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Wiener Institut für
Internationale
Wirtschaftsvergleiche

The Vienna Institute
for International
Economic Studies

Monthly Report | 4/12

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Slovakia after the elections

BY DORIS HANZL-WEISS

Smouldering conflicts within the coalition comprising a mix of centre-right parties led to the fall on 11 October 2011 of the government of Prime Minister Iveta Radičová. The second largest coalition partner, the Freedom and Solidarity Party headed by Richard Sulík, refused to back the EU bailout mechanism. That notwithstanding, the expansion of the European Financial Stability Facility was approved in parliament two days later with the support of the opposition on the condition that the date set for the elections be brought forward. The lead-up to the elections was overshadowed by the emergence of a major corruption scandal known as 'Gorilla'. Named after a leaked file that contained alleged transcripts of conversations between Slovak politicians and business tycoons dating back to 2005-6, the allegations decisively weakened the Slovak Democratic and Christian Union (SDKÚ) in the elections. Support for the party slumped by almost two thirds and with a final share of 6%, it only narrowly managed to scrape past the 5% threshold needed for entry into parliament. Owing to the elections being held earlier, certain reform targets were not met. Those missed included the reform of the pension system, the reform of the tax system and social security scheme, as well as a reduction of burdensome administrative procedures in an attempt to improve the business environment. Further reform projects had to be shelved such as changes to the funding of local governments, transformation of hospitals into joint-stock companies and the privatization of public heating companies.

The early elections were held in Slovakia on 10 March 2012. Robert Fico's social-democrat party SMER (Direction) secured 44.4% of the votes giving it 83 seats in the 150-member parliament and thus enabling Fico to govern alone. The crucial issues to be addressed are the legacy of the outgoing government and the tasks confronting its successor.

On taking up office on 8 July 2010, the previous centre-right government under Iveta Radičová was confronted by the effects of the financial crisis. The country was lumbered with a large fiscal deficit that leapt to 8% in both 2009 and 2010, thus leading to a rapid rise in the level of public debt. The government embarked on an ambitious fiscal consolidation programme for the period 2011-2013 (the deficit target for 2011 was 4.9%, for 2012 3.8% and for 2013 less than 3%). The first year's target was met, but the fall of the government put an end to reform projects that had a bearing on the budget for 2012. None the less, the interim government managed to adopt a budget for 2012: the deficit is officially projected to reach 4.6% of GDP instead of the originally planned figure of 3.8%. Besides focusing on medium-term fiscal consolidation, the reform-oriented government also embarked on improving the framework conditions for economic activity. The main achievements in 2011 were: (i) reforming the Labour Code so as to provide more flexibility on the labour market and help create more jobs: and (ii) combating corruption and increasing transparency through the use of electronic auctions for public procurement and the on-line publication of contracts. Furthermore, the judiciary has undergone highly significant changes following on amendments to the judicial law. Other changes include amendments to the Investment Act that came into in effect on 1 August 2011, whereby state assistance - in the form of tax reliefs - will be provided solely for projects implemented in regions with high levels of unemployment.

The new government also faces new challenges. The Slovak economy is doing very well in comparison to other European countries. After the financial crisis, the Slovak economy experienced a rapid recovery. In 2010 the country's GDP-growth rate was one of the highest in the EU; it stood at 4.2%. In 2011 as well, GDP increased by 3.3% and surprisingly did not slow down in the fourth quarter, unlike the EU-average. The main source of growth has been net exports attributable to the increase in exports to Slovakia's main trading partners: Germany and the Czech Republic. On the other hand, household consumption has stagnated. The financial crisis, however, has bequeathed the country one of the highest unemployment rates in the EU:

13.4% (LFS). High unemployment among the young and ever-increasing long-term unemployment are of especial concern to Slovakia. The problem is also linked to the major disparities between the prosperous western regions and the poorer southern and eastern regions. The continued endeavours to reduce budget deficits will present the country with yet another challenge. Further consolidation efforts are needed in order to comply with EU requirements – savings of no less than EUR 1.2 billion are sought. Essential reform needs are also becoming apparent in both the healthcare system and education. Problems in the health care sector that still have to be tackled have led to protests of doctors last year.

The new government's probable policy

Over the next four years, Slovakia will have a social democratic government that is bent on improving the living conditions of socially disadvantaged persons. The previous Fico-government (2006-2010) pursued a socially balanced policy that was coupled with increased budgetary expenditures focused on the poor, young families and pensioners. This time round, however, the need to consolidate will constrain those efforts. On the one hand, public debt levels are still low compared to the EU-average. Standing at about 44% of GDP in 2011, they provide some leeway for increased budget deficits. On the other hand, the Fiscal Responsibly Act, adopted last year, should put an effective brake on rising public debt. Indeed, pursuant to that law, measures have to be taken as soon as public debt reaches the level of 50% of GDP. Whereas budget deficits soared during the crisis, Fico announced after the recent elections that he would abide by EU-rules and pursue a pro-European course.

In the short term, altering the flat tax rate of 19% might generate new revenues. Introduced in 2004, the flat tax swiftly gained international renown and may well have contributed to the economic boom that rose to 10% in 2007. Fico announced the abandonment of flat tax through the imposition of heavier taxes on banks and companies as well as the introduction of higher personal income taxes for

people with incomes in excess of EUR 33,000 a year. However, those moves will yield less than an increase in value-added tax would have done. One should not forget that at the beginning of 2011 the Radičová-government raised the value-added tax by 1 percentage point to 20%. That increase was designed as a temporary measure to help combat the high budget deficits that had built up during Fico's previous term of office. Increases in certain taxes now seem inevitable.

In the long term, we might expect a recovery in terms of private consumption. Fico stated that his government would set priority on large-scale infrastructure projects, including the construction of motorways and the faster commissioning of the Mochovce nuclear power plant. That would also create more employment, thus strengthening the population's purchasing power.[1] Furthermore, the completion of the motorway link to Košice has long been on the political agenda, further to which it would help the poorer regions in the eastern part of Slovakia.

Whereas flat tax was an important tool in the boom period, companies today take a more sanguine view of the changes in the tax system now being mooted; their introduction ought not to lead to an outflow of foreign investment. However, yet another revision of the labour code tightening the flexible conditions for foreign investors introduced the previous year, might in all likelihood provoke some negative reactions. However, despite announcing radical changes prior to his election in 2006, Fico and his left-leaning government basically continued to pursue throughout the period 2006-2010 the economic policy designed and implemented by the former centre-right government. Only minor changes were made to his predecessor's economic policy. It is conceivable that the same scenario will be repeated this time. Support for this conjecture might come from the fact that Tomáš Malatinský,

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[1] Interview with Zdenek Lukas: Na Slovensku sa dá čakať zásah do rovnej dane http://ekonomika.sme.sk/c/6322586/lukas-na-slovensku-sa-da-cakat-zasah-do-rovnej-dane.html#ixzz1ruPDi0t7 from 1.4.2012.

the newly appointed minister of economy, has no party affiliation and comes from the employers' side. Furthermore, Tomas Borec, the non-partisan minister of justice might stand as guarantor for the maintenance of the radical anti-corruption stance adopted by the Radičová-government. Overall, stricter rules and controls on the part of the EU, together with recently emerging corruption-scandals – in which the Fico-party was also impli-cated – should make for better political behaviour on the part of the new government than was the case during Fico's previous tenure.

Labour market issues in Europe's Eastern and Western Balkan neighbours

BY HERMINE VIDOVIC

For the labour market analysis, our primary data were drawn from the Labour Force Surveys (LFS) of individual countries, supplemented by registration data as well as data obtained from Eurostat. In addition, we have used data provided by ILO (Laborsta and KILM). In a number of countries the consistency and comparability of data is hampered by methodological issues, breaks in time-series or delays in the availability of data. Thus, data limitations may impede the analysis of the labour markets in the two regions under consideration and the outcome might prove controversial in some cases, depending on the data source used.

Eastern partnership countries

Demography

Armenia and Azerbaijan have a very young population; children aged 14 and below account for around 20% as against only 14% in Ukraine (Figure 1). With the exception of Georgia, the demographic transition of all Eastern partnership countries (EaPs) over the past twenty years has resulted in a decline in the proportion of young people by 10 percentage points. The share of the population aged 65 and above is particularly high in Ukraine, Georgia and Russia Almost all countries (except Russia and Azerbaijan) have experienced high outward migration over the same twenty-year period. Together with low fertility rates and a rise in life expectancy, emigration will lead to significant changes in the age structure in the EaPs. Moreover, ageing in those economies will pose a serious risk for the welfare system.

With the exception of Russia, economic activity rates (labour force as a percentage of the working age population - those aged 15-64) are below the EU-27 average of 71%, yet similar to or higher than some new EU member states (NMS). The relatively high

levels have to be taken with some circumspection, considering the large share of agricultural self-employment and the high degree of small-scale activities in the informal sector. Moldova's activity rate has been steadily declining since the beginning of the 2000s; it dropped below the 50% mark in 2010. In that instance, the decrease in the activity rate was mainly the outcome of a major reduction in agricultural employment during the nineties that could not be offset by employment creation in the other two sectors. Furthermore, a large proportion of the population left the country to seek work abroad. A salient feature of the EaP labour markets is the high female activity rates, which in most cases are comparable to those in the EU-27. Major discrepancies between male and female activity rates are to be observed - particularly in Georgia, where the gap is about 20 percentage points. A similar trend obtains in Ukraine and Russia (about 10pp each).

Figure 1

Eastern partnership countries: population by age group, 2010
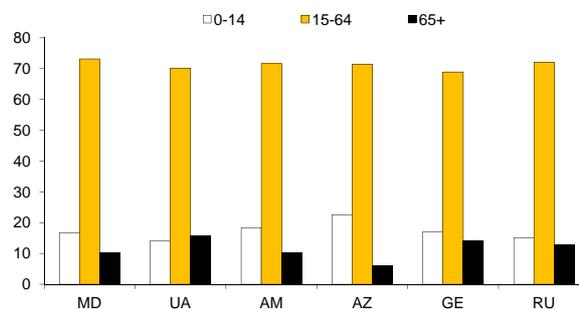
Source: Eurostat.

Employment structure

With the exception of Russia and, to a lesser extent, Ukraine, agriculture is an important employer in the EaPs, although its share has been on the decline throughout the region (Figure 2). In Georgia, agriculture accounts for more than half of total employment. In Armenia it accounts for 44%, in Azerbaijan for 38% and in Moldova for about 30%; agricultural productivity in all three countries is very low owing to the use of obsolete technology and a drop in investments.[1] Unlike developed economies,

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[1]   In Azerbaijan, Georgia and Moldova half of the population still lives in rural areas.

agriculture in Moldova, Azerbaijan and Armenia can hardly be considered an economic sector as the preponderance of subsistence farming on small scale plots has made this activity a buffer for employment lost during restructuring of industrial enterprises and small scale farms. The relevance of industry is highest in Russia and Ukraine, whereas the industrial base is very low in Georgia and Azerbaijan, accounting for only 10-13% of total employment. The share of employment in the services sector has been rising steadily in Moldova, Ukraine and Russia. In the latter two countries, the services sector absorbs some 60% of total employment. Services are still underdeveloped in Armenia and Georgia.

Figure 2

Eastern partnership countries: employment by economic sector

Source: KILM database

Employment status is characterized by a low share of wage and salaried workers, particularly in Georgia (36%), Azerbaijan (42%), Armenia (61%) and Moldova (71%). Only the proportion of salaried workers in Ukraine (82%) and Russia (93%) comes closest to the EU-27 average of 87%. The fragility of the labour market in some countries in the region is compounded by the high share of self-employment, accounting for 64% in Georgia, 58% in Azerbaijan, 39% in Armenia and about one third in Moldova (although it is decreasing in the latter two countries).

Unemployment

Unemployment has been relatively low in most EaPs and the rates are comparable to the EU-27 average. The only exceptions are Georgia and Armenia, whose unemployment rates ranged between 16% and 19% in 2010. However, given the high share of self-employed persons (subsistence agriculture or involuntary self-employment outside agriculture) in those countries, unemployment is probably much higher. Low levels of unemployment, for example in Moldova and Ukraine, might also be explained by the slow speed of structural reform, the decline in the working age population and/or large-scale outward migration.

As for the structure of unemployed, those with secondary education and, in some countries, those with the highest level of education (viz. Georgia) are particularly affected by unemployment. This contrasts markedly with most EU countries where the incidence of unemployment among high-skilled labour is considerably lower than for low-skilled labour. The reasons for this are the low potential for job creation in the formal sector of the economy in general and the mismatch of skills in particular. In all countries under consideration youth unemployment is at least twice as high as the overall unemployment rate; it has reached alarming heights in Armenia and Georgia where it stands at about 40% in both countries. Long-term unemployment has become a major challenge in Armenia and Azerbaijan, where the proportion of persons out of work for more than one year has risen to 60% and 66%, respectively; by way of contrast, long-term unemployment is of less significance in Ukraine, Moldova and Russia.
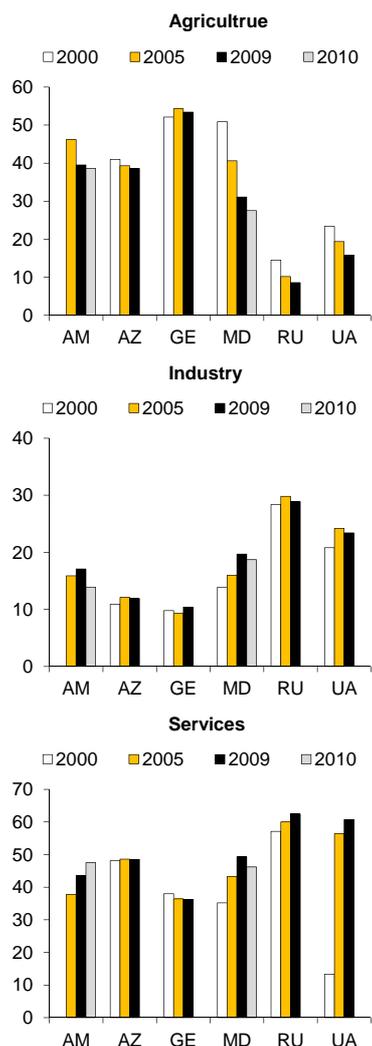
Informal employment

The EaP labour markets display a high level of informal sector employment that has had a negative impact on state revenues. The incidence of informal employment in those countries increased during the transition period, driven by incentives to evade taxes and circumvent labour regulations. More recently, a reversal of these trends is to be observed in Moldova, Ukraine and Georgia. Together with emigration and subsistence agriculture, informal employment provided the poor with a strategy to cope with the situation. Similar to other transition economies, weak state structures and a lack of formal sector employment have been the main drivers behind these developments. Self-employment is the most common type of informal sector employment, attracting for the most part women, young people and the ill educated. Estimates of the size of the informal sector in 2007 revealed that the largest shares of employment in the unofficial economy were to be found in Azerbaijan (66%) and Armenia (50%), while in Moldova and Georgia they came close to one third and 26%, respectively.

Impact of the economic crisis on the labour market

The economic crisis has affected the labour markets in the region to a varying extent. In general, rises in unemployment were less dramatic than in some of the EU countries or Western Balkan countries. The largest increase was reported for Armenia (2.6pp) over the period 2008 - 2010, with job losses occurring mainly in construction. In Russia, unemployment rose by 2pp over the period 2008 - 2009, but recovered thereafter. In Azerbaijan, the labour market situation even improved during the crisis. Young people were disproportionately hit by unemployment in all countries; that held particularly true for Moldova were the youth unemployment rate rose by 6.6pp between 2008 and 2010.

Western Balkan countries

Demography

Almost the entire region is characterized by demographic contraction and an ageing population. Only

Albania and Kosovo[2] have a high share of the population aged 14 and below (Figure 3). The ratio of dependants (people below the age of 15 or above the age of 64) to the working-age population (those aged 15-64) ranges between 41% in Bosnia and Herzegovina (BA) and 49% in Albania. Although below the EU-27 average, life expectancy is high in the region, ranging from 69 years in Kosovo (XK) to 77 years in Albania.

Figure 3

Selected Western Balkan countries: population by age group, 2010
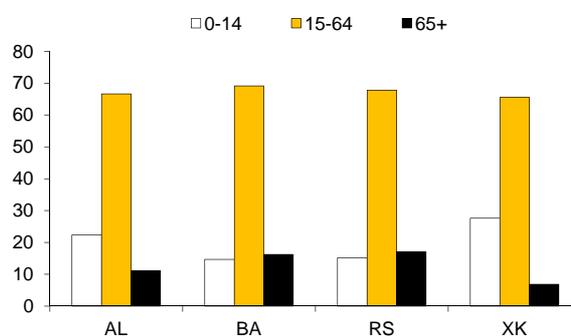
Source: Eurostat.

The entire region is characterized by low activity rates, with extremely low levels in Kosovo (below 50%) and in Bosnia and Herzegovina; values for Albania and Serbia are about 60%. Levels are lower than the EU-27 average for both sexes; for cultural reasons, female participation in the labour force is particularly low among certain ethnic groups in Kosovo and Bosnia and Herzegovina.

Employment structure

The Western Balkan countries still exhibit a high share of agricultural employment. Albania is a special case where 44% of the total workforce is employed in agriculture. However, agriculture still absorbs 20% of total employment in Bosnia and Herzegovina and Serbia (Figure 4). By way of contrast, Kosovo exhibits only a small share of 6%. Employment in industry is highest (31%) in Bosnia and Herzegovina and about 25% in Serbia and Kosovo.

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[2]   Solely for reasons of better readability in the following section we employ the designation Kosovo instead of Kosovo under UNSCR 1244/99.

In Albania the share of industrial employment is less than 20%. The services sector is less developed in the Western Balkan countries; it accounts for about half of total employment in Serbia and in Bosnia and Herzegovina and only 37% in Albania. Kosovo is a special case; recent statistics report that services sector employment accounts for 70% of total employment.

Figure 4

Selected Western Balkan countries: employment by economic sector
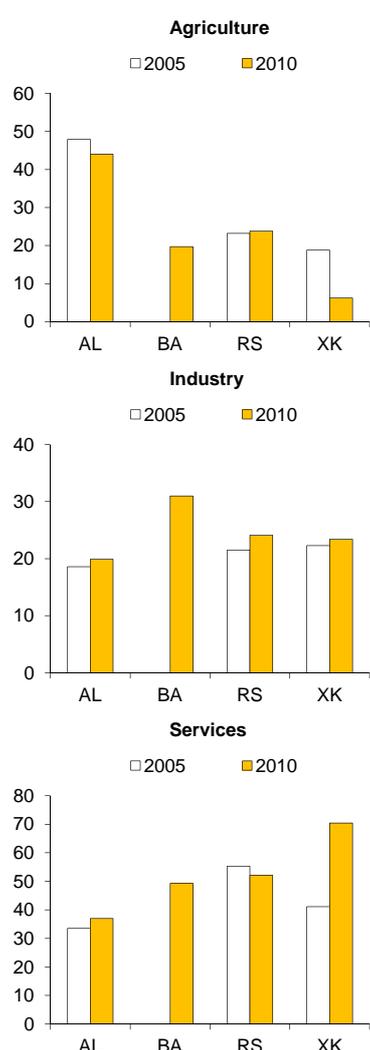
Source: wiiw database. LFS Kosovo (data for 2010 refer to 2009).

As for employment status, available data for Bosnia and Herzegovina and Serbia indicate that around 70% of those employed are wage and salaried workers. In Serbia in 2009, 28% of those in employment held vulnerable jobs.

Unemployment

Unemployment in the Western Balkan countries is very high by European standards. Apart from the extreme of Kosovo where the level of unemployment stands at 45%, the incidence of unemployment is highest in Bosnia and Herzegovina. In Serbia, unemployment started rising once more with the onset of the financial crisis. Albania is the only country where unemployment has remained flat over the past couple of years. With the exception of Albania, unemployment measured by registration is (much) higher in Serbia and Bosnia and Herzegovina than the data obtained by the Labour Force Survey (LFS); it rose by 4pp and 16pp respectively in 2011.

Unemployment has a disproportionate impact on young people. Similar to the NMS, there is a sizeable and persistent regional mismatch of unemployment in most Western Balkan countries; this suggests that there are major barriers to labour mobility within the region. In most countries in the region, the unemployment rate among people below the age of 25 is more than twice as high as the total unemployment rate (which in itself is much higher than in other European countries). The high rates of 73% in Kosovo, 58% in Bosnia and Herzegovina and 51% in Serbia indicate the altogether critical situation facing young people on the labour markets in the Western Balkans. In many cases, young people lack the skills and professional experience for employment, their options being either to emigrate or enter the informal economy. Long-term unemployment has become a persistent and salient feature of the labour markets in the Western Balkans; it is much more severe than in other transition countries and the proportion of those affected is far higher (e.g. 90% of total unemployment in Kosovo is long-term, 80% in Bosnia and Herzegovina). It can be assumed, however, that those high shares of long-term unemployment are distorted owing to the significant flows between the informal sector, employment and unemployment.

Informal sector employment

In the Western Balkan countries, large informal sectors with important ties to the state have developed owing to the weakness of the state structures as well as to the manner in which the formal sector operates. Most estimates point to about one third of the GDP being produced informally; in some cases, such as Kosovo and Albania, that share is even higher. In terms of employment, the informal sectors' share varies between 30 and 60 % of total employment. According to the data in the Household Budget Survey for 2007 about 30% of the labour force in Bosnia and Herzegovina classified themselves as being informally employed. The majority of informal sector employment (about 60%) is concentrated in rural areas, compared to formal sector employment being equally split between urban and rural areas. More than two thirds of those informally employed are men, while in the formal economy the ratio is somewhat lower: 63%. As for Serbia, a large part of the workforce in the informal sector comprises young workers and males with low levels of education.

Impact of the economic crisis on the labour market

The impact of the economic crisis on the labour market varies significantly across the Western Balkan countries. In both 2009 and 2010 employment in Albania even increased, while Bosnia and Herzegovina, and particularly Serbia, suffered a substantial drop in employment. In Serbia alone, 400,000 jobs were lost during the crisis. In general, the decrease in employment in the region was most pronounced in the construction, manufacturing and retail trade sectors. In Serbia employment in agriculture also slumped and could not be offset by the creation of new jobs in other sectors. Young people have been disproportionately affected by the economic crisis. Similar to the NMS, the incidence of job reduction was felt most by low-skilled workers. Marked declines in employment translated into soaring unemployment, particularly in Serbia where the unemployment rate rose by 10 percentage points over the period 2008 - 2011 and by 4 pp in Bosnia and Herzegovina, yet remained almost stagnant in Albania. LFS data on Kosovo are not yet available.[3] Overall, labour market problems in the Western Balkan countries are more of a structural than cyclical nature, as well as being linked to the process of transition.

Summary findings

The Western Balkans and Eastern Europe partnership countries are characterized by generally large informal sectors and large-scale migration: a combination that complicates labour market analyses. Bearing these caveats in mind, a number of differences and commonalities can be found in the regions under consideration:

- In Armenia, Azerbaijan, Albania and Kosovo youth accounts for a large share of the population, with masses of young people entering the labour market every year. All other countries in both country groupings are confronted with ageing populations that impose an inordinate burden on the welfare systems.
- Activity rates are below 50% in Kosovo; the low rate in Moldova is attributable to low male and female activity rates. Labour force participation in the EaPs is similar to that in the NMS or even exceeds the EU-27-average as in Russia.
- The gap between males and females is substantial in some Western Balkan countries, which are characterised by exceptionally low female participation in employment. On the other hand, female participation in the labour force in the EaPs is traditionally high and comparable to that in the EU-27.
- Agriculture is still the major source of employment in a number of countries, particularly in Georgia where half of the total workforce is involved in agriculture, whereas the figure in Armenia, Azerbaijan and Albania is some 30-40%. Only in Russia and Kosovo does agriculture account for a very small share (less than 10%). The services sector is most highly developed in Russia and Ukraine.

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[3] According to registration data, the number of unemployed increased only slightly during 2008 and 2009. It even fell by 1.1% in 2010, representing an unemployment rate in the range of 37-41%.

- In terms of employment status, most EaPs, with the exception of Russia and Ukraine, display a high share of persons employed in vulnerable employment (self-employed and unpaid family workers), particularly in Georgia (close to two thirds) and Azerbaijan.

- High informal sector employment is another feature of the labour markets. It absorbs more than half of those employed in Armenia and about one third in most Western Balkan countries.

- For years, the Western Balkan countries have suffered from high and persistent unemployment (between 20-30%), the extreme being Kosovo (45%), while the incidence of unemployment has been comparably low (some 10% on average) in the EaPs, except in Georgia and Armenia.

- Young people in particular are at risk in both groups of countries. This holds especially true for the Western Balkans. Kosovo reports youth unemployment of over 70%, while in both Bosnia and Herzegovina and Serbia the respective unemployment rates reached 53% and 58% in 2011.

- Long-term unemployment has become a persistent and salient feature of the labour markets in the Western Balkans; it is much more severe than in the other transition countries considered in this paper. Those affected are running the risk of skills degradation and permanent exclusion from the labour market.

- In terms of educational attainment, the incidence of unemployment varies significantly across the regions. The most striking feature is the high unemployment rate in some EaPs among those with secondary education and in Georgia among those with the highest level of education, while in other countries in the Western Balkans the low skilled workers are those most affected by unemployment.

- The economic crisis affected the labour markets in the individual regions to a varying degree. The Western Balkan countries were hit hardest. For example, in Serbia about 400,000 jobs were lost during the crisis and at the same time unemployment rose by 10pp.

Net private savings in relation to the government's financial balance

BY KAZIMIERZ LASKI AND LEON PODKAMINER

The basic identities

Looking at a national economy from both the income and expenditure sides, we get the following identity:

$$YD + T + M = CP + IP + G + X \qquad (1)$$

where YD denotes the disposable income of the private sector, T is the disposable income of the government (all taxes net of all monetary transfers to the private sector) and M is the income of the rest of the world (RoW) from imports of the national economy in question (the left-hand side of (1)). On the right-hand side of (1) we have private sector expenditures on consumption (CP) and that sector's gross investment (IP), government expenditure on goods and services (G), and RoW expenditure on the national economy's exports (X). By simple rearrangement, we get

$$[(YD - CP) - IP)] = (G - T) + (X - M)$$

This is equivalent to:

$$(SP - IP) = (G - T) + (X - M)$$

or, finally:

$$NPS = D + E \qquad (2)$$

Private savings (SP=YD-CP) comprise household savings and profits retained by firms. In (2) we denote by NPS = (SP – IP) the *net* private savings, by D = (G – T) the budget deficit and by E = (X – M) the RoW deficit (or the current account of the country concerned).

Ex post, the formula (2) always holds because it is an identity. However, even as an identity it points up interesting relationships between sectors, especially when statistical data covering longer periods are available. For the world as a whole, we obviously have NPS = D. This is an identity which links the balances of the private and government sectors aggregated globally. Budget surpluses (D<0) and

even balanced budgets (D = 0) do occur, albeit rarely; thus, for monetary economies worldwide, budget deficits (D >0) seem to be the rule rather than an exception. This applies not only to times of war and disasters, but – at least for the industrial countries disposing of longer statistical records – also to periods of peace as well.[1] Hence, given that for the world as a whole E = 0 by definition and D > 0 (as shown by long-term statistical records) we have, according to (2), NPS > 0. The private sector of the entire global economy displays a sustained tendency to save more than it invests. The same observation can be made with respect to the European Union (EU). The EU is a group of countries with negligible E. Almost all EU countries have consistently run budget deficits (very much in violation of the Maastricht Treaty). Thus, for the EU as a whole we also have D > 0. Of course, it follows that the NPS for the EU as a whole is also positive. Last but not least, we observe that for NPS = 0 - which can be understood as a minimum requirement to the effect that the private sector should not become indebted in the long run - all countries with a passive current account (E < 0) must record budget deficits D > 0. Of course, all these observations are to be understood as referring to a trend and average values for longer periods – and not as a rule for each country and every year. We also observe that those countries, which happen to report budget surpluses (D < 0), very often (although not always) record high E. This must be the case if E > NPS > 0 (e.g. the case of Norway since becoming a major oil exporting country).

Within the private sector we have two subsectors: private households and firms. It is normally assumed that for most of the time, firms invest more than they save (in the form of profits retained), hence incurring a flow of debt, the volume of which increases over time. This debt makes it possible to increase the firms' productive capacities beyond the levels funded from their own savings (i.e. profits retained). One also assumes that private households are net savers, whose financial assets increase over time. The assumption NPS > 0 is thus

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[1] See e.g. Laski (2008).

normally interpreted as a situation in which private households save more than the new debts that firms are ready to incur.

The fact that as a rule (or mostly so) NPS is positive can be interpreted as reflecting the *desired* level of private savings (SP) being higher than actual private investment. Positive (D + E) helps to narrow that gap. Alternatively, it can be said that the positive NPS must be reflected in the sum (D+E) being positive as well. However, NPS equal to (D+E) is an identity; as such, it does not say anything about the direction of causality. In any event, positive NPS must be *counterbalanced* by the sum of the Government and foreign deficits. The private sector's desire to run a financial surplus (NPS>0) cannot be realized without the willingness of government and foreign sectors (taken together) to run a deficit. Similarly, the government and foreign sectors (once again taken together) cannot run financial surpluses (D+E<0) without the private sector's net dis-saving (NPS falling below 0) – for example, without private sector savings falling short of private sector investment.

At present, the trend throughout much of the industrialised world is for the private sector to increase net savings (ΔNPS>0). 'Deleveraging' should strengthen private sector balance sheets. That trend, however, actually clashes with the present overall orientation of fiscal policies. Those policies prescribe fiscal austerity – reducing budgetary deficits. Should austerity prevail, one would have ΔD < 0. Should the private sector deleverage, ΔNPS>0 would be the outcome. Clearly, the identity ΔNPS = ΔD would be violated. However, by their very nature, the identities hold under any circumstances. In reality, the identity ΔNPS = ΔD *will* hold no matter what policy is pursued and irrespective of private sector preferences. What kind of outcome will emerge out of the two conflicting tendencies or which of them will ultimately prevail is very much an open issue. In any case, that conflict is likely to incur some 'collateral damage' in the form of weaker growth and higher unemployment.

Why do net private savings tend to be positive?

One consequence of (2) is that in a 'textbook economy' (consisting solely of a private sector – devoid of Government and the 'outside world'), NPS would have to be zero. Indeed, in such an economy D=E=0, hence NPS=0. In such a 'textbook economy', investment is equal to savings (both are private) so that SP-IP=0. It must be understood that in such an economy, the private sector as a whole would be unable to accumulate *net* (outside) financial wealth – simply because there would be no party beyond the private sector to supply the financial debt that would constitute the private sector's financial wealth. Surely, economies that rule out accumulation of private sector net financial wealth are conceivable. In all probability, the early 'natural' economies would have fitted that description. However, it is hard to imagine (unless one adheres to 'mainstream ideas') a modern monetary economy without private sector accumulation of net (outside) financial wealth. In a modern economy the private sector accumulates net financial wealth – if not in the form of government bonds, then at least in the form of cash/money amassed and issued by the government's own central bank. To gain access to the money hoarded, the private sector must have willingly supplied the government with goods and services that it had produced on its own. (Thereby the government would have had to acquire such goods and services, without paying for them fully with the proceeds of proper taxation levied on the private sector). Of course, the private sector's net (outside) wealth would have to be matched by the debt issued by the government[2] (plus, eventually, the debt issued by foreign parties that the private sector had acquired).

Why does the private sector tend to accumulate outside debt (in particular, that of its own Government)? The simplest answer is that the private sector greatly values such debt. For the private sector, public debt *must be* wealth – no matter what the proponents of '*Ricardian equivalence*' claim. Otherwise, the private sector would not waste 'good money' on acquiring it.

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[2]   See Wray (1998), Ch. 4

What kinds of benefits follow from the ownership of public debt? The opportunity to earn interest income on that debt may certainly be one motive. That motive alone, however, does not seem to be decisive. In many countries the rate of interest on public debt is purely symbolic. Japan with its soaring public debt has no difficulty in floating its massively expanding public deficits at interest rates of less than 1%. Interest rates on Switzerland's public debt gravitate towards zero. Essentially, public debt is in such great demand in the private sector for liquidity reasons (as, of course, stressed by Keynes) or as the trusted store of value or as the necessary capital reserves that facilitate firms' access to capital markets (and thus private investment, as in Kalecki). In Laski and Podkaminer (2012) our hypothesis was that private sector demand for public debt is even likely to strengthen secularly. This will be accompanied by private sector savings in general rising more rapidly than private investment. Changes observed in the structure of private sector income (with rising inequality in disposable incomes and the emergence of a super-rich class whose members derive their incomes from trade/speculation in various assets and financial instruments rather than from capital investment in productive capacities) is one of the factors contributing to the gap between private sector savings and investment. The emergence of the super-rich is, of course, intimately linked to the ever-progressing financialisation/privatisation of services traditionally provided by the public sector (inter alia, health, education and pensions). Financialisation/privatisation also induces a higher propensity to save for precautionary reasons – without the requisite rise in the propensity to invest productively. The flip side of financialisation of the services formerly provided by the public sector is the rise in private funds, such as the pension funds[3]. These funds may tend to acquire – especially in turbulent times - growing chunks of public debt. Ageing in a time of ever-increasing financialisation of the pension system may add strength to the private propensity to save. Moreover, technological change may be another factor. The productivity of

fixed assets is likely to improve secularly owing to advances in technology – the investment of smaller amounts of real assets is capable of producing more output. This trend may be temporarily interrupted by major inventions (such as 'electricity' which called for high initial investment in the construction of power stations, transmission grids, etc.). In the long term, as the supply of goods produced by the private business sector can perhaps be expected to outstrip demand for the same, the desire to save could systematically outstrip the desire to invest.

Destructive fiscal consolidation

The EU policy stance has always stressed the need to limit public-sector deficits. Actually, the Stability and Growth Pact '… *lays down the obligation for Member States to adhere to the medium-term objective for their budgetary positions of close to balance or in surplus…*'[4] The recent Fiscal Pact agreed upon by the EU leaders is designed to strengthen 'fiscal discipline' across the euro area (and beyond). Moreover, the Fiscal Pact imposes the obligation to reduce public debt/GDP ratios. In so doing, it actually imposes on most euro-area countries the obligation to run – on a long-term basis - the budgetary surpluses. Taxation of the private sector (net of transfers to the same) should be persistently higher than income earned by the private sector on sales on goods and services to the Government. The private sector in most euro-area countries will 'bleed' for many years to come – for the sake of 'healthy public finances'. The latter are deemed indispensable to the long-term robustness of the private sector itself. (An analogy to the mediaeval 'medical science' and the practice of bloodletting inevitably comes to mind). The economic and social costs of this austerity hysteria will no doubt be immense. The question worth asking is whether it will be possible at all – and under what conditions – to run a euro-area-wide policy, which in fact requires that the net private savings of the member states are persistently negative. In view of

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[3]   See Toporowski, 2012.

[4]   See Council Regulation No. 1055/2005 amending the Growth and Stability Pact. *Official Journal of the European Union*, 7 July 2005, L. 174/1.

(2), a negative D (i.e. a budgetary surplus) implies that the NPS would also have to be negative. Of course, the current account E for some euro area countries may, on occasion, be positive and high enough to render D+E still positive. A small country (such as Luxembourg) can combine large budgetary surpluses with current account surpluses over extended periods of time – without this having a perceptible impact on its trading partners. A large country (such as Germany) is unlikely to persist indefinitely with high budgetary surpluses combined with massive current account surpluses, the reason being that German current account surpluses are the current account deficits of its partners, such as Italy. The latter country's NPS would then have to be unambiguously negative – on account of both E and D being negative. Thus, any attempts to run budgetary surpluses in one (or more) euro-area countries can only be successful (via expansion of current account surpluses), if those attempts fail in some other euro-area countries[5]. Incidentally, under the present circumstances it is futile to expect that the EU as whole could become a major net exporter to the rest of the world.

Given the limitations of the scenario in which budgetary surpluses are persistently combined with current account surpluses, it is useful to return to the analysis of a simple form of (2):

NPS = D

Supposing D is negative (as required by the Fiscal Pact), NPS would have to be negative as well. Or (remembering that NPS=SP-IP) private sector savings would have to be consistently lower than private sector investment. The private sector's financial wealth would then have to drop: for example, via the government redeeming its debt to the private sector (with the proceeds then serving to fi-

nance private investment). It is at least debatable whether the private sector would be eager to engage in investment under such conditions. The falling financial wealth and contracting domestic consumer demand might more likely induce falling investment and rising savings, thereby initiating spiralling recessionary adjustment. Of course, recessionary adjustment could, ultimately, steer NPS into negative territory (consistent with the budgetary surpluses). That outcome, however, would feature low income and high unemployment levels. At a very low level of private savings, the requisite negative net private savings could eventually be achieved. However, even if economically imaginable, such an outcome would be unacceptable – both politically and socially. We doubt whether this is the outcome that the EU leaders actually desire. On the other hand, we deeply deplore the fact that the economic advisors to the EU heads of state apparently fail to grasp the actual consequences of the policies that they so doggedly advocate.

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[5]   We abstract here from another difficulty. A combination of current account surpluses with budgetary surpluses implies a shift in a country's private sector net financial wealth. To an increasing degree that wealth would consist of foreign (private or public) debt. At the same time the share/size of debt issued by that country's government would decline. It is doubtful whether the German private sector would actually be eager to substitute *bunds* for private/public Greek (or even Italian) debt.

STATISTICAL ANNEX

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

Conventional signs and abbreviations used

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

The following national currencies are used:

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

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

USD   US dollar

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

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B U L G A R I A: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	6.7	11.9	17.1	8.0	9.4	10.1	2.3	5.8	3.5	2.3	3.3	2.0	-1.2	-3.1	.
Industry, NACE Rev. 2 [1]	real, CCPPY	1.0	11.9	14.4	12.0	11.4	11.1	9.5	8.9	8.2	7.5	7.0	6.5	5.8	-3.1	.
Industry, NACE Rev. 2 [1]	real, 3MMA	7.9	11.5	12.0	11.2	9.1	7.1	5.9	3.9	3.9	3.0	2.5	1.3	-0.7	.	.
Productivity in industry, NACE Rev. 2 [1]	CCPPY	8.0	.	.	16.6	.	.	13.5	.	.	11.4	.	.	9.8	.	.
Unit labour costs, exch.r. adj.(EUR) [1]	CCPPY	1.5	.	.	-7.1	.	.	-4.3	.	.	-3.0	.	.	-1.9	.	.
Construction, NACE Rev. 2 [2]	real, CPPY	-11.2	-12.4	-13.4	-18.6	-22.4	-13.4	-12.9	-14.5	-8.4	-11.1	-10.5	-10.9	-5.6	1.3	.
Construction, NACE Rev. 2 [2]	real, CCPPY	-14.5	-12.4	-12.9	-15.1	-17.0	-16.3	-15.7	-15.5	-14.6	-14.2	-13.8	-13.5	-12.9	1.3	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	3023.7	.	.	2890.7	.	.	2934.1	.	.	3018.3	.	.	2955.2	.	.
Employed persons, LFS	CPPY	-4.7	.	.	-4.0	.	.	-4.5	.	.	-2.8	.	.	-2.3	.	.
Unemployed persons, LFS	th. pers., quart. avg	382.4	.	.	395.5	.	.	369.8	.	.	343.0	.	.	380.9	.	.
Unemployment rate, LFS	%	11.2	.	.	12.0	.	.	11.2	.	.	10.2	.	.	11.4	.	.
Unemployment, registered	th. persons, eop	342.4	362.4	362.4	352.5	344.1	328.5	318.3	315.4	313.8	310.0	314.1	327.3	342.4	366.0	376.2
Unemployment rate, registered [3]	%, eop	9.2	9.8	9.8	9.5	9.3	8.9	9.6	9.5	9.5	9.4	9.6	10.0	10.4	11.1	11.5
WAGES																
Total economy, gross	BGN	691	663	663	689	710	698	690	691	683	704	706	723	752	.	.
Total economy, gross [4]	real, CPPY	5.9	4.0	3.9	3.6	6.9	5.5	4.8	4.9	5.2	5.4	5.4	5.7	6.6	.	.
Total economy, gross	EUR	353	339	339	352	363	357	353	353	349	360	361	370	384	.	.
Industry, gross, NACE Rev. 2	EUR	345	328	329	351	350	347	354	345	345	355	349	356	363	.	.
PRICES																
Consumer - HICP	PP	0.8	0.5	0.6	0.4	-0.1	0.1	-0.3	0.4	-0.1	0.0	0.3	0.1	0.3	0.4	0.6
Consumer - HICP	CPPY	4.4	4.3	4.6	4.6	3.3	3.4	3.5	3.4	3.1	2.9	3.0	2.6	2.0	1.9	2.0
Consumer - HICP	CCPPY	3.0	4.3	4.5	4.5	4.2	4.0	4.0	3.9	3.8	3.7	3.6	3.5	3.4	1.9	2.0
Producer, in industry, NACE Rev. 2	PP	2.0	1.7	1.6	1.0	1.3	-1.3	-0.3	0.9	-1.3	1.6	-1.5	1.0	-0.6	2.4	.
Producer, in industry, NACE Rev. 2	CPPY	12.2	12.2	13.9	13.6	12.6	9.3	9.1	9.5	7.1	8.6	7.3	6.8	4.0	4.7	.
Producer, in industry, NACE Rev. 2	CCPPY	8.5	12.2	13.1	13.2	13.1	12.3	11.8	11.4	10.9	10.6	10.3	9.9	9.4	4.7	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	15561	1590	3080	4777	6383	8043	9640	11485	13242	14955	16760	18514	20100	.	.
Imports total (cif), cumulated	EUR mn	19245	1593	3195	5025	6931	8906	10807	12706	14647	16644	18834	21067	23073	.	.
Trade balance, cumulated	EUR mn	-3684	-3	-115	-248	-548	-862	-1167	-1220	-1405	-1690	-2074	-2552	-2973	.	.
Exports to EU-27 (fob), cumulated	EUR mn	9469	943	1872	2907	3851	4893	5931	7069	8203	9259	10422	11577	12520	.	.
Imports from EU-27 (cif), cumulated	EUR mn	11256	898	1851	2918	4009	5173	6196	7315	8500	9582	10947	12313	13546	.	.
Trade balance with EU-27, cumulated	EUR mn	-1787	45	21	-11	-158	-280	-265	-246	-297	-323	-524	-736	-1026	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-476	.	.	147	.	.	227	.	.	1397	.	.	.	.	.
EXCHANGE RATE																
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
BGN/USD, monthly average	nominal	1.479	1.464	1.433	1.397	1.354	1.363	1.359	1.371	1.364	1.420	1.427	1.443	1.484	1.516	1.479
EUR/BGN, calculated with CPI [5]	real, Jan09=100	100.8	101.6	101.7	101.0	100.3	100.3	100.1	100.9	100.5	99.9	99.9	99.9	99.8	100.7	100.8
EUR/BGN, calculated with PPI [5]	real, Jan09=100	108.3	109.1	110.0	110.1	110.6	109.3	109.0	109.6	108.4	109.6	107.9	108.8	108.3	110.0	.
USD/BGN, calculated with CPI [5]	real, Jan09=100	101.4	102.4	104.7	106.8	109.3	108.3	108.3	107.7	107.9	103.4	103.5	102.6	100.2	98.0	100.6
USD/BGN, calculated with PPI [5]	real, Jan09=100	102.3	103.6	105.7	107.7	110.4	107.6	107.7	107.4	107.4	104.3	103.6	103.2	100.1	99.8	.
DOMESTIC FINANCE																
Currency in circulation	BGN mn, eop	7356	6943	6857	6824	6859	6865	6974	7235	7350	7379	7311	7317	7794	.	.
M1	BGN mn, eop	18386	18042	18349	18246	18388	18363	18737	19501	20352	20100	20067	19906	21027	.	.
Broad money	BGN mn, eop	50741	50939	51414	51946	52245	52664	53112	54512	55244	55494	55228	54938	56957	.	.
Broad money	CPPY	6.3	7.3	6.1	7.3	7.5	7.7	7.9	9.4	9.4	10.3	9.6	7.8	12.2	.	.
Central bank policy rate (p.a.) [6]	%, eop	0.18	0.18	0.19	0.18	0.19	0.21	0.22	0.17	0.18	0.18	0.20	0.22	0.22	0.22	0.18
Central bank policy rate (p.a.) [6][7]	real, %	-10.7	-10.7	-12.1	-11.8	-11.0	-8.3	-8.1	-8.5	-6.4	-7.8	-6.7	-6.2	-3.7	-4.3	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	BGN mn	-2208	.	.	387	.	.	278	.	.	310	.	.	.	.	.

1) Enterprises with 10 and more persons.
2) All public enterprises, private enterprises with 5 and more employees.
3) From June 2011 based on census February 2011.
4) Nominal wages deflated with HICP.
5) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
6) Base interest rate. This is a reference rate based on the average interbank LEONIA rate of previous month (Bulgaria has a currency board).
7) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	11.9	16.2	12.7	8.7	4.7	14.6	7.9	3.9	5.9	1.6	1.7	5.4	2.0	3.1	.
Industry, NACE Rev. 2	real, CCPPY	10.3	16.2	14.4	12.3	10.3	11.2	10.6	9.7	9.2	8.3	7.6	7.3	6.9	3.1	.
Industry, NACE Rev. 2	real, 3MMA	14.5	13.6	12.3	8.6	9.3	9.0	8.9	6.0	3.7	3.0	3.0	3.1	3.6	.	.
Productivity in industry, NACE Rev. 2	CCPPY	13.9	.	.	9.5	.	.	7.8	.	.	5.9	.	.	4.9	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-4.9	.	.	0.8	.	.	2.2	.	.	2.6	.	.	1.3	.	.
Construction, NACE Rev. 2	real, CPPY	-10.0	4.0	8.2	5.4	-7.3	-3.7	-5.0	-11.8	-9.5	-6.3	-8.0	-5.5	14.5	-5.2	.
Construction, NACE Rev. 2	real, CCPPY	-7.1	4.0	6.3	5.9	1.3	-0.1	-1.3	-3.3	-4.4	-4.7	-5.2	-5.2	-3.5	-5.2	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	4918.8	.	.	4864.4	.	.	4908.4	.	.	4927.9	.	.	4915.5	.	.
Employed persons, LFS	CPPY	-0.2	.	.	0.7	.	.	0.6	.	.	0.3	.	.	-0.1	.	.
Unemployed persons, LFS	th. pers., quart. avg	362.9	.	.	376.1	.	.	354.6	.	.	345.7	.	.	337.9	.	.
Unemployment rate, LFS	%	6.9	.	.	7.2	.	.	6.7	.	.	6.6	.	.	6.4	.	.
Unemployment, registered	th. persons, eop	561.6	571.9	566.9	547.8	513.8	490.0	478.8	485.6	481.5	475.1	470.6	476.4	508.5	534.1	541.7
Unemployment rate, registered	%, eop	9.6	9.7	9.6	9.2	8.6	8.2	8.1	8.2	8.2	8.0	7.9	8.0	8.6	9.1	9.2
WAGES																
Total economy, gross	CZK, quart. avg.	25565	.	.	23166	.	.	23956	.	.	24083	.	.	26067	.	.
Total economy, gross [1]	real, CPPY	-1.4	.	.	0.3	.	.	0.5	.	.	0.3	.	.	-0.8	.	.
Total economy, gross	EUR, quart. avg.	1032	.	.	950	.	.	985	.	.	987	.	.	1031	.	.
Industry, gross, NACE Rev. 2 [2]	EUR, quart. avg.	1028	.	.	946	.	.	995	.	.	976	.	.	1025	.	.
PRICES																
Consumer - HICP	PP	0.5	0.8	0.0	0.2	0.2	0.6	-0.1	0.3	-0.1	-0.2	0.3	0.4	0.4	1.8	0.2
Consumer - HICP	CPPY	2.3	1.9	1.9	1.9	1.6	2.0	1.9	1.9	2.1	2.1	2.6	2.9	2.8	3.8	4.0
Consumer - HICP	CCPPY	1.2	1.9	1.9	1.9	1.8	1.9	1.9	1.9	1.9	1.9	2.0	2.1	2.1	3.8	3.9
Producer, in industry, NACE Rev. 2	PP	1.5	0.1	0.3	0.8	0.6	0.6	-0.2	-0.1	0.0	0.6	0.3	1.0	0.1	0.7	.
Producer, in industry, NACE Rev. 2	CPPY	2.8	2.5	3.0	4.1	4.0	3.2	2.2	2.9	3.8	4.4	5.0	5.5	4.1	4.7	.
Producer, in industry, NACE Rev. 2	CCPPY	0.0	2.5	2.7	3.2	3.4	3.3	3.2	3.1	3.2	3.3	3.5	3.7	3.7	4.7	.
FOREIGN TRADE, EU definition																
Exports total (fob),cumulated	EUR mn	100311	9215	18229	28822	38229	48285	58465	67533	76543	86916	97161	107621	116547	9765	.
Imports total (cif),cumulated	EUR mn	95536	8492	16922	26615	35490	44973	54437	63015	71989	81416	90602	100274	108814	8606	.
Trade balance,cumulated	EUR mn	4774	724	1308	2207	2739	3312	4027	4518	4555	5500	6560	7347	7733	1159	.
Exports to EU-27 (fob), cumulated	EUR mn	84265	7773	15387	24255	32169	40622	49078	56666	64066	72564	81007	89630	96732	8085	.
Imports from EU-27 (cif), cumulated	EUR mn	71553	6330	12709	20048	26552	33625	40635	46972	53337	60405	67527	74701	80994	6327	.
Trade balance with EU-27, cumulated	EUR mn	12712	1443	2678	4206	5616	6997	8443	9693	10729	12159	13480	14929	15738	1758	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-4664	.	.	876	.	.	-1531	.	.	-3260	.	.	.	.	.
EXCHANGE RATE																
CZK/EUR, monthly average	nominal	25.17	24.45	24.28	24.39	24.30	24.38	24.29	24.34	24.27	24.56	24.84	25.46	25.51	25.53	25.04
CZK/USD, monthly average	nominal	19.04	18.30	17.79	17.42	16.83	16.99	16.88	17.06	16.92	17.83	18.12	18.78	19.36	19.78	18.94
EUR/CZK, calculated with CPI [3]	real, Jan09=100	104.4	108.8	109.1	107.6	107.5	107.7	108.1	108.7	108.6	106.5	105.2	102.9	102.8	105.2	106.8
EUR/CZK, calculated with PPI [3]	real, Jan09=100	101.8	103.8	104.1	103.5	103.6	104.0	104.3	103.6	104.0	103.0	102.1	100.4	100.5	100.3	.
USD/CZK, calculated with CPI [3]	real, Jan09=100	105.1	109.7	112.3	113.8	117.2	116.3	117.0	116.0	116.5	110.2	109.0	105.7	103.3	102.4	106.7
USD/CZK, calculated with PPI [3]	real, Jan09=100	96.2	98.6	100.1	101.2	103.4	102.4	103.0	101.5	103.0	98.0	97.9	95.2	92.8	91.0	.
DOMESTIC FINANCE																
Currency in circulation	CZK bn, eop	357.5	356.2	357.5	358.1	361.7	360.5	364.3	364.1	363.7	368.3	370.4	374.0	377.9	376.8	.
M1	CZK bn, eop	2021.7	2022.4	2034.5	2027.4	2042.0	2067.6	2044.4	2058.6	2076.5	2084.2	2093.8	2117.4	2149.5	.	.
Broad money	CZK bn, eop	2760.0	2737.1	2738.3	2717.4	2755.2	2767.8	2736.2	2762.1	2747.7	2776.3	2780.9	2801.2	2835.8	.	.
Broad money	CPPY	1.9	2.5	2.7	1.3	1.0	0.1	-0.7	0.6	0.6	1.8	1.9	2.6	2.7	.	.
Central bank policy rate (p.a.) [4]	%, eop	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central bank policy rate (p.a.) [4,5]	real, %	-2.0	-1.7	-2.2	-3.2	-3.1	-2.4	-1.4	-2.1	-3.0	-3.5	-4.1	-4.5	-3.2	-3.8	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	CZK mn	-180718	.	.	-45339	.	.	-50039	.	.	-81223	.	.	.	.	.

1) Nominal wages deflated with HICP.
2) Including E (electricity, gas, steam, air conditioning supply etc.).
3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
4) Two-week repo rate.
5) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

STATISTICS

E S T O N I A: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	37.2	31.0	28.4	30.3	23.8	25.3	21.4	18.6	27.2	6.6	2.8	2.1	-2.5	2.0	.
Industry, NACE Rev. 2	real, CCPPY	23.5	31.0	29.7	29.9	28.3	27.7	26.6	25.4	25.6	23.2	20.8	18.8	16.8	2.0	.
Industry, NACE Rev. 2	real, 3MMA	34.8	32.2	29.9	27.5	26.5	23.5	21.8	22.5	17.0	11.6	3.8	0.9	0.6	.	.
Productivity in industry, NACE Rev. 2	CCPPY	31.0	.	.	26.8	.	.	23.0	.	.	19.7	.	.	13.7	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-19.4	.	.	-15.6	.	.	-13.9	.	.	-11.3	.	.	-6.6	.	.
Construction, NACE Rev. 2	real, CPPY	-0.5	.	.	34.4	.	.	11.4	.	.	25.4	.	.	38.9	.	.
Construction, NACE Rev. 2	real, CCPPY	-8.6	.	.	34.4	.	.	19.8	.	.	22.2	.	.	26.7	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	592.9	.	.	591.3	.	.	602.6	.	.	627.8	.	.	614.5	.	.
Employed persons, LFS	CPPY	2.1	.	.	6.8	.	.	7.8	.	.	8.6	.	.	3.6	.	.
Unemployed persons, LFS	th. pers., quart. avg	93.2	.	.	99.3	.	.	92.1	.	.	77.0	.	.	79.0	.	.
Unemployment rate, LFS	%	13.6	.	.	14.4	.	.	13.3	.	.	10.9	.	.	11.4	.	.
Unemployment, registered	th. persons, eop	65.3	66.8	66.3	65.8	62.0	56.3	52.3	49.7	47.8	46.6	46.4	47.2	47.4	49.7	50.1
Unemployment rate, registered	%, eop	10.1	10.3	10.2	10.2	9.6	8.7	8.1	7.7	7.4	7.2	7.2	7.3	7.3	7.6	7.6
WAGES																
Total economy, gross	EUR, quart. avg.	814	.	.	792	.	.	857	.	.	809	.	.	865	.	.
Total economy, gross [1]	real, CPPY	-1.0	.	.	-0.7	.	.	-1.0	.	.	1.1	.	.	1.8	.	.
Industry, gross, NACE Rev. 2	EUR, quart. avg.	807	.	.	797	.	.	843	.	.	824	.	.	857	.	.
PRICES																
Consumer - HICP	PP	0.5	0.0	0.7	0.8	0.8	0.4	-0.1	0.6	0.3	0.6	-0.1	0.1	0.1	0.6	0.4
Consumer - HICP	CPPY	5.4	5.1	5.5	5.1	5.4	5.5	4.9	5.3	5.6	5.4	4.7	4.4	4.1	4.7	4.4
Consumer - HICP	CCPPY	2.7	5.1	5.3	5.2	5.3	5.3	5.3	5.3	5.3	5.3	5.2	5.2	5.1	4.7	4.6
Producer, in industry, NACE Rev. 2	PP	-0.2	0.5	0.0	0.4	0.9	0.5	0.5	0.3	-0.1	0.1	0.0	0.0	0.0	0.8	0.4
Producer, in industry, NACE Rev. 2	CPPY	5.1	5.2	4.7	4.8	4.8	4.5	5.2	5.1	3.9	3.6	3.4	3.0	3.2	3.4	3.8
Producer, in industry, NACE Rev. 2	CCPPY	3.2	5.2	4.9	4.9	4.9	4.8	4.9	4.9	4.8	4.6	4.5	4.4	4.3	3.4	3.6
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	8748	819	1658	2736	3833	4955	5910	6845	7877	8972	10016	11083	12022	942	.
Imports total (cif), cumulated	EUR mn	9250	898	1788	2958	4122	5267	6267	7276	8365	9464	10535	11641	12631	992	.
Trade balance, cumulated	EUR mn	-503	-79	-130	-221	-289	-312	-358	-431	-488	-492	-519	-558	-610	-49	.
Exports to EU-27 (fob), cumulated	EUR mn	5999	581	1141	1827	2595	3280	3961	4585	5282	6007	6680	7357	7955	608	.
Imports from EU-27 (cif), cumulated	EUR mn	7376	630	1304	2191	3033	3905	4731	5571	6462	7380	8238	9145	9904	777	.
Trade balance with EU-27, cumulated	EUR mn	-1377	-49	-164	-364	-438	-625	-770	-986	-1180	-1374	-1559	-1788	-1949	-169	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	513	.	.	-53	.	.	37	.	.	338	.	.	.	.	.
EXCHANGE RATE																
EUR/EUR, monthly average	nominal	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
EUR/USD, monthly average [2]	nominal	0.756	0.749	0.733	0.714	0.692	0.697	0.695	0.701	0.697	0.726	0.730	0.738	0.759	0.775	0.756
EUR/EUR, calculated with CPI [3]	real, Jan09=100	99.2	99.6	99.8	99.5	99.7	100.0	99.9	100.9	101.0	100.9	100.5	100.4	100.2	101.4	101.3
EUR/EUR, calculated with PPI [3]	real, Jan09=100	98.5	98.0	97.4	96.9	96.9	97.6	98.1	98.0	98.1	97.7	97.7	97.5	97.7	97.7	98.1
USD/EUR, calculated with CPI [3]	real, Jan09=100	99.9	100.4	102.8	105.2	108.7	107.9	108.2	107.7	108.3	104.4	104.1	103.1	100.7	98.7	101.1
USD/EUR, calculated with PPI [3]	real, Jan09=100	93.1	93.1	93.6	94.7	96.7	96.1	96.9	96.1	97.1	93.0	93.7	92.5	90.3	88.6	90.6
DOMESTIC FINANCE																
Currency in circulation [4]	EUR mn, eop	262	2074	2050	2045	2062	2064	2081	2099	2084	2101	2117	2125	2173	2073	2070
M1 [4]	EUR mn, eop	4908	4749	4707	4705	4770	4862	4876	4853	4881	4938	5036	4955	5212	5069	5180
Broad money [4]	EUR mn, eop	8494	8459	8370	8383	8403	8479	8465	8533	8695	8738	8782	8848	9036	8897	8934
Broad money [4]	CPPY	3.0	.	.	.	.	.	.	.	.	.	.	.	.	5.2	6.7
Central bank policy rate (p.a.) [5]	%, eop	0.92	1.00	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00
Central bank policy rate (p.a.) [5)6]	real, %	-4.0	-4.0	-3.5	-3.6	-3.4	-3.2	-3.8	-3.4	-2.3	-2.0	-1.8	-1.7	-2.1	-2.3	-2.7
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	37	.	.	-77	.	.	104	.	.	254	.	.	.	.	.

Note: Estonia has introduced the Euro from 1 January 2011. For statistical purposes all time series in EKK as well as the exchange rates have been divided by the conversion factor 15.6466 (EKK per EUR) to a kind of statistical EUR (euro-fixed).

1) Nominal wages deflated with HICP.
2) From January 2011 reference rate of ECB.
3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
4) From January 2011 Estonia's contributions to EMU monetary aggregates. M1 and Broad money without currency in circulation.
5) From January 2011 official refinancing operation rate for euro area (ECB), TALIBOR one-month interbank offered rate before.
6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

H U N G A R Y: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	7.7	13.6	15.0	9.7	7.2	7.5	-1.1	0.5	4.6	3.0	3.2	3.5	2.1	-0.5	.
Industry, NACE Rev. 2	real, CCPPY	10.5	13.6	14.3	12.6	11.2	10.5	8.3	7.1	6.8	6.3	6.0	5.7	5.4	-0.5	.
Industry, NACE Rev. 2	real, 3MMA	12.2	12.0	12.6	10.5	8.2	4.3	2.2	1.2	2.7	3.6	3.3	3.0	1.8	.	.
Productivity in industry, NACE Rev. 2	CCPPY	11.6	8.2	8.7	7.0	5.8	5.1	3.3	2.4	2.3	2.1	2.1	2.1	2.0	0.4	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-4.1	-1.0	-2.0	-2.1	-0.8	1.5	3.8	5.1	5.4	5.1	4.1	3.1	2.4	-5.8	.
Construction, NACE Rev. 2	real, CPPY	-12.7	-5.3	-4.3	-9.1	-12.3	-3.7	-12.3	-17.4	-12.0	-11.8	-8.0	4.2	-0.8	-1.4	.
Construction, NACE Rev. 2	real, CCPPY	-10.5	-5.3	-4.7	-6.6	-8.2	-7.1	-8.2	-9.7	-10.1	-10.3	-10.1	-8.6	-7.7	-1.4	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	3804.3	.	.	3732.5	.	.	3808.8	.	.	3855.9	.	.	3850.6	.	.
Employed persons, LFS	CPPY	0.6	.	.	0.4	.	.	0.8	.	.	0.9	.	.	1.2	.	.
Unemployed persons, LFS	th. pers., quart. avg	462.1	.	.	489.8	.	.	460.7	.	.	462.0	.	.	459.0	.	.
Unemployment rate, LFS	%	10.8	.	.	11.6	.	.	10.8	.	.	10.7	.	.	10.7	.	.
Unemployment, registered	th. persons, eop	591.3	684.3	673.6	650.0	612.0	572.0	553.3	554.2	549.0	536.7	530.8	526.3	552.3	648.4	646.7
Unemployment rate, registered	%, eop	13.3	15.4	15.2	14.7	13.8	12.9	12.5	12.5	12.4	12.1	12.0	11.9	12.5	14.6	14.6
WAGES																
Total economy, gross [1]	HUF th	210.7	210.2	202.7	216.9	214.7	212.0	212.0	210.2	206.7	205.8	207.8	226.0	231.8	219.1	.
Total economy, gross [1][2]	real, CPPY	-8.8	-2.1	0.5	-5.8	1.4	2.9	1.1	3.1	2.9	1.5	2.2	1.7	5.7	-1.3	.
Total economy, gross [1]	EUR	759	763	747	801	809	794	795	785	759	722	700	731	762	713	.
Industry, gross, NACE Rev. 2 [1]	EUR	802	774	757	815	834	848	824	793	788	743	713	807	779	732	.
PRICES																
Consumer - HICP	PP	0.4	0.9	0.4	1.0	0.7	0.2	-0.2	-0.3	-0.1	0.0	0.5	0.6	0.2	2.4	0.6
Consumer - HICP	CPPY	4.6	4.0	4.2	4.6	4.4	3.9	3.5	3.1	3.5	3.7	3.8	4.3	4.1	5.6	5.8
Consumer - HICP	CCPPY	4.7	4.0	4.1	4.3	4.3	4.2	4.1	4.0	3.9	3.9	3.9	3.9	3.9	5.6	5.7
Producer, in industry, NACE Rev. 2	PP	0.0	-1.7	0.2	0.0	-0.2	0.2	-0.7	0.4	0.6	3.0	1.9	2.4	-0.5	-0.1	.
Producer, in industry, NACE Rev. 2	CPPY	10.1	5.6	4.9	5.0	3.1	-0.5	-2.5	-2.2	-1.5	2.5	5.1	6.1	5.5	7.3	.
Producer, in industry, NACE Rev. 2	CCPPY	6.2	5.6	5.2	5.2	4.6	3.6	2.5	1.8	1.4	1.5	1.9	2.3	2.5	7.3	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	72024	6185	12932	20313	26774	33695	40291	46554	53040	60231	67164	74644	80616	.	.
Imports total (cif), cumulated	EUR mn	66514	5755	11642	18186	24228	30451	36477	42377	48400	54839	61264	68049	73699	.	.
Trade balance, cumulated	EUR mn	5510	431	1290	2126	2546	3244	3814	4177	4640	5391	5900	6594	6917	.	.
Exports to EU-27 (fob), cumulated	EUR mn	55589	4832	9956	15615	20546	25779	30844	35606	40405	45869	51200	56853	61205	.	.
Imports from EU-27 (cif), cumulated	EUR mn	45009	3812	7938	12544	16743	21204	25441	29660	33783	38391	42761	47403	51155	.	.
Trade balance with EU-27, cumulated	EUR mn	10581	1020	2018	3071	3803	4575	5403	5946	6621	7478	8439	9451	10050	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	1061	.	.	213	.	.	743	.	.	1134	.	.	.	.	.
EXCHANGE RATE																
HUF/EUR, monthly average	nominal	277.6	275.3	271.2	270.9	265.3	267.0	266.9	267.7	272.4	285.1	296.8	309.2	304.2	307.3	290.7
HUF/USD, monthly average	nominal	210.0	206.1	198.7	193.5	183.7	186.0	185.5	187.7	189.9	207.0	216.5	228.1	230.8	238.1	219.8
EUR/HUF, calculated with CPI [3]	real, Jan09=100	105.2	107.5	109.0	109.1	111.5	110.9	110.8	110.6	108.3	102.9	99.0	95.5	97.0	98.8	104.5
EUR/HUF, calculated with PPI [3]	real, Jan09=100	104.3	102.3	103.3	102.5	103.6	103.3	102.6	102.3	101.4	99.4	97.2	95.3	96.5	94.7	.
USD/HUF, calculated with CPI [3]	real, Jan09=100	105.9	108.3	112.3	115.3	121.5	119.7	119.9	118.0	116.2	106.5	102.6	98.1	97.4	96.2	104.4
USD/HUF, calculated with PPI [3]	real, Jan09=100	98.5	97.1	99.3	100.2	103.4	101.7	101.4	100.3	100.4	94.5	93.3	90.4	89.2	85.9	.
DOMESTIC FINANCE																
Currency in circulation	HUF bn, eop	2218.3	2174.6	2165.5	2138.2	2144.6	2155.3	2195.7	2245.6	2297.3	2369.9	2455.1	2512.1	2551.6	2583.2	.
M1	HUF bn, eop	6634.9	6427.3	6406.9	6444.0	6360.7	6386.0	6450.8	6553.0	6594.6	6822.6	6902.1	7148.4	7341.4	.	.
Broad money	HUF bn, eop	16492.7	16207.5	16238.6	16204.9	16232.9	16366.4	16292.3	16459.3	16580.3	17092.2	17174.6	17394.0	17424.0	.	.
Broad money	CPPY	3.2	2.7	2.0	0.8	-0.1	0.1	-0.8	0.8	0.5	5.5	5.5	6.1	5.6	.	.
Central bank policy rate (p.a.) [4]	%, eop	5.75	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50	7.00	7.00	7.00
Central bank policy rate (p.a.) [4][5]	real, %	-4.0	0.4	1.1	0.9	2.9	6.5	8.7	8.4	7.6	3.5	0.8	0.4	1.4	-0.3	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	HUF bn	-1147	.	.	2229	.	.	1940	.	.	1537	.	.	.	.	.

1) Enterprises with 5 and more employees.
2) Nominal wages deflated with HICP.
3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
4) Base rate (two-week NB bill).
5) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

L A T V I A: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	19.1	9.5	10.1	12.3	9.1	14.6	13.0	6.2	9.2	9.6	5.1	8.5	3.2	10.6	.
Industry, NACE Rev. 2 [1]	real, CCPPY	14.8	9.5	9.8	10.7	10.3	11.1	11.5	10.7	10.5	10.3	9.7	9.6	9.0	10.6	.
Industry, NACE Rev. 2 [1]	real, 3MMA	15.3	13.0	10.7	10.5	12.0	12.2	11.2	9.4	8.4	7.9	7.7	5.6	7.3	.	.
Productivity in industry, NACE Rev. 2	CCPPY	19.4	.	.	2.2	.	.	3.0	.	.	2.8	.	.	2.2	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-15.9	.	.	2.8	.	.	1.7	.	.	1.4	.	.	2.3	.	.
Construction, NACE Rev. 2	real, CPPY	-9.6	.	.	-15.1	.	.	-0.9	.	.	19.6	.	.	25.9	.	.
Construction, NACE Rev. 2	real, CCPPY	-23.5	.	.	-15.1	.	.	-6.2	.	.	6.1	.	.	12.3	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	951.0	.	.	944.3	.	.	966.5	.	.	984.7	.	.	986.6	.	.
Employed persons, LFS	CPPY	2.0	.	.	3.1	.	.	3.3	.	.	2.5	.	.	3.7	.	.
Unemployed persons, LFS	th. pers., quart. avg	193.4	.	.	188.3	.	.	187.0	.	.	165.3	.	.	165.2	.	.
Unemployment rate, LFS	%	16.9	.	.	16.6	.	.	16.2	.	.	14.4	.	.	14.3	.	.
Unemployment, registered	th. persons, eop	162.5	164.6	164.9	163.5	157.9	149.6	142.4	137.6	134.2	131.7	130.5	130.2	130.3	132.6	133.4
Unemployment rate, registered	%, eop	14.3	14.5	14.5	14.4	13.9	13.2	12.6	12.1	11.8	11.6	11.5	11.5	11.5	11.7	11.8
WAGES																
Total economy, gross	LVL	479	447	440	463	460	462	468	472	469	459	461	464	500	.	.
Total economy, gross [2]	real, CPPY	0.6	1.1	-0.5	0.9	-0.2	-0.5	0.0	-0.7	0.8	-0.6	-0.2	0.9	0.5	.	.
Total economy, gross	EUR	675	635	625	655	649	651	660	666	661	647	653	661	717	.	.
Industry, gross, NACE Rev. 2	EUR	657	611	597	649	626	634	657	675	651	650	636	641	713	.	.
PRICES																
Consumer - HICP	PP	0.2	1.3	0.3	0.7	1.1	0.4	0.2	-0.2	-0.4	0.3	0.2	-0.1	0.0	0.8	0.2
Consumer - HICP	CPPY	2.4	3.5	3.8	4.1	4.3	4.8	4.7	4.2	4.6	4.5	4.3	4.0	3.9	3.4	3.3
Consumer - HICP	CCPPY	-1.2	3.5	3.7	3.8	3.9	4.1	4.2	4.2	4.3	4.3	4.3	4.3	4.2	3.4	3.3
Producer, in industry, NACE Rev. 2	PP	0.1	0.9	0.8	0.9	2.1	0.7	0.4	0.8	0.3	-0.4	0.1	-0.5	-0.1	1.4	0.1
Producer, in industry, NACE Rev. 2	CPPY	7.7	7.7	8.3	8.5	8.7	7.6	7.0	7.7	7.5	6.6	6.9	6.5	6.3	6.8	6.1
Producer, in industry, NACE Rev. 2	CCPPY	2.8	7.7	8.0	8.2	8.3	8.2	8.0	7.9	7.9	7.7	7.6	7.5	7.4	6.8	6.4
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	7191	622	1261	2040	2782	3580	4356	5112	5972	6858	7747	8639	9452	.	.
Imports total (cif), cumulated	EUR mn	8819	721	1510	2479	3348	4323	5263	6312	7355	8410	9478	10502	11495	.	.
Trade balance, cumulated	EUR mn	-1628	-99	-248	-439	-565	-743	-906	-1200	-1382	-1552	-1730	-1863	-2043	.	.
Exports to EU-27 (fob), cumulated	EUR mn	4835	436	874	1406	1913	2470	2969	3472	4019	4598	5153	5708	6231	.	.
Imports from EU-27 (cif), cumulated	EUR mn	6709	525	1119	1852	2515	3257	3997	4824	5635	6481	7308	8092	8874	.	.
Trade balance with EU-27, cumulated	EUR mn	-1874	-88	-246	-446	-602	-787	-1029	-1351	-1616	-1883	-2155	-2383	-2643	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	535	.	.	47	.	.	92	.	.	-103	.	.	.	.	.
EXCHANGE RATE																
LVL/EUR, monthly average	nominal	0.710	0.703	0.704	0.707	0.709	0.709	0.709	0.709	0.709	0.709	0.706	0.702	0.698	0.699	0.699
LVL/USD, monthly average	nominal	0.537	0.526	0.516	0.505	0.491	0.494	0.493	0.497	0.495	0.515	0.515	0.517	0.529	0.542	0.528
EUR/LVL, calculated with CPI [3]	real, Jan09=100	93.6	96.0	95.8	94.9	95.1	95.4	95.7	95.9	95.4	95.0	95.3	95.7	96.0	97.1	96.7
EUR/LVL, calculated with PPI [3]	real, Jan09=100	94.4	95.1	95.2	94.7	95.6	96.4	96.9	97.3	97.8	97.0	97.5	97.4	98.1	98.5	98.7
USD/LVL, calculated with CPI [3]	real, Jan09=100	93.4	96.9	98.7	100.3	103.7	103.4	104.0	103.4	103.3	98.9	98.7	98.0	95.5	94.6	96.6
USD/LVL, calculated with PPI [3]	real, Jan09=100	89.1	90.3	91.5	92.6	95.4	95.0	95.7	95.4	96.8	92.2	93.5	92.4	90.6	89.4	91.1
DOMESTIC FINANCE																
Currency in circulation	LVL mn, eop	807	790	796	795	815	818	838	876	873	888	893	941	1040	1024	.
M1	LVL mn, eop	3771	3723	3788	3690	3724	3798	3868	3855	3949	3940	3972	4371	4357	.	.
Broad money	LVL mn, eop	6548	6494	6543	6514	6453	6544	6481	6443	6507	6487	6426	6472	6661	.	.
Broad money	CPPY	11.5	11.8	10.0	7.1	4.3	6.1	5.4	4.4	4.1	2.4	3.4	2.3	1.7	.	.
Central bank policy rate (p.a.) [4]	%, eop	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Central bank policy rate (p.a.) [4][5]	real, %	-3.9	-3.9	-4.5	-4.6	-4.7	-3.8	-3.2	-3.9	-3.7	-2.9	-3.2	-2.8	-2.6	-3.1	-2.4
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	LVL mn	-1051	.	.	-61	.	.	-30	.	.	-60	.	.	.	.	.

1) Enterprises with 20 and more persons.
2) Nominal wages deflated with HICP.
3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
4) Refinancing rate.
5) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

L I T H U A N I A: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	15.6	16.4	12.9	14.2	7.5	13.6	10.7	5.8	6.6	9.5	-1.6	1.1	-2.1	4.1	.
Industry, NACE Rev. 2 [1]	real, CCPPY	6.6	16.4	14.6	14.5	12.7	12.9	12.5	11.5	10.8	10.7	9.3	8.5	7.5	4.1	.
Industry, NACE Rev. 2 [1]	real, 3MMA	16.3	15.0	14.5	11.5	11.8	10.6	10.0	7.7	7.3	4.7	2.8	-0.9	1.0	.	.
Productivity in industry, NACE Rev. 2	CCPPY	15.3	.	.	11.7	.	.	8.5	.	.	6.1	.	.	2.8	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-13.6	.	.	-7.3	.	.	-4.7	.	.	-3.3	.	.	-0.4	.	.
Construction, NACE Rev. 2	real, CPPY	16.2	.	.	15.9	.	.	16.7	.	.	18.4	.	.	33.3	.	.
Construction, NACE Rev. 2	real, CCPPY	-7.9	.	.	15.9	.	.	16.4	.	.	17.3	.	.	22.1	.	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	1367.1	.	.	1340.4	.	.	1385.1	.	.	1378.9	.	.	1379.1	.	.
Employed persons, LFS	CPPY	-1.2	.	.	0.9	.	.	4.3	.	.	2.1	.	.	0.9	.	.
Unemployed persons, LFS	th. pers., quart. avg	281.9	.	.	277.6	.	.	255.6	.	.	239.8	.	.	222.1	.	.
Unemployment rate, LFS	%	17.1	.	.	17.2	.	.	15.6	.	.	14.8	.	.	13.9	.	.
Unemployment, registered	th. persons, eop	311.3	311.2	306.4	293.5	269.3	243.2	227.6	229.2	221.2	213.4	211.8	212.5	227.1	239.1	243.1
Unemployment rate, registered [2]	%, eop	14.4	14.4	14.2	13.6	12.5	11.2	11.0	11.1	10.7	10.3	10.2	10.3	11.0	11.6	11.8
WAGES																
Total economy, gross	LTL	2122	.	.	2072	.	.	2108	.	.	2116	.	.	2175	.	.
Total economy, gross [3]	real, CPPY	-2.7	.	.	-1.2	.	.	-2.1	.	.	-2.8	.	.	-1.4	.	.
Total economy, gross	EUR	614	.	.	600	.	.	610	.	.	613	.	.	630	.	.
Industry, gross, NACE Rev. 2	EUR	625	.	.	614	.	.	620	.	.	625	.	.	637	.	.
PRICES																
Consumer - HICP	PP	0.8	0.4	0.1	1.0	1.0	0.8	-0.1	-0.2	-0.3	0.8	-0.1	0.2	-0.2	0.4	0.4
Consumer - HICP	CPPY	3.6	2.8	3.0	3.7	4.4	5.0	4.8	4.6	4.4	4.7	4.2	4.4	3.5	3.4	3.7
Consumer - HICP	CCPPY	1.2	2.8	2.9	3.2	3.5	3.8	4.0	4.0	4.1	4.2	4.2	4.2	4.1	3.4	3.6
Producer, in industry, NACE Rev. 2	PP	2.9	1.1	2.5	3.2	1.2	-0.3	-1.1	1.8	-1.0	1.2	0.1	0.3	-0.7	2.2	0.5
Producer, in industry, NACE Rev. 2	CPPY	16.1	15.1	15.7	15.4	14.8	14.1	12.1	15.3	14.2	15.3	14.4	12.6	8.7	9.8	7.7
Producer, in industry, NACE Rev. 2	CCPPY	10.3	15.1	15.4	15.4	15.2	15.0	14.5	14.6	14.6	14.7	14.6	14.4	13.9	9.8	8.7
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	15651	1436	2931	4571	6078	7851	9613	11267	13015	14871	16635	18427	20170	.	.
Imports total (cif), cumulated	EUR mn	17653	1658	3332	5222	7052	9044	10980	12820	14754	16738	18744	20764	22637	.	.
Trade balance, cumulated	EUR mn	-2002	-222	-401	-651	-974	-1193	-1367	-1553	-1738	-1867	-2109	-2338	-2467	.	.
Exports to EU-27 (fob), cumulated	EUR mn	9544	945	1834	2801	3673	4738	5764	6806	7918	9071	10186	11343	12386	.	.
Imports from EU-27 (cif), cumulated	EUR mn	9989	838	1751	2908	3985	5128	6191	7206	8231	9358	10449	11569	12647	.	.
Trade balance with EU-27, cumulated	EUR mn	-445	107	83	-107	-312	-390	-426	-400	-313	-287	-262	-226	-261	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	410	.	.	-61	.	.	-275	.	.	-100	.	.	.	.	.
EXCHANGE RATE																
LTL/EUR, monthly average	nominal	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453	3.453
LTL/USD, monthly average	nominal	2.612	2.584	2.530	2.466	2.391	2.406	2.400	2.421	2.407	2.507	2.519	2.547	2.620	2.676	2.611
EUR/LTL, calculated with CPI [4]	real, Jan09=100	97.4	98.2	97.8	97.7	98.1	98.8	98.8	99.0	98.4	98.6	98.3	98.3	97.8	98.7	98.6
EUR/LTL, calculated with PPI [4]	real, Jan09=100	112.7	112.8	114.8	117.5	118.0	117.7	116.5	118.1	117.2	118.2	118.3	118.3	117.8	119.3	120.0
USD/LTL, calculated with CPI [4]	real, Jan09=100	97.3	99.1	100.9	103.3	107.0	107.1	107.3	106.7	106.7	102.6	101.7	100.7	97.4	96.2	98.4
USD/LTL, calculated with PPI [4]	real, Jan09=100	106.5	107.1	110.4	114.9	117.7	115.9	115.1	115.8	116.1	112.4	113.5	112.2	108.8	108.3	110.9
DOMESTIC FINANCE																
Currency in circulation	LTL mn, eop	7848	7724	7783	7758	7924	7928	8045	8283	8249	8273	8428	8722	9682	9557	.
M1	LTL mn, eop	27398	26742	27305	27174	27384	27947	28109	28537	28258	28879	28610	29224	31286	.	.
Broad money	LTL mn, eop	48115	47307	47618	47687	47721	48111	48495	49168	49561	50083	50180	50704	50487	.	.
Broad money	CPPY	8.9	9.5	8.5	8.4	6.9	7.0	7.4	7.8	8.2	10.0	9.2	8.5	4.9	.	.
Central bank policy rate (p.a.) [5]	%, eop	1.07	0.99	1.15	1.10	1.25	1.40	1.43	1.59	1.62	1.52	1.53	1.44	1.24	1.00	0.94
Central bank policy rate (p.a.) [5,6]	real, %	-12.9	-12.3	-12.5	-12.4	-11.8	-11.1	-9.5	-11.9	-11.0	-12.0	-11.3	-9.9	-6.8	-8.0	-6.3
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	LTL mn	-6734	.	.	-1763	.	.	-3147	.	.	-3569	.	.	.	.	.

1) Sold production.
2) In % of working age population.
3) Nominal wages deflated with HICP.
4) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
5) VILIBOR one-month interbank offered rate (Lithuania has a currency board).
6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

P O L A N D: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2 [1][2]	real, CPPY	11.4	10.2	10.4	6.8	6.7	7.8	1.9	1.8	7.9	7.4	6.4	8.5	7.6	9.1	.
Industry, NACE Rev. 2 [1][2]	real, CCPPY	11.1	10.2	10.3	9.0	8.4	8.3	7.2	6.4	6.6	6.7	6.6	6.8	6.9	9.1	.
Industry, NACE Rev. 2 [1][2]	real, 3MMA	10.6	10.7	9.0	7.9	7.1	5.4	3.8	3.8	5.7	7.2	7.4	7.5	8.4	.	.
Productivity in industry, NACE Rev. 2 [2]	CCPPY	11.5	7.5	7.5	6.0	5.5	5.4	4.3	3.7	4.0	4.2	4.3	4.5	4.7	.	.
Unit labour costs, exch.r. adj.(EUR) [1][2]	CCPPY	2.1	2.9	1.0	-0.4	0.1	0.5	2.5	3.4	2.6	1.1	0.0	-1.3	-2.3	.	.
Construction, NACE Rev. 2 [2]	real, CPPY	12.3	10.9	18.7	24.2	15.6	23.9	17.0	16.5	10.8	18.0	8.9	13.0	14.6	32.2	.
Construction, NACE Rev. 2 [2]	real, CCPPY	3.8	10.9	14.9	18.7	17.7	19.4	18.8	18.3	17.0	17.2	16.0	15.6	15.5	32.2	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	16075	.	.	15875	.	.	16163	.	.	16283	.	.	16201	.	.
Employed persons, LFS	CPPY	1.2	.	.	1.9	.	.	1.1	.	.	0.5	.	.	0.8	.	.
Unemployed persons, LFS	th. pers., quart. avg	1649.1	.	.	1771.4	.	.	1689.9	.	.	1679.4	.	.	1749.7	.	.
Unemployment rate, LFS	%	9.3	.	.	10.1	.	.	9.5	.	.	9.4	.	.	9.8	.	.
Unemployment, registered	th. persons, eop	1954.7	2105.0	2150.2	2133.9	2043.5	1962.6	1883.3	1863.2	1855.3	1861.7	1867.6	1914.9	1982.7	2121.5	2168.2
Unemployment rate, registered	%, eop	12.4	13.1	13.4	13.3	12.8	12.4	11.9	11.8	11.8	11.8	11.8	12.1	12.5	13.2	13.5
WAGES																
Total economy, gross [2]	PLN	3848	3392	3422	3634	3598	3484	3600	3612	3591	3582	3617	3682	4015	3666	3568
Total economy, gross [2][3]	real, CPPY	2.4	1.4	0.7	0.0	1.7	-0.2	2.0	1.5	1.4	1.7	1.3	0.1	-0.2	3.8	-0.1
Total economy, gross [2]	EUR	963	872	872	905	906	884	907	904	872	826	831	831	897	838	853
Industry, gross, NACE Rev. 2	EUR	1009	871	890	909	918	894	939	928	895	835	826	861	945	860	861
PRICES																
Consumer - HICP	PP	0.3	1.0	0.2	0.9	0.5	0.5	-0.3	-0.2	0.0	0.0	0.7	0.7	0.5	0.7	0.4
Consumer - HICP	CPPY	2.9	3.5	3.3	4.0	4.1	4.3	3.7	3.6	4.0	3.5	3.8	4.4	4.5	4.1	4.4
Consumer - HICP	CCPPY	2.7	3.5	3.4	3.6	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.9	4.1	4.3
Producer, in industry, NACE Rev. 2	PP	1.3	0.3	1.2	1.5	0.8	-0.3	0.3	0.5	0.5	1.5	0.1	0.8	0.3	0.3	.
Producer, in industry, NACE Rev. 2	CPPY	6.4	6.3	7.6	9.3	8.9	6.5	5.8	6.1	6.8	8.2	8.2	8.7	7.6	7.6	.
Producer, in industry, NACE Rev. 2	CCPPY	2.3	6.3	6.9	7.7	8.0	7.7	7.4	7.2	7.2	7.3	7.4	7.5	7.5	7.6	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	120483	10297	21078	33043	44172	55888	67229	77800	88929	101019	112993	124544	134630	.	.
Imports total (cif), cumulated	EUR mn	134306	11321	23280	36388	48975	62066	74999	87118	99537	112290	125154	137835	149189	.	.
Trade balance, cumulated	EUR mn	-13823	-1024	-2202	-3345	-4804	-6179	-7771	-9318	-10609	-11271	-12161	-13290	-14560	.	.
Exports to EU-27 (fob), cumulated	EUR mn	95314	8312	16826	26304	35021	44019	52804	61158	69396	78810	88155	97218	104734	.	.
Imports from EU-27 (cif), cumulated	EUR mn	95064	7848	16299	26031	34635	43874	52831	61489	69702	78627	87417	96186	103558	.	.
Trade balance with EU-27, cumulated	EUR mn	250	464	527	273	386	146	-26	-331	-306	183	738	1032	1177	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-16486	.	.	-3134	.	.	-6496	.	.	-11204	.	.	.	.	.
EXCHANGE RATE																
PLN/EUR, monthly average	nominal	3.996	3.890	3.926	4.015	3.969	3.940	3.970	3.995	4.120	4.338	4.352	4.432	4.477	4.376	4.184
PLN/USD, monthly average	nominal	3.023	2.911	2.877	2.868	2.749	2.746	2.759	2.801	2.872	3.150	3.175	3.270	3.397	3.391	3.164
EUR/PLN, calculated with CPI [4]	real, Jan09=100	107.4	112.0	110.6	108.0	109.1	110.4	109.2	108.8	105.3	99.3	99.4	98.1	97.3	100.8	105.3
EUR/PLN, calculated with PPI [4]	real, Jan09=100	107.4	109.5	109.0	107.3	108.4	109.1	108.6	108.0	105.5	101.2	100.9	99.7	99.1	100.9	.
USD/PLN, calculated with CPI [4]	real, Jan09=100	108.1	112.8	113.9	114.2	118.9	119.1	118.2	116.1	112.9	102.8	102.9	100.8	97.7	98.1	105.1
USD/PLN, calculated with PPI [4]	real, Jan09=100	101.4	104.0	104.8	104.9	108.2	107.4	107.2	105.8	104.5	96.3	96.9	94.5	91.6	91.5	.
DOMESTIC FINANCE																
Currency in circulation	PLN bn, eop	92.7	90.6	91.4	92.2	93.9	93.5	95.1	96.7	97.2	99.3	99.5	99.4	101.8	98.7	.
M1	PLN bn, eop	449.2	436.4	444.2	458.9	441.1	447.2	451.2	440.5	449.2	444.8	442.1	453.2	468.0	.	.
Broad money	PLN bn, eop	783.6	769.1	775.0	800.2	789.2	794.5	796.3	798.1	815.8	829.5	835.7	853.5	881.5	.	.
Broad money	CPPY	8.8	8.2	8.3	10.9	9.4	7.7	7.2	7.4	8.8	10.2	10.5	11.8	12.5	.	.
Central bank policy rate (p.a.) [5]	%, eop	3.50	3.75	3.75	3.75	4.00	4.25	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Central bank policy rate (p.a.) [5][6]	real, %	-2.7	-2.4	-3.6	-5.1	-4.5	-2.1	-1.2	-1.5	-2.2	-3.4	-3.4	-3.8	-2.9	-2.8	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	PLN mn	-111000	.	.	-9013	.	.	-32131	.	.	-40300	.	.	.	.	.

1) Sold production.
2) Enterprises with 10 and more employees.
3) Nominal wages deflated with HICP.
4) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
5) Reference rate (7-day open market operation rate).
6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

R O M A N I A: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2 [1]	real, CPPY	9.9	11.7	12.9	9.8	3.6	7.5	1.1	1.3	10.4	5.6	4.0	4.3	-2.2	1.2	.
Industry, NACE Rev. 2 [1]	real, CCPPY	5.5	11.7	12.3	11.4	9.3	8.9	7.5	6.6	7.0	6.8	6.5	6.3	5.6	1.2	.
Industry, NACE Rev. 2 [1]	real, 3MMA	9.7	11.5	11.4	8.7	7.0	4.0	3.3	4.0	5.5	6.4	4.6	2.2	1.2	.	.
Productivity in industry, NACE Rev. 2	CCPPY	17.1	15.4	15.3	14.0	11.3	10.2	8.2	6.8	6.9	6.3	5.8	5.3	4.5	-2.2	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-6.0	-8.1	-8.5	-8.4	-4.2	-2.8	-0.8	0.4	0.2	0.5	0.9	1.2	1.8	5.2	.
Construction, NACE Rev. 2	real, CPPY	-1.0	-11.5	0.6	-2.8	-6.1	4.4	-9.9	16.0	4.5	4.2	6.2	17.6	1.8	15.0	.
Construction, NACE Rev. 2	real, CCPPY	-13.2	-11.5	-5.6	-4.5	-5.0	-2.7	-4.6	-1.4	-0.5	0.2	1.0	2.9	2.8	15.0	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	9052.5	.	.	9068.7	.	.	9209.8	.	.	9230.9	.	.	9041.6	.	.
Employed persons, LFS	CPPY	0.3	.	.	1.5	.	.	-2.9	.	.	-2.7	.	.	-0.1	.	.
Unemployed persons, LFS	th. pers., quart. avg	713.7	.	.	740.6	.	.	710.9	.	.	718.3	.	.	751.1	.	.
Unemployment rate, LFS	%	7.3	.	.	7.6	.	.	7.2	.	.	7.2	.	.	7.7	.	.
Unemployment, registered	th. persons, eop	627.0	615.0	600.3	539.7	493.4	453.1	436.0	435.2	437.8	439.9	444.0	455.0	461.0	473.6	473.9
Unemployment rate, registered	%, eop	7.0	6.8	6.7	6.0	5.5	5.0	4.8	4.8	4.9	4.9	4.9	5.1	5.1	5.3	5.3
WAGES																
Total economy, gross [1]	RON	2067	1963	1944	2056	2066	2008	2026	2027	2005	2017	2008	2054	2209	2022	.
Total economy, gross [1][2]	real, CPPY	-5.3	-6.7	-6.9	-8.2	-3.4	-5.7	-3.8	3.4	4.1	5.6	5.0	4.5	3.6	0.2	.
Total economy, gross [1]	EUR	481	461	458	494	504	488	483	478	472	471	464	472	510	466	.
Industry, gross, NACE Rev. 2 [3]	EUR	508	456	452	491	512	491	487	490	483	482	469	481	529	469	.
PRICES																
Consumer - HICP	PP	0.5	0.8	0.8	0.6	0.7	0.2	-0.3	-0.4	-0.3	-0.2	0.6	0.4	0.2	0.4	0.7
Consumer - HICP	CPPY	7.9	7.0	7.6	8.0	8.4	8.5	8.0	4.9	4.3	3.5	3.6	3.5	3.2	2.8	2.7
Consumer - HICP	CCPPY	6.1	7.0	7.3	7.5	7.8	7.9	7.9	7.5	7.1	6.7	6.3	6.1	5.8	2.8	2.7
Producer, in industry, NACE Rev. 2	PP	1.2	1.6	0.8	1.1	0.0	-0.3	0.7	1.0	-0.2	0.9	0.3	0.4	0.2	0.6	.
Producer, in industry, NACE Rev. 2	CPPY	9.6	10.2	10.9	11.1	9.6	8.0	8.4	9.3	8.6	8.1	8.3	7.8	6.7	5.7	.
Producer, in industry, NACE Rev. 2	CCPPY	6.3	10.2	10.6	10.7	10.5	10.0	9.7	9.6	9.5	9.4	9.2	9.1	8.9	5.7	.
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	37338	3422	6949	11084	14487	18330	22083	25881	29343	33531	37643	41755	45034	.	.
Imports total (cif), cumulated	EUR mn	46864	3634	7572	12601	16997	22031	26687	31169	35513	40525	45420	50480	54815	.	.
Trade balance, cumulated	EUR mn	-9526	-212	-624	-1518	-2510	-3701	-4604	-5288	-6171	-6994	-7777	-8725	-9781	.	.
Exports to EU-27 (fob), cumulated	EUR mn	26948	2456	5075	8001	10458	13171	15815	18416	20840	23887	26814	29806	32026	.	.
Imports from EU-27 (cif), cumulated	EUR mn	33986	2585	5504	8956	12146	15690	19035	22334	25438	29069	32765	36562	39819	.	.
Trade balance with EU-27, cumulated	EUR mn	-7038	-129	-429	-955	-1688	-2519	-3220	-3919	-4598	-5182	-5951	-6756	-7794	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-5499	.	.	-973	.	.	-3384	.	.	-5011	.	.	-5695	.	.
EXCHANGE RATE																
RON/EUR, monthly average	nominal	4.293	4.262	4.246	4.162	4.100	4.114	4.194	4.241	4.251	4.284	4.324	4.356	4.328	4.342	4.351
RON/USD, monthly average	nominal	3.247	3.190	3.111	2.973	2.839	2.867	2.915	2.973	2.963	3.111	3.155	3.213	3.284	3.364	3.290
EUR/RON, calculated with CPI [4]	real, Jan09=100	105.0	107.0	107.8	109.4	111.1	110.9	108.5	107.4	106.6	104.8	104.2	103.7	104.3	105.0	104.9
EUR/RON, calculated with PPI [4]	real, Jan09=100	105.5	106.8	107.3	109.7	110.4	109.9	108.7	108.1	107.8	107.5	106.8	106.2	107.3	106.8	.
USD/RON, calculated with CPI [4]	real, Jan09=100	105.7	107.8	111.0	115.7	121.1	119.6	117.5	114.6	114.3	108.5	107.9	106.5	104.7	102.2	104.7
USD/RON, calculated with PPI [4]	real, Jan09=100	99.6	101.4	103.2	107.2	110.2	108.2	107.4	106.0	106.8	102.2	102.5	100.7	99.1	96.9	.
DOMESTIC FINANCE																
Currency in circulation	RON mn, eop	26808	26393	27051	26250	26833	26477	26976	28501	28744	29387	29147	29404	30631	.	.
M1	RON mn, eop	81630	80048	79277	77801	77853	78094	80109	82355	82357	83917	84394	83779	85900	.	.
Broad money	RON mn, eop	202867	199168	197929	196430	196388	198152	200073	204514	205650	209012	207849	209560	216368	.	.
Broad money	CPPY	7.1	7.2	5.4	3.5	2.9	2.9	2.6	5.5	5.2	6.7	6.8	6.2	6.7	.	.
Central bank policy rate (p.a.) [5]	%, eop	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.00	6.00	5.75	5.50
Central bank policy rate (p.a.) [5][6]	real, %	-3.0	-3.6	-4.2	-4.3	-3.1	-1.6	-2.0	-2.8	-2.2	-1.7	-1.9	-1.7	-0.7	0.0	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	RON mn	-35676	.	.	-4016	.	.	-9262	.	.	-13911	.	.	.	.	.

1) Enterprises with 4 and more employees.
2) Nominal wages deflated with HICP.
3) Including E (electricity, gas, steam, air conditioning supply etc.).
4) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
5) One-week repo rate.
6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

S L O V A K I A: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	20.5	19.6	10.9	7.1	7.7	11.5	4.3	4.2	4.3	7.4	7.7	0.5	0.4	7.6	.
Industry, NACE Rev. 2	real, CCPPY	18.8	19.6	15.1	12.1	11.0	11.1	9.9	9.1	8.5	8.4	8.3	7.5	6.9	7.6	.
Industry, NACE Rev. 2	real, 3MMA	19.0	16.8	12.1	8.5	8.7	7.8	6.7	4.3	5.4	6.6	5.1	2.9	2.8	.	.
Productivity in industry, NACE Rev. 2	CCPPY	22.8	13.5	9.1	6.3	5.3	5.5	4.5	3.9	3.5	3.5	3.5	2.9	2.4	7.4	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-14.4	-9.4	-6.1	-3.3	-2.2	-1.3	-0.6	-0.1	0.7	0.7	0.6	1.1	1.3	-0.7	.
Construction, NACE Rev. 2	real, CPPY	0.0	-0.8	-7.9	0.5	-7.2	-4.3	-1.2	-3.7	-6.1	5.3	-1.0	-1.4	5.2	-7.9	.
Construction, NACE Rev. 2	real, CCPPY	-4.6	-0.8	-4.6	-2.5	-4.1	-4.1	-3.5	-3.5	-4.0	-2.8	-2.6	-2.4	-1.8	-7.9	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	2339.4	.	.	2332.0	.	.	2355.6	.	.	2366.3	.	.	2351.5	.	.
Employed persons, LFS	CPPY	0.4	.	.	2.1	.	.	1.9	.	.	1.3	.	.	0.5	.	.
Unemployed persons, LFS	th. pers., quart. avg	377.4	.	.	376.1	.	.	356.7	.	.	358.2	.	.	382.1	.	.
Unemployment rate, LFS	%	13.9	.	.	13.9	.	.	13.2	.	.	13.1	.	.	14.0	.	.
Unemployment, registered	th. persons, eop	381.2	391.6	395.4	392.5	384.5	380.0	383.0	386.3	384.2	390.6	390.1	393.1	399.8	408.9	411.8
Unemployment rate, registered	%, eop	12.5	13.0	13.2	13.1	12.9	12.8	13.0	13.2	13.1	13.4	13.3	13.3	13.6	13.7	13.8
WAGES																
Total economy, gross	EUR, quart. avg.	844	.	.	746	.	.	781	.	.	769	.	.	848	.	.
Total economy, gross [1]	real, CPPY	2.7	.	.	-0.6	.	.	-1.0	.	.	-1.5	.	.	-4.0	.	.
Industry, gross, NACE Rev. 2	EUR	868	765	750	809	797	840	850	815	812	817	802	954	877	816	.
PRICES																
Consumer - HICP	PP	0.2	2.1	0.3	0.4	0.5	0.3	-0.1	-0.2	0.1	0.3	0.2	0.5	0.1	1.5	0.2
Consumer - HICP	CPPY	1.3	3.2	3.5	3.8	3.9	4.2	4.1	3.8	4.1	4.4	4.6	4.8	4.6	4.1	4.0
Consumer - HICP	CCPPY	0.7	3.2	3.4	3.5	3.6	3.7	3.8	3.8	3.8	3.9	4.0	4.0	4.1	4.1	4.0
Producer, in industry, NACE Rev. 2	PP	0.2	1.4	0.5	0.8	0.7	0.3	-0.3	-0.4	0.5	-0.1	0.0	0.0	-0.4	0.3	.
Producer, in industry, NACE Rev. 2	CPPY	1.9	4.4	5.7	5.8	5.6	5.1	4.5	3.4	3.8	4.0	3.8	3.8	3.2	2.1	.
Producer, in industry, NACE Rev. 2	CCPPY	0.1	4.4	5.1	5.3	5.4	5.3	5.2	4.9	4.8	4.7	4.6	4.5	4.4	2.1	.
FOREIGN TRADE, EU definition																
Exports total (fob),cumulated	EUR mn	48777	4121	8541	13618	18177	23137	27971	32277	36783	41941	47327	52668	57037	.	.
Imports total (fob),cumulated	EUR mn	49052	3957	8274	13261	17883	22827	27548	31907	36308	41165	46033	51149	55523	.	.
Trade balance,cumulated	EUR mn	-276	165	267	356	294	310	423	371	474	775	1295	1519	1514	.	.
Exports to EU-27 (fob), cumulated	EUR mn	41144	3613	7387	11689	15581	19796	23902	27571	31353	35656	40152	44652	48292	.	.
Imports from EU-27 (fob), cumulated	EUR mn	35308	2844	5998	9672	12958	16547	20007	23146	26373	29943	33423	37078	40120	.	.
Trade balance with EU-27, cumulated	EUR mn	5836	769	1389	2017	2623	3248	3894	4424	4981	5713	6729	7574	8171	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-2278	.	.	156	.	.	-171	.	.	-134	.	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [2]	nominal	0.7564	0.7485	0.7327	0.7143	0.6924	0.6969	0.6950	0.7011	0.6972	0.7262	0.7296	0.7377	0.7588	0.7749	0.7562
EUR/EUR, calculated with CPI [3]	real, Jan09=100	96.3	98.6	98.5	97.8	97.7	97.9	97.9	98.2	98.1	97.7	97.6	98.0	97.7	99.8	99.5
EUR/EUR, calculated with PPI [3]	real, Jan09=100	95.3	95.7	95.5	95.4	95.3	95.8	95.5	94.8	95.4	95.0	94.9	94.7	94.5	94.1	.
USD/EUR, calculated with CPI [3]	real, Jan09=100	96.9	99.4	101.4	103.4	106.4	105.6	106.0	104.8	105.2	101.1	101.1	100.6	98.1	97.1	99.3
USD/EUR, calculated with PPI [3]	real, Jan09=100	90.0	90.8	91.8	93.3	95.1	94.3	94.4	92.9	94.5	90.3	91.1	89.8	87.3	85.3	.
DOMESTIC FINANCE																
Currency in circulation [4]	EUR mn, eop	7324	7160	7149	7186	7265	7320	7420	7500	7432	7489	7556	7601	7667	7473	7467
M1 [4]	EUR mn, eop	26443	25967	25959	25334	25448	25582	25888	25367	25411	25377	25420	25637	26770	25807	26056
Broad money [4]	EUR mn, eop	40578	40573	40397	40131	40441	40674	40872	40687	41422	41071	40948	41285	40843	40557	40994
Broad money [4]	CPPY	4.4	6.1	3.9	2.8	1.8	1.6	3.9	3.6	5.0	5.0	4.6	4.3	0.7	0.0	1.5
Central bank policy rate (p.a.) [5]	%, eop	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00
Central bank policy rate (p.a.) [5][6]	real, %	-0.9	-3.3	-4.4	-4.5	-4.2	-3.7	-3.1	-1.8	-2.2	-2.4	-2.2	-2.4	-2.1	-1.0	.
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	-5054	.	.	-663	.	.	-1522	.	.	-1987	.	.	.	.	.

1) Nominal wages deflated with HICP.
2) Reference rate of ECB.
3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
4) From January 2009 Slovakia's contributions to EMU monetary aggregates.
5) Official refinancing operation rate for euro area (ECB).
6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

S L O V E N I A: Selected monthly data on the economic situation 2010 to 2012

(updated end of Mar 2012)

		2010 Dec	2011 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012 Jan	Feb
PRODUCTION																
Industry, NACE Rev. 2	real, CPPY	13.8	14.2	7.3	7.0	4.1	5.0	4.0	-0.9	-1.1	3.1	-1.5	1.2	-7.3	1.1	.
Industry, NACE Rev. 2	real, CCPPY	6.2	14.2	10.7	9.3	8.0	7.3	6.7	5.6	4.8	4.6	4.0	3.7	2.8	1.1	.
Industry, NACE Rev. 2	real, 3MMA	10.4	11.7	9.3	6.1	5.4	4.4	2.8	0.8	0.5	0.3	0.9	-2.4	-1.7	.	.
Productivity in industry, NACE Rev. 2	CCPPY	12.2	.	.	12.8	.	.	9.8	.	.	7.3	.	.	4.8	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPPY	-3.3	.	.	-6.8	.	.	-4.9	.	.	-3.0	.	.	-0.9	.	.
Construction, NACE Rev. 2 [1]	real, CPPY	-12.2	-20.9	-23.6	-29.7	-27.0	-29.4	-36.2	-27.0	-31.2	-17.4	-25.5	-9.6	-24.5	-19.7	.
Construction, NACE Rev. 2 [1]	real, CCPPY	-17.0	-20.9	-22.2	-25.3	-25.8	-26.7	-28.7	-28.4	-28.8	-27.4	-27.2	-25.6	-25.6	-19.7	.
LABOUR																
Employed persons, LFS	th. pers., quart. avg	963.4	.	.	928.4	.	.	937.9	.	.	944.7	.	.	933.5	.	.
Employed persons, LFS	CPPY	-1.9	.	.	-3.8	.	.	-3.1	.	.	-2.4	.	.	-3.1	.	.
Unemployed persons, LFS	th. pers., quart. avg	80.7	.	.	85.9	.	.	78.0	.	.	80.2	.	.	89.0	.	.
Unemployment rate, LFS	%	7.8	.	.	8.5	.	.	7.7	.	.	7.9	.	.	8.7	.	.
Unemployment, registered	th. persons, eop	110.0	115.1	115.6	113.9	111.6	108.6	107.1	107.6	107.0	107.0	110.9	111.1	112.8	116.0	.
Unemployment rate, registered	%, eop	11.8	12.3	12.3	12.2	11.9	11.6	11.4	11.5	11.5	11.5	11.9	11.9	12.1	12.5	.
WAGES																
Total economy, gross	EUR	1534	1496	1494	1524	1505	1516	1521	1500	1524	1507	1510	1652	1546	1529	.
Total economy, gross [2]	real, CPPY	0.9	1.0	2.3	-0.7	-0.6	0.3	0.4	0.3	1.3	-0.8	-1.4	-1.7	-1.3	-0.1	.
Industry, gross, NACE Rev. 2	EUR	1408	1352	1381	1412	1357	1377	1391	1357	1423	1381	1377	1607	1438	1416	.
PRICES																
Consumer - HICP	PP	0.1	-0.4	0.0	1.4	0.7	0.8	-0.6	-1.1	0.3	0.6	0.8	0.2	-0.5	-0.3	0.6
Consumer - HICP	CPPY	2.2	2.3	2.0	2.4	2.0	2.4	1.6	1.1	1.2	2.3	2.9	2.8	2.1	2.3	2.8
Consumer - HICP	CCPPY	2.1	2.3	2.2	2.2	2.2	2.2	2.1	2.0	1.9	1.9	2.0	2.1	2.1	2.3	2.5
Producer, in industry, NACE Rev. 2	PP	0.2	1.1	1.1	0.4	0.4	-0.1	0.5	-0.1	0.2	-0.1	-0.1	0.1	0.1	0.0	-0.5
Producer, in industry, NACE Rev. 2	CPPY	4.2	5.2	6.0	6.0	5.7	4.2	4.4	4.1	4.2	4.1	3.7	3.6	3.6	2.5	0.8
Producer, in industry, NACE Rev. 2	CCPPY	2.0	5.2	5.6	5.7	5.7	5.4	5.3	5.1	5.0	4.9	4.8	4.7	4.6	2.5	1.6
FOREIGN TRADE, EU definition																
Exports total (fob), cumulated	EUR mn	22026	1855	3804	6100	8154	10331	12492	14582	16421	18687	20806	23060	24963	.	.
Imports total (cif), cumulated	EUR mn	22700	1874	3876	6238	8307	10599	12698	14736	16685	19013	21167	23468	25495	.	.
Trade balance total, cumulated	EUR mn	-674	-19	-72	-138	-153	-269	-206	-154	-264	-326	-361	-407	-531	.	.
Exports to EU-27 (fob), cumulated	EUR mn	15656	1409	2816	4467	5929	7498	9005	10466	11730	13325	14820	16425	17712	.	.
Imports from EU-27 (cif), cumulated	EUR mn	15403	1220	2563	4173	5532	7136	8577	9974	11261	12858	14302	15842	17240	.	.
Trade balance with EU-27, cumulated	EUR mn	252	189	253	294	397	363	428	492	470	467	518	583	472	.	.
FOREIGN FINANCE																
Current account, cumulated	EUR mn	-297	.	.	-54	.	.	15	.	.	-70	.	.	.	.	.
EXCHANGE RATE																
EUR/USD, monthly average [3]	nominal	0.7564	0.7485	0.7327	0.7143	0.6924	0.6969	0.6950	0.7011	0.6972	0.7262	0.7296	0.7377	0.7588	0.7749	0.7562
EUR/EUR, calculated with CPI [4]	real, Jan09=100	99.8	99.8	99.3	99.6	99.7	100.5	99.9	99.3	99.3	99.3	99.7	99.7	98.9	99.2	99.2
EUR/EUR, calculated with PPI [4]	real, Jan09=100	97.7	97.7	98.1	97.6	97.2	97.2	97.7	97.3	97.7	97.2	97.1	97.0	97.3	96.5	95.9
USD/EUR, calculated with CPI [4]	real, Jan09=100	100.4	100.5	102.3	105.3	108.7	108.4	108.1	105.9	106.5	102.7	103.3	102.4	99.3	96.5	99.1
USD/EUR, calculated with PPI [4]	real, Jan09=100	92.3	92.8	94.3	95.4	97.0	95.7	96.5	95.3	96.7	92.5	93.2	92.0	89.9	87.5	88.6
DOMESTIC FINANCE																
Currency in circulation	EUR mn, eop	3449	3377	3369	3384	3411	3445	3475	3537	3504	3532	3568	3578	3651	3582	.
M1	EUR mn, eop	8420	8482	8492	8424	8514	8553	8507	8554	8576	8540	8359	8687	8546	8731	.
Broad money	EUR mn, eop	18984	18969	19020	18883	18914	19149	19161	19343	19365	19397	19488	19577	19639	19732	.
Broad money	CPPY	2.4	1.6	3.0	1.2	1.5	1.4	2.2	2.4	2.6	3.3	3.9	3.2	3.5	4.0	.
Central bank policy rate (p.a.) [5]	%, eop	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00
Central bank policy rate (p.a.) [5,6]	real, %	-3.1	-4.0	-4.7	-4.8	-4.2	-2.9	-3.0	-2.5	-2.6	-2.5	-2.1	-2.3	-2.5	-1.4	0.2
BUDGET, ESA'95 EDP																
General gov.budget balance, cum.	EUR mn	-2071	.	.	-813	.	.	-1505	.	.	-1961	.	.	.	.	.

1) Enterprises with 20 and more employees or turnover limits and output of some non-construction enterprises.
2) Nominal wages deflated with HICP.
3) Reference rate of ECB.
4) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.
5) Official refinancing operation rate for euro area (ECB).
6) Deflated with annual PPI.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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