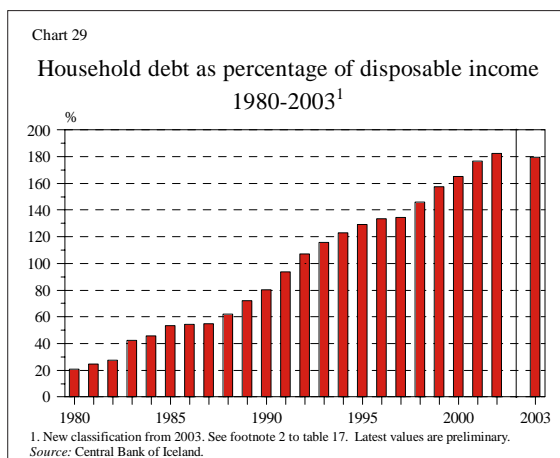
1. Changes are based on 3-month moving averages. 2. Greater Reykjavik Area (GRA). January 1994=100. 3. GRA. January 1996=100. 4. Percentage changes are price-adjusted using the price index for residential housing in the GRA. 5. Housing Financing Fund applications for new housing and renovation.

Sources: The Land Registry of Iceland, Federation of Icelandic Fishing Vessel Owners, Housing Financing Fund, The Icelandic Quota Exchange, Iceland Stock Exchange (ICEX), Central Bank of Iceland.

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

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

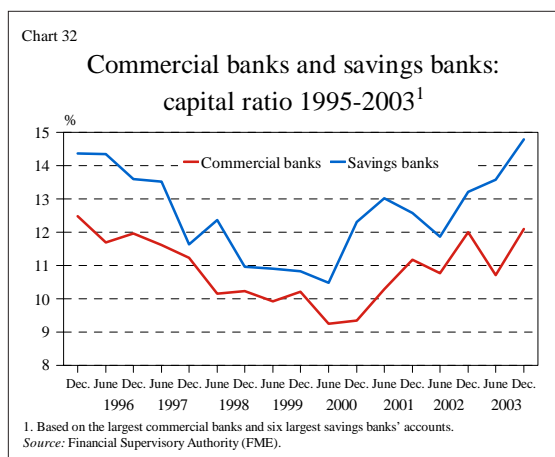
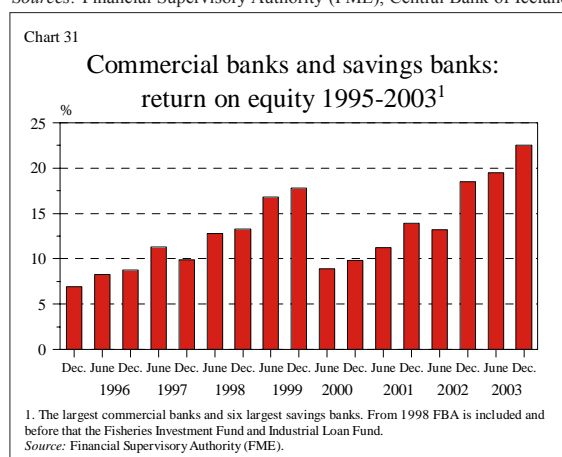
1. National Economic Institute national wealth estimates. 2. Due to reclassification of lending within the credit system, household debt is 50.3 b.kr lower than would otherwise have been the case at the end of 2003 and corporate debt 27.9 b.kr. lower, compared with the former classification. Year-on-year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



**Table 18 Icelandic firms' financial accounts**

<i>Accounts of publicly listed firms<sup>1</sup></i>	<i>Jan.-Dec.</i>		<i>% of turnover</i>		<i>Jan.-March</i>		<i>Change</i>	<i>% of turnover</i>		
	<i>2002</i>	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2003</i>	<i>2004</i>		<i>'03-'04</i>	<i>2003</i>	<i>2004</i>
<i>All amounts in b.kr</i>										
Profit before financial exp. & depreciation.....	33.4	34.8	11.6	10.9	9.0	11.8	2.8	12.7	13.2	
Fisheries.....	10.8	8.4	23.6	21.1	2.5	3.3	0.8	23.0	26.8	
Transport.....	2.6	3.2	10.6	10.8	0.1	0.3	0.2	2.6	3.7	
IT industry.....	8.1	9.8	22.7	23.7	2.2	2.2	0.0	26.6	20.7	
Industry and manufacturing.....	8.7	9.9	13.4	11.2	3.2	4.5	1.3	16.4	18.1	
Profit after taxes.....	16.7	16.1	6.5	5.1	5.4	4.3	-1.1	7.6	4.8	
Fisheries.....	8.7	3.5	19.0	8.8	2.7	1.2	-1.5	24.3	9.7	
Transport.....	2.3	4.4	9.6	14.6	0.0	0.0	0.0	0.7	-0.9	
IT industry.....	1.2	1.6	3.5	3.8	0.5	0.6	0.1	5.7	5.6	
Industry and manufacturing.....	5.3	5.8	8.1	6.6	2.0	2.2	0.2	10.1	8.7	
Equity ratio.....	37.0	35.5	.	.	35.6	34.6	.	.	.	
Return on equity.....	13.0	15.5	.	.	17.1	13.7	.	.	.	
Sample size at end of period.....	24	24	.	.	28	28	-	.	.	
<i>Accounts of commercial banks and savings banks<sup>2</sup></i>										
<i>% change</i>										
<i>All amounts in b.kr:</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>'00-'01</i>	<i>'01-'02</i>	<i>'02-'03</i>		
Net interest income.....	18.0	21.1	29.4	29.6	36.0	39.1	0.7	21.6		
Other operating income.....	13.4	13.4	10.3	27.9	45.6	-23.5	171.6	63.5		
Net operating income.....	31.4	34.6	39.6	57.5	81.6	14.7	45.0	41.9		
Operating expenses.....	19.6	22.7	25.4	34.1	44.9	12.0	34.4	31.5		
Provisions for bad and doubtful debts.....	3.6	4.0	7.4	9.3	13.2	86.6	25.5	41.9		
Value adjustments.....	-	1.7	-	-	-	.	.	.		
Taxes.....	1.5	1.9	-0.1	1.2	2.9	-107.4	-956.7	144.1		
Profit.....	6.7	4.4	6.9	12.5	18.6	57.6	82.3	48.4		
Total assets at end of period.....	627.0	789.7	941.0	1.161.1	1.597.3	19.2	23.4	37.6		
Stockholders' equity at end of period.....	44.2	49.1	60.8	84.5	113.5	23.8	38.9	34.4		
<i>% at end of period</i>										
Return on equity.....	17.8	9.8	13.9	18.5	22.5	.	.	.		
Cost ratio <sup>3</sup> .....	62.3	65.6	64.0	59.4	55.0	.	.	.		
Capital ratio.....	10.3	9.7	11.3	12.2	12.3	.	.	.		
Capital ratio excluding subordinated loans.....	7.9	6.6	8.0	9.1	9.2	.	.	.		

1. Companies listed on Iceland Stock Exchange (ICEX), excluding the finance and insurance sector. Paired comparison. Data available May 28, 2004.  
 2. The sample includes the largest commercial banks (three) and the six largest savings banks. 3. Operating expenses as a percentage of net operating income.  
 Sources: Financial Supervisory Authority (FME), Central Bank of Iceland.



**Table 19 International comparison**

Based on latest monthly data for each region:	EU-15	EMU-11	USA	UK	Japan	Sweden	Norway	Finland	Denmark	Iceland
Inflation in previous 12 months.....	1.8	2.0	2.3	2.5	-0.1	0.3	0.4	-0.3	0.8	3.2
Unemployment <sup>1</sup> .....	8.0	8.8	5.6	4.7	4.7	5.7	4.3	8.9	6.4	2.9
Economic growth <sup>2</sup> .....	1.5	1.3	4.9	3.1	4.7	2.1	0.5	1.6	1.0	4.9
Long-term interest rates (nominal yield) <sup>3</sup> ....	.	3.6	3.9	5.1	0.6	4.0	4.2	3.6	3.9	7.4
Long-term interest rates (real yield) <sup>3,4</sup> .....	.	.	1.1	2.2	.	2.1	.	.	.	3.6
Short-term interest rates <sup>5</sup> .....	.	2.0	1.0	4.6	0.0	2.0	1.8	2.1	2.0	5.5
<i>In 2003 (unless otherwise stated):</i>										
GDP per capita based on PPP, in thous. US\$ <sup>6</sup>	.	25.6	36.1	27.9	26.9	27.3	35.5	26.5	29.2	28.4
Gross saving, % of GDP (2002) <sup>7</sup> .....	19.9	.	14.6	15.1	26.4	21.2	32.1	26.4	22.8	18.8
Gen. government fin. balance, % of GDP.....	-2.7	-2.7	-4.9	-2.9	-7.4	0.2	9.8	2.6	0.8	-1.0
Gen. government gross debt, % of GDP.....	72.6	75.7	63.4	53.5	154.6	62.5	23.7	52.6	50.7	41.5
Gen. government expenditure, % of GDP.....	48.4	48.9	35.9	42.8	38.3	59.0	48.4	51.0	56.6	46.5
Current account balance, % of GDP.....	0.1	0.4	-5.0	-2.7	2.9	3.7	12.7	7.3	3.7	-3.3

1. Seasonally adjusted. 2. Annual GDP growth based on latest quarterly figures. Seasonally adjusted except for Iceland. 3. Five-year Treasury bonds. 4. Figures are omitted where price indexation is not applied. 5. Three-month money market rates. 6. 2002. Converted to US dollars at an exchange rate that eliminates the difference in price levels between the countries. 7. 2001 for Japan. Sources: EcoWin, Eurostat, OECD.

**Table 20 International economic developments**

	1997	1998	1999	2000	2001	2002	Prelim. 2003	Forecast	
								2004	2005
<i>Annual economic growth (%)<sup>1</sup></i>									
World.....	4.2	2.8	3.7	4.7	2.4	3.0	3.9	4.6	4.4
Euro area.....	2.3	2.9	2.8	3.5	1.6	0.9	0.4	1.6	2.0
United Kingdom.....	3.3	3.1	2.8	3.8	2.1	1.7	2.3	3.1	2.7
United States.....	4.5	4.2	4.4	3.7	0.5	2.2	3.1	4.6	3.8
Japan.....	1.8	-1.2	0.2	2.8	0.4	-0.3	2.7	3.1	1.8
Other emerging markets and developing countries <sup>2</sup> .....	5.3	3.0	4.0	5.9	4.1	4.6	6.1	6.0	5.9
<i>Annual growth in world trade (%)</i> .....	10.4	4.4	5.9	12.5	0.1	3.1	4.5	6.8	6.6
<i>Consumer price inflation (%)</i>									
Euro area.....	1.6	1.1	1.1	2.0	2.4	2.3	2.1	1.8	1.6
United Kingdom.....	1.8	1.6	1.4	0.8	1.2	1.3	1.4	1.5	1.8
United States.....	2.3	1.5	2.2	3.4	2.8	1.6	2.3	2.2	2.1
Japan.....	1.7	0.6	-0.3	-0.9	-0.8	-0.9	-0.2	-0.2	-0.2
<i>Unemployment, % of labour force</i>									
Euro area.....	10.8	10.2	9.4	8.5	8.0	8.4	8.8	8.8	8.6
United Kingdom.....	7.1	6.3	6.0	5.5	5.1	5.2	5.0	2.9	2.8
United States.....	4.9	4.5	4.2	4.0	4.8	5.8	6.0	5.5	5.3
Japan.....	3.4	4.1	4.7	4.7	5.0	5.4	5.3	5.0	4.8
<i>Gen. government fin. balance, % of GDP<sup>3</sup></i>									
Euro area.....	-2.6	-2.3	-1.3	0.1	-1.7	-2.3	-2.7	-2.6	-2.7
United Kingdom.....	-2.2	0.1	1.1	3.9	0.7	-1.5	-2.9	-2.9	-3.2
United States.....	-0.9	0.3	0.7	1.4	-0.5	-3.4	-4.9	-5.1	-4.9
Japan.....	-3.8	-5.5	-7.2	-7.4	-6.1	-7.1	-7.4	-6.8	-6.9
<i>Long-term interest rates<sup>4</sup></i>									
Euro area.....	5.9	4.7	4.6	5.4	5.0	4.9	4.2	4.5	5.1
United Kingdom.....	7.1	5.5	5.1	5.3	4.9	4.9	4.4	5.1	5.2
United States.....	6.4	5.3	5.6	6.0	5.0	4.6	4.0	4.7	5.2
Japan.....	2.4	1.5	1.7	1.7	1.3	1.3	1.1	1.5	1.5

1. Real GDP percent change between years. 2. In May 2004, the IMF revised its world economic classifications into two categories of countries. The category 'Other emerging market and developing countries' comprises 146 countries. 3. General government, e.g. central government, local governments and social security transactions. 4. Yields on ten-year Treasury bonds. Sources: Consensus Forecasts, International Monetary Fund, OECD.

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

	Consumer prices <sup>1</sup>		Króna 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>	Banks' secured lending (real yield)		M3				DMBs' lending	lending
				Relative CPI	Relative ULC		Non-ind.	Indexed						
1975	1.4	49.4	7.5	92.4	96.9	3.9	-15.7	.	29.0	32.1	46.4	1.3	42.8	0.7
1976	1.8	32.4	8.5	103.3	106.4	5.8	-7.4	.	32.5	26.8	32.2	2.2	40.7	6.0
1977	2.4	30.3	9.7	113.1	114.2	3.5	-9.5	.	43.9	40.5	41.8	2.0	37.6	8.8
1978	3.5	44.0	13.9	105.3	106.6	3.3	-13.4	.	48.7	47.3	62.8	2.6	39.2	5.9
1979	5.0	44.5	18.7	100.0	100.7	3.5	-15.4	.	55.9	58.1	46.4	2.5	39.7	4.9
1980	8.1	61.8	25.9	100.0	100.0	3.5	-8.3	2.3	65.4	66.4	71.1	2.4	35.9	5.7
1981	12.2	50.8	34.7	104.4	106.3	3.2	-1.7	2.5	70.5	72.2	54.1	3.0	36.5	4.3
1982	18.4	51.0	54.5	95.8	102.2	3.5	-9.4	2.9	58.0	92.0	100.2	2.1	46.4	2.1
1983	33.9	84.2	100.0	90.3	84.3	3.8	-14.2	3.0	78.7	85.6	82.9	2.5	57.2	-2.2
1984	43.7	29.2	116.3	94.7	83.4	7.0	3.4	5.5	33.4	43.0	40.2	2.1	60.2	4.1
1985	57.9	32.4	148.7	93.2	84.5	6.9	-2.3	5.0	47.6	29.7	35.2	2.8	63.6	3.3
1986	70.2	21.3	171.0	95.0	86.4	8.5	4.3	5.2	35.0	19.1	20.1	3.6	56.5	6.2
1987	83.4	18.8	177.3	104.1	109.0	8.7	4.7	7.7	35.2	42.1	31.4	2.4	49.4	8.6
1988	104.6	25.4	202.6	109.4	113.4	8.7	11.8	9.2	24.0	37.2	34.0	2.4	51.3	-0.1
1989	126.7	21.1	254.7	100.6	98.1	7.4	6.5	7.8	27.2	25.2	33.8	3.0	56.8	0.3
1990	145.5	14.8	283.7	97.3	87.4	7.0	9.3	8.0	14.9	11.0	12.5	3.3	55.2	1.1
1991	155.4	6.8	283.6	99.9	89.6	8.1	10.0	9.2	14.4	11.6	15.4	3.2	56.0	0.1
1992	161.2	3.7	285.0	99.8	92.5	7.4	11.8	9.3	3.8	5.3	11.8	4.0	58.8	-3.3
1993	167.8	4.1	308.8	94.4	84.3	6.7	11.5	9.1	6.5	5.0	11.1	4.3	66.7	0.8
1994	170.3	1.5	324.8	89.3	77.6	5.0	9.5	7.9	2.3	-1.3	4.5	2.6	63.4	4.0
1995	173.2	1.7	322.3	89.4	81.0	5.6	10.1	8.7	2.2	0.0	5.9	2.4	63.4	0.1
1996	177.1	2.3	322.9	89.7	81.9	5.5	10.5	8.9	6.8	11.8	9.3	3.0	62.9	5.2
1997	180.3	1.8	318.7	90.5	84.5	5.3	11.1	9.0	8.7	12.7	11.8	2.6	64.8	4.7
1998	183.3	1.7	313.6	91.9	88.0	4.7	11.8	8.8	15.2	30.3	15.1	2.2	70.0	5.5
1999	189.6	3.4	313.1	93.6	89.6	4.4	8.0	8.6	16.9	22.8	17.3	2.6	82.5	4.2
2000	199.1	5.0	313.3	96.2	90.8	5.1	12.7	9.5	11.2	26.2	17.3	2.1	102.5	5.6
2001	212.4	6.7	376.3	83.6	79.2	5.1	9.3	10.2	14.9	13.4	19.2	2.1	120.1	2.7
2002	222.6	4.8	365.2	88.4	83.9	5.2	13.1	10.1	15.3	0.9	3.2	2.5	123.8	-0.5
2003	227.3	2.1	343.3	93.8	88.2	4.4	9.0	9.1	23.5	16.5	12.5	3.5	143.8	4.0

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

**Table 21 (continued) Historical economic indicators**

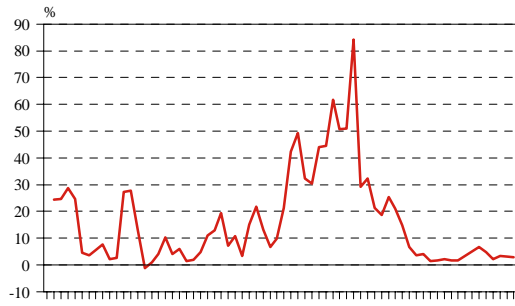
	Components of GDP (% change from previous year)				External trade (% change from prev. year)			Gen. government (% of GDP) <sup>8</sup>			Labour market (% of labour force)		Wages (% change from previous year)	
	Private consump- tion	Gross fixed cap. formation	National expendi- ture	Goods & services (volume changes)	Exports	Imports	Terms of trade	Curr. acc. balance (% of GDP)	Financial balance	Revenues	Expen- ditures	Unem- ployment	Labour particip.	Real wages <sup>9</sup>
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	38.2	41.4	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	39.8	42.7	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	40.9	43.7	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	39.1	43.5	4.4	75.3	-2.6	-7.6
1994.....	2.8	0.5	2.1	9.5	4.1	0.4	1.9	-4.7	38.7	43.4	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	39.7	42.7	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	40.6	42.2	4.3	76.4	4.0	4.1
1997.....	5.0	10.0	5.5	5.3	7.7	2.1	-1.8	0.0	41.6	41.6	3.9	76.6	3.6	2.5
1998.....	10.1	32.9	13.5	2.1	23.5	5.6	-6.9	0.5	42.8	42.3	2.8	77.1	7.6	8.7
1999.....	7.4	-3.0	4.2	4.0	4.2	-0.8	-7.0	2.4	45.7	43.3	1.9	77.3	3.3	3.0
2000.....	3.8	14.8	6.8	5.0	8.0	-2.7	-10.1	2.5	45.5	43.0	1.3	77.3	1.6	1.3
2001.....	-3.0	-7.6	-3.7	7.7	-9.0	0.3	-4.1	0.2	44.1	43.9	1.4	77.5	2.0	1.6
2002.....	-1.0	-15.1	-2.8	3.6	-2.6	0.5	-0.3	-1.1	44.7	45.8	2.5	77.3	2.2	-0.1
2003.....	6.4	19.0	8.0	-0.7	9.7	-4.4	-5.6	-1.4	47.0	48.4	3.4	77.0	3.4	2.8

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

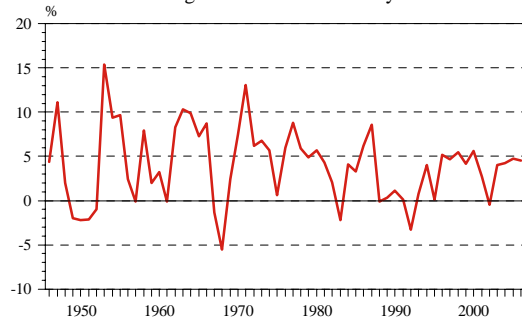
**Consumer price inflation 1939-2006**  
% change between annual averages



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

Chart 34

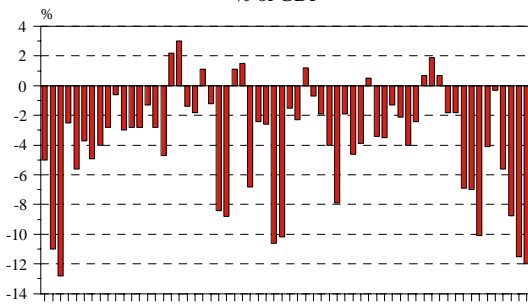
**Economic growth 1945-2006**  
% change in real GDP between years



Preliminary/forecast 2003-2006. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 35

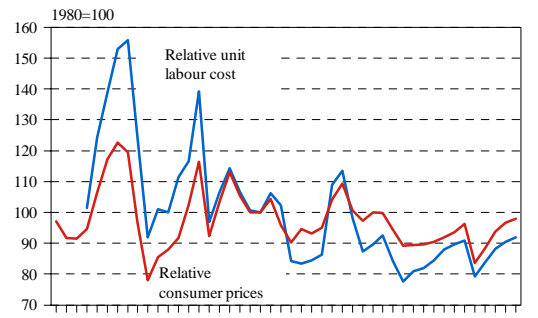
**Current account balance 1945-2006**  
% of GDP



Preliminary/forecast 2003-2006. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 36

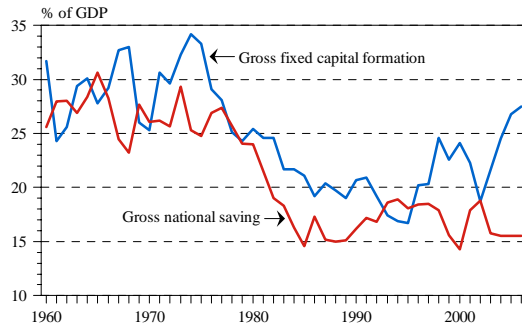
**Real effective exchange rate of the Icelandic króna 1960-2005**



Preliminary/forecast 2003-2005. Source: Central Bank of Iceland.

Chart 37

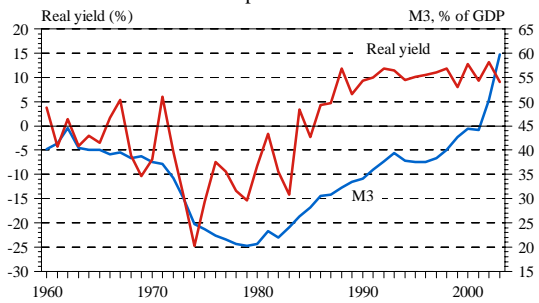
**Gross national saving and fixed capital formation 1960-2006**  
% of GDP



Preliminary/forecast 2003-2006. Sources: Statistics Iceland and Central Bank of Iceland.

Chart 38

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



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

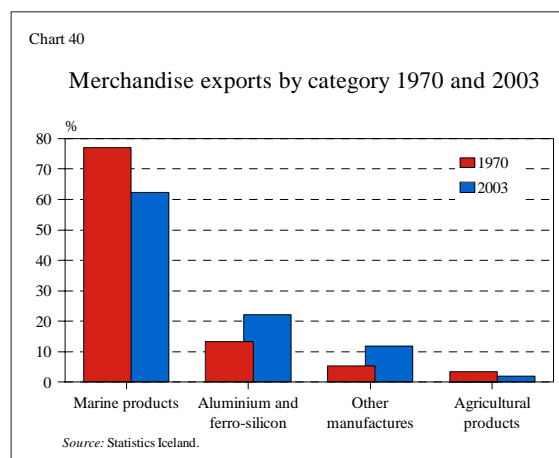
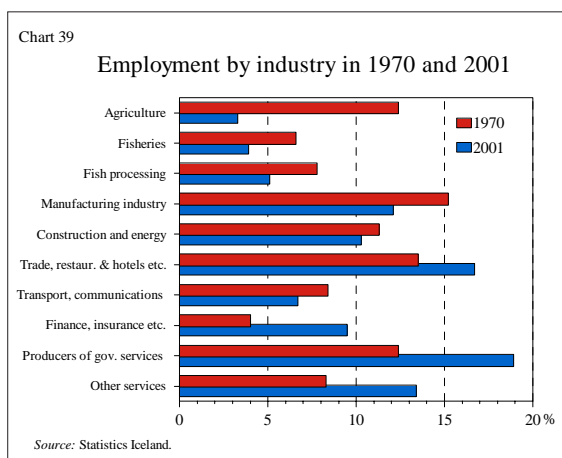


**Table 22 Structural indicators for the Icelandic economy**

<i>I. Population and labour force (thous.)</i>		1970	2003	<i>IV. National income and expenditure</i>		1970	2003
Population at end of year.....		204.8	290.6	Gross domestic product (GDP), b.kr.....		0.4	806.4
under 16 years of age.....		70.6	70.4	GDP, billion US\$.....		0.5	10.5
16-74 years of age.....		127.3	204.3	National income per capita, thous. US\$.....		2.0	35.5
above 74 years of age.....		7.0	15.8	GDP per capita, thous. US\$, PPP-converted <sup>2</sup>		2.7	29.2
Annual popul. growth in prev. 5 yrs. (%).....		1.1	1.1	Gross capital formation, % of GDP.....		25.3	21.6
Labour force (thous.).....		82.7	146.4	Gross national saving, % of GDP.....		26.1	15.8
Males.....		54.7	84.1	Net national saving, % of net national product		13.8	1.5
Females.....		28.0	62.3	Exports of goods and services, % of GDP.....		46.4	35.3
<i>II. Employment by industry (%)</i>		1970	2001	Public consumption, % of GDP.....		12.7	26.4
Agriculture.....		12.4	3.3	Gen. government total expend., % of GDP <sup>3</sup> ...		28.9	48.4
Fisheries.....		6.6	3.9	Total taxes, % of GDP <sup>3</sup> .....		28.9	39.0
Fish processing.....		7.8	5.1	<i>V. Capital and indebtedness</i>		1970	2003 <sup>1</sup>
Manufacturing industry.....		15.2	12.1	<i>% of GDP unless otherwise stated</i>			
Construction, electricity and water.....		11.3	10.3	Fixed assets, % of GDP (2001).....		3.4	2.8
Wholesale & retail trade, restaur. & hotels....		13.5	16.7	Fixed assets, billion USD (2001).....		1.8	21.7
Transport, storage and communication.....		8.4	6.7	Net external debt.....		20.1	100.8
Finance, insurance, real estate, business serv.		4.0	9.5	Debt service, % of export revenue.....		11.3	61.6
Producers of government services.....		12.4	18.9	General government total debt.....		13.0	41.7
Other services.....		8.3	13.4	General government net debt.....		-2.3	24.5
<i>III. Merchandise exports</i>		1970	2003	Broad money (M3).....		37.5	59.8
<i>By category (%):</i>				Credit system total lending.....		484.8	271.4
Marine products.....		77.1	62.3	to industries.....		53.6	144.3
Manufactures.....		18.4	33.9	to households.....		21.2	94.4
thereof aluminium and ferro-silicon.....		13.2	22.1	Market capitalisation of listed equities.....		.	81.7
Agricultural products.....		3.4	1.9				
<i>By regions (%):</i>							
United States.....		30.0	9.3				
European Union.....		52.8	72.1				
Other.....		17.2	18.7				

1. Preliminary data. If preliminary data for 2003 are not available another year is stated. 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 (%)						In b.kr:	
	1970	1980	1990	2000	Jan.-March		2003	2004
					2003	2004		
<i>Merchandise exports, fob</i>								
European Union .....	52.8	52.3	70.7	67.4	72.1	73.9	131.6	37.6
Euro area .....	25.4	30.2	37.6	42.3	48.2	48.2	87.9	24.5
Other EU countries .....	27.4	22.0	33.1	25.1	23.9	25.7	43.7	13.1
United Kingdom .....	13.2	16.5	25.3	19.3	17.5	19.8	32.0	10.1
Other Western European countries .....	2.8	2.3	3.4	7.8	7.8	5.6	14.3	2.8
Eastern Europe and former Soviet Union.....	9.6	8.8	2.9	1.4	2.6	3.4	4.8	1.7
Russia .....	6.8	5.4	2.5	0.4	0.6	0.8	1.0	0.4
United States .....	30.0	21.6	9.9	12.2	9.3	10.0	16.9	5.1
Japan.....	0.1	1.5	6.0	5.2	3.2	2.9	5.9	1.5
Other OECD countries.....	0.5	0.6	0.5	2.0	0.3	1.0	0.6	0.5
Developing countries .....	4.2	12.9	5.5	3.0	3.9	2.9	7.2	1.5
Other countries.....	0.0	0.0	1.1	1.0	0.8	0.3	1.4	0.2
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	182.6	50.9
<i>Merchandise imports, cif</i>								
European Union .....	64.9	58.0	59.9	57.0	56.9	56.3	123.2	31.2
Euro area .....	32.0	33.2	35.5	33.5	34.9	34.8	75.6	19.3
Other EU countries .....	33.0	24.8	24.4	23.6	22.0	21.6	47.6	12.0
United Kingdom .....	14.3	9.5	8.1	9.0	7.4	7.7	16.1	4.3
Other Western European countries .....	5.4	8.1	5.2	9.7	8.7	9.5	18.9	5.3
Eastern Europe and former Soviet Union.....	10.4	10.9	6.5	5.7	10.4	9.9	22.6	5.5
Russia .....	7.2	9.7	5.0	1.8	2.8	1.4	6.1	0.8
United States .....	8.2	9.4	14.4	11.0	7.4	6.7	16.1	3.7
Japan.....	2.9	4.0	5.6	4.9	3.8	4.1	8.3	2.3
Other OECD countries.....	0.4	5.8	3.7	4.5	2.3	3.6	4.9	2.0
Developing countries .....	7.2	2.7	3.1	5.6	9.0	8.3	19.6	4.6
Other countries.....	0.6	1.1	1.4	1.5	1.4	1.5	3.0	0.8
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	216.5	55.4

1. Country groups are based on the year 2000.

Source: Statistics Iceland.

