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Draghi's démarche and the nightmare of the Bundesbank

BY JAN TOPOROWSKI*

It was a scene central bankers dream of, in which a grey, discreet, functionary is suddenly transformed into a hero by the reproaches of the German banking establishment and the pleas of George Soros. On 6 September 2012, Mario Draghi, President of the European Central Bank, declared that the ECB would buy in the secondary market whatever amount of bonds of eurozone governments are necessary to stop the monetary union from falling apart. This is not new. The European Central Bank has been doing this virtually since it started its financing operations in 2002 and it has been buying the bonds of Greece, Spain, Portugal and Italy in the secondary market, that is not directly from governments but from the market after they have been issued. What made the news dramatic was the announcement that day by the German central bank, the Bundesbank, that its President Jens Weidmann had not voted for this and 'regards such bond purchases as being tantamount to financing governments by printing bank notes'.

This was followed over the weekend by a very public plea to the German Government by the statesman of international finance, George Soros, to show leadership or leave the eurozone. Finally, on Wednesday the German Constitutional Court handed down its ruling that it was constitutional for the German Government to lend money through the European Stability Mechanism to European governments in financial difficulties. But that lending could not be unlimited.

The positive feature of the Draghi announcement is that it is one more small step along the way towards making the ECB a proper reserve bank. A proper reserve bank is a central bank that stands ready to buy, in exchange for reserves, bonds from commercial banks in order to keep those banks liquid and, by implication, keep liquid the markets for those bonds, including government bonds. However, as a good central banker, Mr. Draghi hedged his pronouncement with a condition that such unlimited bond buying would only be of bonds issued by governments complying with fiscal programmes agreed with the 'troika' – the International Monetary Fund, the European Commission and the European Central Bank – that coordinates assistance to financially troubled governments in Europe. Thus the announcement appears to reverse an agreement made at the EU summit in June according to which, at the request of Italy's Mario Monti and Spain's Mariano Rajoy, the condition of aid was merely complying with existing EU budget rules.

There is a fundamental contradiction between the austerity programmes so loved by the European financial elite (and rightly so distrusted in the United States) and the financial stability of the euro area. The contradiction arises because no credit system and no system of government finances can be separated from the economy in which they exist. As the great Joseph Schumpeter argued, the health of a banking system is determined by the state of the economy in which it operates. The general economic conditions of a capitalist economy are determined by business expenditure. In turn that business expenditure is determined by the flow of retained profits to companies, that is the flow of profits after payment of interest, dividends and taxes. It is quite easy to show that this flow of profits depends on the amount of investment that firms do (their real capital accumulation), the rate of saving of households, the government deficit, and the foreign trade surplus. If a government tries to run a financial surplus, in order to repay debt, this must be off-set by increased company investment, or reduced household saving, or increased exports. Otherwise the flow of profits is reduced, and companies start reducing the expenditure, and in particular their productive (as opposed to financial)

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investment. Reduced company expenditure then drives the economy into an economic slump in which not only the government, but also households and firms start to have difficulty in meeting their financial obligations. This raises the amount of bad debts in bank balance sheets and makes banks reluctant to lend. In turn, those who have bank deposits are more inclined to repay debts and, in this way, good loans are eliminated from bank balance sheets. The general effect is to reduce the overall quality of loans in an economy.

Thus, lending money to governments committed to austerity and fiscal surpluses, in order to repay debts, is a way of reinforcing deflation. In 1999, the International Monetary Fund changed its official policy to one of effectively making its above-quota lending available only to governments that were financially stable, and therefore did not need to borrow from it. The European Central Bank has now trumped even that foolishness by restricting its unlimited support only to governments that undermine credit conditions in their countries.

Needless to say, the bounce in the financial markets, and the rise in the value of the euro against other currencies that followed the Draghi announcement, can only be temporary. As economic activity in the euro area shrinks, and banks and bond markets succumb to more bad debts, Europe will find itself facing new financial crises. This creates a big danger for the European Central Bank. If it has been buying bonds in support of programmes that damage the quality of credit in particular countries, this will give the ECB a deteriorating portfolio of bonds. The Bundesbank's many supporters among German economists and bankers will declare that this confirms their worst nightmare, that the German tax-payer will be made liable for the ECB's imprudent financial operations. But this would contradict their current argument, that the ECB is going to ignite price and wage inflation all over Europe, whereas the ECB and the European Commission are in fact smothering the European economy with price and wage deflation. In fact there is no difference between the Bundesbank and the ECB over the matter of deflation. The Bundesbank's dissent merely concerns whether the government bonds that will be undermined by that deflation are refinanced by the ECB or commercial banks. Refinancing by commercial banks is considered by the Bundesbank to be normal market operations, whereas refinancing by the ECB will hasten the ever-imminent inflation.

The Draghi announcement therefore keeps credit policy in Europe firmly in line with the primitive conception of money and banking that now informs monetary policy and theory in Germany. The bankers and monetary economists of the country that once led the world in monetary theory have been made timid and intellectually lazy by its industrial success. As a result their conception of banking is now reduced to a nursery school toy bank which will only buy nice toys from nice middle-class children, because to buy toys from poorer children would cause the price of toys to go up. In fact, in a credit economy, a country that invests and exports, on the scale that Germany does, builds up bank deposits in excess of its lending. Until recently the European Union had been a very successful vehicle for recycling those credit surpluses to other countries in Europe or, more correctly, for converting the indebtedness of households, firms and governments elsewhere in Europe into German bank deposits. The ECB needs to reinforce that success by properly supporting government bond markets, extending its longer-term refinancing operations, in order to ease credit conditions, and supporting a growth programme for Europe. As for government indebtedness, this could be easily managed by more active open market operations and a tax on bank balance sheets, with the proceeds of that tax used to buy back government bonds. Such a tax would be the banks' contribution to the improvement of credit conditions in Europe that will benefit banks and everyone else.

Trade does not drive global growth*

BY LEON PODKAMINER

For many decades now international trade has been gaining in importance. The share of global exports of goods and non-factor services in world GDP, which stood at 11.6% in 1960, climbed to over 32% in 2008 (before falling – during the 2009 global crisis – slightly below the 30% mark).[1] Many reasons have been put forward to explain the tendency for the trade share to rise. Essentially, the phenomenon of world trade growing faster than world GDP could be seen as reflecting the progressing liberalization of international trade as well as continuing advances in transportation and communication technologies. In particular, the technological progress combined with the tendencies to liberalize internationally (as well as internally, in major trading nations) are surely jointly responsible for the development of the new internationalized forms of production organization, as signified by the importance of offshoring, the fragmentation of production, the outsourcing of the manufacture of intermediate inputs to low-wage emerging markets etc. Naturally, the ongoing internationalization of production inflates the values of international trade relative to final output.

Under the standard assumptions of the neoclassical trade theory the liberalization of trade and the reduction in trade costs should be conducive not only to 'more trade', but in the first place to more gains from trade – that is to more additional output. Moreover, those gains should accrue (even if not necessarily equitably) to all countries participating in trade. In any case, cheaper and less restricted international trade is not, according to the conventional trade theory, hurting any trading country.

The 'new' theories of international trade and the new 'new' trade theories may not unequivocally support the view that more trade necessarily generates more output to the participating nations. Opinions openly doubting the benefits to individual nations of freer trade (often hinting at the advantages of some levels of protectionism) are not quite rare, especially among students of the developing countries. Interestingly, the pope of the neoclassical trade theory himself expressed some heretical doubts about the doctrine he had long preached (Samuelson, 2004).

The reservations about the possibly undesirable consequences (including higher income inequality and depressed wages/employment in industrial countries) of growing trade notwithstanding, it is only fair to say that the hypothesis stipulating that 'trade growth drives GDP growth' has assumed the status of a dogma. Without the dogma status of that hypothesis it would be rather hard to account for the persistent efforts at global (and internal) liberalization (GATT/WTO, IMF). Also, such integrative efforts as those on which the European Union is founded would lack economic rationale should the hypothesis be rejected.

However, is there compelling empirical evidence supporting that hypothesis when applied to the aggregate *global* economy? Quite surprisingly, the research does not seem to have addressed itself to testing that hypothesis. Naturally, there are numerous studies concerned with the evaluation of the role of trade for individual countries (or 'panels' of countries). However, the rich empirical literature on 'growth accounting', concerned with the quantification of sources of long-term income (or/and productivity) growth across time and space, is not quite supportive of the hypothesis endowing rising foreign trade with output-growth enhancing abilities. As recently documented by Hillebrand et al. (2010) '... there is a troubling disconnect between the economic growth literature and the trade literature ...'. Classical studies such as Denison (1985) dismiss trade as the source of the US longer-term economic growth, or fail to mention it altogether. It may be added that the econometric studies, of which

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1 All numbers quoted come from the World Bank's *World Development Indicators*, 2012 Edition.

there is no shortage, attempting to quantify the impacts of various factors on GDP growth rates (or on total factor productivity growth) across larger samples of countries typically do not support the hypothesis on the productive role of trade. For example, Rodrik et al. (2004) find out that '... once institutions are controlled for, trade is almost always insignificant, and often enters the income equations with the "wrong" (i.e. negative) sign...'. Given the fact that the longer-term growth performances of most individual countries cannot really be explained by foreign trade developments, one may not claim that the long-term growth of global (world) income has been meaningfully driven by the rising volume of global trade.

It goes without saying that in the shorter run the growth of output of some individual countries may heavily rely on expansion of their exports. Moreover, the growth of productivity (and of potential output) in many cases may depend upon rising imports of capital goods and intermediate inputs. Rising *net* exports may contribute substantially to overall GDP growth in *some* nations.[2] Examples of countries following 'export-led' growth paths abound. But it must be remembered that for each country relying for GDP growth on the improvement of net exports there must be some other countries whose net exports deteriorate – thus depressing their GDP growth. The existence of a club of countries following the 'export-led' growth paths implies the existence of a club of 'import-fed' countries whose GDP growth must sooner or later be held back by contracting net exports. The global economy – being a closed system – cannot follow the export-led growth path.

This paper sets out to analyse econometrically the dynamic relationships between world GDP and world trade (which is identified using world exports). The analysis shows that movements in GDP drive movements in exports while movements in exports are not really followed by movements in GDP. In this sense trade does *not* cause growth – while growth causes trade.

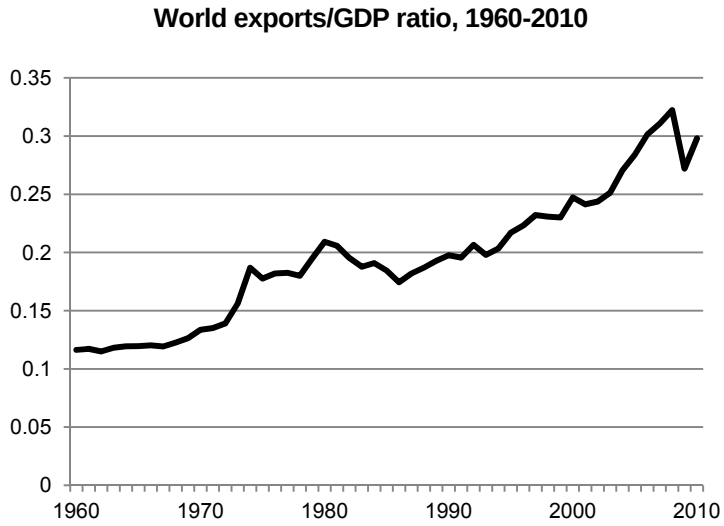
The data

The analysis that follows works with two time series taken from the World Bank's World Development Indicators (WDI) data set: world GDP and world exports of goods and services (as reported by the Balance of Payments). Both items are expressed in current US dollars. Obviously, it would be desirable to work with the real volumes of GDP and exports – but the WDI do not provide data on the volumes of world exports, though it does provide data on volumes of world GDP. Calculation of export volumes would require deep studies on meaningful price indices for world trade, still a task for the future. The world trade and GDP series currently available from WDI extend from 1960 through 2010. Figure 1 shows the development of the trade/GDP ratio over the whole period. As can be seen, the ratio followed a quite smoothly accelerating growth trajectory until 1973. A period of instability ensued. By 1987 the ratio seemed to have returned to the pre-1973 trajectory which then abruptly terminated in 2009.

The analysis to follow is limited to developments from 1987 through 2008. The instability period (1973-1987) differs from both the preceding and succeeding ones on many essential counts. Two major oil price shocks hit the world economy during that period – fits of very high inflation followed in their wake, probably additionally inflating the values of trade relative to the values of GDP. Moreover, that was a period of great instability in exchange rates which started with the demise of the Bretton Woods system in 1973 and effectively ended in 1987 (following the Plaza Accords of 1985). Wild longer-term fluctuations in the US dollar exchange rates during that period may have disturbed the underlying relationship between growing trade and growing GDP. Finally, the exclusion of 2009 (and 2010) also seems to make sense. The great recession of 2009 constituted a true shock to world GDP and to world trade. (For many reasons studied extensively by numerous researchers, the 2009 recession in trade was much deeper than in GDP.)

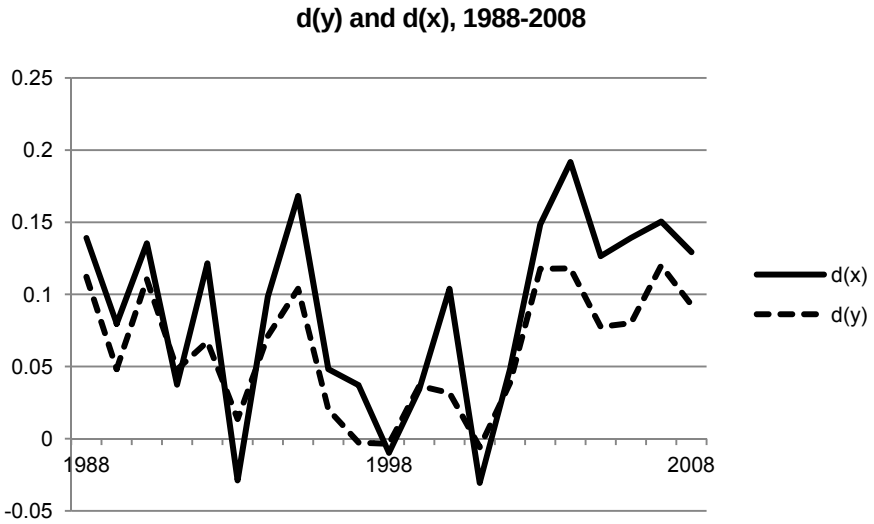
[2] Observe that the rising net exports may well be achieved at the cost of the overall GDP growth stagnation. This is the case in Germany where high trade surpluses (achieved through the sustained repression of wages and domestic demand) have been associated with anaemic overall GDP growth (Laski and Podkaminer, 2012).

Figure 1



Source: WDI, 2012 Edition (August).

Figure 2



The following analysis works with the natural logarithms of world GDP and world exports, denoted as y and x respectively. Both items are non-stationary while their first differences d(y) and d(x) are stationary[3] (see Appendix Table 1).Figure 2 shows the differenced series d(y) and d(x). As can be seen, d(y) and d(x) are strongly correlated (the simple correlation coefficient equals 0.915).

The natural step now is to check whether there is Granger causality between d(x) and d(y). Appendix Table 2 strongly suggests that d(y) Granger-causes d(x) while d(x) does not seem to Granger-cause d(y).

Trade and GDP appear to be co-integrated

Further statistical inferences on the links between x and y require checking for the presence of so-called cointegration. Loosely speaking, although x and y appear to be non-stationary, some specific linear combination of the two series (with intercepts or deterministic trends eventually added) may be stationary. In such a case this cointegrating linear combination of x and y (denoted as E) would rep-

[3] Approximately, d(y) and d(x) equal the growth rates of nominal world GDP and world exports respectively.

resent a long-run ('equilibrium') relationship between x and y. In the long run (and in the absence of external disturbances), E is assumed to equal zero. E taking on a value different from zero indicates the occurrence of an imbalance (or error) which the short-term movements in x and y would gradually reduce.

Commonly used Johansen tests suggest the existence of cointegration of x and y. The following system of equations, appears to have fairly good statistical properties. Consequently, it is legitimate to apply the Vector Error Correction (VEC) estimation approach. The long-run equilibrium relationship E is then estimated as:

$$E(\tau) = (x(\tau) - 1.051059 \cdot y(\tau) - 0.025274 \cdot (\tau - 1960) + 4.02061)$$

(0.100) (0.0045)

[-10.5] [-5.58]

(τ denotes the date (year). The standard error of the estimate is in round brackets, the t-statistics in square brackets.)

Equations (1) take on the following form:

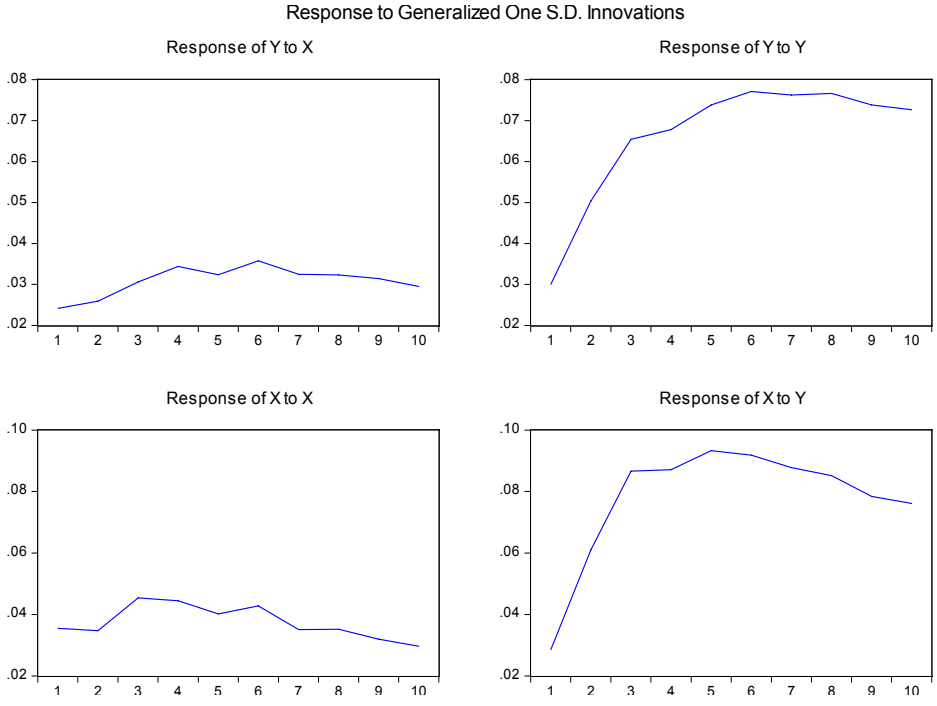
d(x)=	-1.39·E(-1) -	0.76· (x(-1))	- 0.37·d(x(-2))+	0.85·d(x(-3))+	1.66·d(y(-1))+	1.27·d(y(-2)) -	0.61·d(y(-3)) -	0.033
	(0.312)	(0.233)	(0.26)	(0.26)	(0.32)	(0.022)	(0.425)	(0.24)
	[-4.47]	[-3.26]	[-1.42]	[2.23]	[5.23]	[3.17]	[-1.43]	[-1.39]

and (1)

d(y)=	-0.68·E(-1) -	0.49·d(x(-1)) -	0.33·d(x(-2))+	0.56·d(x(-3))+	1.07·d(y(-1))+	0.80·d(y(-2)) -	0.35·d(y(-3)) -	0.011
	(0.264)	(0.197)	(0.22)	(0.22)	(0.269)	(0.34)	(0.36)	(0.2)
	[-2.59]	[-2.48]	[-1.52]	[2.52]	[3.99]	[2.37]	[-0.98]	[-0.53]

Figure 3

Responses to generalized one standard deviation innovations to y and x, the VEC equations (2)



The R-squared equals 0.808 for the d(x) equation and 0.697 for the d(y) equation. The system better tracks changes in d(x) than in d(y). Equations pass the usual diagnostic tests with flying colours.

Figure 3 shows generalized impulses for equations (1). Of particular interest are the responses of y to x (the upper left-hand panel) and responses of x to y (the bottom right-hand panel). The former panel shows that a momentary (one-off) 'positive shock' (or 'innovation') to x is followed by a weak and delayed response of y. There are no additional effects beyond the fourth year. In contrast, the effects on x of a momentary (one-off) positive shock to y are not only immediate and incomparably stronger; in addition these effects increase over a longer horizon.

Concluding remarks

Conventional econometric analysis suggests that there may be a long-term ('equilibrium') relationship between the *levels* of nominal world GDP and nominal world exports. The analysis cannot say anything about the *causal* relationships between the *levels* of GDP and exports. But it can say a lot about the rules governing the short-term adjustments in GDP and exports. It turns out that when considering such short-term adjustments, GDP plays the first fiddle. Short-term GDP changes have driven short-term changes in world exports, at least over the years 1987-2008. The evidence strongly suggests that the short-term changes in world exports did *not* 'cause' short-term changes in GDP. In this sense the analysis refutes the popular belief that 'exports cause growth'. The opposite appears to be true.

Needless to say, these are tentative conclusions. Further research may still be needed to check whether they hold also with respect to the *volumes* of trade and GDP, not only with respect to their values. Naturally, in the first place much work would be needed to develop appropriate ways of measuring the volumes of world trade (but also of world GDP). Before this Herculean task is accomplished, one may be inclined to accept the conclusions derived above.

Many more substantive questions remain open. What are the 'theoretical' reasons for the empirical patterns of short-term adjustments revealed by the analysis? Are these patterns consistent with some specific interpretations of the mechanisms governing the contemporary global macro-economy? Also, the long-run relationship (E) between the logarithms of GDP and exports suggested by the analysis (E = Log(exports) - 1.05106·Log(GDP) - 0.0245·(τ - 1960) + 4.0206) deserves deeper reflection. Assuming, for example, that exports are a factor of production (on which the supply of output in the importing countries relies), it would appear that the marginal productivity of world imports (world imports in principle must equal world exports) is *diminishing*:

$$GDP(\tau) = A(\tau)\cdot(imports)^{0.9514}$$

where $A(\tau) = \exp[3.8253 - 0.0245\cdot(\tau - 1960)]$ (τ is the date (year); 3.8253 = 4.0206/1.05106; 0.0245 = 0.02527/1.05106 and 0.9514 = 1/1.05106). How should one square the diminishing (long-run) marginal productivity of world trade with the conventional beliefs about its beneficial long-term productivity effects? A heuristic answer could be that, perhaps, world trade could have been productive on the global scale should the GDP growth in individual countries engaged in international trade have been approximately balanced most of the time – and not only occasionally, in response to the severe payments' or exchange rate crises. It is imaginable that reaping the productivity gains in importing countries has been prevented by their GDP growth slowdowns arising over growing or persistent trade deficits. GDP growth in the net exporter countries may also have suffered because their high/persistent trade surpluses are often engineered by a policy of wage and domestic demand repression (and/or result from particularly skewed income distributions). The diminishing marginal productivity of trade may have emerged under huge trade imbalances that have gradually developed under progressing globalization. Under a regime enforcing more balanced trade among nations, with major nations not allowed to compensate deficient domestic demand with huge trade surpluses that destabilize other nations, trade's marginal productivity need not, perhaps, be diminishing. Of course, for the individual countries to follow the balance-of-payments constrained growth paths not only would

the international economic order need to be overhauled; also the basic paradigms of the domestic macroeconomic policy making in major nations would have to be radically changed.

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Appendix

Table 1

ADF tests for the order of integration of ln(GDP) and ln(exports), 1987-2008

series	Lag length*	ADF test statistics	Probability**	Conclusion
x	0	0.2823	0.9713	non-stationary
y	1	-0.2880	0.9720	non-stationary
d(x)	0	-3.4231	0.0211	stationary
d(y)	0	-3.059	0.0450	stationary

The ADF testing equations assumed an intercept.

*) Selected automatically based on Schwartz Information Criterion (max lag=8).

**) MacKinnon (1996) one-sided p-values.

Table 2

Pairwise Granger causality tests between d(x) and d(y), 1987-2008

No of lags*	Null hypothesis	F-statistics (p-value)	Conclusion
1	d(x) does not Granger-cause d(y)	2.7488 (0.1137)	
1	d(y) does not Granger-cause d(x)	8.1633 (0.0100)	d(y)→d(x)
2	d(x) does not Granger-cause d(y)	1.5522 (0.2404)	
2	d(y) does not Granger-cause d(x)	3.8703 (0.0412)	d(y)→d(x)
3	d(x) does not Granger-cause d(y)	3.070 (0.0634)	d(x) →d(y)**
3	d(y) does not Granger-cause d(x)	5.002 (0.0134)	d(y)→d(x)

*) Number of lags in the testing equations. At longer lags the case for non-rejection of the hypothesis on d(x) not Granger-causing d(y) gets progressively stronger (the respective p-values become much larger), while the hypothesis on d(y) not Granger-causing d(x) are rejected at the 0.04 level. The arrow (in the 'Conclusion' column) stands for the direction of Granger causality.

**) At three lags one can reject Granger causality *not* running from d(x) to d(y), though at relatively large p-value (0.0634).

A note on Kazakhstan's Oil Fund*

BY VASILY ASTROV

Introductory remarks

The economy of Kazakhstan has been growing dynamically over the past decade, largely thanks to the expansion of oil and gas production and exports. In 2004, Kazakhstan's real GDP exceeded for the first time the level of 1992, the first year of independence – much earlier than e.g. in Russia. Since 2004, the size of the Kazakhstani economy has more than doubled. With an official per capita GDP at purchasing power parities of EUR 9300 in 2010, Kazakhstan is now ranking third in the CIS (behind Russia and Belarus) and has a comparable level to that of the poorest EU members Bulgaria and Romania. The actual incomes are probably higher given the large scope of the shadow economy, although there are also pronounced income inequalities, particularly between cities and the countryside. Thanks to a massive anti-crisis fiscal package, Kazakhstan's economy has also demonstrated remarkable resilience to the global crisis: in 2009, it posted a positive growth of 1.2%, whereas the economies of nearly all transition countries – with the exceptions of Albania, Azerbaijan, Belarus and Poland – were in decline.

The rapid growth in oil production has been made possible primarily thanks to massive inflows of FDI from multinational companies, typically within the framework of production-sharing agreements (PSAs). In some years, FDI accounted for over a half of the country's fixed capital formation, with nearly two-thirds of FDI inflows targeting the energy sector. FDI was facilitated not least by the liberal and reform-oriented image of the country. Among the CIS countries, Kazakhstan has arguably advanced the most in terms of structural reforms. Privatization and – unlike e.g. in Russia – openness to foreign investors have been consistently ranking high on the government agenda, including in the banking sector where International Accounting Standards and a deposit insurance scheme were introduced early. Other, and more controversial, reforms included the introduction of a funded pension system in 1998, the break-up of 'natural monopolies' (electricity and railways) into competing operating units, and the privatization of housing and communal services. Also, in 2001 the authorities implemented capital flight amnesty.

Despite these achievements, the authorities are (rightly) concerned over the country's excessive reliance on energy, and have declared economic diversification as their policy goal.[1] Economic diversification has been impeded not least by institutional shortcomings such as corruption, weak law enforcement and often contradictory legislation. This has had an adverse impact on the security of property rights and has resulted in the prevalence of investment projects with a short pay-off period. Although the regime of President Nazarbayev has ensured remarkable political stability, the latter did not fully translate into stability of the investment climate, particularly outside the energy sector. Another factor which has arguably undermined economic diversification has been the deterioration in human capital as a result of outward migration of the generally well-educated Russian minority, albeit on a smaller scale than in many other CIS countries.

The stated goal of economic diversification could be partly addressed using the assets of the National Fund (NF) – Kazakhstan's government's fiscal reserves which have been accumulated over the past years thanks to the booming oil exports. In the present note, we briefly outline the underlying principles of its operation and discuss some policy issues such as the relationship between the NF assets and the public debt, the wisdom of conservative management of NF funds, and issues related to 'Dutch disease'.

The National Fund: principles of operation

Similarly to many other commodity-exporting countries, Kazakhstan is managing a government off-

* This note is a contribution to *ICEUR Insight Studies*, Vol. 1 ('Modern Kazakhstan. Image and Realities').

1 For instance, economic diversification is part and parcel of the official Development Plan to 2020.

budget fund aimed at collecting 'windfall' revenues from commodity exports and investing them abroad. The National Fund (NF) has been operating since May 2001 and has essentially two functions:[2]

(1) to accumulate oil wealth for the benefit of future generations (the saving function), and

(2) to reduce the vulnerability of the economy to external shocks arising from falling oil prices (the stabilization function).

Sources of funds

The NF accumulates the bulk of oil-related revenues stemming in particular from three taxes: the 20% corporate income tax on oil companies, the volume-based royalties, and the export tax which is applied if the oil price exceeds USD 40 per barrel. Other sources such as the tax on super-profits, bonuses, and the Kazakhstani government share in PSAs play a secondary role.

In the first few years of NF operation, the still modest oil production volumes, the low level of taxation of the oil sector and the initially generous (for foreign investors) terms of PSAs enabled only a slow accumulation of funds. However, as the oil production expanded, taxes were hiked in response to the rising oil prices, and PSAs were revised in Kazakhstan's favour (reflecting the stronger negotiating position of the government), the NF assets started growing more rapidly and reached by the end of 2011 USD 53.5 billion, corresponding to nearly 30% of Kazakhstan's GDP – see Figure 1.

Investment allocation

The NF is managed by the National Bank on behalf of the government. Although it receives revenues in both Kazakhstani tenge (KZT) and foreign exchange, its funds are invested entirely abroad, mostly in securities of developed (particularly G-3) countries. This allocation principle is a direct reflection of the saving and the stabilization functions assigned to the Fund. On the one hand, securities of developed countries are believed to be generally low-risk, making them suitable as a safe saving vehicle for future generations. On the other hand, investing the NF in securities issued by countries which would benefit from falling oil prices (which developed countries generally do) provides, to some extent, a hedge against excessive reliance on the oil revenues and thus ensures the stabilization function of the Fund.

Two thirds of the NF assets are held as 'saving portfolio', while the remaining third as 'stabilization portfolio'. The saving portfolio is composed mostly of bonds (80% of the total) and equities (17%). Investing into equities – which might have the advantage of higher returns in the long run, as demonstrated by past performance (at least prior to the global crisis) – is in line with e.g. Norway's experience and corresponds to the long-term planning horizon of the saving portfolio. However, particularly in the short and medium term, equities (and even bonds) may be risky and could therefore create a problem for stabilization purposes. Therefore, the stabilization portfolio is held almost entirely (95% of the total) in cash and money-market instruments (i.e. securities with maturity of less than one year), with the rest invested in bonds.[3]

Use for fiscal purposes

The NF assets have also been used to finance the ('non-oil') budget deficits.[4] As can be seen from Figure 2, up until 2006 the Kazakhstani government was running essentially balanced budgets without having to tap the still rather small National Fund. However, the domestic banking crisis in 2007 and the global economic crisis in 2008-2009 translated into a sharp slowdown of Kazakhstan's economic growth and a shortfall in government revenues. Simultaneously, public expenditures shot up as the government implemented a massive stimulus package amounting to 4.5% of GDP.[5] As a result, non-oil budget deficits widened markedly, up to 9% of GDP

[2] Ministry of Finance of Kazakhstan, www.minfin.kz

[3] As of end-September 2011.

[4] Strictly speaking, these deficits are not entirely 'non-oil', since *some* oil-related government revenues (which are not captured by the National Fund) flow directly into the budget. According to IMF calculations, the 'true' non-oil deficits have typically been several percentage points of GDP higher.

[5] Taking into account the quasi-fiscal expenditures of Kazakhstan's development agency Samruk Kazyna, the enacted fiscal package reached an estimated 7.5% of GDP.

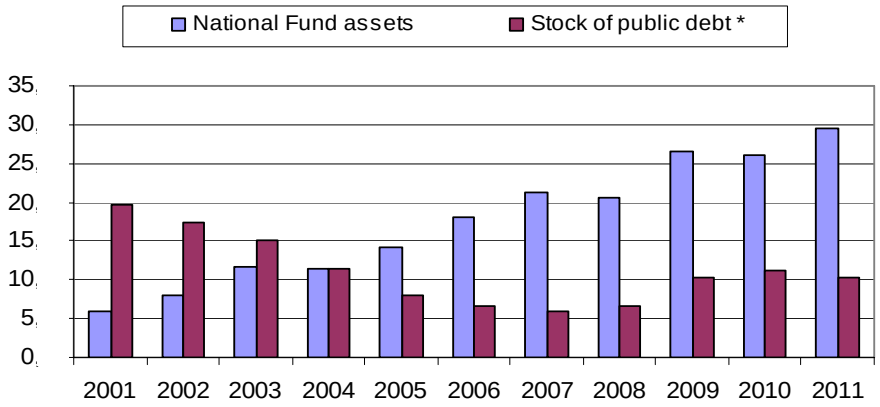
in 2009, and were increasingly covered by transfers from the NF. The scale of these transfers exceeded 6% of GDP in both 2008 and 2009. Although in subsequent years the pace of real GDP growth picked up impressively, economic activity outside the booming oil sector remained relatively weak, particularly in construction, real estate and the financial sector. Therefore, the non-oil budget deficits declined only moderately and dependence on transfers from the NF remained high. The current legislation adopted at the beginning of 2010 stipulates an annual fixed transfer of KZT 1200 billion (some USD 8 billion)from the NF into the government budget, provided the NF has accumulated on its balances at least 20% of GDP. The size of this transfer corresponded to 5.5% of GDP in 2010 and 4.5% in 2011.

Finally, Figure 2 also demonstrates that the overall fiscal balance – i.e. including all oil revenues accumulated in the NF – has been almost invariably in surplus over the past decade, with the exception of 2009 when it briefly turned negative due to very low oil prices that year.

Figure 1

National Fund and public debt in 2001-2011

in % of GDP, end of period



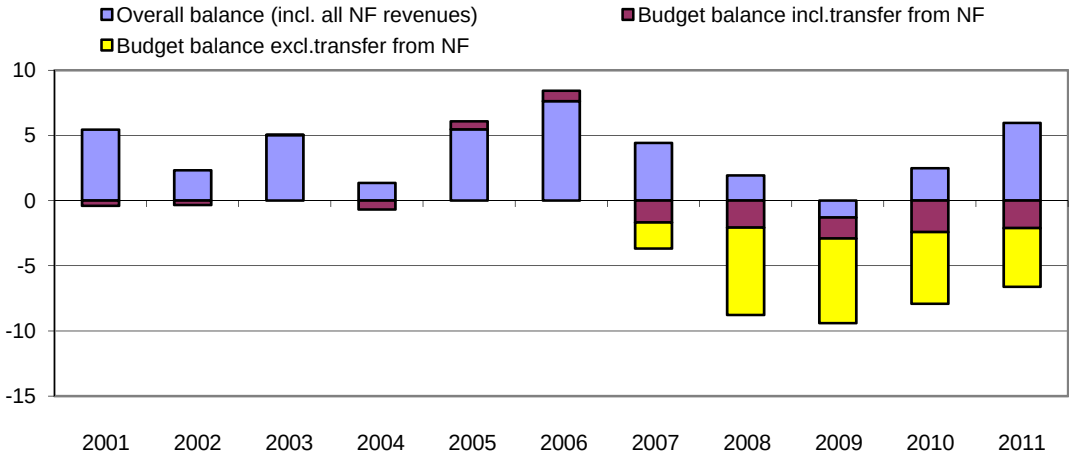
*) Without debt of the National Bank.

Source: Own calculations based on data from the Ministry of Finance.

Figure 2

Government budget in 2001-2011*

% of GDP



*) Without Samruk-Kazyna and other quasi-public institutions.

Source: Own calculations based on data from the Ministry of Finance.

Policy issues

Asset accumulation at the expense of borrowing

The annual transfers allocated from the NF starting from 2007 have been covering the non-oil budget deficits only partly, and the rest (typically 2-3% of GDP) needed to be financed otherwise – largely by borrowing. As a result, the declining trend of the public debt to GDP ratio, which had been observed in previous years, came to a halt and subsequently reversed. By 2009, the stock of Kazakhstani public debt (excluding debt of the National Bank) exceeded 10% of GDP, and has since stayed at about this level – see Figure 1. Thus, the overall fiscal surpluses and the accumulation of funds in the NF over the past few years have been accompanied by the rising indebtedness of the government. While the stock of public debt is very low by international standards, one may still question the wisdom of this strategy given the existing gap between the low NF profitability and the relatively high cost of servicing the public debt.

Table 1

Return on National Fund assets and cost of public debt service in 2002-2011, in %

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Return on NF assets 1)	4,2	1,3	2,5	6,7	6,9	5,2	-2,4	27,8	3,0	1,03)
Cost of public debt service 2)	6,1	5,9	5,1	4,5	4,7	5,0	7,6	6,4	5,3	4,9

Notes: 1) In tenge terms. Nominal return divided by National Fund assets at the beginning of the year. - 2) Cost of debt service divided by the stock of public debt at the beginning of the year. - 3) Based on return in January-September 2011.

Source: Own calculations based on data from the Ministry of Finance.

Table 1 demonstrates that the dynamics of these two latter indicators since 2002 and their relative standing vis-à-vis each other have been widely fluctuating. At the beginning, the cost of servicing the public debt typically exceeded the return on NF assets. However, this reversed in the pre-crisis years, probably reflecting the equity markets boom (and thus higher returns on the NF assets) and the low estimated sovereign risks in Kazakhstan which allowed the government to borrow more cheaply than before.[6] With the global crisis of 2008-2009, the pattern switched again – disregarding the one-time strong devaluation of the tenge (by 18% against the US dollar), which allowed the government to capitalize on its NF foreign-denominated assets and explains the record-high 28% profitability in tenge terms recorded that year. Apart from that, the return on the NF assets over the past two years has stayed below the cost of public debt service. This should not be much of a surprise, since interest rates and yields on government bonds in developed countries (where the NF funds are invested) plummeted in the aftermath of the global crisis, while the increased risk aversion in the financial markets kept the cost of borrowing for emerging markets – even 'low-risk' ones such as Kazakhstan – at a relatively high level.

Our calculations suggest that if the government had fully financed the budget deficits by tapping the NF rather than by borrowing, it would have saved on the interest rate differential some KZT 10 billion in 2010 and KZT 20 billion in 2011.[7] More generally the Kazakhstani government could easily pay back all public debt using the NF assets and save some KZT 100 billion (USD 700 million) on annual basis.[8] This money could be used e.g. for upgrading public infrastructure or the social safety network. Note that paying back all public debt using the NF funds would bring the National Fund only marginally below 20% of GDP – the officially set 'floor', below

[6] Though the balanced budgets in the pre-crisis years hardly required new government borrowing, the stock of public debt inherited from previous years still had to be refinanced.

[7] For simplicity, the calculation assumes that the interest rate paid on newly borrowed funds is the same as the interest rate paid on the entire public debt stock (i.e. that the marginal rate equals the average rate). The same assumption applies to the return on the NF assets.

[8] Under the assumption that the interest rate differential stays at the level of 2011.

which the NF is not allowed to fall out of precautionary considerations.

Savings versus development

The saving function of the NF is based on the idea of intergenerational equity. It is argued that Kazakhstan's oil deposits will be at some point depleted. Therefore, in order to maintain the living standards, future generations should be able to resort to income accrued on assets which need to be accumulated during the period of the oil boom. A similar idea is underlying e.g. Norway's Government Pension Fund. However, it can be argued that concerns about intergenerational solidarity in Kazakhstan should be less relevant than in Norway. Given that the Kazakhstani economy is likely to grow much faster than the Norwegian one (in line with the hypothesis of beta convergence),[9] future generations of Kazakhs will presumably be much wealthier than the present generation even without having to resort to interest accrued on the NF assets.

Some estimates suggest that the current consumption levels in Kazakhstan may be indeed suboptimal. In other words, the government could increase the use of NF assets for consumption purposes on a current basis without necessarily depriving the future generations of living standards at least as high as those enjoyed by the 'oil boom' generation. For instance, according to IMF (2010) calculations based on the official long-term projections of oil production[10] and various scenarios with respect to the level of oil prices, the Kazakhstani government could safely spend around USD 10-11 billion annually out of its oil revenues without jeopardizing the NF as a saving vehicle. This is somewhat above the annual fixed transfer of USD 8 billion from the NF to the budget stipulated by the current legislation.

The case for spending more becomes even stronger if we allow for the possibility that the money is not just used for consumption, but also invested. Such investment could, for instance, be directed to upgrading the country's infrastructure, thus encouraging private investment in the non-energy branches of the economy. In this way, if the government decided to use the NF funds domestically, it would contribute substantially to the diversification of the economy – its declared goal. This diversification could, in turn, contribute also to the stability of public finances.

The government could also target e.g. education and health care with these investments, laying the foundation for long-term sustainable economic growth thanks to human capital accumulation. Even the IMF (2011) – which usually advocates conservative fiscal policy and often disregards the social impact of policy measures – acknowledges that in terms of the level of education and the quality of health care, Kazakhstan is lagging behind countries at a similar level of economic development and behind what it could afford. More generally, Kazakhstan's government expenditures as a share of GDP (just above 20%) are also low for the country's development level. They are much lower than e.g. in Russia or Ukraine (let alone European countries), and more in line with levels observed e.g. in the countries of the Caucasus, all of which are much poorer than Kazakhstan.

In January 2012, President Nazarbayev announced a number of investment projects which are to be financed from the National Fund, such as the construction of roads and railroads, of a fertilizers plant (USD 2 bn), of a heat and power plant (USD 2.3 bn), of an oil refinery (USD 1.7 bn) and of a gas processing plant (USD 5 bn) – see Pindyuk (2012). Against the background of the above arguments, this move appears to be ambiguous. On the one hand, the decision to tap NF funds for development purposes and to invest into public infrastructure is appropriate and arguably overdue. On the other hand, the announced investments into energy and chemicals will hardly contribute to the diversification of the Kazakhstani economy. Private

[9] According to the hypothesis of beta convergence, developing countries have the potential to grow faster than developed countries – in part because they can replicate technologies already used in developed countries, and also because they can use their scarce capital stock more efficiently.

[10] In line with these projections, oil production in Kazakhstan will peak in 2016-2017 at 2.5 million barrels per day (when the vast Kashagan oil field is put onstream), will stay at this level until 2040, and decline thereafter by 1% per year.

investments into the energy sector, including FDI, have been booming over the past decade. Similarly, chemicals – which according to the IMF (2011) are a 'natural' area of comparative advantage for oil-producing countries – should be able to attract private investment. In both cases, there is generally no need for the state to step in. At the same time, neither more technologically advanced branches (such as machinery and equipment) nor social spending – areas where private investment is less likely to come and where the need for state involvement is arguably more pressing – are targets of the announced programmes.

The National Fund and the 'Dutch disease'

Similarly to stabilization funds in many other countries, the NF of Kazakhstan has proved to be an effective instrument of monetary sterilization. That is, by accumulating oil-related foreign exchange inflows on the government account at the National Bank (i.e. off-market) and investing them in foreign assets, the NF has prevented the emergence of excessive appreciation pressures and of the so-called 'Dutch disease' (whereby the profitability of the non-oil tradable sector is undermined by an overvalued exchange rate). According to IMF estimates, foreign investments of the NF have accounted recently for about 30% of the country's overall capital outflows.

The reverse side of the successful sterilization policy has been however the apparent shortage of funds available for investment into the non-energy sector. The growing domination of oil and gas in the economic structure might be a problem in the long run, as it makes the country even more vulnerable to the volatility of world oil prices. These structural distortions appear to have little to do with the 'Dutch disease': had the exchange rate been (even) more competitive, there would probably have been only a modest supply response from the non-oil manufacturing sector due to the limited supply-side capacities.

Conversely, one could argue that investing the NF money into the non-oil tradable sector (e.g. manufacturing) would result in its higher productivity. The latter could in turn counteract possible 'Dutch disease' effects stemming from higher inflationary pressure and an additional tenge appreciation potentially associated with spending part of the NF reserves. Of course, any sizeable domestic spending of the NF money would pose a challenge to macroeconomic management. It is essential that any major withdrawal of government foreign currency-denominated deposits at the National Bank and their subsequent conversion into tenge be accompanied by corresponding policy coordination with the National Bank. The aim of such an approach would be both to avoid unwelcome appreciation pressure (and the likely speculation on such appreciation) and to leave open the possibility for counteracting any unwarranted depreciation pressure in the future.

At the same time, the appreciation pressure (and the inflationary pressure alike) is likely to be kept within limits as long as additional government spending is import-intensive. One example of import-intensive government spending could be infrastructure development programmes involving large-scale imports of investment goods. Alternatively, subsidizing the education of Kazakhstani students abroad and the foreign treatment of Kazakhstani patients could serve as further examples of import-intensive government expenditures out of the Fund, which could prevent the emergence of excessive appreciation and/or inflationary pressures.

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STATISTICAL ANNEX

Selected monthly data on the economic situation in Central, East and Southeast Europe

Conventional signs and abbreviations used

.	data not available
%	per cent
PP	change in % against previous period
CPPY	change in % against corresponding period of previous year
CCPPY	change in % against cumulated corresponding period of previous year
3MMA	3-month moving average, change in % against previous year
NACE Rev. 2	Statistical classification of economic activities in the European Community, Rev. 2 (2008)
NACE Rev. 1	Statistical classification of economic activities in the European Community, Rev. 1 (1990) / Rev. 1.1 (2002)
LFS	Labour Force Survey
CPI	Consumer Price Index
HICP	Harmonized Index of Consumer Prices (for new EU member states)
PPI	Producer Price Index
EDP	Excessive Deficit Procedure
M1	Currency outside banks + demand deposits / narrow money (ECB definition)
M2	M1 + quasi-money / intermediate money (ECB definition)
M3	Broad money
p.a.	per annum
mn	million (10^6)
bn	billion (10^9)
avg	average
eop	end of period
NCU	National Currency Unit (including 'euro-fixed' series for euro-area countries)

The following national currencies are used:

ALL	Albanian lek	HUF	Hungarian forint	RON	Romanian leu
BAM	Bosnian convertible mark	LVL	Latvian lats	RSD	Serbian dinar
BGN	Bulgarian lev	LTL	Lithuanian litas	RUB	Russian rouble
CZK	Czech koruna	MKD	Macedonian denar	UAH	Ukrainian hryvnia
HRK	Croatian kuna	PLN	Polish zloty		

EUR	euro – national currency for Montenegro and for the euro-area countries Estonia (from January 2011, euro-fixed before), Slovakia (from January 2009, 'euro-fixed before) and Slovenia (from January 2007, 'euro-fixed' before)
USD	US dollar

Sources of statistical data: Eurostat, National Statistical Offices, Central Banks and Public Employment Services; wiiw estimates.

B U L G A R I A: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	3.5	2.3	3.3	2.0	-1.2	-1.1	-3.6	-2.9	-2.6	2.0	0.4	0.8	3.3	-2.5	.
Industry, NACE Rev. 2 [1]	real, CCPPY	8.2	7.5	7.0	6.5	5.8	-1.1	-2.4	-2.6	-2.6	-1.6	-1.3	-1.0	-0.4	-0.7	.
Industry, NACE Rev. 2 [1]	real, 3MMA	3.9	3.0	2.5	1.3	-0.1	-1.9	-2.6	-3.0	-1.2	-0.1	1.0	1.5	0.5	.	.
Productivity in industry, NACE Rev. 2 [1]	CCPPY	.	11.4	.	.	9.8	.	.	0.4	.	.	2.0	.	.	.	.
Unit labour costs, exch.r. adj.(EUR) [1]	CCPPY	.	-3.0	.	.	-1.9	.	.	6.2	.	.	3.9	.	.	.	.
Construction, NACE Rev. 2 [2]	real, CPPY	-8.4	-11.1	-10.5	-10.9	-5.6	2.2	-9.4	1.7	1.6	4.5	-4.6	3.9	1.5	-4.0	.
Construction, NACE Rev. 2 [2]	real, CCPPY	-14.6	-14.2	-13.8	-13.5	-12.9	2.2	-3.6	-1.7	-0.9	0.3	-0.6	0.1	0.3	-0.2	.
LABOUR																
Employed persons, LFS [3]	th. pers., quart. avg	.	3018.3	.	.	2955.2	.	.	2853.2	.	.	2913.7	.	.	.	.
Employed persons, LFS [3]	CPPY	.	-2.8	.	.	-2.3	.	.	.	.	.	.	.	.	.	.
Unemployed persons, LFS [3]	th. pers., quart. avg	.	343.0	.	.	380.9	.	.	421.4	.	.	409.5	.	.	396.0	.
Unemployment rate, LFS [3]	%	.	10.2	.	.	11.4	.	.	12.9	.	.	12.3	.	.	11.7	.
Unemployment, registered	th. persons, eop	313.8	310.0	314.1	327.3	342.4	366.0	376.2	376.6	373.5	360.1	354.8	356.5	351.5	349.4	361.9
Unemployment rate, registered [4]	%, eop	9.5	9.4	9.6	10.0	10.4	11.1	11.5	11.5	11.4	11.0	10.8	10.8	10.7	10.6	11.0
WAGES																
Total economy, gross	BGN	683	704	706	723	752	720	719	754	760	758	755	750	744	768	.
Total economy, gross [5]	real, CPPY	5.2	5.4	5.4	5.7	6.6	6.5	6.3	7.6	4.9	6.6	7.7	6.0	5.6	5.5	.
Total economy, gross	EUR	349	360	361	370	384	368	368	386	389	388	386	383	380	393	.
Industry, gross, NACE Rev. 2	EUR	345	355	349	356	363	352	347	376	366	368	373	367	364	378	.
PRICES																
Consumer - HICP	PP	-0.1	0.0	0.3	0.1	0.3	0.4	0.6	0.1	0.2	-0.1	-0.5	1.1	0.6	0.3	-0.1
Consumer - HICP	CPPY	3.1	2.9	3.0	2.6	2.0	1.9	2.0	1.7	2.0	1.8	1.6	2.4	3.1	3.4	3.0
Consumer - HICP	CCPPY	3.8	3.7	3.6	3.5	3.4	1.9	2.0	1.9	1.9	1.9	1.9	1.9	2.1	2.2	2.3
Producer, in industry, NACE Rev. 2	PP	-1.3	1.6	-1.5	1.0	-0.6	2.4	0.5	0.8	1.5	-1.7	-1.3	1.8	1.5	0.9	.
Producer, in industry, NACE Rev. 2	CPPY	7.1	8.6	7.3	6.8	4.0	4.7	3.6	3.4	3.7	3.2	2.2	3.1	6.1	5.4	.
Producer, in industry, NACE Rev. 2	CCPPY	10.9	10.6	10.3	9.9	9.4	4.7	4.2	3.9	3.8	3.7	3.5	3.4	3.7	3.9	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	13318	15101	16906	18677	20265	1439	2903	4625	6255	8123	9890	11755	13623	.	.
Imports total (cif), cumulated	EUR mn	14952	17086	19214	21414	23407	1790	3634	5804	7986	10369	12605	14816	16909	.	.
Trade balance, cumulated	EUR mn	-1634	-1985	-2308	-2736	-3142	-351	-731	-1179	-1731	-2246	-2716	-3061	-3286	.	.
Exports to EU-27 (fob), cumulated	EUR mn	8216	9340	10505	11658	12605	882	1726	2773	3773	4869	5893	7037	8042	.	.
Imports from EU-27 (cif), cumulated	EUR mn	8817	10046	11349	12682	13899	1088	2174	3488	4676	6047	7395	8743	9876	.	.
Trade balance with EU-27, cumulated	EUR mn	-601	-706	-844	-1025	-1294	-206	-448	-716	-902	-1179	-1502	-1706	-1835	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	896	.	.	104	.	.	-553	.	.	-848	.	.	.	.
EXCHANGE RATE																
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
BGN/USD, monthly average	nominal	1.364	1.420	1.427	1.443	1.484	1.516	1.479	1.482	1.486	1.529	1.561	1.592	1.577	1.521	1.507
EUR/BGN, calculated with CPI [6]	real, Jan09=100	100.5	99.9	99.9	99.9	99.8	100.7	100.8	99.9	99.7	99.6	99.2	100.8	100.9	100.7	100.3
EUR/BGN, calculated with PPI [6]	real, Jan09=100	108.4	109.6	107.9	108.8	108.3	109.9	109.9	110.3	111.9	110.4	109.6	111.4	112.2	113.1	.
USD/BGN, calculated with CPI [6]	real, Jan09=100	107.9	103.4	103.5	102.6	100.1	98.0	100.6	99.8	99.4	96.6	94.3	93.7	94.5	97.9	98.8
USD/BGN, calculated with PPI [6]	real, Jan09=100	107.3	104.4	103.7	103.4	100.8	100.6	103.1	102.5	104.0	100.1	97.6	97.6	98.8	102.4	.
DOMESTIC FINANCE																
Currency in circulation	BGN mn, eop	7350	7379	7311	7317	7794	7528	7482	7451	7513	7496	7676	7940	8094	8040	7971
M1	BGN mn, eop	20352	20100	20067	19906	21027	21455	21652	21374	21705	21521	21248	22534	22527	22627	22298
Broad money	BGN mn, eop	55244	55494	55228	54938	56957	57401	57406	57527	58319	58427	58528	59949	60118	60350	59970
Broad money	CPPY	9.4	10.3	9.6	7.8	12.2	12.7	11.7	10.7	11.6	10.9	10.2	10.0	8.8	8.8	8.6
Central bank policy rate (p.a.) [7]	%, eop	0.18	0.18	0.20	0.22	0.22	0.22	0.18	0.15	0.15	0.14	0.14	0.16	0.08	0.04	0.03
Central bank policy rate (p.a.) [7][8]	real, %	-6.4	-7.8	-6.7	-6.2	-3.7	-4.3	-3.3	-3.1	-3.4	-3.0	-2.1	-2.8	-5.7	-5.1	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	BGN mn	.	163	.	.	-1535	.	.	-166	.	.	756	.	.	.	.

1) Enterprises with 10 and more persons.

2) All public enterprises, private enterprises with 5 and more employees.

3) From 2012 according to census February 2011.

4) From June 2011 based on census February 2011.

5) Nominal wages deflated with HICP.

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

7) Base interest rate. This is a reference rate based on the average interbank LEONIA rate of previous month (Bulgaria has a currency board).

8) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	5.3	1.1	1.0	4.0	2.1	3.4	5.6	0.1	1.5	-3.1	-2.7	4.2	-3.1	-7.1	.
Industry, NACE Rev. 2	real, CCPPY	8.9	8.0	7.2	6.9	6.5	3.4	4.5	2.9	2.6	1.4	0.7	1.1	0.6	-0.3	.
Industry, NACE Rev. 2	real, 3MMA	3.2	2.3	2.1	2.4	3.2	3.7	2.9	2.3	-0.5	-1.5	-0.8	-0.7	-2.3	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	4.8	.	.	3.7	.	.	1.3	.	.	-0.3	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	3.5	.	.	2.4	.	.	-0.4	.	.	0.4	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	-9.5	-6.3	-8.0	-5.5	14.5	-6.8	-15.8	-6.1	-1.1	-3.4	-9.2	-0.5	-4.7	-10.6	.
Construction, NACE Rev. 2	real, CCPPY	-4.4	-4.7	-5.2	-5.2	-3.5	-6.8	-11.7	-9.4	-6.7	-5.8	-6.6	-5.5	-5.4	-6.2	.
LABOUR																
Employed persons, LFS [1]	th. pers., quart. avg	.	4927.9	.	.	4915.5	.	.	4834.9	.	.	4888.1	.	.	.	.
Employed persons, LFS [1]	CPPY	.	0.3	.	.	-0.1	.	.	.	.	.	.	.	.	.	.
Unemployed persons, LFS [1]	th. pers., quart. avg	.	345.7	.	.	337.9	.	.	369.2	.	.	350.9	.	.	355.0	.
Unemployment rate, LFS [1]	%	.	6.6	.	.	6.4	.	.	7.1	.	.	6.7	.	.	6.8	.
Unemployment, registered	th. persons, eop	481.5	475.1	470.6	476.4	508.5	534.1	541.7	525.2	497.3	482.1	474.6	485.6	486.7	493.2	496.8
Unemployment rate, registered	%, eop	8.2	8.0	7.9	8.0	8.6	9.1	9.2	8.9	8.4	8.2	8.1	8.3	8.3	8.4	8.5
WAGES																
Total economy, gross	CZK, quart. avg.	.	24165	.	.	26206	.	.	24052	.	.	24626	.	.	.	.
Total economy, gross [2]	real, CPPY	.	0.3	.	.	-0.4	.	.	-0.7	.	.	-1.4	.	.	.	.
Total economy, gross	EUR, quart. avg.	.	991	.	.	1037	.	.	959	.	.	975	.	.	.	.
Industry, gross, NACE Rev. 2 [3]	EUR, quart. avg.	.	981	.	.	1030	.	.	963	.	.	994	.	.	.	.
PRICES																
Consumer - HICP	PP	-0.1	-0.2	0.3	0.4	0.4	1.8	0.2	0.3	0.0	0.2	0.2	-0.2	0.0	-0.1	0.3
Consumer - HICP	CPPY	2.1	2.1	2.6	2.9	2.8	3.8	4.0	4.2	4.0	3.5	3.8	3.3	3.4	3.5	3.6
Consumer - HICP	CCPPY	1.9	1.9	2.0	2.1	2.1	3.8	3.9	4.0	4.0	3.9	3.9	3.8	3.8	3.7	3.7
Producer, in industry, NACE Rev. 2	PP	0.0	0.6	0.3	1.0	0.1	0.7	-0.6	-0.3	0.2	0.7	0.3	-0.4	-0.3	-0.4	.
Producer, in industry, NACE Rev. 2	CPPY	3.8	4.4	5.0	5.5	4.1	4.7	3.9	2.8	2.4	2.5	2.9	2.7	2.4	1.4	.
Producer, in industry, NACE Rev. 2	CCPPY	3.2	3.3	3.5	3.7	3.7	4.7	4.3	3.8	3.4	3.2	3.2	3.1	3.0	2.8	.
FOREIGN TRADE, EU definition																
Exports total (fob),cumulated	EUR mn	76702	87128	97690	108155	117054	9904	19958	31213	41238	51396	61656	71292	80816	91217	.
Imports total (cif),cumulated	EUR mn	72142	81655	90922	100667	109285	8729	17633	27356	36548	45900	55076	63769	72643	81767	.
Trade balance,cumulated	EUR mn	4560	5473	6768	7488	7769	1175	2325	3857	4690	5497	6580	7523	8173	9449	.
Exports to EU-27 (fob), cumulated	EUR mn	64215	72763	81520	90145	97218	8224	16461	25566	33668	41864	50107	57855	65454	73892	.
Imports from EU-27 (cif), cumulated	EUR mn	53484	60637	67840	75087	81457	6447	13305	20740	27445	34291	41195	47880	54513	61364	.
Trade balance with EU-27, cumulated	EUR mn	10731	12125	13679	15058	15761	1777	3156	4826	6223	7573	8912	9975	10941	12528	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-3765	.	.	-4453	.	.	913	.	.	653	.	.	.	.
EXCHANGE RATE																
CZK/EUR, monthly average	nominal	24.27	24.56	24.84	25.46	25.51	25.53	25.04	24.68	24.81	25.31	25.64	25.45	25.02	24.75	24.94
CZK/USD, monthly average	nominal	16.92	17.83	18.12	18.78	19.36	19.78	18.94	18.69	18.85	19.79	20.47	20.71	20.18	19.25	19.22
EUR/CZK, calculated with CPI [4]	real, Jan09=100	108.6	106.5	105.2	102.9	102.8	105.2	106.9	107.7	106.6	104.8	103.7	104.7	106.1	106.5	105.8
EUR/CZK, calculated with PPI [4]	real, Jan09=100	104.0	103.0	102.1	100.4	100.5	100.2	101.1	101.8	101.4	100.4	100.0	100.2	100.8	101.4	.
USD/CZK, calculated with CPI [4]	real, Jan09=100	116.5	110.2	109.0	105.7	103.2	102.3	106.6	107.6	106.4	101.6	98.5	97.4	99.4	103.6	104.2
USD/CZK, calculated with PPI [4]	real, Jan09=100	103.0	98.1	98.0	95.4	93.5	91.7	94.8	94.6	94.2	91.1	89.0	87.8	88.7	91.8	.
DOMESTIC FINANCE																
Currency in circulation	CZK bn, eop	363.7	368.3	370.4	374.0	377.9	376.4	378.2	379.2	382.1	382.6	386.5	382.3	382.3	386.4	.
M1	CZK bn, eop	2076.5	2084.2	2093.8	2117.4	2149.5	2160.6	2180.0	2164.2	2180.7	2221.5	2217.2	2258.8	2242.6	2236.2	.
Broad money	CZK bn, eop	2747.7	2776.3	2780.9	2801.2	2835.8	2824.2	2852.3	2846.7	2870.1	2892.8	2883.4	2897.2	2893.4	2888.1	.
Broad money	CPPY	0.6	1.8	1.9	2.6	2.7	3.2	4.2	4.8	4.2	4.5	5.4	4.9	5.3	4.0	.
Central bank policy rate (p.a.) [5]	%, eop	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.50	0.50	0.50	0.50	0.25
Central bank policy rate (p.a.) [5][6]	real, %	-3.0	-3.5	-4.1	-4.5	-3.2	-3.8	-3.0	-2.0	-1.6	-1.7	-2.4	-2.1	-1.8	-0.9	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	CZK mn	.	-79492	.	.	-124786	.	.	-33813	.	.	-41422	.	.	.	.

1) From 2012 acording to census March 2011.

2) Nominal wages deflated with HICP.

3) Including E (electricity, gas, steam, air conditioning supply etc.).

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

5) Two-week repo rate.

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

E S T O N I A: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	27.2	6.6	2.8	2.1	-2.5	1.9	2.2	-8.1	-3.6	-0.5	-1.0	-5.0	-5.3	3.0	.
Industry, NACE Rev. 2	real, CCPPY	25.6	23.2	20.8	18.8	16.8	1.9	2.1	-1.8	-2.3	-1.9	-1.7	-2.2	-2.6	-2.0	.
Industry, NACE Rev. 2	real, 3MMA	17.0	11.6	3.8	0.9	0.5	0.5	-1.8	-3.5	-4.2	-1.7	-2.1	-3.8	-2.4	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	19.7	.	.	13.7	.	.	-4.6	.	.	-4.3	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	-11.3	.	.	-6.6	.	.	14.0	.	.	12.6	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	25.4	.	.	38.9	.	.	27.9	.	.	30.0	.	.	.	.
Construction, NACE Rev. 2	real, CCPPY	.	22.2	.	.	26.7	.	.	27.9	.	.	29.1	.	.	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	627.8	.	.	614.5	.	.	614.3	.	.	624.3	.	.	634.4	.
Employed persons, LFS	CPPY	.	8.6	.	.	3.6	.	.	3.9	.	.	3.6	.	.	1.1	.
Unemployed persons, LFS	th. pers., quart. avg	.	77.0	.	.	79.0	.	.	79.6	.	.	71.0	.	.	67.9	.
Unemployment rate, LFS	%	.	10.9	.	.	11.4	.	.	11.5	.	.	10.2	.	.	9.7	.
Unemployment, registered	th. persons, eop	47.8	46.6	46.4	47.2	47.4	49.7	50.1	49.3	47.3	43.6	41.1	39.5	38.7	37.3	38.2
Unemployment rate, registered	%, eop	7.4	7.2	7.2	7.3	7.3	7.6	7.6	7.5	7.2	6.6	6.3	6.0	5.9	5.7	5.8
WAGES																
Total economy, gross	EUR, quart. avg.	.	809	.	.	865	.	.	847	.	.	900	.	.	.	.
Total economy, gross [1]	real, CPPY	.	1.1	.	.	1.8	.	.	2.2	.	.	0.7	.	.	.	.
Industry, gross, NACE Rev. 2	EUR, quart. avg.	.	824	.	.	857	.	.	867	.	.	901	.	.	.	.
PRICES																
Consumer - HICP	PP	0.3	0.6	-0.1	0.1	0.1	0.6	0.4	1.0	0.4	0.2	0.1	0.3	0.3	0.4	0.1
Consumer - HICP	CPPY	5.6	5.4	4.7	4.4	4.1	4.7	4.4	4.7	4.3	4.1	4.4	4.1	4.2	4.1	4.2
Consumer - HICP	CCPPY	5.3	5.3	5.2	5.2	5.1	4.7	4.6	4.6	4.5	4.4	4.4	4.4	4.4	4.3	4.3
Producer, in industry, NACE Rev. 2	PP	-0.1	0.1	0.0	0.0	0.0	0.8	0.4	0.2	0.2	0.0	0.0	0.3	0.7	-0.3	-0.1
Producer, in industry, NACE Rev. 2	CPPY	3.9	3.6	3.4	3.0	3.2	3.4	3.8	3.6	2.9	2.4	1.8	1.8	2.6	2.3	2.2
Producer, in industry, NACE Rev. 2	CCPPY	4.8	4.6	4.5	4.4	4.3	3.4	3.6	3.6	3.4	3.2	3.0	2.8	2.8	2.7	2.7
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	7884	8976	10017	11077	12013	942	1917	2988	4004	5040	6068	7117	8239	9367	.
Imports total (cif), cumulated	EUR mn	8395	9494	10569	11679	12671	978	2062	3254	4369	5520	6663	7825	9058	10219	.
Trade balance, cumulated	EUR mn	-511	-519	-551	-602	-659	-36	-146	-266	-365	-480	-595	-708	-818	-851	.
Exports to EU-27 (fob), cumulated	EUR mn	5289	6013	6685	7358	7959	610	1227	1942	2603	3309	3996	4682	5412	6131	.
Imports from EU-27 (cif), cumulated	EUR mn	6492	7411	8272	9184	9944	762	1636	2556	3428	4303	5218	6170	7181	8165	.
Trade balance with EU-27, cumulated	EUR mn	-1203	-1398	-1587	-1826	-1984	-152	-409	-614	-825	-994	-1221	-1488	-1769	-2034	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	209	.	.	339	.	.	-108	.	.	-194	.	.	.	.
EXCHANGE RATE																
EUR/EUR, monthly average	nominal	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
EUR/USD, monthly average [2]	nominal	0.697	0.726	0.730	0.738	0.759	0.775	0.756	0.758	0.760	0.782	0.798	0.814	0.806	0.778	0.771
EUR/EUR, calculated with CPI [3]	real, Jan09=100	101.0	100.9	100.5	100.4	100.2	101.4	101.3	101.3	101.2	101.5	101.8	102.5	102.5	102.3	102.1
EUR/EUR, calculated with PPI [3]	real, Jan09=100	98.1	97.7	97.7	97.5	97.7	97.6	97.4	97.2	97.3	97.7	98.2	98.3	98.2	97.8	97.7
USD/EUR, calculated with CPI [3]	real, Jan09=100	108.3	104.4	104.1	103.2	100.6	98.6	101.1	101.1	101.0	98.4	96.7	95.3	95.9	99.5	100.5
USD/EUR, calculated with PPI [3]	real, Jan09=100	97.1	93.1	93.8	92.7	90.9	89.3	91.4	90.3	90.4	88.6	87.5	86.2	86.5	88.6	89.7
DOMESTIC FINANCE																
Currency in circulation [4]	EUR mn, eop	2084	2101	2117	2125	2173	2073	2070	2076	2085	2107	2133	2144	2141	2132	.
M1 [4]	EUR mn, eop	4881	4938	5036	4955	5212	5069	5180	5093	5196	5388	5480	5642	5807	5744	.
Broad money [4]	EUR mn, eop	8695	8738	8782	8848	9036	8897	8934	8838	9120	9156	9256	9508	9550	9372	.
Broad money [4]	CPPY	.	.	.	.	.	5.2	6.7	5.4	8.5	8.0	9.3	11.4	9.8	7.3	.
Central bank policy rate (p.a.) [5]	%, eop	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75	0.75	0.75
Central bank policy rate (p.a.) [5][6]	real, %	-2.3	-2.0	-1.8	-1.7	-2.1	-2.3	-2.7	-2.5	-1.9	-1.3	-0.8	-1.0	-1.8	-1.5	-1.4
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	238	.	.	183	.	.	-163	.	.	-76	.	.	.	.

Note: Estonia has introduced the Euro from 1 January 2011. For statistical purposes all time series in EKK as well as the exchange rates have been divided by the conversion factor 15.6466 (EKK per EUR) to a kind of statistical EUR (euro-fixed).

1) Nominal wages deflated with HICP.

2) From January 2011 reference rate of ECB.

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

4) From January 2011 Estonia's contributions to EMU monetary aggregates. M1 and Broad money without currency in circulation.

5) From January 2011 official refinancing operation rate for euro area (ECB).

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

H U N G A R Y: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	5.2	3.1	3.4	3.5	2.5	0.5	0.9	-1.4	-3.0	0.1	0.4	0.2	-0.5	-3.7	.
Industry, NACE Rev. 2	real, CCPPY	6.9	6.4	6.1	5.8	5.6	0.5	0.7	-0.1	-0.8	-0.6	-0.4	-0.3	-0.4	-0.8	.
Industry, NACE Rev. 2	real, 3MMA	3.1	3.8	3.4	3.2	2.3	1.3	-0.1	-1.2	-1.4	-0.8	0.2	0.1	-1.5	.	.
Productivity in industry, NACE Rev. 2	CCPPY	2.4	2.2	2.2	2.2	2.1	1.4	1.7	1.1	0.5	0.9	1.3	1.5	1.6	1.2	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	5.4	5.0	4.0	3.0	2.3	-6.5	-3.8	-2.4	-2.3	-2.4	-2.9	-2.6	-2.0	-0.8	.
Construction, NACE Rev. 2	real, CPPY	-12.6	-11.3	-9.0	5.3	-0.3	-1.1	-14.9	-12.8	-1.3	-15.6	-11.6	7.7	-4.6	6.7	.
Construction, NACE Rev. 2	real, CCPPY	-10.5	-10.6	-10.4	-8.8	-7.8	-1.1	-9.1	-10.6	-8.2	-10.0	-10.3	-7.7	-7.2	-5.3	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	3855.9	.	.	3850.6	.	.	3791.3	.	.	3876.2	.	.	.	.
Employed persons, LFS	CPPY	.	0.9	.	.	1.2	.	.	1.6	.	.	1.8	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	462.0	.	.	459.0	.	.	504.1	.	.	472.2	.	.	.	.
Unemployment rate, LFS	%	.	10.7	.	.	10.7	.	.	11.7	.	.	10.9	.	.	.	.
Unemployment, registered	th. persons, eop	549.0	536.7	530.8	526.3	552.3	648.4	646.7	591.2	554.5	534.6	524.4	527.6	526.9	526.7	523.0
Unemployment rate, registered	%, eop	12.4	12.1	12.0	11.9	12.5	14.6	14.6	13.3	12.5	12.1	11.8	11.9	11.9	11.9	11.8
WAGES																
Total economy, gross [1]	HUF th	206.7	205.8	207.8	226.1	231.9	218.4	216.5	222.6	220.0	225.6	220.8	225.1	214.7	213.5	.
Total economy, gross [1][2]	real, CPPY	2.9	1.5	2.2	1.7	5.8	-1.6	1.0	-2.8	-3.0	1.0	-1.4	1.3	-2.0	-2.5	.
Total economy, gross [1]	EUR	759	722	700	731	762	711	745	761	746	768	752	786	770	751	.
Industry, gross, NACE Rev. 2 [1]	EUR	788	744	713	807	780	733	766	817	807	849	802	813	828	796	.
PRICES																
Consumer - HICP	PP	-0.1	0.0	0.5	0.6	0.2	2.4	0.6	0.8	0.8	-0.1	0.0	-0.2	0.1	0.4	0.2
Consumer - HICP	CPPY	3.5	3.7	3.8	4.3	4.1	5.6	5.8	5.5	5.6	5.4	5.6	5.7	6.0	6.4	6.0
Consumer - HICP	CCPPY	3.9	3.9	3.9	3.9	3.9	5.6	5.7	5.6	5.6	5.6	5.6	5.6	5.6	5.7	5.8
Producer, in industry, NACE Rev. 2	PP	0.6	3.0	1.9	2.4	-0.5	-0.1	-1.1	0.2	0.3	0.8	-1.5	-0.3	-0.3	0.7	.
Producer, in industry, NACE Rev. 2	CPPY	-1.5	2.5	5.1	6.1	5.5	7.3	5.9	6.1	6.6	7.2	6.4	5.6	4.6	2.2	.
Producer, in industry, NACE Rev. 2	CCPPY	1.4	1.5	1.9	2.3	2.5	7.3	6.6	6.4	6.5	6.6	6.6	6.4	6.2	5.7	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	53049	60228	67161	74650	80684	6336	13095	20234	26459	33571	40600	47111	53822	.	.
Imports total (cif), cumulated	EUR mn	48312	54728	61078	67856	73592	5931	11950	18495	24278	30697	36958	43047	49184	.	.
Trade balance, cumulated	EUR mn	4738	5501	6083	6794	7092	405	1145	1739	2181	2873	3642	4064	4638	.	.
Exports to EU-27 (fob), cumulated	EUR mn	40410	45863	51192	56852	61258	4853	9934	15367	20216	25564	30812	35822	40738	.	.
Imports from EU-27 (cif), cumulated	EUR mn	33693	38277	42569	47200	51038	3944	8209	12909	17080	21630	26155	30511	34716	.	.
Trade balance with EU-27, cumulated	EUR mn	6717	7586	8622	9653	10220	909	1725	2458	3136	3934	4657	5311	6022	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	890	.	.	917	.	.	-14	.	.	505	.	.	.	.
EXCHANGE RATE																
HUF/EUR, monthly average	nominal	272.4	285.1	296.8	309.2	304.2	307.3	290.7	292.3	294.8	293.7	293.6	286.3	278.9	284.2	282.1
HUF/USD, monthly average	nominal	189.9	207.0	216.5	228.1	230.8	238.1	219.8	221.4	224.0	229.6	234.4	233.0	224.9	221.1	217.4
EUR/HUF, calculated with CPI [3]	real, Jan09=100	108.3	102.9	99.0	95.5	97.0	98.8	104.5	103.7	103.2	103.6	103.7	106.6	109.2	106.9	107.6
EUR/HUF, calculated with PPI [3]	real, Jan09=100	101.4	99.4	97.2	95.3	96.5	94.6	98.4	97.6	96.9	98.4	97.6	99.6	101.1	99.7	.
USD/HUF, calculated with CPI [3]	real, Jan09=100	116.2	106.5	102.6	98.1	97.3	96.2	104.3	103.6	102.9	100.4	98.6	99.2	102.2	104.0	106.0
USD/HUF, calculated with PPI [3]	real, Jan09=100	100.4	94.7	93.4	90.6	89.8	86.6	92.3	90.7	90.1	89.3	86.9	87.3	89.0	90.3	.
DOMESTIC FINANCE																
Currency in circulation	HUF bn, eop	2297.3	2369.9	2455.1	2512.1	2551.6	2583.2	2530.1	2492.8	2510.1	2493.5	2506.3	2473.0	2412.3	2418.2	.
M1	HUF bn, eop	6594.6	6822.6	6902.1	7148.4	7341.4	7116.6	6936.4	6896.1	6652.4	6801.5	6787.2	6791.9	6800.7	6946.0	.
Broad money	HUF bn, eop	16580.3	17092.2	17174.6	17394.0	17424.0	16595.5	16381.2	16446.7	16150.7	16370.4	16264.5	16146.4	16283.6	16373.3	.
Broad money	CPPY	0.5	5.5	5.5	6.1	5.6	2.4	0.9	1.5	-0.5	0.0	-0.2	-1.9	-1.8	-4.2	.
Central bank policy rate (p.a.) [4]	%, eop	6.00	6.00	6.00	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.75	6.50	6.25
Central bank policy rate (p.a.) [4][5]	real, %	7.6	3.5	0.8	0.4	1.4	-0.3	1.0	0.9	0.4	-0.2	0.6	1.3	2.0	4.2	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	HUF bn	.	1702	.	.	1187	.	.	-314	.	.	-393	.	.	.	.

1) Enterprises with 5 and more employees.

2) Nominal wages deflated with HICP.

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

4) Base rate (two-week NB bill).

5) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

L A T V I A: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	9.2	9.6	5.1	8.5	3.2	11.1	12.5	6.1	3.8	6.1	7.8	7.7	9.4	-1.4	.
Industry, NACE Rev. 2 [1]	real, CCPPY	10.5	10.3	9.7	9.6	9.0	11.1	11.8	9.8	8.2	7.7	7.7	7.7	7.9	6.8	.
Industry, NACE Rev. 2 [1]	real, 3MMA	8.4	7.9	7.7	5.6	7.4	8.7	9.8	7.3	5.3	5.9	7.2	8.3	5.1	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	2.8	.	.	2.2	.	.	4.8	.	.	3.5	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	1.4	.	.	2.3	.	.	-0.3	.	.	1.7	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	19.6	.	.	25.9	.	.	28.5	.	.	23.5	.	.	8.3	.
Construction, NACE Rev. 2	real, CCPPY	.	6.1	.	.	12.3	.	.	28.5	.	.	25.1	.	.	16.1	.
LABOUR																
Employed persons, LFS [2]	th. pers., quart. avg	.	984.7	.	.	986.6	.	.	857.6	.	.	877.4	.	.	.	.
Employed persons, LFS [2]	CPPY	.	2.5	.	.	3.7	.	.	.	.	.	.	.	.	.	.
Unemployed persons, LFS [2]	th. pers., quart. avg	.	165.3	.	.	165.2	.	.	166.7	.	.	168.9	.	.	.	.
Unemployment rate, LFS [2]	%	.	14.4	.	.	14.3	.	.	16.3	.	.	16.1	.	.	.	.
Unemployment, registered	th. persons, eop	134.2	131.7	130.5	130.2	130.3	132.6	133.4	132.2	127.8	122.0	117.6	114.7	111.5	108.3	105.7
Unemployment rate, registered [3]	%, eop	11.8	11.6	11.5	11.5	11.5	11.7	11.8	11.7	11.3	12.3	11.9	11.6	11.3	11.0	10.7
WAGES																
Total economy, gross	LVL	469	459	461	464	500	464	459	475	479	478	485	.	.	.	.
Total economy, gross [4]	real, CPPY	0.8	-0.6	-0.2	0.9	0.5	0.4	1.0	-0.6	1.3	1.1	1.5	.	.	.	.
Total economy, gross	EUR	661	647	653	661	717	664	657	681	685	685	696	.	.	.	.
Industry, gross, NACE Rev. 2	EUR	651	650	636	641	713	641	628	671	661	676	697	.	.	.	.
PRICES																
Consumer - HICP	PP	-0.4	0.3	0.2	-0.1	0.0	0.8	0.2	0.6	0.7	0.0	0.0	-0.4	-0.4	0.4	-0.2
Consumer - HICP	CPPY	4.6	4.5	4.3	4.0	3.9	3.4	3.3	3.2	2.8	2.3	2.1	1.9	1.9	1.9	1.6
Consumer - HICP	CCPPY	4.3	4.3	4.3	4.3	4.2	3.4	3.3	3.3	3.2	3.0	2.8	2.7	2.6	2.5	2.4
Producer, in industry, NACE Rev. 2	PP	0.3	-0.4	0.1	-0.5	-0.1	1.4	0.1	-0.4	1.0	-0.5	0.3	0.5	0.5	0.0	0.4
Producer, in industry, NACE Rev. 2	CPPY	7.5	6.6	6.9	6.5	6.3	6.8	6.1	4.7	3.5	2.3	2.1	1.8	1.9	2.3	2.6
Producer, in industry, NACE Rev. 2	CCPPY	7.9	7.7	7.6	7.5	7.4	6.8	6.4	5.9	5.3	4.6	4.2	3.9	3.6	3.5	3.4
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	5940	6821	7716	8611	9433	746	1539	2410	3200	4076	4932	5799	6778	.	.
Imports total (cif), cumulated	EUR mn	7362	8441	9577	10679	11703	949	1936	3019	4073	5170	6251	7338	8473	.	.
Trade balance, cumulated	EUR mn	-1422	-1620	-1861	-2069	-2270	-203	-397	-608	-873	-1094	-1319	-1539	-1696	.	.
Exports to EU-27 (fob), cumulated	EUR mn	3990	4566	5130	5688	6224	495	1003	1568	2110	2679	3223	3760	4379	.	.
Imports from EU-27 (cif), cumulated	EUR mn	5643	6514	7408	8269	9082	692	1415	2251	3062	3903	4757	5627	6537	.	.
Trade balance with EU-27, cumulated	EUR mn	-1653	-1948	-2278	-2581	-2858	-197	-412	-683	-953	-1224	-1534	-1867	-2158	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-371	.	.	-434	.	.	-149	.	.	-297	.	.	.	.
EXCHANGE RATE																
LVL/EUR, monthly average	nominal	0.709	0.709	0.706	0.702	0.698	0.699	0.699	0.698	0.699	0.698	0.697	0.696	0.696	0.696	0.696
LVL/USD, monthly average	nominal	0.495	0.515	0.515	0.517	0.529	0.542	0.528	0.529	0.531	0.546	0.556	0.567	0.562	0.542	0.537
EUR/LVL, calculated with CPI [5]	real, Jan09=100	95.4	95.0	95.3	95.7	96.0	97.1	96.7	96.5	96.5	96.7	97.0	97.1	96.4	96.1	95.7
EUR/LVL, calculated with PPI [5]	real, Jan09=100	97.8	97.0	97.5	97.4	98.1	98.4	98.0	97.3	97.9	98.0	99.0	99.4	99.1	98.9	99.3
USD/LVL, calculated with CPI [5]	real, Jan09=100	103.3	98.9	98.7	98.0	95.5	94.6	96.6	96.2	95.9	93.4	91.8	90.1	90.3	93.3	93.8
USD/LVL, calculated with PPI [5]	real, Jan09=100	96.8	92.4	93.6	92.6	91.3	90.0	92.0	90.4	91.0	88.9	88.2	87.1	87.2	89.6	91.1
DOMESTIC FINANCE																
Currency in circulation	LVL mn, eop	873	888	893	941	1040	1025	1021	1021	1028	997	1029	1043	1052	1063	1053
M1	LVL mn, eop	3949	3940	3972	4371	4357	4292	4337	4304	4279	4217	4361	4431	4499	4526	4603
Broad money	LVL mn, eop	6507	6487	6426	6472	6661	6583	6643	6510	6549	6527	6612	6657	6723	6633	6683
Broad money	CPPY	4.1	2.4	3.4	2.3	1.7	1.4	1.5	-0.1	1.5	-0.3	2.0	3.3	3.3	2.3	4.0
Central bank policy rate (p.a.) [6]	%, eop	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00	2.50	2.50
Central bank policy rate (p.a.) [6][7]	real, %	-3.7	-2.9	-3.2	-2.8	-2.6	-3.1	-2.4	-1.1	0.0	1.2	1.4	1.2	1.0	0.2	-0.1
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	LVL mn	.	-74	.	.	-490	.	.	66	.	.	214	.	.	.	.

1) Enterprises with 20 and more persons.

2) From 2012 acording to census March 2011.

3) From May 2012 based on census March 2011.

4) Nominal wages deflated with HICP.

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

6) Refinancing rate.

7) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

L I T H U A N I A: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	6.6	9.5	-1.6	1.1	-2.1	2.4	3.4	5.9	7.0	-14.5	0.5	6.3	10.5	4.2	.
Industry, NACE Rev. 2 [1]	real, CCPPY	10.8	10.7	9.3	8.5	7.5	2.4	2.9	3.9	4.6	0.7	0.7	1.5	2.6	2.8	.
Industry, NACE Rev. 2 [1]	real, 3MMA	7.3	4.7	2.8	-0.9	0.4	1.1	3.9	5.4	-0.8	-2.6	-2.6	5.8	7.0	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	6.1	.	.	2.8	.	.	3.3	.	.	1.1	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	-3.3	.	.	-0.4	.	.	-0.1	.	.	2.8	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	18.4	.	.	33.3	.	.	11.7	.	.	3.2	.	.	-12.3	.
Construction, NACE Rev. 2	real, CCPPY	.	17.3	.	.	22.1	.	.	11.7	.	.	6.2	.	.	-2.6	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	1378.9	.	.	1379.1	.	.	1365.9	.	.	1404.5	.	.	.	.
Employed persons, LFS	CPPY	.	2.1	.	.	0.9	.	.	1.9	.	.	1.4	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	239.8	.	.	222.1	.	.	230.9	.	.	215.1	.	.	209.0	.
Unemployment rate, LFS	%	.	14.8	.	.	13.9	.	.	14.5	.	.	13.3	.	.	12.9	.
Unemployment, registered	th. persons, eop	221.2	213.4	211.8	212.5	227.1	239.1	243.1	244.0	229.3	211.5	208.6	208.4	205.6	202.3	196.4
Unemployment rate, registered [2]	%, eop	10.7	10.3	10.2	10.3	11.0	11.6	11.8	11.8	11.1	10.5	10.4	10.3	10.2	10.0	9.7
WAGES																
Total economy, gross	LTL	.	2116	.	.	2175	.	.	2138	.	.	2154	.	.	2171	.
Total economy, gross [3]	real, CPPY	.	-2.8	.	.	-1.4	.	.	-0.4	.	.	-0.6	.	.	-0.6	.
Total economy, gross	EUR	.	613	.	.	630	.	.	619	.	.	624	.	.	629	.
Industry, gross, NACE Rev. 2	EUR	.	625	.	.	637	.	.	634	.	.	648	.	.	.	.
PRICES																
Consumer - HICP	PP	-0.3	0.8	-0.1	0.2	-0.2	0.4	0.4	1.0	0.6	0.1	0.0	0.0	0.2	0.7	-0.2
Consumer - HICP	CPPY	4.4	4.7	4.2	4.4	3.5	3.4	3.7	3.7	3.3	2.6	2.6	2.9	3.4	3.3	3.2
Consumer - HICP	CCPPY	4.1	4.2	4.2	4.2	4.1	3.4	3.6	3.6	3.5	3.3	3.2	3.2	3.2	3.2	3.2
Producer, in industry, NACE Rev. 2	PP	-1.0	1.2	0.1	0.3	-0.7	2.2	1.3	1.9	-0.5	-0.3	-4.3	2.6	2.9	0.2	-1.6
Producer, in industry, NACE Rev. 2	CPPY	14.2	15.3	14.4	12.6	8.7	9.8	8.5	7.1	5.3	5.3	1.9	2.6	6.7	5.6	3.8
Producer, in industry, NACE Rev. 2	CCPPY	14.6	14.7	14.6	14.4	13.9	9.8	9.2	8.5	7.6	7.2	6.3	5.7	5.9	5.8	5.6
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	13011	14848	16613	18407	20151	1629	3279	5098	6929	8476	10323	12196	14324	.	.
Imports total (cif), cumulated	EUR mn	14842	16898	18912	20949	22826	1858	3813	5930	7898	9562	11569	13667	15862	.	.
Trade balance, cumulated	EUR mn	-1831	-2050	-2299	-2542	-2675	-229	-534	-831	-970	-1085	-1246	-1472	-1539	.	.
Exports to EU-27 (fob), cumulated	EUR mn	7901	9035	10152	11311	12355	1106	2181	3327	4426	5294	6361	7502	8817	.	.
Imports from EU-27 (cif), cumulated	EUR mn	8427	9631	10730	11867	12949	902	1912	3105	4243	5457	6665	7864	9056	.	.
Trade balance with EU-27, cumulated	EUR mn	-525	-596	-578	-556	-594	204	269	222	184	-163	-304	-362	-239	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-709	.	.	-1151	.	.	-750	.	.	-364	.	.	.	.
EXCHANGE RATE																
LTL/EUR, monthly average	nominal	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453
LTL/USD, monthly average	nominal	2.407	2.507	2.519	2.547	2.620	2.676	2.611	2.616	2.623	2.700	2.757	2.810	2.785	2.686	2.661
EUR/LTL, calculated with CPI [4]	real, Jan09=100	98.4	98.6	98.3	98.3	97.8	98.7	98.6	98.5	98.7	98.8	98.9	99.3	99.2	99.3	98.8
EUR/LTL, calculated with PPI [4]	real, Jan09=100	117.2	118.2	118.3	118.3	117.7	119.2	120.2	121.9	121.2	121.2	116.7	119.5	122.1	122.1	120.1
USD/LTL, calculated with CPI [4]	real, Jan09=100	106.7	102.6	101.7	100.7	97.4	96.2	98.5	98.2	98.1	95.5	93.6	92.2	92.9	96.4	96.8
USD/LTL, calculated with PPI [4]	real, Jan09=100	116.1	112.5	113.6	112.4	109.5	109.1	112.7	113.2	112.6	110.0	103.9	104.7	107.4	110.5	110.3
DOMESTIC FINANCE																
Currency in circulation	LTL mn, eop	8249	8273	8428	8722	9682	9556	9554	9548	9583	9617	9767	9902	9953	10036	.
M1	LTL mn, eop	28258	28879	28610	29224	31286	30414	30543	30824	31306	31524	31829	32559	32836	32540	.
Broad money	LTL mn, eop	49561	50083	50180	50704	50487	49980	50150	50123	50631	51045	51188	52009	52283	52271	.
Broad money	CPPY	8.2	10.0	9.2	8.5	4.9	5.7	5.3	5.1	6.1	6.1	5.6	5.8	5.5	4.4	.
Central bank policy rate (p.a.) [5]	%, eop	1.62	1.52	1.53	1.44	1.24	1.00	0.94	0.79	0.79	0.76	0.75	0.71	0.62	0.56	0.55
Central bank policy rate (p.a.) [5][6]	real, %	-11.0	-12.0	-11.3	-9.9	-6.8	-8.0	-7.0	-5.9	-4.3	-4.3	-1.1	-1.9	-5.7	-4.8	-3.1
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	LTL mn	.	-3626	.	.	-5875	.	.	-1534	.	.	-2147	.	.	.	.

1) Sold production.

2) In % of working age population.

3) Nominal wages deflated with HICP.

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

5) VILIBOR one-month interbank offered rate (Lithuania has a currency board).

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

P O L A N D: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1)2)]	real, CPPY	7.9	7.4	6.4	8.5	7.6	9.1	4.8	0.8	2.8	4.3	1.2	5.4	0.6	-5.2	.
Industry, NACE Rev. 2 [1)2)]	real, CCPPY	6.6	6.7	6.6	6.8	6.9	9.1	7.0	4.7	4.2	4.2	3.7	3.9	3.5	2.4	.
Industry, NACE Rev. 2 [1)2)]	real, 3MMA	5.7	7.2	7.4	7.5	8.4	7.2	4.7	2.7	2.6	2.7	3.6	2.3	0.0	.	.
Productivity in industry, NACE Rev. 2 [2)]	CCPPY	4.0	4.2	4.3	4.5	4.7	9.5	7.4	5.2	4.8	5.0	4.5	4.8	4.3	3.2	.
Unit labour costs, exch.r. adj.(EUR) [1)2)]	CCPPY	2.6	1.1	0.0	-1.3	-2.3	-9.8	-9.0	-5.6	-5.6	-6.3	-6.0	-6.3	-5.3	-3.4	.
Construction, NACE Rev. 2 [2)]	real, CPPY	10.8	18.0	8.9	13.0	14.6	32.2	12.0	3.5	8.1	6.2	-5.1	-8.7	-5.0	-17.8	.
Construction, NACE Rev. 2 [2)]	real, CCPPY	17.0	17.2	16.0	15.6	15.5	32.2	21.6	13.8	12.0	10.3	6.4	3.4	2.0	-1.2	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	16283	.	.	16201	.	.	15980	.	.	16204	.	.	.	.
Employed persons, LFS	CPPY	.	0.5	.	.	0.8	.	.	0.7	.	.	0.3	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	1679.4	.	.	1749.7	.	.	1883.3	.	.	1787.9	.	.	1751.0	.
Unemployment rate, LFS	%	.	9.4	.	.	9.8	.	.	10.6	.	.	10.0	.	.	9.7	.
Unemployment, registered	th. persons, eop	1855.3	1861.7	1867.6	1914.9	1982.7	2121.5	2168.2	2141.9	2072.6	2013.9	1964.4	1953.2	1964.7	1979.0	1994.9
Unemployment rate, registered	%, eop	11.8	11.8	11.8	12.1	12.5	13.2	13.4	13.3	12.9	12.6	12.3	12.3	12.4	12.4	12.5
WAGES																
Total economy, gross [2)]	PLN	3591	3582	3617	3682	4015	3666	3568	3771	3720	3618	3754	3700	3686	3641	3718
Total economy, gross [2)3)]	real, CPPY	1.4	1.7	1.3	0.1	-0.2	3.8	-0.1	-0.2	-0.6	0.2	0.0	-1.5	-1.1	-2.1	-0.6
Total economy, gross [2)]	EUR	872	826	831	831	897	838	853	911	890	843	874	884	901	881	905
Industry, gross, NACE Rev. 2	EUR	895	835	826	861	945	860	861	933	900	858	914	907	926	892	913
PRICES																
Consumer - HICP	PP	0.0	0.0	0.7	0.7	0.5	0.7	0.4	0.5	0.6	0.2	0.2	-0.5	-0.2	0.1	0.2
Consumer - HICP	CPPY	4.0	3.5	3.8	4.4	4.5	4.1	4.4	3.9	4.0	3.6	4.2	4.0	3.8	3.8	3.4
Consumer - HICP	CCPPY	3.8	3.8	3.8	3.8	3.9	4.1	4.3	4.2	4.1	4.0	4.1	4.1	4.0	4.0	3.9
Producer, in industry, NACE Rev. 2	PP	0.5	1.5	0.1	0.8	0.3	0.3	-0.5	0.0	0.9	0.4	-0.5	-0.3	0.0	0.5	.
Producer, in industry, NACE Rev. 2	CPPY	6.8	8.2	8.2	8.7	7.6	7.5	5.7	4.2	4.3	5.1	4.3	3.5	2.9	1.9	.
Producer, in industry, NACE Rev. 2	CCPPY	7.2	7.3	7.4	7.5	7.5	7.5	6.6	5.8	5.4	5.4	5.2	4.9	4.7	4.4	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	89256	101430	113396	125157	135558	11041	22432	34847	46323	57974	69545	81353	92976	.	.
Imports total (cif), cumulated	EUR mn	100337	113309	126391	139351	151291	12119	24805	38167	50402	63228	75558	88021	99949	.	.
Trade balance, cumulated	EUR mn	-11082	-11878	-12995	-14195	-15733	-1078	-2373	-3320	-4079	-5254	-6013	-6669	-6973	.	.
Exports to EU-27 (fob), cumulated	EUR mn	69731	79234	88573	97857	105695	8804	17627	27188	35962	44832	53559	62271	70828	.	.
Imports from EU-27 (cif), cumulated	EUR mn	70504	79648	88654	97757	105848	7936	16495	25732	34023	42610	50994	59539	67415	.	.
Trade balance with EU-27, cumulated	EUR mn	-772	-414	-81	100	-153	868	1132	1456	1939	2222	2565	2733	3412	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-12794	.	.	-17974	.	.	-4521	.	.	-6681	.	.	.	.
EXCHANGE RATE																
PLN/EUR, monthly average	nominal	4.120	4.338	4.352	4.432	4.477	4.376	4.184	4.137	4.178	4.294	4.297	4.184	4.093	4.135	4.107
PLN/USD, monthly average	nominal	2.872	3.150	3.175	3.270	3.397	3.391	3.164	3.134	3.174	3.357	3.431	3.405	3.301	3.216	3.166
EUR/PLN, calculated with CPI [4)]	real, Jan09=100	105.3	99.3	99.4	98.1	97.3	100.8	105.3	105.9	104.9	102.4	102.6	105.3	107.0	105.4	106.0
EUR/PLN, calculated with PPI [4)]	real, Jan09=100	105.5	101.2	100.9	99.7	99.1	100.8	104.3	105.0	104.8	102.9	102.9	105.2	106.6	105.9	.
USD/PLN, calculated with CPI [4)]	real, Jan09=100	112.9	102.8	102.9	100.8	97.6	98.0	105.1	105.8	104.7	99.3	97.5	98.0	100.2	102.5	104.5
USD/PLN, calculated with PPI [4)]	real, Jan09=100	104.5	96.4	96.9	94.7	92.2	92.2	97.8	97.6	97.4	93.3	91.6	92.2	93.8	95.9	.
DOMESTIC FINANCE																
Currency in circulation	PLN bn, eop	97.2	99.3	99.5	99.4	101.8	98.7	98.2	99.9	101.3	102.3	103.8	103.0	103.1	103.2	102.7
M1	PLN bn, eop	449.2	444.8	442.1	453.2	468.0	461.3	455.7	454.3	448.7	464.0	462.7	465.0	458.4	457.3	452.8
Broad money	PLN bn, eop	815.8	829.5	835.7	853.5	881.5	874.6	872.1	874.5	870.6	884.2	884.7	886.9	895.5	892.7	902.4
Broad money	CPPY	8.8	10.2	10.5	11.8	12.5	13.7	12.5	9.3	10.3	11.3	11.1	11.1	9.8	7.6	8.0
Central bank policy rate (p.a.) [5)]	%, eop	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75
Central bank policy rate (p.a.) [5)6)]	real, %	-2.2	-3.4	-3.4	-3.8	-2.9	-2.8	-1.2	0.3	0.2	-0.3	0.4	1.2	1.8	2.8	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	PLN mn	.	-34202	.	.	-76731	.	.	-1845	.	.	-10244	.	.	.	.

1) Sold production.

2) Enterprises with 10 and more employees.

3) Nominal wages deflated with HICP.

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

5) Reference rate (7-day open market operation rate).

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

R O M A N I A: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	10.4	5.6	4.0	4.3	-2.2	1.6	-1.4	-0.9	0.0	3.1	-1.3	2.9	-1.3	-3.9	.
Industry, NACE Rev. 2 [1]	real, CCPPY	7.0	6.8	6.5	6.3	5.6	1.6	0.1	-0.3	-0.2	0.5	0.2	0.6	0.3	-0.2	.
Industry, NACE Rev. 2 [1]	real, 3MMA	5.5	6.4	4.6	2.2	1.4	-0.7	-0.3	-0.8	0.7	0.6	1.6	0.1	-0.8	.	.
Productivity in industry, NACE Rev. 2	CCPPY	6.9	6.3	5.8	5.3	4.5	-1.8	-2.8	-3.2	-3.0	-2.3	-2.6	-2.1	-2.2	-2.6	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	0.2	0.5	0.9	1.2	1.8	4.7	5.7	5.3	4.3	3.2	3.1	2.4	2.3	2.6	.
Construction, NACE Rev. 2 [1]	real, CPPY	4.5	4.2	6.2	17.6	1.8	3.1	6.9	0.7	16.4	19.2	-3.4	-4.1	5.0	-6.0	.
Construction, NACE Rev. 2 [1]	real, CCPPY	-0.5	0.2	1.0	2.9	2.8	3.1	5.0	3.3	7.2	10.3	6.8	4.8	4.8	3.2	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	9230.9	.	.	9041.6	.	.	9018.8	.	.	9361.9	.	.	.	.
Employed persons, LFS	CPPY	.	-2.7	.	.	-0.1	.	.	-0.6	.	.	1.7	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	718.3	.	.	751.1	.	.	740.1	.	.	692.6	.	.	663.0	.
Unemployment rate, LFS	%	.	7.2	.	.	7.7	.	.	7.6	.	.	6.9	.	.	6.7	.
Unemployment, registered	th. persons, eop	437.8	439.9	444.0	455.0	461.0	473.6	473.9	454.5	425.8	409.9	404.1	429.0	441.2	442.2	456.1
Unemployment rate, registered	%, eop	4.9	4.9	4.9	5.1	5.1	5.3	5.3	5.1	4.7	4.6	4.5	4.8	4.9	5.0	5.2
WAGES																
Total economy, gross [1]	RON	2005	2017	2008	2054	2209	2022	2028	2126	2140	2109	2140	2147	2117	2122	.
Total economy, gross [1][2]	real, CPPY	4.1	5.6	5.0	4.5	3.6	0.2	1.6	0.8	1.6	3.0	3.3	2.8	1.5	-0.2	.
Total economy, gross [1]	EUR	472	471	464	472	510	466	466	487	489	475	480	471	469	471	.
Industry, gross, NACE Rev. 2 [1][3]	EUR	483	482	469	481	529	469	464	493	504	489	481	485	477	478	.
PRICES																
Consumer - HICP	PP	-0.3	-0.2	0.6	0.4	0.2	0.4	0.7	0.5	0.1	0.3	-0.1	0.5	0.5	1.1	0.2
Consumer - HICP	CPPY	4.3	3.5	3.6	3.5	3.2	2.8	2.7	2.5	1.9	2.0	2.2	3.1	4.0	5.4	5.0
Consumer - HICP	CCPPY	7.1	6.7	6.3	6.1	5.8	2.8	2.7	2.7	2.5	2.4	2.4	2.5	2.7	3.0	3.2
Producer, in industry, NACE Rev. 2	PP	-0.2	0.9	0.3	0.4	0.2	0.6	0.8	1.0	0.7	-0.1	-0.2	0.9	1.3	0.3	.
Producer, in industry, NACE Rev. 2	CPPY	8.6	8.1	8.3	7.8	6.7	5.7	5.7	5.6	6.3	6.5	5.5	5.5	7.0	6.4	.
Producer, in industry, NACE Rev. 2	CCPPY	9.5	9.4	9.2	9.1	8.9	5.7	5.7	5.7	5.8	6.0	5.9	5.8	6.0	6.0	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	29474	33680	37808	41965	45267	3479	6995	11054	14586	18586	22339	26106	29621	.	.
Imports total (cif), cumulated	EUR mn	35544	40580	45488	50569	54939	3937	7965	12769	17204	22209	26890	31402	35922	.	.
Trade balance, cumulated	EUR mn	-6070	-6900	-7680	-8604	-9672	-459	-970	-1715	-2618	-3624	-4551	-5296	-6301	.	.
Exports to EU-27 (fob), cumulated	EUR mn	20897	23959	26901	29913	32155	2574	5169	8017	10423	13243	15907	18528	20834	.	.
Imports from EU-27 (cif), cumulated	EUR mn	25469	29124	32833	36651	39944	2871	5890	9441	12653	16236	19679	23145	26291	.	.
Trade balance with EU-27, cumulated	EUR mn	-4571	-5165	-5933	-6737	-7789	-296	-721	-1424	-2230	-2993	-3771	-4618	-5457	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-4862	.	.	-6049	.	.	-508	.	.	-2516	.	.	.	.
EXCHANGE RATE																
RON/EUR, monthly average	nominal	4.251	4.284	4.324	4.356	4.328	4.342	4.351	4.367	4.379	4.441	4.463	4.555	4.518	4.502	4.562
RON/USD, monthly average	nominal	2.963	3.111	3.155	3.213	3.284	3.364	3.290	3.308	3.327	3.473	3.563	3.707	3.643	3.502	3.517
EUR/RON, calculated with CPI [4]	real, Jan09=100	106.6	104.8	104.2	103.7	104.3	105.0	104.9	103.9	103.2	102.2	101.7	100.5	101.5	102.4	101.0
EUR/RON, calculated with PPI [4]	real, Jan09=100	107.8	107.5	106.8	106.2	107.3	106.6	106.7	106.9	107.2	106.1	106.0	104.6	106.0	106.5	.
USD/RON, calculated with CPI [4]	real, Jan09=100	114.3	108.5	107.9	106.5	104.7	102.1	104.7	103.8	103.0	99.0	96.7	93.5	95.1	99.6	99.5
USD/RON, calculated with PPI [4]	real, Jan09=100	106.8	102.4	102.6	101.0	99.8	97.6	100.1	99.3	99.7	96.2	94.3	91.7	93.3	96.4	.
DOMESTIC FINANCE																
Currency in circulation	RON mn, eop	28744	29387	29147	29404	30631	30435	31108	30879	31281	31478	31895	32884	32890	32977	31715
M1	RON mn, eop	82357	83917	84394	83779	85900	86493	86184	84934	86543	86601	87840	89494	88807	89253	87826
Broad money	RON mn, eop	205650	209012	207849	209560	216368	216652	217688	216281	218512	220628	216931	221464	220291	221013	220465
Broad money	CPPY	5.2	6.7	6.8	6.2	6.7	8.8	10.0	10.1	11.3	11.3	8.4	8.3	7.1	5.7	6.1
Central bank policy rate (p.a.) [5]	%, eop	6.25	6.25	6.25	6.00	6.00	5.75	5.50	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Central bank policy rate (p.a.) [5][6]	real, %	-2.2	-1.7	-1.9	-1.7	-0.7	0.0	-0.2	-0.3	-1.0	-1.2	-0.3	-0.2	-1.7	-1.1	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	RON mn	.	-13445	.	.	-31979	.	.	-2098	.	.	-5887	.	.	.	.

1) Enterprises with 4 and more employees.

2) Nominal wages deflated with HICP.

3) Including E (electricity, gas, steam, air conditioning supply etc.).

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

5) One-week repo rate.

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

S L O V A K I A: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	4.5	7.2	7.6	1.0	1.6	5.6	10.3	12.8	12.4	12.3	13.0	19.1	17.0	12.7	.
Industry, NACE Rev. 2	real, CCPPY	8.7	8.5	8.4	7.7	7.2	5.6	7.9	9.7	10.4	10.8	11.1	12.2	12.7	12.7	.
Industry, NACE Rev. 2	real, 3MMA	4.9	6.5	5.2	3.5	2.7	5.9	9.7	11.9	12.5	12.6	14.5	16.2	16.1	.	.
Productivity in industry, NACE Rev. 2	CCPPY	3.6	3.6	3.7	3.1	2.7	5.3	7.8	9.4	10.3	10.8	11.2	12.3	13.0	13.1	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	0.5	0.5	0.4	0.9	1.0	1.4	-1.7	-3.9	-5.3	-5.5	-6.3	-7.2	-7.9	-8.3	.
Construction, NACE Rev. 2	real, CPPY	-6.1	5.3	-1.0	-1.4	5.2	-8.1	-8.0	-11.0	-16.8	-8.0	-12.1	-11.2	-13.7	-15.3	.
Construction, NACE Rev. 2	real, CCPPY	-4.0	-2.8	-2.6	-2.4	-1.8	-8.1	-8.0	-9.3	-11.7	-10.7	-11.0	-11.1	-11.5	-12.0	.
LABOUR																
Employed persons, LFS [1]	th. pers., quart. avg	.	2366.3	.	.	2351.5	.	.	2324.7	.	.	2334.7	.	.	.	.
Employed persons, LFS [1]	CPPY	.	1.3	.	.	0.5	.	.	.	.	.	.	.	.	.	.
Unemployed persons, LFS [1]	th. pers., quart. avg	.	358.2	.	.	382.1	.	.	381.1	.	.	368.6	.	.	374.0	.
Unemployment rate, LFS [1]	%	.	13.1	.	.	14.0	.	.	14.1	.	.	13.6	.	.	13.8	.
Unemployment, registered	th. persons, eop	384.2	390.6	390.1	393.1	399.8	408.9	411.8	408.4	397.9	392.3	395.7	399.1	398.4	402.5	410.4
Unemployment rate, registered	%, eop	13.1	13.4	13.3	13.3	13.6	13.7	13.8	13.7	13.4	13.2	13.3	13.3	13.2	13.4	13.7
WAGES																
Total economy, gross	EUR, quart. avg.	.	769	.	.	848	.	.	770	.	.	793	.	.	.	.
Total economy, gross [2]	real, CPPY	.	-1.5	.	.	-4.0	.	.	-0.7	.	.	-2.0	.	.	.	.
Industry, gross, NACE Rev. 2	EUR	812	817	802	954	877	817	788	838	817	888	868	850	839	821	.
PRICES																
Consumer - HICP	PP	0.1	0.3	0.2	0.5	0.1	1.5	0.2	0.3	0.2	0.1	0.2	0.0	0.0	0.3	0.4
Consumer - HICP	CPPY	4.1	4.4	4.6	4.8	4.6	4.1	4.0	3.9	3.7	3.4	3.7	3.8	3.8	3.8	3.9
Consumer - HICP	CCPPY	3.8	3.9	4.0	4.0	4.1	4.1	4.0	4.0	3.9	3.8	3.8	3.8	3.8	3.8	3.8
Producer, in industry, NACE Rev. 2	PP	0.5	-0.1	0.0	0.0	-0.4	0.3	1.1	1.0	-0.1	0.1	-0.6	-0.3	0.9	0.5	.
Producer, in industry, NACE Rev. 2	CPPY	3.8	4.0	3.8	3.8	3.2	2.1	2.6	2.8	1.9	1.7	1.4	1.5	1.9	2.5	.
Producer, in industry, NACE Rev. 2	CCPPY	4.8	4.7	4.6	4.5	4.4	2.1	2.3	2.5	2.3	2.2	2.1	2.0	2.0	2.0	.
FOREIGN TRADE, EU definition																
Exports total (fob),cumulated	EUR mn	37002	42175	47618	53030	57530	4504	9389	14888	20006	25473	30881	35938	40933	.	.
Imports total (fob),cumulated	EUR mn	37400	42438	47567	52955	57576	4348	9047	14369	19316	24495	29644	34406	39449	.	.
Trade balance,cumulated	EUR mn	-397	-263	51	74	-46	157	342	519	690	978	1237	1532	1484	.	.
Exports to EU-27 (fob), cumulated	EUR mn	31573	35892	40444	45016	48788	3971	8113	12690	16951	21450	25890	30076	34270	.	.
Imports from EU-27 (fob), cumulated	EUR mn	27498	31250	34992	38918	42209	3093	6610	10517	14225	18115	22032	25692	29394	.	.
Trade balance with EU-27, cumulated	EUR mn	4075	4642	5452	6098	6579	878	1503	2172	2726	3335	3859	4384	4876	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-134	.	.	38	.	.	648	.	.	855	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [3]	nominal	0.6972	0.7262	0.7296	0.7377	0.7588	0.7749	0.7562	0.7575	0.7598	0.7819	0.7983	0.8138	0.8065	0.7778	0.7708
EUR/EUR, calculated with CPI [4]	real, Jan09=100	98.1	97.7	97.6	98.0	97.7	99.8	99.5	98.8	98.5	98.7	99.1	99.4	99.1	98.8	98.9
EUR/EUR, calculated with PPI [4]	real, Jan09=100	95.4	95.0	94.9	94.7	94.5	94.0	94.5	95.0	94.8	95.3	95.3	94.8	94.9	95.2	.
USD/EUR, calculated with CPI [4]	real, Jan09=100	105.2	101.1	101.1	100.6	98.0	97.1	99.3	98.6	98.3	95.7	94.1	92.5	92.8	96.1	97.4
USD/EUR, calculated with PPI [4]	real, Jan09=100	94.5	90.5	91.1	90.0	87.9	86.0	88.6	88.2	88.1	86.4	84.8	83.1	83.5	86.2	.
DOMESTIC FINANCE																
Currency in circulation	EUR mn, eop	7432	7489	7556	7601	7667	7473	7467	7485	7525	7627	7711	7750	7726	7690	.
M1	EUR mn, eop	25411	25377	25420	25637	26770	25807	26056	25749	25666	26267	26200	26626	26585	26633	.
Broad money	EUR mn, eop	41422	41071	40948	41285	40842	40557	40994	41334	41573	42347	41644	42019	41990	41871	.
Broad money	CPPY	5.0	5.0	4.6	4.3	0.7	0.0	1.5	3.0	2.8	4.1	1.9	3.3	1.4	1.9	.
Central bank policy rate (p.a.) [5]	%, eop	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75	0.75	0.75
Central bank policy rate (p.a.) [5][6]	real, %	-2.2	-2.4	-2.2	-2.4	-2.1	-1.0	-1.6	-1.7	-0.9	-0.7	-0.4	-0.8	-1.1	-1.7	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	-2193	.	.	-3414	.	.	-967	.	.	-1957	.	.	.	.

1) From 2012 acording to census May 2011.

2) Nominal wages deflated with HICP.

3) Reference rate of ECB.

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

5) Official refinancing operation rate for euro area (ECB).

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

S L O V E N I A: Selected monthly data on the economic situation 2011 to 2012

(updated end of Nov 2012)

		2011					2012									
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	-1.5	2.8	-1.9	0.6	-8.0	1.3	4.4	-2.2	3.3	-3.1	-1.9	4.4	4.4	-4.9	.
Industry, NACE Rev. 2	real, CCPPY	4.2	4.0	3.4	3.1	2.2	1.3	2.9	1.0	1.5	0.6	0.1	0.7	1.1	0.4	.
Industry, NACE Rev. 2	real, 3MMA	0.1	-0.1	0.5	-3.0	-2.0	-0.9	1.0	1.6	-0.8	-0.7	-0.3	2.1	0.9	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	6.7	.	.	4.2	.	.	0.6	.	.	0.0	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	-2.4	.	.	-0.4	.	.	3.1	.	.	3.2	.	.	.	.
Construction, NACE Rev. 2 [1]	real, CPPY	-31.2	-17.4	-25.5	-9.6	-24.5	-24.5	-26.6	-5.0	-14.6	-23.1	-11.0	-19.4	-14.4	-3.9	.
Construction, NACE Rev. 2 [1]	real, CCPPY	-28.8	-27.4	-27.2	-25.6	-25.6	-24.5	-25.5	-17.7	-16.8	-18.3	-17.0	-17.4	-17.0	-15.2	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	944.7	.	.	933.5	.	.	926.9	.	.	920.5	.	.	.	.
Employed persons, LFS	CPPY	.	-2.4	.	.	-3.1	.	.	-0.2	.	.	-1.9	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	80.2	.	.	89.0	.	.	86.7	.	.	81.8	.	.	81.0	.
Unemployment rate, LFS	%	.	7.9	.	.	8.7	.	.	8.6	.	.	8.2	.	.	8.1	.
Unemployment, registered	th. persons, eop	107.0	107.0	110.9	111.1	112.8	116.0	115.0	110.9	109.1	106.8	105.6	106.9	106.1	105.4	.
Unemployment rate, registered	%, eop	11.5	11.5	11.9	11.9	12.1	12.5	12.4	12.0	11.8	11.6	11.5	11.7	11.6	11.5	.
WAGES																
Total economy, gross	EUR	1524	1507	1510	1652	1546	1529	1523	1535	1519	1536	1501	1498	1513	1489	.
Total economy, gross [2]	real, CPPY	1.3	-0.8	-1.4	-1.7	-1.3	-0.1	-0.8	-1.7	-1.9	-1.0	-3.6	-2.7	-3.8	-4.7	.
Industry, gross, NACE Rev. 2	EUR	1423	1381	1377	1607	1438	1416	1440	1442	1397	1436	1408	1415	1445	1393	.
PRICES																
Consumer - HICP	PP	0.3	0.6	0.8	0.2	-0.5	-0.3	0.6	1.0	1.2	0.3	-0.6	-0.8	0.8	1.2	0.3
Consumer - HICP	CPPY	1.2	2.3	2.9	2.8	2.1	2.3	2.8	2.4	2.9	2.4	2.4	2.6	3.1	3.7	3.2
Consumer - HICP	CCPPY	1.9	1.9	2.0	2.1	2.1	2.3	2.5	2.5	2.6	2.6	2.5	2.5	2.6	2.7	2.8
Producer, in industry, NACE Rev. 2	PP	0.2	-0.1	-0.1	0.1	0.1	0.0	-0.5	0.4	0.4	0.2	0.1	0.0	-0.1	0.3	-0.1
Producer, in industry, NACE Rev. 2	CPPY	4.2	4.1	3.7	3.6	3.6	2.5	0.8	0.7	0.7	1.0	0.7	0.8	0.4	0.7	0.8
Producer, in industry, NACE Rev. 2	CCPPY	5.0	4.9	4.8	4.7	4.6	2.5	1.6	1.3	1.2	1.2	1.1	1.0	1.0	0.9	0.9
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	16420	18687	20804	23058	24968	1875	3866	6168	8250	10418	12688	14787	16677	.	.
Imports total (cif), cumulated	EUR mn	16691	19020	21175	23484	25522	1988	4006	6340	8383	10503	12672	14710	16639	.	.
Trade balance total, cumulated	EUR mn	-271	-333	-371	-426	-554	-113	-140	-172	-133	-85	16	77	38	.	.
Exports to EU-27 (fob), cumulated	EUR mn	11729	13324	14818	16423	17717	1367	2792	4409	5843	7326	8882	10272	11518	.	.
Imports from EU-27 (cif), cumulated	EUR mn	11266	12865	14310	15858	17268	1269	2628	4229	5617	7047	8493	9897	11163	.	.
Trade balance with EU-27, cumulated	EUR mn	463	459	509	566	450	98	164	180	226	278	390	375	355	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	37	.	.	1	.	.	-28	.	.	254	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [3]	nominal	0.6972	0.7262	0.7296	0.7377	0.7588	0.7749	0.7562	0.7575	0.7598	0.7819	0.7983	0.8138	0.8065	0.7778	0.7708
EUR/EUR, calculated with CPI [4]	real, Jan09=100	99.3	99.3	99.7	99.7	98.9	99.2	99.2	99.2	99.9	100.3	99.8	99.3	99.7	100.3	100.2
EUR/EUR, calculated with PPI [4]	real, Jan09=100	97.7	97.2	97.1	97.0	97.3	96.4	95.3	95.3	95.5	96.1	96.7	96.6	95.7	95.8	95.8
USD/EUR, calculated with CPI [4]	real, Jan09=100	106.5	102.7	103.3	102.4	99.2	96.5	99.0	99.1	99.7	97.2	94.8	92.4	93.4	97.5	98.8
USD/EUR, calculated with PPI [4]	real, Jan09=100	96.7	92.6	93.2	92.2	90.5	88.2	89.4	88.5	88.8	87.1	86.1	84.6	84.3	86.8	87.9
DOMESTIC FINANCE																
Currency in circulation	EUR mn, eop	3504	3532	3568	3578	3651	3582	3583	3599	3582	3645	3697	3713	3692	3691	.
M1	EUR mn, eop	8576	8540	8359	8687	8546	8731	8603	8504	8762	8761	8817	8883	8968	8920	.
Broad money	EUR mn, eop	19365	19397	19488	19577	19639	19732	19903	19838	19895	19875	19898	19906	19846	19622	.
Broad money	CPPY	2.6	3.3	3.9	3.2	3.5	4.0	4.6	5.1	5.2	3.8	3.8	2.9	2.5	1.2	.
Central bank policy rate (p.a.) [5]	%, eop	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75	0.75	0.75
Central bank policy rate (p.a.) [5][6]	real, %	-2.6	-2.5	-2.1	-2.3	-2.5	-1.4	0.2	0.2	0.3	0.0	0.3	0.0	0.3	0.0	-0.1
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	-1976	.	.	-2307	.	.	-451	.	.	-880	.	.	.	.

1) Enterprises with 20 and more employees or turnover limits and output of some non-construction enterprises.

2) Nominal wages deflated with HICP.

3) Reference rate of ECB.

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

5) Official refinancing operation rate for euro area (ECB).

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

Guide to wiiw statistical services on Central, East and Southeast Europe

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