

# Monthly Report 11/07

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## Russian Federation: private consumption and investments flourish

BY PETER HAVLIK

The Russian economy is booming and most analysts – including wiiw – have been busy repeatedly revising growth forecasts upwards. GDP growth has accelerated to more than 7% in 2007, driven by a double-digit expansion of household consumption and an even faster growth of investments. In the first three quarters of the year, the boom in domestic demand (especially of investments) again exceeded earlier forecasts. At the same time (and in line with expectations), the export volume has been growing only slowly while real imports have expanded by about 25%. The contribution of net exports to GDP growth has thus again been negative, the real export surplus will decline by about one quarter in 2007. As expected, the current account surplus is also rapidly

diminishing due to rising imports of both goods and services. Higher oil prices helped to increase energy export revenues (though natural gas exports declined), revenues from other exports – in particular metals – expanded in 2007 as well. Russia is awash in money: foreign exchange reserves, capital inflows and the stock market are at record levels. The shadow side of the current economic boom is – apart from growing assertiveness, nationalism and ugly remnants of Soviet stereotypes – the return of double-digit inflation and strong rouble appreciation in real terms.

Domestic demand supports the extraordinary construction boom (housing in particular, but newly launched infrastructure projects as well) and of retail trade. Apart from imports, domestic industry seems to benefit as manufacturing expanded by 10% in January-September 2007 compared to the same period of the previous year. And there is some evidence that not only domestic industrial sales have recovered: non-energy export revenues increased by 24% in US dollar terms in the first

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three quarters of 2007 and, for the first time in many years, their share in total export revenues went up (from 35% of the total in 2006 to 39% in 2007). It is still too early to say whether this signals a reversal of trend, especially in view of the ongoing competitiveness losses which result from rapidly rising unit labour costs as wages are growing much faster than productivity and the rouble appreciates.

Appreciation pressure is strong given the huge inflows of foreign exchange – despite some relief provided by the Stabilization Fund, which accumulates part of the energy-related export revenues. Net inflows of foreign capital reached USD 41 billion in 2006, and about USD 60 billion in January-September 2007. The managed peg exchange rate regime (the rouble is pegged to a basket of USD and EUR, with the share of the latter gradually increasing) and the full liberalization of capital account transactions (since June 2006) require massive currency interventions. Rapid money supply growth makes the meeting of the CBR inflation target extremely difficult. Besides, consumer price inflation is fuelled by rising food prices and the CBR target of 8% annual CPI inflation for 2007 is out of reach.

Thanks to windfall gains from high world market energy prices, the Russian government was able not only to repay nearly all of the outstanding external debts but to increase salaries in the public sector and pensions as well. In addition, several national developments projects (infrastructure, housing, health sector, education and agriculture) were initiated. The recently (May 2007) adopted three-year budget plan for the period 2008-2010 reflects some important changes in economic policies. First, the future budget revenues will depend less on energy proceeds (apart from the Stabilization Fund, which has been renamed Reserve Fund and will be maintained at 10% of GDP; another part of windfall proceeds from oil and gas exports will be accumulated in the newly established Development Fund). As a result, the share of budget revenues in GDP will decline by about 5 percentage points between 2006 and 2010. Second, government expenditures will

increase (even as a share of GDP) with state-sponsored priority programmes to benefit most. In this way, the current government budget surpluses will be almost eliminated. The long-discussed controversial idea of Industrial Policy (IP) has apparently gained official blessing. The government-sponsored IP should offer targeted support to various public-private partnership projects in the automotive, aviation and other high-tech industries.

The main challenge for the Russian economy in the medium and long run is whether it succeeds in replacing energy exports as the key growth engine by other drivers, and how it will cope with the acute demographic crisis (the population is projected to decline by nearly 10 million in the coming decade). The officially endorsed long-term development scenario relies on economic diversification based on innovations supported by the above-mentioned IP. Growing investments in transport infrastructure, education, health and R&D should help to generate an average annual GDP growth rate above 6% over the next decade. The wiiv forecast for the coming years is closer to the official 'intermediate' scenario, which reckons with ongoing reliance on the (modernized) energy sector, possibly with a few high-tech niches, and an average annual growth of about 5%. Such a growth slowdown appears inevitable – at least in the coming couple of years before any (uncertain) modernization efforts bear fruit.

The recent economic developments have been overshadowed by politics, in particular the issue of Putin's successor in early 2008. After the recent government reshuffle and Putin's announcement to head the United Russia party in the forthcoming Duma elections, there is little doubt that he will dominate Russian politics in the years to come – irrespective of his official position. Broadly speaking, the economic outlook remains positive with both consumption and investment (including FDI) growing rapidly. The risks of overheating in housing and credit markets are manageable. With more money and power consolidation at home, Russian self-confidence will grow further – and this may lead to more conflicts with the West.

Table RU

## Russia: Selected Economic Indicators

	2002	2003	2004	2005	2006 <sup>1)</sup>	2006 January-June	2007 January-June	2007	2008
Population, th pers., end of period <sup>2)</sup>	144964	144168	143474	142754	142221	142000	142000	141500	141000
Gross domestic product, RUB bn, nom.	10830.5	13243.2	17048.1	21620.1	26781.1	11987.6	14213.7	32000	37000
annual change in % (real)	4.7	7.3	7.2	6.4	6.7	6.0	7.9	7.5	6.1
GDP/capita (EUR at exchange rate)	2514	2641	3310	4290	5515	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	6940	7510	8280	9060	9930	.	.	.	.
Gross industrial production									
annual change in % (real)	3.1	8.9	8.3	4.0	3.9	4.4	7.7	6.5	5.5
Gross agricultural production									
annual change in % (real)	1.5	1.3	3.0	2.4	2.8	1.1	2.5	.	.
Construction output total									
annual change in % (real)	2.7	14.4	10.1	10.5	15.7	8.3	25.5	.	.
Consumption of households, RUB bn, nom.	5400.3	6540.1	8405.6	10628.9	12910.9	5874.9	7070.8	.	.
annual change in % (real)	8.5	7.5	12.1	12.8	11.2	10.2	12.1	13	11
Gross fixed capital form., RUB bn, nom.	1939.3	2432.3	3130.5	3848.4	4795.6	1717.7	2383.6	.	.
annual change in % (real)	2.8	12.8	12.6	8.3	13.9	10.3	21.4	18	13
LFS - employed persons, th, avg.	66659	66432	67275	68169	68693	67922	69942	.	.
annual change in %	2.4	-0.3	.	1.3	0.8	0.7	3.0	.	.
Reg. employment in industry, th pers., avg.	15135	14934	14775	14469	14208	.	.	.	.
annual change in %	-1.2	-1.3	-1.1	-2.1	-1.8	.	.	.	.
LFS - unemployed, th pers., average	5698.3	5959.2	5674.8	5262.8	5001.3	5415.0	4891.8	.	.
LFS - unemployment rate in %, average	7.9	8.2	7.8	7.2	6.8	7.4	6.5	6.0	5.5
Reg. unemployment rate in %, end of period	2.1	2.3	2.6	2.5	2.3	2.3	2.0	.	.
Average gross monthly wages, RUB	4360.3	5498.5	6739.5	8554.9	10727.7	9897.0	12457.0	.	.
annual change in % (real, gross)	16.2	10.9	10.6	12.6	13.0	12.3	17.5	.	.
Consumer prices, % p.a.	16.0	13.6	11.0	12.5	9.8	10.2	7.9	9	10
Producer prices in industry, % p.a.	11.8	15.6	24.0	20.7	12.4	13.7	10.9	12	20
General governm.budget, nat.def., % GDP									
Revenues	32.5	31.3	31.9	39.7	39.7	44.9	40.1	40	41
Expenditures	31.6	29.9	27.4	31.5	31.3	33.2	29.8	36	38
Deficit (-) / surplus (+), % GDP	0.9	1.3	4.5	8.1	8.4	11.7	10.3	4	3
Public debt, nat.def., in % of GDP <sup>3)</sup>	37.0	28.6	21.7	14.9	9.0	.	.	.	.
Refinancing rate of NB % p.a., end of per.	21	16	13	12	11	11.5	10.0	.	.
Current account, EUR mn <sup>4)</sup>	30788	31330	47868	67851	77091	45135	23382	55000	40000
Current account in % of GDP	8.4	8.2	10.1	11.1	9.8	12.8	5.7	5.8	3.7
Gross reserves of NB, excl. gold, EUR mn	42290	58531	88663	148094	244190	193811	295530	300000	.
Gross external debt, EUR mn	147067	148776	157423	216553	255866	230175	286161	.	.
Gross external debt in % of GDP	45.0	41.4	34.9	34.2	32.5	.	.	.	.
FDI inflow, EUR mn <sup>4)</sup>	3660	7041	12422	10354	24496	14295	21003	.	.
FDI outflow, EUR mn <sup>4)</sup>	3736	8606	11085	10258	18570	5792	19579	.	.
Exports of goods, BOP, EUR mn <sup>4)</sup>	113468	120265	147358	195894	243793	117022	117704	250000	260000
annual growth rate in %	-0.2	6.0	22.5	32.9	24.5	37.0	0.6	3	4
Imports of goods, BOP, EUR mn <sup>4)</sup>	64470	67304	78327	100787	132106	56782	71895	160000	190000
annual growth rate in %	7.4	4.4	16.4	28.7	31.1	32.3	26.6	21	19
Exports of services, BOP, EUR mn <sup>4)</sup>	14393	14359	16564	20064	24808	10985	12666	27000	30000
annual growth rate in %	12.7	-0.2	15.4	21.1	23.6	29.9	15.3	9	11
Imports of services, BOP, EUR mn <sup>4)</sup>	24848	23997	26774	31229	35887	15398	18609	40000	45000
annual growth rate in %	8.2	-3.4	11.6	16.6	14.9	19.1	20.9	11	13
Average exchange rate RUB/USD	31.35	30.69	28.81	28.30	27.34	27.65	26.09	26	26
Average exchange rate RUB/EUR (ECU)	29.65	34.69	35.81	35.22	34.08	34.00	34.72	34	34
Purchasing power parity RUB/USD, wiiw	9.27	10.35	12.09	13.99	15.78	.	.	.	.
Purchasing power parity RUB/EUR, wiiw	10.74	12.20	14.31	16.67	18.92	.	.	.	.

Note: The term "industry" refers to NACE classification C+D+E.

1) Preliminary. - 2) Resident population. - 3) wiiw estimate. - 4) Converted from USD to EUR at the official cross exchange rate.

Source: wiiw Database incorporating national statistics; wiiw forecasts.

## Ukraine: mounting inflationary pressures

BY VASILY ASTROV

The pre-term parliamentary elections held on 30 September 2007 yielded a surprisingly good result for the Block of Yulia Tymoshenko (BYuT). Its trailing behind the election winner, the Party of Regions of incumbent prime minister Viktor Yanukovich, turned out to be smaller than widely expected, thus providing a slim majority for the two 'orange' parties – BYuT and Our Ukraine-People's Self-Defence (OUPS) of President Viktor Yushchenko – in the newly elected parliament.

The course of economic policy in the months to come will crucially depend on the composition of the government coalition formed in the aftermath of the elections, although none of the possible coalition options is likely to be stable under the present circumstances. Should an 'orange' coalition indeed materialize, with economic policy-making assigned almost exclusively to BYuT (as envisaged in the preliminary coalition agreement), populist spending pressures will almost certainly rise – even though the two key planned policy steps (a switch to a professional army already in 2009 and the reimbursement, within two years, of household savings in the former Soviet Sberbank, which were lost in the wake of hyperinflation in the early 1990s) are hardly feasible as they stand.<sup>1</sup>

In the energy sphere, the pre-announced strategy envisages attracting private equity into the state-owned oil pipeline monopoly Ukrtransnafta, tightening state control over the domestic hydrocarbon extraction, and signing direct long-term contracts with the Central Asian gas suppliers (notably Turkmenistan). The latter would require a major revision of the existing contractual relations, involving *inter alia* Russia's Gazprom, and

potentially lead to a new surge of tensions between the two countries. At the same time, a 'deep free trade area' with the EU, negotiations on which started in summer 2007, can only be implemented after Ukraine has joined the WTO. Although the 'orange' authorities will not aim at synchronizing the country's WTO accession with that of Russia, it will nevertheless have to be postponed once again – possibly until the second half of next year.

Also, with the revival of an 'orange' coalition, a revaluation of the Ukrainian hryvnia might be on the agenda once again.<sup>2</sup> Apart from the persistently strong capital-related foreign exchange inflows, such a revaluation could be prompted by the picking-up inflation. Between January and September 2007, consumer prices rose by 8.6% – more than the official target set for the year as a whole (7.5%). In September alone, the CPI went up by as much as 2.2% (against August), fuelled by the surging prices of foodstuffs, particularly dairy products, meat and vegetable oils. The rising food prices are to be viewed against the background of the rapidly growing world demand for foodstuffs and the increased use of crops for the biofuels production. In particular, the world prices of sunflower seeds – a commodity where Ukraine's export positions in the world market have been traditionally strong – are booming, thereby creating an upward price pressure in the domestic market as well, while the government is hesitant to impose any new export restrictions.<sup>3</sup> Furthermore, the inflationary pressure is likely to gather further momentum next year, given the (so far postponed) domestic tariff adjustments for gas consumed by households and the widely expected 10-20% hike in the border price of gas imported from Russia (the extent of that hike will probably depend on the political constellation within Ukraine).

<sup>2</sup> According to a recent statement by National Bank governor V. Stelmakh, this is an option currently under consideration. Last time, a 5% nominal revaluation of the hryvnia against the US dollar was undertaken in April 2005 under the first 'orange' government of Yulia Tymoshenko.

<sup>3</sup> At the same time, for grain, the harvest of which has been relatively poor this year due to a severe drought in spring, an export quota of 1.2 million tons has been set until April 2008.

<sup>1</sup> These savings reportedly total some USD 120 billion – comparable to the size of Ukraine's annual GDP.

Apart from accelerating inflation, no major macroeconomic problems are currently in sight – persistent political instability notwithstanding. The real GDP grew by 7.3% in January-September 2007, and growth close to 7% is to be expected for the year as a whole. Booming domestic demand continues to lead that growth. In the first half of the year, private consumption expanded by some 15%, driven by both strong gains in real wages and the household credit boom. In turn, gross fixed capital formation soared by about 24% in real terms, fuelled by the generally optimistic investor sentiment and not least by the implementation of energy-saving technologies in response to the recent energy price hikes. Simultaneously, net exports continue to be a drag on growth, with real exports (of goods and services) rising by just 5% in the first half of 2007.

However, according to the customs statistics, in nominal (US dollar) terms, the export performance in goods has been exceptionally good (+30% in January-August, almost matching the growth of imports) – largely on account of the high world prices of steel and agricultural commodities. As a result, compared to earlier forecasts, we expect a somewhat lower (3% of GDP) current account deficit this year, which will be almost certainly offset by the inflows of FDI.

With all the political uncertainties, any future government coalition will not include the ‘classical’ left-wing parties such as the socialists and the communists. This implies better prospects for the abolition of the long-standing moratorium on the free sale of agricultural land, while the ‘big’ privatization is likely to receive another boost. In the first nine months of 2007, only 15% of the ambitious UAH 10.6 billion worth privatization revenue target was actually met – partly due to the stance of the socialist-dominated State Property Fund, but also e.g. because of the recent reluctance of President Yushchenko to approve the privatization of the Odessa Port Plant (an important fertilizer producer) on terms which might have favoured business structures close to the (possibly) outgoing Yanukovich government. Given the meagre privatization receipts, the government is seeking to cover the budget deficit with external borrowing.

Table UA

## Ukraine: Selected Economic Indicators

	2002	2003	2004	2005	2006 <sup>1)</sup>	2006 January-June	2007	2007 forecast	2008
Population, th pers., end of period	48003.5	47622.4	47280.8	46929.5	46646.0	46756.6	46490.8	46300	46000
Gross domestic product, UAH mn, nom.	225810	267344	345113	441452	537667	229539	289945	638600	761700
annual change in % (real)	5.2	9.6	12.1	2.7	7.1	5.5	7.9	7	6.5
GDP/capita (EUR at exchange rate)	931	928	1100	1467	1814	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	4630	5130	5940	6280	6930	.	.	.	.
Gross industrial production									
annual change in % (real)	7.0	15.8	12.5	3.1	6.2	3.6	11.8	9.5	8
Construction output total									
annual change in % (real)	-5.8	26.5	17.2	-6.6	9.9	6.6	14.4	.	.
Consumption of households, UAH mn, nom.	124560	146301	180956	252624	315317	141185	180688	.	.
annual change in % (real)	9.5	11.5	13.5	16.6	14.4	19.2	15.1	14	14
Gross fixed capital form., UAH mn, nom.	43289	55075	77820	96965	129037	51245	73875	.	.
annual change in % (real)	3.4	22.5	20.5	-0.3	18.7	19.6	23.9	20	17
LFS - employed persons, th, avg.	20091.2	20163.3	20295.7	20680.0	20730.4	20737.4	20828.5	.	.
annual change in %	0.6	0.4	0.7	1.9	0.2	1.8	0.4	.	.
Reg. employees in industry, th pers., avg. <sup>2)</sup>	3578.1	3416.0	3408.3	3415.8	3361.9	3368.4	3290.8	.	.
annual change in %	-6.1	-4.5	-0.2	0.2	-1.6	-1.3	-2.3	.	.
LFS - unemployed, th pers., average	2140.7	2008.0	1906.7	1600.8	1515.0	1518.5	1467.8	.	.
LFS - unemployment rate in %, average	9.6	9.1	8.6	7.2	6.8	6.8	6.6	6.5	6.4
Reg. unemployment rate in %, end of period	3.8	3.6	3.5	3.1	2.7	2.7	2.3	2.3	2.3
Average gross monthly wages, UAH <sup>2)</sup>	376.4	462.3	589.6	806.2	1041.4	967.8	1225.5	.	.
annual change in % (real, gross)	20.0	16.7	17.0	20.4	18.4	23.1	14.3	.	.
Consumer prices, % p.a.	0.8	5.2	9.0	13.5	9.1	8.4	10.8	11	12
Producer prices in industry, % p.a.	3.0	7.6	20.5	16.7	9.6	6.9	18.2	19	14
General governm.budget, nat.def., % GDP									
Revenues	27.4	28.2	26.5	30.4	32.0	31.4	32.2	.	.
Expenditures <sup>3)</sup>	26.7	28.4	29.7	32.1	32.6	31.9	30.6	.	.
Deficit (-) / surplus (+), % GDP	0.7	-0.2	-3.2	-1.8	-0.7	-0.4	1.7	-0.5	-2.0
Public debt in % of GDP	33.5	29.0	24.7	17.7	15.0	.	.	.	.
Refinancing rate of NB % p.a., end of period	7.0	7.0	9.0	9.5	8.5	8.5	8.0	.	.
Current account, EUR mn <sup>4)</sup>	3360	2559	5560	2030	-1289	-625	-1481	-3000	-6000
Current account in % of GDP	7.5	5.8	10.6	2.9	-1.5	-1.4	-2.6	-3.3	-5.5
Gross reserves of NB excl. gold, EUR mn <sup>5)</sup>	4088	5348	6977	16058	16587	13736	18858	.	.
Gross external debt, EUR mn	12247	19055	22528	33504	41418	34000	48575	.	.
Gross external debt in % of GDP	30.0	47.5	47.1	45.3	51.2	.	.	.	.
FDI inflow, EUR mn <sup>4)</sup>	734	1261	1380	6263	4148	2054	2525	4000	5000
FDI outflow, EUR mn <sup>4)</sup>	-5	12	3	221	-106	98	-66	.	.
Exports of goods, BOP, EUR mn <sup>4)</sup>	19770	21013	26906	28093	31048	14381	17589	36000	39600
annual growth rate in %	3.6	6.3	28.0	4.4	10.5	6.6	22.3	16	10
Imports of goods, BOP, EUR mn <sup>4)</sup>	19018	20555	23895	29004	35188	16244	19984	42200	50600
annual growth rate in %	0.9	8.1	16.3	21.4	21.3	26.0	23.0	20	20
Exports of services, BOP, EUR mn <sup>4)</sup>	4958	4615	6325	7503	9000	4015	4318	10100	11100
annual growth rate in %	11.2	-6.9	37.0	18.6	19.9	26.3	7.5	12	10
Imports of services, BOP, EUR mn <sup>4)</sup>	3743	3934	5329	6054	7305	3425	3977	8900	10700
annual growth rate in %	-6.3	5.1	35.5	13.6	20.7	25.6	16.1	22	20
Average exchange rate UAH/USD	5.327	5.333	5.319	5.125	5.050	5.050	5.050	5	5
Average exchange rate UAH/EUR (ECU)	5.030	6.024	6.609	6.389	6.335	6.201	6.712	7	7
Purchasing power parity UAH/USD, wiiw	0.942	0.996	1.116	1.349	1.491	.	.	.	.
Purchasing power parity UAH/EUR, wiiw	1.012	1.090	1.225	1.492	1.658	.	.	.	.

1) Preliminary. - 2) Excluding small enterprises. - 3) From 2004 including lending minus repayments. - 4) Converted from USD. - 5) Useable.

Source: wiiw Database incorporating national statistics; wiiw forecasts.

## Croatia: impressive growth

BY HERMINE VIDOVIC

Croatia's GDP continued to grow at an impressive rate (6.6%) in the second quarter, only slightly less than the cumulative growth rate for the first half of 2007. This result was made possible through rising domestic consumption, particularly of households (6.8%), reporting the highest growth since 2002. Rising employment and wages and repayment of so-called pensioners' debt (pension arrears) have contributed to this increase. Investment activities were less dynamic than the year before, but still increased by around 8% in the first six months. Foreign trade contributed negatively to GDP growth again. Value added growth in construction decelerated to 5%. The inflation rate in September stood at 3.9%; the acceleration was mainly fuelled by faster growth of prices of food and beverages; food production was affected by the drought during the summer months.

Industrial production expanded by 7% in the first eight months of the year, with output in manufacturing up nearly 9%. Of the 23 reporting branches, only two (manufacturing of medical instruments and the leather industry) suffered output declines, while more than half of them showed above-average output growth.

The growing GDP had a favourable impact on employment. Registration data point to a remarkable employment increase by 3.4% during the first eight months of 2007. Jobs were generated mostly in tourism and in trade. At the same time the number of jobless has been on a steady decrease with the registered unemployment rate at 13.8% by the end of August (two percentage points lower than in the same month in 2006). The reduction of registered unemployment was made possible not only through rising employment, but also because of clearings from the register for reasons other than employment. Labour force survey data available for the first quarter of the year put the unemployment rate at 11.2%. Wages rose at a higher rate than in the two preceding years, with real net wages up

3% as compared to the first half of 2006. Part of that increase is due to a new wage agreement in the public sector, raising bonuses in general and the holiday bonus in particular by 25%.

In foreign trade, goods exports expanded less dynamically than last year. Growth of import (fuelled by strong domestic demand) exceeded that of exports, thus contributing to a further increase in the trade deficit. Car imports rose significantly again, followed by imports of iron and steel as well as machinery and equipment. In services trade, exports were up almost 11% whereas imports contracted by 6%, mainly due to declining imports of 'other services'. As against the first half of 2006, the surplus in services trade was higher by nearly one third, while the surplus of current transfers diminished. The deficit in the income balance was reduced by about 10%. Despite the rising surplus in services trade, the current account closed with a slightly higher deficit than in the first half of 2006 – mainly due to the deterioration of the balance in goods trade. In tourism the Croatian authorities expect a record inflow this year. Given the sluggish merchandise trade performance, the current account may end up with a deficit of close to 8% in 2007. Favourable FDI trends continued in 2007, with inflows worth EUR 2.1 billion recorded in the first half of the year. According to a sectoral breakdown, the biggest share went into financial intermediation (mostly recapitalization of local banks by foreign owners).

The growth of foreign debt slowed down as compared to the past years. By the end of June gross foreign indebtedness stood at EUR 30.8 billion, representing close to 86% of the country's GDP. Most of this year's debt increase (EUR 1.6 billion) is due to the enterprise sector, while banks' debt even shrank by some EUR 400 million. The latter has apparently resulted from the restrictive measures set by the Croatian National Bank to curb the growth of foreign debt by limiting commercial banks' credit growth to 12% a year. External debt of the government remained stagnant.

The fiscal situation improved further during the first months of the year. Thus, in July the parliament adopted a downward revision of the general government deficit, from 2.8% initially to 2.6%. The accordingly increased revenues are earmarked not only for the reduction of the deficit but also for raising expenditures particularly in the ailing health sector, as well as in education and agriculture and for additional funding of child allowances and veterans' pensions. However, the favourable fiscal trend might reverse when the new measures recently adopted – an increase in unemployment benefits and pensions of new pensioners as well as in vacation allowances and Christmas bonuses – become effective from the beginning of next year.

The next parliamentary elections will be held on 25 November. According to recent opinion polls, the ruling HDZ (Croatian Democratic Union) under Prime Minister Ivo Sanader and the Social Democrats led by Zoran Milanović (the candidate for the prime minister is Ljubo Jurčić) enjoy similar voter support. Both parties are in favour of EU membership. The SDP programme advocates boosting industrial production and consequently GDP, accompanied by a more equal development of all Croatian regions by way of state support for infrastructure construction for four industries, presented under the slogan 4x4 (dividing Croatia into 4 industrial regions). Less developed regions (such as Slavonia) should be entitled to subsidies for infrastructural development. In response, the HDZ named its programme 3x7, aiming at a reduction of the unemployment rate to 7% within a four-year period, achieving economic growth of 7% and completing 7 development projects.

Up until now Croatia has opened 14 chapters in its EU membership talks, with two of them temporarily closed. But negotiations about the most difficult chapters – state subsidies, fighting corruption, judiciary – are still ahead. The Commission has not set an exact entry date yet, but assuming that the negotiations will be going on smoothly, the country might join the Union in 2010-2011.

The GDP will grow by close to 6% in the full year 2007, at a higher rate than originally expected. Driven mainly by domestic demand, GDP should grow by about 5% annually in the coming two to three years. Backed by rising employment and wages, household consumption is expected to remain strong. Improvements on the labour market are likely to continue, implying both a further reduction of unemployment and new job creation. The current account will remain at high levels. However, high external deficits combined with rising foreign indebtedness may prove to be a major obstacle to future growth.



Table HR

## Croatia: Selected Economic Indicators

	2002	2003	2004	2005	2006 <sup>1)</sup>	2006 January-June	2007	2007 forecast	2008 forecast
Population, th pers., mid-year	4443	4442	4439	4442	4440	4440	.	.	.
Gross domestic product, HRK mn, nom.	181231	198422	214983	231349	250590	118632	131034	272300	292500
annual change in % (real)	5.6	5.3	4.3	4.3	4.8	4.8	6.8	6	5
GDP/capita (EUR at exchange rate)	5507	5906	6462	7038	7704	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	9380	9930	10680	11380	12400	.	.	.	.
Gross industrial production <sup>2)</sup>									
annual change in % (real)	5.4	4.1	3.7	5.1	4.5	2.9	7.5	6	5
Gross agricultural production									
annual change in % (real)	7.7	-15.9	11.9	-8.7	4.4	.	.	.	.
Construction industry, hours worked <sup>2)</sup>									
annual change in % (real)	12.8	22.8	2.0	-0.8	9.3	11.7	3.0	.	.
Consumption of households, HRK mn, nom.	108027	115081	123123	131671	140261	69514	75751	.	.
annual change in % (real)	7.7	4.6	4.8	3.4	3.5	3.0	6.8	5.5	4
Gross fixed capital form., HRK mn, nom.	44105	56662	60512	65008	74792	36610	40802	.	.
annual change in % (real)	13.9	24.7	5.0	4.8	10.9	12.6	8.3	8	6
LFS - employed persons, th, avg.	1528	1537	1563	1573	1586	1548	1563 <sup>I-III</sup>	.	.
annual change in %	.	0.6	1.7	0.7	0.8	-1.1	.	.	.
Reg. employees in industry, th pers., avg.	281.0	282.6	281.7	278.9	284.1	282.6	282.7	.	.
annual change in %	-2.2	0.6	-0.3	-1.0	1.9	1.4	0.03	.	.
LFS - unemployed persons, average	266.0	256.0	249.5	229.0	198.5	206	197 <sup>I-III</sup>	.	.
LFS - unemployment rate in %, average	14.8	14.3	13.8	12.7	11.1	11.8	11.2 <sup>I-III</sup>	10.8	10.3
Reg. unemployment rate in %, end of period	21.3	18.7	18.5	17.8	17.0	16.0	14.3	14.8	14
Average gross monthly wages, HRK	5366	5623	5985	6248	6634	6549	6940	.	.
annual change in % (real, net)	3.1	3.8	3.7	1.5	1.9	1.3	3.0	.	.
Consumer prices, % p.a.	1.7	1.8	2.1	3.3	3.2	3.7	1.9	2.5	2.3
Producer prices in industry, % p.a.	-0.4	1.9	3.5	3.0	2.9	3.5	2.3	2.5	2.4
General governm.budget, nat.def., % GDP <sup>3)</sup>									
Revenues	46.3	45.1	44.9	44.5	.	.	.	.	.
Expenditures	50.6	50.1	49.5	48.3	.	.	.	.	.
Deficit (-) / surplus (+), % GDP <sup>4)</sup>	-5.0	-6.2	-4.8	-4.0	-3.0	.	.	-3	-2.5
Public debt in % of GDP% <sup>5)</sup>	50.7	51.2	52.0	52.7	50.0	.	.	53	54
Discount rate % p.a., end of period	4.5	4.5	4.5	4.5	4.5	4.5	4.5	.	.
Current account, EUR mn	-2098.7	-1888.8	-1453.6	-1988.0	-2646.5	-3255.2	-3372.0	-2800	-2800
Current account in % of GDP	-8.6	-7.2	-5.1	-6.4	-7.7	-20.1	-18.9	-7.6	-7.1
Gross reserves of NB excl. gold, EUR mn	5651.3	6554.1	6436.2	7438.4	8725.3	8743.6	9170.3	.	.
Gross external debt, EUR mn	15143.1	19883.7	22933.0	25747.7	29205.1	27720.9	30755.5	.	.
Gross external debt in % of GDP	62.2	76.6	81.8	82.1	85.6	.	.	.	.
FDI inflow, EUR mn	1137.9	1762.4	949.6	1467.9	2713.0	1343.9	2149.1	.	.
FDI outflow, EUR mn	607.1	105.5	278.8	192.1	164.0	64.0	131.6	.	.
Exports of goods, BOP, EUR mn	5295.6	5574.7	6606.8	7220.3	9463.6	3984.4	4341.5	10300	11200
annual growth rate in %	-0.6	5.3	18.5	9.3	31.1	17.5	9.0	9	9
Imports of goods, BOP, EUR mn	11253.5	12545.9	13330.9	14738.3	16807.8	8185.4	9035.4	18500	20700
annual growth rate in %	13.4	11.5	6.3	10.6	14.0	15.8	10.4	10	12
Exports of services, BOP, EUR mn	5832.3	7565.9	7636.7	8052.6	8534.1	2682.2	2970.4	9200	9800
annual growth rate in %	6.4	29.7	0.9	5.4	6.0	9.8	10.7	8	7
Imports of services, BOP, EUR mn	2547.5	2632.8	2867.8	2734.9	2823.7	1428.7	1341.0	2750	2880
annual growth rate in %	16.9	3.3	8.9	-4.6	3.2	8.9	-6.1	-3	5
Average exchange rate HRK/USD	7.86	6.70	6.04	5.95	5.84	5.95	5.54	.	.
Average exchange rate HRK/EUR (ECU)	7.41	7.56	7.50	7.40	7.32	7.31	7.36	7.36	7.38
Purchasing power parity HRK/USD, wiiw	3.75	3.81	3.82	3.84	3.83	.	.	.	.
Purchasing power parity HRK/EUR, wiiw	4.35	4.50	4.54	4.58	4.55	.	.	.	.

Note: The term "industry" refers to NACE classification C+D+E.

1) Preliminary. - 2) Enterprises with more than 20 employees. - 3) On accrual basis. - 4) Including change in arrears and non-recorded expenditures. - 5) Including guarantees.

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

## Serbia: risking instability

BY VLADIMIR GLIGOROV

Growth is still strong, though it is slowing down after the very good first quarter. The effects of the fiscal stimulus ahead of the January 2007 parliamentary elections and during the crisis of the government coalition in spring have died down. They have also accelerated inflation and worsened the external imbalances. Because of the high demand for agricultural products and for raw materials, exports have continued to grow by close to 30% so far. Also, construction and services are posting high growth rates, while agriculture has suffered from drought; the growth of industrial production is not impressive, it decelerated in the second half of this year.

These developments pose challenges to the policy makers. Perhaps the most pressing is the issue of income policy. Most of the pre- and post-election fiscal expansion was in the form of wage increases in the public sector, which is still quite large in Serbia. Private-sector wages have followed the lead and have also increased, though not by as much as public-sector wages. Overall, wages have outpaced productivity by a lot. This has been true in Serbia since the political change in the year 2000, but this year's real wage growth has been much stronger because of the deceleration of inflation in the first half of the year. With a relatively short lag, however, prices have started to go up, challenging monetary policy. Again, ahead of the January elections and the post-election crisis, government-controlled prices were practically frozen and that contributed to the lower rate of inflation. In the second half of the year, some prices had to be adjusted and some more adjustment will be necessary in the short run, e.g., concerning the price of electricity. As a consequence, the monetary policy has become even more important in assuring price stability. The central bank has opted for exchange rate appreciation, as sterilization has proved to be quite costly. Given nominal appreciation and the acceleration of inflation, real appreciation of the dinar against the

euro has been quite strong in the second half of this year. This has not had significant effects on exports so far, but it has kept import growth at a high rate. As a consequence, the current account deficit may turn out to be even wider than assumed by current projections. This is because it tends to be especially large in the last quarter of the year. More ambitious changes in monetary policy are not realistic at this moment for political reasons.

Serbia is facing presidential and local elections, which will be held under the shadow of the impending resolution of the Kosovo status. The intention is to hold the elections after the outcome of the ongoing negotiations has been either reached or becomes predictable, and that should be around 10 December this year. Ahead of these elections, voters have to be kept satisfied, which suggests further fiscal loosening. Indeed, the draft version of the 2008 budget does not suggest any serious cuts in wages, and pensions are slated to be increased already before the end of this year. The governing parties are gambling that they can do well in the upcoming elections, or that they can postpone at least the local elections if the outcome of the Kosovo negotiations turns out to be too negative, by keeping consumption high and import prices low. They are, in other words, gambling that they can buy political stability by risking economic instability. The government has all but acquiesced in the higher rate of inflation, which will be about 2 percentage points higher than originally targeted (8.5% rather than 6.5% December on December). It is also ready to face record trade and current account deficits, though not necessarily in terms of the GDP.

The gamble is riskier than it looks due to the increasing probability of political instability. The leaders of the governing coalition seem to have decided that the threat of political instability in and around Serbia may produce a more favourable attitude of the international community and primarily of the EU towards the Serbian interests in Kosovo. Therefore, they have put the political stability not only of Serbia but also of Bosnia and Herzegovina at stake. The threat is that the pro-EU

parties in the governing coalition in Serbia will lose in the upcoming elections in Serbia while the leaders in Republika Srpska in Bosnia and Herzegovina will be even less cooperative than they have been so far – and there is also the implicit threat of them moving to a separatist path if Kosovo gains independence. Thus, in addition to economic instability, there is a risk of political instability that is growing.

At a minimum, the expectation is that the EU will give concessions in terms of a speed-up of Serbia's integration. Until now, the EU has been unwilling to proceed with the initialling of the Stabilization and Association Agreement with Serbia because of the lack of complete cooperation with the Hague Tribunal. Also, there are lukewarm reactions to the suggestions, championed by Slovenia, the next presiding nation in the EU, that Serbia is quickly accepted as a candidate country, perhaps even before the end of 2008. The implicit gamble is that the EU will come to the rescue both in the Kosovo negotiations and in the integration process. Thus, Serbia is not only risking economic and political but also international instability.

The prospects are that some kind of meddling-through resolution will be forged to resolve all of the three possible crises. The risk is that the economic imbalances will have to be corrected in the medium term and that may prove to require some slowdown of growth and even a recession in order to improve macroeconomic stability. In the meantime, growth should be good, though more moderate at around 5% per year.

Table RS

**Serbia: Selected Economic Indicators**

	2002	2003	2004	2005	2006 <sup>1)</sup>	2006 January-June	2007 January-June	2007 forecast	2008 forecast
Population, th pers., mid-year <sup>2)</sup>	7500	7481	7463	7450	7440	.	.	.	.
Gross domestic product, RSD mn, nom.	1020117	1171564	1431313	1750000	2139800	.	.	2450000	2727000
annual change in % (real)	4.2	2.5	8.4	6.2	5.7	6.6	8.1	6	5
GDP/capita (EUR at exchange rate)	2242	2408	2643	2833	3424	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	5380	5530	6150	6670	7210	.	.	.	.
Gross industrial production <sup>3)</sup>									
annual change in % (real)	1.8	-3.0	7.1	0.8	4.7	6.3	5.2	5	5
Gross agricultural production									
annual change in % (real)	-2.1	-11.4	26.0	-3.4	.	.	.	.	.
Construction output total									
annual change in % (real) <sup>4)</sup>	-7.4	10.8	3.5	2.0	9.3	.	.	.	.
Consumption of households, RSD mn, nom.	819739	885658	998540	1221531	1475003	.	.	.	.
annual change in % (real)	.	.	.	.	.	.	.	.	.
Gross fixed capital form., RSD mn, nom.	120502	188875	253333	301962	383907	.	.	.	.
annual change in % (real)	.	.	.	.	.	.	.	.	.
LFS - employed persons, th. Oct <sup>5)</sup>	3000.2	2918.6	2930.8	2733.4	2630.7	.	.	.	.
annual change in %	-3.4	-2.7	0.4	-6.7	-3.8	.	.	.	.
Reg. employees in industry, th pers., avg.	648.1	605.3	562.2	536.1	493.3	503.0	463.2	.	.
annual change in %	-8.0	-6.6	-7.1	-4.7	-8.0	-6.3	-7.9	.	.
LFS - unemployed, th pers., Oct <sup>5)</sup>	459.6	500.3	665.4	719.9	693.0	.	.	.	.
LFS - unemployment rate in %, Oct <sup>5)</sup>	13.3	14.6	18.5	20.8	20.9	.	.	22	23
Reg. unemployment rate in %, end of period <sup>6)</sup>	30.5	31.9	26.4	27.1	27.9	27.9	26.6	29	30
Average gross monthly wages, RSD	13260	16612	20555	25514	31745	29543	36463	.	.
annual change in % (real, net)	29.9	13.6	10.1	6.4	11.4	9.4	18.7	.	.
Consumer prices, % p.a.	16.6	9.9	11.4	16.2	11.6	14.5	4.0	8	6
Producer prices in industry, % p.a.	8.8	4.6	9.1	14.2	13.3	15.3	4.9	8	6
General governm. budget, nat. def., % GDP									
Revenues	39.9	40.3	41.2	.	.	.	.	.	.
Expenditures	43.2	44.2	42.6	.	.	.	.	.	.
Deficit (-) / surplus (+), % GDP	-3.3	-4.0	-1.4	1.4	-0.6	.	.	-2	-2
Public debt in % of GDP	.	.	.	.	.	.	.	.	.
Discount rate, % p.a., end of period	9.5	9.0	8.5	8.5	8.5	8.5	8.5	.	.
Current account, EUR mn <sup>7)</sup>	-1323.4	-1256.9	-2308.0	-1790.2	-2906.1	-1140.0	-1954.4	-4000	-4000
Current account in % of GDP	-7.9	-7.0	-11.7	-8.5	-11.4	.	.	-13.1	-12.0
Gross reserves of NB, excl. gold, EUR mn	2076.8	2728.2	3008.0	4753.7	8841.3	6156.7	8990.8	.	.
Gross external debt, EUR mn	10768	10858	10355	13064	14885	13773	15689	.	.
Gross external debt in % of GDP	64.9	63.3	57.1	63.8	55.0	.	.	.	.
FDI inflow, EUR mn <sup>7B)</sup>	504.1	1208.3	777.1	1265.3	3504.3	752.3	1242.6	.	.
FDI outflow, EUR mn <sup>7)</sup>	.	.	.	17.9	16.8	4.9	607.2	.	.
Exports of goods, BOP, EUR mn <sup>7B)</sup>	2347.6	2937.9	3283.8	3998.9	5155.7	2282.5	2966.8	6450	7750
annual growth rate in %	15.5	25.1	11.8	21.8	28.9	24.5	30.0	25	20
Imports of goods, BOP, EUR mn <sup>7B)</sup>	5773.5	6497.1	8487.9	8255.3	10107.8	4637.0	5895.4	12630	15790
annual growth rate in %	25.3	12.5	30.6	-2.7	22.4	28.5	27.1	25	25
Exports of services, BOP, EUR mn <sup>7B)</sup>	794.9	919.7	1188.2	1316.3	1674.8	697.0	986.4	2340	2930
annual growth rate in %	16.0	15.7	29.2	10.8	27.2	17.0	41.4	40	25
Imports of services, BOP, EUR mn <sup>7B)</sup>	657.0	740.9	1047.4	1321.2	1724.1	724.0	986.0	2240	2690
annual growth rate in %	59.1	12.8	41.4	26.1	30.5	24.6	36.2	30	20
Average exchange rate RSD/USD	64.40	57.58	58.38	66.71	66.82	70.56	60.16	.	.
Average exchange rate RSD/EUR (ECU)	60.68	65.05	72.57	82.91	84.06	86.92	80.25	80	82
Purchasing power parity RSD/USD, wiiw	21.80	24.00	26.30	29.50	32.90	.	.	.	.
Purchasing power parity RSD/EUR, wiiw	25.30	28.30	31.20	35.20	39.90	.	.	.	.

Note: The new ISO code for the Serbian dinar is RSD. From 2004 the term "industry" refers to NACE classification C+D+E.

1) Preliminary. - 2) wiiw estimate in 2005 and 2006. - 3) From 2004 according to NACE and new weighting system. - 4) Gross value added. - 5) From 2004 according to census 2002 and revisions based on ILO and Eurostat methodology. - 6) Until 2003 jobseekers, rate in per cent of labour force excluding farmers. - 7) Converted from USD with the average exchange rate. - 8) Until 2004 FDI net. - 9) From 2006 including trade with Montenegro.

Source: wiiw Database incorporating national statistics; wiiw forecasts.

## Macedonia: selling reforms

BY VLADIMIR GLIGOROV

The ambition of the new government, which has been in office for about a year now, is to make Macedonia very friendly for foreign investments, so that the country will become a 'Singapore in the Balkans'. The time may be right now as economic performance is improving or is in any case better than it has been since the crisis of 2001. This is particularly true of the external sector as Macedonia has balanced its current account and may be moving into a surplus. This is mostly due to the growing inflow of remittances, though exports of goods and services are rising as well. Industrial production is also improving, though from a rather low level. The labor market, however, remains depressed and that continues to be the main problem of the Macedonian economy.

After years of fiscal and monetary conservatism, the government has decided to boost consumption by increasing wages. It also aims to increase public investments. Unlike in the previous years, the IMF has accepted the planned fiscal deficit of around 1% of GDP this year and the next. Also, the pressure on the central bank to run a tight monetary policy in order to assure the stability of the exchange rate has eased as the external balances have proved to be much better than it was assumed or reported in the previous years. Macedonia is still not part of the credit boom that is going on in the whole region, but the monetary and financial conditions are much friendlier than before.

The drive to attract foreign investments has brought some improvement, though at the moment promises outpace realizations by a wide margin. The key strategy has been to offer fiscal stimuli and to create industrial zones that should be attractive to investors. There are also intentions to crack down on corruption, which tends to be one of the major complaints of investors and of the various ranking agencies. Other structural reforms will be needed, especially in the product market. Though the country is small and relatively open, it is

dominated by high concentrations in industry and in banking. So far, not very much has been done to liberalize the product market.

More emphasis is put on the increase of flexibility in the labour market, though the high rate of unemployment and slow growth of wages seem to suggest that flexibility is not the main problem, but demand for labour is. Still, there may be too much employment in the public sector and more may be needed in the private sector, but the latter has not proved to be very dynamic and entrepreneurial. Part of the problem is the lack of competition from foreign investors and companies as Macedonia is not the first country in the Balkans that foreign companies look at when deciding where to locate their operations.

The current improvement is partly due to the spillover effect from the economic improvement in the region. Macedonia is a small, landlocked economy that trades a lot in the region. Thus, the economic pick-up in Serbia, in particular, has been beneficial to Macedonia too. The expected increase of investments for reconstruction and from privatization in Kosovo should also contribute to economic growth. Similarly, continued growth in Bulgaria helps as economic relations are improving and strengthening.

Unlike economic developments, the EU integration process shows little progress. Macedonia is a candidate country, but the negotiations are yet to start. The EU is reluctant because it is not satisfied with the pace of institutional reforms. It also has problems with the political tensions between the ethnic parties and between the government and the president. The hope is that the start of the negotiations will be announced during the upcoming Slovenian presidency of the EU. Also, NATO accession remains a possibility in April of 2008. There are problems with Greece in both instances due to the never ending story concerning the name of the country.

## MACEDONIA

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Prospects for economic improvement are good as are those for progress towards EU and NATO integration. GDP growth should accelerate to 5% in the medium term and the regional improvement, if it continues, will be beneficial for exports and for investment. Domestic consumption should also grow as credit expansion and wage increases are setting in. These developments should be supported by reforms, if promises are kept.

Table MK

## Macedonia: Selected Economic Indicators

	2002	2003	2004	2005	2006 <sup>1)</sup>	2006 January-June	2007	2007 forecast	2008
Population, th pers., mid-year <sup>2)</sup>	2020.2	2026.8	2032.5	2036.9	2040.0	.	.	.	.
Gross domestic product, MKD mn, nom.	243970	251486	265257	286619	303305	.	.	323000	349000
annual change in % (real)	0.9	2.8	4.1	4.1	3.1	2.7	5.5	4.5	5
GDP/capita (EUR at exchange rate)	1981	2025	2128	2296	2430	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	5170	5300	5600	6080	6420	.	.	.	.
Gross industrial production									
annual change in % (real) <sup>3)</sup>	-4.8	4.1	-2.2	7.1	2.5	1.1	3.6	5	5
Gross agricultural production									
annual change in % (real)	-2.3	4.5	6.8	0.3	0.5	.	.	.	.
Construction output, value added									
annual change in % (real)	0.6	13.3	7.4	-4.2	0.7	.	.	.	.
Consumption of households, MKD mn, nom.	188179	191873	209075	222726	.	.	.	.	.
annual change in % (real)	12.5	-1.5	8.0	5.7	.	.	.	.	.
Gross fixed capital form., MKD mn, nom.	40448	42110	47286	48868	.	.	.	.	.
annual change in % (real)	17.6	1.1	10.9	-5.4	.	.	.	.	.
LFS - employed persons, th. avg.	561.3	545.1	523.0	545.3	570.4	563.0	584.3	.	.
annual change in %	-6.3	-2.9	-4.1	4.3	4.6	6.2	3.8	.	.
Reg. employees in industry, th pers., avg. <sup>4)</sup>	110.9	106.7	101.5	125.7	.	95.2	92.7	.	.
annual change in % <sup>4)</sup>	-9.5	-3.8	-4.9	-3.1	.	-3.8	-2.5	.	.
LFS - unemployed, th pers., average	263.5	315.9	309.3	323.9	321.3	318.7	320.1	.	.
LFS - unemployment rate in %, average	31.9	36.7	37.2	37.3	36.0	36.2	35.4	35	35
Reg. unemployment rate in %, end of period	.	.	.	.	.	.	.	.	.
Average gross monthly wages, MKD	19025	19950	20771	21330	23036	22740	23395	.	.
real growth rate, % (net wages)	5.0	3.6	4.4	6.4	4.0	4.8	5.2	.	.
Consumer prices, % p.a.	1.8	1.2	-0.4	0.5	3.2	3.1	0.9	2	3
Producer prices in industry, % p.a.	-0.9	-0.3	0.9	3.2	4.5	5.7	0.7	2	3
General governm. budget, nat.def., % GDP <sup>5)</sup>									
Revenues	34.9	33.4	33.2	35.2	34.3	.	.	.	.
Expenditures	40.0	34.5	33.2	35.0	34.9	.	.	.	.
Deficit (-) / surplus (+), % GDP	-5.0	-1.1	0.0	0.3	-0.6	.	.	-1	-1
Public debt in % of GDP	.	.	.	.	.	.	.	.	.
Discount rate, % p.a., end of period	10.7	6.5	6.5	6.5	6.5	6.5	6.5	.	.
Current account, EUR mn <sup>6) 7)</sup>	-379.9	-132.1	-334.2	-65.5	-18.9	-88.1	102.5	-100	-100
Current account in % of GDP	-9.5	-3.2	-7.7	-1.4	-0.4	.	.	-1.9	-1.8
Gross reserves of NB, excl. gold, EUR mn	692.8	718.4	665.2	1041.4	1329.2	1241.3	1316.3	.	.
Gross external debt, EUR mn <sup>8)</sup>	1513.2	1439.4	1475.7	1849.1	1782.5	1725.3	1777.4	.	.
Gross external debt in % of GDP	37.9	35.1	34.1	39.5	36.0	.	.	.	.
FDI inflow, EUR mn <sup>7)</sup>	82.6	85.4	126.5	80.3	279.5	254.1	61.3	.	.
FDI outflow, EUR mn <sup>7)</sup>	0.1	0.3	0.9	2.2	0.2	-0.6	1.5	.	.
Exports of goods, BOP, EUR mn <sup>7)</sup>	1180.8	1207.8	1347.2	1640.2	1910.5	840.6	1176.2	2500	3000
annual growth rate in %	-8.5	2.3	11.5	21.7	16.5	8.6	39.9	31	20
Imports of goods, BOP, EUR mn <sup>7)</sup>	2034.8	1959.4	2243.1	2490.6	2935.2	1355.3	1550.6	3530	4220
annual growth rate in %	8.3	-3.7	14.5	11.0	17.9	13.7	14.4	20	20
Exports of services, BOP, EUR mn <sup>7)</sup>	268.8	289.6	328.6	379.3	479.4	210.4	.	580	700
annual growth rate in %	-1.6	7.8	13.4	15.4	26.4	27.1	.	20	20
Imports of services, BOP, EUR mn <sup>7)</sup>	292.3	298.7	372.4	406.5	459.3	219.8	.	530	610
annual growth rate in %	-0.8	2.2	24.7	9.2	13.0	21.0	.	15	15
Average exchange rate MKD/USD	64.74	54.30	49.41	49.29	48.79	49.93	46.05	.	.
Average exchange rate MKD/EUR (ECU)	60.98	61.26	61.34	61.30	61.19	61.20	61.18	62	62
Purchasing power parity MKD/USD, wiiw	19.93	19.57	19.39	19.20	19.09	.	.	.	.
Purchasing power parity MKD/EUR, wiiw	23.38	23.42	23.29	23.16	23.16	.	.	.	.

Note: The term "industry" refers to NACE classification C+D+E.

1) Preliminary. - 2) 2006 wiiw estimate. - 3) Enterprises with more than 10 employees, from 2004 new methodology, from 2007 new methodology and weighting system. - 4) From 2005 re-weighted data with information from pension and invalid insurance funds. Quarterly data are unweighted. - 5) Refers to central government budget and extra budgetary funds. - 6) Including grants. - 7) Converted from USD with the average exchange rate. - 8) Medium- and long-term debt.

Source: wiiw Database incorporating national statistics; wiiw forecasts.





## Conventional signs and abbreviations

used in the following section on monthly statistical data

.	data not available
%	per cent
CMPY	change in % against corresponding month of previous year
CCPY	change in % against cumulated corresponding period of previous year (e.g., under the heading 'March': January-March of the current year against January-March of the preceding year)
3MMA	3-month moving average, change in % against previous year.
CPI	consumer price index
PM	change in % against previous month
PPI	producer price index
p.a.	per annum
mn	million
bn	billion
BGN	Bulgarian lev
CZK	Czech koruna
EUR	euro, from 1 January 1999
EUR-SIT	Slovenia has introduced the euro from 1 January 2007
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
RON	Romanian leu
RUB	Russian rouble
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar
M0	currency outside banks / currency in circulation (ECB definition)
M1	M0 + demand deposits / narrow money (ECB definition)
M2	M1 + quasi-money / intermediate money (ECB definition)
M3	broad money

Sources of statistical data:

National statistical offices and central banks; wiiw estimates.

*Please note:* wiiw Members have **free online access** to the wiiw Monthly Database Eastern Europe.  
To receive your personal password, please go to <http://mdb.wiiw.ac.at>

## B U L G A R I A: Selected monthly data on the economic situation 2006 to 2007

(updated end of Oct 2007)

		2006							2007								
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>PRODUCTION</b>																	
Industry, total <sup>1)</sup>	real, CMPY	5.7	3.0	10.6	6.8	5.0	4.2	1.2	3.2	8.9	9.0	11.7	7.0	7.7	14.3	7.3	.
Industry, total <sup>1)</sup>	real, CCPY	6.7	6.2	6.7	6.7	6.6	6.3	5.8	3.2	6.3	7.3	8.4	8.2	8.1	9.1	8.8	.
Industry, total <sup>1)</sup>	real, 3MMA	6.2	6.4	6.7	7.4	5.3	3.4	2.8	4.3	7.3	9.9	9.4	8.9	9.9	9.8	.	.
<b>LABOUR</b>																	
Employees total	th. persons	2276	2305	2300	2293	2276	2271	2247	2282	2289	2308	2320	2331	2343	.	.	.
Employees in industry	th. persons	704	705	704	702	703	703	697	706	705	705	708	704	703	.	.	.
Unemployment, end of period	th. persons	340.1	331.8	323.8	312.8	310.4	321.9	337.8	358.1	351.2	330.3	310.3	289.8	274.8	268.4	259.3	.
Unemployment rate <sup>2)</sup>	%	9.2	9.0	8.7	8.4	8.4	8.7	9.1	9.7	9.5	8.9	8.4	7.8	7.4	7.3	7.0	.
Labour productivity, industry <sup>1)</sup>	CCPY	9.3	8.7	9.2	9.2	8.9	8.6	8.0	2.2	5.4	6.6	7.7	7.7	.	.	.	.
Unit labour costs, exch.r. adj.(EUR) <sup>1)</sup>	CCPY	0.2	1.0	0.8	1.0	1.2	1.9	2.6	14.4	11.5	10.4	9.2	10.0	10.1	.	.	.
<b>WAGES, SALARIES</b>																	
Total economy, gross	BGN	345	350	349	363	354	361	388	377	380	396	400	411	408	.	.	.
Total economy, gross	real, CMPY	1.5	2.6	5.4	6.1	5.7	5.9	7.2	8.6	12.9	11.8	11.9	13.9	12.0	.	.	.
Total economy, gross	USD	223	227	229	236	228	238	262	250	254	268	276	284	280	.	.	.
Total economy, gross	EUR	176	179	178	186	181	185	198	193	194	202	205	210	209	.	.	.
Industry, gross	EUR	182	182	182	190	185	190	199	195	198	211	209	215	217	.	.	.
<b>PRICES</b>																	
Consumer	PM	-1.6	-0.5	-0.2	0.3	1.3	1.4	1.2	1.4	0.5	-0.1	0.5	0.1	-0.4	2.2	3.1	1.3
Consumer	CCPY	8.2	7.6	6.8	5.6	5.7	6.1	6.5	7.1	4.5	4.1	4.2	4.3	5.6	8.4	12.0	13.1
Consumer	CCPY	8.1	8.1	7.9	7.7	7.5	7.3	7.3	7.1	5.8	5.2	5.0	4.8	4.9	5.4	6.3	7.0
Producer, in industry	PM	0.3	0.9	0.3	0.7	-0.7	0.1	0.6	-0.8	0.1	1.4	1.9	0.7	1.3	2.1	1.1	.
Producer, in industry	CCPY	11.1	10.9	11.0	10.3	8.7	8.2	8.1	7.8	6.3	8.0	8.1	5.6	6.7	7.9	8.8	.
Producer, in industry	CCPY	9.2	9.5	9.6	9.7	9.6	9.5	9.4	7.8	7.1	7.4	7.6	7.2	7.1	7.2	7.4	.
<b>FOREIGN TRADE<sup>3/4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	5726	6799	7873	8924	9986	11035	12012	869	1768	2851	3878	4976	6155	7386	8529	.
Imports total (cif), cumulated	EUR mn	8364	9976	11657	13200	14940	16641	18479	1529	2968	4690	6317	8103	9910	11840	13657	.
Trade balance, cumulated	EUR mn	-2638	-3177	-3784	-4276	-4953	-5605	-6467	-661	-1199	-1839	-2439	-3127	-3755	-4454	-5128	.
Exports to EU-27 (fob), cumulated	EUR mn	.	.	.	.	.	.	.	580	1177	1858	2463	3124	3875	4592	5274	.
Imports from EU-27 (cif) <sup>5)</sup> , cumulated	EUR mn	.	.	.	.	.	.	.	903	1827	2884	3834	4891	5924	7016	7969	.
Trade balance with EU-27, cumulated	EUR mn	.	.	.	.	.	.	.	-323	-651	-1026	-1371	-1767	-2049	-2424	-2695	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated <sup>6)</sup>	EUR mn	-1760	-1805	-1892	-2100	-2646	-3127	-3935	-632	-1108	-1607	-2164	-2636	-2909	-3043	-3203	.
<b>EXCHANGE RATE</b>																	
BGN/USD, monthly average	nominal	1.546	1.542	1.527	1.538	1.551	1.519	1.480	1.506	1.496	1.477	1.448	1.447	1.458	1.426	1.436	1.406
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI <sup>7)</sup>	real, Jan03=100	127.5	126.9	127.6	127.7	128.9	133.7	138.5	137.7	138.4	138.8	141.5	140.7	138.9	145.1	148.6	153.8
BGN/USD, calculated with PPI <sup>7)</sup>	real, Jan03=100	121.3	122.1	122.9	124.8	125.2	126.1	129.4	127.4	126.3	127.8	131.4	130.8	131.3	136.1	136.6	.
BGN/EUR, calculated with CPI <sup>7)</sup>	real, Jan03=100	110.3	109.9	109.5	109.8	111.0	112.5	113.4	115.5	115.7	114.9	114.8	114.6	114.0	116.9	120.4	121.5
BGN/EUR, calculated with PPI <sup>7)</sup>	real, Jan03=100	112.0	111.9	112.2	113.9	113.0	113.5	114.2	113.5	113.2	114.2	116.0	116.5	117.5	119.5	121.0	.
<b>DOMESTIC FINANCE</b>																	
Currency in circulation, end of period <sup>8)</sup>	BGN mn	5503	5687	5829	5917	5881	5825	6231	5901	5880	5912	6100	6134	6391	6649	6842	6931
M1, end of period <sup>8)</sup>	BGN mn	13444	14182	14505	14751	15022	15193	16078	15955	16002	16269	16416	16845	17807	18279	18903	19174
Broad money, end of period <sup>8)</sup>	BGN mn	27535	28183	28986	29611	30166	30361	32061	31780	32108	32755	33379	33925	35349	36373	37795	38233
Broad money, end of period	CMPY	20.9	21.4	22.5	24.7	26.0	26.5	26.9	29.0	27.8	28.2	29.5	27.7	28.4	29.1	30.4	29.1
BNB base rate (p.a.) <sup>9)</sup> , end of period	%	2.6	2.7	2.8	3.0	3.0	3.2	3.3	3.5	3.6	3.6	3.7	3.9	3.9	4.1	4.2	4.2
BNB base rate (p.a.) <sup>9)</sup> , end of period <sup>9)</sup>	real, %	-7.6	-7.3	-7.3	-6.7	-5.2	-4.6	-4.5	-4.0	-2.6	-4.1	-4.1	-1.7	-2.6	-3.6	-4.3	.
<b>BUDGET</b>																	
Central gov. budget balance <sup>9)</sup> , cum.	BGN mn	1454.9	1606.3	1941.0	2042.4	2229.0	2413.8	1812.9	133.9	-102.3	403.5	1097.8	1670.4	1923.5	2179.6	2639.0	.

1) Enterprises with 10 and more persons.

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

5) According to country of dispatch.

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

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

8) According to ECB methodology.

9) Deflated with annual PPI.

## C Z E C H REPUBLIC: Selected monthly data on the economic situation 2006 to 2007

(updated end of Oct 2007)

		2006							2007								
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	11.0	12.8	9.3	7.4	14.8	10.2	6.0	10.8	13.1	11.0	14.5	6.8	6.7	11.5	5.5	.
Industry, total	real, CCPY	12.3	12.3	12.0	11.4	11.8	11.6	11.1	10.8	11.9	11.6	12.3	11.1	10.3	10.5	9.9	.
Industry, total	real, 3MMA	12.1	11.0	9.7	10.5	10.8	10.4	9.1	10.0	11.6	12.8	10.6	9.1	8.2	7.8	.	.
Construction, total	real, CMPY	10.0	12.2	6.4	4.2	7.2	7.7	15.4	29.2	32.1	26.4	17.6	1.0	-4.5	-1.7	3.3	.
<b>LABOUR</b>																	
Employees in industry <sup>1)</sup>	th. persons	1143	1148	1158	1155	1160	1165	1159	1154	1161	1165	1164	1164	1163	1180	1179	.
Unemployment, end of period	th. persons	451.1	458.3	458.7	454.2	439.8	432.6	448.5	465.5	454.7	430.5	402.9	382.6	370.8	376.6	372.8	340.4
Unemployment rate <sup>2)</sup>	%	7.7	7.9	7.9	7.8	7.4	7.3	7.7	7.9	7.7	7.3	6.8	6.4	6.3	6.4	6.4	6.2
Labour productivity, industry <sup>13)</sup>	CCPY	11.0	11.0	10.4	9.8	10.2	10.1	9.7	9.3	10.5	10.2	10.5	9.7	8.9	9.0	8.6	.
Unit labour costs, exch.r. adj.(EUR) <sup>13)</sup>	CCPY	1.2	1.1	1.5	1.6	1.3	1.3	1.5	3.0	-0.4	0.0	-0.2	0.0	0.1	0.2	0.4	.
<b>WAGES, SALARIES</b>																	
Industry, gross <sup>1)</sup>	CZK	19707	19265	19044	18763	19551	22704	20743	19892	18699	20492	20414	21710	21201	21260	20587	.
Industry, gross <sup>1)</sup>	real, CMPY	3.2	2.6	2.3	1.8	6.0	4.0	3.4	7.7	5.5	5.6	6.1	4.8	3.9	6.9	4.7	.
Industry, gross <sup>1)</sup>	USD	878	858	865	842	872	1044	987	929	866	967	985	1039	997	1030	1007	.
Industry, gross <sup>1)</sup>	EUR	694	677	675	661	691	810	747	714	662	730	729	769	743	750	739	.
<b>PRICES</b>																	
Consumer	PM	0.3	0.4	0.2	-0.7	-0.5	-0.1	0.2	1.0	0.3	0.3	0.7	0.4	0.3	0.4	0.3	-0.3
Consumer	CMPY	2.8	2.9	3.1	2.7	1.3	1.5	1.7	1.3	1.5	1.9	2.5	2.4	2.5	2.3	2.4	2.8
Consumer	CCPY	2.9	2.9	2.9	2.9	2.7	2.6	2.5	1.3	1.4	1.6	1.8	1.9	2.0	2.1	2.1	2.2
Producer, in industry	PM	0.2	0.7	0.3	-0.2	0.0	-0.2	0.0	1.2	0.5	0.5	0.6	0.6	0.7	0.2	-0.1	0.1
Producer, in industry	CMPY	1.9	2.4	2.7	2.3	1.9	2.0	2.6	2.8	3.0	3.5	3.7	4.0	4.5	4.1	3.7	4.0
Producer, in industry	CCPY	0.8	1.1	1.3	1.4	1.4	1.5	1.6	2.8	2.9	3.1	3.3	3.4	3.6	3.7	3.7	3.7
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	6.4	6.6	7.3	4.9	8.9	6.8	4.6	7.7	10.5	10.9	8.4	7.6	7.6	8.9	7.3	.
Turnover	real, CCPY	6.5	6.6	6.7	6.4	6.7	6.7	6.5	7.7	9.1	9.8	9.4	9.0	8.7	8.8	8.6	.
<b>FOREIGN TRADE<sup>4)5)</sup></b>																	
Exports total (fob), cumulated	EUR mn	36439	42098	47996	54661	62072	69574	75678	6723	13592	21360	28362	35646	43043	49900	56594	.
Imports total (cif), cumulated	EUR mn	35324	41102	47038	53443	60718	68043	74275	6434	12791	20071	26894	33923	41040	47925	54636	.
Trade balance, cumulated	EUR mn	1115	996	958	1218	1354	1531	1403	290	801	1288	1469	1723	2003	1976	1958	.
Exports to EU-27 (fob), cumulated	EUR mn	31237	36084	41116	46836	53196	59664	64826	5828	11733	18375	24326	30562	36883	42743	48361	.
Imports from EU-27 (cif) <sup>6)</sup> , cumulated	EUR mn	25081	29211	33301	37812	42950	48096	52483	4511	9058	14353	19237	24284	29378	34266	38821	.
Trade balance with EU-27, cumulated	EUR mn	6156	6874	7815	9024	10246	11569	12343	1317	2675	4022	5089	6278	7506	8476	9540	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated <sup>4)</sup>	EUR mn	-523	-1233	-1565	-1917	-2680	-3068	-3540	-86	136	523	-45	-550	-1006	-1317	-2479	.
<b>EXCHANGE RATE</b>																	
CZK/USD, monthly average	nominal	22.4	22.4	22.0	22.3	22.4	21.8	21.0	21.4	21.6	21.2	20.7	20.9	21.3	20.6	20.5	19.9
CZK/EUR, monthly average	nominal	28.4	28.4	28.2	28.4	28.3	28.0	27.8	27.8	28.2	28.1	28.0	28.2	28.5	28.3	27.9	27.6
CZK/USD, calculated with CPI <sup>7)</sup>	real, Jan03=100	127.8	128.0	130.5	128.5	127.8	131.9	136.5	134.9	133.4	135.1	138.3	136.7	134.5	139.1	140.9	144.6
CZK/USD, calculated with PPI <sup>7)</sup>	real, Jan03=100	118.6	118.9	120.9	120.9	122.5	124.2	127.7	128.1	125.6	126.7	128.9	127.1	125.5	128.7	129.8	133.7
CZK/EUR, calculated with CPI <sup>7)</sup>	real, Jan03=100	110.6	111.0	112.0	110.4	110.1	110.9	111.7	113.1	111.5	111.9	112.2	111.5	110.4	112.0	114.1	114.5
CZK/EUR, calculated with PPI <sup>7)</sup>	real, Jan03=100	109.5	109.0	110.3	110.3	110.5	111.7	112.7	114.0	112.6	113.3	113.8	113.2	112.3	113.0	115.0	116.3
<b>DOMESTIC FINANCE</b>																	
Currency in circulation, end of period <sup>8)</sup>	CZK bn	279.9	279.1	282.4	287.5	287.1	292.0	295.3	291.7	296.2	300.3	306.3	309.8	314.0	311.4	314.0	.
M1, end of period <sup>8)</sup>	CZK bn	1235.2	1281.5	1292.1	1274.2	1321.0	1335.1	1325.6	1356.3	1369.6	1335.8	1387.9	1444.1	1423.2	1488.4	1469.9	.
Broad money, end of period <sup>8)</sup>	CZK bn	1925.8	1942.0	1973.4	1959.1	1999.3	2014.5	2049.7	2073.8	2102.9	2106.4	2174.1	2203.4	2206.6	2231.5	2263.1	.
Broad money, end of period	CMPY	12.0	12.0	13.2	12.5	13.0	11.9	13.0	12.8	13.5	13.4	14.0	15.4	14.6	14.9	14.7	.
Discount rate (p.a.), end of period	%	1.00	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.75	2.00	2.25	2.25
Discount rate (p.a.), end of period <sup>9)</sup>	real, %	-0.9	-1.2	-1.4	-0.8	-0.4	-0.5	-1.1	-1.2	-1.5	-1.9	-2.2	-2.4	-2.7	-2.0	-1.4	-1.7
<b>BUDGET</b>																	
Central gov. budget balance, cum.	CZK mn	7642	-445	-6440	1490	-12670	-30920	-97310	5030	-6730	11260	-17010	-25980	1280	19680	22220	36310

1) Enterprises employing 20 and more persons.

2) Ratio of job applicants to the economically active (including women on maternity leave), calculated with disposable number of registered unemployment.

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

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

5) Cumulation starting January and ending December each year.

6) According to country of origin.

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

8) According to ECB methodology.

9) Deflated with annual PPI.

## H U N G A R Y: Selected monthly data on the economic situation 2006 to 2007

(updated end of Oct 2007)

		2006							2007								
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	8.5	11.9	9.1	9.0	10.4	11.0	8.4	12.5	10.8	4.9	10.8	3.2	8.8	12.1	9.5	.
Industry, total	real, CCPY	9.9	10.2	10.1	9.9	10.0	10.1	10.0	12.5	11.6	9.2	9.5	8.2	8.3	8.9	8.9	.
Industry, total	real, 3MMA	10.2	9.8	10.0	9.5	10.2	10.0	10.6	10.5	9.2	8.6	6.2	7.5	8.0	10.1	.	.
Construction, total	real, CMPY	-8.2	-0.9	-3.9	-5.0	7.3	-3.2	-2.1	-4.0	8.3	-3.4	-6.1	5.0	-15.8	-13.7	-15.3	.
<b>LABOUR</b>																	
Employees in industry <sup>1)</sup>	th. persons	753.6	754.3	753.1	753.2	755.2	753.7	750.3	746.2	752.6	746.8	745.5	745.9	744.2	746.5	744.3	.
Unemployment <sup>2)</sup>	th. persons	305.7	311.1	314.5	318.3	317.3	321.0	319.6	317.5	312.5	316.3	314.3	307.7	296.9	296.7	304.6	306.9
Unemployment rate <sup>2)</sup>	%	7.2	7.3	7.4	7.5	7.4	7.5	7.5	7.5	7.4	7.5	7.5	7.3	7.0	7.0	7.2	7.2
Labour productivity, industry <sup>1)</sup>	CCPY	12.7	12.9	12.6	12.3	12.3	12.2	11.9	13.6	12.3	10.1	10.5	9.1	9.3	9.8	10.0	.
Unit labour costs, exch.r.adj.(EUR) <sup>1)</sup>	CCPY	-8.9	-10.0	-10.1	-10.3	-10.0	-9.8	-8.8	-3.7	-3.1	-0.3	2.0	3.6	4.0	4.8	4.5	.
<b>WAGES, SALARIES</b>																	
Total economy, gross <sup>1)</sup>	HUF th	166.0	164.5	164.5	161.4	167.2	187.7	201.6	209.4	166.3	176.3	175.9	178.6	182.6	181.0	177.3	.
Total economy, gross <sup>1)</sup>	real, CMPY	3.7	5.5	7.1	1.4	2.9	0.3	5.2	-0.7	-2.8	-0.5	-0.3	-1.0	1.3	1.5	-0.5	.
Total economy, gross <sup>1)</sup>	USD	772	752	769	748	789	935	1048	1073	858	934	966	972	978	1006	946	.
Total economy, gross <sup>1)</sup>	EUR	611	593	600	588	626	725	793	825	656	706	715	719	729	733	695	.
Industry, gross <sup>1)</sup>	EUR	604	569	599	580	612	735	735	647	637	697	718	746	705	702	686	.
<b>PRICES</b>																	
Consumer	PM	0.3	0.2	0.0	2.5	0.5	0.2	0.1	1.2	1.2	0.8	0.5	0.8	0.4	0.0	0.0	0.7
Consumer	CMPY	2.8	3.0	3.5	5.9	6.3	6.4	6.5	7.8	8.8	9.0	8.8	8.5	8.6	8.4	8.3	6.4
Consumer	CCPY	2.6	2.6	2.7	3.1	3.4	3.7	3.9	7.8	8.3	8.5	8.6	8.6	8.6	8.5	8.5	8.3
Producer, in industry	PM	2.4	1.2	0.3	0.1	-1.0	-1.1	-0.9	0.2	0.0	-0.6	-0.8	0.4	-0.2	0.4	1.1	.
Producer, in industry	CMPY	7.9	9.5	9.7	9.0	7.0	5.5	4.5	4.3	4.2	2.0	0.1	0.4	-2.0	-2.8	-2.3	.
Producer, in industry	CCPY	5.5	6.1	6.5	6.8	6.8	6.7	6.5	4.3	4.3	3.5	2.7	2.2	1.5	0.9	0.5	.
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	4.0	4.0	5.7	3.6	2.2	2.2	1.8	1.3	-0.2	-0.9	-1.8	-3.5	-3.6	-3.4	-4.3	.
Turnover	real, CCPY	5.2	5.0	5.1	4.9	4.6	4.3	4.1	1.3	0.6	0.0	-0.5	-1.2	-1.6	-1.9	-2.2	.
<b>FOREIGN TRADE<sup>3)4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	28040	32570	37081	42542	48117	54099	59025	5091	10332	16177	21367	27009	32872	38469	43770	.
Imports total (cif), cumulated	EUR mn	29244	34153	39023	44549	50277	56365	61424	5248	10569	16408	21755	27444	33342	39089	44585	.
Trade balance, cumulated	EUR mn	-1205	-1583	-1942	-2007	-2160	-2266	-2399	-157	-237	-230	-387	-435	-470	-620	-815	.
Exports to EU-27 (fob), cumulated	EUR mn	22386	26013	29493	33738	38178	42914	46663	4167	8347	12926	17089	21560	26232	30665	34744	.
Imports from EU-27 (cif) <sup>5)</sup> , cumulated	EUR mn	20656	24141	27487	31369	35396	39650	43214	3630	7423	11685	15454	19575	23866	27896	31685	.
Trade balance with EU-27, cumulated	EUR mn	1729	1871	2006	2369	2782	3264	3450	537	924	1242	1635	1985	2367	2770	3059	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	EUR mn	-3209	.	.	-4550	.	.	-5835	.	.	-1188	.	.	-2887	.	.	.
<b>EXCHANGE RATE</b>																	
HUF/USD, monthly average	nominal	214.9	218.8	214.0	215.7	211.8	200.8	192.3	195.2	193.9	188.7	182.1	183.8	186.7	180.0	187.3	182.4
HUF/EUR, monthly average	nominal	271.9	277.6	274.3	274.7	267.3	258.9	254.1	253.8	253.4	249.8	246.0	248.5	250.4	246.8	255.2	253.4
HUF/USD, calculated with CP <sup>6)</sup>	real, Jan03=100	110.9	108.8	111.0	113.5	116.7	123.6	129.0	128.2	129.8	133.2	137.9	136.8	134.9	140.0	134.5	139.1
HUF/USD, calculated with PPI <sup>6)</sup>	real, Jan03=100	101.4	100.3	102.3	103.1	106.0	108.9	112.1	111.7	110.6	111.2	113.1	111.2	109.0	112.8	109.5	.
HUF/EUR, calculated with CP <sup>6)</sup>	real, Jan03=100	96.0	94.3	95.3	97.4	100.6	103.9	105.6	107.5	108.6	110.4	112.0	111.5	110.9	112.8	109.0	110.1
HUF/EUR, calculated with PPI <sup>6)</sup>	real, Jan03=100	93.7	91.9	93.3	94.1	95.6	98.0	98.9	99.4	99.2	99.5	100.0	99.0	97.7	99.1	97.1	.
<b>DOMESTIC FINANCE</b>																	
Currency in circulation, end of period <sup>7)</sup>	HUF bn	1724.9	1730.3	1762.8	1788.6	1754.7	1820.7	1838.3	1772.2	1769.0	1805.5	1820.6	1827.6	1861.4	1858.9	1907.3	.
M1, end of period <sup>7)</sup>	HUF bn	5573.2	5610.9	5612.6	5628.3	5501.8	5688.5	5833.3	5588.0	5580.3	5614.2	5512.6	5537.2	5678.7	5688.5	5926.2	.
Broad money, end of period <sup>7)</sup>	HUF bn	12142.8	12200.3	12249.9	12311.6	12259.9	12483.0	12785.1	12637.9	12611.6	12743.8	12735.3	12836.1	13010.6	13144.3	13434.3	.
Broad money, end of period	CMPY	18.4	17.7	17.0	15.9	14.9	14.4	13.8	12.5	10.8	6.8	8.1	9.2	7.1	7.7	9.7	.
NBH base rate (p.a.),end of period	%	6.3	6.8	7.3	7.8	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.8	7.8	7.5
NBH base rate (p.a.),end of period <sup>8)</sup>	real, %	-1.5	-2.5	-2.2	-1.1	0.9	2.4	3.3	3.5	3.6	5.9	7.9	7.6	9.9	10.9	10.3	.
<b>BUDGET</b>																	
Central gov.budget balance <sup>9)</sup>	HUF bn	-1158.4	-1141.3	-1266.7	-1323.0	-1384.7	-1465.9	-1959.2	-247.8	-507.6	-772.2	-782.1	-876.3	-1144.1	-1114.2	-1219.2	-1402.5

1) Economic organizations employing more than 5 persons. Including employees with second or more jobs.

2) According to ILO methodology, 3-month averages comprising the two previous months as well.

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

4) Cumulation starting January and ending December each year.

5) According to country of dispatch.

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

7) According to ECB monetary standards.

8) Deflated with annual PPI.





# S L O V A K REPUBLIC: Selected monthly data on the economic situation 2006 to 2007

(updated end of Oct 2007)

		2006							2007								
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	12.1	9.9	14.4	8.6	12.1	9.9	7.2	18.7	15.4	12.1	15.9	16.6	10.1	18.3	5.8	.
Industry, total	real, CCPY	9.2	9.3	9.9	9.8	10.0	10.0	9.8	18.7	17.1	15.3	15.4	15.7	14.7	15.2	14.0	.
Industry, total	real, 3MMA	11.0	12.1	10.9	11.6	10.2	9.8	11.9	13.8	15.3	14.4	14.8	14.1	14.9	11.3	.	.
Construction, total	real, CMPY	16.3	17.2	21.1	11.4	9.3	12.1	17.6	24.0	25.2	16.1	14.5	6.0	1.7	4.8	-1.7	.
<b>LABOUR</b>																	
Employment in industry	th. persons	571.6	572.9	574.6	577.1	577.7	578.8	576.7	580.7	584.9	591.3	584.0	584.6	587.4	587.7	586.5	.
Unemployment, end of period	th. persons	296.5	291.3	282.0	279.9	271.0	268.8	273.4	279.0	273.5	264.5	253.3	247.4	246.3	245.9	242.0	.
Unemployment rate <sup>1)</sup>	%	10.4	10.2	9.9	9.8	9.3	9.1	9.4	9.5	9.2	8.9	8.5	8.3	8.3	8.3	8.2	.
Labour productivity, industry	CCPY	10.8	11.0	11.7	11.4	11.7	11.7	11.3	13.7	11.9	9.8	10.3	10.9	10.3	11.0	10.1	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-2.4	-2.3	-2.6	-2.1	-2.0	-1.4	-0.6	3.4	5.1	7.5	7.4	7.1	7.3	7.0	7.9	.
<b>WAGES, SALARIES</b>																	
Industry, gross	SKK	19857	19167	18981	18918	20157	23254	21621	19317	18759	19727	19483	20838	20649	20301	19972	.
Industry, gross	real, CMPY	2.2	3.6	1.9	2.3	5.4	3.7	4.2	5.6	5.7	4.6	4.8	5.1	1.7	3.5	2.8	.
Industry, gross	USD	661	633	645	642	690	833	816	724	710	771	786	835	814	835	810	.
Industry, gross	EUR	522	499	504	504	547	647	617	556	543	583	582	618	607	609	595	.
<b>PRICES</b>																	
Consumer	PM	0.1	0.2	0.0	-0.3	0.2	0.6	0.0	1.0	0.2	0.0	0.2	0.0	0.3	0.0	0.1	0.2
Consumer	CMPY	4.6	5.0	5.1	4.6	3.7	4.3	4.2	3.0	2.7	2.7	2.7	2.3	2.5	2.3	2.3	2.8
Consumer	CCPY	4.5	4.6	4.6	4.6	4.5	4.5	4.5	3.0	2.8	2.8	2.7	2.7	2.6	2.6	2.6	2.6
Producer, in industry	PM	0.3	0.5	0.6	-0.7	0.1	0.4	-0.8	-0.5	1.8	0.0	-0.3	-0.1	0.3	0.5	-0.2	0.5
Producer, in industry	CMPY	9.1	8.9	8.8	7.6	7.0	5.6	5.4	3.4	3.8	3.1	2.2	1.3	1.3	1.3	0.5	1.6
Producer, in industry	CCPY	9.5	9.4	9.3	9.1	8.9	8.6	8.3	3.4	3.6	3.4	3.1	2.7	2.5	2.3	2.1	2.0
<b>RETAIL TRADE<sup>2)</sup></b>																	
Turnover	real, CMPY	10.7	8.5	8.0	10.6	9.6	9.4	7.4	0.9	4.6	6.0	6.2	9.7	7.5	5.9	.	.
Turnover	real, CCPY	8.6	8.6	8.5	8.7	8.8	8.8	8.8	0.9	2.8	3.8	4.4	5.5	5.8	5.8	.	.
<b>FOREIGN TRADE<sup>3)4)5)</sup></b>																	
Exports total (fob), cumulated	EUR mn	15163	17799	20611	23679	27124	30476	33318	3156	6255	9803	13114	16706	20145	23522	26717	.
Imports total (fob), cumulated	EUR mn	16360	19065	22033	25370	28983	32626	35819	2983	6153	9752	13071	16775	20333	23785	27203	.
Trade balance, cumulated	EUR mn	-1197	-1266	-1422	-1691	-1860	-2150	-2501	173	102	51	44	-70	-189	-263	-487	.
Exports to EU-27 (fob), cumulated	EUR mn	13338	15570	18007	20640	23602	26514	28971	2771	5473	8582	11468	14602	17603	20522	.	.
Imports from EU-27 (fob) <sup>6)</sup> , cumulated	EUR mn	11156	13110	15069	17371	19926	22495	24698	2030	4279	6837	9139	11707	14226	16596	.	.
Trade balance with EU-27, cumulated	EUR mn	2181	2460	2938	3268	3676	4019	4274	741	1194	1745	2329	2895	3376	3926	.	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated <sup>3)</sup>	EUR mn	-1647	-2276	-2308	-2804	-3030	-3264	-3642	133	70	-104	-110	-502	-1187	-1193	.	.
<b>EXCHANGE RATE</b>																	
SKK/USD, monthly average	nominal	30.1	30.3	29.4	29.4	29.2	27.9	26.5	26.7	26.4	25.6	24.8	25.0	25.4	24.3	24.6	24.4
SKK/EUR, monthly average	nominal	38.0	38.4	37.7	37.5	36.9	35.9	35.0	34.7	34.5	33.9	33.5	33.7	34.0	33.3	33.6	33.8
SKK/USD, calculated with CPI <sup>7)</sup>	real, Jan03=100	137.6	136.4	140.1	140.3	142.3	150.2	157.9	157.8	158.8	162.6	167.1	164.9	162.4	169.4	167.3	169.4
SKK/USD, calculated with PPI <sup>7)</sup>	real, Jan03=100	128.5	127.5	131.2	132.2	135.9	140.7	146.2	145.9	147.4	150.1	152.8	149.8	147.6	153.6	151.2	153.6
SKK/EUR, calculated with CPI <sup>7)</sup>	real, Jan03=100	118.9	118.1	120.1	120.3	122.6	126.4	129.1	132.2	132.7	134.5	135.6	134.2	133.3	136.4	135.4	134.2
SKK/EUR, calculated with PPI <sup>7)</sup>	real, Jan03=100	118.4	116.8	119.7	120.4	122.6	126.7	128.8	129.6	132.2	134.1	134.9	133.3	132.0	134.9	133.8	133.5
<b>DOMESTIC FINANCE</b>																	
Currency in circulation, end of period <sup>8)</sup>	SKK bn	124.5	124.4	125.8	126.4	126.1	127.3	131.2	129.4	129.4	130.8	131.2	132.4	134.6	134.3	.	.
M1, end of period <sup>8)</sup>	SKK bn	521.7	528.1	512.8	513.0	511.8	532.6	546.1	536.8	547.0	550.0	536.9	558.7	564.3	568.5	.	.
Broad money, end of period <sup>8)</sup>	SKK bn	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6	1009.4	1026.6	1008.5	.	.
Broad money, end of period	CMPY	11.2	11.8	13.6	12.9	13.9	16.1	15.3	16.5	16.8	16.7	16.4	18.6	19.2	15.7	.	.
Discount rate (p.a.), end of period <sup>9)</sup>	%	4.0	4.5	4.5	4.8	4.8	4.8	4.8	4.8	4.8	4.5	4.3	4.3	4.3	4.3	4.3	4.3
Discount rate (p.a.), end of period <sup>9)10)</sup>	real, %	-4.7	-4.0	-3.9	-2.6	-2.1	-0.8	-0.6	1.3	0.9	1.4	2.0	2.9	3.0	2.9	3.7	2.6
<b>BUDGET</b>																	
Central gov. budget balance, cum.	SKK mn	-10246	-5244	-5716	-5134	-1080	-6983	-31678	2929	-8529	-11889	-1517	-13050	-10999	3857	402	.

1) Ratio of disposable number of registered unemployment calculated to the economically active population as of previous year.

2) According to NACE (52 - retail trade), excluding VAT.

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

4) Cumulation starting January and ending December each year.

5) From January 2007 excluding indirect trade data.

6) According to country of origin.

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

8) According to ECB methodology.

9) Corresponding to the 2-week limit rate of NBS.

10) Deflated with annual PPI.

## SLOVENIA: Selected monthly data on the economic situation 2006 to 2007

(updated end of Oct 2007)

		2006							2007								
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	3.2	5.9	9.9	6.1	8.8	7.7	3.3	8.8	9.6	9.3	13.7	3.9	6.3	9.5	10.0	.
Industry, total	real, CCPY	5.3	5.4	5.9	5.9	6.2	6.4	6.1	8.8	9.2	9.2	10.3	8.9	8.4	8.6	8.8	.
Industry, total	real, 3MMA	5.8	6.1	7.2	8.2	7.6	6.7	6.7	7.2	9.2	10.8	8.8	7.7	6.5	8.5	.	.
Construction, total <sup>1)</sup>	real, CMPY	11.8	15.8	2.9	38.1	41.2	23.2	30.3	37.4	30.9	38.1	34.7	48.6	17.4	19.7	31.5	.
<b>LABOUR</b>																	
Employment total	th. persons	827.4	825.2	825.2	829.5	833.7	836.7	833.0	838.0	841.5	845.8	849.0	852.9	856.2	854.4	854.6	.
Employees in industry	th. persons	235.8	235.1	234.9	235.5	236.8	237.6	236.2	236.4	237.0	237.3	237.5	237.8	237.9	237.4	.	.
Unemployment, end of period	th. persons	84.9	85.6	83.1	80.2	81.3	78.8	78.3	80.0	77.7	74.2	72.6	70.7	69.3	70.1	68.5	.
Unemployment rate <sup>2)</sup>	%	9.3	9.4	9.1	8.8	8.9	8.6	8.6	8.7	8.4	8.1	7.9	7.7	7.5	7.6	7.4	.
Labour productivity, industry	CCPY	7.9	7.9	8.3	8.2	8.4	8.3	7.9	8.4	8.6	8.5	9.5	8.0	7.6	7.7	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-1.6	-1.7	-2.3	-2.5	-2.6	-2.6	-2.3	-0.8	-2.1	-2.7	-3.3	-2.1	-1.8	-1.7	.	.
<b>WAGES, SALARIES</b>																	
Total economy, gross	EUR-SIT	1192	1181	1211	1200	1223	1393	1261	1250	1213	1252	1237	1264	1254	1263	1279	.
Total economy, gross	real, CMPY	2.2	2.3	0.8	1.1	3.3	3.9	1.2	3.6	2.6	2.7	3.3	2.8	1.5	3.0	2.1	.
Total economy, gross	USD	1510	1498	1551	1529	1542	1792	1666	1625	1586	1658	1672	1707	1683	1732	1743	.
Total economy, gross	EUR	1192	1181	1211	1200	1223	1393	1261	1250	1213	1252	1237	1264	1254	1263	1279	.
Industry, gross	EUR	1070	1044	1089	1060	1096	1287	1114	1140	1072	1125	1096	1123	1125	1118	1161	.
<b>PRICES</b>																	
Consumer	PM	-0.3	-0.2	0.6	0.4	-0.8	0.3	0.4	-0.7	-0.2	1.0	1.1	1.2	0.4	0.0	0.3	0.4
Consumer	CMPY	2.9	1.9	3.2	2.5	1.5	2.3	2.8	2.7	2.1	2.3	2.6	2.9	3.6	3.8	3.5	3.5
Consumer	CCPY	2.6	2.5	2.6	2.5	2.4	2.4	2.5	2.7	2.4	2.4	2.4	2.5	2.7	2.9	2.9	3.0
Producer, in industry	PM	0.3	0.1	-0.2	0.6	0.1	0.0	0.6	0.6	2.1	0.3	0.2	0.3	0.3	0.1	4.0	1.1
Producer, in industry	CMPY	2.7	2.9	2.4	2.7	2.7	2.6	2.8	3.5	5.1	5.0	4.9	5.1	5.2	5.2	5.3	5.8
Producer, in industry	CCPY	2.0	2.1	2.2	2.2	2.3	2.3	2.3	3.5	4.3	4.5	4.6	4.7	4.8	4.9	4.9	5.0
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	4.8	8.1	2.7	4.9	10.6	2.9	-2.2	-0.3	3.7	7.1	6.4	7.1	4.1	8.0	9.5	.
Turnover	real, CCPY	8.1	8.1	7.4	7.1	7.5	7.0	6.1	-0.3	1.6	3.7	4.4	5.0	4.8	5.3	5.8	.
<b>FOREIGN TRADE<sup>3)4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	8205	9633	10779	12290	13849	15422	16757	1449	2938	4717	6274	7947	9625	11324	12762	.
Imports total (cif), cumulated	EUR mn	8733	10275	11574	13194	14884	16692	18341	1558	3152	5029	6746	8619	10410	12216	13784	.
Trade balance total, cumulated	EUR mn	-528	-642	-796	-904	-1035	-1271	-1584	-109	-215	-313	-472	-672	-785	-891	-1022	.
Exports to EU-27 (fob), cumulated	EUR mn	5830	6814	7580	8645	9747	10852	11767	1084	2167	3423	4506	5699	6870	8059	9041	.
Imports from EU-27 (cif) <sup>5)</sup> , cumulated	EUR mn	7052	8322	9362	10693	12058	13549	14898	1227	2477	3979	5301	6743	8117	9561	10784	.
Trade balance with EU-27, cumulated	EUR mn	-1222	-1508	-1782	-2047	-2311	-2697	-3130	-142	-310	-556	-796	-1044	-1247	-1502	-1743	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	EUR mn	-84	-251	-284	-344	-399	-706	-857	-21	-171	-210	-304	-359	-344	-401	.	.
<b>EXCHANGE RATE</b>																	
EUR-SIT/USD, monthly average <sup>6)</sup>	nominal	0.7895	0.7882	0.7807	0.7847	0.7930	0.7771	0.7569	0.7693	0.7649	0.7552	0.7399	0.7401	0.7452	0.7291	0.7341	0.7196
EUR-SIT/EUR, monthly average	nominal	0.9999	0.9999	0.9999	0.9998	0.9998	0.9999	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
EUR-SIT/USD, calculated with CPI <sup>7)</sup>	real, Jan03=100	115.1	114.7	116.3	116.7	115.1	118.1	121.5	118.3	118.1	119.7	122.8	123.4	122.8	125.5	125.0	128.0
EUR-SIT/USD, calculated with PPI <sup>7)</sup>	real, Jan03=100	103.5	103.2	103.4	105.1	106.1	106.7	109.5	109.5	110.6	110.6	111.9	110.9	110.3	112.0	115.7	119.3
EUR-SIT/EUR, calculated with CPI <sup>7)</sup>	real, Jan03=100	99.3	99.2	99.7	100.0	99.1	99.3	99.3	99.1	98.6	98.9	99.5	100.4	100.7	100.9	101.1	101.2
EUR-SIT/EUR, calculated with PPI <sup>7)</sup>	real, Jan03=100	95.3	94.5	94.3	95.6	95.6	96.0	96.5	97.3	99.0	98.7	98.7	98.7	98.5	98.3	102.4	103.5
<b>DOMESTIC FINANCE</b>																	
Currency in circulation, end of period <sup>8)</sup>	EUR-SIT mn	.	.	.	.	.	.	.	2340	2420	2500	2487	2536	2575	2597	2584	2599
M1, end of period <sup>8)</sup>	EUR-SIT mn	7477	7433	7446	7494	7417	7418	7654	6993	6955	6948	6974	7146	7287	7355	7240	7258
Broad money, end of period <sup>8)</sup>	EUR-SIT mn	15260	15296	15255	15526	15433	15516	15799	15412	15276	15451	15422	15764	16073	16447	16552	16599
Broad money, end of period	CMPY	-9.3	-9.5	-10.6	-10.5	-11.2	-12.5	-11.1	4.4	2.8	2.6	3.2	4.0	5.3	7.5	8.5	6.9
Refinancing rate (p.a.), end of period	%	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.75	3.75	3.75	4.00	4.00	4.00	4.00
Refinancing rate (p.a.), end of period <sup>9)</sup>	real, %	0.8	0.6	1.3	1.0	1.0	1.1	0.9	0.0	-1.5	-1.2	-1.1	-1.3	-1.1	-1.1	-1.2	-1.7
<b>BUDGET</b>																	
General gov. budget balance, cum.	EUR-SIT mn	-69.1	-22.1	72.7	-33.6	11.8	22.6	-250.0	77.1	-72.2	-137.0	94.0	24.0	-75.2	13.0	.	.

Note: Slovenia has introduced the Euro from 1, Jan 2007. Until December 2006 all time series in SIT and the exchange rates have been divided by the conversion factor 239.64 (SIT per EUR) to EUR-SIT.

- 1) Effective working hours, construction put in place of enterprises with 20 and more persons employed.
- 2) Ratio of unemployed to the economically active.
- 3) Based on cumulated national currency and converted with the average exchange rate.
- 4) Cumulation starting January and ending December each year.
- 5) According to country of dispatch.
- 6) From January 2007 reference rate from ECB.
- 7) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
- 8) According to ECB methodology.
- 9) Deflated with annual PPI.



## C R O A T I A : Selected monthly data on the economic situation 2006 to 2007

(updated end of Oct 2007)

	2006							2007									
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
<b>PRODUCTION</b>																	
Industry, total <sup>1)</sup>	real, CMPY	-1.1	5.2	9.8	3.0	8.5	6.8	3.0	9.1	5.8	9.0	9.4	7.7	4.4	8.5	2.8	2.0
Industry, total <sup>1)</sup>	real, CCPY	2.9	3.3	4.1	3.9	4.4	4.6	4.5	9.1	7.4	8.0	8.3	8.2	7.5	7.7	7.0	6.4
Industry, total <sup>1)</sup>	real, 3MMA	2.7	4.4	5.9	7.0	6.1	6.1	6.2	5.8	8.0	8.1	8.7	7.1	6.9	5.3	4.5	.
Construction, total, effect. work. time <sup>1)</sup>	real, CMPY	7.5	8.3	9.7	4.7	9.9	7.3	3.6	13.7	7.7	0.1	2.6	1.2	-3.8	3.5	2.7	.
<b>LABOUR</b>																	
Employment total	th. persons	1444.1	1455.5	1456.2	1446.9	1438.5	1434.3	1426.6	1416.5	1455.5	1461.1	1470.5	1484.5	1498.9	1510.9	1511.0	.
Employees in industry	th. persons	285.4	285.4	285.6	285.4	285.6	286.2	285.3	275.5	283.8	284.0	283.9	284.5	284.7	284.5	284.7	.
Unemployment, end of period	th. persons	274.5	270.8	271.1	279.0	289.9	292.3	293.2	299.1	298.8	291.6	278.4	263.4	249.5	245.8	242.9	246.2
Unemployment rate <sup>2)</sup>	%	16.0	15.7	15.7	16.2	16.8	16.9	17.0	17.4	17.0	16.6	15.9	15.1	14.3	14.0	13.8	14.0
Labour productivity, industry <sup>1)</sup>	CCPY	4.1	4.5	5.3	5.2	5.6	5.8	5.6	9.5	7.5	7.8	8.1	7.8	7.1	7.2	6.5	.
Unit labour costs, exch. r. adj. (EUR) <sup>1)</sup>	CCPY	4.6	4.0	3.1	3.0	2.6	2.7	2.9	-0.7	-0.9	-1.7	-1.8	-2.2	-1.9	-1.7	.	.
<b>WAGES, SALARIES</b>																	
Total economy, gross	HRK	6684	6550	6672	6530	6593	7097	6864	6850	6739	6973	6901	7102	7065	7067	.	.
Total economy, gross	real, CMPY	1.2	2.2	2.3	2.4	4.4	5.1	5.0	5.4	5.3	3.0	4.4	2.5	3.7	5.7	.	.
Total economy, gross	USD	1167	1147	1174	1127	1125	1243	1233	1210	1195	1254	1259	1310	1292	1328	.	.
Total economy, gross	EUR	921	904	917	884	892	966	933	930	915	948	933	969	964	969	.	.
Industry, gross	EUR	871	839	857	829	836	931	863	864	831	892	858	896	897	897	.	.
<b>PRICES</b>																	
Consumer	PM	-0.1	-0.8	0.1	0.0	0.0	0.6	0.0	0.3	0.3	0.6	0.7	0.5	-0.4	-0.6	0.6	1.2
Consumer	CMPY	4.0	3.4	3.4	2.8	2.1	2.5	2.0	1.8	1.2	1.8	2.3	2.2	1.9	2.1	2.6	3.9
Consumer	CCPY	3.7	3.6	3.6	3.5	3.4	3.3	3.2	1.8	1.5	1.6	1.8	1.9	1.9	1.9	2.0	2.2
Producer, in industry	PM	-0.2	0.1	0.2	-0.3	0.0	0.1	0.0	0.8	0.2	0.6	0.4	0.4	0.4	0.2	0.8	0.6
Producer, in industry	CMPY	3.7	3.0	3.1	2.0	1.5	1.6	1.9	2.2	1.7	2.0	2.3	2.3	2.9	3.0	3.6	4.5
Producer, in industry	CCPY	3.5	3.5	3.4	3.3	3.1	2.9	2.9	2.2	1.9	1.9	2.0	2.1	2.3	2.3	2.5	2.7
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	-0.5	1.6	1.9	2.8	4.6	3.4	4.0	7.8	7.2	8.2	7.1	6.2	4.1	6.0	10.7	.
Turnover	real, CCPY	1.4	1.5	1.5	1.7	1.9	2.0	2.1	7.8	7.4	7.7	7.5	7.3	6.8	6.6	7.1	.
<b>FOREIGN TRADE<sup>3)4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	3903	4611	5231	5930	6734	7431	8253	586	1282	2010	2736	3505	4264	5116	5764	.
Imports total (cif), cumulated	EUR mn	8362	9820	11215	12632	14236	15694	17104	1195	2635	4270	5864	7604	9159	10873	12336	.
Trade balance, cumulated	EUR mn	-4459	-5209	-5984	-6703	-7502	-8263	-8851	-608	-1353	-2261	-3128	-4099	-4895	-5757	-6572	.
Exports to EU-27 (fob), cumulated	EUR mn	2637	3071	3457	3869	4419	4853	5312	350	791	1239	1651	2156	2616	3140	3517	.
Imports from EU-27 (cif), cumulated	EUR mn	5660	6706	7579	8503	9552	10531	11486	750	1681	2767	3831	4982	6015	7192	8108	.
Trade balance with EU-27, cumulated	EUR mn	-2825	-3391	-3843	-4326	-4793	-5323	-5803	-387	-866	-1489	-2123	-2743	-3292	-3907	-4420	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated <sup>5)</sup>	EUR mn	-3255	.	.	-1157	.	.	-2647	.	.	-2022	.	.	-3372	.	.	.
<b>EXCHANGE RATE</b>																	
HRK/USD, monthly average	nominal	5.726	5.711	5.683	5.794	5.862	5.710	5.566	5.663	5.640	5.559	5.482	5.423	5.468	5.322	5.367	5.275
HRK/EUR, monthly average	nominal	7.256	7.246	7.276	7.385	7.393	7.344	7.355	7.367	7.363	7.357	7.396	7.330	7.329	7.292	7.312	7.313
HRK/USD, calculated with CPI <sup>6)</sup>	real, Jan03=100	122.0	120.9	121.4	119.7	118.9	123.0	126.0	123.8	124.0	125.4	127.3	128.4	126.6	129.3	129.0	132.8
HRK/USD, calculated with PPI <sup>6)</sup>	real, Jan03=100	110.7	110.5	110.6	109.9	110.7	112.1	114.3	114.4	113.1	113.8	114.6	114.9	114.2	116.7	116.7	119.4
HRK/EUR, calculated with CPI <sup>6)</sup>	real, Jan03=100	105.1	104.5	104.0	102.4	102.2	103.4	102.9	103.5	103.5	103.6	103.2	104.3	103.8	104.0	104.2	105.0
HRK/EUR, calculated with PPI <sup>6)</sup>	real, Jan03=100	101.7	101.0	100.8	99.8	99.6	100.7	100.5	101.4	101.3	101.4	101.0	102.0	102.0	102.4	103.1	103.7
<b>DOMESTIC FINANCE</b>																	
M0, end of period	HRK bn	14.0	14.9	14.6	14.3	13.9	13.5	14.6	13.9	14.0	14.4	14.7	14.9	16.1	16.8	16.5	.
M1, end of period	HRK bn	42.2	45.0	45.0	44.0	45.5	46.3	48.5	46.0	46.1	46.8	47.9	48.7	51.6	54.1	53.7	.
Broad money, end of period	HRK bn	163.1	170.3	174.2	176.8	180.6	179.6	182.5	183.0	182.7	185.0	187.1	189.6	194.4	201.3	207.4	.
Broad money, end of period	CMPY	14.4	17.0	15.3	16.6	18.4	16.1	18.0	20.4	20.4	20.5	20.6	19.9	19.2	18.2	19.0	.
Discount rate (p.a.), end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Discount rate (p.a.), end of period <sup>7)</sup>	real, %	0.8	1.5	1.4	2.5	3.0	2.9	2.6	2.3	2.8	2.5	2.2	2.2	1.6	1.5	0.9	0.0
<b>BUDGET</b>																	
Central gov. budget balance, cum. <sup>8)</sup>	HRK mn	-2829	-2638	-1976	-1901	-1853	-1861	-4467	481	-357	-1504	87	471	560	723	435	.

1) In business entities with more than 20 persons employed.

2) Ratio of unemployed to the economically active population.

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

4) Cumulation starting January and ending December each year.

5) Calculated from USD to NCU to EUR using the official average exchange rate.

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

7) Deflated with annual PPI.

8) Consolidated central government budget.

## R U S S I A: Selected monthly data on the economic situation 2006 to 2007

(updated end of Oct 2007)

		2006							2007								
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>PRODUCTION</b>																	
Industry, total <sup>1)</sup>	real, CMPY	2.9	3.6	6.3	5.6	6.5	4.2	2.5	8.4	9.2	8.9	4.5	6.3	10.8	8.2	2.2	1.6
Industry, total <sup>1)</sup>	real, CCPY	4.7	4.5	4.7	4.8	5.0	4.9	4.7	8.4	8.8	8.8	7.7	7.4	8.0	8.0	7.3	6.6
Industry, total <sup>1)</sup>	real, 3MMA	5.8	4.3	5.2	6.1	5.4	4.3	4.8	6.4	8.8	7.5	6.6	7.2	8.4	7.0	4.0	.
Construction, total	real, CMPY	14.5	14.5	12.4	18.3	24.3	21.4	25.7	29.8	21.3	18.8	26.0	29.1	26.4	24.9	19.8	18.8
<b>LABOUR<sup>2)</sup></b>																	
Employment total	th. persons	69076	69489	70000	69767	69434	69201	68967	69141	69212	69723	70133	70644	70796	70848	71000	70519
Unemployment, end of period	th. persons	5324	5111	4900	4933	4966	4999	5129	5259	5388	5077	4767	4456	4404	4352	4300	4481
Unemployment rate	%	7.2	6.8	6.5	6.6	6.7	6.7	6.9	7.1	7.2	6.8	6.4	5.9	5.9	5.8	5.7	6.0
<b>WAGES, SALARIES</b>																	
Total economy, gross	RUB	11106	10883	10853	11127	11046	11303	14263	11430	11757	12448	12494	12787	13712	13546	13270	13801
Total economy, gross	real, CMPY	17.8	15.1	14.9	14.2	16.4	16.1	15.6	17.1	18.0	16.9	18.0	15.7	13.7	14.4	12.5	13.3
Total economy, gross	USD	412	404	406	416	411	425	505	431	446	477	484	495	529	530	518	545
Total economy, gross	EUR	325	319	317	326	326	330	416	332	342	360	358	366	394	387	380	393
Industry, gross <sup>3)</sup>	EUR	299	308	312	312	320	317	365	325	325	345	349	348	366	378	382	.
<b>PRICES</b>																	
Consumer	PM	0.3	0.7	0.2	0.1	0.3	0.6	0.8	1.7	1.1	0.6	0.6	0.6	1.0	0.9	0.1	0.8
Consumer	CMPY	9.2	9.3	9.7	9.4	9.1	9.0	9.0	8.2	7.6	7.4	7.7	7.8	8.6	8.8	8.7	9.5
Consumer	CCPY	10.2	10.1	10.0	9.9	9.8	9.8	9.7	8.2	7.9	7.8	7.7	7.7	7.9	8.0	8.1	8.3
Producer, in industry	PM	0.8	1.7	2.2	1.4	-2.8	-2.5	1.0	1.9	-0.2	0.0	4.3	5.4	2.5	0.7	2.1	-0.6
Producer, in industry	CMPY	12.9	14.2	14.4	12.9	8.8	7.0	10.4	11.9	8.1	5.9	9.8	13.7	15.6	14.5	14.3	11.4
Producer, in industry	CCPY	13.7	13.8	13.9	13.7	13.2	12.6	12.4	11.9	10.0	8.6	8.9	9.9	10.9	11.4	11.8	11.8
<b>RETAIL TRADE</b>																	
Turnover <sup>4)</sup>	real, CMPY	15.3	15.5	15.3	14.3	15.2	14.6	15.4	13.8	14.1	13.7	14.2	15.0	15.3	14.8	16.0	15.4
Turnover <sup>4)</sup>	real, CCPY	12.1	12.6	12.9	13.1	13.3	13.5	13.7	13.8	13.9	13.8	13.9	14.2	14.4	14.4	14.7	14.7
<b>FOREIGN TRADE<sup>5)6)</sup></b>																	
Exports total, cumulated	EUR mn	116323	136549	158456	178547	198164	217852	240149	16509	34534	54523	74758	96881	116990	138787	161286	.
Imports total, cumulated	EUR mn	46303	55554	65296	75067	85873	96718	109712	7573	17043	28507	39628	51291	63730	76484	89629	.
Trade balance, cumulated	EUR mn	70020	80995	93159	103480	112290	121135	130437	8936	17491	26015	35130	45590	53260	62303	71657	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated <sup>7)</sup>	EUR mn	45135	.	.	64076	.	.	77093	.	.	17479	.	.	29363	.	.	.
<b>EXCHANGE RATE</b>																	
RUB/USD, monthly average	nominal	26.983	26.916	26.762	26.746	26.867	26.617	28.228	26.529	26.343	26.106	25.838	25.824	25.909	25.541	25.624	25.334
RUB/EUR, monthly average	nominal	34.209	34.155	34.274	34.087	33.889	34.235	34.293	34.389	34.408	34.573	34.892	34.910	34.775	35.030	34.898	35.159
RUB/USD, calculated with CPI <sup>8)</sup>	real, Jan03=100	151.8	152.7	153.6	154.6	155.1	157.8	149.7	161.5	163.5	164.5	166.2	166.1	166.9	170.8	170.4	173.8
RUB/USD, calculated with PPP <sup>9)</sup>	real, Jan03=100	172.4	174.9	178.7	184.1	181.6	176.0	166.7	182.5	180.4	179.3	186.9	194.8	198.6	201.5	205.0	206.1
RUB/EUR, calculated with CPI <sup>8)</sup>	real, Jan03=100	131.1	132.3	131.9	132.7	133.7	133.1	133.4	135.9	136.9	136.2	135.0	135.4	137.1	137.7	138.2	137.7
RUB/EUR, calculated with PPP <sup>9)</sup>	real, Jan03=100	158.9	160.3	163.2	167.8	163.9	158.7	160.0	163.0	162.0	160.3	165.2	173.5	177.8	177.1	181.8	179.3
<b>DOMESTIC FINANCE</b>																	
M0, end of period	RUB bn	2233.4	2290.3	2351.6	2400.8	2402.2	2450.7	2785.2	2630.1	2682.0	2741.2	2859.4	2896.6	3027.5	3087.0	3170.6	.
M1, end of period	RUB bn	4479.3	4504.9	4652.1	4856.1	4765.0	4900.1	5598.4	5304.8	5377.7	5774.3	6167.9	6721.4	6676.5	6679.6	6806.5	.
M2, end of period	RUB bn	8304.8	8407.9	8570.4	8897.2	8968.8	9233.6	10146.7	9905.0	10174.9	10894.5	11194.8	11890.0	12029.3	12081.9	12352.6	.
M2, end of period	CMPY	38.0	38.1	36.3	37.8	38.3	39.8	40.5	40.8	42.2	47.4	48.6	50.9	44.8	43.7	44.1	.
Refinancing rate (p.a.) <sup>end of period</sup>	%	11.5	11.5	11.5	11.5	11.5	11.0	11.0	10.5	10.5	10.5	10.5	10.5	10.0	10.0	10.0	10.0
Refinancing rate (p.a.) <sup>end of period<sup>9)</sup></sup>	real, %	-1.2	-2.4	-2.6	-1.2	2.5	3.7	0.6	-1.3	2.2	4.3	0.6	-2.8	-4.8	-3.9	-3.8	-1.3
<b>BUDGET</b>																	
Central gov. budget balance, cum.	RUB bn	1083.4	1270.0	1489.4	1694.5	1905.9	1992.6	1994.1	218.2	350.9	476.3	555.0	782.4	1076.0	1248.0	.	.

1) According to NACE C+D+E.

2) Based on labour force survey.

3) Manufacturing industry only (D according to NACE).

4) Including estimated turnover of non-registered firms, including catering.

5) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.

6) Cumulation starting January and ending December each year.

7) Calculated from USD to NCU to EUR using the official average exchange rate.

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

9) Deflated with annual PPI.

## U K R A I N E: Selected monthly data on the economic situation 2006 to 2007

(updated end of Oct 2007)

		2006							2007								
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	9.6	11.4	9.1	6.2	3.8	8.3	12.0	15.8	11.0	10.7	12.3	9.9	10.4	7.8	8.7	8.4
Industry, total	real, CCPY	3.6	4.8	5.4	5.5	5.3	5.6	6.2	15.8	13.4	12.5	12.5	12.1	11.8	11.2	10.9	10.7
Industry, total	real, 3MMA	10.3	10.0	8.9	6.4	6.1	8.0	12.0	12.9	12.5	11.3	11.0	10.9	9.4	9.0	8.3	.
<b>LABOUR</b>																	
Employees <sup>1)</sup>	th. persons	11412	11440	11430	11413	11403	11356	11273	11284	11314	11379	11377	11354	11385	11411	11401	11392
Employees in industry <sup>1)</sup>	th. persons	3354	3351	3342	3334	3336	3329	3303	3298	3305	3307	3289	3273	3273	3274	3272	3266
Unemployment, end of period	th. persons	749.1	715.3	694.7	676.1	653.3	693.1	693.1	790.2	812.8	781.6	733.8	690.3	640.0	611.5	595.6	580.0
Unemployment rate <sup>2)</sup>	%	2.7	2.5	2.5	2.4	2.3	2.5	2.7	2.8	2.9	2.8	2.6	2.4	2.3	2.2	2.1	2.1
Labour productivity, industry <sup>1)</sup>	CCPY	5.0	6.3	7.0	7.2	7.0	7.3	8.0	18.5	16.0	15.1	15.1	14.7	14.4	13.8	13.5	13.2
Unit labour costs, exch.r. adj.(EUR) <sup>1)</sup>	CCPY	29.4	25.3	22.6	20.9	20.0	18.3	16.7	-1.7	-0.7	0.0	0.8	3.1	3.6	4.3	4.8	4.8
<b>WAGES, SALARIES<sup>1)</sup></b>																	
Total economy, gross	UAH	1064	1079	1073	1087	1088	1104	1277	1112	1142	1230	1224	1277	1368	1421	1398	1426
Total economy, gross	real, CMPY	21.0	19.9	20.2	16.3	11.2	10.3	12.2	16.0	15.2	13.2	12.5	15.0	13.9	16.0	14.1	14.7
Total economy, gross	USD	211	214	212	215	215	219	253	220	226	244	242	253	271	281	277	282
Total economy, gross	EUR	166	169	166	169	171	170	192	169	173	184	180	187	202	205	203	204
Industry, gross	EUR	187	193	194	196	202	200	216	202	202	222	216	221	224	229	234	229
<b>PRICES</b>																	
Consumer	PM	0.1	0.9	0.0	2.0	2.6	1.8	0.9	0.5	0.6	0.2	0.0	0.6	2.2	1.4	0.6	2.2
Consumer	CMPY	6.8	7.4	7.4	9.1	11.0	11.6	11.6	10.9	9.5	10.1	10.5	10.6	13.0	13.5	14.2	14.4
Consumer	CCPY	8.4	8.3	8.2	8.3	8.5	8.8	9.1	10.9	10.2	10.2	10.3	10.3	10.8	11.2	11.6	11.9
Producer, in industry	PM	0.7	1.2	2.1	1.7	2.2	0.7	0.5	2.3	1.1	1.6	2.1	2.3	1.1	1.7	1.4	1.1
Producer, in industry	CMPY	6.3	9.4	10.9	10.7	13.1	14.0	14.2	15.5	16.4	17.8	18.6	20.1	20.6	21.2	20.4	19.7
Producer, in industry	CCPY	6.9	7.3	7.7	8.1	8.6	9.1	9.5	15.5	15.9	16.6	17.1	17.7	18.2	18.6	18.9	18.9
<b>RETAIL TRADE</b>																	
Turnover <sup>3)</sup>	real, CCPY	27.0	26.1	25.6	25.0	25.0	25.1	25.3	26.5	26.2	25.6	26.2	26.1	26.1	28.3	28.4	28.3
<b>FOREIGN TRADE<sup>4)5)</sup></b>																	
Exports total (fob), cumulated	EUR mn	14126	16770	19522	22421	25150	27748	30556	2468	5077	8185	11201	14227	17386	20497	23559	.
Imports total (cif), cumulated	EUR mn	16501	19412	22416	25685	28878	31928	35865	2847	6135	9883	13456	17051	20541	24428	28007	.
Trade balance, cumulated	EUR mn	-2375	-2641	-2894	-3264	-3728	-4179	-5309	-379	-1059	-1698	-2255	-2824	-3155	-3932	-4449	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated <sup>6)</sup>	EUR mn	-625	.	.	-212	.	.	-1289	.	.	-1003	.	.	-1481	.	.	.
<b>EXCHANGE RATE</b>																	
UAH/USD, monthly average	nominal	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050
UAH/EUR, monthly average	nominal	6.396	6.402	6.469	6.435	6.370	6.490	6.651	6.574	6.596	6.681	6.814	6.832	6.775	6.921	6.871	7.006
UAH/USD, calculated with CPI <sup>7)</sup>	real, Jan03=100	128.6	129.4	129.1	132.4	136.5	139.2	140.2	140.5	140.5	139.5	138.7	138.5	141.3	143.3	144.1	147.3
UAH/USD, calculated with PPI <sup>7)</sup>	real, Jan03=100	135.9	136.9	138.9	143.4	149.4	148.2	148.1	153.0	152.1	152.3	153.8	155.4	156.8	158.4	160.6	162.4
UAH/EUR, calculated with CPI <sup>7)</sup>	real, Jan03=100	110.8	111.8	110.4	113.2	117.2	117.0	114.8	117.2	117.1	115.2	112.3	112.4	115.7	115.1	116.5	116.4
UAH/EUR, calculated with PPI <sup>7)</sup>	real, Jan03=100	124.9	125.1	126.4	130.3	134.4	133.3	130.6	135.5	136.1	135.7	135.5	137.8	139.9	138.8	142.0	140.8
<b>DOMESTIC FINANCE</b>																	
M0, end of period	UAH bn	64.3	66.2	67.4	68.6	68.4	68.8	75.0	70.7	71.8	74.0	78.1	78.5	84.0	87.7	91.9	96.8
M1, end of period	UAH bn	104.7	108.6	109.1	113.0	113.1	115.2	123.3	118.4	118.5	122.9	127.4	132.5	140.7	148.6	153.1	164.5
Broad money, end of period	UAH bn	214.1	221.5	226.4	234.8	238.5	244.1	261.1	256.2	261.3	272.5	282.4	288.2	303.0	317.0	329.0	348.2
Broad money, end of period	CMPY	37.0	39.2	37.4	37.3	36.4	35.6	34.5	35.7	36.6	39.5	40.3	39.0	41.5	43.1	45.3	48.3
Refinancing rate (p.a.) <sup>end of period</sup>	%	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.0	8.0	8.0	8.0
Refinancing rate (p.a.) <sup>end of period</sup> <sup>8)</sup>	real, %	2.0	-0.8	-2.1	-2.0	-4.1	-4.8	-5.0	-6.0	-6.8	-7.9	-8.5	-9.7	-10.4	-10.9	-10.3	-9.7
<b>BUDGET</b>																	
General gov. budget balance, cum.	UAH mn	-996	-971	2524	2613	1452	4497	-3701	3686	6254	6294	6220	8174	4990	4856	7974	5812

1) Excluding small firms.

2) Ratio of unemployed to the economically active.

3) Official registered enterprises.

4) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.

5) Cumulation starting January and ending December each year.

6) Calculated from USD to NCU to EUR using the official average exchange rate.

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

8) Deflated with annual PPI.

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