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Baltic States: entering a chill-out phase

Moderation of domestic demand supports soft landing scenarios

2007 marks the turning point of the post-accession boom period in the Baltic States. In Estonia the turnaround occurred already in the first half of the year, while in Latvia and Lithuania signs of deceleration of growth have set in only recently. Nevertheless, the internal as well as external imbalances which emerged from soaring domestic demand will ease only in the medium term.

Investment activity has lost its role as a main driver of growth in Estonia, caused by the cooling of the housing market. A moderation of private investment is to be expected also for the years to come, as the recent lending boom to households came to an end due to rising interest rates, the already attained debt levels and aligned risk assessments by banks and consumers. Moreover, in the course of 2007 growth rates of retail sales plummeted. Private consumption will nevertheless continue to play an important role in keeping the annual growth rate of the economy above 5% in the medium run.

In Latvia and Lithuania, growth of household consumption decelerated slightly only in the second half of 2007, accompanied by a decline in retail sales growth as well as a decrease in net exports. Moreover, also here the slowing down of mortgage lending was accompanied by a decline in prices in the residential real estate market. Given high growth rates of compensation of employees, household consumption is expected to act as the main engine of growth in Latvia as well as in Lithuania also in the next years. However, real growth rates will come down in the medium term as the recent rise of demand above potential output has been followed by an unfavourable inflationary process. Rising interest rates as well as a deterioration of future prospects may also result in a reluctant development of investments undertaken by enterprises.

Unemployment rates reach an all-time low

The vigorous growth developments in the Baltic States in 2007 led to a further rise in employment rates, which reached 70% in Estonia and Latvia and 65% in Lithuania in the age group 15-64 by the end of the year. The fall in unemployment occurring in the period after EU accession was even more dramatic. In Lithuania the unemployment rate fell below 4% by the end of 2007, in Estonia and Latvia the annual rate is at about 5% and 6% respectively. This development is also associated with the increase in emigration for work purposes in recent years. Particularly Latvians and Lithuanians have taken the opportunity

Table EE

Estonia: Selected economic indicators

	2002	2003	2004	2005	2006	2007 ¹⁾	2008	2009	2010
	Forecast								
Population, th pers., mid-year	1,359	1,354	1,349	1,346	1,344	1,342	.	.	.
Gross domestic product, EEK mn, nom.	121,372	136,010	149,923	175,392	207,061	242,200	268,300	291,500	315,200
annual change in % (real)	8.0	7.2	8.3	10.2	11.2	7.0	6	5.5	6
GDP/capita (EUR at exchange rate)	5,709	6,422	7,101	8,327	9,850	11,539	.	.	.
GDP/capita (EUR at PPP - wiiw)	10,220	11,290	12,310	14,110	16,100	17,680	.	.	.
Gross industrial production									
annual change in % (real)	8.2	10.9	10.5	11.0	7.3	6.1	6	5	7
Gross agricultural production									
annual change in % (real)	-1.8	3.8	0.2	6.8	-1.0	.	.	.	.
Construction industry									
annual change in % (real)	24.8	7.6	11.3	19.8	22.5	.	.	.	.
Consumption of households, EEK mn, nom.	66,944	74,148	80,460	91,387	109,203	126,600	.	.	.
annual change in % (real)	10.9	9.6	6.7	10.6	15.1	9.1	8	7	8
Gross fixed capital form., EEK mn, nom.	36,140	43,089	47,091	53,743	70,569	74,700	.	.	.
annual change in % (real)	24.1	19.2	4.4	9.9	22.4	4.1	5	7	7
LFS - employed persons, th, avg.	585.5	594.3	595.5	607.4	646.3	655.0	.	.	.
annual change in %	1.4	1.5	0.2	2.0	6.4	1.3	.	.	.
LFS - employed pers. in industry, th, avg.	144.4	150.0	160.9	157.9	154.0	.	.	.	.
annual change in %	-4.6	3.9	7.3	-1.9	-2.5	.	.	.	.
LFS - unemployed, th pers., average	67.2	66.2	63.6	52.2	40.5	32.0	.	.	.
LFS - unemployment rate in %, average	10.3	10.0	9.6	7.9	5.9	4.7	4.5	4	4
Reg. unemployment rate in %, end of period	4.8	4.4	3.5	2.7	1.4	2.2	.	.	.
Average gross monthly wages, EEK	6,144	6,723	7,287	8,073	9,407	10,900	.	.	.
annual change in % (real, gross)	7.6	8.0	5.2	6.4	11.6	9	.	.	.
Consumer prices, % p.a.	3.6	1.3	3.0	4.1	4.4	6.3	6	4	3
Producer prices in industry, % p.a.	0.4	0.2	2.9	2.1	4.5	8.3	5.5	.	.
General governm. budget, EU-def., % GDP ²⁾									
Revenues	36.0	36.4	35.9	35.4	36.6	37.2	37.8	38.0	37.5
Expenditures	35.6	34.6	34.1	33.4	33.0	34.6	36.9	37.2	36.5
Net lending (+) / net borrowing (-)	0.4	1.8	1.8	1.9	3.6	2.6	0.9	0.8	1.0
Public debt in % of GDP ²⁾	3.5	5.5	5.1	4.4	4.0	2.8	.	.	.
Money market rate, % p.a., end of period ³⁾	3.4	2.6	2.4	2.5	3.8	7.1	.	.	.
Current account, EUR mn	-825	-985	-1,177	-1,118	-2,051	-2,500	-2,400	-2,400	-2,400
Current account in % of GDP	-10.6	-11.3	-12.3	-10.0	-15.5	-16.2	-14	-13	-12
Gross reserves of NB excl. gold, EUR mn	964	1,089	1,311	1,642	2,114	2,218	.	.	.
Gross external debt, EUR mn	4,490	5,603	7,344	9,561	12,762	17,500	.	.	.
Gross external debt in % of GDP	57.9	64.5	76.6	85.3	96.4	113.1	.	.	.
FDI inflow, EUR mn	307	822	775	2,255	1,341	1,700	1,600	.	.
FDI outflow, EUR mn	140	137	217	507	876	1,200	1,000	.	.
Exports of goods, BOP, EUR mn	3,704	4,055	4,806	6,262	7,680	8,000	8,550	9,000	9,700
annual growth rate in %	-1.4	9.5	18.5	30.3	22.7	4.2	7	5	8
Imports of goods, BOP, EUR mn	4,883	5,430	6,436	7,798	10,027	10,400	11,000	11,500	12,500
annual growth rate in %	5.6	11.2	18.5	21.2	28.6	3.7	6	5	9
Exports of services, BOP, EUR mn	1,800	1,960	2,282	2,569	2,773	3,200	3,600	3,700	4,000
annual growth rate in %	0.1	8.9	16.4	12.6	7.9	15.4	13	3	8
Imports of services, BOP, EUR mn	1,168	1,227	1,415	1,741	1,962	2,200	2,450	2,600	2,800
annual growth rate in %	8.5	5.1	15.3	23.0	12.7	12.1	11	6	8
Average exchange rate EEK/USD	16.61	13.86	12.59	12.59	12.47	11.44	.	.	.
Average exchange rate EEK/EUR (ECU)	15.65	15.65	15.65	15.65	15.65	15.65	15.65	15.65	15.65
Purchasing power parity EEK/USD, wiiw	7.47	7.52	7.59	7.81	8.05	8.35	.	.	.
Purchasing power parity EEK/EUR, wiiw	8.74	8.90	9.02	9.24	9.57	10.21	.	.	.

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

1) Preliminary and wiiw estimates. - 2) According to ESA'95, excessive deficit procedure. - 3) TALIBOR 1 month interbank rate.

Source: wiiw Database incorporating national statistics; Eurostat; wiiw forecasts and European Commission (Autumn 2007).

to find jobs abroad after their countries' accession to the EU.¹ Baltic employers today are confronted with shortages of labour supply, especially for skilled occupations in several manufacturing branches and service sectors. The governments of all Baltic States have therefore launched plans to further increase the number of work permits, in particular for Ukrainians, Russians and Belarusians. In the years to come the decline in activity, first of all construction, and in retail sector growth will ease the tensions on the labour market, resulting in only minor cuts in the unemployment rate as well as a reduction of employment growth.

Labour market developments resulted in fast growing wage rates in the Baltic region. Real wages soared by 17.6% in Latvia and more than 14% in Lithuania in 2007. Only in Estonia did wage rises weaken slightly compared to 2006, but the real growth rate still equalled 9%. As a consequence producer and consumer prices also surged in 2007, fuelled by rising prices for food and oil products. In Estonia and Lithuania consumer inflation rates, at 6.3% and 5.5% on average in 2007, are already cause for concern. In Latvia the situation is even more alarming: the growth of the annual CPI reached 9.7% in 2007 and 15.8% in January 2008. This induced the European Commission to warn the Latvian government in a report in February of the detrimental consequences that may arise from the ongoing wage–price spiral. It urged the Latvian government to tighten its fiscal policy and control wages in order to tame the overheating economy.

In 2008 inflation is expected to remain at high levels in all Baltic States; the governments have to increase excise duties in compliance with EU regulations, and further rises in input prices for energy are likely. Only thereafter, a gradual improvement is to be expected, assuming that wage growth attenuates in the public and private sectors. Given the time needed to ease the imbalanced growth, the Baltic States will not be able to meet the Maastricht inflation criterion in the forecast period. The introduction of the euro will thus have to be postponed for a couple of years – in Latvia to 2013 at the earliest, in Estonia and Lithuania probably one or two years in advance.

Loss in competitiveness to the detriment of Estonian and Latvian exports

The rise in wages much above productivity growth caused a loss in competitiveness, which is one reason for the deterioration of the export performance in all Baltic countries in 2007. Taking into account rising producer as well as export prices, real growth of goods exports virtually stagnated. In Estonia, in addition, a reduction of transit trade of oil products took place, caused by the rise in transport capacities of the Russian port of Primorsk. In Lithuania a fire in the refinery of Mazeikiu Nafta in October 2006 drastically reduced trade

¹ See Part D, chapter 'Tightening labour markets' for a discussion of the magnitude of migration and its effects on labour market outcomes in the new member states.

Table LV

Latvia: Selected economic indicators

	2002	2003	2004	2005	2006	2007 ¹⁾	2008	2009	2010
	Forecast								
Population, th pers., mid-year	2,339	2,325	2,313	2,301	2,288	2,276	.	.	.
Gross domestic product, LVL mn, nom.	5,758	6,393	7,435	9,059	11,265	14,100	16,400	18,500	20,400
annual change in % (real)	6.5	7.2	8.7	10.6	11.9	10.8	8	7	6
GDP/capita (EUR at exchange rate)	4,226	4,263	4,790	5,603	7,006	8,816	.	.	.
GDP/capita (EUR at PPP - wiiw)	8,430	8,980	9,880	11,180	12,740	14,540	.	.	.
Gross industrial production									
annual change in % (real)	8.4	9.1	8.9	5.7	5.1	0.5	1	2	2
Gross agricultural production									
annual change in % (real)	4.0	2.7	3.6	9.2	-3.0	.	.	.	.
Construction industry									
annual change in % (real)	21.3	15.2	14.8	15.8	13.3	.	.	.	.
Consumption of households, LVL mn, nom.	3,567	3,973	4,538	5,461	7,260	9,300	.	.	.
annual change in % (real)	7.4	8.2	8.7	11.6	20.0	15.3	15	12	10
Gross fixed capital form., LVL mn, nom.	1,371	1,560	2,042	2,774	3,871	4,900	.	.	.
annual change in % (real)	13.0	12.3	23.8	23.6	18.3	13.8	12	8	7
LFS - employed persons, th, avg.	989	1,007	1,018	1,036	1,088	1,115	.	.	.
annual change in %	2.8	1.8	1.1	1.8	5.0	2.5	.	.	.
LFS - employed pers. in industry, th, avg.	193.1	197.6	191.2	179.5	186.8	.	.	.	.
annual change in %	3.7	2.3	-3.2	-6.1	4.1	.	.	.	.
LFS - unemployed, th pers., average	134.5	119.2	118.6	99.1	79.9	72	.	.	.
LFS - unemployment rate in %, average	12.0	10.6	10.4	8.7	6.8	6.1	5.5	5.5	6
Reg. unemployment rate in %, end of period	8.5	8.6	8.5	7.4	6.5	4.9	.	.	.
Average gross monthly wages, LVL	173	192	211	246	302	390	.	.	.
annual change in % (real, gross)	6.0	7.8	2.4	9.7	15.6	17.6	.	.	.
Consumer prices, % p.a.	1.9	2.9	6.2	6.7	6.5	9.7	9	6.5	5
Producer prices in industry, % p.a.	1.0	3.2	8.6	7.8	10.3	16.1	.	.	.
General government budget, EU-def., % GDP ²⁾									
Revenues	33.4	33.2	34.7	35.2	37.0	37.5	37.9	38.0	38.0
Expenditures	35.6	34.8	35.8	35.6	37.2	37.0	37.3	37.5	37.6
Net lending (+) / net borrowing (-)	-2.3	-1.6	-1	-0.4	-0.3	0.5	0.6	0.5	0.4
Public debt in % of GDP ²⁾	13.5	14.4	14.5	12.5	10.6	10.2	.	.	.
Discount rate, % p.a., end of period	3.0	3.0	4.0	4.0	5.0	6.0	.	.	.
Current account, EUR mn ³⁾	-656	-811	-1,423	-1,610	-3,571	-4,700	-4,900	-4,700	-4,900
Current account in % of GDP	-6.6	-8.2	-12.8	-12.5	-22.3	-23.4	-21	-18	-17
Gross reserves of NB excl. gold, EUR mn	1,209	1,150	1,403	1,883	3,320	3,825	.	.	.
Gross external debt, EUR mn	6,858	7,545	9,871	12,808	18,128	26,700	.	.	.
Gross external debt in % of GDP	69.4	76.1	89.1	99.4	113.1	133.1	.	.	.
FDI inflow, EUR mn ³⁾	269	270	512	568	1,326	1,500	1,600	.	.
FDI outflow, EUR mn ³⁾	3	44	88	103	136	100	150	.	.
Exports of goods, BOP, EUR mn ³⁾	2,694	2,804	3,395	4,313	4,883	5,400	5,900	6,450	7,050
annual growth rate in %	7.6	4.1	21.1	27.1	13.2	10.6	9.3	9.3	9.3
Imports of goods, BOP, EUR mn ³⁾	4,256	4,573	5,634	6,753	8,947	9,900	10,850	11,550	12,350
annual growth rate in %	6.5	7.5	23.2	19.9	32.5	10.6	9.6	6.5	6.9
Exports of services, BOP, EUR mn ³⁾	1,313	1,333	1,432	1,743	2,101	2,400	2,700	2,950	3,200
annual growth rate in %	-0.2	1.6	7.4	21.8	20.5	14.2	12.5	9.3	8.5
Imports of services, BOP, EUR mn ³⁾	741	822	947	1,256	1,571	1,700	1,850	1,950	2,100
annual growth rate in %	-1.1	10.8	15.3	32.5	25.1	8.2	8.8	5.4	7.7
Average exchange rate LVL/USD	0.6180	0.5714	0.5401	0.5651	0.5605	0.4818	.	.	.
Average exchange rate LVL/EUR (ECU)	0.5826	0.6449	0.6711	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
Purchasing power parity LVL/USD, wiiw	0.2495	0.2586	0.2736	0.2980	0.3249	0.3483	.	.	.
Purchasing power parity LVL/EUR, wiiw	0.2920	0.3062	0.3252	0.3522	0.3865	0.4260	.	.	.

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

1) Preliminary and wiiw estimates. - 2) According to ESA95, excessive deficit procedure. - 3) Calculated from LVL.

Source: wiiw Database incorporating national statistics; Eurostat; wiiw forecasts and European Commission (Autumn 2007).

in oil and products thereof, which had accounted for nearly 25% of total exports in previous years. At the beginning of 2008 Mazeikiu restarted to operate at full production capacity. This is due to result in higher growth rates of goods exports in Lithuania in 2008 and 2009. The dominance of labour-intensive products in Latvia's export structure corroborates the assumption that the ongoing wage growth will lead to a deterioration of the export performance in the years to come. Moreover, due to the loss in competitiveness of the manufacturing sector growth of industrial production came to a halt, while Estonia and Lithuania posted a slowdown in 2007.

Since import growth fell in line with the development in exports, the negative contribution of net exports to GDP even fell in all Baltic countries throughout 2007. Nevertheless, the current account deficit rose yet another time in 2007, widening to more than 23% in Latvia. Also in Estonia and Lithuania the deficit, at about 16% and 12% respectively, was unsustainably high. The coverage by FDI has declined by and by in recent years in favour of inflows of loans to the predominantly foreign-owned banking sectors. The slight moderation of domestic demand from 2008 onwards should also result in a gradual improvement of the trade balance.

Ensuring energy security is top on the agenda for the Lithuanian government

In Lithuania the Chernobyl-type nuclear power plant of Ignalina, producing more than 70% of the domestic electricity supply, is to be shut down by the end of next year according to Lithuania's EU accession treaty. The Baltic States, together with Poland, plan to set up a new reactor at the same site. Preliminary agreements envisage that of the planned output of 3200 MW, 600 MW should be allocated to Estonia and Latvia respectively and 1000 MW to Lithuania and Poland respectively; the final deal is to be signed in July 2008. Since the new nuclear power plan in Ignalina will come on stream not earlier than 2015, more probably by 2020, the European Commission approved a EUR 170 million grant to build a gas-fired power plant as a temporary relief. Moreover, in February 2008 Lithuania and Poland agreed upon the construction, by 2012, of a high-voltage power line to enforce energy security in the region by linking the Baltics to Central and Western European power grids.

Fiscal policies not too ambitious in Latvia and Lithuania

In all Baltic States the gradual decline in the growth of private household demand will be cushioned by a rise in public expenditures in the coming years. The phasing-in of transfers from EU structural funds will induce permanently higher levels of investments in infrastructure.

In general all Baltic States have run roughly balanced budgets for several years, although Estonia was the only country to use fiscal policies as an instrument to actively curb domestic demand. In 2007 the Estonian government once again established countercyclical

measures, attaining a budget surplus of 2.6%. With reduced momentum of the economy in 2008 to 2010, the rise in tax revenues should be lowered, but sound budget plans of the government still envisage a reasonable surplus. In Latvia, higher than envisaged tax revenues in the second half of 2007 resulted in a surplus of close to 1%. Given the overheated economy, government plans for the next years are not too ambitious, aiming at surpluses of below 1%. The fiscal plans of the Lithuanian government are even less ambitious: a budget surplus is expected not earlier than 2010. In 2008 a widening of the deficit will be induced, amongst other things, by the lowering of the flat tax rate from 27% to 24%. Due to high GDP growth rates and relatively favourable fiscal policies the level of public debt is comparatively low in all Baltic States, and falling continuously.

Although internal and external imbalances still threaten the Baltic economies, a soft landing is the most likely scenario for the medium term. From 2008 onwards a gradual slowdown of internal demand will be experienced in Lithuania, while in Latvia also the export performance will probably deteriorate. In Estonia the growth decline, which already evolved in 2007 due to a loss in investment and export momentum, is expected to continue until 2010. Nevertheless the GDP growth rates of the Baltic States are likely to remain among the highest in the group of the NMS also in the forecast period 2008-2010. A moderation of the high inflation rates and current account deficits is expected only in the medium term, as the Baltic States will continue to grow in line with potential output.

Table LT

Lithuania: Selected economic indicators

	2002	2003	2004	2005	2006	2007 ¹⁾	2008	2009	2010
	Forecast								
Population, th pers., mid-year	3,469	3,454	3,436	3,414	3,394	3,375	.	.	.
Gross domestic product, LTL mn, nom.	51,971	56,804	62,587	71,380	81,905	96,676	109,600	122,000	133,800
annual change in % (real)	6.9	10.3	7.3	7.9	7.7	8.7	8	7	6.5
GDP/capita (EUR at exchange rate)	4,329	4,763	5,276	6,055	6,989	8,296	.	.	.
GDP/capita (EUR at PPP - wiiw)	9,010	10,140	10,910	11,910	13,220	15,000	.	.	.
Gross industrial production									
annual change in % (real)	3.1	16.1	10.8	7.1	7.3	4.0	4	3	5
Gross agricultural production									
annual change in % (real)	6.5	11.7	2.1	1.1	-13.0	.	.	.	.
Construction industry									
annual change in % (real)	21.0	26.8	7.2	11.1	21.4	.	.	.	.
Consumption of households, LTL mn, nom.	33,264	36,333	40,649	46,309	53,310	62,500			
annual change in % (real)	5.8	10.3	12.2	12.1	11.8	10.8	10	8	7
Gross fixed capital form., LTL mn, nom.	10,549	12,024	13,968	16,302	20,291	26,000			
annual change in % (real)	10.9	14.1	15.5	10.9	17.4	16.8	14	12	10
LFS - employed persons, th, avg.	1,406	1,438	1,436	1,474	1,499	1,540	.	.	.
annual change in %	4.0	2.3	-0.1	2.6	1.7	2.7	.	.	.
LFS - employed pers. in industry, th, avg.	293.3	297.5	288.7	296.2	296.0	.	.	.	.
annual change in %	4.3	1.4	-3.0	2.6	-0.1	.	.	.	.
LFS - unemployed, th pers., average	224.4	203.9	184.4	132.9	89.3	68.0	.	.	.
LFS - unemployment rate in %, average	13.8	12.4	11.4	8.3	5.6	4.2	3.5	3.5	4
Reg. unemployment rate in %, end of period	10.9	7.7	6.5	4.1	3.7	4.3	.	.	.
Average gross monthly wages, LTL	1,014	1,073	1,149	1,276	1,496	1,800	.	.	.
annual change in % (real, net)	3.8	9.3	5.0	6.8	13.6	14.1	.	.	.
Consumer prices, % p.a.	0.3	-1.2	1.2	2.7	3.7	5.5	6	5	4
Producer prices in industry, % p.a.	-2.8	-0.5	6.0	11.5	7.4	7.0	.	.	.
General govern.budget, EU-def., % GDP ²⁾									
Revenues	32.9	32	31.8	33.1	33.4	35.5	37.4	38.5	38.8
Expenditures	34.8	33.2	33.4	33.6	34.0	36.4	37.9	38.5	38.6
Net lending (+) / net borrowing (-)	-1.9	-1.3	-1.5	-0.5	-0.6	-0.9	-0.5	0	0.2
Public debt in % of GDP ²⁾	22.4	21.2	19.4	18.6	18.2	17.7	.	.	.
Money market rate, % p.a., end of period ⁶⁾	3.3	2.4	2.3	2.5	3.7	5.8			
Current account, EUR mn	-772	-1,116	-1,394	-1,481	-2,551	-3,450	-4,100	-4,200	-3,900
Current account in % of GDP	-5.1	-6.8	-7.7	-7.2	-10.8	-12.3	-13	-12	-10
Gross reserves of NB excl. gold, EUR mn	2,253	2,697	2,578	3,136	4,308	5,165	.	.	.
Gross external debt, EUR mn	5,945	6,670	7,687	10,587	14,442	19,800	.	.	.
Gross external debt in % of GDP	39.6	40.5	42.4	51.2	60.9	70.7	.	.	.
FDI inflow, EUR mn	772	160	623	826	1,448	1,500	1,600	.	.
FDI outflow, EUR mn	18	34	212	278	232	200	250	.	.
Exports of goods, BOP, EUR mn	6,363	6,773	7,478	9,490	11,263	12,500	14,500	16,500	18,500
annual growth rate in %	16.5	6.4	10.4	26.9	18.7	11.0	16.0	13.8	12.1
Imports of goods, BOP, EUR mn	7,770	8,262	9,398	11,849	14,600	16,400	19,000	21,500	24,000
annual growth rate in %	16.0	6.3	13.8	26.1	23.2	12.3	15.9	13.2	11.6
Exports of services, BOP, EUR mn	1,560	1,661	1,969	2,503	2,879	2,900	3,000	3,150	3,250
annual growth rate in %	20.7	6.5	18.5	27.1	15.0	0.7	3.4	5.0	3.2
Imports of services, BOP, EUR mn	986	1,114	1,313	1,655	2,018	2,300	2,500	2,650	2,800
annual growth rate in %	25.9	13.0	17.9	26.0	21.9	14.0	8.7	6	5.7
Average exchange rate LTL/USD	3.67	3.06	2.78	2.77	2.75	2.52	.	.	.
Average exchange rate LTL/EUR (ECU)	3.46	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
Purchasing power parity LTL/USD, wiiw	1.42	1.37	1.41	1.48	1.54	1.56	.	.	.
Purchasing power parity LTL/EUR, wiiw	1.66	1.62	1.67	1.75	1.83	1.91	.	.	.

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

1) Preliminary and wiiw estimates. - 2) According to ESA'95, excessive deficit procedure. - 3) VILIBOR 1 month interbank rate.

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