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The transformation of international financial markets and the future of the eurozone

BY JOHN EATWELL*

It has been obvious for some time that the banking crisis that engulfed the western world in 2008 has also seriously weakened sovereign financial systems. The commitments to bail-outs were dwarfed by the sharp fall in tax revenues in the recession that in turn led to major increases in fiscal deficits and substantial public debt accumulation. However, the impact on the eurozone has been far more severe than elsewhere. Peculiarities in the structure of the eurozone have led to the extraordinary situation in which the stability of banks throughout the zone, and indeed the survival of the currency system itself, have been endangered by a sovereign debt crisis in an entity that comprises a little over 2% of eurozone GDP.

The structural origins of this extraordinary turn of events are now well known. They include: the absence of any effective all-zone treasury function; the lack of a single eurozone bond; no substantial budgetary operation within which might be embedded the sort of fiscal transfers necessary to stabilise the monetary union that exist in, say, the USA or Australia; and, as has been painfully evident, a lack of coherent and decisive political leadership.

Developments in financial markets 1971-2011

Yet there are some all-pervasive, more fundamental trends in international finance that have played a major part in the world-wide crisis, and that have assumed a particular significance in the context of the eurozone.

First, the growth of the international bond market. Prior to the wave of financial market liberalisation that was sparked by President Nixon's abandonment of the Bretton Woods system in August 1971, post World War II sovereign bond markets were predominantly national. With liberalisation international markets grew rapidly. Overseas sales of US bonds rose from 3% of US GDP in 1970 to 200% in the early 2000s; whilst overseas sales of UK bonds rose from nil in 1970 (such sales would have been illegal) to 1000% of UK GDP in the early 2000s. The enormous scale of international bond transactions today make it possible for there to be huge swings in the funding of national bond markets, between holdings of say dollar, sterling or euro bonds, or between different sovereign euro bonds. These potentially destabilising swings have transformed the sensitivity of funding policy to market forces.

Second, the financial innovation that accompanied liberalisation has resulted in a rapid growth the size of the balance sheets of the banks (and other financial intermediaries) relative to the underlying transactions that those balance sheets are based upon. Broadly speaking, the assets of the banks have growth at an average rate of 15% since 1978. Given that the world GDP has grown (in nominal terms) at a little more than 5.8% per annum over the same period, the excess growth of 9.2% per year suggests that the banks' balance sheets are now around 20 times greater, relative to the given underlying GDP, than was the case 33 years ago. Since deposits are not likely to rise at a rate much faster than the growth of GDP, the relative increase in the size of financial balance sheets must be due to the growth of wholesale lending between financial institutions.

A simple example of what has happened can be seen in the market for domestic mortgages (see Shin, 2010). In the 1960s the financing of mortgages involved households depositing funds in mortgage banks that were then lent on to other households to enable them to buy houses. Today this transaction is likely to pass through a long chain of investments, from the household purchase of money market funds, to short-term loans to the bank, which expands funding through repo transactions with a securities firm that in turn purchased securities from a provider of asset backed securi-

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ties, that were in turn assembled from a mortgage pool created by lending to home-buying households. Indeed, even this sequence is probably a rather a short, uni-directional chain.

Suppose in the case of a 1960s-style funding, the value of the underlying mortgage is $100k. Then there are $200k worth of financial transactions associated with the intermediated transfer of funds from the depositing household to the home-buying household. Gross assets of $200k are created – $100k of assets in the form of a bank deposit on household's balance sheet, and a $100k mortgage on the bank's balance sheet. With today's longer chains of transactions, far greater gross stocks of assets are created. And gross assets matter. In the face of an extreme event (such as mortgage default) netting of the intermediary's position is impossible since the asset (a 20 year mortgage) and the liability (a demand deposit) do not match. The bank has lost $100k on its balance sheets, and, presuming it defaults, the lending household has lost $100k too. The destructive power of gross positions was clearly exposed in the financial crisis. In 2008 Lehman Bros OTC CDS book had gross notional value of $72bn. Months later the net loss was known to be $5.2bn. Similarly, AIG 's CDS book had a notional value of $270bn, whereas actual losses were eventually just $3bn. But it was the inability to provide further collateral against the gross figure when the rating on the book was reduced that forced AIG to look for a rescue from the federal authorities.

Third, the growth of wholesale funding has transformed the balance sheets of the banks. In the 1960s the liabilities of a bank consisted almost entirely of deposits by households and firms. The assets of the bank were a mixture of very liquid assets, such as Treasury Bills and trade acceptances (around 40%) and loans to households and firms (the remaining 60%). Today the balance sheet looks quite different. Deposits by households and firms comprise only about 20% of the liabilities, the rest being made up of lending from other banks (much of it international), commercial paper and repos. In the UK funding through the repos market is almost of the same order as funding by deposits. Around 25% of the asset side of the banks ' balance sheets consist of loans to households and firms, the rest being marketable loans and securities and other investments, and repos.

The growth of the repo market has been one of the most extraordinary phenomena of the past decade, with repos growing 4 times faster than M2 (cash and current accounts deposits – roughly the rate of growth of nominal GDP). Overnight repos have grown at the same rate. Management of the repo market has become an important part of central banks management of overall liquidity; the day to day stability of the repo market being a key policy goal.

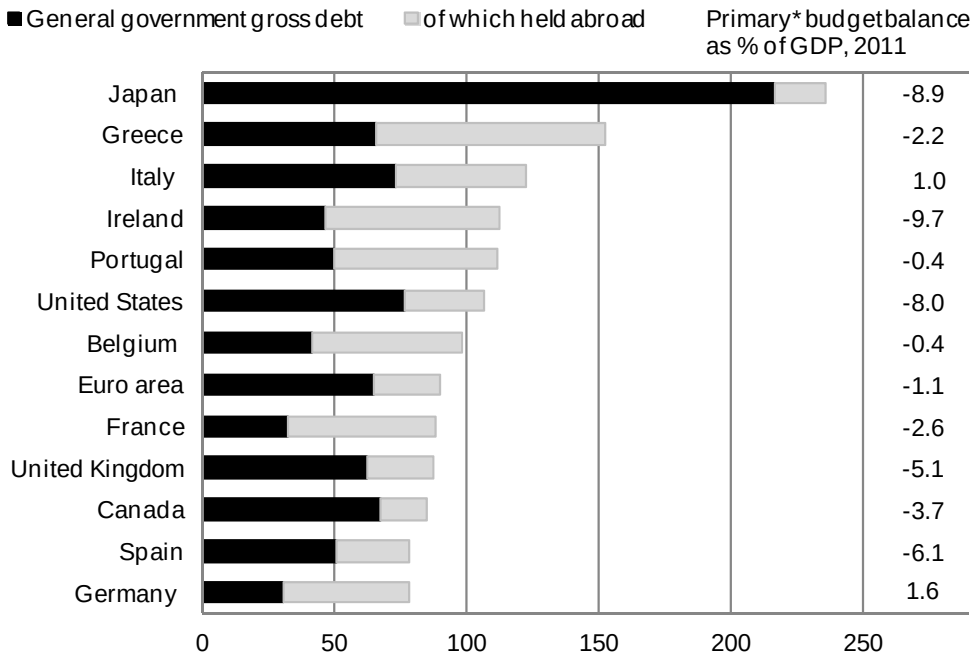
The result has been a fundamental shift in bank funding, away from deposits (that tend to be very "sticky") toward short-term market transactions that must be continually re-financed. The 90 banks covered by the recent European Banking Authority stress tests, for example, need to refinance €5,400bn of debt in the next two years, equivalent to 45 per cent of European Union GDP. Not too difficult to turn over in tranquil times, but a significantly greater challenge today.

Current events and the future of the eurozone

The impact of the 2008 financial crisis on public debt is well known. Amongst the OECD countries the ratio of public debt to GDP doubled from 1970 to 2008, rising from 40% of GDP to 80% of GDP. In just the next 3 years it rose to 106% of OECD GDP. Of particular interest is the balance between domestic funding of public debt (a nation borrowing from itself) and international funding. It is noticeable that amongst developed countries it is the eurozone countries that have by far the greater international exposure (see Figure 1). Taking Canada, Japan, the US, and the UK together, the overseas proportion of public borrowing is around 12%. However, taking Belgium, France, Germany, Greece, Ireland, Italy, Portugal and Spain together, around 50% of public debt is funded overseas (predominantly, but not exclusively, in other countries of the eurozone as is evident from the aggregate euro area data) – and this figure is roughly the same for each country.

Figure 1

Gross government debt % of GDP, 2011



* Excluding interest payments.

Sources: Eurostat, May 2012; Primary deficits for JP, US and CN: IMF Fiscal Monitor, Sept. 2011.

There are two major reasons for this difference in the structure of dept funding.

First, whilst eurozone economy is larger than the economy of the US, and hence any balanced bond portfolio must contain euro denominated bonds, exposure to the euro can be obtained by investing in any of the various eurozone sovereign bonds. Investors therefore have a choice as to which euro sovereign to hold, a choice that is likely to be informed by the risk, return and hence diversification of their entire euro holding. The implementation of Basel III will further exaggerate this peculiarity of the eurozone. Under new liquidity rules banks will be required to hold significantly greater proportions of sovereign debt on their balance sheets. In the case of the UK, for example, this will be sterling debt. In the case of a eurozone bank this will be euro debt – but that euro debt may be issued by any eurozone sovereign. The banks will, of course, manage the sovereign exposure of their euro debt, adding to the potential scale of flows between euro sovereign bonds.

Second, the policy of the European Central Bank (ECB) resulted, at least up to the end of 2009, in all eurozone sovereign bonds being treated by the market as if they were almost equivalent to one another, despite obvious differences in national debt structures which were in turn reflected in bond ratings (Buiter and Sibert, 2005). A key decision was to assign all eligible euro-denominated sovereign debt instruments issued by the eurozone central governments to the same (highest) liquidity category. Accordingly, not only were spreads between the returns on sovereign bonds very small, but also the ECB operations in the repo market ensured that sovereign debt could be transformed into cash easily and cheaply. It was therefore in the interest of the banks to hold large quantities of sovereign debt on their balance sheets – in effect earning a substantial risk free return. Moreover, since all sovereign debt was treated the same, then it made sense to hold a “balanced portfolio” of sovereign instruments from throughout the eurozone. An unintended consequence of ECB policy was to make sovereign funding very easy and very cheap.

Eurozone states are prohibited from printing money, but they were provided with a financial facility that (so long as confidence lasted) was almost as good! This was quasi-sovereignty. It was a particularly attractive source of funding as tax revenues collapsed in 2007-9.

A further element of ECB policy was the excessive increase in the valuation haircut associated with the maturity of the collateral used in repo transactions. This encouraged the move to short-term funding that has become typical of eurozone banks and eurozone sovereigns.

These arrangements could not survive the market shock of the emergence of funding difficulties in Greece, Portugal and Ireland, and lately in Spain and Italy. Around €450bn of sovereign debt is held by Europe's top 24 banks, of which €50bn is from Greece, Ireland and Portugal, nations that make up about 6% of eurozone GDP. As CDS spreads widened the repo market was no longer a source of ready cash, indeed Greece could only sell government bonds direct to the ECB. Banks holding large quantities of eurozone sovereign debt faced the prospect of large write-downs. The banking crisis has led to a sovereign crisis that has led back to a banking crisis.

The most spectacular collapse so far has been the recent demise of the Franco-Belgian financial group Dexia – a bank that was rated one of Europe's safest in the stress tests of July 2011. Dexia held €21billion of "peripheral" eurozone sovereign bonds. The overall balance sheet was financed by short-term borrow-ing that required daily €10bn - €20bn funding from the wholesale markets. A ratings downgrade closed that short-term door forcing Dexia to turn to the French and Belgian governments to guarantee €90bn of short-term funding. Dexia is now going through what is effectively an insolvency process.

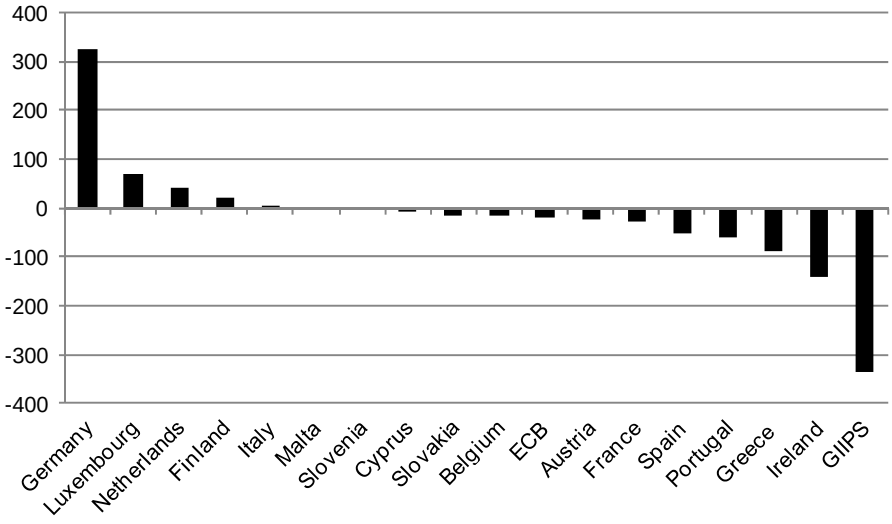
It is worth reflecting on why the ECB pursued its common strategy toward sovereign bonds. The central bank of a single sovereign, say the Bank of England or the US Federal Reserve, will automatically regard bonds issued by its sovereign state as being the most liquid in the market, since the state can al-ways swap the bonds for cash – it can print money. It would seem that the ECB carried over this not unreasonable approach to management of the repo market in a single state to the peculiar multi-state structure of the eurozone.

A further notable characteristic of the eurozone is the lack of a single, all zone funding mechanism – the lack of a eurobond. This means that investors seeking exposure to the euro are required to hold bonds issued by individual sovereigns. This also means that exposure can be maintained whilst switching from one sovereign to another. Moreover, any holder of euro cash and bank deposits (which lack any national identity) can achieve the security of desired national identity by moving cash balances from say, Greek current accounts, into say German bonds. There is thus the potential for massive capital flight. Between states with different currencies capital flight results in the accumulation of unwanted currency in the central bank of the recipient state. That central bank will seek to transform unwanted currency into desired reserve denominations, putting downward pressure on the currency from which capital has fled. Nothing of this sort can take place within the eurozone since it is a single currency area. The result has been that large balances have been accumulated in the accounts of the central banks of recipient countries at the ECB, and equivalent negative balances in the accounts of the central banks of the countries from which capital has fled (see Figure 2). This capital flight might well be reversed if a convincing rescue deal for the euro were put in place. Its very existence is evidence of a serious design fault in the eurozone.

The short-term solution to the eurozone's problems is clear enough. The ECB must guarantee the sovereign debts of all member states and where necessary print money to clear them. Whether this is preceded by a refinancing of debt that imposes a haircut on bond-holders is a matter of political taste (or perhaps, political necessity in the case of countries that are doing the refinancing). However, the

Figure 2

Claims of euro area members from netting of Euro System cross-border payments (in billions of euros)



Source: Sinn and Wollmershäuser (2011)

larger the haircut imposed, the greater the resources that will be required to re-capitalise the banks that have suffered the haircut. Despite the broad economic logic of the short-term solution to the current situation being straightforward, it has, up to now, run into a brick wall of political resistance.

Medium term policies

Moreover, these short-term measures would not solve the medium to long term problem. Once the debt of the less competitive countries has been in some way written off, and growth resumes, then the same pattern of indebtedness will begin to re-appear. This is inevitable in any monetary union. The idea that a monetary union could be uniformly competitive is a fantasy. That is why all workable monetary unions have the characteristics listed above – most notably an all-union bond issuance to fund a major part (though not necessarily all) of public debt and a substantial budgetary process that redistributes income from rich to poor, hence limiting the accumulation of debt. For example, tax revenues in London and the South-East of England are roughly 25% greater than government expenditure in the region, the difference being used to support other parts of the UK. Nobody notices.

The importance of the all-union bond should be evident from the experience of the internal capital flight that has afflicted the eurozone. Compare this situation to that of the United States. The fiscal problems of California (far bigger within the US economy than is Greece within the eurozone) affect the funding of the Californian deficit, but are in no way destabilising to the federal bond market. There is no comparable dollar crisis.

Will solutions be found, to both the short term and the longer term problems? The answer is to be found in the saying “follow the money”? In other words, who is the greatest beneficiary of the existence of the euro? The answer is Germany. Not only does the rest of the eurozone absorb 40 percent of German exports, but consider the exchange rate of a reconstituted deutsche mark. The German economic model of export-led growth would crumble as the mark soared, in the same way that the prosperity of Switzerland is now threatened by the “safe haven” status of the Swiss franc.

The beneficiary may be reluctant to pay for the benefits it enjoys, and there are still obvious historical inhibitions to German leadership, but the re-

morseless logic of economic advantage will triumph in the end. After 20 excruciating months of inflammatory indecision, Germany's Angela Merkel and France's Nicolas Sarkozy were talking of a "real economic government" for the euro, though they did not define what that meant or when it would happen.

The deals reached last autumn are still in the "fire-fighting" category, and the key to temporary success will be whether the flames are doused. The longer term reconstruction of the eurozone will determine whether this is a temporary respite or whether a new, resilient structure emerges. Such a structure will inevitably involve a far greater degree of political integration (at least in economic decision making) than has been conceived of up until now.

There is a long way to go, and, along the way, many reluctant electorates to be persuaded. But in five years, with coherent political leadership and a lot of luck, the institutional framework of a passably workable monetary union of the EU will have been cobbled together.

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The harmonisation of banking supervision: a chokehold

BY TOMASZ CHMIELEWSKI AND ANDRZEJ SŁAWIŃSKI*

The global banking crisis has clearly shown that if they are to be capable of stabilizing both the real economy and inflation, central banks should dispose of means other than merely setting interest rates. The experience of a number of countries (for example, that of the United Kingdom) has demonstrated that raising interest rates in an attempt to check a credit boom can prove insufficient, if at the same time banks lower their lending standards. Additional instruments that the central banks might ultimately need would constitute the so-called 'macroprudential policy'. That policy would be applied to the banking sector as a whole. The question thus arises as to the main goal of the central banks' macroprudential policy, particularly in those countries where central banks are not charged with the task of supervising the banks.

Reform of banking supervision sidelined

It seems most reasonable to expect that supervisory/regulatory instruments will be used not only to limit systemic risks (viz. to prevent banking crises from spreading elsewhere), but also to stabilise inflation and real economic growth. This is the position advanced, among others, by such heavyweights in the field of economics as Olivier Blanchard and Charles Goodhart. Monetary and macroprudential policies would thus in essence serve identical purposes. The central banks would also decide on regulatory standards so as to adjust the credit growth rate to levels consistent with the maintenance of macroeconomic equilibrium (and thus consistent with low inflation as well).

This reasonable approach has not yet been unanimously accepted. Some quarters are of the opinion that it might prove difficult to assess the rate of credit growth consistent with the maintenance of macroeconomic equilibrium. That opinion, however, cannot be taken all that seriously because it also implies that central banks should not even pursue narrowly defined monetary policy either. Indeed, in no economy is it possible to assess with any precision such items as the natural unemployment rate, the equilibrium exchange rate or natural interest rates, on which a narrowly defined monetary policy might rely.

Why is it that this rational and desirable approach does not dominate discussion on the reform of banking supervision/regulation? To us the answer appears quite obvious. The past twenty years have seen the rise of huge banks ('too big to fail'). The consolidation of their financial might has increased their lobbying power to an immense degree. This could explain the abundance of opinions suggesting that reforming the supervision/regulation of banks should aim at limiting the systemic risks (i.e. the risk of banking crises).

But why are the banks trying to block a confluence of macroprudential and monetary policies? The reasons are plain to see. An integrated monetary-macroprudential policy could be expected to be much more active insofar as decisions on supervisory issues are concerned. Standards relating to capital adequacy indicators, collateral, liquidity indicators or the loan-to-value ratios would then be subject to more frequent adjustment. Arguably, regulatory flexibility of this kind would underpin an economy's stability and its financial system. On the other hand, under such arrangements the banks would face periods of rising costs and their capacity to engage in high-risk transactions would be limited. All this implies that returns would be lower than those to which the banks have become accustomed. It is thus in the banks' interest to limit discussion to issues related to the prevention of major banking crises. Of course, since such crises occur rather infrequently, the whole reform of the supervisory/regulatory system may, with the passage of time, well lose any importance.

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The autonomy of local supervisors

The proposed changes related to banking supervision (the Basel III reform package) take into account the fact that unstable credit booms arise locally. Hence, local supervisory bodies should be enabled to apply the instruments at their disposal to slow down credit expansion, should it be too rapid. Basel III stipulates the principle of so-called '*minimum* harmonisation or unification' of certain basic supervisory standards across nation states, while leaving significant scope for autonomous moves by national supervisory bodies. The two-stage supervisory structure, which offers scope for activism at the national level, acknowledges the fact that the speed and timing of credit expansion (and the dynamics of other processes that could lead to potential destabilisation) need not be the same across countries. Correspondingly, national responses to events may well need to differ in terms of their direction, timing and intensity.

Three conditions must be met, if supervisory policy is to lend effective support to monetary policy. First, given their expertise in the pursuit of policies aimed at safeguarding economic stability, the central banks should also have a (decisive) say in systemic supervisory matters. Moreover, the very fact that central banks tend to enjoy greater independence of political pressures than discrete supervisory agencies could be a determinant factor in this context. Secondly, the whole banking system should be subject to a single supervisory policy at the national level. Thirdly, if national macroprudential policy is to be effective in countries, such as Poland, where the share of foreign-controlled banks in the banking system is very high, the local (including foreign-controlled) banks will have to retain their full autonomy. In other words, the local banks' capital and liquidity management cannot be subordinate to the centralised capital and liquidity management practices applied at the level of the international parent organisations located abroad.

However, the principle of *maximum* harmonisation proposed by the European Commission clashes with the three conditions listed above. Under the Commission's principle of *maximum* harmonisation, the central banks (in at least some EU member countries) would be unable to draw on the macroprudential policy instruments for economic stabilisation.

The central banks' opposition to the maximum harmonisation

The Commission's (recently amended) proposal (Capital Requirement Directive IV), which introduces the principle of *maximum* harmonisation, would limit the national supervisors' discretion in adjusting safety standards to the prevailing economic situation. Moreover, the directive stipulates that the management of liquidity and capital be centralised in large multinational capital groups. In practice, centralisation on that scale would imply that local subsidiary banks operating outside the country, in which the parent institution is domiciled, would no longer have to meet local regulatory standards. The justification for the Commission's proposal boils down to pretty general statements on the desirability of creating 'a level playing field' across the EU as a whole. Significantly, the proposal seems to suit the community of large international banking groups. Referring to the free movement of capital (which is enshrined in the EU Treaties), the banking groups demand unlimited freedom to move assets between their member institutions so as to diversify risks and manage their assets most efficiently.

In practice, the banking groups might be tempted to abuse the freedom granted them to centralize management of their operations – to the detriment of the peripheral countries. On occasion, the most risky assets may be transferred to the subsidiaries in peripheral countries. The taxpayers in those countries' may then have to bear the costs of potential losses. In the same vein, as stress builds up, the most liquid assets might be swiftly transferred to the banking groups' headquarters while stripping the local dependent banks of essential liquidity buffers.

Invocation of the free movement of capital is no longer a convincing argument. By now it is quite generally acknowledged that liberalising the

movement of capital has not yielded benefits comparable to those gained by liberalising trade. Moreover, the recent global financial crisis has shown that short-term capital movements – and short-term interbank transactions in particular - are potentially among the most dangerous. The Asian financial crisis of the late 1990s taught us the same lesson (which was properly internalised at the International Monetary Fund - but not 'in Brussels'). Indeed, Basel III also stipulates that short-term cross-country interbank transactions should not be allowed to slip off the supervisors' radar screens.

A number of EU member states oppose the Commission's proposals. The IMF is also critical of the proposals. Of course, should the *maximum* harmonisation principle become binding, the central banks of the EU member states would be deprived of the opportunity to pursue a macroprudential policy that complements their monetary policies. Hence, the central banks are increasingly uneasy about the proposal to introduce *maximum* harmonization. It is to be hoped that due heed will be paid to the central bankers' opinions on the issue when designing a future supervisory framework for Europe.

The impact of offshoring on the skill structure of labour demand

BY NEIL FOSTER AND ROBERT STEHRER

One of the most pervasive features of the labour market in recent times has been the rising demand for skilled workers relative to unskilled workers in Europe and the United States. Despite a concomitant increase in the supply of skilled workers, relative wages of skilled workers have risen in almost all industries. As a result, the wage share of skilled workers in manufacturing value added has increased in OECD countries. At the same time as these changes have been witnessed in the labour market, the ongoing globalisation process has seen the increasing frequency of international outsourcing – or offshoring – of production, involving the contracting out of activities that were previously performed within a domestic production unit to foreign subcontractors. An important ongoing research question of direct policy relevance is the issue of whether increased offshoring is a cause of the rising demand for skilled workers in advanced countries.

The impact of offshoring on the labour market may not be limited to changing labour demands between industries therefore, but may also affect the relative demand for labour within industries. In particular, unskilled labour-intensive stages of production tend to be shifted to unskilled labour-abundant developing countries, while more technologically advanced stages remain in skilled labour-abundant developed countries. Production offshoring has led to the fear in developed countries especially that outsourcing will tend to reduce the demand for relatively unskilled workers therefore, resulting in either falling wages of unskilled labour and/or increased unemployment of unskilled labour. There are a number of empirical studies examining the impact of production offshoring on the demand for skilled labour in developed countries. The consensus view of empirical economists is that trade was not the major reason for rising wage inequality in the 1980s and early 1990s.

Using data from the EU-KLEMS WIOD databases we extend earlier empirical results on the relationship between offshoring and relative skill demand examining the relationship between measures of offshoring and relative labour demand for 18 countries over the period 1995-2007. We develop and test an empirical model linking the cost shares of variable inputs (i.e. materials and different types of labour). The equations for the different cost shares are estimated using Iterated Seemingly Unrelated Regression (ISUR), with the model being estimated separately for six different industry types. Our results indicate that while offshoring has impacted negatively upon all skill-levels the largest impacts have been observed for medium-skilled (and to a lesser extent high-skilled) workers. Such results are consistent with recent evidence indicating that medium-skilled workers have suffered to a greater extent than other skill-types in recent years.

The basic data source for our analysis is the recently completed World-Input-Output-Database (WIOD), which reports data on socio-economic accounts, input-output tables and bilateral trade data across 35 industries and 40 countries over the period 1995-2009. These data result from an effort to bring together information from national accounts statistics, supply and use tables, data on trade in goods and services and corresponding data on factors of production (capital and labour by educational attainment categories). In the regression analysis below we include only 29 industries. The industries that are dropped are the services industries (largely public services where offshoring is less likely to be a significant activity). We further drop industry 23 (Coke, Refined Petroleum and Nuclear Fuel) from our analysis. For a number of countries this industry shows very low levels of value-added, which often leads to very large values for the offshoring measures.[1]

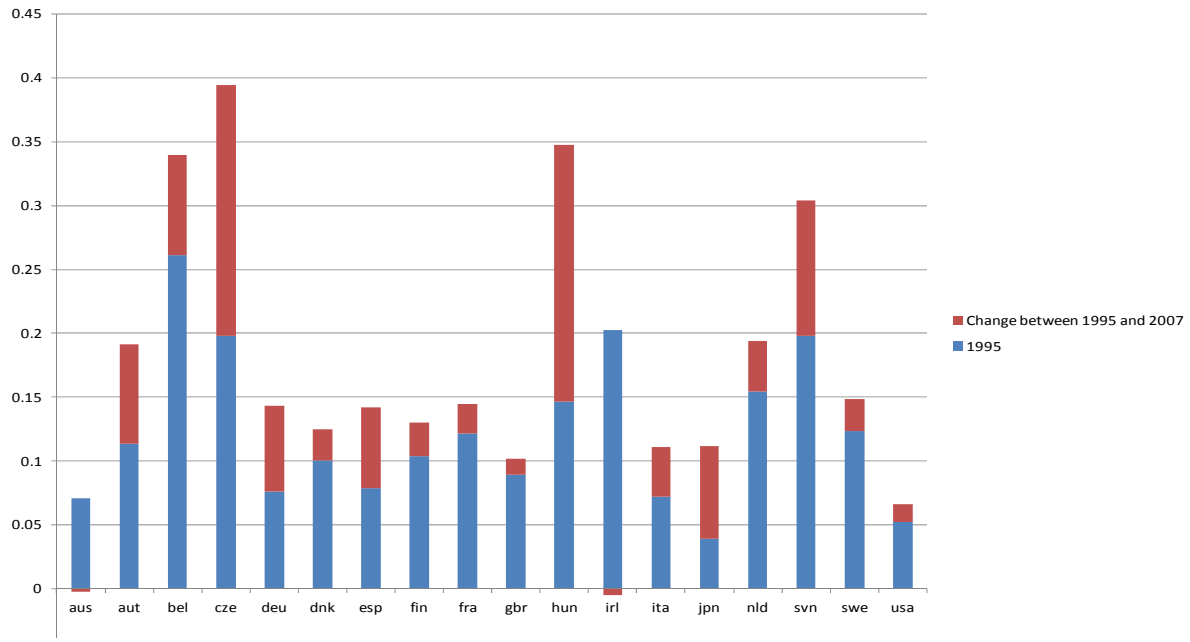
[1] It turns out including this industry (and the excluded service industries) doesn't affect our results qualitatively. These results are available upon request.

Trends in labour markets and offshoring

The majority of existing studies focus on some measure of trade in intermediates thus ignoring the offshoring of assembly activities. In our analysis we use data which allow one to measure the intermediate input purchases by each industry from each industry. Feenstra and Hanson (1999) distinguish between narrow and broad offshoring, where the former considers imported intermediates in a given industry from the same industry only, while the latter considers imported intermediates from all industries. These authors prefer the narrow definition as it is thought to be closer to the essence of fragmentation, which takes place within the industry. In our analysis we will consider both measures of offshoring. A widely measure of narrow offshoring (or intra-industry offshoring) for industry i, IIM_i^N, can be calculated as $IIM_i^N = \frac{O_{j=i}}{V_i}$ where O refers to imported intermediate purchases from industry $j = i$ by industry i, and V refers to value-added. Similarly, we can define broad offshoring (or inter-industry offshoring) for industry i, IIM_i^B, as $IIM_i^B = \frac{\sum_{j=1}^{J} O_{j \neq i}}{V_i}$. Figure 1 plots the average level of narrow offshoring across industries for each country for the years 1995 and 2007. The figure indicates that imported intermediates are a significant feature of production in our sample of countries, but that there exists a great deal of heterogeneity in the extent of intra-industry offshoring across countries, being relatively low in Australia, Japan and the USA in 1995 and relatively high in Belgium, Czech Republic, Ireland and Slovenia in that year. The figure also reveals that narrow offshoring has shown a tendency to increase across countries over the period, increasing in 16 of the 18 countries considered. The increase in offshoring has been particularly large in a number of CEECs, most notably the Czech Republic, Hungary and Slovenia, as well as in Austria, Germany and Spain. The figures for broad offshoring reported in Figure 2 also reveal large differences in the extent of broad offshoring across countries. The overall tendency for broad offshoring to increase is even stronger than that for the narrow measure however, increasing in all of the 18 countries.

Figure 1

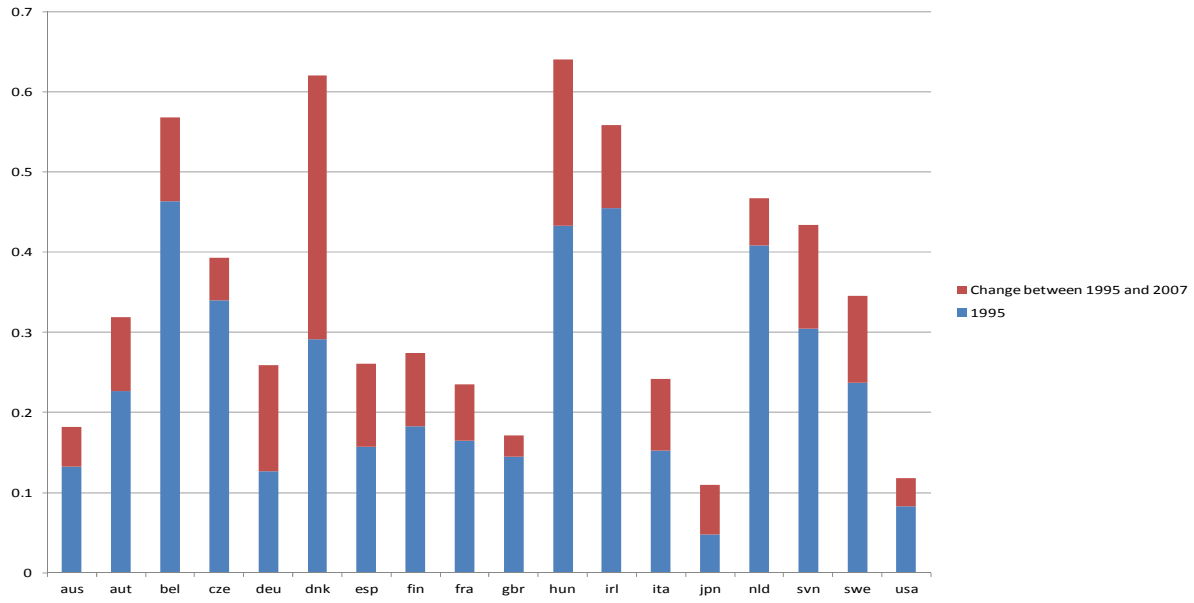
Narrow offshoring by country, 1995 and change between 1995 and 2007



Source: World Input-Output Database (WIOD); own calculations

Figure 2

Broad offshoring by country, 1995 and change between 1995 and 2007



Source: World Input-Output Database (WIOD); own calculations

Data on the labour market is split into three different skill categories (i.e. low-skill, medium-skill and high-skill) by ISCED categories. As dependent variables in the econometric analysis below we will consider the shares of each labour type in total variable costs, where it is assumed that the variable inputs are labour and intermediate inputs. Table 1 reports the shares of low, medium and high skilled labour in total variable costs for 1995 and the change between 1995 and 2007. While there are large differences in the shares of these three types of labour across countries, the most notable thing from these figures is the tendency for the cost shares of low and medium skilled labour to decline and that of high skilled labour to increase. In all of the 18 countries we observe a decline in the cost share of low skilled labour, while in the case of medium skilled labour the number is 12. In the case of high skilled labour however, we observe an increase in the cost share in all but one of the countries (Denmark).

Table 1

Change between 1995 and 2007

Country	Low-Skilled		Medium-Skilled		High-Skilled	
	1995	Change	1995	Change	1995	Change
Australia	0.141	-0.021	0.116	0.009	0.038	0.018
Austria	0.064	-0.025	0.266	-0.067	0.046	0.016
Belgium	0.121	-0.064	0.130	0.013	0.043	0.004
Czech Republic	0.013	-0.002	0.151	0.019	0.029	0.013
Germany	0.045	-0.009	0.236	-0.057	0.099	-0.005
Denmark	0.079	-0.003	0.199	-0.050	0.063	0.014
Spain	0.189	-0.082	0.056	0.010	0.075	0.024
Finland	0.101	-0.047	0.137	-0.010	0.097	0.007
France	0.110	-0.044	0.144	-0.010	0.082	0.015
Great Britain	0.116	-0.042	0.153	0.006	0.091	0.038
Hungary	0.040	-0.014	0.188	-0.027	0.064	0.012
Ireland	0.113	-0.048	0.125	-0.022	0.057	0.036
Italy	0.183	-0.078	0.107	0.024	0.029	0.005
Japan	0.059	-0.032	0.219	-0.024	0.080	0.011
Netherlands	0.116	-0.039	0.160	-0.028	0.049	0.030
Slovenia	0.052	-0.019	0.226	-0.051	0.070	0.012
Sweden	0.087	-0.034	0.191	-0.015	0.047	0.020
USA	0.033	-0.006	0.216	-0.016	0.103	0.017

Source: World Input-Output Database (WIOD); own calculations

For our analysis we further require data on average wages by skill-level and a measure of gross output, which can also be calculated directly from the WIOD dataset. Finally, we include a measure of Information Communication Technology (ICT) capital in our analysis. To do this we split the capital stock data from the EU-KLEMS database into an ICT and a non-ICT component and include both in our regression analysis, the former capturing skill-biased technological change.

Results

We adopt a fairly standard approach by analysing the relative demand for skilled labour based on the estimation of a translog cost function. The cost functions are estimated as a system of demand equations for all variable factors (i.e. high, medium and low skilled labour and materials). The complete system of equations is estimated using Iterated Seemingly Unrelated Regression (ISUR) methods. Given that the sum of shares adds up to one we are forced to drop one of the regressions. In our analysis, we choose to drop the equation for the share of materials in total variable costs and also include a full set of year dummies in all regressions.[2]

Table 2

ISUR Results on Narrow Offshoring Measure by Industry Type

VARIABLES	(1) Δs_{LS}	(2) Δs_{MS}	(3) Δs_{HS}
All industries	-0.00265***	-0.00495***	-0.00170***
	(0.000406)	(0.000522)	(0.000422)
Manufacturing – Low	-0.00192	-0.00934***	-0.00408***
	(0.00174)	(0.00202)	(0.00141)
Manufacturing - Medium	-0.00375***	-0.00620***	-0.00348**
	(0.00133)	(0.00173)	(0.00156)
Manufacturing - High	-0.00418***	-0.0142***	-0.00690***
	(0.00129)	(0.00156)	(0.00131)
Services - Low	-0.00109	-0.000825	0.00106
	(0.00110)	(0.00126)	(0.000885)
Services – Medium	-0.00229***	-0.00213**	-0.000491
	(0.000692)	(0.000898)	(0.000649)
Services - High	0.000714	0.000199	-0.000526
	(0.000975)	(0.00148)	(0.00184)

Notes: Standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1

[2] For more details on methodology and results see Foster et al. (2012).

Narrow Offshoring and the Skill Structure of Labour Demand

We report results for each of the labour cost shares using ISUR techniques on the narrow offshoring measures for the six different industry types in Table 2. The results largely confirm the findings on international offshoring, particularly in manufacturing industries. When considering the manufacturing sectors we observe coefficients on the narrow offshoring measure that are negative (and usually significant) for all cost shares across the different industry types. For all manufacturing industries the coefficients are also found to be larger in absolute value for the medium skilled cost share. Results for the services sectors are found to be less strong, with negative and significant coefficients on narrow offshoring found only for low- and medium-skilled workers in medium-tech services.

Table 3

Own Elasticities of Narrow Offshoring Measure

VARIABLES	(1) Δs_{LS}	(2) Δs_{MS}	(3) Δs_{HS}
All Industries	-0.03753	-0.03089	-0.0217
Manufacturing – Low	-0.02204	-0.06299	-0.07129
Manufacturing - Medium	-0.05382	-0.04311	-0.05378
Manufacturing - High	-0.0773	-0.12301	-0.12573
Services - Low	-0.01049	-0.0037	0.016168
Services – Medium	-0.03514	-0.01262	-0.00635
Services - High	0.016847	0.001056	-0.00248

Table 3 reports the estimated elasticities of the cost shares with respect to narrow offshoring. Despite the larger coefficients on the narrow offshoring measure for medium-skilled labour reported above the elasticities reported in Table 3 are mixed, due to the larger shares of medium-skilled labour in total variable costs. When considering all industries therefore we find that the elasticity of the cost shares to a change in narrow offshoring are largest (in absolute value) for low-skilled labour and smallest for high-skilled labour. Such results hide differences across industries however, with the elasticity being largest for high- and medium-skilled labour in low-tech and high-tech manufacturing, and for low- and high-skilled labour in medium-tech manufacturing. That the elasticities in high-tech manufacturing

are found to be relatively large is interesting, since it is these industries in which the majority of parts and components trade takes place. In the case of services industries the elasticities are found to be small, but in the case of low- and medium-tech services the elasticities tend to be largest for low-skilled workers.

Table 4

ISUR Results for Narrow and Broad Measure by Industry Type

VARIABLES	(1) Δs_{LS}	(2) Δs_{MS}	(3) Δs_{HS}
NARROW OFFSHORING			
All industries	-0.00146***	-0.00212***	-0.000380
	(0.000412)	(0.000499)	(0.000419)
Manufacturing – Low	0.000501	-0.00603***	-0.00226*
	(0.00166)	(0.00191)	(0.00135)
Manufacturing - Medium	-0.00108	-0.00238	-0.00149
	(0.00130)	(0.00165)	(0.00155)
Manufacturing - High	-0.00134	-0.00760***	-0.00274**
	(0.00133)	(0.00161)	(0.00133)
Services - Low	-0.00215*	-0.000485	0.00182**
	(0.00113)	(0.00122)	(0.000894)
Services – Medium	-0.00149**	-0.000819	-0.000129
	(0.000704)	(0.000835)	(0.000637)
Services - High	0.000388	0.00108	-0.000841
	(0.000988)	(0.00146)	(0.00175)
BROAD OFFSHORING			
All industries	-0.00148	-0.00695***	-0.00443***
	(0.000991)	(0.00120)	(0.00101)
Manufacturing – Low	-0.00221	-0.00615**	-0.00468**
	(0.00252)	(0.00292)	(0.00206)
Manufacturing - Medium	-0.00183	-0.00672**	-0.00475
	(0.00258)	(0.00326)	(0.00307)
Manufacturing - High	0.00219	-0.00456*	-0.00387*
	(0.00199)	(0.00240)	(0.00198)
Services - Low	0.00685	-0.0104**	-0.00717**
	(0.00430)	(0.00465)	(0.00341)
Services – Medium	-0.00481***	-0.00713***	-0.00194
	(0.00166)	(0.00197)	(0.00150)
Services - High	0.00391	-0.00551	-0.00186
	(0.00279)	(0.00411)	(0.00495)

Note: Standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1

Narrow and Broad Offshoring and the Skill Structure of Labour Demand

These results for the broad measure of offshoring are broadly confirmed when we consider industry types separately (Table 4). Coefficients tend to be negative and significant for medium-skilled workers across all industry types (except high-tech services), with the coefficients for low- and high-skilled workers being more mixed. In the case of low-skilled labour we find negative and significant coefficients in the case of medium-skilled services only. In most cases where negative effects are found however results indicate that offshoring has a stronger effect on the cost shares of medium-skilled workers, the main exception being medium-tech services.

Table 5 reports the elasticities and here we again find a mixed set of results. When considering the narrow measure we obtain a pattern that is fairly similar to that reported in Table 3, with the elasticities being largest for medium- and high-skilled labour in most manufacturing industries. In the case of broad offshoring we find elasticities that tend to be largest in absolute value for high-skilled labour for the full sample of observations and for the three manufacturing industries. In the case of services industries elasticities are found to be largest for high-skilled in the low-tech sector, low-skilled in the medium-tech sector and medium-skilled in the high-tech sector.

Table 5

Elasticities for Narrow and Broad Measure

VARIABLES	(1) Δs_{LS}	(2) Δs_{MS}	(3) Δs_{HS}
NARROW OFFSHORING			
All Industries	-0.02068	-0.01323	-0.00485
Manufacturing – Low	0.00575	-0.04066	-0.03949
Manufacturing - Medium	-0.0155	-0.01655	-0.02303
Manufacturing - High	-0.02478	-0.06584	-0.04993
Services - Low	-0.02069	-0.00218	0.027761
Services – Medium	-0.02287	-0.00485	-0.00167
Services - High	0.009155	0.005731	-0.00396
BROAD OFFSHORING			
All Industries	-0.02096	-0.04336	-0.05654
Manufacturing – Low	-0.02536	-0.04147	-0.08177
Manufacturing - Medium	-0.02626	-0.04673	-0.0734
Manufacturing - High	0.040498	-0.0395	-0.07052
Services - Low	0.065918	-0.04666	-0.10937
Services – Medium	-0.07382	-0.04223	-0.02509
Services - High	0.092256	-0.02924	-0.00876

Conclusions

We examined the impact of offshoring on the cost shares of low-, medium- and high-skilled workers in

18 countries. Estimating a system of cost share equations by ISUR and allowing for differences in the cost share equations across industry types we examine the impact of both narrow and broad measures of offshoring, and further split our offshoring measures in to a manufacturing and services component. Our results indicate that both narrow and broad offshoring have tended to reduce the cost shares of all types of employment in total variable costs. Results further indicate that while offshoring has had a limited effect on cost shares in services industries, the effects on the manufacturing industries has been relatively large, and that they have tended to impact on medium-skilled workers to a greater extent than low- and high-skilled workers. Results on the elasticities of the cost shares with respect to offshoring are found to be somewhat more mixed – reflecting the fact that medium-skilled workers tend to make up the largest shares in total variable costs – but in the majority of cases the elasticities are found to be largest in the case of medium- and high-skilled labour. Overall, the results would seem to suggest that in recent years offshoring has impacted upon all types of labour in the OECD countries with medium- and to a lesser extent high-skilled labour being squeezed to a greater extent than low-skilled labour by offshoring.

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STATISTICAL ANNEX

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

Conventional signs and abbreviations used

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

The following national currencies are used:

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

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

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

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	17.1	8.0	9.4	10.1	2.3	5.8	3.5	2.3	3.3	2.0	-1.2	-1.1	-3.6	-3.0	.
Industry, NACE Rev. 2 [1]	real, CCPPY	14.4	12.0	11.4	11.1	9.5	8.9	8.2	7.5	7.0	6.5	5.8	-1.1	-2.4	-2.6	.
Industry, NACE Rev. 2 [1]	real, 3MMA	12.0	11.2	9.1	7.1	5.9	3.9	3.9	3.0	2.5	1.3	-0.1	-1.9	-2.6	.	.
Productivity in industry, NACE Rev. 2 [1]	CCPPY	.	16.6	.	.	13.5	.	.	11.4	.	.	9.8	.	.	.	.
Unit labour costs, exch.r. adj.(EUR) [1]	CCPPY	.	-7.1	.	.	-4.3	.	.	-3.0	.	.	-1.9	.	.	.	.
Construction, NACE Rev. 2 [2]	real, CPPY	-13.4	-18.6	-22.4	-13.4	-12.9	-14.5	-8.4	-11.1	-10.5	-10.9	-5.6	2.2	-9.4	2.0	.
Construction, NACE Rev. 2 [2]	real, CCPPY	-12.9	-15.1	-17.0	-16.3	-15.7	-15.5	-14.6	-14.2	-13.8	-13.5	-12.9	2.2	-3.6	-1.6	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	2890.7	.	.	2934.1	.	.	3018.3	.	.	2955.2	.	.	.	.
Employed persons, LFS	CPPY	.	-4.0	.	.	-4.5	.	.	-2.8	.	.	-2.3	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	395.5	.	.	369.8	.	.	343.0	.	.	380.9	.	.	440.0	.
Unemployment rate, LFS	%	.	12.0	.	.	11.2	.	.	10.2	.	.	11.4	.	.	13.4	.
Unemployment, registered	th. persons, eop	362.4	352.5	344.1	328.5	318.3	315.4	313.8	310.0	314.1	327.3	342.4	366.0	376.2	376.6	373.5
Unemployment rate, registered [3]	%, eop	9.8	9.5	9.3	8.9	9.6	9.5	9.5	9.4	9.6	10.0	10.4	11.1	11.5	11.5	11.4
WAGES																
Total economy, gross	BGN	663	689	710	698	690	691	683	704	706	723	752	720	719	754	.
Total economy, gross [4]	real, CPPY	3.9	3.6	6.9	5.5	4.8	4.9	5.2	5.4	5.4	5.7	6.6	6.5	6.3	7.6	.
Total economy, gross	EUR	339	352	363	357	353	353	349	360	361	370	384	368	368	386	.
Industry, gross, NACE Rev. 2	EUR	329	351	350	347	354	345	345	355	349	356	363	352	347	376	.
PRICES																
Consumer - HICP	PP	0.6	0.4	-0.1	0.1	-0.3	0.4	-0.1	0.0	0.3	0.1	0.3	0.4	0.6	0.1	0.2
Consumer - HICP	CPPY	4.6	4.6	3.3	3.4	3.5	3.4	3.1	2.9	3.0	2.6	2.0	1.9	2.0	1.7	2.0
Consumer - HICP	CCPPY	4.5	4.5	4.2	4.0	4.0	3.9	3.8	3.7	3.6	3.5	3.4	1.9	2.0	1.9	1.9
Producer, in industry, NACE Rev. 2	PP	1.6	1.0	1.3	-1.3	-0.3	0.9	-1.3	1.6	-1.5	1.0	-0.6	2.4	0.5	0.8	1.5
Producer, in industry, NACE Rev. 2	CPPY	13.9	13.6	12.6	9.3	9.1	9.5	7.1	8.6	7.3	6.8	4.0	4.7	3.6	3.4	3.7
Producer, in industry, NACE Rev. 2	CCPPY	13.1	13.2	13.1	12.3	11.8	11.4	10.9	10.6	10.3	9.9	9.4	4.7	4.2	3.9	3.8
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	3096	4784	6394	8054	9650	11518	13275	15065	16887	18642	20227	1434	2911	.	.
Imports total (cif), cumulated	EUR mn	3311	5238	7178	9169	11089	13165	14956	17016	19107	21340	23346	1720	3557	.	.
Trade balance, cumulated	EUR mn	-215	-454	-784	-1116	-1439	-1647	-1681	-1951	-2220	-2698	-3119	-287	-646	.	.
Exports to EU-27 (fob), cumulated	EUR mn	1888	2913	3862	4903	5941	7103	8236	9370	10549	11704	12648	877	1735	.	.
Imports from EU-27 (cif), cumulated	EUR mn	1967	3131	4257	5438	6480	7777	8811	9957	11223	12589	13823	1019	2097	.	.
Trade balance with EU-27, cumulated	EUR mn	-79	-218	-396	-535	-539	-675	-575	-587	-673	-885	-1175	-141	-363	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-87	.	.	-78	.	.	1077	.	.	362	.	.	.	.
EXCHANGE RATE																
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, monthly average	nominal	1.433	1.397	1.354	1.363	1.359	1.371	1.364	1.420	1.427	1.443	1.484	1.516	1.479	1.482	1.486
EUR/BGN, calculated with CPI [5]	real, Jan09=100	101.7	101.0	100.3	100.3	100.1	100.9	100.5	99.9	99.9	99.9	99.8	100.7	100.8	99.9	99.6
EUR/BGN, calculated with PPI [5]	real, Jan09=100	110.0	110.1	110.6	109.3	109.0	109.6	108.4	109.6	107.9	108.8	108.3	110.0	110.0	110.4	112.0
USD/BGN, calculated with CPI [5]	real, Jan09=100	104.7	106.8	109.3	108.3	108.3	107.7	107.9	103.4	103.5	102.6	100.1	98.0	100.6	99.8	99.4
USD/BGN, calculated with PPI [5]	real, Jan09=100	105.7	107.7	110.4	107.6	107.8	107.4	107.3	104.4	103.7	103.4	100.5	100.6	103.1	102.4	103.7
DOMESTIC FINANCE																
Currency in circulation	BGN mn, eop	6857	6824	6859	6865	6974	7235	7350	7379	7311	7317	7794	.	.	.	.
M1	BGN mn, eop	18349	18246	18388	18363	18737	19501	20352	20100	20067	19906	21027	.	.	.	.
Broad money	BGN mn, eop	51414	51946	52245	52664	53112	54512	55244	55494	55228	54938	56957	.	.	.	.
Broad money	CPPY	6.1	7.3	7.5	7.7	7.9	9.4	9.4	10.3	9.6	7.8	12.2	.	.	.	.
Central bank policy rate (p.a.) [6]	%, eop	0.19	0.18	0.19	0.21	0.22	0.17	0.18	0.18	0.20	0.22	0.22	0.22	0.18	0.15	.
Central bank policy rate (p.a.) [6][7]	real, %	-12.1	-11.8	-11.0	-8.3	-8.1	-8.5	-6.4	-7.8	-6.7	-6.2	-3.7	-4.3	-3.3	-3.1	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	BGN mn	.	-215	.	.	-1	.	.	113	.	.	-1576	.	.	.	.

1) Enterprises with 10 and more persons.

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

3) From June 2011 based on census February 2011.

4) Nominal wages deflated with HICP.

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

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

7) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	12.7	8.7	4.7	14.6	7.9	3.9	5.9	1.6	1.7	5.4	2.0	3.1	4.7	-0.7	.
Industry, NACE Rev. 2	real, CCPPY	14.4	12.3	10.3	11.2	10.6	9.7	9.2	8.3	7.6	7.3	6.9	3.1	3.9	2.2	.
Industry, NACE Rev. 2	real, 3MMA	12.3	8.6	9.3	9.0	8.9	6.0	3.7	3.0	3.0	3.1	3.6	3.3	2.2	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	9.5	.	.	7.8	.	.	5.9	.	.	4.9	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	0.8	.	.	2.2	.	.	2.6	.	.	1.3	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	8.2	5.4	-7.3	-3.7	-5.0	-11.8	-9.5	-6.3	-8.0	-5.5	14.5	-5.2	-15.9	-8.9	.
Construction, NACE Rev. 2	real, CCPPY	6.3	5.9	1.3	-0.1	-1.3	-3.3	-4.4	-4.7	-5.2	-5.2	-3.5	-5.2	-11.0	-10.1	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	4864.4	.	.	4908.4	.	.	4927.9	.	.	4915.5	.	.	.	.
Employed persons, LFS	CPPY	.	0.7	.	.	0.6	.	.	0.3	.	.	-0.1	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	376.1	.	.	354.6	.	.	345.7	.	.	337.9	.	.	368.0	.
Unemployment rate, LFS	%	.	7.2	.	.	6.7	.	.	6.6	.	.	6.4	.	.	7.0	.
Unemployment, registered	th. persons, eop	566.9	547.8	513.8	490.0	478.8	485.6	481.5	475.1	470.6	476.4	508.5	534.1	541.7	525.2	497.3
Unemployment rate, registered	%, eop	9.6	9.2	8.6	8.2	8.1	8.2	8.2	8.0	7.9	8.0	8.6	9.1	9.2	8.9	8.4
WAGES																
Total economy, gross	CZK, quart. avg.	.	23166	.	.	23956	.	.	24083	.	.	26067	.	.	.	.
Total economy, gross [1]	real, CPPY	.	0.3	.	.	0.5	.	.	0.3	.	.	-0.8	.	.	.	.
Total economy, gross	EUR, quart. avg.	.	950	.	.	985	.	.	987	.	.	1031	.	.	.	.
Industry, gross, NACE Rev. 2 [2]	EUR, quart. avg.	.	946	.	.	995	.	.	976	.	.	1025	.	.	.	.
PRICES																
Consumer - HICP	PP	0.0	0.2	0.2	0.6	-0.1	0.3	-0.1	-0.2	0.3	0.4	0.4	1.8	0.2	0.3	0.0
Consumer - HICP	CPPY	1.9	1.9	1.6	2.0	1.9	1.9	2.1	2.1	2.6	2.9	2.8	3.8	4.0	4.2	4.0
Consumer - HICP	CCPPY	1.9	1.9	1.8	1.9	1.9	1.9	1.9	1.9	2.0	2.1	2.1	3.8	3.9	4.0	4.0
Producer, in industry, NACE Rev. 2	PP	0.3	0.8	0.6	0.6	-0.2	-0.1	0.0	0.6	0.3	1.0	0.1	0.7	-0.6	-0.3	.
Producer, in industry, NACE Rev. 2	CPPY	3.0	4.1	4.0	3.2	2.2	2.9	3.8	4.4	5.0	5.5	4.1	4.7	3.9	2.8	.
Producer, in industry, NACE Rev. 2	CCPPY	2.7	3.2	3.4	3.3	3.2	3.1	3.2	3.3	3.5	3.7	3.7	4.7	4.3	3.8	.
FOREIGN TRADE, EU definition																
Exports total (fob),cumulated	EUR mn	18229	28822	38229	48285	58465	67533	76543	86916	97161	107656	116566	9904	19996	31251	.
Imports total (cif),cumulated	EUR mn	16922	26615	35490	44973	54437	63015	71989	81416	90602	100308	108879	8742	17710	27445	.
Trade balance,cumulated	EUR mn	1308	2207	2739	3312	4027	4518	4555	5500	6560	7348	7688	1162	2286	3806	.
Exports to EU-27 (fob), cumulated	EUR mn	15387	24255	32169	40622	49078	56666	64066	72564	81007	89662	96746	8224	16498	25601	.
Imports from EU-27 (cif), cumulated	EUR mn	12709	20048	26552	33625	40635	46972	53337	60405	67527	74735	81057	6460	13385	20832	.
Trade balance with EU-27, cumulated	EUR mn	2678	4206	5616	6997	8443	9693	10729	12159	13480	14927	15689	1764	3113	4769	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	932	.	.	-1405	.	.	-3765	.	.	-4453	.	.	.	.
EXCHANGE RATE																
CZK/EUR, monthly average	nominal	24.28	24.39	24.30	24.38	24.29	24.34	24.27	24.56	24.84	25.46	25.51	25.53	25.04	24.68	24.81
CZK/USD, monthly average	nominal	17.79	17.42	16.83	16.99	16.88	17.06	16.92	17.83	18.12	18.78	19.36	19.78	18.94	18.69	18.85
EUR/CZK, calculated with CPI [3]	real, Jan09=100	109.1	107.6	107.5	107.7	108.1	108.7	108.6	106.5	105.2	102.9	102.8	105.2	106.9	107.7	106.6
EUR/CZK, calculated with PPI [3]	real, Jan09=100	104.1	103.5	103.6	104.0	104.3	103.6	104.0	103.0	102.1	100.4	100.5	100.3	101.2	101.9	.
USD/CZK, calculated with CPI [3]	real, Jan09=100	112.3	113.8	117.2	116.3	117.0	116.0	116.5	110.2	109.0	105.7	103.2	102.3	106.6	107.6	106.3
USD/CZK, calculated with PPI [3]	real, Jan09=100	100.1	101.2	103.4	102.4	103.1	101.5	103.0	98.1	98.0	95.4	93.2	91.8	94.8	94.5	.
DOMESTIC FINANCE																
Currency in circulation	CZK bn, eop	357.5	358.1	361.7	360.5	364.3	364.1	363.7	368.3	370.4	374.0	377.9	376.4	377.7	.	.
M1	CZK bn, eop	2034.5	2027.4	2042.0	2067.6	2044.4	2058.6	2076.5	2084.2	2093.8	2117.4	2149.5	.	.	.	.
Broad money	CZK bn, eop	2738.3	2717.4	2755.2	2767.8	2736.2	2762.1	2747.7	2776.3	2780.9	2801.2	2835.8	.	.	.	.
Broad money	CPPY	2.7	1.3	1.0	0.1	-0.7	0.6	0.6	1.8	1.9	2.6	2.7	.	.	.	.
Central bank policy rate (p.a.) [4]	%, eop	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	.
Central bank policy rate (p.a.) [4][5]	real, %	-2.2	-3.2	-3.1	-2.4	-1.4	-2.1	-3.0	-3.5	-4.1	-4.5	-3.2	-3.8	-3.0	-2.0	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	CZK mn	.	-34509	.	.	-46584	.	.	-70547	.	.	-117450	.	.	.	.

1) Nominal wages deflated with HICP.

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

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

4) Two-week repo rate.

5) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	28.4	30.3	23.8	25.3	21.4	18.6	27.2	6.6	2.8	2.1	-2.5	2.0	2.3	-8.4	.
Industry, NACE Rev. 2	real, CCPPY	29.7	29.9	28.3	27.7	26.6	25.4	25.6	23.2	20.8	18.8	16.8	2.0	2.2	-1.8	.
Industry, NACE Rev. 2	real, 3MMA	29.9	27.5	26.5	23.5	21.8	22.5	17.0	11.6	3.8	0.9	0.6	0.6	-1.8	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	26.8	.	.	23.0	.	.	19.7	.	.	13.7	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	-15.6	.	.	-13.9	.	.	-11.3	.	.	-6.6	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	34.4	.	.	11.4	.	.	25.4	.	.	38.9	.	.	.	.
Construction, NACE Rev. 2	real, CCPPY	.	34.4	.	.	19.8	.	.	22.2	.	.	26.7	.	.	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	591.3	.	.	602.6	.	.	627.8	.	.	614.5	.	.	614.3	.
Employed persons, LFS	CPPY	.	6.8	.	.	7.8	.	.	8.6	.	.	3.6	.	.	3.9	.
Unemployed persons, LFS	th. pers., quart. avg	.	99.3	.	.	92.1	.	.	77.0	.	.	79.0	.	.	79.6	.
Unemployment rate, LFS	%	.	14.4	.	.	13.3	.	.	10.9	.	.	11.4	.	.	11.5	.
Unemployment, registered	th. persons, eop	66.3	65.8	62.0	56.3	52.3	49.7	47.8	46.6	46.4	47.2	47.4	49.7	50.1	49.3	47.3
Unemployment rate, registered	%, eop	10.2	10.2	9.6	8.7	8.1	7.7	7.4	7.2	7.2	7.3	7.3	7.6	7.6	7.5	7.2
WAGES																
Total economy, gross	EUR, quart. avg.	.	792	.	.	857	.	.	809	.	.	865	.	.	847	.
Total economy, gross [1]	real, CPPY	.	-0.7	.	.	-1.0	.	.	1.1	.	.	1.8	.	.	2.2	.
Industry, gross, NACE Rev. 2	EUR, quart. avg.	.	797	.	.	843	.	.	824	.	.	857	.	.	867	.
PRICES																
Consumer - HICP	PP	0.7	0.8	0.8	0.4	-0.1	0.6	0.3	0.6	-0.1	0.1	0.1	0.6	0.4	1.0	0.4
Consumer - HICP	CPPY	5.5	5.1	5.4	5.5	4.9	5.3	5.6	5.4	4.7	4.4	4.1	4.7	4.4	4.7	4.3
Consumer - HICP	CCPPY	5.3	5.2	5.3	5.3	5.3	5.3	5.3	5.3	5.2	5.2	5.1	4.7	4.6	4.6	4.5
Producer, in industry, NACE Rev. 2	PP	0.0	0.4	0.9	0.5	0.5	0.3	-0.1	0.1	0.0	0.0	0.0	0.8	0.4	0.2	0.2
Producer, in industry, NACE Rev. 2	CPPY	4.7	4.8	4.8	4.5	5.2	5.1	3.9	3.6	3.4	3.0	3.2	3.4	3.8	3.6	2.9
Producer, in industry, NACE Rev. 2	CCPPY	4.9	4.9	4.9	4.8	4.9	4.9	4.8	4.6	4.5	4.4	4.3	3.4	3.6	3.6	3.4
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	1658	2736	3833	4955	5910	6845	7877	8972	10016	11083	12022	941	1916	2981	.
Imports total (cif), cumulated	EUR mn	1788	2958	4122	5267	6267	7276	8365	9464	10535	11641	12631	1006	2118	3314	.
Trade balance, cumulated	EUR mn	-130	-221	-289	-312	-358	-431	-488	-492	-519	-558	-610	-65	-203	-333	.
Exports to EU-27 (fob), cumulated	EUR mn	1141	1827	2595	3280	3961	4585	5282	6007	6680	7357	7955	606	1222	1929	.
Imports from EU-27 (cif), cumulated	EUR mn	1304	2191	3033	3905	4731	5571	6462	7380	8238	9145	9904	790	1692	2616	.
Trade balance with EU-27, cumulated	EUR mn	-164	-364	-438	-625	-770	-986	-1180	-1374	-1559	-1788	-1949	-184	-470	-687	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-53	.	.	37	.	.	329	.	.	506	.	.	.	.
EXCHANGE RATE																
EUR/EUR, monthly average	nominal	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
EUR/USD, monthly average [2]	nominal	0.733	0.714	0.692	0.697	0.695	0.701	0.697	0.726	0.730	0.738	0.759	0.775	0.756	0.758	0.760
EUR/EUR, calculated with CPI [3]	real, Jan09=100	99.8	99.5	99.7	100.0	99.9	100.9	101.0	100.9	100.5	100.4	100.2	101.4	101.3	101.3	101.2
EUR/EUR, calculated with PPI [3]	real, Jan09=100	97.4	96.9	96.9	97.6	98.1	98.0	98.1	97.7	97.7	97.5	97.7	97.6	97.5	97.3	97.5
USD/EUR, calculated with CPI [3]	real, Jan09=100	102.8	105.2	108.7	107.9	108.2	107.7	108.3	104.4	104.1	103.2	100.6	98.6	101.1	101.1	101.0
USD/EUR, calculated with PPI [3]	real, Jan09=100	93.6	94.7	96.7	96.1	97.0	96.1	97.1	93.1	93.8	92.7	90.7	89.3	91.4	90.2	90.2
DOMESTIC FINANCE																
Currency in circulation [4]	EUR mn, eop	2050	2045	2062	2064	2081	2099	2084	2101	2117	2125	2173	2073	2070	2076	2085
M1 [4]	EUR mn, eop	4707	4705	4770	4862	4876	4853	4881	4938	5036	4955	5212	5069	5180	5093	5196
Broad money [4]	EUR mn, eop	8370	8383	8403	8479	8465	8533	8695	8738	8782	8848	9036	8897	8934	8838	9120
Broad money [4]	CPPY	.	.	.	.	.	.	.	.	.	.	.	5.2	6.7	5.4	8.5
Central bank policy rate (p.a.) [5]	%, eop	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	.
Central bank policy rate (p.a.) [5][6]	real, %	-3.5	-3.6	-3.4	-3.2	-3.8	-3.4	-2.3	-2.0	-1.8	-1.7	-2.1	-2.3	-2.7	-2.5	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	-77	.	.	104	.	.	254	.	.	165	.	.	.	.

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

1) Nominal wages deflated with HICP.

2) From January 2011 reference rate of ECB.

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

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

5) From January 2011 official refinancing operation rate for euro area (ECB), TALIBOR one-month interbank offered rate before.

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	15.0	9.7	7.2	7.5	-1.1	0.5	4.6	3.0	3.2	3.5	2.1	0.6	0.8	-1.5	.
Industry, NACE Rev. 2	real, CCPPY	14.3	12.6	11.2	10.5	8.3	7.1	6.8	6.3	6.0	5.7	5.4	0.6	0.7	-0.1	.
Industry, NACE Rev. 2	real, 3MMA	12.6	10.5	8.2	4.3	2.2	1.2	2.7	3.6	3.3	3.0	2.2	1.2	-0.1	.	.
Productivity in industry, NACE Rev. 2	CCPPY	8.7	7.0	5.8	5.1	3.3	2.4	2.3	2.1	2.1	2.1	2.0	1.4	1.7	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-2.0	-2.1	-0.8	1.5	3.8	5.1	5.4	5.1	4.1	3.1	2.4	-6.6	-3.8	.	.
Construction, NACE Rev. 2	real, CPPY	-4.3	-9.1	-12.3	-3.7	-12.3	-17.4	-12.0	-11.8	-8.0	4.2	-0.8	-3.9	-15.0	-12.6	.
Construction, NACE Rev. 2	real, CCPPY	-4.7	-6.6	-8.2	-7.1	-8.2	-9.7	-10.1	-10.3	-10.1	-8.6	-7.7	-3.9	-10.4	-11.3	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	3732.5	.	.	3808.8	.	.	3855.9	.	.	3850.6	.	.	.	.
Employed persons, LFS	CPPY	.	0.4	.	.	0.8	.	.	0.9	.	.	1.2	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	489.8	.	.	460.7	.	.	462.0	.	.	459.0	.	.	511.0	.
Unemployment rate, LFS	%	.	11.6	.	.	10.8	.	.	10.7	.	.	10.7	.	.	11.8	.
Unemployment, registered	th. persons, eop	673.6	650.0	612.0	572.0	553.3	554.2	549.0	536.7	530.8	526.3	552.3	648.4	646.7	591.2	554.5
Unemployment rate, registered	%, eop	15.2	14.7	13.8	12.9	12.5	12.5	12.4	12.1	12.0	11.9	12.5	14.6	14.6	13.3	12.5
WAGES																
Total economy, gross [1]	HUF th	202.7	216.9	214.7	212.0	212.0	210.2	206.7	205.8	207.8	226.0	231.8	218.4	216.5	222.7	.
Total economy, gross [1][2]	real, CPPY	0.5	-5.8	1.4	2.9	1.1	3.1	2.9	1.5	2.2	1.7	5.7	-1.6	1.0	-2.7	.
Total economy, gross [1]	EUR	747	801	809	794	795	785	759	722	700	731	762	711	745	762	.
Industry, gross, NACE Rev. 2 [1]	EUR	757	815	834	848	824	793	788	743	713	807	779	733	766	820	.
PRICES																
Consumer - HICP	PP	0.4	1.0	0.7	0.2	-0.2	-0.3	-0.1	0.0	0.5	0.6	0.2	2.4	0.6	0.8	0.8
Consumer - HICP	CPPY	4.2	4.6	4.4	3.9	3.5	3.1	3.5	3.7	3.8	4.3	4.1	5.6	5.8	5.5	5.6
Consumer - HICP	CCPPY	4.1	4.3	4.3	4.2	4.1	4.0	3.9	3.9	3.9	3.9	3.9	5.6	5.7	5.6	5.6
Producer, in industry, NACE Rev. 2	PP	0.2	0.0	-0.2	0.2	-0.7	0.4	0.6	3.0	1.9	2.4	-0.5	-0.1	-1.1	0.2	.
Producer, in industry, NACE Rev. 2	CPPY	4.9	5.0	3.1	-0.5	-2.5	-2.2	-1.5	2.5	5.1	6.1	5.5	7.3	5.9	6.1	.
Producer, in industry, NACE Rev. 2	CCPPY	5.2	5.2	4.6	3.6	2.5	1.8	1.4	1.5	1.9	2.3	2.5	7.3	6.6	6.4	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	12932	20313	26774	33695	40291	46554	53040	60231	67164	74644	80616	6360	13065	.	.
Imports total (cif), cumulated	EUR mn	11642	18186	24228	30451	36477	42377	48400	54839	61264	68049	73699	5941	11965	.	.
Trade balance, cumulated	EUR mn	1290	2126	2546	3244	3814	4177	4640	5391	5900	6594	6917	418	1100	.	.
Exports to EU-27 (fob), cumulated	EUR mn	9956	15615	20546	25779	30844	35606	40405	45869	51200	56853	61205	4868	9900	.	.
Imports from EU-27 (cif), cumulated	EUR mn	7938	12544	16743	21204	25441	29660	33783	38391	42761	47403	51155	3957	8227	.	.
Trade balance with EU-27, cumulated	EUR mn	2018	3071	3803	4575	5403	5946	6621	7478	8439	9451	10050	910	1672	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	338	.	.	840	.	.	1291	.	.	1442	.	.	.	.
EXCHANGE RATE																
HUF/EUR, monthly average	nominal	271.2	270.9	265.3	267.0	266.9	267.7	272.4	285.1	296.8	309.2	304.2	307.3	290.7	292.3	294.8
HUF/USD, monthly average	nominal	198.7	193.5	183.7	186.0	185.5	187.7	189.9	207.0	216.5	228.1	230.8	238.1	219.8	221.4	224.0
EUR/HUF, calculated with CPI [3]	real, Jan09=100	109.0	109.1	111.5	110.9	110.8	110.6	108.3	102.9	99.0	95.5	97.0	98.8	104.5	103.7	103.2
EUR/HUF, calculated with PPI [3]	real, Jan09=100	103.3	102.5	103.6	103.3	102.6	102.3	101.4	99.4	97.2	95.3	96.6	94.7	98.5	97.6	.
USD/HUF, calculated with CPI [3]	real, Jan09=100	112.3	115.3	121.5	119.7	119.9	118.0	116.2	106.5	102.6	98.1	97.3	96.2	104.3	103.6	102.9
USD/HUF, calculated with PPI [3]	real, Jan09=100	99.3	100.2	103.4	101.7	101.4	100.3	100.4	94.7	93.4	90.6	89.6	86.6	92.3	90.6	.
DOMESTIC FINANCE																
Currency in circulation	HUF bn, eop	2165.5	2138.2	2144.6	2155.3	2195.7	2245.6	2297.3	2369.9	2455.1	2512.1	2551.6	2583.2	2530.3	.	.
M1	HUF bn, eop	6406.9	6444.0	6360.7	6386.0	6450.8	6553.0	6594.6	6822.6	6902.1	7148.4	7341.4	.	.	.	.
Broad money	HUF bn, eop	16238.6	16204.9	16232.9	16366.4	16292.3	16459.3	16580.3	17092.2	17174.6	17394.0	17424.0	.	.	.	.
Broad money	CPPY	2.0	0.8	-0.1	0.1	-0.8	0.8	0.5	5.5	5.5	6.1	5.6	.	.	.	.
Central bank policy rate (p.a.) [4]	%, eop	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50	7.00	7.00	7.00	7.00	.
Central bank policy rate (p.a.) [4][5]	real, %	1.1	0.9	2.9	6.5	8.7	8.4	7.6	3.5	0.8	0.4	1.4	-0.3	1.0	0.9	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	HUF bn	.	2249	.	.	1946	.	.	1644	.	.	1180	.	.	.	.

1) Enterprises with 5 and more employees.

2) Nominal wages deflated with HICP.

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

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

5) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	10.1	12.3	9.1	14.6	13.0	6.2	9.2	9.6	5.1	8.5	3.2	11.1	12.5	6.1	.
Industry, NACE Rev. 2 [1]	real, CCPPY	9.8	10.7	10.3	11.1	11.5	10.7	10.5	10.3	9.7	9.6	9.0	11.1	11.8	9.8	.
Industry, NACE Rev. 2 [1]	real, 3MMA	10.7	10.5	12.0	12.2	11.2	9.4	8.4	7.9	7.7	5.6	7.4	8.7	9.8	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	2.2	.	.	3.0	.	.	2.8	.	.	2.2	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	2.8	.	.	1.7	.	.	1.4	.	.	2.3	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	-15.1	.	.	-0.9	.	.	19.6	.	.	25.9	.	.	28.5	.
Construction, NACE Rev. 2	real, CCPPY	.	-15.1	.	.	-6.2	.	.	6.1	.	.	12.3	.	.	28.5	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	944.3	.	.	966.5	.	.	984.7	.	.	986.6	.	.	857.6	.
Employed persons, LFS	CPPY	.	3.1	.	.	3.3	.	.	2.5	.	.	3.7	.	.	-9.2	.
Unemployed persons, LFS	th. pers., quart. avg	.	188.3	.	.	187.0	.	.	165.3	.	.	165.2	.	.	166.7	.
Unemployment rate, LFS	%	.	16.6	.	.	16.2	.	.	14.4	.	.	14.3	.	.	16.3	.
Unemployment, registered	th. persons, eop	164.9	163.5	157.9	149.6	142.4	137.6	134.2	131.7	130.5	130.2	130.3	132.6	133.4	132.2	127.8
Unemployment rate, registered	%, eop	14.5	14.4	13.9	13.2	12.6	12.1	11.8	11.6	11.5	11.5	11.5	11.7	11.8	11.7	11.3
WAGES																
Total economy, gross	LVL	440	463	460	462	468	472	469	459	461	464	500	.	.	.	.
Total economy, gross [2]	real, CPPY	-0.5	0.9	-0.2	-0.5	0.0	-0.7	0.8	-0.6	-0.2	0.9	0.5	.	.	.	.
Total economy, gross	EUR	625	655	649	651	660	666	661	647	653	661	717	.	.	.	.
Industry, gross, NACE Rev. 2	EUR	597	649	626	634	657	675	651	650	636	641	713	.	.	.	.
PRICES																
Consumer - HICP	PP	0.3	0.7	1.1	0.4	0.2	-0.2	-0.4	0.3	0.2	-0.1	0.0	0.8	0.2	0.6	0.7
Consumer - HICP	CPPY	3.8	4.1	4.3	4.8	4.7	4.2	4.6	4.5	4.3	4.0	3.9	3.4	3.3	3.2	2.8
Consumer - HICP	CCPPY	3.7	3.8	3.9	4.1	4.2	4.2	4.3	4.3	4.3	4.3	4.2	3.4	3.3	3.3	3.2
Producer, in industry, NACE Rev. 2	PP	0.8	0.9	2.1	0.7	0.4	0.8	0.3	-0.4	0.1	-0.5	-0.1	1.4	0.1	-0.4	1.0
Producer, in industry, NACE Rev. 2	CPPY	8.3	8.5	8.7	7.6	7.0	7.7	7.5	6.6	6.9	6.5	6.3	6.8	6.1	4.7	3.5
Producer, in industry, NACE Rev. 2	CCPPY	8.0	8.2	8.3	8.2	8.0	7.9	7.9	7.7	7.6	7.5	7.4	6.8	6.4	5.9	5.3
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	1261	2027	2757	3552	4328	5084	5941	6823	7721	8615	9428	738	1523	.	.
Imports total (cif), cumulated	EUR mn	1510	2479	3344	4318	5253	6302	7365	8422	9552	10648	11641	912	1891	.	.
Trade balance, cumulated	EUR mn	-248	-452	-587	-766	-925	-1219	-1425	-1600	-1831	-2032	-2212	-174	-368	.	.
Exports to EU-27 (fob), cumulated	EUR mn	874	1393	1888	2444	2942	3446	3989	4566	5129	5688	6211	487	987	.	.
Imports from EU-27 (cif), cumulated	EUR mn	1119	1852	2511	3253	3988	4814	5647	6494	7383	8238	9020	655	1370	.	.
Trade balance with EU-27, cumulated	EUR mn	-246	-459	-623	-809	-1045	-1368	-1657	-1928	-2253	-2550	-2809	-168	-383	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	28	.	.	-28	.	.	-307	.	.	-241	.	.	.	.
EXCHANGE RATE																
LVL/EUR, monthly average	nominal	0.704	0.707	0.709	0.709	0.709	0.709	0.709	0.709	0.706	0.702	0.698	0.699	0.699	0.698	0.699
LVL/USD, monthly average	nominal	0.516	0.505	0.491	0.494	0.493	0.497	0.495	0.515	0.515	0.517	0.529	0.542	0.528	0.529	0.531
EUR/LVL, calculated with CPI [3]	real, Jan09=100	95.8	94.9	95.1	95.4	95.7	95.9	95.4	95.0	95.3	95.7	96.0	97.1	96.7	96.5	96.4
EUR/LVL, calculated with PPI [3]	real, Jan09=100	95.2	94.7	95.6	96.4	96.9	97.3	97.8	97.0	97.5	97.4	98.1	98.5	98.1	97.4	98.1
USD/LVL, calculated with CPI [3]	real, Jan09=100	98.7	100.3	103.7	103.4	104.0	103.4	103.3	98.9	98.7	98.0	95.5	94.6	96.6	96.2	95.9
USD/LVL, calculated with PPI [3]	real, Jan09=100	91.5	92.6	95.4	95.0	95.8	95.4	96.8	92.4	93.6	92.6	91.0	90.1	92.0	90.3	90.8
DOMESTIC FINANCE																
Currency in circulation	LVL mn, eop	796	795	815	818	838	876	873	888	893	941	1040	1024	1021	.	.
M1	LVL mn, eop	3788	3690	3724	3798	3868	3855	3949	3940	3972	4371	4357	.	.	.	.
Broad money	LVL mn, eop	6543	6514	6453	6544	6481	6443	6507	6487	6426	6472	6661	.	.	.	.
Broad money	CPPY	10.0	7.1	4.3	6.1	5.4	4.4	4.1	2.4	3.4	2.3	1.7	.	.	.	.
Central bank policy rate (p.a.) [4]	%, eop	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	.
Central bank policy rate (p.a.) [4][5]	real, %	-4.5	-4.6	-4.7	-3.8	-3.2	-3.9	-3.7	-2.9	-3.2	-2.8	-2.6	-3.1	-2.4	-1.1	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	LVL mn	.	-69	.	.	-1	.	.	-64	.	.	-495	.	.	.	.

1) Enterprises with 20 and more persons.

2) Nominal wages deflated with HICP.

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

4) Refinancing rate.

5) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	12.9	14.2	7.5	13.6	10.7	5.8	6.6	9.5	-1.6	1.1	-2.1	2.4	3.4	5.8	.
Industry, NACE Rev. 2 [1]	real, CCPPY	14.6	14.5	12.7	12.9	12.5	11.5	10.8	10.7	9.3	8.5	7.5	2.4	2.9	3.9	.
Industry, NACE Rev. 2 [1]	real, 3MMA	14.5	11.5	11.8	10.6	10.0	7.7	7.3	4.7	2.8	-0.9	0.4	1.1	3.9	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	11.7	.	.	8.5	.	.	6.1	.	.	2.8	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	-7.3	.	.	-4.7	.	.	-3.3	.	.	-0.4	.	.	.	.
Construction, NACE Rev. 2	real, CPPY	.	15.9	.	.	16.7	.	.	18.4	.	.	33.3	.	.	11.7	.
Construction, NACE Rev. 2	real, CCPPY	.	15.9	.	.	16.4	.	.	17.3	.	.	22.1	.	.	11.7	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	1340.4	.	.	1385.1	.	.	1378.9	.	.	1379.1	.	.	1365.9	.
Employed persons, LFS	CPPY	.	0.9	.	.	4.3	.	.	2.1	.	.	0.9	.	.	1.9	.
Unemployed persons, LFS	th. pers., quart. avg	.	277.6	.	.	255.6	.	.	239.8	.	.	222.1	.	.	230.9	.
Unemployment rate, LFS	%	.	17.2	.	.	15.6	.	.	14.8	.	.	13.9	.	.	14.5	.
Unemployment, registered	th. persons, eop	306.4	293.5	269.3	243.2	227.6	229.2	221.2	213.4	211.8	212.5	227.1	239.1	243.1	244.0	229.3
Unemployment rate, registered [2]	%, eop	14.2	13.6	12.5	11.2	11.0	11.1	10.7	10.3	10.2	10.3	11.0	11.6	11.8	11.8	11.1
WAGES																
Total economy, gross	LTL	.	2072	.	.	2108	.	.	2116	.	.	2175	.	.	2138	.
Total economy, gross [3]	real, CPPY	.	-1.2	.	.	-2.1	.	.	-2.8	.	.	-1.4	.	.	-0.4	.
Total economy, gross	EUR	.	600	.	.	610	.	.	613	.	.	630	.	.	619	.
Industry, gross, NACE Rev. 2	EUR	.	614	.	.	620	.	.	625	.	.	637	.	.	634	.
PRICES																
Consumer - HICP	PP	0.1	1.0	1.0	0.8	-0.1	-0.2	-0.3	0.8	-0.1	0.2	-0.2	0.4	0.4	1.0	0.6
Consumer - HICP	CPPY	3.0	3.7	4.4	5.0	4.8	4.6	4.4	4.7	4.2	4.4	3.5	3.4	3.7	3.7	3.3
Consumer - HICP	CCPPY	2.9	3.2	3.5	3.8	4.0	4.0	4.1	4.2	4.2	4.2	4.1	3.4	3.6	3.6	3.5
Producer, in industry, NACE Rev. 2	PP	2.5	3.2	1.2	-0.3	-1.1	1.8	-1.0	1.2	0.1	0.3	-0.7	2.2	1.3	1.9	-0.2
Producer, in industry, NACE Rev. 2	CPPY	15.7	15.4	14.8	14.1	12.1	15.3	14.2	15.3	14.4	12.6	8.7	9.8	8.5	7.1	5.6
Producer, in industry, NACE Rev. 2	CCPPY	15.4	15.4	15.2	15.0	14.5	14.6	14.6	14.7	14.6	14.4	13.9	9.8	9.2	8.5	7.7
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	2931	4571	6078	7851	9613	11267	13015	14871	16635	18427	20170	1629	3279	.	.
Imports total (cif), cumulated	EUR mn	3332	5222	7052	9044	10980	12820	14754	16738	18744	20764	22637	1856	3803	.	.
Trade balance, cumulated	EUR mn	-401	-651	-974	-1193	-1367	-1553	-1738	-1867	-2109	-2338	-2467	-227	-524	.	.
Exports to EU-27 (fob), cumulated	EUR mn	1834	2801	3673	4738	5764	6806	7918	9071	10186	11343	12386	1106	2182	.	.
Imports from EU-27 (cif), cumulated	EUR mn	1751	2908	3985	5128	6191	7206	8231	9358	10449	11569	12647	900	1902	.	.
Trade balance with EU-27, cumulated	EUR mn	83	-107	-312	-390	-426	-400	-313	-287	-262	-226	-261	206	279	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-74	.	.	-320	.	.	-177	.	.	-481	.	.	.	.
EXCHANGE RATE																
LTL/EUR, monthly average	nominal	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453
LTL/USD, monthly average	nominal	2.530	2.466	2.391	2.406	2.400	2.421	2.407	2.507	2.519	2.547	2.620	2.676	2.611	2.616	2.623
EUR/LTL, calculated with CPI [4]	real, Jan09=100	97.8	97.7	98.1	98.8	98.8	99.0	98.4	98.6	98.3	98.3	97.8	98.7	98.6	98.5	98.7
EUR/LTL, calculated with PPI [4]	real, Jan09=100	114.8	117.5	118.0	117.7	116.5	118.1	117.2	118.2	118.3	118.3	117.8	119.3	120.3	122.0	121.8
USD/LTL, calculated with CPI [4]	real, Jan09=100	100.9	103.3	107.0	107.1	107.3	106.7	106.7	102.6	101.7	100.7	97.4	96.2	98.5	98.2	98.1
USD/LTL, calculated with PPI [4]	real, Jan09=100	110.4	114.9	117.7	115.9	115.1	115.8	116.1	112.5	113.6	112.4	109.3	109.2	112.7	113.1	112.7
DOMESTIC FINANCE																
Currency in circulation	LTL mn, eop	7783	7758	7924	7928	8045	8283	8249	8273	8428	8722	9682	9557	9554	.	.
M1	LTL mn, eop	27305	27174	27384	27947	28109	28537	28258	28879	28610	29224	31286	.	.	.	.
Broad money	LTL mn, eop	47618	47687	47721	48111	48495	49168	49561	50083	50180	50704	50487	.	.	.	.
Broad money	CPPY	8.5	8.4	6.9	7.0	7.4	7.8	8.2	10.0	9.2	8.5	4.9	.	.	.	.
Central bank policy rate (p.a.) [5]	%, eop	1.15	1.10	1.25	1.40	1.43	1.59	1.62	1.52	1.53	1.44	1.24	1.00	0.94	0.79	0.79
Central bank policy rate (p.a.) [5][6]	real, %	-12.5	-12.4	-11.8	-11.1	-9.5	-11.9	-11.0	-12.0	-11.3	-9.9	-6.8	-8.0	-7.0	-5.9	-4.6
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	LTL mn	.	-1763	.	.	-3147	.	.	-3572	.	.	-5851	.	.	.	.

1) Sold production.

2) In % of working age population.

3) Nominal wages deflated with HICP.

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

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

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2 [1)2)]	real, CPPY	10.4	6.8	6.7	7.8	1.9	1.8	7.9	7.4	6.4	8.5	7.6	9.1	4.8	0.7	.
Industry, NACE Rev. 2 [1)2)]	real, CCPPY	10.3	9.0	8.4	8.3	7.2	6.4	6.6	6.7	6.6	6.8	6.9	9.1	7.0	4.7	.
Industry, NACE Rev. 2 [1)2)]	real, 3MMA	9.0	7.9	7.1	5.4	3.8	3.8	5.7	7.2	7.4	7.5	8.4	7.2	4.7	.	.
Productivity in industry, NACE Rev. 2 [2)]	CCPPY	7.5	6.0	5.5	5.4	4.3	3.7	4.0	4.2	4.3	4.5	4.7	9.5	7.4	.	.
Unit labour costs, exch.r. adj.(EUR) [1)2)]	CCPPY	1.0	-0.4	0.1	0.5	2.5	3.4	2.6	1.1	0.0	-1.3	-2.3	-9.8	-9.0	.	.
Construction, NACE Rev. 2 [2)]	real, CPPY	18.7	24.2	15.6	23.9	17.0	16.5	10.8	18.0	8.9	13.0	14.6	32.2	12.0	3.5	.
Construction, NACE Rev. 2 [2)]	real, CCPPY	14.9	18.7	17.7	19.4	18.8	18.3	17.0	17.2	16.0	15.6	15.5	32.2	21.6	13.8	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	15875	.	.	16163	.	.	16283	.	.	16201	.	.	.	.
Employed persons, LFS	CPPY	.	1.9	.	.	1.1	.	.	0.5	.	.	0.8	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	1771.4	.	.	1689.9	.	.	1679.4	.	.	1749.7	.	.	1884.0	.
Unemployment rate, LFS	%	.	10.1	.	.	9.5	.	.	9.4	.	.	9.8	.	.	10.6	.
Unemployment, registered	th. persons, eop	2150.2	2133.9	2043.5	1962.6	1883.3	1863.2	1855.3	1861.7	1867.6	1914.9	1982.7	2121.5	2168.2	2141.9	2072.6
Unemployment rate, registered	%, eop	13.4	13.3	12.8	12.4	11.9	11.8	11.8	11.8	11.8	12.1	12.5	13.2	13.5	13.3	12.9
WAGES																
Total economy, gross [2)]	PLN	3422	3634	3598	3484	3600	3612	3591	3582	3617	3682	4015	3666	3568	3771	3720
Total economy, gross [2)3)]	real, CPPY	0.7	0.0	1.7	-0.2	2.0	1.5	1.4	1.7	1.3	0.1	-0.2	3.8	-0.1	-0.2	-0.6
Total economy, gross [2)]	EUR	872	905	906	884	907	904	872	826	831	831	897	838	853	911	890
Industry, gross, NACE Rev. 2	EUR	890	909	918	894	939	928	895	835	826	861	945	860	861	933	900
PRICES																
Consumer - HICP	PP	0.2	0.9	0.5	0.5	-0.3	-0.2	0.0	0.0	0.7	0.7	0.5	0.7	0.4	0.5	0.6
Consumer - HICP	CPPY	3.3	4.0	4.1	4.3	3.7	3.6	4.0	3.5	3.8	4.4	4.5	4.1	4.4	3.9	4.0
Consumer - HICP	CCPPY	3.4	3.6	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.9	4.1	4.3	4.2	4.1
Producer, in industry, NACE Rev. 2	PP	1.2	1.5	0.8	-0.3	0.3	0.5	0.5	1.5	0.1	0.8	0.3	0.3	-0.5	0.0	0.8
Producer, in industry, NACE Rev. 2	CPPY	7.6	9.3	8.9	6.5	5.8	6.1	6.8	8.2	8.2	8.7	7.6	7.5	5.7	4.2	4.3
Producer, in industry, NACE Rev. 2	CCPPY	6.9	7.7	8.0	7.7	7.4	7.2	7.2	7.3	7.4	7.5	7.5	7.5	6.6	5.8	5.4
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	21078	33043	44172	55888	67229	77800	88929	101019	112993	124544	134630	10968	22264	.	.
Imports total (cif), cumulated	EUR mn	23280	36388	48975	62066	74999	87118	99537	112290	125154	137835	149189	12042	24477	.	.
Trade balance, cumulated	EUR mn	-2202	-3345	-4804	-6179	-7771	-9318	-10609	-11271	-12161	-13290	-14560	-1075	-2213	.	.
Exports to EU-27 (fob), cumulated	EUR mn	16826	26304	35021	44019	52804	61158	69396	78810	88155	97218	104734	8728	17453	.	.
Imports from EU-27 (cif), cumulated	EUR mn	16299	26031	34635	43874	52831	61489	69702	78627	87417	96186	103558	7841	16151	.	.
Trade balance with EU-27, cumulated	EUR mn	527	273	386	146	-26	-331	-306	183	738	1032	1177	887	1302	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-3134	.	.	-6496	.	.	-10953	.	.	-15914	.	.	.	.
EXCHANGE RATE																
PLN/EUR, monthly average	nominal	3.926	4.015	3.969	3.940	3.970	3.995	4.120	4.338	4.352	4.432	4.477	4.376	4.184	4.137	4.178
PLN/USD, monthly average	nominal	2.877	2.868	2.749	2.746	2.759	2.801	2.872	3.150	3.175	3.270	3.397	3.391	3.164	3.134	3.174
EUR/PLN, calculated with CPI [4)]	real, Jan09=100	110.6	108.0	109.1	110.4	109.2	108.8	105.3	99.3	99.4	98.1	97.3	100.8	105.3	105.9	104.9
EUR/PLN, calculated with PPI [4)]	real, Jan09=100	109.0	107.3	108.4	109.1	108.6	108.0	105.5	101.2	100.9	99.7	99.1	100.9	104.4	105.1	105.0
USD/PLN, calculated with CPI [4)]	real, Jan09=100	113.9	114.2	118.9	119.1	118.2	116.1	112.9	102.8	102.9	100.8	97.6	98.0	105.1	105.8	104.7
USD/PLN, calculated with PPI [4)]	real, Jan09=100	104.8	104.9	108.2	107.4	107.3	105.8	104.5	96.4	96.9	94.7	92.0	92.3	97.8	97.5	97.1
DOMESTIC FINANCE																
Currency in circulation	PLN bn, eop	91.4	92.2	93.9	93.5	95.1	96.7	97.2	99.3	99.5	99.4	101.8	98.7	98.2	.	.
M1	PLN bn, eop	444.2	458.9	441.1	447.2	451.2	440.5	449.2	444.8	442.1	453.2	468.0	.	.	.	.
Broad money	PLN bn, eop	775.0	800.2	789.2	794.5	796.3	798.1	815.8	829.5	835.7	853.5	881.5	.	.	.	.
Broad money	CPPY	8.3	10.9	9.4	7.7	7.2	7.4	8.8	10.2	10.5	11.8	12.5	.	.	.	.
Central bank policy rate (p.a.) [5)]	%, eop	3.75	3.75	4.00	4.25	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	.
Central bank policy rate (p.a.) [5)6)]	real, %	-3.6	-5.1	-4.5	-2.1	-1.2	-1.5	-2.2	-3.4	-3.4	-3.8	-2.9	-2.8	-1.2	0.3	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	PLN mn	.	-7848	.	.	-26325	.	.	-28877	.	.	-78011	.	.	.	.

1) Sold production.

2) Enterprises with 10 and more employees.

3) Nominal wages deflated with HICP.

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

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

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	12.9	9.8	3.6	7.5	1.1	1.3	10.4	5.6	4.0	4.3	-2.2	1.6	-1.4	-1.2	.
Industry, NACE Rev. 2 [1]	real, CCPPY	12.3	11.4	9.3	8.9	7.5	6.6	7.0	6.8	6.5	6.3	5.6	1.6	0.1	-0.4	.
Industry, NACE Rev. 2 [1]	real, 3MMA	11.4	8.7	7.0	4.0	3.3	4.0	5.5	6.4	4.6	2.2	1.4	-0.7	-0.4	.	.
Productivity in industry, NACE Rev. 2	CCPPY	15.3	14.0	11.3	10.2	8.2	6.8	6.9	6.3	5.8	5.3	4.5	-1.8	-2.8	-3.3	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-8.5	-8.4	-4.2	-2.8	-0.8	0.4	0.2	0.5	0.9	1.2	1.8	4.7	5.7	5.4	.
Construction, NACE Rev. 2 [1]	real, CPPY	0.6	-2.8	-6.1	4.4	-9.9	16.0	4.5	4.2	6.2	17.6	1.8	3.1	6.9	-10.2	.
Construction, NACE Rev. 2 [1]	real, CCPPY	-5.6	-4.5	-5.0	-2.7	-4.6	-1.4	-0.5	0.2	1.0	2.9	2.8	3.1	5.0	-1.1	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	9068.7	.	.	9209.8	.	.	9230.9	.	.	9041.6	.	.	.	.
Employed persons, LFS	CPPY	.	1.5	.	.	-2.9	.	.	-2.7	.	.	-0.1	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	740.6	.	.	710.9	.	.	718.3	.	.	751.1	.	.	747.0	.
Unemployment rate, LFS	%	.	7.6	.	.	7.2	.	.	7.2	.	.	7.7	.	.	7.7	.
Unemployment, registered	th. persons, eop	600.3	539.7	493.4	453.1	436.0	435.2	437.8	439.9	444.0	455.0	461.0	473.6	473.9	545.5	425.8
Unemployment rate, registered	%, eop	6.7	6.0	5.5	5.0	4.8	4.8	4.9	4.9	4.9	5.1	5.1	5.3	5.3	5.1	4.7
WAGES																
Total economy, gross [1]	RON	1944	2056	2066	2008	2026	2027	2005	2017	2008	2054	2209	2022	2028	2126	.
Total economy, gross [1][2]	real, CPPY	-6.9	-8.2	-3.4	-5.7	-3.8	3.4	4.1	5.6	5.0	4.5	3.6	0.2	1.6	0.8	.
Total economy, gross [1]	EUR	458	494	504	488	483	478	472	471	464	472	510	466	466	487	.
Industry, gross, NACE Rev. 2 [1][3]	EUR	452	491	512	491	487	490	483	482	469	481	529	469	464	493	.
PRICES																
Consumer - HICP	PP	0.8	0.6	0.7	0.2	-0.3	-0.4	-0.3	-0.2	0.6	0.4	0.2	0.4	0.7	0.5	0.1
Consumer - HICP	CPPY	7.6	8.0	8.4	8.5	8.0	4.9	4.3	3.5	3.6	3.5	3.2	2.8	2.7	2.5	1.9
Consumer - HICP	CCPPY	7.3	7.5	7.8	7.9	7.9	7.5	7.1	6.7	6.3	6.1	5.8	2.8	2.7	2.7	2.5
Producer, in industry, NACE Rev. 2	PP	0.8	1.1	0.0	-0.3	0.7	1.0	-0.2	0.9	0.3	0.4	0.2	0.6	0.8	1.0	.
Producer, in industry, NACE Rev. 2	CPPY	10.9	11.1	9.6	8.0	8.4	9.3	8.6	8.1	8.3	7.8	6.7	5.7	5.7	5.6	.
Producer, in industry, NACE Rev. 2	CCPPY	10.6	10.7	10.5	10.0	9.7	9.6	9.5	9.4	9.2	9.1	8.9	5.7	5.7	5.6	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	6949	11084	14487	18330	22083	25881	29343	33531	37643	41755	45034	3469	6976	.	.
Imports total (cif), cumulated	EUR mn	7572	12601	16997	22031	26687	31169	35513	40525	45420	50480	54815	3927	7951	.	.
Trade balance, cumulated	EUR mn	-624	-1518	-2510	-3701	-4604	-5288	-6171	-6994	-7777	-8725	-9781	-458	-975	.	.
Exports to EU-27 (fob), cumulated	EUR mn	5075	8001	10458	13171	15815	18416	20840	23887	26814	29806	32026	2564	5148	.	.
Imports from EU-27 (cif), cumulated	EUR mn	5504	8956	12146	15690	19035	22334	25438	29069	32765	36562	39819	2860	5876	.	.
Trade balance with EU-27, cumulated	EUR mn	-429	-955	-1688	-2519	-3220	-3919	-4598	-5182	-5951	-6756	-7794	-296	-728	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-969	.	.	-3411	.	.	-5053	.	.	-6007	.	.	.	.
EXCHANGE RATE																
RON/EUR, monthly average	nominal	4.246	4.162	4.100	4.114	4.194	4.241	4.251	4.284	4.324	4.356	4.328	4.342	4.351	4.367	4.379
RON/USD, monthly average	nominal	3.111	2.973	2.839	2.867	2.915	2.973	2.963	3.111	3.155	3.213	3.284	3.364	3.290	3.308	3.327
EUR/RON, calculated with CPI [4]	real, Jan09=100	107.8	109.4	111.1	110.9	108.5	107.4	106.6	104.8	104.2	103.7	104.3	105.0	104.9	103.9	103.2
EUR/RON, calculated with PPI [4]	real, Jan09=100	107.3	109.7	110.4	109.9	108.7	108.1	107.8	107.5	106.8	106.2	107.3	106.7	106.8	107.0	.
USD/RON, calculated with CPI [4]	real, Jan09=100	111.0	115.7	121.1	119.6	117.5	114.6	114.3	108.5	107.9	106.5	104.7	102.1	104.7	103.8	103.0
USD/RON, calculated with PPI [4]	real, Jan09=100	103.2	107.2	110.2	108.2	107.4	105.9	106.8	102.4	102.6	101.0	99.6	97.6	100.1	99.2	.
DOMESTIC FINANCE																
Currency in circulation	RON mn, eop	27051	26250	26833	26477	26976	28501	28744	29387	29147	29404	30631	.	.	.	.
M1	RON mn, eop	79277	77801	77853	78094	80109	82355	82357	83917	84394	83779	85900	.	.	.	.
Broad money	RON mn, eop	197929	196430	196388	198152	200073	204514	205650	209012	207849	209560	216368	.	.	.	.
Broad money	CPPY	5.4	3.5	2.9	2.9	2.6	5.5	5.2	6.7	6.8	6.2	6.7	.	.	.	.
Central bank policy rate (p.a.) [5]	%, eop	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.00	6.00	5.75	5.50	5.25	5.25
Central bank policy rate (p.a.) [5][6]	real, %	-4.2	-4.3	-3.1	-1.6	-2.0	-2.8	-2.2	-1.7	-1.9	-1.7	-0.7	0.0	-0.2	-0.3	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	RON mn	.	-3613	.	.	-8615	.	.	-12954	.	.	-30336	.	.	.	.

1) Enterprises with 4 and more employees.

2) Nominal wages deflated with HICP.

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

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

5) One-week repo rate.

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	10.5	8.4	8.6	12.3	5.1	2.8	4.5	7.2	7.6	1.0	1.6	2.8	8.9	12.0	.
Industry, NACE Rev. 2	real, CCPPY	14.4	12.1	11.2	11.4	10.3	9.3	8.7	8.5	8.4	7.7	7.2	2.8	5.8	8.0	.
Industry, NACE Rev. 2	real, 3MMA	12.1	9.1	9.7	8.6	6.8	4.2	4.9	6.5	5.2	3.5	1.8	4.5	8.0	.	.
Productivity in industry, NACE Rev. 2	CCPPY	8.3	6.4	5.6	5.9	4.9	4.1	3.6	3.6	3.7	3.1	2.7	2.6	5.6	7.7	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-5.5	-3.3	-2.4	-1.7	-1.0	-0.2	0.5	0.5	0.4	0.9	1.0	4.0	0.2	-2.5	.
Construction, NACE Rev. 2	real, CPPY	-7.9	0.5	-7.2	-4.3	-1.2	-3.7	-6.1	5.3	-1.0	-1.4	5.2	-7.9	-7.8	-11.0	.
Construction, NACE Rev. 2	real, CCPPY	-4.6	-2.5	-4.1	-4.1	-3.5	-3.5	-4.0	-2.8	-2.6	-2.4	-1.8	-7.9	-7.9	-9.2	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	2332.0	.	.	2355.6	.	.	2366.3	.	.	2351.5	.	.	.	.
Employed persons, LFS	CPPY	.	2.1	.	.	1.9	.	.	1.3	.	.	0.5	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	376.1	.	.	356.7	.	.	358.2	.	.	382.1	.	.	397.0	.
Unemployment rate, LFS	%	.	13.9	.	.	13.2	.	.	13.1	.	.	14.0	.	.	14.5	.
Unemployment, registered	th. persons, eop	395.4	392.5	384.5	380.0	383.0	386.3	384.2	390.6	390.1	393.1	399.8	408.9	411.8	408.4	397.9
Unemployment rate, registered	%, eop	13.2	13.1	12.9	12.8	13.0	13.2	13.1	13.4	13.3	13.3	13.6	13.7	13.8	13.7	13.4
WAGES																
Total economy, gross	EUR, quart. avg.	.	746	.	.	781	.	.	769	.	.	848	.	.	.	.
Total economy, gross [1]	real, CPPY	.	-0.6	.	.	-1.0	.	.	-1.5	.	.	-4.0	.	.	.	.
Industry, gross, NACE Rev. 2	EUR	750	809	797	840	850	815	812	817	802	954	877	816	787	837	.
PRICES																
Consumer - HICP	PP	0.3	0.4	0.5	0.3	-0.1	-0.2	0.1	0.3	0.2	0.5	0.1	1.5	0.2	0.3	0.2
Consumer - HICP	CPPY	3.5	3.8	3.9	4.2	4.1	3.8	4.1	4.4	4.6	4.8	4.6	4.1	4.0	3.9	3.7
Consumer - HICP	CCPPY	3.4	3.5	3.6	3.7	3.8	3.8	3.8	3.9	4.0	4.0	4.1	4.1	4.0	4.0	3.9
Producer, in industry, NACE Rev. 2	PP	0.5	0.8	0.7	0.3	-0.3	-0.4	0.5	-0.1	0.0	0.0	-0.4	0.3	1.1	1.0	-0.1
Producer, in industry, NACE Rev. 2	CPPY	5.7	5.8	5.6	5.1	4.5	3.4	3.8	4.0	3.8	3.8	3.2	2.1	2.6	2.8	1.9
Producer, in industry, NACE Rev. 2	CCPPY	5.1	5.3	5.4	5.3	5.2	4.9	4.8	4.7	4.6	4.5	4.4	2.1	2.3	2.5	2.3
FOREIGN TRADE, EU definition																
Exports total (fob),cumulated	EUR mn	8531	13603	18154	23113	27937	32241	36743	41886	47265	52605	56974	4439	9223	.	.
Imports total (fob),cumulated	EUR mn	8274	13264	17852	22800	27520	31878	36281	41141	46020	51162	55535	4200	8722	.	.
Trade balance,cumulated	EUR mn	257	340	302	313	418	362	461	745	1245	1443	1439	239	501	.	.
Exports to EU-27 (fob), cumulated	EUR mn	7376	11674	15558	19772	23868	27534	31313	35602	40090	44590	48230	3905	7947	.	.
Imports from EU-27 (fob), cumulated	EUR mn	5998	9675	12961	16555	20013	23152	26380	29953	33445	37125	40168	2946	6285	.	.
Trade balance with EU-27, cumulated	EUR mn	1378	2000	2597	3217	3855	4382	4933	5649	6645	7465	8062	960	1662	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	156	.	.	-171	.	.	-134	.	.	38	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [2]	nominal	0.7327	0.7143	0.6924	0.6969	0.6950	0.7011	0.6972	0.7262	0.7296	0.7377	0.7588	0.7749	0.7562	0.7575	0.7598
EUR/EUR, calculated with CPI [3]	real, Jan09=100	98.5	97.8	97.7	97.9	97.9	98.2	98.1	97.7	97.6	98.0	97.7	99.8	99.5	98.8	98.5
EUR/EUR, calculated with PPI [3]	real, Jan09=100	95.5	95.4	95.3	95.8	95.5	94.8	95.4	95.0	94.9	94.7	94.5	94.0	94.5	95.0	94.9
USD/EUR, calculated with CPI [3]	real, Jan09=100	101.4	103.4	106.4	105.6	106.0	104.8	105.2	101.1	101.1	100.6	98.0	97.1	99.3	98.6	98.3
USD/EUR, calculated with PPI [3]	real, Jan09=100	91.8	93.3	95.1	94.3	94.5	92.9	94.5	90.5	91.1	90.0	87.7	86.0	88.6	88.1	87.8
DOMESTIC FINANCE																
Currency in circulation [4]	EUR mn, eop	7149	7186	7265	7320	7420	7500	7432	7489	7556	7601	7667	7473	7467	7485	.
M1 [4]	EUR mn, eop	25959	25334	25448	25582	25888	25367	25411	25377	25420	25637	26770	25807	26056	25749	.
Broad money [4]	EUR mn, eop	40397	40131	40441	40674	40872	40687	41422	41071	40948	41285	40842	40557	40994	41334	.
Broad money [4]	CPPY	3.9	2.8	1.8	1.6	3.9	3.6	5.0	5.0	4.6	4.3	0.7	0.0	1.5	3.0	.
Central bank policy rate (p.a.) [5]	%, eop	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	.
Central bank policy rate (p.a.) [5][6]	real, %	-4.4	-4.5	-4.2	-3.7	-3.1	-1.8	-2.2	-2.4	-2.2	-2.4	-2.1	-1.0	-1.6	-1.7	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	-894	.	.	-1738	.	.	-2164	.	.	-3327	.	.	.	.

1) Nominal wages deflated with HICP.

2) Reference rate of ECB.

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

4) From January 2009 Slovakia's contributions to EMU monetary aggregates.

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

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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

(updated end of May 2012)

		2011											2012			
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	5.5	5.5	2.4	3.4	2.2	-2.0	-3.0	1.7	-3.0	-0.4	-8.7	1.2	3.9	-2.2	.
Industry, NACE Rev. 2	real, CCPPY	9.1	7.7	6.4	5.7	5.1	4.1	3.3	3.1	2.4	2.1	1.2	1.2	2.5	0.7	.
Industry, NACE Rev. 2	real, 3MMA	7.7	4.5	3.8	2.7	1.3	-0.8	-0.9	-1.3	-0.5	-3.9	-2.7	-1.4	0.7	.	.
Productivity in industry, NACE Rev. 2	CCPPY	.	11.2	.	.	8.1	.	.	5.7	.	.	3.2	.	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	.	-5.4	.	.	-3.4	.	.	-1.5	.	.	0.6	.	.	.	.
Construction, NACE Rev. 2 [1]	real, CPPY	-23.6	-29.7	-27.0	-29.4	-36.2	-27.0	-31.2	-17.4	-25.5	-9.6	-24.5	-23.9	-27.1	-10.7	.
Construction, NACE Rev. 2 [1]	real, CCPPY	-22.2	-25.3	-25.8	-26.7	-28.7	-28.4	-28.8	-27.4	-27.2	-25.6	-25.6	-23.9	-25.5	-19.9	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	928.4	.	.	937.9	.	.	944.7	.	.	933.5	.	.	.	.
Employed persons, LFS	CPPY	.	-3.8	.	.	-3.1	.	.	-2.4	.	.	-3.1	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	85.9	.	.	78.0	.	.	80.2	.	.	89.0	.	.	91.0	.
Unemployment rate, LFS	%	.	8.5	.	.	7.7	.	.	7.9	.	.	8.7	.	.	9.1	.
Unemployment, registered	th. persons, eop	115.6	113.9	111.6	108.6	107.1	107.6	107.0	107.0	110.9	111.1	112.8	116.0	115.0	110.9	.
Unemployment rate, registered	%, eop	12.3	12.2	11.9	11.6	11.4	11.5	11.5	11.5	11.9	11.9	12.1	12.5	12.4	12.0	.
WAGES																
Total economy, gross	EUR	1494	1524	1505	1516	1521	1500	1524	1507	1510	1652	1546	1529	1523	1535	.
Total economy, gross [2]	real, CPPY	2.3	-0.7	-0.6	0.3	0.4	0.3	1.3	-0.8	-1.4	-1.7	-1.3	-0.1	-0.8	-1.7	.
Industry, gross, NACE Rev. 2	EUR	1381	1412	1357	1377	1391	1357	1423	1381	1377	1607	1438	1416	1440	1442	.
PRICES																
Consumer - HICP	PP	0.0	1.4	0.7	0.8	-0.6	-1.1	0.3	0.6	0.8	0.2	-0.5	-0.3	0.6	1.0	1.2
Consumer - HICP	CPPY	2.0	2.4	2.0	2.4	1.6	1.1	1.2	2.3	2.9	2.8	2.1	2.3	2.8	2.4	2.9
Consumer - HICP	CCPPY	2.2	2.2	2.2	2.2	2.1	2.0	1.9	1.9	2.0	2.1	2.1	2.3	2.5	2.5	2.6
Producer, in industry, NACE Rev. 2	PP	1.1	0.4	0.4	-0.1	0.5	-0.1	0.2	-0.1	-0.1	0.1	0.1	0.0	-0.5	0.4	0.4
Producer, in industry, NACE Rev. 2	CPPY	6.0	6.0	5.7	4.2	4.4	4.1	4.2	4.1	3.7	3.6	3.6	2.5	0.8	0.7	0.7
Producer, in industry, NACE Rev. 2	CCPPY	5.6	5.7	5.7	5.4	5.3	5.1	5.0	4.9	4.8	4.7	4.6	2.5	1.6	1.3	1.2
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	3804	6100	8154	10331	12492	14582	16421	18687	20806	23060	24963	1881	3872	.	.
Imports total (cif), cumulated	EUR mn	3876	6238	8307	10599	12698	14736	16685	19013	21167	23468	25495	1971	3985	.	.
Trade balance total, cumulated	EUR mn	-72	-138	-153	-269	-206	-154	-264	-326	-361	-407	-531	-90	-113	.	.
Exports to EU-27 (fob), cumulated	EUR mn	2816	4467	5929	7498	9005	10466	11730	13325	14820	16425	17712	1373	2797	.	.
Imports from EU-27 (cif), cumulated	EUR mn	2563	4173	5532	7136	8577	9974	11261	12858	14302	15842	17240	1252	2607	.	.
Trade balance with EU-27, cumulated	EUR mn	253	294	397	363	428	492	470	467	518	583	472	120	190	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-91	.	.	-77	.	.	-204	.	.	-385	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [3]	nominal	0.7327	0.7143	0.6924	0.6969	0.6950	0.7011	0.6972	0.7262	0.7296	0.7377	0.7588	0.7749	0.7562	0.7575	0.7598
EUR/EUR, calculated with CPI [4]	real, Jan09=100	99.3	99.6	99.7	100.5	99.9	99.3	99.3	99.3	99.7	99.7	98.9	99.2	99.2	99.2	99.9
EUR/EUR, calculated with PPI [4]	real, Jan09=100	98.1	97.6	97.2	97.2	97.7	97.3	97.7	97.2	97.1	97.0	97.3	96.4	95.4	95.3	95.7
USD/EUR, calculated with CPI [4]	real, Jan09=100	102.3	105.3	108.7	108.4	108.1	105.9	106.5	102.7	103.3	102.4	99.2	96.5	99.0	99.1	99.7
USD/EUR, calculated with PPI [4]	real, Jan09=100	94.3	95.4	97.0	95.7	96.6	95.3	96.7	92.6	93.2	92.2	90.3	88.2	89.4	88.4	88.5
DOMESTIC FINANCE																
Currency in circulation	EUR mn, eop	3369	3384	3411	3445	3475	3537	3504	3532	3568	3578	3651	3582	3583	3599	.
M1	EUR mn, eop	8492	8424	8514	8553	8507	8554	8576	8540	8359	8687	8546	8731	8603	8504	.
Broad money	EUR mn, eop	19020	18883	18914	19149	19161	19343	19365	19397	19488	19577	19639	19732	19903	19838	.
Broad money	CPPY	3.0	1.2	1.5	1.4	2.2	2.4	2.6	3.3	3.9	3.2	3.5	4.0	4.6	5.1	.
Central bank policy rate (p.a.) [5]	%, eop	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	.
Central bank policy rate (p.a.) [5][6]	real, %	-4.7	-4.8	-4.2	-2.9	-3.0	-2.5	-2.6	-2.5	-2.1	-2.3	-2.5	-1.4	0.2	0.2	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	.	-848	.	.	-1581	.	.	-2011	.	.	-2289	.	.	.	.

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

2) Nominal wages deflated with HICP.

3) Reference rate of ECB.

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

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

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

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