



# Monthly Report

The Vienna Institute for International Economic Studies (WIIW)

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## Introduction of the euro: implications for the statistics on transition countries

BY PETER HAVLIK

Starting from 1 January 2002, euro notes and coins have been introduced in twelve countries of the eurozone (Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain), replacing these countries' previous national currencies. This historical step towards further European integration will have manifold implications also for the transition countries – not only for those who are candidates for EU (and eventually also EMU) membership. This note deals with some statistical issues only; selected other aspects related to the introduction of euro cash (and the simultaneous withdrawal of D-marks, schillings, francs, lire, etc.) and its consequences for the transition economies are dealt with elsewhere in this Monthly Report.

Economic relations between the transition countries – especially those in Central, Eastern and South East Europe (CEECs) – and the EU (eurozone) are very close. Trade integration is rather deep, in the case of some CEECs even deeper than between the members of the eurozone: up to 75% of CEECs' exports are directed to the EU. Even in Russia, where around 70% of trade transactions are quoted in USD, about one third of trade is conducted with the EU. And although the USD is widely used in Russia as a parallel currency – as opposed to South East Europe where this role is played by the D-mark (euro) – there are regions in Russia, e.g. on the Finnish border, where the eurozone currencies play a crucial role. (Stocks of D-mark cash are most critical since the German currency ceased to be a legal tender on 31 December 2001.) Similarly, the bulk of FDI in CEECs originate from eurozone countries (Germany, Italy, France, Austria and the Netherlands) and the transactions of these foreign investment enterprises are going to be prevalently conducted in euro as well.

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Figure 1

Poland: EUR and USD exchange rates (Jan. 1998 = 100)

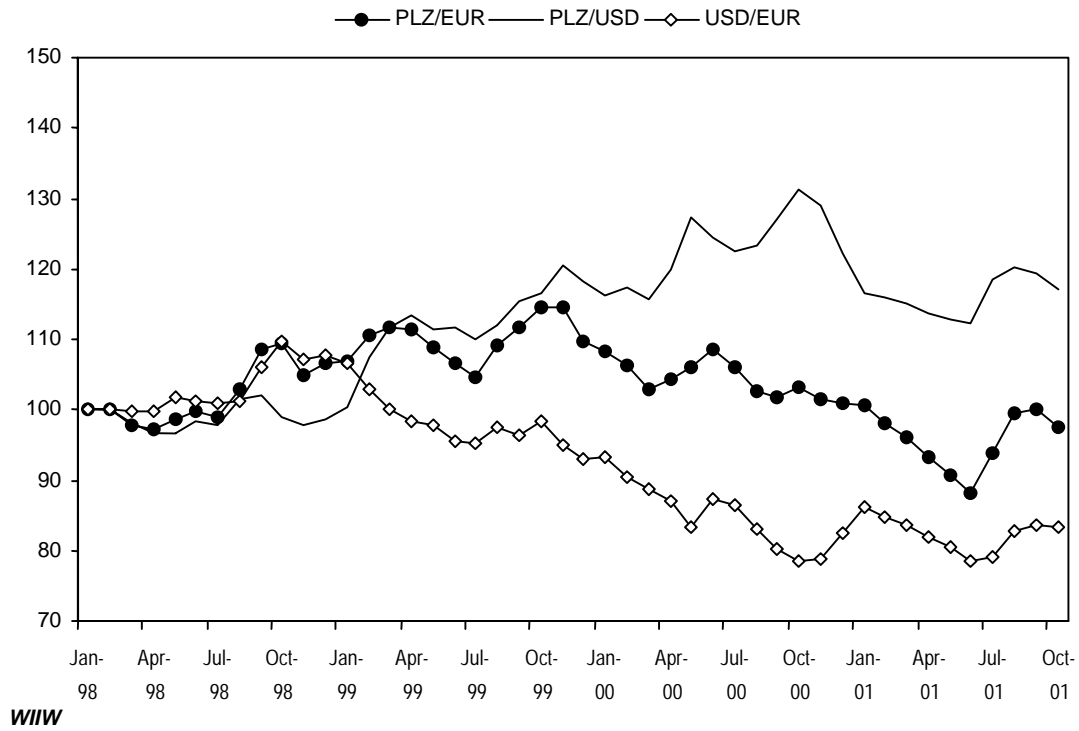


Figure 2

Slovenia: EUR and USD exchange rates (Jan. 1998 = 100)

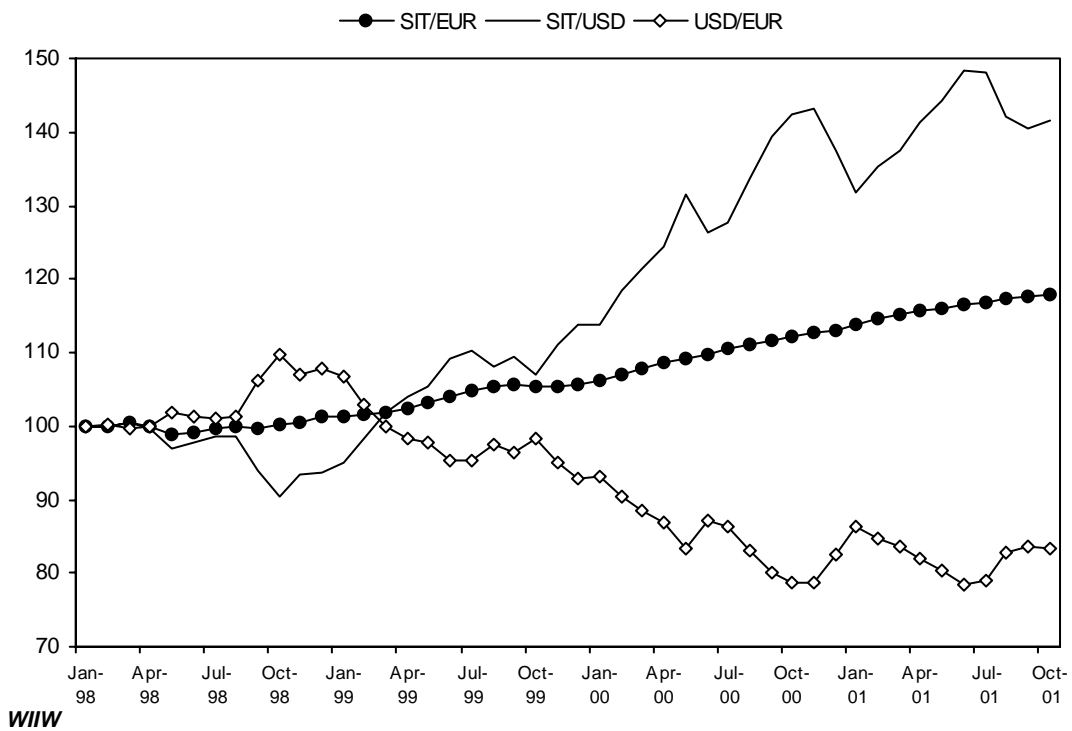


Figure 3

**Bulgaria: EUR and USD exchange rates (Jan. 1998 = 100)**

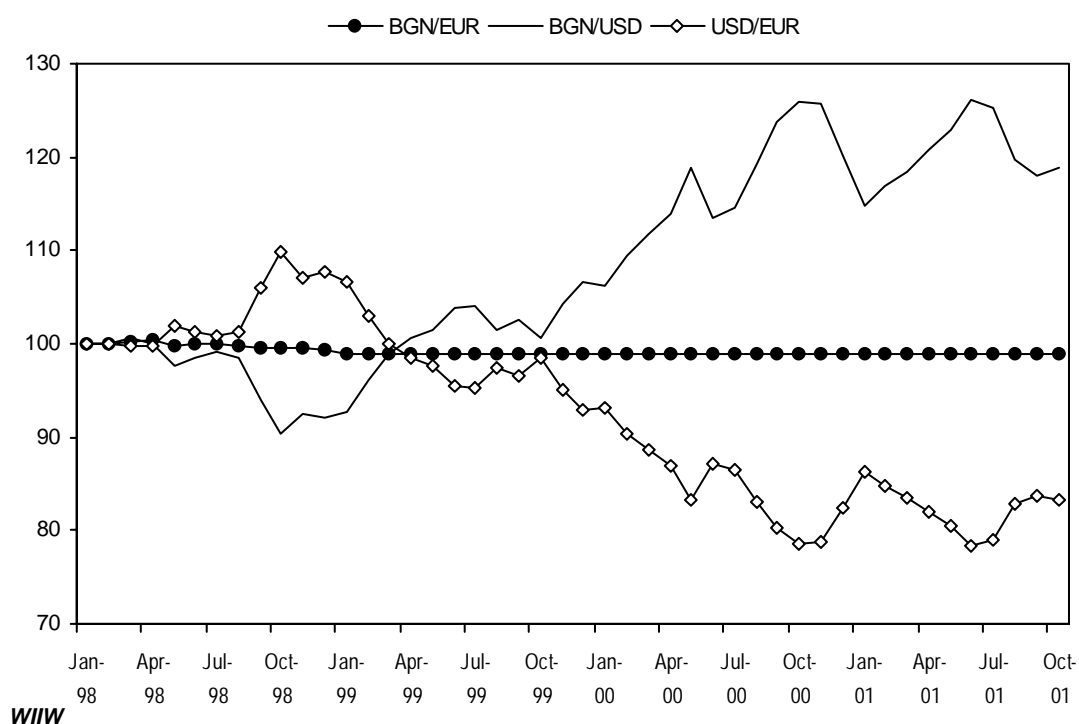
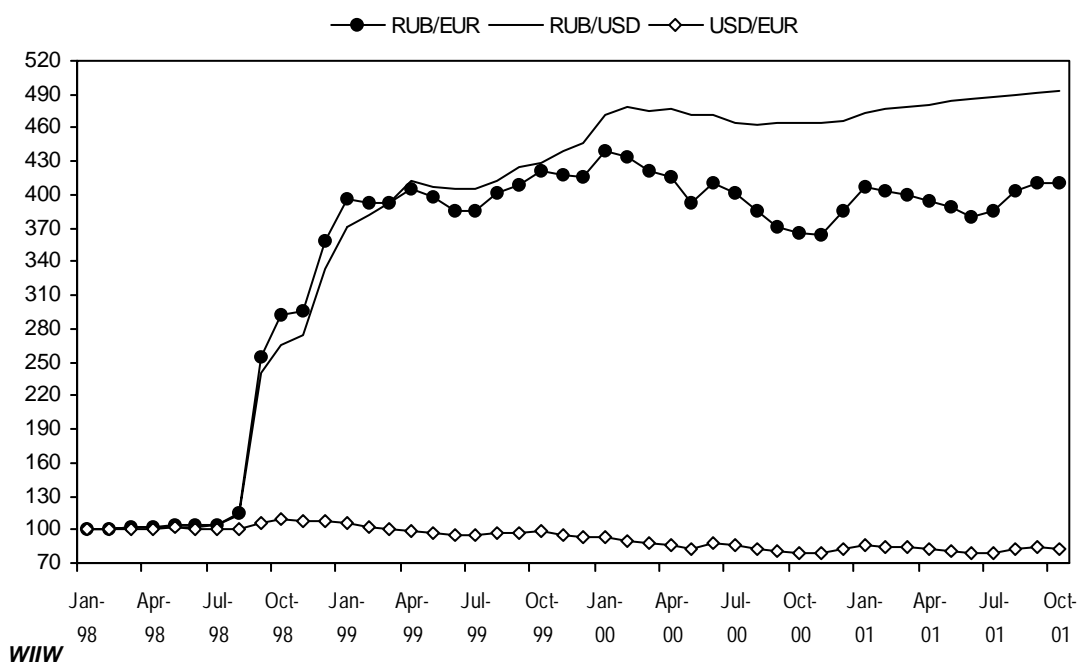


Figure 4

**Russia: EUR and USD exchange rates (Jan. 1998 = 100)**



The general awareness of the implications related to the introduction of euro cash is rather low in transition countries.<sup>1</sup> This is in contrast to their sometimes ambitious strife to join the EMU soon. From a purely statistical point of view, it seems that only the Czech Republic and Hungary (and partly also Slovakia) are relatively well prepared for this step. Both countries have been publishing their foreign trade, current account, external debt and central bank reserves data in national currency and euro already since 2000 (Slovakia publishes data only in national currency and USD, but the conversion method to the euro is known). Poland, Slovenia, Bulgaria, Romania, Croatia, Macedonia and Yugoslavia currently publish their foreign trade data in national currencies and an approximate conversion to euro is possible. But their current account, external debt and reserves data are available in USD only and the conversion to euro is in this case not straightforward. Finally, Russia, Ukraine and the other CIS states publish even their foreign trade (as well as current account, debt and reserves) statistics only on a USD basis. Even when euro data will be eventually published (as already announced by Bulgaria and Slovenia) there will be a break in statistical series which will complicate comparisons.

As far as possible, WIIW has been using euro (EUR) together with USD in its analyses and statistical comparisons already since the year 2000. Starting with EUR exchange rates, euro-based purchasing power parities, real GDP, wages, and recently also the monthly data on foreign trade, we have gradually switched to euro as an international currency in comparisons of transition countries. However, this has not always been possible (even as an approximation) – especially in cases where original data are available only in USD. As illustrated by Figures 1-4, the movements of national currencies with respect to the US dollar and the euro do not correspond to the development of the USD/EUR cross rate. This is one of the reasons why a simple conversion of USD-based statistical data into euro may lead to a sizeable bias. Needless to say, EUR-based and USD-based growth rates differ as well. It can be expected that the statistical authorities and national banks in the countries concerned (especially in CEECs) will start to use euro-based data in the course of the year.

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<sup>1</sup> For example, potential euro-related problems, and the recommendation to exchange eurozone currencies' cash, were pointed out by the Russian Central Bank only in its press release from 27 November 2001.

## The euro enters into circulation: impact for the transition economies

BY PAWEŁ KOWALEWSKI\*

The euro's launch into circulation along with its third birthday is a good opportunity to assess its impact on the Central and Eastern European economies. This event ought to be scrutinized closely for several reasons: first, to assess the euro's potential as major currency; and second, a close analysis of the developments in Central and Eastern Europe in the wake of the euro's advent will prove the readiness of those economies to join the euro area in the future.

So far the euro has not achieved any spectacular success on foreign exchange markets. During the first two years, its value fell sharply against other major currencies. In 2001 its recovery proved to be short-lived. In the final months of the year the euro was worth between USD 0.88 and USD 0.92, with the prevailing levels closer to the lower end of the range. The weakness of the euro took many observers by surprise. Several theories explaining its weakness have been proposed – also a theory seeking a link to the transition economies. According to this, the withdrawal of 'old' EU currencies from circulation has alerted the 'unofficial' sector (supposedly relying heavily on those currencies) in the transition countries. This caused a strong demand for the USD. As soon as the euro has been introduced, the unofficial sector is expected to re-convert its USD holdings into euro. This theory however has several loopholes.

The most liberal estimates of the weight of the unofficial sector in the transition economies are not large enough compared to the daily volumes of foreign exchange turnovers. Besides, that theory would imply a fall in the value of the euro just before it enters into circulation. And as was mentioned earlier, the euro has actually stabilized (although at low levels) in the months preceding its launch into circulation.

Of course one cannot rely entirely on the foreign exchange markets' verdict when it comes to assessing a currency's potential to exert influence on the world monetary system. Both the German mark and the Japanese yen increased their significance in the early 1980s. Still that period coincided with a steep fall in the value of the yen and the mark in particular. Thus the recent poor performance of the euro on the foreign exchange markets may not necessarily inhibit the young currency's capacity to exert a significant influence. The euro may become a global currency, provided it satisfies some conditions (specified by B. Cohen<sup>1</sup>). A global currency is used by both monetary authorities and the private sectors. The global currency ought to be used as a means of intervention on the foreign exchange market. Apart from this, the currency should be the central banks' choice when it comes to diversification of foreign reserves. In addition, in order to become the global currency, other currencies should be pegged to it. In the private sectors, the global currency should be widely used on foreign exchange markets: the demand for and supply of such a currency among private investors should be significant. Finally, a significant share of foreign trade needs to be settled in this currency. That is why, in order to gauge the euro's impact on the transition economies, Cohen's definition of the global currency may be a good criterion for assessing that impact.

\* University of Gdansk, The Gdansk Institute for Market Economics. – The author would like to thank the following persons for help in assembling the data used in the text: K. Szelaĝ, B. Pietrzak, D. Malicki and K. Majczuk (Polish central bank), A. Ciopiński (Polish Finance Ministry), T. Holub (Czech CB), U. Sepp and A. Randveer (Estonian CB), K. Bauze (Latvian CB), M. Navys, G. Daugela and R. Barzdzius (Lithuanian CB), V. Sosic (Croatian CB), I. Plese (Croatian Finance), B. Knapic (Slovenian Finance), A. Petrean (Romanian CB), I. Galabov (Bulgarian CB) and M. Nagy (ING Investment Management, Hungary).

<sup>1</sup> See Benjamin Cohen, *The Future of Sterling as an International Currency*, St. Martin, New York 1971.

### **The euro as an intervention currency**

With the bipolar exchange rate regimes popular in Central Europe, the room for foreign exchange intervention is fairly limited. The last time the central bank of Poland (the largest country not only by the potential but by the size of foreign reserves as well) intervened was back in July of 1998. And the majority of interventions were conducted in dollars. Hungary ceased to intervene in May 2001 when the extremely narrow exchange rate corridor was widened – an event that paved the way for both the flotation of the forint and the introduction of inflation targeting. Only the Czech Republic does not hesitate to intervene in spite of also pursuing the inflation target. Another central bank to resort to foreign exchange intervention is the National Bank of Slovakia. The NBS intervened in both directions, but more frequently with the aim of weakening the koruna. In 2000, the NBS intervened by purchasing an estimated EUR 333 million.

Still the size of those interventions is not enough to ensure a dominant position of the euro. It may not be until the transition countries join the ERM2 that the euro will be able to have the status enjoyed by the German mark in the heyday of the ERM (Exchange Rate Mechanism). Going further east, the room for the euro to become an intervention currency seems to be limited. According to data published by the Central Bank of Russia, the euro's position is fairly marginal, with the dollar preserving its paramount role – which is not surprising in the wake of the rouble's commodity status (as commodities are being denominated in dollars).

### **The euro as a reserve currency**

The potential of the euro to become a reserve currency in the region is substantial. Still the figures coming from the central banks point towards mixed results. Before assessing the euro's share in the foreign reserves in the region, it is worth looking at the recent figures published by the IMF (Annual Report 2001). According to those figures, the share of the euro is barely 12.7% of all reserves held by central banks. Developing economies hold 14.6% in euro (industrial countries: 10.2%). The former

figure may be regarded as a benchmark in assessing the euro's role in Central and Eastern Europe. Among those countries ready to disclose the figure, Bulgaria ranks first with a share of 84%. The Czech Republic is not far behind with a share of almost 73%. The same can be said about Hungary with a share close to 75%.<sup>2</sup> Among other economies to hold the majority of their reserves in euros, Estonia, Croatia (59.7%) and possibly Slovenia have to be included. Especially the figure for Croatia is not surprising, as the German mark enjoyed a strong position in the Balkan region well before the beginning of the transformation. A relatively high share of reserves denominated in euros (40%) is held by Romania. The analysis reveals very interesting results in the Baltic countries. The high share of Slovenia stands in stark contrast with the relatively modest share of Latvia (30%) and barely 15% held by Lithuania (2000). While the former can be explained by the Latvian lat's peg to the SDR, the latter is extremely surprising in view of the approaching shift from the dollar to the euro peg. The relatively low share of the euro in Poland's reserves is also somewhat astonishing. A substantial increase in the share of the euro is not foreseen until Poland's preparation for membership in the euro area has gathered pace. In Russia, the share is estimated at about less than 10% of all reserves (which amount to USD 36.1 billion).<sup>3</sup>

### **The euro as an anchor currency**

From the German mark, the euro has inherited three currencies for which it is the reference currency. The first to be pegged to the mark, in June 1992, was the Estonian crown. Three years later Bosnia-Herzegovina took the same step. Finally, in July 1997, Bulgaria joined the group. As was mentioned earlier, the introduction of the euro coincided with the shift towards floating rates in Central and Eastern Europe. As a result the 'soft'

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<sup>2</sup> The NBH does not give precise information. According to its Annual Report (2000), the structure is close to 75% EUR vs. 25% USD

<sup>3</sup> See Andrew Jack, 'Russians are in a pickle over imminent arrival of the euro', *Financial Times*, 12 December 2001.

currency pegs went out of fashion. It will not be until 1 February 2002 that Lithuania will substitute the euro peg for the dollar peg. With floating regimes becoming dominant in this part of Europe, more focus needs to be paid to the issue of a reference currency. The euro is becoming such a currency for the Czech Republic and Hungary in particular. But in Poland the value of the zloty against the dollar is the reason for greater (if any) concern for the monetary authorities rather than the zloty's rate against the euro. This trend is getting increasingly stronger the further we go east.

### **The euro as a vehicle currency in the foreign exchange markets**

According to the latest figures published by BIS, the euro's share is 17.8%<sup>4</sup> of the total turnover on the world foreign exchange market. Although this is well below the dollar's share, that figure makes the euro the second most often traded currency in the world foreign exchange market. In transition economies the story is more complex. According to the data received from the central banks, the highest share of the euro is observed in Slovenia and Hungary. In the former country the euro's share exceeds the psychological threshold of 50% (52% for the spot market, while in the outright forward markets it is well above 97%). In Hungary, the futures contracts (EUR/HUF) enjoy huge popularity; in 2000 they amounted to more than 70% of all contracts. Finally, in Bulgaria the share of the euro and its component currencies exceeds 58% according to the BNB.

In contrast, in the Czech Republic (where the forex market was once regarded as the biggest in the region), the share of EUR/CZK was well below USD/CZK (28.3% and 42.6% respectively). The same can be said about the foreign exchange market in Slovakia. In 1999 the share of

transactions involving the euro exceeded 50%; in 2000 however it fell to 33%.

Relatively low levels of transactions involving the euro were recorded in Poland, with more than two thirds of transactions involving USD/PLN. The share of the euro in Russia's foreign exchange market was hardly noticeable. According to figures published by the Russia central bank, the USD/RUR hardly fell below 95%. Though the share of the German mark was moving upward in the third quarter of 2001, it was still extremely low with roughly 4% of the market.

Caution is required in analysing the share of the euro in the forex markets. In the case of Poland and Russia, the reason behind the euro's low share lies in the relative weakness of the new European currency. In the case of the Czech Republic and Slovakia, however, the fall may be attributed to the volatility of the domestic currencies against the euro. As those currencies start to be shadowed by the euro more and more closely, the incentive to hedge against the foreign exchange risk is diminishing.

### **The euro as an investment currency**

The position of the euro as an investment currency seems to be well established - also in the case of Central and East European countries. An analysis of the foreign debt in this part of the world points to a relatively high share of the euro (keeping an upward momentum in several countries). In a number of countries it is well above the share held in foreign reserves. Even in Russia - the country to be under the least influence of the European currencies - at the very beginning of the EMU, its share amounted to almost one third of foreign debt (33.1%).<sup>5</sup> The share of the euro in Poland's foreign debt (sovereign) is estimated at 37.6% and in the case of Romania it is approaching 38%.

<sup>4</sup> In line with the BIS methodology the sum of the percentage shares of individual currencies totals 200% instead of 100% - because two currencies are involved in each transaction. Sticking to the BIS methodology, the share of the euro in foreign exchange markets amounts to 37.6%.

<sup>5</sup> See 'The Euro and Russia's National Interest', Report compiled for the Government and Central Bank of Russian Federation, [www.cnb.ru/eng/today/publications\\_reports](http://www.cnb.ru/eng/today/publications_reports)

### Importance of the euro for the transition countries

	importance for exchange market intervention	importance as a reserve currency	importance as an anchor currency	importance as the vehicle currency	importance as investment (debt) currency	importance as settlement currency
Estonia	none	high	100%	high	n.a.	n.a.
Latvia	none	low	29%	n.a.	63%	40%
Lithuania	none	low	100%	n.a.	45%	n.a.
Poland	none	low	none	33%	42%	40%
Czech Rep.	high	high	reference	28%	n.a.	n.a.
Hungary	none	75%	reference	73%	n.a.	n.a.
Slovakia	high	high	reference	33%	n.a.	n.a.
Romania	n.a.	40%	none	n.a.	38%	58%
Bulgaria	none	high	100%	n.a.	12.5%	n.a.
Croatia	n.a.	high	reference	n.a.	45%	70%
Slovenia	n.a.	high	reference	75%	78%	high
Russia	none	low	none	4.5%	33%	low

Source: Own evaluation based on personal communications with CB officials.

n.a. = not available

In Poland however the recent repayment of the debt to Brazil (denominated in dollars) should pave the way for a further increase in the share of the new currency (according to estimates up to more than 42%). As a result the euro is to become the most important currency in the structure of Poland's sovereign debt. A similar level is held by both Croatia and Lithuania with 44.95% and 45% respectively. In the case of the latter country though the share fell during the first ten months of 2001. Prior to this, the share exceeded 53%. For many countries the euro is a favourite currency when it comes to contract debt, with a share of 63% in Latvia and even 78% in Slovenia entire foreign debt. The only exception is Bulgaria, where the share of euro-denominated debt was just 18.4% at end-2000 (and stood in stark contrast to the high share of dollar-denominated debt, estimated at 64.5%) and dropped to 12.51% in the first nine months of 2001.

Among the many reasons behind this good score, the low level of interest rates set by the ECB seems to be the most important. Until the tragic events of 11 September, interest rates in the Eurozone were well below the US rates. At the beginning of the year, the gap was 175 basic points. A number

of cuts by the Federal Reserve in the wake of the economic slowdown and the terrorist attacks reversed the gap. However, with a recovery on the horizon in the USA and very poor growth performance of the Eurozone, the US rates will not be below the European ones for too long. Thus the incentive (if such exists) to contract further debt in euros ought to be preserved.

#### The euro as a settlement currency

The reorientation of foreign trade in transition economies did not have enough impetus to convert into the euro as a favourite currency in foreign settlements. This is no surprise as many transactions (i.e., in commodities) are usually settled in dollars – regardless of the countries involved in the transactions. Still, the euro's share in foreign trade transactions is not low: Latvia recorded as much as 40%. Estonia features a similar level. The same can be said about Poland: according to NBP data, the share of the new currency is at about 40%. However, in the case of commodities it is higher than for services (49.2% and 31.2% respectively, in 2000). Further south, the share of the euro is getting higher. More than half of Romania's foreign trade is settled in euros



(with exports and imports at 54.8% and 59.2% respectively). Croatia is among the countries to have the highest share of the new currency with levels approaching nearly 70%.

Cohen's criteria for a global currency are useful in assessing the euro's potential. However, they should be expanded by at least two other criteria: first, the potential of being a 'safe-haven' currency; and second, by its acceptance by the local population – and the share of the euro in the stock of household money holdings.

Few central banks publish this sort of data. The highest share has been recorded once again in the countries of former Yugoslavia (more than 75%, data for Croatia). The lowest share is found in Lithuania with a total percentage of 13%. For Estonia a similar figure can be assumed. The euro's entry into circulation may change things in the region, but to what extent is extremely difficult to predict for the time being.

Countries with a high share of the euro are located in South Eastern Europe where the German mark enjoyed a strong position for years. Links between the former Yugoslavia countries and Germany are still strong because of the relatively high number of migrants from ex-Yugoslavia who have settled down in Germany (and Austria). Further north, not to mention the east, the importance of the euro is getting weaker. In Poland, the German mark accounted for close to 42% of all currencies sold by Poles in foreign exchange bureaux in the first nine months of 2001. The relatively small role of the German mark in this part of the world may be attributed mainly to psychological and historical reasons. Poles have always had confidence in the dollar – not so much in the German mark. The recent weakness of the euro does not help to reverse the trend. The exchange rate of the zloty against the mark hardly changed in the last six years, although the level of prices in Poland has doubled.

For the Central European nations there is little choice but to join the EU. That should help the euro to gain more importance. However, the process will be slow as time is needed to eliminate the current obstacles. The same cannot be said about Russia and the other CIS countries. With Russia rather opting to stay out of the EU, the room for further expansion of the euro towards the east may be limited. That is why the euro is still facing the possibility of being a major world currency without having yet consolidated its position on the native continent.

### Foreign currency holdings in Central and Eastern European countries

BY HELMUT STIX\*

#### Introduction

D-marks, US dollars and various other currencies are demanded outside the countries in which they have originally been issued for domestic and foreign transaction purposes and as a store of value. Estimates suggest that the share of currency held abroad in overall currency in circulation is substantial: for both the D-mark and the US dollar it could be up to two thirds. Despite these sizeable amounts, knowledge about the geographic distribution is vague. As for the US dollar, larger amounts are located in Latin America, Asia and Eastern Europe. In contrast, foreign D-mark holdings are likely to be concentrated in Central and Eastern Europe, where the mark is often co-circulating with national currencies. While knowledge about the extent and distribution of foreign currency holdings is already limited for the larger currencies, even less information is available about smaller currencies, such as the Austrian schilling.

Knowing the extent of the usage of foreign currency is important for various reasons: First, the existence of co-circulating currencies implies that money supply is difficult to control (a foreign component of overall money supply is not under the control of the national central bank). For the domestic economy, changes in money demand may thus be misinterpreted. Second, estimates of the foreign currencies circulating abroad are of interest from a fiscal policy perspective because the extent of unofficial dollarization or D-markization is likely to be related to the size of the black economy and thus to the degree of tax evasion (black economy and money laundering). Third, such estimates have been important for logistical reasons, e.g. to assess the likely demand

for euros and thus for planning the cash demand during euro changeover in the first months of 2002. Additionally, foreign currency holdings can provide insights into the international role of the euro and the extent of substitution of the euro and the US dollar.

The present analysis of surveys that have been regularly conducted in five Central and Eastern European countries provides important insights into the extent and the motives underlying foreign currency holdings and can thus contribute to shedding light on some of the above-mentioned issues.

#### Data description

There are various methods to estimate the amount of foreign currency holdings. These methods can be broadly categorized into indirect and direct methods. Indirect methods such as the 'denomination displacement approach' or the 'seasonal method' rely on the analysis of domestic variables to project foreign demand. In contrast, direct methods rely on statistics 'directly related' to the foreign currency demand as represented by, for instance, customs reports or direct population surveys. Each approach has its advantages and disadvantages, and in general the estimates vary considerably across methods. The results in this report are based on direct population surveys.

Since 1997 the Oesterreichische Nationalbank (Austrian National Bank, OeNB) has commissioned Gallup to conduct regular representative surveys in Croatia, Hungary, Slovenia, the Czech Republic and the Slovak Republic. For each survey and in each country about 1,000 persons above the age of 14 years are interviewed in April/May and in October/November.<sup>1</sup> The main focus of the surveys is directed at estimating foreign currency cash holdings in the respective countries. In particular, the respondents are questioned about their holdings of Austrian schillings (ATS), Deutsche marks (DEM), US dollars (USD), Swiss francs

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\* Oesterreichische Nationalbank (OeNB).

<sup>1</sup> The first survey in 1997 is an exception as it was conducted in June.

(CHF) and 'other' currencies. Additionally, the surveys cover respondents' plans for the future as well as their motives for holding foreign currencies. Furthermore, the surveys contain questions about travel habits, about where people tend to exchange foreign currency, where they plan to exchange their holdings into euros, etc.

It is well known that survey results need to be treated with caution. This applies in particular to questions relating to individuals' wealth where it is likely that respondents will not always reveal the truth. Furthermore, the surveys do not include commercial cash holdings (e.g. tourism) and certainly cannot measure money involved in criminal activities. The estimated figures may thus understate the true amount of currency circulating abroad.

## Results

### *Composition of foreign currency holdings*

The percentages of private persons that hold foreign currency are summarized in Figure 1. The graph shows both the percentage of respondents that hold some kind of foreign currency (bold line) and also a breakdown by currency (DEM, ATS, USD, CHF and 'other' currencies). As can be seen, in November 2001 the share of respondents that held some kind of foreign cash was above 50 per cent in Slovenia, and between 30 per cent and 50 per cent in the Czech Republic, Slovakia and, at the lower range, Croatia. In Hungary, less than 10 per cent of the respondents held foreign currencies in November 2001. Over time, the figure reveals a downward trend in Croatia and Hungary, and over the last two years also in the Czech Republic. In contrast, the share in Slovakia and Slovenia remained about constant.

In general, the holdings of foreign currency tend to be relatively dispersed across two or more currencies in all countries but Croatia where the DEM has a predominant role, leaving only marginal importance for the other currencies. Split up across currencies, in November 2001 the mark share was highest in Croatia, the Czech Republic and Slovenia (abstracting from 'other currencies' for a moment). In Hungary, the D-mark and the Austrian schilling were held by the same percentage of people. This underlines the preponderance of the D-mark which, over all past surveys, was always held most. For the other countries and currencies, the ranking varied over time. As of November 2001, the Austrian schilling ranked second in the Czech Republic whereas the US dollar ranked second in Croatia and Hungary. Although the D-mark has such a predominant role in Croatia, the results also show that the share of respondents holding DEM was higher in Slovenia than in Croatia. This is likely to reflect the fact that Croatians tend to use the DEM as a medium of exchange only for high and not for small value transactions.

With percentages ranging from zero to three per cent, the Swiss franc is only of little importance. Furthermore, this share decreased over the last year. Because the number of respondents that hold CHF is that low, the results in relation to the CHF amounts are likely to be quite imprecise. Therefore, we omit the CHF from further analysis. Interestingly, 'other currencies', which are summarized and questioned in one category, played a substantial role (>20 per cent) in Slovakia and Slovenia and, to some extent, in the Czech Republic (between 10 and 20 per cent). In Slovakia, 'other currencies' were more important than the mark, the schilling and the dollar.<sup>2</sup>

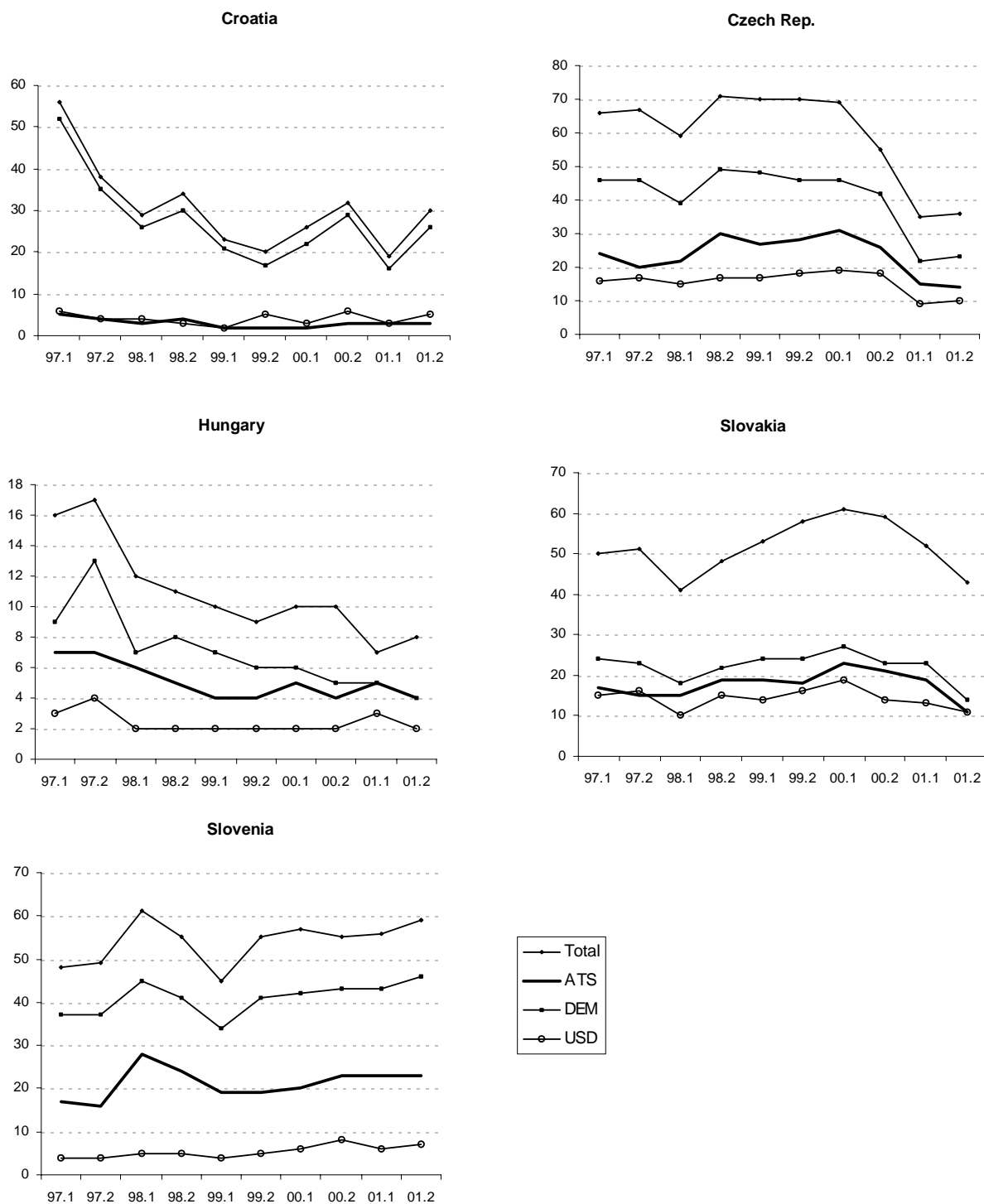
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<sup>2</sup> Probably, this result is due to the holdings of Czech koruna and Hungarian forint.

# CASH HOLDINGS

Figure 1

## Foreign currency holdings in per cent of respondents



Note: values on vertical axis correspond to the percentage of respondents that hold foreign cash. "Total" corresponds to the percentage of respondents that hold any foreign cash.

Source: own calculation

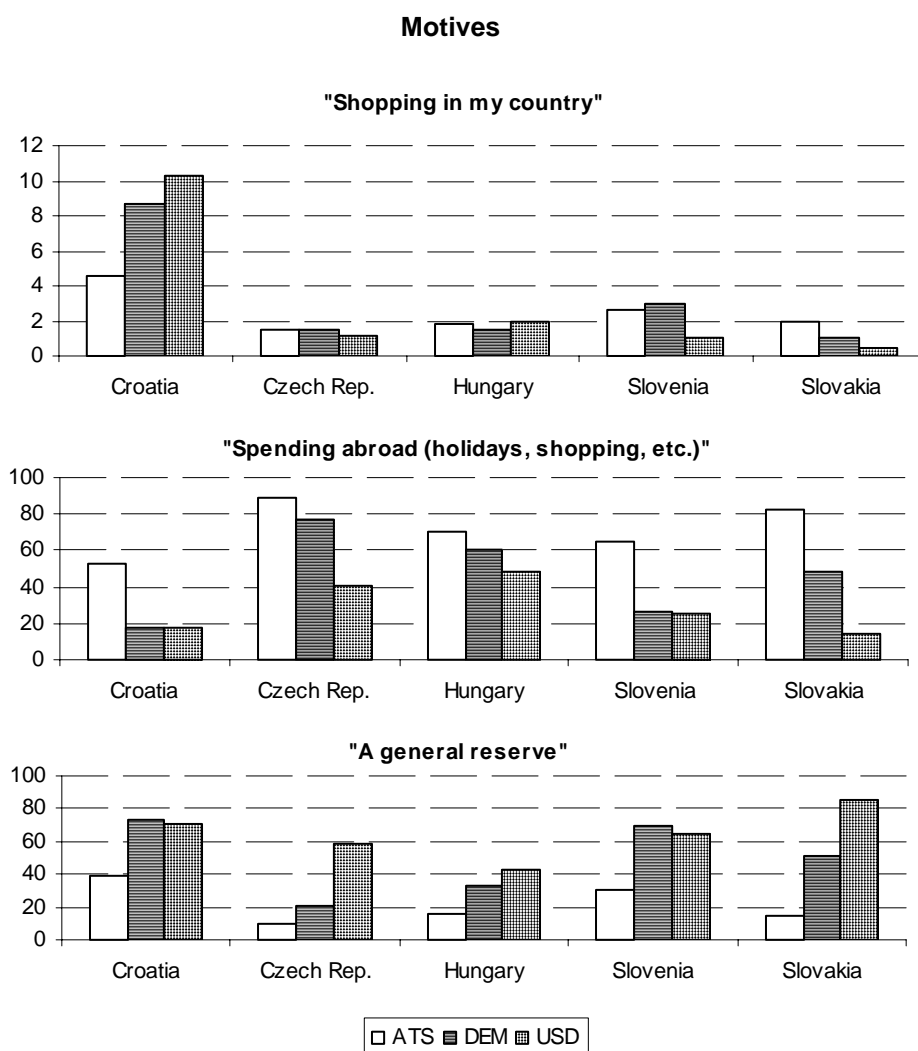
**Motives**

The motives underlying the decision to hold particular foreign currencies are depicted in Figure 2. As can be seen, irrespective of the currency or the country under analysis, the motive 'shopping in my country' is of no significance (except Croatia, where on average about 10% of the respondents answered that they do hold DEM or USD). In contrast, about 70% of all Croatsians answered that they use their USD and DEM as a 'general reserve'. The ATS, in general, is mainly used as a transaction currency for spending purposes in Austria (holidays, shopping, etc.). The

USD is predominantly used as a 'general reserve' currency in all countries but Hungary. There, the motive 'spending abroad' seems to be slightly more important than the store of value function.

Whereas the motives underlying the decision to hold USD and ATS are relatively clear, the DEM has an intermediate role: it mainly serves as a medium of exchange for shopping purposes abroad in the Czech Republic and Hungary; as a store of value in Croatia and Slovenia; and as both in Slovakia (where the answers for the two motives are almost balanced).

Figure 2



*Note:* The figures show the motives behind the decision to hold foreign currencies. The question is: 'For which reasons do you keep this foreign cash mainly? Do you keep [it] in cash mainly for ... ?' The numbers represent percentages of respondents (average of last six surveys, May 1999 until November 2001).

*Source:* OeNB, own calculations.

Table 1

## Median amounts of currency holdings

(respective currencies per respondent)

	ATS	DEM	USD
Croatia	946	464	213
Czech Rep.	483	165	193
Slovakia	452	197	143
Slovenia	570	517	169
Hungary	564	190	122

*Remark:* The table shows the average of the median volumes from the surveys from May 1999 through November 2001. The median amounts are expressed in the respective currencies.

*Source:* OeNB, own calculations.

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### Median amounts

One approach to measure the extent of foreign currency holdings is to calculate the median amounts held by the respondents. In this context, it should be remarked that it is quite likely that the survey answers – and in particular those in relation to the amounts of foreign currency – display seasonality as well as random fluctuations over time. In order to prevent the outliers from dominating subsequent analyses, two measures are taken: First, all observations that are two standard deviations away from the sample mean are eliminated. And second, the figures are averaged over time. Since we are interested in currency holdings in the recent years, we calculate the average from 1999 until 2001 (the last six surveys). This procedure aggregates the effects of seasonality and limits the influence of outliers and thus yields a more robust picture than the one obtained by relying on single surveys. The resulting median amounts are presented in Table 1.<sup>3</sup>

The average of the median amounts of schilling held abroad were in the range of ATS 452 (Slovakia) to 946 (Croatia). Median mark holdings Croatia and Slovenia and around DEM 180 for the remaining countries. Median dollar holdings were

are found to be in the range of DEM 464 to 517 for between about USD 200 for the Czech Republic and Croatia and USD 120 to 170 for Hungary, Slovenia and Slovakia.

It turns out that the Croatians held high amounts of all currencies and the Slovenians high amounts of schilling and mark.

### Estimated absolute amounts

To get an estimate of the absolute (net) amount of foreign currency that is held in the five countries analysed (the number that is relevant from a monetary policy perspective) it is necessary to combine information about the composition of currency holdings (Figure 1) with information about amounts (such as the median amounts in Table 1). The aggregate figure is calculated by weighting the class means of the categorized amounts with the percentage share of respondents that answered that their amount of foreign currency lies in the respective range.<sup>4</sup> Then, multiplying the resulting per capita average holdings by total population (older than 14 years) yields an estimate of the absolute amount of foreign currency. Once again, it should be stressed that the resulting estimates are very rough.

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<sup>3</sup> Note that the median amounts presented in Table 1 only represent the median amounts of those respondents that actually hold foreign currencies (disregarding those that do not hold foreign currencies). This is important because, typically, the majority of respondents do not hold foreign currencies.

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<sup>4</sup> The survey does not ask about the precise amount but rather about categorized amounts (<100, <500, etc.).

Table 2

**Estimated total foreign currency holdings**

in millions of respective currencies

	Croatia	Czech Rep.	Hungary	Slovakia	Slovenia	Sum	in % of CiC <sup>1)</sup>
ATS	274	4712	744	1108	794	7927	5.31
DEM	899	1895	200	460	637	4090	1.69
USD	117	920	82	260	72	1451	0.28

Note: 1) Total currency in circulation.

Source: Own calculations.

The results for the averages over the period May 1999 to November 2001 are summarized in Table 2. The calculations suggest that on average a total of about ATS 8 billion, DEM 4 billion and USD 1.5 billion was kept by individuals in the countries considered. These figures correspond to a share of currency in circulation of about 5.3% for the ATS, 1.7% for the DEM and 0.3% for the USD. Furthermore, the results show that the highest amounts of ATS, DEM and USD among those five countries are held in the Czech Republic, followed by Slovakia for the ATS and the USD and by Croatia for the DEM.

To get an impression of changes over time, Figure 3 shows the ratio of currency circulating in the five countries to total ATS, DEM or USD currency in circulation (Panel a) as well as the evolution of the absolute amounts of foreign currencies (Panel b). Usually, any one of the two figures should provide enough information to render the second redundant, however, since currency in circulation has gone down quite drastically in Germany and Austria in the second half of 2001, it seems useful to show both the amounts as well as the shares.<sup>5</sup> In Panel a, it is shown that the DEM share decreased from 2.4% in June 1997 to a minimum of 1.4% in May 2001. The share of schilling in those five countries in ATS currency in circulation rose from 3.5% in June 1997 to around 5.7% in November 1998 and subsequently fluctuated around this values. The

USD share (right axis), fluctuating around 0.3% for the majority of the sample, fell in the last two surveys to around 0.2%. Panel b shows that the amounts of DEM held, comparable to the shares, declined steadily from around 6 billion to 4 billion. In contrast to the DEM amounts, the ATS amounts grew, although with quite sizeable fluctuations.<sup>6</sup> The USD amounts remained relatively stable, with somewhat higher values over 2000 and a decline thereafter.

In light of the very sharp decrease of the amounts of overall schilling and mark in circulation during the last months, it could be that the ratio depicted in Panel a is increasing even if the amounts held in those five countries are declining. For example, this would be the case if overall currency in circulation declined faster than currency in circulation in Central and Eastern Europe. However, as can be seen in Panel b, this is not the reason why the ratio has increased lately: comparing the May with the November 2001 results shows that both the DEM and the ATS amounts actually rose. However, what remains to be determined is whether this recent increase for the ATS and the DEM reflects a change in the trend (for the DEM) or just a seasonal component. As was argued above and as is also visible to some extent in Figure 3, seasonalities seem to be very important for the schilling, which is mainly used as a transaction currency. In contrast, seasonalities do not seem to play a major role for the DEM.

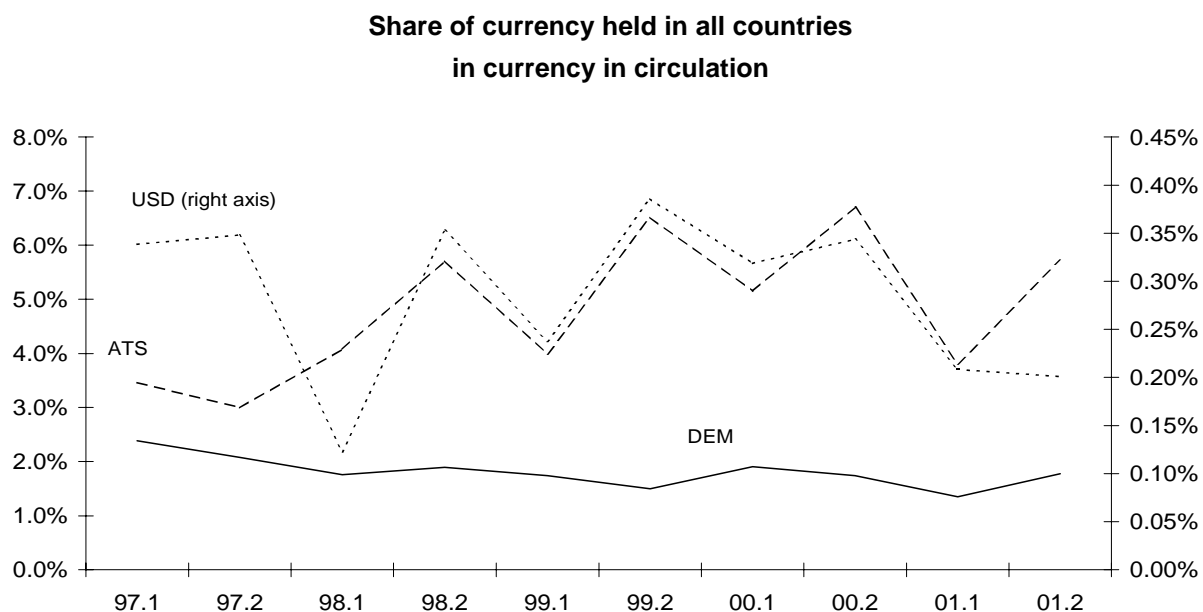
<sup>5</sup> From 1 June 2001 until 30 November 2001 cash in circulation went down by about 20% for the DEM and by about 13% for the ATS.

<sup>6</sup> In our view, this strongly highlights the need to use averages.

## CASH HOLDINGS

Figure 3

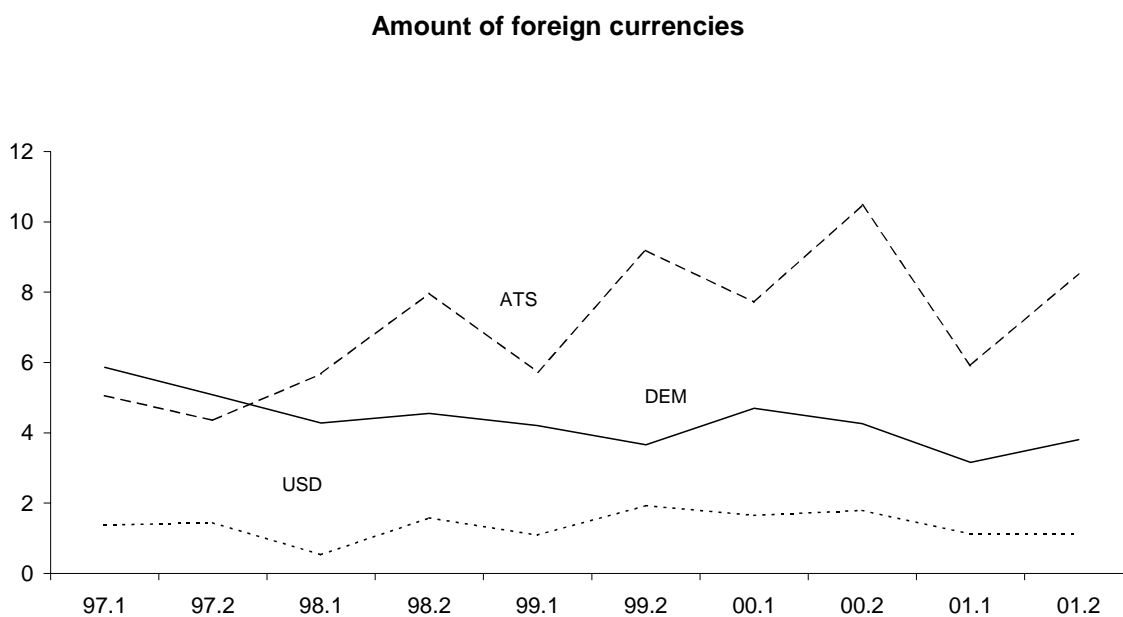
Panel a



*Note:* The figure shows the share of currency held in Croatia, the Czech Republic, Hungary, Slovenia and Slovakia on ATS, DEM (both on the left axis) or USD (right axis) currency in circulation.

*Source:* Own calculations.

Panel b



*Note:* Numbers in billions of the respective currency. The figure shows the absolute amount of ATS, DEM and USD held in Croatia, the Czech Republic, Hungary, Slovenia and Slovakia.

*Source:* Own calculations.



### The role of the euro

As mentioned earlier, the surveys also contain questions about the introduction of euro banknotes and coins. The answers may be interpreted as indicative for the confidence into the euro and for future plans concerning foreign currency holdings.

Table 3 summarizes the answers to the question 'In which currency do you plan to exchange your amounts of Austrian schilling and Deutsche mark?' for the surveys in May 2001 and November 2001 split up by countries and various socio-demographic subgroups. The numbers given in the table represent the percentage of respondents whose answer was either 'do not know yet', 'euro' or 'other (USD, CHF, etc.)'.<sup>7</sup> As can be seen, in May 2001 the share of those who 'did not know' was very high. Over the six months until November 2001 the share of 'don't know' dropped significantly (far below 50%). As the euro changeover came closer, a significant share of those that did not know in May 2001 changed their opinion in favour of the euro. In November 2001, the vast majority of respondents stated that they would exchange their ATS and DEM holdings into EUR. Likewise, also the percentage of those planning to change into other currencies (including the USD) fell.

The responses of holders of USD at the time of the interview are of particular interest. This is because those people, by holding dollars, are already acquainted with an important possible substitute for the euro and might thus be more reluctant to switch the reserve currency. However, as the last row in Table 3 shows, increased confidence in the euro can also be observed for this subgroup: as of November 2001, the majority, 68%, planned to go into the euro.

These results seem to be quite consistent across all countries and socio-demographic subgroups, indicating that the confidence into the euro has indeed increased substantially. This casts some doubt on the argument that the bulk of current DEM holdings will be changed into USD holdings. Moreover, the fact that most respondents switched from 'do not know' to 'euro' when making up their minds about planned changes of existing ATS and DEM from April 2001 to November 2001, suggests that the percentage of those planning to convert into euro will further increase.

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<sup>7</sup> Those that do not hold ATS or DEM have been subtracted already.

Table 3

**'In which currency do you plan to exchange your amounts of Austrian schilling and Deutsche mark?'**

		May 01			November 01		
		do not know	euro	other (USD, CHF, other)	do not know	euro	other (USD, CHF, other)
	Total	58	24	17	17	71	11
Countries	Croatia	57	23	20	10	79	12
	Hungary	93	5	2	33	56	11
	Slovenia	32	52	16	8	82	10
	Czech Republic	54	25	21	32	52	16
	Slovakia	41	28	31	20	70	10
Gender	Male	55	26	18	18	70	12
	Female	61	22	17	18	71	11
Age	14 - 29 years	57	26	17	17	69	14
	30 - 49 years	53	28	19	18	74	9
	50 and more years	65	21	15	19	70	11
Profession	Employee	52	27	20	17	71	11
	Unemployed	68	18	15	13	77	10
	Pupil/Student	57	27	17	19	65	15
	Retired	70	20	10	17	71	13
Hold foreign cash	US dollars	42	25	32	15	68	17

*Remark:* The table summarizes the survey responses of May 2001 and November 2001 according to various socio-demographic subgroups. 'Do not know' is the percentage of respondents that answered accordingly. The figures in column 'euro' represent the percentage of respondents that plan to convert into euros. 'Other' is a summary category for local currency, US-dollar, Swiss franc etc.

*Source:* OeNB, own calculations.

## The euro in the Balkans

BY VLADIMIR GLIGOROV

### Local currencies and exchange rate regimes

In the former Yugoslavia countries, the German mark (i.e., the euro) is either the first or the second currency. This has been so since the second half of the 1960s. The break-up of Yugoslavia has if anything increased the role of the German mark. In Albania, the euro is also the most widely used currency. In the rest of the post-socialist Balkans, i.e., in Bulgaria and Romania, the US dollar used to be more common than the German mark. In the process of EU accession, the euro has increased its presence in these countries too, though it is not as established as it is in the former Yugoslavia countries. Still, the euro is the monetary future of the whole region.

The Balkans entertain highly diverse exchange rate and monetary regimes and follow diverse policies. In this rather small region, there are:

- two currency boards (Bulgaria and Bosnia-Herzegovina),
- three *de facto* fixed exchange rate regimes (Macedonia, Croatia, Serbia),
- one managed float (Slovenia),<sup>1</sup>
- two more or less free floats (Albania, Romania), and
- two areas that are almost fully based on the euro (Montenegro and Kosovo).

In terms of monetary policy, all the central banks in the region are legally independent. Nominally, they all have price stability as their main target and are independent in the choice of instruments to achieve that target. Their performance, however, indicates that this is not how they function, at least for the most part.

<sup>1</sup> Slovenia is mentioned because of the common monetary history with the other former Yugoslavia states, otherwise it does not belong to the current Balkan story, though it is useful for the purpose of comparison as can be seen below.

In the cases in which price stability is achieved, the exchange rate is the main nominal anchor and there is little if any independence of the central bank's monetary policy. This statement applies to currency boards and fixed exchange rate regimes. In the cases in which floating of one kind or another is followed, there is some independence of monetary policy, but there price stability is not really the only or the main target of the central bank. Albania is apparently an exception because it has a floating exchange rate regime, but the inflation is rather low and the central bank seems to be concentrated on price stability only.

Another important observation is to be made when it comes to the fixed exchange rate regimes in the Balkans. Those have difficulties in gaining credibility. Thus, currency substitution is not diminishing even after some period of price stability. This is evident from the monetary history of Croatia and Macedonia, for example. Even in the cases in which currency boards have been introduced, foreign currency is preferred to the domestic one for many purposes. Thus, fixed exchange rate regimes and price stability do not quickly and substantially increase the credibility of the local currency. As a consequence, the monetization of the Balkan economies remains low, if expressed in the role of the local currency.

The above statements certainly apply to former Yugoslavia economies. In the case of other post-socialist Balkan economies, i.e., Romania and Bulgaria, the markization has had a different history and is somewhat delayed. The public in these two countries tended to think in dollars rather than in German marks. This has been changing in Bulgaria after the introduction of the currency board with the local currency pegged to the euro. Also, because of the episode of hyperinflation in Bulgaria, currency substitution is high and persistent. Unlike in some other cases, i.e., in the Baltics, the Bulgarian public does not appear to have been convinced of the advantages of the currency board and of its permanence.

In Romania, the experience with the floating exchange rate regime and with high inflation has had consequences for the credibility of the local currency that is difficult to repair. Also, as already pointed out, the public thinks in dollars rather than in euros. In addition, prices are set or indexed in dollars and not in euros (or in German marks). This is bound to change with the increasing importance of trade with the EU and with the increase in investments from the EU.

In any case, for all practical purposes, the Balkans have failed to achieve monetary independence and the local currencies have little chance of establishing themselves as credible monetary instruments.

### **Costs of monetary policy**

The optimal currency area argument is all but irrelevant when it comes to the Balkans. Not only the public, but also the governments have failed to put any sustainable credibility into the local currencies. Given the extent of currency substitution and given the poor records of the local central banks, it is difficult to expect that the future will be all that different.

Equally important is the fact that euroization is the goal, in the future. As all these countries are aiming at joining the EU at some point in the future, it is difficult to reconcile that goal with a credible economic policy that would aim at creating optimal currency areas out of these countries.

There are other reasons that stand in the way of the credibility of the local currencies and local central banks.

1. The credibility of monetary policy depends to a significant extent on the political support that it receives. This support depends on quite a number of things, some more basic, some more sophisticated. One rather basic problem in many parts of the Balkans is the unfinished process of state building. In a large part of the Balkans, there are political arrangements that are not state-like. This clearly applies to Bosnia and Herzegovina and

to Kosovo. In a different way it applies to Serbia and Montenegro. Other problems are connected with the process of institution building, which is not very advanced in most countries in the region. There are any number of subtle problems that could be discussed in this context, from those that have to do with the level of so-called social capital to those that have to do with the rule of law and many others. The connection of those with the credibility of monetary regime and policy is not all that clear, though it is clearly important.

2. The record of the local central banks is disappointing. Even in the cases in which central banks were capable of delivering a low inflation rate over an extended period of time, e.g. in Croatia and Macedonia, they failed to make the local currency attractive.

3. More fundamentally, the price of the local currency proved to be rather high. This can be seen in three ways.

– For one, as already indicated, central banks in the Balkans have been able to deliver price stability only at high interest rates. This points to the prolonged disintegration of foreign exchange and money markets. In a sense, local currency – rather than serving as a vehicle of risk allocation – has served as an added creator of risks.

– For another, the programmes of rehabilitation of the local banking systems were often very expensive – and in most cases ultimately unsuccessful. Thus, the rehabilitation of the Croatian banking sector, for example, has been very costly and in the end almost the whole sector had to be sold to foreign banks.

– For third, monetary policy has almost everywhere proved to have adverse effects on growth. This applies both to fixed and more flexible exchange rate regimes, though the reasons were different. In the case of fixed exchange rate regimes, money growth was not enough for sustainable growth of production. In the case of more flexible exchange rate regimes, either price stability or growth (or both) proved to be unsustainable over the medium run.

Clearly, with high interest rates, with collapsing banks and with negative growth, the central banks in the region could hardly expect to gain significant credibility.

### **Problems with euroization**

Some have argued that, in these circumstances, instant euroization is the only advisable monetary policy. The main argument is that the region would get access to 'good money'. The main counter-argument is that the local governments would lose one economic policy instrument. What are the merits of these arguments?

A couple of considerations have to be mentioned before the main arguments are addressed.

Some generalize on the experience of Kosovo and Montenegro. These two regions have opted for unilateral euroization. In Montenegro, the euro is the official currency (as was the Yugoslav dinar, until quite recently). In Kosovo, the euro is the official currency, except in the areas that are controlled by local Serbs who use Yugoslav dinars. In both cases, these are political units that are not really states. Also, both depend crucially on foreign financial aid. Their experiences are somewhat similar to those of Bosnia and Herzegovina where a currency board was introduced as part of the constitution that was part of the Dayton peace agreement. Bosnia also depends crucially on foreign aid. Therefore, these arrangements cannot be seen as typical.

Some generalize on the experience with currency boards in Bulgaria and Bosnia. The latter is a specific case, as already mentioned. The former is difficult to generalize on because in Bulgaria the central bank lost credibility in a way that has not really happened in other countries in the region. In Bulgaria, in the face of hyperinflation, the political public came to the conclusion that there was no hope of saving the central bank. This was not the universal expert opinion, but the opinion of the political public and of the IMF. In any case, there is no such unanimity in the political public on this

issue in the other Balkan countries (even, for instance, in Serbia, though the Yugoslav central bank has arguably the worst record in the whole region).

Now, what is the argument for euroization? There are, in fact, two arguments. One is for unilateral euroization and the other is for an agreement with the ECB.

The latter argument is centred on the distribution of the seigniorage. This is not really of central importance. The key argument for joining a monetary union is the benefit from the monetary regime and policy that would be adopted. In a nutshell, it would be the benefit that the country joining the union would have from the interest rate that it could adopt. Given that the interest rates in the Balkans are, as a rule, higher or much higher than those charged by the ECB, the monetary relaxation would clearly be beneficial for the new member country. However, the EU treaty requires a country planning to join the euro monetary area to achieve the convergence of both inflation rates and interest rates. If these criteria are to be adhered to, no country in the Balkans could hope to be accepted into the euro monetary union.

The former argument (unilateral euroization) is based on the assumption that monetary policy could be imported. One could argue that the difference between the interest rate on euro and on the local currency reveals the devaluation risks. So, by adopting the euro, this risk would be gone and there would be no reason for the local interest rates to differ from the one prevailing in the euro region (except for the other business risks that can clearly differ). This is not such a straightforward argument. Clearly, if the nominal exchange rate cannot change, much depends on the flexibility of the real exchange rate. That depends on the flexibility of quite a number of markets, some of which do not even exist. Absent this flexibility, the real exchange rate may continue to appreciate and that may prove to be quite difficult if not even impossible to alleviate except through one type of crisis or another.

It is difficult to draw analogies from the fixed exchange rate regimes in the Balkans because euroization is not just another fixed exchange rate regime. Still, it has to be pointed out that current account deficits and growing foreign debts are problems in practically all the countries in the region. Therefore, the revival of exports is crucial. Also, local markets are almost everywhere small, so that exports are one of the most important sources of growth in the whole region. Thus, the behaviour of the real exchange rate is crucial.

This consideration is the key one for those who argue against euroization. There is no need to go into the argument because it is so well known. It is especially often used in development studies, and the Balkans are essentially a developing area. The real issue is whether devaluation can be effective in the context of high currency substitution. The history of former Yugoslavia argues against it. Basically, the public chooses foreign currency to hedge against expected devaluation. Still, a devaluation can probably have some positive effects, especially because the wages are not contracted in euro and are not indexed on the euro.

### **Fiscal policy and the euro**

It has been argued that one advantage of euroization, currency boards or even fixed exchange rate regimes is that they discipline the fiscal policy because the budget deficit cannot be monetized, or at least not easily. The experience of the Balkan countries does not support any simple evaluation of this contention.

In the two euroized political entities, Kosovo and Montenegro, the fiscal policies are quite non-standard. In Kosovo, the fiscal authority is with the UNMIK (United Nation's Mission in Kosovo) and its budget is financed by foreign grants, at least to a very large extent. In the case of Montenegro, the budget deficit in the first year of euroization (2000) was quite large, in the vicinity of 20% of GDP. It was financed from foreign grants also. Thus, nothing much can be said on the basis of these two cases.

Similarly, not much can be said about the fiscal implications of the currency board arrangement in Bosnia and Herzegovina. Again, foreign budget support has been quite substantial and will continue to be significant in the near future.

The more interesting is the case of Bulgaria where the fiscal picture has improved dramatically after the episode of hyperinflation in 1997. The stabilization that followed the introduction of the currency board and the remonetization that has happened after the end of hyperinflation has taken the budget into surplus in 1997 and into near equilibrium thereafter. This was mainly the consequence of the reduction in the share of public expenditures in the GDP. Thus, through hyperinflation, the level of public obligations has been reduced while the introduction of the currency board has made it difficult to increase it again without the appropriate increase in public revenues.

Similar developments could be observed in Serbia after the 1993 hyperinflation. For a year the central bank acted as if it was a currency board so that the fast remonetization of the economy was not followed by an immediate rebound in public expenditures. Thus, a fiscal surplus appeared in 1994. However, public expenditures eventually returned to the previous level, and both the monetary and the fiscal balances had to give.

The fixed exchange rate regimes in Croatia and Macedonia are probably the most interesting in this context. In both cases, fiscal deficits remained a serious problem for years after price stability was achieved. In Croatia, the problem was addressed by an attempt to increase public revenues through tax hikes. These proved to be bad for the banking and the enterprise sectors because of the increase of costs (including the increased costs of credits due to the hike in the interest rates). Thus, GDP declined and the budget deficit was not eliminated. In addition, it was financed by foreign credits and thus the overall public debt increased quite

significantly. Indeed, the high budget deficit is the main policy problem in Croatia.

In Macedonia, the same path was followed with somewhat larger success because the hiking of taxes coincided with renewed growth of GDP. It is difficult to judge how the fiscal situation would have developed after a rather large budget surplus appeared in 2000 had the current violent conflict not erupted. As it is, the fiscal situation is bound to get worse.

All this suggests that euroization, currency boards or fixed exchange rate regimes do not bring in fiscal balance if the level of public expenditures is not reduced. Indeed, they can contribute to fiscal imbalances if taxes have to be raised to finance the existing level of public expenditures or if money has to be borrowed abroad or foreign aid and assistance have to be secured. There is no indication in the Balkan experience that these types of exchange rate regimes by themselves contribute to a reduction of public expenditures or to their reform.

### **The original sin in the Balkans**

If a country cannot borrow in its currency abroad and can borrow only short-term at home, it is said to suffer from original sin. As a consequence, its liabilities will be in foreign currency or will be short-term. This will increase the costs of the variability of the exchange rate and will favour a fixed exchange rate regime.

This is to a very large extent the case in the former Yugoslavia countries. A similar set-up is developing in Albania, while Bulgaria has adopted the original sin through the introduction of the currency board. Romania is in a different position, though it is not clear for how long given the lax fiscal and the accommodating monetary policy in the country.

This situation has invited comparisons with countries such as Argentina or Turkey. These comparisons are somewhat superficial. The key difference is that the Balkan countries are small

and potentially highly open economies who trade overwhelmingly with the countries whose currency they have adopted as the anchor currency. Argentina is based on the dollar, but it trades mostly within Latin America. Turkey is not really a small, open economy, so a comparison with Romania may be warranted, but not with other Balkan countries.

### **The prospects for inflation targeting**

Because of the existence of the original sin, it is often argued that the Balkans have little choice but to adopt the euro either unilaterally or by agreement. This conclusion is reinforced by the fact of high costs of independent monetary policy in the Balkans. However, that does not mean that euroization is the inevitable policy alternative. The key issue is whether or not wages are contracted in euros and whether or not they can be put under control through income policy. If wages are not indexed on the euro and are not easy to control, then monetary policy is indispensable in order to put inflation under control. That does not have to be done relying on a fixed exchange rate regime. For a number of reasons, fixed exchange rate regimes have proven not to be very sustainable as anchors for low inflation if there are no other ways to control the growth of wages. In such cases, inflation targeting looks as a promising alternative. If wages are not indexed on the euro, variability of the exchange rate may be desirable. In addition, monetary policy may be used to stabilize prices, though that may put heavy demands on the local central banks and the poor financial environments they are operating in.

### **Conclusion**

The euro is firmly established in the Balkans. There is no doubt that citizens, firms and banks have chosen the euro over their local currencies. That, however, does not mean that unilateral euroization is either the inevitable or even the desirable policy alternative. There is still some room for monetary policy as long as wages are not contracted in or indexed on euros.





## 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
ECU	European currency unit
EUR	Euro, from 1 January 1999
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
ROL	Romanian leu
RUB	Russian rouble (1 RUB = 1000 RUR)
SIT	Slovenian tolar
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar
M0	currency outside banks
M1	M0 + demand deposits
M2	M1 + quasi-money

Sources of statistical data:

National statistical offices and central banks; WIIW estimates.

*Please note:* WIIW Members have **free online access** to the WIIW Monthly Database Eastern Europe.  
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## B U L G A R I A: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	6.3	10.4	4.9	6.6	1.6	-6.5	28.0	2.1	1.6	4.0	0.2	6.8	10.3	2.7	-0.7	.
Industry, total	real, CCPY	2.0	3.3	3.6	3.6	2.3	-6.5	11.9	2.5	3.0	2.4	1.7	2.0	2.6	2.2	1.5	.
<b>LABOUR</b>																	
Employees total	th. persons	1734	1733	1721	1718	1700	1693	1695	1705	1703	1717	1725	1719	1708	1713	.	.
Employees in industry	th. persons	612	611	607	601	596	600	598	600	600	598	598	592	588	585	.	.
Unemployment, end of period	th. persons	689.8	679.7	679.9	677.5	682.8	708.7	713.8	704.7	707.8	678.5	654.0	643.5	637.8	629.9	637.3	.
Unemployment rate <sup>1)</sup>	%	18.0	17.8	17.8	17.7	17.9	18.5	18.7	18.4	18.5	17.8	17.1	16.8	16.7	16.5	16.7	.
Labour productivity, industry	CCPY	17.4	18.3	18.2	17.7	15.8	-1.8	17.5	7.3	7.5	6.7	5.9	6.2	6.8	6.4	.	.
Unit labour costs, exchr. adj. (USD)	CCPY	-16.9	-18.1	-18.8	-18.9	-17.3	3.9	-13.8	-6.1	-6.4	-5.2	-5.2	-5.9	-5.6	-4.3	.	.
<b>WAGES, SALARIES</b>																	
Total economy, gross	BGN	227.0	241.0	230.0	240.0	253.0	236.0	233.0	245.0	253.0	261.0	261.0	256.0	256.0	264.0	.	.
Total economy, gross	real, CMPY	2.2	2.1	1.7	4.1	7.5	5.8	3.2	1.3	2.8	2.9	4.2	3.5	6.7	4.7	.	.
Total economy, gross	USD	105	107	101	105	116	113	110	114	115	117	114	113	118	123	.	.
Total economy, gross	EUR	116	123	118	123	129	121	119	125	129	133	133	131	131	135	.	.
Industry, gross	USD	116	119	110	114	124	122	118	124	120	118	120	117	124	131	.	.
<b>PRICES</b>																	
Consumer <sup>2)</sup>	PM	3.0	2.3	1.2	0.8	0.4	0.6	0.3	0.1	-0.2	0.1	-0.1	-0.2	0.3	1.3	1.7	0.2
Consumer <sup>2)</sup>	CMPY	11.0	11.8	11.9	12.3	11.3	9.3	8.5	8.9	9.8	9.7	9.4	8.5	5.7	4.7	5.2	4.6
Consumer <sup>2)</sup>	CCPY	9.5	9.8	10.0	10.2	10.3	9.3	8.9	8.9	9.1	9.2	9.3	9.2	8.7	8.2	7.9	7.6
Producer, in industry	PM	1.6	3.0	2.3	0.1	0.0	-0.1	0.2	0.5	0.3	0.6	-0.3	-0.6	0.0	0.4	.	.
Producer, in industry	CMPY	14.2	17.4	19.5	17.1	14.9	13.4	11.8	10.5	12.1	9.7	9.5	7.7	6.0	3.3	.	.
Producer, in industry	CCPY	16.9	17.0	17.3	17.2	17.0	13.4	12.6	11.9	11.9	11.5	11.1	10.6	10.1	9.3	.	.
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	2.0	0.9	0.1	-0.5	0.2	.	.	.	.	.	.	.	.	.	.	.
Turnover	real, CCPY	3.7	3.4	3.0	2.7	0.7	.	.	.	.	.	.	.	.	.	.	.
<b>FOREIGN TRADE<sup>3,4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	3282	3758	4248	4780	5221	423	888	1388	1850	2298	2799	3322	3819	4255	.	.
Imports total (cif), cumulated	EUR mn	4338	4963	5694	6385	7042	551	1109	1768	2412	3097	3850	4673	5335	5926	.	.
Trade balance, cumulated	EUR mn	-1056	-1205	-1446	-1605	-1821	-128	-220	-380	-561	-799	-1052	-1351	-1516	-1671	.	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	-337	-364	-499	-565	-702	-141	-183	-237	-318	-411	-422	-503	-427	-493	.	.
<b>EXCHANGE RATE</b>																	
BGN/USD, monthly average	nominal	2.164	2.247	2.288	2.284	2.181	2.085	2.122	2.151	2.192	2.234	2.292	2.273	2.174	2.141	2.159	2.202
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 <sup>5)</sup>	real, Jan98=100	113.0	115.3	116.3	115.3	109.5	104.7	106.6	108.2	110.9	113.4	116.7	115.6	110.3	107.2	106.3	108.2
BGN/USD, calculated with PPI <sup>6)</sup>	real, Jan98=100	102.0	104.1	104.2	103.6	99.8	98.1	97.8	97.6	99.5	101.0	103.4	101.6	97.0	95.0	.	.
BGN/EUR, calculated with CPI <sup>5)</sup>	real, Jan98=100	92.2	90.6	89.6	89.1	88.8	88.3	88.4	88.6	89.2	89.6	89.8	89.7	89.6	88.6	87.1	87.0
BGN/EUR, calculated with PPI <sup>6)</sup>	real, Jan98=100	83.6	81.9	80.4	80.5	80.1	80.1	80.1	79.8	79.7	79.4	79.7	79.8	79.7	79.6	.	.
<b>DOMESTIC FINANCE</b>																	
M0, end of period	BGN mn	2082.3	2110.3	2066.9	2075.2	2373.6	2203.8	2214.7	2225.2	2307.0	2343.7	2427.2	2521.6	2542.0	2601.3	2570.1	2641.4
M1, end of period	BGN mn	3236.2	3272.7	3253.8	3258.2	3632.2	3522.3	3556.6	3555.0	3645.7	3746.3	3834.0	3932.1	3966.2	4029.9	3988.1	4103.8
Broad money, end of period	BGN mn	8266.8	8383.0	9128.3	9047.3	9290.7	9324.8	9430.0	9481.7	9143.1	9431.2	9678.7	9995.4	10105.9	10302.6	10352.1	10625.1
Broad money, end of period	CMPY	27.5	25.7	36.8	29.8	26.4	26.8	26.5	25.8	18.8	24.1	27.7	24.5	22.2	22.9	13.4	17.4
BNB base rate (p.a.), end of period	%	4.1	4.1	4.5	4.8	4.7	4.4	4.3	4.2	4.4	4.6	4.6	4.6	4.8	4.8	4.7	4.9
BNB base rate (p.a.), end of period <sup>6)</sup>	real, %	-8.9	-11.4	-12.6	-10.5	-8.8	-8.0	-6.7	-5.7	-6.8	-4.7	-4.6	-2.9	-1.1	1.5	.	.
<b>BUDGET</b>																	
Government budget balance, cum. <sup>7)</sup>	BGN mn	271.8	281.2	395.7	367.7	-183.8	-370.0	-422.1	-223.5	-98.1	-18.5	-175.7	-447.8	-468.9	-559.1	-433.0	.

1) Ratio of unemployed to total employment.

2) According to EU methodology.

3) Based on cumulated USD and converted with the average exchange rate USD/EUR.

4) Cumulation starting January and ending December each year.

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

6) Deflated with annual PPI.

7) Including some extrabudgetary accounts and funds.

## C R O A T I A: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total <sup>1)</sup>	real, CMPY	7.6	-0.9	-1.1	-0.5	-2.2	14.0	-0.8	4.6	9.8	8.2	1.1	3.9	8.5	5.8	8.3	.
Industry, total <sup>1)</sup>	real, CCPY	3.2	2.7	2.3	2.1	1.7	14.0	6.2	5.5	6.6	7.0	5.9	5.6	5.8	5.9	6.1	.
Industry, total <sup>1)</sup>	real, 3MMA	2.5	1.6	-0.8	-1.3	3.1	3.1	5.6	4.5	7.5	6.2	4.3	4.4	6.0	7.6	.	.
Construction, total, effect.work.time <sup>2)</sup>	real, CMPY	-6.1	-7.5	-4.0	-2.9	-1.8	9.0	-4.6	-2.7	0.5	2.6	1.9	8.0	.	.	.	.
<b>LABOUR</b>																	
Employment total	th. persons	1355.6	1341.3	1333.7	1327.6	1321.5	1313.5	1310.5	1310.8	1319.0	1327.4	1335.6	1344.9	1346.4	1337.7	1333.3	.
Employees in industry <sup>2)</sup>	th. persons	291.2	291.0	289.5	288.6	286.6	284.7	283.4	282.9	283.2	283.7	284.1	284.0	283.5	282.7	283.8	.
Unemployment, end of period	th. persons	349.9	359.9	369.5	376.6	378.5	386.2	388.9	388.7	382.8	373.4	364.9	367.9	369.2	376.6	383.5	.
Unemployment rate <sup>3)</sup>	%	20.5	21.2	21.7	22.1	22.3	22.7	22.9	22.9	22.5	22.0	21.5	21.5	21.5	22.0	22.3	.
Labour productivity, industry <sup>1)</sup>	CCPY	5.6	5.1	4.7	4.6	4.3	17.7	9.9	9.3	10.6	11.0	9.9	9.4	9.7	9.7	.	.
Unit labour costs, exch.r. adj.(USD) <sup>4)</sup>	CCPY	-13.6	-13.4	-13.2	-13.1	-12.6	-12.2	-7.7	-6.1	-6.0	-5.0	-4.7	-4.0	-3.8	.	.	.
<b>WAGES, SALARIES</b>																	
Total economy, gross	HRK	4916	4817	4921	5115	5016	5072	4836	5052	5002	5202	4999	5066	5090	.	.	.
Total economy, gross	real, CMPY	1.2	-0.6	1.3	-2.1	-5.0	-0.7	-5.1	-1.6	0.4	-1.7	-2.0	2.4	-1.3	.	.	.
Total economy, gross	USD	588	558	561	579	593	627	579	598	587	619	585	604	620	.	.	.
Total economy, gross	EUR	649	640	654	677	661	667	628	657	657	706	685	704	690	.	.	.
Industry, gross	USD	514	490	495	515	522	559	518	541	526	573	534	553	562	.	.	.
<b>PRICES</b>																	
Retail	PM	0.0	1.2	0.6	0.2	0.0	0.1	0.5	0.1	1.4	0.6	-0.3	-0.6	1.0	0.3	-0.1	-0.2
Retail	CMPY	6.5	7.1	7.3	7.7	7.4	6.6	6.8	6.0	6.8	7.2	4.9	3.8	4.9	3.8	3.2	2.8
Retail	CCPY	5.5	5.7	5.9	6.0	6.2	6.6	6.7	6.5	6.6	6.8	6.4	6.0	5.9	5.7	5.3	5.1
Producer, in industry	PM	0.2	0.9	1.1	3.4	0.2	-0.7	0.9	-1.6	0.0	0.0	0.1	-0.7	-0.5	0.6	0.2	-0.5
Producer, in industry	CMPY	8.7	8.9	9.7	11.3	11.2	8.2	8.3	5.5	5.1	5.2	4.5	4.0	3.4	3.0	2.1	-2.0
Producer, in industry	CCPY	9.3	9.2	9.4	9.4	9.7	8.2	8.2	7.3	6.7	6.4	6.1	5.8	5.5	5.2	4.8	4.2
<b>RETAIL TRADE<sup>5)</sup></b>																	
Turnover	real, CMPY	13.7	9.2	8.5	10.5	5.2	15.5	5.3	12.3	13.2	12.0	11.2	9.2	8.1	.	.	.
Turnover	real, CCPY	.	10.9	.	.	10.0	.	.	10.9	11.5	11.6	11.7	11.3	10.9	.	.	.
<b>FOREIGN TRADE<sup>6)</sup></b>																	
Exports total (fob), cumulated	EUR mn	3084	3543	3991	4467	4818	342	748	1185	1570	2011	2487	2921	3394	3828	4372	.
Imports total (cif), cumulated	EUR mn	5274	6077	6899	7730	8588	572	1265	2163	2995	4075	5059	6008	6778	7593	8511	.
Trade balance, cumulated	EUR mn	-2190	-2534	-2908	-3263	-3770	-230	-517	-978	-1425	-2064	-2572	-3087	-3384	-3765	-4139	.
Exports to EU (fob), cumulated	EUR mn	1720	1971	2232	2446	2631	192	400	630	857	1083	1358	1577	1848	2100	2450	.
Imports from EU (cif), cumulated	EUR mn	2917	3357	3812	4222	4706	310	697	1165	1639	2232	2805	3321	3727	4167	4699	.
Trade balance with EU, cumulated	EUR mn	-1197	-1386	-1580	-1776	-2075	-118	-297	-535	-782	-1149	-1447	-1744	-1879	-2067	-2250	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	.	141	.	.	-399	.	.	-607	.	.	-1420	.	.	.	.	.
<b>EXCHANGE RATE</b>																	
HRK/USD, monthly average	nominal	8.354	8.636	8.778	8.828	8.459	8.089	8.352	8.444	8.528	8.409	8.545	8.384	8.208	8.248	8.254	8.340
HRD/EUR, monthly average	nominal	7.575	7.531	7.522	7.553	7.586	7.606	7.697	7.695	7.615	7.369	7.298	7.199	7.377	7.516	7.475	7.407
HRK/USD, calculated with CPI <sup>7)</sup>	real, Jan98=100	123.7	127.0	128.6	129.2	123.6	118.8	122.6	124.0	124.0	122.1	124.7	122.7	118.9	119.1	119.3	120.8
HRK/USD, calculated with PPI <sup>7)</sup>	real, Jan98=100	126.4	131.1	132.6	128.6	124.1	122.7	123.2	125.2	126.9	125.4	126.5	123.3	120.9	120.7	120.5	122.4
HRD/EUR, calculated with CPI <sup>7)</sup>	real, Jan98=100	101.1	99.8	99.2	99.6	100.2	100.3	101.4	101.6	99.7	96.4	95.8	94.9	96.4	98.1	97.7	97.0
HRD/EUR, calculated with PPI <sup>7)</sup>	real, Jan98=100	103.8	103.2	102.5	99.6	99.5	100.2	100.7	102.4	101.7	98.6	97.5	96.4	99.2	100.7	99.6	99.2
<b>DOMESTIC FINANCE</b>																	
M0, end of period	HRK mn	6566	6341	6025	5777	6637	5908	6113	6412	6551	6790	7266	7734	7539	7475	.	.
M1, end of period	HRK mn	17838	17244	16702	16385	18030	16717	16971	17395	18253	18845	19065	20531	19838	20285	20065	.
Broad money, end of period	HRK mn	68216	68959	69810	70484	73061	74063	75524	77505	77651	77828	79690	81993	87748	88344	90102	.
Broad money, end of period	CMPY	22.8	24.6	25.0	27.1	28.9	32.0	31.7	33.8	31.7	29.7	28.5	24.9	28.6	28.1	29.1	.
Discount rate (p.a.), end of period	%	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Discount rate (p.a.), end of period <sup>8)</sup>	real, %	-2.6	-2.8	-3.5	-4.9	-4.8	-2.1	-2.2	0.4	0.8	0.7	1.3	1.8	2.4	2.8	3.7	8.1
<b>BUDGET</b>																	
Central gov. budget balance, cum.	HRK mn	-3314.3	-3665.5	-4928.2	-5004.6	-6127.9	-619.8	-1548.0	-3250.8	-3609.1	-4044.8	-4380.0	-4549.6	-4629.3	-5435.0	-2175.5	.

1) In business entities with more than 19 persons employed.

2) In business entities with more than 10 persons employed.

3) Ratio of unemployed to the economically active population.

4) According to NACE classification.

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

6) Cumulation starting January and ending December each year.

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

8) Deflated with annual PPI.

## C Z E C H REPUBLIC: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	11.0	3.7	9.0	4.3	1.4	13.8	6.5	9.8	11.3	6.9	3.7	9.3	3.0	1.1	4.1	.
Industry, total	real, CCPY	5.8	5.5	5.9	5.8	5.4	13.8	10.0	10.0	10.3	9.6	8.6	8.7	7.9	7.1	6.8	.
Industry, total	real, 3MMA	6.7	7.9	5.7	5.0	6.3	7.1	10.0	9.2	9.3	7.2	6.5	5.1	4.2	2.7	.	.
Construction, total	real, CMPY	8.1	7.5	15.0	11.7	2.3	12.5	16.0	15.8	16.1	15.1	12.2	21.4	9.2	3.6	7.0	.
<b>LABOUR</b>																	
Employees in industry <sup>1)</sup>	th. persons	1170	1164	1183	1188	1181	1169	1179	1188	1186	1183	1186	1194	1192	1183	1184	.
Unemployment, end of period	th. persons	467.3	458.3	445.2	442.2	457.4	474.1	466.1	451.5	433.3	420.6	420.3	439.8	443.6	440.5	437.3	439.2
Unemployment rate <sup>2)</sup>	%	9.0	8.8	8.5	8.5	8.8	9.1	9.0	8.7	8.3	8.1	8.1	8.5	8.5	8.5	8.4	8.5
Labour productivity, industry <sup>1)</sup>	CCPY	9.5	9.0	9.2	8.8	8.3	17.7	11.3	9.5	8.3	7.6	6.8	6.7	6.4	.	.	.
Unit labour costs, exchr. adj.(USD) <sup>1)</sup>	CCPY	-11.6	-11.9	-12.9	-12.6	-12.2	-9.5	-6.6	-5.9	-4.1	-2.3	-2.2	-2.2	-1.4	.	.	.
<b>WAGES, SALARIES</b>																	
Industry, gross <sup>1)</sup>	CZK	13457	13147	13802	16183	14805	13568	12736	13617	13689	15041	14691	14523	14242	13796	14755	.
Industry, gross <sup>1)</sup>	real, CMPY	3.3	1.2	2.0	3.9	0.5	7.9	0.9	0.2	3.1	2.2	0.5	1.6	0.4	0.0	2.2	.
Industry, gross <sup>1)</sup>	USD	345	323	336	400	380	363	339	359	353	383	369	369	376	367	399	.
Industry, gross <sup>1)</sup>	EUR	381	371	391	467	425	386	368	394	396	437	432	429	418	404	440	.
<b>PRICES</b>																	
Consumer	PM	0.2	0.0	0.3	0.1	0.2	1.9	0.0	0.1	0.4	0.6	1.0	1.0	-0.2	-0.7	0.0	-0.1
Consumer	CMPY	4.1	4.1	4.4	4.3	4.0	4.2	4.0	4.1	4.6	5.0	5.5	5.9	5.5	4.7	4.4	4.2
Consumer	CCPY	3.8	3.8	3.9	3.9	3.9	4.1	4.0	4.0	4.2	4.4	4.5	4.7	4.8	4.8	4.8	4.7
Producer, in industry	PM	0.3	0.6	1.1	0.1	-0.2	0.4	0.9	0.1	-0.6	0.2	0.2	-0.1	-0.3	0.0	0.7	-0.4
Producer, in industry	CMPY	4.8	5.4	5.8	5.8	4.9	4.2	4.7	4.1	4.1	3.8	3.4	3.0	2.4	1.8	1.4	0.9
Producer, in industry	CCPY	4.6	4.7	4.8	4.9	4.9	4.2	4.4	4.3	4.3	4.2	4.0	3.9	3.7	3.5	3.3	3.1
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	6.2	1.0	4.9	0.4	4.5	7.6	0.3	3.2	6.0	4.2	2.1	5.7	3.3	4.2	8.1	.
Turnover	real, CCPY	5.0	4.6	4.7	4.2	4.0	7.6	3.9	3.7	4.2	4.2	3.9	4.2	4.0	4.1	4.5	.
<b>FOREIGN TRADE<sup>3,4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	19819	22569	25638	28879	31483	2861	5835	9165	12135	15401	18601	21410	24262	27354	30904	.
Imports total (fob), cumulated	EUR mn	21772	24613	28134	31678	34876	3078	6267	9922	13224	16743	20084	23432	26683	29703	33579	.
Trade balance, cumulated	EUR mn	-1953	-2044	-2495	-2799	-3393	-217	-432	-757	-1089	-1342	-1483	-2023	-2421	-2348	-2675	.
Exports to EU (fob), cumulated	EUR mn	13740	15606	17685	19855	21588	2031	4156	6507	8586	10844	13048	14962	16866	18961	21368	.
Imports from EU (fob), cumulated	EUR mn	13618	15377	17508	19699	21637	1880	3917	6291	8356	10548	12655	14773	16779	18596	20987	.
Trade balance with EU, cumulated	EUR mn	122	229	177	156	-49	151	239	216	230	297	393	189	86	365	381	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	.	-1061	.	.	-2273	.	.	-573	.	.	-1093	.	.	-1485	.	.
<b>EXCHANGE RATE</b>																	
CZK/USD, monthly average	nominal	39.0	40.7	41.1	40.5	38.9	37.4	37.6	38.0	38.7	39.3	39.8	39.3	37.9	37.6	37.0	37.5
CZK/EUR, monthly average	nominal	35.4	35.4	35.3	34.6	34.8	35.1	34.6	34.6	34.5	34.4	34.0	33.9	34.0	34.2	33.6	33.3
CZK/USD, calculated with CPI <sup>5)</sup>	real, Jan98=100	108.7	113.9	115.1	113.3	108.6	103.1	103.8	105.1	107.2	108.5	109.0	106.4	102.7	102.5	101.0	102.4
CZK/USD, calculated with PPI <sup>5)</sup>	real, Jan98=100	109.0	114.3	115.1	112.8	109.7	107.9	105.2	105.1	108.3	109.8	110.4	107.7	103.7	102.7	100.6	102.2
CZK/EUR, calculated with CPI <sup>5)</sup>	real, Jan98=100	88.9	89.5	89.0	87.4	87.8	87.0	86.1	86.1	86.1	85.6	83.8	82.5	83.2	84.4	82.8	82.3
CZK/EUR, calculated with PPI <sup>5)</sup>	real, Jan98=100	89.5	90.0	89.1	87.4	87.7	88.0	86.2	86.1	86.7	86.3	85.1	84.5	85.1	85.6	83.3	83.0
<b>DOMESTIC FINANCE</b>																	
M0, end of period	CZK bn	171.1	173.3	171.1	173.0	171.8	168.2	170.6	171.5	172.6	172.6	173.9	170.6	172.6	177.1	175.9	.
M1, end of period	CZK bn	533.3	538.1	536.1	548.5	542.5	543.3	549.2	551.1	566.0	583.4	592.6	598.5	600.6	604.8	602.2	.
M2, end of period	CZK bn	1434.7	1431.3	1439.9	1454.5	1479.5	1487.3	1498.4	1498.1	1530.4	1578.6	1582.5	1602.7	1618.5	1603.7	1609.9	.
M2, end of period	CMPY	8.0	7.1	6.9	7.7	6.5	9.0	7.8	7.8	9.2	11.4	13.1	13.3	12.8	12.0	11.8	.
Discount rate (p.a.), end of period	%	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.25	4.25	4.25	4.25	3.75
Discount rate (p.a.), end of period <sup>6)</sup>	real, %	0.2	-0.4	-0.8	-0.8	0.0	0.8	-0.6	-0.1	-0.1	0.2	0.6	1.2	1.8	2.4	2.8	2.8
<b>BUDGET</b>																	
Central gov. budget balance, cum.	CZK mn	-12367	-17306	-11254	-19097	-46060	18748	3248	2677	-16809	-28713	-29652	-23519	-25566	-22644	-35432	.

1) Enterprises employing 20 and more persons.

2) Ratio of job applicants to the sum of economically active, women on maternity leave and job applicants.

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

4) Cumulation starting January and ending December each year.

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

6) Deflated with annual PPI.

## H U N G A R Y: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	23.1	16.9	16.2	15.7	11.9	19.1	9.9	2.2	8.4	7.9	-1.2	2.3	3.0	-5.8	.	.
Industry, total	real, CCPY	20.9	20.4	19.9	19.4	18.7	19.1	14.3	10.2	9.8	9.4	7.4	6.7	6.2	4.7	.	.
Industry, total	real, 3MMA	19.8	18.5	16.2	14.6	15.5	13.5	10.2	6.8	6.0	4.5	2.8	1.3	-0.4	.	.	.
Construction, total	real, CMPY	13.1	6.8	16.4	12.5	0.3	6.3	5.2	4.9	5.6	17.9	9.0	10.8	22.1	10.3	7.4	.
<b>LABOUR</b>																	
Employees in industry <sup>1)</sup>	th. persons	844.3	848.2	848.2	849.2	843.8	841.4	848.7	857.5	859.7	858.8	846.6	840.0	838.3	850.9	712.3	.
Unemployment <sup>2)</sup>	th. persons	269.7	238.6	257.3	249.8	238.0	246.9	258.8	230.8	233.6	232.2	223.8	233.9	237.0	218.3	227.5	.
Unemployment rate <sup>2)</sup>	%	6.5	5.7	6.2	6.0	5.7	6.0	6.3	5.6	5.8	5.7	5.4	5.7	5.8	5.3	5.6	.
Labour productivity, industry <sup>1)</sup>	CCPY	19.3	18.7	18.2	17.9	17.1	18.4	13.8	9.5	8.8	8.2	6.3	5.9	5.6	4.9	.	.
Unit labour costs, exchr. adj.(USD) <sup>1)</sup>	CCPY	-17.1	-17.6	-18.0	-18.2	-17.5	-9.8	-7.5	-4.5	-3.6	-2.5	-0.4	0.3	1.9	3.9	.	.
<b>WAGES, SALARIES</b>																	
Total economy, gross <sup>1)</sup>	HUF	83173	83500	87360	100927	115805	94414	91350	95117	98928	98248	101478	99071	97495	99232	106153	.
Total economy, gross <sup>1)</sup>	real, CMPY	2.6	1.5	1.6	3.6	5.8	5.4	6.3	5.2	8.2	3.8	6.7	4.2	7.8	10.0	12.9	.
Total economy, gross <sup>1)</sup>	USD	289	277	284	327	392	335	317	325	331	333	351	342	349	353	377	.
Total economy, gross <sup>1)</sup>	EUR	319	318	332	382	437	356	344	357	371	380	411	398	388	388	416	.
Industry, gross <sup>1)</sup>	USD	314	294	299	353	367	334	323	340	324	358	356	350	371	353	375	.
<b>PRICES</b>																	
Consumer	PM	0.5	1.2	0.7	0.5	0.3	1.5	1.4	1.0	0.7	0.9	0.3	0.1	-0.2	0.5	0.3	0.1
Consumer	CMPY	9.6	10.3	10.4	10.6	10.1	10.1	10.4	10.5	10.3	10.8	10.5	9.4	8.7	8.0	7.6	7.1
Consumer	CCPY	9.5	9.6	9.7	9.8	9.8	10.1	10.3	10.3	10.3	10.4	10.4	10.3	10.1	9.9	9.6	9.4
Producer, in industry	PM	1.2	1.2	0.8	1.5	-0.2	0.7	0.7	0.7	0.2	-0.7	-1.3	0.1	0.1	0.9	-0.2	.
Producer, in industry	CMPY	12.7	12.8	12.8	13.4	12.4	10.1	9.8	9.2	8.9	7.0	5.3	4.4	3.3	2.9	1.9	.
Producer, in industry	CCPY	11.1	11.3	11.5	11.7	11.7	10.1	9.9	9.6	9.4	8.7	8.0	7.4	6.8	6.4	5.9	.
<b>RETAIL TRADE</b>																	
Turnover <sup>3)</sup>	real, CMPY	4.1	-3.0	2.9	0.9	0.2	8.9	5.6	5.8	5.4	3.8	3.5	5.1	4.2	3.4	.	.
Turnover <sup>3)</sup>	real, CCPY	3.0	2.2	2.3	2.1	1.9	8.9	7.2	6.7	6.3	5.7	5.3	5.3	5.1	4.9	.	.
<b>FOREIGN TRADE<sup>(5)</sup></b>																	
Exports total (fob), cumulated	EUR mn	18694	21508	24451	27607	30542	2429	5148	8103	10848	13826	16737	19398	21921	24882	27920	.
Imports total (cif), cumulated	EUR mn	21294	24418	27881	31457	34854	2840	5838	9077	12180	15503	18678	21760	24535	27575	30952	.
Trade balance, cumulated	EUR mn	-2600	-2910	-3429	-3850	-4311	-412	-690	-973	-1332	-1677	-1941	-2361	-2614	-2693	-3031	.
Exports to EU (fob), cumulated	EUR mn	14179	16255	18428	20772	22938	1883	3970	6215	8244	10443	12637	14669	16569	18812	21074	.
Imports from EU (cif), cumulated	EUR mn	12707	14470	16411	18481	20352	1672	3430	5303	7064	8980	10876	12707	14332	16136	18050	.
Trade balance with EU, cumulated	EUR mn	1472	1786	2017	2292	2586	211	539	912	1180	1463	1761	1962	2237	2676	3024	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	-665	-936	-983	-973	-1496	-222	-272	-316	-318	-435	-726	-561	-316	-280	-265	.
<b>EXCHANGE RATE</b>																	
HUF/USD, monthly average	nominal	288.2	301.0	307.1	308.3	295.4	282.2	288.0	292.6	299.0	295.4	289.3	289.5	279.1	280.9	281.5	283.1
HUF/EUR, monthly average	nominal	260.9	262.3	263.0	264.1	265.0	265.0	265.6	266.5	267.0	258.3	247.1	249.0	251.2	255.9	255.5	251.1
HUF/USD, calculated with CPI <sup>(6)</sup>	real, Jan98=100	117.1	121.4	123.3	123.3	117.7	111.4	112.6	113.5	115.6	113.6	111.2	110.8	107.0	107.2	107.1	107.6
HUF/USD, calculated with PPI <sup>(6)</sup>	real, Jan98=100	121.5	126.9	129.2	127.4	123.5	120.3	119.6	119.3	122.2	121.8	120.1	118.4	113.7	113.3	113.8	.
HUF/EUR, calculated with CPI <sup>(6)</sup>	real, Jan98=100	95.7	95.6	95.3	95.4	95.5	94.1	93.4	93.0	93.0	89.7	85.6	86.0	87.0	88.4	88.0	86.4
HUF/EUR, calculated with PPI <sup>(6)</sup>	real, Jan98=100	99.8	100.0	100.0	99.0	99.2	98.3	98.0	97.7	98.0	95.7	92.8	92.9	93.5	94.6	94.4	.
<b>DOMESTIC FINANCE</b>																	
M0, end of period	HUF bn	844.5	853.9	853.8	888.2	883.9	825.1	826.2	838.5	849.8	872.8	903.4	907.8	932.2	957.4	965.6	1009.5
M1, end of period	HUF bn	2167.3	2191.6	2195.0	2285.4	2381.8	2222.9	2192.9	2241.0	2239.9	2292.1	2328.9	2319.5	2438.1	2457.9	2478.7	2532.3
Broad money, end of period	HUF bn	5624.0	5680.0	5753.8	5895.1	6051.3	5971.4	5977.5	6012.6	6058.1	6153.8	6163.9	6241.7	6516.2	6545.0	6637.5	6687.0
Broad money, end of period	CMPY	13.4	14.0	14.8	15.3	12.7	13.0	11.0	10.7	11.5	13.5	12.7	13.3	15.9	15.2	15.4	13.4
NBH base rate (p.a.), end of period	%	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.3	11.3	11.0	10.8	10.3
NBH base rate (p.a.), end of period <sup>(7)</sup>	real, %	-1.5	-1.6	-1.6	-2.1	-1.2	0.8	1.1	1.6	1.9	3.7	5.4	6.6	7.7	7.9	8.7	.
<b>BUDGET</b>																	
Central gov. budget balance, cum.	HUF bn	-167.9	-173.9	-106.8	-126.9	-369.4	10.3	-34.3	-35.2	-56.4	-66.8	-84.2	-102.7	-135.8	-170.6	-194.9	.

1) Economic organizations employing more than 5 persons.

2) According to ILO methodology.

3) Excluding catering.

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

5) Cumulation starting January and ending December each year.

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

7) Deflated with annual PPI.

## P O L A N D: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry <sup>1)</sup>	real, CMPY	9.2	5.0	7.1	4.8	-2.2	10.1	0.1	2.9	3.6	-0.9	-4.7	0.9	0.4	-3.8	1.7	-0.9
Industry <sup>1)</sup>	real, CCPY	9.8	9.2	8.9	8.5	7.5	10.1	4.9	4.2	4.0	3.0	1.6	1.5	1.4	0.7	0.8	0.7
Industry <sup>1)</sup>	real, 3MMA	7.3	7.0	5.6	3.1	3.8	2.3	4.2	2.2	1.8	-0.8	-1.7	-1.2	-0.9	-0.6	-1.0	.
Construction <sup>1)</sup>	real, CMPY	-2.1	-3.7	-1.7	-1.1	-6.2	-9.7	-9.1	-8.2	-10.8	-11.7	-10.0	-10.3	-13.9	-10.9	-9.7	-9.8
<b>LABOUR</b>																	
Employees <sup>1)</sup>	th. persons	5271	5270	5274	5247	5199	5184	5189	5170	5156	5135	5121	5097	5074	5060	5044	5020
Employees in industry <sup>1)</sup>	th. persons	2737	2733	2741	2724	2691	2668	2673	2663	2651	2634	2624	2608	2594	2584	2589	.
Unemployment, end of period	th. persons	2496.2	2528.8	2547.7	2613.1	2702.6	2835.6	2876.9	2898.7	2878.0	2841.1	2849.2	2871.5	2892.6	2920.4	2944.3	.
Unemployment rate <sup>2)</sup>	%	13.8	14.0	14.1	14.5	15.1	15.7	15.9	16.1	16.0	15.9	15.9	16.0	16.2	16.3	16.4	.
Labour productivity, industry <sup>1)</sup>	CCPY	17.3	16.5	16.0	15.6	14.7	15.8	10.1	9.3	9.2	8.1	6.7	6.7	6.6	6.0	6.2	.
Unit labour costs, exchr. adj.(USD) <sup>1)</sup>	CCPY	-13.5	-13.1	-13.2	-13.0	-12.2	-4.9	-1.1	-0.4	0.4	3.7	5.5	5.5	5.2	5.8	6.4	.
<b>WAGES, SALARIES</b>																	
Total economy, gross <sup>1)</sup>	PLN	2051	2088	2089	2160	2350	2069	2075	2149	2176	2163	2148	2199	2192	2218	2252	2302
Total economy, gross <sup>1)</sup>	real, CMPY	1.1	0.4	0.5	0.8	-1.9	2.4	1.1	1.7	-1.2	1.8	-1.1	3.0	1.8	1.8	3.9	3.1
Total economy, gross <sup>1)</sup>	USD	471	465	450	474	545	503	507	529	542	543	541	525	516	526	545	562
Total economy, gross <sup>1)</sup>	EUR	519	533	526	553	606	535	551	582	606	621	634	611	574	577	602	633
Industry, gross <sup>1)</sup>	USD	471	457	441	481	566	507	510	535	534	542	537	526	516	512	532	.
<b>PRICES</b>																	
Consumer	PM	-0.3	1.0	0.8	0.4	0.2	0.8	0.1	0.5	0.8	1.1	-0.1	-0.3	-0.3	0.3	0.4	0.1
Consumer	CMPY	10.7	10.3	9.9	9.3	8.5	7.4	6.6	6.2	6.6	6.9	6.2	5.2	5.1	4.3	4.0	3.6
Consumer	CCPY	10.5	10.4	10.4	10.3	10.1	7.5	7.1	6.8	6.8	6.9	6.7	6.5	6.3	6.1	5.9	5.7
Producer, in industry	PM	0.4	0.8	0.6	0.0	-0.9	-0.3	-0.1	0.2	0.2	0.0	-0.4	0.3	0.8	0.5	-0.6	-0.4
Producer, in industry	CMPY	8.4	8.3	8.0	7.2	5.6	4.7	4.1	3.8	3.4	2.3	0.9	0.6	1.0	0.7	-0.5	-0.8
Producer, in industry	CCPY	8.0	8.1	8.0	8.0	7.8	4.8	4.5	4.3	4.1	3.8	3.3	2.9	2.7	2.5	2.2	1.9
<b>RETAIL TRADE</b>																	
Turnover <sup>1)</sup>	real, CMPY	0.8	0.6	-1.7	-2.3	-3.9	3.2	-5.5	-3.8	-2.5	0.2	-1.8	-0.1	1.1	0.2	.	.
Turnover <sup>1)</sup>	real, CCPY	3.0	3.6	2.8	2.3	1.5	3.2	-0.8	-3.1	-2.6	-1.2	-1.4	-0.8	-0.4	-0.4	.	.
<b>FOREIGN TRADE<sup>3,4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	21391	24535	27951	31295	34380	3141	6346	9921	13147	16476	19802	22990	26211	29739	.	.
Imports total (cif), cumulated	EUR mn	33692	38290	43459	48344	53118	4279	8483	13444	18079	22903	27661	32479	36875	41445	.	.
Trade balance, cumulated	EUR mn	-12301	-13755	-15508	-17049	-18738	-1138	-2137	-3523	-4932	-6427	-7858	-9489	-10664	-11706	.	.
Exports to EU (fob), cumulated	EUR mn	15166	17340	19690	21934	24036	2308	4594	7151	9387	11745	14072	16272	18393	20738	.	.
Imports from EU (cif), cumulated	EUR mn	20966	23744	26851	29794	32492	2574	5170	8238	11076	14037	16940	19959	22594	25436	.	.
Trade balance with EU, cumulated	EUR mn	-5801	-6404	-7161	-7861	-8457	-266	-576	-1087	-1689	-2292	-2867	-3687	-4201	-4698	.	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	-7257	-7863	-8703	-9148	-9946	-956	-1419	-2170	-2690	-3427	-4375	-4662	-5016	-5320	-5992	.
<b>EXCHANGE RATE</b>																	
PLN/USD, monthly average	nominal	4.359	4.490	4.637	4.561	4.313	4.111	4.093	4.060	4.017	3.981	3.970	4.186	4.246	4.219	4.133	4.094
PLN/EUR, monthly average	nominal	3.949	3.915	3.970	3.904	3.880	3.865	3.768	3.695	3.590	3.485	3.389	3.600	3.822	3.845	3.743	3.639
PLN/USD, calculated with CPI <sup>5)</sup>	real, Jan98=100	108.1	110.8	113.7	111.5	105.1	100.0	99.9	98.8	97.3	95.8	95.8	101.0	102.8	101.8	99.3	98.3
PLN/USD, calculated with PPI <sup>6)</sup>	real, Jan98=100	111.4	115.1	118.9	116.6	112.3	110.2	107.8	105.5	104.6	103.9	103.4	107.2	107.5	106.2	104.7	104.1
PLN/EUR, calculated with CPI <sup>5)</sup>	real, Jan98=100	88.3	87.2	87.8	86.1	85.5	84.5	82.7	80.9	78.4	75.6	73.7	78.3	83.5	83.9	81.4	79.0
PLN/EUR, calculated with PPI <sup>6)</sup>	real, Jan98=100	91.4	90.7	91.9	90.5	90.4	90.1	88.1	86.3	84.0	81.7	79.8	84.0	88.4	88.7	86.6	84.5
<b>DOMESTIC FINANCE</b>																	
M0, end of period	PLN bn	34.5	34.7	34.1	33.5	34.1	32.0	32.5	33.5	34.5	33.8	35.0	35.3	35.5	36.6	36.6	36.6
M1, end of period	PLN bn	93.9	92.0	91.9	91.9	93.8	89.4	89.5	89.8	90.7	91.5	92.3	95.5	94.7	97.3	96.2	.
M2, end of period	PLN bn	277.9	280.6	287.4	291.2	294.4	292.6	295.5	301.0	303.0	305.0	307.5	314.6	318.5	320.7	324.7	325.9
M2, end of period	CMPY	14.9	14.1	14.6	14.4	11.7	14.6	14.6	14.9	14.0	13.5	8.0	13.5	14.6	14.3	13.0	11.9
Discount rate (p.a.), end of period	%	21.5	21.5	21.5	21.5	21.5	21.5	21.5	19.5	19.5	19.5	18.0	18.0	17.0	17.0	15.5	14.0
Discount rate (p.a.), end of period <sup>6)</sup>	real, %	12.1	12.2	12.5	13.3	15.1	16.0	16.7	15.1	15.6	16.8	16.9	17.3	15.8	16.2	16.1	14.9
<b>BUDGET</b>																	
Central gov. budget balance, cum.	PLN mn	-13002	-14042	-15521	-14897	-15391	-5092	-11979	-14993	-18282	-20384	-18806	-19377	-20964	-21813	-24635	.

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

6) Deflated with annual PPI.

## R O M A N I A: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total <sup>1)</sup>	real, CMPY	10.3	7.5	9.0	7.1	2.3	16.3	9.8	7.4	12.6	13.0	5.0	5.7	4.5	2.5	9.4	.
Industry, total <sup>1)</sup>	real, CCPY	6.6	6.7	6.9	6.9	6.6	16.3	12.9	10.8	11.3	11.6	10.5	9.7	9.1	8.3	8.4	.
Industry, total	real, 3MMA	9.7	8.9	7.9	6.2	8.3	9.3	10.8	9.9	10.9	10.1	7.9	5.1	4.3	5.5	.	.
<b>LABOUR</b>																	
Employees total	th. persons	4473.7	4474.6	4466.3	4434.2	4374.1	4413.5	4447.5	4467.1	4485.2	4521.5	4529.7	4542.3	4546.4	4551.7	.	.
Employees in industry	th. persons	1881.8	1886.7	1881.0	1862.6	1839.6	1813.2	1825.1	1825.4	1828.2	1833.5	1833.2	1836.7	1845.0	1843.6	.	.
Unemployment, end of period	th. persons	997.7	977.7	969.3	984.7	1007.1	1032.9	1032.3	992.8	948.4	890.8	840.3	798.3	771.8	747.1	742.4	.
Unemployment rate <sup>2)</sup>	%	10.5	10.2	10.2	10.3	10.5	10.7	10.7	10.3	9.8	9.2	8.7	8.3	8.0	7.8	7.7	.
Labour productivity, industry	CCPY	14.7	14.2	14.0	13.6	13.0	22.6	18.3	15.9	16.4	16.4	15.1	14.0	13.1	12.1	.	.
Unit labour costs, exchr. adj.(USD)	CCPY	-11.3	-11.6	-11.8	-12.0	-11.3	-14.3	-12.8	-9.9	-8.7	-6.9	-5.1	-3.0	-1.6	0.1	.	.
<b>WAGES, SALARIES</b>																	
Total economy, gross	th. ROL	2908.7	2989.8	3115.1	3349.6	3975.9	3621.7	3412.0	3717.3	4321.7	4174.7	4280.6	4436.3	4449.5	4424.0	4534.1	.
Total economy, gross	real, CMPY	-1.7	1.1	4.8	6.6	10.4	14.4	7.1	6.5	10.8	13.6	13.1	18.1	15.6	12.8	11.3	.
Total economy, gross	USD	130	127	127	133	155	138	127	136	155	147	148	151	149	146	147	.
Total economy, gross	EUR	143	145	148	156	173	147	138	150	174	168	173	176	166	161	163	.
Industry, gross	USD	136	126	128	133	153	134	129	142	159	154	149	161	158	150	151	.
<b>PRICES</b>																	
Consumer	PM	1.8	2.8	2.8	2.8	2.5	3.7	2.3	2.0	2.7	1.7	1.6	1.3	2.2	1.9	2.4	2.7
Consumer	CMPY	45.4	44.9	42.9	41.3	40.7	39.9	40.0	40.3	37.5	37.4	35.7	31.8	32.3	31.2	30.8	30.6
Consumer	CCPY	47.7	47.3	46.8	46.2	45.7	39.9	39.9	40.1	39.4	39.0	38.4	37.3	36.7	36.0	35.4	34.9
Producer, in industry	PM	3.0	4.0	4.2	3.2	2.4	3.4	3.6	2.1	1.5	2.3	1.6	3.0	2.1	2.0	.	.
Producer, in industry	CMPY	52.2	52.5	53.0	53.4	50.3	50.2	51.1	50.5	48.5	48.5	43.9	40.2	39.2	36.5	.	.
Producer, in industry	CCPY	54.1	53.9	53.8	53.8	53.4	50.2	50.7	50.6	50.1	49.7	48.7	47.3	46.2	44.9	.	.
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	-1.8	-1.0	1.0	1.4	1.8	3.2	-3.6	-1.5	-2.4	-2.1	-7.2	3.4	2.0	0.9	.	.
Turnover	real, CCPY	-7.3	-6.6	-5.8	-5.2	-4.5	3.2	-0.3	-0.8	-1.2	-1.4	-2.5	-1.5	-1.1	-0.8	.	.
<b>FOREIGN TRADE<sup>3,4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	7056	8079	9125	10265	11219	964	1963	3113	4040	5159	6344	7528	8608	9677	10698	.
Imports total (cif), cumulated	EUR mn	8593	9804	11172	12701	14128	1241	2602	4003	5426	7092	8622	10124	11422	12647	14232	.
Trade balance, cumulated	EUR mn	-1537	-1724	-2048	-2435	-2909	-276	-638	-890	-1387	-1932	-2278	-2596	-2814	-2970	-3534	.
Exports to EU (fob), cumulated	EUR mn	4495	5153	5799	6552	7162	681	1384	2153	2773	3522	4321	5093	5802	6535	7252	.
Imports from EU (cif), cumulated	EUR mn	4957	5595	6359	7198	7995	682	1411	2214	3005	3930	4831	5775	6491	7190	8156	.
Trade balance with EU, cumulated	EUR mn	-461	-442	-560	-646	-833	-1	-27	-61	-233	-408	-510	-682	-688	-655	-904	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	-808	-798	-682	-751	-1359	-107	-363	-455	-791	-1197	-1337	-1382	-1387	-1378	.	.
<b>EXCHANGE RATE</b>																	
ROL/USD, monthly average	nominal	22422	23602	24538	25103	25604	26243	26815	27299	27878	28493	28952	29364	29809	30236	30786	31299
ROL/EUR, monthly average	nominal	20295	20565	21001	21493	23012	24646	24729	24849	24880	24910	24732	25266	26853	27549	27899	27806
ROL/USD, calculated with CPI <sup>5)</sup>	real, Jan98=100	110.4	113.6	115.2	114.7	114.0	113.4	113.7	113.7	113.5	114.6	114.8	114.6	113.8	113.3	112.7	111.5
ROL/USD, calculated with PPI <sup>6)</sup>	real, Jan98=100	115.1	117.9	118.3	117.0	117.6	119.7	115.8	114.2	115.3	115.5	114.8	111.4	110.5	109.8	.	.
ROL/EUR, calculated with CPI <sup>5)</sup>	real, Jan98=100	90.3	89.5	89.0	88.7	92.8	95.8	94.4	93.2	91.4	90.4	88.4	89.0	92.6	93.4	92.4	89.7
ROL/EUR, calculated with PPI <sup>6)</sup>	real, Jan98=100	94.5	92.9	91.5	90.9	94.6	97.8	94.9	93.5	92.5	90.7	88.7	87.5	91.0	91.7	.	.
<b>DOMESTIC FINANCE</b>																	
M0, end of period	ROL bn	21364	22765	22509	22808	25742	22979	23752	23774	25811	25457	29645	29328	29830	32645	30835	.
M1, end of period	ROL bn	34150	35686	35643	37024	46331	37965	39512	39108	42070	41751	46001	46945	48172	51073	50032	.
M2, end of period	ROL bn	158135	163270	164063	164560	185060	180108	186210	191551	198613	199829	208498	216377	226557	235145	236890	.
M2, end of period	CMPY	42.6	43.0	41.0	37.4	38.0	39.1	41.5	40.7	42.4	39.7	40.4	41.5	43.3	44.0	44.4	.
Discount rate (p.a.), end of period	%	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	.
Discount rate (p.a.), end of period <sup>6)</sup>	real, %	-11.3	-11.5	-11.8	-12.0	-10.2	-10.1	-10.7	-10.3	-9.1	-9.1	-6.2	-3.7	-3.0	-1.1	.	.
<b>BUDGET</b>																	
Central gov. budget balance, cum.	ROL bn	-22362	-22327	-22970	-22333	-28827	-3061	-6012	-8652	-10875	-14045	-22689	-26092	-27530	-30417	.	.

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 2000 as of December 1999.

3) Based on cumulated USD and converted with the average exchange rate USD/EUR.

4) Cumulation starting January and ending December each year.

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

6) Deflated with annual PPI.

## R U S S I A: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	13.2	10.7	13.9	11.6	3.9	7.8	3.1	4.7	7.0	7.0	3.7	4.5	5.1	3.8	5.1	4.7
Industry, total	real, CCPY	13.0	12.7	12.8	12.7	11.9	7.8	5.4	5.2	5.7	5.9	5.5	5.4	5.3	5.2	5.2	5.1
Industry, total <sup>1)</sup>	real, 3MMA	12.5	12.1	12.1	10.3	7.7	6.3	6.0	6.3	6.2	5.9	5.0	4.4	4.5	.	.	.
Construction, total	real, CMPY	14.5	9.6	9.8	11.1	12.2	8.3	7.3	5.7	6.4	6.1	5.8	7.7	12.2	11.8	.	.
<b>LABOUR</b>																	
Employment total	th. persons	65200	65100	65100	65000	65000	64900	64800	64800	64800	64900	65100	65100	65200	65200	65100	.
Unemployment, end of period <sup>2)</sup>	th. persons	7092	7061	7030	6999	6950	7079	7119	6769	6419	6068	6095	6122	6149	6176	6200	.
Unemployment rate <sup>2)</sup>	%	9.8	9.8	9.8	9.7	9.6	9.8	9.9	9.4	9.0	8.5	8.6	8.6	8.7	8.7	8.7	.
<b>WAGES, SALARIES</b>																	
Total economy, gross	RUB	2289.0	2367.0	2425.0	2508.0	3025.0	2733.0	2655.0	2964.0	2923.0	3054.0	3284.0	3364.0	3376.0	3405.0	3473.0	.
Total economy, gross	real, CMPY	19.8	18.5	18.3	17.0	10.3	23.7	18.1	18.6	14.7	16.3	15.7	19.6	21.9	19.8	20.4	.
Total economy, gross	USD	83	85	87	90	108	96	93	103	101	105	113	115	115	116	118	.
Total economy, gross	EUR	91	98	102	106	120	103	101	114	113	120	132	134	128	127	130	.
<b>PRICES</b>																	
Consumer	PM	1.0	1.3	2.1	1.5	1.6	2.8	2.3	1.9	1.8	1.8	1.6	0.5	0.0	0.6	1.1	1.4
Consumer	CMPY	18.8	18.6	19.4	19.8	20.1	20.7	22.3	23.8	25.0	25.0	23.7	22.2	20.9	20.1	18.9	18.8
Consumer	CCPY	21.5	21.2	21.0	20.9	20.8	20.7	21.5	22.3	23.0	23.4	23.2	22.9	22.6	22.2	21.9	.
Producer, in industry	PM	1.7	1.9	2.7	1.2	1.0	1.8	1.7	1.1	0.9	0.9	2.0	0.9	0.0	-0.1	0.4	.
Producer, in industry	CMPY	46.0	40.5	36.7	33.3	31.6	28.8	26.3	24.5	23.8	22.7	22.4	19.4	17.4	15.1	12.5	.
Producer, in industry	CCPY	53.8	52.0	50.2	48.3	46.6	28.8	27.6	26.5	25.8	25.2	24.7	23.9	23.0	22.0	21.0	.
<b>RETAIL TRADE</b>																	
Turnover <sup>3)</sup>	real, CMPY	9.2	8.6	8.5	9.1	8.6	6.4	7.4	8.0	10.3	12.3	11.7	11.0	11.7	11.1	.	.
Turnover <sup>3)</sup>	real, CCPY	8.6	8.6	8.6	8.7	8.7	6.4	6.9	7.3	8.0	8.9	9.4	9.6	9.9	10.0	.	.
<b>FOREIGN TRADE<sup>(1)(5)</sup></b>																	
Exports total, cumulated	EUR mn	70584	80773	91214	102900	114244	8944	17919	27724	37232	47282	58127	67774	77956	87356	96438	.
Imports total, cumulated	EUR mn	29168	33419	38157	43144	48550	3435	7365	12001	16827	22046	27513	32672	37778	42540	47790	.
Trade balance, cumulated	EUR mn	41415	47355	53058	59756	65694	5509	10555	15723	20405	25235	30614	35102	40177	44816	48648	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	.	33395	.	.	46317	.	.	11800	.	.	21100	.	.	28200	.	.
<b>EXCHANGE RATE</b>																	
RUB/USD, monthly average	nominal	27.738	27.799	27.870	27.807	27.979	28.367	28.594	28.678	28.851	29.028	29.115	29.223	29.343	29.430	29.538	29.797
RUB/EUR, monthly average	nominal	25.165	24.241	23.855	23.758	25.110	26.626	26.372	26.096	25.769	25.415	24.871	25.111	26.370	26.821	26.784	26.478
RUB/USD, calculated with CPI <sup>6)</sup>	real, Jan98=100	177.5	176.5	173.6	170.8	169.0	167.7	165.9	163.6	162.3	161.1	159.3	158.7	159.3	158.8	157.7	156.9
RUB/USD, calculated with PPI <sup>6)</sup>	real, Jan98=100	195.0	194.1	190.6	187.4	188.4	192.7	187.3	183.8	184.0	183.8	179.7	176.2	176.4	177.0	176.9	.
RUB/EUR, calculated with CPI <sup>6)</sup>	real, Jan98=100	145.3	138.9	134.0	131.7	137.2	141.5	137.5	133.9	130.6	127.1	122.6	122.9	129.2	130.9	129.3	126.0
RUB/EUR, calculated with PPI <sup>6)</sup>	real, Jan98=100	160.4	153.0	147.3	145.1	151.2	157.2	153.4	150.3	147.5	144.5	138.6	138.0	144.8	147.7	146.5	.
<b>DOMESTIC FINANCE</b>																	
M0, end of period	RUB bn	341.6	351.0	349.7	358.4	419.3	380.1	388.0	399.4	435.3	438.3	474.7	490.6	507.1	531.0	531.5	.
M1, end of period	RUR bn	718.0	747.4	750.7	777.1	879.3	810.5	829.2	858.4	918.2	938.5	987.9	1015.1	1040.8	1074.9	1084.4	.
M2, end of period	RUB bn	1327.3	1388.4	1415.9	1457.3	1559.9	1530.8	1615.8	1632.3	1683.4	1730.0	1798.7	1842.3	1870.4	1925.5	1974.7	.
M2, end of period	CMPY	63.3	68.6	63.1	60.2	58.4	53.0	51.7	49.7	49.9	47.8	44.7	41.5	40.9	38.7	39.5	.
Refinancing rate (p.a.), end of period	%	28.0	28.0	28.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	.
Refinancing rate (p.a.), end of period <sup>7)</sup>	real, %	-12.3	-8.9	-6.3	-6.2	-5.0	-3.0	-1.1	0.4	1.0	1.9	2.1	4.7	6.5	8.6	11.1	.
<b>BUDGET</b>																	
Central gov. budget balance, cum.	RUB bn	146.9	160.9	177.1	191.2	162.5	56.1	56.9	82.3	122.7	148.8	161.1	189.1	207.6	206.3	.	.

1) Seasonally adjusted.

2) According to ILO methodology.

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

4) Based on cumulated USD and converted with the average exchange rate USD/EUR.

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

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

7) Deflated with annual PPI.



# S L O V A K REPUBLIC: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	9.9	9.6	15.4	10.7	8.3	11.0	2.9	2.5	4.4	6.4	6.5	7.9	2.9	4.7	4.2	.
Industry, total	real, CCPY	8.3	8.5	9.2	9.4	9.3	11.0	6.8	5.2	5.0	5.3	5.5	5.8	5.5	5.4	5.2	.
Industry, total	real, 3MMA	9.2	11.7	11.9	11.5	10.0	7.3	5.2	3.2	4.4	5.8	6.9	5.8	5.1	4.0	.	.
Construction, total	real, CMPY	4.1	11.6	11.7	9.6	11.0	11.2	10.8	10.6	8.2	1.0	3.3	1.2	-0.8	-6.7	-1.2	.
<b>LABOUR</b>																	
Employment in industry	th. persons	549.2	550.8	552.4	550.9	548.2	554.0	553.8	554.6	554.4	554.0	555.8	557.2	555.7	556.0	554.8	.
Unemployment, end of period <sup>1)</sup>	th. persons	494.5	472.5	461.5	477.8	506.5	561.0	558.1	545.3	519.0	498.7	505.2	510.7	506.1	497.6	499.3	.
Unemployment rate <sup>1)</sup>	%	17.4	16.6	16.1	16.7	17.9	19.8	19.7	19.2	18.3	17.5	17.8	18.0	17.8	17.4	17.3	.
Labour productivity, industry	CCPY	12.8	12.6	13.2	13.2	12.8	9.8	5.6	4.0	3.8	4.1	4.3	4.5	4.2	4.1	4.1	.
Unit labour costs, exchr. adj.(USD)	CCPY	-9.1	-10.4	-12.1	-13.0	-13.3	-7.4	-5.1	-4.6	-4.4	-3.5	-4.0	-4.2	-3.2	-2.1	-0.8	.
<b>WAGES, SALARIES</b>																	
Industry, gross	SKK	12065	11833	12490	14255	13413	12386	11601	12563	12708	13459	13809	13322	13125	12667	13478	.
Industry, gross	real, CMPY	2.0	-2.4	1.8	-1.7	-2.9	5.4	2.2	0.8	2.7	2.2	2.5	1.3	1.0	-0.4	0.7	.
Industry, gross	USD	257	240	245	284	276	266	245	262	261	273	275	269	274	265	280	.
Industry, gross	EUR	284	275	286	332	308	283	265	287	292	312	322	313	305	291	309	.
<b>PRICES</b>																	
Consumer	PM	0.1	0.6	0.4	0.4	0.2	1.9	2.3	0.8	0.4	0.3	0.3	0.0	-0.1	0.2	0.1	-0.1
Consumer	CMPY	8.7	8.7	8.5	8.6	8.4	7.7	6.7	7.1	7.6	7.7	8.0	8.0	7.8	7.4	7.1	6.5
Consumer	CCPY	13.9	13.3	12.8	12.4	12.1	7.7	7.2	7.2	7.3	7.3	7.4	7.5	7.5	7.5	7.5	7.4
Producer, in industry	PM	0.4	0.3	1.0	0.9	0.2	0.3	2.0	1.0	0.2	0.1	0.2	-0.1	-0.1	-0.1	0.1	.
Producer, in industry	CMPY	9.0	9.1	8.7	8.8	9.1	7.9	9.0	9.4	8.8	7.9	7.6	6.6	6.1	5.7	4.7	.
Producer, in industry	CCPY	10.3	10.2	10.0	9.9	9.8	7.9	8.5	8.8	8.8	8.6	8.4	8.2	7.9	7.7	7.4	.
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	4.0	5.3	6.6	7.2	10.1	10.8	4.8	-2.9	2.8	3.9	0.4	5.1	5.4	6.1	5.0	.
Turnover	real, CCPY	-0.3	0.3	1.0	1.6	2.3	10.8	7.7	3.7	3.4	3.5	3.0	3.3	3.6	3.9	4.0	.
<b>FOREIGN TRADE<sup>2)3)</sup></b>																	
Exports total (fob), cumulated	EUR mn	8179	9327	10584	11837	12879	1106	2210	3411	4572	5839	7083	8283	9365	10572	11842	.
Imports total (fob), cumulated	EUR mn	8550	9726	11119	12568	13859	1216	2445	3842	5159	6604	8041	9437	10705	12072	13563	.
Trade balance, cumulated	EUR mn	-371	-398	-535	-731	-980	-109	-235	-432	-586	-765	-958	-1154	-1340	-1499	-1721	.
Exports to EU (fob), cumulated	EUR mn	4862	5516	6252	7007	7602	658	1363	2096	2805	3586	4350	5067	5647	6370	7113	.
Imports from EU (fob), cumulated	EUR mn	4242	4804	5484	6185	6775	573	1174	1875	2544	3292	4038	4778	5376	6055	6798	.
Trade balance with EU, cumulated	EUR mn	620	713	768	822	827	85	189	222	261	294	313	289	270	316	315	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	-154	-169	-297	-453	-713	-99	-128	-315	-372	-586	-784	-856	-956	.	.	.
<b>EXCHANGE RATE</b>																	
SKK/USD, monthly average	nominal	46.9	49.4	51.0	50.1	48.6	46.5	47.4	48.0	48.7	49.3	50.2	49.6	48.0	47.8	48.1	48.5
SKK/EUR, monthly average	nominal	42.5	43.0	43.7	42.9	43.5	43.7	43.7	43.7	43.5	43.2	42.8	42.6	43.1	43.5	43.6	43.1
SKK/USD, calculated with CPI <sup>4)</sup>	real, Jan98=100	113.4	119.4	123.0	120.7	116.7	110.2	110.1	110.8	112.5	114.1	115.9	114.1	110.7	110.0	110.6	111.7
SKK/USD, calculated with PPI <sup>4)</sup>	real, Jan98=100	122.4	130.1	133.7	130.0	127.1	124.5	121.9	120.8	123.0	124.6	125.7	122.6	118.5	118.0	118.6	.
SKK/EUR, calculated with CPI <sup>4)</sup>	real, Jan98=100	92.8	93.8	95.0	93.1	94.3	92.9	91.2	90.8	90.3	90.0	89.0	88.4	89.6	90.5	90.5	89.6
SKK/EUR, calculated with PPI <sup>4)</sup>	real, Jan98=100	100.5	102.4	103.4	100.7	101.6	101.6	99.8	98.9	98.4	97.9	96.9	96.0	97.1	98.4	98.2	.
<b>DOMESTIC FINANCE</b>																	
M0, end of period	SKK bn	61.4	62.5	63.2	64.5	67.0	65.6	65.5	64.9	65.6	67.3	69.3	70.0	70.7	72.7	74.9	.
M1, end of period	SKK bn	165.2	167.6	170.3	174.0	187.2	177.8	179.3	177.7	182.0	186.3	189.8	195.8	198.4	207.4	207.7	.
M2, end of period	SKK bn	584.1	586.1	581.2	581.5	601.5	606.3	608.4	612.0	619.8	619.3	625.3	633.9	644.0	641.8	634.8	.
M2, end of period	CMPY	17.8	18.5	15.1	15.2	14.9	15.7	13.6	13.3	14.0	13.5	14.5	13.6	10.3	9.5	9.2	.
Discount rate (p.a.), end of period	%	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
Discount rate (p.a.), end of period <sup>5)</sup>	real, %	-0.1	-0.3	0.1	0.0	-0.3	0.8	-0.2	-0.5	0.0	0.8	1.1	2.0	2.6	3.0	3.9	.
<b>BUDGET</b>																	
Central gov. budget balance, cum.	SKK mn	-9575	-7821	-11924	-12597	-27648	4972	-5061	-5647	-14916	-14649	-13462	-22339	-22415	-22878	-27560	-29797

1) Ratio of disposable number of registered unemployment calculated to the economically active population as of previous year.

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

3) Cumulation starting January and ending December each year.

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

5) Deflated with annual PPI.

## S L O V E N I A: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total	real, CMPY	7.0	3.7	3.1	5.7	-2.5	8.9	2.8	2.9	9.4	1.2	-3.9	6.4	2.9	-1.1	7.2	.
Industry, total	real, CCPY	8.2	7.7	7.2	7.0	6.2	8.9	5.8	4.7	5.8	4.8	3.2	3.7	3.6	3.0	3.5	.
Industry, total	real, 3MMA	6.1	4.4	4.2	2.3	4.1	3.0	4.7	4.9	4.2	1.8	1.0	1.6	2.7	3.0	.	.
Construction, total <sup>1)</sup>	real, CMPY	-4.0	-5.2	-4.2	-2.3	-5.0	8.7	-2.7	-5.7	0.7	-2.7	-5.5	0.5	-2.2	-3.8	0.0	.
<b>LABOUR</b>																	
Employment total	th. persons	769.7	772.9	772.4	771.4	763.4	766.1	767.4	772.0	776.3	779.8	781.9	782.3	782.1	786.2	.	.
Employees in industry <sup>2)</sup>	th. persons	220.0	220.5	221.5	221.1	220.2	220.7	221.5	222.5	223.0	223.5	223.4	222.9	221.9	221.8	.	.
Unemployment, end of period	th. persons	102.2	102.2	104.8	104.3	104.6	106.2	104.9	103.6	102.7	100.1	97.8	99.2	98.1	99.8	.	.
Unemployment rate <sup>3)</sup>	%	11.7	11.7	11.9	11.9	12.0	12.2	12.0	11.8	11.7	11.4	11.1	11.3	11.1	11.3	.	.
Labour productivity, industry	CCPY	11.1	10.4	9.8	9.4	8.4	8.6	5.4	4.4	5.6	4.6	3.0	3.5	3.5	3.1	3.8	.
Unit labour costs, exch.r.adj.(USD)	CCPY	-16.5	-16.5	-16.7	-16.4	-15.8	-7.5	-5.3	-5.0	-5.9	-4.7	-4.3	-5.3	-4.5	-3.2	.	.
<b>WAGES, SALARIES</b>																	
Total economy, gross	th. SIT	193.7	192.6	196.8	212.9	213.0	207.3	204.5	206.7	206.9	210.5	209.3	210.1	216.4	214.1	.	.
Total economy, gross	real, CMPY	3.5	1.4	3.2	6.1	0.1	7.0	4.7	3.5	4.1	2.0	1.7	1.3	3.0	3.0	.	.
Total economy, gross	USD	846	806	807	868	904	918	883	877	855	852	823	829	889	890	.	.
Total economy, gross	EUR	934	925	942	1015	1010	977	958	963	960	974	965	965	989	976	.	.
Industry, gross	USD	733	708	700	756	774	793	760	756	731	732	700	709	770	757	.	.
<b>PRICES</b>																	
Consumer	PM	0.3	1.4	0.6	1.1	0.1	0.4	1.1	1.1	0.7	1.1	0.4	0.2	0.0	0.9	0.5	0.4
Consumer	CMPY	8.2	8.9	9.0	9.7	8.9	8.5	8.7	8.9	9.0	9.7	9.5	8.8	8.5	7.9	7.8	7.0
Consumer	CCPY	8.8	8.8	8.8	8.9	8.9	8.5	8.6	8.7	8.8	9.0	9.1	9.0	8.8	8.7	8.6	.
Producer, in industry	PM	1.2	0.6	1.7	0.6	0.6	1.9	1.0	-0.5	0.9	0.1	0.3	0.4	0.3	0.4	1.0	0.5
Producer, in industry	CMPY	9.4	9.3	9.1	9.3	9.2	10.6	10.4	9.6	10.0	9.9	9.8	9.2	8.2	8.0	7.2	7.1
Producer, in industry	CCPY	6.8	7.1	7.3	7.5	7.6	10.6	10.5	10.2	10.1	10.1	10.0	9.9	9.7	9.5	9.3	9.1
<b>RETAIL TRADE</b>																	
Turnover	real, CMPY	11.0	7.1	5.5	12.3	12.3	15.4	4.3	4.9	10.7	5.4	3.0	12.0	10.4	6.9	.	.
Turnover	real, CCPY	6.3	6.4	6.3	6.9	7.3	15.4	9.6	7.8	8.6	7.9	7.0	7.7	8.1	7.9	.	.
<b>FOREIGN TRADE<sup>4)</sup></b>																	
Exports total (fob), cumulated	EUR mn	6051	6939	7843	8736	9505	812	1640	2612	3438	4348	5264	6195	6900	7780	8708	.
Imports total (cif), cumulated	EUR mn	7087	8047	9067	10093	10996	872	1778	2815	3757	4803	5782	6774	7547	8464	9477	.
Trade balance total, cumulated	EUR mn	-1037	-1107	-1224	-1356	-1491	-60	-138	-203	-319	-455	-518	-579	-647	-683	-770	.
Exports to EU (fob), cumulated	EUR mn	3909	4470	5037	5595	6059	553	1093	1708	2223	2780	3343	3930	4343	4882	.	.
Imports from EU (cif), cumulated	EUR mn	4804	5444	6139	6844	7454	594	1206	1918	2547	3264	3929	4606	5105	5720	.	.
Trade balance with EU, cumulated	EUR mn	-895	-974	-1102	-1248	-1395	-41	-113	-210	-324	-484	-586	-676	-763	-838	.	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	-446	-424	-447	-475	-612	52	57	48	23	-29	-43	-30	-9	36	69	.
<b>EXCHANGE RATE</b>																	
SIT/USD, monthly average	nominal	229.0	238.8	244.0	245.2	235.6	225.9	231.6	235.7	241.9	247.1	254.4	253.5	243.5	240.7	242.7	248.2
SIT/EUR, monthly average	nominal	207.4	208.3	209.0	209.8	210.9	212.2	213.5	214.6	215.6	216.3	217.0	217.8	218.7	219.4	219.9	220.4
SIT/USD, calculated with CPI <sup>5)</sup>	real, Jan98=100	119.2	123.2	125.4	124.8	119.7	115.0	117.1	118.0	120.8	122.6	125.9	124.8	119.9	117.5	117.9	120.0
SIT/USD, calculated with PPI <sup>6)</sup>	real, Jan98=100	126.7	132.9	134.3	133.8	128.9	124.6	124.1	125.5	128.1	131.1	133.7	130.8	124.9	122.8	122.7	124.8
SIT/EUR, calculated with CPI <sup>5)</sup>	real, Jan98=100	97.5	97.0	96.8	96.4	96.9	97.1	97.0	96.7	97.0	96.7	96.7	96.7	97.2	96.8	96.6	96.4
SIT/EUR, calculated with PPI <sup>6)</sup>	real, Jan98=100	104.0	104.7	103.9	103.8	103.3	101.7	101.5	102.7	102.5	103.0	103.0	102.5	102.5	102.6	101.5	101.2
<b>DOMESTIC FINANCE</b>																	
M0, end of period	SIT bn	108.0	113.2	113.7	110.2	119.8	106.9	108.5	113.3	114.9	113.2	124.3	115.9	116.3	122.6	124.7	.
M1, end of period	SIT bn	387.5	399.0	405.3	395.7	424.0	396.6	391.1	402.7	417.1	408.1	437.8	419.6	418.1	438.1	440.3	.
Broad money, end of period	SIT bn	2096.6	2125.7	2148.4	2193.5	2206.4	2240.8	2269.3	2329.9	2353.0	2410.3	2445.9	2477.1	2514.8	2555.2	2617.3	.
Broad money, end of period	CMPY	14.6	14.5	15.8	16.2	15.3	17.2	17.1	18.7	18.6	20.2	19.8	19.3	19.9	20.2	21.8	.
Discount rate (p.a.), end of period	%	9	9	9	9	10	10	10	10	11	11	11	11	11	11	11	11
Discount rate (p.a.), end of period <sup>7)</sup>	real, %	-0.4	-0.3	-0.1	-0.3	0.7	-0.5	-0.4	0.4	0.9	1.0	1.1	1.6	2.6	2.8	3.5	3.6

1) Effective working hours.

2) Enterprises with 3 or more employed, excluding employees of self-employed persons.

3) Ratio of unemployed to the economically active.

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

5) Cumulation starting January and ending December each year.

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

7) Deflated with annual PPI.

## U K R A I N E: Selected monthly data on the economic situation 2000 to 2001

(updated end of December 2001)

		2000					2001										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>PRODUCTION</b>																	
Industry, total <sup>1)</sup>	real, CMPY	11.1	5.5	10.8	14.4	13.2	14.8	7.2	12.7	16.3	16.2	13.1	.	.	.	.	.
Industry, total	real, CCPY	12.0	11.6	11.9	12.5	12.9	19.5	16.7	17.4	18.4	18.8	18.5	17.9	16.9	16.6	16.1	15.4
Industry, total <sup>1)</sup>	real, 3MMA	9.5	9.1	10.2	12.7	14.1	11.7	11.5	12.1	15.0	15.2	.	.	.	.	.	.
<b>LABOUR</b>																	
Unemployment, end of period	th. persons	1190.1	1184.5	1174.7	1184.8	1188.0	1188.7	1194.4	1182.8	1165.2	1118.4	1071.3	1046.1	1029.3	1017.2	1002.8	1018.6
Unemployment rate <sup>2)</sup>	%	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.1	4.0	3.8	3.7	3.7	3.6	3.5	3.6
<b>WAGES, SALARIES<sup>1)</sup></b>																	
Total economy, gross	UAH	247.4	249.0	254.1	257.6	296.3	253.4	263.7	281.0	288.9	303.0	317.8	327.3	329.3	326.3	335.8	.
Total economy, gross	real, CMPY	5.1	1.4	2.9	4.9	7.6	14.7	16.3	13.8	20.2	23.5	24.4	24.9	21.4	22.1	24.6	.
Total economy, gross	USD	45	46	47	47	55	47	49	52	53	56	59	61	62	61	63	.
Total economy, gross	EUR	50	52	55	55	61	50	53	57	60	64	69	71	69	67	70	.
Industry, gross	USD	60	60	63	64	71	64	65	71	70	74	77	81	82	81	84	.
<b>PRICES</b>																	
Consumer	PM	0.0	2.6	1.4	0.4	1.6	1.5	0.6	0.6	1.5	0.4	0.6	-1.7	-0.2	0.4	0.2	0.5
Consumer	CMPY	30.2	31.7	32.1	28.9	25.8	22.1	18.9	17.3	17.0	15.1	11.6	9.9	9.6	7.3	6.0	6.1
Consumer	CCPY	27.5	28.0	28.4	28.4	28.2	22.1	20.5	19.4	18.8	18.0	16.9	15.8	15.0	14.1	13.2	12.5
Producer, in industry	PM	0.7	1.2	1.3	1.0	2.1	0.8	0.6	-0.5	0.2	0.0	0.2	0.1	-0.1	0.1	-0.7	0.7
Producer, in industry	CMPY	19.4	19.9	20.6	20.1	20.6	17.8	16.4	12.8	10.8	10.1	9.4	7.9	7.1	5.9	3.8	3.5
Producer, in industry	CCPY	21.2	21.0	21.0	20.9	20.9	17.8	17.1	15.6	14.4	13.5	12.8	12.1	11.4	10.8	10.0	9.4
<b>RETAIL TRADE</b>																	
Turnover <sup>3)</sup>	real, CCPY	8.9	8.7	7.7	7.3	6.9	11.3	7.7	8.0	8.7	10.3	10.4	11.4	11.4	11.5	11.8	12.3
<b>FOREIGN TRADE<sup>3)</sup></b>																	
Exports total (fob), cumulated	EUR mn	9491	10943	12511	.	15771	1233	2546	4116	5656	7174	8918	10497	11973	13389	.	.
Imports total (cif), cumulated	EUR mn	9335	10525	11946	.	15103	1150	2395	3856	5227	6710	8257	9682	11273	12683	.	.
Trade balance, cumulated	EUR mn	156	419	565	.	667	83	151	259	430	464	661	815	700	706	.	.
<b>FOREIGN FINANCE</b>																	
Current account, cumulated	USD mn	.	1193	.	.	1481	.	.	278	.	.	845	.	.	.	.	.
<b>EXCHANGE RATE</b>																	
UAH/USD, monthly average	nominal	5.438	5.439	5.439	5.437	5.436	5.433	5.430	5.421	5.418	5.414	5.401	5.371	5.347	5.339	5.310	5.287
UAH/EUR, monthly average	nominal	4.921	4.756	4.657	4.656	4.886	5.104	5.003	4.939	4.832	4.753	4.609	4.617	4.807	4.869	4.809	4.703
UAH/USD, calculated with CPI <sup>4)</sup>	real, Jan98=100	182.5	178.8	176.6	176.0	173.1	171.4	171.0	170.1	168.1	168.0	166.9	168.3	167.9	167.0	165.8	164.2
UAH/USD, calculated with PPI <sup>4)</sup>	real, Jan98=100	170.3	170.4	169.2	166.9	164.9	168.0	163.7	162.5	162.7	162.9	161.2	157.9	156.9	156.3	156.6	154.8
UAH/EUR, calculated with CPI <sup>4)</sup>	real, Jan98=100	148.7	140.8	136.1	135.8	140.4	144.5	141.4	139.1	134.8	132.7	128.0	130.2	136.0	137.5	135.5	131.8
UAH/EUR, calculated with PPI <sup>4)</sup>	real, Jan98=100	139.4	134.4	130.5	129.3	132.4	136.9	133.7	132.8	130.1	128.2	124.0	123.5	128.6	130.4	129.3	125.6
<b>DOMESTIC FINANCE</b>																	
M0, end of period	UAH mn	11861	11541	11088	11158	12799	11851	12199	12736	13610	13452	14487	14797	15527	16208	16685	17330
M1, end of period	UAH mn	18817	17953	17711	18205	20732	19492	19961	21159	21796	22554	23820	24164	24768	25884	26406	.
Broad money, end of period	UAH mn	29485	28975	28866	29395	32084	30816	31638	33026	34092	35157	36953	37373	38275	39643	40750	41500
Broad money, end of period	CMPY	49.7	41.6	38.1	39.7	45.4	39.8	37.7	36.4	35.8	35.1	36.4	32.9	29.8	36.8	41.2	41.2
Refinancing rate (p.a.), end of period	%	27.0	27.0	27.0	27.0	27.0	27.0	27.0	25.0	21.0	21.0	19.0	19.0	17.0	15.0	15.0	.
Refinancing rate (p.a.), end of period <sup>7)</sup>	real, %	6.4	5.9	5.3	5.7	5.3	7.8	9.1	10.8	9.2	9.9	8.8	10.2	9.3	8.6	10.8	.
<b>BUDGET</b>																	
General gov. budget balance, cum. <sup>8)</sup>	UAH mn	1280.6	1747.1	2698.2	3062.7	1986.5	1384.8	1804.2	1479.2	1684.9	1910.6	1868.5	2383.5	2304.2	.	.	.

1) Excluding small firms.

2) Ratio of unemployed to the economically active.

3) Official registered enterprises.

4) Based on cumulated USD and converted with the average exchange rate USD/EUR.

5) Cumulation starting January and ending December each year.

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

7) Deflated with annual PPI.

8) Including pension fund.

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