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Regional employment patterns and prospective developments in the new EU member states*

BY ROMAN RÖMISCH

To date, most analyses of economic developments in the new member states¹ (NMS) have primarily focused on the country level, thereby neglecting the considerable differences in the past economic development and the current situation of the individual regions within each NMS. These regional differences are the focus of the research reported.

* This article is summarizing the research conducted in the context of the project 'Industrial Restructuring and Implications for Labour Markets in the New EU Member States', commissioned by EU DG Employment, Social Affairs and Equal Opportunities. The full paper was co-authored by Terry Ward from Alphametrics Ltd. and is forthcoming as wiiw Research Report.

¹ In the analysis the term 'new member states' (NMS) refers to the new EU member states excluding Cyprus and Malta but including Bulgaria and Romania.

The main issues addressed therein are: a) differences in the economic performance, the structure of economic activity and the necessary skill requirements of the work force; b) the changes of those skill requirements; and c) probable future changes in the light of the structure of activity in regions with similar characteristics in the EU-15.

In the following we summarize our findings.

Regional clusters

In order to make the analysis more manageable, the NUTS2 regions across the EU member states plus Bulgaria and Romania were grouped into five clusters according to their structure of economic activity (defined in terms of sectoral employment shares relative to the national average). Separating the NMS from the old member state (OMS) regions (i.e. EU-15 regions), we obtained for both the NMS and OMS: a) a group or cluster of agricultural regions; b) a cluster of industrial regions; c) a group

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of basic services regions²; d) a cluster of regions with strength in business and financial services; and e) a capital city regions group.

This grouping of regions reveals marked differences between the OMS and NMS regions, in so far as all of the five NMS clusters have a larger share of agricultural employment than their OMS counterparts, and all except the capital cities have a larger share of industry as well.

On the other hand – looking at the geographic location of the types of regions – those with a relative concentration of activity in a given broad sector tend to be contiguous in both the NMS and OMS, with both basic services and agricultural regions tending to be located in the peripheral parts of the EU.³

The basic rationale behind the clustering of regions was to group together regions with broadly similar features, but being perhaps at different stages of economic development (indicated by the fact that each group contains regions with very different absolute shares of employment in the sector defining the group in question). Yet, the structure of economic activity of the more advanced regions within each cluster may tend to indicate the economic structure that the less advanced region within the cluster might have in the long run.

GDP per head

The differences in the sectoral structure of certain type of regions are to some extent reflected in differences in economic prosperity and performance. Thus, in 2002, GDP per head (at PPS⁴) in the capital cities in both the OMS and

NMS is significantly higher than elsewhere, with the gap between the capital cities and the other regions being much wider in the NMS. GDP per head is also relatively high in regions belonging to the financial and business services or to the industry cluster, while basic services and agricultural regions are the least prosperous in both the NMS and OMS. One main difference between the OMS and NMS regions is that in the NMS, disparities in GDP per head among the regional clusters have become more accentuated over recent years, while in the EU-15 countries they have remained much the same.

Employment rates

There is no close association across regions between GDP per head and the employment rate (defined as the ratio of total employment to working-age population), though the capital cities have higher employment than the national average in all countries, while the lowest employment rates are observed in the basic services regions in both the NMS and the OMS. In the OMS the highest employment rates can be found in the business services regions, while in the NMS – quite surprisingly – employment rates are highest in the least prosperous set of regions, the agricultural regions. This however reflects the tendency that those who are unable to find work elsewhere make a living from subsistence agriculture.

Over the period 1998-2003, the average employment rate in the NMS declined in all regional groups, especially so in the agricultural regions. The employment rate in the capital cities fell less than elsewhere, reflecting the relatively high growth of GDP despite its apparently being channelled mainly into productivity increases. In the EU-15 countries, the employment rate rose in all regional groups over the same period. Differences among groups were less than in the NMS, and agricultural regions showed the highest instead of the lowest rate of increase, mostly owing to high employment growth in the Spanish regions.

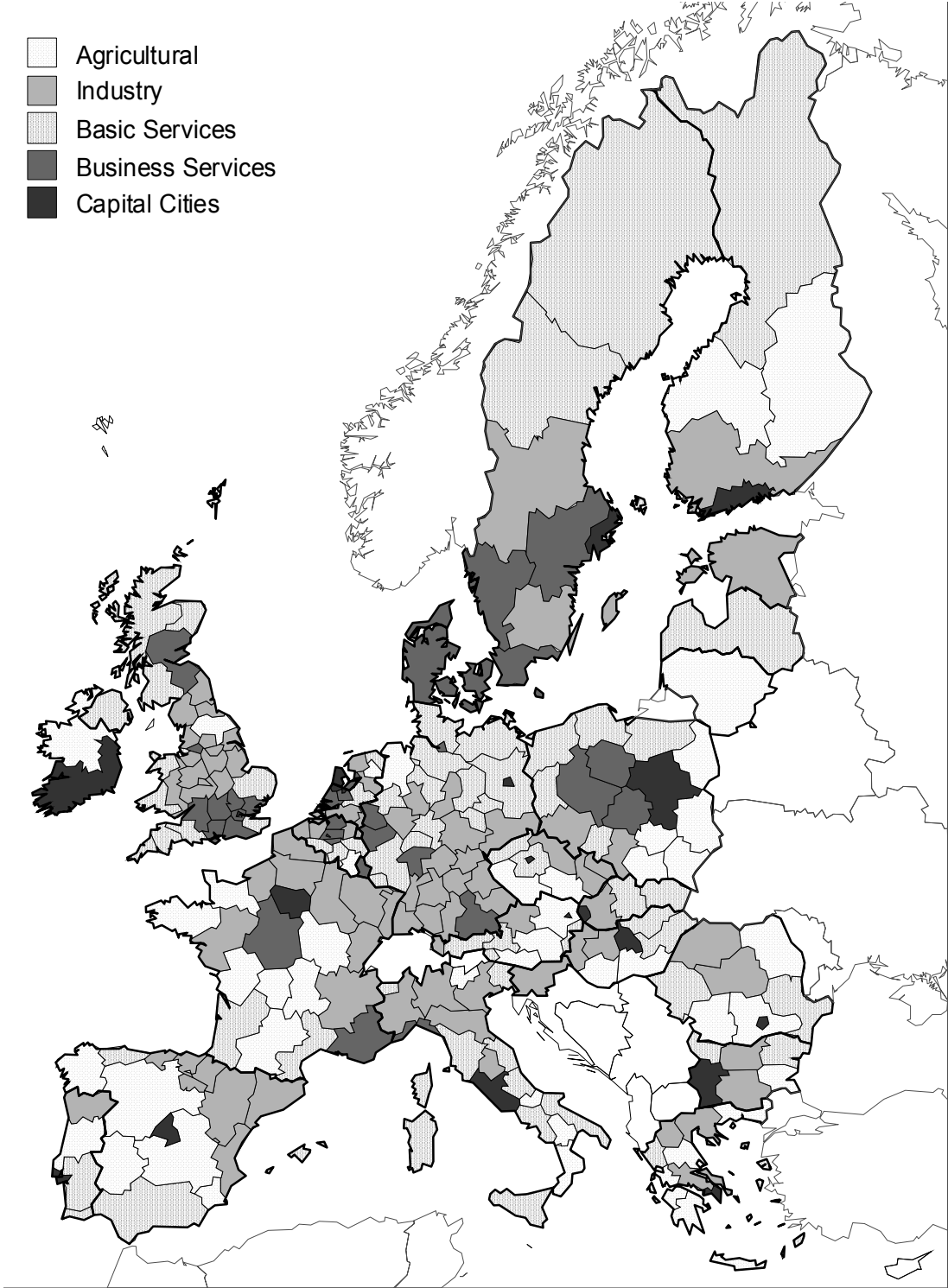
² Basic services are defined as all services except business and financial services.

³ For example, a band of industrial regions runs up from Slovenia through Hungary, Slovakia and southern Poland, while another band runs straight through from Belgium and northern France via Germany to the Czech Republic. Similarly, a band of agricultural regions runs up through the eastern part of Poland to Lithuania, matching the grouping of similar regions around the EU-15 periphery.

⁴ Purchasing power standards.

Map 1

Groups of regions clustered by the sectoral structure of employment



The divergent employment developments in the NMS and the OMS led to significantly lower employment rates in every NMS cluster compared to the corresponding OMS cluster (the difference being between 3 and 16 percentage points).

Regional disparities in education levels

In both the OMS and NMS the sectoral structure of activity across regions tends to be reflected in variations in the education levels of the working-age population. Thus agricultural regions in general have the largest proportion of people with low education and the smallest proportion of those with high education. In the NMS the educational structure of the population in basic services regions is similar to that in agricultural regions. Capital cities in both the NMS and OMS have the largest proportion of highly educated inhabitants and the smallest proportion of low-educated inhabitants. This reflects in part a twin tendency for economic activities to develop in places where the work force available has the skills required and, at the same time, for people with those skills to move to – or remain living in – areas where they are in demand.

The sectoral structure of employment

The fundamental difference between all NMS regional groups and those of the OMS is that the NMS have a larger share of employment in agriculture and industry and a correspondingly smaller share of employment in services than their counterparts in the OMS. The fact that – especially in the NMS agricultural and basic services regions – the share of employment in services is 17-20 percentage points below that of the corresponding OMS regions indicates the extent of restructuring which still lies ahead of the NMS regions.

From 1998 to 2003 these differences in the structure of employment narrowed, although the extent of the change was relatively small. Thus the share of employment in agriculture declined in all NMS regional groups, but less so in the agricultural regions than elsewhere, while the share of

employment in services increased, especially in the capital cities.

The share of industry became smaller in the NMS regions, however it declined even stronger in the OMS countries so that the share of employment in industry between the two country groups thus widened further in most regions.

Although the share of employment in certain services areas (especially in those described as basic services above) in the NMS regions is not much smaller than in their OMS counterparts, it might not increase much further in most of the NMS regions.

Nevertheless, the number employed in the sector is still likely to expand significantly, if the present low level of overall employment can be increased. The number employed in the NMS regions could increase still more in business and public services; however, in public services growth might be limited by fiscal constraints. Comparisons with the OMS show, perhaps surprisingly, that scope also seems to exist for employment growth in industry in the NMS industrial and agricultural regions.

Occupational structure of employment

The differences in the sectoral structure of employment across regions bear also implications for the kinds of jobs on offer and the skills or education levels required⁵.

In the NMS capital cities, over 40% of those in employment in 2003 were highly skilled non-manual workers (managers, professionals and technicians) as opposed to only 25% in agricultural regions. Less skilled non-manual workers were also more in demand in the capitals than elsewhere and manual workers correspondingly less so. In the NMS agricultural regions, almost 60% of jobs were for manual workers; in the other NMS regional groups, manual workers made up over half of those

⁵ We distinguish between: high-skill non-manual, medium-skill non-manual, low-skill non-manual, skilled manual, and low-skill manual occupations.

in employment, much more than in the EU-15, reflecting the different sectoral composition of employment.

Low-skilled manual workers, however, account for a larger share of employment in services in all OMS regional groups than in NMS regions; hence, in addition to the growth in low-skill non-manual jobs, the growth in low-skill manual jobs in the NMS might possibly compensate to some degree for job losses in agriculture.

The occupational structure of employment shifted in favour of highly skilled non-manual workers between 1998 and 2003 in all NMS regional groups as well as in the OMS; both groups also experienced a relative increase in low-skill non-manual jobs. This was paralleled by a decline in manual jobs, especially for unskilled workers.

Educational structure of employment

The main difference in the education levels of broad occupational groups (see footnote 5) between the NMS and OMS regions lies in the proportion of those with only basic schooling as opposed to those with upper secondary qualifications. Thus in all NMS groups the share of the low-educated is over all occupations considerably lower than in the OMS regions and correspondingly the share of those with secondary education is higher in all occupational groups in the NMS. However, the problem is whether the upper secondary qualifications acquired by the large majority of people in the NMS is relevant to present and prospective labour market needs.

A feature worth noting is that throughout the NMS regional groups, workers in low-skill non-manual jobs (i.e. sales and service staff) have a markedly higher level of education than those in low-skill manual jobs, the difference being much greater than in OMS regions. Low-skill non-manual jobs thus fail to provide employment for those with low levels of education in NMS regions to the same extent as in the OMS.

Looking at the employment rates by types of education, they are much higher for those with tertiary education than the rates for those with lower levels; they hardly vary at all across regions and are very similar in both the NMS and OMS regions. This contrasts with the variation across regions in the employment rates of those with only basic schooling; they are much lower in the NMS than in the OMS. This was due to the fact that from 1998 to 2003 employment rates of those with low education fell significantly across all NMS regional groups. By contrast, employment rates for the low-educated in all OMS regions outstripped those for the better educated.

As far as the employment by types of education in the individual economic sectors is concerned, the most striking feature is the over-proportionate dependency of the low-educated on jobs in agriculture in the NMS regions. Thus, in contrast to the OMS regions, the industry and even more the services sector (especially basic services) show little absorption capacity for those with only basic schooling in the NMS regions, which is a particular cause for concern, given the prospects of employment in the agricultural sector being reduced in the next few years, predominantly in the agricultural regions themselves.

Conclusions

There are significant disparities across regions in the NMS in terms of both GDP per head and employment and in terms of future prospects. It appears likely that the already large gap between the capital cities and the other regions will widen further, given the greater endowment of these regions in terms of both physical infrastructure and human resources.

The prospects for the agricultural regions in the NMS are particularly unfavourable, and only slightly better in the basic services regions, given the often peripheral geographic location and the relatively low education levels of the working-age population that make them comparatively unattractive to

potential business investors. The scope for restructuring in those regions is substantial, as e.g. services other than basic services have still to be developed. The same or similar holds true for old industry and mining regions.

The main casualties are almost certain to be those with no education beyond basic schooling who at present are heavily dependent on agriculture for employment, even outside the agricultural regions, as the services sector by now seems to have little capacity to absorb this segment of the labour market. In addition, unless the overall employment situation in the NMS regions improves, the situation of the low-educated may become even more difficult as they will have to compete for jobs with those who have at least some educational qualifications.

A difficult birth: the EU's financial perspective for 2007-2013

BY SÁNDOR RICHTER

Redistribution across member states in the EU is designed in multi-annual financial frameworks. The full weight of enlargement-related challenges will appear in the financial perspectives for 2007-2013. Scenarios made by independent research groups prior to the February 2004 publication of the European Commission's proposal for the financial perspectives 2007-2013 reckoned with a range of options, including radical reforms focused on agricultural and cohesion expenditures. With the publication of the Commission's proposal the focus of discussions shifted to the size of the EU budget.

The Commission proposes an EU budget which amounts to 1.26% of the EU's Gross National Income (GNI) in commitment appropriations (that corresponds to 1.14% in payments appropriations). The six major net payer member states insist on a smaller EU budget: it should not exceed 1% of the EU GNI in commitment terms (about 0.9% in payments).

The debate on the next financial perspective takes place against the backdrop of commitment appropriations. In that context, the Commission's proposal for the total envisaged expenditures for seven years equals to EUR 1,025 billion, while the major net payers require 20.5% less expenditures, EUR 815 billion for the same period. In the Commission's proposal, expenditures were to grow annually by 4%; in 2013 they would be 31.3% higher than in 2006. In the six major net payers' version the annual growth in expenditures would only be 0.6% and the compound growth rate for 2013/2006 would amount to 4.4% only. The EU-27 GNI is estimated to grow by 17.3% over the seven-year period concerned: an annual growth rate of 2.3% (all data at constant prices).

In a recently published *wiiw Research Report*¹ three moderate and two radical reform scenarios for the redistribution across member states in 2007-2013 are introduced. The scenarios reflect the ongoing discussions on the size of the future EU budget, possible net financial positions of the member states, efficiency of EU transfers and finally directions of earlier reform proposals.

The first scenario is identical to the European Commission's proposal. It represents a partial departure from the spending structure of the current (2000-2006) financial perspective. The newly created expenditure sub-heading Competitiveness is a resolute step towards an upgrading of programmes with 'European value-added' and establishes, with other, smaller classes of expenditures, a third major pillar of spending beside Agriculture and Cohesion.² Another important new element is the introduction of a general correction mechanism to address the problem of excessive negative net financial positions.

The second scenario stands for the proposal of the major net payer countries and reckons with a 1% of EU GNI (commitments) budget. Here, just as in all further scenarios, direct payments for farmers and market intervention and administrative costs are exempted from reductions, as CAP-related spending is compulsory while administration costs are regarded as too rigid to be reduced. The burden of reduction (close to one third on average) is therefore borne, to an equal extent, by all other expenditures.

The third scenario is, what concerns the size of the EU budget, a compromise 'at halfway' between the Commission's and the six major net payer member states' proposals. The expenditure structure is similar to that in the first and second scenarios.

¹ S. Richter, 'Scenarios for the Financial Redistribution across Member States in the European Union in 2007-2013', *wiiw Research Reports*, No. 317, April 2005.

² About 50% of the funds in this sub-heading would finance R&D projects; another major component would be the fostering of Trans-European infrastructure networks.

Table 1

Commitment and payment appropriations 2007-2013

EUR million, 2004 prices

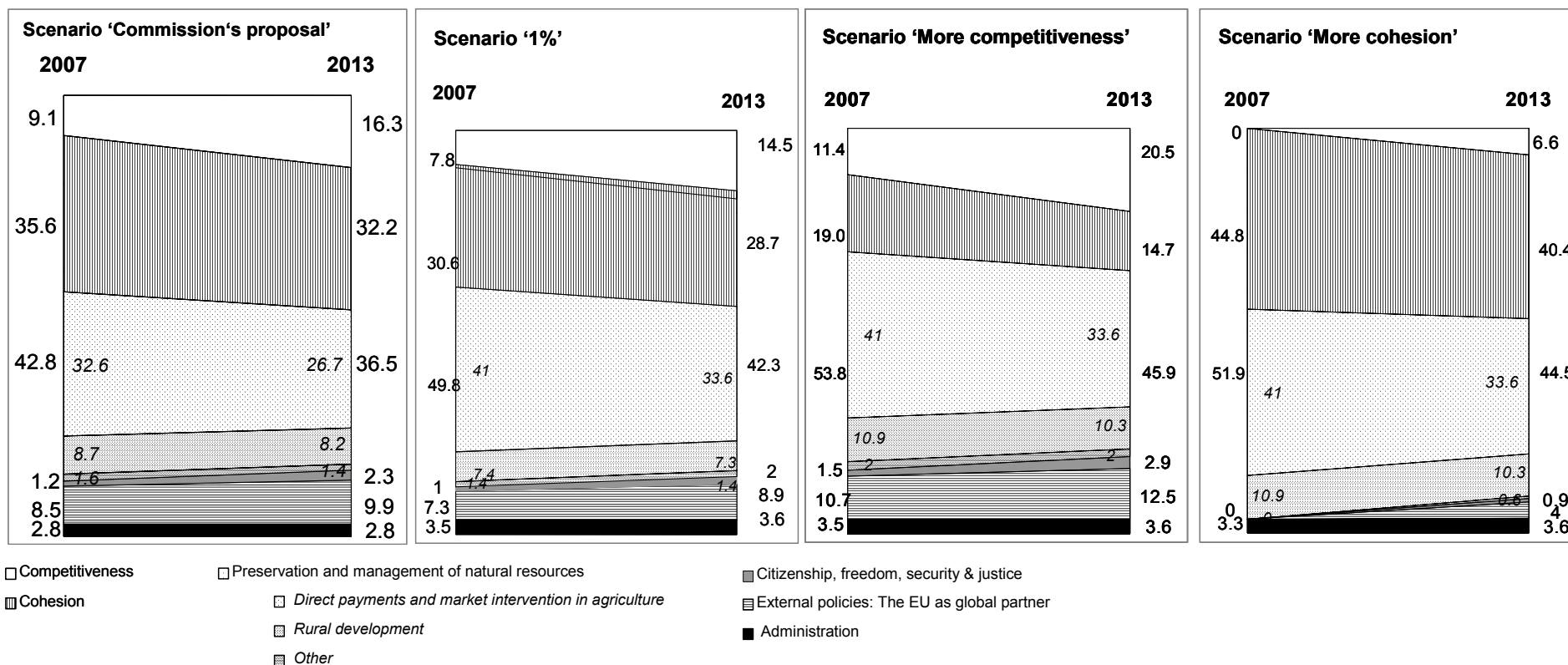
	2007	2008	2009	2010	2011	2012	2013	2007-2013
Commitments in % of payments, Commission's proposal	107	102	112	116	113	111	111	110
Commitments								
Expenditures as proposed by the Commission	133560	138700	143140	146670	150200	154315	158450	1025035
Reduced expenditures as proposed by the six net payer countries	106191	110280	113811	116617	119422	122695	125983	814999
Payments								
Expenditures as proposed by the Commission	124600	136500	127700	126000	132400	138400	143100	928700
Reduced expenditures as proposed by the six net payer countries								741000*
GNI calculated (from payment appropriations, given as % of GNI)	10834783	11097561	11401786	11666667	11927928	12140351	12443478	81512553
Expenditures, in % of the EU GNI								
Commitments: as proposed by the Commission	1.23	1.25	1.26	1.26	1.26	1.27	1.27	1.26
Commitments: as proposed by the six net payer countries	0.98	0.99	1.00	1.00	1.00	1.01	1.01	1.00
Payments: as proposed by the Commission	1.15	1.23	1.12	1.08	1.11	1.14	1.15	1.14
Payments: as proposed by the six net payer countries	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.91

Notes: * Calculated using the commitment/payment proportion of the Commission's proposal

Source: European Commission, 'Building our Common Future. Policy Challenges and Budgetary Means of the Enlarged Union 2007-2013', Communication from the Commission to the Council and the European Parliament, Commission of the European Communities, COM (2004)101, Brussels, 10 February 2004; Council of the European Union 10219/04 CADREFIN 11, Brussels, 7 June 2004; Council of the European Union 16105/04 CADREFIN 163, Brussels, 14 December 2004; own calculations.

Figure 1

The composition of expenditures of the European Union's budget in 2007 and 2013 in various scenarios (in %)



Source: S. Richter, 'Scenarios for the Financial Redistribution across Member States in the European Union in 2007-2013', *wiiw Research Reports*, No. 317, April 2005, p. 71, Table 4.7.

The fourth and fifth scenarios represent radical reforms. Both are based on the assumption that the major net payer countries will succeed in reducing the EU budget to 1% of the EU's GNI (commitments). It is further assumed that a smaller budget must set priorities, the practice of 'something for everyone' cannot be continued any longer. With picking up only one of the two leading motives for the redistribution across member states in the EU, providing 'EU-wide value-added' or enhancing cohesion (catching-up of less developed regions and member states), respectively, these scenarios operate with a radically re-drawn expenditure structure.

The fourth scenario, labelled 'More competitiveness', leaves expenditures for providing 'EU-wide value-added' unchanged as they figure in the Commission's original proposal. The requisite cuts to come down to a '1% budget' are made in the expenditures earmarked in the Commission's proposal for cohesion. In the fifth scenario, labelled 'More cohesion', the cohesion-related expenditures of the Commission's proposal are left unchanged and the expenditures for providing 'EU-wide value-added' are reduced.

In the scenario 'More competitiveness', while the programmes supporting the provision of EU-wide value-added can be implemented to full extent, projects enhancing catching-up will have to be reduced to hardly more than one third of that proposed by the Commission. The cuts in cohesion-related programmes will amount to EUR 27 billion in 2007 and EUR 42 billion in 2013. In 2013 expenditures on cohesion will amount to less than half the respective amount in 2006, the year preceding the accession of Bulgaria and Romania.

In the scenario 'More cohesion', emphasis is placed on redistribution favouring the less developed member states and regions. Unchanged expenditures (including, as in all scenarios, CAP-related and administration items), make up nearly 80% of the total envisaged for 2007 in the Commission's original proposal. This means that

the remaining 20% will have to bear the brunt of the cutbacks in total expenditures so as to comply with the 1% GNI ceiling. The breakdown of expenditures by policy area clearly shows that in the first year of the new financial perspective, the policy areas affected by cuts are practically annihilated. After 2007, the situation slowly changes as the relative weight of direct payments to farmers and transfers for cohesion decreases and that for provision of 'EU-wide value-added' increases. The rate of reduction in expenditures for the latter group, compared to the Commission's proposal, drops from 92% in 2008 to 68% by 2013.

With per capita GNI well below the EU average, the most important issue for the new member states is how much additional funding will be available to them for catching up via cohesion transfers. The Commission's intention is that cohesion-related transfers are distributed approximately in the proportion 50:50 between new and old member states, respectively.

Taking this 50:50 sharing between old and new members as compulsory, in the first and fifth scenarios (Commission's proposal, 'More cohesion') where funds for cohesion correspond to those proposed by the Commission, the eight less developed new members are able to draw cohesion transfers annually equalling to about 3.5% of their GDP, Malta and the Czech Republic about 2.5%, and Cyprus and Slovenia about 2% of their GDP. In the second scenario (1% budget, unchanged expenditure structure), the more developed new members Cyprus and Slovenia could receive about 1% of their GDP, Malta and the Czech Republic about 1.5%, and the eight less developed new members about 2.5%. The really bad news for new members, however, would be the realization of the fourth scenario 'More competitiveness', which would leave cohesion transfers for the four more developed new members amounting to substantially less than 1% of their GDP, and to only about 1.4% of the GDP of all other, less developed, new members.

Table 2

**Allocation for individual new member states in % of their GDP,
with half of Cohesion expenditures being allocated to new members***

Member state	Scenarios			
	'Commission's proposal' 'More cohesion'	'1% of EU GNI'	'More competitiveness'	'Halfway'
Cyprus	2	1	0.4	1.5
Slovenia	2	1	0.4	1.5
Czech Republic	2.5	1.5	0.7	2
Malta	2.5	1.5	0.7	2
Hungary	3.5	2.5	1.4	3
Slovakia	3.5	2.5	1.4	3
Lithuania	3.5	2.5	1.4	3
Poland	3.5	2.5	1.4	3
Estonia	3.5	2.5	1.4	3
Latvia	3.5	2.5	1.4	3
Bulgaria	3.5	2.5	1.4	3
Rumania	3.5	2.5	1.4	3

Notes: * Convergence + Regional competitiveness funds only.

Source: Own calculations.

The radical reform scenarios would result in significant shifts in the net positions of the member states, but an exact assessment of the changes by individual member states is as yet impossible. This leads to the conclusion that the general correction mechanism proposed by the Commission, or even a different mechanism with the outcome of diminished variation in net financial positions by member state, is an important prerequisite for any major reform of the redistribution across member states in the EU. The mere fact that no excessive deficits may emerge as a consequence of relatively unpredictable effects should encourage the most developed EU member states to adopt a more open attitude towards changes of all kinds concerning the EU budget.

The main conclusion drawn from the comparison of the various scenarios is that, in case the six major net payer member states succeed in getting the EU budget cut to 1% of the EU's GNI, the consequences will be considerable for all new member countries, unless expenditures for cohesion are declared exempt from the cuts. If there were considerable cuts in funds for cohesion, it would be practically impossible to strike a compromise without seriously frustrating one of the two groups (old and new members). As the approval of the budget calls for unanimity, this may well lead to a serious crisis in the Union over the next two years.

FDI trends in 2004-2005: opportunities for acquisition and outsourcing*

BY GÁBOR HUNYA

Regional overview

Inflow increased outflow decreased in 2004

In 2004 global FDI inflow was stagnating at the relatively low level of the preceding year, at approximately one half of the amount registered in 2000.¹ FDI among developed countries was falling due to a further decline in mergers and acquisitions as well as to capital withdrawals from Germany. The main exception to the global trend was the investment upswing in the USA and Great Britain. Developing countries booked all-time high FDI inflows led by China and also shared by other parts of the world.

The countries of Central, East and Southeast Europe received a record EUR 34.8 billion FDI in 2004. This came after the weak year 2003, when FDI had dropped in the new EU member states but increased in Southeast Europe and the European CIS. In 2004 all sub-regions participated in the upswing. The prospects for 2005 are not bad: one can expect more FDI through privatization but less than before through new projects. (More detailed forecasts for each group of countries are provided below.)

Like most low- and medium-income countries, the countries of the region invest much less abroad than what they receive, with the exceptions of Russia and Slovenia. In the case of these two countries, outflows exceeded inflows in some years. The total FDI outflow of the region amounted to EUR 10.4 billion in 2004, 800 million less than a year earlier. That drop

was mainly accounted for by Russia and Hungary. Hungarian companies were the pioneer outward investors among the new EU member states (NMS). Their foreign acquisitions reached an unrepeatably peak in 2003. Other NMS increased outward investment in 2004 and it can be expected that their expansion will continue targeting predominantly each other as well as Southeast European countries. Needless to say, the most important outward investor by far among the countries of the whole region remains Russia.

FDI inflows in the new EU member states

Flows recovered from 2003 low

In 2004 FDI inflows to the NMS-8 amounted to EUR 15.1 billion, after only EUR 9.6 billion in the year before. Despite this remarkable recovery, the 2004 amount still fell short of the EUR 24 billion record sum registered in 2002. Host- and home-country characteristics together shaped this fluctuation. Large privatization deals were the most important host-country developments. On the part of the home countries, the business cycle influenced firms' investment activity. The increase in FDI in new EU members as opposed to the falling trend in the 'old' EU indicates shifting location preferences of investors.

FDI increased in all NMS with the only exception of Estonia which, nevertheless, remained the most attractive among the Baltic states. The highest amount among the new member states was received by the largest country, Poland, followed by the Czech Republic and Hungary. The investment plans recently announced for Slovakia have not yet materialized in a significant capital inflow.

The leading FDI targets in terms of FDI inflow per capita in 2004 were, as in the previous years, Estonia, the Czech Republic and Hungary. These are also the countries with the highest FDI stocks per capita: over the past 15 years they received double the amount of FDI per capita than the rest of the region.

* This article is based on the newly established *wiiw Database on Foreign Direct Investment in Central, East and Southeast Europe* – see detailed information on p. 18.

¹ UNCTAD reported a global FDI increase by 6% for 2004, measured in current (that is, weakened) USD – see <http://www.unctad.org>. Due to exchange rate changes, this corresponds to stagnation in euro.

Volatile equity, increasing earnings

FDI takes three major forms: equity, reinvestment, and other capital. The equity investment inflow fluctuates due to the termination or start of major projects. The 2003 decline of FDI was triggered, for example, by the re-purchase of Czech Telecom in the Czech Republic and by closures at IBM Hungary. The high equity inflows in the Czech Republic and Slovakia in 2002 were due to major privatization deals. Reinvested earnings have been more stable and generally on the rise over time.²

In the more mature host countries, FDI is growing more by way of reinvested profits than owing to new projects. In the Czech Republic, Hungary and Estonia more than half of FDI in 2004 took the form of reinvestment. In the late-comers Slovakia, Latvia and Lithuania, equity investments in new projects and privatization sales are still the dominant forms of FDI while foreign earnings are still relatively small. Where reinvestment is high, there is a growing mismatch between the impression about the attractiveness of a country based on investment project reports and the actual FDI inflow. Poland is a different case for bookkeeping reasons: reinvestment is negative, FDI is done mainly in the form of new equity while profits are repatriated.

Earnings of foreign direct investors are mainly earnings on equity (profit) which are either reinvested by the owner, and then become a form of FDI inflow, or repatriated, and thus remain an outflow on the current account without a capital account counterpart (repatriated earnings are not included in the *wiiw* FDI Database). FDI earnings have been on the rise in all major FDI receiving countries. The size of the repatriated part of FDI earnings may be interpreted as the cost of FDI capital for the host country. In Hungary, equity-related FDI income as a percentage of FDI equity stock (including reinvestments) ranged between 9% and 11% in the years 2000 to 2004.

² Profit re-investment registered as FDI on the capital account has its current account counterpart as an outflow of foreign earnings.

Reinvestment accounted for about 58% in 2000 to 2003 and for 50% in 2004 of the equity-related FDI income. In the Czech Republic, equity-related FDI income amounted to 13% of the equity stock in 2003. 57% of the income was reinvested in 2004, as compared to 65% in the year before.³

The relatively high profit rates earned by investors and their decision to reinvest a major part of earnings support the impression that NMS provide a favourable location for capital investments. A high return on capital can be achieved due to lower production costs, primarily labour costs. The cost advantages of NMS support the relocation of production and jobs. Based on the balance of payments we cannot draw a more precise conclusion on the size of relocation because we lack a sectoral breakdown of FDI incomes and we cannot distinguish between profits earned by vertical, export-oriented FDI and horizontal, market-seeking FDI. Only vertically integrated FDI can be the result of relocation of production and services. It also generates export earnings, while domestic market-oriented investment only generates repatriated income. Both forms of FDI may expand the business activity of investing firms also in the home economy due to profit repatriation and may increase their overall competitiveness.

Services attract more FDI than manufacturing

Services, including retail trade, financial services, real estate development and other services, comprise about 60% of the FDI stock in NMS. Investors in this sector are mainly attracted by the local market. A high share of non-manufacturing FDI indicates that FDI is predominantly horizontally integrated, market-seeking and not the result of relocation. Foreign investors took over most of the

³ FDI incomes earned in the countries of Central, East and Southeast Europe tend to be higher than globally. FDI income on FDI stock was 11% for US investors, 6% for UK and 3% for German investors in 1999-2001. Dividends as a share of FDI income amounted to 44% in the case of the USA and to 53% in the case of Germany. Source: Alexander Lehmann and Ashoka Mody (2004), 'International Dividend Repatriation', *IMF Working Papers* WP/04/5, International Monetary Fund, Washington DC.

banking sector, telecommunications and a major part of trade and other services in the past several years. With takeovers and restructuring having finished, the share of these activities in FDI inflows started to shrink. But as a novelty in 2004, vertical FDI in export-oriented services appeared. Some important European service centres were transferred to the NMS, such as DHL to the Czech Republic and Avis to Hungary. Accounting services, the software industry and call centres are further examples of offshoring.

Manufacturing export platforms in NMS

The share of manufacturing in FDI stocks declined to less than 40% in the years of services privatization but has recovered lately. Manufacturing FDI was market-seeking at the beginning of transformation but soon became export-oriented. This shift was less pronounced in Poland, which has a larger domestic market than the Czech Republic and Hungary. Company survey data indicate that foreign affiliates are more productive and more export-oriented than domestic companies. They generate more than half of the manufacturing output and 70% of manufacturing exports in the Czech Republic, Hungary, Poland and Slovakia.⁴

Manufacturing FDI in Central Europe is undergoing structural change due to rising wages and declining transaction costs around 2004, the year of EU accession. Labour-intensive production in the clothing and footwear industries are leaving the NMS. In other industries such as food processing, there is growing concentration of production locations. The region's importance as a production site for EU-15 manufacturing companies in the medium-technology industries has increased. Examples of direct relocation of production lines from West to East are rare, but it is obvious that capacity expansions in the European automotive

industry and in household appliances production take place mostly in the NMS.

Austria among the leading FDI home countries in the NMS

The sum of available data (some for 2003, others for 2004) shows that the largest investors in the region are the Netherlands, followed by Germany. The two countries together account for 40% of the inward FDI stock. Ranking next, Austria and France account for 8-9% each. The remainder is spread quite widely, with no other investor accounting for more than 5%. There is an interesting difference between larger and smaller host countries. The four larger NMS attracted investors from the Netherlands and Germany in the first place, followed in three of them by Austria, in Poland by France. Smaller countries receive most investments from smaller and geographically closer investors: the Baltic States from Sweden and Finland, Slovenia from Austria and Switzerland. These characteristics have been rather stable over time.

Outlook for 2005: more room for outsourcing

The cost advantages of the new EU members vs. the old ones are marked and lasting. EU accession has lowered transaction costs and the move towards the currency union makes the economic environment more and more stable. The relocation of parts of the production process from the EU-15 to the NMS may thus be a lasting one. As a result, in the home countries jobs may be lost, but new jobs may be created by the increased global competitiveness of European firms and by the demand created by repatriated profits.

FDI host countries with similar cost levels have increased competition for FDI by lowering the fiscal burden. There is a general tendency among the NMS and candidate countries to lower the statutory corporate income tax rate and increase promotion efforts in order to attract FDI. This policy may on the whole not be very effective, but for Slovakia it has certainly brought some gains. Slovakia has become the chosen location of new large

⁴ Data taken from wiiw's database on foreign affiliates in manufacturing. An analysis based on these data was published in G. Hunya (2004), 'Manufacturing FDI in New EU Member States – Foreign Penetration and Location Shifts between 1998 and 2002', *wiiw Research Reports*, No. 311, November.

automotive industry investment projects. The large pool of relatively cheap and skilled unemployed workforce, as well as the good image Slovakia has created by its business-supporting reform policy (including tax reforms) made the country win the race for new projects ahead of its neighbours. These investments will stretch over 2005 and 2006. If, in addition, the electricity network sale is finalized as well, a jump in FDI in Slovakia to about EUR 1.8 billion can be expected in 2005 (the respective deal with the Italian company Enel, worth EUR 840 million, was signed in February 2005).

In the Czech Republic FDI may increase in 2005 due to the privatization of the telecom company. In the Baltic States, Hungary and Poland no major privatization deals are expected. Based on first quarter 2005 results, it will be very difficult for FDI to increase over its 2004 level. In the NMS, economic growth and FDI depend to a large extent on the health of the European economy as a whole. Deceleration of growth in the EU-15 curtails investments both at home and abroad.

Southeast Europe taking off

In 2004 FDI inflows to Southeast Europe increased by 18% and reached close to EUR 8.8 billion. The main target countries were the EU candidate countries Bulgaria and Romania. Equity investment was the dominant form; the generated income of FDI was still relatively small and the larger part of it was reinvested. In 2004 Romania alone attracted more FDI than the five Western Balkan countries together. The record amount of EUR 4.1 billion was partly the result of successful privatizations in oil refining and energy distribution. The other half of the inflow came in the form of greenfield projects as the business climate in Romania improved with the country's EU accession in 2007 having been confirmed. In earlier years the clothing and leather industry had attracted most of the export-oriented projects. Lately a structural shift has started, and wage-intensive production segments of the automotive and consumer goods sectors have been moving in. The real estate and retail sectors

witnessed an investment boom in both Romania and Bulgaria. Shopping centres and office buildings are constructed at a stepped-up pace just as in Central Europe about five years earlier. Austria was one of the largest investors in both countries in 2004, in Romania through the oil company OMV, in Bulgaria through Telecom Austria. In 2005 FDI inflows in both countries may be lower than in the previous year; the privatization projects planned are smaller and competitive advantages in the textiles and clothing sector may be lost to China.

The five Western Balkan countries have received relatively small amounts of FDI, excepting Croatia. The FDI stock in the region amounted to EUR 17.2 billion, of which 9.5 billion was invested in Croatia.⁵ The remaining FDI stock of EUR 7.6 billion for the rest of the region falls far short of the foreign investment needs. The countries' per capita FDI stocks range between EUR 300 and EUR 500, i.e. about just one tenth of the level of the leading Central European FDI receiving countries.

In 2004 the FDI inflow in the Western Balkans was lower than the year before. Increasing but still meagre amounts were booked by Albania, Bosnia and Herzegovina, and Macedonia, significant declines hit Croatia and Serbia⁶. Croatia remained the most attractive target, but in 2004 it performed below the level of the previous two years when important privatization projects (e.g. oil company INA) had taken place. The lack of new projects is reflected by the small amount of equity investment (only 30% of the total). Outward FDI, on the other hand, recovered in 2004, showing that there is a domestic corporate sector eager to regain its former Yugoslav markets. The decline of FDI inflow in Serbia can be related to a temporary drop in new

⁵ It must be kept in mind that none of these countries, with the exception of Croatia, produce FDI statistics according to international standards. Data cover only equity investments. For Albania and Bosnia and Herzegovina, stocks represent cumulated euro inflows.

⁶ Data for Serbia exclude Montenegro and Kosovo.

privatization projects⁷ and is certainly bound to recover.

The upswing of FDI in Bosnia and Herzegovina is mainly due to privatization deals. In 2004 the multinational company LNM, the second largest producer of steel in the world registered on the Dutch Antilles, became the new majority shareholder of the Zenica Steel Company. It is expected to re-activate and modernize steel production, which may stimulate a wider range of business activities and further foreign investment in the country. The regional network of the LNM Holding includes major steel-making facilities in the Czech Republic, Poland, Romania, Bosnia and Herzegovina, and Macedonia. The other big steel-maker of the region, US Steel, with its main East European activity in Slovakia, has acquired the Smederevo iron and steel works in Serbia and continues to invest in restructuring and expanding capacities. Starting as privatization deals restructured companies have become more export-oriented than before.

The increase of FDI in Albania is due to the takeover of the main commercial bank by the Austrian RZB. In 2005 Albania is privatizing its oil processing and trading company ARMO and the fixed telephony company Albtelekom, which will further increase FDI.

As for the distribution of FDI by economic activities, most of the FDI in Southeast Europe concentrates in financial services, telecommunications and trade. In recent years banking-sector privatization to larger foreign banks has been carried out. While the quality of services may have improved, there is still very limited credit provided to local enterprises. FDI in manufacturing has targeted mainly the production for the local market of cement, beer, tobacco and soft drinks.

Export-oriented manufacturing FDI is still rare in the Western Balkans. The area has some

disadvantage compared to Romania and Bulgaria due to relatively higher wages and a less attractive investment environment. An improvement of the institutional framework and a modernization of transport and communications facilities would be needed to make the region more attractive. It seems that the institutional environment allows efficiency-seeking FDI only in Croatia where labour costs act as a deterrent. The prospects for FDI are not too favourable also because of the legacy of self-management in the form of insider privatization, which has excluded strategic investors. Other drawbacks are the inflexibility of the labour market and the real estate market.

FDI to and from the European CIS countries

In 2003 and 2004 the share of the CIS in the Central, East and Southeast European FDI inflow increased to over 40%. The largest country in the region, Russia, has been a major FDI importer and exporter especially since 2003 when both flows doubled.⁸ In 2004 there was a further increase in inflows to EUR 9.4 billion while outflows declined to EUR 7.7 billion. The country's inward FDI stock amounts to about EUR 80 billion, one third of the region's total; Russia's outward FDI stock is some EUR 66 billion, 80% of the region's total. However, compared to the size of the country, these volumes are rather small (both in terms of per capita and per GDP). These balance of payments data are much higher than registration data of the Statistical Office, which provides the distribution of FDI by country and by economic activity. Inflows by activity reveal a predominance of industry and trade. In Russia FDI is highly restricted – directly by law, indirectly by the peculiarities of the local business environment.

Ukraine received significantly more FDI in 2003 and 2004 than before but still very little compared to the size of the country. Deterring factors are similar to those in Russia, but Ukraine aims to become more attractive in the future. Belarus does

⁷ Serbian FDI data refer to inflows minus outflows of equity capital, which underestimates real inflows. There is no breakdown by industry or country available.

⁸ Caution is required when interpreting Russian data. Sudden jumps in inflows and stocks are partly explained by methodological changes the content of which is not transparent.

not provide market economic conditions and is not engaged in privatization, therefore FDI has remained meagre. Moldova has privatized on a wide scale which attracted relatively significant FDI in some years.

The high rates of economic growth throughout the CIS will continue and attract local market-oriented FDI also in 2005. The conditions for doing business may improve only in the Ukraine. By contrast, Russian legislation will introduce even more restrictions on investing in mining and primary processing.

wiiw forecast for FDI inflow in 2005

As discussed above, no acceleration of FDI inflow is to be expected in 2005 except for those countries where major privatization deals will be finalized. Table 1 below summarizes the expected trends by countries and regions. It also suggests to compare the 'attractiveness' of countries based on inflow per capita or stock per capita.

Table 1

	FDI inflow, EUR million						Per capita	Per capita
	2000	2001	2002	2003	2004	forecast 2005	inflow EUR 2004	stock EUR 2004
Czech Republic	5404	6296	9012	1863	3596	3900	352	4052
Hungary	2998	4391	3185	1909	3365	3200	333	4381
Poland	10334	6372	4371	3660	4892	4500	128	1310
Slovakia	2089	1768	4397	636	904	1800	168	2043
Slovenia	149	412	1750	299	422	300	211	2757
New Member States-5	20974	19240	22716	8366	13178	13700	200	2310
Estonia	425	603	307	797	742	800	550	5187
Latvia	447	147	269	267	522	600	226	1430
Lithuania	412	499	772	160	623	600	181	1369
New Member States-8	22258	20488	24063	9590	15065	15700	206	2291
Albania	155	232	151	158	275	400	86	416
Bosnia and Herzegovina	159	133	282	338	400	400	104	397
Bulgaria	1103	903	980	1851	2114	1800	272	773
Croatia	1142	1503	1195	1788	921	1000	208	2150
Macedonia	189	493	83	84	122	100	60	581
Romania	1147	1294	1212	1946	4098	3500	189	608
Serbia	55	186	502	1197	775	800	103	475
Montenegro	.	11	89	39	50	.	80	302
Southeast Europe	3950	4754	4494	7400	8756	8000	171	715
Belarus	129	107	262	152	136	100	14	155
Moldova	137	114	140	63	122	100	34	184
Russia	2933	3069	3660	7042	9388	9000	65	558
Ukraine	644	884	734	1260	1380	1500	29	159
European CIS	3843	4174	4796	8517	11026	10700	54	439
Whole region	30051	29416	33353	25506	34846	34400	106	894

Source: National Banks of host countries, wiiw forecast and calculation.

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Conventional signs and abbreviations

used in the following section on monthly statistical data

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

Sources of statistical data:

National statistical offices and central banks; wiiw estimates.

Please note: wiiw Members have **free online access** to the wiiw Monthly Database Eastern Europe.

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B U L G A R I A: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	9.1	19.6	15.9	14.6	21.7	21.7	16.2	18.2	17.1	14.1	22.6	21.5	10.9	7.9	12.5	.
Industry, total ¹⁾	real, CCPY	9.1	14.2	14.8	14.8	16.1	17.1	16.9	17.1	17.1	16.8	17.3	17.7	10.9	9.3	10.5	.
Industry, total	real, 3MMA	15.7	14.8	16.6	17.3	19.3	19.7	18.6	17.1	16.4	17.9	19.4	18.6	13.8	10.5	.	.
LABOUR																	
Employees total	th. persons	2090	2108	2128	2146	2162	2176	2187	2181	2170	2162	2144	2109	2117	2128	2145	.
Employees in industry	th. persons	685	689	688	689	687	685	689	690	686	683	679	672	675	676	676	.
Unemployment, end of period	th. persons	537.1	527.3	507.5	487.8	466.7	452.4	446.8	442.2	434.7	437.5	440.0	450.6	486.4	485.5	471.3	449.7
Unemployment rate ²⁾	%	14.5	14.2	13.7	13.2	12.6	12.2	12.1	11.9	11.7	11.8	11.9	12.2	13.1	13.1	12.7	12.1
Labour productivity, industry ¹⁾	CCPY	6.3	11.4	12.2	12.2	13.6	14.7	14.6	14.6	14.6	14.2	14.7	15.0	12.6	11.2	12.4	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-2.0	-5.5	-6.1	-5.8	-6.7	-7.5	-7.5	-7.4	-7.4	-7.1	-7.6	-7.9	-3.6	-2.7	-3.6	.
WAGES, SALARIES																	
Total economy, gross	BGN	277.0	277.0	290.0	287.0	295.0	289.0	295.0	291.0	303.0	296.0	303.0	320.0	303.0	302.0	319.0	.
Total economy, gross	real, CMPY	-0.6	1.1	0.1	-0.6	-1.0	-1.3	0.8	1.4	0.7	2.9	3.2	3.3	5.9	5.0	5.5	.
Total economy, gross	USD	179	179	182	176	181	179	185	181	189	189	201	219	203	201	215	.
Total economy, gross	EUR	142	142	148	147	151	148	151	149	155	151	155	164	155	154	163	.
Industry, gross	EUR	143	144	154	150	152	156	151	152	158	153	156	163	155	155	167	.
PRICES																	
Consumer	PM	1.4	0.3	-0.1	0.3	0.0	-1.8	1.2	-0.4	0.9	0.2	0.6	1.3	0.7	0.9	0.3	1.1
Consumer	CMPY	6.4	6.6	6.2	6.1	6.8	7.3	7.6	6.3	6.3	5.8	4.5	4.0	3.3	3.9	4.3	5.1
Consumer	CCPY	6.4	6.5	6.4	6.3	6.4	6.6	6.7	6.7	6.6	6.5	6.4	6.1	3.3	3.6	3.8	4.2
Producer, in industry ¹⁾	PM	0.7	-0.8	1.4	0.9	1.1	-0.5	1.6	0.2	1.0	1.4	-0.8	-1.2	0.4	0.8	2.4	1.1
Producer, in industry ¹⁾	CMPY	3.1	1.0	1.4	6.1	8.5	6.8	8.1	7.5	7.8	8.3	7.2	5.1	4.7	6.4	7.5	7.7
Producer, in industry ¹⁾	CCPY	3.1	2.0	1.8	2.9	4.0	4.4	5.0	5.3	5.6	5.8	6.0	5.9	4.7	5.6	6.2	6.6
FOREIGN TRADE^{3/4)}																	
Exports total (fob), cumulated	EUR mn	501	1083	1719	2318	2920	3618	4405	5075	5807	6546	7277	7994	639	1285	2078	.
Imports total (cif), cumulated	EUR mn	709	1497	2412	3353	4339	5330	6326	7241	8204	9273	10452	11617	908	1836	2959	.
Trade balance, cumulated	EUR mn	-208	-414	-693	-1035	-1420	-1712	-1922	-2166	-2398	-2727	-3175	-3624	-269	-551	-881	.
FOREIGN FINANCE																	
Current account, cumulated ⁵⁾	EUR mn	-230	-359	-499	-724	-943	-962	-748	-601	-560	-775	-1131	-1447	-286	-471	-707	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.550	1.547	1.594	1.634	1.632	1.611	1.595	1.606	1.600	1.566	1.506	1.461	1.491	1.503	1.482	1.512
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI ⁶⁾	real, Jan00=100	69.7	69.8	72.4	74.2	74.5	75.2	73.4	74.3	73.5	72.2	69.0	65.8	66.8	67.2	66.6	67.2
BGN/USD, calculated with PPI ⁶⁾	real, Jan00=100	73.0	73.9	75.6	77.7	77.8	77.5	75.6	76.3	75.1	73.6	72.0	70.1	71.6	71.9	70.2	70.8
BGN/EUR, calculated with CPI ⁶⁾	real, Jan00=100	86.5	86.4	86.9	87.1	87.3	89.0	87.8	88.4	87.8	87.9	87.3	86.6	85.6	85.2	85.4	84.5
BGN/EUR, calculated with PPI ⁶⁾	real, Jan00=100	86.6	87.5	86.8	86.4	85.9	86.3	85.2	85.4	84.7	84.1	84.7	85.4	85.4	85.0	83.5	82.6
DOMESTIC FINANCE																	
M0, end of period ⁷⁾	BGN mn	3718	3718	3723	3785	3830	3961	4131	4275	4342	4284	4247	4628	4442	4414	4487	4651
M1, end of period ⁷⁾	BGN mn	7788	7853	7835	7987	8036	8422	8736	9048	9239	9220	9185	10298	10045	10201	11331	10568
Broad money, end of period ⁷⁾	BGN mn	16519	16739	16806	17190	17401	18161	18365	18345	18763	18847	18859	20394	20520	20739	23205	22023
Broad money, end of period	CMPY	21.4	21.4	23.0	23.7	25.0	26.8	24.2	20.3	23.1	18.7	19.9	23.1	24.2	23.9	38.1	28.1
BNB base rate (p.a.) ^{end of period}	%	2.5	2.4	2.6	2.6	3.9	2.5	2.5	2.4	2.4	2.5	2.4	2.4	2.5	1.9	1.9	2.0
BNB base rate (p.a.) ^{end of period⁸⁾}	real, %	-0.6	1.5	1.2	-3.3	-4.3	-4.1	-5.2	-4.7	-5.0	-5.4	-4.5	-2.5	-2.2	-4.3	-5.2	-5.3
BUDGET																	
Central gov.budget balance _{sum.}	BGN mn	-65.1	-162.8	120.9	405.3	601.2	782.4	778.0	990.4	996.3	1185.6	1256.6	427.5	49.2	45.9	400.9	.

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

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

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

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

7) According to ECB methodology.

8) Deflated with annual PPI.

C R O A T I A: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	-1.5	7.2	10.4	3.0	1.0	2.8	1.2	4.9	3.0	-3.3	5.9	9.7	6.4	-1.5	-2.9	6.3
Industry, total ¹⁾	real, CCPY	-1.5	3.0	5.6	4.9	4.1	3.9	3.5	3.6	3.6	2.8	3.1	3.6	6.4	2.2	0.3	1.9
Industry, total ¹⁾	real, 3MMA	2.7	5.6	6.8	4.7	2.2	1.7	2.9	3.0	1.4	1.8	3.9	7.4	4.8	0.3	0.6	.
Construction, total, effect. work. time ¹⁾	real, CMPY	16.0	12.5	7.5	6.6	4.8	7.4	-2.3	-0.5	-6.8	-11.2	-1.8	-0.6	-1.2	-11.1	.	.
LABOUR																	
Employment total	th. persons	1395.5	1392.2	1395.1	1401.9	1412.2	1422.2	1431.9	1429.9	1421.1	1412.1	1405.7	1395.8	1387.6	1382.6	1384.2	.
Employees in industry	th. persons	278.2	281.2	281.8	282.3	282.9	282.7	283.2	282.3	282.2	282.1	281.8	279.7	273.1	276.3	276.1	.
Unemployment, end of period	th. persons	325.0	326.0	325.2	317.0	305.2	295.6	293.3	293.8	299.5	307.5	312.8	317.6	326.9	330.2	329.0	320.3
Unemployment rate ²⁾	%	19.1	19.2	19.1	18.6	18.0	17.4	17.2	17.2	17.6	18.1	18.4	18.7	19.1	19.3	19.2	18.8
Labour productivity, industry ¹⁾	CCPY	2.0	6.0	8.7	7.9	6.8	6.4	5.9	5.9	5.8	5.0	5.2	5.6	5.0	0.7	-1.2	.
Unit labour costs, exch. r. adj. (EUR) ¹⁾	CCPY	-1.8	-3.9	-3.3	-2.2	-1.2	-0.5	0.0	0.4	0.6	1.0	1.2	0.8	1.4	6.7	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	5815	5714	5962	5927	5994	6084	6043	5995	5925	5915	6276	6139	6013	5965	.	.
Total economy, gross	real, CMPY	3.0	4.4	7.4	5.0	3.2	4.0	4.2	5.2	4.9	1.5	5.6	3.2	0.7	1.1	.	.
Total economy, gross	USD	954	943	975	950	969	1000	1005	990	976	978	1077	1088	1047	1032	.	.
Total economy, gross	EUR	756	747	795	790	807	825	820	814	800	784	831	814	795	794	.	.
Industry, gross	EUR	681	670	730	719	738	756	752	744	736	711	764	749	725	726	.	.
PRICES																	
Consumer	PM	1.0	-0.1	0.1	0.2	0.7	-0.3	-0.4	0.1	-0.2	0.4	0.5	0.7	0.4	1.1	0.7	-0.2
Consumer	CMPY	2.1	1.8	1.4	1.9	2.4	2.5	1.9	2.0	1.6	2.0	2.3	2.7	2.7	3.3	3.9	3.5
Consumer	CCPY	2.1	2.0	1.8	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.7	3.0	3.3	3.4
Producer, in industry	PM	0.3	-0.3	0.2	0.9	2.3	-0.3	0.9	1.0	0.2	0.8	-0.5	-0.7	0.0	0.3	0.3	0.3
Producer, in industry	CMPY	0.8	0.1	-0.5	1.3	4.4	3.9	4.6	5.1	5.7	6.3	5.5	4.8	4.4	5.1	5.1	4.5
Producer, in industry	CCPY	0.8	0.5	0.2	0.4	1.2	1.7	2.1	2.4	2.8	3.1	3.4	3.5	4.4	4.7	4.8	4.8
RETAIL TRADE																	
Turnover	real, CMPY	2.5	2.1	3.8	0.0	0.0	2.3	6.6	3.4	2.7	0.9	4.5	1.7	1.1	-3.3	3.5	.
Turnover	real, CCPY	2.5	2.4	2.8	2.0	1.6	1.8	2.5	2.7	2.7	2.5	2.7	2.6	1.1	-1.2	0.7	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	411	891	1452	2000	2538	3042	3649	4091	4727	5300	5874	6451	439	962	1491	.
Imports total (cif), cumulated	EUR mn	798	1733	2919	4020	5224	6483	7668	8653	9855	11013	12178	13338	856	1822	3076	.
Trade balance, cumulated	EUR mn	-387	-842	-1466	-2020	-2686	-3441	-4019	-4562	-5128	-5713	-6304	-6887	-417	-860	-1585	.
Exports to EU-25 (fob), cumulated	EUR mn	293	581	948	1322	1711	2003	2401	2673	3088	3463	3828	4170	313	653	969	.
Imports from EU-25 (cif), cumulated	EUR mn	547	1209	2065	2874	3745	4631	5453	6118	6921	7691	8497	9282	517	1180	2009	.
Trade balance with EU-25, cumulated	EUR mn	-254	-628	-1117	-1552	-2033	-2627	-3052	-3445	-3832	-4227	-4669	-5112	-204	-527	-1040	.
FOREIGN FINANCE																	
Current account, cumulated ⁵⁾	EUR mn	.	.	-1181	.	.	-2154	.	.	-162	.	.	-1277	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	6.094	6.060	6.114	6.241	6.186	6.081	6.012	6.055	6.070	6.050	5.825	5.644	5.741	5.780	5.653	5.713
HRD/EUR, monthly average	nominal	7.690	7.650	7.501	7.506	7.427	7.378	7.372	7.369	7.410	7.545	7.554	7.545	7.564	7.517	7.460	7.394
HRK/USD, calculated with CPI ⁶⁾	real, Jan00=100	77.0	77.1	78.2	80.0	79.1	78.3	77.6	78.1	78.6	78.5	75.2	72.0	73.1	73.3	71.7	72.6
HRK/USD, calculated with PPI ⁶⁾	real, Jan00=100	80.6	80.9	82.0	84.0	82.5	81.6	80.1	80.2	80.1	80.4	78.5	76.0	77.7	78.3	77.3	77.9
HRD/EUR, calculated with CPI ⁶⁾	real, Jan00=100	95.4	95.3	93.8	94.1	92.8	92.5	92.7	92.8	93.7	95.3	94.9	94.5	94.0	92.8	91.9	91.3
HRD/EUR, calculated with PPI ⁶⁾	real, Jan00=100	95.5	95.5	94.0	93.7	91.1	90.8	90.2	89.6	90.1	91.6	92.0	92.3	92.9	92.3	91.9	90.8
DOMESTIC FINANCE																	
M0, end of period	HRK mn	10219	10217	10040	10455	10541	10977	11843	11385	10947	10915	10568	10956	10789	10905	11062	.
M1, end of period	HRK mn	32323	31284	31623	32891	33194	34265	34622	35024	34492	33852	33601	34562	34909	34387	34547	.
Broad money, end of period	HRK mn	128918	127877	125767	127868	127461	129559	133013	136826	138743	138357	139633	139948	138919	138850	137975	.
Broad money, end of period	CMPY	10.5	9.1	5.9	8.5	7.0	7.9	6.4	7.8	9.3	8.9	8.5	8.6	7.8	8.6	9.7	.
Discount rate (p.a.), end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	.
Discount rate (p.a.), end of period ⁷⁾	real, %	3.7	4.4	5.0	3.2	0.1	0.6	-0.1	-0.6	-1.1	-1.7	-0.9	-0.3	0.1	-0.6	-0.6	.
BUDGET																	
Central gov. budget balance, cum. ⁸⁾	HRK mn	1.0	-1356.9	-2499.7	-3886.2	-4524.2	.	.	.	.	.	.	.	.	.	.	.

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 less than 100 mean real appreciation.

7) Deflated with annual PPI.

8) Pension payments and social security funds are included.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	3.8	7.1	15.3	10.1	12.7	15.1	11.0	8.7	6.6	8.1	10.9	8.3	7.2	5.6	0.1	.
Industry, total	real, CCPY	3.8	5.5	9.0	9.3	10.0	10.8	10.8	10.6	10.1	9.9	10.0	9.9	7.2	6.4	4.0	.
Industry, total	real, 3MMA	6.6	9.0	11.0	12.7	12.6	13.0	11.7	8.7	7.8	8.6	9.1	8.9	7.0	4.0	.	.
Construction, total	real, CMPY	15.0	9.7	21.4	62.4	-3.7	-3.7	0.3	9.6	3.5	2.9	9.8	1.3	14.2	3.8	-16.0	.
LABOUR																	
Employees in industry ¹⁾	th. persons	1117	1123	1128	1127	1127	1131	1133	1135	1134	1137	1138	1131	1126	1132	1134	.
Unemployment, end of period	th. persons	569.5	570.8	559.8	535.1	520.4	517.5	532.1	536.0	530.2	517.8	517.7	541.7	561.7	555.0	540.5	512.6
Unemployment rate ²⁾	%	10.8	10.9	10.6	10.2	9.9	9.9	9.2	9.3	9.1	8.9	8.9	9.5	9.8	9.6	9.4	8.9
Labour productivity, industry ¹³⁾	CCPY	4.2	7.1	10.3	10.4	11.7	12.2	11.2	11.1	10.7	10.2	10.6	10.4	10.1	7.7	5.2	.
Unit labour costs, exch.r. adj.(EUR) ¹³⁾	CCPY	-2.0	-3.3	-5.2	-5.4	-6.7	-6.9	-5.6	-4.9	-4.2	-3.8	-3.7	-3.3	1.0	4.6	7.9	.
WAGES, SALARIES																	
Industry, gross ¹⁾	CZK	16458	15668	16896	16921	17591	17591	17670	16874	17065	17450	20415	18870	16941	16305	17593	.
Industry, gross ¹⁾	real, CMPY	3.7	6.7	7.9	4.4	2.4	4.1	3.3	5.0	3.6	1.3	5.4	1.8	1.3	2.4	2.6	.
Industry, gross ¹⁾	USD	634	603	628	624	660	675	687	649	659	692	847	825	733	708	779	.
Industry, gross ¹⁾	EUR	503	477	512	520	550	556	561	533	540	554	653	616	559	544	591	.
PRICES																	
Consumer	PM	1.8	0.2	0.1	0.0	0.4	0.2	0.4	0.0	-0.8	0.5	-0.1	0.1	0.7	0.2	-0.1	0.1
Consumer	CMPY	2.3	2.3	2.5	2.3	2.7	2.9	3.2	3.4	3.0	3.5	2.9	2.8	1.7	1.7	1.5	1.6
Consumer	CCPY	2.3	2.3	2.3	2.3	2.4	2.5	2.6	2.7	2.7	2.8	2.8	2.8	1.7	1.7	1.7	1.7
Producer, in industry	PM	0.8	0.3	0.8	0.8	0.8	1.1	0.8	0.9	0.3	1.1	0.0	-0.3	0.3	0.2	0.2	0.1
Producer, in industry	CMPY	1.6	1.6	2.1	3.7	4.9	6.3	7.3	8.1	8.0	8.6	8.2	7.7	7.2	7.1	6.4	5.6
Producer, in industry	CCPY	1.6	1.6	1.8	2.3	2.8	3.4	3.9	4.4	4.8	5.2	5.5	5.7	7.2	7.2	6.9	6.6
RETAIL TRADE																	
Turnover	real, CMPY	-2.0	2.3	2.9	2.9	0.9	3.7	0.3	4.5	0.8	1.5	8.4	3.2	4.5	1.5	3.9	.
Turnover	real, CCPY	-2.0	0.2	1.1	1.5	1.4	1.8	1.6	1.9	1.8	1.8	2.4	2.5	4.5	3.0	3.3	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	3302	7134	11462	15994	20777	25561	29871	34006	39039	44024	49327	53715	4633	9236	14313	.
Imports total (fob), cumulated	EUR mn	3298	6994	11424	16316	21062	25822	30333	34585	39495	44558	49752	54415	4519	8949	13825	.
Trade balance, cumulated	EUR mn	4	140	38	-322	-285	-261	-462	-579	-456	-534	-425	-700	114	287	488	.
Exports to EU-25 (fob), cumulated	EUR mn	2883	6218	9986	13878	18012	22089	25775	29326	33636	37924	42483	46156	4075	8012	12286	.
Imports from EU-25 (fob) ⁶⁾ , cumulated	EUR mn	2237	4890	8073	11460	15060	18529	21778	24800	28389	32033	35758	39078	3024	6195	9693	.
Trade balance with EU-25, cumulated	EUR mn	646	1327	1914	2418	2952	3559	3997	4526	5248	5891	6725	7078	1051	1818	2593	.
FOREIGN FINANCE																	
Current account, cumulated ⁴⁾	EUR mn	-148	-184	-418	-1059	-1266	-1591	-2615	-3191	-3334	-3689	-3913	-4490	-141	336	394	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	25.9	26.0	26.9	27.1	26.6	26.0	25.7	26.0	25.9	25.2	24.1	22.9	23.1	23.0	22.6	23.3
CZK/EUR, monthly average	nominal	32.7	32.9	33.0	32.5	32.0	31.6	31.5	31.6	31.6	31.5	31.3	30.6	30.3	30.0	29.8	30.1
CZK/USD, calculated with CPI ⁷⁾	real, Jan00=100	72.9	73.3	76.3	77.2	75.9	74.4	73.0	73.8	74.3	72.4	69.2	65.4	65.7	65.8	65.1	67.0
CZK/USD, calculated with PPI ⁷⁾	real, Jan00=100	76.2	76.5	79.2	80.1	79.1	76.8	75.3	75.8	75.1	73.5	70.7	66.8	67.6	67.6	67.0	69.1
CZK/EUR, calculated with CPI ⁷⁾	real, Jan00=100	90.2	90.6	91.3	90.5	88.9	87.8	87.1	87.6	88.4	87.9	87.4	85.9	84.0	83.2	83.2	84.1
CZK/EUR, calculated with PPI ⁷⁾	real, Jan00=100	90.1	90.4	90.6	89.0	87.2	85.3	84.7	84.5	84.4	83.6	83.0	81.2	80.5	79.6	79.5	80.4
DOMESTIC FINANCE																	
M0, end of period	CZK bn	221.9	223.7	224.0	227.3	228.9	234.9	233.1	233.7	236.8	236.8	238.4	236.8	237.8	240.9	242.8	.
M1, end of period	CZK bn	885.3	888.8	893.3	901.8	936.2	945.6	933.5	965.9	965.9	953.5	975.8	962.3	965.5	963.5	972.7	.
M2, end of period	CZK bn	1753.8	1760.8	1751.6	1797.7	1814.0	1817.9	1821.3	1835.5	1841.1	1841.0	1840.5	1844.1	1827.5	1844.5	1844.9	.
M2, end of period	CMPY	6.6	7.0	7.8	8.4	9.2	10.3	8.0	7.5	8.6	7.8	6.6	4.4	4.2	4.8	5.3	.
Discount rate (p.a.), end of period	%	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.25	1.25	1.25	0.75
Discount rate (p.a.), end of period ⁸⁾	real, %	-0.6	-0.6	-1.1	-2.6	-3.7	-4.7	-5.6	-6.1	-6.0	-6.5	-6.2	-5.8	-5.6	-5.5	-4.9	-4.6
BUDGET																	
Central gov. budget balance, cum.	CZK mn	7307	-2852	-7819	-38070	-45423	-49702	-48799	-50687	-40515	-59467	-66370	-93530	3490	-2580	8250	-22490

1) Enterprises employing 20 and more persons.

2) Ratio of job applicants to the economically active (including women on maternity leave), from July 2004 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 less than 100 mean real appreciation.

8) Deflated with annual PPI.

H U N G A R Y: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	7.5	11.8	11.8	9.2	7.2	14.7	4.8	6.3	6.8	5.7	10.7	3.5	2.7	1.0	1.4	.
Industry, total	real, CCPY	7.5	9.6	10.4	10.1	9.5	10.4	9.6	9.2	8.9	8.5	8.8	8.3	2.7	1.8	1.7	.
Industry, total	real, 3MMA	11.0	10.4	10.9	9.5	10.4	8.9	8.6	6.0	6.3	7.8	6.7	5.9	2.4	1.7	.	.
Construction, total	real, CMPY	20.3	14.9	12.4	7.3	-1.9	4.0	9.8	6.1	0.7	5.4	12.0	4.9	9.4	25.1	4.0	.
LABOUR																	
Employees in industry ¹⁾	th. persons	789.3	787.4	790.9	788.7	786.7	788.9	788.8	786.4	785.0	780.5	779.9	770.7	775.8	771.4	768.5	.
Unemployment ²⁾	th. persons	243.4	247.9	252.2	248.4	241.5	241.6	244.8	246.6	254.6	255.1	261.7	263.3	275.1	286.8	297.4	300.1
Unemployment rate ²⁾	%	5.8	6.0	6.1	6.0	5.8	5.8	5.9	5.9	6.1	6.1	6.3	6.3	6.6	6.9	7.1	7.2
Labour productivity, industry ¹⁾	CCPY	11.0	13.2	13.6	13.2	12.6	13.4	12.5	12.1	11.7	11.4	11.6	11.2	5.4	4.0	4.1	.
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-11.5	-10.8	-7.8	-6.4	-6.2	-5.5	-3.8	-2.6	-2.0	-1.6	-1.0	-0.4	9.9	11.2	8.8	.
WAGES, SALARIES																	
Total economy, gross ¹³⁾	HUF	146006	134212	141937	140815	141900	146563	140755	138848	139635	143308	163926	170505	184265	144893	150888	.
Total economy, gross ¹³⁾	real, CMPY	1.2	1.6	4.6	1.1	-0.7	0.9	-1.3	-0.2	0.0	-1.4	-0.7	-8.5	21.2	4.7	2.7	.
Total economy, gross ¹³⁾	USD	696	645	687	675	674	705	691	679	689	725	868	930	981	774	812	.
Total economy, gross ¹³⁾	EUR	552	510	560	563	561	579	563	558	564	581	668	693	747	594	616	.
Industry, gross ¹⁾	EUR	482	487	559	553	557	558	553	556	555	560	674	644	558	563	605	.
PRICES																	
Consumer	PM	2.1	1.2	0.5	0.3	0.9	0.1	0.0	-0.3	0.1	0.5	0.1	0.0	0.7	0.4	0.7	0.8
Consumer	CMPY	6.6	7.1	6.7	6.9	7.6	7.5	7.2	7.2	6.6	6.3	5.8	5.5	4.1	3.2	3.5	3.9
Consumer	CCPY	6.6	6.9	6.8	6.8	7.0	7.1	7.1	7.1	7.0	7.0	6.9	6.8	4.1	3.6	3.6	3.6
Producer, in industry	PM	0.9	-0.2	-0.8	0.6	0.3	0.4	0.1	0.2	0.3	0.3	-0.2	-0.5	0.7	0.0	0.8	.
Producer, in industry	CMPY	5.4	4.5	3.2	4.4	5.4	3.3	2.7	2.6	3.3	3.5	2.1	1.6	3.8	3.1	5.0	.
Producer, in industry	CCPY	5.4	4.9	4.3	4.4	4.6	4.4	4.1	3.9	3.9	3.8	3.7	3.5	3.8	3.5	4.0	.
RETAIL TRADE																	
Turnover	real, CMPY	6.1	6.6	5.8	8.1	5.9	10.7	5.7	5.6	4.8	3.2	4.6	3.3	3.2	1.9	7.4	.
Turnover	real, CCPY	6.1	6.4	6.2	6.7	6.5	7.3	7.0	6.8	6.6	6.2	6.0	5.7	3.2	2.6	4.4	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	3097	6387	10178	13602	17158	21118	24753	27918	31950	36103	40420	44056	3444	7045	.	.
Imports total (cif), cumulated	EUR mn	3179	6756	10900	15289	19169	23414	27332	30882	35225	39603	44033	47908	3618	7515	.	.
Trade balance, cumulated	EUR mn	-82	-370	-722	-1687	-2011	-2297	-2580	-2964	-3274	-3500	-3613	-3852	-174	-470	.	.
Exports to EU-25 (fob), cumulated	EUR mn	2591	5310	8388	11159	14019	17099	19928	22353	25460	28783	32188	34918	2753	.	.	.
Imports from EU-25 (cif ⁶⁾ , cumulated	EUR mn	2396	5081	8187	11465	14391	17330	20053	22450	25456	28484	31497	34191	2520	.	.	.
Trade balance with EU-25, cumulated	EUR mn	195	229	201	-306	-372	-231	-125	-98	5	299	691	727	232	.	.	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	.	.	-1308	.	.	-3561	.	.	-5411	.	.	-7123	.	.	.	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	209.8	207.9	206.6	208.6	210.7	208.0	203.6	204.5	202.8	197.6	188.9	183.4	187.8	187.2	185.9	191.7
HUF/EUR, monthly average	nominal	264.6	263.0	253.4	250.3	252.9	253.2	249.9	248.9	247.7	246.8	245.3	245.9	246.6	243.8	245.0	248.2
HUF/USD, calculated with CPI ⁷⁾	real, Jan00=100	69.8	68.8	68.4	69.1	69.5	68.8	67.3	67.8	67.3	65.6	62.6	60.6	61.7	61.7	61.3	62.7
HUF/USD, calculated with PPI ⁷⁾	real, Jan00=100	78.7	78.6	79.3	80.6	82.3	81.1	79.5	80.0	78.9	77.8	75.2	72.8	74.4	74.5	74.3	.
HUF/EUR, calculated with CPI ⁷⁾	real, Jan00=100	86.4	85.1	82.0	81.1	81.5	81.6	80.4	80.5	80.2	79.8	79.2	79.7	79.1	78.2	78.4	78.8
HUF/EUR, calculated with PPI ⁷⁾	real, Jan00=100	93.2	93.0	90.9	89.7	90.8	90.5	89.5	89.4	88.8	88.8	88.3	88.7	88.7	88.0	88.2	.
DOMESTIC FINANCE																	
M0, end of period ⁸⁾	HUF bn	1307.1	1278.1	1255.8	1278.6	1329.1	1329.1	1322.6	1329.9	1328.6	1334.9	1365.5	1341.4	1324.9	1320.7	1376.1	.
M1, end of period ⁸⁾	HUF bn	3799.5	3688.6	3699.5	3771.7	3805.8	3874.4	3876.1	3935.6	3954.8	3891.4	4053.0	4170.1	4028.7	4029.4	4195.2	.
Broad money, end of period ⁸⁾	HUF bn	8798.3	8761.3	8720.5	8825.5	8864.7	8963.3	9089.4	9253.0	9279.9	9357.9	9542.5	9809.7	9661.1	9750.9	9960.7	.
Broad money, end of period ⁸⁾	CMPY	13.0	11.9	12.0	11.8	11.2	10.5	11.6	13.2	12.0	10.8	11.3	11.6	9.8	11.3	14.2	.
NBH base rate (p.a.), end of period	%	12.5	12.5	12.3	12.0	11.5	11.5	11.5	11.0	11.0	10.5	10.0	9.5	9.0	8.3	7.8	7.5
NBH base rate (p.a.), end of period ⁹⁾	real, %	6.7	7.7	8.8	7.3	5.8	7.9	8.6	8.2	7.5	6.8	7.7	7.8	5.0	5.0	2.6	.
BUDGET																	
Central gov. budget balance, cum.	HUF bn	-173.9	-246.7	-365.0	-426.9	-508.8	-855.8	-863.1	-926.8	-1035.8	-1034.6	-1023.0	-889.0	-199.1	-379.0	-373.1	.

1) Economic organizations employing more than 5 persons.

2) According to ILO methodology, 3-month averages comprising the two previous months as well.

3) Increase of wages in January 2005 due to payment of one month extra salary in state sector (in January instead of December).

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 dispatch.

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

8) According to ECB monetary standards.

9) Deflated with annual PPI.

P O L A N D: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry ¹⁾	real, CMPY	14.4	18.2	23.6	21.8	12.2	15.8	6.0	13.8	9.4	3.4	11.4	6.9	4.7	2.4	-3.7	-1.0
Industry ¹⁾	real, CCPY	14.4	16.3	18.9	19.7	18.1	17.7	15.9	15.7	14.9	13.5	13.3	12.7	4.7	3.5	0.8	0.3
Industry ¹⁾	real, 3MMA	15.5	18.9	21.3	19.2	16.6	11.3	11.8	9.7	8.6	8.0	7.1	7.7	4.7	0.8	-0.9	.
Construction ¹⁾	real, CMPY	-16.7	-6.3	6.2	25.8	-13.4	-14.4	-14.2	2.6	0.1	4.1	4.2	7.9	18.4	13.1	-3.9	-17.7
LABOUR																	
Employees ¹⁾	th. persons	4669	4672	4667	4675	4681	4688	4688	4681	4686	4698	4689	4679	4737	4745	4743	4754
Employees in industry ¹⁾	th. persons	2396	2399	2398	2397	2396	2399	2400	2397	2399	2409	2405	2397	2417	2422	2423	2426
Unemployment, end of period	th. persons	3293.2	3294.5	3265.8	3173.8	3092.5	3071.2	3042.4	3005.7	2970.9	2938.2	2942.6	2999.6	3094.9	3094.5	3052.6	2957.8
Unemployment rate ²⁾	%	20.6	20.6	20.5	20.0	19.6	19.5	19.3	19.1	18.9	18.7	18.7	19.1	19.5	19.4	19.3	18.8
Labour productivity, industry ¹⁾	CCPY	15.4	17.3	19.8	20.5	18.8	18.4	16.5	16.2	15.4	14.0	13.8	13.2	3.8	2.6	-0.1	-0.7
Unit labour costs, exch.r. adj.(EUR) ¹⁾	CCPY	-22.4	-22.5	-22.1	-22.1	-20.9	-19.5	-17.3	-16.3	-14.9	-13.1	-12.1	-10.5	14.0	17.8	21.2	20.4
WAGES, SALARIES																	
Total economy, gross ¹⁾	PLN	2326	2377	2427	2427	2354	2405	2428	2413	2440	2386	2505	2748	2385	2411	2481	2471
Total economy, gross ¹⁾	real, CMPY	2.0	4.8	5.5	2.5	1.2	0.4	-0.8	0.7	-0.7	-1.9	-1.7	-1.0	-1.5	-2.4	-1.4	-1.3
Total economy, gross ¹⁾	USD	623	618	624	613	598	635	667	662	681	690	763	888	769	788	813	771
Total economy, gross ¹⁾	EUR	494	490	509	510	498	524	543	544	557	552	588	663	584	605	617	595
Industry, gross ¹⁾	EUR	498	499	514	517	493	531	551	549	548	551	592	693	590	616	625	597
PRICES																	
Consumer	PM	0.4	0.1	0.3	0.8	1.0	0.9	-0.1	-0.4	0.3	0.6	0.3	0.1	0.1	-0.1	0.1	0.4
Consumer	CMPY	1.6	1.6	1.7	2.2	3.4	4.4	4.6	4.6	4.4	4.5	4.5	4.4	3.7	3.6	3.4	3.0
Consumer	CCPY	1.7	1.7	1.7	1.9	2.2	2.5	2.8	3.1	3.2	3.3	3.5	3.5	4.1	4.0	3.9	3.7
Producer, in industry	PM	0.8	0.7	1.5	2.1	1.3	-0.2	0.2	0.3	-0.1	0.4	-0.4	-1.3	0.1	-0.5	0.5	0.6
Producer, in industry	CMPY	4.1	4.2	4.9	7.6	9.6	9.1	8.6	8.5	7.9	7.6	6.7	5.2	4.5	3.2	2.2	0.8
Producer, in industry	CCPY	4.2	4.2	4.4	5.3	6.2	6.7	7.0	7.2	7.3	7.3	7.3	7.1	4.7	4.0	3.5	2.8
RETAIL TRADE																	
Turnover ¹⁾	real, CMPY	6.3	10.6	18.8	27.7	0.9	4.2	5.9	4.4	3.9	-0.8	-0.4	-1.8	3.2	-1.6	-3.8	-17.4
Turnover ¹⁾	real, CCPY	6.3	8.5	13.6	18.4	14.0	12.4	11.4	10.1	9.4	8.8	7.9	7.1	3.1	1.0	-0.4	-5.9
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	3888	8091	13187	18210	22871	27982	32874	37638	43405	49147	54868	59997	5334	10712	16384	.
Imports total (cif), cumulated	EUR mn	4611	9258	15532	22498	28256	34320	40281	45890	52557	59030	65468	71585	5638	11516	17931	.
Trade balance, cumulated	EUR mn	-722	-1168	-2345	-4288	-5385	-6338	-7407	-8252	-9152	-9883	-10600	-11588	-304	-804	-1546	.
Exports to EU-25 (fob), cumulated	EUR mn	3246	6863	11013	15147	18913	22863	26593	30264	34626	39048	43405	47129	4272	8350	12852	.
Imports from EU-25 (cif) ⁵⁾ , cumulated	EUR mn	3160	6440	10783	15673	19695	23716	27717	31411	35742	40128	44465	48276	3763	7671	11901	.
Trade balance with EU-25, cumulated	EUR mn	86	424	229	-526	-783	-853	-1124	-1147	-1117	-1080	-1060	-1148	510	679	951	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-51	-96	-648	-1210	-1837	-2173	-2907	-2654	-3037	-2962	-2786	-2949	63	195	.	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	3.735	3.846	3.890	3.959	3.936	3.787	3.643	3.643	3.583	3.460	3.283	3.095	3.103	3.060	3.049	3.205
PLN/EUR, monthly average	nominal	4.712	4.854	4.768	4.758	4.729	4.593	4.469	4.436	4.376	4.324	4.262	4.144	4.082	3.984	4.021	4.151
PLN/USD, calculated with CPI ⁶⁾	real, Jan00=100	88.0	91.1	92.4	93.6	92.6	88.7	85.2	85.6	84.2	81.2	76.8	72.1	72.3	71.8	72.1	75.4
PLN/USD, calculated with PPI ⁶⁾	real, Jan00=100	89.4	91.9	92.3	93.0	92.6	89.5	86.1	86.2	84.7	82.7	79.5	75.3	75.8	75.5	75.8	79.2
PLN/EUR, calculated with CPI ⁶⁾	real, Jan00=100	109.1	112.6	110.8	110.2	108.8	104.9	102.0	101.9	100.4	98.9	97.2	94.8	92.9	91.1	92.3	94.9
PLN/EUR, calculated with PPI ⁶⁾	real, Jan00=100	105.9	108.6	105.7	103.9	102.4	99.7	97.1	96.4	95.4	94.5	93.4	91.7	90.6	89.2	90.1	92.5
DOMESTIC FINANCE																	
M0, end of period	PLN bn	48.5	49.6	49.9	51.4	50.2	50.5	50.9	50.9	50.1	50.5	50.0	50.7	49.7	50.5	51.4	53.3
M1, end of period ⁷⁾	PLN bn	152.6	156.2	161.3	160.3	165.0	168.9	163.6	168.9	168.9	181.8	175.2	175.9	173.1	178.2	181.4	176.5
M2, end of period ⁷⁾	PLN bn	334.8	338.2	340.1	348.8	344.7	348.5	347.6	351.5	350.5	369.9	356.7	366.4	360.1	364.3	371.8	376.4
M2, end of period	CMPY	6.2	6.2	7.0	10.0	7.6	7.9	7.6	8.2	7.2	11.3	6.7	7.6	7.5	7.7	9.3	7.9
Discount rate (p.a.),end of period	%	5.8	5.8	5.8	5.8	5.8	5.8	6.5	6.5	7.0	7.0	7.0	7.0	7.0	7.0	6.5	6.0
Discount rate (p.a.),end of period ⁸⁾	real, %	1.6	1.5	0.8	-1.7	-3.5	-3.1	-1.9	-1.8	-0.8	-0.6	0.3	1.7	2.4	3.7	4.2	5.2
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-4138	-9346	-11804	-10781	-15186	-19730	-23067	-25793	-28841	-30642	-33820	-41505	-1403	-8884	-12726	-13877

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 less than 100 mean real appreciation.

7) Revised according to ECB monetary standards.

8) Deflated with annual PPI.

R O M A N I A: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	0.8	6.9	9.5	0.5	5.2	3.2	2.0	6.5	5.8	2.4	9.3	12.3	8.6	3.6	4.0	.
Industry, total ¹⁾	real, CCPY	0.8	3.9	5.9	4.5	4.6	4.4	4.0	4.3	4.5	4.3	4.7	5.3	8.6	6.0	5.3	.
Industry, total	real, 3MMA	3.4	5.9	5.6	5.1	3.0	3.5	3.9	4.7	4.8	5.8	7.8	10.1	8.1	5.3	.	.
LABOUR																	
Employees total	th. persons	4359.3	4375.8	4404.7	4405.8	4423.1	4453.6	4456.9	4452.0	4449.9	4439.0	4432.1	4398.3	4450.8	4500.7	4535.7	.
Employees in industry	th. persons	1754.8	1752.6	1754.4	1738.5	1736.6	1755.6	1757.6	1757.7	1749.8	1752.6	1746.5	1733.7	1745.4	1757.0	1749.4	.
Unemployment, end of period	th. persons	693.4	702.4	697.4	661.9	617.8	590.3	562.6	552.6	547.8	550.7	551.4	557.9	562.7	558.6	537.8	.
Unemployment rate ²⁾	%	7.7	7.8	7.8	7.4	6.9	6.6	6.3	6.2	6.1	6.1	6.2	6.2	6.3	6.2	6.0	.
Labour productivity, industry	CCPY	5.4	9.7	11.9	10.8	11.2	11.0	10.5	10.7	10.8	10.5	10.9	11.5	10.8	7.9	7.0	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-1.8	-3.4	-2.7	-1.8	-1.0	0.1	0.4	0.3	0.6	1.1	1.7	2.2	15.7	18.1	18.0	.
WAGES, SALARIES																	
Total economy, gross	th. ROL	8006.3	7484.0	8065.8	8292.8	8008.2	8035.9	8125.7	8101.0	8214.1	8392.8	8677.8	9733.5	9514.7	8748.7	9203.5	.
Total economy, gross	real, CMPY	7.8	8.7	12.5	7.0	9.3	10.8	7.8	8.4	9.3	10.2	12.5	10.4	9.1	7.3	5.0	.
Total economy, gross	USD	246	233	247	244	237	239	243	241	244	255	283	337	327	310	334	.
Total economy, gross	EUR	195	184	201	204	197	197	198	198	200	204	218	251	249	238	253	.
Industry, gross	EUR	171	177	195	199	193	192	198	198	203	196	208	236	219	224	243	.
PRICES																	
Consumer	PM	1.1	0.6	0.5	0.6	0.3	0.6	1.3	0.5	0.9	1.2	0.6	0.6	0.8	0.6	0.3	1.8
Consumer	CMPY	13.9	13.7	13.1	12.5	12.3	12.0	12.1	12.4	11.1	10.8	9.9	9.3	8.9	8.9	8.7	8.0
Consumer	CCPY	13.9	13.8	13.6	13.3	13.1	12.9	12.8	12.8	12.6	12.4	12.1	11.9	8.9	8.9	8.8	8.6
Producer, in industry	PM	2.4	0.9	0.9	2.8	1.3	1.1	1.7	1.7	1.3	1.6	0.2	-0.9	1.2	-0.6	0.8	.
Producer, in industry	CMPY	19.3	17.6	17.0	18.5	19.3	20.4	21.3	22.1	20.0	20.0	18.2	15.9	14.6	12.8	12.6	.
Producer, in industry	CCPY	19.3	18.4	17.9	18.1	18.3	18.7	19.0	19.4	19.5	19.6	19.4	19.1	14.6	13.7	13.3	.
RETAIL TRADE																	
Turnover	real, CMPY	21.2	13.4	16.9	12.0	11.3	13.6	8.5	12.3	10.6	8.8	14.8	32.0	13.1	25.3	17.8	.
Turnover	real, CCPY	21.2	17.3	17.2	15.9	15.0	14.7	13.8	13.7	13.3	12.9	13.0	14.6	13.1	19.2	18.7	.
FOREIGN TRADE³⁾																	
Exports total (fob), cumulated	EUR mn	1218	2713	4337	5824	7394	9033	10874	12296	13995	15735	17404	18935	1513	3160	5091	.
Imports total (cif), cumulated	EUR mn	1568	3382	5482	7475	9720	11992	14365	16391	18644	21061	23695	26281	1892	4044	6642	.
Trade balance, cumulated	EUR mn	-350	-669	-1146	-1651	-2326	-2959	-3491	-4094	-4649	-5325	-6291	-7346	-379	-884	-1552	.
Exports to EU-25 (fob), cumulated	EUR mn	944	2059	3212	4275	5412	6644	7997	9033	10230	11508	12720	13807	1113	2298	3581	.
Imports from EU-25 (cif), cumulated	EUR mn	940	2033	3360	4777	6264	7794	9361	10622	12065	13676	15426	17065	1182	2558	4140	.
Trade balance with EU-25, cumulated	EUR mn	4	27	-148	-502	-852	-1150	-1364	-1590	-1835	-2168	-2706	-3258	-69	-260	-558	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-81	-205	-484	.	.	-1706	.	.	-2556	.	.	-4402	-136	-516	.	.
EXCHANGE RATE																	
ROL/USD, monthly average	nominal	32572	32073	32646	33923	33758	33570	33395	33613	33621	32881	30677	28910	29076	28244	27570	28041
ROL/EUR, monthly average	nominal	41094	40572	40055	40695	40559	40754	40967	40947	41078	41069	39820	38774	38178	36765	36338	36293
ROL/USD, calculated with CPI ⁴⁾	real, Jan00=100	81.6	80.3	81.8	84.9	84.6	84.0	82.3	82.4	82.0	79.6	73.8	68.9	68.9	66.9	65.6	65.6
ROL/USD, calculated with PPI ⁶⁾	real, Jan00=100	70.5	69.2	70.3	71.9	71.6	70.7	69.3	68.8	67.8	66.3	62.3	58.7	58.7	57.5	56.5	.
ROL/EUR, calculated with CPI ⁴⁾	real, Jan00=100	101.0	99.4	98.1	99.6	99.3	99.2	98.4	98.0	97.7	96.8	93.3	90.6	88.2	84.8	83.9	82.4
ROL/EUR, calculated with PPI ⁶⁾	real, Jan00=100	83.5	81.8	80.5	80.0	79.1	78.6	77.9	76.9	76.3	75.5	73.0	71.5	69.9	67.9	67.0	.
DOMESTIC FINANCE																	
M0, end of period	ROL bn	55969	58313	57773	63788	65158	68904	73312	75283	76697	77764	73096	75367	72395	76580	77859	.
M1, end of period	ROL bn	102240	104107	107175	113651	118864	125928	131880	140492	142811	143111	140201	153601	142406	148436	154653	.
M2, end of period	ROL bn	452217	458468	481461	480254	490510	506603	525105	548392	567404	573948	568742	645332	631223	652801	679570	.
M2, end of period	CMPY	27.1	24.8	30.3	26.9	29.4	30.4	34.3	34.6	36.9	35.4	33.6	40.1	39.6	42.4	41.1	.
Discount rate (p.a.),end of period ⁵⁾	%	21.3	21.3	21.3	21.3	21.3	21.3	20.8	20.3	19.2	18.8	18.8	18.0	17.3	15.7	10.8	8.4
Discount rate (p.a.),end of period ⁵⁾⁶⁾	real, %	1.6	3.1	3.6	2.3	1.6	0.7	-0.5	-1.5	-0.6	-1.0	0.5	1.8	2.4	2.6	-1.6	.
BUDGET																	
Central gov.budget balance, cum.	ROL bn	3835	-2634	-5930	90	-6529	-14333	-7068	-9390	-7805	-6769	-12034	-18781	.	.	.	.

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

2) Ratio of unemployed to economically active population as of December of previous year, from 2004 as of December 2003.

3) Cumulation starting January and ending December each year.

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

5) Reference rate of RNB.

6) Deflated with annual PPI.

R U S S I A: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	6.4	8.5	7.4	5.4	6.9	9.3	6.9	9.7	6.1	4.6	12.5	4.6	2.1	5.1	4.0	5.0
Industry, total ¹⁾	real, CCPY	6.4	.	7.4	6.9	.	7.3	.	.	7.4	.	.	7.3	2.1	3.9	3.9	4.2
Construction, total	real, CMPY	13.3	13.8	14.2	15.8	14.9	13.3	7.5	7.1	5.9	3.4	8.8	10.6	6.2	4.9	5.0	6.4
LABOUR²⁾																	
Employment total	th. persons	66200	65600	66400	67200	68000	68200	68400	68700	68200	67700	67300	66700	66300	65800	66500	.
Unemployment, end of period	th. persons	6615	6923	6477	6026	5584	5528	5465	5421	5669	5901	6140	6109	6080	6056	5897	5762
Unemployment rate	%	9.1	9.6	8.9	8.2	7.6	7.5	7.4	7.3	7.7	8.0	8.4	8.4	8.4	8.4	8.1	7.8
WAGES, SALARIES																	
Total economy, gross	RUB	5932.0	6141.0	6428.0	6448.0	6524.0	7003.0	6982.0	6873.0	6918.0	6908.0	7046.0	8799.0	7346.0	7465.0	8093.0	8133.0
Total economy, gross	real, CMPY	13.5	18.0	16.8	14.6	13.4	14.5	12.6	12.4	11.7	5.6	5.3	7.3	10.0	7.8	11.1	11.2
Total economy, gross	USD	206	215	225	225	225	241	240	235	237	238	246	315	262	267	293	292
Total economy, gross	EUR	163	170	184	187	187	198	196	193	194	190	190	235	200	205	222	226
Industry, gross	EUR	190	200	215	222	220	229	230	238	230	225	224	.	.	.	.	.
PRICES																	
Consumer	PM	1.8	1.0	0.8	1.0	0.7	0.8	0.9	0.4	0.4	1.1	1.1	1.1	2.6	1.2	1.3	1.1
Consumer	CMPY	11.3	10.7	10.3	10.3	10.2	10.2	10.5	11.3	11.5	11.6	11.7	11.7	12.6	12.8	13.3	13.4
Consumer	CCPY	11.3	11.0	10.8	10.7	10.6	10.5	10.5	10.6	10.7	10.8	10.9	11.0	12.6	12.7	12.9	13.0
Producer, in industry	PM	4.0	3.4	1.3	2.1	2.1	2.8	1.2	1.8	3.1	1.8	2.0	0.1	0.5	1.3	2.5	2.5
Producer, in industry	CMPY	17.1	19.4	19.4	20.2	23.0	25.5	24.3	24.8	26.9	27.7	29.5	28.9	24.6	22.0	23.5	24.0
Producer, in industry	CCPY	17.1	18.2	18.6	19.0	19.8	20.8	21.3	21.7	22.3	22.9	23.5	24.0	24.6	23.3	23.3	23.5
RETAIL TRADE																	
Turnover ³⁾	real, CMPY	16.3	4.4	7.5	14.4	12.2	14.5	9.6	12.0	12.2	11.5	13.5	14.6	9.9	10.3	9.9	.
Turnover ³⁾	real, CCPY	16.3	10.4	9.4	10.7	11.0	11.6	11.3	11.4	11.5	11.5	11.7	12.0	9.9	10.1	10.0	.
FOREIGN TRADE⁴⁾⁵⁾⁶⁾																	
Exports total, cumulated	EUR mn	8923	18475	29815	42016	53335	65562	78147	91893	105205	119048	132898	147549	11615	24689	40092	.
Imports total, cumulated	EUR mn	4333	9456	15697	22030	28075	34506	41244	47994	54691	61765	69008	77459	5076	11294	18688	.
Trade balance, cumulated	EUR mn	4590	9019	14118	19985	25261	31055	36904	43900	50513	57283	63890	70090	6539	13395	21404	.
FOREIGN FINANCE																	
Current account, cumulated ⁷⁾	EUR mn	.	.	10213	.	.	21412	.	.	33979	.	.	48348	.	.	17097	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	28.839	28.515	28.529	28.686	28.989	29.030	29.082	29.219	29.220	29.070	28.591	27.904	28.009	27.995	27.626	27.810
RUB/EUR, monthly average	nominal	36.377	36.092	35.018	34.446	34.817	35.298	35.673	35.628	35.661	36.287	37.079	37.390	36.719	36.381	36.470	35.993
RUB/USD, calculated with CPI ⁸⁾	real, Jan00=100	61.3	60.3	60.3	60.2	60.7	60.6	60.0	60.1	60.0	59.4	57.7	55.5	54.4	54.1	53.1	52.9
RUB/USD, calculated with PPI ⁹⁾	real, Jan00=100	58.1	55.9	55.6	55.4	55.6	54.4	53.9	53.4	51.7	51.3	49.9	48.3	48.5	48.0	46.8	46.0
RUB/EUR, calculated with CPI ⁸⁾	real, Jan00=100	75.8	74.7	72.2	70.7	71.2	71.6	71.7	71.5	71.4	72.1	72.8	72.9	69.5	68.3	68.0	66.4
RUB/EUR, calculated with PPI ⁹⁾	real, Jan00=100	68.8	66.1	63.7	61.7	61.4	60.5	60.6	59.7	58.1	58.4	58.5	58.7	57.6	56.5	55.6	53.5
DOMESTIC FINANCE																	
M0, end of period	RUB bn	1130.6	1164.1	1165.5	1230.1	1220.5	1276.1	1315.0	1290.6	1293.7	1310.3	1332.7	1534.8	1425.2	1444.1	1481.7	.
M1, end of period	RUB bn	2126.9	2197.1	2244.6	2255.8	2286.3	2425.3	2375.9	2372.0	2416.0	2441.0	2535.0	2848.3	2673.0	2757.1	2859.6	.
M2, end of period	RUB bn	3946.1	4093.0	4190.3	4333.7	4365.7	4543.2	4547.9	4568.2	4637.1	4730.4	4867.6	5298.7	5184.8	5344.4	5499.6	.
M2, end of period	CMPY	42.1	40.4	40.2	42.0	38.0	36.0	33.7	32.5	29.8	33.5	34.6	33.7	31.4	30.6	31.2	.
Refinancing rate (p.a.) ^{end of period}	%	14.0	14.0	14.0	14.0	14.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Refinancing rate (p.a.) ^{end of period⁹⁾}	real, %	-2.6	-4.5	-4.5	-5.1	-7.3	-9.9	-9.1	-9.4	-10.9	-11.5	-12.8	-12.3	-9.3	-7.4	-8.5	-8.9
BUDGET																	
Central gov. budget balance, cum.	RUB bn	102.5	115.5	134.7	169.8	255.4	354.1	435.8	484.2	588.1	690.1	786.3	730.7	206.2	304.4	.	.

1) Data revised according to new methodology.

2) Based on labour force survey.

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

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

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

6) Based on balance of payments statistics.

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

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

9) Deflated with annual PPI.

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	0.3	8.0	11.0	4.7	8.3	3.9	-0.5	7.2	4.9	-1.3	3.6	1.4	4.8	0.0	-3.1	.
Industry, total	real, CCPY	0.3	4.1	6.5	6.0	6.5	6.0	5.1	5.4	5.3	4.5	4.5	4.2	4.8	2.3	0.3	.
Industry, total	real, 3MMA	4.2	6.5	8.0	8.1	5.6	3.9	3.5	3.8	3.3	2.3	1.2	3.3	2.0	0.3	.	.
Construction, total	real, CMPY	0.5	3.3	3.4	2.4	0.9	2.4	0.5	3.4	1.7	14.0	10.3	19.4	23.7	7.5	8.1	.
LABOUR																	
Employment in industry	th. persons	544.3	544.8	548.2	555.9	559.2	564.0	562.7	566.1	568.2	573.6	574.2	567.1	558.4	558.8	570.1	.
Unemployment, end of period	th. persons	469.2	466.4	452.6	431.7	410.8	399.5	392.1	381.4	379.8	370.8	371.6	383.2	388.9	379.4	368.6	344.2
Unemployment rate ¹⁾	%	16.6	16.5	16.0	15.3	14.5	13.9	13.7	13.2	13.1	12.7	12.6	13.1	13.4	13.1	12.7	11.9
Labour productivity, industry	CCPY	0.9	5.0	7.4	6.9	7.2	6.6	5.6	5.7	5.5	4.6	4.3	3.8	2.1	-0.3	-2.6	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	11.0	7.6	6.2	6.2	5.1	5.7	7.1	7.8	8.2	8.9	9.4	10.0	13.6	23.1	24.1	.
WAGES, SALARIES																	
Industry, gross	SKK	15707	14806	16050	16204	16392	17597	17015	16760	16878	17265	20157	18671	17270	18024	17802	.
Industry, gross	real, CMPY	1.2	1.4	4.3	1.2	-1.6	0.8	2.6	6.4	4.9	0.8	5.4	2.2	6.5	18.5	8.2	.
Industry, gross	USD	486	461	487	485	489	535	523	509	514	538	660	642	588	616	616	.
Industry, gross	EUR	385	365	397	404	408	441	426	418	421	432	509	480	447	474	466	.
PRICES																	
Consumer	PM	4.4	0.8	0.1	0.0	0.4	0.2	0.3	-0.1	0.0	0.0	-0.1	-0.2	1.7	0.3	-0.1	0.2
Consumer	CMPY	8.3	8.5	8.2	8.0	8.3	8.1	8.5	7.2	6.7	6.6	6.3	5.9	3.2	2.7	2.5	2.7
Consumer	CCPY	8.3	8.4	8.3	8.2	8.3	8.2	8.3	8.2	8.0	7.9	7.7	7.6	3.1	2.9	2.8	2.7
Producer, in industry	PM	1.3	1.0	0.2	-0.1	0.2	0.2	0.1	0.5	0.3	0.6	0.2	-0.2	-0.2	0.3	0.7	0.8
Producer, in industry	CMPY	4.4	2.3	2.1	2.2	3.0	3.2	3.1	3.7	4.0	4.7	4.5	4.3	2.8	2.1	2.6	3.5
Producer, in industry	CCPY	4.4	3.3	2.9	2.7	2.8	2.8	2.9	3.0	3.1	3.2	3.4	3.4	2.8	2.4	2.5	2.7
RETAIL TRADE²⁾																	
Turnover	real, CMPY	0.5	4.0	7.1	7.4	7.8	10.5	11.9	8.1	8.9	3.1	4.7	3.0	7.7	12.5	8.1	.
Turnover	real, CCPY	0.5	2.3	3.9	4.8	5.4	6.2	7.0	7.1	7.3	6.9	6.7	6.2	7.7	10.1	9.4	.
FOREIGN TRADE³⁾⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	1500	3144	5005	7020	9011	10919	12667	14411	16398	18508	20586	22352	1742	3572	5579	.
Imports total (fob), cumulated	EUR mn	1476	3104	5022	7071	9083	11194	13108	14984	17084	19295	21511	23524	1773	3715	5814	.
Trade balance, cumulated	EUR mn	25	40	-17	-52	-72	-274	-441	-572	-687	-787	-925	-1172	-32	-143	-235	.
Exports to EU-25 (fob), cumulated	EUR mn	1262	2651	4192	5908	7601	9203	10685	12169	13884	15718	17535	19039	1548	3177	.	.
Imports from EU-25 (fob) ⁶⁾ , cumulated	EUR mn	1055	2258	3695	5225	6782	8354	9778	11111	12660	14288	15917	17316	1214	2591	.	.
Trade balance with EU-25, cumulated	EUR mn	207	394	497	683	819	850	907	1058	1224	1430	1618	1722	334	586	.	.
FOREIGN FINANCE																	
Current account, cumulated ³⁾	EUR mn	33	109	99	89	-174	-465	-622	-690	-797	-843	-897	-1166	-84	-87	-138	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	32.3	32.1	32.9	33.4	33.5	32.9	32.5	32.9	32.8	32.1	30.5	29.1	29.3	29.3	28.9	30.2
SKK/EUR, monthly average	nominal	40.7	40.6	40.4	40.1	40.2	39.9	40.1	40.1	40.0	40.0	39.6	38.9	38.6	38.1	38.2	39.2
SKK/USD, calculated with CPI ⁷⁾	real, Jan00=100	64.3	63.8	65.8	67.1	67.3	66.2	65.1	66.0	64.8	61.7	58.7	58.4	58.4	58.1	60.7	.
SKK/USD, calculated with PPI ⁷⁾	real, Jan00=100	68.0	67.3	69.4	71.4	72.4	71.2	70.4	71.3	70.7	69.7	66.8	63.3	64.3	64.2	63.7	66.2
SKK/EUR, calculated with CPI ⁷⁾	real, Jan00=100	79.7	78.9	78.9	78.8	78.8	78.2	77.8	78.5	78.5	78.7	77.9	77.1	74.9	73.9	74.6	76.3
SKK/EUR, calculated with PPI ⁷⁾	real, Jan00=100	80.6	79.6	79.6	79.5	79.9	79.2	79.3	79.7	79.5	79.4	78.3	76.9	76.8	75.6	75.8	77.2
DOMESTIC FINANCE																	
M0, end of period	SKK bn	91.7	91.7	90.8	90.9	91.9	93.2	93.8	95.4	96.3	97.6	97.8	100.5	100.5	101.5	102.8	105.2
M1, end of period	SKK bn	261.2	265.5	258.9	260.8	268.0	279.2	279.7	282.8	288.7	284.8	293.4	311.3	299.4	315.7	313.1	318.6
M2, end of period	SKK bn	739.0	744.1	724.0	731.9	723.2	744.7	749.7	755.3	761.9	763.7	773.3	793.5	772.6	779.1	772.0	782.3
M2, end of period	CMPY	5.2	4.3	1.9	2.8	0.6	6.1	3.8	3.5	5.0	4.3	4.4	5.7	4.5	4.7	6.6	6.9
Discount rate (p.a.) ⁸⁾ , end of period	%	6.00	6.00	5.50	5.00	5.00	5.00	4.50	4.50	4.50	4.50	4.00	4.00	4.00	4.00	3.00	3.00
Discount rate (p.a.) ⁸⁾⁹⁾ , end of period	real, %	1.6	3.7	3.3	2.8	2.0	1.8	1.4	0.7	0.5	-0.1	-0.5	-0.3	1.2	1.9	0.4	-0.5
BUDGET																	
Central gov. budget balance, cum.	SKK mn	-2658	-4424	1175	5723	-2270	-12455	-18551	-24786	-29422	-30528	-34078	-70288	4310	-1108	2799	6388

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) From January 2005 excluding value of goods for repair and after repair.

6) According to country of origin.

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

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

9) Deflated with annual PPI.

SLOVENIA: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	3.3	0.9	7.8	-0.9	12.0	11.0	3.0	11.6	3.9	-3.0	3.8	6.3	-0.1	-3.6	-3.8	.
Industry, total	real, CCPY	3.3	2.1	4.2	2.9	4.7	5.8	5.4	6.0	5.8	4.8	4.7	4.8	-0.1	-1.9	-2.6	.
Industry, total	real, 3MMA	3.4	4.1	2.7	6.3	7.4	8.7	8.3	5.7	3.4	1.5	2.1	3.3	0.7	-2.6	.	.
Construction, total ¹⁾	real, CMPY	10.6	14.6	3.1	-0.4	-10.2	-5.8	8.1	9.4	5.0	12.3	1.6	-10.5	0.0	-13.2	2.3	.
LABOUR																	
Employment total	th. persons	773.8	775.6	777.7	779.8	781.4	783.7	782.7	782.4	785.6	789.1	789.7	785.0	805.6	807.4	809.5	.
Employees in industry	th. persons	239.4	239.5	240.1	240.0	240.1	240.4	239.7	239.4	239.6	239.8	239.9	238.2	241.1	.	.	.
Unemployment, end of period	th. persons	99.0	98.1	96.7	93.9	91.5	89.2	90.3	90.3	90.7	92.5	90.9	90.7	93.4	93.1	92.3	.
Unemployment rate ²⁾	%	11.3	11.2	11.1	10.7	10.5	10.2	10.3	10.3	10.3	10.5	10.3	10.1	10.4	10.3	10.2	.
Labour productivity, industry	CCPY	5.0	3.7	5.7	4.3	6.0	7.0	6.6	7.1	6.8	5.7	5.6	5.7	1.1	.	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-2.1	0.0	-0.5	0.5	-1.5	-2.2	-1.9	-2.2	-2.0	-1.1	-0.6	-0.9	6.1	.	.	.
WAGES, SALARIES																	
Total economy, gross	th. SIT	258.2	254.8	261.4	260.2	259.5	262.7	264.3	267.9	268.4	270.3	291.9	290.7	272.8	265.2	274.9	.
Total economy, gross	real, CMPY	0.5	1.8	3.6	1.9	0.3	1.9	1.5	2.7	2.4	1.8	4.2	1.5	3.4	1.4	2.0	.
Total economy, gross	USD	1375	1356	1349	1314	1306	1334	1352	1360	1366	1406	1580	1621	1495	1440	1514	.
Total economy, gross	EUR	1090	1073	1099	1093	1088	1100	1103	1117	1119	1127	1217	1212	1138	1106	1147	.
Industry, gross	EUR	940	920	965	942	939	953	955	975	975	980	1092	1058	1009	961	.	.
PRICES																	
Consumer	PM	0.4	0.1	0.6	0.5	0.9	0.3	0.4	-0.5	-0.1	0.3	0.6	-0.3	-0.6	0.6	1.1	0.0
Consumer	CMPY	4.0	3.6	3.5	3.5	3.8	3.9	3.8	3.7	3.3	3.3	3.6	3.2	2.2	2.6	3.1	2.7
Consumer	CCPY	4.0	3.8	3.7	3.6	3.7	3.7	3.7	3.7	3.6	3.6	3.6	3.6	2.2	2.4	2.7	2.7
Producer, in industry	PM	0.4	1.0	0.3	0.6	0.7	0.1	0.3	0.2	0.5	0.3	0.1	0.4	0.4	0.3	0.0	0.3
Producer, in industry	CMPY	2.3	3.5	3.8	4.0	4.2	4.2	4.6	4.7	5.0	5.1	5.0	4.9	4.8	4.1	3.8	3.6
Producer, in industry	CCPY	2.3	2.9	3.2	3.4	3.6	3.7	3.8	3.9	4.0	4.2	4.2	4.3	4.8	4.5	4.3	4.1
RETAIL TRADE³⁾																	
Turnover	real, CMPY	4.4	1.6	8.7	6.0	3.4	7.5	2.8	8.8	6.0	4.1	7.4	6.0	7.4	2.0	5.2	.
Turnover	real, CCPY	4.4	3.0	5.0	5.3	4.9	5.4	5.0	5.4	5.5	5.3	5.5	5.6	7.4	4.7	4.9	.
FOREIGN TRADE⁴⁾																	
Exports total (fob), cumulated	EUR mn	861	1827	2968	4026	5045	6128	7221	8056	9234	10407	11541	12539	1017	2051	3279	.
Imports total (cif), cumulated	EUR mn	883	1918	3170	4425	5588	6746	7897	8848	10061	11306	12569	13701	1032	2151	3455	.
Trade balance total, cumulated	EUR mn	-23	-91	-202	-399	-544	-618	-676	-791	-827	-899	-1028	-1162	-15	-99	-176	.
Exports to EU-25 (fob), cumulated	EUR mn	616	1278	2065	2738	3424	4134	4827	5343	6110	6882	7639	8270	743	1477	2308	.
Imports from EU-25 (cif) ⁵⁾ , cumulated	EUR mn	731	1591	2635	3614	4603	5583	6553	7323	8323	9358	10401	11325	824	1727	2765	.
Trade balance with EU-25, cumulated	EUR mn	-115	-314	-570	-876	-1179	-1449	-1726	-1980	-2213	-2477	-2762	-3055	-82	-251	-456	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	72	91	34	-42	-137	-137	-148	-214	-143	-117	-140	-238	51	49	13	.
EXCHANGE RATE																	
SIT/USD, monthly average	nominal	187.8	187.9	193.8	198.1	198.7	196.9	195.5	197.0	196.5	192.3	184.7	179.3	182.5	184.2	181.5	185.3
SIT/EUR, monthly average	nominal	237.0	237.4	237.8	238.2	238.5	238.8	239.7	239.8	239.8	239.8	239.8	239.8	239.8	239.7	239.7	239.7
SIT/USD, calculated with CPI ⁷⁾	real, Jan00=100	80.9	81.3	83.9	85.7	85.6	84.9	83.8	84.9	85.0	83.3	79.6	77.2	79.1	79.9	78.5	80.1
SIT/USD, calculated with PPI ⁷⁾	real, Jan00=100	85.1	84.8	87.9	90.3	91.2	90.6	89.9	90.7	89.9	89.0	86.2	82.7	84.2	85.1	84.9	86.4
SIT/EUR, calculated with CPI ⁷⁾	real, Jan00=100	100.2	100.6	100.7	100.8	100.4	100.3	100.1	100.9	101.2	101.2	100.6	101.3	101.5	101.3	100.7	100.7
SIT/EUR, calculated with PPI ⁷⁾	real, Jan00=100	100.9	100.3	100.7	100.8	100.7	100.8	101.1	101.4	101.1	101.4	101.2	100.5	100.5	100.5	101.1	100.7
DOMESTIC FINANCE																	
M0, end of period	SIT bn	152.9	153.3	152.6	156.9	162.5	163.3	161.9	157.3	160.7	167.2	160.1	167.9	163.1	164.4	166.1	.
M1, end of period ⁸⁾	SIT bn	782.3	787.4	795.8	817.1	852.9	883.8	890.7	894.0	909.1	900.3	930.0	1018.9	1003.9	1006.1	1012.3	.
Broad money, end of period ⁹⁾	SIT bn	3784.6	3792.6	3791.9	3827.1	3826.9	3855.2	3882.0	3873.7	3918.4	3875.7	3933.7	4036.0	4068.8	4063.3	4094.6	.
Broad money, end of period ⁹⁾	CMPY	6.2	5.9	6.0	6.3	5.6	4.8	4.4	4.2	5.3	3.0	4.1	6.8	7.5	7.1	8.0	.
Discount rate (p.a.), end of period ⁹⁾	%	4.75	4.50	4.50	4.25	4.00	3.50	3.00	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.50
Discount rate (p.a.), end of period ¹⁰⁾	real, %	2.4	1.0	0.7	0.2	-0.2	-0.7	-1.5	-1.6	-1.9	-2.0	-1.9	-1.6	-1.5	-0.8	-0.5	-0.1
BUDGET																	
General gov. budget balance, cum.	SIT bn	3.5	-11.8	-6.2	4.6	-18.7	-54.0	-68.8	-77.7	-78.7	-105.2	-89.8	-85.4	-2.7	.	.	.

1) Effective working hours, construction put in place of enterprises with 20 (up to this time 10) and more persons employed.

2) Ratio of unemployed to the economically active.

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

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

5) Cumulation starting January and ending December each year.

6) According to country of dispatch.

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

8) According to ECB monetary standards.

9) Main refinancing rate.

10) Deflated with annual PPI.

U K R A I N E: Selected monthly data on the economic situation 2004 to 2005

(updated end of May 2005)

		2004												2005			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Industry, total	real, CCPY	16.1	18.2	18.8	17.7	16.9	15.9	14.7	14.4	14.4	13.6	13.4	12.5	8.4	7.3	7.1	6.7
Industry, total	real, 3MMA	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
LABOUR																	
Unemployment, end of period	th. persons	1003.6	1045.4	1061.2	1044.6	1005.8	962.5	945.0	925.6	914.0	893.6	919.7	981.8	992.2	1019.0	1018.4	986.7
Unemployment rate ¹⁾	%	3.7	3.8	3.9	3.8	3.7	3.5	3.4	3.4	3.3	3.3	3.4	3.5	3.5	3.6	3.6	3.5
WAGES, SALARIES²⁾																	
Total economy, gross	UAH	499.7	510.1	545.1	547.9	555.0	601.5	608.0	604.2	630.8	636.2	644.3	703.8	640.9	666.8	722.0	733.7
Total economy, gross	real, CMPY	15.3	21.4	23.0	21.6	17.6	16.9	14.9	14.7	14.4	14.3	18.2	13.7	13.9	15.4	15.5	16.8
Total economy, gross	USD	94	96	102	103	104	113	114	114	119	120	121	133	121	126	136	141
Total economy, gross	EUR	74	76	84	86	87	93	93	93	97	96	94	99	92	97	103	119
Industry, gross	EUR	97	97	108	110	111	114	117	119	121	121	116	120	117	120	130	147
PRICES																	
Consumer	PM	1.4	0.4	0.4	0.7	0.7	0.7	0.0	-0.1	1.3	2.2	1.6	2.4	1.7	1.0	1.6	0.7
Consumer	CMPY	8.1	7.4	6.6	6.6	7.4	8.0	8.1	9.9	10.7	11.7	11.3	12.3	12.6	13.3	14.7	14.7
Consumer	CCPY	8.1	7.8	7.4	7.2	7.2	7.4	7.5	7.8	8.1	8.5	8.7	9.0	12.6	13.0	13.5	13.8
Producer, in industry	PM	1.6	2.9	2.2	3.3	2.1	1.5	0.1	1.6	1.9	1.6	2.2	1.0	0.2	2.7	1.9	2.5
Producer, in industry	CMPY	12.4	14.9	15.0	18.4	20.6	22.4	21.3	22.0	23.2	24.3	25.2	24.3	22.6	22.4	22.0	21.1
Producer, in industry	CCPY	12.4	13.7	14.1	15.2	16.3	17.3	17.9	18.4	19.0	19.5	20.1	20.4	22.6	22.5	22.3	22.0
RETAIL TRADE																	
Turnover ³⁾	real, CCPY	19.1	21.5	24.3	22.9	22.3	21.4	21.0	20.5	19.9	20.8	20.8	20.0	21.2	20.3	18.6	19.2
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	1686	3543	5736	8209	10438	12660	14902	17136	19444	21610	23883	26278	1896	3925	6372	.
Imports total (cif), cumulated	EUR mn	1374	3059	5051	6961	8702	10695	12814	14720	16873	18999	21119	23321	1376	3223	5716	.
Trade balance, cumulated	EUR mn	312	484	685	1248	1736	1964	2088	2416	2570	2611	2764	2957	519	702	655	.
FOREIGN FINANCE																	
Current account, cumulated ⁶⁾	EUR mn	.	.	1308	.	.	3200	.	.	4585	.	.	5476	.	.	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.331	5.331	5.330	5.329	5.327	5.322	5.318	5.314	5.310	5.307	5.306	5.306	5.305	5.300	5.292	5.192
UAH/EUR, monthly average	nominal	6.725	6.735	6.526	6.405	6.383	6.456	6.524	6.469	6.480	6.621	6.885	7.103	6.990	6.894	6.983	6.169
UAH/USD, calculated with CPI ⁷⁾	real, Jan00=100	78.2	78.3	78.5	78.2	78.0	77.7	77.5	77.5	76.7	75.4	74.2	72.2	71.1	70.7	70.1	68.3
UAH/USD, calculated with PPI ⁷⁾	real, Jan00=100	77.3	75.6	74.4	72.9	72.4	71.5	71.5	70.6	69.1	69.0	68.1	66.9	67.1	65.5	65.0	62.2
UAH/EUR, calculated with CPI ⁷⁾	real, Jan00=100	97.0	97.0	94.1	92.2	91.5	92.0	92.9	92.4	91.5	91.8	93.9	95.0	91.6	89.8	89.9	78.9
UAH/EUR, calculated with PPI ⁷⁾	real, Jan00=100	91.7	89.4	85.3	81.5	79.9	79.6	80.6	79.0	77.8	78.7	80.0	81.5	80.4	77.4	77.4	66.7
DOMESTIC FINANCE																	
M0, end of period	UAH mn	31501	32672	33580	35836	35810	36890	39244	40563	42296	41297	40857	42345	40633	41779	43062	47631
M1, end of period	UAH mn	49792	51387	54970	56750	57873	60814	62488	64884	70345	66735	65709	67090	64934	67059	73486	76195
Broad money, end of period	UAH mn	92643	96050	101151	105104	109435	113961	117130	121476	130277	126224	125251	125801	125818	130942	140107	146495
Broad money, end of period	CMPY	47.4	47.9	45.1	45.0	47.9	44.2	45.0	46.3	50.6	45.3	41.9	32.4	35.8	36.3	38.5	39.4
Refinancing rate (p.a.) ^{end of period}	%	7.0	7.0	7.0	7.0	7.0	7.5	7.5	7.5	7.5	8.0	9.0	9.0	9.0	9.0	9.0	9.0
Refinancing rate (p.a.) ^{end of period⁸⁾}	real, %	-4.8	-6.9	-7.0	-9.7	-11.3	-12.2	-11.4	-11.9	-12.8	-13.1	-12.9	-12.3	-11.1	-10.9	-10.7	-10.0
BUDGET																	
General gov. budget balance, cum.	UAH mn	1615	1815	1204	661	1489	601	820	1123	-1799	-4723	-6199	-11792	1503	2042	2931	.

1) Ratio of unemployed to the economically active.

2) Excluding small firms.

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 less than 100 mean real appreciation.

8) Deflated with annual PPI.

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