



## The Global Recession

The current U.S. recession began in December 2007, according to the National Bureau of Economic Research (NBER). The recession has since affected other countries, and many forecasters predict that world output will contract during 2009. The International Monetary Fund (IMF), for example, predicts that world gross domestic product (GDP) will fall by at least ½ percent in 2009, which would be the first annual decline in world GDP in 60 years.<sup>1</sup>

Has the current economic slowdown affected more countries than prior U.S. recessions? According to the Economic Cycle Research Institute (ECRI), six of the world's seven major developed countries that make up the G7 are now experiencing a recession. Only Canada has escaped thus far. Further, 61 percent of 18 developed and emerging countries (the G7 plus 11 other major U.S. trading partners) are now in recession, according to the ECRI. The chart shows the percentage of these 18 countries that were in recession during each of the seven U.S. recessions since 1970. The current recession is fairly widespread: A higher percentage of countries are now in recession than during four of the previous six episodes and, of course, the percentage could increase before the recession ends.<sup>2</sup>

Like the NBER, the ECRI considers a variety of data in determining when a country is in recession. However, a common rule-of-thumb recession indicator is a decline in GDP for two consecutive quarters. By this measure, 50 percent of the 18 countries in our sample, including the United States, have been in recession during the past year. As the chart shows, this is a higher percentage than all but one U.S. recession since 1970. Moreover, because GDP data for the fourth quarter of 2008 are not yet available for several countries, the percentage of countries now in recession as determined by this measure is likely to rise.<sup>3</sup> Thus, both the ECRI recession indicator and the rule-of-thumb indicator show that an unusually high percentage of the world's large coun-

tries and major U.S. trading partners are currently experiencing a recession.

The world's economies are tied together by global financial markets and international trade. Shocks that affect the U.S. economy—the world's largest—will surely affect the rest of the world. Many analysts blame the current recession on the financial crisis that resulted from large losses on securities backed by U.S. residential mortgage loans. Some analysts also attribute the economic slowdown to a spike in energy prices. If the current recession engulfs more countries and world GDP contracts in 2009 as predicted by the IMF, then this recession will prove to be the broadest, and certainly the deepest, of the past 40 years.

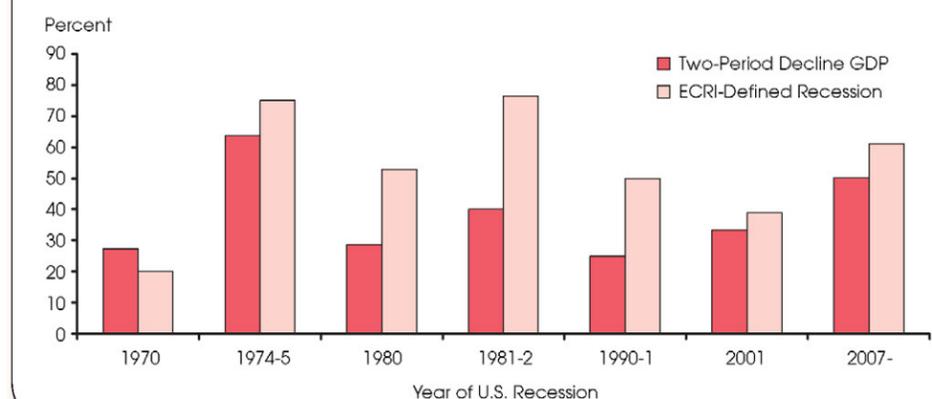
—Craig P. Aubuchon and David C. Wheelock

<sup>1</sup> See the IMF report at [www.imf.org/external/pubs/ft/survey/so/2009/NEW031909A.htm](http://www.imf.org/external/pubs/ft/survey/so/2009/NEW031909A.htm).

<sup>2</sup> ECRI recession indicators are not available for all 18 countries over the entire period. Australia, Austria, Canada, France, Germany, Italy, India, Japan, Korea, New Zealand, Spain, Sweden, Switzerland, the United States, and the United Kingdom are included in all recessions. Ireland is included in all but the 1970 recession, Mexico in the past five, and China is included for the past three recessions. See [http://ecri-prod.s3.amazonaws.com/reports/samples/1/BC\\_0902.pdf](http://ecri-prod.s3.amazonaws.com/reports/samples/1/BC_0902.pdf) for details.

<sup>3</sup> GDP data are not available for all 18 countries over the entire period. Australia, Austria, Canada, France, Germany, Japan, Korea, Spain, Switzerland, the United Kingdom, and the United States are included in all recessions. Italy, the Netherlands, and Sweden are included in the data for the past five recessions, Mexico for the past four, New Zealand for the past three, and Brazil and Ireland are included for the past two recessions.

Percentage of Countries in Recession



Views expressed do not necessarily reflect official positions of the Federal Reserve System.

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### Conventions used in this publication:

1. Charts and tables contain data that were current through April 2009. Unless otherwise indicated, data are quarterly.
2. The *percent change* refers to the percent change from the same period in the previous year. For example, the percent change in  $x$  between quarter  $t-4$  and the current quarter  $t$  is:  $[(x_t/x_{t-4})-1] \times 100$ .
3. All data with significant seasonal patterns are adjusted accordingly.

Due to a new earnings statistics law, hourly earnings data published by the German National Statistical Office now incorporate wage and salary employees. Data prior to 2007 are not strictly comparable with the new figures.

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Slovakia joined the euro area effective January 1, 2009. The Notes section details the dataserie that now incorporate Slovakia.

### M1

Japan: cash, currency in circulation, and deposit money.  
 Euro area: currency in circulation and overnight deposits.

### 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.

### 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.

### 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. The percent change in retail sales for the United States is based on the Standard Industrial Classification system through 1992 and the North American Industrial Classification System from 1993 on.

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

**Unemployment Rate** is the standardized unemployment rate. It is the percentage of the civilian labor force that is unemployed. The unemployed are all persons of working age who are without work, readily available for work, and actively seeking work. The standardized rate may differ from the national unemployment rate calculations.

## Sources

### Abbreviations

Board of Governors of the Federal Reserve System (BOG)  
 Bureau of Economic Analysis, U.S. Department of Commerce (BEA)  
 Bureau of Labor Statistics, U.S. Department of Labor (BLS)  
 International Monetary Fund, *International Financial Statistics* (IMF)  
 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 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 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 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 and budget balance.

OECD2: current account balance, GDP, hourly earnings, industrial production, M1, M3, retail sales, interest rates, stock exchange index, and unemployment.  
 Statistical Office of Germany: new hourly earnings.

### 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 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 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

Bank of England: M2.

BOG: exchange rate.

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

OECD1: gross government debt and budget balance.

OECD2: capacity utilization, consumer price index, current account balance, GDP, industrial production, interest rates, M4, producer price index, retail sales, stock exchange index, unemployment, and weekly earnings.

U.K. Office for National Statistics: employment and Notes and Coins in Circulation.

### 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 and budget balance.

OECD2: hourly earnings, stock exchange index, and unemployment.

Notes

**Euro-Area Data:** Euro-area countries are Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia, Slovakia, and Spain. The euro area was enlarged to include Greece on January 1, 2001; Slovenia on January 1, 2007; Cyprus and Malta on January 1, 2008; and Slovakia on January 1, 2009. Data series are break adjusted with inclusion of all euro-area countries with the following exceptions: Series for earnings, interest rates, retail sales, and stock exchange index cover Greece, Slovenia, Cyprus, Malta, and Slovakia but are not break adjusted. Gross domestic product (GDP) and industrial production include Greece, Slovenia, Cyprus, and Malta (but not Slovakia) for the entire sample. Historical euro-area series for government debt and budget balance include Greece. Series for the real effective exchange rate also include Greece starting in January 2001.

Euro-area interest rates prior to December 1998 are calculated on the basis of national government yields weighted by GDP. Starting in 1999, short-term rates are euro interbank offered rates. Long-term rates are calculated on the basis of national government bond yields weighted by the nominal outstanding amounts of government bonds in each maturity band.

The euro/dollar exchange rate used in the chart on page 12 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. The starting periods for unified German data are listed below. Care should be exercised when interpreting the data around these break periods.

Third quarter 1990: current account balance, international trade, and unemployment.

First quarter 1991: consumer price index, GDP, industrial production, output per worker.

Third quarter 1992: capacity utilization.

First quarter 1993: stock exchange index.

Third quarter 1993: employment.

First quarter 1995: hourly earnings.

**Capacity Utilization** covers the manufacturing sector for Canada, France, Japan, the United Kingdom, the United States, and the euro area; manufacturing excluding food, beverage, and tobacco for Germany; and mining and manufacturing for Italy.

**Consumer Price Index** is for all items. The current index is based on goods and services consumed by all individuals for Canada; 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; and all urban households for the United States. 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.

**Real Earnings** are based on hourly earnings in manufacturing for Canada, Germany, the United States, and the euro area; hourly earnings in manufacturing excluding construction for France; hourly earnings in industry for Italy; monthly earnings in manufacturing for Japan; and weekly earnings in manufacturing for the United Kingdom.

The **Exchange Rate** for all countries except the United States is expressed as units of local currency per U.S. dollar. For the United States the trade-weighted exchange rate, **TWEX**, is used. This is a weighted average of the exchange value of the U.S. dollar relative to the major international currencies—the euro, Canadian dollar, Japanese yen, British pound, Swiss franc, Australian dollar, and Swedish kronor. Prior to 1999, the currencies of the euro-area countries (with the exception of Greece) are used instead of the euro.

**Real Effective Exchange Rate** uses normalized unit labor costs in manufacturing. The weighting scheme used to construct the rates, for all except the euro area, is based on disaggregated data for trade among 21 industrial countries in manufactured goods for 2000. For the euro area the weights relate to the trade of the euro area with the other countries. The weights reflect the relative

importance of a country's trading partners in its direct bilateral trade relations and competition in third markets. Normalized unit labor costs in manufacturing are calculated by dividing an index of actual hourly compensation per worker by a five-year moving average index of output per man-hour.

**Employment** data refer to civilian employment for Canada, Germany, Italy, Japan, and the United States; industrial employment for France; and total employment for the euro area and the United Kingdom.

**Foreign Exchange Reserve** data are end of period. The dollar value of reserves may fluctuate as a result of changes in reserve holdings and/or changes in the value of the currencies held vis-à-vis the U.S. dollar.

**Government Budget Balance** is the difference between general government current receipts and total outlays. Total outlays consist of current expenditures and net capital expenditures. **Gross Government Debt** incorporates all financial liabilities of the general government sector. The general government sector consolidates the accounts of the central, state, local, and social security sectors.

**Cumulative Inflation Differential** is the cumulative change in the foreign consumer price index (CPI) over the change in the U.S. CPI, in percentage terms. The base period for the cumulative rate of change is taken to be the first period of the chart. For example, if the base period is 2002:Q1, then the cumulative inflation differential for Japan for 2006:Q3 is as follows:

$$\text{inflation differential} = 100 \cdot \left( \frac{P_{2006Q3}^J / P_{2002Q1}^J}{P_{2006Q3}^{US} / P_{2002Q1}^{US}} - 1 \right)$$

where  $P_{2006Q3}^J$  is the Japanese CPI in the third quarter of 2006. For the U.S. chart on page 41, foreign CPI is calculated as the weighted average of the CPIs of countries whose currencies are used in the major currency trade-weighted exchange rate index. Starting in 1999, the euro-area harmonized consumer price index is used for the euro area. Prior to 1999, the price levels for the individual euro area countries (excluding Greece and Luxembourg) are used. The cumulative inflation differential is shown because the theory of purchasing power parity states that exchange rate changes should be systematically positively related to this variable.

**Industrial Production** measures the change in the volume of output in the mining, manufacturing, oil, electricity, gas, and water industries.

The **Short-Term Interest Rate** table on page 4 uses the relevant 3-month interest rate shown in the country pages.

The **Long-Term Interest Rate** table on page 4 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 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, Japan, and the United Kingdom.

The **Reserve Money** table on page 4 refers to the adjusted monetary base for Japan and the United States; reserve money for Canada; 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.

**Notes and Coins in Circulation**

United Kingdom: 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/qb050304.pdf>).

Real Gross Domestic Product

Percent change from year ago

	06.1	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4
Canada	3.88	3.55	2.80	2.25	2.22	2.78	3.09	2.76	1.52	0.70	0.34	-0.71
Euro Area	2.70	3.04	2.96	3.37	3.22	2.57	2.61	2.15	2.13	1.43	0.56	-1.46
France	2.14	2.85	2.19	2.31	2.17	1.70	2.35	2.16	1.97	1.13	0.63	-0.92
Germany	2.24	3.06	3.23	4.14	3.72	2.53	2.44	1.71	2.83	1.97	0.80	-1.65
Italy	1.94	1.93	1.92	2.56	2.22	1.58	1.57	0.31	0.31	-0.31	-1.24	-2.80
Japan	2.25	2.01	1.74	2.22	3.19	2.14	1.98	2.13	1.41	0.52	-0.20	-4.31
United Kingdom	2.68	2.73	2.78	3.15	2.85	2.95	3.12	3.16	2.62	1.80	0.45	-1.99
United States	3.14	3.16	2.39	2.44	1.25	1.77	2.75	2.33	2.54	2.05	0.75	-0.85

Nominal Gross Domestic Product

Percent change from year ago

	06.1	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4
Canada	7.56	6.87	5.01	3.41	4.99	6.34	5.74	6.39	5.01	5.43	5.99	1.04
Euro Area	4.70	5.14	5.05	5.25	5.53	4.96	5.02	4.55	4.33	3.74	2.85	0.86
France	4.55	5.35	4.83	4.97	4.55	4.32	5.05	4.57	4.76	3.51	2.62	0.83
Germany	2.56	3.66	3.84	4.73	5.47	4.46	4.44	3.65	4.13	3.38	2.18	0.49
Italy	3.99	4.21	3.61	3.57	4.66	3.77	4.29	3.18	2.62	3.12	1.29	0.00
Japan	1.02	0.84	0.96	1.68	2.58	1.72	1.38	0.84	-0.03	-0.95	-1.69	-3.67
United Kingdom	5.06	4.31	6.37	6.40	5.70	6.49	5.76	5.86	5.25	4.40	2.59	-0.01
United States	6.62	6.80	5.67	5.31	4.25	4.59	5.29	4.94	4.74	4.05	3.31	1.21

Consumer Price Index

Percent change from year ago

	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1
Canada	2.51	1.71	1.40	1.85	2.14	2.12	2.45	1.79	2.34	3.43	1.93	.
Euro Area	2.49	2.16	1.80	1.92	1.87	1.86	2.89	3.37	3.64	3.84	2.31	0.96
France	2.19	1.90	1.53	1.32	1.24	1.33	2.54	3.32	3.68	3.63	2.03	0.70
Germany	2.14	1.61	1.30	1.91	1.96	2.17	3.07	3.08	3.02	3.26	1.68	0.78
Italy	2.31	2.32	1.97	2.05	1.84	1.68	2.59	3.28	3.77	4.05	2.91	1.35
Japan	0.18	0.59	0.32	-0.09	-0.06	-0.15	0.53	0.98	1.36	2.16	1.03	.
United Kingdom	2.24	2.40	2.72	2.86	2.57	1.77	2.10	2.38	3.38	4.81	3.89	.
United States	3.92	3.34	1.95	2.44	2.64	2.32	4.04	4.20	4.27	5.23	1.53	-0.18

Employment

Percent change from year ago

	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1
Canada	2.21	1.91	1.91	2.47	2.00	2.30	2.45	2.07	1.91	1.35	0.79	-1.09
Euro Area	1.74	1.70	1.76	1.89	1.79	1.93	1.75	1.52	1.11	0.58	0.00	.
France	1.08	1.30	1.29	1.89	1.71	1.68	1.83	1.40	0.88	0.21	-0.88	.
Germany	0.66	0.85	0.95	1.90	1.69	1.59	1.68	1.67	1.53	1.43	1.05	.
Italy	1.92	1.79	1.57	0.74	0.47	1.49	1.10	0.79	0.26	-0.60	-0.89	.
Japan	0.20	0.18	0.70	0.43	0.90	0.29	0.25	0.10	-0.41	-0.61	-0.76	.
United Kingdom	0.64	0.28	0.36	0.33	0.44	0.89	0.70	0.87	0.67	-0.08	-1.07	.
United States	1.80	1.60	2.10	1.85	1.25	0.97	0.45	0.04	0.08	-0.46	-1.52	-3.12

Unemployment Rate

Percent

	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1
Canada	6.17	6.43	6.17	6.13	6.03	5.97	5.90	5.93	6.10	6.17	6.43	7.63
Euro Area	8.47	8.17	8.00	7.70	7.50	7.47	7.30	7.23	7.40	7.60	7.97	.
France	9.37	9.17	8.93	8.70	8.40	8.20	7.80	7.60	7.63	7.80	8.17	.
Germany	10.03	9.60	9.20	8.73	8.47	8.30	8.00	7.57	7.37	7.17	7.13	.
Italy	6.80	6.60	6.50	6.00	5.90	6.20	6.40	6.60	6.80	6.70	6.90	.
Japan	4.17	4.10	4.03	4.00	3.80	3.80	3.83	3.83	4.03	4.03	4.03	.
United Kingdom	5.47	5.50	5.40	5.50	5.33	5.27	5.03	5.13	5.33	5.80	6.27	.
United States	4.67	4.63	4.43	4.50	4.53	4.70	4.80	4.93	5.37	6.07	6.87	8.07

**Reserve Money**

Percent change from year ago

	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1
Canada	4.29	5.79	5.88	5.66	5.49	5.64	4.83	2.87	3.71	2.41	5.43	.
Japan	-16.29	-21.27	-20.11	-18.88	-4.25	0.65	0.14	0.17	0.29	0.85	1.68	7.00
United Kingdom	5.44	5.23	5.30	4.08	4.31	4.87	5.55	6.46	6.06	5.38	6.72	8.17
United States	4.21	3.16	2.71	1.90	1.62	2.12	1.81	1.18	1.11	4.74	67.57	93.87

**Narrow Money**

Percent change from year ago

	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1
Canada	7.37	9.19	9.84	9.48	9.34	10.27	7.18	7.42	8.15	8.10	12.66	.
Euro Area	9.30	7.44	7.58	7.27	6.48	6.40	3.89	2.84	1.54	1.57	3.74	.
Japan	3.84	1.66	0.08	-0.09	-0.22	-0.28	0.50	-0.30	-0.41	-0.49	-1.18	.
United Kingdom	9.10	7.97	8.02	7.56	7.22	7.36	6.74	6.76	6.41	5.38	4.52	.
United States	4.25	4.29	5.11	5.86	7.70	10.08	12.39	14.85	15.86	13.38	11.58	12.27

**Broad Money**

Percent change from year ago

	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1
Canada	6.31	8.15	8.91	8.44	7.93	8.17	6.45	7.37	8.51	8.46	12.35	.
Euro Area	8.35	8.67	9.40	10.85	11.13	11.08	11.73	10.79	10.28	9.85	8.55	.
Japan	1.09	0.55	0.65	1.08	1.78	1.74	2.03	2.25	2.21	2.13	1.86	.
United Kingdom	13.49	14.42	12.80	13.01	12.91	12.82	11.96	11.69	11.33	11.99	16.48	.
United States	5.09	4.88	5.21	5.27	5.83	6.06	5.78	6.34	6.26	5.98	8.26	9.57

**Short-Term Interest Rates**

Percent

	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1
Canada	4.43	4.32	4.32	4.35	4.52	5.11	4.79	3.57	3.16	3.29	2.32	1.06
Euro Area	2.89	3.22	3.59	3.82	4.07	4.50	4.73	4.48	4.86	4.98	4.21	.
Japan	0.13	0.38	0.42	0.54	0.60	0.73	0.76	0.75	0.71	0.74	0.78	.
United Kingdom	4.64	4.85	5.17	5.49	5.72	6.30	6.31	5.69	5.86	5.81	4.60	2.06
United States	5.18	5.39	5.32	5.31	5.32	5.42	5.02	3.23	2.76	3.06	2.82	1.08

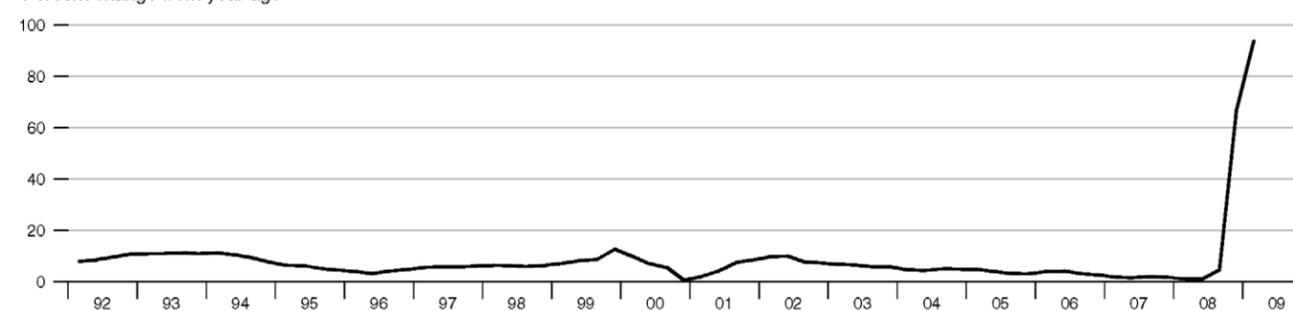
**Long-Term Interest Rates**

Percent

	06.2	06.3	06.4	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1
Canada	4.43	4.27	4.02	4.08	4.36	4.48	4.17	3.75	3.66	3.62	3.38	2.89
Euro Area	4.03	3.96	3.83	4.08	4.41	4.46	4.34	4.12	4.50	4.55	4.04	3.87
France	3.99	3.90	3.79	4.06	4.39	4.44	4.33	4.08	4.47	4.48	3.90	.
Germany	3.94	3.88	3.76	4.00	4.33	4.34	4.19	3.93	4.25	4.26	3.50	3.07
Italy	4.26	4.17	4.03	4.24	4.54	4.64	4.53	4.38	4.78	4.90	4.66	.
Japan	1.90	1.80	1.71	1.68	1.75	1.73	1.57	1.40	1.62	1.52	1.43	1.28
United Kingdom	4.61	4.62	4.60	4.86	5.21	5.18	4.79	4.52	4.91	4.78	4.15	3.54
United States	5.26	5.06	4.80	4.86	5.03	4.98	4.59	4.25	4.46	4.38	3.90	3.55

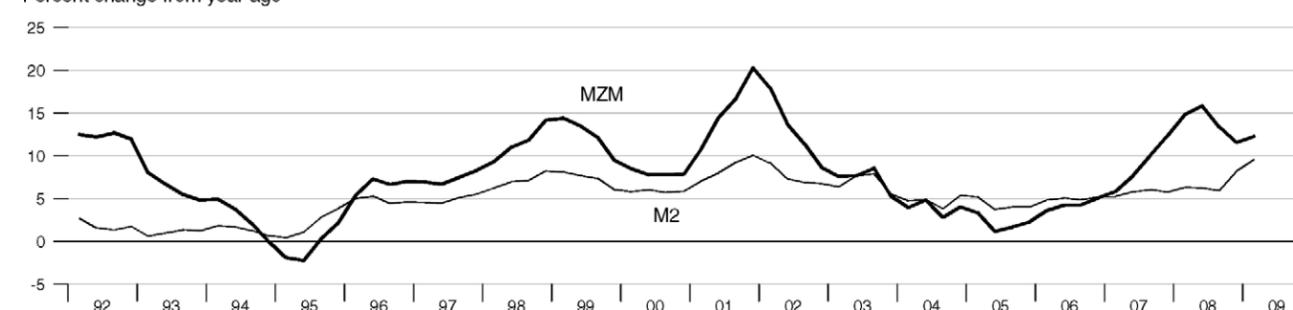
**Adjusted Monetary Base**

Percent change from year ago



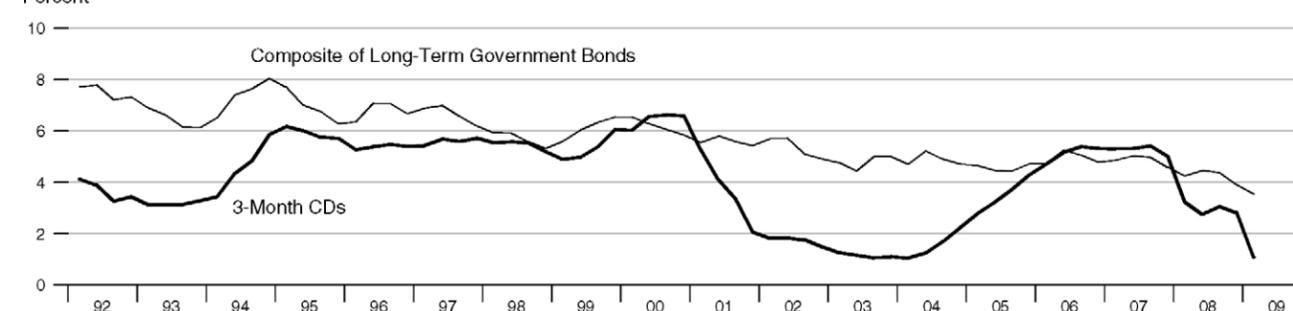
**Monetary Aggregates**

Percent change from year ago



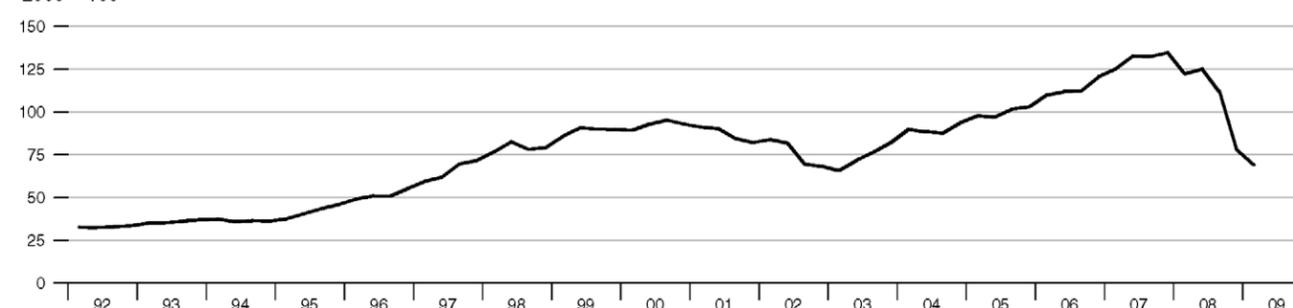
**Interest Rates**

Percent

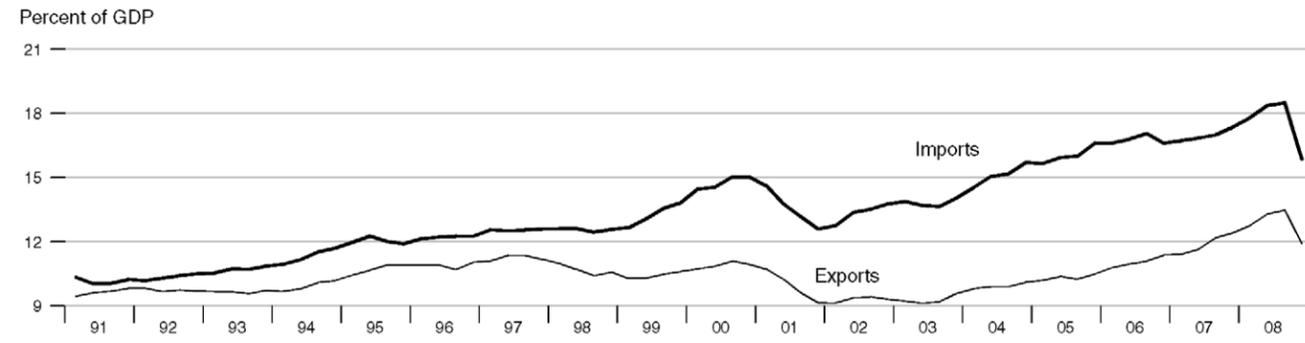


**Stock Exchange Index - New York Stock Exchange**

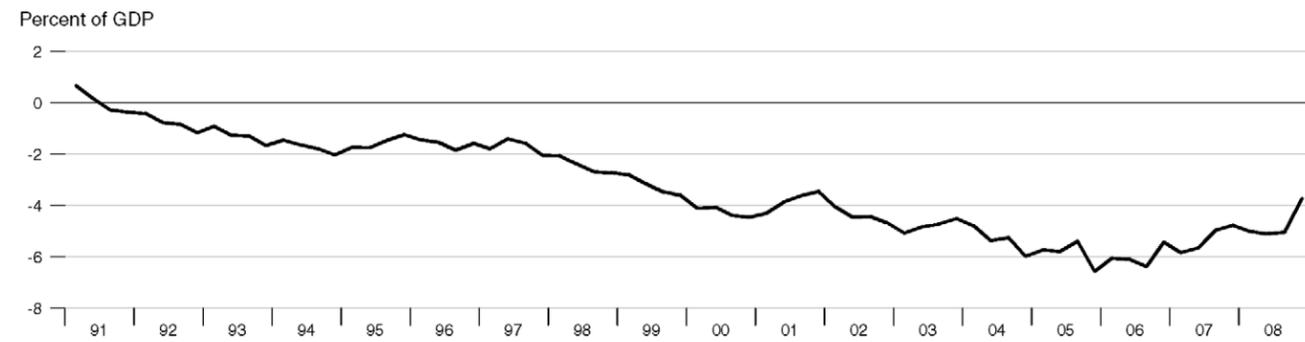
2000 = 100



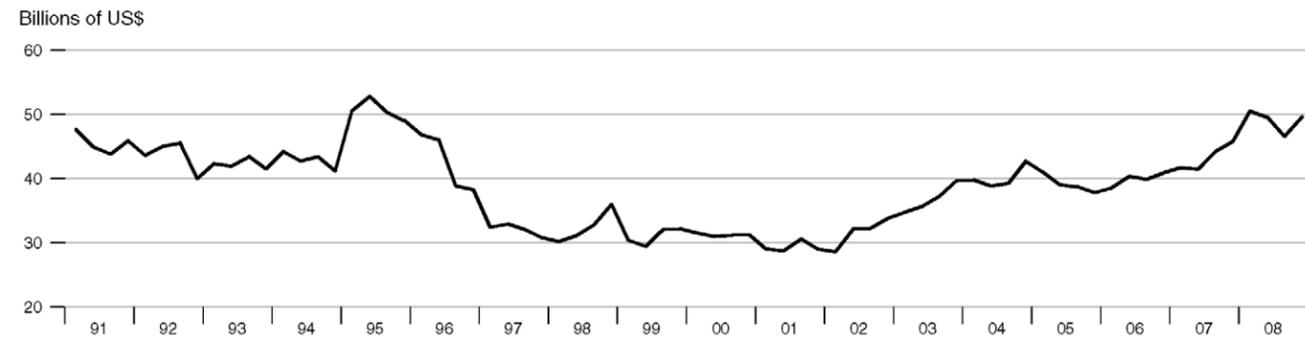
**International Trade - Goods and Services**



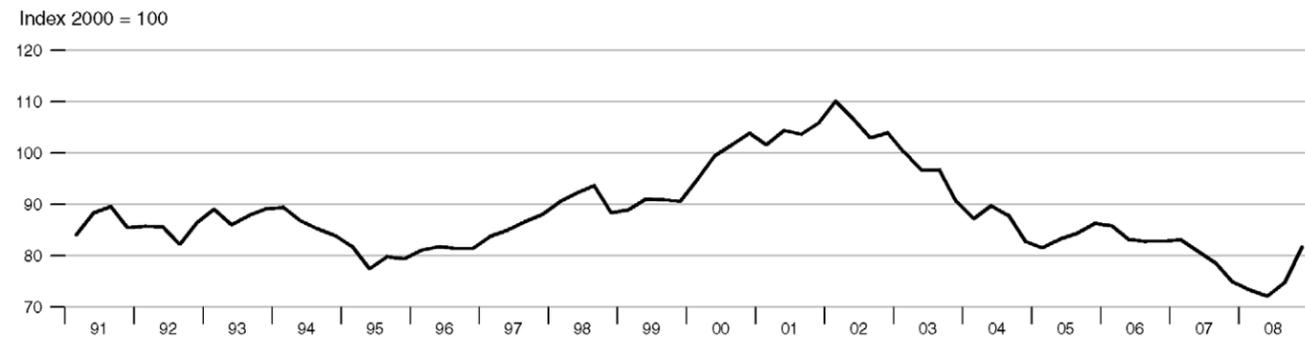
**Current Account Balance**



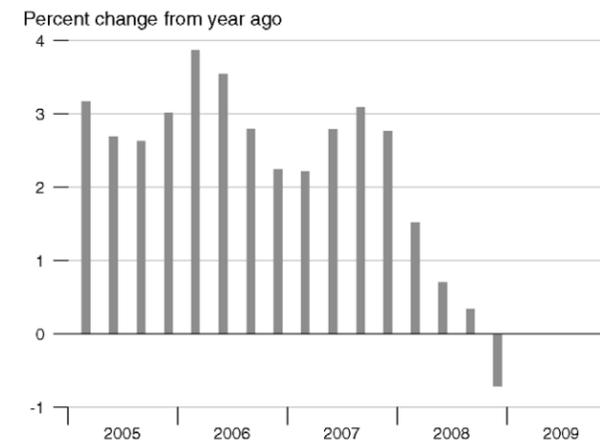
**Foreign Exchange Reserves**



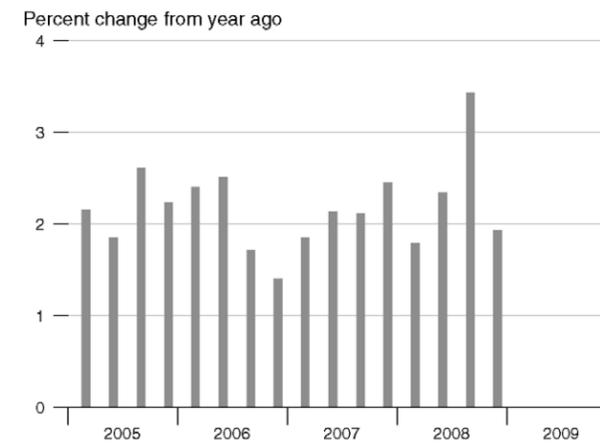
**Real Effective Exchange Rate**



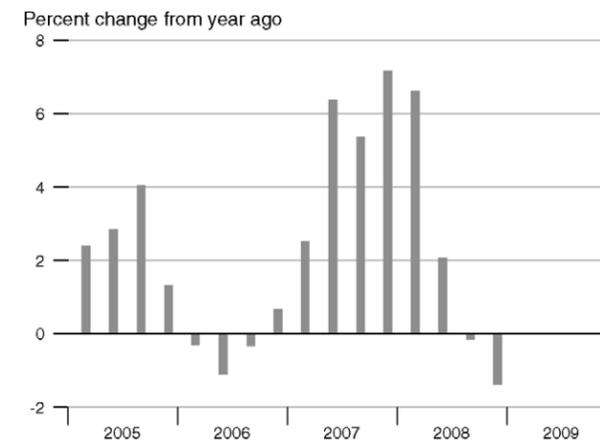
**Real GDP**



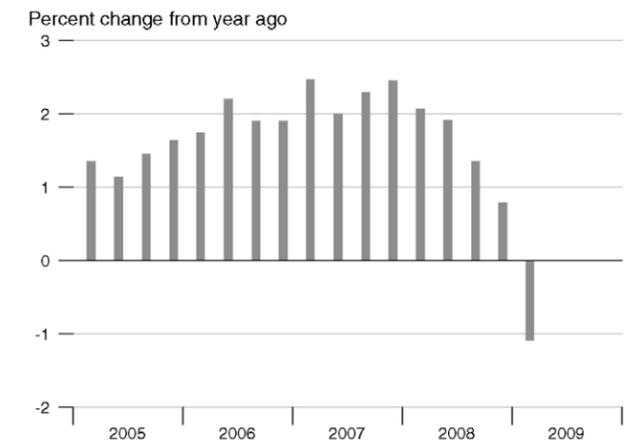
**Consumer Price Index**



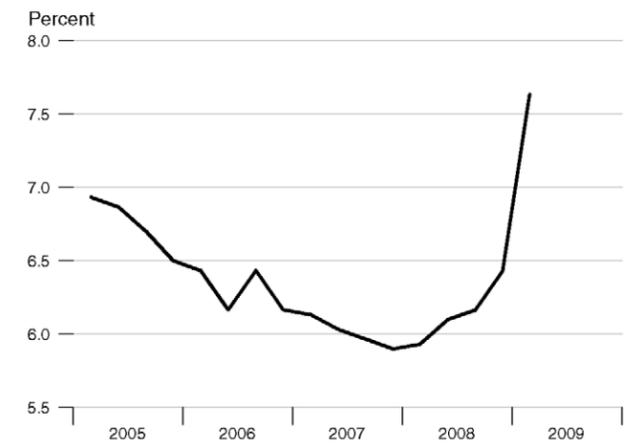
**Real Hourly Earnings**



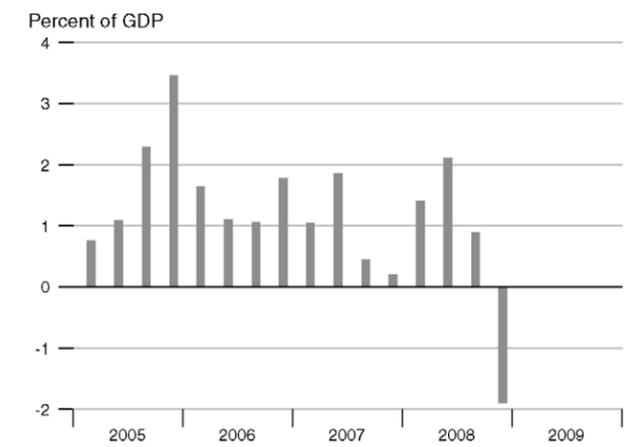
**Employment**



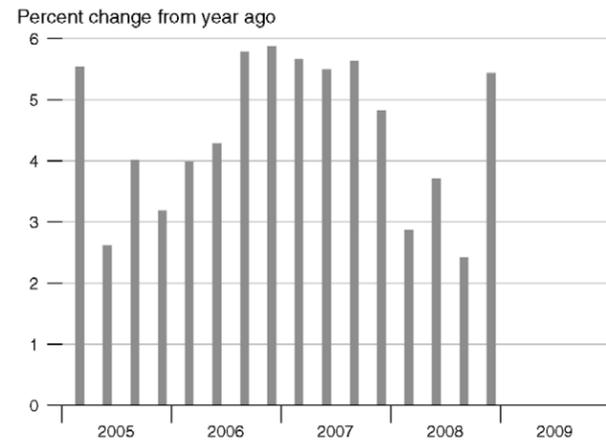
**Unemployment Rate**



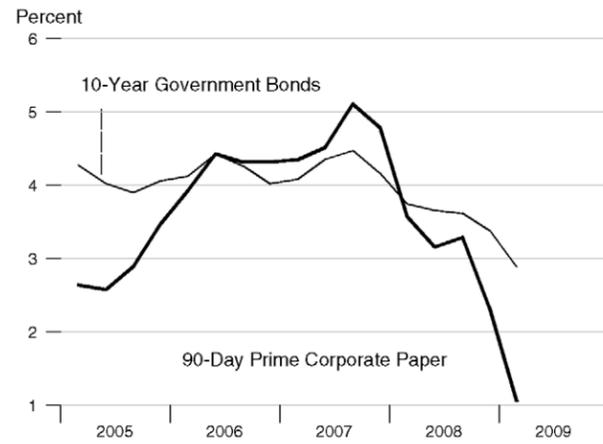
**Current Account Balance**



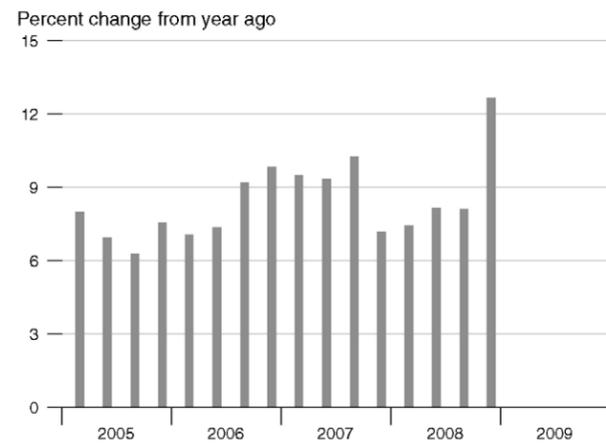
**Reserve Money**



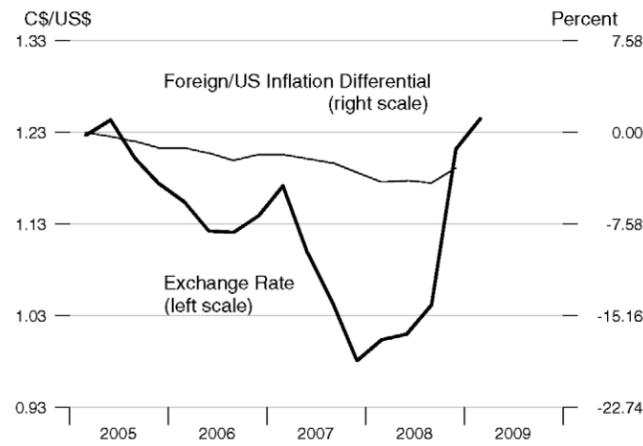
**Interest Rates**



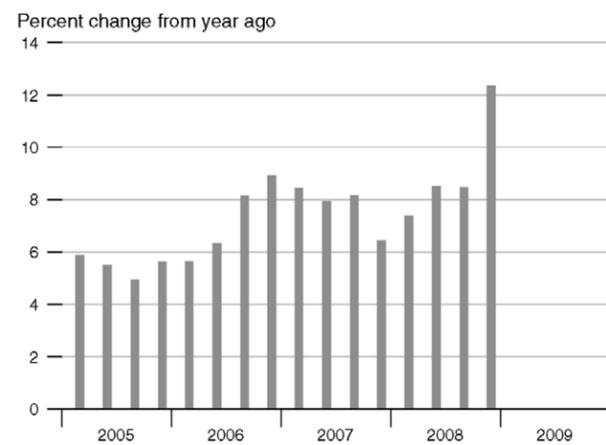
**M1B**



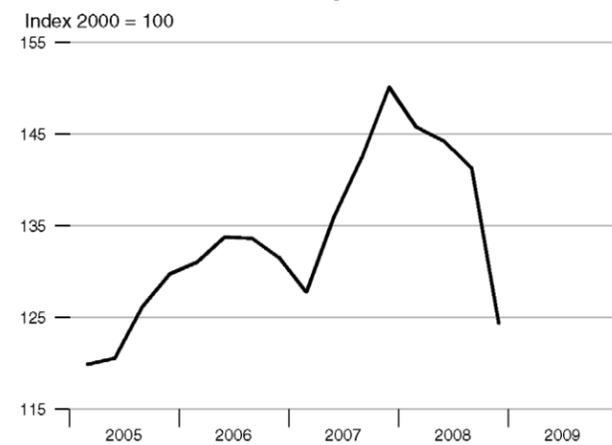
**Exchange Rate and Inflation Differential**



**M2**



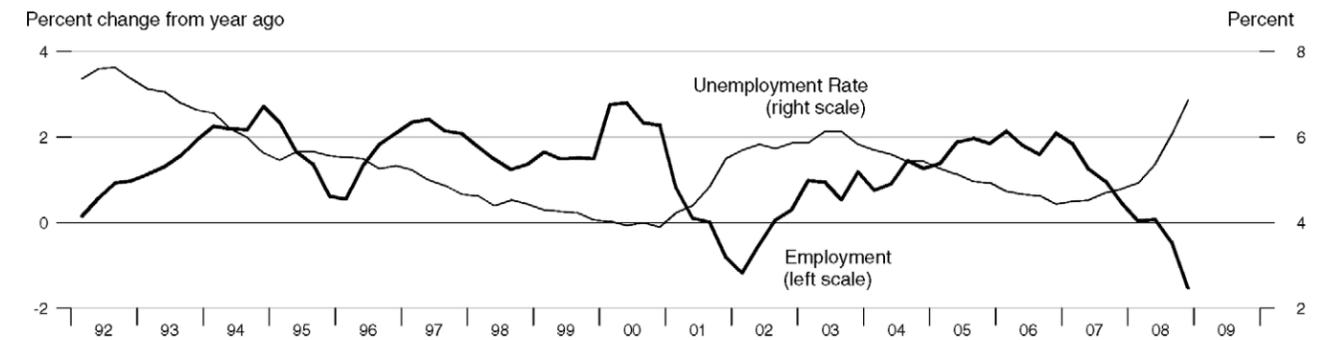
**Real Effective Exchange Rate**



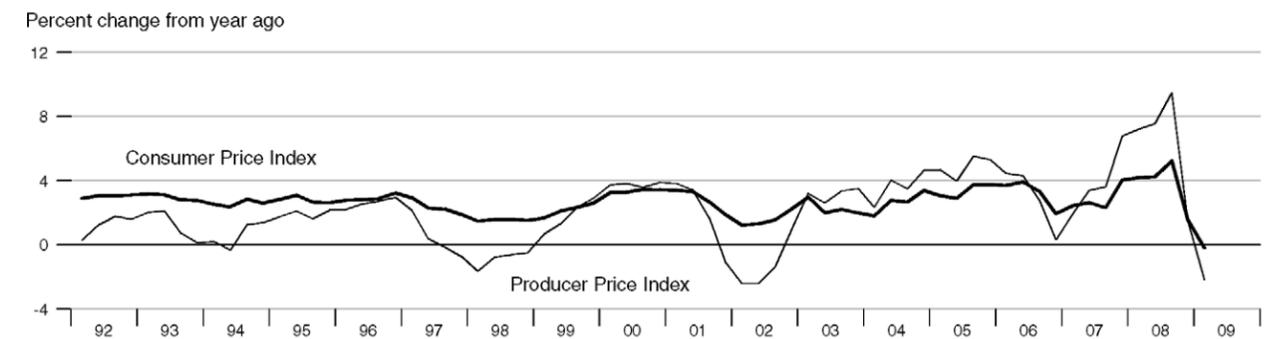
**Real Hourly Earnings and Output per Worker**



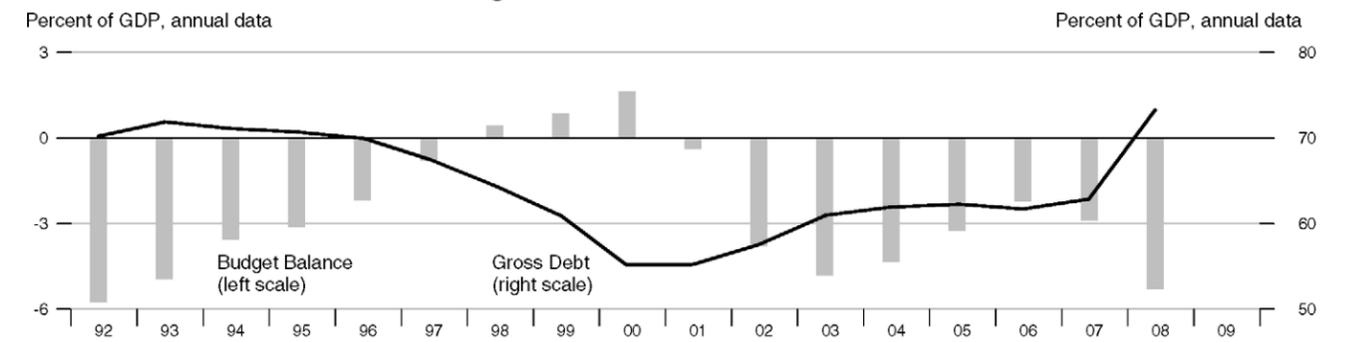
**Labor Force Indicators**



**Inflation**

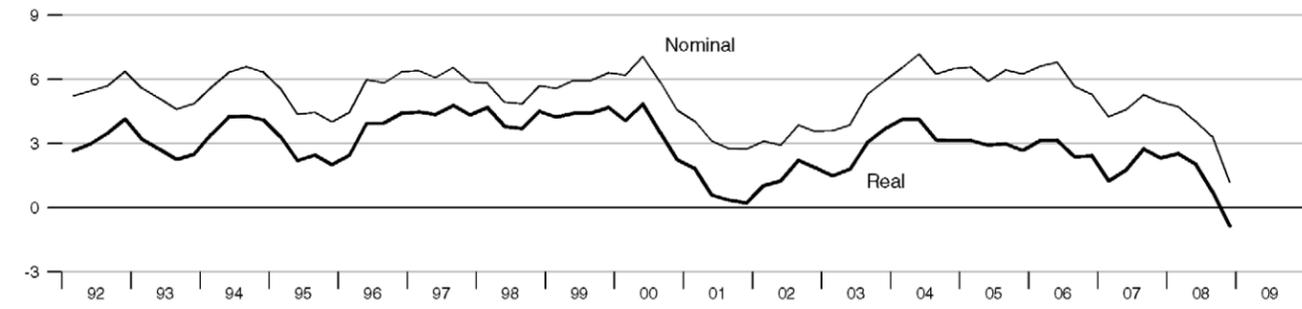


**Gross Government Debt and Budget Balance**



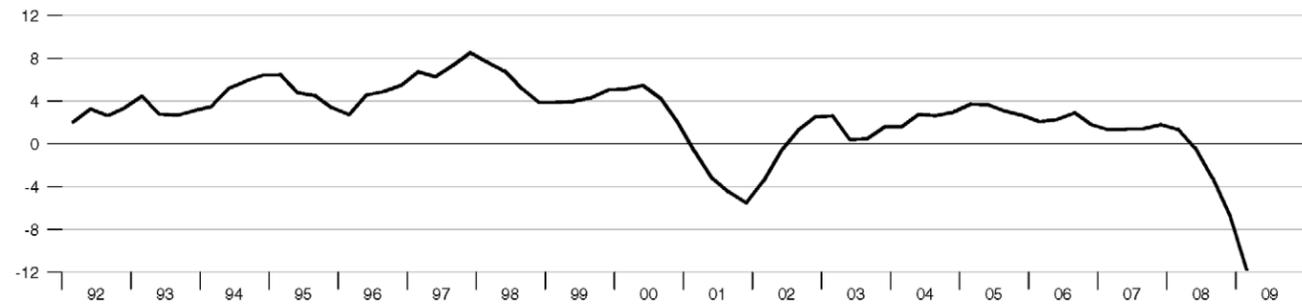
**GDP**

Percent change from year ago



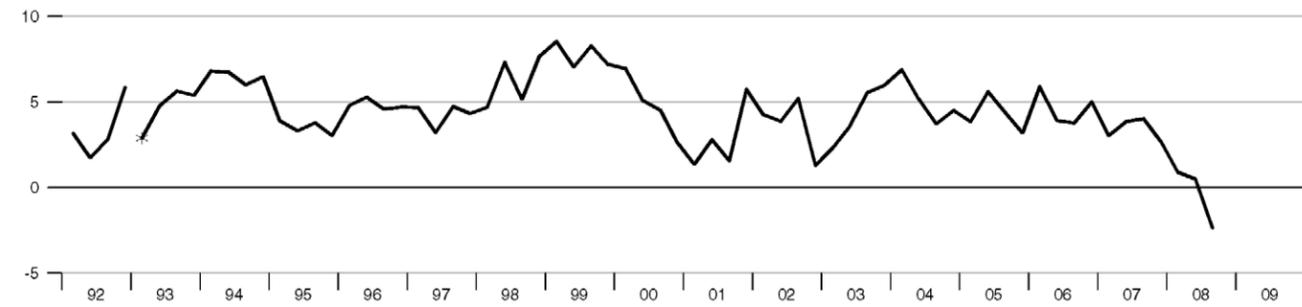
**Industrial Production**

Percent change from year ago



**Retail Sales**

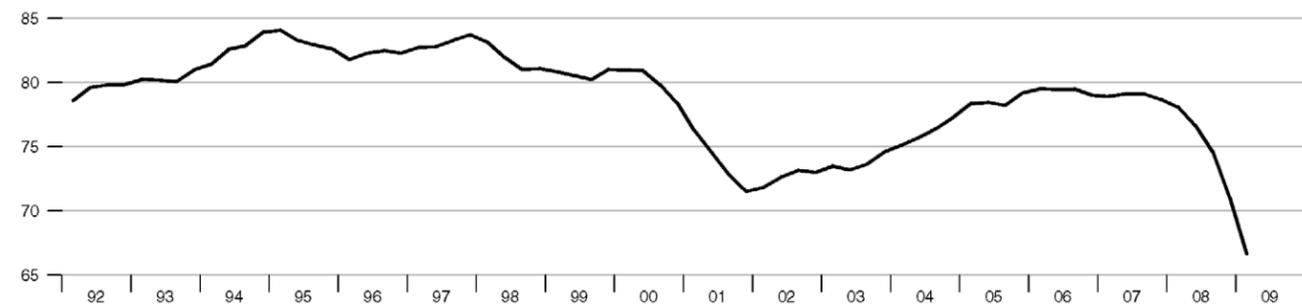
Percent change from year ago



\*Data prior to 1993 may not be strictly comparable with later figures (see Notes).

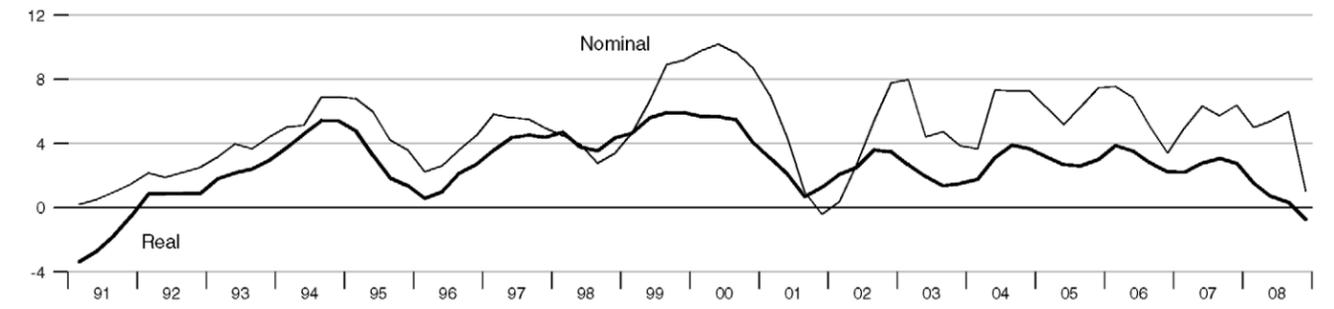
**Capacity Utilization**

Percent



**GDP**

Percent change from year ago



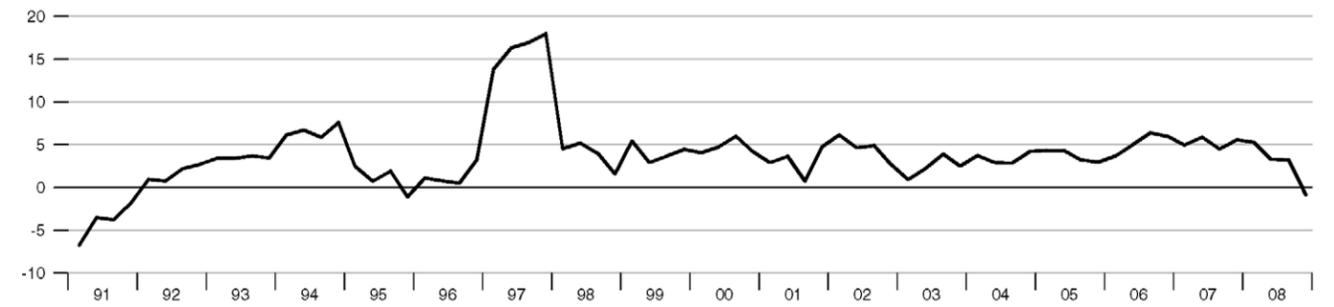
**Industrial Production**

Percent change from year ago



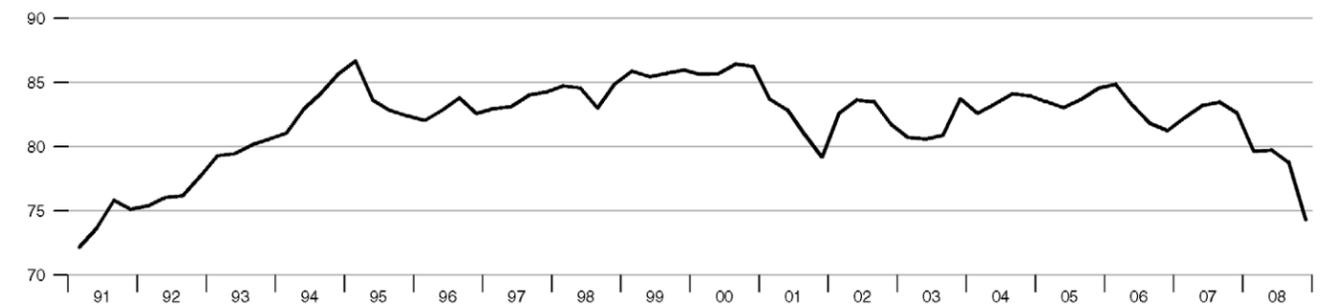
**Retail Sales**

Percent change from year ago

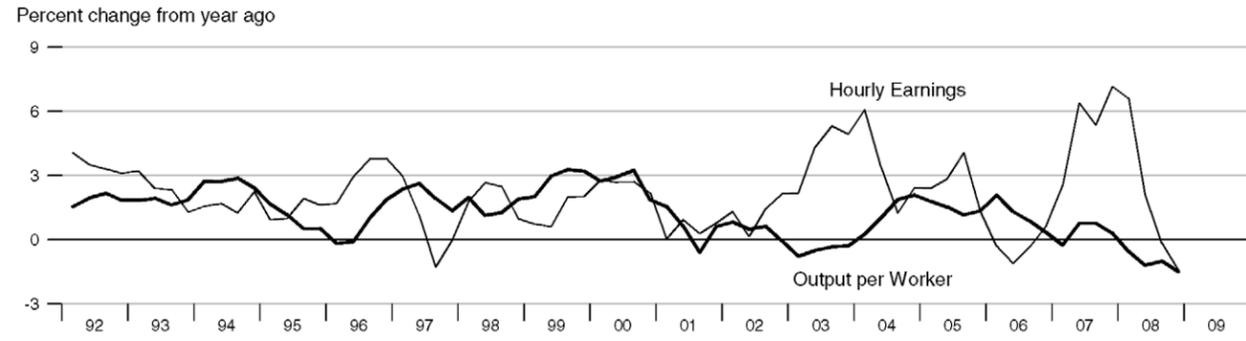


**Capacity Utilization**

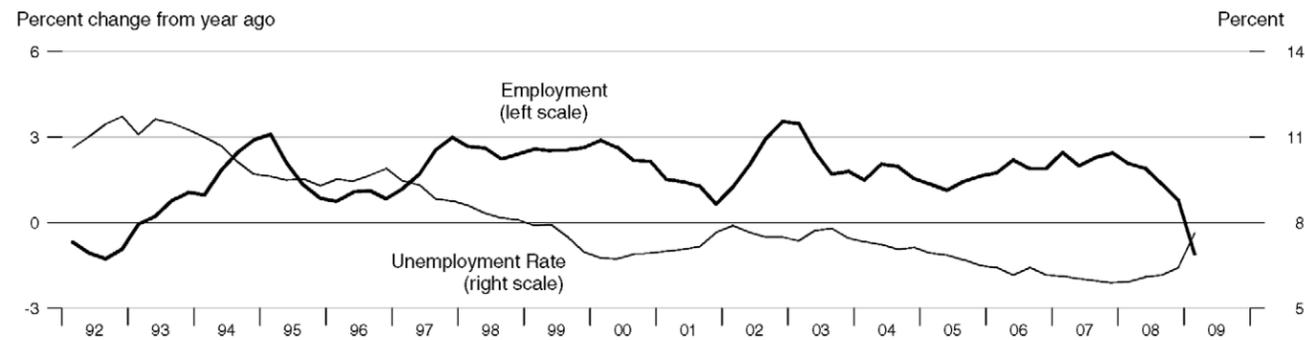
Percent



**Real Hourly Earnings and Output per Worker**



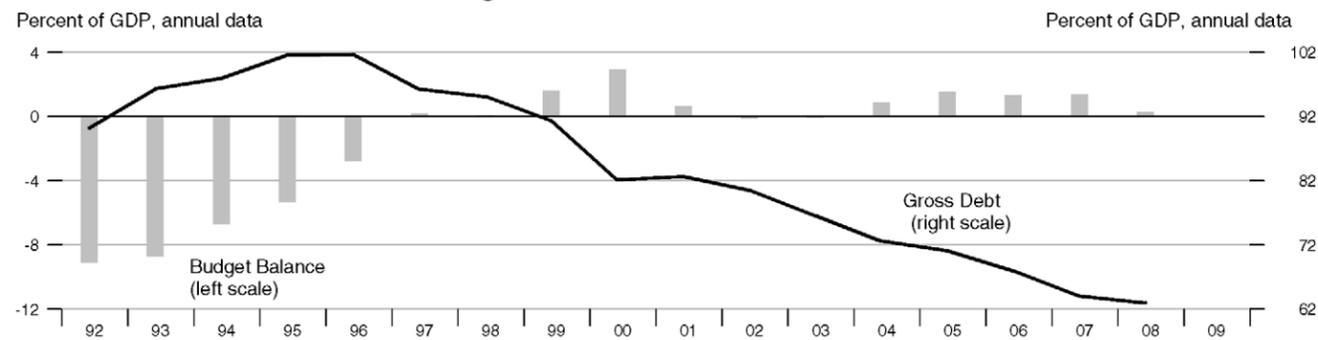
**Labor Force Indicators**



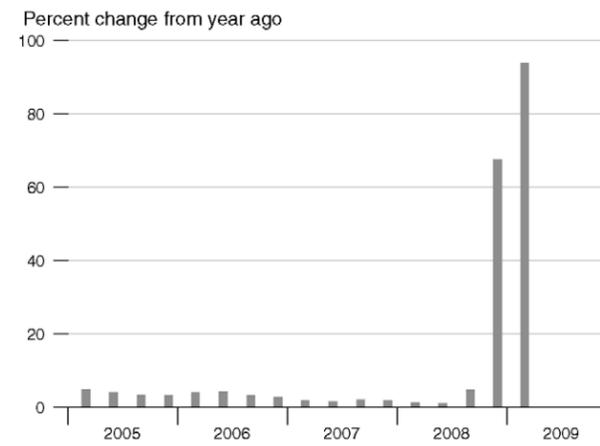
**Inflation**



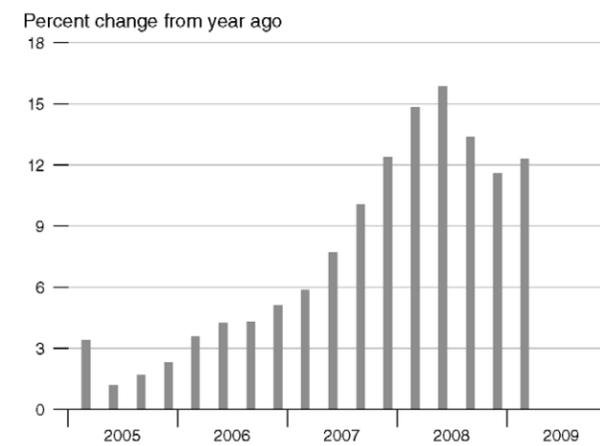
**Gross Government Debt and Budget Balance**



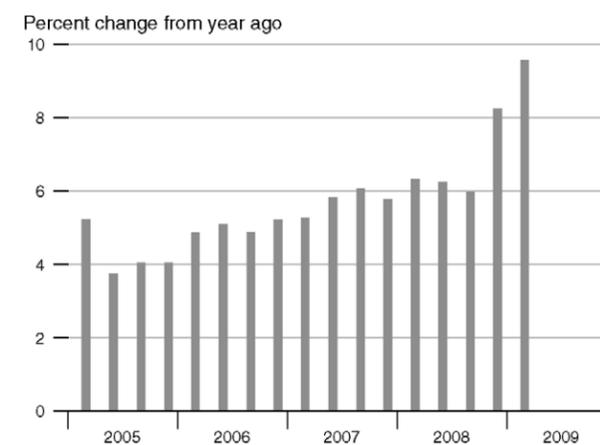
**Adjusted Monetary Base**



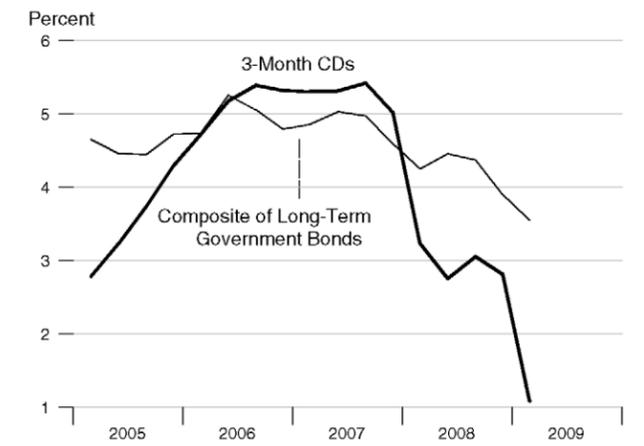
**MZM**



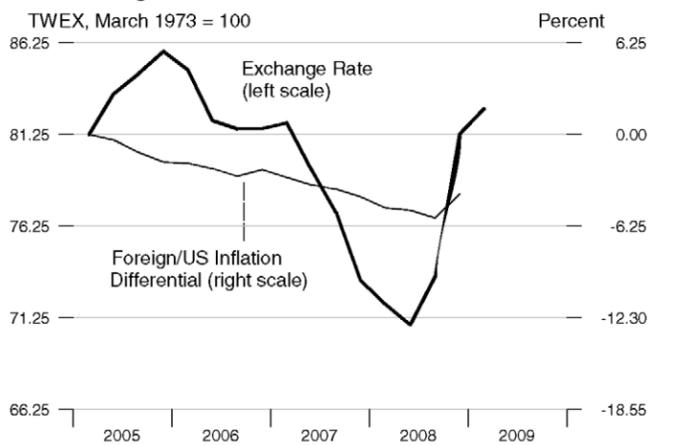
**M2**



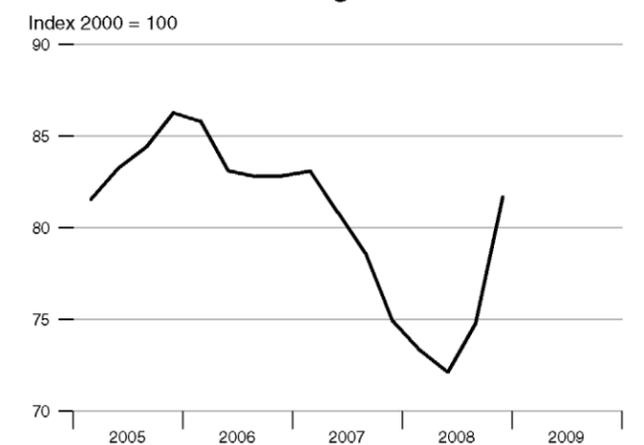
**Interest Rates**



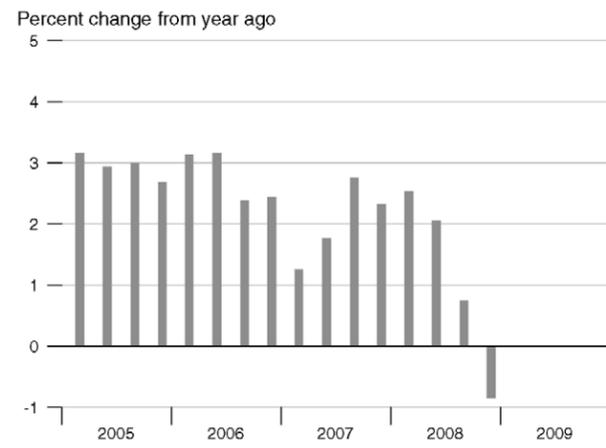
**Exchange Rate and Inflation Differential**



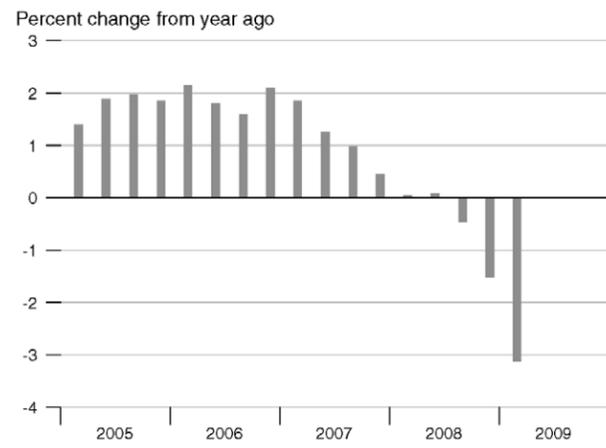
**Real Effective Exchange Rate**



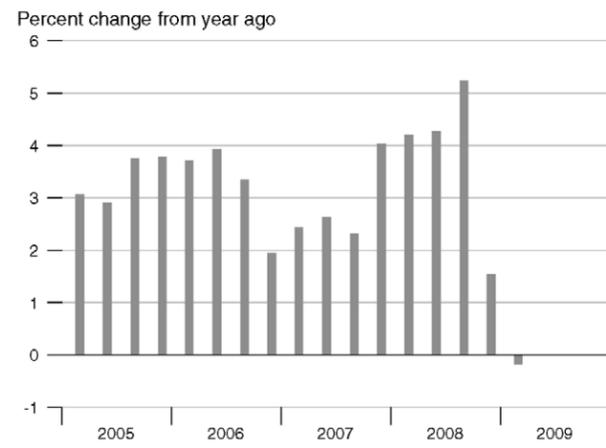
**Real GDP**



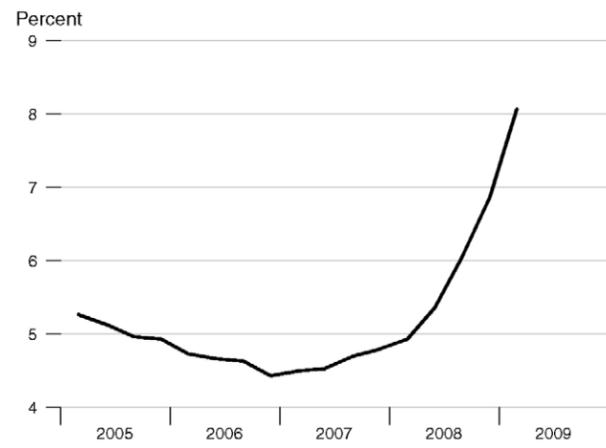
**Employment**



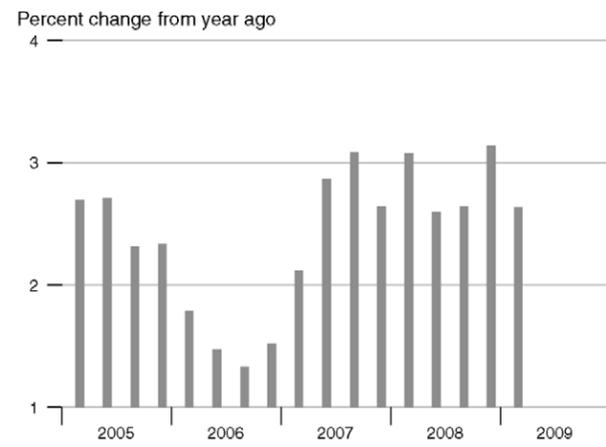
**Consumer Price Index**



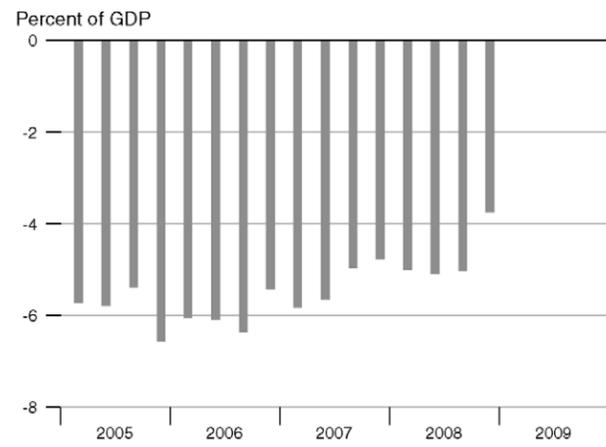
**Unemployment Rate**



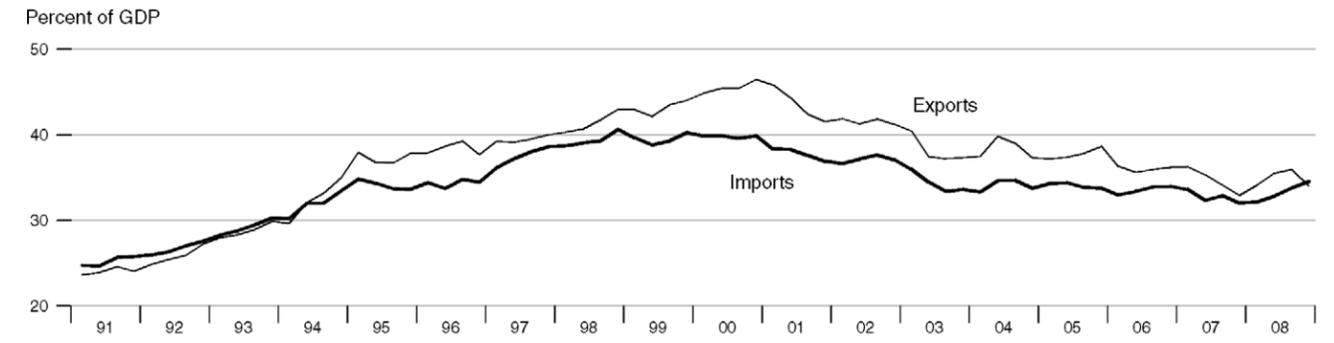
**Real Hourly Earnings**



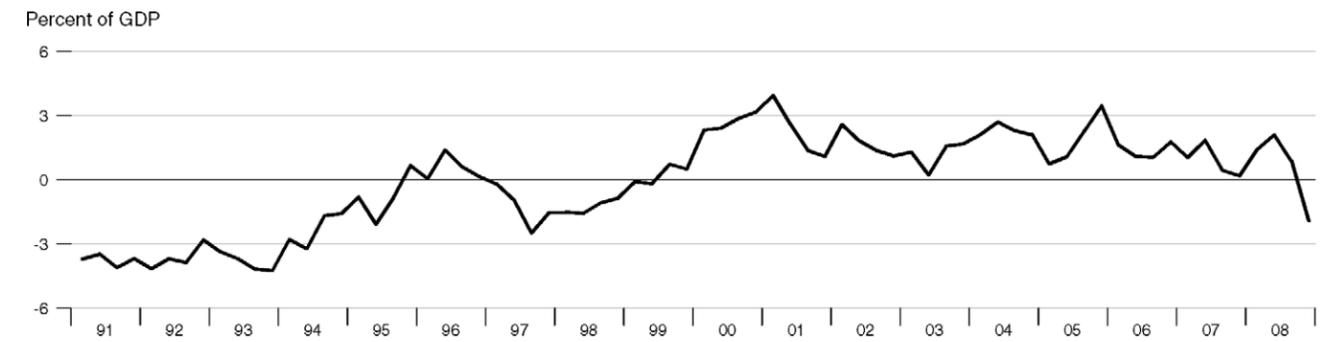
**Current Account Balance**



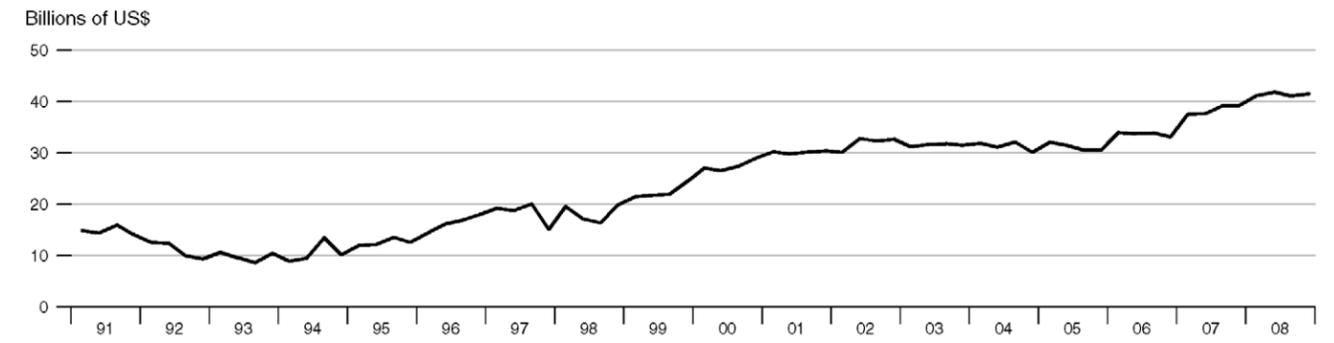
**International Trade - Goods and Services**



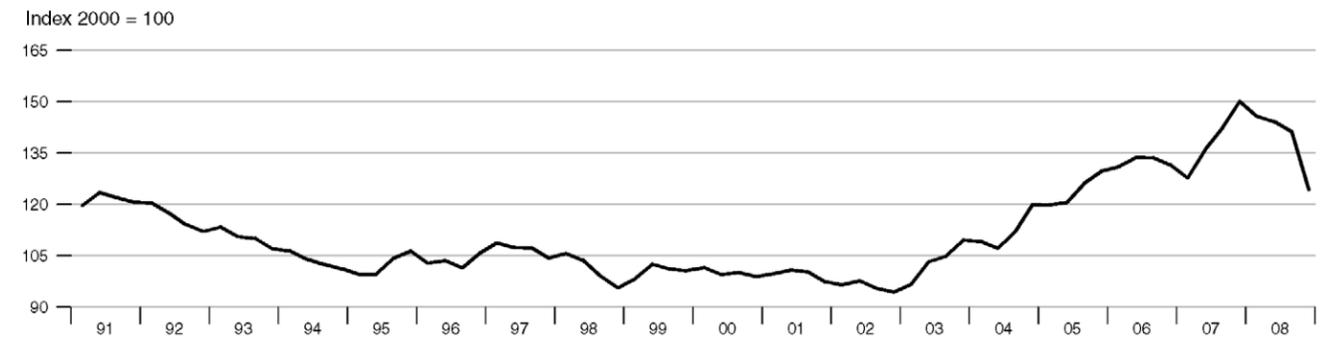
**Current Account Balance**



**Foreign Exchange Reserves**

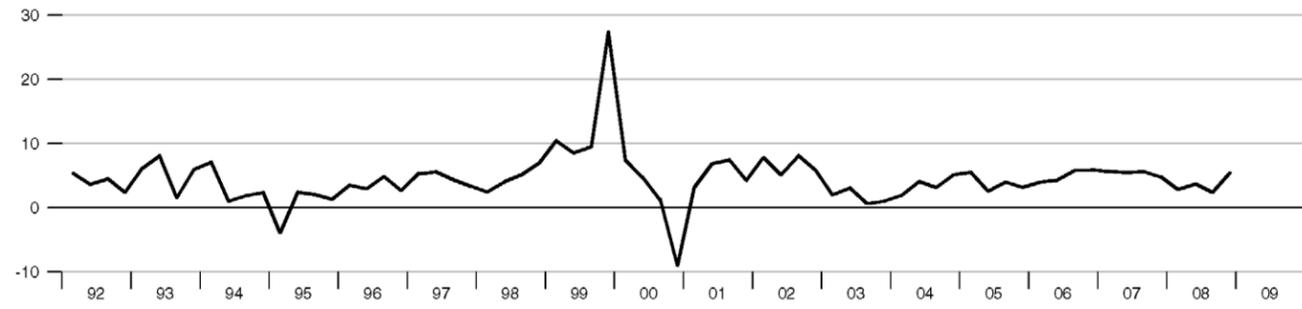


**Real Effective Exchange Rate**



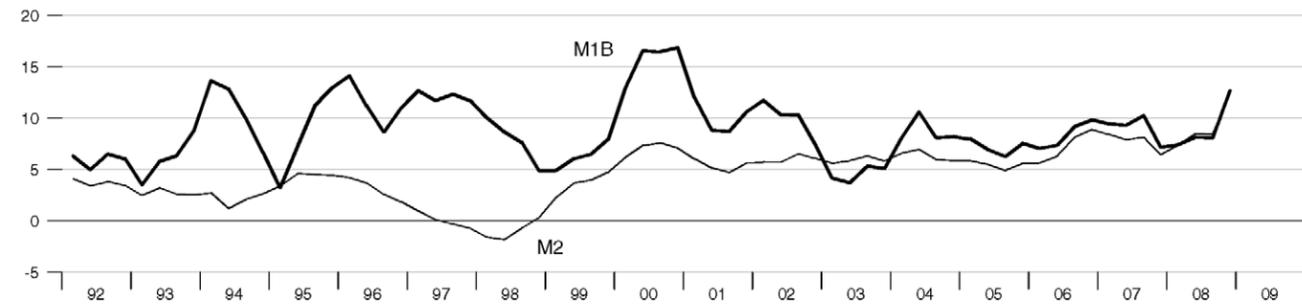
Reserve Money

Percent change from year ago



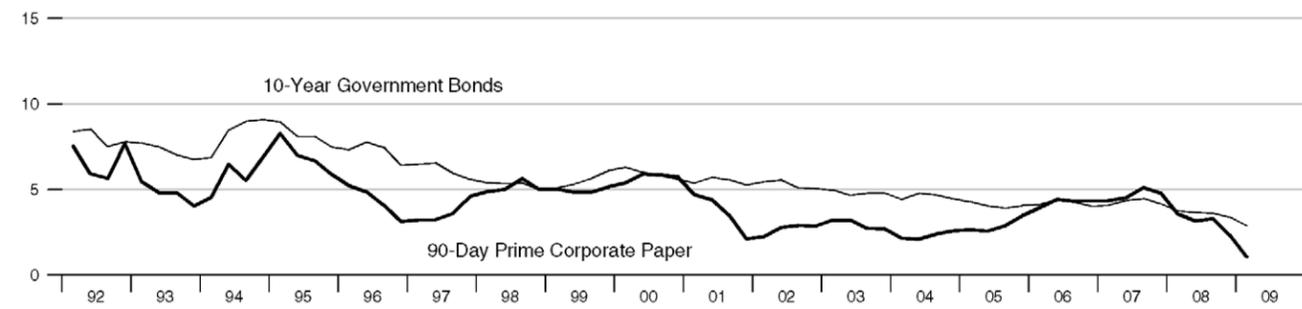
Monetary Aggregates

Percent change from year ago



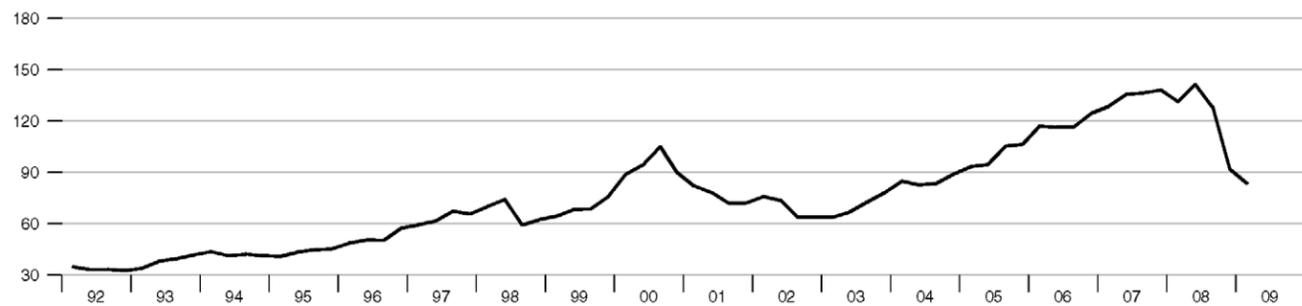
Interest Rates

Percent



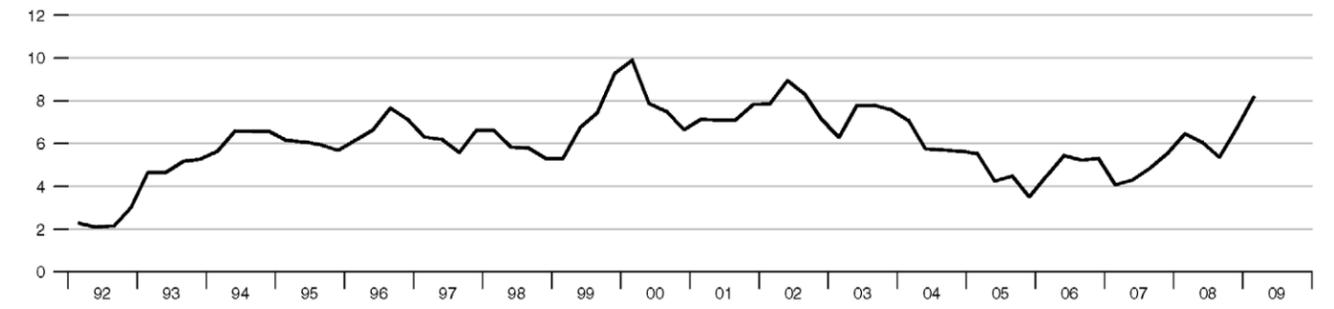
Stock Exchange Index - Toronto Stock Exchange

2000 = 100



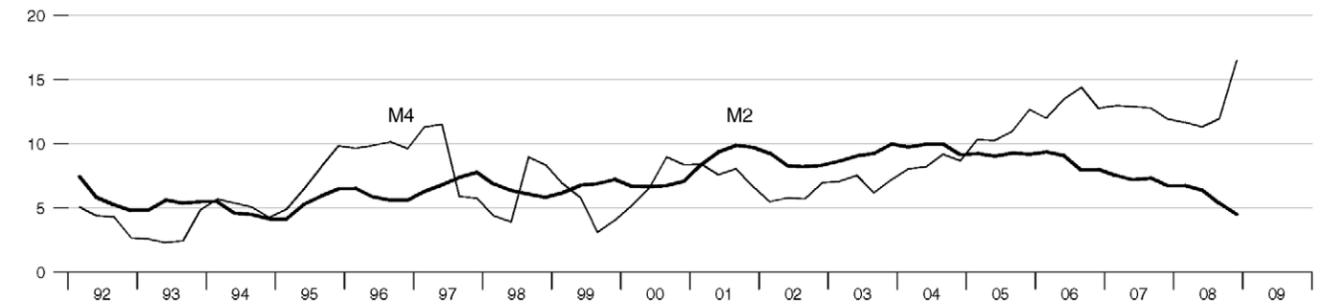
Notes and Coins in Circulation

Percent change from year ago



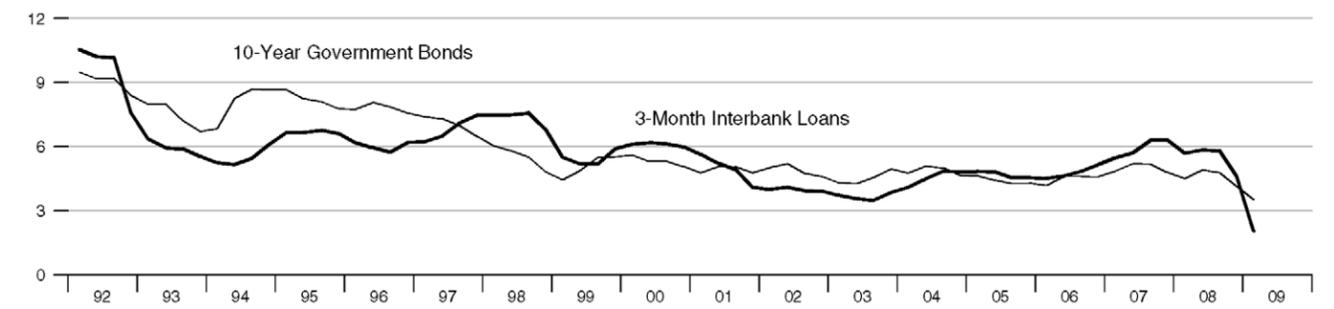
Monetary Aggregates

Percent change from year ago



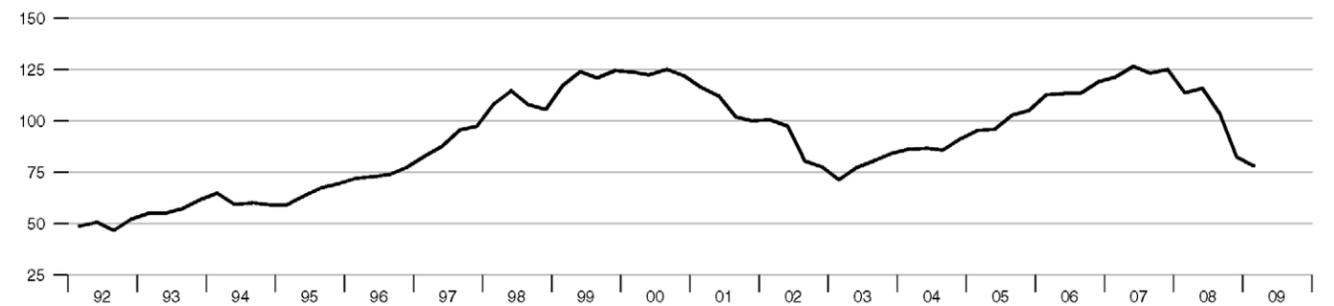
Interest Rates

Percent

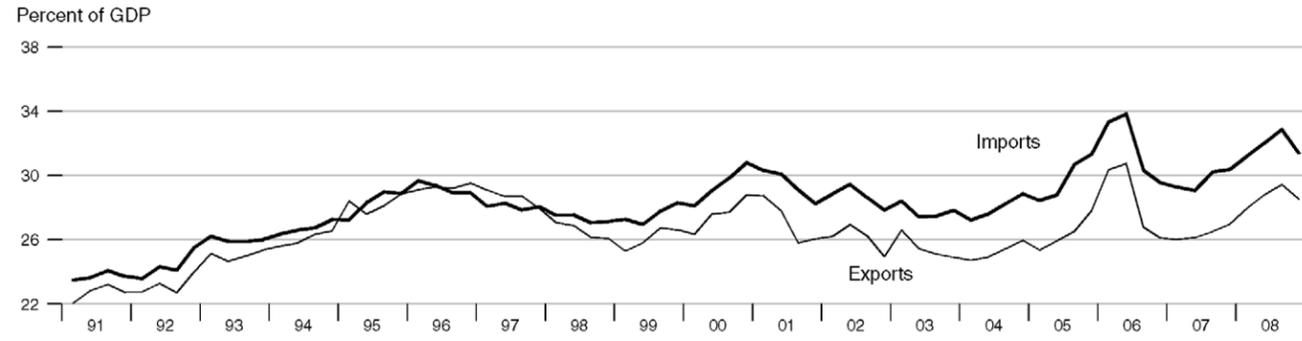


Stock Exchange Index - Financial Times Stock Exchange

2000 = 100



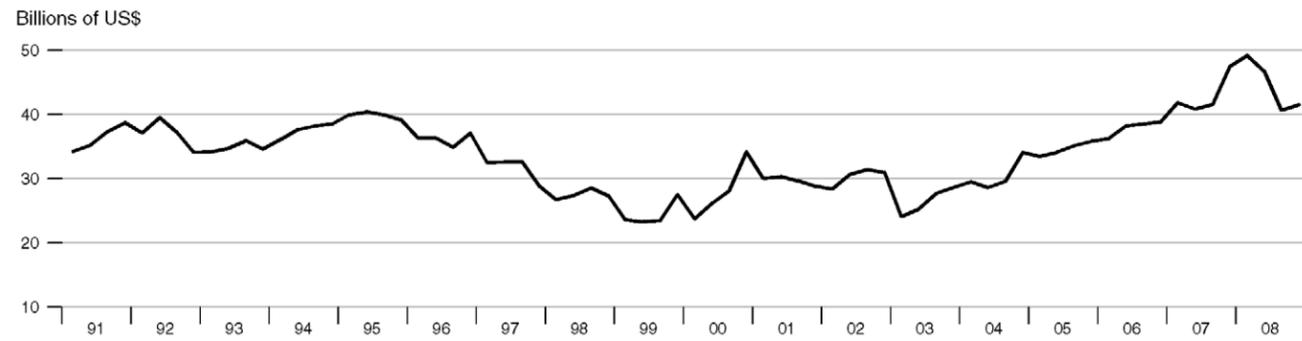
**International Trade - Goods and Services**



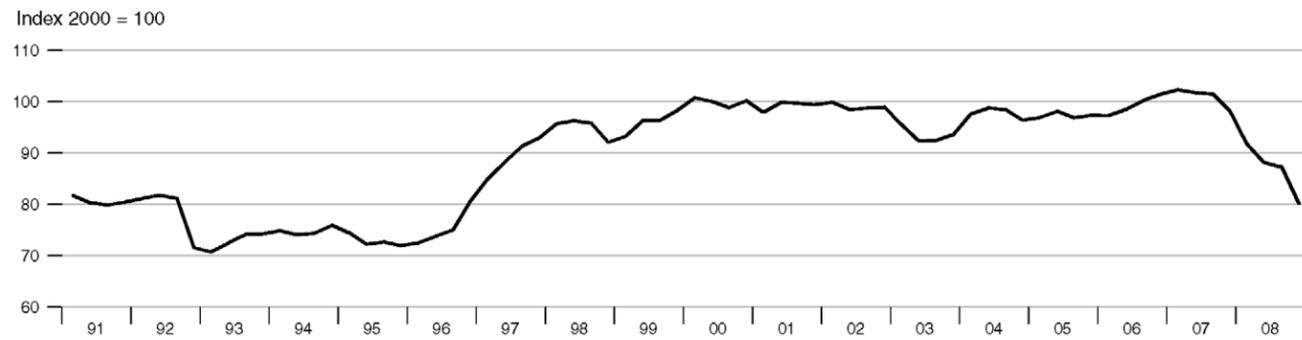
**Current Account Balance**



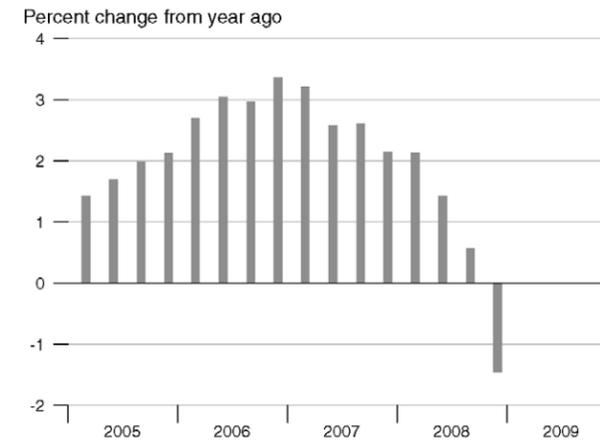
**Foreign Exchange Reserves**



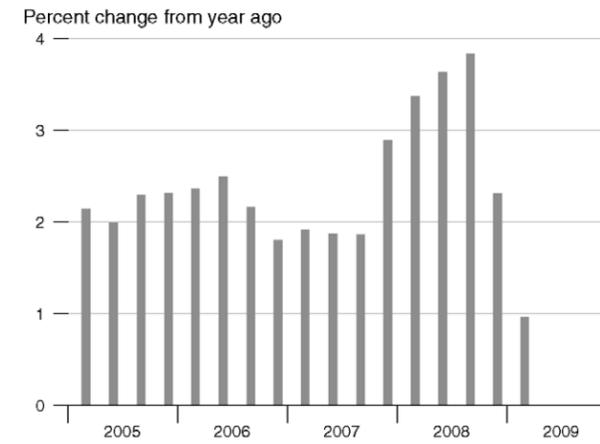
**Real Effective Exchange Rate**



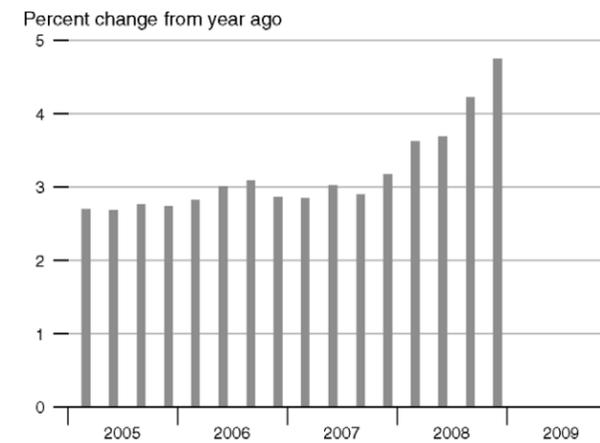
**Real GDP**



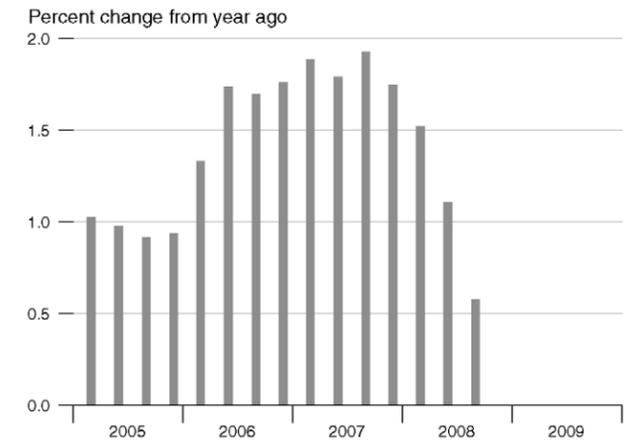
**Consumer Price Index**



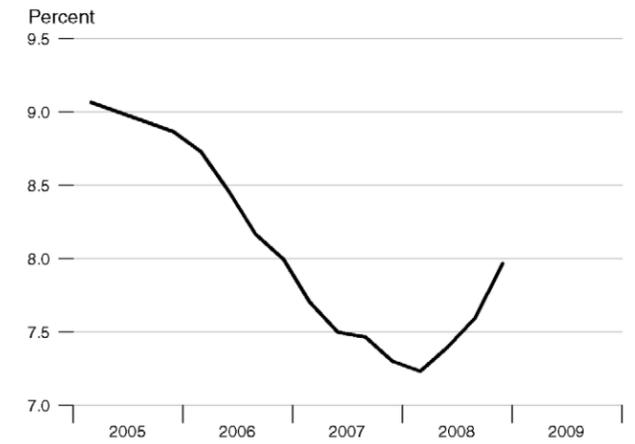
**Real Hourly Earnings**



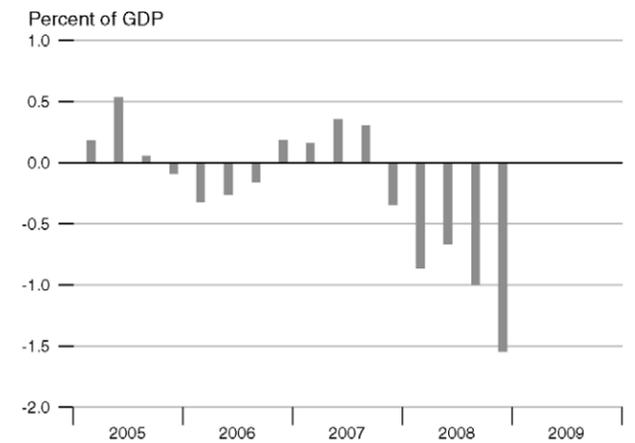
**Employment**



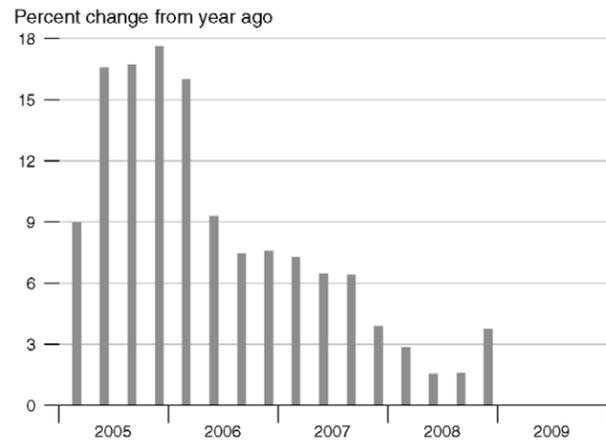
**Unemployment Rate**



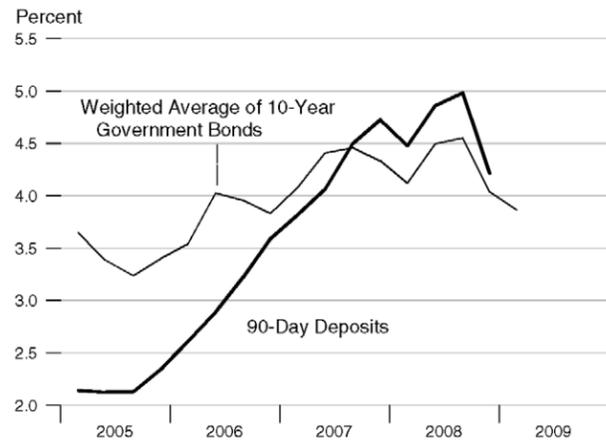
**Current Account Balance**



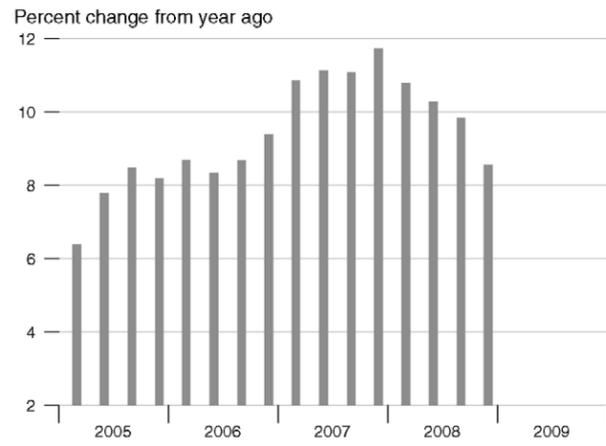
**M1**



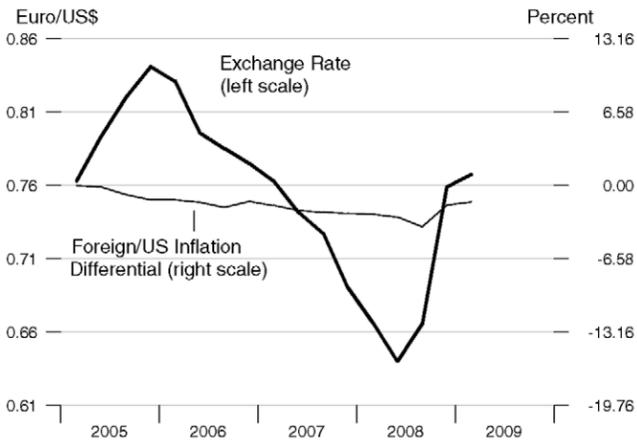
**Interest Rates**



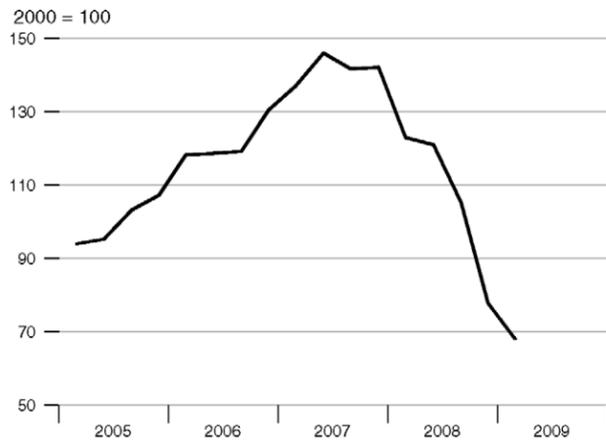
**M3**



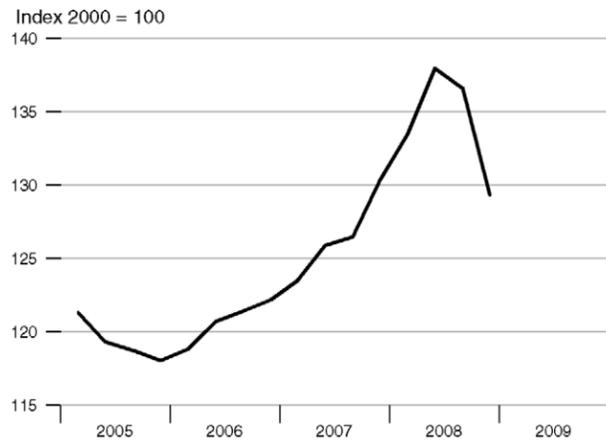
**Exchange Rate and Inflation Differential**



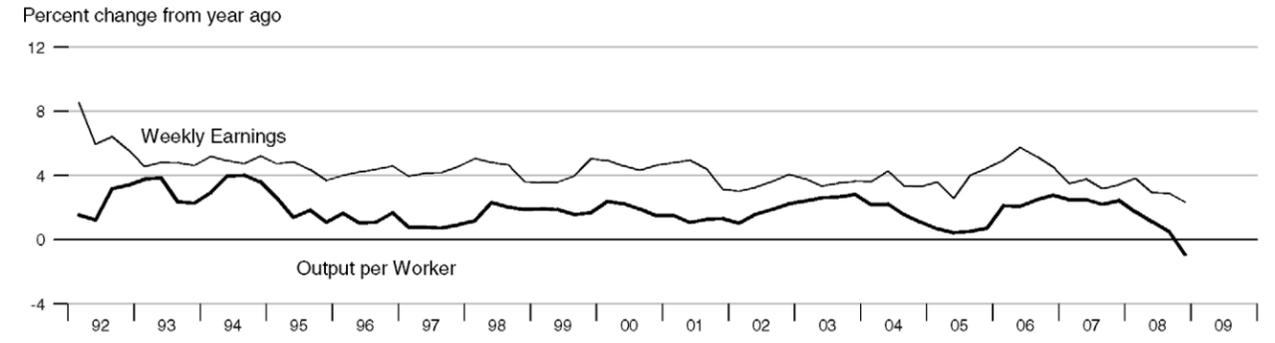
**Stock Exchange Index - Dow Jones EURO STOXX<sup>SM</sup>**



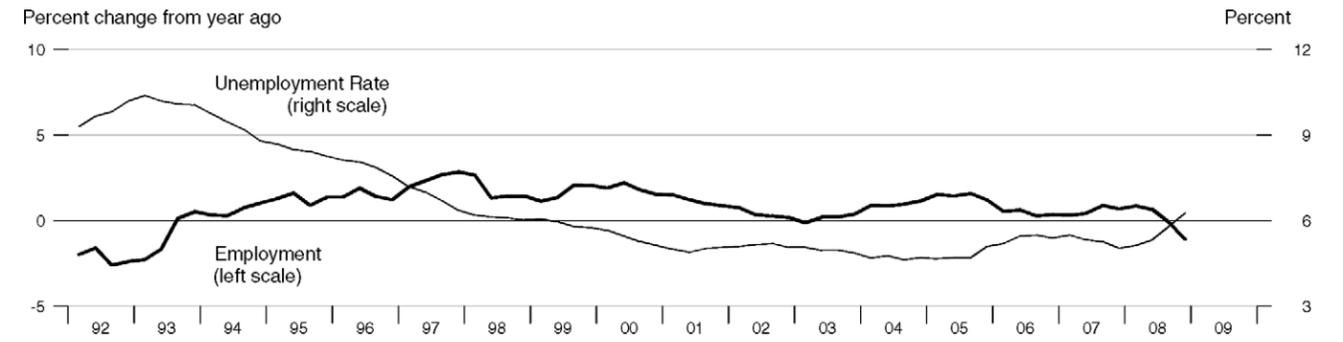
**Real Effective Exchange Rate**



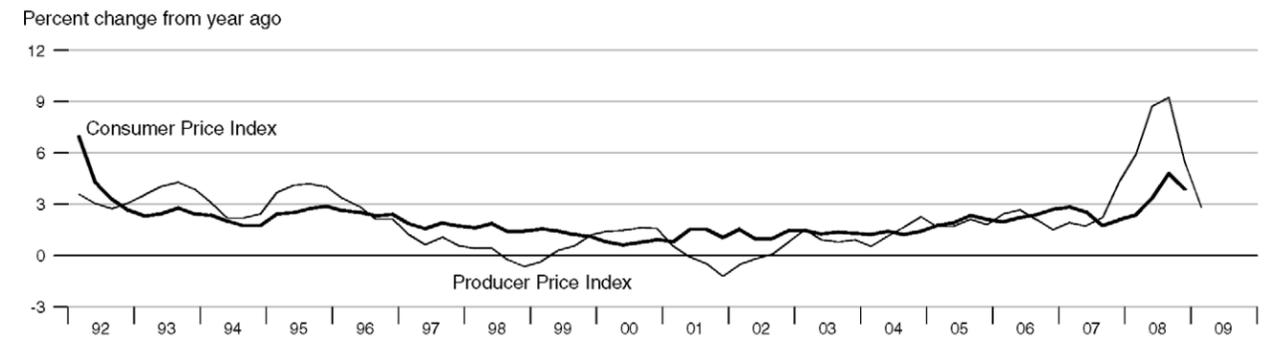
**Real Weekly Earnings and Output per Worker**



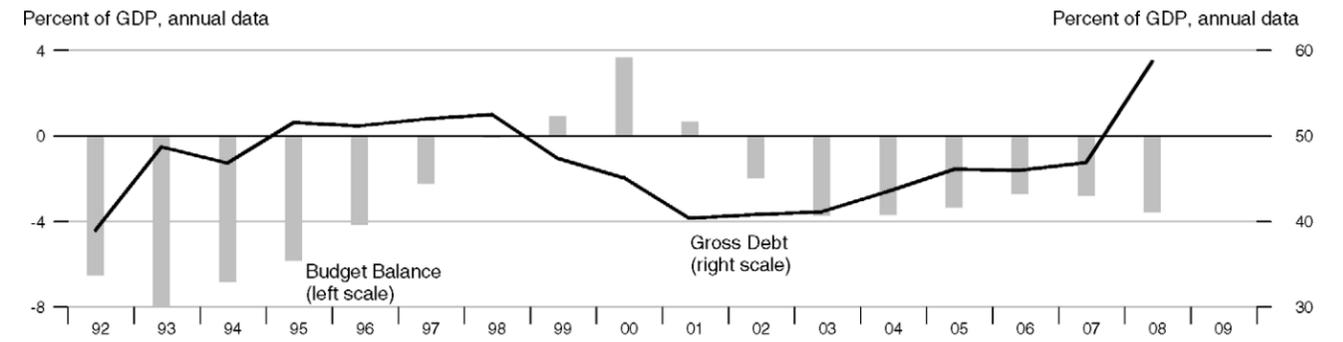
**Labor Force Indicators**



**Inflation**

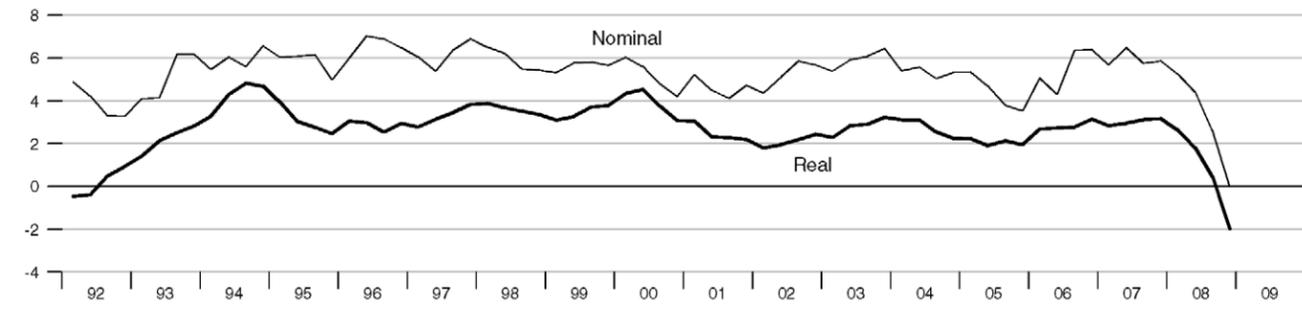


**Gross Government Debt and Budget Balance**



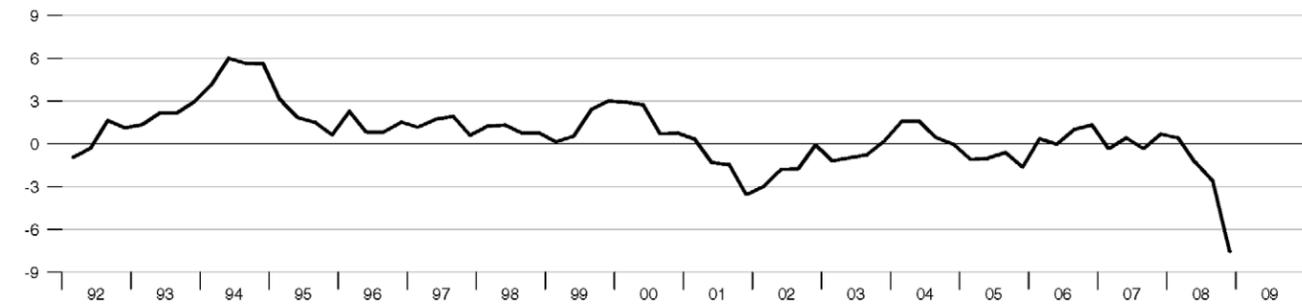
GDP

Percent change from year ago



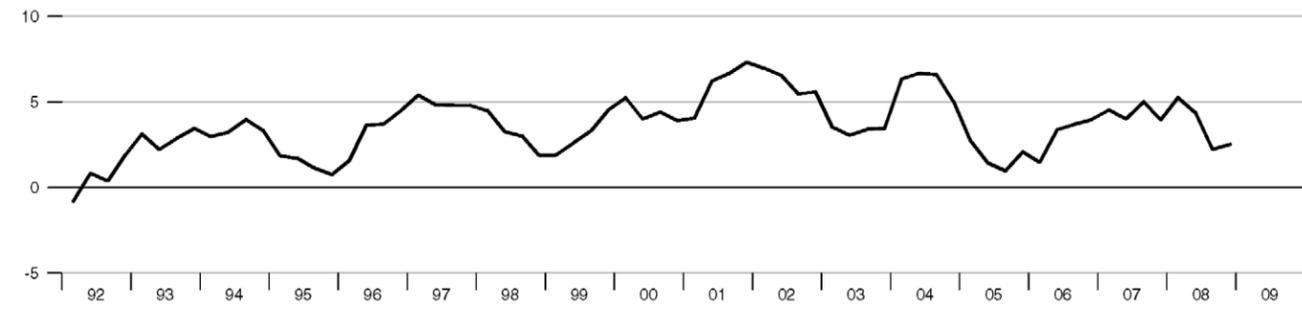
Industrial Production

Percent change from year ago



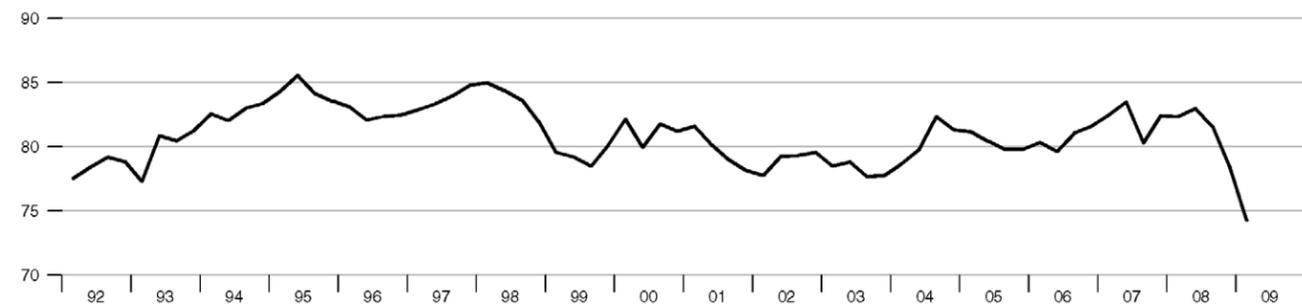
Retail Sales

Percent change from year ago



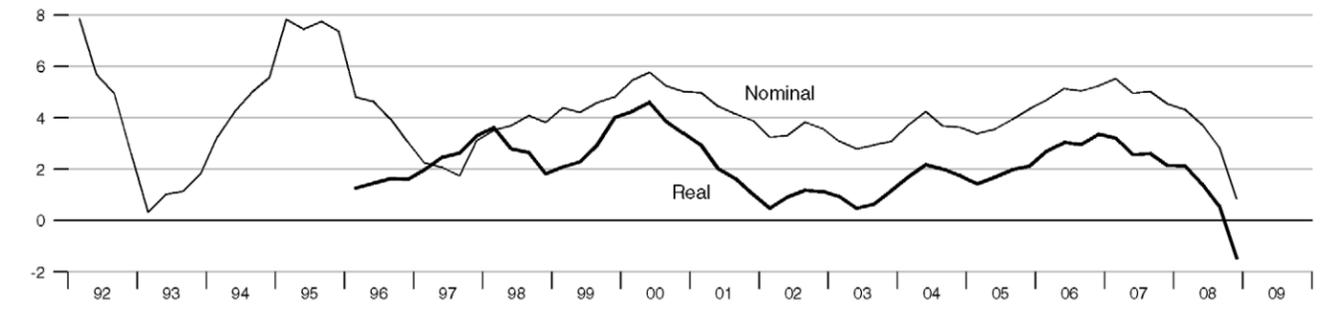
Capacity Utilization

Percent



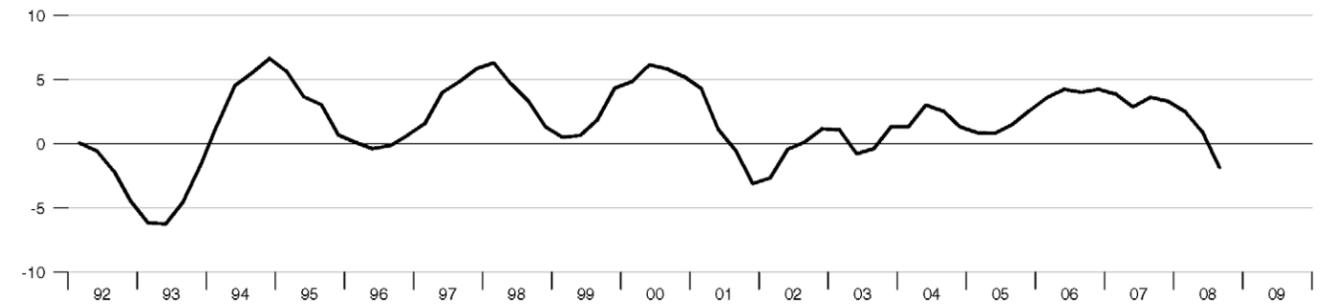
GDP

Percent change from year ago



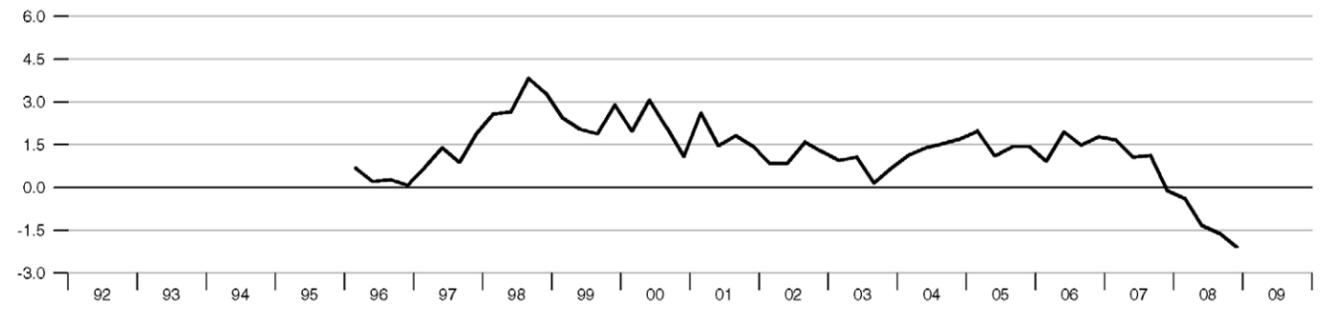
Industrial Production

Percent change from year ago



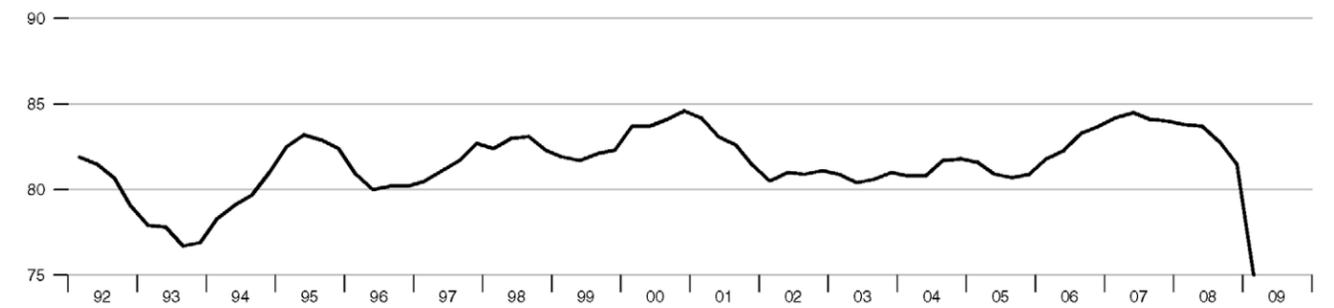
Retail Sales

Percent change from year ago



Capacity Utilization

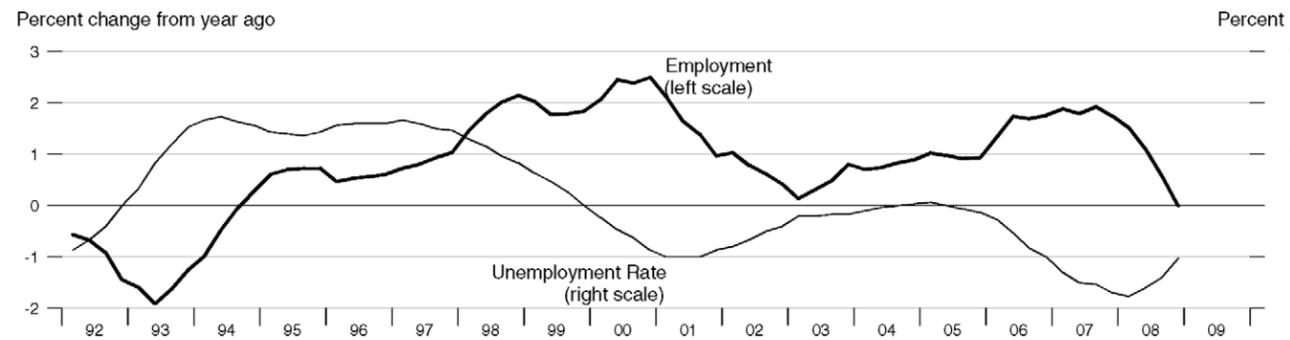
Percent



**Real Hourly Earnings and Output per Worker**



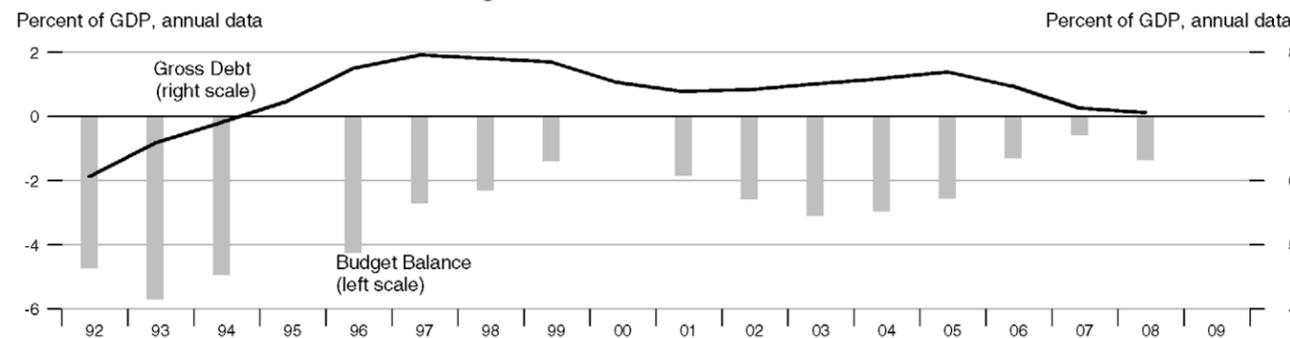
**Labor Force Indicators**



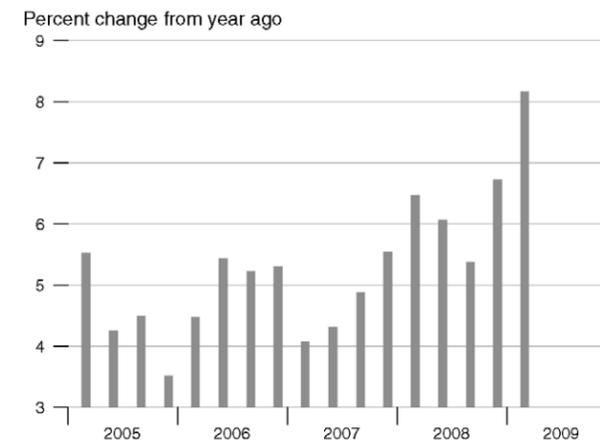
**Inflation**



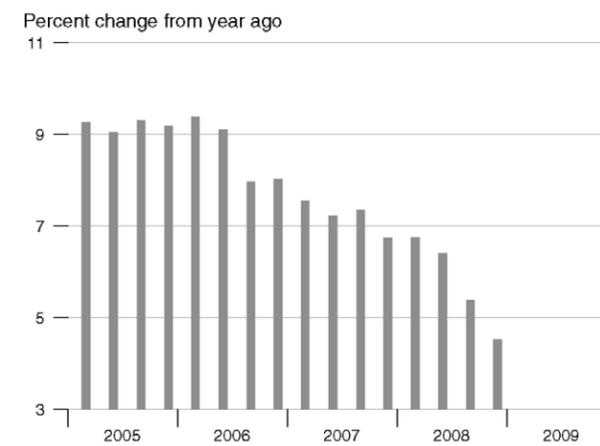
**Gross Government Debt and Budget Balance**



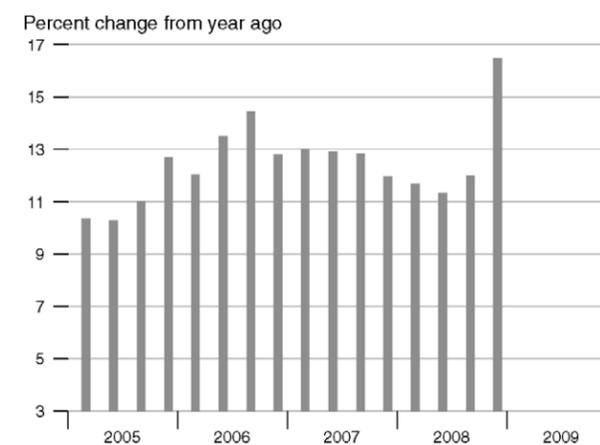
**Notes and Coins in Circulation**



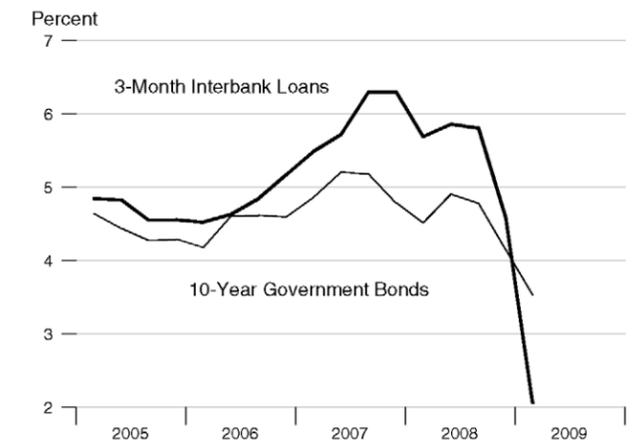
**M2**



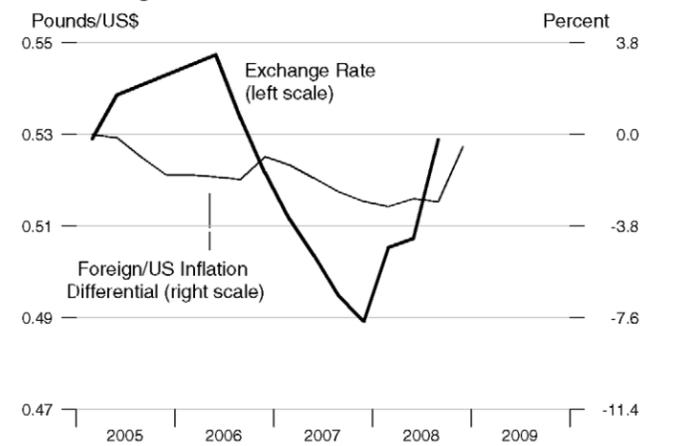
**M4**



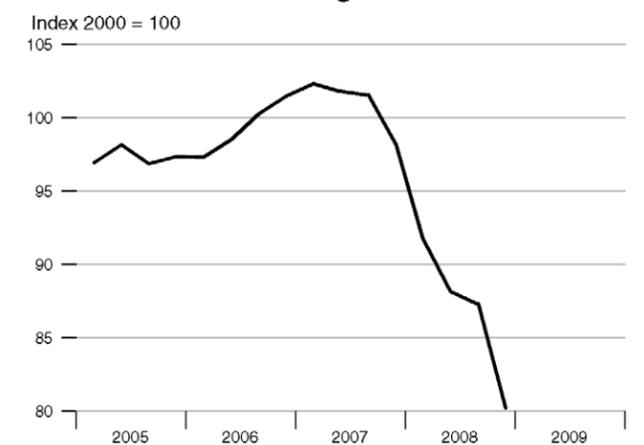
**Interest Rates**



**Exchange Rate and Inflation Differential**

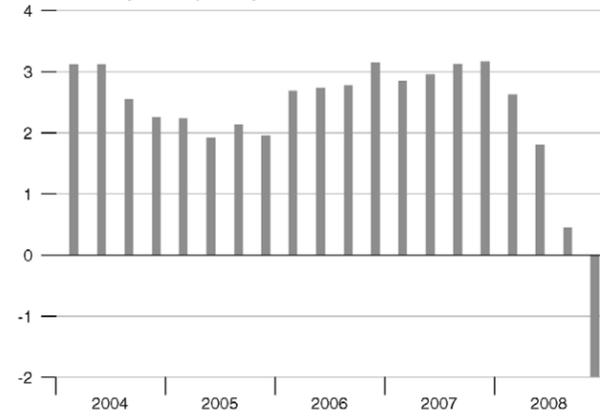


**Real Effective Exchange Rate**



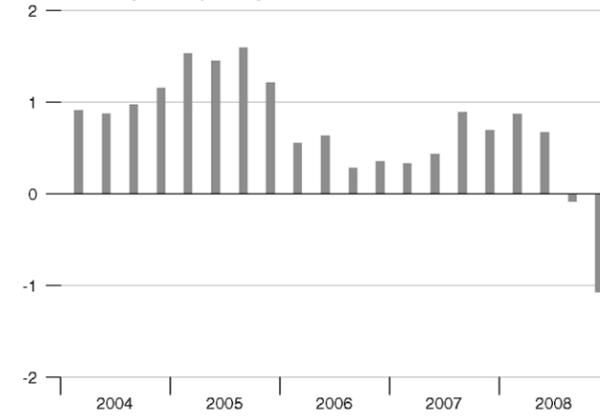
**Real GDP**

Percent change from year ago



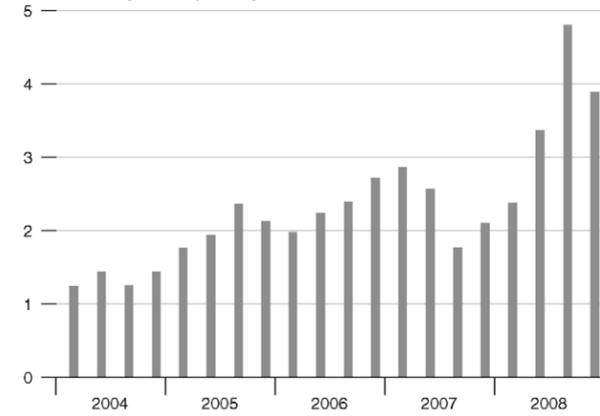
**Employment**

Percent change from year ago



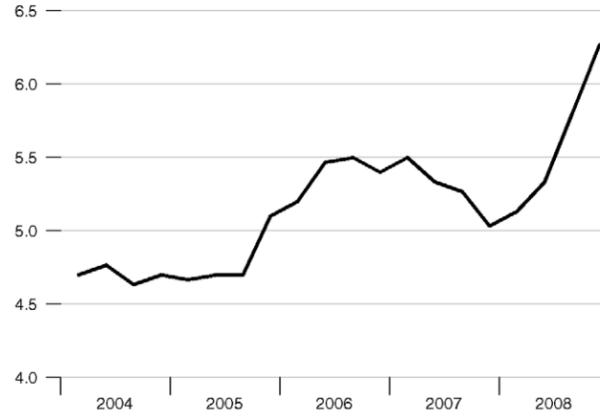
**Consumer Price Index**

Percent change from year ago



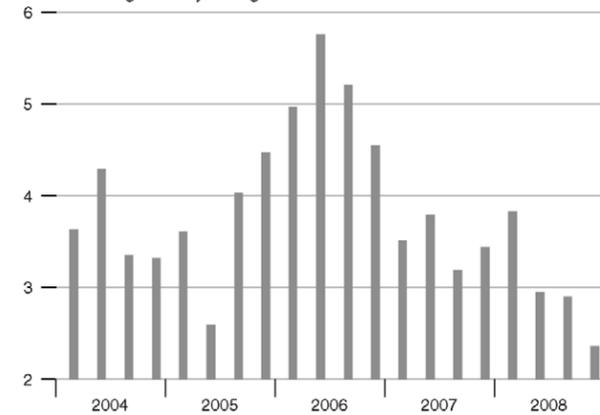
**Unemployment Rate**

Percent



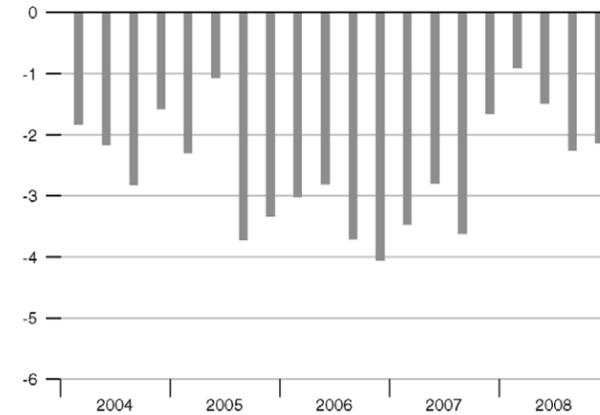
**Real Weekly Earnings**

Percent change from year ago



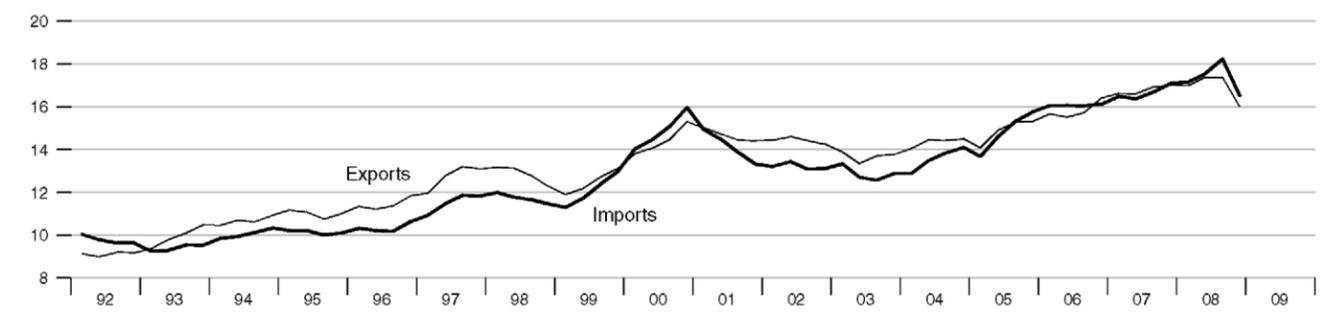
**Current Account Balance**

Percent of GDP



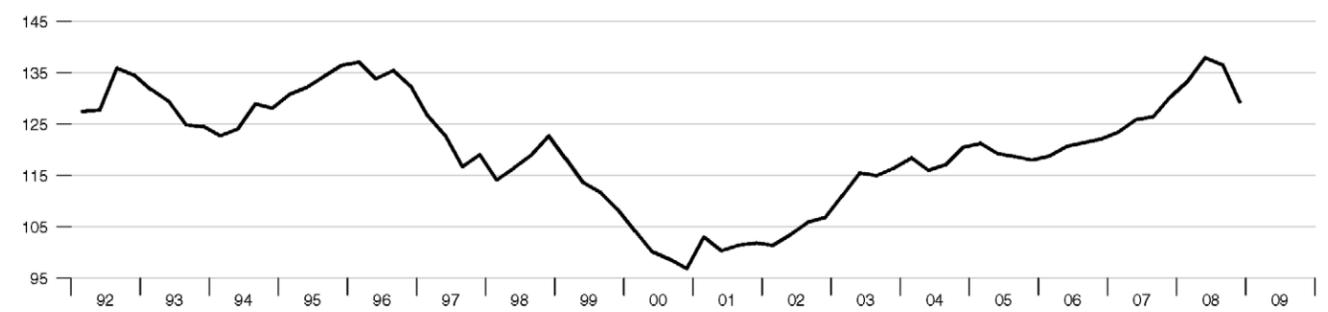
**International Trade - Goods**

Percent of GDP



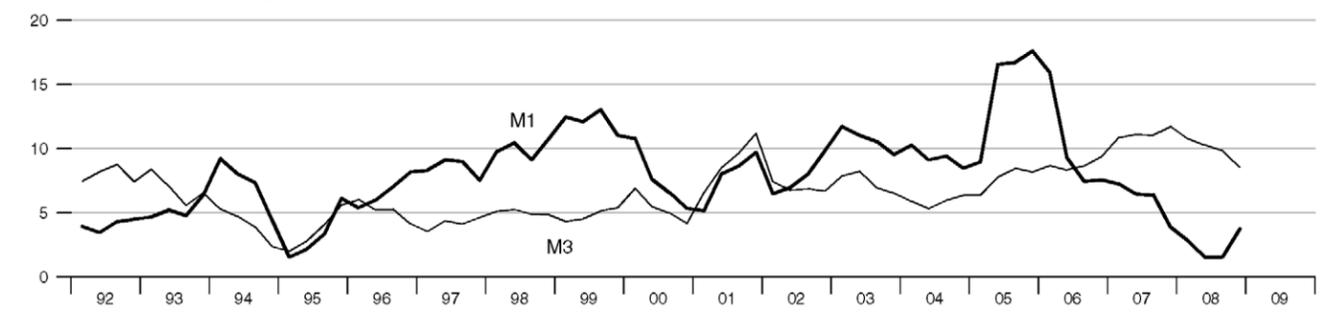
**Real Effective Exchange Rate**

Index 2000 = 100



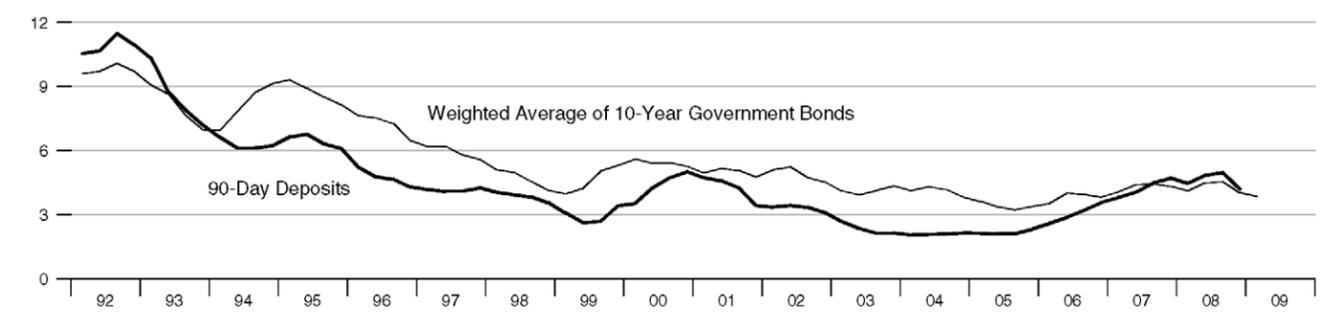
**Monetary Aggregates**

Percent change from year ago

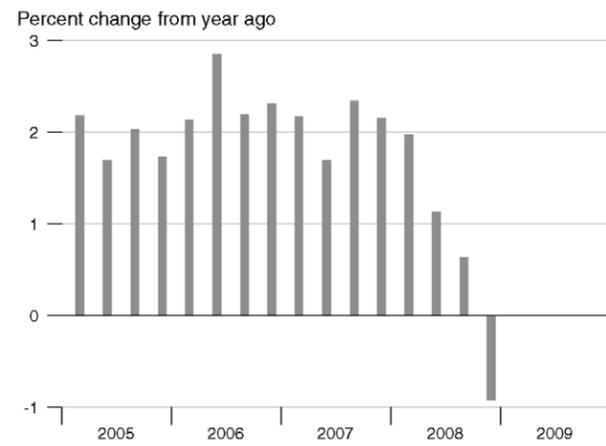


**Interest Rates**

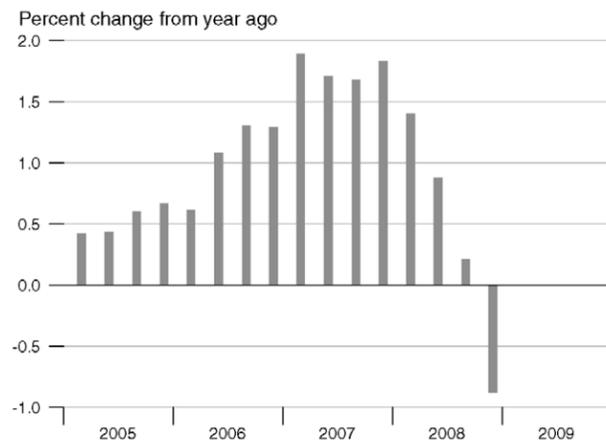
Percent



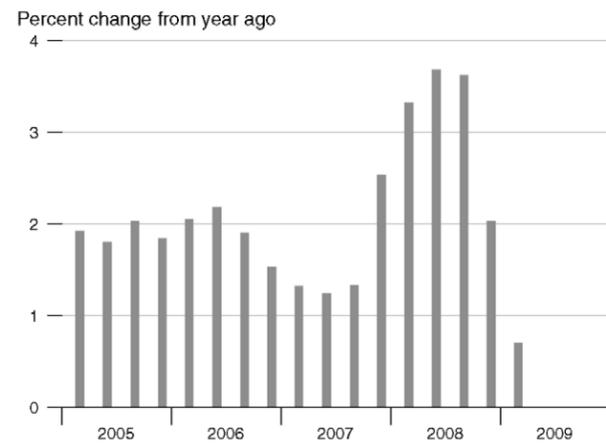
**Real GDP**



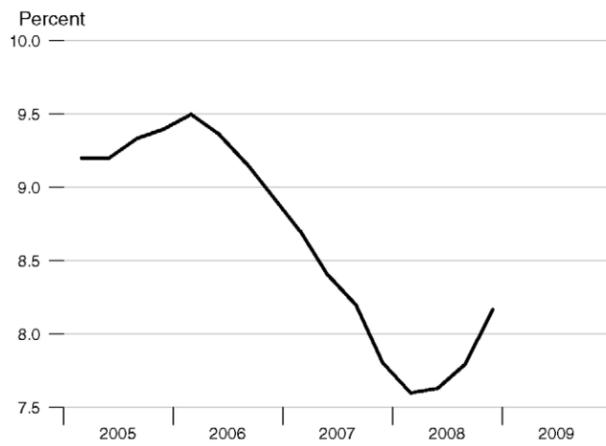
**Employment**



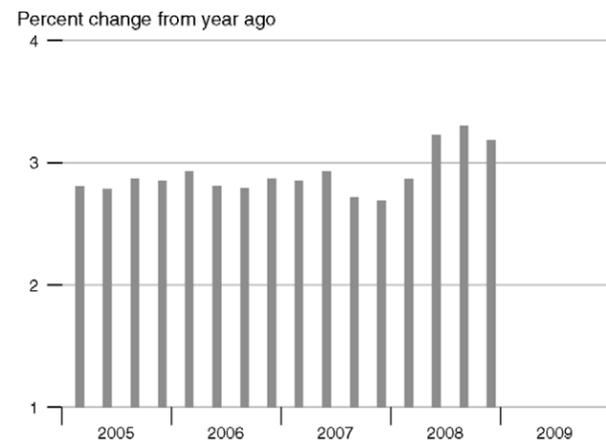
**Consumer Price Index**



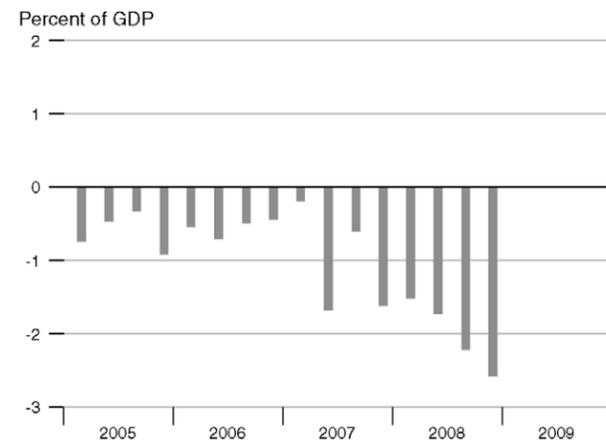
**Unemployment Rate**



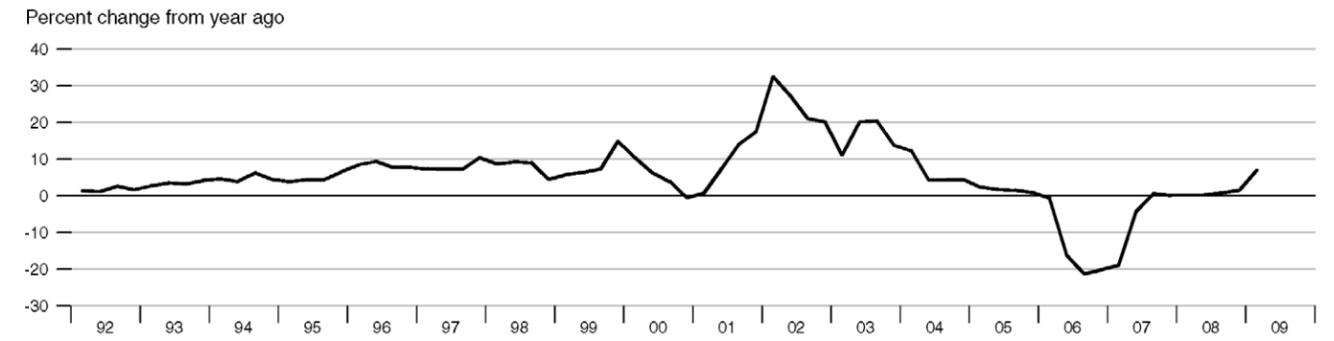
**Real Hourly Earnings**



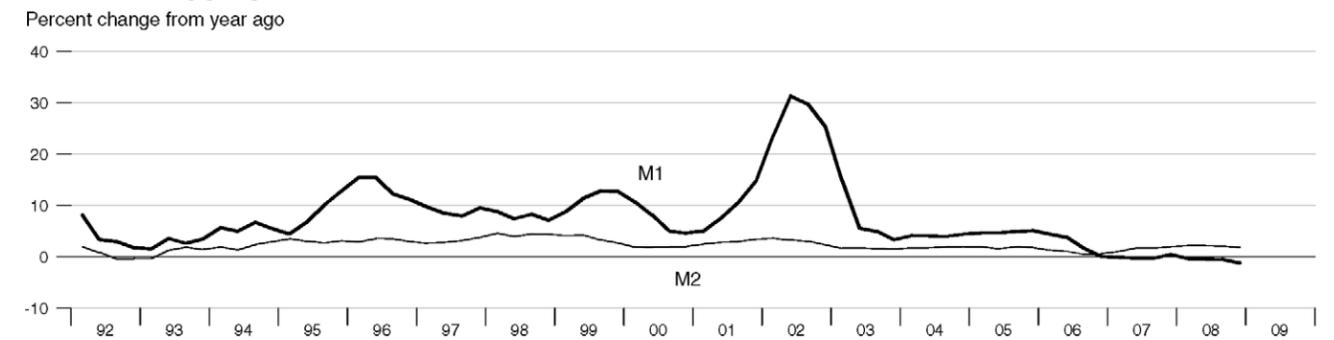
**Current Account Balance**



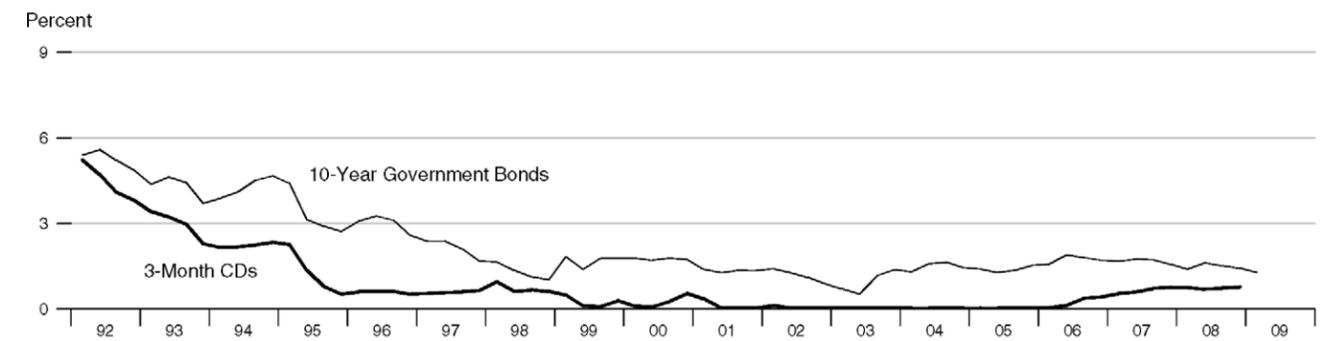
**Adjusted Monetary Base**



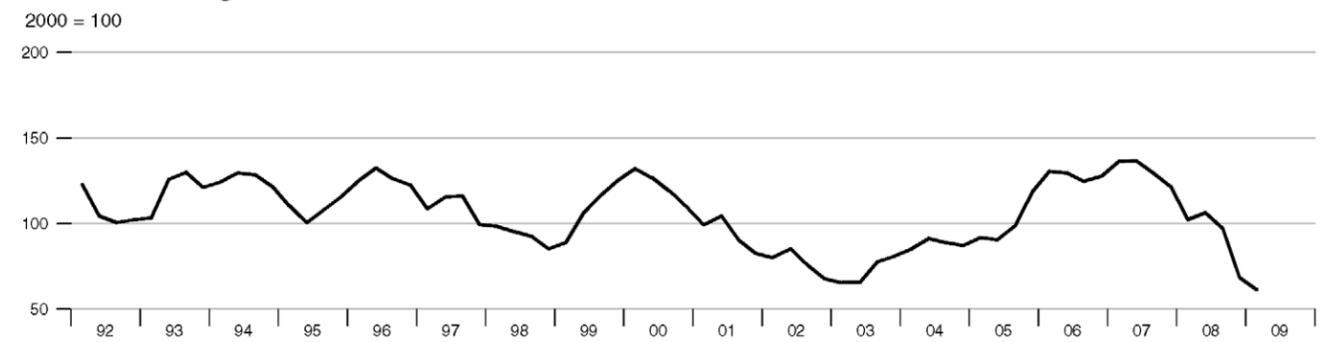
**Monetary Aggregates**



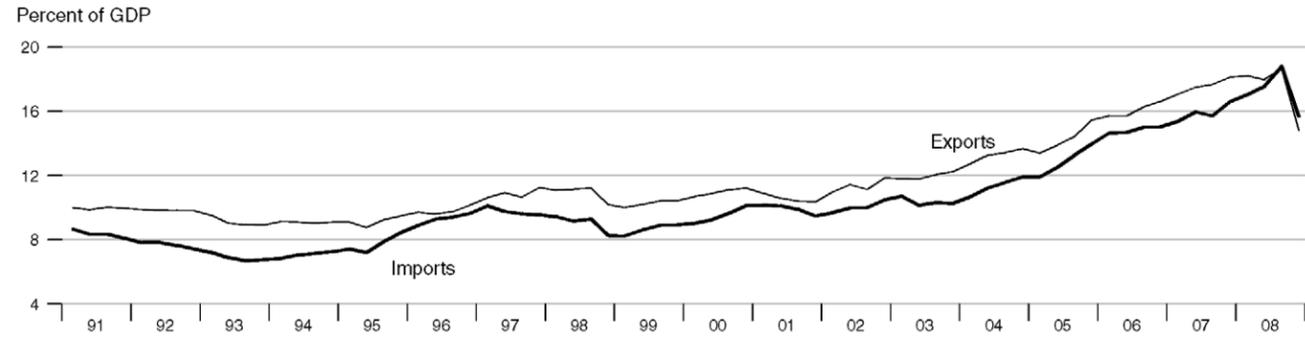
**Interest Rates**



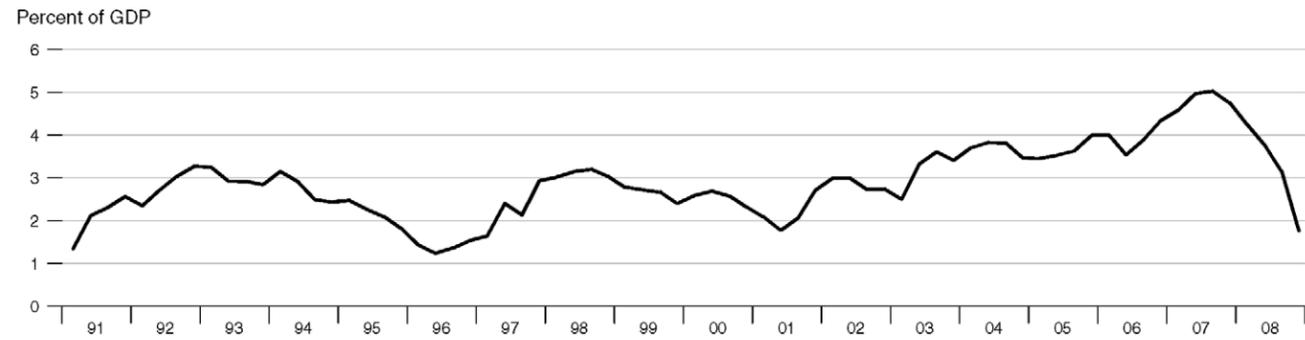
**Stock Exchange Index - Tokyo Stock Exchange**



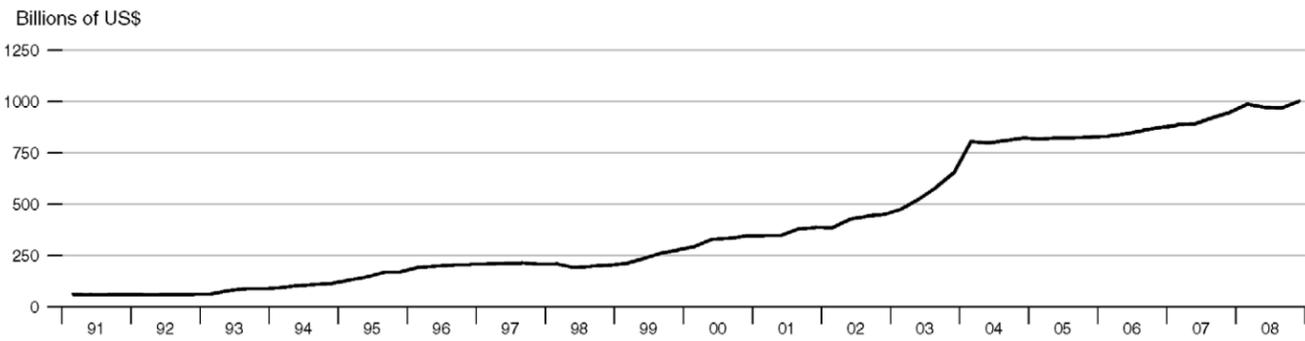
International Trade - Goods and Services



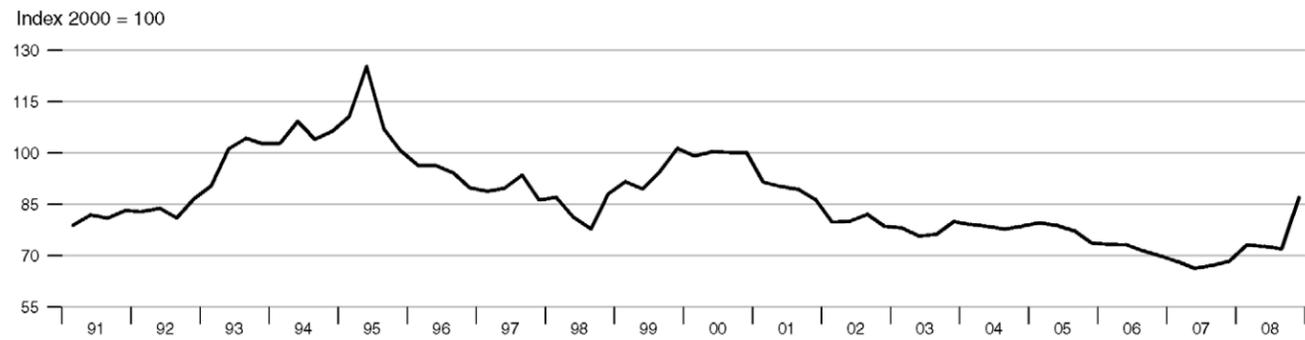
Current Account Balance



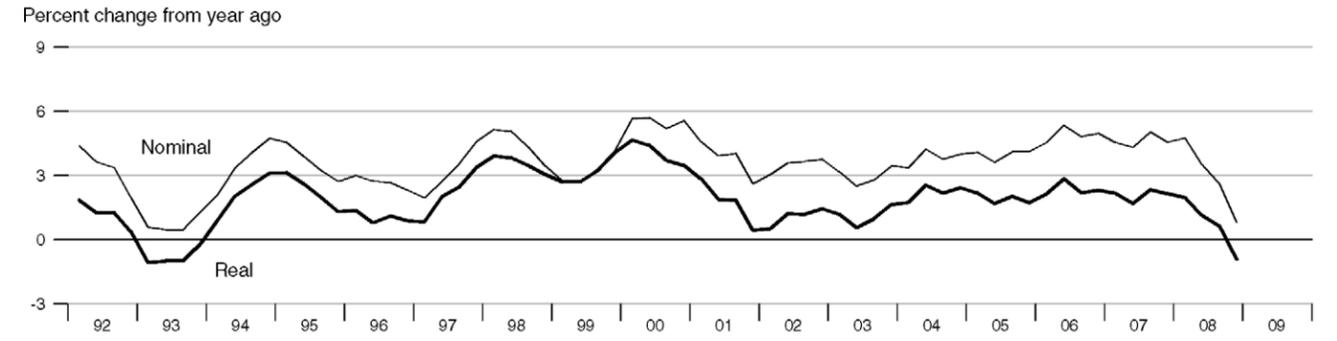
Foreign Exchange Reserves



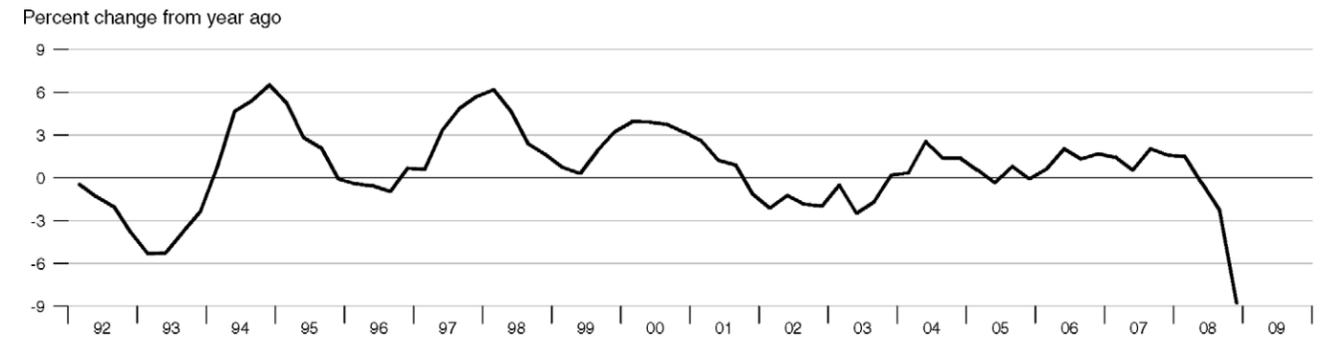
Real Effective Exchange Rate



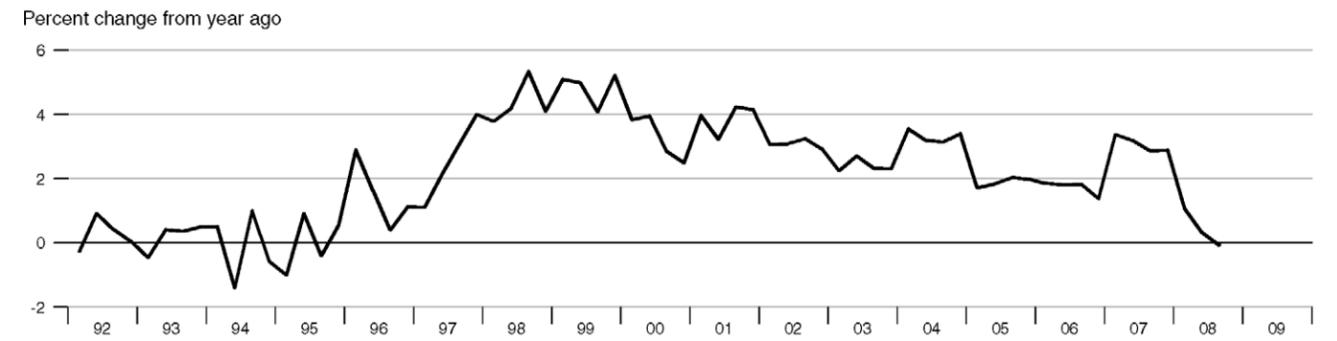
GDP



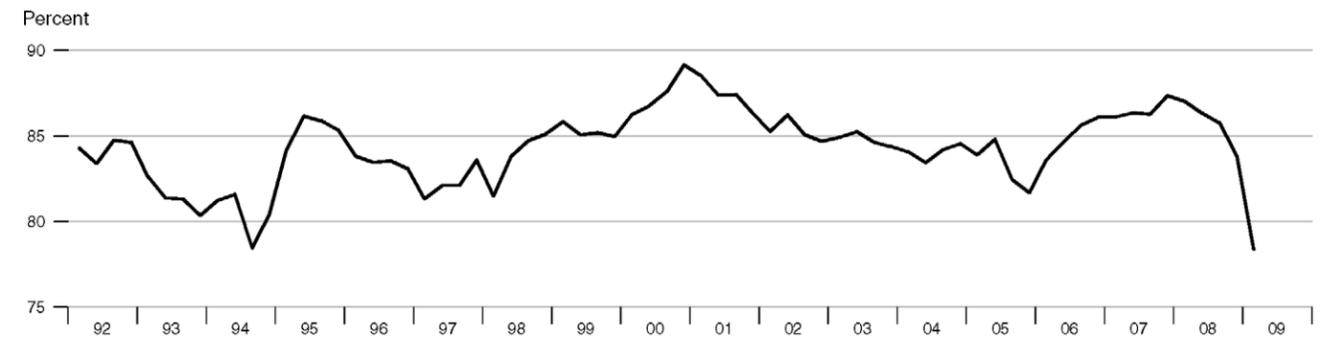
Industrial Production



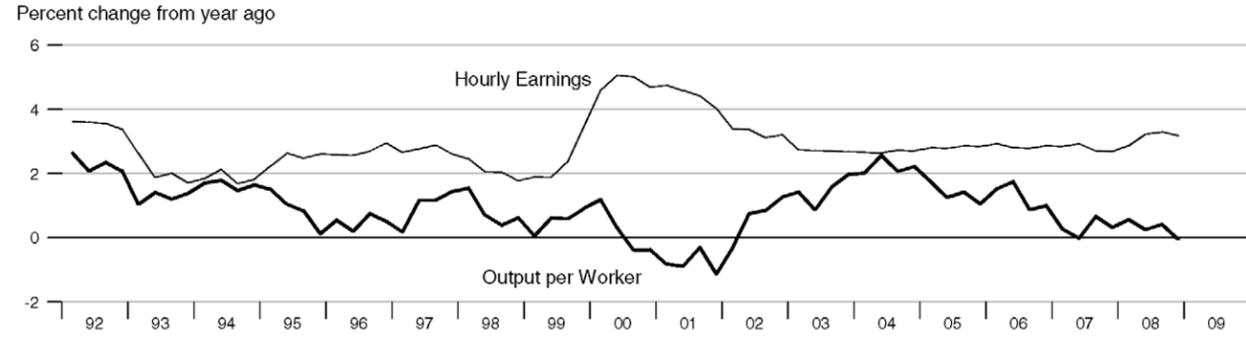
Retail Sales



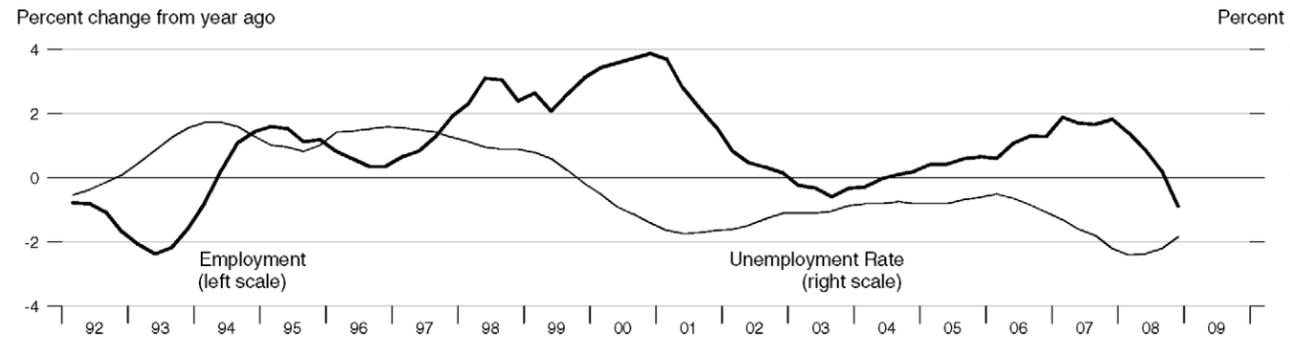
Capacity Utilization



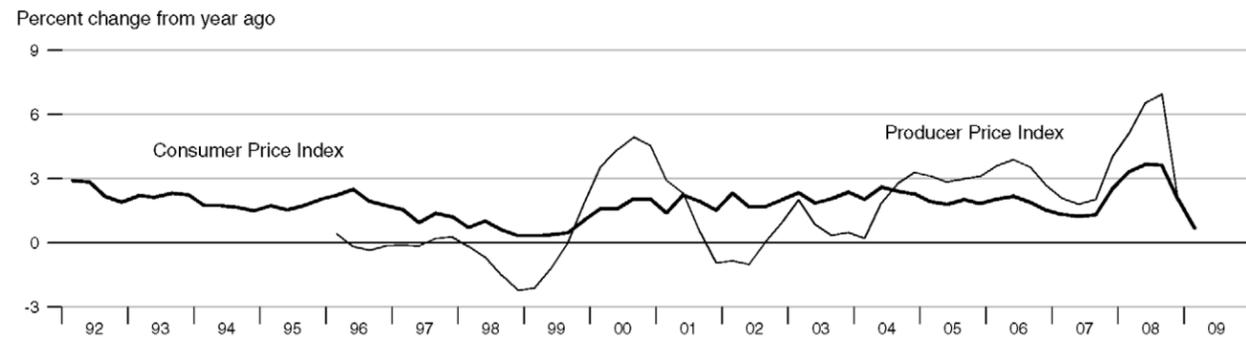
Real Hourly Earnings and Output per Worker



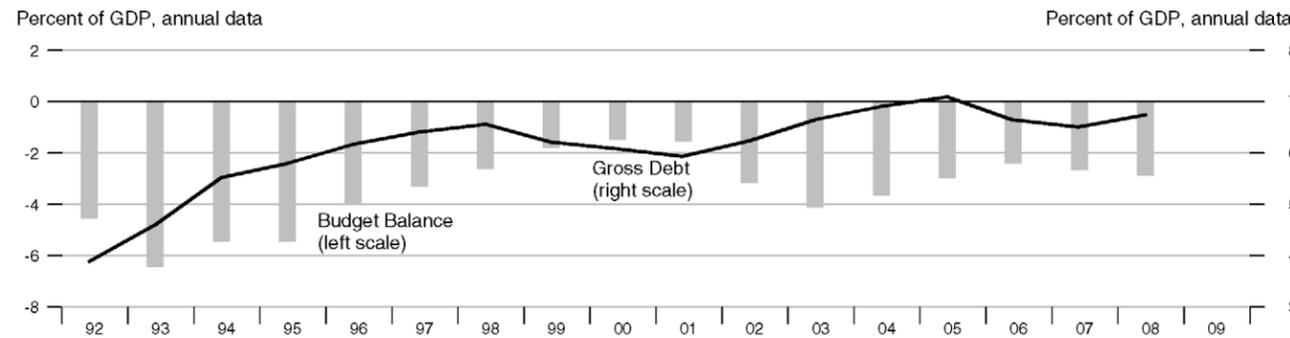
Labor Force Indicators



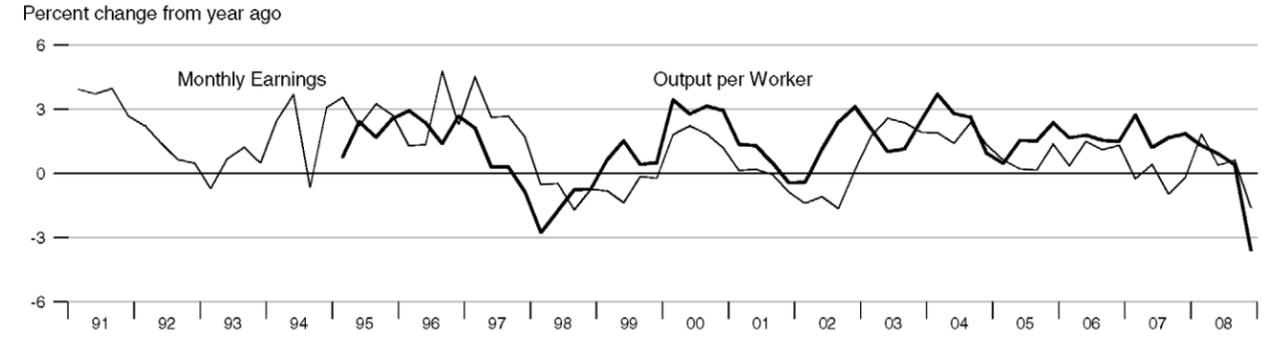
Inflation



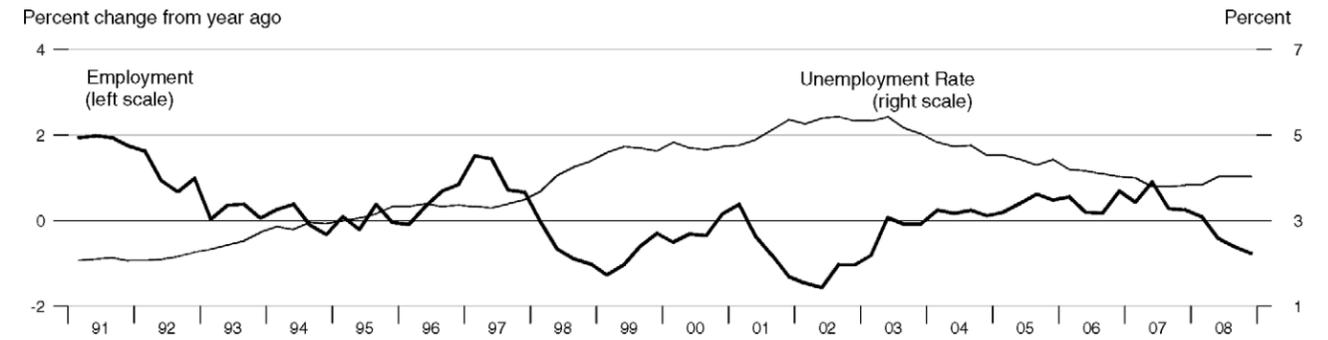
Gross Government Debt and Budget Balance



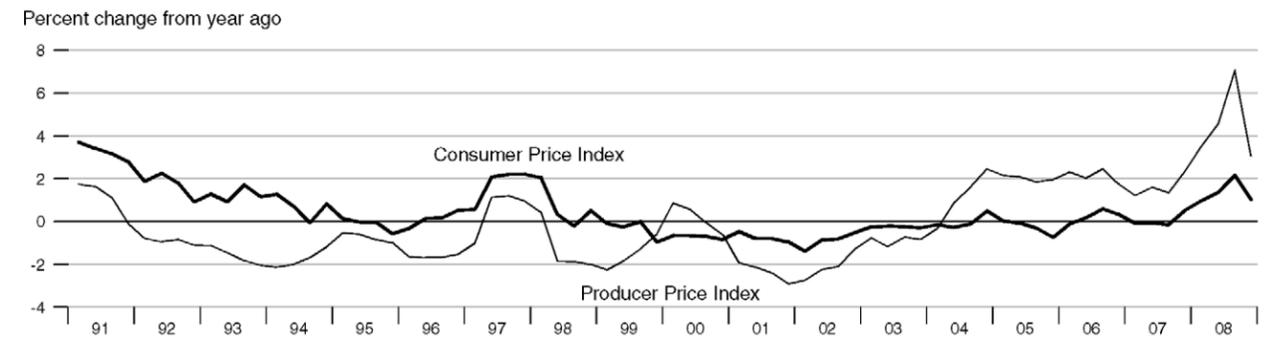
Real Monthly Earnings and Output per Worker



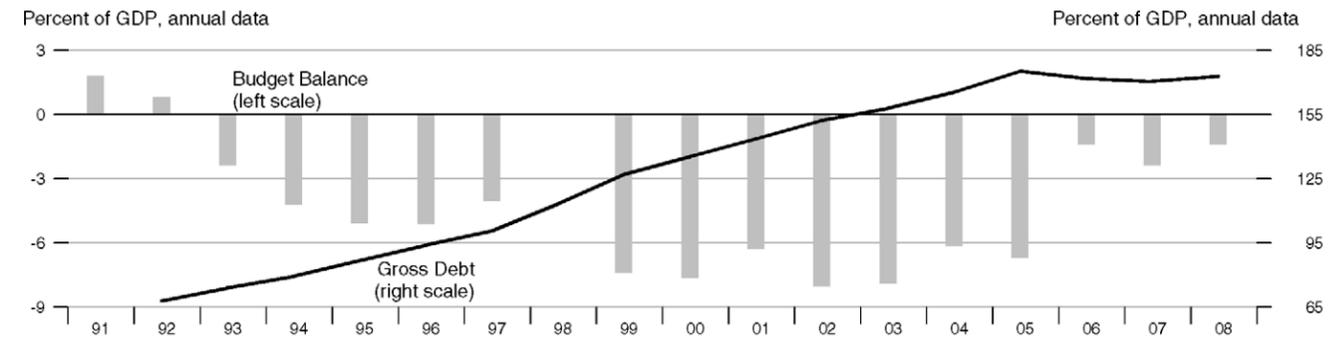
Labor Force Indicators



Inflation

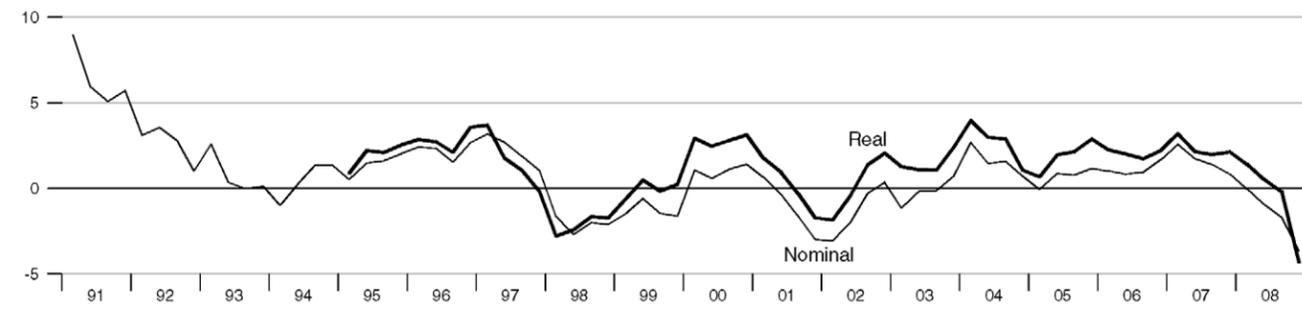


Gross Government Debt and Budget Balance



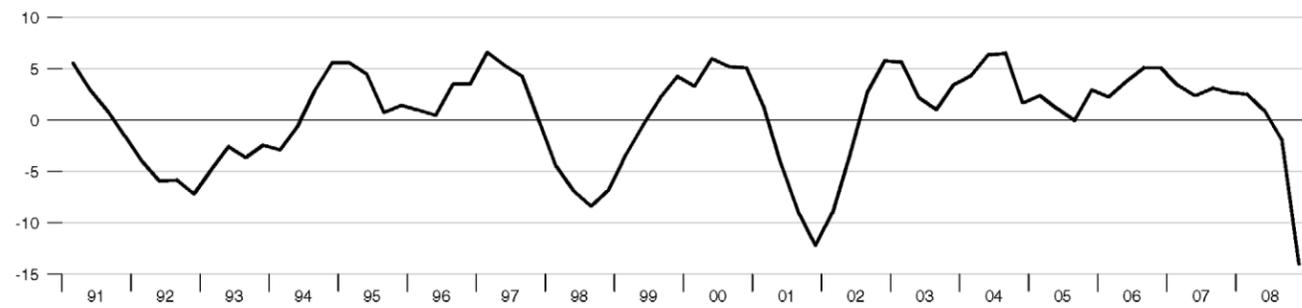
**GDP**

Percent change from year ago



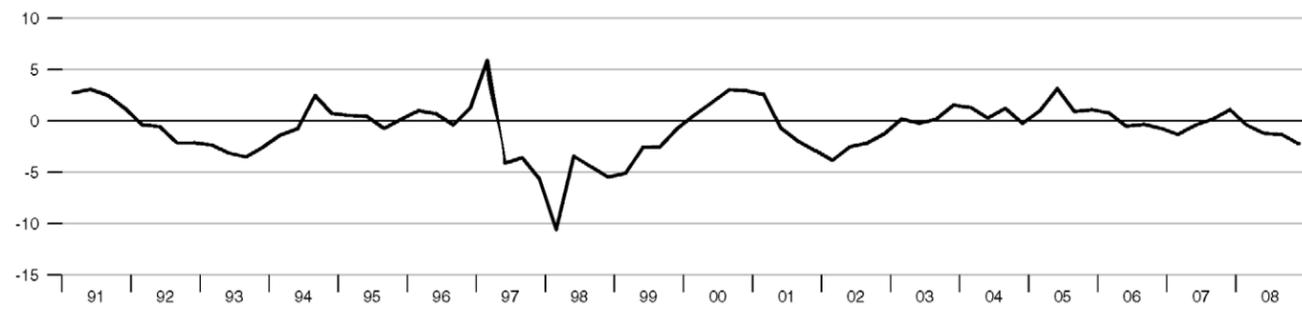
**Industrial Production**

Percent change from year ago



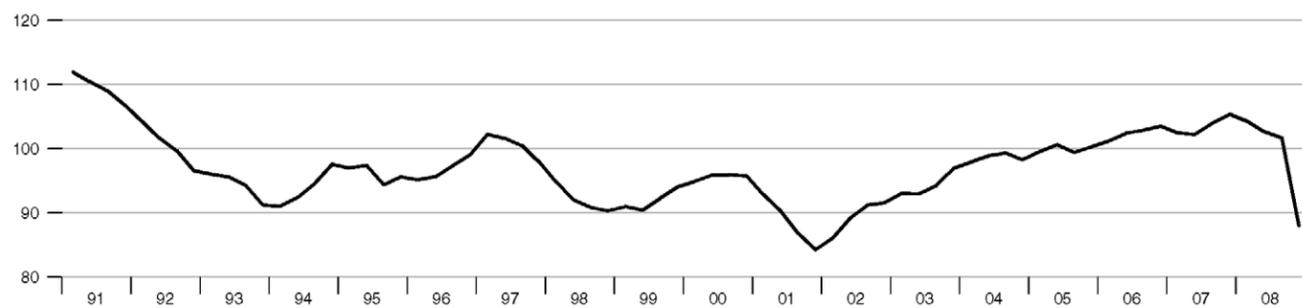
**Retail Sales**

Percent change from year ago



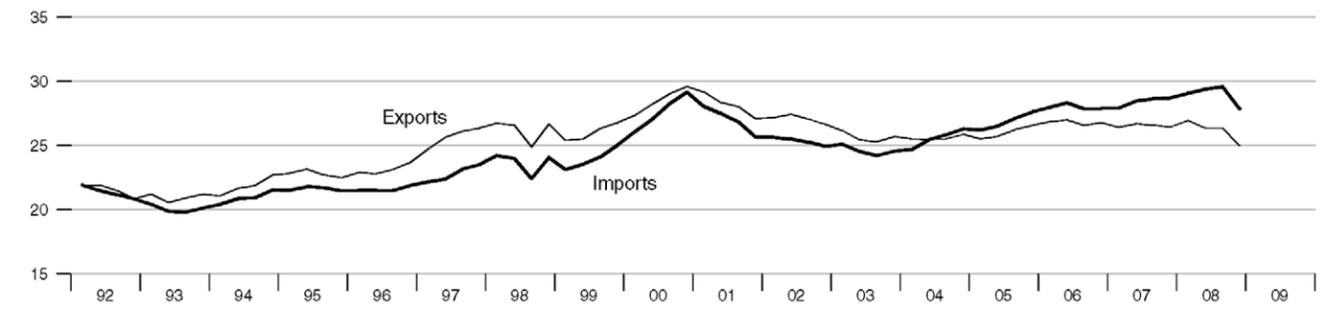
**Capacity Utilization**

2000 = 100



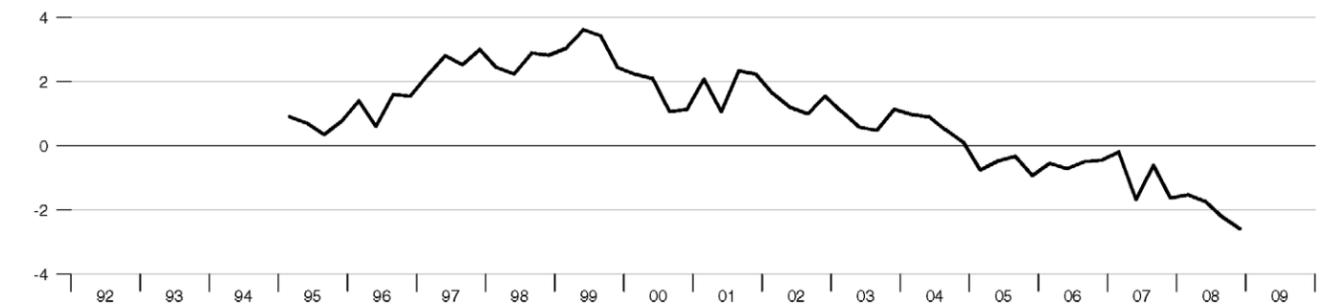
**International Trade - Goods and Services**

Percent of GDP



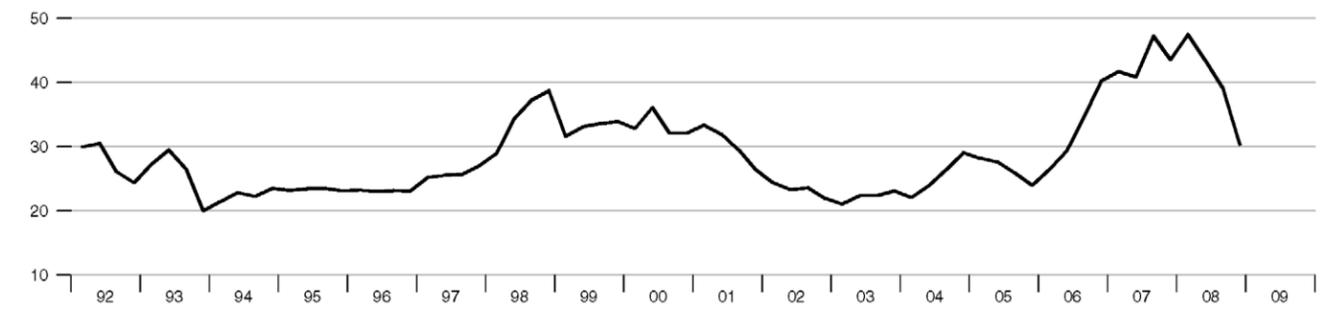
**Current Account Balance**

Percent of GDP



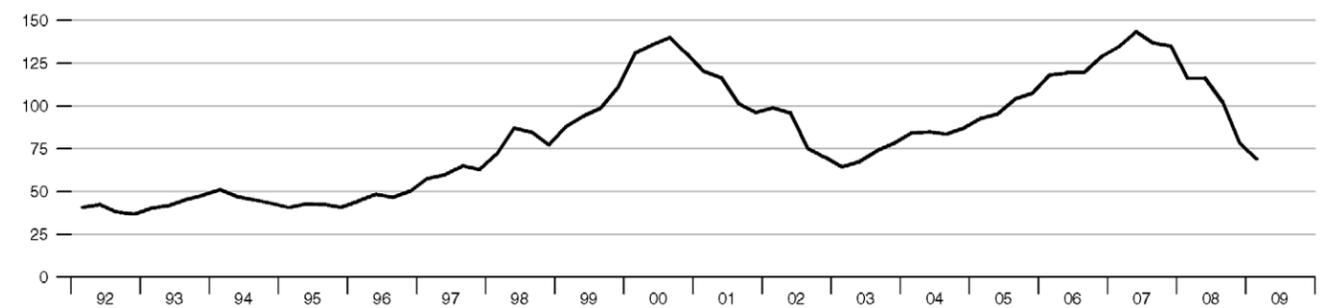
**Foreign Exchange Reserves**

Billions of US\$

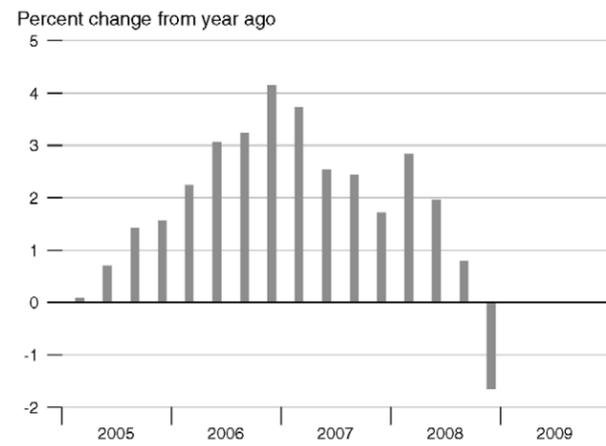


**Stock Exchange Index - SBF 250**

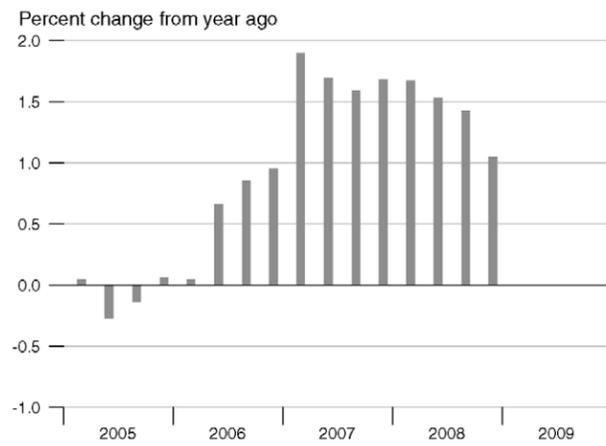
2000 = 100



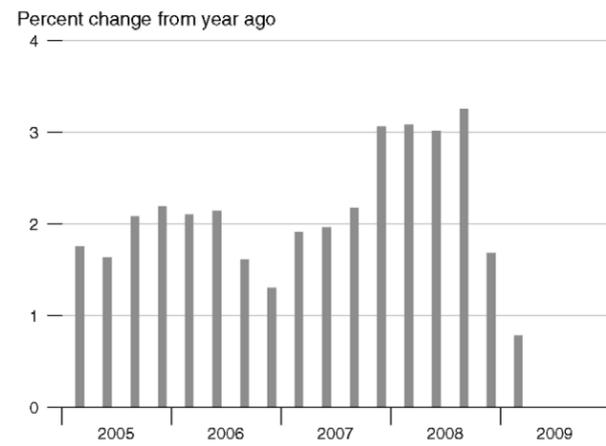
**Real GDP**



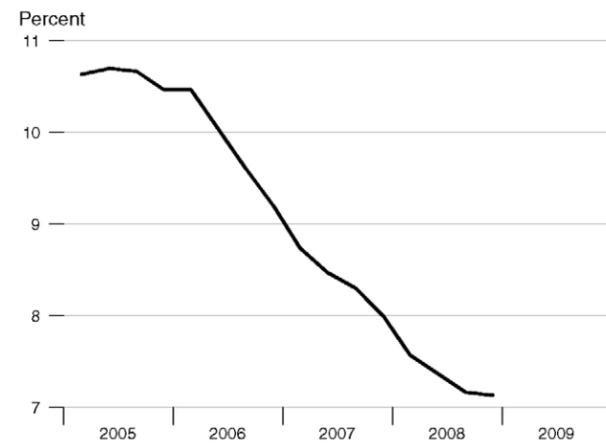
**Employment**



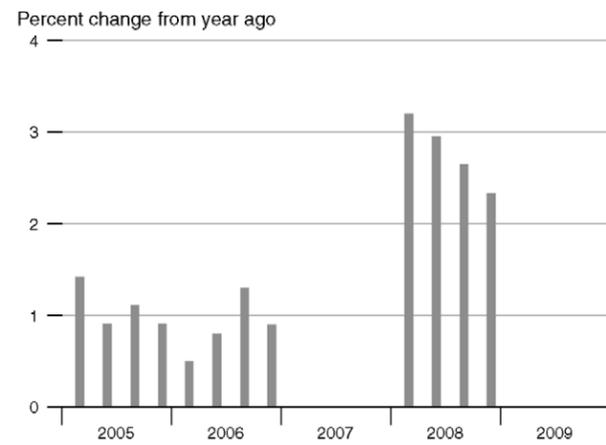
**Consumer Price Index**



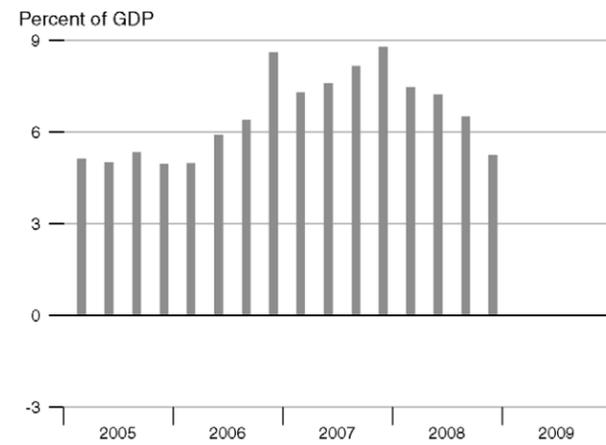
**Unemployment Rate**



**Real Hourly Earnings**

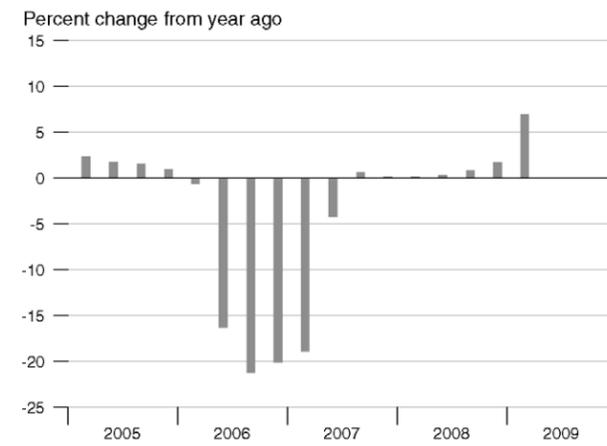


**Current Account Balance**

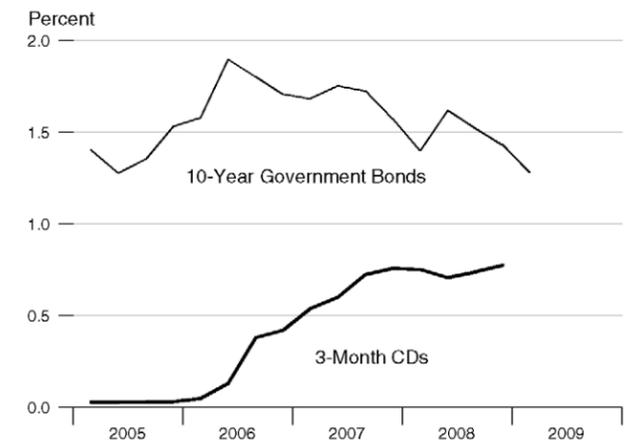


\* Please see the important note on the table of contents page.

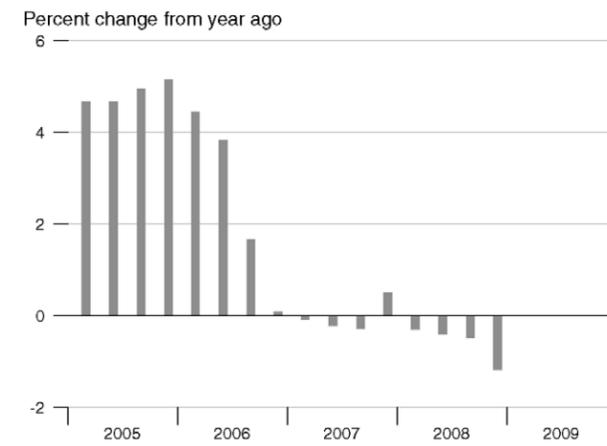
**Adjusted Monetary Base**



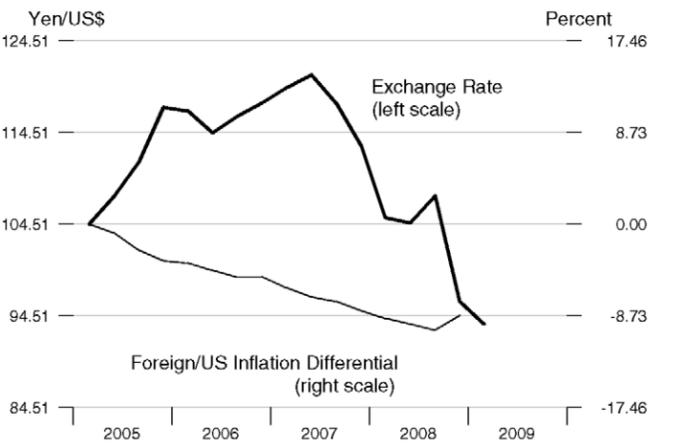
**Interest Rates**



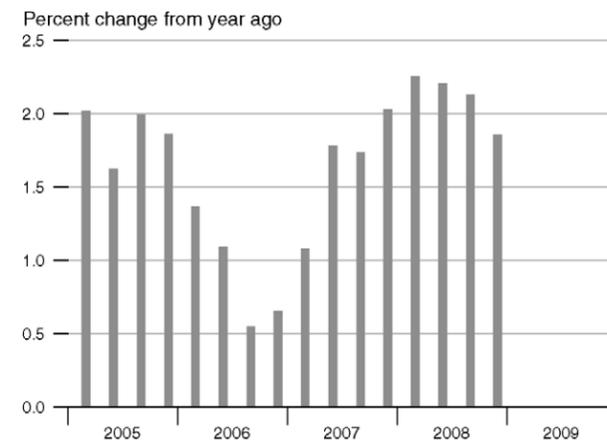
**M1**



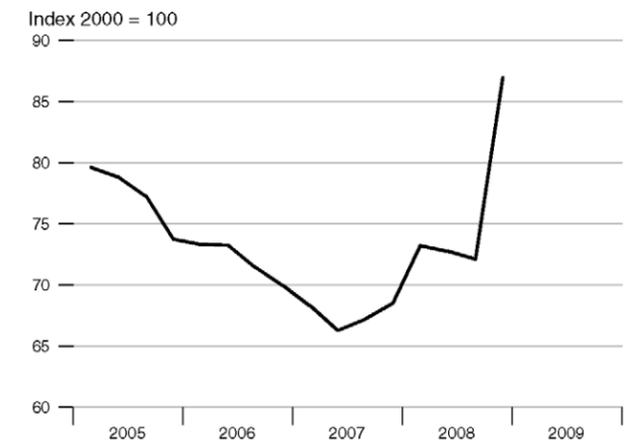
**Exchange Rate and Inflation Differential**



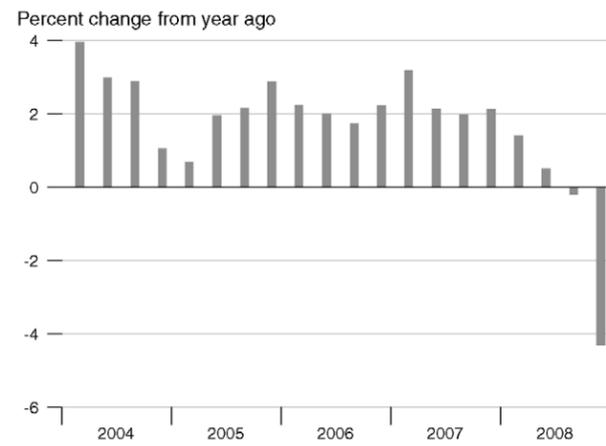
**M2**



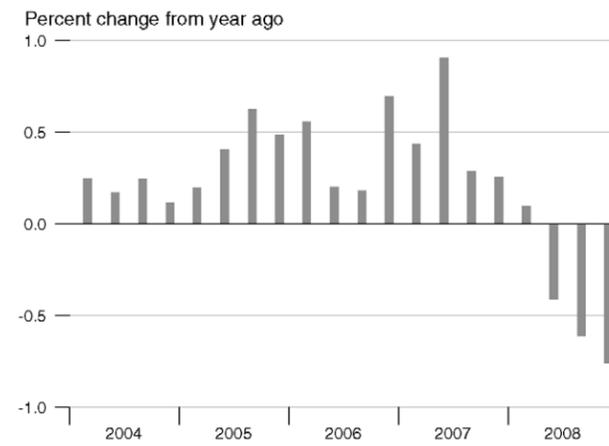
**Real Effective Exchange Rate**



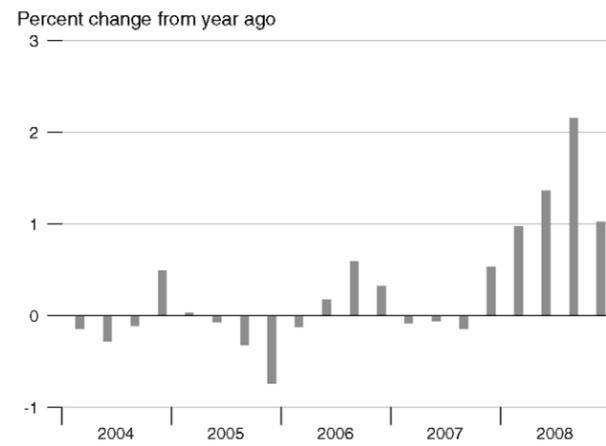
**Real GDP**



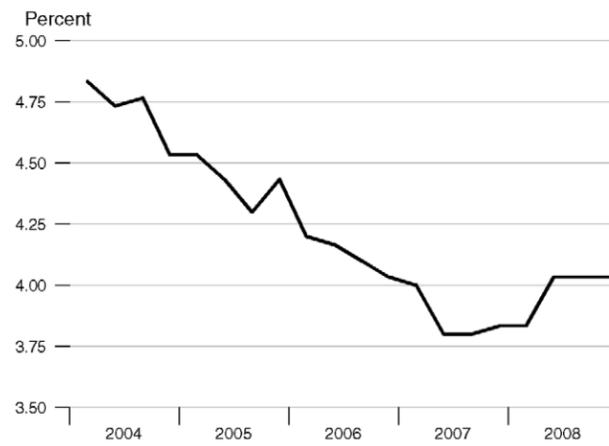
**Employment**



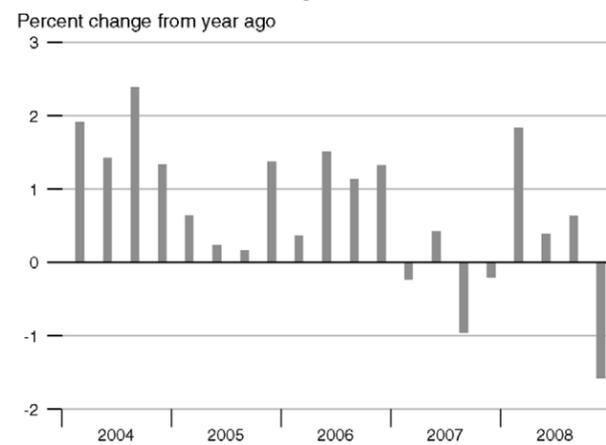
**Consumer Price Index**



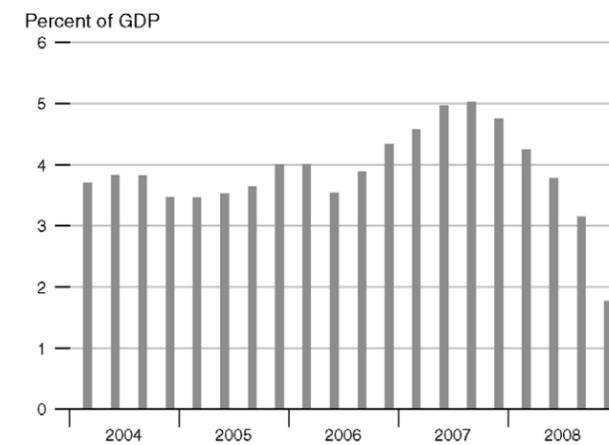
**Unemployment Rate**



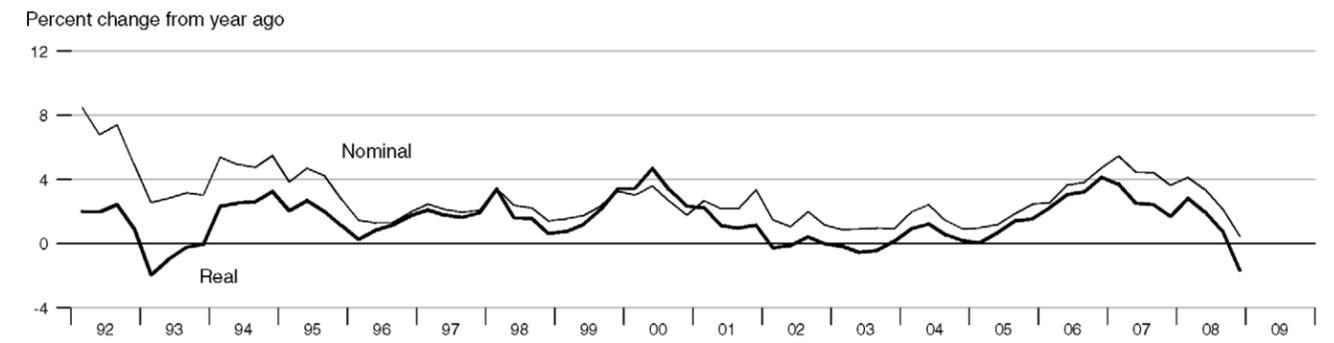
**Real Monthly Earnings**



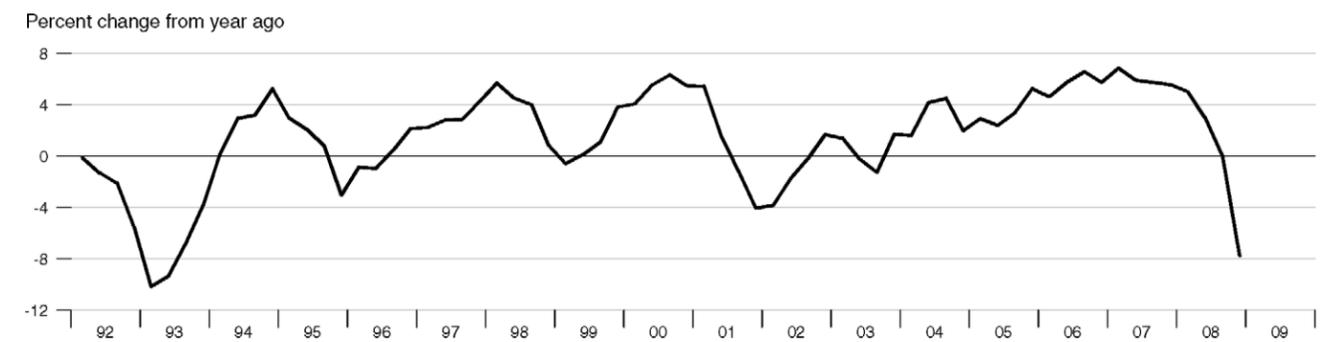
**Current Account Balance**



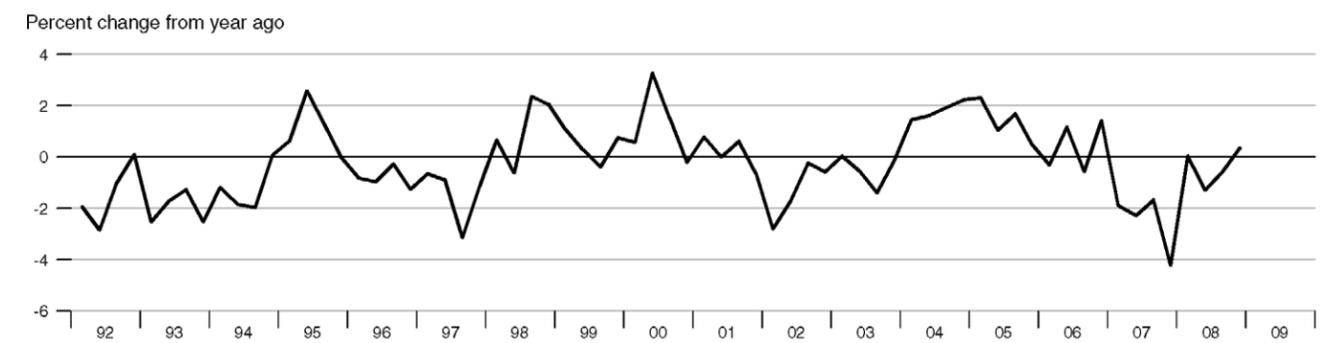
**GDP**



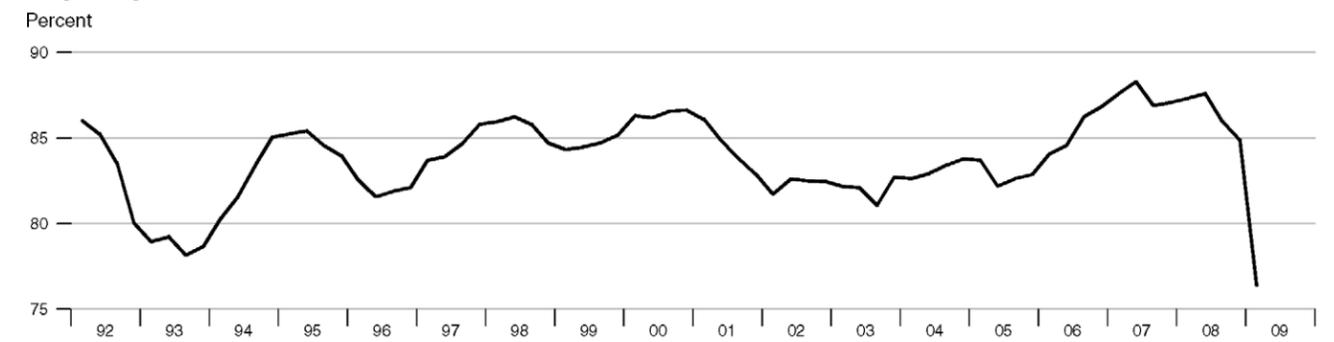
**Industrial Production**



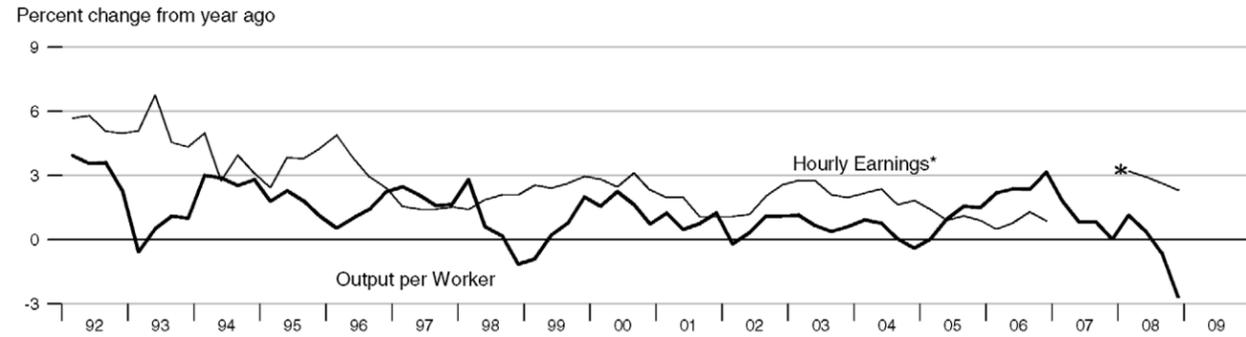
**Retail Sales**



**Capacity Utilization**

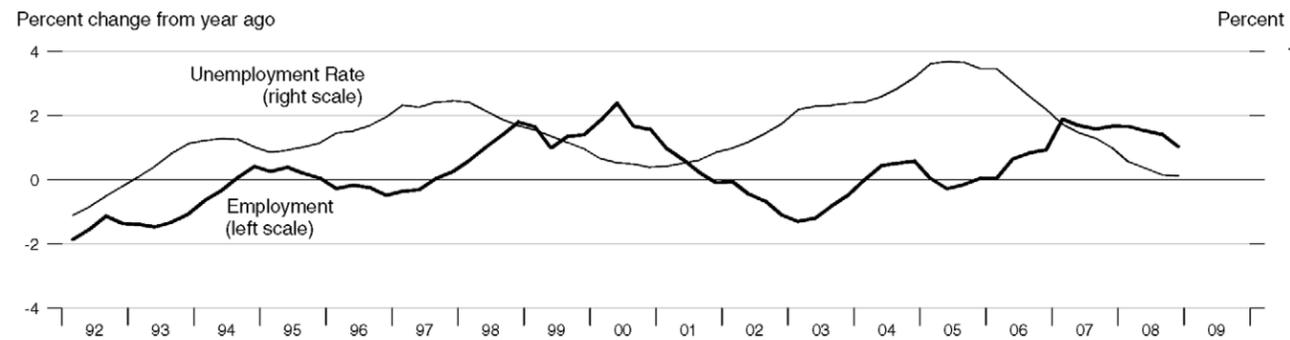


**Real Hourly Earnings and Output per Worker**

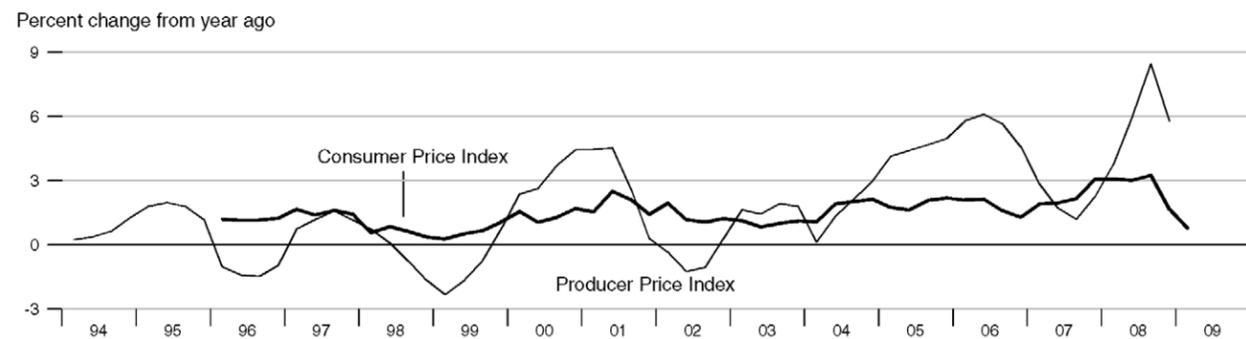


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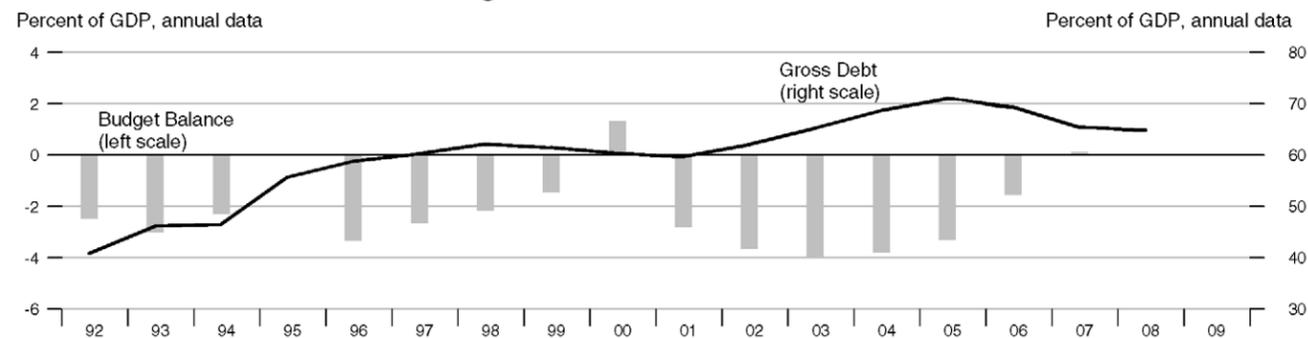
**Labor Force Indicators**



**Inflation**

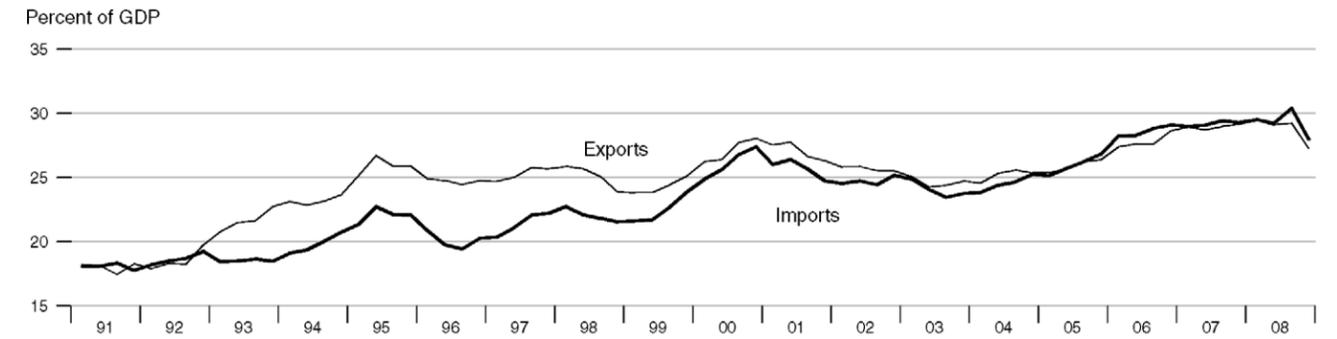


**Gross Government Debt and Budget Balance**

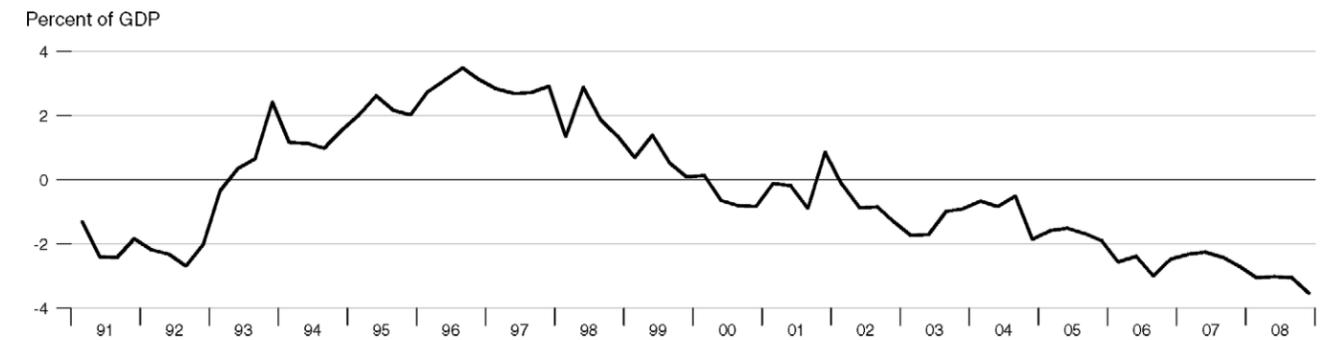


The actual value for budget balance in 2008 is 0.0%.

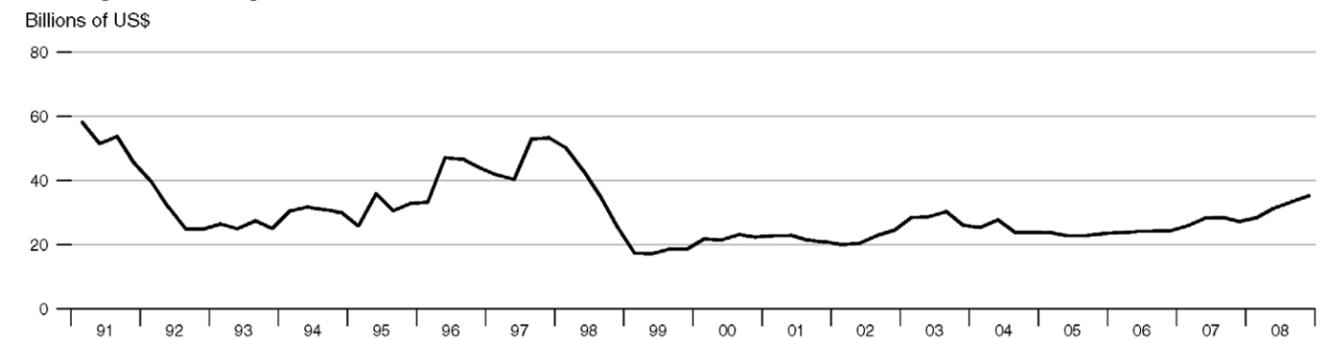
**International Trade - Goods and Services**



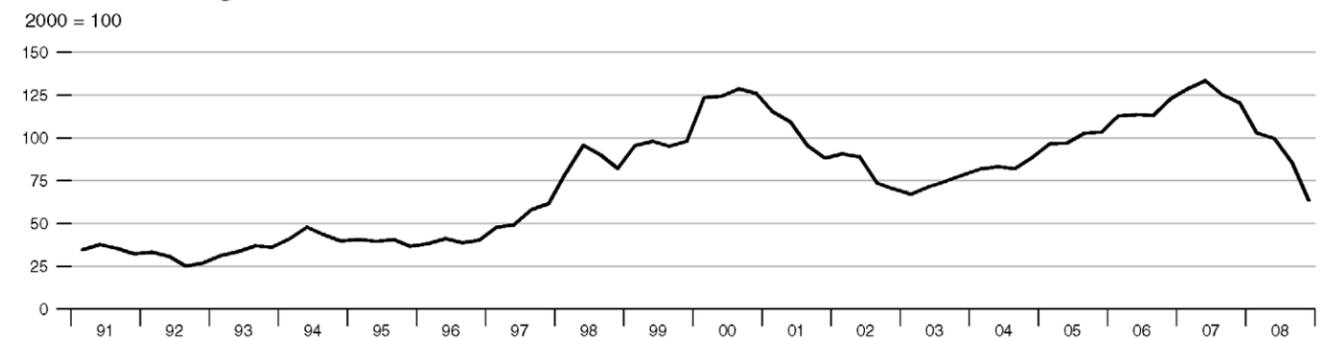
**Current Account Balance**



**Foreign Exchange Reserves**



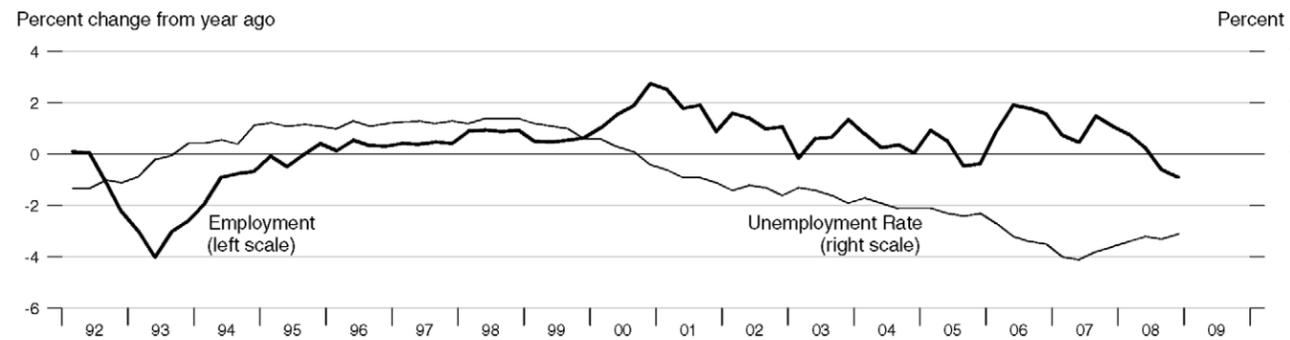
**Stock Exchange Index - Milan Stock Exchange**



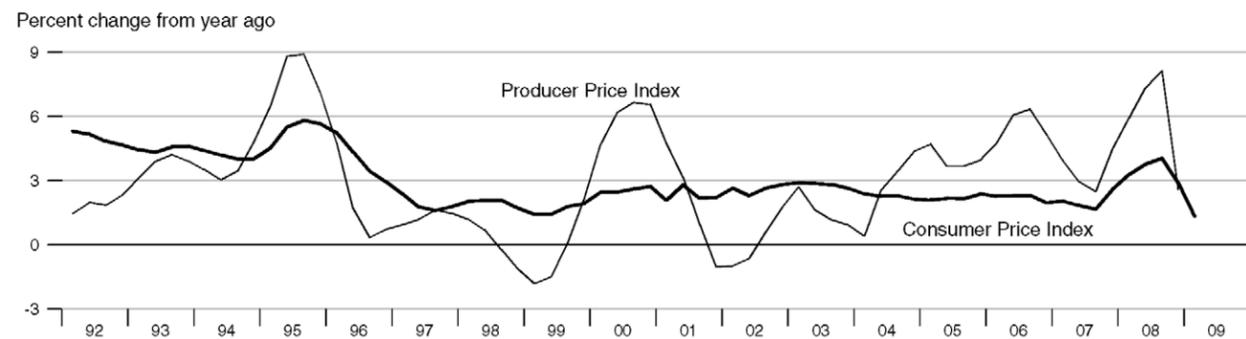
**Real Hourly Earnings and Output per Worker**



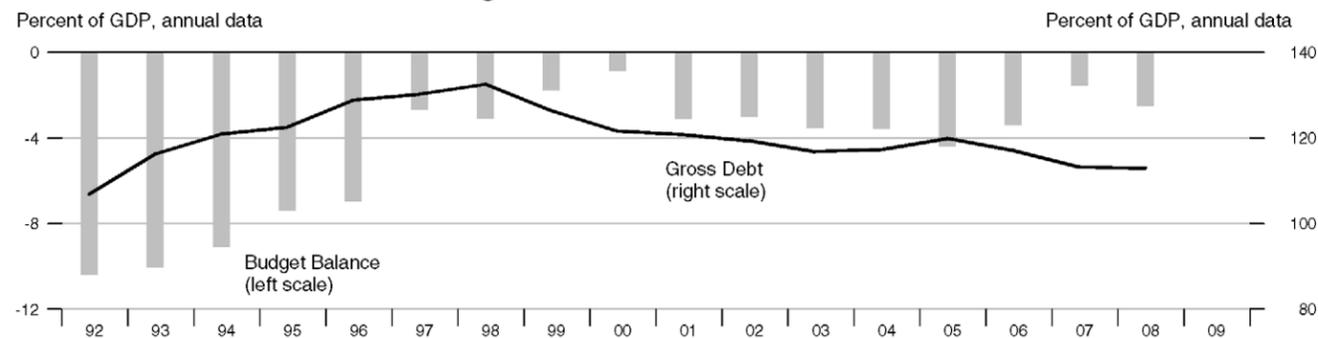
**Labor Force Indicators**



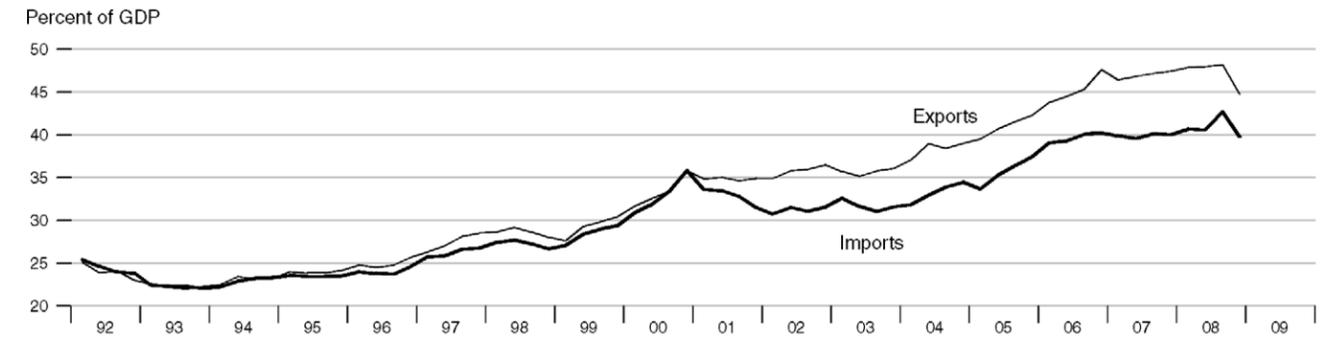
**Inflation**



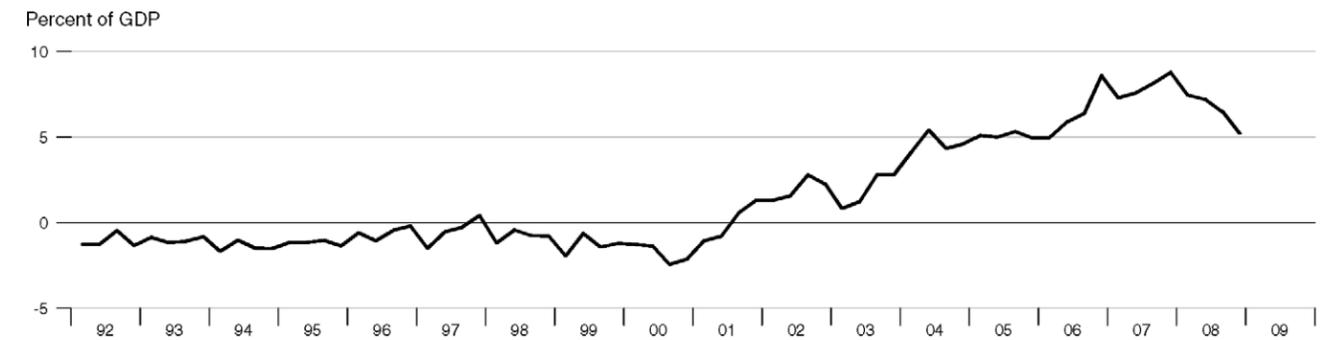
**Gross Government Debt and Budget Balance**



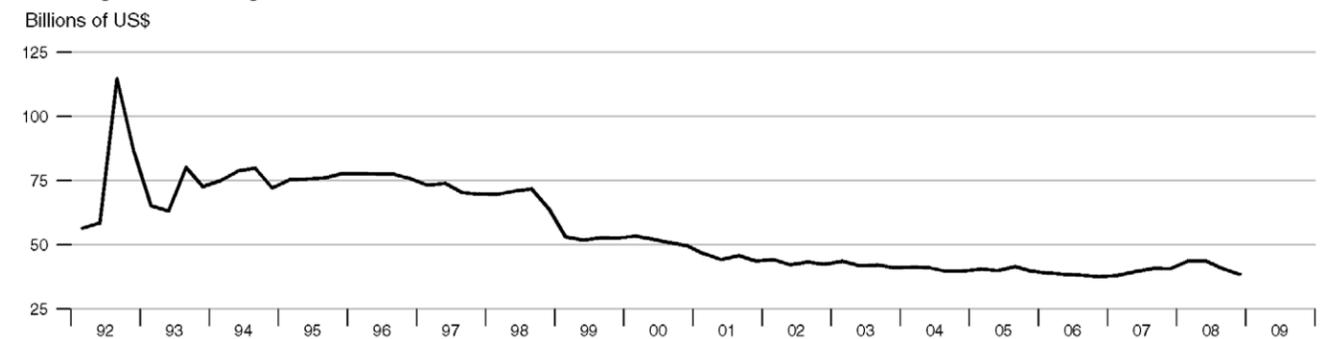
**International Trade - Goods and Services**



**Current Account Balance**



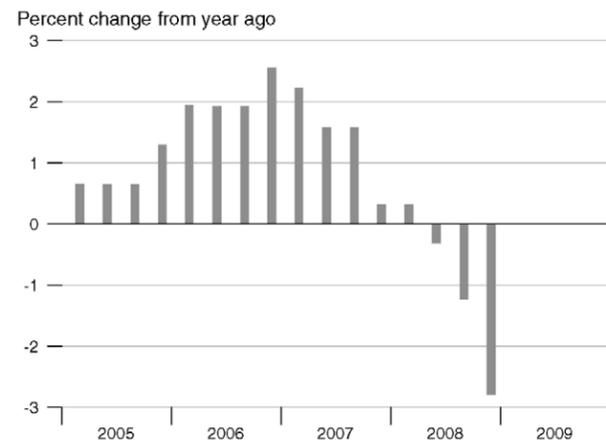
**Foreign Exchange Reserves**



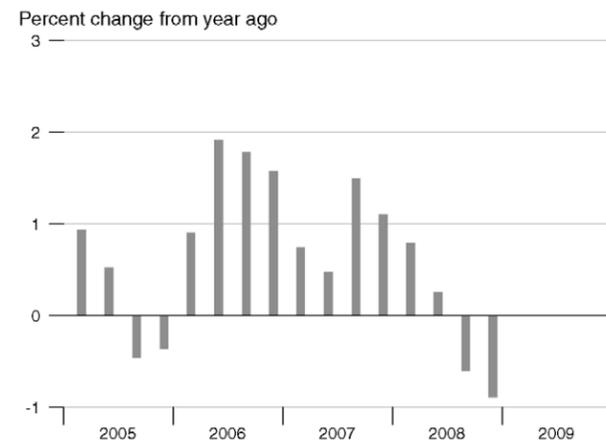
**Stock Exchange Index - CDAX**



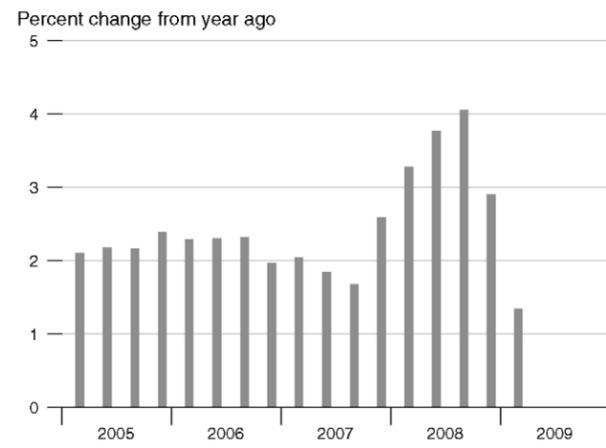
**Real GDP**



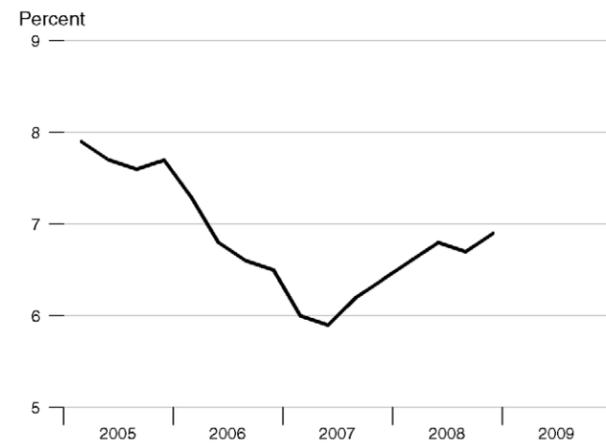
**Employment**



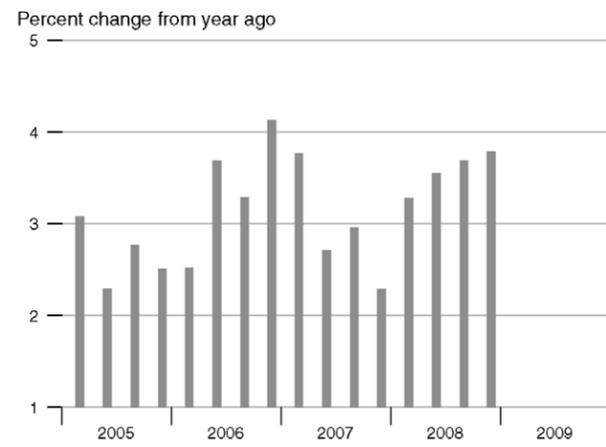
**Consumer Price Index**



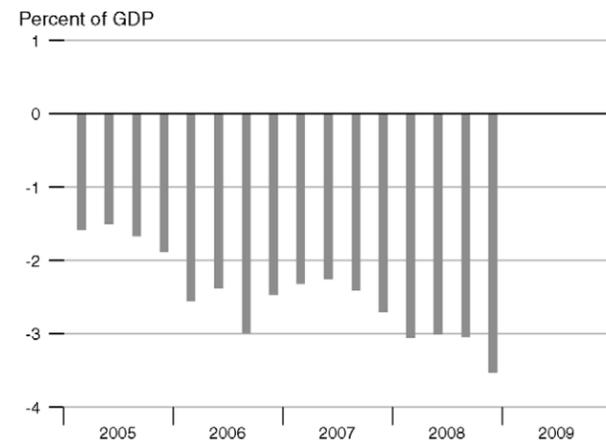
**Unemployment Rate**



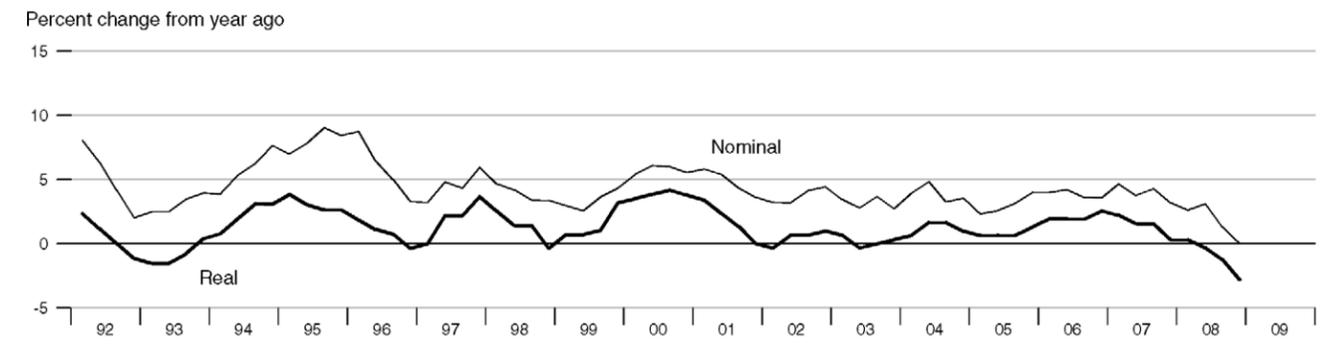
**Real Hourly Earnings**



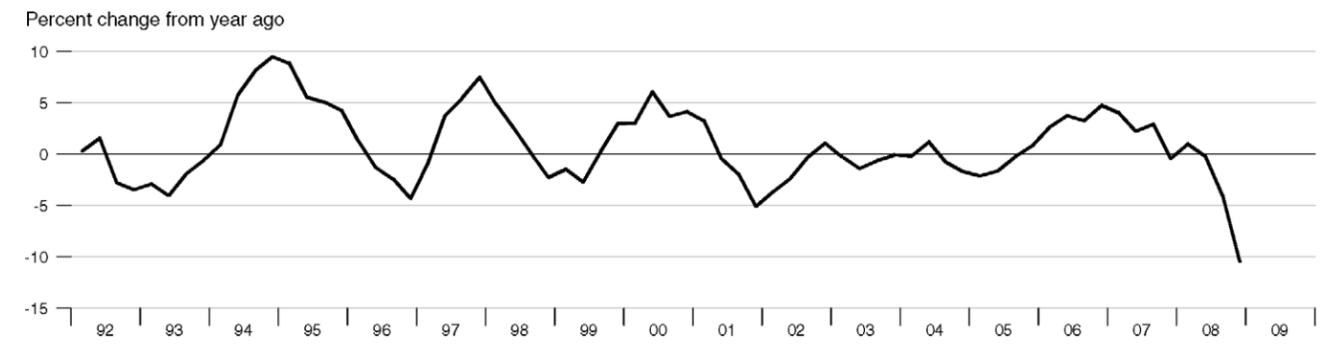
**Current Account Balance**



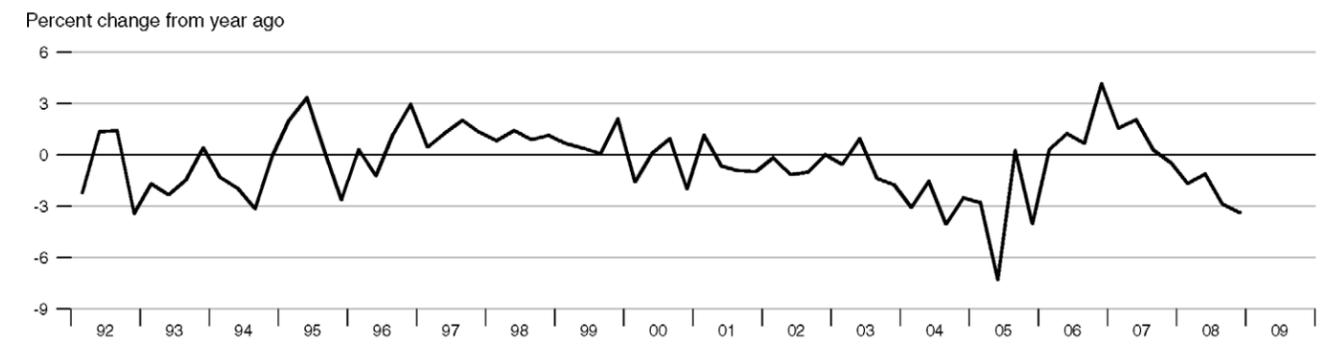
**GDP**



**Industrial Production**



**Retail Sales**



**Capacity Utilization**

