

Monthly Report 10/07

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Bulgaria: on the brink of overheating

BY ANTON MIHAILOV

With a combination of rapid growth and rising inflation, Bulgaria's economy is displaying symptoms of overheating. In the second quarter of 2007, GDP growth strengthened further, to 6.6% year on year, resulting in a 6.4% average rate for the first six months. At the same time, in August 2007, CPI was 12% up from the same month of 2006. The surge in inflation reflected the combined effect of domestic factors (robust domestic demand and rising incomes) and high imported inflation due to the soaring prices of energy and some agricultural products.

In statistical terms, the economic expansion was entirely driven by domestic absorption: its contribution to GDP growth in the second quarter amounted to 11.8%, whereas net exports contributed a negative 5.2%. While still significant, these figures were somewhat softer than in the first quarter when the corresponding numbers were 16.4% and -10.2%, respectively. Domestic demand (in particular, fixed investment) was boosted by a renewed credit boom: in August, the stock of outstanding credit to non-financial corporations was up 57% from the same month of 2006. Mirroring these developments, the current account deficit continued to widen both in absolute and relative terms and is likely to hit new record highs for the year as a whole. The continuing strong real

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appreciation of the Bulgarian lev has added to that development.

The policy response to the signs of overheating has been eclectic and incoherent. On the one hand, the authorities seem to be eager to arrest the surging inflation and widening external imbalance. Although there were no public pronouncements on a change in fiscal policy (the target surplus in the consolidated general government balance for 2007 is 2%), the overall fiscal stance de facto was tightened: in July, the fiscal surplus amounted to some 4.4% of GDP (in annual terms) and was 46% up from the same period of 2006. In addition, after temporarily easing the brakes on credit expansion in late 2006, the authorities reverted to new curbs. In a rare policy move, applying one of the few monetary policy instruments available under the currency board, the Bulgarian National Bank raised the required reserve rate for commercial banks from 8% to 12% as of 1 September 2007. On the other hand – in an apparent conflict with the above policy tightening moves – the government has largely eased incomes policy, succumbing to populist pressures. This contributed to a sharp rise in wage incomes¹ which has added to the inflationary pressures and – through the higher demand for imported goods – has fuelled the current account deficit. The incoherent incomes policy has incited further demands for wage rises in the public sector, including a national strike by school teachers in September.

On the positive side, Bulgaria's economic growth continues to be job-rich, resulting in notable improvements in the labour market. The steady rise in employment has contributed both to pulling people out of inactivity and to further falls in unemployment. The Labour Force Survey (LFS) rate of unemployment dropped to 6.8% in the first quarter while the rate of registered unemployment stood at 7% in August. However, labour market shortages are becoming more acute, adding to the upward wage pressures. With an expanding pool of

vacancies, especially for skilled workers, Bulgarian employers are increasingly looking for migrant labour to fill such vacancies.

So far, the Bulgarian economy has not been affected by the global financial turmoil and for the year as a whole, the rate of GDP growth could top 6%. However, consumer price inflation will exceed by far the 3% annual average figure envisaged in the 2007 budget framework. The work on the 2008 budget is still under way but its macroeconomic framework envisages a 6% rate of GDP growth, which seems achievable. By contrast, the target of achieving 3.7% average annual inflation in 2008 is probably too ambitious and unrealistic, given the current trends. The draft 2008 budget also envisages the introduction of a 10% flat tax on personal income, matching the 10% tax rate on corporate profit introduced in 2007. While the timing of the proposal clearly targeted the upcoming local elections, the authorities were obviously encouraged by the results of the 2007 corporate tax reform, which resulted in a notable expansion of the tax base and an overall increase in the amount of collected corporate taxes.

¹ The average wage rose by close to 12% in the first half of 2007.

Table BG

Bulgaria: Selected Economic Indicators

	2002	2003	2004	2005	2006 ¹⁾	2006 January-June	2007	2007 forecast	2008 forecast
Population, th pers., end of period	7845.8	7801.3	7761.0	7718.8	7679.3	.	.	.	.
Gross domestic product, BGN mn, nom.	32335.1	34627.5	38822.6	42797.4	49090.6	21622.5	24473.8	55500	62000
annual change in % (real)	4.5	5.0	6.6	6.2	6.1	6.0	6.4	6.2	6
GDP/capita (EUR at exchange rate)	2101	2263	2551	2827	3260	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	6310	6710	7230	7850	8680	.	.	.	.
Gross industrial production									
annual change in % (real) ²⁾	6.5	14.1	13.9	10.0	8.2	6.7	8.1	7	7
Gross agricultural production									
annual change in % (real)	5.3	-9.9	6.6	-6.0	0.6	.	.	.	.
Construction output total									
annual change in % (real)	2.7	5.6	35.2	31.8	4.5	.	.	.	.
Actual final consump. of househ., BGN mn, nom.	24822.9	27444.4	30155.5	33556.4	37897.3	17380.4	19336.3	.	.
annual change in % (real)	3.4	6.3	5.3	5.5	7.1	7.0	6.8	6.5	6
Gross fixed capital form., BGN mn, nom.	5908.5	6694.4	7969.4	10346.5	12878.3	5341.6	7229.3	.	.
annual change in % (real)	8.5	13.9	13.5	23.3	17.6	16.5	29.6	25	20
LFS - employed persons, th, avg.	2739.6	2834.8	2922.5	2980.0	3110.0	3039.8	3194.3	3250	3350
annual change in %	1.5	3.5	3.1	2.0	4.4	4.0	5.1	4.5	3.1
Reg. employees in industry, th pers., avg.	666.8	689.5	695.8	693.0	694.3	702.6	705.2	.	.
annual change in %	1.3	3.4	0.9	-0.4	0.2	-2.3	0.7	.	.
LFS - unemployed, th pers., average	592.4	448.7	399.7	334.2	305.7	312.1	255.3	230	200
LFS - unemployment rate in %, average	17.8	13.7	12.0	10.1	9.0	9.3	7.4	6.5	5.5
Reg. unemployment rate in %, end of period	16.3	13.5	12.2	10.7	9.1	9.2	7.4	7.3	6.2
Average gross monthly wages, BGN	257.6	273.3	292.4	323.7	354.6	336.7	395.3	420	480
annual change in % (real, gross)	1.5	3.7	0.8	5.4	2.1	1.5	11.9	10	8
Consumer prices, % p.a.	5.8	2.3	6.1	5.0	7.3	8.1	4.9	7.5	6
Producer prices in industry, % p.a.	1.2	4.9	6.0	6.9	9.2	9.2	7.1	7	6
General governm. budget, nat. def., % GDP									
Revenues	38.7	40.6	40.8	42.0	40.8	45.0	46.0	.	.
Expenditures	39.4	40.6	39.1	38.9	37.2	38.4	37.1	.	.
Deficit (-) / surplus (+), % GDP	-0.7	0.0	1.7	3.2	3.7	6.6	8.8	4	2.5
Public debt in % of GDP ³⁾	53.2	46.2	38.8	29.9	23.0	25.5	20.0	18	16
Base rate of NB % p.a., end of period	3.4	2.9	2.4	2.1	3.3	2.6	3.9	.	.
Current account, EUR mn	-402.5	-972.3	-1306.9	-2621.9	-3934.7	-1760.2	-2909.3	-5300	-5000
Current account in % of GDP	-2.4	-5.5	-6.6	-12.0	-15.7	-13.0	-23.2	-18.7	-16
Gross reserves of NB excl. gold, EUR mn	4247.1	4981.0	6443.0	6815.7	8309.0	7270.8	8951.1	.	.
Gross external debt, EUR mn	10768.9	10640.6	12658.5	15089.6	19669.9	17290.1	21177.1	.	.
Gross external debt in % of GDP	65.1	60.1	63.8	69.0	78.4	.	.	.	.
FDI inflow, EUR mn	980.0	1850.5	2735.9	3103.3	4104.5	2064.4	2366.4	4800	4500
FDI outflow, EUR mn	28.9	23.3	-165.6	249.1	121.8	33.4	80.4	.	.
Exports of goods, BOP, EUR mn	6062.9	6668.2	7984.9	9466.3	12011.9	5726.2	6155.3	13400	15000
annual growth rate in %	6.1	10.0	19.7	18.6	26.9	30.6	7.5	12	12
Imports of goods, BOP, EUR mn	7940.9	9093.8	10938.4	13876.1	17574.1	7959.3	9441.0	20300	23500
annual growth rate in %	6.0	14.5	20.3	26.9	26.7	27.6	18.6	16	16
Exports of services, BOP, EUR mn	2455.0	2728.7	3262.1	3564.1	4143.2	1621.6	1872.7	4600	5000
annual growth rate in %	1.1	11.1	19.5	9.3	16.2	14.1	15.5	11	9
Imports of services, BOP, EUR mn	1949.6	2176.0	2605.8	2745.2	3171.7	1477.1	1604.0	3500	3850
annual growth rate in %	-7.1	11.6	19.8	5.3	15.5	23.5	8.6	10	10
Average exchange rate BGN/USD	2.077	1.733	1.575	1.574	1.559	1.593	1.472	.	.
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	0.555	0.551	0.575	0.584	0.606	.	.	.	.
Purchasing power parity BGN/EUR	0.651	0.659	0.690	0.704	0.735	.	.	.	.

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

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

Source: wiiw Database incorporating national statistics; wiiw forecasts.

The Czech Republic: performing better than expected

BY LEON PODKAMINER

The Czech economy has been performing quite remarkably since the beginning of 2005. Growth was generally¹ expected to decelerate in the course of 2007. This development has not materialized so far. The second quarter saw the GDP rising (according to the Statistical Office) by another impressive 6%.

The recent worries about the unfavourable evolution in the structure of growth have turned out to be largely premature. Growth of imports of goods and non-factor services has not, so far, outpaced the growth of exports. In real terms both items continue to rise at roughly equal speeds. Overall, the foreign trade keeps contributing positively to GDP growth (albeit relatively modestly, i.e. by 0.1 percentage point in the first quarter of 2007, followed by 0.3 p.p. in the second). The fast rise in domestic demand (contributing 6 p.p. to the overall GDP growth of 6.2% in the first half of 2007) does not, as yet, result in any leakages of purchasing power abroad.² All in all, growth in the Czech Republic is at present not only fast, but also broadly balanced – at least externally.

As far as the internal structure of the GDP goes, there are, however, some reasons for concern. In particular, the structure of gross capital formation continues to be rather unfavourable. It turns out that fixed gross investment has been rising quite

anaemically (4.1% in the first half of 2007), contributing a mere 1 p.p. to overall GDP growth. This is an unimpressive performance – especially bearing in mind the fact that much of the increased investment (particularly in infrastructure) has been financed by EU money. Growth in fixed investment has been dwarfed by expanding inventories which contributed close to 2 p.p. to the overall GDP growth in the first half of 2007. This is a continuation of the trend that set in already back in the first quarter of 2006 (and resulted in the inventories contributing 1.1 p.p. to the overall GDP growth of 6.4% in the entire year of 2006).

Accumulating inventories need not augur a slowdown of growth of sales and production – but sometimes they may, particularly when that accumulation is fast and disproportionately large.³ In any case, overall strong GDP expansion cannot be indefinitely supported by accumulation of inventories. Once the inventories surpass the levels consistent with the real needs, their growth will come to a halt, with the GDP growth rate falling to more ‘normal’ levels (around, or perhaps rather below, the 5% mark).

While reliable methods for predicting the ‘turning points’ in the inventory cycles still await elaboration, the indirect evidence currently available does not suggest an abrupt termination of the present boom anytime soon. According to the data reported, employment and average wages continue to rise quite strongly, also in industry. Expanding household income is further augmented by fast rising consumer credit. All that indicates that consumer demand will remain fairly strong (even if one counts with some marginal contraction of public consumption). On the external front, one does not see any obvious risks either. Gains in labour productivity and unit labour costs overcompensate the ongoing nominal appreciation of the Czech koruna (CZK), while the FDI export-

¹ For example, in its April 2007 forecast the Czech Finance Ministry envisioned the GDP growth rate falling to 5.3% in 2007. In July that forecast was raised to 5.8%. The reason for this seems prosaic. The Czech Statistical Office keeps raising its recent growth estimates. The rate for 1Q2007 was raised from 5.6% (in April) to 6.1% (in July). According to the most recent (September) version that rate is as high as 6.4%.

² Such leakages were typical before 2004. For instance, while domestic demand contributed, on average, about 4.1 p.p. to the GDP growth in the years 2001-2003, foreign trade contributed minus 1.4 p.p. In the end-effect the overall GDP growth rate in 2001-2003 averaged only 2.7% p.a.

³ The GDP contributions of the changes in inventories, positive as well as negative, are normally 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).

oriented firms still expand their production capacities (e.g. in the automobile industry). It may be added that, despite the usual complaints about labour shortages, one observes a continuation of the robust growth in industrial production – as well as in labour productivity. All in all, even if the recent data on orders placed with manufacturing signal some problems ahead⁴, the coming growth slowdown is likely to be soft and gradual.

Despite the GDP rising faster than 6% for the sixth quarter in a row (and despite consistently falling unemployment), inflation is low. Moreover, about half of the current inflation rate is due to administered actions (e.g. over regulated charges, VAT rates, etc.). Inflation is likely to increase in 2008 as such actions will temporarily become more frequent. Interest rates of the National Bank are expected to be raised accordingly. This will be supporting the nominal appreciation of the Czech koruna.

The fiscal reform finally (September) squeezed through the Parliament is good news to the relatively well-off, who will benefit most from the flat tax of 15% on personal income. For the worse-off it means more hardship (e.g. higher VAT on necessities, cuts in various benefits). Whether this will make the Czech labour 'more flexible' (as the government hopes) is debatable. What is more certain is that gradually decreasing rates of corporate income tax (from the current 24% to 19% in 2010) will help preserve the huge fiscal deficits. That is likely to delay the adoption of the euro (or will imply further cuts in spending on health, education, etc.).

⁴ The growth in the volumes of orders has been generally slowing down, especially as far as export orders are concerned. Orders placed with low-tech branches are contracting consistently over time. (Of late the export orders placed with some medium-tech branches such as radio, TV etc. equipment, office machinery and computers, are also contracting).

Table CZ

Czech Republic: Selected Economic Indicators

	2002	2003	2004	2005	2006 ¹⁾	2006 January-June	2007	2007 forecast	2008 forecast
Population, th pers., mid-year	10200.8	10201.7	10206.9	10234.1	10266.6	.	.	.	.
Gross domestic product, CZK bn, nom. ²⁾	2464.4	2577.1	2817.4	2994.4	3220.3	1559.1	1717.4	3510	3790
annual change in % (real) ²⁾	1.9	3.6	4.6	6.5	6.4	6.6	6.2	5.8	5.0
GDP/capita (EUR at exchange rate)	7841	7933	8652	9824	11067	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	14420	15220	16420	17250	18560	.	.	.	.
Gross industrial production									
annual change in % (real) ³⁾	1.9	5.5	9.6	6.7	11.2	12.3	10.3	9	8
Gross agricultural production									
annual change in % (real)	-4.4	-7.6	14.9	-4.8	-4.2	.	.	.	.
Construction industry									
annual change in % (real)	2.5	8.9	9.7	4.2	6.6	4.1	12.7	.	.
Consumption of households, CZK bn, nom. ²⁾	1248.1	1317.4	1400.0	1445.8	1532.0	730.1	791.6	.	.
annual change in % (real) ²⁾	2.2	6.0	2.9	2.4	4.4	3.9	6.8	6.5	5
Gross fixed capital form., CZK bn, nom. ²⁾	677.8	687.5	727.2	746.1	812.9	386.3	408.9	.	.
annual change in % (real) ²⁾	5.1	0.4	3.9	2.3	7.6	7.2	4.1	4	2
LFS - employed persons, th, avg. ⁴⁾	4764.9	4733.2	4706.6	4764.0	4828.1	4805.6	4889.5	.	.
annual change in %	0.8	-0.7	-0.6	1.2	1.3	1.6	1.7	1.3	1.0
LFS - employed pers. in industry, th, avg. ⁴⁾	1463.1	1424.7	1409.0	1422.0	1493.3	1485.3	1520.3	.	.
annual change in %	-0.1	-2.6	-1.1	0.9	5.0	5.6	2.4	.	.
LFS - unemployed, th pers., average	374.1	399.1	425.9	410.2	371.3	390.4	292.9	.	.
LFS - unemployment rate in %, average ⁴⁾	7.3	7.8	8.3	7.9	7.1	7.6	5.7	5.7	5.5
Reg. unemployment rate in %, end of period	9.8	10.3	9.5	8.9	7.7	7.7	6.3	6.5	6.5
Average gross monthly wages, CZK ⁵⁾	15866	16917	18041	18992	20207	19453	20938	.	.
annual change in % (real, gross)	5.4	6.5	3.7	3.3	3.8	3.8	5.5	5.5	4.4
Consumer prices, % p.a.	1.8	0.1	2.8	1.9	2.5	2.9	2.0	3	2.8
Producer prices in industry, % p.a.	-0.5	-0.4	5.7	3.0	1.6	0.8	3.6	4	3.5
General governm. budget, EU-def., % GDP ⁶⁾									
Revenues	39.5	40.7	41	40.1	39.2	.	.	38.0	38.0
Expenditures	46.3	47.3	43.8	43.6	42.1	.	.	42.2	41.5
Deficit (-) / surplus (+)	-6.8	-6.6	-2.9	-3.5	-2.9	.	.	-4.2	-3.5
Public debt, EU-def., in % of GDP ⁶⁾	28.5	30.1	30.7	30.4	30.4	.	.	31.4	32.2
Discount rate, % p.a., end of period	1.8	1.0	1.5	1.0	1.5	1.0	1.75	2.0	.
Current account, EUR mn	-4442	-5028	-4650	-1638	-3561	-529	-997	-5400	-6000
Current account in % of GDP	-5.6	-6.2	-5.3	-1.6	-3.1	-1.0	-1.6	-4.3	-4.4
Gross reserves of NB incl. gold, EUR mn	22614	21340	20884	25054	23882	23921	23166	.	.
Gross external debt, EUR mn	25738	27624	33212	39379	44263	40601	45709	.	.
Gross external debt in % of GDP	33.0	34.7	35.9	38.1	37.8	.	.	.	.
FDI inflow, EUR mn	9090	1875	4009	9354	4760	1855	2420	.	.
FDI outflow, EUR mn	221	183	824	-12	1073	645	362	.	.
Exports of goods, BOP, EUR mn	40713	43055	54091	62781	75684	36515	43043	89000	103000
annual growth rate in %	9.2	5.8	25.6	16.1	20.6	21.0	17.9	17	16
Imports of goods, BOP, EUR mn	43034	45239	54517	60797	73283	34930	40492	85000	99000
annual growth rate in %	5.7	5.1	20.5	11.5	20.5	22.1	15.9	16	16
Exports of services, BOP, EUR mn	7502	6880	7761	9478	10603	5075	5423	11000	12000
annual growth rate in %	-5.3	-8.3	12.8	22.1	11.9	16.6	6.9	5	5
Imports of services, BOP, EUR mn	6796	6464	7245	8254	9384	4426	4602	10000	11000
annual growth rate in %	9.3	-4.9	12.1	13.9	13.7	21.6	4.0	5	5
Average exchange rate CZK/USD	32.74	28.23	25.70	23.95	22.61	23.20	21.18	.	.
Average exchange rate CZK/EUR (ECU)	30.81	31.84	31.90	29.78	28.34	28.49	28.15	28	27.5
Purchasing power parity CZK/USD	14.27	13.89	14.03	14.08	14.15	.	.	.	.
Purchasing power parity CZK/EUR	16.76	16.60	16.81	16.96	16.90	.	.	.	.

1) 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.

Hungary: public sector shrinking, industry continues to expand

BY SÁNDOR RICHTER

Statistical data of the first six months of 2007 indicate that the Hungarian economy has been right on track with the convergence programme: fiscal consolidation has been progressing spectacularly and external balances also improved. Nevertheless, the expectations in the research community (including iww) concerning the slowing down of economic growth seem to have been too optimistic.

The deceleration of economic growth, starting in the third quarter of 2006, has carried on. The growth rate, at 2.9% in the first quarter of 2007, dropped to 1.2% in the second quarter, resulting in a growth rate of 1.9% for the first half of the year. This is by far below the formidable growth performance of the other new EU member states of the region.

Behind the sluggish aggregate growth, detailed data reveal a differentiated picture: the growth performance varies in the individual segments of the economy, reflecting the diverging impact of the austerity programme in these segments.

Value added in goods production increased by 3.5% in the first half of the year, close to twice as rapidly as in the whole economy. By contrast, the value added delivered by services stagnated both in the first and second quarters. Two goods production sectors performed poorly. Agriculture suffered from spring frosts and summer drought, construction from the cut of public sector investment as a consequence of the fiscal consolidation. Highway construction, the earlier flagship of the government development strategy, slowed down. Practically the whole growth in the Hungarian economy has been driven by the rapid and predominantly export-oriented expansion of manufacturing (8.4%). Within services, a solid growth performance (4.4%) was registered in

transport, storage, telecommunications, and still above-average performance in financial services, real estate, and 'other services'. In two segments of the services sector the budget consolidation has had a negative impact. Due to the decline in real household incomes output in trade, restaurants, hotels, and repair decreased slightly. Substantial public expenditure cuts resulted in a 2% decline in public administration, education, health and social work. Within health services, the focus of the governments reforms for the moment, the decline was much steeper.

It is important to point out that the decline in the output of government services cannot be immediately compared to output of goods such as cars or shoes. In the former, performance is not measurable in the traditional sense, thus wages paid serve as a basis for the assessment of the value added. Therefore reforms in this segment of the economy which may ensure the same or better performance with smaller staff through improved efficiency will, at least statistically, decrease GDP.

The final use of GDP also reflects the impact of the stabilization measures. While the purchased consumption of households declined only marginally, the strong reduction of social transfers in kind from the government led to a more visible decline in the final consumption of households. An unambiguous consequence of the austerity measures is a 5% drop in government consumption. With the cuts in public consumption and investment it is no surprise that the general government deficit was smaller than a year earlier and has been following the path set out in the convergence programme.

Gross fixed capital formation increased marginally in the first half of the year. However, investment growth rates diverge by branches, similarly as in the case of output. Areas that do not feel an immediate impact of the fiscal consolidation programme are booming. In manufacturing the expansion amounted to 37% with investments placed in the production of vehicles, electronic machinery and rubber products. A more modest

but still remarkable expansion was registered for investments in real estate (including housing) and economic services. Nevertheless, the segments of the economy hit immediately by the government expenditure cuts suffered a serious backdrop. In public administration, defence, and social security investments declined by close to 50%. The cuts in highway construction also left their traces in the investment statistics.

In the first half of 2007 net exports remained a major contributor to economic growth, with the export growth rate exceeding that of imports by 1.5 percentage points. The current account deficit in the first half of the year was 11% smaller than in the respective period of the previous year. In trade of goods a surplus was achieved, in non-factor services the surplus increased as compared to 2006. A considerable deterioration was recorded in the income balance as both interest payments and the income on equity deficit were higher than a year earlier.

The economic policy measures implemented in order to consolidate the public finances are clearly felt in employment. In the public sector 4.6% of the employees lost their job (27% of all employees work in the public sector). However, in the business sector – which is nearly four times bigger – employment increased by close to 1%. Tightened control of social security contributions led to a partial ‘whitening’ of the black or shadow economy. Thus, despite the austerity measures, the number of persons employed rose by 0.4% in the first half of the year and the unemployment rate slightly improved to 7% in the second quarter.

Inflation reached its peak in March with 9% (year on year), but remained high thereafter as well. Rises in regulated household energy prices (31%) are the most important factor behind inflation; the only unexpected component have been the price rises for foodstuffs due to unfavourable weather. The central bank reckons with a gradual slowdown of inflation, with a 3% target to be reached in 2009. Despite the prevailing uncertainties the central bank has started to make cautious cuts of the

prime rate from 8% to 7.75% and 7.5% (in force since 25 September). By the end of 2007 the prime rate may drop to 7%.

Reforms of the public sector are progressing very slowly, in the crossfire of the opposition and amidst conflicts within the government. Only in late September were the two parties of the ruling socialist liberal coalition able to agree on the principal questions of the health sector reforms. The proposed solution for the new health insurance system is a strange compromise envisaging four health insurance funds in the Budapest agglomeration. The counties will be served by single funds operating initially in a quasi monopolistic position. Private ownership in individual health funds may not exceed 49%.

The growth slowdown probably hit bottom in the second quarter of the year. In 2006, growth had been substantially weaker in the second half than in the first one, thus the high basis effect will fade off in the second half of 2007. Nevertheless, the 0.5% decline in household consumption forecast for 2007 will only facilitate an annual GDP growth rate of hardly more than 2% for the whole year.

In 2008 household consumption will start to expand again, even if fairly modestly, by about 1%. Investment activities will undergo a slight recovery while the export-import gap will diminish to some extent, all in all resulting in an annual GDP growth rate of about 3%. The fiscal deficit target for 2008 (recently revised downwards from 4.3% to 4.1% of GDP) will be most probably attained, thanks to the expected surplus of the primary balance and a smaller than originally planned burden of interest payments. The public debt to GDP ratio will be still on the rise, exceeding 66% in 2008.

Table HU

Hungary: Selected Economic Indicators

	2002	2003	2004	2005	2006 ¹⁾	2006 January-June	2007	2007 forecast	2008 forecast
Population, th pers., end of period	10142.4	10116.7	10097.5	10076.6	10066.2	10069	10055	10060	10060
Gross domestic product, HUF bn, nom. ²⁾	17180.6	18940.7	20717.1	22055.1	23752.7	11091.0	12105.5	26000	28000
annual change in % (real) ²⁾	4.4	4.2	4.8	4.1	3.9	4.3	1.9	2.1	3.1
GDP/capita (EUR at exchange rate)	6961	7376	8144	8815	8925	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	12580	13110	13780	14480	15330	.	.	.	.
Gross industrial production									
annual change in % (real)	2.8	6.4	7.4	7.0	10.1	9.9	8.3	8	9
Gross agricultural production									
annual change in % (real)	-4.1	-4.5	22.9	-8.5	-2.2	.	.	.	.
Construction industry									
annual change in % (real)	17.5	2.2	6.8	18.8	-1.6	-1.5	-4.0	.	.
Consumption of households, HUF bn, nom. ²⁾	9078.8	10232.2	11006.5	11835.6	12394.9	5882.5	6295.6	.	.
annual change in % (real) ²⁾	10.6	8.3	2.9	3.7	1.4	2.2	-0.1	-0.5	1
Gross fixed capital form., HUF bn, nom. ²⁾	3958.3	4177.3	4650.7	5016.7	5185.8	1945.4	2156.2	.	.
annual change in % (real) ²⁾	10.2	2.2	7.6	5.3	-2.1	3.2	1.4	3	4
LFS - employed persons, th, avg.	3870.6	3921.9	3900.4	3901.5	3930.1	3909.6	3924.0	.	.
annual change in %	0.1	1.3	-0.5	0.0	0.7	0.8	0.4	.	.
Reg. employees in industry, th pers., avg. ³⁾	817.9	801.8	785.4	762.9	752.5	751.5	746.9	.	.
annual change in %	-1.9	-2.0	-2.0	-2.9	-1.4	-2.0	-0.6	.	.
LFS - unemployed, th pers., average	238.8	244.5	252.9	303.9	316.8	314.7	306.6	.	.
LFS - unemployment rate in %, average	5.8	5.9	6.1	7.2	7.5	7.4	7.2	7.4	7.3
Reg. unemployment rate in %, end of period	8.0	8.3	9.1	9.3	9.2	8.2	9.1	.	.
Average gross monthly wages, HUF ³⁾	122482	137187	145520	158343	171351	168266	181528	.	.
annual change in % (real, net)	13.6	9.2	-1.0	6.3	3.5	5.4	-6.5	-4.5	0.5
Consumer prices, % p.a.	5.3	4.7	6.8	3.6	3.9	2.6	8.6	7.4	4.5
Producer prices in industry, % p.a.	-1.8	2.4	3.5	4.3	6.5	5.5	1.5	.	.
General governm.budget, EU-def., % GDP ⁴⁾									
Revenues	42.4	41.9	42.4	42.1	43.4	.	.	.	.
Expenditures	51.3	49.1	48.9	49.9	52.5	.	.	.	.
Deficit (-) / surplus (+)	-8.9	-7.2	-6.4	-7.8	-9.2	.	.	-6.3	-4.1
Public debt, EU-def., in % of GDP ⁴⁾	54.0	58.0	59.4	61.7	66.0	.	.	.	.
Base rate of NB, % p.a., end of period	8.5	12.5	9.5	6.0	8.0	6.3	7.8	.	.
Current account, EUR mn	-4929.2	-5933.0	-6915.5	-6013.4	-5834.7	-3209.3	-2887.0	-4900	-4500
Current account in % of GDP	-7.0	-7.9	-8.4	-6.8	-6.5	-7.5	-6.0	-4.7	-4.0
Reserves total, excl. gold, EUR mn	9887.4	10108.3	11670.9	15678.4	16349.2	16575.8	16918.7	.	.
Gross external debt, EUR mn	38559.3	46041.1	55150.1	66607.8	82925.5	74500.1	93964.1	.	.
Gross external debt in % of GDP	52.9	63.7	65.5	76.3	88.1	.	.	.	.
FDI inflow, EUR mn	3185.1	1887.5	3633.3	6172.1	5679.9	2795.9	-81.0	.	.
FDI outflow, EUR mn	295.7	1463.4	892.1	1776.9	2913.1	853.1	1356.2	.	.
Exports of goods, BOP, EUR mn	36820.7	37906.9	44779.1	50119.7	59079.1	28053.6	32953.3	67600	75700
annual growth rate in %	6.1	2.9	18.1	11.9	17.9	17.3	17.5	14.5	12
Imports of goods, BOP, EUR mn	39024.1	40804.5	47232.3	51609.6	60000.6	28594.9	32575.3	66600	73300
annual growth rate in %	4.9	4.6	15.8	9.3	16.3	17.3	13.9	11	10
Exports of services, BOP, EUR mn	7820.0	8122.5	8769.5	10286.9	10549.1	4715.9	5447.8	11810	13200
annual growth rate in %	-0.6	3.9	8.0	17.3	2.5	-2.5	15.5	12	12
Imports of services, BOP, EUR mn	7233.1	8074.6	8532.5	9232.9	9280.9	4338.0	4871.8	10000	10800
annual growth rate in %	16.6	11.6	5.7	8.2	0.5	0.4	12.3	8	8
Average exchange rate HUF/USD	258.00	224.44	202.63	199.66	210.51	211.88	188.41	.	.
Average exchange rate HUF/EUR (ECU)	242.97	253.51	251.68	248.05	264.27	260.49	250.31	251	250
Purchasing power parity HUF/USD	114.72	119.60	124.05	124.90	127.83	.	.	.	.
Purchasing power parity HUF/EUR	134.43	142.58	148.75	150.97	153.88	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (from 2001 FISIM adjustment, estimate of illegal economy, real change based on previous year prices etc.) - 3) Enterprises with more than 5 employees. - 4) According to ESA'95, excessive deficit procedure.

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

Poland: economic expansion continues

BY LEON PODKAMINER

Strong expansion continued in the second quarter of 2007, resulting in the GDP rising 7.1% in the first half of the year. Private consumption contributed about 3.9 percentage points to that growth rate, followed by gross fixed investment (3.7 p.p.) and rising inventories (about 1 p.p.) The contribution of foreign trade was negative (-2.0 p.p.). The rise in inventories can be viewed as a normal adjustment to the real needs of the economy as it comes after two years of reduction in their size. Much of that increase represents the strongly expanding volume of 'works in progress' in construction activities. The diminishing contribution of foreign trade is of course less welcome (though it is primarily attributable to a fast rise in demand for imported capital and also intermediate goods). As growth in exports remains quite robust, the foreign trade developments still do not pose any meaningful stability risks (trade and current account deficits are still quite low).

The fast rise in output of industry and (in particular) construction recorded in the first half of 2007 has been continuing well into the more recent months. Concurrently, there has been a steady rise in employment and an upward drift in wages. Nominal gross wage in the corporate sector rose 8.8% during the first eight months of 2007 (about 6.7% in real terms). The nominal wage bill in the non-financial corporate sector rose by close to 14%. Despite this the sector's net profits increased even more impressively: from PLN 30.8 billion (1-2 Q 2006) to PLN 42.7 billion (1-2 Q 2007).¹

Massive hikes in wage rates still trail, if less so than in the past, behind the rising labour productivity. This is one of the reasons for low inflation. Of course, there is much sectoral variation in wage and price hikes – with very fast growth in both items observed in construction. The average wage in construction has been rising twice as fast as in industry and the price index for construction output

has been rising three times faster than the industrial price index.²

The medium-term economic prospects are, on the whole, positive. Currently the major nuisance are shortages of labour – including in some public services (health system, police). But shortages are likely to induce a more efficient use of the available workforce. Rising incomes of wage-earners and farmers (who are among the chief beneficiaries of Poland's EU accession) are likely to further strengthen consumer demand, even if the rising shares of these incomes are surrendered to the banks as debt service. At the same time there is every reason to expect a continuation of strong fixed productive investment. Poland proves increasingly attractive to foreign companies. Besides, the domestic corporate sectors are highly liquid, interest rates are – despite some 'precautionary' hikes administered by the National Bank – relatively low, capacity utilization levels are very high, and domestic as well as foreign demand is forthcoming.

The Kaczynski brothers' adventurous policy seeking confrontation (political or otherwise) with domestic rivals (and allies) precipitated early elections (on 21 October). Although discredited among elites and accused of practices verging on illegality, they may win again. Their eventual success may have something to do with the current economic prosperity. Ironically, that is due to the policies implemented – while in power – by their enemies (and to the unloved EU). Other factors are at play too: the support of media (including the infamous Radio Maryja) – and the political ineptness of the opposition's uncharismatic leaders. In the short run nothing dramatic will happen, as far as economics is concerned, should Messrs. Kaczynski win again. But in the long term one could expect higher out-migration of Polish nationals, both younger professionals and successful businessmen (the most recent target of the Kaczynskis' populist propaganda). Besides, as it is quite clear now, they will be unable to run a responsible fiscal policy of their own.

¹ Commercial banks performed quite well too, with net profits rising by 22%, to PLN 7 billion in the first half of 2007.

² The construction boom is supported by (i) the aggressive expansion of credit to households, (ii) the high and rising volume of infrastructural investment, co-financed by the EU.

Table PL

Poland: Selected Economic Indicators

	2002	2003	2004	2005	2006 ¹⁾	2006 January-June	2007	2007 forecast	2008 forecast
Population, th pers., end of period	38219	38191	38174	38157	38125	38132	38116	.	.
Gross domestic product, PLN mn, nom. ²⁾	808578	843156	924538	983302	1057855	496303	546659	1152500	1246300
annual change in % (real) ²⁾	1.4	3.9	5.3	3.6	6.1	5.8	7.1	6.5	5.5
GDP/capita (EUR at exchange rate)	5485	5020	5341	6401	7122	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	9880	10140	10950	11390	12430	.	.	.	.
Gross industrial production (sales)									
annual change in % (real)	1.1	8.3	12.6	3.7	11.3	12.2 ³⁾	10.7 ³⁾	10	10
Gross agricultural production									
annual change in % (real)	-1.9	-0.8	7.5	-4.3	-1.4	.	.	.	.
Construction output total									
annual change in % (real)	-0.3	0.9	-7.0	1.5	12.0 ³⁾	8.3	28.2	.	.
Consumption of households, PLN mn, nom. ²⁾	532615	545136	585983	610362	647905	321816	348786	.	.
annual change in % (real) ²⁾	3.4	2.0	4.4	2.0	5.2	5.1	6	6	5
Gross fixed capital form., PLN mn, nom. ²⁾	151472	153758	167158	179180	210460	73021.6	93685	.	.
annual change in % (real) ²⁾	-6.3	-0.1	6.4	6.5	16.5	11.5	25.3	22	18
LFS - employed persons, th, avg. ⁴⁾	13782.0	13616.8	13794.8	14115.6	14593.6	14278.5	14995.5	.	.
annual change in %	-3.0	0.6	1.3	2.3	3.4	3.0	5.0	4	2
Reg. employees in industry, th pers., avg.	2670.5	2639.1	2663.1	2665.4	2709.2	2481.0 ³⁾	2565 ³⁾	.	.
annual change in %	-5.3	-1.2	0.9	0.1	1.6	1.7 ³⁾	3.4 ³⁾	3	2
LFS - unemployed, th pers., average ⁴⁾	3431.0	3328.5	3230.3	3045.3	2344.3	2533	1748.0	.	.
LFS - unemployment rate in %, average ⁴⁾	19.9	19.6	19.0	17.8	13.9	14.5	10.0	10	9
Reg. unemployment rate in %, end of period ⁴⁾	18.0	20.0	19.1	17.6	14.9	16.0	14.9	13	12.5
Average gross monthly wages, PLN	2097.8	2185.0	2273.4	2360.6	2477.2	2478.52 ³⁾	2676.7 ³⁾	.	.
annual change in % (real, gross)	0.7	3.4	0.7	1.8	4.0	4.1 ³⁾	6.2 ³⁾	6	5
Consumer prices, % p.a.	1.9	0.8	3.5	2.1	1.0	0.7	2.2	2.3	2.5
Producer prices in industry, % p.a.	1.0	2.6	7.0	0.7	2.3	1.5	2.7	1.5	2
General governm.budget, EU-def., % GDP ⁵⁾									
Revenues	39.2	38.4	36.9	39.0	39.4	.	.	40.2	39.2
Expenditures	44.2	44.6	42.6	43.3	43.3	.	.	43.5	42.4
Deficit (-) / surplus (+)	-5.0	-6.3	-5.7	-4.3	-3.9	.	.	-3.3	-3.2
Public debt, EU-def., % of GDP ⁵⁾	39.8	47.1	45.7	47.1	47.8	.	.	42.1	41.5
Discount rate of NB % p.a., end of period	7.5	5.8	7.0	4.8	4.3	4.3	4.8	5	5.5
Current account, EUR mn	-5399	-4108	-8670	-4130	-6312	-2662	-5056	-10200	-12700
Current account in % of GDP	-2.6	-2.1	-4.3	-1.7	-2.3	-2.1	-3.6	-3.5	-4.0
Gross reserves of NB excl. gold, EUR mn	27367	26000	25904	34536	35235	35355	38868	.	.
Gross external debt, EUR mn	81045	84818	94881	112112	127714	.	.	.	.
Gross external debt in % of GDP	40.3	47.5	41.9	44.0	46.3	.	.	.	.
FDI inflow, EUR mn	4371	4067	10292	7703	11568	5179	4493	.	.
FDI outflow, EUR mn	228	269	636	2493	3300	183	587	.	.
Exports of goods, BOP, EUR mn	49338	53836	65847	77562	93268	44373	50619	108200	124400
annual growth rate in %	6.0	9.1	22.3	17.8	20.2	21.3	14.1	16	15
Imports of goods, BOP, EUR mn	57039	58913	70399	79804	97164	45371	53857	115600	138700
annual growth rate in %	3.5	3.3	19.5	13.4	21.8	21.1	18.7	19	20
Exports of services, BOP, EUR mn	10545	9850	10815	13077	16371	7494	9197	19600	22500
annual growth rate in %	-3.4	-6.6	9.8	20.9	25.2	27.0	22.7	20	15
Imports of services, BOP, EUR mn	9690	9408	10033	11541	14612	6896	7848	17500	20100
annual growth rate in %	-3.3	-2.9	6.6	15.0	26.6	35.3	13.8	20	15
Average exchange rate PLN/USD	4.08	3.89	3.65	3.23	3.10	3.16	2.89	.	.
Average exchange rate PLN/EUR (ECU)	3.86	4.40	4.53	4.03	3.90	3.89	3.85	3.9	3.9
Purchasing power parity PLN/USD	1.83	1.83	1.85	1.85	1.84	.	.	.	.
Purchasing power parity PLN/EUR	2.14	2.18	2.21	2.26	2.23	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices; revision 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; forecast wiiw estimate.

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

Romania: corrections under way

BY GÁBOR HUNYA

In the first half of 2007 GDP growth was slower than one year earlier. Growth in the whole year of 2007 may be lower than expected, remaining robust all the same. The wiiw forecast for economic growth has been corrected downwards to 5.5% both for 2007 and 2008. Overheating and external imbalances continued: domestic demand expanded by 14% but foreign trade deficits reduced the GDP growth rate by about 8 percentage points in the first half of the year. Wages and imports were soaring while the expansion of exports slowed down signalling weakening competitiveness. The local currency kept appreciating and inflation was falling until June, but both trends have reversed more recently. In addition, the government may fall in a non-confidence motion early October to give way to another weak government or early elections, both foreshadowing fiscal relaxation.

In the first half of 2007 private consumption rose 11% and fixed capital formation by 18.6%. However, investments primarily took the form of rising construction output (up 31.1%) such as roads and urban real estate development while investments in machinery and equipment hardly increased (+2.9%). Value added in services and industry were up about 6% each, but agriculture declined to the same extent. Although producing only 8% of GDP, poor agricultural performance triggers declines in the food industry and the consumption of the rural population. Also, inflation accelerates on account of rising food prices.

Manufacturing has undergone remarkable structural changes due to foreign investments. In the first seven months of the year output increased by 7.4% and labour productivity was 12% higher than one year earlier. Wages in euro terms increased two times more rapidly than labour productivity, causing severe problems in labour-intensive industries. The once very strong clothing industry has been one of the main losers. Apart

from the building materials branch, the expanding industries include the production of vehicles and household electronics. The changes in the production structure are also reflected in exports, with rising weights of technologically more advanced product groups.

The fiscal policy was relaxed in mid-2006 and the 2007 government target foresees a deficit of 3.2% of GDP according to EU methodology. The relaxation was explained by the financial needs of infrastructure development and the co-financing of EU projects, but also wages in the public sector expanded more strongly than expected. The 2008 budget proposal is still unclear in details and if the current government crisis should result in early elections, the year 2008 may start without a new budget law. In any case, a deficit in the range of 5% of GDP can be expected due to already announced pension hikes and probably lower GDP growth. Thus, Romania is to miss another Maastricht criterion (in addition to the inflation one).

The deterioration of the foreign trade balance in the first half of 2007 exceeded official expectations with a deficit amounting to 16.8% of GDP, up six percentage points compared to the same period in the previous year. EU accession triggered a sudden increase in imports: part of that was due to changes in the statistical methodology, but the main reason was the hunger for imports. In the first half of 2007 imports rose by 28%, after 25% one year earlier. Forty percent of imports was made up by machinery and transport equipment showing an increasing share, while the share of fuels declined. The export growth rate was a mere 11%, down from 20% last year. The highest export growth was achieved for transport equipment and metals, two major foreign-controlled segments of the economy with strong investment activity.

The wiiw forecast concerning the current account deficit has usually been more pessimistic and more accurate than the government's prognosis. In the first half of 2007 the current account deficit doubled as allowed by strong capital inflows. In earlier years, part of the trade deficit had been balanced

by remittances, but in the first half of 2007 the profits of the foreign sector and interest payments on private debt increased significantly so that the trade deficit now equals the current account deficit. In absence of large privatizations, FDI is now lower than in the previous year and covers only 40% of the current account deficit. Portfolio and other capital inflows have gained importance.

Private capital inflows made the Romania leu (RON) appreciate against the euro by 8% between December and July. This supported the worsening of the external balance but also helped keep inflation down. The consumer price index was at a historical low in the first half of the year, in line with the inflation target of the National Bank of Romania (BNR). The monetary policy interest rate was cut from 8.75% at the beginning of the year to 7% in August 2007, slightly lower than the level of early 2006. While in line with falling inflation, this supported credit expansion. Also, administrative restrictions on credits to households were abolished at the beginning of this year. It is no surprise that credit to the non-government sector expanded by 50% between August 2006 and August 2007, backing real estate investments and consumer goods imports.

In our earlier forecasts we expected an end to disinflation and appreciation, first for 2007, then for 2008. The turning point was reached in July 2007 when depreciation set in and inflation accelerated. The local currency weakened further in September when some investors pulled out money reacting to disappointing GDP and inflation data. The depreciation was first associated with developments in international financial markets affecting most CEE currencies, but then it continued also when other currencies recovered. It is still too early to say whether the correction that pulled the RON/EUR rate back to the December 2006 level will be lasting. Much depends on the international environment directing investors' behaviour but also on the mounting economic and political risks perceived in Romania.

It may be a bit too early to predict forthcoming economic policy interventions. The government's 2008 budget proposal is based on the earlier optimistic forecast, and the BNR has confirmed its 2007 year-end inflation target of 4% and the 2008 target of 3% (plus-minus one percentage point). At the BNR board meeting on 26 September concerns about inflation were expressed but the policy rate was left intact. There is a good chance that higher inflation and continuing depreciation will trigger a tightening monetary policy later this year.

The wiw forecast assumes a lasting adjustment process, with further weakening of the domestic currency. It is quite likely that depreciation, fiscal relaxation and excessive wage increases will accelerate inflation above the target. We expect inflation to rise from 5% in 2007 to 6% in 2008. Subsequent interest rate hikes could curtail consumption and imports.

In September 2007 the Social Democratic Party withdrew its parliamentary support to the minority government formed by the Liberal Party and the Democratic Alliance of Hungarians. If the non-confidence motion passes parliament in early October, the Tăriceanu cabinet will be dismissed and President Băsescu is to consult the political parties to appoint a new Premier. The candidate would have ten days to form a new cabinet and be accepted by parliament. Should the new cabinet fail twice to get the parliament's vote, early elections would follow. There are well-founded hopes, however, that the political stakeholders would not be in favour of early elections and that the country would continue with the same parliament but perhaps a different government until the regular end of the legislative period in late 2008. But any government is expected to be weak and prone to budgetary overspending. Political uncertainty would stimulate the withdrawal of some foreign investments, leading to further weakening of the local currency. A weaker currency could, in turn, curtail imports and improve the current account.

ROMANIA

Table RO

Romania: Selected Economic Indicators

	2002	2003	2004	2005	2006 ¹⁾	2006 January-June	2007 January-June	2007 forecast	2008 forecast
Population, th pers., mid-year	21794.8	21733.6	21673.3	21623.8	21584.4	.	.	.	.
Gross domestic product, RON mn, nom. ²⁾	151475.1	197564.8	246468.8	288047.8	342418.0	136952.9	155244.9	386000	436000
annual change in % (real) ²⁾	5.1	5.2	8.5	4.1	7.7	7.4	5.8	5.5	5.5
GDP/capita (EUR at exchange rate)	2224	2420	2806	3676	4501	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	6000	6500	7240	7690	8830	.	.	.	.
Gross industrial production									
annual change in % (real)	4.3	3.1	5.3	2.0	7.2	6.9	6.1	6	6
Gross agricultural production									
annual change in % (real)	-3.5	7.5	18.1	-13.1	0.7	.	.	.	.
Construction output total									
annual change in % (real)	10.0	9.8	9.2	9.5	19.2	17.5	31.4	.	.
Consumption of households, RON mn, nom. ²⁾	102671.0	128150.4	167244.7	196354.2	235136.7	102380.3	118039.1	.	.
annual change in % (real) ²⁾	5.3	8.5	14.5	9.7	14.1	13.2	11.8	10	8
Gross fixed capital formation, RON mn, nom. ²⁾	32283.6	42293.0	53850.3	66503.8	84260.3	27315.2	35335.0	.	.
annual change in % (real) ²⁾	8.2	8.5	11.1	12.6	16.1	13.3	18.6	14	10
LFS - employed persons, th, avg. ³⁾	9234.3	9222.5	9157.6	9146.6	9313.3	9251.0	.	.	.
annual change in %	.	-0.1	-0.7	-0.1	1.8	1.2	.	.	.
Reg. employees in industry, th pers., avg.	1891.0	1848.0	1741.0	1672.0	1609.0	.	.	.	.
annual change in %	-0.5	-2.3	-5.8	-4.0	-3.8	-4.0	-4.0	.	.
LFS - unemployed, th pers., average ³⁾	845.3	691.8	799.5	704.5	728.4	738.2	.	.	.
LFS - unemployment rate in %, average ³⁾	8.4	7.0	8.0	7.2	7.3	7.4	.	7	7
Reg. unemployment rate in %, end of period	8.4	7.4	6.3	5.9	5.2	5.2	4.0	5	5
Average gross monthly wages, RON	532.1	663.8	818.3	968.0	1150.0	1093.2	1330.8	.	.
annual change in % (real, net)	2.4	10.8	10.6	14.3	8.4	6.5	16.0	.	.
Consumer prices, % p.a.	22.5	15.3	11.9	9.0	6.6	7.8	3.8	5	6
Producer prices in industry, % p.a.	23.0	19.5	19.1	10.5	11.6	11.3	8.5	8	8
General governm.budget, EU-def., % GDP ⁴⁾									
Revenues	37.6	32.1	31.1	32.4	30.1	.	.	.	.
Expenditures	39.6	33.6	32.6	33.7	32.0	.	.	.	.
Deficit (-) / surplus (+)	-2.0	-1.5	-1.5	-1.4	-1.9	.	.	-3.5	-5
Public debt, EU-def., % of GDP	23.8	21.5	18.8	15.8	12.4	.	.	.	.
Discount rate, % p.a., end of period	20.4	20.4	18.0	7.5	8.8	8.5	7.3	.	.
Current account, EUR mn	-1623	-3060	-5099	-6888	-9973	-3744	-7812	-18000	-19000
Current account in % of GDP	-3.3	-5.8	-8.4	-8.7	-10.3	-10.8	-16.8	-15.6	-15.0
Gross reserves of NB excl. gold, EUR mn	5877	6374	10848	16799	21310	18176	22002	.	.
Gross external debt, EUR mn	16200	17835	21504	31093	41422	34774	48207	.	.
Gross external debt in % of GDP	37.3	37.1	34.6	39.7	40.9	.	.	.	.
FDI inflow, EUR mn	1212	1946	5183	5213	9082	3344	2984	7000	7000
FDI outflow, EUR mn	18	36	56	-24	31	15	18	.	.
Exports of goods, BOP, EUR mn	14675	15614	18935	22255	25850	12678	14105	29000	33400
annual growth rate in %	15.4	6.4	21.3	17.5	16.2	20.3	11.3	12	15
Imports of goods, BOP, EUR mn	17427	19569	24258	30061	37609	17101	21938	47000	52600
annual growth rate in %	8.6	12.3	24.0	23.9	25.1	25.3	28.3	25	12
Exports of services, BOP, EUR mn	2468	2671	2903	4102	5513	2676	3497	7170	8960
annual growth rate in %	8.6	8.2	8.7	41.3	34.4	43.9	30.7	30	25
Imports of services, BOP, EUR mn	2463	2609	3116	4451	5507	2457	3304	7430	9290
annual growth rate in %	2.5	5.9	19.4	42.8	23.7	24.7	34.5	35	25
Average exchange rate RON/USD	3.3055	3.3200	3.2637	2.9137	2.8090	2.8803	2.5086	.	.
Average exchange rate RON/EUR (ECU)	3.1255	3.7556	4.0532	3.6234	3.5245	3.5398	3.3320	3.35	3.45
Purchasing power parity RON/USD	0.9882	1.1695	1.3083	1.4369	1.4804	.	.	.	.
Purchasing power parity RON/EUR	1.1592	1.3996	1.5715	1.7329	1.7960	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (from 2003 FISIM adjusted and real change based on previous year prices). - 3) From 2002 break in methodology. - 4) According to ESA'95, excessive deficit procedure.

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

Slovakia: impressive export-led growth

BY ZDENEK LUKAS

Slovakia's economic boom reflects a combination of rising external demand and steady growth in domestic demand – with strongly expanding manufacturing on the supply side. GDP has been growing by at least 9% for four quarters in a row. In the first half of 2007, GDP growth (9.2%) was driven by an expansion in gross fixed capital formation and private consumption (both up 7%). The latter has been supported by rising employment, real wages and credit to private households. In addition, since mid-2006 foreign trade has contributed positively to overall GDP. Exports of cars, steel, electronics and refinery products are soaring – and this despite the strong appreciation of the Slovak koruna (by 10%, year on year). Export sales are boosted as FDI companies keep increasing their production capacities. The current account deficit is diminishing, though it remains a challenge on account of increasing repatriation of profits of foreign investors. The inflation rate (CPI) has slowed considerably and the National Bank of Slovakia's has not changed interest rates since April 2007.

With new car plants put into operation (KIA Motors and PSA Peugeot Citroën), gross industrial output expanded by 15.7% in the first seven months of 2007¹, accompanied by growth in industrial employment by over 4%. The ensuing increase in industrial labour productivity by about 11% exceeds the rise in average industrial real gross monthly wages (4.3%). Unit labour costs in industry dropped by some 7% in SKK terms, while they rose by about 3% in EUR terms.

In 2006 FDI inflow doubled to EUR 3.3 billion. For EUR 850 million the Italian (state-controlled) Enel acquired 66% of the Slovenské Elektrárne power

producer. Foreigner investors now control the biggest Slovak enterprises. Volkswagen Slovakia is the largest firm in terms of sales, while US Steel Košice is the biggest private employer.

The impressive economic growth has been reflected in employment rising since 2005. Total employment (according to the Labour Force Survey, LFS) increased by 2.5% in the first half of 2007. The unemployment rate (LFS) dropped by 2.9 percentage points to 11.3% at the end of June 2007. However, regional disparities remain large, with high unemployment in the east and southeast and labour shortages in the west of the country (particularly in health services, engineering and construction). Some companies have started recruiting foreign workers, most recently from the Balkan countries.

Slovakia is struggling with an underdeveloped transport infrastructure. The construction of a motorway connecting western Slovakia (Bratislava) with the east (Košice), to be completed by 2013, is being delayed. Part of an EU grant of EUR 3 billion financing that project may be lost. Modernization of rail infrastructure (at the cost of another EUR 3 billion) is another priority.

The first reactor of the obsolete nuclear power station in Western Slovakia (Jaslovské Bohunice) was closed down at the end of 2006, the second one will be closed in 2008. Slovakia now has to import electricity. To reduce import dependency, the third and fourth reactors at the more modern Mochovce nuclear power plant will be completed.

The reforms of the pension and healthcare systems introduced by the former government of Mikuláš Dzurinda had taken effect at the beginning of 2005. The pension reform stipulated a gradual increase in the statutory retirement age and introduced a privately managed second pillar of the pension system. The reform of the healthcare system was based on an obligatory and (if affordable) voluntary insurance. The reform package primarily targeted

¹ Car production alone soared by 79%.

reductions in public spending. The current left-leaning government of Robert Fico is now revising those reforms. A recent draft law on healthcare providers precludes their eventual privatization (as planned by the former cabinet). Substantial pension law amendments would strengthen the public pension system (the first pillar) at the expense of the private funds (the second pillar).

The government intends to qualify for the adoption of the euro by 2009. The fiscal deficit will probably

fall below the Maastricht ceiling of 3% of GDP in 2007. Despite the current low inflation rate, inflationary risks persist (though these originate in international markets for energy and raw materials); this represents however a minor problem. What is more important is that manufacturing exports, which have become a significant engine of economic expansion, will continue running at high gear in the near future. This will translate into rising demand for labour and robust private demand, resulting in a GDP growth rate in excess of 9% in 2007.

Table SK

Slovak Republic: Selected Economic Indicators

	2002	2003	2004	2005	2006 ¹⁾	2006 January-June	2007	2007 forecast	2008 forecast
Population, th pers., mid-year	5378.8	5379.0	5382.6	5387.3	5391.2	.	.	.	.
Gross domestic product, SKK bn, nom. ²⁾	1111.5	1212.7	1355.3	1471.1	1636.3	772.6	864.7	1840	2060
annual change in % (real) ²⁾	4.1	4.2	5.4	6.0	8.3	6.7	9.2	9	8.5
GDP/capita (EUR at exchange rate)	4839	5434	6288	7077	8150	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	11110	11400	12220	13370	14720	.	.	.	.
Gross industrial production									
annual change in % (real)	6.7	5.3	4.2	3.6	9.8	9.2	15.0	16	10
Gross agricultural production									
annual change in % (real)	1.5	-2.4	5.6	-6.3	0.0	.	.	.	.
Construction industry									
annual change in % (real)	4.1	6.0	5.7	14.7	14.9	15.5	12.1	.	.
Consumption of households, SKK bn, nom. ²⁾	634.3	676.9	754.4	829.8	927.2	446.2	488.6	.	.
annual change in % (real) ²⁾	5.2	0.1	3.8	7.2	6.3	6.3	6.9	7	5
Gross fixed capital form., SKK bn, nom. ²⁾	303.5	302.8	327.1	394.6	432.1	197.8	217.0	.	.
annual change in % (real) ²⁾	0.3	-2.3	5.0	17.5	7.3	8.7	6.9	8	7
LFS - employed persons, th, avg.	2127.0	2164.6	2170.4	2216.2	2301.4	2276.1	2332.2	.	.
annual change in %	0.2	1.8	0.3	2.1	3.8	4.1	2.5	.	.
LFS - employed pers. in industry, th, avg.	640.9	634.1	641.3	649.1	666.4	658.7	687.1	.	.
annual change in %	1.9	-1.1	1.1	1.2	2.7	2.1	4.3	.	.
LFS - unemployed, th pers., average	486.9	459.2	480.7	427.5	353.4	376.5	297.1	.	.
LFS - unemployment rate in %, average	18.5	17.4	18.1	16.2	13.3	14.2	11.3	11	10
Reg. unemployment rate in %, end of period	17.5	15.6	13.1	11.4	9.4	10.4	8.3	8	7
Average gross monthly wages, SKK ³⁾	13511	14365	15825	17274	18761	17820	19055	.	.
annual change in % (real, gross)	5.8	-2.0	2.5	6.3	3.3	3.4	4.2	4.5	3
Consumer prices, % p.a.	3.3	8.5	7.5	2.7	4.5	4.5	2.6	2.8	2
Producer prices in industry, % p.a.	2.1	8.3	3.4	4.7	8.4	9.6	2.5	3	4
General governm.budget, EU-def., % GDP ⁴⁾									
Revenues	35.7	37.5	35.4	35.2	33.9	.	.	.	.
Expenditures	43.3	40.3	37.8	38.0	37.3	.	.	.	.
Deficit (-) / surplus (+)	-7.7	-2.8	-2.4	-2.8	-3.4	.	.	-2.8	-2.8
Public debt, EU-def., in % of GDP ⁴⁾	43.3	42.4	41.5	34.5	30.7	.	.	.	.
Discount rate, % p.a., end of period	6.5	6.0	4.0	3.0	4.8	4.0	4.25	.	.
Current account, EUR mn ⁵⁾	-2043	-1747	-2656	-3236	-3640	-1647	-1187	-2200	-2500
Current account in % of GDP	-7.8	-6.0	-7.8	-8.5	-8.3	-8.0	-4.7	-4.1	-4.0
Gross reserves of NB incl. gold, EUR mn	8824	9717	10954	13067	10145	12872	13067	.	.
Gross external debt, EUR mn	12655	14654	17421	22705	24449	25140	27218	.	.
Gross external debt in % of GDP	47.5	49.7	49.9	58.4	51.7				
FDI inflow, EUR mn	4397	1914	2441	1694	3324	1724	667	.	.
FDI outflow, EUR mn	12	219	-17	126	294	153	-8	.	.
Exports of goods, BOP, EUR mn ⁵⁾	15270	19359	22248	25654	33273	15120	20234	46000	57000
annual growth rate in %	8.2	26.8	14.9	15.3	29.7	27.0	33.8	38	24
Imports of goods, BOP, EUR mn ⁵⁾	17517	19924	23485	27571	35733	16332	20648	45000	55500
annual growth rate in %	6.2	13.7	17.9	17.4	29.6	28.5	26.4	26	23
Exports of services, BOP, EUR mn ⁵⁾	2958	2912	3000	3542	4313	1969	2331	5100	5600
annual growth rate in %	6.4	-1.5	3.0	18.1	21.7	18.7	18.4	18	10
Imports of services, BOP, EUR mn ⁵⁾	2474	2703	2785	3285	3783	1751	2131	4700	5600
annual growth rate in %	10.3	9.2	3.0	18.0	15.2	14.8	21.7	25	19
Average exchange rate SKK/USD	45.34	36.77	32.26	31.02	29.72	30.59	25.63	.	.
Average exchange rate SKK/EUR (ECU)	42.70	41.49	40.05	38.59	37.25	37.56	34.05	34	33
Purchasing power parity SKK/USD	16.21	16.59	17.19	17.09	17.24	.	.	.	.
Purchasing power parity SKK/EUR	18.61	19.78	20.61	20.42	20.62	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted). - 3) From 2006 including wages of armed forces. - 4) According to ESA'95, excessive deficit procedure. - 5) Calculated from USD.

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

Slovenia: strong GDP growth supported by soaring investment

BY HERMINE VIDOVIC

GDP growth decelerated slightly in the second quarter of 2007, after reaching 7.2% in the first quarter. Nevertheless, at 6.5% for the first half of the year, growth is still impressive. Domestic demand was the driving force behind GDP growth, in particular rising investments, up almost 22%. Growth of private consumption has remained nearly constant for several quarters at 3.4%. By contrast, government consumption fell in the second quarter of the year, for the first time since the beginning of statistical reporting. Foreign trade contributed negatively to GDP growth. Construction benefited most from rising investment, increasing its output by one third as against the first half of 2006.

Industrial output grew by 8.5% in the period January-July. The production of most of the export-oriented industries such as manufacture of chemicals, wood and wood products, and machinery and electrical equipment reported high growth rates. The sharpest output decline was suffered by the production of leather and leather products.

Consumer price inflation turned out to be higher than originally expected by Slovenian officials. Consumer prices rose by 3% on average in the first nine months and by 3.5% in September year on year. While meeting the Maastricht inflation criterion between November 2005 and June 2007, Slovenia exceeded it from July onwards. Inflation was fuelled mainly by price increases in food, beverages and services (municipal services, holiday packages and hotels and restaurants). The price development after the euro changeover is very similar to that observed in other Eurozone countries after the introduction of the euro, where sectoral studies show a grey zone of consumer goods and services that did show unexplained price rises.¹

¹ See http://ec.europa.eu/economy_finance/een/002/article_4071_en.htm

The strong growth in GDP translated into a continued employment increase. According to the Labour Force Survey, employment rose by 1.9% in the first half of the year, while national account data indicate a 2.5% increase. According to the latter, jobs were mainly generated in construction and services, particularly in business services. Unemployment continued to decline, to 5.2% measured by LFS and 7.5% based on registration data provided by the labour offices. As is the case in other new member states, Slovenia also reports labour shortages in some professions in the construction and metal processing sectors, electricians, mechanical engineers and in health care. Currently the lack of workforce is overcome by increasing overtime work and the employment of migrant workers.

Foreign trade continued its dynamic growth during the first six months of the year with goods exports and imports up 16% and 18% respectively. The trade deficit was significantly higher than a year earlier. Together with a declining surplus in services trade, this translated into a rising current account deficit, up EUR 450 million as against the same period of 2006. However, the current account results should be interpreted with caution because of methodological problems concerning the collection of data following the introduction of the euro at the beginning of the year.

As to foreign direct investment, inflows and outflows in the first half of the year reached nearly the same level as in the whole year of 2006. Similarly as in the years before, Slovenia remained an FDI net exporter. Most of the activities of Slovenian investors are concentrated in the successor states of the former Yugoslavia.

Foreign indebtedness has increased rapidly during the past months; it reached EUR 29.9 billion by the end of June, almost EUR 6 billion more than in December 2006. More than half of that increase is due to obligations of the Bank of Slovenia towards the Eurosystem, about EUR 1 billion are related to the Eurobond issue of the Ministry of Finance in March, and the remainder is due to banks

borrowing abroad. Bank credits are primarily provided to the household sector (housing), but also for the construction of highways (publicly guaranteed credits). At the same time net debt stood at only EUR 5.5 billion.

The bidding for the 49.13% state stakes in Telekom Slovenija, which has started recently, has created strong interest. So far, telecom agencies from Turkey, Hungary, Iceland, Italy und Germany via Croatian Telecom have decided to enter the bidding.

Presidential elections will be held on 21 October 2007. Among an increasing number of candidates Lojze Peterle, a former prime minister and current member of the European Parliament, is considered the most electable candidate for the post. Janez Drnovšek, the present office holder, will not run for a second term. Since the partial break-up of the

Liberal Democratic Party (LDS) in spring, when twelve members of parliament left the party, the political landscape in Slovenia has changed considerably. Recent opinion polls favour the Social Democrats (former communists) led by Borut Pahor, followed by the ruling Slovenian Democratic Party headed by Janez Janša. The next parliamentary elections are due in 2008.

For the year as a whole GDP should grow by about 5.5% or more, and by close to that in 2008. Investment growth will remain high due to enhanced housing construction which is favoured by reduced VAT, at least until the end of 2007. Investments in motorway construction will continue. Annual inflation will be higher than anticipated, at some 3% on an annual average in 2007, and slow down slightly next year. Contrary to earlier expectations, the current account will somewhat deteriorate this year and remain at a similar level in 2008.

Table SI

Slovenia: Selected Economic Indicators

	2002	2003	2004	2005	2006 ¹⁾	2006 January-June	2007 January-June	2007 forecast	2008 forecast
Population, th pers., mid-year	1995.7	1996.8	1997.0	2001.1	2008.5	2004.4	2013.6 ^{III}	.	.
Gross domestic product, EUR-SIT mn, nom. ²⁾	22758.3	24715.9	26677.5	28243.5	30448.3	14476.3	16028.3	33100	35600
annual change in % (real) ²⁾	3.7	2.8	4.4	4.1	5.7	4.9	6.5	5.5	5
GDP/capita (EUR at exchange rate)	12080	12692	13402	14114	15162	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	16560	17010	18320	19360	20830	.	.	.	.
Gross industrial production annual change in % (real) ³⁾	2.4	1.4	4.8	3.3	6.1	5.3	8.4	7	6
Gross agricultural production annual change in % (real)	13.4	-12.4	17.3	0.2	-5.7	.	.	.	.
Construction output, in effect. working time annual change in % (real) ⁴⁾	-3.4	-1.7	2.5	3.0	15.3	2.1	33.3	.	.
Consumption of households, EUR-SIT mn, nom. ²⁾	12266.9	13358.1	14196.5	14967.7	15955.6	7624.0	8302.2	.	.
annual change in % (real) ²⁾	1.8	3.5	3.0	2.9	4.0	3.3	3.2	3	3
Gross fixed capital form., EUR-SIT mn, nom. ²⁾	5318.1	5954.6	6783.8	7210.0	7959.7	3537.8	4461.5	.	.
annual change in % (real) ²⁾	1.0	7.4	7.3	2.5	8.4	8.5	21.6	18	10
LFS - employed persons, th, avg. annual change in %	910	897	943	949	961	958	976	.	.
Reg. employees in industry, th pers., avg. ⁵⁾ annual change in % ⁵⁾	246.1	242.2	239.7	239.3	235.5	235.0	237.3	.	.
LFS - unemployed, th pers., average	62.0	64.8	64.0	67.0	61.0	65.5	53.0	.	.
LFS - unemployment rate in %, average	6.4	6.7	6.3	6.6	6.0	6.4	5.2	5.2	5
Reg. unemployment rate in %, end of period	11.3	11.0	10.1	10.2	8.6	9.3	7.5	7.5	7
Average gross monthly wages, EUR-SIT ⁶⁾ annual change in % (real, net) ⁶⁾	982	1057	1117	1157	1213	1180	1245.1	.	.
Consumer prices, % p.a.	7.5	5.6	3.6	2.5	2.5	2.6	2.7	3	2.5
Producer prices in industry, % p.a.	5.1	2.5	4.3	2.7	2.3	2.0	4.8	4	3
General governm. budget, EU-def., % GDP ⁷⁾									
Revenues	45.5	45.3	45.1	45.6	44.8	.	.	.	.
Expenditures	48.0	48.0	47.4	47.0	46.3	.	.	.	.
Deficit (-) / surplus (+), % GDP	-2.5	-2.8	-2.3	-1.5	-1.4	.	.	-1.5	-1.4
Public debt in % of GDP ⁷⁾	29.1	28.6	28.9	28.4	27.8	.	.	.	.
Discount rate % p.a., end of period	7.3	5.0	3.3	3.8	3.8	3.5	4.0	.	.
Current account, EUR mn	247.2	-195.7	-719.7	-547.5	-756.2	-111.2	-562.4	-1300	-1400
Current account in % of GDP	1.0	-0.8	-2.7	-1.9	-2.5	-0.8	-3.5	-3.9	-3.9
Gross reserves of NB excl. gold, EUR mn ⁸⁾	6701.5	6798.2	6464.0	6824.1	5341.7	6483.7	847.6	.	.
Gross external debt, EUR mn	11524	13225	15343	19614	23895	22341	29892	.	.
Gross external debt in % of GDP	48.7	52.8	57.5	69.4	78.5	.	.	.	.
FDI inflow, EUR mn	1721.7	270.5	665.2	444.9	303.4	162.4	431.1	.	.
FDI outflow, EUR mn	165.8	421.3	441.0	503.4	590.3	286.8	540.6	.	.
Exports of goods, BOP, EUR mn	11081.6	11417.1	12932.8	14599.2	17031.7	8313.6	9636.9	19600	22300
annual growth rate in %	6.0	3.0	13.3	12.9	16.7	16.5	15.9	15	14
Imports of goods, BOP, EUR mn	11346.6	11959.9	13941.6	15625.1	18152.5	8634.6	10209.1	21000	24000
annual growth rate in %	1.9	5.4	16.6	12.1	16.2	16.6	18.2	16	14
Exports of services, BOP, EUR mn	2439.5	2464.9	2782.6	3209.7	3537.8	1592.6	1787.2	4000	4500
annual growth rate in %	12.0	1.0	12.9	15.3	10.2	15.6	12.2	13	13
Imports of services, BOP, EUR mn	1819.7	1924.7	2095.0	2354.1	2653.0	1132.1	1360.5	3100	3600
annual growth rate in %	10.8	5.8	8.8	12.4	12.7	13.0	20.2	17	16
Average exchange rate EUR-SIT/USD	1.003	0.864	0.803	0.804	0.797	0.814	0.752	.	.
Average exchange rate EUR-SIT/EUR (ECU)	0.944	0.975	0.997	1.000	1.000	1.000	1.000	1	1
Purchasing power parity EUR-SIT/USD	0.587	0.608	0.607	0.604	0.600	.	.	.	.
Purchasing power parity EUR-SIT/EUR	0.689	0.728	0.729	0.729	0.728	.	.	.	.

Note: Slovenia introduced the euro on 1 January 2007. For statistical purposes all time series in SIT as well as the exchange rates and PPP rates have been divided by the conversion factor 239.64 (SIT per EUR) to EUR-SIT.

The term 'industry' refers to NACE classification C+D+E.

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). - 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 including legal persons with 1 or 2 employees in the private sector. - 7) According to ESA'95, excessive deficit procedure. - 8) From January 2007 (euro introduction) only foreign currency reserves nominated in non-euro currency are included.

Source: wiiw Database incorporating national statistics; Eurostat; 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
CZK	Czech koruna
EUR	euro, from 1 January 1999
EUR-SIT	Slovenia has introduced the euro from 1 January 2007
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
RON	Romanian leu
RUB	Russian rouble
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar
M0	currency outside banks / currency in circulation (ECB definition)
M1	M0 + demand deposits / narrow money (ECB definition)
M2	M1 + quasi-money / intermediate money (ECB definition)
M3	broad money

Sources of statistical data:

National statistical offices and central banks; wiiw estimates.

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

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	10.3	5.7	3.0	10.6	6.8	5.0	4.2	1.2	3.2	8.9	9.0	11.7	7.0	7.7	13.0	.
Industry, total ¹⁾	real, CCPY	7.0	6.7	6.2	6.7	6.7	6.6	6.3	5.8	3.2	6.3	7.3	8.4	8.2	8.1	8.9	.
Industry, total	real, 3MMA	6.2	6.2	6.4	6.7	7.4	5.3	3.4	2.8	4.3	7.3	9.9	9.4	8.9	9.5	.	.
LABOUR																	
Employees total	th. persons	2265	2276	2305	2300	2293	2276	2271	2247	2282	2289	2308	2320	2331	2343	.	.
Employees in industry	th. persons	705	704	705	704	702	703	703	697	706	705	705	708	704	703	.	.
Unemployment, end of period	th. persons	355.3	340.1	331.8	323.8	312.8	310.4	321.9	337.8	358.1	351.2	330.3	310.3	289.8	274.8	268.4	259.3
Unemployment rate ²⁾	%	9.6	9.2	9.0	8.7	8.4	8.4	8.7	9.1	9.7	9.5	8.9	8.4	7.8	7.4	7.3	7.0
Labour productivity, industry ¹⁾	CCPY	9.6	9.3	8.7	9.2	9.2	8.9	8.6	8.0	2.2	5.4	6.6	7.7	7.7	7.7	.	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	0.0	0.2	1.0	0.8	1.0	1.2	1.9	2.6	14.4	11.5	10.4	9.2	10.0	10.1	.	.
WAGES, SALARIES																	
Total economy, gross	BGN	346	345	350	349	363	354	361	388	377	380	396	400	411	408	.	.
Total economy, gross	real, CMPY	-0.1	1.5	2.6	5.4	6.1	5.7	5.9	7.2	8.6	12.9	11.8	11.9	13.9	12.0	.	.
Total economy, gross	USD	226	223	227	229	236	228	238	262	250	254	268	276	284	280	.	.
Total economy, gross	EUR	177	176	179	178	186	181	185	198	193	194	202	205	210	209	.	.
Industry, gross	EUR	176	182	182	182	190	185	190	199	195	198	211	209	215	217	.	.
PRICES																	
Consumer	PM	0.0	-1.6	-0.5	-0.2	0.3	1.3	1.4	1.2	1.4	0.5	-0.1	0.5	0.1	-0.4	2.2	3.1
Consumer	CMPY	8.5	8.2	7.6	6.8	5.6	5.7	6.1	6.5	7.1	4.5	4.1	4.2	4.3	5.6	8.4	12.0
Consumer	CCPY	8.1	8.1	8.1	7.9	7.7	7.5	7.3	7.3	7.1	5.8	5.2	5.0	4.8	4.9	5.4	6.3
Producer, in industry ¹⁾	PM	3.1	0.3	0.9	0.3	0.7	-0.7	0.1	0.6	-0.8	0.1	1.4	1.9	0.7	1.3	2.1	.
Producer, in industry ¹⁾	CMPY	11.5	11.1	10.9	11.0	10.3	8.7	8.2	8.1	7.8	6.3	8.0	8.1	5.6	6.7	7.9	.
Producer, in industry ¹⁾	CCPY	8.8	9.2	9.5	9.6	9.7	9.6	9.5	9.4	7.8	7.1	7.4	7.6	7.2	7.1	7.2	.
FOREIGN TRADE³⁾⁴⁾																	
Exports total (fob), cumulated	EUR mn	4652	5726	6799	7873	8924	9986	11035	12012	869	1768	2851	3878	4976	6155	7386	.
Imports total (cif), cumulated	EUR mn	6870	8364	9976	11657	13200	14940	16641	18479	1529	2968	4690	6317	8103	9910	11840	.
Trade balance, cumulated	EUR mn	-2218	-2638	-3177	-3784	-4276	-4953	-5605	-6467	-661	-1199	-1839	-2439	-3127	-3755	-4454	.
Exports to EU-27 (fob), cumulated	EUR mn	.	.	.	.	.	.	.	.	580	1177	1858	2463	3124	3875	4592	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	.	.	.	.	.	.	.	.	903	1827	2884	3834	4891	5924	7016	.
Trade balance with EU-27, cumulated	EUR mn	.	.	.	.	.	.	.	.	-323	-651	-1026	-1371	-1767	-2049	-2424	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	EUR mn	-1700	-1760	-1805	-1892	-2100	-2646	-3127	-3935	-632	-1108	-1607	-2164	-2636	-2909	-3041	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.532	1.546	1.542	1.527	1.538	1.551	1.519	1.480	1.506	1.496	1.477	1.448	1.447	1.458	1.426	1.436
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI ⁷⁾	real, Jan03=100	131.0	127.5	126.9	127.6	127.7	128.9	133.7	138.5	137.7	138.4	138.8	141.5	140.7	138.9	145.1	148.6
BGN/USD, calculated with PPI ⁷⁾	real, Jan03=100	122.3	121.3	122.1	122.9	124.8	125.2	126.1	129.4	127.4	126.3	127.4	131.3	130.7	131.2	136.9	.
BGN/EUR, calculated with CPI ⁷⁾	real, Jan03=100	112.2	110.3	109.9	109.5	109.8	111.0	112.5	113.4	115.5	115.7	114.9	114.8	114.6	114.0	116.9	120.4
BGN/EUR, calculated with PPI ⁷⁾	real, Jan03=100	111.8	112.0	111.9	112.2	113.9	113.0	113.5	114.2	113.5	113.2	114.2	116.0	116.5	117.5	119.6	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	BGN mn	5284	5503	5687	5829	5917	5881	5825	6231	5901	5880	5912	6100	6134	6391	6649	.
M1, end of period ⁸⁾	BGN mn	13085	13444	14182	14505	14751	15022	15193	16078	15955	16002	16269	16416	16845	17807	18279	.
Broad money, end of period ⁸⁾	BGN mn	26568	27535	28183	28986	29611	30166	30361	32061	31780	32108	32755	33379	33925	35349	36373	.
Broad money, end of period	CMPY	18.4	20.9	21.4	22.5	24.7	26.0	26.5	26.9	29.0	27.8	28.2	29.5	27.7	28.4	29.1	.
BNB base rate (p.a.) ⁹⁾ , end of period	%	2.6	2.6	2.7	2.8	3.0	3.0	3.2	3.3	3.5	3.6	3.6	3.7	3.9	3.9	4.1	4.2
BNB base rate (p.a.) ⁹⁾ , end of period	real, %	-8.0	-7.6	-7.3	-7.3	-6.7	-5.2	-4.6	-4.5	-4.0	-2.6	-4.1	-4.1	-1.7	-2.6	-3.6	.
BUDGET																	
Central gov. budget balance ⁹⁾ , cum.	BGN mn	1237.7	1454.9	1606.3	1941.0	2042.4	2229.0	2413.8	1812.9	133.9	-102.3	403.5	1097.8	1670.4	1923.5	2179.6	.

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) According to country of dispatch.

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

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

8) According to ECB methodology.

9) Deflated with annual PPI.

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

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	12.8	11.0	12.8	9.3	7.4	14.8	10.2	6.0	10.8	13.1	11.0	14.5	6.8	6.7	11.5	.
Industry, total	real, CCPY	12.6	12.3	12.3	12.0	11.4	11.8	11.6	11.1	10.8	11.9	11.6	12.3	11.1	10.3	10.5	.
Industry, total	real, 3MMA	9.3	12.1	11.0	9.7	10.5	10.8	10.4	9.1	10.0	11.6	12.8	10.6	9.1	8.2	.	.
Construction, total	real, CMPY	10.5	10.0	12.2	6.4	4.2	7.2	7.7	15.4	29.2	32.1	26.4	17.6	1.0	-4.5	-1.7	.
LABOUR																	
Employees in industry ¹⁾	th. persons	1142	1143	1148	1158	1155	1160	1165	1159	1154	1161	1165	1164	1164	1163	1180	.
Unemployment, end of period	th. persons	463.0	451.1	458.3	458.7	454.2	439.8	432.6	448.5	465.5	454.7	430.5	402.9	382.6	370.8	376.6	372.8
Unemployment rate ²⁾	%	7.9	7.7	7.9	7.9	7.8	7.4	7.3	7.7	7.9	7.7	7.3	6.8	6.4	6.3	6.4	6.4
Labour productivity, industry ¹³⁾	CCPY	11.4	11.0	11.0	10.4	9.8	10.2	10.1	9.7	9.3	10.5	10.2	10.5	9.7	8.9	9.0	.
Unit labour costs, exch.r. adj.(EUR) ¹³⁾	CCPY	0.7	1.2	1.1	1.5	1.6	1.3	1.3	1.5	3.0	-0.4	0.0	-0.2	0.0	0.1	0.2	.
WAGES, SALARIES																	
Industry, gross ¹⁾	CZK	20047	19707	19265	19044	18763	19551	22704	20743	19892	18699	20492	20414	21710	21201	21260	.
Industry, gross ¹⁾	real, CMPY	4.6	3.2	2.6	2.3	1.8	6.0	4.0	3.4	7.7	5.5	5.6	6.1	4.8	3.9	6.9	.
Industry, gross ¹⁾	USD	906	878	858	865	842	872	1044	987	929	866	967	985	1039	997	1030	.
Industry, gross ¹⁾	EUR	709	694	677	675	661	691	810	747	714	662	730	729	769	743	750	.
PRICES																	
Consumer	PM	0.5	0.3	0.4	0.2	-0.7	-0.5	-0.1	0.2	1.0	0.3	0.3	0.7	0.4	0.3	0.4	0.3
Consumer	CMPY	3.1	2.8	2.9	3.1	2.7	1.3	1.5	1.7	1.3	1.5	1.9	2.5	2.4	2.5	2.3	2.4
Consumer	CCPY	2.9	2.9	2.9	2.9	2.9	2.7	2.6	2.5	1.3	1.4	1.6	1.8	1.9	2.0	2.1	2.1
Producer, in industry	PM	0.3	0.2	0.7	0.3	-0.2	0.0	-0.2	0.0	1.2	0.5	0.5	0.6	0.6	0.7	0.2	-0.1
Producer, in industry	CMPY	1.5	1.9	2.4	2.7	2.3	1.9	2.0	2.6	2.8	3.0	3.5	3.7	4.0	4.5	4.1	3.7
Producer, in industry	CCPY	0.6	0.8	1.1	1.3	1.4	1.4	1.5	1.6	2.8	2.9	3.1	3.3	3.4	3.6	3.7	3.7
RETAIL TRADE																	
Turnover	real, CMPY	7.3	6.4	6.6	7.3	4.9	8.9	6.8	4.6	7.7	10.5	10.9	8.4	7.6	7.6	8.9	.
Turnover	real, CCPY	6.6	6.5	6.6	6.7	6.4	6.7	6.7	6.5	7.7	9.1	9.8	9.4	9.0	8.7	8.8	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	29963	36439	42098	47996	54661	62072	69574	75678	6723	13592	21360	28362	35646	43043	49900	.
Imports total (cif), cumulated	EUR mn	29107	35324	41102	47038	53443	60718	68043	74275	6434	12791	20071	26894	33923	41040	47925	.
Trade balance, cumulated	EUR mn	856	1115	996	958	1218	1354	1531	1403	290	801	1288	1469	1723	2003	1976	.
Exports to EU-27 (fob), cumulated	EUR mn	25692	31237	36084	41116	46836	53196	59664	64826	5828	11733	18375	24326	30562	36883	42743	.
Imports from EU-27 (cif) ⁶⁾ , cumulated	EUR mn	20642	25081	29211	33301	37812	42950	48096	52483	4511	9058	14353	19237	24284	29378	34266	.
Trade balance with EU-27, cumulated	EUR mn	5049	6156	6874	7815	9024	10246	11569	12343	1317	2675	4022	5089	6278	7506	8476	.
FOREIGN FINANCE																	
Current account, cumulated ⁴⁾	EUR mn	266	-523	-1233	-1565	-1917	-2680	-3068	-3540	-86	136	523	-45	-550	-1006	-1317	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	22.1	22.4	22.4	22.0	22.3	22.4	21.8	21.0	21.4	21.6	21.2	20.7	20.9	21.3	20.6	20.5
CZK/EUR, monthly average	nominal	28.3	28.4	28.4	28.2	28.4	28.3	28.0	27.8	27.8	28.2	28.1	28.0	28.2	28.5	28.3	27.9
CZK/USD, calculated with CPI ⁷⁾	real, Jan03=100	129.5	127.8	128.0	130.5	128.5	127.8	131.9	136.5	134.9	133.4	135.1	138.3	136.7	134.5	139.1	140.9
CZK/USD, calculated with PPI ⁷⁾	real, Jan03=100	120.3	118.6	118.9	120.9	120.9	122.5	124.2	127.7	128.1	125.6	126.4	128.8	127.0	125.4	129.5	130.6
CZK/EUR, calculated with CPI ⁷⁾	real, Jan03=100	110.9	110.6	111.0	112.0	110.4	110.1	110.9	111.7	113.1	111.5	111.9	112.2	111.5	110.4	112.0	114.1
CZK/EUR, calculated with PPI ⁷⁾	real, Jan03=100	109.9	109.5	109.0	110.3	110.3	110.5	111.7	112.7	114.0	112.6	113.3	113.8	113.3	112.3	113.0	114.8
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	CZK bn	273.3	279.9	279.1	282.4	287.5	287.1	292.0	295.3	292.2	296.8	300.3	306.3	309.8	314.0	311.4	.
M1, end of period ⁸⁾	CZK bn	1253.6	1235.2	1281.5	1292.1	1274.2	1321.0	1335.1	1325.6	1356.9	1370.2	1335.8	1387.9	1444.1	1423.2	1488.8	.
Broad money, end of period ⁸⁾	CZK bn	1909.6	1925.8	1942.0	1973.4	1959.1	1999.3	2014.5	2049.6	2074.4	2103.4	2106.4	2174.1	2203.4	2206.6	2231.7	.
Broad money, end of period	CMPY	11.4	12.0	12.0	13.2	12.5	13.0	11.9	12.9	12.8	13.5	13.4	14.0	15.4	14.6	14.9	.
Discount rate (p.a.), end of period	%	1.00	1.00	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.75	2.00	2.00
Discount rate (p.a.), end of period ⁹⁾	real, %	-0.5	-0.9	-1.2	-1.4	-0.8	-0.4	-0.5	-1.1	-1.2	-1.5	-1.9	-2.2	-2.4	-2.7	-2.0	-1.6
BUDGET																	
Central gov. budget balance, cum.	CZK mn	-12202	7642	-445	-6440	1490	-12670	-30920	-97310	5030	-6730	11260	-17010	-25980	1280	19680	22220

1) Enterprises employing 20 and more persons.

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

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

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

5) Cumulation starting January and ending December each year.

6) According to country of origin.

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

8) According to ECB methodology.

9) Deflated with annual PPI.

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

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	10.4	8.5	11.9	9.1	9.0	10.4	11.0	8.4	12.5	10.8	4.9	10.8	3.2	8.8	12.1	.
Industry, total	real, CCPY	10.2	9.9	10.2	10.1	9.9	10.0	10.1	10.0	12.5	11.6	9.2	9.5	8.2	8.3	8.9	.
Industry, total	real, 3MMA	7.0	10.2	9.8	10.0	9.5	10.2	10.0	10.6	10.5	9.2	8.6	6.2	7.5	8.0	.	.
Construction, total	real, CMPY	-8.4	-8.2	-0.9	-3.9	-5.0	7.3	-3.2	-2.1	-4.0	8.3	-3.4	-6.1	5.0	-15.8	-13.7	.
LABOUR																	
Employees in industry ¹⁾	th. persons	750.7	753.6	754.3	753.1	753.2	755.2	753.7	750.3	746.2	752.6	746.8	745.5	745.9	744.2	746.5	.
Unemployment ²⁾	th. persons	309.4	305.7	311.1	314.5	318.3	317.3	321.0	319.6	317.5	312.5	316.3	314.3	307.7	296.9	296.7	304.6
Unemployment rate ²⁾	%	7.3	7.2	7.3	7.4	7.5	7.4	7.5	7.5	7.5	7.4	7.5	7.5	7.3	7.0	7.0	7.2
Labour productivity, industry ¹⁾	CCPY	13.2	12.7	12.9	12.6	12.3	12.3	12.2	11.9	13.6	12.3	10.1	10.5	9.1	9.3	9.8	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-8.7	-8.9	-10.0	-10.1	-10.3	-10.0	-9.8	-8.8	-3.7	-3.1	-0.3	2.0	3.6	4.0	4.8	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	HUF th	166.2	166.0	164.5	164.5	161.4	167.2	187.7	201.6	209.4	166.3	176.3	175.9	178.6	182.6	181.0	.
Total economy, gross ¹⁾	real, CMPY	3.7	3.7	5.5	7.1	1.4	2.9	0.3	5.2	-0.7	-2.8	-0.5	-0.3	-1.0	1.3	1.5	.
Total economy, gross ¹⁾	USD	809	772	752	769	748	789	935	1048	1073	858	934	966	972	978	1006	.
Total economy, gross ¹⁾	EUR	633	611	593	600	588	626	725	793	825	656	706	715	719	729	733	.
Industry, gross ¹⁾	EUR	650	604	569	599	580	612	735	735	647	637	697	718	746	705	702	.
PRICES																	
Consumer	PM	1.0	0.3	0.2	0.0	2.5	0.5	0.2	0.1	1.2	1.2	0.8	0.5	0.8	0.4	0.0	0.0
Consumer	CMPY	2.8	2.8	3.0	3.5	5.9	6.3	6.4	6.5	7.8	8.8	9.0	8.8	8.5	8.6	8.4	8.3
Consumer	CCPY	2.5	2.6	2.6	2.7	3.1	3.4	3.7	3.9	7.8	8.3	8.5	8.6	8.6	8.6	8.5	8.5
Producer, in industry	PM	0.1	2.4	1.2	0.3	0.1	-1.0	-1.1	-0.9	0.2	0.0	-0.6	-0.8	0.4	-0.2	0.4	.
Producer, in industry	CMPY	5.3	7.9	9.5	9.7	9.0	7.0	5.5	4.5	4.3	4.2	2.0	0.1	0.4	-2.0	-2.8	.
Producer, in industry	CCPY	5.0	5.5	6.1	6.5	6.8	6.8	6.7	6.5	4.3	4.3	3.5	2.7	2.2	1.5	0.9	.
RETAIL TRADE																	
Turnover	real, CMPY	5.5	4.0	4.0	5.7	3.6	2.2	2.2	1.8	1.3	-0.2	-0.9	-1.8	-3.5	-3.6	-3.4	.
Turnover	real, CCPY	5.4	5.2	5.0	5.1	4.9	4.6	4.3	4.1	1.3	0.6	0.0	-0.5	-1.2	-1.6	-1.9	.
FOREIGN TRADE^{3/4)}																	
Exports total (fob), cumulated	EUR mn	23075	28040	32570	37081	42542	48117	54099	59025	5091	10332	16177	21367	27009	32872	38440	.
Imports total (cif), cumulated	EUR mn	24184	29244	34153	39023	44549	50277	56365	61424	5248	10569	16408	21755	27444	33342	39080	.
Trade balance, cumulated	EUR mn	-1109	-1205	-1583	-1942	-2007	-2160	-2266	-2399	-157	-237	-230	-387	-435	-470	-640	.
Exports to EU-27 (fob), cumulated	EUR mn	18445	22386	26013	29493	33738	38178	42914	46663	4167	8347	12926	17089	21560	26232	30687	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	16982	20656	24141	27487	31369	35396	39650	43214	3630	7423	11685	15454	19575	23866	27883	.
Trade balance with EU-27, cumulated	EUR mn	1463	1729	1871	2006	2369	2782	3264	3450	537	924	1242	1635	1985	2367	2804	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	.	-2925	.	.	-4068	.	.	-5183	.	.	-1102	.	.	.	.	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	205.5	214.9	218.8	214.0	215.7	211.8	200.8	192.3	195.2	193.9	188.7	182.1	183.8	186.7	180.0	187.3
HUF/EUR, monthly average	nominal	262.5	271.9	277.6	274.3	274.7	267.3	258.9	254.1	253.8	253.4	249.8	246.0	248.5	250.4	246.8	255.2
HUF/USD, calculated with CPI ⁶⁾	real, Jan03=100	115.9	110.9	108.8	111.0	113.5	116.7	123.6	129.0	128.2	129.8	133.2	137.9	136.8	134.9	140.0	134.5
HUF/USD, calculated with PPI ⁶⁾	real, Jan03=100	103.8	101.4	100.3	102.3	103.1	106.0	108.9	112.1	111.7	110.6	110.9	113.0	111.1	108.9	113.5	.
HUF/EUR, calculated with CPI ⁶⁾	real, Jan03=100	99.2	96.0	94.3	95.3	97.4	100.6	103.9	105.6	107.5	108.6	110.4	112.0	111.5	110.9	112.8	109.0
HUF/EUR, calculated with PPI ⁶⁾	real, Jan03=100	94.9	93.7	91.9	93.3	94.1	95.6	98.0	98.9	99.4	99.2	99.5	100.0	99.0	97.7	99.2	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁷⁾	HUF bn	1661.5	1724.9	1730.3	1762.8	1788.6	1754.7	1820.7	1838.3	1772.2	1769.0	1805.5	1820.6	1827.6	1861.4	1858.9	.
M1, end of period ⁷⁾	HUF bn	5358.3	5573.2	5610.9	5612.6	5628.3	5501.8	5688.5	5833.3	5588.0	5580.3	5614.2	5512.6	5537.2	5678.7	5688.5	.
Broad money, end of period ⁷⁾	HUF bn	11758.8	12142.8	12200.3	12249.9	12311.6	12259.9	12483.0	12785.1	12637.9	12611.6	12743.8	12735.3	12836.1	13010.6	13144.3	.
Broad money, end of period	CMPY	14.4	18.4	17.7	17.0	15.9	14.9	14.4	13.8	12.5	10.8	6.8	8.1	9.2	7.1	7.7	.
NBH base rate (p.a.),end of period	%	6.0	6.3	6.8	7.3	7.8	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.8	7.8	7.8
NBH base rate (p.a.),end of period ⁸⁾	real, %	0.7	-1.5	-2.5	-2.2	-1.1	0.9	2.4	3.3	3.5	3.6	5.9	7.9	7.6	9.9	10.9	.
BUDGET																	
Central gov.budget balance _{cum.}	HUF bn	-859.7	-1158.4	-1141.3	-1266.7	-1323.0	-1384.7	-1465.9	-1959.2	-247.8	-507.6	-772.2	-782.1	-876.3	-1144.1	-1114.2	-1219.2

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

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

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

4) Cumulation starting January and ending December each year.

5) According to country of dispatch.

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

7) According to ECB monetary standards.

8) Deflated with annual PPI.

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

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry ¹⁾	real, CMPY	19.1	12.2	14.3	12.6	11.5	14.8	12.0	5.9	15.5	13.0	11.3	12.5	8.1	5.6	10.4	9.0
Industry ¹⁾	real, CCPY	12.3	12.2	12.5	12.5	12.4	12.7	12.6	12.0	15.5	14.2	13.1	13.0	12.0	10.8	10.8	10.5
Industry ¹⁾	real, 3MMA	12.2	15.1	13.0	12.7	13.0	12.8	10.9	11.0	11.3	13.1	12.2	10.6	8.6	8.0	8.3	.
Construction ¹⁾	real, CMPY	13.3	15.7	4.9	15.4	21.1	28.7	23.4	17.9	60.7	56.6	39.1	36.8	16.4	3.7	18.5	14.6
LABOUR																	
Employees ¹⁾	th. persons	4901	4918	4928	4943	4957	4971	4986	4995	5048	5070	5089	5105	5116	5144	5160	5182
Employees in industry ¹⁾	th. persons	2471	2478	2484	2490	2495	2502	2507	2507	2530	2542	2552	2555	2556	2565	2571	2582
Unemployment, end of period	th. persons	2583.0	2487.6	2443.4	2411.6	2363.6	2301.8	2287.3	2309.4	2365.8	2331.1	2232.5	2103.1	1985.1	1895.1	1856.1	1821.9
Unemployment rate ²⁾	%	16.5	16.0	15.7	15.5	15.2	14.9	14.8	14.9	15.1	14.9	14.4	13.7	13.0	12.4	12.2	12.0
Labour productivity, industry ¹⁾	CCPY	10.4	10.3	10.4	10.3	10.1	10.3	10.2	9.5	12.2	10.7	9.5	9.3	8.3	7.2	7.1	6.8
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	0.3	-0.4	-0.5	-0.5	-0.9	-1.4	-1.5	-0.7	-4.1	-4.6	-2.5	-1.5	0.0	2.3	2.9	3.4
WAGES, SALARIES																	
Total economy, gross ¹⁾	PLN	2550	2625	2648	2612	2611	2658	2760	3027	2664	2687	2853	2786	2777	2870	2894	2886
Total economy, gross ¹⁾	real, CMPY	4.4	3.7	4.5	3.7	3.9	3.8	1.8	7.2	6.3	4.8	6.7	6.3	6.8	6.9	7.1	9.0
Total economy, gross ¹⁾	USD	836	828	841	858	838	860	928	1048	893	902	972	985	992	1010	1052	1031
Total economy, gross ¹⁾	EUR	655	654	662	669	658	681	721	794	687	690	734	730	734	754	768	757
Industry, gross ¹⁾	EUR	661	664	679	676	662	674	738	816	697	703	743	728	734	770	773	761
PRICES																	
Consumer	PM	0.5	-0.3	0.0	0.3	0.2	0.1	0.0	-0.2	0.4	0.3	0.5	0.5	0.5	0.0	-0.3	-0.4
Consumer	CMPY	0.9	0.8	1.1	1.6	1.6	1.2	1.4	1.4	1.6	1.9	2.5	2.3	2.3	2.6	2.3	1.5
Consumer	CCPY	0.9	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.6	1.8	2.0	2.1	2.1	2.2	2.2	2.2
Producer, in industry	PM	0.4	0.9	0.7	-0.1	0.0	-0.5	-0.7	-0.5	0.6	0.3	0.5	0.5	0.4	0.5	0.3	0.2
Producer, in industry	CMPY	2.3	3.0	3.5	3.3	3.6	3.2	2.5	2.6	3.1	3.5	3.3	2.2	2.1	1.7	1.4	1.7
Producer, in industry	CCPY	1.2	1.5	1.8	1.9	2.1	2.2	2.2	2.2	3.1	3.4	3.1	2.9	2.7	2.5	2.4	2.3
RETAIL TRADE																	
Turnover ¹⁾	real, CMPY	13.4	10.5	10.8	10.9	14.4	13.9	14.1	13.7	16.3	16.9	17.7	13.6	13.4	14.3	15.0	16.1
Turnover ¹⁾	real, CCPY	10.6	10.5	10.8	11.1	11.6	11.9	11.8	11.9	16.3	16.6	17.4	16.7	16.0	15.6	15.1	15.2
FOREIGN TRADE³⁾⁴⁾																	
Exports total (fob), cumulated	EUR mn	34574	42018	48962	55976	64045	72610	80985	87888	7469	14939	23553	31351	39409	47552	55464	.
Imports total (cif), cumulated	EUR mn	39163	47447	55588	63672	72658	82396	91868	100380	8595	16880	26977	36142	45840	55390	65178	.
Trade balance, cumulated	EUR mn	-4589	-5429	-6625	-7696	-8613	-9787	-10883	-12493	-1125	-1941	-3424	-4790	-6431	-7837	-9714	.
Exports to EU-27 (fob), cumulated	EUR mn	27649	33444	38977	44369	50744	57423	64043	69294	6130	12111	18971	25130	31498	37936	44087	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	25225	30628	35957	40892	46492	52650	58650	63844	5573	11142	17641	23498	29708	35887	42066	.
Trade balance with EU-27, cumulated	EUR mn	2424	2816	3020	3477	4251	4773	5393	5451	557	969	1331	1631	1790	2049	2021	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-2377	-2677	-3204	-3850	-3628	-4346	-5062	-6333	-722	-1288	-1910	-2610	-3824	-5006	-6306	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	3.049	3.171	3.149	3.045	3.115	3.092	2.974	2.887	2.984	2.980	2.936	2.828	2.800	2.840	2.750	2.798
PLN/EUR, monthly average	nominal	3.894	4.016	3.997	3.901	3.970	3.903	3.830	3.813	3.879	3.896	3.887	3.819	3.782	3.808	3.769	3.810
PLN/USD, calculated with CPI ⁶⁾	real, Jan03=100	121.6	116.4	116.8	120.9	119.0	120.7	125.7	129.0	124.9	124.7	126.1	130.7	131.8	129.7	133.5	130.7
PLN/USD, calculated with PPI ⁶⁾	real, Jan03=100	114.6	111.0	112.0	115.0	114.1	116.6	118.6	120.9	118.8	117.3	117.6	121.6	121.9	120.5	124.8	122.9
PLN/EUR, calculated with CPI ⁶⁾	real, Jan03=100	104.0	100.4	101.0	103.6	102.0	103.8	105.6	105.5	104.6	104.1	104.2	106.0	107.3	106.4	107.5	105.8
PLN/EUR, calculated with PPI ⁶⁾	real, Jan03=100	104.6	102.2	102.4	104.8	103.9	105.0	106.6	106.5	105.6	105.1	105.3	107.4	108.5	107.9	109.0	108.0
DOMESTIC FINANCE																	
Currency in circulation, end of period	PLN bn	61.2	64.2	64.9	64.9	66.2	66.3	66.0	68.8	67.6	68.6	70.2	72.0	71.5	73.4	73.7	75.1
M1, end of period ⁷⁾	PLN bn	237.4	240.2	246.7	249.0	253.3	254.7	264.1	275.8	277.4	284.7	286.5	285.4	293.1	295.9	303.2	301.1
Broad money, end of period ⁷⁾	PLN bn	449.3	454.4	456.5	463.2	469.5	476.4	483.3	495.3	503.6	509.4	512.0	517.0	521.2	521.4	527.7	538.0
Broad money, end of period	CMPY	10.9	12.2	13.2	13.0	13.4	12.8	14.6	16.0	19.3	18.0	18.0	17.8	16.0	14.7	15.6	16.1
Discount rate (p.a.),end of period	%	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.5	4.5	4.8	4.8	4.8
Discount rate (p.a.),end of period ⁸⁾	real, %	1.9	1.2	0.7	0.9	0.6	1.0	1.7	1.6	1.1	0.7	0.9	2.3	2.4	3.0	3.3	3.0
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-14718	-17694	-15543	-14483	-14610	-16637	-18581	-25063	3144	-2992	-5177	-2091	-4297	-3647	541	275

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.

ROMANIA: Selected monthly data on the economic situation 2006 to 2007

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	16.0	10.7	10.0	6.8	6.2	10.2	7.3	3.9	4.7	10.0	8.2	2.4	6.8	4.6	7.1	.
Industry, total ¹⁾	real, CCPY	6.1	6.9	7.3	7.2	7.1	7.4	7.4	7.2	4.7	7.3	7.6	6.3	6.4	6.1	6.3	.
Industry, total ¹⁾	real, 3MMA	9.0	12.2	9.2	7.6	7.8	7.9	7.3	5.4	6.2	7.6	6.8	5.9	4.7	6.2	.	.
Construction, total	real, CCPY	17.2	17.5	17.3	17.7	18.0	18.2	18.6	19.3	27.2	29.1	29.8	32.5	31.8	31.4	30.1	.
LABOUR																	
Employees total ¹⁾	th. persons	4604.0	4612.2	4617.4	4615.3	4608.5	4601.7	4603.4	4575.0	4647.0	4671.3	4707.1	4715.0	4733.8	4742.8	4749.2	.
Employees in industry ¹⁾	th. persons	1663.9	1653.1	1645.3	1640.4	1628.3	1623.0	1616.1	1602.5	1598.0	1607.4	1613.5	1607.7	1603.1	1595.7	1589.7	.
Unemployment, end of period	th. persons	481.2	465.9	446.8	446.5	440.2	453.5	456.0	460.5	477.3	459.0	433.0	400.3	369.8	354.7	343.2	.
Unemployment rate ²⁾	%	5.4	5.2	5.0	5.0	4.9	5.1	5.1	5.2	5.4	5.2	4.9	4.5	4.1	4.0	3.8	.
Labour productivity, industry ¹⁾	CCPY	10.1	10.9	11.3	11.1	11.0	11.2	11.1	10.6	10.1	12.6	12.8	11.2	11.3	10.8	11.0	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	9.0	7.7	6.8	6.5	6.2	6.2	6.6	7.5	15.7	13.3	12.8	14.9	15.1	16.2	17.3	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	RON	1109.0	1112.0	1122.0	1122.0	1148.0	1155.0	1213.0	1481.0	1232.0	1264.0	1364.0	1387.0	1361.0	1377.0	1402.0	.
Total economy, gross ¹⁾	real, CMPY	9.8	10.0	10.4	9.9	12.8	13.2	13.9	26.0	7.7	19.7	19.5	19.3	18.2	19.3	20.2	.
Total economy, gross ¹⁾	USD	404	397	398	407	415	414	447	573	471	488	536	562	560	573	614	.
Total economy, gross ¹⁾	EUR	316	313	314	318	325	328	347	434	363	374	405	416	414	427	447	.
Industry, gross ¹⁾	EUR	299	300	305	313	316	315	327	369	334	343	381	389	388	397	425	.
PRICES																	
Consumer	PM	0.6	0.2	0.1	-0.1	0.1	0.2	1.1	0.7	0.2	0.0	0.1	0.5	0.6	0.1	0.3	0.9
Consumer	CMPY	7.3	7.1	6.2	6.0	5.5	4.8	4.7	4.9	4.0	3.8	3.7	3.8	3.8	3.8	4.0	5.0
Consumer	CCPY	8.0	7.8	7.6	7.4	7.2	6.9	6.7	6.6	4.0	3.9	3.8	3.8	3.8	3.8	3.8	4.0
Producer, in industry	PM	1.5	1.1	0.8	1.2	-0.2	0.4	0.9	0.4	0.1	0.0	0.9	1.2	0.5	-0.1	0.1	.
Producer, in industry	CMPY	11.7	12.7	12.9	13.0	12.0	10.7	10.9	11.6	10.0	8.8	9.4	8.7	7.6	6.4	5.6	.
Producer, in industry	CCPY	11.0	11.3	11.5	11.7	11.7	11.6	11.6	11.6	10.0	9.4	9.4	9.2	8.9	8.5	8.0	.
RETAIL TRADE																	
Turnover	real, CMPY	32.1	28.4	28.5	21.5	26.1	22.8	20.2	19.9	0.6	-3.7	14.7	13.0	11.8	15.5	23.3	.
Turnover	real, CCPY	24.7	25.3	25.8	25.2	25.3	25.0	24.6	24.0	0.6	-1.6	4.2	6.0	7.7	9.1	11.8	.
FOREIGN TRADE³⁾																	
Exports total (fob), cumulated	EUR mn	10398	12678	14901	16963	19171	21429	23893	25851	2063	4378	6967	9158	11619	14117	16746	.
Imports total (cif), cumulated	EUR mn	15045	18527	21979	25342	28725	32610	36684	40746	3453	7180	11422	15253	19592	23873	28276	.
Trade balance, cumulated	EUR mn	-4647	-5849	-7079	-8379	-9554	-11180	-12791	-14895	-1390	-2802	-4455	-6095	-7973	-9756	-11530	.
Exports to EU-27 (fob), cumulated	EUR mn	7259	8850	10443	11835	13456	15095	16913	18228	1511	3166	5030	6571	8362	10203	12097	.
Imports from EU-27 (cif) ⁴⁾ , cumulated	EUR mn	10166	11629	14053	16302	18658	21397	24246	26995	2419	5083	8131	10928	14011	17111	20242	.
Trade balance with EU-27, cumulated	EUR mn	-2907	-2779	-3610	-4468	-5202	-6302	-7332	-8767	-908	-1916	-3102	-4357	-5649	-6909	-8145	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-2912	-3744	-4522	-5466	-6301	-7399	-8560	-9973	-1072	-2246	-3429	-4823	-6281	-7834	-8968	.
EXCHANGE RATE																	
RON/USD, monthly average	nominal	2.745	2.801	2.817	2.753	2.769	2.789	2.714	2.583	2.613	2.588	2.545	2.469	2.431	2.405	2.285	2.367
RON/EUR, monthly average	nominal	3.507	3.548	3.572	3.528	3.527	3.519	3.495	3.414	3.394	3.382	3.369	3.335	3.285	3.226	3.134	3.224
RON/USD, calculated with CPI ⁵⁾	real, Jan03=100	150.0	146.9	145.8	148.8	148.7	148.7	154.9	163.5	161.5	162.2	163.6	168.5	171.0	172.7	182.4	177.5
RON/USD, calculated with PPI ⁵⁾	real, Jan03=100	157.0	155.2	154.9	159.4	160.6	163.3	166.9	175.0	174.8	173.6	174.9	180.8	182.3	183.8	193.7	.
RON/EUR, calculated with CPI ⁵⁾	real, Jan03=100	128.7	127.2	126.6	127.9	127.9	128.4	130.6	134.1	135.8	135.9	135.7	137.0	139.6	142.2	147.2	144.2
RON/EUR, calculated with PPI ⁵⁾	real, Jan03=100	143.7	143.4	142.2	145.8	146.8	147.6	150.5	154.7	156.1	156.0	157.1	160.1	162.9	165.1	169.6	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁶⁾	RON mn	12595	13557	13926	13959	14423	13955	13937	15130	13491	14163	14986	15463	15906	17305	18016	18358
M1, end of period ⁶⁾	RON mn	36966	39067	40293	41765	42150	43721	42870	48726	51639	52281	54754	55231	56715	59728	63371	65127
Broad money, end of period ⁶⁾	RON mn	91754	94960	95680	97989	98843	100033	101142	110821	106626	109615	112697	113135	112827	116276	120041	124458
Broad money, end of period	CMPY	29.2	26.6	27.8	27.2	22.7	22.8	23.8	28.1	24.3	27.7	28.8	28.5	23.0	22.4	25.5	27.0
Discount rate (p.a.) ⁷⁾ , end of period ⁷⁾	%	8.5	8.5	8.5	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.1	8.0	7.5	7.3	7.3	6.1
Discount rate (p.a.) ⁸⁾ , end of period ⁸⁾	real, %	-2.8	-3.7	-3.9	-3.7	-2.9	-1.7	-2.0	-2.5	-1.2	-0.1	-1.2	-0.6	-0.1	0.8	1.6	.
BUDGET																	
Central gov. budget balance, cum.	RON mn	830.9	-444.7	555.7	-8.1	-550.4	440.7	-1284.4	-10537.5	200.4	-2458.9	-4223.1	-2768.6	-3287.5	-4336.3	-3557.7	.

1) Enterprises with more than 3 employees.

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

3) Cumulation starting January and ending December each year.

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

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

6) According to ECB methodology.

7) Reference rate of RNB.

8) Deflated with annual PPI.

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

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	10.9	12.1	9.9	14.4	8.6	12.1	9.9	7.2	18.7	15.5	11.8	15.8	17.5	11.3	20.1	.
Industry, total	real, CCPY	8.6	9.2	9.3	9.9	9.8	10.0	10.0	9.8	18.7	17.1	15.2	15.3	15.8	15.0	15.7	.
Industry, total	real, 3MMA	8.9	11.0	12.1	10.9	11.6	10.2	9.8	11.9	13.8	15.2	14.2	15.0	14.8	16.2	.	.
Construction, total	real, CMPY	20.2	16.3	17.2	21.1	11.4	9.3	12.1	17.6	24.0	25.2	16.1	14.5	6.0	1.7	4.8	.
LABOUR																	
Employment in industry	th. persons	568.5	571.6	572.9	574.6	577.1	577.7	578.8	576.7	580.7	584.9	591.3	584.0	584.6	587.4	587.7	.
Unemployment, end of period	th. persons	302.6	296.5	291.3	282.0	279.9	271.0	268.8	273.4	279.0	273.5	264.5	253.3	247.4	246.3	245.9	242.0
Unemployment rate ¹⁾	%	10.6	10.4	10.2	9.9	9.8	9.3	9.1	9.4	9.5	9.2	8.9	8.5	8.3	8.3	8.3	8.2
Labour productivity, industry	CCPY	10.1	10.8	11.0	11.7	11.4	11.7	11.7	11.3	13.7	11.9	9.7	10.2	11.1	10.6	11.5	.
Unit labour costs, exch.r. adj.,(EUR)	CCPY	-1.8	-2.4	-2.3	-2.6	-2.1	-2.0	-1.4	-0.6	3.4	5.1	7.6	7.5	7.0	7.0	6.5	.
WAGES, SALARIES																	
Industry, gross	SKK	19433	19857	19167	18981	18918	20157	23254	21621	19317	18759	19727	19483	20838	20649	20301	.
Industry, gross	real, CMPY	5.2	2.2	3.6	1.9	2.3	5.4	3.7	4.2	5.6	5.7	4.6	4.8	5.1	1.7	3.5	.
Industry, gross	USD	660	661	633	645	642	690	833	816	724	710	771	786	835	814	835	.
Industry, gross	EUR	517	522	499	504	504	547	647	617	556	543	583	582	618	607	609	.
PRICES																	
Consumer	PM	0.4	0.1	0.2	0.0	-0.3	0.2	0.6	0.0	1.0	0.2	0.0	0.2	0.0	0.3	0.0	0.1
Consumer	CMPY	4.8	4.6	5.0	5.1	4.6	3.7	4.3	4.2	3.0	2.7	2.7	2.7	2.3	2.5	2.3	2.3
Consumer	CCPY	4.5	4.5	4.6	4.6	4.6	4.5	4.5	4.5	3.0	2.8	2.8	2.7	2.7	2.6	2.6	2.6
Producer, in industry	PM	0.8	0.3	0.5	0.6	-0.7	0.1	0.4	-0.8	-0.5	1.8	0.0	-0.3	-0.1	0.3	0.5	-0.2
Producer, in industry	CMPY	9.8	9.1	8.9	8.8	7.6	7.0	5.6	5.4	3.4	3.8	3.1	2.2	1.3	1.3	1.3	0.5
Producer, in industry	CCPY	9.6	9.5	9.4	9.3	9.1	8.9	8.6	8.3	3.4	3.6	3.4	3.1	2.7	2.5	2.3	2.1
RETAIL TRADE²⁾																	
Turnover	real, CMPY	9.3	10.7	8.5	8.0	10.6	9.6	9.4	7.4	0.9	4.6	6.0	6.2	9.7	7.5	5.9	.
Turnover	real, CCPY	8.2	8.6	8.6	8.5	8.7	8.8	8.8	8.8	0.9	2.8	3.8	4.4	5.5	5.8	5.8	.
FOREIGN TRADE³⁾⁴⁾⁵⁾																	
Exports total (fob),cumulated	EUR mn	12294	15163	17799	20611	23679	27124	30476	33318	3183	6306	9860	13176	16781	20234	23676	.
Imports total (fob),cumulated	EUR mn	13366	16360	19065	22033	25370	28983	32626	35819	3051	6257	9907	13270	17031	20648	24143	.
Trade balance,cumulated	EUR mn	-1072	-1197	-1266	-1422	-1691	-1860	-2150	-2501	132	49	-48	-94	-251	-414	-468	.
Exports to EU-27 (fob), cumulated	EUR mn	10853	13338	15570	18007	20640	23602	26514	28971	2800	5531	8652	11531	14668	17691	.	.
Imports from EU-27 (fob) ⁶⁾ , cumulated	EUR mn	9045	11156	13110	15069	17371	19926	22495	24698	2095	4410	7016	9325	11900	14525	.	.
Trade balance with EU-27, cumulated	EUR mn	1808	2181	2460	2938	3268	3676	4019	4274	705	1122	1636	2207	2769	3167	.	.
FOREIGN FINANCE																	
Current account, cumulated ³⁾	EUR mn	-1451	-1647	-2276	-2308	-2804	-3030	-3264	-3642	133	70	-104	-110	-502	-1187	-1193	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	29.5	30.1	30.3	29.4	29.4	29.2	27.9	26.5	26.7	26.4	25.6	24.8	25.0	25.4	24.3	24.6
SKK/EUR, monthly average	nominal	37.6	38.0	38.4	37.7	37.5	36.9	35.9	35.0	34.7	34.5	33.9	33.5	33.7	34.0	33.3	33.6
SKK/USD, calculated with CPI ⁷⁾	real, Jan03=100	140.5	137.6	136.4	140.1	140.3	142.3	150.2	157.9	157.8	158.8	162.6	167.1	164.9	162.4	169.4	167.3
SKK/USD, calculated with PPI ⁷⁾	real, Jan03=100	130.9	128.5	127.5	131.2	132.2	135.9	140.7	146.2	145.9	147.4	149.6	152.6	149.6	147.4	154.5	152.1
SKK/EUR, calculated with CPI ⁷⁾	real, Jan03=100	120.4	118.9	118.1	120.1	120.3	122.6	126.4	129.1	132.2	132.7	134.5	135.6	134.2	133.3	136.4	135.4
SKK/EUR, calculated with PPI ⁷⁾	real, Jan03=100	119.7	118.4	116.8	119.7	120.4	122.6	126.7	128.8	129.6	132.2	134.1	134.9	133.3	132.0	134.9	133.7
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	SKK bn	121.9	124.5	124.4	125.8	126.4	126.1	127.3	131.2	129.4	129.4	130.8	131.2	132.4	134.6	134.3	.
M1, end of period ⁸⁾	SKK bn	512.9	521.7	528.1	512.8	513.0	511.8	532.6	546.1	536.8	547.0	550.0	536.9	558.7	564.3	568.5	.
Broad money, end of period ⁸⁾	SKK bn	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6	1009.4	1026.6	1008.5	.
Broad money, end of period	CMPY	10.5	11.2	11.8	13.6	12.9	13.9	16.1	15.3	16.5	16.8	16.7	16.4	18.6	19.2	15.7	.
Discount rate (p.a.),end of period ⁹⁾	%	4.0	4.0	4.5	4.5	4.8	4.8	4.8	4.8	4.8	4.8	4.5	4.3	4.3	4.3	4.3	4.3
Discount rate (p.a.),end of period ⁹⁾¹⁰⁾	real, %	-5.3	-4.7	-4.0	-3.9	-2.6	-2.1	-0.8	-0.6	1.3	0.9	1.4	2.0	2.9	3.0	2.9	3.7
BUDGET																	
Central gov.budget balance, cum.	SKK mn	-11700	-10246	-5244	-5716	-5134	-1080	-6983	-31678	2929	-8529	-11889	-1517	-13050	-10999	3857	402

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

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

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

4) Cumulation starting January and ending December each year.

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

6) According to country of origin.

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

8) According to ECB methodology.

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

10) Deflated with annual PPI.

SLOVENIA: Selected monthly data on the economic situation 2006 to 2007

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	8.4	3.2	5.9	9.9	6.1	8.8	7.7	3.3	8.8	9.6	9.4	13.7	3.9	6.2	8.9	.
Industry, total	real, CCPY	5.8	5.3	5.4	5.9	5.9	6.2	6.4	6.1	8.8	9.2	9.2	10.3	8.9	8.4	8.5	.
Industry, total	real, 3MMA	3.8	5.8	6.1	7.2	8.2	7.6	6.7	6.7	7.2	9.2	10.8	8.8	7.7	6.3	.	.
Construction, total ¹⁾	real, CMPY	-2.8	11.8	15.8	2.9	38.1	41.2	23.2	30.3	37.4	30.9	38.1	34.7	48.6	17.4	19.7	.
LABOUR																	
Employment total	th. persons	823.6	827.4	825.2	825.2	829.5	833.7	836.7	833.0	838.0	841.5	845.8	849.0	852.9	856.2	854.4	.
Employees in industry	th. persons	235.1	235.8	235.1	234.9	235.5	236.8	237.6	236.2	236.4	237.0	237.3	237.5	237.8	237.9	.	.
Unemployment, end of period	th. persons	87.1	84.9	85.6	83.1	80.2	81.3	78.8	78.3	80.0	77.7	74.2	72.6	70.7	69.3	70.1	.
Unemployment rate ²⁾	%	9.6	9.3	9.4	9.1	8.8	8.9	8.6	8.6	8.7	8.4	8.1	7.9	7.7	7.5	7.6	.
Labour productivity, industry	CCPY	8.4	7.9	7.9	8.3	8.2	8.4	8.3	7.9	8.4	8.6	8.5	9.5	8.1	7.6	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-2.3	-1.6	-1.7	-2.3	-2.5	-2.6	-2.6	-2.3	-0.8	-2.1	-2.7	-3.3	-2.1	-1.8	.	.
WAGES, SALARIES																	
Total economy, gross	EUR-SIT	1195	1192	1181	1211	1200	1223	1393	1261	1250	1213	1252	1237	1264	1254	1263	.
Total economy, gross	real, CMPY	2.1	2.2	2.3	0.8	1.1	3.3	3.9	1.2	3.6	2.6	2.7	3.3	2.8	1.5	3.0	.
Total economy, gross	USD	1526	1510	1498	1551	1529	1542	1792	1666	1625	1586	1658	1672	1707	1683	1732	.
Total economy, gross	EUR	1195	1192	1181	1211	1200	1223	1393	1261	1250	1213	1252	1237	1264	1254	1263	.
Industry, gross	EUR	1065	1070	1044	1089	1060	1096	1287	1114	1140	1072	1125	1096	1123	1125	1118	.
PRICES																	
Consumer	PM	0.9	-0.3	-0.2	0.6	0.4	-0.8	0.3	0.4	-0.7	-0.2	1.0	1.1	1.2	0.4	0.0	0.3
Consumer	CMPY	3.2	2.9	1.9	3.2	2.5	1.5	2.3	2.8	2.7	2.1	2.3	2.6	2.9	3.6	3.8	3.5
Consumer	CCPY	2.5	2.6	2.5	2.6	2.5	2.4	2.4	2.5	2.7	2.4	2.4	2.4	2.5	2.7	2.9	2.9
Producer, in industry	PM	0.1	0.3	0.1	-0.2	0.6	0.1	0.0	0.6	0.6	2.1	0.3	0.2	0.3	0.3	0.1	4.0
Producer, in industry	CMPY	2.4	2.7	2.9	2.4	2.7	2.7	2.6	2.8	3.5	5.1	5.0	4.9	5.1	5.2	5.2	5.3
Producer, in industry	CCPY	1.9	2.0	2.1	2.2	2.2	2.3	2.3	2.3	3.5	4.3	4.5	4.6	4.7	4.8	4.9	4.9
RETAIL TRADE																	
Turnover	real, CMPY	9.3	4.8	8.1	2.7	4.9	10.6	2.9	-2.2	-0.3	3.7	7.1	6.4	7.1	4.1	7.8	.
Turnover	real, CCPY	8.8	8.1	8.1	7.4	7.1	7.5	7.0	6.1	-0.3	1.6	3.7	4.4	5.0	4.8	5.3	.
FOREIGN TRADE³⁾																	
Exports total (fob), cumulated	EUR mn	6741	8205	9633	10779	12290	13849	15422	16757	1449	2937	4716	6273	7972	9644	11347	.
Imports total (cif), cumulated	EUR mn	7174	8733	10275	11574	13194	14884	16692	18341	1559	3154	5032	6745	8607	10392	12201	.
Trade balance total, cumulated	EUR mn	-433	-528	-642	-796	-904	-1035	-1271	-1584	-110	-216	-316	-472	-635	-747	-855	.
Exports to EU-27 (fob), cumulated	EUR mn	4808	5830	6814	7580	8645	9747	10852	11767	1084	2167	3423	4506	5699	6870	8068	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	5780	7052	8322	9362	10693	12058	13549	14898	1227	2477	3979	5301	6743	8117	9565	.
Trade balance with EU-27, cumulated	EUR mn	-972	-1222	-1508	-1782	-2047	-2311	-2697	-3130	-142	-310	-556	-796	-1044	-1247	-1497	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-158	-111	-207	-278	-325	-348	-706	-756	-18	-175	-223	-338	-441	-562	.	.
EXCHANGE RATE																	
EUR-SIT/USD, monthly average ⁶⁾	nominal	0.7830	0.7895	0.7882	0.7807	0.7847	0.7930	0.7771	0.7569	0.7693	0.7649	0.7552	0.7399	0.7401	0.7452	0.7291	.
EUR-SIT/EUR, monthly average	nominal	0.9999	0.9999	0.9999	0.9999	0.9998	0.9998	0.9999	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
EUR-SIT/USD, calculated with CPI ⁷⁾	real, Jan03=100	116.6	115.1	114.7	116.3	116.7	115.1	118.1	121.5	118.3	118.1	119.7	122.8	123.4	122.8	125.5	.
EUR-SIT/USD, calculated with PPI ⁷⁾	real, Jan03=100	104.2	103.5	103.2	103.4	105.1	106.1	106.7	109.5	109.5	110.6	110.3	111.8	110.8	110.1	112.7	.
EUR-SIT/EUR, calculated with CPI ⁷⁾	real, Jan03=100	99.7	99.3	99.2	99.7	100.0	99.1	99.3	99.3	99.1	98.6	98.9	99.5	100.4	100.7	100.9	101.1
EUR-SIT/EUR, calculated with PPI ⁷⁾	real, Jan03=100	95.1	95.3	94.5	94.3	95.6	95.6	96.0	96.5	97.3	99.0	98.7	98.7	98.7	98.6	98.3	102.2
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	EUR-SIT mn	.	.	.	.	.	.	.	.	2340	2420	2500	2487	2536	2575	2597	2584
M1, end of period ⁸⁾	EUR-SIT mn	7363	7477	7433	7446	7494	7417	7418	7654	6993	6955	6948	6974	7146	7287	7355	7240
Broad money, end of period ⁸⁾	EUR-SIT mn	15154	15260	15296	15255	15526	15433	15516	15799	15412	15276	15451	15422	15764	16073	16447	16552
Broad money, end of period	CMPY	-10.8	-9.3	-9.5	-10.6	-10.5	-11.2	-12.5	-11.1	4.4	2.8	2.6	3.2	4.0	5.3	7.5	8.5
Refinancing rate (p.a.), end of period	%	3.25	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.75	3.75	3.75	4.00	4.00	4.00
Refinancing rate (p.a.), end of period ⁹⁾	real, %	0.8	0.8	0.6	1.3	1.0	1.0	1.1	0.9	0.0	-1.5	-1.2	-1.1	-1.3	-1.1	-1.1	-1.2
BUDGET																	
General gov. budget balance, cum.	EUR-SIT mn	-89.1	-69.1	-22.1	72.7	-33.6	11.8	22.6	-250.0	77.1	-72.2	-137.0	94.0	24.1	-75.5	.	.

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

- 1) Effective working hours, construction put in place of enterprises with 20 and more persons employed.
- 2) Ratio of unemployed to the economically active.
- 3) Based on cumulated national currency and converted with the average exchange rate.
- 4) Cumulation starting January and ending December each year.
- 5) According to country of dispatch.
- 6) From January 2007 reference rate from ECB.
- 7) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
- 8) According to ECB methodology.
- 9) Deflated with annual PPI.

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

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	4.1	-1.1	5.2	9.8	3.0	8.5	6.8	3.0	9.1	5.8	9.0	9.4	7.7	4.4	8.5	.
Industry, total ¹⁾	real, CCPY	3.8	2.9	3.3	4.1	3.9	4.4	4.6	4.5	9.1	7.4	8.0	8.3	8.2	7.5	7.7	.
Industry, total ¹⁾	real, 3MMA	-0.1	2.7	4.4	5.9	7.0	6.1	6.1	6.2	5.8	8.0	8.1	8.7	7.1	6.9	.	.
Construction, total, effect, work, time ¹⁾	real, CMPY	13.7	7.5	8.3	9.7	4.7	9.9	7.3	3.6	13.7	7.7	0.1	2.6	1.2	-3.8	3.5	.
LABOUR																	
Employment total	th. persons	1429.6	1444.1	1455.5	1456.2	1446.9	1438.5	1434.3	1426.6	1416.5	1455.5	1461.1	1470.5	1484.5	1498.9	1510.9	.
Employees in industry	th. persons	284.9	285.4	285.4	285.6	285.4	285.6	286.2	285.3	275.5	283.8	284.0	283.9	284.5	284.7	284.5	.
Unemployment, end of period	th. persons	287.3	274.5	270.8	271.1	279.0	289.9	292.3	293.2	299.1	298.8	291.6	278.4	263.4	249.5	245.8	242.9
Unemployment rate ²⁾	%	16.7	16.0	15.7	15.7	16.2	16.8	16.9	17.0	17.4	17.0	16.6	15.9	15.1	14.3	14.0	13.8
Labour productivity, industry ¹⁾	CCPY	4.9	4.1	4.5	5.3	5.2	5.6	5.8	5.6	9.5	7.5	7.8	8.1	7.8	7.1	7.2	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	3.7	4.6	4.0	3.1	3.0	2.6	2.7	2.9	-0.7	-0.9	-1.7	-1.8	-2.2	-1.9	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	6780	6684	6550	6672	6530	6593	7097	6864	6850	6739	6973	6901	7102	7065	.	.
Total economy, gross	real, CMPY	2.5	1.2	2.2	2.3	2.4	4.4	5.1	5.0	5.4	5.3	3.0	4.4	2.5	3.7	.	.
Total economy, gross	USD	1190	1167	1147	1174	1127	1125	1243	1233	1210	1195	1254	1259	1310	1292	.	.
Total economy, gross	EUR	932	921	904	917	884	892	966	933	930	915	948	933	969	964	.	.
Industry, gross	EUR	867	871	839	857	829	836	931	863	864	831	892	858	896	897	.	.
PRICES																	
Consumer	PM	0.5	-0.1	-0.8	0.1	0.0	0.0	0.6	0.0	0.3	0.3	0.6	0.7	0.5	-0.4	-0.6	0.6
Consumer	CMPY	4.0	4.0	3.4	3.4	2.8	2.1	2.5	2.0	1.8	1.2	1.8	2.3	2.2	1.9	2.1	2.6
Consumer	CCPY	3.6	3.7	3.6	3.6	3.5	3.4	3.3	3.2	1.8	1.5	1.6	1.8	1.9	1.9	1.9	2.0
Producer, in industry	PM	0.4	-0.2	0.1	0.2	-0.3	0.0	0.1	0.0	0.8	0.2	0.6	0.4	0.4	0.4	0.2	0.8
Producer, in industry	CMPY	3.7	3.7	3.0	3.1	2.0	1.5	1.6	1.9	2.2	1.7	2.0	2.3	2.3	2.9	3.0	3.6
Producer, in industry	CCPY	3.5	3.5	3.5	3.4	3.3	3.1	2.9	2.9	2.2	1.9	1.9	2.0	2.1	2.3	2.3	2.5
RETAIL TRADE																	
Turnover	real, CMPY	0.2	-0.5	1.6	1.9	2.8	4.6	3.4	4.0	7.8	7.2	8.2	7.1	6.2	4.1	6.0	.
Turnover	real, CCPY	1.8	1.4	1.5	1.5	1.7	1.9	2.0	2.1	7.8	7.4	7.7	7.5	7.3	6.8	6.6	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	3258	3903	4611	5231	5930	6734	7431	8253	586	1282	2010	2736	3503	4263	5113	.
Imports total (cif), cumulated	EUR mn	6829	8362	9820	11215	12632	14236	15694	17104	1195	2635	4270	5864	7604	9158	10863	.
Trade balance, cumulated	EUR mn	-3571	-4459	-5209	-5984	-6703	-7502	-8263	-8851	-608	-1353	-2261	-3128	-4101	-4894	-5751	.
Exports to EU-27 (fob), cumulated	EUR mn	2184	2637	3071	3459	3872	4421	4855	5314	350	791	1239	1651	2156	2616	3140	.
Imports from EU-27 (cif), cumulated	EUR mn	4621	5660	6706	7580	8504	9554	10533	11487	750	1681	2767	3831	4982	6015	7192	.
Trade balance with EU-27, cumulated	EUR mn	-2271	-2825	-3391	-3842	-4325	-4792	-5322	-5802	-387	-866	-1489	-2123	-2743	-3292	-3907	.
FOREIGN FINANCE																	
Current account, cumulated ⁵⁾	EUR mn	.	-3252	.	.	-1188	.	.	-2671	.	.	-2039	.	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	5.698	5.726	5.711	5.683	5.794	5.862	5.710	5.566	5.663	5.640	5.559	5.482	5.423	5.468	5.322	5.367
HRK/EUR, monthly average	nominal	7.273	7.256	7.246	7.276	7.385	7.393	7.344	7.355	7.367	7.363	7.357	7.396	7.330	7.329	7.292	7.312
HRK/USD, calculated with CPI ⁶⁾	real, Jan03=100	122.9	122.0	120.9	121.4	119.7	118.9	123.0	126.0	123.8	124.0	125.4	127.3	128.4	126.6	129.3	129.0
HRK/USD, calculated with PPI ⁶⁾	real, Jan03=100	111.7	110.7	110.5	110.6	109.9	110.7	112.1	114.3	114.4	113.1	113.4	114.4	114.8	114.1	117.4	117.4
HRK/EUR, calculated with CPI ⁶⁾	real, Jan03=100	105.0	105.1	104.5	104.0	102.4	102.2	103.4	102.9	103.5	103.5	103.6	103.2	104.3	103.8	104.0	104.2
HRK/EUR, calculated with PPI ⁶⁾	real, Jan03=100	101.8	101.7	101.0	100.8	99.8	99.6	100.7	100.5	101.4	101.3	101.4	101.0	102.0	102.0	102.4	102.9
DOMESTIC FINANCE																	
M0, end of period	HRK bn	13.0	14.0	14.9	14.6	14.3	13.9	13.5	14.6	13.9	14.0	14.4	14.7	14.9	16.1	16.8	.
M1, end of period	HRK bn	40.8	42.2	45.0	45.0	44.0	45.5	46.3	48.5	46.0	46.1	46.8	47.9	48.7	51.6	54.1	.
Broad money, end of period	HRK bn	158.1	163.1	170.3	174.2	176.8	180.6	179.6	182.5	183.0	182.7	185.0	187.1	189.6	194.4	201.3	.
Broad money, end of period	CMPY	12.4	14.4	17.0	15.3	16.6	18.4	16.1	18.0	20.4	20.4	20.5	20.6	19.9	19.2	18.2	.
Discount rate (p.a.), end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Discount rate (p.a.), end of period ⁷⁾	real, %	0.8	0.8	1.5	1.4	2.5	3.0	2.9	2.6	2.3	2.8	2.5	2.2	2.2	1.6	1.5	0.9
BUDGET																	
Central gov. budget balance, cum. ⁸⁾	HRK mn	-3381	-3475	-3426	-2641	-2635	-2696	-2777	-2860	.	.	.	.	.	.	.	.

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

2) Ratio of unemployed to the economically active population.

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

4) Cumulation starting January and ending December each year.

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

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

7) Deflated with annual PPI.

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

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

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	11.2	2.9	3.6	6.3	5.6	6.5	4.2	2.5	8.4	9.2	8.9	4.5	6.3	10.8	8.2	2.2
Industry, total ¹⁾	real, CCPY	5.0	4.7	4.5	4.7	4.8	5.0	4.9	4.7	8.4	8.8	8.8	7.7	7.4	8.0	8.0	7.3
Industry, total ¹⁾	real, 3MMA	6.2	5.8	4.3	5.2	6.1	5.4	4.3	4.8	6.4	8.8	7.5	6.6	7.2	8.4	7.0	.
Construction, total	real, CMPY	10.9	14.5	14.5	12.4	18.3	24.3	21.4	25.7	29.8	21.3	18.8	26.0	29.1	26.4	24.9	19.8
LABOUR²⁾																	
Employment total	th. persons	68564	69076	69489	70000	69767	69434	69201	68967	69141	69212	69723	70133	70644	70796	70848	71000
Unemployment, end of period	th. persons	5536	5324	5111	4900	4933	4966	4999	5129	5259	5388	5077	4767	4456	4404	4352	4300
Unemployment rate	%	7.5	7.2	6.8	6.5	6.6	6.7	6.7	6.9	7.1	7.2	6.8	6.4	5.9	5.9	5.8	5.7
WAGES, SALARIES																	
Total economy, gross	RUB	10257	11106	10883	10853	11127	11046	11303	14263	11430	11757	12448	12494	12787	13712	13546	13410
Total economy, gross	real, CMPY	15.8	17.8	15.1	14.9	14.2	16.4	16.1	15.6	17.1	18.0	16.9	18.0	15.7	13.7	14.4	13.7
Total economy, gross	USD	379	412	404	406	416	411	425	505	431	446	477	484	495	529	530	523
Total economy, gross	EUR	297	325	319	317	326	326	330	416	332	342	360	358	366	394	387	384
Industry, gross ³⁾	EUR	287	299	308	312	312	320	317	365	325	325	345	349	348	366	378	.
PRICES																	
Consumer	PM	0.5	0.3	0.7	0.2	0.1	0.3	0.6	0.8	1.7	1.1	0.6	0.6	0.6	1.0	0.9	0.1
Consumer	CMPY	9.5	9.2	9.3	9.7	9.4	9.1	9.0	9.0	8.2	7.6	7.4	7.7	7.8	8.6	8.8	8.7
Consumer	CCPY	10.4	10.2	10.1	10.0	9.9	9.8	9.8	9.7	8.2	7.9	7.8	7.7	7.7	7.9	8.0	8.1
Producer, in industry	PM	1.8	0.8	1.7	2.2	1.4	-2.8	-2.5	1.0	1.9	-0.2	0.0	4.3	5.4	2.5	0.7	2.1
Producer, in industry	CMPY	12.1	12.9	14.2	14.4	12.9	8.8	7.0	10.4	11.9	8.1	5.9	9.8	13.7	15.6	14.5	14.3
Producer, in industry	CCPY	13.9	13.7	13.8	13.9	13.7	13.2	12.6	12.4	11.9	10.0	8.6	8.9	9.9	10.9	11.4	11.8
RETAIL TRADE																	
Turnover ⁴⁾	real, CMPY	11.3	15.3	15.5	15.3	14.3	15.2	14.6	15.4	13.8	14.1	13.7	14.2	15.0	15.3	14.8	16.0
Turnover ⁴⁾	real, CCPY	11.4	12.1	12.6	12.9	13.1	13.3	13.5	13.7	13.8	13.9	13.8	13.9	14.2	14.4	14.4	14.7
FOREIGN TRADE⁵⁾																	
Exports total, cumulated	EUR mn	96326	116323	136544	158450	178515	198152	217813	240117	16506	34532	54520	74783	96957	117099	138269	.
Imports total, cumulated	EUR mn	36514	46304	55554	65295	75062	85867	96710	109701	7542	17003	28451	39562	51237	63715	76460	.
Trade balance, cumulated	EUR mn	59812	70019	80990	93155	103453	112285	121103	130416	8964	17528	26069	35221	45721	53384	61808	.
FOREIGN FINANCE																	
Current account, cumulated ⁷⁾	EUR mn	.	44960	.	.	63578	.	.	76465	.	.	17225	.	.	28382	.	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	27.065	26.983	26.916	26.762	26.746	26.867	26.617	28.228	26.529	26.343	26.106	25.838	25.824	25.909	25.541	25.624
RUB/EUR, monthly average	nominal	34.524	34.209	34.155	34.274	34.087	33.889	34.235	34.293	34.389	34.408	34.573	34.892	34.910	34.775	35.030	34.898
RUB/USD, calculated with CPI ⁸⁾	real, Jan03=100	151.2	151.8	152.7	153.6	154.6	155.1	157.8	149.7	161.5	163.5	164.5	166.2	166.1	166.9	170.8	170.4
RUB/USD, calculated with PPP ⁹⁾	real, Jan03=100	170.9	172.4	174.9	178.7	184.1	181.6	176.0	166.7	182.5	180.4	178.8	186.7	194.6	198.4	202.7	206.3
RUB/EUR, calculated with CPI ⁸⁾	real, Jan03=100	129.7	131.1	132.3	131.9	132.7	133.7	133.1	133.4	135.9	136.9	136.2	135.0	135.4	137.1	137.7	138.2
RUB/EUR, calculated with PPP ⁹⁾	real, Jan03=100	156.4	158.9	160.3	163.2	167.8	163.9	158.7	160.0	163.0	162.0	160.3	165.2	173.5	177.8	177.1	181.6
DOMESTIC FINANCE																	
M0, end of period	RUB bn	2096.9	2233.4	2290.3	2351.6	2400.8	2402.2	2450.7	2785.2	2630.1	2682.0	2741.2	2859.4	2896.6	3027.5	3087.0	.
M1, end of period	RUB bn	4205.2	4479.3	4504.9	4652.1	4856.1	4765.0	4900.1	5598.4	5304.8	5377.7	5774.3	6167.9	6721.4	6676.5	6679.6	.
M2, end of period	RUB bn	7877.6	8304.8	8407.9	8570.4	8897.2	8968.8	9233.6	10146.7	9905.0	10174.9	10894.5	11194.8	11890.0	12029.3	12081.9	.
M2, end of period	CMPY	37.2	38.0	38.1	36.3	37.8	38.3	39.8	40.5	40.8	42.2	47.4	48.6	50.9	44.8	43.7	.
Refinancing rate (p.a.) ^{end of period}	%	12.0	11.5	11.5	11.5	11.5	11.5	11.0	11.0	10.5	10.5	10.5	10.5	10.5	10.0	10.0	10.0
Refinancing rate (p.a.) ^{end of period⁹⁾}	real, %	-0.1	-1.2	-2.4	-2.6	-1.2	2.5	3.7	0.6	-1.3	2.2	4.3	0.6	-2.8	-4.8	-3.9	-3.8
BUDGET																	
Central gov. budget balance, cum.	RUB bn	894.7	1083.4	1270.0	1489.4	1694.5	1905.9	1992.6	1994.1	218.2	350.9	476.3	555.0	782.4	1076.0	.	.

1) According to NACE C+D+E.

2) Based on labour force survey.

3) Manufacturing industry only.

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

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

6) Cumulation starting January and ending December each year.

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

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

9) Deflated with annual PPI.

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

(updated end of Sep 2007)

		2006								2007							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	10.0	9.6	11.4	9.1	6.2	3.8	8.3	12.0	15.8	11.0	10.7	12.3	9.9	10.4	7.8	8.7
Industry, total	real, CCPY	2.4	3.6	4.8	5.4	5.5	5.3	5.6	6.2	15.8	13.4	12.5	12.5	12.1	11.8	11.2	10.9
Industry, total	real, 3MMA	6.7	10.3	10.0	8.9	6.4	6.1	8.0	12.0	12.9	12.5	11.3	11.0	10.9	9.4	9.0	.
LABOUR																	
Employees ¹⁾	th. persons	11381	11412	11440	11430	11413	11403	11356	11273	11284	11314	11379	11377	11354	11385	11411	.
Employees in industry ¹⁾	th. persons	3355	3354	3351	3342	3334	3336	3329	3303	3298	3305	3307	3289	3273	3273	3274	.
Unemployment, end of period	th. persons	805.8	749.1	715.3	694.7	676.1	653.3	693.1	693.1	790.2	812.8	781.6	733.8	690.3	640.0	611.5	595.6
Unemployment rate ²⁾	%	2.9	2.7	2.5	2.5	2.4	2.3	2.5	2.7	2.8	2.9	2.8	2.6	2.4	2.3	2.2	2.1
Labour productivity, industry ¹⁾	CCPY	3.7	5.0	6.3	7.0	7.2	7.0	7.3	8.0	18.5	16.0	15.1	15.1	14.7	14.4	13.8	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	34.3	29.4	25.3	22.6	20.9	20.0	18.3	16.7	-1.7	-0.7	0.0	0.8	3.1	3.6	4.3	.
WAGES, SALARIES¹⁾																	
Total economy, gross	UAH	1003	1064	1079	1073	1087	1088	1104	1277	1112	1142	1230	1224	1277	1368	1421	.
Total economy, gross	real, CMPY	22.3	21.0	19.9	20.2	16.3	11.2	10.3	12.2	16.0	15.2	13.2	12.5	15.0	13.9	16.0	.
Total economy, gross	USD	199	211	214	212	215	215	219	253	220	226	244	242	253	271	281	.
Total economy, gross	EUR	156	166	169	166	169	171	170	192	169	173	184	180	187	202	205	.
Industry, gross	EUR	174	187	193	194	196	202	200	216	202	202	222	216	221	224	229	.
PRICES																	
Consumer	PM	0.5	0.1	0.9	0.0	2.0	2.6	1.8	0.9	0.5	0.6	0.2	0.0	0.6	2.2	1.4	0.6
Consumer	CMPY	7.3	6.8	7.4	7.4	9.1	11.0	11.6	11.6	10.9	9.5	10.1	10.5	10.6	13.0	13.5	14.2
Consumer	CCPY	8.7	8.4	8.3	8.2	8.3	8.5	8.8	9.1	10.9	10.2	10.2	10.3	10.3	10.8	11.2	11.6
Producer, in industry	PM	1.0	0.7	1.2	2.1	1.7	2.2	0.7	0.5	2.3	1.1	1.6	2.1	2.3	1.1	1.7	1.4
Producer, in industry	CMPY	4.7	6.3	9.4	10.9	10.7	13.1	14.0	14.2	15.5	16.4	17.8	18.6	20.1	20.6	21.2	20.4
Producer, in industry	CCPY	7.0	6.9	7.3	7.7	8.1	8.6	9.1	9.5	15.5	15.9	16.6	17.1	17.7	18.2	18.6	18.9
RETAIL TRADE																	
Turnover ³⁾	real, CCPY	27.2	27.0	26.1	25.6	25.0	25.0	25.1	25.3	26.5	26.2	25.6	26.2	26.1	26.1	28.3	28.4
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	11494	14126	16770	19522	22421	25150	27748	30556	2468	5077	8185	11201	14227	17386	20497	.
Imports total (cif), cumulated	EUR mn	13643	16501	19412	22416	25685	28878	31928	35865	2847	6135	9883	13456	17051	20541	24428	.
Trade balance, cumulated	EUR mn	-2150	-2375	-2641	-2894	-3264	-3728	-4179	-5309	-379	-1059	-1698	-2255	-2824	-3155	-3932	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	EUR mn	.	-625	.	.	-212	.	.	-1289	.	.	-1003	.	.	-1481	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050
UAH/EUR, monthly average	nominal	6.428	6.396	6.402	6.469	6.435	6.370	6.490	6.651	6.574	6.596	6.681	6.814	6.832	6.775	6.921	6.871
UAH/USD, calculated with CPI ⁷⁾	real, Jan03=100	128.7	128.6	129.4	129.1	132.4	136.5	139.2	140.2	140.5	140.5	139.5	138.7	138.5	141.3	143.3	144.1
UAH/USD, calculated with PPI ⁷⁾	real, Jan03=100	135.2	135.9	136.9	138.9	143.4	149.4	148.2	148.1	153.0	152.1	151.8	153.6	155.3	156.7	159.3	161.6
UAH/EUR, calculated with CPI ⁷⁾	real, Jan03=100	110.2	110.8	111.8	110.4	113.2	117.2	117.0	114.8	117.2	117.1	115.2	112.3	112.4	115.7	115.1	116.6
UAH/EUR, calculated with PPI ⁷⁾	real, Jan03=100	123.6	124.9	125.1	126.4	130.3	134.4	133.3	130.6	135.5	136.1	135.7	135.5	137.8	140.0	138.8	141.8
DOMESTIC FINANCE																	
M0, end of period	UAH bn	61.1	64.3	66.2	67.4	68.6	68.4	68.8	75.0	70.7	71.8	74.0	78.1	78.5	84.0	87.7	91.9
M1, end of period	UAH bn	99.8	104.7	108.6	109.1	113.0	113.1	115.2	123.3	118.4	118.5	122.9	127.4	132.5	140.7	148.6	153.1
Broad money, end of period	UAH bn	207.4	214.1	221.5	226.4	234.8	238.5	244.1	261.1	256.2	261.3	272.5	282.4	288.2	303.0	317.0	329.0
Broad money, end of period	CMPY	40.2	37.0	39.2	37.4	37.3	36.4	35.6	34.5	35.7	36.6	39.5	40.3	39.0	41.5	43.1	45.3
Refinancing rate (p.a.) ^{end of period}	%	9.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.0	8.0	8.0
Refinancing rate (p.a.) ^{end of period} ⁸⁾	real, %	4.5	2.0	-0.8	-2.1	-2.0	-4.1	-4.8	-5.0	-6.0	-6.8	-7.9	-8.5	-9.7	-10.4	-10.9	-10.3
BUDGET																	
General gov. budget balance, cum.	UAH mn	1183	-996	-971	2524	2613	1452	4497	-3701	3686	6254	6294	6220	8174	4992	.	.

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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