wiiw

Wiener Institut für Internationale Wirtschaftsvergleiche

The Vienna Institute for International Economic Studies

Monthly Report 7/07

Contents

Please note: The next issue of the wiiw Monthly Report (no. 8-9) will be published at the beginning of September

The Russian Oil Fund as a tool of stabilization and sterilization

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The favourable world oil price dynamics has resulted in mounting reserves in the Russian Oil Stabilization Fund (OSF). This has raised the issue of an adequate economic policy response. Initially, the OSF was set up to reduce the vulnerability of the budget to the oil price volatility and to sterilize the impact of oil-related foreign exchange inflows on the money supply. Our findings suggest that the OSF has been instrumental in achieving both goals: it has contributed to macroeconomic stability and has helped decouple the GDP growth rate from oil price dynamics. However, given the current size of the OSF and a widely shared expectation that oil prices will remain comparatively high, the present dilemma is whether the OSF should be increasingly spent or whether it should be saved as a wealth-generating vehicle. Spending from the OSF on a current basis has been resisted so far largely because of rampant corruption and fears of inflation. However, there are several arguments which may support a change in this policy stance. In particular, it seems that concerns about intergenerational solidarity are of minor relevance for Russia; investments in the country's infrastructure are badly needed which, via productivity gains, might counteract the possible Dutch disease effects; moreover, spending on public sector wages could reduce incentives for corruption.

1 Introduction

Russia's economic performance since 2000 has been impressive: the Russian economy grew by

* The study was completed during the author's research stay at the Oesterreichische Nationalbank, first published in the *Focus on European Economic Integration,* No. 1, 2007, and reprinted here with the kind permission of the Oesterreichische Nationalbank. The author thanks Peter Backé, Peter Mooslechner and Thomas Reininger, all Oesterreichische Nationalbank, for valuable comments on the first draft of the paper.

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some 40% in real terms between 2000 and 2006. The recovery was triggered by the rouble devaluation in the aftermath of the 1998 financial crisis and its positive impact on the country's competitiveness. In parallel, it was increasingly driven by the soaring world prices of oil and natural gas, which account for over one-half of total exports and are thus the country's two main export commodities (see e.g. OECD, 2004). This high share indicates that the Russian economy is vulnerable to energy price volatility, which poses a challenge to fiscal management given the future revenue uncertainty.

Revenue uncertainty affects all countries that show a high degree of dependence on the exports of one particular commodity whose price is subject to sharp and unpredictable fluctuations. In many instances (including the situation in Russia since 2004), the fiscal policy response has been to accumulate extra-budgetary funds (often explicitly referred to as stabilization funds) in times of favourable external developments, with the aim of tapping these funds in case the external conditions deteriorate. In fact, in setting up an oil fund, Russia followed the example of 16 other countries, including Norway, a number of Middle East, African and Latin American countries, but also Kazakhstan and Azerbaijan. The US state of Alaska operates two oil funds (one each for saving and stabilization purposes),[1] while Chile has established a copper stabilization fund.

The previous experience with stabilization funds has been mixed (see e.g. Bartsch, 2006; Kalyuzhnova, 2006; Vatansever, 2005; Davis et al., 2001; Fasano, 2000). In Kuwait, Norway and Alaska, for example, the funds have indeed been effective tools of asset-building aimed at counteracting a future projected decline in oil revenues or a projected increase in social outlays (as in Norway). However, in some other countries, e.g. Oman, Nigeria and Venezuela, the experience with oil funds has been less positive – arguably because of frequent changes to the fund rules and deviations from its intended purposes. Thus, Venezuela serves as an ironic example of a case in which the whole concept was perverted, as the moneys transferred to the stabilization fund over the 1990s were financed with growing government borrowing. Generally, commitment to fiscal discipline and sound macroeconomic management has been crucial in the successful creation of funds.

This paper deals with the institutional setup, the past performance and the available policy options for the Russian Oil Stabilization Fund (OSF).[2] Section 2 outlines the OSF's rules, while sections 3 and 4 analyze the OSF's performance as a tool of macroeconomic stabilization and monetary sterilization, respectively. Section 5 concludes and outlines future scenarios.

2 Features of the OSF

The OSF was established in January 2004[3] with the purpose of (1) reducing the vulnerability of the state budget to the volatility of world oil prices (stabilization function), and (2) sterilizing the impact of oil-related foreign exchange inflows on the money supply and inflation (sterilization function). By the end of last year, the OSF had built up assets worth more than RUB 2.3 trillion (about 9% of Russia's 2006 GDP).

The OSF accumulates money as long as the world price for Russia's Urals oil exceeds the cutoff price (which was initially set at USD 20 per barrel, but was revised to USD 27 starting from January

[1] The stabilization and saving functions are to be distinguished. In line with theory, stabilization is one of the three essential functions assigned to the state (stabilization, allocation and distribution) and consists of smoothing the path of economic growth in the short and medium run by means of countercyclical policy. While the task of stabilization is generally faced by a wide range of countries (which are not necessarily commodity exporters), the need for stabilization in commodity exporting countries typically results from commodity price volatility. In turn, the saving function applies in the long run and is confined only to countries whose natural resources are potentially depletable. In this case, after the country's available resources have run out, the accumulated savings are intended to maintain the living standards of future generations.

[2] Moreover, recent decisions for OSF reform (adopted by the Russian parliament in April 2007) are taken into account as well.

[3] The bulk of regulations covering the operation of the OSF are contained in Ministerstvo Finansov Rossiyskoi Federatsii (2006a, 2006b).

2006). The OSF can be tapped for covering federal budget deficits when the Urals price falls below the cutoff price.

The OSF collects revenues from two taxes, (1) a portion of the export duty on crude oil, and (2) a portion of the mineral resources extraction tax on oil. Both refer only to that part of the tax that stems from the world price in excess of the cutoff price.

So far, taxes on oil products and natural gas have not been transferred to the OSF, even though their prices closely follow crude oil prices. [4]

In addition, parts of the federal budget surpluses (which were attained even though the additional tax revenues from high oil prices were absorbed by the OSF rather than by the current budget) were transferred to the OSF as well. The federal budget surpluses stood at 4.2% of GDP in 2004, 7.5% in 2005 and 8.6% in the period from January to October 2006. The surpluses were partly attributable to deliberate targeting, but they were also helped by the conservative oil price assumptions underlying the budgets.

The OSF is managed by the Ministry of Finance and until mid-2006 was held entirely in Russian rouble that were deposited interest-free at the Central Bank of Russia (CBR).[5] However, in summer 2006, a strategic decision was taken on converting the OSF into foreign-currency denominated assets, and the conversion had been completed by the end of the year. This is in line with the Budget Code provision stipulating that the OSF can be invested in foreign sovereign debt securities. The current government guideline is that these should be high-quality[6] sovereign bonds of 14 developed countries – the euro area countries, the United Kingdom and the USA. Thus, the OSF is currently held in a currency basket with the following composition: 45% in US dollars, 45% in euro and the remaining 10% in pound sterling (this composition can be changed anytime by government decision). Technically, the government regulations provide for two theoretical options of the OSF's placement: Its funds can be used to directly purchase foreign bonds, and/or can be deposited in foreign currency-denominated accounts at the CBR, with the returns on these accounts being based on the performance of the underlying foreign debt securities. Currently, only the second option is being used.

In terms of risk diversification, investing the OSF in foreign (rather than domestic) assets seems justified, since securities issued by countries which would benefit from falling oil prices provide, to some extent, a hedge against excessive reliance on the oil revenues. Indeed, all three above-mentioned currency blocks (the United States, the euro area, and the United Kingdom) are heavily and increasingly dependent on imported fuels. However, in terms of profitability, the decision to hold the OSF in foreign bonds is ambiguous. In particular, it is not clear whether the nominal return of 4% to 5% per annum that these securities typically offer will match the combined effects of the Russian rouble's nominal appreciation and of the nominal return on rouble-denominated assets.

More recently, the government has been considering the option of investing the OSF in high-quality foreign corporate bonds.[7] Investing the OSF in foreign equities[8] would be in line with Norway's experience and might have the advantage of higher returns in the long run, as demonstrated by past performance. However, particularly in the short and medium term, equities are riskier than bonds and could therefore create a problem regarding the stabilization function assigned to the OSF. At the

[4] However, this will be changed as of February 2008 (see section 5 for details).

[5] The main consideration behind keeping the entire OSF in Russian rouble were the perceived fears of the Russian assets 'abroad' being frozen as a result of possible international legal disputes.

[6] With a AAA/Aaa credit rating from at least two of the three rating agencies Standard & Poor's, Moody's and Fitch IBCA.

[7] According to the parliamentary decisions of April 2007 to reform the OSF, part of the OSF will be invested in corporate securities.

[8] This proposal was initially put forward by the Russian first deputy prime minister Alexander Zhukov (according to his announcement of May 2006, Russia could invest up to 10% of the OSF in equity – see Pryde, 2007) and re-confirmed recently by the finance minister Alexei Kudrin (International Monetary Fund, 2007b).

same time, investing the OSF in foreign equities might make sense, given that the need for stabilization may be small in the short and medium term (see section 4 for details).

3 Sterilization function

Given the small size of the Russian banking and financial sector and its overall state of development, the CBR has only few instruments at its disposal to sterilize the oil-related (and, since 2006, also capital-related) foreign exchange inflows. Against this background, the role of the OSF as a sterilization instrument has been crucial. As Table 1 shows, the CBR's foreign assets have been growing rapidly and now account for nearly all assets. Between January 2004 and November 2006, the value of foreign assets more than tripled in nominal terms, which represents an increase by some RUB 5 trillion. This increase was sterilized only slightly (to the effect of some RUB 0.3 trillion) by a reduction in already modest domestic assets, notably in claims on government and banks. Still, only about one-third of the increase in (net) foreign assets has actually translated into monetary expansion (i.e. monetary base growth), as the value of reserve money increased by only RUB 1.5 trillion over the same period. The reason is that another RUB 3.3 trillion was absorbed by an increase in government deposits, two-thirds of it representing the OSF and the rest accounted for by other deposits (including those of the regional and local governments). Thus, the sterilization function of the OSF arises from the fact that foreign exchange earned from oil exports largely stays with the CBR, as it is held by the government in a CBR account. Alternatively, any use of OSF money for the purchase of domestic assets – whether physical or financial – would increase the monetary base and could lead to inflationary and appreciation pressures.

Obviously, the CBR's sterilization efforts were also supported by the early repayment of the external debt Russia owed the International Monetary Fund (IMF), the Paris Club and Vneshekonombank (which serviced Russia's sovereign external debt following the financial crisis in the period from 1998 to 1999) in summer 2005 and summer 2006 (see Table 2). On both occasions, the CBR's foreign assets contracted temporarily, mirrored by a reduction of government deposits on the liability side of the CBR's balance sheet.

Table 1

Balance Sheet of the Russian Monetary Authorities between 2004 and 2006

RUB billion	2004		2005		2006		
	1/1	1/7	1/1	1/7	1/1	1/7	1/11
Assets							
Foreign assets	2391097	2739562	3610482	4623996	5554814	7112379	7448038
Claims on government	477639	445643	426555	334788	276042	248853	247957
Claims on nonfinancial public organizations	55	50	39	33	28	28	26
Claims on private sector and households	2264	2122	2282	2253	2439	2419	2437
Claims on credit organizations	198742	219864	178230	200222	27892	24334	117159
Liabilities							
Reserve money	1947713	1959538	2417880	2514463	2959306	3349946	3454230
of which: money outside banks	1147039	1276132	1534756	1650743	2009240	2233366	2402172
Term deposits and foreign currency deposits	5	6	17	10	35	23	17
Foreign liabilities	220639	235699	214928	241293	298812	314285	148027
Government deposits	446001	799740	1047912	2050321	2146032	3361712	3785069
of which: regional and local government	43805	100796	85580	200475	126695	294730	432473
Capital accounts	298234	298047	188043	187826	210373	210177	210041
Other (net)	157207	114212	348806	167380	246657	151872	218234

Source: Central Bank of Russia.

In turn, the gradual conversion of the OSF from rouble into foreign currency, which took place in the second half of 2006, did not matter in macroeconomic terms. Also, it cannot be traced from the CBR's balance sheet, at least at the aggregation level presented in Table 1. The conversion presumably resulted in a mere substitution of rouble-denominated government deposits by foreign currency-denominated government deposits on the liability side of the CBR's balance sheet and a corresponding replacement of foreign exchange with foreign debt securities within the item 'foreign assets' on the asset side of the CBR's balance sheet.

The sterilization policy by means of the OSF has certainly contributed to macroeconomic stability. Despite the soaring oil prices, the Russian economy has not shown signs of excess aggregate demand, despite buoyant private consumption and rather solid capital formation. Inflation has been falling slightly, and the current account balance is still strongly positive.[9]

4 Stabilization function

According to the current regulations, the OSF can be spent to cover the federal budget deficit when the oil price falls below the cutoff price. However, it can also be tapped for other purposes in case it has accumulated more than RUB 500 billion. Given the persistently high oil prices[10] that hover far above the cutoff price, the RUB 500 billion threshold had already been surpassed by the end of 2004. As a result, the OSF funds were subsequently used to repay the country's foreign debt and to cover the public pension fund deficit (see Table 2). The RUB 1.25 trillion worth of early settlement of public foreign debt, largely ahead of schedule, enabled the country to economize on interest payments and represented a net financial benefit to the state – even after allowing for the penalties charged to Russia for the premature contract withdrawal. Since the payments were financed from OSF funds, they had no macroeconomic impact within the country. The modest RUB 30 billion worth of allocations to the pension fund had a similarly small, or virtually no impact at all.[11]

Despite these expenditures, the OSF totalled USD 89.13 billion (corresponding to RUB 2.35 trillion) on 1 January 2007. The OSF's pivotal role as a tool of economic stabilization can be seen from the following estimations (Gurvich, 2006). In the period from 2004 to 2005, some 75% of the additional fiscal revenue from the high oil prices were saved (primarily in the OSF), amounting to some 60% of total additional income to the economy. Accordingly, the Russian federal budget would have shown only a minor deficit even if the oil price had fallen back to USD 20 per barrel. The recent economic performance suggests that the OSF, by building up reserves rather than spending extra revenues, has also helped decouple GDP growth from the oil price dynamics. Despite the soaring oil price since 2004, the country's economic growth has been fairly stable at 6% to 7%.

The current size of the OSF is nearly five times the value of the RUB 500 billion threshold, above which the funds can be used for purposes other than budget deficit financing. The pressure to spend the OSF is all the more intense as most short- and medium-term oil price forecasts assume values above USD 50 per barrel, and it seems extremely unlikely that the price will fall below USD 27 (the current cutoff price set for the OSF). This implies that stabilization in the sense in which it was meant at the time when the OSF was set up, i.e. as a buffer for federal fiscal balances, is unlikely to be required anytime soon.[12]

[9] See e.g. Havlik (2007) and Hildebrandt et al. (2007).

[10] The average price of Urals oil rose from USD 34.3 per barrel in 2004 to USD 49.9 per barrel in 2005 and to USD 66 per barrel in 2006.

[11] As in many other countries, the public pension fund deficit in Russia is largely 'structural' and is due to the current shift from a 'pay-as-you-go' to a funded system.

[12] A compromise solution which has been adopted by the Russian parliament in April 2007 is to divide the OSF into two parts from February 2008, (1) the so-called Reserve Fund, which will be maintained at 10% of GDP and which will serve the purpose of fiscal stabilization (in line with its original goal) and will be invested in highly liquid and low-yielding foreign securities, and (2) the Future Generations Fund, which will preserve the oil-generated wealth in the long term and could be partly invested in corporate securities (OECD, 2006; International Monetary Fund, 2007a).

Table 2

Dynamics of the Oil Stabilization Fund between 2004 and 2006

RUB billion	2004	2005	2006
Inflows/revenues			
Unspent federal budget surplus from previous year	106	218	48
Oil revenues (export duty plus extraction tax)	416	1175	1643
Interest accrued			23
Outflows/withdrawals			
External debt repayment			
IMF		94	
Paris Club		430	605
Vneshekonombank		124	
Pension Fund		30	
Net inflows	522	716	1109
Balances, end of year	**522**	**1238**	**2347**

Source: Ministry of Finance, IMF, author's calculations.

5 Assessment and outlook

The present dilemma for the Russian authorities is to decide whether the OSF should be increasingly spent or saved as a wealth-generating vehicle, which would make it more similar to Norway's Government Pension Fund based on the idea of intergenerational equity.[13]

According to some projections (e.g. World Bank, 2006), if the OSF is not tapped, its value may reach USD 400 billion in 2010 and USD 900 billion in 2020 (in real terms). One forward-looking possibility for the government would be to refrain from tapping the OSF for some time, e.g. until 2015, then to keep the real value of the OSF constant and, in line with the above projections, still have annual funds of some USD 80 billion at its free disposal. These funds would stem from the newly accrued real interest on existing OSF assets and from the new oil revenues. They are comparable with the current annual budget share of the mineral resources extraction tax and the export duty on oil. This scenario is rather conservative, but it is still less conservative than the so-called bird-in-hand rule that was implemented in Norway in 2001, whereby only newly accrued interest on fund assets is spent. The Russian model should be less conservative than the Norwegian one. Given that the Russian economy is likely to grow much faster than the Norwegian one (in line with the hypothesis of beta convergence), concerns about intergenerational solidarity appear to be less relevant in the case of Russia, as future generations will presumably be much wealthier than the present generation of Russians (OECD, 2006).

Alternatively, the government could decide to spend at least part of the accumulated OSF money now, or else spend (part of) the future inflows into the OSF on a current basis. Among the projects which have been proposed recently as possible candidates for OSF financing are the construction of an oil pipeline to the Pacific coast, development loans, asset acquisitions in the Commonwealth of Independent States and Eastern Europe as well as financing a value added tax reduction. However, no commitments have been made so far – except for the early repayment of external debt mentioned above and the minor allocation to the pension fund.

Apart from precautionary considerations (which are subsiding, though, for the reasons outlined above), two main arguments have been typically raised by Russian liberal-minded economic policymakers[14] against spending the OSF money already now or on a current basis. They maintain that (1) given the extensive corruption at all government levels, any

[13] Following the parliamentary decisions for OSF reform of April 2007 (see previous footnote), the considerations have to be related to the issue of designing saving and spending of oil-generated revenues in the framework of the Future Generations Fund.

[14] Including the finance minister Alexei Kudrin and the former presidential economic adviser Andrei Illarionov.

spending within Russia would be inefficient, and that (2) any domestic spending of the OSF money would be inflationary.

Nevertheless, recent estimates by the IMF (which usually advocates a cautious approach in fiscal issues) suggest that the current volumes of federal government spending in Russia are not only far below levels that would be unsustainable in the long run, but are in fact suboptimal (IMF, 2006). In particular, primary budget expenditures would have to be raised by some 5 percentage points of GDP in the medium term in order for the government to reach the so-called permanent consumption rule, which maximizes consumption (expressed as a constant share of expenditures to GDP) over time.

The case for spending more becomes even stronger if we allow for the possibility that the money is not just used for consumption, but also invested. Such investment could, for instance, be directed to upgrading the country's infrastructure, thus encouraging private investment in the nonenergy branches of economy. In this way, if the government decided to use the OSF money domestically, it would contribute substantially to the diversification of the Russian economy, which is certainly one of its goals. This diversification would, in turn, contribute e.g. to the stability of public finances. Besides, any resulting productivity improvements in the nonenergy tradable sector would counteract the possible Dutch disease effects stemming from higher inflationary pressure and an additional rouble appreciation potentially associated with spending part of the OSF reserves.[15]

The government could also target e.g. education, health and ecological cleanup activities with these investments. Although the value of such investment might be difficult to quantify in economic terms, it is fairly obvious that it would raise the living standard of the population. In addition, it could also lay the foundation for long-term sustainable economic growth, e.g. thanks to human capital accumulation.

Provided that the (net) benefits are positive, additional spending could be advocated even if institutional weaknesses limit the effectiveness of public expenditures. One might also argue that some additional spending, e.g. in the area of public sector wages, in combination with other measures, could even reduce the incentives for corruption in these areas, which in many cases reflect peoples' efforts to make ends meet.

Any sizeable domestic spending of the OSF money would pose a serious challenge to the country's macroeconomic management. In particular, it is essential that any major withdrawal of government foreign currency-denominated deposits at the CBR and their subsequent conversion into rouble be accompanied by corresponding policy coordination with the CBR.[16] The aim of such an approach would be both to avoid unwelcome appreciation pressure (and the likely speculation on such appreciation) and to leave open the possibility for counteracting any unwarranted depreciation pressure in the future. At the same time, the appreciation pressure (and the inflationary pressure alike) is likely to be kept within limits as long as additional government spending is import intensive, e.g. made within the framework of infrastructure development programmes involving large-scale imports of investment goods.

Leaving aside economic considerations as to whether part of the OSF money should be spent sooner rather than later, we may also ask whether it might be appropriate to redesign some rules governing the OSF. In particular, the threshold of RUB 500 billion above which the government is free to decide on tapping the OSF could be adjusted upward to make it more meaningful. Fixing the nominal level of the threshold disregards both economic growth and inflation. Meanwhile, the task of stabilizing a bigger economy would clearly require a greater pool of resources and therefore a

[15] See also Barisitz and Ollus (2007), who argue that, in the recent past, curtailment of domestic demand through the OSF has doubtlessly contributed to countering Dutch disease pressures.

[16] For instance, the ministries of finance in the Czech Republic and Poland had explicit agreements with the respective central banks on depositing privatization-related one-off foreign currency inflows in a special account and on converting funds from these accounts into national currency directly with the central bank, i.e. off market.

higher threshold value. This would not preclude spending the OSF funds above a new threshold. On the contrary, it may well serve to assuage the precautionary considerations of those opposed to any spending of the OSF.[17] Furthermore, it would make little economic sense to continue excluding exports of natural gas and oil products from the sterilization and stabilization approach underlying the OSF.[18]

All in all, the unexpectedly favourable world oil price dynamics and the resulting rise in OSF reserves have raised the issue of what is an adequate economic policy response under the new circumstances. The question of how to optimally invest OSF assets and whether or not – and how – to spend them for purposes other than stabilization will remain important in the macroeconomic policy debate in Russia for some time to come.

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[17] In this vein, the piece of legislation enacted in April 2007 within the framework of the far-reaching budget reform and maintaining a sizeable part of the OSF, namely 10% of GDP, for stabilization purposes (see footnote 13 in section 4) is to be welcomed.

[18] In this respect, it is encouraging that the new legislation of April 2007 takes a more comprehensive approach. In line with the current budget reform, Russian federal public finances will be split into an 'oil' and a 'non-oil' part. From 2008 onwards, the 'oil' budget will be fed from all oil- and gas-related tax revenues (rather than only from tax revenues stemming from the oil price exceeding the cutoff price, as has been the case so far). Besides, the new legislation sets limits on the size of the 'non-oil' deficit (4.7% of GDP) and on the maximum transfer from the 'oil' to the 'non-oil' budget (3.7% of GDP). Both limits will only become effective starting from 2011, while in 2008 to 2010, the size of the 'oil transfer' is expected to be significantly higher at up to 6.1% of GDP in 2008 (Deutsche Bank, 2007).

Effects of the Unified Social Tax in Russia

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The tax revolution

In the year 2000 Russia started sweeping tax reforms. This was made necessary by the crisis of taxation in the country: in the late 1990s only 17% of businesses operating in Russia paid their taxes on time and in full, 50% made only occasional payments and 33% made no payments at all. The impetus was, first, on making taxes more transparent and acceptable for taxpayers and, second, on creating an environment in which paying taxes would make more economic sense to taxpayers than facing the costs of evasion. This was a fundamental change in perception of the role of taxation: it was accepted that often the main incentives to evade taxes were provided by the tax system itself due to excessive taxation, lack of transparency and fairness, extreme decentralization and emphasis on disproportionate punitory action.

The reforms were put into practice in three stages in 2001, 2002 and 2004. The main features of the tax system which emerged as a result are as follows. The three previous income-tax rates (12, 20, and 30%) were replaced by a 13% flat tax (non-residents have to pay a rate of 30% on income from Russian sources); corporate tax was reduced from 35% to 24%;[1] capital gains on the disposal of securities are subject to profits tax at 24%; VAT is levied at a general rate of 18% on taxable supplies that include the majority of domestic sales of goods and services;[2] the four separate social security taxes were replaced by a combined Unified Social Tax payable to the Federal budget, the Social Insurance Fund and the Medical Insurance Fund on a regressive scale with the maximum rate of 26% while employers' contributions to the Employment Fund have been abolished. Simultaneously most regional sales taxes, special regulations and exceptions were abolished; new accounting rules were brought forward, introducing International Accounting Standards to Russia. Despite these steps towards a more compact, manageable and transparent system, a multitude of taxes remains: there is also a 5% advertising tax, a 2% property tax, a 1% road tax, plus various registration fees.

The initial response to the changes in the tax regime was very favourable: in 2001 alone revenue from personal income tax burgeoned by nearly 47% (an increase of 25.2% in real terms after adjusting for inflation), while tax revenue overall rose by 50%; the federal budget showed a surplus of 2.4%. Tax collection continued to improve in the following years, in particular with respect to the personal income tax: it grew in real terms by 24.6% in 2002 and 15.2% in 2003. The tax reforms were accompanied by a more aggressive campaign of the authorities aiming at curbing tax evasion. However, not all elements of the reform worked equally well. The introduction of the Unified Social Tax, probably the most important new element of the new taxation strategy after the flat personal income tax, has not produced the expected results.

The social taxation debacle

The dynamics of social taxes in modern Russia cannot be fully understood without reference to the dramatic changes in the welfare state caused by the collapse of the centrally planned economy. Extensive subsidized or charge-free social services were a crucial feature of the Soviet system. The

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1 Of this amount, 5% is payable to the central government, 17% is payable to the regional government, and 2% is payable locally. Regional governments have the power to reduce the regional element by up to 4%, giving a minimum overall rate of 20%.

2 There is a reduced rate of 10% for certain basic food products, children's goods, certain medical products, medicines, drugs, and newspapers and magazines.

situation changed dramatically with the transition to capitalism. While marketization increased the risk of unemployment and impoverishment for a considerable part of the population, neither the state nor enterprises could sustain social services at previous levels. The consequences were grave. Most people were not accustomed or prepared, or given an opportunity to look after themselves. For example, there was no practice of either employers or employees contributing to a pension fund as all pensions were previously automatically paid from the state budget and funded through general taxation.

Despite continued attempts to design a working system of social payments and taxes, the results remained disappointing throughout the 1990s. In 1994, to take one typical year, the Pension Fund of the Russian Federation managed to raise only two-thirds of the expected payroll contributions. In the same vein, territorial medical insurance funds managed to collect just 30-35% of the projected total.

Being a form of wage taxes, social payments proved particularly difficult to collect. Numerous tax evasion schemes had emerged, of which *obnalichivanie* (black cash tax evasion) was particularly widespread.[3] According to estimates, in 1993-1996 alone the four social Funds lost through this scheme about USD 20 to 30 billion.[4] While in large firms sharing black cash with employees would be too conspicuous, it has become common that small and medium-sized enterprises operate under a dual salary scheme. Every month they would pay their employees a certain sum in cash, often in a foreign currency, but for the tax inspectors they keep another set of records on their books, showing much lower wages in roubles. The gap between real and 'official' salaries may be huge. Employees can make between USD 100 and 300 per month, while on paper they earn a mere RUB 500 to 1300, equivalent to USD 16 to 42.[5] The reason is evident: before the reforms of 2001-2004 taxes on wages were equal to up to 67.6% of the total sum of wages.

The Unified Social Tax

The Unified Social Tax (UST) was introduced in August 2000 as a solution to the crisis of social payments, replacing all the payments that the previous four social funds used to collect independently. Its object of taxation is remuneration of any kind accrued in favour of a natural person employed under a labour or a civil law contract to perform work or render services, and royalty under copyright contracts.

The UST has some unique features. It is the only tax for which the law explicitly determines how the proceeds should be used: half of it is allocated to pensions, the rest is split between social and medical insurance. A substantial amount of payments also goes directly into relevant social funds. There are not many exceptions or special norms, making this tax transparent and equitable. A further new feature is that the tax base for the UST is not the total sum of the payroll as before. The tax is calculated for every employee individually. This has to do with another unique characteristic of the UST: it is paid on a regressive scale in order to encourage enterprises to legalize their black cash payments.

Originally the scale of annual payments of UST looked as follows: 35.6% on the first RUB 100,000; 20% on earnings from RUB 100,001 to 300,000; 10% on earnings from RUB 300,001 to 600,000;

[3] The scheme is based on the replacement of high-taxed elements of total revenue such as salary or profit with low-taxed elements such as material expenditures, using the contract between the firm-taxpayer and an intermediary 'sham' firm. Under the terms of the contract, the taxpayer transfers money to the bank account of the sham firm in exchange for a phoney work report. In exchange the taxpayer receives unaccounted, or 'black', cash. The total amount of black cash returned equals bank payments minus the commission of the sham firm, typically less than 2% to 3% of initial client's payment. The black cash funds are thus available for unofficial salary payments, investment or discretionary use by the firm management or the entrepreneur (Yakovlev, 1999).

[4] Yakovlev (1999).

[5] Engleman (2002).

and 2% on all earnings over RUB 600,000. It must be noted that this radical move did not create any sizeable threat to the budget as 99% of officially paid annual wages was below RUB 50,000.

When the UST was introduced in 2001, its top rate of 35.6% was lower than the summary rate of 38.5% that had been payable during the previous decade. The regressive scale made potential benefits for high earning taxpayers even more substantial. Not surprisingly, the new tax was favourably met by the business community. In 2004 the UST had become the largest money maker for the budget, pushing VAT, traditionally the largest earner, into second place. And yet the introduction of the UST has not really brought about the desired breakthrough in the collection of social payments. As a matter of fact, the share of these payments in the GDP has been falling progressively ever since the UST was made operational and never reached the pre-2001 level.

Still the UST rate of 35.6% proved to be very high in the eyes of entrepreneurs, especially if contrasted with the personal income tax of 13% and the corporate tax of 24%. In fact, it was lower than in some other transition countries (Bulgaria: 44.7%, Poland: 47.3%), but higher as compared to developed countries of Europe (Sweden: 26%, UK: 22%). Almost immediately taxpayers started to exploit loopholes in the Tax Code to avoid UST. UST was not levied on expenses covered from after-tax profits defined as the difference between the financial result for the reporting period, computed on the basis of accounting records, and the amount of profits tax and other mandatory payments due. Under these conditions it made economic sense for employers to show a part of the payroll as profit taxable at 24% and reimburse employees from retained profit by paying them 'bonuses'. The budget would receive more corporate tax but not enough to compensate the loss of UST chargeable at the rate that was a third higher. Another tax avoidance scheme based on the same idea that particularly suited small and medium-sized enterprises was not to put employees on the payroll but subcontract them as independent entrepreneurs.

Disappointingly, the regressive scale failed to encourage people to declare their actual wages. In 2003 only 118.4 thousand employees, just 0.002% of the labour force, declared an annual income of over RUB 600,000 (about USD 1800 per month). Although there are no official statistics, independent experts estimate the number of employees that earned over USD 2000 per month at least at 5% of the labour force or 3.3 million people. In other words, only one in 25 eligible taxpayers was tempted by the regressive scale.

Predictably, the response of the policy-makers was to apply more of the same medicine. Already in late 2003/early 2004 signals were sent out that the UST was to be reduced soon. However, when the amendments to the tax were revealed in January 2005, they sent out a mixed signal about the possible future of the UST. On the one hand, the base rate was reduced from 35,6% to 26%. On the other hand, the scale has become less regressional.

From 2005 UST has the following annual rates: 26% on the first RUB 280,000, 10% on earnings from RUB 280,001 to 600,000 and 2% on all earnings over RUB 600,000. The new scale favours those taxpayers who pay wages up to RUB 25,000 per month and leaves the tax burden almost unchanged for wages above this sum. Consequently no more than one per cent of employees are likely reveal wages that put them on the regressive stretch of the scale. In other words, the main objective of the regressive scale, to bring black cash salaries above the board, remains as remote as before.

The Budget and Tax Committee of the Russian parliament has calculated that, under the best of scenarios, UST could help to legalize about RUB 30 billion (USD 1 billion) in hidden wages, increasing

the tax proceeds of the social funds.[6] In reality in 2001-2004 the share of social payments into the budget was lower than it used to be before the introduction of the UST. On the positive side, in 2004 the collection of social taxes increased by 21.7% over the previous year. If this trend proves to be sustainable, it will signify a major breakthrough in the relations between taxpayers and authorities. In the meantime analysis suggests that it will not be easy for the new tax to meet all expectations.

The UST remains to be one of the most complex taxes in terms of administration. More significantly, the hallmark of the new tax, its regressive scale, has failed to make any noticeable difference in the behaviour of taxpayers. Only a tiny fraction of high salaries has been legalized. This is a reminder that the UST is only a part of the equation that also includes the organization of social expenditures. The attitude to UST by taxpayers will not change unless there are improvements in welfare provisions. Here the situation is not very encouraging. One of the big issues is the low pension/salary replacement rate. If in the countries of Western Europe the replacement rate after forty years of service equals 60-70%, in Russia it is only 25-30%. The rate is particularly low for employees who earn more than the national average wage, currently about RUB 5600 (USD 200) in a month. For this category it quickly falls to as little as 8-12%, undermining incentives to pay the UST. Strong lobbying groups insist that the regressive scale should be abandoned in favour of a low flat rate. Thus, according to the powerful and representative Business Russia Association, a Unified Social Tax of 15% on payrolls would entice 90% of businesses operating in the shadow economy to go legal.[7]

This may be indeed a way forward, but it is clear that the problem of social taxes cannot be resolved in isolation from measures that modernize the distribution of social benefits and the social safety net considering the fact that 70% of the population are entitled to some kind of benefits. Modernization may take two directions: achieving greater efficiency by transferring some payments directly to taxpayers and changing the pension and social payments regulations in such a way that they make it less attractive for employees to receive salaries under the table. However, central consideration should be given to pension reforms because of the great size of pension funds and the critical demographic situation in the country[8]. One option is to make employees contribute to the Federal Pension Fund as is the norm in many countries. Some positive results may be achieved through the development of the market for financial services. At the moment it is in an embryonic state mostly due to the lack of trust between financial companies and potential clients. An increase in popularity of private pension schemes will put pressure on employees to receive higher official salaries because the current legislation makes the total amount which individuals can invest into the private pension system conditional on their declared salary. Equally, as the demand for consumer credit and mortgages is growing, employees will realize that their credit standing will depend on employer-supplied proof of actual wages. However, private pension funds and the availability of other financial instrument are unlikely to make any noticeable impact on the behaviour of Russian people because the economic situation in the country unequivocally encourages short-term choices. Suffice it to say that at 60, the average male's retirement age is higher than his life expectancy of 59 and investors' horizons rarely extend beyond six months.[9]

* * *

There have been remarkable improvements in the performance of the tax system in Russia in the past

[6] ITAR-TASS, 11.06.2004.

[7] The specific rate of 15% may be inspired by the example of such fast growing economies of the world as South Korea, where the respective rate is 15.5%.

[8] The ratio of economically active citizens per pensioner fell from 2.3 in 1990 to 1.7 in 2002, as people died at more than one and a half times the rate they were being born, resulting in a net population loss of over 7.5 million during the 1990s.

[9] Uspensky (2003).

few years. Nonetheless the tax system has not stabilized yet. The government's strategic line continues to be the creation of a more efficient and transparent system. There are indications that a reduction of VAT may be on the cards as well as the introduction of additional amortization premiums for investments and the simplification of the rules of including the cost of R&D and experimental works in expenses. Following this course is going to be a difficult balancing act as the financial requirements of social security remain immense.

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Some issues related to the euro's progress*

BY LEON PODKAMINER

The introduction of the euro does not seem to have affected the dynamics of the euro area's exports

Over the eight-year period 1999-2006, the growth of the volume of total exports (of goods and services) of the euro area was slower than in the preceding decade (1989-1999) – and also as compared to other advanced economies. Total exports of the euro area rose by about 5.1% per annum in real terms, while those of all advanced countries (and the UK) by 5.5%.

Moreover, the average 5.1% growth of the euro area conceals large differences across the individual euro countries. German exports were rising at about 7.5%; the French and Spanish at about 4.4-4.5%; while the Italian at close to a mere 1%.

Trade (in goods) within the eurozone has been even less dynamic than the eurozone's trade with the rest of the world.

These are the facts. They do not necessarily mean that it is the euro itself which is responsible for the relative weakness of trade (both internal as well as external) of the euro area. Other factors may have been at work (i.e. the differentials in overall economic growth between the euro area and the rest of the world, as well as between individual euro countries, real appreciation of the euro vs. other currencies, etc). But, given the facts, it would seem rather extravagant to claim that the euro has been conducive to a stronger trade performance.

The euro area capital market remains largely fragmented

The common currency has had important consequences. The yields on long-term government debt has practically converged throughout the euro area. Also, the spreads between interest rates on commercial loans charged across the euro area have narrowed substantially. The convergence of yields on government debt has clearly benefited the high-debt countries (e.g. Italy). Moreover, the euro-denominated corporate bond market has been growing rapidly since 1999. No doubt the cross-country transactions have become much more frequent than before. Whether the latter development is due to the common currency is debatable because other factors may have been equally important (such as intensified privatization across the Continent). All in all, a single euro area capital market is yet to emerge. Banks, subject to diverse national traditions (and regulations), continue to play a dominant role in continental Europe's capital markets. Despite the elimination of the exchange rate risk, the impact of the euro on the euro area capital market is still considered fairly limited.

The Stability and Growth Pact: less of a nuisance, currently

The interpretation of the Growth and Stability Pact agreed upon in June 2005 provides for the necessary flexibility vis-à-vis the circumstances such as a prolonged stagnation. Moreover, the governments can now defend 'deficit spending' by urgent needs (such as on health system reforms or infrastructure). All this is reasonable. But the rhetoric of the EU Commission and of the European Central Bank is still rather annoying. Apparently, 'Brussels' continues to believe in the GSP. In due time (e.g. as the German government manages to eliminate its 'excess deficit'), one may expect a tendency to return to a more rigid interpretation of the Pact.

The euro's losers and winners

The single monetary policy (conducted by the ECB) is at least partly responsible for the diverging performances of individual eurozone members. The ECB's single interest rate has had radically different consequences throughout the eurozone.

* This text was written following a request by The European Union Committee of The House of Lords.

While in low-inflation countries (such as Germany) the ECB rate has implied quite high real market interest rates, in higher-inflation countries (say, Ireland or Spain) the same ECB rate implies low (or even negative) real market interest rates. The perverse consequence of this is that the same monetary policy which is actually too restrictive in low-inflation (and hence usually also low-growth) countries, is at the same time too lax in high-inflation (and, sometimes, also high-growth) countries. Thus, the ECB mechanism is actually a destabilizing force, amplifying rather than reducing cyclical movements in individual member states. Of course, stagnation (and high unemployment) in Germany have had negative consequences for the whole of the European Union (and even more so for its major partners in the euro area). The German stagnation released a tendency to suppress wages (initially in Germany itself). This further depressed German domestic demand – and further increased the competitiveness of German exports. In effect Germany's problems have been spilling over to other countries (e.g. Italy) losing out on competitiveness/trade.

The ECB policy has been too restrictive

The ECB 'implicit inflation target' (less than 2%) is certainly too restrictive. Other major inflation-targeting central banks (such as the Bank of England, Sweden's Riksbank) have a 2% central target, with a +/- 1% tolerance band. Numbers aside, the ECB is simply too inflation-averse. It sees signs of impending inflation where almost nobody else does.

The impacts of euro area enlargement: next to nothing

Slovenia, recently admitted into the euro club, is a tiny economy compared with the rest of the Club. Its money (M3) stock is about 0.2% of the euro area's M3. Moreover, the Slovenian economy is in a fairly good shape. All in all the enlargement is unlikely to disrupt, in any imaginable way, the functioning of the eurozone economy. Also, it will not affect the management of the monetary policy. Things might be different should Poland, Hungary or the Czech Republic accede the euro area. But this is unlikely to happen anytime soon. None of these countries qualifies. Moreover, they are not eager to accede at all – at least for the time being.

Conventional signs and abbreviations

used in the following section on monthly statistical data

.	data not available
%	per cent
CMPY	change in % against corresponding month of previous year
CCPY	change in % against cumulated corresponding period of previous year (e.g., under the heading 'March': January-March of the current year against January-March of the preceding year)
3MMA	3-month moving average, change in % against previous year.
CPI	consumer price index
PM	change in % against previous month
PPI	producer price index
p.a.	per annum
mn	million
bn	billion

BGN	Bulgarian lev
CZK	Czech koruna
EUR	euro, from 1 January 1999
EUR-SIT	Slovenia has introduced the euro from 1 January 2007
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
RON	Romanian leu
RUB	Russian rouble
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar

M0	currency outside banks
M1	M0 + demand deposits
M2	M1 + quasi-money

Sources of statistical data:
National statistical offices and central banks; wiiw estimates.

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

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

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total[1]	real, CMPY	8.9	5.7	2.7	10.3	5.7	3.0	10.6	6.8	5.0	4.2	1.2	3.2	8.9	9.0	11.2	.
Industry, total[1]	real, CCPY	8.3	7.3	6.1	7.0	6.7	6.2	6.7	6.7	6.6	6.3	5.8	3.2	6.3	7.3	8.2	.
Industry, total	real, 3MMA	7.3	5.7	6.2	6.2	6.2	6.4	6.7	7.4	5.3	3.4	2.8	4.3	7.3	9.8	.	.
LABOUR																	
Employees total	th. persons	2213	2237	2250	2265	2276	2305	2300	2293	2276	2271	2247	2282	2289	2308	.	.
Employees in industry	th. persons	701	702	705	705	704	705	704	702	703	703	697	706	705	705	.	.
Unemployment, end of period	th. persons	426.2	401.5	378.9	355.3	340.1	331.8	323.8	312.8	310.4	321.9	337.8	358.1	351.2	330.3	310.3	.
Unemployment rate[2]	%	11.5	10.8	10.2	9.6	9.2	9.0	8.7	8.4	8.4	8.7	9.1	9.7	9.5	8.9	8.4	.
Labour productivity, industry[1]	CCPY	11.1	10.1	8.8	9.6	9.3	8.7	9.2	9.2	8.9	8.6	8.0	2.2	5.4	6.6	.	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	-1.5	-0.6	0.9	0.0	0.2	1.0	0.8	1.0	1.2	1.9	2.6	14.4	11.5	10.4	.	.
WAGES, SALARIES																	
Total economy, gross	BGN	322	340	343	346	345	350	349	363	354	361	388	377	380	396	.	.
Total economy, gross	real, CMPY	1.0	0.9	2.4	-0.1	1.5	2.6	5.4	6.1	5.7	5.9	7.2	8.6	12.9	11.8	.	.
Total economy, gross	USD	197	209	215	226	223	227	229	236	228	238	262	250	254	268	.	.
Total economy, gross	EUR	165	174	175	177	176	179	178	186	181	185	198	193	194	202	.	.
Industry, gross	EUR	168	179	178	176	182	182	182	190	185	190	199	195	198	211	.	.
PRICES																	
Consumer	PM	3.0	0.3	0.4	0.0	-1.6	-0.5	-0.2	0.3	1.3	1.4	1.2	1.4	0.5	-0.1	0.5	0.1
Consumer	CMPY	8.7	8.7	8.1	8.5	8.2	7.6	6.8	5.6	5.7	6.1	6.5	7.1	4.5	4.1	4.2	4.3
Consumer	CCPY	7.6	8.0	8.0	8.1	8.1	8.1	7.9	7.7	7.5	7.3	7.3	7.1	5.8	5.2	5.0	4.8
Producer, in industry[1]	PM	1.5	-0.2	1.8	3.1	0.3	0.9	0.3	0.7	-0.7	0.1	0.6	-0.8	0.1	1.4	1.9	.
Producer, in industry[1]	CMPY	9.6	6.8	7.5	11.5	11.1	10.9	11.0	10.3	8.7	8.2	8.1	7.8	6.3	8.0	8.1	.
Producer, in industry[1]	CCPY	9.2	8.4	8.1	8.8	9.2	9.5	9.6	9.7	9.6	9.5	9.4	7.8	7.1	7.4	7.6	.
FOREIGN TRADE[3][4]																	
Exports total (fob), cumulated	EUR mn	1696	2672	3668	4652	5711	6783	7850	8900	9960	11009	11983	868	1767	2837	3864	.
Imports total (cif), cumulated	EUR mn	2457	3936	5347	6870	8364	9960	11621	13149	14858	16558	18375	1528	2955	4677	6276	.
Trade balance, cumulated	EUR mn	-761	-1264	-1679	-2218	-2653	-3177	-3771	-4248	-4898	-5549	-6392	-660	-1188	-1840	-2412	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	-650	-1094	-1458	-1752	-1840	-1886	-1982	-2195	-2713	-3203	-3978	-625	-1093	-1605	-2136	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.638	1.627	1.597	1.532	1.546	1.542	1.527	1.538	1.551	1.519	1.480	1.506	1.496	1.477	1.448	1.447
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI[6]	real, Jan03=100	124.0	124.6	126.3	131.0	127.5	126.9	127.6	127.7	128.9	133.7	138.5	137.7	138.4	138.8	141.5	141.7
BGN/USD, calculated with PPI[6]	real, Jan03=100	111.8	112.1	114.8	122.3	121.3	122.1	122.9	124.8	125.2	126.1	129.0	127.2	125.8	127.3	131.1	.
BGN/EUR, calculated with CPI[6]	real, Jan03=100	113.1	112.9	112.6	112.2	110.3	109.9	109.5	109.8	111.0	112.5	113.4	115.5	115.7	114.9	114.8	114.6
BGN/EUR, calculated with PPI[6]	real, Jan03=100	107.9	107.2	108.4	111.8	112.0	111.9	112.2	113.9	113.0	113.5	114.2	113.5	113.2	114.2	115.9	.
DOMESTIC FINANCE																	
M0, end of period[7]	BGN mn	5080	5113	5190	5284	5503	5687	5829	5917	5881	5825	6231	5901	5880	5912	6100	.
M1, end of period[7]	BGN mn	12058	12371	12430	13085	13444	14182	14505	14751	15022	15193	16078	15955	16002	16269	16416	.
Broad money, end of period[7]	BGN mn	25125	25558	25771	26568	27535	28183	28986	29611	30166	30361	32061	31780	32108	32755	33379	.
Broad money, end of period	CMPY	21.1	10.1	17.1	18.4	20.9	21.4	22.5	24.7	26.0	26.5	26.9	29.0	27.8	28.2	29.5	.
BNB base rate (p.a.),end of period	%	2.3	2.3	2.5	2.6	2.6	2.7	2.8	3.0	3.0	3.2	3.3	3.5	3.6	3.6	3.7	3.9
BNB base rate (p.a.),end of period[8]	real, %	-6.7	-4.2	-4.7	-8.0	-7.6	-7.3	-7.3	-6.7	-5.2	-4.6	-4.5	-4.0	-2.6	-4.1	-4.1	.
BUDGET																	
Central gov.budget balance,cum.	BGN mn	457.7	619.9	978.8	1237.7	1454.9	1606.3	1941.0	2042.4	2229.0	2413.8	1812.9	133.9	-102.3	403.5	1097.8	.

1) According to new calculation for industrial output and prices. Output data based on survey for enterprises with 10 and more persons.

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

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

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

7) According to ECB methodology.

8) Deflated with annual PPI.

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

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	11.6	17.0	3.4	12.0	10.3	11.8	7.3	5.4	12.5	7.6	2.9	10.8	13.1	11.0	14.0	.
Industry, total	real, CCPY	13.6	14.8	11.8	11.8	11.6	11.6	11.1	10.4	10.6	10.3	9.7	10.8	11.9	11.6	12.2	.
Industry, total	real, 3MMA	14.8	10.6	10.8	8.6	11.4	9.8	8.0	8.4	8.5	7.8	7.2	9.0	11.6	12.6	.	.
Construction, total	real, CMPY	-8.2	8.7	-3.0	10.5	10.0	12.2	6.4	4.2	7.2	7.7	15.4	29.2	32.1	26.4	17.6	.
LABOUR																	
Employees in industry[1)]	th. persons	1137	1141	1140	1141	1142	1145	1148	1142	1146	1147	1140	1154	1161	1165	1164	.
Unemployment, end of period	th. persons	528.2	514.8	486.2	463.0	451.1	458.3	458.7	454.2	439.8	432.6	448.5	465.5	454.7	430.5	402.9	382.6
Unemployment rate[2)]	%	9.1	8.8	8.3	7.9	7.7	7.9	7.9	7.8	7.4	7.3	7.7	7.9	7.7	7.3	6.8	6.4
Labour productivity, industry[1)3)]	CCPY	12.2	13.6	10.6	10.7	10.3	10.4	9.9	9.4	9.7	9.6	9.2	9.3	10.5	10.1	10.4	.
Unit labour costs, exch.r. adj.(EUR)[1)3)]	CCPY	-0.2	-1.7	0.8	1.4	1.8	1.7	2.0	2.0	1.9	1.9	2.0	3.0	-0.4	0.1	-0.2	.
WAGES, SALARIES																	
Industry, gross[1)]	CZK	17308	18830	18564	20065	19712	19268	19061	19995	19605	22754	20931	19892	18699	20492	20414	.
Industry, gross[1)]	real, CMPY	3.1	3.7	2.4	4.7	3.2	2.6	2.4	1.9	6.2	4.3	3.2	7.7	5.5	5.6	6.1	.
Industry, gross[1)]	USD	727	790	798	906	878	859	866	897	874	1046	996	929	866	967	985	.
Industry, gross[1)]	EUR	609	657	651	710	694	677	676	705	693	812	754	714	662	730	729	.
PRICES																	
Consumer	PM	0.1	-0.1	0.1	0.5	0.3	0.4	0.2	-0.7	-0.5	-0.1	0.2	1.0	0.3	0.3	0.7	0.4
Consumer	CMPY	2.8	2.8	2.8	3.1	2.8	2.9	3.1	2.7	1.3	1.5	1.7	1.3	1.5	1.9	2.5	2.4
Consumer	CCPY	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.7	2.6	2.5	1.3	1.4	1.6	1.8	1.9
Producer, in industry	PM	0.2	0.1	0.3	0.3	0.2	0.7	0.3	-0.2	0.0	-0.2	0.0	1.2	0.5	0.5	0.6	0.6
Producer, in industry	CMPY	0.3	0.3	0.5	1.6	1.9	2.4	2.7	2.3	1.9	2.0	2.6	2.9	3.2	3.6	3.8	4.1
Producer, in industry	CCPY	0.3	0.3	0.4	0.6	0.8	1.1	1.3	1.4	1.4	1.5	1.6	2.9	3.0	3.2	3.4	3.5
RETAIL TRADE																	
Turnover	real, CMPY	7.4	6.5	5.1	7.1	6.2	6.3	7.3	4.9	8.9	6.5	4.4	7.5	10.1	10.5	8.1	.
Turnover	real, CCPY	7.2	7.0	6.5	6.6	6.6	6.5	6.6	6.4	6.7	6.6	6.4	7.5	8.8	9.4	9.0	.
FOREIGN TRADE[4)5)]																	
Exports total (fob),cumulated	EUR mn	11341	17944	23621	30031	36515	42184	48067	54697	62115	69596	75658	6785	13627	21348	28265	.
Imports total (fob),cumulated	EUR mn	10763	17058	22784	29114	35337	41097	47027	53376	60617	67915	74141	6481	12844	20117	26926	.
Trade balance,cumulated	EUR mn	578	886	837	917	1178	1087	1040	1320	1498	1681	1516	304	783	1231	1339	.
Exports to EU-27 (fob), cumulated	EUR mn	9702	15285	20152	25651	31204	36062	41079	46762	53130	59577	64697	5890	11789	18419	24302	.
Imports from EU-27 (fob)[6)], cumulated	EUR mn	7566	12103	16144	20659	25100	29214	33301	37761	42881	48009	52391	4559	9123	14429	19315	.
Trade balance with EU-27, cumulated	EUR mn	2135	3181	4008	4991	6105	6848	7778	9002	10249	11568	12306	1331	2666	3990	4987	.
FOREIGN FINANCE																	
Current account, cumulated[4)]	EUR mn	131	240	-242	-463	-1393	-2154	-2546	-2933	-3777	-4187	-4720	-69	173	477	-121	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	23.8	23.8	23.3	22.1	22.4	22.4	22.0	22.3	22.4	21.8	21.0	21.4	21.6	21.2	20.7	20.9
CZK/EUR, monthly average	nominal	28.4	28.6	28.5	28.3	28.4	28.4	28.2	28.4	28.3	28.0	27.8	27.8	28.2	28.1	28.0	28.2
CZK/USD, calculated with CPI[7)]	real, Jan03=100	122.1	121.2	123.3	129.5	127.8	128.0	130.5	128.5	127.8	131.9	136.5	134.9	133.4	135.1	138.3	137.7
CZK/USD, calculated with PPI[7)]	real, Jan03=100	113.8	113.5	115.2	120.3	118.6	118.9	120.9	120.9	122.5	124.2	127.3	127.9	125.1	126.3	128.7	128.4
CZK/EUR, calculated with CPI[7)]	real, Jan03=100	111.4	109.8	109.8	110.9	110.6	111.0	112.0	110.4	110.1	110.9	111.7	113.1	111.5	111.9	112.2	111.5
CZK/EUR, calculated with PPI[7)]	real, Jan03=100	109.8	108.5	108.7	109.9	109.5	109.0	110.3	110.3	110.5	111.7	112.7	114.0	112.6	113.3	113.7	113.5
DOMESTIC FINANCE																	
M0, end of period[8)]	CZK bn	264.8	267.3	272.7	273.3	279.9	279.1	282.4	287.5	287.1	292.0	295.3	292.2	296.8	300.3	306.3	.
M1, end of period[8)]	CZK bn	1194.7	1166.8	1208.2	1253.6	1235.2	1281.5	1292.1	1274.2	1321.0	1335.1	1325.6	1356.9	1370.2	1335.8	1387.9	.
Broad money, end of period[8)]	CZK bn	1852.8	1857.2	1906.8	1909.6	1925.8	1942.0	1973.4	1959.1	1999.3	2014.5	2049.6	2074.4	2103.4	2106.4	2174.1	.
Broad money, end of period[8)]	CMPY	12.5	12.6	12.9	11.4	12.0	12.0	13.2	12.5	13.0	11.9	12.9	12.8	13.5	13.4	14.0	.
Discount rate (p.a.),end of period	%	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Discount rate (p.a.),end of period[9)]	real, %	0.7	0.7	0.5	-0.5	-0.9	-1.2	-1.5	-0.8	-0.4	-0.5	-1.1	-1.3	-1.6	-2.0	-2.2	-2.5
BUDGET																	
Central gov.budget balance,cum.	CZK mn	-557	15754	-19955	-12202	7642	-445	-6440	1490	-12670	-30920	-97310	5030	-6730	11260	-17010	-25980

1) Enterprises employing 20 and more persons.

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

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

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

5) Cumulation starting January and ending December each year.

6) According to country of origin.

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

8) According to ECB methodology.

9) Deflated with annual PPI.

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

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	11.2	15.3	1.9	10.5	8.7	12.1	9.3	9.3	10.6	10.7	8.7	12.2	10.7	4.3	10.6	.
Industry, total	real, CCPY	12.2	13.3	10.3	10.4	10.1	10.4	10.2	10.1	10.2	10.2	10.1	12.2	11.4	8.8	9.3	.
Industry, total	real, 3MMA	13.3	9.5	9.3	7.1	10.4	10.0	10.2	9.8	10.2	10.1	10.5	10.5	8.8	8.3	.	.
Construction, total	real, CMPY	-3.2	15.5	-7.6	-8.1	-8.0	1.1	-3.5	-4.8	7.5	-5.0	-2.1	-2.0	8.9	3.6	-3.7	.
LABOUR																	
Employees in industry[1]	th. persons	752.5	751.7	749.2	750.5	753.4	754.0	752.9	752.4	754.7	753.3	749.8	746.2	752.6	746.4	745.0	.
Unemployment[2]	th. persons	326.5	323.6	318.5	309.4	305.7	311.1	314.5	318.3	317.3	321.0	319.6	317.5	312.5	316.3	314.3	307.7
Unemployment rate[2]	%	7.8	7.7	7.5	7.3	7.2	7.3	7.4	7.5	7.4	7.5	7.5	7.5	7.4	7.5	7.5	7.3
Labour productivity, industry[1]	CCPY	15.6	16.4	13.4	13.2	12.7	12.9	12.6	12.3	12.3	12.2	11.9	13.3	12.1	9.8	10.0	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	-9.1	-10.4	-9.1	-8.7	-9.0	-10.1	-10.2	-10.5	-10.1	-9.9	-9.0	-3.4	-2.9	0.0	2.3	.
WAGES, SALARIES																	
Total economy, gross[1]	HUF th	157.3	162.5	162.1	166.2	165.9	164.4	164.4	161.0	167.2	187.6	201.3	209.4	166.3	176.2	175.7	.
Total economy, gross[1]	real, CMPY	5.9	5.2	5.6	3.7	3.7	5.4	7.0	1.1	2.9	0.3	5.1	-0.7	-2.8	-0.5	-0.4	.
Total economy, gross[1]	USD	747	749	750	809	772	751	768	746	789	934	1047	1073	858	934	965	.
Total economy, gross[1]	EUR	625	623	611	633	610	592	600	586	625	725	792	825	656	705	714	.
Industry, gross[1]	EUR	588	622	590	650	604	567	598	575	611	734	734	647	637	697	715	.
PRICES																	
Consumer	PM	0.2	0.6	0.7	1.0	0.3	0.2	0.0	2.5	0.5	0.2	0.1	1.2	1.2	0.8	0.5	0.8
Consumer	CMPY	2.5	2.3	2.3	2.8	2.8	3.0	3.5	5.9	6.3	6.4	6.5	7.8	8.8	9.0	8.8	8.5
Consumer	CCPY	2.6	2.5	2.5	2.5	2.6	2.6	2.7	3.1	3.4	3.7	3.9	7.8	8.3	8.5	8.6	8.6
Producer, in industry	PM	0.1	1.8	1.1	0.1	2.4	1.2	0.3	0.1	-1.0	-1.1	-0.9	0.2	0.0	-0.6	-0.8	.
Producer, in industry	CMPY	4.4	5.4	5.8	5.3	7.9	9.5	9.7	9.0	7.0	5.5	4.5	4.3	4.2	2.0	0.1	.
Producer, in industry	CCPY	4.3	4.7	5.0	5.0	5.5	6.1	6.5	6.8	6.8	6.7	6.5	4.3	4.3	3.5	2.7	.
RETAIL TRADE																	
Turnover	real, CMPY	6.0	2.9	5.7	5.5	4.0	4.0	5.7	3.6	2.3	2.2	1.8	1.2	0.1	-1.2	-1.8	.
Turnover	real, CCPY	6.7	5.3	5.4	5.4	5.2	5.0	5.1	4.9	4.6	4.4	4.1	1.2	0.6	0.0	-0.5	.
FOREIGN TRADE[3][4]																	
Exports total (fob), cumulated	EUR mn	8412	13542	17935	22984	27958	32454	36943	42351	47826	53643	58470	5051	10232	16032	21220	.
Imports total (cif), cumulated	EUR mn	8820	14188	18778	23960	28970	33798	38593	44046	49624	55533	60447	5241	10526	16321	21667	.
Trade balance, cumulated	EUR mn	-408	-647	-843	-976	-1012	-1344	-1650	-1695	-1799	-1890	-1978	-191	-295	-289	-447	.
Exports to EU-27 (fob), cumulated	EUR mn	6812	10862	14352	18350	22298	25889	29347	33536	37873	42440	46088	4128	8257	12798	16960	.
Imports from EU-27 (cif)[5], cumulated	EUR mn	6102	9929	13036	16756	20380	23785	27056	30873	34751	38827	42251	3624	7379	11595	15364	.
Trade balance with EU-27, cumulated	EUR mn	710	933	1316	1595	1918	2104	2291	2663	3122	3613	3837	504	878	1203	1595	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	.	-1455	.	.	-2925	.	.	-4068	.	.	-5183	.	.	-1102	.	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	210.6	216.9	216.3	205.5	214.9	218.8	214.0	215.7	211.8	200.8	192.3	195.2	193.9	188.7	182.1	183.8
HUF/EUR, monthly average	nominal	251.6	260.8	265.3	262.5	271.9	277.6	274.3	274.7	267.3	258.9	254.1	253.8	253.4	249.8	246.0	248.5
HUF/USD, calculated with CPI[6]	real, Jan03=100	112.6	109.5	109.5	115.9	110.9	108.8	111.0	113.5	116.7	123.6	129.0	128.2	129.8	133.2	137.9	137.7
HUF/USD, calculated with PPI[6]	real, Jan03=100	100.7	99.3	99.4	103.8	101.4	100.3	102.3	103.1	106.0	108.9	111.7	111.5	110.2	110.8	112.9	.
HUF/EUR, calculated with CPI[6]	real, Jan03=100	102.7	99.2	97.5	99.2	96.0	94.3	95.3	97.4	100.6	103.9	105.6	107.5	108.6	110.4	112.0	111.5
HUF/EUR, calculated with PPI[6]	real, Jan03=100	97.1	95.0	93.7	94.9	93.7	91.9	93.3	94.1	95.6	98.0	98.9	99.4	99.2	99.5	99.9	.
DOMESTIC FINANCE																	
M0, end of period[7]	HUF bn	1555.5	1622.7	1663.9	1661.5	1724.9	1730.3	1762.8	1788.6	1754.7	1820.7	1838.3	1772.2	1769.0	1805.5	1820.6	1827.6
M1, end of period[7]	HUF bn	4959.2	5318.2	5323.4	5358.3	5573.2	5610.9	5612.6	5628.3	5501.8	5688.5	5835.5	5588.0	5580.6	5614.2	5512.6	5537.2
Broad money, end of period[7]	HUF bn	11384.8	11936.6	11785.5	11758.8	12142.8	12200.3	11221.2	12282.8	12231.1	12454.3	12787.6	12660.5	12635.0	12772.5	12735.3	12866.5
Broad money, end of period[7]	CMPY	16.7	19.8	15.9	14.4	18.4	17.7	7.2	15.6	14.6	14.1	13.9	12.7	11.0	7.0	8.1	9.4
NBH base rate (p.a.),end of period	%	6.0	6.0	6.0	6.0	6.3	6.8	7.3	7.8	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
NBH base rate (p.a.),end of period[8]	real, %	1.5	0.6	0.2	0.7	-1.5	-2.5	-2.2	-1.1	0.9	2.4	3.3	3.5	3.6	5.9	7.9	.
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-440.6	-682.7	-794.2	-859.7	-1158.4	-1141.3	-1266.7	-1323.0	-1384.7	-1465.9	-1959.2	-247.8	-507.6	-772.2	-782.1	-876.3

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

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

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

4) Cumulation starting January and ending December each year.

5) According to country of dispatch.

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

7) According to ECB monetary standards.

8) Deflated with annual PPI.

P O L A N D: Selected monthly data on the economic situation 2006 to 2007

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry[1]	real, CMPY	10.2	16.5	5.7	19.1	12.2	14.3	12.6	11.5	14.8	12.0	5.9	15.5	13.0	11.3	12.5	8.1
Industry[1]	real, CCPY	10.0	12.3	10.6	12.3	12.2	12.5	12.5	12.4	12.7	12.6	12.0	15.5	14.2	13.1	13.0	12.0
Industry[1]	real, 3MMA	12.3	10.8	13.7	12.2	15.1	13.0	12.7	13.0	12.8	10.9	11.0	11.3	13.1	12.2	10.6	.
Construction[1]	real, CMPY	-3.4	15.7	4.1	13.3	15.7	4.9	15.4	21.1	28.7	23.4	17.9	60.7	56.6	39.1	36.8	16.4
LABOUR																	
Employees[1]	th. persons	4861	4870	4889	4901	4918	4928	4943	4957	4971	4986	4995	5048	5070	5089	5105	5116
Employees in industry[1]	th. persons	2458	2464	2468	2471	2478	2484	2490	2495	2502	2507	2507	2530	2542	2552	2555	2556
Unemployment, end of period	th. persons	2865.9	2822.0	2703.6	2583.0	2487.6	2443.4	2411.6	2363.6	2301.8	2287.3	2309.4	2365.8	2331.1	2232.5	2103.1	1985.1
Unemployment rate[2]	%	18.0	17.8	17.2	16.5	16.0	15.7	15.5	15.2	14.9	14.8	14.9	15.1	14.9	14.4	13.7	13.0
Labour productivity, industry[1]	CCPY	8.3	10.5	8.8	10.4	10.3	10.4	10.3	10.1	10.3	10.2	9.5	12.2	10.7	9.5	9.3	8.3
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	1.7	-0.7	1.1	0.3	-0.4	-0.5	-0.5	-0.9	-1.4	-1.5	-0.7	-4.1	-4.6	-2.5	-1.5	0.0
WAGES, SALARIES																	
Total economy, gross[1]	PLN	2526	2614	2570	2550	2625	2648	2612	2611	2658	2760	3027	2664	2687	2853	2786	2777
Total economy, gross[1]	real, CMPY	4.3	5.1	3.4	4.4	3.7	4.5	3.7	3.9	3.8	1.8	7.2	6.3	4.8	6.7	6.3	6.8
Total economy, gross[1]	USD	796	811	804	836	828	841	858	838	860	928	1048	893	902	972	985	992
Total economy, gross[1]	EUR	666	675	656	655	654	662	669	658	681	721	794	687	690	734	730	734
Industry, gross[1]	EUR	678	681	661	661	664	679	676	662	674	738	816	697	703	743	728	734
PRICES																	
Consumer	PM	0.0	-0.1	0.7	0.5	-0.3	0.0	0.3	0.2	0.1	0.0	-0.2	0.4	0.3	0.5	0.5	0.5
Consumer	CMPY	0.7	0.4	0.7	0.9	0.8	1.1	1.6	1.6	1.2	1.4	1.4	1.6	1.9	2.5	2.3	2.3
Consumer	CCPY	0.6	0.8	0.8	0.9	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.6	1.8	2.0	2.1	2.1
Producer, in industry	PM	-0.1	0.7	1.5	0.4	0.9	0.7	-0.1	0.0	-0.5	-0.7	-0.5	0.6	0.3	0.5	0.5	0.4
Producer, in industry	CMPY	0.7	0.9	1.7	2.3	3.0	3.5	3.3	3.6	3.2	2.5	2.6	3.1	3.5	3.3	2.2	2.2
Producer, in industry	CCPY	0.5	0.6	0.9	1.2	1.5	1.8	1.9	2.1	2.2	2.2	2.2	3.1	3.4	3.1	2.9	2.7
RETAIL TRADE																	
Turnover[1]	real, CMPY	9.9	10.1	13.3	13.4	10.5	10.8	10.9	14.4	13.9	14.1	13.7	16.3	16.9	17.7	13.6	13.4
Turnover[1]	real, CCPY	9.6	9.0	10.1	10.6	10.5	10.8	11.1	11.6	11.9	11.8	11.9	16.3	16.6	17.4	16.7	16.0
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	13007	20439	27208	34574	42018	48962	55976	64045	72610	80985	87888	7454	14847	23386	30905	.
Imports total (cif), cumulated	EUR mn	14521	23016	30500	39163	47447	55588	63672	72658	82396	91868	100380	8475	16672	26564	35333	.
Trade balance, cumulated	EUR mn	-1513	-2577	-3292	-4589	-5429	-6625	-7696	-8613	-9787	-10883	-12493	-1022	-1826	-3178	-4429	.
Exports to EU-27 (fob), cumulated	EUR mn	10536	16422	21778	27649	33444	38977	44369	50744	57423	64043	69294	6114	12018	18801	24662	.
Imports from EU-27 (cif)[5], cumulated	EUR mn	9232	14799	19593	25225	30628	35957	40892	46492	52650	58650	63844	5474	10974	17306	22832	.
Trade balance with EU-27, cumulated	EUR mn	1304	1623	2185	2424	2816	3020	3477	4251	4773	5393	5451	640	1044	1495	1830	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-1050	-1406	-2003	-2377	-2677	-3204	-3850	-3628	-4356	-5094	-6295	-733	-1294	-1833	-2511	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	3.174	3.223	3.198	3.049	3.171	3.149	3.045	3.115	3.092	2.974	2.887	2.984	2.980	2.936	2.828	2.800
PLN/EUR, monthly average	nominal	3.794	3.875	3.919	3.894	4.016	3.997	3.901	3.970	3.903	3.830	3.813	3.879	3.896	3.887	3.819	3.782
PLN/USD, calculated with CPI[6]	real, Jan03=100	117.8	115.3	116.0	121.6	116.4	116.8	120.9	119.0	120.7	125.7	129.0	124.9	124.7	126.1	130.7	132.7
PLN/USD, calculated with PPI[6]	real, Jan03=100	109.9	108.8	109.8	114.6	111.0	112.0	115.0	114.1	116.6	118.6	120.5	118.6	116.9	117.5	121.5	123.2
PLN/EUR, calculated with CPI[6]	real, Jan03=100	107.2	104.3	103.2	104.0	100.4	101.0	103.6	102.0	103.8	105.6	105.5	104.6	104.1	104.2	106.0	107.3
PLN/EUR, calculated with PPI[6]	real, Jan03=100	105.8	103.8	103.5	104.6	102.2	102.4	104.8	103.9	105.0	106.6	106.5	105.6	105.1	105.3	107.3	108.8
DOMESTIC FINANCE																	
M0, end of period	PLN bn	56.3	58.4	61.3	61.2	64.2	64.9	64.9	66.2	66.3	66.0	68.8	67.6	68.6	70.2	72.0	71.5
M1, end of period[7]	PLN bn	211.5	209.7	209.7	223.8	226.2	233.1	235.5	239.4	240.3	249.4	260.6	261.7	268.6	270.2	269.2	277.0
Broad money, end of period[7]	PLN bn	416.1	417.6	423.2	433.1	437.9	440.3	447.2	453.1	458.6	465.7	477.0	485.3	490.6	492.8	498.4	502.8
Broad money, end of period[7]	CMPY	11.7	9.8	9.6	10.1	11.9	13.0	12.9	13.0	12.3	14.4	15.6	19.3	17.9	18.0	17.8	16.1
Discount rate (p.a.),end of period	%	4.5	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.5	4.5
Discount rate (p.a.),end of period[8]	real, %	3.8	3.3	2.5	1.9	1.2	0.7	0.9	0.6	1.0	1.7	1.6	1.1	0.7	0.9	2.3	2.3
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-6716	-9275	-10070	-14718	-17694	-15543	-14483	-14610	-16637	-18581	-25063	3144	-2992	-5177	-2091	-4265

1) Enterprises employing more than 9 persons.

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

5) According to country of origin.

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

7) Revised according to ECB monetary standards.

8) Deflated with annual PPI.

R O M A N I A: Selected monthly data on the economic situation 2006 to 2007

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total[1)]	real, CMPY	4.3	4.3	0.6	16.0	10.7	10.0	6.8	6.2	10.2	7.3	3.9	4.7	10.0	8.2	2.3	.
Industry, total[1)]	real, CCPY	4.9	4.7	3.6	6.1	6.9	7.3	7.2	7.1	7.4	7.4	7.2	4.7	7.3	7.6	6.3	.
Industry, total[1)]	real, 3MMA	4.7	3.1	6.8	9.0	12.2	9.2	7.6	7.8	7.9	7.3	5.4	6.2	7.6	6.8	.	.
Construction, total	real, CCPY	20.0	20.9	18.3	17.2	17.5	17.3	17.7	18.0	18.2	18.6	19.3	27.2	29.1	29.8	31.6	.
LABOUR																	
Employees total[1)]	th. persons	4565.6	4582.0	4589.7	4604.0	4612.2	4617.4	4615.3	4608.5	4601.7	4603.4	4575.0	4647.0	4671.3	4707.1	4715.0	.
Employees in industry[1)]	th. persons	1680.8	1678.5	1666.7	1663.9	1653.1	1645.3	1640.4	1628.3	1623.0	1616.1	1602.5	1598.0	1607.4	1613.5	1607.7	.
Unemployment, end of period	th. persons	554.6	545.9	512.3	481.2	465.9	446.8	446.5	440.2	453.5	456.0	460.5	477.3	459.0	433.0	400.3	.
Unemployment rate[2)]	%	6.2	6.1	5.8	5.4	5.2	5.0	5.0	4.9	5.1	5.1	5.2	5.4	5.2	4.9	4.5	.
Labour productivity, industry[1)]	CCPY	8.8	8.6	7.6	10.1	10.9	11.3	11.1	11.0	11.2	11.1	10.6	10.1	12.6	12.8	11.2	.
Unit labour costs, exch.r. adj.(EUR)[1)]	CCPY	10.0	11.8	12.0	9.0	7.7	6.8	6.5	6.2	6.2	6.6	7.5	15.7	13.3	12.8	14.9	.
WAGES, SALARIES																	
Total economy, gross[1)]	RON	1017.0	1101.0	1120.0	1109.0	1112.0	1122.0	1122.0	1148.0	1155.0	1213.0	1481.0	1232.0	1264.0	1364.0	1387.0	.
Total economy, gross[1)]	real, CMPY	7.1	10.4	7.7	9.8	10.0	10.4	9.9	12.8	13.2	13.9	26.0	7.7	19.7	19.5	19.3	.
Total economy, gross[1)]	USD	343	377	393	404	397	398	407	415	414	447	573	471	488	536	562	.
Total economy, gross[1)]	EUR	287	314	321	316	313	314	318	325	328	347	434	363	374	405	416	.
Industry, gross[1)]	EUR	268	302	301	299	300	305	313	316	315	327	369	334	343	381	389	.
PRICES																	
Consumer	PM	0.2	0.2	0.4	0.6	0.2	0.1	-0.1	0.1	0.2	1.1	0.7	0.2	0.0	0.1	0.5	0.6
Consumer	CMPY	8.5	8.4	6.9	7.3	7.1	6.2	6.0	5.5	4.8	4.7	4.9	4.0	3.8	3.7	3.8	3.8
Consumer	CCPY	8.7	8.6	8.2	8.0	7.8	7.6	7.4	7.2	6.9	6.7	6.6	4.0	3.9	3.8	3.8	3.8
Producer, in industry	PM	1.1	0.4	1.8	1.5	1.1	0.8	1.2	-0.2	0.4	0.9	0.4	0.1	0.0	0.9	1.2	.
Producer, in industry	CMPY	11.7	11.3	10.6	11.7	12.7	12.9	13.0	12.0	10.7	10.9	11.6	10.0	8.8	9.4	8.7	.
Producer, in industry	CCPY	10.7	10.9	10.8	11.0	11.3	11.5	11.7	11.7	11.6	11.6	11.6	10.0	9.4	9.4	9.2	.
RETAIL TRADE																	
Turnover	real, CMPY	26.7	24.0	16.3	32.1	28.4	28.5	21.5	26.1	22.8	20.2	19.9	0.6	-3.7	14.7	14.1	.
Turnover	real, CCPY	26.1	25.3	22.8	24.7	25.3	25.8	25.2	25.3	25.0	24.6	24.0	0.6	-1.6	4.2	7.2	.
FOREIGN TRADE[3)]																	
Exports total (fob), cumulated	EUR mn	3879	6218	8091	10398	12678	14901	16963	19171	21429	23893	25851	2057	4375	7113	9292	.
Imports total (cif), cumulated	EUR mn	5280	8569	11514	15045	18527	21979	25342	28725	32610	36684	40746	3313	7011	11207	14967	.
Trade balance, cumulated	EUR mn	-1400	-2351	-3423	-4647	-5849	-7079	-8379	-9554	-11180	-12791	-14895	-1256	-2636	-4094	-5676	.
Exports to EU-27 (fob), cumulated	EUR mn	2799	4443	5715	7259	8850	10443	11835	13456	15095	16913	18228	1507	3161	5036	6563	.
Imports from EU-27 (cif)[4)], cumulated	EUR mn	3464	5703	7682	10166	11629	14053	16302	18658	21397	24246	26995	2338	5027	8082	10844	.
Trade balance with EU-27, cumulated	EUR mn	-665	-1260	-1967	-2907	-2779	-3610	-4468	-5202	-6302	-7332	-8767	-832	-1866	-3045	-4282	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-770	-1358	-2060	-2912	-3744	-4522	-5466	-6301	-7399	-8560	-9973	-939	-2056	-3057	-4446	.
EXCHANGE RATE																	
RON/USD, monthly average	nominal	2.963	2.918	2.849	2.745	2.801	2.817	2.753	2.769	2.789	2.714	2.583	2.613	2.588	2.545	2.469	2.431
RON/EUR, monthly average	nominal	3.540	3.507	3.491	3.507	3.548	3.572	3.528	3.527	3.519	3.495	3.414	3.394	3.382	3.369	3.335	3.285
RON/USD, calculated with CPI[5)]	real, Jan03=100	139.9	141.7	144.4	150.0	146.9	145.8	148.8	148.7	148.7	154.9	163.5	161.5	162.2	163.6	168.5	172.2
RON/USD, calculated with PPI[5)]	real, Jan03=100	143.5	146.1	150.3	157.0	155.2	154.9	159.4	160.6	163.3	166.9	174.5	174.5	172.9	174.8	180.6	.
RON/EUR, calculated with CPI[5)]	real, Jan03=100	127.8	128.6	128.9	128.7	127.2	126.6	127.9	127.9	128.4	130.6	134.1	135.8	135.9	135.7	137.0	139.6
RON/EUR, calculated with PPI[5)]	real, Jan03=100	138.7	139.9	142.2	143.7	143.4	142.2	145.8	146.8	147.6	150.5	154.7	156.1	156.0	157.2	160.0	.
DOMESTIC FINANCE																	
M0, end of period[6)]	RON mn	11165	11480	12471	12595	13557	13926	13959	14423	13955	13937	15130	13491	14163	14986	15463	15906
M1, end of period[6)]	RON mn	33639	33489	34976	36966	39067	40293	41765	42150	43721	42870	48726	51639	52282	54819	55231	56715
Broad money, end of period[6)]	RON mn	85826	87528	88023	91754	94960	95680	97989	98843	100033	101142	110821	106626	109615	112767	113135	112827
Broad money, end of period[6)]	CMPY	33.2	30.4	29.0	29.2	26.6	27.8	27.2	22.7	22.8	23.8	28.1	24.3	27.7	28.8	28.5	23.0
Discount rate (p.a.),end of period[7)]	%	7.5	8.5	8.5	8.5	8.5	8.5	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.1	8.0	7.5
Discount rate (p.a.),end of period[7)8)]	real, %	-3.8	-2.5	-1.9	-2.8	-3.7	-3.9	-3.7	-2.9	-1.7	-2.0	-2.5	-1.2	-0.1	-1.2	-0.6	.
BUDGET																	
Central gov.budget balance, cum.	RON mn	851.4	472.6	674.3	830.9	-444.7	555.7	-8.1	-550.4	440.7	-1284.4	-10537.5	200.4	-2458.9	-4223.1	-2768.6	.

1) Enterprises with more than 3 employees.

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

3) Cumulation starting January and ending December each year.

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

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

6) According to ECB methodology.

7) Reference rate of RNB.

8) Deflated with annual PPI.

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

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	4.8	16.0	3.5	10.9	12.1	9.9	14.4	8.6	12.1	9.9	7.2	18.7	15.5	11.8	15.7	.
Industry, total	real, CCPY	6.1	9.5	8.0	8.6	9.2	9.3	9.9	9.8	10.0	10.0	9.8	18.7	17.1	15.2	15.3	.
Industry, total	real, 3MMA	9.5	8.2	10.2	8.9	11.0	12.1	10.9	11.6	10.2	9.8	11.9	13.8	15.2	14.2	.	.
Construction, total	real, CMPY	19.9	18.0	11.6	20.2	16.3	17.2	21.1	11.4	9.3	12.1	17.6	24.0	25.2	16.1	14.1	.
LABOUR																	
Employment in industry	th. persons	557.7	559.4	564.3	568.5	571.6	572.9	574.6	577.1	577.7	578.8	576.7	580.7	584.9	591.3	585.5	.
Unemployment, end of period	th. persons	337.3	329.3	315.6	302.6	296.5	291.3	282.0	279.9	271.0	268.8	273.4	279.0	273.5	264.5	253.3	247.4
Unemployment rate[1]	%	11.7	11.4	11.0	10.6	10.4	10.2	9.9	9.8	9.3	9.1	9.4	9.5	9.2	8.9	8.5	8.3
Labour productivity, industry	CCPY	7.1	10.8	9.4	10.1	10.8	11.0	11.7	11.4	11.7	11.7	11.3	13.7	11.9	9.7	10.1	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-3.3	-5.5	-2.5	-1.8	-2.4	-2.3	-2.6	-2.1	-2.0	-1.4	-0.6	3.4	5.1	7.6	7.7	.
WAGES, SALARIES																	
Industry, gross	SKK	17311	18401	18124	19433	19857	19167	18981	18918	20157	23254	21621	19317	18759	19727	19597	.
Industry, gross	real, CMPY	-6.5	0.5	2.8	5.2	2.2	3.6	1.9	2.3	5.4	3.7	4.2	5.6	5.7	4.6	5.5	.
Industry, gross	USD	553	590	594	660	661	633	645	642	690	833	816	724	710	771	791	.
Industry, gross	EUR	463	491	485	517	522	499	504	504	547	647	617	556	543	583	586	.
PRICES																	
Consumer	PM	0.6	0.0	0.3	0.4	0.1	0.2	0.0	-0.3	0.2	0.6	0.0	1.0	0.2	0.0	0.2	0.0
Consumer	CMPY	4.4	4.5	4.5	4.8	4.6	5.0	5.1	4.6	3.7	4.3	4.2	3.0	2.7	2.7	2.7	2.3
Consumer	CCPY	4.3	4.3	4.4	4.5	4.5	4.6	4.6	4.6	4.5	4.5	4.5	3.0	2.8	2.8	2.7	2.6
Producer, in industry	PM	1.4	0.7	0.6	0.8	0.3	0.5	0.6	-0.7	0.1	0.4	-0.8	-0.5	1.8	0.0	-0.3	-0.1
Producer, in industry	CMPY	9.8	9.9	9.8	9.8	9.1	8.9	8.8	7.6	7.0	5.6	5.4	3.4	3.8	3.1	2.2	1.3
Producer, in industry	CCPY	9.2	9.4	9.5	9.6	9.5	9.4	9.3	9.1	8.9	8.6	8.3	3.4	3.6	3.4	3.1	2.7
RETAIL TRADE[2]																	
Turnover	real, CMPY	6.5	10.0	8.6	9.3	10.7	8.5	8.0	10.6	9.6	9.4	7.4	0.9	4.6	6.0	6.2	.
Turnover	real, CCPY	6.6	7.7	7.9	8.2	8.6	8.6	8.5	8.7	8.8	8.8	8.8	0.9	2.8	3.8	4.4	.
FOREIGN TRADE[3][4][5]																	
Exports total (fob),cumulated	EUR mn	4434	7145	9528	12294	15163	17799	20611	23679	27124	30476	33318	3167	6284	9825	13158	.
Imports total (fob),cumulated	EUR mn	4933	7771	10394	13366	16360	19065	22033	25370	28983	32626	35819	3022	6227	9876	13243	.
Trade balance,cumulated	EUR mn	-499	-626	-867	-1072	-1197	-1266	-1422	-1691	-1860	-2150	-2501	145	58	-51	-85	.
Exports to EU-27 (fob), cumulated	EUR mn	3957	6344	8401	10853	13338	15570	18007	20640	23602	26514	28971	2781	5502	8605	.	.
Imports from EU-27 (fob)[6], cumulated	EUR mn	3199	5199	6973	9045	11156	13110	15069	17371	19926	22495	24698	2072	4386	6988	.	.
Trade balance with EU-27, cumulated	EUR mn	758	1145	1428	1808	2181	2460	2938	3268	3676	4019	4274	709	1116	1618	.	.
FOREIGN FINANCE																	
Current account, cumulated[3]	EUR mn	-427	-622	-981	-1451	-1647	-2276	-2308	-2804	-3030	-3264	-3642	133	70	-104	-70	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	31.3	31.2	30.5	29.5	30.1	30.3	29.4	29.4	29.2	27.9	26.5	26.7	26.4	25.6	24.8	25.0
SKK/EUR, monthly average	nominal	37.4	37.5	37.4	37.6	38.0	38.4	37.7	37.5	36.9	35.9	35.0	34.7	34.5	33.9	33.5	33.7
SKK/USD, calculated with CPI[7]	real, Jan03=100	133.8	133.6	135.7	140.5	137.6	136.4	140.1	140.3	142.3	150.2	157.9	157.8	158.8	162.6	167.1	166.0
SKK/USD, calculated with PPI[7]	real, Jan03=100	123.6	124.7	126.4	130.9	128.5	127.5	131.2	132.2	135.9	140.7	145.7	145.6	146.9	149.5	152.5	151.3
SKK/EUR, calculated with CPI[7]	real, Jan03=100	121.8	121.1	120.9	120.4	118.9	118.1	120.1	120.3	122.6	126.4	129.1	132.2	132.7	134.5	135.6	134.2
SKK/EUR, calculated with PPI[7]	real, Jan03=100	119.0	119.2	119.3	119.7	118.4	116.8	119.7	120.4	122.6	126.7	128.8	129.6	132.2	134.1	134.8	133.6
DOMESTIC FINANCE																	
M0, end of period[8]	SKK bn	119.4	120.1	121.3	121.9	124.5	124.4	125.8	126.4	126.1	127.3	131.2	129.4	129.4	130.8	131.2	132.4
M1, end of period[8]	SKK bn	493.5	486.0	485.5	512.9	521.7	528.1	512.8	513.0	511.8	532.6	546.1	536.8	547.0	550.0	536.9	558.7
Broad money, end of period[8]	SKK bn	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6	1014.3
Broad money, end of period[8]	CMPY	9.1	10.3	9.4	10.5	11.2	11.8	13.6	12.9	13.9	16.1	15.3	16.5	16.8	16.7	16.4	19.2
Discount rate (p.a.),end of period[9]	%	3.0	3.5	3.5	4.0	4.0	4.5	4.5	4.8	4.8	4.8	4.8	4.8	4.8	4.5	4.3	4.3
Discount rate (p.a.),end of period[9][10]	real, %	-6.2	-5.8	-5.7	-5.3	-4.7	-4.0	-3.9	-2.6	-2.1	-0.8	-0.6	1.3	0.9	1.4	2.0	2.9
BUDGET																	
Central gov.budget balance, cum.	SKK mn	6347	157	180	-11700	-10246	-5244	-5716	-5134	-1080	-6983	-31678	2929	-8529	-11889	-1517	-13050

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

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

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

4) Cumulation starting January and ending December each year.

5) Excluding value of goods for repair and after repair.

6) According to country of origin.

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

8) According to ECB methodology.

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

10) Deflated with annual PPI.

S L O V E N I A: Selected monthly data on the economic situation 2006 to 2007

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	7.5	6.2	-0.3	8.4	3.2	6.0	9.8	6.2	9.1	7.8	3.4	8.7	9.5	9.2	13.1	.
Industry, total	real, CCPY	7.2	6.8	5.0	5.7	5.3	5.4	5.9	5.9	6.2	6.4	6.2	8.7	9.1	9.1	10.1	.
Industry, total	real, 3MMA	6.8	4.4	4.9	3.8	5.8	6.1	7.2	8.3	7.7	6.9	6.7	7.2	9.1	10.6	.	.
Construction, total[1]	real, CMPY	7.8	1.0	-3.3	-2.8	11.8	15.8	2.9	38.1	41.2	23.2	30.3	37.4	30.9	38.1	31.8	.
LABOUR																	
Employment total	th. persons	814.1	817.3	819.9	823.6	827.4	825.2	825.2	829.5	833.7	836.7	833.0	838.0	841.5	845.8	849.0	.
Employees in industry	th. persons	234.9	234.8	234.6	235.1	235.8	235.1	234.9	235.5	236.8	237.6	236.2	236.4	237.0	.	.	.
Unemployment, end of period	th. persons	94.1	91.4	90.0	87.1	84.9	85.6	83.1	80.2	81.3	78.8	78.3	80.0	77.7	74.2	72.6	.
Unemployment rate[2]	%	10.4	10.1	9.9	9.6	9.3	9.4	9.1	8.8	8.9	8.6	8.6	8.7	8.4	8.1	7.9	.
Labour productivity, industry	CCPY	9.8	9.5	7.6	8.4	7.8	7.9	8.3	8.2	8.4	8.4	8.0	8.3	8.5	8.4	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-2.7	-2.7	-1.5	-2.2	-1.6	-1.7	-2.2	-2.5	-2.6	-2.6	-2.3	-0.8	-2.1	-2.6	.	.
WAGES, SALARIES																	
Total economy, gross	EUR-SIT	1158	1192	1168	1195	1192	1181	1211	1200	1223	1393	1261	1250	1213	1252	1237	.
Total economy, gross	real, CMPY	3.2	3.2	1.2	2.1	2.2	2.3	0.8	1.1	3.3	3.9	1.2	3.6	2.6	2.7	3.3	.
Total economy, gross	USD	1384	1432	1429	1526	1510	1498	1551	1529	1542	1792	1666	1625	1586	1658	1672	.
Total economy, gross	EUR	1158	1192	1168	1195	1192	1181	1211	1200	1223	1393	1261	1250	1213	1252	1237	.
Industry, gross	EUR	1021	1079	1027	1065	1070	1044	1089	1060	1096	1287	1114	1140	1072	1125	1096	.
PRICES																	
Consumer	PM	0.4	0.8	0.8	0.9	-0.3	-0.2	0.6	0.4	-0.8	0.3	0.4	-0.7	-0.2	1.0	1.1	1.2
Consumer	CMPY	2.2	1.9	2.7	3.2	2.9	1.9	3.2	2.5	1.5	2.3	2.8	2.7	2.1	2.3	2.6	2.9
Consumer	CCPY	2.3	2.2	2.3	2.5	2.6	2.5	2.6	2.5	2.4	2.4	2.5	2.7	2.4	2.4	2.4	2.5
Producer, in industry	PM	0.6	0.4	0.3	0.1	0.3	0.1	-0.2	0.6	0.1	0.0	0.6	0.6	2.1	0.3	0.2	.
Producer, in industry	CMPY	1.6	2.0	2.0	2.4	2.7	2.9	2.4	2.7	2.7	2.6	2.8	3.5	5.1	5.0	4.9	.
Producer, in industry	CCPY	1.4	1.6	1.7	1.9	2.0	2.1	2.2	2.2	2.3	2.3	2.3	3.5	4.3	4.5	4.6	.
RETAIL TRADE																	
Turnover	real, CMPY	9.7	9.1	7.9	9.3	4.8	8.1	2.7	4.9	10.6	2.9	-2.2	-0.3	3.7	7.0	6.0	.
Turnover	real, CCPY	8.9	9.0	8.7	8.8	8.1	8.1	7.4	7.1	7.5	7.0	6.1	-0.3	1.6	3.6	4.3	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	2492	3984	5293	6736	8201	9629	10772	12281	13839	15414	16761	1448	2935	4715	6254	.
Imports total (cif), cumulated	EUR mn	2635	4279	5609	7165	8726	10267	11562	13182	14870	16669	18312	1556	3137	5020	6711	.
Trade balance total, cumulated	EUR mn	-143	-295	-316	-428	-524	-638	-790	-901	-1031	-1255	-1551	-108	-202	-305	-457	.
Exports to EU-27 (fob), cumulated	EUR mn	1832	2890	3803	4812	5835	6820	7586	8653	9755	10861	11777	1084	2167	3423	4506	.
Imports from EU-27 (cif)[5], cumulated	EUR mn	2087	3435	4516	5781	7053	8323	9363	10694	12060	13552	14900	1227	2477	3979	5301	.
Trade balance with EU-27, cumulated	EUR mn	-255	-545	-713	-969	-1218	-1503	-1777	-2042	-2305	-2691	-3123	-142	-310	-556	-796	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-67	-164	-127	-158	-111	-207	-278	-325	-348	-706	-756	-2	-138	-175	.	.
EXCHANGE RATE																	
EUR-SIT/USD, monthly average[6]	nominal	0.8364	0.8325	0.8176	0.7830	0.7895	0.7882	0.7807	0.7847	0.7930	0.7771	0.7569	0.7693	0.7649	0.7552	0.7399	0.7401
EUR-SIT/EUR, monthly average	nominal	0.9997	0.9998	0.9998	0.9999	0.9999	0.9999	0.9999	0.9998	0.9998	0.9999	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000
EUR-SIT/USD, calculated with CPI[7]	real, Jan03=100	108.5	109.4	111.2	116.6	115.1	114.7	116.3	116.7	115.1	118.1	121.5	118.3	118.1	119.7	122.8	124.2
EUR-SIT/USD, calculated with PPI[7]	real, Jan03=100	99.1	99.8	100.6	104.2	103.5	103.2	103.4	105.1	106.1	106.7	109.2	109.3	110.1	110.2	111.7	.
EUR-SIT/EUR, calculated with CPI[7]	real, Jan03=100	98.7	99.0	99.2	99.7	99.3	99.2	99.7	100.0	99.1	99.3	99.3	99.1	98.6	98.9	99.5	100.4
EUR-SIT/EUR, calculated with PPI[7]	real, Jan03=100	95.4	95.4	95.0	95.1	95.3	94.5	94.3	95.6	95.6	96.0	96.5	97.3	99.0	98.8	98.6	.
DOMESTIC FINANCE																	
M0, end of period	EUR-SIT mn	863	866	922	904	921	885	877	889	893	825	638	2709	2684	2689	2721	.
M1, end of period	EUR-SIT mn	7069	7213	7364	7492	7615	7568	7565	7619	7562	7580	7734	6993	6955	6948	6974	.
Broad money, end of period	EUR-SIT mn	14966	15157	15058	15255	15398	15430	15371	15651	15545	15675	15887	15411	15275	15449	15390	.
Broad money, end of period	CMPY	-11.7	-11.3	-12.8	-10.2	-8.5	-8.7	-9.9	-9.7	-10.5	-11.6	-10.6	44.1	2.1	1.9	2.2	.
Refinancing rate (p.a.),end of period	%	3.50	3.25	3.25	3.25	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.75	3.75	3.75
Refinancing rate (p.a.),end of period[8]	real, %	1.9	1.2	1.2	0.8	0.8	0.6	1.3	1.0	1.0	1.1	0.9	0.0	-1.5	-1.2	-1.1	.
BUDGET																	
General gov.budget balance, cum.	EUR-SIT mn	-74.2	-130.4	-64.8	-89.1	-69.1	-22.1	72.7	-33.6	11.8	22.6	-250.0	76.0	-74.6	-139.4	.	.

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

1) Effective working hours, construction put in place of enterprises with 20 and more persons employed.

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

5) According to country of dispatch.

6) From January 2007 reference rate from ECB.

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

8) Deflated with annual PPI.

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

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total[1]	real, CMPY	7.3	6.0	-3.2	4.1	-1.1	5.2	9.8	3.0	8.5	6.8	3.0	9.1	5.8	9.0	9.4	7.7
Industry, total[1]	real, CCPY	6.6	6.4	3.7	3.8	2.9	3.3	4.1	3.9	4.4	4.6	4.5	9.1	7.4	8.0	8.3	8.2
Industry, total[1]	real, 3MMA	6.4	3.1	2.3	-0.1	2.7	4.4	5.9	7.0	6.1	6.1	6.2	5.8	8.0	8.1	8.7	.
Construction, total,effect.work.time[1]	real, CMPY	17.1	16.9	3.8	13.7	7.5	8.3	9.7	4.7	9.9	7.3	3.6	13.7	7.7	0.1	.	.
LABOUR																	
Employment total	th. persons	1403.8	1406.7	1416.3	1429.6	1444.1	1455.5	1456.2	1446.9	1438.5	1434.3	1426.6	1416.5	1455.5	1461.1	1470.5	.
Employees in industry	th. persons	282.5	283.3	284.0	284.9	285.4	285.4	285.6	285.4	285.6	286.2	285.3	275.5	283.8	284.0	283.9	.
Unemployment, end of period	th. persons	313.6	311.3	302.4	287.3	274.5	270.8	271.1	279.0	289.9	292.3	293.2	299.1	298.8	291.6	278.4	263.4
Unemployment rate[2]	%	18.3	18.1	17.6	16.7	16.0	15.7	15.7	16.2	16.8	16.9	17.0	17.4	17.0	16.6	15.9	15.1
Labour productivity, industry[1]	CCPY	6.8	7.0	4.7	4.9	4.1	4.5	5.3	5.2	5.6	5.8	5.6	9.5	7.5	7.8	8.1	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	2.6	2.4	4.0	3.7	4.6	4.0	3.1	3.0	2.6	2.7	2.9	-0.7	-0.9	-1.7	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	6326	6650	6459	6780	6684	6550	6672	6530	6593	7097	6864	6850	6739	6973	.	.
Total economy, gross	real, CMPY	2.4	2.8	2.1	2.5	1.2	2.2	2.3	2.4	4.4	5.1	5.0	5.4	5.3	3.0	.	.
Total economy, gross	USD	1032	1090	1081	1190	1167	1147	1174	1127	1125	1243	1233	1210	1195	1254	.	.
Total economy, gross	EUR	863	908	883	932	921	904	917	884	892	966	933	930	915	948	.	.
Industry, gross	EUR	796	849	807	867	871	839	857	829	836	931	863	864	831	892	.	.
PRICES																	
Consumer	PM	0.8	0.1	0.2	0.5	-0.1	-0.8	0.1	0.0	0.0	0.6	0.0	0.3	0.3	0.6	0.7	0.5
Consumer	CMPY	3.6	3.0	3.5	4.0	4.0	3.4	3.4	2.8	2.1	2.5	2.0	1.8	1.2	1.8	2.3	2.2
Consumer	CCPY	3.8	3.5	3.5	3.6	3.7	3.6	3.6	3.5	3.4	3.3	3.2	1.8	1.5	1.6	1.8	1.9
Producer, in industry	PM	0.7	0.3	0.1	0.4	-0.2	0.1	0.2	-0.3	0.0	0.1	0.0	0.8	0.2	0.6	0.4	0.4
Producer, in industry	CMPY	3.6	3.6	3.4	3.7	3.7	3.0	3.1	2.0	1.5	1.6	1.9	2.2	1.7	2.0	2.3	2.3
Producer, in industry	CCPY	3.4	3.5	3.4	3.5	3.5	3.5	3.4	3.3	3.1	2.9	2.9	2.2	1.9	1.9	2.0	2.1
RETAIL TRADE																	
Turnover	real, CMPY	5.3	0.3	1.5	0.2	-0.5	1.6	1.9	2.8	4.6	3.4	4.0	7.8	7.2	8.2	7.1	.
Turnover	real, CCPY	4.4	1.7	2.3	1.8	1.4	1.5	1.5	1.7	1.9	2.0	2.1	7.8	7.4	7.7	7.5	.
FOREIGN TRADE[3][4]																	
Exports total (fob), cumulated	EUR mn	1192	1971	2555	3258	3903	4610	5231	5930	6735	7435	8253	586	1282	2009	2716	.
Imports total (cif), cumulated	EUR mn	2424	3955	5323	6829	8362	9822	11217	12634	14238	15697	17094	1195	2635	4270	5854	.
Trade balance, cumulated	EUR mn	-1233	-1984	-2768	-3571	-4459	-5211	-5986	-6704	-7503	-8262	-8841	-608	-1353	-2261	-3137	.
Exports to EU-27 (fob), cumulated	EUR mn	804	1310	1714	2185	2638	3072	3460	3872	4422	4856	5315	350	791	1239	1651	.
Imports from EU-27 (cif), cumulated	EUR mn	1532	2542	3532	4622	5663	6711	7586	8509	9559	10538	11492	750	1681	2767	3831	.
Trade balance with EU-27, cumulated	EUR mn	-672	-1151	-1692	-2270	-2829	-3394	-3845	-4328	-4795	-5325	-5804	-387	-866	-1489	-2123	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	.	-2053	.	.	-3339	.	.	-1194	.	.	-2617	.	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	6.129	6.098	5.974	5.698	5.726	5.711	5.683	5.794	5.862	5.710	5.566	5.663	5.640	5.559	5.482	5.423
HRK/EUR, monthly average	nominal	7.327	7.325	7.313	7.273	7.256	7.246	7.276	7.385	7.393	7.344	7.355	7.367	7.363	7.357	7.396	7.330
HRK/USD, calculated with CPI[6]	real, Jan03=100	115.5	115.7	117.3	122.9	122.0	120.9	121.4	119.7	118.9	123.0	126.0	123.8	124.0	125.4	127.3	129.3
HRK/USD, calculated with PPI[6]	real, Jan03=100	105.5	106.1	107.1	111.7	110.7	110.5	110.6	109.9	110.7	112.1	113.9	114.1	112.7	113.3	114.3	116.1
HRK/EUR, calculated with CPI[6]	real, Jan03=100	105.0	104.6	104.3	105.0	105.1	104.5	104.0	102.4	102.2	103.4	102.9	103.5	103.5	103.6	103.2	104.3
HRK/EUR, calculated with PPI[6]	real, Jan03=100	101.4	101.3	100.9	101.8	101.7	101.0	100.8	99.8	99.6	100.7	100.5	101.4	101.3	101.5	101.0	102.3
DOMESTIC FINANCE																	
M0, end of period	HRK bn	11.8	12.1	12.7	13.0	14.0	14.9	14.6	14.3	13.9	13.5	14.6	13.9	14.0	14.4	14.7	.
M1, end of period	HRK bn	37.2	38.2	39.2	40.8	42.2	45.0	45.0	44.0	45.5	46.3	48.5	46.0	46.1	46.8	47.9	.
Broad money, end of period	HRK bn	151.7	153.6	155.1	158.1	163.1	170.3	174.2	176.8	180.6	179.6	182.5	183.0	182.7	185.0	187.1	.
Broad money, end of period	CMPY	9.3	11.3	12.5	12.4	14.4	17.0	15.3	16.6	18.4	16.1	18.0	20.4	20.4	20.5	20.6	.
Discount rate (p.a.),end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Discount rate (p.a.),end of period[7]	real, %	0.9	0.9	1.1	0.8	0.8	1.5	1.4	2.5	3.0	2.9	2.6	2.3	2.8	2.5	2.2	2.2
BUDGET																	
Central gov. budget balance, cum.[8]	HRK mn	-1742	-2803	-3097	-3381	-3475	-3426	-2641	-2635	-2696	-2777	.	.	.	.	.	.

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

2) Ratio of unemployed to the economically active population.

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

4) Cumulation starting January and ending December each year.

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

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

7) Deflated with annual PPI.

8) Consolidated central government budget. Including extra-budgetary funds.

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

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total[1]	real, CMPY	0.9	4.1	4.9	11.2	2.9	3.6	6.3	5.6	6.5	4.2	2.5	8.4	9.2	8.9	4.5	6.3
Industry, total[1]	real, CCPY	2.6	3.1	3.6	5.0	4.7	4.5	4.7	4.8	5.0	4.9	4.7	8.4	8.8	8.8	7.7	7.4
Industry, total[1]	real, 3MMA	3.1	3.3	6.6	6.2	5.8	4.3	5.2	6.1	5.4	4.3	4.8	6.4	8.8	7.5	6.6	.
Construction, total	real, CMPY	-3.5	10.7	12.1	10.9	14.5	14.5	12.4	18.3	24.3	21.4	25.7	29.8	21.3	18.8	26.0	29.1
LABOUR[2]																	
Employment total	th. persons	67608	67893	68278	68564	69076	69489	70000	69767	69434	69201	68967	69141	69212	69408	69504	69660
Unemployment, end of period	th. persons	5792	5707	5622	5536	5324	5111	4900	4933	4966	4999	5129	5259	5388	5292	5196	5140
Unemployment rate	%	7.9	7.8	7.6	7.5	7.2	6.8	6.5	6.6	6.7	6.7	6.9	7.1	7.2	7.1	7.0	6.9
WAGES, SALARIES																	
Total economy, gross	RUB	9255	9914	9833	10257	11106	10883	10853	11127	11046	11303	14263	11430	11757	12448	12494	12744
Total economy, gross	real, CMPY	11.5	10.7	11.9	15.8	17.8	15.1	14.9	14.2	16.4	16.1	15.6	17.1	18.0	16.9	18.0	15.3
Total economy, gross	USD	328	356	357	379	412	404	406	416	411	425	505	431	446	477	484	493
Total economy, gross	EUR	274	296	291	297	325	319	317	326	326	330	416	332	342	360	358	365
Industry, gross[3]	EUR	263	285	285	287	299	308	312	312	320	317	365	325	325	345	349	.
PRICES																	
Consumer	PM	1.7	0.8	0.3	0.5	0.3	0.7	0.2	0.1	0.3	0.6	0.8	1.7	1.1	0.6	0.6	0.6
Consumer	CMPY	11.2	10.7	9.9	9.5	9.2	9.3	9.7	9.4	9.1	9.0	9.0	8.2	7.6	7.4	7.7	7.8
Consumer	CCPY	11.0	10.9	10.6	10.4	10.2	10.1	10.0	9.9	9.8	9.8	9.7	8.2	7.9	7.8	7.7	7.7
Producer, in industry	PM	3.3	2.1	0.6	1.8	0.8	1.7	2.2	1.4	-2.8	-2.5	1.0	1.7	0.1	0.0	4.3	5.3
Producer, in industry	CMPY	15.7	15.2	13.1	12.1	12.9	14.2	14.4	12.9	8.8	7.0	10.4	11.7	8.2	6.0	9.9	13.7
Producer, in industry	CCPY	14.6	14.8	14.3	13.9	13.7	13.8	13.9	13.7	13.2	12.6	12.4	11.7	9.9	8.6	8.9	9.9
RETAIL TRADE																	
Turnover[4]	real, CMPY	10.5	11.8	11.9	11.3	15.3	15.5	15.3	14.3	15.2	14.6	15.4	13.9	14.2	13.8	13.7	14.6
Turnover[4]	real, CCPY	10.9	11.2	11.4	11.4	12.1	12.6	12.9	13.1	13.3	13.5	13.7	13.9	14.0	13.9	13.9	14.0
FOREIGN TRADE[5][6]																	
Exports total, cumulated	EUR mn	35412	55622	75084	96312	116299	136518	158423	178490	198125	217739	240143	16457	34228	54024	74579	.
Imports total, cumulated	EUR mn	11977	20423	28007	36509	46300	55549	65289	75056	85860	96702	109691	7467	16896	28299	39425	.
Trade balance, cumulated	EUR mn	23435	35199	47077	59802	69999	80969	93133	103434	112265	121037	130452	8989	17331	25725	35154	.
FOREIGN FINANCE																	
Current account, cumulated[7]	EUR mn	.	25339	.	.	44717	.	.	63120	.	.	75778	.	.	16656	.	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	28.195	27.874	27.564	27.065	26.983	26.916	26.762	26.746	26.867	26.617	28.228	26.529	26.343	26.106	25.838	25.824
RUB/EUR, monthly average	nominal	33.733	33.492	33.767	34.524	34.209	34.155	34.274	34.087	33.889	34.235	34.293	34.389	34.408	34.573	34.892	34.910
RUB/USD, calculated with CPI[8]	real, Jan03=100	145.5	147.6	148.5	151.2	151.8	152.7	153.6	154.6	155.1	157.8	149.7	161.5	163.5	164.5	166.2	167.3
RUB/USD, calculated with PPI[8]	real, Jan03=100	160.6	165.6	166.3	170.9	172.4	174.9	178.7	184.1	181.6	176.0	166.2	181.8	179.9	178.8	186.7	196.8
RUB/EUR, calculated with CPI[8]	real, Jan03=100	132.5	133.9	132.4	129.7	131.1	132.3	131.9	132.7	133.7	133.1	133.4	135.9	136.9	136.2	135.0	135.4
RUB/EUR, calculated with PPI[8]	real, Jan03=100	154.8	158.4	157.1	156.4	158.9	160.3	163.2	167.8	163.9	158.7	160.0	162.7	162.1	160.5	165.3	173.9
DOMESTIC FINANCE																	
M0, end of period	RUB bn	1890.1	1928.8	2027.8	2096.9	2233.4	2290.3	2351.6	2400.8	2402.2	2450.7	2785.2	2630.1	2682.0	2741.2	2859.4	.
M1, end of period	RUB bn	3686.7	3855.9	3957.7	4205.2	4479.3	4504.9	4652.1	4856.1	4765.0	4900.1	5598.4	5304.8	5377.7	5774.3	6167.9	.
M2, end of period	RUB bn	7155.7	7392.9	7534.2	7877.6	8304.8	8407.9	8570.4	8897.2	8968.8	9233.6	10146.7	9905.0	10174.9	10894.5	11194.8	.
M2, end of period	CMPY	33.9	34.4	34.7	37.2	38.0	38.1	36.3	37.8	38.3	39.8	40.5	40.8	42.2	47.4	48.6	.
Refinancing rate (p.a.), end of period	%	12.0	12.0	12.0	12.0	11.5	11.5	11.5	11.5	11.5	11.0	11.0	10.5	10.5	10.5	10.5	10.5
Refinancing rate (p.a.), end of period[9]	real, %	-3.2	-2.8	-1.0	-0.1	-1.2	-2.4	-2.6	-1.2	2.5	3.7	0.6	-1.1	2.1	4.2	0.5	-2.8
BUDGET																	
Central gov.budget balance, cum.	RUB bn	390.8	575.9	692.0	894.7	1083.4	1270.0	1489.4	1694.5	1905.9	1992.6	1995.0	218.2	350.9	476.3	.	.

1) According to NACE C+D+E.

2) Based on labour force survey.

3) Manufacturing industry only.

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

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

6) Cumulation starting January and ending December each year.

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

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

9) Deflated with annual PPI.

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

(updated end of June 2007)

		2006											2007				
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PRODUCTION																	
Industry, total	real, CMPY	1.5	1.3	0.5	10.0	9.6	11.4	9.1	6.2	3.8	8.3	12.0	15.8	11.0	10.7	12.3	9.9
Industry, total	real, CCPY	-0.6	0.2	0.4	2.4	3.6	4.8	5.4	5.5	5.3	5.6	6.2	15.8	13.4	12.5	12.1	.
Industry, total	real, 3MMA	0.0	1.1	3.9	6.7	10.3	10.0	8.9	6.4	6.1	8.0	12.0	12.9	12.5	11.3	.	
LABOUR																	
Employees[1]	th. persons	11296	11352	11378	11381	11412	11440	11430	11413	11403	11356	11273	11284	11314	11379	11377	11354
Employees in industry[1]	th. persons	3380	3380	3367	3355	3354	3351	3342	3334	3336	3329	3303	3298	3305	3307	3289	3273
Unemployment, end of period	th. persons	923.8	913.7	868.7	805.8	749.1	715.3	694.7	676.1	653.3	693.1	693.1	790.2	812.8	781.6	733.8	690.3
Unemployment rate[2]	%	3.3	3.2	3.1	2.9	2.7	2.5	2.5	2.4	2.3	2.5	2.5	2.8	2.9	2.8	2.6	2.4
Labour productivity, industry[1]	CCPY	0.3	1.3	1.6	3.7	5.0	6.3	7.0	7.2	7.0	7.3	8.0	18.5	16.0	15.1	14.7	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	47.2	46.3	42.2	34.3	29.4	25.3	22.6	20.9	20.0	18.3	16.7	-1.7	-0.7	0.0	1.2	.
WAGES, SALARIES[1]																	
Total economy, gross	UAH	905	987	984	1003	1064	1079	1073	1087	1088	1104	1277	1112	1142	1230	1224	1277
Total economy, gross	real, CMPY	22.6	25.8	24.9	22.3	21.0	19.9	20.2	16.3	11.2	10.3	12.2	16.0	15.2	13.2	12.5	15.0
Total economy, gross	USD	179	195	195	199	211	214	212	215	215	219	253	220	226	244	242	253
Total economy, gross	EUR	150	163	159	156	166	169	166	169	171	170	192	169	173	184	180	187
Industry, gross	EUR	177	194	182	174	187	193	194	196	202	200	216	202	202	222	216	221
PRICES																	
Consumer	PM	1.8	-0.3	-0.4	0.5	0.1	0.9	0.0	2.0	2.6	1.8	0.9	0.5	0.6	0.2	0.0	0.6
Consumer	CMPY	10.7	8.6	7.4	7.3	6.8	7.4	7.4	9.1	11.0	11.6	11.6	10.9	9.5	10.1	10.5	10.6
Consumer	CCPY	10.2	9.7	9.1	8.7	8.4	8.3	8.2	8.3	8.5	8.8	9.1	10.9	10.2	10.2	10.3	10.3
Producer, in industry	PM	0.3	0.4	1.4	1.0	0.7	1.2	2.1	1.7	2.2	0.7	0.5	2.3	1.1	1.6	2.1	2.3
Producer, in industry	CMPY	8.1	6.5	5.4	4.7	6.3	9.4	10.9	10.7	13.1	14.0	14.2	15.5	16.4	17.8	18.6	20.1
Producer, in industry	CCPY	9.4	8.4	7.6	7.0	6.9	7.3	7.7	8.1	8.6	9.1	9.5	15.5	15.9	16.6	17.1	17.7
RETAIL TRADE																	
Turnover[3]	real, CCPY	28.4	26.5	27.4	27.2	27.0	26.1	25.6	25.0	25.0	25.1	25.3	26.5	26.2	25.6	26.2	26.2
FOREIGN TRADE[4][5]																	
Exports total (fob), cumulated	EUR mn	4041	6645	9055	11494	14126	16770	19522	22421	25150	27748	30556	2468	5077	8185	11201	.
Imports total (cif), cumulated	EUR mn	4895	8116	10792	13643	16501	19412	22416	25685	28878	31928	35865	2847	6135	9883	13456	.
Trade balance, cumulated	EUR mn	-854	-1472	-1737	-2150	-2375	-2641	-2894	-3264	-3728	-4179	-5309	-379	-1059	-1698	-2255	.
FOREIGN FINANCE																	
Current account, cumulated[6]	EUR mn	.	-638	.	.	-625	.	.	-212	.	.	-1289	.	.	-1003	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050
UAH/EUR, monthly average	nominal	6.037	6.064	6.180	6.428	6.396	6.402	6.469	6.435	6.370	6.490	6.651	6.574	6.596	6.681	6.814	6.832
UAH/USD, calculated with CPI[7]	real, Jan03=100	131.5	130.4	128.7	128.7	128.6	129.4	129.1	132.4	136.5	139.2	140.2	140.5	140.5	139.5	138.7	139.5
UAH/USD, calculated with PPI[7]	real, Jan03=100	134.7	135.0	135.1	135.2	135.9	136.9	138.9	143.4	149.4	148.2	147.6	152.7	151.5	151.7	153.5	157.0
UAH/EUR, calculated with CPI[7]	real, Jan03=100	119.4	117.9	114.5	110.2	110.8	111.8	110.4	113.2	117.2	117.0	114.8	117.2	117.1	115.2	112.3	112.4
UAH/EUR, calculated with PPI[7]	real, Jan03=100	129.4	128.7	127.3	123.6	124.9	125.1	126.4	130.3	134.4	133.3	130.6	135.5	136.1	135.8	135.4	138.2
DOMESTIC FINANCE																	
M0, end of period	UAH bn	57.0	58.6	61.0	61.1	64.3	66.2	67.4	68.6	68.4	68.8	75.0	70.7	71.8	74.0	78.1	78.5
M1, end of period	UAH bn	93.6	96.2	97.5	99.8	104.7	108.6	109.1	113.0	113.1	115.2	123.3	118.4	118.5	122.9	127.4	132.5
Broad money, end of period	UAH bn	191.3	195.3	201.2	207.4	214.1	221.5	226.4	234.8	238.5	244.1	261.1	256.2	261.3	272.5	282.4	288.2
Broad money, end of period	CMPY	46.1	39.4	37.4	40.2	37.0	39.2	37.4	37.3	36.4	35.6	34.5	35.7	36.6	39.5	40.3	39.0
Refinancing rate (p.a.),end of period	%	9.5	9.5	9.5	9.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Refinancing rate (p.a.),end of period[8]	real, %	1.3	2.8	3.9	4.5	2.0	-0.8	-2.1	-2.0	-4.1	-4.8	-5.0	-6.0	-6.8	-7.9	-8.5	-9.7
BUDGET																	
General gov.budget balance, cum.	UAH mn	2497	380	-856	1183	-996	-971	2524	2613	1452	4497	-3701	3686	6254	6294	6220	.

1) Excluding small firms.

2) Ratio of unemployed to the economically active.

3) Official registered enterprises.

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

5) Cumulation starting January and ending December each year.

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

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

8) Deflated with annual PPI.

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