

Short term indicators in February 2007

Prices

The CPI rose by 6.9% in the 12 months to January

The CPI in January 2007 rose by 0.26% from the preceding month (CPI 0.12% less housing cost). Over the last 12 months the CPI rose by 6.9% (CPI less housing cost rose by 6.0%) while the change over the last 3 months is equivalent to an annual inflation of 1.1% (0.5% deflation less housing cost). The average of the CPI in year 2006 was 260.6 points, 6.8% higher than the 2005 year's average. Similar rise was 4.0% in 2005 and 3.2% in year 2004. The CPI less housing cost was on average 240.7 points in year 2006, 4.8% higher than in 2005. Similar rise was 0.9% in year 2005 and 2.1% in year 2004. In Iceland the HICP was unchanged in December. Over the 12 months to December the HICP in Iceland rose by 5.9% and by 2.1% in the EEA. The building cost index in January rose by 2.30% from the preceding month and rose by 12.1% on January 2006.

Labour market in 4th quarter 2006

5.2% increase in employment

According to the continuous labour force survey of Statistics Iceland, the labour force totalled 174,300 in 4th quarter 2006 compared with 165,900 the year before. The number of employed persons rose from 161,500 in 2005, 4th quarter, to 169,900 in 2006. The labour force participation rate in 4th quarter 2006 was 82.1% (81.3% the year before); 86.8% for males and 77.0% for females. The unemployment rate in 4th quarter 2006 was 2.5% (2005: 2.7%); 2.5% for males and 2.5% for females.

Wages

The wage index rose by 9.8% in the 12 months to December

The wage index for the whole economy fell by 0.1% in December 2006 and had then risen by 9.8% over the last 12 months. The corresponding rise in the CPI was 6.9%. Deflated by the CPI, real wages rose by 2.7% over the 12 months to December 2006. The average purchasing power January–December this year is 2.6% over January–December last year.

Domestic demand

Domestic demand on the increase

Credit card turnover of private households was up by 24.0% in January–December 2006 from the year before. The growth in 2005 was 14.9%. Debit card turnover was up by 5.7% in January–December 2006. The growth in 2005 was 21.2%. Altogether domestic debit and credit card turnover by households increased by 13.6% in recent 12 months compared with the previous 12 months. Credit card expenditure by Icelanders abroad increased by 35.0% in January–December 2006 from the corresponding months the year before. The growth in 2005 was 20.5%. Total credit and debit card turnover of foreign cards in Iceland increased by 19.2%



in January–December 2006 compared with same months in 2005. The growth in 2005 was 6.2%.

10.9% decrease in new car registrations

New car registrations in January–December 2006 were 23,120, i.e. decreased by 10.9% from January–December 2005. The new car registration increased by 74.9% in 2005.

Fish catch volume and export prices

Decrease in fish catch

The total value of the fish catch in January–December 2006, measured at constant prices, showed a decrease of 4.7% from January–December the year before. The price of catch in Icelandic krónur was up by 25.6% in January–November 2006 from January–November 2005. Export prices of marine products, measured in Icelandic krónur, were up by 20.3% in January–December 2006 over January–December the year before. The price of foreign exchange increased by 11.8% (krónur depreciated) between the periods.

External trade in January, preliminary figures

Deficit in external trade in January

The preliminary value of exports of goods in January 2007 is 20.3 billion ISK fob while the value of imports is 25.8 billion ISK fob. Therefore preliminary figures show a trade deficit in January 2006 of 6.5 billion ISK compared with 8.4 billion IKR deficit in January 2006.

Arrivals at Keflavik International Airport

15.4% growth in arrivals at Keflavik International Airport in January

44 thousand passengers arrived from abroad at Keflavik International Airport in January 2007 compared with 38 thousand in January 2006. This is a growth of 15.4%. The growth in recent twelve months is 14.5%.

VAT turnover

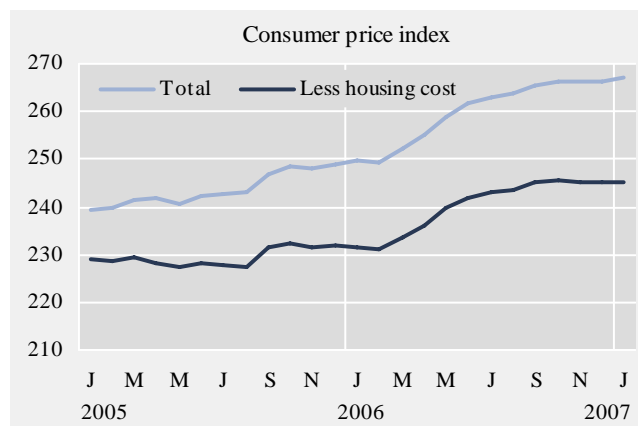
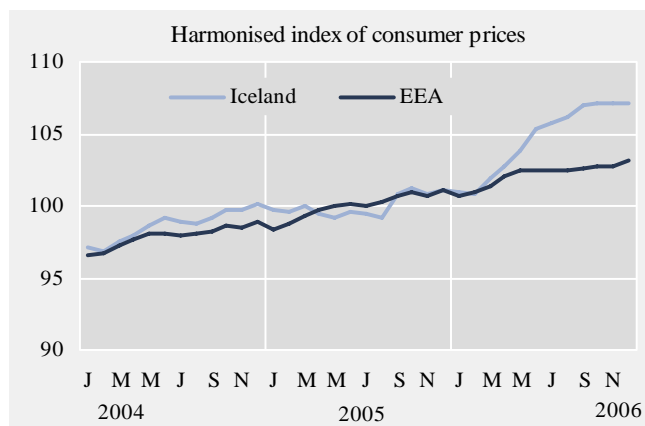
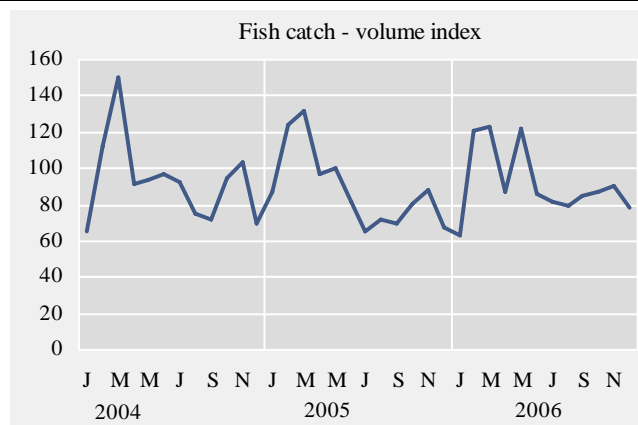
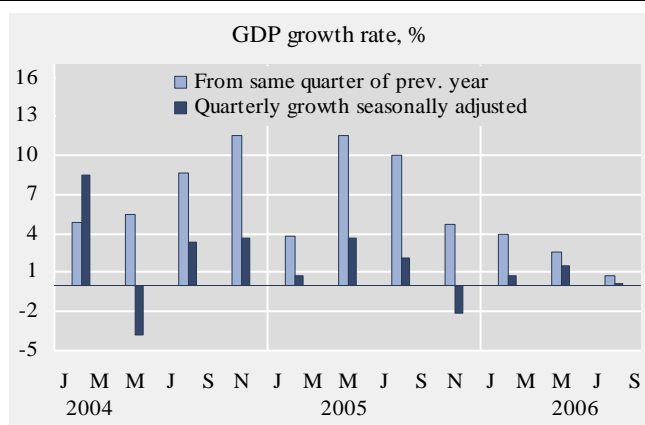
19.8% increase in VAT turnover in January–October

VAT turnover increased by 19.8% in January–October compared with same months last year. The growth over the last 12 months is 18.9%.

	Turnover			Turnover		
	Jan.–Oct. 2005	Jan.–Oct. 2006	Growth %	Nov. 2004– Oct. 2005	Nov. 2005– Oct. 2006	Growth %
Total turnover	1,407,963	1,686,701	19.8%	1,707,285	2,030,488	18.9%
Manufacturing	306,940	370,166	20.6%	368,854	451,091	22.3%
Construction	119,287	178,682	49.8%	145,280	212,803	46.5%
Retail trade and sale						
of motor vehicles	249,975	281,702	12.7%	303,757	342,593	12.8%
Hotels and restaurants	30,792	36,680	19.1%	35,675	42,474	19.1%
Transport	117,109	118,469	1.2%	136,875	140,855	2.9%
Communication	25,544	28,523	11.7%	30,483	33,852	11.1%
Other services	121,913	151,448	24.2%	149,779	182,293	21.7%

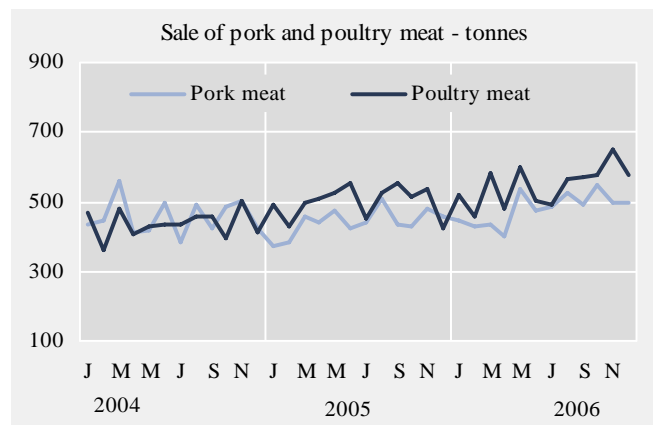
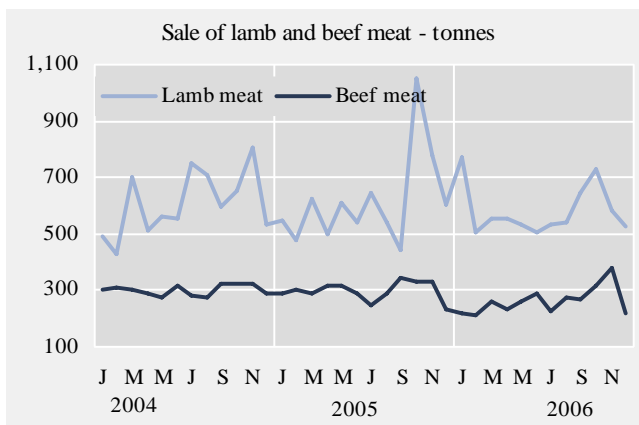
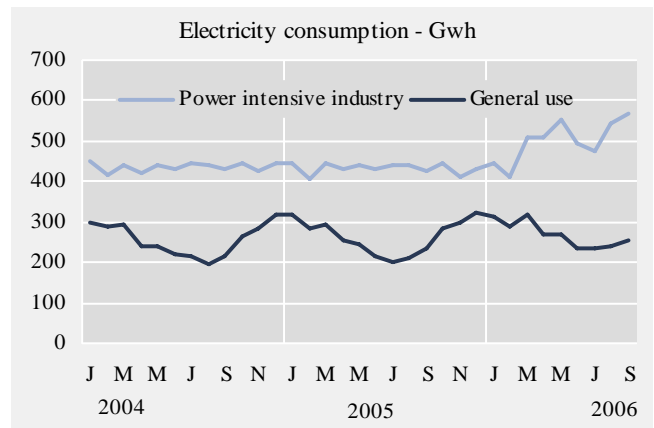
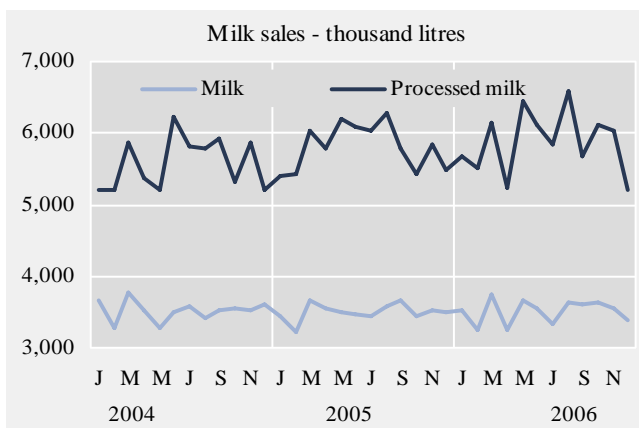
Short term indicators in February 2007

	Annual GPD growth from same quarter of prev. year	Quarterly GPD growth from prev. quarter s.a.	Consumer index price	Consumer price index less housing cost	Harmonised index of consumer prices, Iceland	Harmonised index of consumer prices, EEA	Building cost index	Fish catch, volume index	Aluminium production tonnes
2005	7.5	.	244.1	229.6	129.9	117.8	314.4	96.4	274,696
2006	...	.	260.6	240.7	...	...	341.3	91.9	326,090
Feb. 2005	3.8	0.8	239.7	228.6	99.6	98.7	313.0	133.7	21,632
Mar. 2005	.	.	241.5	229.4	99.9	99.3	312.8	139.4	23,226
Apr. 2005	.	.	242.0	228.3	99.5	99.7	312.8	106.4	22,432
May 2005	11.6	3.6	240.7	227.4	99.2	100.0	313.3	106.8	22,832
Jun. 2005	.	.	242.4	228.2	99.6	100.1	313.4	90.8	21,983
Jul. 2005	.	.	242.7	227.9	99.4	100.0	312.9	72.3	23,320
Aug. 2005	10.0	2.2	243.2	227.5	99.2	100.3	315.1	78.1	23,627
Sep. 2005	.	.	246.9	231.4	100.8	100.7	316.3	76.5	22,751
Oct. 2005	.	.	248.4	232.5	101.3	101.0	316.6	87.3	23,531
Nov. 2005	4.7	-2.1	248.0	231.5	100.9	100.8	316.6	99.2	22,219
Dec. 2005	.	.	248.9	232.0	101.1	101.0	316.7	76.2	22,993
Jan. 2006	.	.	249.7	231.5	101.0	100.6	325.2	62.7	23,146
Feb. 2006	3.9	0.8	249.5	230.9	100.8	100.9	325.3	120.5	20,628
Mar. 2006	.	.	252.3	233.6	101.9	101.4	325.9	123.3	25,010
Apr. 2006	.	.	255.2	236.1	102.7	102.1	329.4	87.5	26,790
May 2006	2.6	1.6	258.9	239.6	103.9	102.4	334.9	121.4	28,975
Jun. 2006	.	.	261.9	242.0	105.3	102.5	335.8	85.7	26,928
Jul. 2006	.	.	263.1	243.0	105.7	102.4	349.7	81.2	24,004
Aug. 2006	0.8	0.1	264.0	243.7	106.2	102.5	351.4	80.0	26,046
Sep. 2006	.	.	265.6	245.2	107.0	102.6	352.3	84.4	29,804
Oct. 2006	.	.	266.2	245.6	107.1	102.8	354.4	86.9	32,531
Nov. 2006	.	.	266.1	245.0	107.1	102.8	355.2	90.6	30,439
Dec. 2006	.	.	266.2	245.0	107.1	103.2	356.3	78.4	31,789
Jan. 2006	.	.	266.9	245.3	.	.	364.5	.	.



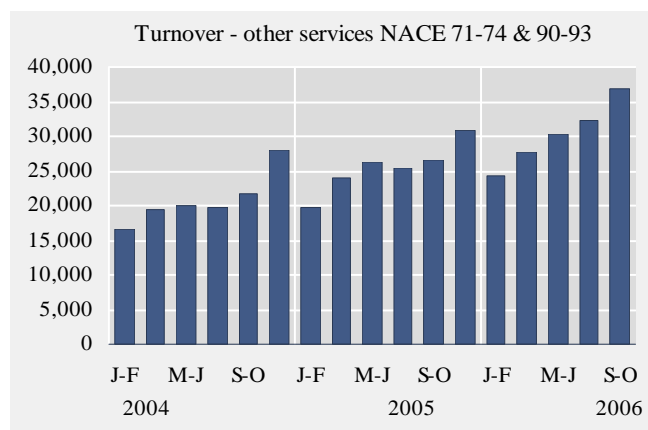
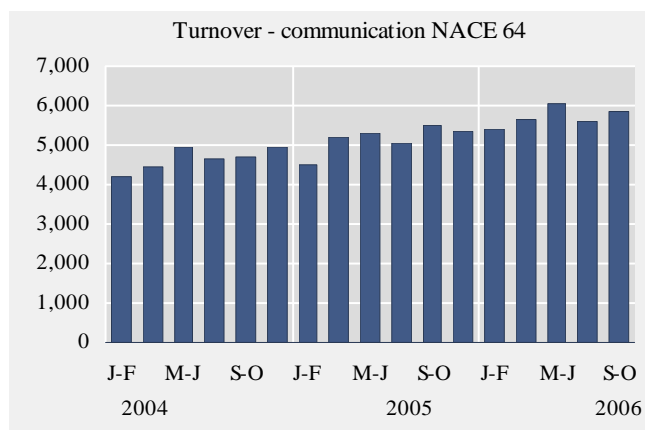
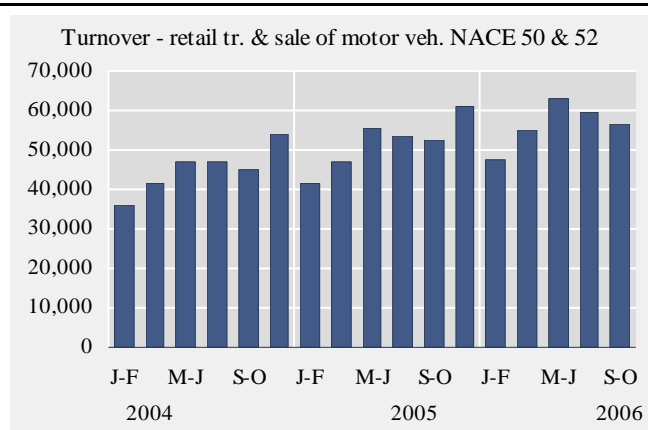
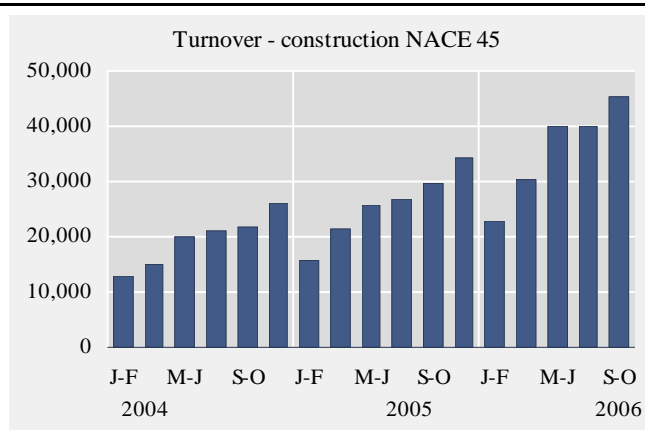
Short term indicators in February 2007

	Milk production and sales in thousand litres			Sale of meat in tonnes				Electricity cons. Gwh	
	Milk received by dairies	Milk sales from dairies	Milk processing converted by protein content	Lamb	Beef	Pork	Poultry	Power intensive industry	General use
2005	109,446	41,974	69,805	7,358	3,574	5,300	6,009	5,191.2	3,159.6
2006	116,389	42,153	70,613	6,984	3,164	5,772	6,581	...	...
Dec. 2004	9,258	3,594	5,202	533	292	425	411	447.0	317.1
Jan. 2005	9,488	3,430	5,400	547	290	374	493	444.1	332.8
Feb. 2005	8,905	3,218	5,434	478	302	382	429	404.7	291.7
Mar. 2005	10,076	3,651	6,023	621	288	458	500	445.1	298.7
Apr. 2005	9,876	3,561	5,773	499	317	438	506	432.8	261.9
May 2005	10,449	3,502	6,206	610	319	476	524	438.3	249.6
Jun. 2005	9,902	3,455	6,095	541	291	426	555	428.9	221.5
Jul. 2005	8,957	3,453	6,021	643	244	443	454	440.9	208.0
Aug. 2005	8,894	3,571	6,290	542	289	506	524	438.3	221.5
Sep. 2005	7,849	3,674	5,788	445	344	435	551	426.3	243.6
Oct. 2005	7,849	3,435	5,435	1,053	330	428	514	445.5	281.7
Nov. 2005	8,225	3,527	5,843	776	328	481	536	413.4	298.7
Dec. 2005	8,977	3,498	5,496	603	233	455	423	432.9	325.5
Jan. 2006	9,617	3,521	5,689	773	220	445	522	443.9	315.7
Feb. 2006	9,081	3,241	5,508	509	211	431	459	409.5	288.5
Mar. 2006	10,297	3,741	6,148	556	262	432	584	510.6	319.0
Apr. 2006	9,786	3,256	5,248	551	233	400	478	506.8	270.2
May 2006	11,369	3,654	6,445	533	261	539	601	552.6	269.8
Jun. 2006	9,717	3,553	6,116	509	292	477	500	493.3	237.0
Jul. 2006	9,874	3,336	5,833	534	224	487	494	474.8	233.4
Aug. 2006	9,819	3,631	6,596	537	277	527	568	545.4	239.2
Sep. 2006	8,778	3,620	5,666	643	270	494	569	567.0	252.9
Oct. 2006	9,159	3,638	6,118	731	316	550	579	...	...
Nov. 2006	9,050	3,562	6,031	583	380	495	649
Dec. 2006	9,842	3,400	5,216	524	217	495	579



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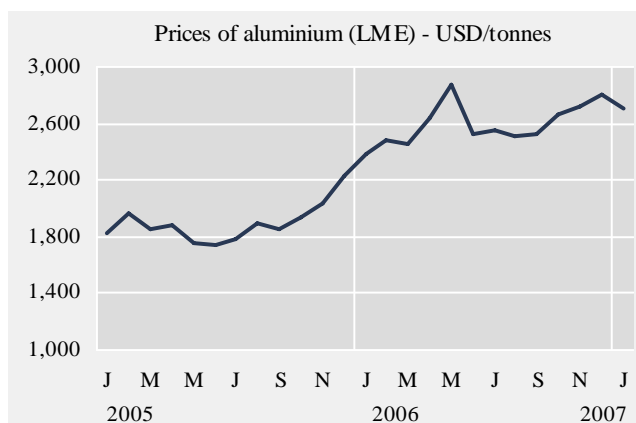
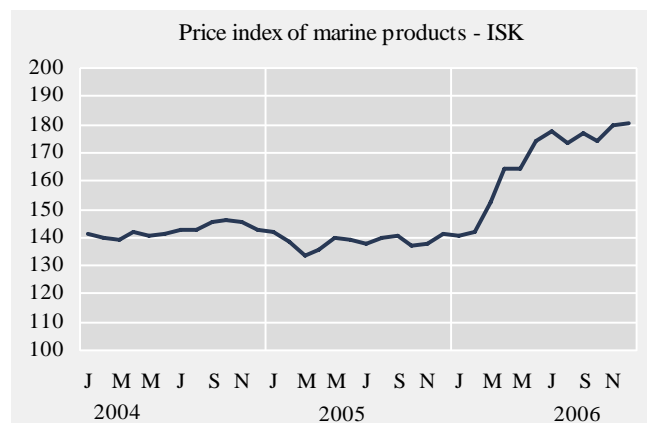
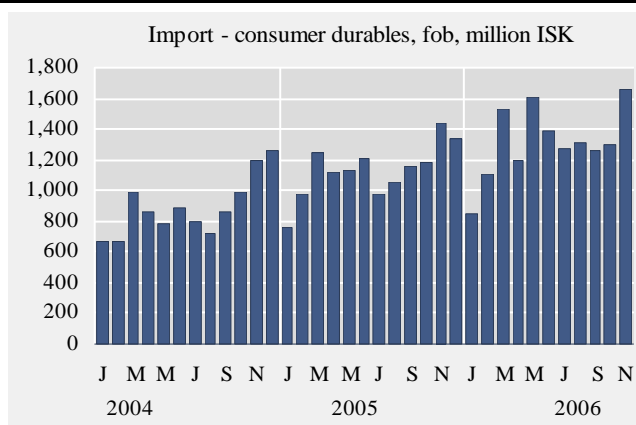
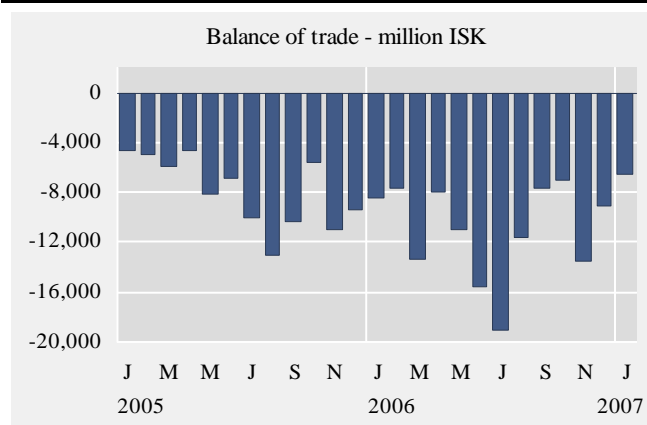
Turnover by industry, based on VAT records, in million ISK							
	Manufacturing NACE 15-37	Construction NACE 45	Retail trade and motor vehicles NACE 50 & 52	Hotels and restaurants NACE 55	Transport NACE 60-63	Communi- cation NACE 64	Other services NACE 71-74 & 90-93
2004	342,717	116,408	270,682	32,216	123,266	27,930	125,395
2005	387,865	153,408	310,866	36,586	139,495	30,873	152,758
Sep-Oct 2002	55,711	14,120	35,952	4,195	20,004	3,687	16,889
Nov-Dec 2002	54,852	13,205	42,122	3,990	14,856	3,629	19,330
Jan-Feb 2003	45,845	9,828	33,279	3,186	14,221	3,704	14,538
Mar-Apr 2003	52,886	12,010	36,534	3,949	14,449	3,990	16,359
May-Jun 2003	54,052	16,601	41,519	5,386	20,704	4,436	17,378
Jul-Aug 2003	50,299	17,088	43,441	7,209	19,440	4,380	16,632
Sep-Oct 2003	55,009	19,141	40,355	4,815	17,869	4,358	17,183
Nov-Dec 2003	54,373	18,249	45,664	4,438	15,305	4,644	21,234
Jan-Feb 2004	46,553	12,738	36,250	3,599	15,087	4,210	16,701
Mar-Apr 2004	60,094	15,164	41,574	4,419	18,301	4,454	19,370
May-Jun 2004	60,382	19,829	46,990	5,886	21,260	4,966	20,048
Jul-Aug 2004	54,031	21,012	46,898	8,073	26,058	4,652	19,664
Sep-Oct 2004	59,743	21,672	45,188	5,356	22,794	4,709	21,746
Nov-Dec 2004	61,914	25,993	53,782	4,883	19,766	4,939	27,866
Jan-Feb 2005	49,519	15,891	41,484	3,944	17,338	4,496	19,739
Mar-Apr 2005	60,630	21,324	47,240	4,993	20,765	5,195	24,028
May-Jun 2005	64,966	25,706	55,608	6,760	25,390	5,316	26,268
Jul-Aug 2005	62,332	26,846	53,387	8,951	28,122	5,060	25,374
Sep-Oct 2005	69,493	29,520	52,256	6,144	25,494	5,477	26,504
Nov-Dec 2005	80,925	34,121	60,891	5,794	22,386	5,329	30,845
Jan-Feb 2006	53,161	22,875	47,624	4,670	19,040	5,382	24,158
Mar-Apr 2006	74,127	30,302	55,051	6,083	23,242	5,663	27,802
May-Jun 2006	83,106	40,105	63,090	8,069	26,687	6,032	30,402
Jul-Aug 2006	84,989	39,984	59,507	10,391	26,391	5,614	32,364
Sep-Oct 2006	74,783	45,416	56,430	7,467	23,109	5,832	36,722



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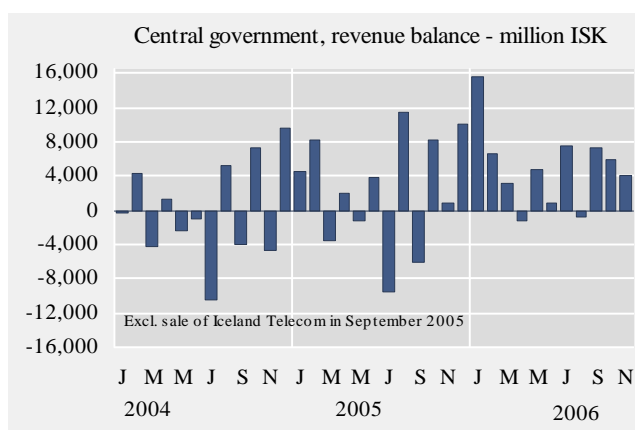
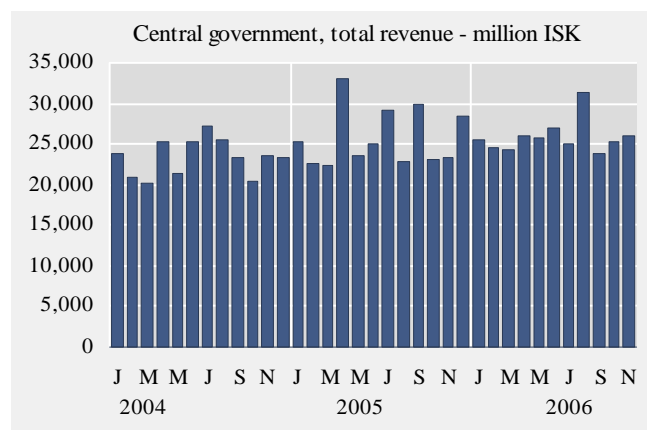
	External trade, fob, in million ISK					Price index of marine products ISK	Prices of aluminium (LME) USD/tonnes	Oil price (UK Brent 38) USD/barrel
	Balance of trade	Export of goods total	Import of goods total	Import of consumer durables	Import of industrial supplies			
2005	-94,540	194,355	288,895	13,586	107,901	138.6	1,896.1	54.6
2006	...	...	...	...	...	166.7	2,594.3	65.0
Feb. 2005	-4,952	16,478	21,430	981	7,065	138.5	1,962.0	53.2
Mar. 2005	-5,866	16,397	22,262	1,249	8,747	133.5	1,848.0	49.5
Apr. 2005	-4,705	17,200	21,905	1,114	8,114	136.0	1,888.0	51.1
May 2005	-8,126	15,812	23,938	1,128	9,405	139.8	1,753.0	47.8
Jun. 2005	-6,893	22,697	29,590	1,208	9,612	138.9	1,748.0	54.1
Jul. 2005	-10,013	13,915	23,927	982	10,309	138.0	1,778.0	57.7
Aug. 2005	-12,973	14,395	27,368	1,052	9,426	140.1	1,889.0	64.3
Sep. 2005	-10,362	16,911	27,273	1,152	12,460	140.5	1,854.0	62.7
Oct. 2005	-5,544	16,041	21,585	1,184	6,803	136.9	1,932.0	58.3
Nov. 2005	-11,007	16,747	27,754	1,441	11,727	137.7	2,038.0	55.0
Dec. 2005	-9,381	13,690	23,070	1,337	6,922	141.1	2,236.0	56.6
Jan. 2006	-8,412	17,041	25,453	854	10,714	140.9	2,391.0	62.9
Feb. 2006	-7,682	14,746	22,428	1,106	7,610	142.0	2,481.0	59.7
Mar. 2006	-13,340	19,914	33,254	1,529	13,261	152.3	2,458.0	61.6
Apr. 2006	-8,007	19,066	27,073	1,195	9,819	164.0	2,643.0	70.8
May 2006	-10,953	23,926	34,879	1,607	13,911	164.4	2,881.0	69.4
Jun. 2006	-15,557	23,439	38,996	1,386	14,500	173.8	2,520.0	68.2
Jul. 2006	-19,006	16,191	35,197	1,279	14,629	177.9	2,556.0	73.5
Aug. 2006	-11,613	16,606	28,219	1,315	11,407	173.7	2,508.0	73.2
Sept. 2006	-7,634	22,306	29,940	1,255	14,865	176.8	2,518.0	61.2
Oct. 2006	-6,961	19,995	26,957	1,297	9,944	174.0	2,662.0	57.3
Nov. 2006	-13,472	19,777	33,250	1,662	14,146	179.6	2,714.0	58.4
Dec. 2006	-9,000 ¹	19,000 ¹	28,000 ¹	...	...	180.5	2,799.0	63.4
Jan. 2006	-6,500 ¹	20,300 ¹	26,800 ¹	...	...	...	2,700.0	49.0

¹ Preliminary figures.



Short term indicators in February 2007

	Wage index	Real wages, index	Quarterly average (from 2003)			Central government finance, million ISK		
			Labour force participation %	Unemployment %	Number of employed persons	Total revenue	Total expenditure	Revenue balance
2005	267.2	112.3	81.9	2.6	161,300	336,937	308,383	28,554
2006	292.7	115.2	83.1	2.9	169,600	...	...	...
Dec. 2004	255.5	109.6	.	.	.	32,948	23,422	9,526
Jan. 2005	261.1	111.9	.	.	.	29,894	25,338	4,556
Feb. 2005	261.9	111.7	79.8	3.0	155,800	30,824	22,559	8,265
Mar. 2005	262.9	111.6	.	.	.	18,731	22,358	-3,627
Apr. 2005	264.2	112.3	.	.	.	34,852	32,947	1,905
May 2005	265.9	112.9	83.5	3.0	163,800	22,255	23,588	-1,333
Jun. 2005	267.0	112.9	.	.	.	28,984	25,097	3,887
Jul. 2005	268.0	113.2	.	.	.	19,545	29,098	-9,553
Aug. 2005	268.9	112.6	83.1	1.8	164,000	34,209	22,802	11,407
Sep. 2005	269.8	111.8	.	.	.	23,732	29,809	-6,077
Oct. 2005	270.6	111.8	.	.	.	31,265	22,989	8,276
Nov. 2005	272.3	112.4	81.7	2.7	161,500	24,148	23,275	873
Dec. 2005	273.9	112.7	.	.	.	38,498	28,523	9,975
Jan. 2006	282.8	116.2	.	.	.	41,132	25,508	15,624
Feb. 2006	284.4	116.3	81.1	2.4	163,500	31,112	24,459	6,653
Mar. 2006	285.4	115.4	.	.	.	27,463	24,404	3,059
Apr. 2006	286.4	114.3	.	.	.	24,891	26,087	-1,196
May 2006	289.1	113.9	85.1	4.0	171,600	30,467	25,713	4,754
Jun. 2006	290.4	113.5	.	.	.	27,761	26,989	772
Jul. 2006	295.4	115.0	.	.	.	32,683	25,097	7,586
Aug. 2006	297.4	115.2	84.2	2.6	173,300	30,600	31,471	-871
Sep. 2006	298.9	115.3	.	.	.	31,137	23,904	7,233
Oct. 2006	300.4	115.8	.	.	.	31,108	25,192	5,916
Nov. 2006	301.0	116.0	82.1	2.5	169,900	30,153	26,085	4,068
Dec. 2006	300.8	115.8	.	.	.	...	...	...



Explanatory notes and references

References are quoted for data originating outside Statistics Iceland.

GDP growth rate, %. Change in the volume of gross domestic product each quarter as compared with the same quarter of the previous year. Seasonally adjusted growth rate is also presented, showing quarterly growth on previous quarter.

Consumer price index and **Consumer price index less housing cost.** May 1988=100. Compiled at the beginning of each month. Yearly averages are converted by middle month indices.

Harmonized index of consumer prices. 2005=100. The harmonized index of consumer prices (HICP) is compiled for all EEA-member states. It differs in scope from the Icelandic CPI. The main difference is that imputed rent for owner occupied housing is included in the Icelandic CPI but not in the HICP. On the other hand, expenditure of foreign visitors in Iceland and expenditure of people living in hospitals and similar institutions are included in the HICP but not in the Icelandic CPI.

Building cost index. June 1987=100. The index is compiled at the middle of each month.

Fish catch, volume index. The volume index is an annual chain-linked index, having the monthly average of 2004 as a reference period. The base year each time is T-2.

Aluminium production, tonnes. Source: Producers.

Milk received by dairies. Thousand litres. Milk from farmers received by dairies. Source: Icelandic Dairy Association.

Milk sales from dairies. Thousand litres. Sale of milk, cream, skimmed milk and other liquid milk products. Source: Icelandic Dairy Association.

Milk processing converted by protein content. Processed milk products other than milk, cream, skimmed milk and other liquid milk products converted into thousand litres on the basis of protein content. Source: Icelandic Dairy Association.

Sale of meat in tonnes. Lamb, beef, pork, poultry. Includes sales of domestic produce but not imported meat nor game. Source: Association of Icelandic farmers.

Electricity consumption. Gigawatt-hours. Divided into consumption by power-intensive industry which is defined as aluminium and ferrosilicon production. All other consumption is considered general use. Source: National Energy Authority.

Import of fuel in tonnes. Petrol, gas oils, fuel oils and jet fuel derived from the external trade statistics.

Cement sales. Index 1990=100. Sale of domestic and imported cement. Source: Producers and importers.

Public housing fund loans. Number of loans to individuals for new construction, loans to entrepreneurs are excluded. Source: Housing Loan Fund.

Market prices of housing. Indices, March 2000=100. The indices are sub items from the CPI based on housing sales contracts collected by the Land Registry of Iceland.

Credit and debit card usage. Million Icelandic krónur (ISK). The figures show total household expenditure by credit and debit cards. Withdrawals at ATM's and payments made in banks are not included. Sources: VISA Iceland and MasterCard.

Number of new car registrations. Includes both new and used cars. Source: The Icelandic Federation for Motor Trades and Repairs.

Import of cars. Cif-value, million ISK.

Number of passengers to Keflavík Airport. The total number of visitors, Icelandic and foreign, arriving by air at Keflavík international airport. Transit passengers are not included in these figures. Source: Civil Aviation Administration, Keflavík Airport.

Number of overnight stays in hotels. Covers hotels that are operated throughout the year.

Turnover by industry. Million ISK. The figures show total turnover according to VAT returns for every two VAT-accounting months. The turnover excludes VAT. Break-down by industry is based on the Statistics Iceland activity code, ÍSAT 95 which corresponds to NACE rev. 1.

External trade. Fob-value in ISK.

Price index of marine products. Based on unit prices of the main products according to data from producers, weighted by production or sales in the previous year. 1990=100.

Prices of aluminium (LME). Average monthly price of aluminium on the London Metal Exchange. Source: The National Power Company.

Oil price (UK Brent 38). Average monthly price of a barrel of North-Sea oil. Source: Olúfélagið hf.

Wage index. December 1988=100. Refers to average wages each month.

Real wages. Index 2000=100. Refers to the change in the wage index deflated by the CPI converted to mid-month figures.

Labour force participation, unemployment and number of employed persons. The figures show results from the labour force sample survey (LFS) of Statistics Iceland. From 2003 onwards, the LFS is continuous and renders quarterly results. Sample size is 4,000 persons each quarter. In the period 1991-2002 the LFS was carried out twice each year, in April and in November.

Labour force participation: The total labour force (employed and unemployed) as a proportion of the total population 16-74 years of age.

Unemployment: The number of unemployed as a proportion of the labour force.

Number of employed persons: Total number of persons engaged in any kind of work for payment, including self-employed.

Central government finance. Total revenue, total expenditure and revenue balance. Million ISK. Cash basis. Source: Government Accounting Office.

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