

Monthly Report

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Contents

New EU member countries joining the euro zone: the criteria of demonstrable maturity	1
Moldova: Europe's poorhouse.....	6
Assessing the demand for food in Europe by the year 2010	11
Monthly statistics	
Selected monthly data on the economic situation in ten transition countries, 2002-2003	19
Guide to wiiw statistical services on Central and Eastern Europe, Russia and Ukraine	30

New EU member countries joining the euro zone: the criteria of demonstrable maturity

BY JOSEF PÖSCHL

The EU authorities consider a member country mature enough to join the euro zone if it has participated successfully in the EU's new Exchange Rate Mechanism (ERM II) for two years. Under EU legislation, successful participation includes fulfilment of the Stability and Growth Pact (Maastricht) convergence criteria prior to adopting the euro. Those criteria relate to: price stability, low interest rate, low budget deficit, low government debt and a stable exchange rate relative to the euro. (See Box 1.)

As indicated in a recent paper of the Czech National Bank, viewed from the standpoint of joining the euro zone, meeting the exchange-rate stability criterion could entail maintaining the

exchange rate within a fluctuation margin of $\pm 2.25\%$ (i.e. narrower than the standard band of $\pm 15\%$) around the central parity in ERM II 'without severe tensions' (in other words, maintaining the exchange rate within that narrow margin of $\pm 2.25\%$ 'at all costs' by means of excessive interventions or non-market measures will not necessarily be deemed successful fulfilment of the exchange-rate criterion).¹ If the exchange rate moves outside that band, a distinction has to be made between breaching the upper margin and breaching the lower margin (a breach of the upper margin being implicitly more admissible). In such a case it is necessary to examine the duration of, and reasons for, the deviation, as well as the interest rates and intervention policy at the time of the deviation.

A number of questions thus present themselves:

- (1) Is fulfilment of the ERM II conditions indeed proof of the maturity essential to joining the euro zone?

¹ The Czech Republic's Euro-area Accession Strategy (Joint Document of the Czech Government and the Czech National Bank), 2003.

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Box 1

The price stability criterion requires that a Member State displays a sustainable price performance and, over the twelve months prior to examination, records an average rate of inflation that does not exceed by more than 1.5 percentage points that of (at most) the three best performing EU member states in terms of price stability.

The long-term interest rate criterion requires that, over the twelve months prior to examination, a member state has had an average nominal long-term interest rate that does not exceed by more than 2 percentage points that of (at most) the three best performing EU member states in terms of price stability.

The government budgetary position criterion requires that a member state has a ratio of planned or actual government deficit to GDP that does not exceed 3%, unless:

- the ratio has declined substantially and continuously and reached a level that comes close to the reference value; or
- the excess of the reference value is only exceptional and temporary and the ratio remains close to the reference value.

The government debt criterion requires that a member state's ratio of government debt to GDP does not exceed 60%, unless the ratio is diminishing sufficiently and approaching the reference value at a satisfactory pace.

The exchange rate convergence criterion requires at least two years' participation in the ERM II and observance over the same period of the normal fluctuation margins close to central parity provided for by the mechanism.

(2) If not, which criteria would be more appropriate?

(3) What are the costs and benefits of entering the ERM II that accrue to the accession country and its partners?

(4) What are the possible consequences of applying the wrong criteria and taking a wrong decision (excluding a mature or including an immature accession country)?

In the following we suggest answers to the above questions.

(1) Is fulfilment of the ERM II conditions indeed proof of the maturity essential to joining the euro zone?

Fulfilment of the ERM II conditions is not a good indicator of a country's maturity in terms of joining the euro zone. A new member country could still fail to meet some of the criteria listed, even if its economy were mature for the introduction of the Euro. For example, a short-lived major fluctuation in the exchange rate, for whatever reason, could provoke such an outcome. Or, a new member country might well fulfil all the criteria and introduce the euro, yet come under pressure later on. For example, in the wake of some external shock some major industries or a number of larger companies could well experience a loss in competitiveness, thus triggering a leap in the unemployment rate and giving rise to political turbulence. Moreover, the ERM II phase will be a period of increased vulnerability. The authorities – national banks and governments – will be confronted with a host of conditions that they will have to fulfil in parallel. They may find it difficult to apply an adequate mix of instruments. The entire exercise will force the economy into a straitjacket for at least two years. This may turn out to be costly for both the country itself and its partner countries. The conditions set by the EU fail to focus on the most essential aspect: the competitiveness of a country's corporate sector.

(2) If not, which criteria would be more appropriate?

Introduction of the euro will not pose any major economic problem if:

- (a) the economy has already become accustomed to exchange rate stability for a certain period of time;
- (b) in the past few years the country's corporate sector has been able to cover most of its import expenditures through export revenues; and
- (c) the above is achieved despite GDP growth exceeding that of the EU -15.

With relatively high GDP growth, it is often more difficult to achieve high import coverage. The GDP growth criterion addresses economic health in terms of a country's capacity to reduce the development gap relative to the EU-15. As in the case of the Maastricht criteria, the following exact determination of the three criteria is none the less highly arbitrary. The starting point is the last year for which data are available.

An economy is mature enough to join the euro zone, if:

- No nominal depreciation occurred compared to the average exchange rate, for example over the three previous years: i.e. the average exchange rate in 2003, in terms of national currency units per euro, was not above the average in 2000;
- Over the past three years, exports always covered at least 90% of the imports of both goods and non-factor services, without that ratio not deteriorating significantly (>5 percentage points) over the same period;
- Over the past three years, annual GDP growth was always at least 1.5 percentage points above the EU-15 average.

('Three years', '90% of imports' and '1.5 percentage points above EU-15 growth' are simply examples for possible limits or conditions.

That notwithstanding, they are intended as reasonable indicators that can at least be taken as a starting point for discussion.)

If we apply those criteria to the five Central European accession countries (AC-5) – the Czech Republic, Hungary, Poland, Slovakia and Slovenia – the following picture emerges:

Table 1

AC-5 GDP growth differential vis-à-vis EU-15

	2001	2002	2003
Czech Rep.	1.4	0.9	2.1
Hungary	2.1	2.4	2.1
Poland	-0.7	0.3	2.9
Slovakia	2.1	3.3	3.2
Slovenia	1.2	1.8	1.4
EU-15 growth rate ¹⁾	1.7	1.1	0.8

Note: 1) Ameco data base.

Source: wiiw Database.

Table 2

Exports in per cent of imports

goods and non-factor services, balance-of-payment statistics

	2000	2001	2002	2003 ¹⁾
Czech Rep.	95.4	96.3	96.8	96.4
Hungary	95.1	98.0	96.6	92.8
Poland	68.1	73.0	76.5	81.4
Slovakia	96.8	90.2	91.1	99.4 ²⁾
Slovenia	93.9	98.8	102.7	100.0

Notes: 1) Preliminary. - 2) January-October.

Source: wiiw Database.

Table 3

Exchange rate: national currency units per euro, 2000 to 2003

Annual average

	2000	2001	2002	2003	Change 03/00
Czech Rep.	35.6	34.1	30.8	31.8	-11%
Hungary	260.0	256.7	243.0	253.5	-3%
Poland	4.0	3.7	3.9	4.4	+10%
Slovakia	42.6	43.3	42.7	41.5	-3%
Slovenia	205.0	217.2	226.2	233.7	+14%

Source: wiiw Database.

From the above tables we can conclude that at present, two of the AC-5 would qualify in all respects. Table 4 presents an overview of results.

Table 4

Which AC-5 qualifies in which respect already now?

	GDP growth ¹⁾	Import coverage ²⁾	Exchange rate ³⁾
Czech Rep.	No	Yes	Yes
Hungary	Yes	Yes	Yes
Poland	No	No	No
Slovakia	Yes	Yes	Yes
Slovenia	No	Yes	No

'Yes' indicates that

- 1) from 2001 to 2003 GDP growth was in each year at least 1.5 percentage points above the EU-15 growth rate;
- 2) from 2001 to 2003 exports of goods and services in each year covered at least 90% of imports;
- 3) in 2003 the NCU/EUR exchange rate was not depreciated in comparison to 2000.

The Czech Republic would have qualified for the immediate introduction of the euro, had it achieved a sufficiently high rate of growth in 2001 and 2002. The country's tradable sector creates the impression of being increasingly competitive. Despite nominal appreciation, import coverage has improved.

Hungary met all three criteria. When pondering over the introduction of the euro, the authorities might, however, like to take a closer look at more recent developments. It never makes sense to apply criteria mechanically; that also holds true in this instance.

On the basis of the three criteria suggested in this paper, Poland appears to lack the maturity needed for the introduction of the euro. The country has met none of the requirements. However, in terms of GDP growth and import coverage, the situation has improved over recent years.

Slovakia would seem ready for the introduction of the euro. Growth performance has been good; the exchange rate criterion has been met. The import coverage climbed from 90% in 2001 to nearly 100% in 2003. The tradable sector seems fairly competitive.

Slovenia came close to meeting the GDP growth criterion. Performance was excellent in terms of import coverage: a traditional stronghold of the country. However, this was always achieved by resorting to exchange rate depreciation. The country has yet to prove that it can maintain competitiveness under stable exchange rate conditions.

These three criteria are predicated on the fact that following the introduction of the euro, there is no escape for a country's tradable sector. It has to prove its competitiveness without those determining economic policy resorting to currency depreciation as a tool to improve competitiveness. The best indicator of competitiveness is the balance of trade in goods and non-factor services. Using the current account balance would mean including a number of aspects unrelated to competitiveness: examples being income transfers or profits originating from prior years' foreign direct investments, which may or may not have been reinvested in the country. If taken as a measure of the competitiveness of a country's corporate sector, the current account result can be misleading.

The criteria listed in the Maastricht treaty are important in the sense that a country is better off, if its economy meets them. However, it is not necessary to include them in the list of criteria that a country wishing to introduce the euro has to fulfil. Let us assume that a new member country meets the criteria suggested here. In all likelihood, it will also come close to fulfilling the essentials of the Maastricht criteria. Inflation may be slightly too high: a natural phenomenon for new member countries with extremely low prices for

non-tradable goods and services. Correspondingly, nominal interest rates may also exceed the Maastricht limit – but not excessively so, otherwise the country would hardly be able to meet the criterion relating to the GDP catching up. It is also unlikely that the government is running an excessive budget deficit; otherwise it would have trouble maintaining high import coverage.

The criteria suggested here do not exclude exchange rate fluctuations, as long as the rate returns to the required average. Shifting the focus from temporary fluctuations would make the monetary authorities' task much easier, with positive side effects for the economy as a whole.

(3) What are the costs and benefits of entering the ERM II that accrue to the accession country and its partners?

Among the costs accruing to new member country are the following:

- From the time a country joins the ERM II, it becomes more prone to currency crises. This tendency is quite artificial. Even relatively minor fluctuations may be perceived as major calamities.
- Given the low price levels in the new member countries compared to the EU-15, the price stability criterion in tandem with the exchange rate stability criterion will force economic policy to suppress the ongoing process of nominal convergence.
- Shifting the emphasis to a list of nominal criteria that can hardly be met in parallel will have an adverse impact on real convergence.

The costs accruing to the EU-15 are close to zero, if the new member countries complete the ERM II phase without any major trouble and encounter no difficulties after introducing the euro. However, attempts to meet all the Maastricht criteria could provoke a policy-induced recession in some of the new member countries. To some degree, this could bear negative repercussions for the EU-15 countries. In the case of success, however, a new member country, or at least some of its sectors, may benefit from the ERM II as it will provide nominal stability. This is also of advantage to the country's trading partners.

(4) What are the possible consequences of applying the wrong criteria and taking a wrong decision (excluding a mature or including an immature accession country)?

Excluding a mature new member country from the euro zone may prove less costly for both the country itself and its trading partners; it would prove more costly to introduce the euro in a country that subsequently proves to be immature. Over time, the competitiveness of the latter's corporate sector might erode still further. Reversing that process will be a difficult undertaking.

Moldova: Europe's poorhouse

BY ROMAN RÖMISCH

After its independence from the Soviet Union in August 1991, the small Republic of Moldova (with a population of about 4.2 million) found itself in a civil war with the secessionist province Transnistria.¹ After Russian troops got involved (on the Transnistrian side), that war ended in 1992 with a cease-fire agreement which left the Russian 'peace-keeping' forces stationed in Transnistria. Yet, the conflict has since remained unresolved politically. Transnistria declared independence from Moldova, but it is not internationally recognized. Moreover, despite the signing of an agreement about the withdrawal of Russian forces in 1994 and the commitments taken by Russia at the 1999 Organization for Security and Co-operation in Europe (OSCE) summit in Istanbul, there are still around 2500 Russian soldiers stationed in the region.

Although Transnistria occupies only about 16% of Moldovan territory, its secession had adverse consequences for the Republic of Moldova as it accounted for about 30% of Moldova's industry (as of 1991), including almost the entire basic metal as well as the machinery industry. Thus after 1992 the Republic of Moldova was left primarily as an agricultural country, though favoured with very fertile soil, with some light industry (e.g. textiles, clothing and footwear).

The transition process struck the country – that covers mostly the area of historical Bessarabia – particularly hard, making it the poorest country in Europe.² Following its independence, Moldova suffered huge economic losses (like many other ex-Soviet republics) due to the collapse of traditional markets and disruptions in trade. In spite of the strong growth in the past three years – GDP grew by 6.1% in 2001, 7.2% in 2002 and 6.3% in 2003 – output is still at just 73% of the 1993 level. Living standards remain very low.

In the second quarter of 2003 average disposable income stood at 404.5 MDL (Moldovan leu) per month (i.e. 0.85 EUR per day at exchange rates) whereas the subsistence minimum level was 656.8 MDL per month. In other words: 79.1% of the Moldovan population lived below the poverty line in 2003 (in 2002 that figure was even 86.7%). Supply of water, heating and electricity is frequently disrupted. Diseases such as dysentery break out in parts of the country. Emigration – voluntary and involuntary in the form of child and women trafficking – is high.

Moldova's economy is strongly geared towards agriculture (and food processing). Hence in 2002 the share of agriculture in total employment was nearly 50%; industry accounted for some 10% and services for approximately 40%. Productivity in agriculture is low, due to worn-out equipment and machinery as well as the lack of money for fuel, fertilizers and pesticides. The share of agriculture in gross value added (GVA) was 24.1% in 2002.

The share of industry in GVA was about 21%, though with a rising tendency over the past few years, indicating a gradual improvement. Services accounted for approximately half of the gross value added.

¹ The roots of the Moldovan-Transnistrian conflict date back to 1917, when Bessarabia was declared the independent Democratic Moldovan Republic, which, after being shortly federated with Russia, united in 1918 with Romania. In 1924 the Soviet Union created on the east of the Nistru river the Moldavian Autonomous Soviet Socialist Republic (Moldavian ASSR), even though its population was only 30% ethnic Romanian. During World War II Bessarabia was first occupied by the Soviet Union, then was retaken by Romania (in 1941). In 1944 it was reoccupied by the Soviet Union, which merged Bessarabia with parts of the Moldavian ASSR to create the Moldavian Soviet Republic. The Soviet policy was to russify its predominantly ethnic Romanian population.

² This is at least true for the official part of Moldova. Since there is no reliable data on the Transnistrian development, nothing can be said about this province. This is also the case in the following part, where we deal exclusively with the internationally recognized part of Moldova.)

Table 1

**Distribution of employed by sector of activity
(according to LFS), 1998-2002**

	1998	1999	2000	2001	2002
Total employment	100.0	100.0	100.0	100.0	100.0
Agriculture, hunting and related services	45.6	48.8	50.5	51.0	49.6
Manufacturing industry	9.4	9.0	9.0	9.1	9.5
Electric energy, gas & water supply	1.4	1.5	1.5	1.7	1.8
Construction	3.5	2.9	2.9	2.9	3.1
Wholesale and retail trade	11.6	9.0	9.6	9.7	10.3
Transport, warehousing & communications	4.7	4.7	4.2	4.3	4.1
Financial activity	0.6	0.7	0.6	0.6	0.6
Real estate activity	2.3	2.2	2.4		
State administration	3.2	3.3	3.3	3.3	4.4
Education	9.0	9.2	8.5	6.7	7.0
Health & social services	5.4	5.4	4.7	4.7	4.8

Source: Moldova Economic Trends 3rd quarter 2003.

Table 2

**Distribution of gross value added by sector,
1998-2002**

	1998	1999	2000	2001	2002
Value added - total	100.0	100.0	100.0	100.0	100.0
Agriculture	30.5	27.9	29.0	25.5	24.1
Industry	19.7	19.0	18.6	21.3	21.4
Services	49.9	53.1	52.3	53.3	54.5

Source: Moldova Economic Trends 3rd quarter 2003.

The agricultural sector is the backbone of Moldova's manufacturing industry, because it is the main input supplier to the local food-processing industry. Other industries of at least some significance are textiles, clothing, and non-mineral products.

The trade structure on the export side corresponds to the country's industrial structure: in 2002 agricultural products accounted for 40% of total

exports, (processed) vegetable products for 16% and textiles for 17%.

Table 3

**Sectoral breakdown of industrial production
and its year-on-year change, %**

	Structure in %	growth rates in % year-on-year change			
		1999	2000	2001	2002
Manufacturing	100	-12	18	15	12
Food and beverages	66.5	-19	13	18	16
<i>Wine</i>	28.1	-18	48	27	22
<i>Processed & canned meat</i>	4.4	11	-9	-8	20
<i>Processed & canned fruits & vegetables</i>	3.69	-19	2	8	-25
<i>Milk products</i>	5.48	-16	26	38	2
<i>Bread</i>	5.24	-20	-4	9	4
<i>Sugar</i>	6.31	-33	-5	22	21
<i>Meal starch & fodder</i>	1.67	-49	-37	-12	30
Tobacco	4.52	25	-6	-3	-34
Textile and textile products	3.21	18	33	28	9
Clothes and furs	2.14	9	24	9	3
Leather goods and footwear	1.55	-9	20	-1	33
Chemical products	0.95	67	-1	27	2
Other non-metallic mineral products	11.3	-15	82	10	34
Furniture	0.95	4	-1	18	12

Source: Moldova Economic Trends 3rd quarter 2003.

On the import side mineral products (oil and natural gas) made up one fifth of total imports. Machines had a share of 14%, chemicals 11% and textiles 10% in total imports.

As a result of this unbalanced trade structure (low value-added exports against high value-added imports) huge trade deficits have been accumulated, culminating in a net-export to GDP ratio of -24% in 2002 (the two preceding years registered only marginally better ratios).

As for the current account balance, transfers from abroad and workers' remittances (the latter

increasing over the past few years) have partly offset the huge trade deficits. Yet the current account is still negative with -5.1%, but with a declining trend (2000: -8.2%, 2001: -7.3%).

The agricultural specialization of Moldova's economy and the inherent dependence on weather conditions showed their negative side in 2003, when extreme weather (a cold winter followed by a particularly dry spring) resulted in the worst harvest since 1945. In the first six months of 2003 harvests of wheat and barley reached just one fifth of the volume registered in the same period a year earlier, and also industrial crops (sunflower, sugar beet, soybeans and tobacco) suffered and declined by about 30% on average.

The acute shortage of grain led to a massive increase in food prices (+20%), which influenced the price development of many other goods. As a consequence the inflation rate (CPI) rose by 10 percentage points, from 5.3% in 2002 to 15.7% in 2003, nullifying the attempts by the central bank to keep inflation low and stable – a goal that appeared to be reached in 2002 when inflation had been brought down to an acceptable level from the high levels in the years following the Russian crisis in 1998 and 1999.

The way out?

Moldova is highly indebted. The external debt to GDP ratio was 84% in 2002. The scheduled debt service on public and publicly-guaranteed debt represented about 45% of projected central government revenues in 2003. Moldova depends to a large extent on foreign assistance to overcome the immediate economic pressures. Financial assistance is provided by the US (USAid) and the EU (via EU-Tacis) as well as by the World Bank (via IBRD and IDA), IFAD (International Fund for Agricultural Development), the EBRD, and the IMF, although the IMF temporarily suspended further financing in 2003 because Moldova could not fulfil a series of conditions set by the IMF. There are however good chances that financial flows from the

IMF will resume in 2004, if the Moldovan government is able to implement the required structural reforms. The main points mentioned by the IMF³ are the following:

- reducing administrative intervention in the economy and providing an enabling environment for business (also fighting corruption)
- taking additional fiscal measures to avoid further accumulation of arrears and to keep the public finances on a sustainable path
- strengthening the banking sector
- controlling the (foreign) debt, which would require a combination of further fiscal tightening, some form of debt restructuring, and additional concessional external financing.

In order to overcome the critical economic situation (and presumably partly to please the IMF) the Moldovan government, in its 'Economic Growth and Poverty Reduction Strategy Paper' (EGPRSP), has laid out a medium-term economic programme focused on tight financial policies, private sector development, public administration reform (including the fight against corruption), and rationalization of social policies. However, as 2004 is a pre-election year in Moldova, there are fears that the outlined strategy will perish in pre-election promises and the required reforms will not be implemented.

Moldova is also seeking closer ties with the European Union. Since 1998 the country has a Partnership and Cooperation Agreement with the EU. Now Moldova plans to start official talks with the EU on granting the Associated Member Status to the republic in 2007. Although there are hopes that with increasing EU integration economic prospects will improve, it depends on the EU's willingness to engage in such talks. But, at least for two reasons, it is uncertain whether the EU wants closer relations with Moldova.

³ IMF, Public Information Notice (PIN) No. 04/5, 2 February 2004.

First, although rhetorically Moldova is being pro-EU, the latest developments in internal politics – government attempts to suppress independent media and also parliamentary opposition – are clearly against EU principles.

Second, there is the unsolved Transnistria issue. A solution to this conflict, though necessary not only for Moldova's EU integration but also for stability in general, is hard to find.

In the course of 2003 there was an intensification of five-sided talks (including the two conflicting parties Moldova and Transnistria plus Russia, Ukraine and the OSCE as mediators) to end the conflict and to create a sustainable federation between Moldova and Transnistria. One prerequisite for this would have been the withdrawal of the Russian troops in Moldova and replacing them through an EU peace-consolidation operation. Though on the table, this idea was dismissed within the EU as various countries (Italy, Germany and France) did not want to disturb the special bilateral relations with Russia. In turn Russia seized the opportunity to present its own ideas about how to settle the Transnistrian conflict. Following secretly-held negotiations between Russian President Putin's first deputy chief of staff, Dmitry Kozak, the Moldovan President Vladimir Voronin and the Transnistrian leader Igor Smirnov, in early November 2003 Russia presented a memorandum to solve the Transnistrian problem ('Kozak memorandum'). This document envisaged a federalized Moldovan Republic, but would have given Transnistria (according to some western views) an overrepresentation in Moldova's central authorities. Nevertheless, the conflicting parties seemed to be ready to sign the memorandum. Only due to tacit intervention by the USA, Moldovan President Voronin finally pulled back from signing the document.

After this incident, attempts to settle the conflict were cooled down and it was agreed that Moldova and Transnistria should work out their own ideas about a federalized Moldova by mid-February 2004. Following this, the three mediators are supposed to formulate a consolidated version that then should be discussed in conference including all five sides.

In the light of Russia's recent statements regarding a plan to keep Russian troops in Moldova until 2020 it seems however highly questionable whether the Transnistrian conflict will be resolved in the near future.

Yet, a solution must be found. Aside from security concerns connected with Transnistria (which has reportedly become a ground for illegal weapons trading and organized crime) and the need to satisfy Russia's (and presumably also US) geopolitical demands, a solution is vital for creating the stable political environment that is the prerequisite of sustainable economic growth in Moldova – the poorest country in Europe and, in the medium term, also an EU neighbour. Perhaps it is time for the EU to devote more attention to Moldova.⁴

⁴ The Cooperation Council between the EU and the Republic of Moldova announced, after its sixth meeting in Brussels on 24 February 2004, that 'the EU attaches great importance to the settlement of the Transnistria issue and stands ready to employ the full range of its instruments and policy tools to support Moldova in achieving the settlement within the framework of the OSCE-led mediation'. The EU also promised Chisinau to consider granting asymmetric trade preferences to Moldova and further steps to improve Moldova's access to the EU market. (Source: moldova azi, <http://www.azi.md/en.html>, 25 February 2004.)

Table 4

Summary data, 1995 to 2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
GDP nominal, MDL billion	6.5	7.8	8.9	9.1	12.3	16.0	19.1	22.0	.
GDP, USD million	1443.1	1698.8	1925.9	1695.6	1171.3	1288.8	1480.3	1624.2	.
Annual change of real GDP, %	-1.4	-5.9	1.6	-6.5	-3.4	2.1	6.1	7.2	6.3
GDP 1993 = 100	68.1	64.1	65.1	60.9	58.8	60.1	63.7	68.3	72.6
GDP per capita (USD-current prices)	400.5	472.0	527.1	464.8	321.3	353.7	407.3	447.8	.
Annual change of industrial output, %	-4.0	-6.5	0.0	-15.0	-11.6	7.7	13.7	10.6	.
Annual change of agricultural production, %	1.9	-11.9	11.4	-11.6	-8.4	-3.3	6.4	3.0	.
Share of industry in GDP, %	25.0	23.1	20.2	16.7	17.0	16.3	18.7	18.6	.
Share of agriculture in GDP, %	29.3	27.5	26.0	25.8	24.9	25.4	22.4	21.0	.
Share of capital formation in GDP, %	24.9	24.2	23.8	25.9	22.9	23.9	23.3	22.7	.
Unemployment rate, % (end of year, official data)		1.8	1.5	1.9	2.0	2.0	2.0	2.0	.
Unemployment rate, % (end of year, ILO)				9.2	11.1	8.5	7.3	6.8	.
CPI (annual average), % change	29.9	23.5	11.8	7.7	39.3	31.3	9.8	5.3	15.7
Consolidated budget deficit, % of GDP	5.8	9.8	7.8	3.3	3.2	1.0	0.0	0.5	.
Exports (fob), USD million	739.0	822.9	889.6	643.6	469.3	476.5	569.4	674.2	.
Imports (fob), USD million	809.2	1075.0	1237.6	1031.7	597.3	768.3	882.4	1029.0	.
Trade balance, USD million	-70.2	-252.1	-348.0	-388.1	-128.0	-291.8	-313.0	-354.8	.
Trade balance, % of GDP	-4.9	-14.8	-18.1	-22.9	-10.9	-22.6	-21.1	-21.8	.
Current account balance, USD million	-95.2	-191.8	-274.8	-334.7	-54.9	-106.1	-108.1	-77.0	.
Current account deficit, % of GDP	-6.6	-11.3	-14.3	-19.7	-4.7	-8.2	-7.3	-5.1	.
Foreign reserves (months of imports)	3.0	3.0	3.1	1.4	3.0	2.7	2.5	2.8	.
Average exchange rate, MDL / USD	4.5	4.6	4.6	5.4	10.5	12.4	12.9	13.6	.
Population, thousands	3603.7	3599.0	3654.0	3648.3	3649.3	3643.5	3634.5	3627.2	.

Source: Moldova Economic Trends 3rd quarter 2003.

Assessing the demand for food in Europe by the year 2010

BY LEON PODKAMINER

Rising levels of per capita real incomes in individual European countries will be associated with changes in the consumer (household) demand for foodstuffs. Assessing the direction and magnitudes of these changes is certainly not an easy task. In principle, the assessments could be based on econometrically estimated food demand functions for the countries in question, and on specific assumptions concerning the evolution of prices and household incomes. The estimation of food demand functions for individual countries with country-specific time-series data on consumption, prices and incomes would involve a tremendous amount of work – in particular because not all countries report the volumes of household consumption of food systematically. Besides, the reliable time series on household consumption are rather short for most Central and East European countries. (The statistics on consumption for the pre-transition years are generally useless for the estimation of demand functions because they often reflected endemic shortages and rationing practices prevailing under central planning rather than unrestricted consumer responses to prices and incomes.) Finally, the estimation of food demand functions with the country-specific time-series is usually troublesome even if the available statistical data are of acceptable quality. This is so because as a rule the relative prices (prices of food vs. prices of non-food items) change relatively slowly over time. This implies that there is little variation in relative prices in time series for individual countries – and consequently the estimation is crippled by collinearity among the explanatory variables.

An alternative approach to the econometric estimation of demand functions was pioneered by

Professor Henri Theil.¹ The approach works with the data provided by international comparison projects for specific years, thus treating the data for individual countries covered by comparison projects as a single cross-section sample. The maintained assumption behind the approach is that the pattern of consumer demand formation is the same across countries. This assumption, which has a rather long tradition in applied consumer demand studies, requires that the demand functions to be estimated are sufficiently 'flexible' so as to allow for consumer behaviour at different levels of income. One of the basic features of the desirable flexibility is that the estimated demand functions do not rule out the Engel Law (i.e. the empirically proven fact that the share of food expenditure in total consumer expenditure falls as income rises). The Theil approach has many other advantages; for instance, it allows direct inter-country comparisons of consumption volumes, relative prices and also of the price levels. Besides, because the relative prices differ quite significantly across countries, the risk of collinearity among the explanatory variables is here greatly reduced.

The 1999 European Comparison Project

The ongoing European Comparison Project (ECP) run by Eurostat currently provides final detailed results for the year 1999. Out of necessity the present study works with these 1999 ECP data. Actually, there are two variants of these data: (1) based on the SNA concept of the national accounts; (2) based on the original ECP concept of the national accounts. The two variants differ in the way they treat publicly financed individual consumption. In the SNA concept, private household consumption is restricted to items actually purchased, at market prices, by private households. In the original ECP concept, private consumption includes also items such as publicly financed education or health services which are

¹ See H. Theil and F.E. Suhm (1981), *International Consumption Comparisons: A System-Wide Approach*. Amsterdam: North Holland.

transferred to private households (and not purchased by them). In the further analysis the data based on the SNA concept are used.

Specifically, we work with the following items for the 31 countries included in the ECP for 1999:

QF: real per capita household consumption of food (excluding non-alcoholic beverages), measured in euro at Purchasing Power Standards (PPS) of 1999;

QN: real per capita household consumption of non-food commodities and services (including alcoholic and non-alcoholic beverages), measured at PPS of 1999;

PF: Purchasing Power Standard for private household food consumption (as above defined), measured in national currency units per 1 euro (vs. the EU-15);

PN: Purchasing Power Standard for private household non-food consumption (as above defined), measured in national currency units per 1 euro (vs. the EU-15);

SF: share of food expenditure in total private household consumption expenditure, at national currency units.

Purchasing Power Standards PF and PN represent domestic prices of the aggregate food and non-food items respectively (corresponding to the quantities QF and QN). The ratio PF/PN represents the relative price of food in terms of non-food.

The share of food SF satisfies the identity:

$$SF = QF*PF / (QF*PF+QN*PN)$$

The items SF, QF and PF are directly available from the detailed ECP-1999 results. Items for non-food consumption (QN and PN) required additional calculations (aggregation) of more detailed non-food items reported.

The real per capita consumption of both food and non-food is generally much higher in Western Europe (EU-15 and the three EFTA countries: Norway, Switzerland and Iceland) than in the

remaining (accession) countries, or in Turkey.² However, the disparity between the levels of real consumption is much higher for non-food items. Secondly, food tends to be *relatively* much cheaper in the West than in the AC-12 or in Turkey. Thirdly, the share of food expenditure SF is generally much lower in the West (which is the manifestation of the Engel Law).

On closer examination one becomes suspicious about the quality of the data for two countries: Bulgaria and Cyprus. Reported consumption of food (QF) in Bulgaria seems incredibly low (306.4 PPS EUR per capita) – less than 1 PPS EUR per person per day.³ The second-lowest food consumption level, recorded in Latvia, is more than twice the Bulgarian level. Most probably, the quality of national accounting in Bulgaria still leaves much to be desired. In the case of Cyprus, the reported per capita consumption of food seems incredibly large (close to 2500 EUR, or about 50% more than in the richest Western countries such as Luxembourg and Switzerland). Most probably, a large part of reported food consumption represents consumption by foreign tourists, and not by the domestic households. In any case, it makes sense to exclude the data for both countries from estimation outright. For the same reason it also seemed desirable to exclude from estimation the data for some other countries with high levels of 'net consumption by foreigners' (which is also reported by the ECP).

The econometric estimates of the parameters of the all-Europe food demand function

The final sample of countries included in the econometric estimation comprises 21 countries. (Bulgaria, Cyprus, Malta, Portugal, Austria, France, Spain, Greece, Italy and Luxembourg were excluded.)

² See Tables for country groupings.

³ This roughly corresponds to less than 1 'actual' euro spent on food in, let us say, Austria. Clearly, such a consumption level would imply mass starvation, which is not observed in Bulgaria.

Functionally, the demand system chosen for estimation is of the so-called AIDS (Almost Ideal Demand System⁴) type, given, in our case, by the following basic formula:

$$SF=A+B*[\log(M/M^{\circ})-A*\log(PF)-(1-A)*\log(PN)-\frac{C}{2}*(\log(PF/PN))^2]+C*\log(PF/PN) \quad (1)$$

where A, B, C are parameters to be estimated; log stands for logarithm;

M is the total per capita nominal expenditure, at NCU (viz. $M = PF*QF+PN*QN$);

M° is the average total per capita nominal expenditure in the EU-15 area, at EUR. (M° equals 12064.36.)

Many consumer demand studies suggest that the crucial elasticity parameter B is negative and equals about -0.15.

Equation (1) is non-linear in the parameters. Its estimation was conducted with the E-Views 3 econometric package, with individual country observations properly weighted with the population sizes.

The following estimate values were obtained:

$$A = 0.12137 \quad B = -0.157472 \quad C = 0.737269$$

The statistical quality of the estimates is very high: the standard errors of the estimates equal 0.002; 0.0165 and 0.06 respectively and their t-Statistics equal 57.4, -9.56 and 12.48 respectively. The adjusted R-square assumes the value of 0.9982 and the F statistics equals 5440. All parameter estimates are highly significant (with the testing probabilities less than 0.00005).

Assessing the impacts of changing real income and relative prices

Parametrically specified formula (1) allows the calculation of the share of food expenditure for any

⁴ See A. S. Deaton and J. Muellbauer (1980), 'An Almost Ideal Demand System', *American Economic Review*, Vol. 70, pp. 312-326.

hypothetical change in nominal total per capita expenditure M and in prices PF and PN. Consequently, it also allows the calculation of the demand for food following the hypothetical changes in nominal per capita total expenditure and in prices. At the same time, formula (1) can be modified and used to compute the demand for food (and also for the non-food aggregate) following a hypothetical change in the *relative* price (PF/PN) and a hypothetical change in total *real* per capita consumption. The algorithm for the computation of demand under such assumptions is quite complex and is not discussed here.⁵ But this algorithm will now be used to elicit the changes in the demand for food in individual countries under the following assumptions:

– Assumption 1

Total (food + non-food) *real* consumption per capita in individual West European (EU-15 and EFTA-3) countries will be rising 2% per year (or cumulatively 24.3% over the whole period 1999-2010); and by 4% per year (or 53.9% cumulatively) in the remaining countries. These assumptions seem reasonable because it is generally assumed that the overall GDP growth in the West will, in the coming years, be on average about 2% p.a. – against about 4% p.a. in the accession countries.

Additionally, we assume constant population everywhere. This assumption may of course turn out to be debatable – especially with respect to Turkey.

– Assumption 2

Rising total real per capita consumption will be associated with changes in the relative price

⁵ This algorithm is described in L. Podkaminer (1999), 'Non-Tradable Goods and Deviations Between Purchasing Power Parities and Exchange Rates: Evidence from the 1990 European Comparison Project', in H. Gabrisch and R. Pohl (eds), *EU Enlargement and Its Macroeconomic Effects in Eastern Europe. Currencies, Prices, Investment and Competitiveness*, Basingstoke and London: Macmillan Press, pp. 62-93.

Table 1

Per capita food consumption at 1999 PPS euro and its real growth rates vs.1999

Country	per capita food consumption at 1999 PPS				Growth rates vs. 1999		
	1999 actual	2010 A	2010 B	2010 C	2010 A	2010 B	2010 C
Belgium	1329.1	1436.9	1417.2	1407.7	0.08	0.07	0.06
Denmark	1313.0	1411.0	1361.8	1337.0	0.07	0.04	0.02
Germany	1382.4	1470.5	1383.5	1339.6	0.06	0.00	-0.03
Greece	1450.7	1645.5	1664.0	1673.8	0.13	0.15	0.15
Spain	1512.5	1700.8	1710.5	1715.7	0.12	0.13	0.13
France	1511.4	1673.2	1629.0	1606.8	0.11	0.08	0.06
Ireland	1161.9	1245.5	1161.8	1119.3	0.07	0.00	-0.04
Italy	1682.2	1872.7	1925.1	1952.4	0.11	0.14	0.16
Luxembourg	1750.5	1876.8	1845.2	1829.7	0.07	0.05	0.05
Netherlands	1277.5	1357.9	1277.9	1237.5	0.06	0.00	-0.03
Austria	1502.1	1631.4	1589.6	1568.8	0.09	0.06	0.04
Portugal	1480.3	1695.0	1707.5	1714.0	0.15	0.15	0.16
Finland	1177.1	1276.4	1233.5	1211.9	0.08	0.05	0.03
Sweden	1194.4	1289.8	1251.4	1232.1	0.08	0.05	0.03
United Kingdom	1261.8	1306.0	1188.3	1128.5	0.04	-0.06	-0.11
Iceland	1619.2	1813.4	1815.3	1816.7	0.12	0.12	0.12
Norway	1269.8	1398.4	1363.8	1346.5	0.10	0.07	0.06
Switzerland	1635.8	1774.5	1687.8	1644.0	0.08	0.03	0.01
Bulgaria	306.4	356.0	330.0	315.6	0.16	0.08	0.03
Cyprus	2435.7	3276.0	3239.7	3195.3	0.35	0.33	0.31
Czech Republic	993.8	1276.8	1278.4	1270.5	0.28	0.29	0.28
Estonia	923.1	1274.1	1287.2	1283.5	0.38	0.39	0.39
Hungary	809.0	1046.0	1065.7	1068.4	0.29	0.32	0.32
Latvia	671.4	921.3	914.5	903.6	0.37	0.36	0.35
Lithuania	932.9	1297.2	1303.8	1296.6	0.39	0.40	0.39
Malta	1294.2	1703.2	1670.1	1640.5	0.32	0.29	0.27
Poland	911.9	1196.4	1185.6	1171.3	0.31	0.30	0.28
Romania	709.1	975.9	1017.8	1031.1	0.38	0.44	0.45
Slovakia	985.9	1348.0	1364.5	1361.9	0.37	0.38	0.38
Slovenia	988.2	1271.4	1294.6	1297.8	0.29	0.31	0.31
Turkey	854.5	1190.3	1258.1	1282.8	0.39	0.47	0.50

Source: Own calculations.

(PF/PN). As evidenced by the 1999 data, the relative price of food generally declines with rising real income. This tendency may reflect many developments such as evolving cost and productivity differentials (in production of food vs. non-food), or differences in the market structure (high degree of oligopolization in the production and distribution of services and of many durable consumer goods, which are a significant part of the non-food aggregate), etc. Clearly, forecasting the future evolution of the relative food price in each of the 31 European countries would be a major research task, not undertaken here. Instead, we propose to study the consequences of a few likely alternative scenarios:

Scenario B: during the entire period 1999-2010, the price of non-food will rise faster than the price of food by 2% in West European countries and by 5% in the accession countries and Turkey. (In effect, by 2010 in each West European country the relative price PF/PN will decline by about 1.96% from its 1999 level, and by 4.76% in each of the remaining countries.)

Scenario C: the price of non-food will rise 3% faster in the West and 6% faster in the accession countries. (In effect, by 2010 in each West European country the relative price PF/PN will decline by about 2.91% from its 1999 level, and by 5.66% in each of the remaining countries.)

Additionally, we study the effects of rising real consumption under *unchanged* relative price (this is our reference *Scenario A*).

Estimates of household demand for food by the year 2010

Table 1 reports the estimates of demand for food in per capita terms. The items from the first four columns of Table 1 represent the volumes of food consumption (at constant PPS EUR of 1999). The last three columns of Table 1 contain the growth rates (vs. the actual food consumption of 1999).

As can be seen, the calculated responses of food demand to assumed changes in total real consumption and in relative prices differ across countries.

In *Scenario A* (unchanged relative prices), demand for food increases moderately in Western Europe. (The maximum rise is by 15% in Portugal, the minimum by 4% in Great Britain. In Austria, the rise is about 9%.) By contrast, demand for food increases quite strongly in the accession countries. The highest rise is in Turkey, Romania and Estonia, by 38-39%, the lowest in the Czech Republic, by 28%. (A lower growth rate obtains in Bulgaria, however, as the original Bulgarian data cannot be trusted, one should take the estimates for that country sceptically.)

In *Scenario B* the demand for food virtually stagnates in the *richest* West European countries while increasing more substantially in Spain, Portugal, Italy and Greece. In most accession countries the demand for food increases even more strongly than in Scenario A. The rise in demand for food is particularly strong in Turkey.

In *Scenario C* demand for food actually declines in some of the rich West European countries and rises strongly in the least affluent ones (Spain, Greece, Portugal). Food demand rises further in the poorest countries (Romania, Turkey) and stays as high as in Scenarios A and B in the remaining accession countries.

Tables 2 and 3 provide estimates of total demand for food in Europe by the year 2010, allowing for the population of individual countries. Table 2 provides the estimates of the food demand volumes (at constant PPS EUR of 1999) and Table 3 recalculates the estimates of Table 2 into actual euro of 1999 (at the exchange rates of 1999).

DEMAND FOR FOOD

Table 2

Total food consumption at billion 1999 PPS EUR

Country	1999 actual	2010 A	2010 B	2010 C
B	13.6	14.7	14.5	14.4
DK	7.0	7.5	7.2	7.1
D	113.5	120.7	113.6	110.0
EL	15.3	17.3	17.5	17.6
E	59.6	67.0	67.4	67.6
F	90.9	100.7	98.0	96.7
IRL	4.4	4.7	4.4	4.2
I	97.0	108.0	111.0	112.5
L	0.8	0.8	0.8	0.8
NL	20.2	21.5	20.2	19.6
A	12.2	13.2	12.9	12.7
P	14.8	16.9	17.1	17.1
FIN	6.1	6.6	6.4	6.3
S	10.6	11.4	11.1	10.9
UK	75.0	77.6	70.6	67.1
IS	0.4	0.5	0.5	0.5
NO	5.7	6.2	6.1	6.0
CH	11.7	12.7	12.0	11.7
BG	2.5	2.9	2.7	2.6
CY	1.6	2.2	2.2	2.1
CZ	10.2	13.1	13.1	13.1
EE	1.3	1.8	1.9	1.9
HU	8.1	10.5	10.7	10.8
LV	1.6	2.2	2.2	2.2
LT	3.5	4.8	4.8	4.8
MT	0.5	0.7	0.6	0.6
PL	35.2	46.2	45.8	45.3
RO	15.9	21.9	22.9	23.2
SK	5.3	7.3	7.4	7.3
SI	2.0	2.5	2.6	2.6
TU	55.0	76.6	81.0	82.5
TOTAL	701.3	800.8	789.0	781.7
EU-15	540.7	588.6	572.6	564.5
EFTA-3	17.8	19.4	18.6	18.2
AC-12	87.8	116.2	116.9	116.3

Growth rates vs. 1999

Total	0.14	0.13	0.11
EU-15	0.09	0.06	0.04
EFTA-3	0.09	0.05	0.03
AC-12	0.32	0.33	0.32
Turkey	0.39	0.47	0.50

Source: Own calculations.

Table 3

Total food consumption at exchange rates (billion constant 1999 EUR)

Country	1999 actual	2010 A	2010 B	2010 C
B	14.0	15.1	14.9	14.8
DK	8.9	9.5	9.2	9.0
D	114.3	121.6	114.4	110.8
EL	14.1	16.0	16.1	16.2
E	51.4	57.8	58.2	58.4
F	99.3	109.9	107.0	105.6
IRL	4.4	4.8	4.4	4.3
I	94.0	104.6	107.5	109.1
L	0.8	0.9	0.9	0.9
NL	18.9	20.1	18.9	18.3
A	12.7	13.8	13.5	13.3
P	12.6	14.4	14.5	14.5
FIN	6.8	7.4	7.2	7.0
S	12.5	13.5	13.1	12.9
UK	76.0	78.7	71.6	68.0
IS	0.7	0.8	0.8	0.8
NO	8.6	9.5	9.3	9.2
CH	16.6	18.0	17.2	16.7
BG	1.0	1.2	1.1	1.1
CY	1.3	1.8	1.7	1.7
CZ	4.9	6.2	6.3	6.2
EE	0.8	1.1	1.1	1.1
HU	4.2	5.5	5.6	5.6
LV	1.1	1.5	1.4	1.4
LT	2.0	2.8	2.8	2.8
MT	0.4	0.6	0.6	0.6
PL	18.5	24.3	24.1	23.8
RO	6.6	9.1	9.5	9.6
SK	2.6	3.6	3.6	3.6
SI	1.8	2.4	2.4	2.4
TU	36.2	50.4	53.3	54.3
TOTAL	648.2	726.8	712.1	703.9
EU-15	540.7	588.1	571.4	563.0
EFTA-3	25.9	28.3	27.2	26.6
AC-12	45.3	60.0	60.2	59.9

According to Table 2, the total demand for food in Europe (including Turkey) will rise by about 11-14%.

Total demand for food in the accession countries combined (AC-12) appears to be quite insensitive to the changes in relative prices. In Scenarios A to C the rate of growth of AC-12 demand for food is about 32-33%. By contrast, the demand for food in the EU-15 (and EFTA-3) and in Turkey appears to be highly sensitive to changes in relative prices. However, the responses go into opposite directions. In Western Europe, the demand for food rises by 9% at unchanged relative prices, by 5-6% in Scenario B and by 3-4% in Scenario C. In Turkey, the falling relative food price results in a progressive rise in the demand for food.

It may be observed that one implication of the calculations of Table 2 is the rise in the significance of the AC-12 as food consumers. In 1999, those countries consumed 13.6% of all food consumed in the 30 European countries considered (excluding Turkey). By 2010, their share will rise to 16-17% (depending on the price scenario).

Finally, it is worth having a look at Table 3. According to this, the total value (at constant euro, at exchange rates of 1999) of food demand is markedly lower than at the PPS EUR in AC-12 and Turkey. This is the consequence of the huge differences between the exchange rates and the PPS for food in 1999. At constant exchange rates, the value of food consumption realized in AC-12 constituted 7.4% of the combined value of food consumption in 30 European countries (excluding Turkey). By 2010 that share will rise to 8.9-9.5% (depending on the price scenario). Of course, at *current* exchange rates of 2010, those shares will be somewhat higher because one should expect some narrowing of the gaps between the future PPS and the future exchange rates. The process will be slow yet. Eventually, at current exchange rates the value of food consumed by the AC-12 will certainly constitute much less than 16-17% of the value of food consumed by the 30 European countries combined.

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 (1 BGN = 1000 BGL)
CZK	Czech koruna
ECU	European currency unit
EUR	Euro, from 1 January 1999
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
ROL	Romanian leu
RUB	Russian rouble (1 RUB = 1000 RUR)
SIT	Slovenian tolar
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.

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B U L G A R I A: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003									2004			
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	5.6	9.9	4.0	15.4	15.4	23.4	11.9	9.6	15.4	13.0	10.3	15.9	17.9	11.3	18.2	.
Industry, total ¹⁾	real, CCPY	4.1	4.7	4.6	15.4	15.4	18.2	16.4	15.0	15.0	14.6	14.0	14.2	14.6	14.2	14.5	.
Industry, total	real, 3MMA	8.4	6.4	9.4	11.0	18.2	16.8	14.7	12.0	12.3	12.6	12.8	14.5	14.6	15.4	.	.
LABOUR																	
Employees total	th. persons	1917	1919	1911	1947	1992	2017	2044	2055	2069	2076	2067	2063	2050	2034	2005	.
Employees in industry	th. persons	652	650	642	668	673	674	676	673	676	675	671	669	664	661	652	.
Unemployment, end of period	th. persons	644.3	624.9	602.5	646.8	611.7	581.3	552.0	528.7	506.4	489.3	480.9	472.6	476.3	489.6	500.7	537.1
Unemployment rate ²⁾	%	17.4	16.9	16.3	17.5	16.5	15.7	14.9	14.3	13.7	13.2	13.0	12.8	12.9	13.2	13.5	14.5
Labour productivity, industry ¹⁾	CCPY	2.0	2.4	2.2	12.5	11.8	14.2	12.4	11.0	11.0	10.6	10.1	10.5	11.0	10.8	11.3	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	1.9	1.4	1.5	-7.2	-7.7	-9.1	-7.8	-6.7	-6.5	-6.2	-5.9	-6.0	-6.3	-5.9	-6.1	.
WAGES, SALARIES																	
Total economy, gross	BGN	271.0	272.0	282.0	264.0	259.0	274.0	272.0	280.0	274.0	276.0	273.0	286.0	276.0	286.0	302.0	.
Total economy, gross	real, CMPY	3.7	3.4	0.6	3.4	2.5	3.5	3.5	2.3	2.1	1.3	-0.5	1.4	-1.5	0.1	1.4	.
Total economy, gross	USD	136	139	147	143	143	151	151	166	163	160	155	164	165	171	190	.
Total economy, gross	EUR	139	139	144	135	132	140	139	143	140	141	140	146	141	146	154	.
Industry, gross	USD	135	140	147	146	146	158	152	165	171	163	158	167	169	175	189	.
PRICES																	
Consumer	PM	1.0	0.2	1.2	0.7	0.1	0.4	0.3	-0.6	-2.2	0.9	0.8	0.9	0.7	1.8	1.8	1.4
Consumer	CMPY	3.2	3.2	3.8	1.7	0.2	-0.2	0.2	1.7	1.2	2.0	3.5	3.6	3.3	5.1	5.6	6.4
Consumer	CCPY	6.3	6.0	5.8	1.7	1.0	0.6	0.5	0.8	0.8	1.0	1.3	1.6	1.7	2.0	2.3	6.4
Producer, in industry ¹⁾	PM	0.6	-0.5	1.4	1.8	1.4	1.0	-3.6	-1.1	1.2	0.4	0.8	0.7	0.9	0.2	0.9	.
Producer, in industry ¹⁾	CMPY	2.8	2.9	6.3	7.7	8.0	8.0	3.1	2.6	4.3	4.3	4.5	3.9	4.3	5.0	4.4	.
Producer, in industry ¹⁾	CCPY	0.6	0.8	1.3	7.7	7.9	7.9	6.7	5.9	5.6	5.4	5.3	5.1	5.1	5.0	5.0	.
RETAIL TRADE																	
Turnover	real, CCPY	.	.	1.6	.	.	2.1	.	.	3.0	.	.	3.8	.	.	.	.
FOREIGN TRADE^{3/4)}																	
Exports total (fob), cumulated	EUR mn	5046	5586	6063	531	1034	1633	2173	2685	3247	3870	4412	4999	5602	6144	6663	.
Imports total (cif), cumulated	EUR mn	6724	7542	8411	649	1315	2083	2940	3778	4536	5406	6146	6928	7823	8709	9601	.
Trade balance, cumulated	EUR mn	-1678	-1956	-2348	-118	-281	-450	-767	-1093	-1289	-1537	-1734	-1929	-2221	-2565	-2938	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-222	-408	-712	-166	-322	-415	-804	-1028	-1004	-978	-831	-833	-1044	.	.	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.994	1.953	1.924	1.842	1.816	1.810	1.804	1.684	1.677	1.720	1.756	1.745	1.673	1.672	1.593	1.550
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 ⁵⁾	real, Jan98=100	97.1	95.0	92.2	88.0	87.3	87.3	86.5	81.1	82.8	84.2	85.6	84.5	80.4	78.7	73.7	70.7
BGN/USD, calculated with PPI ⁶⁾	real, Jan98=100	88.9	87.4	84.8	81.2	80.4	81.4	81.5	76.9	76.4	77.9	79.0	78.3	74.8	74.3	70.2	.
BGN/EUR, calculated with CPI ⁵⁾	real, Jan98=100	86.1	85.9	85.1	84.7	84.9	84.9	84.8	85.3	87.3	86.5	86.0	85.5	84.9	83.5	82.0	80.9
BGN/EUR, calculated with PPI ⁶⁾	real, Jan98=100	79.4	79.5	78.5	77.6	76.8	76.2	78.7	79.3	78.3	77.9	77.5	76.9	76.3	76.2	75.5	.
DOMESTIC FINANCE																	
M0, end of period ⁶⁾	BGN mn	2998	2987	3335	3113	3132	3088	3200	3248	3356	3483	3616	3624	3569	3559	3874	3718
M1, end of period ⁶⁾	BGN mn	4802	4934	5542	5141	5235	5087	5272	5371	5583	5789	6054	6061	6046	6132	6801	6515
Broad money, end of period ⁶⁾	BGN mn	13041	13241	13967	13739	13933	13812	14062	14095	14515	14973	15445	15450	16110	15970	16822	.
Broad money, end of period	CMPY	16.8	15.6	12.4	11.5	12.9	11.7	12.9	15.5	19.3	19.6	20.6	19.8	23.5	20.6	20.4	.
BNB base rate (p.a.), end of period	%	3.8	3.8	3.3	2.5	2.5	2.6	3.0	3.0	2.5	2.5	2.6	2.6	2.6	2.6	2.9	2.5
BNB base rate (p.a.), end of period ⁷⁾	real, %	1.0	0.9	-2.7	-4.8	-5.1	-5.1	-0.1	0.4	-1.7	-1.7	-1.8	-1.2	-1.6	-2.2	-1.5	.
BUDGET																	
Central gov. budget balance, cum.	BGN mn	823.5	697.8	3.4	-85.7	-132.8	90.8	284.0	609.7	577.7	612.4	656.7	758.5	851.1	732.2	-110.6	.

1) According to new calculation for industrial output and prices.

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

6) According to International Accounting Standards.

7) Deflated with annual PPI.

C R O A T I A: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003												2004
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	9.4	9.9	8.3	0.7	6.9	6.0	8.2	6.2	7.0	4.4	3.1	2.9	2.2	-0.4	2.2	-1.5
Industry, total ¹⁾	real, CCPY	4.8	5.2	5.5	0.7	3.8	4.6	5.5	5.7	5.9	5.7	5.3	5.0	4.7	4.2	4.0	-1.5
Industry, total ¹⁾	real, 3MMA	10.6	9.2	6.4	5.3	4.6	7.0	6.8	7.1	5.8	4.8	3.5	2.7	1.6	1.3	0.1	.
Construction, total, effect. work. time ¹⁾	real, CMPY	12.7	10.8	15.2	9.6	17.8	28.2	26.9	30.9	29.3	24.3	17.6	26.9	20.3	17.5	.	.
LABOUR																	
Employment total	th. persons	1367.4	1361.8	1351.4	1343.0	1337.4	1338.8	1351.2	1360.2	1372.6	1381.8	1382.2	1373.9	1366.4	1360.2	1349.5	.
Employees in industry	th. persons	279.9	278.8	276.2	275.4	274.0	273.5	273.5	273.6	274.0	274.0	273.8	273.6	273.5	272.6	270.6	.
Unemployment, end of period	th. persons	375.0	369.7	366.2	367.1	362.6	355.8	345.3	330.9	319.7	314.2	306.6	307.4	312.3	317.0	318.7	.
Unemployment rate ²⁾	%	21.5	21.4	21.3	21.5	21.3	21.0	20.4	19.6	18.9	18.5	18.2	18.3	18.6	18.9	19.1	.
Labour productivity, industry ¹⁾	CCPY	9.0	9.5	9.9	4.2	7.3	8.0	8.8	8.9	9.1	8.8	8.4	8.1	7.8	7.3	7.1	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-1.0	-1.6	-1.8	4.0	0.2	-1.7	-3.3	-4.3	-4.5	-4.3	-4.2	-3.8	-3.6	-3.7	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	5447	5687	5498	5527	5375	5475	5541	5671	5705	5694	5587	5558	5711	5807	.	.
Total economy, gross	real, CMPY	6.1	4.8	4.9	5.7	5.3	2.5	1.9	1.6	4.5	2.7	1.3	3.0	3.0	0.3	.	.
Total economy, gross	USD	719	762	753	780	764	771	795	866	885	864	829	829	880	893	.	.
Total economy, gross	EUR	733	762	741	737	709	714	734	752	757	759	743	741	752	763	.	.
Industry, gross	USD	661	708	692	720	697	705	730	805	820	810	755	773	814	804	.	.
PRICES																	
Consumer	PM	0.2	0.2	0.4	0.5	0.2	0.5	-0.3	0.3	-0.4	0.1	0.1	0.2	0.0	0.2	0.3	1.0
Consumer	CMPY	1.6	1.9	1.9	1.4	1.7	2.2	1.6	1.4	1.6	2.0	2.2	2.0	1.8	1.8	1.7	2.1
Consumer	CCPY	1.7	1.7	1.7	1.4	1.5	1.7	1.7	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.8	2.1
Producer, in industry	PM	1.4	-0.6	-0.1	0.5	0.4	0.8	-0.9	-0.8	0.2	0.2	0.5	-0.4	0.2	0.3	0.0	0.3
Producer, in industry	CMPY	1.6	1.5	2.3	2.9	2.7	4.7	2.8	1.8	1.7	1.4	2.0	1.2	0.0	0.9	1.0	0.8
Producer, in industry	CCPY	-0.8	-0.6	-0.4	2.9	2.8	3.4	3.3	3.0	2.8	2.5	2.4	2.1	2.0	1.9	0.8	.
RETAIL TRADE																	
Turnover	real, CMPY	12.1	10.8	9.8	7.5	8.6	1.1	13.3	6.5	5.2	0.7	-1.7	1.1	0.2	-1.0	3.8	.
Turnover	real, CCPY	13.0	12.7	12.5	7.5	8.0	5.7	7.6	7.3	7.0	6.1	5.2	4.7	4.2	3.8	3.7	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	4324	4719	5187	379	904	1364	1761	2215	2696	3183	3565	4002	4592	5032	5449	.
Imports total (cif), cumulated	EUR mn	9428	10388	11324	715	1681	2752	3858	4993	5982	7203	8076	9176	10316	11424	12538	.
Trade balance, cumulated	EUR mn	-5104	-5668	-6137	-335	-777	-1388	-2097	-2779	-3286	-4020	-4511	-5174	-5724	-6391	-7089	.
Exports to EU (fob), cumulated	EUR mn	2342	2549	2746	209	467	742	957	1234	1495	1783	2002	2245	2526	2775	2975	.
Imports from EU (cif), cumulated	EUR mn	5273	5792	6321	387	945	1544	2159	2842	3406	4142	4589	5189	5820	6392	7088	.
Trade balance with EU, cumulated	EUR mn	-2931	-3244	-3575	-177	-478	-803	-1203	-1609	-1911	-2359	-2588	-2944	-3294	-3617	-4113	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	-1908	.	.	-1066	.	.	-2522	.	.	-523	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	7.571	7.464	7.298	7.082	7.032	7.099	6.966	6.549	6.443	6.591	6.737	6.701	6.487	6.503	6.253	6.104
HRD/EUR, monthly average	nominal	7.427	7.468	7.423	7.500	7.584	7.663	7.554	7.542	7.536	7.498	7.515	7.498	7.592	7.610	7.670	7.691
HRK/USD, calculated with CP ⁵⁾	real, Jan98=100	110.9	109.1	105.9	102.7	102.6	103.7	101.8	95.3	94.3	96.4	98.8	98.4	95.1	95.0	91.1	88.0
HRK/USD, calculated with PP ⁶⁾	real, Jan98=100	109.1	108.1	105.6	103.9	104.5	107.4	103.0	97.5	96.6	98.4	100.3	100.6	97.8	97.3	93.6	91.1
HRD/EUR, calculated with CP ⁵⁾	real, Jan98=100	98.1	98.4	97.8	98.4	99.7	100.6	99.7	99.2	99.6	98.9	99.3	99.1	100.5	100.6	101.1	100.4
HRD/EUR, calculated with PP ⁶⁾	real, Jan98=100	97.3	98.1	97.8	98.8	99.9	100.3	99.3	99.5	99.2	98.5	98.4	98.6	99.6	99.6	100.4	100.4
DOMESTIC FINANCE																	
M0, end of period	HRK mn	9507	9348	9681	9468	9605	9526	9813	10078	10637	11294	11321	10506	10262	10400	.	.
M1, end of period	HRK mn	29090	29092	30870	29412	29456	29512	30294	32002	32828	34382	34044	32589	32806	33295	33889	.
Broad money, end of period	HRK mn	114826	114261	116142	116615	117209	118791	117854	119105	120022	125023	126980	126911	127072	128718	128893	.
Broad money, end of period	CMPY	27.4	20.3	9.5	7.3	9.4	11.8	10.8	11.9	12.6	13.9	12.3	12.0	10.7	12.7	11.0	.
Discount rate (p.a.), end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Discount rate (p.a.), end of period ⁶⁾	real, %	2.9	3.0	2.2	1.6	1.8	-0.2	1.7	2.7	2.8	3.1	2.5	3.3	4.5	3.6	3.5	3.7
BUDGET																	
Central gov. budget balance, cum. ^{7,8)}	HRK mn	-2374.4	-2723.5	-3500.5	-649.4	-1625.9	-2718.6	-2837.2	-4007.7	-4021.9	-4432.4	-4012.6	-4114.6	-4496.5	.	.	.

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

6) Deflated with annual PPI.

7) From July 2001 pension payments are included.

8) From January 2002 including social security funds.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003									2004			
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total	real, CMPY	3.5	4.4	6.6	6.4	5.2	7.0	5.6	3.2	6.2	4.8	8.0	5.2	5.2	4.8	8.9	.
Industry, total	real, CCPY	4.7	4.7	4.8	6.4	5.8	6.2	6.1	5.5	5.6	5.5	5.8	5.7	5.7	5.6	5.8	.
Industry, total	real, 3MMA	5.5	4.7	5.7	6.1	6.2	5.9	5.3	5.0	4.7	6.3	6.0	6.0	5.1	6.2	.	.
Construction, total	real, CMPY	3.5	3.5	4.8	-2.2	-4.0	2.5	3.3	-0.9	12.1	15.9	18.7	14.5	12.0	13.9	8.6	.
LABOUR																	
Employees in industry ¹⁾	th. persons	1141	1139	1130	1136	1139	1139	1135	1132	1125	1128	1119	1110	1112	1117	1111	.
Unemployment, end of period	th. persons	486.7	489.8	514.4	539.0	538.1	528.2	509.4	496.8	501.0	520.4	525.0	529.4	522.4	521.0	542.4	569.5
Unemployment rate ²⁾	%	9.3	9.3	9.8	10.2	10.2	10.0	9.6	9.4	9.5	9.9	10.0	10.1	9.9	9.9	10.3	10.8
Labour productivity, industry ¹³⁾	CCPY	5.1	5.6	5.8	12.1	9.8	9.4	9.6	8.6	8.7	8.4	9.0	9.3	9.3	8.6	9.0	.
Unit labour costs, exchr. adj.(EUR) ¹³⁾	CCPY	12.5	11.6	10.8	-3.7	-3.3	-3.8	-4.8	-4.3	-4.5	-5.0	-5.7	-6.4	-6.5	-5.8	-6.1	.
WAGES, SALARIES																	
Industry, gross ¹⁾	CZK	15723	17671	16861	15471	14341	15207	15850	16759	16413	16579	15562	16011	16675	18843	18053	.
Industry, gross ¹⁾	real, CMPY	5.2	3.2	7.0	6.3	4.5	5.2	5.9	5.1	6.5	5.8	3.9	8.5	5.3	5.4	5.9	.
Industry, gross ¹⁾	USD	503	575	550	522	488	517	544	619	609	591	537	555	610	689	686	.
Industry, gross ¹⁾	EUR	513	575	541	491	453	479	501	534	523	520	482	495	521	589	559	.
PRICES																	
Consumer	PM	-0.3	-0.2	0.2	0.6	0.2	-0.1	0.2	0.0	0.0	0.1	-0.2	-0.5	0.1	0.5	0.2	1.8
Consumer	CMPY	0.6	0.5	0.6	-0.4	-0.4	-0.4	-0.1	0.0	0.3	-0.1	-0.1	0.0	0.4	1.0	1.0	2.3
Consumer	CCPY	2.1	1.9	1.8	-0.4	-0.4	-0.4	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	0.0	0.1	2.3
Producer, in industry	PM	0.6	-0.1	-0.3	0.0	0.4	0.3	-0.8	-0.3	-0.2	-0.2	0.1	0.4	0.6	0.4	0.2	0.8
Producer, in industry	CMPY	-0.9	-0.7	-0.7	-0.8	-0.7	-0.4	-0.7	-0.8	-0.9	-0.6	-0.5	0.0	-0.1	0.4	0.9	1.6
Producer, in industry	CCPY	-0.5	-0.5	-0.5	-0.8	-0.7	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.6	-0.5	-0.5	-0.3	1.6
RETAIL TRADE																	
Turnover	real, CMPY	1.9	0.8	4.2	4.2	4.3	1.3	6.6	2.4	7.8	7.2	6.1	9.6	3.6	0.3	6.3	.
Turnover	real, CCPY	3.2	2.9	3.0	4.2	4.3	3.3	4.1	3.7	4.4	4.8	5.0	5.5	5.3	4.9	5.0	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	33908	37752	40705	3439	6777	10544	14224	17818	21353	24812	27853	31687	35846	39602	43081	3285
Imports total (fob), cumulated	EUR mn	35481	39516	43019	3454	6858	10677	14598	18267	21908	25740	28998	32817	37147	41163	45260	3292
Trade balance, cumulated	EUR mn	-1573	-1765	-2314	-15	-80	-133	-375	-449	-555	-928	-1145	-1130	-1301	-1561	-2179	-7
Exports to EU (fob), cumulated	EUR mn	23289	25878	27844	2456	4826	7499	10101	12617	15070	17454	19516	22161	25076	27707	30072	2345
Imports from EU (fob), cumulated	EUR mn	21540	23890	25898	1986	4011	6299	8597	10823	13032	15415	17288	19571	22148	24474	26827	1850
Trade balance with EU, cumulated	EUR mn	1750	1987	1946	470	814	1200	1504	1795	2038	2039	2228	2590	2928	3233	3245	495
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	-4415	8	-220	-463	-889	-1598	-2012	-2954	-3469	-3662	-4454	-5097	-6232	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	31.2	30.7	30.7	29.7	29.4	29.4	29.2	27.1	26.9	28.0	29.0	28.8	27.4	27.3	26.3	25.9
CZK/EUR, monthly average	nominal	30.7	30.8	31.2	31.5	31.6	31.8	31.6	31.4	31.4	31.9	32.3	32.4	32.0	32.0	32.3	32.7
CZK/USD, calculated with CPI ⁶⁾	real, Jan98=100	86.7	85.4	84.8	81.9	81.6	82.2	81.2	75.3	75.0	78.1	81.2	81.4	77.0	76.5	73.5	71.1
CZK/USD, calculated with PPI ⁶⁾	real, Jan98=100	85.8	84.4	84.3	83.1	83.4	85.3	82.7	77.0	77.4	80.5	83.4	82.9	78.6	78.0	74.9	73.3
CZK/EUR, calculated with CPI ⁶⁾	real, Jan98=100	76.7	77.1	78.3	78.7	79.2	79.9	79.5	79.0	79.1	80.1	81.5	82.3	81.3	81.0	81.7	81.3
CZK/EUR, calculated with PPI ⁶⁾	real, Jan98=100	76.6	76.6	78.1	79.2	79.6	79.9	79.8	79.1	79.2	80.5	81.6	81.5	80.1	79.8	80.5	80.9
DOMESTIC FINANCE																	
M0, end of period	CZK bn	195.1	198.6	197.8	197.6	201.7	205.9	208.5	211.4	215.2	216.2	218.2	219.4	221.3	224.7	221.4	222.0
M1, end of period	CZK bn	658.0	669.8	692.3	671.9	688.9	683.6	699.2	711.4	718.4	732.7	744.8	752.6	762.8	782.7	809.5	789.6
M2, end of period	CZK bn	1635.8	1646.6	1647.3	1643.1	1643.6	1621.8	1656.5	1658.5	1646.4	1683.8	1705.2	1693.6	1704.9	1723.0	1763.3	1757.0
M2, end of period	CMPY	6.2	5.2	3.2	3.3	3.7	2.5	3.1	2.1	4.2	5.6	5.1	5.5	4.2	4.6	7.0	6.9
Discount rate (p.a.), end of period	%	2.00	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00
Discount rate (p.a.), end of period ⁷⁾	real, %	2.9	2.4	2.4	2.3	2.2	1.9	2.2	2.3	2.1	1.9	1.5	1.0	1.1	0.6	0.1	-0.6
BUDGET																	
Central gov. budget balance, cum.	CZK mn	-32321	-41726	-45715	-10392	-24941	-31840	-64422	-74586	-53399	-62113	-71886	-80268	-82942	-92209	-109100	7307

1) Enterprises employing 20 and more persons.

2) Ratio of job applicants to the sum of economically active, women on maternity leave and job applicants.

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

7) Deflated with annual PPI.

H U N G A R Y: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003									2004			
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total	real, CMPY	-1.7	3.9	10.5	4.2	0.4	5.1	2.4	4.5	4.7	5.0	6.1	9.0	10.6	6.8	12.0	.
Industry, total	real, CCPY	1.9	2.1	2.7	4.2	2.2	3.2	3.0	3.3	3.5	3.8	4.0	4.6	5.3	5.4	6.0	.
Industry, total	real, 3MMA	3.9	3.9	6.1	5.0	3.2	2.7	4.0	3.8	4.7	5.2	6.8	8.7	8.8	9.7	.	.
Construction, total	real, CMPY	9.8	8.1	19.2	3.6	-20.8	-20.1	-9.6	7.3	12.4	-0.3	3.2	0.0	9.7	4.4	6.0	.
LABOUR																	
Employees in industry ¹⁾	th. persons	810.9	812.6	803.5	803.9	806.6	806.1	802.3	800.3	799.7	801.1	796.9	799.4	799.2	797.8	808.4	.
Unemployment ²⁾	th. persons	242.9	245.1	244.2	249.4	258.7	264.7	257.0	250.8	241.2	238.7	238.8	240.3	236.8	232.9	231.9	243.4
Unemployment rate ²⁾	%	5.9	5.9	5.9	6.0	6.3	6.4	6.2	6.0	5.8	5.7	5.7	5.7	5.6	5.5	5.5	5.8
Labour productivity, industry ¹⁾	CCPY	4.4	4.6	5.1	7.9	5.7	6.5	6.1	6.2	6.4	6.6	6.8	7.3	7.9	8.1	8.6	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	14.5	13.7	13.1	3.8	4.4	2.8	2.8	2.5	1.1	0.1	-0.7	-1.2	-1.9	-2.5	-3.6	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	HUF	126779	142460	162862	136237	123298	127107	130045	132829	134990	132779	129566	130852	136654	155728	175751	.
Total economy, gross ¹⁾	real, CMPY	13.8	9.5	13.7	15.6	8.3	6.6	9.5	8.5	8.8	8.9	9.2	3.6	2.8	3.5	2.2	.
Total economy, gross ¹⁾	USD	511	600	702	603	542	559	575	603	572	556	574	626	702	814	.	.
Total economy, gross ¹⁾	EUR	520	598	690	567	503	517	530	540	517	503	499	512	535	600	664	.
Industry, gross ¹⁾	USD	474	568	579	523	506	537	547	619	566	549	535	554	587	669	684	.
PRICES																	
Consumer	PM	0.6	0.0	0.1	1.2	0.8	0.9	0.1	0.3	0.2	0.3	-0.3	0.6	0.8	0.6	0.2	2.1
Consumer	CMPY	4.9	4.8	4.8	4.7	4.5	4.7	3.9	3.6	4.3	4.7	4.7	4.7	4.9	5.6	5.7	6.6
Consumer	CCPY	5.4	5.3	5.3	4.7	4.6	4.6	4.4	4.3	4.3	4.4	4.4	4.4	4.5	4.6	4.7	6.6
Producer, in industry	PM	-0.1	-1.3	-0.3	1.1	1.1	0.6	-0.7	-0.6	2.5	0.7	1.0	-0.5	0.2	1.1	0.1	.
Producer, in industry	CMPY	-1.5	-1.9	-1.3	-0.1	0.9	1.2	0.1	-0.5	2.3	2.7	3.7	3.2	3.5	5.8	6.2	.
Producer, in industry	CCPY	-1.8	-1.8	-1.8	-0.1	0.4	0.7	0.5	0.3	0.6	0.9	1.3	1.5	1.7	2.1	2.4	.
RETAIL TRADE																	
Turnover ³⁾	real, CMPY	10.1	7.8	8.7	12.7	7.9	5.4	14.4	5.2	6.4	9.6	6.3	9.4	8.5	8.1	.	.
Turnover ³⁾	real, CCPY	11.3	10.9	10.7	12.7	10.2	8.4	10.1	10.0	8.4	8.6	8.3	8.4	8.4	8.4	.	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	30527	33872	36537	2738	5574	8882	11975	15018	18033	21158	23877	27468	31058	34619	37583	.
Imports total (cif), cumulated	EUR mn	33112	36684	39955	2983	6237	9788	13410	16892	20221	23823	26937	30735	34694	38537	42057	.
Trade balance, cumulated	EUR mn	-2584	-2811	-3418	-245	-663	-906	-1435	-1874	-2188	-2665	-3060	-3267	-3636	-3918	-4474	.
Exports to EU (fob), cumulated	EUR mn	22997	25538	27452	1953	4135	6435	8864	11007	13207	15408	17302	19846	22461	25389	27664	.
Imports from EU (cif), cumulated	EUR mn	18756	20756	22476	1570	3407	5425	7441	9506	11389	13440	15088	17127	19305	21337	23167	.
Trade balance with EU, cumulated	EUR mn	4242	4783	4977	383	728	1010	1423	1501	1817	1968	2214	2718	3156	4053	4497	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	USD mn	-1697	-2007	-2655	-213	-671	-912	-1564	-1905	-2646	-3023	-3469	-3883	-4431	-4665	-5201	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	248.2	237.6	231.9	226.1	227.5	227.3	226.3	212.2	223.7	232.1	232.8	227.8	218.5	221.7	215.8	209.8
HUF/EUR, monthly average	nominal	243.6	238.1	236.1	240.2	245.1	245.6	245.6	245.9	261.1	264.0	259.6	255.5	255.5	259.4	264.8	264.6
HUF/USD, calculated with CPI ⁷⁾	real, Jan98=100	91.8	87.9	85.5	82.7	83.2	82.9	82.2	76.7	80.9	83.8	84.6	82.5	78.4	78.9	76.7	73.0
HUF/USD, calculated with PPI ⁷⁾	real, Jan98=100	101.7	98.5	96.2	94.6	95.8	97.5	94.8	89.3	92.7	95.3	94.9	93.6	90.2	90.1	87.7	.
HUF/EUR, calculated with CPI ⁷⁾	real, Jan98=100	81.4	79.6	79.1	79.6	80.9	80.6	80.7	80.6	85.5	86.1	85.1	83.5	82.9	83.7	85.3	83.5
HUF/EUR, calculated with PPI ⁷⁾	real, Jan98=100	90.9	89.7	89.4	90.4	91.6	91.4	91.6	91.9	95.1	95.5	93.2	92.1	91.9	92.4	94.3	.
DOMESTIC FINANCE																	
M0, end of period ⁸⁾	HUF bn	1161.7	1191.5	1181.8	1168.3	1180.5	1197.7	1237.7	1249.2	1287.0	1296.6	1319.9	1305.9	1317.4	1399.7	1346.4	1307.1
M1, end of period ⁸⁾	HUF bn	3276.5	3409.4	3655.0	3459.6	3423.0	3451.5	3518.7	3594.4	3709.9	3716.4	3718.9	3746.4	3775.6	3950.0	4028.4	3799.3
Broad money, end of period ⁸⁾	HUF bn	7335.4	7506.6	7858.5	7786.1	7826.4	7785.2	7894.4	7975.0	8113.6	8147.0	8176.0	8287.0	8442.6	8583.4	8792.3	8796.6
Broad money, end of period ⁸⁾	CMPY	7.9	9.8	9.5	11.2	14.5	14.2	13.8	14.6	16.8	16.3	13.5	16.0	15.1	14.3	11.9	13.0
NBH base rate (p.a.),end of period	%	9.5	9.0	8.5	6.5	6.5	6.5	6.5	6.5	9.5	9.5	9.5	9.5	9.5	12.5	12.5	12.5
NBH base rate (p.a.),end of period ⁹⁾	real, %	11.2	11.1	9.9	6.6	5.6	5.2	6.4	7.0	7.0	6.6	5.6	6.1	5.8	6.3	5.9	.
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-531.4	-586.3	-1481.2	-12.9	-140.8	-224.1	-275.6	-252.9	-458.6	-424.8	-481.4	-588.7	-609.3	-701.3	-728.0	.

1) Economic organizations employing more than 5 persons.

2) According to ILO methodology, from 2002 3-month averages comprising also the two previous months.

3) Revised according to NACE 50+52, from January 2003 NACE 52.

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

5) Cumulation starting January and ending December each year.

6) Revised data according to international standards (e.g. trade data refer to customs statistics).

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

8) According to ECB monetary standards.

9) Deflated with annual PPI.

P O L A N D: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003												2004
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry ¹⁾	real, CMPY	3.2	3.1	5.2	3.3	4.3	5.5	8.6	11.7	7.8	10.3	5.8	10.9	12.1	9.2	14.0	14.3
Industry ¹⁾	real, CCPY	0.8	1.0	1.5	3.3	3.8	4.4	5.5	6.7	6.9	7.4	7.2	7.7	8.2	8.3	8.8	14.3
Industry ¹⁾	real, 3MMA	4.3	3.8	3.9	4.3	4.4	6.1	8.5	9.3	9.9	8.0	9.1	9.8	10.8	11.8	12.4	.
Construction ¹⁾	real, CMPY	-8.7	-8.6	-10.4	-11.0	-24.2	-25.3	-13.6	-6.9	-1.1	1.6	-3.0	-3.8	-4.9	-5.0	-0.7	-9.5
LABOUR																	
Employees ¹⁾	th. persons	4870	4862	4839	4736	4741	4728	4726	4723	4722	4722	4718	4711	4715	4701	4671	.
Employees in industry ¹⁾	th. persons	2462	2462	2448	2417	2418	2412	2408	2405	2405	2407	2406	2405	2415	2410	2391	.
Unemployment, end of period	th. persons	3108.1	3150.8	3217.0	3320.6	3344.2	3321.0	3246.1	3159.6	3134.6	3123.0	3099.1	3073.3	3058.2	3096.9	3175.7	3293.2
Unemployment rate ²⁾	%	17.5	17.8	18.1	18.7	18.8	18.7	18.4	17.9	17.8	17.8	17.6	17.5	17.4	17.6	18.0	20.6
Labour productivity, industry ¹⁾	CCPY	7.2	7.3	7.4	6.6	7.1	7.6	8.6	9.9	10.0	10.4	10.1	10.5	11.0	11.0	11.5	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-6.6	-7.4	-8.1	-15.2	-16.0	-18.2	-19.1	-20.1	-19.9	-19.4	-18.4	-18.3	-18.5	-18.7	-19.0	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	PLN	2263	2343	2532	2247	2235	2268	2321	2254	2301	2343	2295	2353	2331	2440	2662	2326
Total economy, gross ¹⁾	real, CMPY	-0.8	0.7	1.3	2.0	1.4	-0.1	3.6	-0.8	2.0	1.3	1.0	1.2	1.8	2.5	3.4	2.0
Total economy, gross ¹⁾	USD	549	592	647	586	579	566	586	601	606	600	586	591	594	618	703	623
Total economy, gross ¹⁾	EUR	559	592	635	553	537	525	540	521	519	527	526	527	508	527	572	494
Industry, gross ¹⁾	USD	548	604	671	591	583	564	589	600	612	604	588	584	598	629	731	.
PRICES																	
Consumer	PM	0.3	-0.1	0.1	0.4	0.1	0.3	0.2	0.0	-0.1	-0.4	-0.4	0.5	0.6	0.3	0.2	0.4
Consumer	CMPY	1.1	0.9	0.8	0.5	0.5	0.6	0.3	0.4	0.8	0.8	0.7	0.9	1.3	1.6	1.7	1.7
Consumer	CCPY	2.1	2.0	1.9	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.6	0.7	1.7
Producer, in industry	PM	0.0	-0.5	0.1	0.4	0.6	0.9	-0.6	-0.6	0.3	0.7	0.3	0.5	0.7	0.4	0.1	0.8
Producer, in industry	CMPY	1.7	1.7	2.2	2.5	2.9	3.6	2.7	2.0	2.0	1.9	1.8	2.1	2.7	3.7	3.7	4.2
Producer, in industry	CCPY	0.9	1.0	1.0	2.5	2.7	3.0	3.0	2.8	2.7	2.6	2.5	2.4	2.5	2.6	2.7	4.2
RETAIL TRADE																	
Turnover ¹⁾	real, CMPY	3.8	4.8	4.4	3.8	4.3	-1.9	11.4	9.9	7.7	5.5	5.1	9.4	9.2	10.0	17.1	.
Turnover ¹⁾	real, CCPY	2.9	1.7	1.6	3.8	4.1	1.2	4.5	6.2	6.0	6.1	5.5	6.6	6.2	6.8	7.9	.
FOREIGN TRADE³⁾⁴⁾																	
Exports total (fob), cumulated	EUR mn	36074	39981	43418	3408	6915	10871	14808	18635	22391	26416	29993	34507	39148	42697	.	.
Imports total (cif), cumulated	EUR mn	48336	53495	58331	4408	8884	13939	18962	23858	28462	33840	38385	43943	49559	54380	.	.
Trade balance, cumulated	EUR mn	-12262	-13514	-14913	-1000	-1969	-3069	-4154	-5222	-6071	-7424	-8392	-9436	-10411	-11683	.	.
Exports to EU (fob), cumulated	EUR mn	24759	27509	29832	2477	4919	7743	10443	13056	15644	18399	20742	23694	26911	29319	.	.
Imports from EU (cif), cumulated	EUR mn	29885	33035	35986	2626	5373	8477	11551	14614	17489	20917	23618	26861	30341	33308	.	.
Trade balance with EU, cumulated	EUR mn	-5126	-5526	-6154	-149	-453	-734	-1108	-1557	-1845	-2518	-2876	-3167	-3430	-3990	.	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-5437	-6193	-6690	-749	-1274	-1551	-2049	-2539	-2656	-2921	-3062	-2954	-2749	-3121	-3954	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	4.123	3.956	3.911	3.832	3.863	4.003	3.961	3.748	3.797	3.906	3.918	3.981	3.922	3.949	3.788	3.735
PLN/EUR, monthly average	nominal	4.045	3.959	3.988	4.064	4.165	4.323	4.299	4.326	4.436	4.443	4.367	4.467	4.589	4.625	4.655	4.712
PLN/USD, calculated with CP ⁶⁾	real, Jan98=100	100.3	96.3	94.9	92.9	94.3	98.1	96.6	91.3	92.7	95.9	96.9	98.2	96.1	96.3	92.1	90.5
PLN/USD, calculated with PP ⁶⁾	real, Jan98=100	102.8	99.0	97.6	97.1	98.9	104.2	100.6	95.6	97.4	99.4	99.6	101.1	99.5	99.3	95.2	93.1
PLN/EUR, calculated with CP ⁶⁾	real, Jan98=100	88.8	87.0	87.8	89.2	91.7	95.3	94.8	95.4	98.0	98.4	97.3	99.4	101.6	102.2	102.6	103.5
PLN/EUR, calculated with PP ⁶⁾	real, Jan98=100	91.8	90.0	90.7	92.5	94.6	97.5	97.1	97.9	100.0	99.5	97.7	99.4	101.4	101.9	102.5	102.9
DOMESTIC FINANCE																	
M0, end of period	PLN bn	42.0	42.1	42.2	41.6	42.7	44.2	45.9	46.1	47.4	47.6	48.7	48.6	49.2	49.8	49.4	48.5
M1, end of period ⁶⁾	PLN bn	126.9	130.7	136.6	129.8	133.0	136.2	130.7	138.0	146.4	146.9	148.4	151.8	151.3	156.2	158.1	.
M2, end of period ⁶⁾	PLN bn	321.1	317.5	320.2	315.4	318.4	317.9	317.2	320.2	322.9	323.0	324.8	326.9	332.4	334.3	337.8	.
M2, end of period	CMPY	-2.5	-1.1	-2.4	-2.1	-1.9	-0.4	-0.1	-0.6	0.3	-0.4	0.6	1.9	3.5	5.3	5.5	.
Discount rate (p.a.)end of period	%	7.8	7.5	7.5	7.3	6.8	6.5	6.3	6.0	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Discount rate (p.a.)end of period ⁷⁾	real, %	5.9	5.7	5.2	4.6	3.7	2.8	3.5	3.9	3.7	3.8	3.9	3.6	3.0	2.0	2.0	1.5
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-34057	-37073	-39403	-4039	-11637	-15430	-17954	-23218	-23818	-27637	-29562	-33086	-34828	-35482	-36989	-4226

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

6) Revised according to ECB monetary standards.

7) Deflated with annual PPI.

R O M A N I A: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003												2004
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	9.6	7.0	8.6	1.6	-1.7	3.4	1.6	4.4	6.7	6.7	2.6	3.7	3.0	-0.1	5.9	.
Industry, total ¹⁾	real, CCPY	5.6	5.8	6.0	1.6	-0.1	1.1	1.3	1.9	2.8	3.4	3.3	3.3	3.3	3.0	3.2	.
Industry, total	real, 3MMA	8.6	8.4	5.8	2.7	1.1	1.2	3.2	4.3	5.9	5.3	4.4	3.1	2.1	2.7	.	.
LABOUR																	
Employees total	th. persons	4375.1	4353.0	4331.0	4331.2	4348.6	4376.5	4393.6	4411.4	4420.5	4412.1	4416.8	4402.8	4390.0	4374.0	4333.8	.
Employees in industry	th. persons	1797.6	1795.2	1785.5	1796.4	1795.3	1801.3	1790.7	1786.0	1784.6	1776.1	1775.6	1771.1	1765.9	1758.3	1738.3	.
Unemployment, end of period	th. persons	767.7	755.9	760.6	781.4	798.4	779.2	731.4	693.1	663.6	650.4	619.2	608.8	634.7	655.4	658.9	.
Unemployment rate ²⁾	%	8.2	8.1	8.4	8.6	8.8	8.6	8.1	7.6	7.3	7.2	6.8	6.7	7.0	7.2	7.3	.
Labour productivity, industry	CCPY	13.0	13.3	13.7	9.0	7.3	8.7	9.2	9.9	11.0	11.7	11.8	11.9	12.2	11.7	12.1	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-7.6	-8.6	-9.5	-10.7	-9.6	-10.9	-11.8	-12.2	-12.9	-12.6	-12.2	-11.6	-11.6	-11.0	-11.3	.
WAGES, SALARIES																	
Total economy, gross	th. ROL	5570.8	5704.7	6521.6	6520.3	6054.1	6338.9	6885.5	6521.4	6476.2	6721.9	6647.9	6763.9	6873.7	7021.2	8068.9	.
Total economy, gross	real, CMPY	3.4	1.9	4.4	8.7	9.0	6.3	6.3	7.0	6.6	6.5	6.5	8.0	6.6	7.5	8.4	.
Total economy, gross	USD	168	170	194	195	184	191	204	201	199	206	199	200	207	206	244	.
Total economy, gross	EUR	171	170	190	183	171	177	188	173	170	181	179	178	177	176	199	.
Industry, gross	USD	167	165	188	176	176	184	198	194	193	205	197	199	202	196	227	.
PRICES																	
Consumer	PM	1.6	2.6	1.5	1.3	0.8	1.1	1.1	0.5	0.9	1.2	0.3	2.1	1.5	1.4	1.2	1.1
Consumer	CMPY	18.8	18.6	17.8	16.6	16.2	17.1	16.0	14.4	14.0	14.8	14.2	15.9	15.8	14.5	14.1	13.9
Consumer	CCPY	23.5	23.0	22.5	16.6	16.4	16.7	16.5	16.1	15.7	15.6	15.4	15.4	15.5	15.4	15.3	13.9
Producer, in industry	PM	1.6	1.4	0.7	2.3	2.6	1.9	1.6	1.1	0.4	1.0	0.7	2.9	1.5	2.0	0.9	.
Producer, in industry	CMPY	22.9	23.0	22.1	22.5	23.6	24.0	23.1	21.9	20.7	19.1	18.5	19.8	19.6	20.3	20.6	.
Producer, in industry	CCPY	25.1	24.9	24.6	22.5	23.0	23.3	23.3	23.0	22.6	22.1	21.6	21.4	21.2	21.1	21.0	.
RETAIL TRADE																	
Turnover	real, CMPY	0.3	-1.7	1.1	5.7	3.3	2.2	-0.4	6.5	7.0	3.7	4.4	6.4	7.4	6.7	.	.
Turnover	real, CCPY	0.9	0.7	0.7	5.7	4.5	3.7	2.7	3.5	4.0	4.0	4.0	4.3	4.7	4.9	.	.
FOREIGN TRADE³⁽⁴⁾																	
Exports total (fob), cumulated	EUR mn	12105	13467	14675	1200	2436	3778	4970	6232	7501	8995	10227	11574	13003	14374	15614	.
Imports total (cif), cumulated	EUR mn	15482	17229	18881	1414	2879	4541	6257	8065	9814	11736	13266	15129	17309	19288	21201	.
Trade balance, cumulated	EUR mn	-3377	-3762	-4206	-214	-443	-763	-1287	-1833	-2313	-2741	-3039	-3555	-4306	-4914	-5588	.
Exports to EU (fob), cumulated	EUR mn	8211	9129	9853	797	1678	2591	3382	4251	5119	6132	6951	7873	8848	9788	10571	.
Imports from EU (cif), cumulated	EUR mn	9076	10076	11039	737	1607	2531	3494	4626	5707	6900	7735	8795	10014	11149	12223	.
Trade balance with EU, cumulated	EUR mn	-865	-948	-1186	60	71	60	-112	-375	-588	-768	-784	-922	-1166	-1361	-1652	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-1128	-1268	-1535	-15	-72	-169	-607	-1057	-1377	-1538	-1549	-1831	-2356	-2805	-3303	.
EXCHANGE RATE																	
ROL/USD, monthly average	nominal	33242	33545	33654	33448	32884	33134	33703	32502	32616	32677	33359	33799	33157	34109	33013	32572
ROL/EUR, monthly average	nominal	32629	33592	34239	35594	35443	35823	36560	37617	38063	37166	37183	37924	38807	39913	40577	41094
ROL/USD, calculated with CPI ⁵⁾	real, Jan98=100	104.7	102.9	101.4	99.9	98.2	98.5	98.9	94.7	94.4	93.5	95.5	95.0	91.8	92.9	88.9	86.7
ROL/USD, calculated with PPI ⁶⁾	real, Jan98=100	96.3	95.7	95.2	94.2	91.8	93.2	90.4	86.1	86.9	86.0	87.4	86.4	84.0	84.3	80.9	.
ROL/EUR, calculated with CPI ⁵⁾	real, Jan98=100	92.8	93.1	93.8	96.4	95.6	95.9	97.0	99.3	99.7	96.1	96.1	96.2	97.1	98.6	99.1	99.2
ROL/EUR, calculated with PPI ⁶⁾	real, Jan98=100	86.1	87.1	88.3	90.2	87.9	87.4	87.3	88.5	89.1	86.2	85.8	85.0	85.7	86.5	87.2	.
DOMESTIC FINANCE																	
M0, end of period	ROL bn	41324	41688	45578	41543	45773	45868	51575	50214	52535	54460	58503	58143	58009	57262	57978	.
M1, end of period	ROL bn	72319	72822	88305	73802	78289	79941	87820	85019	92145	93725	99970	101514	100231	99413	113260	.
M2, end of period	ROL bn	324933	334584	373713	355721	367402	369451	378595	379098	388499	390876	407396	414468	423766	425654	460751	.
M2, end of period	CMPY	37.2	36.7	38.2	36.9	37.6	34.2	32.3	30.4	29.1	28.8	29.4	30.6	30.4	27.2	23.3	.
Discount rate (p.a.) ⁶⁾ end of period	%	23.8	22.2	20.4	19.6	19.2	18.4	17.4	17.9	18.2	18.2	18.2	19.1	19.3	20.2	20.4	21.3
Discount rate (p.a.) ⁶⁽⁷⁾ end of period	real, %	0.7	-0.7	-1.4	-2.4	-3.6	-4.5	-4.6	-3.3	-2.1	-0.8	-0.3	-0.6	-0.3	-0.1	-0.2	.
BUDGET																	
Central gov.budget balance, cum.	ROL bn	-31386	-39426	-47618	1599	-2275	-7723	-7382	-10330	-16524	-12186	-10979	-11346	-11129	-17655	-29003	.

1) Enterprises with more than 50 (in food industry 20) employees.

2) Ratio of unemployed to economically active population as of December of previous year, from 2002 as of December 2001.

3) January 1994 to December 2002 calculated from USD by wiiw.

4) Cumulation starting January and ending December each year.

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

6) From 1, February 2002 reference rate of RNB.

7) Deflated with annual PPI.

R U S S I A: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003												2004
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total	real, CMPY	3.9	0.8	3.2	4.9	6.5	6.7	7.1	8.5	7.0	7.1	5.5	8.0	7.2	7.1	7.9	7.5
Industry, total	real, CCPY	4.0	3.7	3.7	4.9	5.7	6.0	6.3	7.1	6.8	6.8	6.6	6.8	6.8	6.8	7.0	7.5
Construction, total	real, CMPY	1.8	2.4	3.7	13.7	13.4	13.8	14.7	15.5	14.3	15.0	14.3	14.7	14.6	11.6	16.6	13.3
LABOUR																	
Employment total ¹⁾	th. persons	66300	65800	65200	64700	64100	64600	65000	65500	66000	66400	66700	66600	66500	66500	66400	.
Unemployment, end of period ²⁾	th. persons	5837	6153	6294	6435	6575	6324	6072	5821	5744	5747	5680	5720	5920	6170	6310	5806
Unemployment rate ²⁾	%	8.1	8.5	8.8	9.1	9.3	8.9	8.5	8.2	8.0	8.0	7.8	7.9	8.2	8.5	8.7	8.0
WAGES, SALARIES																	
Total economy, gross	RUB	4646.0	4694.0	5738.0	4696.0	4701.0	4986.0	5100.0	5221.0	5550.0	5615.0	5491.0	5556.0	5864.0	5990.0	7344.0	6022.0
Total economy, gross	real, CMPY	14.9	13.8	9.8	9.2	9.9	7.8	8.3	9.8	9.3	7.2	7.4	8.6	11.6	13.5	14.3	15.2
Total economy, gross	USD	147	148	180	148	148	159	163	169	182	185	181	182	194	211	250	209
Total economy, gross	EUR	149	147	177	139	138	147	151	146	156	162	162	162	166	180	203	166
Industry, gross	USD	176	178	207	176	181	190	200	202	214	226	230	224	231	256	284	.
PRICES																	
Consumer	PM	1.1	1.6	1.5	2.4	1.6	1.1	1.0	0.8	0.8	0.7	-0.4	0.3	1.0	1.0	1.1	1.8
Consumer	CMPY	15.0	15.2	15.1	14.3	14.8	14.8	14.6	13.6	13.9	13.9	13.3	13.2	13.1	12.4	12.0	11.3
Consumer	CCPY	16.1	16.0	16.0	14.3	14.6	14.6	14.6	14.4	14.3	14.3	14.1	14.0	13.9	13.8	13.6	11.3
Producer, in industry	PM	2.1	1.1	-0.2	0.4	1.4	1.3	1.4	-0.2	0.7	2.2	1.4	1.4	1.2	0.5	0.6	4.2
Producer, in industry	CMPY	17.0	18.0	17.5	17.5	19.5	21.2	20.2	17.1	14.3	13.9	13.5	13.8	12.8	12.1	13.0	17.3
Producer, in industry	CCPY	10.5	11.2	11.8	17.5	18.5	19.4	19.6	19.1	18.2	17.6	17.0	16.6	16.2	15.8	15.6	17.3
RETAIL TRADE																	
Turnover ³⁾	real, CMPY	9.9	9.4	9.0	7.8	8.0	8.9	8.6	10.0	8.7	7.8	6.1	7.0	7.1	7.1	8.1	.
Turnover ³⁾	real, CCPY	9.0	9.0	9.0	7.8	7.9	8.2	8.3	8.7	8.7	8.5	8.2	8.1	8.0	7.9	7.9	.
FOREIGN TRADE⁴⁾⁵⁾⁶⁾																	
Exports total, cumulated	EUR mn	93367	102602	113557	9023	18127	28823	38138	47075	56535	66524	77214	87428	98229	108251	119729	.
Imports total, cumulated	EUR mn	52277	58047	64521	4417	9224	14747	20436	25509	30694	36594	42287	48093	54113	59768	66688	.
Trade balance, cumulated	EUR mn	41090	44555	49037	4606	8903	14075	17702	21566	25841	29930	34927	39335	44115	48483	53041	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	29520	.	.	11601	.	.	20383	.	.	28711	.	.	39100	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	31.693	31.811	31.837	31.816	31.699	31.453	31.212	30.907	30.469	30.360	30.349	30.599	30.165	28.389	29.434	28.839
RUB/EUR, monthly average	nominal	31.103	31.831	32.443	33.807	34.188	33.952	33.867	35.738	35.594	34.560	33.876	34.300	35.296	33.261	36.134	36.377
RUB/USD, calculated with CPI ⁷⁾	real, Jan98=100	150.4	148.6	146.0	143.1	141.4	139.7	136.9	134.3	131.6	130.3	131.2	132.3	129.0	119.9	123.0	118.4
RUB/USD, calculated with PPI ⁷⁾	real, Jan98=100	162.4	161.1	161.2	163.5	163.4	164.2	155.7	154.4	152.5	148.4	146.6	146.3	143.4	133.7	137.8	129.6
RUB/EUR, calculated with CPI ⁷⁾	real, Jan98=100	133.2	134.1	135.1	137.6	137.5	135.6	134.2	140.5	139.0	133.9	132.0	133.7	136.3	127.3	136.8	135.3
RUB/EUR, calculated with PPI ⁷⁾	real, Jan98=100	145.1	146.3	149.7	156.1	156.3	153.6	150.3	158.3	156.4	148.6	143.9	143.7	146.1	137.2	148.1	143.1
DOMESTIC FINANCE																	
M0, end of period	RUB bn	675.8	690.5	763.3	709.0	730.9	749.5	822.4	855.6	917.1	940.9	966.3	957.1	975.8	1002.1	1147.0	.
M1, end of period	RUB bn	1313.3	1337.4	1498.1	1395.2	1440.3	1512.8	1583.5	1679.9	1821.9	1808.6	1844.4	1871.2	1850.2	1899.0	2182.0	.
M2, end of period	RUB bn	2538.6	2602.7	2842.5	2777.4	2915.4	2989.9	3052.5	3163.0	3339.8	3400.5	3449.0	3573.0	3543.1	3617.7	3962.3	.
M2, end of period	CMPY	28.6	31.1	33.9	35.1	38.5	39.9	37.9	38.2	41.7	41.5	41.1	43.2	39.6	39.0	39.4	.
Refinancing rate (p.a.), end of period	%	21.0	21.0	21.0	21.0	18.0	18.0	18.0	18.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	14.0
Refinancing rate (p.a.), end of period ⁸⁾	real, %	3.4	2.6	3.0	3.0	-1.2	-2.6	-1.9	0.8	1.5	1.9	2.2	2.0	2.9	3.5	2.7	-2.8
BUDGET																	
Central gov. budget balance, cum.	RUB bn	213.9	203.4	156.0	70.1	75.1	89.3	127.3	173.8	184.3	213.6	223.8	238.9	287.7	287.7	226.8	.

1) Based on labour force survey.

2) According to ILO methodology.

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

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, incl. estimates of non-registered imports.

6) Based on balance of payments statistics.

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

8) Deflated with annual PPI.

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003												2004
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total	real, CMPY	9.4	9.2	11.2	13.7	7.9	10.6	2.2	2.4	9.5	2.8	1.2	3.3	5.1	3.2	4.3	.
Industry, total	real, CCPY	6.0	6.3	6.7	13.7	10.7	10.7	8.5	7.2	7.6	6.9	6.2	5.8	5.8	5.5	5.4	.
Industry, total	real, 3MMA	9.5	9.9	11.3	10.9	10.7	6.8	5.0	4.7	4.9	4.6	2.5	3.3	3.9	4.2	.	.
Construction, total	real, CMPY	6.9	8.0	11.7	4.8	0.6	3.6	-0.5	0.3	3.3	5.7	9.4	14.3	8.0	6.1	11.5	.
LABOUR																	
Employment in industry	th. persons	561.4	559.8	549.3	547.8	550.3	554.1	558.2	561.1	563.8	562.4	561.7	565.1	562.0	557.0	548.7	.
Unemployment, end of period	th. persons	478.6	488.0	504.1	509.2	495.4	478.7	450.7	433.1	427.6	422.8	415.6	407.6	407.1	420.2	452.2	469.2
Unemployment rate ¹⁾	%	16.4	16.8	17.5	17.7	17.1	16.5	15.4	14.8	14.6	14.5	14.3	13.9	13.8	14.2	15.6	16.6
Labour productivity, industry	CCPY	5.9	6.1	6.5	12.7	9.5	9.2	7.5	6.5	7.0	6.2	5.5	5.2	5.2	5.0	5.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	2.9	2.6	2.2	-4.1	-2.5	-2.7	-0.3	1.6	2.5	3.6	4.3	4.9	4.6	4.5	4.2	.
WAGES, SALARIES																	
Industry, gross	SKK	14484	16558	16097	14332	13466	14223	14827	15379	16140	15289	14688	15085	15374	17412	16845	.
Industry, gross	real, CMPY	2.2	1.7	2.0	-1.3	-2.7	-3.0	0.6	-0.2	1.6	-3.4	-4.3	-0.4	-3.2	-4.2	-4.2	.
Industry, gross	USD	340	399	391	365	346	368	391	432	455	416	392	406	436	494	501	.
Industry, gross	EUR	346	399	385	344	321	340	361	374	389	366	350	363	372	423	410	.
PRICES																	
Consumer	PM	0.0	0.0	0.7	5.3	0.6	0.4	0.2	0.1	0.4	0.0	1.0	0.5	0.1	0.2	0.2	4.4
Consumer	CMPY	2.9	2.9	3.4	7.3	7.6	8.0	7.7	7.6	8.4	8.7	9.2	9.5	9.6	9.8	9.3	8.3
Consumer	CCPY	3.3	3.3	3.3	7.3	7.5	7.6	7.7	7.6	7.8	7.9	8.1	8.2	8.4	8.5	8.6	8.3
Producer, in industry ²⁾	PM	0.0	-0.3	0.1	5.4	3.1	0.3	-0.1	-0.6	0.0	0.2	-0.2	0.1	-0.1	0.4	0.0	1.3
Producer, in industry ²⁾	CMPY	2.2	2.2	2.3	7.5	8.9	9.2	8.2	7.8	8.2	8.2	8.0	8.0	7.9	8.7	8.5	4.3
Producer, in industry ²⁾	CCPY	2.0	2.0	2.0	7.5	8.2	8.5	8.5	8.3	8.3	8.3	8.3	8.2	8.2	8.2	8.3	4.3
RETAIL TRADE³⁾																	
Turnover	real, CMPY	6.2	1.7	8.5	-5.0	-3.8	-10.2	-1.9	-6.3	-9.3	-7.6	-5.7	-5.8	-5.0	-3.3	-0.7	.
Turnover	real, CCPY	5.9	5.5	5.8	-5.0	-4.4	-6.3	-5.2	-5.4	-6.1	-6.3	-6.2	-6.2	-6.1	-5.8	-5.2	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	12560	13993	15274	1310	2691	4219	5713	7380	9040	10704	12259	13983	15819	17638	19356	1486
Imports total (fob), cumulated	EUR mn	14278	15938	17521	1327	2762	4359	5996	7610	9277	11052	12593	14339	16232	18083	19925	1445
Trade balance, cumulated	EUR mn	-1718	-1945	-2248	-17	-72	-140	-284	-230	-237	-348	-334	-356	-413	-445	-569	41
Exports to EU (fob), cumulated	EUR mn	7568	8449	9249	832	1720	2716	3618	4614	5602	6571	7474	8472	9612	10730	11737	926
Imports from EU (fob), cumulated	EUR mn	7217	8054	8816	647	1350	2147	2981	3839	4710	5660	6460	7356	8335	9286	10236	733
Trade balance with EU, cumulated	EUR mn	352	395	433	185	370	569	637	775	892	912	1014	1116	1277	1445	1501	193
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-1458	-1619	-1939	-46	-137	-126	-255	-177	-197	-192	-98	-73	-15	-192	-277	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	42.6	41.5	41.1	39.3	39.0	38.7	37.9	35.6	35.5	36.7	37.5	37.1	35.3	35.2	33.6	32.3
SKK/EUR, monthly average	nominal	41.8	41.5	41.8	41.7	42.0	41.8	41.1	41.1	41.5	41.8	41.9	41.5	41.3	41.1	41.1	40.7
SKK/USD, calculated with CP ⁶⁾	real, Jan98=100	97.7	95.0	93.4	84.9	84.4	84.0	82.0	76.8	76.4	79.2	80.2	79.3	75.2	74.8	71.2	65.5
SKK/USD, calculated with PP ⁶⁾	real, Jan98=100	102.4	99.8	98.8	91.1	89.2	90.6	86.1	81.3	81.8	84.3	86.4	85.8	82.1	81.4	77.7	73.7
SKK/EUR, calculated with CP ⁶⁾	real, Jan98=100	86.4	85.8	86.0	81.5	82.0	81.6	80.2	80.2	80.7	81.2	80.8	79.9	79.4	79.1	78.9	74.9
SKK/EUR, calculated with PP ⁶⁾	real, Jan98=100	91.4	90.7	91.3	86.8	85.2	84.7	83.0	83.2	83.9	84.3	85.0	84.0	83.7	83.2	83.2	81.3
DOMESTIC FINANCE																	
M0, end of period	SKK bn	81.4	83.1	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.7
M1, end of period	SKK bn	222.8	227.0	246.1	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	261.2
M2, end of period	SKK bn	694.7	702.8	713.7	702.2	713.2	710.3	711.7	718.7	702.0	722.3	729.6	725.7	732.2	740.5	750.7	739.0
M2, end of period	CMPY	9.3	7.9	4.9	5.1	5.7	6.7	7.4	7.5	3.4	4.3	4.8	5.2	5.4	5.4	5.2	5.2
Discount rate (p.a.), end of period ⁷⁾	%	8.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00	6.00
Discount rate (p.a.), end of period ⁷⁾⁸⁾	real, %	5.7	4.3	4.1	-0.9	-2.2	-2.5	-1.6	-1.2	-1.6	-1.6	-1.4	-1.6	-1.5	-2.2	-2.3	1.7
BUDGET																	
Central gov. budget balance, cum.	SKK mn	-39930	-36488	-51642	-1688	-12985	-17810	-23786	-30580	-27619	-31190	-33104	-37675	-40396	-42779	-55973	-2658

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

2) Based on revised index schema of 2000, excluding VAT and excise taxes.

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

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

5) Cumulation starting January and ending December each year.

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

7) From January 2002 corresponding to the 2-week limit rate of NBS.

8) Deflated with annual PPI.

S L O V E N I A: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003												2004
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total	real, CMPY	1.5	0.6	2.8	-1.9	2.8	1.4	-2.4	-0.8	2.5	-0.8	-2.6	3.4	3.8	4.9	6.1	.
Industry, total	real, CCPY	2.6	2.4	2.4	-1.9	0.4	0.8	-0.1	-0.2	0.2	0.1	-0.2	0.2	0.6	1.0	1.4	.
Industry, total	real, 3MMA	2.9	1.5	0.4	1.1	0.7	0.5	-0.6	-0.3	0.2	-0.2	0.2	1.9	4.0	4.9	.	.
Construction, total ¹⁾	real, CMPY	-3.6	-0.1	2.2	-8.3	-10.0	-4.7	-1.4	-1.1	4.1	3.6	0.9	1.7	-3.8	-6.2	.	.
LABOUR																	
Employment total	th. persons	785.1	785.2	781.9	776.0	776.8	778.5	778.3	779.3	780.4	774.8	774.0	776.5	778.5	779.1	774.7	.
Employees in industry	th. persons	245.9	245.8	244.0	243.3	243.1	243.4	242.7	242.4	242.5	241.4	241.0	241.3	242.0	242.3	.	.
Unemployment, end of period	th. persons	104.5	101.7	99.6	101.6	100.6	98.8	97.1	95.3	94.4	96.9	98.2	98.2	98.9	96.2	96.0	.
Unemployment rate ²⁾	%	11.7	11.5	11.3	11.6	11.5	11.3	11.1	10.9	10.8	11.1	11.3	11.2	11.3	11.0	11.0	.
Labour productivity, industry	CCPY	5.9	5.6	5.6	0.3	2.6	3.1	2.2	2.2	2.6	2.5	2.2	2.6	3.0	3.3	3.7	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-0.9	-0.7	-0.1	4.4	1.6	0.7	1.7	1.7	1.5	1.6	1.8	1.5	1.2	0.9	.	.
WAGES, SALARIES																	
Total economy, gross	th. SIT	239.9	252.9	262.1	247.1	241.5	243.7	246.9	249.3	248.2	250.9	251.5	253.8	257.2	270.3	277.6	.
Total economy, gross	real, CMPY	2.1	0.9	4.4	2.4	1.9	1.1	2.5	2.3	2.1	2.1	1.0	2.4	2.3	1.7	1.3	.
Total economy, gross	USD	1029	1103	1159	1136	1126	1134	1151	1236	1242	1219	1194	1208	1278	1340	1438	.
Total economy, gross	EUR	1049	1103	1140	1071	1044	1051	1063	1070	1063	1072	1071	1080	1092	1145	1174	.
Industry, gross	USD	890	966	1006	970	947	964	983	1056	1051	1046	1023	1042	1112	1175	.	.
PRICES																	
Consumer	PM	0.5	0.0	0.6	1.0	0.5	0.7	0.5	0.5	0.3	0.5	-0.4	0.3	0.3	0.3	0.1	0.4
Consumer	CMPY	7.2	6.7	7.2	6.6	6.2	6.3	5.3	5.5	6.0	6.0	5.5	5.0	4.8	5.1	4.6	4.0
Consumer	CCPY	7.6	7.5	7.5	6.6	6.4	6.3	6.1	5.9	6.0	6.0	5.9	5.8	5.7	5.6	5.5	4.0
Producer, in industry	PM	0.3	0.3	0.6	0.2	-0.2	0.1	0.3	0.5	0.1	0.0	0.0	0.2	0.2	0.2	0.6	0.4
Producer, in industry	CMPY	4.2	4.1	3.7	3.6	2.8	2.5	2.4	2.8	2.7	2.5	2.3	2.5	2.3	2.1	2.1	2.3
Producer, in industry	CCPY	5.4	5.3	5.1	3.6	3.2	3.0	2.8	2.8	2.8	2.8	2.7	2.7	2.6	2.6	2.5	2.3
RETAIL TRADE³⁾																	
Turnover	real, CMPY	5.6	3.9	6.7	4.5	8.9	0.9	7.2	6.5	6.2	4.1	0.8	7.4	5.1	-0.5	.	.
Turnover	real, CCPY	4.6	4.6	4.8	4.5	6.7	4.5	5.2	5.5	5.6	5.4	4.8	5.1	5.1	4.6	.	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	9217	10153	10966	848	1753	2742	3723	4648	5592	6597	7298	8363	9452	10418	11275	.
Imports total (cif), cumulated	EUR mn	9576	10608	11581	869	1897	2992	4028	5086	6077	7130	7920	9007	10125	11193	12239	.
Trade balance total, cumulated	EUR mn	-359	-454	-614	-21	-144	-250	-305	-439	-484	-533	-622	-643	-673	-775	-964	.
Exports to EU (fob), cumulated	EUR mn	5518	6072	6509	557	1106	1702	2281	2835	3381	3947	4306	4920	5545	6109	6575	.
Imports from EU (cif), cumulated	EUR mn	6543	7225	7871	572	1253	1998	2698	3414	4092	4825	5329	6048	6807	7529	8227	.
Trade balance with EU, cumulated	EUR mn	-1026	-1154	-1362	-15	-147	-297	-417	-579	-711	-878	-1023	-1128	-1262	-1420	-1652	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	402	430	314	95	61	-25	-8	-84	-57	-29	-27	72	155	125	15	.
EXCHANGE RATE																	
SIT/USD, monthly average	nominal	233.2	229.2	226.2	217.5	214.5	214.8	214.4	201.7	199.8	205.8	210.7	210.1	201.2	201.7	193.0	187.8
SIT/EUR, monthly average	nominal	228.7	229.3	230.0	230.7	231.3	231.9	232.4	233.0	233.5	234.1	234.7	235.0	235.5	236.0	236.5	237.0
SIT/USD, calculated with CP ⁶⁾	real, Jan98=100	107.8	106.0	103.7	99.1	98.1	98.1	97.2	90.8	89.9	92.2	95.1	94.8	90.4	90.2	86.2	83.6
SIT/USD, calculated with PPP ⁶⁾	real, Jan98=100	113.1	110.7	108.4	106.0	106.5	109.3	105.4	98.6	98.4	101.2	103.8	103.7	99.7	99.4	94.5	91.6
SIT/EUR, calculated with CP ⁶⁾	real, Jan98=100	95.5	95.8	95.7	95.2	95.3	95.3	95.2	95.0	95.0	94.7	95.5	95.6	95.6	95.6	95.7	95.6
SIT/EUR, calculated with PPP ⁶⁾	real, Jan98=100	100.9	100.5	100.4	101.0	101.9	102.3	101.7	101.0	101.0	101.3	101.8	101.7	101.7	101.8	101.4	101.2
DOMESTIC FINANCE																	
M0, end of period	SIT bn	141.4	140.6	143.1	137.8	139.2	142.0	147.2	150.2	153.3	147.3	152.7	151.2	154.6	.	.	.
M1, end of period ⁷⁾	SIT bn	665.7	713.3	720.1	681.2	694.5	706.1	711.7	719.7	774.6	755.3	753.6	769.0	759.4	768.8	796.7	782.5
Broad money, end of period ⁷⁾	SIT bn	3396.0	3564.0	3600.7	3563.0	3583.0	3578.9	3598.6	3623.2	3679.2	3717.4	3716.0	3720.7	3762.3	3777.7	3777.9	3784.7
Broad money, end of period ⁷⁾	CMPY	22.0	24.1	18.4	15.9	15.5	13.8	13.1	13.1	15.5	15.0	14.3	9.8	10.8	6.0	4.9	6.2
Discount rate (p.a.), end of period ⁸⁾	%	7.75	7.75	7.25	7.25	7.25	6.50	6.50	6.50	5.50	5.50	5.50	5.50	5.25	5.00	5.00	4.75
Discount rate (p.a.), end of period ⁸⁾	real, %	3.4	3.5	3.4	3.5	4.3	3.9	4.0	3.6	2.7	2.9	3.1	2.9	2.9	2.8	2.8	2.4
BUDGET																	
General gov.budget balance, cum.	SIT bn	-158.8	-171.8	-156.0	3.9	-21.2	-30.1	-11.3	-27.6	-56.3	-51.7	-64.5	-49.4	-46.3	-72.6	.	.

1) Effective working hours. Enterprises with 10 or more persons employed.

2) Ratio of unemployed to the economically active.

3) According to NACE (52 - retail trade, 50 - repair of motor vehicles), excluding turnover tax.

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

5) Cumulation starting January and ending December each year.

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

7) According to ECB monetary standards..

8) From October 2001 main refinancing rate.

9) Deflated with annual PPI.

U K R A I N E: Selected monthly data on the economic situation 2002 to 2004

(updated end of Feb 2004)

		2002			2003									2004			
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Industry, total	real, CCPY	6.0	6.3	7.0	11.6	10.8	10.7	11.4	11.7	12.4	13.8	14.6	15.2	15.7	15.5	15.8	16.1
Industry, total ¹⁾	real, 3MMA	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
LABOUR																	
Unemployment, end of period	th. persons	980.0	999.4	1034.2	1061.0	1100.9	1109.4	1107.3	1057.8	1012.7	996.1	982.8	961.8	938.6	949.9	988.9	1003.6
Unemployment rate ²⁾	%	3.6	3.6	3.8	3.9	4.0	4.0	4.0	3.9	3.7	3.6	3.6	3.5	3.4	3.5	3.6	3.7
WAGES, SALARIES¹⁾																	
Total economy, gross	UAH	397.5	395.7	442.9	400.6	391.2	415.5	422.6	439.3	476.2	489.5	479.2	498.3	498.3	489.5	551.0	.
Total economy, gross	real, CMPY	19.1	18.8	17.7	25.0	16.2	12.3	14.7	17.8	19.1	14.5	16.1	19.9	17.3	14.4	14.9	.
Total economy, gross	USD	75	74	83	75	73	78	79	82	89	92	90	93	93	92	103	.
Total economy, gross	EUR	76	74	82	71	68	72	73	72	76	81	81	83	80	78	84	.
Industry, gross	USD	97	95	104	99	96	103	105	108	.	.	.	.	.	.	.	.
PRICES																	
Consumer	PM	0.7	0.7	1.4	1.5	1.1	1.1	0.7	0.0	0.1	-0.1	-1.7	0.6	1.3	1.9	1.5	1.4
Consumer	CMPY	-0.6	-0.4	-0.6	-0.1	2.5	4.3	3.6	3.9	5.9	7.4	5.8	6.2	6.9	8.1	8.2	8.1
Consumer	CCPY	1.0	0.9	0.8	-0.1	1.2	2.2	2.6	2.8	3.3	3.9	4.1	4.4	4.6	4.9	5.2	8.1
Producer, in industry	PM	0.2	0.2	0.0	0.5	0.7	2.1	0.3	0.3	0.0	1.0	1.0	0.9	0.7	1.5	1.7	1.6
Producer, in industry	CMPY	5.8	5.3	5.8	6.8	6.8	9.9	8.9	7.6	5.3	5.3	6.8	7.4	8.0	9.4	11.2	12.4
Producer, in industry	CCPY	2.6	2.8	3.1	6.8	6.8	7.8	8.1	8.0	7.5	7.2	7.1	7.2	7.3	7.5	7.8	12.4
RETAIL TRADE																	
Turnover ³⁾	real, CCPY	14.9	14.7	14.8	11.6	12.6	12.4	11.9	13.8	15.1	16.8	17.1	18.1	19.1	18.9	19.4	19.9
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	15552	17206	19004	1402	2899	4607	6345	7809	9330	11143	12877	14692	16585	18430	20408	.
Imports total (cif), cumulated	EUR mn	14632	16098	17967	1265	2633	4225	5967	7392	8928	10732	12513	14354	16311	18131	20356	.
Trade balance, cumulated	EUR mn	920	1108	1037	137	266	383	378	417	402	411	364	338	274	299	52	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	3173	.	.	1082	.	.	1815	.	.	2489	.	.	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.330	5.330	5.332	5.333	5.334	5.334	5.334	5.333	5.333	5.332	5.332	5.332	5.332	5.332	5.332	5.331
UAH/EUR, monthly average	nominal	5.228	5.338	5.422	5.645	5.752	5.758	5.786	6.125	6.225	6.066	5.951	5.968	6.238	6.239	6.541	6.725
UAH/USD, calculated with CPI ⁶⁾	real, Jan98=100	171.0	169.9	167.1	165.3	164.8	164.0	162.6	162.2	162.4	162.7	166.0	165.5	163.2	159.8	157.5	155.3
UAH/USD, calculated with PPI ⁶⁾	real, Jan98=100	148.8	148.3	148.1	150.2	151.7	152.4	147.3	146.7	148.0	146.2	145.0	144.3	144.2	141.5	139.1	136.9
UAH/EUR, calculated with CPI ⁶⁾	real, Jan98=100	151.1	153.2	154.0	158.1	160.0	159.0	159.0	168.3	171.1	166.7	166.7	166.7	172.2	169.1	174.7	177.2
UAH/EUR, calculated with PPI ⁶⁾	real, Jan98=100	132.6	134.6	137.0	142.6	144.9	142.3	141.8	149.1	151.4	146.1	142.2	141.3	146.7	144.7	149.1	150.9
DOMESTIC FINANCE																	
M0, end of period	UAH mn	23713	24064	26434	24707	25503	26002	27650	27879	29375	30080	31072	30862	31549	31318	33119	31501
M1, end of period	UAH mn	36373	36514	40244	37877	38974	41615	42743	43447	46815	47276	48315	50293	49341	49467	53129	49792
Broad money, end of period	UAH mn	58697	59575	64532	62853	64945	69731	72509	73977	79034	80786	83048	86495	86856	88295	95043	92643
Broad money, end of period	CMPY	44.0	43.5	41.7	44.1	44.2	47.3	49.8	51.6	54.4	49.8	47.5	49.8	48.0	48.2	47.3	47.4
Refinancing rate (p.a.) ^{end of period}	%	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Refinancing rate (p.a.) ^{end of period} ⁷⁾	real, %	2.1	2.6	1.1	0.2	0.2	-2.6	-1.8	-0.6	1.6	1.6	0.2	-0.4	-0.9	-2.2	-3.8	-4.8
BUDGET																	
General gov. budget balance, cum.	UAH mn	3284.8	3828.3	1635.4	1451.1	2194.3	1871.3	2348.1	3375.2	2500.9	2889.3	4028.2	3991.5	3636.2	4111.6	-489.9	.

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

7) Deflated with annual PPI.

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INDEX OF SUBJECTS – March 2003 to March 2004

Bulgaria	<i>economic situation</i>	2003/11
Croatia	<i>economic situation</i>	2003/11
Czech Republic	<i>economic situation</i>	2003/10
	income inequality	2003/10
Hungary	<i>economic situation</i>	2003/10
	exchange rate	2004/1
Macedonia	<i>economic situation</i>	2003/11
Poland	<i>economic situation</i>	2003/10
	exchange rate	2003/8-9
	labour productivity	2003/5
	macro policy	2003/3
	monetary policy	2003/6
Moldova	economic and political situation	2004/3
Romania	<i>economic situation</i>	2003/11
Russia	<i>economic situation</i>	2003/10
Serbia & Montenegro	<i>economic situation</i>	2003/11
	political situation	2003/4
Slovakia	<i>economic situation</i>	2003/10
	flat tax	2004/1
Slovenia	<i>economic situation</i>	2003/10
	fiscal implications of EU accession	2003/12
	monetary policy	2003/6
Ukraine	<i>economic situation</i>	2003/11
Region Eastern Europe and CIS (multi-country articles and statistical overviews)	agriculture	2004/2
	Balkans, shadow economy	2003/8-9
	Balkans and Iraq	2003/3
	Common Economic Space	2004/1
	demand for food	2004/3
	economic policy (Washington Consensus)	2003/12
	ERM II, EMU	2004/3 2003/6
	EU enlargement	2003/12 2003/4
	EU transfers	2003/5
	exchange rate	2004/2
	impact of Iraq conflict	2003/3
	manufacturing	2004/2
	regional growth	2003/5
	structural change	2003/3
	trade	2003/8-9 2003/7
	weak dollar	2003/7

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