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The elasticity of the new EU Member States' imports: implications for external rebalancing in Europe

BY LEON PODKAMINER

Estimating import elasticities

A country's imports depend on a multitude of factors. In simplified macroeconomic analyses the volume of imports (M) is often 'modelled' as a function of the GDP volume, according to the linear formula:

$$M = a \cdot GDP$$

where 'a' represents the average import intensity of GDP (or volume of imports per unit of real GDP).

The simplified linear formula relating imports to GDP may serve the purpose of some short-run analyses quite well. However, its applicability is restricted under the tendencies characterising economic growth over a couple of recent decades. First, the GDP import shares have been rising continually – while under the simple linear formula these shares should have been approximately constant over time. For example, the GDP share of imports of goods and services (measured at constant 2005 prices) for Austria has risen to 51.7 per cent in 2012 (from 34.4 per cent in 1991). Secondly, under progressing globalisation (and the ongoing internationalisation of production in particular) foreign trade increasingly 'feeds on itself': countries' exports (rising more or less in line with their imports) require rising – more than proportionally – amounts of imported components and services.

The following modified formula for a country's imports volume:

$$M = A \cdot D^{\alpha} \cdot X^{\beta}$$

where A, α, β are some positive constants, D is the volume of domestic demand and X is the volume of exports, can be expected to be better suited for macroeconomic analyses than the simple linear one.

The parameters α and β represent the elasticities of imports with respect to domestic demand and imports respectively.[1]

Taking the (natural) logarithms of the above formula one obtains the following relationship:

$$Log(M) = Log(A) + \alpha \cdot Log(D) + \beta \cdot Log(X)$$

Eurostat (the statistical office of the European Union) provides data (time series) on yearly volumes M, D, X, at national prices of 2005, for all EU Member States. The time series are not very long as they generally start with 1991 (and end with 2012). Moreover, the data for the early 1990s are of debatable quality for most new EU Member States (as well as for other transition countries which only then came into being as sovereign entities). It seems advisable to disregard the very early developments and focus on data starting with 1995 (when the initial transitional recession ended in most new EU Member States).

A direct estimation of the parameters of the above logarithmic formula (e.g. by means of the Ordinary Least Squares, OLS) with data on post-1995 M, D, X is allowed only under quite restrictive conditions. This is so because the recorded time series M, D, X are all non-stationary, for any country. (Figuratively speaking, all M, D, X for any country follow some [unspecified] upward trends.) The results of regressing, by means of OLS, Log(M) on Log(D) and Log(X) (as well as on a constant identified with Log(A)) can be *spurious.* The parameter estimates derived from non-stationary time series may *seem* highly significant in terms of mathematical statistics without actually reflecting the 'truth'. It is only under some special circumstances (when the time

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[1]   In principle it may be possible to split domestic demand into its individual components, e.g. private and public consumption, business and residential investments etc. Any of the distinguished domestic demand components would then enter the formula for M with 'its own' elasticity. (See e.g. Bussière et al., 2013.)

series in question turn out to be 'co-integrated') when the OLS estimation delivers reliable estimates of the parameters. Unfortunately, M appears to be *not* co-integrated with D and X for any of the central and east European new EU Member States.[2]

However, it is still possible to derive reliable estimates for the elasticities α and β. The recommended approach (under the absence of co-integration of non-stationary time series) is to work with the *differenced* time series. In the context considered one is advised to run OLS regressions of the following form:

$$\Delta Log(M) = \alpha \cdot \Delta Log(D) + \beta \cdot \Delta Log(X)$$

It is worth remembering that the expressions ΔLog(M), ΔLog(D), ΔLog(X) approximate the rates of growth of M, D and X respectively.

The average (years 2005-2012) rates of growth of M, X and D for the new EU Member States, as well as for Turkey, Ukraine, Russia, Germany and Austria, are found in Table 1.

As can be seen, on average the imports (of goods and non-factor services) have grown definitively faster than the exports (of the same) in a few countries (e.g. Bulgaria, Ukraine, Estonia and Romania) that have run high permanent trade deficits. On the other hand, imports have grown faster than exports also in Russia – which on the whole has run trade *surpluses*. Observe that other new EU Member States may have had faster growth in exports than imports without showing permanent trade surpluses. There is no puzzle behind these seemingly inconsistent developments. First, trade balances are normally presented in terms of current prices (be they domestic or 'international' – the euro, or US dollar). In real terms exports (or imports) may rise faster than imports (or exports) but the terms-of-trade developments may result in the *values* of

trades (in nominal terms) developing differently. Secondly, a country's position (trade deficit, or trade surplus, as the case might be) once achieved can be large enough so as to persist despite the trade developments eroding that position over longer spans of time. Russia is a case in point: despite imports rising much faster than exports (at least in real terms) the trade surpluses, though contracting, are still there.

Table 1

Average real growth rates of imports, domestic demand and exports, 1995-2012

	imports	domestic demand	exports
Bulgaria	0.0689	0.0329	0.0562
Czech Rep	0.0697	0.0180	0.0798
Estonia	0.0822	0.0473	0.0792
Hungary	0.0886	0.0123	0.0960
Latvia	0.0731	0.0450	0.0719
Lithuania	0.0866	0.0444	0.0864
Poland	0.0842	0.0419	0.0825
Romania	0.0737	0.0249	0.0698
Slovakia	0.0745	0.0330	0.0820
Slovenia	0.0505	0.0224	0.0574
Turkey	0.0798	0.0401	0.0786
Ukraine	0.0359	0.0295	0.0195
Russia	0.0857	0.0522	0.0502
Austria	0.0393	0.0161	0.0471
Germany	0.0483	0.0098	0.0540

Source: Own calculations based on Eurostat data.

The OLS estimates of the elasticities α and β for the new EU Member States, Ukraine and Russia are found in Table 2 (columns 1 and 2).[3]

All elasticity estimates from Table 2 are highly significant (their testing probabilities are less than 0.00005). The import elasticity of domestic demand

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[2]   Absence of co-integration is quite common among the 'old' EU Member States too. M is found to be co-integrated with D and X only for Austria, Denmark, Finland, Germany and Spain. Co-integration is found also for Turkey (but not for Russia and Ukraine).

[3]   For Germany, Austria and Turkey the elasticity estimates were derived differently – by means of an auxiliary 'error-correction regression'. Observe, that the OLS estimation using the differenced series of logarithms of M, D and X cannot deliver the estimate of the constant Log(A). The α elasticities for Germany reported in Podkaminer (2013) were lower than that in Table 2 (but still well in excess of 1) while β elasticities were larger (but still less than 1). The samples of years underlying the estimates in Podkaminer (2013) were different from the present one (and so was the econometric technique used).

Table 2

Estimated import elasticities and fitted as well as 'required' rates of growth of domestic demand

| | α | β | Av. growth rate of dom. demand | |
			fitted	required
Bulgaria	0.8631	0.8121	0.027	0.012
Czech Rep	0.8233	0.7568	0.011	0.024
Estonia	0.7477	0.7987	0.025	0.021
Hungary	0.5994	0.8531	0.011	0.024
Latvia	0.9126	0.6159	0.032	0.030
Lithuania	0.7456	0.7020	0.035	0.035
Poland	1.4274	0.4712	0.032	0.031
Romania	0.9661	0.7084	0.025	0.021
Slovakia	1.1083	0.6391	0.020	0.027
Slovenia	0.8130	0.6292	0.018	0.026
Turkey*	1.7843	0.1923	0.036	0.036
Ukraine	1.0283	0.8165	0.019	0.003
Russia	1.5175	0.1653	0.051	0.028
Austria*	0.8803	0.6556	0.010	0.018
Germany*	1.5842	0.5823	0.011	0.014

* Import elasticities derived from the Error Correction representation.

For the remaining countries by regressing d(log(M)) on d(log(X) and d(log(D)).

Source: Own calculations.

exceeds 1 primarily for larger countries.[4] The import elasticity of exports is relatively less dispersed – though there are three outliers: Russia, Turkey and Poland. Russia's low import intensity of exports is explained by the character of that country's exports which consist primarily of raw materials and energy, apparently not requiring large quantities of imported intermediate inputs. (A similarly low β was found for Norway – another large energy exporter.) The low import intensities of Turkish and Polish exports may have something to do with the relative closeness of these countries. (In 2005 their exports/GDP ratios stood at 0.244 and 0.371 respectively. By comparison, the respective ratio for e.g. Hungary was 0.659.)

The third column in Table 2 reports the average of the rates of growth of domestic demand consistent with the estimated elasticities and the *actual* average growth rates of imports and exports. Loosely speaking, this item conveys information – when

compared with the average recorded growth rate of domestic demand from Table 1 – about the degree of inaccuracy implicit in the elasticity estimates when these are used for assessing the rates of growth of domestic demand. For example, the average actual rate of growth of Romanian domestic demand is 0.0249 (see Table 1). This is almost precisely equal to the average 'fitted' growth rate of domestic demand for Romania, which is 0.025 (see Table 2). In another instances the 'fitted' average growth rates of domestic demand differ from the actual ones more significantly.

Growth rates of domestic demand required for the equalisation of growth rates of exports and imports

The last column in Table 2 reports the average rates of growth of domestic demand which are simultaneously (1) consistent with the estimated elasticities and (2) bring the average growth rate of imports (reported in Table 1) into *equality* with the average growth rate of exports. In other words, the average 'required' rates of growth of domestic de-

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[4] Outside the sample of countries listed in Tables 1-2, αs in excess of 1.4 are obtained for France, Italy, Spain and also Switzerland.

mand are such as to adjust growth in imports to the actual (recorded) growth in exports. For example, the calculated average 'required' growth rate of domestic demand in Romania is 0.021. This is less than the average 'fitted' (and also actual) growth rate of domestic demand. Should Romanian domestic demand have grown at the rate of 0.021 per year rather than at 0.025, Romanian imports would have grown at a rate 0.0698 (i.e. at the same speed as Romanian exports) rather than at 0.0737 which has been actually recorded.

Comparing the 'fitted' with the 'required' average growth rates of domestic demand says something about the external effects of adjustments in *domestic* policies of individual countries listed in Tables 1-2.

According to Table 2, equalisation of the rates of growth of imports and exports (with the former adjusting to the latter) would have required definitely lower growth rates of domestic demand in Bulgaria, Ukraine and Russia. In some new EU Member States (the Czech Republic, Hungary, Slovakia and Slovenia) domestic demand growth may have been actually too weak for the equalisation of rates of growth of exports and imports. The same applies to Austria and Germany. In the remaining new EU Member States (and in Turkey) domestic demand growth may have been about right, as far as the criterion of equality of growth rates of exports and imports is concerned.

Two final questions are in order. First, how important would have been a faster growth of domestic demand in Germany for its EU partners, including the new EU Member States? According to Table 2, only a marginally faster growth of domestic demand (1.4 per cent vs. 1.1 per cent) would have sufficed to equalise the rates of growth of German imports and exports (at 5.4 per cent annually on average). This tiny acceleration would nevertheless have had some perceptible effect. For example, in 2012 the additional German imports required would have been larger – on account of domestic demand rising by an additional 0.3 per cent (or EUR 6.9 billion) – by EUR 5.1 billion (measured at constant

prices of 2005).[5] Second, would the equalisation of the *rates of growth* of exports and imports ensuing changes in the rates of growth of domestic demand meaningfully contribute to the internal rebalancing of the European economy? The answer is a definite NO. For example, a 'loss' on the German trade balance to the tune of EUR 5.1 billion (or even EUR 17.6 billion) would have still left Germany with a gigantic trade surplus in 2012 (though lower than the recorded EUR 182.5 billion). The increased German imports would have increased exports of German trading partners and thus lowered their trade deficits.

Quite clearly, while some countries which have been running persistent trade deficits may need to restrict growth of domestic absorption more than would be sufficient for equalisation of rates of growth of exports and imports, some others – Germany in the first place – must finally engineer a quantum jump in their domestic absorption and imports: first of all through a relaxation of the wage policies and, secondly, by discontinuation of conservative fiscal policies. Without a jump in domestic demand Germany will continue to flood the markets of other countries with its trade surpluses that in the last instance constitute these countries' trade deficits.

References

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[5] In actual fact German domestic demand *fell* in 2012 by 0.3 per cent while exports rose 3.8 per cent and imports by 2.2 per cent. The rate of growth of domestic demand required to pull up imports by 3.8 per cent in 2012 would have been over 1 per cent (or EUR 23.2 billion). The additional imports due to this increased domestic demand would have amounted to about EUR 17.6 billion. In total, the German GDP would have been larger by EUR 5.6 billion (5.6=23.2 minus 17.6), the 2012 GDP growth rate would have been 0.9 per cent rather than 0.67 per cent.

State aid and export competitiveness in the EU – first results[†]

BY ROMAN STÖLLINGER AND MARIO HOLZNER[*]

The continuous loss of jobs in the European manufacturing sector over the past two and a half decades has revived the debate on industrial policy in Europe. This debate has gained momentum since the beginning of the economic crisis in 2008 and the subsequent unresolved problems of the euro area. The fact that Member States which have maintained a larger manufacturing base fared better after the crisis intensified the concerns about the declining role of manufacturing in the European economy. The painful bursting of real estate bubbles and the ongoing crisis of the financial sector nurtured doubts in the market's universal ability to bring about an efficient allocation of resources in the economy thus leaving a potentially bigger role for governments to influence or even shape the structure of the economy. Coupled with the long-term structural shifts out of the manufacturing sector, industrial policy targeted at the manufacturing sector seems to be the order of the day.[1]

At the same time, industrial policy is still regarded with considerable scepticism in Europe due to the rather disappointing experiences with government interventions in the 1960s and 1970s. Large, selective and often ill-designed backward-looking subsidies to ailing firms and sunset industries earned industrial policy a bad name. These rather unsuccessful policy experiments, together with the internationalisation of the European economy starting in the 1980s and the arrival of the 'Washington Con-

sensus', induced a paradigm shift in the way industrial policy is conducted in Europe. Public interventions in favour of specific firms and sectors were increasingly replaced by framework polices and 'horizontal' policies. Despite the often heralded return and renaissance of industrial policy, state aid provided by EU Member States to industry and services is at a historical low level. While subsidies amounted to about 2% of EU GDP during the 1980s, this figure went down to about 1% in the 1990s and is currently less than half a per cent.

Obviously, the impact of subsidies on various economic indicators depends on the way the government support is provided. It does matter which firms in which industries receive subsidies and a common criticism of industrial policy is that governments lack the knowledge for successfully 'picking the winners', i.e. that government failure is likely due to insufficient information. Even if governments knew which firms and industries should be supported, the actual allocation of public funds is strongly influenced by vested interests. Thus, the provision of subsidies is often more dependent on political considerations and the bargaining power of individual firms or industries than on economic objectives. Typically incumbent firms and established industries are more active in rent seeking and also more successful in their lobbying activities for public support than nascent industries. Therefore, in many Member States subsidies are often granted primarily to large (and sometimes ailing) firms and 'sunset industries' as evidenced in 2008 when large amounts of subsidies were handed to carmakers all over Europe. The capture of industrial policy by vested interests is a major argument against the provision of state aid. If such government failures were pervasive in Member States and subsidies are just windfalls gains for firms, we should find no or even a negative effect of manufacturing aid on exports.

Looking for a final verdict on whether subsidies are supportive of competitiveness would be an elusive quest. Therefore, our objective is more modest and we intend to shed light on the question whether state aid to the manufacturing sector in the way it

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[1]   Industrial policy is not necessarily equivalent to manufacturing policy. Many proponents of industrial policy are eager to emphasise that industrial policy is to be understood more broadly, potentially targeting any economic activity or sector with high growth prospects (see e.g. Rodrik, 2008).

was provided by EU Member States between 1995 and 2011 had a measurable impact on sector-level export performance. The central hypothesis which was tested in our empirical model is that state aid is a potential policy tool for Member States to foster manufacturing exports. We also test for two additional hypotheses, i.e. that the marginal effect of manufacturing aid on exports is declining with the amount of aid provided and may eventually turn negative and that more effective governments also provide 'better' aid, in the sense that the subsidies provided have a stronger impact on export performance.

General features of state aid by Member States

We draw our data from a variety of international data sources. The most important of these data sources are the State Aid Scoreboard of the European Commission[2] and the World Input-Output Database (WIOD)[3].

One of the unique institutional features of the European Union is that the sovereign governments of all EU Member States agreed to have their state aid activities restricted and monitored by the European Commission. All state aid measures provided by EU Member States have to comply with EU competition law which also includes detailed rules on state aid. In particular, governments are not allowed to grant aid that distorts or threatens to distort competition and affect trade between Member States. The state aid rules also imply that, in principle, all aid measures of Member States have to be notified ex ante to the Commission. Importantly, the Commission is also empowered to prohibit planned aid measures or programmes of Member States. The control of state aid of sovereign governments is obviously a delicate issue and the European Commission has shown a large degree of pragmatism in this respect.

We make use of the state aid data for the 27 EU Member States for the period 1995-2011 published

in the EU State Aid Scoreboard (expressed in real euro with the base year of 2010). When using the data a couple of important aspects concerning the scope, definition and compilation of state aid have to be taken into account. First of all, it is essential that the data from the State Aid Scoreboard contain exclusively aid that is provided and notified by Member States. Aid that is provided out of the EU budget through the EU Cohesion and Structural Funds is not included. Second, only 'specific' measures by governments are considered as state aid. General measures for the economy and in particular general tax regulations do not fulfil this criterion of specificity. Third, since state aid comes in different forms and shapes, including outright grants, tax breaks, state guarantees at preferential fees, subsidised loans etc., the State Aid Scoreboard reports aid figures in terms of the 'aid element' contained in the respective aid measure. Fourth, while certain horizontal aid programmes are exempted from the ex-ante notification requirement, the actual aid amounts paid out of these programmes still need to be notified to the Commission (ex-post information sheets) and are hence included in the aid figures of the State Aid Scoreboard. In contrast, so-called 'de-minimis' aid, that is, aid measures not exceeding EUR 200,000, is not considered to threaten competition and therefore does not constitute state aid. Fifth, in 2008 the European Commission temporarily introduced additional state aid rules as a reaction to the economic crisis. For the real economy, some state aid rules were relaxed under the so-called 'Temporary Framework'. Aid granted under the Temporary Framework which was terminated by the end of 2011 is accounted for separately in the State Aid Scoreboard (see, for example, European Commission, 2012). Unfortunately, for the crisis-related aid to the real economy no break-up by sector or objectives is available which is why we do not include the state aid provided under the Temporary Framework in our econometric work.

The combined state aid to industry and services of all EU Member States dropped from about EUR 70 billion to EUR 58 billion (including aid provided under the Temporary Framework) in 2011.

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[2] See: http://ec.europa.eu/competition/state_aid/studies_reports/studies_reports.html

[3] See: http://www.wiod.org/

This declined trend in state aid is more pronounced when state aid relative to GDP is considered, which went down from 0.74% of GDP in 1995 to 0.46% in 2011. This indicates that state aid in the EU is at historic low levels. For comparison, during the 1980s state aid to industry and services provided by EU Member States amounted to approximately 2% of EU GDP. This marked drop in the amounts of state aid is partly owed to frustrations with disappointing outcomes of active state aid policy but was also induced by a strengthening of state aid rules by the Commission.

State aid to the manufacturing sector

Unfortunately, the European Commission does no longer publish data on general aid to the manufacturing sector. It had done so until 2006 although accompanied by the note that 'data on aid to manufacturing may be overestimated'. The reason for this is that the Commission used to include various types of horizontal aid into the calculation of aid to manufacturing because most horizontal aid can be assumed to target the manufacturing sector. So the allocation of most horizontal aid measures is based on an assumption and not on actual data since horizontal state aid data by sector are not available.

Figure 1

**Comparison of the manufacturing aid
by EU Member States, 2000-2006**
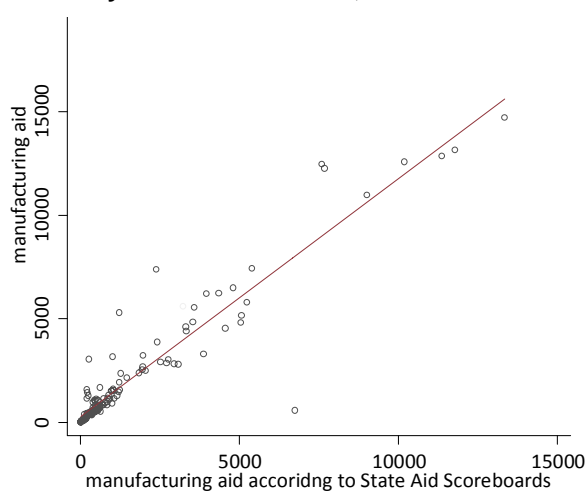
Source: European Commission State Aid Scoreboard, various editions of European State Aid Scoreboard Report, authors' own calculations.

Regional aid, which is quantitatively important, is sometimes considered an aid category by itself. However, in its current State Aid Scoreboard publications the Commission includes regional aid in the horizontal aid measures. This seems justified as investment promotion schemes (often designed to attract foreign firms, i.e. 'FDI promotion schemes') are primarily targeted at the manufacturing sector. We therefore include regional aid in our definition of manufacturing aid. In addition to the sector-specific aid to the manufacturing sector, our measure of manufacturing aid includes the following horizontal aid categories: commercialisation, export and internationalisation aid ('internationalisation aid'); R&D aid; risk capital aid; aid to small and medium-sized enterprises ('SME aid'); environmental aid; regional aid; and employment aid and training aid.

Our definition of manufacturing aid leads to very similar values as those reported in State Aid Scoreboards between 2000 and 2006. This is shown in Figure 1 by plotting the manufacturing aid of Member States resulting from our definition – shown on the vertical axis – against that reported in various State Aid Scoreboards – shown on the horizontal axis – between 2000 and 2006. The fact that most observations are on the or close to the 45-degree line indicates that our data for manufacturing aid coincide with those used by the Commission until 2006.

Table 1 shows the average annual amounts of state aid to the manufacturing sector disbursed by Member States over the sample period. For the EU-27, aid to the manufacturing sector accounts for roughly three quarters of total aid to industry and services. The importance of aid to the manufacturing sector varies quite a lot across EU Member States but with the exception of Portugal and the Czech Republic exceeds 50% of total aid to industry and services. The manufacturing sector receives more than 90% of total state aid to industry and services in a number of Member States including Austria, Belgium, Denmark, Finland, Greece, Italy, Luxembourg, Latvia, Malta, the Netherlands, Slovakia and Sweden.

Table 1

State aid to the manufacturing sector by EU Member States, averages 1995-2011

| | aid to the manufacturing sector | | |
	in EUR mn	in % of total state aid	in % of EU-wide manufacturing aid
AUT	986	92.7	2.1
BEL	1,131	97.0	2.4
BGR	43	77.4	0.1
CYP	101	57.9	0.2
CZE	754	47.7	1.6
DEU	13,878	73.6	29.9
DNK	1,341	95.5	2.9
ESP	3,396	62.0	7.3
EST	10	72.0	0.0
FIN	618	96.4	1.3
FRA	6,457	62.2	13.9
GBR	2,646	82.4	5.7
GRC	973	98.2	2.1
HUN	915	79.6	2.0
IRL	521	81.3	1.1
ITA	6,382	90.5	13.8
LTU	58	87.8	0.1
LUX	64	91.4	0.1
LVA	72	99.3	0.2
MLT	137	96.3	0.3
NLD	1,107	93.7	2.4
POL	1,454	60.4	3.1
PRT	744	33.4	1.6
ROU	569	58.5	1.2
SVK	235	93.0	0.5
SVN	174	87.5	0.4
SWE	1,646	90.8	3.5
EU-27	46,409	73.4	100.0

Note: Figures exclude crisis-related aid. Total state aid is state aid to industry and services. Amounts refer to the aid element (or gross grant equivalent in the case of guarantees and loans) contained in the state aid measure. All data refer to real aid with base year of 2010.

Source: European Commission State Aid Scoreboard, authors' own calculations.

In absolute terms, unsurprisingly, the larger EU Member States also emerge as the major providers of state aid to the manufacturing sector. With an annual average of EUR 13.9 billion Germany is by far the largest provider of manufacturing aid, followed by France, Italy and Spain. The UK spends relatively little amounts of manufacturing aid (EUR 2.6 billion annually) given the size of the economy.

When considering the state aid provided by all 27 Member States (EU-27) over the period 1995-2011, regional aid turns out to the most important single aid category, accounting for almost a third of manufacturing aid. The second most important aid category is environmental aid (20%) followed by R&D aid (15%),SME aid and sector-specific aid to manufacturing, each accounting for about 13% of manufacturing aid.

However, the composition of manufacturing aid varies considerably across Member States. For example, in general R&D aid is of lesser importance in the Central and East European Member States (with the exception of the Czech Republic). Country-specific preferences for certain state aid categories are also easily discernible. For example, Sweden spends almost 80% of its aid to the manufacturing sector on environmental aid whereas in Greece 87% of aid to the manufacturing sector consists of regional aid. Internationalisation aid and risk capital aid are only of minor importance in basically all Member States. The relative importance of sector-specific aid ranges from 92% of the aid to the manufacturing sector (Malta) to effectively 0%. In only 8 out of the 27 Member States, sector-specific aid accounts for more than 20% of broad aid to manufacturing. The relatively low and declining share of sector-specific aid is to a certain extent due to the Commission's preference for horizontal aid. Therefore it may be assumed that a good part of the aid measures notified as horizontal aid is de facto sector-specific aid (see also Gual and Jódar, 2006). This is why we operate with a composite measure of manufacturing aid that is far broader than sector-specific aid to the manufacturing sector.

Further sources of data

Apart from the European Commission's State Aid Scoreboard this paper also makes intensive use of the World Input-Output Database (WIOD), in particular the World Input-Output Table (WIOT). The WIOT contains information on 40 countries, including the 27 Member States, and allows calculating value added export following the concept of Johnson and Noguera (2012). Intuitively, the value

added exports of a country *r* is the value added generated in that country but absorbed in another country. We calculate the value added exports of each EU Member State using the external demand vectors as starting points. By using the information of the (direct and indirect) global sourcing patterns for intermediates provided in the Leontief Inverse these final demand vectors are assigned to each supplying country to the appropriate extent. Applying a country's (sector-specific) value added coefficients to this external demand assigned to it, yields the value added that is generated in that country but consumed abroad.

We use the value added exports as our preferred measure for external competitiveness but we will also use gross exports as a robustness check. In addition, for both the value added exports and the gross exports we perform the analysis for total exports as well as extra-EU exports only. The latter is done because of the ambiguity about the character of intra-EU exports which in a European Single Market may not really constitute exports anymore.

For our empirical model we also require a series of additional variables. The main ones are the real effective exchange rates of each Member State which are the labour cost based multilateral exchange rates vis-à-vis 36 partner countries. Data are obtained from Eurostat. We also need a measure of foreign gross domestic product (*GDP**) for all countries in the WIOD plus the rest of the world. For this, we turn to the IMF World Economic Outlook database but transform the values (which are originally expressed in US dollar) into euro. The measure of foreign GDP we actually use in the regression analysis is the weighted GDP of the EU Member States' trading partners. The shares of the respective trading partners in each Member State's total exports are used as weights. A further variable we include is monthly labour costs per person in the industrial sector excluding construction. The data come from Eurostat and serve as a proxy for the wage level and therefore also for the productivity level in the sector. The compilation of the variable required merging data recorded according to NACE Rev. 1 and NACE Rev. 2 industry classifica-

tions. As a general rule, we switch from NACE Rev. 1 to NACE Rev. 2 in 2005. However, in order to minimise the breaks we deviate from the rule for some countries and make the switch later in order to avoid breaks and have a smooth time series. Moreover, we use the point estimates for government effectiveness provided in the World Bank's Worldwide Governance Indicator (WDI) Database. Government effectiveness reflects the perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The values for government effectiveness originally range from -2.5 to +2.5 where higher values indicate higher government effectiveness. Since we will work with a logged version of the variable we transform it to range from 0 to 5.

Econometric model

The starting point for our empirical model is a simple export function as found in standard macroeconomic textbooks (e.g. Blanchard, 2008) though we keep the focus on the manufacturing sector:

(1) $\quad X = X(FX, GDP^*)$

where X denotes exports of the manufacturing sector (in euro), *FX* is the real exchange rate, expressed as an index and *GDP** is foreign gross domestic product (in euro). As pointed out above, value added exports serve as our main export measure but we will also employ gross exports as a robustness check. In the standard macroeconomic model, the impact of the real exchange rate on exports is negative. The reason for this negative relationship is that a rise of the relative price of domestic goods (i.e. a rise in the index of the real exchange rate) makes domestic exports relatively more expensive relative to foreign goods. The foreign level of GDP is relevant for the external demand for domestic goods. A part of the additional demand that is induced by the increase in foreign GDP will be spent on imports from the domestic economy. Therefore a country's exports should rise with foreign GDP.

We enrich this basic export function for the manufacturing sector by assuming that the level of exports also depends on the wage level denoted by *WAGE* which also reflects the level of productivity in a country. Moreover, we assume that there is a role for the government to influence export performance. More precisely, we hypothesise that by providing state aid to the manufacturing sector, governments can impact exports and therefore include the amount of state aid to the manufacturing sector (*AID*) into the export function. The effect of state aid on manufacturing exports is of course our main interest. Furthermore, we also allow for the possibility that the quality of the government, i.e. government effectiveness (*GOVEFF*), may be conducive to manufacturing value added exports. Hence, the export function has the following general form:

(2) $X = X(FX, GDP^*, WAGE, AID, GOVEFF)$

This export function serves as the basis for our empirical specifications which we estimate in logarithmic form. The main reason for the logarithmic transformation is that the original export data (real value added exports) of the EU Member States are highly skewed. When taking logs, the distribution of our dependent variable gets closer to a normal distribution.

Our data set consists of a panel with 27 countries observed over a period of 17 years. The panel is slightly unbalanced because state aid data for the Central and East European Member States which joined the EU in 2004 are only available from 2000 onwards, and for Bulgaria and Romania from 2002 onwards, leaving us with 394 observations[4]. This also means that we include observations for countries in years in which they have not been EU members yet. For this reason we also include a dummy variable for EU membership (*MS*) that takes the value 1 for country-year combinations where the country was an EU member and 0 otherwise. With *i* indicating countries and *t* indicating years and taking into account that we work with value added exports as the preferred dependent variable, we get the following regression model:

(3) $vax_{i,t} = \alpha + \beta_1 \cdot aid_{i,t} + \gamma_1 \cdot fx_{i,t} + \gamma_2 \cdot gdp^*_{i,t} + \gamma_3 \cdot wage_{i,t} + \gamma_4 \cdot MS_{i,t} + \mu_i + \delta_t + \varepsilon_{i,t}.$

where all variables enter the equation in log-form as indicated by the use of minuscules. Note that the specification also includes a full set of country-fixed effects, μ_i, and time-fixed effects denoted by δ_t. The error term is denoted by $\varepsilon_{i,t}$.

The coefficient of main interest is β_1 which we expect to be positive because state aid is at least partly provided with the objective of increasing exports. This objective may be implicit, but in an open economy, any effective policy support for an industry that is granted on efficiency grounds is likely to also increase exports. This leads to the first hypothesis that we want to test:

Hypothesis 1: The provision of state aid to the manufacturing sector stimulates a country's value added exports.

With regard to the remaining variables, standard macroeconomic models – as mentioned above – would predict a negative impact of the real exchange rate, i.e. $\gamma_1 < 0$, and a positive impact of foreign GDP, i.e. $\gamma_2 > 0$, on export performance. Note that, since our export measure focuses on domestic value added embodied in exports, there is no need to control for imported inputs. Furthermore, we expect that exports increase with the level of productivity and hence a positive coefficient for the labour cost and hence $\gamma_3 > 0$.

A major concern in specification (3) is the potential endogeneity of state aid to the manufacturing sector. This stems from the fact that governments may be more tempted to provide state aid to manufacturing industries in countries where these are important for exports. In general, the larger the manufacturing sector, the larger is the probability that the government is captured by vested interests of manufacturing firms.[5] We attempt to handle the issue of endogeneity with a two-stage instrumental

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[4]   1995 state aid data for Sweden are also not available.

[5]   There is of course also the temptation of governments to provide support for ailing industries, which would suggest a negative causal link between export performance and state aid.

variable (IV) approach where manufacturing state aid is instrumented by a number of government-related indicators that can be assumed to have to impact on manufacturing exports. The list of instruments includes government expenditure on environmental protection (*envprot*), on social protection (*socprot*) and on health (*health*) as well as political indicators including the government's margin of majority (*majority*), the fragmentation of the government (*govfrac*) and a dummy variable indicating whether executive legislation have taken place in any particular year (*exelec*). The two indicators for the political system, the margin of majority and government fragmentation, do not enter in logged form because they are already expressed in percentages of votes in parliament and a probability respectively. In the first stage of the IV regression the following equation is estimated:

$$(4) \quad aid_{i,t} = \omega_0 + \omega_1 \cdot envprot_{i,t} + \omega_2 \cdot socprot_{i,t} + \omega_3 \cdot health_{i,t} + \omega_4 \cdot majority_{i,t} + \omega_5 \cdot govfrac_{i,t} + \omega_6 \cdot exelec_{i,t} + \omega_7 \cdot fx_{i,t} + \omega_8 \cdot gdp^*_{i,t} + \omega_9 \cdot wage_{i,t} + \omega_{10} \cdot MS_{i,t} + \mu_i + \delta_t + v_{i,t}$$

Another possibility that we wish to take into account is that governments may provide too much state aid to firms. As the amounts of state aid grows, the marginal impact of the aid can be expected to decline and finally turn negative as further subsidies would just be the result of successful lobbying for subsidies by vested interests. This would reflect the often cited 'government failure' in the context of industrial policy which implies a waste of public money.

We capture the potential non-linearity in the relationship between state aid and exports by including a quadratic state aid term into the regression:

$$(5) \quad vax_{i,t} = \alpha + \beta_1 \cdot aid_{i,t} + \beta_2 \cdot aid^2_{i,t} + \gamma_1 \cdot fx_{i,t} + \gamma_2 \cdot gdp^*_{i,t} + \gamma_3 \cdot wage_{i,t} + \gamma_4 \cdot MS_{i,t} + \mu_i + \delta_t + \varepsilon_{i,t}.$$

In specification (5) we continue to expect that the coefficient of manufacturing aid, β_1, is positive and we expect the coefficient of the quadratic term, β_2, to be negative. In order to avoid the problem of multicollinearity we estimate equation (2) using centred values of the linear and the squared state aid variables (*aid and aid²*). With this specification of the model we can test a second hypothesis:

Hypothesis 2: The positive effect of manufacturing aid on exports diminishes with increasing amounts of aid and may eventually turn negative.

In the presence of a quadratic term, the marginal effect of state aid on exports is given by:

$$\frac{\partial vax}{\partial aid} = \beta_1 + 2 \cdot \beta_2$$

We investigate a further non-linearity in order to test a third hypothesis according to which state aid has a stronger impact on export performance in countries with more effective government structures. We capture this non-linearity by interacting state aid to the manufacturing sector with the government effectiveness indicator resulting in the following specification:

$$(6) \quad vax_{i,t} = \alpha + \beta_1 \cdot aid_{i,t} + \gamma_1 \cdot fx_{i,t} + \gamma_2 \cdot gdp^*_{i,t} + \gamma_3 \cdot wage_{i,t} + \gamma_4 \cdot goveff_{i,t} + \quad \cdot \left(aid_{i,t} \cdot goveff_{i,t} \right) + \gamma_5 \cdot MS_{i,t} + \mu_i + \delta_t + \varepsilon_{i,t}$$

where $aid_{i,t} \cdot goveff_{i,t}$ is the interaction term formed by (the log of) manufacturing aid and (the log of) government effectiveness. Again, in order to avoid the problem of multicollinearity we estimate this non-linear model using centred values of the variables forming the interaction term, i.e. state aid and government effectiveness. We expect the coefficient of the interaction term, ϕ, to be positive. The implied hypothesis is:

Hypothesis 3: The marginal effect of state aid to the manufacturing sector on export performance is higher in countries with more effective governments.

This seems a plausible hypothesis given the great importance attached to 'government failures' in the context of state aid.

The marginal effect of state aid in specification (5) is country-specific and can be calculated as:

$$\frac{\partial vax}{\partial aid} = \beta_1 + \quad \cdot goveff_{i,t}$$

For sake of completeness we will also estimate a variant of the model in equation (6) which includes both quadratic terms and the interaction.

Results and discussion

The results from our fixed effects regressions for the models presented in equations (3), (5) and (6) are summarised in Table 2 along with some additional specifications. Most importantly, these results suggest that the disbursement of manufacturing aid (*aid*) is positively correlated with export performance. In specification (1) which contains the results of the basic regression model in equation (3), the estimated coefficient for manufacturing aid is statistically significant at the 1% level and suggests that an increase in subsidies by 10% is associated, on average, with an increase in real value added exports by 0.57%. Economically, this is a non-negligible effect given that current levels of aid are

rather small, typically amounting to less than half a per cent of GDP. This provides support for hypothesis 1 that the subsidies to the manufacturing sector provided by Member States tend to support exports. As predicted by standard macroeconomic theory we also find a statistically significant and economically large negative effect of the real exchange rate (*fx*) – which implies that an appreciation of the real exchange rate hampers exports – as well as a positive effect of foreign GDP (gdp^*) on export performance. For example, a 1% growth of foreign GDP is estimated to boost domestic exports by 0.63%. We also find that the wage level in the industrial sector in Member States – which should reflect the productivity level – is positively associated with exports.

Table 2

OLS regression results (fixed effects)

Dependent variable:	log of value added exports (vax)					
	(1)	(2)	(3)	(4)	(5)	(6)
aid	0.0574***	0.0561***	0.0574***	0.0671***	0.0613***	0.0650***
	(0.018)	(0.018)	(0.018)	(0.018)	(0.017)	(0.022)
aid^2		-0.0009			-0.0061	
		(0.004)			(0.005)	
fx	-0.9994***	-1.0023***	-0.9992***	-1.0232***	-1.0583***	
	(0.238)	(0.243)	(0.253)	(0.261)	(0.267)	
gdp*	0.6279**	0.6215**	0.6280**	0.6356**	0.5819**	0.6931**
	(0.264)	(0.269)	(0.261)	(0.252)	(0.252)	(0.280)
wage	0.7801***	0.7811***	0.7799***	0.7804***	0.7944***	0.1490
	(0.178)	(0.180)	(0.196)	(0.199)	(0.203)	(0.183)
MS	0.1305**	0.1303**	0.1304**	0.1357**	0.1368**	0.1817**
	(0.054)	(0.054)	(0.051)	(0.052)	(0.052)	(0.068)
aid x goveff				0.0859*	0.1316*	
				(0.048)	(0.068)	
goveff			0.0014	0.0285	0.0054	
			(0.300)	(0.281)	(0.292)	
goveff^2					-0.3274	
					(0.796)	
F-test	82.93	76.89	88.25	153.03	139.37	23.14
R^2	0.996	0.996	0.996	0.996	0.996	0.995
R^2-within	0.741	0.741	0.741	0.745	0.747	0.689
R^2-within adj.	0.726	0.726	0.726	0.729	0.730	0.672
obs.	394	394	394	394	394	394

Note: All regressions are in log-log form and include a constant as well as a full set of country-fixed and time-fixed effects. Specifications (2), (4) and (5) are estimated using centred values (with zero mean) of the variables forming the quadratic and interaction terms. ***,** and * indicate statistical significance at the 1%, 5% and 10% level respectively. Standard errors in parenthesis. All regressions estimated with STATA using xtreg except for R^2 which is obtained from estimating using the STATA reg-command with country and time fixed effects included.

Specification (2) tests for non-linear effects in the relationship between manufacturing aid and value added exports. More precisely, the quadratic term

of manufacturing aid that is included here relates to hypothesis 2. The coefficient of manufacturing aid continues to be statistically significant and is of

similar size as in specification (1). As expected the sign of the coefficient of the quadratic aid term is negative. It is, however, far from being statistically significant. Hence, the data do not support the claim in hypothesis 2 that the marginal effect of subsidies declines as aid amounts increase.

Specification (3) repeats the estimation of specification (1) but includes government effectiveness which does not seem to play a direct role for export performance. Specification (4) then adds an interaction term between manufacturing aid and government effectiveness. The idea here is that the effect of government effectiveness affects exports indirectly, insofar as well-functioning governments implement more successful industrial policies and the state aid provided is more conducive to exports. If this is the case, the interaction term should have a positive sign which is what we actually find. However, the coefficient of the interaction term is only significant at the 10% level. We interpret this as mild support for hypothesis 3 that manufacturing aid provided by Member States with high government effectiveness has a stronger effect on value added exports.

Returning to our remaining regression results in Table 2, specification (5) basically repeats the regression in specification (4) but includes the quadratic terms of manufacturing aid and government effectiveness which is the functional form employed. None of these additional terms turn out to be statistically significant and their inclusion does not change the results. Our result for the effects of manufacturing aid on export performance is not sensitive to the choice of the functional form. Finally, we re-estimate our linear model in specification (1) but omitting the real exchange rate for which we detected a unit root. The result clearly shows that neither the positive relationship between manufacturing aid and exports nor the high explanatory power of the regression is driven by the non-stationarity of the exchange rate variable. The only difference that emerges is that the wage level is not found to be statistically significant in specification (6).

Conclusions

Industrial policy is still considered with a lot of scepticism in large parts of Europe due to its disappointing track record. There is, however, a renewed interest in industrial policy that has been nurtured by the long-term shift out of manufacturing in the EU and intensified by the still sluggish growth since the outbreak of the economic crisis. Motivated by the revived debate on industrial policy, we investigated the impact of state aid to the manufacturing sector on the sector's export performance for 27 EU Member States over the period 1995-2011. We test three hypotheses, which are *(i)* the provision of manufacturing aid supports export competitiveness; *(ii)* the marginal effect of manufacturing aid on exports is declining with the amount of state aid and may even turn negative; and *(iii)* state aid provided by countries with high government effectiveness has a larger impact on export performance.

Using manufacturing value added exports as a proxy for external competitiveness we find that a 10% increase in manufacturing aid is associated with an increase in value added exports of 0.56% to 0.67% for the average Member State, which is in line with hypothesis 1. We also find mild support for the third hypothesis that the effect of state aid on export performance is stronger the higher a country's government effectiveness. Hence, for the Nordic countries, which score highest in terms of government effectiveness, we find elasticities of manufacturing aid with respect to value added exports exceeding 0.08 whereas for Romania, which has the lowest government effectiveness score among the 27 EU Member States, the effect of state aid on value added exports conditional on government effectiveness is only about 0.024.

We do not find empirical support for the hypothesis that the marginal effect of manufacturing aid on value added exports declines as the amount of state aid increases. The explanation for this may be that the amounts of aid currently involved are rather low by historical standards and therefore below the threshold where diminishing returns from the provision of state aid set in.

Our results therefore strongly suggest that industrial policy and the use of state aid can serve as an effective tool to foster exports. According to our estimates, one million of additional aid to the manufacturing sector leads to an increase in manufacturing value added exports of 1.37 million for the average EU Member State. However, we also find that the leverage of state aid to promote export varies considerably across Member States. An important aspect here is that, in general, the countries with less competitive manufacturing sectors also have lower state aid leverage with respect to exports. We interpret this as an argument in favour of more industrial policy activism at the EU level because it may remedy some of the shortcomings of the national industrial strategies such as inefficient government structures.

Overall our results build a case for more active industrial policy in Europe both at the national and at the EU level. This very strong result may be partly due to the particular situation in the EU where sovereign governments agreed to have their state aid activities supervised and controlled by the European Commission which most probably has contributed to the quality and effectiveness of the subsidies provided. However, a word of caution needs to be added at this stage. While we found state aid to be supportive of manufacturing exports, we do not suggest that subsidies are a magic bullet for export competitiveness. After all, diminishing returns from subsidies are likely to set in if state aid were to be increased dramatically even though we find no statistically significant result for that at the current levels of aid. Moreover, it should be kept in mind that a subsidy-induced export stimulus comes at a cost – a cost that is to be borne by taxpayers.

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European financial policy, as if banking mattered
(Further notes on the crisis in the euro area)

BY JAN TOPOROWSKI*

1. At the heart of modern finance capitalism lies the credit mechanism that accommodates the expansion of economic activity in a boom, and obstructs that activity with debt deflation in a recession. Since Knut Wicksell in the 19th century, and Dennis Robertson in the 20th, this has been thought to be a matter of banking policy. However, in practice it is the expenditure of firms that determines production, the turnover of credit in the economy and, hence, the liquidity of firms, households and government. In turn, that liquidity decides the ability of indebted units to service their debts. Banking policy is therefore endogenous to the business cycle, rather than determining that cycle.

Nevertheless, economists usually think of national income, or Gross Domestic Product (GDP), as something that is produced and, in that process of production, incomes are created. This is of course the foundation of the theory of value and distribution. But in a credit economy, national income can also be viewed as an adjustment of debt stocks. Debt stocks in turn can be divided into public or government debt, and private, that is non-government (household and firms') debt. If we exclude purely financial debt transactions (that is, the debts entered into in order to buy financial assets) the remaining debt stocks must overall be kept constant for national income to stay constant. Thus, a reduction in government debt, without an increase in private debt, would result in a reduction in national income. A reduction in government debt matched by a rise in private sector debt would hold

national income stable, although there will obviously be a change in the structure of that income. Finally, a reduction in private sector debt, without any increase in government debt, corresponds to Richard Koo's 'balance sheet recession'. However, it may be noted that hoarding of liquid assets by large corporations, in preference to investing profits in further production, a kind of liquidity preference alternative to repaying debt, has the same macroeconomic effect as using such profits to repay borrowing.[1]

2. The crisis in Europe cannot be overcome by either lowering real or nominal wages, or by devaluation of a particular country's currency. Lower wages induce lower prices in competitive markets, raising the real value of debt and prolonging debt deflation. In non-competitive markets, prices do not fall but demand shrinks because of the lower incomes, leading to reduced sales and difficulties in servicing financial commitments. Competitive markets therefore squeeze the ability of firms to service inherited debt commitments. Non-competitive markets squeeze the ability of households to service inherited debt commitments. Here it is worth noting that, in Europe, housing, energy and transport make up the bulk of household expenditure, and their rising costs, relative to wages, are a major factor in the present deflation.

3. The extent of economic integration in Europe, that is the high ratios of imports in the total national incomes of European countries, makes devaluation through the exchange rate or through lower wages less effective (because of the rise in import prices relative to incomes). Here a key structural factor was introduced into the European economy by the policies since the 1990s of creating a single market

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1 Equity in this situation may be viewed as a type of debt on which payments are wholly discretionary. There are, in addition, endogenous processes whereby reductions in net debt by governments, firms, and households are to some extent off-set by the 'forced indebtedness' of governments (through, for example, the increase in welfare payments without corresponding tax revenue increases) or of firms and households borrowing to cover income deficits. Further discussion of this may be found in the works of Kalecki and Steindl.

for financial services. Following a series of cross-border mergers and acquisitions, there has emerged, with the tacit encouragement of the European Commission, a system of pan-European banks, such as Société Générale, Deutsche Bank, Unicredit, Santander, whose branches may be found in most of the countries of the European Union. The key policy issue with these banks is not because they may be 'too big to fail', but because of their large cross-border holdings of assets, and corresponding liabilities. This means that any break-up of the European Monetary Union into smaller monetary unions, or a return to national currencies, that would fall in value against the currency of Germany and its remaining satellite economies, would result in widespread insolvency, or at the least balance sheet instability, among banks with cross-border exposures.

At the same time, the financial crisis since 2008 has revealed that, under the Maastricht Treaty, there is not any effective lender of last resort capable of supporting larger banks. This again is not an issue of 'too big to fail' but one of guaranteeing cross-border assets and liabilities. Most starkly, a German government guarantee of Deutsche Bank assets and liabilities in, say, Greece, would arouse serious controversy in Germany. Any rescue, as the Irish case shows, increases significantly government borrowing and turns limits on government borrowing into pious, but unreal aspirations that signal a government's inability to control its debt. Yet the question of support for banks becomes more urgent as deflation destroys the liquidity of large sections of the private sector and the breaching of Maastricht limits on government debt stigmatises such debt and makes it difficult to sell.

4. A start towards stabilising the banking and financial markets through financial policy innovation was made by the European Central Bank with the initiative in November 2011 of lending long-term to euro area banks directly from the ECB, the Long-Term Refinancing Operations (LTRO). These operations were designed to make commercial banks' holdings of long-term bonds, offered as collateral to the ECB for loans under the LTRO, more liquid. This

had the desired effect of bringing down long-term bond yields. The measure was followed to steps towards setting up a Banking Union and a single bank regulator for the European Monetary Union, to relieve its governments of the financial embarrassment of providing lender of last resort facilities in the Union. These initiatives are helping to support the banks of the euro area. But they cannot break the deflation that is causing the assets of those banks, in the form of their loans to governments and the private sector, to lose value.

5. These measures to support banks explain the paradox of peripheral countries applying to join, such as Iceland, and joining, such as Latvia, the European Monetary Union as it goes through its greatest crisis. Governments of countries with banks that are failing because of the deflation in the European economy are naturally enthusiastic about getting ECB funding for their banks, so that those governments may be relieved of the need to indebt themselves in order to guarantee banks affected by deflation.

6. The way out of the deflation must include at least the following three elements. First of all, a planned policy of stabilising and increasing wages, to rehabilitate domestic consumer markets. Secondly, more active open market operations by the European Central Bank are necessary to preserve the liquidity of banking and financial markets. Thirdly, more active fiscal policy is essential as a temporary substitute for the fall in private sector investment. Fiscal policy has been disabled by difficulties in the markets for debts issued by national governments. Governments should therefore undertake more active debt management, financed from an annual tax on all financial assets in registered balance sheets above a certain minimum size. The revenue from this tax should be used by national debt management offices to buy in government debt and thereby resume control by the government of the yield curve for government paper. Such a tax, and buying in of government debt, would discourage the hoarding of liquid assets by companies, in preference to productive investment, and concentrate liquidity on fixed investment and on government

debt. In the end, indebted capitalist economies need private sector investment to manage their debts effectively and to secure a sustained recovery.

Conclusion

These notes put forward a macroeconomic view of the European difficulties from a banking perspective. In that perspective, national income is the outcome of changes in debt stocks. However, in our complex credit economy, macroeconomic imbalances between income and expenditure work themselves out through debt structures that require new macroeconomic imbalances (surpluses in trade and fiscal policy to manage debt). The resulting business cycles are accommodated or reinforced by changes in debt stocks. The monetary and regulatory authorities may shift that accommodation between different financial institutions, or in and out of informal credit or shadow banking. But those authorities cannot regulate those business cycles by regulating credit and, under inflation-targeting, monetary policy is controlled by the business cycle rather than regulating that cycle. The regulation of the business cycle requires regulation of expenditure, in particular investment, if the embarrassment of debt is to be avoided.

STATISTICAL ANNEX

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

NEW: **As of September 2013, new trade data on EU-28 included (time series on EU-27 are still updated in the database until December 2013).**

NEW: **As of June 2013, time series for Kazakhstan are included in the wiiw Monthly Database.**

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

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.

Access: New online database access! (see overleaf)

New online database access
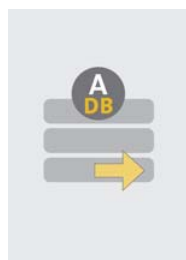
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B U L G A R I A: Selected monthly data on the economic situation 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	3.3	-2.8	-0.6	0.0	2.5	8.3	1.4	-4.2	1.6	-7.6	-5.9	-1.3	-4.1	1.8	.
Industry, NACE Rev. 2 [1]	real, CCPPY	-0.4	-0.7	-0.7	-0.6	-0.4	8.3	4.9	1.6	1.6	-0.3	-1.3	-1.3	-1.7	-1.3	.
Industry, NACE Rev. 2 [1]	real, 3MMA	0.4	-0.1	-1.1	0.6	3.4	4.0	1.6	-0.5	-3.5	-4.1	-4.9	-3.8	-1.3	.	.
Productivity in industry, NACE Rev. 2 [1]	CCPPY	.	2.4	.	.	2.5	.	.	4.2	.	.	1.3	.	.	1.4	.
Unit labour costs, exch.r. adj.(EUR) [1]	CCPPY	.	4.4	.	.	4.2	.	.	1.3	.	.	3.4	.	.	3.2	.
Construction, NACE Rev. 2 [2]	real, CPPY	1.4	-4.1	8.8	1.0	-16.9	-2.2	7.0	-7.5	6.4	-12.5	-10.5	-5.0	-11.0	-4.4	.
Construction, NACE Rev. 2 [2]	real, CCPPY	0.1	-0.3	0.6	0.7	-0.8	-2.2	2.1	-1.5	0.6	-2.3	-3.8	-4.0	-5.0	-4.9	
LABOUR																
Employed persons, LFS [3]	th. pers., quart. avg	.	3017.1	.	.	2951.8	.	.	2855.0	.	.	2940.2	.	.	.	.
Employed persons, LFS [3]	CPPY	.	-0.6	.	.	-0.7	.	.	0.1	.	.	0.9	.	.	.	.
Unemployed persons, LFS [3]	th. pers., quart. avg	.	393.2	.	.	417.3	.	.	456.4	.	.	437.3	.	.	.	.
Unemployment rate, LFS [3]	%	.	11.5	.	.	12.4	.	.	13.8	.	.	13.0	.	.	.	.
Unemployment, registered	th. persons, eop	351.5	349.4	361.9	372.1	375.8	391.7	392.7	388.5	380.5	360.8	351.6	355.0	351.4	354.6	367.0
Unemployment rate, registered [3]	%, eop	10.7	10.6	11.0	11.3	11.4	11.9	12.0	11.8	11.6	11.0	10.7	10.8	10.7	10.8	11.2
WAGES																
Total economy, gross	BGN	754	777	790	791	828	773	766	796	809	799	789	800	777	801	.
Total economy, gross [4]	real, CPPY	7.1	7.0	8.4	6.4	6.7	2.3	2.1	2.0	3.5	2.3	2.0	5.1	3.8	4.5	.
Total economy, gross	EUR	386	397	404	404	423	395	392	407	414	409	403	409	397	410	.
Industry, gross, NACE Rev. 2	EUR	356	370	359	369	380	363	363	386	369	377	383	376	372	384	.
PRICES																
Consumer - HICP	PP	0.6	0.3	-0.1	-0.2	0.3	0.2	0.2	-0.4	-0.4	0.0	-0.3	-0.1	-0.2	-0.3	0.2
Consumer - HICP	CPPY	3.1	3.4	3.0	2.7	2.8	2.6	2.2	1.6	0.9	1.0	1.2	0.0	-0.7	-1.3	-1.1
Consumer - HICP	CCPPY	2.1	2.2	2.3	2.4	2.4	2.6	2.4	2.1	1.8	1.7	1.6	1.4	1.1	0.8	0.6
Producer, in industry, NACE Rev. 2	PP	1.5	1.0	-0.3	-0.6	-0.9	-0.5	0.8	-0.9	-0.8	-0.9	-0.3	0.0	0.2	0.0	.
Producer, in industry, NACE Rev. 2	CPPY	6.2	5.6	7.0	5.2	5.0	2.0	2.3	0.7	-1.8	-0.9	0.0	-1.9	-3.3	-4.2	.
Producer, in industry, NACE Rev. 2	CCPPY	3.7	3.9	4.2	4.3	4.4	2.0	2.2	1.7	0.8	0.5	0.4	0.1	-0.4	-0.8	.
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob), cumulated	EUR mn	13613	15428	17288	19257	20793	1776	3434	5223	7195	8891	10651	12686	14687	.	.
Imports total (cif), cumulated	EUR mn	16941	19001	21320	23535	25484	1905	3984	5959	8205	10320	12494	14877	16855	.	.
Trade balance, cumulated	EUR mn	-3328	-3572	-4032	-4278	-4691	-129	-550	-736	-1010	-1429	-1843	-2191	-2168	.	.
Exports to EU-28 (fob), cumulated	EUR mn	8076	9160	10238	11375	12231	1032	2031	3152	4279	5244	6289	7531	8748	.	.
Imports from EU-28 (cif), cumulated	EUR mn	9911	11113	12459	13844	14967	1057	2324	3518	4874	6088	7396	8847	9963	.	.
Trade balance with EU-28, cumulated	EUR mn	-1835	-1953	-2221	-2469	-2736	-25	-293	-365	-595	-844	-1107	-1316	-1215		.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-28	.	.	-521	.	.	-390	.	.	127	.	.	.	.
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	1.577	1.521	1.507	1.525	1.491	1.472	1.464	1.509	1.501	1.507	1.483	1.495	1.469	1.465	1.434
EUR/BGN, calculated with CPI [5]	real, Jan09=100	100.9	100.7	100.3	100.2	100.2	101.2	101.0	99.6	99.2	99.1	98.7	99.1	98.8	98.1	98.3
EUR/BGN, calculated with PPI [5]	real, Jan09=100	112.6	113.6	113.4	112.9	112.2	111.4	111.9	111.1	110.9	110.2	109.9	109.6	109.7	109.6	.
USD/BGN, calculated with CPI [5]	real, Jan09=100	94.5	97.9	98.8	97.9	100.7	101.9	101.8	98.1	98.2	97.7	98.7	97.8	99.2	99.1	101.7
USD/BGN, calculated with PPI [5]	real, Jan09=100	98.5	102.3	103.4	102.5	104.1	104.4	104.8	101.0	100.9	99.3	100.2	99.4	101.5	101.9	.
DOMESTIC FINANCE																
Currency in circulation	BGN mn, eop	8094	8040	7971	8018	8499	8012	8012	7971	8158	8095	8271	8517	8712	8672	8599
M1	BGN mn, eop	22527	22627	22298	22613	23014	22592	23304	23662	23907	24377	24891	25697	26344	26413	26574
Broad money	BGN mn, eop	60087	60320	59970	60469	61722	61446	61910	62605	62609	62751	62987	63775	64733	65218	65659
Broad money	CPPY	8.8	8.7	8.6	10.1	8.4	7.1	7.9	8.9	7.4	7.5	7.7	6.4	7.7	8.1	9.5
Central bank policy rate (p.a.) [6]	%, eop	0.08	0.04	0.03	0.04	0.03	0.03	0.01	0.01	0.01	0.02	0.01	0.02	0.02	0.02	0.03
Central bank policy rate (p.a.) [6][7]	real, %	-5.8	-5.2	-6.5	-4.9	-4.8	-1.9	-2.3	-0.7	1.8	0.9	0.0	2.0	3.4	4.4	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	BGN mn	.	1131	.	.	-592	.	.	259	.	.	215	.	.	.	.

1) Enterprises with 10 and more persons.
2) All public enterprises, private enterprises with 5 and more employees.
3) According to census February 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) Base interest rate. This is a reference rate based on the average interbank LEONIA rate of previous month (Bulgaria has a currency board).
7) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

C R O A T I A: Selected monthly data on the economic situation 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	2.2	-10.5	-4.4	-4.3	-8.4	5.1	-2.9	0.7	1.8	-5.4	-1.6	-2.6	-6.5	-2.5	.
Industry, NACE Rev. 2 [1]	real, CCPPY	-4.8	-5.5	-5.4	-5.3	-5.5	5.1	0.9	0.8	1.1	-0.3	-0.5	-0.9	-1.6	-1.7	.
Industry, NACE Rev. 2 [1]	real, 3MMA	-4.4	-4.5	-6.4	-5.7	-3.1	-2.5	0.8	-0.1	-1.0	-1.8	-3.2	-3.5	-3.8	.	.
Productivity in industry, NACE Rev. 2 [1]	CCPPY	-1.2	-1.7	-1.4	-1.1	-1.2	11.4	6.8	6.8	7.2	5.7	5.2	4.7	3.9	3.7	.
Unit labour costs, exch.r. adj.(EUR) [1]	CCPPY	1.8	2.1	2.3	1.7	1.7	-7.7	-3.0	-4.8	-5.0	-3.6	-3.3	-2.6	-2.0	.	.
Construction, NACE Rev. 2 [1]	real, CPPY	-10.3	-17.5	-3.8	-10.3	-18.8	-2.0	5.1	-10.5	-1.6	-7.6	-4.5	-0.7	-12.1	.	.
Construction, NACE Rev. 2 [1]	real, CCPPY	-10.4	-11.2	-10.5	-10.5	-11.1	-2.0	1.4	-3.1	-2.7	-3.8	-3.9	-3.4	-4.5	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg.	.	1522.2	.	.	1402.1	.	.	1343.7	.	.	1403.9	.	.	.	.
Employed persons, LFS	CPPY	.	-0.8	.	.	-5.2	.	.	-3.6	.	.	-4.2	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg.	.	258.4	.	.	307.4	.	.	296.3	.	.	278.3	.	.	.	.
Unemployment rate, LFS	%	.	14.6	.	.	18.1	.	.	18.1	.	.	16.6	.	.	.	.
Unemployment, registered	th. persons, eop	301.6	311.1	333.4	347.0	358.2	372.0	375.4	368.6	355.6	333.2	318.1	316.2	313.7	323.8	344.4
Unemployment rate, registered	%, eop	17.7	18.3	19.6	20.4	21.1	21.7	21.9	21.6	20.9	19.6	18.6	18.5	18.4	19.1	20.3
WAGES																
Total economy, gross	HRK	7977	7702	7890	8079	7894	7974	7863	7986	7889	8065	7899	7922	7933	7796	.
Total economy, gross	real, CPPY	-3.0	-5.2	-2.8	-4.8	-4.5	-3.4	-2.7	-3.2	-1.7	-0.5	-2.1	-0.6	-2.4	0.1	.
Total economy, gross	EUR	1065	1037	1052	1072	1048	1054	1037	1053	1038	1066	1053	1057	1055	1028	.
Industry, gross, NACE Rev. 2	EUR	967	921	974	993	945	957	946	936	949	990	960	985	962	.	.
PRICES																
Consumer	PP	0.5	1.4	0.4	-0.2	-0.1	0.1	0.3	0.3	0.4	0.0	-0.2	-0.6	0.1	0.6	-0.4
Consumer	CPPY	4.0	5.0	4.8	4.4	4.7	5.2	4.9	3.7	3.3	1.6	2.0	2.3	1.9	1.1	0.2
Consumer	CCPPY	2.8	3.0	3.2	3.3	3.4	5.2	5.1	4.6	4.3	3.7	3.5	3.3	3.1	2.9	2.6
Producer, in industry, NACE Rev. 2 [2]	PP	1.5	1.0	0.1	-1.1	0.0	-0.4	0.3	0.1	-0.3	-0.6	0.3	-0.3	0.3	0.0	-1.3
Producer, in industry, NACE Rev. 2 [2]	CPPY	7.8	8.9	8.4	6.6	6.8	5.4	3.7	3.2	2.3	0.2	0.9	0.6	-0.7	-1.7	-3.0
Producer, in industry, NACE Rev. 2 [2]	CCPPY	6.7	6.9	7.1	7.0	7.0	5.4	4.5	4.1	3.6	2.9	2.6	2.3	1.9	1.5	1.0
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	6268	7053	8021	8925	9630	609	1312	2076	2792	3620	4360	5179	5859	.	.
Imports total (cif), cumulated	EUR mn	10944	12242	13759	15096	16216	1130	2342	3731	5102	6535	8123	9551	10790	.	.
Trade balance, cumulated	EUR mn	-4676	-5189	-5738	-6171	-6587	-521	-1029	-1655	-2310	-2914	-3763	-4371	-4931	.	.
Exports to EU-28 (fob), cumulated	EUR mn	3620	4110	4714	5237	5630	382	816	1241	1703	2229	2679	3184	3541	.	.
Imports from EU-28 (cif), cumulated	EUR mn	6910	7708	8602	9432	10163	677	1423	2288	3139	4017	4899	5868	6644	.	.
Trade balance with EU-28, cumulated	EUR mn	-3290	-3598	-3889	-4195	-4533	-296	-607	-1047	-1436	-1788	-2220	-2684	-3103	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	667	.	.	32	.	.	-1409	.	.	-1664	.	.	.	.
EXCHANGE RATE																
HRK/EUR, monthly average	nominal	7.487	7.427	7.500	7.536	7.529	7.568	7.582	7.586	7.602	7.568	7.500	7.494	7.521	7.587	7.614
HRK/USD, monthly average	nominal	6.042	5.788	5.784	5.876	5.747	5.701	5.665	5.847	5.845	5.828	5.687	5.734	5.648	5.691	5.586
EUR/HRK, calculated with CPI [3]	real, Jan09=100	96.8	98.4	97.5	97.0	96.7	97.0	96.8	96.1	96.3	96.6	97.3	97.2	96.8	96.1	95.5
EUR/HRK, calculated with PPI [3]	real, Jan09=100	108.0	109.8	109.0	107.4	107.8	106.5	106.4	106.6	106.7	106.9	108.1	107.7	107.6	106.5	104.7
USD/HRK, calculated with CPI [3]	real, Jan09=100	90.1	95.0	95.5	94.2	96.4	97.1	97.1	94.2	94.7	94.8	96.7	95.3	96.7	96.5	98.1
USD/HRK, calculated with PPI [3]	real, Jan09=100	93.9	98.2	98.8	96.9	99.2	99.1	99.2	96.4	96.4	95.7	98.1	97.1	99.0	98.4	99.3
DOMESTIC FINANCE																
Currency outside banks	HRK bn, eop	18.7	17.9	17.1	16.7	16.9	16.4	16.4	16.9	17.2	17.7	18.5	19.0	19.1	18.4	.
M1	HRK bn, eop	52.2	51.9	50.8	50.5	52.8	49.9	49.6	51.9	52.9	54.8	57.1	56.7	59.1	57.9	.
Broad money	HRK bn, eop	263.0	261.3	262.2	263.1	263.8	261.1	261.2	263.1	262.1	263.6	263.9	265.8	273.0	274.6	.
Broad money	CPPY, eop	2.6	2.1	2.5	3.0	3.2	2.7	2.9	4.4	3.7	3.4	3.4	2.2	3.8	5.1	.
Central bank policy rate (p.a.) [4]	%, eop	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Central bank policy rate (p.a.) [4][5]	real, %, eop	-0.8	-1.8	-1.3	0.4	0.2	1.5	3.2	3.7	4.6	6.8	6.1	6.4	7.7	8.8	10.3
BUDGET																
Central gov. budget balance, cum. [6]	HRK mn	-7256	-8641	-8233	-8256	-11180	-2695	-3478	-6188	-6634	-8862	-11995	-12812	-13548	-14572	.

1) Enterprises with 20 and more employees.
2) Domestic output prices. Including NACE E (water supply, sewerage, waste managemant, remediation).
3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
4) Discount rate of NB.
5) Deflated with annual PPI.
6) Consolidated central government budget.

Source: wiiw Monthly Database incorporating national statistics.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	-1.2	-5.8	3.5	-4.7	-11.4	-4.2	-5.8	-6.1	0.0	-2.1	-4.9	2.1	1.6	7.1	.
Industry, NACE Rev. 2	real, CCPPY	1.1	0.3	0.6	0.1	-0.8	-4.2	-5.0	-5.4	-4.1	-3.7	-3.9	-3.1	-2.6	-1.5	.
Industry, NACE Rev. 2	real, 3MMA	-0.9	-1.2	-2.4	-4.1	-6.7	-7.2	-5.4	-4.0	-2.8	-2.4	-1.8	-0.6	3.7	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	0.7	.	.	-0.5	.	.	-4.7	.	.	-3.2	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	-0.9	.	.	1.4	.	.	3.3	.	.	2.2	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	-5.1	-10.1	-3.9	-3.9	-19.4	-10.3	-0.2	-22.3	-12.4	-17.3	-11.6	0.1	-8.1	-9.4	.
Construction, NACE Rev. 2	real, CCPPY	-6.4	-7.0	-6.6	-6.3	-7.6	-10.3	-5.1	-12.7	-12.6	-13.9	-13.4	-11.0	-10.5	-10.3	.
LABOUR																
Employed persons, LFS [1]	th. pers., quart. avg	.	4920.6	.	.	4916.6	.	.	4884.0	.	.	4953.0	.	.	.	.
Employed persons, LFS [1]	CPPY	.	0.5	.	.	0.6	.	.	1.0	.	.	1.3	.	.	.	.
Unemployed persons, LFS [1]	th. pers., quart. avg	.	367.9	.	.	379.3	.	.	392.7	.	.	358.0	.	.	.	.
Unemployment rate, LFS [1]	%	.	7.0	.	.	7.2	.	.	7.4	.	.	6.8	.	.	.	.
Unemployment, registered	th. persons, eop	486.7	493.2	496.8	508.5	545.3	585.8	593.7	587.8	565.2	547.5	540.5	551.1	551.7	557.1	556.7
Unemployment rate, registered [2]	%, eop	8.3	8.4	8.5	8.7	9.4	8.0	8.1	8.0	7.7	7.5	7.3	7.5	7.5	7.6	7.6
WAGES																
Total economy, gross	CZK, quart. avg.	.	24514	.	.	27121	.	.	24051	.	.	24953	.	.	.	.
Total economy, gross [3]	real, CPPY	.	-1.7	.	.	0.5	.	.	-2.1	.	.	-0.3	.	.	.	.
Total economy, gross	EUR, quart. avg.	.	978	.	.	1077	.	.	941	.	.	966	.	.	.	.
Industry, gross, NACE Rev. 2 [4]	EUR, quart. avg.	.	972	.	.	1075	.	.	948	.	.	986	.	.	.	.
PRICES																
Consumer - HICP	PP	0.0	-0.1	0.3	-0.3	0.0	1.2	0.1	0.1	0.2	-0.2	0.5	-0.3	-0.2	-0.3	0.2
Consumer - HICP	CPPY	3.4	3.5	3.6	2.8	2.4	1.8	1.8	1.5	1.7	1.2	1.6	1.4	1.2	1.0	0.8
Consumer - HICP	CCPPY	3.8	3.7	3.7	3.6	3.5	1.8	1.8	1.7	1.7	1.6	1.6	1.6	1.5	1.5	1.4
Producer, in industry, NACE Rev. 2	PP	-0.3	-0.4	0.4	0.4	-0.5	0.8	-0.1	0.3	-0.2	-0.2	-0.3	0.4	-0.5	0.1	.
Producer, in industry, NACE Rev. 2	CPPY	2.4	1.4	1.5	0.9	0.3	0.3	0.8	1.3	0.9	0.1	-0.5	0.3	0.1	0.6	.
Producer, in industry, NACE Rev. 2	CCPPY	3.0	2.9	2.7	2.5	2.4	0.3	0.5	0.8	0.8	0.7	0.5	0.5	0.4	0.4	.
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob),cumulated	EUR mn	81016	91439	102924	113854	122230	9646	19172	29309	39636	49558	59541	69352	78754	89590	.
Imports total (cif),cumulated	EUR mn	72919	82132	92303	101906	110066	8400	16697	25537	34523	43391	52145	60915	69574	79050	.
Trade balance,cumulated	EUR mn	8097	9307	10621	11949	12164	1246	2474	3772	5113	6166	7397	8437	9180	10540	.
Exports to EU-28 (fob), cumulated	EUR mn	65971	74527	83857	92748	99380	7916	15628	23824	32198	40171	48228	56112	63682	72559	.
Imports from EU-28 (cif), cumulated	EUR mn	54921	61866	69722	77062	82994	6315	12725	19489	26275	33110	39920	46759	53342	60599	.
Trade balance with EU-28, cumulated	EUR mn	11050	12661	14136	15687	16387	1601	2904	4335	5923	7061	8309	9353	10340	11960	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-2291	.	.	-3735	.	.	534	.	.	337	.	.	.	.
EXCHANGE RATE																
CZK/EUR, monthly average	nominal	25.02	24.75	24.94	25.37	25.21	25.56	25.48	25.66	25.84	25.89	25.76	25.94	25.82	25.79	25.66
CZK/USD, monthly average	nominal	20.18	19.25	19.22	19.77	19.22	19.24	19.07	19.79	19.84	19.94	19.53	19.83	19.40	19.32	18.82
EUR/CZK, calculated with CPI [5]	real, Jan09=100	106.1	106.5	105.8	103.8	104.1	104.8	104.8	103.2	102.6	102.1	103.1	102.4	102.6	102.0	102.7
EUR/CZK, calculated with PPI [5]	real, Jan09=100	101.4	101.9	101.7	100.6	101.0	100.0	100.0	99.7	99.4	99.4	99.6	99.0	99.1	99.1	.
USD/CZK, calculated with CPI [5]	real, Jan09=100	99.4	103.6	104.2	101.4	104.6	105.5	105.6	101.6	101.6	100.7	103.0	101.1	103.1	103.1	106.2
USD/CZK, calculated with PPI [5]	real, Jan09=100	88.7	91.8	92.7	91.3	93.6	93.8	93.6	90.6	90.4	89.5	90.9	89.9	91.6	92.2	.
DOMESTIC FINANCE																
Currency in circulation	CZK bn, eop	382.3	386.4	383.6	387.8	388.9	386.8	388.0	391.7	395.9	396.2	399.4	396.8	398.6	398.6	399.1
M1	CZK bn, eop	2242.6	2236.2	2286.4	2295.2	2336.3	2344.3	2358.1	2355.6	2384.7	2395.2	2394.3	2433.7	2424.5	2424.8	2428.0
Broad money	CZK bn, eop	2893.4	2888.1	2925.9	2929.8	2971.8	2967.1	2988.5	2992.8	3010.6	3014.3	3015.5	3063.1	3053.6	3053.7	3055.2
Broad money	CPPY	5.4	4.0	5.2	4.6	4.8	5.1	4.8	5.1	4.9	4.2	4.6	5.7	5.5	5.7	4.4
Central bank policy rate (p.a.) [6]	%, eop	0.50	0.50	0.25	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Central bank policy rate (p.a.) [6][7]	real, %	-1.9	-0.9	-1.3	-0.8	-0.2	-0.2	-0.7	-1.3	-0.9	0.0	0.5	-0.2	0.0	-0.5	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	CZK mn	.	-71639	.	.	-169409	.	.	-35805	.	.	-52271	.	.	.	.

1) According to census March 2011.

2) From 2013 available job applicants 15-64 in % of working age population 15-64, available job applicants in % of labour force before.

3) Nominal wages deflated with HICP.

4) Including NACE E (water supply, sewerage, waste managemant, remediation).

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

6) Two-week repo rate.

7) 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 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	-3.1	0.2	3.3	1.2	-1.6	5.7	3.2	2.8	8.4	5.9	0.1	10.7	-1.3	1.7	.
Industry, NACE Rev. 2	real, CCPPY	-0.6	-0.5	-0.1	0.0	-0.1	5.7	4.5	3.9	5.0	5.2	4.3	5.1	4.3	4.0	.
Industry, NACE Rev. 2	real, 3MMA	-1.7	0.1	1.6	1.0	1.7	2.4	3.9	4.8	5.6	4.7	5.3	2.8	3.4	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	-3.0	.	.	-2.6	.	.	0.9	.	.	1.4	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	10.7	.	.	10.5	.	.	5.6	.	.	6.0	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	14.6	.	.	8.6	.	.	1.5	.	.	0.3	.	.	.	.
Construction, NACE Rev. 2	real, CCPPY	.	22.7	.	.	18.6	.	.	1.5	.	.	0.8	.	.	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	634.4	.	.	624.7	.	.	623.1	.	.	645.2	.	.	.	.
Employed persons, LFS	CPPY	.	1.1	.	.	1.7	.	.	1.4	.	.	3.3	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	67.9	.	.	63.7	.	.	70.8	.	.	57.0	.	.	.	.
Unemployment rate, LFS	%	.	9.7	.	.	9.3	.	.	10.2	.	.	8.1	.	.	.	.
Unemployment, registered	th. persons, eop	38.7	37.3	38.2	39.1	39.7	42.8	43.9	43.6	41.8	37.8	35.4	34.8	33.3	32.3	32.7
Unemployment rate, registered	%, eop	5.9	5.7	5.9	6.0	6.1	6.6	6.7	6.7	6.4	5.8	5.4	5.3	5.1	5.0	5.0
WAGES																
Total economy, gross	EUR, quart. avg.	.	855	.	.	916	.	.	900	.	.	976	.	.	930	.
Total economy, gross [1]	real, CPPY	.	1.5	.	.	2.0	.	.	2.4	.	.	4.6	.	.	5.2	.
Industry, gross, NACE Rev. 2	EUR, quart. avg.	.	879	.	.	928	.	.	924	.	.	976	.	.	.	.
PRICES																
Consumer - HICP	PP	0.3	0.4	0.1	-0.3	0.0	0.6	0.7	0.8	0.1	0.4	0.6	0.2	-0.1	-0.5	-0.3
Consumer - HICP	CPPY	4.2	4.1	4.2	3.8	3.6	3.7	4.0	3.8	3.4	3.6	4.1	3.9	3.6	2.6	2.2
Consumer - HICP	CCPPY	4.4	4.3	4.3	4.3	4.2	3.7	3.9	3.8	3.7	3.7	3.8	3.8	3.8	3.6	3.5
Producer, in industry, NACE Rev. 2	PP	0.7	-0.3	-0.1	0.3	-0.3	5.8	-0.2	1.9	-0.2	-2.6	5.8	-4.8	1.6	1.9	-0.8
Producer, in industry, NACE Rev. 2	CPPY	2.7	2.3	2.2	2.5	2.2	7.3	6.7	8.5	8.1	5.3	11.4	5.7	6.6	9.0	8.2
Producer, in industry, NACE Rev. 2	CCPPY	2.8	2.8	2.7	2.7	2.6	7.3	7.0	7.5	7.6	7.1	7.8	7.5	7.4	7.6	7.7
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob), cumulated	EUR mn	8255	9377	10478	11634	12518	1129	2089	3095	4172	5286	6263	7206	8211	9239	.
Imports total (cif), cumulated	EUR mn	8915	10040	11332	12461	13552	1145	2216	3340	4547	5736	6887	8016	9112	10249	.
Trade balance, cumulated	EUR mn	-660	-663	-854	-827	-1034	-17	-126	-245	-375	-449	-623	-810	-901	-1010	.
Exports to EU-28 (fob), cumulated	EUR mn	5439	6158	6917	7694	8264	844	1524	2260	3015	3791	4487	5150	5857	6571	.
Imports from EU-28 (cif), cumulated	EUR mn	6969	7907	8926	9853	10725	912	1746	2643	3609	4587	5545	6480	7385	8346	.
Trade balance with EU-28, cumulated	EUR mn	-1530	-1748	-2010	-2159	-2460	-68	-222	-383	-594	-796	-1059	-1330	-1528	-1776	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-232	.	.	-311	.	.	-88	.	.	-112	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [2]	nominal	0.8065	0.7778	0.7708	0.7795	0.7623	0.7526	0.7486	0.7714	0.7677	0.7703	0.7582	0.7645	0.7513	0.7492	0.7334
EUR/EUR, calculated with CPI [3]	real, Jan09=100	102.5	102.3	102.1	101.9	101.5	103.0	103.3	103.2	103.3	103.6	104.1	104.7	104.6	103.6	103.3
EUR/EUR, calculated with PPI [3]	real, Jan09=100	98.6	98.2	98.2	98.7	98.7	104.1	103.7	105.8	106.3	103.8	109.8	104.3	105.9	107.8	107.0
USD/EUR, calculated with CPI [3]	real, Jan09=100	95.9	99.5	100.5	99.5	102.0	103.7	104.1	101.6	102.3	102.1	104.1	103.4	105.0	104.7	106.9
USD/EUR, calculated with PPI [3]	real, Jan09=100	86.3	88.5	89.6	89.6	91.5	97.6	97.1	96.2	96.7	93.5	100.2	94.7	98.0	100.3	102.0
DOMESTIC FINANCE																
Currency in circulation [4]	EUR mn, eop	2141	2132	2129	2126	2180	2109	2103	2142	2154	2163	2178	2195	2198	2197	2210
M1 [4]	EUR mn, eop	5807	5744	5927	5977	6258	6166	6206	6324	6489	6506	6667	6679	6647	6693	6916
Broad money [4]	EUR mn, eop	9550	9372	9483	9465	9705	9456	9604	9629	9710	9781	9843	9785	9823	9916	10095
Broad money [4]	CPPY	9.8	7.3	8.0	7.0	7.4	6.3	7.5	8.9	6.5	6.8	6.3	2.9	2.9	5.8	6.5
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	0.50	0.50	0.50	0.50	0.50	0.50
Central bank policy rate (p.a.) [5][6]	real, %	-1.9	-1.5	-1.4	-1.7	-1.4	-6.1	-5.5	-7.1	-6.8	-4.5	-9.8	-4.9	-5.7	-7.8	-7.1
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	1	.	.	-41	.	.	-139	.	.	-68	.	.	.	.

1) Nominal wages deflated with HICP.
2) Reference rate of ECB.
3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
4) Estonia's contributions to EMU monetary aggregates. M1 and Broad money without currency in circulation.
5) 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 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	0.2	-3.5	-1.5	-7.1	-7.7	-1.4	-5.7	-3.2	4.9	-2.3	-0.9	5.4	-1.6	5.3	.
Industry, NACE Rev. 2	real, CCPPY	-0.1	-0.5	-0.6	-1.3	-1.8	-1.4	-3.6	-3.4	-1.5	-1.7	-1.5	-0.6	-0.7	0.0	.
Industry, NACE Rev. 2	real, 3MMA	-0.9	-1.7	-4.1	-5.4	-5.5	-4.9	-3.4	-1.5	-0.4	0.5	0.7	1.0	3.1	.	.
Productivity in industry, NACE Rev. 2	CCPPY	1.9	1.5	1.5	0.9	0.3	-1.3	-3.6	-3.5	-1.5	-1.7	-1.7	-0.9	-1.1	-0.5	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-2.2	-1.0	0.5	2.4	4.0	10.4	9.1	7.0	5.0	5.5	5.3	4.1	3.6	2.5	.
Construction, NACE Rev. 2	real, CPPY	-8.7	3.8	-1.8	-13.5	-3.5	-6.7	5.1	6.4	6.6	11.9	12.8	2.7	14.6	9.3	.
Construction, NACE Rev. 2	real, CCPPY	-8.7	-6.9	-6.3	-7.2	-6.7	-6.7	-0.4	2.3	3.6	5.5	7.0	6.3	7.6	7.8	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	3935.5	.	.	3908.5	.	.	3817.7	.	.	3931.3	.	.	.	.
Employed persons, LFS	CPPY	.	2.1	.	.	1.5	.	.	0.7	.	.	1.4	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	457.7	.	.	468.3	.	.	508.7	.	.	449.5	.	.	.	.
Unemployment rate, LFS	%	.	10.4	.	.	10.7	.	.	11.8	.	.	10.3	.	.	.	.
Unemployment, registered	th. persons, eop	526.9	526.7	523.0	536.1	569.3	648.5	676.5	620.1	552.0	515.1	497.0	497.2	491.9	484.1	488.6
Unemployment rate, registered	%, eop	11.8	11.8	11.8	12.0	12.8	14.6	15.2	13.9	12.4	11.6	11.2	11.2	11.1	10.9	11.0
WAGES																
Total economy, gross [1]	HUF th	214.8	213.6	217.6	238.4	243.7	224.6	222.7	229.8	230.4	232.1	229.1	229.7	224.9	224.2	.
Total economy, gross [1][2]	real, CPPY	-2.0	-2.5	-1.2	0.2	0.0	0.0	0.0	1.0	2.8	1.1	1.7	0.3	3.1	3.3	.
Total economy, gross [1]	EUR	770	751	771	845	853	764	761	758	771	794	775	779	751	748	.
Industry, gross, NACE Rev. 2 [1]	EUR	829	797	824	944	904	800	778	811	838	891	824	822	803	791	.
PRICES																
Consumer - HICP	PP	0.1	0.4	0.2	-0.1	0.0	0.2	0.6	0.3	0.3	-0.1	0.2	-0.4	-0.1	0.5	-0.3
Consumer - HICP	CPPY	6.0	6.4	6.0	5.3	5.1	2.8	2.9	2.3	1.8	1.8	2.0	1.7	1.6	1.6	1.1
Consumer - HICP	CCPPY	5.6	5.7	5.8	5.7	5.7	2.8	2.8	2.7	2.5	2.3	2.3	2.2	2.1	2.0	2.0
Producer, in industry, NACE Rev. 2	PP	-0.4	0.7	-0.5	-0.6	0.5	1.2	0.4	1.6	-1.2	-1.2	0.4	0.2	0.7	0.0	.
Producer, in industry, NACE Rev. 2	CPPY	5.0	2.5	0.1	-2.8	-1.9	-1.0	0.6	2.1	0.5	-1.4	0.6	1.1	2.2	1.5	.
Producer, in industry, NACE Rev. 2	CCPPY	6.6	6.2	5.5	4.7	4.1	-1.0	-0.2	0.6	0.6	0.2	0.2	0.4	0.6	0.7	.
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob), cumulated	EUR mn	53781	60649	68068	75427	80860	6467	13083	19953	26845	33755	40450	47170	53416	.	.
Imports total (cif), cumulated	EUR mn	49156	55299	62118	68803	74117	6174	12139	18299	24573	30997	37163	43506	49317	.	.
Trade balance, cumulated	EUR mn	4625	5350	5950	6624	6743	293	943	1654	2273	2758	3287	3664	4099	.	.
Exports to EU-28 (fob), cumulated	EUR mn	41625	47048	52825	58571	62646	5135	10282	15635	21029	26377	31533	36714	41536	.	.
Imports from EU-28 (cif), cumulated	EUR mn	34958	39366	44149	48806	52411	4119	8320	12726	17235	21759	26205	30814	34940	.	.
Trade balance with EU-28, cumulated	EUR mn	6667	7682	8676	9764	10236	1016	1963	2909	3794	4618	5329	5900	6596	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	990	.	.	999	.	.	672	.	.	1288	.	.	.	.
EXCHANGE RATE																
HUF/EUR, monthly average	nominal	278.9	284.2	282.1	282.3	285.8	294.0	292.7	303.0	298.7	292.4	295.7	294.9	299.5	299.8	294.8
HUF/USD, monthly average	nominal	224.9	221.1	217.4	220.0	217.8	221.3	219.1	233.7	229.3	225.2	224.2	225.5	225.0	224.6	216.2
EUR/HUF, calculated with CPI [3]	real, Jan09=100	109.2	106.9	107.6	107.6	106.0	104.0	104.7	100.5	102.3	104.2	103.3	103.5	101.7	101.7	103.2
EUR/HUF, calculated with PPI [3]	real, Jan09=100	101.1	99.8	100.2	99.8	99.3	97.4	97.9	96.1	97.0	98.2	97.5	97.7	96.9	96.7	.
USD/HUF, calculated with CPI [3]	real, Jan09=100	102.2	104.0	106.0	105.1	106.5	104.8	105.5	99.0	101.2	102.8	103.2	103.2	102.2	102.8	106.7
USD/HUF, calculated with PPI [3]	real, Jan09=100	88.4	89.8	91.4	90.5	92.0	91.3	91.6	87.4	88.2	88.5	88.9	88.7	89.7	90.0	.
DOMESTIC FINANCE																
Currency in circulation	HUF bn, eop	2412.3	2418.2	2438.7	2457.4	2553.9	2504.0	2507.1	2603.6	2623.4	2613.8	2688.2	2765.5	2855.6	2852.1	.
M1	HUF bn, eop	6800.7	6946.2	7001.6	7034.5	7297.3	7123.2	7202.5	7392.4	7456.4	7504.7	7702.1	7783.6	7977.7	8187.5	.
Broad money	HUF bn, eop	16283.6	16367.2	16574.6	16547.6	16836.7	16698.4	16872.0	17352.2	17196.0	17140.0	17002.1	16841.1	16915.0	16875.2	.
Broad money	CPPY	-1.8	-4.1	-3.5	-4.5	-3.3	0.6	3.0	5.5	6.5	4.7	4.5	4.3	3.9	3.1	.
Central bank policy rate (p.a.) [4]	%, eop	6.75	6.50	6.25	6.00	5.75	5.50	5.25	5.00	4.75	4.50	4.25	4.00	3.80	3.60	3.40
Central bank policy rate (p.a.) [4][5]	real, %	1.7	3.9	6.2	9.1	7.8	6.6	4.6	2.8	4.2	5.9	3.7	2.9	1.5	2.1	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	HUF bn	.	-388	.	.	-598	.	.	-265	.	.	-382	.	.	.	.

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 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	9.4	-1.4	7.9	3.7	1.4	1.8	-6.5	-7.0	3.5	0.9	-4.6	4.8	-4.5	2.9	.
Industry, NACE Rev. 2 [1]	real, CCPPY	7.9	6.8	6.9	6.6	6.2	1.8	-2.3	-4.0	-2.1	-1.4	-2.0	-1.0	-1.5	-1.0	.
Industry, NACE Rev. 2 [1]	real, 3MMA	5.1	5.3	3.4	4.4	2.4	-1.0	-4.0	-3.3	-0.9	-0.2	0.3	-1.6	0.9	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	2.2	.	.	1.3	.	.	-7.4	.	.	-4.8	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	3.2	.	.	4.1	.	.	11.1	.	.	8.5	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	8.3	.	.	9.3	.	.	10.0	.	.	8.2	.	.	11.7	.
Construction, NACE Rev. 2	real, CCPPY	.	16.1	.	.	13.7	.	.	10.0	.	.	8.8	.	.	10.3	.
LABOUR																
Employed persons, LFS [2]	th. pers., quart. avg	.	894.7	.	.	892.8	.	.	880.2	.	.	889.0	.	.	.	.
Employed persons, LFS [2]	CPPY	.	2.2	.	.	1.8	.	.	3.8	.	.	2.6	.	.	.	.
Unemployed persons, LFS [2]	th. pers., quart. avg	.	141.8	.	.	144.5	.	.	131.5	.	.	114.7	.	.	.	.
Unemployment rate, LFS [2]	%	.	13.7	.	.	13.9	.	.	13.0	.	.	11.4	.	.	.	.
Unemployment, registered	th. persons, eop	111.5	108.3	105.7	104.4	104.1	107.5	107.7	107.1	102.8	97.8	94.8	93.0	91.2	89.4	89.6
Unemployment rate, registered [3]	%, eop	11.3	11.0	10.7	10.6	10.5	10.9	10.9	10.8	10.4	9.9	9.6	9.4	9.3	9.1	9.1
WAGES																
Total economy, gross	LVL	485	470	486	477	513	485	475	493	502	504	503	.	.	.	.
Total economy, gross [4]	real, CPPY	1.5	0.4	3.8	1.2	1.0	3.9	3.1	3.5	5.2	5.6	3.5	.	.	.	.
Total economy, gross	EUR	697	675	698	685	737	695	679	703	717	720	717	.	.	.	.
Industry, gross, NACE Rev. 2	EUR	689	675	687	666	748	674	642	682	691	707	710	.	.	.	.
PRICES																
Consumer - HICP	PP	-0.4	0.4	-0.2	-0.1	0.1	-0.2	-0.1	0.5	0.0	0.3	0.4	-0.1	-1.0	0.0	0.2
Consumer - HICP	CPPY	1.9	1.9	1.6	1.5	1.6	0.6	0.3	0.3	-0.4	-0.2	0.2	0.5	-0.1	-0.4	0.0
Consumer - HICP	CCPPY	2.6	2.5	2.4	2.3	2.3	0.6	0.5	0.4	0.2	0.1	0.1	0.2	0.2	0.1	0.1
Producer, in industry, NACE Rev. 2	PP	0.6	-0.2	0.3	-0.1	0.2	0.2	-0.2	0.1	0.1	0.3	0.3	0.0	0.3	0.3	0.0
Producer, in industry, NACE Rev. 2	CPPY	2.6	2.8	3.2	3.6	3.9	2.1	1.7	2.3	1.6	2.4	2.3	1.6	1.3	1.8	1.4
Producer, in industry, NACE Rev. 2	CCPPY	4.5	4.3	4.2	4.1	4.1	2.1	1.9	2.0	1.9	2.0	2.1	2.0	1.9	1.9	1.8
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob), cumulated	EUR mn	6841	7862	8963	10079	10988	819	1674	2572	3494	4411	5267	6096	7005	.	.
Imports total (cif), cumulated	EUR mn	8663	9800	11114	12340	13415	1038	2048	3222	4366	5438	6442	7545	8646	.	.
Trade balance, cumulated	EUR mn	-1822	-1939	-2151	-2261	-2426	-219	-375	-650	-872	-1027	-1174	-1449	-1642	.	.
Exports to EU-28 (fob), cumulated	EUR mn	4450	5075	5792	6479	6986	556	1121	1713	2335	2968	3526	4108	4722	.	.
Imports from EU-28 (cif), cumulated	EUR mn	6730	7672	8713	9669	10489	778	1548	2467	3377	4257	5088	5976	6851	.	.
Trade balance with EU-28, cumulated	EUR mn	-2280	-2597	-2922	-3190	-3503	-222	-428	-754	-1043	-1289	-1563	-1868	-2129	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-530	.	.	-552	.	.	-110	.	.	-64	.	.	.	.
EXCHANGE RATE																
LVL/EUR, monthly average	nominal	0.696	0.696	0.696	0.696	0.697	0.698	0.700	0.701	0.701	0.700	0.702	0.702	0.703	0.703	0.703
LVL/USD, monthly average	nominal	0.562	0.542	0.537	0.543	0.531	0.525	0.524	0.541	0.538	0.539	0.532	0.537	0.528	0.526	0.515
EUR/LVL, calculated with CPI [5]	real, Jan09=100	96.4	96.1	95.7	95.7	95.4	95.8	95.0	94.5	94.6	94.8	94.9	95.1	94.0	93.7	93.9
EUR/LVL, calculated with PPI [5]	real, Jan09=100	100.3	99.9	100.4	100.5	100.9	100.6	99.8	99.8	100.7	101.4	101.4	101.1	101.4	101.5	101.5
USD/LVL, calculated with CPI [5]	real, Jan09=100	90.3	93.3	93.8	92.7	94.5	96.1	95.9	92.5	93.1	93.0	94.5	94.0	94.5	94.4	96.7
USD/LVL, calculated with PPI [5]	real, Jan09=100	87.7	90.0	91.5	91.2	93.5	94.3	93.4	90.7	91.6	91.3	92.5	91.7	93.7	94.4	96.8
DOMESTIC FINANCE																
Currency in circulation	LVL mn, eop	1052	1063	1053	1058	1082	1035	1014	1012	982	969	976	942	908	854	779
M1	LVL mn, eop	4499	4526	4603	4722	4832	4862	4870	4750	4840	4868	4975	4960	5010	4937	4964
Broad money	LVL mn, eop	6723	6633	6683	6803	6846	6825	6869	6755	6822	6800	6832	6774	6801	6697	6739
Broad money	CPPY	3.3	2.3	4.0	5.1	2.8	3.7	3.4	3.8	4.2	4.2	3.3	1.8	1.2	1.0	0.8
Central bank policy rate (p.a.) [6]	%, eop	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	1.50	1.50
Central bank policy rate (p.a.) [6,7]	real, %	0.4	-0.3	-0.6	-1.0	-1.3	0.4	0.8	0.2	0.9	0.1	0.1	0.4	0.7	-0.3	0.1
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	LVL mn	.	324	.	.	-210	.	.	128	.	.	185	.	.	.	.

1) Enterprises with 20 and more persons.
2) According 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 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	10.2	4.2	13.4	8.0	5.0	8.6	1.3	9.8	6.4	23.3	0.9	2.1	-3.0	0.4	.
Industry, NACE Rev. 2 [1]	real, CCPPY	1.6	1.9	3.1	3.6	3.7	8.6	5.0	6.6	6.6	9.4	7.9	7.1	5.7	5.1	.
Industry, NACE Rev. 2 [1]	real, 3MMA	6.6	9.2	8.5	8.8	7.2	5.0	6.6	5.9	12.5	9.4	7.8	-0.1	-0.2	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	3.1	.	.	4.9	.	.	3.9	.	.	5.1	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	0.9	.	.	-1.0	.	.	0.1	.	.	-1.1	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	-10.7	.	.	-15.0	.	.	-4.6	.	.	7.1	.	.	15.3	.
Construction, NACE Rev. 2	real, CCPPY	.	-3.3	.	.	-7.2	.	.	-4.6	.	.	2.8	.	.	8.3	.
LABOUR																
Employed persons, LFS [2]	th. pers., quart. avg	.	1298.0	.	.	1269.4	.	.	1267.2	.	.	1297.1	.	.	.	.
Employed persons, LFS [2]	CPPY	.	3.0	.	.	0.9	.	.	1.3	.	.	1.0	.	.	.	.
Unemployed persons, LFS [2]	th. pers., quart. avg	.	185.5	.	.	192.5	.	.	191.2	.	.	171.8	.	.	.	.
Unemployment rate, LFS [2]	%	.	12.5	.	.	13.2	.	.	13.1	.	.	11.7	.	.	.	.
Unemployment, registered	th. persons, eop	205.6	202.3	196.4	204.0	210.2	228.3	229.9	230.3	213.4	192.2	187.4	185.8	190.1	181.2	180.8
Unemployment rate, registered [3]	%, eop	10.2	10.0	10.6	11.0	11.4	12.3	12.4	12.4	11.5	10.4	10.2	10.1	10.4	9.9	9.9
WAGES																
Total economy, gross	LTL	.	2171	.	.	2232	.	.	2233	.	.	2253	.	.	2305	.
Total economy, gross [4]	real, CPPY	.	-0.6	.	.	-0.4	.	.	2.2	.	.	3.2	.	.	5.6	.
Total economy, gross [4]	EUR	.	629	.	.	646	.	.	647	.	.	653	.	.	668	.
Industry, gross, NACE Rev. 2	EUR	.	648	.	.	655	.	.	656	.	.	671	.	.	689	.
PRICES																
Consumer - HICP	PP	0.2	0.7	-0.2	-0.2	-0.1	0.2	-0.1	0.3	0.3	0.2	-0.2	-0.7	0.1	0.7	-0.2
Consumer - HICP	CPPY	3.4	3.3	3.2	2.8	2.9	2.7	2.3	1.6	1.4	1.5	1.3	0.6	0.5	0.5	0.5
Consumer - HICP	CCPPY	3.2	3.2	3.2	3.2	3.2	2.7	2.5	2.2	2.0	1.9	1.8	1.6	1.5	1.4	1.3
Producer, in industry, NACE Rev. 2	PP	2.9	0.2	-1.6	-1.7	-0.5	1.1	1.2	-1.2	-2.0	-0.5	-0.6	1.5	-0.1	-0.2	-1.7
Producer, in industry, NACE Rev. 2	CPPY	6.7	5.6	3.8	1.8	1.9	0.9	0.8	-2.3	-3.7	-3.8	-0.2	-1.2	-4.0	-4.4	-4.5
Producer, in industry, NACE Rev. 2	CCPPY	5.9	5.8	5.6	5.3	5.0	0.9	0.8	-0.2	-1.1	-1.7	-1.4	-1.4	-1.7	-2.0	-2.3
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob), cumulated	EUR mn	14346	16441	18781	21003	23048	1887	3823	5988	8026	9906	11876	13898	15997	.	.
Imports total (cif), cumulated	EUR mn	15749	18087	20536	22813	24882	2151	4199	6379	8707	10709	12691	15067	17287	.	.
Trade balance, cumulated	EUR mn	-1403	-1646	-1755	-1810	-1835	-263	-376	-391	-681	-804	-815	-1169	-1290	.	.
Exports to EU-28 (fob), cumulated	EUR mn	8855	10201	11575	12815	13955	1180	2263	3526	4729	5799	7005	8205	9454	.	.
Imports from EU-28 (cif), cumulated	EUR mn	9237	10451	11844	13172	14345	1042	2186	3473	4785	6083	7335	8716	10000	.	.
Trade balance with EU-28, cumulated	EUR mn	-383	-250	-269	-357	-390	137	77	53	-57	-285	-330	-511	-547	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-230	.	.	-68	.	.	-210	.	.	227	.	.	.	.
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	2.785	2.686	2.661	2.692	2.632	2.598	2.585	2.663	2.651	2.660	2.618	2.640	2.594	2.587	2.532
EUR/LTL, calculated with CPI [5]	real, Jan09=100	99.2	99.3	98.8	98.8	98.4	99.3	98.9	98.3	98.6	98.8	98.5	98.2	98.2	98.5	98.4
EUR/LTL, calculated with PPI [5]	real, Jan09=100	122.7	122.7	121.0	119.2	118.9	119.9	120.9	119.7	118.1	117.9	117.2	118.7	118.6	118.2	116.2
USD/LTL, calculated with CPI [5]	real, Jan09=100	92.9	96.4	96.8	95.7	97.5	99.7	99.8	96.3	97.1	96.9	98.2	97.1	98.7	99.3	101.3
USD/LTL, calculated with PPI [5]	real, Jan09=100	107.3	110.5	110.3	108.1	110.2	112.3	113.3	108.8	107.4	106.2	106.9	107.7	109.7	110.0	110.8
DOMESTIC FINANCE																
Currency in circulation	LTL mn, eop	9975	10058	10066	10113	10329	10164	10296	10468	10454	10538	10839	10880	10885	10817	10809
M1	LTL mn, eop	32858	32562	33715	34348	35894	34730	35350	35673	35978	36248	36345	36697	37133	37178	37930
Broad money	LTL mn, eop	52304	52293	52994	53301	54150	52866	53862	54347	54273	53755	53808	54079	54407	54331	54907
Broad money	CPPY	5.5	4.4	5.6	5.1	7.2	5.7	7.4	8.4	7.2	5.3	5.1	3.9	4.0	3.9	3.6
Central bank policy rate (p.a.) [6]	%, eop	0.62	0.56	0.55	0.53	0.52	0.39	0.34	0.34	0.36	0.37	0.38	0.32	0.28	0.28	0.28
Central bank policy rate (p.a.) [6][7]	real, %	-5.7	-4.8	-3.1	-1.2	-1.4	-0.5	-0.4	2.7	4.2	4.4	0.5	1.5	4.5	4.9	5.0
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	LTL mn	.	-2425	.	.	-3806	.	.	-1720	.	.	-2150	.	.	.	.

1) Sold production.
2) According to census March 2011.
3) In % of working age population.
4) Nominal wages deflated with HICP.
5) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
6) VILIBOR one-month interbank offered rate (Lithuania has a currency board).
7) 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 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 [1)2)]	real, CPPY	0.2	-4.8	4.7	-0.6	-9.6	0.4	-2.1	-2.9	2.8	-1.8	2.8	6.4	2.2	6.2	.
Industry, NACE Rev. 2 [1)2)]	real, CCPPY	3.3	2.3	2.5	2.2	1.2	0.4	-0.9	-1.6	-0.5	-0.8	-0.2	0.7	0.9	1.5	.
Industry, NACE Rev. 2 [1)2)]	real, 3MMA	-0.1	0.0	-0.3	-1.7	-3.3	-3.9	-1.6	-0.8	-0.7	1.2	2.4	3.8	5.0	.	.
Productivity in industry, NACE Rev. 2 [2)]	CCPPY	4.1	3.1	3.4	3.1	2.1	1.4	0.2	-0.4	0.7	0.4	1.0	1.8	2.0	.	.
Unit labour costs, exch.r. adj.(EUR) [1)2)]	CCPPY	-5.1	-3.3	-2.5	-1.3	0.6	3.5	5.6	4.6	3.5	3.8	2.8	1.7	0.9	.	.
Construction, NACE Rev. 2 [2)]	real, CPPY	-5.1	-17.9	-3.6	-5.4	-24.9	-16.1	-11.4	-18.5	-23.2	-27.5	-18.3	-5.2	-11.1	-4.9	.
Construction, NACE Rev. 2 [2)]	real, CCPPY	1.9	-1.4	-1.7	-2.1	-5.2	-16.1	-13.8	-15.6	-18.0	-20.6	-20.1	-17.5	-16.5	-14.9	.
LABOUR																
Employed persons, LFS [3)]	th. pers., quart. avg	.	15722	.	.	15636	.	.	15291	.	.	15530	.	.	.	.
Employed persons, LFS [3)]	CPPY	.	0.2	.	.	0.2	.	.	-0.7	.	.	-0.5	.	.	.	.
Unemployed persons, LFS [3)]	th. pers., quart. avg	.	1718.0	.	.	1757.4	.	.	1944.0	.	.	1812.0	.	.	.	.
Unemployment rate, LFS [3)]	%	.	9.9	.	.	10.1	.	.	11.3	.	.	10.5	.	.	.	.
Unemployment, registered	th. persons, eop	1964.7	1979.0	1994.9	2058.1	2136.8	2295.7	2336.7	2314.5	2255.7	2176.3	2109.1	2093.1	2083.2	2083.1	2075.2
Unemployment rate, registered	%, eop	12.4	12.4	12.5	12.9	13.4	14.2	14.4	14.3	14.0	13.6	13.2	13.1	13.0	13.0	13.0
WAGES																
Total economy, gross [2)]	PLN	3686	3641	3718	3781	4112	3680	3710	3833	3831	3700	3809	3830	3760	3770	3834
Total economy, gross [2)4)]	real, CPPY	-1.1	-2.1	-0.6	0.0	0.2	-1.2	2.7	0.6	2.2	1.8	1.2	2.6	1.1	2.7	2.4
Total economy, gross [2)]	EUR	901	881	905	915	1004	888	890	922	926	885	889	896	889	890	915
Industry, gross, NACE Rev. 2	EUR	926	892	913	958	1072	902	919	942	938	897	927	929	906	911	928
PRICES																
Consumer - HICP	PP	-0.2	0.1	0.2	0.1	0.0	0.1	0.0	0.3	0.3	-0.2	0.0	0.2	-0.2	0.1	0.1
Consumer - HICP	CPPY	3.8	3.8	3.4	2.7	2.2	1.6	1.2	1.0	0.8	0.5	0.2	0.9	0.9	0.9	0.7
Consumer - HICP	CCPPY	4.0	4.0	3.9	3.8	3.7	1.6	1.4	1.3	1.2	1.0	0.9	0.9	0.9	0.9	0.9
Producer, in industry, NACE Rev. 2	PP	0.0	0.5	-0.7	-0.2	-0.6	-0.1	0.3	-0.2	-0.8	0.1	0.7	0.2	-0.3	0.1	-0.5
Producer, in industry, NACE Rev. 2	CPPY	3.0	2.0	1.1	0.1	-0.8	-1.0	-0.1	-0.4	-2.0	-2.4	-1.2	-0.8	-1.1	-1.5	-1.4
Producer, in industry, NACE Rev. 2	CCPPY	4.7	4.4	4.0	3.7	3.3	-1.0	-0.6	-0.5	-0.9	-1.2	-1.2	-1.1	-1.1	-1.2	-1.2
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob), cumulated	EUR mn	94387	106933	121064	134079	144282	11966	24088	36637	49649	61613	74083	86830	98843	.	.
Imports total (cif), cumulated	EUR mn	102056	114957	129287	143120	154934	12374	24415	37861	50578	62838	75066	88061	100124	.	.
Trade balance, cumulated	EUR mn	-7670	-8023	-8223	-9041	-10652	-408	-327	-1224	-929	-1225	-983	-1231	-1282	.	.
Exports to EU-28 (fob), cumulated	EUR mn	72470	82031	92578	102540	109962	9308	18136	27429	37188	46068	55397	64942	73643	.	.
Imports from EU-28 (cif), cumulated	EUR mn	69523	78276	88095	97436	104926	8343	16635	25932	34649	43022	51546	60580	68532	.	.
Trade balance with EU-28, cumulated	EUR mn	2947	3755	4483	5103	5036	965	1502	1497	2539	3046	3851	4362	5112	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-10825	.	.	-14190	.	.	-2310	.	.	-1945	.	.	.	.
EXCHANGE RATE																
PLN/EUR, monthly average	nominal	4.093	4.135	4.107	4.132	4.096	4.142	4.170	4.157	4.136	4.180	4.284	4.275	4.230	4.237	4.190
PLN/USD, monthly average	nominal	3.301	3.216	3.166	3.221	3.122	3.117	3.121	3.206	3.175	3.220	3.248	3.268	3.178	3.174	3.073
EUR/PLN, calculated with CPI [5)]	real, Jan09=100	107.0	105.4	106.0	105.6	106.2	105.9	104.8	104.5	105.4	104.0	101.5	102.2	102.9	102.4	103.7
EUR/PLN, calculated with PPI [5)]	real, Jan09=100	106.3	105.6	105.7	105.6	105.6	104.1	103.4	103.6	104.0	103.3	101.6	101.7	102.5	102.2	102.8
USD/PLN, calculated with CPI [5)]	real, Jan09=100	100.2	102.5	104.5	103.2	106.7	106.7	105.7	102.9	104.4	102.6	101.4	101.0	103.4	103.5	107.3
USD/PLN, calculated with PPI [5)]	real, Jan09=100	93.0	95.1	96.4	95.4	97.9	97.5	96.8	94.2	94.6	93.1	92.6	92.3	94.8	95.1	98.1
DOMESTIC FINANCE																
Currency in circulation	PLN bn, eop	103.1	103.2	102.7	101.7	102.5	101.1	102.4	105.8	107.5	109.3	112.8	112.6	114.1	113.2	113.2
M1	PLN bn, eop	458.4	457.3	452.8	457.4	484.8	476.9	484.5	487.4	493.7	508.3	523.8	530.7	531.1	540.9	536.2
Broad money	PLN bn, eop	895.5	892.7	902.4	901.8	921.4	913.5	920.3	932.0	935.2	941.8	946.6	945.1	950.0	947.2	955.4
Broad money	CPPY	9.8	7.6	8.0	5.7	4.5	4.4	5.5	6.6	7.4	6.5	7.0	6.6	6.1	6.1	5.9
Central bank policy rate (p.a.) [6)]	%, eop	4.75	4.75	4.75	4.50	4.25	4.00	3.75	3.25	3.25	3.00	2.75	2.50	2.50	2.50	2.50
Central bank policy rate (p.a.) [6)7)]	real, %	1.7	2.7	3.6	4.4	5.1	5.1	3.9	3.7	5.4	5.5	4.0	3.3	3.6	4.1	3.9
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	PLN mn	.	-27297	.	.	-62458	.	.	-7136	.	.	-22336	.	.	.	.

1) Sold production.
2) Enterprises with 10 and more employees.
3) According to 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) Reference rate (7-day open market operations rate).
7) 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 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2 1)	real, CPPY	1.7	-0.6	6.3	2.3	1.3	6.0	7.2	1.4	19.9	-1.7	5.5	11.6	4.3	10.0	.
Industry, NACE Rev. 2 1)	real, CCPPY	2.5	2.1	2.5	2.5	2.4	6.0	6.6	4.7	8.4	6.2	6.1	6.9	6.6	7.0	.
Industry, NACE Rev. 2 1)	real, 3MMA	1.7	2.5	2.6	3.4	3.2	4.9	4.7	9.2	6.0	7.4	5.0	7.2	8.8	.	.
Productivity in industry, NACE Rev. 2	CCPPY	-0.3	-0.5	0.0	0.0	-0.1	3.7	4.2	2.7	6.5	4.6	4.7	5.7	5.5	6.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	0.3	0.4	0.0	0.1	0.2	-1.0	-1.3	0.0	-2.9	-0.5	-0.6	-0.9	-0.6	-0.9	.
Construction, NACE Rev. 2 1)	real, CPPY	7.4	-6.0	-3.9	2.3	-10.2	-9.1	-5.7	0.1	-11.1	-9.9	-0.2	15.8	9.0	1.9	.
Construction, NACE Rev. 2 1)	real, CCPPY	6.4	4.5	3.3	3.2	1.4	-9.1	-7.3	-4.4	-6.5	-7.5	-5.8	-2.2	-0.4	-0.1	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	9456.9	.	.	9213.6	.	.	9001.1	.	.	9344.6	.	.	.	.
Employed persons, LFS	CPPY	.	2.4	.	.	1.9	.	.	-0.2	.	.	-0.2	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	688.4	.	.	683.8	.	.	730.6	.	.	758.2	.	.	.	.
Unemployment rate, LFS	%	.	6.8	.	.	6.9	.	.	7.5	.	.	7.5	.	.	.	.
Unemployment, registered	th. persons, eop	441.2	442.2	456.1	476.3	493.8	513.3	510.4	492.4	467.1	444.0	438.1	466.9	443.6	428.9	489.3
Unemployment rate, registered	%, eop	5.0	5.0	5.2	5.4	5.5	5.7	5.6	5.4	5.2	4.9	4.8	5.2	4.9	4.7	5.4
WAGES																
Total economy, gross 1)	RON	2117	2122	2139	2173	2343	2138	2144	2231	2291	2226	2219	2259	2219	2223	.
Total economy, gross 1)2)	real, CPPY	1.5	-0.2	1.5	1.3	1.4	0.6	0.8	0.5	2.5	1.1	-0.7	1.7	2.1	3.6	.
Total economy, gross 1)	EUR	469	471	469	480	522	488	489	508	523	513	495	511	500	498	.
Industry, gross, NACE Rev. 2 1)3)	EUR	477	478	473	484	532	482	479	506	531	521	500	526	509	507	.
PRICES																
Consumer - HICP	PP	0.5	1.1	0.2	-0.1	0.3	0.9	0.4	0.1	0.0	0.3	0.0	-0.5	-0.2	-0.4	0.3
Consumer - HICP	CPPY	4.0	5.4	5.0	4.4	4.6	5.1	4.8	4.4	4.4	4.4	4.5	3.4	2.6	1.1	1.2
Consumer - HICP	CCPPY	2.7	3.0	3.2	3.3	3.4	5.1	5.0	4.8	4.7	4.6	4.6	4.4	4.2	3.9	3.6
Producer, in industry, NACE Rev. 2	PP	0.9	0.5	0.7	-0.4	-0.1	1.1	0.3	-0.4	-0.7	-0.2	0.3	-0.3	-0.3	0.2	.
Producer, in industry, NACE Rev. 2	CPPY	5.9	5.8	6.3	5.4	4.8	5.7	5.4	4.5	3.0	2.6	2.8	1.6	0.4	0.2	.
Producer, in industry, NACE Rev. 2	CCPPY	5.1	5.2	5.3	5.3	5.3	5.7	5.6	5.2	4.7	4.2	4.0	3.6	3.2	2.9	.
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob), cumulated	EUR mn	29636	33467	37646	41861	45020	3723	7593	11594	15694	19726	23711	28218	32036	.	.
Imports total (cif), cumulated	EUR mn	36011	40679	45966	50607	54645	4019	8099	12670	17368	21888	26244	31320	35782	.	.
Trade balance, cumulated	EUR mn	-6376	-7212	-8320	-8746	-9625	-297	-506	-1076	-1674	-2162	-2533	-3102	-3746	.	.
Exports to EU-28 (fob), cumulated	EUR mn	20917	23660	26683	29646	31705	2632	5371	8217	11113	13913	16753	19914	22440	.	.
Imports from EU-28 (cif), cumulated	EUR mn	26425	29935	33945	37422	40241	2994	6113	9664	13384	16851	20215	23922	27238	.	.
Trade balance with EU-28, cumulated	EUR mn	-5509	-6276	-7262	-7776	-8535	-362	-742	-1447	-2270	-2938	-3462	-4009	-4798	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-4802	.	.	-5849	.	.	266	.	.	571	.	.	.	.
EXCHANGE RATE																
RON/EUR, monthly average	nominal	4.518	4.502	4.562	4.527	4.490	4.384	4.384	4.392	4.378	4.336	4.480	4.424	4.437	4.463	4.444
RON/USD, monthly average	nominal	3.643	3.502	3.517	3.529	3.422	3.299	3.282	3.388	3.361	3.340	3.397	3.383	3.334	3.344	3.260
EUR/RON, calculated with CPI 4)	real, Jan09=100	101.5	102.4	101.0	101.9	102.7	107.1	107.0	105.9	106.3	107.5	104.0	105.2	104.5	103.1	103.9
EUR/RON, calculated with PPI 4)	real, Jan09=100	101.3	102.0	101.5	102.0	103.0	106.3	106.4	105.9	106.2	107.3	104.2	104.9	104.3	103.8	.
USD/RON, calculated with CPI 4)	real, Jan09=100	95.1	99.6	99.5	99.5	103.2	107.8	107.9	104.3	105.3	106.0	104.0	103.9	105.0	104.2	107.5
USD/RON, calculated with PPI 4)	real, Jan09=100	88.6	91.9	92.5	92.6	95.5	99.7	99.6	96.3	96.6	96.7	95.0	95.2	96.5	96.6	.
DOMESTIC FINANCE																
Currency in circulation	RON mn, eop	32890	32977	31715	31877	31477	30298	30851	31693	32379	31644	33261	33016	34003	33992	33817
M1	RON mn, eop	88807	89253	87826	88222	89020	86017	85754	88787	89226	88482	93138	92007	94603	96158	97196
Broad money	RON mn, eop	220291	221013	220465	220767	222018	219336	219495	225317	225751	226071	227766	225905	229837	231520	233805
Broad money	CPPY	7.2	5.7	6.2	5.4	2.7	1.2	0.8	4.2	3.3	2.5	5.0	2.0	4.3	4.8	6.1
Central bank policy rate (p.a.) 5)	%, eop	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.00	4.50	4.50	4.25
Central bank policy rate (p.a.) 5)6)	real, %	-0.6	-0.5	-1.0	-0.2	0.4	-0.4	-0.1	0.7	2.2	2.6	2.4	3.3	4.0	4.3	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	RON mn	.	-7254	.	.	-17424	.	.	-4440	.	.	-5765	.	.	.	.

1) Enterprises with 4 and more employees.
2) Nominal wages deflated with HICP.
3) Including NACE E (water supply, sewerage, waste managemant, remediation).
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 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	11.4	10.3	11.6	7.7	-8.0	7.9	1.0	-4.0	8.4	1.5	1.4	3.9	2.9	7.2	.
Industry, NACE Rev. 2	real, CCPPY	9.1	9.3	9.5	9.3	7.9	7.9	4.3	1.3	3.1	2.7	2.5	2.7	2.7	3.3	.
Industry, NACE Rev. 2	real, 3MMA	11.9	11.1	9.9	4.1	2.7	0.3	1.3	1.6	1.8	3.7	2.2	2.7	4.8	.	.
Productivity in industry, NACE Rev. 2	CCPPY	9.2	9.5	9.9	10.0	8.8	10.3	6.5	3.4	5.2	4.8	4.5	4.6	4.5	4.9	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-4.7	-5.3	-5.5	-5.6	-4.4	-6.4	-3.8	-0.5	-1.7	-0.6	-0.5	-0.4	-0.5	-0.9	.
Construction, NACE Rev. 2	real, CPPY	-13.7	-15.3	-11.0	-13.3	-16.5	-14.1	-4.2	-16.5	-4.9	-14.7	-11.2	-6.1	-4.1	-0.7	.
Construction, NACE Rev. 2	real, CCPPY	-11.5	-12.0	-11.9	-12.1	-12.5	-14.1	-9.1	-12.1	-9.9	-11.2	-11.2	-10.3	-9.3	-8.2	.
LABOUR																
Employed persons, LFS [1]	th. pers., quart. avg	.	2342.8	.	.	2313.7	.	.	2327.7	.	.	2327.8	.	.	.	.	.
Employed persons, LFS [1]	CPPY	.	0.5	.	.	-0.1	.	.	0.1	.	.	-0.3	.	.	.	.	.
Unemployed persons, LFS [1]	th. pers., quart. avg	.	371.8	.	.	390.4	.	.	395.8	.	.	380.3	.	.	.	.	.
Unemployment rate, LFS [1]	%	.	13.7	.	.	14.4	.	.	14.5	.	.	14.0	.	.	.	.	.
Unemployment, registered	th. persons, eop	398.4	402.5	410.4	419.4	425.9	435.4	437.1	431.4	422.1	415.4	418.2	410.9	402.2	406.5	402.5
Unemployment rate, registered	%, eop	13.2	13.4	13.7	13.9	14.4	14.8	14.7	14.7	14.4	14.3	14.3	14.0	13.7	13.8	13.7
WAGES																
Total economy, gross	EUR, quart. avg.	.	784	.	.	875	.	.	789	.	.	818	.	.	.	.	.
Total economy, gross [2]	real, CPPY	.	-1.8	.	.	-0.4	.	.	0.2	.	.	1.4	.	.	.	.	.
Industry, gross, NACE Rev. 2	EUR	837	820	844	987	930	843	801	869	857	952	891	900	857	855	.
PRICES																
Consumer - HICP	PP	0.0	0.3	0.4	0.1	-0.1	0.7	0.0	0.0	0.0	0.1	0.2	-0.1	-0.2	0.0	0.0
Consumer - HICP	CPPY	3.8	3.8	3.9	3.5	3.4	2.5	2.2	1.9	1.7	1.8	1.7	1.6	1.4	1.1	0.7
Consumer - HICP	CCPPY	3.8	3.8	3.8	3.8	3.7	2.5	2.4	2.2	2.1	2.0	2.0	1.9	1.9	1.8	1.7
Producer, in industry, NACE Rev. 2	PP	1.0	0.5	-0.1	-0.5	-0.2	0.2	-0.6	0.0	0.1	-0.4	-0.2	-0.5	0.0	0.1	.
Producer, in industry, NACE Rev. 2	CPPY	1.7	2.3	2.3	1.8	1.9	1.8	0.3	-0.6	-0.5	-1.0	-0.6	-0.7	-1.7	-2.0	.
Producer, in industry, NACE Rev. 2	CCPPY	1.8	1.8	1.9	1.9	1.9	1.8	1.1	0.5	0.2	0.0	-0.1	-0.2	-0.4	-0.6	.
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob),cumulated	EUR mn	40718	46356	52482	58364	62742	4890	9961	15307	20985	26732	32049	37103	41971	.	.
Imports total (fob),cumulated	EUR mn	39129	44540	50198	55867	60241	4598	9328	14301	19508	24713	29669	34640	39335	.	.
Trade balance,cumulated	EUR mn	1589	1816	2285	2498	2501	292	633	1006	1477	2019	2380	2464	2636	.	.
Exports to EU-28 (fob), cumulated	EUR mn	34223	38937	44111	49107	52790	4195	8415	12882	17605	22283	26628	30800	34838	.	.
Imports from EU-28 (fob), cumulated	EUR mn	29133	33021	37267	41258	44413	3409	6922	10643	14459	18384	22069	25702	29197	.	.
Trade balance with EU-28, cumulated	EUR mn	5090	5915	6844	7849	8377	786	1493	2239	3146	3899	4560	5098	5641	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	1156	.	.	1592	.	.	727	.	.	1676	.	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [3]	nominal	0.8065	0.7778	0.7708	0.7795	0.7623	0.7526	0.7486	0.7714	0.7677	0.7703	0.7582	0.7645	0.7513	0.7492	0.7334
EUR/EUR, calculated with CPI [4]	real, Jan09=100	99.1	98.8	98.9	99.1	98.7	100.2	99.7	98.8	98.9	98.9	99.0	99.3	99.0	98.6	98.7
EUR/EUR, calculated with PPI [4]	real, Jan09=100	95.7	96.0	96.0	95.7	95.8	95.7	94.9	95.0	95.7	95.6	95.5	94.8	94.8	94.7	.
USD/EUR, calculated with CPI [4]	real, Jan09=100	92.8	96.1	97.4	96.8	99.2	100.9	100.5	97.3	97.9	97.5	99.0	98.1	99.5	99.6	102.1
USD/EUR, calculated with PPI [4]	real, Jan09=100	83.7	86.4	87.6	86.9	88.8	89.7	88.8	86.4	87.0	86.2	87.1	86.0	87.6	88.1	.
DOMESTIC FINANCE																
Currency in circulation [5]	EUR mn, eop	7726	7690	7679	7657	7768	7598	7565	7707	7765	7809	7853	7916	7918	7894	.
M1 [5]	EUR mn, eop	26585	26633	26571	26985	28374	27656	27620	27738	28172	28124	28085	28143	28411	28635	.
Broad money [5]	EUR mn, eop	41990	41871	41961	42262	43536	42940	43434	43595	44140	44153	44185	43901	44274	44213	.
Broad money [5]	CPPY	1.4	1.9	2.5	2.4	6.6	5.9	6.0	5.5	6.2	4.3	6.1	4.5	5.4	5.6	.
Central bank policy rate (p.a.) [6]	%, eop	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	0.50	0.50
Central bank policy rate (p.a.) [6][7]	real, %	-1.0	-1.5	-1.5	-1.0	-1.2	-1.1	0.4	1.4	1.3	1.5	1.1	1.3	2.2	2.6	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	-2035	.	.	-3233	.	.	-540	.	.	-901	.	.	.	.	.

1) According 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) Slovakia's contributions to EMU monetary aggregates. M1 and Broad money including currency in circulation.
6) Official refinancing operation rate for euro area (ECB).
7) 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 2012 to 2013

(updated end of Nov 2013)

		2012 Aug	Sep	Oct	Nov	Dec	2013 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	3.1	-6.7	5.2	-4.9	-7.5	0.2	-0.7	-6.3	3.1	-1.9	-4.9	2.3	-5.8	1.8	.
Industry, NACE Rev. 2	real, CCPPY	0.1	-0.7	-0.1	-0.6	-1.1	0.2	-0.3	-2.4	-1.1	-1.2	-1.9	-1.3	-1.8	-1.4	.
Industry, NACE Rev. 2	real, 3MMA	-0.4	0.2	-2.3	-2.3	-4.1	-2.6	-2.4	-1.5	-1.9	-1.3	-1.6	-2.7	-0.4	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	-0.2	.	.	-0.7	.	.	1.1	.	.	1.6	.	.	1.8	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	3.1	.	.	3.3	.	.	0.9	.	.	0.8	.	.	0.7	.
Construction, NACE Rev. 2 [1]	real, CPPY	-14.4	-6.5	-22.5	-26.1	-14.7	-23.2	-14.0	-31.8	-18.7	-11.5	-2.1	1.7	-5.4	-7.9	.
Construction, NACE Rev. 2 [1]	real, CCPPY	-16.3	-15.0	-15.9	-17.0	-16.8	-23.2	-18.7	-24.5	-22.8	-20.2	-16.7	-13.7	-12.5	-11.8	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	925.4	.	.	922.3	.	.	887.8	.	.	903.7	.	.	.	.
Employed persons, LFS	CPPY	.	-2.0	.	.	-1.2	.	.	-4.2	.	.	-1.8	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	93.0	.	.	96.9	.	.	110.7	.	.	104.2	.	.	.	.
Unemployment rate, LFS	%	.	9.2	.	.	9.5	.	.	11.1	.	.	10.4	.	.	.	.
Unemployment, registered	th. persons, eop	106.1	105.4	110.9	111.5	118.1	124.3	124.1	122.6	121.3	118.6	116.6	117.1	116.6	114.7	.
Unemployment rate, registered	%, eop	11.6	11.5	12.1	12.2	13.0	13.6	13.6	13.4	13.3	13.0	12.8	12.9	12.8	12.6	.
WAGES																
Total economy, gross	EUR	1513	1489	1516	1612	1535	1524	1498	1520	1517	1524	1495	1510	1507	1495	.
Total economy, gross [2]	real, CPPY	-3.8	-4.7	-2.7	-5.1	-3.7	-3.1	-4.5	-3.1	-1.7	-2.3	-2.6	-1.9	-2.6	-1.0	.
Industry, gross, NACE Rev. 2	EUR	1445	1393	1451	1609	1451	1470	1447	1468	1458	1465	1435	1468	1474	1438	.
PRICES																
Consumer - HICP	PP	0.8	1.2	0.3	-0.2	-0.2	-0.6	0.7	0.3	0.6	0.3	0.0	-0.3	0.2	0.4	0.0
Consumer - HICP	CPPY	3.1	3.7	3.2	2.8	3.1	2.8	2.9	2.2	1.6	1.6	2.2	2.8	2.2	1.5	1.1
Consumer - HICP	CCPPY	2.6	2.7	2.8	2.8	2.8	2.8	2.9	2.7	2.4	2.2	2.2	2.3	2.3	2.2	2.1
Producer, in industry, NACE Rev. 2	PP	-0.1	0.3	0.0	0.0	-0.2	0.0	0.1	0.1	0.1	-0.2	-0.2	-0.2	0.2	-0.1	-0.2
Producer, in industry, NACE Rev. 2	CPPY	0.4	0.7	0.8	0.7	0.4	0.4	1.1	0.8	0.5	0.2	-0.1	-0.3	0.0	-0.4	-0.5
Producer, in industry, NACE Rev. 2	CCPPY	1.0	0.9	0.9	0.9	0.9	0.4	0.7	0.7	0.7	0.6	0.5	0.4	0.3	0.2	0.2
FOREIGN TRADE, customs statistics, EU definition																
Exports total (fob), cumulated	EUR mn	16652	18785	21042	23271	25033	1950	3948	6184	8514	10686	12842	15127	16963	.	.
Imports total (cif), cumulated	EUR mn	16679	18709	20936	23070	24934	2072	4056	6176	8373	10583	12596	14758	16577	.	.
Trade balance total, cumulated	EUR mn	-27	76	106	202	100	-122	-108	8	141	103	246	368	386	.	.
Exports to EU-28 (fob), cumulated	EUR mn	12566	14170	15852	17519	18776	1486	2978	4633	6367	8002	9643	11341	12715	.	.
Imports from EU-28 (cif), cumulated	EUR mn	11967	13445	15082	16608	17959	1455	2908	4423	5949	7537	9001	10516	11730	.	.
Trade balance with EU-28, cumulated	EUR mn	599	725	770	911	817	30	69	211	418	465	642	826	985	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	678	.	.	1160	.	.	479	.	.	1164	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [3]	nominal	0.8065	0.7778	0.7708	0.7795	0.7623	0.7526	0.7486	0.7714	0.7677	0.7703	0.7582	0.7645	0.7513	0.7492	0.7334
EUR/EUR, calculated with CPI [4]	real, Jan09=100	99.7	100.3	100.2	100.2	99.6	99.9	100.2	99.5	100.1	100.3	100.3	100.4	100.5	100.4	100.5
EUR/EUR, calculated with PPI [4]	real, Jan09=100	96.3	96.3	96.4	96.6	96.7	96.4	96.2	96.5	97.2	97.3	97.2	96.8	96.9	96.7	96.5
USD/EUR, calculated with CPI [4]	real, Jan09=100	93.4	97.5	98.8	97.9	100.1	100.6	101.0	98.0	99.1	98.9	100.2	99.1	100.9	101.5	103.9
USD/EUR, calculated with PPI [4]	real, Jan09=100	84.2	86.8	87.9	87.7	89.6	90.3	90.1	87.7	88.4	87.7	88.6	87.8	89.6	89.9	92.0
DOMESTIC FINANCE																
Currency in circulation [5]	EUR mn, eop	3692	3691	3654	3663	3733	3624	3623	3678	3695	3741	3777	3801	3804	3781	.
M1 [5]	EUR mn, eop	8968	8920	8886	8964	8918	8897	8850	8836	8815	8975	9086	9133	9048	8872	.
Broad money [5]	EUR mn, eop	19846	19622	19531	19682	19366	19532	19589	19825	19475	19503	19548	19619	19556	19370	.
Broad money [5]	CPPY	2.5	1.2	0.2	0.5	-1.4	-1.0	-1.6	-0.1	-2.1	-1.9	-1.8	-1.4	-1.5	-1.3	.
Central bank policy rate (p.a.) [6]	%, eop	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	0.50	0.50
Central bank policy rate (p.a.) [6][7]	real, %	0.3	0.0	0.0	0.0	0.3	0.4	-0.3	0.0	0.2	0.3	0.6	0.8	0.5	0.9	1.1
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	-1193	.	.	-1354	.	.	-821	.	.	-1243	.	.	.	.

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) Slovenia's contributions to EMU monetary aggregates. M1 and Broad money without currency in circulation.
6) Official refinancing operation rate for euro area (ECB).
7) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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