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Iraq crisis, oil price and economies in transition

BY VASILY ASTROV

The short-term forecasting of economic developments in transition countries is complicated by the uncertainty regarding the oil prices in the coming months. The plans of the US government to launch a war against Iraq have already brought about an increase in the world price of oil, which now trades at above USD 30 per barrel. None of the countries of the region (with the major exception of Russia) has sufficient own oil production to cover domestic needs, and crude oil and oil products account for an important part of their imports. True, as can be seen from Table 1, the role of oil in primary energy consumption of most CEECs is fairly modest as compared e.g. to the more advanced countries such as Germany or

the USA.[1] Nor is the PPP-adjusted oil intensity of production particularly high – with the exception of Russia and Serbia and Montenegro (column 2 of Table 1). However, when measured at market exchange rates (column 3), the oil intensity of transition economies appears much higher, and it is this parameter which makes them vulnerable to the oil price volatility. An oil price shock, if it happens, will be a fairly heavy burden on their relatively small economies.

Obviously, the impact of rising world oil prices on oil-importing (most countries of the region) and oil-exporting countries (in the first place Russia, but also Kazakhstan and Azerbaidzhan) will be the opposite. In the case of most CEE countries, the rising price of imported oil will affect the costs of production and thus translate into higher prices. In turn, higher prices will bring about a decline in the level of aggregate demand. Therefore, the likely outcome in these countries will be a combination of

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[1] Primary energy consumption includes energy consumption in refineries, heating plants, and electric power stations.

Table 1

Selected indicators of oil dependence, year 2000

	Share of oil in primary energy consumption, %	Oil intensity of GDP (barrels per 1 mn dollar of GDP at PPP)	Oil intensity of GDP (barrels per 1 mn dollar of GDP at ER)
	2000	**2000**	**2000**
Czech Republic	23.1	423	1166
Hungary	28.3	425	1136
Poland	24.4	438	1024
Slovak Republic	17.4	391	1209
Slovenia	39.9	599	1111
Bulgaria	20.6	582	2673
Romania	25.8	554	1935
Croatia	46.2	821	1748
Macedonia	31.7	520	1938
Serbia & Montenegro	19.4	928[1]	2485
Russia	18.6	954	3524
Ukraine	11.5	657	4215
Austria	38.9	438	508
Germany	41.0	476	543
Japan	51.5	614	425
USA	38.9	730	730

Note: 1) wiiw estimate.

Source: **wiiw** calculations based on data taken from EIA and the **wiiw** Database.

a slowdown in the growth of GDP and higher inflation. In the case of Russia, where crude oil accounts for a quarter and all energy carriers for half of exports, the 'windfall profits' of oil companies will, via the multiplier effect, further stimulate demand and thus accelerate economic growth, at least in the short run. At the same time, inflation may follow as well, especially because higher world prices will put an upward pressure on already very low domestic prices for oil.[2]

Table 2 presents some back-of-the-envelope estimates of the impact the looming war with Iraq might have on the GDP and external balances of the countries of the region due to a spike in world oil prices. We base our calculations on the assumption that the average world oil price in 2003 will stand at USD 30 per barrel, which represents a growth of USD 6.5 per barrel against 2002.[3] In fact, this is a rather conservative assumption, given that oil already now trades at above USD 30 per barrel, and is based on the 'benign' scenario of war. Although the war itself will be most probably accompanied by a sharp rise in oil price – e.g. to USD 40 per barrel, a fairly brief military campaign followed by a victory of the US-led coalition, quick removal of the present Iraqi leadership and the absence of hostile measures on the part of other Middle Eastern countries vis-à-vis the US, will prove an important stabilizing effect and will exert a considerable downward pressure on oil prices subsequently. Most importantly, the 'benign' scenario assumes no major damage to Iraqi oil

facilities (be it due to the war itself, or to a possible 'revenge'-related deliberate destruction of facilities by the regime of Saddam Hussein) and hence no substantial disruptions to oil deliveries from Iraq and the adjacent countries. If the war is brief and victorious and Iraqi oil capacity remains intact, the production of oil in Iraq will almost certainly rise from the current level of some 2.5 million barrels per day – either to 2.8 million barrels per day, which corresponds to the old share allotted to Iraq in OPEC, or even more than that, which is realistic in case the country is fully controlled by the occupier, who may want to push Iraq out of OPEC. Therefore, it is not impossible that the world oil price may decline substantially by the end of the year, say, to levels between USD 20 and 25 per barrel, so that the assumption of an average annual price of USD 30 can be justified.

In the short run (which we are primarily interested in), the demand for oil of the oil-importing countries of the region is price-inelastic so that the 'oil bill' these countries have to pay rises along with the world price. Similarly, Russia, which will benefit from the new oil price spike, will be unable to raise its production (and export) volumes in the short run – mainly due to bottlenecks in its exporting capacity.

According to our calculations, higher oil prices and the related deterioration in the current account will bring about a decline in real GDP[4] in all countries of the region, except Russia. The current account deficit of oil-importing countries will deteriorate, in some cases (such as in that of Slovakia, Bulgaria and Serbia and Montenegro) by more than 1 percentage point, accounting for a decline in real GDP of a similar magnitude. The impact on Romania (which covers half of its oil consumption through domestic production) and the more advanced CEE countries, which are relatively less dependent on oil, will be more limited. Ukraine will be hit the hardest (–1.3% drop in real GDP),

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[2]   The price of crude oil in the Russian domestic market is only a fraction of the world price, plunging at times to as low as USD 5 per barrel (such as in January 2003).

[3]   The average world price of crude oil (spot price, weighted by estimated export volumes, f.o.b.) in the year 2002 stood at USD 23.5 per barrel. Therefore, our assumption of a USD 30 price for the year 2003 implies a price increase of 27.7% against the previous year. In fact, the major oil blend being imported by the countries in question – the Urals blend coming from Russia – traded in 2002 somewhat above the world average price (albeit e.g. below the Brent oil of the UK). However, it seems reasonable to assume that the price for Urals in relative terms will increase at the same pace as the world average price, and we base our calculations on this assumption.

[4]   We assume constant real exchange rates of respective currencies against the US dollar.

Table 2

The implications of an oil price surge on transition economies

	Net imports of oil and oil products mn USD per day [1]	Additional annual oil bill in 2003 based on assump. of USD 30 per barrel, USD mn	% change in real GDP [6] due to oil price shock, proj.	Current account as % of GDP, with oil price shock, proj.	Change in CA, due to oil price shock, proj. perc. points of GDP
	2002	**2003**	**2003**	**2003**	**2003**
Czech Republic	3.8	389	-0.5	-4.8	-0.5
Hungary	1.9	191	-0.2	-5.4	-0.3
Poland	8.0	805	-0.4	-4.1	-0.4
Slovak Republic	3.2 [2]	319	-1.1	-5.7	-1.2
Slovenia	1.4	145	-0.6	-0.2	-0.6
Bulgaria	2.4 [3]	243	-1.3	-4.4	-1.3
Romania	1.1	112	-0.2	-4.9	-0.2
Croatia	1.8	178	-0.7	-4.1	-0.7
Macedonia	0.2 [4]	20	-0.5	-6.4	-0.5
Serbia & Montenegro	1.8 [4]	182	-1.1	-13.0	-1.2
Russia	-73.2 [5]	-7403	1.9	8.8	1.8
Ukraine	5.6 [5]	571	-1.3	1.0	-1.3

Notes: 1) Based on the latest available statistics for the largest available number of months of the year 2002. - 2) Including natural gas. - 3) Mineral fuels total. – 4) Gross imports. - 5) Crude oil only. - 6) Based on the assumption of constant real exchange rate of respective currency against the US dollar.
Source: **wiiw** calculations and forecasts based on national statistics.

though it will still be able to maintain its current account surplus. In turn, Russian GDP would rise by nearly 2 percentage points.

The true short-run impact of a spike in the world oil price is likely to be greater than suggested by our findings, which do not allow for secondary (multiplier) effects triggered by an oil price shock. However, in the medium term, the damage due to the shock (the benefit in the case of Russia) will be smaller, with domestic economic agents gradually reducing their reliance on oil in favour of alternative energy carriers.

Iraq and the Balkans

BY VLADIMIR GLIGOROV

Most Balkan countries have expressed their support for the USA in the current Iraq crisis. The only exception has been Serbia, which has declared its neutrality. This, however, does not extend to the Union of Serbia and Montenegro because the other partner in the Union, Montenegro, has come out in support of the USA. The reactions from the EU have been ambiguous, some officials saying that it is not consistent to 'be allied economically with the EU and in security with the USA', while the official line is that this Balkan stance will have no influence on its relation with the EU.

The comment about the divergence of economic and security interests is important because it describes the situation that the Balkans has found itself in with respect to the European and Atlantic integrations. While Central European and the Baltic countries have been accepted both into the NATO and into the EU, the Balkans have remained divided. Bulgaria and Romania are members of NATO, but they have been left out of the current EU enlargement. Croatia, Macedonia and Albania are participating in the NATO's Membership for Peace, but are still at the early stages of EU accession. Bosnia and Herzegovina and Serbia and Montenegro are for the moment out of both structures. And then there is Kosovo, which is a protectorate of the UN, EU and NATO.

All of these countries and territories depend economically on the EU, but the EU does not fully provide for their security. In Bosnia and Herzegovina the EU has taken over the police function, and in Macedonia the EU has taken over from NATO the peace keeping function. Similar developments can be expected in Kosovo in the future. These are important responsibilities for the security of these countries that the EU is taking over from NATO – but they are poor substitutes for the full integration into the EU and NATO

structures. This is especially the case with respect to external security, i.e., the security threats emanating from the neighbours rather than those emanating from within the countries themselves. The latter are also important and are partly addressed by the presence of the EU police, but the former security threats are the more fundamental ones and are increasing with the withdrawal of NATO.

These threats are increasing for two reasons. One is the consequence of the temporary character of the political arrangements in a large part of the region called Western Balkans by the EU. Maybe the easiest way to see this is to recall the principle put forward by Immanuel Kant in his 'Perpetual Peace', which is very much discussed nowadays in the context of the crisis in Iraq. The first principle of perpetual peace reads: 'No conclusion of peace shall be considered valid as such if it was made with a secret reservation of the material for a future war.' In other words, no peace agreement is sustainable if it contains the seeds of future conflicts. If this is taken as a criterion with which various peace agreements in the Balkans can be judged, the inescapable conclusion is that all these agreements fail to satisfy this criterion. In particular, this is the case with the Dayton peace agreement on Bosnia and Herzegovina, with the Security Council resolution 1244 on Kosovo, with the Ohrid agreements in Macedonia, and even with the Constitutional Charter on which the Union of Serbia and Montenegro is based. All of them contain the seeds of future conflicts and, taken together, create a region with security problems that cannot be controlled without outside support.

This leads to the second problem, which is the instability of the existing security arrangements in the Balkans in the face of outside security shocks. That is where the current Iraq crisis comes in. It brings in three distinct security shocks to the Balkans.

(1) Increased instability in the current political arrangements. Most of the existing political

arrangements, mentioned above, are products of direct intervention by the USA. The potential withdrawal of the US without its presence being substituted by NATO membership, which is the current state of affairs in the Western Balkans, revitalizes the 'seeds of conflicts' that exist in the current security arrangements. This can already be seen in the increased tensions in and around Kosovo. Other dormant problems can re-emerge if the former one is not handled convincingly.

(2) Increased problems in regional cooperation as the consequence of heightened security tensions. The political process of regional cooperation and integration has not advanced very much as it is and can be overtaken by regional tensions, distrust and disagreements. This can have significant consequences in areas in which the political problems are indeed regional. For instance, the process of cooperation between Serbia, Bosnia and Herzegovina, and Croatia, which is the key to the stability in Bosnia and Herzegovina, has stalled. Also, the succession talks have been leading nowhere lately.

(3) The progress towards economic self-sustainability can be derailed. Already the positive momentum of the political changes in Croatia and Serbia have been exhausted. This is especially true of Serbia. After one year of reforms, they have all but come to a standstill. Macroeconomic stability is threatened by high current account and fiscal deficits. In the environment of stagnation, social tensions are rising because of the limited and distorted labour market. These problems are to be found throughout the Balkans as the whole region continues to depend to a significant extent on foreign financial support. They will become even more pronounced once the costs of the Iraq crisis start to sink in. This does not refer only to higher oil prices, but more importantly to the lower inflow of foreign financial support that can be expected to be diverted to the Middle East. Still, the highest risk is perhaps associated with the possible rise in interest rates that will make existing public and corporate debts unsustainable.

Given the potential security and economic problems, the current EU involvement in the Balkans is hardly capable of dealing with them. The process of EU integration is slow and thus cannot provide a credible alternative to regional conflicts and threats of further disintegration. Indeed, the process is uneven because the various countries and territories in the region have different arrangements with the EU. This diversity saps the possibility for regional cooperation rather than furthering it.

Finally, the EU cannot substitute the NATO and the US security role because it does not have the necessary resources and because the US is a party in all the security and constitutional arrangements in the region. Thus, the local support for the US policy in Iraq is an expression of the fact that the withdrawal of the US from the Balkans creates a security vacuum with incalculable consequences.

Structural change and productivity growth in Central and Eastern Europe

BY PETER HAVLIK*

Introduction

In this contribution we examine the effects of the structural changes that have recently occurred in Central and Eastern Europe on aggregate productivity growth. According to the standard hypothesis of the growth-accounting literature, structural change is an important source of growth and productivity improvements (Maddison, 1987). This hypothesis assumes a surplus of labour in some (less productive) parts of the economy (such as agriculture), thus shifts towards higher-productivity sectors (industry) are beneficial for aggregate growth. Even within industry, shifts towards more productive branches should boost aggregate productivity. On the other hand, structural change may have a negative impact on aggregate productivity growth if labour is shifting to industries with slower productivity growth. The 'structural bonus and burden' hypotheses were examined by the example of Asian economies by Timmer and Szirmai (2000), for a large sample of OECD and developing countries (Fagerberg, 2000), and more recently by Peneder for USA, Japan and EU member states (Peneder, 2002, 2003). All studies have failed to confirm the general validity of the structural bonus hypothesis but found some evidence for negative productivity effects of structural change. None of these studies has covered the transition economies of Central and Eastern Europe, which are analysed in this contribution.

The Central and East European candidate countries for EU membership (CEECs) have experienced far reaching changes in the course of their transition to a market economy. One aspect of these changes is reflected in the restructuring of both production and employment patterns. In the following we evaluate the impact of structural changes on aggregate (at GDP level) and manufacturing industry labour productivity growth with the help of a conventional shift-and-share analysis as applied by Timmer and Szirmai (2000), Fagerberg (2000), Peneder (2002) and others. The shift-share analysis provides a simple and convenient tool for investigating how aggregate growth is linked to differential growth of labour productivity at the sectoral level and to the reallocation of labour between industries. It is particularly useful for the analysis of productivity developments in CEECs, where data limitations prevent us from using more sophisticated econometric approaches. Using the same notation as presented in Peneder (2002), we decompose the aggregate growth of labour productivity into three separate effects (see equation 1).

First, the structural component is calculated as the sum of relative changes in the allocation of labour across industries between the final year and the base year, weighted by the value of the sector's labour productivity in the base year. This component is called the static shift effect. It is positive/negative if industries with high levels of productivity (and usually also high capital intensity) attract more/less labour resources and hence increase/decrease their share in total employment. The standard structural bonus hypothesis of industrial growth postulates a positive relationship between structural change and economic growth as economies upgrade from low- to higher-productivity industries. The *structural bonus* hypothesis (see equation 2) thus corresponds to an expected positive contribution to aggregate growth of labour productivity of the static shift effect.

It is not clear whether we can a priori expect to detect a positive structural bonus in the CEECs due to the process of de-industrialization and the shifts from heavy to light industries during transition (see also Landesmann, 2000, Vidovic, 2002).

$$growth(LP_T) = \frac{LP_{T,fy} - LP_{T,by}}{LP_{T,by}} = \frac{\overbrace{\sum_{i=l}^{n} LP_{i,by}(S_{i,fy} - S_{i,by})}^{I:statisticshifteffect} + \overbrace{\sum_{i=l}^{n}(LP_{i,fy} - LP_{i,by})(S_{i,fy} - S_{i,by})}^{II:dynamicshifteffect} + \overbrace{\sum_{i=l}^{n}(LP_{i,fy} - LP_{i,by})S_{i,by}}^{III:withingrowtheffect}}{LP_{T,by}} \qquad (1)$$

Notes: LP = labour productivity; by = base year, fy = final year; T = Σ over industries i; S_i = share of industry i in total employment.

The *structural bonus* hypothesis:

$$\sum_{i=l}^{n} LP_{i,by}(S_{i,fy} - S_{i,by}) > 0 \qquad (2)$$

The *structural burden* hypothesis:

$$\sum_{i=l}^{n} (LP_{i,fy} - LP_{i,by})(S_{i,fy} - S_{i,by}) < 0 \qquad (3)$$

Second, *dynamic shift* effects are captured by the sum of interactions of changes in employment shares and changes in labour productivity of individual industries. If industries increase both labour productivity and their share in total employment, the combined effect is a positive contribution to overall productivity growth. (Of course, the same applies if industries are characterized by a simultaneous fall in labour productivity and employment shares.) In other words, the interaction term becomes larger, the more labour resources shift towards industries with fast productivity growth. The interaction effect is however negative, if industries with fast growing labour productivity cannot maintain their shares in total employment. The negative effect is larger, the more industries with high productivity growth are faced with declining employment shares. Thus, the interaction term can be used to evaluate Baumol's hypothesis of a structural burden of labour reallocation on aggregate growth, which predicts that employment shares shift away from progressive industries towards those with lower growth of labour productivity (Baumol, 1967). We would expect to confirm the validity of the structural burden hypothesis in the CEECs due to the shifts from industry to services at the macro level, respectively, due to the shifts from heavy to light industries within manufacturing.

Third, the '*within growth*' effect corresponds to growth in aggregate labour productivity under the assumption that no structural shifts in labour have ever taken place and each industry has maintained the same share in total employment as in the base year. We must, however, recall that the frequently observed near equivalence of the within growth effect and aggregate productivity growth cannot be used as evidence against differential growth between industries. Even in case that all positive and negative structural effects net out, much variation in productivity growth can be present at the lower level of activities.[1] Furthermore, the majority of CEECs have experienced an absolute fall in employment (at both aggregate level and even more so in manufacturing industry) during the period covered so that productivity growth was usually associated with a reduction of jobs.[2]

Table 1 shows the decomposition of CEECs' productivity growth for the period 1995-2001 at both macro (total gross value added per employed person) and manufacturing industry levels. As far

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[1]   As productivity has a robust tendency to grow, the within growth effect is practically a summation over positive contributions only. In short, offsetting effects of shifts in employment shares of industries with high and low levels of labour productivity, as well as high and low productivity increases, explain why shift-share analyses regularly fail to reveal substantial direct contributions of structural change to aggregate growth.

[2]   This contrasts with developments in the EU where employment (even in manufacturing) has been modestly growing (1.5% p.a. in total, 0.5% p.a. in manufacturing, both in 1995-2000) – see European Commission (2002), p. 27.

Table 1

Decomposition of aggregate and manufacturing productivity growth in CEECs (shift-share analysis), 1995-2001, constant prices

		Percentage of total labour productivity growth explained by:				
		static shift effect	dynamic shift effect	within growth effect	**Total productivity**	
		$LPby*(Sfy-Sby) /LPby$	$(LPfy-LPby)*(Sfy-Sby) /LPby$	$LPfy-LPby)*Sby/LPby$	**effect**	**growth, in % p.a.**
Bulgaria, gross value added (without FISIM)	1996-2000	25.8	-17.4	91.6	100.0	3.1
Bulgaria, manufacturing	1995-2001	19.3	-91.1	-28.23	100.0	-1.2
Czech Republic, gross value added (without FISIM)	1995-2001	4.9	0.0	95.1	100.0	6.4
Czech Republic, manufacturing	1995-2001	-7.6	-31.0	138.7	100.0	3.8
Hungary, gross value added (without FISIM)	1995-2000	8.7	2.6	88.7	100.0	10.8
Hungary, manufacturing	1995-2000	-5.5	30.7	74.7	100.0	12.5
Poland, gross value added (without FISIM)	1995-2000	3.8	2.3	93.8	100.0	11.3
Poland, manufacturing	1995-2001	-13.3	-15.2	128.5	100.0	3.9
Slovak Republic, gross value added (without FISIM)	1995-2001	4.2	1.1	94.7	100.0	7.0
Slovak Republic, manufacturing	1995-2001	2.7	-0.1	97.4	100.0	7.9
Slovenia, gross value added (without FISIM)	1995-2001	4.0	0.0	96.0	100.0	8.7
Slovenia, manufacturing	1995-2001	14.1	-21.4	107.4	100.0	2.3
Romania, gross value added (without FISIM)	1995-2000	-9.2	-10.2	119.4	100.0	8.7
Romania, manufacturing	1995-2001	-16.4	-10.3	126.7	100.0	5.4
Estonia, gross value added (without FISIM)	1995-2000					
Estonia, manufacturing	1995-2000	-9.2	-2.0	111.2	100.0	10.64
Latvia, gross value added (without FISIM)	1995-2000					
Latvia, manufacturing	1995-2001	12.9	-5.9	93.1	100.0	7.50
Lithuania, gross value added (without FISIM)	1995-2000					
Lithuania, manufacturing	1995-2000	18.7	-19.4	100.7	100.0	5.94

Notes: Aggregate productivity based on gross value added at constant prices (without FISIM) and employment according to LFS statistics: Bulgaria: 12 NACE 1-digit sectors (1996-2000), Czech Republic: 8 sectors (1995-2001), Hungary and Poland: 12 sectors (1995-2000), Slovak Republic: 5 sectors (1995-2001), Slovenia: 12 sectors (1995-2001), Romania: 12 sectors (1995-2000), Estonia: 14 sectors (1995-2000). - FISIM: Financial intermediation services indirectly measured. - Manufacturing labour productivity based on gross output at constant prices and employment for 14 NACE 2-digit manufacturing sectors.

Sources: Countries in Transition 2002. wiiw Handbook of Statistics, wiiw, Vienna, 2002; wiiw Industrial Database.

as the economy as a whole is concerned, the structural bonus hypothesis is mostly confirmed, though the contribution of labour shifts from low- to high-productivity sectors creating gross value added was in most cases (except Bulgaria) negligible, in Romania even negative. A detailed inspection of data reveals positive contributions of trade and real estate activities while industry and agriculture usually reduce structural bonus effects as employment shares declined in these sectors. Dynamic shift effects play an even smaller role as far as the contribution to aggregate productivity growth is concerned; structural burden (a negative dynamic shift effect) was detected only in Bulgaria and Romania. The overwhelming part (90 and more per cent) of total productivity growth during the period 1995-2001 can be attributed to productivity growth within individual sectors of the CEECs' economies. This is somewhat surprising given the major restructuring that had occurred in the CEECs. Obviously, in the more recent period of transition (1995-2001) neither static nor dynamic shifts of labour among sectors did have a pronounced impact on aggregate productivity growth: the latter has mostly resulted from across-the-board productivity improvements within individual sectors. In this respect, the CEE economies display broad similarities with present EU member states, where structural change had also a rather weak impact on aggregate growth of labour productivity during 1995-1999 (Peneder, 2002).[3]

However, as data presented in the second part of Table 1 reveal, the situation in manufacturing industry was somewhat different. The evidence for the individual CEECs is mixed, but a structural bonus was detected for Bulgarian, Slovenian, Latvian and Lithuanian (to a lesser degree also Slovak) manufacturing. In the Czech Republic, Hungary and Poland (as well as in Romania and Estonia), the static shift effect has been negative as labour moved away from high-productivity manufacturing branches. As a rule, this effect

resulted largely from labour shifts away from (capital-intensive) industries such as coke and refined petroleum, chemicals, food and beverages. The structural burden hypothesis – a negative dynamic shift effect – of manufacturing could be confirmed for nearly all CEECs. The only exception is Hungary, where the dynamic shift was dominated by simultaneous productivity improvements and positive employment shifts to just two branches: electrical, optical equipment and transport equipment. Nevertheless, the average total productivity improvement in CEECs' manufacturing was again to a large degree determined nearly across the board by productivity improvements within individual manufacturing branches.[4] Havlik (2001) and Hunya (2002) provide some evidence for the key role played by foreign direct investments in productivity improvements and restructuring of CEECs' manufacturing industry.

A decomposition of productivity growth in CEECs' manufacturing during the more recent transition period shows similar characteristics as those observed for the EU countries. Concerning the latter, Peneder (2003) found only weak evidence for the reallocation of labour towards high-productivity branches (at 3-digit NACE level) and could not confirm the structural bonus hypothesis even for a longer time period (1985-1998). Similar findings were obtained earlier by Timmer and Szirmai (2000) for a small sample of Asian economies, as well as by Faberberg (2000) for a number of OECD and developing countries. In this respect, we may conclude that the recent industrial restructuring in the CEE candidate countries does not differ too much from the earlier experience of other countries since shifts of labour among individual 2-digit NACE industries do not play a major role in total productivity improvements. There is some evidence of a structural burden effect in CEECs' manufacturing since employment shifts

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[3] Peneder (2002) has found similar results for EU countries in the period 1995-1999.

[4] Exemptions from a general tendency of productivity growth were in most cases only food, beverages, textiles and leather branches.

towards slow productivity growth industries had, on average, a slightly negative impact on aggregate productivity growth. The overwhelming part of productivity gains in CEECs can be attributed to productivity growth taking place in nearly all manufacturing industry branches – a process stimulated particularly by inflows of FDI. In selected CEECs (especially Hungary and Estonia), manufacturing labour productivity expanded much faster than it did in some 'Asian Tiger' countries during their rapid catch-up period; in several CEECs manufacturing productivity grew faster than in the EU champion Ireland (see Fagerberg, 2000).

The period of fast industrial restructuring seems to be over in most CEECs and the recent productivity growth in these countries displays similar characteristics as in other market economies. In selected CEECs and a few industrial branches, there has been a spectacular productivity catching-up in the period after 1995. In contrast to the EU, this has usually been associated with considerable job losses. In the context of the EU's Lisbon Strategy, which aims at improved competitiveness and high employment growth, the main accent in the new EU member states should be focused on, at least, retaining existing jobs while simultaneously maintaining the recent pace of productivity improvements.

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Poland's macro policy under a critical reassessment

BY LEON PODKAMINER

Marek Belka served twice as Poland's Deputy Prime Minister and Finance Minister: from February through October 1997 and more recently from October 2001 until July 2002. His fiscal policies were restrictive during both terms.

In 1997 the primary objective was to 'cool down' growth which was considered too fast to be 'sound'. In actual fact the GDP growth slowed down from 6.8% in 1997 to 4.8% in 1998, when the budget worked out during Mr. Belka's first term was implemented. In many other respects Poland's performance worsened already in 1998 as well: the process of decline in unemployment (which had started in 1994) was then reversed; the growth of industrial production became anaemic (3.5% against 11.5% in 1997), the current account deficit rose strongly (from 3% of the GDP in 1997 to 4.3% in 1998) and the budget deficit rose from 1.2% of the GDP in 1997 to 2.4% in 1998.

Mr. Belka's second term as Deputy Prime Minister and Finance Minster (from October 2001) started under entirely different circumstances – with GDP growth radically 'cooled down' (0.2% in the fourth quarter of 2001), huge fiscal and current account deficits and high and rising unemployment. Despite this the budget for 2002 turned out pretty restrictive too – which was defended with the statement that '... the job of the Finance Minister is to take money from the people, not to give it away ...'. Indeed, the budget stipulated a 10% rise in taxes collected from households and firms with roughly unchanged spending on public consumption and investment. Also, its structure was far from conducive to stimulating domestic demand on both the revenue and expenditure sides. For instance, it stipulated higher excise and VAT rates on a number of goods and services, including electricity – but did not touch the rates at which the personal incomes from

the highest brackets were taxed. It proposed to save on, e.g., social transfers to the most unprivileged (such as the subsidy to the cost of transportation of disabled children to schools) while extending gigantic budgetary payments to wasteful private pension funds.

That such a fiscal policy could not contribute to the revival of growth and to the reduction of unemployment (whose LFS rate rose from 18.5% to 19.8% during 2002) became quite evident already after a few months of 2002. This resulted in Mr. Belka's resignation. Nonetheless, so far the actual changes in the fiscal policies of the current government have in fact been largely cosmetic. It is therefore highly significant that Mr. Belka, currently a consultant to a large foreign-owned bank active in Poland, seems to be reassessing the merits of restrictive fiscal policy under the present circumstances. In a recent interview[1] he states the following:

(1) 'Macroeconomic policy should focus on real convergence, not nominal, even at the price of a higher budget deficit ... This could spur demand – which is the basis for Poland's growth acceleration.'

(2) 'Poland's whole macroeconomic policy, which focuses on nominal convergence, is wrong ... The <present> main goal of both the Finance Ministry and the National Bank of Poland is to meet the Maastricht criteria already in 2005. But this implies cuts in the budget deficit which restrict demand – and hence growth ... The government should consider a temporary increase in the budget deficit, to stimulate domestic demand and thus growth ... If output cannot be sold, the economy stagnates. The demand is insufficient – we have forgotten there is something called demand ... But the output level depends, in the short run, on demand. GDP is

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[1]   The interview was given to Internet Securities Businesswire on 18 Feb. 2003. Its full text (in Polish) is available under http://euro.bankier.pl/research/news.

determined by demand, job creation requires demand ...'

(3) 'Of course I am glad that Poland's budget deficit is at about 4.5% of the GDP. But in Hungary that deficit is about 10%, and in the Czech Republic 8-9%. Are these two countries considered as approaching a catastrophe, do they face currency crises? These are the questions worth answering.'

(4) 'The budget deficit for 2003, which is set at 4.9% of the GDP, is harmful, but one must grow out of it in a natural way, not artificially – not through cuts in expenditure which undercut the growth objectives, as was the case in recent years.'

(5) 'All the problems of the Polish economy are home-made, they have not come from abroad.'

(6) 'If the growth rate fell suddenly from 5 to 1%, this would mean that we had a very bad macro policy ... Monetary policy is only one of the main sources of our problems, the fiscal policy is another.'

The interview contains a lot more interesting reflections. Among others, Mr. Belka appears to be 'more cautious than optimistic' about the growth prospects in 2003, fearing an advent of a serious deflation. However, it is the main message about the necessity to redefine Poland's economic priorities which deserves careful consideration – the more so as it reflects the opinion of a professional economist who also has the experience of a politician responsible for public finances.

CONVENTIONAL SIGNS AND ABBREVIATIONS

used in the following section on monthly statistical data

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

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

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B U L G A R I A: Selected monthly data on the economic situation 2001 to 2003

		2001			2002												2003
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
PRODUCTION																	
Industry, total	real, CMPY	-0.7	1.3	-5.0	-2.9	0.1	-2.5	15.5	5.3	3.0	8.5	6.0	6.7	0.6	11.0	0.8	.
Industry, total	real, CCPY	1.5	2.4	0.7	-2.9	-2.7	-3.1	1.3	2.1	1.5	2.8	3.8	3.9	3.2	3.3	2.6	.
LABOUR																	
Employees total	th. persons	1912	1903	1879	1879	1883	1890	1896	1906	1913	1918	1914	1925	1917	1919	1911	.
Employees in industry	th. persons	626	625	619	651	648	647	652	651	651	652	652	657	652	650	642	.
Unemployment, end of period	th. persons	637.3	657.0	662.3	687.8	683.9	669.0	678.6	673.8	659.0	653.3	650.0	644.7	644.3	624.9	602.5	646.8
Unemployment rate[1]	%	16.7	17.2	17.3	18.0	17.9	17.5	17.8	17.6	17.2	17.6	17.5	17.4	17.4	16.9	16.3	17.5
Labour productivity, industry	CCPY	6.6	7.5	5.7	-4.1	-3.8	-4.0	0.3	1.1	0.5	1.5	2.3	2.0	1.1	1.0	0.2	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	0.9	-0.1	1.6	9.2	10.0	10.2	5.0	4.1	4.4	3.3	2.3	2.2	2.9	2.8	3.5	.
WAGES, SALARIES																	
Total economy, gross	BGN	253.0	255.0	270.0	251.0	252.0	265.0	262.0	269.0	265.0	267.0	265.0	272.0	271.0	272.0	282.0	.
Total economy, gross	real, CMPY	7.4	4.1	4.7	1.6	2.0	1.6	-3.3	-0.9	-0.8	1.6	2.3	2.2	3.7	3.3	0.6	.
Total economy, gross	USD	117	116	123	113	112	119	119	126	129	135	132	136	136	139	147	.
Total economy, gross	EUR	129	130	138	128	129	135	134	138	135	137	135	139	139	139	144	.
Industry, gross	USD	122	121	127	116	115	122	120	126	134	136	135	138	135	140	147	.
PRICES																	
Consumer[2]	PM	1.7	0.2	0.6	2.7	1.6	0.8	-0.1	-2.1	-1.7	0.1	-0.7	0.8	1.0	0.2	1.2	0.7
Consumer[2]	CMPY	5.2	4.6	4.8	7.0	8.4	9.2	9.2	6.9	5.2	5.5	4.5	4.0	3.2	3.2	3.8	1.8
Consumer[2]	CCPY	7.9	7.6	7.4	7.0	7.7	8.2	8.4	8.1	7.6	7.3	7.0	6.6	6.3	6.0	5.8	1.8
Producer, in industry	PM	0.2	0.1	-0.5	0.4	1.3	0.8	1.0	-0.4	-1.1	0.5	1.0	1.1	0.6	-0.5	.	.
Producer, in industry	CMPY	1.2	1.2	0.7	1.2	2.4	2.7	3.4	2.3	1.6	2.7	3.7	4.4	4.8	4.2	.	.
Producer, in industry	CCPY	8.4	7.7	7.1	1.2	1.8	2.1	2.4	2.4	2.3	2.3	2.5	2.7	2.9	3.0	.	.
RETAIL TRADE																	
Turnover	real, CMPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Turnover	real, CCPY	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
FOREIGN TRADE[2][3]																	
Exports total (fob), cumulated	EUR mn	4795	5301	5714	428	890	1356	1838	2291	2826	3438	3968	4509	5037	5389	.	.
Imports total (cif), cumulated	EUR mn	6717	7466	8128	563	1154	1776	2481	3203	3865	4622	5259	5936	6708	7419	.	.
Trade balance, cumulated	EUR mn	-1922	-2165	-2414	-135	-264	-419	-643	-913	-1039	-1184	-1291	-1427	-1672	-2030	.	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-541	-697	-842	-131	-181	-236	-373	-474	-376	-259	-99	-48	-188	-450	.	.
EXCHANGE RATE																	
BGN/USD, monthly average	nominal	2.159	2.202	2.192	2.215	2.248	2.234	2.210	2.131	2.048	1.972	2.000	1.995	1.994	1.953	1.924	1.842
BGN/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
BGN/USD, calculated with CPI[4]	real, Jan98=100	106.4	108.0	106.5	105.1	105.3	104.4	104.0	102.4	100.2	96.5	98.8	98.0	97.1	95.0	92.2	87.6
BGN/USD, calculated with PPI[4]	real, Jan98=100	93.4	94.8	93.7	94.6	94.7	94.3	93.1	90.2	87.7	84.3	84.9	84.1	84.3	83.1	.	.
BGN/EUR, calculated with CPI[4]	real, Jan98=100	87.1	86.7	86.3	84.4	83.2	82.9	83.4	85.3	86.7	86.6	87.2	86.8	86.1	86.0	85.1	84.5
BGN/EUR, calculated with PPI[4]	real, Jan98=100	78.9	78.5	78.8	78.7	77.7	77.3	76.8	77.2	77.9	77.6	77.0	76.4	76.0	76.2	.	.
DOMESTIC FINANCE																	
M0, end of period[5]	BGN mn	2571	2642	3081	2925	2897	2855	2873	2781	2828	2900	2997	3022	2998	2987	3335	3113
M1, end of period[5]	BGN mn	4241	4982	4884	4651	4584	4594	4603	4475	4403	4589	4750	4805	4804	4936	5543	5142
Broad money, end of period[5]	BGN mn	11383	11673	12600	12514	12517	12503	12631	12359	12335	12696	12998	13094	13227	13432	14146	13924
Broad money, end of period	CMPY	15.6	18.6	25.2	23.0	21.8	20.2	25.2	19.1	15.8	15.6	17.0	15.7	16.2	15.1	12.3	11.3
BNB base rate (p.a.),end of period	%	4.7	4.9	4.7	4.9	4.6	4.5	4.0	4.0	3.8	3.7	3.8	3.8	3.8	3.8	3.3	2.5
BNB base rate (p.a.),end of period[6]	real, %	3.5	3.6	4.0	3.6	2.2	1.7	0.6	1.6	2.1	1.0	0.2	-0.6	-0.9	-0.4	.	.
BUDGET																	
Government budget balance, cum.	BGN mn	-409.6	-408.3	-664.2	154.2	116.0	205.6	251.3	511.1	521.9	523.8	577.9	658.4	823.5	697.8	3.4	-120.2

1) Ratio of unemployed to total employment, from July 2002 according to new labour force base.
2) Based on cumulated national currency and converted with the average exchange rate.
3) Cumulation starting January and ending December each year.
4) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
5) According to International Accounting Standards.
6) Deflated with annual PPI.

C R O A T I A: Selected monthly data on the economic situation 2001 to 2003

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry, total[1]	real, CMPY	8.3	4.6	5.2	3.3	3.9	-1.0	5.8	3.9	-2.1	10.5	1.3	12.7	9.4	9.9	8.3	0.7
Industry, total[1]	real, CCPY	6.2	6.0	6.0	3.3	3.6	1.9	2.9	3.1	2.2	3.4	3.1	4.2	4.8	5.2	5.5	0.7
Industry, total[1]	real, 3MMA	6.2	6.1	4.4	4.1	1.9	2.8	2.8	2.5	4.0	3.2	8.2	7.8	10.6	9.2	6.4	.
Construction, total, effect.work.time[2]	real, CMPY	11.0	7.8	2.8	9.6	12.8	9.5	19.9	11.7	7.2	17.1	11.5	15.9	12.7	10.8		.
LABOUR																	
Employment total	th. persons	1354.7	1350.2	1337.9	1305.2	1324.0	1326.8	1332.8	1341.5	1352.4	1360.8	1362.3	1357.1	1349.4	1344.0	1333.8	.
Employees in industry[2]	th. persons	288.3	287.0	284.0	282.2	280.1	279.6	279.4	278.4	277.1	276.0	276.0	275.1	275.6	274.7	272.1	.
Unemployment, end of period	th. persons	383.5	385.3	395.1	411.1	414.4	415.4	407.7	394.1	385.0	382.8	379.7	375.8	375.0	369.7	366.2	367.1
Unemployment rate[3]	%	22.3	22.5	23.1	24.0	23.8	23.8	23.4	22.7	22.2	22.0	21.8	21.7	21.7	21.6	21.5	21.5
Labour productivity, industry[1]	CCPY	9.8	9.5	9.3	7.2	7.4	5.6	6.6	6.8	6.0	7.3	7.1	8.3	9.0	9.5	9.8	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	1.1	1.2	1.2	-1.6	-0.8	0.9	1.2	0.7	1.6	0.2	0.3	-0.4	-1.0	-1.5		.
WAGES, SALARIES																	
Total economy, gross	HRK	5051	5325	5142	5159	5017	5224	5352	5507	5374	5433	5398	5289	5447	5687		.
Total economy, gross	real, CMPY	-0.5	1.3	-0.1	-1.5	0.9	0.2	4.7	4.0	5.2	4.8	4.7	6.7	5.6	4.7		.
Total economy, gross	USD	612	639	621	610	582	618	640	682	698	734	716	707	719	762		.
Total economy, gross	EUR	676	719	696	690	669	706	724	746	732	739	732	720	733	762		.
Industry, gross	USD	565	589	561	555	526	554	581	634	644	682	652	642	661	708		.
PRICES																	
Retail	PM	-0.1	-0.2	-0.2	0.8	0.1	0.4	0.4	0.2	0.1	-0.4	-0.1	0.5	0.5	-0.3	0.1	0.4
Retail	CMPY	3.2	2.8	2.6	3.3	2.8	3.2	2.2	1.8	2.2	2.3	1.3	1.5	2.1	2.0	2.3	1.6
Retail	CCPY	5.3	5.1	4.9	3.3	3.0	3.2	2.9	2.6	2.5	2.6	2.4	2.2	2.2	2.3	2.2	1.6
Producer, in industry	PM	0.2	-0.5	-1.0	-0.1	0.6	-1.1	0.9	0.2	0.3	0.5	-0.1	0.4	1.4	-0.6	-0.1	0.5
Producer, in industry	CMPY	2.1	-2.0	-3.1	-2.6	-2.8	-2.3	-1.4	-1.2	-1.0	0.2	0.7	0.4	1.6	1.5	2.3	2.9
Producer, in industry	CCPY	4.8	4.2	3.6	-2.6	-2.7	-2.6	-2.3	-2.1	-1.9	-1.6	-1.3	-1.1	-0.8	-0.6	-0.4	2.9
RETAIL TRADE																	
Turnover	real, CMPY	8.5	8.7	7.7	10.9	13.5	14.7	9.4	12.0	9.1	19.3	14.4	14.0	12.1	10.8	9.8	.
Turnover	real, CCPY	10.4	10.2	10.0	10.9	12.2	13.0	12.1	12.1	11.6	12.7	12.8	13.0	13.0	12.7	12.5	.
FOREIGN TRADE[4][5]																	
Exports total (fob), cumulated	EUR mn	4381	4768	5209	359	722	1181	1658	2144	2525	3060	3404	3840	4323	4718	5182	.
Imports total (cif), cumulated	EUR mn	8572	9468	10230	683	1502	2447	3453	4457	5441	6557	7346	8325	9428	10387	11315	.
Trade balance, cumulated	EUR mn	-4192	-4699	-5021	-324	-779	-1267	-1795	-2314	-2917	-3497	-3943	-4485	-5105	-5668	-6133	.
Exports to EU (fob), cumulated	EUR mn	2458	2666	2853	196	417	657	952	1188	1405	1735	1913	2122	2327	2538	2732	.
Imports from EU (cif), cumulated	EUR mn	4702	5210	5653	350	797	1308	1844	2428	2971	3620	4043	4679	5260	5797	6327	.
Trade balance with EU, cumulated	EUR mn	-2243	-2544	-2800	-154	-380	-651	-893	-1240	-1566	-1885	-2130	-2557	-2933	-3259	-3595	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	-642	.	.	-821	.	.	-1549	.	.	-524	.	.	.	.
EXCHANGE RATE																	
HRK/USD, monthly average	nominal	8.254	8.333	8.286	8.452	8.626	8.455	8.359	8.072	7.697	7.405	7.542	7.484	7.571	7.464	7.298	7.072
HRD/EUR, monthly average	nominal	7.475	7.408	7.391	7.477	7.500	7.403	7.393	7.378	7.344	7.350	7.377	7.347	7.427	7.468	7.423	7.504
HRK/USD, calculated with CPI[6]	real, Jan98=100	119.5	120.6	119.8	121.5	124.4	122.0	120.9	116.5	111.1	107.4	109.8	108.6	109.6	108.4	105.5	101.9
HRK/USD, calculated with PPI[6]	real, Jan98=100	117.7	119.0	118.1	120.9	122.6	122.8	121.3	116.9	111.2	106.8	109.1	108.3	109.0	108.2	105.7	101.9
HRD/EUR, calculated with CPI[6]	real, Jan98=100	97.7	96.8	96.8	97.6	98.0	96.7	96.7	96.5	95.8	96.3	96.9	96.3	97.0	97.8	97.4	98.0
HRD/EUR, calculated with PPI[6]	real, Jan98=100	99.2	98.4	99.1	100.6	100.4	100.5	99.8	99.4	98.6	98.3	98.9	98.3	98.1	98.9	98.7	99.2
DOMESTIC FINANCE																	
M0, end of period	HRK mn	7182	7423	8507	8255	8345	9146	9112	9277	9904	10288	10296	9680	9507	9348		.
M1, end of period	HRK mn	20065	20976	23704	22398	22165	24375	26418	26716	28254	28947	29502	28914	29090	29092	30866	.
Broad money, end of period	HRK mn	90102	95006	106071	108647	107184	106245	106333	106445	106593	109734	113037	113275	114826	114261	116138	.
Broad money, end of period	CMPY	29.1	34.8	45.2	46.7	41.9	37.1	36.9	36.8	33.8	33.8	28.8	28.2	27.4	20.3	9.5	.
Discount rate (p.a.), end of period	%	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	4.5	4.5		.
Discount rate (p.a.), end of period[7]	real, %	3.7	8.1	9.3	8.7	9.0	8.4	7.4	7.2	7.0	5.7	5.2	5.5	2.9	3.0		.
BUDGET																	
Central gov. budget balance, cum.[8]	HRK mn	-2175.5	-2232.1	-3758.5	-498.2	-842.3	-2614.0	-2289.5	-2445.1	-2867.5	-2065.0	-2176.2	-2489.9	-2803.0	-3255.9	-4010.4	.

1) In business entities with more than 19 persons employed.
2) In business entities with more than 10 persons employed.
3) Ratio of unemployed to the economically active population.
4) Based on cumulated national currency and converted with the average exchange rate.
5) Cumulation starting January and ending December each year.
6) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
7) Deflated with annual PPI.
8) From January 2002 including social security funds.

C Z E C H REPUBLIC: Selected monthly data on the economic situation 2001 to 2003

(updated end of Feb 2003)

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry, total	real, CMPY	4.1	6.6	3.7	2.6	5.8	4.1	8.2	5.1	1.3	10.8	-2.8	9.2	3.5	4.4	6.6	.
Industry, total	real, CCPY	6.8	6.8	6.5	2.6	4.2	4.2	5.2	5.2	4.5	5.3	4.3	4.8	4.7	4.7	4.8	.
Industry, total	real, 3MMA	4.0	4.8	4.4	4.0	4.2	6.0	5.7	4.9	5.5	2.8	5.5	3.3	5.5	4.7	.	.
Construction, total	real, CMPY	7.0	2.5	-6.8	3.1	13.8	-2.7	5.2	5.0	-1.5	-1.3	-4.9	6.7	3.5	3.5	4.8	.
LABOUR																	
Employees in industry[1]	th. persons	1170	1172	1164	1157	1161	1161	1156	1159	1158	1160	1154	1147	1144	1140	1131	.
Unemployment, end of period	th. persons	437.3	439.2	461.9	489.0	485.2	471.7	456.4	447.9	454.3	479.2	488.3	492.9	486.7	489.8	514.4	539.0
Unemployment rate[2]	%	8.4	8.5	8.9	9.4	9.3	9.1	8.8	8.6	8.7	9.2	9.4	9.4	9.3	9.3	9.8	10.2
Labour productivity, industry[1][3]	CCPY	6.3	6.4	5.8	1.3	3.6	3.5	5.2	5.6	4.3	5.7	4.7	5.5	5.8	6.1	6.5	.
Unit labour costs, exch.r. adj.(EUR)[1][3]	CCPY	4.8	4.6	5.1	16.3	13.6	13.5	13.1	13.3	13.3	12.2	12.9	12.3	11.8	10.9	10.1	.
WAGES, SALARIES																	
Industry, gross[1]	CZK	14770	16937	15512	14616	13779	14518	14978	15950	15373	15693	15012	14774	15718	17664	16794	.
Industry, gross[1]	real, CMPY	2.5	0.5	0.7	3.8	3.8	2.5	5.5	3.2	2.7	6.7	4.3	5.8	5.2	3.2	6.4	.
Industry, gross[1]	USD	399	452	425	402	377	405	437	479	485	524	477	480	503	575	548	.
Industry, gross[1]	EUR	440	508	476	456	433	463	493	522	507	528	487	489	513	574	538	.
PRICES																	
Consumer	PM	0.0	-0.1	0.1	1.5	0.2	-0.1	-0.1	-0.1	-0.3	0.5	-0.2	-0.5	-0.3	-0.2	0.2	0.6
Consumer	CMPY	4.4	4.2	4.1	3.7	3.9	3.7	3.2	2.5	1.2	0.6	0.6	0.8	0.6	0.5	0.6	-0.4
Consumer	CCPY	4.8	4.7	4.7	3.7	3.8	3.7	3.6	3.4	3.0	2.7	2.4	2.2	2.1	1.9	1.8	-0.4
Producer, in industry	PM	0.7	-0.4	-0.3	0.2	0.2	0.0	-0.5	-0.2	-0.1	-0.4	-0.1	0.0	0.6	-0.1	-0.3	0.0
Producer, in industry	CMPY	1.4	0.9	0.8	0.6	-0.1	-0.2	-0.1	-0.5	-0.8	-1.1	-0.9	-0.9	-0.9	-0.7	-0.7	-0.8
Producer, in industry	CCPY	3.3	3.1	2.9	0.6	0.2	0.1	0.0	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.5	-0.5	-0.8
RETAIL TRADE																	
Turnover	real, CMPY	8.4	8.7	-0.3	4.1	4.3	4.2	5.6	3.3	-0.6	5.4	-4.5	6.7	1.4	-0.4	4.0	.
Turnover	real, CCPY	4.7	5.0	4.5	4.1	4.2	4.2	4.6	4.3	3.5	3.8	2.6	3.1	2.9	2.6	2.7	.
FOREIGN TRADE[4][5]																	
Exports total (fob),cumulated	EUR mn	30924	34483	37265	3071	6343	9863	13516	16927	20336	23582	26404	30113	33935	37723	40623	3340
Imports total (fob),cumulated	EUR mn	33549	37277	40690	3252	6437	10146	13797	17563	20999	24563	27570	31424	35489	39533	43039	3460
Trade balance,cumulated	EUR mn	-2625	-2793	-3425	-181	-95	-282	-280	-636	-663	-981	-1166	-1311	-1554	-1809	-2416	-120
Exports to EU (fob), cumulated	EUR mn	21389	23801	25692	2149	4459	6938	9485	11809	14173	16360	18264	20781	23300	25860	27789	2361
Imports from EU (fob), cumulated	EUR mn	20965	23196	25148	1997	3968	6224	8495	10748	12871	15089	16882	19157	21542	23897	25903	1983
Trade balance with EU, cumulated	EUR mn	424	605	543	152	490	714	990	1061	1302	1270	1382	1624	1758	1962	1886	379
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	-2625	.	.	-427	.	.	-972	.	.	-2535	.	.	.	.
EXCHANGE RATE																	
CZK/USD, monthly average	nominal	37.0	37.5	36.5	36.3	36.5	35.8	34.3	33.3	31.7	30.0	31.5	30.8	31.2	30.7	30.7	29.7
CZK/EUR, monthly average	nominal	33.6	33.3	32.6	32.1	31.8	31.4	30.4	30.6	30.3	29.7	30.8	30.2	30.7	30.8	31.2	31.5
CZK/USD, calculated with CPI[6]	real, Jan98=100	101.1	102.3	99.2	97.5	98.3	97.0	93.4	90.9	86.9	81.7	86.3	85.0	86.7	85.4	84.8	81.5
CZK/USD, calculated with PPI[6]	real, Jan98=100	98.2	99.5	95.9	95.6	95.9	95.1	92.1	89.7	85.6	81.4	85.8	84.2	85.8	84.4	84.4	81.6
CZK/EUR, calculated with CPI[6]	real, Jan98=100	82.8	82.1	80.3	78.2	77.5	76.9	74.8	75.6	75.1	73.3	76.2	75.3	76.8	77.2	78.3	78.6
CZK/EUR, calculated with PPI[6]	real, Jan98=100	82.9	82.3	80.7	79.5	78.6	77.9	76.0	76.6	76.0	75.0	77.8	76.5	77.2	77.3	78.8	79.5
DOMESTIC FINANCE																	
M0, end of period	CZK bn	175.9	181.8	180.4	179.9	182.3	182.8	183.3	184.9	188.5	185.6	190.5	192.2	195.1	198.6	197.8	.
M1, end of period[7]	CZK bn	553.1	566.7	583.6	573.2	575.2	568.8	582.5	605.0	617.5	619.2	639.6	647.4	658.0	669.8	692.3	.
M2, end of period[7]	CZK bn	1540.5	1564.8	1596.0	1590.3	1585.3	1581.6	1606.5	1625.0	1580.5	1594.6	1622.3	1605.6	1635.8	1646.6	1647.3	.
M2, end of period	CMPY	12.2	12.5	13.0	11.0	10.2	9.8	9.5	7.4	4.4	4.3	4.8	4.8	6.2	5.2	3.2	.
Discount rate (p.a.),end of period	%	4.25	3.75	3.75	3.50	3.25	3.25	2.75	2.75	2.75	2.00	2.00	2.00	2.00	1.75	1.75	1.50
Discount rate (p.a.),end of period[8]	real, %	2.8	2.8	2.9	2.9	3.4	3.5	2.9	3.3	3.6	3.1	2.9	2.9	2.9	2.4	2.4	2.3
BUDGET																	
Central gov.budget balance,cum.	CZK mn	-35432	-59797	-67698	-3417	-24923	-15737	-41863	-32401	-915	-26854	-32956	-21434	-32321	-41726	-45715	.

1) Enterprises employing 20 and more persons.

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

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

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

5) Cumulation starting January and ending December each year.

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

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

8) Deflated with annual PPI.

H U N G A R Y: Selected monthly data on the economic situation 2001 to 2003

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry, total	real, CMPY	5.5	-1.2	-2.3	-5.6	1.5	3.3	4.1	-4.2	4.0	7.9	-2.5	11.0	-0.8	4.0	9.6	.
Industry, total	real, CCPY	4.8	4.1	3.6	-5.6	-2.1	-0.4	0.6	-0.3	0.4	1.4	0.9	2.0	1.7	2.0	2.6	.
Industry, total	real, 3MMA	-0.9	0.6	-3.0	-2.2	-0.4	2.9	1.0	1.3	2.5	3.0	5.4	2.5	4.5	4.1	.	.
Construction, total	real, CMPY	6.6	2.9	8.4	12.6	21.8	32.6	33.7	24.1	14.0	17.8	22.8	28.3	10.2	9.4	22.7	.
LABOUR																	
Employees in industry[1]	th. persons	824.1	821.8	812.6	830.5	831.1	828.3	823.6	816.9	815.4	818.7	811.2	809.8	810.6	811.9	804.5	.
Unemployment[2]	th. persons	227.5	235.2	216.9	229.3	230.4	235.3	231.5	229.4	229.7	241.8	242.8	245.0	242.7	244.8	244.0	.
Unemployment rate[2]	%	5.6	5.8	5.4	5.6	5.7	5.8	5.7	5.6	5.6	5.9	5.9	5.9	5.9	5.9	5.9	.
Labour productivity, industry[1]	CCPY	7.0	6.6	5.3	-1.2	1.4	2.8	3.8	2.7	3.4	4.5	3.9	5.1	4.4	4.5	.	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	7.9	8.6	10.1	24.5	21.2	19.5	19.5	20.0	17.5	15.6	15.4	13.9	14.5	13.8	.	.
WAGES, SALARIES																	
Total economy, gross[1]	HUF	106173	124074	136593	112494	108851	113860	114234	118163	118892	116571	113386	120253	125958	142076	162862	.
Total economy, gross[1]	real, CMPY	12.9	14.8	10.5	11.9	12.2	12.8	8.5	13.6	11.7	12.5	11.2	15.7	13.2	9.3	13.7	.
Total economy, gross[1]	USD	377	438	493	408	389	407	418	445	468	469	452	484	508	598	702	.
Total economy, gross[1]	EUR	416	494	552	461	447	465	471	485	490	473	463	493	517	597	690	.
Industry, gross[1]	USD	375	438	433	388	375	403	413	455	453	470	461	456	474	568	579	.
PRICES																	
Consumer	PM	0.3	0.1	0.1	1.3	1.0	0.7	0.9	0.5	-0.4	-0.1	-0.3	0.6	0.6	0.0	0.1	1.2
Consumer	CMPY	7.6	7.1	6.8	6.6	6.2	5.9	6.1	5.6	4.8	4.6	4.5	4.6	4.9	4.8	4.8	4.7
Consumer	CCPY	9.6	9.4	9.2	6.6	6.4	6.2	6.2	6.1	5.9	5.7	5.5	5.4	5.4	5.3	5.3	4.7
Producer, in industry	PM	-0.3	-0.8	-0.7	0.1	0.3	0.3	0.3	0.1	-0.5	0.2	0.0	-0.1	-0.1	-1.3	0.0	.
Producer, in industry	CMPY	1.9	0.0	-0.4	-2.0	-2.3	-2.8	-2.7	-2.0	-1.1	-0.9	-1.0	-1.8	-1.5	-1.9	-1.3	.
Producer, in industry	CCPY	6.3	5.7	5.2	-2.0	-2.2	-2.4	-2.5	-2.4	-2.2	-2.0	-1.9	-1.9	-1.8	-1.8	-1.8	.
RETAIL TRADE																	
Turnover[3]	real, CMPY	5.5	3.2	3.7	13.7	10.1	15.6	10.5	11.4	12.7	8.4	8.1	8.5	9.8	7.8	8.7	.
Turnover[3]	real, CCPY	5.2	5.0	4.8	13.7	11.8	13.2	12.5	12.2	12.3	11.6	11.1	10.8	10.7	10.4	10.2	.
FOREIGN TRADE[4][5]																	
Exports total (fob), cumulated	EUR mn	28251	31550	34087	2605	5593	8860	12042	15181	18278	21185	23757	26909	30076	33434	36436	.
Imports total (cif), cumulated	EUR mn	31266	34713	37659	3418	6681	10053	13516	16834	20059	23412	26213	29546	33244	36818	39933	.
Trade balance, cumulated	EUR mn	-3015	-3163	-3573	-813	-1088	-1194	-1475	-1653	-1781	-2227	-2456	-2637	-3168	-3384	-3497	.
Exports to EU (fob), cumulated	EUR mn	21313	23622	25319	1923	4169	6588	9031	11418	13731	15834	17813	20155	22600	25134	27323	.
Imports from EU (cif), cumulated	EUR mn	18216	20129	21764	1623	3410	5284	7260	9172	11036	13025	14584	16408	18543	20536	22415	.
Trade balance with EU, cumulated	EUR mn	3097	3493	3554	299	759	1304	1771	2246	2695	2809	3229	3747	4057	4597	4908	.
FOREIGN FINANCE																	
Current account, cumulated[6]	USD mn	-1380	-1419	-1754	-230	-385	-421	-723	-837	-1086	-1338	-1317	-1369	-1697	-2007	-2655	.
EXCHANGE RATE																	
HUF/USD, monthly average	nominal	281.5	283.1	277.0	275.9	279.9	279.5	273.6	265.8	254.1	248.6	250.9	248.7	248.2	237.6	231.9	226.1
HUF/EUR, monthly average	nominal	255.5	251.1	247.6	243.9	243.5	244.7	242.4	243.7	242.7	246.6	245.1	243.9	243.6	238.1	236.1	240.2
HUF/USD, calculated with CPI[7]	real, Jan98=100	107.2	107.5	104.8	103.2	104.1	103.7	101.2	97.9	94.0	92.2	93.6	92.4	91.8	87.9	85.5	82.3
HUF/USD, calculated with PPI[7]	real, Jan98=100	111.5	112.6	109.6	109.4	110.5	111.2	109.4	106.2	102.1	100.0	101.2	100.8	101.6	98.6	96.1	.
HUF/EUR, calculated with CPI[7]	real, Jan98=100	88.0	86.2	85.0	83.0	82.2	82.4	81.3	81.4	81.4	82.8	82.6	81.9	81.5	79.7	79.1	79.5
HUF/EUR, calculated with PPI[7]	real, Jan98=100	94.3	93.0	92.3	91.1	90.7	91.1	90.4	90.8	90.8	92.1	91.7	91.6	91.6	90.5	89.9	.
DOMESTIC FINANCE																	
M0, end of period	HUF bn	965.6	1006.8	1037.6	986.0	991.8	1005.0	1029.4	1077.1	1100.7	1136.2	1153.5	1149.4	1161.7	1191.5	1175.1	.
M1, end of period	HUF bn	2478.7	2537.4	2775.9	2564.1	2569.9	2644.2	2662.3	2765.8	2808.5	2830.0	2913.3	2893.8	2930.6	3062.8	3306.1	.
Broad money, end of period	HUF bn	6637.4	6715.1	7089.8	6984.2	6927.4	6985.2	7133.7	7191.4	7214.0	7317.8	7523.0	7491.1	7701.1	7975.1	8409.8	.
Broad money, end of period	CMPY	15.4	13.9	17.1	17.0	15.9	16.2	17.7	16.8	17.0	17.2	15.5	14.5	16.0	18.8	18.6	.
NBH base rate (p.a.),end of period	%	10.8	10.3	9.8	9.0	8.5	8.5	8.5	9.0	9.0	9.5	9.5	9.5	9.5	9.0	8.5	6.5
NBH base rate (p.a.),end of period[8]	real, %	8.7	10.3	10.2	11.2	11.1	11.6	11.5	11.2	10.2	10.5	10.6	11.5	11.2	11.1	9.9	.
BUDGET																	
Central gov.budget balance,cum.	HUF bn	-194.9	-178.5	-413.2	-59.3	-143.1	-186.9	-240.2	-280.2	-359.6	-343.5	-413.7	-507.4	-801.9	-586.3	-1474.7	.

1) Economic organizations employing more than 5 persons.
2) According to ILO methodology, from 2002 3-month averages comprising also the two previous months.
3) Excluding catering.
4) Based on cumulated national currency and converted with the average exchange rate.
5) Cumulation starting January and ending December each year.
6) Revised according to international methodologies.
7) Adjusted for domestic and foreign (US resp. EU) inflation. Values less than 100 mean real appreciation.
8) Deflated with annual PPI.

P O L A N D: Selected monthly data on the economic situation 2001 to 2003

(updated end of Feb 2003)

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry[1]	real, CMPY	1.8	-1.1	-4.8	-1.4	0.3	-3.2	0.3	-4.2	2.1	5.7	-1.2	6.7	3.3	3.1	4.4	4.2
Industry[1]	real, CCPY	1.1	0.9	-0.2	-1.4	-0.6	-1.5	-1.1	-1.7	-1.1	-0.1	-0.2	0.5	0.8	1.1	1.5	4.2
Industry[1]	real, 3MMA	-1.0	-1.3	-2.5	-2.1	-1.5	-0.9	-2.4	-0.7	1.1	2.2	3.7	2.9	4.3	3.6	3.9	.
Construction[1]	real, CMPY	-9.7	-9.5	-10.5	-21.5	-13.9	-14.3	-6.2	-20.3	-13.2	-3.8	-7.8	-6.1	-8.8	-8.4	-10.4	-10.9
LABOUR																	
Employees[1]	th. persons	5044	5020	4952	4940	4931	4924	4907	4896	4898	4884	4876	4864	4870	4862	4839	4736
Employees in industry[1]	th. persons	2589	2576	2528	2494	2492	2486	2475	2471	2471	2462	2457	2451	2462	2462	2448	.
Unemployment, end of period	th. persons	2944.3	3022.4	3115.1	3253.3	3277.9	3259.9	3203.6	3064.6	3090.9	3105.3	3105.6	3112.6	3108.1	3150.8	3217.0	3320.6
Unemployment rate[2]	%	16.4	16.8	17.5	18.1	18.2	18.2	17.9	17.3	17.4	17.5	17.5	17.6	17.5	17.8	18.1	18.7
Labour productivity, industry[1]	CCPY	6.4	6.3	5.8	5.5	6.5	5.5	6.0	5.2	5.7	6.6	6.3	7.1	7.2	7.3	7.4	.
Unit labour costs, exch.r. adj.(EUR)[1]	CCPY	10.3	10.4	10.4	8.4	5.0	3.8	2.0	0.5	-2.2	-4.7	-5.1	-6.0	-6.7	-7.4	-8.0	.
WAGES, SALARIES																	
Total economy, gross[1]	PLN	2252	2302	2471	2188	2189	2252	2226	2255	2232	2289	2253	2302	2263	2343	2532	2247
Total economy, gross[1]	real, CMPY	3.9	3.0	1.8	2.1	2.0	1.5	-0.6	2.5	2.5	2.8	1.5	2.4	-0.8	0.6	1.2	2.0
Total economy, gross[1]	USD	545	562	616	538	523	544	549	557	555	556	539	555	549	592	647	586
Total economy, gross[1]	EUR	602	633	690	609	601	621	619	609	580	560	551	565	559	592	635	553
Industry, gross[1]	USD	532	579	636	545	526	542	549	546	556	561	539	546	548	604	671	.
PRICES																	
Consumer	PM	0.4	0.1	0.2	0.8	0.1	0.2	0.5	-0.2	-0.4	-0.5	-0.4	0.3	0.3	-0.1	0.1	0.4
Consumer	CMPY	4.0	3.6	3.6	3.4	3.5	3.3	3.0	1.9	1.6	1.3	1.2	1.3	1.1	0.9	0.8	0.4
Consumer	CCPY	5.9	5.7	5.5	3.6	3.6	3.5	3.4	3.1	2.8	2.6	2.4	2.2	2.1	2.0	1.9	0.3
Producer, in industry	PM	-0.6	-0.6	-0.3	0.1	0.2	0.2	0.3	0.1	0.2	0.8	0.4	0.3	0.0	-0.5	0.1	0.4
Producer, in industry	CMPY	-0.5	-1.0	-0.4	0.0	0.2	0.3	0.4	0.5	1.2	1.7	1.3	1.1	1.7	1.7	2.2	2.5
Producer, in industry	CCPY	2.2	1.9	1.6	0.1	0.2	0.3	0.3	0.4	0.5	0.7	0.8	0.8	0.9	1.0	1.0	2.5
RETAIL TRADE																	
Turnover[1]	real, CMPY	5.1	2.1	1.1	3.9	6.6	8.2	1.0	1.1	1.8	7.7	3.9	3.6	3.8	4.8	3.8	.
Turnover[1]	real, CCPY	0.1	0.4	0.7	3.9	5.3	5.8	4.0	3.3	3.1	3.3	2.5	2.6	2.9	1.7	1.6	.
FOREIGN TRADE[3)4]																	
Exports total (fob), cumulated	EUR mn	33899	37388	40372	3284	6564	10265	14002	17361	20948	24478	27884	31695	36042	39697	.	.
Imports total (cif), cumulated	EUR mn	46871	51754	56220	4122	8584	13525	18869	23613	28411	33421	37794	42764	48309	53355	.	.
Trade balance, cumulated	EUR mn	-12971	-14365	-15847	-837	-2020	-3259	-4867	-6252	-7464	-8943	-9910	-11070	-12268	-13657	.	.
Exports to EU (fob), cumulated	EUR mn	23532	25930	27940	2384	4669	7224	9779	12094	14572	17020	19260	21810	24305	27330	.	.
Imports from EU (cif), cumulated	EUR mn	28814	31783	34510	2455	5267	8374	11532	14552	17585	20789	23398	26425	29568	32949	.	.
Trade balance with EU, cumulated	EUR mn	-5282	-5852	-6569	-71	-598	-1151	-1753	-2458	-3013	-3769	-4138	-4615	-5264	-5619	.	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-6249	-6667	-7166	-868	-1684	-2336	-2970	-3527	-3956	-4066	-4335	-4859	-5471	-6215	-6734	.
EXCHANGE RATE																	
PLN/USD, monthly average	nominal	4.133	4.094	4.014	4.065	4.187	4.143	4.059	4.045	4.025	4.118	4.179	4.150	4.123	3.956	3.911	3.832
PLN/EUR, monthly average	nominal	3.743	3.639	3.583	3.595	3.641	3.629	3.595	3.703	3.847	4.088	4.085	4.074	4.045	3.959	3.988	4.064
PLN/USD, calculated with CPI[5]	real, Jan98=100	99.4	98.2	95.8	96.4	99.6	98.9	97.0	96.8	96.8	99.7	101.9	101.1	100.3	96.3	94.9	92.6
PLN/USD, calculated with PPI[5]	real, Jan98=100	102.3	101.5	98.6	100.1	102.8	102.6	101.0	100.6	100.0	101.8	103.1	102.4	102.7	99.1	97.7	95.4
PLN/EUR, calculated with CPI[5]	real, Jan98=100	81.4	78.9	77.6	77.5	78.6	78.5	77.8	80.4	83.8	89.5	89.9	89.6	88.9	87.1	87.8	89.2
PLN/EUR, calculated with PPI[5]	real, Jan98=100	86.2	84.0	82.9	83.3	84.2	84.1	83.3	85.7	88.8	93.7	93.5	93.1	92.6	90.8	91.5	92.9
DOMESTIC FINANCE																	
M0, end of period	PLN bn	36.6	36.6	38.2	36.8	37.9	38.8	40.0	39.8	41.2	41.8	42.1	41.9	42.0	42.1	42.2	41.6
M1, end of period[6]	PLN bn	110.2	108.2	118.3	111.7	115.4	114.8	116.3	121.6	126.1	128.5	126.1	127.4	126.9	130.7	136.3	.
M2, end of period[6]	PLN bn	329.2	321.2	328.2	322.3	324.6	319.0	317.6	322.0	321.9	324.2	322.9	320.7	321.1	317.5	319.8	.
M2, end of period	CMPY	11.4	7.5	9.2	7.8	6.9	3.2	2.4	3.1	2.4	1.3	-0.2	-1.4	-2.5	-1.1	-2.6	.
Discount rate (p.a.),end of period	%	15.5	14.0	14.0	12.0	12.0	12.0	11.0	10.5	10.0	10.0	9.0	8.5	7.8	7.5	7.5	7.3
Discount rate (p.a.),end of period[7]	real, %	16.1	15.2	14.5	12.0	11.8	11.7	10.6	10.0	8.7	8.2	7.6	7.3	5.9	5.7	5.2	4.6
BUDGET																	
Central gov.budget balance, cum.	PLN mn	-24739	-27651	-32358	-6963	-13668	-16437	-19911	-22985	-24923	-25597	-27280	-29147	-34057	-37073	-39113	-4123

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

R O M A N I A: Selected monthly data on the economic situation 2001 to 2003

(updated end of Feb 2003)

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry, total[1]	real, CMPY	9.5	8.4	5.3	5.0	5.0	-0.1	5.6	0.1	6.6	9.1	6.4	9.1	9.6	7.0	8.6	.
Industry, total[1]	real, CCPY	8.4	8.4	8.2	5.0	5.0	3.1	3.8	3.0	3.6	4.4	4.7	5.1	5.6	5.8	6.0	.
Industry, total	real, 3MMA	6.8	7.8	6.3	5.1	3.1	3.4	1.8	4.0	5.2	7.4	8.2	8.4	8.6	8.4	.	.
LABOUR																	
Employees total	th. persons	4544.8	4507.3	4470.3	4314.2	4333.8	4377.7	4386.8	4397.5	4404.2	4405.1	4399.4	4395.5	4375.1	4353.0	4331.0	.
Employees in industry	th. persons	1843.5	1829.7	1820.0	1833.8	1831.3	1830.2	1823.7	1824.2	1814.0	1812.6	1808.6	1801.7	1797.6	1795.2	1785.5	.
Unemployment, end of period	th. persons	742.4	774.0	826.9	1193.7	1267.4	1257.4	1069.7	983.3	929.7	867.4	815.5	786.2	767.7	755.9	760.6	.
Unemployment rate[2]	%	7.7	8.0	8.8	12.7	13.5	13.4	11.4	10.5	9.9	9.2	8.7	8.4	8.2	8.1	8.1	.
Labour productivity, industry	CCPY	12.1	11.9	11.5	3.8	4.2	2.5	3.4	2.8	3.6	4.6	5.1	5.8	6.5	6.8	7.1	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	4.5	4.1	3.9	14.3	14.9	14.4	10.8	7.9	4.6	1.3	-0.1	-1.0	-1.9	-3.0	-3.9	.
WAGES, SALARIES																	
Total economy, gross	th. ROL	4534.1	4719.7	5299.7	5144.8	4778.5	5091.1	5585.4	5329.1	5327.1	5498.5	5469.6	5404.1	5570.8	5704.7	6521.6	.
Total economy, gross	real, CMPY	11.3	7.8	2.3	10.5	10.1	9.5	3.9	2.5	0.3	0.7	1.3	2.0	3.4	1.9	4.4	.
Total economy, gross	USD	147	151	168	161	148	155	169	159	160	167	165	163	168	170	194	.
Total economy, gross	EUR	163	170	188	182	170	177	191	173	167	168	169	166	171	170	190	.
Industry, gross	USD	151	153	170	150	147	155	170	159	161	174	170	165	167	165	188	.
PRICES																	
Consumer	PM	2.4	2.7	2.2	2.3	1.2	0.4	2.0	1.9	1.2	0.5	0.8	0.6	1.6	2.6	1.5	1.3
Consumer	CMPY	30.8	30.7	30.3	28.6	27.2	25.1	24.4	24.5	24.0	23.0	21.3	19.8	18.8	18.6	17.8	16.7
Consumer	CCPY	35.4	34.9	34.5	28.6	27.9	26.9	26.3	25.9	25.6	25.2	24.7	24.1	23.5	23.0	22.5	16.7
Producer, in industry	PM	2.1	1.4	1.4	2.0	1.7	1.6	2.3	2.1	1.4	2.3	1.2	1.8	1.6	1.4	0.6	.
Producer, in industry	CMPY	33.7	31.3	30.1	28.3	25.9	25.2	26.1	25.9	25.7	24.8	23.7	23.5	22.9	23.0	22.0	.
Producer, in industry	CCPY	43.6	42.2	41.0	28.3	27.1	26.4	26.3	26.3	26.2	26.0	25.7	25.4	25.1	24.9	24.6	.
RETAIL TRADE																	
Turnover	real, CMPY	5.1	2.6	-1.9	-4.1	-1.4	-2.4	8.3	-2.5	-0.6	3.3	2.4	2.3	0.1	-1.3	.	.
Turnover	real, CCPY	0.4	0.6	0.3	-4.1	-2.7	-2.6	0.3	-0.3	-0.3	0.2	0.5	0.8	0.7	0.5	.	.
FOREIGN TRADE[3][4]																	
Exports total (fob), cumulated	EUR mn	10693	11795	12711	1034	2134	3309	4498	5641	6926	8295	9519	10774	12125	13486	14677	.
Imports total (cif), cumulated	EUR mn	14221	15787	17363	1332	2710	4170	5742	7265	8880	10699	12087	13699	15513	17263	18898	.
Trade balance, cumulated	EUR mn	-3528	-3992	-4652	-298	-576	-861	-1244	-1624	-1955	-2404	-2567	-2925	-3387	-3777	-4220	.
Exports to EU (fob), cumulated	EUR mn	7254	8011	8619	746	1532	2347	3148	3923	4786	5711	6524	7350	8211	9129	9843	.
Imports from EU (cif), cumulated	EUR mn	8161	9100	9957	780	1545	2404	3362	4271	5278	6395	7140	8030	9076	10076	11031	.
Trade balance with EU, cumulated	EUR mn	-907	-1089	-1338	-34	-13	-57	-214	-349	-492	-684	-615	-680	-865	-948	-1187	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-1575	-1833	-2317	-61	-179	-286	-543	-665	-909	-1050	-937	-957	-1115	-1291	-1573	.
EXCHANGE RATE																	
ROL/USD, monthly average	nominal	30786	31299	31556	32052	32233	32766	33102	33491	33392	32979	33094	33116	33242	33545	33654	33448
ROL/EUR, monthly average	nominal	27899	27806	28205	28281	28054	28698	29316	30774	31912	32721	32365	32481	32629	33592	34239	35594
ROL/USD, calculated with CPI[5]	real, Jan98=100	112.8	111.4	109.6	109.0	108.8	110.7	110.3	109.5	108.0	106.2	106.1	105.7	104.7	102.9	101.4	99.5
ROL/USD, calculated with PPI[5]	real, Jan98=100	106.9	106.8	104.9	104.8	103.5	104.7	104.2	103.3	101.6	98.4	97.8	96.5	96.2	95.8	95.4	.
ROL/EUR, calculated with CPI[5]	real, Jan98=100	92.4	89.5	88.9	87.5	86.0	87.9	88.5	91.4	93.5	95.4	93.7	93.8	92.9	93.2	93.8	96.3
ROL/EUR, calculated with PPI[5]	real, Jan98=100	90.3	88.4	88.4	87.1	85.0	85.8	86.1	88.5	90.4	90.7	88.8	87.7	86.8	87.9	89.2	.
DOMESTIC FINANCE																	
M0, end of period	ROL bn	30835	31080	35636	30021	32411	33416	37683	34997	39615	39106	41257	42334	41324	41688	45577	.
M1, end of period	ROL bn	50032	50331	64309	50757	54482	55881	60373	59796	64366	65733	69383	71435	72319	72822	88304	.
M2, end of period	ROL bn	236890	244841	270512	259932	267090	275326	286066	290629	300912	303477	314850	317333	324933	334584	373712	.
M2, end of period	CMPY	44.4	48.8	46.2	44.3	43.4	43.7	44.0	45.4	44.3	40.3	39.0	35.0	37.2	36.7	38.1	.
Discount rate (p.a.),end of period[6]	%	35.0	35.0	35.0	35.0	34.6	34.2	34.1	32.2	30.6	28.3	27.2	25.6	23.8	22.2	20.4	19.6
Discount rate (p.a.),end of period[6][7]	real, %	1.0	2.8	3.8	5.2	6.9	7.2	6.3	5.0	3.9	2.8	2.8	1.7	0.7	-0.7	-1.3	.
BUDGET																	
Central gov.budget balance, cum.	ROL bn	-31250	-32016	-35809	-4416	-8978	-11228	-14009	-14789	-29334	-31292	-29983	-32043	-31386	-39426	.	.

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

2) Ratio of unemployed to economically active population as of December of previous year, from 2002 as of December 2001.

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

4) Cumulation starting January and ending December each year.

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

6) From 1, February 2002 reference rate of RNB.

7) Deflated with annual PPI.

R U S S I A: Selected monthly data on the economic situation 2001 to 2003

(updated end of Feb 2003)

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry, total	real, CMPY	5.1	4.7	2.6	2.2	2.0	3.7	4.3	2.8	4.4	7.8	3.4	5.5	3.9	0.8	3.2	4.9
Industry, total	real, CCPY	5.2	5.1	4.9	2.2	2.1	2.6	3.0	3.0	3.2	3.9	3.8	4.0	4.0	3.7	3.7	4.9
Industry, total[1]	real, 3MMA	4.5	4.1	3.2	2.3	2.6	3.3	3.6	3.8	5.0	5.2	.	.	.	.	.	.
Construction, total	real, CMPY	12.2	13.5	16.7	4.1	1.5	2.0	3.3	3.1	2.8	2.4	3.1	.	.	.	.	.
LABOUR																	
Employment total[2]	th. persons	64900	64700	64800	64900	65000	65300	65700	66000	66500	67000	67500	67300	67200	67400	67300	.
Unemployment, end of period[3]	th. persons	6252	6303	6190	6077	5964	5819	5674	5529	5420	5312	5203	5520	5837	6153	6170	6140
Unemployment rate[3]	%	8.8	8.9	8.7	8.6	8.4	8.2	8.0	7.7	7.5	7.3	7.2	7.6	8.1	8.5	8.5	8.6
WAGES, SALARIES																	
Total economy, gross	RUB	3515.0	3578.0	4541.0	3760.0	3725.0	4031.0	4110.0	4187.0	4460.0	4597.0	4511.0	4521.0	4646.0	4694.0	5738.0	4877.0
Total economy, gross	real, CMPY	21.9	20.1	26.3	15.5	19.0	16.3	20.9	18.0	18.2	18.7	15.9	15.4	14.9	13.8	9.8	13.4
Total economy, gross	USD	119	120	151	123	121	130	132	134	142	146	143	143	147	148	180	153
Total economy, gross	EUR	131	135	169	140	139	148	149	146	149	147	146	146	149	147	177	144
Industry, gross	USD	153	155	177	147	146	158	160	159	165	174	179	173	176	178	207	.
PRICES																	
Consumer	PM	1.1	1.4	1.6	3.1	1.2	1.1	1.2	1.7	0.5	0.7	0.1	0.4	1.1	1.6	1.5	2.4
Consumer	CMPY	18.9	18.8	18.6	19.2	17.9	17.0	16.3	16.2	14.9	15.1	15.2	15.0	15.0	15.2	15.1	14.3
Consumer	CCPY	22.2	21.9	21.6	19.2	18.5	18.0	17.5	17.3	16.8	16.6	16.4	16.3	16.1	16.0	16.0	14.3
Producer, in industry	PM	0.4	0.3	0.2	0.4	-0.3	-0.1	2.2	2.5	3.1	2.6	1.7	1.2	2.1	1.1	-0.2	0.3
Producer, in industry	CMPY	12.5	11.4	10.7	9.0	6.9	5.5	6.8	8.5	9.6	11.4	13.3	14.9	16.7	17.7	17.2	17.2
Producer, in industry	CCPY	21.0	20.0	19.1	9.0	7.9	7.1	7.0	7.4	7.7	8.3	8.9	9.6	10.3	11.0	11.6	17.2
RETAIL TRADE																	
Turnover[4]	real, CMPY	12.2	11.6	10.8	9.4	8.3	8.9	9.5	6.1	7.6	10.2	8.6	9.6	9.6	10.0	8.7	.
Turnover[4]	real, CCPY	10.3	10.5	10.5	9.4	8.9	8.9	9.0	8.4	8.3	8.6	8.6	8.7	8.8	8.9	8.9	.
FOREIGN TRADE[5)6)7]																	
Exports total, cumulated	EUR mn	94938	104350	113454	7534	15112	24635	35274	44553	53155	62480	72646	82622	92940	102325	113171	.
Imports total, cumulated	EUR mn	47903	53594	60028	4168	8767	14090	19891	25003	30201	35692	40908	46099	52000	57581	64049	.
Trade balance, cumulated	EUR mn	47035	50756	53426	3366	6345	10545	15383	19550	22954	26789	31738	36523	40940	44744	49122	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	34842	.	.	6852	.	.	14982	.	.	23984	.	.	31700	.
EXCHANGE RATE																	
RUB/USD, monthly average	nominal	29.538	29.797	30.100	30.473	30.806	31.064	31.174	31.255	31.405	31.515	31.554	31.627	31.693	31.811	31.837	31.816
RUB/EUR, monthly average	nominal	26.784	26.478	26.852	26.952	26.781	27.201	27.596	28.682	29.965	31.323	30.875	31.006	31.103	31.831	32.443	33.807
RUB/USD, calculated with CPI[8]	real, Jan98=100	157.8	156.7	155.3	152.8	153.3	153.7	153.3	151.1	151.2	150.9	151.4	151.4	150.4	148.6	146.0	142.5
RUB/USD, calculated with PPI[8]	real, Jan98=100	172.8	173.1	172.4	174.4	176.7	180.3	178.4	174.5	170.3	167.0	164.8	163.9	162.3	161.3	161.4	160.8
RUB/EUR, calculated with CPI[8]	real, Jan98=100	129.3	125.8	125.7	122.8	120.9	121.9	122.8	125.8	130.6	135.6	133.6	134.1	133.3	134.3	135.1	137.5
RUB/EUR, calculated with PPI[8]	real, Jan98=100	145.9	143.2	144.8	145.2	144.7	147.6	147.1	149.2	151.0	154.0	149.6	148.7	146.3	147.6	151.0	156.9
DOMESTIC FINANCE																	
M0, end of period	RUB bn	531.5	527.3	584.3	533.4	543.4	552.9	610.3	607.5	645.9	659.7	679.0	672.6	675.8	690.5	763.3	.
M1, end of period	RUB bn	1084.4	1058.1	1192.6	1079.4	1084.6	1106.3	1147.5	1204.1	1254.5	1268.0	1282.1	1301.7	1313.3	1337.4	1499.2	.
M2, end of period	RUB bn	1974.7	1984.9	2122.7	2056.3	2105.0	2137.7	2213.5	2288.3	2356.8	2403.6	2445.2	2494.7	2538.6	2602.7	2843.6	.
M2, end of period	CMPY	39.5	36.2	36.1	34.3	30.3	31.0	31.5	32.3	31.0	30.5	30.7	29.6	28.6	31.1	34.0	.
Refinancing rate (p.a.),end of period	%	25.0	25.0	25.0	25.0	25.0	25.0	23.0	23.0	23.0	23.0	21.0	21.0	21.0	21.0	21.0	21.0
Refinancing rate (p.a.),end of period[9]	real, %	11.1	12.2	12.9	14.6	17.0	18.4	15.2	13.3	12.3	10.4	6.8	5.3	3.6	2.8	3.3	3.3
BUDGET																	
Central gov.budget balance, cum.	RUB bn	214.7	257.4	264.7	82.9	89.2	108.1	132.3	148.0	162.9	209.9	210.6	.	.	.	.	.

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

S L O V A K REPUBLIC: Selected monthly data on the economic situation 2001 to 2003

(updated end of Feb 2003)

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry, total	real, CMPY	8.3	3.9	2.0	0.2	4.8	-1.6	10.2	3.7	3.8	12.0	6.5	9.7	8.7	9.1	10.9	.
Industry, total	real, CCPY	7.8	7.4	6.9	0.2	2.5	1.0	3.3	3.4	3.4	4.6	4.8	5.4	5.8	6.1	6.5	.
Industry, total	real, 3MMA	6.3	4.8	2.1	2.3	1.0	4.3	3.9	5.8	6.4	7.3	9.4	8.3	9.1	9.5	.	.
Construction, total	real, CMPY	-1.2	-4.1	-8.2	-4.3	-5.8	-0.8	9.9	8.2	-1.5	6.3	1.5	3.8	6.9	7.8	11.6	.
LABOUR																	
Employment in industry	th. persons	554.1	553.5	549.1	542.9	543.0	544.2	561.9	561.7	564.7	555.5	558.1	562.1	564.5	562.9	552.4	.
Unemployment, end of period[1]	th. persons	499.3	513.1	533.7	563.9	560.2	546.3	521.0	510.2	507.0	505.0	492.6	481.0	478.6	488.0	504.1	509.2
Unemployment rate[1]	%	17.3	17.7	18.6	19.7	19.6	19.1	18.1	17.7	17.6	17.6	17.2	16.6	16.4	16.8	17.5	17.7
Labour productivity, industry	CCPY	6.6	6.3	5.9	2.2	4.5	3.0	4.4	4.0	3.7	4.9	5.0	5.4	5.6	5.8	6.1	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	0.9	1.5	2.3	9.8	8.5	9.9	8.1	7.3	6.2	4.1	3.5	3.2	3.2	2.9	2.6	.
WAGES, SALARIES																	
Industry, gross	SKK	13763	15835	15258	13529	12866	13565	13674	14314	14663	14567	14053	13822	14443	16529	16061	.
Industry, gross	real, CMPY	3.1	4.4	7.0	2.8	6.3	4.2	3.9	3.1	3.5	7.2	4.3	6.1	1.9	1.5	1.8	.
Industry, gross	USD	286	326	316	281	265	283	290	305	315	325	312	315	339	399	390	.
Industry, gross	EUR	316	367	354	318	304	323	328	333	331	327	320	321	345	398	384	.
PRICES																	
Consumer	PM	0.0	0.0	0.2	1.5	0.4	0.0	0.4	0.2	-0.4	-0.3	0.5	0.3	0.0	0.0	0.7	5.3
Consumer	CMPY	6.9	6.4	6.4	6.2	4.3	3.6	3.6	3.2	2.6	2.0	2.7	2.8	2.9	2.9	3.4	7.3
Consumer	CCPY	7.3	7.2	7.1	6.2	5.2	4.7	4.4	4.2	3.9	3.6	3.5	3.4	3.3	3.3	3.3	7.3
Producer, in industry[2]	PM	0.0	-0.3	-0.1	0.4	1.8	0.0	0.8	-0.2	-0.4	0.2	0.0	0.1	0.0	-0.3	0.1	.
Producer, in industry[2]	CMPY	3.5	2.4	2.2	2.4	2.4	1.5	1.9	2.0	1.4	1.8	2.0	2.2	2.2	2.2	2.3	.
Producer, in industry[2]	CCPY	7.3	6.9	6.5	2.4	2.4	2.1	2.0	2.0	1.9	1.9	1.9	2.0	2.0	2.0	2.0	.
RETAIL TRADE[3]																	
Turnover	real, CMPY	9.1	11.7	12.4	11.5	-1.3	7.4	4.4	8.8	10.5	5.6	2.9	0.9	-2.0	-6.9	1.1	.
Turnover	real, CCPY	3.1	3.8	4.5	11.5	5.1	5.9	5.5	6.2	6.9	6.7	6.2	5.6	4.9	3.8	3.5	.
FOREIGN TRADE[4][5]																	
Exports total (fob),cumulated	EUR mn	11861	13099	14117	1066	2190	3402	4699	5906	7208	8554	9752	11114	12561	13993	15256	.
Imports total (fob),cumulated	EUR mn	13570	15103	16489	1200	2474	3861	5290	6752	8184	9683	10970	12522	14279	15938	17519	.
Trade balance,cumulated	EUR mn	-1708	-2004	-2373	-134	-284	-459	-591	-846	-976	-1129	-1217	-1408	-1718	-1945	-2263	.
Exports to EU (fob), cumulated	EUR mn	7123	7871	8450	665	1370	2118	2897	3604	4395	5207	5889	6712	7569	8450	9234	.
Imports from EU (fob), cumulated	EUR mn	6802	7558	8207	584	1221	1922	2655	3383	4123	4909	5542	6323	7216	8054	8815	.
Trade balance with EU, cumulated	EUR mn	321	313	243	81	148	196	242	221	272	298	347	388	354	396	418	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	-1251	-1492	-1756	-84	-168	-312	-446	-762	-868	-987	-1018	-1210	-1458	.	.	.
EXCHANGE RATE																	
SKK/USD, monthly average	nominal	48.1	48.5	48.2	48.1	48.6	47.9	47.1	46.9	46.5	44.8	45.0	43.8	42.6	41.5	41.1	39.3
SKK/EUR, monthly average	nominal	43.6	43.1	43.1	42.5	42.3	41.9	41.7	43.0	44.3	44.5	44.0	43.0	41.8	41.5	41.8	41.7
SKK/USD, calculated with CPI[6]	real, Jan98=100	111.0	111.8	110.5	108.7	109.9	108.9	107.4	106.6	106.4	102.7	103.1	100.3	97.7	95.0	93.4	84.6
SKK/USD, calculated with PPI[6]	real, Jan98=100	115.2	116.1	114.1	113.6	112.8	112.4	110.6	110.3	110.0	105.9	106.7	104.3	102.3	99.9	98.9	.
SKK/EUR, calculated with CPI[6]	real, Jan98=100	90.8	89.6	89.5	87.3	86.6	86.3	85.9	88.5	91.6	92.2	90.8	88.8	86.5	85.9	86.0	81.4
SKK/EUR, calculated with PPI[6]	real, Jan98=100	97.2	96.0	96.0	94.6	92.4	92.0	91.1	94.0	97.3	97.5	96.6	94.6	92.1	91.5	92.2	.
DOMESTIC FINANCE																	
M0, end of period	SKK bn	74.9	79.1	81.0	79.7	80.1	79.6	78.8	79.0	79.6	79.3	80.4	80.7	81.4	83.1	84.2	.
M1, end of period	SKK bn	207.0	214.0	228.5	217.8	214.2	210.3	210.6	212.1	218.7	219.3	222.5	221.1	222.8	227.0	248.4	.
M2, end of period	SKK bn	635.3	651.3	680.3	668.4	674.8	666.0	662.8	668.7	678.9	692.7	696.3	689.7	694.7	702.8	714.2	.
M2, end of period	CMPY	9.3	12.0	13.1	10.2	10.9	8.8	6.9	8.0	8.6	9.3	8.1	7.5	9.3	7.9	5.0	.
Discount rate (p.a.),end of period[7]	%	8.8	8.8	8.8	7.8	7.8	7.8	8.3	8.3	8.3	8.3	8.3	8.3	8.0	6.5	6.5	6.5
Discount rate (p.a.),end of period[7][8]	real, %	5.1	6.2	6.5	5.2	5.3	6.2	6.2	6.1	6.8	6.3	6.1	5.9	5.7	4.3	4.1	.
BUDGET																	
Central gov.budget balance, cum.	SKK mn	-27560	-29797	-44371	-2902	-10851	-15185	-13497	-20825	-24661	-34768	-35706	-32192	-39930	-36488	-51642	-1688

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

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

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

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

5) Cumulation starting January and ending December each year.

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

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

8) Deflated with annual PPI.

S L O V E N I A: Selected monthly data on the economic situation 2001 to 2003

(updated end of Feb 2003)

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry, total	real, CMPY	7.2	0.1	0.2	3.9	3.2	-1.5	9.6	0.1	-1.9	4.6	0.1	6.8	1.5	0.6	2.8	.
Industry, total	real, CCPY	3.5	3.2	2.9	3.9	3.5	1.7	3.7	2.9	2.1	2.5	2.2	2.7	2.6	2.4	2.4	.
Industry, total	real, 3MMA	2.0	2.5	1.3	2.4	1.7	3.6	2.6	2.5	0.9	0.9	4.0	2.9	2.9	1.5		.
Construction, total[1]	real, CMPY	1.6	-3.2	-9.0	-11.5	-3.9	-6.1	-0.1	-4.8	-8.0	-1.2	-5.3	0.6	-3.6	1.1	7.2	.
LABOUR																	
Employment total	th. persons	786.6	785.6	782.1	779.5	781.3	782.8	784.3	785.3	785.6	783.9	782.6	784.5	785.1	785.2	781.9	.
Employees in industry[2]	th. persons	221.5	221.2	219.8	220.2	220.2	220.5	219.8	219.6	219.3	218.2	217.5	217.3	217.5	217.6		.
Unemployment, end of period	th. persons	102.2	103.2	104.3	106.2	105.0	103.5	102.7	101.1	100.1	101.7	102.2	103.4	104.5	101.7	99.6	.
Unemployment rate[3]	%	11.5	11.6	11.8	12.0	11.8	11.7	11.6	11.4	11.3	11.5	11.6	11.7	11.7	11.5	11.3	.
Labour productivity, industry	CCPY	3.8	3.6	3.5	6.9	6.6	4.8	6.9	6.2	5.4	5.9	5.6	6.0	5.9	5.6	5.6	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	1.1	1.1	1.1	-3.2	-3.3	-1.2	-2.6	-1.7	-1.0	-1.1	-1.0	-1.2	-0.9	-0.7		.
WAGES, SALARIES																	
Total economy, gross	th. SIT	219.2	234.8	234.1	226.4	223.3	227.0	228.8	231.1	229.2	232.1	236.1	236.2	239.9	252.9	262.1	.
Total economy, gross	real, CMPY	3.3	3.0	2.6	0.8	0.9	2.0	2.0	2.1	2.5	3.0	1.7	2.9	2.1	0.9	4.4	.
Total economy, gross	USD	903	946	945	901	870	888	901	939	967	1016	1015	1016	1029	1103	1159	.
Total economy, gross	EUR	997	1066	1059	1020	1001	1014	1019	1026	1014	1024	1039	1036	1049	1103	1140	.
Industry, gross	USD	779	818	791	771	735	760	767	806	816	877	865	869	890	967		.
PRICES																	
Consumer	PM	0.5	0.4	0.1	1.6	0.9	0.7	1.4	0.3	-0.2	0.5	0.1	0.8	0.5	0.0	0.6	1.0
Consumer	CMPY	7.8	7.0	7.0	8.4	8.1	7.6	8.4	7.5	6.8	7.2	7.3	7.2	7.2	6.7	7.2	6.6
Consumer	CCPY	8.7	8.6	8.4	8.4	8.3	8.1	8.2	8.0	7.8	7.7	7.7	7.6	7.6	7.5	7.5	6.6
Producer, in industry	PM	1.0	0.5	1.0	0.3	0.6	0.4	0.4	0.1	0.2	0.2	0.2	0.1	0.3	0.3	0.6	0.2
Producer, in industry	CMPY	7.2	7.1	7.5	5.8	5.3	6.3	5.7	5.7	5.6	5.3	5.2	4.9	4.2	4.1	3.7	3.6
Producer, in industry	CCPY	9.3	9.1	8.9	5.8	5.6	5.8	5.8	5.7	5.7	5.7	5.6	5.5	5.4	5.3	5.1	3.6
RETAIL TRADE[4]																	
Turnover	real, CMPY	9.4	5.3	6.4	4.6	2.9	3.9	2.8	2.3	5.1	7.1	4.0	7.8	5.7	3.9		.
Turnover	real, CCPY	8.1	7.8	7.7	4.6	3.8	3.8	3.5	3.3	3.6	4.1	4.1	4.5	4.6	4.6		.
FOREIGN TRADE[5)6]																	
Exports total (fob), cumulated	EUR mn	8741	9627	10349	829	1686	2653	3621	4539	5460	6444	7168	8172	9217	10150	10962	.
Imports total (cif), cumulated	EUR mn	9481	10464	11343	878	1793	2818	3862	4847	5765	6753	7517	8528	9575	10594	11561	.
Trade balance total, cumulated	EUR mn	-740	-837	-994	-49	-107	-165	-241	-308	-305	-309	-350	-356	-358	-444	-599	.
Exports to EU (fob), cumulated	EUR mn	5467	6004	6428	553	1082	1670	2253	2789	3331	3908	4309	4906	5519	6071	6508	.
Imports from EU (cif), cumulated	EUR mn	6411	7087	7675	587	1204	1913	2622	3306	3954	4639	5136	5823	6540	7223	7869	.
Trade balance with EU, cumulated	EUR mn	-944	-1084	-1247	-34	-122	-242	-369	-517	-623	-731	-827	-917	-1021	-1152	-1361	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	99	118	31	57	82	65	64	72	146	193	237	370	459	486	375	.
EXCHANGE RATE																	
SIT/USD, monthly average	nominal	242.7	248.2	247.8	251.4	256.6	255.7	254.0	246.1	237.1	228.3	232.6	232.5	233.2	229.2	226.2	217.5
SIT/EUR, monthly average	nominal	219.9	220.4	221.1	222.0	223.0	223.8	224.6	225.3	226.0	226.7	227.4	228.0	228.7	229.3	230.0	230.7
SIT/USD, calculated with CPI[7]	real, Jan98=100	118.0	119.9	119.3	119.3	121.2	120.5	118.8	114.8	110.9	106.4	108.6	107.9	107.8	106.0	103.7	98.7
SIT/USD, calculated with PPI[7]	real, Jan98=100	119.8	121.4	118.6	120.3	122.0	122.4	122.0	118.2	113.7	109.6	111.7	111.9	112.9	110.8	108.5	104.1
SIT/EUR, calculated with CPI[7]	real, Jan98=100	96.6	96.2	96.5	95.8	95.5	95.6	95.1	95.3	95.7	95.5	95.8	95.6	95.6	95.8	95.7	95.1
SIT/EUR, calculated with PPI[7]	real, Jan98=100	101.1	100.4	99.7	100.1	99.9	100.2	100.5	100.8	100.8	101.0	101.3	101.7	101.8	101.4	101.3	101.4
DOMESTIC FINANCE																	
M0, end of period	SIT bn	124.7	126.5	142.1	129.4	130.0	135.9	134.3	135.1	146.0	137.2	140.0	138.6	141.4	140.6		.
M1, end of period	SIT bn	440.3	455.3	502.2	471.8	469.2	485.2	489.5	502.8	524.1	509.4	509.6	525.5	510.8	556.9	565.8	.
Broad money, end of period	SIT bn	2617.3	2705.7	2876.7	2911.5	2929.0	2970.8	3010.4	3036.4	3025.5	3061.0	3080.7	3100.6	3223.9	3353.0	3374.3	.
Broad money, end of period	CMPY	21.8	23.4	30.4	29.9	29.1	27.5	27.9	26.0	23.7	23.6	22.5	21.3	23.2	23.9	17.3	.
Discount rate (p.a.),end of period	%	11	11	11	9	9	9	10	10	10	10	10	10	10	10	10	.
Discount rate (p.a.),end of period[8]	real, %	3.5	3.6	3.3	3.0	3.5	2.5	4.1	4.1	4.2	4.5	4.6	4.9	5.6	5.7	6.1	.
BUDGET																	
General gov.budget balance, cum.	SIT bn	-127.6	-135.4	-63.2	-71.2	-103.9	-128.7	-117.3	-122.5	-174.3	-163.7	-158.4	-162.4	-159.6	-171.4		.

1) Effective working hours.

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

3) Ratio of unemployed to the economically active.

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

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

6) Cumulation starting January and ending December each year.

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

8) Deflated with annual PPI.

U K R A I N E: Selected monthly data on the economic situation 2001 to 2003

(updated end of Feb 2003)

		2001 Oct	Nov	Dec	2002 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2003 Jan
PRODUCTION																	
Industry, total[1]	real, CMPY	-2.2	-0.4	-5.0	-1.2	1.4	-0.8	.	.	.	.	.	.	.	.	.	.
Industry, total	real, CCPY	16.2	15.4	14.2	1.7	3.5	3.1	3.5	3.1	5.8	6.1	5.9	6.0	6.0	6.3	7.0	11.6
Industry, total[1]	real, 3MMA	2.6	-2.5	-2.2	-1.7	-0.2	.	.	.	.	.	.	.	.	.	.	.
LABOUR																	
Unemployment, end of period	th. persons	971.2	981.6	1008.1	1028.7	1067.4	1079.0	1087.0	1051.0	1023.4	1005.2	1002.8	991.8	980.0	999.4	1034.2	1061.0
Unemployment rate[2]	%	3.5	3.6	3.7	3.8	3.9	3.9	4.0	3.8	3.7	3.7	3.7	3.6	3.6	3.6	3.8	3.9
WAGES, SALARIES [1]																	
Total economy, gross	UAH	335.8	334.4	378.5	320.8	328.7	354.8	355.8	358.9	377.4	398.1	390.1	391.1	397.5	395.7	442.9	.
Total economy, gross	real, CMPY	24.6	22.3	20.4	19.9	20.5	23.6	20.6	16.9	20.0	22.7	19.5	21.1	19.1	18.8	17.7	.
Total economy, gross	USD	63	63	71	60	62	67	67	67	71	75	73	73	75	74	83	.
Total economy, gross	EUR	70	71	80	68	71	76	76	74	74	75	75	75	76	74	82	.
Industry, gross	USD	84	83	89	80	.	.	.	87	89	96	95	95	97	95	104	.
PRICES																	
Consumer	PM	0.2	0.5	1.6	1.0	-1.4	-0.7	1.4	-0.3	-1.8	-1.5	-0.2	0.2	0.7	0.7	1.4	1.5
Consumer	CMPY	6.0	6.1	6.1	5.6	3.5	2.2	2.1	1.4	-1.1	-0.9	-0.9	-1.1	-0.6	-0.4	-0.6	-0.1
Consumer	CCPY	13.2	12.5	12.0	5.6	4.5	3.7	3.3	2.9	2.2	1.8	1.5	1.2	1.0	0.9	0.8	-0.1
Producer, in industry	PM	-0.7	0.7	-0.5	-0.4	0.7	-0.8	1.2	1.5	2.2	1.0	-0.4	0.3	0.2	0.2	0.0	0.5
Producer, in industry	CMPY	3.8	3.5	0.9	-0.3	-0.2	-0.5	0.5	2.0	4.0	5.0	4.6	4.9	5.8	5.3	5.8	6.8
Producer, in industry	CCPY	10.0	9.4	8.6	-0.3	-0.3	-0.3	-0.1	0.3	0.9	1.5	1.9	2.2	2.6	2.8	3.1	6.8
RETAIL TRADE																	
Turnover[3]	real, CCPY	11.8	12.3	12.6	.	18.7	16.8	18.0	18.1	16.1	15.6	15.5	14.8	14.9	14.7	14.8	11.6
FOREIGN TRADE [4][5]																	
Exports total (fob), cumulated	EUR mn	15054	16684	18160	1376	2862	4419	6089	7581	9054	10539	12040	13770	15552	17206	19004	.
Imports total (cif), cumulated	EUR mn	14242	15946	17613	1161	2478	4047	5662	7047	8519	10044	11512	13001	14632	16098	17967	.
Trade balance, cumulated	EUR mn	812	738	547	215	384	372	427	534	535	495	527	770	920	1108	1037	.
FOREIGN FINANCE																	
Current account, cumulated	USD mn	.	.	1402	.	.	722	.	.	1322	.	.	2085	.	.	.	.
EXCHANGE RATE																	
UAH/USD, monthly average	nominal	5.310	5.287	5.294	5.313	5.321	5.322	5.327	5.328	5.329	5.329	5.329	5.330	5.330	5.330	5.332	5.333
UAH/EUR, monthly average	nominal	4.809	4.703	4.718	4.696	4.630	4.660	4.712	4.865	5.079	5.288	5.211	5.229	5.228	5.338	5.422	5.645
UAH/USD, calculated with CPI[6]	real, Jan98=100	165.9	164.1	161.2	160.5	163.7	165.7	164.6	165.1	168.3	171.0	171.9	171.9	171.0	169.9	167.1	164.6
UAH/USD, calculated with PPI[6]	real, Jan98=100	153.0	150.7	149.8	151.4	150.4	153.3	152.9	150.6	147.6	146.5	147.4	147.6	148.6	148.5	148.2	147.5
UAH/EUR, calculated with CPI[6]	real, Jan98=100	135.5	131.6	130.1	128.7	128.9	131.2	131.5	136.5	144.9	153.2	151.4	152.1	151.3	153.4	154.0	157.9
UAH/EUR, calculated with PPI[6]	real, Jan98=100	128.8	124.6	125.5	125.8	123.1	125.3	125.7	127.9	130.5	134.6	133.5	133.8	133.6	135.8	138.2	143.2
DOMESTIC FINANCE																	
M0, end of period	UAH mn	16685	17325	19465	18101	18666	19646	20980	20394	21441	22561	23568	23655	23713	24064	26434	24500
M1, end of period	UAH mn	26406	26782	29773	27586	28416	30287	30672	30670	32494	34037	35367	36504	36373	36514	40244	.
Broad money, end of period	UAH mn	40750	41508	45555	43619	45032	47345	48389	48813	51195	53913	56294	57729	58697	59575	64532	62900
Broad money, end of period	CMPY	41.2	41.2	42.0	41.5	42.3	43.4	41.9	38.8	38.5	44.3	47.1	45.6	44.0	43.5	41.7	44.2
Refinancing rate (p.a.),end of period	%	15.0	15.0	12.5	12.5	12.5	11.5	10.0	10.0	10.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0
Refinancing rate (p.a.),end of period[7]	real, %	10.8	11.1	11.5	12.8	12.7	12.1	9.5	7.9	5.7	2.9	3.2	3.0	2.1	2.6	1.1	0.2
BUDGET																	
General gov.budget balance, cum.	UAH mn	1616.3	982.3	-1263.6	1381.7	1516.6	660.6	564.2	1626.6	1366.6	1851.7	2409.7	2722.6	3284.8	3828.3	.	.

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

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