

# **What can quarterly euro area accounts tell us about the financial crisis in the euro area?**

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After a rather long period of economic growth and positive assets revaluation, the world economy is experiencing a rather unique and challenging period since summer 2007, arising from the collapse of the sub-prime market in the United States. With the existing statistics and tools, the economic analysts around the world are trying to understand the core causes and main consequences of the vulnerabilities of the financial system and to minimise the impact of these in the “real economy”.

The European Central Bank (ECB) and Eurostat are publishing quarterly euro area accounts by institutional sector (EAA) since June 2007. This rather new statistic comprises data from the first quarter of 1999 onwards and is currently released around four months after the end of the reference quarter. The EAA follow the European System of Accounts 1995 (ESA 95) methodology and draw on several data sources, mainly quarterly national financial and non-financial accounts and euro area government and MFI statistics. They provide a comprehensive overview of the euro area as a single economy and allow for a wide-ranging analysis of the interactions among resident institutional sectors (households, non-financial corporations, financial corporations and government) and between them and the rest of the world.

This paper investigates selected evidence provided by the EAA on the impact of the financial crises on the profitability and financing and investment of the euro area sectors. It presents how some features of the ongoing financial and economic crisis are captured in the information framework provided by the EAA. Before drawing on these stylised aspects of economic, financial and statistical analysis, it introduces the main concepts around the EAA and it presents the main challenges ahead for a completely integrated and timely compilation and dissemination of the accounts.