Notes

Euro-Area Data: Euro-area countries are Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia Luxembourg, Malta, the Netherlands, Portugal, Slovenia, Slovakia, and Spain. Data series are break adjusted and include all euro area countries for the full sample, with these exceptions: Series for interest rates are not break adjusted.

The euro/dollar exchange rate used in the chart on page 69 is a synthetic rate prior to January 1999. This is constructed by calculating a weighted average of the exchange rates of the euro-area countries, excluding Greece and Luxembourg, against the dollar. The weights are based on 1997 GDP shares.

German Data: As a result of reunification, data for all of Germany are now incorporated in the statistical series. Starting in 1999, short-term rates are euro interbank offered rates. Long-term rates are calculated on the basis of nominal government bond yields weighted by the nominal outstanding amounts of government bonds in each maturity band.

The current index is based on goods and services consumed by all individuals for Brazil, Canada, India, Mexico, and Russia; all multi-person households excluding those mainly engaged in agriculture, forestry, and fisheries for Japan; all households except pensioners dependent on state pension and high income households for the United Kingdom; all households except farming and fishing for Korea; all urban households for the United States; all urban and rural residents for China. Data for the euro area, France, Germany, and Italy are based on the harmonized index of consumer prices.

Current Account Balance is the sum of merchandise and service exports and income receipts on domestic assets abroad minus the sum of merchandise and service imports and income payments from foreign assets in the domestic economy plus net unilateral transfers.

Earnings are based on hourly earnings in manufacturing for Canada, China, France, Korea, Mexico, Russia, the United Kingdom, the United States, and the euro area; manufacturing excluding food, beverage, and tobacco for Germany; mining and manufacturing for Italy; rate of capacity utilization, manufacturing survey for Brazil and Russia; operating rate: manufacturing for Japan.

Consumer Price Index is for all items. The current index is based on goods and services consumed by all individuals for Brazil, Canada, India, Mexico, and Russia; all multi-person households excluding those mainly engaged in agriculture, forestry, and fisheries for Japan; all households except pensioners dependent on state pension and high income households for the United Kingdom; all households except farming and fishing for Korea; all urban households for the United States; all urban and rural residents for China. Data for the euro area, France, Germany, and Italy are based on the harmonized index of consumer prices.

Capacity Utilization covers the manufacturing sector for Canada, China, France, Korea, Mexico, Russia, the United Kingdom, the United States, and the euro area; manufacturing excluding food, beverage, and tobacco for Germany; mining and manufacturing for Italy; rate of capacity utilization, manufacturing survey for Brazil and Russia; operating rate: manufacturing for Japan.


The Long-Term Interest Rate table on page 6 uses the government bond rate. The government bond rate is a composite of yields on federal government bonds with maturities of more than 10 years for Mexico and the United States; 10-year benchmark bonds for France; 7- to 15-year public sector bonds for Germany; 15- to 20-year government bonds through 1990 and 10-year government bonds starting in 1991 for Italy; and 10-year government bonds for Canada, the euro area, Korea, Russia, and the United Kingdom; 10-year central government bond yield for Japan.

Reserve Money data refer to the adjusted monetary base for Japan and the United States; monetary base for Brazil, Canada, Mexico, Russia; and M0 for the United Kingdom. Reserve Money is currency in circulation, deposits of the deposit money banks, and demand deposits of other residents (with the exception of the central government) with the monetary authority.

Adjusted Monetary Base Japan: currency in circulation and current deposits at the Bank of Japan. United States: the sum of currency in circulation outside Federal Reserve banks and the U.S. Treasury, deposits of depository financial institutions at Federal Reserve banks, and an adjustment for the effects of changes in statutory reserve requirements on the quantity of base money held by depositories.

Monetary Base: After reforming the rules governing bank reserves, the Bank of England discontinued its M0 series in May 2006 because the data would not be comparable to previous data. IET now presents a related series, “Notes and Coins in Circulation,” in place of M0. The Bank of England directs interested parties to “Publication of narrow money data: The implication of money market reform” in its Autumn 2005 Quarterly Bulletin (http://www.bankofengland.co.uk/publications/quarterlybulletin/qbo50304.pdf).


Notes and Sources
**M1B**
Canada: currency outside banks, chartered bank checkable deposits, less inter-bank checkable deposits.

**MZM**
United States: currency in circulation, travelers’ checks, total publicly-held checkable deposits minus cash items in the process of collection and Federal Reserve float, savings deposits, shares in retail money market mutual funds (funds with initial investments of less than $50,000), net of retirement accounts, and institutional money market mutual funds.

**M2**
Canada: currency outside banks, chartered bank demand and notice deposits, chartered bank personal term deposits, adjustments to M2 (continuity adjustments and inter-bank demand and notice deposits).

United Kingdom: currency in circulation and sterling retail deposits with the U.K. banks and building societies.

United States: MZM less institutional money market mutual funds plus small denomination (less than $100,000) time deposits.

Brazil: M1 plus open market funds, short-term fixed-yield funds, short-term financial investment funds, remunerated special deposits and bonds of the federal government, states, and municipalities, held by the non-financial public entities.

China: M1 plus quasi-money (time deposits and savings deposits and other deposits).

Korea: M1 plus time and savings deposits and residents’ deposits in foreign currency at deposit money banks.

Russia: M1 plus quasi-money (bank system deposits that cannot be directly used for making payments and are less liquid than M1) This include time deposits in national currency and all deposits in foreign currency.

**M2 + CDs**
Japan: M1 plus private deposits, public deposits less demand deposits, and certificates of deposit.

**M3**
Euro area: M1 plus deposits with a maturity up to 2 years, deposits redeemable at notice up to 3 months, repurchase agreements, money market funds, and debt securities up to 2 years.

India: M1 plus post office savings, bank deposits and residents’ deposits in foreign currency at deposit money banks, and other time deposits with banks.

Mexico: M1 plus residents’ possessions of other bank deposits, securities issued by the Federal Government, securities issued by private entities and the retirement saving funds, plus bank deposits and Federal Government securities in the hands of non residents.

**M4**
United Kingdom: M2 plus wholesale deposits with the U.K. banks and building societies.

**Output Per Worker** is the ratio of real GDP to employment.

**Producer Price Index** covers manufacturing for Canada and the United Kingdom; and total industry for Japan and the United States. Data for the euro area, France, Germany, and Italy are based on the harmonized index of total industry excluding construction.

**Retail Sales** are based on a volume index.

**Stock Exchange Index** refers to all share prices except for the United Kingdom, which excludes financial firms.

**Unemployment Rate** is the harmonized unemployment rate. Unemployment rates represent unemployed persons as a percentage of the labor force (the total number of people employed plus unemployed).

**Sources**

**Abbreviations**
Board of Governors of the Federal Reserve System (BOG)
Bureau of Economic Analysis, U.S. Department of Commerce (BEA)

International Monetary Fund, *International Financial Statistics* (IMF)

*World Economic Outlook* (WEO)

Organization for Economic Cooperation and Development,
*Economic Outlook* (OECD1)

Main Economic Indicators (OECD2)

National Accounts Quarterly (OECD3)

**Canada**
Bank of Canada: M1B and M2.

BOG: exchange rate.

IMF: foreign exchange reserves, merchandise and service trade, real effective exchange rate, and reserve money.

OECD1: gross government debt, net government debt, and budget balance.

OECD2: capacity utilization, consumer price index, current account balance, GDP, hourly earnings, industrial production, interest rates, producer price index, retail sales, stock exchange index, and unemployment rate.

Statistics Canada: employment.

**Euro Area**

European Central Bank: current account balance and employment.

Eurostat: capacity utilization, consumer price index, GDP, interest rates, merchandise trade, producer price index, and retail sales.

Haver Analytics: synthetic euro exchange rate.

IMF: real effective exchange rate.

OECD1: gross government debt, net government debt, and budget balance.

OECD2: hourly earnings, industrial production, M1, M3, stock exchange index, and unemployment.

**France**

BOG: exchange rate.

Eurostat: capacity utilization, consumer price index, and producer price index.

IMF: foreign exchange reserves, merchandise and service trade, and real effective exchange rate.

Institut National de la Statistique et des Etudes Economiques: employment.

OECD1: gross government debt, net government debt, and budget balance.

OECD2: current account balance, GDP, hourly earnings, industrial production, retail sales, interest rates, stock exchange index, and unemployment.

**Germany**

BOG: exchange rate.

Bundesanstalt Fur Arbeit: employment.

Eurostat: capacity utilization, consumer price index, and producer price index.

IMF: foreign exchange reserves, merchandise and service trade, and real effective exchange rate.

OECD1: gross government debt, net government debt, and budget balance.

OECD2: current account balance, GDP, hourly earnings, industrial production, retail sales, interest rates, stock exchange index, and unemployment.

**Italy**

BOG: exchange rate.

Eurostat: capacity utilization, consumer price index, and producer price index.

IMF: foreign exchange reserves, merchandise and service trade, and real effective exchange rate.

Instituto Nazionale di Statistica: employment.

OECD1: gross government debt, net government debt, and budget balance.

OECD2: current account balance, GDP, hourly earnings, industrial production, long-term interest rates, retail sales, stock exchange index, and unemployment.

**Japan**

Bank of Japan: adjusted monetary base and long-term interest rate.

BOG: exchange rate.

IMF: foreign exchange reserves, merchandise and service trade, and real effective exchange rate.

OECD1: gross government debt, net government debt, and budget balance.

OECD2: capacity utilization, consumer price index, current account balance, employment, GDP, hourly earnings, industrial production, M1, M2, producer price index, retail sales, short-term interest rate, stock exchange index, and unemployment.

**United Kingdom**

BOG: exchange rate.
**Notes and Sources**

<table>
<thead>
<tr>
<th>Country</th>
<th>Sources and Data Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMF</td>
<td>foreign exchange reserves, merchandise and service trade, and real effective exchange rate.</td>
</tr>
<tr>
<td>OECD1</td>
<td>gross government debt, net government debt, and budget balance.</td>
</tr>
<tr>
<td>OECD2</td>
<td>capacity utilization, consumer price index, current account balance, GDP, industrial production, interest rates, M2, M4, producer price index, retail sales, stock exchange index, unemployment, and weekly earnings.</td>
</tr>
<tr>
<td>U.K. Office for National Statistics</td>
<td>employment and Notes and Coins in Circulation.</td>
</tr>
</tbody>
</table>

**United States**

- **BOG**: capacity utilization, exchange rate, industrial production index, M2, and interest rates.
- **BEA**: GDP, current account balance, merchandise and service trade, and retail sales.
- **BLS**: employment, consumer price index, and producer price index.
- **Federal Reserve Bank of St. Louis**: adjusted monetary base and MZM.
- **IMF**: foreign exchange reserves and real effective exchange rate.
- **OECD1**: gross government debt, net government debt, and budget balance.
- **OECD2**: hourly earnings, stock exchange index, and unemployment.

**Brazil**

- **Banco Central Do Brazil**: capacity utilization, employment, gross government debt, and long-term interest rate.
- **BOG**: exchange rate.
- **IMF**: foreign exchange reserves, commerce and service trade, monetary base, producer price index, and short-term interest rate.
- **OECD1**: budget balance.
- **OECD2**: consumer price index, current account balance, GDP, industrial production, M1, M3, monthly earnings, real effective exchange rate, retail sales, stock exchange index, and unemployment.

**China**

- **IMF**: foreign exchange reserves and reserve money.
- **OECD1**: budget balance.
- **OECD2**: capacity utilization, consumer price index, exchange rate, industrial production, M1, M2, merchandise trade, monthly earnings, nominal GDP, producer price index, real effective exchange rate, retail sales, short-term interest rate, stock exchange index, and unemployment.
- **WEO**: current account as a percentage of GDP, government debt, and real GDP.

**India**

- **IMF**: foreign exchange reserves, reserve money, and short-term interest rate.
- **OECD1**: budget balance.
- **OECD2**: consumer price index, exchange rate, GDP, industrial production, M1, M3, merchandise trade, producer price index, real effective exchange rate, and stock exchange index.
- **WEO**: current account as a percentage of GDP and government debt.

**Korea**

- **BOG**: exchange rate.
- **IMF**: foreign exchange reserves, merchandise and service trade, monthly earnings, and reserve money.
- **OECD1**: gross government debt and budget balance.
- **OECD2**: capacity utilization, consumer price index, current account, employment, GDP, industrial production, interest rates, M1, M2, producer price index, real effective exchange rate, retail sales, stock exchange index, and unemployment.

**Mexico**

- **BOG**: exchange rate.
- **IMF**: budget balance, foreign exchange reserves, government debt, and merchandise and service trade.
- **OECD2**: capacity utilization, consumer price index, current account, employment, GDP, hourly earnings, industrial production, interest rates, M1, M3, monetary base, producer price index, real effective exchange rate, retail sales, stock exchange index, and unemployment.

**Russia**

- **BOG**: exchange rate.
- **Central Bank of Russia**: government debt.
- **IMF**: foreign exchange reserves, monetary base, and merchandise and service trade.
- **OECD1**: budget balance.
- **OECD2**: capacity utilization, consumer price index, current account, employment, GDP, industrial production, interest rates, M1, M2, monthly earnings, producer price index, retail sales, stock exchange index, and unemployment.