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SM/86/82

Correction 1

CONTAINS CONFIDENTIAL
INFORMATION

May 13, 1986

To: Members of the Executive Board

From: The Secretary

Subject: European Monetary System - Realignment of Exchange Rates

The following correction has been made in SM/86/82 (4/21/86):

Page 16, Table 9, column 5, line 7: for "100.0" read "91.0"

A corrected page is attached.

Att: (1)

Other Distribution:
Department Heads

Table 8. Indicators of Competitiveness in Manufacturing as
Measured by Unit Labor Costs Adjusted for Exchange Rate
Changes in Relation to EMS Partner Countries 1/

(1979 I = 100)

	Belgium	Denmark	France	Germany	Ireland	Italy	Nether- lands
1979	98.0	97.1	101.6	98.2	106.5	105.2	96.3
1980	93.5	87.0	106.6	97.3	121.1	105.6	92.8
1981	90.5	87.3	108.7	95.5	125.7	111.9	87.3
1982	79.6	85.7	103.5	98.8	134.2	117.0	90.3
1983	76.4	84.6	99.9	98.4	123.6	127.0	88.6
1984	77.8	85.7	99.6	99.6	116.4	128.3	82.3
1985 <u>2/</u>	79.9	91.0	101.7	97.9	116.3	128.2	80.5
1982 I	85.7	88.1	108.0	95.4	130.4	114.6	89.0
II	78.3	87.2	107.4	97.5	135.6	115.7	88.6
III	77.3	85.5	99.9	101.5	137.3	117.5	90.5
IV	77.2	82.1	98.7	100.6	133.5	120.2	93.3
1983 I	76.7	85.2	101.5	97.8	123.9	124.2	90.7
II	76.7	85.0	99.1	98.1	125.3	127.4	90.4
III	76.3	83.7	99.5	99.0	124.4	127.6	86.8
IV	76.0	84.5	99.4	98.8	120.8	128.6	86.4
1984 I	75.7	83.9	98.8	102.4	120.9	124.7	82.2
II	78.3	86.1	100.3	99.1	113.4	128.3	82.0
III	79.2	86.1	99.1	98.0	119.8	131.0	83.3
IV	78.2	86.8	100.3	98.9	111.7	129.2	81.7
1985 I	80.1	91.4	101.1	97.0	112.2	131.2	80.5
II	79.7	90.6	101.2	98.3	116.3	128.1	80.4
III	80.0	91.1	102.7	98.3	120.4	125.3	80.5

Source: IMF Datafund; and staff calculations.

1/ Unit labor costs against the weighted average of unit labor costs of the other countries participating in the EMS exchange rate mechanism (in common currency).

2/ First three quarters only.

Table 9. Indicators of Competitiveness in Manufacturing
as Measured by Unit Labor Costs Adjusted for Exchange Rate
Changes in Relation to 17 Industrial Partner Countries 1/

(1979 I = 100)

	Belgium	Denmark	France	Germany	Ireland	Italy	Nether- lands
1979	97.6	96.5	101.1	98.2	103.1	104.5	95.9
1980	91.6	84.0	103.6	95.6	108.4	103.0	90.8
1981	85.1	78.0	97.5	86.7	103.8	100.4	80.4
1982	75.3	77.6	93.0	88.3	109.9	104.1	82.5
1983	72.7	78.1	90.6	88.5	103.7	112.3	81.0
1984	72.8	76.1	87.2	86.0	94.3	109.5	73.3
1985 <u>2/</u>	73.5	78.3	86.1	82.1	91.0	106.0	70.0
1982 I	80.9	79.2	96.5	86.1	107.8	102.0	81.5
II	73.8	78.1	95.6	87.0	110.9	102.5	80.6
III	73.1	77.1	90.1	90.0	111.4	104.6	82.5
IV	73.4	75.9	89.8	90.2	109.6	107.4	85.5
1983 I	74.2	80.9	94.2	90.5	108.4	112.9	84.8
II	73.0	78.6	90.1	88.5	104.7	112.9	82.7
III	72.3	76.5	89.6	88.0	102.7	111.9	78.8
IV	71.5	76.4	88.4	86.8	98.8	111.4	77.7
1984 I	71.2	75.7	87.8	89.1	98.7	108.3	74.0
II	73.9	77.7	89.3	87.2	93.8	111.4	74.0
III	73.7	75.7	86.1	84.1	96.1	110.5	73.6
IV	72.3	75.3	85.7	83.4	88.7	107.6	71.5
1985 I	73.8	78.5	85.1	80.9	88.9	107.3	69.7
II	73.1	77.6	85.4	82.1	90.2	105.6	69.7
III	73.7	78.8	87.8	83.3	93.8	105.0	70.6

Source: IMF Datafund, and staff calculations.

1/ Unit labor costs against the weighted average of unit labor costs of 17 industrial partner countries in common currency; weights are those used to calculate IFS relative unit labor costs for 17 industrial countries.

2/ First three quarters only.