

OECD
ECONOMIC SURVEYS

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

BLEU

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES

JULY 1975

BASIC STATISTICS BELGIUM

THE LAND

Area (1 000 sq. km)	30.5	Main urban areas (31-12-1972)	
Agriculture area		inhabitants:	
(1 000 sq. km) 1972	15.8	Brussels	1 069 005
Tillage and temporary		Antwerp	671 872
grassland (1 000 sq. km)		Liège	438 825
1972	8.4	Ghent	223 145

THE PEOPLE

Population (31-12-1973) (thousands)	9 757	Net immigration (1973)	18 628
Number of inhabitants per sq. km	320	Total labour force (1973)	3 886 000
Population, net natural increase		Agriculture, wage earners (1971)	13 000
(1973) :		Manufacturing, wage earners (1971)	1 140 000
Yearly average	11 112		
Yearly rate per 1 000 inhabitants	1.14		

PRODUCTION

Gross domestic product (1973)		National expenditure (1973)	
billions of Belgian francs	1 766.1	billions of Belgian francs:	
Gross domestic product per head		Private consumption	1 069.0
(1973) US \$	4 648	Public consumption	264.4
Gross fixed investment:		Gross fixed asset formation	366.4
Percentage of GDP (1973)	20.7	Net exports	54.1
Per head (1973) US \$	964		

THE GOVERNMENT

Current government expenditure		Composition of the House	%
on goods and services (1973)		of Representatives:	
percentage of GDP	15.0	Christian-Social Party	33
Current government revenue (1973)		Belgian Socialist Party	28
% of GDP	36.7	Freedom and Progress Party	15
Government debt, 31-12-1973,		Communist Party	2
billions of Belgian francs	764.8	Others	22
		Last election: 10.3.1974	
		Next election: 1978	

FOREIGN TRADE

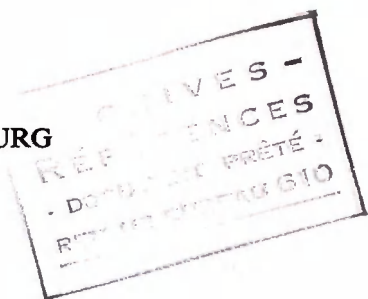
Exports:		Imports:	
Main exports in 1973		Main imports in 1973	
% of total exports (BLEU):		% of total imports (BLEU):	
Base metals	22	Machinery and equipment	15
Machinery and equipment	10	Minerals	12
Textiles and fibres	9	Base metals	9
Transport material	11	Transport material	12
Chemicals	12	Textiles and fibres	7

THE CURRENCY

Monetary unit: Belgian franc		Currency units per US dollar:	
		— as at 30.5.1975	35.06
		— actual average rate in 1973	38.942

NOTE: An international comparison of certain basic statistics is given in an annex table.

BASIC STATISTICS LUXEMBOURG



THE LAND

Area (sq. km)	2 586	Major city, inhabitants:	78 300
Agricultural area, 1973 (sq. km)	1 327	Luxembourg (31.12.1973)	
Woodland, 1973 (sq. km)	840		

THE PEOPLE

Population (31.12.1973)	352 700	Total labour force (1973)	146 800
Number of inhabitants per sq. km	136	Agriculture	10 200
Population, net natural increase 1972	-35	Industry	71 400
Net immigration 1973	4 892	Services	65 200
		Salaried employees and wage-earners	122 500
		Employers, self-employed persons and domestic help	24 300

PRODUCTION

Gross domestic product (1973)	70.9	Gross domestic product by origin (1973):	%
billions of francs		Agriculture	4.3
Gross domestic product per head, US \$ (1973)	5 164	Mining and quarrying	0.5
Gross fixed investment, 1973:		Manufacturing	32.0
Percentage of GDP	27.0	Construction	2.0
Per head, US \$	1 395	Other	61.2

THE GOVERNMENT

Public consumption (1973), percentage of GDP	11.4	Composition of the Chamber:	%
Current government revenue (general government) (1973) percentage of GDP	45.6	Christian Social Party	30.5
Central government debt (December 31st, 1973) billion Frs	16.4	Workers Socialist Party	28.8
		Democratic Party	23.7
		Communist Party	8.5
		Social Democrat Party	8.5
		Last election: 26.5.1974	

THE CURRENCY

Monetary unit: Luxembourg franc		Currency units per US dollar, as at 30.5.1975	35.06
		actual average rate in 1973:	38.942

NOTE An international comparison of certain basic statistics is given in an annex table.

OECD ECONOMIC SURVEYS

BLEU

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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- to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development;*
- to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.*

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The annual review of the BLEU
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The present Survey has been updated subsequently.

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Part II

THE LUXEMBOURG ECONOMY

I RECENT TRENDS

Despite the recession which hit most industrialised countries in 1974, the Luxembourg economy, although heavily dependent on world trade, grew at a relatively satisfactory rate. The rapid increase in output which occurred in 1973 continued during the first quarter of 1974; output then settled at a high level until October. Only in November did the index of industrial production begin to fall sharply, which it has continued to do since then. Chemicals, man-made fibres and tyre-making were among the first industries to be affected by the slowdown in activity whereas, during most of the year, the firmness of the international steel market gave strong support to the iron and steel industry. Furthermore, there was a spectacular rise in steel prices, even exceeding that recorded in 1973 (26.1 per cent against 20 per cent in 1973). As a result, growth of gross national product in value terms amounted to nearly 16 per cent (4.4 per cent in real terms), this being the highest rate for 20 years excluding 1973, an exceptional year in which the rate was 19.7 per cent.

Admittedly, the good performance of Luxembourg exports (+ 6 per cent in real terms and + 28 per cent in value terms) was one of the main reasons for the growth in gross national product. Exporters were able to take advantage of the fact that the business cycles in neighbouring countries did not coincide exactly, and although sales to the Federal Republic of Germany were much less buoyant than in previous years, the relative size of the French, Belgian and particularly the Netherlands markets increased greatly. Nevertheless, domestic demand still remained relatively high in 1974. Private consumption was strong and, despite a much more marked rise in prices in 1974 (9.5 per cent against 6.1 per cent in 1973), its real growth was 7 per cent as opposed to 6 per cent in 1973. House building continued to make good headway (an increase of about 7.1 per cent in

Table 14 Luxembourg—Demand and Output

	1973 L. Frs. million	Percentage change from previous year (volume)		
		1973	1974	1975 ^a
Private consumption	37 914	6.0	7.0	3.0
Government consumption	8 059	3.5	2.0	2.0
Gross fixed asset formation	19 158	5.1	1.0	-2.0
Final domestic demand	65 131	5.4	4.5	1.6
Change in stocks ¹	610	(-)	(-0.1)	(0.2)
Total domestic demand	65 741	5.4	4.4	1.7
External balance ¹	5 193	(2.0)	(0.1)	(-5.1)
Exports of goods and services	60 632	13.1	6.0	-8.0
Imports of goods and services	55 439	10.5	6.3	-2.8
GNP at market prices	70 934	7.5	4.4	-3.5

¹ Changes expressed as percentages of GDP for the preceding period.

² Forecasts.

Source: STATEC.

volume terms) under the pressure of demand, which nevertheless weakened progressively during the latter part of the year. In industry, investment expenditure remained at much the same level in value terms as in 1973, meaning that it fell in volume terms, given the steep increase in prices of capital goods in 1974. General government expenditure grew considerably in money terms as a result of the real increases in civil service pay, a higher rate of inflation than in 1973 and substantial investment by local authorities. Overall, domestic demand again rose by 4.5 per cent in volume terms (compared with 5.4 per cent in 1973) and 17.9 per cent in value terms (compared with 13.8 per cent in 1973).

As in 1973, total employment increased in 1974 by some 3 000 persons (a rise of about 2 per cent). This increase in the domestic labour force was again due mainly to immigration⁵⁴. The number of persons in dependent employment rose by about 3 500 (an increase of 2.9 per cent), which means that the number of self-employed persons and family helpers fell by about 500. The largest increases in numbers of wage-earners were in building and services (7.7 and 2.5 per cent, respectively). In industry the increase was nearly 2.2 per cent but, in contrast, there was a substantial decrease in the number of agricultural wage-earners (about 11 per cent). Continuing strain on the Luxembourg labour market linked with the rapid growth of production in late 1973 and early 1974 caused enterprises to grant substantial real increases in basic wages when the time came to renew the collective agreements⁵⁵. Thus, in January 1974, the basic wage of workers in the steel industry was raised by 13.5 per cent in real terms. In the building sector, the new contract effective from 1st March, 1974 provided for a uniform increase of 14 per cent in the hourly wage of the least skilled workers. Overall, real wages per head in Luxembourg rose by 7.8 per cent in 1974, this being a much higher percentage than in 1973 (4.5 per cent). Given the effects of the sliding scale mechanism and mounting inflation, money wages rose very considerably (17 per cent per head, against 11.3 per cent in 1973). The growth of the total wage bill and linkage of the personal income tax scale to the cost-of-living index made it possible for households' disposable income to show a large increase estimated at approximately 11 per cent, as against 9 per cent in 1973.

In 1974, despite an active economic policy, Luxembourg was not able to escape the inflation which affected all countries in the OECD area. Nevertheless, of all Member countries, Luxembourg is one where prices have risen least, although the movement of the consumer price index over the course of the year gives no clear sign of any significant slowdown in the upward trend. As in all other OECD countries, the impact of the oil price rise began to be felt during the first half of 1974. The increase in the price index over this period was in fact 12.5 per cent at annual rates, whereas during the previous half-year it was only 5.1 per cent. Admittedly, there was a slight slowdown during the second half of the year but the rise is still high, about 11.7 per cent; the first four months of 1975 show exactly the same pattern. There are as yet no data with which to measure the impact of imported inflation on the price index, but it is likely that, as in 1973, the rise in prices of foreign products will have affected prices of domestic products and services. The index of construction prices rose by about 18 per cent in 1974, against 9 per cent in 1973.

54 Since 1966 the population of Luxembourg origin has been decreasing, which means that in any sector of activity in which Luxembourg nationality is not a precondition of employment the number of immigrant workers has been rising more rapidly. Thus in 1974 the proportion of foreign labour in Luxembourg craft trades was 63 per cent, compared with 62 per cent in 1973, while in the banking sector the increase in foreign employees was 11 per cent, against 4.6 per cent for Luxembourg nationals.

55 In general, collective agreements are concluded at the beginning of the calendar year for a period of two years.

II ECONOMIC POLICY

Prices policy

The problem of inflation caused the government to take a number of price measures during 1974. At the beginning of the year, the Prices Board froze retail profit margins in absolute terms on the beef and pigmeat market and issued a reminder that notice of all price increases must be given two months in advance. VAT on certain everyday consumption goods was lowered⁵⁶ and even refunded in some cases⁵⁷. In addition, the Prices Board intervened several times by setting maximum prices⁵⁸ for a number of products. The government's statement on 4th July, 1974 described the board lines of its anti-inflation policy and emphasized that, in order to hold down the rise in prices, the authorities proposed to improve market structures, promote competition and consumer protection, curb abuses of economic power and review certain profit margins or certain improper practices⁵⁹.

Monetary policy

The monetary policy followed in 1973, which was aimed at restricting consumer credit and building loans⁶⁰ in order to damp down speculative demand in the housebuilding sector, was maintained for six months from January 1974. In its statement of 4th July, 1974 the government announced that these credit restrictions would apply until the end of 1974 since there was no sign that inflation in the building sector was abating. Furthermore, in order to encourage saving, the rate of interest paid on deposits with the savings banks and that payable on mortgage loans were raised⁶¹. In order to limit the impact of these increases on the financial position of recipients of loans for construction of government-sponsored housing, a special interest subsidy was introduced; this subsidy covers 50 per cent of the increase in the rate on loans. At the beginning of 1975, restrictions on consumer credit were extended for a further 6 months⁶² and those

56 Since 1st January 1970 (the date on which VAT was introduced), VAT has been reduced from 5 to 2 per cent on meat products, bakery goods, milk products and pharmaceuticals. The 10 per cent rate was reduced to 2 per cent on tobacco products. The 10 per cent rate was reduced to 5 per cent on custom-made men's clothing, tourist accommodation charges, deliveries of food-stuffs and beverages consumed on sales premises. On 1st January 1975 these reductions were carried over into 1975. In addition, other products formerly subject to VAT at 10 per cent (coffee, coffee substitutes, tea, plants and seeds used in infusions, spices, oils, animal or vegetable fats, fruit juices, mustard and vinegars) will only be taxed at the rate of 5 per cent.

57 Households meeting certain criteria may obtain compensation premiums corresponding to a partial reduction of value added tax when they build or purchase a first residence.

58 In March, April, July and November, maximum selling prices were set for domestic wines, milk sold retail, cream, butter, taxi fares and solid mineral fuels. Since April 1974, following several official decisions setting prices of petroleum products (Ministerial Orders of 11.9, 11 and 26-11-74), the price of domestic fuel oil has increased by 8.7 per cent.

59 On 19th July 1974, an agreement was signed between the Ministry for Economic Affairs and the National Federation of Master Butchers under which the price of beef and pigmeat would be reduced by 7 per cent. In practice, the actual reduction was larger (9 per cent).

60 Loans for the purchase or construction of a building may not exceed 30 per cent of the cost. Maturities may not exceed eight years and interest may not be below a prescribed minimum: originally 8.5 per cent, rising to 9.5 per cent in April 1974 and 10.5 per cent in August 1974. These regulations do not apply, however, to credit and loans extended for building or purchase of the borrower's primary residence.

61 The rate of interest paid by the State Savings Banks was raised to 5 per cent and the minimum rate on loans to 6.5 per cent for government-sponsored housing and 8 per cent for other loans.

62 At the beginning of July it was decided to renew the restrictions on consumer credit for a further period of 3 months.

on building loans for a further 3 months. Although there were indications, from the number of building permits issued, that demand for housing began to fall as of the second half of 1974, surveys among construction firms did not show any decline in output until December 1974⁶³. At the end of March 1975, restrictions on building loans were relaxed. The continuing fall in applications for building permits, which became more rapid during the fourth quarter of 1974 and the first quarter of 1975, has made it possible for the authorities to ease their policy to date selectively⁶⁴ for the period up to 30th September, 1975. In 1974 the Luxembourg banking sector continued to expand strongly: 11 new foreign banks opened during the year. The Luxembourg capital market is becoming more and more important and the sum of bank balances amounted to L.F. 1 060 billion at the end of 1974, of which 80 per cent in foreign currency, against L.F. 832 billion at the end of 1973 in spite of the contraction in the Euro-bond market.

Table 15 Luxembourg—Central Government Transactions

	1972	1973	1974 ¹	1975 ²
Current receipts	15 306	19 147	18 362	23 491
Indirect taxes	5 989	7 103	7 168	8 220
Direct taxes	7 964	10 401	9 876	13 610
Other receipts	1 353	1 643	1 318	1 661
Current expenditure	11 321	13 197	15 404	18 433
Final consumption	4 638	5 544	6 362	7 556
Current transfers	6 018	6 943	8 311	10 111
Other expenditure	665	710	731	766
Net saving	3 985	5 950	2 958	5 058
Depreciation and other operating provisions	250	260	300	400
Net capital transfers	-646	-1 098	-1 444	-1 548
Gross fixed asset formation	-1 843	-2 227	-2 276	-2 669
Net lending (+) or borrowing (—)	1 746	2 885	-462	1 241
<i>Annual trend in:</i>				
Central government expenditure	13.2	16.8	13.2	18.4
Central government receipts	11.9	22.5	-5.0	29.6
GNP in value	10.0	19.7	15.9	-2.5

1 Estimates adopted budgets.

2 Forecasts adopted budgets.

Source: Ministry of Finance.

Budget policy

Budget policy in Luxembourg shows some original features⁶⁵ since it is designed to reconcile short- and medium-term objectives. With this aim in view, increases in expenditure are not budgeted on the basis of short-term output growth, but on the basis of medium-term real growth of gross national product (3.5 per

63 The December 1974 survey shows a decline in the assured duration of activity of six-tenths of a month compared with December 1973 for building and public works as a whole. In the housing sector, the assured duration of activity fell from 6.4 months in December 1973 to 3.9 months in December 1974.

64 As before, loans for the purchase of a primary residence remain unrestricted; those used to finance a secondary residence have been derestricted. In the case of other mortgage loans to private individuals, the recipients must themselves contribute 60 per cent of the financing total (70 per cent under the old regulations) and the term of the loan may not exceed eight years at a minimum interest rate of 10 per cent.

65 See Economic Survey of the BLEU, OECD, July 1974.

cent a year for the period 1970-1975) linked to annual price projections. Consequently, this policy is counter-cyclical and makes it possible to ensure overall budgetary equilibrium in a period covering several years. The new government, elected in 1974, has maintained this type of multi-annual budget policy, but henceforth expenditure will be budgeted on the basis of revenue growth over the medium term rather than growth of gross national product. In 1974, as in 1973, the budget was in balance and no loan issue was made. At the end of 1974 a budget surplus of L.F. 3.4 billion made it possible to replenish the short-term reserve⁶⁶ fund, the investment fund⁶⁷ and the crisis fund⁶⁸.

III SHORT-TERM PROSPECTS

In 1975 the short-term outlook for the Luxembourg economy appears somewhat bleak. The steel market collapsed in late 1974-early 1975. At present Luxembourg's steel output is about 35 per cent down on its 1974 average and steel prices have plunged to a level about 30 per cent lower than in 1974. Admittedly, this fall in output can be attributed to the fact that the economic downturn in the industrialised OECD countries occurred by and large at the same time. It is likely, however, that speculation on the part of users also contributed to the decline. Were this the case, it is possible that production will recover somewhat between now and the end of 1975. Already there are signs that prices have levelled off. Furthermore, given the slightly expansionary policies adopted by all Member countries, some recovery in steel output should not be ruled out between now and the end of the year, although it will in any case be small. Steel output in 1975 might show a decrease of 20 per cent on 1974. In the other sectors, prospects are not very good either. The official forecasts predict a 3.5 per cent decrease in gross national product in 1975 by comparison with 1974, this being apparently a target figure. At the time of drafting this survey, it seems that 1975 will be the worst year for Luxembourg since the end of the Second World War, in relative terms.

On the other hand, domestic demand might still provide some impetus, given that households' demand should, on the whole, remain fairly buoyant in 1975. For one thing, because of good performances by enterprises in 1974, the real wage increases awarded at the beginning of 1975 were very substantial: the guaranteed minimum wage was raised by 14.9 per cent, the agreements concluded in the steel industry gave workers an increase of 17 per cent, banks granted a 13 per cent pay increase and civil servants, whose real salaries had been raised by 5 per cent on 1st September 1974, received a further index-linked increase of roughly 9 per cent on 1st January 1975. Furthermore, the raising of the minimum taxable income and the linkage of personal income tax rates to the price index are encouraging the growth of households' real disposable incomes. Admittedly, the deterioration in the unemployment situation⁶⁹ is now very apparent in a number

66 The short term reserve fund now amounts to L.F. 4.5 billion.

67 The investment funds are allocated by broad purpose (education, health, and so on) and can only be used after being voted by Parliament.

68 Created in 1938, this fund, which is automatically replenished in years of a budget surplus, grew by L.F. 300 million in 1974 to a total of about L. Frs. 1 300 million, of which 670 million is invested in gold and accounted for at the official price. The mobilisation of resources in the crisis fund requires prior agreement by the legislative authorities, so this fund may be considered as the country's ultimate reserve.

69 The number of unemployed receiving benefits in April 1975 was 20. The number of partially unemployed which stood at 201 persons in January 1975, rose to 1.750 workers in April 1975.

of firms and, although full unemployment is not expected on a large scale, partial unemployment practised by firms will cause a significant drop in wage earnings despite the system of compensation for full or partial unemployment which has been set up⁷⁰. However, households' disposable income is expected to increase by some 5 per cent, which would be a slightly less rapid growth than in 1974. On the other hand, households' savings⁷¹ might increase more rapidly than last year as a result of higher unemployment, which would mean that private consumption would grow less steeply in 1975 than in 1974 (3 per cent against 7 per cent). With regard to housebuilding, the fall in the number of building permits as from the second half of 1974 should cause investment in this sector to level off or even fall back slightly if the behaviour of households is not influenced by the recent measures to assist construction (refunds of VAT, reduced cost and derestriction of loans).

General government's demand should also act as a support to domestic demand. The decisions taken with respect to policy on incomes of government employees, the large amount of pension disbursements attributable to a higher rate of retirements, the public sector's investment decisions in regard to public works and measures of economic support such as reductions in VAT rates, the railway subsidy and partial unemployment benefits: all these constitute stimuli to the economy⁷². As to productive investment, its performance may be similar to that in 1974. It is likely that investment in the steel industry will even show some recovery, given that in 1974 demand pressure was so strong in this sector that it was not even possible to carry out routine renewal of production equipment. On the other hand, no expansion of productive capacity is planned in the other industrial sectors, but the very steep rise in wages over the past few years is encouraging industry to rationalise plant for purposes of labour saving.

The government's recommendation to firms that they should shorten working hours rather than lay off workers will certainly be followed in 1975. For this purpose the government created a tripartite short-term committee which periodically looks into the situation of enterprises in difficulty. However, it is likely that at the end of the school year, young school-leavers will have some difficulty

70 Since 31st December 1974, government aid may be granted to firms which pay their staff unemployment benefits in the form of compensatory wages. For each calendar month, the first 16 hours of partial unemployment are compensated by the employer and the employee on a joint basis; all further hours are compensated by the government. The amount of the gross hourly compensatory wage liable to social security charges and earnings has been set at 80 per cent of the normal gross hourly wage of employees, provided that it does not exceed an amount equal to 250 per cent of the legal minimum hourly wage of an unskilled worker over 18 years of age. Immigrant and frontier workers employed in Luxembourg receive the same compensation as Luxembourg workers. Compensation for full unemployment is borne entirely by the government. The benefits paid are equivalent to 60 per cent of the wage earned previously, provided this does not exceed 250 per cent of the legal minimum wage of an unskilled worker over 18 years of age. These benefits are paid for a period of six months only but under legislation dating in the main from 1921 neither married women whose husbands are in paid employment nor young persons in search of a first job and who have not received higher education qualify for these benefits. However, the Luxembourg government proposes to amend this legislation in the near future.

71 During the first fourth months of 1975, the surplus of deposits over withdrawals at the State Savings Bank amounted to L.F. 250 million, whereas in 1974 it had fallen by L.F. 160 million francs. It is nevertheless possible that this change is related to the raising of the State Savings Bank interest rate in August 1974 and that it merely indicates a shift in household's savings.

72 The 1975 budget voted in December 1974 was presented as a balanced budget, but there is little likelihood that this balance will be achieved. The forecasts for tax revenues were based on a positive growth of GNP, whereas at present the most favourable forecasts indicate a negative growth of the order of 2.5 per cent compared with 1974. On the other hand, expenditure will be higher than that initially foreseen because of the increase in partial unemployment, compensation for which is almost entirely borne by the government, and additional subsidies, notably to the railways. However, the financing of this deficit will pose no problem because of the size of the reserves accumulated during the period 1970 to 1974.

in finding employment⁷³. Admittedly, there are still acute labour shortages in some categories: craft workers, hospital staff, management personnel. But these structural imbalances are very difficult to resolve and, as in many countries, current trends in scholastic and vocational guidance make it impossible to do so.

Given its recent trend, the consumer price index should show a rise of about 10 per cent on 1974 as an annual average. This assumption implies a fall in the rate of increase over the course of the year: from 10.5 per cent in annual terms over the first half of the year to 7.5 per cent over the second half. A sharper slowdown would be difficult to achieve, seeing that domestic demand will remain strong, that the Community decisions on agricultural prices will have repercussions on consumer prices and finally that the size of the real wage increases recently granted in Luxembourg will cause wage costs to rise steeply.

In 1975, Luxembourg will not be able to escape the slowdown in activity taking place in the countries that are its principal trading partners, despite the efforts made to diversify production in previous years. The weakness of foreign demand will, therefore, cause a market decrease in exports in both real and value terms. On the other hand, given that domestic demand is still buoyant, Luxembourg's imports will show a slight increase in value terms on 1974. Consequently, the foreign balance, which was substantially in surplus during the past few years (in 1974, despite increased energy prices, the surplus amounted to about 4.7 billion francs), could show a large deficit in 1975.

IV ECONOMIC POLICY CONCLUSIONS

In 1974, and paradoxically for a country which is very dependent on foreign trade, Luxembourg maintained a steady growth of its economy, whilst the rise in prices was still relatively more moderate than in most other OECD countries. In 1975, however, it is possible that the Luxembourg economy will feel the delayed effects of the international recession and that production will decline, whilst the upward movement of prices will show no slackening, because of the sharp rise in wage costs. In order to counter the effects of this largely unavoidable deterioration in domestic activity, the authorities have a number of means at their disposal: in particular, the budget can be used as a counter-cyclical tool, as it has been in the past, and the various funds for counter-cyclical action can be used to boost activity. Thus, the sums allocated to the counter-cyclical reserve fund can be used for various public works of general interest and even if the situation were to deteriorate too far, the crisis fund created in 1938 could also be used. The government, therefore, has substantial means of intervention, which it appears determined to use if the need makes itself felt. But in any case, it should be remembered that a lull in activity will certainly be beneficial to an economy which for several years has operated at the limit of its capacity and in which unemployment is still a very marginal phenomenon. However, the present situation must not be allowed to develop into a serious and lasting recession, which would inevitably damage the prospect of the economy achieving balanced growth in the medium term.

73 200 to 300 young people out of a total of 4500 to 5000 school-leavers, are expected to be unemployed at the end of 1975.

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Annex

MAIN ECONOMIC POLICY MEASURES SINCE JUNE 1974

MONETARY POLICY

1974*1st July*

With effect from 1st July limit set on medium and long-term lending by the Credit Communal de Belgique to local authorities.

4th July

For a period of six months from 14th July hire purchase downpayments raised by 10 per cent and time limits for repayment of personal loans reduced in accordance with the amount borrowed.

With effect from 1st July financial intermediaries raised their interest rates on short-term deposits.

8th July

Rediscount ceilings of the National Bank of Belgium split into a base discount rate and a sub-ceiling B. The base discount rate of 8.75 per cent applies only to half the maximum rediscount ceiling assigned to each bank. The second half of the rediscount ceiling is subject to a rate fixed specially by the Rediscount and Guarantee Institute (9.5 per cent as from 8th July, 1974).

9th July

Banks reminded to keep credit increases within strict limits until the end of October. The monetary reserve ratios against the resources of the financial intermediaries remained unchanged. At end-October the ceiling for outstanding bank credit was not to exceed the level at end-June by more than 2.85 per cent. Priority to be given to export credit, subsidised investment credit and certified import bills. Banks asked to use restraint in regard to instalment loans and credit for construction of private housing. Banks' additional resources required to be invested in the proportion of 43 per cent (against 41 per cent previously) in public securities and funds.

14th July

Base mortgage interest rate of private savings banks raised to 12 per cent (from 10.5 per cent). With effect from 15th July official mortgage loan institutions raised their base rate to 11 per cent.

MONETARY POLICY (ctd)

24th July

The Caisse Générale d'Épargne et de Retraite (General Savings and Pensions Fund) decided to suspend all further lending temporarily.

Base mortgage rate charged by the savings banks raised to 12.5 per cent (14 per cent at the second level).

25th July

For a period of six months from 8th August the authorities were empowered to set the maximum proportion which a mortgage loan on real estate may bear to the latter's market value, the maximum term for which the mortgage loan may be granted and the terms of repayment. Medium and low-cost housing was exempted from these restrictions together with liabilities under saving-for-housing contracts.

The untaxed portion of income from savings deposits raised from B. Frs. 10 000 to 15 000 per household.

In the case of income from other forms of fixed-interest saving, a non-taxable portion of B. Frs. 10 000 was allowed, provided that aggregate net income did not exceed B. Frs. 350 000.

1st August

Maximum limit of the portfolio of Belgian public funds held by the National Bank raised from 16 to 20.616 billion francs.

31st August

National Bank of Belgium reduced banks' rediscount ceilings from 4.5 to 4 per cent of their resources.

September

Interest rates on deposits raised. At short term the increase is small but rises to 1 per cent for five-year deposits. The non-withdrawal premium for savings deposits raised from 1 to 1.5 per cent a year. In addition, an incentive premium of 1 per cent a year was introduced; it applied to the net increase in funds deposited as from 16th September and remained in force until 31st December, 1974.

30th September

Monetary reserve introduced on liabilities of industrial accident insurance bodies.

19th October

Legal rate of interest raised from 6.5 to 8 per cent.

12th November

Financial intermediaries decided to reduce interest rates on short-term deposits and on short-term loans.

Owing to the depressed state of the economy, the banks were authorised to increase their credit to enterprises and households at an annual rate of 16 per cent as against 14 per cent previously. Export credits are subject to special, less stringent regulation.

MONETARY POLICY (ctd)**1975***14th January*

Downpayments on hire-purchase sales instalment credit lowered; time limits for repayment of personal instalment loans extended; time limits for repayment of hire-purchase and instalment credit remained unchanged.

31st January

Part of the reserve against liabilities and part of the frozen reserve were refunded. Credit expansion limited to 16 per cent annum, but all export credit and subsidised or guaranteed investment credit, exempted from this limit. The proportion of banks' new resources to be converted into public securities and funds was set at 41 per cent (as against 43 per cent previously).

28th February

Rediscount ceilings of commercial banks raised from 4 to 4.25 per cent of their resources.

10th March

With effect from this date, commercial banks and savings banks decided by common agreement to lower their interest rates on savings deposits by between 0.25 and 0.75 per cent according to term. Interest on ordinary savings deposits was reduced by 0.25 per cent, whilst the non-withdrawal premium remained unchanged.

11th March

Interest on investment credit distributed by the Société Nationale de Crédit à l'Industrie (SNCI) lowered by 0.75 per cent.

13th March

Base discount rate lowered by 0.75 per cent and other interest rates of the National Bank of Belgium by 1 per cent.

Official mortgage loan institutions reduced the rate of interest on mortgage loans from 12 to 11 per cent.

14th April

The Belgian government issued an 8-year loan at 9 per cent.

22nd April

The SNCI lowered interest rates on investment credit by 0.5 per cent irrespective of maturity.

24th April

The National Bank reduced the official rediscount rate from 7.5 to 7 per cent.

Other interest rates likewise lowered by 0.5 per cent. The Rediscount and Guarantee Institute also reduced its rate from 6.75 to 6.25 per cent.

MONETARY POLICY (ctd)

The financial intermediaries reduced their interest on time deposits, savings and cash certificates, 10 and 20-year bonds, capital redemption bonds 15 and 18 years and progressive interest bonds by between 0.5 and 0.6 per cent.

Interest on one-year savings deposits unchanged (7.25 per cent).

30th April

Restrictions on mortgage credit and loans lifted. Monetary reserve requirements progressively withdrawn. All restrictions on loans for construction work costing more than B. Frs. 50 million were lifted.

1st May

With effect from 1st May, commercial banks, private savings banks and official credit institutions reduced the base rate of interest on undated deposits by 0.25 per cent.

Official mortgage loan institutions lowered their interest rate by 0.75 per cent.

20th May

Official financial intermediaries and commercial banks reduced their interest on one-month deposits by 0.25 per cent, and on three- and six-month deposits by 0.5 per cent. The monetary reserve frozen at the National Bank of Belgium to be refunded in full to all financial intermediaries in three instalments: one-third on 20th May 1975, one-third on 16th June 1975 and one-third on 13th July 1975.

29th May

Base discount rate of the National Bank of Belgium set at 6.5 per cent and the rate on advances lowered by 1 per cent.

FISCAL AND BUDGET POLICY

1974

During the first half of 1974, commitment authorisations for public investment were reduced by 41 per cent in comparison with the original programme. (The original 1974 programme had not been increased by comparison with 1973).

During the second half of 1974 commitment authorisations were again reduced, by 35 to 40 per cent. For the whole of 1974, public investment was cut by some B. Frs. 30 billion. In addition, all allocations for new public buildings of any kind were deferred until 30th September, 1974.

26th July

Linkage of certain social welfare benefits to changes in the general standard-of-living ("bien-être") index. The increase in this index is set on 1st January of each year by the King, by decree resolved upon in the Council of Ministers.

30th July

All procedures leading to the award of building contracts by local authorities were suspended from 1st August to 30th September.

FISCAL AND BUDGET POLICY (ctd)

1st August

Excise duties on beer raised by 10 per cent and on cigarettes, cigars, spirits, tobacco and perfume by 18 per cent.

- Road tax for privately owned vehicles raised.
- Company tax raised (from 42 to 48 per cent).
- Ten percent surcharge on personal income tax payable on incomes in excess of B. Frs. 1.5 million.
- Indexation of fixed registration duties and fees.
- Deferment of tax relief on investment.
- First advance payment of 25 per cent of personal income tax and company tax brought forward.

1st October

Special aid granted to market gardeners to offset part of the increase in greenhouse heating costs.

15th December

Government decided to carry out the 1975 public investment programme in full. The authorisation limits for the period January-April 1975 were as set follows:

Budget and non-budget sectors:

- (a) Basic programme: 33 per cent
- (b) Selective programme: 50 per cent.

Bodies in the public interest:

- (a) Basic programme: 33 per cent
- (b) Selective programme: 50 per cent of the portion exceeding 10 per cent of the programme.

19th March 1975

Public investment increased by B. Frs. 33 billion mainly to be allocated to public transport, government-sponsored housing, and public health. This should provide about 20 000 jobs.

Number of unemployed to be given jobs in public services increased from 10 000 to 20 000.

30th April

Flat-rate deduction from the value of enterprises' and distributors' stocks allowed in order to avoid taxing nominal corporate profits attributable to rising prices. This deduction represented a loss of approximately B. Frs. 12 billion to the Treasury.

- Interest on business loans made completely tax deductible.
- Interest subsidies for investment loans increased by a further 2 per cent. Small and medium businesses also receive supplementary aid for investments if they are carried out within 24 months.

May

Annual general government investment programme increased to B. Frs. 125 billion. Authorisation limits for the January-August period set at 60 per cent for the basic programme and at 80 per cent for the selective programme; commitments totalling B. Frs. 78.8 billion authorised to date.

PRICES POLICY

1974*31st May*

The temporary regulations setting the period of prior notice of price increases at 3 instead of 2 months were renewed until 1st October.

24th July

Price agreement signed between the Oil Federation and the Ministry for Economic Affairs. This agreement, valid for three years, provides for a flexible arrangement under which the cost price and the market price of crude oil are taken into account in calculating the prices of oil products. This arrangement should serve to bring down the prices of oil products but the re-introduction of excise duty (abolished on 1st March 1974) caused a slight increase from 1st August (18 centimes per litre for standard grade gasoline). It was agreed that prices would remain unchanged until 1st October, 1974.

1st August

With effect from this date, the Ministry for Economic Affairs may, on sufficient grounds, delay a price increase for six months when notice of such increase is given by only one enterprise or by a few enterprises representing only a very small part of the market.

9th August

Retail prices of beef and pigmeat were frozen until 31st October. Retailers able to prove that their profit margin was less than B. Frs. 22 per kilo of butcher's meat were allowed to charge higher prices than those prescribed.

28th September

The temporary regulations setting the period of prior notice of price increases at 3 months were renewed until 1st February 1975.

1st November

VAT on oil products used for heating lowered from 14 to 6 per cent.

13th November

The Order of 9th August setting the profit margin on beef and pigmeat at B. Frs. 22 per kilo of butcher's meat was renewed for 3 months.

15th December

Postal charges raised: standard letter rate increased from B. Frs. 5 to B. Frs. 6.50.

PRICES POLICY (ctd)

1975

6th January

With effect from this date, initial subscriber charge for a telex line raised to B. Frs. 2 000 (from B. Frs. 1 000) and for a telephone line to B. Frs. 1 600. Installation charge for sets and accessories now B. Frs. 400. Standard rental charge increased from B. Frs. 300 to B. Frs. 430 per two months.

31st January

Ministerial Order published in the Belgian Monitor renewing until 31st March the temporary measures under which prior notice of price increases was set at 6 months.

11th February

Entitlement to reduced telephone charges for persons aged over 70 and handicapped persons aged over 18 with a gross annual income of less than B. Frs. 165 000.

12th February

The Orders of 13th November and 9th August setting profit margins and retail prices for beef and pigmeat were extended.

21st February

Legislation enacted making it compulsory to display selling prices and specify the legal unit of measurement used in arriving at them, so as to make it easier for consumers to compare prices.

29th March

The period of prior notice of price increases reduced from 6 to 4 months, with effect from 1st April.

Retail prices of beef or pigmeat fixed on the basis of an average weighted purchase price, a maximum profit margin of B. Frs. 22 per kilo and the amount of VAT payable.

10th April

Legislation on housing rents changed. Rents for small or medium sized dwellings may now be adjusted only once yearly according to a coefficient fixed by the authorities. This coefficient will usually be lower than the increase in the consumer price index over the same period. Farm leases, government-sponsored housing, secondary country residences, premises rented as offices and business leases are not subject to this legislation.

30th April

Prices frozen for two months at their level on 30th April.

SOCIAL POLICY AND OTHER ECONOMIC POLICY MEASURES

1974

7th August

“ Minimum subsistence allowance ” introduced for all Belgian adults. This “ minimum ” income is linked to the consumer price index and to changes in a general standard-of-living index (“ bien-être ”). As at 1st January, 1975, this minimum is set at B. Frs. 72 000 per household.

10th August

Speed limit applying to motor vehicles on the public highway renewed until 31st December, 1974.

13th September

The start of all building and works (other than low- and medium-cost housing) costing more than B. Frs. 50 million, and for which a building permit was issued after 13th September, was prohibited from taking place until one year after the issue of the final construction permit.

1975

1st January

Change in the legislation governing social security of workers. Under the new scheme there are only two payment ceilings: B. Frs. 22 950 for family allowances and unemployment benefits and B. Frs. 37 925 for white-collar workers' pensions and for sickness and disablement insurance benefits. There is no longer a ceiling in respect of blue-collar workers' pensions, medical treatment and annual leave. The rate of employers' contributions to the family allowance scheme has been lowered from 10.5 per cent to 10.25 per cent.

— Deductions at source for blue- and white-collar workers are calculated as follows:

- 1.2 per cent of wages up to a limit of B. Frs. 22 950 per month for unemployment insurance;
- as a proportion of pay up to a limit of B. Frs. 37 925 per month:
 - a) 1.10 per cent for sickness and disablement insurance, for blue-collar workers;
 - b) 6.45 per cent for white-collar workers, of which 0.7 per cent for sickness and disablement insurance and 5.75 per cent for pension;
- as a proportion of gross pay without ceiling:
 - a) 7.8 per cent, of which 1.8 per cent for medical treatment and 6 per cent for pension, for blue-collar workers.
 - b) 1.8 per cent for medical treatment, for white-collar workers.

SOCIAL POLICY AND OTHER ECONOMIC MEASURES (ctd)

5th February

Arrangements for the grant of employment premiums to small businesses (under 10 dependent workers) were fixed. The amount of the premium was set at B. Frs. 15 000 per annum per worker.

19th March

Certain unemployed persons were given access to training and retraining schemes. Arrangements for continuing the payment of net wages during the training period are under study.

21st March

Workers over 60 years of age and laid-off workers to receive an allowance in addition to unemployment benefits. The years during which this supplementary allowance is paid count as years of service for the calculation of pension rights.

30th April

All restrictions on construction work of a market value exceeding B. Frs. 50 million were lifted.

— Additional sums were made available to the Foreign Trade Fund to be used for interest subsidies for medium-term export credit.

Further assistance given to small and medium enterprises: advisers provided for those firms engaged in export business.

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2. The above figures are preliminary estimates and are subject to revision as more complete data become available.

Year	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Grain production (in million metric tons)	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.3	11.4	11.5
Production of industrial crops (in million metric tons)	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6
Total agricultural production (in million metric tons)	11.3	11.5	11.7	11.9	12.1	12.3	12.5	12.7	12.9	13.1	13.3	13.5	13.7	13.9	14.1
Production of cotton (in million metric tons)	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9
Production of sugarcane (in million metric tons)	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6
Production of oilseeds (in million metric tons)	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7
Production of other industrial crops (in million metric tons)	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6
Total industrial crop production (in million metric tons)	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6
Total agricultural production (in million metric tons)	11.3	11.5	11.7	11.9	12.1	12.3	12.5	12.7	12.9	13.1	13.3	13.5	13.7	13.9	14.1
Production of cotton (in million metric tons)	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9
Production of sugarcane (in million metric tons)	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6
Production of oilseeds (in million metric tons)	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7
Production of other industrial crops (in million metric tons)	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6
Total industrial crop production (in million metric tons)	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6
Total agricultural production (in million metric tons)	11.3	11.5	11.7	11.9	12.1	12.3	12.5	12.7	12.9	13.1	13.3	13.5	13.7	13.9	14.1

Source: Ministry of Agriculture, Government of India.

Table A Gross Domestic Product
Fr. billions

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
<i>Current prices</i>										
Consumers' expenditure ¹	496.9	540.9	579.7	611.5	662.8	718.5	769.0	846.1	935.5	1 069.0
Government current expenditure	98.9	110.2	121.1	133.4	144.0	159.8	175.3	201.9	232.4	264.4
Gross fixed asset formation ²	170.5	185.3	204.4	218.6	218.8	241.1	287.1	303.4	328.5	366.4
Change in stocks	12.0	4.4	9.0	5.0	10.7	12.8	20.4	19.9	13.4	30.5
DOMESTIC EXPENDITURE	778.3	840.8	914.2	968.5	1 036.3	1 142.2	1 251.8	1 371.3	1 509.8	1 730.3
Exports of goods and services	278.0	306.0	327.8	352.2	401.6	482.7	561.9	609.3	681.7	846.5
less: Imports of goods and services	282.9	304.7	337.0	351.0	400.4	473.6	532.8	580.0	633.5	810.7
GROSS DOMESTIC PRODUCT AT MARKET PRICES	773.4	842.1	905.0	969.7	1 037.5	1 151.3	1 280.9	1 400.6	1 558.0	1 766.1
<i>1970 prices</i>										
Consumers' expenditure ¹	602.2	627.4	644.9	663.8	700.0	736.5	769.0	805.1	850.4	907.9
Government current expenditure	132.1	139.7	146.0	154.5	160.0	169.8	175.3	185.7	196.8	207.0
Gross fixed asset formation ²	221.8	230.7	246.7	253.6	249.8	263.8	287.1	280.7	291.4	307.0
Change in stocks	12.8	4.1	8.6	3.6	9.0	21.3	20.4	18.7	13.9	27.1
DOMESTIC EXPENDITURE	968.9	1 001.9	1 046.2	1 075.5	1 118.8	1 191.4	1 251.8	1 290.2	1 352.5	1 449.0
Exports of goods and services	328.2	353.0	336.1	391.3	445.5	510.7	561.9	602.9	661.6	754.9
less: Imports of goods and services	321.3	343.0	369.6	382.7	434.1	497.6	532.9	562.8	611.6	725.5
GROSS DOMESTIC PRODUCT AT MARKET PRICES	975.8	1 011.9	1 042.7	1 084.1	1 130.2	1 204.5	1 280.9	1 330.3	1 402.5	1 478.4

1 Changes in stocks at the retail level are included in private consumption expenditure.

2 Public sector gross fixed investment is on a payments basis and not on an accrual basis.

Source: Belgian Statistical Submission to the OECD.

Table B Origin of Gross Domestic Product at Market Prices

Frs. billions

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
<i>Current prices</i>										
Agriculture, forestry and fishing	43.0	45.4	43.2	42.5	46.7	51.2	46.0	48.6	61.5	68.1
Mining and quarrying	16.5	15.2	13.2	12.2	11.2	11.0	12.0	13.9	14.0	12.8
Manufacturing ¹	240.5	256.4	279.9	291.5	317.3	368.2	411.6	422.9	466.0	529.4
Construction (building and public works)	54.4	57.9	62.5	69.0	66.9	71.9	88.6	98.8	106.5	118.5
Electricity, gas and water	16.7	18.3	21.4	23.4	25.1	27.9	29.4	37.1	40.1	46.4
Transport and communications ²	53.2	57.8	63.6	67.6	76.1	83.3	92.6	104.8	119.1	137.1
Wholesale and retail trade ³	128.3	142.8	157.0	171.5	181.7	201.4	222.9	262.4	284.6	324.7
Banking, insurance and real estate and services to enterprises	86.2	93.5	101.2	107.8	117.5	128.6	137.4	148.3	165.2	191.2
of which: Ownership of dwellings	42.8	45.7	49.2	51.8	54.6	58.0	61.3	64.1	68.6	74.0
Public administration and defence ⁴	44.5	51.1	56.0	61.0	65.0	71.4	78.5	88.7	102.4	117.4
Miscellaneous services ⁵	88.6	101.9	109.7	121.2	131.1	141.7	159.7	180.9	205.8	233.6
Statistical adjustment ⁶	1.4	1.7	-2.5	2.0	-1.1	-5.3	2.2	-5.8	-7.2	-13.1
GROSS DOMESTIC PRODUCT AT MARKET PRICES	773.4	842.1	905.0	969.7	1 037.5	1 151.3	1 280.9	1 400.6	1 558.0	1 766.1
<i>1970 prices</i>										
Agriculture, forestry and fishing	47.6	44.4	40.3	45.1	47.7	46.8	46.0	48.4	50.6	54.9
Mining and quarrying	16.2	14.9	13.9	13.4	12.3	12.2	12.0	12.3	12.1	11.3
Manufacturing ¹	281.4	292.1	309.0	313.4	335.9	375.0	411.6	426.1	454.7	483.9
Construction (building and public works)	75.8	76.2	79.0	82.0	77.6	78.7	88.6	90.0	92.1	93.8
Electricity, gas and water	17.7	19.4	21.0	22.5	24.3	27.7	29.4	34.0	38.6	42.9
Transport and communications ²	70.8	73.3	76.6	76.4	84.4	89.4	92.6	94.5	95.7	101.3
Wholesale and retail trade ³	165.6	176.0	181.4	188.8	199.3	212.0	222.9	235.0	247.5	260.4
Banking, insurance and real estate and services to enterprises	106.1	110.0	114.8	120.2	126.7	132.2	137.4	142.1	149.9	162.4
of which: Ownership of dwellings	52.7	53.9	55.5	57.0	58.4	59.8	61.3	62.9	64.5	66.0
Public administration and defence ⁴	61.2	66.0	68.4	71.5	72.6	75.9	78.5	81.9	86.2	91.2
Miscellaneous services ⁵	125.3	131.8	133.1	138.5	142.7	150.8	159.7	166.6	174.9	182.2
Statistical adjustment ⁶	10.4	9.8	5.3	12.3	6.7	3.8	2.2	-0.6	0.2	-0.5
GROSS DOMESTIC PRODUCT AT MARKET PRICES	978.1	1 014.0	1 042.8	1 084.1	1 130.2	1 204.5	1 280.9	1 330.3	1 402.5	1 478.4

1 Including garages.

2 Including — port activities
— Belgian Railways workshops
— radio and television.

3 Including distribution of petroleum products and import duties and taxes.

4 Public health is included in public administration.

5 Services to the community, social welfare and personal services (including restaurants and hotels but excluding banking services) and household domestic services.

6 Adjustment for self-financed investment and adjustment for VAT deductible from asset formation.

Source: Belgian Statistical Submission to the OECD.

Table C Gross Domestic Asset Formation
Frs. billions

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
	<i>Current prices</i>									
Gross domestic fixed asset formation	170.5	185.3	204.3	218.6	218.8	241.1	287.0	303.3	328.5	366.4
BREAKDOWN BY PRODUCTS:										
Dwellings	52.2	58.7	56.5	59.3	58.2	62.4	71.8	61.8	70.8	89.6
Other construction	55.5	57.8	68.8	77.8	78.8	86.4	102.5	128.5	135.9	140.6
Machinery and transport equipment	62.8	68.8	79.0	81.5	81.8	92.3	112.7	113.0	121.8	136.2
BREAKDOWN BY INDUSTRY OF ORIGIN:										
Agriculture, forestry and fishing	4.9	5.3	6.0	5.7	6.3	6.8	7.4	6.1	8.3	11.1
Mining and quarrying	2.0	2.0	1.7	1.6	1.9	2.1	2.2	2.6	2.8	2.6
Manufacturing	40.7	46.3	54.3	54.0	49.3	57.7	73.5	76.9	73.1	78.5
Construction	5.1	5.5	6.5	6.9	6.5	6.6	8.5	6.0	6.4	8.3
Electricity, gas and water	7.8	9.4	11.4	15.0	13.4	13.5	15.7	19.6	23.7	20.9
Transport and communications ¹	15.4	18.6	20.7	23.7	23.8	25.0	27.4	31.9	34.7	40.9
Dwellings	52.2	58.7	56.5	59.3	58.2	62.4	71.8	61.8	70.8	89.6
Public administration ²	19.5	16.1	19.8	24.5	29.6	32.7	39.4	49.7	55.0	53.8
Other services	23.0	23.4	27.4	27.9	29.8	34.3	41.1	48.7	53.7	60.7
BREAKDOWN BY SECTORS:										
Non-commercial activities of public administration ¹	19.5	16.1	19.8	24.5	29.6	32.7	39.4	49.7	55.0	53.8
Commercial sectors of activity	151.0	169.2	184.5	194.1	189.2	208.4	247.6	253.6	273.5	312.6

1970 prices

Gross domestic fixed asset formation	221.8	230.7	246.6	253.5	249.8	263.7	287.0	280.6	291.4	307.0
BREAKDOWN BY PRODUCTS:										
Dwellings	68.4	72.9	67.6	66.9	64.1	66.3	71.8	56.8	61.6	72.0
Other construction	77.1	75.6	86.7	92.6	91.7	95.0	102.5	116.3	117.5	112.0
Machinery and transport equipment	76.2	82.2	92.3	94.1	94.0	102.5	112.7	107.5	112.3	123.0
BREAKDOWN BY INDUSTRY OF ORIGIN:										
Agriculture, forestry and fishing	6.3	6.7	7.2	6.6	7.1	7.4	7.4	5.5	7.2	8.9
Mining and quarrying	2.5	2.4	2.0	2.0	2.1	2.3	2.2	2.4	2.6	2.3
Manufacturing	50.3	55.6	64.0	62.4	56.5	63.7	73.5	72.1	66.8	69.3
Construction	6.0	6.4	7.4	7.9	7.3	7.1	8.5	5.7	5.9	7.6
Electricity, gas and water	10.0	11.6	13.7	17.4	15.4	15.1	15.7	18.3	21.3	17.9
Transport and communications ¹	20.7	24.5	26.0	28.3	28.0	27.8	27.4	30.1	31.5	35.7
Dwellings	68.4	73.0	67.6	66.9	64.1	66.3	71.8	56.8	61.6	72.0
Public administration ²	28.2	22.0	25.7	29.8	35.0	36.3	39.4	44.5	..	..
Other services	29.4	28.5	33.0	32.2	34.3	37.7	41.1	45.2	..	..
BREAKDOWN BY SECTORS:										
Non-commercial activities of public administration ¹	28.2	22.0	25.7	29.8	35.0	36.3	39.4	44.5	..	..
Commercial sectors of activity	193.6	208.7	220.9	223.8	214.8	227.4	247.6	236.1	..	..

NOTE Data relating to government gross fixed investment are on a payments basis and not on an accrual basis.

1 Including government investment in water ways.

2 Including public sector education and excluding investment in water ways.

Source: Belgian Statistical Submission to the OECD.

Table D Income and Expenditure of Households and Private Non-profit Institutions
Fr. billions, current prices

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
Compensation of employees	372.5	412.3	450.4	482.0	512.0	567.5	635.6	722.1	828.8	946.6
<i>of which:</i>										
Employers' contributions to Social Security	46.4	53.1	58.3	61.9	66.0	74.3	88.2	101.9	118.1	134.5
Income from property and entrepreneurship										
Income of independent traders ¹	154.0	166.9	169.0	173.6	186.6	203.3	210.7	217.5	247.8	268.3
Interest, rent, dividends and corporate grants	76.0	82.5	90.1	96.6	106.0	121.7	141.6	153.4	165.4	198.0
<i>less:</i> Interest on consumers' debt	—	—	—	—	—	—	—	—	—	—
Current transfers from government	84.2	104.6	115.5	126.1	145.6	157.8	180.3	202.3	236.5	278.3
Current transfers from the rest of the world	6.4	6.8	7.0	7.7	8.7	8.7	10.7	11.7	11.2	13.3
INCOME OF HOUSEHOLDS AND NON-PROFIT INSTITUTIONS	693.1	773.0	832.0	886.0	958.9	1 059.0	1 178.9	1 307.0	1 489.7	1 704.5
<i>less:</i> Direct taxes on households and non-profit institutions	116.7	133.8	150.1	163.0	181.9	206.4	242.3	277.9	326.3	384.5
DISPOSABLE INCOME	576.4	639.2	681.9	723.0	777.0	852.6	936.6	1 029.1	1 163.4	1 320.2
Current transfers to the rest of the world	3.6	4.5	5.5	6.3	6.6	8.4	8.8	10.0	10.4	12.2
SAVING OF HOUSEHOLDS AND PRIVATE NON-PROFIT CORPORATIONS	75.9	93.7	96.6	105.2	107.7	125.7	158.8	173.1	217.6	239.1
CONSUMERS' EXPENDITURE ON GOODS AND SERVICES	496.8	541.0	579.7	611.5	662.7	718.5	770.0	846.0	935.5	1 069.0
Food, drink and tobacco	163.8	177.3	188.1	199.6	210.0	225.2	241.7	257.2	278.9	309.9
Clothing and footwear	41.6	44.5	46.8	46.9	51.2	54.6	56.7	64.5	72.3	80.1
Accommodation, heating and lighting	78.1	84.6	89.8	95.0	102.0	108.0	117.2	122.7	132.2	143.9
Durable goods	67.8	74.0	78.1	80.9	89.3	98.9	107.5	126.3	142.3	172.1
Medical care and health expenditure	24.1	31.1	33.1	36.1	39.6	42.8	48.2	51.9	59.4	66.9
Other	121.4	129.5	143.8	153.0	170.6	189.0	198.7	223.4	250.4	296.1

¹ Including company current transfers.

Source: Belgian Statistical Submission to the OECD.

Table E Government Revenue and Expenditure¹

Frs. billions

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
GENERAL GOVERNMENT										
Current revenue	231.9	258.3	293.6	321.9	350.8	395.0	451.2	500.9	558.0	648.4
Direct taxes	130.9	150.8	168.3	181.8	202.9	232.3	273.2	314.0	367.7	438.1
Households and corporations	63.7	73.3	82.4	90.2	103.8	121.6	141.5	164.0	195.0	238.6
Social Security contributions	67.1	77.5	85.9	91.6	99.1	110.7	131.7	150.0	172.7	199.5
Indirect taxes	94.1	101.9	119.4	130.6	138.8	153.1	165.2	177.0	184.9	204.8
Income from property and entrepreneurship	6.8	5.3	5.6	9.2	8.7	9.1	12.1	8.6	4.0	3.9
Current transfers from the rest of the world	0.1	0.2	0.3	0.3	0.4	0.5	0.7	1.3	1.4	1.6
Current expenditure	215.3	250.6	277.2	304.3	341.1	378.6	423.2	477.3	548.8	637.6
Goods and services	98.9	110.2	121.2	133.4	144.0	159.8	175.3	201.8	232.3	264.4
Subsidies	7.8	9.7	12.3	12.7	16.0	18.8	17.0	17.5	20.4	24.8
Interest on public debt	22.5	24.3	26.2	28.9	31.8	37.6	43.1	46.4	51.7	57.9
Current transfers to domestic sectors	84.2	104.5	115.5	126.1	145.6	157.7	180.3	202.3	236.6	278.3
Current transfers to the rest of the world	1.9	1.9	2.0	3.2	3.9	4.7	7.5	9.3	7.8	12.2
Net saving	16.6	7.7	16.4	17.6	9.7	16.4	28.0	23.6	9.2	10.8
Depreciation and other operating provisions	1.5	1.7	1.9	2.1	2.2	2.5	2.8	3.2	3.6	4.0
Gross saving	18.1	9.4	18.3	19.7	11.9	18.9	30.8	26.8	12.8	14.8
CENTRAL GOVERNMENT										
Current revenue	147.7	161.7	183.9	203.8	220.5	250.6	282.5	310.1	339.7	398.6
Direct taxes	56.8	65.5	72.9	80.4	90.9	107.6	125.9	146.4	173.8	216.0
Households	44.4	50.3								
Corporations	12.4	15.2								
Indirect taxes	91.3	98.9	116.0	126.4	134.5	148.1	159.9	171.2	178.6	197.8
Income from property and entrepreneurship	-0.6	-2.9	-5.3	-3.3	-5.3	-5.6	-4.0	-8.8	-13.9	-16.8
Current transfers from the rest of the world	0.1	0.2	0.3	0.3	0.4	0.5	0.7	1.3	1.4	1.6
Current expenditure	145.2	163.3	180.5	199.8	221.1	243.9	272.2	304.4	350.6	404.6
Goods and services	76.5	85.4	93.9	103.0	111.4	123.7	135.7	196.3	180.2	204.3
Subsidies	7.6	9.6	12.1	12.5	15.8	18.6	16.8	17.3	20.0	24.4
Interest on public debt	18.8	20.1	21.6	23.7	25.8	30.4	34.6	36.4	40.5	45.4
Current transfers to domestic sectors	40.4	46.3	50.9	57.4	64.2	66.5	77.6	85.1	102.1	118.3
Current transfers to the rest of the world	1.9	1.9	2.0	3.2	3.9	4.7	7.5	9.3	7.8	12.2
Net saving	2.5	-1.6	3.4	4.0	-0.6	6.7	10.2	5.7	-10.8	-6.0
Depreciation and other operating provisions	1.0	1.1	1.3	1.4	1.6	1.8	2.0	2.3	2.5	2.9
Gross saving	3.5	-0.5	4.7	5.4	1.0	8.5	12.2	8.0	0.2	-3.1

¹ Government subsidies to railways have been recorded as negative receipts and have therefore been deducted both from current revenue and from current expenditure.

Source: Belgian Statistical Submission to the OECD.

Table F Industrial Production

	Unit	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Industrial production	1970 = 100	79	81	82	84	88	97	100	103	109	116	121
Mining		165	152	137	132	120	110	100	99	96	81	76
Manufacturing		75	77	80	81	86	96	100	102	109	117	122
Basic metals		76	79	78	81	91	100	100	97	107	116	120
Metal products		71	75	77	79	81	94	100	98	102	110	120
Non-electrical machinery		64	71	79	75	82	95	100	95	99	111	125
Transport equipment		66	72	72	77	77	95	100	110	118	124	121
Food, drink and tobacco		79	80	84	88	90	95	100	104	107	117	122
Textiles, clothing and footwear		88	89	93	88	93	100	100	106	110	108	106
Chemicals, petroleum		64	67	69	72	84	96	100	108	118	133	137
Electricity and gas		69	72	76	80	88	96	100	109	121	132	137
Construction		84	81	84	88	83	87	100	100	99	93	99

Sources: OECD, Main Economic Indicators, Industrial Production (quarterly supplement); National Statistics Institute, Monthly Bulletin.

Table G Employment, Wages and Labour Market

		1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
<i>Employment</i>												
Civilian labour force	Thousand	3 663	3 684	3 703	3 710	3 725	3 771	3 823	3 863	3 856	3 894	3 928
Civilian employment ¹	Thousand	3 607	3 619	3 634	3 616	3 614	3 682	3 746	3 786	3 772	3 807	3 834
Wage-earners and salaried employees	Thousand	2 780	2 814	2 837	2 821	2 822	2 895	2 972	3 030	3 035	3 086	3 126
Hours worked (by wage-earners) in industry, excluding public utilities	1970 = 100	110	106	103	99	97	100	100	98	95	..	..
Weekly work hours in manufacturing and building	Hours	41.3	41.1	40.6	39.9	39.6	39.7	38.7	38.0	37.2	36.0	35.9 ²
<i>Labour market</i>												
Insured fully unemployed	Thousand	50.4	55.4	61.5	85.3	102.7	85.3	71.3	70.9	86.8	91.7	104.7
Insured partly unemployed	Thousand	26.7	36.8	35.7	45.9	41.3	37.7	33.7	39.6	36.6	34.3	42.0
Unfilled vacancies	Thousand	13.1	8.4	7.5	4.4	4.9	11.6	23.9	13.4	8.5	14.2	13.5
<i>Wages</i>												
Hourly wage rates	1963 = 100											
All activities		63	68	75	80	84	91	100	112	126	146	177
of which: Manufacturing		64	69	75	80	84	92	100	111	126	147	178
Hourly earnings ⁴												
All industry		62	67	73	77	81	88	100	113	132	147	167 ³
Mining and quarrying		60	65	70	74	77	81	100	113	128	142	164 ³
Manufacturing		62	67	73	78	82	91	100	114	132	147	167 ³
Construction		61	66	74	77	81	87	100	112	127	142	162 ³

1 Secretariat estimates.

2 Excluding insured unemployed, unemployed put to work by the public sector and trainees.

3 Provisional.

4 October survey.

Sources: National Statistics Institute, Monthly Bulletin; National Bank of Belgium, Monthly Bulletin; Ministry of Labour and Employment, Labour Review.

Table H Prices
Indices : 1970 = 100

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Implicit GDP price deflator	79.1	83.0	86.8	89.4	91.8	95.6	100.0	105.3	111.1	119.4	133.5
Private consumption	82.3	86.0	89.8	92.1	94.7	97.5	100.0	105.1	110.0	117.7	131.9
Gross fixed asset formation	76.9	80.3	82.9	86.2	87.6	91.4	100.0	108.1	112.7	119.5	138.9
General Government current expenditure	74.9	78.9	83.0	86.3	90.0	94.1	100.0	108.7	118.1	127.8	145.2
Consumer prices ¹											
Total	81.0	84.3	87.8	90.4	92.8	96.3	100.0	104.3	110.0	117.7	132.6
Food	80.6	84.4	88.6	90.8	92.4	96.6	100.0	101.9	108.7	117.3	128.3
Non-food	86.9	89.3	92.0	93.7	95.6	97.4	100.0	104.5	107.5	112.5	128.4
Services	72.2	76.2	79.9	84.5	89.3	93.4	100.0	107.9	116.1	126.5	144.6
Wholesale prices ²											
Total	88.6	89.7	91.7	90.7	90.9	95.4	100.0	99.4	103.5	116.3	135.7
Manufactures	86.7	87.9	90.0	90.9	91.4	94.1	100.0	101.1	104.6	108.1	126.8
Raw materials	97.1	96.6	96.1	91.5	91.1	93.8	100.0	101.6	105.1	123.8	146.4
Indices of average values											
Exports	89	90	93	92	91	95	100	100	100	108	135
Imports	94	93	94	93	94	96	100	101	100	107	137

¹ Excluding rent.

² New series from 1971 onwards.

Sources: National Statistics Institute, Monthly Bulletin; National Bank of Belgium, Monthly Bulletin; Ministry of Labour and Employment, Labour Review; OECD, Main Economic Indicators.

Table I Money and Banking
End of period, Frs. billions

	1967	1968	1969	1970	1971	1972	1973	1974
MONEY SUPPLY								
Money	350.5	376.5	386.3	418.5	465.0	530.2	577.0	627.7
Currency in circulation	180.1	185.4	185.2	190.7	204.5	225.3	240.7	258.4
Demand deposits	170.4	191.1	201.1	227.8	260.5	304.9	336.3	369.3
Quasi-money	116.3	134.6	164.0	177.1	208.4	251.8	310.3	339.3
Money and quasi-money	466.8	511.1	550.3	595.6	673.4	782.0	887.3	967.0
Net foreign assets	97.2	86.1	93.6	104.8	132.5	148.7	151.9	132.5 ⁴
Claims on the public sector	220.9	248.3	271.5	283.2	296.1	342.1	390.5	428.8 ⁴
Government	207.9	231.5	252.0	254.4	263.6	297.8	330.4	348.4 ⁴
Other	13.0	16.8	19.5	28.8	32.5	44.3	60.1	80.4 ⁴
Claims on households and enterprises ¹	156.9	182.5	197.2	219.7	255.7	307.4	371.5	404.3
Other	-8.2	-5.8	-12.0	-12.1	-10.9	-16.8	-26.6	-1.4 ⁴
INTEREST RATES								
Discount rate	4.00	4.50	7.50	6.50	5.50	5.00	7.75	8.75
Call money rate ²	3.19	2.84	5.40	6.25	3.70	2.48	4.81	9.25
Treasury bills (3 months)	4.40	5.00	8.50	6.95	4.80	4.50	7.65	10.50
Bonds quoted on Brussels Stock Exchange ³	6.80	6.64	6.69	7.93	7.78	7.14	7.14	7.90

1 Including public enterprises.

2 Daily average.

3 Average weighted rate, beginning of period.

4 Provisional.

Source: National Bank of Belgium, Monthly Bulletin.

Table J Area Breakdown of Foreign Trade
Millions U.S. \$

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
EXPORTS, f.o.b.										
World	6 381	6 833	7 037	8 161	10 069	11 595	12 301	15 995	22 412	28 263
OECD	5 595	6 009	6 161	7 220	9 011	10 305	10 959	14 298	19 870	24 287
EEC	4 363	4 713	4 864	5 701	7 339	8 506	9 009	11 839	16 368	19 759
France	935	1 104	1 245	1 515	2 113	2 299	2 499	3 254	4 657	5 648
Netherlands	1 411	1 519	1 509	1 720	1 947	2 251	2 333	2 989	3 989	4 857
Germany	1 394	1 440	1 395	1 709	2 303	2 854	3 070	3 992	5 288	6 073
Italy	217	227	283	305	432	546	538	729	1 082	1 265
United Kingdom	308	321	333	356	402	419	443	699	1 038	1 524
U.S.A.	533	591	588	770	695	696	834	962	1 258	1 586
Other	699	705	709	749	977	1 103	1 116	1 497	2 244	2 942
Non-OECD	738	777	832	889	993	1 226	1 280	1 616	2 447	3 796
Sino-Soviet area	111	141	178	166	164	194	190	275	539	886
Other developed	41	22	32	37	38	51	56	54	91	149
Developing	586	614	622	686	791	981	1 034	1 287	1 817	2 761
Unspecified	48	47	44	52	65	60	62	81	96	180
IMPORTS, c.i.f.										
World	6 373	7 171	7 165	8 304	9 984	11 353	12 675	15 499	21 935	29 697
OECD	5 196	5 831	5 812	6 657	8 159	9 401	10 749	13 240	18 616	24 095
EEC	3 996	4 596	4 552	5 226	6 600	7 409	8 839	11 059	15 496	19 562
France	992	1 115	1 062	1 259	1 589	1 945	2 289	3 005	4 132	5 131
Netherlands	958	1 049	1 081	1 212	1 425	1 661	2 038	2 555	3 472	4 801
Germany	1 262	1 552	1 518	1 726	2 316	2 649	3 159	3 760	5 467	6 593
Italy	252	293	323	356	402	428	507	644	828	1 115
United Kingdom	485	531	502	602	694	657	785	988	1 436	1 719
U.S.A.	549	569	589	687	764	998	818	854	1 237	1 929
Other	651	666	671	744	795	994	1 092	1 327	1 883	2 604
Non-OECD	1 175	1 336	1 346	1 641	1 822	1 950	1 911	2 254	3 322	5 588
Sino-Soviet area	136	152	150	164	170	189	237	292	436	627
Other developed	64	83	77	87	97	83	102	132	198	252
Developing	975	1 106	1 121	1 390	1 554	1 678	1 571	1 829	2 688	4 709
Unspecified	2	4	7	6	3	2	15	5	3	14

Source: OECD, Foreign Trade Statistics, Series A.

Table K Commodity Breakdown of Foreign Trade

Millions U.S. \$

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
<i>Exports, f.o.b.</i>										
SITC sections										
0 Food and live animals	295	388	420	505	581	723	875	1 041	1 393	1 912
1 Beverages and tobacco	34	43	46	49	59	56	58	61	88	143
2 Crude materials, inedible, except fuels	372	399	418	394	414	481	500	442	563	819
3 Mineral fuels, lubricants and related materials	221	207	189	195	255	332	310	333	466	635
4 Animal and vegetable oils and fats	13	16	18	21	24	27	37	47	50	80
5 Chemicals	318	394	422	477	636	809	985	1 179	1 564	2 313
6 Manufactured goods classified chiefly by material	2 779	3 048	3 300	3 330	3 839	4 629	5 225	5 235	6 554	9 324
7 Machinery and transport equipment	1 042	1 285	1 333	1 370	1 577	2 047	2 467	2 754	3 708	4 782
8 Miscellaneous manufactured articles	418	477	551	568	647	796	930	1 117	1 402	1 867
Total	5 618	6 382	6 829	7 032	8 164	10 065	11 609	12 416	16 047	22 272
<i>Imports, c.i.f.</i>										
SITC sections										
0 Food and live animals	626	718	785	862	892	1 036	1 218	1 384	1 682	2 351
1 Beverages and tobacco	94	108	108	120	117	123	139	170	225	301
2 Crude materials, inedible, except fuels	990	998	1 042	952	1 136	1 248	1 336	1 266	1 447	2 114
3 Mineral fuels, lubricants and related materials	585	586	560	615	793	893	1 035	1 226	1 567	1 891
4 Animal and vegetable oils and fats	34	41	38	39	43	54	80	93	100	137
5 Chemicals	374	429	467	517	609	725	827	983	1 213	1 664
6 Manufactured goods classified chiefly by material	1 437	1 534	1 910	1 846	2 234	2 694	2 886	3 148	3 636	5 472
7 Machinery and transport equipment	1 411	1 507	1 750	1 697	1 886	2 451	2 974	3 528	4 359	5 938
8 Miscellaneous manufactured articles	369	430	501	519	600	752	851	1 074	1 345	1 869
Total	5 952	6 374	7 174	7 176	8 333	9 989	11 362	12 887	15 591	21 820

Source: OECD, Foreign Trade Statistics, Series B.

Table L BLEU Balance of Payments
Frs. billions
Settlements basis

	1967	1968	1969	1970	1971	1972	1973	1974
Trade balance	8.5	-0.7	9.2	38.6	41.1	46.1	49.7	42.8
Non-monetary gold	-2.4	-1.3	-0.4	—	0.1	0.3	-1.4	-7.3
Net services	7.2	7.0	1.2	4.9	8.1	13.6	8.8	15.7
Net transfers	-3.5	-3.6	-6.3	-7.8	-8.0	-8.8	-12.1	-14.4
a) private	1.7	3.8	5.8	6.6	6.8	8.1	11.5	7.2
b) public	-5.2	-7.4	-12.1	-14.4	-14.8	-16.9	-23.6	-21.8
Current balance	9.8	1.4	3.7	35.7	41.3	51.2	45.0	36.8
Capital movements: private	8.1	-4.4	14.2	-13.8	-9.3	-20.2	-13.1	-6.1
public	-6.8	-3.4	-2.1	-0.7	-11.0	-10.7	-4.4	-3.9
errors and omissions	1.2	1.9	2.1	-1.2	-0.6	-0.5	6.8	3.7
Total	12.3	-4.5	17.9	20.0	20.4	19.8	34.3	30.5
Financing of total:								
Commercial credits ¹	2.7	-0.8	2.8	4.8	-3.0	-0.7	1.0	5.9
Balance of official settlements	9.6	-3.7	15.1	15.2	23.4	20.5	33.9	24.6
Allocation of SDR's	—	—	—	(3.5)	(3.5)	(3.4)	—	—
Change in reserves	12.0	-20.0	9.5	23.1	19.6	17.3	22.4	11.5
Gold	-2.2	2.2	-0.2	-2.5	3.7	-1.8	-1.6	—
Convertible foreign exchange	16.2	-20.9	17.0	3.6	-4.6	17.4	23.5	12.7
Net IMF position	-2.0	-1.3	-7.3	11.8	10.4	-4.1	-1.9	0.9
SDR's	—	—	—	10.2	10.1	5.8	4.4	-2.1

¹ Refinancing by non-monetary institutions of commercial claims on abroad.

Source: National Bank of Belgium, Monthly Bulletin; Belgian Statistical Submission to the OECD.

Table M Luxembourg — Demand and Output

Frs. billions

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
<i>Current prices</i>											
Private consumption	19.2	20.6	21.6	22.0	23.6	25.3	27.7	30.7	33.7	37.9	44.4
Public consumption	3.4	3.6	3.9	4.1	4.5	4.7	5.3	6.0	6.8	8.1	9.6
Gross fixed asset formation	11.3	9.8	9.8	8.9	9.0	10.5	12.7	15.6	16.7	19.2	22.7
Change in stocks	-0.1	0.3	0.2	0.1	0.3	0.3	1.3	0.6	0.6	0.6	0.8
NATIONAL EXPENDITURE	33.8	34.3	35.6	35.1	37.4	40.7	47.0	52.9	57.8	65.7	77.5
Exports of goods and services	24.5	25.7	25.9	25.7	29.1	36.0	44.0	42.9	46.2	60.6	77.6
Imports of goods and services	25.9	26.4	26.5	25.4	27.7	31.6	38.0	41.9	44.7	55.4	72.9
GROSS DOMESTIC PRODUCT AT MARKET PRICES	32.3	33.6	35.0	35.4	38.8	45.0	53.0	53.9	59.3	70.9	82.2
<i>1963 prices</i>											
Private consumption	23.2	24.0	24.4	24.3	25.3	26.4	27.7	29.3	30.6	32.4	34.7
Public consumption	4.4	4.4	4.7	4.8	5.0	5.2	5.3	5.4	5.6	5.8	5.9
Gross fixed asset formation	14.7	12.3	12.1	10.9	10.6	11.5	12.7	14.3	14.4	15.1	15.3
Change in stocks	-0.1	0.3	0.2	0.1	0.3	0.3	1.3	0.6	0.6	0.6	0.4
NATIONAL EXPENDITURE	42.2	41.0	41.3	40.1	41.2	43.3	47.0	49.7	51.2	53.9	56.3
Exports of goods and services	30.8	32.2	32.3	31.6	36.0	41.0	44.0	43.1	45.7	51.7	54.8
Imports of goods and services	29.7	29.0	28.7	26.8	29.9	33.3	38.0	39.3	41.2	45.8	48.7
GROSS DOMESTIC PRODUCT AT MARKET PRICES	43.4	44.3	44.9	45.0	47.4	51.0	53.0	53.5	55.7	59.8	62.4

NOTE Data may not add because of rounding.

Source: Luxembourg Submission to the OECD.

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