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Converging/diverging European regions

BY ROMAN RÖMISCH

Definition of regions

This article focuses on regional income inequalities and regional growth and convergence in the EU-25. The emphasis is on developments in the least prosperous regions, which tend to be located in the new members states of the European Union.

We divided the European NUTS 2 regions into four groups. The first two groups contain regions that received support under the Objective 1 scheme in the period 2000-2006: the first group consists of the Objective 1 regions in the EU-15 (70 regions), the second group of the corresponding regions in the Central and East European countries (39 regions).

The third group comprises those regions that received funding under Objective 2. They are usually defined at the NUTS 3 level of regions. To

keep the analysis manageable and the results comparable, we redefined the Objective 2 regions as NUTS 2 regions that received a significant amount of funding under Objective 2. In order to have a reasonable amount of regions, we decided that any NUTS 2 region in which more than 45% of the population had access to Objective 2 funding is considered an Objective 2 region for this analysis. In total this gave us 39 regions.

All other NUTS 2 regions that are neither defined as Objective 1 nor as Objective 2 regions are used as a reference group in the analysis. Because those regions as a rule have a higher income level than the Objective 1 or Objective 2 regions in the respective countries, this group is referred to as the high-income regions group.

Data

The analysis is based on the regional economic accounts from Eurostat, using data for the period 2000 to 2005 (i.e. the latest data available). For the analysis of regional GDP we use GDP at PPS for the year 2000 as a basis and extend this forward

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and backward using real regional GDP growth rates.¹

Regional disparities in the EU decrease ...

In the EU-25, the period 2000-2005 was marked by a significant reduction of overall regional disparities in GDP per head in terms of PPS. Seen from a broad angle, two factors were responsible for this. On the one hand, the EU-25 Objective 1 regions improved their relative per capita income position. This is reflected in their average per capita GDP rising from 66.2% to about 70% of the EU-25 average (i.e. by 3.8 percentage points). Conversely, the GDP per head of the more prosperous regions in the European Union declined from 125.3% to 122.1% of the EU-25 average, while on aggregate the Objective 2 regions remained around the average EU-25 GDP level in the period 2000-2005. This reduced overall regional income disparities considerably and the population-weighted inequality in regional incomes per head fell from 7.4 in 2000 to 6.2 in 2005 (using the mean logarithmic deviation inequality index)².

The Objective 1 regions in the new EU member states (NMS) contributed more to the reduction of overall EU-25 regional disparities than the Objective 1 regions in the old member states (OMS). On aggregate, the level of GDP per head increased by 6.4 percentage points, from 48.3% to 54.7% of the EU-25 average in the NMS Objective 1 regions, while at the same time the

increase was only 1.7 percentage points (from 79.3% to 81.0%) in the OMS regions.

By contrast, the high-income regions in the NMS (of which there are in fact only three: Cyprus, and the capitals Prague and Bratislava) rather contributed to the increase to regional disparities, in particular in the case of the two capital cities, while the decline in relative incomes per head in the more prosperous regions in the OMS added to the reduction of regional disparities.

... mainly because NMS regions are catching up

As far as individual countries are concerned, we find some major cross-country variation in the development of GDP per head. Amongst the OMS regions, a particularly strong increase in GDP per head is found for the Irish, Greek, Finish and Swedish Objective 1 regions. Average regional GDP per head in those countries increased by about 13.5 to 6 percentage points in relation to the EU-25 average, though in the Greek case this was mainly due to the strong growth in the capital region Attiki, while the other regions clearly stayed behind, and some of them even showed a decline in relative GDP per head. More moderate increases in the level of GDP per head occurred in the Objective 1 regions of Austria, Spain, France and the UK; here the level of GDP per head increased by 2 to 4 percentage points in the period 2000 to 2005. Conversely, the level of GDP declined in the Objective 1 regions of Belgium, Germany, the Netherlands, Italy and Portugal, this tendency being especially strong in the regions of the latter two countries. Here, the average relative level of GDP declined by 3.5 to 4 percentage points to a level of about 70% of the EU-25 average in Portuguese Objective 1 regions and to 69% in the respective Italian regions.

In the NMS the increase in the level of GDP in relation to the EU-25 average was broadly based across all Objective 1 regions, with the exception of Malta. But the magnitudes of the increase varied. Strong progress was made in all of the three Baltic countries, where the level of GDP per head

¹ Real regional GDP was derived from nominal GDP using national deflators, as regional deflators do not exist for the EU-15. The calculation of growth rates in current PPS would yield misleading results, as GDP data at PPS are not readily comparable over time.

² Income disparities are expressed in terms of the mean logarithmic deviation index, which is defined as

$$I = \frac{1}{n} \sum_i \log \left(\frac{\mu}{y_i} \right).$$

where n is the number of regions, μ is the average GDP per head, and y_i is the GDP per head of a region i . All calculated disparity indices referred to in the text are population-weighted in order to provide a more accurate picture of the extent of regional disparities across the EU regions.

Table 1

Regional GDP per head (at PPS), in % of the EU-25 average, by country and Objective groups, 2000 and 2005

	Objective 1		Objective 2		Other		Dispersion of regional GDP*	
	2000	2005	2000	2005	2000	2005	2000	2005
AT	83.5	85.6	107.9	106.8	134.9	131.0	2.2	2.1
BE	79.7	77.6	90.8	86.6	130.6	128.6	5.2	5.2
DE	81.7	80.0	115.8	111.9	121.9	115.9	2.6	2.5
DK	.	.	.	.	125.8	123.7	.	.
ES	76.8	79.9	111.7	112.5	124.8	120.4	2.7	2.0
FI	87.4	93.6	98.7	104.4	132.0	135.4	1.7	1.4
FR	64.5	66.2	93.9	92.6	121.9	118.7	3.4	3.1
GR	80.3	91.6	.	.	.	.	2.4	4.1
IE	124.9	138.4	.	.	.	.	1.6	1.6
IT	72.3	68.9	100.6	90.5	133.7	124.6	4.2	3.8
LU	.	.	.	.	232.9	246.0	.	.
NL	92.5	91.2	117.5	118.0	130.4	125.8	1.0	1.0
PT	74.6	70.2	.	.	.	.	2.9	3.0
SE	105.2	113.0	103.4	106.5	123.0	126.1	1.7	1.8
UK	80.9	84.2	97.5	99.5	121.7	125.6	4.2	4.5
OMS	79.3	81.0	100.9	100.5	125.5	122.0	3.8	3.6
CY	.	.	.	.	84.8	84.7	.	.
CZ	56.9	63.2	.	.	130.6	154.2	4.5	5.2
EE	42.6	60.3	.	.	.	.	.	.
HU	53.6	62.5	.	.	.	.	6.4	7.8
LT	37.5	52.3	.	.	.	.	.	.
LV	35.1	50.1	.	.	.	.	.	.
MT	79.9	74.9	.	.	.	.	.	.
PL	46.1	50.2	.	.	.	.	2.5	3.1
SI	75.1	83.4	.	.	.	.	.	.
SK	40.8	46.0	.	.	104.2	137.4	6.1	8.5
NMS	48.3	54.7	.	.	111.3	129.5	4.8	5.3
TOTAL	66.2	70.0	100.9	100.5	125.3	122.1	7.4	6.2

* measured with the mean logarithmic deviation index, population weighted.

increased by 15 to 18 percentage points. However, given their low starting point, GDP per head in 2005 was still at only slightly above 50% (Latvia and Lithuania) to 60% (Estonia) of the EU-25 average. Among the other NMS Objective 1 regions, the increase was slightly less pronounced, but still strong in the Czech Republic, Hungary, Slovakia and Slovenia (increase of 6 to 9 percentage points), and moderate in the Polish regions, where an increase by 4 percentage points brought the average regional level of GDP only to around half of the EU-25 average in 2005.

Yet, income disparities within NMS countries increase

While the increase in the relative GDP levels of the Objective 1 regions combined with the decrease in GDP levels of the more prosperous regions led to a decline of regional disparities and regional inequality in the EU-25 as a whole, the development of disparities was more heterogeneous at the group and country level.

Thus, measuring the size and extent of regional disparities reveals that within all OMS regions,

regional disparities tended to decline, though only slightly, from 2000 to 2005, indicated by the change of the dispersion index from 3.8 to 3.6. Within the NMS, regional disparities tended to increase (from 4.8 to 5.3), largely because of the strong growth of the capital cities.

At the country level, in the OMS, regional inequality tended to shift only slightly in either direction in most countries, the exceptions being Spain, where regional inequalities tended to decrease to some extent, and Greece, which saw an increase of the inequality index by 1.7 points, given the apparent difference in economic performance between the region of Attiki and all other Greek regions.

By contrast the changes in regional disparities were more pronounced in any of the NMS that have more than one NUTS 2 regions. Thus, in each of the four countries regional disparities increased from around 0.6 points in the Czech Republic and Poland to 1.4 points in Hungary and even 2.4 points in Slovakia. This at the same time puts three of those countries (excluding Poland) at the top end of the regional income inequality ranking of the EU-25 countries.

Hence the period 2000-2005 was on the one hand marked by a significant reduction of regional disparities in the EU-25 as whole, while at the country and group level this trend was less obvious, and especially in the case of the NMS was even contrasted by a strong increase in regional disparities.

Regional growth and convergence

The development of per capita GDP levels and regional disparities are the result of regional differences in GDP growth performance (see Table 2). Accordingly we find for the whole EU-25 that the Objective 1 regions on average tended to grow considerably faster than Objective 2 regions, which in turn grew slightly above the high-income regions. This is reflected in the average regional growth rates: 2.7% for the Objective 1, 1.6% for the Objective 2 and 1.2% for the higher-income

regions. At the same time the analysis shows that the strong growth of the Objective 1 regions was mainly carried by the NMS Objective 1 regions, which grew on average by 3.8%, compared to an average 1.8% of the OMS Objective 1 regions. Still, amongst the OMS regions alone, this group was still the fastest growing compared to the group of Objective 2 and high-income regions.

Table 2

Regional GDP per head growth, % (in constant year 2000 PPS), by country and Objective groups, 2000-2005

	Objective 1 2000-2005	Objective 2 2000-2005	Other 2000-2005
AT	2.3	1.4	1.2
BE	1.2	0.7	1.4
DE	1.3	0.9	0.8
DK	.	.	1.4
ES	2.5	1.9	1.3
FI	3.3	2.6	2.3
FR	1.6	1.4	1.3
GR	3.4	.	.
IE	4.1	.	.
IT	0.6	0.2	0.6
LU	.	.	3.2
NL	1.1	2.0	1.0
PT	0.6	.	.
SE	3.0	2.2	2.2
UK	2.5	2.0	2.1
OMS	1.8	1.6	1.2
CY	.	.	1.8
CZ	3.4	.	4.9
EE	8.7	.	.
HU	4.3	.	.
LT	7.5	.	.
LV	8.3	.	.
MT	0.1	.	.
PL	3.2	.	.
SI	3.5	.	.
SK	3.1	.	6.2
NMS	3.8	.	4.3
TOTAL	2.7	1.6	1.2

In general this fact is also valid if the distribution of regional growth is analysed at the country level. Thus, in each OMS country which has both Objective 1 and Objective 2 as well as high-income regions, the Objective 1 regions on average tended

to grow faster than the Objective 2 and even faster than the high-income regions. The exception to this rule are the Netherlands, where the only the Objective 1 region Flevoland grew at a slower pace than the Objective 2 regions, but still slightly faster than the more prosperous regions.

The average regional growth rates in Table 2 help to explain the developments of regional disparities and inequalities in per capita GDP levels. On the one hand, the EU-25 overall reduction in income inequalities is explained by the high per capita GDP growth rates of the NMS Objective 1 and high-income regions, which in the former regions led to a partly significant convergence of GDP levels towards the EU average GDP level. On the other hand, the income disparities within the group of NMS regions as well as in individual NMS countries are explained by the strong growth of the capital cities.

Likewise, with respect to the only slight decrease in disparities in the group of OMS regions, one explanation can be found in the variation of growth rates across countries. Thus, amongst the least prosperous Objective 1 regions in the OMS only the Spanish and to some extent the Greek regions (though this has to be qualified with respect to the Attiki region) grew strongly enough to narrow the income gap. The Italian and Portuguese Objective 1 regions, however, and to some extent those in Germany, grew below the EU-25 average, which as a consequence tended to increase the level of regional disparities in the OMS. As a result of these counterbalancing trends, overall disparities in the OMS remained almost unchanged.

An econometric analysis

The econometric convergence analysis, described below, is concerned with the estimation of a conditional convergence model. The model relates the 2000-2005 annual average regional growth rate to (a) the initial (2000) GDP level of GDP and (b) to some additional variables, including:

- the share of population with tertiary education, derived from the LFS. This variable is thought to

capture the effects of knowledge (more precisely, the availability of educated labour);

- the shares of agriculture and of business services in total employment. These two variables should control for the effects of differences in the sectoral structure on economic development;
- the accessibility of regions. Basically this variable measures how easily a region can be reached using either road, rail or air transport. Higher accessibility may enhance growth;
- population density: this variable is thought to capture potential agglomeration effects.

Furthermore we also used three dummy variables, one for the Baltic states, one for the Greek region Attiki and one dummy for the NMS regions. While the first two dummies are just control variables, the NMS dummy intends to capture the growth rate differential between the OMS and the NMS regions.

Table 3

**Conditional convergence estimate
(dependent variable: GDP growth 2000-2005)**

R-squared	0.72
Rbar-squared	0.71
sigma ²	0.57
N obs, N vars	233, 10
log-likelihood	-184.34

Variable	Coefficient	Asymptot t-stat	z-probability
intercept	3.58	1.29	0.20
ln(GDP95)	-0.14	-0.45	0.65
tertiary education	0.82	5.05	0.00
agriculture	-0.19	-2.10	0.04
business services	0.69	2.48	0.01
accessibility	-0.92	-3.27	0.00
population density	-0.16	-2.10	0.04
NMS	2.23	8.80	0.00
Baltics	5.34	9.32	0.00
Attiki	7.11	9.29	0.00
rho	0.27	3.16	0.00

The estimation results indicate a quite peculiar pattern of regional income convergence. Thus the convergence parameter is not significant, meaning

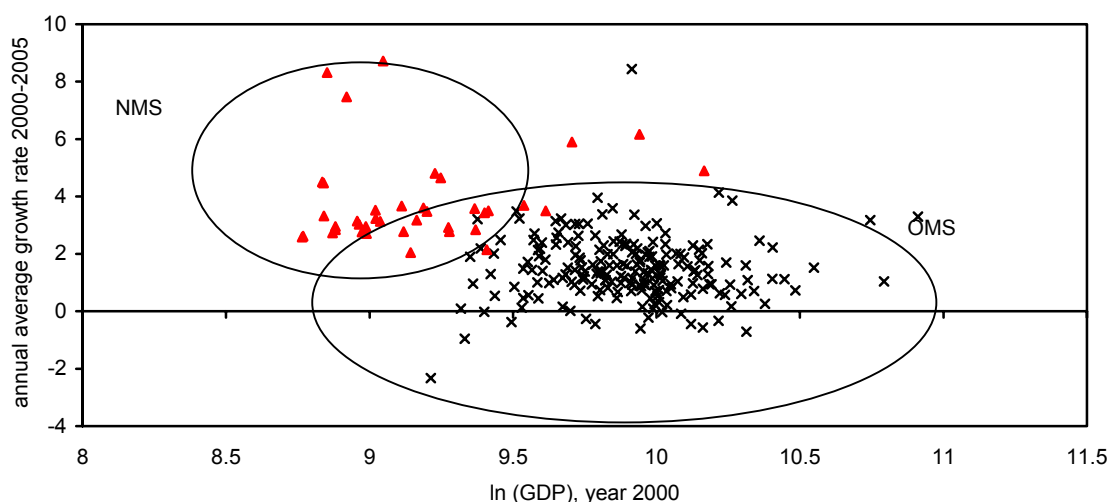
that (if controlled for other variables) lower-income regions do not tend to catch up with more prosperous regions. Instead, regional growth is explained by the conditioning variables as well as the dummy variables. As far as the latter are concerned, we find support for a 'group' convergence hypothesis, as the coefficient for the NMS dummy is significant at the 1% level and indicates that the NMS growth differential to the OMS is around 2% (which in fact corresponds to the empirical data). The coefficients for the knowledge indicator (tertiary education) as well as for business services is positive and significant (both at the 1% level). This indicates that both knowledge and an advanced sectoral structure are associated with higher growth. By contrast, a large share of agriculture has dampening effects. This is indicated by the negative and significant coefficient for the agricultural share in total employment. Notably the coefficient for accessibility and population density are – as opposed to our prior expectations – negative and significant. We relate this to the fact that growth especially in the OMS was as a tendency highest in the Objective 1 regions. Importantly, the explanatory power of this model is relatively high (R^2 of 0.71).

To illustrate the econometric results, we plot the average annual growth rate of GDP against the logarithm of the year 2000 GDP for each region (Figure 1).

From Figure 1 it can be seen that the NMS regions (shown as triangles) in general have a higher growth rate and a lower level of GDP than the OMS regions, which is a clear indication of convergence. However, at the same time we see that within the NMS regions, after accounting for the three Baltic states (which are represented by the three triangles in the North of the NMS circle), no convergence or even a pattern of divergence is present. Similarly, within the OMS no clear pattern of regional convergence is detected. This suggests that, instead of a pattern of neo-classical convergence, where the growth rates clearly depend on the initial level of income, we might rather be confronted with a kind of 'group' convergence: the whole group of NMS regions converges towards the EU average income level, whereas within the NMS and OMS groups either divergence or convergence is possible.

Figure 1

Scatter plot: GDP per head (in logarithm), year 2000, average growth of GDP 2000-2005



Summary

On aggregate, the analysis in part provides a rather optimistic picture with respect to the economic development and the economic convergence of the low-income regions in the European Union in the period from 2000 to 2005. Thus, on average, the Objective 1 regions converge in per capita income terms to the more prosperous regions – in the case

of the NMS quite considerably. However, at the disaggregate level a considerable degree of heterogeneity in economic development persists. Thus disparities in income per head over all EU regions declined, whereas regional disparities within individual member states, particularly in the case of the NMS, increased sharply.

The new EU members' potential for trade in services

BY JULIA WÖRZ

The outsourcing of service activities by manufacturing firms along with technological progress in information and communication technologies has led to increasing international trade flows in services. Since 1980 global services trade flows – measured through balance of payments statistics – have more than quadrupled in nominal terms, amounting to USD 2700 billion in 2006. As the above-mentioned ‘splintering of production’ or outsourcing of services is the major driver of that growth, the share of ‘other services’ (total services minus transportation and travel) rose from about 40% to 53% over the same period. Within the category of other services, other business services (such as management and consulting services, advertising, etc.) account for about 50%; financial services are the second most important category (8%), followed by computer and information services (5%). Being apparently confronted with a new form of global division of labour (see Francois, 1990), where intermediate use services are increasingly sourced from abroad, we will illustrate in this article the position of the new EU member states in international trade in services within the European Union. The EU does not only represent the most important trading partner for the new members, it also constitutes the world’s largest trading hub for services. About 50% of global services exports originate from the EU, while the region accounts for ‘only’ 40% of goods exports.¹

Table 1 illustrates the importance that trade in services has for the EU economies. With roughly 10% of exports, services trade plays a greater role in the new member states as compared to the old

¹ The second most important trading hub for services is between the EU and the USA. Asia plays a substantially smaller role in services trade as compared to goods trade. Nevertheless, China has already emerged as the fourth most important single exporter of services in 2006, after the EU (excluding intra-trade), the USA and Japan.

members states. However, this high export-to-GDP ratio arises primarily from high travel exports, to some extent also from above-average transport exports. Both sectors are of declining importance in global trade.

Table 1

Trade-to-GDP ratios, total services

(cross-border trade and consumer movement)

	Exports		Imports	
	1995	2004	1995	2004
EU12	10.3	9.2	7.2	7.7
EU15	6.0	8.4	5.8	7.7
Germany	3.3	5.2	5.1	7.1
UK	6.7	9.3	5.8	7.0

Note: EU-12 stands for the new EU members, EU-15 for old EU members.

Source: Eurostat, World Bank WDI.

Clearly, exports of the new members are underrepresented in the most dynamic category of ‘other services’ (see Table 2). All these differences

Table 2

Trade-to-GDP ratios, ‘other services’

(cross-border trade)

	Exports		Imports	
	1995	2004	1995	2004
EU12	3.0	2.9	2.9	3.5
EU15	2.1	4.4	2.0	3.6
Germany	1.8	3.0	2.0	3.0
UK	3.6	6.5	2.1	2.8

Note: EU-12 stands for the new EU members, EU-15 for old EU members.

Source: Eurostat, World Bank WDI.

in the magnitude and structure of services exports suggest that comparative advantages between the two groups of countries – old and new members – differ. For reasons of comparison, we have included two old member states showing that there exist considerable differences not only between these two groups, but also within groups. While Germany is heavily manufacturing based in its exports, the UK is one of the strongest exporters of services globally.

For the new members, the ratios of services exports to GDP range between 6.4% for Poland and Romania on the lower end and 9.6% (Slovakia) and 12.1% for Hungary on the upper end.

On the import side, the figures are more similar between as well as within groups. This points towards similar demand structures for imported services in all European countries. In particular, the equal importance of other services imports for both groups of countries reflects the importance of producer-related services as intermediate inputs for the economy.

BOX 1

It is often rightly pointed out that there are severe problems related to the exact definition of what constitutes a services trade flow, resulting in ambiguities in measuring trade in services. We therefore concentrate on what is traditionally seen as trade, namely, the provision of a service across an international border. This form of cross-border trade is termed 'delivery through mode 1' under the GATS (General Agreement on Trade in Services, an integral part of the WTO treaty) and corresponds most closely to the definition of trade in goods. Very commonly, the so-called 'delivery via mode 2' is also included in the analysis: here the customer crosses the border in order to consume the service (for instance, travel services). Since this type of trade is recorded in traditional balance of payments statistics – representing the main source of data for trade in services – we also include it here very generally. By contrast, we do not include explicit data on trade through 'mode 3' (i.e., trade through foreign establishments, usually not considered to be trade in the strict sense when referring to goods) or through 'mode 4' (producer movement), which are both ill defined and consequently measured in a rather unsatisfactory way up to date.

Revealed comparative advantages in services

As a result of the above-average importance of transport and travel services exports in relation to GDP, we also find the comparative advantages of the new member states to lie mostly within these

two categories.² Figure 1 displays the comparative advantages on the EU market in transport services for Poland, the Czech Republic, Slovakia, Slovenia and the Baltic states. All new members with the exception of two Baltic countries, Latvia and Lithuania, exhibit also a strong comparative advantage in travel services. Thus, while services trade plays an important role for the new member states, they are still specializing strongly in traditional service categories.

Figure 2 looks more closely into selected producer-related sectors, which are evolving very dynamically in global services trade. The picture is one of comparative disadvantages for the new members in all these categories. The notable exception is Romania, which shows competitive strength in communication services. While this is also observed for Bulgaria (though to a lesser extent), it arises in the Bulgarian case from below-average imports and thus cannot be regarded as a comparative advantage. In the case of Romania, the positive index is based on strong export performance. It has to be stressed that this comparative advantage of Romania relative to the EU-27 average is rather high in magnitude. The main driving force behind that exceptional performance may be found in outsourcing by Western European or US-based firms (mainly call centres and computer firms). Based on business surveys, this can be estimated to form the basis of about 50% of all Romanian producer service exports (Ghibutiu and Dumitriu, 2008). Over the period 1995-2004, Romania showed the sixth-highest growth rate of trade in business services globally.

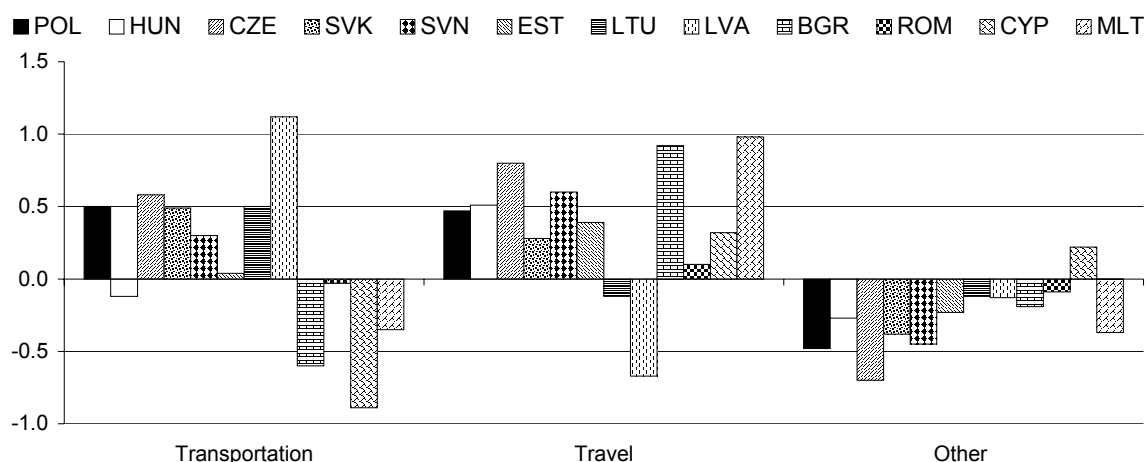
² The measure of revealed comparative advantage used here is based on the traditional Balassa Index and calculated as follows: $RCA_k^i = RXA_k^i - RMA_k^i$, where

$$RXA_k^i = \frac{X_k^i / \sum_k X_k^i}{\sum_i X_k^i / \sum_i \sum_k X_k^i} \quad \text{and} \quad RMA_k^i \text{ is}$$

defined analogously for imports. X_k^i are total exports (respectively imports) of country i in service sector k. The reference group is the EU-27.

Figure 1

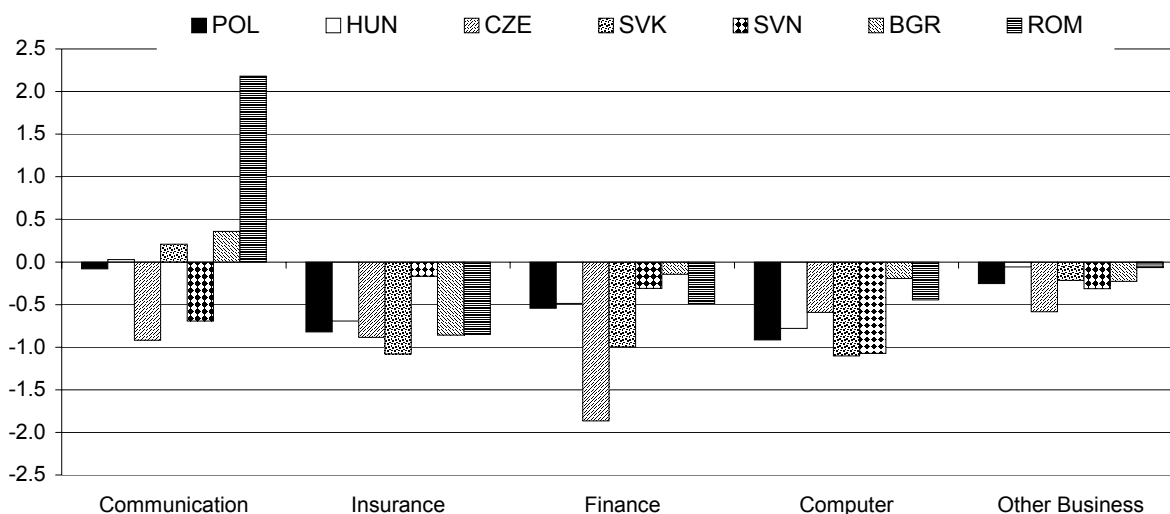
Revealed comparative advantages in services trade of EU-12, average 2003-2005



Source: wiiw calculations.

Figure 2

Revealed comparative advantages in 'other services', average 2003-2005



Source: wiiw calculations.

Apart from weak comparative advantages of the Baltic states in sectors such as insurance services (Estonia), finance (Latvia) and other business services (Lithuania), the region as a whole nevertheless shows a weak competitive position in modern, producer-relevant services sectors. Bulgaria and Romania, together with Hungary, Lithuania and Cyprus, also reveal a comparative advantage in construction services (not shown in Figure 2). While most countries, in particular Poland, show very high exports of construction

services, they are also characterized by strong construction imports (above the EU-27 average), leading to a weak competitive position as revealed by trade flows.

It is surprising to note that the new members' imports of producer services are in general below the European-wide average. Although we can observe strongly rising imports of producer services in the new member states, they are still below the EU average in many cases. Thus, we expect to see

first of all strong import growth in these categories. This expectation is based on the consideration that demand structures and production processes are becoming increasingly similar between the new and the old member states, thus generating demand for externally (and also internationally) sourced producer services as inputs into manufacturing production. Since it will take time for the new members to build up sufficient comparative advantages in order to catch up with the old members also in terms of exports, the already weak competitive position in these services sectors may deteriorate in the short run.

The above discussion should make it clear that there exists still a relatively large, unexploited trade potential for the new EU members in services. This is also the baseline from related calculations. For example, based on estimations by Francois et al. (2007), we can conclude that the unexploited trade potential for the twelve new members is substantially higher than for the 15 old members. The potential for increased trade is particularly large with respect to imports. Romania and Poland are the most successful countries among the new members in tapping their potential for trade in services, surpassing also countries such as Greece, Denmark and Portugal among the old members. In particular Slovenia and the Baltic states could trade much more in services, given their economic and regulatory conditions and their geographic location. In a sectoral perspective, we can identify the largest room for further trade growth in the new members in computer and information services, followed by communication services and royalties and licence fees. Not very surprisingly, the new members are already realizing their import potential to a greater extent in financial services as well as insurance and other business services.

Trade balances in services

Finally, we take a look at the net contribution of services trade for the new members. In accordance

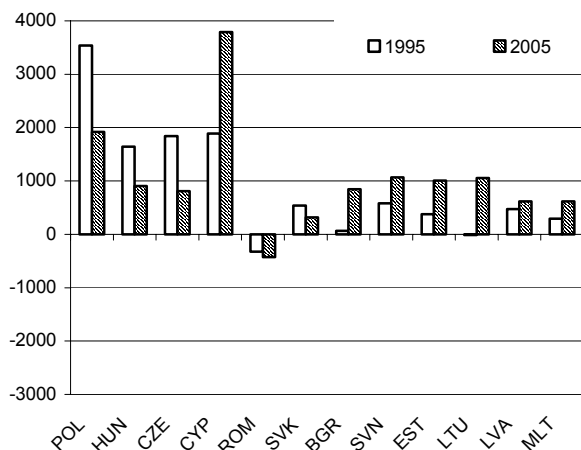
with our expectation of increasing services imports, we see already a movement towards a deterioration of services trade balances taking place. Figure 3 shows that most new members are currently running a surplus in total services. However, especially for the three largest services exporters in the regions, Poland, Hungary and the Czech Republic, that surplus has been shrinking over the past decade. The drag on the overall balance arises from increasing net imports of other services, as can be seen from Figure 4. Thus, the surplus is mainly based on net exports of travel and transport services. Over the period 1995-2005, import growth has outperformed export growth in most services sectors. This growth differential has been particularly pronounced in insurance and communication services, but also in financial, construction and travel services.

On the other hand, smaller services exporters show an increasing surplus. In the case of Bulgaria, Slovenia and Malta this is due to growing net exports of travel services, in the Baltic countries rising net exports of other business services are driving this development. Cyprus, being the fourth most import exporter of services among the new members, has also expanded its total trade surplus due to rising net exports of other business services. Further, Romania ran a surplus in other services in 2006. Apart from Cyprus, however, these improvements are small in magnitude. While in principle growing surpluses in other services would suggest an improving competitive position of the new members in services trade, we know from the previous section that these developments are a result of the even greater under-representation of other services in the new members' imports as compared to their below-average performance in exports of other services up to date. Hence, with the exception of Romania, which clearly emerges as an attractive offshoring location for business services with resulting positive effects on the trade balance, we may witness a deterioration in the balances for other services in the near future again.

Nevertheless, even deteriorating trade balances in other services do not necessarily have to be

Figure 3

Services trade balances, 1995 and 2005, in USD million

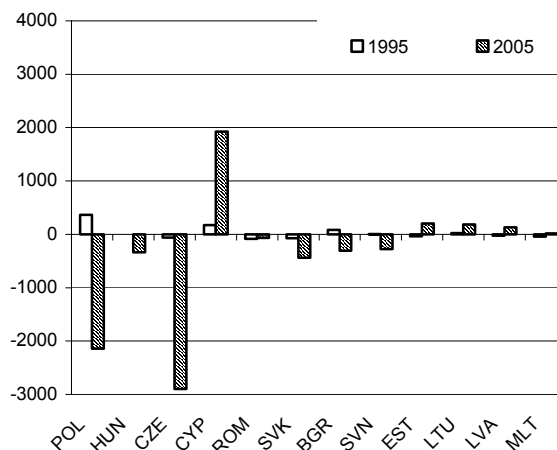


Source: Eurostat ITS statistics.

considered as being an ominous sign for the overall economic development of these countries. Taking account of the role of services in the domestic economy, foreign-sourced services may serve as high-quality inputs for domestic firms and can result in an overall improvement in the efficiency of the whole economy. In particular countries such as Poland and the Czech Republic seem to be undergoing a substantial restructuring with strongly rising demand for foreign-sourced producer-related services lately.

Figure 4

Trade balances in 'other services', 1995 and 2005



Source: Eurostat ITS statistics.

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Market economy needs to run budgetary deficits*

BY KAZIMIERZ LASKI

First of all, I would like to reflect on the role of economic theory in developing the strategy of economic growth, using the example of fiscal policy. Michał Kalecki once said that there was nothing more practical than a good economic theory. I would like to go a step further and say that there is nothing more impractical or even harmful than a bad economic theory. This applies in particular to the currently prevailing views on public finance.

Constant grumbling about budget deficit and demands of government expenditure and revenues being balanced are commonplace; they are present also in the papers prepared for this Congress. Yet, the matter is not so evident, although by appealing to the individual experience it easily gains public approval. Indeed, private economic entities should run up debts in special cases only; because they also have to repay the debt. Yet, macroeconomic relationships are not identical to those at household or company level. For example, the generally accepted thesis is that the government budget plays the role of a stabilizer of cyclic fluctuations in private investment. Namely, when investment grows rapidly during a period of economic boom, the government revenues grow as well. As a result, the government deficit declines and curbs GDP growth. On the other hand, when investment declines during a slump, budget revenue declines as well. As a result, the government deficit grows and restrains the GDP decline. Changes in the government deficit thus reduce the amplitude of economic fluctuations. Yet, this mechanism is operative only when the Minister of Finance behaves unlike the private investor. He does not increase expenditure when the budget revenue grows and does not reduce expenditure, or even

increases it, when the revenue falls in order to keep good economic climate and maintain the level of employment.

Given the existence of business cycles, demanding the maintenance of a balanced budget is an obvious mistake. A permanently balanced budget cannot contribute to the stabilization of economic fluctuations. But – it is often argued – the deficits incurred during slumps should be matched by budgetary surpluses earned during booms so that over the cycle the average deficit should be about zero.

However, running deficits is a long-run regularity rather than the exception.

Let us have a look at statistics. Over the past few decades in all major countries of the EU-15 (as well as in the United States and in Poland) a budget deficit was the rule rather than the exception. This is documented by Table 1.

Table 1

Frequency of budget deficits D (general government expenditure less general government revenues) in major EU countries, years

Country and period	D > 0	0 ≥ D	Average D/GDP
Germany (1970-2007)	31	6	2.1%
UK (1970-2007)	30	7	2.8%
France (1978-2007)	30	0	2.9%
Italy (1976-2007)	32	0	7.4%

Source: European Commission, Directorate General ECFIN, Economic and Financial Affairs, Statistical Annex of European Economy, Spring 2007.

For the major EU countries for which harmonized long-time series are available, a budget deficit was recorded every year in France and Italy, and 31 and 30 times respectively over a period of 37 years in Germany and the UK. The arithmetic mean of the budget deficit/GDP ratio ranged from 2.1 to 2.9%, with the exception of Italy. For smaller EU-15 countries for which statistical data are available the

* This is a translation of the address given to the Plenary Session of the VIII Congress of Polish Economists, held in Warsaw on 28-30 November 2007.

findings are similar. The Netherlands is an exception: here, in 19 years – out of the 38 years under analysis – the budget was balanced or showed a surplus, and in 18 years it showed a deficit. Yet, also in this country the arithmetic mean of the budget deficit/GDP ratio for the whole period was 2.4%. In the years 1961-2007 the United States posted a budget surplus 4 times only and ran a budget deficit as many as 43 times; the average budget deficit for the whole period reached 2.6% of GDP. For Poland, data from the same source are available for the years 1995-2007 only. In all those years with no exception Poland ran a budget deficit and the average budget deficit for the whole period amounted to 4.4% of GDP.

Should the budget play the role of a stabilizer of economic fluctuations only, the presented data would suggest that finance ministers took reckless decisions for whole decades regardless of the fact that governments changed from leftist orientation to rightist and vice versa. Since this conclusion is difficult to accept, it is necessary to consider whether there may be other reasons for regular budget deficits. In our view there are such reasons both in public finance and in the national economy as a whole.

Every generation enjoys the benefits of public infrastructure which has been created following public investment carried out in the past, and invests in public infrastructure (and human capital) to be left to serve future generations. A constant public debt to GDP ratio could be considered an acceptable and fair intergenerational compromise. Thus, if nominal GDP grows over a given time on average by a certain percentage annually, then the nominal public debt should grow by the same percentage. This condition will be fulfilled if the budget deficit constitutes on average a fixed part of GDP. So much as regards a budget deficit justified by public investment needs.

Yet, a budget deficit would be necessary even without public investment. The private sector's propensity to save measured by the ratio of private saving to GDP (hereinafter 'saving rate') is not

constant in individual countries, yet shows relatively minor fluctuations. In the periods considered the average saving rate in Germany amounted to 21.1 (coefficient of variation 4.8%), in the UK to 16.7 (coefficient of variation 10.2%), in France and in Italy to 18.5 (coefficient of variation 8.3%) and 24.7 (coefficient of variation 14.6%) respectively. In the United States the average saving rate reached 17.8% (coefficient of variation 10.2%) and in Poland 18.8 (coefficient of variation 5.2%). Assuming a relatively constant saving rate in particular countries the level of GDP in every year depends basically on the level of private investment. The higher the private investment, the higher GDP, the higher the employment level and the closer we are to full employment. Over the past few decades, especially the EU has experienced a relatively high unemployment rate. It is determined primarily by insufficiently dynamic private investment. The generally higher private propensity to save than the private propensity to invest is a characteristic feature of the capitalist economy. In these conditions, a budget deficit provides the private sector with the opportunity of additional sales – and additional employment – above the level determined by the level of private investment. Without a budget deficit – and an export surplus – the efforts of the private sector to achieve the desired level of saving would not succeed and would lead to a decline in GDP and employment down to the level determined by the volume of private investment. This is the core economic principle of the budget deficit being a more or less regular phenomenon in a dynamic capitalist economy.

The private sector taken as a whole saves more than it invests. In other words, its financial balance, defined as the difference between revenues and expenditure, is generally positive. In the analysed periods it amounted to 3.4% of the GDP in Germany, to 1.2% in the UK, to 2.2% in France, to 7.1% in Italy, to 1.3% in the USA and to 1.6% in Poland. This gap (the current account of the balance of payments set aside) was closed by budget deficits as presented in Table 1.

It should be pointed out that the financial balance of the private sector consists of the financial balance of businesses and households. The financial balance of businesses is generally negative, the financial balance of households is generally positive; thus, businesses generally run up debts with households. Yet, in normal conditions the savings of households exceed the debt of businesses and thus the resulting surplus of the private sector may be realized (abstracting from foreign trade and investment) only through a rise in government debt. In certain countries the private sector happens to post a negative financial balance; yet, this is an untypical situation accompanied by rising foreign debt. Since the beginning of the 1990s the United States has been a flagrant example of this situation. Rising foreign debt of the United States is accompanied by a low saving rate of households, sometimes by rising household debt. This would not be possible outside the US and even there this situation cannot persist indefinitely since the growing debt of households undermines their ability to repay or even service the debt and thus their creditworthiness.

What has been said above does not mean that a budget deficit does not have its negative effects. Indeed, public debt service (as any public good financed with taxes) is a burden for all households, and public debt service benefits mainly households holding government bonds. Another problem is the rate of interest on public debt. If this rate is higher than the growth rate of nominal GDP, then a rising share of the GDP will be accruing – in the long run – to the wealthy holders of the public debt via interest payments. But a rising income share of wealthy households does not increase effective demand for consumer goods sufficiently to compensate for the taxes (levied also on low-income households) out of which interest payments are made. One of the objectives of economic policy should be to prevent a situation in which the interest rate exceeds the growth rate of nominal GDP.

At this point it should be emphasized that the current EU fiscal framework ignores the whole

problem completely. The Stability and Growth Pact ‘... lays down the obligation for Member States to adhere to the medium-term objective for their budgetary positions of “close to balance or in surplus” (CTBOIS) ...’.¹ This, of course, is in direct conflict with the fact that the EU private sector taken as a whole shows a positive financial balance amounting on average to 1.9% of GDP. Moreover, the European Union taken as a whole has a basically balanced foreign trade. This suggests that the average budget deficit of the European Union taken as a whole, considering the private sector’s existing propensity to save and to invest, should be equal to approximately 1.9% of GDP of the EU; any attempt to reduce the average budget deficit below that figure is bound to unleash deflationary and contractionary trends in the EU economy (as it has already done in Germany).

The limited time I have been given to deliver this speech makes it impossible to address two issues which seem important in the light of the material presented to the Congress. The first issue is that we should not exaggerate the role of information technology and should look with caution at the new era it is bound to open. The second issue is the type of the recommendable development strategy. As far as the first issue is concerned, I just want to mention that we still wear IT-free underwear, we still eat IT-free food and live in IT-free houses. Traditional goods and services continue to account for the majority of demand. I am addressing this problem since in a country like Poland which is not among the leaders in the world technological advancement we can still achieve a lot by making use of the existing technological solutions. This is one of the privileges of countries which lag behind and which can benefit, almost free of charge, from the existing solutions. Certainly, we should engage in training, increase the currently extremely small outlays on scientific research, but we should not, at the same time, forget about the use that can be made of the existing inventions. I am not against

¹ Council Regulation No. 1055/2005 amending the Growth and Stability Pact. *Official Journal of the European Union*, 7 July 2005, L. 174/1.

seeking new ways but in this situation the government has a very important role to play – namely, to set certain priorities in development. Admittedly, this is risky: you can always make mistakes while selecting priorities. On the other hand, engaging in a large number of poorly funded research and development projects is certainly not a good alternative. Such an approach is unlikely to yield any genuine benefits.

The second issue is the 'Washington consensus' development strategy based on a few simple principles: the government's role in the economy should be limited to a minimum, thus the requirement of privatization; the government budget should be balanced and the central bank should be primarily concerned with the risk of inflation, thus the requirement of stabilization; finally, the unconstrained market mechanism best coordinates the economy including the labour market, thus the requirement of liberalization. The three requirements of privatization, stabilization and liberalization were and still are the core of much of the orthodox theory – and actually behind the economic policy in Poland. But, is it possible that the same formula proves effective for every country although each country has its own particular characteristics and bottlenecks limiting its development opportunities? Indeed, there are specific conditions in each country. In Poland we have to do with the underdeveloped eastern provinces; there is a large percentage of farming population, in particular people coming from the former state-owned farms; there are problems of small towns and provincial areas; there is a certain demographic structure of the population which used to be very favourable in the past and now has become much less favourable; and finally there is a certain level of social expectations such as free access to schooling, health services and even an acceptable degree of differences in the level of income and earnings. These conditions and expectations cannot be ignored while addressing the long-term strategy of economic growth. Such a strategy should be developed by people who are knowledgeable about those facts. The slogans of

stabilization, privatization and liberalization cannot replace the hard work.

Answers to questions:

It has been pointed out that the excess of savings over investment in the private sector may occur with a different level of saving rates and investment rates. This is indeed so. Also, the view has been expressed that in the Polish conditions the rates of private saving and private investment are too low and should be increased. I find it hard to agree with this opinion. Only in a full employment economy the acceleration of economic growth requires a higher investment rate. In an economy with less than full employment such as the Polish economy – and generally in every capitalist economy – an acceleration of growth requires an acceleration of private investment but not an increase in the rate of private saving. I would go further and say that the more stable the rate of private saving, the stronger the impact of acceleration of private investment growth on GDP growth. If, for example, private investment grows by 5%, then assuming a fixed rate of private saving – the state budget and foreign trade set aside – GDP will also grow by 5%. If, however, at the same time the GDP share of private saving grows by 1%, GDP will grow by 4% only. This is the essence of the economic rationality of parallel growth of real wages and labour productivity as this generally favours the stability of the private saving rate. By contrast, the call for real wage growth to lag behind labour productivity growth in order to increase the rate of private saving in fact curbs the growth. Indeed, assuming a certain acceleration in private investment growth, the acceleration in GDP growth will be higher when wages grow *pari passu* with labour productivity than when they are lagging behind.

It is generally believed that there is a simple relationship between the investment rate (i.e. the share of investment in the GDP) and economic growth. There is no such relationship. Already in 1999, William Easterly of the World Bank examined the hypothesis of the alleged '... fixed linear relationship between growth and investment ...'.

Studies based on data from a large number of countries do not confirm that hypothesis.²

The average rate of private investment in the EU-15 amounts to 19.3%. Definitely, there are certain differences; some countries have a higher rate while others have a lower one. In Poland, the average rate of private investment reaches approximately 25% and thus is relatively high. What Poland needs is – I want to reiterate – rapid investment growth rather than growth in the investment rate.

Here I wish to comment on another statement to the effect that countries with higher budget deficits have, in consequence, a lower rate of private investment. I have no knowledge of such data. If one has access to such data they should necessarily be published, although I doubt they can be found.

One question was raised which was addressed directly to me: what choices should Poland make as far as the direction of scientific research and strategic economic objectives are concerned? This question cannot be answered by a person who left Poland nearly 40 years ago and is just visiting the country for a few days. Every single country needs a specific, tailored strategy, every single illness needs specific treatment; it is not reasonable to apply the same prescription to all countries.

² See William Easterly (1999), 'The Ghost of Financing Gap. Testing the Growth Model Used in the International Financial Institutions', *Journal of Development Economics*, Vol. 60, No. 2, December, pp. 423-438.

STATISTICAL ANNEX

Selected monthly data on the economic situation in Central, East and Southeast Europe, 2007-2008

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
PMchange	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.

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B U L G A R I A: Selected monthly data on the economic situation 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	6.3	10.8	10.4	11.7	7.6	7.5	14.3	8.3	8.7	11.3	9.0	5.0	8.2	5.4	-2.0	.
Industry, total ¹⁾	real, CCPY	6.3	8.8	9.4	10.0	9.6	9.3	10.0	9.8	9.7	9.8	9.8	9.3	8.2	6.8	3.5	.
Industry, total ¹⁾	real, 3MMA	5.9	9.4	11.1	10.1	9.1	10.1	10.1	10.4	9.4	9.7	8.4	7.4	6.1	3.5	.	.
LABOUR																	
Employees total	th. persons	2282	2289	2308	2320	2331	2343	2354	2353	2337	2324	2325	2306	2430	2437	2450	.
Employees in industry	th. persons	706	705	705	708	704	703	704	701	697	695	694	689	714	713	711	.
Unemployment, end of period	th. persons	358.1	351.2	330.3	310.3	289.8	274.8	268.4	259.3	251.1	249.4	245.3	255.9	273.3	268.8	251.6	241.1
Unemployment rate ²⁾	%	9.7	9.5	8.9	8.4	7.8	7.4	7.3	7.0	6.8	6.7	6.6	6.9	7.4	7.3	6.8	6.5
Labour productivity, industry ¹⁾	CCPY	5.3	7.9	8.7	9.3	9.1	8.9	9.7	9.6	9.5	9.9	9.9	9.5	6.9	5.5	2.5	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	11.1	8.9	8.2	7.6	8.6	9.0	8.0	8.5	8.7	8.8	9.0	9.6	16.9	18.2	22.0	.
WAGES, SALARIES																	
Total economy, gross	BGN	377	380	396	400	411	408	420	419	434	430	448	474	479	474	500	.
Total economy, gross	real, CMPY	8.6	12.9	11.8	11.9	13.9	12.0	10.7	7.2	5.6	8.1	10.2	8.6	13.0	10.2	10.6	.
Total economy, gross	USD	250	254	268	276	284	280	295	292	309	313	336	353	360	357	397	.
Total economy, gross	EUR	193	194	202	205	210	209	215	214	222	220	229	242	245	242	256	.
Industry, gross	EUR	195	198	211	209	215	217	214	222	230	228	232	244	244	247	265	.
PRICES																	
Consumer	PM	1.4	0.5	-0.1	0.5	0.1	-0.4	2.2	3.1	1.3	0.6	1.6	1.1	1.4	1.1	0.8	0.8
Consumer	CMPY	7.1	4.5	4.1	4.2	4.3	5.6	8.4	12.0	13.1	12.4	12.6	12.5	12.5	13.2	14.2	14.6
Consumer	CCPY	7.1	5.8	5.2	5.0	4.8	4.9	5.4	6.3	7.0	7.6	8.0	8.4	12.5	12.8	13.3	13.6
Producer, in industry	PM	-0.8	0.1	1.4	1.9	0.7	1.3	2.1	1.5	0.6	1.4	1.9	-1.1	0.7	0.9	2.7	.
Producer, in industry	CMPY	7.8	6.3	8.0	8.1	5.6	6.7	7.9	9.2	9.1	11.4	13.4	11.5	13.2	14.1	15.6	.
Producer, in industry	CCPY	7.8	7.1	7.4	7.6	7.2	7.1	7.2	7.5	7.7	8.0	8.5	8.8	13.2	13.6	14.3	.
FOREIGN TRADE^{3/4)}																	
Exports total (fob), cumulated	EUR mn	869	1775	2899	3926	5025	6205	7447	8593	9793	11098	12364	13474	1115	2320	3643	.
Imports total (cif), cumulated	EUR mn	1530	2970	4697	6326	8109	9936	11873	13693	15593	17705	19870	21877	1816	3714	5711	.
Trade balance, cumulated	EUR mn	-662	-1196	-1798	-2400	-3084	-3731	-4426	-5101	-5800	-6608	-7506	-8403	-701	-1394	-2068	.
Exports to EU-27 (fob), cumulated	EUR mn	580	1183	1906	2511	3174	3925	4653	5338	6052	6812	7554	8165	709	1466	2302	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	903	1830	2891	3844	4898	5950	7050	8006	9066	10368	11629	12796	942	2043	3229	.
Trade balance with EU-27, cumulated	EUR mn	-323	-647	-985	-1332	-1724	-2025	-2396	-2668	-3013	-3555	-4075	-4631	-233	-576	-926	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	EUR mn	-640	-1113	-1574	-2126	-2586	-2886	-3137	-3392	-3906	-4597	-5326	-6220	-698	-1275	-1671	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.506	1.496	1.477	1.448	1.447	1.458	1.426	1.436	1.406	1.375	1.332	1.343	1.329	1.326	1.259	1.241
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
USD/BGN, calculated with CPI ⁷⁾	real, Jan03=100	137.7	138.4	138.8	141.5	140.7	138.9	145.1	148.9	153.6	157.6	164.1	164.7	167.9	169.8	180.2	184.4
USD/BGN, calculated with PPI ⁷⁾	real, Jan03=100	127.4	126.3	127.8	131.3	130.7	131.2	135.8	139.0	142.0	146.2	149.7	147.4	148.2	148.5	160.6	.
EUR/BGN, calculated with CPI ⁷⁾	real, Jan03=100	115.5	115.7	114.9	114.8	114.6	114.0	116.9	120.4	121.5	121.6	122.9	123.7	125.7	126.6	126.5	127.6
EUR/BGN, calculated with PPI ⁷⁾	real, Jan03=100	113.5	113.2	114.2	116.0	116.5	117.5	119.5	121.5	121.5	122.3	123.3	121.7	121.4	121.6	124.0	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	BGN mn	5901	5880	5912	6100	6134	6391	6649	6842	6931	6812	6787	7433	6952	6992	6990	.
M1, end of period ⁸⁾	BGN mn	15955	16002	16269	16416	16845	17807	18279	18903	19174	19297	19320	20727	19882	19590	19848	.
Broad money, end of period ⁸⁾	BGN mn	31780	32108	32755	33379	33925	35349	36373	37795	38233	38768	39618	42062	41585	41684	42249	.
Broad money, end of period	CMPY	29.0	27.8	28.2	29.5	27.7	28.4	29.1	30.4	29.1	28.5	30.5	31.2	30.9	29.8	29.0	.
BNB base rate (p.a.) ⁹⁾ , end of period	%	3.4	3.5	3.5	3.7	3.8	3.8	4.0	4.1	4.1	4.2	4.3	4.6	4.7	4.8	4.8	4.8
BNB base rate (p.a.) ⁹⁾ , end of period ⁹⁾	real, %	-4.1	-2.6	-4.2	-4.1	-1.7	-2.6	-3.6	-4.7	-4.6	-6.4	-8.1	-6.2	-7.5	-8.2	-9.3	.
BUDGET																	
Central gov. budget balance ⁹⁾ , cum.	BGN mn	133.9	-102.3	403.5	1097.8	1670.4	1923.5	2179.6	2639.0	3046.3	3241.8	3363.3	1129.4	378.1	672.5	1278.1	.

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 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	10.5	12.8	10.6	14.3	7.0	6.8	11.8	6.4	1.7	8.5	6.7	3.1	9.1	11.3	-2.1	.
Industry, total	real, CCPY	10.5	11.6	11.3	12.0	10.9	10.2	10.4	9.9	9.0	8.9	8.7	8.2	9.1	10.2	5.7	.
Industry, total	real, 3MMA	9.8	11.3	12.5	10.5	9.2	8.4	8.2	6.4	5.5	5.7	6.3	6.4	8.0	5.7	.	.
Construction, total	real, CMPY	29.0	32.1	26.4	17.6	1.4	-4.4	-1.8	2.9	-1.9	3.2	7.1	5.6	1.0	11.5	0.8	.
LABOUR																	
Employees in industry ¹⁾	th. persons	1154	1161	1165	1164	1164	1163	1180	1179	1164	1170	1177	1170	1186	1185	1190	.
Unemployment, end of period	th. persons	465.5	454.7	430.5	402.9	382.6	370.8	376.6	372.8	365.0	348.8	341.4	354.9	364.5	355.0	336.3	316.1
Unemployment rate ²⁾	%	7.9	7.7	7.3	6.8	6.4	6.3	6.4	6.4	6.2	5.8	5.6	6.0	6.1	5.9	5.6	5.2
Labour productivity, industry ¹³⁾	CCPY	9.5	10.8	10.4	11.1	10.3	9.7	9.9	9.7	8.9	8.9	8.7	8.1	5.3	6.7	2.5	.
Unit labour costs, exch.r. adj.(EUR) ¹³⁾	CCPY	2.8	-0.6	-0.3	-0.8	-0.5	-0.6	-0.6	-0.5	0.2	0.5	0.7	1.5	13.7	15.0	19.1	.
WAGES, SALARIES																	
Industry, gross ¹⁾	CZK	19892	18699	20492	20414	21710	21201	21260	20587	20145	21608	24362	22109	22367	21248	22321	.
Industry, gross ¹⁾	real, CMPY	7.7	5.5	5.6	6.1	4.8	3.9	6.9	4.5	3.3	5.1	1.0	0.0	4.3	5.2	1.6	.
Industry, gross ¹⁾	USD	929	866	967	985	1039	997	1030	1007	1014	1124	1338	1226	1264	1235	1374	.
Industry, gross ¹⁾	EUR	714	662	730	729	769	743	750	739	731	790	911	841	859	837	885	.
PRICES																	
Consumer	PM	1.0	0.3	0.3	0.7	0.4	0.3	0.4	0.3	-0.3	0.6	0.9	0.5	3.0	0.3	-0.1	0.4
Consumer	CMPY	1.3	1.5	1.9	2.5	2.4	2.5	2.3	2.4	2.8	4.0	5.0	5.4	7.5	7.5	7.1	6.8
Consumer	CCPY	1.3	1.4	1.6	1.8	1.9	2.0	2.1	2.1	2.2	2.4	2.6	2.8	7.5	7.5	7.4	7.2
Producer, in industry	PM	1.2	0.5	0.5	0.6	0.6	0.7	0.2	-0.1	0.1	0.4	0.7	-0.1	1.9	0.1	0.3	0.0
Producer, in industry	CMPY	2.8	3.0	3.5	3.7	4.0	4.5	4.1	3.7	4.0	4.4	5.4	5.2	6.0	5.6	5.3	4.7
Producer, in industry	CCPY	2.8	2.9	3.1	3.3	3.4	3.6	3.7	3.7	3.7	3.8	3.9	4.0	6.0	5.8	5.7	5.4
RETAIL TRADE																	
Turnover	real, CMPY	7.7	10.5	10.9	8.4	7.6	7.6	8.9	7.3	4.1	9.4	5.9	5.4	4.0	6.3	-2.9	.
Turnover	real, CCPY	7.7	9.1	9.8	9.4	9.0	8.7	8.8	8.6	8.1	8.2	8.0	7.7	4.0	5.2	2.2	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	6795	13630	21440	28484	35749	43193	50136	57085	64766	73585	82354	89083	8064	16532	24733	.
Imports total (cif), cumulated	EUR mn	6443	12821	20080	26958	34035	41194	48197	55183	62377	70879	79190	86022	7595	15502	23378	.
Trade balance, cumulated	EUR mn	352	808	1359	1526	1714	1999	1939	1902	2389	2706	3165	3061	469	1030	1354	.
Exports to EU-27 (fob), cumulated	EUR mn	5900	11781	18473	24474	30701	37060	42997	48885	55337	62795	70261	75911	6924	14189	21233	.
Imports from EU-27 (cif) ⁶⁾ , cumulated	EUR mn	4547	9129	14431	19365	24441	29582	34540	39354	44461	50476	56274	60968	5023	10557	15968	.
Trade balance with EU-27, cumulated	EUR mn	1353	2652	4042	5109	6260	7479	8458	9531	10876	12320	13986	14943	1901	3631	5264	.
FOREIGN FINANCE																	
Current account, cumulated ⁴⁾	EUR mn	45	297	806	296	-289	-472	-928	-1972	-1996	-2515	-2383	-3205	185	646	627	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	21.4	21.6	21.2	20.7	20.9	21.3	20.6	20.5	19.9	19.2	18.2	18.0	17.7	17.2	16.2	15.9
CZK/EUR, monthly average	nominal	27.8	28.2	28.1	28.0	28.2	28.5	28.3	27.9	27.6	27.3	26.7	26.3	26.1	25.4	25.2	25.1
USD/CZK, calculated with CPI ⁷⁾	real, Jan03=100	134.9	133.4	135.1	138.3	136.7	134.5	139.1	141.1	144.4	149.9	158.5	160.9	168.1	173.1	183.1	187.7
USD/CZK, calculated with PPI ⁷⁾	real, Jan03=100	128.1	125.6	126.7	128.8	127.0	125.4	128.4	131.5	134.7	138.8	143.7	145.4	149.2	152.3	161.8	165.2
EUR/CZK, calculated with CPI ⁷⁾	real, Jan03=100	113.1	111.5	111.9	112.2	111.5	110.4	112.0	114.1	114.5	115.6	118.7	120.7	125.8	129.0	128.6	129.9
EUR/CZK, calculated with PPI ⁷⁾	real, Jan03=100	114.0	112.6	113.3	113.8	113.2	112.3	113.0	114.9	115.6	116.2	118.4	120.0	122.3	124.7	125.0	125.7
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	CZK bn	291.7	296.2	300.3	306.3	309.8	314.0	311.4	314.0	319.4	316.8	323.3	324.1	321.0	323.5	322.5	.
M1, end of period ⁸⁾	CZK bn	1356.3	1369.6	1335.8	1387.9	1444.1	1423.2	1488.4	1469.9	1453.9	1514.6	1512.6	1526.6	1556.5	1527.7	1558.7	.
Broad money, end of period ⁸⁾	CZK bn	2073.8	2102.9	2106.4	2174.1	2203.4	2206.6	2231.5	2263.0	2246.1	2293.0	2332.2	2380.0	2386.4	2408.3	2406.4	.
Broad money, end of period	CMPY	12.8	13.5	13.4	14.0	15.4	14.6	14.9	14.7	14.7	14.7	15.8	16.1	15.1	14.5	14.2	.
Discount rate (p.a.), end of period	%	1.50	1.50	1.50	1.50	1.50	1.75	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.75	2.75	2.75
Discount rate (p.a.), end of period ⁹⁾	real, %	-1.2	-1.5	-1.9	-2.2	-2.4	-2.7	-2.0	-1.4	-1.7	-2.1	-2.7	-2.6	-3.3	-2.7	-2.5	-1.9
BUDGET																	
Central gov. budget balance, cum.	CZK mn	5030	-6730	11260	-17010	-25980	1280	19680	22220	36310	27200	12770	-66390	9730	-4970	-13350	-28090

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 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	12.1	11.0	5.2	10.5	3.9	9.0	12.0	9.5	6.4	8.6	5.7	5.3	6.4	13.0	1.9	.
Industry, total	real, CCPY	12.1	11.6	9.2	9.5	8.3	8.5	9.0	9.0	8.7	8.7	8.4	8.1	6.4	9.7	6.9	.
Industry, total	real, 3MMA	10.5	9.2	8.7	6.4	7.7	8.2	10.2	9.2	8.1	6.9	6.6	5.8	8.2	6.9	.	.
Construction, total	real, CMPY	-4.0	8.4	-3.4	-5.8	4.8	-15.1	-14.7	-15.3	-27.7	-20.6	-23.7	-20.8	-26.0	-19.0	-13.5	.
LABOUR																	
Employees in industry ¹⁾	th. persons	746.5	752.9	747.4	745.8	746.1	746.5	746.9	744.9	742.0	744.2	743.3	737.7	747.4	747.8	746.0	.
Unemployment ²⁾	th. persons	317.5	312.5	316.3	314.3	307.7	296.9	296.7	304.6	306.9	310.8	316.0	327.8	342.6	337.0	332.6	.
Unemployment rate ²⁾	%	7.5	7.4	7.5	7.5	7.3	7.0	7.0	7.2	7.2	7.3	7.5	7.7	8.1	8.0	8.0	.
Labour productivity, industry ¹⁾	CCPY	13.2	12.1	10.1	10.4	9.2	9.3	9.9	10.0	9.5	9.6	9.3	9.2	6.5	10.2	7.4	.
Unit labour costs, exch.r.adj.(EUR) ¹⁾	CCPY	-3.4	-2.9	-0.3	2.7	4.0	4.4	5.0	4.8	5.3	5.3	5.1	4.5	0.5	-3.5	-2.2	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	HUF th	209.4	166.3	176.3	177.0	178.6	182.5	181.0	177.3	175.3	181.6	205.2	210.3	206.1	188.1	193.8	.
Total economy, gross ¹⁾	real, CMPY	-0.7	-2.8	-0.5	0.3	-1.0	1.3	1.5	-0.5	2.0	1.8	2.1	-2.9	-8.1	5.8	3.0	.
Total economy, gross ¹⁾	USD	1073	858	934	972	972	1006	946	961	1030	1185	1210	1184	1059	1157	.	.
Total economy, gross ¹⁾	EUR	825	656	706	720	719	729	733	695	692	724	806	831	805	718	745	.
Industry, gross ¹⁾	EUR	647	637	697	735	746	705	701	686	670	707	807	783	692	674	714	.
PRICES																	
Consumer	PM	1.2	1.2	0.8	0.5	0.8	0.4	0.0	0.0	0.7	0.8	0.6	0.4	1.0	1.1	0.6	0.3
Consumer	CMPY	7.8	8.8	9.0	8.8	8.5	8.6	8.4	8.3	6.4	6.7	7.1	7.4	7.1	6.9	6.7	6.6
Consumer	CCPY	7.8	8.3	8.5	8.6	8.6	8.6	8.5	8.5	8.3	8.1	8.0	8.0	7.1	7.0	6.9	6.8
Producer, in industry	PM	0.2	0.0	-0.6	-0.8	0.4	-0.2	0.4	1.1	-0.3	0.3	0.7	0.4	3.0	0.7	0.2	.
Producer, in industry	CMPY	4.3	4.2	2.0	0.1	0.4	-2.0	-2.8	-2.3	-2.7	-1.4	0.4	1.6	4.3	4.9	5.7	.
Producer, in industry	CCPY	4.3	4.3	3.5	2.7	2.2	1.5	0.9	0.5	0.1	0.0	0.0	0.2	4.3	4.6	5.0	.
RETAIL TRADE																	
Turnover	real, CMPY	1.3	-0.2	-0.9	-2.1	-3.6	-3.8	-3.2	-4.1	-5.3	-3.0	-4.3	-3.9	-3.0	-0.6	-0.7	.
Turnover	real, CCPY	1.3	0.6	0.0	-0.6	-1.2	-1.7	-2.0	-2.3	-2.7	-2.7	-2.9	-3.0	-3.0	-1.8	-1.4	.
FOREIGN TRADE³⁾⁴⁾																	
Exports total (fob), cumulated	EUR mn	5091	10348	16260	21506	27205	33139	38771	44118	50294	56802	63236	68471	5972	12156	.	.
Imports total (cif), cumulated	EUR mn	5308	10616	16415	21817	27492	33287	39054	44586	50539	57003	63368	68780	6046	12063	.	.
Trade balance, cumulated	EUR mn	-216	-268	-155	-312	-288	-148	-283	-467	-244	-202	-132	-309	-74	93	.	.
Exports to EU-27 (fob), cumulated	EUR mn	4167	8363	13008	17217	21722	26466	30941	35067	39960	45169	50155	53954	4616	9340	.	.
Imports from EU-27 (cif ⁵⁾ , cumulated	EUR mn	3689	7470	11691	15512	19616	23798	27842	31641	35703	40020	44367	47872	3933	8049	.	.
Trade balance with EU-27, cumulated	EUR mn	478	893	1317	1705	2106	2668	3099	3426	4258	5149	5788	6082	683	1291	.	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	.	.	-1111	.	.	-2626	.	.	-3947	.	.	-5060	.	.	.	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	195.2	193.9	188.7	182.1	183.8	186.7	180.0	187.3	182.4	176.3	173.1	173.9	174.1	177.7	167.6	161.0
HUF/EUR, monthly average	nominal	253.8	253.4	249.8	246.0	248.5	250.4	246.8	255.2	253.4	250.8	254.6	253.1	256.0	262.0	260.1	253.8
USD/HUF, calculated with CP ⁶⁾	real, Jan03=100	128.2	129.8	133.2	137.9	136.8	134.9	140.0	134.8	138.9	144.6	147.1	147.2	147.8	146.1	155.8	162.6
USD/HUF, calculated with PPI ⁶⁾	real, Jan03=100	111.7	110.6	111.2	113.0	111.1	108.9	112.6	111.0	112.9	116.4	116.2	116.7	118.6	116.0	123.2	.
EUR/HUF, calculated with CP ⁶⁾	real, Jan03=100	107.5	108.6	110.4	112.0	111.5	110.9	112.8	109.0	110.1	111.6	110.0	110.6	110.8	108.9	109.5	112.5
EUR/HUF, calculated with PPI ⁶⁾	real, Jan03=100	99.4	99.2	99.5	100.0	99.0	97.7	99.1	97.1	96.9	97.5	95.7	96.4	97.3	95.0	95.2	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁷⁾	HUF bn	1772.2	1769.0	1805.5	1820.6	1827.6	1861.4	1858.9	1907.3	1910.5	1924.3	2025.2	2068.0	2022.3	2038.7	2068.9	.
M1, end of period ⁷⁾	HUF bn	5588.0	5580.3	5614.2	5512.6	5537.2	5678.7	5688.5	5883.9	5859.6	5934.9	6050.5	6343.7	6205.9	6256.8	6419.3	.
Broad money, end of period ⁷⁾	HUF bn	12637.9	12611.6	12743.8	12705.8	12836.1	12999.0	13147.6	13393.4	13547.2	13820.3	13857.3	14176.4	14178.8	14656.3	14687.5	.
Broad money, end of period	CMPY	12.5	10.8	6.8	7.8	9.2	7.1	7.8	9.3	10.0	12.7	11.0	10.9	12.2	16.2	15.3	.
NBH base rate (p.a.),end of period	%	8.0	8.0	8.0	8.0	8.0	7.8	7.8	7.8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	8.0
NBH base rate (p.a.),end of period ⁸⁾	real, %	3.5	3.6	5.9	7.9	7.6	9.9	10.9	10.3	10.5	9.0	7.1	5.8	3.1	2.5	1.7	.
BUDGET																	
Central gov.budget balance _{cum.}	HUF bn	-247.8	-507.6	-772.2	-782.1	-904.2	-1144.0	-1142.1	-1247.1	-1430.4	-1473.5	-1485.6	-1470.8	-10.5	-261.0	-547.9	-551.6

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.

P O L A N D: Selected monthly data on the economic situation 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry ¹⁾	real, CMPY	15.5	13.0	11.3	12.5	8.1	5.6	10.4	8.9	5.4	10.8	8.4	6.4	10.6	15.0	1.0	14.9
Industry ¹⁾	real, CCPY	15.5	14.2	13.1	13.0	12.0	10.8	10.8	10.5	9.9	10.0	9.8	9.6	10.6	12.8	8.5	10.1
Industry ¹⁾	real, 3MMA	11.3	13.1	12.2	10.6	8.6	8.0	8.3	8.1	8.4	8.3	8.6	8.5	10.6	8.5	9.9	.
Construction ¹⁾	real, CMPY	60.7	56.6	39.1	36.8	16.4	3.7	18.5	14.4	0.2	4.3	10.9	13.0	6.7	20.6	16.2	23.0
LABOUR																	
Employees ¹⁾	th. persons	5048	5070	5089	5105	5116	5144	5160	5182	5192	5220	5233	5241	5348	5371	5384	5389
Employees in industry ¹⁾	th. persons	2530	2542	2552	2555	2556	2565	2571	2582	2584	2594	2597	2595	2625	2634	2638	.
Unemployment, end of period	th. persons	2365.8	2331.1	2232.5	2103.1	1985.1	1895.1	1856.1	1821.9	1777.8	1720.9	1719.4	1746.6	1813.4	1778.5	1702.2	.
Unemployment rate ²⁾	%	15.1	14.8	14.3	13.6	12.9	12.3	12.1	11.9	11.6	11.3	11.2	11.4	11.7	11.5	11.1	.
Labour productivity, industry ¹⁾	CCPY	12.2	10.7	9.5	9.3	8.3	7.2	7.1	6.8	6.2	6.3	6.1	5.9	6.6	8.8	4.8	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-4.1	-4.6	-2.5	-1.5	0.0	2.3	2.9	3.4	4.4	4.8	5.5	5.7	10.7	10.4	14.6	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	PLN	2664	2687	2853	2786	2777	2870	2894	2886	2859	2952	3092	3246	2970	3033	3144	3138
Total economy, gross ¹⁾	real, CMPY	6.3	4.8	6.7	6.3	6.8	6.9	7.1	9.0	7.3	8.2	8.6	3.5	7.3	8.4	6.0	.
Total economy, gross ¹⁾	USD	893	902	972	985	992	1010	1052	1031	1048	1133	1241	1311	1210	1248	1378	1436
Total economy, gross ¹⁾	EUR	687	690	734	730	734	754	768	757	754	797	846	901	823	847	889	911
Industry, gross ¹⁾	EUR	697	703	743	728	734	770	773	761	756	783	871	910	823	858	892	.
PRICES																	
Consumer	PM	0.4	0.3	0.5	0.5	0.5	0.0	-0.3	-0.4	0.8	0.6	0.7	0.3	0.7	0.4	0.4	0.4
Consumer	CMPY	1.6	1.9	2.5	2.3	2.3	2.6	2.3	1.5	2.3	3.0	3.6	4.0	4.0	4.2	4.1	4.0
Consumer	CCPY	1.6	1.8	2.0	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.3	2.5	4.0	4.1	4.3	4.3
Producer, in industry	PM	0.6	0.3	0.5	0.5	0.4	0.5	0.3	0.3	0.0	-0.3	-0.1	-0.7	1.2	0.6	0.2	0.1
Producer, in industry	CMPY	3.1	3.5	3.3	2.2	2.1	1.7	1.4	1.8	1.8	2.0	2.5	2.3	2.9	3.2	2.9	2.5
Producer, in industry	CCPY	3.1	3.4	3.1	2.9	2.7	2.5	2.4	2.3	2.2	2.2	2.2	2.2	2.9	3.1	3.0	2.9
RETAIL TRADE																	
Turnover ¹⁾	real, CMPY	16.3	16.9	17.7	13.6	13.4	14.3	15.0	16.1	12.2	16.3	15.1	8.1	16.1	19.2	11.7	14.0
Turnover ¹⁾	real, CCPY	16.3	16.6	17.4	16.7	16.0	15.6	15.1	15.2	14.6	14.4	14.6	14.0	16.1	17.3	16.0	14.8
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	7523	15057	23770	31678	40042	48371	56622	64833	73618	83463	92789	101461	9024	18387	28722	.
Imports total (cif), cumulated	EUR mn	8685	17105	27362	36684	46499	56358	66338	75404	85580	96996	107586	119118	10415	21217	33591	.
Trade balance, cumulated	EUR mn	-1162	-2049	-3592	-5007	-6456	-7987	-9716	-10571	-11962	-13533	-14797	-17657	-1390	-2831	-4869	.
Exports to EU-27 (fob), cumulated	EUR mn	6185	12227	19181	25444	31923	38500	44968	51300	58235	65908	73194	79881	7264	14473	21998	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	5658	11339	17972	23965	30308	36720	43228	48944	55299	62490	69118	76062	6446	13157	20325	.
Trade balance with EU-27, cumulated	EUR mn	528	889	1210	1479	1615	1780	1741	2356	2936	3418	4076	3819	818	1316	1673	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-923	-1656	-2474	-3161	-4407	-5913	-7165	-7741	-8287	-9445	-9540	-11516	-1105	-2271	-3876	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	2.984	2.980	2.936	2.828	2.800	2.840	2.750	2.798	2.729	2.604	2.491	2.475	2.454	2.431	2.282	2.185
PLN/EUR, monthly average	nominal	3.879	3.896	3.887	3.819	3.782	3.808	3.769	3.810	3.790	3.705	3.656	3.604	3.608	3.582	3.537	3.444
USD/PLN, calculated with CPI ⁶⁾	real, Jan03=100	124.9	124.7	126.1	130.7	131.8	129.7	133.5	131.0	135.0	142.0	148.4	150.0	151.6	153.3	164.0	171.9
USD/PLN, calculated with PPI ⁶⁾	real, Jan03=100	118.8	117.3	117.9	121.6	121.8	120.5	123.8	123.9	126.3	131.0	133.2	133.7	134.9	135.7	144.9	151.4
EUR/PLN, calculated with CPI ⁶⁾	real, Jan03=100	104.6	104.1	104.2	106.0	107.3	106.4	107.5	105.8	106.8	109.4	111.0	112.5	113.4	114.2	115.2	118.7
EUR/PLN, calculated with PPI ⁶⁾	real, Jan03=100	105.6	105.1	105.3	107.4	108.5	107.9	108.9	108.2	108.2	109.5	109.7	110.3	110.4	111.1	111.9	115.0
DOMESTIC FINANCE																	
Currency in circulation, end of period	PLN bn	67.6	68.6	70.2	72.0	71.5	73.4	73.7	75.1	75.8	75.6	75.5	77.2	75.5	76.1	77.8	80.0
M1, end of period ⁷⁾	PLN bn	277.4	284.7	286.5	285.4	293.1	295.9	303.2	301.1	309.7	302.7	313.4	335.3	330.4	328.7	338.0	327.1
Broad money, end of period ⁷⁾	PLN bn	503.6	509.4	512.0	517.0	521.2	521.4	527.7	538.0	537.3	541.9	549.0	561.7	568.6	578.0	581.8	594.3
Broad money, end of period	CMPY	19.3	18.0	18.0	17.8	16.0	14.7	15.6	16.1	14.4	13.8	13.6	13.4	12.9	13.5	13.6	15.0
Discount rate (p.a.), end of period	%	4.3	4.3	4.3	4.5	4.5	4.8	4.8	5.0	5.0	5.0	5.3	5.3	5.3	5.8	6.0	6.0
Discount rate (p.a.), end of period ⁸⁾	real, %	1.1	0.7	0.9	2.3	2.4	3.0	3.3	3.1	3.1	2.9	2.7	2.9	2.3	2.5	3.0	3.4
BUDGET																	
Central gov. budget balance, cum.	PLN mn	3144	-2992	-5177	-2091	-4297	-3647	541	304	179	-4404	-6025	-16922	4407	-137	3105	.

1) Enterprises employing more than 9 persons.

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

5) According to country of origin.

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

7) Revised according to ECB monetary standards.

8) Deflated with annual PPI.

ROMANIA: Selected monthly data on the economic situation 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	4.7	10.0	8.2	2.4	6.8	4.6	7.1	5.0	3.2	5.8	4.5	2.6	6.0	7.6	2.9	.
Industry, total ¹⁾	real, CCPY	4.7	7.3	7.6	6.3	6.4	6.1	6.3	6.1	5.8	5.8	5.6	5.4	6.0	6.8	5.4	.
Industry, total ¹⁾	real, 3MMA	6.2	7.6	6.8	5.9	4.7	6.2	5.6	5.1	4.7	4.5	4.4	4.4	5.4	5.4	.	.
Construction, total	real, CCPY	27.2	29.1	29.8	32.5	31.8	31.4	31.7	32.8	33.5	34.2	33.6	33.6	29.7	31.6	32.2	.
LABOUR																	
Employees total ¹⁾	th. persons	4647.0	4671.3	4707.1	4715.0	4733.8	4742.8	4749.2	4746.1	4743.7	4741.3	4734.4	4717.2	4765.2	4775.5	4803.6	.
Employees in industry ¹⁾	th. persons	1598.0	1607.4	1613.5	1607.7	1603.1	1595.7	1589.7	1583.4	1574.5	1567.8	1559.9	1547.2	1560.8	1554.1	1558.4	.
Unemployment, end of period	th. persons	477.3	459.0	433.0	400.3	369.8	354.7	343.2	350.4	345.0	367.4	372.0	367.8	384.0	379.8	374.0	.
Unemployment rate ²⁾	%	5.3	5.1	4.8	4.5	4.1	4.0	3.8	3.9	3.9	4.1	4.2	4.1	4.3	4.3	4.2	.
Labour productivity, industry ¹⁾	CCPY	10.1	12.6	12.8	11.2	11.3	10.8	10.9	10.7	10.3	10.4	10.2	9.9	8.8	9.9	8.7	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	15.7	13.3	12.8	14.9	15.1	16.2	17.4	17.9	17.8	17.8	17.3	16.8	3.0	1.6	0.0	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	RON	1232.0	1264.0	1364.0	1387.0	1361.0	1377.0	1402.0	1395.0	1411.0	1471.0	1522.0	1730.0	1637.0	1543.0	1623.0	.
Total economy, gross ¹⁾	real, CMPY	7.7	19.7	19.5	19.3	18.2	19.3	20.2	18.5	15.9	19.2	17.6	9.6	23.9	13.1	9.5	.
Total economy, gross ¹⁾	USD	471	488	536	562	560	573	614	589	586	624	643	713	652	623	677	.
Total economy, gross ¹⁾	EUR	363	374	405	416	414	427	447	433	422	439	439	490	443	422	436	.
Industry, gross ¹⁾	EUR	334	343	381	389	388	397	425	416	397	410	399	440	374	381	394	.
PRICES																	
Consumer	PM	0.2	0.0	0.1	0.5	0.6	0.1	0.3	0.9	1.1	1.0	0.9	0.6	0.9	0.7	0.7	0.5
Consumer	CMPY	4.0	3.8	3.7	3.8	3.8	3.8	4.0	5.0	6.0	6.8	6.7	6.6	7.3	8.0	8.6	8.6
Consumer	CCPY	4.0	3.9	3.8	3.8	3.8	3.8	3.8	4.0	4.2	4.5	4.7	4.8	7.3	7.6	8.0	8.1
Producer, in industry	PM	0.1	0.0	0.9	1.2	0.5	-0.1	0.2	1.2	1.2	1.6	1.9	1.6	2.3	1.4	1.7	.
Producer, in industry	CMPY	10.0	8.8	9.4	8.7	7.6	6.4	5.7	5.6	7.0	8.2	9.2	10.5	13.0	14.7	15.6	.
Producer, in industry	CCPY	10.0	9.4	9.4	9.2	8.9	8.5	8.0	7.7	7.6	7.7	7.8	8.1	13.0	13.9	14.4	.
RETAIL TRADE																	
Turnover	real, CMPY	0.6	-3.7	14.7	13.0	11.8	15.5	23.8	33.2	31.9	17.1	19.2	20.1	13.2	24.4	11.2	.
Turnover	real, CCPY	0.6	-1.6	4.1	6.4	7.6	8.9	11.1	14.2	16.2	16.3	16.5	17.0	13.2	18.8	15.9	.
FOREIGN TRADE³⁾																	
Exports total (fob), cumulated	EUR mn	2076	4388	7019	9208	11679	14183	16824	19065	21554	24375	27139	29402	2465	5268	7965	.
Imports total (cif), cumulated	EUR mn	3453	7168	11412	15243	19588	23884	28328	32378	36562	41592	46611	50993	3875	8194	12815	.
Trade balance, cumulated	EUR mn	-1378	-2780	-4394	-6036	-7909	-9701	-11504	-13313	-15009	-17216	-19471	-21591	-1409	-2925	-4850	.
Exports to EU-27 (fob), cumulated	EUR mn	1524	3178	5083	6624	8424	10271	12178	13717	15530	17574	19584	21139	1765	3744	5611	.
Imports from EU-27 (cif), cumulated	EUR mn	2414	5075	8124	10920	14007	17120	20286	23050	26020	29665	33247	36261	2658	6977	11598	.
Trade balance with EU-27, cumulated	EUR mn	-890	-1897	-3041	-4297	-5583	-6849	-8108	-9333	-10490	-12091	-13663	-15122	-893	-3233	-5987	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-972	-2246	-3173	-4856	-6149	-7357	-8469	-9889	-11192	-12974	-14976	-16950	-1164	-2282	-3519	.
EXCHANGE RATE																	
RON/USD, monthly average	nominal	2.613	2.588	2.545	2.469	2.431	2.405	2.285	2.367	2.409	2.357	2.365	2.425	2.512	2.477	2.397	2.310
RON/EUR, monthly average	nominal	3.394	3.382	3.369	3.335	3.285	3.226	3.134	3.224	3.347	3.352	3.471	3.529	3.693	3.653	3.722	3.643
USD/RON, calculated with CPI ⁶⁾	real, Jan03=100	161.5	162.2	163.6	168.5	171.0	172.7	182.4	177.9	176.1	181.4	181.2	178.1	172.5	175.8	182.9	190.7
USD/RON, calculated with PPI ⁶⁾	real, Jan03=100	174.8	173.6	175.4	180.8	182.3	183.8	192.3	190.6	188.4	194.2	192.0	191.0	186.5	190.1	199.7	.
EUR/RON, calculated with CPI ⁶⁾	real, Jan03=100	135.8	135.9	135.7	137.0	139.6	142.2	147.2	144.2	139.8	140.2	136.0	134.1	129.5	131.3	128.7	132.1
EUR/RON, calculated with PPI ⁶⁾	real, Jan03=100	156.1	155.9	157.1	160.1	162.9	165.1	169.6	167.0	161.8	162.9	158.6	158.2	153.2	156.0	154.5	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁹⁾	RON mn	13491	14163	14986	15463	15906	17305	18016	18358	18907	18434	19700	21317	20732	21154	21559	.
M1, end of period ⁹⁾	RON mn	51639	52281	54754	55231	56715	59728	63371	65127	66667	68156	72824	79789	79155	81654	82823	.
Broad money, end of period ⁹⁾	RON mn	106626	109615	112697	113135	112827	116276	120041	124458	126679	128873	136171	147990	147531	149762	152053	.
Broad money, end of period	CMPY	24.3	27.7	28.8	28.5	23.0	22.4	25.5	27.0	28.2	28.8	34.6	33.5	38.4	36.6	34.9	.
Discount rate (p.a.), end of period ⁷⁾	%	8.8	8.8	8.1	8.0	7.5	7.3	7.3	6.1	6.5	6.9	7.0	7.5	7.5	8.0	9.0	9.0
Discount rate (p.a.), end of period ^{7a)}	real, %	-1.2	-0.1	-1.2	-0.6	-0.1	0.8	1.5	0.5	-0.5	-1.2	-2.0	-2.7	-4.9	-5.8	-5.7	.
BUDGET																	
Central gov. budget balance, cum.	RON mn	200	-2459	-4223	-2769	-3288	-4336	-3558	-4301	-5263	-6393	-11000	-15389	-222	-2234	-4141	.

1) Enterprises with more than 3 employees.

2) Ratio of unemployed to economically active population as of December of previous year.

3) Cumulation starting January and ending December each year.

4) From January 2007 country of dispatch (country of origin before).

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

6) According to ECB methodology.

7) Reference rate of RNB.

8) Deflated with annual PPI.

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	18.6	15.3	12.0	15.8	16.6	10.0	18.3	5.0	12.8	14.0	13.3	5.2	8.8	14.0	-1.4	.
Industry, total	real, CCPY	18.6	17.0	15.1	15.3	15.6	14.6	15.1	13.8	13.7	13.7	13.0	13.0	8.8	11.3	6.8	.
Industry, total	real, 3MMA	13.7	15.1	14.3	14.7	14.0	14.8	11.0	11.9	10.8	13.4	11.1	9.2	9.4	6.8	.	.
Construction, total	real, CMPY	24.0	25.2	16.1	14.5	6.0	1.7	4.7	-1.6	5.3	0.1	-2.2	-1.2	14.1	13.5	7.8	.
LABOUR																	
Employment in industry	th. persons	580.7	584.9	591.3	584.0	584.6	587.4	583.8	585.3	585.9	586.2	589.4	584.1	595.5	597.1	599.0	.
Unemployment, end of period	th. persons	279.0	273.5	264.5	253.3	247.4	246.3	245.9	242.0	245.3	238.4	235.7	239.9	242.4	237.0	229.6	.
Unemployment rate ¹⁾	%	9.5	9.2	8.9	8.5	8.3	8.3	8.3	8.2	8.3	7.9	7.8	8.0	8.1	7.8	7.6	.
Labour productivity, industry	CCPY	13.6	11.8	9.7	10.2	10.9	10.2	11.0	10.0	10.1	10.4	10.4	9.9	6.1	8.8	4.7	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	3.4	5.2	7.6	7.5	7.2	7.4	7.3	8.2	7.9	7.4	7.0	6.7	5.5	4.0	7.4	.
WAGES, SALARIES																	
Industry, gross	SKK	19317	18759	19727	19483	20838	20649	20508	20159	19901	21270	24706	22620	20877	20589	21378	.
Industry, gross	real, CMPY	5.6	5.7	4.6	4.8	5.1	1.7	4.6	3.8	2.3	2.1	3.0	1.2	4.1	5.6	4.0	.
Industry, gross	USD	724	710	771	786	835	814	844	818	816	899	1091	989	916	915	1019	.
Industry, gross	EUR	556	543	583	582	618	607	615	600	588	632	743	678	622	621	658	.
PRICES																	
Consumer	PM	1.0	0.2	0.0	0.2	0.0	0.3	0.0	0.1	0.2	0.6	0.5	0.3	1.3	0.4	0.3	0.2
Consumer	CMPY	3.0	2.7	2.7	2.7	2.3	2.5	2.3	2.3	2.8	3.3	3.1	3.4	3.8	4.0	4.2	4.3
Consumer	CCPY	3.0	2.8	2.8	2.7	2.7	2.6	2.6	2.6	2.6	2.7	2.7	2.8	3.8	3.9	4.0	4.1
Producer, in industry	PM	-0.5	1.8	0.0	-0.3	-0.1	0.3	0.5	-0.2	0.5	0.3	0.6	0.0	1.0	2.4	0.2	.
Producer, in industry	CMPY	3.4	3.8	3.1	2.2	1.3	1.3	1.3	0.5	1.6	1.8	2.0	2.8	4.4	5.1	5.3	.
Producer, in industry	CCPY	3.4	3.6	3.4	3.1	2.7	2.5	2.3	2.1	2.0	2.0	2.0	2.1	4.4	4.7	4.9	.
RETAIL TRADE²⁾																	
Turnover	real, CMPY	0.9	4.6	6.0	6.2	9.7	7.5	5.9	5.1	1.9	4.8	4.7	7.7	15.6	16.6	10.5	.
Turnover	real, CCPY	0.9	2.8	3.8	4.4	5.5	5.8	5.8	5.7	5.3	5.3	5.2	5.5	15.6	16.1	14.2	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	3142	6230	9746	13048	16647	20097	23527	26750	30401	34639	38811	42065	3744	7738	11556	.
Imports total (fob), cumulated	EUR mn	2950	6050	9606	12885	16578	20162	23638	27032	30576	34792	39101	42699	3557	7393	11241	.
Trade balance, cumulated	EUR mn	193	180	140	162	69	-65	-111	-283	-175	-153	-290	-633	187	345	315	.
Exports to EU-27 (fob), cumulated	EUR mn	2757	5449	8526	11403	14545	17557	20528	23311	26468	30095	33718	36458	3246	6642	.	.
Imports from EU-27 (fob) ⁵⁾ , cumulated	EUR mn	2023	4256	6798	9087	11671	14215	16628	18894	21299	24182	27089	29411	2329	4934	.	.
Trade balance with EU-27, cumulated	EUR mn	734	1193	1728	2316	2874	3342	3900	4417	5169	5913	6628	7047	916	1708	.	.
FOREIGN FINANCE																	
Current account, cumulated ³⁾	EUR mn	161	114	-3	-12	-386	-962	-1510	-1651	-1760	-2197	-2616	-2923	-33	231	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	26.7	26.4	25.6	24.8	25.0	25.4	24.3	24.6	24.4	23.7	22.6	22.9	22.8	22.5	21.0	20.5
SKK/EUR, monthly average	nominal	34.7	34.5	33.9	33.5	33.7	34.0	33.3	33.6	33.8	33.6	33.2	33.4	33.5	33.1	32.5	32.4
USD/SKK, calculated with CPI ⁶⁾	real, Jan03=100	157.8	158.8	162.6	167.1	164.9	162.4	169.4	167.6	169.3	175.0	182.6	181.4	183.5	186.4	200.5	205.0
USD/SKK, calculated with PPI ⁶⁾	real, Jan03=100	145.9	147.4	150.1	152.6	149.6	147.4	153.3	153.2	154.7	158.7	162.6	161.5	161.8	166.4	178.8	.
EUR/SKK, calculated with CPI ⁶⁾	real, Jan03=100	132.2	132.7	134.5	135.6	134.2	133.3	136.4	135.4	134.2	135.0	136.6	136.0	137.3	138.9	140.9	141.7
EUR/SKK, calculated with PPI ⁶⁾	real, Jan03=100	129.6	132.2	134.0	134.9	133.3	132.0	134.9	133.8	132.7	132.9	133.9	133.1	132.5	136.3	138.3	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁷⁾	SKK bn	129.4	129.4	130.8	131.2	132.4	134.6	134.3	135.6	137.7	137.6	138.6	141.7	140.3	138.3	136.8	.
M1, end of period ⁷⁾	SKK bn	536.8	547.0	550.0	536.9	558.7	564.3	568.5	568.6	572.7	558.8	583.2	622.6	589.8	594.8	590.5	.
Broad money, end of period ⁷⁾	SKK bn	961.1	974.0	981.0	989.6	1009.3	1026.6	1008.5	1029.3	1039.4	1039.6	1041.0	1082.4	1082.3	1093.1	1084.6	.
Broad money, end of period	CMPY	16.5	16.8	16.7	16.4	18.6	19.2	15.7	15.3	16.2	14.0	12.3	12.9	12.6	12.2	10.6	.
Discount rate (p.a.), end of period ⁸⁾	%	4.8	4.8	4.5	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Discount rate (p.a.), end of period ^{8,9)}	real, %	1.3	0.9	1.4	2.0	2.9	3.0	2.9	3.7	2.6	2.4	2.2	1.4	-0.1	-0.8	-1.0	.
BUDGET																	
Central gov. budget balance, cum.	SKK mn	2929	-8529	-11889	-1517	-13050	-10999	3857	402	-614	6888	5449	-23528	13033	1555	3426	.

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) According to country of origin.

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

7) According to ECB methodology.

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

9) Deflated with annual PPI.

S L O V E N I A: Selected monthly data on the economic situation 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	8.0	9.2	8.9	13.0	3.5	6.0	9.1	8.5	1.8	10.3	1.9	-0.3	0.6	8.1	-2.8	.
Industry, total	real, CCPY	8.0	8.6	8.7	9.8	8.4	8.0	8.1	8.2	7.4	7.7	7.1	6.5	0.6	4.3	1.7	.
Industry, total	real, 3MMA	6.8	8.7	10.3	8.3	7.3	6.2	7.8	6.3	6.8	4.7	4.1	0.8	2.8	1.7	.	.
Construction, total ¹⁾	real, CMPY	37.4	30.9	38.1	34.7	48.6	17.4	20.0	31.6	4.1	10.0	7.4	-11.8	38.7	41.3	22.5	.
LABOUR																	
Employment total	th. persons	838.0	841.5	845.8	849.0	852.9	856.2	854.4	854.6	859.4	864.5	867.4	864.4	867.3	870.9	874.2	.
Employees in industry	th. persons	236.4	237.0	237.3	237.5	237.8	237.9	237.4	236.8	237.1	238.2	238.4	237.1	237.1	237.6	.	.
Unemployment, end of period	th. persons	80.0	77.7	74.2	72.6	70.7	69.3	70.1	68.5	66.7	69.5	68.4	68.4	69.2	67.0	64.3	.
Unemployment rate ²⁾	%	8.7	8.4	8.1	7.9	7.7	7.5	7.6	7.4	7.2	7.4	7.3	7.3	7.4	7.1	6.9	.
Labour productivity, industry	CCPY	8.0	8.3	8.3	9.3	8.0	7.5	7.7	7.7	6.9	7.3	6.7	6.1	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-0.5	-1.9	-2.6	-3.2	-2.0	-1.7	-1.7	-1.6	-0.9	-1.0	-0.2	0.5	.	.	.	.
WAGES, SALARIES																	
Total economy, gross	EUR	1250	1213	1252	1237	1264	1254	1263	1279	1259	1304	1492	1343	1326	1326	1353	.
Total economy, gross	real, CMPY	3.6	2.6	2.7	3.3	2.8	1.5	3.0	2.1	1.4	1.4	1.3	0.8	-0.3	2.6	1.1	.
Total economy, gross	USD	1625	1586	1658	1672	1707	1683	1732	1743	1750	1855	2190	1957	1952	1955	2101	.
Industry, gross	EUR	1140	1072	1125	1096	1123	1125	1118	1161	1124	1184	1406	1207	1211	1181	.	.
PRICES																	
Consumer	PM	-0.7	-0.2	1.0	1.1	1.2	0.4	0.0	0.3	0.4	0.7	0.9	0.4	0.1	0.0	1.3	0.8
Consumer	CMPY	2.7	2.1	2.3	2.6	2.9	3.6	3.8	3.5	3.5	5.1	5.7	5.6	6.4	6.5	6.9	6.5
Consumer	CCPY	2.7	2.4	2.4	2.4	2.5	2.7	2.9	2.9	3.0	3.2	3.4	3.6	6.4	6.4	6.6	6.6
Producer, in industry	PM	0.6	2.1	0.3	0.2	0.3	0.3	0.1	4.0	1.1	0.6	0.4	0.1	0.8	1.3	0.5	0.7
Producer, in industry	CMPY	3.5	5.1	5.0	4.9	5.1	5.2	5.2	5.3	5.8	6.3	6.8	6.3	6.5	5.6	5.7	6.1
Producer, in industry	CCPY	3.5	4.3	4.5	4.6	4.7	4.8	4.9	4.9	5.0	5.1	5.3	5.4	6.5	6.0	5.9	6.0
RETAIL TRADE																	
Turnover	real, CMPY	1.9	6.0	9.5	8.8	9.5	6.5	10.6	12.8	13.4	16.8	11.7	7.1	18.8	25.5	.	.
Turnover	real, CCPY	1.9	3.9	6.0	6.7	7.3	7.2	7.7	8.3	8.9	9.8	9.9	9.7	18.8	22.2	.	.
FOREIGN TRADE³⁾⁴⁾																	
Exports total (fob), cumulated	EUR mn	1449	2939	4711	6261	7934	9613	11315	12754	14429	16248	17993	19385	1596	3277	4992	.
Imports total (cif), cumulated	EUR mn	1563	3165	5051	6775	8654	10449	12278	13856	15764	17804	19780	21487	1814	3663	5577	.
Trade balance total, cumulated	EUR mn	-114	-226	-341	-515	-720	-836	-962	-1101	-1335	-1557	-1787	-2102	-218	-385	-585	.
Exports to EU-27 (fob), cumulated	EUR mn	1084	2171	3418	4511	5683	6861	8062	9053	10210	11486	12719	13687	1194	2377	3560	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	1237	2506	4003	5347	6813	8193	9658	10888	12325	13935	15521	16959	1399	2871	4372	.
Trade balance with EU-27, cumulated	EUR mn	-153	-335	-584	-836	-1130	-1332	-1595	-1835	-2115	-2450	-2803	-3272	-205	-494	-812	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-34	-197	-260	-367	-493	-491	-584	-638	-848	-1055	-1300	-1641	-250	-446	-621	.
EXCHANGE RATE⁶⁾																	
EUR/USD, monthly average ⁷⁾	nominal	0.7693	0.7649	0.7552	0.7399	0.7401	0.7452	0.7291	0.7341	0.7196	0.7029	0.6810	0.6863	0.6794	0.6781	0.6440	0.6349
EUR/EUR, monthly average	nominal	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
USD/EUR, calculated with CPP ⁸⁾	real, Jan03=100	118.3	118.1	119.7	122.8	123.4	122.8	125.5	125.2	127.9	131.6	136.1	135.7	136.5	136.5	145.6	148.9
USD/EUR, calculated with PPP ⁸⁾	real, Jan03=100	109.5	110.6	110.6	111.8	110.8	110.1	111.8	117.2	120.2	122.9	124.0	123.7	124.5	125.2	132.5	135.3
EUR/EUR, calculated with CPP ⁸⁾	real, Jan03=100	99.1	98.6	98.9	99.5	100.4	100.7	100.9	101.1	101.2	101.3	101.7	101.7	102.1	101.6	102.1	102.9
EUR/EUR, calculated with PPP ⁸⁾	real, Jan03=100	97.3	99.0	98.7	98.7	98.7	98.5	98.3	102.4	102.9	102.7	102.1	102.0	101.8	102.4	102.2	102.9
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁹⁾	EUR mn	2340	2420	2500	2487	2536	2575	2597	2584	2599	2587	2625	2947	2781	2794	2824	.
M1, end of period ⁹⁾	EUR mn	6993	6955	6948	6974	7146	7287	7355	7240	7257	7028	6871	7149	7168	6862	7071	.
Broad money, end of period ⁹⁾	EUR mn	15412	15276	15451	15422	15764	16073	16447	16552	16598	16686	15900	16595	16557	16426	16456	.
Broad money, end of period	CMPY	4.4	2.8	2.6	3.2	4.0	5.3	7.5	8.5	6.9	8.1	2.5	5.0	7.4	7.5	6.5	.
Refinancing rate (p.a.), end of period ¹⁰⁾	%	3.50	3.50	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Refinancing rate (p.a.), end of period ¹¹⁾	real, %	0.0	-1.5	-1.2	-1.1	-1.3	-1.1	-1.1	-1.2	-1.7	-2.2	-2.6	-2.2	-2.3	-1.5	-1.6	-2.0
BUDGET																	
General gov. budget balance, cum.	EUR mn	76.9	-73.1	-138.0	93.2	23.3	-76.6	11.4	143.8	112.6	295.8	369.3	90.7	105.5	64.8	.	.

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) Slovenia has introduced the Euro from 1 January 2007.

7) From January 2007 reference rate from ECB.

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

9) According to ECB methodology.

10) From January 2007 ECB interest rate.

11) Deflated with annual PPI.

C R O A T I A: Selected monthly data on the economic situation 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	9.1	5.8	9.0	9.4	7.7	4.4	8.5	2.8	2.0	5.4	2.5	1.5	6.7	8.2	0.1	6.9
Industry, total ¹⁾	real, CCPY	9.1	7.4	8.0	8.3	8.2	7.5	7.7	7.0	6.4	6.3	6.0	5.6	6.7	7.5	4.8	5.3
Industry, total ¹⁾	real, 3MMA	5.8	8.0	8.1	8.7	7.1	6.9	5.3	4.5	3.4	3.3	3.1	3.4	5.3	4.8	4.9	.
Construction, total, effect. work. time ¹⁾	real, CMPY	13.7	7.7	0.1	2.6	1.2	-3.8	3.5	2.7	-1.0	4.1	0.0	2.1	10.6	15.0	.	.
LABOUR																	
Employment total	th. persons	1416.5	1455.5	1461.1	1470.5	1484.5	1498.9	1510.9	1511.0	1503.2	1495.2	1491.1	1481.0	1506.1	1504.1	1511.4	.
Employees in industry	th. persons	284.0	292.6	293.3	293.2	295.8	294.0	293.9	294.1	294.3	294.6	294.7	291.8	290.6	290.6	291.0	.
Unemployment, end of period	th. persons	299.1	298.8	291.6	278.4	263.4	249.5	245.8	242.9	246.2	250.1	253.2	254.5	261.1	260.1	255.5	245.2
Unemployment rate ²⁾	%	17.4	17.0	16.6	15.9	15.1	14.3	14.0	13.8	14.1	14.3	14.5	14.7	14.8	14.7	14.5	14.0
Labour productivity, industry ¹⁾	CCPY	9.5	7.5	7.8	8.1	7.8	7.1	7.2	6.5	5.9	5.9	5.5	5.2	7.3	8.2	5.6	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-0.7	-0.9	-1.7	-1.9	-2.2	-2.0	-1.8	-1.2	-0.6	-0.1	-0.1	0.1	0.6	2.6	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	6850	6739	6973	6901	7102	7065	7067	7089	6890	7096	7521	7255	7357	7340	.	.
Total economy, gross	real, CMPY	5.4	5.3	3.0	4.4	2.5	3.7	5.7	3.6	1.6	3.2	1.3	-0.1	1.1	2.9	.	.
Total economy, gross	USD	1210	1195	1254	1259	1310	1292	1328	1321	1306	1378	1503	1444	1475	1488	.	.
Total economy, gross	EUR	930	915	948	933	969	964	969	970	942	969	1025	992	1004	1010	.	.
Industry, gross	EUR	864	830	892	857	896	897	896	902	874	914	958	901	933	948	.	.
PRICES																	
Consumer	PM	0.3	0.3	0.6	0.7	0.5	-0.4	-0.6	0.6	1.2	0.3	1.0	1.2	0.7	-0.1	0.6	0.7
Consumer	CMPY	1.8	1.2	1.8	2.3	2.2	1.9	2.1	2.6	3.9	4.3	4.6	5.8	6.2	5.8	5.7	5.7
Consumer	CCPY	1.8	1.5	1.6	1.8	1.9	1.9	1.9	2.0	2.2	2.4	2.6	2.9	6.2	6.0	5.9	5.9
Producer, in industry	PM	0.8	0.2	0.6	0.4	0.4	0.4	0.2	0.8	0.6	0.4	0.6	0.4	2.3	0.3	0.8	0.4
Producer, in industry	CMPY	2.2	1.7	2.0	2.3	2.3	2.9	3.0	3.6	4.5	4.9	5.4	5.8	7.4	7.5	7.6	7.7
Producer, in industry	CCPY	2.2	1.9	1.9	2.0	2.1	2.3	2.3	2.5	2.7	3.0	3.2	3.4	7.4	7.5	7.6	7.5
RETAIL TRADE																	
Turnover	real, CMPY	7.8	7.2	8.2	7.1	6.2	4.1	6.0	10.7	-1.1	4.6	3.0	-0.2	2.2	7.1	-0.3	.
Turnover	real, CCPY	7.8	7.4	7.7	7.5	7.3	6.8	6.6	7.1	6.2	6.1	5.8	5.3	2.2	4.7	2.8	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	586	1282	2010	2736	3505	4275	5156	5825	6575	7483	8267	9000	701	1463	2175	.
Imports total (cif), cumulated	EUR mn	1195	2635	4270	6678	8419	9974	11690	13169	14680	16506	18150	19644	1522	3158	4845	.
Trade balance, cumulated	EUR mn	-608	-1353	-2261	-3942	-4914	-5699	-6534	-7344	-8105	-9023	-9882	-10644	-821	-1695	-2670	.
Exports to EU-27 (fob), cumulated	EUR mn	350	791	1241	1653	2158	2618	3142	3519	3990	4558	5036	5429	434	889	1360	.
Imports from EU-27 (cif), cumulated	EUR mn	753	1684	2772	3836	4987	6020	7198	8113	9093	10211	11250	12201	882	1904	3056	.
Trade balance with EU-27, cumulated	EUR mn	-403	-893	-1531	-2183	-2829	-3403	-4056	-4594	-5102	-5653	-6213	-6772	-448	-1014	-1696	.
FOREIGN FINANCE																	
Current account, cumulated ⁵⁾	EUR mn	.	.	-2021	.	.	-3402	.	.	-1315	.	.	-3206	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	5.663	5.640	5.559	5.482	5.423	5.468	5.322	5.367	5.275	5.149	5.005	5.023	4.987	4.933	4.689	4.606
HRK/EUR, monthly average	nominal	7.367	7.363	7.357	7.396	7.330	7.329	7.292	7.312	7.313	7.321	7.340	7.315	7.327	7.267	7.267	7.266
USD/HRK, calculated with CPI ⁶⁾	real, Jan03=100	123.8	124.0	125.4	127.3	128.4	126.6	129.3	129.2	132.6	136.0	140.4	141.7	143.0	144.1	152.5	156.3
USD/HRK, calculated with PPI ⁶⁾	real, Jan03=100	114.4	113.1	113.8	114.4	114.8	114.1	116.5	118.2	120.3	122.8	123.8	124.4	126.6	127.2	134.9	137.9
EUR/HRK, calculated with CPI ⁶⁾	real, Jan03=100	103.5	103.5	103.6	103.2	104.3	103.8	104.0	104.2	105.0	104.7	104.9	106.1	106.9	107.2	107.0	107.8
EUR/HRK, calculated with PPI ⁶⁾	real, Jan03=100	101.4	101.3	101.4	101.0	102.0	102.0	102.4	103.1	103.1	102.6	101.9	102.4	103.6	104.0	104.1	104.5
DOMESTIC FINANCE																	
M0, end of period	HRK bn	13.9	14.0	14.4	14.7	14.9	16.1	16.8	16.5	15.6	15.5	15.9	16.0	15.3	15.2	15.3	.
M1, end of period	HRK bn	46.0	46.1	46.8	47.9	48.7	51.6	54.1	53.7	49.9	53.2	54.2	57.9	52.2	51.2	52.8	.
Broad money, end of period	HRK bn	183.0	182.7	185.0	187.1	189.6	194.4	201.3	207.4	197.7	204.4	207.6	215.5	208.4	209.6	211.6	.
Broad money, end of period	CMPY	20.4	20.4	20.5	20.6	19.9	19.2	18.2	19.0	11.9	13.2	15.6	18.1	13.9	14.7	14.4	.
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	9.0	9.0	9.0	9.0	9.0
Discount rate (p.a.), end of period ⁷⁾	real, %	2.3	2.8	2.5	2.2	2.2	1.6	1.5	0.9	0.0	-0.4	-0.9	3.0	1.5	1.4	1.3	1.2
BUDGET																	
Central gov. budget balance, cum. ⁸⁾	HRK mn	481	-357	-1504	87	471	560	723	435	805	327	-900	-3500	.	.	.	.

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 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	7.6	6.5	7.7	6.0	5.6	9.7	10.4	3.6	2.8	6.0	5.2	5.7	4.5	7.5	6.6	9.2
Industry, total ¹⁾	real, CCPY	7.6	7.1	7.3	7.0	6.7	7.2	7.7	7.1	6.6	6.6	6.4	6.4	4.5	6.0	6.2	6.9
Industry, total ¹⁾	real, 3MMA	6.8	7.3	6.8	6.5	7.1	8.6	7.8	5.5	4.1	4.7	5.6	5.2	5.9	6.2	7.7	.
Construction, total	real, CMPY	24.1	16.0	13.5	20.5	23.4	20.8	19.4	14.5	13.6	14.1	12.9	25.8	30.3	30.0	27.0	21.8
LABOUR²⁾																	
Employment total	th. persons	69141	69212	69723	70133	70644	71008	71272	71636	71342	71048	70754	70600	70346	70091	70261	70131
Unemployment, end of period	th. persons	5259	5388	5077	4767	4456	4392	4328	4264	4258	4252	4246	4600	4954	5309	5139	4969
Unemployment rate	%	7.1	7.2	6.8	6.4	5.9	5.8	5.7	5.6	5.6	5.7	5.7	6.1	6.6	7.0	6.8	6.6
WAGES, SALARIES																	
Total economy, gross	RUB	11430	11757	12448	12494	12787	13712	13546	13270	13677	13986	14656	18591	14771	15354	16172	16253
Total economy, gross	real, CMPY	17.1	18.0	16.9	18.0	15.7	13.9	14.5	12.6	12.4	14.2	16.2	16.5	14.8	15.9	14.6	13.9
Total economy, gross	USD	431	446	477	484	495	529	530	518	540	562	599	757	603	626	681	691
Total economy, gross	EUR	332	342	360	358	366	394	387	380	389	395	408	520	410	425	440	439
Industry, gross ³⁾	EUR	325	325	344	349	348	366	378	382	375	389	389	454	392	397	414	.
PRICES																	
Consumer	PM	1.7	1.1	0.6	0.6	0.6	0.9	0.9	0.1	0.8	1.7	1.2	1.1	2.3	1.2	1.2	1.4
Consumer	CMPY	8.2	7.6	7.4	7.6	7.8	8.4	8.7	8.6	9.4	10.8	11.5	11.9	12.6	12.7	13.3	14.3
Consumer	CCPY	8.2	7.9	7.7	7.7	7.7	7.8	8.0	8.0	8.2	8.5	8.7	9.0	12.6	12.6	12.9	13.2
Producer, in industry	PM	1.9	-0.1	0.0	4.3	5.3	2.5	0.7	2.1	-0.6	-0.1	3.1	3.7	1.6	0.7	0.7	4.5
Producer, in industry	CMPY	11.9	8.2	5.9	9.9	13.7	15.6	14.5	14.3	12.1	15.2	21.8	25.1	24.7	25.7	26.7	26.9
Producer, in industry	CCPY	11.9	10.0	8.6	8.9	9.9	10.9	11.4	11.8	11.9	12.2	13.1	14.1	24.7	25.2	25.7	26.0
RETAIL TRADE																	
Turnover ⁴⁾	real, CMPY	14.5	14.9	14.5	14.9	15.8	16.1	16.0	17.2	16.6	15.8	16.3	17.5	16.1	17.9	15.7	13.2
Turnover ⁴⁾	real, CCPY	14.5	14.7	14.6	14.7	14.9	15.1	15.3	15.5	15.7	15.7	15.7	15.9	16.1	17.0	16.5	15.6
FOREIGN TRADE⁵⁾																	
Exports total, cumulated	EUR mn	16416	34287	54121	72425	96276	116252	137937	160622	180917	205372	230140	256828	23363	47111	72321	.
Imports total, cumulated	EUR mn	7586	17067	28530	39649	51318	63848	76567	89813	101806	116130	130214	145749	9369	22591	36588	.
Trade balance, cumulated	EUR mn	8830	17219	25590	34596	44958	52403	61370	70809	79111	89242	99926	111079	13994	24520	35734	.
FOREIGN FINANCE																	
Current account, cumulated ⁷⁾	EUR mn	.	.	17524	.	.	28493	.	.	39661	.	.	57221	.	.	24726	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	26.529	26.343	26.106	25.838	25.824	25.909	25.541	25.624	25.334	24.896	24.465	24.575	24.500	24.527	23.760	23.513
RUB/EUR, monthly average	nominal	34.389	34.408	34.573	34.892	34.910	34.775	35.030	34.898	35.159	35.393	35.911	35.783	36.006	36.123	36.791	37.063
USD/RUB, calculated with CPI ⁸⁾	real, Jan03=100	161.4	163.4	164.3	166.1	166.0	166.6	170.5	170.5	173.3	179.0	183.0	184.4	188.3	189.9	198.4	203.3
USD/RUB, calculated with PPP ⁹⁾	real, Jan03=100	181.6	179.7	178.6	186.0	193.6	197.4	200.1	206.7	206.6	208.6	213.1	220.8	222.4	221.7	230.5	243.4
EUR/RUB, calculated with CPI ⁸⁾	real, Jan03=100	135.8	136.8	136.1	134.9	135.3	136.8	137.4	137.9	137.5	138.2	137.2	138.6	141.2	141.8	139.8	140.7
EUR/RUB, calculated with PPP ⁹⁾	real, Jan03=100	162.2	161.3	159.7	164.6	172.7	176.9	176.2	180.9	177.4	174.8	175.7	182.5	182.6	181.9	178.6	185.2
DOMESTIC FINANCE																	
M0, end of period	RUB bn	2630.1	2682.0	2741.2	2859.4	2896.6	3027.5	3087.0	3170.6	3220.9	3259.1	3373.4	3702.2	3465.7	3487.6	3475.5	.
M1, end of period	RUB bn	5304.8	5377.7	5774.3	6167.9	6721.4	6676.5	6679.6	6806.5	7088.4	6714.3	7285.8	7974.3	7702.4	7657.2	7801.0	.
M2, end of period	RUB bn	9905.0	10174.9	10894.5	11194.8	11890.0	12029.3	12081.9	12352.6	12693.8	12695.0	13500.6	14628.0	14356.1	14640.1	14907.1	.
M2, end of period	CMPY	40.8	42.2	47.4	48.6	50.9	44.8	43.7	44.1	42.7	41.5	46.2	44.2	44.9	43.9	36.8	.
Refinancing rate (p.a.) _{end of period}	%	10.5	10.5	10.5	10.5	10.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.3	10.3	10.5
Refinancing rate (p.a.) _{end of period⁹⁾}	real, %	-1.2	2.1	4.3	0.5	-2.8	-4.9	-3.9	-3.8	-1.9	-4.5	-9.7	-12.0	-11.8	-12.3	-13.0	-12.9
BUDGET																	
Central gov. budget balance, cum.	RUB bn	218.2	350.9	476.3	555.0	782.4	1076.0	1248.0	1455.5	1623.3	2106.2	1824.9	1796.1	300.6	464.0	.	.

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 2007 to 2008

(updated end of May 2008)

		2007												2008			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	15.8	11.0	10.7	12.3	9.9	10.4	7.8	8.7	8.4	13.7	7.9	5.5	5.7	11.5	5.8	8.3
Industry, total	real, CCPY	15.8	13.4	12.5	12.5	12.1	11.8	11.2	10.9	10.7	11.0	10.7	10.2	5.7	8.8	7.8	8.0
Industry, total	real, 3MMA	12.9	12.5	11.3	11.0	10.9	9.4	9.0	8.3	10.3	10.0	9.0	6.4	7.6	7.7	8.5	.
LABOUR																	
Employees ¹⁾	th. persons	11284	11314	11379	11377	11354	11385	11411	11401	11392	11410	11386	11317	11367	11416	11467	.
Employees in industry ¹⁾	th. persons	3298	3305	3307	3289	3273	3273	3274	3272	3266	3275	3267	3247	3243	3248	3249	.
Unemployment, end of period	th. persons	790.2	812.8	781.6	733.8	690.3	640.0	611.5	595.6	580.0	553.7	587.0	642.3	662.8	671.1	639.6	611.7
Unemployment rate ²⁾	%	2.8	2.9	2.8	2.6	2.4	2.3	2.2	2.1	2.1	2.0	2.1	2.3	2.4	2.4	2.3	2.2
Labour productivity, industry ¹⁾	CCPY	18.5	16.0	15.1	15.1	14.7	14.4	13.8	13.5	13.2	13.5	13.2	12.6	7.5	10.7	9.7	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-1.7	-0.7	0.0	0.8	3.1	3.6	4.3	4.8	4.8	4.3	4.2	4.6	9.4	8.3	6.9	.
WAGES, SALARIES¹⁾																	
Total economy, gross	UAH	1112	1142	1230	1224	1277	1368	1421	1398	1426	1475	1485	1675	1521	1633	1702	.
Total economy, gross	real, CMPY	16.0	15.2	13.2	12.5	15.0	13.9	16.0	14.1	14.7	18.1	16.7	12.5	14.6	17.3	9.6	.
Total economy, gross	USD	220	226	244	242	253	271	281	277	282	292	294	332	301	323	337	.
Total economy, gross	EUR	169	173	184	180	187	202	205	203	204	205	201	228	205	220	218	.
Industry, gross	EUR	202	202	222	216	221	224	229	234	229	233	229	252	237	246	250	.
PRICES																	
Consumer	PM	0.5	0.6	0.2	0.0	0.6	2.2	1.4	0.6	2.2	2.9	2.2	2.1	2.9	2.7	3.8	3.1
Consumer	CMPY	10.9	9.5	10.1	10.5	10.6	13.0	13.5	14.2	14.4	14.8	15.2	16.6	19.4	21.9	26.2	30.2
Consumer	CCPY	10.9	10.2	10.2	10.3	10.3	10.8	11.2	11.6	11.9	12.2	12.5	12.8	19.4	20.6	22.5	24.4
Producer, in industry	PM	2.3	1.1	1.6	2.1	2.3	1.1	1.7	1.4	1.1	2.2	1.0	3.2	2.3	3.0	6.6	6.6
Producer, in industry	CMPY	15.5	16.4	17.8	18.6	20.1	20.6	21.2	20.4	19.7	19.7	20.0	23.2	23.2	25.6	31.7	37.5
Producer, in industry	CCPY	15.5	15.9	16.6	17.1	17.7	18.2	18.6	18.9	18.9	19.0	19.1	19.5	23.2	24.4	26.9	29.6
RETAIL TRADE																	
Turnover ³⁾	real, CCPY	26.5	26.2	25.6	26.2	26.1	26.1	28.3	28.4	28.3	28.6	29.1	29.3	28.1	29.7	28.0	30.0
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	2468	5077	8185	11201	14227	17386	20497	23559	26520	29580	32616	35931	2484	5667	9195	.
Imports total (cif), cumulated	EUR mn	2847	6135	9883	13456	17051	20541	24428	28007	31498	35659	39655	44264	2557	6425	10824	.
Trade balance, cumulated	EUR mn	-379	-1059	-1698	-2255	-2824	-3155	-3932	-4449	-4978	-6079	-7039	-8333	-72	-758	-1629	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	EUR mn	.	.	-921	.	.	-1490	.	.	-1837	.	.	-4320	.	.	.	.
EXCHANGE RATE																	
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	6.574	6.596	6.681	6.814	6.832	6.775	6.921	6.871	7.006	7.181	7.404	7.358	7.427	7.436	7.813	7.962
USD/UAH, calculated with CPI ⁷⁾	real, Jan03=100	140.5	140.5	139.5	138.7	138.5	141.3	143.3	144.4	147.2	151.1	153.4	156.7	160.5	164.5	170.7	176.0
USD/UAH, calculated with PPI ⁷⁾	real, Jan03=100	153.0	152.1	152.3	153.6	155.3	156.7	158.1	162.7	163.5	166.0	163.2	169.1	171.0	174.5	186.0	198.3
EUR/UAH, calculated with CPI ⁷⁾	real, Jan03=100	117.2	117.1	115.2	112.3	112.4	115.7	115.1	116.5	116.4	116.2	114.6	117.3	119.8	122.4	119.9	121.3
EUR/UAH, calculated with PPI ⁷⁾	real, Jan03=100	135.5	136.0	135.7	135.5	137.8	139.9	138.8	142.0	140.0	138.5	134.3	139.2	139.7	142.7	143.7	150.3
DOMESTIC FINANCE																	
M0, end of period	UAH bn	70.7	71.8	74.0	78.1	78.5	84.0	87.7	91.9	96.8	99.0	101.5	111.1	105.4	106.9	109.8	116.1
M1, end of period	UAH bn	118.4	118.5	122.9	127.4	132.5	140.7	148.6	153.1	164.5	164.8	168.6	181.7	173.4	174.5	183.7	188.6
Broad money, end of period	UAH bn	256.2	261.3	272.5	282.4	288.2	303.0	317.0	329.0	348.2	354.2	365.6	396.2	391.3	398.1	416.0	429.6
Broad money, end of period	CMPY	35.7	36.6	39.5	40.3	39.0	41.5	43.1	45.3	48.3	48.5	49.8	51.7	52.7	52.3	52.7	52.2
Refinancing rate (p.a.) ^{end of period}	%	8.5	8.5	8.5	8.5	8.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0	12.0
Refinancing rate (p.a.) ^{end of period} ⁸⁾	real, %	-6.0	-6.8	-7.9	-8.5	-9.7	-10.4	-10.9	-10.3	-9.7	-9.7	-10.0	-12.4	-10.7	-12.4	-16.5	-18.6
BUDGET																	
General gov. budget balance, cum.	UAH mn	3686	6254	6294	6220	8174	4990	4856	7974	5822	4223	5925	-7671	3974	5823	5636	.

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.

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

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