wiiw

Wiener Institut für Internationale Wirtschaftsvergleiche

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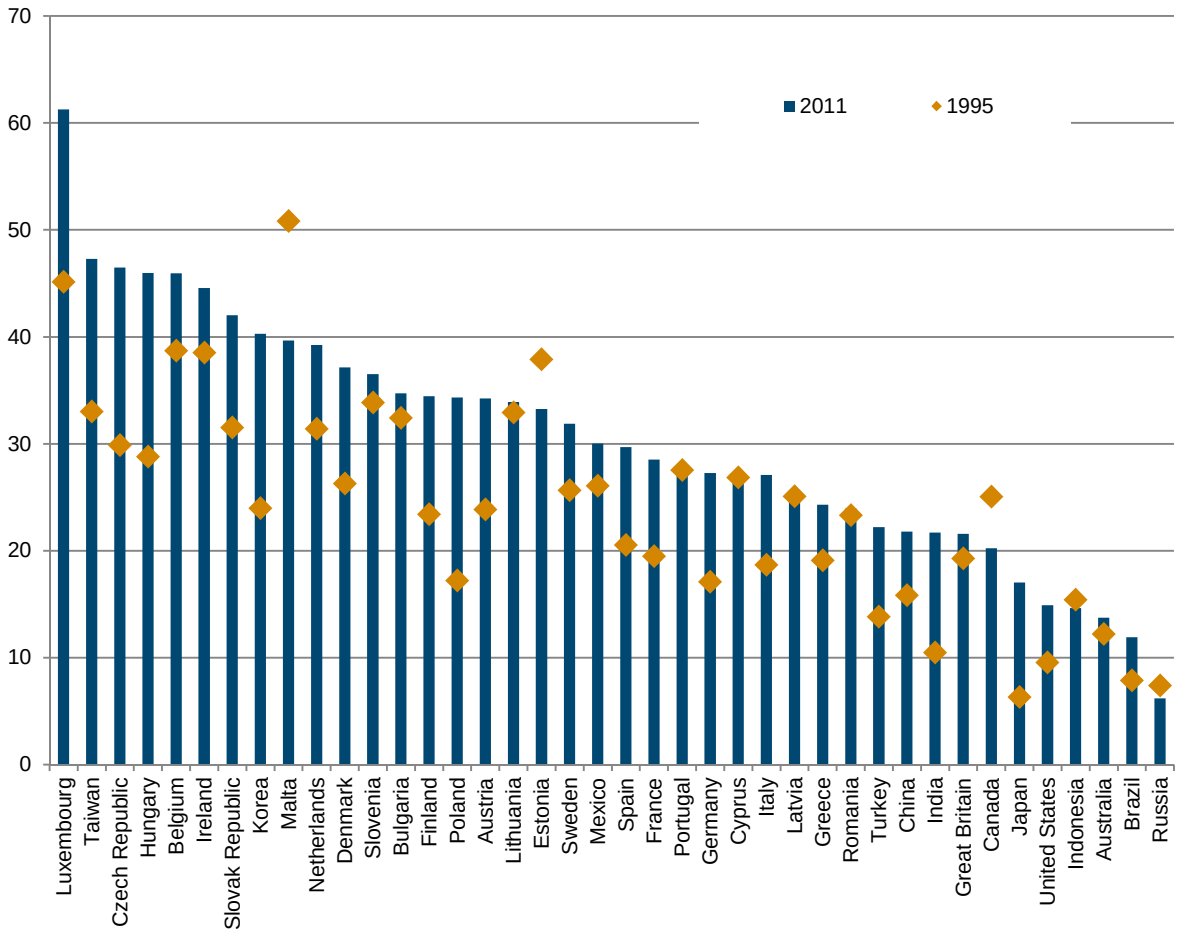


Source: WIOD; wiiw calculations.

Opinion corner: What might be the economic consequences of a potential territorial break-up of Ukraine?

Answered by wiiw expert Vasily Astrov

The recent weeks have witnessed a dramatic escalation of events in Ukraine. What started as peaceful demonstrations in favour of signing an Association Agreement with the EU turned ultimately into violent clashes, culminating in President Yanukovych being toppled on 21 February 2014 after the agreement with opposition leaders negotiated by the foreign ministers of France, Germany and Poland in Kyiv had failed. The protesters originated to a large extent from the western, generally pro-European and nationalistic-minded provinces, in whose eyes President Yanukovych had essentially lost legitimacy. Ukraine's new interim administration of Prime Minister Yatsenyuk and Acting President Turchynov has the opposite problem. It largely lacks legitimacy in the other half of the country – the predominantly Russian-speaking east and southeast of Ukraine, and above all in the Crimea, where ethnic Russians account for more than half of the population.

At the moment, the Crimea is no longer controlled by the Kyiv authorities and appears to be on a firm path towards leaving Ukraine. The local referendum held on 16 March 2014 has paved the way for it to join Russia. What will be the economic consequences of Crimea leaving Ukraine and becoming a part of Russia?

For Ukraine, the economic impact of Crimea's secession should be relatively modest. The two provinces located on the territory of the Crimean peninsula – the Autonomous Republic of Crimea and the city of Sevastopol, which is a separate entity – have a combined population of 2.4 million, or 5.2% of Ukraine's total. Crimea's economic weight is even lower: in 2011 (the last year for which the regional GDP is available) it generated just 3.6% of the country's GDP. Thus, Crimea is an underperforming region by Ukraine's standards: its GDP per capita is lower than the national average, and the region is a net recipient of transfers from Kyiv.[1]

For the Crimea, by contrast, Russia has – apart from the linguistic and cultural proximity – also a clear economic attraction. In its per capita GDP (at PPPs), Russia is three times richer than the Ukrainian average. Therefore, accession to Russia would almost certainly make the Crimea eligible for fiscal transfers of a potentially much larger magnitude than it currently receives from Kyiv. In fact, Russia has already earmarked RUB 40 billion (about EUR 800 million) of assistance to the region. On top of that, it is realistic to expect that Russian investments – first of all into the Crimean tourism sector – would accelerate markedly as a result of accession.

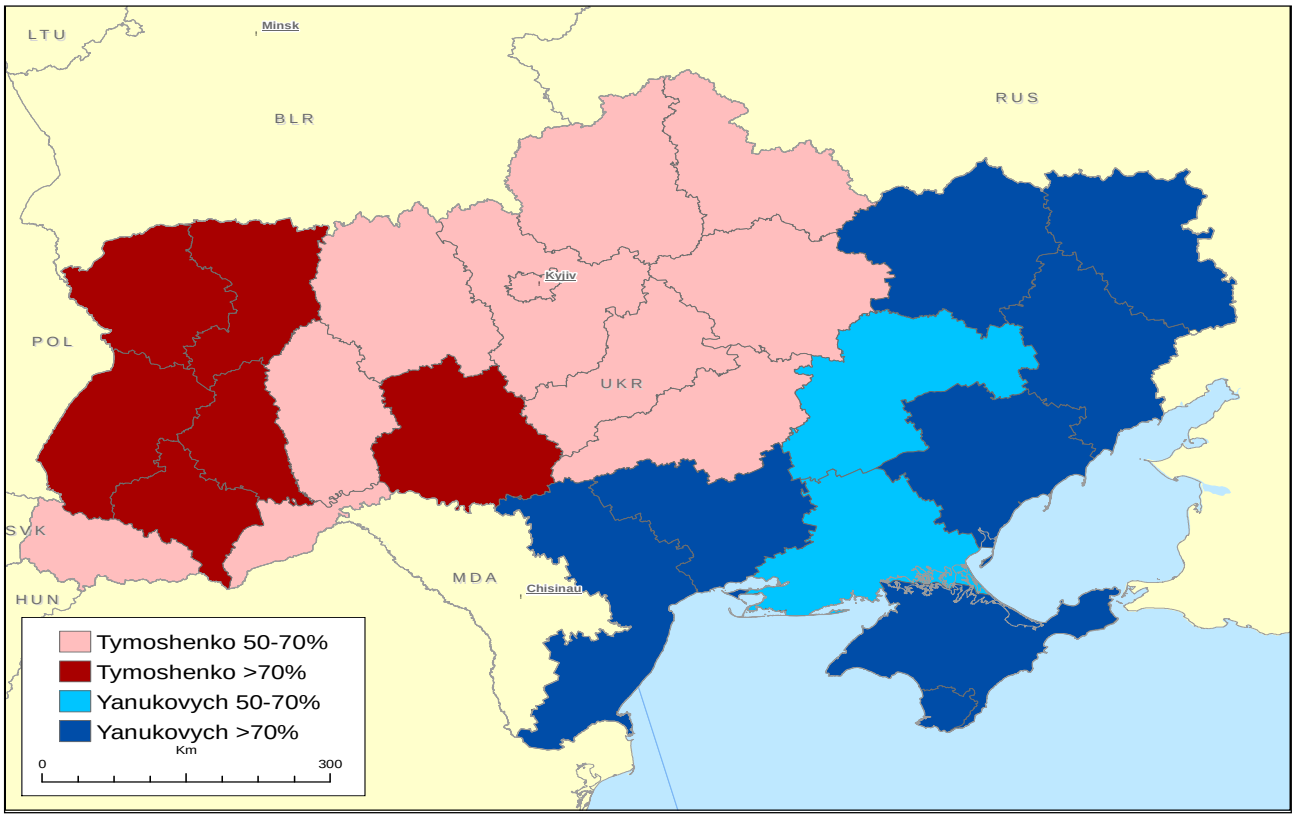
While the secession of Crimea may have only a modest economic impact on the rest of Ukraine, the potential break-up of all Russian-speaking provinces should have much more serious economic consequences (let alone the costs of a potential armed conflict and the resulting unrest). All of Ukraine's most heavily industrialised, export-oriented and wealthier regions – with the exception of the capital Kyiv – are located in the predominantly Russian-speaking east and southeast of Ukraine. The secession of Russian-speaking provinces would have the direct effect of reducing Ukraine's GDP by half and its exports by even more. On top of that, the economic role of the capital Kyiv – which currently accounts for as much as 17% of Ukraine's GDP – would be greatly reduced as well, since it would become the capital of a much smaller country and would not be able to draw on the resources from the Russian-speaking provinces anymore.

Having said that, the secession of all Russian-speaking provinces from Ukraine appears to be not the most likely scenario at the moment: it would realistically require a heavy Russian engagement (including a broad military involvement), with potentially unpredictable global political repercussions.

[1] The low official GDP figures may however also reflect the extent of the 'shadow economy' which is likely to be pronounced given the region's reliance on tourism. The estimates of the extent of the shadow economy for Ukraine as a whole generally range between 40-50% of GDP.

Results of the last presidential elections in 2010

Viktor Yanukovych 49.0%; Yulia Tymoshenko 45.5%



Trade integration, vertical specialisation and employment growth in the new Member States*

BY SANDRA LEITNER AND ROBERT STEHRER

Introduction

Over the last couple of decades, trade volumes expanded significantly in the global economy and within Europe, in the latter case mainly due to the integration of the new Member States (NMS) in the EU. However, not only did the volume of trade increase, but also the very nature of trade changed fundamentally as production processes have become increasingly more fragmented and stretched across many countries in a vertical chain with individual countries specialising in particular stages of the overall production process. For instance, Hummels et al. (2001) − who revived and popularised the term 'vertical specialisation' suggested by Balassa (1967) to describe the process of joint fragmentation and globalisation of production processes − focused on the share of imported inputs in production and analysed a group of OECD countries and emerging market economies.[1] They emphasise that in a span of 20 years only, the vertical specialisation share of exports of the entire sample increased by almost 30%. This fragmentation of production processes gained even more momentum with the integration of the NMS.

Against that backdrop, the ensuing analysis attempts to determine whether opportunities arising from these more recent changes have actually translated into real gains in the NMS. In particular, it identifies in how far countries and industries benefit from both the expansion of trade volumes and intensified trade fragmentation (i.e. vertical specialisation) and experience improvements in employment growth, focusing on the pre-crisis period.[2]

Vertical specialisation in EU-12

The ensuing analysis uses the foreign value-added content of exports to capture the degree of vertical specialisation (for technical details see Foster-McGregor and Stehrer, 2013). Table 1 highlights that in 1995, the degree of vertical specialisation, i.e. the share of foreign value added in a country's exports, among the NMS ranged from 17% to almost 51% for the total economy.

More specifically, the degree of vertical specialisation was the lowest in Poland (with only 17%), followed by Romania (with 23%) and Cyprus (with 27%); it was highest in Malta (with close to 51%), followed by Estonia (with around 38%) and Slovenia (with almost 34%). Moreover, between 1995 and 2007, as a result of their rapid integration into the European economy, vertical specialisation intensified greatly in all NMS, except for Malta and Lithuania which experienced slight losses in their degrees of vertical specialisation. With increases of more than 10 percentage points, vertical specialisation intensified the most in Bulgaria, Poland, the Slovak Republic and the Czech Republic, and most spectacularly in Hungary with an almost 20 percentage point increase. A quite similar picture emerges for the manufacturing sector, where in 1995 the degree of vertical specialisation was generally higher and ranged between almost 19% in Poland and around 65% in Malta. Additionally, between 1995 and 2007, vertical specialisation intensified in all NMS but Malta: it intensified the most in Hungary, Poland and the Slovak Republic and the least in Cyprus and the Baltic countries of Lithuania and Estonia. Similarly, a closer look at all

* The underlying research was funded under the FP7 project 'Growth – Innovation – Competitiveness: Fostering Cohesion in Central and Eastern Europe (GRINCOH)' under the Programme SSH.2011.2.2-1: Addressing cohesion challenges in Central and Eastern Europe; Area 8.2.2 Regional, territorial and social cohesion, Project No. 290657, Work package 2 Task 2 – P2.5 (Deliverable 22).

1 Data refer to country groups valid long ago: i.e. the group of OECD countries comprises all G-7 countries plus Australia, Denmark and the Netherlands, while the group of emerging market economies comprises Ireland, Korea, Taiwan and Mexico, the latter today members in the OECD, except for Taiwan.

2 The analysis is based on the World Input-Output Database (WIOD) which provides data for this research up to 2009 only. The analysis is limited to the years 1995-2007 as effects are distorted in the subsequent crisis period.

Table 1

Vertical specialisation (foreign value-added content of exports): NMS-12, 1995-2007

	Total economy			Manufacturing			High-tech sectors		
	1995	2000	2007	1995	2000	2007	1995	2000	2007
Bulgaria	32.4	36.5	44.5	38.8	45.2	52.6	30.0	37.2	50.9
Cyprus	26.9	32.3	28.3	39.2	46.0	39.9	43.6	33.9	45.0
Czech Republic	29.9	38.4	45.9	34.9	43.3	50.5	38.1	48.8	57.3
Estonia	37.9	44.5	38.1	40.2	49.5	42.5	45.3	65.3	47.6
Hungary	28.8	48.0	48.2	35.4	56.5	56.7	37.4	62.9	62.6
Lithuania	32.9	33.9	32.0	40.9	44.3	41.7	36.8	32.3	35.3
Latvia	25.1	26.2	30.4	28.6	34.4	40.6	30.1	35.7	41.4
Malta	50.8	52.6	45.5	65.1	65.6	58.7	72.7	72.7	69.6
Poland	17.2	26.3	32.8	19.3	29.8	36.7	21.2	34.6	40.7
Romania	23.3	26.7	27.6	26.9	31.7	33.8	22.5	31.1	33.1
Slovak Republic	31.5	42.7	47.5	36.1	46.5	52.9	39.9	51.9	60.1
Slovenia	33.9	36.9	42.2	36.7	39.4	46.2	42.1	45.0	50.2

Source: WIOD, own calculations.

high-tech sectors [3] shows that in 1995, relative to the manufacturing sector, the degree of vertical specialisation was generally higher (except for Bulgaria, Lithuania and Romania) and varied from about 21% in Poland and close to 73% in Malta. Between 1995 and 2007 only Malta and Lithuania experienced slight drops in their degrees of vertical specialisation by 3 and 1.5 percentage points, respectively, while the remaining NMS all experienced partly remarkable increases in their degrees of vertical specialisation. With increases of more than 10 percentage points, vertical specialisation intensified greatly in Romania, Latvia, the Czech Republic and Poland, and with increases of more than 20 percentage points, it intensified the most in the Slovak Republic, Bulgaria and Hungary.

Vertical specialisation and employment growth

Next, the analysis aims to shed light on how ongoing trade expansion and internationalisation is related to the performance of countries and industries, where performance is captured in terms of employment growth. Methodologically, a standard growth regression approach is used, extended by indicators of trade expansion and specialisation to reflect the importance of growing trade and increased internationalisation and fragmentation of production observable in recent decades. Specifically, the growth rate of employment by country and industry is regressed on the growth rate of exports and the indicator of vertical specialisation. In principle, export growth is expected to positively impact on growth while the effect of vertical specialisation is ambiguous: on the one hand, more intense vertical specialisation may be associated with lower growth since industries which source more intensely from abroad also tend to use foreign resources more intensely than domestic ones. On the other hand, industries that are characterised by more intense vertical specialisation may exploit gains from specialisation and gains from more efficiently sourcing intermediate factors which, in turn, are expected to boost growth. Finally, there is reason to believe that the effects of both export growth and vertical specialisation on a country's performance are not independent of each other but that a higher degree of vertical specialisation, if accompanied by higher export growth, results in higher growth and vice versa. This is captured by an interaction term of export growth and vertical specialisation whose effect is expected to be positive. Furthermore a couple of other control variables are included: the growth rate of total factor productivity, the log of value added per hour worked which captures the effect of catching-up of lagging economies, the growth rate of capital and the deviation of employment growth of high-skilled employees from overall employment growth.

[3] High-tech sectors are defined as Chemicals and Chemical Products (NACE Rev. 1 24), Machinery, n.e.c. (NACE Rev. 1 29), Electrical and Optical Equipment (NACE Rev. 1 30t33), and Transport Equipment (NACE Rev. 1 34t35).

Table 2

Regression results

	Total economy	Manufacturing	High-tech manufacturing
TFP growth	-0.862***	-0.929***	-0.307***
	(47.73)	(43.6)	(8.77)
Log value added per hour worked	0.030***	0.041***	0.031**
	(4.49)	(4.52)	(2.29)
Growth rate of capital	-0.159***	-0.154**	0.001
	(4.02)	(2.34)	(0.01)
Growth rate of high educated workers	-0.033	-0.067*	0.061
(as deviation from total empl. growth)	(1.50)	(1.93)	(1.17)
Export growth	0.147***	0.179***	0.090***
	(8.34)	(7.03)	(2.75)
Vertical specialisation	-0.115	-0.039	0.077
	(1.24)	(0.35)	(0.55)
Export growth*Vertical specialisation	0.002*	0.003*	0.007***
	(-1.83)	(1.71)	(2.68)
Constant	-4.956***	-7.724***	-6.430*
	(2.94)	(3.38)	(1.91)
No of observations	4,168	1,786	359
R^2	0.38	0.543	0.25
F-Test	329	273.2	15.07

Note: All regressions include country-industry fixed effects; t-statistics in parentheses; ***, **, * denote significance at the 1, 5 and 10% level, respectively. The variables for export growth and vertical specialisation are centred.

Generally, in line with previous empirical evidence outlined above, there is relatively consistent evidence that export growth tends to spur employment growth. As mentioned above, the effect of vertical specialisation is ambiguous; particularly no significant effects are found with respect to employment growth. Finally, results highlight that export growth and the degree of vertical specialisation are not independent of each other but tend to reinforce each other. In particular, the effects of export growth on employment growth tend to be even higher if vertical specialisation is high. These tend to be even more pronounced in the high-tech sectors which are characterised by higher degrees of vertical specialisation.

Conclusions

The NMS have experienced a phase or rapid integration into the EU at least up to the crisis which manifested itself via increased trade flows and production fragmentation. The degree of vertical specialisation, i.e. the share of foreign value added in these countries' exports, increased on average from about 30% in 1995 to close to 40% in 2007 with even higher values in manufacturing and particularly high-tech manufacturing industries. The potential impacts on employment are however ambiguous: Whereas higher export growth might spur employment growth, a higher degree of vertical specialisation might impact negatively. Results from an econometric analysis suggest that employment in the NMS overall benefited from trade integration via higher export growth whereas the fragmentation of production had no significant impact. On top of that, exports and vertical integration mutually reinforce each other. This effect is relatively more pronounced in the higher-tech sectors which are characterised by relatively high levels of production integration.

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Trade in jobs: a counterfactual exercise

BY ROBERT STEHRER AND ROMAN STÖLLINGER

Introduction

This counterfactual exercise compares the amount of labour that is necessary to produce a country's exports with the *hypothetical* employment that would be required to produce the same country's imports domestically. We find that this comparison yields a positive number of jobs for the EU in most years between 1995 and 2009. This 'employment effect' of international trade varies considerably across occupations and the resulting pattern suggests a skill-upgrading from trade for the EU economy.

A sensitive issue

The nexus between international trade and employment is a very controversial and politically sensitive issue. The impact of trade on (domestic) jobs also attracts a lot of interest in the media. For obvious reasons, it is also the issue that the general public and arguably policy-makers are most concerned with. Reason enough to look into the 'employment effects' of international trade flows.

We approach this topic by investigating how many jobs are needed to produce a country's international trade flows. Since '21st century trade' (Baldwin, 2011) is characterised by trade in intermediate goods and 'vertical specialisation' (see also the 'Graph of the month' on page 1 of the present *Monthly Repor*t) any attempt to quantify the labour inputs for exports and imports requires input-output methodologies in order to track the value added embedded in trade flows and allocate them to the country of origin. Once the value added is appropriately allocated to the contributing country, the associated employment input requirements can be calculated. We do this for the EU and a number of other countries and regions, making use of the World Input-Output Database (WIOD) following the approach by Trefler and Zhu (2010). For the EU we undertake this analysis also at the level of occupations. Occupation-specific data come from the European Labour Force Survey (EU LFS).

A counterfactual experiment

In principle, what we are interested in is the labour content of trade. This factor content of labour, however, we adjust following the counterfactual experiment suggested by Groshen et al. (2005) and De Backer and Yamano (2008) to derive what is called the 'job embodiment of international trade'. The counterfactual experiment consists of calculating the number of jobs that an economy requires for producing its export vector and comparing it with the hypothetical number of jobs that the same country would need to produce its import vector domestically. While the calculation of the number of jobs embodied in a country's exports is straightforward and can be based on actual data, the calculation on the import side needs some explanations. The calculation of jobs embodied in the hypothetical domestic production of the import vector is based on the importing country's labour input requirements (i.e. its labour productivity). Using the actual labour input requirements for a country's imports and comparing this figure with exports would make little sense in our context, in particular in 'North-South' trade where the labour productivity of the involved trading partners varies considerably. Therefore the calculation of a 'counterfactual' employment required to produce the import vector domestically – with domestic productivity – is used. This 'adjustment' of employment input requirements on the import side allows for a straightforward comparison of jobs that are linked to exports and jobs that potentially could exist if imports were substituted with domestic production.

The simplicity of the approach comes at the cost of some limitations that have to be taken into account. A first caveat is that the job embodiment of international trade is calculated assuming fixed-input and factor requirements.[1] Secondly and related to that,

[1] This means that within an industry one must assume that products where the country has a comparative advantage (and it hence exports) use the same technology as in the production of goods that it is importing.

the assumption of constant input coefficients does not account for the quality of input factors and goods produced which may vary considerably across countries. Thirdly, the approach ignores the existence of non-competing imports as well as the (very likely) possibility that some countries may not have the technological capabilities to produce their import vectors domestically. Finally, and maybe most importantly, it ignores dynamic effects from trade. In particular, if a country grows faster due to international trade, the employment generation associated with the higher growth rate will not necessarily show up in the job embodiment of international trade. Keeping these caveats in mind, we can turn to the results of the calculation of the job embodiment of international trade. Obviously, the resulting net balance of the hypothetical employment effects of trade can be either positive, zero or negative. Ignoring the issue of non-competing imports and dynamic gains from international trade through structural upgrading[2] we can consider countries with a positive job embodiment of international trade as 'winners' of international trade in terms of employment whereas a negative job embodiment of international trade indicates an employment loss.

Applying this methodology for a set of 40 countries, including the EU-27, for the period 1995-2009 we find that Asia is the biggest winner from trade in terms of employment among the three main economic poles – the EU-27, NAFTA and Asia (Table 1).

Asia's net employment gain from international trade – strongly driven by the developments in China – grew constantly from about 68 million jobs to more than 140 million jobs in 2008 and still amounted to over 115 million jobs in the crisis year 2009. These are non-negligible numbers with the 140 million jobs in 2008 representing almost 10% of the total employment in the region. NAFTA, by contrast, according to this methodology is losing employment due to international trade. The job losses in the NAFTA region peaked in 2008 with more than 11 million jobs and still amounted to 9 million jobs in 2009, about 4.3% of total employment in the three NAFTA countries. As can be seen in Table 1, the United States was the major contributor to this result for the NAFTA region. The reason for the different results for the job embodiment of international trade in Asia and the NAFTA (or rather China and the US) is to a large extent found in the trade account positions of the countries. Together with labour productivity, the trade balance is the key determinant of a country's job embodiment of international trade. Depending on the perspective, this is a major shortcoming of the approach or – as we would suggest – a useful reminder of the simple fact that the gains from trade that a country can be expected to reap depend strongly on the trade balance and therefore on its success in international markets (i.e. its international competitiveness).

The position of the EU-27 is mixed. For most years during the period 1995-2009 the EU-27 is a 'winner' in international trade in terms of employment reaching a maximum gain of 2.7 million jobs in 1997 (Figure 1). Exceptions are the year 2000 and the period 2006-2008 when the EU-27 faced job losses.

In 2009 the EU-27 regained a positive job embodiment of international trade amounting to just over 1 million jobs. The result for the EU varies strongly across Member States. Countries such as France, Italy and Germany (except 1995) recorded permanent job gains whereas Spain, Portugal and Greece recorded permanent job losses. An interesting aspect is the split between EU-15 (Member States joining the EU before 2004) and EU-12 (the 2004/2007 new Member States). While the EU-15 as an aggregate is permanently gaining from trade in terms of jobs, on average about 1 million jobs per year over the period 1995-2009, the EU-12 has been losing jobs (with the exception of 1995, 1996 and 2009) due to engagement in international trade. The finding for the EU-12 should remind us of the caveats that have previously been mentioned. First of all, the employment effects can be very distinct from growth and productivity effects. In

[2] We admit that these dynamic gains from trade can be important. We will come back to this in the discussion of the results for the EU-12.

particular productivity effects can be inversely related to employment if technological progress is labour-saving. Second, our approach cannot capture dynamic effects which are definitely important in the EU-12 in the period 1995-2009 when a big part of the transformation to market economies had been taking place. Finally, as in the case of NAFTA, the negative employment effect in our counterfactual is influenced by the country group's trade deficit.

Table 1

Job embodiment of international trade, 1995-2009, in thousands
Number of job losses (-) and job gains (+)

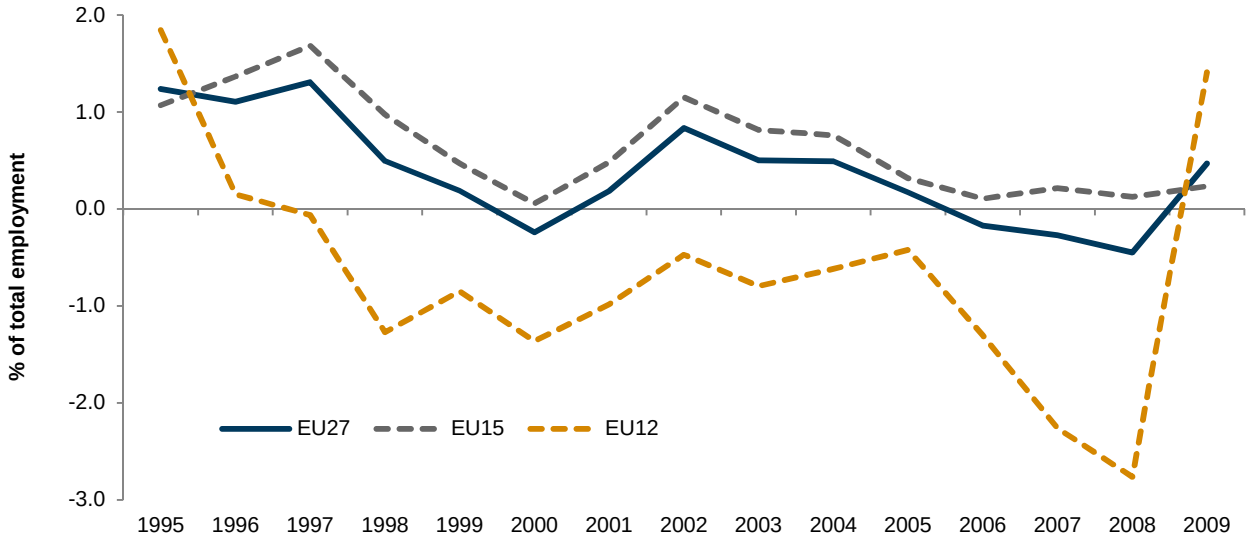
	1995	2000	2005	2006	2007	2008	2009
EU-27	2,483	-512	378	-381	-616	-1,027	1,051
EU-15	*1,681*	*95*	*558*	*187*	*393*	*228*	*420*
EU-12	*803*	*-606*	*-180*	*-568*	*-1,009*	*-1,256*	*630*
NAFTA	-1,680	-5,828	-9,523	-10,431	-10,490	-11,213	-9,014
USA	*-2,049*	*-5,594*	*-8,235*	*-8,580*	*-8,023*	*-7,665*	*-6,425*
ASIA	67,759	81,341	115,278	131,469	127,639	143,534	115,921
JPN	*121*	*499*	*347*	*322*	*514*	*138*	*-383*
CHN	*51,723*	*52,131*	*94,293*	*106,943*	*106,200*	*129,915*	*113,165*
IND	*14,217*	*23,150*	*15,948*	*19,669*	*16,979*	*12,265*	*207*
OTHER DEVELOPED	29	-31	-384	-430	-571	-361	-531
OTHER EMERGING	-6,335	3,555	2,736	746	-4,181	-6,845	-6,660
WORLD	**62,257**	**78,524**	**108,484**	**120,973**	**111,781**	**124,089**	**100,766**

Note: ASIA comprises Japan, China, South Korea, Taiwan, India and Indonesia; OTHER DEVELOEPD comprises Canada and Australia; OTHER EMERGING comprises Brazil, Russia and Turkey.

Source: WIOD, wiiw calculations.

Figure 1

Job embodiment of international trade of the EU, 1995-2009
Share of job losses (-) and job gains (+) in % of total employment



Source: WIOD, wiiw calculations.

Winning and losing occupations through trade

We now turn to the second aspect of the paper which is the change in employment at the level of occupations. For this purpose we calculate the (hypothetical) job embodiment of international trade at the level of occupations for the EU Member States for the years 2005 and 2008 (see Figure 2).[3] In both years the EU-27 as an aggregate is gaining in high-paying, high-skilled jobs while it is losing jobs in many low-skill occupations due to its engagement in international trade. Large employment gains from trade are found in the group of professionals (which include e.g. scientists, doctors, teachers, artists) and technicians (which include e.g. engineers or aircraft pilots).

The result for the job embodiment of trade suggests that in the EU's international trade, demand for technicians increased by about 539,000 and for professionals by 357,000 in 2005. In 2008 these effects were even somewhat higher than in 2005 despite the overall negative job embodiment in international trade in that year.[4] Clerks (including e.g. bookkeepers, postmen and receptionists) are also among the 'winning' occupations with a job increase of 437,000 in 2005. By contrast, international trade implied job losses for craftsmen (e.g. carpenters, plumbers and mechanics) and plant and machine operators, i.e. the typical blue-collar workers. The number of jobs lost in 2005 was 462,000 for the latter occupation category and 211,000 for the former. Trade also implied employment losses for the EU in elementary occupations (e.g. cleaners, doorkeepers, garbage collectors and freight handlers).

Conclusion

Overall, according to the pattern of job losses and gains across occupations that emerges from our counterfactual exercise, it seems that international trade supports a 'job upgrading' in the EU. The observable pattern for the job embodiment of international trade across occupations is also in line with the expectation that trade increases the demand for skilled labour in developed countries.[5]

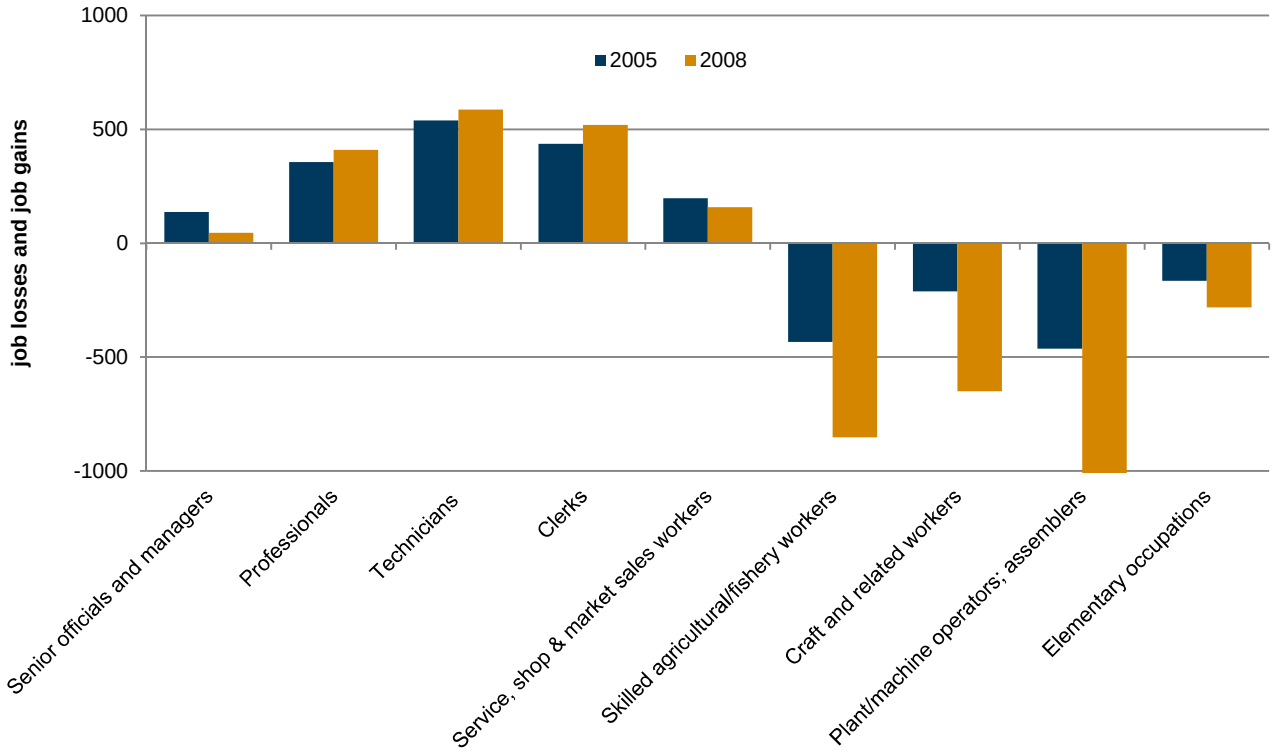
[3] The occupation-specific calculations are undertaken at the level of 2-digit ISCO categories but results are reported at the 1-digit level.

[4] As a reminder, at the level of total employment the EU registered a positive job embodiment of international trade in the magnitude of 380,000 jobs (0.17% of total employment) in 2005 but a negative position in 2008 with about 1 million jobs lost (0.45% of total employment). The pattern across occupations, however, does not seem to depend on the net position of the job embodiment of international trade.

[5] Our findings regarding the employment changes across occupations can also be related to the offshoring literature (e.g. OECD, 2007; Goos et al., 2010; Foster et al., 2012). Goos et al. (2010), for example, estimate the effect of the 'offshorability' of occupations on the conditional labour demand. Their specification is industry-occupation-specific and covers 16 Western European countries. They find that (industry-specific) occupation labour demand is negatively correlated with the intensity of offshorability of occupations. When we calculate the job embodiment of international trade we also find job losses with the middle-paying occupations (-237 million jobs). Hence, our calculations of the job embodiment of international trade are in line with the 'polarisation' hypothesis according to which offshoring (and technological progress) reduce primarily the demand for middle-paying jobs in advanced economies/regions.

Figure 2

Job embodiment of international trade in the EU-27, by occupational categories, 2005 & 2008, in thousands. Number of job losses (-) and job gains (+)



Note: Occupations according to 1-digtit ISCO classification. Occupation category 'armed forces' not shown. 2008 EU without Bulgaria, Slovenia and Sweden.

Source: WIOD, wiiw calculations.

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Vertical trade and business cycle correlations

BY NEIL FOSTER-MCGREGOR

One aspect of the increased trade flows that have characterised the world economy in the last two decades or more has been its association with business cycle correlations, with country-pairs that trade more with each other experiencing stronger business cycle correlations. This result was initially found by Frankel and Rose (1998) and has subsequently been confirmed in a number of papers.

Though the relationship between business cycle correlations and trade appears to be an empirical regularity, additional issues arise, most notably the issue that standard international business cycle models are unable to replicate the observed correlations, with the latter being much larger than those predicted by theory (see for example Kose and Yi, 2006). A number of potential explanations for this have been discussed, one being that certain types of trade – and vertical trade in particular – may lead to greater business cycle correlation responses to trade ties (see Kose and Yi, 2001). In recent years, goods trade has become more vertical, with intermediates trade accounting for an increasing share of total trade (see, for example, Hummels et al., 2001). Kose and Yi (2001) note that standard trade theory would suggest that increased openness would lead to increased specialisation, which in turn could reduce business cycle correlations if industry-specific specialisation occurs and industry-specific shocks are the dominant source of business cycles. They also note however that this argument may break down in the presence of vertical trade. In this case, specialisation can become more intra-sector oriented (i.e. specialising on specific tasks within a sector), implying that increased specialisation can lead to higher correlations with countries importing and exporting different intermediate goods within the same sector.

Using the World Input Output Database (WIOD) it is possible to relate output growth correlations to indicators of vertical trade or offshoring, using data for 40 countries and 35 sectors. The correlation of gross output growth across countries and sectors is calculated using information on value added. These data are deflated and converted into US dollars, using exchange rates provided with WIOD. Growth rates are calculated for the period 1996-2009, and the bilateral correlations are then calculated. Table 1 reports summary statistics of the correlations for all observations, as well as for North-North, North-South and South-South country-pairs. The table indicates that average correlations tend to lie between 0.3 and 0.5, with the correlations being highest for North-North country-pairs, followed by North-South pairs, with South-South country-pairs having the lowest average correlations. Correlations also tend to be higher on average for intra- versus inter-sector pairs, which may be expected.

To relate these business cycle correlations to indicators of vertical trade, a measure of vertical trade is calculated as the ratio of the sum of intermediate imports between two sectors to the sum of value added in the two sectors. To provide an initial insight into the relationship between the correlation of real value added and the measure of offshoring, Figures 1 to 4 report scatter plots of the average correlations and the average logged offshoring measure by country-pair, along with a line of best fit through the data. The figures reveal that the simple correlation between business cycle correlations and vertical trade is positive, both for the full sample and when considering North-North, South-South and North-South country-sector pairs separately. The figures also reveal that the simple bivariate relationship appears to be considerably larger for North-North country-pairs, than for South-South and North-South country-pairs.

Although these initial figures suggest a relationship between vertical trade and business cycle correlations, they do not control for other factors that may be driving this observed relationship. Regression analysis allows us to do this. In particular, regression analysis allows one to control for general trade openness as well as unobserved effects at the country, sector, country-pair and sector-pair level. Regression analysis further allows one to identify different effects for inter- versus intra-sector trade.

Table 1

Summary statistics for value added correlations

Country-pairs	Industry-pairs	Observations	Mean	Std. dev.	Min	Max
All	All	931,080	0.3750	0.3093	-0.8871	0.9981
	Intra-industry	26,690	0.3992	0.3143	-0.7741	0.9981
	Inter-industry	904,390	0.3743	0.3091	-0.8871	0.9958
North-South	All	476,520	0.3602	0.3041	-0.8871	0.9915
	Intra-industry	13,646	0.3830	0.3073	-0.7679	0.9845
	Inter-industry	462,874	0.3596	0.3040	-0.8871	0.9915
North-North	All	206,334	0.4562	0.3348	-0.8531	0.9981
	Intra-industry	5,898	0.4949	0.3383	-0.7741	0.9981
	Inter-industry	200,436	0.4550	0.3346	-0.8531	0.9958
South-South	All	248,226	0.3360	0.2840	-0.8061	0.9831
	Intra-industry	7,146	0.3510	0.2893	-0.7362	0.9677
	Inter-industry	241,080	0.3355	0.2838	-0.8061	0.9831

Figure 1

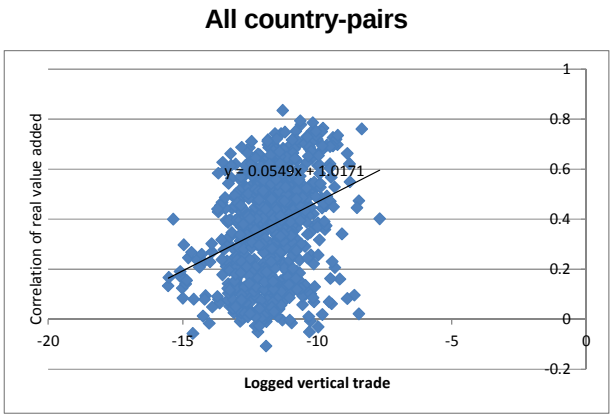

Figure 2

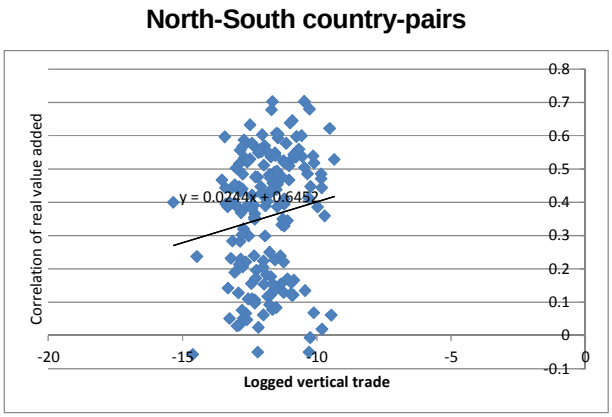

Figure 3

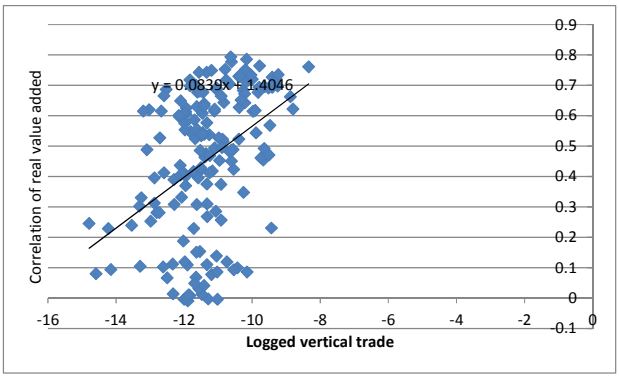

Figure 4

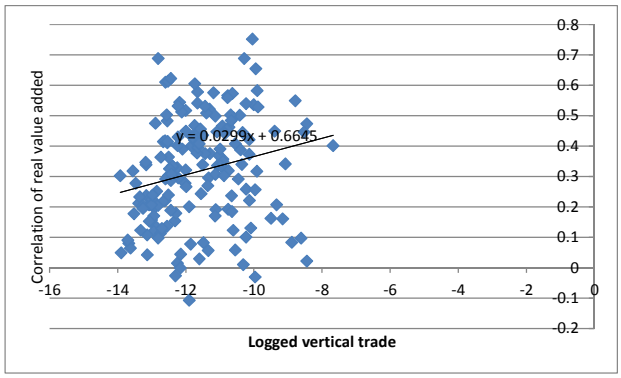

Table 2

Regression results for value added growth correlations

	All	North-South	North-North	South-South	All	North-South	North-North	South-South
$\log VT$	0.0033***	0.00098***	0.0028***	0.00401***				
	(0.00021)	(0.00029)	(0.00041)	(0.00051)				
$\log VT[i=j]$					0.00664***	0.00403***	0.00399***	0.00629***
					(0.00062)	(0.000941)	(0.0013)	(0.0015)
$\log VT\ [i\neq j]$					0.00310***	0.00080***	0.0027***	0.00381***
					(0.00022)	(0.00029)	(0.00041)	(0.00053)
Observations	553,465	293,438	164,874	95,153	553,465	293,438	164,874	95,153
R-squared	0.127	0.113	0.198	0.139	0.127	0.113	0.198	0.139
F-Test	65.49***	30.48***	33.07***	12.66***	65.46***	30.47***	33.04***	12.65***
$\log VT$	0.00205***	0.000901**	-0.00696***	0.00802***				
	(0.000288)	(0.000385)	(0.000593)	(0.000682)				
$\log VT[i=j]$					0.0065***	0.0048***	-0.0026	0.0079***
					(0.00089)	(0.0013)	(0.0020)	(0.0021)
$\log VT\ [i\neq j]$					0.00180***	0.00070*	-0.0071***	0.0080***
					(0.00029)	(0.00039)	(0.00060)	(0.00070)
$\log Trade$	0.00167***	0.000208	0.0118***	-0.00438***				
	(0.000236)	(0.000307)	(0.000521)	(0.000519)				
$\log Trade[i=j]$					0.00024	-0.00067	0.0073***	-0.0012
					(0.00087)	(0.0012)	(0.0021)	(0.0016)
$\log Trade\ [i\neq j]$					0.0017***	0.00023	0.012***	-0.0046***
					(0.00024)	(0.00031)	(0.00053)	(0.00053)
Observations	551,285	292,144	164,671	94,470	551,285	292,144	164,671	94,470
R-squared	0.126	0.113	0.201	0.138	0.126	0.113	0.201	0.138
F-Test	64.87***	30.22***	33.52***	12.55***	64.80***	30.19***	33.47***	12.54***

Notes: All regression results include unreported country-pair and sector-pair fixed effects. ***, ** and * indicate statistical significance at the 1, 5 and 10% levels respectively.

Table 2 reports the regression results for all country-sector pairs as well as for North-South, North-North and South-South pairs only. In addition to estimating an overall effect of vertical trade (VT), the results also allow for differences in the effects of nter (VT[i≠j]) and intra (VT[i=j]) sector vertical trade. In the bottom half of the table, the robustness of the results on vertical trade are tested for, through the inclusion of a general trade openness variable, where again the effects are allowed to vary for inter- and intra-sector trade. Finally, all regression results control for country-pair and sector-pair unobserved effects that may help explain business cycle correlations.

The results reported in Table 2 indicate that vertical trade is associated with increased business cycle correlations, and that this is the case when considering all observations and when estimating separately for North-North, North-South and South-South pairs. The relationship is found to be strongest for South-South pairs and weakest for North-South pairs. When controlling for general openness in the lower half of the table, the results are largely consistent with those in the upper half, with the exception that the relationship between vertical trade and business cycle correlations becomes negative for North-North pairs. Increased offshoring in North-North country-pairs is therefore associated with decreased business cycle co-movement once a general openness measure is controlled for. Coefficients on the general openness measure tend to be positive and significant (with the exception of South-South pairs).

When allowing for differences in the effects of inter- versus intra-sector vertical trade, interesting differences arise. In particular, while the coefficients in

both cases tend to be positive and significant, the relationship between intra-sector vertical trade and business cycle correlations tends to be significantly larger than that for inter-sector vertical specialisation, with the coefficients often being more than twice as large for intra-sector vertical specialisation. These results tend to hold for the full sample when including the general trade openness measure, but differences arise for the sub-samples. In the case of South-South pairs there is no significantly different effect of inter- and intra-sector vertical trade, while for North-North pairs the coefficients again become negative, but are only significant in the case of inter-sector vertical trade. This latter result suggests that it is trade in intermediates across different sectors that drives the negative association between vertical trade and business cycle correlations for North-North country-pairs.

In summary, results using the WIOD suggest that vertical trade can help explain business cycle correlations between country-sector pairs, having an effect over and above that of general trade openness. Much of this effect appears to be driven by intra-sector vertical trade – most commonly associated with traditional definitions of offshoring – with inter-sector vertical trade playing a much smaller role.

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Kose, M.A. and K-M. Yi (2001), 'International trade and business cycles: Is vertical specialization the missing link?', *American Economic Review*, Vol. 91, pp. 371-375.

Kose, M.A. and K.-M. Yi (2006), 'Can the standard international business cycle model explain the relation between trade and comovement?', *Journal of International Economics*, Vol. 68, No. 2, pp. 267-295.

The editors recommend for further reading*

Timothy Snyder on Ukraine: http://www.nybooks.com/articles/archives/2014/mar/20/fascism-russia-and-ukraine/?insrc=hpss

Gorodnichenko and Roland on what economic measures should be urgently taken in Ukraine: http://www.voxeu.org/article/ukraine-emergency-economic-measures

Why is Ukraine's economy in such a mess? http://www.economist.com/blogs/freeexchange/2014/03/ukraine-and-russia

Economic implications of the euro area crisis for Ukraine: http://www.e-axes.com/content/economic-implications-eurozone-crisis-ukraine

From the Gaidar Institute for Economic Policy, Russian economy mid-term perspectives: http://www.e-axes.com/content/view-russian-economy-mid-term-perspectives

Marek Belka on the euro: www.businessweek.com/news/2014-03-03/ukraine-crisis-means-poland-needs-to-reconsider-euro-belka-says

On European banks: http://www.voxeu.org/article/post-crisis-equilibrium-european-banks

From the IMF, on tracking global demand for emerging market sovereign debt: http://www.e-axes.com/content/tracking-global-demand-emerging-market-sovereign-debt

Sapir et al. on financial assistance in Europe: http://www.bruegel.org/publications/publication-detail/publication/815-the-troika-and-financial-assistance-in-the-euro-area-successes-and-failures/

On the German Supreme Court decision, about sovereignty, with a very interesting interplay of monetary and fiscal powers: http://www.voxeu.org/article/german-court-decision-legal-authority-and-deep-power-implications

It is roads, not borders per se: http://www.voxeu.org/article/roads-deeper-european-integration

IMF's book on jobs and growth in European recovery: http://www.imf.org/external/np/seminars/eng/2014/EURbook/index.htm#1

US Congressional Budget Office's forecast on the effects of raising the minimum wage: http://www.cbo.gov/sites/default/files/cbofiles/attachments/44995-MinimumWage.pdf

New IMF discussion note on growth and inequality: http://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf

A review of Thomas Piketty's book: http://www.nytimes.com/2014/03/12/business/economy/a-relentless-rise-in-unequal-wealth.html. And an interview: http://economix.blogs.nytimes.com/2014/03/11/qa-thomas-piketty-on-the-wealth-divide/?_php=true&_type=blogs&_r=0

* Recommendation is not necessarily endorsement.

STATISTICAL ANNEX

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

NEW: On 1 January 2014 Latvia introduced the euro. Up to and including 2013 all time series in LVL as well as the exchange rates have been divided for statistical purposes by the conversion factor 0.702804 (LVL per EUR) to achieve euro-fixed series (EUR-LVL).

NEW: As of September 2013, new trade data on EU-28 included (time series on EU-27 are still updated in the database until December 2013).

Conventional signs and abbreviations used

.	data not available
%	per cent
PP	change in % against previous period
CPPY	change in % against corresponding period of previous year
CCPPY	change in % against cumulated corresponding period of previous year
3MMA	3-month moving average, change in % against previous year
NACE Rev. 2	Statistical classification of economic activities in the European Community, Rev. 2 (2008)
NACE Rev. 1	Statistical classification of economic activities in the European Community, Rev. 1 (1990) / Rev. 1.1 (2002)
LFS	Labour Force Survey
CPI	Consumer Price Index
HICP	Harmonized Index of Consumer Prices (for new EU member states)
PPI	Producer Price Index
EDP	Excessive Deficit Procedure
M1	Currency outside banks + demand deposits / narrow money (ECB definition)
M2	M1 + quasi-money / intermediate money (ECB definition)
M3	Broad money
p.a.	per annum
mn	million (10^6)
bn	billion (10^9)
avg	average
eop	end of period
NCU	National Currency Unit (including 'euro-fixed' series for euro-area countries)

The following national currencies are used:

ALL	Albanian lek	HUF	Hungarian forint	RON	Romanian leu
BAM	Bosnian convertible mark	KZT	Kazakh tenge	RSD	Serbian dinar
BGN	Bulgarian lev	LTL	Lithuanian litas	RUB	Russian rouble
CZK	Czech koruna	MKD	Macedonian denar	UAH	Ukrainian hryvnia
HRK	Croatian kuna	PLN	Polish zloty		

EUR	euro – national currency for Montenegro and for the euro-area countries Estonia (from January 2011, euro-fixed before), Latvia (from January 2014, euro-fixed before), Slovakia (from January 2009, euro-fixed before) and Slovenia (from January 2007, euro-fixed before)
USD	US dollar

Sources of statistical data: Eurostat, National Statistical Offices, Central Banks and Public Employment Services; wiiw estimates.

Access: New online database access! (see overleaf)

New online database access

wiiw Annual Database

wiiw Monthly Database

wiiw FDI Database

The wiiw databases are now accessible via a simple web interface, with only one password needed to access all databases (and all wiiw publications). We have also relaunched our website with a number of improvements, making our services more easily available to you.

You may access the databases here: http://data.wiiw.ac.at.

If you have not yet registered, you can do so here: http://wiiw.ac.at/register.html.

New service package available

Starting in January 2014, we offer an additional service package that allows you to access all databases – a Premium Membership, at a price of € 2,300 (instead of € 2,000 as for the Basic Membership). Your usual package will, of course, remain available as well.

For more information on database access for Members and on Membership conditions, please contract Ms. Gabriele Stanek (stanek@wiiw.ac.at), phone: (+43-1) 533 66 10-10.

A L B A N I A: Selected monthly data on the economic situation 2012 to 2014

(updated end of Feb 2014)

		2012		2013												2014
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																
Industry, total	real, CPPY	.	9.1	.	.	-3.7	.	.	-13.3	.	.	-20.4	.	.	.	.
Industry, total	real, CCPPY	.	16.6	.	.	-3.7	.	.	-9.1	.	.	-12.6	.	.	.	.
Construction, total	real, CPPY	.	-12.3	.	.	-18.2	.	.	24.8	.	.	-20.6	.	.	.	.
Construction, total	real, CCPPY	.	-11.3	.	.	-18.2	.	.	3.8	.	.	-4.5	.	.	.	.
LABOUR																
Unemployment rate, LFS [1)2)]	%	.	14.4	.	.	14.5	.	.	.	.	.	.	.	.	.	.
Employment total, registered [1)]	th. pers., quart. avg	.	966.3	.	.	963.8	.	.	964.6	.	.	971.0	.	.	.	.
Employment total, registered [1)]	CPPY	.	1.9	.	.	1.3	.	.	1.5	.	.	0.5	.	.	.	.
Unemployment, registered [1)]	th. pers., quart. avg	.	141.8	.	.	141.9	.	.	141.9	.	.	141.9	.	.	.	.
Unemployment rate, registered [1)]	%	.	12.8	.	.	12.8	.	.	12.8	.	.	12.8	.	.	.	.
WAGES																
Total economy, gross [3)]	ALL	.	51500	.	.	51700	.	.	51700	.	.	52600	.	.	.	.
Total economy, gross [3)]	real, CPPY	.	4.7	.	.	3.3	.	.	3.6	.	.	1.1	.	.	.	.
Total economy, gross [3)]	EUR	.	368.6	.	.	370.1	.	.	367.4	.	.	375.0	.	.	.	.
PRICES																
Consumer	PP	0.2	0.9	1.0	1.1	0.3	-0.1	-1.0	-0.6	-0.8	-0.1	0.8	0.1	-0.5	1.7	0.8
Consumer	CPPY	2.5	2.4	2.7	2.5	2.4	2.3	2.1	2.3	1.6	1.1	1.7	1.7	1.0	1.8	1.6
Consumer	CCPPY	2.0	2.0	2.7	2.6	2.5	2.5	2.4	2.4	2.3	2.1	2.1	2.0	1.9	1.9	1.6
Producer, in industry	PP	0.0	0.0	0.3	-0.2	0.2	0.3	-0.2	-0.1	-0.5	0.0	0.0	.	.	.	.
Producer, in industry	CPPY	0.0	0.1	-0.8	-1.3	-1.4	-0.4	-0.5	-0.5	0.1	0.1	-0.1	.	.	.	.
Producer, in industry	CCPPY	1.2	1.1	-0.8	-1.0	-1.2	-1.0	-0.9	-0.8	-0.7	-0.6	-0.5	.	.	.	.
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	1404	1532	130	243	382	528	693	840	1013	1143	1295	1453	1603	1756	.
Imports total (cif), cumulated	EUR mn	3466	3801	245	484	757	1053	1373	1667	2012	2315	2615	2946	3267	3653	.
Trade balance, cumulated	EUR mn	-2062	-2269	-115	-240	-375	-524	-680	-827	-999	-1172	-1320	-1493	-1663	-1897	.
Exports to EU-28 (fob), cumulated	EUR mn	1061	1159	107	198	309	415	536	646	781	880	995	1121	1237	1347	.
Imports from EU-28 (cif), cumulated	EUR mn	2189	2403	163	330	514	708	911	1105	1330	1512	1697	1904	2097	2340	.
Trade balance with EU-28, cumulated	EUR mn	-1128	-1244	-56	-131	-205	-294	-375	-459	-549	-633	-702	-783	-860	-993	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-954	-1021	-100	-165	-225	-313	-427	-522	-563	-624	-713	.	.	.	.
EXCHANGE RATE																
ALL/EUR, monthly average	nominal	139.71	139.72	139.49	139.75	139.78	140.28	140.89	140.96	140.31	140.01	140.51	140.85	140.11	140.21	140.54
ALL/USD, monthly average	nominal	109.01	106.57	104.96	104.61	107.81	107.86	108.56	106.89	107.27	105.20	105.31	103.27	103.91	102.38	103.24
EUR/ALL, calculated with CPI [4)]	real, Jan09=100	89.8	90.3	92.0	92.5	91.9	91.5	90.1	89.4	89.4	89.4	89.5	89.4	89.5	90.6	92.0
EUR/ALL, calculated with PPI [4)]	real, Jan09=100	84.4	84.7	84.8	84.2	84.5	84.8	84.6	84.4	84.1	84.3	84.0	.	.	.	.
USD/ALL, calculated with CPI [4)]	real, Jan09=100	87.7	90.7	92.8	93.3	90.5	90.5	88.8	89.5	88.4	89.9	90.4	92.6	91.8	94.7	94.3
USD/ALL, calculated with PPI [4)]	real, Jan09=100	76.6	78.5	79.5	78.9	76.8	77.2	76.3	77.4	76.6	78.2	78.2	.	.	.	.
DOMESTIC FINANCE																
Currency outside banks	ALL bn, eop	186.0	192.7	184.7	185.1	186.8	190.0	196.2	202.2	201.3	201.3	197.8	195.4	195.8	.	.
M1	ALL bn, eop	267.4	281.2	267.8	270.7	274.8	280.5	291.2	298.7	294.8	296.9	292.6	290.1	291.1	.	.
M2	ALL bn, eop	1116.2	1123.4	1113.3	1118.3	1119.4	1133.5	1137.0	1141.7	1136.2	1149.3	1153.8	1144.1	1146.8	.	.
M2	CPPY, eop	5.6	5.0	4.9	4.8	4.6	5.2	4.8	4.5	3.2	2.7	3.2	2.3	2.7	.	.
Central bank policy rate (p.a.) [5)]	%, eop	4.00	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.00	3.00
Central bank policy rate (p.a.) [5)6)]	real, %, eop	4.0	3.9	4.6	5.1	5.2	4.2	4.3	4.3	3.4	3.4	3.6	.	.	.	.
BUDGET																
General gov.budget balance, cum.	ALL mn	-35274	-45857	-215	-9467	-14644	-23384	-35923	-48107	-48893	-54489	-58846	-54971	-60487	.	.

1) According to census October 2011.

2) Unemployment rate refers to population 15-64 years.

3) Excluding private sector.

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

5) One-week repo rate.

6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating national statistics.
http://data.wiiw.ac.at/monthly-database.html

B O S N I A and H E R Z E G O V I N A: Selected monthly data on the economic situation 2012 to 2014

(updated end of Feb 2014)

		2012		2013												2014
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	-3.5	-0.7	2.1	11.1	6.8	11.4	6.1	3.7	6.9	3.7	4.5	7.8	8.8	7.0	.
Industry, NACE Rev. 2	real, CCPPY	-4.8	-4.4	2.1	6.4	6.5	7.8	7.4	6.8	6.8	6.4	6.2	6.3	6.6	6.6	.
Industry, NACE Rev. 2	real, 3MMA	-3.5	-0.8	3.8	6.5	9.7	8.1	7.0	5.6	4.7	5.0	5.3	7.0	7.9	.	.
LABOUR																
Employees total, registered	th. persons, avg	686.7	685.1	684.7	684.4	684.8	684.7	685.3	686.3	685.8	680.4	683.6	684.5	687.9	689.3	.
Employees total, registered	CPPY	-0.1	-0.1	-0.6	-0.4	-0.6	-0.8	-0.9	-0.6	-0.5	-1.0	-0.7	-0.4	0.2	0.6	.
Unemployment, registered	th. persons, eop	547.8	550.3	554.7	554.5	553.6	549.6	547.4	548.3	553.0	555.9	554.9	552.8	551.5	553.8	.
Unemployment rate, registered	%, eop	44.4	44.5	44.8	44.8	44.7	44.5	44.4	44.4	44.6	45.0	44.8	44.7	44.5	44.5	.
WAGES																
Total economy, gross	BAM	1300	1299	1294	1272	1278	1287	1298	1283	1295	1293	1290	1302	1295	1309	.
Total economy, gross	real, CPPY	-0.8	-1.4	-0.7	-1.4	-1.2	-0.2	-0.9	-0.8	-0.6	-0.1	2.2	1.1	0.5	2.0	.
Total economy, gross	EUR	665	664	662	650	653	658	664	656	662	661	660	666	662	669	.
PRICES																
Consumer	PP	-0.1	0.0	0.3	0.0	0.1	-0.5	-0.1	0.0	-0.9	-0.3	0.0	0.3	-0.1	-0.3	.
Consumer	CPPY	1.9	1.8	1.3	1.0	0.6	0.3	0.3	0.8	0.8	-0.2	-0.5	-0.9	-0.9	-1.2	.
Consumer	CCPPY	2.1	2.0	1.3	1.1	0.9	0.8	0.7	0.7	0.7	0.6	0.5	0.3	0.2	0.1	.
Producer, in industry, NACE Rev. 2	PP	0.2	-0.5	0.1	0.6	-2.0	-0.1	-0.4	-0.3	0.0	0.0	-0.3	-0.1	0.7	-0.2	.
Producer, in industry, NACE Rev. 2	CPPY	0.3	0.1	0.2	0.8	-1.6	-1.6	-2.3	-2.5	-2.6	-2.4	-2.0	-2.8	-2.3	-2.0	.
Producer, in industry, NACE Rev. 2	CCPPY	0.3	0.3	0.2	0.5	-0.2	-0.5	-0.9	-1.2	-1.4	-1.5	-1.5	-1.7	-1.7	-1.8	.
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	3715	4018	312	643	992	1394	1772	2150	2532	2855	3218	3580	3943	4285	332
Imports total (cif), cumulated	EUR mn	7211	7799	527	1103	1758	2410	3077	3706	4386	5038	5704	6433	7106	7756	513
Trade balance, cumulated	EUR mn	-3496	-3781	-215	-461	-766	-1016	-1305	-1556	-1854	-2184	-2486	-2853	-3164	-3471	-181
Exports to EU-28 (fob), cumulated	EUR mn	2736	2945	239	487	739	1038	1320	1610	1890	2120	2391	2655	2921	3153	250
Imports from EU-28 (cif), cumulated	EUR mn	4392	4785	309	645	1034	1434	1842	2252	2674	3059	3459	3883	4264	4650	311
Trade balance with EU-28, cumulated	EUR mn	-1656	-1840	-70	-158	-295	-397	-522	-642	-784	-939	-1068	-1229	-1343	-1498	-60
FOREIGN FINANCE																
Current account, cumulated [1]	EUR mn	.	-1273	.	.	-219	.	.	-377	.	.	-574	.	.	.	.
EXCHANGE RATE																
BAM/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
BAM/USD, monthly average	nominal	1.526	1.493	1.474	1.462	1.507	1.503	1.507	1.484	1.496	1.469	1.466	1.434	1.449	1.428	1.436
EUR/BAM, calculated with CPI [2]	real, Jan09=100	98.3	98.0	99.1	98.7	97.9	97.4	97.2	97.1	96.6	96.2	95.8	96.2	96.2	95.6	.
EUR/BAM, calculated with PPI [2]	real, Jan09=100	92.3	92.1	91.9	92.2	90.5	90.8	90.8	90.5	90.2	90.3	89.9	90.3	91.1	90.8	.
USD/BAM, calculated with CPI [2]	real, Jan09=100	95.4	97.7	99.0	99.0	95.9	95.7	95.2	96.4	94.8	96.1	96.2	98.9	98.0	99.2	.
USD/BAM, calculated with PPI [2]	real, Jan09=100	83.6	85.2	85.9	86.4	82.2	82.6	81.8	82.7	82.0	83.6	83.6	86.0	86.4	87.1	.
DOMESTIC FINANCE																
Currency outside banks	BAM mn, eop	2364	2414	2337	2358	2403	2424	2408	2441	2502	2551	2507	2504	2494	2542	.
M1	BAM mn, eop	6046	6143	6073	6080	6242	6261	6272	6259	6453	6682	6631	6576	6545	6696	.
M2	BAM mn, eop	14748	14911	14860	14863	15127	15162	15231	15235	15371	15685	15734	15810	15827	16095	.
M2	CPPY, eop	4.4	3.4	3.8	3.6	5.7	5.2	5.3	5.1	4.9	6.2	6.7	6.5	7.3	7.9	.

1) BOP 6th edition.

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

Source: wiiw Monthly Database incorporating national statistics.
http://data.wiiw.ac.at/monthly-database.html

M A C E D O N I A: Selected monthly data on the economic situation 2012 to 2014

(updated end of Feb 2014)

		2012		2013												2014
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	1.1	-3.9	4.3	6.5	6.6	7.5	-0.7	4.5	4.6	-2.0	3.3	-1.2	1.8	4.2	.
Industry, NACE Rev. 2 [1]	real, CCPPY	-2.6	-2.8	4.3	5.4	5.9	6.3	4.8	4.7	4.7	3.8	3.8	3.2	3.1	3.2	.
Industry, NACE Rev. 2 [1]	real, 3MMA	-1.0	0.1	1.6	5.9	6.9	4.4	3.8	2.8	2.4	2.0	0.0	1.3	1.6	.	.
Productivity in industry, NACE Rev. 2 [1]	CCPPY	-0.5	-0.7	4.5	4.9	5.0	5.6	4.1	4.1	4.1	3.1	2.9	2.2	2.1	2.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	1.1	1.4	-1.4	-2.0	-1.8	-2.5	-1.0	-1.0	-1.0	-0.3	-0.3	0.3	0.4	0.4	.
Construction, total, effect. work. time	real, CPPY	-15.8	-12.1	24.7	52.7	20.3	31.4	54.5	22.1	16.5	17.9	28.0	28.8	.	.	.
Construction, total, effect. work. time	real, CCPPY	-11.6	-11.6	24.7	37.4	30.8	31.0	36.4	33.8	31.1	29.3	29.2	29.1	.	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	657.8	.	.	668.9	.	.	678.4	.	.	682.4	.	.	.	.
Employed persons, LFS	CPPY	.	2.9	.	.	3.9	.	.	4.7	.	.	4.6	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	290.3	.	.	284.8	.	.	273.9	.	.	275.0	.	.	.	.
Unemployment rate, LFS	%, avg	.	30.6	.	.	29.9	.	.	28.8	.	.	28.7	.	.	.	.
WAGES																
Total economy, gross	MKD	30595	31466	31090	30644	31185	30799	31247	30957	30851	30990	30915	31228	30902	31498	.
Total economy, gross	real, CPPY	-4.3	-4.1	-2.6	-2.1	-2.0	-2.1	-1.3	-2.0	-2.6	-2.0	-0.4	-0.1	-0.1	-1.2	.
Total economy, gross	EUR	497	512	505	497	506	500	507	502	500	504	503	508	502	511	.
Industry, gross, NACE Rev. 2	EUR	413	423	425	406	418	415	428	420	428	424	422	429	422	432	.
PRICES																
Consumer	PP	0.0	0.0	0.3	0.2	0.1	1.3	-0.2	0.3	-1.1	0.3	0.2	-0.1	-0.1	0.3	-0.1
Consumer	CPPY	4.6	4.7	3.8	3.5	3.1	3.3	3.4	4.2	4.0	2.8	1.6	1.3	1.1	1.4	0.9
Consumer	CCPPY	3.2	3.3	3.8	3.7	3.5	3.4	3.4	3.6	3.6	3.5	3.3	3.1	2.9	2.8	0.9
Producer, in industry, NACE Rev. 2	PP	1.0	-0.2	-1.1	0.5	-0.5	-0.2	-1.4	1.5	-1.6	0.3	1.2	-1.4	-0.4	-0.6	.
Producer, in industry, NACE Rev. 2	CPPY	2.8	1.4	1.6	0.1	-1.6	0.3	-2.4	-1.3	-0.4	-1.3	-2.6	-2.0	-3.3	-3.6	.
Producer, in industry, NACE Rev. 2	CCPPY	1.4	1.4	1.6	0.9	0.0	0.1	-0.4	-0.6	-0.5	-0.6	-0.9	-1.0	-1.2	-1.4	.
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	2852	3114	230	461	720	998	1252	1524	1836	2080	2350	2632	2913	3212	.
Imports total (cif), cumulated	EUR mn	4613	5063	375	739	1138	1598	2030	2428	2879	3242	3636	4079	4519	4969	.
Trade balance, cumulated	EUR mn	-1762	-1948	-144	-278	-417	-600	-778	-904	-1043	-1162	-1286	-1447	-1606	-1757	.
Exports to EU-28 (fob), cumulated	EUR mn	1855	2031	168	341	540	733	916	1118	1346	1518	1712	1907	2118	2333	.
Imports from EU-28 (cif), cumulated	EUR mn	2805	3053	199	415	658	941	1218	1480	1779	2011	2257	2535	2819	3113	.
Trade balance with EU-28, cumulated	EUR mn	-950	-1021	-31	-73	-119	-207	-302	-361	-433	-493	-545	-628	-701	-779	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-186	-226	-48	-76	-113	-171	-215	-224	-178	-116	-90	-109	-139	-147	.
EXCHANGE RATE																
MKD/EUR, monthly average	nominal	61.50	61.50	61.50	61.60	61.66	61.65	61.65	61.67	61.65	61.50	61.50	61.50	61.51	61.61	61.58
MKD/USD, monthly average	nominal	47.97	46.94	46.36	46.04	47.51	47.39	47.46	46.79	47.16	46.20	46.12	45.13	45.58	44.99	45.18
EUR/MKD, calculated with CPI [2]	real, Jan09=100	99.5	99.2	100.3	100.0	99.0	100.4	100.0	100.2	99.5	100.0	99.8	99.7	99.7	99.4	100.2
EUR/MKD, calculated with PPI [2]	real, Jan09=100	115.4	115.5	113.9	113.9	113.5	113.8	112.5	114.2	112.1	112.8	114.1	113.0	112.8	111.7	.
USD/MKD, calculated with CPI [2]	real, Jan09=100	96.5	98.9	100.2	100.3	97.0	98.6	98.1	99.5	97.6	99.8	100.1	102.4	101.5	103.1	102.2
USD/MKD, calculated with PPI [2]	real, Jan09=100	104.0	106.2	105.8	106.1	102.5	102.8	100.9	103.8	101.3	103.9	105.4	106.9	106.3	106.6	.
DOMESTIC FINANCE																
Currency outside banks	MKD bn, eop	18.3	20.1	18.9	18.8	20.7	20.6	20.0	20.1	21.0	20.6	20.0	19.7	19.4	20.7	19.9
M1	MKD bn, eop	62.2	65.9	62.6	64.1	66.2	63.9	64.4	65.3	65.9	67.4	66.5	66.4	65.4	70.0	67.8
Broad money	MKD bn, eop	263.0	266.3	265.0	268.7	270.5	262.4	263.8	266.3	268.5	273.6	273.8	274.6	276.1	280.4	280.0
Broad money	CPPY, eop	5.7	4.4	3.8	4.9	5.0	2.4	2.6	3.0	2.0	4.5	5.1	4.7	5.0	5.3	5.7
Central bank policy rate (p.a.) [3]	%, eop	3.73	3.73	3.49	3.48	3.42	3.38	3.37	3.21	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Central bank policy rate (p.a.) [3][4]	real, %, eop	0.9	2.3	1.8	3.3	5.1	3.1	5.9	4.6	3.7	4.6	6.0	5.3	6.7	7.1	.
BUDGET																
General gov.budget balance, cum. [5]	MKD mn	-14574	-17725	-2871	-6590	-11417	-11276	-12431	-13809	-14319	-14748	-15770	-17119	-17901	-19253	.

1) Enterprises with 10 and more persons employed.

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

3) Central bank bills (28-days).

4) Deflated with annual PPI.

5) Central government budget plus extra-budgetary funds.

Source: wiiw Monthly Database incorporating national statistics.
http://data.wiiw.ac.at/monthly-database.html

M O N T E N E G R O: Selected monthly data on the economic situation 2012 to 2014

(updated end of Feb 2014)

		2012		2013												2014
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	-6.0	17.0	1.6	-3.1	10.4	14.2	22.3	19.2	5.0	9.0	3.6	10.4	21.3	14.5	7.4
Industry, NACE Rev. 2	real, CCPPY	-9.1	-7.0	1.6	-0.8	3.3	6.3	9.1	10.4	9.6	9.5	8.9	9.0	10.2	10.6	7.4
Industry, NACE Rev. 2	real, 3MMA	-5.4	4.0	5.2	3.3	7.7	15.1	18.1	14.8	10.4	5.9	7.6	12.1	15.6	14.5	.
Productivity in industry, NACE Rev. 2	CCPPY	-2.8	-1.1	-1.0	-3.0	1.2	4.2	7.1	8.1	7.8	7.2	7.8	8.8	10.8	12.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	8.5	6.5	-2.5	0.9	-5.3	-8.5	-10.7	-11.9	-12.2	-12.2	-13.2	-14.4	-16.3	-17.5	.
LABOUR																
Employed persons, LFS [1]	th. pers., quart. avg	.	197.4	.	.	195.2	.	.	204.8	.	.	210.5	.	.	.	.
Employed persons, LFS [1]	CPPY	.	1.4	.	.	1.1	.	.	4.1	.	.	-0.5	.	.	.	.
Unemployed persons, LFS [1]	th. pers., quart. avg	.	51.3	.	.	53.6	.	.	48.7	.	.	45.7	.	.	.	.
Unemployment rate, LFS [1]	%	.	20.6	.	.	21.5	.	.	19.2	.	.	17.8	.	.	.	.
Employees total, registered	th. persons, avg	168.6	167.5	167.4	167.4	167.7	170.3	174.4	179.9	178.8	176.6	171.4	169.0	167.6	167.2	.
Unemployment, registered	th. persons, eop	30.7	31.2	31.9	32.6	33.0	32.6	31.4	30.3	30.1	30.9	30.9	33.3	34.7	34.5	.
Unemployment rate, registered	%, eop	15.4	15.7	16.0	16.3	16.4	16.1	15.2	14.4	14.4	14.9	15.3	16.5	17.1	17.1	.
WAGES																
Total economy, gross	EUR	713	741	734	734	723	724	728	730	712	721	721	721	727	738	.
Total economy, gross	real, CPPY	-6.0	-2.3	-6.6	-3.8	-4.1	-4.3	-2.8	-1.0	-3.2	-1.4	-1.8	0.1	2.0	-0.7	.
Industry, gross, NACE Rev. 2	EUR	911	907	873	912	828	852	849	876	765	789	788	777	803	805	.
PRICES																
Consumer	PP	-0.1	-0.3	-0.1	0.1	0.4	0.3	0.2	-0.6	0.7	-0.1	0.1	-0.2	-0.6	0.0	-0.8
Consumer	CPPY	5.2	5.1	4.2	3.3	3.3	3.2	3.0	2.2	2.7	2.1	1.8	0.5	-0.1	0.3	-0.5
Consumer	CCPPY	4.1	4.1	4.2	3.7	3.6	3.5	3.4	3.2	3.1	3.0	2.9	2.6	2.4	2.2	-0.5
Producer, in industry [2]	PP	-0.1	-0.4	-0.1	0.2	-0.1	-0.1	-0.1	0.0	-0.1	-0.4	0.2	-0.1	0.0	0.1	0.1
Producer, in industry [2]	CPPY	2.8	5.7	4.6	3.9	4.2	4.0	4.1	2.3	2.2	-2.0	-0.4	-0.9	-1.1	-0.6	-1.3
Producer, in industry [2]	CCPPY	3.4	1.9	4.6	4.3	4.2	4.2	4.2	3.8	3.6	2.9	2.5	2.1	1.8	1.6	-1.3
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	334	367	28	59	89	126	166	196	228	256	285	310	341	376	23
Imports total (cif), cumulated	EUR mn	1681	1821	110	224	363	525	678	848	1021	1186	1332	1494	1624	1773	83
Trade balance, cumulated	EUR mn	-1347	-1454	-82	-165	-274	-399	-512	-652	-793	-929	-1047	-1184	-1283	-1398	-60
Exports to EU-28 (fob), cumulated	EUR mn	177	189	13	29	42	56	72	82	95	108	122	133	145	156	10
Imports from EU-28 (cif), cumulated	EUR mn	744	810	41	93	156	228	295	372	448	519	585	656	716	784	35
Trade balance with EU-28, cumulated	EUR mn	-568	-621	-29	-64	-114	-172	-223	-290	-353	-411	-463	-522	-571	-628	-24
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-588	.	.	-194	.	.	-420	.	.	-232	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average	nominal	0.780	0.762	0.753	0.749	0.771	0.768	0.770	0.758	0.765	0.751	0.749	0.733	0.741	0.730	0.735
EUR/EUR, calculated with CPI [3]	real, Jan09=100	100.7	100.0	100.8	100.5	100.0	100.3	100.4	99.8	100.9	100.6	100.3	100.2	99.7	99.3	99.4
EUR/EUR, calculated with PPI [3]	real, Jan09=100	95.3	95.2	94.8	94.8	94.8	95.1	95.4	95.3	95.0	94.6	94.8	95.2	95.3	95.3	95.3
USD/EUR, calculated with CPI [3]	real, Jan09=100	104.8	102.4	100.7	99.5	102.7	102.6	103.0	100.5	102.0	100.0	99.7	97.7	98.4	96.9	96.4
USD/EUR, calculated with PPI [3]	real, Jan09=100	92.1	89.9	88.2	87.1	89.8	89.5	89.4	88.0	88.5	86.8	86.8	85.5	87.0	85.4	85.7
DOMESTIC FINANCE																
Central bank policy rate (p.a.) [4]	%, eop	8.82	8.83	8.83	8.80	8.81	8.81	8.80	8.81	8.80	8.76	8.72	8.69	8.70	8.68	8.67
Central bank policy rate (p.a.) [4][5]	real, %, eop	5.9	3.0	4.0	4.7	4.4	4.6	4.5	6.4	6.5	11.0	9.2	9.7	9.9	9.3	10.1
BUDGET																
General gov.budget balance, cum.	EUR mn	.	-133	.	.	-62	.	.	-82	.	.	-138	.	.	.	.

1) According to census April 2011.

2) Domestic output prices.

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

4) Average weighted lending interest rate of commercial banks (Montenegro uses the euro as national currency).

5) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating national statistics.
http://data.wiiw.ac.at/monthly-database.html

S E R B I A: Selected monthly data on the economic situation 2012 to 2014

(updated end of Feb 2014)

		2012		2013												2014
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	-1.0	0.9	2.5	13.1	0.8	5.7	-0.5	3.7	12.5	5.7	13.4	3.8	4.2	0.5	.
Industry, NACE Rev. 2	real, CCPPY	-2.5	-2.2	2.5	7.7	5.1	5.2	4.0	4.0	5.2	5.3	6.2	5.9	5.8	5.3	.
Industry, NACE Rev. 2	real, 3MMA	1.4	0.7	5.0	5.1	6.1	1.9	2.9	5.1	7.2	10.5	7.5	6.9	2.9	.	.
Productivity in industry, NACE Rev. 2	CCPPY	0.4	0.5	3.4	8.5	5.5	5.5	4.2	1.2	2.8	3.4	4.7	4.8	4.9	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-1.4	-1.8	-6.4	-6.5	-5.0	-3.0	-0.8	2.6	1.5	1.5	0.6	0.2	.	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	2299.1	.	.	.	.	.	2227.4	.	.	.	.	.	2394.0	.
Employed persons, LFS	CPPY	.	3.4	.	.	.	.	.	3.2	.	.	.	.	.	4.1	.
Unemployed persons, LFS	th. pers., quart. avg	.	665.5	.	.	.	.	.	708.7	.	.	.	.	.	603.6	.
Unemployment rate, LFS	%	.	22.4	.	.	.	.	.	24.1	.	.	.	.	.	20.1	.
Employees total, registered	th. persons, avg	1345.0	1344.0	1343.0	1343.0	1347.0	1347.0	1347.0	1345.0	1343.0	1340.0	1337.0	1329.0	1328.0	.	.
Unemployment, registered	th. persons, eop	755.4	761.5	778.6	790.3	792.3	792.9	783.9	776.4	771.8	760.7	759.4	760.1	762.6	.	.
Unemployment rate, registered	%, eop	28.0	28.2	28.6	28.9	29.0	29.0	28.8	28.6	28.5	28.3	28.3	28.3	28.4	.	.
WAGES																
Total economy, gross	RSD	58914	65165	54447	60199	57628	64249	57921	61399	60896	61797	59162	60102	60893	70071	52438
Total economy, gross	real, CPPY	-1.0	-4.9	-4.9	-3.4	-7.6	-1.3	-6.1	-4.6	-2.0	-1.5	0.9	1.9	1.7	5.2	-6.5
Total economy, gross	EUR	524	574	486	540	516	576	522	538	535	542	516	526	534	611	454
Industry, gross, NACE Rev. 2	EUR	512	548	471	528	487	558	506	535	521	533	502	507	.	.	.
PRICES																
Consumer	PP	0.0	-0.4	0.6	0.5	0.0	0.8	0.0	1.0	-0.9	0.4	0.0	0.2	-0.6	0.2	1.4
Consumer	CPPY	11.9	12.2	12.8	12.4	11.2	11.4	9.9	9.8	8.6	7.3	4.9	2.2	1.6	2.2	3.2
Consumer	CCPPY	6.8	7.8	12.8	12.6	12.1	12.0	11.5	11.3	10.9	10.4	9.8	9.1	8.4	7.8	3.2
Producer, in industry, NACE Rev. 2 [1]	PP	-0.7	-0.1	0.4	0.2	0.0	-0.1	0.0	0.0	-0.2	1.6	-0.4	-0.7	-0.1	0.2	0.1
Producer, in industry, NACE Rev. 2 [1]	CPPY	7.0	6.4	7.4	6.7	5.4	4.9	5.1	4.3	3.5	2.8	1.6	0.5	0.7	0.8	-0.2
Producer, in industry, NACE Rev. 2 [1]	CCPPY	5.5	5.6	7.4	7.1	6.5	6.1	5.9	5.6	5.3	5.0	4.6	4.2	3.9	3.6	-0.2
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	8076	8826	665	1408	2264	3216	4052	4989	6088	7027	8113	9170	10174	11071	.
Imports total (cif), cumulated	EUR mn	13413	14800	1062	2195	3529	4902	6127	7347	8707	9911	11260	12677	14047	15475	.
Trade balance, cumulated	EUR mn	-5337	-5974	-397	-787	-1265	-1686	-2075	-2358	-2618	-2884	-3147	-3506	-3873	-4404	.
Exports to EU-28 (fob), cumulated	EUR mn	4915	5444	464	968	1521	2119	2630	3210	4069	4640	5104	5756	6358	.	.
Imports from EU-28 (cif), cumulated	EUR mn	8224	9022	614	1345	2179	3055	3826	4604	5693	6449	7213	7981	8766	.	.
Trade balance with EU-28, cumulated	EUR mn	-3309	-3578	-150	-377	-658	-936	-1196	-1394	-1624	-1809	-2110	-2225	-2408	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-2826	-3232	-189	-316	-651	-799	-814	-947	-953	-985	-1114	-1227	-1281	.	.
EXCHANGE RATE																
RSD/EUR, monthly average	nominal	112.42	113.59	111.96	111.39	111.72	111.50	110.92	114.02	113.90	114.07	114.64	114.18	114.06	114.75	115.42
RSD/USD, monthly average	nominal	87.91	56.58	84.17	83.35	86.18	85.68	85.63	86.40	87.04	85.67	85.88	83.20	84.53	83.77	84.71
EUR/RSD, calculated with CPI [2]	real, Jan09=100	104.5	102.6	105.6	106.2	105.0	106.0	106.5	104.5	104.1	104.3	103.3	104.0	103.6	102.8	104.6
EUR/RSD, calculated with PPI [2]	real, Jan09=100	111.4	110.5	112.2	112.7	112.5	113.3	114.3	111.2	110.8	112.4	111.2	110.9	111.1	110.5	109.9
USD/RSD, calculated with CPI [2]	real, Jan09=100	101.7	157.7	106.4	107.1	103.3	104.8	104.7	104.5	102.8	104.7	104.4	108.2	106.2	107.3	107.2
USD/RSD, calculated with PPI [2]	real, Jan09=100	100.8	156.6	105.2	105.5	102.2	102.9	102.7	101.7	100.6	104.0	103.4	106.8	105.8	106.6	105.0
DOMESTIC FINANCE																
Currency outside banks	RSD bn, eop	100.7	110.5	95.9	99.3	102.1	107.0	101.4	109.0	109.3	114.7	112.7	110.4	112.0	122.4	112.0
M1	RSD bn, eop	277.7	308.7	278.9	300.0	311.6	311.8	318.7	328.0	329.8	352.2	358.5	351.2	355.0	388.6	358.1
M2	RSD bn, eop	1612.5	1641.8	1580.2	1612.9	1622.7	1604.8	1643.8	1659.8	1661.5	1702.3	1705.8	1698.8	1707.6	1719.3	1679.7
M2	CPPY, eop	10.6	9.4	6.6	5.9	8.2	4.8	4.4	4.5	3.4	5.3	6.1	7.5	5.9	4.7	6.3
Central bank policy rate (p.a.) [3]	%, eop	10.95	11.25	11.50	11.75	11.75	11.75	11.25	11.00	11.00	11.00	11.00	10.50	10.00	9.50	9.50
Central bank policy rate (p.a.) [3][4]	real, %, eop	3.7	4.6	3.8	4.7	6.0	6.5	5.9	6.4	7.2	8.0	9.3	10.0	9.2	8.6	9.7
BUDGET																
Central gov.budget balance, cum.	RSD bn	-161.4	-192.0	-7.0	-35.3	-51.2	-75.9	-93.6	-97.9	-100.7	-130.7	-150.6	-155.6	-164.3	-173.7	.

1) Domestic output prices.

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

3) Two-week repo rate.

4) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating national statistics.
http://data.wiiw.ac.at/monthly-database.html

K A Z A K H S T A N: Selected monthly data on the economic situation 2012 to 2014

(updated end of Feb 2014)

		2012		2013												2014
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	0.9	2.0	0.7	1.1	3.8	1.8	1.2	2.0	2.2	2.5	2.9	3.9	2.6	2.7	0.8
Industry, NACE Rev. 2 [1]	real, CCPPY	0.4	0.5	0.7	0.9	1.9	1.9	1.8	1.8	1.9	2.0	2.1	2.3	2.3	2.3	0.8
Industry, NACE Rev. 2 [1]	real, 3MMA	0.7	0.9	0.6	0.9	1.2	1.2	0.6	0.7	1.1	1.4	2.0	2.0	2.3	1.7	.
Productivity in industry, NACE Rev. 2 [1]	CCPPY	-0.2	-0.1	1.0	1.2	1.9	1.8	1.5	1.4	1.5	1.6	1.7	1.9	1.9	2.0	0.0
Unit labour costs, exch.r. adj.(EUR) [1]	CCPPY	25.0	23.3	8.1	8.9	8.9	10.0	9.8	8.2	7.0	5.6	4.9	4.1	3.5	3.2	5.4
Construction, NACE Rev. 2	real, CCPPY	2.5	3.1	-6.9	-5.6	-4.9	-2.7	-1.0	0.7	1.8	2.1	2.5	2.9	2.9	3.0	2.1
LABOUR																
Employed persons, LFS [2]	th. pers., quart. avg	.	8499.9	.	.	8546.1	.	.	8590.7	.	.	8607.7	.	.	8576.0	.
Employed persons, LFS [2]	CCPPY	.	.	.	.	1.0	.	.	0.9	.	.	0.8	.	.	0.9	.
Unemployed persons, LFS [2]	th. pers., quart. avg	.	474.8	.	.	474.5	.	.	469.3	.	.	468.3	.	.	466.4	.
Unemployment rate, LFS [2]	%, avg	.	5.3	.	.	5.3	.	.	5.2	.	.	5.2	.	.	5.2	.
Employees total, registered [3]	th. persons, avg	3665.7	3666.8	3711.9	3703.2	3712.4	3714.0	3728.8	3736.5	3735.4	3727.8	3736.1	3744.3	3746.9	3735.2	3734.2
Unemployment, registered	th. persons, eop	49.3	34.6	49.1	44.8	56.1	65.7	66.9	58.9	58.2	58.8	51.7	51.3	44.2	30.0	42.5
Unemployment rate, registered	%, eop	0.5	0.4	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.3	0.4
WAGES																
Total economy, gross [3]	KZT	100866	127402	99152	98736	108836	105289	106286	109970	112792	110020	105905	105948	107317	137043	104654
Total economy, gross [3]	real, CPPY	3.9	0.8	0.8	-0.2	1.1	1.2	1.3	-1.2	-0.2	-0.6	0.7	2.1	1.5	2.5	0.9
Total economy, gross [3]	EUR	522	646	495	490	556	537	542	551	565	540	518	505	518	650	496
Industry, gross, NACE Rev. 2 [1][3]	EUR	650	831	608	604	714	693	689	664	704	698	667	630	644	856	641
PRICES																
Consumer	PP	0.7	0.6	0.9	0.8	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.5	0.7	0.6
Consumer	CPPY	5.7	6.1	6.7	7.1	7.0	6.6	6.1	6.1	6.0	5.8	5.4	5.0	4.8	4.9	4.6
Consumer	CCPPY	5.1	5.2	6.7	6.9	6.9	6.9	6.7	6.6	6.5	6.4	6.3	6.2	6.0	5.9	4.6
Producer, in industry, NACE Rev. 2 [1]	PP	-0.5	-0.5	-0.3	1.8	0.0	-2.3	-4.3	-0.6	1.8	3.1	2.3	-1.0	-0.5	-0.2	1.4
Producer, in industry, NACE Rev. 2 [1]	CPPY	2.8	2.3	3.0	4.7	0.8	-5.1	-7.7	-3.5	3.0	3.1	2.0	-0.7	-0.7	-0.4	1.3
Producer, in industry, NACE Rev. 2 [1]	CCPPY	3.6	3.5	3.0	3.9	2.8	0.7	-1.0	-1.4	-0.8	-0.3	-0.1	-0.1	-0.2	-0.2	1.3
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	61982	67320	4782	9695	15423	21072	26260	31212	36633	42144	46127	52268	57636	62149	.
Imports total (cif), cumulated	EUR mn	32770	36119	2226	4569	7316	10545	13675	16994	20472	23450	26695	29928	33336	36784	.
Trade balance, cumulated	EUR mn	29212	31201	2556	5126	8107	10526	12586	14217	16160	18694	19432	22340	24300	25365	.
FOREIGN FINANCE																
Current account, cumulated [4]	EUR mn	.	498	.	.	1469	.	.	1478	.	.	-147	.	.	89	.
EXCHANGE RATE																
KZT/EUR, monthly average	nominal	193.11	197.19	200.28	201.49	195.62	196.19	195.95	199.75	199.60	203.67	204.40	209.98	207.16	210.93	211.17
KZTUSD, monthly average	nominal	150.52	150.42	150.73	150.51	150.73	150.96	151.00	151.43	152.58	152.93	153.24	153.99	153.41	154.04	154.96
EUR/KZT, calculated with CPI [5]	real, Jan09=100	98.1	96.3	96.4	96.2	98.4	98.5	98.7	97.0	97.7	95.8	95.3	93.1	94.9	93.5	94.8
EUR/KZT, calculated with PPI [5]	real, Jan09=100	158.6	155.0	151.7	153.1	157.9	154.5	148.6	144.8	147.1	148.7	151.5	146.8	148.2	145.1	146.9
USD/KZT, calculated with CPI [5]	real, Jan09=100	95.6	96.4	96.8	96.9	96.8	97.0	97.0	96.7	96.2	96.0	95.9	96.0	97.1	97.4	97.0
USD/KZT, calculated with PPI [5]	real, Jan09=100	143.5	143.2	141.8	143.2	143.2	140.0	133.5	132.3	133.5	137.6	140.5	139.4	140.3	138.9	139.4
DOMESTIC FINANCE																
Currency outside banks	KZT bn, eop	1380	1528	1422	1409	1428	1439	1460	1524	1476	1468	1454	1438	1404	1512	1398
M1	KZT bn, eop	3580	3881	3720	3759	3844	3884	3811	3974	3749	3506	3640	3489	3312	3518	3490
Broad money	KZT bn, eop	10465	10523	10496	10536	11078	11052	11318	11579	11682	11351	11558	11680	11339	11601	11882
Broad money	CPPY, eop	8.9	7.9	9.1	6.3	7.6	6.3	9.5	11.3	10.4	9.9	9.9	9.3	8.4	10.2	13.2
Central bank policy rate (p.a.) [6]	%, eop	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Central bank policy rate (p.a.) [6][7]	real, %, eop	2.6	3.1	2.4	0.8	4.7	11.1	14.3	9.3	2.5	2.4	3.5	6.3	6.3	6.0	4.2
BUDGET																
General gov.budget balance, cum.	KZT bn	-533.1	-890.3	96.1	230.1	85.1	123.6	82.6	-60.1	-51.0	-97.7	-216.2	-364.9	-393.7	-700.9	.

1) Including E (water supply, sewerage, waste management, remediation activities).

2) According to census March 2009.

3) Excluding small enterprises engaged in entrepreneurial activity.

4) BOP 6th edition.

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

6) Refinancing rate of NB.

7) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating national statistics.
http://data.wiiw.ac.at/monthly-database.html

R U S S I A: Selected monthly data on the economic situation 2012 to 2014

(updated end of Feb 2014)

		2012		2013												2014
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																
Industry, total	real, CPPY	3.3	2.9	-0.3	-3.1	-0.1	1.1	-0.5	1.7	0.8	-0.3	1.3	1.0	2.8	0.3	-0.2
Industry, total	real, CCPPY	3.4	3.4	-0.3	-1.7	-1.1	-0.6	-0.6	-0.2	0.0	-0.1	0.1	0.2	0.4	0.4	-0.2
Industry, total	real, 3MMA	3.2	2.1	0.0	-1.1	-0.7	0.2	0.8	0.7	0.7	0.6	0.7	1.7	1.4	1.0	.
Construction, total	real, CPPY	0.6	1.6	1.4	0.3	0.2	-3.7	1.7	-7.9	6.1	-3.1	-2.9	-3.6	-0.3	-3.0	-5.4
Construction, total	real, CCPPY	2.6	2.4	1.4	0.8	0.6	-0.7	-0.1	-1.9	-0.3	-0.8	-1.1	-1.4	-1.3	-1.5	-5.4
LABOUR																
Employed persons, LFS [1]	th. pers., avg	71639	71540	70730	71001	70967	71121	71652	71427	71816	72399	71761	71544	71370	70908	70447
Employed persons, LFS [1]	CPPY	0.7	0.7	0.9	1.3	1.4	0.1	-1.0	-1.4	-0.9	-0.5	-0.9	-0.2	-0.4	-0.9	-0.4
Unemployed persons, LFS [1]	th. pers., avg	3949	3825	4477	4337	4252	4181	3904	4089	4013	3961	3991	4143	4112	4190	4180
Unemployment rate, LFS [1]	%, avg	5.2	5.1	6.0	5.8	5.7	5.6	5.2	5.4	5.3	5.2	5.3	5.5	5.4	5.6	5.6
Unemployment, registered	th. persons, eop	1017	1065	1073	1099	1083	1061	1010	970	945	925	879	849	873	918	931
Unemployment rate, registered [1]	%, eop	1.4	1.4	1.4	1.5	1.4	1.4	1.3	1.3	1.3	1.2	1.2	1.1	1.2	1.2	1.3
WAGES																
Total economy, gross	RUB	27448	36450	26840	26620	28693	30026	29723	30986	30229	29226	29346	30069	30290	39648	28945
Total economy, gross	real, CPPY	6.1	4.2	5.5	3.2	5.2	8.5	4.9	5.4	6.4	6.7	6.4	5.7	3.6	2.2	1.7
Total economy, gross	EUR	681	905	667	659	718	737	733	728	706	665	674	688	687	880	633
Industry, gross [2]	EUR	616	718	613	605	651	674	646	631	664	618	617	630	615	699	590
PRICES																
Consumer	PP	0.3	0.5	1.0	0.6	0.3	0.5	0.7	0.4	0.8	0.1	0.2	0.6	0.6	0.5	0.6
Consumer	CPPY	6.5	6.6	7.1	7.3	7.0	7.2	7.4	6.9	6.5	6.5	6.1	6.2	6.5	6.5	6.1
Consumer	CCPPY	5.0	5.1	7.1	7.2	7.2	7.2	7.2	7.2	7.1	7.0	6.9	6.8	6.8	6.8	6.1
Producer, in industry [3]	PP	-1.2	-1.1	-0.4	0.8	0.5	-1.2	-1.0	0.4	2.0	2.8	1.4	-1.2	-1.5	1.0	0.4
Producer, in industry [3]	CPPY	6.5	5.2	5.0	4.7	3.1	1.1	2.6	3.9	7.1	4.8	1.3	1.8	1.4	3.6	4.4
Producer, in industry [3]	CCPPY	6.9	6.8	5.0	4.9	4.3	3.5	3.3	3.4	3.9	4.0	3.7	3.5	3.3	3.3	4.4
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	371741	407957	29326	61194	95861	130116	161903	193898	227358	259252	293080	325139	360052	396269	.
Imports total (cif), cumulated	EUR mn	224351	246961	15140	33935	55005	77071	96156	116161	137745	157386	177139	197745	217818	239300	.
Trade balance, cumulated	EUR mn	147389	160995	14186	27259	40855	53046	65747	77737	89614	101866	115941	127394	142234	156970	.
FOREIGN FINANCE																
Current account, cumulated [4]	EUR mn	.	56034	.	.	18954	.	.	21071	.	.	21492	.	.	24850	.
EXCHANGE RATE																
RUB/EUR, monthly average	nominal	40.31	40.29	40.26	40.39	39.95	40.75	40.57	42.58	42.82	43.96	43.52	43.73	44.06	45.03	45.76
RUB/USD, monthly average	nominal	31.41	30.74	30.26	30.16	30.80	31.33	31.24	32.28	32.74	33.02	32.63	32.06	32.64	32.89	33.46
EUR/RUB, calculated with CPI [5]	real, Jan09=100	124.2	124.5	126.8	126.7	127.3	125.4	126.7	121.2	121.9	118.7	119.7	119.9	119.8	117.4	117.3
EUR/RUB, calculated with PPI [5]	real, Jan09=100	155.8	154.7	153.7	154.0	156.7	152.5	152.2	145.5	147.2	147.4	151.0	149.2	146.1	144.1	142.4
USD/RUB, calculated with CPI [5]	real, Jan09=100	119.4	122.9	125.8	125.9	123.3	121.9	122.9	119.2	118.4	117.3	118.9	122.0	120.9	120.6	118.8
USD/RUB, calculated with PPI [5]	real, Jan09=100	139.2	140.9	141.9	142.2	140.1	136.4	135.0	131.1	131.7	134.5	138.1	139.8	136.3	136.1	133.7
DOMESTIC FINANCE																
Currency outside banks	RUB bn, eop	5975	6430	6079	6141	6181	6354	6349	6470	6480	6510	6414	6419	6564	6986	.
M1	RUB bn, eop	12459	13754	13173	13250	13408	13408	13550	14002	14017	13858	13856	13695	14092	15537	.
M2	RUB bn, eop	30047	32226	31653	32191	32627	33167	33414	34133	34376	34561	34467	34398	35098	37272	.
M2	CPPY, eop	14.3	12.1	13.1	14.6	15.1	16.4	15.0	16.3	17.5	17.5	16.8	15.4	16.8	15.7	.
Central bank policy rate (p.a.) [6]	%, eop	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	5.50	5.50	5.50	5.50	5.50
Central bank policy rate (p.a.) [6][7]	real, %, eop	1.6	2.9	3.1	3.3	5.0	7.0	5.5	4.2	1.0	3.3	4.1	3.7	4.0	1.9	1.1
BUDGET																
General gov.budget balance, cum.	RUB bn	1734.6	262.9	288.4	95.7	290.9	396.1	570.1	535.3	736.9	848.6	913.3	1136.9	1030.3	.	.

1) According to census October 2010.

2) Manufacturing industry only (D according to NACE Rev. 1).

3) Domestic output prices.

4) BOP 6th edition.

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

6) One-week repo rate from September 2013, refinancing rate before.

7) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating national statistics.
http://data.wiiw.ac.at/monthly-database.html

U K R A I N E: Selected monthly data on the economic situation 2012 to 2014

(updated end of Feb 2014)

		2012		2013												2014
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	-2.2	-5.6	-3.1	-5.6	-4.5	-1.7	-8.6	-5.4	-4.1	-4.7	-4.9	-4.3	-4.0	0.0	-5.0
Industry, NACE Rev. 2 [1]	real, CCPPY	0.0	-0.5	-3.1	-4.4	-4.4	-3.7	-4.7	-4.9	-4.7	-4.7	-4.8	-4.7	-4.6	-4.3	-5.0
Industry, NACE Rev. 2 [1]	real, 3MMA	-3.4	-3.7	-4.8	-4.4	-3.9	-5.0	-5.3	-6.0	-4.7	-4.6	-4.6	-4.4	-2.8	-2.9	.
Productivity in industry, NACE Rev. 2 [1]	CCPPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	-1.1
Unit labour costs, exch.r. adj.(EUR) [1]	CCPPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	2.7
Construction, NACE Rev. 2	real, CCPPY	-6.4	-8.3	-7.6	-8.4	-13.8	-13.8	-17.3	-17.8	-15.7	-14.7	-15.1	-15.1	-14.3	-14.5	-16.4
LABOUR																
Employed persons, LFS	th. pers., quart. avg	.	19980	.	.	20085	.	.	20675	.	.	20864	.	.	.	.
Employed persons, LFS	CPPY	.	-0.2	.	.	0.2	.	.	0.7	.	.	0.0	.	.	.	.
Unemployed persons, LFS	th. pers., quart. avg	.	1739	.	.	1756	.	.	1530	.	.	1374	.	.	.	.
Unemployment rate, LFS	%	.	8.0	.	.	8.0	.	.	6.9	.	.	6.2	.	.	.	.
Employees total, registered [2]	th. persons, avg	10469	10359	10195	10210	10208	10204	10169	10164	10149	10125	10098	10103	10059	9958	10000
Unemployment, registered	th. persons, eop	441	507	565	589	572	535	501	465	452	435	422	395	424	488	525
Unemployment rate, registered [3]	%, eop	1.6	1.8	2.0	2.1	2.0	1.9	1.8	1.7	1.6	1.6	1.5	1.4	1.5	1.8	1.9
WAGES																
Total economy, gross [2]	UAH	3098	3377	3000	3044	3212	3233	3253	3380	3429	3304	3261	3283	3268	3619	3148
Total economy, gross [2]	real, CPPY	13.8	10.8	10.4	9.3	10.8	10.8	8.3	8.8	8.8	8.0	7.0	5.7	5.3	6.6	4.4
Total economy, gross [2]	EUR	302	322	283	284	310	311	313	321	328	311	306	301	303	331	288
Industry, gross, NACE Rev. 2 [1][2]	EUR	347	364	334	338	357	359	358	355	373	359	355	352	349	376	339
PRICES																
Consumer	PP	-0.1	0.2	0.2	-0.1	0.0	0.0	0.1	0.0	-0.1	-0.7	0.0	0.4	0.2	0.5	0.2
Consumer	CPPY	-0.2	-0.2	-0.2	-0.5	-0.8	-0.8	-0.4	-0.1	0.0	-0.4	-0.5	-0.1	0.2	0.5	0.5
Consumer	CCPPY	0.6	0.6	-0.2	-0.4	-0.5	-0.6	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4	-0.3	-0.3	0.5
Producer, in industry, NACE Rev.2 [4]	PP	0.0	-1.6	0.3	-1.6	2.3	2.5	3.1	-2.7	-2.8	1.1	0.2	0.2	-1.3	0.7	0.5
Producer, in industry, NACE Rev.2 [4]	CPPY	.	.	1.5	-0.9	0.2	-1.0	1.9	-1.6	-1.6	-0.9	-0.9	0.8	-0.5	1.8	2.0
Producer, in industry, NACE Rev.2 [4]	CCPPY	.	.	1.5	0.3	0.3	-0.1	0.3	0.0	-0.2	-0.3	-0.4	-0.3	-0.3	-0.1	2.0
FOREIGN TRADE, customs statistics																
Exports total (fob), cumulated	EUR mn	49266	53523	3858	7864	12051	16700	20721	23406	27369	31276	35147	39247	43369	47669	.
Imports total (cif), cumulated	EUR mn	59888	65851	3846	8542	13555	18679	22574	26619	31797	36901	42517	47975	52888	57948	.
Trade balance, cumulated	EUR mn	-10622	-12328	12	-678	-1505	-1980	-1854	-3213	-4428	-5625	-7371	-8728	-9519	-10279	.
Exports to EU-28 (fob), cumulated	EUR mn	12114	13307	1157	2271	3376	4617	5541	6368	7320	8187	9011	10223	11333	12618	.
Imports from EU-28 (cif), cumulated	EUR mn	18409	20360	1135	2694	4303	6208	7681	9339	11270	13008	14666	16612	18495	20358	.
Trade balance with EU-28, cumulated	EUR mn	-6295	-7053	22	-422	-927	-1591	-2141	-2971	-3951	-4822	-5654	-6389	-7162	-7739	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	.	-11138	.	.	-2381	.	.	-4175	.	.	-8640	.	.	-12157	.
EXCHANGE RATE																
UAH/EUR, monthly average	nominal	10.256	10.486	10.597	10.700	10.365	10.396	10.384	10.528	10.449	10.636	10.667	10.898	10.785	10.941	10.916
UAH/USD, monthly average	nominal	7.993	7.993	7.993	7.993	7.993	7.993	7.993	7.993	7.993	7.993	7.993	7.993	7.993	7.993	7.993
EUR/UAH, calculated with CPI [5]	real, Jan09=100	112.9	110.2	110.2	108.6	111.1	110.7	110.9	109.3	110.5	107.6	106.9	105.1	106.5	105.1	106.5
EUR/UAH, calculated with PPI [5]	real, Jan09=100	143.4	138.5	137.1	133.3	140.9	144.6	149.8	143.7	140.4	139.5	139.3	137.4	137.2	135.9	136.9
USD/UAH, calculated with CPI [5]	real, Jan09=100	109.2	109.7	109.7	108.6	108.4	108.5	108.4	108.1	108.0	107.1	107.0	107.7	108.2	108.7	108.5
USD/UAH, calculated with PPI [5]	real, Jan09=100	128.9	127.2	127.0	123.9	126.9	130.3	133.9	130.2	126.5	128.1	128.4	129.6	129.0	129.3	129.3
DOMESTIC FINANCE																
Currency outside banks	UAH bn, eop	190.9	203.2	198.0	201.4	206.1	214.5	213.9	219.9	224.4	225.2	224.3	227.1	227.8	237.8	235.9
M1	UAH bn, eop	302.1	323.2	326.5	329.8	337.5	349.4	352.3	359.5	367.8	370.2	372.2	370.7	371.8	383.9	376.2
Broad money	UAH bn, eop	729.0	773.2	780.1	788.1	800.9	818.0	821.7	836.5	850.8	856.7	871.5	873.2	880.4	909.1	894.1
Broad money	CPPY, eop	11.6	12.8	15.5	16.0	15.9	16.2	17.2	17.8	18.0	18.2	19.1	19.7	20.8	17.6	14.6
Central bank policy rate (p.a.) [6]	%, eop	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.00	7.00	6.50	6.50	6.50	6.50	6.50	6.50
Central bank policy rate (p.a.) [6][7]	real, %, eop	7.5	7.1	5.9	8.5	7.3	8.6	5.5	8.7	8.7	7.5	7.5	5.7	7.0	4.6	4.4
BUDGET																
General gov.budget balance, cum.	UAH mn	-33915	-50786	-615	-1283	-5683	-18883	-21712	-28039	-34228	-34626	-33826	-37094	-40836	-63591	.

1) Including E (water supply, sewerage, waste management, remediation activities).

2) Enterprises with 10 and more employees.

3) Ratio of unemployed to average working age population.

4) Domestic output prices.

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

6) Discount rate.

7) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating national statistics.
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