SCOREBOARD AND THE POSSIBILITY OF EARLY STAGE IDENTIFICATION OF IMBALANCES IN THE EUROPEAN UNION

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Abstract: *In late 2011, the European Union (EU Council and European Parliament) adopted a series of new rules on economic governance, perfecting the process begun in 2010 to strengthen the monitoring and prevention of macroeconomic imbalances, fiscal and competitiveness disparities among EU countries. In the same direction, of strengthening fiscal surveillance under the Stability and Growth Pact, also goes the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, through the fiscal Compact. Thus, the macroeconomic imbalances procedure provided in the new legislation requires as a first step the realization of a scoreboard consisting of 10 indicators, which, according to promoters, allow an early identification of imbalances, of both short-term, as well as structural, of longer-term. European Commission reports and statistics for EU Member States in 2010 and 2011, indicate that in the post-crisis period there has been a pronounced adjustment of external imbalances, but a number of countries continue to record higher values than indicative levels in the dashboard .*

Keywords: *European Union, dashboard, imbalances*

JEL Classification: *E02, E60, O52*

I. Introduction

International financial tensions generated by the economic and financial crisis that began in 2007 have had a slight flattening in 2012, compared with the previous year and in the last months of 2012 the financial markets seem to be more calm. Unfortunately, imbalances and causes of the financial crisis and the tensions that have accompanied it were not removed. It is therefore quite difficult to assess whether we are at the end of the financial crisis or this is the calm before a new storm.

Flattening of tensions, as we were talking about, is the result of measures taken by the countries affected by the adjustment of macroeconomic policies for the reorganization of the effects of the crisis by removing internal imbalances. However, the regulatory framework has been reached also by the supranational organizations and structures, a good example being the European Union. In the latter case, the measures adopted have a triple valence (1) increase the degree of convergence of the superstructure, (2) correct certain imperfections inadequately detected and considered during the period in which integration occurred and Last but not least, (3) eliminate the imbalances over time.

Meanwhile, the effects of the financial and economic crisis, namely the sovereign debt crisis made it necessary to rethink the framework of the economic policy coordination of the Member States of the European Union.

Thus, in late 2011, in the European Union - EU Council and the European Parliament – have been adopted a series of new regulations (made of five regulations and one directive) on economic governance, perfecting the process begun in 2010 to strengthen the monitoring framework and prevention of macroeconomic, fiscal imbalances and competitiveness gaps between EU countries.

It contains provisions on strengthening the rules of fiscal discipline set out in the Stability and Growth Pact, and also mechanisms for the prevention and correction of major macroeconomic imbalances.

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II. The research method

Research methods used are: classification, synthesis, static and dynamic comparative analysis, methods of induction and deduction, the graphical representation of events and phenomena investigated. Partly were also used a series of mathematical and statistical tools, accompanied by analytical deductive analysis.

However, the work is of qualitative nature, rather it aims for an overview of the instrument and its results do not validate or criticize the dashboard. The statistics used are official, the documents are taken from the European Union (Eurostat bases support) and the National Bank of Romania.

III. Place the instrument panel in the new fiscal and macroeconomic surveillance framework of the EU

The new framework (NBR, 2012, 1) is focused on fiscal and macroeconomic surveillance and to strengthen the Stability and Growth Pact (SGP). It is detailed at the level of laws and components in Table no 1.

Table no 1. The new EU economic governance framework

Regulations:	Components:
1. Regulation (EU) no. 1173/2011 on the effective enforcement of budgetary surveillance in the euro area 2. Regulation (EU) no. 1174/2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area 3. Regulation (EU) no. 1175/2011 amending Regulation (EC) no. 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies 4. Regulation (EU) no. 1176/2011 on the prevention and correction of macroeconomic imbalances 5. Regulation (EU) no. 1177/2011 amending Regulation (EC) no. 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure 6. 2011/85/EU Directive on requirements for budgetary frameworks of Member States	**A. Strengthening the existing monitoring and correction of fiscal slippages:** – The preventive arm of the SGP: Member States must ensure medium-term budgetary objectives to ensure sustainable public finances and for this purpose it is envisaged including capping the maximum annual increase in public spending; – Corrective component of the SGP: starting EDP can occur from overrunning the budget deficit, as well as on the public debt; – Minimum requirements of budgetary frameworks: Member States must ensure that minimum standards for the tax. **B. Introduction of macroeconomic imbalances procedure aims to monitor and correct macroeconomic imbalances:** – A monitoring and early warning system (a set of indicators such as to notify potential macroeconomic slippage). European Commission (EC) to analyze the set of indicators and draw Alert Mechanism Report on the basis of their analysis. EC may decide to carry out a study for specific risk areas and propose measures Member States concerned; – The preventive role of the EC is to decide the issue in the early stages of training recommendations imbalances; – The corrective is excessive imbalance procedure can be opened for Member States who are established severe macroeconomic slippages. The Member States concerned shall submit to the EC a corrective action plan identified imbalances. **C. Introduction of a new framework for strengthening measures imposing penalties for non-compliance of the decisions of the European Council or EC so if fiscal surveillance and openness in the EDP or excessive imbalance procedure.**

Source: processed by the author after NBR - Financial Stability Report 2012, www.bnro.ro, page 17

It should be noted that standards are not changing (criteria) of reference for the fiscal indicators stipulated in the Stability and Growth Pact, but the binding character of achieving these goals has become more pronounced. Specifically, new limits were set for the growth of public expenditure and financial penalties if a Member State does not fulfill its obligations. Also, the excessive deficit procedure can be triggered when public debt criterion is not reached, even if the budget deficit is less than 3 percent of the GDP.

In the same direction, strengthening fiscal surveillance under the Stability and Growth Pact, go with the Treaty on Stability, Coordination and Governance in Economic and Monetary Union, the fiscal compact. The macroeconomic imbalances procedure provided for in the new legislation requires that a first step realization of a scoreboard consisting of 10 indicators, which, according to promoters, allows an early identification of imbalances, both the short-term as well as the structural, longer-term.

Based on information from the dashboard, the Commission shall make a report on the alert mechanism and may recommend additional new analyzes if they consider it necessary. The usefulness of these tests is that through them they can proceed to trigger the procedure of macroeconomic imbalances.

Selection of indicators which were included in the dashboard was based on four principles (NBR, 2011, 2):

(i) the ability and accuracy in measuring macroeconomic imbalances and competitiveness losses. There have been considered indicators for monitoring external balances, competitiveness and, respectively, the internal balances;

(ii) their relevance of reporting, exactly still in their infancy, any imbalances and loss of competitiveness indicators opting for both indicators of stock and flow. For each of the indicators have been set alert thresholds, with warning limits which on the one hand are meant to avoid "false alarms" and on the other hand, to prevent delays in signing the tensions;

(iii) the ability of indicators to communicate macroeconomic imbalances and competitiveness losses, a principle that explains why the number of indicators that make up the dashboard is limited to only 10, while allowing the use of simple and transparent methods of data processing;

(iv) statistical quality of indicators, using generally Eurostat indicators.

IV. Structure of the dashboard

Indicators included in the dashboard are the following (Table 2.):

- CURRENT ACCOUNT BALANCE. This indicator was included in the dashboard due to the fact that there is a current account imbalance as a result of the existence of other imbalances in the economy. I cited instances where high levels of current account deficit in the years before the crisis were the result of rapid credit growth or the existence of imbalances in the internal market or the implementation of policies that limit domestic demand and investment. The indicator is calculated as a moving average for the past three years the share of the current account balance (CAB) to gross domestic product (GDP) by the relation:

$$\frac{\left(\frac{CAB}{GDP}\right)_t + \left(\frac{CAB}{GDP}\right)_{t-1} + \left(\frac{CAB}{GDP}\right)_{t-2}}{3} \times 100$$

The optimal range of variation of the indicator is between -4% and 6%.

- NET INTERNATIONAL INVESTMENT POSITION. Net international investment position is an opposable indicator in terms of stock, current account balance. A high negative net international investment position shows a prominent external debt of the economy and hence higher risks and vulnerabilities regarding external financing or refinancing debt on financial markets. Additionally, a negative net and high international investment position imposes high costs (debt service increased by interest paid on foreign debt) and thus contributes to the maintenance of high current account deficits. The indicator is calculated as a percentage of the current value of the net international investment position (NIIP) to gross domestic product (GDP) by the relation:

$$\frac{NIIP}{GDP_t} \times 100$$

The indicator is considered critical when they register values are less than -35%.

- CALCULATED ACTUAL REAL EXCHANGE RATE BY THE HARMONISED INDEX OF CONSUMER PRICES (HICP). This indicator is significant lasting changes in price competitiveness of a country with its main trading partners (key 35 EU partner countries). Note that, for reasons that depend on nominal and real convergence, the indicator in question is associated with different reference limits for countries within the euro area (where the price competitiveness of these countries is closer) and for the non-euro (in this case the limits of variation are wider because competitiveness is low compared to the euro area). The indicator is calculated as the relative change (compared to the value recorded three years ago) the real effective exchange rate calculated by the Harmonised Index of Consumer Prices (*REER_HICP_35*) computing model is:

$$\frac{(\text{REER_HICP_35})_t - (\text{REER_HICP_35})_{t-3}}{(\text{REER_HICP_35})_{t-3}} \times 100$$

The optimal range of variation of the indicator is between $\pm 5\%$ for the Euro countres and $\pm 11\%$ for the non-euro countries.

- MARKET SHARE OF EXPORTS OF GOODS AND SERVICES OF A COUNTRY'S WORLDWIDE EXPORTS. The market share of exports of goods and services in world exports of a country also belongs to the category of indicators that evaluate the competitiveness of a country. For example, the decrease of the indicator signifies a reduction (loss) of competitiveness, with impact on the trade balance and current account. The indicator is calculated as the relative change in the market share held by exports of goods and services of a country (EBSX) in world exports (EBSM), compared to the level five years ago, by the relation:

$$\frac{\left(\frac{EBSX}{EBSM}\right)_t - \left(\frac{EBSX}{EBSM}\right)_{t-5}}{\left(\frac{EBSX}{EBSM}\right)_{t-5}} \times 100$$

A decrease in the index of more than 6% is considered to be critical.

- NOMINAL UNIT COST OF LABOR. Nominal unit cost of labor is another indicator by which the competitiveness of a country is appreciated. The indicator allows the assessment of the costs of labor, in particular, and also assessments related to labor productivity. As with the previous indicator, nominal unit cost of labor is allocated within the dashboard with referential values different between the euro area and non-euro, in order to coherently analyze the accommodation of input prices equalization process between the two state categories. Negatively valued are increases which exceed 9% for the Euro countries and respectively 12% for non-euro countries. The indicator is calculated as a relative change of nominal unit cost of labor (NUCL), compared to the level three years ago, by the relation:

$$\frac{(NUCL)_t - (NUCL)_{t-3}}{(NUCL)_{t-3}} \times 100$$

Table no 2. Indicators that construct the Scoreboard

INDICATORS MEASURING INTERNAL IMBALANCES						
INDICATOR	HOUSING PRICE INDEX	PRIVATE SECTOR DEBT, AS A PERCENTAGE OF GDP	UNEMPLOYMENT RATE	PRIVATE SECTOR DEBT, AS A PERCENTAGE OF GDP	PUBLIC SECTOR DEBT AS A PERCENTAGE OF GDP	TOTAL DEBT FINANCIAL SECTOR ECONOMY
SOURCE OF DATA	EUROSTAT	EUROSTAT (national accounts)	EUROSTAT	EUROSTAT (national accounts)	EUROSTAT	EUROSTAT (national accounts)
INDICATIVE THRESHOLDS FOR THE INDICATORS	+6%	+15%	+10%	160%	+60%	16,5%
INDICATORS THAT MEASURE EXTERNAL IMBALANCES AND COMPETITIVENESS						
INDICATOR	CURRENT ACCOUNT BALANCE RATIO TO GDP	NET INTERNATIONAL INVESTMENT POSITION RATIO TO GDP	CALCULATED ACTUAL REAL EXCHANGE RATE BY THE HARMONISED INDEX OF CONSUMER PRICES (HICP)	MARKET SHARE OF EXPORTS OF GOODS AND SERVICES A COUNTRY EXPORTS WORLDWIDE	NOMINAL UNIT LABOUR COST	
DATA SOURCE	EUROSTAT (balance of payments)	EUROSTAT (balance of payments)	General Directorate for Economic and Financial Affairs	EUROSTAT (balance of payments)	EUROSTAT (national accounts)	
INDICATIVE THRESHOLDS FOR THE INDICATORS	-4/+6%	-35%	+/-5% Eurozone +/-11% Non Euro zone	-6%	+9% Eurozone +12% Non Euro zone	

Source: European Commission - European Economy. Scoreboard for the surveillance of macroeconomic imbalances - Occasional Papers 92, February 2012, ec.europa.eu / economy_finance / publications, page 23

- HOUSING PRICE INDEX. Many financial crises of the past 100 years were preceded by price hikes on national housing markets, and as we presently live in a global economy, they are quickly reflected in other countries. Similarly, the present global financial crisis still ongoing, had among others as main engine the tensions within the housing market. The high dynamic housing price index can predict a number of economic imbalances and at the same time can generate new ones. The indicator is calculated as the relative change in house prices index (HPI) deflated (DEFLATOR), compared to the level in the previous year, according to the model:

$$\frac{\left(\frac{HPI}{DEFLATOR}\right)_t - \left(\frac{HPI}{DEFLATOR}\right)_{t-1}}{\left(\frac{HPI}{DEFLATOR}\right)_{t-1}} \times 100$$

Maximum acceptable limit of annual increases in the price of housing is of 6%.

- PRIVATE SECTOR DEBT, AS A PERCENTAGE OF GDP. Private sector debt has been a subject less analyzed from the perspective of a country's macroeconomic imbalances, but also its vulnerability. However the current crisis, its extension, its transformation from a private financial crisis into one of sovereign debt (due to the involvement of states into private debt refinancing) requires continuous monitoring of the level of private debt. This is because excessive volumes of indebtedness increase the risk of financial instability and economic growth. Although there are no reference values for private debt levels, its high levels make the private sector fragile, leading to higher financial costs of firms, lead to the maintenance of high interest rates in the financial markets and are slowing investments. The indicator is calculated as the share of private sector debt (SPSD) in the gross domestic product (GDP) by the relation:

$$\frac{SPSD_t}{GDP_t} \times 100$$

Dashboard maximum acceptable value is of 160% of the share of private sector debt to GDP.

- FLOW OF CREDIT TO THE PRIVATE SECTOR AS A PERCENTAGE OF GDP. Private sector credit flow is an auxiliary indicator for analysis of private debt, a large part of the private debt originating in the banking sector. Literature has shown empirically that large fluctuations of lending can be associated with a high incidence of crises, considering that the rapid expansion of credit is one of the best predictors of financial crises and banking, both in emerging economies and in the advanced ones. It also argues that the growth of bank credit to the private agents is a good indicator to measure the vulnerability of the banking system, the rapid expansion of bank loans is associated with a decline in lending standards (European Commission, February 2012, 3). The indicator is calculated by reporting the flow of new loans and securities as bonds (FNLSB) received, respectively, issued by the private sector's gross domestic product (GDP). Increases of up to 15% are considered acceptable. The calculation of the indicator is:

$$\frac{FNLSB_t}{GDP_t} \times 100$$

- PUBLIC SECTOR DEBT AS A PERCENTAGE OF GDP. From a technical point of view the indicator of public sector debt allows the assessment of unsustainable position of the public finances of a state. It should be noted that the inclusion of this indicator in the dashboard does not cover special analysis of public sector debt, but only a general outline on borrowing. This is because the vulnerabilities and risks associated with public sector borrowing are monitored by the Stability and Growth Pact (NBR, 2011, 4). The indicator is

calculated as the ratio of public sector debt (BPSD) to gross domestic product (GDP), the calculation model:

$$\frac{BSPD_t}{GDP_t} \times 100$$

The size of the indicator remains at recognized and accepted EU standard of maximum 60%.

- UNEMPLOYMENT RATE. Unemployment indicates labor market imbalances and inclusion in the dashboard indicator is justified by the fact that large values, for a long period of time, indicate that resource allocation in the economy is poor and there are problems of adjustment of the economy. The indicator is calculated as a moving average of the unemployment rate (UR) recorded in the past three years, the relationship of calculation is:

$$\frac{(UR)_t + (UR)_{t-1} + (UR)_{t-2}}{3} \times 100$$

Acceptable values are up to 10%.

Dashboard design was modified in 2012 by introducing the eleventh indicator to consider the financial sector in general and, in particular the banking sector. This new eleventh dashboard indicator is included in the TOTAL DEBT OF THE FINANCIAL SECTOR OF THE ECONOMY. The indicator is calculated as the relative change to the previous year obligations / liabilities (unconsolidated) that the financial sector has considering as critical the values of the indicator exceeding 16.5%. Motivation of the dashboard modification through the introduction of the eleventh indicator is call the Council and the European Parliament to take better account of the financial sector and last but not least, the need to closely monitor the financial sector, a sector where the crisis began.

V. Analysis of data from the dashboard

The first annual report of the European Commission's warning mechanism was published in February 2012 and took into account the statistical data of up to 2010 (see 2010 data in Table 3). Identified 12 countries whose macroeconomic situation required detailed analysis (Belgium, Bulgaria, Cyprus, Denmark, Finland, France, Italy, United Kingdom, Slovenia, Spain, Sweden and Hungary). It should be noted that some Member States, such as Greece, Ireland, Portugal and Romania have not been evaluated in the first report, as they were under the protection and funding monitoring programs run by the EU and IMF, enjoying some economic surveillance.

The second annual report of the European Commission's warning mechanism, released in November 2012, believed it was necessary to analyze in detail further developments on the accumulation of imbalances, but also risks, especially in 14 of Member States: Belgium, Bulgaria, Denmark, Spain, France, Italy, Cyprus, Hungary, Malta, the Netherlands, Slovenia, Finland, Sweden and the UK. The 14 Member States, the Commission believes have multiple challenges and many potential risks, including the effects of contagion. Also, Greece, Ireland, Portugal and Romania, countries that are currently implementing a reform program negotiated with the Commission are supported by external financial assistance (as in enhanced economic surveillance) and were not considered in the report.

Note that the number of states with increased risks of 12 to the first report, 14 to the second, and if we add the four states that are supported by external financial assistance programs shows that more than half of EU members register vulnerabilities.

The first report, in February 2012 (European Commission, February 2012, 5) and the second report, dated November 2012 (European Commission, November 2012, 6) and

statistical data for EU Member States in 2010 and 2011, indicates that in the post-crisis there has been a pronounced adjustment of external imbalances, but a number of countries continue to record higher values than indicative levels in the dashboard. In dynamics, there is a certain improvement of the EU member states, seven states have registered a decline in critical indcators and only two growths (Hungary and the Netherlands) of those. Number of states with the most alerts (maximum 5 or 6 indicators of values below optimum) is six: Ireland, Greece, Portugal, Spain, Cyprus and Slovakia.

Specifically, it is noted a high level of net external liabilities, which in turn reflects the persistent current account deficits. Declining competitiveness of EU countries, illustrated by large wage dynamics restrictions of export market shares and appreciation trend of the real effective exchange rates in the period before the crisis began to be stopped, but there are still many EU countries that still need major corrections. Regarding internal imbalances, financial and economic crisis has led notable adjustment processes such as credit downturn, major correction in real estate prices, although in 2010, countries such as Finland and Sweden had real annual changes in house prices over the reference value.

It is also noted that indebtedness of both the private sector and the public is one of the weaknesses of the EU Member States (17, respectively 14 states more or less beyond the optimal values of the two indicators). Negative adjustments previously recorded were accompanied by increases in unemployment, labor reallocation across sectors being done ponderously in most Member States.

Analysis of the dashboard, in Romania's case reveals vulnerabilities only at external imbalances, values exceeding limits set out in the current account deficit and at the net investment position.

Table no 3. Scoreboard for the years 2010-2011

Country / (Number indicators below standard)	Year	Current account balance	Net international investment position	Real effective exchange rate	Market share of exports of goods and services	Nominal unit cost of labor	Housing price index	Private sector credit flow	Private sector debt	Public sector debt	Unemployment rate	Financial sector debt
	Limits	*-4/+6%*	*-35%*	*±5% & ±11%*	*-6%*	*+9% & +12%*	*+6%*	*15%*	*160%*	*60%*	*10%*	*16.5%*
Austria (3/3)	2010	3.5	-9.8	-1.3	-14.8	8.9	-1.5	6.4	166	72	4.3	
	2011	2.2	-2.3	-1.0	-12.7	5.9	-8.0	4.1	161	72	4.4	-0.3
Belgium (3/3)	2010	-0.6	77.8	1.3	-15.4	8.5	0.4	13.1	233	96	7.7	
	2011	-0.3	65.7	-0.5	-10.2	6.2	-0.1	11.6	236	98	7.8	4.7
Bulgaria (4/2)	2010	-11.1	-97.7	10.4	15.8	27.8	-11.1	-0.2	169	16	7.5	
	2011	-3.4	-85.6	3.1	17.2	20.3	-9.0	-6.7	146	16	9.4	5.6
Cyprus (6/6)	2010	-12.1	-43.4	0.8	-19.4	7.2	-6.6	30.5	289	62	5.1	
	2011	-8.4	-71.3	-0.9	-16.4	8.8	-8.5	16.1	288	71	6.6	-0.2
Czech Republic (2/1)	2010	-2.5	-49.0	12.7	12.3	5.1	-3.4	1.7	77	38	6.1	
	2011	-3.0	-49.3	0.3	8.4	3.3	0.0	2.5	78	41	6.9	3.8
Denmark (2/2)	2010	3.9	10.3	0.9	-15.3	11.0	0.5	5.8	244	43	5.6	
	2011	5.0	24.5	-1.7	-16.9	4.7	-4.9	-2.2	238	47	7.0	4.7
Estonia (3/3)	2010	-0.8	-72.8	5.9	-0.9	9.3	-2.1	-8.6	176	7	12.0	
	2011	2.8	-57.8	0.8	11.1	-6.2	3.3	6.8	133	6	14.4	-4.4
Finland (4/3)	2010	2.1	9.9	0.3	-18.7	12.3	6.8	6.8	178	48	7.7	
	2011	0.6	13.1	-1.3	-22.9	9.1	-0.3	4.6	179	49	8.1	30.8
France (3/3)	2010	-1.7	-10.0	-1.4	-19.4	7.2	5.1	2.4	160	82	9.0	
	2011	-1.6	-15.9	-3.2	-11.2	6.0	3.8	4.0	160	86	9.6	7.3
Germany (2/2)	2010	5.9	38.4	-2.9	-8.3	6.6	-1.0	3.1	128	83	7.5	
	2011	5.9	32.6	-3.9	-8.4	5.9	1.4	4.8	128	81	6.9	2.1
Greece (6/5)	2010	-12.1	-92.5	3.9	-20.0	12.8	-6.8	-0.7	124	145	9.9	
	2011	-10.4	-86.1	3.1	-18.7	4.1	-5.1	-5.5	125	171	13.2	-3.4
Ireland (6/6)	2010	-2.7	-90.9	-5.0	-12.8	-2.3	-10.5	-4.5	341	93	10.6	
	2011	0.0	-96.0	-9.1	-12.2	-12.8	-15.2	4.0	310	106	13.3	-0.6
Italy (2/2)	2010	-2.8	-23.9	-1.0	-19.0	7.8	-1.4	3.6	126	118	7.6	
	2011	-2.9	-20.6	-2.1	-18.4	4.4	-2.0	2.6	129	121	8.2	3.8
Lithuania (2/2)	2010	-2.3	-55.9	9.1	13.9	0.8	-8.7	-5.3	81	38	12.5	
	2011	0.0	-52.6	3.6	25.2	-8.4	2.4	-0.8	70	39	15.6	8.9
Luxembourg (3/3)	2010	6.4	96.5	1.9	3.2	17.3	3.0	-41.8	254	19	4.9	
	2011	7.5	107.8	0.8	-10.1	12.5	1.5	2.5	326	18	4.8	11.3

Country / (Number indicators below standard)	Year	Current account balance	Net international investment position	Real effective exchange rate	Market share of exports of goods and services	Nominal unit cost of labor	Housing price index	Private sector credit flow	Private sector debt	Public sector debt	Unemployment rate	Financial sector debt
	Limits	*-4/+6%*	*-35%*	*±5% & ±11%*	*-6%*	*+9% & +12%*	*+6%*	*15%*	*160%*	*60%*	*10%*	*16.5%*
Latvia (2/2)	**2010**	-0.5	-80.2	8.5	14.0	-0.1	-3.9	-8.8	141	45	14.3	
	2011	3.1	-73.3	-0.6	23.6	-15.0	4.9	-2.5	125	42	18.1	-4.5
Malta (3/3)	**2010**	-5.4	9.2	-0.6	6.9	7.7	-1.6	6.9	212	69	6.6	
	2011	-4.3	5.7	-3.0	11.7	5.8	-2.3	2.2	210	71	6.8	1.4
United Kingdom(4/3)	**2010**	-2.1	-23.8	-19.7	-24.3	11.3	3.4	3.3	212	80	7.0	
	2011	-2.2	-17.3	-7.1	-24.2	8.1	-5.4	1.0	205	85	7.8	8.5
Netherlands (3/4)	**2010**	5.0	28.0	-1.0	-8.1	7.4	-3.0	-0.7	223	63	3.8	
	2011	7.5	35.5	-1.6	-8.2	5.8	-4.0	0.7	225	66	4.2	7.2
Poland (3/3)	**2010**	-5.0	-64.0	-0.5	20.1	12.3	-6.1	3.8	74	55	8.3	
	2011	-4.6	-63.5	-10.9	12.8	4.3	-5.7	7.1	80	56	9.2	4.4
Portugal (6/6)	**2010**	-11.2	-107.5	-2.4	-8.6	5.1	0.1	3.3	249	93	10.4	
	2011	-9.1	-105.0	-1.9	-9.5	0.9	-3.6	-3.2	249	108	11.9	-0.7
Romania (3/3)	**2010**	-6.6	-64.2	-10.4	21.4	22.1	-12.1	1.7	78	31	6.6	
	2011	-4.3	-62.5	-2.4	22.8	12.9	-18.9	1.8	72	33	7.2	4.3
Sweden (4/3)	**2010**	7.5	-6.7	-2.5	-11.1	6.0	6.3	2.6	237	40	7.6	
	2011	6.6	-8.3	3.9	-11.6	1.2	1.0	6.3	232	38	8.1	3.6
Slovenia (2/2)	**2010**	-3.0	-35.7	2.3	-5.9	15.7	0.7	1.8	129	39	5.9	
	2011	-0.4	-41.2	-0.3	-6.1	8.3	1.0	1.9	128	47	7.1	-1.3
Slovakia (5/2)	**2010**	-4.1	-66.2	12.1	32.6	10.1	-4.9	3.3	69	41	12.0	
	2011	-2.1	-64.4	4.3	20.9	4.4	-5.6	3.3	76	43	13.4	1.2
Spain (6/6)	**2010**	-6.5	-89.5	0.6	-11.6	3.3	-3.8	1.4	227	61	16.5	
	2011	-4.3	-91.7	-1.3	-7.6	-2.1	-10.0	-4.1	218	69	19.9	3.7
Hungary (2/4)	**2010**	-2.1	-112.5	-0.5	1.4	3.9	-6.7	-18.7	155	81	9.7	
	2011	0.6	-105.9	-3.3	-2.8	3.7	-4.1	6.4	167	81	10.7	-2.6

Source: European Commission - Report from the Commission - Alert Mechanism Report - 2013 - Report Prepared in accordance with Articles 3 and 4 of the Regulation on the prevention and correction of macroeconomic imbalances, Brussels, 28/11/2012, www. europa.eu, page 24, and Source: European Commission - Report from the Commission - Alert Mechanism Report 2012 - Report Prepared in accordance with Articles 3 and 4 of the Regulation on the prevention and correction of macroeconomic imbalances, Brussels, 14.2.2012 , www. europa.eu, page 4

VI. Conclusions

In conclusion, the scoreboard is and should remain a simple and clear instrument, with the role of filter which helps monitoring the member states. With its help, the Commission can focus on monitoring states within the **macroeconomic imbalances procedure**. Though it is a late attempt to monitor imbalances, the results of the dashboard shows that the indicators included in it have a significant predictive role, countries with vulnerabilities being indicated rapidly and imbalances appearing on several sides of the internal economic mechanism. At the same time, assessing imbalances - or more specifically, the assessment of a Member State if the situation justifies a more detailed examination in a review in depth – do not result from a mechanical application of the dashboard indicators and associated thresholds. Such an assessment by the Commission is the result of an economic analysis of the instrument panel, filled with information and additional indicators taking into account the specific circumstances of each country and institution.

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