Convergence in figures

Table 3.1

Overview table of economic indicators of convergence

	Price stability	Government budgetary developments and projections			Exchange rate		
	HICP inflation[1]	Country in excessive deficit[2,3]	General government surplus (+)/ deficit (-)[4]	General government debt[4]	Currency participating in ERM II[3]	Exchange rate vis-à-vis the euro[5]	Long-term interest rate[6]
Bulgaria							
2022	13.0	No	-2.9	22.6	Yes	0.0	1.5
2023	8.6	No	-1.9	23.1	Yes	0.0	3.8
2024	5.1	No	-2.8	24.8	Yes	0.0	4.0
Czech Republic							
2022	14.8	No	-3.2	44.2	No	4.2	4.3
2023	12.0	No	-3.7	44.0	No	2.3	4.4
2024	6.3	No	-2.4	45.2	No	-4.2	4.2
Hungary							
2022	15.3	No	-6.2	74.1	No	-9.1	7.6
2023	17.0	No	-6.7	73.5	No	2.4	7.5
2024	8.4	No	-5.4	74.3	No	-2.0	6.8
Poland							
2022	13.2	No	-3.4	49.2	No	-2.6	6.1
2023	10.9	No	-5.1	49.6	No	3.1	5.8
2024	6.1	No	-5.4	53.7	No	4.9	5.6
Romania							
2022	12.0	Yes	-6.3	47.5	No	-0.2	7.5
2023	9.7	Yes	-6.6	48.8	No	-0.3	6.7
2024	7.6	Yes	-6.9	50.9	No	-0.6	6.4
Sweden							
2022	8.1	No	1.2	33.2	No	-4.8	1.5
2023	5.9	No	-0.6	31.2	No	-8.0	2.5
2024	3.6	No	-1.4	32.0	No	0.7	2.5
Reference value[7]	**3.3**		**-3.0**	**60.0**			**4.8**

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs) and European System of Central Banks.
1) Average annual percentage change. Data for 2024 refer to the period from June 2023 to May 2024.
2) Refers to whether a country was subject to an EU Council decision on the existence of an excessive deficit for at least part of the year.
3) The information for 2024 refers to the period up to the cut-off date for statistics (19 June 2024).
4) As a percentage of GDP. Data for 2024 are taken from the European Commission's Spring 2024 Economic Forecast.
5) Annual percentage change. A positive (negative) number denotes appreciation (depreciation) vis-à-vis the euro. Data for 2024 refer to the period from 1 January 2024 to 19 June 2024.
6) Average annual interest rate. Data for 2024 refer to the period from June 2023 to May 2024.
7) The reference values for HICP inflation and long-term interest rates refer to the period from June 2023 to May 2024; for the general government balance and debt, the reference values referred to in Article 126(2) of the Treaty are specified in the related Protocol (No 12) on the excessive deficit procedure.

Table 3.2

Scoreboard for the surveillance of macroeconomic imbalances

Table 3.2a – External imbalances and competitiveness indicators

	Current account balance[1]	Net international investment position[2]	Real effective exchange rate, HICP-deflated[3]	Export market share[4]	Nominal unit labour costs[5]
Bulgaria					
2020	1.0	-25.6	7.0	15.4	19.9
2021	0.1	-18.6	3.7	10.9	16.4
2022	-1.0	-12.9	5.6	14.7	23.6
2023	-1.1	-7.6	8.6	15.9	27.4
Czech Republic					
2020	0.9	-16.3	5.5	7.8	18.7
2021	-0.1	-14.5	5.0	-2.0	13.9
2022	-1.9	-18.7	13.3	-7.5	14.8
2023	-2.4	-13.2	24.1	0.6	15.8
Hungary					
2020	-0.5	-52.5	-5.1	7.1	13.6
2021	-2.0	-53.6	-4.2	-3.0	12.5
2022	-4.5	-52.1	-8.9	-5.2	24.0
2023	-4.0	-46.6	10.3	4.4	34.0
Poland					
2020	0.1	-43.9	0.8	33.3	14.0
2021	0.3	-39.8	-0.7	23.3	12.1
2022	-0.4	-33.3	-0.5	15.8	15.7
2023	-0.7	-31.4	9.3	23.0	22.0
Romania					
2020	-4.8	-47.6	3.4	19.5	20.7
2021	-5.7	-47.0	1.1	9.2	14.7
2022	-7.1	-40.8	2.5	6.0	16.9
2023	-7.8	-39.8	6.7	10.6	26.7
Sweden					
2020	4.6	7.4	-4.8	2.8	8.1
2021	6.1	19.1	2.2	0.6	4.5
2022	6.2	31.6	-1.6	-3.2	7.8
2023	6.5	33.7	-7.3	3.7	11.1
Threshold	**-4.0/+6.0**	**-35.0**	**+/-11.0**	**-6.0**	**+12.0**

Table 3.2b – Internal imbalances and unemployment indicators

	Internal imbalances						Unemployment indicators		
	House prices, consumption-deflated[6]	Private sector credit flow, consolidated[2]	Private sector debt, consolidated[2]	Financial sector liabilities[6]	General government debt[2]	Unemployment rate[7]	Activity rate[8]	Long-term unemployment[8]	Youth unemployment[8]
Bulgaria									
2020	5.2	4.2	92.1	10.5	24.6	5.8	0.9	-1.2	1.3
2021	2.5	4.9	84.0	10.4	23.9	5.5	0.6	-1.0	-0.1
2022	-2.1	5.9	74.6	11.8	22.6	5.2	0.6	-0.7	-1.5
2023	2.7	.	.	.	23.1	4.6	1.8	-0.4	-5.3
Czech Republic									
2020	5.4	0.6	81.7	4.8	37.7	2.3	0.5	-0.4	0.1
2021	16.4	2.9	78.8	8.2	42.0	2.5	0.0	0.1	1.5
2022	1.6	4.5	76.0	3.2	44.2	2.5	0.5	0.0	1.2
2023	-10.0	.	.	.	44.0	2.5	0.7	0.2	0.3
Hungary									
2020	1.5	8.2	76.9	54.9	79.3	3.7	2.0	-0.5	2.0
2021	9.6	12.9	80.9	16.9	76.7	3.8	2.1	-0.1	3.6
2022	5.2	9.2	79.0	8.7	74.1	3.9	2.5	0.1	-0.6
2023	-7.7	.	.	.	73.5	3.9	2.9	0.3	0.3
Poland									
2020	6.7	1.7	76.0	11.7	57.2	3.5	1.5	-0.9	-4.1
2021	3.5	3.7	71.2	12.9	53.6	3.3	3.5	-0.1	0.1
2022	-1.9	3.0	63.4	3.0	49.2	3.2	3.5	0.2	1.1
2023	-1.9	0.9	57.0	10.9	49.6	3.0	4.3	0.2	0.6
Romania									
2020	2.3	1.3	48.1	13.4	46.7	5.4	2.3	-0.6	-1.4
2021	-0.2	3.8	47.9	14.3	48.5	5.5	3.2	-0.2	0.5
2022	-6.4	3.3	43.7	8.2	47.5	5.8	3.5	0.2	1.8
2023	-5.9	2.0	40.4	16.7	48.8	5.6	2.7	0.4	0.2
Sweden									
2020	3.3	14.5	212.7	10.4	40.2	7.3	-0.1	-0.1	6.5
2021	8.1	16.2	213.5	11.2	36.7	8.1	0.1	0.9	7.9
2022	-3.0	10.4	208.0	3.0	33.2	8.3	0.7	1.1	2.4
2023	-10.9	.	.	.	31.2	8.0	1.9	0.6	-1.5
Threshold	**+6.0**	**+14.0**	**+133.0**	**+16.5**	**+60.0**	**+10.0**	**-0.2**	**0.5**	**2.0**

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs) and European System of Central Banks.
Notes: This table includes data available as at 19 June 2024, i.e. the cut-off date for this report, and therefore differs from the scoreboard published in the Alert Mechanism Report 2024, which was published in November 2023.
1) As a percentage of GDP, three-year average.
2) As a percentage of GDP.
3) Three-year percentage change relative to 41 other industrial countries. A positive value indicates a loss of competitiveness.
4) Five-year percentage change.
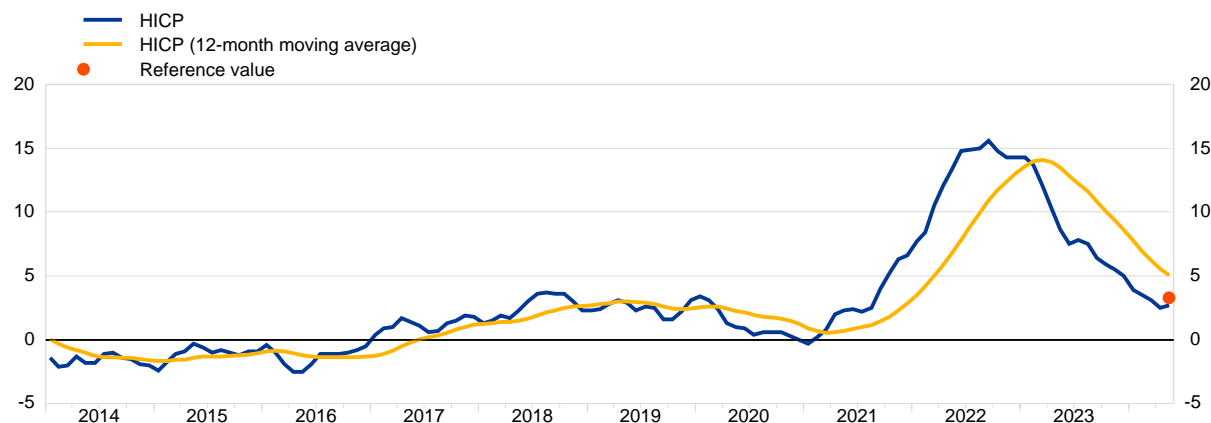5) Three-year percentage change.
6) Year-on-year percentage change.
7) Three-year average.
8) Three-year percentage point change.

Bulgaria - Price developments

Chart 5.1.1 HICP inflation and reference value [1)]
(annual percentage changes)

Sources: European Commission (Eurostat) and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the annual percentage changes in the HICP for Denmark, Belgium and the Netherlands plus 1.5 percentage points. The reference value is 3.3%.

Table 5.1.1 Measures of inflation and related indicators
(annual percentage changes, unless otherwise indicated)

	2014-2023 [1)]	2014-2018 [1)]	2019-2023 [1)]	2019	2020	2021	2022	2023	2024 [2)]	2025 [2)]
Measures of inflation										
HICP	2.7	0.0	5.5	2.5	1.2	2.8	13.0	8.6	3.1	2.6
HICP excluding unprocessed food and energy	2.6	0.1	5.2	2.5	2.0	1.9	10.4	9.8	3.4	3.0
HICP at constant tax rates [3)]	2.8	-0.2	5.7	2.4	1.5	3.2	13.3	8.7	-	-
CPI	3.4	0.5	6.5	3.1	1.7	3.3	15.3	9.5	3.1	2.6
Private consumption deflator	4.2	2.5	6.0	2.0	-0.6	6.0	16.2	6.9	3.0	2.7
GDP deflator	5.6	3.3	8.0	5.2	4.3	7.1	16.2	7.5	3.3	2.5
Producer prices [4)]	4.7	0.5	9.1	3.8	-0.2	14.9	48.4	-12.5	-	-
Related indicators										
Real GDP growth	2.6	2.6	2.6	4.0	-4.0	7.7	3.9	1.8	1.9	2.9
GDP per capita in PPS [5)] (euro area = 100)	50.9	46.2	55.6	50.2	52.2	54.3	59.6	61.4	-	-
Comparative price levels (euro area = 100)	50.1	47.8	52.8	50.8	52.2	52.9	55.4	.	-	-
Output gap [6)]	-0.6	-0.9	-0.3	1.2	-4.9	0.0	1.4	1.0	0.2	1.0
Unemployment rate (%) [7)]	7.0	8.9	5.0	5.2	6.1	5.3	4.2	4.3	4.3	4.0
Unit labour costs, whole economy	6.4	5.3	7.4	3.1	9.0	3.6	9.5	12.3	7.9	6.4
Compensation per employee, whole economy	9.0	7.4	10.5	6.9	7.2	11.3	14.2	13.3	10.4	9.4
Labour productivity, whole economy	2.4	2.0	2.9	3.7	-1.7	7.5	4.3	0.9	2.4	2.8
Imports of goods and services deflator	2.3	-0.3	4.9	0.0	-6.6	14.5	21.6	-2.3	1.2	2.1
Nominal effective exchange rate [8)]	2.0	1.9	2.2	0.2	2.9	1.9	1.5	4.4	-	-
Money supply (M3) [9)]	9.4	8.0	10.8	10.1	11.4	10.7	12.9	8.8	-	-
Lending from banks [10)]	7.5	4.6	10.5	10.6	5.3	9.7	13.9	13.3	-	-
Stock prices (SOFIX) [11)]	55.7	20.9	28.7	-4.4	-21.2	42.0	-5.4	27.2	-	-
Residential property prices	6.9	5.3	8.5	6.0	4.6	8.7	13.8	9.9	-	-

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs), national data for CPI, money supply, lending from banks and ECB calculations based on Bloomberg Finance L.P. data for stock prices.
1) Multi-annual averages calculated using the geometric mean, except for GDP per capita in PPS, comparative price levels, output gap and unemployment rate, for which the arithmetic mean is used.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) The difference between the HICP and the HICP at constant tax rates shows the theoretical impact of changes in indirect taxes (e.g. VAT and excise duties) on the overall rate of inflation. This impact assumes a full and instantaneous pass-through of tax rate changes to the price paid by the consumer.
4) Domestic sales, total industry excluding construction.
5) PPS stands for purchasing power standards.
6) Percentage difference from potential GDP: a positive (negative) sign indicates that actual GDP is above (below) potential GDP.
7) Definition conforms to International Labor Organization guidelines.
8) EER-41 group of trading partners. A positive (negative) sign indicates an appreciation (depreciation).
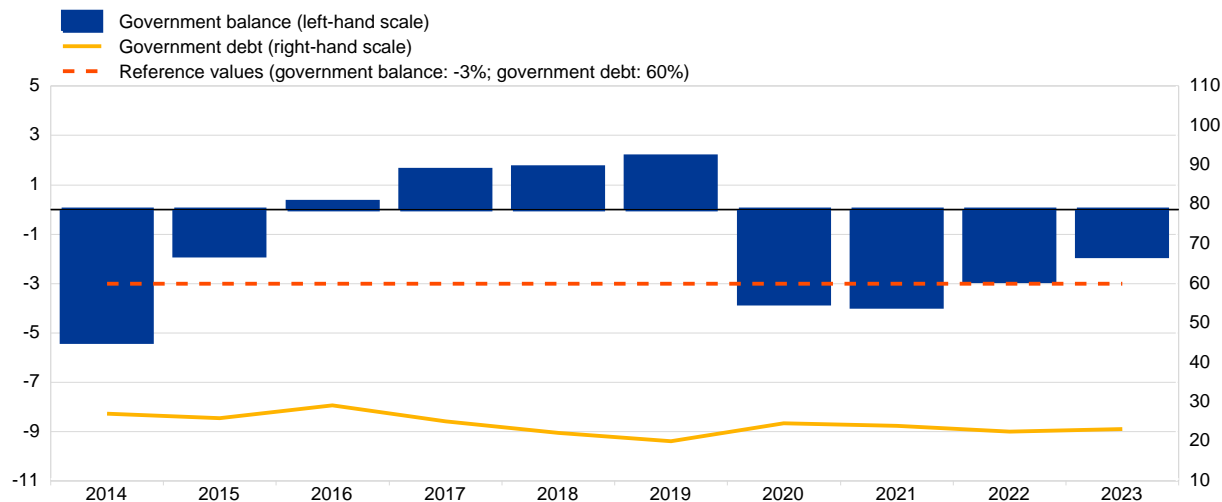9) The series includes repurchase agreements with central counterparties.
10) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.
11) Multi-annual and annual figures represent the percentage change between the end of the given period and the end of the previous period.

Bulgaria - Fiscal developments

Chart 5.1.2 General government balance and debt
(as a percentage of GDP)

- Government balance (left-hand scale)
- Government debt (right-hand scale)
- Reference values (government balance: -3%; government debt: 60%)

Sources: European System of Central Banks and European Commission (Eurostat).

Table 5.1.2 Government budgetary developments and projections
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Government balance	**-1.4**	**-0.7**	**-2.1**	**2.1**	**-3.8**	**-3.9**	**-2.9**	**-1.9**	**-2.8**	**-2.9**
Total revenue	37.7	37.3	38.1	38.5	37.7	37.7	38.5	37.9	37.2	38.6
Current revenue	36.1	35.5	36.7	37.6	36.4	36.6	36.4	36.6	36.1	37.0
Direct taxes	5.8	5.6	6.1	5.8	5.8	6.4	6.2	6.3	6.4	6.4
Indirect taxes	15.2	15.1	15.2	15.3	15.1	14.9	16.1	14.8	14.2	14.6
Net social contributions	8.4	8.0	8.7	8.8	9.1	8.9	8.3	8.6	9.2	9.8
Other current revenue [3]	6.7	6.7	6.7	7.7	6.4	6.5	5.8	7.0	6.3	6.2
Capital revenue	1.6	1.8	1.3	0.9	1.3	1.1	2.1	1.3	1.0	1.6
Total expenditure	39.1	38.0	40.1	36.3	41.5	41.6	41.4	39.8	39.9	41.6
Current expenditure	34.3	32.5	36.1	31.8	36.7	38.5	37.7	36.0	37.0	37.2
Compensation of employees	9.9	9.3	10.5	10.0	10.8	11.1	10.1	10.4	11.2	11.4
Social benefits	14.0	13.7	14.4	12.7	14.2	14.2	14.7	16.3	16.8	16.9
Interest payable	0.7	0.8	0.5	0.6	0.5	0.5	0.4	0.4	0.5	0.5
Other current expenditure [4]	9.8	8.7	10.8	8.5	11.2	12.8	12.6	8.9	8.5	8.4
Capital expenditure	4.8	5.5	4.0	4.5	4.8	3.1	3.6	3.8	3.0	4.3
of which: Investment	3.5	4.0	3.0	3.3	3.3	2.7	2.3	3.5	2.5	3.5
Cyclically adjusted balance	-1.2	-0.5	-2.0	1.8	-2.3	-3.9	-3.3	-2.2	-2.8	-3.2
One-off and temporary measures	-0.3	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Structural balance [5]	-0.9	0.2	-2.0	1.8	-2.3	-3.9	-3.3	-2.2	-2.8	-3.2
Government debt	**24.3**	**25.9**	**22.8**	**20.0**	**24.6**	**23.9**	**22.6**	**23.1**	**24.8**	**24.6**
Average residual maturity (in years)	7.6	7.3	7.9	6.9	8.8	8.1	7.8	7.8	.	.
In foreign currencies (% of total)	78.5	80.2	76.9	81.0	82.5	74.6	71.6	74.8	.	.
of which: Euro	76.8	77.3	76.3	80.1	81.8	74.0	71.2	74.6	.	.
Domestic ownership (% of total)	52.7	53.0	52.5	55.8	50.9	53.8	52.2	49.6	.	.
Medium and long-term maturity (% of total) [6]	97.5	95.1	99.9	99.9	100.0	99.9	99.9	99.7	.	.
of which: Variable interest rate (% of total)	6.1	8.9	3.3	4.7	3.3	3.0	3.0	2.2	.	.
Deficit-debt adjustment	**1.1**	**1.8**	**0.4**	**2.0**	**0.8**	**-1.3**	**-0.2**	**0.6**	**.**	**.**
Net acquisitions of main financial assets	1.0	1.4	0.6	-0.7	0.6	0.9	1.6	0.7	.	.
Currency and deposits	0.8	1.0	0.7	-0.4	0.7	0.9	1.7	0.3	.	.
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	.	.
Loans	0.1	0.2	0.0	0.0	0.0	0.0	-0.1	0.3	.	.
Equity and investment fund shares or units	0.1	0.2	-0.1	-0.4	-0.1	0.0	0.0	0.1	.	.
Revaluation effects on debt	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	.	.
of which: Foreign exchange holding gains/losses	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	.	.
Other [7]	0.0	0.3	-0.3	2.6	0.1	-2.2	-1.8	-0.1	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Sales and other current revenue.
4) Intermediate consumption, subsidies payable and other current expenditure.
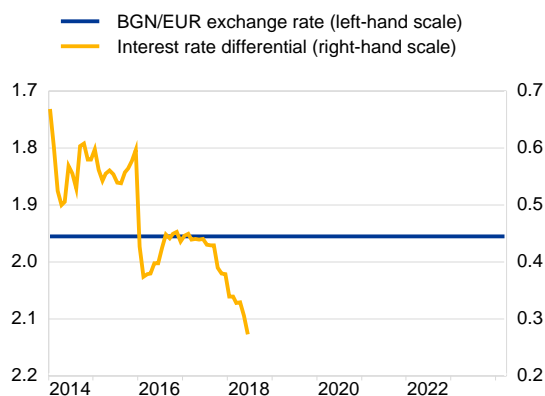5) Cyclically adjusted balance excluding one-off and other temporary measures.
6) Original maturity of more than one year.
7) Time of recording differences and other factors (sector reclassifications and statistical discrepancies).

Bulgaria - Exchange rate and external developments

Chart 5.1.3 Bilateral exchange rate and short-term interest rate differential [1]
(BGN/EUR exchange rate: monthly averages;
difference between three-month interbank interest rates
and three-month EURIBOR: basis points, monthly values)

BGN/EUR exchange rate (left-hand scale)
Interest rate differential (right-hand scale)

Chart 5.1.4 Effective exchange rates [2]
(EER-41 group of trading partners; monthly averages; index: Q1 1999 = 100)

Nominal (left-hand scale)
Real (right-hand scale)

Sources: National data and ECB calculations.
1) The interest rate differential is calculated against SOFIBOR. Production of SOFIBOR reference rate was discontinued by the national central bank as of 1 July 2018; a comparable rate is not currently available.
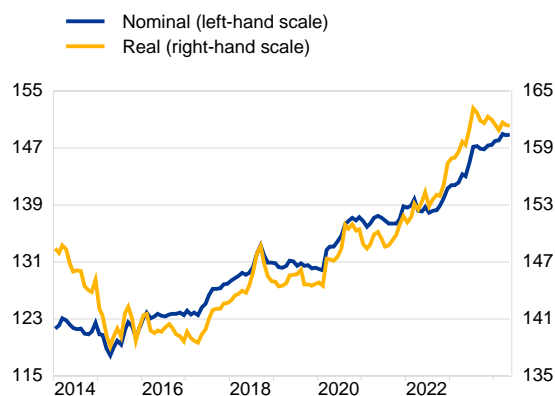
Source: ECB.
2) The real EER-41 is CPI-deflated. An increase (decrease) in the EER indicates an appreciation (depreciation).

Table 5.1.3 External developments
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Balance of payments										
Current account and capital account balance [3]	2.3	3.6	0.9	3.3	1.5	-1.0	-0.5	1.3	1.0	1.5
Current account balance	0.7	1.7	-0.3	1.9	0.0	-1.7	-1.4	-0.3	0.3	-0.3
Goods	-4.2	-4.1	-4.3	-4.7	-3.2	-4.1	-5.9	-3.9	.	.
Services	6.5	6.6	6.4	8.0	5.1	5.9	6.1	7.1	.	.
Primary income	-4.1	-4.1	-4.1	-4.2	-3.5	-4.7	-3.2	-5.0	.	.
Secondary income	2.5	3.3	1.8	2.9	1.6	1.2	1.6	1.5	.	.
Capital account balance	1.6	1.9	1.2	1.4	1.4	0.7	0.9	1.6	.	.
Combined direct and portfolio investment balance [3]	-1.1	-1.4	-0.9	0.6	-3.2	1.5	-1.2	-1.9	.	.
Direct investment	-2.3	-1.9	-2.8	-2.0	-4.5	-1.8	-2.4	-3.3	.	.
Portfolio investment	1.2	0.5	1.9	2.6	1.2	3.2	1.2	1.3	.	.
Other investment balance	1.2	2.5	-0.2	4.3	-2.7	-2.9	0.7	-0.4	.	.
Reserve assets	4.3	4.3	4.3	-0.9	9.4	5.1	4.7	3.5	.	.
Exports of goods and services	63.7	65.0	62.4	64.0	56.1	61.4	69.2	61.1	.	.
Imports of goods and services	61.4	62.6	60.3	60.7	54.2	59.6	69.0	57.9	.	.
Net international investment position [4]	-35.6	-52.2	-19.0	-30.2	-25.6	-18.6	-12.9	-7.6	.	.
Gross external debt [4]	67.6	78.6	56.5	61.3	63.3	58.1	51.6	48.3	.	.
Trade with the euro area [5]										
Exports of goods and services	-	-	-	-	46.1	46.0	43.9	45.2	.	.
Imports of goods and services	-	-	-	-	41.4	41.6	38.5	41.8	.	.
Investment position with the euro area [5]										
Direct investment assets [4]	-	-	-	-	50.0	49.3	49.5	49.9	.	.
Direct investment liabilities [4]	-	-	-	-	64.0	64.8	65.2	64.3	.	.
Portfolio investment assets [4]	-	-	-	-	44.2	50.1	49.0	52.4	.	.
Portfolio investment liabilities [4]	73.5	73.9	73.2	71.2	73.8	76.6	70.2	73.9	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean. Owing to the unavailability of data, the multi-annual averages for the "trade with the euro area" series and for the "direct investment assets", "portfolio investment assets" and "direct investment liabilities" components of the "investment position with the euro area" series are not calculated.
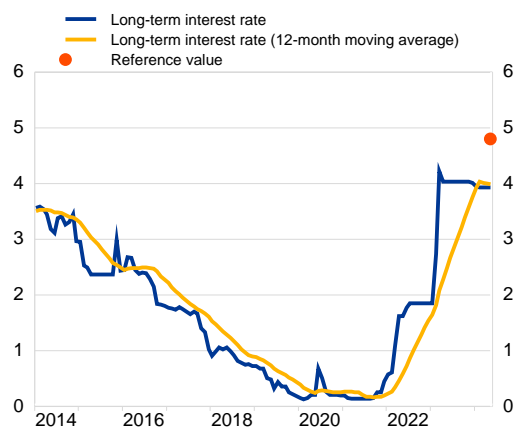2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Differences between totals and the sum of their components are due to rounding.
4) End-of-period outstanding amounts.
5) As a percentage of the total.
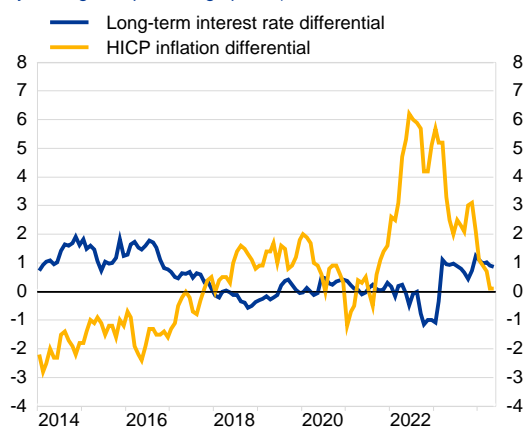
Bulgaria - Long-term interest rate developments

Chart 5.1.5 Long-term interest rate [1]
(monthly averages in percentages)

Sources: European System of Central Banks and ECB calculations.
1) The basis of the calculation of the reference value for the period from June
   2023 to May 2024 is the unweighted arithmetic average of the interest rate
   levels in Denmark, Belgium and the Netherlands plus 2 percentage points.
   The reference value is 4.8%.

Chart 5.1.6 Long-term interest rate and HICP inflation differentials vis-à-vis the euro area
(monthly averages in percentage points)

Sources: European System of Central Banks, ECB calculations and European
Commission (Eurostat).

Table 5.1.4 Long-term interest rates and indicators of financial development and integration
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2020	2021	2022	2023	Jun. 2023 to May. 2024	Memo item: euro area 2023
Long-term interest rates									
Bulgaria [2]	1.7	2.1	1.2	0.3	0.2	1.5	3.8	4.0	-
Euro area [3], [4]	1.2	1.3	1.1	0.0	0.1	1.9	3.1	3.1	-
Euro area AAA par curve, ten-year residual maturity [2], [4]	0.6	0.6	0.6	-0.4	-0.3	1.2	2.5	2.5	-
Indicators of financial development and integration									
Debt securities issued by financial corporations [5]	1.3	1.1	1.4	1.1	1.5	1.4	1.8	-	62.0
Debt securities issued by non-financial corporations [6]	2.7	3.2	2.1	2.4	2.2	1.8	1.7	-	11.7
Stock market capitalisation [7]	14.0	15.4	12.6	10.2	11.2	9.2	9.3	-	67.4
MFI credit to non-government residents [8]	53.4	55.0	51.8	55.3	52.2	48.7	50.0	-	99.6
Claims of euro area MFIs on resident MFIs [9]	4.3	4.4	4.1	2.9	4.0	4.8	5.7	-	26.6

Sources: European System of Central Banks and ECB calculations.
1) Multi-annual averages calculated using the arithmetic mean.
2) Average interest rate.
3) GDP-weighted average of the euro area long-term interest rates for the purpose of assessing convergence.
4) Included for information only.
5) Outstanding amount of debt securities issued by resident MFIs (excluding the national central bank) and other financial corporations at face value.
6) Outstanding amount of debt securities issued by resident non-financial corporations at face value.
7) Outstanding amount of listed shares issued by residents at market value.
8) MFI (excluding national central bank) credit to domestic non-MFI residents other than general government. Credit comprises outstanding amounts of loans and debt securities.
9) Outstanding amount of deposits and debt securities issued by domestic MFIs (excluding the national central bank) held by euro area MFIs as a percentage of total liabilities
   of domestic MFIs (excluding the national central bank). Total liabilities exclude capital and reserves and remaining liabilities.

Czech Republic - Price developments

Chart 5.2.1 HICP inflation and reference value [1]
(annual percentage changes)
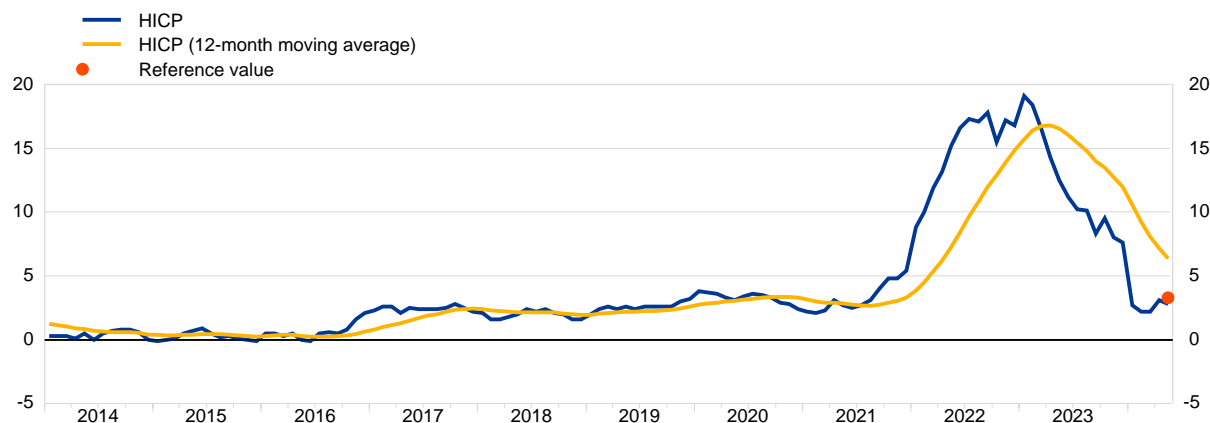
- HICP
- HICP (12-month moving average)
- ● Reference value

Sources: European Commission (Eurostat) and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the annual percentage
changes in the HICP for Denmark, Belgium and the Netherlands plus 1.5 percentage points. The reference value is 3.3%.

Table 5.2.1 Measures of inflation and related indicators
(annual percentage changes, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Measures of inflation										
HICP	4.1	1.1	7.1	2.6	3.3	3.3	14.8	12.0	2.5	2.2
HICP excluding unprocessed food and energy	3.9	1.5	6.3	2.3	3.7	3.8	12.4	9.5	2.8	2.4
HICP at constant tax rates [3]	4.0	1.1	7.0	2.6	3.2	3.4	14.3	12.0	-	-
CPI	4.1	1.2	7.0	2.8	3.2	3.8	15.1	10.7	3.4	2.8
Private consumption deflator	3.8	1.2	6.5	2.8	2.9	2.9	15.0	9.3	3.0	2.4
GDP deflator	3.7	1.7	5.7	3.9	4.3	3.3	8.5	8.6	2.6	2.5
Producer prices [4]	3.3	-0.7	7.5	2.6	0.1	7.1	24.3	5.0	-	-
Related indicators										
Real GDP growth	2.1	3.7	0.6	3.0	-5.5	3.6	2.4	-0.3	1.2	2.8
GDP per capita in PPS [5] (euro area = 100)	85.9	84.0	87.8	88.2	89.1	87.8	86.8	87.3	-	-
Comparative price levels (euro area = 100)	69.4	65.5	74.2	71.1	72.1	73.8	79.8	.	-	-
Output gap [6]	0.0	0.5	-0.5	3.5	-3.8	-0.9	0.4	-1.9	-2.2	-0.9
Unemployment rate (%) [7]	3.2	4.1	2.4	2.0	2.6	2.8	2.2	2.6	2.8	2.9
Unit labour costs, whole economy	3.9	2.6	5.3	4.3	7.3	1.8	5.1	8.2	6.3	4.1
Compensation per employee, whole economy	5.3	5.0	5.7	7.2	3.1	5.0	6.0	7.0	7.3	6.9
Labour productivity, whole economy	1.4	2.4	0.3	2.8	-3.9	3.2	0.8	-1.1	1.0	2.7
Imports of goods and services deflator	1.1	-0.6	2.8	0.8	0.0	4.2	13.1	-3.4	3.9	3.2
Nominal effective exchange rate [8]	1.4	0.8	2.0	-0.6	-1.3	3.8	3.2	4.9	-	-
Money supply (M3) [9]	7.8	7.6	7.9	6.5	9.7	7.2	6.8	9.5	-	-
Lending from banks [10]	6.9	7.2	6.5	5.5	3.3	10.1	8.0	6.0	-	-
Stock prices (PX Index) [11]	43.0	-0.3	43.3	13.1	-7.9	38.8	-15.7	17.7	-	-
Residential property prices	8.5	6.7	10.2	9.2	8.4	19.7	16.9	-1.7	-	-

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs), national data for CPI, money supply, lending from banks
and ECB calculations based on LSEG data for stock prices.
1) Multi-annual averages calculated using the geometric mean, except for GDP per capita in PPS, comparative price levels, output gap and unemployment rate, for which the
arithmetic mean is used.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) The difference between the HICP and the HICP at constant tax rates shows the theoretical impact of changes in indirect taxes (e.g. VAT and excise duties) on the overall rate
of inflation. This impact assumes a full and instantaneous pass-through of tax rate changes to the price paid by the consumer.
4) Domestic sales, total industry excluding construction.
5) PPS stands for purchasing power standards.
6) Percentage difference from potential GDP: a positive (negative) sign indicates that actual GDP is above (below) potential GDP.
7) Definition conforms to International Labor Organization guidelines.
8) EER-41 group of trading partners. A positive (negative) sign indicates an appreciation (depreciation).
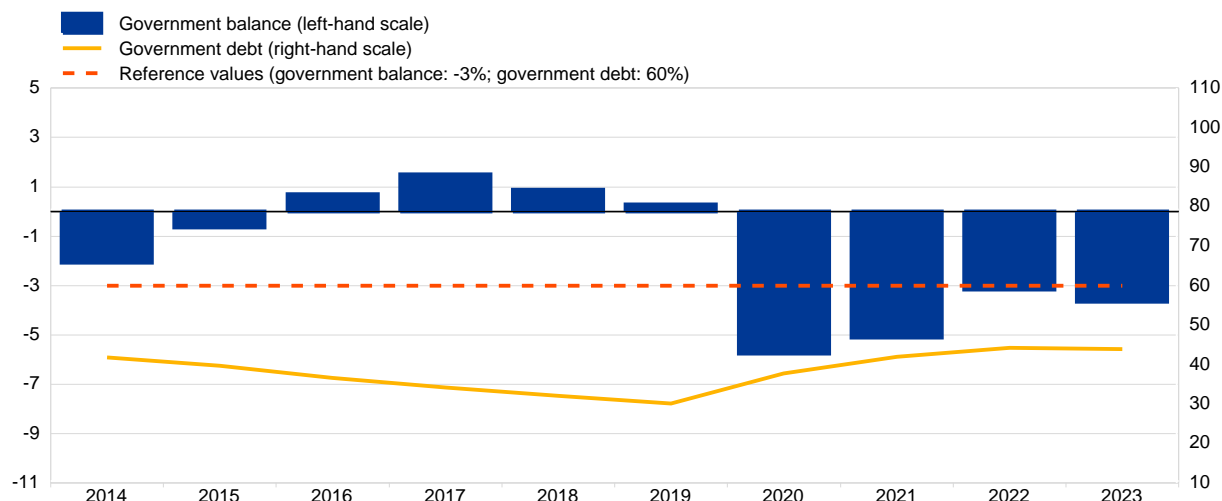9) The series includes repurchase agreements with central counterparties.
10) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.
11) Multi-annual and annual figures represent the percentage change between the end of the given period and the end of the previous period.

Czech Republic - Fiscal developments

Chart 5.2.2 General government balance and debt
(as a percentage of GDP)

Legend:
- Government balance (left-hand scale)
- Government debt (right-hand scale)
- Reference values (government balance: -3%; government debt: 60%)

Sources: European System of Central Banks and European Commission (Eurostat).

Table 5.2.2 Government budgetary developments and projections
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Government balance	**-1.7**	**0.1**	**-3.5**	**0.3**	**-5.8**	**-5.1**	**-3.2**	**-3.7**	**-2.4**	**-1.9**
Total revenue	41.2	40.9	41.5	41.3	41.5	41.4	41.4	41.7	42.3	42.2
Current revenue	40.2	39.8	40.5	40.5	40.5	40.5	40.4	40.8	41.4	41.2
Direct taxes	8.1	8.0	8.2	8.5	8.5	7.7	7.9	8.6	8.6	8.5
Indirect taxes	11.8	12.1	11.4	11.9	11.4	11.5	11.3	11.0	11.3	11.3
Net social contributions	15.4	14.7	16.0	15.5	15.9	16.6	16.0	15.9	16.7	16.8
Other current revenue [3]	4.9	5.0	4.9	4.7	4.7	4.7	5.2	5.3	4.8	4.7
Capital revenue	1.0	1.1	0.9	0.8	0.9	0.9	1.0	0.9	0.8	0.9
Total expenditure	42.9	40.8	44.9	41.1	47.2	46.5	44.6	45.4	44.6	44.1
Current expenditure	37.6	35.9	39.4	36.0	41.1	41.0	38.9	39.8	39.3	38.7
Compensation of employees	9.7	8.9	10.5	9.9	11.1	11.1	10.2	10.1	10.1	10.0
Social benefits	16.4	15.7	17.1	15.3	18.0	17.7	17.1	17.5	17.8	17.4
Interest payable	0.9	0.9	0.9	0.7	0.8	0.8	1.1	1.3	1.4	1.5
Other current expenditure [4]	10.6	10.4	10.8	10.0	11.3	11.5	10.5	10.9	9.9	9.8
Capital expenditure	5.2	4.8	5.6	5.1	6.1	5.5	5.7	5.5	5.4	5.4
of which: Investment	4.4	4.0	4.7	4.4	4.8	4.7	4.7	5.0	4.9	4.9
Cyclically adjusted balance	-1.7	-0.1	-3.3	-1.1	-4.3	-4.8	-3.3	-2.9	-1.5	-1.5
One-off and temporary measures	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Structural balance [5]	-1.7	0.0	-3.3	-1.1	-4.3	-4.8	-3.3	-2.9	-1.5	-1.5
Government debt	**38.2**	**36.9**	**39.6**	**30.0**	**37.7**	**42.0**	**44.2**	**44.0**	45.2	45.5
Average residual maturity (in years)	-	-	-	-	-	-	-	-	.	.
In foreign currencies (% of total)	12.8	16.3	9.3	11.7	8.7	7.7	11.3	7.0	.	.
of which: Euro	12.0	15.2	8.8	11.1	8.1	7.4	10.9	6.7	.	.
Domestic ownership (% of total)	65.4	60.7	70.1	61.6	67.8	71.6	74.5	75.0	.	.
Medium and long-term maturity (% of total) [6]	96.9	96.4	97.4	98.7	98.7	97.4	94.3	97.7	.	.
of which: Variable interest rate (% of total)	13.5	14.8	12.2	12.4	10.2	11.9	13.9	12.4	.	.
Deficit-debt adjustment	**0.4**	**-0.4**	**1.2**	**0.4**	**1.4**	**1.7**	**3.2**	**-0.5**	.	.
Net acquisitions of main financial assets	0.7	0.0	1.4	0.3	2.0	2.4	2.4	-0.1	.	.
Currency and deposits	0.8	0.2	1.3	0.4	2.0	2.4	1.2	0.6	.	.
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.	.
Loans	0.0	-0.1	0.2	-0.1	0.0	0.1	1.3	-0.5	.	.
Equity and investment fund shares or units	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-0.2	.	.
Revaluation effects on debt	-0.1	-0.1	0.0	0.0	0.1	-0.1	-0.2	0.0	.	.
of which: Foreign exchange holding gains/losses	-0.1	-0.1	0.0	0.0	0.1	-0.1	-0.1	0.0	.	.
Other [7]	-0.2	-0.2	-0.2	0.0	-0.7	-0.6	0.9	-0.5	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Sales and other current revenue.
4) Intermediate consumption, subsidies payable and other current expenditure.
5) Cyclically adjusted balance excluding one-off and other temporary measures.
6) Original maturity of more than one year.
7) Time of recording differences and other factors (sector reclassifications and statistical discrepancies).

Czech Republic - Exchange rate and external developments

Chart 5.2.3 Bilateral exchange rate and short-term interest rate differential
(CZK/EUR exchange rate: monthly averages;
difference between three-month interbank interest rates
and three-month EURIBOR: basis points, monthly values)

- CZK/EUR exchange rate (left-hand scale)
- Interest rate differential (right-hand scale)
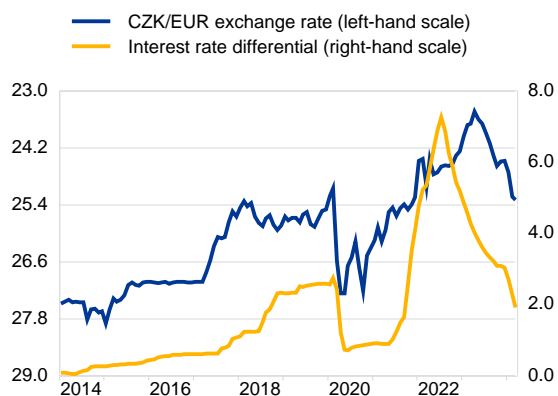
Sources: National data and ECB calculations.

Chart 5.2.4 Effective exchange rates [1]
(EER-41 group of trading partners; monthly averages; index: Q1 1999 = 100)

- Nominal (left-hand scale)
- Real (right-hand scale)
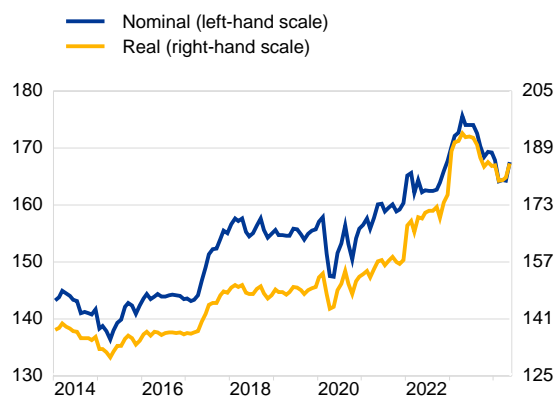
Source: ECB.
1) The real EER-41 is CPI-deflated. An increase (decrease) in the EER indicates an appreciation (depreciation).

Table 5.2.3 External developments
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Balance of payments										
Current account and capital account balance [3]	1.0	1.9	0.1	0.8	3.2	-1.1	-4.2	1.6	2.7	2.4
Current account balance	-0.1	0.9	-1.0	0.3	2.0	-2.8	-4.9	0.4	1.9	1.4
Goods	3.7	4.7	2.8	4.1	4.9	1.1	-0.3	4.0	.	.
Services	1.8	2.0	1.6	1.8	1.8	1.7	1.4	1.3	.	.
Primary income	-5.1	-5.3	-4.8	-5.0	-4.2	-5.1	-5.4	-4.3	.	.
Secondary income	-0.5	-0.5	-0.5	-0.6	-0.5	-0.5	-0.6	-0.5	.	.
Capital account balance	1.0	1.0	1.0	0.4	1.2	1.7	0.7	1.2	.	.
Combined direct and portfolio investment balance [3]	-2.0	-3.2	-0.8	-4.2	-5.0	0.7	3.6	1.0	.	.
Direct investment	-1.3	-1.3	-1.4	-2.4	-2.6	-0.5	-1.2	-0.2	.	.
Portfolio investment	-0.6	-1.9	0.6	-1.8	-2.4	1.2	4.9	1.2	.	.
Other investment balance	-1.6	-3.6	0.3	2.4	6.8	-5.3	-2.8	0.5	.	.
Reserve assets	4.9	9.1	0.7	1.9	0.8	4.9	-4.5	0.4	.	.
Exports of goods and services	76.1	79.5	72.8	73.9	70.0	72.9	75.5	71.6	.	.
Imports of goods and services	70.6	72.8	68.4	67.9	63.3	70.1	74.4	66.3	.	.
Net international investment position [4]	-22.8	-29.1	-16.5	-19.8	-16.3	-14.5	-18.7	-13.2	.	.
Gross external debt [4]	73.0	75.1	70.9	75.7	75.7	74.0	66.2	62.9	.	.
Trade with the euro area [5]										
Exports of goods and services	62.6	62.7	62.6	62.3	62.6	62.6	63.2	62.4	.	.
Imports of goods and services	51.2	52.9	49.6	51.8	50.6	49.2	47.1	49.0	.	.
Investment position with the euro area [5]										
Direct investment assets [4]	74.3	78.5	70.0	73.7	73.2	71.5	66.2	65.6	.	.
Direct investment liabilities [4]	79.5	80.9	78.0	80.0	79.1	78.4	76.6	76.0	.	.
Portfolio investment assets [4]	70.4	71.2	69.5	69.8	69.7	69.8	69.5	68.9	.	.
Portfolio investment liabilities [4]	63.6	56.7	70.6	69.1	71.0	74.5	74.4	63.8	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean.
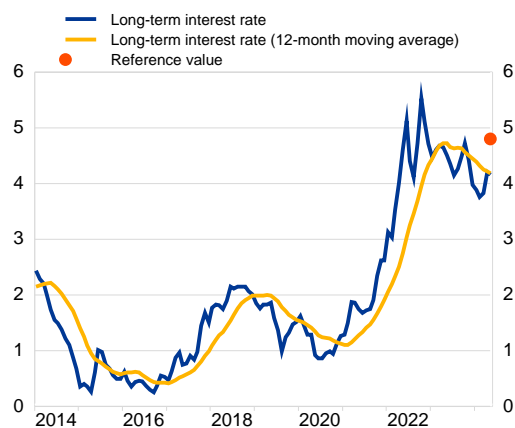2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Differences between totals and the sum of their components are due to rounding.
4) End-of-period outstanding amounts.
5) As a percentage of the total.

# Czech Republic - Long-term interest rate developments

Chart 5.2.5 Long-term interest rate [1]
(monthly averages in percentages)

Sources: European System of Central Banks and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the interest rate levels in Denmark, Belgium and the Netherlands plus 2 percentage points. The reference value is 4.8%.

Chart 5.2.6 Long-term interest rate and HICP inflation differentials vis-à-vis the euro area
(monthly averages in percentage points)
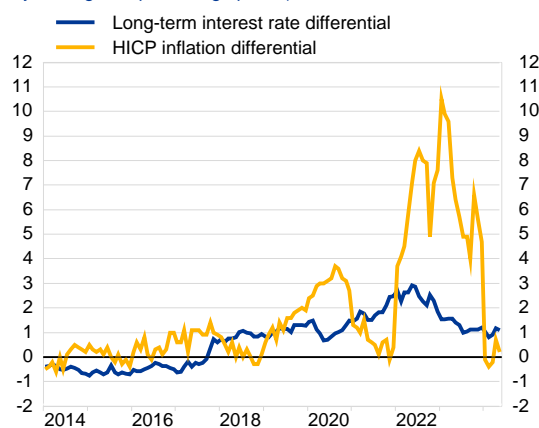
Sources: European System of Central Banks, ECB calculations and European Commission (Eurostat).

Table 5.2.4 Long-term interest rates and indicators of financial development and integration
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2020	2021	2022	2023	Jun. 2023 to May. 2024	Memo item: euro area 2023
Long-term interest rates									
Czech Republic [2]	1.9	1.1	2.7	1.1	1.9	4.3	4.4	4.2	-
Euro area [3], [4]	1.2	1.3	1.1	0.0	0.1	1.9	3.1	3.1	-
Euro area AAA par curve, ten-year residual maturity [2], [4]	0.6	0.6	0.6	-0.4	-0.3	1.2	2.5	2.5	-
Indicators of financial development and integration									
Debt securities issued by financial corporations [5]	14.4	13.0	15.8	16.1	20.0	17.5	16.3	-	62.0
Debt securities issued by non-financial corporations [6]	6.0	7.2	4.8	5.5	4.4	3.9	3.6	-	11.7
Stock market capitalisation [7]	11.9	13.1	10.7	9.9	13.3	9.5	10.4	-	67.4
MFI credit to non-government residents [8]	54.9	54.1	55.7	56.9	57.9	55.1	54.2	-	99.6
Claims of euro area MFIs on resident MFIs [9]	18.9	17.8	20.0	22.8	22.4	16.5	13.1	-	26.6

Sources: European System of Central Banks and ECB calculations.
1) Multi-annual averages calculated using the arithmetic mean.
2) Average interest rate.
3) GDP-weighted average of the euro area long-term interest rates for the purpose of assessing convergence.
4) Included for information only.
5) Outstanding amount of debt securities issued by resident MFIs (excluding the national central bank) and other financial corporations at face value.
6) Outstanding amount of debt securities issued by resident non-financial corporations at face value.
7) Outstanding amount of listed shares issued by residents at market value.
8) MFI (excluding national central bank) credit to domestic non-MFI residents other than general government. Credit comprises outstanding amounts of loans and debt securities.
9) Outstanding amount of deposits and debt securities issued by domestic MFIs (excluding the national central bank) held by euro area MFIs as a percentage of total liabilities of domestic MFIs (excluding the national central bank). Total liabilities exclude capital and reserves and remaining liabilities.

Hungary - Price developments

Chart 5.3.1 HICP inflation and reference value [1]
(annual percentage changes)
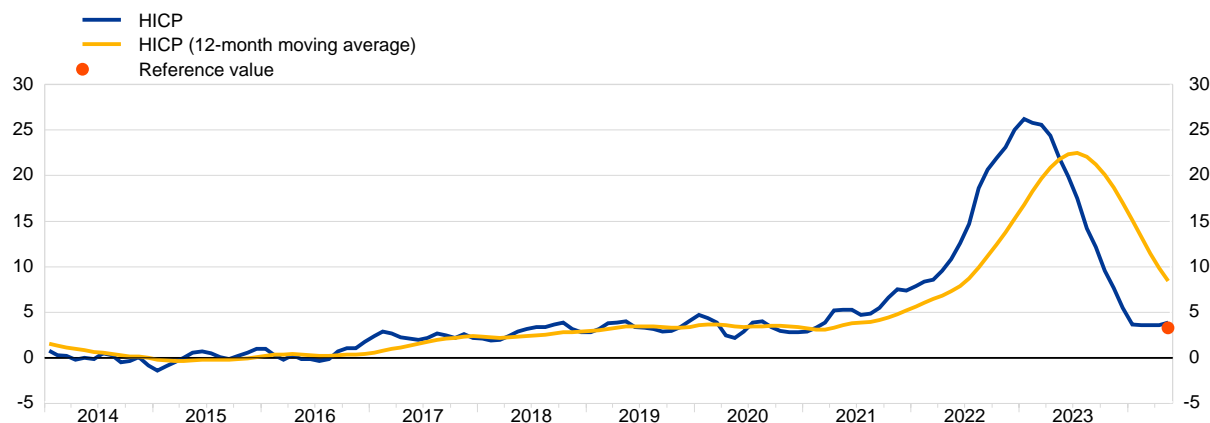
- HICP
- HICP (12-month moving average)
- ● Reference value

Sources: European Commission (Eurostat) and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the annual percentage changes in the HICP for Denmark, Belgium and the Netherlands plus 1.5 percentage points. The reference value is 3.3%.

Table 5.3.1 Measures of inflation and related indicators
(annual percentage changes, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Measures of inflation										
HICP	4.9	1.2	8.7	3.4	3.4	5.2	15.3	17.0	4.1	3.7
HICP excluding unprocessed food and energy	5.0	1.8	8.4	3.7	3.7	4.5	14.2	16.8	4.7	4.3
HICP at constant tax rates [3]	4.8	1.4	8.4	3.2	3.3	4.7	15.3	16.2	-	-
CPI	4.7	1.1	8.5	3.4	3.3	5.1	14.5	17.6	4.1	3.7
Private consumption deflator	5.3	1.9	8.8	4.6	3.4	6.3	15.2	15.3	4.1	3.7
GDP deflator	6.2	3.3	9.2	4.8	6.4	6.4	14.2	14.7	5.3	3.8
Producer prices [4]	8.8	0.4	17.9	3.9	0.8	16.9	53.1	21.5	-	-
Related indicators										
Real GDP growth	3.0	3.9	2.1	4.9	-4.5	7.1	4.6	-0.9	2.4	3.5
GDP per capita in PPS [5] (euro area = 100)	68.4	65.3	71.6	69.1	71.1	71.3	73.0	73.3	-	-
Comparative price levels (euro area = 100)	61.7	60.0	63.8	63.8	62.7	64.7	64.1	.	-	-
Output gap [6]	0.7	1.1	0.2	4.3	-3.4	0.1	1.6	-1.4	-1.2	-0.2
Unemployment rate (%) [7]	4.6	5.3	3.8	3.3	4.1	4.1	3.6	4.1	4.5	4.0
Unit labour costs, whole economy	5.3	2.7	8.1	3.1	6.6	2.3	13.7	15.2	9.2	4.8
Compensation per employee, whole economy	6.7	3.7	9.7	7.0	3.1	8.2	17.0	14.0	11.7	7.7
Labour productivity, whole economy	1.3	1.0	1.6	3.7	-3.3	5.8	3.0	-1.1	2.3	2.8
Imports of goods and services deflator	3.6	0.5	6.9	1.2	2.4	10.3	28.3	-4.7	3.7	2.0
Nominal effective exchange rate [8]	-1.9	-0.8	-3.0	-2.5	-5.9	-1.5	-9.3	4.7	-	-
Money supply (M3) [9]	8.5	6.9	10.0	8.4	18.9	15.4	5.5	2.7	-	-
Lending from banks [10]	6.2	1.6	11.1	15.1	11.4	12.3	11.5	5.5	-	-
Stock prices (BUX) [11]	226.5	110.8	54.9	17.7	-8.6	20.5	-13.7	38.4	-	-
Residential property prices	12.2	11.4	13.1	17.0	4.9	16.5	22.3	5.6	-	-

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs), national data for CPI, money supply, lending from banks and ECB calculations based on LSEG data for stock prices.
1) Multi-annual averages calculated using the geometric mean, except for GDP per capita in PPS, comparative price levels, output gap and unemployment rate, for which the arithmetic mean is used.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) The difference between the HICP and the HICP at constant tax rates shows the theoretical impact of changes in indirect taxes (e.g. VAT and excise duties) on the overall rate of inflation. This impact assumes a full and instantaneous pass-through of tax rate changes to the price paid by the consumer.
4) Domestic sales, total industry excluding construction.
5) PPS stands for purchasing power standards.
6) Percentage difference from potential GDP: a positive (negative) sign indicates that actual GDP is above (below) potential GDP.
7) Definition conforms to International Labor Organization guidelines.
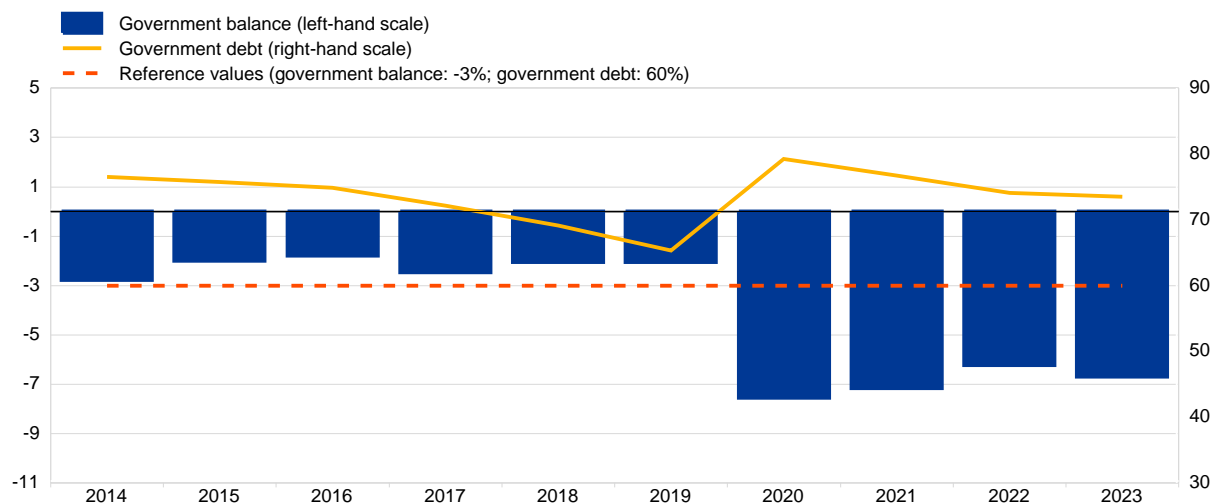8) EER-41 group of trading partners. A positive (negative) sign indicates an appreciation (depreciation).
9) The series includes repurchase agreements with central counterparties.
10) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.
11) Multi-annual and annual figures represent the percentage change between the end of the given period and the end of the previous period.

Hungary - Fiscal developments

Chart 5.3.2 General government balance and debt
(as a percentage of GDP)

Legend:
- Government balance (left-hand scale)
- Government debt (right-hand scale)
- Reference values (government balance: -3%; government debt: 60%)

Sources: European System of Central Banks and European Commission (Eurostat).

Table 5.3.2 Government budgetary developments and projections
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Government balance	**-4.1**	**-2.2**	**-5.9**	**-2.0**	**-7.6**	**-7.2**	**-6.2**	**-6.7**	**-5.4**	**-4.5**
Total revenue	44.3	45.8	42.9	44.0	43.8	41.2	42.7	42.4	42.9	42.4
Current revenue	42.6	43.8	41.3	42.2	41.9	39.3	41.3	41.6	41.8	40.9
Direct taxes	6.8	6.9	6.6	6.5	6.7	5.6	6.9	7.5	7.7	7.5
Indirect taxes	18.0	18.2	17.8	17.9	18.0	17.6	18.1	17.5	17.5	16.9
Net social contributions	11.8	13.0	10.7	11.7	11.1	10.5	9.9	10.0	10.4	10.5
Other current revenue [3]	6.0	5.7	6.2	6.1	6.1	5.6	6.4	6.7	6.3	6.0
Capital revenue	1.8	1.9	1.6	1.8	1.9	2.0	1.4	0.8	1.1	1.5
Total expenditure	48.4	48.0	48.8	46.1	51.4	48.4	48.9	49.1	48.3	46.9
Current expenditure	40.2	40.7	39.6	37.9	40.1	38.9	39.3	41.9	41.8	40.1
Compensation of employees	10.5	10.5	10.4	10.5	11.0	10.6	10.3	9.7	10.1	10.2
Social benefits	13.2	14.2	12.1	12.1	12.5	12.2	11.7	12.2	12.1	11.9
Interest payable	3.0	3.1	2.9	2.2	2.3	2.3	2.8	4.7	4.9	4.1
Other current expenditure [4]	13.5	12.9	14.2	13.1	14.3	13.9	14.5	15.3	14.6	13.8
Capital expenditure	8.2	7.3	9.2	8.2	11.3	9.5	9.6	7.2	6.6	6.8
of which: Investment	5.5	5.1	5.9	6.3	6.5	6.3	5.4	5.1	4.6	4.7
Cyclically adjusted balance	-4.4	-2.7	-6.0	-4.0	-6.0	-7.2	-7.0	-6.0	-4.9	-4.4
One-off and temporary measures	0.0	0.0	0.0	-0.2	0.1	-0.1	0.0	0.0	0.0	0.0
Structural balance [5]	-4.4	-2.7	-6.0	-3.9	-6.1	-7.1	-7.0	-6.0	-4.9	-4.4
Government debt	**73.7**	**73.7**	**73.8**	**65.3**	**79.3**	**76.7**	**74.1**	**73.5**	**74.3**	**73.8**
Average residual maturity (in years)	4.8	4.1	5.4	4.1	5.1	5.9	5.8	5.9	.	.
In foreign currencies (% of total)	28.2	31.7	24.7	20.5	22.0	22.6	28.5	29.7	.	.
of which: Euro	28.2	31.7	24.7	20.5	22.0	22.6	28.5	29.7	.	.
Domestic ownership (% of total)	61.3	56.6	66.1	66.2	66.6	68.1	65.8	63.7	.	.
Medium and long-term maturity (% of total) [6]	87.4	83.4	91.5	88.6	91.9	94.2	90.2	92.6	.	.
of which: Variable interest rate (% of total)	13.6	12.7	14.5	13.1	10.8	10.6	17.0	21.3	.	.
Deficit-debt adjustment	**2.0**	**1.3**	**2.6**	**0.4**	**7.4**	**0.0**	**3.6**	**1.7**	**.**	**.**
Net acquisitions of main financial assets	1.5	0.9	2.0	-0.1	5.8	-0.5	1.3	3.6	.	.
Currency and deposits	0.7	0.5	0.9	-0.6	4.7	-1.7	0.4	1.9	.	.
Debt securities	0.0	-0.1	0.1	-0.1	0.0	0.0	0.3	0.1	.	.
Loans	0.6	0.4	0.7	0.2	0.6	1.1	0.2	1.4	.	.
Equity and investment fund shares or units	0.2	0.1	0.3	0.4	0.5	0.2	0.4	0.2	.	.
Revaluation effects on debt	0.6	0.6	0.7	0.4	1.7	0.7	2.0	-1.4	.	.
of which: Foreign exchange holding gains/losses	0.6	0.5	0.6	0.6	1.7	0.4	1.3	-0.8	.	.
Other [7]	-0.1	-0.2	-0.1	0.0	-0.1	-0.3	0.4	-0.5	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Sales and other current revenue.
4) Intermediate consumption, subsidies payable and other current expenditure.
5) Cyclically adjusted balance excluding one-off and other temporary measures.
6) Original maturity of more than one year.
7) Time of recording differences and other factors (sector reclassifications and statistical discrepancies).

Hungary - Exchange rate and external developments

## Chart 5.3.3 Bilateral exchange rate and short-term interest rate differential
(HUF/EUR exchange rate: monthly averages;
difference between three-month interbank interest rates
and three-month EURIBOR: basis points, monthly values)

- HUF/EUR exchange rate (left-hand scale)
- Interest rate differential (right-hand scale)
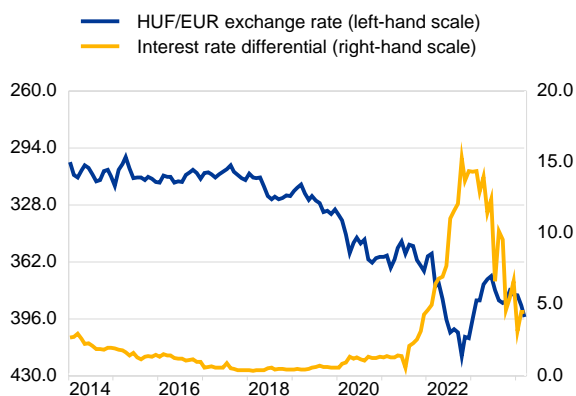
Sources: National data and ECB calculations.

Chart 5.3.4 Effective exchange rates [1]
(EER-41 group of trading partners; monthly averages; index: Q1 1999 = 100)

- Nominal (left-hand scale)
- Real (right-hand scale)
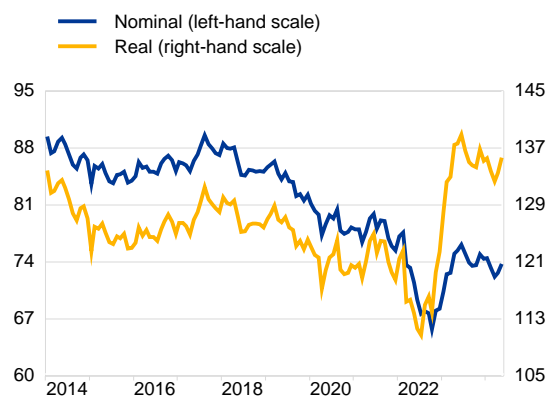
Source: ECB.
1) The real EER-41 is CPI-deflated. An increase (decrease) in the EER indicates an appreciation (depreciation).

Table 5.3.3 External developments
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Balance of payments										
Current account and capital account balance [3]	1.7	4.3	-0.9	1.1	1.0	-1.6	-6.2	1.2	1.8	0.5
Current account balance	-0.4	2.0	-2.8	-0.8	-1.1	-4.1	-8.3	0.3	0.0	-1.4
Goods	-0.7	1.7	-3.1	-2.5	-1.0	-2.9	-9.1	0.1	.	.
Services	4.6	5.1	4.1	4.8	2.9	3.1	4.7	5.0	.	.
Primary income	-3.4	-3.8	-2.9	-2.5	-2.5	-3.2	-2.9	-3.5	.	.
Secondary income	-0.9	-1.0	-0.9	-0.6	-0.5	-1.1	-1.0	-1.3	.	.
Capital account balance	2.1	2.3	1.9	1.9	2.1	2.5	2.1	0.9		
Combined direct and portfolio investment balance [3]	-1.3	0.8	-3.3	0.9	-3.8	-2.2	-5.3	-6.3		
Direct investment	-2.0	-2.3	-1.8	-0.1	-1.9	-2.5	-2.7	-1.7		
Portfolio investment	0.8	3.0	-1.5	1.1	-1.8	0.3	-2.6	-4.6		
Other investment balance	1.2	3.9	-1.5	-0.8	-1.9	-4.4	-3.0	2.8		
Reserve assets	0.2	-1.2	1.7	0.2	4.3	2.4	0.4	1.3		
Exports of goods and services	84.3	86.2	82.4	81.6	78.8	79.9	90.5	81.1	.	.
Imports of goods and services	80.4	79.4	81.4	79.3	76.8	79.7	94.9	76.0	.	.
Net international investment position [4]	-56.6	-62.4	-50.9	-49.6	-52.5	-53.6	-52.1	-46.6	.	.
Gross external debt [4]	130.0	119.6	140.4	98.9	156.7	161.0	156.3	129.3	.	.
Trade with the euro area [5]										
Exports of goods and services	-	-	59.0	59.1	60.0	57.7	59.4	58.8	.	.
Imports of goods and services	-	-	56.5	57.7	56.7	57.6	55.2	55.1	.	.
Investment position with the euro area [5]										
Direct investment assets [4]	-	-	33.2	27.9	33.5	31.8	34.3	38.7	.	.
Direct investment liabilities [4]	-	-	43.3	36.2	46.3	42.0	44.2	47.9	.	.
Portfolio investment assets [4]	-	-	61.5	60.5	59.4	60.2	62.1	65.4	.	.
Portfolio investment liabilities [4]	42.8	40.1	45.4	37.7	43.7	46.6	48.3	50.9	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean. Owing to the unavailability of data, the multi-annual averages for the "trade with the euro area" series and for the "direct investment assets", "portfolio investment assets" and "direct investment liabilities" components of the "investment position with the euro area" series are not calculated.
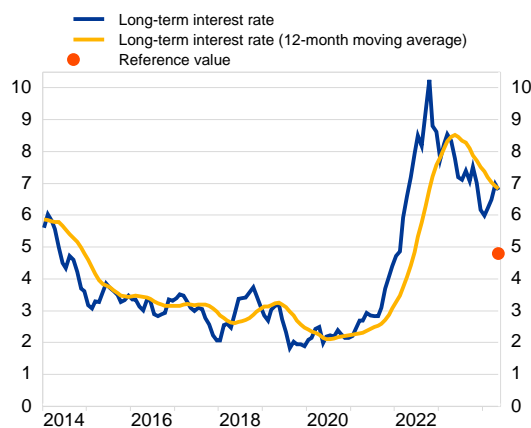2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Differences between totals and the sum of their components are due to rounding.
4) End-of-period outstanding amounts.
5) As a percentage of the total.

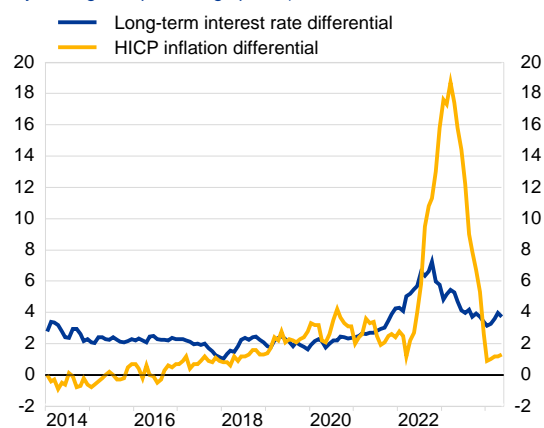# Hungary - Long-term interest rate developments

Chart 5.3.5 Long-term interest rate [1]
(monthly averages in percentages)

Sources: European System of Central Banks and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the interest rate levels in Denmark, Belgium and the Netherlands plus 2 percentage points. The reference value is 4.8%.

Chart 5.3.6 Long-term interest rate and HICP inflation differentials vis-à-vis the euro area
(monthly averages in percentage points)

Sources: European System of Central Banks, ECB calculations and European Commission (Eurostat).

Table 5.3.4 Long-term interest rates and indicators of financial development and integration
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2020	2021	2022	2023	Jun. 2023 to May. 2024	Memo item: euro area 2023
Long-term interest rates									
Hungary [2]	4.0	3.5	4.6	2.2	3.1	7.6	7.5	6.8	-
Euro area [3], [4]	1.2	1.3	1.1	0.0	0.1	1.9	3.1	3.1	-
Euro area AAA par curve, ten-year residual maturity [2], [4]	0.6	0.6	0.6	-0.4	-0.3	1.2	2.5	2.5	-
Indicators of financial development and integration									
Debt securities issued by financial corporations [5]	7.8	7.3	8.3	6.8	7.1	9.4	12.7	-	62.0
Debt securities issued by non-financial corporations [6]	2.8	1.5	4.2	3.2	5.9	5.4	4.7	-	11.7
Stock market capitalisation [7]	17.0	16.8	17.3	17.1	18.1	13.3	17.6	-	67.4
MFI credit to non-government residents [8]	37.7	37.4	38.0	40.3	40.9	38.2	35.1	-	99.6
Claims of euro area MFIs on resident MFIs [9]	4.9	4.9	4.8	3.5	3.7	5.2	7.3	-	26.6

Sources: European System of Central Banks and ECB calculations.
1) Multi-annual averages calculated using the arithmetic mean.
2) Average interest rate.
3) GDP-weighted average of the euro area long-term interest rates for the purpose of assessing convergence.
4) Included for information only.
5) Outstanding amount of debt securities issued by resident MFIs (excluding the national central bank) and other financial corporations at face value.
6) Outstanding amount of debt securities issued by resident non-financial corporations at face value.
7) Outstanding amount of listed shares issued by residents at market value.
8) MFI (excluding national central bank) credit to domestic non-MFI residents other than general government. Credit comprises outstanding amounts of loans and debt securities.
9) Outstanding amount of deposits and debt securities issued by domestic MFIs (excluding the national central bank) held by euro area MFIs as a percentage of total liabilities of domestic MFIs (excluding the national central bank). Total liabilities exclude capital and reserves and remaining liabilities.

Poland - Price developments

Chart 5.4.1 HICP inflation and reference value [1]
(annual percentage changes)
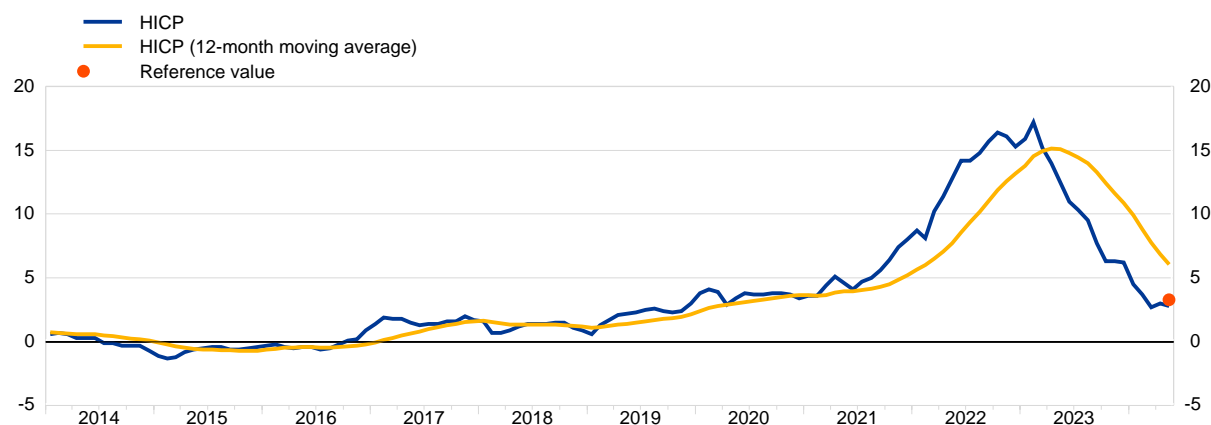
Sources: European Commission (Eurostat) and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the annual percentage changes in the HICP for Denmark, Belgium and the Netherlands plus 1.5 percentage points. The reference value is 3.3%.

Table 5.4.1 Measures of inflation and related indicators
(annual percentage changes, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Measures of inflation										
HICP	3.6	0.4	6.9	2.1	3.7	5.2	13.2	10.9	4.3	4.2
HICP excluding unprocessed food and energy	3.4	0.6	6.3	2.3	4.2	4.2	10.3	10.7	4.5	3.7
HICP at constant tax rates [3]	3.7	0.3	7.2	2.1	3.5	5.1	16.1	9.6	-	-
CPI	1.0	0.2	1.9	2.3	3.4	5.1	14.4	11.4	4.8	4.6
Private consumption deflator	3.7	0.4	7.1	2.2	3.5	5.4	14.0	10.8	4.5	4.2
GDP deflator	3.8	1.0	6.7	3.0	4.3	5.3	10.6	10.7	4.5	4.2
Producer prices [4]	4.4	0.7	8.2	1.6	-0.9	9.8	28.9	4.0	-	-
Related indicators										
Real GDP growth	3.7	4.4	3.0	4.5	-2.0	6.9	5.6	0.2	2.8	3.4
GDP per capita in PPS [5] (euro area = 100)	69.3	64.7	73.8	69.0	72.8	73.9	76.5	76.8	-	-
Comparative price levels (euro area = 100)	55.8	55.1	56.6	56.7	55.9	56.5	57.5	.	-	-
Output gap [6]	0.0	-0.3	0.2	2.7	-2.8	0.7	1.8	-1.1	-1.2	-0.6
Unemployment rate (%) [7]	4.8	6.4	3.1	3.3	3.2	3.4	2.9	2.8	3.0	2.9
Unit labour costs, whole economy	3.8	1.2	6.4	3.9	7.5	0.4	7.3	13.3	7.0	3.6
Compensation per employee, whole economy	6.3	4.5	8.2	8.6	5.3	4.7	9.1	13.4	10.1	7.1
Labour productivity, whole economy	2.4	3.2	1.7	4.5	-2.0	4.3	1.7	0.0	2.8	3.3
Imports of goods and services deflator	3.0	0.1	6.0	1.8	0.1	11.3	22.9	-4.2	-1.7	2.0
Nominal effective exchange rate [8]	-0.1	0.5	-0.7	-1.4	-1.7	-2.4	-3.9	6.2	-	-
Money supply (M3) [9]	8.7	8.1	9.3	8.7	15.3	8.5	4.6	9.8	-	-
Lending from banks [10]	4.3	5.9	2.7	5.8	-1.2	5.7	1.1	2.4	-	-
Stock prices (Warsaw General Index) [11]	53.0	12.5	36.0	0.2	-1.4	21.5	-17.1	36.5	-	-
Residential property prices	6.3	2.9	9.8	8.7	10.5	9.2	11.8	8.8	-	-

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs), national data for CPI, money supply, lending from banks and ECB calculations based on LSEG data for stock prices.
1) Multi-annual averages calculated using the geometric mean, except for GDP per capita in PPS, comparative price levels, output gap and unemployment rate, for which the arithmetic mean is used.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) The difference between the HICP and the HICP at constant tax rates shows the theoretical impact of changes in indirect taxes (e.g. VAT and excise duties) on the overall rate of inflation. This impact assumes a full and instantaneous pass-through of tax rate changes to the price paid by the consumer.
4) Domestic sales, total industry excluding construction.
5) PPS stands for purchasing power standards.
6) Percentage difference from potential GDP: a positive (negative) sign indicates that actual GDP is above (below) potential GDP.
7) Definition conforms to International Labor Organization guidelines.
8) EER-41 group of trading partners. A positive (negative) sign indicates an appreciation (depreciation).
9) The series includes repurchase agreements with central counterparties.
10) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.
11) Multi-annual and annual figures represent the percentage change between the end of the given period and the end of the previous period.

Poland - Fiscal developments

Chart 5.4.2 General government balance and debt
(as a percentage of GDP)
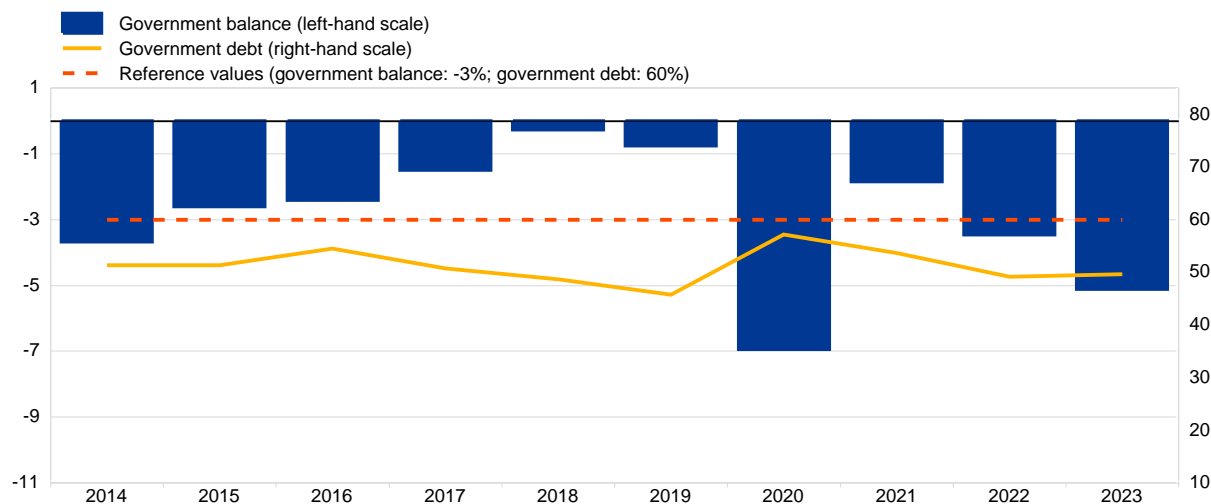
Sources: European System of Central Banks and European Commission (Eurostat).

Table 5.4.2 Government budgetary developments and projections
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Government balance	**-2.8**	**-2.1**	**-3.6**	**-0.7**	**-6.9**	**-1.8**	**-3.4**	**-5.1**	**-5.4**	**-4.6**
Total revenue	40.5	39.7	41.3	41.1	41.3	42.3	40.2	41.6	44.0	43.9
Current revenue	39.5	38.7	40.3	40.0	40.1	41.3	39.5	40.6	42.8	42.7
Direct taxes	7.5	7.2	7.8	7.9	7.9	8.3	7.6	7.4	8.0	8.2
Indirect taxes	13.8	13.5	14.2	13.8	14.0	15.2	13.7	14.1	15.0	14.7
Net social contributions	13.9	13.7	14.1	14.2	14.5	14.0	13.7	14.2	14.6	14.5
Other current revenue [3]	4.2	4.3	4.2	4.1	3.8	3.9	4.4	4.8	5.2	5.3
Capital revenue	1.0	1.0	1.0	1.1	1.2	0.9	0.7	1.1	1.3	1.2
Total expenditure	43.3	41.8	44.9	41.9	48.2	44.1	43.6	46.7	49.4	48.5
Current expenditure	38.2	37.0	39.4	37.2	42.5	39.0	38.2	40.4	42.7	41.8
Compensation of employees	10.3	10.4	10.3	10.3	10.8	10.4	9.8	10.1	10.6	10.6
Social benefits	17.2	16.7	17.7	17.3	18.6	18.0	16.9	17.7	19.4	19.5
Interest payable	1.6	1.7	1.5	1.4	1.3	1.1	1.5	2.1	2.2	2.4
Other current expenditure [4]	9.1	8.2	10.0	8.2	11.8	9.5	10.0	10.5	10.6	9.3
Capital expenditure	5.1	4.7	5.5	4.7	5.7	5.1	5.4	6.4	6.7	6.8
of which: Investment	4.3	4.2	4.3	4.3	4.5	4.1	3.8	5.0	5.1	5.4
Cyclically adjusted balance	-2.8	-1.9	-3.7	-2.1	-5.5	-2.2	-4.3	-4.5	-4.8	-4.3
One-off and temporary measures	0.0	-0.1	0.1	0.0	0.3	0.2	0.3	0.0	0.0	0.0
Structural balance [5]	-2.9	-1.9	-3.9	-2.1	-5.8	-2.4	-4.6	-4.5	-4.8	-4.3
Government debt	**51.2**	**51.3**	**51.1**	**45.7**	**57.2**	**53.6**	**49.2**	**49.6**	**53.7**	**57.7**
Average residual maturity (in years)	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	.	.
In foreign currencies (% of total)	29.1	33.6	24.5	28.4	23.4	22.3	24.2	24.4	.	.
of which: Euro	23.6	26.0	21.3	23.8	20.0	19.5	21.6	21.4	.	.
Domestic ownership (% of total)	54.6	45.4	63.8	55.9	65.5	66.9	64.3	66.4	.	.
Medium and long-term maturity (% of total) [6]	98.8	99.2	98.5	98.9	98.2	98.8	98.2	98.4	.	.
of which: Variable interest rate (% of total)	21.2	20.7	21.7	23.9	19.2	20.1	21.6	23.7	.	.
Deficit-debt adjustment	**0.1**	**-1.0**	**1.2**	**-0.3**	**5.5**	**1.0**	**-0.1**	**0.1**	**.**	**.**
Net acquisitions of main financial assets	1.2	0.5	1.9	0.9	5.5	1.8	0.4	0.9	.	.
Currency and deposits	0.7	0.3	1.2	0.5	3.3	1.3	1.1	-0.3	.	.
Debt securities	0.1	0.0	0.1	0.3	0.5	0.4	-0.8	0.1	.	.
Loans	0.4	0.2	0.6	0.1	1.6	0.2	0.4	0.8	.	.
Equity and investment fund shares or units	-0.1	-0.1	0.0	0.0	0.1	-0.1	-0.3	0.2	.	.
Revaluation effects on debt	0.2	0.4	0.0	-0.1	0.7	0.0	0.6	-1.1	.	.
of which: Foreign exchange holding gains/losses	0.2	0.3	0.0	-0.1	1.0	0.1	0.2	-0.9	.	.
Other [7]	-1.3	-1.9	-0.6	-1.1	-0.6	-0.8	-1.1	0.4	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Sales and other current revenue.
4) Intermediate consumption, subsidies payable and other current expenditure.
5) Cyclically adjusted balance excluding one-off and other temporary measures.
6) Original maturity of more than one year.
7) Time of recording differences and other factors (sector reclassifications and statistical discrepancies).

Poland - Exchange rate and external developments

## Chart 5.4.3 Bilateral exchange rate and short-term interest rate differential
(PLN/EUR exchange rate: monthly averages;
difference between three-month interbank interest rates
and three-month EURIBOR: basis points, monthly values)

PLN/EUR exchange rate (left-hand scale)
Interest rate differential (right-hand scale)
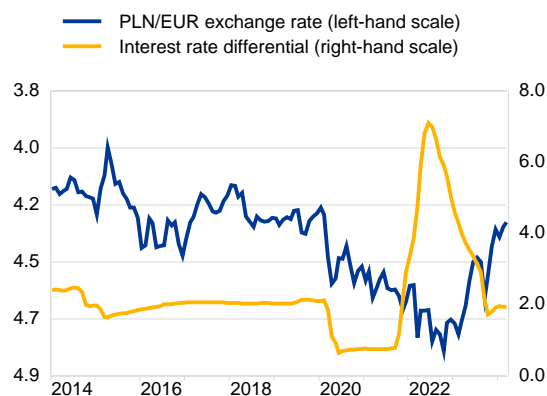
Sources: National data and ECB calculations.

Chart 5.4.4 Effective exchange rates [1]
(EER-41 group of trading partners; monthly averages; index: Q1 1999 = 100)

Nominal (left-hand scale)
Real (right-hand scale)
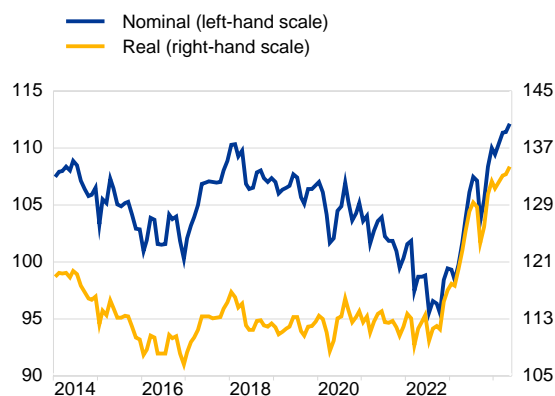
Source: ECB.
1) The real EER-41 is CPI-deflated. An increase (decrease) in the EER indicates an appreciation (depreciation).

Table 5.4.3 External developments
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Balance of payments										
Current account and capital account balance [3]	0.5	0.0	1.0	1.4	4.2	-0.6	-1.9	1.8	1.9	1.8
Current account balance	-0.8	-1.6	0.0	-0.2	2.4	-1.3	-2.4	1.6	1.2	1.0
Goods	-1.0	-1.2	-0.7	-0.8	1.3	-1.3	-3.7	0.8	.	.
Services	4.1	3.3	4.9	4.5	4.4	4.7	5.6	5.3	.	.
Primary income	-4.1	-4.0	-4.1	-4.2	-3.8	-4.5	-3.9	-4.2	.	.
Secondary income	0.1	0.3	0.0	0.2	0.5	-0.1	-0.3	-0.3	.	.
Capital account balance	1.3	1.6	1.0	1.7	1.8	0.7	0.5	0.2		
Combined direct and portfolio investment balance [3]	-1.8	-1.9	-1.8	0.0	-1.1	-2.1	-4.0	-1.6	.	.
Direct investment	-2.4	-2.0	-2.8	-2.0	-2.4	-3.8	-3.6	-2.2	.	.
Portfolio investment	0.6	0.1	1.0	2.0	1.2	1.7	-0.4	0.6	.	.
Other investment balance	0.5	0.8	0.2	-0.5	1.7	-0.6	0.3	0.0	.	.
Reserve assets	1.7	1.0	2.4	1.7	3.1	2.8	2.0	2.6	.	.
Exports of goods and services	53.4	49.8	56.9	53.2	53.0	57.7	63.0	57.7	.	.
Imports of goods and services	50.3	47.7	52.8	49.5	47.3	54.4	61.1	51.6	.	.
Net international investment position [4]	-50.1	-60.8	-39.4	-48.8	-43.9	-39.8	-33.3	-31.4	.	.
Gross external debt [4]	63.2	70.8	55.7	58.9	60.7	56.5	53.0	49.3	.	.
Trade with the euro area [5]										
Exports of goods and services	-	-	-	-	-	57.6	58.6	57.2	.	.
Imports of goods and services	-	-	-	-	-	56.5	54.3	55.8	.	.
Investment position with the euro area [5]										
Direct investment assets [4]	-	-	-	-	-	58.0	55.0	56.1	.	.
Direct investment liabilities [4]	-	-	-	-	-	78.6	76.4	76.7	.	.
Portfolio investment assets [4]	-	-	-	-	-	45.5	45.4	48.4	.	.
Portfolio investment liabilities [4]	46.0	43.7	48.3	47.0	51.4	47.6	49.1	46.4	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean. Owing to the unavailability of data, the multi-annual averages for the "trade with the euro area" series and for the "direct investment assets", "portfolio investment assets" and "direct investment liabilities" components of the "investment position with the euro area" series are not calculated.
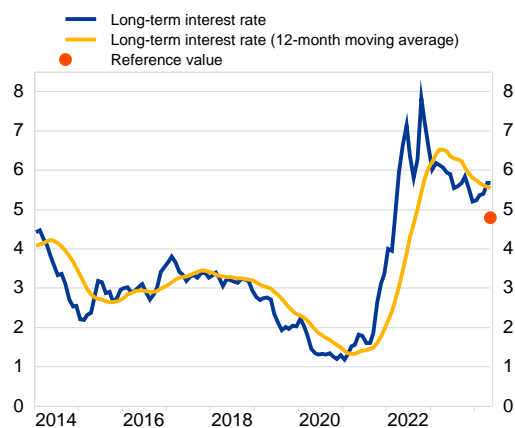2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Differences between totals and the sum of their components are due to rounding.
4) End-of-period outstanding amounts.
5) As a percentage of the total.
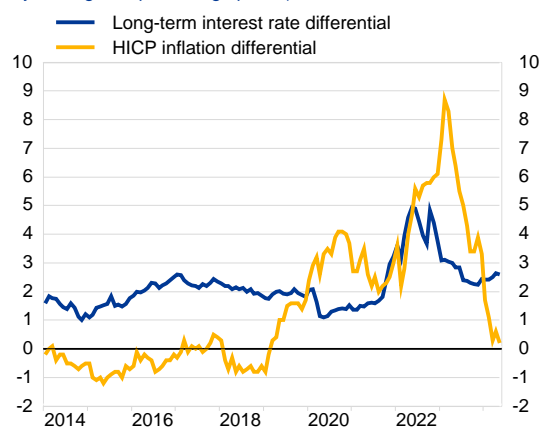
Poland - Long-term interest rate developments

Chart 5.4.5 Long-term interest rate [1]
(monthly averages in percentages)

Sources: European System of Central Banks and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the interest rate levels in Denmark, Belgium and the Netherlands plus 2 percentage points. The reference value is 4.8%.

Chart 5.4.6 Long-term interest rate and HICP inflation differentials vis-à-vis the euro area
(monthly averages in percentage points)

Sources: European System of Central Banks, ECB calculations and European Commission (Eurostat).

Table 5.4.4 Long-term interest rates and indicators of financial development and integration
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2020	2021	2022	2023	Jun. 2023 to May. 2024	Memo item: euro area 2023
Long-term interest rates									
Poland [2]	3.4	3.2	3.5	1.5	1.9	6.1	5.8	5.6	-
Euro area [3], [4]	1.2	1.3	1.1	0.0	0.1	1.9	3.1	3.1	-
Euro area AAA par curve, ten-year residual maturity [2], [4]	0.6	0.6	0.6	-0.4	-0.3	1.2	2.5	2.5	-
Indicators of financial development and integration									
Debt securities issued by financial corporations [5]	7.0	4.4	9.6	11.3	12.0	9.7	10.0	-	62.0
Debt securities issued by non-financial corporations [6]	3.6	5.2	2.1	1.5	1.8	2.0	2.0	-	11.7
Stock market capitalisation [7]	26.5	30.1	22.9	23.9	25.5	18.9	22.0	-	67.4
MFI credit to non-government residents [8]	52.9	56.6	49.2	55.0	51.6	44.8	40.3	-	99.6
Claims of euro area MFIs on resident MFIs [9]	4.2	4.9	3.6	3.6	3.5	3.5	3.8	-	26.6

Sources: European System of Central Banks and ECB calculations.
1) Multi-annual averages calculated using the arithmetic mean.
2) Average interest rate.
3) GDP-weighted average of the euro area long-term interest rates for the purpose of assessing convergence.
4) Included for information only.
5) Outstanding amount of debt securities issued by resident MFIs (excluding the national central bank) and other financial corporations at face value.
6) Outstanding amount of debt securities issued by resident non-financial corporations at face value.
7) Outstanding amount of listed shares issued by residents at market value.
8) MFI (excluding national central bank) credit to domestic non-MFI residents other than general government. Credit comprises outstanding amounts of loans and debt securities.
9) Outstanding amount of deposits and debt securities issued by domestic MFIs (excluding the national central bank) held by euro area MFIs as a percentage of total liabilities of domestic MFIs (excluding the national central bank). Total liabilities exclude capital and reserves and remaining liabilities.

Romania - Price developments

Chart 5.5.1 HICP inflation and reference value [1]
(annual percentage changes)
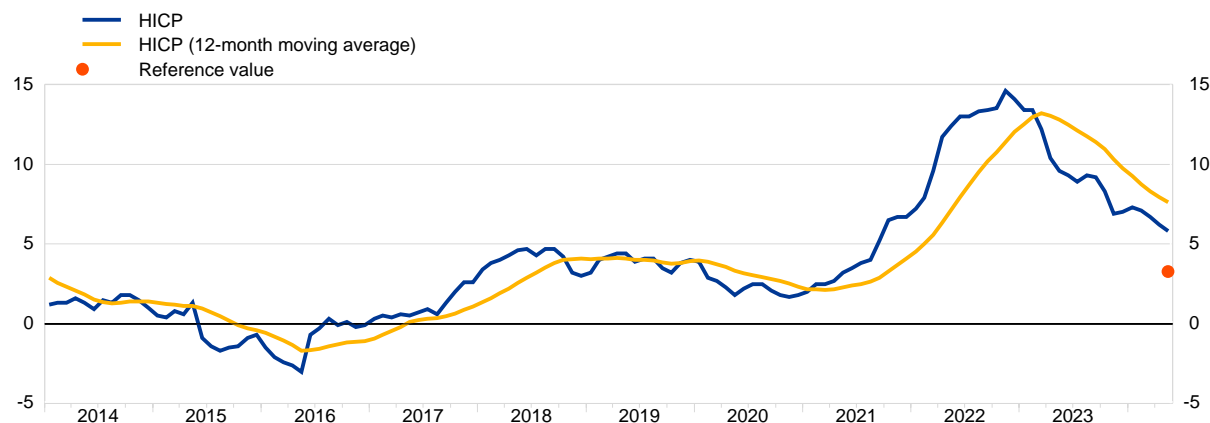
- HICP
- HICP (12-month moving average)
- ● Reference value

Sources: European Commission (Eurostat) and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the annual percentage changes in the HICP for Denmark, Belgium and the Netherlands plus 1.5 percentage points. The reference value is 3.3%.

Table 5.5.1 Measures of inflation and related indicators
(annual percentage changes, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Measures of inflation										
HICP	3.6	1.0	6.4	3.9	2.3	4.1	12.0	9.7	5.9	4.0
HICP excluding unprocessed food and energy	3.5	1.1	5.9	3.8	3.3	3.1	8.8	10.9	6.8	4.5
HICP at constant tax rates [3]	4.1	2.0	6.3	3.7	2.3	3.9	12.2	9.5	-	-
CPI	4.0	1.0	7.1	3.8	2.6	5.1	13.8	10.4	5.7	3.8
Private consumption deflator	4.5	1.9	7.2	5.4	2.3	4.6	14.5	9.8	6.8	4.7
GDP deflator	6.0	3.7	8.3	6.8	4.1	5.4	13.2	12.2	7.3	5.3
Producer prices [4]	7.7	0.8	15.1	5.1	0.2	17.4	55.1	5.6	-	-
Related indicators										
Real GDP growth	3.6	4.9	2.4	3.9	-3.7	5.7	4.1	2.1	3.3	3.1
GDP per capita in PPS [5] (euro area = 100)	63.4	56.2	70.5	65.9	69.5	70.1	72.3	74.9	-	-
Comparative price levels (euro area = 100)	52.8	52.1	53.6	52.6	52.4	53.1	56.2	.	-	-
Output gap [6]	-1.3	-0.4	-2.1	1.2	-5.6	-2.7	-1.3	-2.0	-1.4	-1.0
Unemployment rate (%) [7]	6.3	7.1	5.6	4.9	6.1	5.6	5.6	5.6	5.5	5.5
Unit labour costs, whole economy	6.3	5.2	7.5	6.9	5.8	1.4	8.9	14.7	8.6	4.0
Compensation per employee, whole economy	10.3	10.2	10.5	10.9	4.0	6.4	13.3	18.2	11.5	6.9
Labour productivity, whole economy	3.7	4.7	2.8	3.7	-1.7	4.9	4.0	3.0	2.7	2.8
Imports of goods and services deflator	2.5	-0.1	5.1	0.8	-1.7	9.1	16.3	2.1	2.9	2.7
Nominal effective exchange rate [8]	-0.1	-0.2	0.0	-2.1	0.1	-0.7	0.2	2.3	-	-
Money supply (M3) [9]	10.6	9.5	11.7	9.9	15.1	14.9	8.2	10.6	-	-
Lending from banks [10]	8.1	6.1	10.1	6.7	6.5	15.4	13.2	8.8	-	-
Stock prices (BET) [11]	136.7	13.7	108.2	35.1	-2.4	34.2	-10.7	31.8	-	-
Residential property prices	4.1	3.6	4.6	3.4	4.7	4.4	7.2	3.3	-	-

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs), national data for CPI, money supply, lending from banks and ECB calculations based on LSEG data for stock prices.
1) Multi-annual averages calculated using the geometric mean, except for GDP per capita in PPS, comparative price levels, output gap and unemployment rate, for which the arithmetic mean is used.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) The difference between the HICP and the HICP at constant tax rates shows the theoretical impact of changes in indirect taxes (e.g. VAT and excise duties) on the overall rate of inflation. This impact assumes a full and instantaneous pass-through of tax rate changes to the price paid by the consumer.
4) Domestic sales, total industry excluding construction.
5) PPS stands for purchasing power standards.
6) Percentage difference from potential GDP: a positive (negative) sign indicates that actual GDP is above (below) potential GDP.
7) Definition conforms to International Labor Organization guidelines.
8) EER-41 group of trading partners. A positive (negative) sign indicates an appreciation (depreciation).
9) The series includes repurchase agreements with central counterparties.
10) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.
11) Multi-annual and annual figures represent the percentage change between the end of the given period and the end of the previous period.

Romania - Fiscal developments

Chart 5.5.2 General government balance and debt
(as a percentage of GDP)
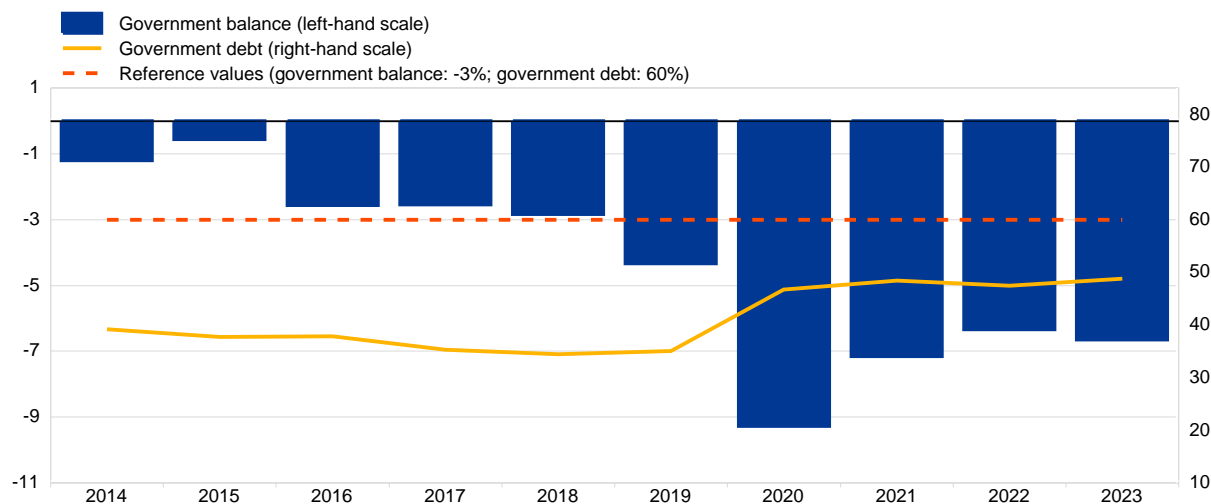
Sources: European System of Central Banks and European Commission (Eurostat).

Table 5.5.2 Government budgetary developments and projections
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Government balance	**-4.3**	**-1.9**	**-6.7**	**-4.3**	**-9.3**	**-7.2**	**-6.3**	**-6.6**	**-6.9**	**-7.0**
Total revenue	32.9	33.0	32.9	32.0	32.5	32.9	33.7	33.6	34.2	34.3
Current revenue	31.1	31.2	30.9	30.8	30.9	30.9	31.4	30.5	31.6	31.7
Direct taxes	5.6	6.1	5.2	4.8	4.7	5.1	6.1	5.2	5.4	5.4
Indirect taxes	11.1	11.7	10.5	10.5	10.3	10.7	10.6	10.6	10.9	10.9
Net social contributions	10.2	9.3	11.2	11.2	11.8	11.3	10.7	10.8	11.7	11.7
Other current revenue [3]	4.1	4.3	4.0	4.2	4.1	3.9	4.0	3.8	3.8	3.7
Capital revenue	1.9	1.8	2.0	1.1	1.7	1.9	2.2	3.0	2.6	2.6
Total expenditure	37.3	34.9	39.7	36.3	41.8	40.0	40.0	40.2	41.1	41.3
Current expenditure	31.9	29.9	33.8	31.7	35.8	34.5	33.9	33.3	34.4	35.1
Compensation of employees	10.0	9.1	11.0	11.4	12.2	11.2	10.0	10.0	10.8	10.8
Social benefits	12.2	11.6	12.8	11.8	13.4	13.2	13.1	12.5	12.9	13.9
Interest payable	1.4	1.4	1.5	1.2	1.4	1.5	1.5	2.0	2.0	2.0
Other current expenditure [4]	8.2	7.8	8.6	7.4	8.9	8.7	9.2	8.7	8.7	8.5
Capital expenditure	5.4	5.0	5.8	4.6	6.0	5.6	6.1	6.9	6.7	6.2
of which: Investment	4.0	3.7	4.4	3.5	4.6	4.2	4.4	5.3	5.2	4.8
Cyclically adjusted balance	-3.9	-1.8	-6.1	-4.7	-7.5	-6.3	-5.9	-6.0	-6.4	-6.7
One-off and temporary measures	-0.1	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Structural balance [5]	-3.9	-1.7	-6.0	-4.6	-7.5	-6.3	-5.9	-6.0	-6.4	-6.7
Government debt	**41.1**	**36.9**	**45.3**	**35.1**	**46.7**	**48.5**	**47.5**	**48.8**	50.9	53.9
Average residual maturity (in years)	6.6	5.8	7.4	6.9	7.7	7.4	7.3	7.7	.	.
In foreign currencies (% of total)	52.6	53.2	52.0	48.8	52.3	53.4	53.8	51.8	.	.
of which: Euro	43.6	43.5	43.6	40.5	44.0	45.5	45.2	43.0	.	.
Domestic ownership (% of total)	50.7	50.7	50.6	53.6	49.2	50.8	50.4	49.1	.	.
Medium and long-term maturity (% of total) [6]	94.8	94.4	95.1	96.9	96.5	94.9	93.8	93.5	.	.
of which: Variable interest rate (% of total)	7.5	10.3	4.7	5.5	5.0	4.6	4.4	3.8	.	.
Deficit-debt adjustment	**0.4**	**0.4**	**0.5**	**-0.3**	**2.5**	**-0.6**	**0.0**	**0.7**	.	.
Net acquisitions of main financial assets	0.6	0.5	0.6	-1.3	2.1	-0.5	1.1	1.9	.	.
Currency and deposits	0.6	0.5	0.6	-1.5	2.0	-0.5	1.4	1.8	.	.
Debt securities	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	.	.
Loans	0.2	0.2	0.2	0.3	0.2	0.1	0.0	0.2	.	.
Equity and investment fund shares or units	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.1	.	.
Revaluation effects on debt	0.1	0.0	0.2	0.3	0.2	0.3	0.5	-0.2	.	.
of which: Foreign exchange holding gains/losses	0.2	0.1	0.3	0.5	0.4	0.4	0.0	0.1	.	.
Other [7]	-0.3	-0.1	-0.4	0.7	0.3	-0.4	-1.5	-1.0	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Sales and other current revenue.
4) Intermediate consumption, subsidies payable and other current expenditure.
5) Cyclically adjusted balance excluding one-off and other temporary measures.
6) Original maturity of more than one year.
7) Time of recording differences and other factors (sector reclassifications and statistical discrepancies).

Romania - Exchange rate and external developments

## Chart 5.5.3 Bilateral exchange rate and short-term interest rate differential
(RON/EUR exchange rate: monthly averages;
difference between three-month interbank interest rates
and three-month EURIBOR: basis points, monthly values)

- RON/EUR exchange rate (left-hand scale)
- Interest rate differential (right-hand scale)
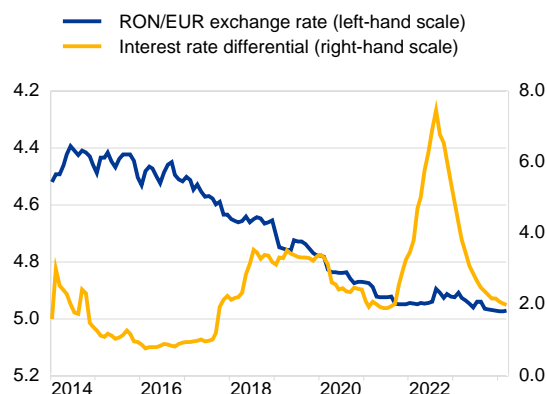
Sources: National data and ECB calculations.

Chart 5.5.4 Effective exchange rates [1]
(EER-41 group of trading partners; monthly averages; index: Q1 1999 = 100)

- Nominal (left-hand scale)
- Real (right-hand scale)
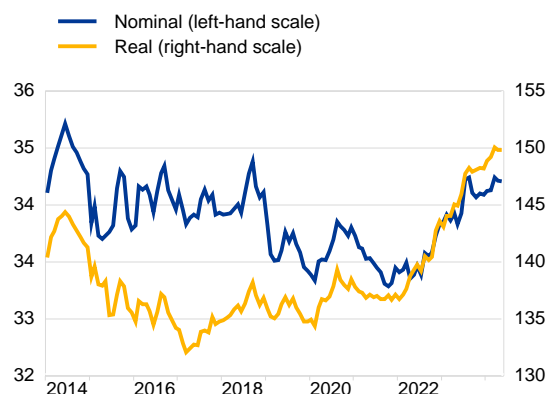
Source: ECB.
1) The real EER-41 is CPI-deflated. An increase (decrease) in the EER indicates
   an appreciation (depreciation).

Table 5.5.3 External developments
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Balance of payments										
Current account and capital account balance [3]	-2.4	-0.1	-4.7	-3.6	-3.0	-5.1	-6.7	-4.9	-4.0	-3.5
Current account balance	-4.4	-2.1	-6.6	-4.9	-4.9	-7.2	-9.2	-7.0	-7.0	-6.6
Goods	-7.6	-5.9	-9.3	-8.0	-8.6	-9.6	-11.3	-8.9	.	.
Services	4.2	4.3	4.2	3.9	4.3	3.9	4.6	4.2	.	.
Primary income	-1.7	-1.2	-2.1	-1.4	-1.5	-2.0	-3.0	-2.7	.	.
Secondary income	0.7	0.8	0.6	0.7	0.9	0.4	0.5	0.5	.	.
Capital account balance	2.0	2.0	2.0	1.3	1.9	2.2	2.5	2.1	.	.
Combined direct and portfolio investment balance [3]	-4.4	-3.4	-5.4	-3.3	-7.4	-5.1	-4.8	-6.4	.	.
Direct investment	-2.4	-2.3	-2.5	-2.2	-1.3	-3.7	-3.1	-2.0	.	.
Portfolio investment	-2.0	-1.1	-2.9	-1.1	-6.1	-1.4	-1.7	-4.4	.	.
Other investment balance	1.4	3.6	-0.8	1.1	1.4	-2.0	-3.0	-1.4	.	.
Reserve assets	1.0	0.0	2.0	-0.1	2.5	0.9	2.3	4.1	.	.
Exports of goods and services	40.9	41.8	40.0	40.2	36.9	40.6	43.3	39.1	.	.
Imports of goods and services	44.3	43.5	45.1	44.3	41.2	46.3	49.9	43.9	.	.
Net international investment position [4]	-47.2	-50.6	-43.7	-43.4	-47.6	-47.0	-40.8	-39.8	.	.
Gross external debt [4]	55.2	56.8	53.5	49.3	57.9	56.8	50.8	52.7	.	.
Trade with the euro area [5]										
Exports of goods and services	-	-	-	-	-	-	54.2	55.5	.	.
Imports of goods and services	-	-	-	-	-	-	50.9	54.4	.	.
Investment position with the euro area [5]										
Direct investment assets [4]	-	-	-	-	-	-	66.0	66.1	.	.
Direct investment liabilities [4]	-	-	-	-	-	-	79.4	79.4	.	.
Portfolio investment assets [4]	-	-	-	-	-	-	59.2	70.6	.	.
Portfolio investment liabilities [4]	57.7	55.4	59.9	65.2	62.2	60.6	58.3	53.4	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean. Owing to the unavailability of data, the multi-annual averages for the "trade with the euro area" series and for
   the "direct investment assets", "portfolio investment assets" and "direct investment liabilities" components of the "investment position with the euro area" series are not
   calculated.
2) Data from the European Commission's Spring 2024 Economic Forecast.
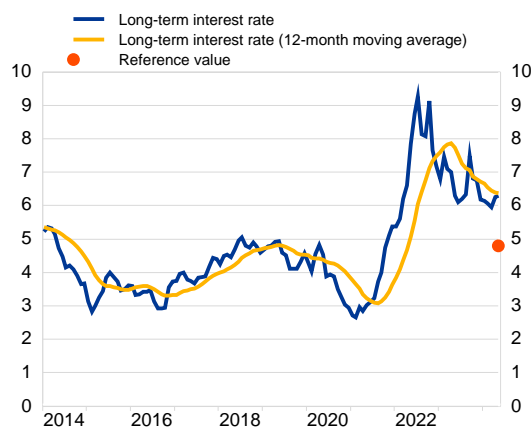3) Differences between totals and the sum of their components are due to rounding.
4) End-of-period outstanding amounts.
5) As a percentage of the total.
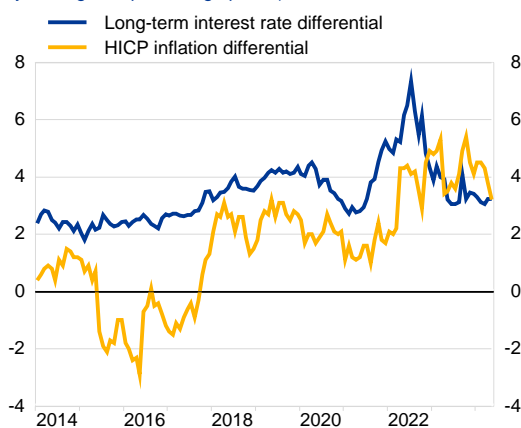
Romania - Long-term interest rate developments

Chart 5.5.5 Long-term interest rate [1]
(monthly averages in percentages)

Legend:
- Long-term interest rate
- Long-term interest rate (12-month moving average)
- ● Reference value

Sources: European System of Central Banks and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the interest rate levels in Denmark, Belgium and the Netherlands plus 2 percentage points. The reference value is 4.8%.

Chart 5.5.6 Long-term interest rate and HICP inflation differentials vis-à-vis the euro area
(monthly averages in percentage points)

Legend:
- Long-term interest rate differential
- HICP inflation differential

Sources: European System of Central Banks, ECB calculations and European Commission (Eurostat).

Table 5.5.4 Long-term interest rates and indicators of financial development and integration
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2020	2021	2022	2023	Jun. 2023 to May. 2024	Memo item: euro area 2023
Long-term interest rates									
Romania [2]	4.6	4.0	5.3	3.9	3.6	7.5	6.7	6.4	-
Euro area [3], [4]	1.2	1.3	1.1	0.0	0.1	1.9	3.1	3.1	-
Euro area AAA par curve, ten-year residual maturity [2], [4]	0.6	0.6	0.6	-0.4	-0.3	1.2	2.5	2.5	-
Indicators of financial development and integration									
Debt securities issued by financial corporations [5]	0.6	0.3	0.9	0.4	0.8	1.1	1.8	-	62.0
Debt securities issued by non-financial corporations [6]	0.2	0.0	0.3	0.4	0.4	0.4	0.3	-	11.7
Stock market capitalisation [7]	9.9	9.5	10.3	8.4	11.5	8.9	13.5	-	67.4
MFI credit to non-government residents [8]	27.4	29.0	25.8	26.5	27.3	26.0	24.1	-	99.6
Claims of euro area MFIs on resident MFIs [9]	6.7	10.4	3.0	2.6	2.2	3.5	2.9	-	26.6

Sources: European System of Central Banks and ECB calculations.
1) Multi-annual averages calculated using the arithmetic mean.
2) Average interest rate.
3) GDP-weighted average of the euro area long-term interest rates for the purpose of assessing convergence.
4) Included for information only.
5) Outstanding amount of debt securities issued by resident MFIs (excluding the national central bank) and other financial corporations at face value.
6) Outstanding amount of debt securities issued by resident non-financial corporations at face value.
7) Outstanding amount of listed shares issued by residents at market value.
8) MFI (excluding national central bank) credit to domestic non-MFI residents other than general government. Credit comprises outstanding amounts of loans and debt securities.
9) Outstanding amount of deposits and debt securities issued by domestic MFIs (excluding the national central bank) held by euro area MFIs as a percentage of total liabilities of domestic MFIs (excluding the national central bank). Total liabilities exclude capital and reserves and remaining liabilities.

Sweden - Price developments

Chart 5.6.1 HICP inflation and reference value [1)]
(annual percentage changes)
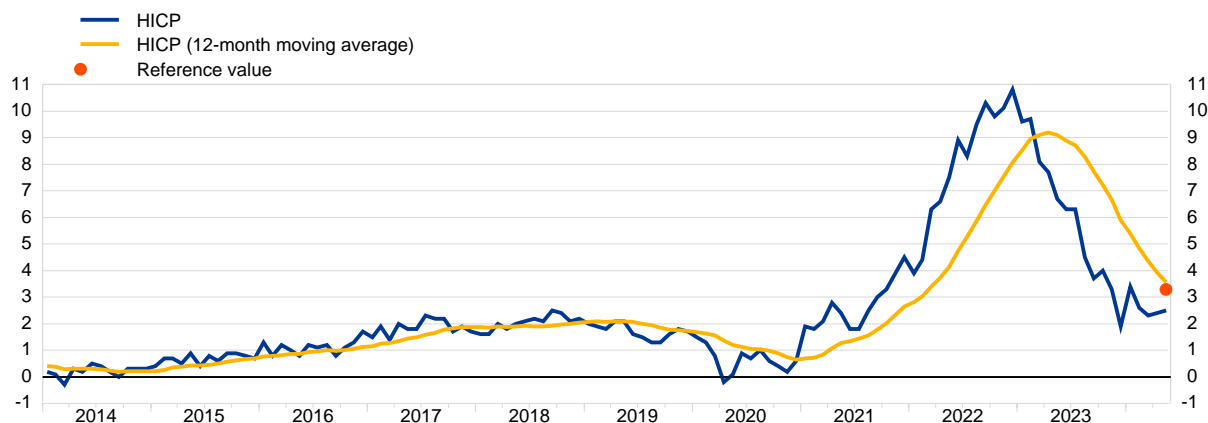
- HICP
- HICP (12-month moving average)
- ● Reference value

Sources: European Commission (Eurostat) and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the annual percentage changes in the HICP for Denmark, Belgium and the Netherlands plus 1.5 percentage points. The reference value is 3.3%.

Table 5.6.1 Measures of inflation and related indicators
(annual percentage changes, unless otherwise indicated)

	2014-2023 [1)]	2014-2018 [1)]	2019-2023 [1)]	2019	2020	2021	2022	2023	2024 [2)]	2025 [2)]
Measures of inflation										
HICP	2.5	1.2	3.8	1.7	0.7	2.7	8.1	5.9	2.0	1.8
HICP excluding unprocessed food and energy	2.3	1.1	3.5	1.6	1.5	1.6	5.5	7.4	2.6	1.5
HICP at constant tax rates [3)]	2.4	1.0	3.7	1.6	0.6	2.6	8.2	5.8	-	-
CPI	2.5	0.9	4.2	1.8	0.5	2.2	8.4	8.5	2.7	1.0
Private consumption deflator	2.5	1.4	3.6	2.1	0.8	2.2	6.7	6.4	2.7	1.0
GDP deflator	2.9	2.1	3.7	2.4	1.8	2.7	5.8	6.0	2.6	1.3
Producer prices [4)]	3.5	1.7	5.3	2.7	-2.3	11.0	20.3	-3.2	-	-
Related indicators										
Real GDP growth	2.0	2.6	1.5	2.5	-2.0	5.9	1.5	-0.2	0.2	2.1
GDP per capita in PPS [5)] (euro area = 100)	114.5	115.6	113.4	112.1	116.6	116.5	112.0	109.9	-	-
Comparative price levels (euro area = 100)	120.4	122.4	118.0	116.7	118.1	121.3	115.8	.	-	-
Output gap [6)]	-0.4	0.1	-1.0	0.1	-4.0	-0.2	0.6	-1.3	-2.5	-1.9
Unemployment rate (%) [7)]	7.5	7.2	7.9	6.9	8.5	8.9	7.5	7.7	8.4	8.2
Unit labour costs, whole economy	2.4	1.9	3.0	1.0	3.2	0.2	4.2	6.4	3.6	1.3
Compensation per employee, whole economy	3.1	2.6	3.5	2.9	2.5	4.9	2.1	5.0	4.1	3.0
Labour productivity, whole economy	0.6	0.7	0.5	1.9	-0.7	4.6	-2.0	-1.3	0.5	1.6
Imports of goods and services deflator	3.6	2.1	5.0	3.0	-3.7	3.5	18.4	5.3	1.6	2.3
Nominal effective exchange rate [8)]	-2.3	-2.8	-1.7	-3.8	3.0	3.5	-6.3	-4.8	-	-
Money supply (M3) [9)]	6.4	6.0	6.7	7.5	19.2	9.1	0.9	-2.1	-	-
Lending from banks [10)]	5.4	5.8	4.9	5.2	4.5	6.6	6.9	1.4	-	-
Stock prices (OMXS30) [11)]	79.8	5.7	70.1	25.8	5.8	29.1	-15.6	17.3	-	-
Residential property prices	5.0	7.2	2.9	2.5	4.2	10.1	3.6	-5.3	-	-

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs), national data for CPI, money supply, lending from banks and ECB calculations based on LSEG data for stock prices.
1) Multi-annual averages calculated using the geometric mean, except for GDP per capita in PPS, comparative price levels, output gap and unemployment rate, for which the arithmetic mean is used.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) The difference between the HICP and the HICP at constant tax rates shows the theoretical impact of changes in indirect taxes (e.g. VAT and excise duties) on the overall rate of inflation. This impact assumes a full and instantaneous pass-through of tax rate changes to the price paid by the consumer.
4) Domestic sales, total industry excluding construction.
5) PPS stands for purchasing power standards.
6) Percentage difference from potential GDP: a positive (negative) sign indicates that actual GDP is above (below) potential GDP.
7) Definition conforms to International Labor Organization guidelines.
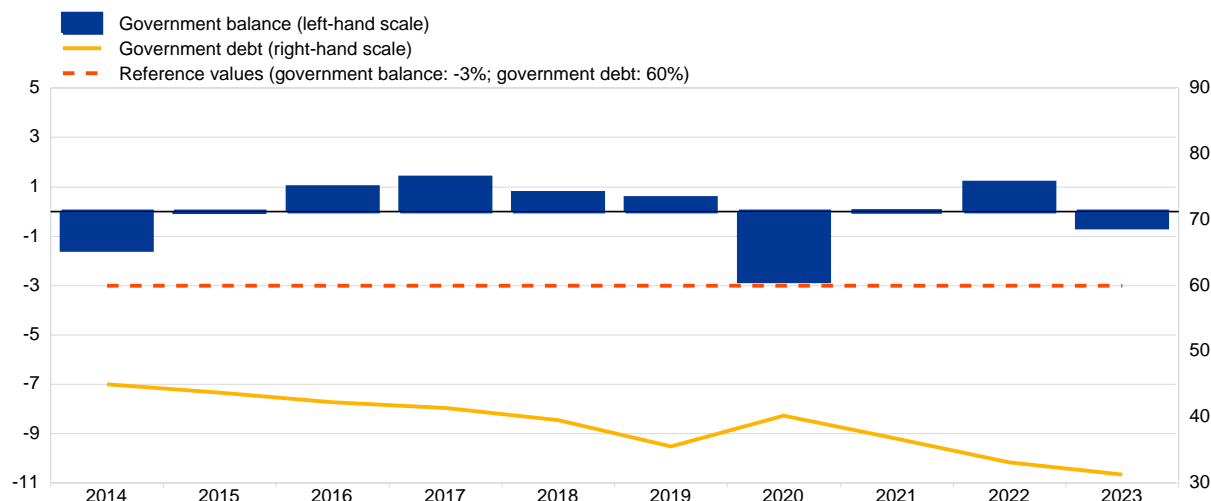8) EER-41 group of trading partners. A positive (negative) sign indicates an appreciation (depreciation).
9) The series includes repurchase agreements with central counterparties.
10) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.
11) Multi-annual and annual figures represent the percentage change between the end of the given period and the end of the previous period.

Sweden - Fiscal developments

Chart 5.6.2 General government balance and debt
(as a percentage of GDP)

Legend:
- Government balance (left-hand scale)
- Government debt (right-hand scale)
- Reference values (government balance: -3%; government debt: 60%)

Sources: European System of Central Banks and European Commission (Eurostat).

Table 5.6.2 Government budgetary developments and projections
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Government balance	0.0	0.3	-0.3	0.5	-2.8	0.0	1.2	-0.6	-1.4	-0.9
Total revenue	49.5	50.1	48.9	49.7	49.3	49.2	48.8	47.4	47.6	47.1
Current revenue	49.2	49.8	48.5	49.4	49.0	48.8	48.4	47.0	47.2	46.7
Direct taxes	18.2	18.5	17.9	18.1	18.1	18.4	17.7	16.9	16.6	16.5
Indirect taxes	21.7	22.0	21.4	21.9	21.4	21.4	21.4	21.1	21.7	21.4
Net social contributions	3.3	3.3	3.4	3.4	3.4	3.4	3.2	3.2	3.3	3.3
Other current revenue [3]	5.9	6.0	5.9	6.0	6.0	5.6	6.1	5.7	5.7	5.6
Capital revenue	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Total expenditure	49.5	49.8	49.2	49.2	52.1	49.2	47.6	48.0	49.0	48.0
Current expenditure	44.5	45.1	44.0	44.0	46.7	44.1	42.3	42.6	43.4	42.3
Compensation of employees	12.5	12.6	12.4	12.6	12.9	12.4	11.7	12.1	12.6	12.7
Social benefits	16.1	16.7	15.4	15.8	16.4	15.4	14.7	14.7	15.0	14.6
Interest payable	0.5	0.5	0.4	0.4	0.3	0.2	0.5	0.7	0.7	0.7
Other current expenditure [4]	15.5	15.3	15.8	15.3	17.2	16.1	15.3	15.0	15.0	14.3
Capital expenditure	5.0	4.7	5.2	5.1	5.4	5.0	5.3	5.4	5.6	5.7
of which: Investment	4.7	4.5	4.9	4.9	5.0	4.7	4.8	5.0	5.2	5.3
Cyclically adjusted balance	0.2	0.3	0.2	0.5	-0.6	0.1	0.9	0.1	0.0	0.2
One-off and temporary measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Structural balance [5]	0.2	0.3	0.2	0.5	-0.6	0.1	0.9	0.1	0.0	0.2
Government debt	38.9	42.4	35.4	35.6	40.2	36.7	33.2	31.2	32.0	31.3
Average residual maturity (in years)	-	-	-	-	-	-	-	-	.	.
In foreign currencies (% of total)	20.8	24.9	16.8	22.7	19.3	16.8	15.3	9.9	.	.
of which: Euro	8.8	9.0	8.6	10.5	9.4	8.4	9.1	5.5	.	.
Domestic ownership (% of total)	73.8	68.6	78.9	71.3	73.8	81.3	85.0	83.1		
Medium and long-term maturity (% of total) [6]	74.1	74.8	73.3	79.7	69.9	75.5	72.2	69.5		
of which: Variable interest rate (% of total)	10.6	10.7	10.5	10.7	8.8	10.3	10.7	12.0		
Deficit-debt adjustment	1.0	2.1	-0.1	-1.7	1.7	-0.2	0.6	-0.9	.	.
Net acquisitions of main financial assets	0.3	1.0	-0.4	-2.0	3.2	-0.5	-1.9	-0.8	.	.
Currency and deposits	0.2	0.4	0.1	-0.3	1.2	-0.4	0.0	-0.3	.	.
Debt securities	0.3	0.7	-0.2	-0.6	-0.6	0.5	-0.3	-0.1	.	.
Loans	0.1	0.6	-0.4	-0.9	0.9	-0.5	-0.9	-0.5	.	.
Equity and investment fund shares or units	-0.3	-0.7	0.2	-0.2	1.7	-0.1	-0.7	0.0	.	.
Revaluation effects on debt	0.3	0.6	0.1	0.3	-0.4	0.2	0.4	0.1	.	.
of which: Foreign exchange holding gains/losses	0.3	0.5	0.0	0.2	-0.5	0.2	0.3	-0.1	.	.
Other [7]	0.4	0.5	0.2	-0.1	-1.1	0.1	2.1	-0.1	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Sales and other current revenue.
4) Intermediate consumption, subsidies payable and other current expenditure.
5) Cyclically adjusted balance excluding one-off and other temporary measures.
6) Original maturity of more than one year.
7) Time of recording differences and other factors (sector reclassifications and statistical discrepancies).

Sweden - Exchange rate and external developments

Chart 5.6.3 Bilateral exchange rate and short-term interest rate differential
(SEK/EUR exchange rate: monthly averages;
difference between three-month interbank interest rates
and three-month EURIBOR: basis points, monthly values)

SEK/EUR exchange rate (left-hand scale)
Interest rate differential (right-hand scale)
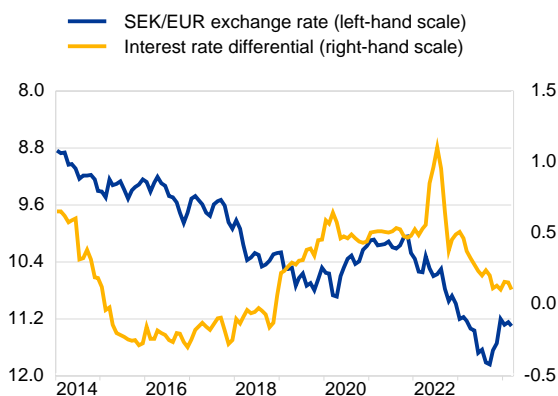
Sources: National data and ECB calculations.

Chart 5.6.4 Effective exchange rates [1]
(EER-41 group of trading partners; monthly averages; index: Q1 1999 = 100)

Nominal (left-hand scale)
Real (right-hand scale)
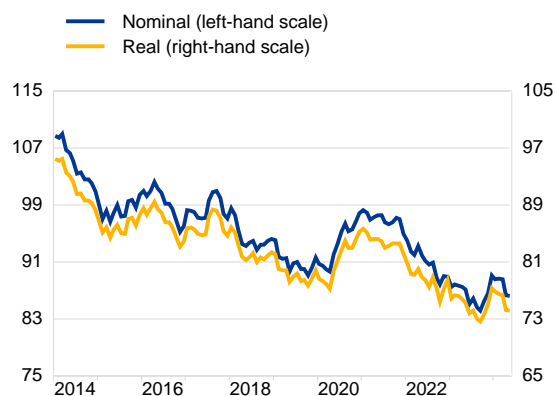
Source: ECB.
1) The real EER-41 is CPI-deflated. An increase (decrease) in the EER indicates
an appreciation (depreciation).

Table 5.6.3 External developments
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2019	2020	2021	2022	2023	2024 [2]	2025 [2]
Balance of payments										
Current account and capital account balance [3]	4.5	2.9	6.2	5.4	5.9	7.1	5.6	6.9	6.6	6.7
Current account balance	4.6	3.0	6.1	5.4	5.9	7.1	5.5	6.9	6.6	6.7
Goods	3.2	2.2	4.1	3.9	4.0	4.2	3.4	5.2	.	.
Services	0.6	1.1	0.1	0.5	0.5	0.6	-0.6	-0.5	.	.
Primary income	2.5	1.3	3.7	2.9	3.5	4.1	4.5	3.8	.	.
Secondary income	-1.7	-1.5	-1.9	-1.9	-2.1	-1.8	-1.8	-1.6	.	.
Capital account balance	0.0	-0.1	0.0	0.0	0.1	0.0	0.1	0.0	.	.
Combined direct and portfolio investment balance [3]	2.0	1.1	2.9	3.4	-0.8	12.1	-1.1	1.2	.	.
Direct investment	1.3	0.9	1.8	1.2	0.7	1.4	2.7	3.1	.	.
Portfolio investment	0.7	0.2	1.1	2.2	-1.5	10.7	-3.8	-2.0	.	.
Other investment balance	-0.2	-0.2	-0.2	0.5	-0.2	-3.0	-1.1	2.7	.	.
Reserve assets	0.1	0.2	0.0	-1.3	0.0	0.9	1.3	-1.0	.	.
Exports of goods and services	47.1	44.3	49.8	48.3	44.2	47.0	54.2	55.4	.	.
Imports of goods and services	43.3	41.1	45.6	43.9	39.7	42.2	51.4	50.7	.	.
Net international investment position [4]	10.3	-0.5	21.0	13.3	7.4	19.1	31.6	33.7	.	.
Gross external debt [4]	180.8	188.2	173.4	177.9	176.8	168.9	174.4	168.7	.	.
Trade with the euro area [5]										
Exports of goods and services	39.8	40.4	39.3	39.2	38.4	38.8	39.1	40.7	.	.
Imports of goods and services	49.3	48.6	50.0	49.1	50.1	51.0	49.3	50.4	.	.
Investment position with the euro area [5]										
Direct investment assets [4]	46.4	47.6	45.2	46.5	45.6	44.4	45.2	44.1	.	.
Direct investment liabilities [4]	56.4	56.9	55.8	55.8	53.8	56.0	57.0	56.6	.	.
Portfolio investment assets [4]	37.8	40.5	35.1	38.2	36.8	34.3	33.4	33.0	.	.
Portfolio investment liabilities [4]	39.4	38.2	40.6	41.3	40.9	39.4	40.6	40.8	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).
1) Multi-annual averages calculated using the arithmetic mean.
2) Data from the European Commission's Spring 2024 Economic Forecast.
3) Differences between totals and the sum of their components are due to rounding.
4) End-of-period outstanding amounts.
5) As a percentage of the total.
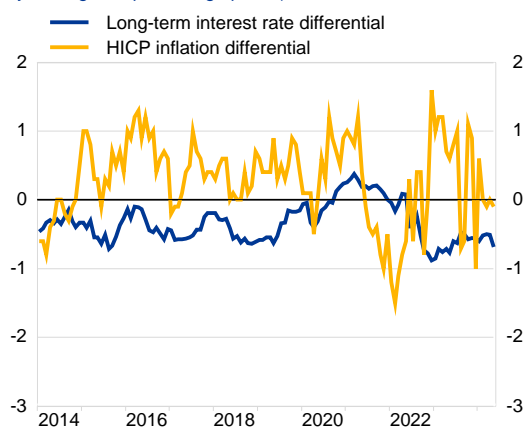
Sweden - Long-term interest rate developments

Chart 5.6.5 Long-term interest rate [1]
(monthly averages in percentages)
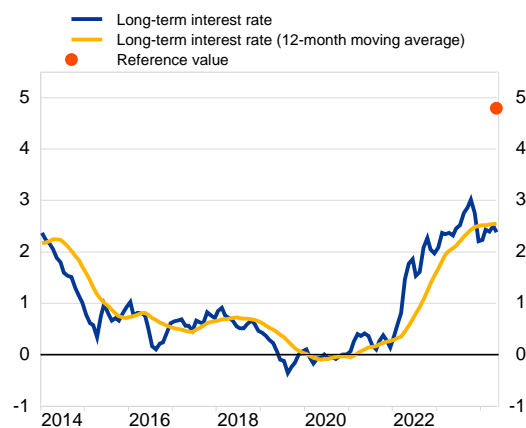
Sources: European System of Central Banks and ECB calculations.
1) The basis of the calculation of the reference value for the period from June 2023 to May 2024 is the unweighted arithmetic average of the interest rate levels in Denmark, Belgium and the Netherlands plus 2 percentage points. The reference value is 4.8%.

Chart 5.6.6 Long-term interest rate and HICP inflation differentials vis-à-vis the euro area
(monthly averages in percentage points)

Sources: European System of Central Banks, ECB calculations and European Commission (Eurostat).

Table 5.6.4 Long-term interest rates and indicators of financial development and integration
(as a percentage of GDP, unless otherwise indicated)

	2014-2023 [1]	2014-2018 [1]	2019-2023 [1]	2020	2021	2022	2023	Jun. 2023 to May. 2024	Memo item: euro area 2023
Long-term interest rates									
Sweden [2]	0.9	0.9	0.9	0.0	0.3	1.5	2.5	2.5	-
Euro area [3], [4]	1.2	1.3	1.1	0.0	0.1	1.9	3.1	3.1	-
Euro area AAA par curve, ten-year residual maturity [2], [4]	0.6	0.6	0.6	-0.4	-0.3	1.2	2.5	2.5	-
Indicators of financial development and integration									
Debt securities issued by financial corporations [5]	98.5	106.5	90.5	95.6	89.2	86.4	85.9	-	62.0
Debt securities issued by non-financial corporations [6]	24.8	21.8	27.8	28.1	28.8	28.6	26.0	-	11.7
Stock market capitalisation [7]	150.4	129.6	171.1	174.9	220.9	149.4	163.3	-	67.4
MFI credit to non-government residents [8]	134.8	132.8	136.9	141.2	138.3	138.3	131.3	-	99.6
Claims of euro area MFIs on resident MFIs [9]	8.9	8.8	9.1	8.9	8.7	9.8	8.7	-	26.6

Sources: European System of Central Banks and ECB calculations.
1) Multi-annual averages calculated using the arithmetic mean.
2) Average interest rate.
3) GDP-weighted average of the euro area long-term interest rates for the purpose of assessing convergence.
4) Included for information only.
5) Outstanding amount of debt securities issued by resident MFIs (excluding the national central bank) and other financial corporations at face value.
6) Outstanding amount of debt securities issued by resident non-financial corporations at face value.
7) Outstanding amount of listed shares issued by residents at market value.
8) MFI (excluding national central bank) credit to domestic non-MFI residents other than general government. Credit comprises outstanding amounts of loans and debt securities.
9) Outstanding amount of deposits and debt securities issued by domestic MFIs (excluding the national central bank) held by euro area MFIs as a percentage of total liabilities of domestic MFIs (excluding the national central bank). Total liabilities exclude capital and reserves and remaining liabilities.

6 Statistical methodology of convergence indicators

The examination of the convergence process is highly dependent on the quality and integrity of the underlying statistics; the compilation and reporting of statistics, particularly government finance statistics (GFS), must not be subject to any political or other external interference. Member States are invited to consider the quality and integrity of their statistics as a matter of priority, to ensure that a proper system of checks and balances is in place when compiling these statistics and to apply high standards with respect to governance and quality in the domain of statistics.

National statistical authorities in each Member State and the EU statistical authority within the European Commission (Eurostat) should enjoy professional independence and ensure that European statistics are impartial and of a high quality. This is in line with the principles laid down in Article 338(2) of the Treaty, the Regulation on European statistics[1] and the European Statistics Code of Practice[2]. Article 2(1) of the Regulation on European statistics states that the development, production and dissemination of European statistics shall be governed by the following statistical principles: a) professional independence, b) impartiality, c) objectivity, d) reliability, e) statistical confidentiality, and f) cost effectiveness. Pursuant to Article 11 of the Regulation, these statistical principles are elaborated further in the European Statistics Code of Practice.

Against this background, this chapter reviews the quality and integrity of the convergence indicators in terms of the underlying statistics. It provides information on the statistical methodology of the convergence indicators, as well as on the compliance of the underlying statistics with the standards necessary for an appropriate assessment of the convergence process.

6.1 Institutional features relating to the quality of statistics for the assessment of the convergence process

The governance of the European Statistical System (ESS) has been progressively improved, in particular with the adoption of the European Statistics Code of Practice in 2005. In the specific context of the EU fiscal

---

[1] Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

[2] The European Statistics Code of Practice was endorsed by the European Commission in its Recommendation of 25 May 2005 on the independence, integrity and accountability of the national and Community statistical authorities (COM(2005) 217 final), and revised by the European Statistical System Committee in September 2011 and November 2017.

surveillance system and of the excessive deficit procedure (EDP), Council Regulation (EU) No 679/2010[3] granted Eurostat new competences for the regular monitoring and verification of public finance data, which it exercises by conducting more in-depth dialogue visits to Member States and by extending such visits to public entities supplying upstream public finance data to the national statistical institutes (NSIs).

Furthermore, the legislative package of six legal texts adopted in 2011 to strengthen the economic governance structure of the euro area and the EU as a whole requires the compilation of high-quality statistical information, which needs to be produced under robust quality management.[4] In this context, the European Statistics Code of Practice was revised in September 2011 in order to distinguish between the principles to be implemented by ESS members and the principles relating to the institutional environment that are to be implemented by Member State governments. In 2017 it was revised again in order to emphasise that the NSIs and Eurostat coordinate all activities involved in the development, production and dissemination of European statistics (produced in accordance with the Regulation on European statistics) at the level of their national statistical systems and the ESS respectively.[5]

In 2015 the Regulation on European statistics[6] **was amended in order to, among other things, clarify that the principle of professional independence of NSIs applies unconditionally.** Statistics must indeed be developed, produced and disseminated in an independent manner, free of any pressures from political or interest groups or from EU or national authorities, and existing institutional frameworks must not be allowed to restrict this principle.

Lastly, it is necessary to assure the independence of other statistical authorities responsible for the compilation of European statistics (e.g. ministries of finance). Other statistical authorities' responsibility for the publication of statistics needs to be clearly identified in order to distinguish statistical releases from political statements. In Poland and Romania, the Ministries of Finance compile EDP debt data. In Bulgaria, the Ministry of Finance compiles quarterly government debt data, while the NSI compiles annual government debt. The institutional

---

[3] Council Regulation (EU) No 679/2010 of 26 July 2010 amending Regulation (EC) No 479/2009 as regards the quality of statistical data in the context of the excessive deficit procedure (OJ L 198, 30.7.2010, p. 1).

[4] On 13 December 2011 the reinforced Stability and Growth Pact (SGP) entered into force with a new set of rules for economic and fiscal surveillance. These measures, known as the "six-pack", consist of five regulations and one directive proposed by the European Commission and approved in October 2010 by all 27 Member States at the time and the European Parliament.

[5] European statistics are developed, produced and disseminated by both the ESS and the European System of Central Banks (ESCB) but under separate legal frameworks reflecting their respective governance structures. The members of the ESCB are not involved in the production of European statistics pursuant to the Regulation on European statistics. However, with a view to minimising the reporting burden and guaranteeing the coherence necessary to produce European statistics, the ESS and the ESCB cooperate closely, while complying with the statistical principles set out in Article 2(1) of the Regulation on European statistics. Given that some European statistics may be compiled by NCBs in their capacity as members of the ESCB, the NSIs and the NCBs also cooperate closely under national arrangements with a view to ensuring the necessary cooperation between the ESS and the ESCB and to guaranteeing the production of complete and coherent European statistics.

[6] Regulation (EU) 2015/759 of the European Parliament and of the Council of 29 April 2015 amending Regulation (EC) No 223/2009 on European statistics (OJ L 123, 19.5.2015, p. 90).

responsibilities for the compilation of EDP data and GFS in the countries are shown in Table 6.1. In Romania, the Law on the organisation and functioning of official statistics includes the principle of professional independence and applies to all statistical processes and products. In Bulgaria and Poland, although the independence of the compilers at the Ministries of Finance is not guaranteed by law, the monitoring and quality assurance of the EDP data and GFS compiled by the Ministries of Finance form part of the coordination role of the NSI.

Table 6.1

Quality and integrity of convergence statistics

Bulgaria

Institutional features relating to the quality and integrity of the statistics used in assessing the convergence process	
Legal independence of the national statistical institute	Under the Law on Statistics, statistics are based on the principles of professional independence, impartiality, objectivity, reliability, statistical confidentiality and cost effectiveness. Under Article 8 of the Law on Statistics, the President of the NSI is appointed by the Prime Minister. The term of office is fixed (seven years; reappointment is possible, only once).
Administrative supervision and budget autonomy	The NSI has the status of a state agency and is directly subordinated to the Council of Ministers. It has budget autonomy on the basis of an annual amount assigned from the state budget.
Legal mandate for data collection	The Law on Statistics determines the main principles of data collection.
Legal provisions regarding statistical confidentiality	Under Articles 25 to 27a of the Law on Statistics, the confidentiality of the statistical data is assured.
HICP inflation[1]	
Compliance with legal minimum standards	Eurostat made a compliance monitoring visit in 2013 and published a report in 2015 confirming that the methods used for producing the HICP are satisfactory. A follow-up report outlining the issues that had been addressed by Bulgaria was published in 2018. There were no apparent instances of non-compliance with the HICP methodology.
Other issues	Eurostat considered the representativeness of the HICP to be generally appropriate.
Government finance statistics	
Data coverage	Revenue, expenditure, deficit and debt data are provided for the period 2014-23.
Outstanding statistical issues	No major outstanding statistical issues identified. Eurostat made an EDP visit to Bulgaria in 2023 and published the final findings on its website.
Institution responsible for the compilation of statistics	The NSI compiles the non-financial and annual financial accounts of government, as well as annual government debt. The Ministry of Finance compiles quarterly government debt and the NCB compiles the quarterly financial accounts of government.

Czech Republic

Institutional features relating to the quality and integrity of the statistics used in assessing the convergence process	
Legal independence of the national statistical institute	Under Article 5 of the State Statistical Service Act, statistics are based on objectivity, impartiality and independence. Under Article 3, the Head of the NSI is appointed by the President of the Republic.
Administrative supervision and budget autonomy	The NSI is a central statistical agency within the public administration. It has budget autonomy on the basis of an annual amount assigned from the state budget.
Legal mandate for data collection	The State Statistical Service Act determines the main principles of data collection.
Legal provisions regarding statistical confidentiality	Under Articles 16, 17 and 18 of the State Statistical Service Act, the confidentiality of the statistical data is assured.
HICP inflation[1]	
Compliance with legal minimum standards	Eurostat made a compliance monitoring visit in 2019 and published a report in January 2020 confirming that, in general, the methods used for producing the HICP are satisfactory. There were no apparent instances of non-compliance with the HICP methodology. In February 2023 Eurostat reviewed the recommendations implemented by the NSI of the Czech Republic and identified two areas in which the quality of the HICP could be improved further.
Other issues	Eurostat considered the representativeness of the HICP in terms of accuracy and reliability to be generally adequate.
Government finance statistics	
Data coverage	Revenue, expenditure, deficit and debt data are provided for the period 2014-23.

Outstanding statistical issues	No major outstanding statistical issues identified. Eurostat made an EDP visit to the Czech Republic in 2021 and published the final findings on its website.
Institution responsible for the compilation of statistics	The NSI compiles the non-financial and financial accounts of government, as well as government debt.

Hungary

Institutional features relating to the quality and integrity of the statistics used in assessing the convergence process	
Legal independence of the national statistical institute	Under Act CLV of 2016 on Official Statistics, statistics are compiled following the principles of objectivity, independence and confidentiality. The Head of the NSI is appointed by the Prime Minister. The term of office is fixed (six years; reappointment is possible, only twice).
Administrative supervision and budget autonomy	The NSI is a public administration under the immediate supervision of the Government. It has budget autonomy on the basis of an annual amount assigned from the state budget.
Legal mandate for data collection	Act XLVI on Statistics determines the main principles of data collection.
Legal provisions regarding statistical confidentiality	Under Article 17 of Act XLVI on Statistics, the confidentiality of the statistical data is assured.

HICP inflation[1]	
Compliance with legal minimum standards	Eurostat made a compliance monitoring visit in 2019 and published a report in March 2020 confirming that, in general, the methods used for producing the HICP are satisfactory. Some instances of non-compliance with the HICP methodology were identified, but those were considered by Eurostat to be limited and unlikely to have a major impact in practice on the annual average rates of change in the HICP.
Other issues	Eurostat considered the representativeness of the HICP in terms of accuracy and reliability to be generally adequate.

Government finance statistics	
Data coverage	Revenue, expenditure, deficit and debt data are provided for the period 2014-23.
Outstanding statistical issues	No major outstanding statistical issues identified. Eurostat made an EDP visit to Hungary in 2023 and will publish the final findings on its website.
Institution responsible for the compilation of statistics	The NSI compiles the non-financial accounts of government. The NCB compiles government debt and the financial accounts of government.

Poland

Institutional features relating to the quality and integrity of the statistics used in assessing the convergence process	
Legal independence of the national statistical institute	Under Article 1 of the Law on Public Statistics, statistics are based on reliability, objectivity and transparency. The Head of the NSI is selected by open competition and appointed by the President of the Council of Ministers. The term of office is fixed (five years).
Administrative supervision and budget autonomy	The NSI is a central agency within the public administration under supervision of the President of the Council of Ministers. It has budget autonomy on the basis of an annual amount assigned from the state budget.
Legal mandate for data collection	The Law on Official Statistics determines the main principles of data collection.
Legal provisions regarding statistical confidentiality	Under Articles 10, 11, 12, 38, 39 and 54 of the Law on Official Statistics, the confidentiality of the statistical data is assured.

HICP inflation[1]	
Compliance with legal minimum standards	Eurostat made a compliance monitoring visit in 2015 and published a report in 2016 confirming that the methods used for producing the HICP are of a good standard and in line with legal requirements.
Other issues	In the 2016 report, Eurostat made further recommendations for increasing the accuracy and reliability of the HICP. A follow-up report issued in 2018 showed that most recommendations had been implemented or were in the process of being implemented.

Government finance statistics	
Data coverage	Revenue, expenditure, deficit and debt data are provided for the period 2014-23.
Outstanding statistical issues	No major outstanding statistical issues identified. Eurostat made an EDP visit to Poland in 2022 and published the final findings on its website.
Institution responsible for the compilation of statistics	The NSI compiles the non-financial and financial accounts of government. The Ministry of Finance compiles government debt.

Romania

Institutional features relating to the quality and integrity of the statistics used in assessing the convergence process	
Legal independence of the national statistical institute	The autonomy of official statistics is stated in the Statistical Law, together with the principles of confidentiality, transparency, reliability, proportionality, statistical deontology and cost/efficiency ratio. The Head of the NSI is appointed by the Prime Minister. The term of office is fixed (six years; reappointment is possible, only once).
Administrative supervision and budget autonomy	Under the Statistical Law, the NSI is a specialised institution, subordinated to the Government. It is financed via the state budget.
Legal mandate for data collection	Under the Statistical Law, "the official statistics in Romania are implemented and coordinated by the NSI".
Legal provisions regarding statistical confidentiality	The Statistical Law states that "during statistical research, from collection to dissemination, the official statistics services and statisticians have the obligation to adopt and implement all the necessary measures for protecting the data referring to individual statistics subjects (natural or legal persons), data obtained directly from statistical research or indirectly through administrative sources or from other suppliers".

HICP inflation [1]	
Compliance with legal minimum standards	Eurostat made a compliance monitoring visit in 2018 and published a report in February 2020 confirming that, in general, the methods used for producing the HICP are satisfactory. There were no apparent instances of non-compliance with the HICP methodology. In January 2023 Eurostat reviewed the recommendations implemented by the NSI of Romania and took good note of the progress achieved.
Other issues	Eurostat considered the representativeness of the HICP in terms of accuracy and reliability to be generally adequate.

Government finance statistics	
Data coverage	Revenue, expenditure, deficit and debt data are provided for the period 2014-23.
Outstanding statistical issues	No major outstanding statistical issues identified. Eurostat made an EDP visit to Romania in 2023 and will publish the final findings on its website.
Institution responsible for the compilation of statistics	The NSI compiles the non-financial accounts of government. The Ministry of Finance compiles government debt. The NCB compiles the financial accounts of government.

Sweden

Institutional features relating to the quality and integrity of the statistics used in assessing the convergence process	
Legal independence of the national statistical institute	Under Section 3 of the Official Statistics Act, statistics are objective and available to the public. The Head of the NSI is appointed by the Government. The term of office is fixed (six years; three-year reappointment possible, only once).
Administrative supervision and budget autonomy	The NSI is a central statistics agency, subordinated to, but not part of, the Ministry of Finance. Approximately half of its turnover is provided by the Ministry of Finance, the other half stems from charging government agencies and commercial customers for statistical production and advice.
Legal mandate for data collection	The Official Statistics Act determines the main principles of data collection.
Legal provisions regarding statistical confidentiality	Under Sections 5 and 6 of the Official Statistics Act, the confidentiality of the statistical data is assured.

HICP inflation [1]	
Compliance with legal minimum standards	Eurostat made a compliance monitoring visit in 2011 and published a report in 2013 confirming that, in general, the methods used for producing the HICP are satisfactory. Some instances of non-compliance with the HICP methodology were identified, but those were considered by Eurostat to be limited and unlikely to have a major impact in practice on the annual average rates of change in the HICP. In March 2022 Eurostat reiterated that Statistics Sweden should take measures to bring the coverage of the HICP into line with the legal requirements in some areas, albeit stating that those measures were not expected to affect annual HICP inflation significantly.
Other issues	Eurostat considered the representativeness of the HICP in terms of accuracy and reliability to be generally adequate.

Government finance statistics	
Data coverage	Revenue, expenditure, deficit and debt data are provided for the period 2014-23.
Outstanding statistical issues	There is a public unit currently classified as a monetary financial institution, which may be subject to a reclassification into the general government sector. Eurostat made an EDP to visit to Sweden in 2022 and published the final findings on its website.
Institution responsible for the compilation of statistics	The NSI compiles the non-financial and financial accounts of government, as well as government debt.

Note: NCB stands for national central bank.
1) See Eurostat's website for the full reports on the findings and recommendations of the HICP compliance monitoring visits for each country.

6.2   HICP inflation

This section considers the methodology and quality of the statistics underlying the measurement of price developments, specifically the Harmonised Index of Consumer Prices (HICP). The HICP was developed for the purpose of assessing convergence in terms of price stability on a comparable basis. It is published for all EU Member States by Eurostat.[7] The HICP covering the euro area as a whole has been the main measure of price developments for the monetary policy of the ECB since January 1999.

Article 1 of Protocol (No 13) on the convergence criteria (annexed to the Treaties) requires price convergence to be measured by means of the CPI on a comparable basis, taking into account differences in national definitions. The framework regulation introduced to establish HICPs, Council Regulation (EC) No 2494/95[8], was adopted in October 1995 and subsequently replaced by Regulation (EU) 2016/792[9], which entered into force in June 2016. The HICPs have also been harmonised on the basis of EU Council and European Parliament regulations. They use common standards for the coverage of the items, the territory and the population included (all these elements are major reasons for differences between national CPIs). Common standards have also been established in several other areas, for example the treatment of new goods and services.

The HICPs use annually updated expenditure weights (or, until 2011, less frequent updates if this did not have a significant effect on the index) and cover all goods and services included in household final monetary consumption expenditure. The latter is derived from the national accounts domestic concept of household final consumption expenditure but excludes owner-occupied housing. The prices observed are the prices households actually pay for goods and services in monetary transactions and thus include all taxes (minus subsidies) on products, e.g. VAT and excise duties. Expenditure on health, education and social services is covered to the extent that it is financed (directly or through private insurance) by households and not reimbursed by the government. The "HICP – administered prices" includes only prices which are directly set or significantly influenced by the government, including national regulators. It is based on a common definition and compilation, and is published by Eurostat.

Eurostat must ensure that the statistical practices used to compile national HICPs comply with HICP methodological requirements and that good practices in the field of consumer price indices are being followed. Eurostat carries out compliance monitoring visits and publishes its findings in information notes made available on its website.

---

[7]   See Eurostat's website for details on the HICP legislative framework. Eurostat has also published recommendations and a methodological manual.

[8]   Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonized indices of consumer prices (OJ L 257, 27.10.1995, p. 1).

[9]   Regulation (EU) 2016/792 of the European Parliament and of the Council of 11 May 2016 on harmonised indices of consumer prices and the house price index, and repealing Council Regulation (EC) No 2494/95 (OJ L 135, 24.5.2016, p. 11).

6.3 Government finance statistics

This section describes the methodology and quality of the statistics used to measure fiscal developments. GFS are based mainly on national accounts concepts as defined in the ESA 2010[10] and Commission Regulation (EU) No 220/2014[11]. They refer to the institutional sector "general government" as defined in the ESA 2010. This comprises central government, state government (in Member States with a federal structure), local government and social security funds. It typically does not include public corporations.

The general government deficit (-)/surplus (+) is equal to the ESA 2010 item "net lending (+)/net borrowing (-)", which in turn is equal to "total revenue" minus "total expenditure". The primary government deficit/surplus is the government deficit/surplus excluding interest expenditure.

The general government debt is the sum of the outstanding gross liabilities at nominal value (face value) in currency and deposits, debt securities (e.g. government bills, notes and bonds) and loans. It excludes financial derivatives, such as swaps[12], as well as trade credits[13] and other liabilities not represented by a financial document, such as overpaid tax advances. It also excludes contingent liabilities, such as government guarantees and pension commitments. While government debt is a gross concept in the sense that neither financial nor non-financial assets are deducted from liabilities, it is consolidated within the general government sector and therefore does not include government debt held by other government units.

Government deficit and debt ratios are expressed as a percentage of GDP at current market prices.

6.3.1 Data source

The national central banks (NCBs) provide the ECB with detailed GFS data under the ECB's GFS Guideline[14]. Although the Guideline is only legally binding for the euro area NCBs, the non-euro area EU NCBs also transmit GFS data to the ECB by the same deadlines and using the same procedures. The Guideline lays down requirements for the transmission of annual data with detailed breakdowns of annual revenue and expenditure and the deficit-debt adjustment. In addition, it requests

---

[10] See Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

[11] Commission Regulation (EU) No 220/2014 of 7 March 2014 amending Council Regulation (EC) No 479/2009 as regards references to the European system of national and regional accounts in the European Union (OJ L 69, 8.3.2014, p. 101).

[12] However, on the basis of a Eurostat guidance note released in 2008, lump sums received by government under off-market interest rate swaps are treated as government loans.

[13] A 2012 Eurostat decision stipulates that trade credits that are refinanced without recourse to the original holder and trade credits that are renegotiated beyond the simple extension of the initial maturity need to be reclassified as loans and are thus included in the EDP general government debt.

[14] Guideline (EU) 2020/1552 of the European Central Bank of 14 October 2020 amending Guideline ECB/2013/23 on government finance statistics (ECB/2020/50) (OJ L 354, 26.10.2020, p. 22).

figures on general government debt with breakdowns by instrument, by initial and residual maturity and by holder.

6.3.2 Methodological issues

GFS must comply with the ESA 2010 and reflect decisions and guidelines issued by Eurostat for specific cases involving the general government sector. The borderline classification cases between the financial, non-financial and general government sectors continue to be examined closely by Eurostat and national statistical compilers and may lead to further reclassifications and changes in the EDP and GFS data.

In the Czech Republic and Hungary, there are monetary financial institutions (MFIs) that are reclassified into the general government sector for EDP purposes. These units are classified as part of the financial sector in other statistical data compiled by the NCB (e.g. monetary statistics and securities statistics). The resultant discrepancy in sector classification between those statistics and GFS is well documented and has been made known to users. However, one MFI in Hungary will be reclassified into the general government sector also in financial accounts statistics and balance of payments statistics, with effect from the 2024 benchmark revision.

In Sweden, a public unit is currently classified as part of the financial sector and is on the ECB's list of MFIs, but may be reclassified into the general government sector subject to the outcome of methodological discussions at the European level.

6.4 Exchange rates

Article 3 of Protocol (No 13) on the convergence criteria defines what is meant by the criterion on participation in the exchange rate mechanism of the European Monetary System. The bilateral exchange rates of the Member States' currencies vis-à-vis the euro are daily reference rates recorded by the ECB at 14:15 CET and subsequently published on the ECB's website.[15] Nominal and real effective exchange rates (EERs) are constructed by applying trade weights (based on a geometric weighting) to the bilateral nominal and real exchange rates of the Member States' currencies vis-à-vis the currencies of 41 trading partners. Both nominal and real EER statistics are published by the ECB.

---

[15] Since 1 July 2016 the reference rates have been published at around 16:00 CET. For details, see "ECB introduces changes to euro foreign exchange reference rates", *press release*, ECB, 7 December 2015.

6.5 Long-term interest rates

Article 4 of Protocol (No 13) on the convergence criteria requires interest rates to be measured on the basis of long-term government bonds or comparable securities, taking into account differences in national definitions. While Article 5 assigns the responsibility for providing the statistical data for the application of the Protocol to the European Commission, the ECB, given its expertise in the area, assists in this process by defining representative long-term interest rates and collecting the data from the NCBs for transmission to the Commission. This is a continuation of the work carried out by the EMI as part of the preparations for Stage Three of EMU in close cooperation with the Commission. The conceptual work resulted in the definition of seven key features to be considered in the calculation of long-term interest rates, as presented in Table 6.2. Long-term interest rates refer to bonds denominated in national currency.

Table 6.2
Statistical framework for defining long-term interest rates for the purpose of assessing convergence

Concept	Recommendation
Bond issuer	The bond should be issued by the central government.
Maturity	As close as possible to ten years' residual maturity. Any replacement of bonds should minimise maturity drift; the structural liquidity of the market must be considered.
Coupon effects	No direct adjustment.
Taxation	Gross of tax.
Choice of bonds	The selected bonds should be sufficiently liquid. This requirement should determine the choice between benchmark or sample approaches, depending on national market conditions.
Yield formula	The "redemption yield" formula should be applied.
Aggregation	Where there is more than one bond in the sample, a simple average of the yields should be used to produce the representative rate.

6.6 Other factors

The last paragraph of Article 140(1) of the Treaty states that the reports of the European Commission and the ECB shall take account of, in addition to the four main criteria, the results of the integration of markets, the situation and development of the national balance of payments and an examination of the development of unit labour costs and other price indices. Whereas, for the four main criteria, Protocol (No 13) stipulates that the Commission will provide the data to be used for the assessment of compliance and describes those statistics in more detail, it makes no reference to the provision of statistics for these "other factors".

With regard to the results of the integration of markets, two sets of indicators are used. These are i) statistics on financial development and integration referring to

the structure of the financial system,[16] and ii) statistics on financial and non-financial integration with the euro area.[17]

The data covering the structure of the financial system are provided by the NCBs. The indicators concerning the debt securities issued by resident financial corporations (MFIs excluding the national central bank and non-monetary financial corporations) and non-financial corporations are compiled in accordance with the methodology set out in Guideline (EU) 2022/971[18]. The indicator relating to stock market capitalisation refers to listed shares issued by resident corporations following the methodology given in the same Guideline. The indicators concerning MFI credit to residents and claims of euro area MFIs on resident MFIs are based on available data collected by the ECB as part of the MFI balance sheet statistics collection framework. The data are obtained from the countries under review and, for the latter indicator, also from the euro area countries covered by Regulation (EU) No 2021/379[19]. Historical data are compiled by the relevant NCBs, where appropriate. For the indicators mentioned in this paragraph, the statistical data relating to the euro area cover the countries that had adopted the euro at the time to which the statistics relate.

Balance of payments and international investment position statistics are compiled in accordance with the concepts and definitions laid down in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6) and with guidance provided by the ECB in its Guideline on external statistics[20,21] and by Eurostat. This Convergence Report examines developments in the current (goods, services, primary income and secondary income) and capital accounts; the sum of the balances of these two accounts corresponds to the net lending/net borrowing of the total economy. In addition, developments in the main components of the financial account are presented together with the net international investment position and gross external debt of each country. Exports and imports of goods and services are presented vis-à-vis both the rest of the world and the euro area countries. Direct and portfolio investment assets and liabilities with the euro area are also directly identified. Forecasted data are taken from the European Commission's economic forecasts.[22]

---

[16] Debt securities issued by resident corporations, stock market capitalisation, MFI credit to non-government residents and claims of euro area MFIs on resident MFIs.

[17] External trade and investment position with the euro area.

[18] Guideline (EU) 2022/971 of the European Central Bank of 19 May 2022 on the Centralised Securities Database and the production of securities issues statistics and repealing Guideline ECB/2012/21 and Guideline (EU) 2021/834 (ECB/2022/25) (OJ L 166, 22.6.2022, p. 147).

[19] Regulation (EU) 2021/379 of the European Central Bank of 22 January 2021 on the balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/2) (OJ L 73, 3.3.2021, p. 16).

[20] Guideline of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (ECB/2011/23), recast of Guideline ECB/2004/15 of 16 July 2004, as amended by Guidelines ECB/2013/25 of 30 July 2013, ECB/2015/392 of 26 November 2015, ECB/2018/19 of 2 August 2018, ECB/2020/52 of 14 October 2020 and ECB/2022/23 of 5 May 2022.

[21] See also "EU Balance of Payments and International Investment Position statistical sources and methods – B.o.p. and i.i.p. e-book", ECB, Frankfurt am Main, October 2023.

[22] These economic forecasts are made by the Directorate-General for Economic and Financial Affairs (DG ECFIN) on behalf of the European Commission.

The Convergence Report also looks at the development of unit labour costs and other price indices. With regard to producer price indices, these data refer to domestic sales of total industry excluding construction. The statistics are collected on a harmonised basis under the EU Regulation on European business statistics[23]. Statistics on unit labour costs (calculated as compensation per employee divided by GDP chain-linked volumes per person employed) are derived from data provided under the ESA 2010 transmission programme.

---

[23] Regulation (EU) No 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics (OJ L 327, 17.12.2019, p. 1).