Monthly Report **6**/06

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wiiw in 2005 and beyond

Statement by Michael A. Landesmann, wiiw Research Director, at wiiw's General Assembly 2006

2005 was the 'year after' the largest Enlargement of the European Union with ten new members joining, eight of which are Central and Eastern European economies that have been part of the core domain of wiiw specialists over the previous decades. It was also the year of the failed EU Constitution referenda in France and the Netherlands and the starting point of a soul-searching period on whether the next steps of European integration (both deepening and widening) will remain on track. The year 2005 might very well prove to be a turning point in EU history in terms of re-evaluating the longer-run relationship between nation states and the Union, of setting a more realistic agenda and of

re-designing policies to achieve an impact on the lack-lustre growth and labour-market performance particularly of some of the big older EU member states.

In the new member states, however, economic growth was satisfactory and adjustment to EU membership proceeded smoothly. Even the labour-market situation started to improve overall. The processes of corporate integration over the wider European economic space which had started already in the mid-1990s continued and, if anything, gained momentum. This in turn heightened the globalization-related adjustment pressures in the old members, with accompanying fears regarding production relocation and scepticism as to the distributive effects of the net gains from the achieved and expected further Enlargement. In both old and new member states alike, the integrated wider European space

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generates new possibilities for corporate strategies and for industrial and technological upgrading, with significant effects on the demand for skills.

All the above aspects of European economic integration have shaped wiiw's research agenda in the past year and will do so over the coming years. A new seminar series, 'Quo Vadis EU?', was started as an interdisciplinary forum to discuss issues of European integration. Research on the EU budget and the future of EU expenditure programmes continued and processes of tax competition and their impact upon the location decisions of foreign investors were analysed. Furthermore, the regional patterns of development across the whole of Europe with an emphasis on regional patterns of specialization and labour market implications was the subject of a major study, as was the analysis of labour-market developments in general with a focus on the determinants of the demand and supply of skills in the different economies. Our industry experts conducted a number of industry studies, in particular regarding the vehicles industry and the agricultural and food processing sectors, and availability of new statistics allowed an assessment of inter-sectoral linkages in the new member states. A large statistical European project (EUKLEMS) in which our statistical department covered the major new member states allowed us to build up a highly disaggregated database for the detailed study of productivity developments in a comparative perspective. We also participated in an EU-wide project on modelling the effects of environmental tax reform and two of our researchers developed a new methodology to estimate the effects of tax structures upon the size and characteristics of the shadow economy.

As in the previous years, a major focus of our work was the monitoring and analysis of developments in Southeast Europe (including Turkey). Growth in this region has stabilized and there are signs that also this region has embarked upon a sustainable process of catching up. Consequently, interest in

this region has greatly increased and our acknowledged expertise in this area is in great demand. We continue our work as the administrative and analytical centre of the Global Development Network South East Europe (GDN-SEE) which involves the launch and supervision of research project competitions and the conduct of network research programmes (in 2005 in particular in the areas of migration and transfers, the impact of foreign aid, on the determinants of foreign direct investment and trade policy developments in the region). Our advisory activities in the region continued with the delivery of two reports to the Croatian President and their discussion in the presence of President Mesić, the Governor of the Central Bank and high-ranking policy-makers. In a parallel venture, we prepared economic strategy papers for the Macedonian president (also widely publicized) and, more recently, our engagement in a newly set-up EU Economic Policy Support Unit in Bosnia-Herzegovina has led to one of our colleagues becoming team leader of this research unit in Sarajevo. The monitoring service of developments in the Turkish economy which started in 2004 was continued and the relationships between this country as well as the whole of Southeast Europe with the EU over the coming years will remain a focal point of our activities in this region.

Political and economic developments in Russia, Ukraine and Belarus received a lot of attention and we contributed with a major report on the Ukrainian economy, an analysis of economic relations between the enlarged European Union and its Eastern Neighbourhood and the continued monitoring of developments in Russia. In 2005 wiiw has become the coordinator of a large EU-financed project (INDEUNIS) on experiences regarding industrial restructuring in the NIS region compared with those in NMS. A large number of CIS and neighbouring EU countries participate in this project, the research output is already extensive (available from the Web) and the research results will be published in the coming year.

As emphasized in last year's Annual Report, wiiw sees its role in terms of analysing developments in Central and Eastern Europe, as well as in Europe as a whole, in the context of developments in the global economy. We therefore continuously develop our expertise, databases and research contacts directed towards comparative analyses with other global regions as well, in particular with the fast growing Asian economies. Both theoretical as well as applied work is conducted on global processes of catching up, global and regional economic integration and labour markets, the determinants and effects of international foreign direct investment flows, of outsourcing, of exchange rate regimes, etc. We have also built up expertise and contributed to the analysis of the ongoing international trade policy negotiations (the Doha Round) and are participating in an important international research network on the issue of trade in services. Finally, the second Annual Berkeley-Vienna Conference on 'The US and European Economies in Comparative Perspective' took place in September 2005, jointly organized by ourselves and Professor Barry Eichengreen from Berkeley University.

I wish to thank the staff of wiiw for their whole-hearted engagement in the work of the institute and also the many supporters that the institute has both in Austria and abroad. Finally, let me express my deep appreciation to Dr. Ingrid Gazzari, who has retired at the end of April after fifteen years of extremely dedicated work as Administrative Director of the wiiw. The Institute would not be the pleasant, dynamic and productive place it is without her tremendous engagement over the years. Dr. Elisabeth Hagen has already shown the same degree of professionalism and commitment in taking over from Dr. Gazzari. We welcome her as part of our team.

Michael A. Landesmann

Yet another Balkan state

BY VLADIMIR GLIGOROV

In a referendum held on 21 May, Montenegro decided, 55.5% against 45.5%, to split from the state union with Serbia and to become an independent state. Montenegro is a small coastal and mountainous state with a territory of less than 14,000 km^2. It has around 620 thousand inhabitants, of which above 40% identify themselves as Montenegrins and above 30% as Serbs, with over 10% of Bosniaks or Muslims and less than 10% of Albanians. Its GDP is around EUR 1.65 billion; the GDP per capita is around EUR 2670. Montenegro uses the euro as its official currency.

It took some time for Montenegro to become independent. In fact, this was the only state or territory that was part of former Yugoslavia that overwhelmingly voted for staying in a federal union with Serbia in 1992. In all other cases, separatists were victorious in all the referenda that were held in about the past fifteen years. Also, unlike in most other cases, the separation happened gradually and was mostly democratic and peaceful.

Thus, this was a separation that was long in coming. Indeed, Montenegro has a long history of national independence and statehood. In the local folklore, Montenegro never succumbed to the Turkish rule. It emerged as an independent state in the nineteenth century and gained international recognition at the Congress of Berlin in 1878 (at the same time with Serbia and Romania). It was included in the Kingdom of Serbs, Croats and Slovenians, later Yugoslavia, in 1918. It became a federal republic in post-World War II Yugoslavia.

Within the complex picture of the sources of Balkan nationhood, the Montenegrin identity is mostly cultural and political. In point of fact, the majority of Montenegrins see themselves as having a dual identity: Montenegrin and Serbian, the former being cultural and political and the latter being historical and linguistic. They speak Serbo-Croat, their religion is mostly Greek Orthodox, though there are Muslim and Catholic minorities. Also, they have been migrating to Serbia and thus family and other ties between the two countries are very strong.

This recent quest for independence in Montenegro started immediately after the break-up of Yugoslavia, but it was not before the large anti-Milošević demonstration in 1996-1997 that it was endorsed by the biggest party, the Democratic Party of Socialists. Once that party broke up with Milošević, the then Serbian regime stopped paying pensions to the Montenegrins from the then federal budget and the government of Montenegro stopped paying taxes to the federal budget. The next step was the introduction of a separate foreign trade regime and eventually the adoption of the German mark as, at first, a parallel currency and then as the legal tender in Montenegro. In the following years the government of Montenegro built up its separate legal system and thus achieved internal sovereignty.

In the year 2002, the Federal Republic of Yugoslavia was changed into the state union of Serbia and Montenegro with the support and indeed pressure from the European Union. It was stipulated in the Constitutional Charter that each of the two member states had the right to hold a referendum on independence after three years. Montenegro chose to exercise that right on 21 May of this year.

It should be concluded from this brief historical overview that the thirst for independence is not something new in Montenegro and that indeed the country has been independent internally since at least 1998. Thus, with this referendum it has only acquired external sovereignty, i.e., the right to be represented as an independent political entity in international relations, institutions and organizations. In terms of its legal system, its fiscal and monetary regimes and policies, Montenegro has already achieved independence through a gradual take-over of all the state functions and institutions.

Table 1

Montenegro: Selected items of the balance of payments, 2001-2005

	2001	2002	2003	2004	2005
Services, net, EUR mn	96.9	100.0	111.7	148.2	191.0
annual growth rate in %	.	3.3	11.7	32.6	28.9
Income, net, EUR mn	46.5	74.2	99.5	86.2	116.2
annual growth rate in %	.	59.6	34.1	-13.3	34.7
Current transfers, net, EUR mn	148.8	87.1	46.1	62.4	58.0
annual growth rate in %	.	-41.5	-47.0	35.3	-7.0

Source: wiiw Database.

Economic developments in Montenegro have not been all that different from the majority of the countries in the Balkans. Its transition has been delayed due to the wars and due to the sanctions. From 1997 onwards, however, institution-building has been combined with improvements in macroeconomic stability anchored mainly in the use of the German mark or the euro. The key challenge was fiscal consolidation because of the very large number of people that depended on the state for their income. Over the past several years, the fiscal deficit has gone down significantly and is now well below 3% of GDP. The whole fiscal sector has been reformed both in terms of public revenues, i.e., of the tax system and of public expenditures, which are now handled by the treasury.

Privatization has also been one of the major undertakings of the Montenegrin government. The central element was the voucher privatization, which has got the majority of the population involved and has supported the activities of the stock exchange and the creation of investment funds. The banking sector has also been strengthened with the privatization of the major banks and the entry of foreign banks. Thus, the financial system has been put on a sound basis, though it is still far from a developed one.

The introduction of a foreign currency as the legal tender did not immediately lead to low inflation. As long as the budget deficit was relatively high, in the vicinity of 10% of GDP, there was significant

inflation. But along with fiscal consolidation, inflation has been put under control and is now hovering between 2% and 3%.

In the past couple of years GDP has also started to grow. Though the growth rates are still not very impressive, the economy seems to be moving towards sustainable growth of 4% to 5%. Montenegro is mostly an economy based on services. Outside of services, there is an aluminium plant that is an important exporter, and a steel-mill that is yet to recover. The rest is in food-processing and in some small and medium-size manufacturing, not much different from crafts.

Tourism is certainly the most promising sector. The Montenegrin coast is a natural extension of the Croatian southern coast and has the same advantages. The climate is warmer and the coast is very beautiful. The government has started to invest in the infrastructure, but much more is still needed. Recently, there has been a lot of private investment too and the price of real estate has gone up significantly. There is no doubt that tourism is the main comparative advantage of this small country.

Last year, there was a considerable increase in foreign direct investment. Similar inflows can be expected in the next couple of years because of the privatization of some of the utilities and industries. Later on, investments in tourism should take over. Montenegro hopes to attract foreign investments with low taxes and may even move in

Table 2

Montenegro: Selected economic indicators

	2000	2001	2002	2003	2004	2005 [1]
Population th pers., mid-year [2]	608.9	612.9	615.9	620.1	625.0	630.0
Gross domestic product, EUR mn, nom. [3]	1022.2	1244.8	1301.5	1433.0	1535.0	1642.0
annual change in % (real)	.	-0.2	1.7	2.3	3.7	4.1
GDP/capita (EUR at exchange rate)	1679	2031	2113	2311	2456	2600
GDP/capita (EUR at PPP - wiiw)	4800	4840	5030	5140	5460	5750
Gross industrial production [4]						
annual change in % (real)	4.2	-0.7	0.6	2.4	13.8	-1.9
Net agricultural production						
annual change in % (real)	-5.0	6.9	5.9	1.0	3.5	.
Construction output total	.	.	.	.	.	.
annual change in %	.	.	.	.	.	.
Gross fixed investment, EUR mn, nom. [5]	.	226	183	166	145	.
annual change in % (real)	.	.	.	.	.	.
LFS - employed persons, th, Oct [6]	230.3	214.4	220.6	.	187.3	185.0
annual change in %	.	-6.9	2.9	.	.	-1.2
Reg. employees in industry, th pers., avg.	.	36.7	35.8	34.1	.	.
annual change in %	.	.	-2.3	-5.0	.	.
LFS - unemployed, th pers., average [6]	54.9	57.5	57.7	.	71.8	.
LFS - unemployment rate in %, average [6]	19.3	23.7	20.7	.	27.7	28.0
Reg. unemployment rate in %,end of period [7]	.	.	.	32.9	29.3	25.2
Average gross monthly wages, EUR [8]	151	176	251	271	303	326
annual change in % (real, net)	1.0	8.0	.	9.3	9.1	6.7
Consumer prices, % p.a.	20.2	21.8	16.0	6.7	2.4	2.3
Producer prices in industry, % p.a.	.	.	14.5	4.5	5.8	2.1
Central governm. budget, nat.def., % GDP [9]	.	.	.	.	.	.
Revenues	.	17.8	17.7	23.6	.	.
Expenditures	.	20.8	20.5	26.6	.	.
Deficit (-) / surplus (+), % GDP	-6.0	-3.1	-2.8	-3.0	-2.1	.
Public debt in % of GDP	.	.	.	.	.	.
Discount rate, % p.a., end of period	.	.	.	.	.	.
Current account, EUR mn	.	-195.4	-163.4	-102.0	-119.6	-140.7
Current account in % of GDP	.	-15.7	-12.6	-7.1	-7.8	-8.6
Gross reserves of NB, excl. gold, EUR mn	.	.	.	.	.	.
Gross external public debt, EUR mn	.	.	.	438.8	502.4	513.4
FDI net, EUR mn	.	10.6	89.2	38.7	50.6	374.7
Exports of goods, BOP, EUR mn [10]	.	235.4	322.6	270.6	452.1	434.5
annual growth rate in %	.	.	37.1	-16.1	.	-3.9
Imports of goods, BOP, EUR mn [10]	.	722.9	747.3	629.9	868.6	940.3
annual growth rate in %	.	.	3.4	-15.7	.	8.3
Exports of services, BOP, EUR mn	.	150.2	171.7	191.4	249.5	314.5
annual growth rate in %	.	.	14.3	11.5	30.4	26.0
Imports of services, BOP, EUR mn	.	53.4	71.7	79.7	101.4	123.5
annual growth rate in %	.	.	34.3	11.1	27.2	21.8
Average exchange rate EUR/USD	0.92	0.90	0.94	1.13	1.24	1.24
Purchasing power parity EUR/USD, wiiw [11]	0.31	0.37	0.36	0.38	0.38	0.37
Purchasing power parity EUR/EUR, wiiw [11]	0.35	0.42	0.42	0.45	0.45	0.45

Notes: 1) Preliminary. - 2) From 2003 according to census November 2003. 2004, 2005: wiiw estimate. - 3) Including non-observed economy. - 4) Excluding small private enterprises and arms industry. - 5) 2003 excluding private sector. - 6) From 2004 according to census 2003 and revisions based on ILO and Eurostat methodology. - 7) In % of unemployed plus employment (excluding individual farmers). - 8) From 2002 including various allowances and new personal income tax system. - 9) Revenues excluding grants, expenditures excluding net lending. - 10) From 2004 including trade with Serbia and Kosovo. - 11) Estimate based on a 45% price level (EU-25 = 100) in 2003 and extrapolation with GDP deflator.

Source: wiiw Database incorporating national statistics; wiiw forecasts.

the direction of the introduction of the flat tax system. As this is a very small country, it could finance its public needs with low taxes if it attracts enough foreign investment.

Though the sustainability of the economy should not be a problem, there are structural problems that will have to be addressed. Certainly, the main problem is unemployment, which is high though not by Balkan standards. Still, the economy does not generate enough jobs and the high and persistent unemployment, even with relatively high outward migration, will continue to be a political and social challenge. Also, the trade deficit is high and the external balance may be a problem if the export of services does not grow fast enough.

In that context, the process of association with the European Union will help. Montenegro is set to continue to negotiate a Stabilization and Association Agreement with the EU, a process that was interrupted because of Serbia's lack of cooperation with the Hague Tribunal. As an independent state, Montenegro can hope to conclude this agreement with the EU before the end of this year. That should lead to increased financial support from the EU and to improved prospects for private investments. Finally, Montenegro has been receiving significant financial and technical help from the USA and that will continue. It is not inconceivable that Montenegro may join NATO together with the more advanced Balkan countries Croatia, Albania and Macedonia around 2008.

The newest independent Balkan state has fair chances to succeed if it continues to reform and democratize and enjoys support from the EU and the USA.

Electricity efficiency in the new EU member states and the accession countries: convergence to Western European levels?

BY EDWARD CHRISTIE

This article describes recent trends in electricity consumption in Europe. In particular the differences in consumption levels, per capita as well as per unit of real GDP, between the five Central and Eastern European countries (CEEC-5), the Baltic States and the accession countries (AC-3) (Romania, Bulgaria and Croatia[1]) on the one hand and the 15 old member states (EU-15) of the European Union on the other hand, are explicitly shown and discussed.

The former socialist countries inherited rather energy-intensive industrial structures in terms both of sector composition (a higher share of total gross value-added in energy-intensive sectors such as basic metals) and of having higher energy intensity in the individual sectors as compared to Western countries. During the transition of the 1990s the structures changed significantly: large production facilities were shut down completely in the heavy industry segments and very energy-intensive technologies were phased out as the countries modernized their structures and improved their energy efficiency levels. By the middle of that decade it seemed that the largest restructuring had already taken place and that convergence to Western European levels was close at hand, as discussed e.g. in Christie (2006).

The questions one may ask oneself at this point in time are therefore the following: have the former socialist countries of Central and Eastern Europe essentially finished the restructuring phase and, if

so, are they on a path of convergence with Western European levels? What is the picture if one looks at separate energy carriers, e.g. oil products vs. electricity?

This article seeks to address these questions for the case of electricity consumption. As we will see, there is quite a lot of country heterogeneity in the enlarged European Union, including among the EU-15. In spite of this it is possible to identify and quantitatively analyse the main recent trends. Ultimately such an assessment may help to produce demand forecasts based on a GDP growth / electricity demand relationship which should be modified to take into consideration the specific processes in the CEEC-5, the Baltic States and the AC-3.

Let us start off by looking at total net consumption levels in TWh per year. The concept I choose here is that of final energy consumption of electricity. This covers all deliveries to final consumers for all energy uses. It excludes transformation and network losses.

Table 1

Total final electricity consumption (net concept) in TWh

	1996	1999	2003
European Union	2246	2379	2605
EU-15	2021	2157	2364
CEEC-5	205	202	217
Baltic States	16	16	18
AC-3	80	69	75

Source: Eurostat and own calculations.

As we can see, the lion's share of electricity consumption in the EU is taken up, as one would expect, by the EU-15, which account for around 90% of total consumption, while the CEEC-5 accounted for 8.3% of the total in 2003 and the Baltic States for a further 0.7%. The AC-3 had a consumption level representing 2.9% of the EU-25 level in 2003. Altogether the former socialist

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[1] Strictly speaking Croatia is a 'candidate country' at the present moment, not an accession country, but we refer to all three countries as the 'AC-3' for the sake of convenience, given that all three will join the EU rather soon.

countries would represent 11.5% of total electricity consumption in an enlarged EU of 28 member states based on 2003 figures. The interesting question is whether this total market share (and the market shares of individual former socialist countries) will rise or fall. Two forces work in opposite directions: on the one hand improvements in energy efficiency that are perhaps greater than what can be achieved in the EU-15, and on the other hand stronger GDP growth which should make electricity demand increase faster. What has happened over the 1996-2003 period, however, is that the market share of those countries has fallen, in spite of much higher average GDP growth than in the EU-15.

Table 2

Total final electricity consumption (net concept) index (EU = 100)

	1996	**1999**	**2003**
European Union	100.0	100.0	100.0
EU-15	90.0	90.7	90.7
CEEC-5	9.1	8.5	8.3
Baltic States	0.7	0.7	0.7
AC-3	3.6	2.9	2.9

Source: Eurostat and own calculations.

But how can we compare consumption levels in a more refined way? After all, the differences in GDP per capita are still quite enormous. Let us therefore look at two different indicators: electricity consumption per capita and electricity consumption per euro of GDP.

What we see in Figure 1 is that electricity consumption per capita is much higher in the wealthier EU-15 than it is in the former socialist countries. This is interesting as it suggests a potential for long-run growth of electricity demand in the former socialist countries as GDP per capita levels catch up. Assuming a constant levels relationship between GDP per capita and electricity consumption over time, one would therefore expect electricity demand in the former socialist countries

to double over the long run as they are catching up with EU-15 levels of GDP per capita. However, in recent years electricity consumption growth has been stronger in the EU-15 than in the former socialist countries, although in the latter it is beginning to pick up after a trough for the entire region around 1999. In fact Figure 1 provides a ranking of regions with respect to their development level, with the EU-15 far ahead, followed by the CEEC-5, the Baltic States and finally the AC-3.

But the core question of such an analysis must of course be the question of how much electricity is consumed per unit of GDP. This may be measured in a number of ways, as GDP itself may be measured at current or at constant prices, at market exchange rates or at purchasing power standards (PPS). To be able to come as close as possible to a material concept, it is best to use *constant prices PPS* (*constant PPS* for convenience), in other words, where GDP is valued using the set of prices that prevailed in a reference country or region (the PPS dimension) in a particular (fixed) year (the constant prices dimension). GDP data at constant PPS is not readily available from standard data sources but can be constructed easily from Eurostat data using the available *current PPS* GDP per capita data (which takes the EU as the reference region), population data and the constant prices GDP per capita series for the EU (with the year 2000 as the reference period)[2].

Figure 2 illustrates the evolution of net electricity consumption per euro of GDP at constant PPS for the period.

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[2]   Eurostat data for GDP per capita in current PPS come in the shape of an index for each country and each year which is 100 for the EU throughout the period. Each yearly vector is multiplied by the EU's GDP per capita at constant prices for the corresponding year, divided by 100. This yields GDP per capita in constant PPS. Each data point is then multiplied by the relevant population level, yielding total constant PPS GDP for each country and each year.

Figure 1

Electricity consumption (kWh) per capita
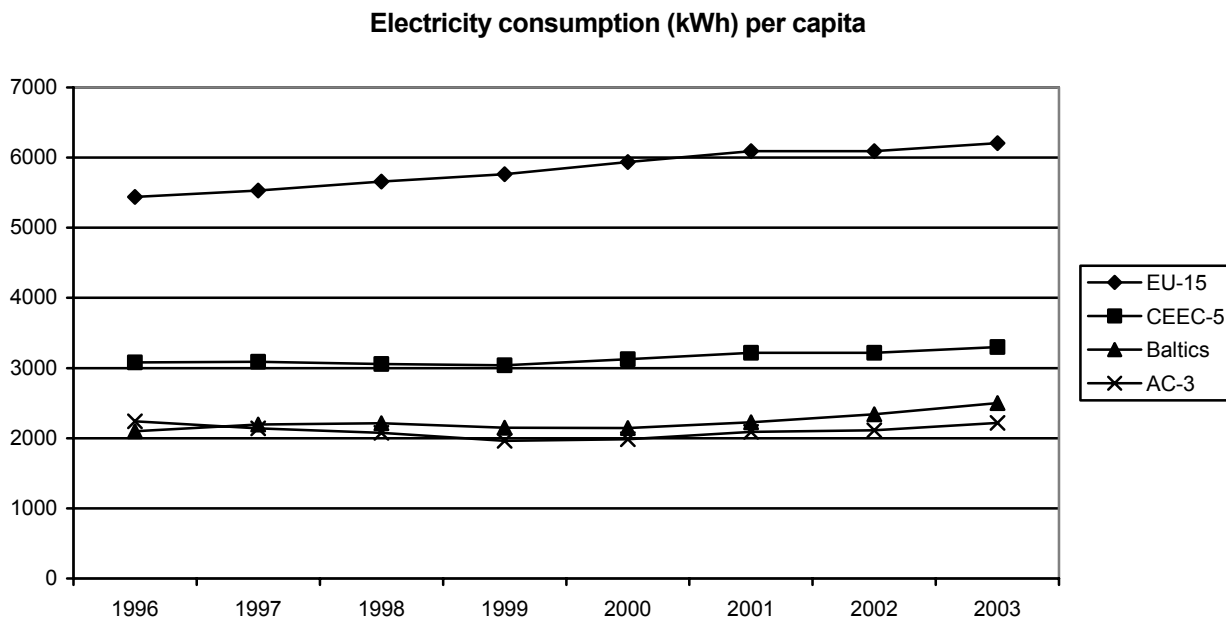
Source: Eurostat and own calculations.

Figure 2

Electricity consumption (kWh) per euro of GDP at constant PPS
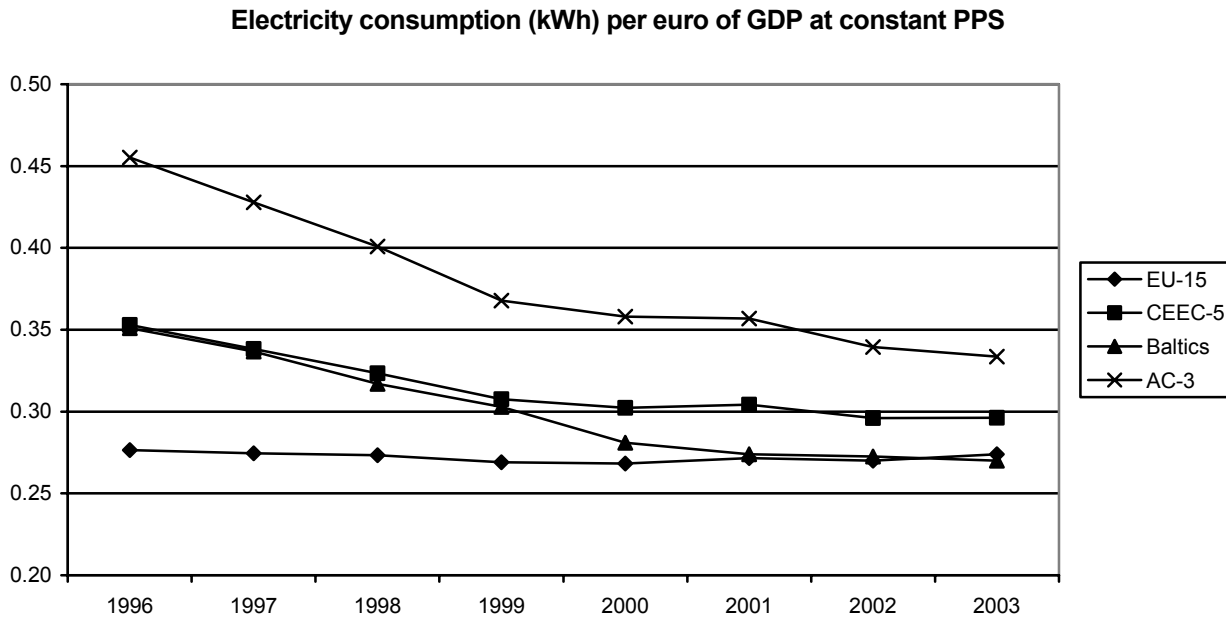
Source: Eurostat and own calculations.

As we can see, Figure 2 clearly shows us a convergence story. The EU-15 have stayed at roughly the same level over the period, whereas the three groups of former socialist countries have all experienced more-or-less strong reductions in real electricity intensity. This corresponds of course to improvements in overall energy efficiency, and the relative improvements are particularly impressive for the Baltic States – as they have now completed their convergence to Western European levels of electricity intensity (in real terms) – and for the accession countries (AC-3), though this is mainly due to very high starting levels and some delay in restructuring as compared to the more advanced CEEC-5 economies.

The story could end here, but there is more to the issue than first meets the eye. This is due to the fact that country heterogeneity is actually quite high, as can be seen in Table 3.

In terms of final levels (in 2003) we can see a rather mixed picture. The biggest consumers by far are of course the Nordics, Sweden and Finland. They are followed by a number of transition countries that have mostly gone through some restructuring, but could perhaps do more. These countries are Bulgaria, Estonia, Slovakia, Slovenia and the Czech Republic. Then there is a large group of countries in the middle with average consumption levels and varying trends. That group includes notably Germany, France, Austria, Romania, Latvia and Portugal. The last group is made up of those countries with low electricity intensity and includes Denmark, the UK, Ireland and Italy but also Hungary and Lithuania. The general picture is therefore a bit of a mixed bag: most countries have become less electricity-intensive but some have become more electricity-intensive, and the most electricity intensive countries are not former socialist countries but Sweden and Finland, while the group of the seven least electricity-intensive countries (with at most 0.25 kWh per euro of real value-added) includes two former socialist countries.

Table 3

Electricity consumption (kWh) per euro of GDP (at constant PPS)

	1996	1999	2003
Finland	0.69	0.66	0.67
Sweden	0.69	0.62	0.60
Bulgaria	0.72	0.57	0.52
Estonia	0.54	0.46	0.41
Slovakia	0.53	0.46	0.40
Slovenia	0.39	0.36	0.40
Czech Republic	0.39	0.37	0.36
Belgium	0.32	0.32	0.31
Croatia	0.32	0.33	0.31
Malta	0.27	0.26	0.31
Cyprus	0.25	0.26	0.30
Luxembourg	0.38	0.32	0.29
France	0.30	0.29	0.29
Romania	0.39	0.30	0.28
Portugal	0.22	0.23	0.27
Germany	0.26	0.26	0.27
Austria	0.26	0.26	0.27
Poland	0.32	0.27	0.26
Latvia	0.33	0.28	0.26
Spain	0.24	0.25	0.26
Hungary	0.32	0.28	0.25
Denmark	0.28	0.25	0.24
Netherlands	0.26	0.26	0.24
United Kingdom	0.27	0.25	0.23
Italy	0.21	0.21	0.23
Lithuania	0.29	0.25	0.22
Ireland	0.24	0.21	0.20

Source: Eurostat and own calculations.

The temporary conclusions that one may make are the following. The former socialist countries of Europe have finished the largest part of the industrial restructuring process in terms of reducing inherited excessive electricity intensity. Though there is still room for further gains in real electricity intensity for certain countries, the picture that is emerging is of a quite heterogeneous continent, with large differences among the European countries, whether these are former socialist

countries or Western countries. On the other hand, if one assumes that the former socialist countries have good GDP growth prospects then one should expect that this will drive up demand for electricity. In recent years, due to the last major thrusts of structural change, the implied relationship between GDP growth and the growth in electricity consumption has shown elasticities far below the usually expected average value of 1, as can be seen in Table 4. The (unweighted) estimated elasticity for the CEEC-8 is a mere 0.32. There are even some negative values (Slovakia, Bulgaria).

Table 4

Overall GDP growth and overall electricity growth, 1996 to 2003

	Real GDP (PPS)	Electricity consumption	Ratio
European Union	18.1%	16.0%	0.88
EU-15	18.0%	17.0%	0.94
CEEC-8 (unweighted)	35.6%	11.4%	0.32
Austria	13.0%	16.1%	1.24
Denmark	15.8%	0.7%	0.04
Finland	26.2%	21.5%	0.82
Czech Republic	11.1%	4.3%	0.39
Estonia	53.2%	15.4%	0.29
Lithuania	45.1%	9.6%	0.21
Latvia	48.3%	17.4%	0.36
Hungary	39.6%	9.5%	0.24
Poland	27.9%	5.2%	0.19
Slovenia	28.3%	31.8%	1.13
Slovakia	31.6%	-2.1%	-0.07
Bulgaria	18.1%	-16.0%	-0.89
Croatia	27.8%	25.7%	0.92

Source: Eurostat and own calculations.

But will these low elasticities continue to prevail? It may be argued that the largest potential gains in efficiency have already been exhausted, so that the elasticities should all start to revert to long-run equilibrium values, i.e. close to 1. One may put

forward the following limiting scenario: the countries of the EU, including the three accession countries, will in the most extreme case duplicate

the electricity efficiency of the best performing EU country, as there are inherent technical limitations to what can be done. In a less extreme scenario one may assume that inherent differences in industrial structures across the EU will persist, because these are the result of trends of the past ten years, notably FDI trends, to locate European industries in specific areas of the enlarged EU. Thus certain differences in electricity intensity among countries will remain for structural reasons, depending on the location of specific industries, while the more general trend towards more energy efficiency will continue across the entire continent, albeit at a slow rate, given technological constraints.

Based on these two limiting scenarios, it is quite straightforward to produce forecasts for electricity demand if we also make assumptions about real GDP growth. Thus I construct a 'total convergence scenario' and a 'persistent heterogeneity scenario'. This is summarized in Table 5. The total convergence scenario is based on linear extrapolation of the change between the average for 2000-2001 and the average for 2002-2003 (years are grouped for smoothing purposes) up until 0.270 kWh/euro (at constant PPS), assumed to be a feasible average level for all groups of countries. The persistent heterogeneity scenario assumes trend prolongation for one further two-year period, after which intensities remain constant.

These scenarios must now be coupled with growth forecasts. For this I use wiiw's latest published GDP growth forecasts for the CEEC-5 and the AC-3, as found in Podkaminer, Gligorov et al. (2006), for the years 2004-2007. For the Baltic States I used the forecasts presented in *wiiw Monthly Report* No. 4 (Knöbl, 2006). For all countries I then assume a one-year transition phase in 2008 taken as the linear interpolation between the last available forecast and a fixed assumed long-run growth rate of 4%, which holds for 2009 and 2010. The assumed growth rates are shown in Table 6. For the EU-15 I simply assume a growth rate of 2% throughout.

Table 5

Electricity intensity scenarios (kWh per Euro of real GDP)

Total convergence scenario

	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010-2011
EU-15	0.270	0.272	0.270	0.270	0.270	0.270
CEEC-5	0.303	0.296	0.289	0.282	0.275	0.270
Baltics	0.277	0.271	0.270	0.270	0.270	0.270
AC-3	0.357	0.336	0.316	0.295	0.274	0.270

Persistent heterogeneity scenario

	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010-2011
EU-15	0.270	0.272	0.270	0.270	0.270	0.270
CEEC-5	0.303	0.296	0.289	0.289	0.289	0.289
Baltics	0.277	0.271	0.270	0.270	0.270	0.270
AC-3	0.357	0.336	0.316	0.316	0.316	0.316

Source: Own assumptions.

Table 6

Assumed real GDP growth rates, 2004 to 2010

	2004	2005	2006	2007	2008	2009	2010
Czech Republic	4.7	5.0	4.5	4.7	4.35	4.0	4.0
Hungary	4.6	4.2	4.2	4.0	4	4.0	4.0
Poland	5.3	3.2	3.8	4.2	4.1	4.0	4.0
Slovenia	4.2	3.8	3.9	3.9	3.95	4.0	4.0
Slovakia	5.5	5.6	6.0	6.5	5.25	4.0	4.0
Estonia	7.8	9.6	8.5	7.5	5.75	4.0	4.0
Latvia	8.5	10.2	8.0	7.5	5.75	4.0	4.0
Lithuania	7.0	7.5	6.5	6.5	5.25	4.0	4.0
Bulgaria	5.6	5.5	5.3	5.0	4.5	4.0	4.0
Croatia	3.8	3.9	3.7	3.8	3.9	4.0	4.0
Romania	8.3	4.0	4.5	4.5	4.25	4.0	4.0

Source: wiiw publications and own assumptions.

So what are the results? Table 7 gives the rundown for each group of countries as well as for the total for the future enlarged EU, labelled 'EU-28', in terms of TWh. Table 8 gives the cumulative growth expected in each group of country.

As we can see, growth should be highest in the Baltic States, led by strong GDP growth and the absence of further possible gains in efficiency. Growth should also be quite strong in the CEEC-5,

higher than in the EU-15 also in the total convergence scenario. In the AC-3 the results are more sensitive, given that the starting point for the forecasts is still quite a high level of electricity intensity. If major gains in efficiency are made, as assumed in the total convergence scenario, then one should expect a loss in market share for the AC-3 and an elasticity far below 1 over the period. But if patterns are more persistent, one may witness quite strong growth in that region as well.

Table 7

Forecast electricity consumption levels up to 2010, in TWh

Total convergence scenario

	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
EU-15	2376.2	2423.8	2472.2	2521.7	2572.1	2623.5	2676.0
CEEC-5	222.9	231.7	235.4	245.9	249.8	259.8	265.3
Baltics	19.2	20.9	22.5	24.0	25.4	26.4	27.4
AC-3	76.3	79.6	77.7	81.2	78.6	81.8	83.9
EU-28 Total	2694.7	2756.0	2807.8	2872.8	2925.9	2991.5	3052.6

Persistent heterogeneity scenario

	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
EU-15	2376.2	2423.8	2472.2	2521.7	2572.1	2623.5	2676.0
CEEC-5	222.9	231.7	241.4	252.1	262.7	273.2	284.2
Baltics	19.2	20.9	22.5	24.0	25.4	26.4	27.4
AC-3	76.3	79.6	83.2	87.0	90.7	94.3	98.1
EU-28 Total	2694.7	2756.0	2819.3	2884.8	2950.9	3017.5	3085.7

Source: Own calculations.

Table 8

Cumulated growth in real electricity consumption, 2003 to 2010

	Total convergence scenario	Persistent heterogeneity scenario
EU-15	13.2%	13.2%
CEEC-5	22.3%	31.0%
Baltics	52.5%	52.5%
AC-3	11.8%	30.7%
EU-28 Total	14.2%	15.4%

Source: Own calculations.

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China preparing for WTO deadline in banking

BY WALTRAUT URBAN

When becoming a member of the World Trade Organization (WTO) on 11 December 2001, China committed itself to stepwise opening up its financial sector within five years of accession. Thus, by the end of 2006, all existing limitations on foreign banks doing business in China will phase out. In the following we will present an overview on the limitations first and then show how the Chinese banking system is preparing itself for increased foreign competition. One major reason why China's accession process took so long was that China insisted on entering the WTO as a 'developing country'. This provides, among other things, for longer time periods to implement WTO rules in order to smooth the impact of WTO membership in sensitive areas such as agriculture, 'infant industries' and also various kinds of services, e.g. banking.

China's Specific Commitments in the field of banking

At the time of China's accession negotiations with the WTO, the country's services sector in general and the banking sector in particular were rather weak and considered unable to withstand foreign competition. This was partly a consequence of the socialist economic system, where services typically play a minor role as compared to the 'productive' sectors of the economy, and banks function as an instrument of the state rather than as a commercial venture. But a weak banking sector is characteristic of developing countries as well.

At the turn of the century, the Chinese banking sector was plagued in particular by
– high and rising non-performing loan ratios (NPLs): officially 31% – guess: 50% (2001);
– low and declining capitalization: capital adequacy ratio (CAR) 5.4% (2001);

– low and declining profitability: return on assets (ROA) 0.38% (2000).[1]

However, by that time many WTO members had already substantially opened up their banking sectors to foreign competition. Moreover, on the part of the big suppliers of bank services, particularly the USA, the Chinese market was considered highly attractive, given the very high share of investment (about 40% of GDP) and the rapid expansion of credits along with the fast growth of the overall economy. 'Financial deepening', calculated by the ratio of domestic credit to GDP and amounting to 180% in China 2003, is one of the highest rates in the world.[2] The pressure on China in the accession negotiations to open up its banking sector was therefore very high.

A solution to this dilemma was China's commitment to a *stepwise* procedure. In the first instance, a distinction was made between *local* and *foreign* currency business of foreign banks. While business in foreign currency was without restrictions upon accession, local currency business remained restricted with regard to *geographic* coverage on the one hand and the *type of clientele* on the other. Originally, foreign banks were only allowed to conduct local currency business in some of the big open and economically advanced cities (Shanghai, Shenzhen, Tianjin and Dalian). But it was provided that, year by year, the number of cities accessible for local currency business to foreign banks should be extended (Beijing, for instance, was added in 2004) and that five years after accession *all* geographic restrictions on local currency business for foreign banks would be removed.[3] Thus, by the end of 2006, also the big rural market will be open to foreign banks. Currently about 60% of the Chinese population still lives in rural areas and the banking system there is considered particularly underdeveloped. However, per capita income in

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[1] OECD (2005), Tables 3.4 and 3.5.

[2] OECD (2005), Figure 3.1.

[3] Notably, on 11 December 2005, five cities (Harbin, Changchun, Lanzhou, Yinchuan and Nanning) were opened up one year ahead of schedule (*China Daily*, 6.11.2005).

rural areas is relatively low, approaching just one third of that in the cities, but infrastructure investment for the modernization and restructuring of the rural economy is substantial.

Regarding banks' clients, a distinction was made between foreign enterprises, Chinese enterprises and other clients. Local currency business with Chinese enterprises was allowed for two years after accession (2003), and only five years after accession will foreign banks be permitted to provide services to *all* clients (2006). This is particularly relevant as it gives foreign banks access to savings deposits of private households on the one hand and to consumer credits, mortgage loans, bank and credit card business on the other, which are expected to boom.

There are, nevertheless, certain criteria that have to be fulfilled by a foreign bank before it can establish a subsidiary or a branch in China, and even more specific criteria have to be met to be allowed to engage in local currency business. But, as part of China's WTO commitments, the criteria for banking licensing should be solely prudential (i.e. contain no economic needs test or quantitative limits on licences) from the end of 2006 onwards. Also, with the phasing-out of all geographic restrictions and all client limitations in 2006, the 'national treatment principle' as defined in GATS (to treat foreign companies no less favourable than nationals) will fully apply to foreign banks.

All things considered, the 11th December 2006, marking the 5th anniversary of China's entry into WTO, will be a landmark day for the banking landscape in China.

Preparing for fiercer foreign competition

Obviously, any measure geared towards making the Chinese banking system better prepared to withstand foreign competition will be of advantage for the domestic economy, too. By making the banking system more efficient, the latter will become better able to serve the private sector's growing demand for financial services and provide diversified saving instruments for individuals. In fact, certain observers believe that the Chinese government used the WTO commitments as a kind of 'stick' to press ahead with a comprehensive banking reform.

In a first step, to alleviate the *non-performing loan* problem, yuan 1.4 trillion (USD 169 billion) of bad loans accumulated by the four big state-owned commercial banks, together providing more than 50% of all loans[4], were transferred to four newly created so-called 'asset management companies' (AMCs) in 1999. In 2001-2003, a new five-tier loan classification system more in line with international standards, and other measures to improve banks' internal risk management and transparency were introduced.

For the purpose of improving the *capitalization* of banks, the government injected USD 45 billion of foreign reserves into the capital base of two of the four big state banks, the Bank of China and the China Construction Bank, in 2003. Both banks were transformed into join-stock companies with the ultimate goal to get listed on the stock exchange to ensure that they become sound commercially oriented institutions. For similar reasons, USD 15 billion were injected into the third large state bank, the Industrial and Commercial Bank of China, in April 2005 and USD 85 billion of its bad loans were transferred to asset management companies.[5] In February 2004, a 'Regulation governing capital adequacy of commercial banks' was issued by the China Bank Regulatory Commission (CBRC), making Chinese banks accountable for preserving their capital which should considerably strengthen banks' incentives to focus on profitability and risk management rather than simply expanding their balance sheets.[6]

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[4] Industrial & Commercial Bank of China, Bank of China, China Construction Bank, Agricultural Bank of China (in declining order).

[5] The Agricultural Bank of China, which is considered the weakest of the four state banks, will be included in the overall reform of rural financial institutions, probably the most difficult task for the future; see Schobert and Schulte (2005), p. 6.

[6] OECD (2005), p. 163.

In order to improve *profitability*, employment was strongly reduced in many banks and significant amounts were invested in computer systems and modern infrastructure. In February 2005, the financial services industry in China was opened to entry by private companies.[7] Foreign banks were invited to become strategic investors and to form alliances with domestic banks, respectively, not only to inject fresh capital but also to provide experience, know-how and modern technology and to improve operations and corporate governance. According to the current regulations, foreigners may buy a maximum share of 25% of a Chinese bank, with each single investor not exceeding 19.99%. Also, banks with a foreign share of more than 25% will be classified as joint ventures instead of domestic banks. 'Strategic investors' have to hold a minimum share of 5% for at least three years.[8]

As illustrated in Table 1, the number of foreign investments in Chinese banks, as well as the percentage shares invested, have gone up significantly with the WTO deadline approaching. Sometimes, foreign investment in Chinese banks is motivated by the aim to gain an underwriting role when the bank gets eventually listed at the stock exchange. The China Bank of Communications, the fifth biggest Chinese bank, was the first to be listed on the Hong Kong stock exchange in June 2005. It was followed by the China Construction Bank in October 2005. The Bank of China started trading its shares in Hong Kong on 1 June 2006, representing the world's biggest Initial Public Offering (USD 9.73 billion) in six years.[9] The Industrial and Commercial Bank of China, the largest state bank, is planning a public listing later this year.

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[7] So far only one new private Chinese bank was founded: Zheshang bank, in Zhejiang province, where a privately controlled joint-stock bank was created from the old Zhejiang Commercial Bank (OECD, 2005, p. 172).

[8] To be considered a 'direct investment' (instead of a portfolio investment) the share of the foreign investor has to reach a minimum of 10% according to the definition of the International Monetary Fund.

[9] *Neue Zürcher Zeitung*, 2 June 2006.

With the objective to enhance both, profitability and capitalization, various measures to improve the corporate governance of banks have been taken. Most banks were turned into corporations and various measures were introduced to increase individual officers' responsibilities (loan officers, for instance, were made individually responsible for new NPLs incurred under their tenure). Also, in 2003, banking supervision and regulation – formerly administered by the central bank – were strengthened and transferred to an independent 'China Bank Regulatory Commission' with wide-ranging power and responsibilities, including the power to intervene or to close banks that fail to meet key regulatory requirements.

Finally, severe penal actions against corrupt senior bankers have been resorted to, in order to convey the message that corruption will not be tolerated. (For instance, the extreme penalty of death sentence – later suspended – was imposed on the head of the Bank of China's Hong Kong unit on grounds of embezzlement.)

Chinese banking reform: actual results

According to official figures, the non-performing loan ratio of state-owned commercial banks declined from 31% in 2001 to 15.6% by the end of 2004 and fell further to 9.8% by the end of March 2006.[10] Among those banks, the two state banks where reforms started first – the Bank of China and the China Construction Bank – showed NPL ratios of 5.1% and 3.9% respectively in 2004. However, in its share offer documents the Bank of China claimed that during 2005 the proportion of bad loans on its books fell to 4.9%.[11] The Industrial and Commercial Bank of China, where NPLs were transferred in 2005 only, had a NPL ratio of 19% at the end of 2004, but claims to have slashed this rate to 4.5% until the end of 2005. The Agricultural Bank of China, which was not included in the reforms, still showed a NPL ratio of 27% in 2004.[12]

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[10] *China Daily*, 12 May 2006.

[11] *International Herald Tribune*, 25 May 2006.

[12] OECD (2005), Chandrasekhar (2005), IMF (2006).

On average, commercial banks reported a NPL ratio of 13.2% at the end of 2004 and of 8.7% at the end of the third quarter of 2005. Although the official figures are considered too low by many experts[13], there is no doubt that a substantial recapitalization of Chinese banks has occurred; the main question however is about sustainability. Some banking analysts warn that China's banks could soon face a fresh wave of non-performing loans arising from the rapid expansion of lending in 2003 and in the first half of 2004, when a large share of these loans went to sectors that are probably over-invested, such as steel, cement, aluminium, real estate and construction.[14] Others point to the fact that little evidence can be found that the state-owned banks have substantially changed their behaviour to become more commercially oriented. The close ties between the government and the banks and thus the influence of government mandates on lending decisions are still impeding the efficiency of banks. Also, state banks make little use of the recent liberalization of interest rates and the pricing of credit risk remains undifferentiated, as a recent IMF study shows.[15]

As regards capitalization, the capital adequacy ratio (CAR) of the Bank of China and the China Construction Bank together with 28 other banks had reached the target rate of 8% set by the China Bank Regulatory Commission (CBRC) in line with the Bank for International Settlements (BIS) standards. On average, the state-owned commercial banks and other joint-stock banks remained somewhat below that mark, at a CAR of about 7%. However, for emerging markets, typically involving higher risks, a rate of 10% is considered more adequate by many experts.

Operating income before provisions increased substantially between 2000 and 2003, and rose further in 2004. But profitability measured by the return on asset ratio (ROA) stayed well below the target of 1%, considered 'a level required for an internationally competitive bank'[16].

The effect of foreign investment on the performance of Chinese banks is not measurable so far, given the relatively small shares of foreign banks and the fact that most investments took place only recently.

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[13] For example, Standard and Poor's analysts have put bank NPLs at nearly 35% of total loans, more than double the official figures. Estimates by Fitch Ratings are also well above official figures; see OECD (2005), note 12.

[14] Notably, a recent report by Ernst & Young (*Global Nonperforming Loans Report 2006*), putting the potential NPLs of the four state banks at USD 225 billion (on top of the USD 133 billion officially reported at the end of 2005), was withdrawn as 'factually erroneous' after protests of China's Central Bank.

[15] IMF (2006.

[16] Podpiera (2006), p. 5.

Table 1

Foreign investment in Chinese banks

Chinese company	Foreign investor
Initiated or completed prior to 2003	
China Everbright Bank	International Finance Corporation (IFC) (1.9%)
Bank of Shanghai	IFC (7%), HSBC (8%)
Nanjing City Commercial Bank	IFC (15%)
Minsheng Bank	IFC (1.6%)
Xian City Commercial Bank	IFC (2.5%), Scotia- Bank (2.5%)
Shenzhen Development Bank	Newbridge Capital (18%)
Shanghai-Pudong Development Bank	Citigroup (5%)
Initiated or completed 2003-2004	
Bank of Communications	HSBC (19.99 %)
Jinan City Commercial Bank	Commonwealth Bank of Australia (11%)
Bohai Bank	Standard Chartered Bank (19.99)
Industrial Bank of East China (Fujian)	Hang-Seng Bank (15.98%), IFC (4%), Singapore Investment Corporation (GIC, 5%)
Initiated or completed from 2005 onwards	
Bank of Beijing	Ing Group (19.9%), IFC (5.0%)
Hangzhou City Commercial Bank	Commonwealth Bank of Australia (19.9%)
China Construction Bank	Bank of America (9%), Temasek (5.1%)
Nanchong City Commercial Bank	DEG, Sparkassen Intl. Development Trust, Savings Bank for Intl. Cooperation (together: 13%)
Industrial and Commercial Bank of China	Goldmann Sachs (7%), Allianz Group (2.5%) and AMEX (0.5%)
Bank of China	Consortium led by Royal Bank of Scotland (10%), Temasek Holding (5%), UBS (1.6%)
China Minsheng Bank	Temasek Holding (4.55%), IFC (1.6%)
Industrial Bank of East China	GIC (4%), IFC (5%), Hang Seng Bank (15.98%)
Tianjin City Commercial Bank	Australia & New Zealand Banking Group (ANZ; 19.9%)
Bohai Bank	Standard Chartered Bank (19.99%)
Bank of Communications	HBSC (19.99%)
China Construction Bank	Bank of America (9%), Temasek (5.1%)
Huaxia Bank	Deutsche Bank (9.9%), Sal Oppenheim jr & Cie Kga (4.1%), Pangea Capital Management (6.9%)

Sources: Investments before 2005: China Bank Regulatory Commission (CBRC), quoted from OECD (2005), Table 3.7. Investments after 2005: Fitch ratings, quoted from *International Herald Tribune*, 22 September 2005 as well as other newspaper reports.

Conventional signs and abbreviations

used in the following section on monthly statistical data

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

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

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	8.6	3.6	0.2	6.4	6.3	7.1	5.1	8.9	8.6	8.0	10.1	6.9	15.9	12.2	17.9	.
Industry, total[1]	real, CCPY	8.6	6.1	3.9	4.6	4.9	5.3	5.3	5.7	6.0	6.3	6.6	6.7	15.9	14.1	15.4	.
Industry, total[1]	real, 3MMA	7.0	3.9	3.4	4.2	6.6	6.2	7.0	7.6	8.5	8.9	8.4	10.9	11.6	15.4	.	.
Construction, total	real, CMPY	14.2	3.8	-16.0	-29.6	26.1	19.1	6.0	6.5	9.4	13.8	6.6	8.6	-1.2	-8.2	8.8	.
LABOUR																	
Employees in industry[2]	th. persons	1112	1118	1124	1124	1124	1125	1131	1132	1130	1141	1147	1141	1140	1144	1151	.
Unemployment, end of period	th. persons	561.7	555.0	540.5	512.6	494.6	489.7	500.3	505.3	503.4	491.9	490.8	510.4	531.2	528.2	514.8	486.2
Unemployment rate[3]	%	9.8	9.6	9.4	8.9	8.6	8.6	8.8	8.9	8.8	8.5	8.4	8.9	9.2	9.1	8.8	8.3
Labour productivity, industry[2][4]	CCPY	9.4	7.0	5.0	5.6	5.9	6.4	6.3	7.0	7.4	7.7	8.0	8.2	14.2	12.0	13.5	.
Unit labour costs, exch.r. adj.(EUR)[2][4]	CCPY	1.6	5.3	8.1	7.1	6.5	5.7	5.2	4.8	4.5	4.1	3.9	3.5	-1.9	0.0	-1.8	.
WAGES, SALARIES																	
Industry, gross[2]	CZK	16947	16320	17665	17618	18603	18570	18238	18058	17943	18184	21464	19629	18016	17284	18766	.
Industry, gross[2]	real, CMPY	1.3	2.2	2.8	2.2	3.9	3.4	1.1	5.1	2.7	1.5	2.7	1.5	3.2	3.0	3.3	.
Industry, gross[2]	USD	734	709	782	757	781	752	728	750	751	736	865	803	759	726	787	.
Industry, gross[2]	EUR	559	545	593	585	616	618	604	610	612	613	734	677	627	608	655	.
PRICES																	
Consumer	PM	0.7	0.2	-0.1	0.1	0.2	0.6	0.3	0.0	-0.3	0.9	-0.3	-0.1	1.4	0.1	-0.1	0.1
Consumer	CMPY	1.7	1.7	1.5	1.6	1.3	1.8	1.7	1.7	2.2	2.6	2.4	2.2	2.9	2.8	2.8	2.8
Consumer	CCPY	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.9	1.9	2.9	2.8	2.8	2.8
Producer, in industry	PM	0.3	0.2	0.2	0.1	-0.7	-0.2	0.1	0.0	0.2	0.4	-0.3	-0.6	1.0	0.2	0.1	0.3
Producer, in industry	CMPY	7.2	7.1	6.4	5.6	4.0	2.7	2.0	1.1	1.0	0.3	0.0	-0.4	0.3	0.3	0.3	0.5
Producer, in industry	CCPY	7.2	7.2	6.9	6.6	6.1	5.5	5.0	4.5	4.1	3.7	3.3	3.0	0.3	0.3	0.3	0.4
RETAIL TRADE																	
Turnover	real, CMPY	7.3	0.7	3.9	2.2	7.6	4.4	1.2	6.9	3.8	3.2	3.4	2.1	6.9	7.8	6.7	.
Turnover	real, CCPY	7.3	4.0	3.9	3.5	4.3	4.3	3.9	4.3	4.2	4.1	4.1	3.8	6.9	7.3	7.1	.
FOREIGN TRADE[5][6]																	
Exports total (fob),cumulated	EUR mn	4635	9368	14582	19710	24890	30426	35038	40145	45898	51609	57767	62956	5441	11016	17498	.
Imports total (fob),cumulated	EUR mn	4241	8740	13709	18861	23849	29072	33719	38949	44566	50204	56277	61602	5050	10376	16544	.
Trade balance,cumulated	EUR mn	394	627	873	849	1041	1354	1319	1196	1332	1405	1490	1355	391	640	954	.
Exports to EU-25 (fob), cumulated	EUR mn	4045	8099	12497	16818	21207	25831	29691	33945	38783	43584	48775	52996	4686	9358	14735	.
Imports from EU-25 (fob)[7], cumulated	EUR mn	3035	6260	9811	13472	17038	20814	24126	27826	31869	35782	39969	43659	3528	7268	11683	.
Trade balance with EU-25, cumulated	EUR mn	1010	1839	2686	3346	4169	5016	5565	6120	6914	7802	8806	9338	1158	2090	3052	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	37	521	628	317	99	-349	-729	-1086	-1370	-1286	-1687	-2070	142	213	319	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	23.1	23.0	22.6	23.3	23.8	24.7	25.0	24.1	23.9	24.7	24.8	24.4	23.7	23.8	23.8	23.3
CZK/EUR, monthly average	nominal	30.3	30.0	29.8	30.1	30.2	30.0	30.2	29.6	29.3	29.7	29.3	29.0	28.7	28.4	28.6	28.5
CZK/USD, calculated with CPI[8]	real, Jan03=100	127.2	127.1	128.4	123.9	121.6	117.8	116.0	120.1	119.3	116.1	116.2	118.3	122.6	122.1	121.8	125.0
CZK/USD, calculated with PPI[8]	real, Jan03=100	125.1	125.3	126.2	121.4	118.4	114.2	111.1	114.8	112.5	106.5	107.3	108.7	111.9	113.7	113.6	116.8
CZK/EUR, calculated with CPI[8]	real, Jan03=100	103.6	104.6	104.5	103.0	102.8	103.9	103.6	105.5	105.8	105.3	106.5	107.2	109.8	110.9	109.4	110.1
CZK/EUR, calculated with PPI[8]	real, Jan03=100	109.3	110.4	110.5	109.0	108.1	108.2	107.4	109.2	109.9	108.5	110.0	110.3	111.5	112.6	111.3	112.2
DOMESTIC FINANCE																	
M0, end of period	CZK bn	237.8	240.8	242.9	245.9	248.8	253.2	253.0	252.9	256.3	258.5	262.7	263.8	261.8	264.8	267.3	.
M1, end of period	CZK bn	965.5	963.5	972.7	965.5	1007.7	1004.0	1004.2	1028.2	1015.2	1048.5	1078.2	1087.2	1099.9	1100.1	1082.6	.
M2, end of period	CZK bn	1827.5	1844.4	1844.9	1882.2	1912.1	1913.0	1908.3	1920.5	1919.2	1933.9	1965.6	1992.0	1989.6	1990.8	1999.8	.
M2, end of period	CMPY	4.2	4.7	5.3	4.7	5.4	5.2	4.8	4.6	4.2	5.0	6.8	8.0	8.9	7.9	8.4	.
Discount rate (p.a.),end of period	%	1.25	1.25	1.25	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Discount rate (p.a.),end of period[9]	real, %	-5.6	-5.5	-4.9	-4.6	-3.1	-1.9	-1.2	-0.3	-0.2	0.7	1.0	1.4	0.7	0.7	0.7	0.5
BUDGET																	
Central gov.budget balance,cum.	CZK mn	3485	-2584	8249	-22492	-27029	3763	10259	10008	25748	15181	201	-56338	3427	-560	15700	-19950

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

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	3.5	0.5	1.8	9.4	13.2	6.5	5.9	12.1	8.9	9.8	7.7	7.7	13.0	11.6	14.0	.
Industry, total	real, CCPY	3.5	2.0	1.9	3.8	5.6	5.8	5.8	6.5	6.8	7.2	7.2	7.3	13.0	12.3	12.9	.
Industry, total	real, 3MMA	2.0	1.9	3.8	7.9	9.6	8.5	8.0	8.9	10.1	8.8	8.4	9.3	10.7	12.9	.	.
Construction, total	real, CMPY	7.1	21.9	1.5	14.2	8.6	23.5	18.7	13.1	37.0	13.3	17.5	15.0	10.5	-3.2	15.1	.
LABOUR																	
Employees in industry[1]	th. persons	776.6	771.7	767.9	764.3	760.7	760.7	762.5	759.9	759.2	759.9	756.7	752.8	751.8	752.6	751.4	.
Unemployment[2]	th. persons	275.1	286.8	297.4	300.1	302.9	299.5	298.7	302.5	308.6	308.3	305.4	309.9	317.6	326.5	323.6	318.5
Unemployment rate[2]	%	6.6	6.9	7.1	7.2	7.2	7.1	7.1	7.2	7.3	7.3	7.2	7.3	7.5	7.8	7.7	7.5
Labour productivity, industry[1]	CCPY	5.4	4.0	4.3	6.5	8.6	9.0	9.1	10.0	10.3	10.5	10.6	10.7	17.0	16.0	16.1	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	10.0	11.2	8.5	4.8	1.9	2.1	1.5	0.5	-0.1	-0.7	-1.1	-1.7	-9.5	-9.4	-10.1	.
WAGES, SALARIES																	
Total economy, gross[1)3)]	HUF	184226	144875	150942	150008	155911	155668	151352	148438	150339	152714	175837	179843	195625	157271	162315	.
Total economy, gross[1)3)]	real, CMPY	21.2	4.7	2.9	2.9	6.5	2.8	3.7	3.2	3.9	3.3	3.9	2.0	3.4	6.0	5.1	.
Total economy, gross[1)3)]	USD	981	774	812	783	786	761	740	747	750	729	825	844	945	747	748	.
Total economy, gross[1)3)]	EUR	747	594	616	604	619	625	614	607	611	607	700	712	780	625	622	.
Industry, gross[1]	EUR	559	564	605	591	624	610	595	607	598	585	714	663	592	588	622	.
PRICES																	
Consumer	PM	0.7	0.4	0.7	0.8	0.6	0.3	0.0	-0.4	0.2	0.0	0.2	0.0	0.1	0.2	0.6	0.7
Consumer	CMPY	4.1	3.2	3.5	3.9	3.6	3.8	3.7	3.6	3.7	3.2	3.3	3.3	2.7	2.5	2.3	2.3
Consumer	CCPY	4.1	3.6	3.6	3.7	3.6	3.7	3.7	3.7	3.7	3.6	3.6	3.6	2.7	2.6	2.5	2.5
Producer, in industry	PM	0.7	0.0	0.8	0.8	0.5	0.0	-0.4	0.1	0.8	0.8	0.4	0.0	0.6	0.1	1.8	1.1
Producer, in industry	CMPY	3.8	3.1	5.0	5.3	5.2	5.0	4.2	3.4	3.8	4.1	4.1	4.5	4.3	4.4	5.4	5.8
Producer, in industry	CCPY	3.8	3.5	4.0	4.3	4.5	4.6	4.5	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.7	5.0
RETAIL TRADE																	
Turnover	real, CMPY	3.3	1.8	7.2	2.6	7.2	6.8	5.1	6.2	7.4	6.8	7.0	3.5	7.5	5.9	3.4	.
Turnover	real, CCPY	3.3	2.5	4.3	3.8	4.5	5.0	5.0	5.1	5.4	5.6	5.7	5.5	7.5	6.7	5.4	.
FOREIGN TRADE[4)5)]																	
Exports total (fob), cumulated	EUR mn	3447	7052	11195	15266	19305	23755	27553	31373	36202	40668	45632	49758	4123	8284	13238	.
Imports total (cif), cumulated	EUR mn	3587	7446	11709	16201	20397	24952	29193	33456	38374	43132	48290	52596	4282	8695	13901	.
Trade balance, cumulated	EUR mn	-140	-394	-514	-935	-1092	-1196	-1640	-2083	-2172	-2464	-2658	-2838	-159	-411	-663	.
Exports to EU-25 (fob), cumulated	EUR mn	2756	5570	8743	11879	14979	18347	21247	24075	27702	31178	34993	37958	3176	6349	10063	.
Imports from EU-25 (cif)[6], cumulated	EUR mn	2495	5164	8106	11111	14040	17174	20146	22943	26298	29506	32916	35686	2830	5803	9398	.
Trade balance with EU-25, cumulated	EUR mn	261	406	637	768	939	1173	1101	1132	1404	1672	2077	2272	347	546	665	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	.	.	-1562	.	.	-3150	.	.	-4920	.	.	-6405	.	.	.	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	187.8	187.2	185.9	191.7	198.3	204.6	204.6	198.8	200.6	209.4	213.0	213.0	207.1	210.6	216.9	216.3
HUF/EUR, monthly average	nominal	246.6	243.8	245.0	248.2	252.0	249.0	246.4	244.4	245.9	251.7	251.1	252.7	250.9	251.6	260.8	265.3
HUF/USD, calculated with CPI[7]	real, Jan03=100	127.5	127.7	128.4	124.8	121.5	118.0	117.5	119.8	117.7	112.5	111.6	112.0	114.5	112.6	110.0	111.0
HUF/USD, calculated with PPI[7]	real, Jan03=100	115.9	115.8	115.9	112.3	109.5	106.3	104.5	106.9	103.7	97.7	97.7	98.2	100.5	100.6	99.4	100.8
HUF/EUR, calculated with CPI[7]	real, Jan03=100	103.8	105.0	104.6	103.7	102.6	104.0	105.0	105.3	104.5	101.9	102.5	101.5	102.6	102.2	98.8	97.8
HUF/EUR, calculated with PPI[7]	real, Jan03=100	101.2	102.0	101.6	100.8	99.9	100.8	101.2	101.7	101.4	99.4	100.3	99.6	100.1	99.6	97.4	96.8
DOMESTIC FINANCE																	
M0, end of period[8]	HUF bn	1324.8	1320.6	1376.0	1403.5	1426.1	1456.7	1466.8	1475.2	1491.4	1532.7	1570.7	1600.2	1551.4	1555.6	1622.7	1663.9
M1, end of period[8]	HUF bn	4028.7	4029.4	4195.0	4219.1	4390.4	4417.1	4436.1	4533.7	4643.4	4692.1	4960.0	5188.5	4863.8	4959.2	5318.0	5323.9
Broad money, end of period[8]	HUF bn	9660.5	9752.0	9959.7	10166.1	10275.2	10253.9	10363.9	10469.0	10621.1	10673.6	10915.6	11232.1	11135.0	11264.8	11926.8	11782.1
Broad money, end of period[8]	CMPY	9.8	11.3	14.2	15.2	15.9	14.4	14.0	13.2	14.5	14.1	14.4	14.6	15.3	15.5	19.8	15.9
NBH base rate (p.a.),end of period	%	9.0	8.3	7.8	7.5	7.3	7.0	6.8	6.3	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
NBH base rate (p.a.),end of period[9]	real, %	5.0	5.0	2.6	2.1	1.9	1.9	2.4	2.8	2.1	1.8	1.8	1.4	1.6	1.5	0.6	0.2
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-199.1	-379.0	-373.1	-589.0	-680.5	-798.6	-741.3	-769.0	-780.9	-738.7	-744.7	-545.0	-144.4	-440.6	-682.7	-794.2

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 more 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 2005 to 2006

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry[1]	real, CMPY	4.7	2.4	-3.7	-1.1	0.9	6.9	2.6	4.8	5.9	7.6	8.5	9.5	9.7	10.2	16.5	5.8
Industry[1]	real, CCPY	4.7	3.5	0.8	0.3	0.4	1.5	1.7	2.1	2.5	3.1	3.6	4.1	9.7	10.0	12.3	10.6
Industry[1]	real, 3MMA	4.7	0.8	-1.0	-1.4	2.2	3.5	4.8	4.5	6.1	7.3	8.5	9.2	9.8	12.3	10.8	.
Construction[1]	real, CMPY	18.4	13.1	-3.9	-17.7	21.8	29.9	17.3	6.5	10.5	6.8	5.8	8.2	-7.9	-3.4	15.7	4.1
LABOUR																	
Employees[1]	th. persons	4737	4745	4743	4754	4756	4770	4772	4776	4788	4798	4804	4799	4862	4861	4870	4889
Employees in industry[1]	th. persons	2417	2422	2423	2426	2423	2427	2422	2424	2428	2434	2436	2430	2457	2458	2464	2468
Unemployment, end of period	th. persons	3094.9	3094.5	3052.6	2957.8	2867.3	2827.4	2809.0	2783.3	2760.1	2712.1	2722.8	2773.0	2866.7	2865.9	2822.0	2703.6
Unemployment rate[2]	%	19.5	19.4	19.3	18.8	18.3	18.0	17.9	17.7	17.6	17.3	17.3	17.6	18.0	18.0	17.8	17.2
Labour productivity, industry[1]	CCPY	3.8	2.6	-0.1	-0.7	-0.6	0.5	0.6	1.0	1.4	2.0	2.5	3.0	8.0	8.3	10.5	8.8
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	14.0	17.8	21.2	20.4	19.9	18.6	17.3	16.2	15.6	14.9	14.4	13.0	1.9	1.7	-0.7	1.1
WAGES, SALARIES																	
Total economy, gross[1]	PLN	2385	2411	2481	2471	2424	2513	2507	2481	2484	2539	2678	2789	2471	2526	2614	2570
Total economy, gross[1]	real, CMPY	-1.5	-2.4	-1.4	-1.3	0.6	3.1	2.0	1.3	0.3	5.1	6.2	1.2	3.2	4.3	5.1	3.4
Total economy, gross[1]	USD	769	788	813	771	737	753	737	755	777	779	795	858	782	796	811	804
Total economy, gross[1]	EUR	584	605	617	595	580	619	612	613	633	647	674	723	646	666	675	656
Industry, gross[1]	EUR	590	616	625	597	580	630	617	618	637	639	697	738	648	678	681	661
PRICES																	
Consumer	PM	0.1	-0.1	0.1	0.4	0.3	-0.2	-0.2	-0.1	0.4	0.4	-0.2	-0.2	0.2	0.0	-0.1	0.7
Consumer	CMPY	3.7	3.6	3.4	3.0	2.5	1.4	1.3	1.6	1.8	1.6	1.0	0.7	0.6	0.7	0.4	0.7
Consumer	CCPY	3.7	4.0	3.9	3.7	3.5	3.1	2.8	2.7	2.6	2.5	2.3	2.2	0.6	0.6	0.8	0.8
Producer, in industry	PM	0.1	-0.5	0.5	0.7	-0.2	0.3	0.2	0.1	-0.3	-0.1	0.1	-0.7	0.2	-0.1	0.7	1.4
Producer, in industry	CMPY	4.5	3.2	2.2	0.9	-0.5	0.0	0.0	-0.2	-0.5	-0.9	-0.4	0.2	0.3	0.7	0.9	1.6
Producer, in industry	CCPY	4.5	4.0	3.5	2.8	2.1	1.8	1.5	1.3	1.1	0.9	0.8	0.7	0.3	0.5	0.6	0.9
RETAIL TRADE																	
Turnover[1]	real, CMPY	3.2	-1.6	-3.8	-17.4	5.5	8.8	3.2	5.6	2.9	5.7	6.4	6.2	8.6	10.1	10.4	13.6
Turnover[1]	real, CCPY	3.2	1.0	-0.4	-5.9	-4.1	-1.9	-1.0	-0.2	0.1	0.6	1.2	1.5	8.6	9.6	9.4	10.1
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	5202	10584	16357	22299	27751	33973	39693	45260	51872	58747	65512	71720	6325	12808	19864	.
Imports total (cif), cumulated	EUR mn	5634	11599	18272	24899	31378	38292	44740	51247	58688	66233	73941	81018	6920	14113	21950	.
Trade balance, cumulated	EUR mn	-431	-1015	-1915	-2600	-3628	-4319	-5047	-5986	-6816	-7485	-8428	-9299	-595	-1305	-2086	.
Exports to EU-25 (fob), cumulated	EUR mn	4137	8189	12783	17413	21605	26151	30557	34696	39694	45078	50508	55149	5112	10052	15575	.
Imports from EU-25 (cif)[5], cumulated	EUR mn	3747	7622	12075	16583	20887	25376	29705	33752	38544	43498	48559	52853	4262	8672	13810	.
Trade balance with EU-25, cumulated	EUR mn	390	567	708	829	718	774	852	944	1149	1580	1948	2296	850	1380	1764	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-358	-811	-1048	-1042	-1720	-1539	-1786	-2167	-2404	-2730	-3138	-3497	-76	-719	-1177	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	3.103	3.060	3.049	3.205	3.291	3.336	3.399	3.287	3.195	3.260	3.367	3.252	3.160	3.174	3.223	3.198
PLN/EUR, monthly average	nominal	4.082	3.984	4.021	4.151	4.183	4.060	4.097	4.045	3.925	3.926	3.972	3.856	3.825	3.794	3.875	3.919
PLN/USD, calculated with CPI[6]	real, Jan03=100	124.5	125.3	124.9	118.6	116.0	114.1	111.3	114.4	116.9	114.7	111.7	115.9	118.5	117.8	115.9	117.6
PLN/USD, calculated with PPI[6]	real, Jan03=100	120.4	121.0	120.4	114.3	111.5	110.6	107.2	110.2	109.8	104.9	103.1	106.4	108.6	109.8	108.9	111.3
PLN/EUR, calculated with CPI[6]	real, Jan03=100	101.0	102.9	101.5	98.4	97.8	100.4	99.2	100.2	103.3	103.5	102.2	104.8	106.1	106.6	103.9	103.5
PLN/EUR, calculated with PPI[6]	real, Jan03=100	104.8	106.4	105.2	102.4	101.6	104.6	103.6	104.6	107.0	106.4	105.5	107.8	108.0	108.5	106.5	106.8
DOMESTIC FINANCE																	
M0, end of period	PLN bn	49.7	50.5	51.4	53.2	52.9	53.8	55.3	55.2	55.3	55.8	55.9	57.2	55.3	56.3	58.4	61.2
M1, end of period[7]	PLN bn	173.1	178.2	181.4	176.5	189.6	188.0	185.7	193.3	192.5	195.9	202.5	208.0	204.5	211.5	209.7	.
M2, end of period[7]	PLN bn	360.1	364.3	371.8	376.4	382.5	379.1	379.7	386.2	390.5	395.3	396.7	402.5	397.2	404.1	408.1	.
M2, end of period	CMPY	7.5	7.7	9.3	7.9	11.0	8.8	9.2	9.9	11.4	6.9	11.2	9.8	10.3	10.9	9.8	.
Discount rate (p.a.), end of period	%	7.0	7.0	6.5	6.0	6.0	5.5	5.3	5.3	4.8	4.8	4.8	4.8	4.8	4.5	4.3	4.3
Discount rate (p.a.), end of period[8]	real, %	2.4	3.7	4.2	5.1	6.5	5.5	5.3	5.5	5.3	5.7	5.2	4.5	4.4	3.8	3.3	2.6
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-1403	-8884	-12726	-13651	-18134	-18248	-17331	-18537	-17782	-20649	-22272	-27495	772	-6716	-9275	-10028

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

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	4.8	0.0	-3.1	5.7	1.9	1.7	4.9	4.5	5.4	4.1	5.8	8.7	7.3	4.9	16.5	.
Industry, total	real, CCPY	4.8	2.3	0.3	1.7	1.7	1.7	2.1	2.4	2.8	2.9	3.2	3.6	7.3	6.1	9.7	.
Industry, total	real, 3MMA	2.0	0.3	0.7	1.3	3.0	2.8	3.6	4.9	4.7	5.1	6.1	7.2	7.0	9.7	.	.
Construction, total	real, CMPY	23.8	7.7	8.1	18.1	18.8	25.2	17.3	15.1	20.7	9.4	15.8	0.5	4.6	20.4	18.0	.
LABOUR																	
Employment in industry	th. persons	562.4	562.1	568.4	574.7	579.3	582.2	583.0	585.7	583.2	585.8	587.5	579.6	553.0	559.6	565.9	.
Unemployment, end of period	th. persons	388.9	379.4	368.6	344.2	330.8	325.4	322.4	318.7	327.8	322.2	322.6	333.8	342.4	337.3	329.3	315.6
Unemployment rate[1]	%	13.4	13.1	12.7	11.9	11.3	11.1	11.0	10.9	11.2	10.9	10.9	11.4	11.8	11.7	11.4	11.0
Labour productivity, industry	CCPY	1.4	-0.9	-2.9	-1.7	-1.7	-1.6	-1.3	-1.0	-0.6	-0.3	0.1	0.6	9.1	7.2	10.7	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	12.5	21.9	22.7	17.9	16.8	15.8	14.1	13.4	12.5	12.1	11.4	10.6	2.6	0.2	-1.9	.
WAGES, SALARIES																	
Industry, gross	SKK	16975	17730	17527	16869	17637	18572	17636	17751	17727	18471	21515	19949	18466	17971	19036	.
Industry, gross	real, CMPY	4.7	16.6	6.5	1.4	5.1	2.9	1.7	3.8	2.7	3.6	3.2	3.1	4.5	-2.9	3.9	.
Industry, gross	USD	578	606	607	558	575	587	547	564	565	571	656	625	595	574	610	.
Industry, gross	EUR	440	466	459	431	452	482	454	459	461	475	556	527	492	480	508	.
PRICES																	
Consumer	PM	1.7	0.3	-0.1	0.2	0.0	0.3	-0.3	-0.1	0.2	1.1	0.0	0.1	2.1	0.6	0.0	0.3
Consumer	CMPY	3.2	2.7	2.5	2.7	2.4	2.5	2.0	2.0	2.2	3.3	3.4	3.7	4.1	4.4	4.5	4.5
Consumer	CCPY	3.1	2.9	2.8	2.7	2.7	2.6	2.5	2.5	2.4	2.5	2.6	2.7	4.1	4.3	4.3	4.4
Producer, in industry	PM	-0.2	0.3	0.7	0.8	0.7	1.0	0.6	0.8	0.5	0.5	1.8	-0.6	1.4	1.4	0.7	0.7
Producer, in industry	CMPY	2.8	2.1	2.6	3.5	4.0	4.8	5.3	5.6	5.8	5.7	7.4	7.0	8.7	9.9	9.9	9.8
Producer, in industry	CCPY	2.8	2.4	2.5	2.7	3.0	3.3	3.6	3.8	4.1	4.2	4.5	4.7	8.7	9.3	9.5	9.6
RETAIL TRADE[2]																	
Turnover	real, CMPY	7.7	12.5	8.1	6.8	9.6	8.0	7.5	11.7	12.7	14.4	12.3	6.3	6.6	6.5	10.0	.
Turnover	real, CCPY	7.7	10.1	9.4	8.8	9.0	8.8	8.6	9.0	9.4	9.9	10.1	9.7	6.6	6.6	7.7	.
FOREIGN TRADE[3][4][5]																	
Exports total (fob),cumulated	EUR mn	1722	3575	5593	7633	9710	11954	13968	16067	18486	20975	23583	25773	2184	4456	7125	.
Imports total (fob),cumulated	EUR mn	1769	3736	5939	8184	10428	12765	14903	17012	19501	22165	24878	27751	2420	4974	7759	.
Trade balance,cumulated	EUR mn	-48	-161	-346	-551	-717	-811	-935	-945	-1015	-1190	-1295	-1978	-237	-518	-634	.
Exports to EU-25 (fob), cumulated	EUR mn	1529	3180	4938	6671	8441	10280	12012	13747	15812	17955	20175	21987	1936	3910	.	.
Imports from EU-25 (fob)[6], cumulated	EUR mn	1228	2636	4200	5821	7465	9166	10712	12205	14033	15936	17851	19714	1523	3191	.	.
Trade balance with EU-25, cumulated	EUR mn	301	544	738	849	977	1114	1300	1542	1780	2020	2324	2274	413	719	.	.
FOREIGN FINANCE																	
Current account, cumulated[3]	EUR mn	-111	-90	-199	-364	-972	-1309	-1495	-1586	-1765	-1949	-2146	-3288	-311	-619	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	29.3	29.3	28.9	30.2	30.7	31.6	32.2	31.5	31.4	32.4	32.8	31.9	31.0	31.3	31.2	30.5
SKK/EUR, monthly average	nominal	38.6	38.1	38.2	39.2	39.0	38.5	38.8	38.7	38.5	38.9	38.7	37.9	37.5	37.4	37.5	37.4
SKK/USD, calculated with CPI[7]	real, Jan03=100	142.3	142.3	142.9	135.9	134.1	130.3	127.1	129.2	128.6	125.6	124.9	129.0	134.4	133.8	134.3	137.6
SKK/USD, calculated with PPI[7]	real, Jan03=100	128.5	128.6	129.3	123.3	122.9	120.6	117.5	120.3	117.8	112.0	114.0	117.0	123.5	124.8	126.3	128.3
SKK/EUR, calculated with CPI[7]	real, Jan03=100	115.4	117.0	115.9	112.8	113.0	114.7	113.3	113.5	114.0	113.7	114.3	116.7	120.5	121.2	120.7	121.2
SKK/EUR, calculated with PPI[7]	real, Jan03=100	111.7	113.3	112.9	110.6	111.9	114.1	113.5	114.4	115.1	113.8	116.7	118.5	120.4	122.1	122.3	123.3
DOMESTIC FINANCE																	
M0, end of period[8]	SKK bn	100.5	101.5	102.8	105.2	106.3	108.1	110.1	111.4	112.6	113.6	114.9	119.8	129.1	129.8	130.4	.
M1, end of period[8]	SKK bn	399.7	427.3	410.8	403.9	420.9	428.5	421.7	433.2	443.0	445.8	464.4	486.0	488.1	503.9	496.3	.
M2, end of period[8]	SKK bn	719.0	719.8	716.1	730.2	721.3	726.1	731.5	738.1	744.1	751.0	751.7	786.0	790.7	798.9	806.9	.
M2, end of period[8]	CMPY	6.4	5.8	7.6	8.3	9.0	6.5	5.9	5.9	6.1	7.3	6.4	7.4	10.0	11.0	12.7	.
Discount rate (p.a.),end of period[9]	%	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5
Discount rate (p.a.),end of period[9][10]	real, %	1.2	1.9	0.4	-0.5	-0.9	-1.7	-2.2	-2.5	-2.6	-2.5	-4.1	-3.7	-5.2	-6.3	-5.8	-5.8
BUDGET																	
Central gov.budget balance, cum.	SKK mn	4310	-1108	2799	6388	-3858	-1149	1922	-5065	-8107	-5115	-7553	-33886	12083	6347	157	180

1) Ratio of disposable number of registered unemployment calculated to t[...] .
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 more than 100 mean real appreciation.
8) According to ECB methodology.
9) Corresponding to the 2-week limit rate of NBS.
10) Deflated with annual PPI.

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	5.2	-1.9	-3.4	3.3	5.8	7.1	3.8	1.3	2.8	3.2	7.7	5.9	6.5	7.9	9.9	.
Industry, total[1]	real, CCPY	5.2	1.6	-0.2	0.6	1.7	2.6	2.8	2.6	2.7	2.7	3.2	3.4	6.5	7.2	8.2	.
Industry, total[1]	real, 3MMA	3.6	0.6	1.1	1.3	4.2	3.5	4.2	3.5	4.1	5.9	6.8	7.1	7.1	8.2	.	.
Construction, total[2]	real, CMPY	0.0	-13.2	2.3	9.3	16.9	13.2	1.8	-1.2	-4.7	-8.2	8.6	13.2	-3.9	7.7	1.0	.
LABOUR																	
Employment total	th. persons	805.6	807.4	809.5	812.2	814.8	816.1	813.5	812.7	816.1	817.5	818.3	813.6	812.5	814.1	817.3	.
Employees in industry	th. persons	241.1	240.8	240.7	240.5	240.9	240.4	239.2	238.3	238.1	238.3	238.1	235.8	235.1	.	.	.
Unemployment, end of period	th. persons	93.4	93.1	92.3	91.6	89.8	88.9	91.1	90.6	91.1	94.2	93.9	92.6	95.2	94.1	91.4	.
Unemployment rate[3]	%	10.4	10.3	10.2	10.1	9.9	9.8	10.1	10.0	10.0	10.3	10.3	10.2	10.5	10.4	10.3	.
Labour productivity, industry	CCPY	6.3	2.9	1.0	2.0	3.1	4.1	4.3	4.2	4.3	4.4	5.0	5.3	9.3	9.9	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	-0.7	2.2	4.3	3.2	2.6	1.5	1.1	1.4	1.4	1.3	1.3	0.4	-1.8	-2.7	.	.
WAGES, SALARIES[4]																	
Total economy, gross	th. SIT	267.5	262.9	271.7	269.4	271.8	271.7	271.4	279.0	277.4	279.5	314.0	290.5	281.6	277.4	285.7	.
Total economy, gross	real, CMPY	2.5	1.8	1.9	1.9	3.8	2.7	1.6	3.2	1.3	1.6	6.9	-1.5	2.8	3.2	3.2	.
Total economy, gross	USD	1466	1427	1497	1454	1442	1381	1364	1432	1420	1403	1545	1437	1423	1384	1432	.
Total economy, gross	EUR	1116	1097	1133	1124	1134	1134	1133	1165	1158	1167	1310	1213	1175	1158	1192	.
Industry, gross	EUR	988	959	1019	983	1008	998	993	1042	1028	1036	1221	1060	1061	1021	1078	.
PRICES																	
Consumer	PM	-0.6	0.6	1.1	0.0	0.3	0.1	0.7	-0.6	1.0	0.2	-0.5	0.0	-0.5	0.4	0.8	0.8
Consumer	CMPY	2.2	2.6	3.1	2.7	2.2	1.9	2.3	2.1	3.2	3.1	2.1	2.3	2.4	2.2	1.9	2.7
Consumer	CCPY	2.2	2.4	2.7	2.7	2.6	2.5	2.4	2.4	2.5	2.5	2.5	2.5	2.4	2.3	2.2	2.3
Producer, in industry	PM	0.4	0.3	0.0	0.3	-0.3	0.0	-0.2	0.3	0.3	0.2	0.1	0.4	-0.1	0.6	0.4	0.3
Producer, in industry	CMPY	4.8	4.1	3.8	3.6	2.6	2.4	2.0	2.1	1.9	1.8	1.8	1.8	1.3	1.6	2.0	2.0
Producer, in industry	CCPY	4.8	4.5	4.3	4.1	3.8	3.6	3.3	3.2	3.0	2.9	2.8	2.7	1.3	1.4	1.6	1.7
RETAIL TRADE																	
Turnover	real, CMPY	9.0	4.4	7.1	2.8	9.3	11.7	7.2	14.5	8.2	8.0	18.9	14.3	8.4	10.1	8.8	.
Turnover	real, CCPY	9.0	6.7	6.8	5.7	6.5	7.4	7.4	8.2	8.2	8.2	9.2	9.7	8.4	9.2	9.1	.
FOREIGN TRADE[5)6]																	
Exports total (fob), cumulated	EUR mn	1025	2073	3318	4514	5719	7012	8201	9184	10516	11802	13156	14314	1229	2485	3946	.
Imports total (cif), cumulated	EUR mn	1063	2224	3579	4845	6119	7466	8686	9877	11328	12703	14263	15728	1241	2605	4226	.
Trade balance total, cumulated	EUR mn	-38	-151	-261	-331	-400	-455	-485	-693	-812	-901	-1107	-1414	-12	-120	-280	.
Exports to EU-25 (fob), cumulated	EUR mn	743	1477	2314	3114	3953	4819	5623	6235	7123	7987	8901	9688	894	1784	2787	.
Imports from EU-25 (cif)[7], cumulated	EUR mn	824	1727	2780	3800	4908	6025	7087	8018	9205	10311	11514	12722	964	2014	3315	.
Trade balance with EU-25, cumulated	EUR mn	-82	-251	-466	-686	-955	-1205	-1464	-1783	-2082	-2324	-2613	-3034	-70	-229	-528	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	4	-53	-125	-166	-151	-87	-108	-38	-18	3	-92	-301	75	-20	-157	.
EXCHANGE RATE																	
SIT/USD, monthly average	nominal	182.5	184.2	181.5	185.3	188.5	196.7	198.9	194.9	195.3	199.3	203.2	202.2	197.9	200.4	199.5	195.9
SIT/EUR, monthly average	nominal	239.8	239.7	239.7	239.7	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6	239.6
SIT/USD, calculated with CPI[8]	real, Jan03=100	120.8	119.6	121.8	118.6	117.0	112.2	111.2	112.3	111.9	109.6	107.8	108.8	109.7	108.5	109.9	112.8
SIT/USD, calculated with PPI[8]	real, Jan03=100	114.7	113.5	113.6	110.6	108.8	104.5	101.7	103.4	100.5	96.3	95.8	97.1	98.1	99.1	99.9	102.0
SIT/EUR, calculated with CPI[8]	real, Jan03=100	98.1	98.3	98.8	98.5	98.6	98.6	99.2	98.5	99.1	99.1	98.7	98.4	98.1	98.3	98.7	99.5
SIT/EUR, calculated with PPI[8]	real, Jan03=100	99.9	99.8	99.2	99.2	99.1	98.8	98.3	98.2	98.0	97.8	98.1	98.4	97.6	97.9	97.8	98.1
DOMESTIC FINANCE																	
M0, end of period[9]	SIT bn	163.1	164.4	166.1	173.1	174.9	179.2	179.0	174.6	177.6	186.0	177.1	187.2	177.1	178.1	178.9	.
M1, end of period[9]	SIT bn	1003.9	1006.1	1012.3	1032.2	1054.8	1074.7	1057.4	1051.6	1068.4	1079.1	1073.4	1151.4	1112.5	1106.5	1140.9	.
Broad money, end of period[9]	SIT bn	4068.8	4063.3	4094.6	4140.4	4070.3	4031.2	4048.1	4088.3	4155.8	4164.5	4248.9	4258.2	4338.0	4304.7	4324.8	.
Broad money, end of period[9]	CMPY	7.5	7.1	8.0	8.2	6.4	4.6	4.3	5.5	6.1	7.5	8.0	5.5	6.6	5.9	5.6	.
Refinancing rate (p.a.),end of period	%	3.25	3.25	3.25	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.50	3.25	3.25
Refinancing rate (p.a.),end of period[10]	real, %	-1.5	-0.8	-0.5	-0.1	0.9	1.1	1.5	1.4	1.6	1.7	1.7	1.9	2.4	1.9	1.2	1.2
BUDGET																	
General gov.budget balance, cum.	SIT bn	-3.8	-16.6	-34.9	-53.3	-70.3	-84.7	-82.1	-62.3	-47.5	-49.9	-36.9	-71.8	16.1	-18.0	.	.

1) Data in 2005 according to new methodology introduced in July 2005.
2) Effective working hours, construction put in place of enterprises with 20 and more persons employed.
3) Ratio of unemployed to the economically active.
4) Break 2004/2005 - until December 2004 without small privat enterprises (with 1 or 2 employees).
5) Based on cumulated national currency and converted with the average exchange rate.
6) Cumulation starting January and ending December each year.
7) According to country of dispatch.
8) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
9) According to ECB monetary standards..
10) Deflated with annual PPI.

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	8.1	4.7	6.9	9.3	6.5	6.2	7.0	6.5	1.7	9.2	7.8	6.3	7.6	8.9	4.7	.
Industry, total[1]	real, CCPY	8.1	6.4	6.6	7.3	7.1	6.9	7.0	6.9	6.3	6.6	6.7	6.7	7.6	8.3	6.9	.
Industry, total	real, 3MMA	10.8	6.6	7.0	7.6	7.3	6.6	6.6	5.0	5.8	6.3	7.7	7.2	7.5	6.9	.	.
LABOUR																	
Employees total	th. persons	2188	2197	2214	2237	2247	2264	2285	2279	2266	2260	2261	2234	2201	2213	2237	.
Employees in industry	th. persons	718	718	719	722	720	718	720	719	715	714	713	708	699	701	702	.
Unemployment, end of period	th. persons	486.4	485.5	471.3	449.7	427.2	411.6	405.5	399.0	388.5	386.5	383.9	397.3	432.3	426.2	401.5	378.9
Unemployment rate[2]	%	13.1	13.1	12.7	12.1	11.5	11.1	10.9	10.8	10.5	10.4	10.4	10.7	11.7	11.5	10.8	10.2
Labour productivity, industry[1]	CCPY	3.1	1.8	2.0	2.5	2.4	2.2	2.2	2.2	1.7	2.0	2.0	2.0	10.6	11.1	9.7	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	0.8	1.7	0.1	-0.4	0.3	1.3	2.0	2.3	3.1	3.4	3.5	4.0	9.2	9.5	9.4	.
WAGES, SALARIES																	
Total economy, gross	BGN	294	293	310	310	319	314	317	310	324	317	321	340	324	322	340	.
Total economy, gross	real, CMPY	2.7	1.8	2.5	2.8	3.4	3.4	3.4	1.5	1.4	0.5	-0.9	-0.2	3.4	1.0	0.9	.
Total economy, gross	USD	197	195	209	205	207	195	195	195	203	195	193	206	201	197	209	.
Total economy, gross	EUR	150	150	159	159	163	161	162	159	166	162	164	174	166	165	174	.
Industry, gross	EUR	153	153	164	160	162	168	164	162	170	168	166	175	167	168	179	.
PRICES																	
Consumer	PM	0.7	0.9	0.3	1.1	-0.5	-1.3	0.1	0.6	1.4	1.2	1.0	0.8	0.8	3.0	0.3	0.4
Consumer	CMPY	3.3	3.9	4.3	5.1	4.6	5.1	3.9	5.0	5.4	6.5	6.9	6.5	6.6	8.7	8.7	8.1
Consumer	CCPY	3.3	3.6	3.8	4.2	4.2	4.4	4.3	4.4	4.5	4.7	4.9	5.0	6.6	7.6	8.0	8.0
Producer, in industry[1]	PM	0.4	0.8	2.4	1.1	-0.6	0.7	1.1	0.2	1.3	0.8	0.5	0.7	-0.6	1.9	0.7	.
Producer, in industry[1]	CMPY	4.7	6.4	7.5	7.7	5.9	7.2	6.6	6.6	7.0	6.3	7.7	9.8	8.7	9.9	8.1	.
Producer, in industry[1]	CCPY	4.7	5.6	6.2	6.6	6.5	6.6	6.6	6.6	6.6	6.6	6.7	7.0	8.7	9.3	8.9	.
FOREIGN TRADE[3)4)]																	
Exports total (fob), cumulated	EUR mn	640	1288	2081	2828	3565	4386	5245	6027	6800	7716	8596	9454	816	1692	2667	.
Imports total (cif), cumulated	EUR mn	908	1839	2962	4075	5301	6592	7864	9137	10404	11831	13290	14682	1233	2457	3933	.
Trade balance, cumulated	EUR mn	-268	-551	-881	-1247	-1736	-2206	-2618	-3110	-3604	-4115	-4694	-5228	-418	-764	-1266	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	-229	-370	-551	-790	-1010	-1116	-1136	-1174	-1346	-1685	-2111	-2531	-437	-665	-1052	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	1.491	1.503	1.482	1.512	1.543	1.608	1.625	1.591	1.597	1.628	1.660	1.650	1.614	1.638	1.627	1.597
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI[6]	real, Jan03=100	129.3	128.6	129.8	127.9	124.8	118.1	116.5	119.1	119.0	117.8	117.6	119.8	122.5	124.0	125.2	128.1
BGN/USD, calculated with PPI[6]	real, Jan03=100	119.4	118.9	121.8	119.6	116.9	113.3	111.7	113.5	111.2	107.3	107.3	109.1	109.8	112.0	113.6	.
BGN/EUR, calculated with CPI[6]	real, Jan03=100	105.3	105.8	105.6	106.3	105.6	104.2	104.2	104.6	105.7	106.7	107.9	108.5	109.6	112.6	112.5	113.0
BGN/EUR, calculated with PPI[6]	real, Jan03=100	104.3	104.8	106.5	107.4	106.9	107.4	108.2	108.0	108.9	109.3	110.1	110.7	109.2	110.9	111.3	.
DOMESTIC FINANCE																	
M0, end of period[7]	BGN mn	4442	4414	4487	4652	4756	4848	5058	5147	5213	5134	5096	5396	5092	5080	5113	5188
M1, end of period[7]	BGN mn	10045	10201	11331	10552	10790	11167	11494	11713	11566	11792	11729	12443	11840	12058	12371	12413
Broad money, end of period[7]	BGN mn	20520	20739	23205	22004	22440	22778	23211	23663	23746	23939	24010	25260	24633	25125	25558	25780
Broad money, end of period	CMPY	24.2	23.9	38.1	28.0	29.0	25.4	26.4	29.0	26.6	27.0	27.3	23.9	20.0	21.1	10.1	17.2
BNB base rate (p.a.),end of period	%	2.5	1.9	1.9	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.3	2.3	.
BNB base rate (p.a.),end of period[8]	real, %	-2.2	-4.3	-5.2	-5.3	-3.6	-4.7	-4.3	-4.3	-4.6	-4.0	-5.2	-7.0	-5.9	-6.9	-5.3	.
BUDGET																	
Central gov.budget balance,cum.	BGN mn	49.2	45.9	400.9	623.6	926.7	1007.7	1001.5	1198.9	1339.3	1488.3	1611.8	1333.9	137.0	457.7	619.9	.

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

2) Ratio of unemployed to the economically active.

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

4) Cumulation starting January and ending December each year.

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

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

7) According to ECB methodology.

8) Deflated with annual PPI.

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	9.2	4.1	4.4	9.0	-4.0	-0.7	-6.2	2.3	2.7	1.7	1.6	2.2	5.0	4.2	4.3	.
Industry, total[1]	real, CCPY	9.2	6.5	5.7	6.6	4.3	3.4	1.9	1.9	2.0	2.0	2.0	2.0	5.0	4.6	4.5	.
Industry, total	real, 3MMA	8.5	5.7	5.8	2.9	1.2	-3.7	-1.6	-0.5	2.2	2.0	1.8	2.8	3.8	4.5	.	.
LABOUR																	
Employees total	th. persons	4450.8	4500.7	4535.7	4551.0	4560.3	4577.8	4567.5	4563.2	4554.6	4538.0	4537.6	4501.2	4556.2	4565.6	4582.0	.
Employees in industry	th. persons	1745.4	1757.0	1749.4	1740.0	1731.5	1722.2	1712.6	1699.4	1690.3	1680.6	1670.7	1652.3	1684.0	1680.8	1678.5	.
Unemployment, end of period	th. persons	562.7	558.6	537.8	511.3	495.9	488.8	489.3	499.0	493.8	499.7	504.8	523.0	548.0	554.6	545.9	.
Unemployment rate[2]	%	6.3	6.2	6.0	5.7	5.5	5.5	5.5	5.6	5.5	5.7	5.7	5.9	6.2	6.3	6.2	.
Labour productivity, industry	CCPY	11.4	8.4	7.6	8.2	6.1	5.4	4.3	4.5	4.8	5.0	5.2	5.4	8.8	8.6	8.4	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	15.1	17.6	17.4	17.2	20.4	22.0	24.0	24.8	25.0	25.1	24.6	24.0	9.9	10.2	12.0	.
WAGES, SALARIES																	
Total economy, gross	RON	951.5	874.9	920.3	973.0	941.7	943.6	957.0	963.0	965.0	974.0	1017.0	1121.0	1100.0	1017.0	1101.0	.
Total economy, gross	real, CMPY	9.1	7.3	5.0	6.6	6.9	7.1	7.7	9.2	8.3	7.4	7.8	6.0	6.2	7.1	10.4	.
Total economy, gross	USD	327	310	334	347	330	318	323	338	337	325	328	364	366	343	377	.
Total economy, gross	EUR	249	238	253	268	260	261	268	275	275	271	278	306	302	287	314	.
Industry, gross	EUR	219	224	243	255	254	256	265	274	277	262	268	296	262	268	302	.
PRICES																	
Consumer	PM	0.8	0.6	0.3	1.8	0.3	0.3	1.0	0.1	0.6	0.9	1.2	0.5	1.0	0.2	0.2	0.4
Consumer	CMPY	8.9	8.9	8.7	10.0	10.0	9.7	9.3	8.9	8.5	8.1	8.7	8.6	8.9	8.5	8.4	6.9
Consumer	CCPY	8.9	8.9	8.8	9.1	9.3	9.4	9.4	9.3	9.2	9.1	9.0	9.0	8.9	8.7	8.6	8.2
Producer, in industry	PM	1.2	-0.6	0.8	2.5	0.5	0.2	0.7	1.2	0.7	1.7	0.7	-0.1	1.4	1.1	0.4	.
Producer, in industry	CMPY	14.6	12.8	12.6	12.3	11.4	10.4	9.3	8.8	8.1	8.2	8.8	9.6	9.8	12.0	11.3	.
Producer, in industry	CCPY	14.6	13.7	13.3	13.1	12.7	12.3	11.9	11.5	11.1	10.8	10.6	10.5	9.8	10.7	10.9	.
RETAIL TRADE																	
Turnover	real, CMPY	13.1	25.3	18.7	24.1	14.8	14.2	14.2	22.6	11.7	9.2	12.4	30.3	25.4	26.7	20.2	.
Turnover	real, CCPY	13.1	19.2	19.0	20.3	19.2	18.4	17.5	18.2	17.4	16.5	16.0	17.6	25.4	26.0	23.8	.
FOREIGN TRADE[3]																	
Exports total (fob), cumulated	EUR mn	1514	3163	5095	6889	8663	10527	12530	14394	16466	18407	20436	22255	1774	3881	6213	.
Imports total (cif), cumulated	EUR mn	1897	4063	6669	9223	11899	14740	17521	20220	23066	26144	29462	32569	2420	5284	8567	.
Trade balance, cumulated	EUR mn	-383	-900	-1575	-2333	-3236	-4213	-4990	-5826	-6600	-7737	-9025	-10313	-646	-1404	-2354	.
Exports to EU-25 (fob), cumulated	EUR mn	1113	2298	3581	4799	5969	7275	8590	9745	11153	12477	13935	15043	1237	2681	4256	.
Imports from EU-25 (cif), cumulated	EUR mn	1182	2558	4140	5767	7495	9288	11025	12611	14366	16340	18417	20251	1456	3142	5160	.
Trade balance with EU-25, cumulated	EUR mn	-69	-260	-558	-968	-1526	-2013	-2436	-2866	-3213	-3863	-4482	-5208	-219	-462	-904	.
FOREIGN FINANCE																	
Current account, cumulated	EUR mn	-229	-564	-980	-1391	-2178	-2872	-2952	-3248	-4363	-4891	-6023	-6891	-391	-1018	-1564	.
EXCHANGE RATE																	
RON/USD, monthly average	nominal	2.908	2.824	2.757	2.804	2.851	2.969	2.961	2.851	2.865	2.993	3.097	3.084	3.006	2.963	2.918	2.849
RON/EUR, monthly average	nominal	3.818	3.676	3.634	3.629	3.618	3.614	3.566	3.506	3.513	3.653	3.653	3.659	3.645	3.540	3.507	3.491
RON/USD, calculated with CPI[4]	real, Jan03=100	135.9	139.9	142.7	141.9	140.2	134.8	136.0	140.7	139.3	134.2	132.3	134.1	137.8	139.9	142.4	146.4
RON/USD, calculated with PPI[4]	real, Jan03=100	141.0	143.7	146.4	146.2	145.1	139.9	139.3	145.4	141.5	134.4	132.6	133.6	137.6	143.4	146.2	.
RON/EUR, calculated with CPI[4]	real, Jan03=100	110.8	115.3	116.4	118.2	118.7	119.1	121.8	123.8	123.9	121.8	121.5	121.6	123.5	127.1	128.2	129.3
RON/EUR, calculated with PPI[4]	real, Jan03=100	123.4	126.9	128.5	131.4	132.8	132.8	135.1	138.5	138.6	137.0	136.2	135.7	137.1	142.2	143.5	.
DOMESTIC FINANCE																	
M0, end of period	RON mn	7239	7658	7786	8750	8689	9582	9790	9985	10341	10258	10348	11386	10977	11165	11480	.
M1, end of period	RON mn	14241	14777	15465	16376	17146	18495	19162	20456	20964	21289	21133	24550	23560	23508	23843	.
M2, end of period	RON mn	63122	65213	67957	69096	71966	74200	74080	76745	80152	81098	81402	86332	85727	85677	87528	.
M2, end of period	CMPY	39.6	42.2	41.1	43.9	46.7	46.5	41.1	39.9	41.3	41.3	43.1	33.9	35.8	31.4	28.8	.
Discount rate (p.a.),end of period[5]	%	17.3	15.7	10.8	8.4	8.0	8.0	8.0	8.0	8.3	7.7	7.5	7.5	7.5	7.5	8.5	8.5
Discount rate (p.a.),end of period[5][6]	real, %	2.4	2.6	-1.6	-3.4	-3.1	-2.2	-1.2	-0.7	0.1	-0.4	-1.2	-1.9	-2.1	-4.0	-2.5	.
BUDGET																	
Central gov.budget balance, cum.	RON mn	82.0	-521.9	-673.4	-5.5	-235.2	-725.9	-255.6	50.7	403.0	1363.8	653.2	-2182.9	850.9	851.4	472.6	.

Note: On 1 July 2005, the new Romania leu was introduced (**1 RON = 10000 ROL**). Data in this table are presented in new leu RON.

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

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	6.4	-1.5	-2.9	6.3	8.3	12.3	5.4	4.7	6.0	7.2	6.4	3.1	5.9	7.3	6.0	-3.2
Industry, total[1]	real, CCPY	6.4	2.2	0.3	1.9	3.2	4.8	4.9	4.9	5.0	5.2	5.3	5.1	5.9	6.6	6.4	3.7
Industry, total[1]	real, 3MMA	4.8	0.3	0.6	3.8	9.0	8.7	7.5	5.4	6.0	6.5	5.5	5.0	5.3	6.4	3.1	.
Construction, total,effect.work.time[1]	real, CMPY	-0.9	-11.0	-6.9	-6.6	-6.7	-3.6	-3.6	5.5	5.6	8.8	8.0	4.4	13.3	17.1	.	.
LABOUR																	
Employment total	th. persons	1387.6	1396.8	1400.6	1407.4	1420.1	1434.2	1444.5	1446.3	1436.9	1429.7	1425.4	1417.2	1406.6	1403.8	1406.7	.
Employees in industry	th. persons	277.9	278.4	278.7	279.1	279.7	279.4	279.6	279.5	278.5	279.4	279.1	277.4	273.1	274.6	274.8	.
Unemployment, end of period	th. persons	326.9	330.2	329.0	320.3	308.3	297.6	293.2	291.0	294.3	300.6	305.5	307.9	314.2	313.6	311.3	302.4
Unemployment rate[2]	%	19.1	19.1	19.0	18.5	17.8	17.2	16.9	16.8	17.0	17.4	17.7	17.8	18.3	18.3	18.1	17.8
Labour productivity, industry[1]	CCPY	5.0	0.7	-1.2	0.3	1.6	3.1	3.2	3.3	3.4	3.6	3.7	3.5	5.2	6.8	7.0	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	1.4	6.6	8.3	6.3	5.3	3.5	2.9	3.0	2.8	2.8	2.9	3.1	4.3	2.6	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	6013	5965	6280	6112	6358	6348	6199	6306	6202	6184	6588	6409	6386	6326	.	.
Total economy, gross	real, CMPY	0.7	1.1	1.4	-0.4	3.2	1.4	-0.5	2.0	0.8	0.4	1.1	0.8	2.2	2.4	.	.
Total economy, gross	USD	1047	1032	1111	1069	1104	1057	1023	1055	1025	1008	1054	1028	1046	1032	.	.
Total economy, gross	EUR	795	794	842	826	868	868	849	858	835	837	893	867	866	863	.	.
Industry, gross	EUR	725	726	775	758	800	795	780	797	783	768	833	796	795	797	.	.
PRICES																	
Consumer	PM	0.4	1.1	0.7	-0.2	0.0	-0.1	-0.2	0.1	0.5	0.7	0.2	0.5	0.6	0.8	0.1	0.2
Consumer	CMPY	2.7	3.3	3.9	3.5	2.8	2.9	3.1	3.1	3.8	4.1	3.8	3.6	3.9	3.6	3.0	3.5
Consumer	CCPY	2.7	3.0	3.3	3.4	3.2	3.2	3.2	3.2	3.2	3.3	3.4	3.3	3.9	3.8	3.5	3.5
Producer, in industry	PM	0.0	0.3	0.3	0.3	0.1	-0.2	0.8	0.1	0.8	0.5	0.0	-0.3	0.5	0.7	0.3	0.1
Producer, in industry	CMPY	4.4	5.1	5.1	4.5	2.3	2.4	2.3	1.5	2.1	1.8	2.3	2.7	3.2	3.6	3.6	3.4
Producer, in industry	CCPY	4.4	4.7	4.8	4.8	4.3	4.0	3.7	3.4	3.2	3.1	3.0	3.0	3.2	3.4	3.5	3.4
RETAIL TRADE																	
Turnover	real, CMPY	1.1	-3.3	3.5	2.0	6.6	7.3	2.0	5.1	3.6	1.7	2.0	2.9	3.6	5.3	0.3	.
Turnover	real, CCPY	1.1	-1.2	0.7	1.1	2.3	3.2	3.0	3.4	3.3	3.1	3.1	3.2	3.6	4.4	1.7	.
FOREIGN TRADE[3)4]																	
Exports total (fob), cumulated	EUR mn	439	962	1492	2127	2677	3334	3919	4494	5166	5737	6407	7092	605	1191	1950	.
Imports total (cif), cumulated	EUR mn	856	1822	3093	4401	5706	7136	8417	9600	10914	12346	13656	14922	1134	2425	3936	.
Trade balance, cumulated	EUR mn	-417	-860	-1601	-2274	-3028	-3802	-4498	-5106	-5748	-6609	-7249	-7830	-529	-1234	-1986	.
Exports to EU-25 (fob), cumulated	EUR mn	313	653	969	1347	1726	2134	2493	2856	3242	3599	4021	4399	392	794	1291	.
Imports from EU-25 (cif), cumulated	EUR mn	520	1184	2021	2898	3764	4695	5574	6315	7168	8043	8935	9794	643	1474	2449	.
Trade balance with EU-25, cumulated	EUR mn	-207	-531	-1052	-1551	-2039	-2561	-3081	-3460	-3927	-4444	-4914	-5395	-251	-680	-1158	.
FOREIGN FINANCE																	
Current account, cumulated[5]	EUR mn	.	.	-1542	.	.	-2696	.	.	-434	.	.	-1964	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	5.741	5.780	5.653	5.717	5.759	6.007	6.062	5.975	6.052	6.136	6.252	6.234	6.102	6.129	6.098	5.974
HRK/EUR, monthly average	nominal	7.564	7.517	7.460	7.395	7.327	7.313	7.305	7.348	7.432	7.386	7.375	7.389	7.378	7.327	7.325	7.313
HRK/USD, calculated with CPI[6]	real, Jan03=100	122.6	122.4	125.0	122.6	121.9	116.6	114.8	116.1	113.9	112.8	111.8	113.1	115.4	115.5	116.2	118.9
HRK/USD, calculated with PPI[6]	real, Jan03=100	116.3	115.4	116.7	114.7	114.4	109.7	108.1	109.0	105.3	101.8	101.4	101.8	103.4	105.4	106.3	108.6
HRK/EUR, calculated with CPI[6]	real, Jan03=100	99.1	100.5	101.4	101.7	102.5	102.5	102.3	101.6	100.6	101.7	102.2	102.2	103.2	104.5	104.2	104.6
HRK/EUR, calculated with PPI[6]	real, Jan03=100	100.9	101.4	101.8	102.7	104.0	103.6	104.3	103.4	102.5	103.2	103.6	103.0	102.8	104.0	103.9	104.2
DOMESTIC FINANCE																	
M0, end of period	HRK bn	10.8	10.9	11.1	11.4	11.5	12.2	13.1	12.7	12.2	11.9	11.7	12.2	11.7	11.8	12.1	.
M1, end of period	HRK bn	34.9	34.4	34.5	34.8	36.0	36.7	38.3	37.8	36.7	37.1	37.2	38.8	37.2	37.2	38.2	.
Broad money, end of period	HRK bn	138.9	138.9	138.0	137.9	140.6	142.6	145.6	151.1	151.6	152.5	154.7	154.6	152.0	151.7	153.6	.
Broad money, end of period	CMPY	7.8	8.6	9.7	7.8	10.3	10.1	9.4	10.4	9.3	10.2	10.8	10.5	9.4	9.3	11.3	.
Discount rate (p.a.),end of period	%	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Discount rate (p.a.),end of period[7]	real, %	0.1	-0.6	-0.6	0.0	2.2	2.1	2.2	3.0	2.4	2.7	2.2	1.8	1.3	0.9	0.9	1.1
BUDGET																	
Central gov. budget balance, cum.[8]	HRK mn	-1691	-3460	-6135	-6276	-6732	-6784	-7603	-6557	-5995	-6994	-6936	-6874	-883	-1742	-2803	.

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

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total[1]	real, CMPY	1.6	4.1	3.8	3.7	1.1	6.1	4.0	3.1	5.1	3.8	6.1	4.9	4.4	1.0	4.1	4.8
Industry, total[1]	real, CCPY	1.6	2.9	3.2	3.3	2.8	3.4	3.5	3.4	3.6	3.6	3.9	4.0	4.4	2.7	3.1	3.6
Industry, total[1]	real, 3MMA	3.4	3.2	3.9	2.8	3.6	3.7	4.4	4.1	4.0	5.0	4.9	5.2	3.4	3.1	3.3	.
Construction, total	real, CMPY	5.9	4.6	4.7	6.1	5.3	7.4	12.9	11.6	10.4	13.6	16.2	15.6	-7.5	-3.5	10.7	12.1
LABOUR[2]																	
Employment total	th. persons	67000	66900	67300	67800	68300	68600	68900	69300	69100	68900	68700	68600	68400	68200	68300	.
Unemployment, end of period	th. persons	6080	6056	5820	5610	5406	5400	5397	5395	5444	5491	5543	5660	5776	5893	5712	5538
Unemployment rate	%	8.3	8.3	8.0	7.6	7.3	7.3	7.3	7.2	7.3	7.4	7.5	7.6	7.8	8.0	7.7	7.5
WAGES, SALARIES																	
Total economy, gross	RUB	7346	7465	8093	8002	8089	8637	8651	8616	8829	8701	8931	11319	9016	9255	9914	9963
Total economy, gross	real, CMPY	10.0	7.8	11.1	9.4	9.2	8.8	9.8	11.6	13.7	12.8	14.0	16.0	10.9	11.5	10.7	13.3
Total economy, gross	USD	262	267	293	288	289	303	301	303	311	305	311	393	319	328	356	361
Total economy, gross	EUR	200	205	222	222	228	249	250	246	254	253	263	331	263	274	296	295
Industry, gross[3]	EUR	199	205	217	224	229	245	251	251	252	259	266	302	257	263	286	.
PRICES																	
Consumer	PM	2.6	1.2	1.3	1.1	0.8	0.6	0.5	-0.1	0.3	0.6	0.7	0.8	2.4	1.7	0.8	0.4
Consumer	CMPY	12.6	12.8	13.3	13.4	13.6	13.3	12.9	12.3	12.2	11.7	11.2	10.9	10.7	11.2	10.7	9.9
Consumer	CCPY	12.6	12.7	12.9	13.0	13.1	13.2	13.1	13.0	12.9	12.8	12.7	12.5	10.7	10.9	10.8	10.6
Producer, in industry	PM	0.5	1.3	2.5	2.5	2.7	0.1	0.5	2.0	2.8	0.9	-0.9	-2.1	0.5	3.3	2.1	0.6
Producer, in industry	CMPY	24.6	22.0	23.5	24.0	24.7	21.4	20.6	20.8	20.5	19.4	16.0	13.4	13.4	15.6	15.1	13.0
Producer, in industry	CCPY	24.6	23.3	23.3	23.5	23.8	23.4	22.9	22.6	22.4	22.1	21.4	20.7	13.4	14.5	14.7	14.3
RETAIL TRADE																	
Turnover[4]	real, CMPY	10.1	10.6	10.8	13.5	14.4	13.6	12.8	13.1	13.8	12.9	12.2	14.8	10.5	9.6	10.4	10.6
Turnover[4]	real, CCPY	10.1	10.3	10.5	11.3	11.9	12.2	12.3	12.4	12.6	12.6	12.6	12.8	10.5	10.1	10.2	10.3
FOREIGN TRADE[5)6)7]																	
Exports total, cumulated	EUR mn	10803	23253	38274	53627	69547	85395	103059	120528	138178	156521	175258	195673	17292	35829	56088	.
Imports total, cumulated	EUR mn	5333	11838	19572	27057	34619	42848	51758	60475	69270	78796	89135	100663	7229	15722	25993	.
Trade balance, cumulated	EUR mn	5470	11415	18702	26570	34928	42547	51301	60053	68909	77725	86124	95010	10064	20106	30095	.
FOREIGN FINANCE																	
Current account, cumulated[8]	EUR mn	.	.	15461	.	.	33281	.	.	49473	.	.	67695	.	.	23250	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	28.009	27.995	27.626	27.810	27.951	28.498	28.694	28.480	28.380	28.563	28.763	28.805	28.228	28.195	27.874	27.564
RUB/EUR, monthly average	nominal	36.719	36.381	36.470	35.993	35.485	34.725	34.568	35.015	34.808	34.338	33.951	34.162	34.293	33.733	33.492	33.767
RUB/USD, calculated with CPI[9]	real, Jan03=100	135.6	136.4	138.9	138.7	139.3	137.3	136.5	136.7	136.1	135.6	136.7	138.1	143.2	145.5	148.4	150.6
RUB/USD, calculated with PPI[9]	real, Jan03=100	148.1	149.5	153.2	154.6	158.6	156.0	153.6	156.7	157.0	153.5	153.2	150.4	152.7	160.5	165.7	168.6
RUB/EUR, calculated with CPI[9]	real, Jan03=100	110.5	112.4	113.0	115.4	117.7	120.9	122.0	120.1	120.7	122.9	125.3	125.1	127.9	131.9	133.4	132.9
RUB/EUR, calculated with PPI[9]	real, Jan03=100	129.6	132.0	134.0	138.8	144.8	147.7	148.7	149.1	153.5	156.3	157.0	152.6	151.6	158.7	162.5	162.2
DOMESTIC FINANCE																	
M0, end of period	RUB bn	1425.2	1444.1	1481.7	1565.8	1582.3	1650.7	1701.8	1703.3	1740.7	1752.0	1765.8	2009.2	1875.6	1890.1	1928.8	.
M1, end of period	RUB bn	2673.0	2757.1	2859.6	2906.3	2965.6	3144.3	3162.5	3240.8	3371.9	3340.1	3413.2	3858.5	3662.0	3686.7	3855.9	.
M2, end of period	RUB bn	5184.8	5344.4	5499.6	5594.0	5743.0	6015.9	6087.4	6286.5	6458.4	6482.7	6604.8	7221.1	7035.6	7155.7	7392.9	.
M2, end of period	CMPY	31.4	30.6	31.2	29.1	31.5	32.4	33.8	37.6	39.3	37.0	35.7	36.3	35.7	33.9	34.4	.
Refinancing rate (p.a.),end of period	%	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0
Refinancing rate (p.a.),end of period[10]	real, %	-9.3	-7.4	-8.5	-8.9	-9.4	-7.0	-6.3	-6.5	-6.2	-5.3	-2.6	-1.3	-1.3	-3.1	-2.7	-0.9
BUDGET																	
Central gov.budget balance, cum.	RUB bn	206.2	304.4	525.3	621.4	738.2	942.2	1036.5	1172.9	1162.0	1429.6	1636.7	1612.9	221.7	390.8	.	.

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

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

(updated end of May 2006)

		2005 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan	Feb	Mar	Apr
PRODUCTION																	
Industry, total	real, CMPY	8.4	5.6	6.6	5.1	4.3	-0.9	-2.4	0.9	0.9	2.4	2.0	5.3	-2.9	1.5	1.3	0.5
Industry, total	real, CCPY	8.4	7.3	7.1	6.7	6.2	5.0	3.9	3.5	3.2	3.1	2.9	3.1	-2.9	-0.6	0.2	0.4
Industry, total	real, 3MMA	6.1	6.9	5.8	5.3	2.8	0.3	-0.8	-0.2	1.4	1.8	3.2	1.5	1.3	0.0	1.1	.
LABOUR																	
Employees[1]	th. persons	11206	11248	11315	11332	11319	11339	11371	11361	11361	11357	11306	11220	11245	11296	11352	11378
Employees in industry[1]	th. persons	3401	3413	3428	3421	3410	3408	3413	3410	3407	3407	3394	3368	3374	3380	3380	3367
Unemployment, end of period	th. persons	992.2	1019.0	1018.4	986.7	918.6	858.3	825.4	800.4	780.6	762.9	809.7	881.5	899.9	923.8	913.7	868.7
Unemployment rate[2]	%	3.5	3.6	3.6	3.5	3.3	3.0	2.9	2.8	2.8	2.7	2.9	3.1	3.2	3.3	3.2	3.1
Labour productivity, industry[1]	CCPY	8.2	6.9	6.5	6.1	5.6	4.4	3.4	3.1	2.9	2.8	2.7	3.0	-2.1	0.3	1.3	1.6
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	11.7	14.1	14.0	14.9	17.0	20.2	23.2	24.9	26.1	27.2	29.1	30.6	50.8	47.2	46.3	42.2
WAGES, SALARIES [1]																	
Total economy, gross	UAH	641	667	722	734	764	823	837	831	856	882	897	1020	865	905	987	984
Total economy, gross	real, CMPY	13.9	15.4	15.5	16.8	20.2	19.6	20.0	19.7	19.2	23.3	24.3	31.3	22.9	22.6	25.8	24.9
Total economy, gross	USD	121	126	136	141	151	163	166	165	170	175	178	202	171	179	195	195
Total economy, gross	EUR	92	97	103	109	119	134	138	134	138	145	150	170	142	150	163	159
Industry, gross	EUR	117	120	130	135	144	156	163	165	166	171	177	188	173	177	194	182
PRICES																	
Consumer	PM	1.7	1.0	1.6	0.7	0.6	0.6	0.3	0.0	0.4	0.9	1.2	0.9	1.2	1.8	-0.3	-0.4
Consumer	CMPY	12.6	13.3	14.7	14.7	14.6	14.4	14.8	14.9	13.9	12.4	12.0	10.3	9.8	10.7	8.6	7.4
Consumer	CCPY	12.6	13.0	13.5	13.8	14.0	14.1	14.2	14.3	14.2	14.0	13.8	13.5	9.8	10.2	9.7	9.1
Producer, in industry	PM	0.2	2.7	1.9	2.5	1.6	-0.8	-1.6	0.7	1.9	0.0	-0.1	0.3	1.2	0.3	0.4	1.4
Producer, in industry	CMPY	22.6	22.4	22.0	21.1	20.5	17.7	15.7	14.7	14.7	12.9	10.4	9.6	10.7	8.1	6.5	5.4
Producer, in industry	CCPY	22.6	22.5	22.3	22.0	21.7	21.0	20.2	19.5	18.9	18.3	17.5	16.8	10.7	9.4	8.4	7.6
RETAIL TRADE																	
Turnover[3]	real, CCPY	21.2	20.3	18.6	19.2	20.4	21.1	21.8	23.0	23.1	22.4	22.4	23.0	31.3	28.4	26.5	27.4
FOREIGN TRADE[4)5)]																	
Exports total (fob), cumulated	EUR mn	1896	3925	6372	8714	10909	13174	15436	17693	19998	22430	24909	27545	1933	4041	6645	.
Imports total (cif), cumulated	EUR mn	1376	3223	5716	8103	10298	12877	15343	17986	20591	23243	25981	29034	2241	4895	8116	.
Trade balance, cumulated	EUR mn	519	702	655	611	612	297	93	-293	-592	-813	-1072	-1490	-309	-854	-1472	.
FOREIGN FINANCE																	
Current account, cumulated[6]	EUR mn	.	.	1221	.	.	1727	.	.	2076	.	.	2030	.	.	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.305	5.300	5.292	5.190	5.050	5.055	5.053	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050	5.050
UAH/EUR, monthly average	nominal	6.990	6.894	6.983	6.714	6.422	6.151	6.090	6.208	6.200	6.070	5.961	5.983	6.101	6.037	6.064	6.180
UAH/USD, calculated with CPI[7]	real, Jan03=100	116.6	117.2	118.3	120.7	125.0	125.5	125.4	124.8	124.0	124.7	127.2	128.9	129.4	131.5	131.1	130.5
UAH/USD, calculated with PPI[7]	real, Jan03=100	124.0	126.9	127.7	132.3	138.7	137.7	133.7	133.8	132.4	129.1	130.8	131.8	132.0	134.6	135.1	137.0
UAH/EUR, calculated with CPI[7]	real, Jan03=100	94.2	96.1	95.9	100.1	105.1	110.2	111.6	109.3	109.5	112.6	116.1	116.4	115.8	118.8	117.5	114.8
UAH/EUR, calculated with PPI[7]	real, Jan03=100	107.5	111.5	111.4	118.4	126.0	130.1	128.9	126.9	128.8	131.0	133.6	133.3	131.3	132.7	132.1	131.4
DOMESTIC FINANCE																	
M0, end of period	UAH bn	40.6	41.8	43.1	47.6	47.9	51.3	53.8	53.8	55.5	54.9	55.1	60.2	56.8	57.0	58.6	61.0
M1, end of period	UAH bn	64.9	67.1	73.5	76.2	77.6	83.8	84.8	85.5	90.1	88.7	92.7	98.6	92.1	93.6	96.2	97.5
Broad money, end of period	UAH bn	125.8	130.9	140.1	146.5	147.9	156.3	159.1	164.8	171.0	174.8	180.1	194.1	188.8	191.3	195.3	201.2
Broad money, end of period	CMPY	35.8	36.3	38.5	39.4	35.1	37.2	35.9	35.6	31.3	38.5	43.8	54.3	50.1	46.1	39.4	37.4
Refinancing rate (p.a.),end of period	%	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Refinancing rate (p.a.),end of period[8]	real, %	-11.1	-10.9	-10.7	-10.0	-9.5	-7.4	-5.8	-4.5	-4.5	-3.0	-0.8	-0.1	-1.1	1.3	2.8	3.9
BUDGET																	
General gov.budget balance, cum.	UAH mn	1503	2042	2931	2252	4007	1735	2959	6907	5816	5309	3216	-7735	2508	2497	380	.

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

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