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The Czech Republic: high growth likely to slow down

BY LEON PODKAMINER

The Czech economy has been performing quite impressively since the beginning of 2005. The growth registered in the second quarter of 2006 (6.2%) could be seen as a natural follow-up of developments in the two previous quarters, when GDP grew by about 7%. However, the sources of growth seem to have changed quite radically recently. In the first quarter of 2006 (just as throughout 2005 and the second half of 2004) foreign trade was a very important source of overall growth. In 2005 exports of goods and services (national account category) rose 10.6% in real

terms and imports by only 4.9%. In effect foreign trade contributed a massive 4 percentage points to overall growth (6.1%) in 2005. The impact of foreign trade was still significant in the first quarter of 2006. With exports rising 17.6% and imports 15.5%, foreign trade contributed 2 p.p. to the GDP growth rate of 7.1%. But in the second quarter of this year both exports and imports rose by 10.2% only. Thus foreign trade contributed a mere 0.2 p.p. to overall GDP growth.

Arguably, growth in 2005 was unbalanced, with a too heavy reliance on foreign trade and a too low role played by domestic demand – consumption and fixed investment. But the current change is not necessarily an improvement. Consumption (private and public combined) rose a mere 1.6% in the second quarter of 2006 (down from 2.8% in the first

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quarter).¹ The contribution of consumption to GDP growth actually declined, from 2 percentage points to 1.1 p.p. correspondingly. Consumption has become even less important as a source of growth than in the whole year 2005 (when its contribution was 1.3 p.p.). As growth of gross fixed investment slowed down in the second quarter of 2006 (to 5.3%), its contribution to GDP growth also diminished. All in all, consumption, gross fixed capital formation, and foreign trade have been jointly responsible for as much as 2.7 p.p. of the most recent quarterly GDP growth rate of 6.2%. The rest is attributed to the fast expanding inventories. Of course, while accumulating inventories need not augur a slowdown of growth of sales and production, sometimes they may – especially when that accumulation is fast and disproportionately large.² In the light of data on rising inventories, one may have doubts about the sustainability of the current expansion of industrial production (with a reported real growth rate of 11.9% in the first half of 2006) – and the meaning of the reported 18.6% rise in the industry's gross value added. But, on the other hand, the reported data on strongly rising employment and average wages (also in industry) would indicate that the current build-up of inventories is more or less 'normal'. In any case it does not seem to be alarming the analysts.

In the coming months private consumption is likely to rise strongly, not only on account of rising wages and employment, but also because of low interest rates and a fast expansion of household credit. Essentially, also business investment may be expected to speed up. With robust productivity growth and falling unit labour costs (in industry by 3.7% in the first half of 2006), the corporate sector's

profitability has been improving strongly. Other factors should also support high investment: the estimated capacity utilization is high (in excess of 86%) and credit is cheap and available.

A part of the recent deterioration in the performance of foreign (merchandise) trade can be ascribed to the terms-of-trade developments. The index of import prices rose by over 2% in the first half of 2006 and the index of export prices fell by close to 2%. While the rise in import prices can be easily attributed to higher prices of energy and other raw materials, the falling prices of Czech exports may reflect some slowdown (or even reversal) of the process of structural change / qualitative improvements.³ The unfavourable terms-of-trade developments notwithstanding, foreign trade is expected to generate surpluses in both 2006 and 2007. Czech exports will remain price-competitive (on account of low unit labour costs). But the trade surpluses are likely to diminish in size, especially if domestic consumption and fixed investment start growing more vigorously. In any case, the country's net income from foreign trade in goods and services will be insufficient to cover transfers of income earned by foreign investors. The current account will remain negative (though relatively moderate in size) for many years to come.

The political situation remains unstable: the designated prime minister and his minority government have lost the parliamentary confidence vote in early October. Unless a great coalition of conservatives and social democrats is formed (possibly led by new leaders), one may count on new elections sometime in the first half of 2007.

¹ The anaemic performance of final consumption was due to the strong contraction of government consumption, which offset the effects of rising household consumption.

² It is reasonable to expect the inventories moving more or less in parallel to GDP. The GDP contributions of the changes in inventories, positive as well as negative, should therefore be reasonably small. This is the case in mature economies (e.g. in the Eurozone where that contribution has ranged between -0.4 and +0.4 p.p. in recent years). In 2005 the contribution of the changes in inventories was also small (-0.2 p.p.) in the Czech Republic. But already in the first quarter of 2006 that contribution rose to +1.5 p.p.

³ Over the years 2001-2004 the Czech terms-of-trade were improving by 1.6% per year. However, these improvements were due to falling prices of imports rather than to higher prices of exports. The terms of trade worsened already in 2005, by 1.7%, with export prices falling by over 2%. It may be worth adding that the dynamics of export prices has not been – at least recently – affected by the changes in the exchange rates. The real effective exchange rate, deflated with industrial producer prices, depreciated by a mere 0.3% in the first half of 2006. In nominal terms the Czech koruna even appreciated, by 3.7%, against the euro. (*Ceteris paribus*, this would have implied a rise in prices of exports to the euro area.)

Table CZ

Czech Republic: Selected Economic Indicators

	2001	2002	2003	2004	2005 ¹⁾	2005 January-June	2006	2006 forecast	2007
Population, th pers., mid-year	10224.2	10200.8	10201.7	10206.9	10231.7	.	.	10200	10200
Gross domestic product, CZK bn, nom. ²⁾	2352.2	2464.4	2577.1	2781.1	2978.2	1449.1	1562.1	3250	3510
annual change in % (real) ²⁾	2.5	1.9	3.6	4.2	6.1	5.7	6.6	6.0	5
GDP/capita (EUR at exchange rate) ²⁾	6750	7841	7933	8540	9773	.	.	.	.
GDP/capita (EUR at PPP - wiiw) ²⁾	13730	14580	14860	16000	17360	.	.	.	.
Gross industrial production									
annual change in % (real) ³⁾	6.7	1.9	5.5	9.6	6.7	5.3	12.0	10	8
Gross agricultural production									
annual change in % (real)	2.5	-4.4	-7.6	14.9	-4.8	.	.	.	.
Construction industry									
annual change in % (real)	9.6	2.5	8.9	9.7	4.2	-1.1	4.3	.	.
Consumption of households, CZK bn, nom. ²⁾	1206.9	1248.1	1317.4	1391.1	1449.0	693.0	738.9	.	.
annual change in % (real) ²⁾	2.3	2.2	6.0	2.5	2.4	2.2	3.8	3.8	4
Gross fixed capital form., CZK bn, nom. ²⁾	659.3	677.8	687.5	729.3	758.7	368.2	394.2	.	.
annual change in % (real) ²⁾	6.6	5.1	0.4	4.7	3.6	3.1	6.0	7	5
LFS - employed persons, th, avg. ⁴⁾	4750.2	4764.9	4733.2	4706.6	4764.0	4727.6	4805.6	.	.
annual change in %	0.4	0.3	-0.7	-0.6	1.2	0.8	1.6	.	.
LFS - employed pers. in industry, th, avg. ⁴⁾	1470.6	1463.1	1424.7	1409.0	1422.0	1406.2	1485.3	.	.
annual change in %	2.9	-0.1	-2.6	-1.1	0.9	0.0	5.6	.	.
LFS - unemployed, th pers., average	421.0	374.1	399.1	425.9	410.2	415.6	390.4	.	.
LFS - unemployment rate in %, average ⁴⁾	8.1	7.3	7.8	8.3	7.9	8.1	7.6	7.5	7.5
Reg. unemployment rate in %, end of period	8.9	9.8	10.3	9.5	8.9	8.6	7.7	7.5	7.5
Average gross monthly wages, CZK ⁵⁾	14793	15866	16917	18041	19024	18215	19484	.	.
annual change in % (real, gross)	3.8	5.4	6.5	3.7	3.4	3.8	4.0	.	.
Consumer prices, % p.a.	4.7	1.8	0.1	2.8	1.9	1.6	2.9	2.8	2.8
Producer prices in industry, % p.a.	2.8	-0.5	-0.4	5.7	3.0	5.5	0.8	1.2	2
General governm.budget, EU-def., % GDP ⁶⁾									
Revenues	38.7	39.9	40.7	41.4	41.1	.	.	40.8	40.4
Expenditures	44.5	46.7	47.3	44.3	43.7	.	.	44.1	43.9
Deficit (-) / surplus (+)	-5.9	-6.8	-6.6	-2.9	-2.6	.	.	-3.2	-3.4
Public debt, EU-def., in % of GDP ⁶⁾	25.3	28.8	30.0	30.6	30.5	.	.	31.5	32.4
Discount rate, % p.a., end of period	3.8	1.8	1.0	1.5	1.0	0.8	1.0	.	.
Current account, EUR mn	-3652	-4426	-5044	-5245	-2071	-349	-1678	-3400	-3700
Current account in % of GDP	-5.3	-5.5	-6.2	-6.0	-2.1	-0.7	-3.1	-3.0	-3.0
Gross reserves of NB incl. gold, EUR mn	16400	22614	21340	20884	25054	24859	23921	.	.
Gross external debt, EUR mn	25368	25738	27624	33212	38818	35746	39488	.	.
FDI inflow, EUR mn	6296	9012	1863	4007	8837	5615	2194	.	.
FDI outflow, EUR mn	185	219	183	817	688	74	703	.	.
Exports of goods, BOP, EUR mn	37251	40711	43051	53995	62961	30427	36413	72000	79000
annual growth rate in %	18.3	9.3	5.7	25.4	16.6	18.0	19.7	15	10
Imports of goods, BOP, EUR mn	40675	43026	45243	54824	61606	29073	35108	71000	78000
annual growth rate in %	16.6	5.8	5.2	21.2	12.4	11.8	20.8	16	10
Exports of services, BOP, EUR mn	7913	7501	6882	7790	8662	4181	4245	8900	.
annual growth rate in %	6.4	-5.2	-8.3	13.2	11.2	15.8	1.6	3	.
Imports of services, BOP, EUR mn	6211	6792	6466	7397	8011	3827	4094	8800	.
annual growth rate in %	5.2	9.4	-4.8	14.4	8.3	13.8	7.0	10	.
Average exchange rate CZK/USD	38.04	32.74	28.23	25.70	23.95	23.42	23.20	23.7	23.4
Average exchange rate CZK/EUR (ECU)	34.08	30.81	31.84	31.90	29.78	30.07	28.49	28.4	28.0
Purchasing power parity CZK/USD	14.60	14.27	14.50	14.55	14.20	.	.	.	.
Purchasing power parity CZK/EUR	16.76	16.58	16.99	17.03	16.77	.	.	.	.

Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). - 3) According to new calculation. -

4) From 2002 weighted according to census 2001. - 5) Enterprises with more than 20 employees, including part of the Ministry of Defence and the Ministry of the Interior. - 6) According to ESA'95, excessive deficit procedure.

Source: wiiw Database incorporating national statistics; Eurostat; wiiw forecasts and European Commission (Spring 2006).

Hungary: convergence programme revised

BY SÁNDOR RICHTER

On 1 September 2006 Hungary submitted its revised convergence programme to the EU Commission. The revised programme substantially raises the planned fiscal deficit in 2006. Moreover, meeting the 3% deficit/GDP mark is not envisioned before 2009. It is no surprise that the document does not mention the introduction of the euro.

After years of systematic underestimation of planned deficits, the government seems to have decided to reveal the truth. The programme now reports on items that were previously not accounted for (such as spending on highway construction, financing of the reformed pension system). One-off items (e.g. related to the 2006 spring floods, the write-off of the Iraq debt etc.) are accounted for as well. The huge losses made by the railways and the Budapest transport company are acknowledged and the cost of their consolidation will appear in the budgets 2007 and 2008. Higher than originally planned deficits appear in the balance of municipalities, and substantial overruns are registered in the expenditures on pensions, pharmaceutical subsidies and health. Finally, due to increasing yields on the treasury debt and a weaker forint, interest payments are higher than originally expected. All in all, the fiscal deficit will reach 10% of the GDP and public debt will reach the 68.5% mark in 2006 (Table 1).

The programme envisages a fall in private consumption in 2007, followed by a marginal expansion in 2008. Government consumption will decline by more than 5% over 2007-2008. Gross fixed capital formation growth remains positive but its rate will be more than halved. Growth is assumed to be driven by foreign trade, with net exports contributing to GDP growth 2.4 percentage points (p.p.) in 2007 and 2.1 p.p. in 2008. The balance of goods and services is expected to turn into a modest surplus by 2007 and a more robust surplus in the following years (2.9% of GDP in 2009).

Rising tax revenues and the cuts in spending are to produce a steep decline of the deficit. The deficit/GDP ratio is to fall from over 10.1% in 2006 to slightly above 3% in 2009. The turnaround in the fiscal stance will be carried by an improvement of the primary balance, with the burden of interest payments remaining roughly constant.

Actual growth in 2007-2008 is likely to be faster than projected in the convergence programme (2.2% in 2007 and 2.6% in 2008). The National Bank of Hungary, all Hungarian research institutes and also wiiv reckon with somewhat more dynamic growth in 2007-2008 than that. In our judgement, private consumption and investment will be slightly stronger than assumed by the government. The government seems to be too cautious in its fiscal and other projections. It may fear a further loss of confidence, should its targets be missed once more.

Otherwise, the revised programme is not risk-free. The tax hikes it stipulates (4% solidarity tax levied on pre-tax profit, 25% rate for the simplified business tax for small enterprises instead the current 15%, etc.) may affect the business sector negatively (and also raise the incidence of tax evasion). Expenditure cuts are to a large extent dependent on yet to be drafted fundamental reforms in health care, education and local government financing. Though these reforms are in the stage of preparation, the severe interest conflicts involved and the heated political climate in which they have been discussed hint at possible postponements, problems of implementation or half-hearted compromises.

There are also some uncertainties as to inflation. The increased VAT rate (from 15% to 20%) and the weakened forint/euro exchange rate (274-277 in the first two weeks of September 2006 against 244-246 in the respective period a year earlier) coupled with price rises due to cuts of subsidies for public transport and pharmaceutical products will create some inflationary pressure. It is an open question whether the fierce competition in the liberalized Hungarian market and the hardly growing domestic demand will allow for price hikes compensating higher costs. The government

Table 1

Highlights of the updated Hungarian convergence programme

	2004	2005	2006	2007	2008	2009
GDP growth (in real terms, in %)	5.2	4.1	4.1	2.2	2.6	4.1
Growth (+) or decline (-) in components of the GDP (in %)						
Private consumption	3.6	1.7	3	-0.7	0.6	1.5
Government consumption	2.1	-0.4	1.7	-1.8	-3.8	1.4
Gross fixed capital formation	8	6.6	6.6	2.1	3.7	7
Changes in inventories and net acq. of valuables	-0.6	-2.3	-3.9	-3.8	-3.8	-3.6
Export of goods and services	15.8	10.8	12	10.9	9.9	9.4
Imports of goods and services	13.5	6.5	9.5	8.5	8	8.8
Consumer price inflation (in %)	3.7	6.2	3.7	6.2	3.3	3
General government, selected items (as percentage of GDP)						
Total revenues	43	43.1	42.4	44.2	44.8	45.4
Total expenditure	49.6	50.6	52.5	51	49.1	48.6
Net lending/borrowing	-6.6	-7.5	-10.1	-6.8	-4.3	-3.2
Interest expenditure	4.4	4.1	3.8	4.4	4.1	4
Primary balance	-2.2	-3.4	-6.3	-2.4	-0.2	-0.8
Gross public debt	60.2	62.3	68.5	71.3	72.3	70.4

Source: Convergence Programme of Hungary 2005-2009, September 2006.

reckons with a temporary jump in inflation from 3.7% in 2006 to 6.2% in 2007; the central bank is slightly more pessimistic (7%). wiiv expects a moderating effect of competition and forecasts 5.5-6% consumer price rises for 2007. The increased inflationary pressures will be transitory; the low inflation targets set in the programme for 2008 and 2009 seem to be feasible.

It is evident from the new convergence programme that Hungary will not be in a position to adopt the euro before 2011; realistically, the date may be even one or two years later.

The recent and partly violent mass demonstrations triggered by a secretly recorded speech that Prime Minister Ferenc Gyurcsány had held in the circle of socialist party representatives after the spring elections and in which he acknowledged that he had been lying about the true extent of the fiscal problems, have created uncertainty. The biggest opposition party, FIDESZ, attained a substantial victory in the municipal elections on 1 October and regards these results as a referendum about the prime minister, whom they want to resign, and about the stabilization package, which they demand to be withdrawn. Though mass

demonstrations will likely resume in October, the most likely scenario is that Mr. Gyurcsány will be muddling through. In an alternative scenario the socialist-liberal coalition may opt for a new prime minister, implementing the same programme. FIDESZ also proposed a politically neutral expert government without a clear programme for the ways of treating the fiscal problems. Should FIDESZ come to power with Viktor Orban as prime minister – in case of new elections, which are not very likely, but still possible – it would be their turn to address the crisis. The FIDESZ programme, as presented before the 2006 spring elections and communicated ever since, is a supply-side economics type package: a radical reduction of tax rates is supposed to generate more growth and, indirectly, more budget revenues. It also excludes any adjustment of heavily subsidized prices to the changed realities. In case Prime Minister Gyurcsány should have to leave, any new government could not afford to pursue a policy different from what has been promised before the elections. The implementation of a radical tax reduction and the continuation of irresponsible government spending would most likely create a deep financial crisis.

Table HU

Hungary: Selected Economic Indicators

	2001	2002	2003	2004	2005 ¹⁾	2005 January-June	2006	2006 forecast	2007
Population, th pers., end of period	10174.9	10142.4	10116.7	10097.5	10076.6	10084	10070	10060	10040
Gross domestic product, HUF bn, nom. ²⁾	14989.8	16915.3	18650.7	20429.5	21802.6	10308.1	10815.1	23500	25600
annual change in % (real) ²⁾	4.3	3.8	3.4	5.2	4.1	3.8	4.2	4.0	2.7
GDP/capita (EUR at exchange rate) ²⁾	5732	6853	7263	8031	8714	.	.	.	.
GDP/capita (EUR at PPP - wiiw) ²⁾	11640	12510	12890	13630	14260	.	.	.	.
Gross industrial production									
annual change in % (real)	3.6	2.8	6.4	7.4	7.3	5.8	10.0	9	8
Gross agricultural production									
annual change in % (real)	15.8	-4.1	-4.5	22.8	-11.3	.	.	.	.
Construction industry									
annual change in % (real)	7.7	17.5	2.2	6.8	16.6	13.2	-1.7	.	.
Consumption of households, HUF bn, nom. ²⁾	7816.9	8904.2	10066.3	10814.6	11676.7	5575.6	5876.8	.	.
annual change in % (real) ²⁾	6.1	11.0	8.4	3.6	1.7	1.3	2.6	2	-0.3
Gross fixed capital form., HUF bn, nom. ²⁾	3499.7	3941.5	4156.0	4631.2	5057.0	1961.09	2079.4	.	.
annual change in % (real) ²⁾	6.0	10.2	2.9	8.0	6.6	8.3	1.9	6.5	3
LFS - employed persons, th, avg.	3868.3	3870.6	3921.9	3900.4	3901.5	3881.1	3909.6	.	.
annual change in %	0.3	0.1	1.3	-0.5	0.0	-0.3	7.3	.	.
Reg. employees in industry, th pers., avg. ³⁾	833.9	817.9	801.8	785.4	762.7	767.0	751.0	.	.
annual change in %	-1.3	-1.9	-2.0	-2.0	-2.9	-2.8	-2.1	.	.
LFS - unemployed, th pers., average	234.1	238.8	244.5	252.9	303.9	298.5	314.6	.	.
LFS - unemployment rate in %, average	5.7	5.8	5.9	6.1	7.2	7.1	7.4	7.7	7.9
Reg. unemployment rate in %, end of period	8.0	8.0	8.3	9.1	9.4	8.9	8.2	.	.
Average gross monthly wages, HUF ³⁾	103553	122482	137193	145521	158315	156938	168235	.	.
annual change in % (real, net)	6.4	13.6	9.2	-1.0	6.2	7.6	5.3	.	.
Consumer prices, % p.a.	9.2	5.3	4.7	6.8	3.6	3.7	2.6	3.5	6
Producer prices in industry, % p.a.	5.2	-1.8	2.4	3.5	4.3	4.6	5.5	.	.
General governm.budget, EU-def., % GDP ⁴⁾									
Revenues	44.7	43.7	43.4	43.0	43.1	.	.	.	.
Expenditures	48.2	52.0	49.8	49.6	50.6	.	.	.	.
Deficit (-) / surplus (+) ⁴⁾	-3.5	-8.4	-6.4	-6.6	-7.5	.	.	-10	-6.5
Public debt, EU-def., in % of GDP ⁴⁾⁵⁾	52.2	55.0	56.7	60.2	62.3	.	.	.	.
Refinancing rate, % p.a., end of period	9.8	8.5	12.5	9.5	6.0	7.0	6.3	.	.
Current account, EUR mn	-3576.5	-4929.2	-5933.0	-6915.5	-6002.3	-2787.4	-3005.9	-5900	-5100
Current account in % of GDP	-6.1	-7.1	-8.1	-8.5	-6.8	-6.7	-6.7	-6.7	-5.3
Reserves total, excl. gold, EUR mn	12163.7	9887.4	10108.3	11670.9	15678.4	14145.0	16575.8	.	.
Gross external debt, EUR mn	37387.0	38559.3	46041.1	55150.1	66297.6	63166.2	73616.5	.	.
FDI inflow, EUR mn	4390.7	3185.1	1887.5	3633.3	5558.9	2422.8	2496.5	4000	4000
FDI outflow, EUR mn	398.5	295.7	1463.4	892.1	1422.0	1370.1	558.6	1000	1000
Exports of goods, BOP, EUR mn	34697.1	36820.7	37906.9	44779.1	50119.9	23921.8	27694.6	57600	65400
annual growth rate in %	10.9	6.1	2.9	18.1	11.9	11.7	15.8	15	13.5
Imports of goods, BOP, EUR mn	37192.8	39024.1	40804.5	47232.3	51579.9	24370.0	28049.8	58800	64700
annual growth rate in %	7.9	4.9	4.6	15.8	9.2	6.2	15.1	14	10
Exports of services, BOP, EUR mn	7864.7	7820.0	8122.5	8769.5	10313.0	4830.9	4695.2	11600	12990
annual growth rate in %	22.3	-0.6	3.9	8.0	17.6	16.6	-2.9	12	12
Imports of services, BOP, EUR mn	6203.3	7233.1	8074.6	8532.5	9584.5	4463.1	4311.7	10350	11200
annual growth rate in %	19.4	16.6	11.6	5.7	12.3	12.3	-3.4	8	8
Average exchange rate HUF/USD	286.54	258.00	224.44	202.63	199.66	192.60	211.88	.	.
Average exchange rate HUF/EUR (ECU)	256.68	242.97	253.51	251.68	248.05	247.42	260.49	268	268
Purchasing power parity HUF/USD	110.13	114.72	121.84	126.65	125.82	.	.	.	.
Purchasing power parity HUF/EUR	126.46	133.14	142.85	148.28	151.57	.	.	.	.

Preliminary. - 2) According to ESA'95, from 2001 FISIM adjusted. - 3) Enterprises with more than 5 employees. - 4) According to ESA'95, excessive deficit procedure. - 5) After corrections related to the pension reform.

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

Poland: domestic demand strengthening further

BY LEON PODKAMINER

GDP growth accelerated slightly, from 5.2% in the first quarter of 2006 to 5.5% in the second. While consumption (private and public combined) was rising at a fairly low pace (4.7% and 3.5% respectively), growth of gross fixed investment sped up sharply, from 7.4% to 14.4%. Due to the continuing contraction of inventories, gross capital formation rose 8.8% in the first half of 2006. Overall, domestic demand rose 4.8% in the first half of the year, contributing about 4.8 percentage points to the overall GDP growth. The contribution of foreign trade (goods and services) was diminishing, from 0.7 to 0.4 percentage points in the second quarter of 2006.

During the first eight months the total wage bill and total social security spending (primarily old-age pensions) rose by some 5.8% and 6% respectively in real terms. The wage bill rose on account of higher employment and the higher average real wage. Given these facts, the rise in consumption is remarkably low – the more so as there has also been a vigorous rise in credit to the household sector. Consumption is likely to grow faster in the near future, especially as the steady demand for labour will be pulling up employment and wages.

Rising wages have not yet threatened profits. To the contrary, industry (and the corporate non-financial sector generally) continues to make huge profits. During the first half of 2006 the corporate sector made net profits totalling PLN 30.9 billion (against 24.9 billion in the first half of 2005). Also banks (and other financial sector firms) fare very well. Banks' net profits rose to PLN 5.9 billion in the first half of 2006 (from PLN 4.7 billion in the same period a year earlier).

The coexistence of strong profits and rising real wages (and higher employment) has been made possible by strong improvements in labour productivity, coupled with fast rising production.

In real terms, industrial production (in firms employing more than nine persons) rose by 12.6%

in the first eight months of 2006. This is a marked acceleration compared with the same period of 2005 (when the respective growth rate was less than 3%). Labour productivity in industry rose further, by over 10%, and unit labour costs fell by another 6%.

Foreign trade continues to perform very well. Exports rose by 16.6% (in current euros) during the first seven months of 2006, faster than imports (15.7%). Part of the success in foreign trade is due to the strong gains in unit labour costs which offset the effects of a relatively strong Polish zloty.

The medium-term economic prospects are positive. Rising incomes of wage-earners, pensioners, and farmers (the chief beneficiaries of Poland's EU accession) are likely to further strengthen consumer demand. At the same time there is every reason to expect strong fixed productive investment: the corporate sectors (both the non-financial as well as the financial one) are highly liquid, interest rates are relatively low, capacity utilization levels are fairly high, domestic and foreign demand seem to be forthcoming. The high dynamics of housing credit indicates that residential investment will stay strong too. High transfers will be supporting accelerating investment into infrastructure. To cap good news, unemployment is falling quite rapidly and inflation is very low.

The continuing political turmoil has not spilled over into economics. The frequent ministerial appointments (and dismissals¹) are largely ignored by the exchange rate and treasury bond markets. Despite their populist rhetoric, Jaroslaw Kaczynski's successive governments do not experiment with taxation and keep spending in check. It looks as if the fiscal deficits were firmly under control. The clumsy (and ineffectual) foreign policy which has soured relations with Germany, Russia and 'Brussels' is not discouraging foreign investors, who inaugurate a number of new large-scale projects.

¹ The ruling duo attempts to consolidate their nearly absolute power through absorption of the two junior coalition partners. Mr. Lepper, the leader of Self-Defence, who actively resisted this, has lost his post of the Deputy Prime Minister. His dismissal may eventually prove costly to the Kaczynski brothers.

Table PL

Poland: Selected Economic Indicators

	2001	2002	2003	2004	2005 ¹⁾	2005 January-June	2006	2006 forecast	2007
Population, th pers., end of period	38248	38219	38191	38174	38157	38161	38143	.	.
Gross domestic product, PLN mn, nom. ²⁾	779205	807860	842120	923248	980884	466866	491754	1052500	1127200
annual change in % (real) ²⁾	1.1	1.4	3.8	5.3	3.4	2.6	5.4	5.2	5
GDP/capita (EUR at exchange rate) ²⁾	5553	5480	5013	5333	6385	.	.	.	.
GDP/capita (EUR at PPP - wiiw) ²⁾	9600	9980	10210	11070	11690	.	.	.	.
Gross industrial production (sales)									
annual change in % (real)	0.6	1.1	8.3	12.6	3.8	1.5 ³⁾	12.2 ³⁾	10	7
Gross agricultural production									
annual change in % (real)	5.8	-1.9	-0.8	7.5	-2.5	.	.	.	.
Construction output total									
annual change in % (real)	-6.4	-0.3	0.9	-7.0	-1.0	8.5	9.2	.	.
Consumption of households, PLN mn, nom. ²⁾	497809	531100	543203	583691	606750	301600	319993	.	.
annual change in % (real) ²⁾	2.2	3.3	1.9	4.3	2.0	1.4	5.1	4	4
Gross fixed capital form., PLN mn, nom. ²⁾	161277	151472	153758	167158	178366	64963	72729	.	.
annual change in % (real) ²⁾	-9.7	-6.3	-0.1	6.4	6.5	2.9	11.4	9	10
LFS - employed persons, th, avg. ⁴⁾	14207.0	13782.0	13616.8	13794.8	14115.3	13857.0	.	.	.
annual change in %	-2.2	-3.0	0.6	1.3	2.3	2.1	.	.	.
Reg. employees in industry, th pers., avg.	2820.6	2670.5	2639.1	2663.1	2695.9	2441.0 ³⁾	2481.0 ³⁾	.	.
annual change in %	-4.5	-5.3	-1.2	0.9	1.2	1.3 ³⁾	1.7 ³⁾	.	.
LFS - unemployed, th pers., average ⁴⁾	3170.0	3431.0	3328.5	3230.3	3045.3	3136.0	.	.	.
LFS - unemployment rate in %, average ⁴⁾	18.2	19.9	19.6	19.0	17.8	18.5	.	16	15
Reg. unemployment rate in %, end of period ⁴⁾	17.5	18.0	20.0	19.1	17.6	18.0	16.0	.	.
Average gross monthly wages, PLN	2045.1	2097.8	2185.0	2273.4	2380.3	2367.2 ³⁾	2478.5 ³⁾	.	.
annual change in % (real, gross)	2.5	0.7	3.4	0.7	2.6	0.5 ³⁾	4.1 ³⁾	.	.
Consumer prices, % p.a.	5.5	1.9	0.8	3.5	2.1	2.9	0.7	2	2
Producer prices in industry, % p.a.	1.6	1.0	2.6	7.0	0.7	1.7	1.5	1	1.5
General governm.budget, EU-def., % GDP ⁵⁾									
Revenues	40.0	41.0	39.9	38.6	40.8	.	.	41.6	40.7
Expenditures	43.7	44.2	44.6	42.5	43.3	.	.	44.6	43.7
Deficit (-) / surplus (+)	-3.7	-3.2	-4.7	-3.9	-2.5	.	.	-3.0	-3.0
Public debt, EU-def., in % of GDP ⁵⁾	36.7	39.8	43.9	41.9	42.5	.	.	45.5	46.7
Discount rate of NB % p.a., end of period	14.0	7.5	5.8	7.0	4.8	5.5	4.3	.	.
Current account, EUR mn	-6006	-5399	-4108	-8542	-3457	-1539	-1592	-3800	-4000
Current account in % of GDP	-2.8	-2.6	-2.1	-4.2	-1.4	-1.3	-1.3	-1.5	-1.5
Gross reserves of NB excl. gold, EUR mn	29031	27367	26000	25904	34536	32957	35355	.	.
Gross external debt, EUR mn	81461	81045	84818	94322	110773	103669	.	.	.
FDI inflow, EUR mn	6372	4371	4067	10279	6566	3464	4725	.	.
FDI outflow, EUR mn	-97	228	269	636	1238	664	239	.	.
Exports of goods, BOP, EUR mn	46537	49338	53836	65847	77107	36550	44201	88700	99300
annual growth rate in %	19.3	6.0	9.1	22.3	17.1	17.8	20.9	15	12
Imports of goods, BOP, EUR mn	55094	57039	58913	70399	79289	37440	44885	88800	97700
annual growth rate in %	5.2	3.5	3.3	19.5	12.6	11.3	19.9	12	10
Exports of services, BOP, EUR mn	10914	10545	9850	10812	13043	5896	7446	14600	16400
annual growth rate in %	-3.6	-3.4	-6.6	9.8	20.6	26.8	26.3	12	12
Imports of services, BOP, EUR mn	10021	9690	9408	10036	11465	5025	6581	12400	13400
annual growth rate in %	2.5	-3.3	-2.9	6.7	14.2	12.2	31.0	8	8
Average exchange rate PLN/USD	4.09	4.08	3.89	3.65	3.23	3.17	3.16	.	.
Average exchange rate PLN/EUR (ECU)	3.67	3.86	4.40	4.53	4.03	4.08	3.89	4.1	4.1
Purchasing power parity PLN/USD	1.85	1.83	1.84	1.87	1.93	.	.	.	.
Purchasing power parity PLN/EUR	2.12	2.12	2.16	2.18	2.20	.	.	.	.

Notes: 1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices) and revised data in government sector, shadow economy, etc. - 3) Enterprises with more than 9 employees. - 4) From 2003 according to census May 2002. - 5) According to ESA'95, excessive deficit procedure.

Source: wiiw Database incorporating national statistics; Eurostat; wiiw forecasts and European Commission (Spring 2006).

Slovakia: little change in economic policy, strong growth continues

BY ZDENEK LUKAS

Gross industrial output expanded by 9.1% in the first seven months of 2006. Industrial employment rose around 2% and labour productivity by some 7%. FDI-led companies in machinery & equipment and in electrical & optical equipment registered the highest rates of production growth (25% and 15% respectively). Car production soared by 28% (July 2005/July 2005). Two newcomers in the automotive industry: PSA Peugeot Citroen and KIA (Hyundai associate) are about to start production.

GDP growth accelerated in the first half of 2006, to 6.5%. Driven by industrial investment, gross fixed capital formation expanded by 10.8%. Despite slower growth of average real wages (3.4%), private consumption rose by 6.3%. Strong domestic demand pulled up imports. Foreign trade contributed negatively to overall GDP growth. Due to the high trade deficit and increasing repatriation of FDI profits, the current account deficit was quite large, representing 8.3% of GDP in the first half of 2006.

While the standard of living is rising on the country average, the gap between rich and poor is widening. The regional disparities between the rich Bratislava region and the poor regions in southern-central and eastern Slovakia have increased. Social disparities were an important factor in the election victory of the social democrats, who promised a socially balanced policy.

Due to rising prices of energy, health care and housing rents, the inflation rate stood at 4.6% in the first eight months of 2006, compared to 2.5% in the same period a year earlier. The National Bank of Slovakia (NBS) has already raised its key rates four times this year to 4.75%.

Continuing strong economic growth has finally supported growth in employment. For the first time in seven years the unemployment rate (according to the Labour Force Survey, LFS) dropped to less than 14%. At the same time, total employment (LFS) increased by 1.9 percentage points. Of course, regional disparities remain large.

The new left-leaning government of Robert Fico is still pondering revisions in the fiscal policy. Changes in the flat-tax system as suggested by the Finance Ministry appear now less radical than promised by Mr. Fico's party before the June elections. The VAT rate on medicines is to fall from 19% to 10%; all income of rich taxpayers is to be taxed (while a part of income of lower-income taxpayers will remain tax-free); the self-employed craftsmen are to pay taxes on 60% (instead of 40%) of their gross income. The changes will hit mostly the middle-income, not the wealthiest, citizens (though a special tax for 'millionaires' is considered as well). On the expenditure side, more support for pensioners and families with young children is envisaged. In addition, the fees for medical services, hospitalizations and prescriptions will be reduced. This will cost money, which the government intends to get by changing the finances of the pension system. Obligatory contributions to the private pension funds (the second pillar) are to be reduced and the public pension system (the first pillar) will have more money to spend. In total, the amendments will generate more public expenditures than additional revenues. The tax amendments must be approved by the parliament, where the coalition government has a comfortable majority. Importantly, no change in the tax system would actually affect foreign direct investors.¹

Driven by consumer demand and fixed investment, GDP growth will remain strong this year and the next. The supply side, in particular FDI-led car

¹ There is no evidence of a change of policy towards foreign investment. The cancellation of the take-over of Bratislava airport by a consortium including Vienna airport has some subject-matter motivations.

production (mostly for export), should assure further strong GDP growth. The unemployment rate will continue to decline. Although inflationary risks persist, the inflation rate may go down somewhat as fuel prices ease and the NBS is ready again to tighten its monetary policy. Thanks to strong growth and high VAT revenues, the fiscal deficit may stand at 3% of GDP in 2006. As the new government has confirmed its ambitious target of adopting the euro by 2009 (especially in view of the recent

announcements of delays in the Czech Republic, Hungary and Poland), the budget deficit should be kept under 3% of GDP also in the years to come. Based on the positive macroeconomic indicators, the Slovak koruna will probably return to its appreciation trend in the longer run. But, despite strong export performance, increasing repatriation of FDI profits will keep the current account deficits at rather high levels.

Table SK

Slovak Republic: Selected Economic Indicators

	2001	2002	2003	2004	2005 ¹⁾	2005 January-June	2006	2006 forecast	2007
Population, th pers., mid-year	5379.8	5378.8	5379.0	5382.2	5386.7	.	.	.	.
Gross domestic product, SKK bn, nom. ²⁾	1020.6	1111.5	1212.7	1355.3	1472.1	705.2	772.6	1630	1800
annual change in % (real) ²⁾	3.2	4.1	4.2	5.4	6.1	5.4	6.5	6.5	6.5
GDP/capita (EUR at exchange rate) ²⁾	4380	4839	5434	6287	7082	.	.	.	.
GDP/capita (EUR at PPP - wiiw) ²⁾	10150	10990	11290	12010	12910	.	.	.	.
Gross industrial production									
annual change in % (real)	7.6	6.7	5.3	4.2	3.6	1.7	9.3	10	10
Gross agricultural production									
annual change in % (real)	9.9	1.5	-2.4	5.6	-6.0	.	.	.	.
Construction industry									
annual change in % (real)	0.8	4.1	6.0	5.7	14.7	17.5	15.2	.	.
Consumption of households, SKK bn, nom. ²⁾	583.7	634.3	676.9	754.4	829.8	399.0	446.2	.	.
annual change in % (real) ²⁾	5.4	5.2	0.1	3.8	7.2	7.3	6.3	7	4
Gross fixed capital form., SKK bn, nom. ²⁾	291.0	303.5	302.8	327.1	382.6	174.8	197.8	.	.
annual change in % (real) ²⁾	12.9	0.3	-2.3	5.0	13.8	8.8	10.8	15	16
LFS - employed persons, th, avg.	2123.7	2127.0	2164.6	2170.4	2216.2	2187.1	2276.1	.	.
annual change in %	1.0	0.2	1.8	0.3	2.1	2.2	4.1	.	.
LFS - employed pers. in industry, th, avg.	628.8	640.9	634.1	641.3	649.1	644.9	658.7	.	.
annual change in %	2.2	1.9	-1.1	1.1	1.2	2.2	2.1	.	.
LFS - unemployed, th pers., average	508.0	486.9	459.2	480.7	427.5	443.6	376.5	.	.
LFS - unemployment rate in %, average	19.2	18.5	17.4	18.1	16.2	16.9	14.2	14	13
Reg. unemployment rate in %, end of period	18.6	17.5	15.6	13.1	11.4	11.1	10.4	10	9
Average gross monthly wages, SKK ³⁾	12365	13511	14365	15825	17274	16380	17820	.	.
annual change in % (real, gross) ³⁾	1.0	5.8	-2.0	2.5	6.3	6.4	3.4	.	.
Consumer prices, % p.a.	7.1	3.3	8.5	7.5	2.7	2.6	4.5	4.2	3.5
Producer prices in industry, % p.a.	6.5	2.1	8.3	3.4	4.7	3.3	9.6	9	7
General governm.budget, EU-def., % GDP ⁴⁾									
Revenues	36.8	35.7	35.6	35.9	34.7	.	.	33.0	32.5
Expenditures	43.3	43.3	39.4	38.9	37.7	.	.	35.7	34.6
Deficit (-) / surplus (+)	-6.5	-7.7	-3.7	-3.0	-2.9	.	.	-2.7	-2.1
Public debt, EU-def., in % of GDP ⁴⁾	49.2	43.3	42.7	41.6	34.5	.	.	34.3	34.7
Discount rate, % p.a., end of period	8.8	6.5	6.0	4.0	3.0	3.0	4.0	.	.
Current account, EUR mn ⁵⁾	-1950	-2043	-244	-1214	-3288	-1309	-1704	-3500	-2500
Current account in % of GDP	-8.3	-7.8	-0.8	-3.6	-8.6	-7.2	-8.3	-7.9	-5.0
Gross reserves of NB incl. gold, EUR mn	4748	8824	9717	10954	13067	12931	12872	.	.
Gross external debt, EUR mn	12516	12655	14654	17421	22705	21755	25140	.	.
FDI inflow, EUR mn	1768	4397	593	1016	1694	341 ^{IV}	1510 ^{IV}	.	.
FDI outflow, EUR mn	39	5	20	-114	126	16 ^{IV}	67 ^{IV}	.	.
Exports of goods, BOP, EUR mn ⁵⁾	14115	15270	19359	22248	25743	9708 ^{IV}	12287 ^{IV}	33000	42000
annual growth rate in %	9.6	8.2	26.8	14.9	15.7	8.7	26.6	28	27
Imports of goods, BOP, EUR mn ⁵⁾	16488	17517	19924	23485	27713	10430 ^{IV}	13359 ^{IV}	35000	43500
annual growth rate in %	19.0	6.2	13.7	17.9	18.0	16.0	28.1	26	24
Exports of services, BOP, EUR mn ⁵⁾	2779	2958	2912	3000	3542	1372 ^{IV}	1625 ^{IV}	.	.
annual growth rate in %	14.1	6.4	-1.5	3.0	18.1	16.1	18.4	.	.
Imports of services, BOP, EUR mn ⁵⁾	2244	2474	2703	2785	3285	1217 ^{IV}	1417 ^{IV}	.	.
annual growth rate in %	14.5	10.3	9.2	3.0	18.0	11.0	16.4	.	.
Average exchange rate SKK/USD	48.35	45.34	36.77	32.26	31.02	30.01	30.59	.	.
Average exchange rate SKK/EUR (ECU)	43.31	42.70	41.49	40.05	38.59	38.60	37.56	37.0	36.0
Purchasing power parity SKK/USD	16.30	16.21	17.03	17.91	17.77	.	.	.	.
Purchasing power parity SKK/EUR	18.70	18.80	19.96	20.97	21.17	.	.	.	.

Notes: 1) Preliminary. - 2) According to ESA'95 FISIM adjusted. - 3) From 2006 including incomes of armed forces. Indices calculated from comparable data. - 4) According to ESA'95, excessive deficit procedure. - 5) Calculated from USD.

Source: wiiw Database incorporating national statistics; Eurostat; wiiw forecasts and European Commission (Spring 2006).

Slovenia: flat tax concept abandoned

BY HERMINE VIDOVIC

GDP continued to grow at a high rate (4.9%) in the second quarter of 2006, resulting in a 5% growth rate for the first half of the year. Growth was mainly driven by domestic demand, particularly by rising investments in transport equipment and residential building. Backed by continued household borrowing, private consumption has been rising by about 3.5% for several quarters. The growth of government spending accelerated to more than 4% in the second quarter. Foreign trade contributed positively to GDP growth (0.4%), but less than in the previous quarters. After two months of deflation consumer prices rose in August. Inflation averaged 2.5% in the first eight months of 2006.

Industrial output expanded by 6% in the period January-July. The sectoral trends prevailing at the beginning of the year continued: the highest output growth was observed in export-oriented industries such as manufacture of chemicals, machinery and equipment and electrical and optical equipment. The food and textile industries suffered the strongest output declines. The output of car production fell as well, as a consequence of declining foreign demand.

Rising GDP had only a limited impact on employment growth. According to the Labour Force Survey employment rose by 1.8%, while national account data indicate a rise of less than 1%. Employment increased in construction and in business services, but fell in manufacturing and transport. Unemployment declined to 6.5% measured by the LFS and 9.3% based on registration data, the lowest level since 1991. This decline, however, has been mainly resulting from the deletion of persons from the register 'for reasons other than employment' rather than because of a movement from unemployment to employment. Wage growth remained moderate and could not keep pace with overall productivity growth during the first half of 2006. In March this

year the Slovenian parliament finally adopted the Law on Collective Agreements after 12 years of debate – an illustration of the slowness of decision-making in Slovenia.

Foreign trade developed dynamically during the first seven months of the year, with both exports and imports up by 16%. The trade deficit was slightly higher than a year ago. The surplus in services trade could offset the deficit in merchandise trade, but was not sufficient to compensate the growing deficits in the income balance (and, to a lesser extent, in the transfer balance). Overall, the current account for the period January-July closed with a deficit that was EUR 140 million higher than a year earlier. The current account figures for the years 2002 to 2005 have been revised recently. The resulting deficit to GDP ratios were higher than reported earlier, particularly for the past two years, increasing from 2.1% to 2.7% in 2004 and from 1.1% to 2% in 2005. FDI inflows and outflows were almost balanced in the first seven months of 2006.

After a positive assessment by the European Commission and the European Central Bank, Slovenia will join the Eurozone as of 1 January 2007. The conversion rate was set at (the current parity) of 239.64 Slovenian tolar (SIT) per 1 euro. Effective from March this year, Slovenia has introduced a mandatory double pricing system in preparation of the adoption of the euro.

Public finance figures based on the ESA95 methodology (European System of National and Regional Accounts) have recently been revised. Accordingly, the general government deficit to GDP ratio fell from an earlier reported 1.8% to 1.4% in 2005. The main reason for this reduction was a significant rise in the revenues from corporate income tax. The draft budget memorandum for the period 2007-2011 adopted by the government in June provides a basis for the budgets in the coming years with the final aim of gradually reaching a balanced budget by 2011.

In a recent statement Prime Minister Janez Janša stressed that reforming the tax system and improving the flexibility of the labour market as well as the completion of privatization would remain the three key tasks during the current legislative period. However, the idea of introducing a flat tax – which was hotly debated for some time in the public – has been given up: an assessment of the reform impact (the tax reform in particular) showed that the effects on economic growth and employment would be negligible, while there would be a noticeable impact in terms of increased inequality. Instead, the government intends to ease the tax burden, simplify the tax system and to reduce the number of tax brackets. As for the latter, the Slovenian government adopted a package of legislation in mid-September: accordingly the current five tax brackets will be replaced by just three, and the corporate income tax rate will be cut from currently 25% to 23% in 2007 and then by one percentage point per year up to 2010 (reaching 20% by then). Provided that the whole package will pass the parliament within the next two to three months, the new legislature should become effective from January 2007. Excise duties on tobacco will be raised from October this year.

As regards privatization, the government adopted a programme for the sale of stakes in companies that are directly owned by the state or by state-owned funds (Pension and Restitution Funds, DSU

Management and Consultancy Company). The programme envisages a division of the companies into three groups: those which are to be offloaded within 24 and 30 months respectively, and finally all 'heavyweights' such as banks, insurers, infrastructure companies, the drug maker Krka and the oil company Petrol with no specific time frame for sale. This very general statement for the latter (most attractive group for foreign investors) is officially argued by the size and legal limitations associated with these companies. In addition the government adopted guidelines for privatizations in the energy sector with the intention that there should remain at least two competitors on the market, namely HSE (Slovenian Energy Agency) and Gen energija. De facto only HSE is envisaged for privatization (the state intends to keep a 51% stake), while Gen energija as a stakeholder of the Nuclear power plant Krško is not planned to be sold.

Economic prospects for the coming years are favourable. Robust domestic demand, particularly investment expansion, will keep GDP growth at a high level, exceeding the earlier wiiw forecast of 4% in 2006 and 2007. Foreign trade may, if at all, contribute only marginally to GDP growth. The current account deficit may reach a similar level as in 2005. The general growth pattern in 2007 will not change significantly from that observed this year.

Table SI

Slovenia: Selected Economic Indicators

	2001	2002	2003	2004	2005 ¹⁾	2005 January-June	2006	2006 forecast	2007
Population, th pers., mid-year	1992.0	1995.7	1996.8	1997.0	2001.1	2001.1	2004.4 ^{III}	.	.
Gross domestic product, SIT bn, nom. ²⁾	4799.6	5355.4	5813.5	6271.8	6620.1	3220.6	3441.7	7100	7600
annual change in % (real) ²⁾	2.7	3.4	2.7	4.4	4.0	4.1	5.0	4.5	4.5
GDP/capita (EUR at exchange rate) ²⁾	11094	11862	12458	13148	13805	6714	7167	.	.
GDP/capita (EUR at PPP - wiiw) ²⁾	15400	16040	16510	17980	18900	.	.	.	.
Gross industrial production									
annual change in % (real) ³⁾	2.9	2.4	1.4	4.8	3.3	2.7	6.3	5.5	5
Gross agricultural production									
annual change in % (real)	-4.3	13.4	-12.7	19.3	.	.	.	.	.
Construction output, in effect. working time									
annual change in % (real) ⁴⁾	-2.1	-3.4	-1.7	2.5	3.0	6.0	2.1	.	.
Consumption of households, SIT bn, nom. ²⁾	2657.8	2903.4	3167.5	3363.2	3559.7	1719.0	1821.0	.	.
annual change in % (real) ²⁾	2.3	1.3	3.5	2.8	3.6	3.5	3.4	3	3
Gross fixed capital form., SIT bn, nom. ²⁾	1158.7	1211.5	1353.1	1536.7	1617.3	775.7	855.6	.	.
annual change in % (real) ²⁾	0.4	0.9	7.0	7.9	1.5	2.4	8.9	7	7
LFS - employed persons, th, avg.	916.0	910.0	897.0	943.0	949.0	941	958	.	.
annual change in %	1.7	-0.7	-1.4	5.1	0.6	0.7	1.8	.	.
Reg. employees in industry, th pers., avg. ⁵⁾	243.5	246.1	242.2	239.7	239.3	240.7	235.0	.	.
annual change in %	0.8	1.1	-1.6	-1.0	-1.7	.	-2.4	.	.
LFS - unemployed, th pers., average	63.0	62.0	64.8	64.0	67.0	63.5	65.5	.	.
LFS - unemployment rate in %, average	6.4	6.4	6.7	6.3	6.6	6.4	6.4	6.5	6
Reg. unemployment rate in %, end of period	11.8	11.3	11.0	10.4	10.2	9.8	9.3	9.5	9
Average gross monthly wages, SIT ⁶⁾	214561	235436	253200	267571	277279	269168	282772	.	.
annual change in % (real, net) ⁶⁾	3.1	2.1	1.8	2.1	3.5	4.0	2.5	.	.
Consumer prices, % p.a.	8.4	7.5	5.6	3.6	2.5	2.5	2.6	2.6	2.4
Producer prices in industry, % p.a.	8.9	5.1	2.5	4.3	2.7	3.6	2.0	2.2	2
General governm. budget, EU-def., % GDP ⁷⁾									
Revenues	44.7	45.5	45.3	45.2	45.8	.	.	45.5	45.3
Expenditures	49.0	48.0	48.1	47.5	47.2	.	.	47.3	47.0
Deficit (-) / surplus (+)	-4.3	-2.5	-2.8	-2.3	-1.4	.	.	-1.9	-1.6
Public debt, EU-def., in % of GDP ⁷⁾	28.4	29.7	29.1	29.5	29.1	.	.	29.9	29.7
Discount rate % p.a., end of period	11.0	10.0	5.0	3.3	3.8	3.5	3.5	.	.
Current account, EUR mn	38.0	247.2	-195.7	-719.7	-547.5	-92.7	-51.6	-500	-450
Current account in % of GDP	0.2	1.0	-0.8	-2.7	-2.0	-0.7	-0.4	-1.7	-1.4
Gross reserves of NB excl. gold, EUR mn	4907.5	6701.5	6798.2	6464.0	6824.1	6676.8	6483.7	.	.
Gross external debt, EUR mn	10403	11484	13259	15278	19566	17031	21606	.	.
FDI inflow, EUR mn	412.4	1721.7	270.5	665.2	444.9	28.8	248.1	.	.
FDI outflow, EUR mn	161.2	165.8	421.3	441.0	503.4	204.9	290.4	.	.
Exports of goods, BOP, EUR mn	10454.3	11081.6	11417.1	12932.8	14599.2	7135.0	8301.5	16800	18900
annual growth rate in %	9.2	6.0	3.0	13.3	12.9	14.3	16.3	15	13
Imports of goods, BOP, EUR mn	11138.7	11346.6	11959.9	13941.6	15625.1	7404.9	8609.1	17900	19900
annual growth rate in %	3.1	1.9	5.4	16.6	12.1	10.1	16.3	15	11
Exports of services, BOP, EUR mn	2177.6	2439.5	2464.9	2782.6	3209.7	1377.1	1594.3	.	.
annual growth rate in %	6.1	12.0	1.0	12.9	15.3	10.8	15.8	.	.
Imports of services, BOP, EUR mn	1642.1	1819.7	1924.7	2095.0	2354.1	1002.2	1129.5	.	.
annual growth rate in %	5.1	10.8	5.8	8.8	12.4	11.4	12.7	.	.
Average exchange rate SIT/USD	242.75	240.24	207.11	192.38	192.70	186.45	195.11	.	.
Average exchange rate SIT/EUR (ECU)	217.19	226.22	233.70	238.86	239.64	239.70	239.59	239.6	239.6
Purchasing power parity SIT/USD	136.39	144.24	150.37	149.15	145.24	.	.	.	.
Purchasing power parity SIT/EUR	156.42	167.32	176.31	174.64	175.05	.	.	.	.

Notes: 1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). Quarterly data unrevised. - 3) From July 2005 new methodology. - 4) From 2004 construction put in place; units with at least 20 employees. - 5) From January 2005 data from Statistical Register of Employment, years before from Monthly Report on Earnings. - 6) From January 2005 legal persons with 1 or 2 employees in private sector are included. - 7) According to ESA'95, excessive deficit procedure.

Source: wiiw Database incorporating national statistics; Eurostat; wiiw forecasts and European Commission (Spring 2006).

Bulgaria: pre-accession reform rush pays off

BY ANTON MIHAILOV

In its September Monitoring Report, the European Commission finally announced what Bulgaria's politicians and the public had been longing to hear for a long time. Bulgaria will become a full EU member on 1 January 2007 (ratification of accession is pending in four EU member states). The recommended terms of Bulgaria's and Romania's accession were termed as the strictest in EU history, but they fell short of invoking any of the safeguards envisaged in the Accession Treaty. The Report recalls that according to the provisions of the Treaty, the safeguard measures could still be taken up to three years after accession. In addition, it identifies issues that require further work, reiterating that access to EU funding will be conditional on completion of some reforms (which will be subject to regular monitoring).

Matching the buoyancy in the reform rush, economic growth strengthened further in the second quarter of 2006, with GDP increasing by 6.6% year-on-year, one percentage point (p.p.) higher than in the first quarter. Manufacturing, services and especially construction contributed significantly to the growth of output. The acceleration was primarily driven by domestic demand. Private consumption grew 2 p.p. faster than in the first quarter. The surge in fixed investment continued, partly boosted by public investment projects, with quarterly gross fixed capital formation growing at more than 20% year-on-year for the fourth consecutive quarter. For the first six months as a whole, imports of goods and services continued to outpace exports, resulting in a further widening of the trade deficit, to 20% of GDP. Nevertheless, the pace of growth of real imports of goods and services slowed down somewhat during the second quarter (from 20% in the first quarter to 11.4% in the second).

The labour market situation continued to improve through the summer. According to labour force survey data, the average number of employed people in the first half of 2006 was some 4% higher than a year earlier. In August, the number of registered unemployed fell to a new record low of 8.7%. The fast increase in the number of people in employment was among the factors that contributed to the resurgence in consumer spending.

CPI and PPI have followed divergent trends recently. Since January 2006, the pace of consumer price inflation has slowed down considerably and there was a deflation between April and August. The cumulative change in CPI between December 2005 and August 2006 amounted to just 2.2%, but due to a carryover effect the average annual change in CPI during the first half of the year was still 8.1%. By contrast, PPI has been accelerating since the beginning of the year, largely reflecting the effect of higher energy prices. It can be expected that at least part of the increases in producer prices will be later passed on to consumers.

The large current account deficit remains the biggest headache for the Bulgarian authorities. The high oil prices added to the effect of strong import demand, pushing the current account deficit in the first half of the year to 16.7% of GDP in annualized terms. Even under optimistic assumptions for the second half of the year, the annual deficit for 2006 is not expected to fall below 14% of GDP. Reflecting the chronic current account deficit, private foreign debt has been growing rapidly: in June it amounted to EUR 11.7 billion (more than 50% of GDP in annualized terms), up EUR 4 billion from a year earlier. On the upside, the widening of the current account deficit in 2006 was almost fully matched by a surge in FDI; for the whole year the FDI inflow is now expected to reach a record high level.

The drafting of the 2007 budget is quite advanced. A slight fiscal relaxation (a 2% surplus instead of the 3% targeted for 2006 is envisaged) is to be combined with further tax changes and social measures. Corporate income tax is to be lowered and the non-taxable minimum income threshold raised. The Labour Ministry drafts a 7-10% rise in pensions in 2007, as well as the introduction of a minimum hourly wage and a more flexible labour code.

The short-term outlook remains positive. The improving expectations should continue to boost consumer and investor confidence. Given the acceleration of growth in the second quarter of

2006, GDP for the year as a whole should increase by 5.5% or more, and by close to that in 2007. Despite the slowdown in CPI, the hikes in government-regulated energy prices due later in the year are expected to exert some inflationary pressures, keeping annual inflation relatively high. The labour market situation should continue to improve, boosting further consumer demand. The fiscal stance is likely to remain tight through 2007, in a continued effort to curb the current account deficit. Nevertheless, given the strength of domestic (and import) demand, no major improvement in the external deficit can be expected in the short run.

Table BG

Bulgaria: Selected Economic Indicators

	2001	2002	2003	2004	2005 ¹⁾	2005 January-June	2006	2006 forecast	2007
Population, th pers., end of period	7891.1	7845.8	7801.3	7761.0	7718.8	.	.	.	.
Gross domestic product, BGN mn, nom.	29709.2	32335.1	34546.6	38275.3	41948.1	18577.1	21306.0	47000	51800
annual change in % (real)	4.1	4.9	4.5	5.7	5.5	6.2	6.1	5.5	5
GDP/capita (EUR at exchange rate)	1920	2101	2258	2515	2771	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	5840	6090	6470	6920	7530	.	.	.	.
Gross industrial production									
annual change in % (real) ²⁾	1.5	6.5	14.1	13.8	8.4	6.9	6.7	6	7
Gross agricultural production									
annual change in % (real)	1.1	5.3	-9.9	6.6	-7.6	.	.	.	.
Construction output total									
annual change in % (real)	14.2	2.7	5.6	35.2	1.0	.	.	.	.
Actual final consump. of househ., BGN mn, nom.	23009.1	24822.9	26846.0	29324.5	33066.7	15050.0	17219.9	.	.
annual change in % (real)	4.6	3.4	7.1	4.9	7.4	6.4	6.4	.	.
Gross fixed capital form., BGN mn, nom.	5415.2	5908.5	6694.4	7969.4	9971.1	4090.1	5341.6	.	.
annual change in % (real)	23.3	8.5	13.9	13.5	19.0	14.3	20.8	20	15
LFS - employed persons, th, avg.	2698.8	2739.6	2834.8	2922.5	2980.0	2923.7	3039.8	3100	3200
annual change in %	-3.4	1.5	3.5	3.1	2.0	1.6	4.0	4	3
Reg. employees in industry, th pers., avg.	658.4	666.8	689.5	695.8	709.4	719.2	702.6	.	.
annual change in %	-0.5	1.3	3.4	0.9	1.9	4.7	-2.3	.	.
LFS - unemployed, th pers., average	663.9	592.4	448.7	399.7	334.2	347.6	312.1	300	270
LFS - unemployment rate in %, average	19.7	17.8	13.7	12.0	10.1	10.6	9.0	9	8
Reg. unemployment rate in %, end of period	17.3	16.3	13.5	12.2	10.7	11.1	9.2	9.0	8.5
Average gross monthly wages, BGN	240.0	257.6	273.3	292.4	319.5	313.1	337.1	.	.
annual change in % (real, gross)	-0.5	1.5	3.7	0.8	4.1	5.0	1.0	.	.
Consumer prices, % p.a.	7.4	5.8	2.3	6.1	5.0	4.4	8.1	7	5
Producer prices in industry, % p.a.	3.8	1.2	4.9	6.0	6.9	6.6	9.2	8	6
General governm. budget, nat. def., % GDP									
Revenues	39.8	38.7	40.7	41.4	42.9	47.6	45.0	.	.
Expenditures	40.4	39.4	40.7	39.7	39.7	41.6	38.4	.	.
Deficit (-) / surplus (+)	-0.6	-0.7	0.0	1.7	3.2	6.1	6.6	3	1
Public debt in % of GDP ³⁾	66.2	53.2	46.2	38.8	29.9	33.5	25.5	25	23
Base rate of NB % p.a., end of period	4.7	3.4	2.9	2.4	2.1	2.1	2.6	.	.
Current account, EUR mn	-855.2	-402.5	-972.3	-1131.3	-2427.0	-1074.3	-1819.6	-3400	-3500
Current account in % of GDP	-5.6	-2.4	-5.5	-5.8	-11.3	-11.3	-16.7	-14.1	-13.2
Gross reserves of NB excl. gold, EUR mn	3734.0	4247.1	4981.0	6443.0	6815.7	6989.5	7270.8	.	.
Gross external debt, EUR mn	11934.9	10768.9	10640.6	12571.6	14530.3	13589.1	16303.6	.	.
FDI inflow, EUR mn	903.4	980.0	1850.5	2727.5	2326.0	833.2	1411.8	3000	2500
FDI outflow, EUR mn	10.8	28.9	23.3	-165.6	249.1	26.3	29.7	.	.
Exports of goods, BOP, EUR mn	5714.2	6062.9	6668.2	7984.9	9466.3	4385.7	5699.2	11300	13000
annual growth rate in %	8.8	6.1	10.0	19.7	18.6	21.3	29.9	19	15
Imports of goods, BOP, EUR mn	7492.6	7940.9	9093.8	10938.4	13809.2	6205.4	7870.2	16500	18500
annual growth rate in %	14.7	6.0	14.5	20.3	26.2	23.5	26.8	19	12
Exports of services, BOP, EUR mn	2428.7	2455.0	2728.7	3261.8	3482.9	1385.0	1509.1	3800	4200
annual growth rate in %	2.6	1.1	11.1	19.5	6.8	8.0	9.0	9	11
Imports of services, BOP, EUR mn	2097.7	1949.6	2176.0	2569.3	2805.3	1234.5	1517.3	3300	3600
annual growth rate in %	15.3	-7.1	11.6	18.1	9.2	6.1	22.9	18	9
Average exchange rate BGN/USD	2.185	2.077	1.733	1.575	1.574	1.523	1.593	.	.
Average exchange rate BGN/EUR (ECU)	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
Purchasing power parity BGN/USD	0.561	0.582	0.583	0.607	0.598	.	.	.	.
Purchasing power parity BGN/EUR	0.643	0.675	0.683	0.710	0.720	.	.	.	.

Notes: 1) Preliminary. - 2) Different methodology for quarterly data. - 3) According to ESA'95, excessive deficit procedure.

Source: wiiw Database incorporating national statistics; wiiw forecasts.

Romania: persisting uncertainties at the doorstep of the EU

BY GÁBOR HUNYA

Romania will accede the European Union on 1 January 2007 with a dynamically growing economy, high current account deficits, high but falling inflation, and a low but increasing budget deficit. The current boom has its limits: several industries face serious challenges and the institutional system is not yet sufficiently prepared to benefit from EU transfers. The political unity which provided support to EU accession across the party spectrum may soon vanish, possible early elections heighten uncertainties.

Growth in the first half of 2006 reached 7.4% over the same period of the previous year. It was driven primarily by private consumption (+11.8%), which recovered from the slowdown in the second half of last year despite a more moderate increase in real wages. Fixed capital formation was up 11.9% and the construction sector's value added expanded by 16.5%. Domestic consumption grew to the detriment of the foreign trade balance; the deficit continued to expand in the second quarter so that net exports amounted to -11% of GDP in the first half of 2006. The widening trend of the current account deficit persisted, but its financing via foreign direct investment improved.

Industrial production expanded by about 7% which is a remarkable acceleration compared to the trend in the past two years. Foreign investments in the automotive industry and the chemicals sector generated rising output and exports. Low prices of domestically produced natural gas enhanced the competitiveness of Romanian chemicals. But by 2008 these prices are to reach the world market levels and this will be a serious blow to the industrial users of gas. Another field where EU accession may cause immediate problems is the food industry, which will be exposed to intense import competition. Comparative advantages will persist in labour-intensive activities. Unit labour costs are just at 85% of the new EU member

states' level, or 35% of the Austrian level. This may result in some (gradual) relocation of production. While the conditions for entrepreneurial activity have been improving in Romania, they are still worse than in the old and new EU member states.

Lending to the non-government sector went up by 57% in the first eight months of 2006 (in nominal RON terms). This is a sign of overheating. The central bank has recently responded by setting more restrictive terms for lending to households. The effectiveness of these terms will be rather limited. At the same time disinflation has continued, with year-on-year inflation falling to 6.0% in August 2006. The central bank maintains its restrictive stance. Following several increases during the year, the policy interest rate is now at 8.75% (September).

The government assumes that the budgetary co-financing of EU-financed projects will require higher budgetary expenditures. The revisions of the budget for 2006 already signalled an increase of the general budget deficit to at least 2% of GDP this year and to about 3% next year. (No guidelines for the 2007 budget have yet been worked out.)

The monitoring report of the EU Commission released on 26 September 2006 recommends Romania's admission to the EU while acknowledging in some cases the absence of properly functioning institutions and control mechanisms. This relates primarily to the justice system, the fight against corruption, agriculture administration, assuring food safety, financial control, and motor-vehicle insurance. Until the infectious pig disease is eradicated, imports of Romanian pigs and pork are banned. Agri-food establishments which do not meet the EU standards (and are not allowed to sell their products in the EU) will be continuously monitored.

Romania expects to receive some EUR 17.6 billion out of the Cohesion Fund plus 12 billion for agriculture in the 2007-2013 budgetary period. During the first three years of EU membership, Romania may receive some EUR 3 billion annually,

but will be paying about 800 million into the EU budget. Agricultural direct payments will only slowly converge to EU norms, and also in the case of Cohesion Funds there is a lower ceiling for the period 2007-2009 than later when full eligibility will come into force. But to access even the reduced agricultural funds, the Commission wants to see functioning payment agencies and control mechanisms in place. If the danger of unjustified use of agricultural funds exists, the EU may reduce payments by a further 25%.

For 2006 we expect at least 6% GDP growth in Romania. A somewhat less restrictive fiscal policy and enhanced confidence of foreign investors will support fast growth further on. Even if there should be also some adverse effects of EU accession (stronger competition on the domestic market, higher current account deficits, possibly higher exchange rate and inflation risks), the GDP will keep growing at 5-5.5% in the years 2007-2008. Inflation may come down more slowly than envisaged and measures to restrict the current account deficit may become necessary.

ROMANIA

Table RO

Romania: Selected Economic Indicators^{*)}

	2001	2002	2003	2004	2005 ¹⁾	2005 January-June	2006	2006 forecast	2007
Population, th pers., mid-year ²⁾	22408.4	21794.8	21733.6	21673.3	21623.8	.	.	.	.
Gross domestic product, RON mn, nom. ³⁾	116768.7	151475.1	197564.8	246371.7	287186.3	114464.0	136908.7	328800	374600
annual change in % (real) ³⁾	5.7	5.1	5.2	8.4	4.1	5.2	7.4	6.0	5.5
GDP/capita (EUR at exchange rate) ³⁾	2002	2224	2420	2805	3665	.	.	.	.
GDP/capita (EUR at PPP - wiiw) ³⁾	5460	6060	6520	7290	8140	.	.	.	.
Gross industrial production annual change in % (real)	8.3	4.3	3.1	5.3	2.0	3.4	6.7	4	4
Gross agricultural production annual change in % (real)	22.7	-3.5	7.5	18.1	.	.	.	.	.
Construction output total annual change in % (real)	9.0	10.0	9.8	9.2	9.8	3.3	17.2	.	.
Consumption of households, RON mn, nom. ³⁾	80336.9	102671.0	128150.4	164054.1	192020.5	83265.9	100155.2	.	.
annual change in % (real) ³⁾	6.9	5.3	8.5	11.4	9.8	13.3	13.1	.	.
Gross fixed capital formation, RON mn, nom. ³⁾	24115.4	32283.6	42293.0	53291.8	66356.8	22488.2	27584.7	.	.
annual change in % (real) ³⁾	10.2	8.2	8.5	10.8	13.1	7.0	11.9	10	8
LFS - employed persons, th, avg. ⁴⁾	10440.0	9234.3	9222.5	9157.6	9146.6	.	.	.	.
annual change in %	-0.6	.	-0.1	-0.7	-0.1	.	.	.	.
Reg. employees in industry, th pers., avg.	1901.0	1891.0	1848.0	1741.0	1704.0	.	.	.	.
annual change in %	1.5	-0.5	-2.3	-5.8	-2.1	-0.4	-4.0	.	.
LFS - unemployed, th pers., average ⁴⁾	711.0	845.3	691.8	799.5	704.5	.	.	.	.
LFS - unemployment rate in %, average ⁴⁾	6.4	8.4	7.0	8.0	7.2	.	.	7	7
Reg. unemployment rate in %, end of period	8.8	8.4	7.4	6.3	5.9	5.6	5.3	5.8	5.7
Average gross monthly wages, RON annual change in % (real, net)	422.0	532.1	663.8	818.3	957.5	934.2	1093.2	.	.
Consumer prices, % p.a.	34.5	22.5	15.3	11.9	9.0	9.4	7.8	8.0	8.0
Producer prices in industry, % p.a.	38.1	23.0	19.5	19.1	10.5	12.3	11.3	.	.
General governm.budget, nat.def., % GDP ⁵⁾									
Revenues	30.1	29.6	29.6	30.1	30.3	34.7	36.3	.	.
Expenditures	33.3	32.2	31.8	31.1	31.1	33.8	33.7	.	.
Deficit (-) / surplus (+)	-3.2	-2.6	-2.2	-1.1	-0.8	0.9	2.6	-1	-3
Public debt, EU-def., in % of GDP ⁶⁾	23.2	23.8	20.7	18.0	15.2	.	.	.	.
Discount rate, % p.a., end of period ⁷⁾	35.0	20.4	20.4	18.0	7.5	8.0	8.5	.	.
Current account, EUR mn	-2488	-1623	-3060	-5099	-6891	-2975	-4170	-10000	-11000
Current account in % of GDP	-5.5	-3.3	-5.8	-8.4	-8.7	-9.5	-10.8	-10.8	-10.6
Gross reserves of NB excl. gold, EUR mn	4445	5877	6374	10848	16796	13771	18177	.	.
Gross external debt, EUR mn ⁸⁾	14788	16200	17835	21698	30736	26941	34774	.	.
FDI inflow, EUR mn	1294	1212	1946	5183	5197	2105	3225	8000	5000
FDI outflow, EUR mn	-18	18	36	56	-11	4	18	.	.
Exports of goods, BOP, EUR mn	12722	14675	15614	18935	22255	10527	12668	26700	29300
annual growth rate in %	12.9	15.4	6.4	21.3	17.5	16.6	20.3	20	10
Imports of goods, BOP, EUR mn	16045	17427	19569	24258	30061	13605	17053	37600	42100
annual growth rate in %	22.1	8.6	12.3	24.0	23.9	22.9	25.3	25	12
Exports of services, BOP, EUR mn	2273	2468	2671	2903	3931	1767	2543	5500	7150
annual growth rate in %	19.0	8.6	8.2	8.7	35.4	33.6	43.9	40	30
Imports of services, BOP, EUR mn	2402	2463	2609	3116	4365	1964	2449	5670	7300
annual growth rate in %	10.7	2.5	5.9	19.4	40.1	46.7	24.7	30	29
Average exchange rate RON/USD	2.9061	3.3055	3.3200	3.2637	2.9137	2.8522	2.8803	.	.
Average exchange rate RON/EUR (ECU)	2.6027	3.1255	3.7556	4.0532	3.6234	3.6649	3.5398	3.55	3.60
Purchasing power parity RON/USD	0.8324	0.9893	1.1894	1.3312	1.3533	.	.	.	.
Purchasing power parity RON/EUR	0.9547	1.1475	1.3946	1.5586	1.6311	.	.	.	.

Notes: *) On 1 July 2005 the new Romanian leu was introduced (1 RON = 10000 ROL). Data in this table are presented in new leu (RON).
 1) Preliminary. - 2) From 2002 according to census March 2002. - 3) According to ESA'95, from 2003 FISIM adjusted. - 4) From 2002 break in methodology. - 5) Flows between budgets are not taken into account. - 6) According to ESA 95, excessive deficit procedure. - 7) From February 2002 reference rate of NB. - 8) From 2000 including balance of medium- and long-term deposits of foreign banks with resident banks, short-term deposits and FDI intercompany loans.

Source: wiiw Database incorporating national statistics; European Commission (Spring 2006); wiiw forecasts.

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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
EUR	Euro, from 1 January 1999
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
RON	Romanian leu (1RON = 10000 ROL)
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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C Z E C H REPUBLIC: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	6.3	7.1	5.1	8.9	8.5	8.0	10.0	7.3	15.8	11.8	17.3	3.8	12.2	10.5	11.8	.
Industry, total ¹⁾	real, CCPY	4.9	5.3	5.2	5.7	6.0	6.2	6.6	6.7	15.8	13.8	15.1	12.1	12.1	11.8	11.8	.
Industry, total ¹⁾	real, 3MMA	6.6	6.2	7.0	7.5	8.4	8.9	8.5	10.9	11.6	15.1	10.9	11.1	8.9	11.5	.	.
Construction, total	real, CMPY	26.1	19.1	6.0	6.5	9.4	13.8	6.6	8.6	-1.2	-8.2	8.7	-3.0	10.5	10.0	12.2	.
LABOUR																	
Employees in industry ²⁾	th. persons	1124	1125	1131	1132	1130	1141	1147	1141	1139	1144	1147	1143	1144	1143	1144	.
Unemployment, end of period	th. persons	494.6	489.7	500.3	505.3	503.4	491.9	490.8	510.4	531.2	528.2	514.8	486.2	463.0	451.1	458.3	458.7
Unemployment rate ³⁾	%	8.6	8.6	8.8	8.9	8.8	8.5	8.4	8.9	9.2	9.1	8.8	8.3	7.9	7.7	7.9	7.9
Labour productivity, industry ^{2,4)}	CCPY	5.9	6.4	6.3	7.0	7.4	7.7	8.0	8.2	14.2	11.8	13.3	10.5	10.7	10.4	10.5	.
Unit labour costs, exch.r. adj.(EUR) ^{2,4)}	CCPY	6.5	5.7	5.2	4.8	4.5	4.1	3.9	3.5	-1.9	0.1	-1.6	0.8	1.4	1.7	1.6	.
WAGES, SALARIES																	
Industry, gross ²⁾	CZK	18603	18570	18238	18058	17943	18184	21464	19629	17992	17284	18814	19588	20066	19716	19281	.
Industry, gross ²⁾	real, CMPY	3.9	3.4	1.1	5.1	2.7	1.5	2.7	1.5	3.2	3.0	3.6	2.3	4.7	3.2	2.7	.
Industry, gross ²⁾	USD	781	752	728	750	751	736	865	803	758	726	789	842	906	879	859	.
Industry, gross ²⁾	EUR	616	618	604	610	612	613	734	677	626	608	657	687	710	695	678	.
PRICES																	
Consumer	PM	0.2	0.6	0.3	0.0	-0.3	0.9	-0.3	-0.1	1.4	0.1	-0.1	0.1	0.5	0.3	0.4	0.2
Consumer	CMPY	1.3	1.8	1.7	1.7	2.2	2.6	2.4	2.2	2.9	2.8	2.8	2.8	3.1	2.8	2.9	3.1
Consumer	CCPY	1.6	1.6	1.6	1.7	1.7	1.8	1.9	1.9	2.9	2.8	2.8	2.8	2.9	2.9	2.9	2.9
Producer, in industry	PM	-0.7	-0.2	0.1	0.0	0.2	0.4	-0.3	-0.6	1.0	0.2	0.1	0.3	0.3	0.2	0.7	0.3
Producer, in industry	CMPY	4.0	2.7	2.0	1.1	1.0	0.3	0.0	-0.4	0.3	0.3	0.3	0.5	1.6	1.9	2.4	2.7
Producer, in industry	CCPY	6.1	5.5	5.0	4.5	4.1	3.7	3.3	3.0	0.3	0.3	0.3	0.4	0.6	0.8	1.1	1.3
RETAIL TRADE																	
Turnover	real, CMPY	7.8	4.6	1.2	7.1	3.8	3.4	3.3	2.1	6.9	7.8	6.9	5.5	7.0	6.5	6.4	.
Turnover	real, CCPY	4.6	4.6	4.1	4.5	4.4	4.3	4.2	4.0	6.9	7.3	7.2	6.8	6.8	6.7	6.7	.
FOREIGN TRADE^{5,6)}																	
Exports total (fob), cumulated	EUR mn	24620	30175	34776	39847	45610	51350	57543	62734	5721	11338	17926	23587	29990	36418	42009	.
Imports total (fob), cumulated	EUR mn	23678	28935	33559	38775	44360	50007	56115	61437	5274	10673	16965	22635	28964	35113	40746	.
Trade balance, cumulated	EUR mn	942	1240	1217	1072	1250	1343	1429	1297	446	665	961	952	1026	1306	1263	.
Exports to EU-25 (fob), cumulated	EUR mn	20933	25577	29427	33642	38488	43295	48514	52734	4820	9525	14992	19755	25140	30538	35233	.
Imports from EU-25 (fob) ⁷⁾ , cumulated	EUR mn	16986	20778	24075	27774	31784	35704	39910	43601	3641	7427	11912	15865	20343	24677	28654	.
Trade balance with EU-25, cumulated	EUR mn	3948	4799	5351	5868	6705	7591	8604	9133	1180	2098	3080	3890	4798	5861	6579	.
FOREIGN FINANCE																	
Current account, cumulated ⁵⁾	EUR mn	99	-349	-729	-1086	-1370	-1286	-1687	-2070	106	59	76	-431	-694	-1678	-2501	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	23.8	24.7	25.0	24.1	23.9	24.7	24.8	24.4	23.7	23.8	23.8	23.3	22.1	22.4	22.4	22.0
CZK/EUR, monthly average	nominal	30.2	30.0	30.2	29.6	29.3	29.7	29.3	29.0	28.7	28.4	28.6	28.5	28.3	28.4	28.4	28.2
CZK/USD, calculated with CPI ⁸⁾	real, Jan03=100	121.6	117.8	116.0	120.1	119.3	116.1	116.2	118.3	122.6	122.1	121.2	123.3	129.5	127.8	128.4	131.2
CZK/USD, calculated with PPI ⁸⁾	real, Jan03=100	118.4	113.9	111.0	114.5	112.4	106.4	107.3	108.7	112.2	113.8	113.5	115.4	120.5	118.6	119.5	122.2
CZK/EUR, calculated with CPI ⁸⁾	real, Jan03=100	102.8	103.9	103.6	105.5	105.7	105.3	106.5	107.2	109.8	110.9	109.4	109.4	110.6	110.3	110.5	111.7
CZK/EUR, calculated with PPI ⁸⁾	real, Jan03=100	108.1	108.2	107.4	109.2	109.9	108.5	110.0	110.3	111.5	112.6	111.3	111.4	112.1	111.9	111.9	113.2
DOMESTIC FINANCE																	
M0, end of period	CZK bn	248.8	253.2	253.0	252.9	256.3	258.5	262.7	263.8	261.8	264.8	267.3	272.7	273.3	279.9	279.1	.
M1, end of period	CZK bn	1007.7	1004.0	1004.2	1028.2	1015.2	1048.5	1078.2	1087.3	1099.9	1103.5	1086.0	1111.0	1160.7	1141.3	1177.8	.
M2, end of period	CZK bn	1912.1	1913.0	1908.3	1920.5	1919.2	1933.9	1965.6	1992.1	1989.6	2002.2	2011.2	2051.9	2061.5	2073.2	2073.1	.
M2, end of period	CMPY	5.4	5.2	4.8	4.6	4.2	5.0	6.8	8.0	8.9	8.6	9.0	9.0	7.8	8.4	8.6	.
Discount rate (p.a.), end of period	%	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.25
Discount rate (p.a.), end of period ⁹⁾	real, %	-3.1	-1.9	-1.2	-0.3	-0.2	0.7	1.0	1.4	0.7	0.7	0.7	0.5	-0.5	-0.9	-1.2	-1.5
BUDGET																	
Central gov. budget balance, cum.	CZK mn	-27029	3763	10259	10008	25748	15181	201	-56338	3427	-557	15754	-19955	-12202	7642	-445	-6440

1) According to new calculation.

2) Enterprises employing 20 and more persons.

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

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

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

6) Cumulation starting January and ending December each year.

7) According to country of origin.

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

9) Deflated with annual PPI.

H U N G A R Y: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CPMY	13.1	6.1	5.4	11.7	8.6	9.6	7.8	5.7	13.2	11.2	15.4	2.3	10.5	9.2	12.2	.
Industry, total	real, CCPY	5.5	5.6	5.6	6.3	6.6	6.9	7.0	6.9	13.2	12.2	13.4	10.5	10.5	10.3	10.5	.
Industry, total	real, 3MMA	9.4	8.1	7.6	8.5	9.9	8.7	7.8	8.8	9.9	13.4	9.6	9.5	7.4	10.6	.	.
Construction, total	real, CPMY	8.1	23.5	17.6	13.5	36.3	11.0	18.7	14.6	12.2	-3.2	15.7	-7.6	-7.8	-8.1	1.2	.
LABOUR																	
Employees in industry ¹⁾	th. persons	760.7	760.7	762.5	759.9	759.2	759.9	756.7	752.8	751.8	752.6	751.4	748.9	750.2	751.3	751.4	.
Unemployment ²⁾	th. persons	302.9	299.5	298.7	302.5	308.6	308.3	305.4	309.9	317.6	326.5	323.6	318.5	309.4	305.7	311.1	.
Unemployment rate ²⁾	%	7.2	7.1	7.1	7.2	7.3	7.3	7.2	7.3	7.5	7.8	7.7	7.5	7.3	7.2	7.3	.
Labour productivity, industry ¹⁾	CCPY	8.6	9.0	9.1	10.0	10.3	10.5	10.6	10.7	17.2	15.7	16.5	13.5	11.3	12.5	13.0	.
Unit labour costs, exch.r.adj.(EUR) ¹⁾	CCPY	1.9	2.1	1.5	0.5	-0.1	-0.7	-1.1	-1.7	-9.7	-9.2	-10.4	-9.1	-7.1	-8.8	-10.2	.
WAGES, SALARIES																	
Total economy, gross ¹⁾³⁾	HUF	155911	155668	151352	148438	150339	152714	175837	179843	195616	157291	162499	162145	166112	165704	164350	.
Total economy, gross ¹⁾³⁾	real, CPMY	6.5	2.8	3.7	3.2	3.9	3.3	3.9	2.0	3.4	6.0	5.2	5.7	3.6	3.5	5.4	.
Total economy, gross ¹⁾³⁾	USD	786	761	740	747	750	729	825	844	944	747	749	750	808	771	751	.
Total economy, gross ¹⁾³⁾	EUR	619	625	614	607	611	607	700	712	780	625	623	611	633	609	592	.
Industry, gross ¹⁾	EUR	624	610	595	607	598	585	714	663	592	588	622	590	650	604	567	.
PRICES																	
Consumer	PM	0.6	0.3	0.0	-0.4	0.2	0.0	0.2	0.0	0.1	0.2	0.6	0.7	1.0	0.3	0.2	0.0
Consumer	CCPY	3.6	3.8	3.7	3.6	3.7	3.2	3.3	3.3	2.7	2.5	2.3	2.3	2.8	2.8	3.0	3.5
Consumer	CCPY	3.6	3.7	3.7	3.7	3.7	3.6	3.6	3.6	2.7	2.6	2.5	2.5	2.5	2.6	2.6	2.7
Producer, in industry	PM	0.5	0.0	-0.4	0.1	0.8	0.8	0.4	0.0	0.6	0.1	1.8	1.1	0.1	2.4	1.2	.
Producer, in industry	CCPY	5.2	5.0	4.2	3.4	3.8	4.1	4.1	4.5	4.3	4.4	5.4	5.8	5.3	7.9	9.5	.
Producer, in industry	CCPY	4.5	4.6	4.5	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.7	5.0	5.0	5.5	6.1	.
RETAIL TRADE																	
Turnover	real, CPMY	7.2	6.8	5.1	6.2	7.4	6.8	7.0	3.5	7.5	6.0	2.9	6.1	5.4	3.6	4.0	.
Turnover	real, CCPY	4.5	5.0	5.0	5.1	5.4	5.6	5.7	5.5	7.5	6.7	5.3	5.5	5.5	5.1	4.9	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	19429	23916	27722	31565	36427	40896	45851	50090	4178	8389	13493	17865	22831	27714	32146	.
Imports total (cif), cumulated	EUR mn	20490	25047	29341	33631	38603	43418	48625	52993	4344	8805	14143	18695	23808	28787	33555	.
Trade balance, cumulated	EUR mn	-1061	-1132	-1619	-2066	-2176	-2523	-2774	-2903	-165	-415	-650	-830	-977	-1073	-1409	.
Exports to EU-25 (fob), cumulated	EUR mn	15103	18506	21416	24269	27930	31401	35207	38283	3220	6443	10255	13526	17240	20888	24211	.
Imports from EU-25 (cif) ⁶⁾ , cumulated	EUR mn	14155	17299	20326	23153	26565	29831	33295	36126	2885	5906	9586	12552	16071	19522	22764	.
Trade balance with EU-25, cumulated	EUR mn	947	1207	1091	1117	1365	1570	1912	2158	334	537	670	974	1169	1366	1447	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	.	-2787	.	.	-4627	.	.	-6002	.	.	-1537	.	.	-3006	.	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	198.3	204.6	204.6	198.8	200.6	209.4	213.0	213.0	207.1	210.6	216.9	216.3	205.5	214.9	218.8	214.0
HUF/EUR, monthly average	nominal	252.0	249.0	246.4	244.4	245.9	251.7	251.1	252.7	250.9	251.6	260.8	265.3	262.5	271.9	277.6	274.3
HUF/USD, calculated with CPI ⁷⁾	real, Jan03=100	121.5	118.0	117.5	119.8	117.7	112.5	111.6	112.1	114.5	112.6	109.5	109.5	115.9	110.9	109.1	111.6
HUF/USD, calculated with PPI ⁷⁾	real, Jan03=100	109.5	106.1	104.4	106.7	103.6	97.6	97.7	98.2	100.7	100.7	99.3	99.6	104.0	101.4	100.8	.
HUF/EUR, calculated with CPI ⁷⁾	real, Jan03=100	102.6	104.0	105.0	105.3	104.4	101.9	102.5	101.5	102.6	102.2	98.8	97.2	99.0	95.7	93.9	95.1
HUF/EUR, calculated with PPI ⁷⁾	real, Jan03=100	99.9	100.8	101.2	101.7	101.4	99.4	100.3	99.6	100.1	99.6	97.4	96.1	96.8	95.7	94.4	.
DOMESTIC FINANCE																	
M0, end of period ⁸⁾	HUF bn	1426.1	1456.7	1466.8	1475.2	1491.4	1532.7	1570.7	1600.3	1551.4	1555.5	1622.7	1663.9	1661.5	1724.9	1730.3	.
M1, end of period ⁸⁾	HUF bn	4390.4	4417.1	4436.1	4533.7	4643.4	4692.1	4960.0	5188.8	4863.8	4959.2	5318.2	5323.4	5358.3	5573.2	5610.9	.
Broad money, end of period ⁸⁾	HUF bn	10275.2	10253.9	10363.9	10469.0	10621.1	10673.6	10915.6	11232.5	11226.4	11356.4	11926.7	11780.5	11771.9	12158.7	12214.8	.
Broad money, end of period ⁸⁾	CCPY	15.9	14.4	14.0	13.2	14.5	14.1	14.4	14.6	16.2	16.5	19.7	15.9	14.6	18.6	17.9	.
NBH base rate (p.a.), end of period	%	7.3	7.0	6.8	6.3	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.3	6.8	7.3
NBH base rate (p.a.), end of period ⁹⁾	real, %	1.9	1.9	2.4	2.8	2.1	1.8	1.8	1.4	1.6	1.5	0.6	0.2	0.7	-1.5	-2.5	.
BUDGET																	
Central gov. budget balance, cum.	HUF bn	-680.5	-798.6	-741.3	-769.0	-780.9	-738.7	-744.7	-545.0	-144.4	-440.6	-682.7	-794.2	-859.7	-1158.4	-1141.3	-1266.7

1) Economic organizations employing more than 5 persons.

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

3) Increase of wages in January 2005 due to payment of one month extra salary in state sector (in January instead of December).

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

5) Cumulation starting January and ending December each year.

6) According to country of dispatch.

7) Adjusted for domestic and foreign (US resp. EU) inflation. Values more 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 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry ¹⁾	real, CMPY	0.9	6.9	2.6	4.8	5.9	7.6	8.5	9.5	9.7	10.2	16.5	5.7	19.1	12.2	14.3	12.5
Industry ¹⁾	real, CCPY	0.4	1.5	1.7	2.1	2.5	3.1	3.6	4.1	9.7	10.0	12.3	10.6	12.3	12.2	12.5	12.5
Industry ¹⁾	real, 3MMA	2.2	3.5	4.8	4.5	6.1	7.3	8.5	9.2	9.8	12.3	10.8	13.7	12.2	15.1	13.0	.
Construction ¹⁾	real, CMPY	21.8	29.9	17.3	6.5	10.5	6.8	5.8	8.2	-7.9	-3.4	15.7	4.1	13.3	15.7	4.9	15.3
LABOUR																	
Employees ¹⁾	th. persons	4756	4770	4772	4776	4788	4798	4804	4799	4862	4861	4870	4889	4901	4918	4928	4943
Employees in industry ¹⁾	th. persons	2423	2427	2422	2424	2428	2434	2436	2430	2457	2458	2464	2468	2471	2478	2484	2490
Unemployment, end of period	th. persons	2867.3	2827.4	2809.0	2783.3	2760.1	2712.1	2722.8	2773.0	2866.7	2865.9	2822.0	2703.6	2583.0	2487.6	2443.4	2411.6
Unemployment rate ²⁾	%	18.3	18.0	17.9	17.7	17.6	17.3	17.3	17.6	18.0	18.0	17.8	17.2	16.5	16.0	15.7	15.5
Labour productivity, industry ¹⁾	CCPY	-0.6	0.5	0.6	1.0	1.4	2.0	2.5	3.0	8.0	8.3	10.5	8.8	10.4	10.3	10.4	10.3
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	19.9	18.6	17.3	16.2	15.6	14.9	14.4	13.0	1.9	1.7	-0.7	1.1	0.3	-0.4	-0.5	-0.5
WAGES, SALARIES																	
Total economy, gross ¹⁾	PLN	2424	2513	2507	2481	2484	2539	2678	2789	2471	2526	2614	2570	2550	2625	2648	2612
Total economy, gross ¹⁾	real, CMPY	0.6	3.1	2.0	1.3	0.3	5.1	6.2	1.2	3.2	4.3	5.1	3.4	4.4	3.7	4.5	3.7
Total economy, gross ¹⁾	USD	737	753	737	755	777	779	795	858	782	796	811	804	836	828	841	858
Total economy, gross ¹⁾	EUR	580	619	612	613	633	647	674	723	646	666	675	656	655	654	662	669
Industry, gross ¹⁾	EUR	580	630	617	618	637	639	697	738	648	678	681	661	661	664	679	676
PRICES																	
Consumer	PM	0.3	-0.2	-0.2	-0.1	0.4	0.4	-0.2	-0.2	0.2	0.0	-0.1	0.7	0.5	-0.3	0.0	0.3
Consumer	CMPY	2.5	1.4	1.3	1.6	1.8	1.6	1.0	0.7	0.6	0.7	0.4	0.7	0.9	0.8	1.1	1.3
Consumer	CCPY	3.5	3.1	2.8	2.7	2.6	2.5	2.3	2.2	0.6	0.6	0.8	0.8	0.9	1.0	1.0	1.1
Producer, in industry	PM	-0.2	0.3	0.2	0.1	-0.3	-0.1	0.1	-0.7	0.2	-0.1	0.7	1.5	0.4	0.9	0.7	0.0
Producer, in industry	CMPY	-0.5	0.0	0.0	-0.2	-0.5	-0.9	-0.4	0.2	0.3	0.7	0.9	1.7	2.3	3.0	3.5	3.4
Producer, in industry	CCPY	2.1	1.8	1.5	1.3	1.1	0.9	0.8	0.7	0.3	0.5	0.6	0.9	1.2	1.5	1.8	2.0
RETAIL TRADE																	
Turnover ¹⁾	real, CMPY	5.5	8.8	3.2	5.6	2.9	5.7	6.4	6.2	8.6	9.9	10.1	13.3	13.4	10.5	10.8	10.9
Turnover ¹⁾	real, CCPY	-4.1	-1.9	-1.0	-0.2	0.1	0.6	1.2	1.5	8.6	9.6	9.0	10.1	10.6	10.5	10.8	11.1
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	27751	33973	39693	45260	51872	58747	65512	71720	6367	12849	20230	26967	34254	41607	48251	.
Imports total (cif), cumulated	EUR mn	31378	38292	44740	51247	58688	66233	73941	81018	6978	14296	22584	29914	38366	46364	54222	.
Trade balance, cumulated	EUR mn	-3628	-4319	-5047	-5986	-6816	-7485	-8428	-9299	-611	-1447	-2353	-2947	-4112	-4757	-5971	.
Exports to EU-25 (fob), cumulated	EUR mn	21605	26151	30557	34696	39694	45078	50508	55149	5153	10091	15943	21161	26825	32489	37552	.
Imports from EU-25 (cif) ⁵⁾ , cumulated	EUR mn	20887	25376	29705	33752	38544	43498	48559	52853	4307	8838	14275	18871	24223	29374	34176	.
Trade balance with EU-25, cumulated	EUR mn	718	774	852	944	1149	1580	1948	2296	846	1253	1669	2289	2602	3116	3375	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-1720	-1539	-1786	-2167	-2404	-2721	-3012	-3463	-197	-991	-1342	-1532	-1752	-1592	-2386	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	3.291	3.336	3.399	3.287	3.195	3.260	3.367	3.252	3.160	3.174	3.223	3.198	3.049	3.171	3.149	3.045
PLN/EUR, monthly average	nominal	4.183	4.060	4.097	4.045	3.925	3.926	3.972	3.856	3.825	3.794	3.875	3.919	3.894	4.016	3.997	3.901
PLN/USD, calculated with CPI ⁶⁾	real, Jan03=100	116.0	114.1	111.3	114.4	116.9	114.7	111.7	115.9	118.5	117.8	115.3	116.0	121.6	116.4	117.2	121.5
PLN/USD, calculated with PPI ⁶⁾	real, Jan03=100	111.5	110.3	107.1	110.0	109.7	104.8	103.1	106.4	108.8	109.9	108.8	110.0	114.9	111.0	112.5	116.4
PLN/EUR, calculated with CPI ⁶⁾	real, Jan03=100	97.8	100.4	99.2	100.2	103.2	103.5	102.2	104.8	106.1	106.6	103.9	102.8	103.8	100.1	100.6	103.4
PLN/EUR, calculated with PPI ⁶⁾	real, Jan03=100	101.6	104.6	103.6	104.6	107.0	106.4	105.5	107.8	108.0	108.5	106.5	106.1	106.7	104.4	105.1	107.7
DOMESTIC FINANCE																	
M0, end of period	PLN bn	52.9	53.8	55.3	55.2	55.3	55.8	55.9	57.2	55.3	56.3	58.4	61.3	61.2	64.2	64.9	64.9
M1, end of period ⁷⁾	PLN bn	189.6	188.0	185.7	193.3	192.5	195.9	202.5	208.0	204.5	211.5	209.7	223.8	226.2	233.1	235.5	.
M2, end of period ⁷⁾	PLN bn	382.5	379.1	379.7	386.2	390.5	395.3	396.7	402.5	397.2	404.1	408.1	412.3	420.0	426.6	429.2	435.5
M2, end of period	CMPY	11.0	8.8	9.2	9.9	11.4	6.9	11.2	9.8	10.3	10.9	9.8	9.5	9.8	12.5	13.1	12.8
Discount rate (p.a.),end of period	%	6.0	5.5	5.3	5.3	4.8	4.8	4.8	4.8	4.8	4.5	4.3	4.3	4.3	4.3	4.3	4.3
Discount rate (p.a.),end of period ⁸⁾	real, %	6.5	5.5	5.3	5.5	5.3	5.7	5.2	4.5	4.4	3.8	3.3	2.5	1.9	1.2	0.7	0.8
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-18134	-18248	-17331	-18537	-17782	-20649	-22272	-27495	772	-6716	-9275	-10070	-14718	-17694	-15543	-14517

1) Enterprises employing more than 9 persons.

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

5) According to country of origin.

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

7) Revised according to ECB monetary standards.

8) Deflated with annual PPI.

SLOVAK REPUBLIC: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	1.9	1.7	4.9	4.5	5.4	4.1	5.8	8.7	7.3	4.9	16.5	3.5	10.9	12.1	8.2	.
Industry, total	real, CCPY	1.7	1.7	2.1	2.4	2.8	2.9	3.2	3.6	7.3	6.1	9.7	8.1	8.7	9.3	9.1	.
Industry, total	real, 3MMA	3.0	2.8	3.6	4.9	4.7	5.1	6.1	7.2	7.0	9.7	8.4	10.3	8.9	10.5	.	.
Construction, total	real, CMPY	18.8	25.2	17.3	15.1	20.7	9.4	15.8	0.5	4.6	19.9	18.0	11.6	20.2	16.3	17.5	.
LABOUR																	
Employment in industry	th. persons	578.2	581.2	581.9	584.6	582.1	584.7	586.4	578.5	555.2	556.6	558.3	563.2	567.5	570.5	571.3	.
Unemployment, end of period	th. persons	330.8	325.4	322.4	318.7	327.8	322.2	322.6	333.8	342.4	337.3	329.3	315.6	302.6	296.5	291.3	282.0
Unemployment rate ¹⁾	%	11.3	11.1	11.0	10.9	11.2	10.9	10.9	11.4	11.8	11.7	11.4	11.0	10.6	10.4	10.2	9.9
Labour productivity, industry	CCPY	-1.5	-1.4	-1.1	-0.8	-0.4	-0.1	0.2	0.7	8.5	7.1	11.0	9.6	10.3	10.9	10.8	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	16.9	15.8	14.2	13.5	12.6	12.1	11.4	10.6	-0.6	-3.3	-5.7	-2.7	-1.9	-2.5	-2.1	.
WAGES, SALARIES																	
Industry, gross	SKK	17614	18513	17610	17721	17687	18448	21496	19912	17755	17279	18365	18102	19393	19820	19069	.
Industry, gross	real, CMPY	5.3	2.9	1.8	3.9	2.8	3.7	3.3	3.2	0.6	-6.4	0.4	2.9	5.1	2.4	3.1	.
Industry, gross	USD	574	585	547	563	564	570	655	624	572	552	589	593	658	659	630	.
Industry, gross	EUR	451	480	453	458	460	474	555	526	473	462	490	484	516	521	497	.
PRICES																	
Consumer	PM	0.0	0.3	-0.3	-0.1	0.2	1.1	0.0	0.1	2.1	0.6	0.0	0.3	0.4	0.1	0.2	0.0
Consumer	CMPY	2.4	2.5	2.0	2.0	2.2	3.3	3.4	3.7	4.1	4.4	4.5	4.5	4.8	4.6	5.0	5.1
Consumer	CCPY	2.7	2.6	2.5	2.5	2.4	2.5	2.6	2.7	4.1	4.3	4.3	4.4	4.5	4.5	4.6	4.6
Producer, in industry	PM	0.7	1.0	0.6	0.8	0.5	0.5	1.8	-0.6	1.4	1.4	0.7	0.7	0.8	0.2	0.6	.
Producer, in industry	CMPY	4.0	4.8	5.3	5.6	5.8	5.7	7.4	7.0	8.7	9.9	9.9	9.8	9.9	9.1	9.0	.
Producer, in industry	CCPY	3.0	3.3	3.6	3.8	4.1	4.2	4.5	4.7	8.7	9.3	9.5	9.6	9.7	9.6	9.5	.
RETAIL TRADE²⁾																	
Turnover	real, CMPY	9.6	8.0	7.5	11.7	12.7	14.4	12.3	6.3	6.6	6.5	10.0	8.6	9.3	10.7	8.5	.
Turnover	real, CCPY	9.0	8.8	8.6	9.0	9.4	9.9	10.1	9.7	6.6	6.6	7.7	7.9	8.2	8.6	8.6	.
FOREIGN TRADE³⁾⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	9710	11954	13968	16067	18486	20975	23583	25773	2169	4442	7152	9535	12307	15120	17614	.
Imports total (fob), cumulated	EUR mn	10428	12765	14903	17012	19501	22165	24878	27751	2390	4930	7763	10395	13355	16332	19016	.
Trade balance, cumulated	EUR mn	-717	-811	-935	-945	-1015	-1190	-1295	-1978	-221	-488	-610	-860	-1048	-1211	-1402	.
Exports to EU-25 (fob), cumulated	EUR mn	8445	10284	12015	13751	15816	17958	20184	22015	1921	3896	6246	8273	10660	13041	.	.
Imports from EU-25 (fob) ⁶⁾ , cumulated	EUR mn	7470	9174	10725	12220	14053	15963	17894	19778	1513	3183	5165	6937	8986	11073	.	.
Trade balance with EU-25, cumulated	EUR mn	975	1110	1290	1532	1763	1996	2290	2237	407	713	1081	1336	1674	1969	.	.
FOREIGN FINANCE																	
Current account, cumulated ³⁾	EUR mn	-972	-1309	-1495	-1586	-1765	-1949	-2146	-3288	-294	-509	-745	-1020	-1475	-1704	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	30.7	31.6	32.2	31.5	31.4	32.4	32.8	31.9	31.0	31.3	31.2	30.5	29.5	30.1	30.3	29.4
SKK/EUR, monthly average	nominal	39.0	38.5	38.8	38.7	38.5	38.9	38.7	37.9	37.5	37.4	37.5	37.4	37.6	38.0	38.4	37.7
SKK/USD, calculated with CPI ⁷⁾	real, Jan03=100	134.1	130.3	127.1	129.2	128.6	125.6	124.9	129.0	134.4	133.8	133.6	135.7	140.5	137.6	136.8	140.8
SKK/USD, calculated with PPI ⁷⁾	real, Jan03=100	122.9	120.4	117.4	120.1	117.7	111.8	114.0	117.0	121.1	123.6	124.7	126.8	131.3	128.5	128.2	.
SKK/EUR, calculated with CPI ⁷⁾	real, Jan03=100	113.0	114.7	113.3	113.5	113.9	113.7	114.3	116.7	120.5	121.2	120.7	120.5	120.1	118.5	117.7	119.9
SKK/EUR, calculated with PPI ⁷⁾	real, Jan03=100	111.9	114.1	113.5	114.4	115.1	113.8	116.7	118.5	120.4	122.1	122.3	122.5	122.2	121.0	120.0	.
DOMESTIC FINANCE																	
M0, end of period ⁸⁾	SKK bn	106.3	108.1	110.1	111.4	112.6	113.6	114.9	119.8	118.8	119.4	120.1	121.3	121.9	124.5	124.4	.
M1, end of period ⁸⁾	SKK bn	420.9	428.5	421.7	433.2	443.0	445.8	464.4	486.0	477.7	493.5	486.0	485.5	512.9	521.7	528.1	.
Broad money, end of period ⁸⁾	SKK bn	770.5	774.3	779.7	785.8	792.0	800.4	798.4	831.4	824.9	833.9	840.7	850.2	851.2	861.2	871.8	.
Broad money, end of period ⁸⁾	CMPY	12.5	9.6	8.9	8.0	7.3	7.6	6.3	7.8	8.6	9.1	10.3	9.4	10.5	11.2	11.8	.
Discount rate (p.a.), end of period ⁹⁾	%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	4.0	4.0	4.5	4.5
Discount rate (p.a.), end of period ⁹⁾¹⁰⁾	real, %	-0.9	-1.7	-2.2	-2.5	-2.6	-2.5	-4.1	-3.7	-5.2	-6.3	-5.8	-5.8	-5.4	-4.7	-4.2	.
BUDGET																	
Central gov. budget balance, cum.	SKK mn	-3858	-1149	1922	-5065	-8107	-5115	-7553	-33886	12083	6347	157	180	-11700	-10246	-5244	-5716

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

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

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

4) Cumulation starting January and ending December each year.

5) From January 2005 excluding value of goods for repair and after repair.

6) According to country of origin.

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

8) According to ECB methodology.

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

10) Deflated with annual PPI.

SLOVENIA: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006								
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
PRODUCTION																		
Industry, total ¹⁾	real, CMPY	6.1	6.9	3.8	0.7	2.5	3.1	7.5	6.0	7.3	8.4	7.3	0.9	9.7	4.4	7.1	.	
Industry, total ¹⁾	real, CCPY	1.8	2.7	2.8	2.6	2.6	2.6	3.1	3.3	7.3	7.9	7.7	5.9	6.7	6.3	6.4	.	
Industry, total ¹⁾	real, 3MMA	4.4	3.8	4.2	3.5	4.0	6.1	7.1	7.6	7.7	7.7	5.5	6.0	5.0	7.0	.	.	
Construction, total ²⁾	real, CMPY	16.9	13.2	1.8	-1.2	-4.7	-8.2	8.6	13.2	-3.9	7.7	1.0	-3.2	-2.8	11.8	15.8	.	
LABOUR																		
Employment total	th. persons	814.8	816.1	813.5	812.7	816.1	817.5	818.3	813.6	812.5	814.1	817.3	819.9	823.6	827.4	825.2	.	.
Employees in industry	th. persons	240.9	240.4	239.2	238.3	238.1	238.3	238.1	235.8	235.1	234.9	234.8	234.6	235.1	235.8	.	.	.
Unemployment, end of period	th. persons	89.8	88.9	91.1	90.6	91.1	94.2	93.9	92.6	95.2	94.1	91.4	90.0	87.1	84.9	85.6	.	.
Unemployment rate ³⁾	%	9.9	9.8	10.1	10.0	10.0	10.3	10.3	10.2	10.5	10.4	10.1	9.9	9.6	9.3	9.4	.	.
Labour productivity, industry	CCPY	3.2	4.1	4.3	4.2	4.2	4.4	4.9	5.2	10.2	10.6	10.4	8.6	9.4	8.9	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	2.5	1.5	1.1	1.4	1.4	1.3	1.4	0.5	-2.6	-3.3	-3.5	-2.4	-3.2	-2.5	.	.	.
WAGES, SALARIES⁴⁾																		
Total economy, gross	th. SIT	271.8	271.7	271.4	279.0	277.4	279.5	314.0	290.5	281.6	277.4	285.7	279.9	286.3	285.7	283.0	.	.
Total economy, gross	real, CMPY	3.8	2.7	1.6	3.2	1.3	1.6	6.9	-1.5	2.8	3.2	3.2	1.2	2.1	2.2	2.3	.	.
Total economy, gross	USD	1442	1381	1364	1432	1420	1403	1545	1437	1423	1384	1432	1429	1526	1510	1498	.	.
Total economy, gross	EUR	1134	1134	1133	1165	1158	1167	1310	1213	1175	1158	1192	1168	1195	1192	1181	.	.
Industry, gross	EUR	1008	998	993	1042	1028	1036	1221	1060	1061	1021	1079	1027	1065	1070	1043	.	.
PRICES																		
Consumer	PM	0.3	0.1	0.7	-0.6	1.0	0.2	-0.5	0.0	-0.5	0.4	0.8	0.8	0.9	-0.3	-0.2	0.6	.
Consumer	CMPY	2.2	1.9	2.3	2.1	3.2	3.1	2.1	2.3	2.4	2.2	1.9	2.7	3.2	2.9	1.9	3.2	.
Consumer	CCPY	2.6	2.5	2.4	2.4	2.5	2.5	2.5	2.5	2.4	2.3	2.2	2.3	2.5	2.6	2.5	2.6	.
Producer, in industry	PM	-0.3	0.0	-0.2	0.3	0.3	0.2	0.1	0.4	-0.1	0.6	0.4	0.3	0.1	0.3	0.1	-0.2	.
Producer, in industry	CMPY	2.6	2.4	2.0	2.1	1.9	1.8	1.8	1.8	1.3	1.6	2.0	2.0	2.4	2.7	2.9	2.4	.
Producer, in industry	CCPY	3.8	3.6	3.3	3.2	3.0	2.9	2.8	2.7	1.3	1.4	1.6	1.7	1.9	2.0	2.1	2.2	.
RETAIL TRADE																		
Turnover	real, CMPY	9.3	11.7	7.2	14.5	8.2	8.0	18.9	14.3	8.4	9.9	9.2	8.2	9.5	5.0	8.7	.	.
Turnover	real, CCPY	6.5	7.4	7.4	8.2	8.2	8.2	9.2	9.7	8.4	9.1	9.2	8.9	9.0	8.3	8.3	.	.
FOREIGN TRADE⁵⁾⁶⁾																		
Exports total (fob), cumulated	EUR mn	5753	7051	8201	9236	10577	11868	13229	14397	1230	2489	3980	5288	6725	8190	9595	.	.
Imports total (cif), cumulated	EUR mn	6141	7491	8686	9908	11363	12745	14313	15804	1255	2632	4275	5598	7143	8700	10220	.	.
Trade balance total, cumulated	EUR mn	-389	-440	-485	-672	-787	-877	-1084	-1408	-24	-142	-294	-310	-419	-510	-625	.	.
Exports to EU-25 (fob), cumulated	EUR mn	3988	4861	5623	6290	7185	8056	8977	9770	900	1797	2832	3707	4690	5687	6625	.	.
Imports from EU-25 (cif) ⁷⁾ , cumulated	EUR mn	4936	6058	7087	8062	9255	10366	11575	12788	975	2037	3366	4412	5653	6906	8143	.	.
Trade balance with EU-25, cumulated	EUR mn	-948	-1197	-1464	-1772	-2070	-2310	-2598	-3018	-75	-240	-535	-705	-963	-1219	-1518	.	.
FOREIGN FINANCE																		
Current account, cumulated	EUR mn	-148	-93	-137	-140	-152	-147	-260	-548	53	-41	-126	-74	-81	-52	-280	.	.
EXCHANGE RATE																		
SIT/USD, monthly average	nominal	188.5	196.7	198.9	194.9	195.3	199.3	203.2	202.2	197.9	200.4	199.5	195.9	187.6	189.2	188.9	187.1	.
SIT/EUR, monthly average	nominal	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	.
SIT/USD, calculated with CPF ⁸⁾	real, Jan03=100	117.0	112.2	111.2	112.3	111.9	109.6	107.8	108.8	109.7	108.5	109.4	111.2	116.6	115.1	115.0	116.9	.
SIT/USD, calculated with PPP ⁹⁾	real, Jan03=100	108.8	104.3	101.6	103.2	100.4	96.2	95.8	97.1	98.3	99.1	99.8	100.8	104.4	103.5	103.8	104.6	.
SIT/EUR, calculated with CPF ⁸⁾	real, Jan03=100	98.6	98.6	99.2	98.5	99.0	99.1	98.7	98.4	98.1	98.3	98.7	98.9	99.5	99.0	98.8	99.4	.
SIT/EUR, calculated with PPP ⁹⁾	real, Jan03=100	99.1	98.8	98.3	98.2	98.0	97.8	98.1	98.4	97.6	97.9	97.8	97.5	97.1	97.3	97.0	96.8	.
DOMESTIC FINANCE																		
M0, end of period ⁹⁾	SIT bn	174.9	179.2	179.0	174.6	177.6	186.0	177.1	187.2	202.7	206.8	207.5	220.9	216.5	220.7	212.1	.	.
M1, end of period ⁹⁾	SIT bn	1054.8	1074.7	1057.4	1051.6	1068.4	1079.1	1073.4	1151.4	1683.9	1694.1	1740.5	1764.7	1795.3	1824.8	1813.6	.	.
Broad money, end of period ⁹⁾	SIT bn	4070.3	4031.2	4048.1	4088.3	4155.8	4164.5	4248.9	4258.2	3498.5	3524.7	3570.2	3546.0	3593.4	3627.3	3698.8	.	.
Broad money, end of period ⁹⁾	CMPY	6.4	4.6	4.3	5.5	6.1	7.5	8.0	5.5	-14.0	-13.3	-12.8	-14.4	-11.7	-10.0	-8.6	.	.
Refinancing rate (p.a.), end of period	%	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.50	3.25	3.25	3.25	3.50	3.50	3.75	.
Refinancing rate (p.a.), end of period ¹⁰⁾	real, %	0.9	1.1	1.5	1.4	1.6	1.7	1.7	1.9	2.4	1.9	1.2	1.2	0.8	0.8	0.6	1.3	.
BUDGET																		
General gov. budget balance, cum.	SIT bn	-70.3	-84.7	-82.1	-62.3	-47.5	-49.9	-36.9	-71.8	16.2	-17.7	-31.2	-15.5	-21.3	-16.5	.	.	.

1) Data in 2005 according to new methodology introduced in July 2005.

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

3) Ratio of unemployed to the economically active.

4) Break 2004/2005 - until December 2004 without small private enterprises (with 1 or 2 employees).

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

6) Cumulation starting January and ending December each year.

7) According to country of dispatch.

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

9) From 2006 harmonized ECB methodology.

10) Deflated with annual PPI.

B U L G A R I A: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	6.5	6.2	7.0	6.5	1.7	9.2	7.8	6.3	7.6	8.9	5.7	2.7	10.3	5.7	2.6	.
Industry, total ¹⁾	real, CCPY	7.1	6.9	7.0	6.9	6.3	6.6	6.7	6.7	7.6	8.3	7.3	6.1	7.0	6.7	6.1	.
Industry, total	real, 3MMA	7.3	6.6	6.6	5.0	5.8	6.3	7.7	7.2	7.5	7.3	5.7	6.2	6.2	6.1	.	.
LABOUR																	
Employees total	th. persons	2247	2264	2285	2279	2266	2260	2261	2234	2201	2213	2237	2250	2265	2276	.	.
Employees in industry	th. persons	720	718	720	719	715	714	713	708	699	701	702	705	705	704	.	.
Unemployment, end of period	th. persons	427.2	411.6	405.5	399.0	388.5	386.5	383.9	397.3	432.3	426.2	401.5	378.9	355.3	340.1	331.8	323.8
Unemployment rate ²⁾	%	11.5	11.1	10.9	10.8	10.5	10.4	10.4	10.7	11.7	11.5	10.8	10.2	9.6	9.2	9.0	8.7
Labour productivity, industry ¹⁾	CCPY	2.4	2.2	2.2	2.2	1.7	2.0	2.0	2.0	10.6	11.1	10.1	8.8	9.6	9.1	.	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	4.1	4.4	4.6	4.6	5.3	5.2	5.1	5.2	-1.3	-1.5	-0.6	0.9	0.0	0.3	.	.
WAGES, SALARIES																	
Total economy, gross	BGN	319	314	317	310	324	317	321	340	324	322	340	343	346	345	.	.
Total economy, gross	real, CMPY	3.4	3.4	3.4	1.5	1.4	0.5	-0.9	-0.2	3.4	1.0	0.9	2.4	-0.1	1.5	.	.
Total economy, gross	USD	207	195	195	195	203	195	193	206	201	197	209	215	226	223	.	.
Total economy, gross	EUR	163	161	162	159	166	162	164	174	166	165	174	175	177	176	.	.
Industry, gross	EUR	162	168	164	162	170	168	166	175	167	168	179	178	176	182	.	.
PRICES																	
Consumer	PM	-0.5	-1.3	0.1	0.6	1.4	1.2	1.0	0.8	0.8	3.0	0.3	0.4	0.0	-1.6	-0.5	-0.2
Consumer	CMPY	4.6	5.1	3.9	5.0	5.4	6.5	6.9	6.5	6.6	8.7	8.7	8.1	8.5	8.2	7.6	6.8
Consumer	CCPY	4.2	4.4	4.3	4.4	4.5	4.7	4.9	5.0	6.6	7.6	8.0	8.0	8.1	8.1	8.1	7.9
Producer, in industry ¹⁾	PM	-0.6	0.7	1.1	0.2	1.3	0.8	0.5	0.7	-0.5	1.5	-0.2	1.8	3.1	0.3	0.9	.
Producer, in industry ¹⁾	CMPY	5.9	7.2	6.6	6.6	7.0	6.3	7.7	9.8	8.8	9.6	6.8	7.5	11.5	11.1	10.9	.
Producer, in industry ¹⁾	CCPY	6.5	6.6	6.6	6.6	6.6	6.6	6.7	7.0	8.8	9.2	8.4	8.1	8.8	9.2	9.5	.
FOREIGN TRADE^{3/4)}																	
Exports total (fob), cumulated	EUR mn	3565	4386	5245	6027	6800	7716	8596	9454	816	1692	2667	3656	4642	5699	6770	.
Imports total (cif), cumulated	EUR mn	5301	6592	7864	9137	10404	11831	13290	14682	1233	2457	3933	5344	6868	8361	9957	.
Trade balance, cumulated	EUR mn	-1736	-2206	-2618	-3110	-3604	-4115	-4694	-5228	-418	-764	-1266	-1688	-2226	-2661	-3187	.
FOREIGN FINANCE																	
Current account, cumulated ⁵⁾	EUR mn	-984	-1074	-1066	-1084	-1226	-1576	-2012	-2427	-441	-685	-1118	-1471	-1733	-1820	-1823	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.543	1.608	1.625	1.591	1.597	1.628	1.660	1.650	1.614	1.638	1.627	1.597	1.532	1.546	1.542	1.527
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 CP ⁶⁾	real, Jan03=100	124.8	118.1	116.5	119.1	119.0	117.8	117.6	119.8	122.5	124.0	124.6	126.3	131.0	127.5	127.3	128.2
BGN/USD, calculated with PP ⁶⁾	real, Jan03=100	116.9	113.0	111.6	113.3	111.1	107.2	107.3	109.1	110.1	111.8	112.1	115.0	122.5	121.3	122.7	.
BGN/EUR, calculated with CP ⁶⁾	real, Jan03=100	105.6	104.2	104.2	104.6	105.6	106.7	107.9	108.5	109.6	112.6	112.5	112.3	111.9	110.0	109.5	109.2
BGN/EUR, calculated with PP ⁶⁾	real, Jan03=100	106.9	107.4	108.2	108.0	108.9	109.3	110.1	110.7	109.3	110.6	110.0	111.2	114.0	114.4	114.8	.
DOMESTIC FINANCE																	
M0, end of period ⁷⁾	BGN mn	4756	4848	5058	5147	5213	5134	5096	5396	5092	5080	5113	5190	5284	5503	5687	5835
M1, end of period ⁷⁾	BGN mn	10790	11167	11494	11713	11566	11792	11729	12443	11840	12058	12371	12430	13085	13444	14182	14604
Broad money, end of period ⁷⁾	BGN mn	22440	22778	23211	23663	23746	23939	24010	25260	24633	25125	25558	25771	26568	27535	28183	29126
Broad money, end of period	CMPY	29.0	25.4	26.4	29.0	26.6	27.0	27.3	23.9	20.0	21.1	10.1	17.1	18.4	20.9	21.4	23.1
BNB base rate (p.a.) ^{end of period}	%	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.3	2.3	2.5	2.6	2.6	2.7	2.8
BNB base rate (p.a.) ^{end of period⁸⁾}	real, %	-3.6	-4.7	-4.3	-4.3	-4.6	-4.0	-5.2	-7.0	-6.0	-6.7	-4.2	-4.7	-8.0	-7.6	-7.3	.
BUDGET																	
Central gov.budget balance _{zum.}	BGN mn	926.7	1007.7	1001.5	1198.9	1339.3	1488.3	1611.8	1333.9	137.0	457.7	619.9	978.8	1237.7	1454.9	1606.3	.

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

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

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

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

7) According to ECB methodology.

8) Deflated with annual PPI.

ROMANIA: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	-4.0	-0.7	-6.2	2.3	2.7	1.7	1.6	2.2	5.0	4.2	4.3	0.6	15.7	10.7	9.7	.
Industry, total ¹⁾	real, CCPY	4.3	3.4	1.9	1.9	2.0	2.0	2.0	2.0	5.0	4.6	4.5	3.5	5.9	6.7	7.1	.
Industry, total	real, 3MMA	1.2	-3.7	-1.6	-0.5	2.2	2.0	1.8	2.8	3.8	4.5	3.0	6.7	8.9	12.0	.	.
LABOUR																	
Employees total	th. persons	4560.3	4577.8	4567.5	4563.2	4554.6	4538.0	4537.6	4501.2	4556.2	4565.6	4582.0	4589.7	4604.0	4612.2	4617.4	.
Employees in industry	th. persons	1731.5	1722.2	1712.6	1699.4	1690.3	1680.6	1670.7	1652.3	1684.0	1680.8	1678.5	1666.7	1663.9	1653.1	1645.3	.
Unemployment, end of period	th. persons	495.9	488.8	489.3	499.0	493.8	499.7	504.8	523.0	548.0	554.6	545.9	512.3	481.2	465.9	446.8	.
Unemployment rate ²⁾	%	5.6	5.6	5.6	5.7	5.6	5.7	5.7	5.9	6.2	6.3	6.2	5.9	5.5	5.3	5.1	.
Labour productivity, industry	CCPY	6.1	5.4	4.3	4.5	4.8	5.0	5.2	5.4	8.8	8.6	8.4	7.5	9.9	10.7	11.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	20.4	22.0	24.0	24.8	25.0	25.1	24.6	24.0	9.9	10.2	12.0	12.1	9.2	7.9	7.1	.
WAGES, SALARIES																	
Total economy, gross	RON	941.7	943.6	957.0	963.0	965.0	974.0	1017.0	1121.0	1100.0	1017.0	1101.0	1120.0	1109.0	1112.0	1122.0	.
Total economy, gross	real, CMPY	6.9	7.1	7.7	9.2	8.3	7.4	7.8	6.0	6.2	7.1	10.4	7.7	9.8	10.0	10.4	.
Total economy, gross	USD	330	318	323	338	337	325	328	364	366	343	377	393	404	397	398	.
Total economy, gross	EUR	260	261	268	275	275	271	278	306	302	287	314	321	316	313	314	.
Industry, gross	EUR	254	256	265	274	277	262	268	296	262	268	302	301	299	300	305	.
PRICES																	
Consumer	PM	0.3	0.3	1.0	0.1	0.6	0.9	1.2	0.5	1.0	0.2	0.2	0.4	0.6	0.2	0.1	-0.1
Consumer	CMPY	10.0	9.7	9.3	8.9	8.5	8.1	8.7	8.6	8.9	8.5	8.4	6.9	7.3	7.1	6.2	6.0
Consumer	CCPY	9.3	9.4	9.4	9.3	9.2	9.1	9.0	9.0	8.9	8.7	8.6	8.2	8.0	7.8	7.6	7.4
Producer, in industry	PM	0.5	0.2	0.7	1.2	0.7	1.7	0.7	-0.1	1.4	1.1	0.4	1.8	1.5	1.1	0.9	.
Producer, in industry	CMPY	11.4	10.4	9.3	8.8	8.1	8.2	8.8	9.6	9.8	11.7	11.3	10.6	11.7	12.7	13.0	.
Producer, in industry	CCPY	12.7	12.3	11.9	11.5	11.1	10.8	10.6	10.5	9.8	10.7	10.9	10.8	11.0	11.3	11.5	.
RETAIL TRADE																	
Turnover	real, CMPY	14.8	14.2	14.2	22.6	11.7	9.2	12.4	30.3	25.4	26.7	24.0	16.3	32.1	28.4	28.4	.
Turnover	real, CCPY	19.2	18.4	17.5	18.2	17.4	16.5	16.0	17.6	25.4	26.0	25.4	23.1	24.9	25.5	25.8	.
FOREIGN TRADE³⁾																	
Exports total (fob), cumulated	EUR mn	8663	10527	12530	14394	16466	18407	20436	22255	1774	3880	6218	8086	10393	12673	14885	.
Imports total (cif), cumulated	EUR mn	11899	14740	17521	20220	23066	26144	29462	32569	2420	5286	8575	11517	15024	18477	21922	.
Trade balance, cumulated	EUR mn	-3236	-4213	-4990	-5826	-6600	-7737	-9025	-10313	-645	-1406	-2357	-3431	-4632	-5804	-7037	.
Exports to EU-25 (fob), cumulated	EUR mn	5969	7275	8590	9745	11153	12477	13935	15043	1237	2681	4256	5473	6950	8486	10016	.
Imports from EU-25 (cif), cumulated	EUR mn	7495	9288	11025	12611	14366	16340	18417	20251	1456	3142	5160	6947	9212	11467	13690	.
Trade balance with EU-25, cumulated	EUR mn	-1526	-2013	-2436	-2866	-3213	-3863	-4482	-5208	-219	-462	-904	-1474	-2262	-2980	-3674	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-2178	-2975	-3412	-3248	-4363	-4891	-6023	-6891	-391	-1018	-1564	-2486	-3336	-4170	-4878	.
EXCHANGE RATE																	
RON/USD, monthly average	nominal	2.851	2.969	2.961	2.851	2.865	2.993	3.097	3.084	3.006	2.963	2.918	2.849	2.745	2.801	2.817	2.753
RON/EUR, monthly average	nominal	3.618	3.614	3.566	3.506	3.510	3.598	3.653	3.659	3.645	3.540	3.507	3.491	3.507	3.548	3.572	3.528
RON/USD, calculated with CPI ⁴⁾	real, Jan03=100	140.2	134.8	136.0	140.7	139.3	134.2	132.3	134.1	137.8	139.9	141.7	144.4	150.0	146.9	146.3	149.5
RON/USD, calculated with PPI ⁴⁾	real, Jan03=100	145.1	139.6	139.2	145.1	141.3	134.2	132.6	133.6	137.9	143.5	146.1	150.6	157.3	155.2	155.7	.
RON/EUR, calculated with CPI ⁴⁾	real, Jan03=100	118.7	119.1	121.8	123.8	123.8	121.8	121.5	121.6	123.5	127.1	128.2	128.5	128.3	126.8	126.1	127.6
RON/EUR, calculated with PPI ⁴⁾	real, Jan03=100	132.8	132.8	135.1	138.5	138.6	137.0	136.2	135.7	137.1	142.2	143.5	145.8	146.6	146.5	146.1	.
DOMESTIC FINANCE																	
M0, end of period	RON mn	8689	9582	9790	9985	10341	10258	10348	11386	10977	11165	11480	12471	12595	13557	13926	.
M1, end of period	RON mn	17146	18495	19162	20456	20964	21289	21133	24551	23560	23508	23843	24593	26080	27781	28930	.
M2, end of period	RON mn	71966	74200	74080	76745	80152	81098	81402	86332	85727	85677	87528	88034	91747	95054	95888	.
M2, end of period	CMPY	46.7	46.5	41.1	39.9	41.3	41.3	43.1	33.9	35.8	31.4	28.8	27.4	27.5	28.1	29.4	.
Discount rate (p.a.),end of period ⁵⁾	%	8.0	8.0	8.0	8.0	8.3	7.7	7.5	7.5	7.5	7.5	8.5	8.5	8.5	8.5	8.5	8.8
Discount rate (p.a.),end of period ⁵⁾⁶⁾	real, %	-3.1	-2.2	-1.2	-0.7	0.1	-0.4	-1.2	-1.9	-2.1	-3.8	-2.5	-1.9	-2.8	-3.7	-4.0	.
BUDGET																	
Central gov.budget balance, cum.	RON mn	-235.2	-725.9	-255.6	50.7	403.0	1363.8	653.2	-2182.9	850.9	851.4	472.6	674.3	830.9	-444.7	755.7	.

Note: On 1 July 2005, the new Romania leu was introduced (1 RON = 10000 ROL). Data in this table are presented in new leu RON.

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 2004 as of December 2003.

3) Cumulation starting January and ending December each year.

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

5) Reference rate of RNB.

6) Deflated with annual PPI.

C R O A T I A: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	8.3	12.3	5.4	4.7	6.0	7.2	6.4	3.1	5.9	7.3	6.0	-3.2	4.1	-1.1	5.2	9.8
Industry, total ¹⁾	real, CCPY	3.2	4.8	4.9	4.9	5.0	5.2	5.3	5.1	5.9	6.6	6.4	3.7	3.8	2.9	3.3	4.1
Industry, total ¹⁾	real, 3MMA	9.0	8.7	7.5	5.4	6.0	6.5	5.5	5.0	5.3	6.4	3.1	2.3	-0.1	2.7	4.4	.
Construction, total, effect. work. time ¹⁾	real, CMPY	-6.7	-3.6	-3.6	5.5	5.6	8.8	8.0	4.4	13.3	17.1	16.9	3.8	13.7	7.5	8.3	.
LABOUR																	
Employment total	th. persons	1420.1	1434.2	1444.5	1446.3	1436.9	1429.7	1425.4	1417.2	1406.6	1403.8	1406.7	1416.3	1429.6	1444.1	1455.5	.
Employees in industry	th. persons	279.7	279.4	279.6	279.5	278.5	279.4	279.1	277.4	273.1	274.6	274.8	275.5	276.3	276.8	276.8	.
Unemployment, end of period	th. persons	308.3	297.6	293.2	291.0	294.3	300.6	305.5	307.9	314.2	313.6	311.3	302.4	287.3	274.5	270.8	271.1
Unemployment rate ²⁾	%	17.8	17.2	16.9	16.8	17.0	17.4	17.7	17.8	18.3	18.3	18.1	17.6	16.7	16.0	15.7	15.7
Labour productivity, industry ¹⁾	CCPY	1.6	3.1	3.2	3.3	3.4	3.6	3.7	3.5	5.2	6.8	7.0	4.7	4.9	4.1	4.5	.
Unit labour costs, exch. r. adj. (EUR) ¹⁾	CCPY	5.3	3.5	2.9	3.0	2.8	2.8	2.9	3.1	4.3	2.6	2.5	4.0	3.7	4.6	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	6358	6348	6199	6306	6202	6184	6588	6409	6386	6326	6650	6459	6780	6684	.	.
Total economy, gross	real, CMPY	3.2	1.4	-0.5	2.0	0.8	0.4	1.1	0.8	2.2	2.4	2.8	2.1	2.5	1.2	.	.
Total economy, gross	USD	1104	1057	1023	1055	1025	1008	1054	1028	1046	1032	1090	1081	1190	1167	.	.
Total economy, gross	EUR	868	868	849	858	835	837	893	867	866	863	908	883	932	921	.	.
Industry, gross	EUR	800	795	780	797	783	768	833	796	795	797	850	807	867	871	.	.
PRICES																	
Consumer	PM	0.0	-0.1	-0.2	0.1	0.5	0.7	0.2	0.5	0.6	0.8	0.1	0.2	0.5	-0.1	-0.8	0.1
Consumer	CMPY	2.8	2.9	3.1	3.1	3.8	4.1	3.8	3.6	3.9	3.6	3.0	3.5	4.0	4.0	3.4	3.4
Consumer	CCPY	3.2	3.2	3.2	3.2	3.2	3.3	3.4	3.3	3.9	3.8	3.5	3.5	3.6	3.7	3.6	3.6
Producer, in industry	PM	0.1	-0.2	0.8	0.1	0.8	0.5	0.0	-0.3	0.5	0.7	0.3	0.1	0.4	-0.2	0.1	0.2
Producer, in industry	CMPY	2.3	2.4	2.3	1.5	2.1	1.8	2.3	2.7	3.2	3.6	3.6	3.4	3.7	3.7	3.0	3.1
Producer, in industry	CCPY	4.3	4.0	3.7	3.4	3.2	3.1	3.0	3.0	3.2	3.4	3.5	3.4	3.5	3.5	3.5	3.4
RETAIL TRADE																	
Turnover	real, CMPY	6.6	7.3	2.0	5.1	3.6	1.7	2.0	2.9	3.6	5.3	0.3	1.5	0.2	-0.5	1.6	.
Turnover	real, CCPY	2.3	3.2	3.0	3.4	3.3	3.1	3.1	3.2	3.6	4.4	1.7	2.3	1.8	1.4	1.5	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	2651	3308	3885	4443	5117	5688	6357	7064	605	1192	1970	2555	3257	3902	4602	.
Imports total (cif), cumulated	EUR mn	5705	7136	8417	9600	10914	12350	13659	14933	1134	2424	3955	5324	6829	8360	9816	.
Trade balance, cumulated	EUR mn	-3054	-3828	-4532	-5157	-5797	-6661	-7303	-7869	-529	-1233	-1985	-2769	-3572	-4459	-5214	.
Exports to EU-25 (fob), cumulated	EUR mn	1726	2139	2485	2845	3228	3582	4000	4375	392	794	1291	1690	2155	2602	3029	.
Imports from EU-25 (cif), cumulated	EUR mn	3791	4725	5601	6336	7182	8050	8935	9788	643	1474	2449	3399	4448	5459	6458	.
Trade balance with EU-25, cumulated	EUR mn	-2064	-2586	-3116	-3491	-3954	-4468	-4935	-5412	-251	-680	-1158	-1709	-2293	-2856	-3429	.
FOREIGN FINANCE																	
Current account, cumulated ⁵⁾	EUR mn	.	-2695	.	.	-436	.	.	-1960	.	.	-1993	.	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	5.759	6.007	6.062	5.975	6.052	6.136	6.252	6.234	6.102	6.129	6.098	5.974	5.698	5.726	5.714	5.680
HRK/EUR, monthly average	nominal	7.327	7.313	7.305	7.348	7.432	7.386	7.375	7.389	7.378	7.327	7.325	7.313	7.273	7.256	7.246	7.276
HRK/USD, calculated with CPI ⁶⁾	real, Jan03=100	121.9	116.6	114.8	116.1	113.9	112.8	111.8	113.1	115.4	115.5	115.7	117.3	122.9	122.0	121.2	122.1
HRK/USD, calculated with PPI ⁶⁾	real, Jan03=100	114.4	109.5	108.0	108.8	105.2	101.7	101.4	101.8	103.6	105.5	106.1	107.3	111.9	110.7	111.0	111.9
HRK/EUR, calculated with CPI ⁶⁾	real, Jan03=100	102.5	102.5	102.3	101.6	100.5	101.7	102.2	102.2	103.2	104.5	104.2	104.0	104.8	104.8	104.1	103.7
HRK/EUR, calculated with PPI ⁶⁾	real, Jan03=100	104.0	103.6	104.3	103.4	102.5	103.2	103.6	103.0	102.8	104.0	103.9	103.4	103.9	103.9	103.7	103.4
DOMESTIC FINANCE																	
M0, end of period	HRK bn	11.5	12.2	13.1	12.7	12.2	11.9	11.7	12.2	11.7	11.8	12.1	12.7	13.0	14.0	14.9	.
M1, end of period	HRK bn	36.0	36.7	38.3	37.8	36.7	37.1	37.2	38.8	37.2	37.2	38.2	39.2	40.8	42.2	45.0	.
Broad money, end of period	HRK bn	140.6	142.6	145.6	151.1	151.6	152.5	154.7	154.6	152.0	151.7	153.6	155.1	158.1	163.1	170.3	.
Broad money, end of period	CMPY	10.3	10.1	9.4	10.4	9.3	10.2	10.8	10.5	9.4	9.3	11.3	12.5	12.4	14.4	17.0	.
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 ⁷⁾	real, %	2.2	2.1	2.2	3.0	2.4	2.7	2.2	1.8	1.3	0.9	0.9	1.1	0.8	0.8	1.5	1.4
BUDGET																	
Central gov. budget balance, cum. ⁸⁾	HRK mn	-6732	-6784	-7603	-6557	-5995	-6994	-6936	-6874	-883	-1742	-2803	-3097	-3381	-3475	-3426	.

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

2) Ratio of unemployed to the economically active population.

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

4) Cumulation starting January and ending December each year.

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

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

7) Deflated with annual PPI.

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

R U S S I A: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	1.0	6.0	3.9	3.0	4.9	3.6	6.0	4.8	4.3	0.9	4.1	4.9	11.2	2.9	3.6	6.3
Industry, total ¹⁾	real, CCPY	2.9	3.5	3.5	3.4	3.6	3.6	3.8	3.9	4.3	2.6	3.1	3.6	5.0	4.7	4.5	4.7
Industry, total ¹⁾	real, 3MMA	3.6	3.6	4.3	3.9	3.8	4.8	4.8	5.0	3.4	3.1	3.3	6.6	6.2	5.8	4.3	.
Construction, total	real, CMPY	5.3	7.4	12.9	11.6	10.4	13.6	16.2	15.6	-7.5	-3.5	10.7	12.1	10.9	14.5	14.5	12.4
LABOUR²⁾																	
Employment total	th. persons	68300	68600	68900	69300	69100	68900	68700	68300	67600	67600	67900	68200	68500	68800	69170	69637
Unemployment, end of period	th. persons	5406	5400	5397	5395	5444	5491	5543	5660	5776	5893	5780	5674	5571	5501	5430	5363
Unemployment rate	%	7.3	7.3	7.3	7.2	7.3	7.4	7.5	7.7	7.9	8.0	7.8	7.7	7.5	7.4	7.3	7.2
WAGES, SALARIES																	
Total economy, gross	RUB	8089	8637	8651	8616	8829	8701	8931	11319	9016	9255	9914	9833	10257	11106	10883	10900
Total economy, gross	real, CMPY	9.2	8.8	9.8	11.6	13.7	12.8	14.0	16.0	10.9	11.5	10.7	11.8	15.7	17.7	14.9	15.2
Total economy, gross	USD	289	303	301	303	311	305	311	393	319	328	356	357	379	412	404	407
Total economy, gross	EUR	228	249	250	246	254	253	263	331	263	274	296	291	297	325	319	318
Industry, gross ³⁾	EUR	229	245	248	251	252	259	266	302	257	263	285	286	287	299	308	.
PRICES																	
Consumer	PM	0.8	0.6	0.5	-0.1	0.3	0.6	0.7	0.8	2.4	1.7	0.8	0.4	0.5	0.3	0.7	0.2
Consumer	CMPY	13.6	13.3	12.9	12.3	12.2	11.7	11.2	10.9	10.7	11.2	10.7	9.9	9.6	9.2	9.5	9.8
Consumer	CCPY	13.1	13.2	13.1	13.0	12.9	12.8	12.7	12.5	10.7	10.9	10.8	10.6	10.4	10.2	10.1	10.1
Producer, in industry	PM	2.7	0.1	0.5	2.0	2.8	0.9	-0.9	-2.1	0.5	3.3	2.1	0.6	1.8	0.8	1.7	2.2
Producer, in industry	CMPY	24.7	21.4	20.6	20.8	20.5	19.4	16.0	13.4	13.4	15.6	15.1	13.0	12.0	12.8	14.1	14.3
Producer, in industry	CCPY	23.8	23.4	22.9	22.6	22.4	22.1	21.4	20.7	13.4	14.5	14.7	14.3	13.8	13.6	13.7	13.8
RETAIL TRADE																	
Turnover ⁴⁾	real, CMPY	14.4	13.6	12.8	13.1	13.8	12.9	12.2	14.8	10.8	10.1	10.8	10.7	11.6	13.7	13.6	12.1
Turnover ⁴⁾	real, CCPY	11.9	12.2	12.3	12.4	12.6	12.6	12.6	12.8	10.8	10.5	10.6	10.6	10.8	11.3	11.7	11.7
FOREIGN TRADE⁵⁾⁽⁶⁾																	
Exports total, cumulated	EUR mn	69547	85395	103059	120528	138178	156521	175258	195673	17292	35829	56088	75880	97102	117159	137517	.
Imports total, cumulated	EUR mn	34619	42848	51758	60475	69270	78796	89135	100663	7130	15830	26357	35639	45773	56511	67386	.
Trade balance, cumulated	EUR mn	34928	42547	51301	60053	68909	77725	86124	95010	10162	19999	29731	40242	51330	60648	70131	.
FOREIGN FINANCE																	
Current account, cumulated ⁸⁾	EUR mn	.	33328	.	49103	.	.	67139	.	.	24517	.	.	.	.	.	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	27.951	28.498	28.694	28.480	28.380	28.563	28.763	28.805	28.228	28.195	27.874	27.564	27.065	26.983	26.916	26.770
RUB/EUR, monthly average	nominal	35.485	34.725	34.568	35.015	34.808	34.338	33.951	34.162	34.293	33.733	33.492	33.767	34.524	34.209	34.155	34.270
RUB/USD, calculated with CPI ⁹⁾	real, Jan03=100	139.3	137.3	136.5	136.7	136.1	135.6	136.7	138.1	143.2	145.5	147.6	148.5	151.3	151.9	153.3	154.5
RUB/USD, calculated with PPI ¹⁰⁾	real, Jan03=100	158.6	155.7	153.4	156.4	156.8	153.4	153.2	150.4	153.0	160.6	165.6	166.6	171.2	172.4	175.8	180.6
RUB/EUR, calculated with CPI ⁹⁾	real, Jan03=100	117.7	120.9	122.0	120.1	120.6	122.9	125.3	125.1	127.9	131.9	133.4	132.0	129.5	130.8	131.9	131.8
RUB/EUR, calculated with PPI ¹⁰⁾	real, Jan03=100	144.8	147.7	148.7	149.1	153.5	156.3	157.0	152.6	151.6	158.7	162.5	161.1	159.6	162.3	164.5	167.6
DOMESTIC FINANCE																	
M0, end of period	RUB bn	1582.3	1650.7	1701.8	1703.3	1740.7	1752.0	1765.8	2009.2	1875.6	1890.1	1928.8	2027.8	2096.9	2233.4	2290.3	.
M1, end of period	RUB bn	2965.6	3144.3	3162.5	3240.8	3371.9	3340.1	3413.2	3858.5	3662.0	3686.7	3855.9	3957.7	4205.2	4479.3	4504.9	.
M2, end of period	RUB bn	5743.0	6015.9	6087.4	6286.5	6458.4	6482.7	6604.8	7221.1	7035.6	7155.7	7392.9	7534.2	7877.6	8304.8	8407.9	.
M2, end of period	CMPY	31.5	32.4	33.8	37.6	39.3	37.0	35.7	36.3	35.7	33.9	34.4	34.7	37.2	38.0	38.1	.
Refinancing rate (p.a.) ^{end of period}	%	13.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	11.5	11.5	11.5
Refinancing rate (p.a.) ^{end of period} ¹⁰⁾	real, %	-9.4	-7.0	-6.3	-6.5	-6.2	-5.3	-2.6	-1.3	-1.3	-3.1	-2.7	-0.9	0.0	-1.1	-2.3	-2.5
BUDGET																	
Central gov. budget balance, cum.	RUB bn	738.2	942.2	1036.5	1172.9	1162.0	1429.6	1636.7	1612.9	221.7	390.8	575.9	692.0	894.7	1083.4	.	.

1) From January 2001 according to NACE C+ D+ E.

2) Based on labour force survey.

3) Manufacturing industry only.

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

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

6) Cumulation starting January and ending December each year, incl. estimates of non-registered imports.

7) Based on balance of payments statistics.

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

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

10) Deflated with annual PPI.

U K R A I N E: Selected monthly data on the economic situation 2005 to 2006

(updated end of September 2006)

		2005								2006							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	4.3	-0.9	-2.4	0.9	0.9	2.4	2.0	5.3	-2.9	1.5	1.3	0.5	10.0	9.6	11.4	9.1
Industry, total	real, CCPY	6.2	5.0	3.9	3.5	3.2	3.1	2.9	3.1	-2.9	-0.6	0.2	0.4	2.4	3.6	4.8	5.4
Industry, total	real, 3MMA	2.8	0.3	-0.8	-0.2	1.4	1.8	3.2	1.5	1.3	0.0	1.1	3.9	6.7	10.3	10.0	.
LABOUR																	
Employees ¹⁾	th. persons	11319	11339	11371	11361	11361	11357	11306	11220	11245	11296	11352	11378	11381	11412	11440	.
Employees in industry ¹⁾	th. persons	3410	3408	3413	3410	3407	3407	3394	3368	3374	3380	3380	3367	3355	3354	3351	.
Unemployment, end of period	th. persons	918.6	858.3	825.4	800.4	780.6	762.9	809.7	881.5	899.9	923.8	913.7	868.7	805.8	749.1	715.3	694.7
Unemployment rate ²⁾	%	3.3	3.0	2.9	2.8	2.8	2.7	2.9	3.1	3.2	3.3	3.2	3.1	2.9	2.7	2.5	2.5
Labour productivity, industry ¹⁾	CCPY	5.6	4.4	3.4	3.1	2.9	2.8	2.7	3.0	-2.1	0.3	1.3	1.6	3.7	5.0	6.3	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	17.0	20.2	23.2	24.9	26.1	27.2	29.1	30.6	50.8	47.2	46.3	42.2	34.3	29.4	25.3	.
WAGES, SALARIES¹⁾																	
Total economy, gross	UAH	764	823	837	831	856	882	897	1020	865	905	987	984	948	1064	1079	.
Total economy, gross	real, CMPY	20.2	19.6	20.0	19.7	19.2	23.3	24.3	31.3	22.9	22.6	25.8	24.9	15.6	21.0	19.9	.
Total economy, gross	USD	151	163	166	165	170	175	178	202	171	179	195	195	188	211	214	.
Total economy, gross	EUR	119	134	138	134	138	145	150	170	142	150	163	159	147	166	169	.
Industry, gross	EUR	144	156	163	165	166	171	177	188	173	177	194	182	174	187	193	.
PRICES																	
Consumer	PM	0.6	0.6	0.3	0.0	0.4	0.9	1.2	0.9	1.2	1.8	-0.3	-0.4	0.5	0.1	0.9	0.0
Consumer	CMPY	14.6	14.4	14.8	14.9	13.9	12.4	12.0	10.3	9.8	10.7	8.6	7.4	7.3	6.8	7.4	7.4
Consumer	CCPY	14.0	14.1	14.2	14.3	14.2	14.0	13.8	13.5	9.8	10.2	9.7	9.1	8.7	8.4	8.3	8.2
Producer, in industry	PM	1.6	-0.8	-1.6	0.7	1.9	0.0	-0.1	0.3	1.2	0.3	0.4	1.4	1.0	0.7	1.2	2.1
Producer, in industry	CMPY	20.5	17.7	15.7	14.7	14.7	12.9	10.4	9.6	10.7	8.1	6.5	5.4	4.7	6.3	9.4	10.9
Producer, in industry	CCPY	21.7	21.0	20.2	19.5	18.9	18.3	17.5	16.8	10.7	9.4	8.4	7.6	7.0	6.9	7.3	7.7
RETAIL TRADE																	
Turnover ³⁾	real, CCPY	20.4	21.1	21.8	23.0	23.1	22.4	22.4	23.0	31.3	28.4	26.5	27.4	27.2	27.0	26.1	25.6
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	10909	13227	15518	17702	19992	22415	24908	27498	1933	4041	6645	9055	11494	14126	16770	.
Imports total (cif), cumulated	EUR mn	10316	12918	15508	18090	20695	23349	26084	29030	2241	4895	8116	10792	13643	16501	19412	.
Trade balance, cumulated	EUR mn	593	309	10	-387	-703	-934	-1176	-1533	-309	-854	-1472	-1737	-2150	-2375	-2641	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	EUR mn	.	1727	.	.	2076	.	.	2030	.	.	-618	.	.	-637	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.050	5.055	5.053	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050
UAH/EUR, monthly average	nominal	6.422	6.151	6.090	6.208	6.200	6.070	5.961	5.983	6.101	6.037	6.064	6.180	6.428	6.396	6.402	6.469
UAH/USD, calculated with CPI ⁷⁾	real, Jan03=100	125.0	125.5	125.4	124.8	124.0	124.7	127.2	128.9	129.4	131.5	130.4	128.7	128.7	128.6	129.8	129.8
UAH/USD, calculated with PPI ⁷⁾	real, Jan03=100	138.7	137.5	133.6	133.5	132.2	129.0	130.8	131.8	132.3	134.7	135.0	135.4	135.5	135.9	137.5	140.4
UAH/EUR, calculated with CPI ⁷⁾	real, Jan03=100	105.1	110.2	111.6	109.3	109.4	112.6	116.2	116.4	115.8	118.8	117.5	114.1	110.0	110.5	111.3	110.2
UAH/EUR, calculated with PPI ⁷⁾	real, Jan03=100	126.0	130.1	128.9	126.9	128.8	131.0	133.6	133.3	131.3	132.7	132.1	130.5	126.1	127.6	128.4	129.7
DOMESTIC FINANCE																	
M0, end of period	UAH bn	47.9	51.3	53.8	53.8	55.5	54.9	55.1	60.2	56.8	57.0	58.6	61.0	61.1	64.3	66.2	67.4
M1, end of period	UAH bn	77.6	83.8	84.8	85.5	90.1	88.7	92.7	98.6	92.1	93.6	96.2	97.5	99.8	104.7	108.6	109.1
Broad money, end of period	UAH bn	147.9	156.3	159.1	164.8	171.0	174.8	180.1	194.1	188.8	191.3	195.3	201.2	207.4	214.1	221.5	226.4
Broad money, end of period	CMPY	35.1	37.2	35.9	35.6	31.3	38.5	43.8	54.3	50.1	46.1	39.4	37.4	40.2	37.0	39.2	37.4
Refinancing rate (p.a.) ^{end of period}	%	9.0	9.0	9.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	8.5	8.5	8.5
Refinancing rate (p.a.) ^{end of period} ⁸⁾	real, %	-9.5	-7.4	-5.8	-4.5	-4.5	-3.0	-0.8	-0.1	-1.1	1.3	2.8	3.9	4.5	2.0	-0.8	-2.1
BUDGET																	
General gov. budget balance, cum.	UAH mn	4007	1735	2959	6907	5816	5309	3216	-7735	2508	2497	380	-856	1183	-996	-971	.

1) Excluding small firms.

2) Ratio of unemployed to the economically active.

3) Official registered enterprises.

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

5) Cumulation starting January and ending December each year.

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

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

8) Deflated with annual PPI.

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