

Monthly Report 10/08

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Bulgaria: can the boom hold on, and for how long?

BY ANTON MIHAILOV

Strong growth continued in Bulgaria through the second quarter, defying – at least for the time being – the emerging negative sentiment about the economic prospects in the country. At the same time, there are growing signs and risks of a possible slowdown in the not so distant future. The relevant question at this point in time is probably not whether such a downturn will materialize but when it will happen.

The rates of aggregate economic growth in the second quarter exceeded the expectations, with

GDP increasing by 7.1% year-on-year, resulting in the same rate of year-on-year GDP growth for the first half of 2008. However, this positive aggregate figure is largely the result of a significant but not non-systemic positive statistical push related to agriculture reflecting the combined effect of a good harvest in 2008 with a very low base in 2007. By contrast, growth of value added in the services sector slowed down in the second quarter to 5.8% year-on-year from 8.3% in the first quarter.

Recent data are also disappointing as regards the macroeconomic balance. After an optimistic outcome in the first quarter when exports outpaced imports, resulting in a favourable shift towards a more export-driven growth, this was more than reversed in the second quarter, with net exports

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making a large negative contribution to GDP growth. This reversal mainly reflects a slowdown in export growth in the second quarter (at par with the slowdown in the European economy) after very strong performance during the first three months of the year. As a result, the external imbalances widened sharply, with the current account deficit in the first half of the year reaching 27.5% of GDP, which is a record high figure in Bulgaria. On the demand side, the reversal was driven by a renewed surge in fixed investment which grew by 28.6% year-on-year in the second quarter while the rate of growth of private consumption in the same period (5.3% year-on-year) was below that of GDP.

The average rate of inflation remains rather high but it is mainly due to carryover effects from 2007. It is expected that the inflationary pressures will subside in the months to come. At the same time, the strain in the labour markets caused by labour shortages are increasing and a growing number of firms are resorting to the option of officially inviting guest workers from abroad (mostly from Asia).

The strong economic performance triggered a strong cyclical fiscal upswing, with general government revenue in the first six months 24.7% higher compared to the same period of 2007. The reported general government fiscal surplus at mid-year stood at BGN 3.8 bn., almost twice the amount of the surplus envisaged for the year as a whole. The government has already initiated a parliamentary procedure of amending the 2008 budget, which would allow for additional public spending amounting to some BGN 1.2 bn. It is envisaged that the extra spending would be roughly equally split between public investment and social welfare.

Despite the upbeat growth and fiscal numbers, the overall macroeconomic picture is not that rosy. Borrowing by Bulgarian banks abroad – the main source of the domestic credit and investment boom – has all but dried out, reflecting the dismal state of

the global financial markets. A number of construction projects have announced delays in implementation due to problems in financing. There has also been a notable rise in the cost of domestic borrowing while the Sofia stock exchange has witnessed heavy losses (in September, the Sofix index stood at half its value of a year earlier).

The short-term outlook for the Bulgarian economy has deteriorated. The slowdown in exports is likely to continue, reflecting the weakening in European import demand. Apart from the slowdown in services, such signs are already visible in the monthly manufacturing statistics, mirroring weaker export demand. While an overall economic slowdown is widely anticipated, it does not seem likely that there is a threat of 'hard landing' in the short run. At least from a purely statistical point of view, the economy will continue to benefit from a low base effect also in the third quarter due to the fact that the same quarter of 2007 was the trough in terms of agricultural output. Given the good harvest in 2008, even in the case of a pronounced downturn in manufacturing and services, this will be largely offset by the statistical surge in agriculture. In view of this, the average GDP growth figure for 2008 will still remain relatively high.

The prospects for 2009-2010 will depend on the nature of the main growth forces and the extent to which the economy will be affected by negative external factors. Anyway, if domestic demand remains the main growth driver, under the assumption that consumer and investor sentiment does not deteriorate markedly, the economy could continue growing relatively fast, though more slowly than at present. Such a pattern of growth, however, implies the conservation of large external imbalances, persistent inflationary pressures and, possibly, rising risks to macroeconomic stability. An alternative scenario would be an even more moderate but more balanced pace of economic growth.

Table BG

Bulgaria: Selected Economic Indicators

	2004	2005	2006	2007 ¹⁾	2007 January-June	2008	2008	2009 Forecast	2010
Population, th pers., end of period	7761.0	7718.8	7679.3	7640.2	.	.	.	.	.
Gross domestic product, BGN mn, nom. ²⁾	38822.6	42797.4	49361.0	56519.8	24430.2	29427.8	66500	75500	84000
annual change in % (real) ²⁾	6.6	6.2	6.3	6.2	6.5	7.1	6	5	5.5
GDP/capita (EUR at exchange rate)	2551	2827	3278	3773	.	.	.	.	.
GDP/capita (EUR at PPP - wiw)	7290	7890	8640	9490	.	.	.	.	.
Gross industrial production									
annual change in % (real) ³⁾	13.9	10.0	9.7	12.7	9.3	5.2	5	5	6
Gross agricultural production									
annual change in % (real)	6.6	-6.0	-0.1	-21.9	.	.	.	.	.
Construction output total									
annual change in % (real)	35.2	31.8	23.9	15.5	.	.	.	.	.
Actual final consump. of househ., BGN mn, nom.	30155.5	33556.4	38558.9	43152.3	19510.3	23338.7	.	.	.
annual change in % (real)	5.3	5.5	8.5	5.1	6.2	5.5	5.0	5	6
Gross fixed capital form., BGN mn, nom.	7969.4	10346.5	12805.2	16832.5	6964.9	9648.0	.	.	.
annual change in % (real)	13.5	23.3	14.7	21.7	29.5	22.7	18	12	14
LFS - employed persons, th, avg.	2922.5	2980.0	3110.0	3252.6	3194.3	3331.0	3400	.	.
annual change in %	3.1	2.0	4.4	4.6	5.1	4.3	4.5	.	.
Reg. employees in industry, th pers., avg.	695.8	693.0	711.6	710.0	705.2	712.9	.	.	.
annual change in %	0.9	-0.4	2.7	-0.2	0.7	1.1	.	.	.
LFS - unemployed, th pers., average	399.7	334.2	305.7	240.2	255.3	218.0	200	.	.
LFS - unemployment rate in %, average	12.0	10.1	9.0	6.9	7.4	6.1	5.6	5.2	5.0
Reg. unemployment rate in %, end of period	12.2	10.7	9.1	6.9	7.4	6.0	5.8	.	.
Average gross monthly wages, BGN	292.4	323.7	360.3	431.2	395.3	497.2	540	.	.
annual change in % (real, gross)	0.8	5.4	3.7	10.4	11.9	10.2	11.8	.	.
Consumer prices, % p.a.	6.1	5.0	7.3	8.4	4.9	14.1	12	8	5
Producer prices in industry, % p.a.	6.0	6.9	9.2	8.6	7.1	14.1	10	.	.
General governm. budget, EU-def., % GDP ⁴⁾									
Revenues	41.2	41.0	39.4	41.2	46.1	47.7	.	.	.
Expenditures	39.7	39.2	36.4	37.8	37.2	34.8	.	.	.
Net lending (+) / net borrowing (-)	1.4	1.8	3.0	3.4	8.8	12.9	.	.	.
Public debt, EU-def., in % of GDP ⁴⁾	37.9	29.2	22.7	18.2	20.1	15.6	14	.	.
Base rate of NB % p.a., end of period	2.4	2.1	3.3	4.6	3.8	5.0	.	.	.
Current account, EUR mn	-1306.9	-2705.7	-4501.8	-6303.4	-2835.3	-4132.3	-8000	-8500	-8500
Current account in % of GDP	-6.6	-12.4	-17.8	-21.8	-22.7	-27.5	-23.5	-22.0	-19.8
Gross reserves of NB excl. gold, EUR mn	6443.0	6815.7	8309.0	11215.5	8951.1	12484.1	.	.	.
Gross external debt, EUR mn	12658.5	15268.2	20369.9	28123.7	22403.1	31898.0	.	.	.
Gross external debt in % of GDP	63.8	69.8	80.7	97.3	.	.	.	.	.
FDI inflow, EUR mn	2735.9	3152.1	6005.6	6516.9	2728.9	2603.7	6000	6000	6000
FDI outflow, EUR mn	-165.6	249.1	136.8	200.3	88.6	442.9	600	.	.
Exports of goods, BOP, EUR mn	7984.9	9466.3	12011.9	13511.9	6242.6	7736.7	16200	18000	20500
annual growth rate in %	19.7	18.6	26.9	12.5	9.0	23.9	19.9	11.1	13.9
Imports of goods, BOP, EUR mn	10938.4	13876.1	17574.1	20814.7	9425.0	12043.8	25500	28000	30500
annual growth rate in %	20.3	26.9	26.7	18.4	18.4	27.8	22.5	9.8	8.9
Exports of services, BOP, EUR mn	3262.1	3564.1	4186.4	4625.1	1920.4	2204.2	5200	5800	6200
annual growth rate in %	19.5	9.3	17.5	10.5	16.1	14.8	12.4	11.5	6.9
Imports of services, BOP, EUR mn	2605.8	2745.2	3259.5	3510.1	1609.6	1988.3	4150	4600	5000
annual growth rate in %	19.8	5.3	18.7	7.7	7.1	23.5	18.2	10.8	8.7
Average exchange rate BGN/USD	1.575	1.574	1.559	1.429	1.472	1.278	.	.	.
Average exchange rate BGN/EUR (ECU)	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
Purchasing power parity BGN/USD	0.576	0.593	0.624	0.655	.	.	.	.	.
Purchasing power parity BGN/EUR	0.685	0.701	0.742	0.777	.	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). - 3) Quarterly data refer to enterprises with more than 10 employees. - 4) According to ESA'95, excessive deficit procedure.

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

The Czech Republic: weak domestic demand, resilient exports, sound banking

BY LEON PODKAMINER

As expected, a measured growth deceleration has continued, bringing the GDP growth rate for the second quarter of 2008 to a provisional 4.5% (down from 5.4% in the first quarter of 2008, and from 6.8% recorded in the second quarter of 2007). The slowdown has occurred for exclusively domestic reasons. Domestic demand rose by a mere 0.6%, with household consumption increasing by slightly over 3% while gross capital formation fell massively: by 4.7%. All in all, domestic demand contributed 1.6 percentage points to the overall GDP growth.

The modest (as compared to earlier quarters) rise in household consumption is attributed primarily to the relatively high inflation which has eroded the purchasing power of the nominally rising wages and other incomes of the population. In so far as the bulk of inflation restricting private consumption is due to the fiscal reform inaugurated at the beginning of the year, the overall growth slowdown appears to be policy-induced.¹ Although the inflationary effects of the policy-induced price shock are gradually subsiding (with inflation likely to fall below 3% in 2009) one cannot expect the return of much higher rates of growth in real wages as characterized the previous years. The signs of an upcoming overall growth slowdown – and the prospects of rising redundancies – are moderating the wage pressures.² Thus, at low pace of growth

¹ The reform introduced a higher VAT rate on food and raised regulated prices/tariffs in transport, energy, public utilities, housing rents and also some fees in public health services. Out of the 7.4% inflation in the first quarter of 2008, some 4.2 percentage points are attributed to changes in indirect taxes and regulated prices. The year-on-year inflation rate for the second quarter of 2008 (6.8%) was pulled by inflation in items subject to price regulations (and to rising indirect taxation). That latter inflation is 21.5% (down from 23.8% in the first quarter of 2008).

² Besides, such pressures may be more difficult to resist when inflation is due to firms' making huge profits by hiking their

of average wages and largely stagnant employment, also private consumption will be growing at fairly low rates. The fact that the new fiscal policy is definitely less generous – and more averse to running high budget deficits – than it used to be suggests that it is unlikely to be the source of impulses supporting faster expansion of total consumption.

Growth in gross fixed investment will, similarly, remain anaemic at best. Mounting uncertainties – not only concerning the domestic consumer demand but primarily over the course of the exchange rates and the longer-term trends in foreign demand for the products of the Czech industry – are surely not conducive to any intensified investment effort. The current pace of investment growth (4%) may even be difficult to sustain because investment in housing seems to have started to move downward. The extent of decline in housing investment is hard to assess at present. Anyway, the output of the construction sector contracted, despite favourable weather conditions, by 1.3% in the second quarter of 2008, with the volume of contracted building construction work falling by close to 5%.

The most ominous news relates to the dynamics of inventories. In the second quarter of 2008 the long overdue adjustments in the size of inventories seem to have finally started, shaving off as much as 2.2 percentage points out of the GDP growth rate. Despite the severity of this adjustment, more of the same may only be coming up. The current adjustment does not seem to be sufficient to bring the inventories more into balance with the real needs of the (slowing down) economy. One ought to bear in mind that inventories expanded very strongly in both 2006 and 2007, generating much of the high GDP growth then reported. It may be added that the accumulation of inventories continued as recently as in the first quarter of 2008, adding another 0.5 percentage points to the GDP growth of 5.6%.

prices. But this is not the current situation: it is the government which hiked the prices – thereby also affecting, negatively, firms' profitability.

Foreign trade in goods and non-factor services saved the day, generating as much as 4 percentage points out of the overall GDP growth rate in the second quarter of 2008. Exports rose 13.5% in real terms, followed by imports rising by 8.9%. In nominal terms the trade surplus rose further, from EUR 3.6 billion in the first half of 2007 to EUR 5 billion currently. These are remarkable achievements, especially given: (1) the weakening growth in the 'old' EU which is the main outlet for Czech exports³; (2) the extraordinary strength of the Czech koruna vs. the euro observed in the first half of 2008; (3) worsening terms of trade (primarily due to strong prices of imported energy and other raw materials).

The resilience of the Czech exports to the adverse external conditions is only natural because much of the export-oriented manufacturing is foreign-owned and, as such, fully integrated into large multinational production/distribution networks. This provides some competitive advantages which are further strengthened by the relatively low unit labour costs and ongoing labour productivity improvements. The high levels of FDI inflows currently observed indicate that in 2009 and beyond exports could continue to expand at brisk pace. However, there is some uncertainty over the shorter-term prospects. Although the Czech koruna has weakened in the third quarter of 2008, the volume of new export orders placed with industry fell in both the first and second quarters of 2008. Whether or not this will also show up in the actual export performance in the second half of 2008 remains to be seen. However, even if some slowdown in export growth may be unavoidable, one could also expect improvements in the terms of trade (due to the weakening prices of imported raw materials). All in all, the external trade will continue to be the major pillar of growth in the next couple of quarters.

As in the past, the Czech National Bank's responses to the inflationary developments have

recently been also quite thoughtful. Its interest rates (that were modestly raised in response to the external inflationary shocks of the second half of 2007 and to the policy-induced inflationary shock of early 2008) were reduced on 8 August 2008. This decision, likely to be followed by further cuts later on in 2008, certainly allows for the current and expected developments suppressing inflation directly. In addition, it seems to be also motivated by the concerns over the real and financial consequences of the undue strength of the Czech koruna. Moreover, it may have something to do with the concerns over the stability of the Czech banking system. Given the global financial developments, a pre-emptive easing of the monetary policy is of course psychologically justified.⁴ Otherwise there are no signs of any real strain felt by the commercial banking system. All indicators used to evaluate the health of the banking system available from the Czech National Bank are looking very good: the capital adequacy ratio is high (12.3 as recently as March 2008), the non-performing loans account for 2.8% of the total, the returns on assets and equity are high, net open positions in foreign exchange are low, etc. Besides, trends in the flows of domestic credits and deposits do not seem to be disturbed by the recent external developments, the inter-bank interest rates (and also the major rates on commercial loans and deposits) have been quite stationary. The system seems to be not only solvent, but also properly liquid. Of course, the health of the domestic banks active on Czech soil does not exclude the possibility of serious problems facing these banks' parent organizations domiciled abroad. There is a potential risk of these domestic banks being asked to support their parents elsewhere rather than stay active locally. But that risk should not be exaggerated. The stream of loans has been continuing to flow from the foreign parent organizations to the banks (and also other FDI firms) domiciled in the Czech Republic. This is an

³ The surplus in goods trade with Germany, France, the UK and Austria rose to EUR 4.7 billion in the first half of 2008 (from EUR 3.7 billion the year previous).

⁴ It may be recalled that the Czech banking system went through a protracted and costly crisis throughout much of the 1990s. The crisis ended upon the sector's de facto wholesale re-nationalization – followed by the takeover by foreign investors.

understandable tendency, justified by higher returns and lower risks than prevailing elsewhere. Of course, this tendency may discontinue – especially should the foreign investors suffering losses elsewhere liquidate their local ones. In so far as a weakening of the Czech koruna would follow, this would not be an unwelcome development (at least to the export sector).

Table CZ

Czech Republic: Selected Economic Indicators

	2004	2005	2006	2007 ¹⁾	2007 January-June	2008	2008	2009 Forecast	2010
Population, th pers., mid-year	10206.9	10234.1	10266.6	10325.9	.	.	10350	10380	10410
Gross domestic product, CZK bn, nom. ²⁾	2814.8	2983.9	3215.6	3551.4	1724.5	1851.4	3930	4210	4530
annual change in % (real) ²⁾	4.5	6.3	6.8	6.6	6.6	4.9	4.3	4.3	5
GDP/capita (EUR at exchange rate)	8644	9789	11051	12388	.	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	16260	17130	18410	20120	.	.	.	.	.
Gross industrial production									
annual change in % (real) ³⁾	9.6	6.7	11.2	9.0	10.3	5.8	5.5	6	8
Gross agricultural production									
annual change in % (real)	14.9	-4.8	-4.2	.	.	.	.	.	.
Construction industry									
annual change in % (real)	9.7	4.2	6.6	6.7	12.5	0.6	.	.	.
Consumption of households, CZK bn, nom. ²⁾	1399.2	1442.7	1543.0	1680.3	803.5	881.4	.	.	.
annual change in % (real) ²⁾	2.9	2.5	5.4	5.9	6.7	3.1	3.0	3.5	4.5
Gross fixed capital form., CZK bn, nom. ²⁾	727.2	741.9	792.4	857.0	404.9	430.6	.	.	.
annual change in % (real) ²⁾	3.9	1.8	6.5	5.8	5.5	4.3	3	4	5
LFS - employed persons, th, avg.	4706.6	4764.0	4828.1	4922.0	4889.5	4980.8	.	.	.
annual change in %	-0.6	1.2	1.3	1.9	1.7	1.9	1.5	1	0
LFS - employed pers. in industry, th, avg.	1409.0	1422.0	1493.3	1532.5	1520.3	1560.3	.	.	.
annual change in %	-1.1	0.9	5.0	2.6	2.4	2.6	.	.	.
LFS - unemployed, th pers., average	425.9	410.2	371.3	276.3	292.9	232.3	.	.	.
LFS - unemployment rate in %, average	8.3	7.9	7.1	5.3	5.7	4.5	5.0	5	4.5
Reg. unemployment rate in %, end of period	9.5	8.9	7.7	6.0	6.3	5.0	5.5	.	.
Average gross monthly wages, CZK ⁴⁾	18041	18992	20219	21694	20940	22840	.	.	.
annual change in % (real, gross)	3.7	3.3	3.9	4.4	5.5	1.9	2	3	4
Consumer prices, % p.a.	2.8	1.9	2.5	2.8	2.0	7.1	6	2.8	2.5
Producer prices in industry, % p.a.	5.7	3.0	1.6	4.1	3.6	5.4	6	3	2
General governm. budget, EU-def., % GDP ⁵⁾									
Revenues	42.2	41.4	41.0	40.8	.	.	40.7	40.7	.
Expenditures	45.1	44.9	43.6	42.4	.	.	42.2	41.8	.
Net lending (+) / net borrowing (-)	-2.9	-3.6	-2.6	-1.6	.	.	-1.4	-1.1	.
Public debt, EU-def., in % of GDP ⁵⁾	30.4	29.7	29.4	28.7	.	.	28.1	27.2	.
Discount rate, % p.a., end of period	1.5	1.0	1.5	2.5	1.8	2.8	2.5	2	1.5
Current account, EUR mn	-4650	-1346	-2924	-2271	-51.5	-1330.5	-4600	-4300	-4700
Current account in % of GDP	-5.3	-1.3	-2.6	-1.8	-0.1	-1.8	-3.0	-2.6	-2.6
Gross reserves of NB incl. gold, EUR mn	20884	25054	23882	23705	23166	24159	.	.	.
Gross external debt, EUR mn	33212	39379	43415	50669	45140	61379	.	.	.
Gross external debt in % of GDP	35.9	38.3	37.1	38.0	.	.	.	.	.
FDI inflow, EUR mn	4009	9354	4363	6711	2672	3592	6000	.	.
FDI outflow, EUR mn	824	-12	1172	979	337	400	1000	.	.
Exports of goods, BOP, EUR mn	54091	62781	75706	89394	43209	51212	104000	119000	133000
annual growth rate in %	25.6	16.1	20.6	18.1	18.6	18.5	16	14	12
Imports of goods, BOP, EUR mn	54517	60797	73414	85054	40619	47910	99000	113000	127000
annual growth rate in %	20.5	11.5	20.8	15.9	16.3	17.9	16	14	12
Exports of services, BOP, EUR mn	7761	9491	11086	12496	5779	7083	14000	.	.
annual growth rate in %	12.8	22.3	16.8	12.7	9.7	22.6	15	.	.
Imports of services, BOP, EUR mn	7245	8254	9449	10461	4724	5384	12000	.	.
annual growth rate in %	12.1	13.9	14.5	10.7	6.3	14.0	10	.	.
Average exchange rate CZK/USD	25.70	23.95	22.61	20.31	21.18	16.47	.	.	.
Average exchange rate CZK/EUR (ECU)	31.90	29.78	28.34	27.76	28.15	25.19	25.5	25.5	25
Purchasing power parity CZK/USD	14.27	14.40	14.19	14.42	.	.	.	.	.
Purchasing power parity CZK/EUR	16.96	17.02	17.01	17.10	.	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). - 3) According to new calculation. - 4) Enterprises with more than 20 employees, including part of the Ministry of Defence and the Ministry of the Interior. - 5) According to ESA'95, excessive deficit procedure.

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

Hungary: outlook reconsidered

BY SÁNDOR RICHTER

The unfavourable external environment and uncertainties in the domestic political arena have delayed the recovery of economic growth in Hungary. Although the GDP expansion accelerated over January to June 2008, the quarterly growth rates were rather meagre. Altogether the first half of the year yielded the same modest result, a growth rate of 1.9%, as the previous year. This is primarily explained by the stagnation in the output of services, with marginal growth or decline in each important segment of this branch. The production of goods had a better record. A top grain harvest, and the low basis of the previous year, resulted in an expansion of agricultural output by one third in the second quarter. The growth performance of industry was quite good but less dynamic than in 2007, due to weak foreign demand. The decline in the construction sector has slowed down due to a partial recovery of the highway projects.

Final household consumption increased on a quarterly basis for the first time in more than a year, even if at modest pace. Certainly, this is far from being sufficient to trigger a significant turn in the depressed mood of the population concerning its standard of living. The really bad news is, however, the development of gross fixed investments: the decline has continued. Exports and imports increased dynamically in the first half of the year but the considerable lead of export growth over that of imports observed in the first quarter evaporated in the second, implying a diminishing role of net exports as the engine of growth.

Since mid-May the forint exchange rate has been surprisingly strong, counterbalancing the inflationary pressure deriving from imported energy prices but also putting a brake on export growth. The Monetary Council has left the base rate unchanged at 8.50% since 27 May. The relatively high growth rate of gross wages (on average 12.7% in the public sector and 8.7% in the business sector, as against a 6.8% consumer price

rise, all in the first six months of the year) makes a considerable decrease of the base interest rate until the end of the year unlikely, even if real wages hardly rose in the first half of the year.

The minority socialist government, struggling for survival, dropped the idea of pushing necessary but unpopular reforms. Instead it found a new focus, tax reform. In September the prime minister put forward a tax-cut package, to be implemented within four years (though the present government's mandate will end in early 2010 at the latest). The first stage of reform, to be introduced in 2009, would imply a reduction of the tax burden corresponding to half a per cent of the GDP. While in general the tax burden in Hungary is not particularly high, labour is taxed/levied heavily. Out of 100 forint labour costs, 54.4% is transferred to the state, one of the highest rates in the EU.¹ According to the government's plan, social security contributions should be reduced significantly to enhance employment and economic growth. The measures to compensate for the shrinking revenues of the budget and an increase in heating subsidies include a 'Robin Hood' tax on energy suppliers' profits and taxation on the use of company cars. As these measures will be far from being sufficient, the rest should come from continued whitening of the black (unreported) economy, a proposition that can only be regarded with reservations.

Hungary has been implementing a stabilization package since mid-2006 in order to reduce its excessive general government deficit to a level that allows, first, sustainable economic growth of 4-5% in the medium and long run and, second, the introduction of the euro. Two and a half years after the launch of this programme the budget deficit will have been reduced to nearly one third of the initial level, 3.5% of the GDP, or even less. Simultaneously the current account position will have improved to a considerable extent. Nevertheless, for the stabilization a heavy price had to be paid in terms of lost growth. Hungary's

¹ OECD, Taxing Wages 2006/2007: 2007 Edition.

GDP growth rate in 2008 (about 2.2%) will lag far behind the performance of other Central European new EU members.

* * *

The latest developments in the international financial crisis dealt a heavy blow to Hungary. The BUX fell to around half its value attained in summer 2007, the forint depreciated by about 10%, and there was a speculative attack against OTP, the country's biggest savings bank. Government securities' yields rose while the turnover dropped to a considerable extent.

Although Hungary is not directly involved in the international financial crisis since its banks are sound, the secondary impact coming from more expensive credits for enterprises (for the financing of continuous production and investment) and households, the deteriorating outlook for exporters and, finally, the costs of financing the public debt that are likely to increase all give reason for

concern. With regards to the latest developments the government announced that it would revise its basic assumptions used while the 2009 budget was planned. Observing the general government deficit target remains in the focus of efforts in order to ensure the confidence of financial investors. A new credit line was opened for small and medium-sized enterprises. The government suggested the postponement of the planned tax-cut package and freezing real wage growth up until the middle of next year. The parliament may approve new legislation introducing a more prudent regulation of public finances to avoid runaway deficits related to the general elections. The National Bank communicated that it would make efforts to protect the exchange rate of the forint.

Without doubt any forecast under the current uncertain conditions is hardly more than an educated guess. With this in mind, the Hungarian growth performance may be around 2% this year, while in 2009 it may be anywhere in the range of 0 to 1.5%

Table HU

Hungary: Selected Economic Indicators

	2004	2005	2006	2007 ¹⁾	2007 January-June	2008	2008	2009	2010
							Forecast		
Population, th pers., end of period	10097.5	10076.6	10066.2	10045.4	10053	10035	.	.	.
Gross domestic product, HUF bn, nom. ²⁾	20695.4	21997.4	23785.2	25419.2	12045.0	13035.2	27600	29100	30600
annual change in % (real) ²⁾	4.8	4.0	4.1	1.1	1.9	1.9	2	1	2
GDP/capita (EUR at exchange rate)	8136	8792	8937	10059	.	.	.	.	.
GDP/capita (EUR at PPP - wiw) ²⁾	13660	14360	15280	15990	.	.	.	.	.
Gross industrial production									
annual change in % (real)	7.4	7.0	9.9	8.1	8.4	5.6	4	3	10
Gross agricultural production									
annual change in % (real)	22.6	-9.5	-3.8	-12.9	.	.	25	5	5
Construction industry									
annual change in % (real)	6.8	18.8	-0.7	-14.1	-4.5	-10.7	-3	0	5
Actual final consump. of househ., HUF bn, nom. ²⁾	13863.1	14910.7	15744.4	16525.0	8019.8	8510.0	.	.	.
annual change in % (real) ²⁾	2.8	3.6	1.9	-1.9	-2.4	0.04	0.9	0	1
Gross fixed capital form., HUF bn, nom. ²⁾	4650.7	5016.7	5169.5	5319.2	2149.4	2123.3	.	.	.
annual change in % (real) ²⁾	7.6	5.3	-2.5	0.1	-0.2	-3.8	0	1	4
LFS - employed persons, th, avg.	3900.4	3901.5	3930.1	3926.2	3924.0	3856.4	.	.	.
annual change in %	-0.5	0.0	0.7	-0.1	0.4	-1.7	.	.	.
Reg. employees in industry, th pers., avg. ³⁾	785.4	762.9	752.5	745.6	747.9	746.8	.	.	.
annual change in %	-2.0	-2.9	-1.4	-0.9	-0.5	-0.1	.	.	.
LFS - unemployed, th pers., average	252.9	303.9	316.8	311.9	306.6	325.9	.	.	.
LFS - unemployment rate in %, average	6.1	7.2	7.5	7.4	7.2	7.8	7.8	8	8
Reg. unemployment rate in %, end of period	9.1	9.3	9.1	10.1	9.1	9.4	.	.	.
Average gross monthly wages, HUF ³⁾	145520	158343	171351	185017	181524	196381	.	.	.
annual change in % (real, net)	-1.0	6.3	3.5	-4.6	-6.5	0.4	.	.	.
Consumer prices, % p.a.	6.8	3.6	3.9	8.0	8.6	6.8	6.6	.	.
Producer prices in industry, % p.a.	3.5	4.3	6.5	0.2	1.5	5.2	.	.	.
General governm. budget, EU-def., % GDP ⁴⁾									
Revenues	42.4	42.1	42.6	44.6	.	.	.	.	.
Expenditures	48.9	49.9	51.9	50.1	.	.	.	.	.
Net lending (+) / net borrowing (-)	-6.4	-7.8	-9.3	-5.5	.	.	-3.5	-3.2	-3.0
Public debt, EU-def., in % of GDP ⁴⁾	59.4	61.6	65.6	66.0	.	.	.	.	.
Base rate of NB, % p.a., end of period	9.5	6.0	8.0	7.5	7.8	8.5	.	.	.
Current account, EUR mn ⁵⁾	-7078.0	-6655.0	-6793.8	-6510.1	-3410.4	-3484.9	-6700	-7000	-6700
Current account in % of GDP	-8.6	-7.5	-7.5	-6.4	-7.1	-6.8	-6.1	-6.0	-5.5
Gross reserves of NB, excl. gold, EUR mn	11670.9	15678.4	16349.2	16329.7	16918.7	17231.5	.	.	.
Gross external debt, EUR mn ⁵⁾	55150.1	66607.8	81428.1	98265.9	92254.0	107941.0	.	.	.
Gross external debt in % of GDP	65.5	76.4	86.3	98.0	.	.	.	.	.
FDI inflow, EUR mn ⁵⁾	3633.3	6172.1	6024.0	4372.8	807.3	1926.6	4000	.	.
FDI outflow, EUR mn ⁵⁾	892.1	1755.5	3126.3	2764.8	1401.2	-304.7	1500	.	.
Exports of goods, BOP, EUR mn	44506.7	49672.3	58373.4	68378.6	32985.3	37497	75200	79000	84500
annual growth rate in %	17.4	11.6	17.5	17.1	18.8	13.7	10	5	7
Imports of goods, BOP, EUR mn	47369.2	51882.4	60424.1	68060.2	32907.6	36835.4	75500	79300	84900
annual growth rate in %	16.1	9.5	16.5	12.6	14.4	11.9	11	5	7
Exports of services, BOP, EUR mn	8671.5	10351.2	10624.8	12445.0	5625.1	6058.8	.	.	.
annual growth rate in %	6.8	19.4	2.6	17.1	17.9	7.7	.	.	.
Imports of services, BOP, EUR mn	8187.7	9218.7	9379.0	11393.6	5120.1	5684.5	.	.	.
annual growth rate in %	1.4	12.6	1.7	21.5	17.0	11.0	.	.	.
Average exchange rate HUF/USD	202.63	199.66	210.51	183.83	188.41	165.87	.	.	.
Average exchange rate HUF/EUR (ECU)	251.68	248.05	264.27	251.31	250.31	253.65	250	250	250
Purchasing power parity HUF/USD	126.13	128.51	129.19	134.03	.	.	.	.	.
Purchasing power parity HUF/EUR	149.91	151.91	154.55	158.08	.	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). - 3) Enterprises with more than 5 employees. -

4) According to ESA'95, excessive deficit procedure. - 5) Excluding Special Purpose Entities.

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

Poland: a slowdown in the making

BY LEON PODKAMINER

At 5.8%, the GDP growth rate for the second quarter of 2008 was only marginally lower than that recorded in the first quarter – and higher than generally expected. The structure of growth has been fairly advantageous as gross fixed capital formation contributed 2.9 percentage points (p.p.) – vs. the total consumption's (3.3 p.p.). The contribution of trade in goods and non-factor services was negative, but at -0.6 p.p. it was reasonably small (e.g. when compared with -2.9 p.p. recorded a year earlier). Other important aggregate indicators have also been largely positive. Inflation (currently at 4.3%) is not excessive given the severity of external price shocks and is set to gradually subside anyway. Public finances are well under control. (This has been acknowledged by the EU Commission, which has recently terminated the Excessive Deficit Procedure for Poland.) The finances of the non-financial 'corporate' sector (consisting of firms employing over 49 persons) continue to be in a very good shape: The sector's net profits (PLN 44.3 billion) rose close to 4% in the first half of 2008. (However, in manufacturing profits have diminished.) Also banks made huge net profits totalling PLN 8.6 billion (up from 7 billion in the first half of 2007). These good news are capped with information on the labour market developments. Thus, employment (LFS) rose 4% in the first half of 2008. Employment in firms with staff numbering over 9 persons rose 5.5% in the first seven months (vs. the same period of 2007) and the average wage rose by close to 12% respectively. The registered unemployment rate stood at 9.3% (end of August), down from 11.9% a year earlier.

Some of the positive trends will undoubtedly continue in the coming months, if less intensively. However, some negative developments are now coming to the fore. First, the monetary policy has become less growth-friendly. The Monetary Policy

Council of the National Bank of Poland (NBP), which was unusually insensitive to high and rising inflation in the closing months of 2007, returned to its usual exaggerated preoccupation with inflation. The Council was set on raising its interest rates disregarding the facts: diminishing domestic inflation (both CPI and PPI) and falling world market prices of energy and other raw materials – and, first of all, the mounting problems facing the financial systems abroad. The NBP interest rates were raised cumulatively by 100 basis points within six months. Not surprisingly high inflows of capital – chiefly in the form of foreign-exchange loans drawn by the domestic banks from abroad, but also in the form of foreigners' rising foreign exchange deposits in the domestic banks – intensified. The domestic currency, which had been quite strong already in 2007, appreciated further in the first half of 2008. Hopefully, further strong appreciation need not materialize. The risk of another monetary tightening is right now very low; higher capital outflows (joining in the worldwide exodus from the emerging markets) are more likely.

The appreciating zloty has probably had some positive consequences for inflation. Also, it must have helped to restrict the costs of imported intermediate imports (accounting for about 20% of total costs of the non-financial corporate sector). At the same time it negatively impacted on the exporting firms. The share of non-profitable exports is estimated to have doubled in the second quarter of 2008 (as compared to the year previous) to about 10%.¹ The worsening profitability of exports has depressed the short-term export prospects. Firms have been scaling down their export plans, the volumes of export contracts fall. This is already affecting the manufacturing sector the output of which grows less dynamically than it used to in the recent past. Although construction continues to expand at high rates (reflecting the continuing fairly strong expansion of fixed investment) the overall pace of growth will be slowing down. Total

¹ As reported by the Business Climate Survey for the third quarter 2008 available from the NBP (see www.nbp.pl). According to the same source, the share of unprofitable exports in foreign-owned firms is about 5.5%.

employment and average wages will grow less than in the first half of the year, contributing to some weakening of the overall domestic demand.

The global financial market turmoil bears, so far, only indirectly on the Polish economy. Huge losses suffered by domestic investors on the Warsaw Stock Exchange (whose indexes closely follow the world-wide downward trends) are likely to translate into somewhat weakening demand for consumer goods and also residential investment.² Besides, there are of course indirect channels through which the global financial turmoil can spill over into the national financial system. Actually, the indirect channels operate already: the domestic banks, frightened by the events abroad, have been tightening their credit standards and demanding higher interests rates while households and firms may start preferring liquidity to longer-term financial investment and/or bank deposits. This will affect the real economy through constrained consumption and residential investment though not necessarily via much lower investments in fixed productive assets. (The latter investments continue to be financed primarily out of abundant own financial resources of the non-financial firms.) The deteriorating business climate in Germany and other 'old' EU members which jointly absorb the bulk of Polish exports is likely to be another side-effect of the global turmoil. Thus reduced export prospects may be capable of shaving off a fraction of the otherwise achievable GDP growth rate in the second half of 2008 and beyond.

Judging by the available data³, Poland's financial system seems to be fundamentally sound. To a large extent that soundness is due to Poland's financial system being relatively underdeveloped

(i.e. less sophisticated than the more advanced foreign systems, the US in particular). The 'originate and distribute' business model commonly used elsewhere, which is one of the roots of the current global financial crisis, did not have time (and resources) to strike roots here. Nor were the local banks involved in the business of acquiring the 'toxic waste' which pushed some West European banks into difficulties. Poland's (and other new EU member states') financial – and especially banking – system is simple and quite transparent: it is still about collecting deposits and extending loans (predominantly for rather simple tangible purposes). At the same time this uncomplicated business has proven to be generating returns that are much higher and less risky than those to be had in more developed markets. Other facts such as high capital adequacy rates prevailing in domestic banking; high profitability of the banking (and insurance) sectors; high profitability and excellent liquidity position of the corporate sector; low (and falling) delinquency rates; low (relative to disposable incomes) costs of servicing consumer debt – all indicate that the risks to the stability of the Polish financial system are fundamentally low. This judgment is consistent with the fact that the system has been capable of attracting huge amounts of foreign capital seeking high returns and low risk. Of course, the resultant high inflows are not unequivocally beneficial as they are conducive to undue appreciation and volatility of the exchange rate and possible reversals of capital flows (as observed most recently). Also, the fact that the domestic banking system is dominated by foreign owners entails some additional potential risks for the stability of the domestic financial system and its ability to satisfy the needs of the real economy. These risks can materialize should the parent banks domiciled elsewhere get into trouble and request support from their daughter institutions domiciled in Poland.

In 'normal circumstances' even unsound financial systems may function satisfactorily. However, under the extraordinary conditions now prevailing globally, even exemplary fundamental soundness of a national financial system is not a guarantee of

² The privately managed open pension funds (the so-called capital-funded pillar of the pension system which amasses parts of the compulsory social security premiums) made huge losses (PLN 13 billion, equivalent to some 10% of their assets) in the first half of 2008. The pillar's foundations turn out to be cracking. Fortunately, the first cohorts of the hapless 'beneficiaries' of the reformed (in 1999) pension system are scheduled to enter retirement only in 2009.

³ Collected in *The Financial Stability Report* (by the NBP, June 2008).

smooth functioning. A sufficiently massive panic breaking out in major centres of global finances can be contagious – and play havoc to the peripheral places as well. It is quite important that the local authorities of the new EU member states keep their publics confident to make them reasonably resistant to the contagion. Unfortunately, this advice is not heeded in Poland where the opposition parties seem to be keen on eroding public confidence through statements auguring the advent of a crisis.

Table PL

Poland: Selected Economic Indicators

	2004	2005	2006	2007 ¹⁾	2007 January-June	2008	2008 Forecast	2009 Forecast	2010
Population, th pers., end of period	38173.8	38157.0	38125.5	38116.0	38116	38115	.	.	.
Gross domestic product, PLN bn, nom. ²⁾	924.5	983.3	1060.0	1175.3	549.2	602.5	1290	1390	1500
annual change in % (real) ²⁾	5.3	3.6	6.2	6.7	6.9	5.9	5.4	4.8	5
GDP/capita (EUR at exchange rate)	5341	6401	7137	8151	.	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	10960	11480	12340	13670	.	.	.	.	.
Gross industrial production (sales)									
annual change in % (real)	12.6	3.7	11.2	9.5	10.7 ³⁾	8.5 ³⁾	7	8	8
Gross agricultural production									
annual change in % (real)	7.5	-4.3	-1.2	6.1	.	.	.	.	.
Construction output total									
annual change in % (real)	-7.0	1.5	13.7	13.9	28.2 ³⁾	18.2 ³⁾	.	.	.
Consumption of households, PLN bn, nom. ²⁾	589.4	614.3	652.8	701.5	350.0	384.8	.	.	.
annual change in % (real) ²⁾	4.7	2.1	5.0	5.0	5.8	5.6	5	5	5
Gross fixed capital form., PLN bn, nom. ²⁾	167.2	179.2	208.3	253.8	91.8	108.6	.	.	.
annual change in % (real) ²⁾	6.4	6.5	14.9	17.6	21.0	15.4	13	10	6
LFS - employed persons, th, avg.	13794.8	14115.6	14593.6	15240.3	14995.5	15602.0	.	.	.
annual change in %	1.3	2.3	3.4	4.4	5.0	4.0	3	2	1
Reg. employees in industry, th pers., avg.	2663.1	2665.4	2714.3	2819.0	2565 ³⁾	2649.0 ³⁾	.	.	.
annual change in %	0.9	0.1	1.8	3.9	3.4 ³⁾	3.3 ³⁾	2	2	1
LFS - unemployed, th pers., average	3230.3	3045.3	2344.3	1618.8	1748.0	1278.5	.	.	.
LFS - unemployment rate in %, average	19.0	17.8	13.8	9.6	10.5	7.6	9	8	8
Reg. unemployment rate in %, end of period	19.1	17.6	14.8	11.4	12.3	9.6	9	.	.
Average gross monthly wages, PLN	2273.4	2360.6	2476.9	2691.0	2775.2 ³⁾	3101.2 ³⁾	.	.	.
annual change in % (real, gross)	0.7	1.8	4.0	6.3	6.2 ³⁾	7.4 ³⁾	6	5	4
Consumer prices, % p.a.	3.5	2.1	1.0	2.5	2.2	4.2	4	3	2.6
Producer prices in industry, % p.a.	7.0	0.7	2.3	2.3	2.7	2.8	3.5	.	.
General governm.budget, EU-def., % GDP ⁴⁾									
Revenues	36.9	39.0	40.0	40.4	.	.	.	.	.
Expenditures	42.6	43.3	43.8	42.4	.	.	.	.	.
Net lending (+) / net borrowing (-)	-5.7	-4.3	-3.8	-2	.	.	-2.5	-2.5	-2.5
Public debt, EU-def., % of GDP ⁴⁾	45.7	47.1	47.6	45.2	.	.	.	.	.
Discount rate of NB % p.a., end of period	7.0	4.8	4.3	5.3	4.8	6.3	6	5.5	5
Current account, EUR mn	-8207	-3008	-7283	-11577	-5913	-9467	-16800	-21000	-20500
Current account in % of GDP	-4.0	-1.2	-2.7	-3.8	-4.1	-5.5	-4.6	-5.3	-4.8
Gross reserves of NB excl. gold, EUR mn	25904	34536	35235	42812	38868	50207	.	.	.
Gross external debt, EUR mn	95163	112234	128818	157515	141963	.	.	.	.
Gross external debt in % of GDP	42.0	44.1	46.6	48.3	.	.	.	.	.
FDI inflow, EUR mn	10453	8317	15198	13473	5879	5245	16900	.	.
FDI outflow, EUR mn	668	2756	7134	2432	548	1940	2200	.	.
Exports of goods, BOP, EUR mn	65847	77562	93406	105348	50324	60827	122200	139300	157400
annual growth rate in %	22.3	17.8	20.4	12.8	13.1	20.9	16	14	13
Imports of goods, BOP, EUR mn	70399	79804	98945	116659	55675	67665	136500	157000	179000
annual growth rate in %	19.5	13.4	24.0	17.9	19.6	21.5	17	15	14
Exports of services, BOP, EUR mn	10815	13105	16354	20902	9309	10773	24500	28700	33600
annual growth rate in %	9.8	21.2	24.8	27.8	24.2	15.7	17	17	17
Imports of services, BOP, EUR mn	10787	12520	15755	18009	8152	10022	20700	23800	27400
annual growth rate in %	14.7	16.1	25.8	14.3	10.4	22.9	15	15	15
Average exchange rate PLN/USD	3.6540	3.2348	3.1025	2.7667	2.89	2.29	.	.	.
Average exchange rate PLN/EUR (ECU)	4.5340	4.0254	3.8951	3.7829	3.85	3.49	3.5	3.5	3.5
Purchasing power parity PLN/USD	1.8587	1.8984	1.8656	1.9111	.	.	.	.	.
Purchasing power parity PLN/EUR	2.2091	2.2441	2.2537	2.2554	.	.	.	.	.

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

1) Preliminary and wiiw estimates. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices; revision in government sector, shadow economy, etc.). - 3) Enterprises with more than 9 employees. - 4) According to ESA'95 excessive deficit procedure; forecast wiiw

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

Romania: record economic growth

BY GÁBOR HUNYA

With 9.3% GDP growth in the second quarter of 2008, the Romanian economy achieved its fastest growth ever. Supported by the strong increase in private demand and soaring investments this growth will not be halted anytime soon, although some deceleration is very likely. Also helped by the bumper harvest, 2008 economic growth may be around 8%.

The main growth sector has been construction, and agriculture recovered as well. Industrial growth is relatively modest with 6% but it was accomplished with a more than 3% decline in employment, which refers to rather fast growth of labour productivity. Still, labour costs rose even more rapidly than productivity – an incentive to invest in labour-saving technologies and to shift to more productive activities.

The economic boom supplied the government with ample revenues for the time being to increase public salaries, social spending and also pensions. But the deficit in the general government budget that appeared by the end of June is unusual and foreshadows a year-end deficit of about 3% if economic growth decelerates.

Inflation peaked with 9% p.a. in July and decelerated in August due to falling prices of vegetables and food but also to lower telecom tariffs. New energy price hikes may give another push to inflation in October. But the EU Commission no longer insists on raising the price of domestically produced gas to world market levels, which makes further increases less urgent and saves some of the energy-intensive industries.

Negative effects of overheating could so far be avoided and there are no signs of a hard landing. Monetary tightening went on all through the first nine months of 2008, with the National Bank raising

the policy interest rate from 7.5% in January to 10.25% in September. Credits to households kept booming until a new regulation (in force as of September 2008) restricted commercial banks from taking into consideration customers' unofficial income when assessing their creditworthiness.

The free floating regime of the exchange rate allowed for depreciation which supported exports. Depreciation absorbed some of the tensions that appeared in countries with fixed exchange rate regimes. Exports have grown faster than imports but the foreign trade deficit increases in nominal terms. Exports rose most strongly in the case of mineral products (by 88% in EUR terms) followed by machinery and equipment (24%). The latter reached a share of 23% in exports, mostly a result of the foreign direct investments made in the past few years. The share of the once leading export branch, textiles and clothing, shrank to just 11% in exports. It was even smaller than that of vehicles exports, another industry with rapidly increasing FDI. International commodity prices boosted the share of mineral and metal products to 27% of exports. Imports showed a very similar structure to exports, indicating the importance of intra-industry trade.

The current account deficit continued to widen, though at a slower pace than earlier, and reached 15% of GDP. Some 60% of it could be covered by FDI inflows. National Bank reserves were slightly lower in June than in December last year. While public debt is very low, gross foreign debt continued to expand due to private sector borrowing and reached over 60% of GDP. In the future the current account deficit will continue to grow at a lower rate – not due to the trade deficit but to increasing profits of foreign investors (currently about 5% of GDP). It is also expected that the crisis in the Spanish construction sector will make Romanian workers redundant and transfers, currently close to 6% of GDP, may diminish.

With the US hit hard by the financial turmoil and with stagnation in the old EU member countries, economic growth in Romania will slow down from its

peak reached in the second quarter. This strong base and weaker demand on the major European markets will cause a deceleration in the coming year or two. Signs of a melt-down have already appeared on the real estate market which may soon have impacts on the construction sector. Increasing cost of credits will also contribute to the economic cool-down. GDP growth in the coming years may slow down to 5-6%, which may help reduce both the current account deficit and inflation.

Parliamentary elections are scheduled for 30 November when, according to mid-September polls, the currently governing National Liberal Party will lose out. The Democratic-Liberal Party, strongly supported by President Basescu, will be in a position to provide the prime minister for a coalition government. In the election campaign, no differences have so far crystallized between the economic policy programmes of the two parties.

Table RO

Romania: Selected Economic Indicators

	2004	2005	2006	2007 ¹⁾	2007 January-June	2008	2008	2009	2010
							Forecast		
Population, th pers., mid-year	21673	21624	21584	21538	.	.	.	.	.
Gross domestic product, RON mn, nom. ²⁾	246469	288176	344536	404709	155905	195764	502600	591100	676700
annual change in % (real) ²⁾	8.5	4.2	7.9	6.0	5.9	8.8	8.0	5	6
GDP/capita (EUR at exchange rate)	2806	3678	4529	5631	.	.	.	.	.
GDP/capita (EUR at PPP - wiw)	7360	7930	9140	10000	.	.	.	.	.
Gross industrial production									
annual change in % (real)	5.3	2.0	7.2	5.4	6.1	5.9	6	6	7
Gross agricultural production									
annual change in % (real)	18.1	-13.1	2.4	-17.7	.	.	.	.	.
Construction output total									
annual change in % (real)	9.2	9.5	27.8	33.6	31.4	33.2	.	.	.
Consumption of households, RON mn, nom. ²⁾	167245	197024	233235	271398	116021	143206	.	.	.
annual change in % (real) ²⁾	14.5	9.9	12.6	11.2	12.4	14.4	12	6	8
Gross fixed capital formation, RON mn, nom. ²⁾	53850	66504	88272	123299	39233	57888	.	.	.
annual change in % (real) ²⁾	11.1	12.7	19.3	28.9	26.7	31.1	30	10	15
LFS - employed persons, th, avg.	9157.6	9146.6	9313.3	9353.3	9274	.	.	.	.
annual change in %	-0.7	-0.1	1.8	0.4	0.3	.	.1	.	.
Reg. employees in industry, th pers., avg.	1741	1672	1632	1572	.	.	.	.	.
annual change in %	-5.8	-4.0	-2.4	-3.7	-4.0	-3.2	.	.	.
LFS - unemployed, th pers., average	799.5	704.5	728.4	640.9	675	.	.	.	.
LFS - unemployment rate in %, average	8.0	7.2	7.3	6.4	6.8	.	6.0	6	6
Reg. unemployment rate in %, end of period	6.3	5.9	5.2	4.1	4.0	3.8	.	.	.
Average gross monthly wages, RON	818.3	968.0	1146.0	1410.0	1330.8	1666.0	.	.	.
annual change in % (real, net)	10.6	14.3	8.9	15.4	16.0	14.1	.	.	.
Consumer prices, % p.a.	11.9	9.0	6.6	4.8	3.8	8.3	8	7	5
Producer prices in industry, % p.a.	19.1	10.5	11.6	8.1	8.5	15.8	.	.	.
General governm.budget, EU-def., % GDP ³⁾									
Revenues	32.4	32.3	33.1	34.4	.	.	.	.	.
Expenditures	33.6	33.5	35.3	36.9	.	.	.	.	.
Net lending (+) / net borrowing (-)	-1.2	-1.2	-2.2	-2.5	.	.	-2.8	-3.5	-3.0
Public debt, EU-def., % of GDP ³⁾	18.8	15.8	12.4	13.0	.	.	.	.	.
Discount rate, % p.a., end of period	18.0	7.5	8.8	7.5	7.3	9.8	.	.	.
Current account, EUR mn	-5099	-6888	-10156	-16950	-7357	-7981	-18300	-21500	-23100
Current account in % of GDP	-8.4	-8.7	-10.4	-14.0	-15.7	-15.0	-13.3	-13.1	-12.1
Gross reserves of NB excl. gold, EUR mn	10848	16799	21310	25307	22002	24915	.	.	.
Gross external debt, EUR mn	21505	30914	41234	58797	48207	65606	.	.	.
Gross external debt in % of GDP	34.6	39.4	40.5	52.4	.	.	.	.	.
FDI inflow, EUR mn	5183	5213	9060	7141	3550	4758	9000	.	.
FDI outflow, EUR mn	56	-24	337	-45	41	-87	0	.	.
Exports of goods, BOP, EUR mn	18935	22255	25850	29402	14183	16751	34100	38200	43900
annual growth rate in %	21.3	17.5	16.2	13.7	11.9	18.1	16	12	15
Imports of goods, BOP, EUR mn	24258	30061	37609	47067	22045	25424	53700	59100	66200
annual growth rate in %	24.0	23.9	25.1	25.1	28.9	15.3	14	10	12
Exports of services, BOP, EUR mn	2903	4102	5587	7621	3769	4395	8800	9700	10700
annual growth rate in %	8.7	41.3	36.2	36.4	40.8	16.6	16	10	10
Imports of services, BOP, EUR mn	3116	4451	5583	7388	3348	3816	8400	9200	10100
annual growth rate in %	19.4	42.8	25.4	32.3	36.3	14.0	14	10	10
Average exchange rate RON/USD	3.2637	2.9137	2.8090	2.4383	2.5086	2.3996	.	.	.
Average exchange rate RON/EUR (ECU)	4.0532	3.6234	3.5245	3.3373	3.3320	3.6709	3.65	3.6	3.55
Purchasing power parity RON/USD	1.2994	1.4210	1.4678	1.5839	.	.	.	.	.
Purchasing power parity RON/EUR	1.5445	1.6799	1.7459	1.8796	.	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). - 3) According to ESA'95, excessive deficit procedure.

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

Slovakia: backed by continued robust growth towards the eurozone

BY ZDENEK LUKAS

On 8th July, after fulfilling all the Maastricht criteria and the massive appreciation of the Slovak koruna, the EU Finance Ministers confirmed the central parity set by the European Central Bank (SKK 30.13/EUR) as the final conversion rate for joining the eurozone at the beginning of 2009. This final stage of integration into the EU has been achieved under the left-leaning government of Robert Fico, in power since summer 2006. Contrary to radical anti-reform ideas promised in the 2006 election campaign, the Fico cabinet has continued the pro-business agenda initiated by the previous centre-right coalition cabinet. As a result, Slovakia remains an attractive target for foreign direct investment and is ready to join the eurozone. Despite the financial and real estate crisis that has hit the US and some Western European countries, the financial sector in Slovakia has thus far shown few signs of being affected by the turmoil. More than 90% of bank assets are in foreign ownership, with dominance by the traditionally conservative Austrian banks who – in contrast to the US banks investing in risky securities – operate largely in deposits and loans. On the whole, compared to Western countries, both public and private debt is very low, allowing Slovak banks to continue lending. Finally, the bulk of foreign capital has gone into productive investments, predominantly in the automotive, electronics and steel industries.

Despite signs of a slowdown in the EU, the GDP in Slovakia was up by 8.1% y/y in the first half of 2008, mostly fuelled by household consumption (+7.1%). The latter has been supported by expanding employment, real wages and credit. Home purchase loans are on the rise in particular, with mortgage loans dominating. Foreign trade contributed less to GDP expansion than one year ago. The continued high economic growth has acted to push employment levels up and

unemployment levels down. However, compared to 2007 the rate of growth in industry has halved. Extraordinarily high growth in 2007 was driven to a large extent by the gradually expanding car production at the new Kia factory. With more than 570 thousand units produced in 2007, the three foreign-owned car factories saw production nearly doubling, and 2009 is set to see that rise to nearly one million cars. However, the highest per capita car production in the world concentrated in the highly-developed western part of the country has resulted in increasing regional disparities and caused acute local shortages of skilled labour. Some companies have attempted to counteract this by providing shuttle buses, transporting available workers from up to 100 km away or by recruiting foreign workers. Some new foreign investors are heading for Eastern Slovakia.

In the first half of 2008 higher growth in terms of gross industrial output compared to industrial employment saw a rise in labour productivity. However, with wages rising even faster, unit labour costs were up by nearly 5% in SKK terms and due to strong real appreciation by almost 10% in EUR terms. As a result, Slovakia's important comparative advantages (low wages and unit labour costs) are diminishing. Although the strong currency has partly counteracted the inflation imported from global energy and agro-food markets, inflation (CPI) has nevertheless accelerated and amounted to 4.2% y/y in the first half of 2008. Slovakia's budgetary discipline has so far been in line with the Maastricht criteria (i.e. budget deficit well below 3% of GDP), as high budgetary revenues fuelled by high economic growth are able to cover socially-orientated expenditures.

The impact of the strong appreciation of the domestic currency on the Slovak economy was ambivalent. On the one hand, the strong currency is acting as a buffer, cushioning the steep increases in global energy and food prices and stimulating imports, thus benefiting importers and – indirectly – consumers too. On the other hand, however, strong appreciation puts both domestic

producers and exporters at a disadvantage. Additionally, the financial and real estate crisis in the USA and some Western European countries will act to slow global economic growth. Due to the fact that Slovakia is a very open economy and a large part of its foreign trade is conducted with Western countries, the EU in particular, the global recession coupled with a strong currency may undermine Slovak exports and impact on domestic entrepreneurship, especially in small and medium-sized enterprises. The pressure for rationalization will rise, with potentially negative effects on the domestic labour market. These facts will slow down the GDP growth in the years to come.

Domestic demand – with a growth of around 6% – is likely to remain the main driving force of economic expansion in the coming years and the

growth of gross fixed capital formation is estimated to decline to about 5%. Inflation (CPI) will remain relatively high. The sustainability of inflation convergence after joining the eurozone on 1st January 2009 will be the main challenge for Slovakia because the task of controlling domestic inflation will shift solely to fiscal policy. The general government deficit continues to be supported by relatively high budgetary revenues and is set to stabilize at a level below 3% of the GDP by 2010. The foreign trade surplus will turn into a deficit owing to the above-mentioned declining global demand and the very strong currency. In addition, the increasing repatriation of profits by FDI companies, as well as expanding domestic demand satisfied through imports, will see Slovakia's position externally deteriorate over the coming year.

Table SK

Slovak Republic: Selected Economic Indicators

	2004	2005	2006	2007 ¹⁾	2007 January-June	2008 January-June	2008	2009	2010
							Forecast		
Population, th pers., mid-year	5382.6	5387.3	5391.2	5399.0	.	.	.	.	.
Gross domestic product, SKK bn, nom. ²⁾	1361.7	1485.3	1659.6	1851.8	872.5	979.5	2010	2160	2320
annual change in % (real) ²⁾	5.2	6.6	8.5	10.4	8.8	8.1	6	5	5
GDP/capita (EUR at exchange rate)	6317	7144	8264	10157	.	.	.	.	.
GDP/capita (EUR at PPP - wiw)	12360	13560	14990	17000	.	.	.	.	.
Gross industrial production									
annual change in % (real)	4.1	3.8	9.9	13.0	14.6	6.9	5	4	4
Gross agricultural production									
annual change in % (real)	5.6	-6.3	0.9	.	.	.	.	.	.
Construction industry									
annual change in % (real)	5.7	14.7	14.9	5.7	12.4	11.0	.	.	.
Consumption of households, SKK bn, nom. ²⁾	764.9	836.1	928.5	1020.1	489.6	547.9	.	.	.
annual change in % (real) ²⁾	4.2	6.5	5.9	7.1	7.1	7.1	6	5	4
Gross fixed capital form., SKK bn, nom. ²⁾	326.4	394.3	436.2	476.3	216.6	236.1	.	.	.
annual change in % (real) ²⁾	4.8	17.6	8.4	7.9	8.2	6.3	5	4	4
LFS - employed persons, th, avg.	2170.4	2216.2	2301.4	2357.3	2332.2	2398.1	.	.	.
annual change in %	0.3	2.1	3.8	2.4	2.5	2.8	.	.	.
LFS - employed pers. in industry, th, avg.	641.3	649.1	666.4	690.9	687.1	704.7	.	.	.
annual change in %	1.1	1.2	2.7	3.7	4.3	2.6	.	.	.
LFS - unemployed, th pers., average	480.7	427.5	353.4	291.9	297.1	275.7	.	.	.
LFS - unemployment rate in %, average	18.1	16.2	13.3	11.0	11.3	10.3	10	10	9
Reg. unemployment rate in %, end of period	13.1	11.4	9.4	8.0	8.3	7.4	7	7	6
Average gross monthly wages, SKK ³⁾	15825	17274	18761	20146	19096	20950	.	.	.
annual change in % (real, gross)	2.5	6.3	3.3	4.3	4.2	5.3	5	.	.
Consumer prices, % p.a.	7.5	2.7	4.5	2.8	2.6	4.2	4.5	4	3.5
Producer prices in industry, % p.a.	3.4	4.7	8.4	2.0	2.5	5.5	6	5	4
General governm.budget, EU-def., % GDP ⁴⁾									
Revenues	35.4	35.3	33.5	34.7	.	.	.	.	.
Expenditures	37.8	38.1	37.2	36.9	.	.	.	.	.
Net lending (+) / net borrowing (-)	-2.4	-2.8	-3.6	-2.2	.	.	-2.5	-2.8	-3.0
Public debt, EU-def., in % of GDP ⁴⁾	41.4	34.2	30.4	29.4	.	.	.	.	.
Discount rate, % p.a., end of period	4.0	3.0	4.8	4.3	4.25	4.25	.	.	.
Current account, EUR mn ⁵⁾	-2656	-3268	-3127	-2922	-962	-1955	-4000	-5000	-6000
Current account in % of GDP	-7.8	-8.5	-7.0	-5.3	-3.8	-6.4	-6.3	-7.0	-7.8
Gross reserves of NB incl. gold, EUR mn	10954	13067	10145	12907	13067	12642	.	.	.
Gross external debt, EUR mn	17421	22705	24449	30156	27225	33671 ^{May}	.	.	.
Gross external debt in % of GDP	49.6	57.9	50.9	54.7	.	.	.	.	.
FDI inflow, EUR mn	2441	1952	3324	2389	667	380	2000	.	.
FDI outflow, EUR mn	-17	120	294	281	-8	37	200	.	.
Exports of goods, BOP, EUR mn ⁵⁾	22248	25654	33099	42057	20145	24072	49000	55000	62000
annual growth rate in %	14.9	15.3	29.0	27.1	33.6	19.5	17	13	12
Imports of goods, BOP, EUR mn ⁵⁾	23485	27571	35120	42690	20333	24198	50000	58000	67000
annual growth rate in %	17.9	17.4	27.4	21.6	26.4	19.0	18	16	16
Exports of services, BOP, EUR mn ⁵⁾	3000	3542	4313	5133	2331	2689	6000	6600	7300
annual growth rate in %	3.0	18.1	21.7	19.0	18.4	15.4	16	10	10
Imports of services, BOP, EUR mn ⁵⁾	2785	3285	3710	4745	2131	2875	5900	7100	8200
annual growth rate in %	3.0	18.0	12.9	27.9	24.3	34.9	25	20	15
Average exchange rate SKK/USD	32.26	31.02	29.72	24.71	25.63	21.10	.	.	.
Average exchange rate SKK/EUR (ECU)	40.05	38.59	37.25	33.78	34.05	32.24	31.6	30.1	30.1
Purchasing power parity SKK/USD	17.23	17.20	17.13	17.05	.	.	.	.	.
Purchasing power parity SKK/EUR	20.47	20.33	20.53	20.17	.	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). - 3) From 2006 including wages of armed forces. - 4) According to ESA'95, excessive deficit procedure. - 5) Calculated from USD.

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

Slovenia: signs of weakness

BY HERMINE VIDOVIC

Strong economic growth continued in the second quarter of 2008. GDP grew by 5.5%, backed by high (but slowing) investment growth and a positive contribution of net exports of goods and non-factor services. Investments were mainly directed to motorway and residential construction. Government consumption rose – probably in relation to the elections – at a higher rate than a year earlier. Construction activities remained strong, up 22% during the first seven months of the year. Industrial output, however, rose only modestly (by 1.7%) with a drastic drop in the production of leather and leather products, but also food, wood and wood products, and textiles. By contrast, favourable results were reported for, e.g., the production of coke, chemicals and transport equipment. During the remainder of the year GDP growth is expected to weaken.

The rate of consumer price inflation rose rapidly, to 6.9% in July, but weakened somewhat thereafter, to 5.5% in September. That increase can mainly be attributed to price rises in housing, water and electricity, and food, as well as hotels and restaurants. Wage data, available until July, show a higher growth than in the comparable period a year earlier: in July nominal wages were up 8.5% year-on-year, the average growth for the first seven months was 8.3%. Further wage increases in the coming months are to be expected due to the adjustment of public sector wages agreed upon at the beginning of the year.

National accounts data show a 3% increase in employment with particularly high growth in construction, real estate, renting and business activities, and transport and communications. By contrast, data obtained from the Labour Force Survey put employment growth at only 0.5% in the first half of the year. At the same time unemployment reached a record low of 4.7%.

In foreign trade, imports grew much faster than exports, resulting in a EUR 1.4 billion trade deficit in the first seven months – double the one reported for same period in 2007. Apart from the rising deficit in goods trade, both the incomes balance (net interest payments) and current transfer balances (transfers between the national and the EU budget) worsened. This deterioration could not be offset by the rising surplus in services trade. As a result the current account deficit more than doubled compared to the first seven months a year earlier. The reasons underlying this deterioration are to be found in the higher prices of imported goods (food and energy), but also a weakening of competitiveness following the introduction of the euro (prior to euro introduction the Slovenian National Bank pursued a policy of steady exchange rate depreciation). As opposed to the past few years, when Slovenia was a net exporter of FDI, Slovenian inward FDI exceeded outward FDI in the first seven months of 2008. Gross foreign debt continued to grow at a fast pace and stood at EUR 39 billion by the end of June, i.e. EUR 4.6 billion more than at the end of 2007.

The parliamentary elections held on 21 September brought a victory of the Social Democrats, Slovenia's main opposition party led by Borut Pahor. Regarding the future government, Mr Pahor is likely to form a coalition with the smaller left-wing parties.

In the full year 2008 GDP will grow by 4.7%, at a somewhat higher rate than wiiw expected at the beginning of the year. Inflation should slow somewhat by the end of 2008. Lower foreign demand due to slower growth in Slovenia's main trading partners will slow down the country's economy in 2009. Moreover, the access to foreign long-term loans will become more difficult than in the past. Assuming a slowdown of investment growth, the import growth rate should taper off, hence the current account deficit may somewhat diminish. Slovenia being a small country highly exposed to external shocks, the return to faster growth beyond 2009 is conditional on the international environment, particularly the business climate in the EU.

Table SI

Slovenia: Selected Economic Indicators

	2004	2005	2006	2007 ¹⁾	2007 January-June	2008 January-June	2008	2009 Forecast	2010
Population, th pers., mid-year	1997.0	2001.1	2008.5	2019.4	2019.4	2028.6 ^{III}	.	.	.
Gross domestic product, EUR mn, nom. ²⁽³⁾	27073.4	28703.6	31008.0	34470.9	16215.9	17878.1	38300	41700	45100
annual change in % (real) ²⁾	4.3	4.4	5.9	6.8	6.6	5.5	4.7	3.6	4
GDP/capita (EUR at exchange rate)	13601	14344	15441	17070	.	.	.	.	.
GDP/capita (EUR at PPP - wiiw)	18700	19780	21040	23050	.	.	.	.	.
Gross industrial production									
annual change in % (real) ⁴⁾	4.8	3.3	6.1	6.2	7.6	2.4	3	3.5	4.5
Gross agricultural production									
annual change in % (real)	16.4	-2.4	-0.1	-1.7	.	.	.	.	.
Construction output									
annual change in % (real) ⁵⁾	2.5	3.0	15.3	18.2	33.1	22.8	.	.	.
Consumption of households, EUR mn, nom. ²⁽³⁾	14582.1	15323.8	16135.1	17691.4	8257.7	9084.4	.	.	.
annual change in % (real) ²⁽³⁾	2.8	2.8	2.8	5.3	2.2	3.1	3	2.5	2.8
Gross fixed capital form., EUR mn, nom. ²⁽³⁾	6752.1	7263.2	8161.5	9477.5	4539.8	5280.9	.	.	.
annual change in % (real) ²⁽³⁾	5.6	3.8	10.3	11.9	21.5	13.0	10	6	5
LFS - employed persons, th, avg.	943	949	961	985	976	981	.	.	.
annual change in %	5.1	0.6	1.3	2.5	1.9	0.5	.	.	.
Reg. employees in industry, th pers., avg. ⁶⁾	239.7	239.3	235.5	237.4	237.3	237.6	.	.	.
annual change in % ⁶⁾	-1.0	-1.7	-1.6	0.8	1.0	0.1	.	.	.
LFS - unemployed, th pers., average	64	67	61	51	53	48	.	.	.
LFS - unemployment rate in %, average	6.3	6.6	6.0	4.9	5.2	4.7	5	4.7	4.6
Reg. unemployment rate in %, end of period	10.1	10.2	8.6	7.3	7.5	6.4	7	6.9	6.8
Average gross monthly wages, EUR ³⁽⁷⁾	1117	1157	1213	1285	1245.1	1347.3	.	.	.
annual change in % (real, net) ⁷⁾	2.1	3.5	2.5	4.2	4.9	1.1	.	.	.
Consumer prices (nat. def.), % p.a.	3.6	2.5	2.5	3.6	2.7	6.6	6	5	4
Producer prices in industry, domestic, % p.a.	4.3	2.7	2.3	5.4	4.8	6.1	5.5	4.5	3
General governm.budget, EU-def., % GDP ⁸⁾									
Revenues	44.2	44.5	44.1	43.2	.	.	.	.	.
Expenditures	46.5	46.0	45.3	43.3	.	.	.	.	.
Net lending (+) / net borrowing (-)	-2.3	-1.5	-1.2	-0.1	.	.	-0.8	-1.0	-1.0
Public debt in % of GDP ⁸⁾	27.6	27.5	27.2	24.1	.	.	.	.	.
Discount rate % p.a., end of period ⁹⁾	3.3	3.8	3.8	4.0	4.0	4.0	.	.	.
Current account, EUR mn	-719.7	-561.4	-856.5	-1641.4	-491.3	-995.2	-2300	-2300	-2100
Current account in % of GDP	-2.6	-2.0	-2.8	-4.8	-3.0	-5.6	-6.0	-5.5	-4.5
Gross reserves of NB excl. gold, EUR mn ¹⁰⁾	6464.0	6824.1	5341.7	669.7	847.6	627.1	.	.	.
Gross external debt, EUR mn	15343	20508	24034	34358	30147	38982	.	.	.
Gross external debt in % of GDP	56.7	71.4	77.5	99.7	.	.	.	.	.
FDI inflow, EUR mn	665.2	472.6	511.7	1072.5	417.3	584.7	1200	.	.
FDI outflow, EUR mn	441.0	515.6	718.5	1153.8	551.5	481.1	1000	.	.
Exports of goods, BOP, EUR mn	12932.8	14599.2	17028.3	19777.0	9786.0	10506.9	21200	23300	26100
annual growth rate in %	13.3	12.9	16.6	16.1	17.7	7.4	7	10	12
Imports of goods, BOP, EUR mn	13941.6	15625.0	18179.3	21441.1	10416.7	11619.0	24000	26000	28800
annual growth rate in %	16.6	12.1	16.3	17.9	20.6	11.5	12	8	11
Exports of services, BOP, EUR mn	2782.6	3142.8	3449.5	4115.6	1844.1	2320.1	4900	5600	6400
annual growth rate in %	12.9	12.9	9.8	19.3	21.1	25.8	19	14	14
Imports of services, BOP, EUR mn	2095.0	2293.5	2583.8	3075.5	1297.8	1488.3	3500	4000	4600
annual growth rate in %	8.8	9.5	12.7	19.0	16.3	14.7	14	14	15
Average exchange rate EUR/USD ³⁾	0.803	0.804	0.797	0.731	0.752	0.654	.	.	.
Average exchange rate EUR/EUR (ECU) ³⁾	0.997	1.000	1.000	1.000	1.000	1.000	1	1	1
Purchasing power parity EUR/USD ³⁾	0.610	0.614	0.617	0.624	.	.	.	.	.
Purchasing power parity EUR/EUR ³⁾	0.725	0.725	0.734	0.741	.	.	.	.	.

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

1) Preliminary. - 2) According to ESA'95 (FISIM adjusted and real change based on previous year prices). - 3) Slovenia has introduced the Euro from 1 January 2007. For statistical purposes all time series in SIT as well as the exchange rates and PPP rates have been divided by the conversion factor 239.64 (SIT per EUR) to EUR-SIT. - 4) From July 2005 new methodology. - 5) Enterprises with at least 20 employees. - 6) From January 2005 data from Statistical Register of Employment, years before from Monthly Report on Earnings. - 7) From January 2005 including legal persons with 1 or 2 employees in private sector. - 8) According to ESA'95, excessive deficit procedure. - 9) From 2007 ECB main refinancing rate (minimum bid rate). - 10) From January 2007 (Euro introduction) only the foreign currency reserves nominated in non-euro currency are included.

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

STATISTICAL ANNEX

Selected monthly data on the economic situation in Central, East and Southeast Europe, 2007-2008

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
PMchange	change in % against previous month
PPI	producer price index
p.a.	per annum
mn	million
bn	billion
BGN	Bulgarian lev
CZK	Czech koruna
EUR	euro, from 1 January 1999
EUR-SIT	Slovenia has introduced the euro from 1 January 2007
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
RON	Romanian leu
RUB	Russian rouble
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar
M0	currency outside banks / currency in circulation (ECB definition)
M1	M0 + demand deposits / narrow money (ECB definition)
M2	M1 + quasi-money / intermediate money (ECB definition)
M3	broad money

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

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B U L G A R I A: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

	2007									2008							
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	7.6	7.5	14.3	8.3	8.7	11.3	9.0	5.0	8.2	5.4	-1.1	8.9	6.6	4.2	3.3	.
Industry, total ¹⁾	real, CCPY	9.6	9.3	10.0	9.8	9.7	9.8	9.8	9.3	8.2	6.8	3.9	5.1	5.4	5.2	4.9	.
Industry, total ¹⁾	real, 3MMA	9.1	10.1	10.1	10.4	9.4	9.7	8.4	7.4	6.1	3.9	4.2	4.6	6.5	4.7	.	.
LABOUR																	
Employees total	th. persons	2331	2343	2354	2353	2337	2324	2325	2306	2430	2437	2450	2477	2487	2502	.	.
Employees in industry	th. persons	704	703	704	701	697	695	694	689	714	713	711	718	711	711	.	.
Unemployment, end of period	th. persons	289.8	274.8	268.4	259.3	251.1	249.4	245.3	255.9	273.3	268.8	251.6	241.1	229.1	221.1	.	.
Unemployment rate ²⁾	%	7.8	7.4	7.3	7.0	6.8	6.7	6.6	6.9	7.4	7.3	6.8	6.5	6.2	6.0	.	.
Labour productivity, industry ¹⁾	CCPY	9.1	8.9	9.7	9.6	9.5	9.9	9.9	9.5	6.9	5.5	2.8	3.9	4.3	4.1	.	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	8.6	9.0	8.0	8.5	8.7	8.8	9.0	9.6	16.9	18.2	21.7	20.0	19.4	19.7	.	.
WAGES, SALARIES																	
Total economy, gross	BGN	411	408	420	419	434	430	448	474	479	474	500	512	503	515	.	.
Total economy, gross	real, CMPY	13.9	12.0	10.7	7.2	5.6	8.1	10.2	8.6	13.0	10.2	10.6	11.7	6.4	9.5	.	.
Total economy, gross	USD	284	280	295	292	309	313	336	353	360	357	397	412	400	410	.	.
Total economy, gross	EUR	210	209	215	214	222	220	229	242	245	242	256	262	257	263	.	.
Industry, gross	EUR	215	217	214	222	230	228	232	244	244	247	265	259	265	270	.	.
PRICES																	
Consumer	PM	0.1	-0.4	2.2	3.1	1.3	0.6	1.6	1.1	1.4	1.1	0.8	0.8	0.5	-0.2	1.5	0.1
Consumer	CMPY	4.3	5.6	8.4	12.0	13.1	12.4	12.6	12.5	12.5	13.2	14.2	14.6	15.0	15.3	14.5	11.2
Consumer	CCPY	4.8	4.9	5.4	6.3	7.0	7.6	8.0	8.4	12.5	12.8	13.3	13.6	13.9	14.1	14.2	13.8
Producer, in industry	PM	0.7	1.3	2.1	1.5	0.6	1.4	1.9	-1.1	0.7	0.9	2.7	0.3	0.7	2.0	2.9	.
Producer, in industry	CMPY	5.6	6.7	7.9	9.2	9.1	11.4	13.4	11.5	13.2	14.1	15.6	13.7	13.7	14.5	15.4	.
Producer, in industry	CCPY	7.2	7.1	7.2	7.5	7.7	8.0	8.5	8.8	13.2	13.6	14.3	14.1	14.1	14.1	14.3	.
FOREIGN TRADE³⁾⁴⁾																	
Exports total (fob), cumulated	EUR mn	5025	6205	7447	8593	9793	11098	12364	13474	1115	2327	3649	5021	6342	7737	9169	.
Imports total (cif), cumulated	EUR mn	8109	9936	11873	13693	15593	17705	19870	21877	1819	3723	5722	7973	10215	12656	15099	.
Trade balance, cumulated	EUR mn	-3084	-3731	-4426	-5101	-5800	-6608	-7506	-8403	-704	-1396	-2074	-2953	-3873	-4920	-5929	.
Exports to EU-27 (fob), cumulated	EUR mn	3174	3925	4653	5338	6052	6812	7554	8165	709	1473	2308	3106	3864	4672	5485	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	4898	5950	7050	8006	9066	10368	11629	12796	945	2051	3240	4543	5772	7098	8394	.
Trade balance with EU-27, cumulated	EUR mn	-1724	-2025	-2396	-2668	-3013	-3555	-4075	-4631	-237	-578	-933	-1438	-1908	-2426	-2909	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	EUR mn	-2551	-2835	-3093	-3358	-3900	-4610	-5363	-6303	-770	-1405	-1913	-2664	-3363	-4132	-4556	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.447	1.458	1.426	1.436	1.406	1.375	1.332	1.343	1.329	1.326	1.259	1.241	1.257	1.258	1.240	1.307
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
USD/BGN, calculated with CPI ⁷⁾	real, Jan03=100	140.7	138.9	145.1	148.9	153.6	157.6	164.1	164.7	167.9	169.8	178.6	181.7	178.8	176.7	180.0	169.4
USD/BGN, calculated with PPI ⁷⁾	real, Jan03=100	130.7	131.2	135.8	139.0	142.0	146.2	150.0	147.4	148.1	148.7	155.9	156.5	150.9	150.1	152.8	.
EUR/BGN, calculated with CPI ⁷⁾	real, Jan03=100	114.6	114.0	116.9	120.4	121.5	121.6	122.9	123.7	125.7	126.6	126.5	127.1	126.8	126.1	128.1	128.3
EUR/BGN, calculated with PPI ⁷⁾	real, Jan03=100	116.5	117.5	119.5	121.5	121.5	122.3	123.3	121.7	121.4	121.6	124.1	123.2	122.3	123.1	125.5	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	BGN mn	6134	6391	6649	6842	6931	6812	6787	7433	6952	6992	6990	7224	7245	7364	7576	.
M1, end of period ⁹⁾	BGN mn	16845	17807	18279	18903	19174	19297	19320	20727	19882	19590	19848	20075	20338	20327	20832	.
Broad money, end of period ⁹⁾	BGN mn	33925	35349	36373	37795	38233	38768	39618	42062	41585	41684	42249	42833	43181	43965	45040	.
Broad money, end of period	CMPY	27.7	28.4	29.1	30.4	29.1	28.5	30.5	31.2	30.9	29.8	29.0	28.3	27.3	24.4	23.8	.
BNB base rate (p.a.) ^{end of period}	%	3.8	3.8	4.0	4.1	4.1	4.2	4.3	4.6	4.7	4.8	4.8	4.8	4.9	5.0	5.1	5.3
BNB base rate (p.a.) ^{end of period⁹⁾}	real, %	-1.7	-2.6	-3.6	-4.7	-4.6	-6.4	-8.1	-6.2	-7.5	-8.2	-9.3	-7.8	-7.7	-8.4	-9.0	.
BUDGET																	
Central gov. budget balance _{cum.}	BGN mn	1670.4	1923.5	2179.6	2639.0	3046.3	3241.8	3363.3	1129.4	378.1	672.5	1278.1	2102.3	2715.0	3256.1	.	.

1) Enterprises with 10 and more persons.

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

5) According to country of dispatch.

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

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

8) According to ECB methodology.

9) Deflated with annual PPI.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

		2007								2008							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	7.3	6.9	12.0	7.2	2.3	9.8	8.9	5.9	8.4	11.6	-2.1	12.1	3.1	3.4	6.7	.
Industry, total	real, CCPY	11.0	10.3	10.5	10.1	9.2	9.3	9.2	9.0	8.4	10.0	5.6	7.2	6.3	5.8	6.0	.
Industry, total	real, 3MMA	9.3	8.6	8.6	6.9	6.5	7.1	8.4	7.8	8.7	5.6	6.8	4.1	6.1	4.3	.	.
Construction, total	real, CMPY	1.0	-4.5	-1.8	2.9	-1.9	3.2	7.1	5.6	0.8	11.7	0.5	1.3	-3.5	-3.0	6.9	.
LABOUR																	
Employees in industry ¹⁾	th. persons	1166	1168	1186	1187	1181	1189	1193	1187	1185	1186	1189	1189	1188	1180	1193	.
Unemployment, end of period	th. persons	382.6	370.8	376.6	372.8	365.0	348.8	341.4	354.9	364.5	355.0	336.3	316.1	302.5	297.9	310.1	.
Unemployment rate ²⁾	%	6.4	6.3	6.4	6.4	6.2	5.8	5.6	6.0	6.1	5.9	5.6	5.2	5.0	5.0	5.3	.
Labour productivity, industry ¹³⁾	CCPY	10.1	9.5	9.6	9.4	8.6	8.7	8.6	8.1	5.0	6.7	3.0	4.9	4.3	3.9	4.3	.
Unit labour costs, exch.r. adj.(EUR) ¹³⁾	CCPY	-0.3	-0.4	-0.4	-0.3	0.5	0.7	0.9	1.4	14.3	15.2	19.0	17.2	17.4	18.5	19.1	.
WAGES, SALARIES																	
Industry, gross ¹⁾	CZK	21705	21163	21191	20555	20109	21572	24271	22214	22394	21266	22433	22615	23256	22837	.	.
Industry, gross ¹⁾	real, CMPY	4.7	3.7	6.6	4.5	3.1	4.9	0.8	0.5	4.5	5.3	2.2	3.7	0.3	1.5	2.2	.
Industry, gross ¹⁾	USD	1039	995	1027	1005	1012	1122	1333	1231	1265	1236	1381	1421	1443	1461	.	.
Industry, gross ¹⁾	EUR	769	741	748	738	729	789	908	845	860	838	889	902	927	939	.	.
PRICES																	
Consumer	PM	0.4	0.3	0.4	0.3	-0.3	0.6	0.9	0.5	3.0	0.3	-0.1	0.4	0.5	0.2	0.5	-0.1
Consumer	CMPY	2.4	2.5	2.3	2.4	2.8	4.0	5.0	5.4	7.5	7.5	7.1	6.8	6.8	6.7	6.9	6.5
Consumer	CCPY	1.9	2.0	2.1	2.1	2.2	2.4	2.6	2.8	7.5	7.5	7.4	7.2	7.1	7.1	7.0	7.0
Producer, in industry	PM	0.6	0.7	0.2	-0.1	0.1	0.4	0.7	-0.1	1.9	0.1	0.3	0.0	1.0	0.8	0.1	0.4
Producer, in industry	CMPY	4.0	4.5	4.1	3.7	4.0	4.4	5.4	5.2	6.0	5.6	5.3	4.7	5.2	5.4	5.3	5.7
Producer, in industry	CCPY	3.4	3.6	3.7	3.7	3.7	3.8	3.9	4.0	6.0	5.8	5.7	5.4	5.4	5.4	5.4	5.4
RETAIL TRADE																	
Turnover	real, CMPY	7.6	7.2	8.8	7.1	3.7	8.9	5.7	5.2	4.1	6.6	-3.0	4.9	0.9	1.4	3.6	.
Turnover	real, CCPY	9.0	8.7	8.7	8.5	7.9	8.0	7.8	7.5	4.1	5.3	2.3	3.0	2.5	2.3	2.5	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	35738	43209	50190	57159	64871	73739	82556	89331	8143	16706	24999	33953	42241	51206	59871	.
Imports total (cif), cumulated	EUR mn	34046	41172	48185	55157	62376	70947	79303	86163	7683	15709	23709	32376	40262	48604	56955	.
Trade balance, cumulated	EUR mn	1692	2037	2005	2002	2495	2792	3253	3168	460	998	1290	1578	1979	2602	2917	.
Exports to EU-27 (fob), cumulated	EUR mn	30689	37075	43049	48956	55440	62948	70459	76158	7004	14363	21502	29178	36309	43840	51209	.
Imports from EU-27 (cif) ⁶⁾ , cumulated	EUR mn	24442	29551	34506	39305	44426	50478	56297	61001	5091	10698	16187	22246	27569	33349	39011	.
Trade balance with EU-27, cumulated	EUR mn	6247	7524	8543	9650	11014	12471	14163	15157	1913	3665	5315	6932	8740	10491	12197	.
FOREIGN FINANCE																	
Current account, cumulated ⁴⁾	EUR mn	6	-60	-423	-1363	-1312	-1764	-1542	-2256	474	934	1128	773	342	-1278	-1303	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	20.9	21.3	20.6	20.5	19.9	19.2	18.2	18.0	17.7	17.2	16.2	15.9	16.1	15.6	14.9	16.2
CZK/EUR, monthly average	nominal	28.2	28.5	28.3	27.9	27.6	27.3	26.7	26.3	26.1	25.4	25.2	25.1	25.1	24.3	23.5	24.3
USD/CZK, calculated with CPI ⁷⁾	real, Jan03=100	136.7	134.5	139.1	141.1	144.4	149.9	158.5	160.9	168.1	173.1	181.5	184.9	182.0	186.2	194.2	176.6
USD/CZK, calculated with PPI ⁷⁾	real, Jan03=100	127.0	125.4	128.4	131.5	134.7	138.8	144.0	145.4	149.1	152.4	157.1	158.1	152.9	155.1	158.7	142.9
EUR/CZK, calculated with CPI ⁷⁾	real, Jan03=100	111.5	110.4	112.0	114.1	114.5	115.6	118.7	120.7	125.8	129.0	128.6	129.4	129.0	132.9	138.2	133.7
EUR/CZK, calculated with PPI ⁷⁾	real, Jan03=100	113.2	112.3	113.0	114.9	115.6	116.2	118.4	120.0	122.2	124.7	125.0	124.5	123.8	127.2	130.3	125.5
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	CZK bn	309.8	314.0	311.4	314.0	319.4	316.8	323.3	324.1	321.0	323.5	322.5	326.4	327.7	326.9	326.9	.
M1, end of period ⁸⁾	CZK bn	1444.1	1423.2	1488.4	1469.9	1453.9	1514.6	1512.6	1526.6	1556.5	1527.7	1558.7	1540.6	1564.3	1596.5	1609.2	.
Broad money, end of period ⁸⁾	CZK bn	2203.4	2206.6	2231.5	2263.0	2246.1	2293.0	2332.2	2380.0	2386.4	2408.3	2406.5	2445.9	2475.5	2456.6	2509.8	.
Broad money, end of period	CMPY	15.4	14.6	14.9	14.7	14.7	14.7	15.8	16.1	15.1	14.5	14.2	12.5	12.3	11.3	12.5	.
Discount rate (p.a.), end of period	%	1.50	1.75	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.75	2.50
Discount rate (p.a.), end of period ⁹⁾	real, %	-2.4	-2.7	-2.0	-1.4	-1.7	-2.1	-2.7	-2.6	-3.3	-2.7	-2.5	-1.9	-2.3	-2.5	-2.4	-3.0
BUDGET																	
Central gov. budget balance, cum.	CZK mn	-25980	1280	19680	22220	36310	27200	12770	-66390	9730	-4970	-13350	-28090	.	.	.	.

1) Enterprises employing 20 and more persons.

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

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

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

5) Cumulation starting January and ending December each year.

6) According to country of origin.

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

8) According to ECB methodology.

9) Deflated with annual PPI.

H U N G A R Y: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

		2007								2008							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	3.7	8.9	12.0	9.6	6.4	8.7	5.7	6.2	5.6	13.2	2.1	11.6	2.5	-0.3	0.7	.
Industry, total	real, CCPY	8.3	8.4	8.9	9.0	8.7	8.7	8.4	8.2	5.6	9.4	6.8	8.0	6.9	5.6	4.9	.
Industry, total	real, 3MMA	7.7	8.1	10.1	9.2	8.2	6.9	6.9	5.8	8.3	6.8	8.7	5.3	4.5	0.9	.	.
Construction, total	real, CMPY	4.1	-15.8	-15.1	-15.6	-28.5	-21.0	-25.3	-21.3	-23.3	-17.6	-14.4	0.6	-7.1	-8.1	.	.
LABOUR																	
Employees total ¹⁾	th. persons	2785.3	2785.4	2769.8	2759.9	2745.4	2749.5	2729.8	2696.9	2731.2	2740.9	2748.1	2770.3	2778.6	2760.3	2755.1	.
Employees in industry ¹⁾	th. persons	746.2	746.8	747.2	744.9	742.3	744.3	743.5	737.7	747.7	748.7	746.1	748.3	745.8	744.4	746.7	.
Unemployment, end of period	th. persons	413.2	402.7	412.2	417.2	415.8	412.8	419.8	445.0	468.1	476.6	462.4	442.8	424.5	415.6	421.1	.
Unemployment rate	%	9.4	9.1	9.3	9.5	9.4	9.4	9.5	10.1	10.6	10.8	10.5	10.0	9.6	9.4	9.5	.
Labour productivity, industry ¹⁾	CCPY	9.2	9.3	9.9	10.0	9.5	9.6	9.3	9.2	5.8	9.8	7.2	8.3	7.1	5.9	4.9	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	3.6	4.0	4.7	4.5	5.1	5.1	4.9	4.4	1.1	-3.2	-2.1	-3.2	-1.6	0.2	2.3	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	HUF th	178.7	182.5	181.1	177.3	175.4	181.7	205.3	211.0	206.1	188.1	193.8	194.4	195.7	200.2	195.3	.
Total economy, gross ¹⁾	real, CMPY	-0.9	1.2	1.6	-0.4	2.1	1.8	2.1	-2.5	-8.1	5.8	2.9	3.7	2.4	2.8	1.0	.
Total economy, gross ¹⁾	USD	972	977	1006	947	961	1031	1186	1213	1184	1059	1156	1207	1232	1284	1328	.
Total economy, gross ¹⁾	EUR	719	729	734	695	692	725	807	833	805	718	745	766	791	825	842	.
Industry, gross ¹⁾	EUR	746	705	702	687	671	707	807	786	693	673	714	749	803	779	809	.
PRICES																	
Consumer	PM	0.8	0.4	0.0	0.0	0.7	0.8	0.6	0.4	1.0	1.1	0.6	0.3	1.1	0.1	0.1	-0.3
Consumer	CMPY	8.5	8.6	8.4	8.3	6.4	6.7	7.1	7.4	7.1	6.9	6.7	6.6	7.0	6.7	6.7	6.5
Consumer	CCPY	8.6	8.6	8.5	8.5	8.3	8.1	8.0	8.0	7.1	7.0	6.9	6.8	6.9	6.8	6.8	6.8
Producer, in industry	PM	0.4	-0.2	0.4	1.1	-0.3	0.3	0.7	0.4	3.0	0.7	0.2	-0.1	-1.1	-0.5	-0.7	.
Producer, in industry	CMPY	0.4	-2.0	-2.8	-2.3	-2.7	-1.4	0.4	1.6	4.3	4.9	5.7	6.5	4.9	4.6	3.7	.
Producer, in industry	CCPY	2.2	1.5	0.9	0.5	0.1	0.0	0.0	0.2	4.3	4.6	5.0	5.4	5.3	5.2	5.0	.
RETAIL TRADE																	
Turnover	real, CMPY	-3.6	-3.8	-3.2	-4.1	-5.3	-3.0	-4.3	-3.9	-2.7	-0.5	-0.6	-3.5	-2.3	-1.9	.	.
Turnover	real, CCPY	-1.2	-1.7	-2.0	-2.3	-2.7	-2.7	-2.9	-3.0	-2.7	-1.6	-1.2	-1.9	-2.0	-1.9	.	.
FOREIGN TRADE²⁾³⁾																	
Exports total (fob), cumulated	EUR mn	27347	33301	38959	44338	50534	57174	63718	69015	6109	12418	18763	25212	31343	37769	43957	.
Imports total (cif), cumulated	EUR mn	27650	33464	39241	44780	50747	57288	63702	69135	6191	12346	18470	24862	30972	37311	43746	.
Trade balance, cumulated	EUR mn	-303	-163	-282	-442	-213	-114	16	-119	-82	71	294	350	371	458	211	.
Exports to EU-27 (fob), cumulated	EUR mn	21870	26639	31141	35313	40244	45589	50699	54586	4772	9647	14473	19517	24278	29269	34093	.
Imports from EU-27 (cif) ⁴⁾ , cumulated	EUR mn	19769	23973	28028	31834	35910	40297	44689	48218	4091	8351	12615	17024	21152	25527	29905	.
Trade balance with EU-27, cumulated	EUR mn	2100	2666	3113	3479	4335	5292	6011	6368	682	1296	1857	2493	3126	3742	4188	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	.	-3410	.	.	-5090	.	.	-6510	.	.	-1647	.	.	-3485	.	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	183.8	186.7	180.0	187.3	182.4	176.3	173.1	173.9	174.1	177.7	167.6	161.0	158.9	155.9	147.1	157.4
HUF/EUR, monthly average	nominal	248.5	250.4	246.8	255.2	253.4	250.8	254.6	253.1	256.0	262.0	260.1	253.8	247.4	242.6	231.9	235.9
USD/HUF, calculated with CPI ⁵⁾	real, Jan03=100	136.8	134.9	140.0	134.8	138.9	144.6	147.1	147.2	147.8	146.1	154.5	160.2	162.9	164.5	172.9	159.4
USD/HUF, calculated with PPI ⁶⁾	real, Jan03=100	111.1	108.9	112.6	111.0	112.9	116.4	116.5	116.7	118.5	116.1	119.6	122.6	119.2	117.9	121.1	.
EUR/HUF, calculated with CPI ⁵⁾	real, Jan03=100	111.5	110.9	112.8	109.0	110.1	111.6	110.0	110.6	110.8	108.9	109.5	112.1	115.5	117.4	123.0	120.6
EUR/HUF, calculated with PPI ⁶⁾	real, Jan03=100	99.0	97.7	99.1	97.1	96.9	97.5	95.7	96.4	97.3	95.0	95.3	96.5	96.5	96.7	99.5	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁸⁾	HUF bn	1827.6	1861.4	1858.9	1907.3	1910.5	1924.3	2025.2	2067.9	2022.3	2038.7	2068.9	2070.1	2034.8	2018.8	2002.4	2023.8
M1, end of period ⁸⁾	HUF bn	5537.2	5678.7	5688.5	5883.9	5859.6	5934.9	6050.5	6348.3	6203.5	6254.2	6416.6	6246.6	6118.0	6046.0	6259.5	6071.5
Broad money, end of period ⁸⁾	HUF bn	12836.1	12999.0	13147.6	13393.4	13547.2	13820.7	13857.3	14196.1	14176.4	14653.8	14684.8	14681.4	14403.1	14182.8	14693.5	14556.9
Broad money, end of period	CMPY	9.2	7.0	7.8	9.3	10.0	12.7	11.0	11.0	12.2	16.2	15.2	15.5	12.2	9.1	11.8	8.7
NBH base rate (p.a.),end of period	%	8.0	7.8	7.8	7.8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	8.3	8.5	8.5	8.5	8.5
NBH base rate (p.a.),end of period ⁷⁾	real, %	7.6	9.9	10.9	10.3	10.5	9.0	7.1	5.8	3.1	2.5	1.7	1.6	3.4	3.7	4.6	.
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-904.2	-1144.0	-1142.1	-1247.1	-1430.4	-1473.5	-1485.6	-1470.8	-10.5	-261.0	-547.9	-551.6	-475.4	-783.0	-677.4	-772.0

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

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

3) Cumulation starting January and ending December each year.

4) According to country of dispatch.

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

6) According to ECB monetary standards.

7) Deflated with annual PPI.

P O L A N D: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

	2007								2008								
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
PRODUCTION																	
Industry ¹⁾	real, CMPY	8.1	5.6	10.4	8.9	5.4	10.8	8.4	6.4	10.6	15.0	1.0	15.1	2.4	7.3	5.9	-3.7
Industry ¹⁾	real, CCPY	12.0	10.8	10.8	10.5	9.9	10.0	9.8	9.6	10.6	12.8	8.5	10.2	8.6	8.4	8.0	6.5
Industry ¹⁾	real, 3MMA	8.6	8.0	8.3	8.1	8.4	8.3	8.6	8.5	10.6	8.5	10.0	6.0	8.2	5.2	3.2	.
Construction ¹⁾	real, CMPY	16.4	3.7	18.5	14.4	0.2	4.3	10.9	13.0	6.7	20.6	16.2	23.0	16.6	20.8	16.9	5.9
LABOUR																	
Employees ¹⁾	th. persons	5116	5144	5160	5182	5192	5220	5233	5241	5348	5371	5384	5389	5390	5391	5400	5399
Employees in industry ¹⁾	th. persons	2556	2565	2571	2582	2584	2594	2597	2595	2625	2634	2638	2639	2636	2631	2638	2624
Unemployment, end of period	th. persons	1985.1	1895.1	1856.1	1821.9	1777.8	1720.9	1719.4	1746.6	1813.4	1778.5	1702.2	1605.7	1525.6	1455.3	1422.9	1404.4
Unemployment rate ²⁾	%	12.9	12.3	12.1	11.9	11.6	11.3	11.2	11.4	11.7	11.5	11.1	10.5	10.0	9.6	9.4	9.3
Labour productivity, industry ¹⁾	CCPY	8.3	7.2	7.1	6.8	6.2	6.3	6.1	5.9	6.6	8.8	4.8	6.4	5.0	4.9	4.7	3.4
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	0.0	2.3	2.9	3.4	4.4	4.8	5.5	5.7	10.7	10.4	14.6	13.9	15.6	16.3	17.4	19.2
WAGES, SALARIES																	
Total economy, gross ¹⁾	PLN	2777	2870	2894	2886	2859	2952	3092	3246	2970	3033	3144	3138	3069	3215	3229	3165
Total economy, gross ¹⁾	real, CMPY	6.8	6.9	7.1	9.0	7.3	8.2	8.6	3.5	7.3	8.4	6.0	8.5	6.0	7.4	6.7	4.9
Total economy, gross ¹⁾	USD	992	1010	1052	1031	1048	1133	1241	1311	1210	1248	1378	1436	1401	1482	1562	1444
Total economy, gross ¹⁾	EUR	734	754	768	757	754	797	846	901	823	847	889	911	901	952	990	963
Industry, gross ¹⁾	EUR	734	770	773	761	756	783	871	910	823	858	892	909	896	966	993	958
PRICES																	
Consumer	PM	0.5	0.0	-0.3	-0.4	0.8	0.6	0.7	0.3	0.7	0.4	0.4	0.4	0.8	0.2	0.0	-0.1
Consumer	CMPY	2.3	2.6	2.3	1.5	2.3	3.0	3.6	4.0	4.0	4.2	4.1	4.0	4.4	4.6	4.8	4.8
Consumer	CCPY	2.1	2.2	2.2	2.2	2.2	2.2	2.3	2.5	4.0	4.1	4.3	4.3	4.3	4.4	4.5	4.6
Producer, in industry	PM	0.4	0.5	0.3	0.3	0.0	-0.3	-0.1	-0.7	1.2	0.6	0.2	-0.1	0.8	0.4	-0.1	0.2
Producer, in industry	CMPY	2.1	1.7	1.4	1.8	1.8	2.0	2.5	2.3	2.9	3.2	2.9	2.3	2.7	2.6	2.1	2.0
Producer, in industry	CCPY	2.7	2.5	2.4	2.3	2.2	2.2	2.2	2.2	2.9	3.1	3.0	2.8	2.8	2.8	2.7	2.6
RETAIL TRADE																	
Turnover ¹⁾	real, CMPY	13.4	14.3	15.0	16.1	12.2	16.3	15.1	8.1	16.1	19.2	11.7	14.0	11.2	10.1	10.1	3.9
Turnover ¹⁾	real, CCPY	16.0	15.6	15.1	15.2	14.6	14.4	14.6	14.0	16.1	17.3	16.0	14.8	14.0	13.3	13.4	11.7
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	40595	49040	57392	65707	74596	84782	94352	102164	9182	18975	28500	39158	48528	58524	68339	.
Imports total (cif), cumulated	EUR mn	47316	57416	67664	77023	87470	99252	110674	120736	10652	21964	33582	46049	57426	69386	81281	.
Trade balance, cumulated	EUR mn	-6721	-8376	-10271	-11316	-12874	-14470	-16322	-18573	-1470	-2989	-5082	-6891	-8899	-10862	-12942	.
Exports to EU-27 (fob), cumulated	EUR mn	32461	39149	45716	52153	59197	67219	74749	80592	7417	15061	22624	30877	38104	45854	53209	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	30949	37546	44263	50180	56730	64157	71476	77486	6661	13843	21086	29081	36314	43648	50902	.
Trade balance with EU-27, cumulated	EUR mn	1513	1603	1454	1973	2467	3062	3273	3106	756	1217	1538	1796	1791	2206	2307	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-4407	-5913	-7165	-7741	-8287	-9470	-9537	-11598	-962	-2309	-4047	-5502	-7175	-9467	-10689	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	2.800	2.840	2.750	2.798	2.729	2.604	2.491	2.475	2.454	2.431	2.282	2.185	2.190	2.169	2.067	2.193
PLN/EUR, monthly average	nominal	3.782	3.808	3.769	3.810	3.790	3.705	3.656	3.604	3.608	3.582	3.537	3.444	3.407	3.376	3.260	3.288
USD/PLN, calculated with CPI ⁶⁾	real, Jan03=100	131.8	129.7	133.5	131.0	135.0	142.0	148.4	150.0	151.6	153.3	162.5	169.4	169.0	169.3	175.8	164.0
USD/PLN, calculated with PPI ⁶⁾	real, Jan03=100	121.8	120.5	123.8	123.9	126.3	131.0	133.5	133.7	134.7	135.9	140.7	144.7	141.1	139.6	142.7	131.6
EUR/PLN, calculated with CPI ⁶⁾	real, Jan03=100	107.3	106.4	107.5	105.8	106.8	109.4	111.0	112.5	113.4	114.2	115.2	118.2	119.7	120.6	125.0	123.8
EUR/PLN, calculated with PPI ⁶⁾	real, Jan03=100	108.5	107.9	108.9	108.2	108.2	109.5	109.7	110.3	110.4	111.1	111.9	113.7	114.2	114.3	117.0	115.1
DOMESTIC FINANCE																	
Currency in circulation, end of period	PLN bn	71.5	73.4	73.7	75.1	75.8	75.6	75.5	77.2	75.5	76.1	77.8	80.0	80.7	81.9	82.7	83.6
M1, end of period ⁷⁾	PLN bn	293.1	295.9	303.2	301.1	309.7	302.7	313.4	335.3	330.4	328.7	338.0	327.1	343.8	353.7	352.9	353.0
Broad money, end of period ⁷⁾	PLN bn	521.2	521.4	527.7	538.0	537.3	541.9	549.0	561.7	568.6	578.0	581.8	594.3	600.1	606.6	616.1	628.6
Broad money, end of period	CMPY	16.0	14.7	15.6	16.1	14.4	13.8	13.6	13.4	12.9	13.5	13.6	15.0	15.1	16.3	16.8	16.8
Discount rate (p.a.),end of period	%	4.5	4.8	4.8	5.0	5.0	5.0	5.3	5.3	5.3	5.8	6.0	6.0	6.0	6.3	6.3	6.3
Discount rate (p.a.),end of period ⁸⁾	real, %	2.4	3.0	3.3	3.1	3.1	2.9	2.7	2.9	2.3	2.5	3.0	3.6	3.2	3.6	4.1	4.2
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-4297	-3647	541	304	179	-4404	-6025	-16922	4407	-137	1803	554	-1877	-3381	-2745	-325

1) Enterprises employing more than 9 persons.

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

5) According to country of origin.

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

7) Revised according to ECB monetary standards.

8) Deflated with annual PPI.

ROMANIA: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

		2007								2008							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	6.8	4.6	7.1	5.0	3.2	5.8	4.5	2.6	6.0	7.6	2.9	13.4	2.8	4.0	5.1	.
Industry, total ¹⁾	real, CCPY	6.4	6.1	6.3	6.1	5.8	5.8	5.6	5.4	6.0	6.8	5.4	7.3	6.3	5.9	5.7	.
Industry, total ¹⁾	real, 3MMA	4.7	6.2	5.6	5.1	4.7	4.5	4.4	4.4	5.4	5.4	7.7	6.0	6.3	3.8	.	.
Construction, total	real, CCPY	31.8	31.4	31.7	32.8	33.5	34.2	33.6	33.6	29.7	31.6	32.0	32.3	32.7	32.9	32.3	.
LABOUR																	
Employees total ¹⁾	th. persons	4733.8	4742.8	4749.2	4746.1	4743.7	4741.3	4734.4	4717.2	4765.2	4775.5	4803.6	4820.0	4829.2	4827.4	4833.2	.
Employees in industry ¹⁾	th. persons	1603.1	1595.7	1589.7	1583.4	1574.5	1567.8	1559.9	1547.2	1560.8	1554.1	1558.4	1552.9	1547.0	1539.4	1530.9	.
Unemployment, end of period	th. persons	369.8	354.7	343.2	350.4	345.0	367.4	372.0	367.8	384.0	379.8	374.0	352.5	338.3	337.1	340.5	.
Unemployment rate ²⁾	%	4.1	4.0	3.8	3.9	3.9	4.1	4.2	4.1	4.3	4.3	4.2	3.9	3.8	3.8	3.8	.
Labour productivity, industry ¹⁾	CCPY	11.3	10.8	10.9	10.7	10.3	10.4	10.2	9.9	8.8	9.9	8.7	10.9	9.9	9.5	9.4	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	15.1	16.2	17.4	17.9	17.8	17.8	17.3	16.8	3.0	1.6	0.0	-0.4	0.5	0.8	0.8	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	RON	1361.0	1377.0	1402.0	1395.0	1411.0	1471.0	1522.0	1730.0	1637.0	1543.0	1623.0	1751.0	1704.0	1738.0	1769.0	.
Total economy, gross ¹⁾	real, CMPY	18.2	19.3	20.2	18.5	15.9	19.2	17.6	9.6	23.9	13.1	9.5	16.2	15.4	16.2	15.7	.
Total economy, gross ¹⁾	USD	560	573	614	589	586	624	643	713	652	623	677	758	725	739	780	.
Total economy, gross ¹⁾	EUR	414	427	447	433	422	439	439	490	443	422	436	481	466	475	494	.
Industry, gross ¹⁾	EUR	388	397	425	416	397	410	399	440	374	381	394	449	428	436	464	.
PRICES																	
Consumer	PM	0.6	0.1	0.3	0.9	1.1	1.0	0.9	0.6	0.9	0.7	0.7	0.5	0.5	0.3	0.7	-0.1
Consumer	CMPY	3.8	3.8	4.0	5.0	6.0	6.8	6.7	6.6	7.3	8.0	8.6	8.6	8.5	8.6	9.0	8.0
Consumer	CCPY	3.8	3.8	3.8	4.0	4.2	4.5	4.7	4.8	7.3	7.6	8.0	8.1	8.2	8.3	8.4	8.3
Producer, in industry	PM	0.5	-0.1	0.2	1.2	1.2	1.6	1.9	1.6	2.3	1.4	1.7	1.1	1.7	2.1	1.0	.
Producer, in industry	CMPY	7.6	6.4	5.7	5.6	7.0	8.2	9.2	10.5	13.0	14.7	15.6	15.5	16.8	19.4	20.3	.
Producer, in industry	CCPY	8.9	8.5	8.0	7.7	7.6	7.7	7.8	8.1	13.0	13.9	14.4	14.7	15.1	15.8	16.5	.
RETAIL TRADE																	
Turnover	real, CMPY	11.8	15.5	23.8	33.2	31.9	17.1	19.2	20.1	13.2	24.4	10.5	22.0	8.3	19.3	.	.
Turnover	real, CCPY	7.6	8.9	11.1	14.2	16.2	16.3	16.5	17.0	13.2	18.8	15.6	17.4	15.4	16.1	.	.
FOREIGN TRADE³⁾																	
Exports total (fob), cumulated	EUR mn	11679	14183	16824	19065	21554	24375	27139	29402	2487	5313	8019	10742	13713	16747	19937	.
Imports total (cif), cumulated	EUR mn	19588	23884	28328	32378	36562	41592	46611	50993	3900	8237	12935	17762	22516	27563	32640	.
Trade balance, cumulated	EUR mn	-7909	-9701	-11504	-13313	-15009	-17216	-19471	-21591	-1413	-2924	-4916	-7020	-8803	-10816	-12703	.
Exports to EU-27 (fob), cumulated	EUR mn	8424	10271	12178	13717	15530	17574	19584	21139	1787	3788	5660	7541	9583	11663	13911	.
Imports from EU-27 (cif), cumulated	EUR mn	14007	17120	20286	23050	26020	29665	33247	36261	2685	5815	9073	12492	15679	19147	22537	.
Trade balance with EU-27, cumulated	EUR mn	-5583	-6849	-8108	-9333	-10490	-12091	-13663	-15122	-898	-2027	-3414	-4951	-6097	-7484	-8626	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-6149	-7357	-8469	-9889	-11192	-12974	-14976	-16950	-1164	-2170	-3415	-4917	-6396	-7981	-9401	.
EXCHANGE RATE																	
RON/USD, monthly average	nominal	2.431	2.405	2.285	2.367	2.409	2.357	2.365	2.425	2.512	2.477	2.397	2.310	2.352	2.351	2.269	2.357
RON/EUR, monthly average	nominal	3.285	3.226	3.134	3.224	3.347	3.352	3.471	3.529	3.693	3.653	3.722	3.643	3.659	3.656	3.579	3.527
USD/RON, calculated with CPI ⁴⁾	real, Jan03=100	171.0	172.7	182.4	177.9	176.1	181.4	181.2	178.1	172.5	175.8	181.3	187.9	184.0	182.8	188.8	179.8
USD/RON, calculated with PPI ⁴⁾	real, Jan03=100	182.3	183.8	192.3	190.6	188.4	194.2	192.3	191.0	186.3	190.3	193.9	200.5	194.2	193.6	197.6	.
EUR/RON, calculated with CPI ⁴⁾	real, Jan03=100	139.6	142.2	147.2	144.2	139.8	140.2	136.0	134.1	129.5	131.3	128.7	131.6	130.8	130.8	134.6	136.5
EUR/RON, calculated with PPI ⁴⁾	real, Jan03=100	162.9	165.1	169.6	167.0	161.8	162.9	158.6	158.2	153.2	156.0	154.6	158.0	157.6	159.1	162.5	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁵⁾	RON mn	15906	17305	18016	18358	18907	18434	19700	21317	20732	21154	21559	22269	22852	23598	23747	23996
M1, end of period ⁵⁾	RON mn	56715	59728	63371	65127	66667	68156	72824	79789	79155	81654	82629	83775	85850	90934	90166	90980
Broad money, end of period ⁵⁾	RON mn	112827	116276	120041	124458	126679	128873	136171	147990	147531	149762	151859	157088	157605	161495	161298	162351
Broad money, end of period	CMPY	23.0	22.4	25.5	27.0	28.2	28.8	34.6	33.5	38.4	36.6	34.8	38.9	39.7	38.9	34.4	30.4
Discount rate (p.a.), end of period ⁷⁾	%	7.5	7.3	7.3	6.1	6.5	6.9	7.0	7.5	7.5	8.0	9.0	9.0	9.5	9.8	9.8	10.0
Discount rate (p.a.), end of period ^{7a)}	real, %	-0.1	0.8	1.5	0.5	-0.5	-1.2	-2.0	-2.7	-4.9	-5.8	-5.7	-5.6	-6.3	-8.1	-8.8	.
BUDGET																	
Central gov. budget balance, cum.	RON mn	-3288	-4336	-3558	-4301	-5263	-6393	-11000	-15389	-222	-2234	-4141	-2774	-5247	-7347	.	.

1) Enterprises with more than 3 employees.

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

3) Cumulation starting January and ending December each year.

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

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

6) According to ECB methodology.

7) Reference rate of RNB.

8) Deflated with annual PPI.

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

		2007								2008							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CPMY	16.6	10.0	18.3	5.0	12.8	14.0	13.3	5.2	8.8	13.9	-1.2	13.2	2.0	6.3	3.9	.
Industry, total	real, CCPY	15.6	14.6	15.1	13.8	13.7	13.7	13.7	13.0	8.8	11.3	6.8	8.4	7.0	6.9	6.5	.
Industry, total	real, 3MMA	14.0	14.8	11.0	11.9	10.8	13.4	11.1	9.2	9.4	6.8	8.2	4.4	7.0	4.0	.	.
Construction, total	real, CPMY	6.0	1.7	4.7	-1.6	5.3	0.1	-2.2	-1.2	13.8	13.0	7.6	17.9	9.2	6.5	9.1	.
LABOUR																	
Employment in industry	th. persons	584.6	587.4	583.8	585.3	585.9	586.2	589.4	584.1	595.9	600.7	606.9	601.6	599.5	599.7	598.1	.
Unemployment, end of period	th. persons	247.4	246.3	245.9	242.0	245.3	238.4	235.7	239.9	242.4	237.0	229.6	223.3	222.3	222.9	224.8	.
Unemployment rate ¹⁾	%	8.3	8.3	8.3	8.2	8.3	7.9	7.8	8.0	8.1	7.8	7.6	7.4	7.4	7.4	7.5	.
Labour productivity, industry	CCPY	10.9	10.2	11.0	10.0	10.1	10.4	10.4	9.9	6.0	8.4	4.1	5.5	4.2	4.2	3.8	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	7.2	7.4	7.3	8.2	7.9	7.4	7.0	6.7	5.4	4.1	8.4	6.9	8.6	10.1	11.1	.
WAGES, SALARIES																	
Industry, gross	SKK	20838	20649	20508	20159	19901	21270	24706	22620	20838	20539	21298	21235	22375	22682	22264	.
Industry, gross	real, CPMY	5.1	1.7	4.6	3.8	2.3	2.1	3.0	1.2	3.9	5.3	3.6	4.5	2.7	5.0	3.6	.
Industry, gross	USD	835	814	844	818	816	899	1091	989	914	913	1015	1033	1105	1162	1159	.
Industry, gross	EUR	618	607	615	600	588	632	743	678	621	620	655	656	710	748	734	.
PRICES																	
Consumer	PM	0.0	0.3	0.0	0.1	0.2	0.6	0.5	0.3	1.3	0.4	0.3	0.2	0.3	0.4	0.1	0.2
Consumer	CPY	2.3	2.5	2.3	2.3	2.8	3.3	3.1	3.4	3.8	4.0	4.2	4.3	4.6	4.6	4.8	5.0
Consumer	CCPY	2.7	2.6	2.6	2.6	2.6	2.7	2.7	2.8	3.8	3.9	4.0	4.1	4.2	4.2	4.3	4.4
Producer, in industry	PM	-0.1	0.3	0.5	-0.2	0.5	0.3	0.6	0.0	1.0	2.4	0.2	0.2	0.5	0.2	0.5	.
Producer, in industry	CPY	1.3	1.3	1.3	0.5	1.6	1.8	2.0	2.8	4.4	5.1	5.3	5.8	6.4	6.3	6.3	.
Producer, in industry	CCPY	2.7	2.5	2.3	2.1	2.0	2.0	2.0	2.1	4.4	4.7	4.9	5.1	5.4	5.5	5.7	.
RETAIL TRADE²⁾																	
Turnover	real, CPMY	9.7	7.5	5.9	5.1	1.9	4.8	4.7	7.7	15.6	16.6	10.5	7.2	6.7	3.1	6.9	.
Turnover	real, CCPY	5.5	5.8	5.8	5.7	5.3	5.3	5.2	5.5	15.6	16.1	14.2	12.5	11.3	10.0	9.5	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	16647	20097	23527	26750	30401	34639	38811	42065	3727	7705	11580	15735	19790	24072	28125	.
Imports total (fob), cumulated	EUR mn	16578	20162	23638	27032	30576	34792	39101	42699	3669	7641	11572	15924	19892	24198	28384	.
Trade balance, cumulated	EUR mn	69	-65	-111	-283	-175	-153	-290	-633	58	63	7	-189	-102	-126	-259	.
Exports to EU-27 (fob), cumulated	EUR mn	14545	17557	20528	23311	26468	30095	33718	36458	3222	6595	9909	13445	16971	20610	.	.
Imports from EU-27 (fob) ⁵⁾ , cumulated	EUR mn	11671	14215	16628	18894	21299	24182	27089	29411	2397	5085	7710	10645	13376	16304	.	.
Trade balance with EU-27, cumulated	EUR mn	2874	3342	3900	4417	5169	5913	6628	7047	825	1510	2198	2800	3595	4307	.	.
FOREIGN FINANCE																	
Current account, cumulated ³⁾	EUR mn	-386	-962	-1510	-1651	-1760	-2197	-2616	-2923	-33	93	-197	-675	-1009	-1477	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	25.0	25.4	24.3	24.6	24.4	23.7	22.6	22.9	22.8	22.5	21.0	20.5	20.3	19.5	19.2	20.2
SKK/EUR, monthly average	nominal	33.7	34.0	33.3	33.6	33.8	33.6	33.2	33.4	33.5	33.1	32.5	32.4	31.5	30.3	30.3	30.3
USD/SKK, calculated with CPI ⁶⁾	real, Jan03=100	164.9	162.4	169.4	167.6	169.3	175.0	182.6	181.4	183.5	186.4	198.7	202.0	203.9	210.4	211.8	199.9
USD/SKK, calculated with PPI ⁶⁾	real, Jan03=100	149.6	147.4	153.3	153.2	154.7	158.7	162.9	161.5	161.6	166.5	173.6	175.1	173.2	175.7	174.9	.
EUR/SKK, calculated with CPI ⁶⁾	real, Jan03=100	134.2	133.3	136.4	135.4	134.2	135.0	136.6	136.0	137.3	138.9	140.9	141.1	144.5	150.2	150.5	150.7
EUR/SKK, calculated with PPI ⁶⁾	real, Jan03=100	133.3	132.0	134.9	133.8	132.7	132.8	133.9	133.1	132.4	136.3	138.3	137.6	140.0	144.1	143.4	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁷⁾	SKK bn	132.4	134.6	134.3	135.6	137.7	137.6	138.6	141.7	140.3	138.3	136.8	136.2	134.7	132.1	129.5	.
M1, end of period ⁷⁾	SKK bn	558.7	564.3	568.5	568.6	572.7	558.8	583.2	622.6	589.8	594.8	590.5	575.2	591.7	595.5	580.7	.
Broad money, end of period ⁷⁾	SKK bn	1009.3	1026.6	1008.5	1029.3	1039.4	1039.6	1041.0	1082.7	1082.3	1093.1	1084.6	1090.8	1108.1	1094.6	1104.9	.
Broad money, end of period	CMY	18.6	19.2	15.7	15.3	16.2	14.0	12.3	13.0	12.6	12.2	10.6	10.2	9.8	6.6	9.6	.
Discount rate (p.a.), end of period ⁸⁾	%	4.3	4.3	4.3	4.3	4.3	4.3	4.3	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 ^{8,9)}	real, %	2.9	3.0	2.9	3.7	2.6	2.4	2.2	1.4	-0.1	-0.8	-1.0	-1.5	-2.0	-1.9	-1.9	.
BUDGET																	
Central gov. budget balance, cum.	SKK mn	-13050	-10999	3857	402	-614	6888	5449	-23528	13033	1555	3426	7759	-3097	-4115	-614	.

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) According to country of origin.

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

7) According to ECB methodology.

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

9) Deflated with annual PPI.

SLOVENIA: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

		2007								2008							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	3.2	5.4	8.7	8.0	1.5	10.0	1.6	-0.7	0.3	7.8	-3.0	8.9	-1.0	2.4	-2.7	.
Industry, total	real, CCPY	8.1	7.6	7.8	7.8	7.0	7.4	6.8	6.2	0.3	4.0	1.5	3.3	2.4	2.4	1.7	.
Industry, total	real, 3MMA	6.9	5.8	7.4	5.9	6.4	4.3	3.8	0.5	2.5	1.5	4.3	1.5	3.3	-0.4	.	.
Construction, total ¹⁾	real, CMPY	48.6	17.4	20.0	31.6	4.1	10.0	7.4	-11.8	38.7	41.3	21.2	23.1	13.6	14.0	18.0	.
LABOUR																	
Employment total	th. persons	852.9	856.2	854.4	854.6	859.4	864.5	867.4	864.4	867.3	870.9	874.2	876.6	879.6	882.0	879.9	.
Employees in industry	th. persons	237.8	237.9	237.4	236.8	237.1	238.2	238.4	237.1	237.1	237.6	237.8	237.7	237.6	237.6	.	.
Unemployment, end of period	th. persons	70.7	69.3	70.1	68.5	66.7	69.5	68.4	68.4	69.2	67.0	64.3	62.4	61.2	60.7	61.5	.
Unemployment rate ²⁾	%	7.7	7.5	7.6	7.4	7.2	7.4	7.3	7.3	7.4	7.1	6.9	6.6	6.5	6.4	6.5	.
Labour productivity, industry	CCPY	7.3	6.8	6.9	6.9	6.2	6.5	5.9	5.4	0.0	3.7	1.2	3.1	2.3	2.3	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-1.4	-1.1	-1.0	-0.9	-0.2	-0.3	0.5	1.2	6.2	4.3	7.0	5.7	6.5	6.5	.	.
WAGES, SALARIES																	
Total economy, gross	EUR	1264	1254	1263	1279	1259	1304	1492	1343	1326	1326	1353	1354	1360	1365	1372	.
Total economy, gross	real, CMPY	2.8	1.5	3.0	2.1	1.4	1.4	1.3	0.8	-0.3	2.6	1.1	2.8	1.2	1.7	1.7	.
Total economy, gross	USD	1707	1683	1732	1743	1750	1855	2190	1957	1952	1955	2101	2133	2116	2124	2164	.
Industry, gross	EUR	1123	1125	1118	1161	1124	1184	1406	1207	1211	1181	1221	1219	1219	1231	.	.
PRICES																	
Consumer	PM	1.2	0.4	0.0	0.3	0.4	0.7	0.9	0.4	0.1	0.0	1.3	0.8	1.1	0.9	0.0	-0.6
Consumer	CMPY	2.9	3.6	3.8	3.5	3.5	5.1	5.7	5.6	6.4	6.5	6.9	6.5	6.4	7.0	6.9	6.0
Consumer	CCPY	2.5	2.7	2.9	2.9	3.0	3.2	3.4	3.6	6.4	6.4	6.6	6.6	6.5	6.6	6.7	6.6
Producer, in industry	PM	0.3	0.3	0.1	4.0	1.1	0.6	0.4	0.1	0.8	1.3	0.5	0.7	0.4	0.5	0.4	.
Producer, in industry	CMPY	5.1	5.2	5.2	5.3	5.8	6.3	6.8	6.3	6.5	5.6	5.7	6.1	6.3	6.5	6.9	.
Producer, in industry	CCPY	4.7	4.8	4.9	4.9	5.0	5.1	5.3	5.4	6.5	6.0	5.9	6.0	6.0	6.1	6.2	.
RETAIL TRADE																	
Turnover	real, CMPY	9.5	6.5	10.6	12.8	13.4	16.8	11.7	7.1	18.3	23.9	7.3	17.6	12.1	10.6	.	.
Turnover	real, CCPY	7.3	7.2	7.7	8.3	8.9	9.8	9.9	9.7	18.3	21.1	15.8	16.3	15.4	14.5	.	.
FOREIGN TRADE³⁾⁴⁾																	
Exports total (fob), cumulated	EUR mn	7958	9637	11340	12779	14453	16270	18015	19406	1594	3284	5020	6862	8545	10293	12061	.
Imports total (cif), cumulated	EUR mn	8649	10443	12271	13864	15772	17814	19792	21508	1824	3691	5638	7673	9680	11660	13706	.
Trade balance total, cumulated	EUR mn	-690	-806	-931	-1084	-1319	-1544	-1777	-2102	-230	-407	-618	-811	-1134	-1366	-1645	.
Exports to EU-27 (fob), cumulated	EUR mn	5709	6886	8091	9078	10239	11523	12767	13707	1191	2382	3586	4858	6038	7255	8450	.
Imports from EU-27 (cif) ⁵⁾ , cumulated	EUR mn	6831	8212	9678	10925	12368	14004	15613	16976	1409	2899	4432	6046	7630	9167	10733	.
Trade balance with EU-27, cumulated	EUR mn	-1122	-1325	-1587	-1847	-2129	-2481	-2846	-3269	-219	-518	-847	-1189	-1592	-1912	-2283	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-493	-491	-584	-638	-848	-1055	-1300	-1641	-232	-411	-546	-620	-845	-995	.	.
EXCHANGE RATE⁶⁾																	
EUR/USD, monthly average ⁷⁾	nominal	0.7401	0.7452	0.7291	0.7341	0.7196	0.7029	0.6810	0.6863	0.6794	0.6781	0.6440	0.6349	0.6428	0.6425	0.6341	0.6678
EUR/EUR, monthly average	nominal	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
USD/EUR, calculated with CPP ⁸⁾	real, Jan03=100	123.4	122.8	125.5	125.2	127.9	131.6	136.1	135.7	136.5	136.5	144.3	146.7	145.3	145.2	145.7	136.2
USD/EUR, calculated with PPP ⁸⁾	real, Jan03=100	110.8	110.1	111.8	117.2	120.2	122.9	124.3	123.7	124.3	125.3	128.6	129.6	124.6	122.2	121.3	.
EUR/EUR, calculated with CPP ⁸⁾	real, Jan03=100	100.4	100.7	100.9	101.1	101.2	101.3	101.7	101.7	102.1	101.6	102.1	102.5	103.0	103.5	103.5	102.9
EUR/EUR, calculated with PPP ⁸⁾	real, Jan03=100	98.7	98.5	98.3	102.4	102.9	102.7	102.0	102.0	101.8	102.4	102.2	101.9	100.8	100.0	99.4	.
DOMESTIC FINANCE																	
Currency in circulation, end of period ⁹⁾	EUR mn	2536	2575	2597	2584	2599	2587	2625	2698	2580	2601	2627	2648	2681	2687	2734	.
M1, end of period ⁹⁾	EUR mn	7146	7287	7355	7240	7257	7028	6871	7149	7168	6862	7071	6944	7120	7335	7016	.
Broad money, end of period ⁹⁾	EUR mn	15764	16073	16447	16552	16598	16686	15900	16595	16557	16426	16456	16500	16385	16583	16691	.
Broad money, end of period	CMPY	4.0	5.3	7.5	8.5	6.9	8.1	2.5	5.0	7.4	7.5	6.5	7.0	3.9	3.2	1.5	.
Refinancing rate (p.a.), end of period ¹⁰⁾	%	3.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.25
Refinancing rate (p.a.), end of period ¹¹⁾	real, %	-1.3	-1.1	-1.1	-1.2	-1.7	-2.2	-2.6	-2.2	-2.3	-1.5	-1.6	-2.0	-2.2	-2.3	-2.5	.
BUDGET																	
General gov. budget balance, cum.	EUR mn	23.3	-76.6	11.4	143.8	112.6	295.8	369.3	90.6	109.9	69.6	-12.8	221.0	114.3	196.3	.	.

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) Slovenia has introduced the Euro from 1 January 2007.

7) From January 2007 reference rate from ECB.

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

9) According to ECB methodology.

10) From January 2007 ECB interest rate.

11) Deflated with annual CPI.

C R O A T I A: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

		2007								2008							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	7.7	4.4	8.5	2.8	2.0	5.4	2.5	1.5	6.7	8.2	0.1	6.9	-2.1	7.2	1.9	-4.5
Industry, total ¹⁾	real, CCPY	8.2	7.5	7.7	7.0	6.4	6.3	6.0	5.6	6.7	7.5	4.8	5.3	3.7	4.3	3.9	2.9
Industry, total ¹⁾	real, 3MMA	7.1	6.9	5.3	4.5	3.4	3.3	3.1	3.4	5.3	4.8	4.9	1.5	3.8	2.2	1.5	.
Construction, total, effect. work. time ¹⁾	real, CMPY	1.2	-3.8	3.5	2.7	-1.0	4.1	0.0	2.1	10.6	15.0	5.8	21.4	6.5	14.8	.	.
LABOUR																	
Employment total	th. persons	1519.2	1534.0	1546.5	1546.6	1538.8	1530.5	1526.1	1515.6	1506.1	1504.1	1511.4	1521.1	1535.4	1549.2	1558.7	.
Employees in industry	th. persons	295.8	294.0	293.9	294.1	294.3	294.6	294.7	291.8	290.6	290.6	291.0	290.8	291.2	291.0	290.7	.
Unemployment, end of period	th. persons	263.4	249.5	245.8	242.9	246.2	250.1	253.2	254.5	261.1	260.1	255.5	245.2	232.8	222.3	219.7	219.3
Unemployment rate ²⁾	%	15.1	14.3	14.0	13.8	14.1	14.3	14.5	14.7	14.8	14.7	14.5	13.9	13.2	12.5	12.4	12.3
Labour productivity, industry ¹⁾	CCPY	7.8	7.1	7.2	6.5	5.9	5.9	5.5	5.2	7.3	8.2	5.6	6.3	4.8	5.4	5.2	.
Unit labour costs, exch. r. adj. (EUR) ¹⁾	CCPY	-2.2	-2.0	-1.8	-1.2	-0.6	-0.1	-0.1	0.1	0.6	2.6	2.9	2.6	4.2	3.1	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	7102	7065	7067	7089	6890	7096	7521	7255	7357	7340	7404	7395	7625	7478	.	.
Total economy, gross	real, CMPY	2.5	3.7	5.7	3.6	1.6	3.2	1.3	-0.1	1.1	2.9	0.5	1.4	0.9	-1.6	.	.
Total economy, gross	USD	1310	1292	1328	1321	1306	1378	1503	1444	1475	1488	1579	1605	1635	1603	.	.
Total economy, gross	EUR	969	964	969	970	942	969	1025	992	1004	1010	1019	1018	1051	1032	.	.
Industry, gross	EUR	896	897	896	902	874	914	958	901	933	948	930	942	980	954	.	.
PRICES																	
Consumer	PM	0.5	-0.4	-0.6	0.6	1.2	0.3	1.0	1.2	0.7	-0.1	0.6	0.7	1.1	0.7	0.1	-0.3
Consumer	CMPY	2.2	1.9	2.1	2.6	3.9	4.3	4.6	5.8	6.2	5.8	5.7	5.7	6.4	7.6	8.4	7.4
Consumer	CCPY	1.9	1.9	1.9	2.0	2.2	2.4	2.6	2.9	6.2	6.0	5.9	5.9	6.0	6.2	6.5	6.7
Producer, in industry	PM	0.4	0.4	0.2	0.8	0.6	0.4	0.6	0.4	2.3	0.3	0.8	0.4	1.3	1.3	2.4	-0.1
Producer, in industry	CMPY	2.3	2.9	3.0	3.6	4.5	4.9	5.4	5.8	7.4	7.5	7.6	7.7	8.7	9.6	12.0	11.0
Producer, in industry	CCPY	2.1	2.3	2.3	2.5	2.7	3.0	3.2	3.4	7.4	7.5	7.6	7.5	7.8	8.1	8.6	9.0
RETAIL TRADE																	
Turnover	real, CMPY	6.2	4.1	6.0	10.7	-1.1	4.6	3.0	-0.2	2.2	7.1	-0.3	0.5	2.4	1.0	-0.1	.
Turnover	real, CCPY	7.3	6.8	6.6	7.1	6.2	6.1	5.8	5.3	2.2	4.7	2.8	2.2	2.2	2.1	1.7	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	3505	4275	5156	5825	6575	7483	8268	9002	701	1463	2177	2980	3821	4616	5602	.
Imports total (cif), cumulated	EUR mn	7604	9159	10873	12352	13862	15688	17335	18833	1522	3159	4859	6816	8615	10512	12435	.
Trade balance, cumulated	EUR mn	-4099	-4884	-5717	-6527	-7287	-8205	-9067	-9830	-821	-1696	-2683	-3836	-4794	-5896	-6833	.
Exports to EU-27 (fob), cumulated	EUR mn	2163	2618	3141	3518	3989	4557	5035	5428	434	889	1360	1833	2319	2852	3425	.
Imports from EU-27 (cif), cumulated	EUR mn	4987	6017	7195	8110	9090	10208	11247	12198	882	1904	3056	4381	5529	6760	7990	.
Trade balance with EU-27, cumulated	EUR mn	-2824	-3399	-4054	-4592	-5101	-5652	-6212	-6771	-448	-1014	-1696	-2548	-3210	-3909	-4565	.
FOREIGN FINANCE																	
Current account, cumulated ⁵⁾	EUR mn	.	-3398	.	.	-1314	.	.	-3226	.	.	-2488	.	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	5.423	5.468	5.322	5.367	5.275	5.149	5.005	5.023	4.987	4.933	4.689	4.606	4.664	4.665	4.580	4.797
HRK/EUR, monthly average	nominal	7.330	7.329	7.292	7.312	7.313	7.321	7.340	7.315	7.327	7.267	7.267	7.266	7.255	7.247	7.230	7.196
USD/HRK, calculated with CPI ⁶⁾	real, Jan03=100	128.4	126.6	129.3	129.2	132.6	136.0	140.4	141.7	143.0	144.1	151.1	154.0	152.6	152.1	153.5	144.7
USD/HRK, calculated with PPI ⁶⁾	real, Jan03=100	114.8	114.1	116.5	118.2	120.3	122.8	124.1	124.4	126.5	127.3	131.0	132.0	128.1	126.6	128.8	119.9
EUR/HRK, calculated with CPI ⁶⁾	real, Jan03=100	104.3	103.8	104.0	104.2	105.0	104.7	104.9	106.1	106.9	107.2	107.0	107.3	108.0	108.4	108.9	109.0
EUR/HRK, calculated with PPI ⁶⁾	real, Jan03=100	102.0	102.0	102.4	103.1	103.1	102.6	101.9	102.4	103.6	104.0	104.2	103.5	103.5	103.7	105.3	104.7
DOMESTIC FINANCE																	
M0, end of period	HRK bn	14.9	16.1	16.8	16.5	15.6	15.5	15.9	16.0	15.3	15.2	15.3	15.8	16.2	16.9	17.6	.
M1, end of period	HRK bn	48.7	51.6	54.1	53.7	49.9	53.2	54.2	57.9	52.2	51.2	52.8	52.7	53.2	54.4	55.5	.
Broad money, end of period	HRK bn	189.6	194.4	201.3	207.4	197.7	204.4	207.6	215.5	208.4	209.6	211.6	212.9	212.9	216.0	221.2	.
Broad money, end of period	CMPY	19.9	19.2	18.2	19.0	11.9	13.2	15.6	18.1	13.9	14.7	14.4	13.8	12.3	11.1	9.9	.
Discount rate (p.a.), end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Discount rate (p.a.), end of period ⁷⁾	real, %	2.2	1.6	1.5	0.9	0.0	-0.4	-0.9	3.0	1.5	1.4	1.3	1.2	0.3	-0.5	-2.7	-1.8
BUDGET																	
Central gov. budget balance, cum. ⁸⁾	HRK mn	471	560	723	435	805	327	-900	-3500	1883	1377	816	2392	2151	1856	.	.

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.

R U S S I A: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

		2007								2008							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total ¹⁾	real, CMPLY	5.6	9.7	10.4	3.6	2.8	6.0	5.2	5.7	4.5	7.5	6.6	9.2	6.7	0.8	3.1	4.8
Industry, total ¹⁾	real, CCPY	6.7	7.2	7.7	7.1	6.6	6.6	6.4	6.4	4.5	6.0	6.2	6.9	6.9	5.8	5.4	5.4
Industry, total ¹⁾	real, 3MMA	7.1	8.6	7.8	5.5	4.1	4.7	5.6	5.2	5.9	6.2	7.7	7.5	5.5	3.5	2.9	.
Construction, total	real, CMPLY	23.4	20.8	19.4	14.5	13.6	14.1	12.9	25.8	30.3	30.0	27.0	21.8	17.2	16.2	12.1	6.4
LABOUR²⁾																	
Employment total	th. persons	70644	71008	71272	71636	71342	71048	70754	70400	69946	69492	70196	70900	71603	71935	71967	72100
Unemployment, quarterly average	th. persons	.	4538	.	.	4283	.	.	4366	.	.	5055	.	.	4221	.	.
Unemployment rate	%	.	6.0	.	.	5.7	.	.	5.8	.	.	6.7	.	.	5.6	.	.
WAGES, SALARIES																	
Total economy, gross	RUB	12787	13712	13546	13270	13677	13986	14656	18591	14771	15354	16172	16538	16643	17715	17758	17775
Total economy, gross	real, CMPLY	15.7	13.9	14.5	12.6	12.4	14.2	16.2	16.5	14.8	15.9	14.6	15.9	13.0	12.1	14.2	16.3
Total economy, gross	USD	495	529	530	518	540	562	599	757	603	626	681	703	702	749	761	736
Total economy, gross	EUR	366	394	387	380	389	395	408	520	410	425	440	446	451	481	482	490
Industry, gross ³⁾	EUR	348	366	378	382	375	389	389	454	392	397	414	421	424	440	459	.
PRICES																	
Consumer	PM	0.6	0.9	0.9	0.1	0.8	1.7	1.2	1.1	2.3	1.2	1.2	1.4	1.4	1.0	0.5	0.4
Consumer	CMPLY	7.8	8.4	8.7	8.6	9.4	10.8	11.5	11.9	12.6	12.7	13.3	14.3	15.2	15.2	14.8	15.2
Consumer	CCPY	7.7	7.8	8.0	8.0	8.2	8.5	8.7	9.0	12.6	12.6	12.9	13.2	13.6	13.9	14.0	14.2
Producer, in industry	PM	5.3	2.5	0.7	2.1	-0.6	-0.1	3.1	3.7	1.6	0.7	0.7	4.5	3.5	4.9	5.4	0.5
Producer, in industry	CMPLY	13.7	15.6	14.5	14.3	12.1	15.2	21.8	25.1	24.7	25.7	26.7	26.9	24.7	27.6	33.5	31.5
Producer, in industry	CCPY	9.9	10.9	11.4	11.8	11.9	12.2	13.1	14.1	24.7	25.2	25.7	26.0	25.7	26.1	27.2	27.8
RETAIL TRADE																	
Turnover ⁴⁾	real, CMPLY	15.9	16.2	16.2	17.4	16.8	15.9	16.4	17.7	16.3	18.0	15.8	14.3	14.7	14.1	14.8	14.0
Turnover ⁴⁾	real, CCPY	15.0	15.3	15.4	15.7	15.8	15.8	15.9	16.1	16.3	17.1	16.7	16.0	15.7	15.4	15.3	15.2
FOREIGN TRADE⁵⁾⁶⁾																	
Exports total, cumulated	EUR mn	96284	116261	137944	160633	180931	205384	230129	256758	23273	47040	72457	97978	125447	153684	183587	.
Imports total, cumulated	EUR mn	51332	63867	76591	89832	101825	116149	130238	145778	9379	22607	36627	51748	66318	81510	98572	.
Trade balance, cumulated	EUR mn	44952	52394	61353	70801	79107	89235	99891	110980	13894	24433	35830	46229	59130	72174	85015	.
FOREIGN FINANCE																	
Current account, cumulated ⁷⁾	EUR mn	.	27535	.	.	38674	.	.	55609	.	.	25193	.	.	45381	.	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	25.824	25.909	25.541	25.624	25.334	24.896	24.465	24.575	24.500	24.527	23.760	23.513	23.720	23.643	23.348	24.153
RUB/EUR, monthly average	nominal	34.910	34.775	35.030	34.898	35.159	35.393	35.911	35.783	36.006	36.123	36.791	37.063	36.913	36.804	36.842	36.256
USD/RUB, calculated with CPI ⁸⁾	real, Jan03=100	166.0	166.6	170.5	170.5	173.3	179.0	183.0	184.4	188.3	189.9	196.7	200.3	199.7	200.4	201.9	194.0
USD/RUB, calculated with PPP ⁹⁾	real, Jan03=100	193.6	197.4	200.1	206.7	206.6	208.6	213.5	220.8	222.2	221.9	223.7	233.0	231.9	238.1	247.9	235.0
EUR/RUB, calculated with CPI ⁸⁾	real, Jan03=100	135.3	136.8	137.4	137.9	137.5	138.2	137.2	138.6	141.2	141.8	139.8	140.1	141.7	143.0	143.7	146.6
EUR/RUB, calculated with PPP ⁹⁾	real, Jan03=100	172.7	176.9	176.2	180.9	177.4	174.8	175.7	182.5	182.5	181.9	178.6	183.4	187.9	195.2	203.5	205.7
DOMESTIC FINANCE																	
M0, end of period	RUB bn	2896.6	3027.5	3087.0	3170.6	3220.9	3259.1	3373.4	3702.2	3465.7	3487.6	3475.5	3601.4	3656.2	3724.9	3807.2	.
M1, end of period ⁹⁾	RUB bn	6721.4	6676.5	6679.6	6806.5	7088.4	6714.3	7285.8	7974.3	7616.6	7571.1	7716.1	7304.4	7530.8	7807.5	7680.8	.
M2, end of period ⁹⁾	RUB bn	11890.0	12029.3	12081.9	12352.6	12693.8	12695.0	13500.6	14628.0	14365.7	14650.3	14918.3	14851.5	15395.9	15926.6	15760.2	.
M2, end of period ⁹⁾	CMPLY	50.9	44.8	43.7	44.1	42.7	41.5	46.2	44.2	45.0	44.0	36.9	32.7	29.5	32.4	30.4	.
Refinancing rate (p.a.) ^{end of period}	%	10.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.3	10.3	10.5	10.5	10.8	11.0	11.0
Refinancing rate (p.a.) ^{end of period¹⁰⁾}	real, %	-2.8	-4.9	-3.9	-3.8	-1.9	-4.5	-9.7	-12.0	-11.8	-12.3	-13.0	-12.9	-11.4	-13.2	-16.9	-15.6
BUDGET																	
Central gov. budget balance, cum.	RUB bn	782.4	1076.0	1248.0	1455.5	1623.3	2106.2	1824.9	1796.1	300.6	464.0	600.0	1139.2	1311.7	1375.1	.	.

1) According to NACE C+D+E.

2) Based on labour force survey.

3) Manufacturing industry only (D according to NACE).

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

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

6) Cumulation starting January and ending December each year.

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

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

9) From January 2008 acc. to Monetary & Financial Statistics Manual (IMF, 2000).

10) Deflated with annual PPI.

U K R A I N E: Selected monthly data on the economic situation 2007 to 2008

(updated end of Sep 2008)

		2007								2008							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
PRODUCTION																	
Industry, total	real, CMPY	9.9	10.4	7.8	8.7	8.4	13.7	7.9	5.5	5.7	11.5	5.8	8.3	8.3	5.2	5.1	-0.5
Industry, total	real, CCPY	12.1	11.8	11.2	10.9	10.7	11.0	10.7	10.2	5.7	8.8	7.8	8.0	8.0	7.5	7.3	6.3
Industry, total	real, 3MMA	10.9	9.4	9.0	8.3	10.3	10.0	9.0	6.4	7.6	7.7	8.5	7.5	7.3	6.2	3.3	.
LABOUR																	
Employees ¹⁾	th. persons	11354	11385	11411	11401	11392	11410	11386	11317	11367	11416	11467	11459	11430	11441	11451	11428
Employees in industry ¹⁾	th. persons	3273	3273	3274	3272	3266	3275	3267	3247	3243	3248	3249	3231	3211	3206	3197	3185
Unemployment, end of period	th. persons	690.3	640.0	611.5	595.6	580.0	553.7	587.0	642.3	662.8	671.1	639.6	611.7	573.0	538.1	518.7	509.5
Unemployment rate ²⁾	%	2.4	2.3	2.2	2.1	2.1	2.0	2.1	2.3	2.4	2.4	2.3	2.2	2.0	1.9	1.8	1.8
Labour productivity, industry ¹⁾	CCPY	14.7	14.4	13.8	13.5	13.2	13.5	13.2	12.6	7.5	10.7	9.7	9.9	9.9	9.5	9.4	8.5
Unit labour costs, exch.r.adj.(EUR) ¹⁾	CCPY	3.1	3.6	4.3	4.8	4.8	4.3	4.2	4.6	9.4	8.3	6.9	6.0	6.2	7.3	8.3	10.1
WAGES, SALARIES¹⁾																	
Total economy, gross	UAH	1277	1368	1421	1398	1426	1475	1485	1675	1521	1633	1702	1735	1774	1883	1930	1872
Total economy, gross	real, CMPY	15.0	13.9	16.0	14.1	14.7	18.1	16.7	12.5	14.6	17.3	9.6	8.9	6.0	6.5	7.1	6.3
Total economy, gross	USD	253	271	281	277	282	292	294	332	301	323	337	344	356	388	399	386
Total economy, gross	EUR	187	202	205	203	204	205	201	228	205	220	218	218	229	250	253	257
Industry, gross	EUR	221	224	229	234	229	233	229	252	237	246	250	248	260	272	284	296
PRICES																	
Consumer	PM	0.6	2.2	1.4	0.6	2.2	2.9	2.2	2.1	2.9	2.7	3.8	3.1	1.3	0.8	-0.5	-0.1
Consumer	CMPY	10.6	13.0	13.5	14.2	14.4	14.8	15.2	16.6	19.4	21.9	26.2	30.2	31.1	29.3	26.8	26.0
Consumer	CCPY	10.3	10.8	11.2	11.6	11.9	12.2	12.5	12.8	19.4	20.6	22.5	24.4	25.8	26.4	26.4	26.4
Producer, in industry	PM	2.3	1.1	1.7	1.4	1.1	2.2	1.0	3.2	2.3	3.0	6.6	6.6	3.7	4.2	3.6	1.8
Producer, in industry	CMPY	20.1	20.6	21.2	20.4	19.7	19.7	20.0	23.2	23.2	25.6	31.7	37.5	39.4	43.7	46.4	47.0
Producer, in industry	CCPY	17.7	18.2	18.6	18.9	18.9	19.0	19.1	19.5	23.2	24.4	26.9	29.6	31.7	33.7	35.6	37.1
RETAIL TRADE																	
Turnover ³⁾	real, CCPY	26.1	26.1	28.3	28.4	28.3	28.6	29.1	29.3	28.1	29.7	28.0	30.0	30.9	28.9	26.6	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	14227	17386	20497	23559	26520	29580	32616	35931	2484	5667	9195	12750	16806	21257	26120	.
Imports total (cif), cumulated	EUR mn	17051	20541	24428	28007	31498	35659	39655	44264	2557	6425	10824	17610	22577	27688	33308	.
Trade balance, cumulated	EUR mn	-2824	-3155	-3932	-4449	-4978	-6079	-7039	-8333	-72	-758	-1629	-4860	-5771	-6431	-7188	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	EUR mn	.	-1490	.	.	-1837	.	.	-4320	.	.	-2418	.	.	-4382	.	.
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	4.986	4.852	4.843	4.845
UAH/EUR, monthly average	nominal	6.832	6.775	6.921	6.871	7.006	7.181	7.404	7.358	7.427	7.436	7.813	7.962	7.757	7.535	7.641	7.291
USD/UAH, calculated with CPI ⁷⁾	real, Jan03=100	138.5	141.3	143.3	144.4	147.2	151.1	153.4	156.7	160.5	164.5	169.2	173.4	176.5	181.0	178.7	176.7
USD/UAH, calculated with PPI ⁷⁾	real, Jan03=100	155.3	156.7	158.1	162.7	163.5	166.0	163.5	169.1	170.8	174.7	180.6	189.9	193.5	202.1	204.6	203.2
EUR/UAH, calculated with CPI ⁷⁾	real, Jan03=100	112.4	115.7	115.1	116.5	116.4	116.2	114.6	117.3	119.8	122.4	119.9	120.8	124.8	129.0	126.7	132.6
EUR/UAH, calculated with PPI ⁷⁾	real, Jan03=100	137.8	139.9	138.8	142.0	139.9	138.5	134.2	139.1	139.7	142.7	143.8	148.8	156.2	165.4	167.3	176.8
DOMESTIC FINANCE																	
M0, end of period	UAH bn	78.5	84.0	87.7	91.9	96.8	99.0	101.5	111.1	105.4	106.9	109.8	116.1	118.8	124.7	130.9	134.0
M1, end of period	UAH bn	132.5	140.7	148.6	153.1	164.5	164.8	168.6	181.7	173.4	174.5	183.7	188.6	189.0	201.1	207.8	212.6
Broad money, end of period	UAH bn	288.2	303.0	317.0	329.0	348.2	354.2	365.6	396.2	391.3	398.1	416.0	429.6	429.7	450.6	467.2	474.9
Broad money, end of period	CMPY	39.0	41.5	43.1	45.3	48.3	48.5	49.8	51.7	52.7	52.3	52.7	52.2	49.1	48.7	47.4	44.4
Refinancing rate (p.a.)end of period	%	8.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0	12.0	12.0	12.0	12.0	12.0
Refinancing rate (p.a.)end of period ⁸⁾	real, %	-9.7	-10.4	-10.9	-10.3	-9.7	-9.7	-10.0	-12.4	-10.7	-12.4	-16.5	-18.6	-19.7	-22.1	-23.5	-23.8
BUDGET																	
General gov.budget balance, cum.	UAH mn	8174	4990	4856	7974	5822	4223	5925	-7671	3974	5823	5670	5360	11843	6544	6643	.

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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