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Belarus: sustainable growth without structural reforms?

BY VASILY ASTROV

Among the CIS countries, Belarus seems to be a special case in many respects. While during the 1990s, the economies of other CIS countries were sharply contracting in the wake of structural transformation, typically aggravated by restrictive and often over-restrictive economic policies, in Belarus the recession was fairly modest and economic growth resumed earlier. The country did not suffer from the non-payments crisis and the proliferation of barter to the same extent as Russia and Ukraine, and managed to avoid an extreme differentiation of incomes. At the same time, inflation has been persistently high and progress in structural reforms very limited. At present, the Belarusian economy is still being dominated by the state sector, links to Russia are strong, and resources are allocated largely in an administrative way.

The Belarusian economy within the Soviet system

In 1991, the last year of the existence of the Soviet Union, Belarus was its richest republic in terms of per capita GNP.[1] The key to its relative wealth was the structure of its economy, specializing in the production of manufactured goods with high value-added and thus creating favourable terms of trade. Using cheap and abundant energy, raw materials and other inputs coming from other republics of the USSR, Belarus was largely operating as an 'assembly line' and exporting its often sophisticated products to the vast Soviet market and the markets of Central and Eastern Europe. In particular, exports absorbed nearly 50% of Belarusian GDP and about 80% of its industrial output.

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[1]   See World Bank (1993).

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The Belarusian economy was heavily industrialized. In 1991, 39.4% of its GDP was generated by industry, with about 80% of capital stock concentrating in heavy industry. Similarly to Russia and Ukraine, the defence sector played a major role. Huge, first of all export-oriented plants such as the *Minsk Tractor Plant*, the *Minsk Automobile Plant* (MAZ), the *Belarusian Automobile Plant* (BelAZ), the *Agricultural Machinery Plant* (Gomselmash), the *Horizont Plant* producing TV sets and electronics (including computers), and military plants constituted the core of the economy. In 1990 the Belarusian share of the Soviet GNP amounted only to 3.8%, but in production of some manufactured goods it was much higher, reaching 9.8% for metalworking machines, 12.3% for TV sets and 12.8% for electric motors. Belarusian agriculture was relatively well developed by Soviet standards, although it suffered severely from the Chernobyl catastrophe of April 1986, which caused contamination of some 20% of the republic's area.

Sliding into political isolation

Belarus proclaimed independence in August 1991, after the aborted coup against M. Gorbachev. Together with B. Yeltsin from Russia and L. Kravchuk from Ukraine, the chairman of the Belarusian Supreme Soviet, Stanislav Shushkevich, was one of the three leaders who put an end to the existence of the USSR by signing agreements on the creation of the Commonwealth of Independent States (CIS) in December 1991 (in Belarus!). However, for a number of reasons, the country's aspiration for national sovereignty was not as strong as in many other former Soviet republics. Apart from the economic background, in particular the relatively high incomes and the high degree of integration into the Soviet economy, some historic and cultural peculiarities seem to have been responsible for this as well. The country has never had an experience of being independent, except for the very short period immediately after the First World War, and culturally has always been very close to Russia and Poland. The process of industrialization and urbanization during the Soviet period was accompanied by a gradual replacement of the Belarusian language by Russian. (The difference between the two languages is relatively small.)

The relatively weak nationalist movement led to only minor changes in the ruling elite – the fact explaining the cautious approach of the government of Prime Minister Vyacheslav Kebich to economic reforms during 1992-94. A number of parties representing a wide political spectrum have emerged, but most of them remained without any real influence and could not offer a convincing alternative to the unsustainable course of the Kebich government at the presidential elections of July 1994. The election was easily won by populist Alexander Lukashenko, who enjoyed the support first of all of the elderly and rural population on the slogans of fighting corruption and re-unification with Russia.

Since then, President Lukashenko has been concentrating powers in his hands, reducing political freedom, repressing the opposition and establishing extensive controls over the mass media. A number of well-known opposition politicians, critical journalists and other public figures were put into prison or simply 'disappeared'. The referendum on the presidential draft of the constitution held in November 1996 granted the President virtually unlimited powers and extended his term in office until September 2001, when he was re-elected for his 'second' five-year term. With the outcomes of the referendum and the 2001 election not recognized by the West, the country found itself in deep international isolation. At the same time, a heavier accent in foreign relations was put on Russia, in the hope to re-unify in the future. In economic policy terms, the Belarusian leadership proclaimed 'market socialism' and 'controlled liberalism' as the country's goals, implying in reality slowing down structural reforms and increasing state intervention in the economy.

Uninterrupted growth since 1996

In the first several years after the break-up of the Soviet Union, Belarus experienced a protracted economic decline. By 1996, the country's GDP amounted to only 67% of its 1991 level and was

approximately equal to that of 1982. This was largely a consequence of two major shocks: a rapid rise in relative prices of inputs on the supply side and the loss of traditional Soviet export markets for the heavy and military industries on the demand side. In response, a number of Belarusian economists called for an increasing role of the state in subsidizing traditional enterprises and looking for new export markets outside the collapsing Russian market, especially in developing countries, which would 'accept the medium quality of Belarusian goods'.[2]

This kind of policy was given priority in 1996 and 1997, as the government started stimulating production via extending soft credits and making explicit efforts at promoting Belarusian goods abroad.[3] The expansionary monetary policy translated into a marked upturn of investment activity: gross fixed investment grew by 20% in 1997 and by another 25% in 1998.[4] The bulk of investment was accounted for by private housing, following the expansion of direct credits at 2% nominal interest rate (under 50-60% inflation) extended to private persons and the granting of tax exemptions to Belarusian companies carrying out construction. In addition, the controlled devaluation of the Belarusian rouble (BYR) engineered in early 1997, coupled with the expansion of Belarusian exports to the markets of countries such as China and Peru, had a favourable impact as well. Also, some goods were bartered as a settlement of the gas debt to Russia (although it is unclear how such deals were reflected in the national statistics).

Via a multiplier effect, the above push in demand appears to have generated a broadly based growth. As a result, the Belarusian economy picked up by 2.8% in 1996, accelerating to 11.4% in 1997 and 8.4% in 1998 (thus resisting the crisis in Russia) and growing ever since, fuelled in the

subsequent years by the recovery in Russia. What had initially been considered by many western and Russian analysts to be a short-term success with no chance of being sustainable over a longer period, turned out to be quite viable. After 6.8% in 2003, the country may expect 8-9% economic growth this year. By 2003, the Belarusian real GDP reached 104% of the 1990 level – well above Russia's (79%) and Ukraine's (54%). No wonder Belarus remains richer than the two latter countries: its GDP per capita, converted at purchasing power parity, stands at EUR 9200, compared to EUR 7800 in Russia and a mere EUR 5100 in Ukraine.[5]

Limited progress in structural reforms

The economic recovery in Belarus has been underway against the background of lacking structural reforms. The government's strategic goal has been to preserve the existing economic structure by promoting traditional state-owned industrial enterprises, often controlled personally by President Lukashenko. The soft budget constraints have been generally preserved, largely through the policy of credit allocation influenced by the state. For instance, in early 2004 the government passed a resolution 'recommending' banks to extend a BYR 1.5 trillion of long-term investment loans to the real sector (in 2003, the majority of such loans were given to the state-owned enterprises). At the same time, agricultural enterprises (a chronically problematic sector) were granted the right to postpone the payment of their tax arrears as well as gas and electricity debts until 2009.[6]

Standing at some 25% of GDP,[7] the private sector remains very small. While small-scale privatization is nearing completion, large-scale privatization has almost come to a halt. According to a presidential decree signed back in 1997, an enterprise could be

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[2]   An example of this point of view can be found in Tarasov (1994).

[3]   Among other things, numerous foreign trips of Belarusian president A. Lukashenko were partly aimed at promoting Belarusian exports.

[4]   Like elsewhere, the performance of investment in the first few years of 'transition' was disastrous: the drop in investment between 1992 and 1995 totalled 61%.

[5]   Although statistical figures in a dictatorial system (like the one existing in Belarus) are not unlikely to be biased, anecdotal evidence suggests that the country is indeed doing better than often believed.

[6]   See Institute for Privatization and Management (2004), April.

[7]   The EBRD (2003) estimate as of end-2002.

Table 1

Belarus: selected economic indicators

	1996	1997	1998	1999	2000	2001	2002	2003 [1]	2004 forecast	2005 forecast
Population, th pers., end of period	10142	10093	10045	10019	9990	9951	9899	9849	.	.
Gross domestic product, BYR bn, nom. [2]	192	367	702	3026	9134	17173	26138	35930	46600	57800
annual change in % (real)	2.8	11.4	8.4	3.4	5.8	4.7	5.0	6.8	8	7
GDP/capita (EUR at exchange rate)	1096	1282	1431	1023	1237	1357	1549	1555	.	.
GDP/capita (EUR at PPP - wiiw)	5040	5750	6380	6700	7210	7760	8390	9200	.	.
Gross industrial production										
annual change in % (real)	3.5	18.8	12.4	10.3	7.8	5.9	4.5	6.8		
Gross agricultural production										
annual change in % (real)	2.4	-4.9	-0.7	-8.3	9.3	1.8	0.7	6.8		
Consumption of households, BYR bn, nom. [2]	100	186	388	1597	4566	9082	14142	18226	.	.
annual change in % (real)	24.7	13.4	20.6	4.5	6.3	23.6	8.9	0.7	.	.
Gross fixed investment, BYR bn, nom. [2]	30	68	159	624	1809	3049	4485	6684	.	.
annual change in % (real)	-5.0	20.0	25.0	-8.0	2.0	-3.0	6.0	18.0	.	.
Reg. employment total, th pers., average	4365	4370	4417	4442	4441	4417	4381	4305	.	.
annual change in %	-1.0	0.1	1.1	0.6	0.0	-0.5	-0.8	-1.7	.	.
Reg. employment in industry, th pers., avg.	1202	1204	1221	1231	1227	1212	1170	.	.	.
annual change in %	-1.2	0.2	1.4	0.8	-0.3	-1.2	-3.5	.	.	.
Reg. unemployed, th pers, end of period	182.0	126.2	105.9	95.4	95.8	102.9	130.5	136.1	.	.
Reg. unemployment rate in %, end of period	4.0	2.8	2.3	2.1	2.1	2.3	3.0	3.1	2.5	2.5
Average gross monthly wages, BYR th. [2]	1.2	2.3	4.6	19.6	58.9	123.0	189.3	253.5	.	.
annual change in % (real, gross)	4.1	14.4	18.2	7.1	11.9	29.7	7.6	4.6	.	.
Consumer prices, % p.a.	53	64	73	294	169	61	43	28	20	16
Producer prices in industry, % p.a.	34	88	72	356	186	72	40	38	.	.
General government budget, nat.def., % GDP										
Revenues	26.4	30.8	34.1	34.9	34.8	33.5	33.0	34.0	.	.
Expenditures	28.3	32.9	35.5	37.8	35.4	35.1	33.2	35.6	.	.
Deficit (-) / surplus (+)	-1.9	-2.2	-1.4	-2.9	-0.6	-1.6	-0.2	-1.7	.	.
Public debt in % of GDP	.	.	.	14.7	12.8	9.1	7.1	7.2	.	.
Refinancing rate of NB % p.a., end of per.	35	40	48	120	80	48	38	28	.	.
Current account, EUR mn	-407	-758	-908	-182	-366	-486	-356	-447	.	.
Current account in % of GDP	-3.7	-5.9	-6.3	-1.8	-3.0	-3.6	-2.3	-2.9	-3.0	-2.5
Gross reserves of NB, incl. gold, EUR mn	374	356	291	303	383	408	454	392	.	.
Gross external debt, EUR mn	1523	1944	2031	2215	2281	2777	2925	2705	.	.
FDI inflow, EUR mn	82.4	310.0	181.4	416.2	128.6	107.0	261.5	150.8	.	.
FDI outflow, EUR mn	0.0	1.9	2.1	0.7	0.2	0.3	-218.2	1.3	.	.
Exports of goods, BOP, EUR mn	4566	6101	5511	5293	7187	8188	8429	8924	.	.
annual growth rate in %	24.4	33.6	-9.7	-4.0	35.8	13.9	2.9	5.9	.	.
Imports of goods, BOP, EUR mn	5472	7341	6851	5827	8144	9089	9397	10015	.	.
annual growth rate in %	30.9	34.2	-6.7	-14.9	39.8	11.6	3.4	6.6	.	.
Exports of services, BOP, EUR mn	716	810	826	706	1083	1230	1419	1327	.	.
annual growth rate in %	101.0	13.1	1.9	-14.5	53.3	13.6	15.4	-6.5	.	.
Imports of services, BOP, EUR mn	265	322	396	411	609	939	961	834	.	.
annual growth rate in %	22.2	21.4	23.0	3.9	48.0	54.3	2.3	-13.2	.	.
Average exchange rate BYR/USD [2]	13.6	25.0	43.6	276.7	800.0	1420.0	1804.0	2075.0	.	.
Average exchange rate BYR/EUR (ECU) [2]	17.3	28.4	48.8	295.1	739.2	1271.9	1704.6	2346.6	.	.
Purchasing power parity BYR/USD, wiiw [2]	3.5	5.8	10.2	41.9	117.0	205.2	293.1	372.1	.	.
Purchasing power parity BYR/EUR, wiiw [2]	3.8	6.3	11.0	45.1	126.9	222.5	314.7	396.4	.	.

Notes: BYR: ISO-Code for the Belarusian rouble.
1) Preliminary. - 2) In denominated roubles.

Source: wiiw Database incorporating national statistics; IMF; CISSTAT.

privatized or corporatized only upon the decision of its staff, although the privatization of enterprises with over 4000 employed was subject to approval by the President. More recently, President Lukashenko insisted that at the first stage of privatization, the majority of voting stock of privatized enterprises be kept by the state, and that keeping the 'social sphere' of a privatized enterprise on its balance is essential. As a result of such policy, the recent attempt to privatize four petrochemical plants failed to find a single bidder. In addition, according to a presidential decree from March 2004, the government can under certain circumstances impose the so-called 'golden share' (the right to intervene) in an enterprise of any type of ownership which was created as a result of privatization. Unsurprisingly, the inward FDI stock at the end of 2003 stood at only EUR 1.5 billion[8] (mostly from Russia) reflecting the lack of protection of property rights, political isolation, and the general unpredictability of the country's government.

Low registered unemployment, but at the expense of over-employment

Developments in the labour market are another reflection of the non-reformist policies pursued. The registered unemployment rate, though somewhat on the rise in the past few years, remains low (3.1% at the end of 2003). True, the official figure may not properly reflect the real situation, since (a) standing at only one-fifth of the official subsistence minimum, unemployment benefits may be too low to give enough incentive to register as unemployed, and (b) much of unemployment has the form of unpaid leave and involuntary part-time employment. The state is able to influence the labour market situation by making enterprises keep excessive labour force and thus maintaining social peace, though at the expense of enterprise efficiency. It is worth noting that the registered unemployment rate in Belarus is comparable to those observed in Russia and Ukraine, where the Labour Force Survey figures compiled according to

the methodology of the International Labour Organization are much higher.

The average wage in 2003 amounted to BYR 253.5 thousand, corresponding to some EUR 108 per month (EUR 640 in purchasing power parity terms). This is higher than in Ukraine, but lower than in Russia. Like elsewhere in the former Soviet Union, the actual living standards are higher than official data suggest, as people tend not to declare their real incomes, and the shadow sector is presumably large. Of particular relevance in this respect is the so-called 'shuttle trade' with neighbouring countries, mainly Poland and Russia, which is carried out by private persons and not reflected in official statistics (although shuttle trade with Poland seems to have suffered following the introduction of a visa regime in autumn 2003). In rural areas many households rely on small-scale agricultural activities on their own plots of land. Meanwhile, due to the prevailing interventionist policies, income discrepancies in Belarus remain modest: the Gini coefficient of earnings has hardly changed since 1992; in 2001 it stood at 0.34 – much lower than in both Russia (0.52) and Ukraine (0.45).[9]

High inflation despite extensive price controls

Similarly to other post-Soviet republics, the initial outburst of inflation in Belarus from 1992 onwards was the consequence of price liberalization in Russia (Belarus was still a part of the rouble zone at that time), which released the inflationary potential accumulated in the last years of the Soviet administrative system. In the Belarusian case, the situation was aggravated (a) by the independent policy of price liberalization in the neighbouring Baltic republics, undertaken already in 1991 and thus creating additional shortages in the then still regulated Belarusian market, and (b) by an above-average price increase for fuels imported from Russia in 1993-94, leading to an 'inflation of production costs'. However, while in Russia inflation was put under control by the mid-1990s (though by means of over-restrictive monetary policy and at the expense of soaring barter), in

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[8]   See wiiw-WIFO Database (2004).

[9]   See UNECE (2004).

Belarus it invariably stayed at a highly two-digit, or even three-digit level – an unpleasant side effect of the soft monetary policy coupled with high inflationary expectations.

To cope with high inflation, in the mid-1990s the authorities re-introduced price controls, thus withdrawing from the policy of price liberalization conducted in the previous years. In 1997, the government set an official limit of inflation at 2% per month (which was often exceeded though). Typically, the tools aimed at controlling prices included extensive subsidies to agriculture, caps on profit margins, and governmental directives to public sector organizations to buy goods at prices not exceeding the 'officially accepted level'. Ironically, the losses incurred by producers were usually covered by the state, often implying further 'monetization' and hence an acceleration of inflation. Another important tool was a multiple exchange rate regime, which the country had between 1996 and 2000. On the supply side of the foreign exchange market, a surrender requirement for exporters' earnings was imposed, whereas on the demand side, access to foreign currency was severely restricted. The list of those eligible for purchase of foreign exchange at the official (overvalued) exchange rate comprised the suppliers of 'critical imports', notably fuels. According to some estimates, only about 20% of the country's imports were paid at the official exchange rate, while the spread between the official and the black market rate reached up to 200-300%.

However, in the past few years, the emphasis has been increasingly put on *fighting* inflation rather than *repressing* it by means of price controls. A somewhat tougher monetary stance is not least due to the pressure from Russia, with which Belarus is planning to form a monetary union (though this plan is frequently postponed). Multiple exchange rates were unified back in 2000, although the government still resorts to price controls, e.g. by setting the upper limit of retail trade mark-up on a number of food products representing half of the consumption basket. In

early 2004, certain food products (such as bread, milk, sour cream and cottage cheese) were once again added to the list of 'socially important goods', the prices of which are to be regulated.[10] Despite a slowdown in the past few years, inflation remains high: it stood at 28% in 2003 and is expected to be around 20% this year.

External sector: high dependence on Russia

In the last years of the Soviet Union's existence and in the first year of transition, Belarus enjoyed external surpluses. However, since 1993, its trade balance and current account have been invariably negative, following a negative terms-of-trade shock due to the rising price of imported fuels. In 2003, the trade deficit stood at 8% of GDP, although the current account deficit (2.9%) was much smaller, largely due to net exports of services (transit fees) and high inflows of current transfers. In reality, the trade deficit appears to be smaller than suggested by official statistics for a number of reasons. First, the border with Russia, with which Belarus has a common Union State, is virtually 'transparent'. This implies that some of the transit goods on their way to Russia, which are registered as 'imports' on the Ukrainian and EU borders, fail to be captured as 'exports' on the border with Russia. (The incentives to ship products to Russia via the Belarusian territory were particularly pronounced prior to the tariff unification between these two countries.) Second, barter shipments to Russia (such as those of tractors and other transport vehicles), which have been particularly common as a settlement of gas arrears to Russia, are difficult to evaluate. Finally, sales of weapons, the revenues from which benefit the specially created presidential fund, appear not to be captured by official trade statistics either.

The Belarusian trade deficit arises exclusively from trade with Russia, whereas with other countries the trade balance is positive. Russia accounts for 49% of Belarusian exports (notably machinery and equipment, transport vehicles, and textiles) and

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[10] See Institute for Privatization and Management (2004), March.

66% of its imports (especially oil and gas). By now, Belarus has a customs union and a common labour market with Russia – both within the framework of a common Union State established back in 1999. However, at the moment, further integration steps appear to be stalled. The plans to introduce the Russian rouble as the sole legal tender in Belarus, initially scheduled for January 2005, have been postponed. Also, the two countries have so far failed to agree on the terms of a deal to set up a Russian-Belarusian joint venture based on the Belarusian gas monopoly *Beltransgaz*. In response, starting from 2004, the price for natural gas imported from Russia was raised to USD 47 per thousand cubic meters (th cm). (In 2003, more than 60% of gas deliveries were paid at the Russian domestic price of USD 28 per th cm.) Currently, a further price increase to USD 54 per th cm is being advocated by Russia, after Belarus has revised upwards the gas transit fee. However, in any case the price for gas paid by Belarus stays far below the 'world market price', which exceeds USD 100 per th cm, and additional price pressure is likely to come from the recent agreement signed between Russia and the EU in the wake of Russia's accession to the WTO, according to which Russia will gradually raise its domestic gas prices.

Summary and outlook

The recovery of the Belarusian economy since 1996 has been in sharp contrast not only to the slow progress in reforms, but initially also to the performance of neighbouring Russia and Ukraine. A strongly expansionary policy, which undoubtedly contributed to mitigating the recession (though clearly at the expense of restructuring), has been pursued throughout most of the transition period, though on a different scale, and with some tightening in 1995 through early 1996. In the first few years of transition, the surge in demand was typically not met by growing production (probably reflecting the supply-side rigidities inherited from the Soviet times) and rather translated into inflation. However, the relative efficiency of this policy since 1996 might suggest a shift in the country's general economic framework and the growing relevance of

Keynesian-style methods of macroeconomic regulation. In particular, the inflationary expectations in this period were vastly different from those during the first half of the 1990s. Also, interestingly, the concern expressed by many that such demand-stimulating policy of authorities would be losing its efficiency as the economy was climbing out of recession, has not materialized, at least so far.

At the same time, growth in Belarus has undoubtedly been helped by the continuing implicit subsidization of the country's economy by Russia, which is seeking closer integration with Belarus primarily for political and geopolitical reasons. Such subsidization has been mainly in the form of providing cheap energy, as well as tolerating and occasionally writing off the accumulated gas debts. Needless to say, the recent economic growth in Russia, which accounts for half of total Belarusian exports, has been of major importance as well. Therefore, the prospects for Belarus are heavily dependent on economic and political developments in Russia. As of now, the economic prospects for Russia seem to be reasonably good, and there are no reasons to believe that Russia will radically revise its stance on Belarus, even if the latter is reluctant to accept the Russian model of unification. Thus, the implicit subsidization of Belarus will probably continue, contributing to economic growth, at least in the short and medium term.

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A note on dissatisfaction with integration

BY VLADIMIR GLIGOROV

Introduction

The turnout at the polls for the European parliament in the so-called New Europe (the eight new Central and Eastern European member states)[1], their first, was quite low. Slightly more than 30 per cent on average turned up. Five of the countries from the New Europe can be found at the bottom of the list of electoral participation, with the other three not far above. This signals a certain dissatisfaction with the terms of their accession and with the expected benefits from integration. This may be true even though the new member states did invest quite a lot of efforts to join the EU. The eagerness to join reveals the expectation that integration will be beneficial. Low participation in the elections may reveal a dissatisfaction with the expected distribution of these benefits. The interest in integration may be based on welfare considerations while the lack of interest for participation may signal the dissatisfaction with the justness of the integration. Here, a simple analysis of welfare satisfaction and justice dissatisfaction will be given and some conclusions for the deepening of EU integration will be drawn.

Pareto and justice

If everybody is given some amount of money, then they will be Pareto-better off than before irrespective of how unequal their shares in fact are (i.e., Pareto-better, in the weak sense, means that a Pareto-comparison is made such that everybody is better off with the new distribution compared to the old one and thus the move from the old to the new one is a Pareto-improvement).

There are two objections usually raised with respect to the notion of Pareto-improvement that on reflection collapse into one and the same objection. The first objection is that Pareto-comparisons are inapplicable to redistributions. If a person gets something while the other one loses something, that case is Pareto-incomparable. That is obvious from the definition of the Pareto-better relationship.

The second objection is that Pareto-comparisons are insensitive to issues of justice in distributions. There are distributions that are so unequal that it is not right to say that everybody is better off after the new distribution has taken place. For instance, if one is given a dollar while the other gets billions of dollars, the first person may feel worse off because the inequality between the two of them has increased so much, though the new distribution is a Pareto-improvement over the old one.

The second objection in fact reduces to the first one, because it is assumed in the comparison that equality is the extra good that is being distributed. If there are two persons and they are given very unequal shares, then it may be the case that the poor person may be worse off in the new distribution because he or she gets negative quantities of the good called equality and that loss outweighs the increase in income. Thus, there is a composite good, welfare and justice, that could be Pareto-compared or rather that could influence the Pareto-comparisons that people make.

Figure 1

Pareto-comparisons

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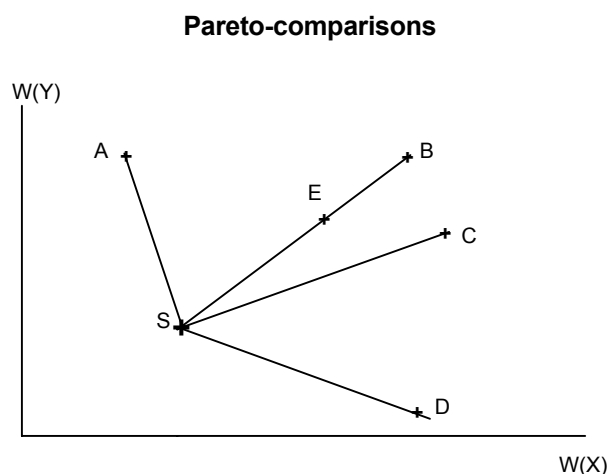
[1]   We leave aside here Cyprus and Malta.

In Figure 1, the welfare of two persons, W(X) and W(Y), is compared. If from the initial position at S they move to either B or C, they are Pareto-better off with the new distribution. The positions at A and D cannot be Pareto-compared to that at S, because one is better off but the other is worse off than in the alternative situation. At C the two have a more unequal distribution of welfare than at B or S. Thus, at C, the person Y may feel worse off than at S, though his or her welfare is higher, because he or she is not at the point B. Thus, if the feeling of social justice is included, the person Y may feel that he or she has in fact ended up at D rather than C and that is, for him or her, worse than S. Indeed, there could be a point E that is Pareto-better than S, but is Pareto-incomparable on welfare grounds alone to the point C. In terms of just distribution, it could in fact be considered better than C. Thus, assuming that C is ruled out, E is Pareto-better than S in the sense of welfare and justice combined.

It is to be observed that this second criticism is not really directed against the notion of Pareto-comparisons. The criticism only suggests that the distributions to be compared should be carefully defined. Inequality is a good or a bad in itself; and should be Pareto-compared too. One such comparison, for instance, underpins the Rawls' (leximin) difference principle. Unequal distributions are Pareto-improving and just (i.e., not unacceptably unequal) as long as the shares going to the less fortunate members of the society are treated preferentially in comparison to those of the more fortunate members.[2]

The problem, of course, is how much inequality can be justified in this way? Let everybody get a dollar irrespective of his or her income. That may be acceptable. However, let the rich get billions and the poor get only cents, that may be seen as an unacceptable distribution or redistribution. The same may be felt to be the case with millions and with hundreds. Indeed, it would probably be

inconsistent to stop the redistribution short of full equality. That could easily be seen as Pareto-improving though some individuals are increasing and some are decreasing their income. But the increase in equality may be enough of a compensation.[3]

Integration and social justice

In a recent paper Alesina and Angeletos have argued that welfare arrangements in EU states differ from those in the USA because of the different conceptions of justice that are widely shared.[4] In the context of the above analysis, it could be argued that in the USA simple Pareto-comparisons are accepted as just, while those in the EU are made over the composite good of welfare and justice. Therefore, the welfare state is much more developed in the EU than in the USA.

In the USA a merit- (desert-) based conception of justice – everybody gets what he or she deserves according to his or her contribution – is the dominant one, while in the EU the social outcomes are attributed much more to luck – inheritance, social connections and corruption playing an important role – and thus have to be corrected for with measures that support social justice. Therefore, simple Pareto-comparisons are more socially accepted in the USA, while those based on both welfare and justice are seen as more natural in the EU. In other words, the demand for social justice is smaller in the USA and therefore the welfare state is less developed there than in the EU.

The explanation of this difference in the demand for social justice may be the consequence of the

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[2]   On that see J. Rawls, *A Theory of Justice*, Harvard University Press, 1971.

[3]   These comparisons may be sensitive to the marginal value of the extra amount of money. If a poor person lives on cents, then an extra cent may be more to him or her than an extra dollar to a rich person. Indeed, there can always be such a rich person that a value of a very large sum of money will be worth less to him or her than a few bucks to a person who is ordinarily poor.

[4]   A. Alesina and G.-M. Angeletos (2003), 'Fairness and Redistribution: U.S. versus Europe', *NBER Working Paper* No. w9502, February 2003.

history of social conflicts and frequent wars fought by nation states that have characterized much of Europe. The argument could be similar to the one used to explain social sensitivity to inflation. If a country has experienced a hyperinflation, it may become more sensitive to inflation and that may explain the monetary policy its central bank is pursuing. In the same way, European integration may be more sensitive to the issue of justice, because of the social and inter-state conflicts that have characterized much of Europe's recent history. Thus, the demand for integration can go together with the dissatisfaction with the terms on which it is proceeding. In other words, the low involvement in the European elections may indeed reveal a demand for deeper rather than for less integration.

Fiscal implications

Looking at Figure 1, and assuming that there is a higher demand for social justice in Europe, an implication could be drawn that higher participation in EU politics depends on more money for the EU budget.

With a low level of demand for social justice, the federal budget in the USA spends about 20 per cent of GDP (more than 15 per cent net of military spending). The EU budget spends around 1 per cent. The EU is constructed as if the USA meritocratic conception of justice were the dominant one in Europe. If the dominant idea is in fact that of social justice, it is to be expected that the EU will not attract too much of political support from its citizens.

Perhaps an even worse implication of the low fiscal power of the EU is that it has to be substituted by with more regulation. That is another source of dissatisfaction. The EU does not support social justice with fiscal transfers, but it tends to regulate individuals and public authorities more and more. That aggravates the already dominant view that the welfare outcomes for individuals and nations is due to luck and power. This observation, if it is correct, would point to a basic problem with the construction of the EU. Unlike the member states, or most of them, that are organized around the concept of social justice, the EU is a libertarian construct. It fosters free trade and the minimal state. This inconsistency, however, is reflected in the structure of the EU budget, which is almost entirely devoted to redistributions, and its overemphasized bureaucratization. That, on the one hand, does not attract participation and, on the other, attracts dissatisfaction.

Therefore, an increase of participation in the EU politics depends on the increase of its fiscal powers; and within those, the power to effect the distributional outcomes with transfers and compensations. Clearly, the passage of the constitution would be helpful, but it will be a poor substitute for more public spending. This could support a new principle of 'No representation without taxation', the reverse of the famous dictum 'No taxation without representation', which together capture the democratic principal-agent relationship.

Quality gains in exports of the Czech Republic, Hungary, Poland, Slovakia and Slovenia

BY LEON PODKAMINER

Prices received by the exporters from the five new EU member states: the Czech Republic, Hungary, Poland, Slovakia and Slovenia, have been evolving over time. This fact has been documented by many studies concerned with calculation of the so-called 'export unit values' (or 'export price/quality gaps'). Essentially, these studies deliver some estimates of average prices per 'one ton' of manufactured products exported. Of course, these calculations take into account the differences between unit (per ton) prices of various commodities, according to their place in the usual industrial classifications. Hence, in computing the average export unit values one distinguishes prices and tonnage of, say, cement and watches. The export unit values are arrived at only upon an aggregation of partial unit values for reasonably homogeneous goods.[1]

Recent calculations of the export unit values conducted at wiiw for the years 1995 to 2001 indicate that the unit values of manufactured products exports to the EU-15 have been rising, relative to the unit value of all manufactured products imports to the EU, in the Czech Republic, Hungary, Poland and Slovakia. This fact is interpreted as indicative of the ongoing improvement in the quality of goods exported. However, the relative unit value has remained stagnant in Slovenia – suggesting that quality improvement does not take place in that country (see Table 1).

The uniqueness of Slovenia may be attributed to many factors. First, unlike in other countries, foreign direct investment has been relatively low

there (and started to arrive quite late). By the same token the early (and strong) improvements in relative unit values in Hungary may be attributed to high (and early) FDI inflows there. Thus being a laggard on quality improvement may have been a by-product of the policy which was not particularly conducive to FDI. Second, unlike all other countries, Slovenia has not experienced any sustained and strong real appreciation. One implication of this would be that allowing real appreciation is in fact conducive to rising quality of exports, and prices received for them.

This Note will be concerned with the examination of the latter argument. However, we shall be working with some alternative indicators capturing the dynamics of exports' price-quality improvements for the countries considered. These indicators abstract from the 'tonnage' of individual items and hence rule out some possible biases (due to aggregation over commodities radically different in terms of their 'heaviness') which may have affected the unit values of Table 1.

The alternative indicator for measuring the exports' price-quality improvements is calculated according to the following formula:

$$Q_t = PX_t / PM_t$$

where t indexes consecutive years; PX is the conventional price index (in euro terms) for all exports of each of the countries considered; PM is the conventional price index (in euro terms) for all EU-15 imports. Both PX and PM are calculated vs. 1995 so that Q 1995 = 1 for all countries.

The Q indicator does not say anything about the *absolute* price-quality gaps in exports in any specific year. The only thing Q measures is the *speed* of improvements in prices received by a country on its exports relative to the speed of improvements in prices paid by the EU-15 for their imports (hence relative to prices received on their exports by all competitors). Rising Q indicates presence of improvements in prices received by

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[1] A methodology for the calculation of export unit values is presented, e.g., in M. Landesmann and R. Stehrer, 'The CEECs in the Enlarged Europe: Convergence Patterns, Specialization and Labour Market Implications', *wiiw Research Reports*, No. 286, July 2002.

Table 1

Unit values for manufactured products exports to EU-15

(unit values for all EU-15 imports of manufactured products = 100)

	1995	1996	1997	1998	1999	2000	2001
Czech Republic	75.6	76.4	76.5	80.1	80.8	82.1	85.1
Hungary	92.9	94.7	96.8	100.8	108.0	109.0	105.7
Poland	77.8	77.8	77.8	81.6	82.2	83.8	86.5
Slovakia	79.7	81.0	81.4	87.7	89.1	88.8	90.6
Slovenia	93.8	94.8	92.5	96.3	96.3	96.3	96.0
Dynamics of relative unit values (1995=1.00)							
Czech Republic	1.00	1.011	1.011	1.059	1.068	1.087	1.125
Hungary	1.00	1.019	1.043	1.085	1.162	1.173	1.138
Poland	1.00	1.000	1.000	1.050	1.057	1.077	1.113
Slovakia	1.00	1.016	1.021	1.100	1.118	1.114	1.137
Slovenia	1.00	1.011	0.986	1.027	1.026	1.026	1.024

Source: wiiw calculations based on Eurostat Comext Database.

Table 2

Price-quality indicators Q and the dynamics of real exchange rates RER

(1995 = 1.00)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Czech Republic									
Q	0.976	1.000	1.031	1.022	1.069	1.059	1.049	1.080	1.141
RER	0.995	1.000	0.951	0.962	0.920	0.925	0.887	0.842	0.764
Hungary									
Q	1.005	1.000	1.093	1.124	1.132	1.133	1.122	1.423	1.462
RER	0.947	1.000	0.970	0.896	0.913	0.907	0.871	0.833	0.802
Poland									
Q	0.883	1.000	0.993	1.018	1.116	1.100	1.098	1.205	1.226
RER	1.032	1.000	0.963	0.950	0.931	0.944	0.865	0.794	0.826
Slovakia									
Q	0.963	1.000	1.036	1.032	1.033	0.985	1.058	1.097	1.141
RER	1.029	1.000	0.964	0.921	0.922	0.980	0.889	0.866	0.836
Slovenia									
Q	0.949	1.000	1.008	0.984	1.006	0.994	0.966	0.979	1.000
RER	1.074	1.000	1.042	1.053	1.019	1.032	1.058	1.049	1.039

Source: RER : wiiw Database; Q: own calculations based on wiiw Database (PX) and AMECO (PM). RER is the nominal exchange rate index (vs. the euro) deflated by the industrial producer price index, corrected for the same index for EU-15.

the country, which should be indicative of their rising relative quality.

Two caveats apply: (1) the price indices PX and PM used in this Note correspond to exports and imports as defined in the national accounts. Hence

they reflect developments in export/import prices of traded goods (manufactured as well as non-manufactured) and of non-factor services; (2) the export price indices PX correspond to all exports, and not merely to exports to the EU-15. For either reason Q is an imperfect indicator of

price-quality improvement. However, because the bulk of transactions included in exports and imports is nonetheless in manufactured products, and because the EU-15 plays a dominant role as an export market of the new EU member states, the biases involved may perhaps be acceptable.

Table 2 documents Q for the Czech Republic, Hungary, Poland, Slovakia and Slovenia for the period 1994-2002. As can be seen, Q generally follows the same pattern as the indices of relative unit values (see the bottom part of Table 1).

Table 2 suggests quite strong price-quality improvements everywhere – except in Slovenia. (In contrast to Table 1, which indicates some deterioration in Hungarian price-quality in 2001, Table 2 suggest its very strong rise in that year.)

According to Table 2, there has been quite a strong association between Q and RER everywhere. Rising Q is associated with falling RER (real appreciation) in the Czech Republic, Hungary, Poland and Slovakia; stable Q in Slovenia is associated with moderate real depreciation (RER hovering above its 1995 level). Statistically, the association between the *levels* of Q and RER is very high, indicating the presence of clear (but divergent, i.e. moving in opposite directions, as shown by the negative signs of the correlation coefficients) trends in both items (see Table 3).

Table 3

Correlations between the levels of Q and RER and between yearly increments in Q and RER

	Levels	Increments
Czech Republic	-0.9483	-0.7325
Hungary	-0.8924	-0.3230
Poland	-0.9206	-0.2600
Slovakia	-0.9512	-0.8654
Slovenia	-0.7846	-0.7971

High correlation between the yearly increments in Q and RER (i.e. between $D(Q_t) = (Q_t - Q_{t-1})$ and

$D(RER_t) = (RER_t - RER_{t-1})$ suggests that the relationship between Q and RER is in fact non-spurious in the Czech Republic, Slovakia and Slovenia. Indeed, by regressing D(Q) on D(RER) one obtains highly significant regression coefficients: -0.693 for the Czech Republic; -0.811 for Slovakia and -0.593 for Slovenia.[2] (All coefficients are significant at 1% level.)

Weak correlation between D(Q) and D(RER) in Poland and Hungary does not rule out the possibility of some links between Q and RER in those two countries. Those links may be of a more dynamic nature (i.e. stipulate some lagged responses of D(Q) to D(RER)). Indeed, customary econometric dynamic causality tests (the so-called Granger-causality tests) do *not* reject the hypothesis on causality running from RER to Q for Poland (and also for the Czech Republic[3]). Interestingly, those tests decisively reject, for any country, the hypothesis on causality running from Q to RER. Translated into common language this means that the quality improvements are unlikely to have 'caused' real appreciation. But real appreciation has, arguably, 'caused' quality improvements in Poland and the Czech Republic.

Of course, the general validity of the findings reported above must not be exaggerated, if only because other factors not accounted for (first of all the stock of export-oriented FDI) may have played a role as well. This may be why no clear links, whether dynamic or contemporaneous, between Q and RER can be detected in data for Hungary. Besides, the underlying time series are quite short

[2] With the estimated regression coefficients one may risk predicting D(Q), given D(RER). For example, in Slovenia the predicted D(Q) equals -0.593*D(RER). Because in 2003 the Slovenian RER increased by a (provisionally calculated) 0.025 (from 1.039 to 1.064), the predicted D(Q) equals -0.593*0.025 = -0.015. Thus the predicted level of the Slovenian Q in 2003 equals 0.985 (down from 1.00 in 2002). Given the preliminary RER estimates for Slovakia and the Czech Republic in 2003, one can predict their Q levels in 2003: 1.20 in Slovakia (up from 1.141 in 2002) and 1.113 in the Czech Republic (down from 1.141 in 2002).

[3] Granger-causality running from RER to Q is significant at the 0.038 probability level in the case of Poland and 0.048 in the case of the Czech Republic.

– and this makes the application of more elaborate econometric techniques (i.e. the so-called VAR) for detection of dynamic (also long-run) links between RER and Q impossible.

An important question worth asking is about eventual economic mechanisms through which RER (or its trend) could bear on Q (or its trend). Conventional wisdom may suggest that real appreciation (falling RER) increases Q through impacts on the volume of exports. More specifically, appreciation is usually believed to reduce competitiveness of exports. Low-quality, price-elastic items may therefore be assumed to drop out from the export list first, thereby raising the share of the remaining, high-quality, products in exports. This would then be reflected in rising Q.

The problem with this explanation is that real appreciation, as observed in the Czech Republic, Hungary, Poland and Slovakia, is actually associated with a strong *expansion* of exports – and not their contraction (see Table 4).

Table 4

Average yearly growth rates (%), 1995-2002

	Real exports	Real imports	RER	Q
Czech Republic	9.2	9.7	-3.8	1.9
Hungary	13.9	13.9	-3.1	5.6
Poland	9.3	11.1	-2.7	3.0
Slovakia	8.4	9.7	-2.5	1.9
Slovenia	6.9	6.6	0.5	0.0

Source: wiiw Database and Table 2 above.

Moreover, the weakest export expansion is observed in Slovenia, whose currency has been depreciating vs. the euro in real terms.[4]

To explain the paradox of exports being actually boosted by real appreciation one may need to consider also the dynamics of imports. According to Table 4, the growth rate of imports was, perhaps not surprisingly, even higher than that of exports in Poland, Slovakia, the Czech Republic (and roughly equal to that of exports in Hungary). By contrast, imports grew at a slower pace than exports in Slovenia. Now, the expansion of exports, despite strong real appreciation, must be linked to even faster (or not slower, in the case of Hungary) expansion of imports. Competitiveness of exports may have been virtually unaffected by real appreciation if – as seems to be the case – exports' import-intensity is high and rising (e.g. due to high FDI and proliferation of outsourcing and outward processing trade). If real appreciation induces high imports which are then merely recycled into exports (as essential components of export products), one can expect high exports as well, the real appreciation notwithstanding. But this may also explain why Q improves in countries with currencies appreciating in real terms. As imports are boosted by strong real appreciation, the shares of high-quality inputs for export production imported are likely to be expanding accordingly. This would then quite automatically raise the quality of exports – and prices received for them. The same explanation would then apply to a country with depreciating currency (i.e. Slovenia). Here the dynamics of imports is naturally rather unimpressive. Although exports rise faster than imports, their quality does not really change over time.

The final question worth asking is whether the 'Slovenian strategy', implying a stagnation in the price-quality gains over products exported, is inferior to the tactics that results in strong price-quality gains, which is prevailing in other new EU member countries. Answering that question requires further thinking, or at least more research. From a narrowly macroeconomic viewpoint, the 'Slovenian strategy' seems quite rational though, at least in the medium run. First, with that strategy foreign trade is capable of contributing positively to the overall GDP growth (on account of real exports rising faster than real imports). In all other countries foreign trade has on the whole reduced the overall GDP growth (on account of real imports rising

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4 For reference, the EU-15 imports rose, in real terms, by 6.3% annually over the period 1995-2002.

faster than real exports). This applies even to Hungary where the average growth rates of real exports and imports are equal. (That is so because initially, in 1995, Hungary's exports were lower than its imports.) Thus, from the GDP growth viewpoint the price-quality gains in exports do not really matter – if these gains can only be achieved at the cost of imports outpacing exports. Second, with the 'Slovenian strategy' the chances of containing trade and current account deficits are much higher than under the alternative tactics. The longer-term foreign debt/liabilities position under the 'Slovenian strategy' is therefore likely to be much safer. Overall, it is therefore not a coincidence that Slovenia, as the only country, has a current account close to balance on a permanent basis. Slovenia, as the only country, has not had to rely on sales of domestic assets to foreigners or on FDI inflows to finance its trade deficits. In all other new EU members considered in this Note this has been the case. Hence all of them have accumulated foreign liabilities which sooner or later may give rise to serious problems.

CONVENTIONAL SIGNS AND ABBREVIATIONS

used in the following section on monthly statistical data

.	data not available
%	per cent
CMPY	change in % against corresponding month of previous year
CCPY	change in % against cumulated corresponding period of previous year
	(e.g., under the heading 'March': January-March of the current year against January-March of the preceding year)
3MMA	3-month moving average, change in % against previous year.
CPI	consumer price index
PM	change in % against previous month
PPI	producer price index
p.a.	per annum
mn	million
bn	billion
BGN	Bulgarian lev (1 BGN = 1000 BGL)
CZK	Czech koruna
EUR	Euro, from 1 January 1999
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
ROL	Romanian leu
RUB	Russian rouble (1 RUB = 1000 RUR)
SIT	Slovenian tolar
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar
M0	currency outside banks
M1	M0 + demand deposits
M2	M1 + quasi-money

Sources of statistical data:
National statistical offices and central banks; wiiw estimates.

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B U L G A R I A: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total[1]	real, CMPY	15.4	23.3	11.5	9.3	14.9	12.7	10.1	15.6	17.6	11.0	23.0	12.7	20.6	17.8	13.6	.
Industry, total[1]	real, CCPY	17.1	19.3	17.3	15.6	15.5	15.1	14.4	14.6	14.9	14.5	15.3	12.7	16.6	16.7	15.9	.
Industry, total	real, 3MMA	19.3	16.8	14.7	12.0	12.3	12.6	12.8	14.5	14.6	17.2	15.6	18.8	16.7	17.0	.	.
LABOUR																	
Employees total	th. persons	1992	2017	2044	2055	2069	2076	2067	2063	2050	2034	2005	2078	2098	2118	.	.
Employees in industry	th. persons	673	674	676	673	676	675	671	669	664	661	652	672	675	675	.	.
Unemployment, end of period	th. persons	611.7	581.3	552.0	528.7	506.4	489.3	480.9	472.6	476.3	489.6	500.7	537.1	527.3	507.5	487.8	466.7
Unemployment rate[2]	%	16.5	15.7	14.9	14.3	13.7	13.2	13.0	12.8	12.9	13.2	13.5	14.5	14.2	13.7	13.2	12.6
Labour productivity, industry[1]	CCPY	13.5	15.3	13.2	11.7	11.5	11.1	10.5	10.9	11.3	11.1	12.0	12.0	16.0	16.3	.	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	-9.1	-10.0	-8.4	-7.2	-6.9	-6.6	-6.2	-6.3	-6.6	-6.1	-6.7	-6.5	-8.8	-8.9	.	.
WAGES, SALARIES																	
Total economy, gross	BGN	259.0	274.0	272.0	280.0	274.0	276.0	273.0	286.0	276.0	286.0	302.0	279.0	278.0	292.0	.	.
Total economy, gross	real, CMPY	2.5	3.5	3.5	2.3	2.1	1.3	-0.5	1.4	-1.5	0.1	1.4	-0.7	0.7	0.4	.	.
Total economy, gross	USD	143	151	151	166	163	160	155	164	165	171	190	180	180	183	.	.
Total economy, gross	EUR	132	140	139	143	140	141	140	146	141	146	154	143	142	149	.	.
Industry, gross	EUR	135	146	140	142	147	143	142	149	144	149	154	144	144	155	.	.
PRICES																	
Consumer	PM	0.1	0.4	0.3	-0.6	-2.2	0.9	0.8	0.9	0.7	1.8	1.8	1.4	0.3	-0.1	0.3	0.0
Consumer	CMPY	0.2	-0.2	0.2	1.7	1.2	2.0	3.5	3.6	3.3	5.1	5.6	6.4	6.6	6.2	6.1	6.8
Consumer	CCPY	1.0	0.6	0.5	0.8	0.8	1.0	1.3	1.6	1.7	2.0	2.3	6.4	6.5	6.4	6.3	6.4
Producer, in industry[1]	PM	1.4	1.0	-3.6	-1.1	1.1	0.4	0.7	0.7	0.9	0.3	0.8	0.7	-0.8	1.4	0.9	.
Producer, in industry[1]	CMPY	8.0	8.0	3.1	2.6	4.2	4.2	4.3	3.7	4.1	4.9	4.2	3.1	1.0	1.4	6.1	.
Producer, in industry[1]	CCPY	7.9	7.9	6.7	5.9	5.6	5.4	5.2	5.1	5.0	5.0	4.9	3.1	2.0	1.8	2.9	.
RETAIL TRADE																	
Turnover	real, CCPY	.	2.1	.	.	3.0	.	.	3.8	.	.	.	.	.	.	.	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	1034	1633	2173	2685	3247	3870	4412	4999	5602	6144	6663	500	1083	1718	2316	.
Imports total (cif), cumulated	EUR mn	1315	2083	2940	3778	4536	5406	6146	6928	7823	8709	9601	709	1497	2412	3350	.
Trade balance, cumulated	EUR mn	-281	-450	-767	-1093	-1289	-1537	-1734	-1929	-2221	-2565	-2938	-208	-414	-694	-1034	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	-304	-391	-756	-962	-927	-895	-759	-745	-949	-1220	-1498	-234	-355	-481	.	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.816	1.810	1.804	1.684	1.677	1.720	1.756	1.745	1.673	1.672	1.593	1.550	1.547	1.594	1.634	1.632
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI[6]	real, Jan00=100	85.5	85.4	84.7	79.4	81.0	82.4	83.8	82.7	78.7	77.1	72.0	69.4	69.5	72.2	73.7	73.6
BGN/USD, calculated with PPI[6]	real, Jan00=100	85.0	86.1	86.3	81.4	80.9	82.5	83.8	83.0	79.3	78.7	74.7	73.1	73.9	75.2	76.3	.
BGN/EUR, calculated with CPI[6]	real, Jan00=100	90.4	90.4	90.4	90.9	93.0	92.1	91.6	91.0	90.5	88.9	87.6	86.4	86.3	86.7	86.8	86.8
BGN/EUR, calculated with PPI[6]	real, Jan00=100	87.9	87.3	90.2	90.8	89.7	89.4	88.9	88.3	87.5	87.4	86.6	86.2	87.1	86.4	86.1	.
DOMESTIC FINANCE																	
M0, end of period[7]	BGN mn	3132	3088	3200	3248	3356	3483	3616	3624	3569	3559	3874	3718	3718	3723	3785	
M1, end of period[7]	BGN mn	6377	6274	6435	6560	6834	7110	7314	7416	7422	7377	8030	7788	7853	7835	7987	.
Broad money, end of period[7]	BGN mn	13789	13662	13901	13926	14328	14788	15246	15243	15878	15733	16566	16519	16739	16806	17190	.
Broad money, end of period	CMPY	12.0	10.8	12.1	14.6	18.4	18.8	19.7	18.9	22.6	19.7	19.6	21.4	21.4	23.0	23.7	.
BNB base rate (p.a.),end of period	%	2.5	2.6	3.0	3.0	2.5	2.5	2.6	2.6	2.6	2.6	2.9	2.5	2.4	2.6	2.6	3.9
BNB base rate (p.a.),end of period[8]	real, %	-5.1	-5.1	-0.1	0.4	-1.6	-1.6	-1.6	-1.1	-1.4	-2.1	-1.3	-0.6	1.5	1.2	-3.3	.
BUDGET																	
Central gov.budget balance,cum.	BGN mn	-132.8	90.8	284.0	609.7	577.7	612.4	656.7	758.5	851.1	732.2	-110.6	-65.1	-162.8	120.9	405.3	.

1) According to new calculation for industrial output and prices.
2) Ratio of unemployed to the economically active.
3) Based on cumulated national currency and converted with the average exchange rate.
4) Cumulation starting January and ending December each year.
5) Based on national currency and converted with the exchange rate.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
7) According to ECB methodology.
8) Deflated with annual PPI.

C R O A T I A: Selected monthly data on the economic situation 2003 to 2004

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total[1]	real, CMPY	6.9	6.0	8.2	6.2	7.0	4.4	3.1	2.9	2.2	-0.4	2.2	-1.5	7.2	10.4	3.0	1.0
Industry, total[1]	real, CCPY	3.8	4.6	5.5	5.7	5.9	5.7	5.3	5.0	4.7	4.2	4.0	-1.5	3.0	5.6	4.9	4.1
Industry, total[1]	real, 3MMA	4.6	7.0	6.8	7.1	5.8	4.8	3.5	2.7	1.6	1.3	0.1	2.7	5.6	6.8	4.7	.
Construction, total,effect.work.time[1]	real, CMPY	17.8	28.2	26.9	30.9	29.3	24.3	17.6	26.9	20.3	17.5	23.9	16.0	12.5	7.6	.	.
LABOUR																	
Employment total	th. persons	1337.4	1338.8	1351.2	1360.2	1372.6	1381.8	1382.2	1373.9	1366.4	1360.2	1349.5	1377.8	1374.5	1377.3	1384.1	.
Employees in industry	th. persons	282.6	283.5	283.5	283.6	284.0	284.0	283.8	283.6	283.5	282.6	280.5	268.4	277.3	276.9	277.3	.
Unemployment, end of period	th. persons	362.6	355.8	345.3	330.9	319.7	314.2	306.6	307.4	312.3	317.0	318.7	325.0	326.0	325.2	317.0	305.2
Unemployment rate[2]	%	21.3	21.0	20.4	19.6	18.9	18.5	18.2	18.3	18.6	18.9	19.1	19.1	19.2	19.1	18.6	18.2
Labour productivity, industry[1]	CCPY	7.3	8.0	8.8	8.9	9.1	8.8	8.4	8.1	7.8	7.3	7.1	1.9	5.9	8.6	7.8	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	0.2	-1.7	-3.3	-4.3	-4.5	-4.3	-4.3	-3.8	-3.6	-3.8	-3.6	-1.7	-3.8	-3.2	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	5375	5475	5541	5671	5705	5694	5587	5558	5711	5807	5793	5815	5714	5962	.	.
Total economy, gross	real, CMPY	5.3	2.5	1.9	1.6	4.5	2.7	1.3	3.0	3.0	0.3	3.6	3.0	4.4	7.4	.	.
Total economy, gross	USD	764	771	795	866	885	864	829	829	880	893	926	954	943	975	.	.
Total economy, gross	EUR	709	714	734	752	757	759	743	741	752	763	755	756	747	795	.	.
Industry, gross	EUR	647	654	674	698	702	712	677	691	695	687	701	681	670	730	.	.
PRICES																	
Consumer	PM	0.2	0.5	-0.3	0.3	-0.4	0.1	0.1	0.2	0.0	0.2	0.3	1.0	-0.1	0.1	0.2	0.7
Consumer	CMPY	1.7	2.2	1.6	1.4	1.6	2.0	2.2	2.0	1.8	1.8	1.7	2.1	1.8	1.4	1.9	2.4
Consumer	CCPY	1.5	1.7	1.7	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.8	2.1	2.0	1.8	1.8	0.3
Producer, in industry	PM	0.4	0.8	-0.9	-0.8	0.2	0.2	0.5	-0.4	0.2	0.3	0.0	0.3	-0.3	0.2	0.9	2.3
Producer, in industry	CMPY	2.7	4.7	2.8	1.8	1.7	1.4	2.0	1.2	0.0	0.9	1.0	0.8	0.1	-0.5	1.3	4.4
Producer, in industry	CCPY	2.8	3.4	3.3	3.0	2.8	2.5	2.5	2.4	2.1	2.0	1.9	0.8	0.5	0.2	0.4	1.2
RETAIL TRADE																	
Turnover	real, CMPY	8.6	1.1	13.3	6.5	5.2	0.7	-1.7	1.1	0.2	-1.0	3.8	2.5	2.1	3.8	0.0	.
Turnover	real, CCPY	8.0	5.7	7.6	7.3	7.0	6.1	5.2	4.7	4.2	3.8	3.7	2.5	2.4	2.8	2.0	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	904	1364	1761	2215	2696	3183	3565	4002	4592	5032	5449	409	888	1448	1988	.
Imports total (cif), cumulated	EUR mn	1681	2752	3858	4993	5982	7203	8076	9176	10316	11424	12538	798	1733	2919	4012	.
Trade balance, cumulated	EUR mn	-777	-1388	-2097	-2779	-3286	-4020	-4511	-5174	-5724	-6391	-7089	-389	-844	-1471	-2023	.
Exports to EU-15 (fob), cumulated	EUR mn	476	747	962	1238	1499	1788	2007	2250	2530	2780	2980	209	451	757	1067	.
Imports from EU-15 (cif), cumulated	EUR mn	950	1553	2170	2853	3416	4152	4600	5200	5831	6402	7099	405	926	1620	2232	.
Trade balance with EU-15, cumulated	EUR mn	-473	-806	-1208	-1614	-1917	-2364	-2593	-2950	-3300	-3623	-4119	-195	-474	-864	-1165	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	.	-999	.	.	-2288	.	.	-476	.	.	-1807	.	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	7.032	7.099	6.966	6.549	6.443	6.591	6.737	6.701	6.487	6.503	6.253	6.094	6.060	6.114	6.241	6.187
HRD/EUR, monthly average	nominal	7.584	7.663	7.554	7.542	7.536	7.498	7.515	7.498	7.592	7.610	7.670	7.690	7.650	7.501	7.506	7.427
HRK/USD, calculated with CPI[6]	real, Jan00=100	89.3	90.2	88.6	82.9	82.1	84.0	86.0	85.6	82.8	82.7	79.1	76.7	76.8	78.0	79.4	78.2
HRK/USD, calculated with PPI[6]	real, Jan00=100	91.3	93.8	90.0	85.2	84.4	86.0	87.7	87.9	85.4	85.0	82.1	80.7	81.0	81.6	82.5	80.0
HRD/EUR, calculated with CPI[6]	real, Jan00=100	94.4	95.3	94.4	94.0	94.4	93.7	94.0	93.9	95.2	95.3	96.1	95.3	95.2	93.6	93.8	92.2
HRD/EUR, calculated with PPI[6]	real, Jan00=100	94.4	94.9	93.9	94.2	93.8	93.2	93.1	93.3	94.2	94.3	94.9	95.2	95.1	93.7	93.4	90.3
DOMESTIC FINANCE																	
M0, end of period	HRK mn	9605	9526	9813	10078	10637	11294	11321	10506	10262	10400	10573	10219	10217	10040	.	.
M1, end of period	HRK mn	29456	29512	30294	32002	32828	34382	34044	32589	32806	33295	33889	32323	31284	31623	32891	.
Broad money, end of period	HRK mn	117209	118791	117854	119105	120022	125023	126980	126911	127072	128718	128893	128918	127877	125767	127868	.
Broad money, end of period	CMPY	9.4	11.8	10.8	11.9	12.6	13.9	12.3	12.0	10.7	12.7	11.0	10.5	9.1	5.9	8.5	.
Discount rate (p.a.),end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Discount rate (p.a.),end of period[7]	real, %	1.8	-0.2	1.7	2.7	2.8	3.1	2.5	3.3	4.5	3.6	3.5	3.7	4.4	5.0	3.2	0.1
BUDGET																	
Central gov. budget balance, cum.[8]	HRK mn	-1625.9	-2718.6	-2837.2	-4007.7	-4021.9	-4432.4	-4012.6	-4114.6	-4496.5	-2066.3	-2186.6	1.0	-1356.9	-2499.7	.	.

1) In business entities with more than 20 persons employed.
2) Ratio of unemployed to the economically active population.
3) Based on cumulated national currency and converted with the average exchange rate.
4) Cumulation starting January and ending December each year.
5) Calculated from USD to NCU to EUR using the official average exchange rate.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
7) Deflated with annual PPI.
8) Pension payments and social security funds are included.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	5.2	7.0	5.6	3.2	6.2	4.8	8.0	5.2	5.2	4.8	8.9	3.8	7.1	15.3	10.1	.
Industry, total	real, CCPY	5.8	6.2	6.1	5.5	5.6	5.5	5.8	5.7	5.7	5.6	5.8	3.8	5.5	9.0	9.3	.
Industry, total	real, 3MMA	6.2	5.9	5.3	5.0	4.7	6.3	6.0	6.0	5.1	6.2	5.7	6.6	9.0	11.0	.	.
Construction, total	real, CMPY	-4.0	2.5	3.3	-0.9	12.1	15.9	18.7	14.5	12.0	13.9	8.6	15.0	9.7	21.4	62.4	.
LABOUR																	
Employees in industry[1]	th. persons	1139	1139	1135	1132	1125	1128	1119	1110	1112	1117	1111	1125	1130	1135	1135	.
Unemployment, end of period	th. persons	538.1	528.2	509.4	496.8	501.0	520.4	525.0	529.4	522.4	521.0	542.4	569.5	570.8	559.8	535.1	520.4
Unemployment rate[2]	%	10.2	10.0	9.6	9.4	9.5	9.9	10.0	10.1	9.9	9.9	10.3	10.8	10.9	10.7	10.2	9.9
Labour productivity, industry[1][3]	CCPY	9.8	9.4	9.6	8.6	8.7	8.4	9.0	9.3	9.3	8.6	9.0	4.2	7.1	10.4	10.3	.
Unit labour costs, exch.r. adj.(EUR)[1][3]	CCPY	-3.3	-3.8	-4.8	-4.3	-4.5	-5.0	-5.7	-6.4	-6.5	-5.8	-6.1	-2.1	-3.4	-5.4	-5.4	.
WAGES, SALARIES																	
Industry, gross[1]	CZK	14341	15207	15850	16759	16413	16579	15562	16011	16675	18843	18053	16436	15657	16883	16903	.
Industry, gross[1]	real, CMPY	4.5	5.2	5.9	5.1	6.5	5.8	3.9	8.5	5.3	5.4	5.9	3.6	6.5	7.9	4.5	.
Industry, gross[1]	USD	488	517	544	619	609	591	537	555	610	689	686	633	603	628	623	.
Industry, gross[1]	EUR	453	479	501	534	523	520	482	495	521	589	559	502	477	512	520	.
PRICES																	
Consumer	PM	0.2	-0.1	0.2	0.0	0.0	0.1	-0.2	-0.5	0.1	0.5	0.2	1.8	0.2	0.1	0.0	0.4
Consumer	CMPY	-0.4	-0.4	-0.1	0.0	0.3	-0.1	-0.1	0.0	0.4	1.0	1.0	2.3	2.3	2.5	2.3	2.7
Consumer	CCPY	-0.4	-0.4	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	0.0	0.1	2.3	2.3	2.3	2.3	2.4
Producer, in industry	PM	0.4	0.3	-0.8	-0.3	-0.2	-0.2	0.1	0.4	0.6	0.4	0.2	0.8	0.3	0.8	0.8	0.8
Producer, in industry	CMPY	-0.7	-0.4	-0.7	-0.8	-0.9	-0.6	-0.5	0.0	-0.1	0.4	0.9	1.6	1.6	2.1	3.7	4.9
Producer, in industry	CCPY	-0.7	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.6	-0.5	-0.5	-0.3	1.6	1.6	1.8	2.3	2.8
RETAIL TRADE																	
Turnover	real, CMPY	4.3	1.3	6.6	2.4	7.8	7.2	6.1	9.6	3.6	0.6	6.2	-1.5	2.1	2.9	2.6	.
Turnover	real, CCPY	4.3	3.3	4.1	3.7	4.4	4.8	5.0	5.5	5.3	4.9	5.0	-1.5	0.4	1.3	1.6	.
FOREIGN TRADE[4][5]																	
Exports total (fob),cumulated	EUR mn	6776	10543	14223	17818	21353	24812	27850	31684	35843	39594	43066	3289	7098	11404	15862	.
Imports total (fob),cumulated	EUR mn	6858	10676	14597	18262	21905	25735	28991	32807	37135	41151	45245	3299	6999	11432	16219	.
Trade balance,cumulated	EUR mn	-81	-133	-374	-445	-553	-924	-1141	-1123	-1292	-1557	-2179	-10	99	-28	-357	.
Exports to EU-15 (fob), cumulated	EUR mn	4825	7499	10101	12617	15070	17454	19514	22157	25078	27712	30076	2348	5058	8088	11153	.
Imports from EU-15 (fob), cumulated	EUR mn	4010	6296	8591	10814	13025	15401	17271	19548	22125	24454	26805	1852	4072	6703	9459	.
Trade balance with EU-15, cumulated	EUR mn	815	1203	1510	1804	2045	2053	2243	2609	2953	3258	3272	496	986	1385	1695	.
FOREIGN FINANCE																	
Current account, cumulated[4]	EUR mn	-113	-254	-575	-1139	-1430	-2181	-2664	-2925	-3529	-4108	-4937	-174	-250	-510	-1097	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	29.4	29.4	29.2	27.1	26.9	28.0	29.0	28.8	27.4	27.3	26.3	25.9	26.0	26.9	27.1	26.6
CZK/EUR, monthly average	nominal	31.6	31.8	31.6	31.4	31.4	31.9	32.3	32.4	32.0	32.0	32.3	32.7	32.9	33.0	32.5	32.0
CZK/USD, calculated with CPI[6]	real, Jan00=100	83.1	83.7	82.7	76.7	76.4	79.5	82.6	82.9	78.4	77.9	74.6	72.6	73.0	76.1	76.7	75.0
CZK/USD, calculated with PPI[6]	real, Jan00=100	85.4	87.4	84.7	78.8	79.2	82.4	85.4	84.9	80.5	79.8	77.0	76.3	76.6	78.7	78.7	76.7
CZK/EUR, calculated with CPI[6]	real, Jan00=100	87.6	88.4	88.0	87.3	87.5	88.6	90.1	91.0	90.0	89.6	90.6	90.1	90.5	91.2	90.2	88.4
CZK/EUR, calculated with PPI[6]	real, Jan00=100	88.1	88.4	88.3	87.5	87.7	89.1	90.4	90.2	88.6	88.3	89.0	89.8	90.0	90.2	88.7	86.5
DOMESTIC FINANCE																	
M0, end of period	CZK bn	201.7	205.9	208.5	211.4	215.2	216.2	218.2	219.4	221.3	224.7	221.4	222.0	223.8	224.1	227.4	.
M1, end of period[7]	CZK bn	779.2	783.7	785.8	802.1	821.9	838.9	839.0	864.6	865.5	887.7	902.8	885.0	888.5	893.0	901.5	.
M2, end of period[7]	CZK bn	1646.1	1624.2	1659.0	1660.9	1648.6	1686.0	1707.7	1695.7	1707.3	1726.0	1766.1	1752.2	1758.9	1749.4	1796.5	.
M2, end of period[7]	CMPY	3.6	2.4	3.0	2.0	4.0	5.5	5.0	5.4	4.2	4.6	6.9	6.5	6.8	7.7	8.3	.
Discount rate (p.a.),end of period	%	1.50	1.50	1.50	1.50	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Discount rate (p.a.),end of period[8]	real, %	2.2	1.9	2.2	2.3	2.1	1.9	1.5	1.0	1.1	0.6	0.1	-0.6	-0.6	-1.1	-2.6	-3.7
BUDGET																	
Central gov.budget balance,cum.	CZK mn	-24941	-31840	-64422	-74586	-53399	-62113	-71886	-80268	-82942	-92209	-109100	7307	-2852	-7819	-38070	-45420

1) Enterprises employing 20 and more persons.

2) Ratio of job applicants to the sum of economically active, women on maternity leave and job applicants.

3) Calculation based on industrial sales index (at constant prices).

4) Based on cumulated national currency and converted with the average exchange rate.

5) Cumulation starting January and ending December each year.

6) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.

7) Recalculated from January 2002 according to ECB monetary standards.

8) Deflated with annual PPI.

H U N G A R Y: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	0.6	5.7	2.9	4.6	5.2	4.9	6.1	9.2	10.9	7.1	12.0	7.3	11.8	12.8	9.4	.
Industry, total	real, CCPY	3.3	4.1	3.8	4.0	4.2	4.3	4.5	5.1	5.7	5.9	6.4	7.3	9.6	10.7	10.4	.
Industry, total	real, 3MMA	4.1	3.1	4.4	4.2	4.9	5.3	6.8	8.9	9.1	9.9	8.8	10.4	10.7	11.4	.	.
Construction, total	real, CMPY	-28.1	-20.7	-9.4	6.5	17.1	0.1	3.6	0.1	9.0	4.5	6.0	23.1	20.7	16.1	10.3	.
LABOUR																	
Employees in industry[1]	th. persons	807.8	807.5	803.8	802.0	801.2	802.6	798.6	799.7	799.6	797.9	794.0	789.2	787.4	791.0	788.0	.
Unemployment[2]	th. persons	258.7	264.7	257.0	250.8	241.2	238.7	238.8	240.3	236.8	232.9	231.9	243.4	247.9	252.2	248.4	.
Unemployment rate[2]	%	6.3	6.4	6.2	6.0	5.8	5.7	5.7	5.7	5.6	5.5	5.5	5.8	6.0	6.1	6.0	.
Labour productivity, industry[1]	CCPY	6.4	7.2	6.8	6.7	6.8	6.9	7.1	7.5	8.1	8.2	8.8	10.8	13.2	14.1	13.3	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	3.7	2.1	2.1	2.0	0.7	-0.2	-1.0	-1.4	-2.1	-2.6	-3.8	-11.4	-10.8	-8.2	-6.5	.
WAGES, SALARIES																	
Total economy, gross[1]	HUF	123278	127095	130052	132798	134971	132829	129620	130968	136647	156077	175751	146088	134199	141897	140853	.
Total economy, gross[1]	real, CMPY	8.3	6.6	9.5	8.5	8.8	8.9	9.2	3.7	2.8	3.7	2.2	1.3	1.6	4.6	1.2	.
Total economy, gross[1]	USD	542	559	575	626	603	572	557	575	626	704	814	696	645	687	675	.
Total economy, gross[1]	EUR	503	517	530	540	517	503	499	513	535	602	664	552	510	560	563	.
Industry, gross[1]	EUR	470	497	504	534	484	483	479	494	502	572	558	482	487	559	553	.
PRICES																	
Consumer	PM	0.8	0.9	0.1	0.3	0.2	0.3	-0.3	0.6	0.8	0.6	0.2	2.1	1.2	0.5	0.3	0.9
Consumer	CMPY	4.5	4.7	3.9	3.6	4.3	4.7	4.7	4.7	4.9	5.6	5.7	6.6	7.1	6.7	6.9	7.6
Consumer	CCPY	4.6	4.6	4.4	4.3	4.3	4.4	4.4	4.4	4.5	4.6	4.7	6.6	6.9	6.8	6.8	7.0
Producer, in industry	PM	1.1	0.6	-0.7	-0.6	2.5	0.7	1.0	-0.5	0.2	1.1	-0.1	0.9	-0.2	-0.8	0.4	.
Producer, in industry	CMPY	0.9	1.2	0.1	-0.5	2.3	2.7	3.7	3.2	3.5	5.8	6.2	5.4	4.5	3.2	4.4	.
Producer, in industry	CCPY	0.4	0.7	0.5	0.3	0.6	0.9	1.3	1.5	1.7	2.1	2.4	5.4	4.9	4.3	4.4	.
RETAIL TRADE																	
Turnover[3]	real, CMPY	7.9	5.4	14.4	5.2	6.4	10.0	7.1	9.6	8.9	8.6	12.6	6.1	6.2	5.8	.	.
Turnover[3]	real, CCPY	10.2	8.4	10.0	8.9	8.4	8.7	8.5	8.6	8.6	8.6	9.0	6.1	6.2	6.0	.	.
FOREIGN TRADE[4)5)]																	
Exports total (fob), cumulated	EUR mn	4341	7655	10756	13808	16847	19995	22729	26340	29982	33614	36854	3094	6380	10150	13268	.
Imports total (cif), cumulated	EUR mn	6237	9788	13410	16891	20221	23822	26937	30740	34723	38577	42185	3177	6752	10882	15089	.
Trade balance, cumulated	EUR mn	-1896	-2132	-2654	-3083	-3374	-3827	-4208	-4400	-4741	-4962	-5331	-83	-371	-731	-1821	.
Exports to EU-15 (fob), cumulated	EUR mn	4288	6758	9020	11236	13435	15715	17616	20255	22926	25550	27643	2188	4607	7445	9829	.
Imports from EU-15 (cif), cumulated	EUR mn	3448	5478	7531	9557	11447	13515	15134	17168	19322	21360	23151	1599	3521	5709	7871	.
Trade balance with EU-15, cumulated	EUR mn	840	1279	1489	1679	1988	2200	2482	3087	3605	4190	4491	590	1086	1736	1958	.
FOREIGN FINANCE																	
Current account, cumulated[6]	EUR mn	-1112	-1488	-2264	-2707	-3285	-3808	-4350	-4703	-5300	-5704	-6488	-445	-1167	-1756	-2826	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	227.5	227.3	226.3	212.2	223.7	232.1	232.8	227.8	218.5	221.7	215.8	209.8	207.9	206.6	208.6	210.7
HUF/EUR, monthly average	nominal	245.1	245.6	245.6	245.9	261.1	264.0	259.6	255.5	255.5	259.4	264.8	264.6	263.0	253.4	250.3	252.9
HUF/USD, calculated with CPI[7]	real, Jan00=100	79.0	78.7	78.1	72.6	76.8	79.5	80.3	78.3	74.4	74.9	72.6	69.5	68.5	68.2	68.6	68.7
HUF/USD, calculated with PPI[7]	real, Jan00=100	87.7	89.4	86.8	81.8	84.9	87.3	86.9	85.8	82.6	82.6	80.8	78.8	78.7	78.8	79.3	.
HUF/EUR, calculated with CPI[7]	real, Jan00=100	83.4	83.2	83.2	83.1	88.2	88.8	87.7	86.1	85.5	86.4	88.3	86.3	85.0	81.8	80.9	81.0
HUF/EUR, calculated with PPI[7]	real, Jan00=100	90.6	90.6	90.7	91.0	94.2	94.6	92.3	91.3	91.1	91.6	93.5	92.8	92.6	90.5	89.5	.
DOMESTIC FINANCE																	
M0, end of period[8]	HUF bn	1180.5	1197.7	1237.7	1249.2	1287.0	1296.6	1319.9	1305.9	1317.3	1399.7	1346.8	1307.1	1278.1	1256.2	1278.6	.
M1, end of period[8]	HUF bn	3423.0	3451.5	3518.7	3594.4	3709.9	3716.4	3718.9	3746.4	3775.6	3950.0	4027.7	3799.5	3688.6	3704.7	3771.7	.
Broad money, end of period[8]	HUF bn	7826.4	7785.2	7894.4	7975.0	8113.6	8147.0	8176.0	8287.0	8441.7	8575.9	8790.8	8798.5	8761.3	8721.0	8825.4	.
Broad money, end of period[8]	CMPY	14.5	14.2	13.8	14.6	16.8	16.3	13.5	16.0	15.1	14.2	11.9	13.0	11.9	12.0	11.8	.
NBH base rate (p.a.),end of period	%	6.5	6.5	6.5	6.5	9.5	9.5	9.5	9.5	9.5	12.5	12.5	12.5	12.5	12.3	12.0	11.5
NBH base rate (p.a.),end of period[9]	real, %	5.6	5.2	6.4	7.0	7.0	6.6	5.6	6.1	5.8	6.3	5.9	6.7	7.7	8.8	7.3	.
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-140.8	-224.1	-275.6	-252.9	-458.6	-424.8	-481.4	-588.7	-609.3	-701.3	-733.6	-173.9	-246.7	-365.0	-426.9	-508.8

1) Economic organizations employing more than 5 persons.

2) According to ILO methodology, from 2002 3-month averages comprising also the two previous months.

3) Revised according to NACE 50+52, from January 2003 NACE 52.

4) Based on cumulated national currency and converted with the average exchange rate.

5) Cumulation starting January and ending December each year.

6) Based on national currency and converted with the exchange rate.

7) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.

8) According to ECB monetary standards.

9) Deflated with annual PPI.

P O L A N D: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry[1]	real, CMPY	4.3	5.5	8.6	11.7	7.8	10.3	5.8	10.9	12.1	9.2	14.0	14.4	18.2	23.6	21.8	12.3
Industry[1]	real, CCPY	3.8	4.4	5.5	6.7	6.9	7.4	7.2	7.7	8.2	8.3	8.8	14.4	16.3	18.9	19.7	18.1
Industry[1]	real, 3MMA	4.4	6.1	8.5	9.3	9.9	8.0	9.1	9.8	10.8	11.8	12.5	15.5	18.9	21.3	19.2	.
Construction[1]	real, CMPY	-24.2	-25.3	-13.6	-6.9	-1.1	1.6	-3.0	-3.8	-4.9	-5.0	-0.7	-16.7	-6.3	6.2	25.8	-13.4
LABOUR																	
Employees[1]	th. persons	4741	4728	4726	4723	4722	4722	4718	4711	4715	4701	4671	4669	4672	4667	4675	4681
Employees in industry[1]	th. persons	2418	2412	2408	2405	2405	2407	2406	2405	2415	2410	2391	2396	2399	2398	2397	.
Unemployment, end of period	th. persons	3344.2	3321.0	3246.1	3159.6	3134.6	3123.0	3099.1	3073.3	3058.2	3096.9	3175.7	3293.2	3294.5	3265.8	3173.8	3092.5
Unemployment rate[2]	%	20.7	20.6	20.3	19.8	19.7	19.6	19.5	19.4	19.3	19.5	20.2	20.6	20.6	20.5	20.0	19.6
Labour productivity, industry[1]	CCPY	7.1	7.6	8.6	9.9	10.0	10.4	10.1	10.5	11.0	11.0	11.5	15.4	17.3	19.8	20.5	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	-16.0	-18.2	-19.1	-20.1	-19.9	-19.4	-18.4	-18.3	-18.5	-18.7	-19.0	-22.4	-22.5	-22.1	-22.1	.
WAGES, SALARIES																	
Total economy, gross[1]	PLN	2235	2268	2321	2254	2301	2343	2295	2353	2331	2440	2662	2326	2377	2427	2427	2354
Total economy, gross[1]	real, CMPY	1.4	-0.1	3.6	-0.8	2.0	1.3	1.0	1.2	1.8	2.5	3.4	2.0	4.8	5.5	2.5	1.2
Total economy, gross[1]	USD	579	566	586	601	606	600	586	591	594	618	703	623	618	624	613	598
Total economy, gross[1]	EUR	537	525	540	521	519	527	526	527	508	527	572	494	490	509	510	498
Industry, gross[1]	EUR	541	523	542	520	523	531	528	520	511	537	595	498	499	514	517	.
PRICES																	
Consumer	PM	0.1	0.3	0.2	0.0	-0.1	-0.4	-0.4	0.5	0.6	0.3	0.2	0.4	0.1	0.3	0.8	1.0
Consumer	CMPY	0.5	0.6	0.3	0.4	0.8	0.8	0.7	0.9	1.3	1.6	1.7	1.6	1.6	1.7	2.2	3.4
Consumer	CCPY	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.6	0.7	1.7	1.7	1.7	1.9	2.2
Producer, in industry	PM	0.6	0.9	-0.6	-0.6	0.3	0.7	0.3	0.5	0.7	0.4	0.1	0.8	0.7	1.5	2.1	1.2
Producer, in industry	CMPY	2.9	3.6	2.7	2.0	2.0	1.9	1.8	2.1	2.7	3.7	3.7	4.1	4.2	4.9	7.6	9.9
Producer, in industry	CCPY	2.7	3.0	3.0	2.8	2.7	2.6	2.5	2.4	2.5	2.6	2.7	4.2	4.2	4.4	5.3	6.1
RETAIL TRADE																	
Turnover[1]	real, CMPY	4.3	-1.9	11.4	9.9	7.7	5.5	5.1	9.4	9.2	10.0	17.1	6.3	10.6	18.8	27.7	.
Turnover[1]	real, CCPY	4.1	1.2	4.5	6.2	6.0	6.1	5.5	6.6	6.2	6.8	7.9	6.3	8.5	13.6	18.4	.
FOREIGN TRADE[3][4]																	
Exports total (fob), cumulated	EUR mn	6916	10870	14808	18636	22392	26419	29998	34545	39271	43519	47525	3833	8011	13348	18147	.
Imports total (cif), cumulated	EUR mn	8888	13945	18969	23864	28469	33855	38427	44018	49740	54979	60305	4680	9360	15697	22540	.
Trade balance, cumulated	EUR mn	-1972	-3074	-4160	-5228	-6077	-7436	-8430	-9473	-10469	-11461	-12780	-847	-1349	-2349	-4393	.
Exports to EU-15 (fob), cumulated	EUR mn	4919	7742	10443	13057	15644	18400	20745	23711	26990	29961	32681	2705	5456	8000	12688	.
Imports from EU-15 (cif), cumulated	EUR mn	5375	8480	11556	14618	17493	20926	23644	26904	30433	33625	36873	2792	5542	9127	13732	.
Trade balance with EU-15, cumulated	EUR mn	-455	-738	-1113	-1561	-1849	-2525	-2899	-3194	-3442	-3664	-4192	-87	-86	-1127	-1044	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-1081	-1647	-2000	-2470	-2567	-2942	-2997	-3054	-2740	-3096	-3662	188	87	-341	-952	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	3.863	4.003	3.961	3.748	3.797	3.906	3.918	3.981	3.922	3.949	3.788	3.735	3.846	3.890	3.959	3.936
PLN/EUR, monthly average	nominal	4.165	4.323	4.299	4.326	4.436	4.443	4.367	4.467	4.589	4.625	4.655	4.712	4.854	4.768	4.758	4.729
PLN/USD, calculated with CPI[5]	real, Jan00=100	91.1	94.7	93.3	88.1	89.5	92.6	93.5	94.8	92.8	92.9	88.8	87.6	90.7	92.1	93.0	91.5
PLN/USD, calculated with PPI[5]	real, Jan00=100	93.5	98.6	95.1	90.4	92.1	93.9	94.1	95.5	94.0	93.9	90.4	89.4	92.0	91.7	91.4	89.8
PLN/EUR, calculated with CPI[5]	real, Jan00=100	96.4	100.2	99.6	100.2	103.0	103.5	102.3	104.4	106.8	107.4	108.2	109.0	112.5	110.6	109.9	108.2
PLN/EUR, calculated with PPI[5]	real, Jan00=100	96.8	99.8	99.4	100.2	102.4	101.8	100.0	101.8	103.8	104.3	104.8	105.5	108.2	105.3	103.4	101.6
DOMESTIC FINANCE																	
M0, end of period	PLN bn	42.7	44.2	45.9	46.1	47.4	47.6	48.7	48.6	49.2	49.8	49.4	48.5	49.6	49.9	51.5	50.2
M1, end of period[6]	PLN bn	133.0	136.2	130.7	138.0	146.4	146.9	148.4	151.8	151.3	156.2	158.1	152.5	156.1	161.2	160.2	.
M2, end of period[6]	PLN bn	318.4	317.9	317.2	320.2	322.9	323.0	324.8	326.9	332.4	334.3	337.8	331.7	335.0	336.9	345.6	.
M2, end of period	CMPY	-1.9	-0.4	-0.1	-0.6	0.3	-0.4	0.6	1.9	3.5	5.3	5.5	5.2	5.2	6.0	8.9	.
Discount rate (p.a.),end of period	%	6.8	6.5	6.3	6.0	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Discount rate (p.a.),end of period[7]	real, %	3.7	2.8	3.5	3.9	3.7	3.8	3.9	3.6	3.0	2.0	2.0	1.6	1.5	0.8	-1.7	-3.8
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-11637	-15430	-17954	-23218	-23818	-27637	-29562	-33086	-34828	-35482	-36989	-4138	-9346	-11805	-10989	-15309

1) Enterprises employing more than 9 persons.
2) Ratio of unemployed to the economically active.
3) Based on cumulated national currency and converted with the average exchange rate.
4) Cumulation starting January and ending December each year.
5) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
6) Revised according to ECB monetary standards.
7) Deflated with annual PPI.

R O M A N I A: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total[1]	real, CMPY	1.9	3.7	2.1	7.1	7.7	6.4	-0.7	1.9	1.5	-1.4	2.6	0.8	6.9	9.5	1.5	.
Industry, total[1]	real, CCPY	3.4	3.5	3.1	4.0	4.6	4.9	4.2	3.9	3.6	3.1	3.1	0.8	3.9	5.8	4.7	.
Industry, total	real, 3MMA	3.5	2.5	4.3	5.6	7.0	4.5	2.6	0.9	0.7	0.8	0.5	3.4	5.8	5.9	.	.
LABOUR																	
Employees total	th. persons	4348.6	4376.5	4393.6	4411.4	4420.5	4412.1	4416.8	4402.8	4390.0	4374.0	4333.8	4359.3	4375.8	4404.7	4405.8	.
Employees in industry	th. persons	1795.3	1801.3	1790.7	1786.0	1784.6	1776.1	1775.6	1771.1	1765.9	1758.3	1738.3	1754.8	1752.6	1754.4	1738.5	.
Unemployment, end of period	th. persons	798.4	779.2	731.4	693.1	663.6	650.4	619.2	608.8	634.7	655.4	658.9	693.4	702.4	697.4	661.9	.
Unemployment rate[2]	%	8.8	8.6	8.1	7.6	7.3	7.2	6.8	6.7	7.0	7.2	7.2	7.6	7.7	7.7	7.3	.
Labour productivity, industry	CCPY	10.5	10.6	10.4	11.3	12.1	12.5	11.9	11.8	11.6	11.2	11.2	8.7	11.6	13.3	12.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-12.2	-12.4	-12.8	-13.3	-13.7	-13.2	-12.3	-11.5	-11.1	-10.6	-10.6	-4.8	-5.1	-3.9	-9.7	.
WAGES, SALARIES																	
Total economy, gross	th. ROL	6054.1	6338.9	6885.5	6521.4	6476.2	6721.9	6647.9	6763.9	6873.7	7021.2	8068.9	8006.3	7484.0	8065.8	8292.8	.
Total economy, gross	real, CMPY	9.0	6.3	6.3	7.0	6.6	6.5	6.5	8.0	6.6	7.5	8.4	7.8	8.7	12.5	7.0	.
Total economy, gross	USD	184	191	204	201	199	206	199	200	207	206	244	246	233	247	244	.
Total economy, gross	EUR	171	177	188	173	170	181	179	178	177	176	199	195	184	201	204	.
Industry, gross	EUR	163	170	182	168	165	180	177	178	172	167	184	171	177	195	146	.
PRICES																	
Consumer	PM	0.8	1.1	1.1	0.5	0.9	1.2	0.3	2.1	1.5	1.4	1.2	1.1	0.6	0.5	0.6	0.3
Consumer	CMPY	16.2	17.1	16.0	14.4	14.0	14.8	14.2	15.9	15.8	14.5	14.1	13.9	13.7	13.1	12.5	12.3
Consumer	CCPY	16.4	16.7	16.5	16.1	15.7	15.6	15.4	15.4	15.5	15.4	15.3	13.9	13.8	13.6	13.3	13.1
Producer, in industry	PM	2.4	1.5	1.5	0.6	0.1	1.0	1.0	3.1	1.6	1.7	1.1	2.4	0.9	0.9	2.7	.
Producer, in industry	CMPY	22.6	22.1	21.4	19.8	18.4	16.9	16.6	18.5	18.7	19.6	19.4	19.3	17.6	17.0	18.3	.
Producer, in industry	CCPY	21.9	22.0	21.8	21.4	20.9	20.3	19.8	19.6	19.5	19.5	19.5	19.3	18.4	17.9	18.0	.
RETAIL TRADE																	
Turnover	real, CMPY	3.3	2.2	-0.4	6.6	7.2	3.8	4.4	6.3	7.3	6.7	11.9	21.5	13.0	15.0	.	.
Turnover	real, CCPY	4.5	3.7	2.7	3.5	4.1	4.0	4.1	4.3	4.6	4.8	5.7	21.5	17.3	16.4	.	.
FOREIGN TRADE[3][4]																	
Exports total (fob), cumulated	EUR mn	2436	3778	4970	6232	7501	8995	10227	11574	13003	14374	15614	1217	2711	4332	5816	.
Imports total (cif), cumulated	EUR mn	2879	4541	6257	8065	9814	11736	13266	15129	17309	19288	21201	1565	3376	5474	7457	.
Trade balance, cumulated	EUR mn	-443	-763	-1287	-1833	-2313	-2741	-3039	-3555	-4306	-4914	-5588	-348	-665	-1142	-1641	.
Exports to EU-15 (fob), cumulated	EUR mn	1678	2591	3382	4251	5119	6132	6951	7873	8848	9788	10571	857	1878	2926	3865	.
Imports from EU-15 (cif), cumulated	EUR mn	1607	2531	3494	4626	5707	6900	7735	8795	10014	11149	12223	798	1734	2875	4088	.
Trade balance with EU-15, cumulated	EUR mn	71	60	-112	-375	-588	-768	-784	-922	-1166	-1361	-1652	59	144	51	-223	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-61	-149	-555	-967	-1246	-1386	-1395	-1647	-2108	-2499	-2920	-108	-131	-269	-650	.
EXCHANGE RATE																	
ROL/USD, monthly average	nominal	32884	33134	33703	32502	32616	32677	33359	33799	33157	34109	33013	32572	32073	32646	33923	33758
ROL/EUR, monthly average	nominal	35443	35823	36560	37617	38063	37166	37183	37924	38807	39913	40577	41094	40572	40055	40695	40559
ROL/USD, calculated with CPI[5]	real, Jan00=100	91.8	92.0	92.4	87.5	88.5	87.4	89.2	88.8	85.7	86.8	82.8	81.3	80.0	81.6	84.3	83.6
ROL/USD, calculated with PPI[5]	real, Jan00=100	81.2	82.7	80.3	76.9	77.8	77.0	78.0	76.9	74.7	75.3	72.4	70.6	69.3	69.9	70.7	.
ROL/EUR, calculated with CPI[5]	real, Jan00=100	96.9	97.3	98.4	100.8	101.1	97.5	97.4	97.6	98.5	100.0	100.8	100.9	99.3	97.9	99.3	98.7
ROL/EUR, calculated with PPI[5]	real, Jan00=100	83.8	83.7	83.8	85.3	86.2	83.3	82.7	81.8	82.4	83.4	83.8	83.1	81.5	80.2	79.8	.
DOMESTIC FINANCE																	
M0, end of period	ROL bn	45773	45868	51575	50214	52535	54460	58503	58143	58009	57262	57978	55969	58313	57773	63788	.
M1, end of period	ROL bn	78289	79941	87820	85019	92145	93725	99970	101514	100231	99413	113260	102240	104107	107175	113651	.
M2, end of period	ROL bn	367402	369451	378595	379098	388499	390876	407396	414468	423766	425654	460741	452217	458468	481461	480254	.
M2, end of period	CMPY	37.6	34.2	32.3	30.4	29.1	28.8	29.4	30.6	30.4	27.2	23.3	27.1	24.8	30.3	26.9	.
Discount rate (p.a.),end of period[6]	%	19.2	18.4	17.4	17.9	18.2	18.2	18.2	19.1	19.3	20.2	20.4	21.3	21.3	21.3	21.3	21.3
Discount rate (p.a.),end of period[6][7]	real, %	-2.8	-3.0	-3.3	-1.6	-0.2	1.1	1.4	0.5	0.5	0.5	0.8	1.6	3.1	3.6	2.5	.
BUDGET																	
Central gov.budget balance, cum.	ROL bn	-2275	-7723	-7382	-10330	-16524	-12186	-10979	-11346	-11129	-17655	-29003	3835	-2634	-5930	90	.

1) Enterprises with more than 50 (in food industry 20) employees.

2) Ratio of unemployed to economically active population as of December of previous year, from 2002 as of December 2001.

3) January 1994 to December 2002 calculated from USD by wiiw.

4) Cumulation starting January and ending December each year.

5) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.

6) From 1, February 2002 reference rate of RNB.

7) Deflated with annual PPI.

R U S S I A: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	6.5	6.7	7.1	8.5	7.0	7.1	5.5	8.0	7.2	7.1	7.9	7.5	8.7	6.6	6.7	5.5
Industry, total	real, CCPY	5.7	6.0	6.3	7.1	6.8	6.8	6.6	6.8	6.8	6.8	7.0	7.5	8.1	7.6	7.4	7.0
Construction, total	real, CMPY	13.4	13.8	14.7	15.5	14.3	15.0	14.3	14.7	14.6	11.6	16.6	13.3	13.8	14.2	15.8	14.9
LABOUR																	
Employment total[1]	th. persons	64100	64600	65000	65500	66000	66400	66700	66600	66500	66500	66400	65400	64900	65400	65800	.
Unemployment, end of period[2]	th. persons	6575	6324	6072	5821	5744	5747	5680	5690	5750	5716	5951	6280	6562	6320	6072	5821
Unemployment rate[2]	%	9.3	8.9	8.5	8.2	8.0	8.0	7.8	7.9	8.0	7.9	8.2	8.8	9.2	8.8	8.4	8.1
WAGES, SALARIES																	
Total economy, gross	RUB	4701.0	4986.0	5100.0	5221.0	5550.0	5615.0	5491.0	5556.0	5864.0	5990.0	7344.0	5932.0	6141.0	6428.0	6448.0	6577.0
Total economy, gross	real, CMPY	9.9	7.8	8.3	9.8	9.3	7.2	7.4	8.6	11.6	13.5	14.3	13.5	18.0	16.8	14.6	14.3
Total economy, gross	USD	148	159	163	169	182	185	181	182	194	211	250	206	215	225	225	227
Total economy, gross	EUR	138	147	151	146	156	162	162	162	166	180	203	163	170	184	187	189
Industry, gross	EUR	168	176	184	175	183	198	206	200	198	219	230	190	200	215	222	.
PRICES																	
Consumer	PM	1.6	1.1	1.0	0.8	0.8	0.7	-0.4	0.3	1.0	1.0	1.1	1.8	1.0	0.8	1.0	0.7
Consumer	CMPY	14.8	14.8	14.6	13.6	13.9	13.9	13.3	13.2	13.1	12.4	12.0	11.3	10.7	10.3	10.3	10.2
Consumer	CCPY	14.6	14.6	14.6	14.4	14.3	14.3	14.1	14.0	13.9	13.8	13.6	11.3	11.0	10.8	10.7	10.6
Producer, in industry	PM	1.4	1.3	1.4	-0.2	0.7	2.2	1.4	1.4	1.2	0.5	0.6	4.2	3.4	1.7	2.7	2.1
Producer, in industry	CMPY	19.5	21.2	20.2	17.1	14.3	13.9	13.5	13.8	12.8	12.1	13.0	17.3	19.6	20.1	21.6	24.4
Producer, in industry	CCPY	18.5	19.4	19.6	19.1	18.2	17.6	17.0	16.6	16.2	15.8	15.6	17.3	18.4	19.0	19.7	20.6
RETAIL TRADE																	
Turnover[3]	real, CMPY	8.0	8.9	8.6	10.0	8.7	7.8	6.1	7.0	7.1	7.1	8.1	16.3	4.4	7.5	14.4	.
Turnover[3]	real, CCPY	7.9	8.2	8.3	8.7	8.7	8.5	8.2	8.1	8.0	7.9	7.9	16.3	10.4	9.4	10.7	.
FOREIGN TRADE[4][5][6]																	
Exports total, cumulated	EUR mn	18215	28952	38327	47318	56861	66902	77668	87970	98836	108697	120193	9336	18795	29815	41596	.
Imports total, cumulated	EUR mn	9208	14746	20439	25524	30712	36589	42258	47991	54028	59782	66703	4170	9200	15347	21793	.
Trade balance, cumulated	EUR mn	9006	14206	17888	21794	26149	30313	35410	39979	44807	48915	53490	5167	9595	14467	19803	.
FOREIGN FINANCE																	
Current account, cumulated[7]	EUR mn	.	10824	.	.	18228	.	.	25697	.	.	31772	.	.	10387	.	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	31.699	31.453	31.212	30.907	30.469	30.360	30.349	30.599	30.165	28.389	29.434	28.839	28.515	28.529	28.686	28.989
RUB/EUR, monthly average	nominal	34.188	33.952	33.867	35.738	35.594	34.560	33.876	34.300	35.296	33.261	36.134	36.377	36.092	35.018	34.446	34.817
RUB/USD, calculated with CPI[8]	real, Jan00=100	72.7	71.8	70.4	69.0	67.6	67.0	67.4	68.0	66.3	61.7	63.1	61.0	60.1	60.1	59.8	60.0
RUB/USD, calculated with PPI[6]	real, Jan00=100	72.1	72.4	68.7	68.1	67.3	65.4	64.6	64.5	63.2	59.0	61.0	58.1	55.9	55.0	53.8	53.3
RUB/EUR, calculated with CPI[6]	real, Jan00=100	76.8	75.7	75.0	78.5	77.6	74.8	73.7	74.6	76.1	71.1	76.6	75.7	74.6	72.1	70.5	70.7
RUB/EUR, calculated with PPI[6]	real, Jan00=100	74.5	73.2	71.7	75.5	74.6	70.8	68.6	68.5	69.7	65.4	70.5	68.4	65.7	63.1	60.7	60.1
DOMESTIC FINANCE																	
M0, end of period	RUB bn	730.8	749.5	822.3	855.5	917.0	940.9	966.3	957.1	975.8	1002.1	1147.0	1130.6	1164.1	1165.5	1230.1	.
M1, end of period	RUB bn	1440.3	1512.7	1583.4	1679.8	1821.8	1808.5	1844.3	1871.2	1850.2	1899.0	2181.9	2126.9	2197.1	2253.4	2262.6	.
M2, end of period	RUB bn	2915.3	2989.9	3052.4	3162.9	3339.7	3400.4	3448.9	3573.0	3543.1	3617.7	3962.1	3946.1	4093.0	4199.2	4340.5	.
M2, end of period	CMPY	38.5	39.9	37.9	38.2	41.7	41.5	41.1	43.2	39.6	39.6	39.4	42.1	40.4	40.4	42.2	.
Refinancing rate (p.a.),end of period	%	18.0	18.0	18.0	18.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	14.0	14.0	14.0	14.0	14.0
Refinancing rate (p.a.),end of period[9]	real, %	-1.2	-2.6	-1.9	0.8	1.5	1.9	2.2	2.0	2.9	3.5	2.7	-2.8	-4.7	-5.0	-6.2	-8.4
BUDGET																	
Central gov.budget balance, cum.	RUB bn	75.1	89.3	127.3	173.8	184.3	213.6	223.8	238.9	287.7	316.1	228.2	102.5	115.5	134.7	.	.

1) Based on labour force survey.
2) According to ILO methodology.
3) Including estimated turnover of non-registered firms, including catering.
4) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.
5) Cumulation starting January and ending December each year, incl. estimates of non-registered imports.
6) Based on balance of payments statistics.
7) Calculated from USD to NCU to EUR using the official average exchange rate.
8) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
9) Deflated with annual PPI.

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	7.9	10.6	2.2	2.4	9.5	2.2	1.2	3.3	5.1	3.2	4.3	0.4	8.1	11.1	5.0	.
Industry, total	real, CCPY	10.7	10.7	8.4	7.2	7.6	6.8	6.1	5.8	5.7	5.4	5.3	0.4	4.2	6.6	6.2	.
Industry, total	real, 3MMA	10.7	6.8	5.0	4.7	4.7	4.4	2.3	3.3	3.9	4.2	2.7	4.2	6.6	8.1	.	.
Construction, total	real, CMPY	0.6	3.6	-0.4	0.3	3.3	5.8	9.4	14.3	8.3	6.7	11.5	0.5	3.3	3.4	2.0	.
LABOUR																	
Employment in industry	th. persons	550.3	554.1	558.2	561.1	563.8	562.4	561.7	565.1	566.2	561.2	549.1	544.3	544.8	548.2	551.2	.
Unemployment, end of period	th. persons	495.4	478.7	450.7	433.1	427.6	422.8	415.6	407.6	407.1	420.2	452.2	469.2	466.4	452.6	431.7	.
Unemployment rate[1]	%	17.1	16.5	15.4	14.8	14.6	14.5	14.3	13.9	13.8	14.2	15.6	16.6	16.5	16.0	15.3	.
Labour productivity, industry	CCPY	9.5	9.2	7.5	6.5	7.0	6.1	5.5	5.1	5.0	4.8	4.8	1.0	5.1	7.5	7.3	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-2.5	-2.7	-0.3	1.6	2.5	3.7	4.3	5.0	5.3	5.5	5.4	10.9	7.5	6.1	5.2	.
WAGES, SALARIES																	
Industry, gross	SKK	13466	14223	14827	15379	16140	15289	14688	15085	16069	17995	17259	15707	14806	16050	15775	.
Industry, gross	real, CMPY	-2.7	-3.0	0.6	-0.2	1.6	-3.4	-4.3	-0.4	1.2	-1.0	-1.9	1.2	1.4	4.3	-1.1	.
Industry, gross	USD	346	368	391	432	455	416	392	406	456	511	514	486	461	487	472	.
Industry, gross	EUR	321	340	361	374	389	366	350	363	389	437	420	385	365	397	393	.
PRICES																	
Consumer	PM	0.6	0.4	0.2	0.1	0.4	0.0	1.0	0.5	0.1	0.2	0.2	4.4	0.8	0.1	0.0	0.4
Consumer	CMPY	7.6	8.0	7.7	7.6	8.4	8.7	9.2	9.5	9.6	9.8	9.3	8.3	8.5	8.2	8.0	8.3
Consumer	CCPY	7.5	7.6	7.7	7.6	7.8	7.9	8.1	8.2	8.4	8.5	8.6	8.3	8.4	8.3	8.2	8.3
Producer, in industry[2]	PM	3.1	0.3	-0.1	-0.6	0.0	0.2	-0.2	0.1	-0.1	0.3	0.0	1.3	1.0	0.2	-0.1	0.2
Producer, in industry[2]	CMPY	8.9	9.2	8.2	7.8	8.2	8.2	8.0	8.0	8.0	8.7	8.6	4.4	2.3	2.1	2.2	3.0
Producer, in industry[2]	CCPY	8.2	8.5	8.5	8.3	8.3	8.3	8.3	8.2	8.2	8.3	8.3	4.4	3.3	2.9	2.7	2.8
RETAIL TRADE[3]																	
Turnover	real, CMPY	-3.8	-10.2	-1.9	-6.3	-9.3	-7.6	-5.7	-5.8	-5.0	-3.3	-0.7	0.5	4.0	7.1	7.4	.
Turnover	real, CCPY	-4.4	-6.3	-5.2	-5.4	-6.1	-6.3	-6.2	-6.2	-6.1	-5.8	-5.2	0.5	2.3	3.9	4.8	.
FOREIGN TRADE[4][5]																	
Exports total (fob),cumulated	EUR mn	2691	4219	5713	7380	9040	10704	12259	13983	15819	17638	19356	1502	3146	5011	7004	.
Imports total (fob),cumulated	EUR mn	2762	4359	5996	7610	9277	11052	12593	14339	16232	18083	19925	1447	3106	4997	7046	.
Trade balance,cumulated	EUR mn	-72	-140	-284	-230	-237	-348	-334	-356	-413	-445	-569	55	41	15	-42	.
Exports to EU-15 (fob), cumulated	EUR mn	1720	2716	3618	4614	5602	6571	7474	8472	9612	10730	11737	930	1934	3077	4318	.
Imports from EU-15 (fob), cumulated	EUR mn	1350	2147	2981	3839	4710	5660	6460	7356	8335	9286	10236	733	1555	2543	3570	.
Trade balance with EU-15, cumulated	EUR mn	370	569	637	775	892	912	1014	1116	1277	1445	1501	197	380	534	747	.
FOREIGN FINANCE																	
Current account, cumulated[4]	EUR mn	-101	-91	-195	-133	-182	-205	-154	-176	-176	-172	-246	55	103	108	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	39.0	38.7	37.9	35.6	35.5	36.7	37.5	37.1	35.3	35.2	33.6	32.3	32.1	32.9	33.4	33.5
SKK/EUR, monthly average	nominal	42.0	41.8	41.1	41.1	41.5	41.8	41.9	41.5	41.3	41.1	41.1	40.7	40.6	40.4	40.1	40.2
SKK/USD, calculated with CPI[6]	real, Jan00=100	82.3	81.9	79.9	74.8	74.5	77.2	78.2	77.3	73.3	72.9	69.3	64.1	63.5	65.6	66.6	66.5
SKK/USD, calculated with PPI[6]	real, Jan00=100	81.2	82.4	78.4	74.0	74.4	76.7	78.6	78.1	74.7	74.1	70.9	68.1	67.4	69.0	70.2	70.2
SKK/EUR, calculated with CPI[6]	real, Jan00=100	87.0	86.5	85.0	85.0	85.6	86.1	85.7	84.7	84.3	83.9	83.9	79.6	78.8	78.8	78.5	78.4
SKK/EUR, calculated with PPI[6]	real, Jan00=100	83.9	83.5	81.7	81.9	82.7	83.1	83.7	82.8	82.4	81.9	81.8	80.2	79.3	79.3	79.2	79.2
DOMESTIC FINANCE																	
M0, end of period	SKK bn	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.7	91.7	90.8	90.9	.
M1, end of period	SKK bn	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	261.2	265.5	258.9	260.8	.
M2, end of period	SKK bn	713.2	710.3	711.7	718.7	702.0	722.3	729.6	725.7	732.2	740.5	750.7	739.0	744.1	724.0	731.9	.
M2, end of period	CMPY	5.7	6.7	7.4	7.5	3.4	4.3	4.8	5.2	5.4	5.4	5.2	5.2	4.3	1.9	2.8	.
Discount rate (p.a.),end of period[7]	%	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00	6.00	6.00	5.50	5.00	5.00
Discount rate (p.a.),end of period[7][8]	real, %	-2.2	-2.5	-1.6	-1.2	-1.6	-1.6	-1.4	-1.6	-1.6	-2.3	-2.4	1.6	3.7	3.3	2.8	2.0
BUDGET																	
Central gov.budget balance, cum.	SKK mn	-12985	-17810	-23786	-30580	-27619	-31190	-33104	-37675	-40396	-42779	-55973	-2658	-4424	1175	5723	-2270

1) Ratio of disposable number of registered unemployment calculated to the economically active population as of previous year.
2) Based on revised index schema of 2000, excluding VAT and excise taxes.
3) According to NACE (52 - retail trade), excluding VAT.
4) Based on cumulated national currency and converted with the average exchange rate.
5) Cumulation starting January and ending December each year.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
7) From January 2002 corresponding to the 2-week limit rate of NBS.
8) Deflated with annual PPI.

S L O V E N I A: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	2.8	1.4	-2.4	-0.8	2.5	-0.8	-2.6	3.4	3.8	4.9	6.1	3.3	0.9	7.8	-0.9	.
Industry, total	real, CCPY	0.4	0.8	-0.1	-0.2	0.2	0.1	-0.2	0.2	0.6	1.0	1.4	3.3	2.1	4.2	2.9	.
Industry, total	real, 3MMA	0.7	0.5	-0.6	-0.3	0.2	-0.2	0.2	1.9	4.0	4.9	4.8	3.4	4.1	2.7	.	.
Construction, total[1]	real, CMPY	-10.0	-4.7	-1.4	-1.1	4.1	3.6	0.9	1.7	-3.8	-6.2	2.7	10.6	14.6	3.1	-0.4	.
LABOUR																	
Employment total	th. persons	776.8	778.5	778.3	779.3	780.4	774.8	774.0	776.5	778.5	779.1	774.7	773.8	775.6	777.7	779.8	.
Employees in industry	th. persons	243.1	243.4	242.7	242.4	242.5	241.4	241.0	241.3	242.0	242.3	240.4	239.4	.	.	.	.
Unemployment, end of period	th. persons	100.6	98.8	97.1	95.3	94.4	96.9	98.2	98.2	98.9	96.2	96.0	99.0	98.1	96.7	93.9	.
Unemployment rate[2]	%	11.5	11.3	11.1	10.9	10.8	11.1	11.3	11.2	11.3	11.0	11.0	11.3	11.2	11.1	10.7	.
Labour productivity, industry	CCPY	2.6	3.1	2.2	2.2	2.6	2.5	2.2	2.6	3.0	3.3	3.7	5.0	3.7	5.7	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	1.6	0.7	1.7	1.7	1.5	1.6	1.8	1.5	1.2	0.9	0.4	-2.1	0.0	-0.6	.	.
WAGES, SALARIES																	
Total economy, gross	th. SIT	241.5	243.7	246.9	249.3	248.2	250.9	251.5	253.8	257.2	270.3	277.6	258.2	254.8	261.4	260.2	.
Total economy, gross	real, CMPY	1.9	1.1	2.5	2.3	2.1	2.1	1.0	2.4	2.3	1.7	1.3	0.5	1.8	3.6	1.9	.
Total economy, gross	USD	1126	1134	1151	1236	1242	1219	1194	1208	1278	1340	1438	1375	1356	1349	1314	.
Total economy, gross	EUR	1044	1051	1063	1070	1063	1072	1071	1080	1092	1145	1174	1090	1073	1099	1093	.
Industry, gross	EUR	878	893	907	915	900	919	918	932	951	1006	1020	940	920	963	.	.
PRICES																	
Consumer	PM	0.5	0.7	0.5	0.5	0.3	0.5	-0.4	0.3	0.3	0.3	0.1	0.4	0.1	0.6	0.5	0.9
Consumer	CMPY	6.2	6.3	5.3	5.5	6.0	6.0	5.5	5.0	4.8	5.1	4.6	4.0	3.6	3.5	3.5	3.8
Consumer	CCPY	6.4	6.3	6.1	5.9	6.0	6.0	5.9	5.8	5.7	5.6	5.5	4.0	3.8	3.7	3.6	3.7
Producer, in industry	PM	-0.2	0.1	0.3	0.5	0.1	0.0	0.0	0.2	0.2	0.2	0.6	0.4	1.0	0.3	0.6	0.7
Producer, in industry	CMPY	2.8	2.5	2.4	2.8	2.7	2.5	2.3	2.5	2.3	2.1	2.1	2.3	3.5	3.8	4.0	4.2
Producer, in industry	CCPY	3.2	3.0	2.8	2.8	2.8	2.8	2.7	2.7	2.6	2.6	2.5	2.3	2.9	3.2	3.4	3.6
RETAIL TRADE[3]																	
Turnover	real, CMPY	8.9	0.9	7.2	6.5	6.2	4.1	0.8	7.4	5.1	-0.5	5.3	4.4	1.6	8.7	.	.
Turnover	real, CCPY	6.7	4.5	5.2	5.5	5.6	5.4	4.8	5.1	5.1	4.6	4.7	4.4	3.0	5.0	.	.
FOREIGN TRADE[4][5]																	
Exports total (fob), cumulated	EUR mn	1753	2742	3723	4648	5592	6598	7299	8364	9453	10431	11288	861	1827	2962	4015	.
Imports total (cif), cumulated	EUR mn	1897	2992	4028	5087	6077	7130	7921	9006	10125	11194	12239	883	1917	3169	4416	.
Trade balance total, cumulated	EUR mn	-144	-250	-305	-439	-485	-533	-622	-643	-672	-763	-952	-21	-89	-206	-401	.
Exports to EU-15 (fob), cumulated	EUR mn	1107	1704	2284	2838	3384	3951	4310	4924	5548	6112	6579	540	1121	1806	2386	.
Imports from EU-15 (cif), cumulated	EUR mn	1254	2000	2699	3415	4093	4827	5331	6050	6809	7530	8229	585	1279	2127	2906	.
Trade balance with EU-15, cumulated	EUR mn	-146	-296	-415	-577	-710	-876	-1021	-1126	-1261	-1418	-1650	-46	-159	-321	-521	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	56	-25	-13	-80	-56	-34	-34	61	139	129	17	81	109	44	-26	.
EXCHANGE RATE																	
SIT/USD, monthly average	nominal	214.5	214.8	214.4	201.7	199.8	205.8	210.7	210.1	201.2	201.7	193.0	187.8	187.9	193.8	198.1	198.7
SIT/EUR, monthly average	nominal	231.3	231.9	232.4	233.0	233.5	234.1	234.7	235.0	235.5	236.0	236.5	237.0	237.4	237.8	238.2	238.5
SIT/USD, calculated with CPI[6]	real, Jan00=100	94.3	94.3	93.5	87.3	86.4	88.7	91.4	91.1	86.9	86.7	82.7	80.6	81.0	83.6	85.1	84.6
SIT/USD, calculated with PPI[6]	real, Jan00=100	97.5	100.1	96.5	90.3	90.1	92.7	95.0	94.9	91.3	91.0	86.9	85.2	84.9	87.3	88.7	88.4
SIT/EUR, calculated with CPI[6]	real, Jan00=100	99.7	99.6	99.6	99.3	99.3	99.0	99.8	100.0	100.0	100.0	100.4	100.1	100.5	100.5	100.5	99.8
SIT/EUR, calculated with PPI[6]	real, Jan00=100	100.9	101.3	100.7	100.1	100.1	100.4	100.8	100.7	100.8	100.9	100.4	100.5	99.9	100.3	100.4	99.8
DOMESTIC FINANCE																	
M0, end of period	SIT bn	139.2	142.0	147.2	150.2	153.3	147.3	152.7	151.2	154.6	155.4	156.0	152.9	153.3	152.6	156.9	.
M1, end of period[7]	SIT bn	694.5	706.1	711.7	719.7	774.6	755.3	753.6	769.0	759.4	768.8	797.2	782.3	787.4	795.8	817.1	.
Broad money, end of period[7]	SIT bn	3583.0	3578.9	3598.6	3623.2	3679.2	3717.4	3716.0	3720.7	3762.3	3777.7	3778.0	3784.6	3792.6	3791.9	3827.1	.
Broad money, end of period[7]	CMPY	15.5	13.8	13.1	13.1	15.5	15.0	14.3	9.8	10.8	6.0	4.9	6.2	5.9	6.0	6.3	.
Discount rate (p.a.), end of period[8]	%	7.25	6.50	6.50	6.50	5.50	5.50	5.50	5.50	5.25	5.00	5.00	4.75	4.50	4.50	4.25	4.00
Discount rate (p.a.), end of period[9]	real, %	4.3	3.9	4.0	3.6	2.7	2.9	3.1	2.9	2.9	2.8	2.8	2.4	1.0	0.7	0.2	-0.2
BUDGET																	
General gov.budget balance, cum.	SIT bn	-21.2	-30.1	-11.3	-27.6	-56.3	-51.6	-64.5	-49.3	-46.4	-72.7	-78.5	3.8	-12.2	-6.3	.	.

1) Effective working hours, from 2004 construction put in place of enterprises with 20 (up to this time 10) and more persons employed.

2) Ratio of unemployed to the economically active.

3) According to NACE (52 - retail trade, 50 - repair of motor vehicles), excluding turnover tax.

4) Based on cumulated national currency and converted with the average exchange rate.

5) Cumulation starting January and ending December each year.

6) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.

7) According to ECB monetary standards..

8) From October 2001 main refinancing rate.

9) Deflated with annual PPI.

U K R A I N E: Selected monthly data on the economic situation 2003 to 2004

(updated end of June 2004)

		2003 Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2004 Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total[1]	real, CMPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Industry, total	real, CCPY	10.8	10.7	11.4	11.7	12.4	13.8	14.6	15.2	15.7	15.5	15.8	16.1	18.2	18.8	17.7	16.9
Industry, total[1]	real, 3MMA	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
LABOUR																	
Unemployment, end of period	th. persons	1100.9	1109.4	1107.3	1057.8	1012.7	996.1	982.8	961.8	938.6	949.9	988.9	1003.6	1045.4	1061.2	1044.6	1005.8
Unemployment rate[2]	%	4.0	4.0	4.0	3.9	3.7	3.6	3.6	3.5	3.4	3.5	3.6	3.7	3.8	3.9	3.8	.
WAGES, SALARIES [1]																	
Total economy, gross	UAH	391.2	415.5	422.6	439.3	476.2	489.5	479.2	498.3	498.3	489.5	550.9	499.7	510.1	545.1	547.9	555.0
Total economy, gross	real, CMPY	16.2	12.3	14.7	17.8	19.1	14.5	16.1	19.9	17.3	14.4	14.9	15.3	21.4	23.0	21.6	17.6
Total economy, gross	USD	73	78	79	82	89	92	90	93	93	92	103	94	96	102	103	104
Total economy, gross	EUR	68	72	73	72	76	81	81	83	80	78	84	74	76	84	86	87
Industry, gross	EUR	89	96	97	94	.	.	.	.	.	.	.	.	.	.	.	.
PRICES																	
Consumer	PM	1.1	1.1	0.7	0.0	0.1	-0.1	-1.7	0.6	1.3	1.9	1.5	1.4	0.4	0.4	0.7	0.7
Consumer	CMPY	2.5	4.3	3.6	3.9	5.9	7.4	5.8	6.2	6.9	8.1	8.2	8.1	7.4	6.6	6.6	7.4
Consumer	CCPY	1.2	2.2	2.6	2.8	3.3	3.9	4.1	4.4	4.6	4.9	5.2	8.1	7.8	7.4	7.2	7.2
Producer, in industry	PM	0.7	2.1	0.3	0.3	0.0	1.0	1.0	0.9	0.7	1.5	1.7	1.6	2.9	2.2	3.3	2.1
Producer, in industry	CMPY	6.8	9.9	8.9	7.6	5.3	5.3	6.8	7.4	8.0	9.4	11.2	12.4	14.9	15.0	18.4	20.6
Producer, in industry	CCPY	6.8	7.8	8.1	8.0	7.5	7.2	7.1	7.2	7.3	7.5	7.8	12.4	13.7	14.1	15.2	16.3
RETAIL TRADE																	
Turnover[3]	real, CCPY	12.6	13.2	11.9	13.8	15.1	16.8	17.1	18.1	19.1	18.9	19.4	19.9	21.4	21.0	21.1	22.3
FOREIGN TRADE[4)5)]																	
Exports total (fob), cumulated	EUR mn	2899	4607	6345	7809	9330	11143	12877	14692	16585	18430	20408	1686	3543	5736	8209	.
Imports total (cif), cumulated	EUR mn	2633	4225	5967	7392	8928	10732	12513	14354	16311	18131	20356	1374	3059	5051	6961	.
Trade balance, cumulated	EUR mn	266	383	378	417	402	411	364	338	274	299	52	312	484	685	1248	.
FOREIGN FINANCE																	
Current account, cumulated[6]	EUR mn	.	1004	.	.	1642	.	.	2237	.	.	2559	.	.	1335	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.334	5.334	5.334	5.333	5.333	5.332	5.332	5.332	5.332	5.332	5.332	5.331	5.331	5.330	5.329	5.327
UAH/EUR, monthly average	nominal	5.752	5.758	5.786	6.125	6.225	6.066	5.951	5.968	6.238	6.239	6.541	6.725	6.735	6.526	6.405	6.383
UAH/USD, calculated with CPI[7]	real, Jan00=100	82.4	82.0	81.3	81.1	81.2	81.3	83.0	82.7	81.6	79.9	78.6	77.9	78.0	78.2	77.7	77.1
UAH/USD, calculated with PPI[7]	real, Jan00=100	84.4	84.8	81.9	81.6	82.3	81.3	80.7	80.3	80.2	78.7	77.7	77.4	75.6	74.0	71.6	70.1
UAH/EUR, calculated with CPI[7]	real, Jan00=100	87.3	86.8	86.8	91.9	93.4	91.0	91.0	91.0	94.0	92.3	95.6	96.9	96.9	93.9	91.9	90.9
UAH/EUR, calculated with PPI[7]	real, Jan00=100	87.4	86.0	85.7	90.1	91.4	88.2	85.9	85.3	88.6	87.4	90.0	91.3	89.1	85.0	81.1	79.2
DOMESTIC FINANCE																	
M0, end of period	UAH mn	25503	26002	27650	27879	29375	30080	31072	30862	31549	31318	33119	31501	32672	33580	35836	38810
M1, end of period	UAH mn	38974	41615	42743	43447	46815	47276	48315	50293	49341	49467	53129	49792	51387	54970	56750	57873
Broad money, end of period	UAH mn	64945	69731	72509	73977	79034	80786	83048	86495	86856	88295	95043	92643	96050	101151	105104	109435
Broad money, end of period	CMPY	44.2	47.3	49.8	51.6	54.4	49.8	47.5	49.8	48.0	48.2	47.3	47.4	47.9	45.1	45.0	47.9
Refinancing rate (p.a.),end of period	%	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	.
Refinancing rate (p.a.),end of period[8]	real, %	0.2	-2.6	-1.8	-0.6	1.6	1.6	0.2	-0.4	-0.9	-2.2	-3.8	-4.8	-6.9	-7.0	-9.7	.
BUDGET																	
General gov.budget balance, cum.	UAH mn	2194.3	1871.3	2348.1	3375.2	2500.9	2889.3	4028.2	3991.5	3636.2	4111.6	-489.9	1614.7	1814.9	1203.7	660.5	.

1) Excluding small firms.
2) Ratio of unemployed to the economically active.
3) Official registered enterprises.
4) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.
5) Cumulation starting January and ending December each year.
6) Calculated from USD to NCU to EUR using the official average exchange rate.
7) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
8) Deflated with annual PPI.

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