

Monthly Report 1/03

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The Copenhagen Summit: enlargement comes cheaply

BY SÁNDOR RICHTER

The Copenhagen Summit closed the accession negotiations with ten candidate countries. The Accession Treaty will be drafted in the next months and signed in April 2003, followed by its ratification by the 15 present EU members and the ten applicant countries. In the latter, referenda will precede ratification. Should the majority of the population in a country decide against the accession to the EU, the country concerned will be left out from the 2004 enlargement.

The Copenhagen Summit did not bring about a substantial change in the financial framework of enlargement. Few net additional financial commitments were made by the current EU member states. Total financial commitments for the three-year period will amount to EUR 40.85 billion.

During the summit meeting the main target of some candidate countries (primarily Poland's) was to increase the available resources – i.e. non-project-related payments from the EU budget. Project-related resources are only available for the EU-approved items that require lengthy preparations and national co-financing. This is the case with the transfers for rural development, and from the Structural and Cohesion Funds. Most of the pre-accession aid is tied to specific projects. Poland managed to shift part of the expenditures earmarked for structural actions into unconditional budgetary transfers. Budgetary transfers are 'sure' money as they are not dependent on approval of any project, and cheap because they do not require co-financing. Besides, all new members will be allowed to top up the direct payments for their farmers from own resources. These own resources may come from the national budgets and, up to 40% of the total top-up, resources may be regrouped from the expenditure item 'rural development', which is project-related and therefore necessitates national co-financing.

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In view of the sum total of these changes, we now assume that the new members will *not* be net payers even in 2004 (as opposed to earlier WIIW estimates based on pre-Copenhagen figures). Calculations – on the basis of Hungarian figures – show that this still requires, as a minimum, the acquisition of 44% of project-related funds in 2004, 30% in 2005 and 18% in 2006.

Overall net flows to new members in the period 2004 to 2006 may be between EUR 7 and 11 billion, calculating with an either 50% or 70% success rate in receiving project-related transfers. This sum makes up 0.6% to 0.9% of the GDP of the new members annually. This represents 0.02% to 0.04% of the annual aggregate GDP of the EU 15 in that period.

Farmers in the new member countries will be the main beneficiaries of the Copenhagen decisions. The opportunity of a 30% top-up on the 25%, 30% and 35% (of the EU 15 level) direct payments considerably improves their competitiveness vis-à-vis the farmers in the present EU 15 members. But the price to be paid is that there will be less funding available for rural development – which more affects the medium- and longer-term competitiveness of the agricultural sector as compared to direct payments with their immediate impact. The national budgets will also suffer under the additional burden. Nevertheless, each new member may opt for not using the opportunity for the top-up.

Now that the prospective members' fight for more favourable financial conditions is over, their attention will be focusing on improving their absorption capacity. The European Commission in the 2002 Progress Reports exactly defined the tasks.¹ The accession countries' eventual success will depend on the speed with which they finally set up institutions distributing transfers allocated by the EU.

¹ S. Richter, 'The 2002 Regular Reports on the EU candidate countries', *The Vienna Institute Monthly Reports*, no. 12, 2002, pp. 8-13.

Agriculture in transition countries: stagnation in the CEECs, growth in Russia and Ukraine

BY ZDENEK LUKAS

In the year 2002 the CEEC(6) reported a slight drop in their total agricultural output, after strong production growth in 2001. While production of livestock expanded in most countries concerned, that of crops fell due to the drought-related harvest decline. Grain production was down some 11%, but the region probably remained a net grain exporter in 2002, thanks to huge grain surpluses from the 2001 harvest. Despite rising domestic demand some countries are facing surpluses, particularly in the animal sector, and thus falling agricultural procurement prices. Agro-food exports were constrained by low export subsidies and by high harvests in the main outlet region, the EU.

Nevertheless, the CEEC(6) deficit in agricultural trade for 2002 remained more or less constant at the level of EUR 1.1 billion to which it had risen in 2001.

In Russia and Ukraine the overall economic recovery and rising investment was accompanied by an increase in agricultural production – in Russia already for the fourth year, in Ukraine for the third year running. Still, on account of strongly rising domestic demand for foodstuffs Russia remains one of the world's largest agro-food importers, primarily of sugar and meat. Ukraine increased its agro-food surplus to over USD 1 billion.

In the **Czech Republic**, despite severe flooding in the western half of the country in the summer of 2002, the agricultural sector suffered relatively small losses. Compared to 2001 when the highest result in the past decade had been recorded, the grain harvest fell by some 9%, mostly on account

Table 1

Selected indicators in agriculture

(average annual rate of change in %)

	Agricultural land in 1000 ha	Gross agricultural production								
		2001	1986-90 (p.a.)	1991-95 (p.a.)	1996-00 (p.a.)	1997	1998	1999	2000	2001
Czech Republic	4280	0.4	-5.0	-2.0	-5.1	0.7	0.6	-4.5	2.5	-3
Hungary	5865	-0.4	-6.5	-0.7	-3.3	0.7	0.5	-7.1	13.2	-8
Poland	18392	0.6	-1.6	-1.0	-0.2	5.9	-5.2	-5.6	5.7	1
Slovak Republic	2039	0.3	-6.8	-4.1	-1.0	-5.9	-2.5	-12.3	7.8	5
CEEC(4)	30576	0.3	-3.6	-1.4	-2.0	2.5	-2.5	-6.4	6.7	-1
Bulgaria	6252	0.1	-1.3	-1.5	13.7	-1.5	2.7	-9.1	-0.3	9
Romania	14857	-3.5	0.2	-2.6	3.4	-7.5	5.2	-14.2	21.7	-8
CEEC(6)	51685	-1.4	-1.6	-1.6	2.3	-1.5	0.9	-9.4	10.6	-2
Russia	195900	1.3	-7.7	-1.3	1.5	-13.2	4.1	7.7	6.8	4
Ukraine	41827	0.8	-8.2	-3.9	-1.9	-9.8	-6.9	9.9	10.2	4
Whole region	289412	0.1	-5.1	-1.6	1.2	-8.2	1.0	1.6	8.8	2

Note: 1) WIIW estimate.

Source: WIIW Database incorporating national statistics.

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of the decline in wheat production, and altogether reached 6.7 million tonnes in 2002. With domestic grain consumption at around 6.5 million t, total grain trade will be roughly in balance until the next harvest. Harvests of potatoes and rapeseed fell at two-digit rates, that of sugar beet rose by some 5%. Total 2002 crop output was down by an estimated 8%. Meat production (excluding poultry) increased by more than 3% in 2002, first of all due to the expansion of the cattle sector, which recovered after the plunge in 2001 caused by the BSE crisis. Milk output nearly stagnated, total animal production rose by some 2%. Overall agricultural output was down by an estimated 3% in 2002. After the rise in 2001, Farm output prices fell by about 4% (after rising in the previous year) and input prices nearly stagnated in 2002. Nevertheless, the economic situation in farming has probably not deteriorated as the government has fairly generously compensated farmers' losses caused by the floods.

Organic agriculture is booming and currently accounts for about 6% of total farmland. The Czech Republic is a leader among the EU candidates in this respect and does even better than some EU countries (in the EU-15, organic agriculture accounts for an average 3% of total farmland). Czech farmers have free access to the EU market as the EU Commission considers Czech controls and certification (as laid down in the law on organic farming, in effect since January 2001) as equivalent to those of the EU. Organically produced items (mostly wheat, peas, rye and pig halves) are mainly exported to Germany and Austria. So far they only play a secondary role in Czech agro-food trade, despite an impressive expansion of their output (nearly tripling in 2001). Overall agricultural imports stagnated and exports contracted by 12% in January-September 2002; the agro-food deficit rose by EUR 170 million to nearly EUR 600 million. The deficit for the full year 2002 is likely to exceed EUR 800 million, as exports are negatively affected by the strong real appreciation of the Czech koruna.

Table 2

	Grain production										
	(million tonnes)										
	1986-90	1991-95	1996-00	1996	1997	1998	1999	2000	2001	2002 ¹⁾	2002/2001
	annual average										
	in %										
Czech Republic	7.8	6.9	6.7	6.6	7.0	6.7	6.9	6.5	7.3	6.7	-9
Hungary	14.3	11.5	12.0	11.3	14.1	13.0	11.4	10.0	14.9	12	-20
Poland	26.1	23.8	25.2	25.3	25.4	27.2	25.8	22.3	27.0	26.5	-2
Slovak Republic	4.0	3.6	3.1	3.3	3.7	3.5	2.8	2.2	3.0	3.3	10
CEEC(4)	52.2	45.7	47.0	46.6	50.2	50.3	46.9	41.0	52.2	48.5	-7
Bulgaria ²⁾	8.4	6.9	4.9	3.4	6.2	5.4	5.2	4.4	6.1	6.5	7
Romania	18.3	17.0	15.9	14.2	22.1	15.5	17.0	10.5	18.9	14	-26
CEEC(6)	78.9	69.6	67.8	64.2	78.5	71.2	69.1	55.9	77.2	69	-11
Russia	104.3	87.9	65.2	69.3	88.6	47.9	54.7	65.5	85.2	88	3
Ukraine	47.4	38.5	27.1	24.6	35.5	26.5	24.6	24.5	39.7	38.5	-3

Notes: 1) WIIW estimate. - 2) Methodological break 2000/2001.

Source: WIIW Database incorporating national statistics.

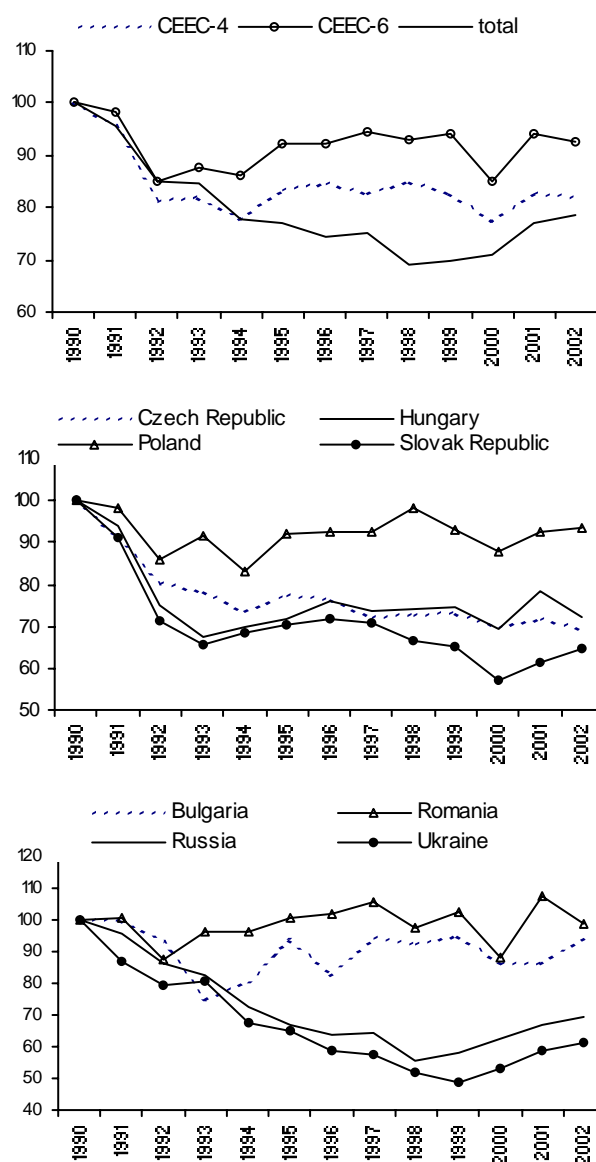
Hungary has registered an average annual surplus in agricultural trade of more than EUR 1 billion in recent years. Nevertheless Hungarian farmers have had to cope with output surpluses and thus with falling agricultural output prices, also in 2002 when gross agricultural production was declining. After the 2001 bumper harvest, grain output was down by about 20% to less than 12 million tonnes in 2002, mainly because of the fall in maize output. But in view of the considerable surplus in grain output in 2001 and as domestic consumption has hardly changed, Hungary has remained a net grain exporter. With other important crops also registering lower yields, total crop output dropped by some 7% in 2002. Inventories of pigs, mostly those of breeding sows, were on the rise, while those of cattle were falling continuously. The low prices of fodder grain in 2001 had resulted in higher pig stocks, which in turn led to an increase in pork production and finally to a growing surplus. The latter was also fostered by the fact that, in line with WTO commitments, Hungary stopped subsidizing pig exports in 2002. Thus, the rising domestic pork surpluses resulted in pork prices falling at two-digit rates. Stocks of cows were decreasing, yet milk output increased because of rising cow productivity. As domestic demand remained nearly unchanged, the milk surplus expanded to close to one quarter of total milk output. Output of poultry exceeded demand and procurement prices were falling. Overall meat production declined. Total animal production fell by some 9%. Altogether, the agricultural output dropped by about 8% in 2002. Still the agro-food trade surplus of 2002 probably exceeded again EUR 1 billion.

In **Poland** the grain harvest registered near-stagnation, at 26.8 million tonnes, after a bumper crop in 2001. The grain-sown area decreased, but yields per hectare increased (both by about 5%). Output of sugar beet rose, while that of rapeseed, potatoes, vegetables and fruits declined. Overall production of crops was down by an estimated 4% in 2002. Because of the high pig prices in the second half of 2001, Polish producers strongly

Figure 1

Development of gross agricultural production

1990 = 100



WIIW

expanded the stock of breeding sows and subsequently the number of piglets. Thus, despite rising unit feed costs and declining pork prices, pig stocks and pork production increased even in the second half of 2002. With pig production exceeding domestic pork consumption, pig exports increased as well. Still, pork stocks continued to expand, resulting in prices falling by a quarter in the first

nine months of 2002. The decline in cattle inventories registered in the course of 2001 and partly caused by the BSE crisis lessened in the second half of 2002. Procurement of animals for slaughter increased in all categories in 2002, mostly that of pigs. Poultry is becoming more and more competitive against red meats. Despite growing domestic demand, procurement prices for poultry were declining as poultry production exceeded demand. Milk procurement nearly stagnated and thus milk output can be assumed to have remained at the previous year's level. Animal production as a whole rose by an estimated 3%. Slaughterhouses and meat processing plants have so far invested less in modernizing their equipment than would be needed to adjust to the EU veterinary standards. Polish tariffs on agro-food products are relatively high compared to other advanced candidate countries. Poland's total agro-food trade deficit dropped by EUR 70 million to EUR 220 million in the first eight months of 2002, as exports were rising and imports falling slightly. Thus, for the whole year 2002 the deficit in agro-food trade may be lower than in 2001 (EUR 0.3 billion). The EU has remained Poland's most important trading partner, followed by the Former Soviet Union and CEFTA.

After long negotiations on the time schedule for the liberalization of the land market, Poland – as the last candidate country – finally reached an agreement with the EU in 2002: it involves the longest transition period, allowing foreigners to buy land only twelve years after Poland's joining the EU. Apparently it did pay that Poland remained firm when finishing the race. Dutch farmers, who are very active in Poland, have asked the Polish Parliament to create a special status for them to access the Polish land market before Poland's membership in the EU, with full rights of ownership and residence status.

Following a good harvest in 2001, the grain output in **Slovakia** rose by another 10% to 3.3 million tonnes in 2002, mostly thanks to an expansion of maize production. The country is looking for outlets for its big grain surplus. The production of potatoes

soared by half, that of sugar beet and oilseeds registered some modest expansion. Altogether, growth in plant production may exceed the mark of 10% in 2002. Cattle stocks dropped slightly on account of BSE cases, whereas inventories of pigs and poultry increased. Despite stagnating cow stocks, milk production rose thanks to higher milk yields probably exceeding 4700 litres per cow. In line with expanding stocks, the output of pork and poultry increased. Total animal production rose just slightly. The overall agricultural output rose by an estimated 5% in 2002.

Agricultural output prices stagnated in the first nine months of 2002, while input prices rose by about 3%. Following a pre-tax profit of SKK 0.6 billion in 2001, the 2002 economic situation in Slovak farming probably somewhat deteriorated. Thanks to expanding exports (mainly cereal and vegetable products) Slovakia's agro-food trade deficit dropped by EUR 63 million to EUR 281 million in January-September 2002. For the whole year 2002 we assume a further contraction in the agro-food trade deficit to about EUR 380 million (2001: EUR 466 million).

Bulgaria's wheat production in 2002, at 4.3 million tonnes, even exceeded the top result of the previous year – despite heavy rainfalls during the harvest season. Thanks to enlarged sown area the production of barley soared by 28% to 1.1 million tonnes. Maize output registered some growth as well. In sum, Bulgaria harvested 6.5 million tonnes of grain, the highest result since 1995. Currently grain production exceeds domestic consumption by about 2 million tonnes. In view of Bulgaria's non-interventionist agricultural policy (the most liberal among the CEECs) and the heavily subsidized grain surpluses on the international markets, that amount will be hard to sell up to the 2003 harvest. The production of sunflower seeds increased as well, reflecting an expansion of the area under cultivation, while that of tobacco was falling (after strong growth in 2001); in addition, the quality of tobacco has deteriorated. Total crop output rose by an estimated 6% in 2002. Livestock inventories, mostly sheep and pigs, expanded further in 2002,

supported by the excellent fodder basis and the falling feed grain prices (already for the second year running). Meat output rose by about 15%. Milk production expanded strongly as well, due to increasing stocks and rising productivity. In sum, the animal sector is recovering fast and animal output rose by more than 10% in 2002. Total agricultural production grew by an estimated 9% in 2002.

In 2000 the EU imposed a ban on imports of Bulgarian fish and fish products because of insufficient veterinary standards. Following an improvement in the monitoring of aquatic cultures, the EU again opened its market to Bulgarian fish products in 2002. Bulgaria is a net exporter of agricultural products; its main trading partners are the EU, the CEFTA and the Arab world. In the first eight months of 2002 agro-food exports rose by 20% to EUR 387 million, mainly based on the expansion of tobacco, beverages and spirits exports. These three product groups and grain dominate the exports. With imports expanding by 15% to EUR 311 million, Bulgaria's net agro-food trade surplus rose by EUR 25 million to EUR 76 million in January-August 2002 (following the 2001 historical low in the past decade). In January-November 2002 Bulgaria exported wheat in the amount of 1.1 million tonnes. Agro-food imports are not restricted by the country's very liberal foreign trade policy while exports are constrained by the lack of export subsidies. Nevertheless the agricultural surplus for the whole year 2002 may well exceed EUR 100 million.

In **Romania**, agricultural employment (about 40% of the total) is the highest among the transition countries. The large employment overhang coupled with very low labour productivity alleviates unemployment in the non-agricultural sectors. After an excellent harvest in 2001, Romanian farmers faced big grain surpluses. With grain exports expanding only moderately and domestic consumption rising just slightly, grain stocks increased strongly after the 2001 harvest.

In 2002, after a drought in early spring, the grain harvest fell by one quarter to about 14 million tonnes, mostly on account of declining yields of wheat. Among the main crops only the output of sunflower seeds reportedly exceeded the previous year's level. Accordingly, total crop production in 2002 may have declined at two-digit rates. The animal sector has undergone a process of permanent shrinking over the last decade. But based on the high fodder stocks from the 2001 harvest and driven by rising demand for meat, livestock inventories expanded in 2002 (for the first time since the start of transition), mostly those of pigs and sheep. The about 4% expansion of the total animal sector somewhat alleviated the decline in the plant sector; total agricultural output fell by some 8%. Agro-food exports rose by 5% to about EUR 250 million in the first eight months of 2002. With imports falling by 10%, Romania's agro-food trade deficit decreased by EUR 90 million to less than EUR 500 million compared to the same period a year earlier. Although some import increment may have occurred in the last quarter of the year on account of the low harvest, the agro-food trade deficit for the full year 2002 will hardly exceed EUR 750 million, compared to EUR 863 million in 2001.

Although economic growth in **Russia** decelerated for the second consecutive year in 2002, the situation in agriculture has been improving since 1999. After 85 million tonnes in 2001, Russia harvested even about 88 million tonnes of grain in 2002, mostly thanks to the strong increase in wheat production (output reached 49 million tonnes). Favourable weather conditions and rising investment were the key factors behind that growth. Output of sugar beet rose, that of potatoes nearly stagnated. Altogether crop production was up by an estimated 4% in 2002. The improved fodder grain basis for the second year running fuelled a further expansion of livestock inventories, mostly of pigs, poultry and sheep, while the number of cattle stagnated. Output of meat and eggs rose by about 5% and 3% respectively. Despite the

shrinking number of cows, milk output rose because of rising cow productivity. As the animal sector has probably expanded at the same rate as crop production, total agricultural output may expand by 4% in 2002. Imports of raw meat (mainly poultry) into Russia reached again their high pre-1998 levels because the heavily subsidized deliveries from the Western countries were cheaper for the meat industry than raw meat produced in Russia. Besides, the country traditionally imports raw sugar and dairy products. With domestic demand exceeding domestic food production, Russia's total agro-food deficit in 2002 may again surpass USD 7 billion, regardless of output expansion.

Despite decelerating economic growth, real wages and incomes are surging in **Ukraine**, and living standards are also on the rise. That has fostered an expansion in the demand for foodstuffs. Backed by rising agricultural investment and by the demand for domestic foodstuffs, Ukrainian farming has been recovering since 2000, after a decade of deep decline. Following 10% growth in 2000 and in 2001, total gross agricultural production rose by an estimated 4% in 2002. At the same time, the food processing industry expanded by around 8% in 2002 as the still depreciated domestic currency in real terms (compared to the end of the 1990s) has controlled the expansion of agro-food imports. Following the excellent 2001 result (21.4 million tonnes, the highest yield in nine years), wheat production reached 21 million tonnes in 2002. Maize output amounted to 3.5 million tonnes. The total grain harvest was probably slightly down to about 38.5 million tonnes in 2002. Harvests of sunflower seeds soared by around 40%, those of sugar beet and potatoes nearly stagnated. The good 2001 harvest lowered input costs in the animal sector, especially in first half of 2002, boosting livestock inventories and thus animal production. Stocks of pigs and poultry were increasing, while the declining trend in cattle stocks has nearly terminated. Backed by robust domestic demand, the output of eggs and meat registered the strongest expansion. Total animal production grew by some 5% growth in 2002.

The real exchange rate of the Ukrainian currency has remained broadly stable against the US dollar since mid-2001, though rising against the rouble. As a result, trade with Russia has deteriorated, while that with the dollar area improved. Total agro-food exports expanded strongly, in particular those of grain, and probably exceeded USD 2 billion in 2002. Coupled with stagnating agricultural imports, Ukraine's agro-food surplus very likely exceeded USD 1 billion in 2002, compared to USD 0.7 billion in 2001. As in Russia, Ukraine's WTO application has been an important examination of the reliability of reform. So far there has been little progress on the long list of legislative and implementation issues, especially related to hidden subsidies to agriculture. Despite the worldwide prevailing shift from price support towards cheaper direct income support, the Ukrainian government is trying to assure farmers' income mostly by guaranteed procurement prices for agricultural products.

Kosovo: a protectorate's economy

BY MARIO HOLZNER

Introduction

In June 1999 Kosovo – or Kosova, as the Albanian majority population calls its country – became a protectorate¹ under the rule of the United Nations Interim Administration Mission in Kosovo (UNMIK), following the NATO campaign against Yugoslavia.

At the beginning of the 2000s, Kosovo's GDP per capita reached the low levels it had had at the end of the 1980s, about USD 900.² However, one has to bear in mind that in the mid-1990s GDP had dropped to some USD 300 per capita. Statistical coverage basically stopped in 1995 so that the complete economic breakdown in the wake of the military conflicts is not reliably reflected by the data available. In parallel to the overall institution building, Kosovo's statistics are being set up from scratch. Kosovo data in general must be treated with caution.

Recent economic developments

The post-war Kosovo economy has experienced high GDP growth. Estimates for 2000-01 arrive at double-digit growth rates (11% for 2001), while projections for 2002 and 2003 foresee growth rates of 7% and 4.5%, respectively. In spite of that the income level is one of the lowest in Europe. At purchasing power parities, the GDP per capita amounted to not more than some USD 2700 in 2001. This is about 90% of the level of Serbia and

Montenegro, approximately 70% of the Albanian level and only some 40% compared to Macedonia.

Poverty is widespread but not very deep. In absolute terms half of the population was poor, with about 12% of the population living in extreme poverty in 2000. However, only about 10% of the population was poor in relative terms.³ Most of the poor households (in absolute terms) dropped, as a consequence of the last decade's conflicts, just slightly below the poverty line (about 30% of the population). They have, in comparison to the extremely poor households, better levels of human and physical capital and will, most likely, be able to benefit from the economic recovery. Not surprisingly, the unemployment rate is one of the highest in the region, amounting to an estimated 50%. This is about twice the level of Serbia and Montenegro.⁴ One of the main sources of income for a Kosovo household are remittances from relatives in Western Europe, mainly Germany and Switzerland. Approximately every sixth Kosovar lives outside the country.⁵ On average, in 1999 households in Kosovo received cash remittances of about EUR 2500 per year.

Beside the remittances (about 30% of GDP), large official transfers in the magnitude of around 70% of GDP fuelled the strong economic growth in 2001

¹ On 10 June 1999, Kosovo was placed under temporary UN administration by the United Nations Security Council Resolution 1244 (UNSCR 1244) in order to provide substantial autonomy and self-government to the people of Kosovo. At the same time, the resolution confirms the sovereignty of the Federal Republic of Yugoslavia over Kosovo.

² However, it is difficult to compare current GDP estimates with former Yugoslavia's 1980s data on Gross Social Product, which included only the public and socially owned enterprise sector.

³ The World Bank's Living Standard Measurement Survey (LSMS), carried out in the autumn of 2000, shows that 10.1% of the Kosovo population have an income below the relative poverty line at 50% of the median per adult equivalent consumption. In absolute terms, 50.3% of the population are below the poverty line of USD 1.534 per adult per day, including expenditures on food and non-food items, while 11.9% of the population are below the food poverty line, corresponding to USD 0.813, or 2100 calories per adult per day.

⁴ The comparison of GDP and unemployment data between Kosovo and Serbia-Montenegro gives the impression that labour productivity is much higher in Kosovo. However, it is important to note that the mainly foreign-financed consumption in Kosovo amounts to about 150% of GDP.

⁵ Kosovo population numbers are crude estimates, as the last accurate general census for Kosovo was taken in 1981. One of the estimates suggests that the population of Kosovo amounts to roughly 2 million inhabitants, which is similar to the size of Slovenia, while the Kosovar diaspora accounts for about 400,000.

Table 1

Kosovo: selected economic indicators

	Preliminary	Estimate	Projection	
	2000	2001	2002	2003
Population, th pers. ¹⁾	1899	1939	1980	2022
Gross domestic product, EUR mn, nom. ²⁾	1414	1747	1990	2163
annual change in % (real) ²⁾	-	11.0	7.0	4.5
GDP/capita (EUR at exchange rate) ²⁾	745	901	1005	1070
GDP/capita (PPP USD) ³⁾	-	2712	-	-
Consumption, EUR mn ²⁾	2317	2572	2809	2834
Households, EUR mn	1589	1722	1934	2008
Government, EUR mn	729	851	875	827
Investment, EUR mn ²⁾	959	946	871	706
Public Investment Program (PIP), EUR mn	628	588	411	280
Other, EUR mn	331	357	460	426
Change in inventories, EUR mn ²⁾	40	48	40	40
Net exports of goods and non-factor services, EUR mn ²⁾	-1903	-1819	-1730	-1418
Employment total, th pers., average ⁴⁾	588.0	-	-	-
Unemployed, th, end of period ⁴⁾	612.0	-	-	-
Unemployment rate in %, end of period ⁴⁾	51.0	-	-	-
Consumer prices, % p.a. ⁵⁾	-	11.1	6.5	-
Kosovo Integrated Budget, EUR mn ²⁾				
Revenues	128.8	301.7	414.9	468.2
Expenditures	849.6	866.7	947.4	773.2
Balance	-720.8	-565.0	-532.5	-305.0
Balance, % GDP	-51.0	-32.3	-26.8	-14.1
Balance (incl. Grants)	19.1	85.1	-111.5	0.0
Balance (incl. Grants), % GDP	1.4	4.9	-5.6	0.0
Current account, EUR mn ²⁾	83.0	159.0	-40.0	-10.0
% of GDP	5.9	9.1	-2.0	-0.5
Exports, merchandise, EUR mn ²⁾	148	231	246	243
annual change in %	-	56.1	6.5	-1.2
Imports, merchandise, EUR mn ²⁾	1116	1058	1246	1121
annual change in %	-	-5.2	17.8	-10.0
Trade balance, EUR mn ²⁾	-968	-827	-1000	-878
% of GDP	-68.5	-47.3	-50.3	-40.6
Average exchange rate EUR/USD ⁶⁾	1.0827	1.1166	1.0638	-

Notes: 1) Estimates. - 2) IMF. - 3) UNDP. - 4) RIINVEST. - 5) 2001 CFA, 2002 IMF. - 6) Deutsche Bundesbank, 2002 estimate.

Source: RIINVEST; IMF; CFA; DBB.

through consumption and investment. The substantial international aid in recent years was necessary in order to meet the enormous post-war humanitarian and reconstruction needs, thus making Kosovo an aid-dependent economy.

However, donors' transfers to Kosovo are declining and, as the situation in Kosovo is somewhat stabilizing, international organizations are leaving again. It is not only the loss of consumption revenues from the reductions of Non-Governmental Organizations' (NGOs) expatriates, UNMIK staff and KFOR soldiers;⁶ also an estimated 3000 out of some 50,000 Kosovars working for the NGOs will lose their jobs by the end of 2002.

Nevertheless, there are also signs of economic recovery other than the aid-financed reconstruction of buildings and infrastructure. According to loose estimates, the 2001 harvest was up to 30% higher than in the previous year. The private services sector flourishes. However, industrial production has not yet recovered, with the exception of processing of agricultural goods, machine parts and soft beverages.

GDP growth in 2001 was accompanied by an inflation rate of around 11%. Inflation is expected to fall to 6.5% in 2002. Greater price stability is due to the adoption, by UNMIK, of the euro as legal tender in Kosovo. However, the fixed exchange rate implies also the inability to support the weak export sector through devaluation.

The performance of Kosovo's trade balance is terrifying. Estimates for 2001-02 suggest that the country can cover only one fifth of its imports by exports and that the trade balance deficit accounts for approximately half of the GDP. This is quite exceptional even in the Balkans. In 2001 Serbia and Montenegro had a trade deficit close to 30% of GDP, Albania over 20% and Macedonia about

15%. However, it may be mentioned that some imports were directly used as inputs into public investment projects. It can be expected that reduced levels of reconstruction activities and lower aid flows will depress those imports. Nevertheless, an improvement of the export performance will be crucial in the years to come.

Kosovo's main trading partners are the EU and Macedonia. For 2001 the customs authority estimated that 32% of imports came from the EU and 27% from Macedonia. Other main countries of origin of Kosovo imports were Turkey (14%), Montenegro (9%), Bulgaria (6%) and Albania (6%). According to the same source, the main imported commodity groups in 2001 were food (30%) and petrol (16%). These items were followed by plastics and wood (14%), machinery (8%), metals (8%) and construction materials (5%). The main export commodities were plastics and wood (34%) and metals and scrap (31%). Other important export goods were electrical equipment (15%) and food (14%). Data according to the structure of exports by country are not available yet.

For 2002 it is projected that the huge external imbalances will be covered by remittances (26% of GDP) and official transfers (52% of GDP). The current account deficit (about 2% of GDP) is quite low. Foreign direct investment (FDI) only plays a minor role (inflow of EUR 5 million in 2001 and 10 million in 2002). It can be expected that FDI will rise along with the beginning of privatization next year.

The process of privatization of the so-called socially owned enterprises⁷ (SOEs, currently under the control of UNMIK) was delayed for a long time because of unclear property rights. However, in

⁶ Currently, the NATO-led Kosovo Force (KFOR) comprises an estimated 40,000 international peacekeepers, while UNMIK employs a staff of about 10,000. An estimated 5000 to 10,000 expatriates are working for various NGOs.

⁷ Socially owned enterprises were a key component of former Yugoslavia's self-management socialism. From late 1999 to the end of 2000, UNMIK municipal administrators were in charge of directing these enterprises. Paradoxically, the period of municipal supervision ended soon after the first democratic municipal elections in December 2000, as the newly elected municipal governments started to remove all political opponents in the management of the SOEs. In March 2001, UNMIK reintroduced the SOE system of management by workers' councils.

Table 2

Kosovo: trade structure

	Preliminary 2000	Estimate 2001
Gross domestic product, EUR mn, nom. ¹⁾	1414	1747
Current account, EUR mn ¹⁾	83	159
% of GDP	5.9	9.1
Exports, merchandise, EUR mn ¹⁾	148	231
Imports, merchandise, EUR mn ¹⁾	1116	1058
Trade balance, EUR mn	-968	-827
% of GDP	-68.5	-47.3
Structure of imports by country, in % of imports according to customs data		
EU	9	32
Macedonia	33	27
Turkey	10	14
Montenegro	16	9
Bulgaria	8	6
Albania	2	6
Croatia and Bosnia	3	4
Other countries	19	2
Structure of imports by commodities, in % of imports according to customs data		
Food	7	30
Petrol	4	16
Plastics and wood	4	14
Machinery	2	8
Metals	2	8
Construction materials	1	5
Clothing	0	3
Transport equipment	0	1
Other	80	15
Structure of exports by commodities, in % of imports according to customs data		
Plastics and wood	41	34
Metals and scrap	20	31
Electric equipment	6	15
Food	28	14
Transport equipment	1	1
Clothing	2	1
Construction materials	0	1
Other	1	4
Average exchange rate EUR/USD ²⁾	1.0827	1.1166

Notes: 1) IMF. - 2) Deutsche Bundesbank, 2002 estimate.

Source: CFA; IMF; DBB.

June 2002 UNMIK established the Kosovo Trust Agency (KTA), in charge of the privatization or liquidation of the 350 SOEs. Only 20-40 of these enterprises are expected to attract foreign investors, such as the brewery of Peć (Pejë), Hotel Grand in the capital Priština (Prishtinë) and some parts of the Trepća (Trepça) mining complex. The latter is a vertically integrated conglomerate, including mining, smelting and processing. In former times, Trepća employed about 10,000 employees. Today it is operating at minimum capacity, has about 4000 workers and is a drain on the budget.

Not included in the privatization scheme are some 65 public enterprises run by UNMIK. These comprise the Kosovo Electricity Company (KEK), Posts and Telecommunications of Kosovo (PTK), Priština airport, Kosovo railways and a number of local water, waste and heating companies. The operation of KEK is one of UNMIK's major concerns. The company with its approximately 10,000 employees is overstaffed, its two thermal power plants are obsolete, around one third of the generated electricity is lost due to technical problems, or stolen, and half of the delivered electricity is not being paid for by the consumers. Moreover, on 19 July 2002 a major lightning strike hit Kosovo B power plant, causing a devastating fire. The power plant may not be fully operational until spring 2003. Many Kosovars have to suffer power cuts of up to 16 hours a day. As some 60% of Kosovars use electric power for heating and cooking, thousands of Turkish-made generators were sold.

Smugglers' paradise

Grey economy and mafia structures are widespread – in part because Belgrade's repressive policy during the 1990s aimed at excluding Albanians from legal activity. Taught by long experience, most Kosovars suspect the authority. UNMIK, which had to rebuild a tax administration from scratch, tries hard to convince businesses to register, e.g. through the allocation of fixed line telephones by PTK. In the light of

further reductions of international aid, the tax base has to be broadened. At present the consolidated budget covers mainly current spending. Expected revenues amount to some 20% of GDP in 2002. Overall budget expenditures, including the aid-financed public investment programme, total close to 50% of GDP. Thus far, most of the revenues have been collected at the border, including customs duties⁸, excise taxes on fuel, alcohol and tobacco and a large share of VAT. Although the introduction of wage, profit and income taxes will be important for the broadening of the tax base, there it still much to be done to improve the border tax collection.

It is assumed that most of the cigarettes consumed in Kosovo enter the country illegally and that about half of fuel is smuggled. Fuel trade is flourishing all over Kosovo and petrol stations pop up at every major road. The price of a litre of gasoline is only about EUR 0.75, making it one of the cheapest in the Balkans. In the Ground Safety Zone between Kosovo and Montenegro, petrol stations even offer a litre of petrol for EUR 0.50 and a litre of diesel for EUR 0.40. The Ground Safety Zone is a 5 km-wide no-man's land between Kosovo and Serbia and Montenegro, having been set up by NATO in 1999. Neither the Yugoslav army nor the UN police is allowed into the zone and KFOR has difficulties to patrol this mountainous and mined region.

Nation building in the protectorate

In 1999, soon after KFOR and UNMIK created a somewhat securer environment and provided emergency assistance to the population, the Special Representative of the Secretary General (SRSG) and UNMIK started establishing a civilian administration, virtually out of nothing. Institutions for an autonomous economic administration were set up with the technical assistance of the

⁸ Kosovo has a 10% uniform customs tariff, with the exception of agricultural, medical and humanitarian goods. No customs tariffs are levied on imports from Serbia and Montenegro. Imports from Macedonia, with which the Federal Republic of Yugoslavia has signed a free trade agreement, are only subject to the 1% administrative fee levied on all imports.

Table 3

Kosovo: balance of payments

	Preliminary	Estimate	Projection	
	2000	2001	2002	2003
Gross domestic product, EUR mn, nom.	1414	1747	1990	2163
Exports, merchandise, EUR mn	148	231	246	243
annual change in %	-	56.1	6.5	-1.2
Imports, merchandise, EUR mn	1116	1058	1246	1121
annual change in %	-	-5.2	17.8	-10.0
Trade balance, EUR mn	-968	-827	-1000	-878
% of GDP	-68.5	-47.3	-50.3	-40.6
Exports, non-factor services, EUR mn	0	0	1	1
annual change in %	-	-	100.0	0.0
Imports, non-factor services, EUR mn	935	992	731	540
annual change in %	-	6.1	-26.3	-26.1
Non-factor services balance, EUR mn	-935	-992	-730	-539
% of GDP	-66.1	-56.8	-36.7	-24.9
Factor income, EUR mn	649	688	658	614
annual change in %	-	6.0	-4.4	-6.7
Workers' remittances	472	524	526	507
Factor income from donor-related employment	177	163	132	107
Factor payments, EUR mn	0	0	0	0
annual change in %	-	-	-	-
Net factor income from abroad, EUR mn	649	688	658	614
% of GDP	45.9	39.4	33.1	28.4
Official transfers, EUR mn	1336	1290	1032	794
Of which: imputed services provided by donors	570	661	602	484
Current account, EUR mn	83	159	-40	-10
% of GDP	5.9	9.1	-2.0	-0.5
Financial account balance, EUR mn	0	-117	-25	20
FDI and portfolio investment	0	5	10	30
Banks	0	-122	-35	-10
Net changes in international reserves	-	-234	71	-10
Average exchange rate EUR/USD ¹⁾	1.0827	1.1166	1.0638	-

Notes: 1) Deutsche Bundesbank, 2002 estimate.

Source: IMF; DBB.

international community, particularly the IMF. A Central Fiscal Authority (CFA), responsible for budget formulation and implementation, and taxation, was created. The task given to the Department of Reconstruction was the co-ordination of donor assistance for reconstruction. A new Customs Department had to administer tariffs. The Banking and Payments Authority of Kosovo (BPK) was established to provide a payments system, to license and supervise banks, to develop an inter-bank clearing and settlement system and to supervise insurance companies.

Political institutions were established as well. After a Joint Interim Administrative Structure (JIAS), set up by UNMIK at the beginning of 2000, the SRSG in May 2001 approved a Kosovo Constitutional Framework with the aim of establishing Provisional Institutions of Self-Government (PISG) through elections. In November 2001, elections for a 120-seats legislative Assembly were held. The Assembly members elected a Kosovo president, who in turn nominated a prime minister. The prime minister had to propose ministers to the Assembly in order to establish a government that would replace the JIAS. Moreover, the Assembly is responsible for proposing judges and prosecutors to the SRSG, who has to appoint them. Thereby the Constitutional Framework provides for the separation of executive, legislative and judicial powers in Kosovo. However, the Framework reserved some key powers for the SRSG. The SRSG has, *inter alia*, the right to dissolve the Assembly, continues to promulgate laws voted by the Assembly, has the authority to appoint and dismiss judges and prosecutors, and has the power to conclude agreements with states and international organizations. It controls the police, correctional services and the Kosovo Protection Corps⁹, sets the overall parameters for the budget, controls the Customs Service, administers the

state-owned and socially owned property and appoints the members of the Economic and Fiscal Council, as well as the members of the board of the BPK. Since the beginning of 2002, the German diplomat Michael Steiner is the Special Representative of the Secretary General.¹⁰ A full transfer of responsibilities to the Kosovars is not to take place before the final determination of the political status of the current protectorate and the end of the international mission in Kosovo. For the time being, Kosovo is experiencing nation building without the possibility of become a nation-state.

Recent political developments

Although the campaigns for the municipal elections on 26 October 2002 were dominated by bread and butter issues, many candidates stressed the need for stronger local institutions to improve the likelihood of independence. Kosovo President Ibrahim Rugova professed in the electoral contest that 'a successful local government will accelerate the formal recognition of independence' (see Qirezi, 2002a).

However, the Kosovo Serbs are against the idea of an independent Kosovo. After the forced withdrawal of Serbian troops in 1999, about 150,000 Serbs and other minorities fled Kosovo, while about 100,000 Serbs stayed on. Although ethnically and revenge-motivated violence directed against the Serb minority are becoming less frequent, many Serbs still feel isolated, frustrated and insecure. Two thirds of them live in several enclaves guarded by KFOR troops and one third lives north of the divided town of Mitrovica (Mitrovicë) at the border to Serbia. Although official Belgrade as well as the leader of the Kosovo Serb Return Coalition¹¹, Rada Trajković, encouraged a broad participation, local Serb leaders from northern Mitrovica called for a boycott of the local elections. They want to separate the region from

⁹ The former Albanian guerrilla force Kosovo Liberation Army (KLA) was transformed into the civilian agency Kosovo Protection Corps (KPC), charged with providing emergency response and reconstruction services to Kosovo.

¹⁰ Former SRSGs were Bernard Kouchner and Hans Haekkerup.

¹¹ Koalicija Povratak, received 11.3% of votes or 22 seats in the 17 November 2001 elections for the Kosovo Assembly.

Table 4

Kosovo: fiscal indicators

	Preliminary	2001	Estimate	Projection
	2000		2002	2003
Gross domestic product, EUR mn, nom.	1414	1747	1990	2163
Central Government Budget, EUR mn				
Revenues	127.2	298.6	405.1	448.2
Tax revenue	121.5	280.1	387.0	428.5
Customs	30.9	47.6	56.0	45.4
Excises	19.5	77.0	109.7	122.5
Sales & VAT	63.4	127.2	181.0	184.0
Presumptive business tax	4.7	27.1	27.0	27.0
Profit tax	0.0	0.0	7.2	15.7
Individual income tax	0.0	0.0	6.1	16.0
Other	3.0	1.2	0.0	18.0
Nontax revenue	5.7	18.5	18.1	19.7
Expenditures	220.1	275.7	526.6	473.2
Overall Budget Balance	-92.9	22.9	-121.5	-25.0
Overall Budget Balance, % GDP	-6.6	1.3	-6.1	-1.2
Overall Budget Balance (incl. Grants)	19.1	85.1	-111.5	0.0
Overall Budget Balance (incl. Grants), % GDP	1.4	4.9	-5.6	0.0
Kosovo Consolidated Budget (KCB), EUR mn ¹⁾				
Revenues	128.8	301.7	414.9	468.2
Expenditures	221.6	278.7	536.4	493.2
Balance	-92.8	23.0	-121.5	-25.0
Balance, % GDP	-6.6	1.3	-6.1	-1.2
Balance (incl. Grants)	19.1	85.1	-111.5	0.0
Balance (incl. Grants), % GDP	1.4	4.9	-5.6	0.0
Kosovo Capital Expenditure (PIP), EUR mn	628.0	588.0	411.0	280.0
Kosovo Integrated Budget (KIB), EUR mn ²⁾				
Revenues	128.8	301.7	414.9	468.2
Expenditures	849.6	866.7	947.4	773.2
Balance	-720.8	-565.0	-532.5	-305.0
Balance, % GDP	-51.0	-32.3	-26.8	-14.1
Balance (incl. Grants)	19.1	85.1	-111.5	0.0
Balance (incl. Grants), % GDP	1.4	4.9	-5.6	0.0
Average exchange rate EUR/USD ³⁾	1.0827	1.1166	1.0638	-

Notes: 1) incl. municipalities. - 2) KCB + public investment program (PIP). - 3) Deutsche Bundesbank, 2002 estimate.

Source: IMF; DBB.

Kosovo and have rejected a plan by the SRSG to create a local parliament for the whole municipality of Mitrovica and in turn to gain special administrative rights in health services and schooling in the northern part of the town. On 25 November 2002, UNMIK and KFOR finally took over power in northern Mitrovica and ordered the disbanding of the unofficial Serb administration and the armed Serb 'bridge guards', who prevented non-Serbs from crossing the bridge over the Ibar river.

There are severe political tensions and disagreements not only on the future status of the protectorate and the relationship between the Albanian majority and the Serb minority but also between the major Albanian parties. After the 17 November 2001 election for the Kosovo Assembly, it took several months of wrangling until the leaders of the three main Albanian parties agreed upon the distribution of key Kosovo positions. Ibrahim Rugova – a writer and long-term pacifist leader of Kosovo Albanians – is the leader of the Democratic League of Kosovo (LDK, received 45.7% of votes or 47 out of 120 seats). Hashim Thaci – head of the former Albanian guerrilla force Kosovo Liberation Army (KLA) – is the leader of the Democratic Party of Kosovo (PDK, 25.7% or 26 seats). Ramush Haradinaj – former KLA field commander in western Kosovo – is the leader of the Alliance for the Future of Kosovo (AAK, 7.8% or 8 seats). They agreed on a deal, at the end of February 2002, to elect Ibrahim Rugova for president and Bajram Rexhepi of the PDK for prime minister.

The latest (26 October 2002) municipal ballot involved post-election violence between some militant PDK 'hardliners' and LDK 'softliners'. LDK retained power in most of the 30 municipalities and especially in the bigger cities such as the capital Priština, while the PDK has emerged as the leading party in poor rural areas in central and south Kosovo. The AAK could strengthen its lead in the western Kosovo highlands. Several LDK officials were killed after the elections. Similar political

violence happened after the 2000 municipal elections and the 2001 Kosovo Assembly voting.

There is one issue all Albanian parties in Kosovo agree on: They want to see Kosovo independent as soon as possible. However, talks with Belgrade on the final status have not started yet and it is difficult to see an easy solution. Nevertheless, Kosovo Albanians have still confidence in the international community and especially the USA and the British, whom they see as their liberators. This gratitude is being shown in partly absurd ways. A 12 metre high photograph of former US President Bill Clinton as well as a 6 metre high replica of New York's Statue of Liberty at the entrance to Kosovo's capital have been erected. Not only bars and restaurants but also children are named after former US secretary of state Madeleine Albright, Bill Clinton or British prime minister Tony Blair. Kosovars also identified strongly with America after the September 11 attacks on New York and Washington.

However, not only that the donors' transfers to Kosovo are declining and international organizations leaving the country, the future status of Kosovo is no longer a priority issue on the agenda of the international community. Furthermore, the solution for Kosovo depends on the relationships between Serbia and Montenegro as well as between the Macedonian majority and the Albanian minority in neighbouring Macedonia.

Economic outlook

With decreasing foreign aid and lower investment and consumption, growth will slow down from 7% in 2002 to about 4.5% in 2003 and 2004. Unemployment is unlikely to decrease much, if at all.

Reductions in the size of international transfers from about 52% of GDP in 2002 to 37% in 2003 and an estimated 23% in 2004, as well as UNMIK's inability to borrow, will make it necessary to increase Kosovo's tax revenues and successfully fight smuggling and corruption. Government

borrowing will be critical to Kosovo's long-term development. A resolution of the problem of the protectorate's final status could certainly facilitate the access to foreign credit and improve the domestic investment climate. Much needs to be done to establish an appropriate legal framework and to ensure proper enforcement of law.

Price stability is expected to improve: 3% yearly inflation can be expected, as the protectorate's monetary policy is exogenously determined (with the euro as legal tender). The absence of any exchange rate policy will make it difficult to stimulate exports. Although the fall in international aid flows will depress imports, the trade deficit is still projected (by the IMF) to reach exceptionally high levels of about 50% of GDP in 2002, 40% in 2003 and 30% in 2004. The current account is supposed to be financed by growing remittances in later years, as emigration is assumed to increase.

Conclusion

Kosovo will experience a decrease in official transfers in the years to come. A resolution of the final status of Kosovo is one of the preconditions for stable and sustainable economic growth and the development of a democratic society. The current problems – political instability, widespread smuggling and huge trade deficits – will not disappear anytime soon.

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Privatization, FDI and corporate governance in Bulgaria

BY EVGENI PEEV*

The basic idea of privatization is to improve firm performance, shifting national wealth from inefficient state ownership to more efficient private ownership. It also involves a specific separation of ownership and control and thus the establishing of efficient *corporate governance* structures. In the post-communist transition context, corporate governance includes the design of property-rights transformation (corporatization, privatization, new private firms establishment) as well as the legal, regulatory and institutional framework for business activities (e.g. capital markets and banking sector development). In the case of countries like Bulgaria, domestic private investors and private companies *had to be created*. The magical word 'privatization' cannot explain how domestic (not foreign) private capital can be collected. The crucial question was where finance for new private firms and for the purchase of state-owned assets could come from.

In the early transition years one could observe in Bulgaria the enormous power of *parasitic* forces for collective action such as the emerging *communist-capitalist* web of former top communist *nomenklatura*.¹ These forces wanted to undertake reforms simultaneously with preserving their power. This created the *dual character of institutional design* in Bulgaria² and derailed reforms:

(i) *corporatization* should have been a process of establishing more efficient governance structures, but de facto this change favoured looting state-owned companies;

- (ii) *privatization* should have been a transfer of state assets to private firms to enhance allocative efficiency, but in fact it was designed to loot state assets and to transfer them to 'crony' private firms;
- (iii) the *new private sector* established both independent private firms and also 'crony' private firms aiming at state assets expropriation;
- (iv) the *legal system* and *law enforcement* should have been designed to constrain insiders and the totalitarian state, and to defend property-rights, but de facto it led to a weak, captured state, and strong captors and 'crony' firms;
- (v) the emerging *political parties* and *institutions* should have defended the interests of the citizens, but in fact they served as special tools for predatory behaviour.

However, since 1997 the legal and institutional environment in Bulgaria has gradually improved. The main factors behind this process have been the introduction of the currency board arrangement; attracting large and reputable foreign investors; accelerating the legal harmonization process with the EU; establishment of the stock exchange; and two subsequent governments with pro-EU and pro-NATO orientation. Yet the structures created in the earlier periods of transition have survived.

Privatization in Bulgaria 1993 to 2002

The privatization process in Bulgaria began in 1993, regulated by the Law on Transformation and Privatization of State-Owned and Municipal Owned Enterprises. The privatization rate was slow until the end of 1996, but accelerated thereafter (Table 1).

As of 31 August 2002, 53.24% of the assets of state-owned enterprises, representing 80.63% of the assets subject to privatization, were transferred into private hands. The majority of privatization deals in 1993-2001 took place in the industry (32.6%) and trade sector (23.1%). Agriculture accounted for 12.4%, tourism for 10.7%,

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¹ M. Olson (2000), *Power and Prosperity. Outgrowing Communist and Capitalist Dictatorships*, Basic Books.

² E. Peev (ed.) (1999), *Separation of Ownership from Control and Firm Performance: The Experience of Reforms in Bulgaria, Romania and Albania*, Kota, Sofia.

Table 1

Privatization in Bulgaria					
	1993-1996	1997	1998-2001	2002 ¹⁾	Total
Percentage of state assets that were privatized					
Cash privatization	7.16	3.78	27	0.72	38.66
Mass privatization		14.58			
Total	7.16	18.36	27	0.72	53.24
Percentage of state assets subject to privatization					
Cash privatization	10.84	5.72	39.17		
Mass privatization		22.08			
Total	10.84	27.8	40.87	1.12	80.63

Note: 1) Data are for 1 January 2002 to 31 August 2002.
Source: Privatization Agency.

construction for 9.1%, transport for 7.7%, and the other sectors for 4.4%. The sale of the large enterprises in the chemical, metallurgy and mechanical engineering sectors, in the defence industry as well as in tourism has been almost completed. The banking sector is practically privatized with about 85% of assets under private control and only two banks (Bank DSK and Nasarchitelna Bank) remaining state-owned. The overall financial effect of privatization deals signed by 31 August 2002 amounts to USD 7510 million, including USD 2997 million in payments agreed on deals, USD 1079 million dues committed or paid by the buyers, and USD 3434 million in investment commitments.³ As a result of progress in privatization and new private companies establishment, in 2001 the private sector accounted for 63% of GDP and about 72% of gross value added, and was responsible for 73.4% of employment.

Contrary to the policy expectations, however, that privatization would improve enterprise performance, the overall picture is not reassuring. In many cases, privatization represented just a redistribution of national wealth and cheap transfer of state assets to crony firms affiliated to ruling interest groups. The different privatization schemes

– voucher privatization under the socialist government in 1995-96 and management-employee buyouts (MEBO) under the anti-communist government in 1997-2001 – were designed in a way to transfer state assets free of charge to privatization funds (the bulk of them close to the socialists) or with preferential rights to state companies' managers (appointed by the anti-communist government) in the MEBO scheme. The Bulgarian press reveals anecdotal evidence of rent-seeking behaviour of ex-privatization funds (now holding companies) and crony MEBOs. However, it is difficult to know systematic details of this process of crony firms enrichment and the collapse of large Bulgarian enterprises such as DZU, Plama, GORUBSO, Kremikovtzi, Balkan, Neohim, etc.⁴

Since the acceleration of the privatization process in 1996-97, a high degree of ownership change in *privatized* firms, as well as changes in business names and the legal form of owners have been observed. This process of *secondary* privatization is also very difficult to track. There has been a concentration of company ownership after redistribution of shares among ex-privatization funds. Another tendency has been the sale of shares to foreign investors.

³ Source: Agency for Privatization, Sofia.

⁴ For the case of Plama, see D. Stefanow (2001), 'Plama – Ten Years Destruction. And Now Whither?', Sofia, September, mimeo.

The current government under Prime Minister Simeon Saxe-Coburg has developed a programme for the privatization of the remaining public stakes in the economy. The programme focuses on rapid sale of assets, enhanced transparency in procedures, setting all buyers on an equal footing and developing conditions designed to minimize corruption.⁵ A new privatization law (Law on Privatization and Post-Privatization Control) came into effect on 23 March 2002 in support of the priorities established by the government. The new law terminates voucher privatization and the preferential rights of participants of privatization through MEBO. According to that law, all remaining state-owned companies will be opened for privatization, except for about 100 specific firms. (These include the regional water supply and sewerage, railway network maintenance, airports, sea ports, free trade zones, Bulgarian Posts, the Nuclear Power Producer Kozlodui, Bulgargas and the Bulgarian Stock Exchange.) The privatization of the infrastructure monopolies is the central objective of the new privatization strategy. The energy sector, including mining companies, waterpower, gas and electricity generation and distribution companies, will be privatized.

According to the privatization plan in 2002, the biggest deals are the privatization of the Bulgarian Telecommunications Company (BTC) and the tobacco company Bulgartabak Holding. The first attempt to sell BTC in 1999 was unsuccessful after the failure to reach an agreement on the terms of sale between the Bulgarian government and the Consortium of the Dutch KPN and the Greek OTE. The government started another privatization process by bidding 65% of BTC shares in 2002. In October 2002 the Agency for Privatization announced 'Viva Ventures Holding GmbH', a company registered in Vienna and owned by the American investment fund 'Advent International', as the winner of the privatization bid and started negotiations with the potential buyer to specify the final conditions of the contract. However, on 6 December 2002 the negotiations were stopped

by the Agency for Privatisation because of the decision of the Supreme Prosecutor's Office of Appeal to investigate the privatization deal after a signal by an opposition party (the Union of Democratic Forces) for a breach of privatization procedure.

The other big privatization deal this year, the sale of 80% of the assets of Bulgartabak Holding, is also at an advanced yet non-final stage. In July 2002, four purchase offers were submitted to the government. Tobacco Capital Partners, a consortium with participation of Deutsche Bank, was officially announced as tender winner and negotiation took place on the privatization contract. However, the outcome of the privatization deal was challenged in court by the three failed candidates – Consortium Metatabak, Tobacco Holding (both affiliated to Michael Chorny, a Russian businessman who has no right to enter Bulgaria) and Rosbulgartabak. After the decision of a three-judge panel of the Supreme Administrative Court to invalidate the outcome of the privatization deal, the Agency for Privatization decided to approach a five-judge panel of the Supreme Administrative Court to review the deal. There has been a sharp debate in the Bulgarian media regarding that privatization saga. The debate reveals some essential issues of the privatization process in Bulgaria: (i) vague rules of the privatization game; (ii) lack of requirements for the disclosure of the *ultimate* owners of bidders and hence potential participation of companies with low reputational capital; (iii) weak judicial system to resolve problems.⁶

Privatization and FDI

The total volume of foreign direct investments made during the period of transition (1992-2001) are estimated at USD 4532 million (Table 2).

⁵ Agency for Privatization, Sofia, www.priv.government.bg

⁶ The weakness of the Bulgarian judicial system as an important impediment for foreign investors penetration in this country was also stated in a recent interview with Jan Lumiere, President of EBRD (*Capital newspaper*, 8-15 November 2002).

Table 2

Foreign investment in Bulgaria

Year	Volume in USD million			Number
	Privatization	Other ¹⁾	Total by years	
1992		34.4	34.4	1 715
1993	22	80.4	102.4	3 052
1994	134.2	76.7	210.9	4 269
1995	26	136.6	162.6	5 646
1996	76.4	180	256.4	6 168
1997	421.4	214.8	636.2	5 503
1998	155.8	464.2	620.0	6 226
1999	226.7	592.1	818.8	4 845
2000	366	635.5	1001.5	5 153
2001 ²⁾	19.2	669.3	688.5	9 089
Total	1 447.7	3 084.6	4 531.7	51 666

Notes: 1) 'Other' = greenfield investment + additional investment in companies with foreign participation + reinvestment + joint ventures. - 2) Preliminary.

Source: Bulgarian Foreign Investment Agency (BFIA).

Of the total, USD 1448 million, or 32% of the FDI was made through privatization. The rest of the investments represented 'greenfield projects' and follow-up investments made in enterprises with foreign participation (USD 3084 million). Due to the slow speed of reforms in the early transition years, Bulgaria had just attracted an insignificant part of the FDI stock by the end of 1996. Privatization was the major source of FDI only in 1994 and in 1997.

In the period 1998-2001, FDI through greenfield investment, joint ventures, reinvestment and additional investment exceeded the FDI through privatization. Among the ten largest privatization deals with foreign investors in Bulgaria, four were in the finance sector (Unicredito, Italy bought Bulbank; National Bank of Greece – United Bulgarian Bank; Aliko, USA – Postbank; Bank Austria – Bank Biohim), three were in the chemical industry (Solvay, Belgium bought Sodi-Devnya; Lukoil Petrol, Russia – Neftochim-Bourgas; Consortium of Yukos Petroleum Bulgaria, Petrol Holding and OMV, Austria – Petrol, Sofia), one was in copper production (Union Miniere Group, Belgium bought MDK-Pirdop), one was in cement

production (Marvex, Spain-Bulgaria bought Devnya Cement-Devnya) and one was in tourism (Ivan Zografski, Germany – Hotel Vitoshka, Sofia).

The expectations regarding foreign investment included the introduction of a new market-oriented style of management. For the time being, however, enterprises under foreign control have shown a mixed performance. While foreign investors with long-term traditions and reputation yielded the expected performance, there exists also another type of foreign investors that is not market-oriented. Some of their specific features were: (i) unclear origin of capital (sometimes Bulgarian); (ii) unknown or with low reputational capital for the Western public; (iii) based in offshore zones. From the largest privatization deals with foreign investors in Bulgaria in 1993-2001, about 11% are with offshore companies.⁷ In the banking sector, the largest shareholder of five of all 35 banks in Bulgaria is an offshore company. However, the share of banks with unclear owners will be

⁷ Bulgarian Foreign Investment Agency (2002).

decreasing based on stricter disclosure regulations adopted in October 2002.

Foreign investors were key participants in the bank privatization in Bulgaria. As of end of October 2002, they hold 82.6% of bank assets in Bulgaria. This is higher than the average share of foreign banks' ownership in Central and Eastern Europe (57%). The penetration of high-rated foreign banks into the Bulgarian financial market after the financial crisis in 1996 is an important factor for the gradual establishment of a sound institutional environment with healthy financial players. However, from the viewpoint of the policy needed for catching up to European economies, the actual lack of state-owned banks significantly diminishes the government's discretion to pursue an independent policy and its opportunities to impact more actively on the national development.

Characteristics of the largest firms

The emerging largest non-financial firms in Bulgaria have some peculiar features as to their ownership and legal form (Table 3). The legal form of a joint-stock company and listing on the Bulgarian Stock Exchange (BSE) are not typical. About 10% of the top foreign-owned firms and about 11% of the big taxpayers, respectively, are listed on the BSE. Regarding the legal form, about one fourth of the top 100 largest firms are not joint-stock companies.

This means that agency issues in the largest firms in Bulgaria could be quite different from the conventional separation of ownership and control known from the Anglo-American corporate governance system.

There is a high degree of ownership concentration in the largest firms. The ownership structure of the largest non-financial firms privatized by foreign investors is as follows: 30% of companies were under private control (over 75% share of the largest shareholder), 65% of firms were under majority control (share of the largest shareholder between 50% and 75%) and the remaining 5% of firms were under minority control (share of the largest shareholder between 20% and 50%) (data from the Bulgarian Foreign Investment Agency, 2002). The high ownership concentration means that investors prefer retaining control in the noisy and unstable environment of a transition country like Bulgaria. The benefits of control exceed the costs of higher risk exposure in a single company. The main types of largest owners were non-financial firms and institutional investors.

In the privatized banking sector concentration is also high. The largest owner holds over 75% of shares in 59% of banks and has majority control (over 50% of voting shares) in 72% of banks. The prevailing types of shareholders are banks (36% of

Table 3

Largest non-financial firms in Bulgaria by type of owner, legal form and Bulgarian Stock Exchange (BSE) participation

Firms	Type of owner			Legal form		Listed on BSE	Total
	Private domestic	Private foreign	State	Joint Stock Company	Other		
Top 45 firms ¹⁾	26	13	6	40	5	15	45
Top 100 firms ²⁾	61	27	12	76	24	26	100
Top foreign-owned ³⁾	0	104	0	71	33	10	104
Top tax payers ⁴⁾	133	98	28	141	118	29	259

Notes: 1) The largest Bulgarian companies (ranked by revenues in 1998,1999, 2000). - 2) The largest Bulgarian companies (ranked by revenues in 2000). - 3) The largest foreign investors (1993-2001). - 4) The largest tax payers (a list prepared by the Bulgarian Ministry of Finance containing 259 firms (as of March 2002). – Type of ownership means the identification of the largest owner.

Source: Author' calculations .

banks), non-financial companies (27%) and financial companies (23%). The high ownership concentration observed would mitigate potential agency issues between bank managers and shareholders and improves bank performance.

'Transitional' ownership structures

The ownership and control picture that has emerged after privatization is complicated and instable, but two important characteristics can be outlined: *duality of ownership and business culture*, and ownership *heterogeneity*. There are simultaneously two types of organizations and two types of corporate culture in the Bulgarian economy: market-type and 'transitional'. Market-type behaviour is practised by organizations that have a clear structure of property rights (newly founded private firms and privatized firms with market-motivated owners). Foreign investors with high reputational capital and high-rated foreign banks belong to that group. The others are 'transitional' firms and banks with owners oriented towards short-term strategies and no intention to develop business themselves. These strategies include the selling of assets or the whole enterprise, minority shareholders expropriation, state assets expropriation, deliberately destroying assets of a firm or bank, and other 'transition' attitudes. Since 1997 the number of that type of organizations has steadily decreased under the currency board arrangement and the secondary privatization process. In the banking sector, after the financial collapse in 1996, there have remained just few banks with unclear owners, which now hold only about 10% of assets of the whole banking system. After secondary privatization or the liquidation of privatized firms this 'transitional' type of business organization has also been decreasing in the real sector.

The emerging ownership heterogeneity is another important characteristic of corporate governance in Bulgaria. We can observe inefficient ownership structures with weak corporate governance based on the specific privatization methods. In companies privatized through mass privatization, governance problems are as follows: (i) agency issues between

large and minority shareholders regarding dividends payments; and (ii) a shortage of investment needed for enterprise restructuring. Expropriation of minority shareholders is a typical phenomenon. The number of holding companies (ex-privatization funds) paying dividends is on the decrease: 32 companies paid dividends from 58 companies in 1997, 46 paid dividends in 1998, 20 in 1999, and 8 in 2000. The dividends paid were miserable (on average around EUR 0.06 per share in 2000). At the same time, the profits of holding companies were decreasing and long- and short-term debt increasing. The performance of the 20 largest holding companies was as follows (in EUR million): profit, 1998–: +20.8; 1999–: -7.1; 2000–: -2.04; long-term debt, 1998–: +24.5; 1999–: +30.5; 2000–: +50.05.⁸

MEBO privatization created in practice specific governance problems similar to those observed in voucher privatization: (i) agency issues between managers and employee-shareholders regarding wage determination, layoffs, etc., and (ii) a shortage of investment needed for restructuring. In fact, after the inefficient post-privatization performance and failures to fulfil privatization contract obligations, some of the contracts with companies privatized through MEBO were cancelled. About 50% of cancelled deals were MEBOs.⁹

Recent studies focus on a specific kind of firms – captor firms, business groups and state capture in transition countries and in Bulgaria in particular. State capture is defined as the specific capacity of firms (captor firms) to shape and affect the formation of the basic rules of the game (i.e. laws, regulations, decrees, etc.) through private

⁸ Source: State Securities Commission, Sofia.

⁹ Public register of unsuccessful privatization deals that will be cancelled by the Privatization Agency (Privatization Agency, 17 January 2001).

payments to public officials and politicians.¹⁰ However, similar specific relations between business and political institutions are typical in democratic societies as well. Legislators sell legislation for campaign contributions, votes, and even outright bribes.¹¹ On the other hand, corporate political strategies and the accumulation of political capital (defined as the ability to influence the government policy) are an essential part of strategic management of companies in developed market economies.¹²

In Bulgaria there is so far no clear identification of business groups (like in Turkey, Thailand, South Korea, Japan, etc.). For the time being, the basic business *political* strategy has been to transfer state assets to private hands. This process has created a specific 'transitional' political corruption that was an essential part of privatization. This kind

of corruption uses corruption proceeds to maximize re-election chances, rather than for the pursuit of rents solely for private consumption.¹³ In later years, a transition from political corruption to interest groups' rent-seeking, known from functioning democracies, started. Interest groups' rent-seeking is a constitutionally legitimate form of political activity in developed economies. The political strategies typical of developed market economies have been imported by foreign investors (e.g. American Standard, Bulgarian International Business Association (BIBA), etc.). The unresolved question is to go beyond the concepts of 'state capture', 'crony' firms, 'captor' firms and 'oligarchs' and to identify growth-promoting and growth-retarding features of interest groups and their affiliated firms in Bulgaria.

¹⁰ J. Hellman, G. Jones, D. Kaufmann and M. Schankerman (2000), 'Measuring Governance, Corruption, and State Capture. How Firms and Bureaucrats Shape the Business Environment in Transition Economies', *World Bank Policy Research Working Paper* No. 2312, Washington DC, The World Bank.

¹¹ D. Mueller (1997), *Public Choice II*, Cambridge University Press.

¹² B. Shaffer and A. Hillman (2000), 'The Development of Business-Government Strategies by Diversified Firms', *Strategic Management Journal*, Vol. 21, pp. 175-190.

¹³ J. Charap and Ch. Harm (1999), 'Institutionalized Corruption and the Kleptocratic State', *IMF Working Paper* WP/99/91, July, Washington DC.

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.

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B U L G A R I A: Selected monthly data on the economic situation 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	10.3	2.7	-0.7	1.3	-5.0	-2.9	0.1	-2.5	15.5	5.3	3.0	8.5	6.0	6.7	0.6	.
Industry, total	real, CCPY	2.6	2.2	1.5	2.4	0.7	-2.9	-2.7	-3.1	1.3	2.1	1.5	2.8	3.8	3.9	3.2	.
LABOUR																	
Employees total	th. persons	1890	1896	1912	1903	1879	1879	1883	1890	1896	1906	1913	1918	1914	1925	.	.
Employees in industry	th. persons	631	628	626	625	619	651	648	647	652	651	651	652	652	657	.	.
Unemployment, end of period	th. persons	637.8	629.9	637.3	657.0	662.3	687.8	683.9	669.0	678.6	673.8	659.0	653.3	650.0	644.7	644.3	.
Unemployment rate ¹⁾	%	16.7	16.5	16.7	17.2	17.3	18.0	17.9	17.5	17.8	17.6	17.2	17.6	17.5	17.4	17.4	16.9
Labour productivity, industry	CCPY	7.8	7.4	6.6	7.5	5.7	-4.1	-3.8	-4.0	0.3	1.1	0.5	1.5	2.3	2.0	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	0.0	0.1	0.9	-0.1	1.6	9.2	10.0	10.2	5.0	4.1	4.4	3.3	2.3	2.2	.	.
WAGES, SALARIES																	
Total economy, gross	BGN	248.0	256.0	253.0	255.0	270.0	251.0	252.0	265.0	262.0	269.0	265.0	267.0	265.0	272.0	.	.
Total economy, gross	real, CMPY	5.7	4.1	7.4	4.1	4.7	1.6	2.0	1.6	-3.3	-0.9	-0.8	1.6	2.3	2.2	.	.
Total economy, gross	USD	114	120	117	116	123	113	112	119	119	126	129	135	132	136	.	.
Total economy, gross	EUR	127	131	129	130	138	128	129	135	134	138	135	137	135	139	.	.
Industry, gross	USD	121	127	122	121	127	116	115	122	120	126	134	136	135	138	.	.
PRICES																	
Consumer ²⁾	PM	0.3	1.3	1.7	0.2	0.6	2.7	1.6	0.8	-0.1	-2.1	-1.7	0.1	-0.7	0.8	1.0	0.2
Consumer ²⁾	CMPY	5.7	4.7	5.2	4.6	4.8	7.0	8.4	9.2	9.2	6.9	5.2	5.5	4.5	4.0	3.2	3.2
Consumer ²⁾	CCPY	8.7	8.2	7.9	7.6	7.4	7.0	7.7	8.2	8.4	8.1	7.6	7.3	7.0	6.6	6.3	6.0
Producer, in industry	PM	0.0	0.4	0.2	0.1	-0.5	0.4	1.3	0.8	1.0	-0.4	-1.1	0.5	1.0	1.1	.	.
Producer, in industry	CMPY	6.0	3.3	1.2	1.2	0.7	1.2	2.4	2.7	3.4	2.3	1.6	2.7	3.7	4.4	.	.
Producer, in industry	CCPY	10.1	9.3	8.4	7.7	7.1	1.2	1.8	2.1	2.4	2.4	2.3	2.3	2.5	2.7	.	.
RETAIL TRADE																	
Turnover	real, CMPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Turnover	real, CCPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
FOREIGN TRADE²⁾³⁾																	
Exports total (fob), cumulated	EUR mn	3842	4303	4795	5301	5714	428	890	1356	1838	2291	2826	3438	3960	4386	.	.
Imports total (cif), cumulated	EUR mn	5378	5975	6717	7466	8128	563	1154	1776	2481	3203	3865	4622	5258	5896	.	.
Trade balance, cumulated	EUR mn	-1535	-1672	-1922	-2165	-2414	-135	-264	-419	-643	-913	-1039	-1184	-1297	-1510	.	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-381	-427	-541	-697	-842	-131	-181	-236	-373	-474	-376	-256	-102	-131	.	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	2.173	2.141	2.159	2.202	2.192	2.215	2.248	2.234	2.210	2.131	2.048	1.972	2.000	1.995	1.994	1.953
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 ⁴⁾	real, Jan98=100	110.2	107.6	106.4	108.0	106.5	105.1	105.3	104.4	104.0	102.4	100.2	96.5	98.8	98.0	96.9	94.8
BGN/USD, calculated with PPI ⁶⁾	real, Jan98=100	96.8	94.9	93.4	94.8	93.7	94.6	94.7	94.3	93.1	90.2	87.9	84.3	84.9	84.1	.	.
BGN/EUR, calculated with CPI ⁴⁾	real, Jan98=100	89.5	88.6	87.1	86.7	86.3	84.4	83.2	82.9	83.4	85.3	86.7	86.6	87.2	86.8	86.0	85.8
BGN/EUR, calculated with PPI ⁶⁾	real, Jan98=100	79.5	79.3	78.8	78.3	78.6	78.5	77.5	77.0	76.7	77.0	77.7	77.5	76.9	76.2	.	.
DOMESTIC FINANCE																	
M0, end of period ⁵⁾	BGN mn	2542.5	2601.8	2570.5	2641.9	3081.0	2924.6	2897.3	2855.2	2873.2	2781.0	2828.4	2900.3	2996.6	3021.8	2997.9	2987.5
M1, end of period ⁵⁾	BGN mn	4193.7	4275.1	4240.9	4982.0	4883.8	4651.4	4584.3	4594.2	4602.9	4474.8	4402.9	4589.0	4750.4	4804.9	4804.1	4936.1
Broad money, end of period ⁵⁾	BGN mn	11107.2	11318.5	11383.3	11673.0	12600.1	12513.5	12516.9	12503.1	12631.3	12358.6	12335.3	12695.7	12998.0	13093.7	13226.9	13433.0
Broad money, end of period	CMPY	23.5	25.0	15.6	18.6	25.2	23.0	21.8	20.2	25.2	19.1	15.8	15.6	17.0	15.7	16.2	15.1
BNB base rate (p.a.) ^{end of period}	%	4.8	4.8	4.7	4.9	4.7	4.9	4.6	4.5	4.0	4.0	3.8	3.7	3.8	3.8	3.8	3.8
BNB base rate (p.a.) ^{end of period⁴⁾}	real, %	-1.1	1.5	3.5	3.6	4.0	3.6	2.2	1.7	0.6	1.6	2.1	1.0	0.2	-0.6	.	.
BUDGET																	
Government budget balance, cum. ⁷⁾	BGN mn	-468.9	-559.1	-409.6	-408.3	-669.4	154.2	116.0	205.6	251.3	511.1	521.9	523.8	577.9	657.4	.	.

1) Ratio of unemployed to total employment.

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) According to International Accounting Standards.

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 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	8.6	5.7	8.3	4.6	5.2	3.3	3.9	-1.0	5.8	3.9	-2.1	10.5	1.3	12.7	9.4	9.9
Industry, total ¹⁾	real, CCPY	6.0	5.9	6.2	6.0	6.0	3.3	3.6	1.9	2.9	3.1	2.2	3.4	3.1	4.2	4.8	5.2
Industry, total ¹⁾	real, 3MMA	6.0	7.5	6.2	6.1	4.4	4.1	1.9	2.8	2.8	2.5	4.0	3.2	8.2	7.8	10.6	.
Construction, total, effect.work.time ²⁾	real, CMPY	5.2	2.6	11.0	7.8	2.8	9.6	12.8	9.5	19.9	11.7	7.2	17.1	11.5	15.9	.	.
LABOUR																	
Employment total	th. persons	1346.4	1337.7	1333.3	1329.0	1316.8	1305.2	1324.0	1326.8	1332.8	1341.5	1352.4	1360.8	1362.3	1357.1	1349.4	.
Employees in industry ²⁾	th. persons	283.5	282.7	283.8	282.5	279.6	277.8	280.1	279.6	279.4	278.4	277.1	276.0	276.0	275.1	275.6	.
Unemployment, end of period	th. persons	369.2	376.6	383.5	385.3	395.1	411.1	414.4	415.4	407.7	394.1	385.0	382.8	379.7	375.8	375.0	369.7
Unemployment rate ³⁾	%	21.5	22.0	22.3	22.5	23.1	24.0	23.8	23.8	23.4	22.7	22.2	22.0	21.8	21.7	21.7	21.6
Labour productivity, industry ¹⁾	CCPY	9.7	9.6	9.8	9.5	9.3	7.2	7.4	5.6	6.6	6.8	6.0	7.3	7.1	8.3	9.0	.
Unit labour costs, exch.r. adj.(EUR) ⁴⁾	CCPY	2.2	1.5	1.1	1.2	1.2	-1.6	-0.8	0.9	1.2	0.7	1.6	0.2	0.3	-0.4	.	.
WAGES, SALARIES																	
Total economy, gross	HRK	5090	4885	5051	5325	5142	5159	5017	5224	5352	5507	5374	5433	5398	5289	.	.
Total economy, gross	real, CMPY	-1.3	-2.3	-0.5	1.3	-0.1	-1.5	0.9	0.2	4.7	4.0	5.2	4.8	4.7	6.7	.	.
Total economy, gross	USD	620	592	612	639	621	610	582	618	640	682	698	734	716	707	.	.
Total economy, gross	EUR	690	650	676	719	696	690	669	706	724	746	732	739	732	720	.	.
Industry, gross	USD	562	536	565	589	561	555	526	554	581	634	644	682	652	642	.	.
PRICES																	
Retail	PM	1.0	0.3	-0.1	-0.2	-0.2	0.8	0.1	0.4	0.4	0.2	0.1	-0.4	-0.1	0.5	0.5	-0.3
Retail	CMPY	4.9	3.8	3.2	2.8	2.6	3.3	2.8	3.2	2.2	1.8	2.2	2.3	1.3	1.5	2.1	2.0
Retail	CCPY	5.9	5.7	5.3	5.1	4.9	3.3	3.0	3.2	2.9	2.6	2.5	2.6	2.4	2.2	2.2	2.3
Producer, in industry	PM	-0.5	0.6	0.2	-0.5	-1.0	-0.1	0.6	-1.1	0.9	0.2	0.3	0.5	-0.1	0.4	1.4	-0.6
Producer, in industry	CMPY	3.4	3.0	2.1	-2.0	-3.1	-2.6	-2.8	-2.3	-1.4	-1.2	-1.0	0.2	0.7	0.4	1.6	1.5
Producer, in industry	CCPY	5.5	5.2	4.8	4.2	3.6	-2.6	-2.7	-2.6	-2.3	-2.1	-1.9	-1.6	-1.3	-1.1	-0.8	-0.6
RETAIL TRADE																	
Turnover	real, CMPY	8.1	6.8	8.5	8.7	7.7	10.9	13.5	14.7	9.4	12.0	9.1	19.3	14.4	14.0	12.1	.
Turnover	real, CCPY	10.9	10.5	10.4	10.2	10.0	10.9	12.2	13.0	12.1	12.1	11.6	12.7	12.8	13.0	13.0	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	3396	3831	4381	4768	5209	359	722	1180	1658	2143	2524	3060	3403	3836	.	.
Imports total (cif), cumulated	EUR mn	6733	7549	8480	9320	10082	683	1502	2447	3453	4458	5441	6557	7346	8315	.	.
Trade balance, cumulated	EUR mn	-3337	-3718	-4099	-4552	-4873	-324	-780	-1267	-1795	-2315	-2917	-3497	-3942	-4479	.	.
Exports to EU (fob), cumulated	EUR mn	1857	2109	2458	2666	2853	196	417	657	952	1188	1405	1735	1913	2122	.	.
Imports from EU (cif), cumulated	EUR mn	3730	4169	4702	5210	5653	350	797	1308	1844	2428	2971	3620	4043	4679	.	.
Trade balance with EU, cumulated	EUR mn	-1873	-2060	-2243	-2544	-2800	-154	-380	-651	-893	-1240	-1566	-1885	-2130	-2557	.	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	-237	.	.	-642	.	.	-821	.	.	-1459	.	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	8.208	8.248	8.254	8.333	8.286	8.452	8.626	8.455	8.359	8.072	7.697	7.405	7.542	7.484	7.571	7.457
HRD/EUR, monthly average	nominal	7.377	7.516	7.475	7.408	7.391	7.477	7.500	7.403	7.393	7.378	7.344	7.350	7.377	7.347	7.427	.
HRK/USD, calculated with CPI ⁶⁾	real, Jan98=100	118.9	119.6	119.5	120.6	119.8	121.5	124.4	122.0	120.9	116.5	111.1	107.4	109.8	108.6	109.4	108.0
HRK/USD, calculated with PPI ⁶⁾	real, Jan98=100	120.8	120.5	117.7	119.0	118.1	120.9	122.6	122.8	121.3	116.9	111.5	106.8	109.1	108.3	108.0	107.0
HRD/EUR, calculated with CPI ⁶⁾	real, Jan98=100	96.4	98.1	97.7	96.8	96.8	97.6	98.0	96.7	96.7	96.5	95.8	96.3	96.9	96.3	96.8	.
HRD/EUR, calculated with PPI ⁶⁾	real, Jan98=100	98.9	100.3	99.1	98.2	98.8	100.3	100.1	100.2	99.6	99.2	98.4	98.1	98.7	98.1	97.8	.
DOMESTIC FINANCE																	
M0, end of period	HRK mn	7551	7475	7182	7423	8507	8255	8345	9146	9112	9277	9904	10288	10296	9680	.	.
M1, end of period	HRK mn	19838	20285	20065	20976	23704	22398	22165	24375	26418	26716	28254	28947	29502	28914	29090	.
Broad money, end of period	HRK mn	87748	88344	90102	95006	106071	108647	107184	106245	106333	106445	106593	109734	113037	113275	114826	.
Broad money, end of period	CMPY	28.6	28.1	29.1	34.8	45.2	46.7	41.9	37.1	36.9	36.8	33.8	33.8	28.8	28.2	27.4	.
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	.
Discount rate (p.a.), end of period ⁷⁾	real, %	2.4	2.8	3.7	8.1	9.3	8.7	9.0	8.4	7.4	7.2	7.0	5.7	5.2	5.5	.	.
BUDGET																	
Central gov. budget balance, cum. ⁸⁾	HRK mn	-4629.3	-5435.0	-2175.5	-2232.1	-3758.5	-498.2	-842.3	-2614.0	-2289.5	-2445.1	-2867.5	-2065.0	-2176.2	-2489.9	-2803.0	.

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) 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.

8) From January 2002 including social security funds.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	3.0	1.1	4.1	6.6	3.7	2.6	5.8	4.1	8.2	5.1	1.3	10.8	-2.8	9.2	3.5	.
Industry, total	real, CCPY	7.9	7.1	6.8	6.8	6.5	2.6	4.2	4.2	5.2	5.2	4.5	5.3	4.3	4.8	4.7	.
Industry, total	real, 3MMA	4.2	2.7	4.0	4.8	4.4	4.0	4.2	6.0	5.7	4.9	5.5	2.8	5.5	3.3	.	.
Construction, total	real, CMPY	9.2	3.6	7.0	2.5	-6.8	3.1	13.8	-2.7	5.2	5.0	-1.5	-1.3	-4.9	6.7	3.5	.
LABOUR																	
Employees in industry ¹⁾	th. persons	1177	1170	1170	1172	1164	1165	1169	1168	1164	1166	1165	1167	1161	1153	.	.
Unemployment, end of period	th. persons	443.6	440.5	437.3	439.2	461.9	489.0	485.2	471.7	456.4	447.9	454.3	479.2	488.3	492.9	486.7	489.8
Unemployment rate ²⁾	%	8.5	8.5	8.4	8.5	8.9	9.4	9.3	9.1	8.8	8.6	8.7	9.2	9.4	9.4	9.3	9.3
Labour productivity, industry ¹⁾³⁾	CCPY	7.0	6.4	6.3	6.4	5.5	1.4	3.6	3.5	5.2	5.2	4.4	5.9	4.7	5.5	5.8	.
Unit labour costs, exchr. adj.(EUR) ¹⁾³⁾	CCPY	4.3	4.6	4.8	4.6	5.4	16.2	13.6	13.5	13.1	13.1	13.2	12.0	13.0	12.3	11.9	.
WAGES, SALARIES																	
Industry, gross ¹⁾	CZK	14274	13802	14770	16937	15512	14610	13763	14499	14923	15920	15333	15677	14988	14685	15627	.
Industry, gross ¹⁾	real, CMPY	0.6	0.3	2.5	0.5	0.7	3.8	3.8	2.5	5.5	3.2	2.7	6.7	4.3	5.9	5.2	.
Industry, gross ¹⁾	USD	377	367	399	452	425	402	377	405	435	478	483	523	476	477	500	.
Industry, gross ¹⁾	EUR	419	404	440	508	476	455	433	462	492	521	506	527	487	486	510	.
PRICES																	
Consumer	PM	-0.2	-0.7	0.0	-0.1	0.1	1.5	0.2	-0.1	-0.1	-0.1	-0.3	0.5	-0.2	-0.5	-0.3	-0.2
Consumer	CMPY	5.5	4.7	4.4	4.2	4.1	3.7	3.9	3.7	3.2	2.5	1.2	0.6	0.6	0.8	0.6	0.5
Consumer	CCPY	4.8	4.8	4.8	4.7	4.7	3.7	3.8	3.7	3.6	3.4	3.0	2.7	2.4	2.2	2.1	1.9
Producer, in industry	PM	-0.3	0.0	0.7	-0.4	-0.3	0.2	0.2	0.0	-0.5	-0.2	-0.1	-0.4	-0.1	0.0	0.6	-0.1
Producer, in industry	CMPY	2.4	1.8	1.4	0.9	0.8	0.6	-0.1	-0.2	-0.1	-0.5	-0.8	-1.1	-0.9	-0.9	-0.9	-0.7
Producer, in industry	CCPY	3.7	3.5	3.3	3.1	2.9	0.6	0.2	0.1	0.0	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.5
RETAIL TRADE																	
Turnover	real, CMPY	3.6	3.6	8.4	8.7	-0.3	4.1	4.3	4.2	5.6	3.3	-0.6	5.4	-4.5	6.7	1.4	.
Turnover	real, CCPY	4.3	4.2	4.7	5.0	4.5	4.1	4.2	4.2	4.6	4.3	3.5	3.8	2.6	3.1	2.9	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	24255	27355	30924	34483	37265	3071	6344	9867	13525	16940	20349	23427	26078	29547	33036	.
Imports total (fob), cumulated	EUR mn	26657	29671	33549	37277	40690	3252	6438	10146	13798	17565	21001	24525	27526	31384	35462	.
Trade balance, cumulated	EUR mn	-2402	-2316	-2625	-2793	-3425	-180	-94	-279	-273	-625	-652	-1098	-1448	-1837	-2426	.
Exports to EU (fob), cumulated	EUR mn	16862	18965	21389	23801	25692	2150	4459	6942	9492	11820	14184	16228	17982	20287	22577	.
Imports from EU (fob), cumulated	EUR mn	16762	18575	20965	23196	25148	1997	3969	6227	8498	10753	12877	15062	16853	19130	21522	.
Trade balance with EU, cumulated	EUR mn	100	390	424	605	543	153	491	715	994	1067	1307	1166	1129	1157	1055	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	-1994	.	.	-2625	.	.	-427	.	.	-972	.	.	-2535	.	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	37.9	37.6	37.0	37.5	36.5	36.3	36.5	35.8	34.3	33.3	31.7	30.0	31.5	30.8	31.2	30.7
CZK/EUR, monthly average	nominal	34.0	34.2	33.6	33.3	32.6	32.1	31.8	31.4	30.4	30.6	30.3	29.7	30.8	30.2	30.7	30.8
CZK/USD, calculated with CPI ⁶⁾	real, Jan98=100	102.7	102.9	101.1	102.3	99.2	97.5	98.3	97.0	93.4	90.9	86.9	81.7	86.3	85.0	86.5	85.2
CZK/USD, calculated with PPI ⁶⁾	real, Jan98=100	103.6	102.6	98.2	99.5	95.9	95.6	95.9	95.1	92.1	89.7	85.8	81.4	85.8	84.2	84.9	83.6
CZK/EUR, calculated with CPI ⁶⁾	real, Jan98=100	83.2	84.4	82.8	82.1	80.3	78.2	77.5	76.9	74.8	75.6	75.1	73.3	76.2	75.3	76.6	77.0
CZK/EUR, calculated with PPI ⁶⁾	real, Jan98=100	84.8	85.3	82.8	82.2	80.4	79.2	78.4	77.6	75.8	76.5	75.8	74.8	77.7	76.3	77.0	77.3
DOMESTIC FINANCE																	
M0, end of period	CZK bn	172.6	177.1	175.9	181.8	180.4	179.9	182.3	182.8	183.3	184.9	188.5	185.6	190.5	192.2	195.1	.
M1, end of period ⁷⁾	CZK bn	552.3	556.5	553.1	566.7	583.6	572.8	575.2	568.8	582.5	605.0	617.5	619.2	639.6	647.4	658.0	.
M2, end of period ⁷⁾	CZK bn	1547.9	1532.5	1540.5	1564.8	1596.0	1590.9	1585.3	1581.6	1606.5	1625.0	1580.5	1594.6	1622.3	1605.6	1635.8	.
M2, end of period	CMPY	13.1	11.9	12.2	12.5	13.0	11.1	10.2	9.8	9.5	7.4	4.4	4.3	4.8	4.8	6.2	.
Discount rate (p.a.) _{end of period}	%	4.25	4.25	4.25	3.75	3.75	3.5	3.25	3.25	2.75	2.75	2.75	2.0	2.0	2.0	2.0	1.75
Discount rate (p.a.) _{end of period} ⁸⁾	real, %	1.8	2.4	2.8	2.8	2.9	2.9	3.4	3.5	2.9	3.3	3.6	3.1	2.9	2.9	2.9	2.4
BUDGET																	
Central gov. budget balance _{sum.}	CZK mn	-25566	-22644	-35432	-59797	-67698	-3417	-24923	-15737	-41863	-32401	-915	-26854	-32956	-21434	-32321	.

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

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

5) Cumulation starting January and ending December each year.

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

7) Revision based on new methodology starting January 2002 - excluding extrabudgetary funds.

8) Deflated with annual PPI.

H U N G A R Y: Selected monthly data on the economic situation 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	1.0	-6.9	5.5	-1.2	-2.3	-5.6	1.5	3.3	4.1	-4.1	4.0	7.9	-2.6	11.0	-0.8	.
Industry, total	real, CCPY	6.3	4.7	4.8	4.1	3.6	-5.6	-2.1	-0.4	0.6	-0.3	0.5	1.4	0.9	2.1	1.7	.
Industry, total	real, 3MMA	-1.6	-0.2	-0.9	0.6	-3.0	-2.2	-0.4	2.9	1.0	1.3	2.5	3.0	5.4	2.4	.	.
Construction, total	real, CMPY	19.3	6.4	6.6	2.9	8.4	12.6	21.8	32.6	33.7	24.1	14.0	17.8	22.8	28.3	10.2	.
LABOUR																	
Employees in industry ¹⁾	th. persons	831.3	828.1	824.1	821.8	812.6	830.4	829.6	827.0	822.4	815.6	815.1	815.6	810.6	819.0	.	.
Unemployment ²⁾	th. persons	237.0	218.3	227.5	235.2	216.9	229.3	230.4	235.3	231.5	229.4	229.7	241.8	242.8	245.0	242.7	.
Unemployment rate ²⁾	%	5.8	5.3	5.6	5.8	5.4	5.6	5.7	5.8	5.7	5.6	5.6	5.9	5.9	5.9	5.9	.
Labour productivity, industry ¹⁾	CCPY	8.0	6.6	7.0	6.6	5.3	-1.2	1.7	2.8	4.0	3.2	3.6	4.7	4.2	4.7	.	.
Unit labour costs, exchr. adj.(EUR) ³⁾	CCPY	6.5	7.9	7.9	8.6	10.1	24.5	20.8	19.5	19.3	19.4	17.3	15.3	15.0	14.4	.	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	HUF	97581	99416	106173	124074	136593	112481	108842	113854	114228	118171	118854	116828	113416	120253	.	.
Total economy, gross ¹⁾	real, CMPY	7.9	10.3	12.9	14.8	10.5	11.9	12.2	12.8	8.5	13.6	11.6	12.5	11.2	15.7	.	.
Total economy, gross ¹⁾	USD	350	354	377	438	493	408	389	407	417	445	468	470	452	484	.	.
Total economy, gross ¹⁾	EUR	389	389	416	494	552	461	447	465	471	485	490	474	463	493	.	.
Industry, gross ¹⁾	USD	372	356	375	438	433	388	375	403	413	455	453	471	461	456	.	.
PRICES																	
Consumer	PM	-0.2	0.5	0.3	0.1	0.1	1.3	1.0	0.7	0.9	0.5	-0.4	-0.1	-0.3	0.6	0.6	0.0
Consumer	CMPY	8.7	8.0	7.6	7.1	6.8	6.6	6.2	5.9	6.1	5.6	4.8	4.6	4.5	4.6	4.9	4.8
Consumer	CCPY	10.1	9.9	9.6	9.4	9.2	6.6	6.4	6.2	6.2	6.1	5.9	5.7	5.5	5.4	5.4	5.3
Producer, in industry	PM	0.1	0.7	-0.3	-0.8	-0.7	0.1	0.3	0.3	0.3	0.1	-0.5	0.2	0.0	0.0	0.2	.
Producer, in industry	CMPY	3.3	2.9	1.9	0.0	-0.4	-2.0	-2.3	-2.8	-2.7	-2.0	-1.1	-0.9	-1.0	-1.8	-1.5	.
Producer, in industry	CCPY	7.3	6.8	6.3	5.7	5.2	-2.0	-2.2	-2.4	-2.5	-2.4	-2.2	-2.0	-1.9	-1.9	-1.8	.
RETAIL TRADE																	
Turnover ³⁾	real, CMPY	4.7	3.3	5.5	3.2	3.7	13.7	10.1	15.6	10.0	9.1	11.2	9.2	8.1	8.8	.	.
Turnover ³⁾	real, CCPY	5.4	5.2	5.2	5.0	4.8	13.7	11.8	13.2	12.3	11.6	11.5	11.1	10.7	10.4	.	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	22191	25079	28251	31550	34087	2605	5592	8858	12032	15167	18248	21110	23593	26720	30020	.
Imports total (cif), cumulated	EUR mn	24776	27762	31266	34713	37659	2963	6225	9597	13057	16375	19601	22939	25718	28983	32738	.
Trade balance, cumulated	EUR mn	-2585	-2683	-3015	-3163	-3573	-358	-632	-739	-1025	-1208	-1353	-1829	-2126	-2262	-2718	.
Exports to EU (fob), cumulated	EUR mn	16740	18929	21313	23622	25319	1923	4169	6588	9031	11418	13731	15834	17813	20155	22615	.
Imports from EU (cif), cumulated	EUR mn	14472	16203	18216	20129	21764	1623	3410	5284	7260	9172	11036	13025	14584	16408	18549	.
Trade balance with EU, cumulated	EUR mn	2268	2726	3097	3493	3554	299	759	1304	1771	2246	2695	2809	3229	3747	4066	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-626	-637	-702	-812	-1105	-345	-517	-493	-847	-1252	-1631	-1845	-1933	-2292	-2552	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	279.1	280.9	281.5	283.1	277.0	275.9	279.9	279.5	273.6	265.8	254.1	248.6	250.9	248.7	248.2	237.6
HUF/EUR, monthly average	nominal	251.2	255.9	255.5	251.1	247.6	243.9	243.5	244.7	242.4	243.7	242.7	246.6	245.1	243.9	243.6	238.1
HUF/USD, calculated with CPI ⁶⁾	real, Jan98=100	107.0	107.6	107.2	107.5	104.8	103.2	104.1	103.7	101.2	97.9	94.0	92.2	93.6	92.4	91.7	87.8
HUF/USD, calculated with PPI ⁶⁾	real, Jan98=100	113.6	113.4	111.5	112.6	109.6	109.4	110.5	111.2	109.4	106.2	102.3	100.0	101.2	100.7	100.3	.
HUF/EUR, calculated with CPI ⁶⁾	real, Jan98=100	87.0	88.4	88.0	86.2	85.0	83.0	82.2	82.4	81.3	81.4	81.4	82.8	82.6	81.9	81.3	79.5
HUF/EUR, calculated with PPI ⁶⁾	real, Jan98=100	93.3	94.4	94.2	92.9	92.0	90.9	90.4	90.9	90.2	90.6	90.6	92.0	91.6	91.3	91.0	.
DOMESTIC FINANCE																	
M0, end of period	HUF bn	932.2	957.4	965.6	1006.8	1037.6	986.0	991.8	1005.0	1029.4	1077.1	1100.7	1136.2	1153.5	1149.4	1161.7	1190.1
M1, end of period	HUF bn	2438.1	2457.9	2478.7	2537.4	2775.9	2564.1	2569.9	2644.2	2662.3	2765.8	2808.5	2830.0	2913.3	2893.8	2930.6	3006.7
Broad money, end of period	HUF bn	6516.2	6544.8	6637.4	6715.1	7089.8	6984.2	6927.4	6985.2	7133.7	7191.4	7214.0	7317.8	7523.0	7491.1	7701.1	7964.6
Broad money, end of period	CMPY	15.9	15.2	15.4	13.9	17.1	17.0	15.9	16.2	17.7	16.8	17.0	17.2	15.5	14.5	16.0	18.6
NBH base rate (p.a.) ^{end of period}	%	11.3	11.0	10.8	10.3	9.8	9.0	8.5	8.5	8.5	9.0	9.0	9.5	9.5	9.5	9.5	9.0
NBH base rate (p.a.) ^{end of period} ⁷⁾	real, %	7.7	7.9	8.7	10.3	10.2	11.2	11.1	11.6	11.5	11.2	10.2	10.5	10.6	11.5	11.2	.
BUDGET																	
Central gov.budget balance ^{cum.}	HUF bn	-135.8	-170.6	-194.9	-178.5	-413.2	-59.3	-143.1	-186.9	-240.2	-280.2	-359.6	-343.5	-413.7	-507.4	-801.9	.

1) Economic organizations employing more than 5 persons.

2) According to ILO methodology, from 2002 3-month averages comprising also the two previous months.

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 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry ¹⁾	real, CMPY	0.9	-3.7	1.8	-1.1	-4.8	-1.4	0.3	-3.2	0.3	-4.2	2.1	5.7	-1.2	6.7	3.3	2.8
Industry ¹⁾	real, CCPY	1.7	1.0	1.1	0.9	-0.2	-1.4	-0.6	-1.5	-1.1	-1.7	-1.1	-0.1	-0.2	0.5	0.8	1.0
Industry ¹⁾	real, 3MMA	-0.6	-0.4	-1.0	-1.3	-2.5	-2.1	-1.5	-0.9	-2.4	-0.7	1.1	2.2	3.7	2.9	4.2	.
Construction ¹⁾	real, CMPY	-14.0	-10.9	-9.7	-9.5	-10.5	-21.5	-13.9	-14.3	-6.2	-20.3	-13.2	-3.8	-7.8	-6.1	-8.7	.
LABOUR																	
Employees ¹⁾	th. persons	5074	5060	5044	5020	4952	4940	4931	4924	4907	4896	4898	4884	4876	4864	4870	4862
Employees in industry ¹⁾	th. persons	2594	2584	2589	2576	2528	2494	2492	2486	2475	2471	2471	2462	2457	2451	2462	.
Unemployment, end of period	th. persons	2892.6	2920.4	2944.3	3022.4	3115.1	3253.3	3277.9	3259.9	3203.6	3064.6	3090.9	3105.3	3105.6	3112.6	3108.1	.
Unemployment rate ²⁾	%	16.2	16.3	16.4	16.8	17.5	18.1	18.2	18.2	17.9	17.3	17.4	17.5	17.5	17.6	17.5	.
Labour productivity, industry ¹⁾	CCPY	6.9	6.3	6.4	6.3	5.8	5.5	6.5	5.5	6.0	5.2	5.7	6.6	6.3	7.1	7.2	.
Unit labour costs, exch.r. adj.(EUR) ³⁾	CCPY	11.5	10.8	10.3	10.4	10.4	8.4	5.0	3.8	2.0	0.5	-2.2	-4.7	-5.1	-6.0	-6.7	.
WAGES, SALARIES																	
Total economy, gross ¹⁾	PLN	2192	2218	2252	2302	2471	2188	2189	2252	2226	2255	2232	2289	2253	2302	2263	2343
Total economy, gross ¹⁾	real, CMPY	1.8	1.8	3.9	3.0	1.8	2.1	2.0	1.5	-0.6	2.5	2.5	2.8	1.5	2.4	-0.8	-2.9
Total economy, gross ¹⁾	USD	516	526	545	562	616	538	523	544	549	557	555	556	539	555	549	592
Total economy, gross ¹⁾	EUR	574	577	602	633	690	609	601	621	619	609	580	560	551	565	559	592
Industry, gross ¹⁾	USD	516	512	532	579	636	545	526	542	549	546	556	561	539	546	548	.
PRICES																	
Consumer	PM	-0.3	0.3	0.4	0.1	0.2	0.8	0.1	0.2	0.5	-0.2	-0.4	-0.5	-0.4	0.3	0.3	-0.1
Consumer	CMPY	5.1	4.3	4.0	3.6	3.6	3.4	3.5	3.3	3.0	1.9	1.6	1.3	1.2	1.3	1.1	0.9
Consumer	CCPY	6.3	6.1	5.9	5.7	5.5	3.6	3.6	3.5	3.4	3.1	2.8	2.6	2.4	2.2	2.1	2.0
Producer, in industry	PM	0.8	0.5	-0.6	-0.6	-0.3	0.1	0.2	0.2	0.3	0.1	0.2	0.8	0.4	0.3	0.0	-0.2
Producer, in industry	CMPY	1.0	0.7	-0.5	-1.0	-0.4	0.0	0.2	0.3	0.4	0.5	1.2	1.7	1.3	1.1	1.7	2.1
Producer, in industry	CCPY	2.7	2.5	2.2	1.9	1.6	0.1	0.2	0.3	0.3	0.4	0.5	0.7	0.8	0.8	0.9	1.0
RETAIL TRADE																	
Turnover ¹⁾	real, CMPY	1.1	0.2	5.1	2.1	1.1	3.9	6.6	8.2	1.0	1.1	1.8	7.7	3.9	3.6	.	.
Turnover ¹⁾	real, CCPY	-0.4	-0.4	0.1	0.4	0.7	3.9	5.3	5.8	4.0	3.3	3.1	3.3	2.5	2.6	.	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	26297	29948	33899	37388	40372	3284	6559	10260	13994	17344	20904	24408	27774	31154	.	.
Imports total (cif), cumulated	EUR mn	36888	41518	46871	51754	56220	4121	8582	13521	18856	23598	28388	33379	37711	42354	.	.
Trade balance, cumulated	EUR mn	-10591	-11570	-12971	-14365	-15847	-837	-2023	-3262	-4863	-6254	-7485	-8971	-9937	-11200	.	.
Exports to EU (fob), cumulated	EUR mn	18466	20902	23532	25930	27940	2384	4669	7224	9778	12088	14561	17001	19226	21490	.	.
Imports from EU (cif), cumulated	EUR mn	22599	25484	28814	31783	34510	2455	5267	8374	11525	14544	17577	20780	23383	26253	.	.
Trade balance with EU, cumulated	EUR mn	-4133	-4582	-5282	-5852	-6569	-71	-598	-1151	-1747	-2456	-3016	-3779	-4158	-4762	.	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-5105	-5413	-6249	-6667	-7166	-868	-1684	-2336	-2970	-3527	-3956	-4066	-4335	-4869	-5431	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	4.246	4.219	4.133	4.094	4.014	4.065	4.187	4.143	4.059	4.045	4.025	4.118	4.179	4.150	4.123	3.956
PLN/EUR, monthly average	nominal	3.822	3.845	3.743	3.639	3.583	3.595	3.641	3.629	3.595	3.703	3.847	4.088	4.085	4.074	4.045	3.959
PLN/USD, calculated with CPI ⁵⁾	real, Jan98=100	102.8	102.2	99.4	98.2	95.8	96.4	99.6	98.9	97.0	96.8	96.8	99.7	101.9	101.1	100.1	96.1
PLN/USD, calculated with PPI ⁶⁾	real, Jan98=100	107.4	106.1	102.3	101.5	98.6	100.1	102.8	102.6	101.0	100.6	100.2	101.8	103.1	102.4	101.8	97.9
PLN/EUR, calculated with CPI ⁵⁾	real, Jan98=100	83.5	83.9	81.4	78.9	77.6	77.5	78.6	78.5	77.8	80.4	83.8	89.5	89.9	89.6	88.7	86.9
PLN/EUR, calculated with PPI ⁶⁾	real, Jan98=100	88.1	88.3	86.1	83.8	82.6	83.1	84.0	83.8	83.2	85.6	88.7	93.5	93.3	92.9	92.3	90.5
DOMESTIC FINANCE																	
M0, end of period	PLN bn	35.5	36.6	36.6	36.6	38.2	36.8	37.9	38.8	40.0	39.8	41.2	41.8	42.1	41.9	42.0	42.1
M1, end of period ⁴⁾	PLN bn	107.2	110.5	110.2	108.2	118.3	111.7	115.4	114.8	116.3	121.6	126.1	128.5	126.1	127.4	126.9	.
M2, end of period ⁴⁾	PLN bn	323.4	325.4	329.2	321.2	328.2	322.2	324.6	319.0	317.6	322.0	321.9	324.2	322.9	320.7	321.1	.
M2, end of period	CMPY	13.5	12.6	11.4	7.5	9.2	7.8	6.9	3.2	2.4	3.1	2.4	1.3	-0.2	-1.4	-2.5	.
Discount rate (p.a.)end of period	%	17.0	17.0	15.5	14.0	14.0	12.0	12.0	12.0	11.0	10.5	10.0	10.0	9.0	8.5	7.8	7.5
Discount rate (p.a.)end of period ⁷⁾	real, %	15.8	16.2	16.1	15.2	14.5	12.0	11.8	11.7	10.6	10.0	8.7	8.2	7.6	7.3	5.9	5.3
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-20932	-21865	-24739	-27651	-32358	-6963	-13668	-16437	-19911	-22985	-24923	-25597	-27280	-29147	-34045	-37062

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) Revised according to ECB monetary standards.

7) Deflated with annual PPI.

R O M A N I A: Selected monthly data on the economic situation 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total ¹⁾	real, CPMY	4.6	2.5	9.5	8.4	5.3	5.0	5.0	-0.1	5.6	0.1	6.6	9.1	6.4	9.0	9.6	.
Industry, total ¹⁾	real, CCPY	9.1	8.3	8.4	8.4	8.2	5.0	5.0	3.1	3.8	3.0	3.6	4.4	4.7	5.1	5.6	.
Industry, total	real, 3MMA	4.3	5.6	6.8	7.8	6.3	5.1	3.1	3.4	1.8	4.0	5.2	7.4	8.2	8.4	.	.
LABOUR																	
Employees total	th. persons	4546.4	4551.7	4544.8	4507.3	4470.3	4314.2	4333.8	4377.7	4386.8	4397.5	4404.2	4405.1	4399.4	4395.5	.	.
Employees in industry	th. persons	1845.0	1843.6	1843.5	1829.7	1820.0	1833.8	1831.3	1830.2	1823.7	1824.2	1814.0	1812.6	1808.6	1801.7	.	.
Unemployment, end of period	th. persons	771.8	747.1	742.4	774.0	826.9	1193.7	1267.4	1257.4	1069.7	983.3	929.7	867.4	815.5	786.2	767.7	.
Unemployment rate ²⁾	%	8.0	7.8	7.7	8.0	8.6	12.4	13.2	13.0	11.1	10.2	9.6	9.0	8.5	8.2	8.0	.
Labour productivity, industry	CCPY	13.1	12.1	12.1	11.9	11.5	3.8	4.2	2.5	3.4	2.8	3.6	4.6	5.1	5.8	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	4.6	5.0	4.5	4.1	3.9	14.3	14.9	14.4	10.8	7.9	4.6	1.3	-0.1	-1.0	.	.
WAGES, SALARIES																	
Total economy, gross	th. ROL	4449.5	4424.0	4534.1	4719.7	5299.7	5144.8	4778.5	5091.1	5585.4	5329.1	5327.1	5498.5	5469.6	5404.1	5570.8	.
Total economy, gross	real, CPMY	15.6	12.8	11.3	7.8	2.3	10.5	10.1	9.5	3.9	2.5	0.3	0.7	1.3	2.0	3.4	.
Total economy, gross	USD	149	146	147	151	168	161	148	155	169	159	160	167	165	163	168	.
Total economy, gross	EUR	166	161	163	170	188	182	170	177	191	173	167	168	169	166	171	.
Industry, gross	USD	158	150	151	153	170	150	147	155	170	159	161	174	170	165	167	.
PRICES																	
Consumer	PM	2.2	1.9	2.4	2.7	2.2	2.3	1.2	0.4	2.0	1.9	1.2	0.5	0.8	0.6	1.6	2.6
Consumer	CPMY	32.3	31.2	30.8	30.7	30.3	28.6	27.2	25.1	24.4	24.5	24.0	23.0	21.3	19.8	18.8	18.6
Consumer	CCPY	36.7	36.0	35.4	34.9	34.5	28.6	27.9	26.9	26.3	25.9	25.6	25.2	24.7	24.1	23.5	23.0
Producer, in industry	PM	2.1	2.0	2.1	1.4	1.4	2.0	1.7	1.6	2.3	2.1	1.4	2.3	1.2	1.8	1.5	.
Producer, in industry	CPMY	39.2	36.4	33.7	31.3	30.1	28.3	25.9	25.2	26.1	25.9	25.7	24.8	23.7	23.5	22.8	.
Producer, in industry	CCPY	46.2	44.9	43.6	42.2	41.0	28.3	27.1	26.4	26.3	26.3	26.2	26.0	25.7	25.4	25.1	.
RETAIL TRADE																	
Turnover	real, CPMY	1.8	1.7	5.1	2.6	-1.9	-3.3	-0.7	-1.5	8.9	-2.2	-0.3	3.2	3.1	2.3	.	.
Turnover	real, CCPY	-0.5	-0.2	0.4	0.6	0.3	-3.3	-2.0	-1.8	1.1	0.4	0.3	0.7	1.1	1.2	.	.
FOREIGN TRADE^{3,4)}																	
Exports total (fob), cumulated	EUR mn	8604	9672	10693	11795	12711	1034	2134	3309	4497	5639	6923	8289	9513	10765	12113	.
Imports total (cif), cumulated	EUR mn	11413	12637	14221	15787	17363	1332	2710	4170	5742	7264	8878	10688	12075	13698	15510	.
Trade balance, cumulated	EUR mn	-2809	-2965	-3528	-3992	-4652	-298	-576	-861	-1244	-1625	-1956	-2399	-2562	-2933	-3397	.
Exports to EU (fob), cumulated	EUR mn	5802	6535	7254	8011	8619	746	1532	2347	3148	3923	4786	5711	6524	7350	8215	.
Imports from EU (cif), cumulated	EUR mn	6491	7190	8161	9100	9957	780	1545	2404	3362	4271	5278	6395	7140	8030	9073	.
Trade balance with EU, cumulated	EUR mn	-688	-655	-907	-1089	-1338	-34	-13	-57	-214	-349	-492	-684	-615	-680	-857	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-1335	-1225	-1626	-1903	-2317	-61	-179	-286	-543	-665	-909	-1050	-937	-957	.	.
EXCHANGE RATE																	
ROL/USD, monthly average	nominal	29809	30236	30786	31299	31556	32052	32233	32766	33102	33491	33392	32979	33094	33116	33242	33545
ROL/EUR, monthly average	nominal	26853	27549	27899	27806	28205	28281	28054	28698	29316	30774	31912	32721	32365	32481	32629	33592
ROL/USD, calculated with CPI ⁵⁾	real, Jan98=100	113.8	113.8	112.8	111.4	109.6	109.0	108.8	110.7	110.3	109.5	108.0	106.2	106.1	105.7	104.4	102.7
ROL/USD, calculated with PPI ⁶⁾	real, Jan98=100	110.4	109.6	106.9	106.8	104.9	104.8	103.5	104.7	104.2	103.3	101.8	98.4	97.8	96.5	95.4	.
ROL/EUR, calculated with CPI ⁵⁾	real, Jan98=100	92.6	93.5	92.4	89.5	88.9	87.5	86.0	87.9	88.5	91.4	93.5	95.4	93.7	93.8	92.7	93.0
ROL/EUR, calculated with PPI ⁶⁾	real, Jan98=100	90.7	91.4	90.2	88.3	88.1	86.9	84.7	85.6	85.9	88.3	90.2	90.5	88.6	87.6	86.7	.
DOMESTIC FINANCE																	
M0, end of period	ROL bn	29830	32645	30835	31080	35636	30021	32411	33416	37683	34997	39615	39106	41257	42334	41324	.
M1, end of period	ROL bn	48172	51073	50032	50331	64309	50757	54482	55881	60373	59796	64366	65733	69383	71435	72319	.
M2, end of period	ROL bn	226557	235145	236890	244841	270512	259932	267090	275326	286066	290629	300912	303477	314850	317333	324933	.
M2, end of period	CPMY	43.3	44.0	44.4	48.8	46.2	44.3	43.4	43.7	44.0	45.4	44.3	40.3	39.0	35.0	37.2	.
Discount rate (p.a.) ^{end of period⁶⁾}	%	35.0	35.0	35.0	35.0	35.0	35.0	34.6	34.2	34.1	32.2	30.6	28.3	27.2	25.6	23.8	22.2
Discount rate (p.a.) ^{end of period⁶⁾⁷⁾}	real, %	-3.0	-1.0	1.0	2.8	3.8	5.2	6.9	7.2	6.3	5.0	3.9	2.8	2.8	1.7	0.8	.
BUDGET																	
Central gov.budget balance, cum.	ROL bn	-27530	-30417	-31250	-32016	-35809	-4416	-8978	-11228	-14009	-14789	-29334	-31292	-29983	-32043	-31386	.

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 2001 as of December 2000.

3) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference 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) From 1, February 2002 reference rate of RNB.

7) Deflated with annual PPI.

R U S S I A: Selected monthly data on the economic situation 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CMPY	5.1	3.8	5.1	4.7	2.6	2.2	2.0	3.7	4.3	2.8	4.4	7.8	3.4	5.5	3.9	.
Industry, total	real, CCPY	5.3	5.2	5.2	5.1	4.9	2.2	2.1	2.6	3.0	3.0	3.2	3.9	3.8	4.0	4.0	.
Industry, total ¹⁾	real, 3MMA	4.4	4.7	4.5	4.1	3.2	2.3	2.6	3.3	3.6	3.8	5.0	5.2	.	.	.	.
Construction, total	real, CMPY	12.7	12.3	12.2	13.5	16.7	4.1	1.5	2.0	3.3	3.1	2.8	2.4	3.1	.	.	.
LABOUR																	
Employment total ²⁾	th. persons	65500	65200	64900	64700	64800	64900	65000	65300	65700	66000	66500	67000	67500	66100	67200	.
Unemployment, end of period ³⁾	th. persons	6149	6200	6252	6303	6190	6077	5964	5819	5674	5529	5420	5312	5203	5160	5145	.
Unemployment rate ³⁾	%	8.6	8.7	8.8	8.9	8.7	8.6	8.4	8.2	8.0	7.7	7.5	7.3	7.2	7.1	7.1	.
WAGES, SALARIES																	
Total economy, gross	RUB	3376.0	3405.0	3515.0	3578.0	4541.0	3760.0	3725.0	4031.0	4110.0	4187.0	4460.0	4597.0	4511.0	4521.0	4611.7	.
Total economy, gross	real, CMPY	21.9	19.8	21.9	20.1	26.3	15.5	19.0	16.3	20.9	18.0	18.2	18.7	15.9	15.4	14.1	.
Total economy, gross	USD	115	116	119	120	151	123	121	130	132	134	142	146	143	143	146	.
Total economy, gross	EUR	128	127	131	135	169	140	139	148	149	146	149	147	146	146	148	.
Industry, gross	USD	149	148	153	155	177	147	146	158	160	159	165	174	.	.	.	.
PRICES																	
Consumer	PM	0.0	0.6	1.1	1.4	1.6	3.1	1.2	1.1	1.2	1.7	0.5	0.7	0.1	0.4	1.1	1.6
Consumer	CMPY	20.9	20.1	18.9	18.8	18.8	19.2	17.9	17.0	16.3	16.2	14.9	15.1	15.2	15.0	15.0	15.2
Consumer	CCPY	22.9	22.6	22.2	21.9	21.6	19.2	18.5	18.0	17.5	17.3	16.8	16.6	16.4	16.3	16.1	16.0
Producer, in industry	PM	0.0	-0.1	0.4	0.3	0.2	0.4	-0.3	-0.1	2.2	2.5	3.1	2.6	1.7	1.2	2.1	.
Producer, in industry	CMPY	17.4	15.0	12.5	11.4	10.7	9.0	6.9	5.5	6.8	8.5	9.6	11.4	13.3	14.9	16.7	.
Producer, in industry	CCPY	23.0	22.0	21.0	20.0	19.1	9.0	7.9	7.1	7.0	7.4	7.7	8.3	8.9	9.6	10.3	.
RETAIL TRADE																	
Turnover ⁴⁾	real, CMPY	11.9	11.1	12.2	11.6	10.8	9.4	8.3	8.9	9.5	6.1	7.6	10.2	8.6	9.6	.	.
Turnover ⁴⁾	real, CCPY	10.0	10.1	10.3	10.5	10.5	9.4	8.9	8.9	9.0	8.4	8.3	8.6	8.6	8.7	.	.
FOREIGN TRADE⁵⁾⁽⁶⁾⁽⁷⁾																	
Exports total, cumulated	EUR mn	76667	85914	94737	104254	113443	7700	15392	24972	35592	44899	53427	62935	73279	83415	93885	.
Imports total, cumulated	EUR mn	37978	42588	47903	53594	60029	4168	8767	14090	19891	25003	30201	35730	40888	46166	52067	.
Trade balance, cumulated	EUR mn	38689	43325	46835	50660	53414	3531	6624	10882	15701	19897	23226	27204	32391	37248	41818	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	28092	.	.	34620	.	.	7051	.	.	14879	.	.	21100	.	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	29.343	29.430	29.538	29.797	30.100	30.473	30.806	31.064	31.174	31.255	31.405	31.515	31.554	31.622	31.693	31.811
RUB/EUR, monthly average	nominal	26.370	26.821	26.784	26.478	26.852	26.952	26.781	27.201	27.596	28.682	29.965	31.323	30.875	31.006	31.103	31.831
RUB/USD, calculated with CPI ⁸⁾	real, Jan98=100	159.3	159.5	157.8	156.7	155.3	152.8	153.3	153.7	153.3	151.1	151.2	150.9	151.4	151.4	150.1	148.3
RUB/USD, calculated with PPI ⁹⁾	real, Jan98=100	176.2	176.8	172.8	173.1	172.4	174.4	176.7	180.3	178.4	174.5	170.6	167.0	164.8	163.8	160.8	.
RUB/EUR, calculated with CPI ⁸⁾	real, Jan98=100	129.2	130.9	129.3	125.8	125.7	122.8	120.9	121.9	122.8	125.8	130.6	135.6	133.6	134.1	133.0	134.0
RUB/EUR, calculated with PPI ⁹⁾	real, Jan98=100	144.4	147.1	145.8	143.0	144.4	144.8	144.3	147.2	146.8	148.9	150.7	153.7	149.3	148.4	145.8	.
DOMESTIC FINANCE																	
M0, end of period	RUB bn	507.1	531.0	531.5	527.3	584.3	533.4	543.4	552.9	610.3	607.5	645.9	659.7	679.0	672.6	675.8	.
M1, end of period	RUB bn	1040.8	1074.9	1084.4	1058.1	1192.6	1079.4	1084.6	1106.3	1147.5	1204.1	1254.5	1268.0	1282.1	1301.7	1313.3	.
M2, end of period	RUB bn	1870.4	1925.5	1974.7	1984.9	2122.7	2056.3	2105.0	2137.7	2213.5	2288.3	2356.8	2403.6	2445.2	2494.7	2538.6	.
M2, end of period	CMPY	40.9	38.7	39.5	36.2	36.1	34.3	30.3	31.0	31.5	32.3	31.0	30.5	30.7	29.6	28.6	.
Refinancing rate (p.a.) ^{end of period}	%	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	23.0	23.0	23.0	23.0	21.0	21.0	21.0	21.0
Refinancing rate (p.a.) ^{end of period} ⁹⁾	real, %	6.5	8.7	11.1	12.2	12.9	14.6	17.0	18.4	15.2	13.3	12.3	10.4	6.8	5.3	3.6	.
BUDGET																	
Central gov. budget balance, cum.	RUB bn	174.4	178.6	214.7	257.4	264.7	82.9	89.2	108.1	132.3	148.0	162.9	209.9	210.6	.	.	.

1) Seasonally adjusted.

2) Based on labour force survey.

3) According to ILO methodology.

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

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

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

7) Based on balance of payments statistics.

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

9) Deflated with annual PPI.

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total	real, CPMY	5.8	6.8	8.3	3.9	2.0	0.2	4.8	-1.6	10.2	3.7	3.8	12.0	6.5	9.7	8.7	.
Industry, total	real, CCPY	7.9	7.7	7.8	7.4	6.9	0.2	2.5	1.0	3.3	3.4	3.4	4.6	4.8	5.4	5.8	.
Industry, total	real, 3MMA	7.3	7.0	6.3	4.8	2.1	2.3	1.0	4.3	3.9	5.8	6.4	7.3	9.4	8.3	.	.
Construction, total	real, CPMY	-1.6	-6.7	-1.2	-4.1	-8.2	-4.3	-5.8	-0.8	9.9	8.2	-1.5	6.3	1.5	3.8	6.9	.
LABOUR																	
Employment in industry	th. persons	555.7	556.0	554.1	553.5	549.1	542.9	543.0	544.2	561.9	561.7	564.7	555.5	558.1	562.1	564.5	.
Unemployment, end of period ¹⁾	th. persons	506.1	497.6	499.3	513.1	533.7	563.9	560.2	546.3	521.0	510.2	507.0	505.0	492.6	481.0	478.6	.
Unemployment rate ¹⁾	%	17.8	17.4	17.3	17.7	18.6	19.7	19.6	19.1	18.1	17.7	17.6	17.6	17.2	16.6	16.4	.
Labour productivity, industry	CCPY	6.5	6.4	6.6	6.3	5.9	2.2	4.5	3.0	4.4	4.0	3.7	4.9	5.0	5.4	5.6	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	0.8	0.7	0.9	1.5	2.3	9.8	8.5	9.9	8.1	7.3	6.2	4.1	3.5	3.2	3.2	.
WAGES, SALARIES																	
Industry, gross	SKK	13125	12667	13763	15835	15258	13529	12866	13565	13674	14314	14663	14567	14053	13822	14443	.
Industry, gross	real, CPMY	1.0	-0.3	3.1	4.4	7.0	2.8	6.3	4.2	3.9	3.1	3.5	7.2	4.3	6.1	1.9	.
Industry, gross	USD	274	265	286	326	316	281	265	283	290	305	315	325	312	315	339	.
Industry, gross	EUR	305	291	316	367	354	318	304	323	328	333	331	327	320	321	345	.
PRICES																	
Consumer	PM	-0.2	0.2	0.0	0.0	0.2	1.5	0.4	0.0	0.4	0.2	-0.4	-0.3	0.5	0.3	0.0	0.0
Consumer	CPY	7.8	7.3	6.9	6.4	6.4	6.2	4.3	3.6	3.6	3.2	2.6	2.0	2.7	2.8	2.9	2.9
Consumer	CCPY	7.3	7.3	7.3	7.2	7.1	6.2	5.2	4.7	4.4	4.2	3.9	3.6	3.5	3.4	3.3	3.3
Producer, in industry ²⁾	PM	-0.2	-0.1	0.0	-0.3	-0.1	0.4	1.8	0.0	0.8	-0.2	-0.4	0.2	0.0	0.1	0.0	.
Producer, in industry ²⁾	CPY	5.8	4.8	3.5	2.4	2.2	2.4	2.4	1.5	1.9	2.0	1.4	1.8	2.0	2.2	2.2	.
Producer, in industry ²⁾	CCPY	8.2	7.8	7.3	6.9	6.5	2.4	2.4	2.1	2.0	2.0	1.9	1.9	1.9	2.0	2.0	.
RETAIL TRADE³⁾																	
Turnover	real, CPMY	4.5	5.8	9.1	11.7	12.4	11.5	-1.3	7.4	4.4	8.8	10.5	5.6	2.9	0.9	-2.0	.
Turnover	real, CCPY	1.9	2.4	3.1	3.8	4.5	11.5	5.1	5.9	5.5	6.2	6.9	6.7	6.2	5.6	4.9	.
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	9370	10580	11861	13099	14117	1065	2188	3400	4697	5904	7206	8552	9750	11112	12548	.
Imports total (fob), cumulated	EUR mn	10705	12074	13570	15103	16489	1200	2473	3859	5288	6750	8182	9681	10967	12520	14263	.
Trade balance, cumulated	EUR mn	-1335	-1494	-1708	-2004	-2373	-135	-285	-460	-591	-846	-976	-1129	-1217	-1408	-1715	.
Exports to EU (fob), cumulated	EUR mn	5651	6374	7123	7871	8450	664	1368	2117	2896	3603	4393	5204	5884	6710	7561	.
Imports from EU (fob), cumulated	EUR mn	5378	6057	6802	7558	8207	584	1221	1922	2654	3383	4122	4908	5541	6322	7207	.
Trade balance with EU, cumulated	EUR mn	273	318	321	313	243	80	147	195	242	220	271	296	343	388	354	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-956	-1131	-1251	-1492	-1756	-84	-168	-312	-446	-762	-868	-987	-1018	.	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	48.0	47.8	48.1	48.5	48.2	48.1	48.6	47.9	47.1	46.9	46.5	44.8	45.0	43.8	42.6	41.5
SKK/EUR, monthly average	nominal	43.1	43.5	43.6	43.1	43.1	42.5	42.3	41.9	41.7	43.0	44.3	44.5	44.0	43.0	41.8	41.5
SKK/USD, calculated with CPI ⁶⁾	real, Jan98=100	110.9	110.6	111.0	111.8	110.5	108.7	109.9	108.9	107.4	106.6	106.4	102.7	103.1	100.3	97.5	94.8
SKK/USD, calculated with PPI ⁶⁾	real, Jan98=100	117.5	117.1	115.2	116.1	114.1	113.6	112.8	112.4	110.6	110.3	110.2	105.9	106.7	104.3	101.4	.
SKK/EUR, calculated with CPI ⁶⁾	real, Jan98=100	89.8	90.7	90.8	89.6	89.5	87.3	86.6	86.3	85.9	88.5	91.6	92.2	90.8	88.8	86.3	85.7
SKK/EUR, calculated with PPI ⁶⁾	real, Jan98=100	96.2	97.3	97.1	95.8	95.7	94.3	92.1	91.7	90.9	93.8	97.1	97.3	96.4	94.4	91.8	.
DOMESTIC FINANCE																	
M0, end of period	SKK bn	70.7	72.7	74.9	79.1	81.0	79.7	80.1	79.6	78.8	79.0	79.6	79.3	80.4	80.7	81.4	.
M1, end of period	SKK bn	198.4	207.4	207.0	214.0	228.5	217.8	214.2	210.3	210.6	212.1	218.7	219.3	222.5	221.1	223.2	.
M2, end of period	SKK bn	644.0	641.8	635.3	651.3	680.3	668.4	674.8	666.0	662.8	668.7	678.9	692.7	696.3	689.7	694.9	.
M2, end of period	CPY	10.3	9.5	9.3	12.0	13.1	10.2	10.9	8.8	6.9	8.0	8.6	9.3	8.1	7.5	9.4	.
Discount rate (p.a.), end of period ⁷⁾	%	8.8	8.8	8.8	8.8	8.8	7.8	7.8	7.8	8.3	8.3	8.3	8.3	8.3	8.3	8.0	6.5
Discount rate (p.a.), end of period ⁷⁾⁸⁾	real, %	2.9	3.8	5.1	6.2	6.5	5.2	5.3	6.2	6.2	6.1	6.8	6.3	6.1	5.9	5.7	.
BUDGET																	
Central gov. budget balance, cum.	SKK mn	-22415	-22878	-27560	-29797	-44371	-2902	-10851	-15185	-13497	-20825	-24661	-34768	-35706	-32192	-39930	-36488

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

2) Based on revised index schema of 2000, excluding VAT and excise taxes.

3) According to NACE (52 - retail trade), excluding VAT.

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) From January 2002 corresponding to the 2-week limit rate of NBS.

8) Deflated with annual PPI.

S L O V E N I A: Selected monthly data on the economic situation 2001 to 2002

(updated end of Dec 2002)

		2001					2002											
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
PRODUCTION																		
Industry, total	real, CPMY	2.9	-1.1	7.2	0.1	0.2	3.9	3.2	-1.5	9.6	0.1	-1.9	4.6	0.1	6.8	1.5	.	
Industry, total	real, CCPY	3.6	3.0	3.5	3.2	2.9	3.9	3.5	1.7	3.7	2.9	2.1	2.5	2.2	2.7	2.6	.	
Industry, total	real, 3MMA	2.7	3.0	2.0	2.5	1.3	2.4	1.7	3.6	2.6	2.5	0.9	0.9	4.0	2.9	.	.	
Construction, total ¹⁾	real, CPMY	-2.2	-3.9	1.6	-3.2	-9.0	-11.5	-3.9	-6.1	-0.1	-4.8	-8.0	-1.2	-3.7	0.5	-1.7	.	
LABOUR																		
Employment total	th. persons	782.1	786.2	786.6	785.6	782.1	779.5	781.3	782.8	784.3	785.3	785.6	783.9	782.6	784.5	.	.	
Employees in industry ²⁾	th. persons	221.9	221.8	221.5	221.2	219.8	220.2	220.2	220.5	219.8	219.6	219.3	218.2	217.5	.	.	.	
Unemployment, end of period	th. persons	98.1	99.8	102.2	103.2	104.3	106.2	105.0	103.5	102.7	101.1	100.1	101.7	102.2	103.4	.	.	
Unemployment rate ³⁾	%	11.1	11.3	11.5	11.6	11.8	12.0	11.8	11.7	11.6	11.4	11.3	11.5	11.6	11.7	.	.	
Labour productivity, industry	CCPY	3.5	3.1	3.8	3.6	3.5	6.9	6.6	4.8	6.9	6.2	5.4	5.9	5.6	6.0	5.9	.	
Unit labour costs, exch.r. adj.(EUR)	CCPY	1.6	1.7	1.1	1.1	1.1	-3.2	-3.3	-1.2	-2.6	-1.7	-1.0	-1.1	-1.0	-1.2	.	.	
WAGES, SALARIES																		
Total economy, gross	th. SIT	216.4	214.1	219.2	234.8	234.1	226.4	223.3	227.0	228.8	231.1	229.2	232.1	236.1	236.2	239.9	.	.
Total economy, gross	real, CPMY	3.0	3.0	3.3	3.0	2.6	0.8	0.9	2.0	2.0	2.1	2.5	3.0	1.7	2.9	2.1	.	
Total economy, gross	USD	889	890	903	946	945	901	870	888	901	939	967	1016	1015	1016	1029	.	
Total economy, gross	EUR	989	976	997	1066	1059	1020	1001	1014	1019	1026	1014	1024	1039	1036	1049	.	
Industry, gross	USD	770	757	779	818	791	771	735	760	767	806	816	877	865	869	.	.	
PRICES																		
Consumer	PM	0.0	0.9	0.5	0.4	0.1	1.6	0.9	0.7	1.4	0.3	-0.2	0.5	0.1	0.8	0.5	0.0	
Consumer	CPMY	8.5	7.9	7.8	7.0	7.0	8.4	8.1	7.6	8.4	7.5	6.8	7.2	7.3	7.2	7.2	6.7	
Consumer	CCPY	9.0	8.8	8.7	8.6	8.4	8.4	8.3	8.1	8.2	8.0	7.8	7.7	7.7	7.6	7.6	7.5	
Producer, in industry	PM	0.3	0.4	1.0	0.5	1.0	0.3	0.6	0.4	0.4	0.1	0.2	0.2	0.2	0.1	0.3	0.3	
Producer, in industry	CPMY	8.2	8.0	7.2	7.1	7.5	5.8	5.3	6.3	5.7	5.7	5.6	5.3	5.2	4.9	4.2	4.1	
Producer, in industry	CCPY	9.7	9.5	9.3	9.1	8.9	5.8	5.6	5.8	5.8	5.7	5.7	5.7	5.6	5.5	5.4	5.3	
RETAIL TRADE⁴⁾																		
Turnover	real, CPMY	9.7	5.5	9.4	5.3	6.4	9.7	9.3	9.1	8.8	7.3	9.7	13.2	9.5	13.9	.	.	
Turnover	real, CCPY	8.2	7.9	8.1	7.8	7.7	9.7	9.5	9.4	9.2	8.8	9.0	9.6	9.6	10.1	.	.	
FOREIGN TRADE⁵⁾⁶⁾																		
Exports total (fob), cumulated	EUR mn	6900	7782	8741	9627	10348	829	1686	2653	3621	4539	5460	6444	7167	8170	9214	.	
Imports total (cif), cumulated	EUR mn	7548	8466	9481	10464	11342	878	1792	2818	3862	4846	5764	6750	7516	8526	9571	.	
Trade balance total, cumulated	EUR mn	-649	-684	-740	-837	-995	-48	-106	-165	-240	-307	-305	-305	-349	-355	-358	.	
Exports to EU (fob), cumulated	EUR mn	4342	4881	5467	6009	6436	553	1082	1670	2253	2789	3331	3908	4309	4906	5519	.	
Imports from EU (cif), cumulated	EUR mn	5108	5723	6411	7087	7674	587	1204	1913	2622	3306	3954	4639	5136	5823	6540	.	
Trade balance with EU, cumulated	EUR mn	-766	-842	-944	-1078	-1238	-34	-122	-242	-369	-517	-623	-731	-827	-917	-1021	.	
FOREIGN FINANCE																		
Current account, cumulated	USD mn	3	49	99	118	31	56	81	63	62	69	143	192	230	359	461	.	
EXCHANGE RATE																		
SIT/USD, monthly average	nominal	243.5	240.7	242.7	248.2	247.8	251.4	256.6	255.7	254.0	246.1	237.1	228.3	232.6	232.5	233.2	229.2	
SIT/EUR, monthly average	nominal	218.7	219.4	219.9	220.4	221.1	222.0	223.0	223.8	224.6	225.3	226.0	226.7	227.4	228.0	228.7	229.3	
SIT/USD, calculated with CPI ⁷⁾	real, Jan98=100	119.9	117.9	118.0	119.9	119.3	119.3	121.2	120.5	118.8	114.8	110.9	106.4	108.6	107.9	107.6	105.8	
SIT/USD, calculated with PPI ⁷⁾	real, Jan98=100	124.8	122.7	119.8	121.4	118.6	120.3	122.0	122.4	122.0	118.2	113.9	109.6	111.7	111.9	111.9	109.7	
SIT/EUR, calculated with CPI ⁷⁾	real, Jan98=100	97.2	96.8	96.6	96.2	96.5	95.8	95.5	95.6	95.1	95.3	95.7	95.5	95.8	95.6	95.4	95.7	
SIT/EUR, calculated with PPI ⁷⁾	real, Jan98=100	102.2	102.2	101.0	100.2	99.4	99.8	99.6	99.9	100.3	100.6	100.5	100.8	101.1	101.5	101.4	101.4	
DOMESTIC FINANCE																		
M0, end of period	SIT bn	116.3	122.6	124.7	126.5	142.1	129.4	130.0	135.9	134.3	135.1	146.0	137.2	140.0	138.6	.	.	
M1, end of period	SIT bn	418.1	438.1	440.3	455.3	502.2	471.8	469.2	485.2	489.5	502.8	524.1	509.4	509.6	524.5	.	.	
Broad money, end of period	SIT bn	2514.8	2555.2	2617.3	2705.7	2876.7	2911.5	2929.0	2970.8	3010.4	3036.4	3025.5	3061.0	3080.7	3099.6	3223.9	.	
Broad money, end of period	CPMY	19.9	20.2	21.8	23.4	30.4	29.9	29.1	27.5	27.9	26.0	23.7	23.6	22.5	21.3	23.2	.	
Discount rate (p.a.)end of period	%	11	11	11	11	11	9	9	9	10	10	10	10	10	10	10	.	
Discount rate (p.a.)end of period ⁸⁾	real, %	2.6	2.8	3.5	3.6	3.3	3.0	3.5	2.5	4.1	4.1	4.2	4.5	4.6	4.9	5.6	.	
BUDGET																		
General gov.budget balance, cum.	SIT mn	-104403	-129993	-127649	-135450	-63193	-71266	-103931	-128724	-117338	-122303	-173597	-162560	-157361	-161385	.	.	

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

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.

U K R A I N E: Selected monthly data on the economic situation 2001 to 2002

(updated end of Dec 2002)

		2001					2002										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PRODUCTION																	
Industry, total ¹⁾	real, CMPY	10.6	11.3	-2.2	-0.4	-5.0	-1.2	1.4	-0.8	.	.	.	.	.	.	.	.
Industry, total	real, CCPY	17.1	16.7	16.2	15.4	14.2	1.7	3.5	3.1	3.5	3.1	5.8	6.1	5.9	6.0	6.0	6.3
Industry, total ¹⁾	real, 3MMA	11.5	6.2	2.6	-2.5	-2.2	-1.7	-0.2	.	.	.	.	.	.	.	.	.
LABOUR																	
Unemployment, end of period	th. persons	1001.1	984.6	971.2	981.6	1008.1	1028.7	1067.4	1079.0	1087.0	1051.0	1023.4	1005.2	1002.8	991.8	980.0	999.4
Unemployment rate ²⁾	%	3.7	3.6	3.5	3.6	3.7	3.8	3.9	3.9	4.0	3.8	3.7	3.7	3.7	3.6	3.6	3.6
WAGES, SALARIES¹⁾																	
Total economy, gross	UAH	329.3	326.3	335.8	334.4	378.5	320.8	328.7	354.8	355.8	358.9	377.4	398.1	390.1	391.1	397.5	.
Total economy, gross	real, CMPY	21.4	22.1	24.6	22.3	20.4	19.9	20.5	23.6	20.6	16.9	20.0	22.7	19.5	21.1	19.1	.
Total economy, gross	USD	62	61	63	63	71	60	62	67	67	67	71	75	73	73	75	.
Total economy, gross	EUR	69	67	70	71	80	68	71	76	76	74	74	75	75	75	76	.
Industry, gross	USD	82	81	84	83	89	80	.	.	.	87	89	96	95	.	.	.
PRICES																	
Consumer	PM	-0.2	0.4	0.2	0.5	1.6	1.0	-1.4	-0.7	1.4	-0.3	-1.8	-1.5	-0.2	0.2	0.7	0.7
Consumer	CMPY	9.6	7.3	6.0	6.1	6.1	5.6	3.5	2.2	2.1	1.4	-1.1	-0.9	-0.9	-1.1	-0.6	-0.4
Consumer	CCPY	15.0	14.1	13.2	12.5	12.0	5.6	4.5	3.7	3.3	2.9	2.2	1.8	1.5	1.2	1.0	0.9
Producer, in industry	PM	-0.1	0.1	-0.7	0.7	-0.5	-0.4	0.7	-0.8	1.2	1.5	2.2	1.0	-0.4	0.3	0.2	0.2
Producer, in industry	CMPY	7.1	5.9	3.8	3.5	0.9	-0.3	-0.2	-0.5	0.5	2.0	4.0	5.0	4.6	4.9	5.8	5.3
Producer, in industry	CCPY	11.4	10.8	10.0	9.4	8.6	-0.3	-0.3	-0.3	-0.1	0.3	0.9	1.5	1.9	2.2	2.6	2.8
RETAIL TRADE																	
Turnover ³⁾	real, CCPY	11.4	11.5	11.8	12.3	12.6	.	18.7	16.8	18.0	18.1	16.1	15.6	15.5	14.8	14.9	14.7
FOREIGN TRADE⁴⁾⁵⁾																	
Exports total (fob), cumulated	EUR mn	11973	13389	15054	16684	18160	1376	2862	4419	6089	7581	9054	10539	12040	13770	.	.
Imports total (cif), cumulated	EUR mn	11273	12683	14242	15946	17613	1161	2478	4047	5662	7047	8519	10044	11512	13001	.	.
Trade balance, cumulated	EUR mn	700	706	812	738	547	215	384	372	427	534	535	495	527	770	.	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	1246	.	.	1402	.	.	722	.	.	1322	.	.	2085	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.347	5.339	5.310	5.287	5.294	5.313	5.321	5.322	5.327	5.328	5.329	5.329	5.329	5.330	5.330	5.330
UAH/EUR, monthly average	nominal	4.807	4.869	4.809	4.703	4.718	4.696	4.630	4.660	4.712	4.865	5.079	5.288	5.211	5.229	5.228	5.338
UAH/USD, calculated with CPI ⁶⁾	real, Jan98=100	167.9	167.7	165.9	164.1	161.2	160.5	163.7	165.7	164.6	165.1	168.3	171.0	171.9	171.9	170.7	169.5
UAH/USD, calculated with PPI ⁶⁾	real, Jan98=100	156.7	156.2	153.0	150.7	149.8	151.4	150.4	153.3	152.9	150.6	147.9	146.5	147.4	147.6	147.3	147.0
UAH/EUR, calculated with CPI ⁶⁾	real, Jan98=100	136.0	137.5	135.5	131.6	130.1	128.7	128.9	131.2	131.5	136.5	144.9	153.2	151.4	152.1	151.0	153.1
UAH/EUR, calculated with PPI ⁶⁾	real, Jan98=100	128.2	129.8	128.6	124.3	125.1	125.4	122.8	124.9	125.5	127.6	130.2	134.4	133.2	133.5	133.2	135.8
DOMESTIC FINANCE																	
M0, end of period	UAH mn	15527	16208	16685	17325	19465	18101	18666	19646	20980	20394	21441	22561	23568	23655	23700	24100
M1, end of period	UAH mn	24768	25884	26406	26782	29773	27586	28416	30287	30672	30670	32494	34037	35367	36504	.	.
Broad money, end of period	UAH mn	38275	39643	40750	41508	45555	43619	45032	47345	48389	48813	51195	53913	56294	57729	58700	59600
Broad money, end of period	CMPY	29.8	36.8	41.2	41.2	42.0	41.5	42.3	43.4	41.9	38.8	38.5	44.3	47.1	45.6	44.0	43.6
Refinancing rate (p.a.) ^{end of period}	%	17.0	15.0	15.0	15.0	12.5	12.5	12.5	11.5	10.0	10.0	10.0	8.0	8.0	8.0	8.0	8.0
Refinancing rate (p.a.) ^{end of period} ⁷⁾	real, %	9.3	8.6	10.8	11.1	11.5	12.8	12.7	12.1	9.5	7.9	5.7	2.9	3.2	3.0	2.1	2.6
BUDGET																	
General gov. budget balance, cum. ⁸⁾	UAH mn	1407.5	1379.7	1616.3	982.3	-1263.6	1381.7	1516.6	660.6	564.2	1626.6	1366.6	1851.7	2409.7	2722.6	3284.8	.

1) Excluding small firms.

2) Ratio of unemployed to the economically active.

3) Official registered enterprises.

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

5) Cumulation starting January and ending December each year.

6) 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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