wiiw

Wiener Institut für Internationale Wirtschaftsvergleiche · **The Vienna Institute for International Economic Studies**

Monthly Report **6**/03

Contents

The basic dilemma of Poland's monetary strategy beyond 2003

BY KAROL LUTKOWSKI[*]

The Monetary Policy Council (MPC) of the National Bank of Poland (NBP), nearing the end of its five-year term in office, has just published a document on 'Monetary Policy Strategy beyond 2003'. The document outlines a vision of monetary policy which the incumbent MPC would like to see implemented by its successors in the course of the next few years. In the introductory part of that paper, the MPC sums up the achievements and failures of the past five years in the sphere under its control. This period was marked, above all, by a rapid reduction in the pace of inflation – the overriding policy concern in that period: the inflation rate fell from 13.2%, measured in terms of the consumer price index, at the end of 1997 to 0.8% at the end of 2002 (while simultaneously the average annual rate of inflation declined from

11.8% to 1.9%). Reducing inflation to below 4% per annum in 2003 had been the overriding medium-term goal of monetary policy, initially declared for the five-year period covered by the report. Achieving (in fact, over-achieving) that objective before the planned deadline could rate, in the self-assessment of the council, as success of a sort – if the currently adopted definition of the supreme goal of central bank policy is strictly adhered to; what is more, keeping the inflation rate in 2003 at the low level actually reached by now does not look endangered anymore. Rightly or wrongly, the MPC felt therefore entitled to congratulate itself on the outcome of its activity within the period. This in spite of the fact that the overall record of performance of the country's economy was marred at the same time by a 19% rate of unemployment and a stubbornly depressed rate of real growth.

As a matter of fact, the rate of GDP growth slid gently from its peak of 7% in 1997 – a year before the advent of the present MPC – to 4% in 2000, then slumped abruptly to around 1% in 2001 and has stagnated ever since close to that level (revealing only now, in mid-2003, a mild tendency

---

[*] Professor at the Warsaw School of Economics; former Finance Minister of Poland (1993).

The Vienna Institute Monthly Report is exclusively available to subscribers to the wiiw Service Package

towards rebounding moderately in the second half of the year). The causes of the persistent slowdown in real growth of the country's economy, which until recently was moving fast ahead, have been complex and, unsurprisingly, controversial. However, substantial evidence might be adduced in support of the view that some striking errors committed in the sphere of monetary policy may have contributed to that outcome. First, a relatively rigid exchange rate mechanism was kept for too long in the face of swelling capital inflows in the middle of the past decade. Then came a premature loosening of the monetary policy stance in spite of high liquidity of the banking sector (1998), followed again by an excessively sharp and persistent 'tightening of the screws'. The U-turn led to prolonged maintenance of an exorbitantly high real rate of interest (with an official short-term real rate of interest of about 10% and often more) for more than three years, in spite of the sharply plummeting inflation rate. It remains, nevertheless, true that in the light of the narrowly conceived monetary policy goal, as commonly understood, the sharp reduction of the inflation rate in Poland thereby achieved has now been acknowledged as a success and an important stepping stone to the next stage of the long-term strategy. That stage is expected to bring Poland into the EU by mid-2004 and subsequently – after meeting the relevant Maastricht criteria – into the euro area.

On that ground, in spite of all the setbacks sustained in the meantime, the MPC summed up the totality of its experiences by awarding a highly positive mark to the 'Direct inflation strategy' (DIT), which it has followed since 1999 and which – in its view – has been instrumental in bringing about that positive outcome of the stabilization policy. The MPC endorses DIT and recommends that it should continue to serve, with some modification and in conjunction with its supplement in the form of a floating rate, as the most appropriate basis for Poland's monetary policy beyond 2003. This would cover the post-accession period up to the moment of introducing the Polish zloty into the European Exchange Rate Mechanism (ERM) in its present form. The MPC would like to see this occur as soon

as possible, so as to permit Poland to become a full-fledged member of the single-currency area (preferably not later than in 2007), after passing the obligatory stay of a minimum of two years within the ERM. From the point of view of an outside observer, however, this raises a number of issues which have not received, as yet, a sufficient degree of attention on the part of the NBP's governing organ.

The MPC's repudiation of the idea of an early fixing of the zloty's exchange rate – as previously suggested by some – before or immediately after the accession to the EU, should be endorsed as fully appropriate. It may help avoid the unnecessary risk of provoking a currency crisis of the type a number of countries have experienced over the past several years. Some degree of flexibility, also found in the document under discussion, in defining the moment of the country's ultimate adoption of the euro is also welcome. There is no doubt, nevertheless, that the MPC unambiguously favours the possibly fastest route to the euro area, hoping that this would happen not later than two to three years after Poland's EU entry. In reality, and contrary to that stance, the optimum timing of the country's unification with the single currency area remains an open question, fraught with many unsolved problems.

In the current public discussion, the core issue is often stated in the form of a dilemma: should a transition country such as Poland attempt – on becoming an EU member – to enter the EMU relatively early or relatively late? (Because, in contrast to the 'first generation' candidates, striving to meet the convergence criteria and eventually adopting the euro is to the 'new generation' of candidate countries a binding treaty obligation.) The positions on the issue are varied, but may essentially be reduced to two. On the one hand, there are those who favour fast movement towards that aim. On the other hand, there are those who maintain that transition countries should focus on becoming EU members as soon as possible, but in contrast to that, should delay progress towards EMU membership until certain fundamental

conditions are met. This would make it both safer as well as more economically advantageous for them to get into rather than to stay out of the euro area.

Clearly, delaying entry into the EMU for no other reason than the delay for its own sake, is not an option and must not be considered a serious alternative (although the force of fear in some social circles over possible consequences of losing 'monetary sovereignty' cannot be denied and may prove an inhibiting factor up to a point). It must be borne in mind, however, that remaining on the sidelines of the integration process is also fraught with considerable dangers and may carry substantial costs. What is needed, therefore, is a balanced assessment of the negative and positive consequences of the country's relinquishment of control over some important parameters of action in the sphere of economic policy (rate of exchange, short-term rates of interest and credit availability) and of finding itself subjected to a monetary policy conducted by an international organ (the ECB). Understandably enough, such an institution is bound to be guided primarily, if not exclusively, by goals and considerations referring to the monetary area under its control taken as a whole, rather than by local needs. The real problem consists in gaining first a realistic understanding of the requirements that have to be fulfilled for that undertaking to be considered reasonably safe and unequivocally beneficial over the long term. Certainly, in practice other considerations, not merely the bottomline of a cost-and-benefit analysis, will weigh in at least equally heavily as will the economic arguments, upon the final outcome.

Looking at the problem from that standpoint, it should be obvious that cloaking the discussion in terms of the Maastricht criteria alone and assessing the chances for successful integration exclusively by measuring the degree of nominal convergence towards the main macroeconomic indicators of development within the euro bloc, misses the point completely. It pre-supposes what should be demonstrated in the first place, namely, that monetary unification with the single currency area

is likely to benefit the country in terms of growth, employment and the standard of living.

Obviously, what is particularly important from that point of view in the context of a transition economy, comes down to the requirement that a set of much more fundamental conditions should first be fulfilled than just the much publicized nominal Maastricht criteria, which have attracted almost exclusive attention in the debate on the subject. What is meant here are the necessary structural and institutional preconditions, which would underpin the monetary and financial stability achieved in the process of adjustment and make it sustainable. The challenge of unification with the euro area in the case of a transition country such as Poland is more demanding. It goes far beyond the difficulty of 'merely' reducing the budgetary deficit to the required level. The same applies to limiting the dynamics of debt below the maximum ceiling permitted under the treaty during the two-year period (a task arduous enough in itself), while keeping the evolution of the well-known monetary indicators within the required bands. After all, what is important is that the country should be able to permanently stay on the path of financial stability (after due allowance is made for cyclical swings). That will become difficult once the threshold of monetary union has been passed and the instruments of monetary and foreign-exchange policy are no longer available at the national level. Little would be gained if, having moved into that stage, the country found itself confronted with a resurgence of fiscal deficits and mounting debts. It would then have no other choice but helplessly to watch its economic and social situation deteriorate. Looking at things from that vantage point, it seems clear that what is needed and what should be aimed at in the first place – as a precondition of joining the monetary union – is greater 'real convergence', which could forestall a slippage in that direction. However, for the present purpose (clarifying the nature of requirements for a successful adoption of the euro) the term 'real convergence' should best be defined in a slightly different manner than is usually done in this context. It should not signify the process of

narrowing the large gap in per capita income levels between Western European countries and CEECs – something which, even in the most propitious circumstances, is bound to take decades. Rather, 'real convergence' might and should be interpreted in a looser, more general fashion. In this context it should simply mean the process by virtue of which long-term growth of the country in question remains in broad accord with its growth potential, employment stays reasonably high, and the balance of trade and payments evolves along a sustainable path. This means that it causes neither an unacceptable drain in currency reserves nor an excessive growth in debt, nor – for that matter – generate excessive deflationary pressures, which would prove detrimental to long-term growth.

Putting a transition economy like Poland on such a path implies, above all, that the country is able to preserve a sufficiently strong competitive position in international trade and is projecting a credible image of a safe and welcoming investment terrain. It all comes down to putting in place conditions which should make the economy capable of coping with future strains in the balance of payments without endangering the process of growth. However, the backlog of unsolved structural problems still afflicting some areas of the Polish economy is quite large. Even now, more than twelve years after the start of the transition process, securing a sufficiently strong competitive position of the country in its economic relations with the outside world remains an urgent but extremely difficult task. Responding to that challenge in an appropriate way would require tackling the task of thoroughgoing restructuring of many a sensitive branch of the economy, sometimes strongly defended by deeply entrenched economic and political groups of interest.

The importance of equilibrating the sector of public finances is, obviously, fundamental – both from the point of view of real as well as of nominal convergence. Reaching that all-important goal will involve painful retrenchments in many sensitive areas and will surely take time, while numerous items on the expenditure list will be subject to a squeeze. Relinquishing too early the tools of the exchange rate and of the rate of interest, which could provide at least a temporary relief while the economy is passing through that painful stage, appears to be excessively risky and unwarranted. In the circumstances now prevailing (i.e. with the Polish economy stuck in recession, unemployment close to 19% of the labour force, a budget deficit of 5% of GDP in 2002 and poor prospects for any marked improvement in 2003) the instruments in question should remain close at hand of the policy-making centre.

The restructuring of the sector of public finances, in order to put it on a sound footing to be sustained so that the fiscal criteria of the Maastricht treaty could be met and kept over time is, in any case, an essential part of the broad task of restructuring of the Polish economy at this stage of its development. Restructuring of the real sector of the economy – the core task of the real convergence process – would also be helpful in putting the sector of public finance on a path of long-term equilibrium. At first, however, instead of relieving the pressure, it may temporarily raise it, which would prove a barrier to Poland's speedy movement toward membership in the EMU. Also, in view of the likelihood that many prices in the economy may turn out to be quite rigid in the downward direction, the successful implementation of the real sector's restructuring programme may make it necessary to accept, for a time, a rate of inflation somewhat higher than that required under the Maastricht inflation criterion. The country would have to put up with that for a while – I would argue – if that was an unavoidable prerequisite of using the price mechanism as an effective engine for restructuring of economy, as it may well turn out to be.

Coming to terms with all those problems is not only an arduous but also time-consuming task. Raising the question of the time horizon within which Poland's membership in the EMU could realistically be contemplated, unavoidably raises at the same time the question of the time span needed for the above-mentioned purposes. Excessive haste in

striving to attain the status of a full-fledged member of that monetary grouping, as distinct from membership in the EU itself, may not be in the country's best interest. The issue should therefore be put on the back burner for the moment, while efforts should be focused primarily on the first-priority agenda, as characterized above. Both Poland's own monetary authority (i.e. the MPC) and outside experts would therefore do best to refrain from encouraging the country's policy makers to press toward that objective too fast, unless clear progress is made in accomplishing the afore-mentioned more urgent tasks.

There is another aspect to the problem, which prompts concern even more immediate than the unwarranted haste in pursuing the objective of EMU membership. What is meant here is the proposed way and method by which it is to be attained. The MPC recommends that the present freely floating exchange-rate mechanism of the zloty should be maintained right to the moment of its introduction into the ERM, almost immediately after Poland becomes an EU member. In taking that stand the MPC seems to have been impressed by the degree of stability of the price level and the perceived stability of the index of the real exchange rate which Poland has managed to achieve over the past three years (since mid-2000). On that ground, it clearly assumes that the present exchange rate is, on the whole, adequate and may be accepted without any substantial correction as the basis for determining the official rate of the zloty in relation to the euro on entering the ERM band. However, the complacency of the MPC in this regard does not seem justified. I do not think any rate of exchange, whatsoever, may be considered adequate and sustainable in the long run if it coexists for a protracted period of time with 19% unemployment, as is the case in Poland at this moment. A return to what one may call normal conditions in this respect would probably reveal a substantial overvaluation of that rate. Freezing it at that level, even if the market rate is permitted to move within a pretty broad band, would almost certainly inflict irreparable damage on the economy. It could cripple it permanently if that rate

were subsequently used as the basis for converting national currency into the euro.

What is more, the present floating rate is likely to get under increasing upward pressure as Poland's membership in the EU approaches ever closer and will soon become a reality. It is therefore likely that sticking to the mechanism of the floating exchange rate in the meantime will one day confront the country with the unpalatable alternative: either to enter the ERM with a dangerously overvalued rate, or to engineer a relatively substantial devaluation on the threshold to the ERM 'tunnel' (assuming that such a move is not vetoed by other EU members). The latter could deliver a strong inflationary shock to the price level within the country and lead it into conflict with the monetary-stability requirement.

The MPC seems well aware of the dangers inherent in increased capital inflows, and this is apparently the very reason why it favours rapid movement toward unification of the country with the euro area. There is no doubt that the MPC shares the belief of some experts that, by substituting as fast as possible the single European currency for the national currency, it will be possible to avert any negative effects of appreciation possibly resulting from the 'convergence play' of the speculators. Other benefits of such a fast 'euroization' that are usually mentioned in this context by the representatives of that line of thinking would reside, e.g., in the definitive elimination of the danger of inflation and achieving permanently low levels of the interest rate, prevailing in the euro area. Moving into the ERM as soon as possible would mean to bring those benefits closer within reach.

Unfortunately, the logic of that reasoning seems flawed, and following such advice would probably land the country in a disaster. That line of thinking, simply, disregards the very likely danger of inadvertently transforming the exchange-rate risk (which would disappear upon joining the EMU) into other types of price risks, which would become more virulent than before, including the danger of swings in market valuations of financial and real assets. Destabilizing and counterproductive cross-

border flows of capital would therefore probably continue unabated and could even be stimulated, if the structural foundations of the economy remained shaky.

For this reason, some basic assumptions of the NBP's monetary strategy for the coming years should be critically re-evaluated. The Polish economy should be given more leeway and more time to push forward the programme of structural and institutional reform, which has been lagging behind the initial schedule in the recent period. The idea of a 'flight forward' out of the present difficulties into a whimsical promised land of early euroization, presumed to make the necessary structural adjustments less pressing (as propagated by some experts and apparently 'bought into' by the governing body of the Polish central bank) is but a perilous distraction which, to my belief, should best be put to rest, rather sooner than later. We should grow accustomed to the idea that switching from the zloty to the euro after entering the EU in mid-2004 (hopefully, as scheduled) may take more time than is sometimes assumed. This does not necessarily imply that the Polish economy will suffer as a result of that particular delay, quite to the contrary.

In the meantime, in so far as the monetary strategy is concerned, the NBP would be well advised to gently manage the evolution of the rate by trying to push it cautiously towards a level which would be more compatible with a sustainable balance of payments over the long run. Monetary conditions in Poland have for several years remained unusually tight (as testified by one of the highest real rate of interest in Europe), while inflation has subsided to a level comparable to the rate within the euro area. In view of that fact, foreign-exchange operations of the central bank could safely take the form of 'unsterilized' interventions. Conflicts with the DIT (Direct inflation strategy) would be avoidable, if such a policy could be carried out sensibly. Managing the rate in such circumstances should never aim at making it rigid. Nor should it imply undertaking a firm commitment by the central bank to defend a limit of permitted movement of the rate.

Experimenting with steering the exchange rate should represent no more than a secondary line of action, though not negligible in practice, especially within the short-term horizon. There is a chance that the evolution of the rate could be influenced in this way, perhaps even in a more sustainable way, if the perceived aim of the central bank's action in this respect could be judged by the market to be credible and consistent with the bank's overarching, long-term strategy.

Nevertheless, it remains true that, ultimately, a strong competitive position of a country in its relations with the outside world depends more on its capacity to raise the equilibrium real exchange rate to the level of the long-term market rate, rather than on the ability of its central bank to bring the market rate down to the level satisfying short-term equilibrium conditions alone. The aforegoing conclusion highlights once again the importance of real convergence as the only reliable way of reaching the strategic goal of successful monetary integration of the country with the single-currency area. However, progressing in that direction has a time dimension, which must not be disregarded, though favourable circumstances may sometimes allow to speed up the process up to a point.

Slovenian exchange rate policy

BY JANEZ NOVAK

This paper presents a brief overview of the general features of Slovenia's exchange rate regime. It gives a broad overall view of the whole period, and does not focus on the specifics of some subperiods. It could be argued that there were three distinct periods: 1991 to 1995, 1995 to 1999, and from 1999 onwards, with specific characteristics of the exchange rate policy in each period. The second period in 1995 begins with the introduction of capital controls, and concludes in 1999 with their abolition. Capital controls were introduced when some forms of capital inflows, such as foreign borrowing and later foreign portfolio investment, started to increase. In the process of Slovenia's preparation for EU accession, however, capital controls had to be abolished.

After gaining independence in 1991, Slovenia introduced its own currency, the Slovenian tolar (SIT). From the very beginning, an exchange rate regime of managed floating was chosen. This arrangement was retained throughout the period until today, and Slovenia will keep it until its entry in the ERM2 (Exchange Rate Mechanism 2), which is expected to take place in early 2005. It is worth mentioning that Slovenia was the only country among the Central and East European candidate countries (CEECs) which did not change its exchange rate regime during the entire transition period.

The choice of a managed floating exchange rate regime was against conventional wisdom at the time of the beginning of transition, and against specific advice to Slovenia from the IMF and some renowned foreign advisers. In fact, it was suggested that Slovenia should, in line with most other CEE transition countries, adopt a fixed exchange rate regime. The fixed exchange rate was supposed to act as a nominal anchor and thus to contribute to monetary and overall stability in the economy.

The Slovenian monetary authorities decided otherwise and opted for managed floating. There were a number of main reasons underlying this decision:

First, after gaining independence, Slovenia was left practically without any foreign exchange reserves, as in former Yugoslavia all international monetary reserves had been centralized in the National Bank of Yugoslavia. As it would have been impossible to defend and sustain a fixed exchange rate without foreign exchange reserves, the floating exchange rate arrangement offered itself as an obvious solution in these circumstances.

Second, in view of the negative experience with administrative restrictions in the Yugoslav period, Slovenia's orientation was to depend on a liberal framework of an open economy, which in principle is more compatible with a floating exchange rate system. While a fixed exchange rate system sometimes requires trade restrictions, capital and foreign exchange controls to protect the balance of payments equilibrium, in the case of a floating exchange rate system it is the movement of the exchange rate itself that ultimately takes care of the balance of payments equilibrium, if other policies and mechanisms of adjustment fail to work.

Third, Slovenia wanted to spare itself a repetition of the vicious circle of inflation-devaluation as experienced in former Yugoslavia, where corrections of the level of the fixed exchange rate were frequently required, but turned out to be of short breath and little lasting effect. Starting from inherited hyperinflation, a fixed exchange rate regime in Slovenia would probably have shortly and frequently called for corrections of the level of the fixed rate, with most likely problematic results.

Fourth, there was no sound analytical basis on which to determine the initial level of the exchange rate rationally. A mistake in estimating the equilibrium exchange rate in either direction could have had serious repercussions on the economy, in the form of pressures either on inflation or on

competitiveness. The equilibrium exchange rate should be determined by the market, so the floating exchange rate regime should be the solution.

The reference currency for the exchange rate in Slovenia was, from the beginning, the German mark, and later the euro, after its introduction in 1999. As the exchange rate policy was always focused on the DEM/EUR rate, which is no surprise given the share of trade with the EU, and Germany in particular, the effective exchange rate of the SIT, particularly in periods of large EUR/USD rate swings, experienced some divergent movements.

In the beginning there was an implicit assumption that the exchange rate would in practice really be more or less market-determined, which means that the exchange rate regime would be close to a freely floating arrangement. The 'managed' part of the floating, the interventions of the central bank on the foreign exchange market, was at that time supposed to be used more to avoid unnecessary short-term fluctuations of the market exchange rate, and not so much to influence the trend movements of the exchange rate. In other words, interventions were anticipated as only occasional, both-sided and short-term in nature.

In reality, however, Slovenia's exchange rate turned out to be quite heavily managed. In some classifications of the exchange rate regimes, Slovenia's managed float is classified under 'less flexible regimes'. Interventions in general turned out to be substantial, one-sided and of a long-term or almost permanent nature. In other words, management of the floating exchange rate severely interfered with the trend movements of the market exchange rate.

This was the result of a specific situation in the foreign exchange market. For various reasons, which are discussed below, there was a constant excess foreign exchange inflow in the market, producing a constant pressure on the domestic currency to appreciate, if the exchange rate was to be left to market forces – i.e., to free floating – alone. The central bank had to do something about

it, so it intervened in the foreign exchange market more or less consistently to prevent the domestic currency from becoming too strong, which sooner or later would have had serious consequences for the competitiveness of the tradable sector and for the balance-of payments equilibrium.

These pressures on the exchange rate originated first from the current account and later from the capital account of the balance of payments. What happened was that the Slovenian economy adjusted surprisingly well and quickly to the loss of the previously important Yugoslav market and overcame the shock of independence (which included both a transition process as in other CEECs and becoming, after gaining independence, a national economy instead of a regional one). In the first couple of years, the current account of the balance of payments turned positive and contributed to the above-mentioned pressures of excess foreign exchange inflows in the market. In the following years, the capital account of the balance of payments took over and large net capital inflows contributed to continued pressure of the excess foreign exchange inflows on the domestic currency to appreciate in real terms and, in some periods, even in nominal terms. Capital inflows increased particularly after Slovenia had introduced official convertibility, obtained credit ratings from the international credit rating agencies and got access to the international capital market, here in turn especially after Slovenia had negotiated to take over part of the former Yugoslav external debt.

As a result of the exchange rate intervention, the domestic currency was less strong than would have been the case if the exchange rate had been left completely to the market forces of supply and demand in the foreign exchange market. Nevertheless, the intervention was not so strong as to push the exchange rate close to PPP (purchasing power parity) level, which would have been particularly appreciated by exporters, as their external competitive position would have remained unchanged. Although constantly depreciating, the domestic currency, concerning the pace of its

weakening, was not catching up with the domestic inflation rate or, to be more precise, with the differential between the domestic and foreign (German or EU/euro area) inflation rates. Throughout the period there was some real exchange rate appreciation, particularly in some subperiods when the domestic currency did not depreciate much and/or inflation pressures were more intensive. Another way to look at the real exchange rate appreciation is to approach it structurally and focus on the so-called Balassa-Samuelson effect, which starts from differential productivity growth in the tradable and nontradable sectors of the economy as a source of real exchange rate appreciation in the process of catching up, characteristic for transition economies. However, the cumulative real exchange rate appreciation in Slovenia was lower than in other transition countries, particularly those which relied on some form of fixing of the exchange rate.

In the process of intervention, large foreign exchange reserves were accumulated. The intervention was mostly of a sterilized nature. The central bank had to prevent the impact of large net foreign exchange inflows and of its intervention on money supply in order to contain growth of monetary aggregates and inflationary pressures in the economy. The large and one-sided intervention in the foreign exchange market resulted in a specific structural position on the money market, as the central bank was mostly occupied with sterilization – taking money out of the economy by using a complex set of instruments. This sterilization operation, due to its size, turned out to be quite costly, particularly in some periods. As to the intervention, it had two specific characteristics. First, it was obvious that not all net foreign exchange inflows could simply be bought by the central bank. A large part was in fact absorbed in the so-called swap arrangement, where banks could sell foreign exchange to the central bank with the short-term obligation to buy it back, but on a revolving base, which gave banks some liquidity advantages. Second, due to the specific structure of the banking sector, where the largest bank is the leader and the others followers, relying just on the

market mechanism of the intervention may not always have led to the expected results. Due to some short-term considerations of the leading bank, having to do with its concrete long or short foreign exchange position, the market exchange rate may not always have reacted in the desired way or extent. Instead, a more direct way of intervention in the form of a 'Club' agreement was organized for participating banks, which obliged them to quote the prescribed exchange rate or spread in return for some financial and/or supervisory benefits.

In short, the managed floating option for the exchange rate regime in Slovenia was in line with the gradualist approach to transition, characteristic for Slovenia. The exchange rate of the domestic currency was depreciating throughout the period, helping exporters in retaining their competitiveness in foreign markets. However, the exchange rate movement did not compensate for the whole inflation differential, which means that there was some real exchange rate appreciation. This 'somewhere in between' approach resulted in a relatively wide scope for discretion of the central bank in terms of the timing and extent of interventions – and, according to some critics (such as the IMF), to some non-transparency in terms of monetary policy targeting. According to these views, the central bank was in fact at the same time targeting both monetary aggregates and the exchange rate, in a way inconsistently, moving from time to time between those two priorities.

After the series of financial crises throughout the world and particularly after the Czech crisis in 1997, the Slovenian monetary authorities felt that their choice of exchange rate regime had finally obtained some international recognition. The IMF at that time stopped criticizing Slovenia's exchange rate arrangement. It became clear that intermediate regimes, particularly fixed, but adjustable pegs, were inherently instable and in practice not a crisis-proof solution, but, quite to the contrary, particularly vulnerable to speculative attacks. As a result, a number of transition economies followed Slovenia's example and opted for more flexible solutions, in

the direction of more or less freely floating regimes (and, contrary to Slovenia, accompanied by more direct inflation targeting). Other transition countries, particularly the Baltic states, opted for a more firm fixing of the exchange rate, such as in the form of a currency board.

The exchange rate regime of managed floating was accompanied by monetary targeting as a monetary framework. While price stability was the ultimate goal of the monetary policy, monetary aggregates were used as intermediate targets, and primary money as an instrumental target. Intermediate monetary targets were set at first implicitly, which gave some room for discretion to the central bank, and later more explicitly, by announcing targets first for M1 and later for M3 monetary aggregates, which contributed to more transparency and accountability of the monetary policy. Overall, the monetary policy stance in Slovenia throughout the period could be assessed as conservative and relatively restrictive (although the younger generation of macroeconomists in Slovenia have recently challenged this assessment, particularly for the period from 1999 on, when inflation increased). The monetary and exchange rate framework and policies contributed to bringing down inflation from the inherited hyperinflationary level to a single-digit level in a couple of years, and further to the lowest recorded level of 5-6% in early 1999. It has to be mentioned that this success was assisted by a relatively restrictive fiscal policy stance. The public finance deficit was around 0% in the first couple of years, and around 1% in the next period, while in the last period it has been at a level of 1-2%. After the introduction of VAT in mid-1999, the macroeconomic stability of the Slovenian economy worsened somewhat. Stronger inflationary pressures reappeared, and the inflation rate returned to a level of 7-8%, where it stagnated until 2003.

As mentioned, in 1999 the inflation rate increased again, but until 2002 no radical actions were taken. The main debate focused on the issue of where inflationary pressures derive from and, therefore, whose responsibility the lowering of the inflation

rate should be. The one side pointed to the government and saw generators of inflation in administrative prices, wages in the public sector, some fiscal measures taken and some monopolistic market structures, particularly in the utilities sector. The other side pointed to the central bank and saw generators of inflation in a monetary policy not restrictive enough (as manifested in the growth of monetary aggregates), starting from the assertion that inflation is finally a monetary phenomenon. However, the central bank believed it would be useless to 'overkill' the economy with a more restrictive monetary policy as long as inflationary pressures were generated elsewhere, where they should have been taken care of first. In 2003 finally the central bank and the government started to cooperate more intensively and coordinated their actions to lower the inflation rate. What happened was that the policy makers actually ran out of time. They had to bring down inflation rapidly in order to prepare the economy for a soft landing in the ERM2 soon after accession to the EU.

In the context of this discussion, it is of particular importance to have a look at the exchange rate policy. In view of some critics (such as the IMF and the younger-generation local macroeconomists), Slovenia's exchange rate policy is not consistent with the goal of bringing the inflation rate down rapidly. The managed floating regime with a constant depreciation of the domestic currency, according to these views, just sustains inflationary expectations and fills in additional inflationary pressure. Some analysts also point to the pass-through effect from depreciation to inflation, which according to their estimates is quick and large (practically complete). Their policy conclusion is that, in order to bring down inflation more decisively, the central bank should fix the exchange rate already now, before entry in the ERM2, or at least slow down the rate of depreciation of the domestic currency and/or announce it in advance.

The central bank, on the other hand, claims that its exchange rate policy is not conducted with a view to foreign competitiveness and trade performance

(balance of payments results would not justify it anyway, since the balance of payments has been, roughly speaking, more or less in equilibrium throughout the period, at least when compared with other CEE transition economies). Its exchange rate policy in fact resembles the crawling band arrangement, where the exchange rate is strongly related to the interest rate and the exchange rate dynamics is determined by an ambition to control the interest rate differential between the domestic and foreign financial markets.

In the near future, it is expected that Slovenia will continue with its managed floating regime and with its exchange rate policy, although the rate of depreciation of the domestic currency will fall further and in fact approach zero shortly. After joining the ERM2, Slovenia will formally fix the exchange rate (negotiate the entry EUR/SIT central rate), but retain some market exchange rate flexibility. The market exchange rate will be allowed to move in a band of ± 15% around the central rate (Slovenia will most likely opt for these wider bands and not for the ± 2.25% narrower bands). There will be even some room for changing the central rate in case of constant one-sided pressures on the market exchange rate. However, the rules and procedures for participating in the ERM2 are for the moment not defined precisely enough. It remains to be seen how much flexibility will in fact be allowed in the ERM2. It has to be recalled that, whatever the rules of the ERM2, the final verdict on the fulfilment of the exchange rate stability as one of the Maastricht convergence criteria will be seen in the Convergence Reports prepared before the candidate countries are assessed as ready to join the euro area.

Slovenia has the ambition to join the euro area as soon as possible, which means two years after joining the ERM2. According to official views, Slovenia is expecting an early entry in the ERM2, in January 2005 (an earlier date is considered to be unrealistic for technical – administrative and logistic – reasons). Although it is not defined with which inflation rate a country can enter the ERM2, it is assumed that its inflation rate should not diverge too much from the EU level, if the ERM2 is not supposed to be a source of shocks to the economy (soft landing in the ERM2). Additionally, if a country wants to join the euro area as soon as possible, after two years in the ERM2, it will have to comply with the Maastricht convergence criterion on the inflation rate rather early, practically at the time of entering the ERM2. Slovenia plans to bring down inflation to around 5% in 2003 and to around 3.5% in 2004.

EU signals reservations about early expansion of euro area

BY PAWEL KOWALEWSKI

For a long time it has been generally assumed that the exchange rate stability criterion will be applied to countries participating in the ERM2 (Exchange Rate Mechanism 2).[1] That would require the ability to maintain the exchange rate within ± 15% around the central parity. On 22 May 2003, the EU Commission proposed to redefine the criterion by re-imposing the narrow corridor (of ± 2.25% around the central parity) as a precondition for membership in the EMU (European Monetary Union). Thus, while the ERM2 still allows for wide fluctuations, the narrow corridor will be the reference point in order to enter the EMU. If the fluctuations exceed ± 2.25%, this will create a situation which is defined as severe tension (for more see Convergence Report 2002)[2] and will be considered an obstacle to joining the EMU.

The Central and East European accession countries will have little choice but to accept that EU decision – but it will not be easy. Almost all of them have made a lot of noise regarding their desire to join the EMU as quickly as possible. Meeting the newly redefined criterion, however, will be more difficult. With the exception of Estonia, no other country can boast such long exchange rate stability against the euro. Even Lithuania, whose currency is already pegged to the euro, cannot fulfil this condition, as the change to the euro peg took place in February 2002.

Although the accession countries will certainly try to persuade the EU to reverse its decision, their chances for success are slim. Before assessing the consequences of this new stance, the question of why the EU decided to reformulate this criterion needs to be addressed. After all, when the ability of the current founders of the EU to fulfil the Maastricht criteria had been scrutinized, no such extra constraint had been put in place. And indeed, there are countries among the founding members that would not have been able to meet that strict requirement.

The exchange rate criterion is the least defined among the five convergence criteria and, thus, has already prompted a lot of discussion. According to the Maastricht Treaty, the currency to join the EMU should not be devalued against other currencies of the bloc for at least two years. Neither the ERM nor the extent of the band around the central parity were mentioned. Such a definition gives a lot of room for ambiguity. The first to question it were the British, who, from the very beginning, opposed the idea of joining the ERM. (At the time of signing the Maastricht Treaty in 1992, the term ERM2 did not exist. It was not until the summit in Dublin in 1996 that the idea of the ERM was brought up. But it was the Amsterdam Treaty which sanctioned the existence of the ERM2.)

According to the accession countries (and not only them), the ERM2 is dangerous because it may provoke speculative attacks. To make things worse, the onus of intervention is not evenly spread as it used to be in the ERM. That is why the candidate countries would love to avoid this system. However, being aware of the fact that a scenario under which the ERM2 could be passed by is hardly feasible, they argue for participation in it that is confined to a period of two years. History is on their side. And if the past few years were considered as a reference point for assessing their ability to preserve exchange rate stability against the euro, they would seem ready for the EMU.

One of the cornerstones of the EMU is the equal treatment clause. If the latest redefinition of the exchange rate criterion is pushed through, it will not be the first time that the equal treatment rule has been omitted. Italy and Finland were admitted without staying in the ERM for the full two years – and without being able to keep their currencies within the ± 2.25% band around the central parity.

---

[1] For details on the ERM see *The Vienna Institute Monthly Report*, No. 11, 2002, pp. 1-5.

[2] European Central Bank, *Convergence Report 2002*, Frankfurt, 2002. (www.ecb.int/pub/pdf/cr2002en.pdf)

Of course, the ± 15% band is indeed too wide for a country wishing to enter a monetary union. The idea of expanding the corridor was born when the ERM crisis reached its climax in mid-1993. Prior to the crisis, the corridors were set at 2.25%. There was an option of having the band at ± 6% around central parity, but the use of this option was confined to the group of countries that were never considered as frontrunners in the race towards the EMU. Even Italy got rid of that option in early 1990, just to emphasize its willingness to join the EMU.

Although the ERM countries had been given the opportunity to allow for high deviations of their currencies inside the ERM, they hardly used it. Only on two occasions, most of the currencies moved beyond the traditional threshold of 2.25%: This was just after its introduction in August 1993, and then in spring 1995, when the drastic fall in the value of the dollar led to serious disruptions within the ERM. On that occasion, even the value of the Spanish peseta and the Portuguese escudo had to be adjusted. Since the second half of 1995, all ERM currencies have started converging back to their central parities, staying thus inside the narrow band. True, great efforts were made in order to keep the deviations from the central parity as small as possible. Just two currencies, the Finish markka and the Italian lira, were exceptions in this respect, but their deviations from the level of what proved to be the central parity were not large.

For the founders of the EMU, mid-1995 proved to be a turning point. It is still not clear what factor contributed to that turnaround. Possibly, the turnaround had much to do with the performance of the US dollar. Whenever the US currency was falling on the world foreign exchange markets, tensions inside the ERM mounted. The weakening of the dollar usually led to strong outflows from the US into Europe. As those flows tended to go to Germany, the main task of the ERM was to make their distribution more even. That was not easy, however, as in the case of several countries it required hikes in interest rates – which were quite often not justified by the fundamentals.

In mid-1995 the value of dollar had been stabilized (although at a very low level). Between mid-June 1995 and spring 1998 (when the current EMU members' readiness to adopt the euro was assessed) the value of the US currency rose by more than 30% (!) against the German mark, the main reference currency inside the ERM. This was an extremely important factor which helped most of the ERM currencies to remain within the narrow band.

The accession countries seem to be less lucky. The decline in the value of the US dollar, which began in early 2002, seems to be a long one and easily explained by fundamentals. That does not augur well for the potential ERM2 members. It is no coincidence that the fall in the value of the zloty against the euro came at the time of the dollar's weakness.

Yet the situation of the international monetary system was certainly not a factor in the EU's decision-making process. The EU authorities have some reason to believe that postponing the accession countries' membership in the EMU is desirable. The delay should give more time for both parties to prepare for that process. As far as the EU is concerned, the admission of new countries creates the need for redesigning the way the ESCB (European System of Central Banks) works. It has to be mentioned that the current shape of the ECSB is far from perfect. It is felt that the entry of the new countries may cause additional problems and tensions, whose nature has not yet been clearly identified. The delay thus represents a kind of 'safety-first' attitude. Perhaps the EU authorities begin to understand that the fulfilment of the Maastricht criteria alone may be insufficient for a beneficial EMU membership. Obviously, this will not be admitted openly. After all, not only the German economy is struggling under the Maastricht criteria. Also Italy and Portugal seem to have difficulties complying with those criteria in the long run. Both countries joined the EMU at the very last minute and there was a significant group of opponents to both countries' membership. (There was a good deal of scepticism about the

verification process by which these countries eventually got into the EMU.) With the performance of Euroland far from impressive, the group of those opponents is becoming influential again. The ECSB, confronted with enough obstacles in gaining credibility, can hardly afford the luxury of admitting new members with dubious credentials. And those doubts will not be eliminated even if some of the accession countries managed to fulfil the Maastricht criteria. After all, in the case of Italy or Portugal, the temporary meeting of the criteria was no big problem. Only now is it becoming obvious that the long-term problems have not disappeared.

Thus, the Maastricht criteria need a redesign. However, changing the psychological thresholds set by these criteria would cast a shadow on their rationality and credibility. The EU is unlikely to come out in the open with debates on the criteria as this would send confusing signals to the accession countries. More importantly, an open debate could rightly be interpreted as an admission of the failure of the policy so far conducted. Such an admission would certainly be exploited by the eurosceptics. And it may encourage the Central European countries to revise their macro policies.

What about the consequences of the recent message from Brussels about narrowing the exchange rate bands? Probably, the EU wants to achieve the following aims:

– send, implicitly, a clear message to the accession economies, and

– change the perception of the ERM.

The redesign of the exchange rate criterion may impose far-reaching consequences. It is quite clear that the majority of the accession countries (except for those which resort to currency boards) will be unable to meet this criterion. That implies postponing their participation in the EMU (but not necessarily in the ERM2). It is up to the accession countries what they do with this time. Obviously, they may stick to the current policy, which is supposed to ensure meeting EMU criteria as soon as possible. They may also take the risk and enter the ERM2, hoping that during the next two years

the exchange rate will remain within the narrow band. But the chances of success are slim. In order to maintain exchange rate stability within the narrow band, the convergence process has to be strongly advanced. As a matter of fact, only two countries were able, prior to the EMU, to boast such achievements: the Netherlands and Austria. The former was the only country to remain within the narrow band against Germany's currency following the widening of the band in August 1993. But it would be naive to expect a similar resistance to fluctuations from the accession economies.

That is why the accession economies, instead of lamenting the new EU stance, should take it as an opportunity to focus more on real convergence. More progress in real convergence will greatly help in fulfilling the modified exchange rate criterion. Most accession economies have been obsessed with nominal convergence (and disinflation in particular), at the expense of real convergence. One consequence of this are high rates of unemployment.

As far as the ERM2 is concerned, the EU could not subscribe to the opinion according to which the ERM2 is a sort of waiting room. By changing the exchange rate criterion, the EU wants to convince the accession countries (and not only them) that the ERM should be regarded as a useful framework – a framework that can foster the convergence process, provided some conditions are met. What are these conditions?

– Firstly, rather than being a waiting room, membership in the ERM2 can boost the credibility of the member states. After all, the powerful ECB is behind it. Obviously it can stimulate exchange rate crises, but undertaking some preventive measures can reduce the risk of such crises substantially. Avoiding unrealistic targets concerning the timing of entry and the level of central parity may be the key to success.

– Secondly, the ERM2, as its predecessor ERM, is described in the international literature as a fixed but adjustable regime. In other words, frequent adjustments of the exchange rate (in

line with the needs of the economy) may be needed in order to ensure the safe work of this mechanism. The ERM in its original version proved to be extremely successful as long as the member countries were pursuing the policy of frequent adjustments. The abandonment of that policy in spite of not achieving full convergence led to the ERM crisis in 1992. And there is little reason to believe that the current degree of convergence achieved by accession economies is higher than the one that existed in Western Europe at the beginning of the 1990s.

Summarizing, the reasons behind the redesigning of the exchange rate criterion remain somewhat obscure. But the most important thing is that the new EU stance provides for enough room to introduce far-reaching changes in the current economic policy pursued by the accession economies. It is up to these economies to heed the well-meaning message coming from Frankfurt.

CONVENTIONAL SIGNS AND ABBREVIATIONS

used in the following section on monthly statistical data

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

Sources of statistical data:
National statistical offices and central banks; wiiw estimates.

Please note: *wiiw* Members have **free online access** to the wiiw Monthly Database Eastern Europe.
To receive your personal password, please go to http://mdb.wiiw.ac.at

B U L G A R I A: Selected monthly data on the economic situation 2002 to 2003

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	-2.9	0.1	-2.5	15.5	5.3	3.0	8.5	6.0	6.7	0.6	11.0	0.8	15.4	15.4	20.6	.
Industry, total	real, CCPY	-2.9	-2.7	-3.1	1.3	2.1	1.5	2.8	3.8	3.9	3.2	3.3	2.6	15.4	15.4	17.2	.
LABOUR																	
Employees total	th. persons	1879	1883	1890	1896	1906	1913	1918	1914	1925	1917	1919	1911	1939	1988	2013	.
Employees in industry	th. persons	651	648	647	652	651	651	652	652	657	652	650	642	661	669	671	.
Unemployment, end of period	th. persons	687.8	683.9	669.0	678.6	673.8	659.0	653.3	650.0	644.7	644.3	624.9	602.5	646.8	611.7	581.3	552.0
Unemployment rate[1]	%	18.0	17.9	17.5	17.8	17.6	17.2	17.6	17.5	17.4	17.4	16.9	16.3	17.5	16.5	15.7	14.9
Labour productivity, industry	CCPY	-4.1	-3.8	-4.0	0.3	1.1	0.5	1.5	2.3	2.0	1.1	1.0	0.2	13.6	12.7	14.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	9.2	10.0	10.2	5.0	4.1	4.4	3.3	2.3	2.2	2.9	2.8	3.5	-7.6	-8.1	-8.7	.
WAGES, SALARIES																	
Total economy, gross	BGN	251.0	252.0	265.0	262.0	269.0	265.0	267.0	265.0	272.0	271.0	272.0	282.0	270.0	265.0	280.0	.
Total economy, gross	real, CMPY	1.6	2.0	1.6	-3.3	-0.9	-0.8	1.6	2.3	2.2	3.7	3.4	0.6	5.7	4.9	5.8	.
Total economy, gross	USD	113	112	119	119	126	129	135	132	136	136	139	147	147	146	155	.
Total economy, gross	EUR	128	129	135	134	138	135	137	135	139	139	139	144	138	135	143	.
Industry, gross	USD	116	115	122	120	126	134	136	135	138	135	140	147	147	146	158	.
PRICES																	
Consumer[2]	PM	2.7	1.6	0.8	-0.1	-2.1	-1.7	0.1	-0.7	0.8	1.0	0.2	1.2	0.7	0.1	0.4	0.3
Consumer[2]	CMPY	7.0	8.4	9.2	9.2	6.9	5.2	5.5	4.5	4.0	3.2	3.2	3.8	1.7	0.2	-0.2	0.2
Consumer[2]	CCPY	7.0	7.7	8.2	8.4	8.1	7.6	7.3	7.0	6.6	6.3	6.0	5.8	1.7	1.0	0.6	0.5
Producer, in industry	PM	0.4	1.3	0.8	1.0	-0.4	-1.1	0.5	1.0	1.1	0.6	-0.5	1.4	1.8	1.3	1.0	.
Producer, in industry	CMPY	1.2	2.4	2.7	3.4	2.3	1.6	2.7	3.7	4.4	4.8	4.2	6.2	7.7	7.6	7.8	.
Producer, in industry	CCPY	1.2	1.8	2.1	2.4	2.4	2.3	2.3	2.5	2.7	2.9	3.0	3.3	7.7	7.7	7.7	.
RETAIL TRADE																	
Turnover	real, CMPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Turnover	real, CCPY	.	.	-1.0	.	.	-0.3	.	.	1.1	.	.	2.5	.	.	.	.
FOREIGN TRADE[2)3)]																	
Exports total (fob), cumulated	EUR mn	428	890	1356	1839	2292	2827	3440	3970	4510	5039	5568	5949	529	1024	.	.
Imports total (cif), cumulated	EUR mn	563	1154	1776	2481	3204	3865	4623	5260	5937	6710	7523	8313	648	1309	.	.
Trade balance, cumulated	EUR mn	-135	-264	-419	-642	-912	-1038	-1184	-1290	-1427	-1671	-1955	-2364	-119	-285	.	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-130	-182	-237	-375	-476	-383	-267	-106	-55	-196	-375	-677	-160	-310	.	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	2.215	2.248	2.234	2.210	2.131	2.048	1.972	2.000	1.995	1.994	1.953	1.924	1.842	1.816	1.810	1.804
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI[4]	real, Jan98=100	105.1	105.3	104.4	104.0	102.4	100.2	96.5	98.8	98.0	97.1	95.0	92.2	88.0	86.7	86.1	85.5
BGN/USD, calculated with PPI[4]	real, Jan98=100	94.6	94.7	94.3	93.1	90.2	87.7	84.3	84.9	84.1	84.3	83.1	80.6	77.2	75.1	74.2	.
BGN/EUR, calculated with CPI[4]	real, Jan98=100	84.2	83.0	82.8	83.1	85.1	86.6	86.4	87.1	86.6	86.0	85.9	85.1	84.7	84.9	84.5	84.3
BGN/EUR, calculated with PPI[4]	real, Jan98=100	78.6	77.7	77.3	76.8	77.2	78.0	77.7	77.1	76.5	76.1	76.2	75.3	74.3	73.6	72.9	.
DOMESTIC FINANCE																	
M0, end of period[5]	BGN mn	2925	2897	2855	2873	2781	2828	2900	2997	3022	2998	2987	3335	3113	3132	3088	3216
M1, end of period[5]	BGN mn	4651	4584	4594	4603	4475	4403	4589	4750	4805	4804	4936	5543	5143	5237	5089	5225
Broad money, end of period[5]	BGN mn	12514	12517	12503	12631	12359	12335	12696	12998	13094	13227	13432	14146	13922	14117	14001	14220
Broad money, end of period	CMPY	23.0	21.8	20.2	25.2	19.1	15.8	15.6	17.0	15.7	16.2	15.1	12.3	11.3	12.8	12.0	12.6
BNB base rate (p.a.),end of period	%	4.9	4.6	4.5	4.0	4.0	3.8	3.7	3.8	3.8	3.8	3.8	3.3	2.5	2.5	2.6	3.0
BNB base rate (p.a.),end of period[6]	real, %	3.6	2.2	1.7	0.6	1.6	2.1	1.0	0.2	-0.6	-0.9	-0.4	-2.7	-4.8	-4.7	-4.8	.
BUDGET																	
Central gov.budget balance,cum.	BGN mn	154.2	116.0	205.6	251.3	511.1	521.9	523.8	577.9	658.4	823.5	697.8	3.4	-85.7	-132.8	90.8	.

1) Ratio of unemployed to total employment, from July 2002 according to new labour force base.
2) Based on cumulated national currency and converted with the average exchange rate.
3) Cumulation starting January and ending December each year.
4) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
5) According to International Accounting Standards.
6) Deflated with annual PPI.

C R O A T I A: Selected monthly data on the economic situation 2002 to 2003

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	3.3	3.9	-1.0	5.8	3.9	-2.1	10.5	1.3	12.7	9.4	9.9	8.3	0.7	6.9	6.0	11.1
Industry, total[1]	real, CCPY	3.3	3.6	1.9	2.9	3.1	2.2	3.4	3.1	4.2	4.8	5.2	5.5	0.7	3.8	4.6	6.3
Industry, total[1]	real, 3MMA	4.1	1.9	2.8	2.8	2.5	4.0	3.2	8.2	7.8	10.6	9.2	6.4	5.3	4.6	8.0	.
Construction, total, effect.work.time[2]	real, CMPY	9.6	12.8	9.5	19.9	11.7	7.2	17.1	11.5	15.9	12.7	10.8	15.2	9.6	17.8	.	.
LABOUR																	
Employment total	th. persons	1305.2	1324.0	1326.8	1332.8	1341.5	1352.4	1360.8	1362.3	1357.1	1349.4	1344.0	1333.8	1343.0	1337.4	.	.
Employees in industry[2]	th. persons	282.2	280.1	279.6	279.4	278.4	277.1	276.0	276.0	275.1	275.6	274.7	272.1	275.4	274.0	.	.
Unemployment, end of period	th. persons	411.1	414.4	415.4	407.7	394.1	385.0	382.8	379.7	375.8	375.0	369.7	366.2	367.1	362.6	355.8	345.3
Unemployment rate[3]	%	24.0	23.8	23.8	23.4	22.7	22.2	22.0	21.8	21.7	21.7	21.6	21.5	21.5	21.3	20.9	20.3
Labour productivity, industry[1]	CCPY	7.2	7.4	5.6	6.6	6.8	6.0	7.3	7.1	8.3	9.0	9.5	9.8	1.7	5.0	.	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	-1.6	-0.8	0.9	1.2	0.7	1.6	0.2	0.3	-0.4	-1.0	-1.5	-1.8	6.5	2.4	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	5159	5017	5224	5352	5507	5374	5433	5398	5289	5447	5687	5498	5527	5375	.	.
Total economy, gross	real, CMPY	-1.5	0.9	0.2	4.7	4.0	5.2	4.8	4.7	6.7	5.6	4.7	4.5	5.4	5.3	.	.
Total economy, gross	USD	610	582	618	640	682	698	734	716	707	719	762	753	780	764	.	.
Total economy, gross	EUR	690	669	706	724	746	732	739	732	720	733	762	741	737	709	.	.
Industry, gross	USD	555	526	554	581	634	644	682	652	642	661	708	692	720	697	.	.
PRICES																	
Retail	PM	0.8	0.1	0.4	0.4	0.2	0.1	-0.4	-0.1	0.5	0.5	-0.3	0.1	0.4	0.2	0.4	-0.4
Retail	CMPY	3.3	2.8	3.2	2.2	1.8	2.2	2.3	1.3	1.5	2.1	2.0	2.3	1.6	1.7	1.7	0.9
Retail	CCPY	3.3	3.0	3.2	2.9	2.6	2.5	2.6	2.4	2.2	2.2	2.3	2.2	1.6	1.6	1.7	1.5
Producer, in industry	PM	-0.1	-0.4	-1.1	0.9	0.2	0.3	0.5	-0.1	0.4	1.4	-0.6	-0.1	0.5	0.4	0.8	-0.9
Producer, in industry	CMPY	-2.6	-2.8	-2.3	-1.4	-1.2	-1.0	0.2	0.7	0.4	1.6	1.5	2.3	2.9	2.7	4.7	2.8
Producer, in industry	CCPY	-2.6	-2.7	-2.6	-2.3	-2.1	-1.9	-1.6	-1.3	-1.1	-0.8	-0.6	-0.4	2.9	2.8	3.4	3.3
RETAIL TRADE																	
Turnover	real, CMPY	10.9	13.5	14.7	9.4	12.0	9.1	19.3	14.4	14.0	12.1	10.8	9.8	7.5	8.6	1.1	.
Turnover	real, CCPY	10.9	12.2	13.0	12.1	12.1	11.6	12.7	12.8	13.0	13.0	12.7	12.5	7.5	8.0	5.7	.
FOREIGN TRADE[4][5]																	
Exports total (fob), cumulated	EUR mn	359	722	1181	1658	2144	2525	3060	3404	3840	4323	4718	5182	379	903	1347	.
Imports total (cif), cumulated	EUR mn	683	1502	2447	3453	4457	5441	6557	7346	8325	9428	10387	11315	714	1680	2739	.
Trade balance, cumulated	EUR mn	-324	-779	-1267	-1795	-2314	-2917	-3497	-3943	-4485	-5105	-5668	-6133	-336	-777	-1392	.
Exports to EU (fob), cumulated	EUR mn	196	417	657	952	1188	1405	1735	1913	2122	2327	2538	2732	209	467	741	.
Imports from EU (cif), cumulated	EUR mn	350	797	1308	1844	2428	2971	3620	4043	4679	5260	5797	6327	387	946	1544	.
Trade balance with EU, cumulated	EUR mn	-154	-380	-651	-893	-1240	-1566	-1885	-2130	-2557	-2933	-3259	-3595	-178	-479	-803	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	-867	.	.	-1623	.	.	-611	.	.	-1547	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	8.452	8.626	8.455	8.359	8.072	7.697	7.405	7.542	7.484	7.571	7.464	7.298	7.082	7.032	7.099	6.966
HRD/EUR, monthly average	nominal	7.477	7.500	7.403	7.393	7.378	7.344	7.350	7.377	7.347	7.427	7.468	7.423	7.500	7.584	7.663	7.554
HRK/USD, calculated with CPI[6]	real, Jan98=100	121.5	124.4	122.0	120.9	116.5	111.1	107.4	109.8	108.6	109.6	108.4	105.5	102.4	101.5	102.0	100.5
HRK/USD, calculated with PPI[6]	real, Jan98=100	120.9	122.6	122.8	121.3	116.9	111.2	106.8	109.1	108.3	109.0	108.2	105.7	104.0	102.8	103.0	102.0
HRD/EUR, calculated with CPI[6]	real, Jan98=100	97.4	97.8	96.6	96.4	96.3	95.7	96.1	96.7	96.1	96.8	97.8	97.4	98.1	99.4	100.0	99.0
HRD/EUR, calculated with PPI[6]	real, Jan98=100	100.5	100.4	100.5	99.8	99.5	98.7	98.4	99.0	98.4	98.2	98.9	98.7	99.7	100.8	101.0	100.5
DOMESTIC FINANCE																	
M0, end of period	HRK mn	8255	8345	9146	9112	9277	9904	10288	10296	9680	9507	9348	9681	9468	9605	9526	.
M1, end of period	HRK mn	22398	22165	24375	26418	26716	28254	28947	29502	28914	29090	29092	30870	29412	29456	29512	.
Broad money, end of period	HRK mn	108647	107184	106245	106333	106445	106593	109734	113037	113275	114826	114261	116142	116615	117209	118791	.
Broad money, end of period	CMPY	46.7	41.9	37.1	36.9	36.8	33.8	33.8	28.8	28.2	27.4	20.3	9.5	7.3	9.4	11.8	.
Discount rate (p.a.),end of period	%	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	4.5	4.5	4.5	4.5	4.5	4.5	.
Discount rate (p.a.),end of period[7]	real, %	8.7	9.0	8.4	7.4	7.2	7.0	5.7	5.2	5.5	2.9	3.0	2.2	1.6	1.8	-0.2	.
BUDGET																	
Central gov. budget balance, cum.[8]	HRK mn	-498.2	-842.3	-2614.0	-2289.5	-2445.1	-2867.5	-2065.0	-2176.2	-2489.9	-2803.0	-3255.9	-4010.4	-689.5	-748.9	-1201.5	.

1) In business entities with more than 19 persons employed.
2) In business entities with more than 10 persons employed.
3) Ratio of unemployed to the economically active population.
4) Based on cumulated national currency and converted with the average exchange rate.
5) Cumulation starting January and ending December each year.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
7) Deflated with annual PPI.
8) From January 2002 including social security funds.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2002 to 2003

(updated end of May 2003)

		2002												2003			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	2.6	5.8	4.1	8.2	5.1	1.3	10.8	-2.8	9.2	3.5	4.4	6.6	6.4	5.2	7.0	.
Industry, total	real, CCPY	2.6	4.2	4.2	5.2	5.2	4.5	5.3	4.3	4.8	4.7	4.7	4.8	6.4	5.8	6.2	.
Industry, total	real, 3MMA	4.0	4.2	6.0	5.7	4.9	5.5	2.8	5.5	3.3	5.5	4.7	5.7	6.1	6.2	.	.
Construction, total	real, CMPY	3.1	13.8	-2.7	5.2	5.0	-1.5	-1.3	-4.9	6.7	3.5	3.5	4.8	-2.0	-3.6	2.9	.
LABOUR																	
Employees in industry[1]	th. persons	1157	1161	1161	1156	1159	1158	1160	1154	1147	1144	1140	1131	1141	1142	1142	.
Unemployment, end of period	th. persons	489.0	485.2	471.7	456.4	447.9	454.3	479.2	488.3	492.9	486.7	489.8	514.4	539.0	538.1	528.2	509.4
Unemployment rate[2]	%	9.4	9.3	9.1	8.8	8.6	8.7	9.2	9.4	9.4	9.3	9.3	9.8	10.2	10.2	10.0	9.6
Labour productivity, industry[1][3]	CCPY	1.3	3.6	3.5	5.2	5.0	4.3	5.7	4.7	5.5	5.8	6.1	6.5	12.2	9.9	9.5	.
Unit labour costs, exch.r. adj.(EUR)[1][3]	CCPY	16.3	13.6	13.5	13.1	13.3	13.3	12.2	12.9	12.3	11.8	10.9	10.1	-4.3	-3.8	-4.2	.
WAGES, SALARIES																	
Industry, gross[1]	CZK	14616	13779	14518	14978	15950	15373	15693	15012	14774	15718	17664	16794	15451	14339	15187	.
Industry, gross[1]	real, CMPY	3.8	3.8	2.5	5.5	3.2	2.7	6.7	4.3	5.8	5.2	3.2	6.4	5.8	4.1	4.9	.
Industry, gross[1]	USD	402	377	405	437	479	485	524	477	480	503	575	548	521	488	517	.
Industry, gross[1]	EUR	456	433	463	493	522	507	528	487	489	513	574	538	491	453	478	.
PRICES																	
Consumer	PM	1.5	0.2	-0.1	-0.1	-0.1	-0.3	0.5	-0.2	-0.5	-0.3	-0.2	0.2	0.6	0.2	-0.1	0.2
Consumer	CMPY	3.7	3.9	3.7	3.2	2.5	1.2	0.6	0.6	0.8	0.6	0.5	0.6	-0.4	-0.4	-0.4	-0.1
Consumer	CCPY	3.7	3.8	3.7	3.6	3.4	3.0	2.7	2.4	2.2	2.1	1.9	1.8	-0.4	-0.4	-0.4	-0.3
Producer, in industry	PM	0.2	0.2	0.0	-0.5	-0.2	-0.1	-0.4	-0.1	0.0	0.6	-0.1	-0.3	0.0	0.4	0.3	-0.8
Producer, in industry	CMPY	0.6	-0.1	-0.2	-0.1	-0.5	-0.8	-1.1	-0.9	-0.9	-0.9	-0.7	-0.7	-0.8	-0.7	-0.4	-0.7
Producer, in industry	CCPY	0.6	0.2	0.1	0.0	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.5	-0.5	-0.8	-0.7	-0.6	-0.6
RETAIL TRADE																	
Turnover	real, CMPY	4.2	4.3	4.1	5.5	3.4	-0.3	5.4	-4.5	6.7	1.4	0.5	4.4	4.2	4.0	1.0	.
Turnover	real, CCPY	4.2	4.2	4.2	4.6	4.3	3.5	3.8	2.8	3.2	3.0	2.8	2.9	4.2	4.1	2.9	.
FOREIGN TRADE[4][5]																	
Exports total (fob),cumulated	EUR mn	3070	6340	9859	13506	16912	20280	23526	26350	30065	33874	37656	40576	3433	6767	10463	14109
Imports total (fob),cumulated	EUR mn	3252	6437	10146	13796	17560	20993	24554	27560	31410	35472	39506	43005	3457	6863	10687	14612
Trade balance,cumulated	EUR mn	-181	-97	-287	-290	-648	-713	-1028	-1211	-1345	-1598	-1850	-2429	-24	-97	-224	-503
Exports to EU (fob), cumulated	EUR mn	2149	4456	6935	9476	11797	14132	16320	18226	20747	23261	25820	27759	2389	4742	7234	9823
Imports from EU (fob), cumulated	EUR mn	1997	3968	6224	8494	10746	12867	15083	16876	19147	21531	23879	25884	1981	4012	6294	8590
Trade balance with EU, cumulated	EUR mn	152	488	711	982	1051	1265	1237	1350	1599	1730	1941	1874	408	730	940	1233
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	-593	.	.	-1282	.	.	-2574	.	.	-3708	-136	-457	-926	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	36.3	36.5	35.8	34.3	33.3	31.7	30.0	31.5	30.8	31.2	30.7	30.7	29.7	29.4	29.4	29.2
CZK/EUR, monthly average	nominal	32.1	31.8	31.4	30.4	30.6	30.3	29.7	30.8	30.2	30.7	30.8	31.2	31.5	31.6	31.8	31.6
CZK/USD, calculated with CPI[6]	real, Jan98=100	97.5	98.3	97.0	93.4	90.9	86.9	81.7	86.3	85.0	86.7	85.4	84.8	81.9	80.9	81.1	80.2
CZK/USD, calculated with PPI[6]	real, Jan98=100	95.6	95.9	95.1	92.1	89.7	85.6	81.4	85.8	84.2	85.7	84.4	84.4	83.1	82.1	81.9	81.9
CZK/EUR, calculated with CPI[6]	real, Jan98=100	78.1	77.4	76.8	74.6	75.4	75.0	73.2	76.0	75.1	76.6	77.1	78.3	78.7	79.2	79.6	79.1
CZK/EUR, calculated with PPI[6]	real, Jan98=100	79.4	78.6	77.9	76.0	76.7	76.0	75.0	77.9	76.5	77.3	77.3	78.8	79.9	80.4	80.4	80.7
DOMESTIC FINANCE																	
M0, end of period	CZK bn	179.9	182.3	182.8	183.3	184.9	188.5	185.6	190.5	192.2	195.1	198.6	197.8	197.6	201.7	205.9	.
M1, end of period	CZK bn	573.2	575.2	568.8	582.5	605.0	617.5	619.2	639.6	647.4	658.0	669.8	692.3	671.9	688.9	683.6	.
M2, end of period	CZK bn	1590.3	1585.3	1581.6	1606.5	1625.0	1580.5	1594.6	1622.3	1605.6	1635.8	1646.6	1647.3	1643.1	1643.6	1621.8	.
M2, end of period	CMPY	11.0	10.2	9.8	9.5	7.4	4.4	4.3	4.8	4.8	6.2	5.2	3.2	3.3	3.7	2.5	.
Discount rate (p.a.),end of period	%	3.50	3.25	3.25	2.75	2.75	2.75	2.00	2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.50	1.50
Discount rate (p.a.),end of period[7]	real, %	2.9	3.4	3.5	2.9	3.3	3.6	3.1	2.9	2.9	2.9	2.4	2.4	2.3	2.2	1.9	2.2
BUDGET																	
Central gov.budget balance,cum.	CZK mn	-3417	-24923	-15737	-41863	-32401	-915	-26854	-32956	-21434	-32321	-41726	-45715	-10392	-24941	-31840	.

1) Enterprises employing 20 and more persons.

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

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

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

5) Cumulation starting January and ending December each year.

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

7) Deflated with annual PPI.

H U N G A R Y: Selected monthly data on the economic situation 2002 to 2003

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	-5.7	1.5	3.3	4.1	-4.2	3.9	7.9	-2.6	10.9	-0.8	4.0	9.6	4.6	3.0	7.3	.
Industry, total	real, CCPY	-5.7	-2.1	-0.4	0.6	-0.3	0.4	1.4	0.9	2.0	1.7	1.9	2.6	4.6	3.8	4.9	.
Industry, total	real, 3MMA	-2.2	-0.4	2.9	1.0	1.3	2.5	3.0	5.4	2.4	4.5	4.1	5.9	5.6	4.9	.	.
Construction, total	real, CMPY	12.6	21.7	32.6	33.6	24.1	13.9	17.2	22.4	28.0	9.8	8.5	22.7	-0.6	-18.8	-17.3	.
LABOUR																	
Employees in industry[1]	th. persons	830.5	831.2	828.2	823.7	816.9	815.3	818.8	811.4	809.7	810.9	812.6	803.5	801.5	804.7	804.3	.
Unemployment[2]	th. persons	230.2	232.0	236.2	232.4	230.0	229.4	241.4	242.7	245.5	242.9	245.1	244.2	249.4	258.7	.	.
Unemployment rate[2]	%	5.6	5.7	5.8	5.7	5.6	5.6	5.9	5.9	5.9	5.9	5.9	5.9	6.0	6.3	.	.
Labour productivity, industry[1]	CCPY	-4.3	-0.2	1.7	2.9	2.0	2.8	4.0	3.5	4.7	4.4	4.6	5.1	8.5	6.8	7.6	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	28.5	23.1	20.8	20.5	20.8	18.2	16.1	15.8	14.4	14.5	13.7	13.1	3.2	3.3	1.8	.
WAGES, SALARIES																	
Total economy, gross[1]	HUF	112497	108852	113863	114240	118160	118892	116563	113353	120578	126779	142460	162862	136192	123437	126998	.
Total economy, gross[1]	real, CMPY	12.0	12.2	12.8	8.5	13.5	11.7	12.5	11.2	16.0	13.8	9.5	13.7	15.7	8.5	6.5	.
Total economy, gross[1]	USD	408	389	407	418	445	468	469	452	485	511	600	702	602	543	559	.
Total economy, gross[1]	EUR	461	447	465	471	485	490	473	462	494	520	598	690	567	504	517	.
Industry, gross[1]	USD	388	375	403	413	455	453	470	461	456	474	568	579	522	505	536	.
PRICES																	
Consumer	PM	1.3	1.0	0.7	0.9	0.5	-0.4	-0.1	-0.3	0.6	0.6	0.0	0.1	1.2	0.8	0.9	0.1
Consumer	CMPY	6.6	6.2	5.9	6.1	5.6	4.8	4.6	4.5	4.6	4.9	4.8	4.8	4.7	4.5	4.7	3.9
Consumer	CCPY	6.6	6.4	6.2	6.2	6.1	5.9	5.7	5.5	5.4	5.4	5.3	5.3	4.7	4.6	4.6	4.4
Producer, in industry	PM	0.1	0.3	0.3	0.3	0.1	-0.5	0.2	0.0	-0.1	-0.1	-1.3	-0.3	1.1	1.1	0.8	.
Producer, in industry	CMPY	-2.0	-2.3	-2.8	-2.7	-2.0	-1.1	-0.9	-1.0	-1.8	-1.5	-1.9	-1.3	-0.1	0.9	1.2	.
Producer, in industry	CCPY	-2.0	-2.2	-2.4	-2.5	-2.4	-2.2	-2.0	-1.9	-1.9	-1.8	-1.8	-1.8	-0.1	0.4	0.7	.
RETAIL TRADE																	
Turnover[3]	real, CMPY	13.7	10.1	15.6	10.5	11.4	12.7	7.7	7.8	8.3	9.8	6.1	6.8	11.8	8.0	11.3	.
Turnover[3]	real, CCPY	13.7	11.8	13.2	12.5	12.2	12.3	11.5	11.0	10.7	10.6	10.1	9.7	11.8	9.9	10.4	.
FOREIGN TRADE[4)5]																	
Exports total (fob), cumulated	EUR mn	2628	5634	8920	12129	15305	18427	21364	23979	27195	30527	33872	36537	2502	5366	8485	.
Imports total (cif), cumulated	EUR mn	2982	6265	9671	13142	16484	19734	23117	25944	29303	33112	36684	39955	2840	6141	9659	.
Trade balance, cumulated	EUR mn	-354	-631	-751	-1014	-1179	-1307	-1752	-1965	-2108	-2584	-2811	-3418	-337	-775	-1174	.
Exports to EU (fob), cumulated	EUR mn	2016	4344	6787	9224	11618	13941	16183	18124	20517	22997	25538	27452	1953	4134	6434	.
Imports from EU (cif), cumulated	EUR mn	1648	3462	5374	7341	9271	11133	13177	14746	16620	18756	20756	22476	1570	3408	5422	.
Trade balance with EU, cumulated	EUR mn	369	881	1413	1882	2348	2808	3006	3378	3897	4242	4783	4977	383	725	1011	.
FOREIGN FINANCE																	
Current account, cumulated[6]	USD mn	-230	-385	-421	-723	-837	-1086	-1338	-1317	-1369	-1697	-2007	-2655	-278	-722	-1061	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	275.9	279.9	279.5	273.6	265.8	254.1	248.6	250.9	248.7	248.2	237.6	231.9	226.1	227.5	227.3	226.3
HUF/EUR, monthly average	nominal	243.9	243.5	244.7	242.4	243.7	242.7	246.6	245.1	243.9	243.6	238.1	236.1	240.2	245.1	245.6	245.6
HUF/USD, calculated with CPi[7]	real, Jan98=100	103.2	104.1	103.7	101.2	97.9	94.0	92.2	93.6	92.4	91.8	87.9	85.5	82.7	82.5	81.7	81.3
HUF/USD, calculated with PPi[7]	real, Jan98=100	109.4	110.5	111.2	109.4	106.2	102.1	100.0	101.2	100.8	101.6	98.6	96.3	94.7	94.2	93.4	.
HUF/EUR, calculated with CPi[7]	real, Jan98=100	82.8	82.0	82.3	81.0	81.3	81.3	82.6	82.4	81.8	81.3	79.6	79.1	79.6	80.9	80.3	80.2
HUF/EUR, calculated with PPi[7]	real, Jan98=100	91.0	90.7	91.1	90.4	90.9	90.8	92.2	91.8	91.7	91.7	90.5	90.2	91.2	92.4	91.9	.
DOMESTIC FINANCE																	
M0, end of period[8]	HUF bn	986.0	991.8	1005.0	1029.4	1077.1	1100.7	1136.2	1153.5	1149.4	1161.7	1191.5	1181.8	1168.3	1180.5	1197.6	.
M1, end of period[8]	HUF bn	2564.1	2569.9	2644.2	2662.3	2765.8	2808.5	2830.0	2913.3	2893.8	2930.6	3062.8	3302.9	3451.8	3416.8	3453.3	.
Broad money, end of period[8]	HUF bn	6984.2	6927.4	6985.2	7133.7	7191.4	7214.0	7317.8	7523.0	7491.1	7701.1	7975.1	8422.3	7686.9	7721.9	7706.9	.
Broad money, end of period[8]	CMPY	17.0	15.9	16.2	17.7	16.8	17.0	17.2	15.5	14.5	16.0	18.8	18.8	9.8	13.0	13.1	.
NBH base rate (p.a.),end of period	%	9.0	8.5	8.5	8.5	9.0	9.0	9.5	9.5	9.5	9.5	9.0	8.5	6.5	6.5	6.5	6.5
NBH base rate (p.a.),end of period[9]	real, %	11.2	11.1	11.6	11.5	11.2	10.2	10.5	10.6	11.5	11.2	11.1	9.9	6.6	5.6	5.2	.
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-59.3	-143.1	-186.9	-240.2	-280.2	-359.6	-343.5	-413.7	-507.4	-801.9	-586.3	-1474.6	-12.9	-140.8	-224.1	.

1) Economic organizations employing more than 5 persons.
2) According to ILO methodology, from 2002 3-month averages comprising also the two previous months.
3) Excluding catering.
4) Based on cumulated national currency and converted with the average exchange rate.
5) Cumulation starting January and ending December each year.
6) Revised data according to international standards (e.g. trade data refer to customs statistics).
7) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
8) From January 2003 according to ECB methodology, comparable growth rates.
9) Deflated with annual PPI.

P O L A N D: Selected monthly data on the economic situation 2002 to 2003

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry[1]	real, CMPY	-1.4	0.3	-3.2	0.3	-4.2	2.1	5.7	-1.2	6.7	3.3	3.1	5.1	3.4	4.2	5.5	8.3
Industry[1]	real, CCPY	-1.4	-0.6	-1.5	-1.1	-1.7	-1.1	-0.1	-0.2	0.5	0.8	1.1	1.5	3.4	3.8	4.4	5.4
Industry[1]	real, 3MMA	-2.1	-1.5	-0.9	-2.4	-0.7	1.1	2.2	3.7	2.9	4.3	3.8	3.9	4.3	4.4	6.0	.
Construction[1]	real, CMPY	-21.5	-13.9	-14.3	-6.2	-20.3	-13.2	-3.8	-7.8	-6.1	-8.8	-8.4	-10.4	-11.0	-24.1	-25.3	-13.5
LABOUR																	
Employees[1]	th. persons	4940	4931	4924	4907	4896	4898	4884	4876	4864	4870	4862	4839	4736	4741	4728	4726
Employees in industry[1]	th. persons	2494	2492	2486	2475	2471	2471	2462	2457	2451	2462	2462	2448	2417	2418	2412	.
Unemployment, end of period	th. persons	3253.3	3277.9	3259.9	3203.6	3064.6	3090.9	3105.3	3105.6	3112.6	3108.1	3150.8	3217.0	3320.6	3344.2	3321.0	3246.1
Unemployment rate[2]	%	18.1	18.2	18.2	17.9	17.3	17.4	17.5	17.5	17.6	17.5	17.8	18.1	18.7	18.8	18.7	18.4
Labour productivity, industry[1]	CCPY	5.5	6.5	5.5	6.0	5.2	5.7	6.6	6.3	7.1	7.2	7.3	7.4	6.7	7.0	7.6	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	8.4	5.0	3.8	2.0	0.5	-2.2	-4.7	-5.1	-6.0	-6.7	-7.4	-8.1	-15.2	-16.0	-18.2	.
WAGES, SALARIES																	
Total economy, gross[1]	PLN	2188	2189	2252	2226	2255	2232	2289	2253	2302	2263	2343	2532	2247	2235	2268	2321
Total economy, gross[1]	real, CMPY	2.1	2.0	1.5	-0.6	2.5	2.5	2.8	1.5	2.4	-0.8	0.6	1.2	2.0	1.4	-0.1	3.7
Total economy, gross[1]	USD	538	523	544	549	557	555	556	539	555	549	592	647	586	579	566	586
Total economy, gross[1]	EUR	609	601	621	619	609	580	560	551	565	559	592	635	553	537	525	540
Industry, gross[1]	USD	545	526	542	549	546	556	561	539	546	548	604	671	591	583	564	.
PRICES																	
Consumer	PM	0.8	0.1	0.2	0.5	-0.2	-0.4	-0.5	-0.4	0.3	0.3	-0.1	0.1	0.4	0.1	0.3	0.2
Consumer	CMPY	3.4	3.5	3.3	3.0	1.9	1.6	1.3	1.2	1.3	1.1	0.9	0.8	0.5	0.5	0.6	0.3
Consumer	CCPY	3.6	3.6	3.5	3.4	3.1	2.8	2.6	2.4	2.2	2.1	2.0	1.9	0.3	0.3	0.3	0.3
Producer, in industry	PM	0.1	0.2	0.2	0.3	0.1	0.2	0.8	0.4	0.3	0.0	-0.5	0.1	0.4	0.6	0.9	-0.4
Producer, in industry	CMPY	0.0	0.2	0.3	0.4	0.5	1.2	1.7	1.3	1.1	1.7	1.7	2.2	2.5	2.9	3.6	2.9
Producer, in industry	CCPY	0.1	0.2	0.3	0.3	0.4	0.5	0.7	0.8	0.8	0.9	1.0	1.0	2.5	2.7	3.0	3.0
RETAIL TRADE																	
Turnover[1]	real, CMPY	3.9	6.6	8.2	1.0	1.1	1.8	7.7	3.9	3.6	3.8	4.8	4.4	3.8	4.3	-1.9	.
Turnover[1]	real, CCPY	3.9	5.3	5.8	4.0	3.3	3.1	3.3	2.5	2.6	2.9	1.7	1.6	3.8	4.1	1.2	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	3288	6572	10277	14018	17383	20972	24505	27917	31695	36074	39981	43418	3376	6605	10413	.
Imports total (cif), cumulated	EUR mn	4123	8586	13527	18872	23617	28416	33428	37803	42779	48336	53495	58331	4389	8732	13730	.
Trade balance, cumulated	EUR mn	-836	-2014	-3250	-4854	-6234	-7445	-8924	-9886	-11084	-12262	-13514	-14913	-1013	-2127	-3317	.
Exports to EU (fob), cumulated	EUR mn	2387	4680	7237	9797	12120	14617	17078	19331	21877	24759	27509	29832	2453	4705	7410	.
Imports from EU (cif), cumulated	EUR mn	2456	5270	8377	11536	14557	17596	20816	23446	26519	29885	33035	35986	2616	5286	8352	.
Trade balance with EU, cumulated	EUR mn	-69	-590	-1140	-1739	-2437	-2979	-3738	-4115	-4642	-5126	-5526	-6154	-163	-580	-941	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-870	-1694	-2346	-2980	-3548	-3978	-4087	-4363	-4887	-5453	-6205	-6700	-752	-1277	-1539	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	4.065	4.187	4.143	4.059	4.045	4.025	4.118	4.179	4.150	4.123	3.956	3.911	3.832	3.863	4.003	3.961
PLN/EUR, monthly average	nominal	3.595	3.641	3.629	3.595	3.703	3.847	4.088	4.085	4.074	4.045	3.959	3.988	4.064	4.165	4.323	4.299
PLN/USD, calculated with CPI[5]	real, Jan98=100	96.4	99.6	98.9	97.0	96.8	96.8	99.7	101.9	101.1	100.3	96.3	94.9	92.9	93.6	96.7	95.5
PLN/USD, calculated with PPI[5]	real, Jan98=100	100.1	102.8	102.6	101.0	100.6	100.0	101.8	103.1	102.4	102.7	99.1	97.7	97.2	97.4	100.0	99.3
PLN/EUR, calculated with CPI[5]	real, Jan98=100	77.4	78.5	78.4	77.5	80.3	83.7	89.3	89.7	89.5	88.7	87.0	87.8	89.2	91.7	94.9	94.2
PLN/EUR, calculated with PPI[5]	real, Jan98=100	83.3	84.2	84.1	83.3	85.8	88.9	93.8	93.6	93.2	92.7	90.8	91.5	93.4	95.5	98.2	98.1
DOMESTIC FINANCE																	
M0, end of period	PLN bn	36.8	37.9	38.8	40.0	39.8	41.2	41.8	42.1	41.9	42.0	42.1	42.2	41.6	42.7	44.2	45.9
M1, end of period[6]	PLN bn	111.7	115.4	114.8	116.3	121.6	126.1	128.5	126.1	127.4	126.9	130.7	136.3	129.8	133.0	136.2	.
M2, end of period[6]	PLN bn	322.2	324.6	319.0	317.6	322.0	321.9	324.2	322.9	320.7	321.1	317.5	319.8	315.4	318.4	317.9	.
M2, end of period	CMPY	7.8	6.9	3.2	2.4	3.1	2.4	1.3	-0.2	-1.4	-2.5	-1.1	-2.6	-2.1	-1.9	-0.4	.
Discount rate (p.a.),end of period	%	12.0	12.0	12.0	11.0	10.5	10.0	10.0	9.0	8.5	7.8	7.5	7.5	7.3	6.8	6.5	6.3
Discount rate (p.a.),end of period[7]	real, %	12.0	11.8	11.7	10.6	10.0	8.7	8.2	7.6	7.3	5.9	5.7	5.2	4.6	3.7	2.8	3.3
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-6963	-13668	-16437	-19911	-22985	-24923	-25597	-27280	-29147	-34057	-37073	-39113	-4039	-11637	-15496	-18031

1) Enterprises employing more than 9 persons.
2) Ratio of unemployed to the economically active.
3) Based on cumulated national currency and converted with the average exchange rate.
4) Cumulation starting January and ending December each year.
5) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
6) Revised according to ECB monetary standards.
7) Deflated with annual PPI.

R O M A N I A: Selected monthly data on the economic situation 2002 to 2003

(updated end of May 2003)

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	5.0	5.0	-0.1	5.6	0.1	6.6	9.1	6.4	9.1	9.6	7.0	8.6	1.6	-1.7	3.3	.
Industry, total[1]	real, CCPY	5.0	5.0	3.1	3.8	3.0	3.6	4.4	4.7	5.1	5.6	5.8	6.0	1.6	-0.1	1.1	.
Industry, total	real, 3MMA	5.1	3.1	3.4	1.8	4.0	5.2	7.4	8.2	8.4	8.6	8.4	5.8	2.7	1.1	.	.
LABOUR																	
Employees total	th. persons	4314.2	4333.8	4377.7	4386.8	4397.5	4404.2	4405.1	4399.4	4395.5	4375.1	4353.0	4331.0	4331.2	4348.6	4376.5	.
Employees in industry	th. persons	1833.8	1831.3	1830.2	1823.7	1824.2	1814.0	1812.6	1808.6	1801.7	1797.6	1795.2	1785.5	1796.4	1795.3	1801.3	.
Unemployment, end of period	th. persons	1193.7	1267.4	1257.4	1069.7	983.3	929.7	867.4	815.5	786.2	767.7	755.9	760.6	781.4	798.4	779.2	.
Unemployment rate[2]	%	12.7	13.5	13.4	11.4	10.5	9.9	9.2	8.7	8.4	8.2	8.1	8.1	8.3	8.5	8.3	.
Labour productivity, industry	CCPY	3.8	4.2	2.5	3.4	2.8	3.6	4.6	5.1	5.8	6.5	6.8	7.1	3.7	1.9	3.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	14.3	14.9	14.4	10.8	7.9	4.6	1.3	-0.1	-1.0	-1.9	-3.0	-3.9	-6.1	-4.8	-6.0	.
WAGES, SALARIES																	
Total economy, gross	th. ROL	5144.8	4778.5	5091.1	5585.4	5329.1	5327.1	5498.5	5469.6	5404.1	5570.8	5704.7	6521.6	6520.3	6054.1	6338.9	.
Total economy, gross	real, CMPY	10.5	10.1	9.5	3.9	2.5	0.3	0.7	1.3	2.0	3.4	1.9	4.4	8.7	9.0	6.3	.
Total economy, gross	USD	161	148	155	169	159	160	167	165	163	168	170	194	195	184	191	.
Total economy, gross	EUR	182	170	177	191	173	167	168	169	166	171	170	190	183	171	177	.
Industry, gross	USD	150	147	155	170	159	161	174	170	165	167	165	188	176	176	184	.
PRICES																	
Consumer	PM	2.3	1.2	0.4	2.0	1.9	1.2	0.5	0.8	0.6	1.6	2.6	1.5	1.3	0.8	1.1	.
Consumer	CMPY	28.6	27.2	25.1	24.4	24.5	24.0	23.0	21.3	19.8	18.8	18.6	17.8	16.6	16.2	17.1	.
Consumer	CCPY	28.6	27.9	26.9	26.3	25.9	25.6	25.2	24.7	24.1	23.5	23.0	22.5	16.6	16.4	16.7	.
Producer, in industry	PM	2.0	1.7	1.6	2.3	2.1	1.4	2.3	1.2	1.8	1.6	1.4	0.7	2.3	2.6	1.9	.
Producer, in industry	CMPY	28.3	25.9	25.2	26.1	25.9	25.7	24.8	23.7	23.5	22.9	23.0	22.1	22.5	23.6	24.0	.
Producer, in industry	CCPY	28.3	27.1	26.4	26.3	26.3	26.2	26.0	25.7	25.4	25.1	24.9	24.6	22.5	23.0	23.3	.
RETAIL TRADE																	
Turnover	real, CMPY	-3.9	-1.2	-1.7	8.9	-2.2	-0.3	3.6	2.8	2.9	0.3	-1.7	1.1	6.3	3.3	.	.
Turnover	real, CCPY	-3.9	-2.5	-2.3	0.5	0.0	-0.1	0.5	0.8	1.0	0.9	0.7	0.7	6.3	4.8	.	.
FOREIGN TRADE[3][4]																	
Exports total (fob), cumulated	EUR mn	1034	2134	3305	4493	5638	6920	8291	9515	10771	12127	13494	14685	1193	2427	3763	.
Imports total (cif), cumulated	EUR mn	1332	2710	4169	5740	7264	8878	10697	12084	13698	15516	17271	18911	1409	2874	4527	.
Trade balance, cumulated	EUR mn	-298	-576	-863	-1247	-1627	-1958	-2406	-2569	-2927	-3389	-3778	-4226	-216	-446	-764	.
Exports to EU (fob), cumulated	EUR mn	746	1532	2347	3148	3923	4786	5711	6524	7350	8211	9129	9843	797	1679	2592	.
Imports from EU (cif), cumulated	EUR mn	780	1545	2404	3362	4271	5278	6395	7140	8030	9076	10076	11031	737	1609	2533	.
Trade balance with EU, cumulated	EUR mn	-34	-13	-57	-214	-349	-492	-684	-615	-680	-865	-948	-1187	60	70	60	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-82	-179	-286	-543	-665	-909	-1050	-937	-957	-1115	-1291	-1573	-15	-72	.	.
EXCHANGE RATE																	
ROL/USD, monthly average	nominal	32052	32233	32766	33102	33491	33392	32979	33094	33116	33242	33545	33654	33448	32884	33134	33703
ROL/EUR, monthly average	nominal	28281	28054	28698	29316	30774	31912	32721	32365	32481	32629	32629	34239	35594	35443	35823	36560
ROL/USD, calculated with CPI[5]	real, Jan98=100	109.0	108.8	110.7	110.3	109.5	108.0	106.2	106.1	105.7	104.7	102.9	101.4	99.9	97.5	97.1	.
ROL/USD, calculated with PPI[5]	real, Jan98=100	104.8	103.5	104.7	104.2	103.3	101.6	98.4	97.8	96.5	96.2	95.8	95.3	94.3	90.4	89.4	.
ROL/EUR, calculated with CPI[5]	real, Jan98=100	87.3	85.8	87.8	88.2	91.2	93.4	95.2	93.5	93.6	92.7	93.1	93.8	96.4	95.6	95.5	.
ROL/EUR, calculated with PPI[5]	real, Jan98=100	87.1	85.0	85.8	86.1	88.6	90.5	90.8	88.9	87.8	86.9	87.9	89.1	91.0	88.7	88.0	.
DOMESTIC FINANCE																	
M0, end of period	ROL bn	30021	32411	33416	37683	34997	39615	39106	41257	42334	41324	41688	45577	41543	45772	45867	.
M1, end of period	ROL bn	50757	54482	55881	60373	59796	64366	65733	69383	71435	72319	72822	88304	73802	78289	79940	.
M2, end of period	ROL bn	259932	267090	275326	286066	290629	300912	303477	314850	317333	324933	334584	373712	355721	367401	369451	.
M2, end of period	CMPY	44.3	43.4	43.7	44.0	45.4	44.3	40.3	39.0	35.0	37.2	36.7	38.1	36.9	37.6	34.2	.
Discount rate (p.a.),end of period[6]	%	35.0	34.6	34.2	34.1	32.2	30.6	28.3	27.2	25.6	23.8	22.2	20.4	19.6	19.2	18.4	17.4
Discount rate (p.a.),end of period[6][7]	real, %	5.2	6.9	7.2	6.3	5.0	3.9	2.8	2.8	1.7	0.7	-0.7	-1.4	-2.4	-3.6	-4.5	.
BUDGET																	
Central gov.budget balance, cum.	ROL bn	-4416	-8978	-11228	-14009	-14789	-29334	-31292	-29983	-32043	-31386	-39426	-47618	1599	-2275	.	.

1) Enterprises with more than 50 (in food industry 20) employees.
2) Ratio of unemployed to economically active population as of December of previous year, from 2002 as of December 2001.
3) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.
4) Cumulation starting January and ending December each year.
5) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
6) From 1, February 2002 reference rate of RNB.
7) Deflated with annual PPI.

R U S S I A: Selected monthly data on the economic situation 2002 to 2003

(updated end of May 2003)

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	2.2	2.0	3.7	4.3	2.8	4.4	7.8	3.4	5.5	3.9	0.8	3.2	4.9	6.5	6.7	7.1
Industry, total	real, CCPY	2.2	2.1	2.6	3.0	3.0	3.2	3.9	3.8	4.0	4.0	3.7	3.7	4.9	5.7	6.0	6.3
Industry, total[1]	real, 3MMA	2.3	2.6	3.3	3.6	3.8	5.0	5.2	.	.	.	.	.	.	.	.	.
Construction, total	real, CMPY	4.1	1.5	2.0	3.3	3.1	2.8	2.4	3.1	1.9	1.7	2.7	3.8	13.7	13.4	13.8	.
LABOUR																	
Employment total[2]	th. persons	64900	65000	65300	65700	66000	66500	67000	67500	66900	66300	65800	65700	65500	65400	65500	.
Unemployment, end of period[3]	th. persons	6077	5964	5819	5674	5529	5420	5312	5203	5520	5837	6153	6294	6435	6575	6400	6300
Unemployment rate[3]	%	8.6	8.4	8.2	8.0	7.7	7.5	7.3	7.2	7.6	8.1	8.5	8.8	9.0	9.2	9.0	8.9
WAGES, SALARIES																	
Total economy, gross	RUB	3760.0	3725.0	4031.0	4110.0	4187.0	4460.0	4597.0	4511.0	4521.0	4646.0	4694.0	5738.0	4696.0	4701.0	5124.0	.
Total economy, gross	real, CMPY	15.5	19.0	16.3	20.9	18.0	18.2	18.7	15.9	15.4	14.9	13.8	9.8	9.2	9.9	10.7	.
Total economy, gross	USD	123	121	130	132	134	142	146	143	143	147	148	180	148	148	163	.
Total economy, gross	EUR	140	139	148	149	146	149	147	146	146	149	147	177	139	138	151	.
Industry, gross	USD	147	146	158	160	159	165	174	179	173	176	178	207	176	181	.	.
PRICES																	
Consumer	PM	3.1	1.2	1.1	1.2	1.7	0.5	0.7	0.1	0.4	1.1	1.6	1.5	2.4	1.6	1.1	1.0
Consumer	CMPY	19.2	17.9	17.0	16.3	16.2	14.9	15.1	15.2	15.0	15.0	15.2	15.1	14.3	14.8	14.8	14.6
Consumer	CCPY	19.2	18.5	18.0	17.5	17.3	16.8	16.6	16.4	16.3	16.1	16.0	16.0	14.3	14.6	14.6	14.6
Producer, in industry	PM	0.4	-0.3	-0.1	2.2	2.5	3.1	2.6	1.7	1.2	2.1	1.1	-0.2	0.4	1.4	1.3	1.4
Producer, in industry	CMPY	9.0	6.9	5.6	7.0	8.7	9.9	11.7	13.6	15.1	17.0	18.0	17.5	17.5	19.5	21.2	20.2
Producer, in industry	CCPY	9.0	7.9	7.2	7.1	7.4	7.9	8.4	9.1	9.8	10.5	11.2	11.8	17.5	18.5	19.4	19.6
RETAIL TRADE																	
Turnover[4]	real, CMPY	9.4	8.3	8.9	9.5	6.1	7.6	10.2	8.6	9.6	9.6	10.0	8.7	8.1	8.5	8.6	.
Turnover[4]	real, CCPY	9.4	8.9	8.9	9.0	8.4	8.3	8.6	8.6	8.7	8.8	8.9	8.9	8.1	8.3	8.4	.
FOREIGN TRADE[5][6][7]																	
Exports total, cumulated	EUR mn	7534	15112	24635	35274	44553	53155	62480	72646	82622	92940	102326	113173	8897	17886	28352	.
Imports total, cumulated	EUR mn	4168	8767	14090	19891	25003	30201	35692	40908	46099	52000	57581	64051	4259	8951	14211	.
Trade balance, cumulated	EUR mn	3366	6345	10545	15383	19550	22954	26789	31738	36523	40940	44745	49122	4638	8934	14142	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	6761	.	.	14813	.	.	23431	.	.	32807	.	.	11900	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	30.473	30.806	31.064	31.174	31.255	31.405	31.515	31.554	31.627	31.693	31.811	31.837	31.816	31.699	31.453	31.212
RUB/EUR, monthly average	nominal	26.952	26.781	27.201	27.596	28.682	29.965	31.323	30.875	31.006	31.103	31.831	32.443	33.807	34.188	33.952	33.867
RUB/USD, calculated with CPI[8]	real, Jan98=100	152.8	153.3	153.7	153.3	151.1	151.2	150.9	151.4	151.4	150.4	148.6	146.0	143.1	140.3	137.7	135.3
RUB/USD, calculated with PPI[8]	real, Jan98=100	174.4	176.7	180.3	178.4	174.5	170.3	167.0	164.8	163.9	162.3	161.3	161.4	163.7	160.8	157.5	154.2
RUB/EUR, calculated with CPI[8]	real, Jan98=100	122.6	120.6	121.8	122.4	125.5	130.5	135.3	133.4	133.8	133.0	134.1	135.1	137.6	137.5	135.1	133.4
RUB/EUR, calculated with PPI[8]	real, Jan98=100	145.1	144.7	147.6	147.1	149.3	151.2	154.2	149.7	148.9	146.4	147.6	151.0	157.6	157.8	154.7	152.1
DOMESTIC FINANCE																	
M0, end of period	RUB bn	533.4	543.4	552.9	610.3	607.5	645.9	659.7	679.0	672.6	675.8	690.5	763.3	710.1	731.9	750.6	.
M1, end of period	RUB bn	1079.4	1084.6	1106.3	1147.5	1204.1	1254.5	1268.0	1282.1	1301.7	1313.3	1337.4	1499.2	1396.3	1441.4	1513.9	.
M2, end of period	RUB bn	2056.3	2105.0	2137.7	2213.5	2288.3	2356.8	2403.6	2445.2	2494.7	2538.6	2602.7	2843.6	2778.5	2916.5	2991.0	.
M2, end of period	CMPY	34.3	30.3	31.0	31.5	32.3	31.0	30.5	30.7	29.6	28.6	31.1	34.0	35.1	38.6	39.9	.
Refinancing rate (p.a.),end of period	%	25.0	25.0	25.0	23.0	23.0	23.0	23.0	21.0	21.0	21.0	21.0	21.0	21.0	18.0	18.0	18.0
Refinancing rate (p.a.),end of period[9]	real, %	14.6	16.9	18.4	15.0	13.2	12.0	10.1	6.5	5.1	3.4	2.6	3.0	3.0	-1.2	-2.6	-1.9
BUDGET																	
Central gov.budget balance, cum.	RUB bn	82.9	89.2	108.1	132.3	148.0	162.9	209.9	210.6	.	.	.	.	.	.	.	.

1) Seasonally adjusted.
2) Based on labour force survey.
3) According to ILO methodology.
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) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
9) Deflated with annual PPI.

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2002 to 2003

(updated end of May 2003)

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	0.2	4.6	-1.3	10.3	3.7	3.8	12.0	6.6	9.8	8.7	8.9	10.9	13.9	8.2	10.8	.
Industry, total	real, CCPY	0.2	2.4	1.1	3.3	3.4	3.5	4.7	4.9	5.4	5.8	6.1	6.5	13.9	11.0	10.9	.
Industry, total	real, 3MMA	2.3	1.1	4.4	4.1	5.8	6.4	7.4	9.4	8.4	9.1	9.5	11.1	11.0	10.9	.	.
Construction, total	real, CMPY	-4.3	-5.8	-0.8	9.9	8.2	-1.5	6.3	1.5	3.8	6.9	8.0	11.7	4.5	0.2	3.6	.
LABOUR																	
Employment in industry	th. persons	542.9	543.0	544.2	561.9	561.7	564.7	555.5	558.1	562.1	561.4	559.8	549.3	544.3	547.2	551.4	.
Unemployment, end of period[1]	th. persons	563.9	560.2	546.3	521.0	510.2	507.0	505.0	492.6	481.0	478.6	488.0	504.1	509.2	495.4	478.7	450.7
Unemployment rate[1]	%	19.7	19.6	19.1	18.1	17.7	17.6	17.6	17.2	16.6	16.4	16.8	17.5	17.7	17.1	16.5	15.4
Labour productivity, industry	CCPY	2.2	4.4	3.1	4.5	4.1	3.8	4.9	5.1	5.5	5.7	5.9	6.3	13.6	10.4	10.1	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	9.8	8.7	9.8	8.0	7.2	6.1	4.1	3.4	3.2	3.0	2.8	2.4	-4.4	-2.9	-3.0	.
WAGES, SALARIES																	
Industry, gross	SKK	13529	12866	13565	13674	14314	14663	14567	14053	13822	14484	16558	16097	14400	13527	14263	.
Industry, gross	real, CMPY	2.8	6.3	4.2	3.9	3.1	3.5	7.2	4.3	6.1	2.2	1.7	2.0	-0.8	-2.3	-2.7	.
Industry, gross	USD	281	265	283	290	305	315	325	312	315	340	399	391	367	347	369	.
Industry, gross	EUR	318	304	323	328	333	331	327	320	321	346	399	385	346	322	341	.
PRICES																	
Consumer	PM	1.5	0.4	0.0	0.4	0.2	-0.4	-0.3	0.5	0.3	0.0	0.0	0.7	5.3	0.6	0.4	0.2
Consumer	CMPY	6.2	4.3	3.6	3.6	3.2	2.6	2.0	2.7	2.8	2.9	2.9	3.4	7.3	7.6	8.0	7.7
Consumer	CCPY	6.2	5.2	4.7	4.4	4.2	3.9	3.6	3.5	3.4	3.3	3.3	3.3	7.3	7.5	7.6	7.7
Producer, in industry[2]	PM	0.4	1.8	0.0	0.8	-0.2	-0.4	0.2	0.0	0.1	0.0	-0.3	0.1	5.4	3.1	0.3	.
Producer, in industry[2]	CMPY	2.4	2.4	1.5	1.9	2.0	1.4	1.8	2.0	2.2	2.2	2.2	2.3	7.5	8.9	9.2	.
Producer, in industry[2]	CCPY	2.4	2.4	2.1	2.0	2.0	1.9	1.9	1.9	2.0	2.0	2.0	2.0	7.5	8.2	8.5	.
RETAIL TRADE[3]																	
Turnover	real, CMPY	11.5	-1.3	7.4	4.4	8.8	10.5	5.6	2.9	0.9	6.2	1.7	8.5	-6.6	-5.6	-11.8	.
Turnover	real, CCPY	11.5	5.1	5.9	5.5	6.2	6.9	6.7	6.2	5.9	5.9	5.5	5.8	-6.6	-6.1	-8.1	.
FOREIGN TRADE[4][5]																	
Exports total (fob),cumulated	EUR mn	1066	2190	3402	4699	5906	7208	8554	9752	11114	12561	13993	15256	1306	2681	4196	.
Imports total (fob),cumulated	EUR mn	1200	2474	3861	5290	6752	8184	9683	10970	12522	14279	15938	17519	1327	2763	4362	.
Trade balance,cumulated	EUR mn	-134	-284	-459	-591	-846	-976	-1129	-1217	-1408	-1718	-1945	-2263	-21	-81	-166	.
Exports to EU (fob), cumulated	EUR mn	665	1370	2118	2897	3604	4395	5207	5889	6712	7569	8450	9234	832	1713	2701	.
Imports from EU (fob), cumulated	EUR mn	584	1221	1922	2655	3383	4123	4909	5542	6323	7216	8054	8815	647	1350	2147	.
Trade balance with EU, cumulated	EUR mn	81	148	196	242	221	272	298	347	388	354	396	418	185	363	554	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-84	-168	-312	-446	-762	-868	-987	-1018	-1210	-1458	-1619	-1939	-46	.	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	48.1	48.6	47.9	47.1	46.9	46.5	44.8	45.0	43.8	42.6	41.5	41.1	39.3	39.0	38.7	37.9
SKK/EUR, monthly average	nominal	42.5	42.3	41.9	41.7	43.0	44.3	44.5	44.0	43.0	41.8	41.5	41.8	41.7	42.0	41.8	41.1
SKK/USD, calculated with CPI[6]	real, Jan98=100	108.7	109.9	108.9	107.4	106.6	106.4	102.7	103.1	100.3	97.7	95.0	93.4	84.9	83.8	82.8	81.0
SKK/USD, calculated with PPI[6]	real, Jan98=100	113.6	112.8	112.4	110.6	110.3	110.0	105.9	106.7	104.3	102.3	99.9	98.9	91.2	87.8	86.9	.
SKK/EUR, calculated with CPI[6]	real, Jan98=100	87.2	86.5	86.2	85.6	88.3	91.5	92.0	90.6	88.6	86.3	85.8	86.0	81.5	82.0	81.3	79.7
SKK/EUR, calculated with PPI[6]	real, Jan98=100	94.5	92.4	92.0	91.1	94.1	97.4	97.6	96.7	94.7	92.2	91.5	92.2	87.6	86.0	85.3	.
DOMESTIC FINANCE																	
M0, end of period	SKK bn	79.7	80.1	79.6	78.8	79.0	79.6	79.3	80.4	80.7	81.4	83.1	84.2	84.1	87.2	86.5	.
M1, end of period	SKK bn	217.8	214.2	210.3	210.6	212.1	218.7	219.3	222.5	221.1	222.8	227.0	246.1	234.9	244.1	246.1	.
M2, end of period	SKK bn	668.4	674.8	666.0	662.8	668.7	678.9	692.7	696.3	689.7	694.7	702.8	713.7	702.2	713.2	711.7	.
M2, end of period	CMPY	10.2	10.9	8.8	6.9	8.0	8.6	9.3	8.1	7.5	9.3	7.9	4.9	5.1	5.7	6.9	.
Discount rate (p.a.),end of period[7]	%	7.8	7.8	7.8	8.3	8.3	8.3	8.3	8.3	8.3	8.0	6.5	6.5	6.5	6.5	6.5	6.5
Discount rate (p.a.),end of period[7][8]	real, %	5.2	5.3	6.2	6.2	6.1	6.8	6.3	6.1	5.9	5.7	4.3	4.1	-0.9	-2.2	-2.5	.
BUDGET																	
Central gov.budget balance, cum.	SKK mn	-2902	-10851	-15185	-13497	-20825	-24661	-34768	-35706	-32192	-39930	-36488	-51642	-1688	-12985	-17810	-23786

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

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

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

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

5) Cumulation starting January and ending December each year.

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

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

8) Deflated with annual PPI.

S L O V E N I A: Selected monthly data on the economic situation 2002 to 2003

(updated end of May 2003)

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	3.9	3.2	-1.5	9.6	0.1	-1.9	4.6	0.1	6.8	1.5	0.6	2.8	-1.9	2.8	1.4	.
Industry, total	real, CCPY	3.9	3.5	1.7	3.7	2.9	2.1	2.5	2.2	2.7	2.6	2.4	2.4	-1.9	0.4	0.8	.
Industry, total	real, 3MMA	2.4	1.7	3.6	2.6	2.5	0.9	0.9	4.0	2.9	2.9	1.5	0.4	1.1	0.7	.	.
Construction, total[1]	real, CMPY	-11.5	-3.9	-6.1	-0.1	-4.8	-8.0	-1.2	-5.3	0.6	-3.6	-0.1	2.2	-8.2	-9.9	.	.
LABOUR																	
Employment total	th. persons	779.5	781.3	782.8	784.3	785.3	785.6	783.9	782.6	784.5	785.1	785.2	781.9	776.0	776.8	778.5	.
Employees in industry[2]	th. persons	220.2	220.2	220.5	219.8	219.6	219.3	218.2	217.5	217.3	217.5	217.6	215.9	.	.	.	.
Unemployment, end of period	th. persons	106.2	105.0	103.5	102.7	101.1	100.1	101.7	102.2	103.4	104.5	101.7	99.6	101.6	100.6	98.8	.
Unemployment rate[3]	%	12.0	11.8	11.7	11.6	11.4	11.3	11.5	11.6	11.7	11.7	11.5	11.3	11.6	11.5	11.3	.
Labour productivity, industry	CCPY	6.9	6.6	4.8	6.9	6.2	5.4	5.9	5.6	6.0	5.9	5.6	5.6	0.3	2.6	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-3.2	-3.3	-1.2	-2.6	-1.7	-1.0	-1.1	-1.0	-1.2	-0.9	-0.7	-0.1	4.2	1.4	.	.
WAGES, SALARIES																	
Total economy, gross	th. SIT	226.4	223.3	227.0	228.8	231.1	229.2	232.1	236.1	236.2	239.9	252.9	262.1	247.1	241.5	243.7	.
Total economy, gross	real, CMPY	0.8	0.9	2.0	2.0	2.1	2.5	3.0	1.7	2.9	2.1	0.9	4.4	2.4	1.9	1.1	.
Total economy, gross	USD	901	870	888	901	939	967	1016	1015	1016	1029	1103	1159	1136	1126	1134	.
Total economy, gross	EUR	1020	1001	1014	1019	1026	1014	1024	1039	1036	1049	1103	1140	1071	1044	1051	.
Industry, gross	USD	771	735	760	767	806	816	877	865	869	890	966	1006	969	945	.	.
PRICES																	
Consumer	PM	1.6	0.9	0.7	1.4	0.3	-0.2	0.5	0.1	0.8	0.5	0.0	0.6	1.0	0.5	0.7	0.5
Consumer	CMPY	8.4	8.1	7.6	8.4	7.5	6.8	7.2	7.3	7.2	7.2	6.7	7.2	6.6	6.2	6.3	5.3
Consumer	CCPY	8.4	8.3	8.1	8.2	8.0	7.8	7.7	7.7	7.6	7.6	7.5	7.5	6.6	6.4	6.3	6.1
Producer, in industry	PM	0.3	0.6	0.4	0.4	0.1	0.2	0.2	0.2	0.1	0.3	0.3	0.6	0.2	-0.2	0.1	0.3
Producer, in industry	CMPY	5.8	5.3	6.3	5.7	5.7	5.6	5.3	5.2	4.9	4.2	4.1	3.7	3.6	2.8	2.5	2.4
Producer, in industry	CCPY	5.8	5.6	5.8	5.8	5.7	5.7	5.7	5.6	5.5	5.4	5.3	5.1	3.6	3.2	3.0	2.8
RETAIL TRADE[4]																	
Turnover	real, CMPY	4.6	2.9	3.9	2.8	2.2	5.1	7.1	4.0	7.8	5.6	3.9	6.7	4.5	4.0	.	.
Turnover	real, CCPY	4.6	3.8	3.8	3.5	3.2	3.6	4.1	4.1	4.5	4.6	4.6	4.8	4.5	4.3	.	.
FOREIGN TRADE[5][6]																	
Exports total (fob), cumulated	EUR mn	829	1686	2653	3621	4539	5459	6444	7168	8172	9217	10153	10966	846	1751	2741	.
Imports total (cif), cumulated	EUR mn	879	1793	2819	3863	4847	5766	6754	7518	8529	9576	10607	11574	868	1895	2989	.
Trade balance total, cumulated	EUR mn	-49	-107	-166	-241	-308	-306	-309	-351	-357	-359	-454	-608	-22	-144	-249	.
Exports to EU (fob), cumulated	EUR mn	554	1083	1671	2254	2789	3331	3908	4309	4906	5519	6072	6508	557	1106	1702	.
Imports from EU (cif), cumulated	EUR mn	588	1205	1914	2624	3307	3955	4640	5137	5824	6542	7225	7871	572	1253	1998	.
Trade balance with EU, cumulated	EUR mn	-35	-122	-244	-370	-518	-624	-732	-828	-918	-1022	-1153	-1362	-15	-147	-297	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	56	81	65	64	71	146	192	236	368	458	484	375	.	.	-30	.
EXCHANGE RATE																	
SIT/USD, monthly average	nominal	251.4	256.6	255.7	254.0	246.1	237.1	228.3	232.6	232.5	233.2	229.2	226.2	217.5	214.5	214.8	214.4
SIT/EUR, monthly average	nominal	222.0	223.0	223.8	224.6	225.3	226.0	226.7	227.4	228.0	228.7	229.3	230.0	230.7	231.3	231.9	232.4
SIT/USD, calculated with CPI[7]	real, Jan98=100	119.3	121.2	120.5	118.8	114.8	110.9	106.4	108.6	107.9	107.8	106.0	103.7	99.1	97.3	96.7	96.1
SIT/USD, calculated with PPI[7]	real, Jan98=100	120.3	122.0	122.4	122.0	118.2	113.7	109.6	111.7	111.9	112.9	110.8	108.5	106.1	104.8	104.9	104.4
SIT/EUR, calculated with CPI[7]	real, Jan98=100	95.6	95.3	95.5	94.8	95.1	95.6	95.3	95.6	95.4	95.4	95.8	95.7	95.2	95.3	94.9	94.6
SIT/EUR, calculated with PPI[7]	real, Jan98=100	100.0	99.9	100.2	100.5	100.9	100.9	101.1	101.4	101.8	101.9	101.4	101.3	101.9	102.8	103.0	102.9
DOMESTIC FINANCE																	
M0, end of period	SIT bn	129.4	130.0	135.9	134.3	135.1	146.0	137.2	140.0	138.6	141.4	140.6	143.1	137.8	139.2	.	.
M1, end of period	SIT bn	471.8	469.2	485.2	489.5	502.8	524.1	509.4	509.6	525.5	510.8	556.9	563.4	525.1	536.8	546.7	.
Broad money, end of period	SIT bn	2911.5	2929.0	2970.8	3010.4	3036.4	3025.5	3061.0	3080.7	3100.6	3223.9	3353.0	3371.9	3319.5	3336.5	3330.8	.
Broad money, end of period	CMPY	29.9	29.1	27.5	27.9	26.0	23.7	22.6	22.5	21.3	23.2	23.9	17.2	14.0	13.9	12.1	.
Discount rate (p.a.),end of period	%	9	9	9	10	10	10	10	10	10	10	10	10	.	.	.	.
Discount rate (p.a.),end of period[8]	real, %	3.0	3.5	2.5	4.1	4.1	4.2	4.5	4.6	4.9	5.6	5.7	6.1	.	.	.	.
BUDGET																	
General gov.budget balance, cum.	SIT bn	-71.2	-103.9	-128.6	-117.2	-122.5	-174.3	-163.6	-158.4	-162.4	-159.6	-173.0	-157.6	3.7	-21.4	.	.

1) Effective working hours.
2) Enterprises with 3 or more employed, excluding employees of self-employed persons.
3) Ratio of unemployed to the economically active.
4) According to NACE (52 - retail trade, 50 - repair of motor vehicles), excluding turnover tax.
5) Based on cumulated national currency and converted with the average exchange rate.
6) Cumulation starting January and ending December each year.
7) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
8) Deflated with annual PPI.

U K R A I N E: Selected monthly data on the economic situation 2002 to 2003

		2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	-1.2	1.4	-0.8	.	.	.	.	.	.	.	.	.	.	.	.	.
Industry, total	real, CCPY	1.7	3.5	3.1	3.5	3.1	5.8	6.1	5.9	6.0	6.0	6.3	7.0	11.6	10.8	10.7	11.4
Industry, total[1]	real, 3MMA	-1.7	-0.2	.	.	.	.	.	.	.	.	.	.	.	.	.	.
LABOUR																	
Unemployment, end of period	th. persons	1028.7	1067.4	1079.0	1087.0	1051.0	1023.4	1005.2	1002.8	991.8	980.0	999.4	1034.2	1061.0	1100.9	1109.4	1107.3
Unemployment rate[2]	%	3.8	3.9	3.9	4.0	3.8	3.7	3.7	3.7	3.6	3.6	3.6	3.8	3.9	4.0	4.0	4.0
WAGES, SALARIES [1]																	
Total economy, gross	UAH	320.8	328.7	354.8	355.8	358.9	377.4	398.1	390.1	391.1	397.5	395.7	442.9	400.6	391.2	415.5	.
Total economy, gross	real, CMPY	19.9	20.5	23.6	20.6	16.9	20.0	22.7	19.5	21.1	19.1	18.8	17.7	25.0	16.2	12.3	.
Total economy, gross	USD	60	62	67	67	67	71	75	73	73	75	74	83	75	73	78	.
Total economy, gross	EUR	68	71	76	76	74	74	75	75	75	76	74	82	71	68	72	.
Industry, gross	USD	80	.	.	.	87	89	96	95	95	97	95	104	.	.	.	.
PRICES																	
Consumer	PM	1.0	-1.4	-0.7	1.4	-0.3	-1.8	-1.5	-0.2	0.2	0.7	0.7	1.4	1.5	1.1	1.1	0.7
Consumer	CMPY	5.6	3.5	2.2	2.1	1.4	-1.1	-0.9	-0.9	-1.1	-0.6	-0.4	-0.6	-0.1	2.5	4.3	3.6
Consumer	CCPY	5.6	4.5	3.7	3.3	2.9	2.2	1.8	1.5	1.2	1.0	0.9	0.8	-0.1	1.2	2.2	2.6
Producer, in industry	PM	-0.4	0.7	-0.8	1.2	1.5	2.2	1.0	-0.4	0.3	0.2	0.2	0.0	0.5	0.7	2.1	0.3
Producer, in industry	CMPY	-0.3	-0.2	-0.5	0.5	2.0	4.0	5.0	4.6	4.9	5.8	5.3	5.8	6.8	6.8	9.9	8.9
Producer, in industry	CCPY	-0.3	-0.3	-0.3	-0.1	0.3	0.9	1.5	1.9	2.2	2.6	2.8	3.1	6.8	6.8	7.8	8.1
RETAIL TRADE																	
Turnover[3]	real, CCPY	.	18.7	16.8	18.0	18.1	16.1	15.6	15.5	14.8	14.9	14.7	14.8	11.6	12.6	12.4	11.9
FOREIGN TRADE[4][5]																	
Exports total (fob), cumulated	EUR mn	1376	2862	4419	6089	7581	9054	10539	12040	13770	15552	17206	19004	1402	2899	4607	.
Imports total (cif), cumulated	EUR mn	1161	2478	4047	5662	7047	8519	10044	11512	13001	14632	16098	17967	1265	2633	4225	.
Trade balance, cumulated	EUR mn	215	384	372	427	534	535	495	527	770	920	1108	1037	137	266	383	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	827	.	.	1453	.	.	2207	.	.	3173	.	.	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.313	5.321	5.322	5.327	5.328	5.329	5.329	5.329	5.330	5.330	5.330	5.332	5.333	5.339	5.334	.
UAH/EUR, monthly average	nominal	4.696	4.630	4.660	4.712	4.865	5.079	5.288	5.211	5.229	5.228	5.338	5.422	5.645	5.752	5.758	.
UAH/USD, calculated with CPI[6]	real, Jan98=100	160.5	163.7	165.7	164.6	165.1	168.3	171.0	171.9	171.9	171.0	169.9	167.1	165.3	163.7	161.8	.
UAH/USD, calculated with PPI[6]	real, Jan98=100	151.4	150.4	153.3	152.9	150.6	147.6	146.5	147.4	147.6	148.6	148.5	148.2	150.3	149.4	146.2	.
UAH/EUR, calculated with CPI[6]	real, Jan98=100	128.4	128.7	131.1	131.1	136.2	144.8	152.9	151.1	151.8	151.0	153.2	154.0	158.1	160.0	158.4	.
UAH/EUR, calculated with PPI[6]	real, Jan98=100	125.6	123.1	125.3	125.7	128.0	130.6	134.8	133.6	134.0	133.8	135.8	138.2	143.9	146.2	143.3	.
DOMESTIC FINANCE																	
M0, end of period	UAH mn	18101	18666	19646	20980	20394	21441	22561	23568	23655	23713	24064	26434	24707	25503	26000	27700
M1, end of period	UAH mn	27586	28416	30287	30672	30670	32494	34037	35367	36504	36373	36514	40244	37877	38974	41615	.
Broad money, end of period	UAH mn	43619	45032	47345	48389	48813	51195	53913	56294	57729	58697	59575	64532	62853	64945	69731	72500
Broad money, end of period	CMPY	41.5	42.3	43.4	41.9	38.8	38.5	44.3	47.1	45.6	44.0	43.5	41.7	44.1	44.2	47.3	49.8
Refinancing rate (p.a.),end of period	%	12.5	12.5	11.5	10.0	10.0	10.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0
Refinancing rate (p.a.),end of period[7]	real, %	12.8	12.7	12.1	9.5	7.9	5.7	2.9	3.2	3.0	2.1	2.6	1.1	0.2	0.2	-2.6	-1.8
BUDGET																	
General gov.budget balance, cum.	UAH mn	1381.7	1516.6	660.6	564.2	1626.6	1366.6	1851.7	2409.7	2722.6	3284.8	3828.3	1726.9	1451.1	2194.3	1860.9	.

1) Excluding small firms.
2) Ratio of unemployed to the economically active.
3) Official registered enterprises.
4) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.
5) Cumulation starting January and ending December each year.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
7) Deflated with annual PPI.

GUIDE TO WIIW STATISTICAL SERVICES
ON CENTRAL AND EASTERN EUROPE, RUSSIA AND UKRAINE

	Source	Type of availability	How to get it	Time of publication	Price*
					*Unless otherwise stated, wiiw Members (subscribers to the wiiw Service Package) receive a 30% discount on prices quoted
Annual data	*Statistical Handbook 2002*	printed	order from wiiw	October 2002 (next update: October 2003)	EUR 90.00 for Members free of charge
	Statistical Handbook 2002 on CD-ROM	computerized (PDF files)	order from wiiw	October 2002 (next update: October 2003)	EUR 90.00
	Statistical Handbook 2002 on CD-ROM	computerized (MS-Excel tables + PDF files); plus printed version	order from wiiw	October 2002 (next update: October 2003)	EUR 225.00
	Statistical Handbook 2002: individual chapters on diskette	computerized (MS-Excel tables)	order from wiiw	October 2002 (next update: October 2003)	EUR 36.00 per chapter
	computerized wiiw Database	online access	via WSR http://www.wsr.ac.at	continuously	EUR 2.50 per data series
Quarterly data (with selected annual data)	*Research Report*	printed	order from wiiw	January/February June/July	EUR 70.00
	Monthly Report (2nd and 4th quarters)	printed, online (PDF) or via e-mail	for wiiw Members only	*Monthly Report* nos. 10 and 11, nos. 4 and 5	only available under the wiiw Service Package for EUR 2000.00
Monthly data	*Monthly Report* (approx. 40 time series per country)	printed	for wiiw Members only	monthly (11 times a year)	
	Internet	online access	see http://mdb.wiiw.ac.at	continuously	for Members free of charge
Industrial data	diskette	computerized	order from wiiw	June	EUR 650.00

Orders from wiiw: fax no. (+43 1) 533 66 10-50
e-mail address: koehrl@wiiw.at
attention Ms. Ursula Köhrl

INDEX OF SUBJECTS – June 2002 to June 2003