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Contents

Slovak flat tax: more pain than gain?

BY ZDENEK LUKAS

The Slovak government has fundamentally reformed the country's tax system. A key motive behind the reform was, according to its proponents, the concern about the tax evasion due to a combination of high tax rates and the overall complexity of the old tax system. (On the whole yet, the old system was not more complex than in most EU countries. Also, the tax rates in most EU countries are higher than in the old Slovak system.) The flat-tax system, virtually alien to the mature market economies, has nonetheless enjoyed popularity among economists and politicians in the transition countries. In Poland the idea of flat tax reappears every couple of years, and some transition countries (Estonia, Latvia, Russia and Ukraine) have introduced it a few years ago. The supporters of the flat tax argue that at lower tax rates, more workers (and businesses) are incorporated into the official economy, the evasion levels fall – and in effect more tax revenue is collected. Besides, it is argued that lower taxes attract more foreign investment (and, by leaving domestic firms with higher post-tax profits, are also good for boosting domestic investment).

On 4 December 2003, the Slovak parliament finally approved the government proposal (following a veto of President Schuster) and introduced a single 19% tax rate for personal income, corporate profits, and all other types of income. The new system is effective as of 1 January 2004. The flat tax for personal income has replaced the progressive five brackets system, which had the following rates: 10%, 20%, 25%, 35%, and 38%, depending on income. At the same time, the tax-free income has increased from earlier SKK 38,760 to the current SKK 80,832, or EUR 1,960 per year, which is equivalent to 5.6 times average gross monthly wages. Earlier, gross income up to SKK 90,000 was taxed at a rate of 10%. In addition, the flat tax

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has abolished some 90 exceptions earlier applied in the personal income tax system. All in all, the personal income tax reform favours higher incomes. The tax gains are very high for the high-income groups (and the lowest ones), while medium-income groups benefit relatively little. Thus, for a sizeable part of (middle-income) earners, the new system does not radically eliminate the evasion incentive.

In the entrepreneurial sector, the 19% tax rate on corporate income has replaced the earlier rate of 25%. Besides, if the corporate tax is paid, the dividends distributed and the liquidation surpluses are tax-free. Companies have also more free hand to set own depreciation schedules for tax purposes. The definition of a Slovak tax resident has been extended. Now all legal entities with effective management headquarters located in the Slovak Republic, whether foreign or domestic, will be treated as Slovak tax residents.

Taxation of small firms is simplified as well. According to the new bill, owners of firms that do not run bookkeeping are allowed to subtract 25% of income ('imputed costs') from their tax base, together with payments to the health and social insurance systems. In some activities the business owners can count 60% of income as costs. This reduced income is the base for a flat tax of 19%.

The expected decline in revenues is to be compensated by unifying the current two-tier value added tax (VAT) at a rate of 19% on all goods (also on staples) and services. Up until the end of 2003 several goods and services were rated by 14%. As a result, in the first stage after introducing the higher flat VAT rate, a part of the population with low incomes will face lower real household income (mostly due to higher taxation of staples), despite the envisaged compensation for socially weak persons.

According to the Slovak Ministry of Finance, the total tax burden will drop by 1.7 percentage points in 2004, year-on-year, to 29.2% of the GDP. As for the income tax, Slovakia now offers the lowest tax burden among the OECD countries. The reform's impact on the 2004 state budget is to be neutral. In the medium run, the higher single VAT rate and stronger economic expansion should help to cut the country's deficit from currently 5% to 3% of GDP by 2006, in order to meet the Maastricht criteria. The uniform tax system with a low rate in Slovakia is in line with the EU *acquis*.

The Slovak administration expects to benefit from this wide-ranging tax reform through the more effective tax collection, stronger economic growth, stabilization of budgetary revenues and, last but not least, by attracting more FDI, which would eventually bring additional pro-growth impulses. Economic expansion could result in more new jobs, and thus in reduced unemployment. Slovak supporters of the flat tax system claim it will bring transparency and simplicity to the system. The shadow economy in Slovakia accounts for approximately 15% of the GDP. This 'tax-free' part of the economy, or tax evasion, makes up a considerable part of losses related to the budgetary revenues. Another aim is to compensate existing investors for the tax privileges that will be terminated in May 2004, when Slovakia joins the EU. According to recent opinion polls, the bulk of current foreign investors in Slovakia intend to increase their stakes. The experience from several countries such as Hong Kong, Singapore, Taiwan and South Korea, which after World War II had introduced a uniform tax, displayed a substantial acceleration of economic growth. However, this may or may not have been related to the tax system because other rapidly growing economies did not introduce flat tax. Besides, those countries have all prospered under entirely different overall policies, and under specific historical circumstances. For example, all of them conducted carefully designed industrial policies and actively controlled foreign exports and foreign investment penetration.

Opponents emphasize the unfairness inherent in any flat-tax system, with most of the benefits of

lower taxation going to the rich, while the low- and medium-income groups are asked to pay actually higher taxes. They point out that taking into account all taxes in society (including VAT and pension contributions) a flat-tax system favours rich people. In addition, opponents, arguing for a high-rate tax system with several tax brackets and exceptions, say that tax systems around the world inevitably tend to grow in complexity along with the need to incorporate new provisions aimed at coping with international business. One might add that the prospects of higher domestic investment due to lower taxes falling on firms and the rich need not materialize. With the contracting purchasing power of the disposable incomes of low- and medium-income groups their demand for consumer goods may stagnate – and this may not be conducive to undertaking investment anyway.

To sum up, companies located in Slovakia will benefit from both the lower tax rate and cost savings related to book-keeping and administration. However, the flat VAT rate will raise prices for consumers mostly in retail trade, restaurants and other services.

The low flat tax scheme in Slovakia may also induce some tax reform in the neighbouring countries. Adjustment pressure will probably be strong in the high-tax Czech Republic, due to the close economic links between the two states. Already now, some Czech companies have moved their headquarters to low-tax Slovakia.[1]

The international business community has enthusiastically hailed the Slovak tax reform. Also the OECD has applauded the unification of the taxation of businesses and citizens, as making the country attractive to foreign investors. The IMF has praised not only the tax reforms but also the current economic developments in Slovakia. While foreigners have applauded the current radical reforms, the Slovak population is hesitant according to opinion polls.

Another important instrument targeting the stabilization of the state budget is the pension reform. Recently, the Slovak parliament has approved a new law to increase the statutory retirement age and create privately managed personal-pension accounts, into which workers will pay half of their compulsory contributions. The resulting shortfall in the pay-as-you-go state pension scheme is to be covered for a few years by privatization revenues. However, taking into account the already nearly finished privatization of the big players in Slovakia, such revenues will be marginal in the coming years. In fact, assuming that the economic expansion will not accelerate, less revenues from corporate taxes coupled with less revenues from the pension system may result in a higher budget deficit in the future and thus derail the overall growth, as happened in Poland in 2000-2002.

[1] The corporate income tax rate is falling, to 19%, also in Poland as of 1 January 2004. This is a sign of international tax competition: a 'race to the bottom' which will increase the fiscal problems everywhere.

Hungary: targeting an inconsistency

BY PAWEL KOWALEWSKI*

Hungary has been considered a great enthusiast of an early entry in the euro area. Indeed, Hungary is a small and open economy, highly integrated with the EU through trade and FDI. These features should make the task of joining the euro much easier, compared to other accession economies (in particular Poland). The year 2008 has been perceived by the authorities as the starting date for membership in the Economic and Monetary Union (EMU). But being an open and small economy now appears insufficient for an early entry into the EMU.

Even though Hungary seems now willing to get rid of its national currency and exchange rate, the latter played an important role throughout the process of transformation. In the early 1990s, the relatively inflexible exchange rate was supposed to act as an anti-inflation anchor. But because of several mistakes in the macroeconomic mix, the reliance on an overvalued exchange rate threw the economy into disarray. The overvalued currency was a factor contributing to unsustainable current account deficits. As a result, the Hungarian economy was subject to a very painful adjustment process known as the Bokros plan. The key element of this plan was a change in the exchange rate policy. After learning from the mistakes made in the first half of the 1990s, all possible effort was undertaken to avoid yet another round of real appreciation. Specifically, a crawling peg mechanism was instituted. However, unlike in Poland (which was the first country to implement a crawling peg in October 1991), the width of the band around the central parity was never increased. The crawl was tightly controlled by the authorities. As a result, the forint could only deviate +/- 2.25% in each direction, and most of the time it traded close to the ceiling of its corridor. The policy paid off splendidly, with strong export performance contributing significantly to the high growth recorded during the second half of the 1990s. But inflation subsided less spectacularly than elsewhere. Even right now, the Hungarian CPI remains well above the levels recorded in the Czech Republic and Poland.

In May 2001, the width of the band was finally extended to 15%, thus giving room for almost immediate appreciation. Moreover, on 15 June 2001, the forint became the first fully convertible currency in Central Europe as all controls on capital account transactions were lifted. This decision further fuelled the nominal appreciation of the forint. Finally on 1 October 2001, the crawling band was dismantled: as a result, the new regime started to resemble the ERM2 corridor. The central parity was set at HUF/EUR 276.1.

There were several reasons behind all these changes. The dismantling of capital controls exposes the economy to a wide variety of shocks (e.g. short-term capital flows). In these circumstances, sticking to a tightly controlled peg does not make much sense, at least as far as a relatively small country is concerned. A widening of the corridor was a necessity. Besides, some appreciation was then considered advantageous – conducive to a stronger disinflation.

With the exchange rate being allowed to emerge out of interactions of market forces, the room was opened for the introduction of a new monetary framework known as inflation targeting. Hungary was the third Visegrád country to adopt inflation targeting as a monetary framework, which delivered a high degree of stability in highly developed countries, but performed rather poorly in Central Europe.

Inflation targeting (IT) was invented in New Zealand and implemented in that country in the 1990s. IT was a response to the failure to contain inflation through the control of monetary aggregates (which

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had been en vogue under the 'new monetarism' of the 1970s and 1980s). Soon after New Zealand's experiment, several other countries similarly dissatisfied with monetary targeting followed suit. These included Canada, Australia and the United Kingdom. The experience with IT was on the whole more satisfactory, especially in the UK where the switch to IT coincided with inflation being anyway under control of the reputable Bank of England. The new fashion set in – often in countries less blessed with competent and credible central banks than the UK.

The popularity of IT was so high that even transition countries started to consider it a preferred option for monetary policy. The first to introduce IT was the Czech Republic, where the exchange rate crisis (May 1997) fully discredited the adherence to the fixed exchange rate policy. The Czech authorities have focused entirely on targeting the so-called core inflation. The second to implement IT in Central Europe were the Poles, who have been targeting the CPI. But the main difference between the Czechs and the Poles has not been about the way inflation is defined, but in their attitudes towards the exchange rate fluctuations.

It is universally acknowledged that under IT the authorities ought to concentrate solely on inflation. That was exactly what the Polish monetary authorities have been doing for five years now. However, according to some experts, this kind of approach can be rather myopic. Indeed during these five years, the volatility of the zloty was very high and some foreign exchange intervention could have easily smoothed the trajectory of the exchange rate. The Czechs have opted for a more opportunistic approach and do not hesitate to intervene occasionally, especially when the domestic currency becomes excessively strong.

The relatively poor performance of IT (targets tend to be missed, either over-, or under-shot) in Central Europe is not surprising. After all the indispensable precondition for efficient IT is a good forecasting apparatus. In the transition economies, which are subject of to more complex developments than the low-inflation developed market economies, it is much more difficult to predict the inflation target credibly. The situation gets even worse once the monetary authority actually takes decisions that are considered inconsistent with IT itself. This exactly has been the case of Hungary.

The introduction of IT along with the determination to preserve the exchange rate corridor raises questions about the consistency of the policy. It has to be admitted that Hungary was not the first country to pursue this rather bizarre monetary mix. Two founders of the EMU – Spain and Finland – also resorted to inflation targeting despite being bound by the rules set by the ERM. Still, in the case of Hungary, this contradiction turned out to be more ominous.

The experience of Spain and Finland proves that it is possible to achieve a kind of exchange rate stability while guiding inflation to the target (or vice versa). After all, the +/-15% wide band is normally non-binding anyway, except under extraordinary stress. Thus normally, the monetary authority need not be concerned with what happens to the exchange rate and can concentrate on its proper IT job. It is debatable yet whether the +/-15 band was proper for Hungary in 2001. At that time inflation in Hungary was still two-digit (and thus much higher than in Spain and Finland). Such a situation can hardly be considered 'normal'. It seems that the Hungarian monetary authorities learnt little from the bitter experience of some ERM countries in the late 1980s. Moreover, it is questionable whether under two-digit inflation the switch to IT makes much sense. In both Poland and the Czech Republic, IT was adopted to cope with persistent, but much lower inflation.[1] The initial widening of the band led

[1] The decision to switch to IT despite high inflation was probably supported by the belief (highly popular among Hungarian economists) that high inflation in Hungary reflects 'an equilibrium adjustment' to productivity rising much faster in Hungary than in the EU. This belief is at the core of the dubious, if not misleading, doctrine called Balassa-Samuelson Effect.

to a fast appreciation of the forint. That was an obvious effect of high interest rate differentials (reflecting the attempts at conducting a tight monetary policy) and had little (or nothing) to do with differentials in productivity growth rates. The fact that there was at that time an explosive rise in the budget deficit (due to election-cycle 'generosity') was of course conducive to high short-term capital inflows and thus supported appreciation. However the initial appreciation must have been considered unsustainable, as is the case with any appreciation stimulated by loose fiscal policy and tight monetary policy. Relying on such appreciation for the disinflation process had to be considered an error. To make things worse, this kind of policy must lead – and has already led – to a serious deterioration of the external balance.

Once the new exchange rate regime had been introduced, the Hungarian authorities, being afraid of greater volatility of the exchange rate within the wide band, decided to narrow the width of the band. This new band can be called a preference area regarding the level of the exchange rate. Recently it has been set at a level between HUF 250 and 260. The narrowing of the band clearly indicates that the Hungarian authorities have not learnt from Poland's experience in 1995-1997. Introducing a restrictively narrow band while trying to conduct a policy that is not directly focussed on exchange rates is rather risky. Poland acknowledged this after a period of coexistence of a narrow band with attempts at lowering inflation through the control of money aggregates (May 1995 through July 1997). The experience proved costly and ineffective, giving rise to progressing flexibilization of the exchanger rate regime. The Polish corridor was widened to alleviate the burden of constant interventions that were necessitated by the exchange rate hitting the narrow bands too often. This lesson was ignored by Hungary. Probably, by restricting the fluctuation band, the authorities expected it could help to disinflate and yet somehow prevent the loss of competitiveness - all at the same time. In 2001 and 2002 the narrow band was successful in helping to disinflate (albeit not spectacularly) at the cost of falling competitiveness. In view of the falling competitiveness and growing trade deficits, the forint started to weaken in 2002.

2003 proved to be a crucial year. In January, the country was hit by strong speculative attacks aimed at getting the forint out of the band. The speculators were convinced that because of the high interest rate, the authorities would either revalue the currency or dismantle the corridor in order to let the currency appreciate beyond the corridor's ceiling. The authorities managed, through intense intervention, to keep the forint within the band, however at a very high price. It is estimated that the overall purchase of foreign currency was at about USD 5.3 billion. This lesson did not result in the NBH deciding on its priorities. The impossibility of an effective targeting of inflation and exchange rate, both at the same time, was not acknowledged.

In June 2003 a further folly followed. The central parity was devalued by 2.26%, in spite of the fact that the market rate was well above central parity. Presumably, this was a favour to the 'real economy' (the export sector). That was accompanied by two hikes in the interest rate (presumably aimed at keeping inflation in check). The most surprising action came in November, when interest were raised by 300 basis points to a level of 12.5%. The economy will of course have to feel all the consequences of high interest rates. The Hungarian interest rate stands in stark contrast to the rates in other Visegrád countries (the Czech Republic, Slovakia and Poland with 2%, 6.25% and 5.25% respectively). The high interest rates will also be felt by the export sector – a factor which is likely to aggravate the current account deficit. While the promised improvement in the fiscal stance will probably mitigate the current account deficit, it will not be sufficient to ensure entry into the EMU by 2008. And, it is only logical to expect that such interest rates will attract high capital inflows again – with the predictable effects for the forint.

After all that turmoil, one may have doubts about the realism of the Hungarian intention to adopt the euro by the year 2008. Also, given the current state of Hungary's monetary policy, it is rather hard to imagine the benefits it can draw from the entry into the ERM2 in about six months. More time may be needed if the participation in the ERM2 is to be productive for Hungary – and not harmful to the reputation of the ERM2 mechanism itself.

The Common Economic Space agreement: origins and prospects

BY VASILY ASTROV

Common Economic Space: the terms of the agreement

After the virtual failure of most regional arrangements initiated between the successor states of the Soviet Union since 1991, there has been witnessed a renewed surge of efforts to foster such (re-) integration recently. On 19 September 2003, the presidents of Russia, Ukraine, Belarus and Kazakhstan signed a framework 'Agreement on the Formation of the Common Economic Space (CES)' between the respective countries. In particular, the Agreement (together with the enclosed CES Concept) addresses the following issues:

- the creation of a free trade area (FTA) without any exemptions, accompanied by an adjustment in the relevant national legislations, particularly in the areas of tax, competition and state support policies;
- the unification of technical standards, sanitary and phytosanitary norms;
- the harmonization of macroeconomic policy;
- the provision of 'four freedoms' (the free movement of goods, services, labour and capital) across the CES; and
- the uniform regulation of 'natural monopolies' (energy infrastructure, railways, and telecommunications), including, most importantly, the equalization of tariffs and the provision of free access to their services to all member states.

To assist the integration process, the Agreement envisages the creation of inter-state bodies whose structure will be modified in line with the stage of integration. The task of CES coordination will be assigned to the Heads of State Council, where each country will have one vote and decisions will be made on a consensus basis. In addition, a Single Regulatory Body will be set up, to which the member states will delegate part of their powers. Within the Body, the votes of individual countries will be weighted according to their 'economic potential', thus giving Russia a decisive influence. The decisions of the Body will be obligatory for all member states; however, the latter may appeal to the Heads of State Council to revise the decision of the former. Finally, the Agreement envisages a 'compensation mechanism' to those countries whose economy might be adversely affected by the decisions of the Body.

Also, the Agreement stipulates a coordination of the WTO accession between the CES member states. None of the four participating countries is a WTO member at the moment,[1] but some of them have advanced in their WTO accession negotiations more than others. According to the terms of the Agreement, those CES member states which accede to the WTO earlier than others commit themselves to promoting a rapid accession of the remaining countries, as well as to refraining from putting additional demands on them.

Whereas some of the terms of the CES agreement are clear-cut, others seem to have a rather vague meaning (such as the harmonization of macroeconomic policy) or indeed repeat themselves (e.g., the provision of the 'four freedoms' automatically implies free trade, which is nevertheless the subject of a separate item). Generally speaking, the provision of the 'four freedoms' is the most challenging part of the Agreement and corresponds to a rather advanced stage of integration. Although during the early stages of CES negotiations Russia and Kazakhstan were also advocating a subsequent

[1] Among the CIS countries, only four – Georgia, Armenia, Moldova and Kyrgyzstan – have become WTO members so far.

introduction of a single currency,[2] these suggestions were dropped later on, and it seems extremely unlikely that the participating states might agree on a common currency in the foreseeable future.[3]

The consequences of CES formation: a general assessment

The possible economic impact of the CES agreement clearly depends on the extent to which these countries are already trading with each other. From Table 1, which presents the trade flows in 2002 among the countries which have signed the Agreement, some interesting observations can be made.

First, the importance of the CES as a trading partner is highly uneven and varies a lot by country. On the exports side, the share of the CES ranged from 13% in Russia to nearly 54% in Belarus in 2002. It seems that the differences in shares can only be partly attributed to the differences in the country size. Thus, Kazakhstan, which is not much bigger than Belarus, sells to the CES just 18.8% of its exports.

Second, for *all* countries, the importance of the CES as a source of imports is much higher than its role as an export destination. This is particularly the case with Ukraine and Kazakhstan, where the shares of the CES on the imports side are more than double the size of those on the exports side, and exceed 40% for both countries. True, in the case of energy-dependent Ukraine (and Belarus), one could argue that this might be due to the relatively beneficial terms offered by Russia on its energy exports to the 'near abroad' – the term used in Russia to denote the CIS countries.[4] No wonder both countries are running sizeable trade deficits with Russia, although they enjoy trade surpluses with the rest of the world. However, the 'energy argument' clearly does not apply to Russia and Kazakhstan. More generally, it seems that while poverty and depressed demand in the post-Soviet countries force exporters to turn to 'richer' markets, thus explaining the low share of the CES in the individual countries' exports, the much bigger role of the CES in their imports might be explained by the relatively high competitiveness of their products due to their (still) weak currencies.

The possible implications of the above observations are as follows. First, closer integration, as envisaged in the framework CES agreement, will be a bigger economic shock for those countries whose trade with the CES partners is already (or, looking into the recent past, it would perhaps be better to say – still) quite extensive. Thus, in narrow economic terms, the relative impact on Russia is likely to be the smallest. Second, on average, importers (and consumers) of these countries will probably benefit more from integration than exporters, at least initially. Obviously, these are very general and tentative conclusions, and the actual consequences for the individual countries may be very different, depending on the nature and extent of trade barriers, the price elasticity of demand for and supply of individual products, etc.

Needless to say, a lot will depend on how *far* the (re-)integration between the four post-Soviet states will actually go. In this context, it might be interesting to look at the recent CIS experience, which, generally speaking, has not been particularly encouraging. A treaty creating a common economic space across the CIS (excluding Ukraine, which opted for associate

[2] Earlier, Kazakhstan was in favour of introducing a common currency in the countries of the Eurasian Economic Community by 2008 (more on that, see below).

[3] The case of the Russia-Belarus Union State is an exception and will be dealt with below.

[4] For instance, the average price of crude oil exported by Russia to the CIS countries in the first half of 2003 was USD 16.8 per barrel, to be compared to USD 24.5 per barrel charged to non-CIS customers. The deviation in prices charged for natural gas is even greater, although this is partly a result of barter trade: for instance, Ukraine receives natural gas as in-kind payment for its transit.

Table 1

Trade flows between CES members in 2002

Exports of:

	Russia		Belarus		Ukraine		Kazakhstan	
	USD mn	%	USD mn	%	USD mn	%	USD mn	%
TO:								
Russia	.	.	4054	*50.1*	3189	*17.8*	1524	*15.7*
Belarus	5843	*5.5*	.	.	261	*1.5*	12	*0.1*
Ukraine	5853	*5.5*	272	*3.4*	.	.	292	*3.0*
Kazakhstan	2413	*2.3*	39	*0.5*	200	*1.1*	.	.
Total CES	**14109**	***13.3***	**4365**	***53.9***	**3650**	***20.3***	**1828**	***18.8***
Total	**106154**	***100.0***	**8098**	***100.0***	**17957**	***100.0***	**9709**	***100.0***

Imports of:

	Russia		Belarus		Ukraine		Kazakhstan	
	USD mn	%	USD mn	%	USD mn	%	USD mn	%
FROM:								
Russia	.	.	5843	*65.1*	6317	*37.2*	2540	*39.1*
Belarus	4054	*8.8*	.	.	263	*1.5*	54	*0.8*
Ukraine	3226	*7.0*	291	*3.2*	.	.	216	*3.3*
Kazakhstan	1945	*4.2*	15	*0.2*	383	*2.3*	.	.
Total CES	**9225**	***20.0***	**6149**	***68.5***	**6963**	***41.0***	**2810**	***43.3***
Total	**46153**	***100.0***	**8980**	***100.0***	**16977**	***100.0***	**6491**	***100.0***

Trade balance of:

	Russia	Belarus	Ukraine	Kazakhstan
	USD mn	USD mn	USD mn	USD mn
WITH:				
Russia	.	-1789	-3128	-1016
Belarus	1789	.	-2	-42
Ukraine	2627	-19	.	76
Kazakhstan	468	24	-183	.
Total CES	**4884**	**-1784**	**-3313**	**-982**
Total	**60001**	**-882**	**980**	**3218**

Source: CIS Statistical Committee, own calculations.

membership) was signed back in 1993, followed by the formation of the International Economic Committee in October 1994, the International Currency Committee in May 1995, and the Council on Small Entrepreneurship Promotion in January 1997. In total, since 1993 over 80 agreements have been concluded, aimed at further promotion of intra-CIS integration, but they largely remained on paper.[5] Even the CIS-wide visa-free area, which had been agreed upon in the early 1990s, started

[5] See N. Shumskiy (2003), 'Ekonomicheskiy soyuz gosudarstv sodruzhestva: real'nost' i perspektivy', *Obschestvo i ekonomika*, No. 7-8, pp. 188-204.

breaking apart with the exclusion of Turkmenistan and Georgia, largely for political reasons. However, some of the agreements initiated on a smaller scale proved to be more successful. The most advanced of them has been the creation, in January 1995, of a Customs Union between Russia, Belarus and Kazakhstan, joined later by Kyrgyzstan and Tajikistan and renamed in October 2000 into Eurasian Economic Community (EEC), with the stated ultimate goal of creating a single economic space.[6] However, despite some trade liberalization between the member states, the block does not yet operate as a proper FTA, and its members continue to have different average import tariffs, standing at 12.2% in Belarus, 10.7% in Russia, 8% in Tajikistan, 7.8% in Kazakhstan, and 5.1% in Kyrgyzstan.[7] Also, the trade policies of some of the member states since the Customs Union formation were often far from being conform to the principles of free trade. This was particularly the case after the Russian crisis in 1998, when a dramatic devaluation of the rouble brought about a marked improvement in the country's competitiveness and provoked Kazakhstan to impose a ban on imports of Russian food products.[8]

Despite the above reservations, a natural question would be to ask: how is the newly created Common Economic Space to be reconciled with the already existing Eurasian Economic Community? The two regional arrangements have very similar formal objectives, but overlap only partially: Ukraine is a member of the CES, but not a member of the EEC, whereas in the case of Kyrgyzstan and Tajikistan it is the other way around. Obviously, this may only be an obstacle if the participating countries are indeed planning to implement in real life what they have agreed upon on paper. So far, this has seldom been the case, and there is no immediate reason to believe that this will drastically change in the future. Besides, the great scope of flexibility provided for in the CES agreement may be instrumental to answering the above question as well. The Agreement allows for differences in both the *depth* and the *speed* of integration – a provision which was reportedly crucial to ensure Ukraine's participation.

The case of Ukraine

Ukraine, though being a member of the CIS since its formation (following immediately the break-up of the USSR), has so far abstained from closer economic co-operation with Russia, given its stated goal of ultimate integration into the EU and the NATO. No wonder the signature of Ukrainian President Leonid Kuchma under the CES agreement proved domestically a highly controversial issue – and that even despite the clause that the terms of the Agreement are only binding for Ukraine as long as they do not contradict the country's constitution and its existing international treaties. Overall, it seems that the recent (and largely unexpected) rapprochement between Ukraine and its Former Soviet Union neighbours was to a certain extent facilitated by the position of the EU, which still hesitates to give Ukraine the 'carrot' of possible EU membership and has not even given Ukraine – unlike Russia – the status of a country with a 'functioning market economy' yet. Meanwhile, the absence of such a status facilitates the application of anti-dumping measures against Ukrainian exports to the EU, especially steel – which is also subject to quantitative restrictions. It is widely expected that the incidence of anti-dumping measures might increase following the EU's enlargement in May 2004 due to the lobbying efforts of the new member countries, some of which are currently important export markets for Ukrainian steel. Three of these countries – Poland, Slovakia and Hungary

[6] Other regional arrangements on the post-Soviet space which have not advanced much are the Central Asian Economic Community (consisting of the Central Asian countries except Turkmenistan) and GUUAM (including Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova).

[7] As of 2002. See K. Elborgh-Woytek (2003), 'Of openness and distance: trade developments in the Commonwealth of Independent States, 1993-2002', *IMF Working Paper* WP/03/207.

[8] See UN/ECE (2003), *Economic Survey of Europe*, No. 1.

– are bordering Ukraine, whereas another three – Lithuania, Latvia and Estonia – enjoy free trade agreements with it, which will be scrapped in the wake of EU accession. In addition, the exports of Ukrainian agricultural products to the new member states will face tougher sanitary and phytosanitary standards. As a result – and despite the fact that Ukraine will benefit from the lower nominal import tariffs adopted by accession countries (the latter will reportedly fall from 9% to 4% on average) – the Ukrainian side estimates the likely losses for domestic producers in 2004-2005 at some USD 350-370 million per year,[9] corresponding to nearly 2% of Ukrainian exports.

Given the Ukrainian perception of the erection of new trade barriers on its western borders, there is little wonder that the country is increasingly looking in the 'eastern' direction. Furthermore, senior Ukrainian officials, including President Kuchma, have repeatedly claimed that Ukraine's participation in the CES regional structures would be confined to a FTA. The latter will, on the one hand, give Ukrainian producers full access to the markets of the CES member states; on the other hand, it will enable the country to enjoy the low (domestic) prices for the Russian energy carriers. Currently, the country's most important export items to Russia (first of all metals and food) face a range of barriers, and the Ukrainian government has already indicated that the first issue it would like to raise in the wake of the FTA implementation will be the abolition of the Russian quota on Ukrainian pipes.[10] With an average wage of just half the Russian level (USD 90 against USD 180 per month), Ukraine remains a potentially competitive supplier for the Russian market.

On the import side, a major point of contention is the Russian policy of levying VAT on fuels according to the principle of 'country of origin' (rather than 'country of destination'), effectively making these commodities 20% more expensive for the Ukrainian side.[11] While the VAT is obviously levied on Russian domestic sales of fuels as well, the price paid by Ukraine is higher than the Russian domestic price – and that for a number of reasons, such as the discrimination of Russian transport tariffs between domestic and export shipments. The proposed unification of tariffs (including those for transportation), along with the universal application of the 'country of destination' principle of VAT taxation, will bring about a convergence of prices for energy carriers between Russia and Ukraine. This has already given rise to concerns that cheaper energy may further aggravate the already high energy intensity of the Ukrainian economy inherited from Soviet times and thus impede restructuring.

However, the import side is not confined to energy carriers. Meanwhile, with an average import tariff of 12.7%, the Ukrainian economy is more protected than the economies of its CES counterparts. Its import tariffs for a number of agricultural commodities are particularly high and reach 50% for products such as sugar, butter and potatoes.[12] The reduction or elimination of these barriers might have unpleasant consequences for Ukrainian producers oriented towards the domestic market, although further research is needed to identify the vulnerable sectors.

[9] See Obozrevatel', www.obozrevatel.com.ua, 11 November 2003.

[10] The quota on Ukrainian pipes was imposed by Russia in May 2001 and is still in place – see Obozrevatel', www.obozrevatel.com.ua, 25 September 2003.

[11] Prior to mid-2001, Russia was applying the principle of 'country of origin' in its trade with the CIS for *all* commodities – see V. Andrianov (2003), 'Aktual'nye problemy sotrudnichestva Rossii so stranami SNG', *Obschestvo i ekonomika*, No. 7-8, pp. 168-187. Since Ukraine went over to the 'country of destination' principle already in the mid-1990s, at some point Ukrainian exports to Russia were *de facto* exempted from any indirect taxation, leading to a number of problems in bilateral trade relations. In contrast, these days the problem appears to be rather the opposite: Ukrainian exporters often face considerable delays in the repayment of VAT.

[12] See Institute for Economic Research and Policy Consulting, 'The implications of WTO-accession for Ukrainian agricultural policy', www.ier.kiev.ua.

The case of Belarus

Contrary to Ukraine, for Belarus the participation in the CES as it stands will be of minor importance. In some respects, the level of integration already achieved between Belarus and Russia matches the provisions of the CES agreement. In April 1996, the two countries signed a treaty 'On the formation of a community', and the year 1997 saw the proclamation of a 'union' between the two states. However, the Russian-Belarusian integration was particularly fostered by the treaty 'On the formation of a Union State' signed in December 1999, and in 2003 the draft Constitutional Act of the Union State was prepared. Trade between the two countries is already largely liberalized – more so than between any other two post-Soviet countries – and there is a common customs service in operation. Most tariff lines for imports from third countries were unified in 1998, although there are reportedly some important discrepancies (such as for textiles, where the Russian tariff is lower) and failures to implement the new legislation. The integration of labour markets is particularly pronounced, the citizens of both countries enjoying the right to live, work, study and receive social security benefits anywhere in the Union State.[13] Also, so far Belarus has enjoyed much cheaper shipments of natural gas from Russia than Ukraine. In 2003, more than 60% of gas deliveries to Belarus were paid at Russian domestic prices (USD 28 per th cm). However, the price will reportedly jump to the Ukrainian level (USD 50 per th cm) in 2004 – a political manoeuvre of the Russian side, following the failure to set up a joint Russian-Belarusian gas consortium in summer 2003. In turn, the Belarusian side responded by doubling the fee for the transit of Russian gas to Western Europe.[14]

The latter development would be more in line with *dis*integration rather than integration, and is only one manifestation of the fact that the actual pace of integration between the two countries is lagging behind the prevailing rhetoric of its leaders. In particular, a major obstacle is represented by the persisting differences in the preferred way of integration. Ideally, Russia has been favouring a single state that would simply encompass the six administrative regions of Belarus as new subjects of the Russian Federation, in addition to the 89 already existing. In contrast, Belarus has been advocating the creation of a Federation where both sides would enjoy equal rights. While Russia's preferred integration model implies political losses for Belarus (which would completely give up its sovereignty as a consequence), the model of integration advocated by Belarus effectively imposes economic costs on Russia.

The latter statement can be exemplified by the divergence of approaches of the two sides to establishing a monetary union. Although monetary integration of the two countries was envisaged in the treaty of 1999, its implementation has been repeatedly delayed. Currently, the adoption of the Russian rouble as the sole legal tender in Belarus is scheduled for 1 January 2005. However, the main stumbling block remains the disagreement over the future status of Belarus' Central Bank, as the country keeps insisting on its equal standing with Russia in terms of monetary emission. Given the strongly expansionary monetary policy pursued in the country over the past decade, the chances are high that this policy may be followed in the future as well. The consequence of this will be a sizeable seigniorage of Belarus' monetary authorities, whereas the burden of inflation tax will be evenly distributed among the entire population of the Union State. According to the 'road map' of the two countries' monetary integration, Belarus is due to peg its currency to the Russian rouble starting from 1 January 2004, but this now appears unrealistic for political reasons. Moreover, even if political will had been present, a fixed peg would have been hardly feasible, given the marked difference in inflation rates between the two countries: in January-October 2003, consumer

[13] See UN/ECE (2003), *Economic Survey of Europe*, No. 1.

[14] See Institute for the Economy in Transition (2003), 'Ekonomiko-politicheskaya situatsiya v Rossii', October.

inflation in Belarus stood at 28.9%, compared to 'only' 13.9% in Russia. Also, Belarus keeps demanding a 'compensation' for the adjustment of its economy to the new conditions[15] and has reportedly also been insisting on the refund of the VAT on Russian energy carriers accumulated since 2000.

Generally, the stated goal of further integration between Russia and Belarus appears to be politically driven rather than economically justified, as long as their economies continue to be organized according to fundamentally different principles. While Russia has largely completed its transition to some sort of a market economy, with all its virtues and vices, Belarus still very much resembles a small version of the Soviet Union – and that not only in its economic policies. Just as in the case of Ukraine, Russia's considerations behind its eagerness to (re-)integrate with Belarus are primarily geo-political: obtaining more leverage over the country, Russia will gain an outlet to the border of the enlarged EU and will ensure its energy exports to the latter. Fearing a pro-western opposition in Belarus, Russia will keep supporting the Lukashenko regime by *de facto* subsidizing the country's economy, but is unlikely to advance the merger of the two states, as long as this regime is in place.

[15] See *Izvestiya*, 12 November 2003.

CONVENTIONAL SIGNS AND ABBREVIATIONS

used in the following section on monthly statistical data

.	data not available
%	per cent
CMPY	change in % against corresponding month of previous year
CCPY	change in % against cumulated corresponding period of previous year (e.g., under the heading 'March': January-March of the current year against January-March of the preceding year)
3MMA	3-month moving average, change in % against previous year.
CPI	consumer price index
PM	change in % against previous month
PPI	producer price index
p.a.	per annum
mn	million
bn	billion

BGN	Bulgarian lev (1 BGN = 1000 BGL)
CZK	Czech koruna
ECU	European currency unit
EUR	Euro, from 1 January 1999
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
ROL	Romanian leu
RUB	Russian rouble (1 RUB = 1000 RUR)
SIT	Slovenian tolar
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar

M0	currency outside banks
M1	M0 + demand deposits
M2	M1 + quasi-money

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

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

(updated end of Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1)]	real, CMPY	4.6	9.7	5.6	9.9	4.0	15.4	15.4	23.4	11.9	9.6	15.4	13.0	10.3	15.9	17.8	.
Industry, total[1)]	real, CCPY	3.2	4.0	4.1	4.7	4.6	15.4	15.4	18.2	16.4	15.0	15.0	14.6	14.0	14.2	14.6	.
Industry, total	real, 3MMA	8.7	6.6	8.4	6.4	9.4	11.0	18.2	16.8	14.7	12.0	12.3	12.6	12.8	14.5	.	.
LABOUR																	
Employees total	th. persons	1914	1925	1917	1919	1911	1939	1988	2013	2049	2062	2079	2086	2079	2074	.	.
Employees in industry	th. persons	652	657	652	650	642	661	669	671	676	673	674	672	668	666	.	.
Unemployment, end of period	th. persons	650.0	644.7	644.3	624.9	602.5	646.8	611.7	581.3	552.0	528.7	506.4	489.3	480.9	472.6	476.3	.
Unemployment rate[2)]	%	17.5	17.4	17.4	16.9	16.3	17.5	16.5	15.7	14.9	14.3	13.7	13.2	13.0	12.8	12.9	.
Labour productivity, industry[1)]	CCPY	1.7	2.1	2.0	2.4	2.2	13.6	12.7	14.9	13.0	11.5	11.4	11.0	10.6	11.0	.	.
Unit labour costs, exch.r. adj.(EUR)[1)]	CCPY	2.8	2.1	1.9	1.4	1.5	-7.6	-8.1	-9.4	-7.9	-6.9	-6.7	-6.5	-6.2	-6.3	.	.
WAGES, SALARIES																	
Total economy, gross	BGN	265.0	272.0	271.0	272.0	282.0	270.0	265.0	280.0	280.0	287.0	281.0	279.0	277.0	290.0	.	.
Total economy, gross	real, CMPY	2.3	2.2	3.7	3.4	0.6	5.7	4.9	5.8	6.6	4.8	4.7	2.4	1.0	2.9	.	.
Total economy, gross	USD	132	136	136	139	147	147	146	155	155	170	168	162	158	166	.	.
Total economy, gross	EUR	135	139	139	139	144	138	135	143	143	147	144	143	142	148	.	.
Industry, gross	USD	135	138	135	140	147	147	146	158	152	164	171	162	158	167	.	.
PRICES																	
Consumer	PM	-0.7	0.8	1.0	0.2	1.2	0.7	0.1	0.4	0.3	-0.6	-2.2	0.9	0.8	0.9	0.7	1.8
Consumer	CMPY	4.5	4.0	3.2	3.2	3.8	1.7	0.2	-0.2	0.2	1.7	1.2	2.0	3.5	3.6	3.3	5.1
Consumer	CCPY	7.0	6.6	6.3	6.0	5.8	1.7	1.0	0.6	0.5	0.8	0.8	1.0	1.3	1.6	1.7	2.0
Producer, in industry[1)]	PM	0.7	1.2	0.6	-0.5	1.4	1.8	1.4	1.0	-3.6	-1.1	1.2	0.4	0.8	0.7	0.9	.
Producer, in industry[1)]	CMPY	0.7	1.0	2.8	2.9	6.3	7.7	8.0	8.0	3.1	2.6	4.3	4.3	4.5	3.9	4.3	.
Producer, in industry[1)]	CCPY	0.3	0.4	0.6	0.8	1.3	7.7	7.9	7.9	6.7	5.9	5.6	5.4	5.3	5.1	5.1	.
RETAIL TRADE																	
Turnover	real, CCPY	.	1.0	.	.	1.6	.	.	2.1	.	.	3.0	.	.	3.8	.	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	3971	4511	5046	5586	6063	531	1034	1633	2172	2685	3247	3869	4412	4998	5601	.
Imports total (cif), cumulated	EUR mn	5272	5949	6724	7542	8411	649	1315	2083	2940	3778	4535	5406	6144	6925	7819	.
Trade balance, cumulated	EUR mn	-1301	-1438	-1678	-1956	-2348	-118	-281	-449	-767	-1093	-1289	-1537	-1732	-1927	-2218	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-106	-55	-197	-380	-682	-165	-321	-415	-803	-1027	-1003	-971	-819	-831	.	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	2.000	1.995	1.994	1.953	1.924	1.842	1.816	1.810	1.804	1.684	1.677	1.720	1.756	1.745	1.673	1.672
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI[5)]	real, Jan98=100	98.8	98.0	97.1	95.0	92.2	88.0	87.3	87.3	86.5	81.1	82.8	84.2	85.6	84.5	80.5	79.0
BGN/USD, calculated with PPI[5)]	real, Jan98=100	89.6	88.8	88.9	87.4	84.8	81.2	80.4	81.4	81.5	76.8	76.3	77.9	79.0	78.2	74.7	.
BGN/EUR, calculated with CPI[5)]	real, Jan98=100	87.2	86.7	86.1	85.9	85.1	84.7	84.9	84.9	84.8	85.3	87.3	86.5	86.0	85.5	84.9	83.3
BGN/EUR, calculated with PPI[5)]	real, Jan98=100	80.6	79.8	79.4	79.5	78.5	77.6	76.8	76.2	78.7	79.3	78.3	78.0	77.5	77.0	76.3	.
DOMESTIC FINANCE																	
M0, end of period[6)]	BGN mn	2997	3022	2998	2987	3335	3113	3132	3088	3200	3248	3356	3483	3616	3624	3569	3559
M1, end of period[6)]	BGN mn	4748	4803	4802	4934	5542	5141	5235	5087	5272	5371	5583	5789	6054	6061	6046	6132
Broad money, end of period[6)]	BGN mn	12811	12901	13041	13241	13967	13739	13933	13812	14062	14095	14515	14973	15445	15450	16110	15970
Broad money, end of period	CMPY	17.4	16.1	16.8	15.6	12.4	11.5	12.9	11.7	12.9	15.5	19.3	19.6	20.6	19.8	23.5	20.6
BNB base rate (p.a.),end of period	%	3.8	3.8	3.8	3.8	3.3	2.5	2.5	2.6	3.0	3.0	2.5	2.5	2.6	2.6	2.6	2.6
BNB base rate (p.a.),end of period[7)]	real, %	3.1	2.8	1.0	0.9	-2.7	-4.8	-5.1	-5.1	-0.1	0.4	-1.7	-1.7	-1.8	-1.2	-1.6	.
BUDGET																	
Central gov.budget balance,cum.	BGN mn	577.9	658.4	823.5	697.8	3.4	-85.7	-132.8	90.8	284.0	609.7	577.7	612.4	656.7	758.5	.	.

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

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

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

6) According to International Accounting Standards.

7) Deflated with annual PPI.

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

(updated end of Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1)]	real, CMPY	1.3	12.7	9.4	9.9	8.3	0.7	6.9	6.0	8.2	6.2	7.0	4.4	3.1	2.9	2.2	-0.4
Industry, total[1)]	real, CCPY	3.1	4.2	4.8	5.2	5.5	0.7	3.8	4.6	5.5	5.7	5.9	5.7	5.3	5.0	4.7	4.2
Industry, total[1)]	real, 3MMA	8.2	7.8	10.6	9.2	6.4	5.3	4.6	7.0	6.8	7.1	5.8	4.8	3.5	2.7	1.6	.
Construction, total,effect.work.time[1)]	real, CMPY	11.5	15.9	12.7	10.8	15.2	9.6	17.8	28.2	26.9	30.9	29.3	24.3	17.6	26.9	.	.
LABOUR																	
Employment total	th. persons	1380.3	1375.1	1367.4	1361.8	1351.4	1343.0	1337.4	1338.8	1351.2	1360.2	1372.6	1381.8	1382.2	1373.9	1366.4	.
Employees in industry	th. persons	276.0	275.1	275.6	274.7	272.1	275.4	274.0	273.5	273.5	273.6	274.0	274.0	273.8	273.6	273.5	.
Unemployment, end of period	th. persons	379.7	375.8	375.0	369.7	366.2	367.1	362.6	355.8	345.3	330.9	319.7	314.2	306.6	307.4	312.3	317.0
Unemployment rate[2)]	%	21.6	21.5	21.5	21.4	21.3	21.5	21.3	21.0	20.4	19.6	18.9	18.5	18.2	18.3	18.6	18.8
Labour productivity, industry[1)]	CCPY	7.2	8.4	9.0	9.5	9.9	4.2	7.3	8.0	8.8	8.9	9.1	8.8	8.4	8.1	7.8	.
Unit labour costs, exch.r. adj.(EUR)[1)]	CCPY	0.3	-0.5	-1.0	-1.6	-1.8	4.0	0.2	-1.7	-3.3	-4.3	-4.5	-4.3	-4.2	-3.8	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	5398	5289	5447	5687	5498	5527	5375	5475	5541	5671	5705	5694	5587	5558	.	.
Total economy, gross	real, CMPY	4.7	6.7	5.6	4.7	4.5	5.4	5.3	3.1	2.6	2.1	5.0	3.3	1.8	3.4	.	.
Total economy, gross	USD	716	707	719	762	753	780	764	771	795	866	885	864	829	829	.	.
Total economy, gross	EUR	732	720	733	762	741	737	709	714	734	752	757	759	743	741	.	.
Industry, gross	USD	652	642	661	708	692	720	697	705	730	805	820	810	755	773	.	.
PRICES																	
Retail	PM	-0.1	0.5	0.5	-0.3	0.1	0.4	0.2	0.4	-0.4	0.2	0.1	0.0	0.1	0.4	0.3	0.1
Retail	CMPY	1.3	1.5	2.1	2.0	2.3	1.6	1.7	1.7	0.9	0.9	1.1	1.5	1.7	1.6	1.5	1.9
Retail	CCPY	2.4	2.2	2.2	2.3	2.2	1.6	1.6	1.7	1.5	1.4	1.3	1.3	1.4	1.4	1.4	1.5
Producer, in industry	PM	-0.1	0.4	1.4	-0.6	-0.1	0.5	0.4	0.8	-0.9	-0.8	0.2	0.2	0.5	-0.4	0.2	0.3
Producer, in industry	CMPY	0.7	0.4	1.6	1.5	2.3	2.9	2.7	4.7	2.8	1.8	1.7	1.4	2.0	1.2	0.0	0.9
Producer, in industry	CCPY	-1.3	-1.1	-0.8	-0.6	-0.4	2.9	2.8	3.4	3.3	3.0	2.8	2.5	2.5	2.4	2.1	2.0
RETAIL TRADE																	
Turnover	real, CMPY	14.4	14.0	12.1	10.8	9.8	7.5	8.6	1.1	13.3	6.5	5.2	0.7	-1.7	1.1	0.2	.
Turnover	real, CCPY	12.8	13.0	13.0	12.7	12.5	7.5	8.0	5.7	7.6	7.3	7.0	6.1	5.2	4.7	4.2	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	3404	3840	4324	4719	5187	379	904	1364	1761	2215	2696	3183	3565	4002	4590	.
Imports total (cif), cumulated	EUR mn	7347	8325	9428	10388	11324	715	1681	2752	3858	4994	5982	7204	8076	9177	10306	.
Trade balance, cumulated	EUR mn	-3943	-4485	-5104	-5668	-6137	-335	-777	-1388	-2097	-2779	-3286	-4021	-4511	-5175	-5716	.
Exports to EU (fob), cumulated	EUR mn	1919	2128	2342	2554	2752	209	467	742	957	1234	1495	1783	2002	2245	2526	.
Imports from EU (cif), cumulated	EUR mn	4150	4676	5273	5810	6343	387	945	1544	2159	2842	3406	4142	4589	5189	5820	.
Trade balance with EU, cumulated	EUR mn	-2231	-2548	-2931	-3256	-3591	-177	-478	-803	-1203	-1609	-1911	-2359	-2588	-2944	-3294	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	-651	.	.	-1606	.	.	-997	.	.	-2267	.	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	7.542	7.484	7.571	7.464	7.298	7.082	7.032	7.099	6.966	6.549	6.443	6.591	6.737	6.701	6.489	6.507
HRD/EUR, monthly average	nominal	7.377	7.347	7.427	7.468	7.423	7.500	7.584	7.663	7.554	7.542	7.536	7.498	7.515	7.498	7.591	7.612
HRK/USD, calculated with CPI[5)]	real, Jan98=100	109.8	108.6	109.6	108.4	105.5	102.4	102.3	103.5	101.7	95.3	93.8	96.1	98.4	97.8	94.4	94.6
HRK/USD, calculated with PPI[5)]	real, Jan98=100	109.1	108.5	109.1	108.1	105.6	103.9	104.5	107.4	102.9	97.4	96.5	98.4	100.2	100.5	97.7	97.7
HRD/EUR, calculated with CPI[5)]	real, Jan98=100	96.8	96.2	96.9	97.8	97.4	98.1	99.4	100.4	99.6	99.2	99.1	98.5	98.9	98.5	99.5	99.6
HRD/EUR, calculated with PPI[5)]	real, Jan98=100	98.1	97.5	97.3	98.1	97.8	98.8	99.9	100.3	99.3	99.5	99.2	98.5	98.5	98.6	99.7	99.6
DOMESTIC FINANCE																	
M0, end of period	HRK mn	10296	9680	9507	9348	9681	9468	9605	9526	9813	10078	10637	11294	11321	.	.	.
M1, end of period	HRK mn	29502	28914	29090	29092	30870	29412	29456	29512	30294	32002	32828	34382	34044	32589	32806	.
Broad money, end of period	HRK mn	113037	113275	114826	114261	116142	116615	117209	118791	117854	119105	120022	125023	126980	126911	127072	.
Broad money, end of period	CMPY	28.8	28.2	27.4	20.3	9.5	7.3	9.4	11.8	10.8	11.9	12.6	13.9	12.3	12.0	10.7	.
Discount rate (p.a.),end of period	%	5.9	5.9	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Discount rate (p.a.),end of period[6)]	real, %	5.2	5.5	2.9	3.0	2.2	1.6	1.8	-0.2	1.7	2.7	2.8	3.1	2.5	3.3	4.5	3.6
BUDGET																	
Central gov. budget balance, cum.[7)8)]	HRK mn	-2437.9	-2816.6	-2374.4	-2723.5	-3871.9	-649.4	-1625.9	-2718.6	-2837.2	-4007.7	-4021.9	-4432.4	.	.	.	.

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

2) Ratio of unemployed to the economically active population.

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

4) Cumulation starting January and ending December each year.

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

6) Deflated with annual PPI.

7) From July 2001 pension payments are included.

8) From January 2002 including social security funds.

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

(updated end of Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	-2.8	9.2	3.5	4.4	6.6	6.4	5.2	7.0	5.6	3.2	6.2	4.8	8.0	5.2	5.2	.
Industry, total	real, CCPY	4.3	4.8	4.7	4.7	4.8	6.4	5.8	6.2	6.1	5.5	5.6	5.5	5.8	5.7	5.7	.
Industry, total	real, 3MMA	5.5	3.3	5.5	4.7	5.7	6.1	6.2	5.9	5.3	5.0	4.7	6.3	6.0	6.0	.	.
Construction, total	real, CMPY	-4.9	6.7	3.5	3.5	4.8	-2.2	-4.0	2.5	3.3	-0.9	12.1	15.9	18.7	14.5	12.1	.
LABOUR																	
Employees in industry[1]	th. persons	1152	1145	1141	1139	1130	1136	1139	1139	1135	1132	1125	1128	1119	1110	1111	.
Unemployment, end of period	th. persons	488.3	492.9	486.7	489.8	514.4	539.0	538.1	528.2	509.4	496.8	501.0	520.4	525.0	529.4	522.4	521.0
Unemployment rate[2]	%	9.4	9.4	9.3	9.3	9.8	10.2	10.2	10.0	9.6	9.4	9.5	9.9	10.0	10.1	9.9	9.9
Labour productivity, industry[1)3)]	CCPY	4.3	5.1	5.1	5.6	5.8	12.1	9.8	9.4	9.6	8.6	8.7	8.4	9.0	9.3	9.3	.
Unit labour costs, exch.r. adj.(EUR)[1)3)]	CCPY	13.4	12.8	12.5	11.6	10.8	-3.8	-3.3	-3.8	-4.8	-4.3	-4.5	-4.9	-5.9	-6.5	-6.6	.
WAGES, SALARIES																	
Industry, gross[1]	CZK	14998	14759	15723	17671	16861	15464	14338	15199	15847	16749	16398	16567	15551	16011	16678	.
Industry, gross[1]	real, CMPY	4.2	5.7	5.2	3.2	7.0	6.2	4.4	5.1	5.9	5.0	6.4	5.8	3.8	8.3	5.3	.
Industry, gross[1]	USD	476	479	503	575	550	521	488	517	544	618	609	591	536	555	610	.
Industry, gross[1]	EUR	487	489	513	575	541	491	453	479	501	534	522	520	482	495	521	.
PRICES																	
Consumer	PM	-0.2	-0.5	-0.3	-0.2	0.2	0.6	0.2	-0.1	0.2	0.0	0.0	0.1	-0.2	-0.5	0.1	0.5
Consumer	CMPY	0.6	0.8	0.6	0.5	0.6	-0.4	-0.4	-0.4	-0.1	0.0	0.3	-0.1	-0.1	0.0	0.4	1.0
Consumer	CCPY	2.4	2.2	2.1	1.9	1.8	-0.4	-0.4	-0.4	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	0.0
Producer, in industry	PM	-0.1	0.0	0.6	-0.1	-0.3	0.0	0.4	0.3	-0.8	-0.3	-0.2	-0.2	0.1	0.4	0.6	0.4
Producer, in industry	CMPY	-0.9	-0.9	-0.9	-0.7	-0.7	-0.8	-0.7	-0.4	-0.7	-0.8	-0.9	-0.6	-0.5	0.0	-0.1	0.4
Producer, in industry	CCPY	-0.4	-0.4	-0.5	-0.5	-0.5	-0.8	-0.7	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.6	-0.5	-0.5
RETAIL TRADE																	
Turnover	real, CMPY	-3.8	6.5	1.9	0.8	4.2	4.2	4.3	1.3	6.6	2.4	7.8	7.2	6.1	9.4	3.4	.
Turnover	real, CCPY	2.9	3.3	3.2	2.9	3.0	4.2	4.3	3.3	4.1	3.7	4.4	4.8	5.0	5.5	5.3	.
FOREIGN TRADE[4)5)]																	
Exports total (fob),cumulated	EUR mn	26368	30092	33908	37752	40705	3439	6778	10545	14225	17819	21354	24813	27853	31690	35846	39593
Imports total (fob),cumulated	EUR mn	27564	31416	35481	39516	43019	3456	6859	10679	14603	18273	21915	25755	29015	32838	37201	41208
Trade balance,cumulated	EUR mn	-1196	-1324	-1573	-1765	-2314	-17	-81	-134	-378	-454	-561	-942	-1162	-1149	-1355	-1615
Exports to EU (fob), cumulated	EUR mn	18243	20770	23289	25878	27844	2456	4826	7499	10101	12617	15070	17454	19516	22161	25076	27707
Imports from EU (fob), cumulated	EUR mn	16879	19153	21540	23890	25898	1986	4011	6299	8597	10823	13032	15415	17288	19571	22148	24474
Trade balance with EU, cumulated	EUR mn	1364	1617	1750	1987	1946	470	814	1200	1504	1795	2038	2039	2228	2590	2928	3233
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	-3177	.	.	-4415	8	-220	-463	-889	-1598	-2012	-2954	-3469	-3662	-4454	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	31.5	30.8	31.2	30.7	30.7	29.7	29.4	29.4	29.2	27.1	26.9	28.0	29.0	28.8	27.4	27.3
CZK/EUR, monthly average	nominal	30.8	30.2	30.7	30.8	31.2	31.5	31.6	31.8	31.6	31.4	31.4	31.9	32.3	32.4	32.0	32.0
CZK/USD, calculated with CPI[6]	real, Jan98=100	86.3	85.0	86.7	85.4	84.8	81.9	81.6	82.2	81.2	75.3	75.0	78.1	81.2	81.4	77.1	76.7
CZK/USD, calculated with PPI[6]	real, Jan98=100	85.8	84.4	85.8	84.4	84.3	83.1	83.4	85.3	82.6	76.9	77.3	80.5	83.3	82.8	78.5	78.2
CZK/EUR, calculated with CPI[6]	real, Jan98=100	76.1	75.2	76.7	77.1	78.3	78.7	79.2	79.9	79.5	79.0	79.1	80.1	81.5	82.3	81.3	80.8
CZK/EUR, calculated with PPI[6]	real, Jan98=100	77.2	75.9	76.6	76.6	78.1	79.2	79.6	79.9	79.8	79.1	79.2	80.6	81.7	81.5	80.1	79.8
DOMESTIC FINANCE																	
M0, end of period	CZK bn	190.5	192.2	195.1	198.6	197.8	197.6	201.7	205.9	208.5	211.4	215.2	216.2	218.2	219.4	221.3	224.7
M1, end of period	CZK bn	639.6	647.4	658.0	669.8	692.3	671.9	688.9	683.6	699.2	711.4	718.4	732.7	744.8	752.6	762.8	782.7
M2, end of period	CZK bn	1622.3	1605.6	1635.8	1646.6	1647.3	1643.1	1643.6	1621.8	1656.5	1658.5	1646.4	1683.8	1705.2	1693.6	1704.9	1723.0
M2, end of period	CMPY	4.8	4.8	6.2	5.2	3.2	3.3	3.7	2.5	3.1	2.1	4.2	5.6	5.1	5.5	4.2	4.6
Discount rate (p.a.),end of period	%	2.00	2.00	2.00	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.25	1.00	1.00	1.00	1.00
Discount rate (p.a.),end of period[7]	real, %	2.9	2.9	2.9	2.4	2.4	2.3	2.2	1.9	2.2	2.3	2.1	1.9	1.5	1.0	1.1	0.6
BUDGET																	
Central gov.budget balance,cum.	CZK mn	-32956	-21434	-32321	-41726	-45715	-10392	-24941	-31840	-64422	-74586	-53399	-62113	-71886	-80268	-82942	-92209

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

(updated end of Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	-2.7	10.2	-1.7	3.9	10.5	4.5	0.6	6.8	2.5	4.4	4.4	5.6	6.6	9.0	10.6	.
Industry, total	real, CCPY	1.3	2.3	1.9	2.1	2.7	4.5	2.5	4.0	3.6	3.8	3.9	4.1	4.4	5.0	5.6	.
Industry, total	real, 3MMA	5.8	1.9	3.9	3.9	6.2	5.1	4.0	3.4	4.6	3.7	4.8	5.5	7.1	8.9	.	.
Construction, total	real, CMPY	9.2	23.8	9.8	8.1	19.2	3.5	-20.8	-20.0	-9.7	7.2	11.9	0.2	3.7	0.0	9.7	.
LABOUR																	
Employees in industry[1)]	th. persons	811.4	809.7	810.9	812.6	803.5	806.1	807.3	807.0	803.3	801.8	800.6	802.0	798.6	789.8	799.8	.
Unemployment[2)]	th. persons	242.7	245.5	242.9	245.1	244.2	249.4	258.7	264.7	257.0	250.8	241.2	238.7	238.8	240.3	236.8	.
Unemployment rate[2)]	%	5.9	5.9	5.9	5.9	5.9	6.0	6.3	6.4	6.2	6.0	5.8	5.7	5.7	5.7	5.6	.
Labour productivity, industry[1)]	CCPY	3.9	4.7	4.4	4.6	5.1	8.3	6.4	7.7	8.2	7.8	6.6	6.8	7.1	7.6	7.7	.
Unit labour costs, exch.r. adj.(EUR)[1)]	CCPY	15.4	14.4	14.5	13.7	13.1	3.4	3.7	1.7	0.8	1.0	0.9	-0.1	-1.0	-1.5	-1.7	.
WAGES, SALARIES																	
Total economy, gross[1)]	HUF	113353	120578	126779	142460	162862	136137	123256	127052	129620	132848	134952	132785	129932	130852	136654	.
Total economy, gross[1)]	real, CMPY	11.2	16.0	13.8	9.5	13.7	15.5	8.3	6.5	9.1	8.5	8.8	8.9	9.5	3.6	2.8	.
Total economy, gross[1)]	USD	452	485	511	600	702	602	542	559	573	626	603	572	558	574	626	.
Total economy, gross[1)]	EUR	462	494	520	598	690	567	503	517	528	540	517	503	500	512	535	.
Industry, gross[1)]	USD	461	456	474	568	579	523	506	537	547	619	565	550	535	554	587	.
PRICES																	
Consumer	PM	-0.3	0.6	0.6	0.0	0.1	1.2	0.8	0.9	0.1	0.3	0.2	0.3	-0.3	0.6	0.8	0.6
Consumer	CMPY	4.5	4.6	4.9	4.8	4.8	4.7	4.5	4.7	3.9	3.6	4.3	4.7	4.7	4.7	4.9	5.6
Consumer	CCPY	5.5	5.4	5.4	5.3	5.3	4.7	4.6	4.6	4.4	4.3	4.3	4.4	4.4	4.4	4.5	4.6
Producer, in industry	PM	0.0	-0.1	-0.1	-1.3	-0.3	1.1	1.1	0.6	-0.7	-0.6	2.5	0.7	1.0	-0.5	0.2	.
Producer, in industry	CMPY	-1.0	-1.8	-1.5	-1.9	-1.3	-0.1	0.9	1.2	0.1	-0.5	2.3	2.7	3.7	3.2	3.5	.
Producer, in industry	CCPY	-1.9	-1.9	-1.8	-1.8	-1.8	-0.1	0.4	0.7	0.5	0.3	0.6	0.9	1.3	1.5	1.7	.
RETAIL TRADE																	
Turnover[3)]	real, CMPY	8.1	8.6	10.1	7.8	8.7	12.7	7.9	5.4	14.4	5.2	6.4	9.6	6.3	9.4	8.5	.
Turnover[3)]	real, CCPY	11.8	11.4	11.3	10.9	10.7	12.7	10.2	8.4	10.1	10.0	8.4	8.6	8.3	8.4	8.4	.
FOREIGN TRADE[4)5)]																	
Exports total (fob), cumulated	EUR mn	23979	27195	30527	33872	36537	2733	5562	8864	11937	14965	17972	21077	23726	27186	30487	.
Imports total (cif), cumulated	EUR mn	25944	29303	33112	36684	39955	2986	6242	9796	13420	16905	20232	23828	26928	30713	34583	.
Trade balance, cumulated	EUR mn	-1965	-2108	-2584	-2811	-3418	-252	-680	-932	-1483	-1940	-2260	-2751	-3202	-3527	-4095	.
Exports to EU (fob), cumulated	EUR mn	18124	20517	22997	25538	27452	1953	4135	6435	8864	11007	13207	15408	17302	19846	22461	.
Imports from EU (cif), cumulated	EUR mn	14746	16620	18756	20756	22476	1570	3407	5425	7441	9506	11389	13440	15088	17127	19305	.
Trade balance with EU, cumulated	EUR mn	3378	3897	4242	4783	4977	383	728	1010	1423	1501	1817	1968	2214	2718	3156	.
FOREIGN FINANCE																	
Current account, cumulated[6)]	USD mn	-1317	-1369	-1697	-2007	-2655	-213	-671	-912	-1564	-1905	-2646	-3110	-3559	-3959	-4507	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	250.9	248.7	248.2	237.6	231.9	226.1	227.5	227.3	226.3	212.2	223.7	232.1	232.8	227.8	218.5	221.7
HUF/EUR, monthly average	nominal	245.1	243.9	243.6	238.1	236.1	240.2	245.1	245.6	245.6	245.9	261.1	264.0	259.6	255.5	255.5	259.4
HUF/USD, calculated with CPI[7)]	real, Jan98=100	93.6	92.4	91.8	87.9	85.5	82.7	83.2	82.9	82.2	76.7	80.9	83.8	84.6	82.5	78.5	79.1
HUF/USD, calculated with PPI[7)]	real, Jan98=100	101.2	101.0	101.7	98.5	96.2	94.6	95.8	97.5	94.7	89.2	92.6	95.3	94.8	93.5	90.1	.
HUF/EUR, calculated with CPI[7)]	real, Jan98=100	82.5	81.8	81.4	79.6	79.1	79.6	80.9	80.6	80.7	80.6	85.5	86.1	85.1	83.5	82.8	83.6
HUF/EUR, calculated with PPI[7)]	real, Jan98=100	91.0	90.8	90.9	89.7	89.4	90.4	91.6	91.4	91.6	91.9	95.1	95.6	93.2	92.2	92.0	.
DOMESTIC FINANCE																	
M0, end of period[8)]	HUF bn	1153.5	1149.4	1161.7	1191.5	1181.8	1168.3	1180.5	1197.7	1237.7	1249.2	1287.0	1296.6	1319.9	1305.9	1317.4	.
M1, end of period[8)]	HUF bn	3248.6	3220.6	3274.0	3406.6	3652.3	3459.6	3423.0	3451.5	3518.7	3594.4	3709.9	3716.4	3718.9	3746.4	3775.4	.
Broad money, end of period[8)]	HUF bn	7200.8	7142.1	7332.9	7503.8	7855.8	7786.1	7826.4	7785.2	7894.4	7975.0	8113.6	8150.9	8180.0	8291.1	8445.7	.
Broad money, end of period[8)]	CMPY	8.7	7.0	7.9	9.9	9.5	11.2	14.5	14.2	13.8	14.7	16.9	16.4	13.6	16.1	15.2	.
NBH base rate (p.a.),end of period	%	9.5	9.5	9.5	9.0	8.5	6.5	6.5	6.5	6.5	6.5	9.5	9.5	9.5	9.5	9.5	9.5
NBH base rate (p.a.),end of period[9)]	real, %	10.6	11.5	11.2	11.1	9.9	6.6	5.6	5.2	6.4	7.0	7.0	6.6	5.6	6.1	5.8	.
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-413.7	-507.4	-531.4	-586.3	-1481.2	-12.9	-140.8	-224.1	-275.6	-252.9	-458.6	-424.8	-481.4	-588.7	-609.3	.

1) Economic organizations employing more than 5 persons.

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

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

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

5) Cumulation starting January and ending December each year.

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

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

8) According to ECB monetary standards.

9) Deflated with annual PPI.

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

(updated end of Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry[1]	real, CMPY	-1.2	6.7	3.3	3.1	5.1	3.4	4.2	5.5	8.5	11.7	7.9	10.3	5.9	10.9	12.1	9.1
Industry[1]	real, CCPY	-0.2	0.5	0.8	1.1	1.5	3.4	3.8	4.4	5.5	6.7	6.9	7.4	7.2	7.7	8.2	8.3
Industry[1]	real, 3MMA	3.7	2.9	4.3	3.8	3.9	4.3	4.4	6.1	8.5	9.3	9.9	8.0	9.1	9.8	10.7	.
Construction[1]	real, CMPY	-7.8	-6.1	-8.8	-8.4	-10.4	-11.0	-24.1	-25.3	-13.5	-6.9	-1.1	1.7	-2.9	-3.8	-4.8	-5.1
LABOUR																	
Employees[1]	th. persons	4876	4864	4870	4862	4839	4736	4741	4728	4726	4723	4722	4722	4718	4711	4715	4701
Employees in industry[1]	th. persons	2457	2451	2462	2462	2448	2417	2418	2412	2408	2405	2405	2407	2406	2405	2415	.
Unemployment, end of period	th. persons	3105.6	3112.6	3108.1	3150.8	3217.0	3320.6	3344.2	3321.0	3246.1	3159.6	3134.6	3123.0	3099.1	3073.3	3058.2	3096.9
Unemployment rate[2]	%	17.5	17.6	17.5	17.8	18.1	18.7	18.8	18.7	18.4	17.9	17.8	17.8	17.6	17.5	17.4	17.6
Labour productivity, industry[1]	CCPY	6.3	7.1	7.2	7.3	7.4	6.7	7.0	7.6	8.6	9.9	10.0	10.5	10.2	10.5	11.0	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	-5.1	-6.0	-6.7	-7.4	-8.1	-15.2	-16.0	-18.2	-19.1	-20.1	-19.9	-19.4	-18.4	-18.3	-18.5	.
WAGES, SALARIES																	
Total economy, gross[1]	PLN	2253	2302	2263	2343	2532	2247	2235	2268	2321	2254	2301	2343	2295	2353	2331	2440
Total economy, gross[1]	real, CMPY	1.5	2.4	-0.8	0.6	1.2	2.0	1.4	-0.1	3.7	-0.7	2.1	1.4	1.0	1.2	1.7	.
Total economy, gross[1]	USD	539	555	549	592	647	586	579	566	586	601	606	600	586	591	594	618
Total economy, gross[1]	EUR	551	565	559	592	635	553	537	525	540	521	519	527	526	527	508	527
Industry, gross[1]	USD	539	546	548	604	671	591	583	564	589	600	612	604	588	584	598	.
PRICES																	
Consumer	PM	-0.4	0.3	0.3	-0.1	0.1	0.4	0.1	0.3	0.2	0.0	-0.1	-0.4	-0.4	0.5	0.6	0.3
Consumer	CMPY	1.2	1.3	1.1	0.9	0.8	0.5	0.5	0.6	0.3	0.4	0.8	0.8	0.7	0.9	1.3	1.6
Consumer	CCPY	2.4	2.2	2.1	2.0	1.9	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.6
Producer, in industry	PM	0.4	0.3	0.0	-0.5	0.1	0.4	0.6	0.9	-0.6	-0.6	0.3	0.7	0.3	0.5	0.7	0.4
Producer, in industry	CMPY	1.3	1.1	1.7	1.7	2.2	2.5	2.9	3.6	2.7	2.0	2.0	1.9	1.8	2.1	2.7	3.7
Producer, in industry	CCPY	0.8	0.8	0.9	1.0	1.0	2.5	2.7	3.0	3.0	2.8	2.7	2.6	2.5	2.4	2.5	2.6
RETAIL TRADE																	
Turnover[1]	real, CMPY	3.9	3.6	3.8	4.8	4.4	3.8	4.3	-1.9	11.4	9.9	7.7	5.5	5.1	9.4	9.2	.
Turnover[1]	real, CCPY	2.5	2.6	2.9	1.7	1.6	3.8	4.1	1.2	4.5	6.2	6.0	6.1	5.5	6.6	6.2	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	27917	31695	36074	39981	43418	3407	6915	10869	14805	18631	22380	26360	29832	33673	38274	.
Imports total (cif), cumulated	EUR mn	37803	42779	48336	53495	58331	4407	8883	13938	18960	23853	28449	33776	38249	43329	48947	.
Trade balance, cumulated	EUR mn	-9886	-11084	-12262	-13514	-14913	-1000	-1969	-3069	-4154	-5222	-6069	-7416	-8417	-9656	-10673	.
Exports to EU (fob), cumulated	EUR mn	19331	21877	24759	27509	29832	2476	4919	7742	10441	13054	15636	18363	20624	23090	26306	.
Imports from EU (cif), cumulated	EUR mn	23446	26519	29885	33035	35986	2625	5372	8476	11550	14611	17483	20879	23537	26487	29981	.
Trade balance with EU, cumulated	EUR mn	-4115	-4642	-5126	-5526	-6154	-149	-453	-735	-1109	-1558	-1847	-2516	-2913	-3398	-3675	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-4353	-4875	-5437	-6193	-6690	-749	-1274	-1551	-2049	-2539	-2656	-2921	-3062	-3003	-2772	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	4.179	4.150	4.123	3.956	3.911	3.832	3.863	4.003	3.961	3.748	3.797	3.906	3.918	3.981	3.922	3.949
PLN/EUR, monthly average	nominal	4.085	4.074	4.045	3.959	3.988	4.064	4.165	4.323	4.299	4.326	4.436	4.443	4.367	4.467	4.589	4.625
PLN/USD, calculated with CPI[5]	real, Jan98=100	101.9	101.1	100.3	96.3	94.9	92.9	94.3	98.1	96.6	91.3	92.7	95.9	96.9	98.2	96.2	96.5
PLN/USD, calculated with PPI[5]	real, Jan98=100	103.1	102.7	102.8	99.0	97.6	97.1	98.9	104.2	100.4	95.5	97.3	99.4	99.5	101.0	99.4	99.6
PLN/EUR, calculated with CPI[5]	real, Jan98=100	89.8	89.5	88.8	87.0	87.8	89.2	91.7	95.3	94.8	95.4	98.0	98.4	97.3	99.4	101.5	102.0
PLN/EUR, calculated with PPI[5]	real, Jan98=100	92.7	92.4	91.8	90.0	90.7	92.5	94.6	97.5	97.1	97.9	100.0	99.5	97.7	99.5	101.5	101.9
DOMESTIC FINANCE																	
M0, end of period	PLN bn	42.1	41.9	42.0	42.1	42.2	41.6	42.7	44.2	45.9	46.1	47.4	47.6	48.7	48.6	49.2	49.8
M1, end of period[6]	PLN bn	126.1	127.4	126.9	130.7	136.6	129.8	133.0	136.2	130.7	138.0	146.4	146.9	148.4	151.8	151.3	156.2
M2, end of period[6]	PLN bn	322.9	320.7	321.1	317.5	320.2	315.4	318.4	317.9	317.2	320.2	322.9	323.0	324.8	326.9	332.4	334.3
M2, end of period	CMPY	-0.2	-1.4	-2.5	-1.1	-2.4	-2.1	-1.9	-0.4	-0.1	-0.6	0.3	-0.4	0.6	1.9	3.5	5.3
Discount rate (p.a.),end of period	%	9.0	8.5	7.8	7.5	7.5	7.3	6.8	6.5	6.3	6.0	5.8	5.8	5.8	5.8	5.8	5.8
Discount rate (p.a.),end of period[7]	real, %	7.6	7.3	5.9	5.7	5.2	4.6	3.7	2.8	3.5	3.9	3.7	3.8	3.9	3.6	3.0	2.0
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-27280	-29147	-34057	-37073	-39403	-4039	-11637	-15430	-17954	-23218	-23818	-27637	-29562	-33086	-34829	-35547

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 Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1)]	real, CMPY	6.4	9.1	9.6	7.0	8.6	1.6	-1.7	3.4	1.6	4.4	6.7	6.7	2.6	3.7	2.9	.
Industry, total[1)]	real, CCPY	4.7	5.1	5.6	5.8	6.0	1.6	-0.1	1.1	1.3	1.9	2.8	3.4	3.3	3.3	3.3	.
Industry, total	real, 3MMA	8.2	8.4	8.6	8.4	5.8	2.7	1.1	1.2	3.2	4.3	5.9	5.4	4.4	3.1	.	.
LABOUR																	
Employees total	th. persons	4399.4	4395.5	4375.1	4353.0	4331.0	4331.2	4348.6	4376.5	4393.6	4411.4	4420.5	4412.1	4416.8	4402.8	4390.0	.
Employees in industry	th. persons	1808.6	1801.7	1797.6	1795.2	1785.5	1796.4	1795.3	1801.3	1790.7	1786.0	1784.6	1776.1	1775.6	1171.1	.	.
Unemployment, end of period	th. persons	815.5	786.2	767.7	755.9	760.6	781.4	798.4	779.2	731.4	693.1	663.6	650.4	619.2	608.8	634.7	.
Unemployment rate[2)]	%	8.7	8.4	8.2	8.1	8.1	8.3	8.5	8.3	7.8	7.4	7.1	6.9	6.6	6.5	7.0	.
Labour productivity, industry	CCPY	11.5	12.3	13.0	13.3	13.7	9.0	7.3	8.7	9.2	9.9	11.0	11.7	11.8	11.9	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-5.8	-6.7	-7.6	-8.6	-9.5	-10.7	-9.6	-10.9	-11.8	-12.2	-12.9	-12.6	-12.2	-11.6	.	.
WAGES, SALARIES																	
Total economy, gross	th. ROL	5469.6	5404.1	5570.8	5704.7	6521.6	6520.3	6054.1	6338.9	6885.5	6521.4	6476.2	6721.9	6647.9	6763.9	6873.7	.
Total economy, gross	real, CMPY	1.3	2.0	3.4	1.9	4.4	8.7	9.0	6.3	6.3	7.0	6.6	6.5	6.5	8.0	6.7	.
Total economy, gross	USD	165	163	168	170	194	195	184	191	204	201	199	206	199	200	207	.
Total economy, gross	EUR	169	166	171	170	190	183	171	177	188	173	170	181	179	178	177	.
Industry, gross	USD	170	165	167	165	188	176	176	184	198	194	193	205	197	199	202	.
PRICES																	
Consumer	PM	0.8	0.6	1.6	2.6	1.5	1.3	0.8	1.1	1.1	0.5	0.9	1.2	0.3	2.1	1.4	.
Consumer	CMPY	21.3	19.8	18.8	18.6	17.8	16.6	16.2	17.1	16.0	14.4	14.0	14.8	14.2	15.9	15.6	.
Consumer	CCPY	24.7	24.1	23.5	23.0	22.5	16.6	16.4	16.7	16.5	16.1	15.7	15.6	15.4	15.4	15.5	.
Producer, in industry	PM	1.2	1.8	1.6	1.4	0.7	2.3	2.6	1.9	1.6	1.1	0.4	1.0	0.7	2.9	1.4	.
Producer, in industry	CMPY	23.7	23.5	22.9	23.0	22.1	22.5	23.6	24.0	23.1	21.9	20.7	19.1	18.5	19.7	19.6	.
Producer, in industry	CCPY	25.7	25.4	25.1	24.9	24.6	22.5	23.0	23.3	23.3	23.0	22.6	22.1	21.6	21.4	21.2	.
RETAIL TRADE																	
Turnover	real, CMPY	2.8	2.9	0.3	-1.7	1.1	6.0	3.6	2.5	0.0	6.7	7.4	3.8	4.3	4.3	.	.
Turnover	real, CCPY	0.8	1.0	0.9	0.7	0.7	6.0	4.8	4.0	3.0	3.8	4.4	4.2	4.2	4.3	.	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	9511	10758	12105	13467	14675	1200	2435	3778	4970	6232	7501	8994	10227	11574	12996	.
Imports total (cif), cumulated	EUR mn	12076	13679	15482	17229	18881	1414	2879	4541	6257	8065	9814	11735	13265	15127	17292	.
Trade balance, cumulated	EUR mn	-2565	-2921	-3377	-3762	-4206	-213	-443	-764	-1288	-1833	-2313	-2741	-3039	-3554	-4297	.
Exports to EU (fob), cumulated	EUR mn	6524	7350	8211	9129	9853	797	1678	2591	3382	4251	5119	6132	6951	7873	8850	.
Imports from EU (cif), cumulated	EUR mn	7140	8030	9076	10076	11039	737	1607	2531	3494	4626	5707	6900	7735	8795	10012	.
Trade balance with EU, cumulated	EUR mn	-615	-680	-865	-948	-1186	60	71	60	-112	-375	-588	-768	-784	-922	-1162	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-867	-948	-1059	-1210	-1535	-15	-72	-169	-607	-1057	-1377	-1538	-1549	-1831	-2356	.
EXCHANGE RATE																	
ROL/USD, monthly average	nominal	33094	33116	33242	33545	33654	33448	32884	33134	33703	32502	32616	32677	33359	33799	33157	34109
ROL/EUR, monthly average	nominal	32365	32481	32629	33592	34239	35594	35443	35823	36560	37617	38063	37166	37183	37924	38807	39913
ROL/USD, calculated with CPI[5)]	real, Jan98=100	106.1	105.7	104.7	102.9	101.4	99.9	98.2	98.5	98.9	94.7	94.4	93.5	95.5	95.0	91.9	.
ROL/USD, calculated with PPI[5)]	real, Jan98=100	97.8	96.7	96.3	95.7	95.2	94.2	91.8	93.2	90.3	86.0	86.8	86.0	87.3	86.3	84.0	.
ROL/EUR, calculated with CPI[5)]	real, Jan98=100	93.6	93.7	92.8	93.1	93.8	96.4	95.6	95.9	97.0	99.3	99.7	96.1	96.1	96.2	97.1	.
ROL/EUR, calculated with PPI[5)]	real, Jan98=100	88.1	87.0	86.1	87.1	88.3	90.2	87.9	87.4	87.3	88.5	89.1	86.2	85.8	85.1	85.9	.
DOMESTIC FINANCE																	
M0, end of period	ROL bn	41257	42334	41324	41688	45578	41543	45773	45868	51575	50214	52535	54460	58503	58143	58009	.
M1, end of period	ROL bn	69383	71435	72319	72822	88305	73802	78289	79941	87820	85019	92145	93725	99970	101514	100231	.
M2, end of period	ROL bn	314850	317333	324933	334584	373713	355721	367402	369451	378595	379098	388499	390876	407396	414468	423766	.
M2, end of period	CMPY	39.0	35.0	37.2	36.7	38.2	36.9	37.6	34.2	32.3	30.4	29.1	28.8	29.4	30.6	30.4	.
Discount rate (p.a.),end of period[6)]	%	27.2	25.6	23.8	22.2	20.4	19.6	19.2	18.4	17.4	17.9	18.2	18.2	18.2	19.1	19.3	20.2
Discount rate (p.a.),end of period[6)7)]	real, %	2.8	1.7	0.7	-0.7	-1.4	-2.4	-3.6	-4.5	-4.6	-3.3	-2.1	-0.8	-0.3	-0.5	-0.3	.
BUDGET																	
Central gov.budget balance, cum.	ROL bn	-29983	-32043	-31386	-39426	-47618	1599	-2275	-7723	-7382	-10330	-16524	-12186	-10979	-11346	-11129	.

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

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

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

4) Cumulation starting January and ending December each year.

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

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

7) Deflated with annual PPI.

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

(updated end of Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	3.4	5.5	3.9	0.8	3.2	4.9	6.5	6.7	7.1	8.5	7.0	7.1	5.5	8.0	7.2	7.1
Industry, total	real, CCPY	3.8	4.0	4.0	3.7	3.7	4.9	5.7	6.0	6.3	7.1	6.8	6.8	6.6	6.8	6.8	6.8
Construction, total	real, CMPY	2.8	2.0	1.8	2.4	3.7	13.7	13.4	13.8	14.7	15.5	14.3	15.0	14.3	14.7	14.6	.
LABOUR																	
Employment total[1]	th. persons	67500	66900	66300	65800	65200	64700	64100	64600	65000	65500	66000	66400	66700	66300	65800	.
Unemployment, end of period[2]	th. persons	5203	5520	5837	6153	6294	6435	6575	6324	6072	5821	5744	5747	5680	5720	5920	.
Unemployment rate[2]	%	7.2	7.6	8.1	8.5	8.8	9.1	9.3	8.9	8.5	8.2	8.0	8.0	7.8	7.9	8.3	.
WAGES, SALARIES																	
Total economy, gross	RUB	4511.0	4521.0	4646.0	4694.0	5738.0	4696.0	4701.0	4986.0	5100.0	5221.0	5550.0	5615.0	5491.0	5556.0	5722.0	.
Total economy, gross	real, CMPY	15.9	15.4	14.9	13.8	9.8	9.2	9.9	7.8	8.3	9.8	9.3	7.2	7.4	8.6	8.9	.
Total economy, gross	USD	143	143	147	148	180	148	148	159	163	169	182	185	181	182	190	.
Total economy, gross	EUR	146	146	149	147	177	139	138	147	151	146	156	162	162	162	162	.
Industry, gross	USD	179	173	176	178	207	176	181	190	200	202	214	226	230	224	.	.
PRICES																	
Consumer	PM	0.1	0.4	1.1	1.6	1.5	2.4	1.6	1.1	1.0	0.8	0.8	0.7	-0.4	0.3	1.0	1.0
Consumer	CMPY	15.2	15.0	15.0	15.2	15.1	14.3	14.8	14.8	14.6	13.6	13.9	13.9	13.3	13.2	13.1	12.4
Consumer	CCPY	16.4	16.3	16.1	16.0	16.0	14.3	14.6	14.6	14.6	14.4	14.3	14.3	14.1	14.0	13.9	13.8
Producer, in industry	PM	1.7	1.2	2.1	1.1	-0.2	0.4	1.4	1.3	1.4	-0.2	0.7	2.2	1.4	1.4	1.2	.
Producer, in industry	CMPY	13.6	15.1	17.0	18.0	17.5	17.5	19.5	21.2	20.2	17.1	14.3	13.9	13.5	13.8	12.8	.
Producer, in industry	CCPY	9.1	9.8	10.5	11.2	11.8	17.5	18.5	19.4	19.6	19.1	18.2	17.6	17.0	16.6	16.2	.
RETAIL TRADE																	
Turnover[3]	real, CMPY	8.8	9.6	9.9	9.4	9.0	7.8	8.0	8.9	8.6	10.0	8.7	7.8	6.1	7.0	6.8	.
Turnover[3]	real, CCPY	8.8	8.9	9.0	9.0	9.0	7.8	7.9	8.2	8.3	8.7	8.7	8.5	8.2	8.1	7.9	.
FOREIGN TRADE[4][5][6]																	
Exports total, cumulated	EUR mn	72646	82622	92940	102326	113173	8897	17918	28522	37824	46593	56018	65910	76485	86528	97175	.
Imports total, cumulated	EUR mn	40908	46099	52000	57581	64051	4259	8883	14230	19902	24949	30139	35981	41541	47059	52791	.
Trade balance, cumulated	EUR mn	31738	36523	40940	44745	49122	4638	9034	14292	17922	21644	25879	29930	34944	39469	44384	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	21273	.	.	29905	.	.	11764	.	.	20381	.	.	29300	.	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	31.554	31.627	31.693	31.811	31.837	31.816	31.699	31.453	31.212	30.907	30.469	30.360	30.349	30.599	30.165	28.389
RUB/EUR, monthly average	nominal	30.875	31.006	31.103	31.831	32.443	33.807	34.188	33.952	33.867	35.738	35.594	34.560	33.876	34.300	35.296	33.261
RUB/USD, calculated with CPI[7]	real, Jan98=100	151.4	151.4	150.4	148.6	146.0	143.1	141.4	139.7	136.9	134.3	131.6	130.3	131.2	132.3	129.1	120.3
RUB/USD, calculated with PPI[7]	real, Jan98=100	164.8	164.2	162.4	161.1	161.2	163.5	163.4	164.2	155.6	154.2	152.3	148.4	146.4	146.2	143.2	.
RUB/EUR, calculated with CPI[7]	real, Jan98=100	133.5	133.9	133.2	134.1	135.1	137.6	137.5	135.6	134.2	140.5	139.0	133.9	132.0	133.7	136.2	127.1
RUB/EUR, calculated with PPI[7]	real, Jan98=100	148.4	147.5	145.1	146.3	149.7	156.1	156.3	153.6	150.3	158.3	156.4	148.7	144.0	143.8	146.2	.
DOMESTIC FINANCE																	
M0, end of period	RUB bn	679.0	672.6	675.8	690.5	763.3	709.0	730.9	749.5	822.4	855.6	917.1	940.9	966.3	957.1	975.8	.
M1, end of period	RUB bn	1282.1	1301.7	1313.3	1337.4	1498.1	1395.2	1440.3	1512.8	1583.5	1679.9	1821.9	1808.6	1844.4	1871.2	1850.2	.
M2, end of period	RUB bn	2445.2	2494.7	2538.6	2602.7	2842.5	2777.4	2915.4	2989.9	3052.5	3163.0	3339.8	3400.5	3449.0	3573.0	3543.1	.
M2, end of period	CMPY	30.7	29.6	28.6	31.1	33.9	35.1	38.5	39.9	37.9	38.2	41.7	41.5	41.1	43.2	39.6	.
Refinancing rate (p.a.), end of period	%	21.0	21.0	21.0	21.0	21.0	21.0	18.0	18.0	18.0	18.0	16.0	16.0	16.0	16.0	16.0	16.0
Refinancing rate (p.a.), end of period[8]	real, %	6.5	5.1	3.4	2.6	3.0	3.0	-1.2	-2.6	-1.9	0.8	1.5	1.9	2.2	2.0	2.9	.
BUDGET																	
Central gov.budget balance, cum.	RUB bn	223.5	246.4	213.9	203.4	156.0	70.1	75.1	89.3	127.3	173.8	184.3	213.6	223.8	238.9	.	.

1) Based on labour force survey.

2) According to ILO methodology.

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

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

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

6) Based on balance of payments statistics.

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

8) Deflated with annual PPI.

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

(updated end of Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	6.5	10.0	9.4	9.2	11.2	13.7	7.9	10.6	2.2	2.4	9.5	2.8	1.2	3.3	5.1	.
Industry, total	real, CCPY	5.0	5.6	6.0	6.3	6.7	13.7	10.7	10.7	8.5	7.2	7.6	6.9	6.2	5.8	5.8	.
Industry, total	real, 3MMA	9.5	8.7	9.5	9.9	11.3	10.9	10.7	6.8	5.0	4.7	4.9	4.6	2.5	3.3	.	.
Construction, total	real, CMPY	1.5	3.8	6.9	8.0	11.7	4.8	0.6	3.6	-0.5	0.3	3.3	5.7	9.4	14.3	8.0	.
LABOUR																	
Employment in industry	th. persons	558.1	562.1	561.4	559.8	549.3	547.8	550.3	554.1	558.2	561.1	563.8	562.4	561.7	565.1	562.0	.
Unemployment, end of period	th. persons	492.6	481.0	478.6	488.0	504.1	509.2	495.4	478.7	450.7	433.1	427.6	422.8	415.6	407.6	407.1	420.2
Unemployment rate[1]	%	17.2	16.6	16.4	16.8	17.5	17.7	17.1	16.5	15.4	14.8	14.6	14.5	14.3	13.9	13.8	14.2
Labour productivity, industry	CCPY	5.2	5.6	5.9	6.1	6.5	12.7	9.5	9.2	7.5	6.5	7.0	6.2	5.5	5.2	5.2	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	3.3	3.1	2.9	2.6	2.2	-4.1	-2.5	-2.7	-0.3	1.6	2.5	3.6	4.3	4.9	4.6	.
WAGES, SALARIES																	
Industry, gross	SKK	14053	13822	14484	16558	16097	14332	13466	14223	14827	15379	16140	15289	14688	15085	15374	.
Industry, gross	real, CMPY	4.3	6.1	2.2	1.7	2.0	-1.3	-2.7	-3.0	0.6	-0.2	1.6	-3.4	-4.3	-0.4	-3.2	.
Industry, gross	USD	312	315	340	399	391	365	346	368	391	432	455	416	392	406	436	.
Industry, gross	EUR	320	321	346	399	385	344	321	340	361	374	389	366	350	363	372	.
PRICES																	
Consumer	PM	0.5	0.3	0.0	0.0	0.7	5.3	0.6	0.4	0.2	0.1	0.4	0.0	1.0	0.5	0.1	0.2
Consumer	CMPY	2.7	2.8	2.9	2.9	3.4	7.3	7.6	8.0	7.7	7.6	8.4	8.7	9.2	9.5	9.6	9.8
Consumer	CCPY	3.5	3.4	3.3	3.3	3.3	7.3	7.5	7.6	7.7	7.6	7.8	7.9	8.1	8.2	8.4	8.5
Producer, in industry[2]	PM	0.0	0.1	0.0	-0.3	0.1	5.4	3.1	0.3	-0.1	-0.6	0.0	0.2	-0.2	0.1	-0.1	0.4
Producer, in industry[2]	CMPY	2.0	2.2	2.2	2.2	2.3	7.5	8.9	9.2	8.2	7.8	8.2	8.2	8.0	8.0	7.9	8.7
Producer, in industry[2]	CCPY	1.9	2.0	2.0	2.0	2.0	7.5	8.2	8.5	8.5	8.3	8.3	8.3	8.3	8.2	8.2	8.2
RETAIL TRADE[3]																	
Turnover	real, CMPY	2.9	0.9	6.2	1.7	8.5	-5.0	-3.8	-10.2	-1.9	-6.3	-9.3	-7.6	-5.7	-5.8	-5.0	.
Turnover	real, CCPY	6.2	5.9	5.9	5.5	5.8	-5.0	-4.4	-6.3	-5.2	-5.4	-6.1	-6.3	-6.2	-6.2	-6.1	.
FOREIGN TRADE[4)5)]																	
Exports total (fob),cumulated	EUR mn	9752	11114	12560	13993	15274	1309	2690	4219	5713	7380	9061	10751	12336	14097	15981	17820
Imports total (fob),cumulated	EUR mn	10969	12521	14278	15938	17521	1327	2762	4359	5996	7610	9277	11052	12593	14338	16232	18083
Trade balance,cumulated	EUR mn	-1216	-1407	-1718	-1945	-2248	-17	-72	-140	-284	-230	-215	-301	-257	-241	-251	-263
Exports to EU (fob), cumulated	EUR mn	5888	6711	7568	8449	9249	832	1720	2716	3618	4614	5573	6563	7429	8399	9532	10659
Imports from EU (fob), cumulated	EUR mn	5542	6324	7217	8054	8816	647	1350	2147	2981	3839	4710	5660	6460	7355	8335	9285
Trade balance with EU, cumulated	EUR mn	346	387	352	395	433	185	370	569	637	776	863	904	969	1044	1198	1374
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-1018	-1210	-1458	-1619	-1939	-46	-137	-126	-255	-177	-197	-192	-98	-73	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	45.0	43.8	42.6	41.5	41.1	39.3	39.0	38.7	37.9	35.6	35.5	36.7	37.5	37.1	35.3	35.2
SKK/EUR, monthly average	nominal	44.0	43.0	41.8	41.5	41.8	41.7	42.0	41.8	41.1	41.1	41.5	41.8	41.9	41.5	41.3	41.1
SKK/USD, calculated with CPI[6]	real, Jan98=100	103.1	100.3	97.7	95.0	93.4	84.9	84.4	84.0	82.0	76.8	76.4	79.2	80.2	79.3	75.3	75.0
SKK/USD, calculated with PPI[6]	real, Jan98=100	106.7	104.5	102.4	99.8	98.8	91.1	89.2	90.6	86.0	81.2	81.7	84.3	86.3	85.7	82.1	81.7
SKK/EUR, calculated with CPI[6]	real, Jan98=100	90.7	88.7	86.4	85.8	86.0	81.5	82.0	81.6	80.2	80.2	80.7	81.2	80.8	79.9	79.4	78.9
SKK/EUR, calculated with PPI[6]	real, Jan98=100	95.9	93.9	91.4	90.7	91.3	86.8	85.2	84.7	83.0	83.2	83.9	84.4	85.0	84.1	83.7	83.1
DOMESTIC FINANCE																	
M0, end of period	SKK bn	80.4	80.7	81.4	83.1	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.3
M1, end of period	SKK bn	222.5	221.1	222.8	227.0	246.1	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.2
M2, end of period	SKK bn	696.3	689.7	694.7	702.8	713.7	702.2	713.2	710.3	711.7	718.7	702.0	722.3	729.6	725.7	732.2	740.3
M2, end of period	CMPY	8.1	7.5	9.3	7.9	4.9	5.1	5.7	6.7	7.4	7.5	3.4	4.3	4.8	5.2	5.4	5.3
Discount rate (p.a.),end of period[7]	%	8.25	8.25	8.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25
Discount rate (p.a.),end of period[7)8)]	real, %	6.1	5.9	5.7	4.3	4.1	-0.9	-2.2	-2.5	-1.6	-1.2	-1.6	-1.6	-1.4	-1.6	-1.5	-2.2
BUDGET																	
Central gov.budget balance, cum.	SKK mn	-35706	-32192	-39930	-36488	-51642	-1688	-12985	-17810	-23786	-30580	-27619	-31190	-33104	-37675	-40396	-42779

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 Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	0.1	6.8	1.5	0.6	2.8	-1.9	2.8	1.4	-2.4	-0.8	2.5	-0.8	-2.6	3.4	3.8	.
Industry, total	real, CCPY	2.2	2.7	2.6	2.4	2.4	-1.9	0.4	0.8	-0.1	-0.2	0.2	0.1	-0.2	0.2	0.6	.
Industry, total	real, 3MMA	4.0	2.9	2.9	1.5	0.4	1.1	0.7	0.5	-0.6	-0.3	0.2	-0.2	0.2	1.9	.	.
Construction, total[1]	real, CMPY	-5.3	0.6	-3.6	-0.1	2.2	-8.3	-10.0	-4.7	-1.4	-1.1	4.1	3.4	0.7	1.5	.	.
LABOUR																	
Employment total	th. persons	782.6	784.5	785.1	785.2	781.9	776.0	776.8	778.5	778.3	779.3	780.4	774.8	774.0	776.5	778.5	.
Employees in industry	th. persons	245.5	245.4	245.9	245.8	244.0	243.3	243.1	243.4	242.7	242.4	242.5	241.4	241.0	240.5	.	.
Unemployment, end of period	th. persons	102.2	103.4	104.5	101.7	99.6	101.6	100.6	98.8	97.1	95.3	94.4	96.9	98.2	98.2	98.9	.
Unemployment rate[2]	%	11.6	11.7	11.7	11.5	11.3	11.6	11.5	11.3	11.1	10.9	10.8	11.1	11.3	11.2	11.3	.
Labour productivity, industry	CCPY	5.6	6.0	5.9	5.6	5.6	0.3	2.6	3.1	2.2	2.2	2.6	2.5	2.2	2.6	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-1.0	-1.2	-0.9	-0.7	-0.1	4.4	1.6	0.7	1.7	1.7	1.5	1.6	1.8	1.5	.	.
WAGES, SALARIES																	
Total economy, gross	th. SIT	236.1	236.2	239.9	252.9	262.1	247.1	241.5	243.7	246.9	249.3	248.2	250.9	251.5	253.8	257.2	.
Total economy, gross	real, CMPY	1.7	2.9	2.1	0.9	4.4	2.4	1.9	1.1	2.5	2.3	2.1	2.1	1.0	2.4	2.3	.
Total economy, gross	USD	1015	1016	1029	1103	1159	1136	1126	1134	1151	1236	1242	1219	1194	1208	1278	.
Total economy, gross	EUR	1039	1036	1049	1103	1140	1071	1044	1051	1063	1070	1063	1072	1071	1080	1092	.
Industry, gross	USD	865	869	890	966	1006	970	947	964	983	1056	1051	1046	1021	1040	.	.
PRICES																	
Consumer	PM	0.1	0.8	0.5	0.0	0.6	1.0	0.5	0.7	0.5	0.5	0.3	0.5	-0.4	0.3	0.3	0.3
Consumer	CMPY	7.3	7.2	7.2	6.7	7.2	6.6	6.2	6.3	5.3	5.5	6.0	6.0	5.5	5.0	4.8	5.1
Consumer	CCPY	7.7	7.6	7.6	7.5	7.5	6.6	6.4	6.3	6.1	5.9	6.0	6.0	5.9	5.8	5.7	5.6
Producer, in industry	PM	0.2	0.1	0.3	0.3	0.6	0.2	-0.2	0.1	0.3	0.5	0.1	0.0	0.0	0.2	0.2	0.2
Producer, in industry	CMPY	5.2	4.9	4.2	4.1	3.7	3.6	2.8	2.5	2.4	2.8	2.7	2.5	2.3	2.5	2.3	2.1
Producer, in industry	CCPY	5.6	5.5	5.4	5.3	5.1	3.6	3.2	3.0	2.8	2.8	2.8	2.8	2.7	2.7	2.6	2.6
RETAIL TRADE[3]																	
Turnover	real, CMPY	4.0	7.8	5.6	3.9	6.7	4.5	8.9	0.9	7.2	6.5	6.2	4.1	0.8	7.4	.	.
Turnover	real, CCPY	4.1	4.5	4.6	4.6	4.8	4.5	6.7	4.5	5.2	5.5	5.6	5.4	4.8	5.1	.	.
FOREIGN TRADE[4)5)]																	
Exports total (fob), cumulated	EUR mn	7168	8172	9217	10153	10966	847	1752	2741	3723	4647	5590	6595	7296	8359	9442	.
Imports total (cif), cumulated	EUR mn	7518	8528	9576	10607	11574	869	1896	2992	4027	5086	6076	7130	7920	9006	10124	.
Trade balance total, cumulated	EUR mn	-350	-356	-359	-454	-608	-22	-144	-250	-304	-439	-486	-534	-624	-647	-682	.
Exports to EU (fob), cumulated	EUR mn	4307	4903	5518	6070	6507	557	1106	1702	2281	2835	3381	3947	4306	4920	5545	.
Imports from EU (cif), cumulated	EUR mn	5138	5825	6543	7226	7872	572	1253	1998	2698	3414	4092	4825	5329	6048	6807	.
Trade balance with EU, cumulated	EUR mn	-831	-922	-1026	-1157	-1365	-15	-147	-297	-417	-579	-711	-878	-1023	-1128	-1262	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	194	322	402	430	314	95	61	-25	-8	-84	-57	-29	-29	70	155	.
EXCHANGE RATE																	
SIT/USD, monthly average	nominal	232.6	232.5	233.2	229.2	226.2	217.5	214.5	214.8	214.4	201.7	199.8	205.8	210.7	210.1	201.2	201.7
SIT/EUR, monthly average	nominal	227.4	228.0	228.7	229.3	230.0	230.7	231.3	231.9	232.4	233.0	233.5	234.1	234.7	235.0	235.5	236.0
SIT/USD, calculated with CPI[6]	real, Jan98=100	108.6	107.9	107.8	106.0	103.7	99.1	98.1	98.1	97.2	90.8	89.9	92.2	95.1	94.8	90.5	90.5
SIT/USD, calculated with PPI[6]	real, Jan98=100	111.7	112.2	113.1	110.7	108.4	106.0	106.5	109.3	105.3	98.5	98.3	101.2	103.7	103.6	99.6	99.7
SIT/EUR, calculated with CPI[6]	real, Jan98=100	95.7	95.5	95.5	95.8	95.7	95.2	95.3	95.3	95.2	95.0	95.0	94.7	95.5	95.6	95.5	95.4
SIT/EUR, calculated with PPI[6]	real, Jan98=100	100.5	100.9	100.9	100.5	100.4	101.0	101.9	102.3	101.7	101.0	101.0	101.4	101.8	101.7	101.8	101.8
DOMESTIC FINANCE																	
M0, end of period	SIT bn	140.0	138.6	141.4	140.6	143.1	137.8	139.2	142.0	147.2	150.2	153.3	147.3	152.7	151.2	.	.
M1, end of period[7]	SIT bn	670.2	684.3	665.7	713.3	720.1	681.2	694.5	706.1	711.7	719.7	774.6	755.3	753.6	769.0	759.4	.
Broad money, end of period[7]	SIT bn	3251.1	3389.2	3396.0	3564.0	3600.7	3563.0	3583.0	3578.9	3598.6	3623.2	3679.2	3717.4	3716.0	3720.7	3762.3	.
Broad money, end of period[7]	CMPY	21.5	24.9	22.0	24.1	18.4	15.9	15.5	13.8	13.1	13.1	15.5	15.0	14.3	9.8	10.8	.
Discount rate (p.a.),end of period[8]	%	7.75	7.75	7.75	7.75	7.25	7.25	7.25	6.50	6.50	6.50	5.50	5.50	5.50	5.50	5.25	5.00
Discount rate (p.a.),end of period[9]	real, %	2.4	2.7	3.4	3.5	3.4	3.5	4.3	3.9	4.0	3.6	2.7	2.9	3.1	2.9	2.9	2.8
BUDGET																	
General gov.budget balance, cum.	SIT bn	-158.4	-162.4	-159.6	-173.0	-157.6	3.9	-21.3	-30.2	-11.5	-27.8	-56.6	-52.0	-64.9	-49.8	.	.

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

2) Ratio of unemployed to the economically active.

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

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

5) Cumulation starting January and ending December each year.

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

7) According to ECB monetary standards..

8) From October 2001 main refinancing rate.

9) Deflated with annual PPI.

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

(updated end of Dec 2003)

		2002					2003										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1)]	real, CMPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Industry, total	real, CCPY	6.1	6.2	6.0	6.3	7.0	11.6	10.8	10.7	11.4	11.7	12.4	13.8	14.6	15.2	15.7	15.5
Industry, total[1)]	real, 3MMA	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
LABOUR																	
Unemployment, end of period	th. persons	1002.8	991.8	980.0	999.4	1034.2	1061.0	1100.9	1109.4	1107.3	1057.8	1012.7	996.1	982.8	961.8	938.6	949.9
Unemployment rate[2)]	%	3.7	3.6	3.6	3.6	3.8	3.9	4.0	4.0	4.0	3.9	3.7	3.6	3.6	3.5	3.4	3.5
WAGES, SALARIES [1)]																	
Total economy, gross	UAH	390.1	391.1	397.5	395.7	442.9	400.6	391.2	415.5	422.6	439.3	476.2	489.5	479.2	498.3	498.3	.
Total economy, gross	real, CMPY	19.5	21.1	19.1	18.8	17.7	25.0	16.2	12.3	14.7	17.8	19.1	14.5	16.1	19.9	17.3	.
Total economy, gross	USD	73	73	75	74	83	75	73	78	79	82	89	92	90	93	93	.
Total economy, gross	EUR	75	75	76	74	82	71	68	72	73	72	76	81	81	83	80	.
Industry, gross	USD	95	95	97	95	104	99	96	103	105	108	.	.	.	.	.	.
PRICES																	
Consumer	PM	-0.2	0.2	0.7	0.7	1.4	1.5	1.1	1.1	0.7	0.0	0.1	-0.1	-1.7	0.6	1.3	1.9
Consumer	CMPY	-0.9	-1.1	-0.6	-0.4	-0.6	-0.1	2.5	4.3	3.6	3.9	5.9	7.4	5.8	6.2	6.9	8.1
Consumer	CCPY	1.5	1.2	1.0	0.9	0.8	-0.1	1.2	2.2	2.6	2.8	3.3	3.9	4.1	4.4	4.6	4.9
Producer, in industry	PM	-0.4	0.3	0.2	0.2	0.0	0.5	0.7	2.1	0.3	0.3	0.0	1.0	1.0	0.9	0.7	1.5
Producer, in industry	CMPY	4.6	4.9	5.8	5.3	5.8	6.8	6.8	9.9	8.9	7.6	5.3	5.3	6.8	7.4	8.0	9.4
Producer, in industry	CCPY	1.9	2.2	2.6	2.8	3.1	6.8	6.8	7.8	8.1	8.0	7.5	7.2	7.1	7.2	7.3	7.5
RETAIL TRADE																	
Turnover[3)]	real, CCPY	15.5	14.8	14.9	14.7	14.8	11.6	12.6	12.4	11.9	13.8	15.1	16.8	17.1	18.1	19.1	18.9
FOREIGN TRADE[4)5)]																	
Exports total (fob), cumulated	EUR mn	12040	13770	15552	17206	19004	1402	2899	4607	6345	7809	9330	11143	12877	14692	16585	.
Imports total (cif), cumulated	EUR mn	11512	13001	14632	16098	17967	1265	2633	4225	5967	7392	8928	10732	12513	14354	16311	.
Trade balance, cumulated	EUR mn	527	770	920	1108	1037	137	266	383	378	417	402	411	364	338	274	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	2207	.	.	3173	.	.	1082	.	.	1815	.	.	.	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.329	5.330	5.330	5.330	5.332	5.333	5.334	5.334	5.334	5.333	5.333	5.332	5.332	5.332	5.332	5.332
UAH/EUR, monthly average	nominal	5.211	5.229	5.228	5.338	5.422	5.645	5.752	5.758	5.786	6.125	6.225	6.066	5.951	5.968	6.238	6.239
UAH/USD, calculated with CPI[6)]	real, Jan98=100	171.9	171.9	171.0	169.9	167.1	165.3	164.8	164.0	162.6	162.2	162.4	162.7	166.0	165.5	163.3	160.3
UAH/USD, calculated with PPI[6)]	real, Jan98=100	147.4	147.9	148.8	148.3	148.1	150.2	151.7	152.4	147.1	146.5	147.8	146.2	144.9	144.1	144.0	141.9
UAH/EUR, calculated with CPI[6)]	real, Jan98=100	151.3	151.9	151.1	153.2	154.0	158.1	160.0	159.0	159.0	168.3	171.1	166.7	166.7	166.7	172.0	168.8
UAH/EUR, calculated with PPI[6)]	real, Jan98=100	132.4	132.8	132.6	134.6	137.0	142.6	144.9	142.3	141.8	149.1	151.4	146.2	142.3	141.4	146.8	144.6
DOMESTIC FINANCE																	
M0, end of period	UAH mn	23568	23655	23713	24064	26434	24707	25503	26002	27650	27879	29375	30080	31072	30862	31549	31300
M1, end of period	UAH mn	35367	36504	36373	36514	40244	37877	38974	41615	42743	43447	46815	47276	48315	50293	49341	.
Broad money, end of period	UAH mn	56294	57729	58697	59575	64532	62853	64945	69731	72509	73977	79034	80786	83048	86495	86856	88200
Broad money, end of period	CMPY	47.1	45.6	44.0	43.5	41.7	44.1	44.2	47.3	49.8	51.6	54.4	49.8	47.5	49.8	48.0	48.0
Refinancing rate (p.a.),end of period	%	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Refinancing rate (p.a.),end of period[7)]	real, %	3.2	3.0	2.1	2.6	1.1	0.2	0.2	-2.6	-1.8	-0.6	1.6	1.6	0.2	-0.4	-0.9	-2.2
BUDGET																	
General gov.budget balance, cum.	UAH mn	2409.7	2722.6	3284.8	3828.3	1635.4	1451.1	2194.3	1871.3	2348.1	3375.2	2500.9	2889.3	4028.2	3991.5	3636.2	.

1) Excluding small firms.

2) Ratio of unemployed to the economically active.

3) Official registered enterprises.

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

5) Cumulation starting January and ending December each year.

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

7) Deflated with annual PPI.

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