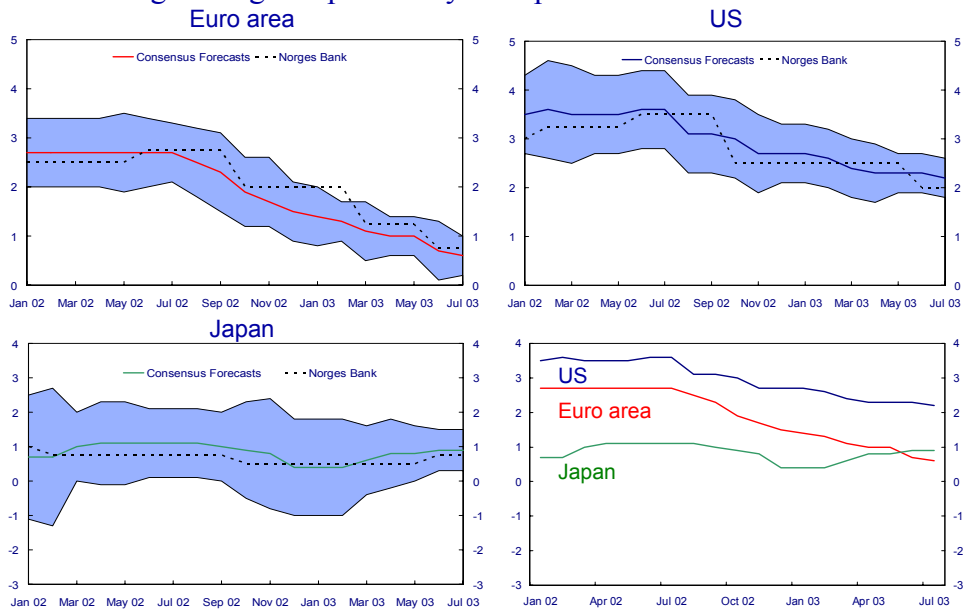


# Chapter 1

## International economy

### 1.1 GDP forecasts for 2003 and the forecast spread

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

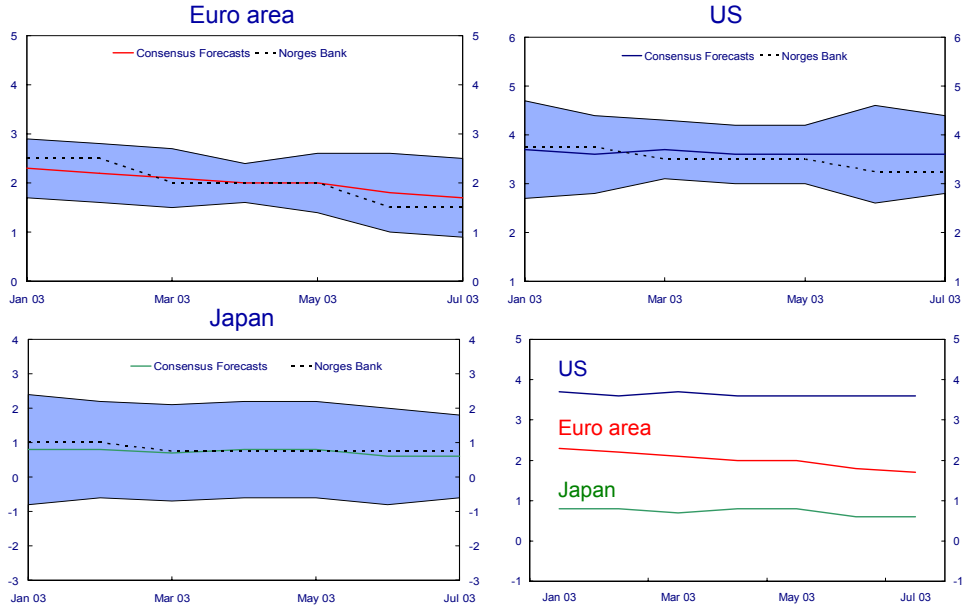


Sources: Consensus Forecasts and Norges Bank

1) 2\*standard deviation

## 1.2 GDP forecasts for 2004 and the forecast spread

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

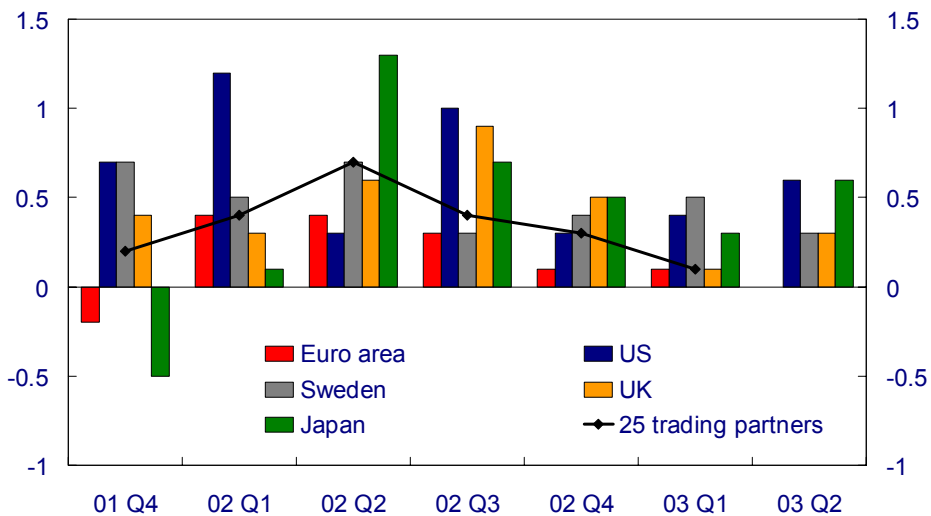


Sources: Consensus Forecasts and Norges Bank

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

## 1.3 GDP growth

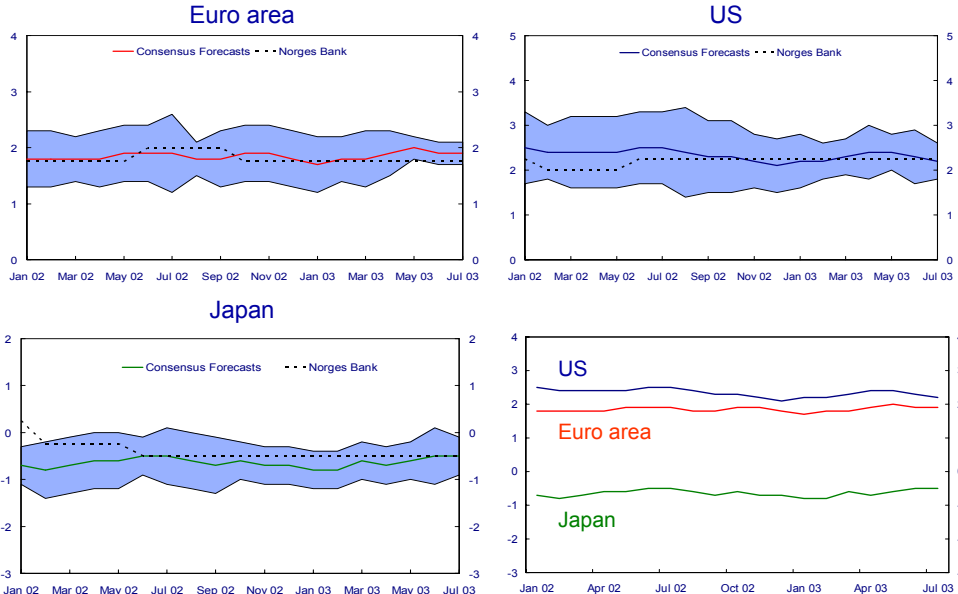
Seasonally adjusted volume growth on previous quarter. Per cent



Sources: EcoWin / US Department of Commerce, SCB, National statistics, EUR-OP / EUROSTAT, Economic and Social Research Institute (ESRI) and Norges Bank

# 1.4 CPI forecasts for 2003 and the forecast spread

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

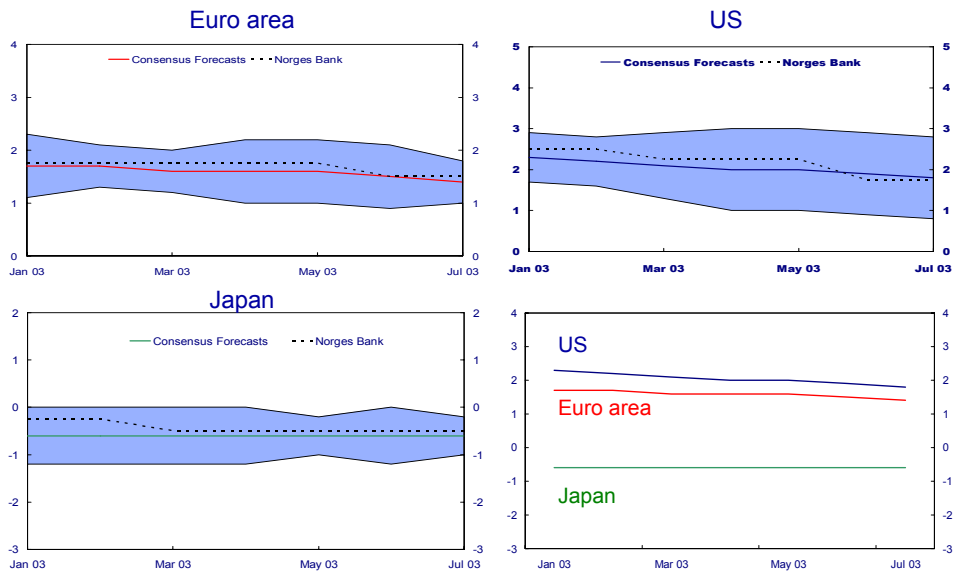


Sources: Consensus Forecasts and Norges Bank

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

# 1.5 CPI forecasts for 2004 and the forecast spread

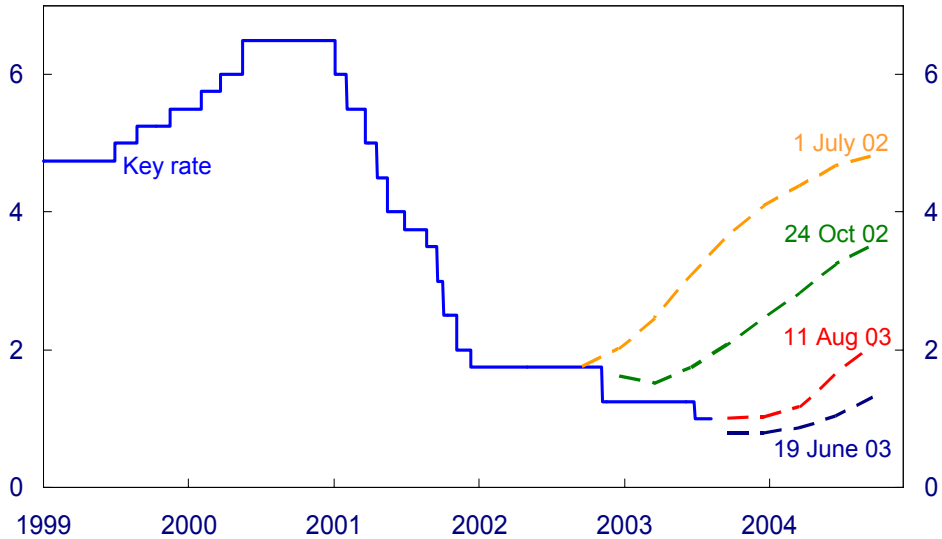
Percentage change on previous year. Spread in CF forecasts shaded<sup>1)</sup>



Sources: Consensus Forecasts and Norges Bank

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

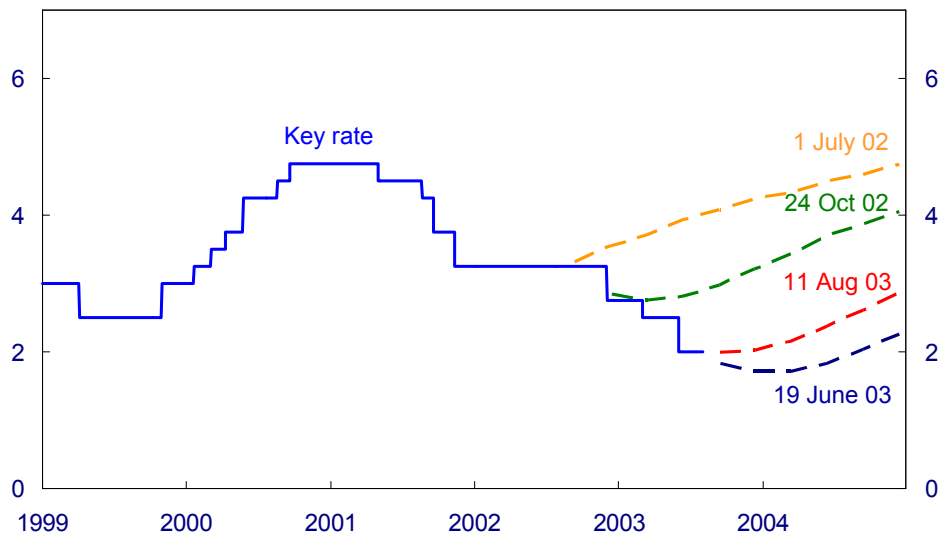
### 1.6a Interest rate expectations in the US Actual developments and expected key rate



Sources: Bloomberg and Norges Bank

Executive Board August 2003

### 1.6b Interest rate expectations in the euro area Actual developments and expected key rate



Sources: Bloomberg and Norges Bank

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## 1.7 Key rates and expected change in selected countries

	Key rate	Change since 01.01.03	Change since Executive Board meeting 25.06.03	Expected level in 3 months (DEC.03)	Expected level in 12 months <sup>1)</sup> (SEP.04)
US	1.00	-0.25	-0.25	1	2
Japan	Towards zero	0	None	0	0
Euro area	2,0	-0.75	None	2	2 ½
UK	3.50	-0.50	-0.25	3 ½	4 ¼
Sweden	2.75	-1.00	-0.25	2 ½	3 ½
Denmark	2.00	-0.75	None	2	2 ¾
Switzerland	0.00-0.75	-0.5	None	n.a.	n.a.
Iceland	5.3	-0.5	None	n.a.	n.a.
Canada	3.00	0.25	-0.25	2 ½	3
Australia	4.75	0	None	4 ¾	5
New Zealand	5.00	0.75	-0.25	4 ¾	5 ½

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

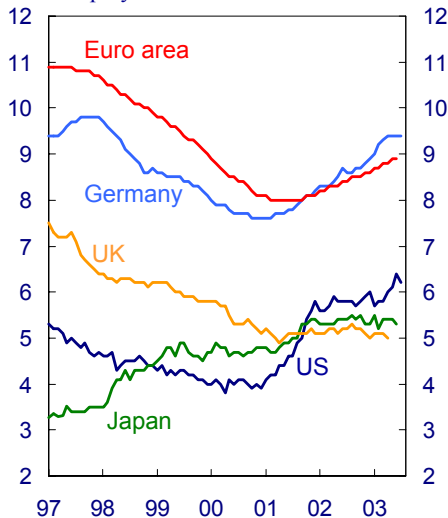
Sources: Reuters, Bloomberg and Norges Bank

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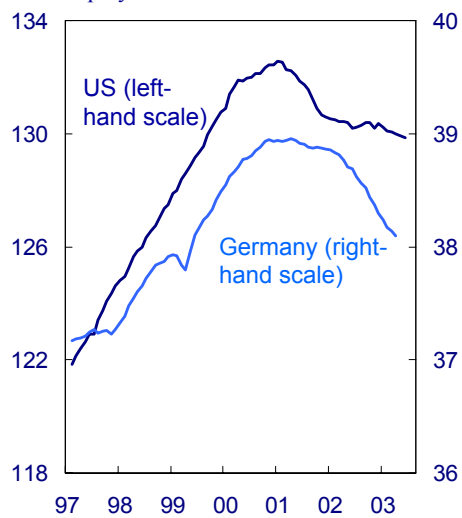
## 1.8 Unemployment and employment

Seasonally adjusted. Monthly figures

a. Unemployment as a share of the labour force



b. Employment in millions



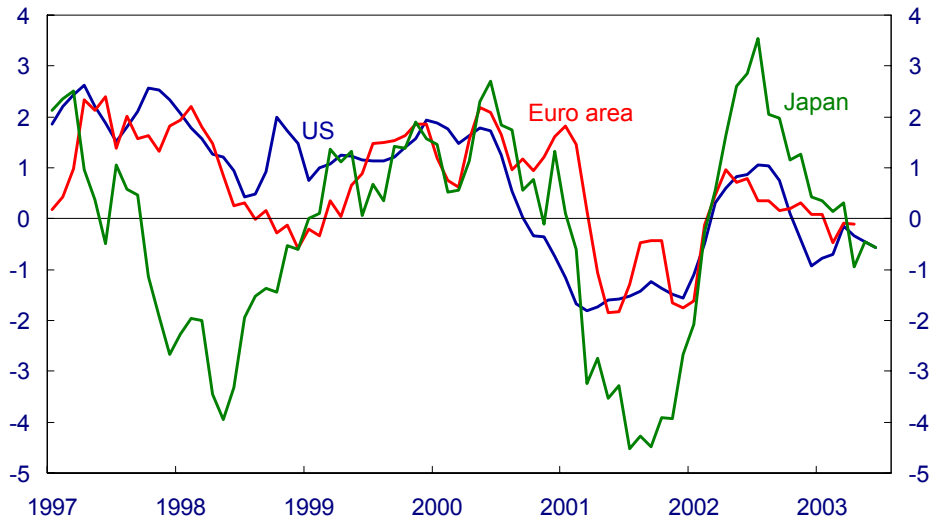
Sources: EcoWin / National statistics

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

Percentage change on 3 months earlier. 3-month moving average.

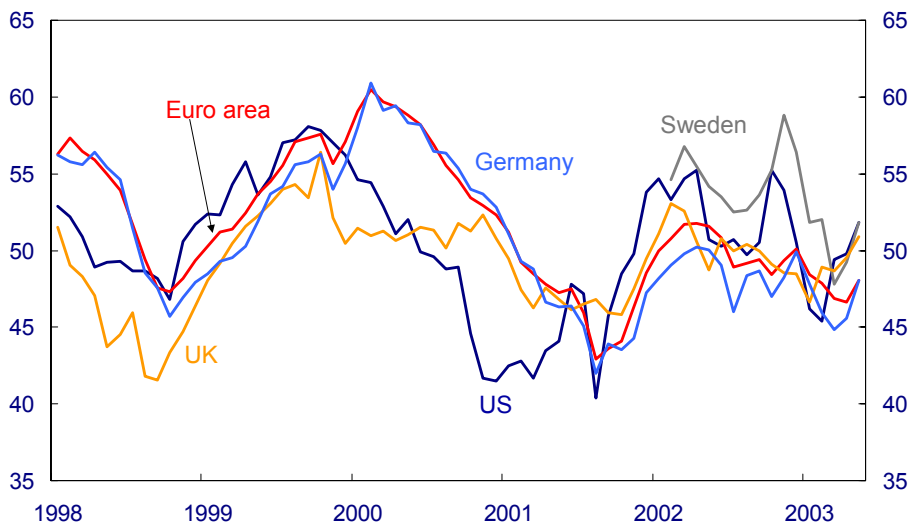
Seasonally adjusted. Volume



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

## 1.10 PMI industry for the US, the euro area, Germany, Sweden and the UK

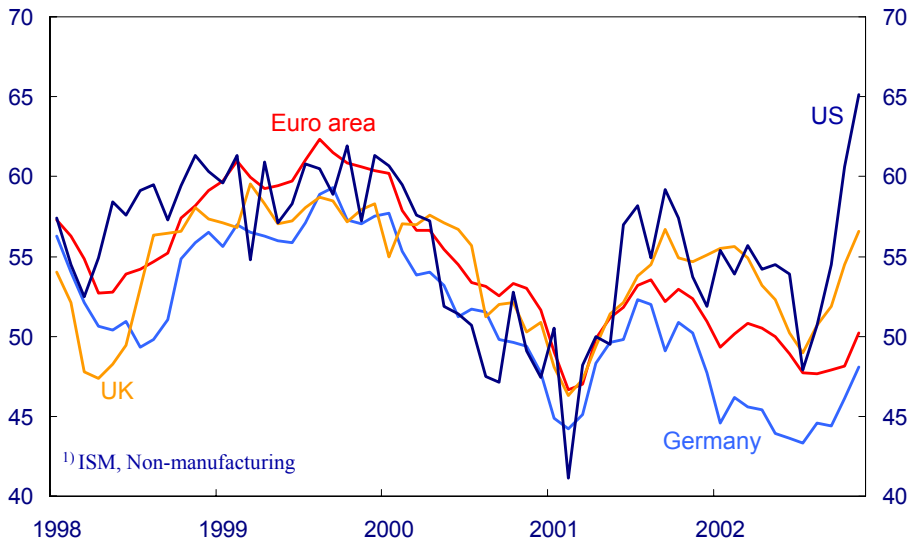
Seasonally adjusted. Monthly figures



Sources: EcoWin / Institute for Supply Management, NTC Research Ltd and Swedbank / I&L

## 1.11 PMI services for the US<sup>1)</sup>, the euro area, Germany and the UK

Seasonally adjusted. Monthly figures



Sources: EcoWin / Institute for Supply Management and NTC Research Ltd

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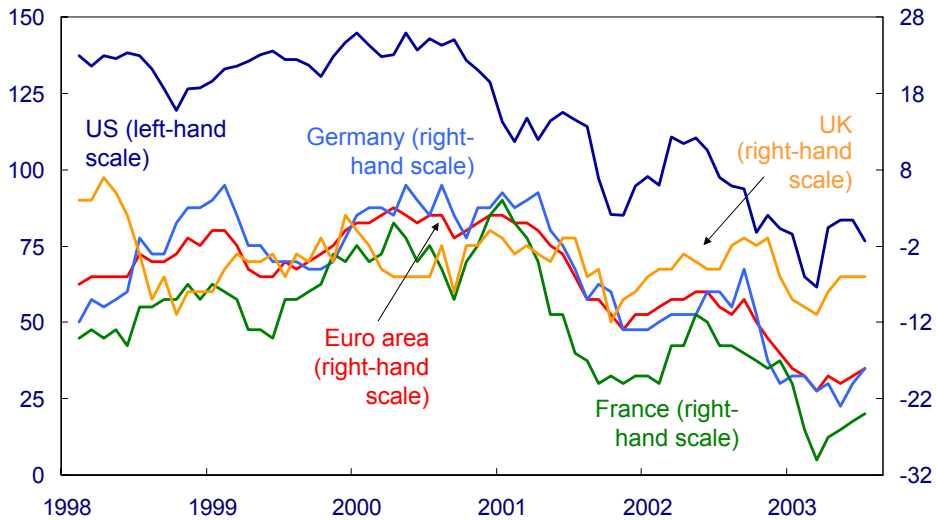
## 1.12 Reform work in Europe

- Different working hours in eastern and western Germany maintained
- Labour market reforms in Germany
- Tax cuts in Germany from 1 January 2004
- Agreement on health reforms in Germany
- Pension reform adopted in France

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### 1.13 Consumer confidence indicators in the US, Germany, France, the euro area and the UK

Seasonally adjusted diffusion index. Monthly figures

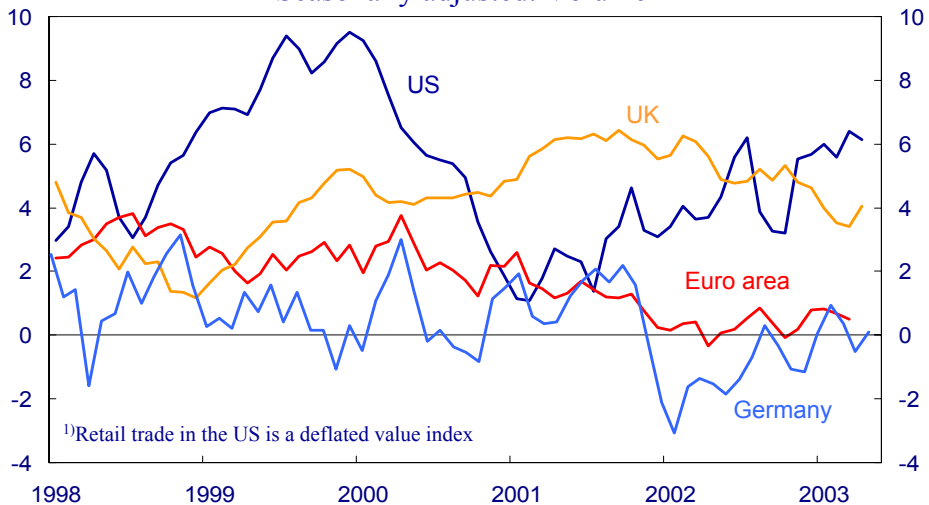


Sources: EcoWin / EU Commission and the Conference Board

### 1.14 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



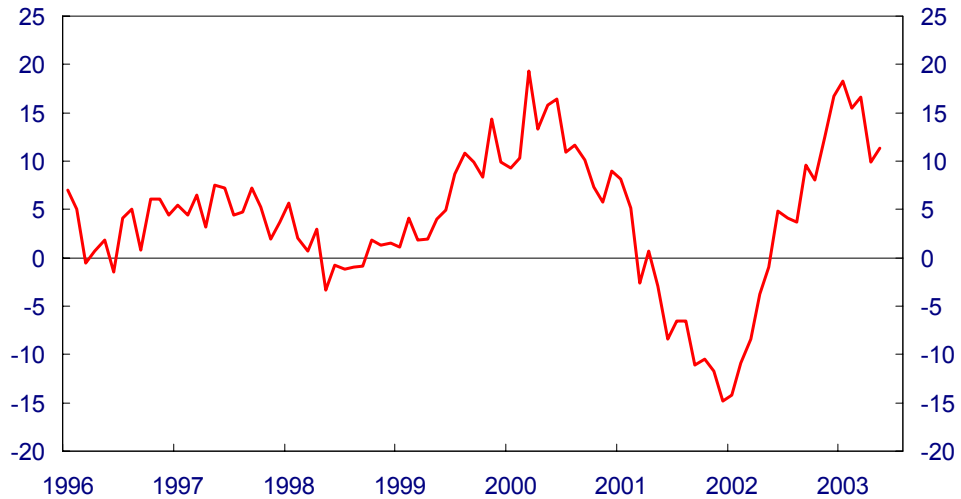
<sup>1)</sup>Retail trade in the US is a deflated value index

Sources: EcoWin / US Dept. of Commerce, Deutsche Bundesbank, Office of National Stat. and ECB



## 1.15 Global trade indicator

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



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

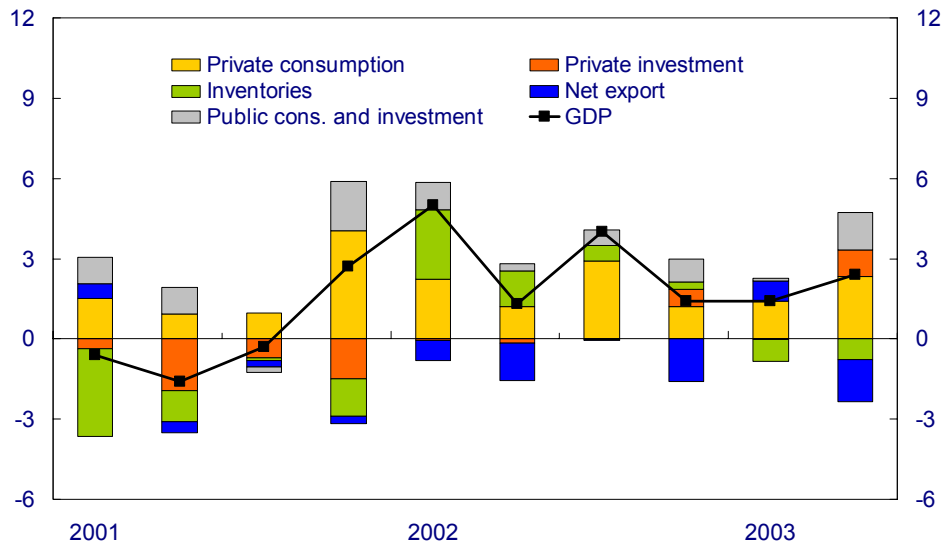
Executive Board August 2003

# The US

Executive Board August 2003

## 1.16 Quarterly change in US GDP

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



Sources: Bureau of Economic Analysis

Executive Board August 2003

## 1.17 Private consumption - US

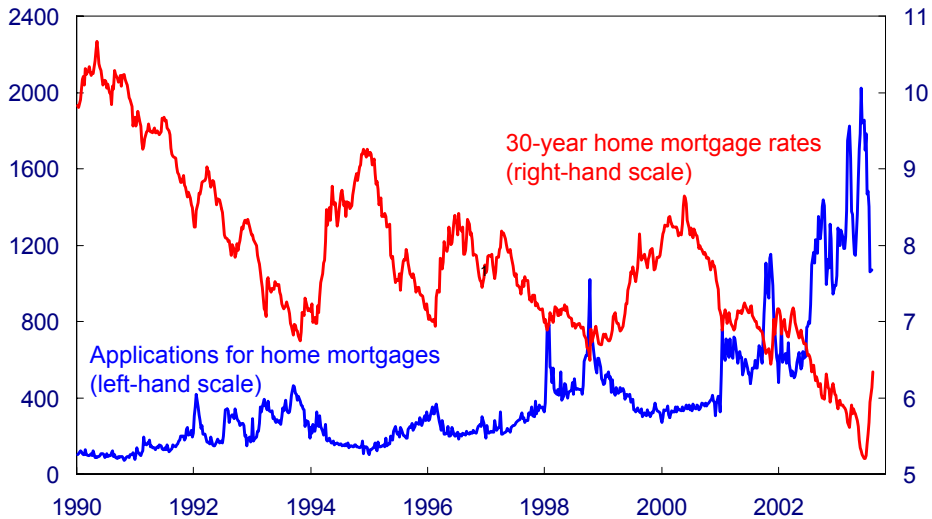
- Tax cuts will prompt consumption, but
  - Saving ratio remains low
  - Employment trend remains weak
  - Higher interest rate curbs refinancing of home mortgages

In sum: difficult to see strong growth in consumption without new growth in employment and/or real wages

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## 1.18 US: Interest rate on and applications for home mortgages

Index applications for loans, Week 1 1990 = 100. Seasonally adjusted.  
Weekly figures



Sources: EcoWin / Mortgage Bankers Association of America and Federal Reserve / FHLMC

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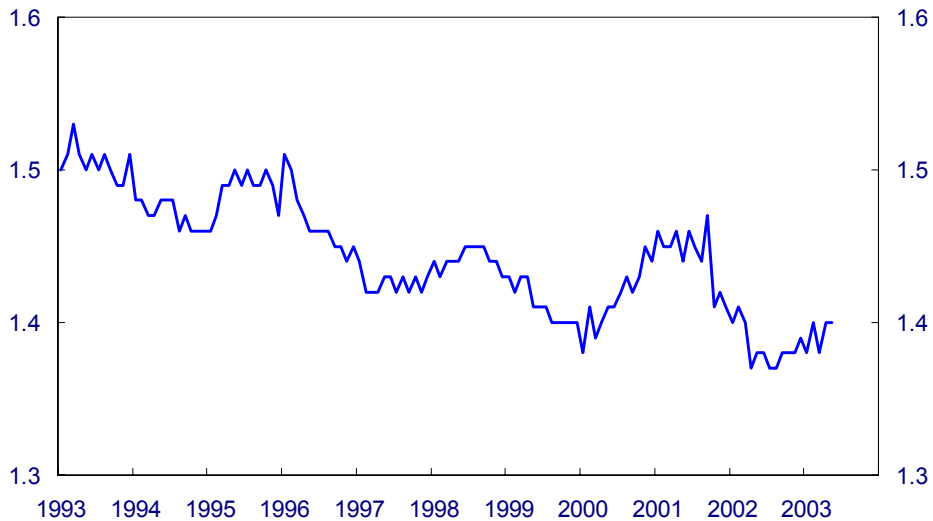
## 1.19 Public demand - US

- Tax cuts and transfers are prioritised when the Federal Deficit is increased
- Strong defence demand, otherwise fall in second quarter
- States are having problems and cutting their demand

In sum: Difficult to see strong growth in public demand  
(but we know little about military expenses)

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## 1.20 US - inventories as a share of monthly sales

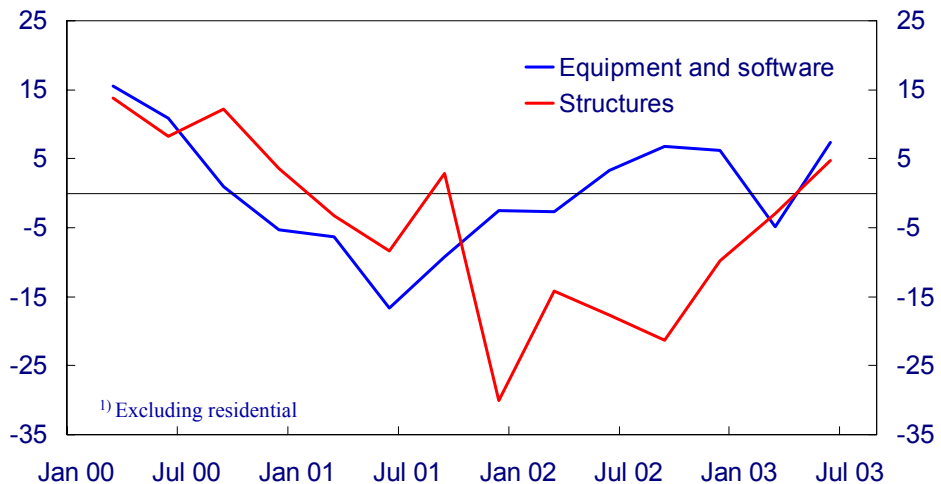


Source: EcoWin / US Department of Commerce

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## 1.21 US - private investment in structures<sup>1)</sup> and in equipment and software

Percentage change on previous quarter, annualised. Seasonally adjusted

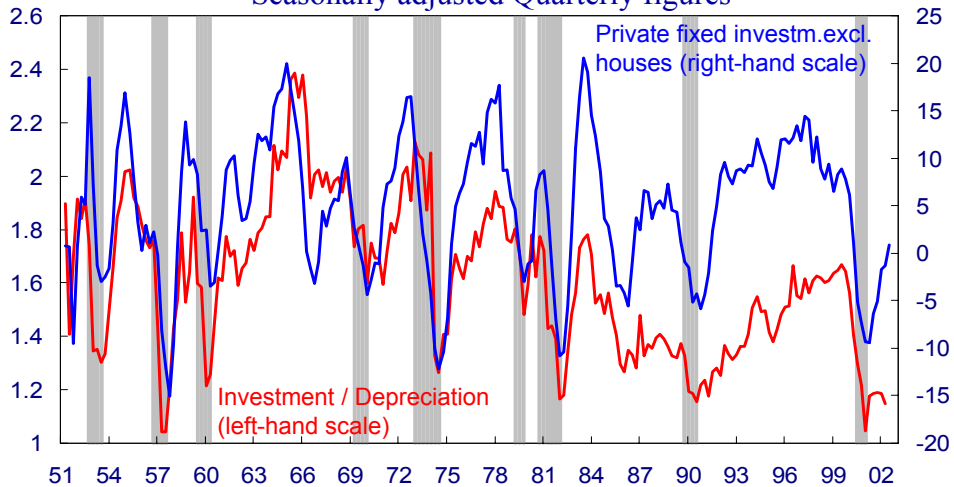


Source: EcoWin/US Department of Commerce

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## 1.22 US - private fixed investment excl. homes<sup>1)</sup> and the ratio between corporate<sup>2)</sup> investment<sup>3)</sup> and depreciation

Seasonally adjusted Quarterly figures

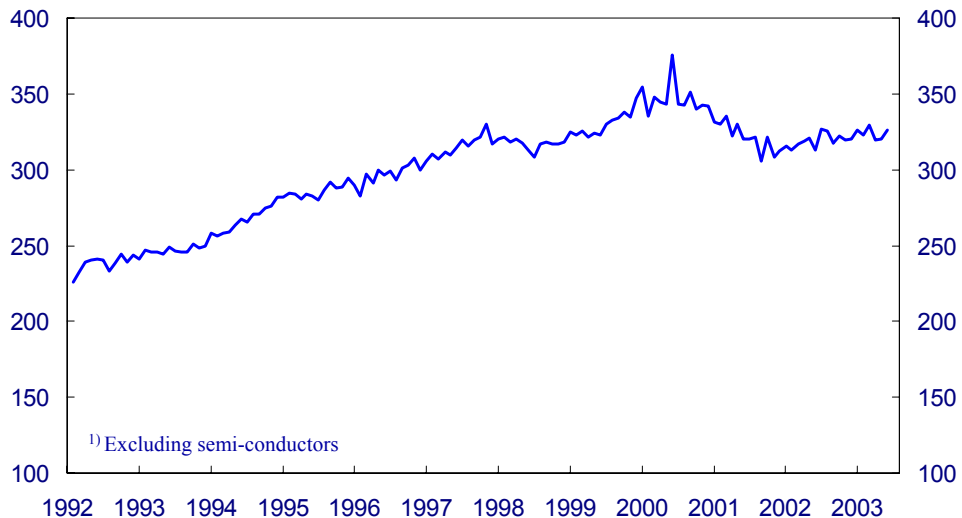


<sup>1)</sup>Percentage rise on same quarter previous year <sup>2)</sup>Non-financial enterpr. excl. agriculture <sup>3)</sup>Fixed investm. and inventories

Source: EcoWin/US Department of Commerce and Datastream / Federal Reserve

## 1.23 US - New orders in manufacturing<sup>1)</sup>

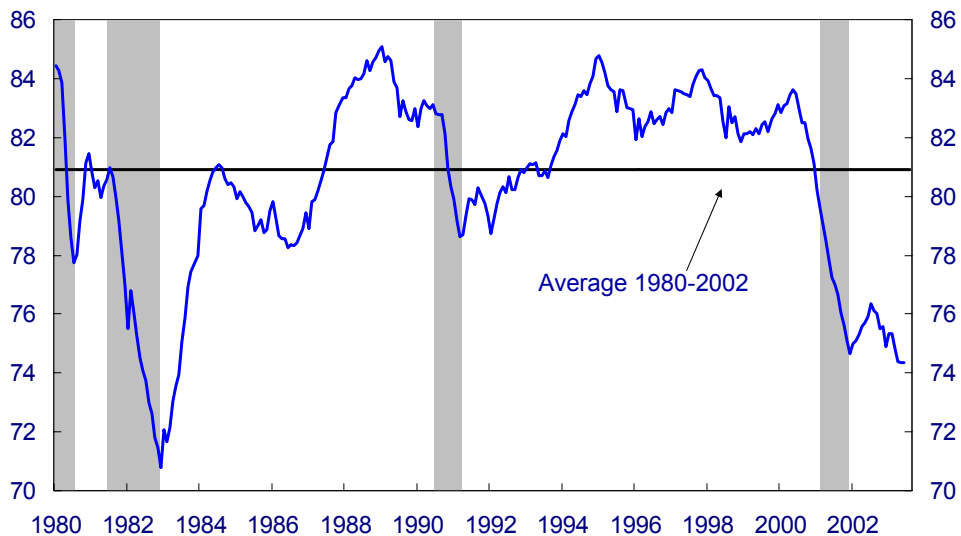
In billions of USD. Current prices. Seasonally adjusted. Monthly figures



<sup>1)</sup> Excluding semi-conductors

Source: EcoWin/US Bureau of the Census

## 1.24 US - Capacity utilisation in manufacturing, mining and power supply. Per cent of capacity. Seasonally adjusted. Monthly figures



Sources: Datastream / Federal Reserve Board and NBER

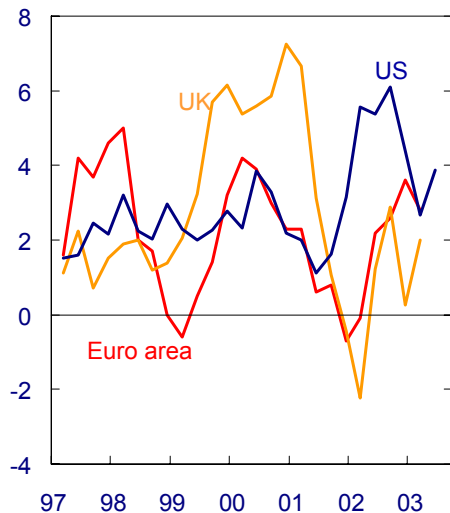
Executive Board August 2003

## The inflation outlook

Executive Board August 2003

## Labour productivity, manufacturing

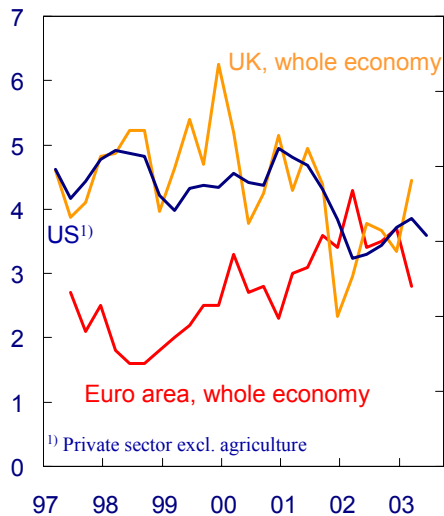
Percentage change on same quarter previous year



1.25

## Wage growth

Percentage change on same quarter previous year

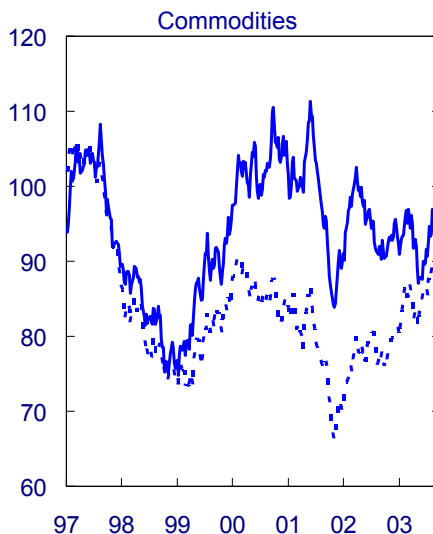
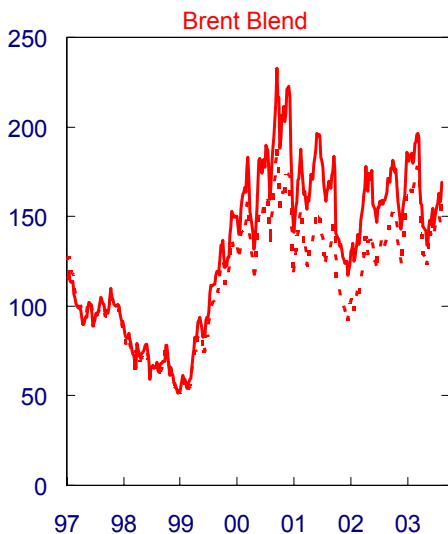


Sources: EcoWin / National statistics

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## 1.26 Oil and international commodity prices

Trading partner currencies and USD. 1997=100. Weekly figures



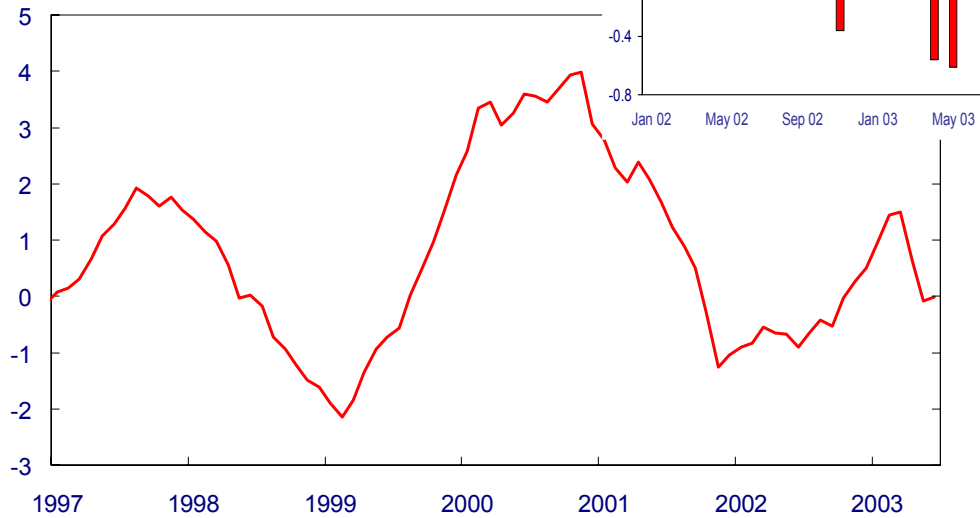
Sources: EcoWin, Norges Bank and The Economist

— USD  
 - - - Trading partner curr. (144 countries)

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## 1.27 Producer prices

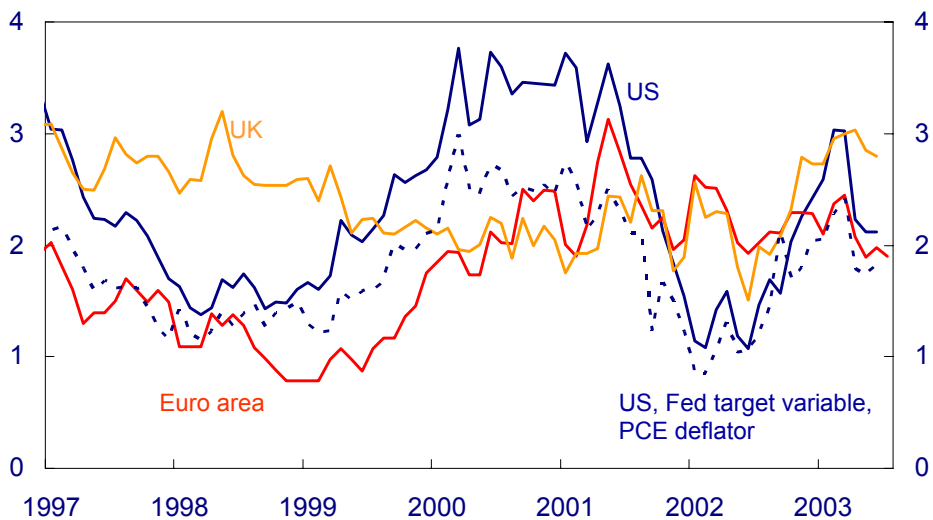
25 trading partners. Percentage change on same month previous year



Sources: EcoWin and Norges Bank

## 1.28 Consumer prices in the US, the euro area and the UK

Percentage change on same month previous year

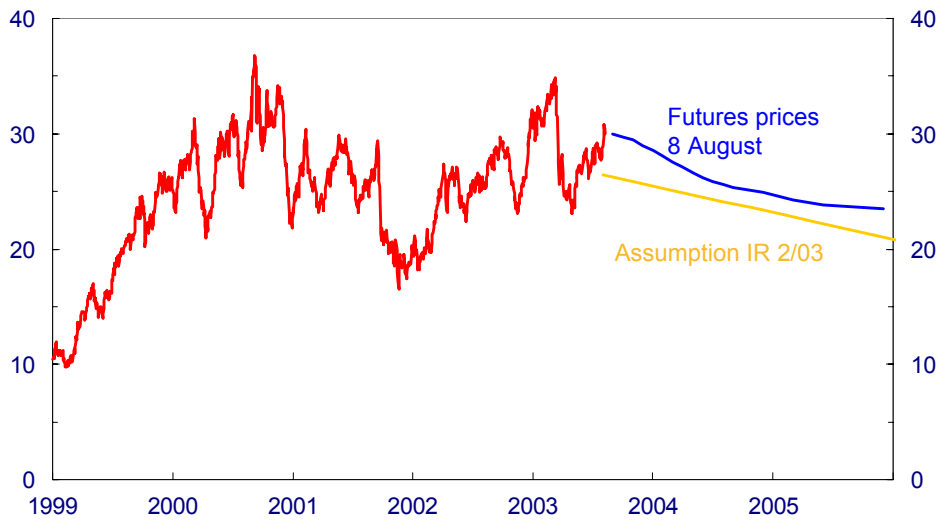


Sources: Bureau of Labor Statistics, Eurostat and Office for National Statistics



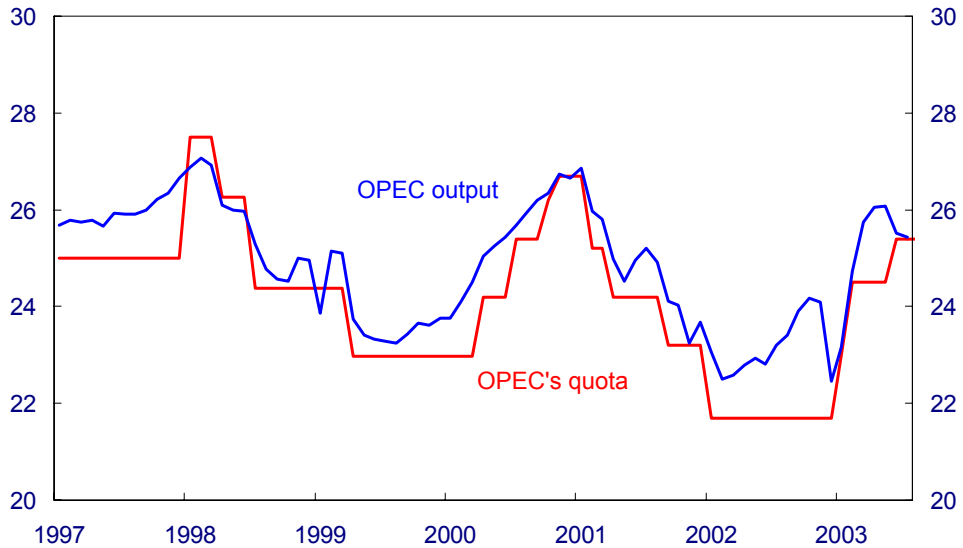
# Oil

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



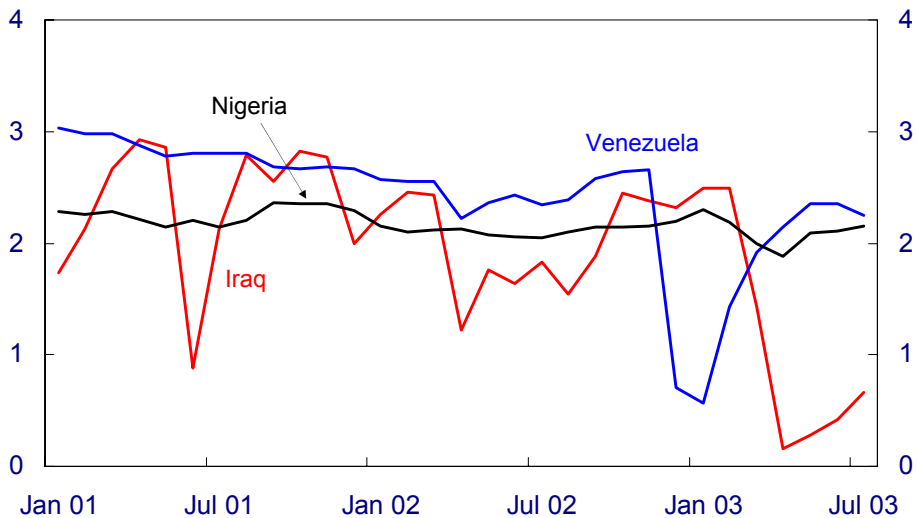
### 1.30 OPEC 10 output and quotas

In million barrels per day



Sources: Bloomberg, International Energy Agency and Norges Bank

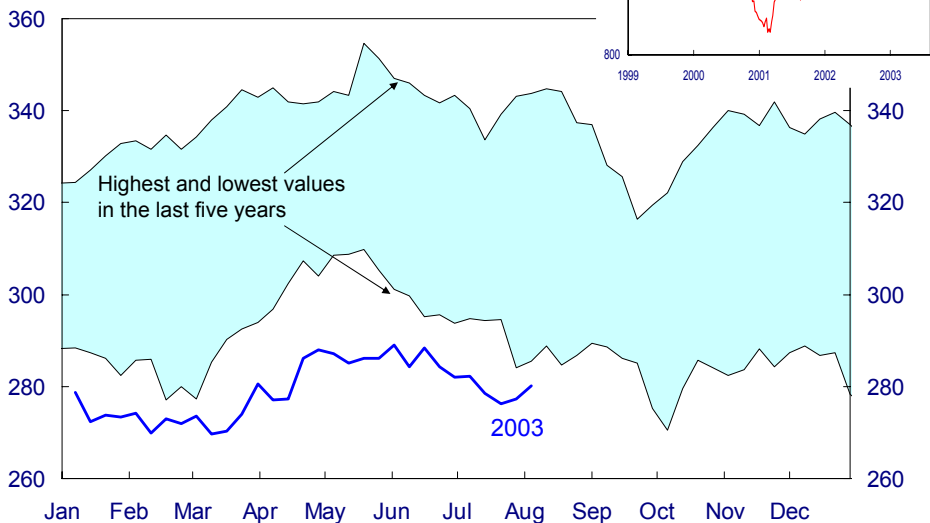
### 1.31 Oil production in Iraq, Venezuela and Nigeria In million barrels per day. Monthly figures



Sources: Energy Information Agency and International Energy Agency

## 1.32 US commercial crude oil stocks

In million barrels. Weekly figures

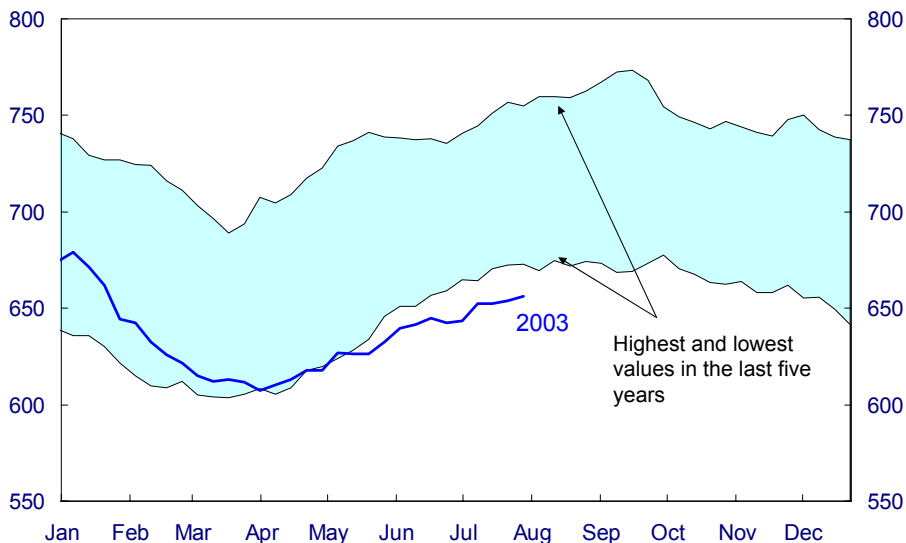


Source: US Department of Energy

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## 1.33 Stocks of refined products in the US

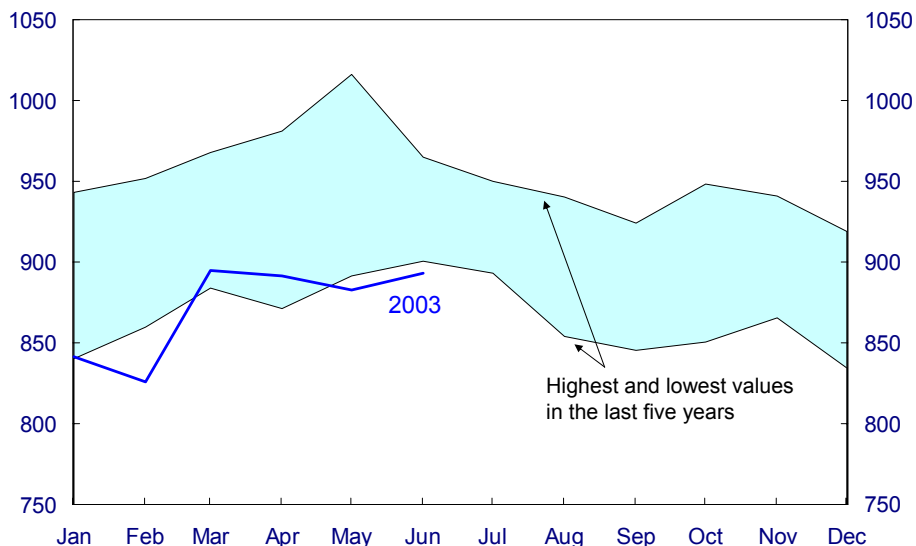
In million barrels. Weekly figures



Source: US Department of Energy

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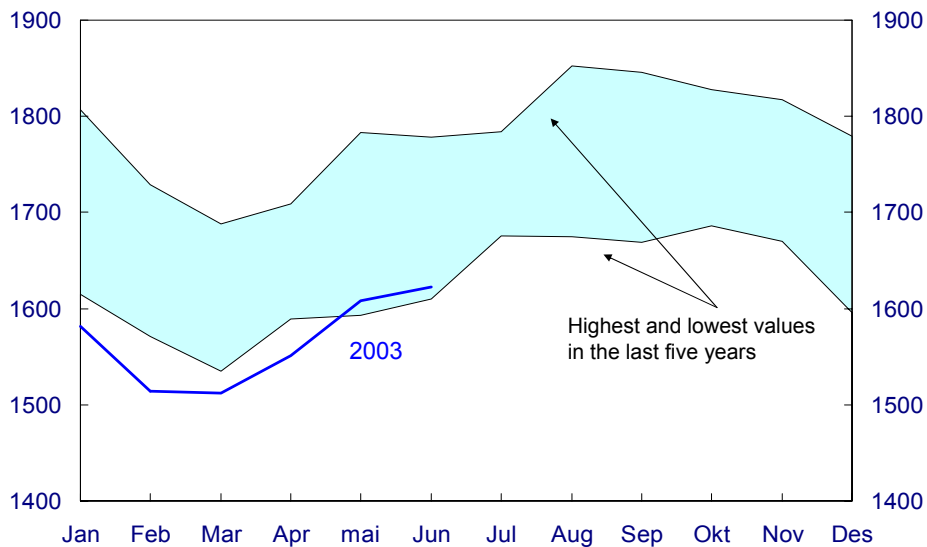
### 1.34 Stocks of crude oil in the OECD In million barrels. Monthly figures



Source: International Energy Agency

Executive Board August 2003

### 1.35 Stocks of refined products in the OECD In million barrels. Monthly figures



Source: International Energy Agency

Executive Board August 2003

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



Source: EcoWin