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Poland's competitive position in the enlarged EU*

BY LEON PODKAMINER

Competitiveness is a rather ambiguous concept. It is more or less clear, of course, what kind of business firm would be considered competitive: A competitive firm is faring well in the market. It is attracting investors, making profits, outsmarting other firms (its 'competitors'). First of all it is surviving – escaping bankruptcy or hostile take-overs.

But, the microeconomic concept of competitiveness does not easily apply to nations. Nations rarely (if ever) go bankrupt economically and disappear from the world scene – as firms often do. (Occasionally, nations are taken over by stronger ones, though recently one observes the proliferation of new nations rather than the consolidation of existing

ones.) Besides, the criterion of profit-making is somewhat problematic in the national context. A country may work out huge profits – which are amassed by its capital-owning or managerial classes – while at the same time it may be reducing the incomes of its own working classes, or inducing a steep rise in unemployment.

It would make more sense to attribute 'competitiveness' to a country which demonstrates the ability to sustain growth higher than in other countries, combined with unemployment levels that are lower than elsewhere. Equipped with such a notion of national competitiveness, let us now examine the longer-term performance of the new EU member states from Central and Eastern Europe on two criteria: growth in GDP and in employment.

Table 1 indicates that over the ten-year period 1995-2005, Poland's performance was rather poor, comparatively speaking. In terms of GDP growth Poland clearly outperformed only the Czech Republic. In terms of employment growth, Poland was outperformed by all countries except Estonia,

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which had as poor a record on employment growth as Poland. Note, however, that Poland performed much better in the first part of the period considered (1995-2000). It can be argued that Poland's good performance in the earlier period had much to do with the policies instituted around 1993 and conducted until about 1997. In the second period (2000-2005) Poland was definitely outperformed, on both counts, by all other countries: Its GDP growth was the lowest, and it was the only country to register a fall in employment. The worsening of Poland's performance relative to other new member states (NMS) in the second period must – in my judgement – be ascribed to mistaken macro (and social) policies applied after 1997, and to the misguided institutional reforms instituted in 1998.

Poland's external competitive position is improving at the expense of capital formation

A competitive country does not have to be a champion of export performance. Japan and Germany are among the world's externally most competitive countries as both generate huge export surpluses. At the same time their overall growth is unimpressive, to say the least. Moreover, unemployment in Germany has been rather high for over a decade. Neither Japan nor Germany are thus very competitive (in the sense defined above) when compared with, let us say, the UK or Ireland. The problem, at least with Germany, is that the strength of its external competitiveness is at the same time the source of its internal weakness. For about ten years Germany has been experiencing a cost deflation (wages lagging much behind labour productivity) vs. its main EU partners.¹ This has two – closely related – consequences: First, German exports crowd out domestic production in less cost-efficient countries (in the euro area these are Italy and Spain, among others). Second, under the impact of wage incomes lagging much behind the rising potential output, employment and domestic demand stagnate.

Of course, a satisfactory performance in foreign trade (in goods and services) is a necessary component of competitiveness: In the long run a country running high trade deficits is certain to invite trouble, at some future date. Moreover, such a country is promoting higher growth and higher employment elsewhere, possibly in its direct competitors. Needless to say, good performance on the 'external front' may, under imaginable conditions, be also a source of overall prosperity. This is the case of 'export-led' growth, characterized by high contributions of both domestic demand and foreign balance to the overall GDP growth rates.

Table 1

Longer-term performance of the new EU member states: indices of employment and GDP

	1995-2005*		1995-2000*		2000-2005**	
	D(E)	D(GDP)	D(E)	D(GDP)	D(E)	D(GDP)
CZ	0.99	1.27	0.99	1.075	1.00	1.18
HU	1.01	1.49	0.99	1.22	1.02	1.22
PL	0.95	1.50	0.99	1.3	0.96	1.16
SK	1.37	1.52	1.32	1.2	1.04	1.26
SI	1.23	1.46	1.15	1.24	1.07	1.18
EE	0.95	1.82	0.91	1.28	1.05	1.42
LV	1.05	1.84	0.99	1.26	1.06	1.46
LT	0.98	1.70	0.97	1.18	1.01	1.44

* 1995=1, ** 2000=1

Source: wiiw Database. D(E) is the index of employment, D(GDP) is the index of GDP.

A return to the successful macro policies of the earlier period does not seem likely at all, at least in the foreseeable future. It is even less plausible that some of the reforms responsible for the worsening of Poland's performance relative to other countries (e.g. the reform overhauling the pension system) would be reversed. Barring some glaring policy mistakes in other NMS, it would therefore seem that Poland is likely to continue to perform less impressively than other NMS also in the future.

¹ For example, German unit labour costs were about 20% lower than in Spain (in 2005). In 2000 that differential was only about 3%.

Given the fact that Poland's GDP growth was relatively weak over the past five years, it is perhaps not quite surprising that the country's external position has improved.

As can be seen from Table 2, Poland's trade balance (TB)/GDP ratios for the years 2000-05 are more or less consistent with the GDP growth rates over that period – though other Central European NMS (excluding the Baltic countries) managed to grow faster and yet generated lower trade deficits.

Table 2

**GDP indices and the trade-balance/GDP ratios,
2000-2005**

	D(GDP)* 2005/2000	TB/GDP 2000-05	D(GDP)** 2000/1999	TB/GDP 2000	D(GDP)*** 2005/2004	TB/GDP 2005
CZ	118.2	-1.4	103.9	-3.1	106	0.2
HU	122.1	-3.0	105.2	-3.8	104.1	-1.2
PL	115.6	-3.0	104.2	-6.3	103.4	-0.3
SK	126.4	-4.3	102	-2.3	106	-4.5
SI	117.9	-0.7	104.1	-3.5	103.9	-0.5
EE	142.4	-6.0	107.9	-3.9	109.8	-6.4
LV	145.7	-11.9	106.9	-7.6	110.2	-15.1
LT	143.7	-6.2	103.9	-6.5	107.5	-7.0

* 2000=100, ** 1999=100, *** 2004=100

Source: wiiw Database. TB is the trade balance (goods and non-factor services).

More recently, Poland's trade performance has improved: in 2005 Poland showed the second-lowest TB/GDP deficit – but also the slowest growth. It is quite obvious that the relation between growth and the TB deficit is a bit more favourable in Poland than in Hungary. But that relation seems even more favourable now in the Czech Republic, which experienced very high growth in 2005 and a TB surplus. The question worth asking is whether the improvements in foreign trade were perhaps achieved at too high a cost. To answer this question we look now at the sources of growth in individual NMS.

Table 3 sheds some light on the background of Poland's success on the 'external front'. First, it

appears that the contribution of the foreign trade balance to GDP growth was the largest in Poland (on average 0.9 percentage points over the period 2000-2005). Foreign trade was a stronger engine of GDP growth in Poland than in other NMS. (In the Baltic states, foreign trade was actually a 'brake' on growth, as it contributed negatively to the overall growth.) But, correspondingly, the contribution of domestic demand to GDP growth was lower in Poland than elsewhere. Moreover, only in Poland has gross fixed capital formation been contributing negatively to growth. Thus, the success on the 'external front' has been linked to the overall weakness of domestic demand, and happened to coincide with receding investment. The gains of foreign trade have proved smaller than the losses in terms of domestic demand.²

Table 3

**Percentage contributions of domestic demand,
consumption, gross fixed capital formation and
foreign trade to average yearly GDP growth,
2000-2005**

	Domestic demand	Consump- tion	GFCF	Trade balance	GDP growth
CZ	3.2	2.1	1.2	0.4	3.6
HU	3.6	4.1	1.6	0.5	4.0
PL	2.0	2.3	-0.3	0.9	3.0
SK	4.5	2.6	1.3	0.3	4.9
SI	2.9	2.1	0.9	0.5	3.4
EE	9.3	5.4	3.3	-1.7	7.6
LV	10.8	5.5	4.3	-2.7	8.1
LT	10.2	6.2	2.7	-2.6	7.6

Source: wiiw Database. GFCF is gross fixed capital formation. Domestic demand = consumption + GFCF + change in stocks + statistical discrepancy.

The weakness of Poland's domestic demand coupled with some improvements in foreign trade is consistent with the trends in productivity, wages

² For comparison, German GDP growth for the same period was 1.2% per annum, with 0.4 percentage points contribution of domestic demand and 0.8 p.p. contribution of the trade balance. Ireland's GDP growth of 6.3% consisted of 4.4 p.p. and 1.9 p.p. contributions from domestic demand and the trade balance, respectively.

and unit labour costs. As can be seen from Table 4, Poland's real wage has been rising quite slowly.

Table 4

Growth rates of real wage, labour productivity and unit labour costs, annual averages for 2000-2005, in %

	Real wage	Productivity	Unit labour cost*	Unit labour cost**
CZ	3.8	3.3	3.6	7.4
HU	6.3	4.0	8.2	9.3
PL	1.6	3.4	0.9	0.9
SK	2.7	3.8	4.7	6.8
SI	3.4	2.3	6.7	3.4
EE	6.5	6.0	4.1	4.1
LV	5.6	5.9	3.8	-0.8
LT	4.7	6.5	-0.9	0.4

Source: wiiw Database. 'Real wage' is gross real wage, deflated with CIT; 'Productivity' refers to GDP per employed person, at constant prices of 2000; 'Unit labour cost*' is GDP per person employed, at constant prices of 2000, divided by the average gross nominal wage; 'Unit labour cost**' is adjusted for the current exchange rate (against the euro).

This explains the weak expansion of Poland's domestic demand. In all other countries real wages have been rising quite strongly (see Table 4), which squares with the robust expansion of domestic demand. The huge gap between gains in labour productivity and real wage has been responsible for the stubbornly high unemployment in Poland. Interestingly, Poland's gains in labour productivity were not much lower than in other Central European NMS (in fact these gains were higher than in Slovenia and the Czech Republic). But, with weak growth in wages, Poland's unit labour costs (whether at domestic prices, or in exchange-rate terms) have been virtually stagnant. This stands in stark contrast to what has been going on in other countries – especially in the Czech Republic and Hungary, but also in Slovenia. The fact that these countries have been able to combine strongly rising wages (and unit labour costs) with definite improvements in foreign trade is indicative of qualitative upgrading of their export commodities. Such an improvement seems to have

been missing in Poland (but also in the three Baltic countries).

Poland's unfavourable structural change: evidence from data on exports to the EU-15

The share of Poland's exports of manufacturing products to the 'old' EU-15 in the latter's total manufacturing imports has risen by 47% since 1995-1998.³ The shares of such exports of

Table 5

Central and East European countries' (CEECs) manufacturing goods exports to the EU-15: shares in EU-15 total imports, in %

		Low-tech	Medium-low-tech	Medium-high-tech	High-tech	Total manufacturing
CZ	1995-98	0.85	1.26	0.74	0.18	0.71
	2002-04	1.11	1.70	1.70	0.76	1.25
EE	1995-98	0.20	0.24	0.04	0.05	0.12
	2002-04	0.32	0.28	0.08	0.15	0.18
HU	1995-98	0.86	0.76	0.74	0.51	0.71
	2002-04	0.79	0.82	1.45	1.45	1.18
LT	1995-98	0.26	0.22	0.08	0.03	0.14
	2002-04	0.40	0.30	0.08	0.04	0.17
LV	1995-98	0.24	0.34	0.03	0.01	0.15
	2002-04	0.32	0.31	0.02	0.01	0.14
PL	1995-98	1.60	1.43	0.63	0.20	0.92
	2002-04	1.94	1.81	1.56	0.40	1.35
SI	1995-98	0.57	0.48	0.36	0.09	0.36
	2002-04	0.40	0.47	0.43	0.16	0.35
SK	1995-98	0.37	0.60	0.30	0.04	0.31
	2002-04	0.49	0.73	0.91	0.16	0.57
BG	1995-98	0.33	0.40	0.10	0.02	0.19
	2002-04	0.47	0.50	0.10	0.03	0.24
HR	1995-98	0.39	0.21	0.10	0.03	0.18
	2002-04	0.35	0.29	0.08	0.08	0.17
RO	1995-98	0.86	0.61	0.14	0.02	0.35
	2002-04	1.73	0.61	0.32	0.11	0.58

Source: wiiw calculations based on COMEXT Database. Low-tech goods are the products of NACE industries 15-22, 36-37; medium-low-tech: NACE 23, 25-28; medium-high-tech: NACE 24, 29, 31, 34-35; high-tech: NACE 30, 32-33.

³ The indices discussed in this section compare the averages for the years 2002-2004 with the averages for the years 1995-1998.

Poland's main competitors rose faster: by 77% (Czech Republic), 66% (Hungary) and 82% (Slovakia) respectively. Even Romania performed better, with its export share rising by 65%. Moreover, the advantage of Poland's competitors in more sophisticated types of goods is even larger (see Table 5).

Poland's share in exports of high-tech products rose by slightly more than 100% – much less than the Czech Republic's or Slovakia's (each with an over 300% rise) or that of Hungary, Croatia and Estonia (close to 200% rise). Romania's share of high-tech exports increased more than fivefold.

Losing quality/price competition in the export markets

There is yet another dimension of structural change: qualitative changes in production and exports (within the specific types of products) which are normally reflected in the prices received for a country's exports (relative to the prices received by the competitors). The measurement of such price/quality improvements involves the calculation of average prices per 'ton' of various types of goods.⁴

The results of the calculations using the COMEXT data are shown in Table 6. Informally speaking, each item from Table 6 represents a ratio of average prices received by a country (say, the Czech Republic) for its specific exports (say, of low-tech goods) to the average price of all such goods imported by the EU-15 countries. Thus, item 0.840 (for Czech exports of low-tech goods in 1995-1998) means that these goods were exported at a 16% discount ($16\% = 1 \text{ minus } 0.840$) as compared with exports from other countries. The corresponding item for 2002-2004 is 1.048, meaning that the prices received by Czech exporters for low-tech products were higher than

those of other suppliers. The change in the relative price (here from 0.840 to 1.043) is interpreted as reflecting an improvement in quality (relative to the average quality change of all EU imports).

The message of Table 6 is quite unpleasant for Poland. As concerns price/quality improvements at the level of total manufacturing, Poland has been strongly outperformed not only by Estonia, Latvia, Slovakia and the Czech Republic, but also by Romania and Bulgaria (see Table 7). Only Slovenia did register lower rates of growth of relative export prices for total manufacturing – but Slovenian export prices are much higher than Poland's.

Table 6

Central and East European countries' exports to the EU-15: unit value ratios

		Low-tech	Medium-low tech	Medium-high tech	High-tech	Total manufacturing
CZ	1995-98	0.840	0.817	0.690	0.706	0.776
	2002-04	1.048	0.913	0.915	0.895	0.935
EE	1995-98	0.833	0.950	1.024	0.442	0.838
	2002-04	1.034	1.015	1.005	1.688	1.107
HU	1995-98	0.987	0.921	0.894	1.013	0.939
	2002-04	1.123	0.997	1.078	0.953	1.033
LT	1995-98	0.699	0.979	0.913	0.789	0.813
	2002-04	0.843	1.099	0.916	0.739	0.915
LV	1995-98	0.719	0.957	0.774	1.330	0.812
	2002-04	0.917	1.108	0.981	1.833	0.990
PL	1995-98	0.802	0.846	0.665	0.860	0.789
	2002-04	0.869	0.872	0.864	0.821	0.867
SI	1995-98	1.129	0.860	0.834	0.783	0.934
	2002-04	1.255	0.935	0.844	1.200	0.984
SK	1995-98	0.824	0.857	0.762	0.670	0.808
	2002-04	0.946	0.922	1.094	0.906	1.017
BG	1995-98	0.737	0.805	0.696	0.687	0.756
	2002-04	0.938	0.929	0.793	0.883	0.906
HR	1995-98	1.036	0.878	0.820	1.293	0.958
	2002-04	1.140	0.792	0.820	2.739	1.071
RO	1995-98	0.720	0.796	0.663	0.596	0.731
	2002-04	0.956	0.895	0.903	0.838	0.924

Source: wiw calculations based on COMEXT.

⁴ The calculations were done by Robert Stehrer, wiw. For the methodology see, e.g., M. Landesmann and R. Stehrer (2003), 'Evolving competitiveness of CEECs in an enlarged Europe'. *Rivista di Politica Economica*, Vol. XCII, No. I-II, pp. 23-87.

Quality improvements in Polish exports have been unimpressive in three out of four industry groups. Only in medium-high-tech goods (motor vehicles, other transport equipment, machinery etc.) did Poland's export prices rise at a speed comparable to that observed in the Czech Republic, Hungary and Romania. Nonetheless Poland's export prices for medium-high-tech products are the lowest now. Even Bulgarian and Romanian exporters receive higher prices for their medium-high-tech products. The situation is even worse in the low-tech and medium-low-tech products. Here the improvements are minimal – much lower than in other countries – and that despite very low initial levels. Finally, one must note a decline in prices received for high-tech products. As a consolation, this has happened to Hungary and Lithuania as well.

Table 7

Indices of unit value ratios 2002-04 over 1995-98

	Low-tech	Medium-low tech	Medium-high tech	High-tech	Total manufacturing
CZ	1.247	1.118	1.327	1.267	1.205
EE	1.241	1.068	0.982	3.817	1.321
HU	1.138	1.083	1.206	0.941	1.100
LT	1.206	1.123	1.004	0.936	1.125
LV	1.276	1.157	1.267	1.378	1.219
PL	1.082	1.031	1.299	0.954	1.098
SI	1.111	1.087	1.012	1.532	1.054
SK	1.149	1.076	1.436	1.352	1.259
BG	1.272	1.154	1.139	1.286	1.198
HR	1.100	0.903	0.999	2.118	1.118
RO	1.328	1.125	1.361	1.406	1.264

Source: wiiw calculations.

Market shares changes indicate that Poland is competing in terms of prices rather than quality

A rising relative price of exports may be associated with a falling share in the export market. This situation is interpreted as 'pricing oneself out of the market'. Alternatively, if the rise in the relative price of exports is associated with an increase in the

market share, one may speak of 'successful quality competition' (foreign buyers demand more of the country's products despite its price rising faster than the competitors'). Then, if the relative price of a country's exports declines, one speaks of price (but not quality) competition. Price competition may be successful (if the country's market share increases), or unsuccessful (if the market share contracts).

The four combinations of rising/falling relative export price and market share can be illustrated graphically (see Figure 1) in a diagram with two co-ordinates. The horizontal axis measures the change (growth rate) in the market share of a country in the EU-15 markets. The vertical axis measures the change (growth rate) in the unit value ratios (or relative export prices).

Figure 2 shows the performance of the Central and East European countries in terms of price/quality dynamics and the market share dynamics (2002-2004 over 1995-1998) for four groups of manufacturing export products and for total manufacturing exports. As can be seen, Poland is located in the 'successful quality competition' quadrant (except in high-tech products, where it is rather located in the 'successful price competition' quadrant). However, in any group of products Poland has been outperformed by other countries, whose coordinates are located to the north-east to Poland's. In the case of low-tech products, Poland's performance was hugely inferior to that of Slovakia, the Czech Republic, the three Baltics states, Bulgaria and Romania. In medium-low-tech products, Poland was outperformed by the Czech Republic and Lithuania. In medium-high-tech products Poland's position is much better, inferior only to Slovakia's. However, in high-tech products, Poland fares quite badly. Overall, on the entire manufacturing level, Poland loses out on quality competition to Hungary, the Czech Republic, Slovakia, Estonia and Romania. It retains a clear advantage only over Slovenia.

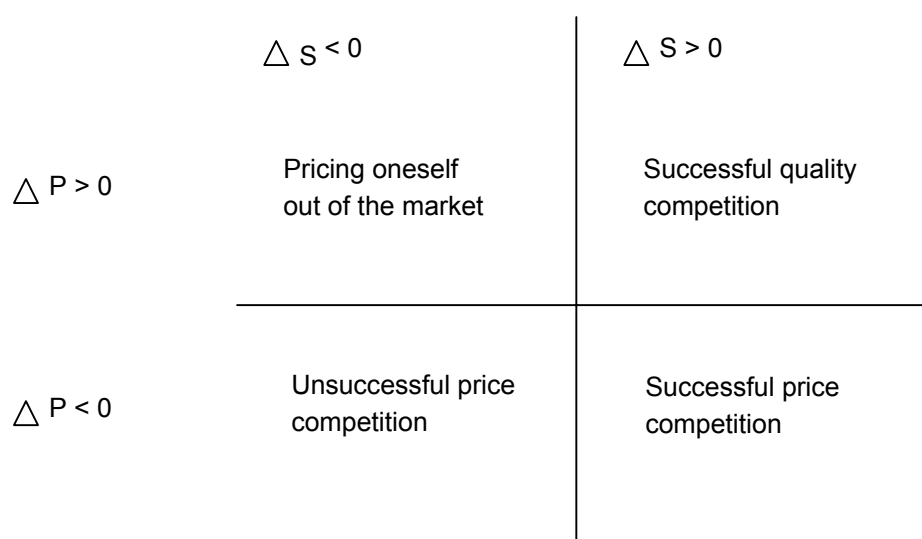
Concluding remarks

Poland's competitive position in the enlarged EU has been weakening relatively to: other new EU member states as well as Bulgaria and Romania which all seem to have been performing better. Improvements in labour productivity and unit labour costs have been responsible for weakness of domestic demand and stagnant employment. Under such conditions foreign trade was an important source of overall GDP growth, primarily restricting growth of imports. At the same time these improvements have not contributed to outstanding improvements in exports: Poland's shares in the EU-15 markets have risen at slower rates.

The weakening of Poland's competitiveness may, to some extent, result from the relatively low level of foreign direct investment. Poland's FDI stock/GDP ratio, currently at 29%, is lower than in the Czech Republic (51%), Hungary (59%), Slovakia (35%), Latvia (32%), Estonia (98%), Bulgaria (40%) or Croatia (43%). Other low-FDI countries also perform less successfully, at least in foreign trade: Slovenia (22% FDI/GDP ratio) and Lithuania (27%). Clearly, Poland's ability to attract FDI could be enhanced – provided the country improves its reputation on corruption, legal environment, bureaucracy, etc.

Figure 1

Price/quality competition and market share development

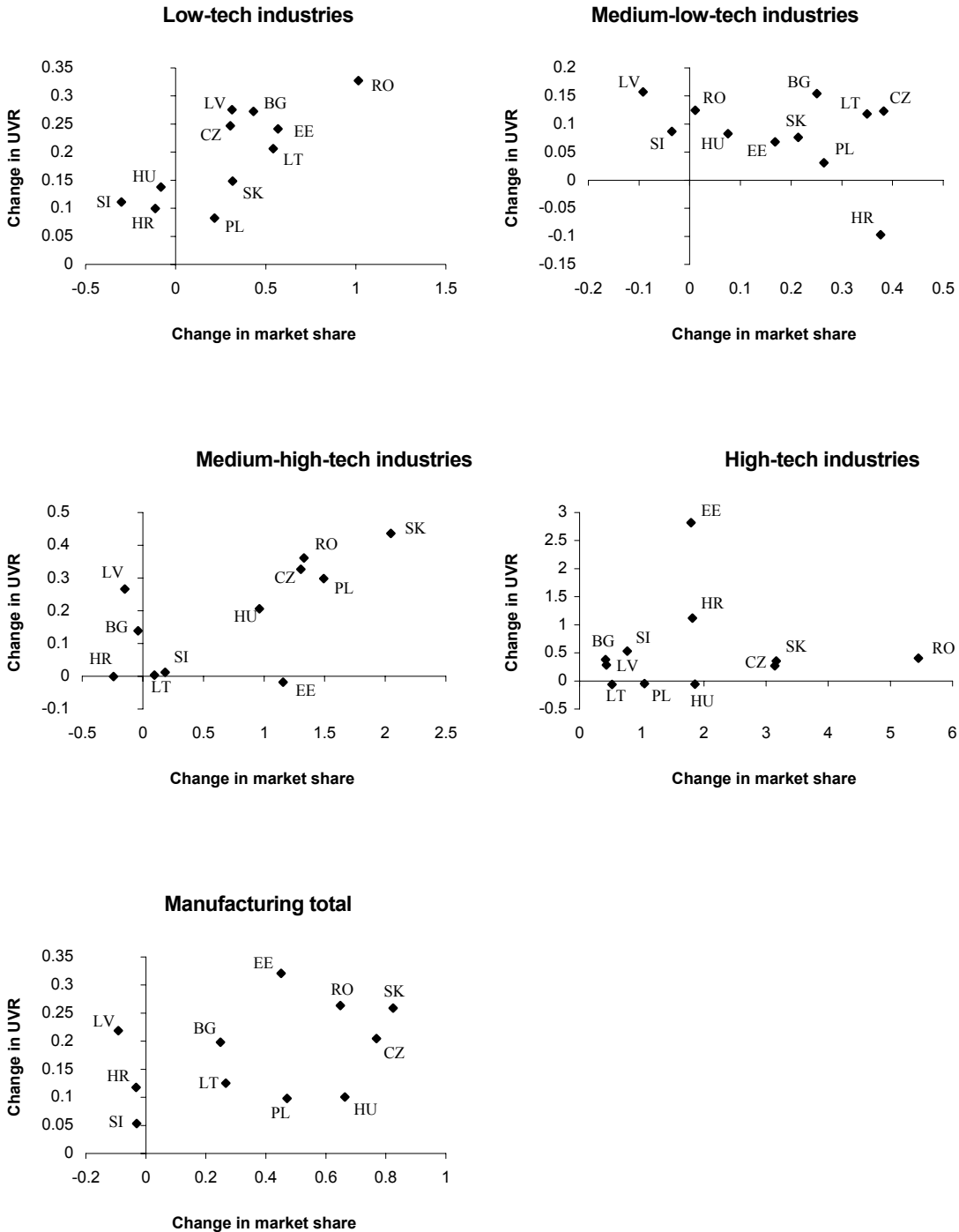


Note: ΔP is the growth rate in the export price (relative to the average EU import price), ΔS is the growth rate of the market share.

Source: Figure 1 is an adapted version of a device proposed in M. Landesmann and J. Wörz (2006), 'CEECs' Competitiveness in the Global Context', *wiiw Research Reports*, No. 327.

Figure 2

Changes in quality/price competitiveness and in market shares in EU-15 markets, 1995/98 to 2002/04



Source: wiiw calculations. UVR (unit value ratio) refers to the relative export price.

Ownership structure and the development of Russian firms

BY ANDREI KUZNETSOV* AND
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In Russia, as in other transition economies, great hopes were originally placed on the ability of mass privatization to create 'responsible' owners and produce a foundation on which economic reconstruction and growth would flourish. These expectations have failed: restructuring in privatized firms has been slow, fixed production assets show a significant rate of wear, and innovation activity is low as is the competitiveness of domestic goods. In this context, the inability of new owners to lead the firms forward has been consistently identified as one of the causes of the poor economic performance of Russian companies.

The ownership structure may be seen as a part of the problem. Privatization was intended to create wide-spread ownership along the lines of the Anglo-Saxon model. Instead, within just a decade a different pattern has emerged. Ownership of Russian firms is characterized by the following three features: (a) it is highly concentrated (blockholder ownership) (Table 1); (b) dominant owners seek direct control over the firm by assuming managerial and board positions; and (c) among dominant shareholders insiders prevail.

Struggling with uncertain environment

In Russia, institutional settings provide a vivid case of a business environment that makes control more

important than formal income rights because of the weak legal protection of shareholders, underdeveloped capital markets, and the restricted role of institutional investors. Throughout the immediate post-privatization period, shares mattered little to most shareholders as they had low liquidity and dividends were not paid. In addition, corporatization coincided with a period of profound economic crisis. Both circumstances had a long lasting impact on corporate governance and set the preconditions for blockholder ownership. First, they diluted the strength of monetary signals and incentives, and hampered the informational content of prices, making it difficult for both shareholders and investors to determine the value and investment potential of shares. Second, these circumstances worked as incentives for substituting networking and other informal arrangements for the market. Managers had to rely on successful networking as they sought to compensate the poor performance of formal institutions with arrangements based on personal contacts. The role of networks was controversial. On the one hand, informal relations provided means to create zones of trust within the general environment of distrust, thus reducing transaction costs. On the other hand, networking often pursued the goal of conspiring against outsiders and avoiding legal control over financial and other transactions, rather than getting better knowledge of business partners and their needs.

Ownership bias

Corporate ownership in Russia has been influenced by the bias in the allocation of shares built into the privatization programme: originally the majority of equity (51%) was distributed among insiders (workers and managers of privatized enterprises). According to REB (*Russian Economic Barometer*) data, as late as 2003 insiders remained the largest shareholder group, controlling 47% of all outstanding shares. This does not mean though

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¹ See J. Nellis (1999), 'Time to Rethink Privatization in Transition Economies?', *Transition*, Vol. 10, No. 1, pp. 4-6; R. Desai and I. Goldberg (2000), 'Stakeholders, Governance, and the Russian Enterprise Dilemma', *Finance & Development*, June, pp. 14-18.

² M. Burkart, F. Panunzi and A. Shleifer (2003), 'Family firms', *Journal of Finance*, Vol. 58, No. 5, pp. 2167-2202.

³ V. Radaev (1998), *Formirovanie novykh Rossiiskikh ryнков: transaktsionnyye izderzhki, formy kontrolya i delovaia etika*, CIPE/Tsentr politicheskikh tekhnologij, Moscow.

OWNERSHIP IN RUSSIA

Table 1

Ownership concentration within Russian firms, based on REB survey results

	1999	2001	2003
The proportion of firms in which the largest shareholder holds	%	%	%
fewer than 10% of shares	21	16	9
10-25% of shares	28	33	35
25-50% of shares	26	26	30
more than 50% of shares	25	25	26
Total	100	100	100
Average stake of the largest shareholder	32.9	34.5	37.2
Average stake of the second largest shareholder	-	-	17.2

Table 2

Ownership allocation within Russian firms, based on REB survey results

	1995	1997	1999	2001	2003	2005	2007 (forecast)
INSIDERS, total	54.8	52.1	46.2	48.2	46.2	46.6	54.0
Managers	11.2	15.1	14.7	21.0	25.6	31.5	40.0
Employees	43.6	37.0	31.5	27.2	21.0	15.1	14.0
OUTSIDERS, total	35.2	38.8	42.4	39.7	44.8	41.0	40.1
Non-financial outsiders, total	25.9	28.5	32.0	32.4	35.6	33.5	29.3
Individual Investors	10.9	13.9	18.5	21.1	20.1	18.0	15.0
Other firms	15.0	14.6	13.5	11.3	15.5	15.5	14.3
Financial outsiders, total	9.3	10.3	10.4	7.3	9.2	7.5	9.8
THE STATE	9.1	7.4	7.1	7.9	4.3	7.3	4.1
OTHER SHAREHOLDERS	0.9	1.7	4.3	4.2	4.9	5.2	2.8
TOTAL	100	100	100	100	100	100	100
Number of firms	136	135	156	154	104	108	71

that the configuration of shareholding had remained unaltered during this period. In reality, it had experienced some sharp and pronounced changes. According to our estimates as much as 15% of shares were changing hands in a typical Russian firm every year between 1995 and 2003. The redistribution of shares proceeded according to the following pattern: ownership shifted from workers to managers; from insiders to outsiders; from the state to private owners (and, more recently, back to the state).

Managers have come out as the biggest winners. Their equity stake has increased from less than

10% in 1994 to over 30% at present. According to REB statistics, already by 2003 in an average industrial firm the managers had accumulated more shares than the rest of employees together, and by 2007 they are expected to control 40% of all shares against 14% held by workers. Even these impressive figures, however, are believed to underestimate the degree of concentration of ownership in the hands of managers. The secretive nature of the Russian corporate world makes it very difficult to quantify the structure of ownership. According to expert evaluation based on in-depth empirical studies, senior management is in control of no less than 50% of firms because many

shareholder-outsiders are just a façade for managers.⁴ Within the population covered by REB surveys, the proportion of firms in which the senior manager is the largest shareholder increased from 24% in 1999 to 39% in 2005. It is also typical that the stake of the largest shareholder tends to grow (currently it is close to 50% of the average authorized capital) (see Table 2). As far as outsiders are concerned, an important feature of the modern ownership structure, from the point of view of corporate governance, is that they are mostly industrial firms and individuals. The share of banks, financial companies, investment funds, etc. remains stable and low at about 10%. Foreign participation is generally also very low: only one in nine firms has shareholders abroad. When there is a stake owned by a foreign party, it tends to be rather high, at an average figure of 43% of the authorized stock.⁵

From 'red directors' to 'companionship' capitalism

A considerable volume of shares has moved between the people who received their shares as members of working collectives during mass privatization and those who bought or received their shares from original owners at a later stage. Some of the latter have managed to consolidate their acquisitions into blocks that allowed them to dislodge the old 'red director' and step into his place. According to our estimates, in 2005 among firms controlled by top managers as a group, 44% were controlled by their former 'red directors' whilst 56% were controlled by the teams who arrived after privatization. Among firms in which the CEO was the largest shareholder, the proportion was 36% and 64%.

In most countries companies with concentrated ownership have grown and developed as family firms, often from entrepreneurial origins. In Russia,

where private property of industrial assets has its origins in mass voucher privatization, medium and large firms neither originated with some innovative ideas of the founder-owners, nor could they become a family affair. Nonetheless, the majority of them are tightly held firms: shares are usually concentrated in the hands of two to seven individuals tied by informal links and a common background. Indeed, the owners of such firms usually share a long history. Often they knew each other professionally already before the market reforms started, they made their first steps as businessmen together and now own comparable stakes in the firm. This model of ownership, which may be called a 'companionship' firm, may be found in the most successful Russian companies. It also facilitates such an important feature of the Russian corporate scene as the deliberate complexity of ownership rights with the aim to conceal the identity of true owners. Often this is a reaction to the poor protection that the legal system offers to legitimate owners. Non-transparency of property rights is artificially maintained by the owners of many companies as a barrier against possible interference of the state or capture by market raiders.

The jury is still out

The Russian system of corporate governance in its present form bears all the signs of an *ad-hoc* construct. It is not illogical to assume that in the pursuit of wealth maximization the current generation of directors-owners, as did western managers-owners before them, will embrace eventually the necessity to delegate executive functions to more competent managers than themselves and focus on strategic ownership. This will be the choice of self-interest and self-preservation. In the current environment though, the same instincts prevent managers from giving up direct control over the firm and its assets. Poor legal protection of shareholder rights, lack of disclosure about the business operations or

⁴ T. Dolgopyatova (2001), 'Modeli korporativnogo kontroliya na rossiiskikh predpriyatiach', *Mir Rossii*, Vol. 10, No. 3.

⁵ T. Dolgopyatova (2004), 'Corporate Ownership and Control in the Russian Companies in the Context of Integration', *Russian Management Journal*, Vol. 2, No. 2, pp. 3-26.

⁶ Ya. Pappe, (2002), 'Rossiiskii krupnyi biznes kak ekonomicheskii fenomen: spetsificheskie cherty modeli ego organizatsii', *Problemy prognozirovaniya*, No. 2, pp. 83-97.

finances, the underdeveloped state of the security market and a weak shareholder culture signify that holding even large and very large blocks of shares may result in little or no effective control over the firm.⁷ The same conditions favour people who are privy to the firm's management decisions. This category includes primarily senior managers. They have an important advantage because they consolidate the power of shareholding with the power of decision-making. As a result, domination can be achieved by simple if unscrupulous means exploiting the fact that other categories of shareholders cannot accurately monitor the day-to-day performance of the firm.⁸

Consequently, there are two identifiable tendencies in the Russian corporate sector. The poor state of the institutional framework puts pressure on large shareholders to keep increasing their stake. As a result their control over the firm increases. However, the same institutional inadequacies make this category of shareholders feel insecure about

the future of their investment. This undermines their commitment to the firm they own/control and encourages to siphon off wealth of companies. Data accumulated by REB suggest a statistically significant and negative correlation between the size of the stake owned by the largest shareholder and the breadth of investment in the firm. There is also a statistically significant and negative correlation between the size of the stake owned by the largest shareholder and such parameters of the firm as capacity utilization and profitability. Evidently, these are the signs of an unhealthy situation that endangers the long-term restructuring and growth of the Russian economy.

The progress of corporate governance towards a more conventional modern model is unrealistic without changes in the political, social and economic realities of Russia in the first place. In other words, the current system of corporate governance is yet another manifestation of the inadequate state of institutional infrastructure in the country. The paradox is that certain behavioural patterns and business arrangements in Russia bring rewards although they should be a ticket to failure in a market economy as contradicting its rules and institutions. In this context the idiosyncratic behaviour of economic agents determined to by-pass the 'legal' market economy is in fact a rational reaction to the uncertainty and challenges caused by institutional distortions. The high perceived cost of acting legally is a fundamental impediment to progress in corporate governance along the lines suggested by the OECD code of corporate governance.

⁷ This is how *Fortune* describes the treatment that Khodorkovsky, one of Russia's so-called oligarchs and the one-time CEO and principal owner of Yukos, gave to his minority shareholders: 'He bought Yukos in Russia's infamous 'loan for shares' scheme in 1995; got rid of U.S. investor Kenneth Dart, a large minority stakeholder in Yukos, via a brazenly massive share dilution; then survived the economic collapse of 1998 by simply stonewalling three big Western institutions whose loans to Khodorkovsky's bank were collateralized by 30% of Yukos' shares. Despairing of their ability to prevail legally in a virtually lawless Russia, the Westerners eventually walked, ending up with a fraction of what their stakes would be worth today.' (*Fortune*, 13.05.2002, p. 32)

⁸ The Russian legal system offers inadequate protection of legitimate owners, even if they hold majority stakes. In the West, hostile takeovers are feasible when shares of the target company are widely available and easily purchased. In Russia, hostile takeovers rely on the abuse of the rights of shareholders and the exploitation of legalistic hitches and corruption in the judicial system. One of the common tricks is to obtain a judicial decision that bans the current owners of the firm to use their right to vote in the shareholders' general meeting or take a position on the board of directors. Another ploy is to make the court requisite to the registry of shareholders, the only legal proof of ownership, and then replace it with an alternative registry with a different composition of shareholders. One notorious incident involved Krasnoyarsk Aluminum, which deleted from its share register a 20% stake held by the British Trans World Group, effectively wiping out its holding.

Building walls: a note on immigration

BY VLADIMIR GLIGOROV

Introduction

Finland, Greece, Spain and Portugal, and recently Italy too, have decided not to prolong the barriers to labour mobility for citizens of the new member states of the European Union from Central and Eastern Europe. In that they join the United Kingdom, Ireland and Sweden, which did not impose restrictions to begin with. The other countries have three more years to maintain the barriers and may extend them for an additional two years thereafter. Most of them have indicated that they intend to soften the restrictions already and will in all probability lift them well before the deadline is finally reached in 2011. At the moment, judging from the public pronouncements, it looks as though only Austria and Germany will use up the opportunity to restrict access to their labour markets to the full.

In this context, it is interesting to note the recent assessment by an independent expert group, the ITEM Club, who have in their *Spring Forecast* reached the conclusion that the overall economic impact of migration from the new EU member states on the UK economy has been quite positive overall: 'As a direct result the UK workforce has become younger, more flexible and economical, easing the pensions burden and keeping interest rates lower than many commentators could have predicted. Even with a modest rise in unemployment numbers we are looking at a very favourable cost-benefit ratio.' Also, migrants 'have plugged gaps in a variety of industries, from agriculture to hospitality and catering with nearly 300,000 immigrants taking new jobs in the UK in the last three years. Unlike previous occasions that have been confined to major urban centres, this

influx has benefited many regions across the UK from East Anglia to Edinburgh.¹

In the current debates on economic effects of migration in the EU and in the USA often opposite expectations are voiced about three of the issues that are deemed to be more important than the others. The first is that migration is not the same as trade, because of the effects on public finances. The second is that immigrants earn lower wages and that is especially damaging in the case of low-skilled native workers who either have to accept lower wages or become unemployed. The third is that immigration increases cultural heterogeneity, which has all kinds of negative consequences. In this note, these three arguments will be assessed for their consistency and empirical support.

Voluntary and involuntary migration

To introduce the discussion, a brief conceptual comment may be in order: migration is seen here as a labour market phenomenon, which means that mostly economic immigration will be discussed (and effects on the sending countries will be set aside). The empirical research finds significant differences between economic and political migrants.² In the case of economic migration there is a voluntary, contractual relationship between the employer and the employee.³ The behaviour of both is guided by the markets and in turn influences developments in the markets. Thus, the idea, for instance, that without the restriction on migration from less developed to more developed

¹ See ITEM Club (2006). Similar assessments can be found in European Commission (2006) and in UK Home Office et al. (2006). See also Doyle, Hughes and Waldesjo (2006), Gilpin et al. (2006), and Anderson et al. (2006). Though there are differences in the specific findings of these reports, the main messages for the UK and the EU as a whole are generally in accordance with the findings of the ITEM Club quoted in the text.

² For a comprehensive treatment see Borjas and Crisp (2005); for a discussion see Boswell and Crisp (2004).

³ In a sense, the employment of illegal immigrants may be regarded as not being voluntary; it can be reasonably argued that they would prefer legal employment to the illegal one. It makes sense to argue that this type of employment is involuntary, though no coercion on the part of the employer is actually involved.

countries the whole population of the less developed countries will settle in more developed countries or that there will be no end to immigration into rich countries if there is free movement of labour, is inconsistent with the way markets work.

The situation is different with political migration or with refugees. Their resettlement is involuntary and is not guided primarily by the labour markets. In addition, in many countries, political immigrants and refugees are treated differently from economic migrants. In general, the former are often denied market access and may be rather entitled to income support of one kind or another. As a consequence, their participation in the labour markets is quite different as is their impact on public finances. It could be argued that even in their case market solutions are better than the alternative ones, but that is a separate issue.

The key conceptual difference, to repeat, is whether cross-border migration is seen as a market or as a political phenomenon. It is to be expected that market-induced movements will give rise to different consequences from those that are pushed by political shocks, though both are more often than not influenced by both economic and political causes, but those should be kept distinct conceptually.

Migration and social welfare

Though the effects of migration on the labour markets are the most important ones, the public debate has been dominated by the concerns with their effects on public finances – especially in cases where most of the immigrants have been with low skills. A low-skilled migrant, it is argued, is a cost on the budget while a high-skilled one is a net contributor. The argument is as follows: A low-skilled migrant belongs to the low-income group that benefits from the progressive nature of taxation. Thus, low-skilled migrants take out more than they bring in over their lifetime. The opposite is the case of the high-skilled migrant. Therefore, from the public finance point of view, it is argued that low-skilled migrants should be kept out and high-skilled ones should be welcomed in.

The argument is flawed in all of its forms. In the typical case, the low-skilled immigrant is initially a contributor to the public revenues, because he or she pays taxes immediately and starts receiving most of the social benefits only later.⁴ Thus, in the beginning, the immigrant bolsters public finances rather than endangering them. He or she contributes more, on a net basis, than the native low-skilled worker over their whole lifetime, because he or she has not been relying on any public resources before immigrating. The issue, if there is an issue, then is who is paying for the benefits that he or she is receiving later in life, once health services are needed or, for instance, at retirement. Clearly, to the extent that the tax system is progressive, the better off pay more than the worse off for whatever is supplied by the public sector. The issue is, however, what is the opportunity cost of the immigrant as compared to the native worker? Clearly, the immigrant worker costs less. Even if he or she brings in the family and has children, that is also the case with the native worker. The only difference is in the duration of the contribution and in the amount of benefits. As a rule, an immigrant contributes for a longer period of time and draws less on social benefits overall.⁵

This may be different in the case of an immigrant who applies for benefits rather than for work. In most cases, except for political migrants or refugees in general, this is not possible because of the way the benefits system is set up. Recent studies on migration within the EU also find no evidence of 'welfare tourism', i.e., of people migrating in order to take advantage of the target countries' welfare systems.⁶ It is, indeed, true that

⁴ For an extensive argument see Simon (1884, 1989). A theoretical case has been made in a series of papers by Razin and Sadka (1998, 1999, 2004), Gilpin et al. (2006), Doyle, Hughes and Waldesjo (2006).

⁵ In Sinn (2004a and 2004b) it is argued that the beneficial effects of immigration on social security contributions can be found only for immigrants who settle for more than ten years and especially for those who stay for more than 25 years (and have children). The implication would have to be that incentives for short-term immigration should be removed and long-term migration, especially of families with children, should be encouraged.

⁶ See, e.g., European Commission (2006).

in some cases the unemployment rate among immigrants is higher than among the native population; nevertheless, most studies find that the employment rate among immigrants is actually higher than among natives.⁷ In some cases, such as in France, unemployment among the second generation of immigrants is higher than among the native youth. This is not the consequence of immigration *per se* but of the way the labour market and social system work. Restricting migration would not improve the working of the labour market; in all probability the level of unemployment would remain the same with or without migration. The distribution, of course, would be different with the natives being the only ones who would be unemployed if there were no immigrants.

It may seem that an immigrant with a larger family would be a burden irrespective of whether he or she is skilled or not. Over the whole lifetime, and certainly over successive generations, that is however not the case. The work force will in fact become younger and will in all probability lower the burden of social security benefits. That is the case even with the costs of education and health being taken into consideration because they will be paying for those with higher earnings resulting from the higher human capital that investments in education and health will bring. Again, to the extent that the tax system is progressive, transfers from rich to poor will of course remain, migration or no migration. Of course, if the educational system fails to include adequately the children of immigrants, they will be a growing burden on the social security system.

Thus, the argument about low-skilled immigration is essentially an argument about the desirability of progressive taxation. If it is believed that direct or indirect social transfers are not desirable, then it

may make sense to change the systems of taxation and of social benefits, but that is an argument for and not against migration. For one, because immigrants cost less than the natives in terms of public finance, and, for another, because once there is no tax or other types of transfers, there are no reasons to restrict migration, at least not on that account. In addition, the existing welfare states, with progressive taxation, support permanent rather than guest immigration. Consequently, they support freer rather than more restricted mobility and they support legalization of illegal immigrants rather than their repatriation. Finally, migrant families are more supportive of the public finances of the recipient countries than the individual migrants.

Why is so much debate on immigration concerned with its effects on public finances? Essentially because the investigative motivation of much of this research is muddled and confused. Competition for employment is seen as a labour market issue, but it is also assumed that employment is in fact being rationed with natives queuing up ahead of the immigrants. Their privileged place in the queue is justified on, *inter alia*, public finance grounds. Clearly, these are contradictory assumptions, i.e., market access to and rationing of employment, and that accounts for the stress that is put on the consequences of immigration on public financing. This also reveals that the debate about immigration is really one about justified inclusions and exclusions.

Wages and competitiveness

Increased supply of low-skilled labour, it is argued, depresses the wages of low-skilled workers. That, it is suggested, has an income and an employment effect. In addition, it is sometimes argued that it has a negative effect on competitiveness. Most of these arguments either do not go through or are about other aspects of the market system and not really about migration.

The argument about wages declining due to competition from immigrants is no different from a

⁷ For one study on immigration in and within the EU-15 see Peracchi and Depolo (2006). They find that the labour market characteristics of long-term immigrants from outside the EU-15 converge to those of the natives, unlike in the case of intra-EU-15 immigration where immigrants tend to show lower employment and higher unemployment rates than the natives.

similar argument that could be made about internal labour mobility. However, it is mostly argued that internal mobility is beneficial for the efficient allocation of labour unlike cross-border mobility. In the same manner, it is argued that internal free movement of goods is good, but imports of cheap products are not. Thus, this is in essence an argument about the market allocation rather than about migration.

Theoretically, it is argued, if there is full employment and supply of labour is increased, wages may be expected to fall. This, however, depends on the assumptions made to justify the existence of full employment. If, as seems unavoidable on theoretical grounds, it is assumed that full employment implies that employees and employers are wage takers, i.e., that wages are set by the market, then an increase of labour supply should not lead to any change in the wages. If there is no full employment, either migration cannot happen, for the lack of demand, or it will push wages downwards and thus push the economy in the direction of full employment.

Some empirical analyses, such as in Israel, seem to indicate that it may be appropriate to assume that wages are indeed given in a small open economy, perhaps over the medium run. Initially, an inflow of migrants depresses wages, but as the return to capital increases, so do investments, and wages bounce back rather quickly. In addition, most studies find that the depressing effect on wages comes more from trade than from migration.⁸

It is also argued that a migrant worker displaces a domestic worker thus increasing unemployment. That makes sense only if the reservation wage of the domestic worker is higher than that of the migrant one. If that is the case, the causes that support high reservation wages should be investigated. That, again, has nothing to do with

migration. In fact, research in the US finds that the effect of low-skilled migrants on the wages of the low-skilled native workers is essentially non-existent, mainly because they are not really perfect substitutes. Indeed, the difference between the wages of natives, between low- and high-skilled, seems not to have changed despite a significant increase of immigration in the past few decades.⁹ In the EU, the inflow of new immigrants from the Central European new member states has been too low to have had any discerning influence on the wages in the EU.

Finally, it is argued that low-skilled migrants, unlike the high-skilled ones, threaten the competitiveness of the country of destination – because the country will, it is argued, specialize in low-skilled rather than in high-skilled sectors. Thus, the USA will look more like Mexico and the EU will converge to Turkey. This is not supported either by theory or by evidence. In fact, low-skilled workers are invited to migrate because the developed countries specialize in high-skilled industries. That may create demand for low-skilled labour in services and in other non-tradable sectors. In the same way, developing countries export high-skilled labour because they specialize in low-skilled sectors.

If, however, developed countries were to protect their low-skilled workers and keep their wages higher than those would be with liberalized migration, these countries will either support their workers to specialize in low-skilled labour or will attempt to diversify rather than specialize. In the latter case, of course, it cannot be that these countries will both attempt to develop all types of skills and to specialize in the high-skilled sectors. In other words, they will either have to give up the idea of being competitive or will have to choose whether they want to support low-skilled specialization of domestic workers.

In general, the argument for or against migration is symmetrical to the argument for or against foreign trade. If, to take an example, countries specialize in

⁸ For short- and long-term effects on wages see Borjas (2003) and for the effects of trade vs. immigration on wages see, for instance, the recent survey of the literature by Hanson (2006).

⁹ See Card (2005) and Ottaviano and Peri (2005).

labour-intensive industries, they will also export low-skilled labour. The opposite is true for countries that specialize in high-skilled labour. If, in addition, countries invest, through their system of education or in other ways, both in low- and high-skilled labour, then they will either have to protect their labour and their product markets, or they will have to specialize in accordance with their respective comparative advantages. Thus, a country with a comparative advantage in labour-intensive industries will lose its capital-intensive industries as well as its high-skilled labour, and the opposite will be the case with the more developed countries. These effects will be modified by the process of catching up and by the increase in importance of intra-industry trade and the similar developments in the labour markets. On the margin, however, inter-industry trade and comparative advantages will continue to play a role. And on those margins, migration and trade will have the symmetrical effects just described.

The issue of diversity

In view of the recent social tensions in immigrant neighbourhoods, it is argued that the assimilation policy in the EU but also in the USA is failing. It is believed that there is a significant difference between earlier migrations and the current ones. The folk theory, now used to criticize a certain version of the idea of multiculturalism, is that in the past immigrants wanted to integrate and to look as much as possible like the natives, while now they want to preserve their identity and thus the heterogeneity of societies in the EU and the USA is increasing. As a consequence, cultural barriers to immigration, it is argued, should be strengthened.¹⁰ Both claims – i.e., that heterogeneity is a problem and that the lack of assimilation leads to more social conflicts – are not supported by historical and sociological evidence. When it comes to assimilation, it is hard to argue that the current

inflow of migrants is not assimilating because it has been quite recent.¹¹ As for diversity, it is not likely that the identity issues are now more important than they used to be in the past. In fact, the institutional ability to deal with diversity is if anything better now than it was the case in the last century. It may perhaps not be an exaggeration to argue that the international tensions we observe now used to be internal tensions in the states and the empires of the past. Indeed, both the US and the EU are now in a position to take advantage of the increased diversity.

The last statement is predicated on the assumption that diversity is advantageous in the economic, social and cultural sense.¹² That may sound like a paradox, but that reaction is just an indication of the confusion that surrounds the discussion of the whole issue of migration. It is true that managing greater diversity stresses the need for institutional reform and development and that readiness for institutional reforms may be in short supply nowadays. But that has little to do with migration and everything to do with the weak political will that characterizes both the US and the EU at the moment.

Conclusion

The debate on immigration is completely detached from the facts as we know them or could know them, and the inferences about it that are made in the public are hardly consistent. They are also not supported by economic and social theory, not to mention history, because some of the most developed countries in the world are historically recipients of large inflows of immigrants if they are not outright products of immigration and colonization.¹³ Just looking at the bulky facts – such as unemployment levels, working hours,

¹⁰ For some reflections on the economics of the historical evidence on migration see O'Rourke (2004). For an overall assessment of economic effects of migration both on countries of origin and of destination see The World Bank (2006).

¹¹ For an influential study see Borjas and Katz (2005). For evidence that new immigrants are assimilating as much as have the previous waves of immigrants into the USA see Card (2005).

¹² For some evidence that diversity is indeed beneficial see Ottaviano and Peri (2004).

¹³ For a history of migrations into the USA see Zolberg (2006).

wages and public finance problems – it is clear that the main economic characteristics have little if anything to do with immigration both in the US and in the EU.

In the US, in the period of rapid immigration, unemployment rates have been quite low, probably not very far from full employment. In the EU, the persistently high unemployment in a number of countries can hardly be blamed on immigration; it is hard to find a study of this intriguing macroeconomic fact that relies on immigration flows for an explanation. Similarly, the decline in effective working hours in most of Europe can hardly be blamed on the growing competition from immigrants. As for wages, it is hard to find evidence for negative, and in most cases for any, effects of immigration on wages.

Similarly, neither public finance nor social problems can be traced to increased immigration. Immigration, if anything, may have positive effects on the long-term sustainability of the public finances of the aging European and US societies. Internal security as well as the crime rates do not seem to have worsened in the past few decades and in fact internal security has most probably improved, in some cases such as New York quite dramatically.

It is thus hard to avoid the thought that for some rather embarrassing reasons when it comes to issues of migration and the clash of civilizations, whatever that might mean, it is politically correct, even for the most vocal advocates of free markets, to advocate building internal and external walls, the introduction or maintenance of discriminatory legislation, and even ethnic cleansing through deportation.

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Conventional signs and abbreviations

used in the following section on monthly statistical data

.	data not available
%	per cent
CMPY	change in % against corresponding month of previous year
CCPY	change in % against cumulated corresponding period of previous year (e.g., under the heading 'March': January-March of the current year against January-March of the preceding year)
3MMA	3-month moving average, change in % against previous year.
CPI	consumer price index
PM	change in % against previous month
PPI	producer price index
p.a.	per annum
mn	million
bn	billion
BGN	Bulgarian lev (1 BGN = 1000 BGL)
CZK	Czech koruna
EUR	Euro, from 1 January 1999
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
RON	Romanian leu (1RON = 10000 ROL)
RUB	Russian rouble (1 RUB = 1000 RUR)
SIT	Slovenian tolar
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar
M0	currency outside banks
M1	M0 + demand deposits
M2	M1 + quasi-money

Sources of statistical data:

National statistical offices and central banks; wiiw estimates.

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C Z E C H REPUBLIC: Selected monthly data on the economic situation 2005 to 2006

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total ¹⁾	real, CMPY	6.4	6.3	7.1	5.1	8.9	8.5	8.0	10.0	7.3	16.0	12.0	17.4	3.8	12.4	10.5	.	
Industry, total ¹⁾	real, CCPY	4.5	4.9	5.3	5.2	5.7	6.0	6.2	6.6	6.7	16.0	14.0	15.2	12.2	12.3	12.0	.	
Industry, total ¹⁾	real, 3MMA	4.2	6.6	6.2	7.0	7.5	8.4	8.9	8.5	11.0	11.7	15.2	11.0	11.2	9.0	.	.	
Construction, total	real, CMPY	-29.6	26.1	19.1	6.0	6.5	9.4	13.8	6.6	8.6	-1.2	-8.2	8.7	-2.9	11.0	10.2	.	
LABOUR																		
Employees in industry ²⁾	th. persons	1124	1124	1125	1131	1132	1130	1141	1147	1141	1139	1144	1147	1143	1144	1142	.	
Unemployment, end of period	th. persons	512.6	494.6	489.7	500.3	505.3	503.4	491.9	490.8	510.4	531.2	528.2	514.8	486.2	463.0	451.1	458.3	
Unemployment rate ³⁾	%	8.9	8.6	8.6	8.8	8.9	8.8	8.5	8.4	8.9	9.2	9.1	8.8	8.3	7.9	7.7	7.9	
Labour productivity, industry ^{2,4)}	CCPY	5.6	5.9	6.4	6.3	7.0	7.4	7.7	8.0	8.2	14.4	12.0	13.4	10.5	10.7	10.5	.	
Unit labour costs, exch.r. adj.(EUR) ^{2,4)}	CCPY	7.1	6.5	5.7	5.2	4.8	4.5	4.1	3.9	3.5	-2.1	0.0	-1.7	0.8	1.4	1.5	.	
WAGES, SALARIES																		
Industry, gross ²⁾	CZK	17618	18603	18570	18238	18058	17943	18184	21464	19629	17992	17284	18814	19588	20066	19661	.	
Industry, gross ²⁾	real, CMPY	2.2	3.9	3.4	1.1	5.1	2.7	1.5	2.7	1.5	3.2	3.0	3.6	2.3	4.7	3.0	.	
Industry, gross ²⁾	USD	757	781	752	728	750	751	736	865	803	758	726	789	842	906	876	.	
Industry, gross ²⁾	EUR	585	616	618	604	610	612	613	734	677	626	608	657	687	710	693	.	
PRICES																		
Consumer	PM	0.1	0.2	0.6	0.3	0.0	-0.3	0.9	-0.3	-0.1	1.4	0.1	-0.1	0.1	0.5	0.3	0.4	
Consumer	CMPY	1.6	1.3	1.8	1.7	1.7	2.2	2.6	2.4	2.2	2.9	2.8	2.8	2.8	3.1	2.8	2.9	
Consumer	CCPY	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.9	1.9	2.9	2.8	2.8	2.8	2.9	2.9	2.9	
Producer, in industry	PM	0.1	-0.7	-0.2	0.1	0.0	0.2	0.4	-0.3	-0.6	1.0	0.2	0.1	0.3	0.3	0.2	0.7	
Producer, in industry	CMPY	5.6	4.0	2.7	2.0	1.1	1.0	0.3	0.0	-0.4	0.3	0.3	0.3	0.5	1.6	1.9	2.4	
Producer, in industry	CCPY	6.6	6.1	5.5	5.0	4.5	4.1	3.7	3.3	3.0	0.3	0.3	0.3	0.4	0.6	0.8	1.1	
RETAIL TRADE																		
Turnover	real, CMPY	2.4	7.8	4.6	1.2	7.1	3.8	3.4	3.3	2.1	6.9	7.8	6.9	5.5	7.1	6.6	.	
Turnover	real, CCPY	3.8	4.6	4.6	4.1	4.5	4.4	4.3	4.2	4.0	6.9	7.3	7.2	6.8	6.8	6.8	.	
FOREIGN TRADE^{5,6)}																		
Exports total (fob), cumulated	EUR mn	19587	24747	30269	34887	39990	45761	51505	57699	62911	5701	11299	17830	23416	29666	36063	.	
Imports total (fob), cumulated	EUR mn	18796	23780	29010	33662	38877	44498	50149	56250	61585	5273	10688	16938	22518	28747	34832	.	
Trade balance, cumulated	EUR mn	791	967	1258	1225	1113	1263	1357	1449	1326	428	612	892	898	919	1231	.	
Exports to EU-25 (fob), cumulated	EUR mn	16692	21061	25671	29537	33785	38639	43451	48670	52911	4801	9485	14897	19600	24849	30229	.	
Imports from EU-25 (fob) ⁷⁾ , cumulated	EUR mn	13427	16996	20778	24096	27794	31834	35759	39962	43663	3636	7431	11877	15787	20213	24496	.	
Trade balance with EU-25, cumulated	EUR mn	3265	4065	4893	5442	5991	6805	7692	8709	9248	1165	2054	3020	3813	4636	5733	.	
FOREIGN FINANCE																		
Current account, cumulated ⁵⁾	EUR mn	317	99	-349	-729	-1086	-1370	-1286	-1687	-2070	89	7	8	-487	-820	-1771	.	
EXCHANGE RATE																		
CZK/USD, monthly average	nominal	23.3	23.8	24.7	25.0	24.1	23.9	24.7	24.8	24.4	23.7	23.8	23.8	23.3	22.1	22.4	22.4	
CZK/EUR, monthly average	nominal	30.1	30.2	30.0	30.2	29.6	29.3	29.7	29.3	29.0	28.7	28.4	28.6	28.5	28.3	28.4	28.4	
CZK/USD, calculated with CPI ⁸⁾	real, Jan03=100	123.9	121.6	117.8	116.0	120.1	119.3	116.1	116.2	118.3	122.6	122.1	121.2	123.3	129.5	127.8	128.4	
CZK/USD, calculated with PPI ⁸⁾	real, Jan03=100	121.4	118.4	113.9	111.0	114.5	112.4	106.4	107.3	108.7	112.2	113.8	113.5	115.4	120.5	118.6	119.5	
CZK/EUR, calculated with CPI ⁸⁾	real, Jan03=100	103.0	102.8	103.9	103.6	105.5	105.7	105.3	106.5	107.2	109.8	110.9	109.4	109.4	110.6	110.3	110.5	
CZK/EUR, calculated with PPI ⁸⁾	real, Jan03=100	108.8	108.0	108.1	107.3	109.1	109.8	108.4	109.9	110.2	111.4	112.5	111.2	111.3	112.0	111.9	112.4	
DOMESTIC FINANCE																		
M0, end of period	CZK bn	245.9	248.8	253.2	253.0	252.9	256.3	258.5	262.7	263.8	261.8	264.8	267.3	272.7	273.2	279.9	.	
M1, end of period	CZK bn	965.5	1007.7	1004.0	1004.2	1028.2	1015.2	1048.5	1078.2	1087.3	1099.9	1103.5	1086.0	1111.0	1160.7	1141.0	.	
M2, end of period	CZK bn	1882.2	1912.1	1913.0	1908.3	1920.5	1919.2	1933.9	1965.6	1992.1	1989.6	2002.2	2011.2	2051.9	2061.5	2073.0	.	
M2, end of period	CMPY	4.7	5.4	5.2	4.8	4.6	4.2	5.0	6.8	8.0	8.9	8.6	9.0	9.0	7.8	8.4	.	
Discount rate (p.a.), end of period	%	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	
Discount rate (p.a.), end of period ⁹⁾	real, %	-4.6	-3.1	-1.9	-1.2	-0.3	-0.2	0.7	1.0	1.4	0.7	0.7	0.7	0.5	-0.5	-0.9	-1.2	
BUDGET																		
Central gov. budget balance, cum.	CZK mn	-22492	-27029	3763	10259	10008	25748	15181	201	-56338	3427	-557	15754	-19955	-12202	7642	-445	

1) According to new calculation.

2) Enterprises employing 20 and more persons.

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

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

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

6) Cumulation starting January and ending December each year.

7) According to country of origin.

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

9) Deflated with annual PPI.

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

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total	real, CPMY	9.4	13.2	6.5	5.9	12.1	8.9	9.8	7.7	7.7	13.2	11.8	14.8	2.1	10.0	8.8	.	
Industry, total	real, CCPY	3.8	5.6	5.8	5.8	6.5	6.8	7.2	7.2	7.3	13.2	12.5	13.3	10.4	10.3	10.0	.	
Industry, total	real, 3MMA	7.9	9.6	8.5	8.0	8.9	10.1	8.8	8.4	9.3	10.8	13.3	9.5	9.0	7.0	.	.	
Construction, total	real, CPMY	14.2	8.6	23.5	18.7	13.1	37.0	13.3	17.5	15.0	10.5	-3.2	15.1	-4.8	-8.5	-8.1	.	
LABOUR																		
Employees in industry ¹⁾	th. persons	764.3	760.7	760.7	762.5	759.9	759.2	759.9	756.7	752.8	751.8	752.6	751.4	748.9	750.2	751.3	.	
Unemployment ²⁾	th. persons	300.1	302.9	299.5	298.7	302.5	308.6	308.3	305.4	309.9	317.6	326.5	323.6	318.5	309.4	305.7	.	
Unemployment rate ²⁾	%	7.2	7.2	7.1	7.1	7.2	7.3	7.3	7.2	7.3	7.5	7.8	7.7	7.5	7.3	7.2	.	
Labour productivity, industry ¹⁾	CCPY	6.5	8.6	9.0	9.1	10.0	10.3	10.5	10.6	10.7	17.1	16.0	16.5	13.4	11.1	12.5	.	
Unit labour costs, exch.r.adj.(EUR) ¹⁾	CCPY	4.8	1.9	2.1	1.5	0.5	-0.1	-0.7	-1.1	-1.7	-9.6	-9.4	-10.4	-9.0	-7.0	-8.8	.	
WAGES, SALARIES																		
Total economy, gross ¹³⁾	HUF	150008	155911	155668	151352	148438	150339	152714	175837	179843	195625	157271	162315	162142	166349	165705	.	
Total economy, gross ¹³⁾	real, CPMY	2.9	6.5	2.8	3.7	3.2	3.9	3.3	3.9	2.0	3.4	6.0	5.1	5.7	3.8	3.5	.	
Total economy, gross ¹³⁾	USD	783	786	761	740	747	750	729	825	844	945	747	748	750	810	771	.	
Total economy, gross ¹³⁾	EUR	604	619	625	614	607	611	607	700	712	780	625	622	611	634	609	.	
Industry, gross ¹⁾	EUR	591	624	610	595	607	598	585	714	663	592	588	622	590	649	604	.	
PRICES																		
Consumer	PM	0.8	0.6	0.3	0.0	-0.4	0.2	0.0	0.2	0.0	0.1	0.2	0.6	0.7	1.0	0.3	0.2	
Consumer	CCPY	3.9	3.6	3.8	3.7	3.6	3.7	3.2	3.3	3.3	2.7	2.5	2.3	2.3	2.8	2.8	3.0	
Consumer	CCPY	3.7	3.6	3.7	3.7	3.7	3.7	3.6	3.6	3.6	2.7	2.6	2.5	2.5	2.5	2.6	2.6	
Producer, in industry	PM	0.8	0.5	0.0	-0.4	0.1	0.8	0.8	0.4	0.0	0.6	0.1	1.8	1.1	0.1	2.4	.	
Producer, in industry	CCPY	5.3	5.2	5.0	4.2	3.4	3.8	4.1	4.1	4.5	4.3	4.4	5.4	5.8	5.3	7.9	.	
Producer, in industry	CCPY	4.3	4.5	4.6	4.5	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.7	5.0	5.0	5.5	.	
RETAIL TRADE																		
Turnover	real, CPMY	2.6	7.2	6.8	5.1	6.2	7.4	6.8	7.0	3.5	7.5	6.0	2.9	6.1	5.4	3.6	.	
Turnover	real, CCPY	3.8	4.5	5.0	5.0	5.1	5.4	5.6	5.7	5.5	7.5	6.7	5.3	5.5	5.5	5.1	.	
FOREIGN TRADE⁴⁾⁵⁾																		
Exports total (fob), cumulated	EUR mn	15266	19305	23755	27553	31373	36202	40645	45570	49760	4123	8284	13277	17652	22618	27464	.	
Imports total (cif), cumulated	EUR mn	16201	20397	24952	29193	33456	38374	43166	48338	52670	4282	8695	13919	18474	23587	28540	.	
Trade balance, cumulated	EUR mn	-935	-1092	-1196	-1640	-2083	-2172	-2521	-2768	-2909	-159	-411	-642	-822	-970	-1076	.	
Exports to EU-25 (fob), cumulated	EUR mn	11879	14979	18347	21247	24075	27702	31147	34922	37950	3176	6349	10084	13357	17071	20704	.	
Imports from EU-25 (cif ⁶⁾ , cumulated	EUR mn	11111	14040	17174	20146	22943	26298	29538	32965	35760	2830	5803	9389	12358	15877	19349	.	
Trade balance with EU-25, cumulated	EUR mn	768	939	1173	1101	1132	1404	1608	1956	2190	347	546	695	998	1193	1355	.	
FOREIGN FINANCE																		
Current account, cumulated	EUR mn	.	.	-3150	.	.	-4988	.	.	-6525	.	.	-1442	.	.	.	.
EXCHANGE RATE																		
HUF/USD, monthly average	nominal	191.7	198.3	204.6	204.6	198.8	200.6	209.4	213.0	213.0	207.1	210.6	216.9	216.3	205.5	214.9	218.8	
HUF/EUR, monthly average	nominal	248.2	252.0	249.0	246.4	244.4	245.9	251.7	251.1	252.7	250.9	251.6	260.8	265.3	262.5	271.9	277.6	
HUF/USD, calculated with CPI ⁷⁾	real, Jan03=100	124.8	121.5	118.0	117.5	119.8	117.7	112.5	111.6	112.1	114.5	112.6	109.5	109.5	115.9	110.9	109.1	
HUF/USD, calculated with PPI ⁷⁾	real, Jan03=100	112.3	109.5	106.1	104.4	106.7	103.6	97.6	97.7	98.2	100.7	100.7	99.3	99.6	104.0	101.4	.	
HUF/EUR, calculated with CPI ⁷⁾	real, Jan03=100	103.7	102.6	104.0	105.0	105.3	104.4	101.9	102.5	101.5	102.6	102.2	98.8	97.2	99.0	95.7	93.9	
HUF/EUR, calculated with PPI ⁷⁾	real, Jan03=100	100.7	99.8	100.7	101.1	101.6	101.3	99.3	100.2	99.5	100.0	99.5	97.3	96.0	96.7	95.7	.	
DOMESTIC FINANCE																		
M0, end of period ⁸⁾	HUF bn	1403.5	1426.1	1456.7	1466.8	1475.2	1491.4	1532.7	1570.7	1600.3	1551.4	1555.5	1622.7	1663.9	1661.5	1724.9	1730.3	
M1, end of period ⁸⁾	HUF bn	4219.1	4390.4	4417.1	4436.1	4533.7	4643.4	4692.1	4960.0	5188.8	4863.8	4959.2	5318.2	5323.4	5358.3	5573.2	5610.9	
Broad money, end of period ⁸⁾	HUF bn	10166.1	10275.2	10253.9	10363.9	10469.0	10621.1	10673.6	10915.6	11232.5	11226.4	11356.4	11926.7	11780.5	11771.9	12158.7	12214.8	
Broad money, end of period ⁸⁾	CCPY	15.2	15.9	14.4	14.0	13.2	14.5	14.1	14.4	14.6	16.2	16.5	19.7	15.9	14.6	18.6	17.9	
NBH base rate (p.a.), end of period	%	7.5	7.3	7.0	6.8	6.3	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.3	6.8	
NBH base rate (p.a.), end of period ⁹⁾	real, %	2.1	1.9	1.9	2.4	2.8	2.1	1.8	1.8	1.4	1.6	1.5	0.6	0.2	0.7	-1.5	.	
BUDGET																		
Central gov. budget balance, cum.	HUF bn	-589.0	-680.5	-798.6	-741.3	-769.0	-780.9	-738.7	-744.7	-545.0	-144.4	-440.6	-682.7	-794.2	-859.7	-1158.4	-1141.3	

1) Economic organizations employing more than 5 persons.

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

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

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

5) Cumulation starting January and ending December each year.

6) According to country of dispatch.

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

8) According to ECB monetary standards.

9) Deflated with annual PPI.

P O L A N D: Selected monthly data on the economic situation 2005 to 2006

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry ¹⁾	real, CMPY	-1.1	0.9	6.9	2.6	4.8	5.9	7.6	8.5	9.5	9.7	10.2	16.5	5.7	19.1	12.2	14.3	
Industry ¹⁾	real, CCPY	0.3	0.4	1.5	1.7	2.1	2.5	3.1	3.6	4.1	9.7	10.0	12.3	10.6	12.3	12.2	12.5	
Industry ¹⁾	real, 3MMA	-1.4	2.2	3.5	4.8	4.5	6.1	7.3	8.5	9.2	9.8	12.3	10.8	13.7	12.2	15.1	.	
Construction ¹⁾	real, CMPY	-17.7	21.8	29.9	17.3	6.5	10.5	6.8	5.8	8.2	-7.9	-3.4	15.7	4.1	13.3	15.7	4.9	
LABOUR																		
Employees ¹⁾	th. persons	4754	4756	4770	4772	4776	4788	4798	4804	4799	4862	4861	4870	4889	4901	4918	4928	
Employees in industry ¹⁾	th. persons	2426	2423	2427	2422	2424	2428	2434	2436	2430	2457	2458	2464	2468	2471	2478	2484	
Unemployment, end of period	th. persons	2957.8	2867.3	2827.4	2809.0	2783.3	2760.1	2712.1	2722.8	2773.0	2866.7	2865.9	2822.0	2703.6	2583.0	2487.6	2443.4	
Unemployment rate ²⁾	%	18.8	18.3	18.0	17.9	17.7	17.6	17.3	17.3	17.6	18.0	18.0	17.8	17.2	16.5	16.0	15.7	
Labour productivity, industry ¹⁾	CCPY	-0.7	-0.6	0.5	0.6	1.0	1.4	2.0	2.5	3.0	8.0	8.3	10.5	8.8	10.4	10.3	10.4	
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	20.4	19.9	18.6	17.3	16.2	15.6	14.9	14.4	13.0	1.9	1.7	-0.7	1.1	0.3	-0.4	-0.5	
WAGES, SALARIES																		
Total economy, gross ¹⁾	PLN	2471	2424	2513	2507	2481	2484	2539	2678	2789	2471	2526	2614	2570	2550	2625	2648	
Total economy, gross ¹⁾	real, CMPY	-1.3	0.6	3.1	2.0	1.3	0.3	5.1	6.2	1.2	3.2	4.3	5.1	3.4	4.4	3.7	4.5	
Total economy, gross ¹⁾	USD	771	737	753	737	755	777	779	795	858	782	796	811	804	836	828	841	
Total economy, gross ¹⁾	EUR	595	580	619	612	613	633	647	674	723	646	666	675	656	655	654	662	
Industry, gross ¹⁾	EUR	597	580	630	617	618	637	639	697	738	648	678	681	661	661	664	679	
PRICES																		
Consumer	PM	0.4	0.3	-0.2	-0.2	-0.1	0.4	0.4	-0.2	-0.2	0.2	0.0	-0.1	0.7	0.5	-0.3	0.0	
Consumer	CMPY	3.0	2.5	1.4	1.3	1.6	1.8	1.6	1.0	0.7	0.6	0.7	0.4	0.7	0.9	0.8	1.1	
Consumer	CCPY	3.7	3.5	3.1	2.8	2.7	2.6	2.5	2.3	2.2	0.6	0.6	0.8	0.8	0.9	1.0	1.0	
Producer, in industry	PM	0.7	-0.2	0.3	0.2	0.1	-0.3	-0.1	0.1	-0.7	0.2	-0.1	0.7	1.5	0.4	0.9	0.7	
Producer, in industry	CMPY	0.9	-0.5	0.0	0.0	-0.2	-0.5	-0.9	-0.4	0.2	0.3	0.7	0.9	1.7	2.3	3.0	3.5	
Producer, in industry	CCPY	2.8	2.1	1.8	1.5	1.3	1.1	0.9	0.8	0.7	0.3	0.5	0.6	0.9	1.2	1.5	1.8	
RETAIL TRADE																		
Turnover ¹⁾	real, CMPY	-17.4	5.5	8.8	3.2	5.6	2.9	5.7	6.4	6.2	8.6	9.9	10.1	13.3	13.4	10.5	10.8	
Turnover ¹⁾	real, CCPY	-5.9	-4.1	-1.9	-1.0	-0.2	0.1	0.6	1.2	1.5	8.6	9.6	9.0	10.1	10.6	10.5	10.8	
FOREIGN TRADE^{3,4)}																		
Exports total (fob), cumulated	EUR mn	22299	27751	33973	39693	45260	51872	58747	65512	71720	6365	12844	20219	26951	34192	41371	.	
Imports total (cif), cumulated	EUR mn	24899	31378	38292	44740	51247	58688	66233	73941	81018	6965	14264	22519	29809	38224	45844	.	
Trade balance, cumulated	EUR mn	-2600	-3628	-4319	-5047	-5986	-6816	-7485	-8428	-9299	-600	-1420	-2300	-2858	-4032	-4473	.	
Exports to EU-25 (fob), cumulated	EUR mn	17413	21605	26151	30557	34696	39694	45078	50508	55149	5152	10086	15932	21145	26764	32259	.	
Imports from EU-25 (cif) ⁵⁾ , cumulated	EUR mn	16583	20887	25376	29705	33752	38544	43498	48559	52853	4297	8813	14219	18782	24104	28989	.	
Trade balance with EU-25, cumulated	EUR mn	829	718	774	852	944	1149	1580	1948	2296	854	1273	1713	2363	2659	3270	.	
FOREIGN FINANCE																		
Current account, cumulated	EUR mn	-1042	-1720	-1539	-1786	-2167	-2404	-2721	-3012	-3463	-197	-991	-1342	-1532	-1752	-1592	.	
EXCHANGE RATE																		
PLN/USD, monthly average	nominal	3.205	3.291	3.336	3.399	3.287	3.195	3.260	3.367	3.252	3.160	3.174	3.223	3.198	3.049	3.171	3.149	
PLN/EUR, monthly average	nominal	4.151	4.183	4.060	4.097	4.045	3.925	3.926	3.972	3.856	3.825	3.794	3.875	3.919	3.894	4.016	3.997	
PLN/USD, calculated with CPI ⁶⁾	real, Jan03=100	118.6	116.0	114.1	111.3	114.4	116.9	114.7	111.7	115.9	118.5	117.8	115.3	116.0	121.6	116.4	117.2	
PLN/USD, calculated with PPI ⁶⁾	real, Jan03=100	114.3	111.5	110.3	107.1	110.0	109.7	104.8	103.1	106.4	108.8	109.9	108.8	110.0	114.9	111.0	112.5	
PLN/EUR, calculated with CPI ⁶⁾	real, Jan03=100	98.4	97.8	100.4	99.2	100.2	103.2	103.5	102.2	104.8	106.1	106.6	103.9	102.8	103.8	100.1	100.6	
PLN/EUR, calculated with PPI ⁶⁾	real, Jan03=100	102.3	101.5	104.5	103.5	104.5	106.9	106.3	105.4	107.7	107.9	108.4	106.4	106.0	106.6	104.4	105.7	
DOMESTIC FINANCE																		
M0, end of period	PLN bn	53.2	52.9	53.8	55.3	55.2	55.3	55.8	55.9	57.2	55.3	56.3	58.4	61.3	61.2	64.2	64.9	
M1, end of period ⁷⁾	PLN bn	176.5	189.6	188.0	185.7	193.3	192.5	195.9	202.5	208.0	204.5	211.5	209.7	223.8	226.2	233.1	.	
M2, end of period ⁷⁾	PLN bn	376.4	382.5	379.1	379.7	386.2	390.5	395.3	396.7	402.5	397.2	404.1	408.1	412.3	420.0	426.6	429.2	
M2, end of period	CMPY	7.9	11.0	8.8	9.2	9.9	11.4	6.9	11.2	9.8	10.3	10.9	9.8	9.5	9.8	12.5	13.1	
Discount rate (p.a.) ^{end of period}	%	6.0	6.0	5.5	5.3	5.3	4.8	4.8	4.8	4.8	4.8	4.5	4.3	4.3	4.3	4.3	4.3	
Discount rate (p.a.) ^{end of period⁸⁾}	real, %	5.1	6.5	5.5	5.3	5.5	5.3	5.7	5.2	4.5	4.4	3.8	3.3	2.5	1.9	1.2	0.7	
BUDGET																		
Central gov. budget balance, cum.	PLN mn	-13651	-18134	-18248	-17331	-18537	-17782	-20649	-22272	-27495	772	-6716	-9275	-10070	-14718	-17694	-15619	

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.

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2005 to 2006

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total	real, CMPY	5.7	1.9	1.7	4.9	4.5	5.4	4.1	5.8	8.7	7.3	4.9	16.5	3.5	10.9	12.1	.	
Industry, total	real, CCPY	1.7	1.7	1.7	2.1	2.4	2.8	2.9	3.2	3.6	7.3	6.1	9.7	8.1	8.7	9.3	.	
Industry, total	real, 3MMA	1.3	3.0	2.8	3.6	4.9	4.7	5.1	6.1	7.2	7.0	9.7	8.4	10.3	8.9	.	.	
Construction, total	real, CMPY	18.1	18.8	25.2	17.3	15.1	20.7	9.4	15.8	0.5	4.6	19.9	18.0	11.1	19.4	16.3	.	
LABOUR																		
Employment in industry	th. persons	574.7	579.3	582.2	583.0	585.7	583.2	585.8	587.5	579.6	556.3	557.7	559.4	561.1	563.6	566.3	.	
Unemployment, end of period	th. persons	344.2	330.8	325.4	322.4	318.7	327.8	322.2	322.6	333.8	342.4	337.3	329.3	315.6	302.6	296.5	291.3	
Unemployment rate ¹⁾	%	11.9	11.3	11.1	11.0	10.9	11.2	10.9	10.9	11.4	11.8	11.7	11.4	11.0	10.6	10.4	10.2	
Labour productivity, industry	CCPY	-1.7	-1.7	-1.6	-1.3	-1.0	-0.6	-0.3	0.1	0.6	8.5	7.1	11.0	9.7	10.6	11.4	.	
Unit labour costs, exch.r. adj.(EUR)	CCPY	17.9	16.8	15.8	14.1	13.4	12.5	12.1	11.4	10.6	-0.6	-3.3	-5.7	-3.2	-2.6	-3.4	.	
WAGES, SALARIES																		
Industry, gross	SKK	16869	17637	18572	17636	17751	17727	18471	21515	19949	17781	17311	18401	17893	19222	19651	.	
Industry, gross	real, CMPY	1.4	5.1	2.9	1.7	3.8	2.7	3.6	3.2	3.1	0.6	-6.5	0.5	1.5	4.0	1.1	.	
Industry, gross	USD	558	575	587	547	564	565	571	656	625	573	553	590	586	652	654	.	
Industry, gross	EUR	431	452	482	454	459	461	475	556	527	474	463	491	479	512	517	.	
PRICES																		
Consumer	PM	0.2	0.0	0.3	-0.3	-0.1	0.2	1.1	0.0	0.1	2.1	0.6	0.0	0.3	0.4	0.1	0.2	
Consumer	CMPY	2.7	2.4	2.5	2.0	2.0	2.2	3.3	3.4	3.7	4.1	4.4	4.5	4.5	4.8	4.6	5.0	
Consumer	CCPY	2.7	2.7	2.6	2.5	2.5	2.4	2.5	2.6	2.7	4.1	4.3	4.3	4.4	4.5	4.5	4.6	
Producer, in industry	PM	0.8	0.7	1.0	0.6	0.8	0.5	0.5	1.8	-0.6	1.4	1.4	0.7	0.7	0.8	0.2	0.6	
Producer, in industry	CMPY	3.5	4.0	4.8	5.3	5.6	5.8	5.7	7.4	7.0	8.7	9.9	9.9	9.8	9.9	9.1	9.0	
Producer, in industry	CCPY	2.7	3.0	3.3	3.6	3.8	4.1	4.2	4.5	4.7	8.7	9.3	9.5	9.6	9.7	9.6	9.5	
RETAIL TRADE²⁾																		
Turnover	real, CMPY	6.8	9.6	8.0	7.5	11.7	12.7	14.4	12.3	6.3	6.6	6.5	10.0	8.6	9.3	10.7	.	
Turnover	real, CCPY	8.8	9.0	8.8	8.6	9.0	9.4	9.9	10.1	9.7	6.6	6.6	7.7	7.9	8.2	8.6	.	
FOREIGN TRADE³⁾⁴⁾⁵⁾																		
Exports total (fob), cumulated	EUR mn	7633	9710	11954	13968	16067	18486	20975	23583	25773	2170	4444	7150	9527	12287	15062	.	
Imports total (fob), cumulated	EUR mn	8184	10428	12765	14903	17012	19501	22165	24878	27751	2393	4936	7773	10406	13359	16310	.	
Trade balance, cumulated	EUR mn	-551	-717	-811	-935	-945	-1015	-1190	-1295	-1978	-223	-492	-624	-879	-1073	-1248	.	
Exports to EU-25 (fob), cumulated	EUR mn	6674	8445	10284	12015	13751	15816	17958	20184	22015	1922	3897	6243	8265	10640	.	.	
Imports from EU-25 (fob) ⁶⁾ , cumulated	EUR mn	5825	7470	9174	10725	12220	14053	15963	17894	19778	1505	3168	5145	6908	8941	.	.	
Trade balance with EU-25, cumulated	EUR mn	849	975	1110	1290	1532	1763	1996	2290	2237	417	729	1098	1357	1699	.	.	
FOREIGN FINANCE																		
Current account, cumulated ³⁾	EUR mn	-364	-972	-1309	-1495	-1586	-1765	-1949	-2146	-3288	-294	-509	-745	-1020	-1476	-1704	.	
EXCHANGE RATE																		
SKK/USD, monthly average	nominal	30.2	30.7	31.6	32.2	31.5	31.4	32.4	32.8	31.9	31.0	31.3	31.2	30.5	29.5	30.1	30.3	
SKK/EUR, monthly average	nominal	39.2	39.0	38.5	38.8	38.7	38.5	38.9	38.7	37.9	37.5	37.4	37.5	37.4	37.6	38.0	38.4	
SKK/USD, calculated with CPI ⁷⁾	real, Jan03=100	135.9	134.1	130.3	127.1	129.2	128.6	125.6	124.9	129.0	134.4	133.8	133.6	135.7	140.5	137.6	136.8	
SKK/USD, calculated with PPI ⁷⁾	real, Jan03=100	123.3	122.9	120.4	117.4	120.1	117.7	111.8	114.0	117.0	121.1	123.6	124.7	126.8	131.3	128.5	128.2	
SKK/EUR, calculated with CPI ⁷⁾	real, Jan03=100	112.8	113.0	114.7	113.3	113.5	113.9	113.7	114.3	116.7	120.5	121.2	120.7	120.5	120.1	118.5	117.7	
SKK/EUR, calculated with PPI ⁷⁾	real, Jan03=100	110.5	111.7	114.0	113.4	114.3	115.0	113.7	116.5	118.4	120.3	121.9	122.1	122.3	122.1	121.0	120.6	
DOMESTIC FINANCE																		
M0, end of period ⁸⁾	SKK bn	105.2	106.3	108.1	110.1	111.4	112.6	113.6	114.9	119.8	118.8	119.4	120.1	121.3	121.9	124.5	.	
M1, end of period ⁸⁾	SKK bn	403.9	420.9	428.5	421.7	433.2	443.0	445.8	464.4	486.0	477.7	493.5	486.0	485.5	512.9	521.7	.	
M2, end of period ⁸⁾	SKK bn	730.2	721.3	726.1	731.5	738.1	744.1	751.0	751.7	786.0	779.4	788.5	796.6	808.5	811.3	822.2	.	
M2, end of period ⁸⁾	CMPY	8.3	9.0	6.5	5.9	5.9	6.1	7.3	6.4	7.4	8.4	9.5	11.2	10.7	12.5	13.2	.	
Discount rate (p.a.) ⁹⁾ , end of period ⁹⁾	%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	4.0	4.0	4.5	
Discount rate (p.a.) ⁹⁾ , end of period ⁹⁾¹⁰⁾	real, %	-0.5	-0.9	-1.7	-2.2	-2.5	-2.6	-2.5	-4.1	-3.7	-5.2	-6.3	-5.8	-5.8	-5.4	-4.7	-4.2	
BUDGET																		
Central gov. budget balance, cum.	SKK mn	6388	-3858	-1149	1922	-5065	-8107	-5115	-7553	-33886	12083	6347	157	180	-11700	-10246	-5244	

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

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

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

4) Cumulation starting January and ending December each year.

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

6) According to country of origin.

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

8) According to ECB methodology.

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

10) Deflated with annual PPI.

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

(updated end of August 2006)

		2005									2006							
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total ¹⁾	real, CMPY	2.7	6.1	6.9	3.8	0.7	2.5	3.1	7.5	6.0	7.2	8.3	7.3	1.0	9.8	4.3	.	
Industry, total ¹⁾	real, CCPY	0.7	1.8	2.7	2.8	2.6	2.6	2.6	3.1	3.3	7.2	7.8	7.6	5.9	6.7	6.3	.	
Industry, total ¹⁾	real, 3MMA	2.1	4.4	3.8	4.2	3.5	4.0	6.1	7.1	7.6	7.6	7.6	5.5	6.1	5.0	.	.	
Construction, total ²⁾	real, CMPY	9.3	16.9	13.2	1.8	-1.2	-4.7	-8.2	8.6	13.2	-3.9	7.7	1.0	-3.2	-2.8	11.8	.	
LABOUR																		
Employment total	th. persons	812.2	814.8	816.1	813.5	812.7	816.1	817.5	818.3	813.6	812.5	814.1	817.3	819.9	823.6	827.4	.	.
Employees in industry	th. persons	240.5	240.9	240.4	239.2	238.3	238.1	238.3	238.1	235.8	235.1	234.9	234.8	234.6	235.1	.	.	.
Unemployment, end of period	th. persons	91.6	89.8	88.9	91.1	90.6	91.1	94.2	93.9	92.6	95.2	94.1	91.4	90.0	87.1	84.9	.	.
Unemployment rate ³⁾	%	10.1	9.9	9.8	10.1	10.0	10.0	10.3	10.3	10.2	10.5	10.4	10.1	9.9	9.6	9.3	.	.
Labour productivity, industry	CCPY	2.1	3.2	4.1	4.3	4.2	4.2	4.4	4.9	5.2	10.0	10.5	10.3	8.6	9.4	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	3.1	2.5	1.5	1.1	1.4	1.4	1.3	1.4	0.5	-2.4	-3.3	-3.4	-2.4	-3.2	.	.	.
WAGES, SALARIES⁴⁾																		
Total economy, gross	th. SIT	269.4	271.8	271.7	271.4	279.0	277.4	279.5	314.0	290.5	281.6	277.4	285.7	279.9	286.3	285.7	.	.
Total economy, gross	real, CMPY	1.9	3.8	2.7	1.6	3.2	1.3	1.6	6.9	-1.5	2.8	3.2	3.2	1.2	2.1	2.2	.	.
Total economy, gross	USD	1454	1442	1381	1364	1432	1420	1403	1545	1437	1423	1384	1432	1429	1526	1510	.	.
Total economy, gross	EUR	1124	1134	1134	1133	1165	1158	1167	1310	1213	1175	1158	1192	1168	1195	1192	.	.
Industry, gross	EUR	983	1008	998	993	1042	1028	1036	1221	1060	1061	1021	1079	1027	1065	1070	.	.
PRICES																		
Consumer	PM	0.0	0.3	0.1	0.7	-0.6	1.0	0.2	-0.5	0.0	-0.5	0.4	0.8	0.8	0.9	-0.3	-0.2	.
Consumer	CMPY	2.7	2.2	1.9	2.3	2.1	3.2	3.1	2.1	2.3	2.4	2.2	1.9	2.7	3.2	2.9	1.9	.
Consumer	CCPY	2.7	2.6	2.5	2.4	2.4	2.5	2.5	2.5	2.5	2.4	2.3	2.2	2.3	2.5	2.6	2.5	.
Producer, in industry	PM	0.3	-0.3	0.0	-0.2	0.3	0.3	0.2	0.1	0.4	-0.1	0.6	0.4	0.3	0.1	0.3	0.1	.
Producer, in industry	CMPY	3.6	2.6	2.4	2.0	2.1	1.9	1.8	1.8	1.8	1.3	1.6	2.0	2.0	2.4	2.7	2.9	.
Producer, in industry	CCPY	4.1	3.8	3.6	3.3	3.2	3.0	2.9	2.8	2.7	1.3	1.4	1.6	1.7	1.9	2.0	2.1	.
RETAIL TRADE																		
Turnover	real, CMPY	2.8	9.3	11.7	7.2	14.5	8.2	8.0	18.9	14.3	8.4	9.9	9.2	8.2	9.8	4.8	.	.
Turnover	real, CCPY	5.7	6.5	7.4	7.4	8.2	8.2	8.2	9.2	9.7	8.4	9.1	9.2	8.9	9.1	8.3	.	.
FOREIGN TRADE⁵⁾⁶⁾																		
Exports total (fob), cumulated	EUR mn	4540	5753	7051	8201	9236	10577	11868	13229	14397	1231	2490	3980	5281	6717	8151	.	.
Imports total (cif), cumulated	EUR mn	4864	6141	7491	8686	9908	11363	12745	14313	15804	1245	2617	4255	5573	7113	8650	.	.
Trade balance total, cumulated	EUR mn	-324	-389	-440	-485	-672	-787	-877	-1084	-1408	-14	-127	-275	-292	-396	-500	.	.
Exports to EU-25 (fob), cumulated	EUR mn	3141	3988	4861	5623	6290	7185	8056	8977	9770	900	1797	2831	3705	4683	5656	.	.
Imports from EU-25 (cif) ⁷⁾ , cumulated	EUR mn	3823	4936	6058	7087	8062	9255	10366	11575	12788	971	2028	3353	4394	5623	6857	.	.
Trade balance with EU-25, cumulated	EUR mn	-681	-948	-1197	-1464	-1772	-2070	-2310	-2598	-3018	-71	-232	-522	-688	-940	-1201	.	.
FOREIGN FINANCE																		
Current account, cumulated	EUR mn	-166	-151	-87	-108	-38	-18	3	-92	-301	73	-25	-142	-109	-94	-79	.	.
EXCHANGE RATE																		
SIT/USD, monthly average	nominal	185.3	188.5	196.7	198.9	194.9	195.3	199.3	203.2	202.2	197.9	200.4	199.5	195.9	187.6	189.2	188.9	.
SIT/EUR, monthly average	nominal	239.7	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	.
SIT/USD, calculated with CPF ⁸⁾	real, Jan03=100	118.6	117.0	112.2	111.2	112.3	111.9	109.6	107.8	108.8	109.7	108.5	109.4	111.2	116.6	115.1	115.0	.
SIT/USD, calculated with PPP ⁸⁾	real, Jan03=100	110.6	108.8	104.3	101.6	103.2	100.4	96.2	95.8	97.1	98.3	99.1	99.8	100.8	104.4	103.5	103.8	.
SIT/EUR, calculated with CPF ⁸⁾	real, Jan03=100	98.5	98.6	98.6	99.2	98.5	99.0	99.1	98.7	98.4	98.1	98.3	98.7	98.9	99.5	99.0	98.8	.
SIT/EUR, calculated with PPP ⁸⁾	real, Jan03=100	99.1	99.0	98.7	98.2	98.1	97.9	97.7	98.0	98.3	97.5	97.8	97.7	97.4	97.0	97.3	97.4	.
DOMESTIC FINANCE																		
M0, end of period ⁹⁾	SIT bn	173.1	174.9	179.2	179.0	174.6	177.6	186.0	177.1	187.2	202.7	206.8	207.5	220.9	216.5	.	.	.
M1, end of period ⁹⁾	SIT bn	1032.2	1054.8	1074.7	1057.4	1051.6	1068.4	1079.1	1073.4	1151.4	1683.9	1694.1	1740.5	1764.7	1795.3	1824.8	.	.
Broad money, end of period ⁹⁾	SIT bn	4140.4	4070.3	4031.2	4048.1	4088.3	4155.8	4164.5	4248.9	4258.2	3498.5	3524.7	3570.2	3546.0	3593.4	3627.2	.	.
Broad money, end of period ⁹⁾	CMPY	8.2	6.4	4.6	4.3	5.5	6.1	7.5	8.0	5.5	-14.0	-13.3	-12.8	-14.4	-11.7	-10.0	.	.
Refinancing rate (p.a.), end of period	%	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.50	3.25	3.25	3.25	3.50	3.50	.
Refinancing rate (p.a.), end of period ¹⁰⁾	real, %	-0.1	0.9	1.1	1.5	1.4	1.6	1.7	1.7	1.9	2.4	1.9	1.2	1.2	0.8	0.8	0.6	.
BUDGET																		
General gov. budget balance, cum.	SIT bn	-53.3	-70.3	-84.7	-82.1	-62.3	-47.5	-49.9	-36.9	-71.8	16.2	-18.0	-31.4	-15.7	.	.	.	.

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

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

3) Ratio of unemployed to the economically active.

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

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

6) Cumulation starting January and ending December each year.

7) According to country of dispatch.

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

9) From 2006 harmonized ECB methodology.

10) Deflated with annual PPI.

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

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total ¹⁾	real, CMPY	9.3	6.5	6.2	7.0	6.5	1.7	9.2	7.8	6.3	7.6	8.9	5.7	2.7	10.3	4.9	.	
Industry, total ¹⁾	real, CCPY	7.3	7.1	6.9	7.0	6.9	6.3	6.6	6.7	6.7	7.6	8.3	7.3	6.1	7.0	6.6	.	
Industry, total	real, 3MMA	7.6	7.3	6.6	6.6	5.0	5.8	6.3	7.7	7.2	7.5	7.3	5.7	6.2	5.9	.	.	
LABOUR																		
Employees total	th. persons	2237	2247	2264	2285	2279	2266	2260	2261	2234	2201	2213	2237	2250	2265	2276	.	
Employees in industry	th. persons	722	720	718	720	719	715	714	713	708	699	701	702	705	705	704	.	
Unemployment, end of period	th. persons	449.7	427.2	411.6	405.5	399.0	388.5	386.5	383.9	397.3	432.3	426.2	401.5	378.9	355.3	340.1	331.8	
Unemployment rate ²⁾	%	12.1	11.5	11.1	10.9	10.8	10.5	10.4	10.4	10.7	11.7	11.5	10.8	10.2	9.6	9.2	9.0	
Labour productivity, industry ¹⁾	CCPY	2.5	2.4	2.2	2.2	2.2	1.7	2.0	2.0	2.0	10.6	11.1	10.1	8.8	9.6	9.1	.	
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	4.0	4.1	4.4	4.6	4.6	5.3	5.2	5.1	5.2	-1.3	-1.5	-0.6	0.9	0.0	0.3	.	
WAGES, SALARIES																		
Total economy, gross	BGN	310	319	314	317	310	324	317	321	340	324	322	340	343	346	345	.	
Total economy, gross	real, CMPY	2.8	3.4	3.4	3.4	1.5	1.4	0.5	-0.9	-0.2	3.4	1.0	0.9	2.4	-0.1	1.5	.	
Total economy, gross	USD	205	207	195	195	195	203	195	193	206	201	197	209	215	226	223	.	
Total economy, gross	EUR	159	163	161	162	159	166	162	164	174	166	165	174	175	177	176	.	
Industry, gross	EUR	160	162	168	164	162	170	168	166	175	167	168	179	178	176	182	.	
PRICES																		
Consumer	PM	1.1	-0.5	-1.3	0.1	0.6	1.4	1.2	1.0	0.8	0.8	3.0	0.3	0.4	0.0	-1.6	-0.5	
Consumer	CMPY	5.1	4.6	5.1	3.9	5.0	5.4	6.5	6.9	6.5	6.6	8.7	8.7	8.1	8.5	8.2	7.6	
Consumer	CCPY	4.2	4.2	4.4	4.3	4.4	4.5	4.7	4.9	5.0	6.6	7.6	8.0	8.0	8.1	8.1	8.1	
Producer, in industry ¹⁾	PM	1.1	-0.6	0.7	1.1	0.2	1.3	0.8	0.5	0.7	-0.5	1.5	-0.2	1.8	3.1	0.3	.	
Producer, in industry ¹⁾	CMPY	7.7	5.9	7.2	6.6	6.6	7.0	6.3	7.7	9.8	8.8	9.6	6.8	7.5	11.5	11.1	.	
Producer, in industry ¹⁾	CCPY	6.6	6.5	6.6	6.6	6.6	6.6	6.6	6.7	7.0	8.8	9.2	8.4	8.1	8.8	9.2	.	
FOREIGN TRADE^{3/4)}																		
Exports total (fob), cumulated	EUR mn	2828	3565	4386	5245	6027	6800	7716	8596	9454	816	1692	2667	3656	4642	5699	.	
Imports total (cif), cumulated	EUR mn	4075	5301	6592	7864	9137	10404	11831	13290	14682	1233	2457	3933	5344	6868	8361	.	
Trade balance, cumulated	EUR mn	-1247	-1736	-2206	-2618	-3110	-3604	-4115	-4694	-5228	-418	-764	-1266	-1688	-2226	-2661	.	
FOREIGN FINANCE																		
Current account, cumulated ⁵⁾	EUR mn	-790	-1010	-1116	-1136	-1174	-1346	-1685	-2111	-2531	-441	-685	-1118	-1474	-1752	-1815	.	
EXCHANGE RATE																		
BGN/USD, monthly average	nominal	1.512	1.543	1.608	1.625	1.591	1.597	1.628	1.660	1.650	1.614	1.638	1.627	1.597	1.532	1.546	1.542	
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	
BGN/USD, calculated with CP ⁶⁾	real, Jan03=100	127.9	124.8	118.1	116.5	119.1	119.0	117.8	117.6	119.8	122.5	124.0	124.6	126.3	131.0	127.5	127.3	
BGN/USD, calculated with PP ⁶⁾	real, Jan03=100	119.6	116.9	113.0	111.6	113.3	111.1	107.2	107.3	109.1	110.1	111.8	112.1	115.0	122.5	121.3	.	
BGN/EUR, calculated with CP ⁶⁾	real, Jan03=100	106.3	105.6	104.2	104.2	104.6	105.6	106.7	107.9	108.5	109.6	112.6	112.5	112.3	111.9	110.0	109.5	
BGN/EUR, calculated with PP ⁶⁾	real, Jan03=100	107.3	106.8	107.3	108.1	107.9	108.8	109.2	110.0	110.6	109.2	110.5	109.8	111.0	113.9	114.4	.	
DOMESTIC FINANCE																		
M0, end of period ⁷⁾	BGN mn	4652	4756	4848	5058	5147	5213	5134	5096	5396	5092	5080	5113	5190	5284	5503	5710	
M1, end of period ⁷⁾	BGN mn	10552	10790	11167	11494	11713	11566	11792	11729	12443	11840	12058	12371	12430	13085	13444	14101	
Broad money, end of period ⁷⁾	BGN mn	22004	22440	22778	23211	23663	23746	23939	24010	25260	24633	25125	25558	25771	26568	27535	28244	
Broad money, end of period	CMPY	28.0	29.0	25.4	26.4	29.0	26.6	27.0	27.3	23.9	20.0	21.1	10.1	17.1	18.4	20.9	21.7	
BNB base rate (p.a.) ^{end of period}	%	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.3	2.3	2.5	2.6	2.6	2.7	
BNB base rate (p.a.) ^{end of period⁸⁾}	real, %	-5.3	-3.6	-4.7	-4.3	-4.3	-4.6	-4.0	-5.2	-7.0	-6.0	-6.7	-4.2	-4.7	-8.0	-7.6	.	
BUDGET																		
Central gov.budget balance _{zum.}	BGN mn	623.6	926.7	1007.7	1001.5	1198.9	1339.3	1488.3	1611.8	1333.9	137.0	457.7	619.9	978.8	1237.7	1454.9	.	

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

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

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

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

7) According to ECB methodology.

8) Deflated with annual PPI.

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

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total ¹⁾	real, CMPY	9.0	-4.0	-0.7	-6.2	2.3	2.7	1.7	1.6	2.2	5.0	4.2	4.3	0.6	15.7	10.6	.	
Industry, total ¹⁾	real, CCPY	6.6	4.3	3.4	1.9	1.9	2.0	2.0	2.0	2.0	5.0	4.6	4.5	3.5	5.9	6.7	.	
Industry, total	real, 3MMA	2.9	1.2	-3.7	-1.6	-0.5	2.2	2.0	1.8	2.8	3.8	4.5	3.0	6.7	8.9	.	.	
LABOUR																		
Employees total	th. persons	4551.0	4560.3	4577.8	4567.5	4563.2	4554.6	4538.0	4537.6	4501.2	4556.2	4565.6	4582.0	4589.7	4604.0	4612.2	.	
Employees in industry	th. persons	1740.0	1731.5	1722.2	1712.6	1699.4	1690.3	1680.6	1670.7	1652.3	1684.0	1680.8	1678.5	1666.7	1663.9	1653.1	.	
Unemployment, end of period	th. persons	511.3	495.9	488.8	489.3	499.0	493.8	499.7	504.8	523.0	548.0	554.6	545.9	512.3	481.2	465.9	.	
Unemployment rate ²⁾	%	5.8	5.6	5.6	5.6	5.7	5.6	5.7	5.7	5.9	6.2	6.3	6.2	5.9	5.5	5.3	.	
Labour productivity, industry	CCPY	8.2	6.1	5.4	4.3	4.5	4.8	5.0	5.2	5.4	8.8	8.6	8.4	7.5	9.9	10.7	.	
Unit labour costs, exch.r. adj.(EUR)	CCPY	17.2	20.4	22.0	24.0	24.8	25.0	25.1	24.6	24.0	9.9	10.2	12.0	12.1	9.2	7.9	.	
WAGES, SALARIES																		
Total economy, gross	RON	973.0	941.7	943.6	957.0	963.0	965.0	974.0	1017.0	1121.0	1100.0	1017.0	1101.0	1120.0	1109.0	1112.0	.	
Total economy, gross	real, CMPY	6.6	6.9	7.1	7.7	9.2	8.3	7.4	7.8	6.0	6.2	7.1	10.4	7.7	9.8	10.0	.	
Total economy, gross	USD	347	330	318	323	338	337	325	328	364	366	343	377	393	404	397	.	
Total economy, gross	EUR	268	260	261	268	275	275	271	278	306	302	287	314	321	316	313	.	
Industry, gross	EUR	255	254	256	265	274	277	262	268	296	262	268	302	301	299	300	.	
PRICES																		
Consumer	PM	1.8	0.3	0.3	1.0	0.1	0.6	0.9	1.2	0.5	1.0	0.2	0.2	0.4	0.6	0.2	0.1	
Consumer	CMPY	10.0	10.0	9.7	9.3	8.9	8.5	8.1	8.7	8.6	8.9	8.5	8.4	6.9	7.3	7.1	6.2	
Consumer	CCPY	9.1	9.3	9.4	9.4	9.3	9.2	9.1	9.0	9.0	8.9	8.7	8.6	8.2	8.0	7.8	7.6	
Producer, in industry	PM	2.5	0.5	0.2	0.7	1.2	0.7	1.7	0.7	-0.1	1.4	1.1	0.4	1.8	1.5	1.1	.	
Producer, in industry	CMPY	12.3	11.4	10.4	9.3	8.8	8.1	8.2	8.8	9.6	9.8	11.7	11.3	10.6	11.7	12.7	.	
Producer, in industry	CCPY	13.1	12.7	12.3	11.9	11.5	11.1	10.8	10.6	10.5	9.8	10.7	10.9	10.8	11.0	11.3	.	
RETAIL TRADE																		
Turnover	real, CMPY	24.1	14.8	14.2	14.2	22.6	11.7	9.2	12.4	30.3	25.4	26.7	24.0	16.3	32.1	27.2	.	
Turnover	real, CCPY	20.3	19.2	18.4	17.5	18.2	17.4	16.5	16.0	17.6	25.4	26.0	25.4	23.1	24.9	25.3	.	
FOREIGN TRADE³⁾																		
Exports total (fob), cumulated	EUR mn	6889	8663	10527	12530	14394	16466	18407	20436	22255	1774	3880	6218	8086	10392	12668	.	
Imports total (cif), cumulated	EUR mn	9223	11899	14740	17521	20220	23066	26144	29462	32569	2420	5287	8575	11517	15024	18475	.	
Trade balance, cumulated	EUR mn	-2333	-3236	-4213	-4990	-5826	-6600	-7737	-9025	-10313	-646	-1407	-2358	-3432	-4632	-5807	.	
Exports to EU-25 (fob), cumulated	EUR mn	4799	5969	7275	8590	9745	11153	12477	13935	15043	1237	2681	4256	5473	6950	8486	.	
Imports from EU-25 (cif), cumulated	EUR mn	5767	7495	9288	11025	12611	14366	16340	18417	20251	1456	3142	5160	6947	9212	11467	.	
Trade balance with EU-25, cumulated	EUR mn	-968	-1526	-2013	-2436	-2866	-3213	-3863	-4482	-5208	-219	-462	-904	-1474	-2262	-2980	.	
FOREIGN FINANCE																		
Current account, cumulated	EUR mn	-1581	-2178	-2975	-2952	-3248	-4363	-4891	-6023	-6891	-391	-1018	-1564	-2486	-3336	-4170	.	
EXCHANGE RATE																		
RON/USD, monthly average	nominal	2.804	2.851	2.969	2.961	2.851	2.865	2.993	3.097	3.084	3.006	2.963	2.918	2.849	2.745	2.801	2.817	
RON/EUR, monthly average	nominal	3.629	3.618	3.614	3.566	3.506	3.510	3.598	3.653	3.659	3.645	3.540	3.507	3.491	3.507	3.548	3.572	
RON/USD, calculated with CPI ⁴⁾	real, Jan03=100	141.9	140.2	134.8	136.0	140.7	139.3	134.2	132.3	134.1	137.8	139.9	141.7	144.4	150.0	146.9	146.3	
RON/USD, calculated with PPI ⁴⁾	real, Jan03=100	146.2	145.1	139.6	139.2	145.1	141.3	134.2	132.6	133.6	137.9	143.5	146.1	150.6	157.3	155.2	.	
RON/EUR, calculated with CPI ⁴⁾	real, Jan03=100	118.2	118.7	119.1	121.8	123.8	123.8	121.8	121.5	121.6	123.5	127.1	128.2	128.5	128.3	126.8	126.1	
RON/EUR, calculated with PPI ⁴⁾	real, Jan03=100	131.3	132.6	132.7	135.0	138.4	138.5	136.9	136.0	135.5	136.9	142.0	143.4	145.6	146.4	146.5	.	
DOMESTIC FINANCE																		
M0, end of period	RON mn	8750	8689	9582	9790	9985	10341	10258	10348	11386	10977	11165	11480	12471	12595	13557	.	
M1, end of period	RON mn	16376	17146	18495	19162	20456	20964	21289	21133	24551	23560	23508	23843	24593	26080	27781	.	
M2, end of period	RON mn	69096	71966	74200	74080	76745	80152	81098	81402	86332	85727	85677	87528	88034	91747	95054	.	
M2, end of period	CMPY	43.9	46.7	46.5	41.1	39.9	41.3	41.3	43.1	33.9	35.8	31.4	28.8	27.4	27.5	28.1	.	
Discount rate (p.a.),end of period ⁵⁾	%	8.4	8.0	8.0	8.0	8.0	8.3	7.7	7.5	7.5	7.5	7.5	8.5	8.5	8.5	8.5	8.5	
Discount rate (p.a.),end of period ⁵⁾⁶⁾	real, %	-3.4	-3.1	-2.2	-1.2	-0.7	0.1	-0.4	-1.2	-1.9	-2.1	-3.8	-2.5	-1.9	-2.8	-3.7	.	
BUDGET																		
Central gov.budget balance, cum.	RON mn	-5.5	-235.2	-725.9	-255.6	50.7	403.0	1363.8	653.2	-2182.9	850.9	851.4	472.6	674.3	830.9	-444.7	.	

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

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

2) Ratio of unemployed to economically active population as of December of previous year, from 2004 as of December 2003.

3) Cumulation starting January and ending December each year.

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

5) Reference rate of RNB.

6) Deflated with annual PPI.

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

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total ¹⁾	real, CMPY	6.3	8.3	12.3	5.4	4.7	6.0	7.2	6.4	3.1	5.9	7.3	6.0	-3.2	4.1	-1.1	.	
Industry, total ¹⁾	real, CCPY	1.9	3.2	4.8	4.9	4.9	5.0	5.2	5.3	5.1	5.9	6.6	6.4	3.7	3.8	2.9	.	
Industry, total ¹⁾	real, 3MMA	3.8	9.0	8.7	7.5	5.4	6.0	6.5	5.5	5.0	5.3	6.4	3.1	2.3	-0.1	.	.	
Construction, total, effect. work. time ¹⁾	real, CMPY	-6.6	-6.7	-3.6	-3.6	5.5	5.6	8.8	8.0	4.4	13.3	17.1	16.9	3.8	13.7	-2.7	.	
LABOUR																		
Employment total	th. persons	1407.4	1420.1	1434.2	1444.5	1446.3	1436.9	1429.7	1425.4	1417.2	1406.6	1403.8	1406.7	1416.3	1429.6	1444.1	.	
Employees in industry	th. persons	279.1	279.7	279.4	279.6	279.5	278.5	279.4	279.1	277.4	273.1	274.6	274.8	275.5	276.3	276.8	.	
Unemployment, end of period	th. persons	320.3	308.3	297.6	293.2	291.0	294.3	300.6	305.5	307.9	314.2	313.6	311.3	302.4	287.3	274.5	270.8	
Unemployment rate ²⁾	%	18.5	17.8	17.2	16.9	16.8	17.0	17.4	17.7	17.8	18.3	18.3	18.1	17.6	16.7	16.0	15.7	
Labour productivity, industry ¹⁾	CCPY	0.3	1.6	3.1	3.2	3.3	3.4	3.6	3.7	3.5	5.2	6.8	7.0	4.7	4.9	4.1	.	
Unit labour costs, exch. r. adj. (EUR) ¹⁾	CCPY	6.3	5.3	3.5	2.9	3.0	2.8	2.8	2.9	3.1	4.3	2.6	2.5	4.0	3.7	.	.	
WAGES, SALARIES																		
Total economy, gross	HRK	6112	6358	6348	6199	6306	6202	6184	6588	6409	6386	6326	6650	6459	6780	.	.	
Total economy, gross	real, CMPY	-0.4	3.2	1.4	-0.5	2.0	0.8	0.4	1.1	0.8	2.2	2.4	2.8	2.1	2.5	.	.	
Total economy, gross	USD	1069	1104	1057	1023	1055	1025	1008	1054	1028	1046	1032	1090	1081	1190	.	.	
Total economy, gross	EUR	826	868	868	849	858	835	837	893	867	866	863	908	883	932	.	.	
Industry, gross	EUR	758	800	795	780	797	783	768	833	796	795	797	850	807	867	.	.	
PRICES																		
Consumer	PM	-0.2	0.0	-0.1	-0.2	0.1	0.5	0.7	0.2	0.5	0.6	0.8	0.1	0.2	0.5	-0.1	-0.8	
Consumer	CMPY	3.5	2.8	2.9	3.1	3.1	3.8	4.1	3.8	3.6	3.9	3.6	3.0	3.5	4.0	4.0	3.4	
Consumer	CCPY	3.4	3.2	3.2	3.2	3.2	3.2	3.3	3.4	3.3	3.9	3.8	3.5	3.5	3.6	3.7	3.6	
Producer, in industry	PM	0.3	0.1	-0.2	0.8	0.1	0.8	0.5	0.0	-0.3	0.5	0.7	0.3	0.1	0.4	-0.2	0.1	
Producer, in industry	CMPY	4.5	2.3	2.4	2.3	1.5	2.1	1.8	2.3	2.7	3.2	3.6	3.6	3.4	3.7	3.7	3.0	
Producer, in industry	CCPY	4.8	4.3	4.0	3.7	3.4	3.2	3.1	3.0	3.0	3.2	3.4	3.5	3.4	3.5	3.5	3.5	
RETAIL TRADE																		
Turnover	real, CMPY	2.0	6.6	7.3	2.0	5.1	3.6	1.7	2.0	2.9	3.6	5.3	0.3	1.5	0.2	-0.5	.	
Turnover	real, CCPY	1.1	2.3	3.2	3.0	3.4	3.3	3.1	3.1	3.2	3.6	4.4	1.7	2.3	1.8	1.4	.	
FOREIGN TRADE^{3,4)}																		
Exports total (fob), cumulated	EUR mn	2127	2677	3334	3919	4494	5166	5737	6407	7092	605	1192	1969	2553	3256	3899	.	
Imports total (cif), cumulated	EUR mn	4401	5706	7136	8417	9600	10914	12346	13656	14922	1134	2424	3955	5323	6828	8354	.	
Trade balance, cumulated	EUR mn	-2274	-3028	-3802	-4498	-5106	-5748	-6609	-7249	-7830	-529	-1233	-1986	-2770	-3573	-4455	.	
Exports to EU-25 (fob), cumulated	EUR mn	1347	1726	2139	2498	2861	3247	3604	4026	4404	392	794	1291	1690	2155	2602	.	
Imports from EU-25 (cif), cumulated	EUR mn	2893	3791	4725	5604	6346	7199	8073	8965	9824	643	1474	2449	3399	4448	5459	.	
Trade balance with EU-25, cumulated	EUR mn	-1545	-2064	-2586	-3106	-3485	-3952	-4469	-4940	-5420	-251	-680	-1158	-1709	-2293	-2856	.	
FOREIGN FINANCE																		
Current account, cumulated ⁵⁾	EUR mn	.	.	-2695	.	.	-436	.	.	-1960	.	.	-1993	.	.	.	.
EXCHANGE RATE																		
HRK/USD, monthly average	nominal	5.717	5.759	6.007	6.062	5.975	6.052	6.136	6.252	6.234	6.102	6.129	6.098	5.974	5.698	5.726	5.714	
HRK/EUR, monthly average	nominal	7.395	7.327	7.313	7.305	7.348	7.432	7.386	7.375	7.389	7.378	7.327	7.325	7.313	7.273	7.256	7.246	
HRK/USD, calculated with CPI ⁶⁾	real, Jan03=100	122.6	121.9	116.6	114.8	116.1	113.9	112.8	111.8	113.1	115.4	115.5	115.7	117.3	122.9	122.0	121.2	
HRK/USD, calculated with PPI ⁶⁾	real, Jan03=100	114.7	114.4	109.5	108.0	108.8	105.2	101.7	101.4	101.8	103.6	105.5	106.1	107.3	111.9	110.7	111.0	
HRK/EUR, calculated with CPI ⁶⁾	real, Jan03=100	101.7	102.5	102.5	102.3	101.6	100.5	101.7	102.2	102.2	103.2	104.5	104.2	104.0	104.8	104.8	104.1	
HRK/EUR, calculated with PPI ⁶⁾	real, Jan03=100	102.6	103.9	103.5	104.2	103.3	102.4	103.1	103.5	102.9	102.7	103.9	103.8	103.3	103.8	103.9	104.2	
DOMESTIC FINANCE																		
M0, end of period	HRK bn	11.4	11.5	12.2	13.1	12.7	12.2	11.9	11.7	12.2	11.7	11.8	12.1	12.7	13.0	14.0	.	
M1, end of period	HRK bn	34.8	36.0	36.7	38.3	37.8	36.7	37.1	37.2	38.8	37.2	37.2	38.2	39.2	40.8	42.2	.	
Broad money, end of period	HRK bn	137.9	140.6	142.6	145.6	151.1	151.6	152.5	154.7	154.6	152.0	151.7	153.6	155.1	158.1	163.1	.	
Broad money, end of period	CMPY	7.8	10.3	10.1	9.4	10.4	9.3	10.2	10.8	10.5	9.4	9.3	11.3	12.5	12.4	14.4	.	
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	.	
Discount rate (p.a.), end of period ⁷⁾	real, %	0.0	2.2	2.1	2.2	3.0	2.4	2.7	2.2	1.8	1.3	0.9	0.9	1.1	0.8	0.8	.	
BUDGET																		
Central gov. budget balance, cum. ⁸⁾	HRK mn	-6276	-6732	-6784	-7603	-6557	-5995	-6994	-6936	-6874	-883	-1742	-2803	-3097	-3381	-3475	.	

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

2) Ratio of unemployed to the economically active population.

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

4) Cumulation starting January and ending December each year.

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

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

7) Deflated with annual PPI.

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

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

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total ¹⁾	real, CMPY	3.7	1.0	6.0	3.9	3.0	4.9	3.6	6.0	4.8	4.3	0.9	4.1	4.9	11.2	2.9	3.6	
Industry, total ¹⁾	real, CCPY	3.4	2.9	3.5	3.5	3.4	3.6	3.6	3.8	3.9	4.3	2.6	3.1	3.6	5.0	4.7	4.5	
Industry, total ¹⁾	real, 3MMA	2.9	3.6	3.6	4.3	3.9	3.8	4.8	4.8	5.0	3.4	3.1	3.3	6.6	6.2	5.8	.	
Construction, total	real, CMPY	6.1	5.3	7.4	12.9	11.6	10.4	13.6	16.2	15.6	-7.5	-3.5	10.7	12.1	10.9	14.5	14.5	
LABOUR²⁾																		
Employment total	th. persons	67800	68300	68600	68900	69300	69100	68900	68700	68300	67600	67600	67900	68200	68500	68899	69170	
Unemployment, end of period	th. persons	5610	5406	5400	5397	5395	5444	5491	5543	5660	5776	5893	5780	5674	5571	5501	5430	
Unemployment rate	%	7.6	7.3	7.3	7.3	7.2	7.3	7.4	7.5	7.7	7.9	8.0	7.8	7.7	7.5	7.4	7.3	
WAGES, SALARIES																		
Total economy, gross	RUB	8002	8089	8637	8651	8616	8829	8701	8931	11319	9016	9255	9914	9833	10257	11106	11218	
Total economy, gross	real, CMPY	9.4	9.2	8.8	9.8	11.6	13.7	12.8	14.0	16.0	10.9	11.5	10.7	11.8	15.7	17.7	18.5	
Total economy, gross	USD	288	289	303	301	303	311	305	311	393	319	328	356	357	379	412	417	
Total economy, gross	EUR	222	228	249	250	246	254	253	263	331	263	274	296	291	297	325	328	
Industry, gross ³⁾	EUR	224	229	245	251	251	252	259	266	302	257	263	285	286	287	299	.	
PRICES																		
Consumer	PM	1.1	0.8	0.6	0.5	-0.1	0.3	0.6	0.7	0.8	2.4	1.7	0.8	0.4	0.5	0.3	0.7	
Consumer	CMPY	13.4	13.6	13.3	12.9	12.3	12.2	11.7	11.2	10.9	10.7	11.2	10.7	9.9	9.6	9.2	9.5	
Consumer	CCPY	13.0	13.1	13.2	13.1	13.0	12.9	12.8	12.7	12.5	10.7	10.9	10.8	10.6	10.4	10.2	10.1	
Producer, in industry	PM	2.5	2.7	0.1	0.5	2.0	2.8	0.9	-0.9	-2.1	0.5	3.3	2.1	0.6	1.8	0.8	.	
Producer, in industry	CMPY	24.0	24.7	21.4	20.6	20.8	20.5	19.4	16.0	13.4	13.4	15.6	15.1	13.0	12.0	12.8	.	
Producer, in industry	CCPY	23.5	23.8	23.4	22.9	22.6	22.4	22.1	21.4	20.7	13.4	14.5	14.7	14.3	13.8	13.6	.	
RETAIL TRADE																		
Turnover ⁴⁾	real, CMPY	13.5	14.4	13.6	12.8	13.1	13.8	12.9	12.2	14.8	10.8	10.1	10.8	10.7	11.6	13.7	13.6	
Turnover ⁴⁾	real, CCPY	11.3	11.9	12.2	12.3	12.4	12.6	12.6	12.6	12.8	10.8	10.5	10.6	10.6	10.8	11.3	11.7	
FOREIGN TRADE⁵⁾⁽⁶⁾																		
Exports total, cumulated	EUR mn	53627	69547	85395	103059	120528	138178	156521	175258	195673	17292	35829	56088	75880	97102	117159	.	
Imports total, cumulated	EUR mn	27057	34619	42848	51758	60475	69270	78796	89135	100663	7130	15830	26357	35639	45773	56511	.	
Trade balance, cumulated	EUR mn	26570	34928	42547	51301	60053	68909	77725	86124	95010	10162	19999	29731	40242	51330	60648	.	
FOREIGN FINANCE																		
Current account, cumulated ⁸⁾	EUR mn	.	.	33328	.	.	49103	.	.	67139	.	.	24517	.	.	.	.
EXCHANGE RATE																		
RUB/USD, monthly average	nominal	27.810	27.951	28.498	28.694	28.480	28.380	28.563	28.763	28.805	28.228	28.195	27.874	27.564	27.065	26.983	26.916	
RUB/EUR, monthly average	nominal	35.993	35.485	34.725	34.568	35.015	34.808	34.338	33.951	34.162	34.293	33.733	33.492	33.767	34.524	34.209	34.155	
RUB/USD, calculated with CPI ⁹⁾	real, Jan03=100	138.7	139.3	137.3	136.5	136.7	136.1	135.6	136.7	138.1	143.2	145.5	147.6	148.5	151.3	151.9	153.3	
RUB/USD, calculated with PPI ⁹⁾	real, Jan03=100	154.6	158.6	155.7	153.4	156.4	156.8	153.4	153.2	150.4	153.0	160.6	165.6	166.6	171.2	172.4	.	
RUB/EUR, calculated with CPI ⁹⁾	real, Jan03=100	115.4	117.7	120.9	122.0	120.1	120.6	122.9	125.3	125.1	127.9	131.9	133.4	132.0	129.5	130.8	131.9	
RUB/EUR, calculated with PPI ⁹⁾	real, Jan03=100	138.6	144.7	147.6	148.5	149.0	153.3	156.2	156.8	152.4	151.4	158.5	162.4	160.9	159.4	162.3	.	
DOMESTIC FINANCE																		
M0, end of period	RUB bn	1565.8	1582.3	1650.7	1701.8	1703.3	1740.7	1752.0	1765.8	2009.2	1875.6	1890.1	1928.8	2027.8	2096.9	2233.4	.	
M1, end of period	RUB bn	2906.3	2965.6	3144.3	3162.5	3240.8	3371.9	3340.1	3413.2	3858.5	3662.0	3686.7	3855.9	3957.7	4205.2	4479.3	.	
M2, end of period	RUB bn	5594.0	5743.0	6015.9	6087.4	6286.5	6458.4	6482.7	6604.8	7221.1	7035.6	7155.7	7392.9	7534.2	7877.6	8304.8	.	
M2, end of period	CMPY	29.1	31.5	32.4	33.8	37.6	39.3	37.0	35.7	36.3	35.7	33.9	34.4	34.7	37.2	38.0	.	
Refinancing rate (p.a.) ^{end of period}	%	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	11.5	11.5	11.5	
Refinancing rate (p.a.) ^{end of period} ¹⁰⁾	real, %	-8.9	-9.4	-7.0	-6.3	-6.5	-6.2	-5.3	-2.6	-1.3	-1.3	-3.1	-2.7	-0.9	0.0	-1.1	.	
BUDGET																		
Central gov. budget balance, cum.	RUB bn	621.4	738.2	942.2	1036.5	1172.9	1162.0	1429.6	1636.7	1612.9	221.7	390.8	575.9	692.0	894.7	.	.	

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

2) Based on labour force survey.

3) Manufacturing industry only.

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

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

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

7) Based on balance of payments statistics.

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

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

10) Deflated with annual PPI.

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

(updated end of August 2006)

		2005										2006						
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
PRODUCTION																		
Industry, total	real, CMPY	5.1	4.3	-0.9	-2.4	0.9	0.9	2.4	2.0	5.3	-2.9	1.5	1.3	0.5	10.0	9.6	11.4	
Industry, total	real, CCPY	6.7	6.2	5.0	3.9	3.5	3.2	3.1	2.9	3.1	-2.9	-0.6	0.2	0.4	2.4	3.6	4.8	
Industry, total	real, 3MMA	5.3	2.8	0.3	-0.8	-0.2	1.4	1.8	3.2	1.5	1.3	0.0	1.1	3.9	6.7	10.3	.	
LABOUR																		
Employees ¹⁾	th. persons	11332	11319	11339	11371	11361	11361	11357	11306	11220	11245	11296	11352	11378	11381	11412	11440	
Employees in industry ¹⁾	th. persons	3421	3410	3408	3413	3410	3407	3407	3394	3368	3374	3380	3380	3367	3355	3354	3351	
Unemployment, end of period	th. persons	986.7	918.6	858.3	825.4	800.4	780.6	762.9	809.7	881.5	899.9	923.8	913.7	868.7	805.8	749.1	715.3	
Unemployment rate ²⁾	%	3.5	3.3	3.0	2.9	2.8	2.8	2.7	2.9	3.1	3.2	3.3	3.2	3.1	2.9	2.7	2.5	
Labour productivity, industry ¹⁾	CCPY	6.1	5.6	4.4	3.4	3.1	2.9	2.8	2.7	3.0	-2.1	0.3	1.3	1.6	3.7	5.0	6.3	
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	14.9	17.0	20.2	23.2	24.9	26.1	27.2	29.1	30.6	50.8	47.2	46.3	42.2	34.3	29.4	25.3	
WAGES, SALARIES¹⁾																		
Total economy, gross	UAH	734	764	823	837	831	856	882	897	1020	865	905	987	984	948	1064	1079	
Total economy, gross	real, CMPY	16.8	20.2	19.6	20.0	19.7	19.2	23.3	24.3	31.3	22.9	22.6	25.8	24.9	15.6	21.0	19.9	
Total economy, gross	USD	141	151	163	166	165	170	175	178	202	171	179	195	195	188	211	214	
Total economy, gross	EUR	109	119	134	138	134	138	145	150	170	142	150	163	159	147	166	169	
Industry, gross	EUR	135	144	156	163	165	166	171	177	188	173	177	194	182	174	187	193	
PRICES																		
Consumer	PM	0.7	0.6	0.6	0.3	0.0	0.4	0.9	1.2	0.9	1.2	1.8	-0.3	-0.4	0.5	0.1	0.9	
Consumer	CMPY	14.7	14.6	14.4	14.8	14.9	13.9	12.4	12.0	10.3	9.8	10.7	8.6	7.4	7.3	6.8	7.4	
Consumer	CCPY	13.8	14.0	14.1	14.2	14.3	14.2	14.0	13.8	13.5	9.8	10.2	9.7	9.1	8.7	8.4	8.3	
Producer, in industry	PM	2.5	1.6	-0.8	-1.6	0.7	1.9	0.0	-0.1	0.3	1.2	0.3	0.4	1.4	1.0	0.7	1.2	
Producer, in industry	CMPY	21.1	20.5	17.7	15.7	14.7	14.7	12.9	10.4	9.6	10.7	8.1	6.5	5.4	4.7	6.3	9.4	
Producer, in industry	CCPY	22.0	21.7	21.0	20.2	19.5	18.9	18.3	17.5	16.8	10.7	9.4	8.4	7.6	7.0	6.9	7.3	
RETAIL TRADE																		
Turnover ³⁾	real, CCPY	19.2	20.4	21.1	21.8	23.0	23.1	22.4	22.4	23.0	31.3	28.4	26.5	27.4	27.2	27.0	.	
FOREIGN TRADE⁴⁾⁵⁾																		
Exports total (fob), cumulated	EUR mn	8710	10909	13227	15518	17702	19992	22415	24908	27498	1933	4041	6645	9055	11494	14126	.	
Imports total (cif), cumulated	EUR mn	8103	10316	12918	15508	18090	20695	23349	26084	29030	2241	4895	8116	10792	13643	16501	.	
Trade balance, cumulated	EUR mn	608	593	309	10	-387	-703	-934	-1176	-1533	-309	-854	-1472	-1737	-2150	-2375	.	
FOREIGN FINANCE																		
Current account, cumulated ⁶⁾	EUR mn	.	.	1727	.	.	2076	.	.	2030	.	.	-618	.	.	-733	.	
EXCHANGE RATE																		
UAH/USD, monthly average	nominal	5.190	5.050	5.055	5.053	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	
UAH/EUR, monthly average	nominal	6.714	6.422	6.151	6.090	6.208	6.200	6.070	5.961	5.983	6.101	6.037	6.064	6.180	6.428	6.396	6.402	
UAH/USD, calculated with CPI ⁷⁾	real, Jan03=100	120.7	125.0	125.5	125.4	124.8	124.0	124.7	127.2	128.9	129.4	131.5	130.4	128.7	128.6	129.8	129.8	
UAH/USD, calculated with PPI ⁷⁾	real, Jan03=100	132.3	138.7	137.5	133.6	133.5	132.2	129.0	130.8	131.8	132.3	134.7	135.0	135.4	135.5	135.9	137.5	
UAH/EUR, calculated with CPI ⁷⁾	real, Jan03=100	100.1	105.1	110.2	111.6	109.3	109.4	112.6	116.2	116.4	115.8	118.8	117.5	114.1	110.0	110.5	111.3	
UAH/EUR, calculated with PPI ⁷⁾	real, Jan03=100	118.3	125.9	130.0	128.8	126.7	128.7	130.9	133.4	133.2	131.1	132.5	131.9	130.4	126.0	127.6	129.0	
DOMESTIC FINANCE																		
M0, end of period	UAH bn	47.6	47.9	51.3	53.8	53.8	55.5	54.9	55.1	60.2	56.8	57.0	58.6	61.0	61.1	64.3	66.2	
M1, end of period	UAH bn	76.2	77.6	83.8	84.8	85.5	90.1	88.7	92.7	98.6	92.1	93.6	96.2	97.5	99.8	104.7	108.6	
Broad money, end of period	UAH bn	146.5	147.9	156.3	159.1	164.8	171.0	174.8	180.1	194.1	188.8	191.3	195.3	201.2	207.4	214.1	221.5	
Broad money, end of period	CMPY	39.4	35.1	37.2	35.9	35.6	31.3	38.5	43.8	54.3	50.1	46.1	39.4	37.4	40.2	37.0	39.2	
Refinancing rate (p.a.) ^{end of period}	%	9.0	9.0	9.0	9.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	8.5	8.5	
Refinancing rate (p.a.) ^{end of period} ⁸⁾	real, %	-10.0	-9.5	-7.4	-5.8	-4.5	-4.5	-3.0	-0.8	-0.1	-1.1	1.3	2.8	3.9	4.5	2.0	-0.8	
BUDGET																		
General gov. budget balance, cum.	UAH mn	2252	4007	1735	2959	6907	5816	5309	3216	-7735	2508	2497	380	-856	1183	-1014	.	

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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