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Romania: EU entry and related environmental challenges

BY EDWARD CHRISTIE

Strong reductions in total CO_2 emissions have been observed since 1990 in practically all transition countries as deep restructuring on the backdrop of rather severe transitional recessions took place, in particular including the decommissioning of major heavy industry facilities. This was also the case for Romania, where reductions in total CO_2 emissions have in fact been among the strongest in the world as measured against initial 1990 levels, much stronger than in transition countries as a whole[1] or than in the EU's ten New Member States (NMS-10), as shown in Figure 1.

Where does this evolution leave Romania today? Romania's starting level of CO_2 emissions was above the world average but below the transition countries' average both in per capita terms and as compared to its real GDP. The reductions have meant that Romania has moved faster towards the world average than many transition countries, so that it now compares favourably to some of the NMS-10 in terms of emissions per dollar of real GDP. Using the same measure we find that Romania is still more carbon-intensive than Western European countries. These figures are shown in Table 1. On the other hand, because Romania's real GDP per capita is quite a lot lower than Western European levels, Romania looks rather better if one chooses to look at emissions per capita, as shown in Table 2.

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[1] Taken as the sum of the following: Czech Republic, Slovak Republic, Hungary, Poland, Slovenia, Estonia, Latvia, Lithuania, Romania, Bulgaria, Croatia, Macedonia, Albania, Russia, Ukraine, Belarus and Kazakhstan.

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Figure 1

Comparative evolution of Romania's CO_2 emissions volume since 1990

Volume of CO_2 emissions (1990 = 100)
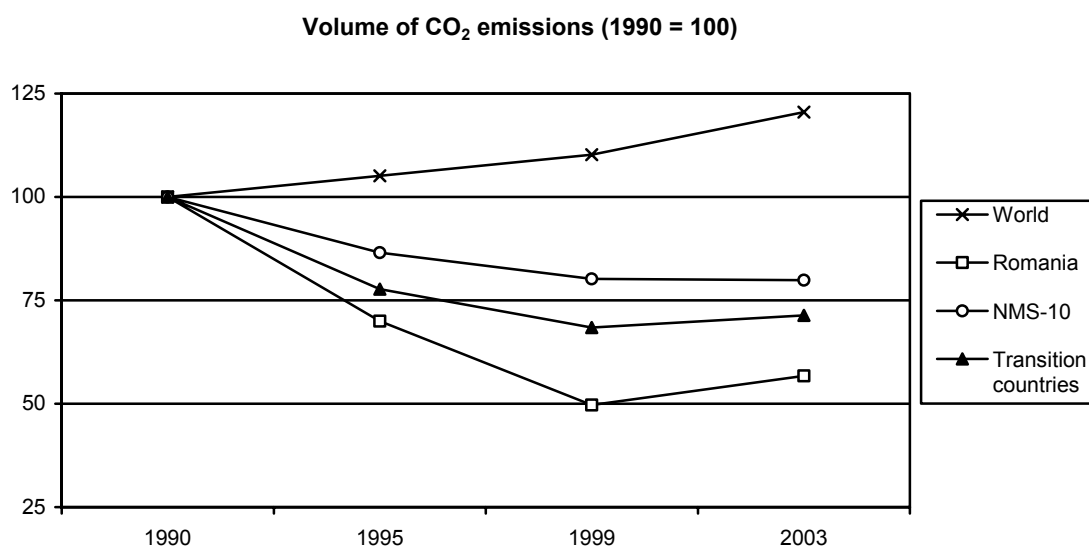
Source: IEA and own calculations.

Table 1

CO_2 emissions per dollar of real GDP – selected countries and regions

CO_2 emissions (kg of CO_2) per USD of GDP at constant (2000) PPP

Country / Region	1990	1995	1999	2003
World	0.63	0.58	0.53	0.51
EU-15	0.41	0.38	0.35	0.34
NMS-10	1.00	0.89	0.70	0.62
Austria	0.32	0.30	0.29	0.32
Bulgaria	1.19	1.04	0.92	0.82
Romania	*1.09*	*0.84*	*0.65*	*0.63*
Russia	1.32	1.66	1.52	1.22

Source: IEA and own calculations.

Table 2

CO_2 emissions per capita – selected countries and regions

CO_2 emissions (tonnes of CO_2) per capita

Country / Region	1990	1995	1999	2003
World	3.95	3.85	3.83	3.99
EU-15	8.53	8.29	8.33	8.67
NMS-10	9.43	8.16	7.58	7.63
Austria	7.45	7.63	8.00	9.22
Bulgaria	8.64	6.52	5.27	5.97
Romania	*7.19*	*5.15*	*3.69*	*4.36*
Russia	13.64	10.73	10.07	10.65

Source: IEA and own calculations.

The Kyoto Protocol

The Kyoto Protocol[2] was negotiated in 1997 in order to give a (hitherto absent) binding nature to the goal of a reduction in anthropogenic greenhouse gas emissions set out by the United Nations Framework Convention on Climate Change (UNFCCC), which was the international treaty that was signed at the Earth Summit in Rio de Janeiro in 1992.

The so-called Annex B countries[3] of the Kyoto Protocol (basically the industrialized countries, including all Western countries as well as most European transition countries) committed themselves to limiting or reducing their greenhouse gases (GHG) emissions, most of them with reference to their 1990 emissions levels. Certain transition countries having already suffered a reduction of economic activity in 1990 managed to negotiate earlier baseline years. Romania's baseline year was thus set to 1989.

The targets cover the six main greenhouse gases, namely carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6). Without going into the scientific details, it is possible to compute CO_2 equivalents for all GHG emissions taken together, and this is in fact the approach which has been taken in order to measure each country's total emissions level as well as in order to define emissions targets.

Romania was alongside the EU-15 (which made a joint commitment rather than 15 separate ones),

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2   The text of the Kyoto Protocol can be downloaded from the following location:
     http://unfccc.int/resource/docs/convkp/kpeng.pdf

3   The 'Annex B countries' are essentially the same as the 'Annex I countries', an expression one sees much more often. However, it is the Annex B of the Kyoto Protocol, rather than the Annex I of the UNFCCC which is relevant here in terms of actual commitments to reducing emissions. There are some minor differences between the two groups: in Annex I the EU-15 countries signed individually rather than collectively, and Turkey and Belarus were also signatories (who subsequently refrained from making commitments in the framework of Kyoto).

some of the current NMS-10 and Bulgaria in committing to a reduction of 8% with respect to the baseline year level, to be achieved as the average emissions level of the 2008-2012 period.
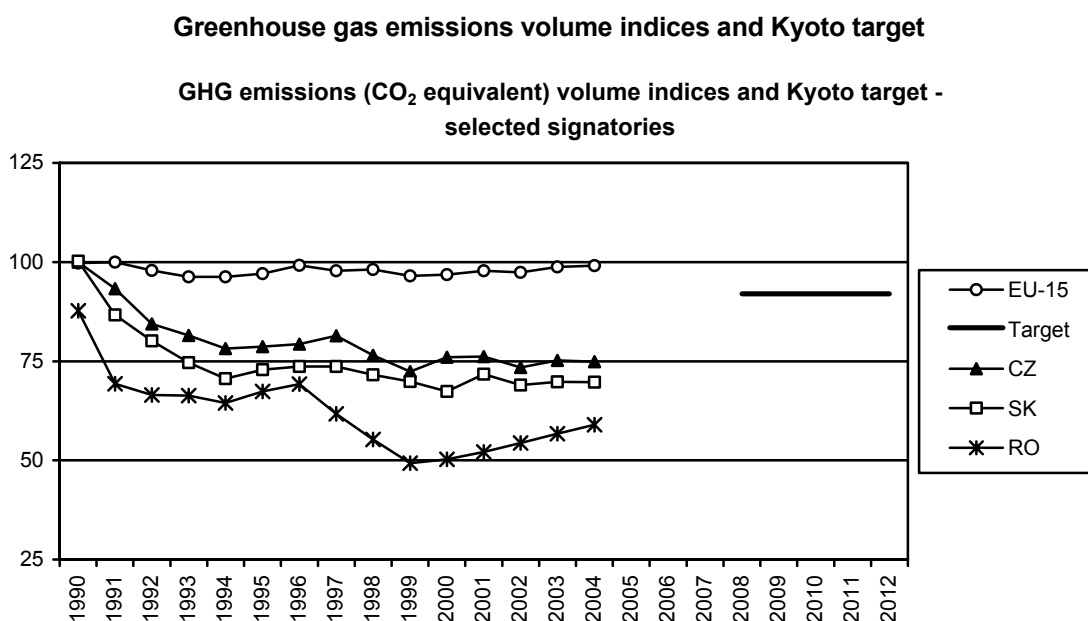
This has proved to be a boon: the transition countries had excessively energy-intensive structures up to their baseline years, so that even as their real GDP levels finally reach or surpass their baseline year levels again after the transitional recessions of the 1990s, they are doing so with leaner, cleaner and more modern technologies and production structures. As shown in Figure 2, while the EU-15 will need to make some stronger efforts if it wants to meet its emissions target for 2008-2012, countries such as the Czech Republic or Slovakia (selected here for simplicity as their target is also an 8% cut), as well as Romania, will comfortably meet their Kyoto commitments.

The Kyoto Protocol foresaw a number of mechanisms which signatories could use to help meet their emissions targets. Of course, direct measures such as reducing the absolute levels of consumption of fossil fuels were very much on the minds of those who drafted the Protocol, but in addition the use of carbon sinks can, up to a point, count towards a country's 'credit', e.g. thanks to afforestation or reforestation. In addition, the Kyoto Protocol defined three innovative mechanisms that could be used by Annex B countries: Joint Implementation (JI), Clean Development Mechanism (CDM) and Emissions Trading.

Under JI an Annex B country can help another Annex B country to reduce emissions. Typically this was designed with transition countries in mind. The achieved reduction can then be offset against the helping country's target. In this respect Romania has signed bilateral Memoranda of Understanding with a number of West European countries, and a number of JI projects[4] have thus already taken place, notably in collaboration with Switzerland, Norway, Denmark and Sweden, and mainly in the fields of energy efficiency and of waste

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4   For more details see Trusca (2005).

Figure 2

Greenhouse gas emissions volume indices and Kyoto target

GHG emissions (CO$_2$ equivalent) volume indices and Kyoto target - selected signatories

Source: Eurostat and own calculations.

management. Under CDM an Annex B country helps a non-Annex B country (i.e. a developing country) to reduce its emissions. Likewise the reduction may be credited by the helping country. Finally the Kyoto Protocol drew up some basic rules for Emissions Trading. The European Union decided to set up such a scheme.

The European Union's Emissions Trading Scheme

The European Union's Emissions Trading Scheme (EU ETS) functions as follows: each EU member state must submit a National Allocation Plan (NAP) which states, for the emitting facilities (power plants, factories etc.) that are selected, the total (national) GHG (CO$_2$ equivalent) allocation over the trading period as well as the allocation for each facility that is selected. So far three trading periods have been pre-defined: 2005-2007[5], 2008-2012 and 2013-2017. The EU ETS, it should be noted, is designed to deal with the emissions of industry and of the energy sector. It does not deal with emissions by the two other main sectors, namely transport and households. For each country there has been a selection of plants and production

facilities that are covered by the EU ETS. This is based on selection rules, notably size thresholds, defined in the EC directive that set up the EU ETS, which is Council Directive 2003/87/EC. The initial intention was to try to reach a coverage ratio slightly above 50% of total GHG emissions for most member states, though this of course constitutes a moving target by construction as, in the longer run, industry and the transformation sector should be under stronger pressure to reduce carbon-intensity than are the household and transport sectors.

The EU-15's joint commitment to Kyoto enabled some flexibility for the original 15 member states to share the burden according to their specific national situations. Some countries committed to quite ambitious targets (Denmark an incredible -21%), while others came out of the intra-EU negotiations with the right to emit more than in their baseline year (Portugal, Spain, Greece, Ireland and, surprisingly perhaps, Sweden). As for the eight formerly socialist new member states, the picture is much more homogeneous as they had negotiated their targets separately from the EU at the time of the negotiations for the Kyoto Protocol. As a result they have targets of between -6% and -8%.

Once the NAPs are officially submitted, the Commission assesses them and takes a decision

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[5] For the first trading period it was decided to focus only on CO$_2$ emissions and leave aside the other GHGs, though this should change for subsequent periods.

for each member state. That decision constitutes the final word: each member state must comply with it, regardless of what was submitted in the NAP.

What has happened so far during the first trading period? It appeared during 2006 that the Commission decisions based on the first period NAPs had been a little too generous. The core principle of a scheme such as the EU ETS is that it should create scarcity, thus pushing companies to make a trade-off between cutting down on emissions or having to pay for the right to make them. What happened instead was that many member states reported being on track towards emitting less than their total allocations. As more detailed data became available in late April 2006, the spot price of EU CO_2 allowances (one allowance representing the right to emit one tonne of CO_2) crashed from a high of around EUR 30 down to around EUR 11. This was followed first by a partial recovery, with the spot price fluctuating around EUR 16 over the summer, and then by a slow descent to around EUR 6.50 by mid-December 2006.[6] Of course there were a number of rather sharp criticisms against the handling of the NAPs in light of the events of April 2006. Clearly there was still a steep learning curve ahead, though misallocations should be expected when one first launches such schemes. As independently assessed emissions data (for 2005) became available in the course of 2006 (the data that caused the drop in the spot price for allowances), the Commission found itself in a much stronger position to assess future NAPs, and this is indeed what is happening at present.

DG Environment is currently gathering and assessing the second round NAPs from member states. They should have all come in by 30 June 2006, but some countries were late. In light of this the Commission initiated infringement procedures on 12 October 2006 against Austria, the Czech Republic, Denmark, Hungary, Italy and Spain.

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[6] The prices reported here were obtained from the website of the European Energy Exchange (EEX).

Other current member states that had submitted their NAPs at earlier dates have already been assessed and decisions have been made by the Commission with respect to their validity. These decisions were published on 29 November 2006 and concern Germany, Greece, Ireland, Latvia, Lithuania, Luxembourg, Malta, Slovakia, Sweden and the United Kingdom. Decisions are pending on the remaining countries which have all submitted their NAPs. Concerning the countries already assessed, the Commission has imposed cuts on all countries except the United Kingdom, which will be allowed to go ahead with the total number of allowances it proposed. The cuts are in some cases quite substantial.

These developments indicate that the Commission has now adopted a rather strict attitude and is seriously committed to forcing member states to hold down their emissions. In the case of the new member states, it also reveals that the Commission is unwilling to let those countries that still have some margin with respect to their Kyoto targets increase their emissions by much more than may be expected given current emissions levels and given achievable capping of emissions with current technologies. This is illustrated in Table 3, where the 1st period emissions caps, the actually verified 2005 emissions levels, the proposed 2nd period caps and the subsequent Commission decisions for the 2nd period caps are shown (in millions of tonnes of CO_2) for three new member states. The last two columns in italics indicate each country's Kyoto target as a share of total GHG emissions of 1990, and where each country stood with respect to the same base in 2004.

As one can see, all three NMS had overstated their probable emissions for the first period. In spite of this they tried to obtain rather generous allocations for the second period as well. The Commission however was quite restrictive, calculating the caps for the second period based on actual 2005 emissions, plus some 'reasonable' growth rate, although all three countries, in particular the two Baltic States, still have large margins towards fulfilling their Kyoto obligations. The case of Latvia is particularly extreme given the fact that it is the

Table 3

Proposed and allowed emissions caps for selected new member states, mn t CO_2

	1st period cap	2005 verified emissions	Proposed 2nd period cap	Allowed 2nd period cap	*Kyoto target*	*Total GHG emissions in 2004*
Latvia	4.6	2.9	7.7	3.3	*92%*	*41.5%*
Lithuania	12.3	6.6	16.6	8.8	*92%*	*39.6%*
Slovakia	30.5	25.2	41.3	30.9	*92%*	*69.6%*

Source: DG Environment, Eurostat.

Table 4

Extract from the draft Romanian NAP and additional calculations

	2005	2006	2007	2008	2009	2010	2011	2012
Total GHG emissions (mn t CO_2)	160.08	167.5	177.6	187.4	198.17	205.41	210.99	215.06
ETS emissions (mn t CO_2)	70.62	77.7	84.19	89.74	94.51	98.28	101.07	104.15
Of which:								
Energy sector (mn t CO_2)	50.05	55.22	60.27	62.16	65.08	67.15	68.79	70.66
Industry (mn t CO_2)	20.57	22.48	**23.93**	**27.62**	29.43	31.12	32.28	33.49
GDP (bill 2000 euros)	53.4	56.2	59.7	63.5	67.2	71.0	75.0	79.1
Industry GVA (share of GDP)	20%	20%	20%	20%	20%	20%	20%	20%
Industry GVA (bill 2000 euros)	10.68	11.24	11.94	12.70	13.44	14.20	15.00	15.82
Industry GVA annual growth	4.7%	5.2%	6.2%	**6.4%**	5.8%	5.7%	5.6%	5.5%
Industry emissions annual growth	2.4%	9.3%	6.5%	**15.4%**	6.6%	5.7%	3.7%	3.7%
Implied CO_2 intensity of industry (mn t CO_2 / bill 2000 euros)	1.93	2.00	**2.00**	**2.17**	2.19	2.19	2.15	2.12

Source: Draft Romanian NAP and own calculations.

only Annex B country that is a negative contributor to anthropogenic GHG emissions if one accounts for emissions and removals from land use, land-use change and forestry (in other words, Latvia is a net remover of GHG emissions).

The conclusion therefore is that the formerly socialist member states will not be allowed to benefit from windfall revenues from the EU ETS which would otherwise have benefited them, had the Commission been pursuing only the objective of fulfilling the Kyoto targets on a country-by-country basis. In light of this, it is also unlikely that the Commission will be particularly generous with the new entrants Romania and Bulgaria as it assesses their NAPs.

Romania has in the meantime produced a draft NAP that it has posted on its national website for consultation. On 18 December 2006 the Commission had yet to receive the NAP officially and proceed with its assessment. The Romanian NAP covers the year 2007 as well, on top of the 2008-2012 trading period.

Assessing any NAP is of course a complex task. The Romanian NAP, for instance, covers 248 installations in the energy transformation sector and in industry (e.g. metals, pulp and paper, rubber, lime, cement, ceramics, chemicals). Without detailed knowledge about the installations and the technologies concerned, it is therefore very difficult to say whether the number of allocations that Romania will try to obtain is reasonable on a bottom-up basis. On a top-down basis, however, it is possible at least to give a broad-brush picture of what expected trends the Romanian authorities are announcing, and indeed the Romanian NAP is constructed using top-down projections in order to allocate allowances by sector and by installation,

using historical data (where available) to break down aggregate emissions forecasts.

Romania plans to ask for 84.2 million allowances (tonnes of CO_2) for 2007 and an average of 97.554 million allowances for the 2008-2012 period. Roughly 70% of the allowances concern the energy sector, the rest concern industry. Of course, Romania is in a phase of catching-up and its economy is forecast to grow handsomely up to 2012, and hopefully still beyond. One of the key issues in environmental economics is the notion of decoupling, i.e. that the growth in emissions should somehow be decoupled from economic growth, so that GDP may grow at a certain rate while GHG emissions would grow at a lower rate. This objective is clearly stated and incorporated in the draft NAP. However, a closer look at the figures shown in the NAP indicate that the Romanian authorities implicitly believe that their industry sector will in fact become more carbon-intensive rather than less. This surprising result is due to a jump in the forecast for emissions from industry from 23.93 million tonnes of CO_2 in 2007 to 27.62 million tonnes of CO_2 in 2008, an increase of 15.4% in just one year, which is not compensated by a fall or a stagnation of emissions in the later years. The path of forecast emissions and the corresponding GDP forecast, as well as an estimated series of gross value added of the industry sector is shown in Table 4. This last series may be defined as being manufacturing excluding the manufacturing of fuels, i.e. NACE D minus NACE DF, and is assumed to be 20% of GDP[7] throughout the period. Of course this last assumption may be questioned, but its purpose is in fact illustrative, in order to have a base of roughly the right magnitude to compute the CO_2 intensity of what the NAP calls the industry sector. One may also note that the NAP itself assumes a share of total industry (in the usual economic sense, meaning NACE C+D+E and therefore including the energy sector) that is stable at around 27% of GDP throughout the entire period.

The first four rows of data show actual and forecast emissions in millions of tonnes of CO_2 as shown in the NAP. The series for GDP is taken from the NAP as well. The share of the 'industry sector' in GDP is taken as 20% as explained above, resulting in an estimate of the size of the industry sector's gross value added in 2000 euros. This leads to an estimated series for the year-on-year growth of the sector which is by construction equal to forecast real GDP growth. The year-on-year growth of the emissions from the industry sector is computed from the corresponding series in the table. As one can see, the NAP foresees a growth in industry emissions of 15.4% in 2008 while gross value added in that sector might grow by only 6.4% in real terms in that year. By implication the CO_2 intensity series in the last row of the table, which is taken simply as emissions in millions of tonnes of CO_2 per billion euro of gross value added at 2000 prices, shows a jump from 2.00 to 2.17. Most of all, the end result is that the CO_2 intensity of industry goes up, not down, over the 2005-2012 period, thus going against the stated goal of decoupling, at least as far as industry is concerned. Quite why the draft NAP foresees this sudden and uncompensated jump in industry emissions in 2008 is not clear.

Emissions of non-greenhouse gas pollutants

Concerning other (non-greenhouse gas) air pollutants, Romania has emissions that are quite high by European standards[8] if one measures emissions per euro of real GDP (measured at constant purchasing power standards). On the other hand, if one chooses to measure emissions on a per capita basis, one finds Romania to be better ranked than the EU-15 average. Taking an unweighted average of country rankings for emissions per capita of seven main types of non-greenhouse gas pollutants[9], we find that Romania scores rather well, with an average of 18.1 (out of

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[7] This share is based on Romanian national accounts data broken down by NACE (31 sectors) at current prices for 2003 as found on the Eurostat website.

[8] Here we take Europe as being the following 27 countries: the EU's 27 member states, minus Malta due to missing data, plus Croatia.

[9] Sulphur oxides, nitrogen oxides, ammonia, PM10 particles (equivalent measure), carbon monoxide, non-methane volatile organic compounds and tropospheric ozone precursors (equivalent measure).

Table 5

Average rankings for emissions per euro and per capita of non-GHG air pollutants

Country	Emissions per euro – average ranking	Country	Emissions per capita – average ranking
Bulgaria	1.9	Estonia	6.6
Romania	**3.1**	Denmark	6.7
Estonia	3.7	Cyprus	6.9
Poland	5.1	Luxembourg	7.7
Latvia	7.9	Finland	8.1
...	...	...	...
Spain	14.7	Poland	14.4
Finland	15	Austria	15.3
Denmark	16.3	**EU-15**	**16.0**
Ireland	19.3	Sweden	16.0
France	19.9	Latvia	16.9
Belgium	20.1	Italy	17.0
EU-15	**20.4**	**Romania**	**18.1**
Italy	20.6	Croatia	18.9
Sweden	21.6	Lithuania	19.7
...	...	...	...
Germany	25	Slovakia	22.3
Luxembourg	26.4	Germany	23.6
Netherlands	26.6	Netherlands	23.6

Source: Eurostat and own calculations.

27). This is better than the EU-15 average, which is 16.0. However, if we take the unweighted average of country rankings for emissions per Euro of real GDP we find that Romania has an average ranking of 3.1, second only to Bulgaria's average of 1.9. This is shown in Table 5.

Both indicators give us relevant information. The per capita measure tells us how much the Romanians are really emitting now. The per Euro measure gives us indirect information about the structure of the Romanian economy, notably how efficiently it uses material inputs and fuels, and whether it uses the cleanest, most environmentally-friendly technologies and processes. Focusing just on the most striking examples, one can say that Romania fares quite badly in terms of emissions of sulphur oxides (SO_x, contributors to acid rain) where it is ranked 6th out of 27 for emissions per capita and 3rd out of 27 for emissions per Euro. On the other hand Romania has low emissions per capita for the other main type of contributor to acid rain, nitrogen oxides (NO_x), with a ranking of 25th out of 27.

What the data imply is that Romania's environment, on a national level, is currently not under particularly strong pressure from non-greenhouse gas emissions, but that its current economic structure still emits more atmospheric pollutants than Western structures. As Romania's economy grows one would expect emissions per euro to decrease due to a structural effect, notably as the share in GDP of services sectors expands, but one will also need to see certain specific improvements (i.e. new technologies) in order to reduce emissions of pollutants, especially sulphur oxides. In this respect the energy sector needs to continue its modernization, in particular as concerns the modernization or indeed replacement of certain thermal plants. Also, incentives need to be put in place to encourage the use of higher-quality types of fuels by both the energy sector and households, as discussed in EIA (2003).

Romania's compliance with the Acquis Communautaire in other areas

A number of transitional arrangements were negotiated between the EU and Romania at the end of 2004 as part of the country's accession treaty. This is not exceptional: all of the NMS-10 that joined on 1 May 2004 had likewise negotiated a number of transitional arrangements as well. In this respect Romania does not look much worse a case than, for example, Poland or Latvia three years earlier. Focusing just on the longest transitional periods one may simply mention the treatment of waste landfills (deadline of July 2017 instead of 2009), treatment of urban waste water (until 2018), some aspects of air pollution from large combustion plants (until 2016-2017), the quality of drinking water (until 2015) and the Integrated Pollution Prevention and Control (IPPC) system[10] (until 2015).

Conclusions

Beyond the jump in the figures for industry CO_2 emissions that was discussed earlier, the Romanian NAP is consistent with the country's Kyoto target. On the other hand, the quite strong growth in private transportation will prove to be an important longer-term challenge in its own right as is the case in Central European countries. In terms of the EU ETS Romania may have to face a correction to its forecast, and thus a lower cap than it may wish to obtain, though the cut in allowances should be less severe than in the cases of Slovakia, Lithuania or Latvia. From the Commission's point of view, and no doubt from the point of view of harder-pressed Western European governments and industries, it is understandable to want to guard against an effective windfall transfer that would reward emitters of GHGs in Central and Eastern European countries for something they did not have to make any effort for, i.e. a past transitional recession that offers tremendous short-term leeway with respect to Kyoto targets.

On the other hand, this should perhaps be seen as an opportunity rather than a setback. From an environmental point of view Romania has made enormous progress in the past several years, albeit from a rather low starting point in the late 1980s. It is precisely now, with the catching-up process in full swing, that countries such as Romania have an opportunity to influence the nature of industrial investment in such a way as to draw as much as possible from Western European best practice, while using the remaining wage differential with respect to Western EU member states and the newly acquired advantages of full membership of the EU as stimulants for such investment, be it domestic or foreign, in the industry and energy sectors.

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[10] The IPPC is an integrated approach developed by the EU to control and limit all main types of pollutions of the air, soil and water. It is based on a permit system, with emissions limit values and a central register, and seeks to promote best practice in key industries.

China and India: a comparison of recent economic growth trajectories

BY JAYATI GHOSH*

Academic comparisons of China and India have been around for several decades, but in recent years they have gone beyond the usual cottage industry of professionals to dominating discussions even in policy circles around the world. Even in the international press, there is almost an obsession with these two economies, and how their current growth presages the coming 'Asian century'. It is not just that they are both countries with large populations covering substantial and diverse geographical areas, and therefore with currently large economies and even more huge potential economic size. Most of all, they are cited as the current 'success stories': two economies in the developing world that have apparently benefited from globalization, with relatively high and stable rates of growth for more than two decades and substantial diversification. The success is defined by the high and sustained rates of growth of aggregate and per capita national income; the absence of major financial crises that have characterized a number of other emerging markets; and substantial reduction in income poverty.

In India too, the obsession with China is now well-developed, mostly in the form of a longing eastern gaze. The rapid economic growth and structural transformation in China are not just eyed with envy; they are typically invoked to justify the economic policy of choice. Thus there are those who argue that the recent Chinese economic success is because of liberalization and openness to foreign trade and investment. By contrast, others point out that the early Communist history of land reforms and egalitarian policies formed the essential basis upon which all subsequent change has depended.

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* Jawaharlal Nehru University, New Delhi, India . The present text is based on a lecture delivered by the author at wiiw on 14 December 2006. The lecture draws on the author's joint work with C.P. Chandrasekhar.

In the outside literature, these economies are often treated as broadly similar in terms of growth potential and other features, and this even infects some Indian analyses. But in fact there are crucial differences between the two economies which render such similarities very superficial, and which mean that individual policies cannot be taken out of the context of one country and simply applied in the other to the same effect. This article dwells upon the differences, of which there are at least ten that are significant.

The first relates to the nature of the economy itself, the institutional conditions within which policies are formulated and implemented. India could be described until recently as a traditional 'mixed economy' with a large private sector, so it was and remains a capitalist market economy with the associated tendency to involuntary unemployment. Even during the period of the 'dirigiste' regime of the 1950s and 1960s, the emphasis was dominantly on the regulation of private capital rather than actual determination of levels of production by the state. The neoliberal reforms undertaken in the phase of globalization have, however, substantially expanded the scope for private activity and reduced regulation. Essentially, macroeconomic policies in India have been designed and implemented in contexts similar to those in other capitalist economies, where involuntary unemployment is rampant and fiscal and monetary measures have to be used to stimulate effective demand. This need for macroeconomic policies to stimulate demand operated in addition to the usual 'developmental' role of the state.

China, by contrast, has been for the most part a command economy, which until recently had a very small private sector, and only recognized the legal possibility of home-grown capitalists a few years ago. Throughout the period of 'liberalization', that is the 1990s and later, there have remained important forms of state control over macroeconomic processes that have differed from more conventional capitalist macroeconomic policy. Even

in 2004, public enterprises accounted for more than half of GDP and more than two fifths of exports.

The control over the domestic economy in China has been most significant in terms of the financial sector, which describes the second big difference between the two economies. In India, the financial sector was typical of the 'mixed economy' and even bank nationalization did not lead to comprehensive government control over the financial system; in any case, financial liberalization over the 1990s has involved a progressive deregulation and further loss of control over financial allocations by the state in India.

But the financial system in China still remains heavily under the control of the state, despite recent liberalization. Four major public sector banks handle the bulk of the transactions in the economy, and the Chinese authorities have essentially used control over the consequent financial flows to regulate the volume of credit (and therefore manage the economic cycle) as well as to direct credit to priority sectors. Off-budget official finance (called 'fund-raising' by firms) has accounted for more than half of capital formation in China even in recent years, and that together with direct budgetary appropriations has determined nearly two thirds of the level of aggregate investment.[1] This means that there has been less need for more conventional fiscal and monetary policies, although the Chinese economy is now in the process of transition to the more standard pattern.

The third difference is quite apparent to all – the dramatically high rate of GDP growth in China compared to the more moderate expansion in India. The Chinese economy has grown at an average annual rate of 9.8% for two and a half decades, while India's economy has grown at around 5-6% per year over the same period.

Chinese growth has been relatively volatile around this trend, reflecting stop-go cycles of state response to inflation through aggregate credit management. The Indian economy broke from its average post-Independence annual rate of around 3% growth to achieve annual rates of more than 5% from the early 1980s. The most recent period has witnessed even higher rates, although these are still well below the Chinese averages over the same period.

This higher growth in China essentially occurs because of the fourth major difference, the much higher rate of investment in China. The investment rate in China (investment as a share of GDP) has fluctuated between 35% and 44% over the past 25 years, compared to 20% to 26% in India. In fact, the aggregate ICORs (incremental capital-output ratios) have been around the same in both economies. Within this, there is the critical role of infrastructure investment, which has averaged 19% of GDP in China compared to 2% in India from the early 1990s.[2]

It is sometimes argued that China can afford to have such a high investment rate because it has attracted so much foreign direct investment (FDI), and is the second largest recipient of FDI in the world at present. But FDI has accounted for only 3-5% of GDP in China since 1990, and at its peak was still only 8%. In the period after 2000, FDI has accounted for only 6% of domestic investment. In fact in recent times, the inflow of capital has not added to the domestic investment rate at all, macroeconomically speaking, but has essentially led to the further accumulation of international reserves, which have been increasing by more than USD 100 billion per year.

In terms of economic diversification and structural change, China has followed what could be described as the classic industrialization pattern, moving from primary to manufacturing activities in the past 25 years. The manufacturing sector has doubled its share of workforce and tripled its share

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[1] In 2003, for example, direct state budgetary appropriation accounted for less than 5% of the financing of total fixed capital formation, but 'fund-raising' accounted for 54% and bank loans from the government controlled banking system accounted for another 20%. (China Statistical Yearbook 2004)

[2] China Statistical Yearbooks, various years.

of output, which, given the size of the Chinese economy and population, has increasingly made China 'the workshop of the world'. In India, by contrast, the move has been mainly from agriculture to services in share of output, with no substantial increase in manufacturing, and the structure of employment has been stubbornly resistant to change. The share of the primary sector in national income has fallen from 60% in the early 1950s to 25% between 2001 and 2003, but the share of the primary sector in employment continues to be more than 60%, indicating a worrying persistence of low productivity employment for most of the labour force. The higher rates of investment in India over the past two decades have not generated more expansion of industry in terms of share of GDP, but have instead been associated with an apparent explosion in services, that catch-all sector of varying components. The recent expansion of some services employment in India has been at both high and low value added ends of the services sub-sectors, reflecting both some dynamism and some increase in 'refuge' low productivity employment.

The sixth major difference relates to trade policy and trade patterns. Chinese export growth has been much more rapid, involving aggressive increases in world market shares. This export growth has been based on relocative capital which has been attracted not only by cheap labour but also by excellent and heavily subsidized infrastructure resulting from the high rate of infrastructure investment. In addition, since the Chinese state has also been keen on provision of basic goods in terms of housing, food and cheap transport facilities, this has played an important role in reducing labour costs for employers. In India, the cheap labour has been because of low absolute wages rather than public provision and underwriting of labour costs, and infrastructure development has been minimal. So it is not surprising that it has not really been an attractive location for export-oriented investment, its rate of export growth has been much lower, and exports have not become an engine of growth.

There is another issue relating to trade policy. In China, the rapid export growth generated employment which was a net addition to domestic employment, since until 2002 China had undertaken much less trade liberalization than most other developing countries. This is why manufacturing employment grew so rapidly in China, because it was not counterbalanced by any loss of employment through the effects of displacement of domestic industry due to import competition. This is unlike the case in India, where increases in export employment were outweighed by employment losses especially in small enterprises because of import competition.

The seventh difference is in terms of poverty reduction. China has been much more successful in this regard – official data suggest that 4% of the population now live under the poverty line, unofficial estimates suggest around 12%. The poverty ratio in India is much higher, between 26% and 34% depending upon how one interprets the 1999-2000 NSS data. The Chinese success in this regard can be related to several features, but it must be borne in mind that fundamentally we are talking of two very different economic systems under which poverty reduction occurred. To begin with, the basic issues in terms of asset redistribution and basic needs provision were the focus of the Chinese Communist state until the late 1970s. This also assisted in economic growth: because of the more egalitarian system, there was a larger mass market for consumption goods, which has allowed producers to take advantage of economies of scale.

Subsequently, poverty reduction in China was concentrated in two main phases: 1979-82 and 1994-96, which were both phases of higher crop prices and rising agricultural incomes. In the first phase, institutional change in the form of allowing peasant production in diversified crops played a great role in increasing productivity and allowing peasants to benefit from rising prices. Also, since Chinese economic growth has been more employment-generating, this has also operated to reduce poverty.

Until recently, there was much more focus on 'human development' in China, and public provision of health and education. This included universal education until Class X, as well as better public services to ensure nutrition, health and sanitation. However, in recent years, this emphasis has been much reduced and there is greater privatization of such services in China, which has also led to worsening conditions especially in particular areas. In India, the public provision of all of these has been extremely inadequate throughout this period and has deteriorated in per capita terms since the early 1990s.

In terms of inequality, in both economies the recent pattern of growth has been inequalizing. In China the spatial inequalities – across regions – have been the sharpest. In India, vertical inequalities and the rural-urban divide have become much more marked. In China recently, as a response to this, there have been some top-down measures to reduce inequality, for example through changes in tax rates, greater public investment in western and interior regions and improved social security benefits. In India, it is political change that has forced greater attention to redressing inequalities, though the process is still very incipient.

This brings into focus the tenth big difference: that of political systems. It can be argued that the political democracy in India, which now appears deeply entrenched even though it has not translated into universal economic enfranchisement, has played some role in creating more confused but less extreme patterns of economic growth. Certainly, the historic and potentially transformatory economic legislation such as the National Rural Employment Guarantee Act which was enacted in 2004, could only come about because of the impact of political changes. Perhaps the ability of the economic system to force at least some change of direction in economic policies in India can serve as an important example to the rest of the world, and one which India can justly be proud of.

However, in terms of the future prospects, surprisingly both economies end up with very similar issues despite these major differences. There are clear questions of the sustainability of the current pattern of economic expansion in China, since it is based on a high export-high accumulation model which requires constantly increasing shares of world markets and very high investment rates. Similarly, the hope in some policy quarters in India that IT-enabled services can become the engine of growth for the entire economy is one which raises questions of sustainability, quite apart from questions about whether it will be enough to transform India's huge labour force into higher productivity activities.

The most important current problems in the two economies are also rather similar – the agrarian crisis and the need to generate more employment. In both economies, the social sectors have been neglected recently by public intervention. In both countries, therefore, despite the very different institutional conditions and the dissimilarities even in the way that recent economic trends have played out, the policy message appears to be the same, and may be what the rest of the developing world also should note. This message is that the most basic issues of food, livelihood and employment security, as well as of basic needs for the population, are those that require to be addressed first, and if these can be dealt with successfully, the other areas of expansion will probably look after themselves.

Reference

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Poland's experience with capital account convertibility

BY LEON PODKAMINER*

In 1990, after a decade of disintegration which at its end neared hyperinflation, Poland's 'planned economy' based on the prevalence of state ownership was put to rest. An IMF-sponsored shock therapy restored, within a short period, market economy conditions. Extensive, if at times chaotic, privatization of firms and banks started. Private economic activities of any sort were legalized, prices were freed, shortages eliminated. Foreign trade was fully liberalized, tariff rates lowered radically. Upon a dramatic devaluation, the exchange rate of the domestic currency, the zloty, was fixed and made internally convertible. The currency was convertible on almost all current account transactions. Importers had unrestricted access to foreign exchange. But capital account transactions were not liberalized; the restrictions practically prohibited official exports of capital. Then, the residents were obliged to repatriate and then sell their export revenues to the state. The use of the Polish currency for invoicing and making payments in foreign trade was not allowed.

The excessive fiscal squeeze and murderously high interest rates imposed by the National Bank, which were part and parcel of the initial stages of the shock therapy, had only a weak impact on inflation, which was slowing down sluggishly. By contrast, production and employment fell precipitously right away and then continued a downward drift for 30 months – cumulatively depressing real GDP by 20%. In 1990 foreign trade played a positive role as the undervalued currency contributed to high trade and current account surpluses. But in 1991, as continuing inflation had finally resulted in high real overvaluation, large trade and current account deficits appeared.

The new policy that started in 1992 responded with devaluation and very high tariffs and other protectionist measures (including selective subsidization of exports). Then there was a change in the exchange rate regime, substituting a pre-announced sliding peg for the fixed one. Regular devaluation was linked to inflation so that real appreciation was effectively contained.

The illiberal policy initiated in 1992 proved spectacularly successful. It generated a sustained recovery over the years 1992-95, with an average annual GDP growth of 5%. Fixed investment rose by 10% p.a., inflation and unemployment kept falling, public finances were broadly balanced. The trade and current accounts were improving. A handsome surplus on the current account was generated in 1994, followed by a huge one in 1995. Thus, the economy pulled itself out of the 'transitional recession' on its own – without incurring new foreign debt and without selling its assets to foreigners.

The real success of that period had much to do with the fact that Poland had *not*, until 1995, been a target for capital inflows. That had several reasons. In the early 1990s the intensity of international capital movements was quite low generally – also on account of the recent crises (including the turbulent collapse of the first version of the European Monetary System). Moreover, the reputation of the former Soviet Block countries was very low at that time. Some of them (the former Yugoslav republics, the Baltic countries, the successor states of former Czechoslovakia) were still in the process of state-building. All of them were considered risky, unstable places facing an unknown future. Poland's reputation was particularly low because the country had defaulted on its huge public foreign debt (already in 1982). The restrictions on capital movements, though aimed primarily at preventing capital exports rather than imports, were not improving the country's

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standing. In these circumstances the fact that nominal interest rates in Poland were still very high (inflation receding only gradually) did not – for several years – induce any significant capital inflows.

In the end, though, Poland fell victim to its own success. Actually, by 1994-95 Poland was the only success case among the former Soviet Block countries. As such it was becoming the darling of the international financial institutions (IMF, World Bank), Western governments, and finally of the international business community, which eventually appreciated Poland's performance. Consequently, Poland was richly rewarded: first with generous treaties on the reduction and rescheduling of its foreign debt (1994), followed by the conclusion of the agreement on Association with the European Union and admittance into the WTO and OECD. On its part, Poland accepted the obligations of Article VIII of the IMF Statutes on full current account convertibility (June 1995). Besides, it pledged to dismantle, gradually, its trade protectionist scaffolding. This was soon followed by a whole series of further steps partially liberalizing capital transactions: exporters were no longer obliged to convert their revenues into the domestic currency; residents (and domestic firms) were allowed to invest some (still limited) amounts in other OECD countries; domestic firms were permitted to engage in medium-term foreign exchange credit contracts with non-residents; the OECD set of regulations on foreign direct investment was adopted. Most importantly, already in 1995 the access to the short-term Treasury bills market was opened to non-residents.

In 1995 Poland's official reserves rose abruptly, more than doubling, to over USD 14.5 billion. Only part of the increase in reserves was due to the high current account surplus. For the first time the country experienced high inflows of foreign direct investment, private portfolio capital and credits drawn by the private sector. Capital inflows were only natural given the reduced levels of risks/uncertainty, the predictability of Poland's exchange rate (the pre-announced sliding peg) and the very high nominal levels of domestic interest rates (corresponding to inflation, running at about 25% in 1995). The sudden overabundance of foreign exchange did not bring down interest rates on credits denominated in domestic currency. Rather, these interest rates were actually increased as the National Bank attempted to sterilize the inflows by 'mopping up' the excess liquidity accumulating in the commercial banking system. The sterilization, which was quite costly, was only partially successful as it did not completely prevent a credit boom fuelling private consumption and investment. On the other hand, increased domestic interest rates induced even higher capital inflows. Very soon the National Bank saw no other way out but to allow the currency to float, within some bounds, around the 'central parity', on the inter-bank forex market. Nominal appreciation followed immediately. Shortly afterwards the National Bank had to re-value the central parity even further. This alone produced huge gains to foreign speculators. The floating, which was to deter excessive short-term speculations by making them more risky, was outsmarted by the market which quickly developed instruments allowing speculation all the same (first futures, then swaps and then more sophisticated currency and interest rate derivatives). The major players on the still rather shallow Polish forex financial markets were (and still are) the London-based traders gambling against the Polish parties (including the Treasury and the National Bank). It may be added that, as long as Polish interest rates were very high, the short-term speculation was not against the Polish currency. Such speculation was (and still is) potentially too costly. Under high interest rates speculation tends to inflate the value of the domestic currency – irrespective of its 'fundamental value'. Conversely, speculation may tend to force an excessive weakening of the currency if domestic interest rates are believed to be too low.

The policy changes initiated in 1995 continued later on:

(1)   Capital account liberalization has continued: in 1997 non-residents were given access to Treasury bonds, in 1998 residents were allowed to engage in some kinds of transactions in some categories of derivatives. Finally, in 2002 the Polish currency became almost fully convertible. The only remaining restrictions pertain to foreigners' acquisitions of farmland, and to some short-term transactions with non-OECD parties.

(2)   There has been a steady evolution of the exchange rate regime. The devaluation factor for the 'central parity' was progressively lowered, thereby increasingly losing touch with domestic inflation. In effect the monetary policy was losing control over real appreciation. At the same time the bands around the 'central parity' widened over time. The National Bank's involvement in the operation of the foreign exchange market was gradually reduced. This culminated in the pure free float formally introduced in early 2000. Actually, already in February 1998 the National Bank had burned its fingers during the attempts to stop currency speculation and withdrew from the forex market. The determination of the exchange rate has been left to the still shallow, and volatile, forex markets.

(3)   Monetary policy has been increasingly relying on interest rate manipulations, formally aiming at controlling inflation only. This culminated in the adoption of inflation targeting already in 1998. But inflation calmed slowly all the same. Continuing capital inflows made it possible for the banks to expand lending even if that collided with the intentions of the National Bank. In effect the domestic interest rates were excessively high most of the time – and that led to periodical high tides of foreign capital, 'artificially' strengthening the currency. It may be added that the *real* interest rates on credit denominated in domestic currency had been very high (in excess of 10%) from 1996 until 2004. (By contrast, real interest rates were very low, quite often close to being negative, until mid-1995.) The problem monetary policy faced was

(and essentially still is) that a rise in the interest rate meant to slow down the credit growth was, at the same time, inducing higher inflows which supported credit expansion. Conversely, cuts in the interest rates meant to reduce capital inflows tend to strengthen credit expansion. Only occasionally, when major currency crises were happening in other 'emerging markets' (as in mid-1996, in December 1997 and in September 1998) could the monetary policy control the domestic credit and inflation with a greater degree of efficiency. On such occasions the domestic currency usually weakened somewhat – though never enough to eliminate the excessive real overvaluation that had accumulated since 1995.

The year 1995 was a turning point as far as the depth and scope of currency convertibility is concerned. At the same time that year marks a change in monetary and exchange rate policies. Eclectic monetary policies adjusting their goals to the varying requirements of the moment were no longer possible. In particular, monetary policy had to abdicate the responsibility for the exchange rate dynamics. The change of policy paradigms has had definite – and on the whole rather negative – consequences.

First of all, strong real appreciation had immediate effects on the foreign trade performance and the current account. Already in 1996 exports slowed down while imports expanded explosively. Within one year the trade surplus of 2.4% of GDP turned into a deficit of 4.3%. The current account surpluses of previous years were replaced by large deficits. Under continuing capital inflows and the resultant currency appreciation the current account deficits kept rising until early 2000 when they approached 9% of the GDP. Interestingly, until 2001 (and also more recently) capital inflows overcompensated the current account deficits.

Secondly, the high GDP growth prior to 1995 was sustained only for a couple of years thereafter. But, as the contribution of foreign trade to growth became negative (already in 1996), growth was to

be driven by consumption and (until 2000) by capital formation. However, unlike in the previous period, both items were increasingly financed by rising foreign debt. That was one of the effects of the very high real domestic interest rates engineered by the National Bank. Poland's foreign debt (private and public combined) rose from EUR 41 billion in 1995 to EUR 75 billion in 2000. Currently it is close to EUR 110 billion (of which private foreign debt is about 70 billion). The ballooning foreign debt is only one indication of the unsoundness of the course of development taken after 1995. Simultaneously, Poland has been selling out its assets. The bulk of the most efficient industrial firms, banks, insurance companies, utilities etc. has already been sold to foreign multinationals, usually at huge discounts. Needless to say, without the 'family silver' having been sold to foreigners, Poland's foreign debts would have been much higher.

Naturally, a loan-led and import-fed growth could not be sustained indefinitely. From 1998 growth was slowing down. Several years of intensifying external competition (supported by the strong currency) and high real interest rates finally eroded the profits of the corporate sector and weakened the financial position of households and firms (snowballing debt). Unemployment, falling from 1994, rebounded. In 2000 the rate of unemployment reached 17%, rising to 20% in the early 2000s. In 2001 GDP growth slowed down to a symbolic 1%, followed by 1.4% in 2002. The average GDP growth rate for the entire post-liberalization period (1996-2005) is a lean 3.9%, with gross fixed investment on average rising by about 4.2% annually.

The stagnation of 2001-02 eventually made the job of the National Bank easier. As the demand for credit dried up, the Bank risked, very reluctantly, cutting interest rates. The long overdue, if mild, currency depreciation followed. Nonetheless, the current (since 2003) recovery has been quite anaemic. Despite the recent relaxation of the

monetary policy, the exchange rate is still fundamentally too strong, and interest rates are too high. Wages have been suppressed for several years now. Consumption and domestic fixed investment have been rising weakly. This seems to be a natural consequence of the exuberant debt-driven expansion of the late 1990s. Under suppressed domestic demand (and falling unit labour costs) there have been improvements in foreign trade. In the foreseeable future Poland may be condemned to an export-led growth – with rising shares of domestic income to be surrendered to the outside world in the form of the interest and property income on foreign capital that has invaded the country since 1995. In 1995 1.4% of the GDP was appropriated by the rest of the world. By 2004 the foreigners' share in Poland's GDP rose to 4.6%.

Summing up, there are two distinct periods in Poland's recent history, differing as far as the levels of external liberalization are concerned. The first may be dated as 1992-95. The second started in 1995-96 and has not yet ended.

During the first period, imports were controlled through tariffs and other instruments, while exports were promoted through subsidies. Appreciation of the currency was controlled via a managed nominal exchange rate which was possible under a rather illiberal approach to capital movements. Real interest rates were moderate. There was a fast acceleration of capital formation. The economy pulled itself out of a deep recession without incurring any new foreign debt – and without selling out its assets to foreigners.

During the second period there has been a steady and fast liberalization of imports and a discontinuation of subsidization of exports. More importantly, capital inflows were liberalized all along – which paradoxically failed to bring down the domestic interest rates. In fact the high, essentially uninvited, capital inflows were responsible (via sterilization operations) for the

persistence of very high domestic interest rates. Moreover, under high capital inflows there has been a tendency for strong real appreciation, and this has impaired first exports and then the overall growth.

In conventional stories there is a 'causality' running from high growth through high trade deficits to high compensatory capital inflows. Or, as it is often maintained, high-growth countries need 'imports of foreign savings' – and this seems unimaginable without freedom of capital movements. Poland's experience does not support that story at all. In Poland's case the high growth in the illiberal years did not generate any need for 'imports of foreign savings', or foreign capital. And, it turned out that

foreign capital started to arrive in large quantities, upon being allowed to do so, precisely when it was *not* at all needed. Moreover, soon after arriving, the uninvited capital in fact impaired growth in the host country. The impairment took the form of undue currency appreciation which in turn damaged the external competitiveness of the host country, producing high trade deficits. It was the influx of 'foreign savings' which eventually crowded out, or suppressed, the domestic savings. Only then, after impairing the host country's ability to generate high savings, may the inflow of foreign capital prove desirable, or even necessary. But, paradoxically, precisely then such capital may be reluctant to come. Or, it may just then show a propensity to extract high payments for the past 'services'.

Conventional signs and abbreviations

used in the following section on monthly statistical data

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

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

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

(updated end of December 2006)

		2005					2006										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1]	real, CMPY	8.9	8.5	8.0	10.0	7.3	15.6	11.6	17.1	3.5	12.0	10.4	12.0	7.4	5.5	12.8	.
Industry, total[1]	real, CCPY	5.7	6.0	6.2	6.6	6.7	15.6	13.6	14.9	11.9	11.9	11.6	11.7	11.2	10.5	10.7	.
Industry, total[1]	real, 3MMA	7.5	8.4	8.9	8.5	10.9	11.4	14.9	10.7	10.9	8.7	11.4	9.9	8.1	8.6	.	.
Construction, total	real, CMPY	6.5	9.4	13.8	6.6	8.6	-1.2	-8.2	8.7	-3.0	10.5	10.0	12.2	6.4	4.2	7.1	.
LABOUR																	
Employees in industry[2]	th. persons	1132	1130	1141	1147	1141	1132	1137	1141	1140	1141	1142	1145	1148	1142	1149	.
Unemployment, end of period	th. persons	505.3	503.4	491.9	490.8	510.4	531.2	528.2	514.8	486.2	463.0	451.1	458.3	458.7	454.2	439.8	432.6
Unemployment rate[3]	%	8.9	8.8	8.5	8.4	8.9	9.2	9.1	8.8	8.3	7.9	7.7	7.9	7.9	7.8	7.4	7.3
Labour productivity, industry[2)4)]	CCPY	7.0	7.4	7.7	8.0	8.2	14.6	12.2	13.6	10.6	10.7	10.3	10.4	9.9	9.4	9.7	.
Unit labour costs, exch.r. adj.(EUR)[2)4)]	CCPY	4.8	4.5	4.1	3.9	3.5	-2.1	-0.2	-1.7	0.8	1.4	1.8	1.7	2.0	2.0	1.9	.
WAGES, SALARIES																	
Industry, gross[2]	CZK	18058	17943	18184	21464	19629	18024	17308	18830	18564	20065	19712	19268	19061	19995	19968	.
Industry, gross[2]	real, CMPY	5.1	2.7	1.5	2.7	1.5	3.3	3.1	3.7	2.4	4.7	3.2	2.6	2.4	1.9	6.3	.
Industry, gross[2]	USD	750	751	736	865	803	759	727	790	798	906	878	859	866	897	890	.
Industry, gross[2]	EUR	610	612	613	734	677	628	609	657	651	710	694	677	676	705	706	.
PRICES																	
Consumer	PM	0.0	-0.3	0.9	-0.3	-0.1	1.4	0.1	-0.1	0.1	0.5	0.3	0.4	0.2	-0.7	-0.5	-0.1
Consumer	CMPY	1.7	2.2	2.6	2.4	2.2	2.9	2.8	2.8	2.8	3.1	2.8	2.9	3.1	2.7	1.3	1.5
Consumer	CCPY	1.7	1.7	1.8	1.9	1.9	2.9	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.7	2.6
Producer, in industry	PM	0.0	0.2	0.4	-0.3	-0.6	1.0	0.2	0.1	0.3	0.3	0.2	0.7	0.3	-0.2	0.0	-0.2
Producer, in industry	CMPY	1.1	1.0	0.3	0.0	-0.4	0.3	0.3	0.3	0.5	1.6	1.9	2.4	2.7	2.3	1.9	2.0
Producer, in industry	CCPY	4.5	4.1	3.7	3.3	3.0	0.3	0.3	0.3	0.4	0.6	0.8	1.1	1.3	1.4	1.4	1.5
RETAIL TRADE																	
Turnover	real, CMPY	7.1	3.8	3.4	3.3	2.1	7.0	7.4	6.5	5.1	7.1	6.2	6.3	7.3	4.8	8.6	.
Turnover	real, CCPY	4.5	4.4	4.3	4.2	4.0	7.0	7.2	7.0	6.5	6.6	6.6	6.5	6.6	6.4	6.6	.
FOREIGN TRADE[5)6)]																	
Exports total (fob),cumulated	EUR mn	39847	45610	51350	57543	62734	5732	11360	17949	23627	30071	36556	42205	48080	54727	61943	.
Imports total (fob),cumulated	EUR mn	38775	44360	50007	56115	61437	5281	10699	17008	22715	29108	35341	41040	46964	53331	60392	.
Trade balance,cumulated	EUR mn	1072	1250	1343	1429	1297	450	661	942	913	963	1215	1165	1116	1397	1551	.
Exports to EU-25 (fob), cumulated	EUR mn	33642	38488	43295	48514	52734	4833	9548	15021	19801	25228	30682	35430	40335	45932	51971	.
Imports from EU-25 (fob)[7), cumulated]	EUR mn	27774	31784	35704	39910	43601	3635	7434	11926	15910	20446	24860	28883	32933	37390	42323	.
Trade balance with EU-25, cumulated	EUR mn	5868	6705	7591	8604	9133	1198	2114	3095	3891	4782	5821	6546	7403	8542	9648	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	-1086	-1370	-1286	-1687	-2070	119	73	83	-437	-718	-1722	-2513	-2971	-3428	-4353	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	24.1	23.9	24.7	24.8	24.4	23.7	23.8	23.8	23.3	22.1	22.4	22.4	22.0	22.3	22.4	21.8
CZK/EUR, monthly average	nominal	29.6	29.3	29.7	29.3	29.0	28.7	28.4	28.6	28.5	28.3	28.4	28.4	28.2	28.4	28.3	28.0
CZK/USD, calculated with CPI[8]	real, Jan03=100	120.1	119.3	116.1	116.2	118.3	122.6	122.1	121.2	123.3	129.5	127.8	128.0	130.5	127.9	126.5	130.3
CZK/USD, calculated with PPI[8]	real, Jan03=100	114.5	112.4	106.4	107.3	108.7	112.2	113.8	113.5	115.2	120.3	118.8	118.8	120.9	120.9	120.1	123.6
CZK/EUR, calculated with CPI[8]	real, Jan03=100	105.9	106.1	105.5	106.9	107.5	110.4	111.4	109.8	109.8	110.9	110.6	111.0	112.0	110.4	110.1	110.9
CZK/EUR, calculated with PPI[8]	real, Jan03=100	107.1	108.0	106.7	107.5	107.5	108.6	109.8	108.5	108.6	109.9	109.5	109.0	110.3	110.3	110.5	111.3
DOMESTIC FINANCE																	
M0, end of period	CZK bn	252.9	256.3	258.5	262.7	263.8	261.8	264.8	267.3	272.7	273.3	279.9	279.1	282.4	287.5	287.1	.
M1, end of period	CZK bn	1028.2	1015.2	1048.5	1078.2	1087.3	1099.9	1103.5	1086.0	1111.0	1160.7	1141.3	1177.8	1193.0	1180.5	1220.4	.
M2, end of period	CZK bn	1920.5	1919.2	1933.9	1965.6	1992.1	1989.6	2002.2	2011.2	2051.9	2061.5	2073.2	2073.2	2099.7	2094.9	2124.4	.
M2, end of period	CMPY	4.6	4.2	5.0	6.8	8.0	8.9	8.6	9.0	9.0	7.8	8.4	8.6	9.3	9.2	9.9	.
Discount rate (p.a.),end of period	%	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.50	1.50	1.50
Discount rate (p.a.),end of period[9]	real, %	-0.3	-0.2	0.7	1.0	1.4	0.7	0.7	0.7	0.5	-0.5	-0.9	-1.2	-1.5	-0.8	-0.4	-0.5
BUDGET																	
Central gov.budget balance,cum.	CZK mn	10008	25748	15181	201	-56338	3427	-557	15754	-19955	-12202	7642	-445	-6440	1490	-12670	-30920

1) According to new calculation.
2) Enterprises employing 20 and more persons.
3) Ratio of job applicants to the economically active (including women on maternity leave), calculated with disposable number of registered unemployment.
4) Calculation based on industrial sales index (at constant prices).
5) Based on cumulated national currency and converted with the average exchange rate.
6) Cumulation starting January and ending December each year.
7) According to country of origin.
8) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
9) Deflated with annual PPI.

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

(updated end of December 2006)

		2005 Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	11.7	8.6	9.6	7.8	5.7	13.2	11.2	15.4	2.3	10.5	8.8	12.3	9.3	9.2	10.6	.
Industry, total	real, CCPY	6.3	6.6	6.9	7.0	6.9	13.2	12.2	13.3	10.4	10.4	10.1	10.5	10.3	10.2	10.2	.
Industry, total	real, 3MMA	8.5	9.9	8.7	7.8	8.7	9.9	13.3	9.6	9.4	7.2	10.5	10.1	10.2	9.7	.	.
Construction, total	real, CMPY	13.5	36.3	11.0	18.7	14.6	12.3	-3.2	15.7	-7.6	-7.9	-8.0	1.1	-3.4	-4.8	7.5	.
LABOUR																	
Employees in industry[1]	th. persons	760.1	759.3	760.1	757.0	753.3	751.6	752.5	751.7	749.2	750.5	752.1	753.7	752.7	751.7	752.0	.
Unemployment[2]	th. persons	302.5	308.6	308.3	305.4	309.9	317.6	326.5	323.6	318.5	309.4	305.7	311.1	314.5	318.3	317.3	.
Unemployment rate[2]	%	7.2	7.3	7.3	7.2	7.3	7.5	7.8	7.7	7.5	7.3	7.2	7.3	7.4	7.5	7.4	.
Labour productivity, industry[1]	CCPY	10.0	10.3	10.5	10.6	10.7	17.1	15.6	16.4	13.4	13.2	12.7	12.9	12.6	12.3	12.3	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	0.6	0.0	-0.7	-1.1	-1.7	-9.6	-9.1	-10.4	-9.1	-8.7	-9.0	-10.1	-10.2	-10.5	-10.1	.
WAGES, SALARIES																	
Total economy, gross[1]	HUF th	148.4	150.3	152.9	175.9	179.9	195.6	157.3	162.5	162.1	166.1	165.9	164.4	164.4	161.0	167.2	.
Total economy, gross[1]	real, CMPY	3.2	3.8	3.4	3.8	2.1	3.4	5.9	5.2	5.7	3.6	3.6	5.4	7.0	1.1	2.9	.
Total economy, gross[1]	USD	747	750	730	825	845	944	747	749	750	809	772	751	768	746	789	.
Total economy, gross[1]	EUR	607	611	607	700	712	780	625	623	611	633	610	592	600	586	625	.
Industry, gross[1]	EUR	607	598	585	714	664	592	588	622	590	650	604	567	598	574	611	.
PRICES																	
Consumer	PM	-0.4	0.2	0.0	0.2	0.0	0.1	0.2	0.6	0.7	1.0	0.3	0.2	0.0	2.5	0.5	0.2
Consumer	CMPY	3.6	3.7	3.2	3.3	3.3	2.7	2.5	2.3	2.3	2.8	2.8	3.0	3.5	5.9	6.3	6.4
Consumer	CCPY	3.7	3.7	3.6	3.6	3.6	2.7	2.6	2.5	2.5	2.5	2.6	2.6	2.7	3.1	3.4	3.7
Producer, in industry	PM	0.1	0.8	0.8	0.4	0.0	0.6	0.1	1.8	1.1	0.1	2.4	1.2	0.3	0.1	-1.0	.
Producer, in industry	CMPY	3.4	3.8	4.1	4.1	4.5	4.3	4.4	5.4	5.8	5.3	7.9	9.5	9.7	9.0	7.0	.
Producer, in industry	CCPY	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.7	5.0	5.0	5.5	6.1	6.5	6.8	6.8	.
RETAIL TRADE																	
Turnover	real, CMPY	6.2	7.4	6.8	7.0	3.5	7.5	6.0	2.9	5.7	5.5	4.0	4.0	5.1	3.7	.	.
Turnover	real, CCPY	5.1	5.4	5.6	5.7	5.5	7.5	6.7	5.3	5.5	5.5	5.1	4.9	5.0	4.9	.	.
FOREIGN TRADE[4)5]																	
Exports total (fob), cumulated	EUR mn	31565	36427	40896	45851	50090	4178	8389	13493	17891	22914	27854	32282	36714	41987	47371	.
Imports total (cif), cumulated	EUR mn	33631	38603	43418	48625	52993	4344	8805	14143	18745	23919	28910	33672	38369	43719	49322	.
Trade balance, cumulated	EUR mn	-2066	-2176	-2523	-2774	-2903	-165	-415	-650	-853	-1005	-1056	-1389	-1655	-1732	-1951	.
Exports to EU-25 (fob), cumulated	EUR mn	24269	27930	31401	35207	38283	3220	6443	10255	13540	17285	20967	24311	27501	31365	35403	.
Imports from EU-25 (cif)[5], cumulated	EUR mn	23153	26565	29831	33295	36126	2885	5906	9586	12593	16171	19636	22856	25898	29546	33244	.
Trade balance with EU-25, cumulated	EUR mn	1117	1365	1570	1912	2158	334	537	670	946	1114	1331	1455	1604	1818	2159	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	.	-4627	.	.	-6002	.	.	-1537	.	.	-3006	.	.	.	.	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	198.8	200.6	209.4	213.0	213.0	207.1	210.6	216.9	216.3	205.5	214.9	218.8	214.0	215.7	211.8	200.8
HUF/EUR, monthly average	nominal	244.4	245.9	251.7	251.1	252.7	250.9	251.6	260.8	265.3	262.5	271.9	277.6	274.3	274.7	267.3	258.9
HUF/USD, calculated with CPI[6]	real, Jan03=100	119.8	117.7	112.5	112.1	112.1	114.5	112.6	109.5	109.5	115.9	110.9	108.8	111.0	112.9	115.5	121.9
HUF/USD, calculated with PPI[6]	real, Jan03=100	106.7	103.6	97.6	97.7	98.2	100.7	100.7	99.3	99.4	103.8	101.5	100.2	102.3	103.1	103.9	.
HUF/EUR, calculated with CPI[6]	real, Jan03=100	105.6	104.8	102.1	102.8	101.8	103.1	102.7	99.2	97.5	99.2	96.0	94.3	95.3	97.4	100.6	103.7
HUF/EUR, calculated with PPI[6]	real, Jan03=100	99.8	99.6	97.7	98.1	97.1	97.5	97.1	95.0	93.7	94.9	93.7	91.9	93.3	94.1	95.6	.
DOMESTIC FINANCE																	
M0, end of period[7]	HUF bn	1475.2	1491.4	1532.7	1570.7	1600.3	1551.4	1555.5	1622.7	1663.9	1661.5	1724.9	1730.3	1762.8	1788.6	1754.7	.
M1, end of period[7]	HUF bn	4533.7	4643.4	4692.1	4960.0	5188.8	4863.8	4959.2	5318.2	5323.4	5358.3	5573.2	5610.9	5506.9	5525.5	5403.2	.
Broad money, end of period[7]	HUF bn	10469.0	10621.1	10673.6	10915.6	11230.7	11224.6	11354.6	11925.4	11779.2	11770.6	12157.6	12215.2	12237.1	12298.7	12246.9	.
Broad money, end of period[7]	CMPY	13.2	14.5	14.1	14.4	14.5	16.2	16.3	19.7	15.9	14.6	18.6	17.8	16.9	15.8	14.7	.
NBH base rate (p.a.),end of period	%	6.3	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.3	6.8	7.3	7.8	8.0	8.0
NBH base rate (p.a.),end of period[8]	real, %	2.8	2.1	1.8	1.8	1.4	1.6	1.5	0.6	0.2	0.7	-1.5	-2.5	-2.2	-1.1	0.9	.
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-769.0	-780.9	-738.7	-744.7	-545.0	-144.4	-440.6	-682.7	-794.2	-859.7	-1158.4	-1141.3	-1266.7	-1323.0	.	.

1) Economic organizations employing more than 5 persons. Including employees with second or more jobs.
2) According to ILO methodology, 3-month averages comprising the two previous months as well.
3) Based on cumulated national currency and converted with the average exchange rate.
4) Cumulation starting January and ending December each year.
5) According to country of dispatch.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
7) According to ECB monetary standards.
8) Deflated with annual PPI.

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

(updated end of December 2006)

		2005 Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry[1]	real, CMPY	4.8	5.9	7.6	8.5	9.5	9.7	10.2	16.5	5.7	19.1	12.2	14.3	12.6	11.5	14.8	11.7
Industry[1]	real, CCPY	2.1	2.5	3.1	3.6	4.1	9.7	10.0	12.3	10.6	12.3	12.2	12.5	12.5	12.4	12.7	12.6
Industry[1]	real, 3MMA	4.5	6.1	7.3	8.5	9.2	9.8	12.3	10.8	13.7	12.2	15.1	13.0	12.7	13.0	12.7	.
Construction[1]	real, CMPY	6.5	10.5	6.8	5.8	8.2	-7.9	-3.4	15.7	4.1	13.3	15.7	4.9	15.4	21.1	28.7	23.4
LABOUR																	
Employees[1]	th. persons	4776	4788	4798	4804	4799	4862	4861	4870	4889	4901	4918	4928	4943	4957	4971	4986
Employees in industry[1]	th. persons	2424	2428	2434	2436	2430	2457	2458	2464	2468	2471	2478	2484	2490	2495	2502	2507
Unemployment, end of period	th. persons	2783.3	2760.1	2712.1	2722.8	2773.0	2866.7	2865.9	2822.0	2703.6	2583.0	2487.6	2443.4	2411.6	2363.6	2301.8	2287.3
Unemployment rate[2]	%	17.7	17.6	17.3	17.3	17.6	18.0	18.0	17.8	17.2	16.5	16.0	15.7	15.5	15.2	14.9	14.8
Labour productivity, industry[1]	CCPY	1.0	1.4	2.0	2.5	3.0	8.0	8.3	10.5	8.8	10.4	10.3	10.4	10.3	10.1	10.3	10.1
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	16.2	15.6	14.9	14.4	13.0	1.9	1.7	-0.7	1.1	0.3	-0.4	-0.5	-0.5	-0.9	-1.4	-1.5
WAGES, SALARIES																	
Total economy, gross[1]	PLN	2481	2484	2539	2678	2789	2471	2526	2614	2570	2550	2625	2648	2612	2611	2658	2760
Total economy, gross[1]	real, CMPY	1.3	0.3	5.1	6.2	1.2	3.2	4.3	5.1	3.4	4.4	3.7	4.5	3.7	3.9	3.8	1.8
Total economy, gross[1]	USD	755	777	779	795	858	782	796	811	804	836	828	841	858	838	860	928
Total economy, gross[1]	EUR	613	633	647	674	723	646	666	675	656	655	654	662	669	658	681	721
Industry, gross[1]	EUR	618	637	639	697	738	648	678	681	661	661	664	679	676	662	674	737
PRICES																	
Consumer	PM	-0.1	0.4	0.4	-0.2	-0.2	0.2	0.0	-0.1	0.7	0.5	-0.3	0.0	0.3	0.2	0.1	0.0
Consumer	CMPY	1.6	1.8	1.6	1.0	0.7	0.6	0.7	0.4	0.7	0.9	0.8	1.1	1.3	1.5	1.2	1.4
Consumer	CCPY	2.7	2.6	2.5	2.3	2.2	0.6	0.6	0.8	0.8	0.9	1.0	1.0	1.1	1.1	1.1	1.2
Producer, in industry	PM	0.1	-0.3	-0.1	0.1	-0.7	0.2	-0.1	0.7	1.5	0.4	0.9	0.7	-0.1	-0.1	-0.5	-0.5
Producer, in industry	CMPY	-0.2	-0.5	-0.9	-0.4	0.2	0.3	0.7	0.9	1.7	2.3	3.0	3.5	3.3	3.6	3.2	2.6
Producer, in industry	CCPY	1.3	1.1	0.9	0.8	0.7	0.3	0.5	0.6	0.9	1.2	1.5	1.8	1.9	2.1	2.2	2.2
RETAIL TRADE																	
Turnover[1]	real, CMPY	5.6	2.9	5.7	6.4	6.2	8.6	9.9	10.1	13.3	13.4	10.5	10.8	10.9	14.4	13.9	14.1
Turnover[1]	real, CCPY	-0.2	0.1	0.6	1.2	1.5	8.6	9.6	9.0	10.1	10.6	10.5	10.8	11.1	11.6	11.9	11.8
FOREIGN TRADE[4)5]																	
Exports total (fob), cumulated	EUR mn	45153	51789	58693	65505	71744	6385	12880	20295	27045	34390	41798	48702	55664	63626	72124	.
Imports total (cif), cumulated	EUR mn	51338	58848	66441	74245	81536	7005	14358	22710	30094	38618	46765	54784	62793	71647	81106	.
Trade balance, cumulated	EUR mn	-6185	-7059	-7748	-8740	-9791	-621	-1477	-2415	-3049	-4228	-4967	-6082	-7128	-8020	-8982	.
Exports to EU-25 (fob), cumulated	EUR mn	34575	39595	45009	50474	55136	5171	10123	16007	21239	26962	32673	37952	43031	49275	55683	.
Imports from EU-25 (cif)[5], cumulated	EUR mn	33742	38585	43580	48725	53200	4333	8895	14385	19029	24447	29721	34761	39430	44948	50754	.
Trade balance with EU-25, cumulated	EUR mn	833	1010	1428	1748	1936	838	1227	1622	2211	2515	2952	3191	3601	4327	4928	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-2408	-2736	-3093	-3595	-4125	-211	-1050	-1406	-1976	-2380	-2595	-3069	-3653	-3458	-3940	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	3.287	3.195	3.260	3.367	3.252	3.160	3.174	3.223	3.198	3.049	3.171	3.149	3.045	3.115	3.092	2.974
PLN/EUR, monthly average	nominal	4.045	3.925	3.926	3.972	3.856	3.825	3.794	3.875	3.919	3.894	4.016	3.997	3.901	3.970	3.903	3.830
PLN/USD, calculated with CPI[6]	real, Jan03=100	114.4	116.9	114.7	111.7	115.9	118.5	117.8	115.3	116.0	121.6	116.4	116.8	120.9	118.4	119.5	124.2
PLN/USD, calculated with PPI[6]	real, Jan03=100	110.0	109.7	104.8	103.1	106.4	108.8	109.9	108.8	109.8	114.6	111.1	111.9	115.0	114.0	114.3	118.3
PLN/EUR, calculated with CPI[6]	real, Jan03=100	100.6	103.6	103.7	102.5	105.1	106.6	107.2	104.3	103.2	104.0	100.4	101.0	103.6	102.0	103.8	105.6
PLN/EUR, calculated with PPI[6]	real, Jan03=100	102.7	105.1	104.6	103.1	105.1	105.2	105.8	103.8	103.5	104.6	102.2	102.4	104.8	103.8	104.9	106.3
DOMESTIC FINANCE																	
M0, end of period	PLN bn	55.2	55.3	55.8	55.9	57.2	55.3	56.3	58.4	61.3	61.2	64.2	64.9	64.9	66.2	66.3	66.0
M1, end of period[7]	PLN bn	193.3	192.5	195.9	202.5	208.0	204.5	211.5	209.7	209.7	223.8	226.2	233.1	235.5	239.4	240.3	.
Broad money, end of period[7]	PLN bn	396.2	401.0	408.4	407.1	412.3	406.6	416.1	417.6	423.2	433.1	437.9	440.3	447.2	453.1	458.6	465.6
Broad money, end of period[7]	CMPY	11.1	12.7	8.7	12.6	10.4	10.4	11.7	9.8	9.6	10.1	11.9	13.0	12.9	13.0	12.3	14.4
Discount rate (p.a.),end of period	%	5.3	4.8	4.8	4.8	4.8	4.8	4.5	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Discount rate (p.a.),end of period[8]	real, %	5.5	5.3	5.7	5.2	4.5	4.4	3.8	3.3	2.5	1.9	1.2	0.7	0.9	0.6	1.0	1.6
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-18537	-17782	-20649	-22272	-27495	772	-6716	-9275	-10070	-14718	-17694	-15543	-14483	-14610	-16637	-18549

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

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

(updated end of December 2006)

		2005					2006										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	4.5	5.4	4.1	5.8	8.7	7.3	4.8	16.0	3.5	10.9	12.1	9.9	14.4	8.6	12.1	.
Industry, total	real, CCPY	2.4	2.8	2.9	3.2	3.6	7.3	6.1	9.5	8.0	8.6	9.2	9.3	9.9	9.8	10.0	.
Industry, total	real, 3MMA	4.9	4.7	5.1	6.1	7.2	6.9	9.5	8.2	10.2	8.9	11.0	12.1	10.9	11.6	.	.
Construction, total	real, CMPY	15.1	20.7	9.4	15.8	0.5	4.6	19.9	18.0	11.6	20.2	16.3	17.2	21.1	11.4	9.1	.
LABOUR																	
Employment in industry	th. persons	585.7	583.2	585.8	587.5	579.6	556.3	557.7	559.4	564.3	568.5	571.6	572.9	574.6	577.1	578.2	.
Unemployment, end of period	th. persons	318.7	327.8	322.2	322.6	333.8	342.4	337.3	329.3	315.6	302.6	296.5	291.3	282.0	279.9	271.0	268.8
Unemployment rate[1]	%	10.9	11.2	10.9	10.9	11.4	11.8	11.7	11.4	11.0	10.6	10.4	10.2	9.9	9.8	9.3	9.1
Labour productivity, industry	CCPY	-1.0	-0.6	-0.3	0.1	0.6	8.5	7.1	10.8	9.4	10.1	10.8	11.0	11.7	11.4	11.7	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	13.6	12.7	12.2	11.5	10.6	-0.6	-3.3	-5.5	-2.5	-1.8	-2.4	-2.3	-2.7	-2.4	-2.4	.
WAGES, SALARIES																	
Industry, gross	SKK	17751	17727	18471	21515	19949	17781	17311	18401	18124	19433	19857	19167	18981	18918	19428	.
Industry, gross	real, CMPY	3.8	2.7	3.6	3.2	3.1	0.6	-6.5	0.5	2.8	5.2	2.2	3.6	1.9	2.3	1.5	.
Industry, gross	USD	564	565	571	656	625	573	553	590	594	660	661	633	645	642	665	.
Industry, gross	EUR	459	461	475	556	527	474	463	491	485	517	522	499	504	504	527	.
PRICES																	
Consumer	PM	-0.1	0.2	1.1	0.0	0.1	2.1	0.6	0.0	0.3	0.4	0.1	0.2	0.0	-0.3	0.2	0.6
Consumer	CMPY	2.0	2.2	3.3	3.4	3.7	4.1	4.4	4.5	4.5	4.8	4.6	5.0	5.1	4.6	3.7	4.3
Consumer	CCPY	2.5	2.4	2.5	2.6	2.7	4.1	4.3	4.3	4.4	4.5	4.5	4.6	4.6	4.6	4.5	4.5
Producer, in industry	PM	0.8	0.5	0.5	1.8	-0.6	1.4	1.4	0.7	0.7	0.8	0.2	0.6	0.6	-0.7	0.1	.
Producer, in industry	CMPY	5.6	5.8	5.7	7.4	7.0	8.7	9.9	9.9	9.8	9.9	9.1	9.0	8.8	7.5	7.1	.
Producer, in industry	CCPY	3.8	4.1	4.2	4.5	4.7	8.7	9.3	9.5	9.6	9.7	9.6	9.5	9.4	9.2	9.0	.
RETAIL TRADE[2]																	
Turnover	real, CMPY	11.7	12.7	14.4	12.3	6.3	6.6	6.5	10.0	8.6	9.3	10.7	8.5	8.0	10.6	7.6	.
Turnover	real, CCPY	9.0	9.4	9.9	10.1	9.7	6.6	6.6	7.7	7.9	8.2	8.6	8.6	8.5	8.7	8.6	.
FOREIGN TRADE[3)4)5]																	
Exports total (fob),cumulated	EUR mn	16067	18486	20975	23583	25773	2165	4437	7146	9530	12300	15094	17659	20537	23588	26919	.
Imports total (fob),cumulated	EUR mn	17012	19501	22165	24878	27751	2379	4921	7754	10389	13356	16341	19055	22010	25324	28791	.
Trade balance,cumulated	EUR mn	-945	-1015	-1190	-1295	-1978	-214	-484	-608	-860	-1056	-1247	-1395	-1473	-1736	-1872	.
Exports to EU-25 (fob), cumulated	EUR mn	13751	15816	17958	20184	22015	1916	3889	6238	8266	10651	13013	15124	17560	20116	.	.
Imports from EU-25 (fob)[6], cumulated	EUR mn	12220	14053	15963	17894	19778	1490	3150	5119	6880	8922	10997	12925	14852	17103	.	.
Trade balance with EU-25, cumulated	EUR mn	1532	1763	1996	2290	2237	426	740	1119	1386	1729	2016	2199	2708	3013	.	.
FOREIGN FINANCE																	
Current account, cumulated[3]	EUR mn	-1586	-1765	-1949	-2146	-3288	-244	-427	-622	-981	-1451	-1647	-2276	-2308	-2692	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	31.5	31.4	32.4	32.8	31.9	31.0	31.3	31.2	30.5	29.5	30.1	30.3	29.4	29.4	29.2	27.9
SKK/EUR, monthly average	nominal	38.7	38.5	38.9	38.7	37.9	37.5	37.4	37.5	37.4	37.6	38.0	38.4	37.7	37.5	36.9	35.9
SKK/USD, calculated with CPI[7]	real, Jan03=100	129.2	128.6	125.6	124.9	129.0	134.4	133.8	133.6	135.7	140.5	137.6	136.4	140.1	139.6	140.9	148.4
SKK/USD, calculated with PPI[7]	real, Jan03=100	120.1	117.7	111.8	114.0	117.0	121.1	123.6	124.7	126.6	131.0	128.6	127.5	131.3	132.3	133.4	.
SKK/EUR, calculated with CPI[7]	real, Jan03=100	113.8	114.3	113.9	114.6	117.0	121.1	121.8	121.1	120.9	120.4	118.9	118.1	120.1	120.3	122.6	126.4
SKK/EUR, calculated with PPI[7]	real, Jan03=100	112.2	113.1	111.9	114.1	115.5	117.2	119.0	119.2	119.4	119.8	118.4	116.9	119.8	120.6	122.6	.
DOMESTIC FINANCE																	
M0, end of period[8]	SKK bn	111.4	112.6	113.6	114.9	119.8	118.8	119.4	120.1	121.3	121.9	124.5	124.4	125.8	126.4	126.1	.
M1, end of period[8]	SKK bn	433.2	443.0	445.8	464.4	486.0	477.7	493.5	486.0	485.5	512.9	521.7	528.1	512.8	513.0	511.8	.
Broad money, end of period[8]	SKK bn	785.8	792.0	800.4	798.4	831.4	824.9	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3	911.7	.
Broad money, end of period[8]	CMPY	8.0	7.3	7.6	6.3	7.8	8.6	9.1	10.3	9.4	10.5	11.2	11.8	13.6	12.9	13.9	.
Discount rate (p.a.),end of period[9]	%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	4.0	4.0	4.5	4.5	4.8	4.8	4.8
Discount rate (p.a.),end of period[9)10]	real, %	-2.5	-2.6	-2.5	-4.1	-3.7	-5.2	-6.3	-5.8	-5.8	-5.4	-4.7	-4.2	-4.0	-2.6	-2.2	.
BUDGET																	
Central gov.budget balance, cum.	SKK mn	-5065	-8107	-5115	-7553	-33886	12083	6347	157	180	-11700	-10246	-5244	-5716	-5134	-1080	-6983

1) Ratio of disposable number of registered unemployment calculated to the economically active population as of previous year.
2) According to NACE (52 - retail trade), excluding VAT.
3) Based on cumulated national currency and converted with the average exchange rate.
4) Cumulation starting January and ending December each year.
5) Excluding value of goods for repair and after repair.
6) According to country of origin.
7) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
8) According to ECB methodology.
9) Corresponding to the 2-week limit rate of NBS.
10) Deflated with annual PPI.

S L O V E N I A: Selected monthly data on the economic situation 2005 to 2006

(updated end of December 2006)

		2005 Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	0.7	2.5	3.1	7.5	6.0	7.3	8.4	7.4	0.9	9.7	4.4	7.1	11.0	7.6	10.8	.
Industry, total	real, CCPY	2.6	2.6	2.6	3.1	3.3	7.3	7.9	7.7	6.0	6.7	6.3	6.4	6.9	7.0	7.4	.
Industry, total	real, 3MMA	3.5	4.0	6.1	7.1	7.6	7.7	7.7	5.5	6.1	5.0	7.0	7.2	8.4	9.7	.	.
Construction, total[1]	real, CMPY	-1.2	-4.7	-8.2	8.6	13.2	-3.9	7.7	1.0	-3.2	-2.8	11.8	15.8	2.9	38.1	41.2	.
LABOUR																	
Employment total	th. persons	812.7	816.1	817.5	818.3	813.6	812.5	814.1	817.3	819.9	823.6	827.4	825.2	825.2	829.5	833.7	.
Employees in industry	th. persons	238.3	238.1	238.3	238.1	235.8	235.1	234.9	234.8	234.6	235.1	235.8	235.1	234.9	.	.	.
Unemployment, end of period	th. persons	90.6	91.1	94.2	93.9	92.6	95.2	94.1	91.4	90.0	87.1	84.9	85.6	83.1	80.2	81.3	.
Unemployment rate[2]	%	10.0	10.0	10.3	10.3	10.2	10.5	10.4	10.1	9.9	9.6	9.3	9.4	9.1	8.8	8.9	.
Labour productivity, industry	CCPY	4.2	4.2	4.4	4.9	5.2	10.1	10.6	10.4	8.6	9.4	8.9	8.9	9.3	9.3	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	1.4	1.4	1.3	1.4	0.5	-2.5	-3.3	-3.5	-2.4	-3.2	-2.5	-2.7	-3.2	-3.5	.	.
WAGES, SALARIES																	
Total economy, gross	th. SIT	279.0	277.4	279.5	314.0	290.5	281.6	277.4	285.7	279.9	286.3	285.7	283.0	290.1	287.6	293.1	.
Total economy, gross	real, CMPY	3.2	1.3	1.6	6.9	-1.5	2.8	3.2	3.2	1.2	2.1	2.2	2.3	0.8	1.1	3.3	.
Total economy, gross	USD	1432	1420	1403	1545	1437	1423	1384	1432	1429	1526	1510	1498	1551	1529	1542	.
Total economy, gross	EUR	1165	1158	1167	1310	1213	1175	1158	1192	1168	1195	1192	1181	1211	1200	1223	.
Industry, gross	EUR	1042	1028	1036	1221	1060	1061	1021	1079	1027	1065	1070	1044	1089	1060	.	.
PRICES																	
Consumer	PM	-0.6	1.0	0.2	-0.5	0.0	-0.5	0.4	0.8	0.8	0.9	-0.3	-0.2	0.6	0.4	-0.8	0.3
Consumer	CMPY	2.1	3.2	3.1	2.1	2.3	2.4	2.2	1.9	2.7	3.2	2.9	1.9	3.2	2.5	1.5	2.3
Consumer	CCPY	2.4	2.5	2.5	2.5	2.5	2.4	2.3	2.2	2.3	2.5	2.6	2.5	2.6	2.5	2.4	2.4
Producer, in industry	PM	0.3	0.3	0.2	0.1	0.4	-0.1	0.6	0.4	0.3	0.1	0.3	0.1	-0.2	0.6	0.1	0.0
Producer, in industry	CMPY	2.1	1.9	1.8	1.8	1.8	1.3	1.6	2.0	2.0	2.4	2.7	2.9	2.4	2.7	2.7	2.6
Producer, in industry	CCPY	3.2	3.0	2.9	2.8	2.7	1.3	1.4	1.6	1.7	1.9	2.0	2.1	2.2	2.2	2.3	2.3
RETAIL TRADE																	
Turnover	real, CMPY	14.5	8.2	8.0	18.9	14.3	8.1	9.7	9.1	7.9	9.3	4.8	8.1	2.7	4.9	9.7	.
Turnover	real, CCPY	8.2	8.2	8.2	9.2	9.7	8.1	8.9	9.0	8.7	8.8	8.1	8.1	7.4	7.1	7.4	.
FOREIGN TRADE[3]4)																	
Exports total (fob), cumulated	EUR mn	9236	10577	11868	13229	14397	1233	2492	3983	5292	6735	8200	9623	10766	12269	13806	.
Imports total (cif), cumulated	EUR mn	9908	11363	12745	14313	15804	1256	2634	4279	5608	7162	8723	10263	11558	13169	14809	.
Trade balance total, cumulated	EUR mn	-672	-787	-877	-1084	-1408	-23	-142	-295	-316	-427	-523	-639	-792	-900	-1003	.
Exports to EU-25 (fob), cumulated	EUR mn	6290	7185	8056	8977	9770	900	1797	2831	3706	4690	5693	6651	7394	8429	9485	.
Imports from EU-25 (cif)[5], cumulated	EUR mn	8062	9255	10366	11575	12788	974	2035	3363	4408	5648	6912	8176	9218	10525	11832	.
Trade balance with EU-25, cumulated	EUR mn	-1772	-2070	-2310	-2598	-3018	-74	-238	-532	-702	-958	-1219	-1526	-1824	-2096	-2347	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-140	-152	-147	-260	-548	53	-39	-122	-71	-87	-54	-278	-336	-444	-442	.
EXCHANGE RATE																	
SIT/USD, monthly average	nominal	194.9	195.3	199.3	203.2	202.2	197.9	200.4	199.5	195.9	187.6	189.2	188.9	187.1	188.1	190.0	186.2
SIT/EUR, monthly average	nominal	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6
SIT/USD, calculated with CPI[6]	real, Jan03=100	112.3	111.9	109.6	107.8	108.8	109.7	108.5	109.4	111.2	116.6	115.1	114.7	116.3	116.1	114.0	116.7
SIT/USD, calculated with PPI[6]	real, Jan03=100	103.2	100.4	96.2	95.8	97.1	98.3	99.1	99.8	100.6	104.2	103.6	103.1	103.4	105.1	104.1	106.2
SIT/EUR, calculated with CPI[6]	real, Jan03=100	98.8	99.3	99.3	99.0	98.7	98.6	98.7	99.0	99.2	99.7	99.3	99.2	99.7	100.0	99.1	99.3
SIT/EUR, calculated with PPI[6]	real, Jan03=100	96.4	96.3	96.2	95.9	96.0	95.0	95.4	95.4	95.0	95.1	95.3	94.4	94.3	95.6	95.6	95.6
DOMESTIC FINANCE																	
M0, end of period[7]	SIT bn	174.6	177.6	186.0	177.1	187.2	205.9	206.8	207.5	220.9	216.5	220.7	212.1	210.3	213.1	214.0	.
M1, end of period[7]	SIT bn	1051.6	1068.4	1079.1	1073.4	1151.4	1687.0	1694.1	1740.5	1764.7	1795.3	1824.8	1813.5	1812.6	1825.7	1812.3	.
Broad money, end of period[7]	SIT bn	4088.3	4155.8	4164.5	4248.9	4258.2	3501.6	3524.7	3570.2	3546.0	3593.4	3627.3	3698.7	3684.2	3751.7	3722.2	.
Broad money, end of period[7]	CMPY	5.5	6.1	8.0	5.8	5.5	-13.9	-13.3	-12.8	-14.4	-11.7	-10.0	-8.6	-9.9	-9.7	-10.6	.
Refinancing rate (p.a.),end of period	%	3.50	3.50	3.50	3.50	3.75	3.75	3.50	3.25	3.25	3.25	3.50	3.50	3.75	3.75	3.75	3.75
Refinancing rate (p.a.),end of period[8]	real, %	1.4	1.6	1.7	1.7	1.9	2.4	1.9	1.2	1.2	0.8	0.8	0.6	1.3	1.0	1.0	1.1
BUDGET																	
General gov.budget balance, cum.	SIT bn	-62.3	-47.5	-49.9	-36.9	-71.8	16.2	-17.9	-31.3	-15.6	-21.4	-16.6	-5.4	17.3	-8.1	.	.

1) Effective working hours, construction put in place of enterprises with 20 and more persons employed.
2) Ratio of unemployed to the economically active.
3) Based on cumulated national currency and converted with the average exchange rate.
4) Cumulation starting January and ending December each year.
5) According to country of dispatch.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
7) From 2006 harmonized ECB methodology.
8) Deflated with annual PPI.

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

(updated end of December 2006)

		2005 Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1]	real, CMPY	6.5	1.7	9.2	7.8	6.3	7.6	8.9	5.7	2.7	10.3	5.7	3.0	10.6	6.8	5.0	.
Industry, total[1]	real, CCPY	6.9	6.3	6.6	6.7	6.7	7.6	8.3	7.3	6.1	7.0	6.7	6.2	6.7	6.7	6.6	.
Industry, total	real, 3MMA	5.0	5.8	6.3	7.7	7.2	7.5	7.3	5.7	6.2	6.2	6.2	6.4	6.7	7.4	.	.
LABOUR																	
Employees total	th. persons	2279	2266	2260	2261	2234	2201	2213	2237	2250	2265	2276	2305	2300	2293	.	.
Employees in industry	th. persons	719	715	714	713	708	699	701	702	705	705	704	705	704	702	.	.
Unemployment, end of period	th. persons	399.0	388.5	386.5	383.9	397.3	432.3	426.2	401.5	378.9	355.3	340.1	331.8	323.8	312.8	310.4	.
Unemployment rate[2]	%	10.8	10.5	10.4	10.4	10.7	11.7	11.5	10.8	10.2	9.6	9.2	9.0	8.7	8.4	8.4	.
Labour productivity, industry[1]	CCPY	2.2	1.7	2.0	2.0	2.0	10.6	11.1	10.1	8.8	9.6	9.3	8.7	9.2	9.2	.	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	4.6	5.3	5.2	5.1	5.2	-1.3	-1.5	-0.6	0.9	0.0	0.2	1.0	0.8	1.0	.	.
WAGES, SALARIES																	
Total economy, gross	BGN	310	324	317	321	340	324	322	340	343	346	345	350	349	363	.	.
Total economy, gross	real, CMPY	1.5	1.4	0.5	-0.9	-0.2	3.4	1.0	0.9	2.4	-0.1	1.5	2.6	5.4	6.1	.	.
Total economy, gross	USD	195	203	195	193	206	201	197	209	215	226	223	227	229	236	.	.
Total economy, gross	EUR	159	166	162	164	174	166	165	174	175	177	176	179	178	186	.	.
Industry, gross	EUR	162	170	168	166	175	167	168	179	178	176	182	182	182	190	.	.
PRICES																	
Consumer	PM	0.6	1.4	1.2	1.0	0.8	0.8	3.0	0.3	0.4	0.0	-1.6	-0.5	-0.2	0.3	1.3	1.4
Consumer	CMPY	5.0	5.4	6.5	6.9	6.5	6.6	8.7	8.7	8.1	8.5	8.2	7.6	6.8	5.6	5.7	6.1
Consumer	CCPY	4.4	4.5	4.7	4.9	5.0	6.6	7.6	8.0	8.0	8.1	8.1	8.1	7.9	7.7	7.5	7.3
Producer, in industry[1]	PM	0.2	1.3	0.8	0.5	0.7	-0.5	1.5	-0.2	1.8	3.1	0.3	0.9	0.3	0.7	-0.7	.
Producer, in industry[1]	CMPY	6.6	7.0	6.3	7.7	9.8	8.8	9.6	6.8	7.5	11.5	11.1	10.9	11.0	10.3	8.7	.
Producer, in industry[1]	CCPY	6.6	6.6	6.6	6.7	7.0	8.8	9.2	8.4	8.1	8.8	9.2	9.5	9.6	9.7	9.6	.
FOREIGN TRADE[3][4]																	
Exports total (fob), cumulated	EUR mn	6027	6800	7716	8606	9466	819	1696	2672	3668	4652	5711	6783	7850	8900	9960	.
Imports total (cif), cumulated	EUR mn	9134	10387	11814	13273	14668	1233	2457	3936	5347	6870	8364	9960	11621	13149	14858	.
Trade balance, cumulated	EUR mn	-3107	-3587	-4098	-4667	-5201	-414	-761	-1264	-1679	-2218	-2653	-3177	-3771	-4248	-4898	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	-1084	-1226	-1576	-2012	-2427	-432	-677	-1116	-1471	-1737	-1834	-1845	-1928	-2135	-2661	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.591	1.597	1.628	1.660	1.650	1.614	1.638	1.627	1.597	1.532	1.546	1.542	1.527	1.538	1.551	1.519
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[6]	real, Jan03=100	119.1	119.0	117.8	117.6	119.8	122.5	124.0	124.6	126.3	131.0	127.5	126.9	127.6	127.1	127.6	132.1
BGN/USD, calculated with PPI[6]	real, Jan03=100	113.3	111.1	107.2	107.3	109.1	110.1	111.8	112.1	114.8	122.3	121.4	122.0	122.9	124.8	122.9	.
BGN/EUR, calculated with CPI[6]	real, Jan03=100	104.9	105.9	106.9	108.2	108.8	110.1	113.1	112.9	112.6	112.2	110.3	109.9	109.5	109.8	111.0	112.5
BGN/EUR, calculated with PPI[6]	real, Jan03=100	106.0	107.0	107.4	107.6	107.9	106.4	107.9	107.2	108.4	111.8	112.0	111.8	112.2	113.9	113.0	.
DOMESTIC FINANCE																	
M0, end of period[7]	BGN mn	5147	5213	5134	5096	5396	5092	5080	5113	5190	5284	5503	5687	5829	5917	5881	5839
M1, end of period[7]	BGN mn	11713	11566	11792	11729	12443	11840	12058	12371	12430	13085	13444	14182	14505	14751	15022	15223
Broad money, end of period[7]	BGN mn	23663	23746	23939	24010	25260	24633	25125	25558	25771	26568	27535	28183	28986	29611	30166	30461
Broad money, end of period	CMPY	29.0	26.6	27.0	27.3	23.9	20.0	21.1	10.1	17.1	18.4	20.9	21.4	22.5	24.7	26.0	26.9
BNB base rate (p.a.),end of period	%	2.1	2.1	2.1	2.1	2.1	2.2	2.3	2.3	2.5	2.6	2.6	2.7	2.8	3.0	3.0	3.2
BNB base rate (p.a.),end of period[8]	real, %	-4.3	-4.6	-4.0	-5.2	-7.0	-6.0	-6.7	-4.2	-4.7	-8.0	-7.6	-7.3	-7.3	-6.7	-5.2	.
BUDGET																	
Central gov.budget balance,cum.	BGN mn	1198.9	1339.3	1488.3	1611.8	1333.9	137.0	457.7	619.9	978.8	1237.7	1454.9	1606.3	1941.0	2042.4	2229.0	.

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

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

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

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

7) According to ECB methodology.

8) Deflated with annual PPI.

R O M A N I A: Selected monthly data on the economic situation 2005 to 2006

(updated end of December 2006)

		2005 Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1]	real, CMPY	2.3	2.7	1.7	1.6	2.2	5.4	4.3	4.3	0.6	16.0	10.7	10.0	6.8	6.2	10.2	.
Industry, total[1]	real, CCPY	1.9	2.0	2.0	2.0	2.0	5.4	4.9	4.7	3.6	6.1	6.9	7.3	7.2	7.1	7.5	.
Industry, total	real, 3MMA	-0.5	2.2	2.0	1.8	3.0	3.9	4.7	3.1	6.8	9.0	12.2	9.2	7.6	7.8	.	.
Construction, total	real, CCPY	4.5	5.4	6.3	7.3	8.2	20.5	20.0	20.9	18.3	17.2	17.5	17.3	17.7	17.8	.	.
LABOUR																	
Employees total	th. persons	4563.2	4554.6	4538.0	4537.6	4501.2	4556.2	4565.6	4582.0	4589.7	4604.0	4612.2	4617.4	4615.3	4608.5	4601.7	.
Employees in industry	th. persons	1699.4	1690.3	1680.6	1670.7	1652.3	1684.0	1680.8	1678.5	1666.7	1663.9	1653.1	1645.3	1640.4	1628.3	1623.0	.
Unemployment, end of period	th. persons	499.0	493.8	499.7	504.8	523.0	548.0	554.6	545.9	512.3	481.2	465.9	446.8	446.5	440.2	453.5	.
Unemployment rate[2]	%	5.7	5.6	5.7	5.7	5.9	6.2	6.3	6.2	5.9	5.5	5.3	5.1	5.1	5.0	5.1	.
Labour productivity, industry	CCPY	4.5	4.8	5.0	5.2	5.4	9.2	8.8	8.6	7.6	10.1	10.9	11.3	11.1	11.0	11.2	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	24.8	25.0	25.1	24.6	24.0	9.5	10.0	11.8	12.0	9.0	7.7	6.8	6.5	6.2	6.2	.
WAGES, SALARIES																	
Total economy, gross	RON	963.0	965.0	974.0	1017.0	1121.0	1100.0	1017.0	1101.0	1120.0	1109.0	1112.0	1122.0	1122.0	1148.0	1155.0	.
Total economy, gross	real, CMPY	9.2	8.3	7.4	7.8	6.0	6.2	7.1	10.4	7.7	9.8	10.0	10.4	9.9	12.8	13.2	.
Total economy, gross	USD	338	337	325	328	364	366	343	377	393	404	397	398	407	415	414	.
Total economy, gross	EUR	275	275	271	278	306	302	287	314	321	316	313	314	318	325	328	.
Industry, gross	EUR	274	277	262	268	296	262	268	302	301	299	300	305	313	316	315	.
PRICES																	
Consumer	PM	0.1	0.6	0.9	1.2	0.5	1.0	0.2	0.2	0.4	0.6	0.2	0.1	-0.1	0.1	0.2	1.1
Consumer	CMPY	8.9	8.5	8.1	8.7	8.6	8.9	8.5	8.4	6.9	7.3	7.1	6.2	6.0	5.5	4.8	4.7
Consumer	CCPY	9.3	9.2	9.1	9.0	9.0	8.9	8.7	8.6	8.2	8.0	7.8	7.6	7.4	7.2	6.9	6.7
Producer, in industry	PM	1.2	0.7	1.7	0.7	-0.1	1.4	1.1	0.4	1.8	1.5	1.1	0.8	1.2	-0.2	0.4	.
Producer, in industry	CMPY	8.8	8.1	8.2	8.8	9.6	9.8	11.7	11.3	10.6	11.7	12.7	12.9	13.0	12.0	10.6	.
Producer, in industry	CCPY	11.5	11.1	10.8	10.6	10.5	9.8	10.7	10.9	10.8	11.0	11.3	11.5	11.7	11.7	11.6	.
RETAIL TRADE																	
Turnover	real, CMPY	22.6	11.7	9.2	12.4	30.3	25.4	26.7	24.0	16.3	32.1	28.4	28.5	21.5	26.1	24.7	.
Turnover	real, CCPY	18.4	17.6	16.8	16.4	17.6	25.4	26.0	25.4	23.1	24.9	25.5	25.9	25.4	25.3	25.2	.
FOREIGN TRADE[4)5]																	
Exports total (fob), cumulated	EUR mn	14394	16466	18407	20436	22255	1774	3880	6218	8086	10393	12673	14888	16896	19102	21349	.
Imports total (cif), cumulated	EUR mn	20220	23066	26144	29462	32569	2420	5287	8575	11517	15048	18529	21977	25328	28710	32590	.
Trade balance, cumulated	EUR mn	-5826	-6600	-7737	-9025	-10313	-646	-1407	-2358	-3431	-4656	-5856	-7089	-8432	-9608	-11240	.
Exports to EU-25 (fob), cumulated	EUR mn	9745	11153	12477	13935	15043	1237	2681	4256	5473	6950	8486	10016	11340	12906	14483	.
Imports from EU-25 (cif), cumulated	EUR mn	12611	14366	16340	18417	20251	1456	3142	5160	6947	9212	11467	13690	15730	17865	20355	.
Trade balance with EU-25, cumulated	EUR mn	-2866	-3213	-3863	-4482	-5208	-219	-462	-904	-1474	-2262	-2980	-3674	-4390	-4959	-5872	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-3248	-4363	-4891	-6023	-6891	-338	-851	-1495	-2249	-3158	-4043	-4891	-5924	-6699	.	.
EXCHANGE RATE																	
RON/USD, monthly average	nominal	2.851	2.865	2.993	3.097	3.084	3.006	2.963	2.918	2.849	2.745	2.801	2.817	2.753	2.769	2.789	2.714
RON/EUR, monthly average	nominal	3.506	3.510	3.598	3.653	3.659	3.645	3.540	3.507	3.491	3.507	3.548	3.572	3.528	3.527	3.519	3.495
RON/USD, calculated with CPI[4]	real, Jan03=100	140.7	139.3	134.2	132.3	134.1	137.8	139.9	141.7	144.4	150.0	146.9	145.8	148.8	148.0	147.2	153.0
RON/USD, calculated with PPI[4]	real, Jan03=100	145.1	141.3	134.2	132.6	133.6	137.9	143.5	146.1	150.3	157.0	155.3	154.7	159.4	160.6	160.1	.
RON/EUR, calculated with CPI[4]	real, Jan03=100	124.2	124.2	122.0	121.9	121.9	124.2	127.8	128.6	128.9	128.7	127.2	126.6	127.9	127.9	128.4	130.6
RON/EUR, calculated with PPI[4]	real, Jan03=100	135.9	136.2	134.6	133.1	132.3	133.5	138.6	139.9	142.1	143.7	143.4	142.2	145.8	146.8	147.5	.
DOMESTIC FINANCE																	
M0, end of period	RON mn	9985	10341	10258	10348	11386	10977	11165	11480	12471	12595	13557	13926	13959	14423	13955	.
M1, end of period	RON mn	20456	20964	21289	21133	24551	23560	23508	23843	24593	26080	27781	28930	29771	30406	30574	.
M2, end of period	RON mn	76745	80152	81098	81402	86332	85727	85677	87528	88034	91747	95054	95888	98302	99346	100619	.
M2, end of period	CMPY	39.9	41.3	41.3	43.1	33.9	35.8	31.4	28.8	27.4	27.5	28.1	29.4	28.1	23.9	24.1	.
Discount rate (p.a.),end of period[5]	%	8.0	8.3	7.7	7.5	7.5	7.5	7.5	8.5	8.5	8.5	8.5	8.5	8.8	8.8	8.8	8.8
Discount rate (p.a.),end of period[5)6]	real, %	-0.7	0.1	-0.4	-1.2	-1.9	-2.1	-3.8	-2.5	-1.9	-2.8	-3.7	-3.9	-3.7	-2.9	-1.7	.
BUDGET																	
Central gov.budget balance, cum.	RON mn	50.7	403.0	1363.8	653.2	-2182.9	850.9	851.4	472.6	674.3	830.9	-444.7	755.7	-8.1	-550.4	440.7	.

1) Enterprises with more than 50 (in food industry 20) employees.
2) Ratio of unemployed to economically active population as of December of previous year, from 2004 as of December 2003.
3) Cumulation starting January and ending December each year.
4) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
5) Reference rate of RNB.
6) Deflated with annual PPI.

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

(updated end of December 2006)

		2005 Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1]	real, CMPY	4.7	6.0	7.2	6.4	3.1	5.9	7.3	6.0	-3.2	4.1	-1.1	5.2	9.8	3.0	8.5	.
Industry, total[1]	real, CCPY	4.9	5.0	5.2	5.3	5.1	5.9	6.6	6.4	3.7	3.8	2.9	3.3	4.1	3.9	4.4	.
Industry, total[1]	real, 3MMA	5.4	6.0	6.5	5.5	5.0	5.3	6.4	3.1	2.3	-0.1	2.7	4.4	5.9	7.0	.	.
Construction, total,effect.work.time[1]	real, CMPY	5.5	5.6	8.8	8.0	4.4	13.3	17.1	16.9	3.8	13.7	7.5	8.3	9.7	4.7	.	.
LABOUR																	
Employment total	th. persons	1446.3	1436.9	1429.7	1425.4	1417.2	1406.6	1403.8	1406.7	1416.3	1429.6	1444.1	1455.5	1456.2	1446.9	1438.5	.
Employees in industry	th. persons	279.5	278.5	279.4	279.1	277.4	273.1	274.6	274.8	275.5	276.3	276.8	276.8	277.0	276.8	276.9	.
Unemployment, end of period	th. persons	291.0	294.3	300.6	305.5	307.9	314.2	313.6	311.3	302.4	287.3	274.5	270.8	271.1	279.0	289.9	292.3
Unemployment rate[2]	%	16.8	17.0	17.4	17.7	17.8	18.3	18.3	18.1	17.6	16.7	16.0	15.7	15.7	16.2	16.8	16.9
Labour productivity, industry[1]	CCPY	3.3	3.4	3.6	3.7	3.5	5.2	6.8	7.0	4.7	4.9	4.1	4.5	5.3	5.2	5.6	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	3.0	2.8	2.8	2.9	3.1	4.3	2.6	2.5	4.0	3.7	4.6	4.0	3.1	3.0	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	6306	6202	6184	6588	6409	6386	6326	6650	6459	6780	6684	6550	6672	6530	.	.
Total economy, gross	real, CMPY	2.0	0.8	0.4	1.1	0.8	2.2	2.4	2.8	2.1	2.5	1.2	2.2	2.3	2.4	.	.
Total economy, gross	USD	1055	1025	1008	1054	1028	1046	1032	1090	1081	1190	1167	1147	1174	1127	.	.
Total economy, gross	EUR	858	835	837	893	867	866	863	908	883	932	921	904	917	884	.	.
Industry, gross	EUR	797	783	768	833	796	795	797	850	807	867	871	839	858	829	.	.
PRICES																	
Consumer	PM	0.1	0.5	0.7	0.2	0.5	0.6	0.8	0.1	0.2	0.5	-0.1	-0.8	0.1	0.0	0.0	0.6
Consumer	CMPY	3.1	3.8	4.1	3.8	3.6	3.9	3.6	3.0	3.5	4.0	4.0	3.4	3.4	2.8	2.1	2.5
Consumer	CCPY	3.2	3.2	3.3	3.4	3.3	3.9	3.8	3.5	3.5	3.6	3.7	3.6	3.6	3.5	3.4	3.3
Producer, in industry	PM	0.1	0.8	0.5	0.0	-0.3	0.5	0.7	0.3	0.1	0.4	-0.2	0.1	0.2	-0.3	0.0	0.1
Producer, in industry	CMPY	1.5	2.1	1.8	2.3	2.7	3.2	3.6	3.6	3.4	3.7	3.7	3.0	3.1	2.0	1.5	1.6
Producer, in industry	CCPY	3.4	3.2	3.1	3.0	3.0	3.2	3.4	3.5	3.4	3.5	3.5	3.5	3.4	3.3	3.1	2.9
RETAIL TRADE																	
Turnover	real, CMPY	5.1	3.6	1.7	2.0	2.9	3.6	5.3	0.3	1.5	0.2	-0.5	1.6	1.9	2.8	4.6	.
Turnover	real, CCPY	3.4	3.3	3.1	3.1	3.2	3.6	4.4	1.7	2.3	1.8	1.4	1.5	1.5	1.7	1.9	.
FOREIGN TRADE[4)5)]																	
Exports total (fob), cumulated	EUR mn	4443	5117	5688	6357	7064	605	1192	1971	2555	3258	3903	4611	5231	5925	6724	.
Imports total (cif), cumulated	EUR mn	9600	10914	12350	13659	14933	1134	2424	3955	5324	6829	8363	9822	11218	12635	14230	.
Trade balance, cumulated	EUR mn	-5157	-5797	-6661	-7303	-7869	-529	-1233	-1984	-2769	-3572	-4460	-5212	-5987	-6710	-7506	.
Exports to EU-25 (fob), cumulated	EUR mn	2831	3234	3580	3999	4375	392	794	1291	1690	2155	2602	3029	3408	3811	4352	.
Imports from EU-25 (cif), cumulated	EUR mn	6333	7189	8060	8941	9788	643	1474	2449	3399	4448	5459	6458	7297	8193	9209	.
Trade balance with EU-25, cumulated	EUR mn	-3502	-3954	-4481	-4941	-5412	-251	-680	-1158	-1709	-2293	-2856	-3429	-3889	-4382	-4857	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	.	-482	.	.	-1993	.	.	-2014	.	.	-3287	.	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	5.975	6.052	6.136	6.252	6.234	6.102	6.129	6.098	5.974	5.698	5.726	5.711	5.683	5.794	5.862	5.710
HRK/EUR, monthly average	nominal	7.348	7.432	7.386	7.375	7.389	7.378	7.327	7.325	7.313	7.273	7.256	7.246	7.276	7.385	7.393	7.344
HRK/USD, calculated with CPI[6]	real, Jan03=100	116.1	113.9	112.8	111.8	113.1	115.4	115.5	115.7	117.3	122.9	122.0	120.9	121.4	119.1	117.7	121.6
HRK/USD, calculated with PPI[6]	real, Jan03=100	108.8	105.2	101.7	101.4	101.8	103.6	105.5	106.1	107.1	111.7	110.8	110.4	110.6	109.9	108.6	111.6
HRK/EUR, calculated with CPI[6]	real, Jan03=100	102.0	100.9	101.9	102.5	102.5	103.7	105.0	104.6	104.3	105.0	105.1	104.5	104.0	102.4	102.2	103.4
HRK/EUR, calculated with PPI[6]	real, Jan03=100	101.4	100.7	101.4	101.3	100.4	100.1	101.4	101.3	100.9	101.8	101.8	101.0	100.8	99.8	99.6	100.3
DOMESTIC FINANCE																	
M0, end of period	HRK bn	12.7	12.2	11.9	11.7	12.2	11.7	11.8	12.1	12.7	13.0	14.0	14.9	14.6	14.3	13.9	.
M1, end of period	HRK bn	37.8	36.7	37.1	37.2	38.8	37.2	37.2	38.2	39.2	40.8	42.2	45.0	45.0	44.0	45.5	.
Broad money, end of period	HRK bn	151.1	151.6	152.5	154.7	154.6	152.0	151.7	153.6	155.1	158.1	163.1	170.3	174.2	176.8	180.6	.
Broad money, end of period	CMPY	10.4	9.3	10.2	10.8	10.5	9.4	9.3	11.3	12.5	12.4	14.4	17.0	15.3	16.6	18.4	.
Discount rate (p.a.),end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Discount rate (p.a.),end of period[7]	real, %	3.0	2.4	2.7	2.2	1.8	1.3	0.9	0.9	1.1	0.8	0.8	1.5	1.4	2.5	3.0	2.9
BUDGET																	
Central gov. budget balance, cum.[8]	HRK mn	-6557	-5995	-6994	-6936	-6874	-883	-1742	-2803	-3097	-3381	-3475	-3426	-2641	-2635	-2696	.

1) In business entities with more than 20 persons employed.
2) Ratio of unemployed to the economically active population.
3) Based on cumulated national currency and converted with the average exchange rate.
4) Cumulation starting January and ending December each year.
5) Calculated from USD to NCU to EUR using the official average exchange rate.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
7) Deflated with annual PPI.
8) Consolidated central government budget. Including extra-budgetary funds.

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

(updated end of December 2006)

		2005 Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total[1]	real, CMPY	3.0	4.9	3.6	6.0	4.8	4.3	0.9	4.1	4.9	11.2	2.9	3.6	6.3	5.6	6.5	4.2
Industry, total[1]	real, CCPY	3.4	3.6	3.6	3.8	3.9	4.3	2.6	3.1	3.6	5.0	4.7	4.5	4.7	4.8	5.0	4.9
Industry, total[1]	real, 3MMA	3.9	3.8	4.8	4.8	5.0	3.4	3.1	3.3	6.6	6.2	5.8	4.3	5.2	6.1	5.4	.
Construction, total	real, CMPY	11.6	10.4	13.6	16.2	15.6	-7.5	-3.5	10.7	12.1	10.9	14.5	14.5	12.4	18.3	24.3	.
LABOUR[2]																	
Employment total	th. persons	69300	69100	68900	68700	68300	67624	67607	67920	68226	68529	68962	69496	70026	69790	69650	.
Unemployment, end of period	th. persons	5395	5444	5491	5543	5660	5776	5893	5780	5674	5571	5338	5104	4874	4910	4950	.
Unemployment rate	%	7.2	7.3	7.4	7.5	7.7	7.9	8.0	7.8	7.7	7.5	7.2	6.8	6.5	6.6	6.6	.
WAGES, SALARIES																	
Total economy, gross	RUB	8616	8906	8701	8931	11319	9016	9255	9914	9833	10257	11106	10883	10853	11127	11071	.
Total economy, gross	real, CMPY	11.6	14.7	12.8	14.0	16.0	10.9	11.5	10.7	11.8	15.7	17.7	14.9	14.7	14.0	16.5	.
Total economy, gross	USD	303	314	305	311	393	319	328	356	357	379	412	404	406	416	412	.
Total economy, gross	EUR	246	256	253	263	331	263	274	296	291	297	325	319	317	326	327	.
Industry, gross[3]	EUR	249	250	259	266	302	257	263	285	286	287	299	308	312	312	.	.
PRICES																	
Consumer	PM	-0.1	0.3	0.6	0.7	0.8	2.4	1.7	0.8	0.4	0.5	0.3	0.7	0.2	0.1	0.3	0.6
Consumer	CMPY	12.3	12.2	11.7	11.2	10.9	10.7	11.2	10.7	9.9	9.6	9.2	9.5	9.8	9.6	9.2	9.1
Consumer	CCPY	13.0	12.9	12.8	12.7	12.5	10.7	10.9	10.8	10.6	10.4	10.2	10.1	10.1	10.0	9.9	9.8
Producer, in industry	PM	2.0	2.8	0.9	-0.9	-2.1	0.5	3.3	2.1	0.6	1.8	0.8	1.7	2.2	1.4	-2.8	.
Producer, in industry	CMPY	20.8	20.5	19.4	16.0	13.4	13.4	15.7	15.2	13.1	12.1	12.9	14.2	14.4	12.9	8.8	.
Producer, in industry	CCPY	22.6	22.4	22.1	21.4	20.7	13.4	14.6	14.8	14.3	13.9	13.7	13.8	13.9	13.7	13.2	.
RETAIL TRADE																	
Turnover[4]	real, CMPY	13.1	13.8	12.9	12.2	14.8	10.8	10.1	10.8	11.0	11.9	11.4	13.7	13.6	13.5	14.6	.
Turnover[4]	real, CCPY	12.4	12.6	12.6	12.6	12.8	10.8	10.5	10.6	10.7	11.0	11.0	11.4	11.7	11.9	12.2	.
FOREIGN TRADE[5][6][7]																	
Exports total, cumulated	EUR mn	120528	138178	156521	175258	195673	17269	35752	56131	75745	97152	117227	137585	159603	179928	199682	.
Imports total, cumulated	EUR mn	60475	69270	78796	89135	100663	7130	15830	26357	35403	45336	56684	67558	78872	90318	102801	.
Trade balance, cumulated	EUR mn	60053	68909	77725	86124	95010	10139	19923	29774	40342	51817	60543	70027	80731	89609	96882	.
FOREIGN FINANCE																	
Current account, cumulated[8]	EUR mn	.	48821	.	.	66839	.	.	24463	.	.	45924	.	.	64208	.	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	28.480	28.380	28.563	28.763	28.805	28.228	28.195	27.874	27.564	27.065	26.983	26.916	26.762	26.746	26.867	26.617
RUB/EUR, monthly average	nominal	35.015	34.808	34.338	33.951	34.162	34.293	33.733	33.492	33.767	34.524	34.209	34.155	34.274	34.087	33.889	34.235
RUB/USD, calculated with CPI[9]	real, Jan03=100	136.7	136.1	135.6	136.7	138.1	143.2	145.5	147.6	148.5	151.3	151.9	152.9	153.8	154.0	153.8	156.1
RUB/USD, calculated with PPI[9]	real, Jan03=100	156.4	156.8	153.4	153.2	150.4	153.0	160.6	165.6	166.3	170.9	172.6	174.7	178.7	184.1	178.1	.
RUB/EUR, calculated with CPI[9]	real, Jan03=100	120.5	121.0	123.1	125.6	125.5	128.5	132.5	133.9	132.5	129.8	131.2	132.5	132.1	132.8	133.9	133.2
RUB/EUR, calculated with PPI[9]	real, Jan03=100	146.3	150.8	153.6	153.5	148.8	147.6	154.7	158.4	157.0	156.4	158.9	160.2	163.2	167.8	163.8	.
DOMESTIC FINANCE																	
M0, end of period	RUB bn	1703.3	1740.7	1752.0	1765.8	2009.2	1875.6	1890.1	1928.8	2027.8	2096.9	2233.4	2290.3	2351.6	2400.8	2402.2	.
M1, end of period	RUB bn	3240.8	3371.9	3340.1	3413.2	3858.5	3662.0	3686.7	3855.9	3957.7	4205.2	4479.3	4504.9	4652.1	4856.1	4765.0	.
M2, end of period	RUB bn	6286.5	6458.4	6482.7	6604.8	7221.1	7035.6	7155.7	7392.9	7534.2	7877.6	8304.8	8407.9	8570.4	8897.2	8968.8	.
M2, end of period	CMPY	37.6	39.3	37.0	35.7	36.3	35.7	33.9	34.4	34.7	37.2	38.0	38.1	36.3	37.8	38.3	.
Refinancing rate (p.a.),end of period	%	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	11.5	11.5	11.5	11.5	11.5	11.0
Refinancing rate (p.a.),end of period[10]	real, %	-6.5	-6.2	-5.3	-2.6	-1.3	-1.3	-3.2	-2.8	-1.0	-0.1	-1.2	-2.4	-2.6	-1.2	2.5	.
BUDGET																	
Central gov.budget balance, cum.	RUB bn	1172.9	1162.0	1429.6	1636.7	1612.9	221.7	390.8	575.9	692.0	894.7	1083.4	1270.0	1489.4	1694.5	.	.

1) According to NACE C+D+E.
2) Based on labour force survey.
3) Manufacturing industry only.
4) Including estimated turnover of non-registered firms, including catering.
5) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.
6) Cumulation starting January and ending December each year, incl. estimates of non-registered imports.
7) Based on balance of payments statistics.
8) Calculated from USD to NCU to EUR using the official average exchange rate.
9) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
10) Deflated with annual PPI.

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

(updated end of December 2006)

		2005 Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	0.9	0.9	2.4	2.0	5.3	-2.9	1.5	1.3	0.5	10.0	9.6	11.4	9.1	6.2	3.8	8.3
Industry, total	real, CCPY	3.5	3.2	3.1	2.9	3.1	-2.9	-0.6	0.2	0.4	2.4	3.6	4.8	5.4	5.5	5.3	5.6
Industry, total	real, 3MMA	-0.2	1.4	1.8	3.2	1.5	1.3	0.0	1.1	3.9	6.7	10.3	10.0	8.9	6.4	6.1	.
LABOUR																	
Employees[1]	th. persons	11361	11361	11357	11306	11220	11245	11296	11352	11378	11381	11412	11440	11430	11413	.	.
Employees in industry[1]	th. persons	3410	3407	3407	3394	3368	3374	3380	3380	3367	3355	3354	3351	3342	3334	.	.
Unemployment, end of period	th. persons	800.4	780.6	762.9	809.7	881.5	899.9	923.8	913.7	868.7	805.8	749.1	715.3	694.7	676.1	653.3	693.1
Unemployment rate[2]	%	2.8	2.8	2.7	2.9	3.1	3.2	3.3	3.2	3.1	2.9	2.7	2.5	2.5	2.4	2.3	.
Labour productivity, industry[1]	CCPY	3.1	2.9	2.8	2.7	3.0	-2.1	0.3	1.3	1.6	3.7	5.0	6.3	7.0	7.2	.	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	24.9	26.1	27.2	29.1	30.6	50.8	47.2	46.3	42.2	34.3	29.4	25.3	22.6	20.9	.	.
WAGES, SALARIES [1]																	
Total economy, gross	UAH	831	856	882	897	1020	865	905	987	984	1003	1064	1079	1073	1087	1088	.
Total economy, gross	real, CMPY	19.7	19.2	23.3	24.3	31.3	22.9	22.6	25.8	24.9	22.3	21.0	19.9	20.2	16.3	11.2	.
Total economy, gross	USD	165	170	175	178	202	171	179	195	195	199	211	214	212	215	215	.
Total economy, gross	EUR	134	138	145	150	170	142	150	163	159	156	166	169	166	169	171	.
Industry, gross	EUR	165	166	171	177	188	173	177	194	182	174	187	193	194	196	202	.
PRICES																	
Consumer	PM	0.0	0.4	0.9	1.2	0.9	1.2	1.8	-0.3	-0.4	0.5	0.1	0.9	0.0	2.0	2.6	1.8
Consumer	CMPY	14.9	13.9	12.4	12.0	10.3	9.8	10.7	8.6	7.4	7.3	6.8	7.4	7.4	9.1	11.0	11.6
Consumer	CCPY	14.3	14.2	14.0	13.8	13.5	9.8	10.2	9.7	9.1	8.7	8.4	8.3	8.2	8.3	8.5	8.8
Producer, in industry	PM	0.7	1.9	0.0	-0.1	0.3	1.2	0.3	0.4	1.4	1.0	0.7	1.2	2.1	1.7	2.2	1.7
Producer, in industry	CMPY	14.7	14.7	12.9	10.4	9.6	10.7	8.1	6.5	5.4	4.7	6.3	9.4	10.9	10.7	13.1	15.1
Producer, in industry	CCPY	19.5	18.9	18.3	17.5	16.8	10.7	9.4	8.4	7.6	7.0	6.9	7.3	7.7	8.1	8.6	9.2
RETAIL TRADE																	
Turnover[3]	real, CCPY	23.0	23.1	22.4	22.4	23.0	31.3	28.4	26.5	27.4	27.2	27.0	26.1	25.6	25.0	25.0	25.1
FOREIGN TRADE [4)5)]																	
Exports total (fob), cumulated	EUR mn	17702	19992	22415	24908	27498	1933	4041	6645	9055	11494	14126	16770	19522	22421	25150	.
Imports total (cif), cumulated	EUR mn	18090	20695	23349	26084	29030	2241	4895	8116	10792	13643	16501	19412	22416	25685	28878	.
Trade balance, cumulated	EUR mn	-387	-703	-934	-1176	-1533	-309	-854	-1472	-1737	-2150	-2375	-2641	-2894	-3264	-3728	.
FOREIGN FINANCE																	
Current account, cumulated[6]	EUR mn	.	2076	.	.	2030	.	.	-618	.	.	-637	.	.	-258	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050
UAH/EUR, monthly average	nominal	6.208	6.200	6.070	5.961	5.983	6.101	6.037	6.064	6.180	6.428	6.396	6.402	6.469	6.435	6.370	6.490
UAH/USD, calculated with CPI[7]	real, Jan03=100	124.8	124.0	124.7	127.2	128.9	129.4	131.5	130.4	128.7	128.7	128.6	129.4	129.1	131.7	135.1	137.6
UAH/USD, calculated with PPI[7]	real, Jan03=100	133.5	132.2	129.0	130.8	131.8	132.3	134.7	135.0	135.1	135.2	136.0	136.7	138.9	143.4	146.6	149.1
UAH/EUR, calculated with CPI[7]	real, Jan03=100	109.7	109.7	112.8	116.5	116.8	116.3	119.4	117.9	114.5	110.2	110.8	111.8	110.4	113.2	117.2	117.0
UAH/EUR, calculated with PPI[7]	real, Jan03=100	124.5	126.5	128.8	130.6	130.0	127.8	129.4	128.7	127.2	123.6	124.9	125.0	126.4	130.3	134.3	134.1
DOMESTIC FINANCE																	
M0, end of period	UAH bn	53.8	55.5	54.9	55.1	60.2	56.8	57.0	58.6	61.0	61.1	64.3	66.2	67.4	68.6	68.4	.
M1, end of period	UAH bn	85.5	90.1	88.7	92.7	98.6	92.1	93.6	96.2	97.5	99.8	104.7	108.6	109.1	113.0	113.1	.
Broad money, end of period	UAH bn	164.8	171.0	174.8	180.1	194.1	188.8	191.3	195.3	201.2	207.4	214.1	221.5	226.4	234.8	238.5	.
Broad money, end of period	CMPY	35.6	31.3	38.5	43.8	54.3	50.1	46.1	39.4	37.4	40.2	37.0	39.2	37.4	37.3	36.4	.
Refinancing rate (p.a.),end of period	%	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	8.5	8.5	8.5	8.5	8.5	8.5
Refinancing rate (p.a.),end of period[8]	real, %	-4.5	-4.5	-3.0	-0.8	-0.1	-1.1	1.3	2.8	3.9	4.5	2.0	-0.8	-2.1	-2.0	-4.1	-5.8
BUDGET																	
General gov.budget balance, cum.	UAH mn	6907	5816	5309	3216	-7735	2508	2497	380	-856	1183	-996	-971	2524	2613	1452	.

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

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