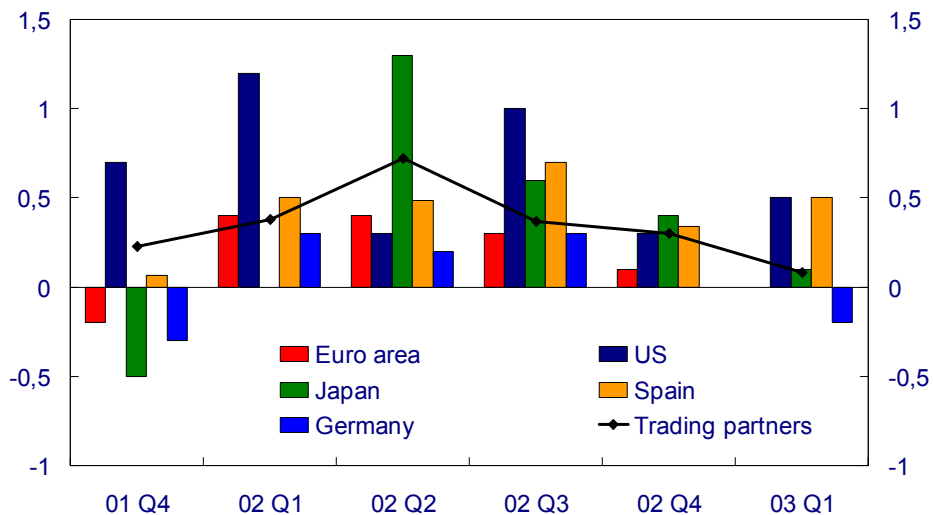


# Chapter 1

## International economy

### 1.1 GDP growth

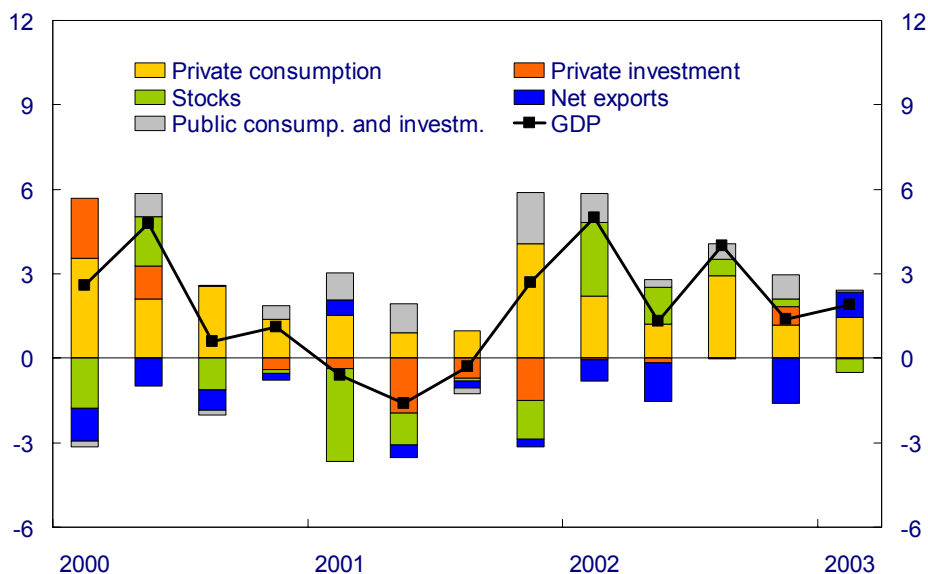
Seasonally adjusted volume growth on previous quarter. Per cent



Sources: EcoWin/US Dept. of Commerce, ESRI, Deutsche Bundesbank, EUR-OP/EUROSTAT, INE and NB

## 1.2 Quarterly change in US GDP

Annualised contribution to growth in volume. Seasonally adjusted. Per cent

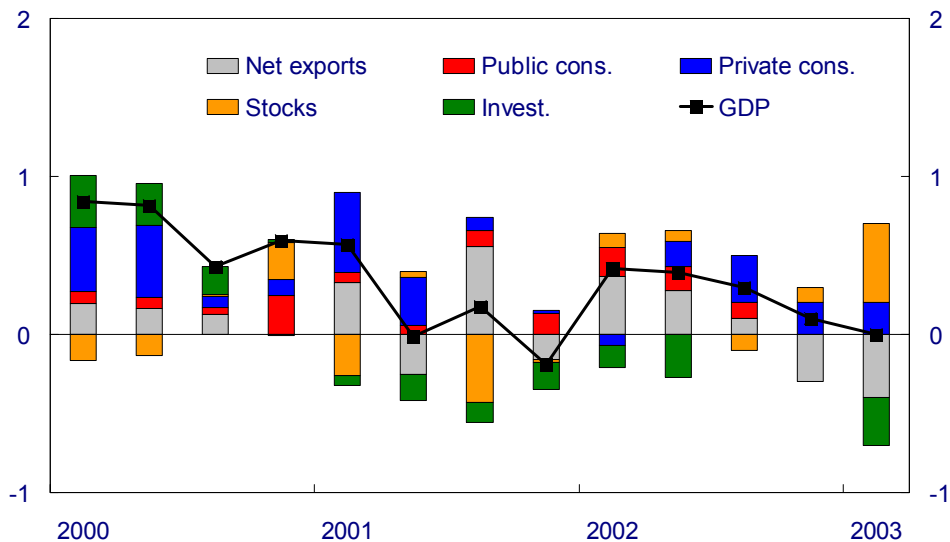


Source: Bureau of Economic Analysis and Norges Bank

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## 1.3 Quarterly change in euro area GDP

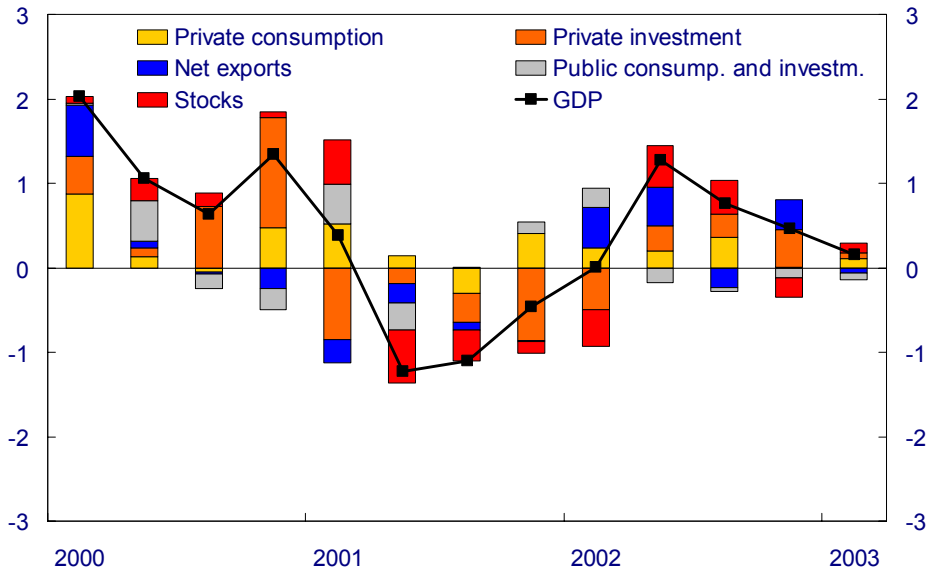
Contribution to growth in volume. Seasonally adjusted. Per cent



Source: EcoWin/EUR-OP/EUROSTAT

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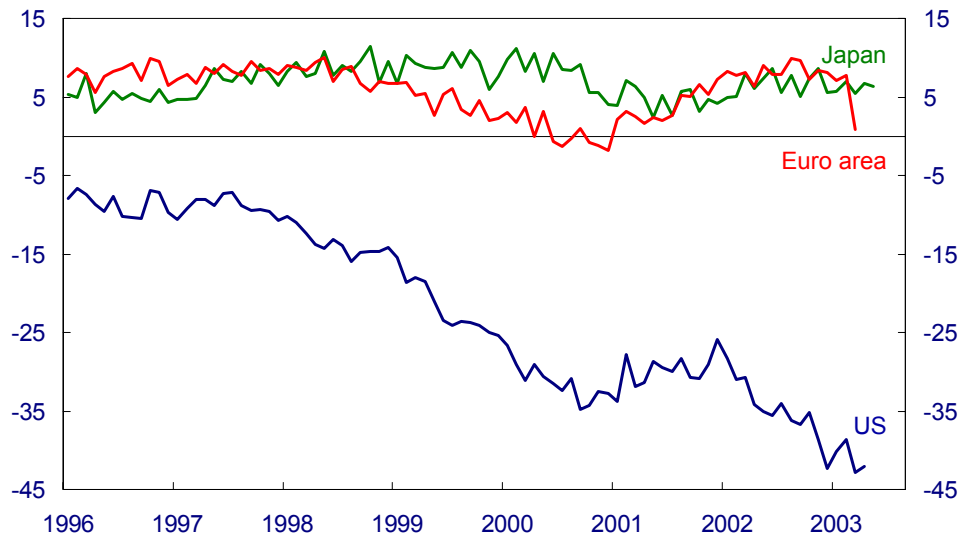
### 1.4 Quarterly change in GDP in Japan Contribution to growth in volume. Per cent



Source: EcoWin/Economic and Social Research Institute (ESRI)

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### 1.5 Net exports in the US, Japan and the euro area In billions of USD. Monthly figures

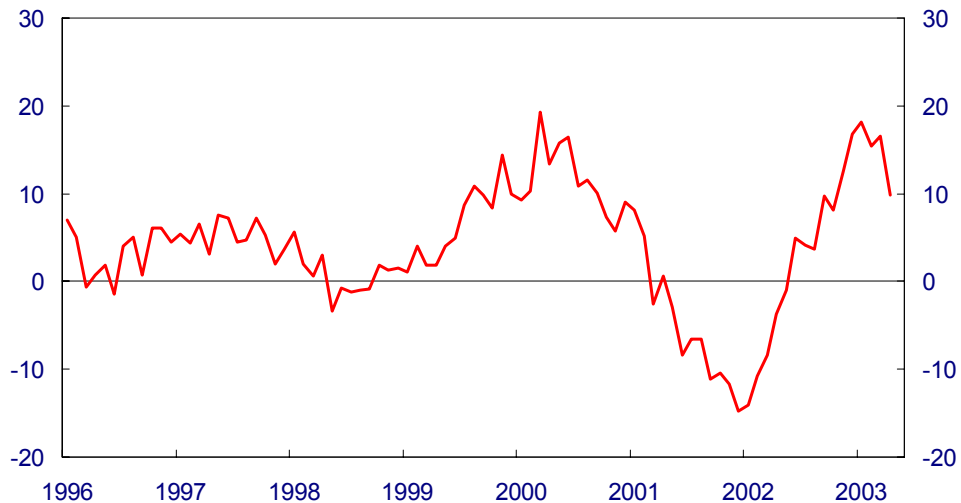


Sources: EcoWin/ECB, EUR-OP/EUROSTAT, Ministry of Finance, Dept. of Commerce and NB

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## 1.6 Global trade indicator

Sum of exports and imports for the US, Japan and Germany, in USD.  
Monthly figures. Annual change. Per cent

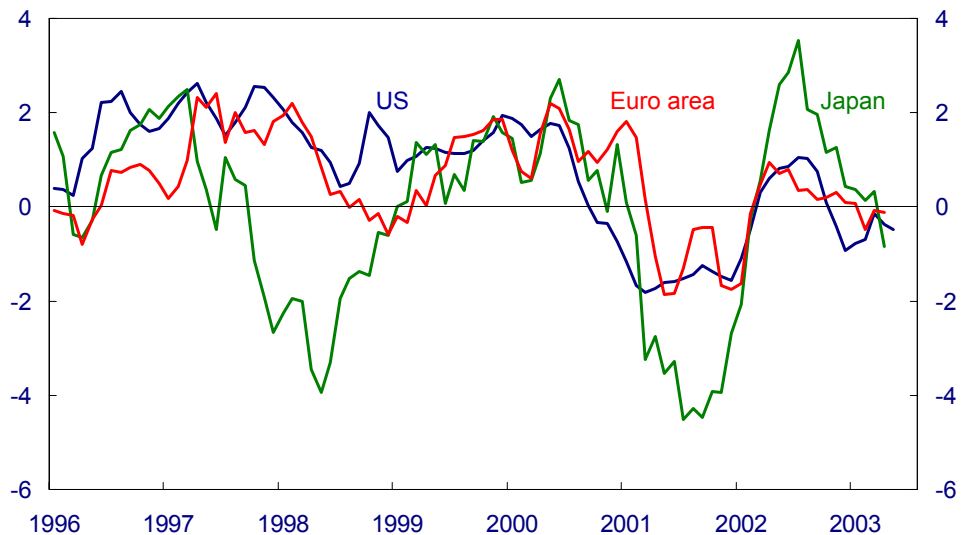


Sources: EcoWin/US Dept. of Commerce, Jap. Ministry of Finance and Deutsche Bundesbank

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## 1.7 Industrial output in the US, Japan and the euro area

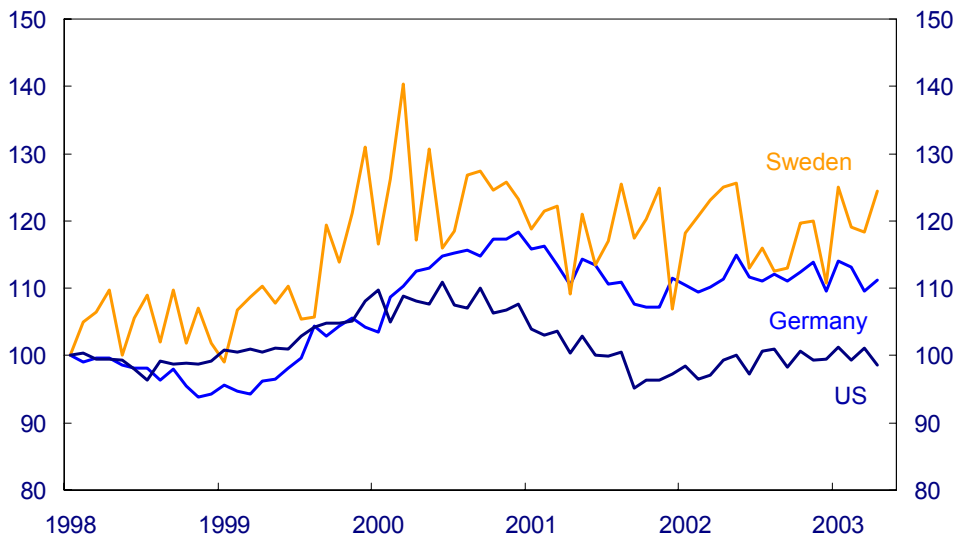
Percentage change on 3 months earlier. 3-month moving average.  
Seasonally adjusted. Volume



Sources: EcoWin/Fed Reserve, Jap. Ministry of Economy, Trade and Ind. and EUR-OP/EUROSTAT

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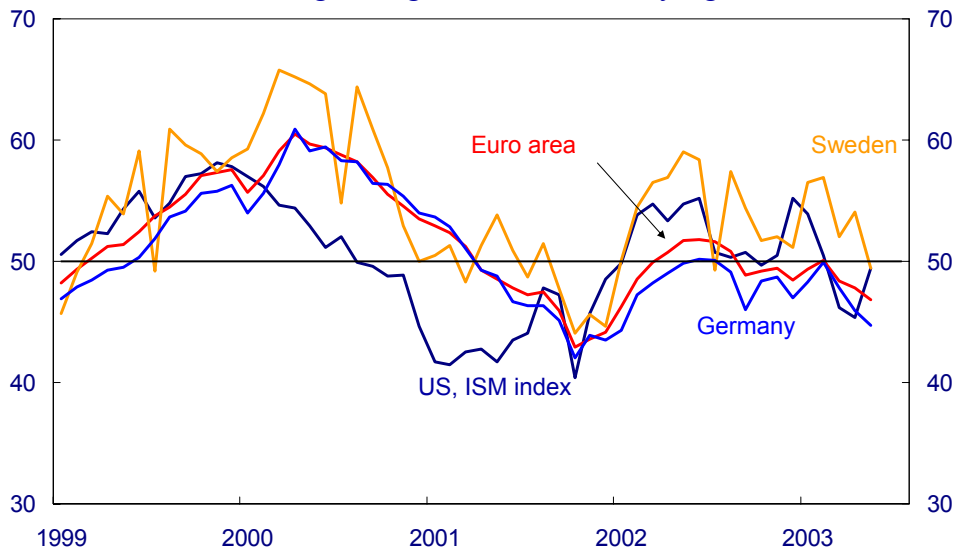
### 1.8 New orders in manufacturing US (excl. defence), Germany and Sweden. January 1998 = 100. Seasonally adjusted



Sources: EcoWin/Deutsche Bundesbank, Statistics Sweden and US Census Bureau

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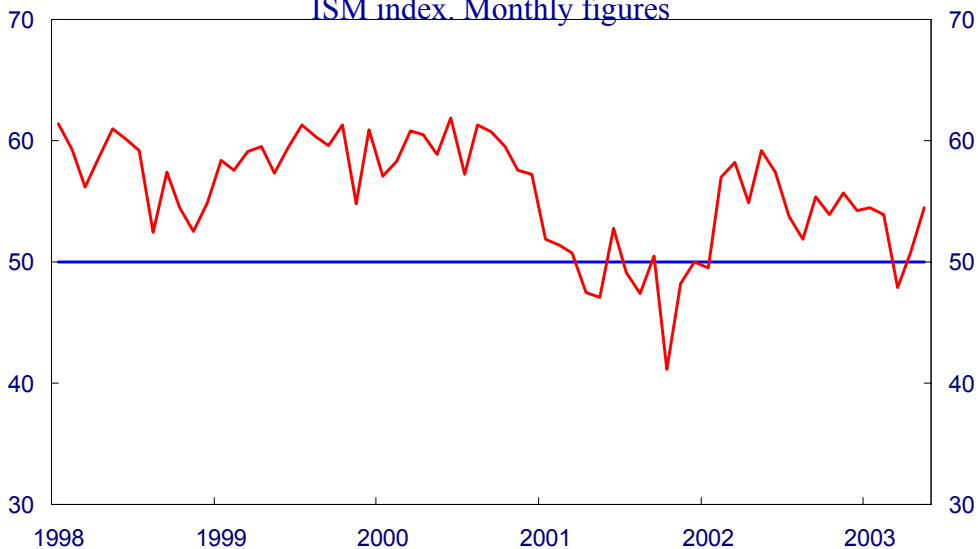
### 1.9 Activity in industrial enterprises. The US, the euro area and Sweden Purchasing managers' index. Monthly figures



Sources: EcoWin/ISM, Swedbank/I&L and NTC Research

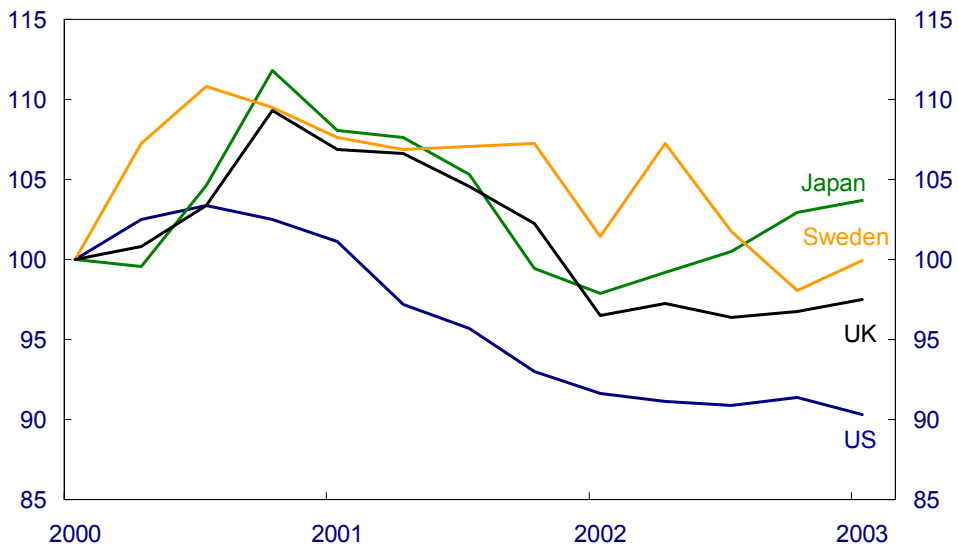
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### 1.10 Activity in business and industry excluding manufacturing in the US ISM index. Monthly figures



Sources: EcoWin/ISM

### 1.11 Fixed investment in business and industry Seasonally adjusted volume figures. Index. 1st quarter 2000 = 100

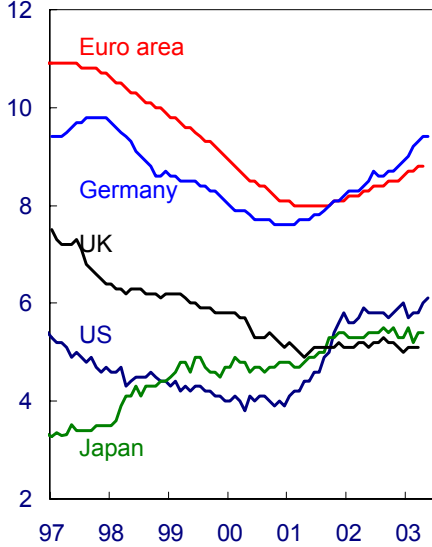


Sources: EcoWin/ESRI, Statistics Sweden, US Dept. of Commerce and Office for Nat. Statistics

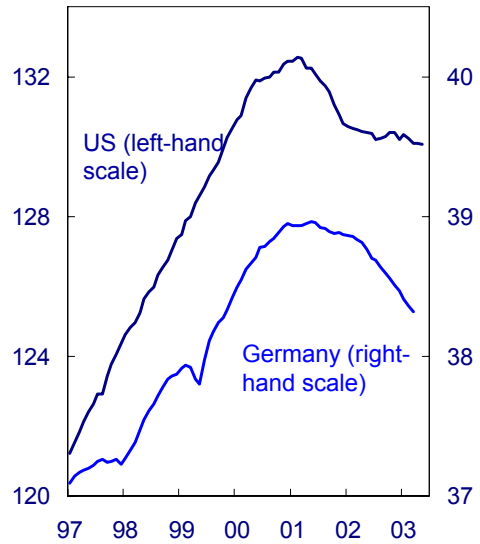
## 1.12 Unemployment and employment

Seasonally adjusted

a. Unemployment as a share of the labour force



b. Employment in millions

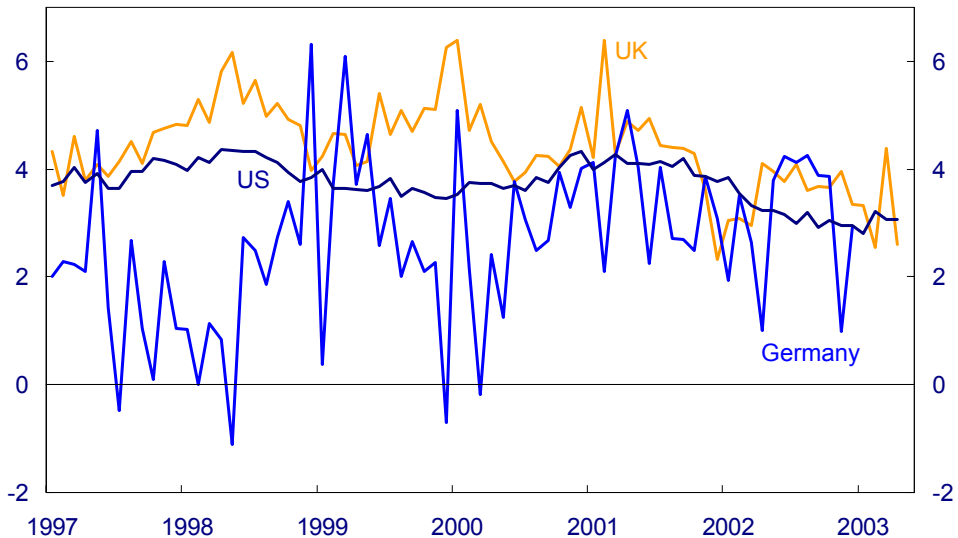


Sources: EcoWin/ Bureau of Labor Statistics, the Conference Board, Federal Labor Office, EUROSTAT, ONS, FSO and Ministry of Public Management, Home Affairs, Posts and Telecommunications

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## 1.13 Nominal growth in hourly wage

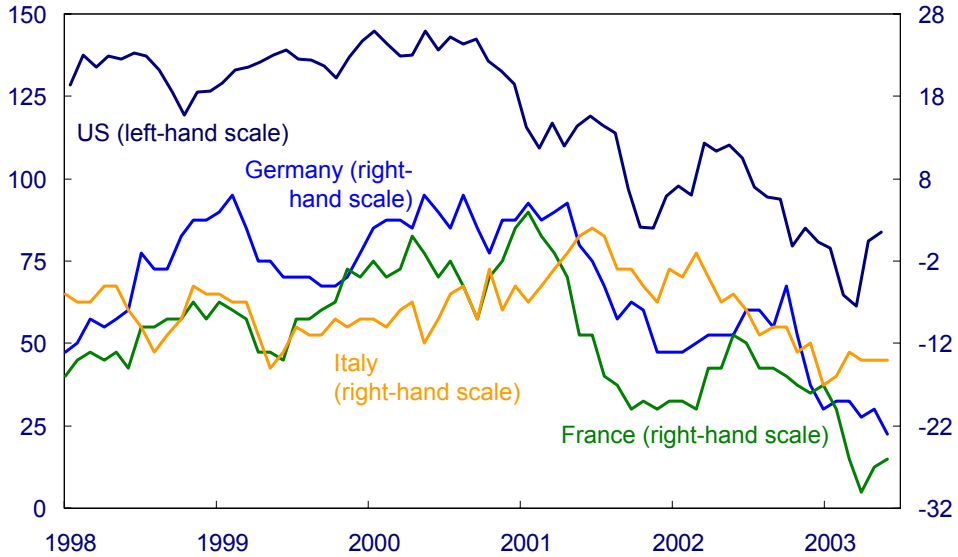
US (non-farm), UK (whole economy) and Germany (manufacturing only).  
Percentage rise on same month previous year



Sources: EcoWin/Bureau of Labor Statistics, Deutsche Bundesbank and Office for National Statistics

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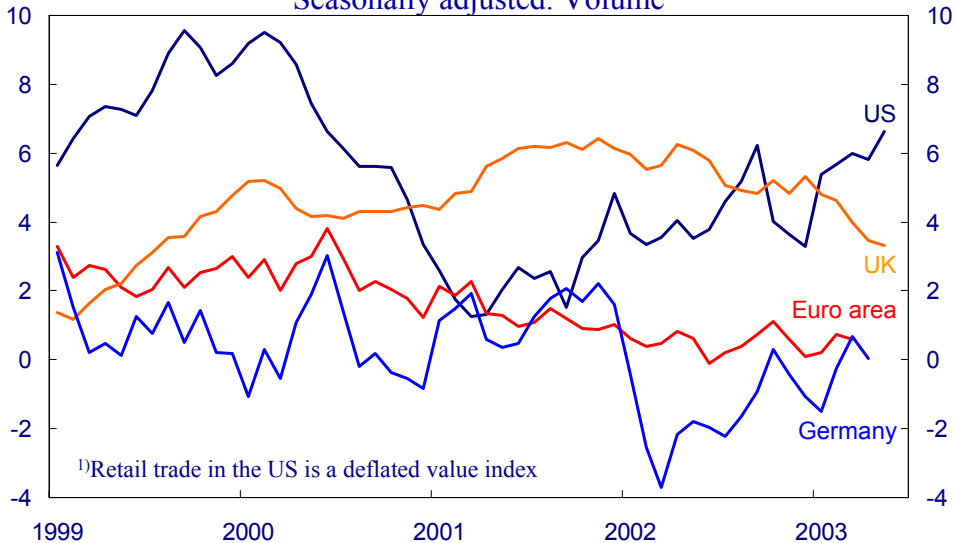
### 1.14 Consumer confidence indicators in the US, Germany, France and Italy. Seasonally adjusted diffusion index. Monthly figures



Sources: EcoWin/EU Commission and the Conference Board

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### 1.15 Retail trade in the US<sup>1)</sup>, the euro area, Germany and the UK Percentage change on same month previous year. 3-month moving average. Seasonally adjusted. Volume



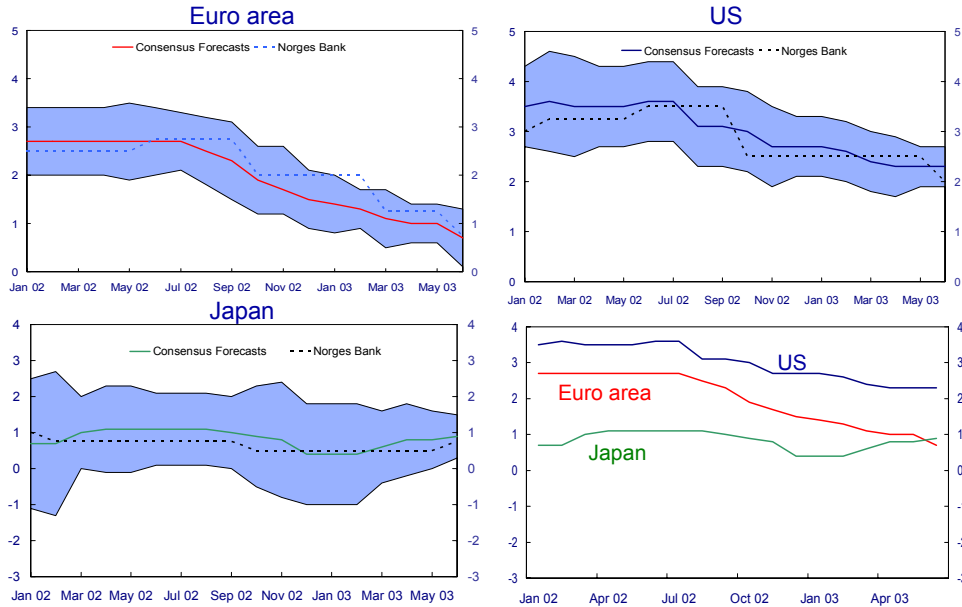
Sources: EcoWin/US Dept. of Commerce, Deutsche Bundesbank, Office for Nat. Statistics and ECB

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# 1.16 GDP forecasts for 2003 and the forecast spread

Percentage change on previous year. Spread in CF forecasts shaded<sup>1)</sup>

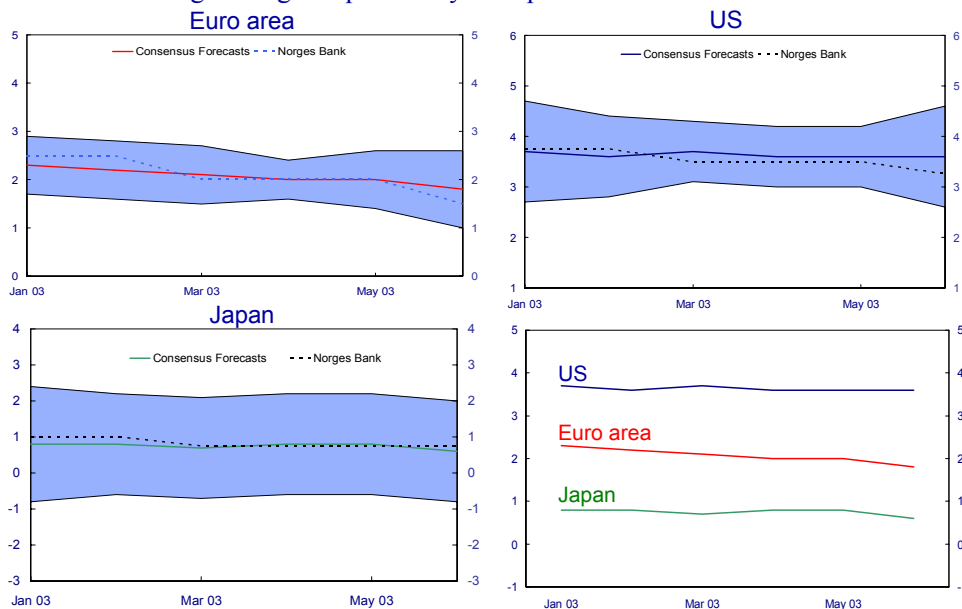


Sources: *Consensus Forecasts* and *Norges Bank*

<sup>1)</sup> 2\*standard deviation

# 1.17 GDP forecasts for 2004 and the forecast spread

Percentage change on previous year. Spread in CF forecasts shaded<sup>1)</sup>



Sources: *Consensus Forecasts* and *Norges Bank*

<sup>1)</sup> 2\*standard deviation

## 1.18 ECB forecasts

- New forecasts in Monthly Bulletin 12 June
- Outlook less favourable than expected. Marked downward revision of growth forecasts and some downward revision of inflation forecast for 2004
  - GDP growth<sup>1)</sup>: 2003: 0.7 (1.6) 2004: 1.6 (2.4)
  - Price inflation<sup>1)</sup>: 2003: 2.0 (1.8) 2004: 1.3 (1.6)
- Stresses again the importance of reforms
- Limited growth impulses from monetary policy, little scope for manoeuvre in fiscal policy - must carry out structural reforms.

<sup>1)</sup> Previous forecast in brackets. Figures are midpoints in ECB forecast ranges

## 1.19 Projections for GDP growth abroad.

Percentage change on previous year.

Change since last *Inflation Report* in brackets

	2003	2004	2005
US	2 (- ½)	3¼ (- ¼)	3½ (½)
Japan	¾ (¼)	¾ (0)	1¼ (¼)
Germany	0 (- ½)	1¼ (- ¼)	2¼ (0)
France	1 (- ½)	1½ (- ¾)	2½ (0)
UK	1¾ (- ½)	2½ (0)	2½ (0)
Sweden	1½ (- ¼)	2½ (0)	2½ (0)
Trading partners <sup>1)</sup>	1¼ (- ¼)	2¼ (0)	2¾ (¼)
Euro area <sup>2)</sup>	¾ (- ½)	1½ (- ½)	2½ (0)

<sup>1)</sup> Export weightings 25 trading partners compared with 18 previously

<sup>2)</sup> Purchasing parity-adjusted GDP weights from the IMF

## 1.20 Key rates and expected change in selected countries

	Key rate	Change since 01.01.03	Change since Executive Board meeting 30.04.03	Expected level in	
				3 mths	12 mths <sup>1)</sup>
US	1.25	0	None	¾	1
Japan	Towards zero	0	None	0	0
Euro area	2.0	-0.75	-0.5	1¾	1¾
UK	3.75	-0.25	None	3 ¼	3 ¼
Sweden	3.0	-0.75	-0.50	2 ½	2 ¾
Denmark	2.0	-0.75	-0.50	1 ¾	2
Switzerland	0.00-0.75	-0.5	None	n.a.	n.a.
Iceland	5.3	-0.5	None	n.a.	n.a.
Canada	3.25	0.5	None	2 ¼	2 ¾
Australia	4.75	0	None	4 ¼	4 ¼
New Zealand	5.25	-0.50	-0.25	4 ½	4 ¾

Sources: Reuters, Bloomberg and Norges Bank

<sup>1)</sup> Not adjusted for any maturity premium

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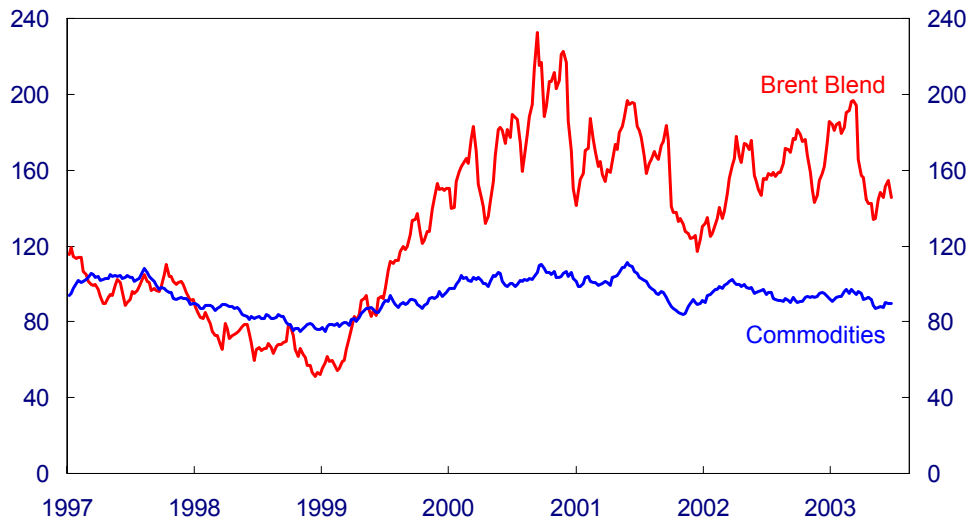
## 1.21 Uncertainty factors

- Following the Iraq war, uncertainty is reduced. This has resulted in
  - Some decline in the oil price
  - Higher equity prices, less expensive corporate funding
  - But long yields remain low
- There are still important uncertainty factors
  - The US saving ratio - will it rise sharply?
  - Will capital stocks be adjusted more than we anticipate?
  - Further, marked fall in the USD?
  - SARS (appears to be abating, but had a strong impact in Q1?)

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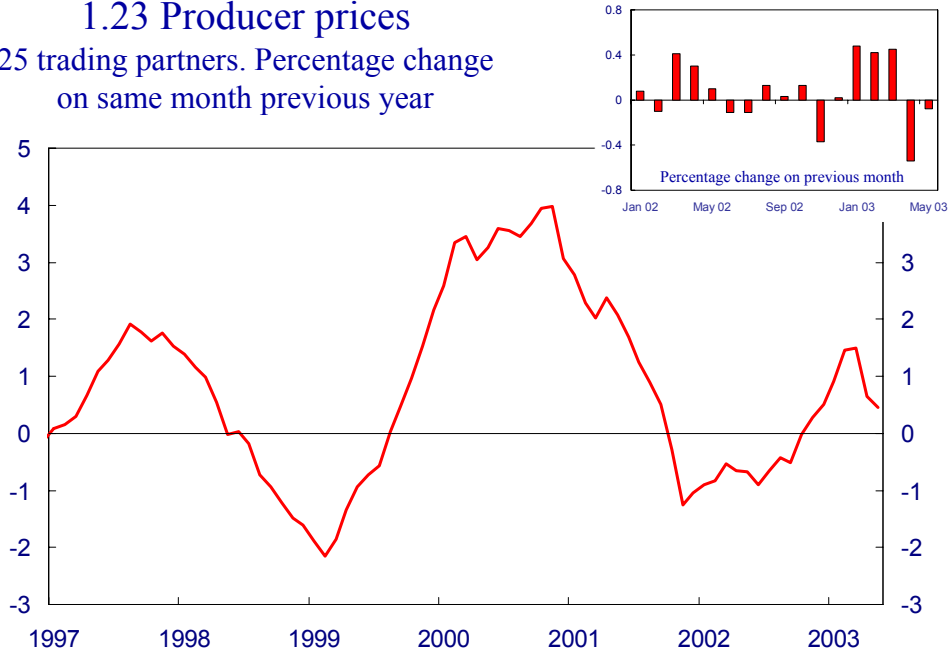
# The price picture

## 1.22 Oil and international commodity prices Trading partners' currencies. 1997=100. Weekly figures



### 1.23 Producer prices

25 trading partners. Percentage change on same month previous year

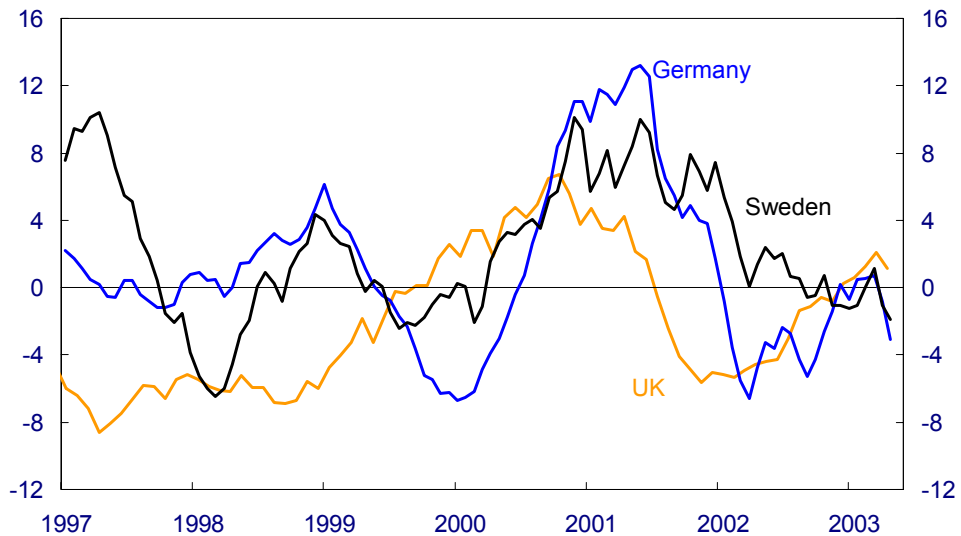


Sources: EcoWin and Norges Bank

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### 1.24 Import prices in Germany, Sweden and the UK

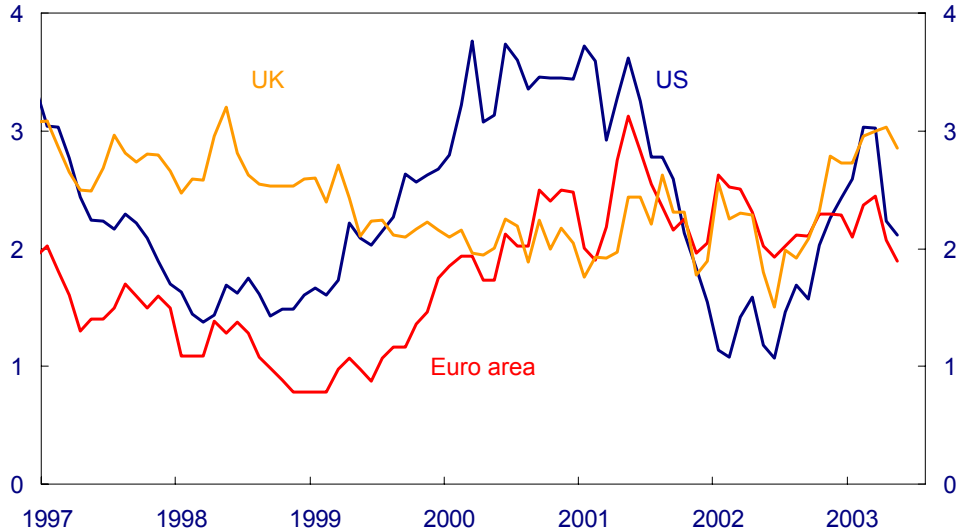
Percentage change on same month previous year



Sources: EcoWin/Statistics Sweden, EUR-OP/EUROSTAT and Office for National Statistics

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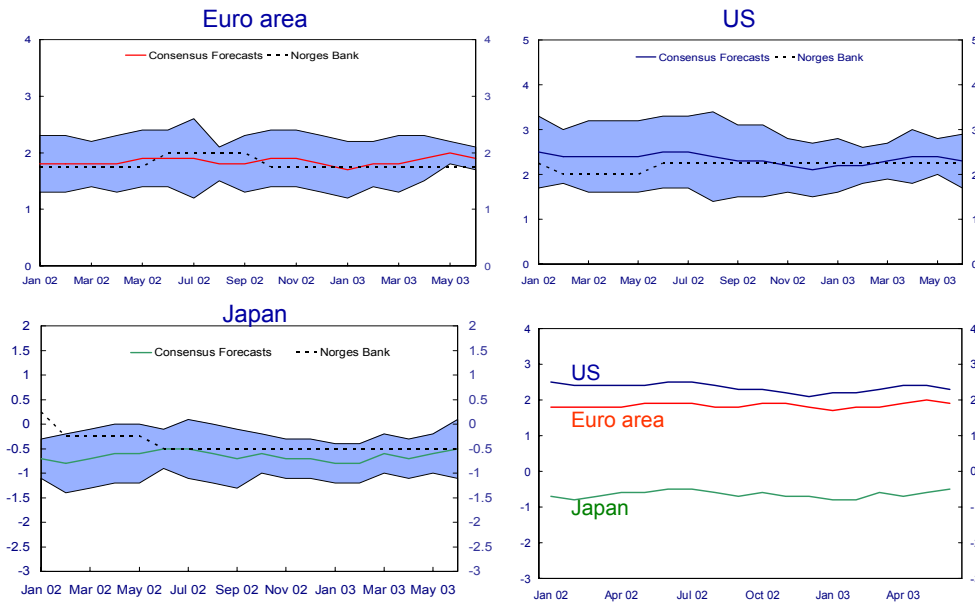
## 1.25 Consumer prices in the US, the euro area and the UK Percentage change on same month previous year



Sources: Bureau of Labor Statistics, EUR-OP/EUROSTAT and Office for National Statistics

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## 1.26 CPI forecasts for 2003 and the forecast spread Percentage change on previous year. Spread in CF forecasts shaded<sup>1)</sup>



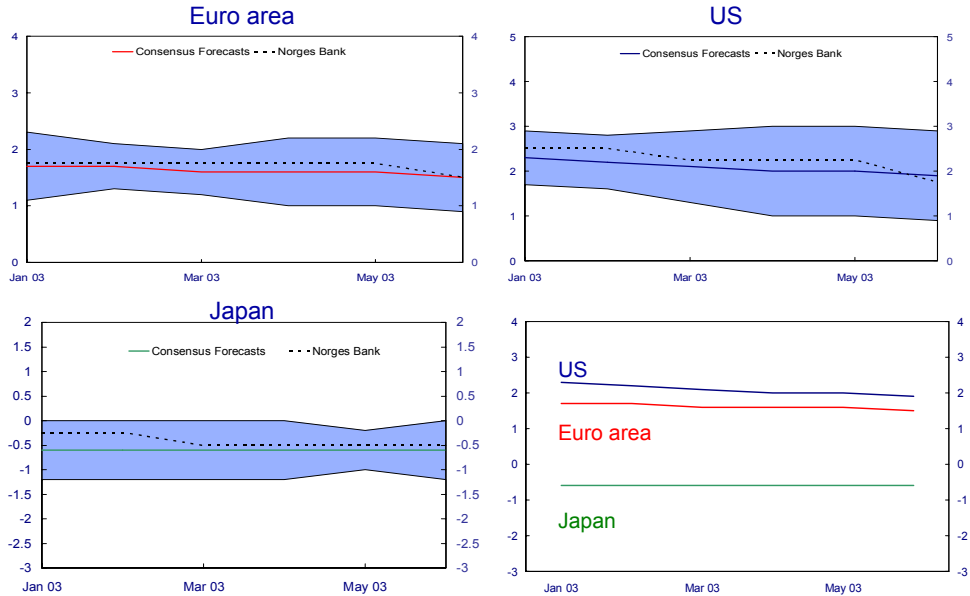
Sources: Consensus Forecasts and Norges Bank

<sup>1)</sup> 2\*standard deviation

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## 1.27 CPI forecasts for 2004 and the forecast spread

Percentage change on previous year. Spread in CF forecasts shaded<sup>1)</sup>



Sources: *Consensus Forecasts* and *Norges Bank*

<sup>1)</sup> 2\* standard deviation

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## 1.28 Forecast for consumer price inflation abroad.

Percentage change on previous year.

Change since last *Inflation Report* in brackets

	2003	2004	2005
US	2¼ (0)	1¾ (-½)	2½ (0)
Japan	-½ (0)	-½ (0)	-¼ (0)
Germany	1 (-¼)	¾ (-¾)	1¾ (0)
France	1¾ (0)	1½ (0)	2 (0)
UK	3 (½)	2½ (0)	2½ (0)
Sweden	2¼ (-¼)	1¼ (-¾)	2 (0)
Trading partners <sup>1)</sup>	2 (0)	1½ (-¼)	2 (0)
Euro area <sup>2)</sup>	1¾ (0)	1½ (-¼)	2 (0)

<sup>1)</sup> Import weights 25 trading partners compared with 18 previously

<sup>2)</sup> Eurostat weights (country's share of euro area consumption)

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# Oil and gas

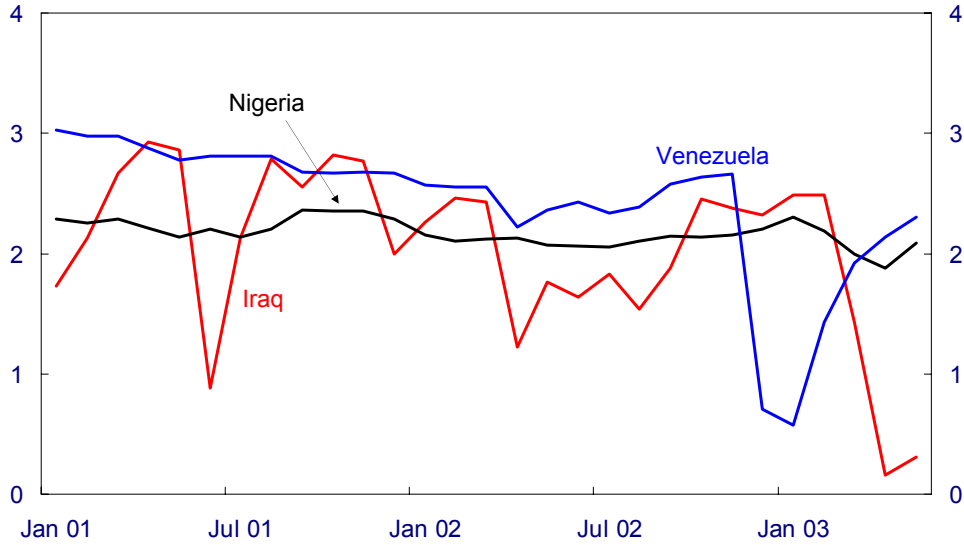
## 1.29 OPEC's reference price with price band USD per barrel. Daily figures



Sources: EcoWin/OPEC and Reuters

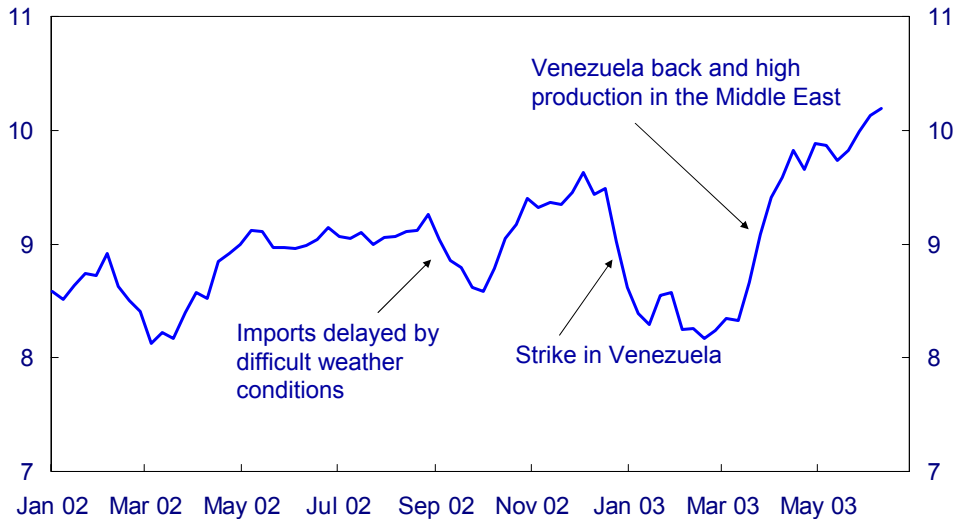


### 1.30 Oil production in Iraq, Venezuela and Nigeria In million barrels per day. Monthly figures



Sources: Energy Information Administration and International Energy Agency

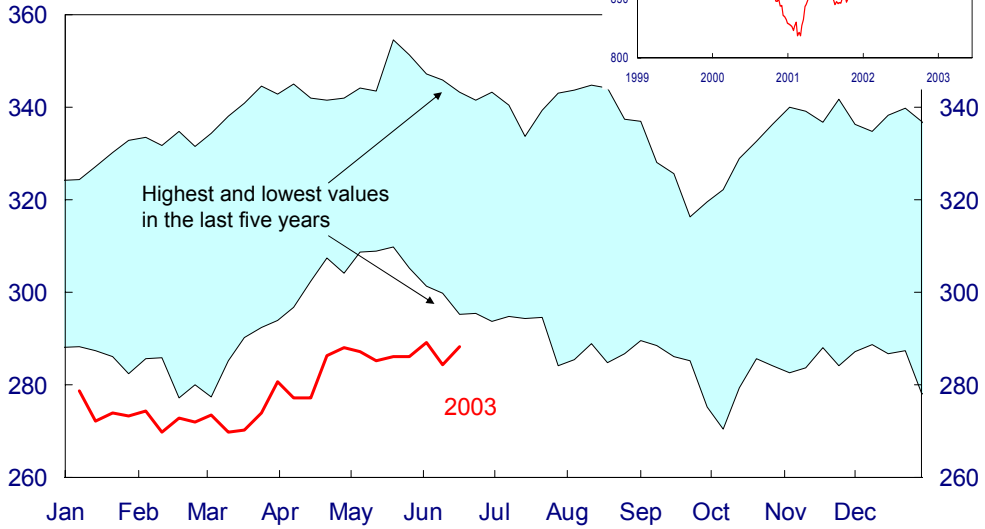
### 1.31 Imports of crude oil to the US In million barrels per day. 4-week moving average



Source: US Department of Energy

# 1.32 US commercial crude oil stocks

In million barrels. Weekly figures

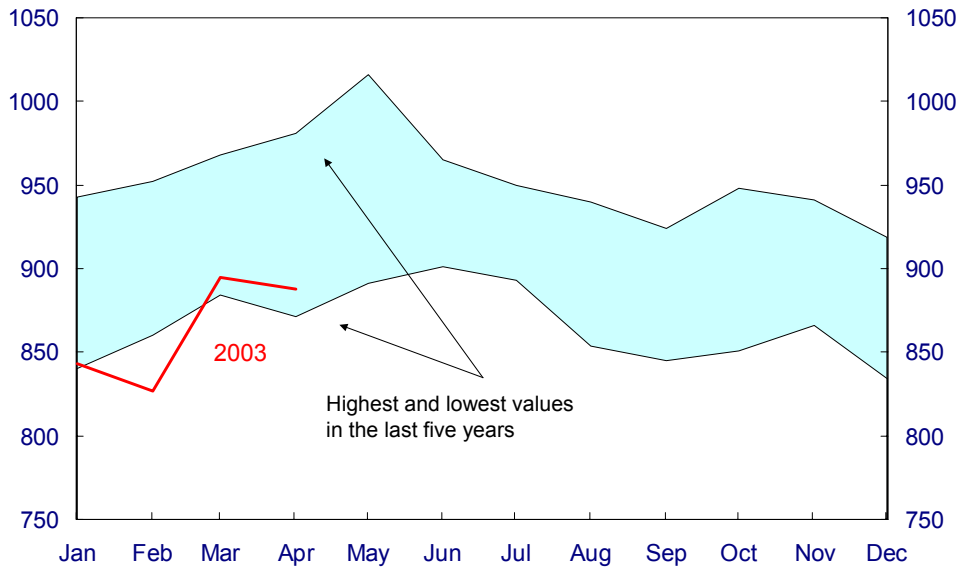


Source: US Department of Energy

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# 1.33 OECD industry crude oil stocks

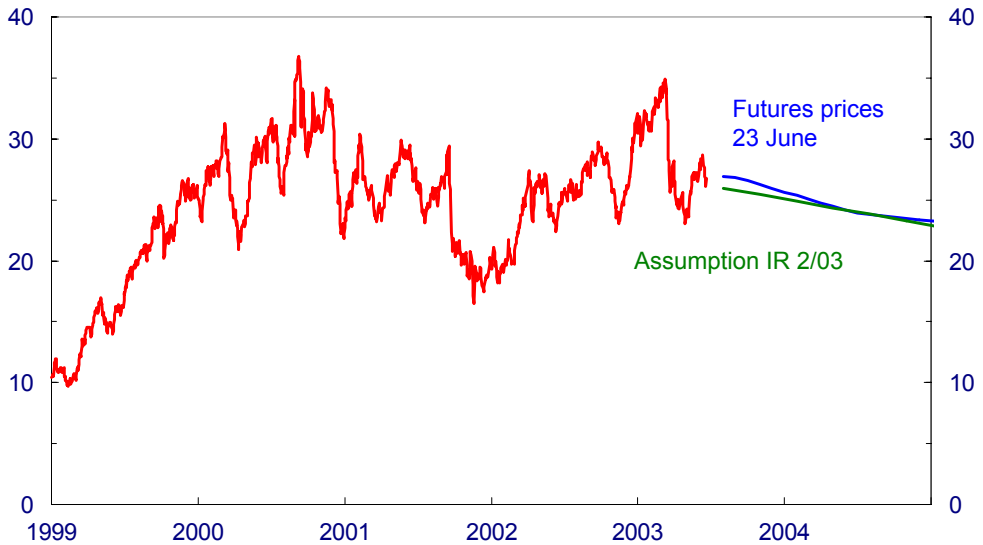
In million barrels. Monthly figures



Source: International Energy Agency

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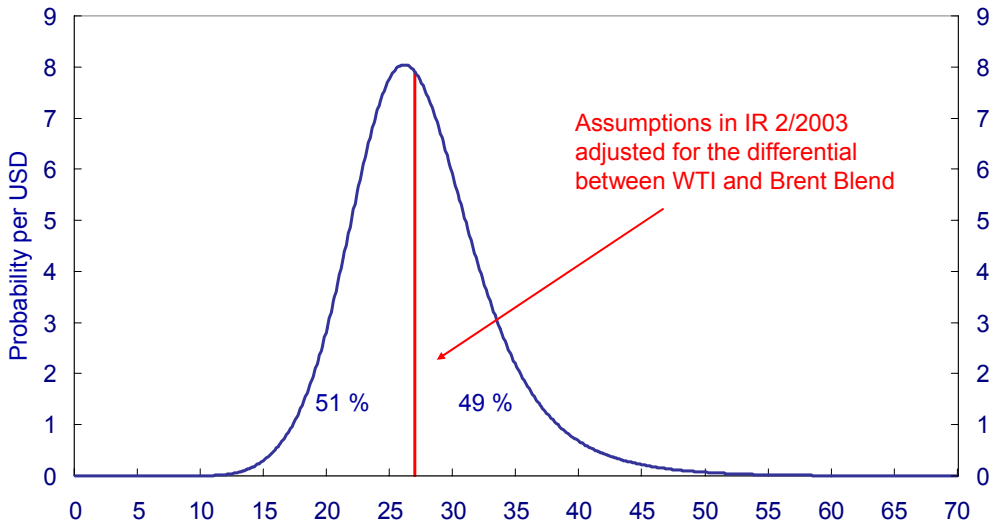
### 1.34 Oil price Brent Blend USD per barrel. Daily figures



Sources: Norges Bank, Reuters, Telerate and IPE

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### 1.35 Probability for the oil price in December 2003 at 23 June 2003 USD per barrel. West Texas Intermediate



Sources: NYMEX and IPE

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