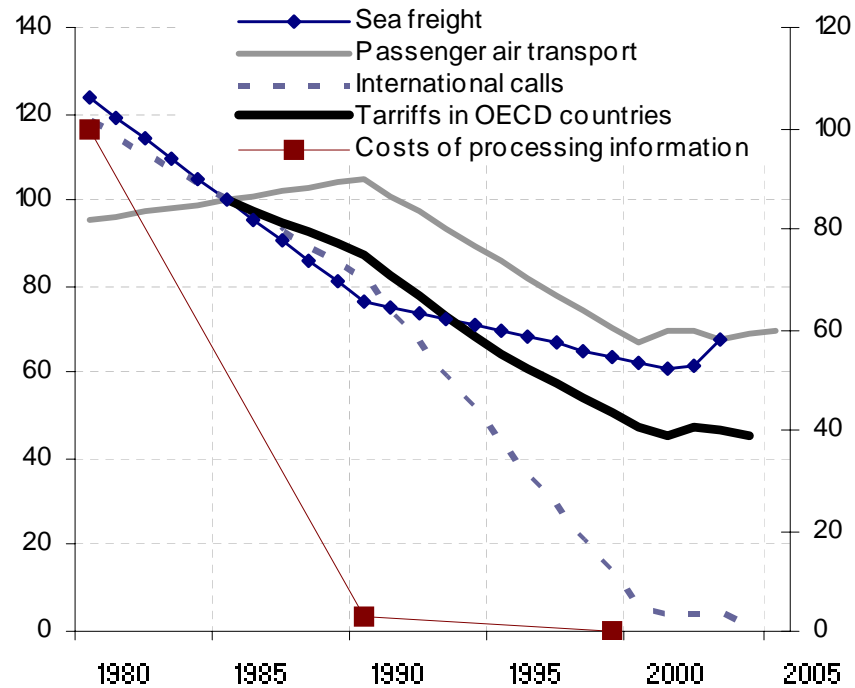


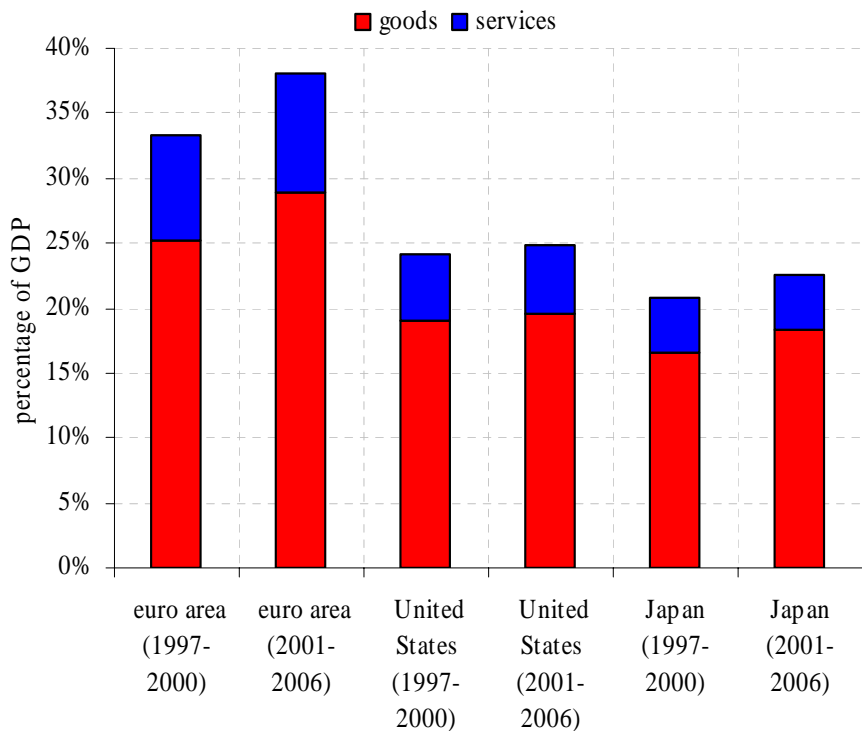
# Chart I: Costs of transport, information processing costs, and tariffs *(Index, 1985-100)*



Source: OECD.

Note: Tariffs are median of national mean bound tariffs for OECD countries, Sea freight is average international freight charges per tonne, passenger air transport is average airline revenue per passenger mile/US import air passenger fares; international calls is cost of a three-minute call from New York to London, costs of processing information is cost of computing an average operation (sum and multiplication).

**Chart 2a:**  
**Openness of the euro area, the United States and Japan**

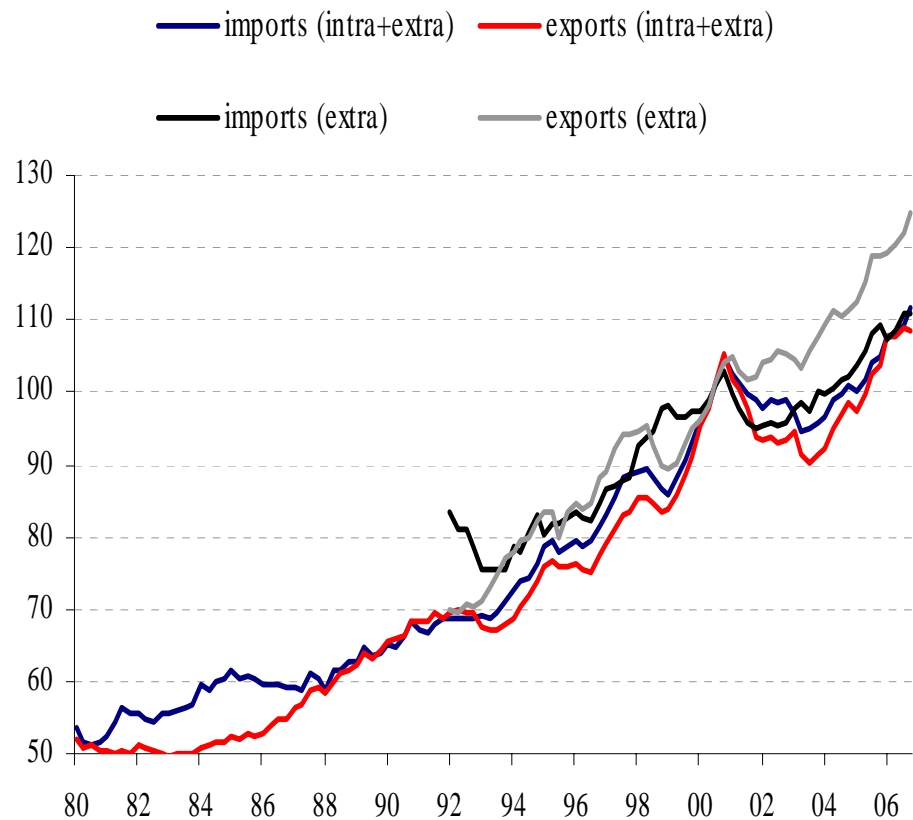


Source: ECB calculations.

Note: The degree of openness is measured as exports plus imports as a percentage of GDP, average 1997-2006. Euro area based on extra euro area trade.

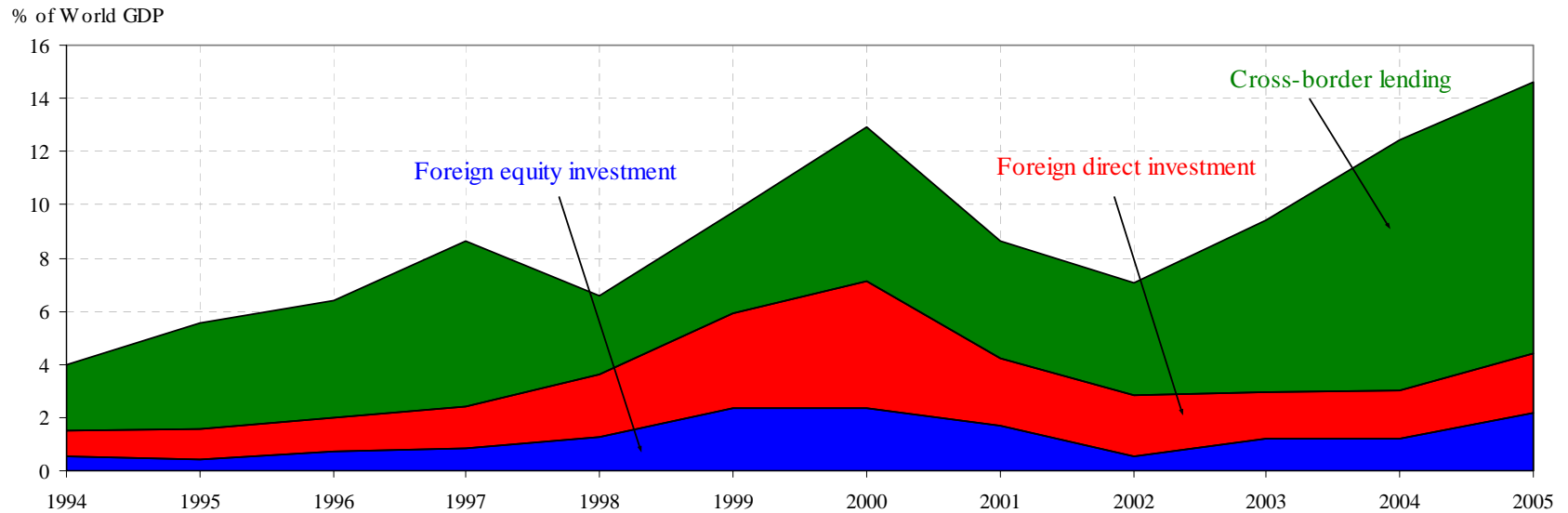
**Chart 2b:**  
**Total and extra-euro area imports and exports divided by GDP**

(quarterly data; indices; 2000=100; volumes)



Source: ECB calculations.

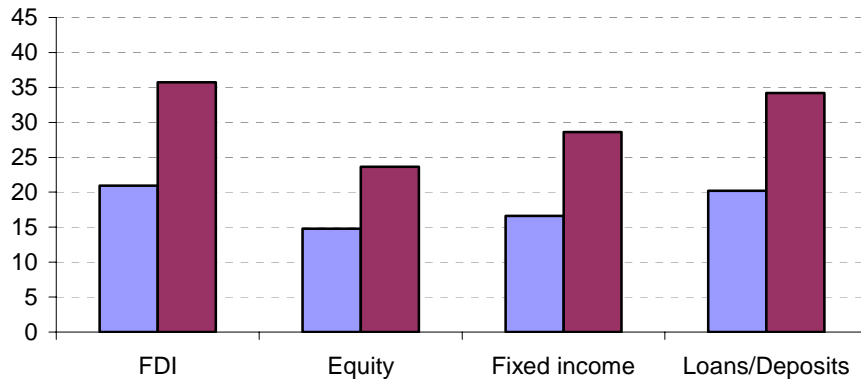
## Chart 3: Inward capital flows in the OECD countries



### Euro area foreign assets

(as percentage of GDP)

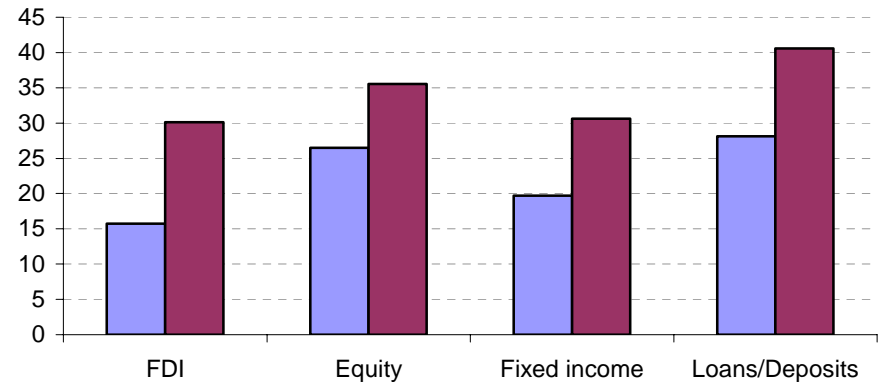
■ 1999 ■ 2006



### Euro area foreign liabilities

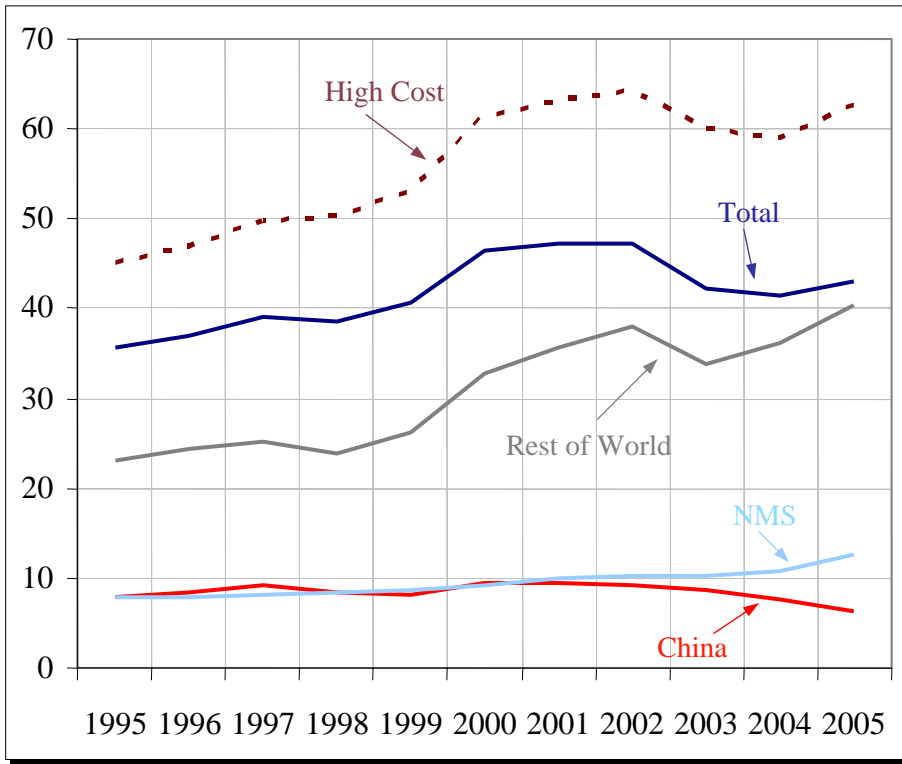
(as percentage of GDP)

■ 1999 ■ 2006



## Chart 4a: China and NMS have lower import price level

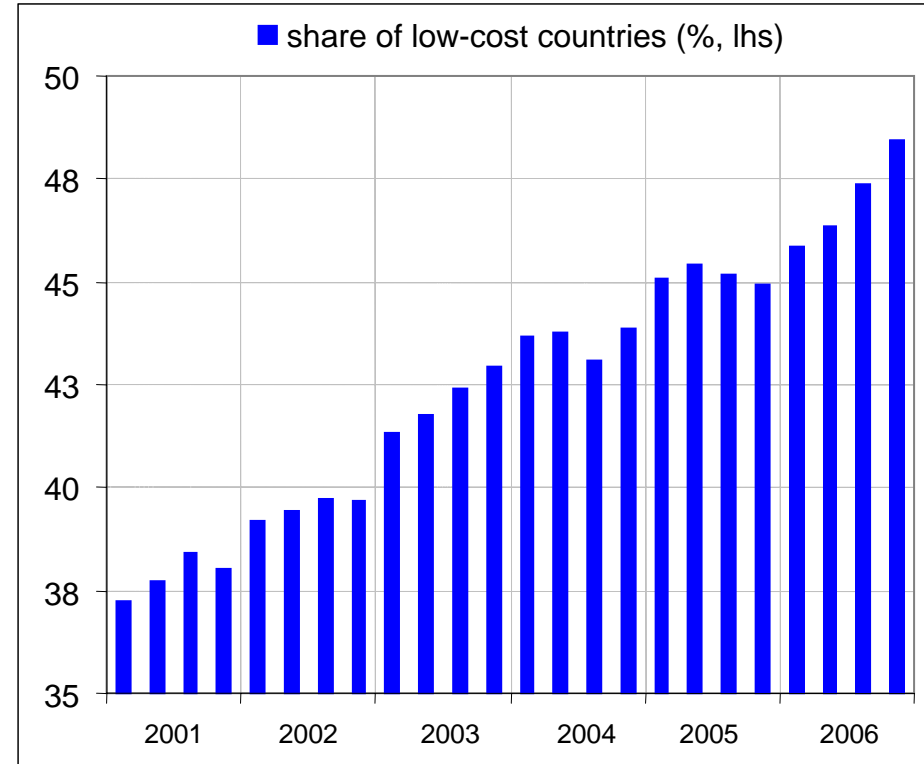
(euros per kg of EA manufacturing imports)



Source: Eurostat Comext data and ECB staff calculations.  
Note: Latest observation refers to 2005.

## Chart 4b: Rising share of low-cost countries in euro area imports

(values in euro; % of extra-EA imports)



Source: Eurostat, ECB staff calculations  
Note: Latest observation refers to Q4 2006. Low-cost countries consists of 15 countries and regions (including ASEAN, NMS, CIS, China, India, etc).

## Table I

### Impact of low-cost countries on extra-EA manuf. import prices

#### Decomposition of low-cost effect

*(annual average 1996-2004, percentage points unless  
otherwise indicated)*

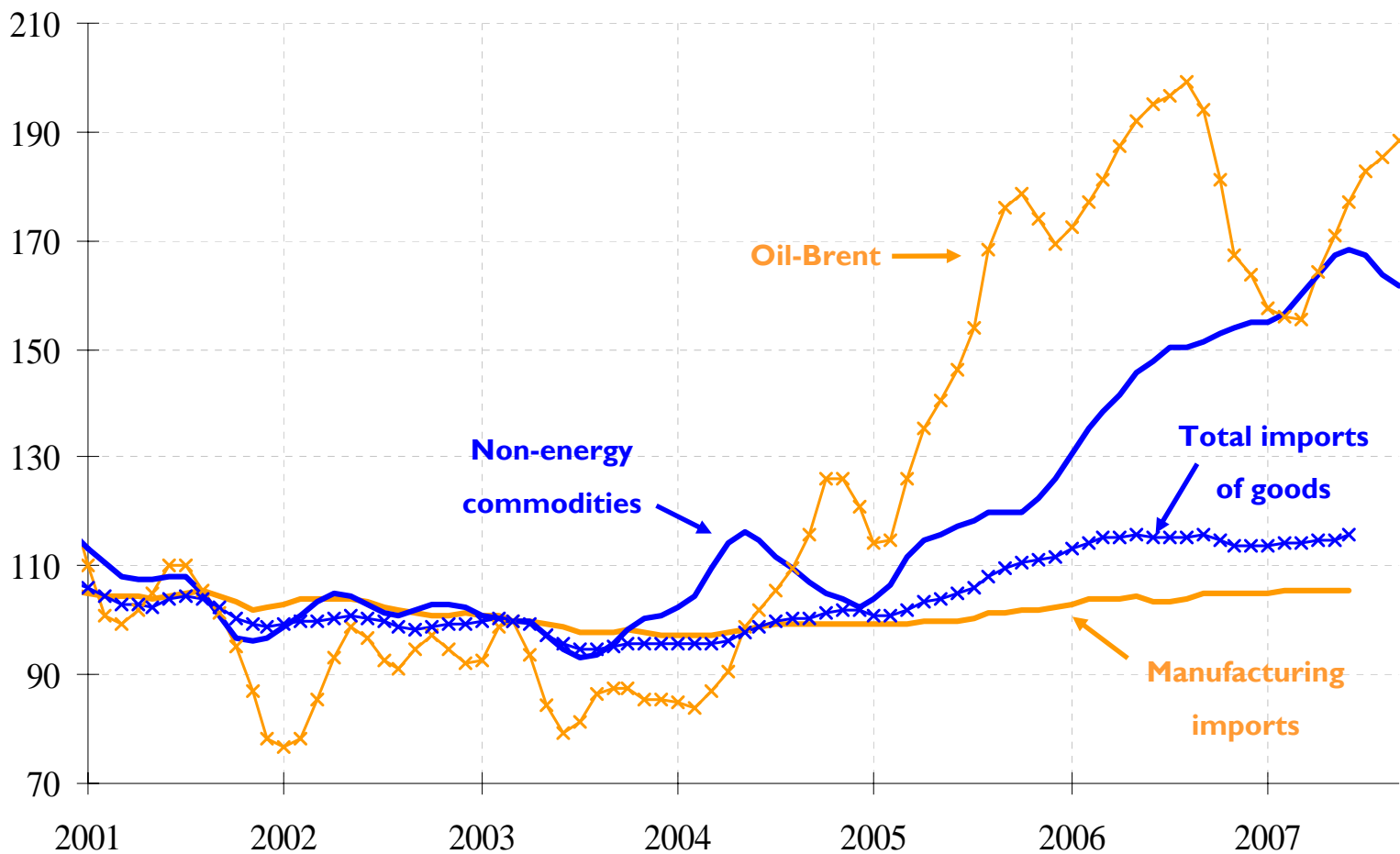
<b>Low-cost effect (aggregate direct effect)</b>	<b>-2.1</b>
<b>Share effect</b>	<b>-1.6</b>
Of which:	
China	-0.8
NMS	-0.7
Rest of low-cost	0.0
<b>Price effect</b>	<b>-0.5</b>
Of which:	
China	-0.2
NMS	-0.2
Rest of low-cost	-0.1

*Sources: ECB staff calculations.*

*Note: “Share effect” captures the impact of rising import share and relatively low price level of low cost import suppliers (1.6 pp per annum); “price effect” captures impact of relatively lower import price inflation of low cost countries (0.5 pp per annum).*

# Chart 5 Extra-euro area import and commodity prices

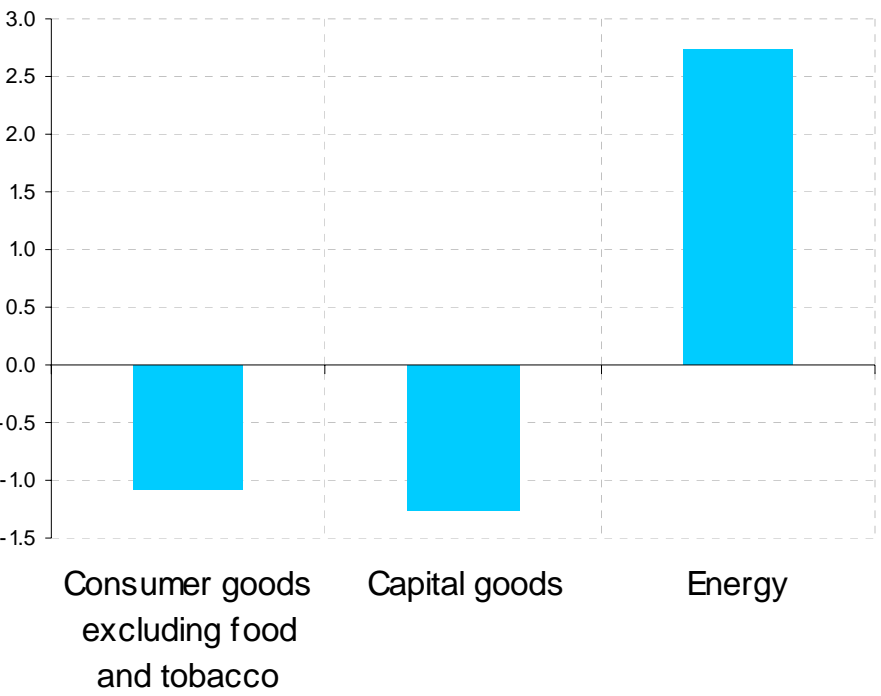
(indices: 2003M1=100, 3-month moving avg.)



Sources: ECB, HWWA and Eurostat.

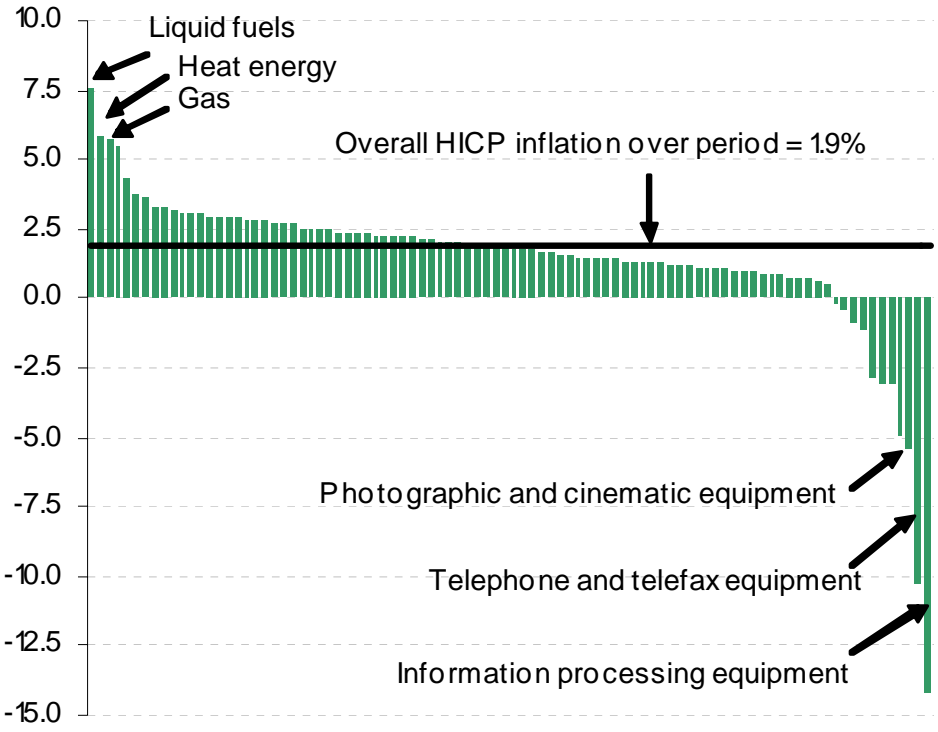
Note: Last observation relates to dates from July 2007 to September 2007. All prices are in euro.

**Chart 6a:**  
**Producer prices: Evolution of selected sub-indices relative to overall index**  
*(Difference between annualised growth rate over 1996-2006 in component relative to overall index, %)*



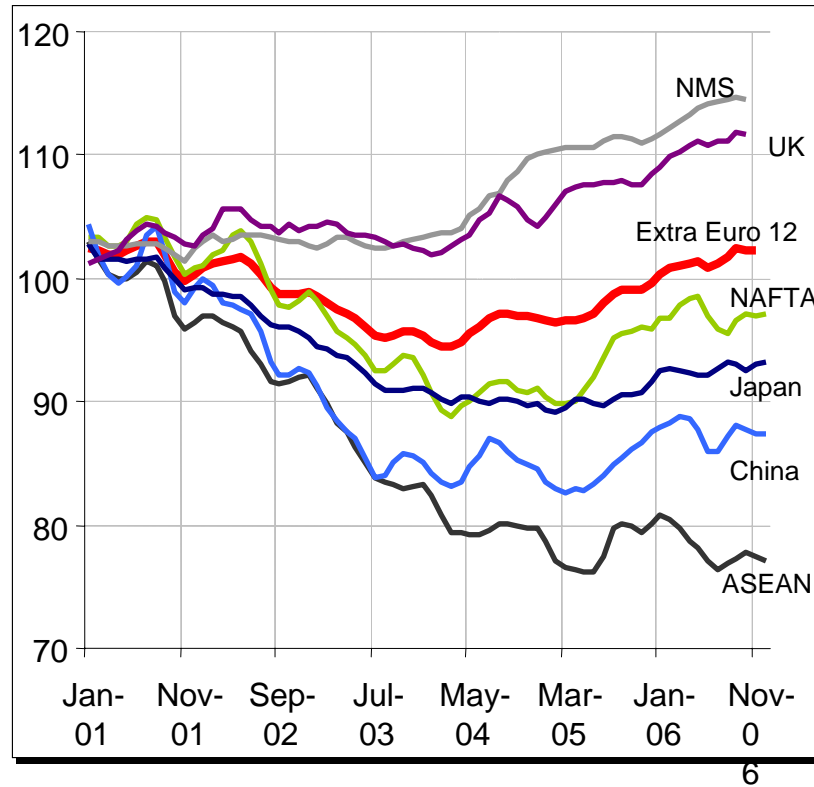
Source: ECB calculations based on Eurostat data.

**Chart 6b:**  
**Consumer prices: average price changes in euro area HICP subcomponents**  
*(average annual change over 1996-2006, %)*



Source: ECB calculations based on Eurostat data.  
 Note: Data for 92 HICP subcomponents.

**Chart 7**  
**Recent developments in extra-EA manuf. import prices**  
**by import supplier**  
*(monthly data, unit value indices, 3MMA, Euro)*



*Sources: ECB, HWWA and Eurostat.*

*Note: Last observation relates to dates ranging from Nov. 2006 to March 2007.*