

CONTENTS

1. Monetary developments.....	3
1.1. Factors affecting the development of the money supply.....	3
1.2. Structure of the money supply	5
1.3. Bank lending.....	6
1.4. Interest rate development in November 1996.....	7
2. Implementation of monetary policy.....	8
3. Inflation.....	9
4. Money market.....	9
5. Capital market.....	10
6. Interbank foreign exchange market.....	12
7. Balance of payments for January to November 1996.....	12
8. Appendices.....	15
Monetary survey	17
Balance of payments for January to November 1996	18
Money supply	19
Development of deposits	20
Development of loans.....	20
Average lending rates of commercial banks	21
Interest rates on crown deposits and change in volume of crown deposits	22
Basic characteristics of the foreign exchange market	23
Average monthly exchange rates of SKK	23
Gross domestic product	24
Consumer prices	24
Producer prices of selected products and materials.....	25
Unemployment	26
State budget	27
Industrial production	28
Construction	29
Foreign trade	30

1. Monetary developments

On account of the increased demand for consumer goods before Christmas, the Consumer Price Index did not record any significant increase in December and the annual rate of price inflation remained at the level of 5.4%. In addition to the favourable development of inflation, monetary development in December was accompanied by a rise in interbank deposit rates, an increase in yields on Treasury bills, and a slowdown in the rate of growth in key monetary variables.

Favourable development of inflation accompanied by a slowdown in the growth of key monetary variables and a rise in interbank interest rates ...

In response to the improved foreign exchange position of commercial banks (due to purchases of foreign exchange in NBS foreign exchange fixing), the IDX currency basket unit had increased to 1.0175 by the end of December, from 1.0042 at the end of November. Over the course of December, the official exchange rate of the Slovak crown depreciated by 1.33%.

... and a depreciation in the value of the Slovak crown within the set fluctuation band

1.1. Factors affecting the development of the money supply

In December, Slovakia's money supply in terms of M2 increased month-on-month by Sk 25.7 billion (compared with Sk 31.3 billion in 1995), owing to the interest accrued and credited to bank accounts at the end of the year. With regard to other net items, the volume of interest was lower than a year earlier, as a result of an increase in State budget deficit at the end of the year and the inflow of funds into the economy from abroad through the capital account of the balance of payments.

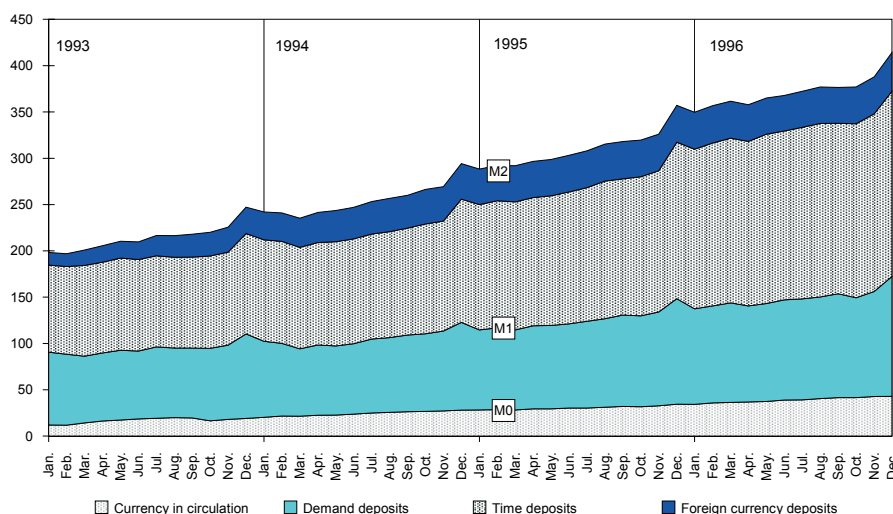
Money supply continued to increase ...

With regard to resources, the development of the money supply was influenced by both foreign and domestic net assets.

According to preliminary data, the volume of net foreign assets in the banking sector (at fixed interest rates) increased month-on-month by Sk 7.8 billion, due to increases in both foreign assets (Sk 36.2 billion) and foreign liabilities (Sk 28.4 billion). The growth in net foreign assets at commercial banks (Sk 10.3 billion) was partly offset by a decline in the volume of net foreign assets held by the NBS (Sk 2.5 billion). The foreign exchange reserves of the NBS (at fixed exchange rates) fell month-on-month by Sk 2.8 billion, due mainly to the sale of foreign exchange to commercial banks via foreign exchange fixing (Sk 2.3 billion). The foreign liabilities of the NBS fell by Sk 0.3 billion, as a result of debt servicing.

... due partly to an inflow of funds through the capital account, ...

Development of the M2 monetary aggregate (Sk billions)



Foreign assets of commercial banks increased month-on-month by Sk 39.0 billion, with increases in all their components, particularly short-term deposits and loans at foreign banks (Sk 36.3 billion). Foreign liabilities of commercial banks increased month-on-month by Sk 28.7 billion, while the most significant increases were recorded in bank loans and deposits. Short-term borrowings from foreign banks increased in December by Sk 13 billion (since the beginning of the year by Sk 14 billion), while deposits of foreign banks grew by Sk 8.4 billion (since the beginning of the year by Sk 14.8 billion).

By the end of December 1996, commercial banks had fulfilled the required ratio of the foreign exchange position for monetary purposes to 0.6638. With effect from 31 December 1996, the ratio of the foreign exchange position was set at 0.65.

... due primarily to the development of net domestic assets

Significant pressure on net domestic assets was exerted in December by the net position of the Government vis-a-vis the banking sector, which increased month-on-month by Sk 14 billion, due primarily to the rapid growth in the State budget deficit during the last month of the year.

The serious deterioration in State budget performance ...

The current performance of the State budget resulted in a deficit of Sk 25.6 billion, representing an increase of Sk 11.9 billion compared with the size of the deficit in November. Budget revenue reached Sk 166.3 billion and expenditure totalled Sk 191.9 billion. The budget deficit was fully covered by the issue and subsequent sale of Treasury bills.

... led to an increase in the level of government debt

At the end of 1996, the net position of the Government vis-a-vis the banking sector reached, according to preliminary data, Sk 73.6 billion. Of this amount, the NBS covered Sk 15.6 billion and commercial banks an estimated Sk 58.0 billion.

The month-on-month increase of roughly Sk 14.0 billion (since the beginning of the year, ca Sk 9.7 billion) in the internal debt of the Government was due to the unfavourable State budget performance, especially during the second half of December. The net position of the Government vis-a-vis the banking sector was worsened by the unfavourable development of government deposits with banks. The sharpest declines were recorded in the financial resources of insurance funds, which fell month-on-month by ca Sk 1.8 billion, and the deposits of state funds (a fall of roughly Sk 1.5 billion).

The total volume of loans allocated to households and enterprises remained at the level of November. The increase in Slovak-crown loans (Sk 8.1 billion) was offset by a decline in foreign-currency loans, without any significant influence on the money supply. In comparison with the previous months, bank loans to households increased significantly (by Sk 1.2 billion) in December, due probably to the advantageous prices of motor vehicles in 1996.

Atypical development of other net items

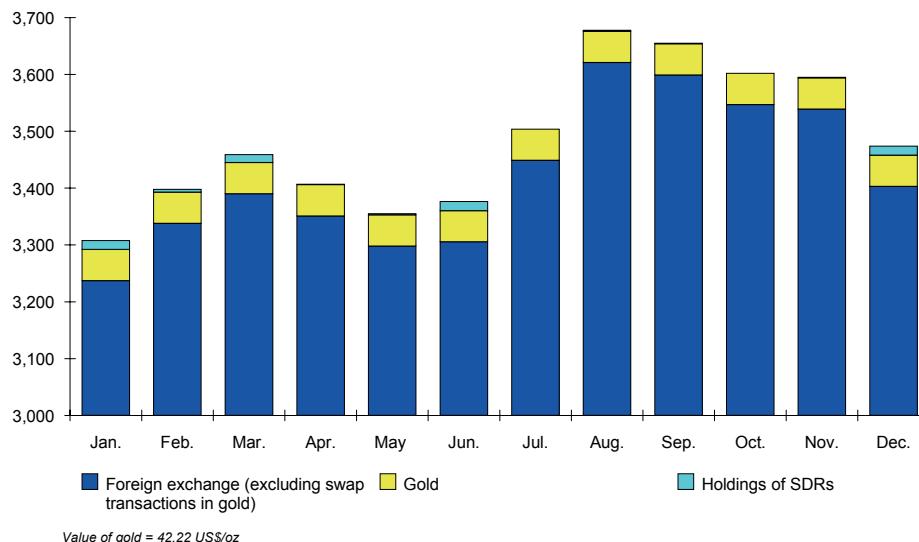
The atypical development of other net items, which characterised the entire course of the year, continued in December with a month-on-month decline of Sk 3.2 billion. During the same period of last year, the volume of other net items fell by Sk 17.0 billion.

The rate of year-on-year growth in M2 (which had exceeded 20% throughout the year) slowed to 15.7% in December, constituting a favourable development. The rate of growth in bank lending to households and enterprises also fell to 18%, and that of net domestic assets to 19.4%.

Foreign exchange reserves of the NBS

At the end of December 1996, the total foreign exchange reserves of the NBS (at the current rate of exchange) stood at US\$ 3,473.3 million, representing a month-on-month decline of US\$ 121.3 million. The total volume of foreign exchange reserves was 3.4 times greater than the average volume of monthly imports of goods and services to Slovakia during the first eleven months of 1996.

Development of NBS foreign exchange reserves (US\$ millions)



1.2. Structure of the money supply

In December, the M2 money supply increased by Sk 25.7 billion, reaching Sk 413.4 billion at the end of the month. The growth in the money supply was due to month-on-month increases in both the M1 aggregate (Sk 16,3 billion) and quasi-money (Sk 9.4 billion). The significant increase in the money supply in December was of a seasonal nature, caused by the crediting of interest accrued to deposit accounts at the end of the year.

Seasonal month-on-month increase in the M2 money supply ...

Despite the above increase in the money supply, its rate of year-on-year growth fell to 15.7%, representing a slowing down both in comparison with the figure for the previous month and the annual rate of increase in 1995. The fall in the annual rate of growth in M2 was due to the lower (in both absolute and relative terms) month-on-month increase in December than that of December 1995. During the first eleven months of the year, the pace of year-on-year increase in quasi-money exceeded the growth rate of M1. However, this trend changed in December. The M1 aggregate grew year-on-year at the rate of 16.2%, while quasi-money increased at 15.3%.

... and a slowdown in the rate of year-on-year growth

In December, the volume of currency in circulation outside the banking sector recorded only a slight increase of Sk 0.1 billion, despite the high volume of issued currency at the end of the month (Sk 52.5 billion), due to the large amounts of cash held at banks. In December, the monthly cycle of currency issue was greatly influenced by the Christmas holidays, and deviated from its standard course. During the first half of the month, the currency issue cycle basically maintained its standard course, characterised by a trend of faster growth. Significant atypical increases in the volume of currency caused by increased retail purchases culminated several days before Christmas. A moderate fall in the volume of issued currency was recorded on 23 December, and the rate of decline accelerated in the following days.

Seasonally affected monthly currency issue cycle

Demand deposits increased significantly in December by Sk 16.2 billion. Over the course of the month, the development of demand deposits was characterised by increases in all three ten-day periods, while the highest increase (Sk 10 billion) was recorded during the last ten days. This was due to the crediting of interest accrued to deposit accounts and the transfer of funds from project financing to crown accounts in this period.

The volume of time deposits recorded a month-on-month increase of Sk 7.9 billion in the last ten-day period of December. The increase was due probably to the interest accrued and credited to deposit accounts.

Significant increase in foreign-currency deposits

Foreign-currency deposits increased in December by Sk 1.5 billion, representing the highest month-on-month increase in 1996. A part of this increase was also due to the crediting of interest to accounts at the end of the year.

Regarding the structure of the money supply, the weight of M1 increased and that of quasi-money decreased in the course of December. The same development was recorded in comparison with the beginning of 1996 and the corresponding period of 1995.

Structure of the money supply (M2)

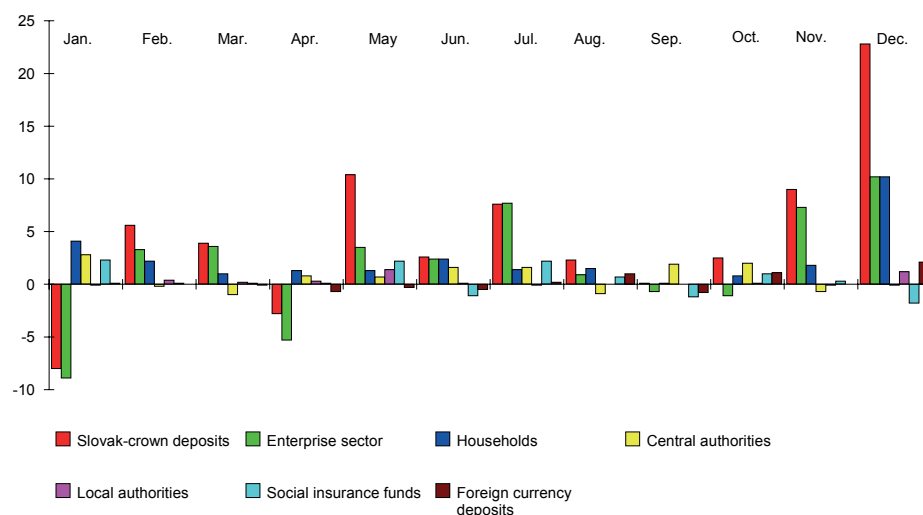
(%)

	1.1.1996	30.11.96	31.12.96	31.12.95
Money supply [M2]	100.00	100.00	100.00	100.00
Money [M1]	41.52	40.26	41.70	41.57
Currency outside banks [M0]	9.65	11.04	10.38	9.66
Demand deposits	31.87	29.22	31.33	31.90
Quasi-money [QM]	58.48	59.74	58.30	58.43
Time deposits	47.29	49.50	48.33	47.37
Foreign currency deposits	11.19	10.24	9.97	11.06

Slovak-crown deposits, as a component of the money supply, increased in December by Sk 24.1 billion, while corporate deposits (including deposits held by insurance companies) expanded by Sk 13.9 billion and household deposits by Sk 10.2 billion. When compared with the beginning of the year, the volume of crown deposits grew by Sk 46.4 billion (16.4%). Household deposits increased in the course of the year by Sk 28.5 billion, their rate of year-on-year growth reaching 17.5%. Corporate deposits had already exceeded their initial level in November; however, their year-on-year increase amounted to Sk 17.9 billion (14.9%) in December.

Month-on-month changes in total deposits

(Sk billions)



1.3. Bank lending

Continued growth in Slovak-crown loans ...

The last quarter of 1996 saw a dynamic growth in bank lending: total bank credit increased month-on-month by Sk 5 billion in December. At the end of the month,

the volume of bank loans totalled Sk 374.8 billion; of which Slovak-crown loans accounted for Sk 339.2 billion and foreign-currency loans Sk 35.6 billion. The volume of crown loans increased by Sk 9.5 billion, while loans in foreign currency suffered a decline of Sk 4.5 billion, which was due to the requirement that banks should maintain a required ratio of foreign exchange position for monetary purposes.

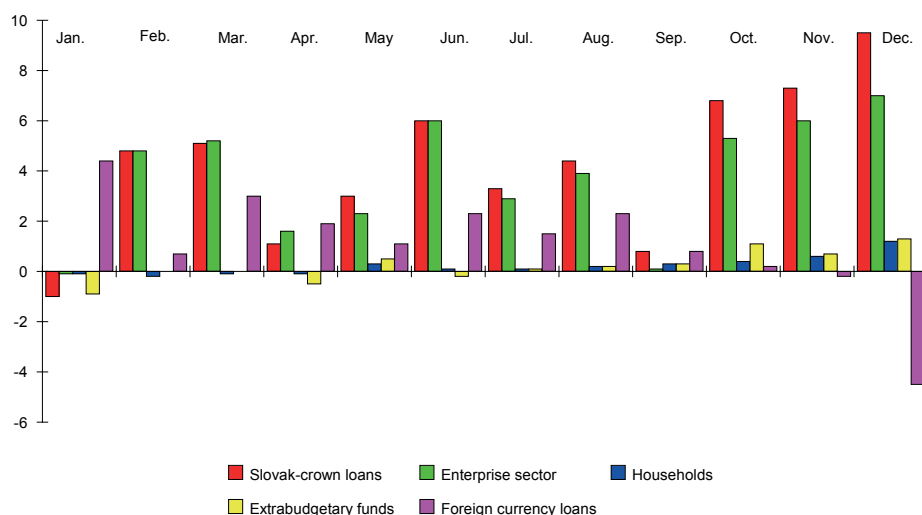
Of the total increase in crown loans, credit to the entrepreneurial sector accounted for 73.7%, loans to cover the extrabudgetary needs of state and local authorities 13.7%, and loans to households 12.6%.

... particularly in the corporate sector

Since the beginning of the year, the volume of total bank credit increased by 20.6%; of which, crown loans accounted for 17.7% and loans in foreign currency 56.8%.

In November 1995, Slovak-crown loans increased month-on-month by Sk 6.5 billion and foreign-currency loans by Sk 1.3 billion.

Month-on-month changes in bank loans (Sk billions)



1.4. Interest rate development in November 1996

In November, the average interest rate on the total volume of loans rose slightly by 0.06 points, compared with the figure for the previous month. A marked increase was recorded only in the average rate of interest on short-term loans which rose by 0.20 points, to 14.06%. The average interest rate on medium-term loans fell by 0.09 points, to 15.51%, and that on long-term loans by 0.04 points, to 11.59%.

The average interest rate on the total volume of loans rose only slightly, ...

The average interest rate on newly granted loans rose by 0.70 points, to 14.27%. The average rate of interest on short-term loans, which represented 75.4% of the total volume of new loans, rose by 0.91 points, to 14.46%; and that on new medium-term loans by 0.44 points, to 13.77%. The average interest rate on newly granted long-term loans fell in November to 13.54%, from 14.44% in October.

... while the average rate on new loans recorded a significant increase

In November, the average interest rate on crown deposits rose by 0.06 points. Significant changes were recorded in average interest rates on time deposits at up to a 3-month notice (an increase of 0.71 points) and deposits at up to a 5-year notice (an increase of 0.28 points). The average rate of interest on 18-month crown deposits fell by 0.28 points. Interest rate on other Sk time deposits recorded only negligible changes.

The average interest rates on total Sk deposits rose slightly

The level of actual interest rates fell slightly

The actual interest rate on one-year deposits fell slightly to 3.69%, due to a 0.1% rise in the annual rate of price inflation (the rate of year-on-year inflation reached 5.4% in November).

2. Implementation of monetary policy

The monetary base of the NBS grew in December, ...

In December, the average monetary base of the NBS (i.e. the volume of issued currency, reserves of commercial banks, and the portfolio of NBS bills in the banking sector) increased month-on-month by Sk 1.0 billion, due to the development of autonomous factors. The volume of monetary-policy factors remained unchanged, i.e. the activities of the NBS had a zero influence on the liquidity of commercial banks.

... due exclusively to autonomous factors, ...

Despite the negative balance of trade in foreign exchange fixing, the net foreign assets of the NBS increased by an average of Sk 1.6 billion, the greater part of which was booked only in January 1997.

In December, the volume of transactions conducted in foreign exchange fixing reached US\$ 288.1 million, representing an increase of 11.6% compared with the previous month's figure. With regard to the structure of foreign exchange in fixing transactions, the share of the US dollar increased to 67% (US\$ 193 million), while the D-mark accounted for 33% (DM 95.1 million) of the total. The number of fixing transactions increased to 44, from 39 in November. The average volume per transaction remained virtually unchanged (US\$ 6.5 million). In December, the share of foreign exchange fixing in total interbank market turnover increased to 5.2%, from 4.0% in November.

Trading in NBS foreign exchange fixing was dominated by sales of foreign exchange to commercial banks. This resulted in a negative balance of US\$ 71.6 million (US\$ 6.6 million and DM 101.0 million). Commercial banks made increased purchases of foreign exchange due to the approaching end of the year, when banks had to meet the conditions of the foreign exchange position for monetary purposes.

In comparison with the previous month, the current budget performance of the Government worsened in December by Sk 1.2 billion, which means that the average balance on budgetary accounts maintained at the NBS fell in December, and therefore the level of liquidity was reduced to a lesser extent.

The increased influence of net foreign assets and the position of the Government was partly offset by the development of other assets held by the NBS, which fell in December by Sk 1.8 billion.

... as monetary-policy factors had a zero influence

The slight increase in bills-of-exchange deals in December was offset by a decline in security holdings, thus the monetary-policy factors in average terms remained unchanged.

The volume of liquid assets obtained from NBS bills was insufficient

Through the NBS balance, from the sources of the monetary base, commercial banks obtained funds in the amount of Sk 1 billion, while on account of the seasonal development of currency in circulation, an average of Sk 3 billion was drawn from the reserves of commercial banks for the purchase of such funds. In addition, commercial banks obtained additional funds from NBS bills, the average volume of which fell in December by Sk 2.9 billion compared with the level of November, while the remaining amount of securities in the portfolio of the NBS was redeemed in the last week of December.

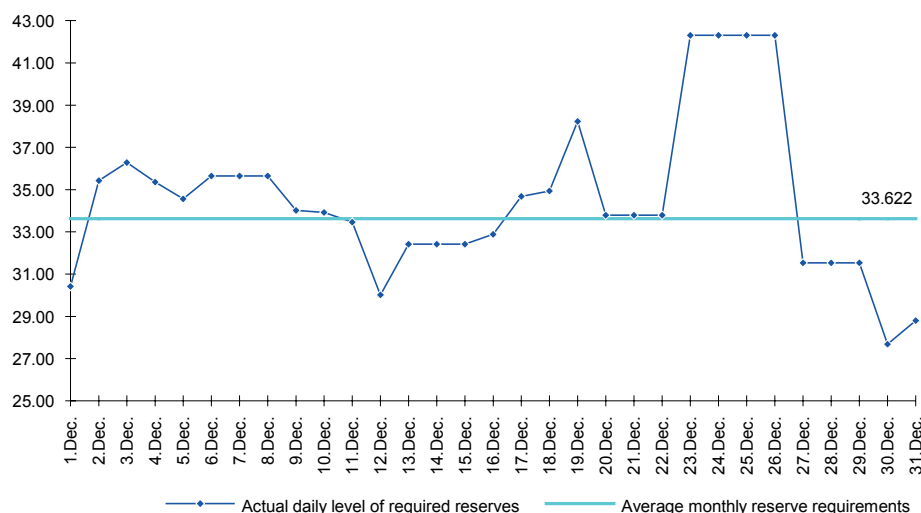
Fulfilment of reserve requirements

In December, the level of required reserves in the banking sector was set at Sk 33,622 million. The reserve requirements were fulfilled to 100.66% at 15 December 1996, while excess reserves reached an average of Sk 221.23 million; and rose to

104.54% at 31 December 1996, with average excess reserves at a level of Sk 1,526.23 million.

Fulfilment of reserve requirements

(Sk billions)



3. Inflation

In December, consumer prices increased by 0.3%, compared with the previous month's figures. In comparison with the same period of last year, the price level rose by 5.4%.

Consumer prices rose by 0.3% month-on-month ...

The rise in the price level was due mainly to the prices of non-food products and public catering, which rose month-on-month by 0.4%. In the category of non-food products, the most significant increases were recorded in the prices of building materials, shoes, and leather goods. Food prices continued to increase at a moderate rate in December. The level of food prices rose month-on-month by 0.2%, while the prices of meat and meat products, sugar, sugar products, potatoes, and some vegetables fell slightly. The most significant increase was recorded in the price of eggs and egg products.

Price rises in all categories of consumer goods

The most moderate increase was recorded in the price level of services (0.1%). In the category of services, the most rapid increases were recorded in the prices of education, culture, entertainment, and sports; though they remained behind the previous month's figures. The price of municipal services, charges, and rents remained unchanged.

Moderate increase in service prices

4. Money market

In December, Sk 18,011 million worth of Treasury bills were issued and put up for auction on the market for short-term securities. Thus the Ministry of Finance of the SR (MF SR) continued to make regular issues of Treasury bills designed to cover the 1996 State budget deficit until the account stated is approved. The total book value of these nine issues totalled Sk 27 billion at the end of the year. Interest rates on the primary Treasury bills market showed an upward trend. In the last issue, the issuer set the maximum rate of interest in order to halt a further rise in the average interest rate at primary sale. When Treasury bills placed on the market through auction did not suffice to fully cover the current budget deficit, the MF SR floated so-called fast issues. These covered the budget deficit until the following regular issue. With the exception of one 10-day issue, the maturities of these Treasury bill issues did not exceed 7 days and the rate of interest was derived from

Treasury bills market

the average interest rate achieved at the last auction of one-month Treasury bills. These bills were all issued for the portfolio of the NBS. The average volume of a single tap issue was Sk 2,558 million in December. The NBS provided a daily average of Sk 4.24 billion for the financing of the State budget; at 31 December 1996, however, the NBS had no Treasury bills in its portfolio. This was due the fact that all tap issues of Treasury bills purchased by the NBS for its own portfolio had been redeemed by 31 December 1996, and the State budget deficit was covered by Treasury bills purchased by commercial banks at auctions; thus there was no need for further tap issues which would mature in the following year. During the period under consideration, Treasury bills were redeemed in the total amount of Sk 23,989 million. On account of the need to place Treasury bills on the market, the NBS did not issue Central Bank bills (NBS bills) in December. In this period, NBS bills were redeemed in the total amount of Sk 7.9 billion; of which bills that the NBS used for open market operations accounted for Sk 5 billion.

As a result of the increased issuing activity of the MF SR, the average daily volume of short-term securities in the portfolios of commercial banks reached Sk 20.23 billion, representing an increase of Sk 4.98 billion compared with the previous month's figure. Of this amount, the average daily portfolio of Treasury bills accounted for Sk 18.31 billion (Sk 7.41 billion more than in November) and that of NBS bills Sk 1.92 billion (Sk 2.43 billion less than a month earlier).

*REPO operations
of the NBS*

To ensure the stability of the banking sector, the NBS conducted individual REPO operations with a maturity of up to 7 days, mostly in the form of REPO deals for refinancing purposes. The total volume of REPO deals for refinancing amounted to Sk 20.45 billion, i.e. 63% less than in November. REPO operations for sterilisation purposes were conducted during the first half of the month, and were characterised by a surplus of liquidity in the banking sector, and on the last days of the month, by a replenishment of required reserves. The volume of these operations amounted to Sk 8.04 billion (18% less than in the previous month). The refinancing REPO rate was set at 9.7% p.a. and the sterilisation rate at 7.2% p.a. for the entire period under consideration.

*Development of
BRIBOR rates*

During the first half of December, the development of BRIBOR rates was stable on all types of interbank deposits, with a moderate downward trend. In the second half of the month, there was a marked change in development: the rates recorded a rapid increase and then rose continuously to the end of December. The average rate of interest on one-month deposits rose in December by 44 percentage points, to 14.91% p.a. The average interbank deposit rate for three-month deposits reached 14.93% p.a., representing a month-on-month increase of 55 points. The average rate on six-month deposits was 14.97% p.a., i.e. 67 points higher than in November.

5. Capital market

Primary market

In December, fourteen issues of publicly negotiable non-government bonds were floated, in the total amount of Sk 7,385 million.

Secondary market

In December, the volume of trading on Bratislava Stock Exchange (BCPB) totalled Sk 14,134 million, representing an increase of 60.89% compared with the figure for the previous month. This growth was due mainly to direct transactions, which increased month-on-month by 70.10%, to Sk 12,484 million. The volume of anonymous transactions also increased in December by 14.11%, to Sk 1,650 million. Most trading took place in listed shares, which accounted for 41% of the total volume traded on BCPB. This was followed by unlisted shares (33%), listed bonds (15%), and the remaining 11% consisted of trading in unlisted bonds.

The SAX index

In December, the downward trend in the Slovak Share Index (SAX) came to a halt: the month opened with a value of 167.43 points and recorded a monthly minimum (165.52 points) on 9 December 1996. The monthly maximum of SAX (181.09

points) was achieved on 13 December 1996. Since the end of November, the SAX index rose by 8.85%, and in comparison with the end of December 1995, had risen by 15.75%.

Slovak Share Index - SAX (%)



The volume of trading in listed bonds totalled Sk 2,116 million, representing an increase of 26.78% compared with the figure for the previous month. Of this amount, anonymous transactions accounted for Sk 567 million and direct transactions Sk 1,549 million. On the listed bond market, the largest volumes were traded in VSŽ bonds (Sk 307 million), VÚB V bonds (Sk 264 million), and JCP Štúrovo bonds (Sk 254 million). In anonymous trading, the best performers were JCP Štúrovo bonds along with government bonds of Issue No. 017 (Sk 102 million), followed by VÚB 01 bonds (Sk 73 million).

Bonds

The volume of trading in unlisted bonds fell by 22.81%, to Sk 1,523 million. Of this amount, anonymous transactions accounted for Sk 171 million and direct transactions Sk 1,352 million. On the unlisted bond market, most trading took place in Železiarne Podbrezová bonds (Sk 221 million), which were the best performers in anonymous transactions as well (Sk 55 million), followed by ŽSR 2 bonds (Sk 201 million) and Slovenské elektrárne 3 bonds (Sk 182 million).

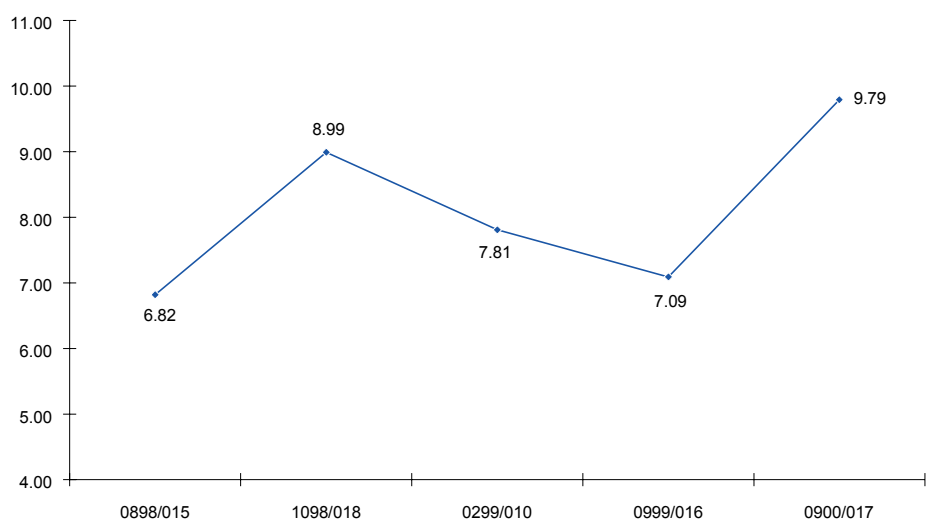
The volume of transactions in listed shares reached Sk 5,866 million, representing an increase of 154.38% compared with the previous month's figure. Of this amount, direct transactions accounted for Sk 5,200 million and anonymous transactions Sk 666 million. With regard to listed shares, most trading took place in VÚB shares (Sk 2,832 million), and Slovnaft shares together with VSŽ shares (Sk 552 million). In anonymous transactions, the largest volumes were traded in Slovnaft shares (Sk 299 million), Nafta Gbely shares (Sk 218 million), and VSŽ shares (Sk 39 million).

Shares

The volume of trading in unlisted shares increased in December by 63.22%, to Sk 4,629 million. Of this amount, direct transactions accounted for Sk 4,383 million and anonymous transactions Sk 246 million. Most trading took place in Benzínol shares (Sk 433 million) and Harmanecké papierne shares (Sk 287 million). In anonymous trading, the best performers were Železiarne Podbrezová shares (Sk 39 million) and Chirana PREMA shares (Sk 26 million).

In connection with the large volume of non-government bonds issued in December, marked changes were recorded in the structure of bond- and shareholders registered at the Securities Centre. In comparison with the previous month, the number of bonds held by banks increased by 34.11%, the number of bonds held by other resident entities increased by 14.3%, and those held by non-residents by 49.59%. With regard to shares, the only significant increase was recorded in shares held by local banks (12.82%). The total number of securities increased by 1.22% compared with the figure for the previous month.

Average yield in government bonds at 31 December 1996 (%)



6. Interbank foreign exchange market

*Transactions among
Slovak banks*

In December, the volume of trading among Slovak banks fell month-on-month from US\$ 6,266.3 million, to US\$ 5,201.6 million, representing 95% of the total interbank foreign exchange market. The number of contracts also decreased to 2,360, from 3,355 in November. The average amount per contract remained virtually unchanged (US\$ 2.2 million). The currency structure of transactions changed only slightly in December. Most trading was concluded in US\$ (56.9%), followed by DM (37.0%), and other European currencies.

*Transactions between Slovak
and foreign banks*

The volume of transactions concluded between Slovak and foreign banks fell in December by US\$ 231.6 million, i.e. from US\$ 2,049.4 million to US\$ 1,817.8 million, representing 24.9% of the total volume traded on Slovakia's foreign exchange market.

In these transactions, Slovak commercial banks reached a balance of US\$ 55.7 million in December, compared with US\$ -12.1 million a month earlier, i.e. they were purchasing foreign exchange from foreign banks.

7. Balance of payments for January to November 1996

*The deficit in the balance of
payments current account
continued to grow ...*

The development of Slovakia's foreign trade during the first eleven months of 1996 was characterised by a further increase in the current account deficit of the balance of payments, due primarily to the growing deficit in the balance of trade. Imports in November reached Sk 23.3 billion, exceeding exports by Sk 6.5 billion and increasing the trade deficit to Sk 48.8 billion. The second item that contributed to the ongoing growth in the current account deficit (though to a lesser extent) was the income balance. The growing indebtedness of the Slovak economy and the consequent increase in interest payments resulted in a Sk 0.7 billion shortfall in the

income balance. The fact that the surpluses in the services balance (Sk 1.2 billion) and the balance of current transfers (Sk 5.5 billion) were not high enough to cover the trade and income balance deficits, resulted in a shortfall of Sk 42.8 billion in the balance of payments current account during the eleven months of 1996. The deficit was partly offset by the continued inflow of funds into the capital and financial account of the balance of payments, which increased in November by Sk 2.4 billion. At the end of November, the volume of capital inflow exceeded that of outflow by Sk 48.3 billion.

During the first eleven months of 1996, Slovakia's balance of payments in the current account vis-a-vis other countries resulted in a deficit of Sk 42.8 billion, i.e. US\$ 1.4 billion. The achieved result was greatly influenced by the increasing trade balance deficit, which reached Sk 48.8 billion (US\$ 1.6 billion) at the end of November.

... due mainly to the growth in trade deficit

Slovakia's foreign trade turnover increased year-on-year by 15.3%, while exports grew by 5.6% and imports by 25.0%. Excluding the imports of aircraft from the Russian Federation intended for the unblocking of government claims, the increase in imports represented 22.8%. With regard to the commodity structure of imports, the year-on-year increase (Sk 59.2 billion) continued to be dominated by the import of motor vehicles, which increased by Sk 16.9 billion, representing a growth index of 236% (of this amount, passenger car imports accounted for Sk 13.8 billion, i.e. 23.3% of the year-on-year increase in imports). A significant increase was also recorded in the import of fuels (a year-on-year increase of Sk 9 billion, representing 15.2% of the year-on-year growth in imports) - mainly natural gas (Sk 2.5 billion), electricity (Sk 1.9 billion), and crude oil (Sk 4.0 billion). The import of mechanical equipment, mainly tools and single-purpose machines, was continuous during the period under consideration; the year-on-year increase reached Sk 8.1 billion, i.e. 13.7% of the total year-on-year growth in imports.

The dynamic growth in imports continued ...

The year-on-year increase in exports (Sk 13 billion) was a result of two contradictory trends. On the one hand, a permanent decline was recorded in the exports of a wide range of products, mainly iron and steel (a decline of Sk 4.3 billion), lubricants, and vegetable wax (Sk 2.1 billion), plastics and some chemicals (Sk 1.5 billion), timber and pulpwood (Sk 1.3 billion). This decline was offset by an increase in the export of motor vehicles (Sk 8.9 billion), aluminium and aluminium products (Sk 3.7 billion), and mechanical equipment such as pumps and boilers (Sk 2.0 billion).

... while exports grew at a much slower rate

In contrast with previous years, the positive balance of services did not increase continuously during the period January to November 1996. The faster growth of expenditures in transport and travel in particular resulted in a fall in the surplus for these two items year-on-year (Sk 3.1 billion). In the structure of services, a decisive role was played by increased foreign exchange expenditure on travel, which increased year-on-year by 54.5%. Foreign exchange expenditure on individual travel, through purchasing foreign exchange within the limit for personal travel, amounted to Sk 7.3 billion, representing a twofold increase in comparison with the figure for last year. The second largest item of passive tourism was expenditure on business trips abroad, which reached Sk 4.3 billion and remained at the level of the same period of last year.

The balance of other services resulted in a deficit of Sk 11.8 billion. While payments for services of productive and non-productive nature fell by only 1.7%, collections for these service fell by 37.2%. In collections together with payments, the changes in volumes were accompanied by changes in the structure of individual items. The sharpest decline in the volume (collections and payments) was recorded in telecommunications services. While the fall in payments for telecommunications services served to compensate the increase in the volume of construction, assembly, and financial services, the decline in collections from telecommunications services was not accompanied by a marked increase in other

items. On the other hand, a similar decline was recorded in other commercial services, which were excluded from the group of unspecified services classified as other services in 1996. At the end of November, almost all items showed a negative balance within the structure of 'other services'. The largest deficit in the balance of 'other services' was recorded in financial services (Sk 1.2 billion), due to the rent of intangible property (Sk 1 billion) and especially in commercial services (Sk 4.6 billion). A lesser deficit was recorded in the area of construction and assembly in the amount of Sk 198 million.

Surplus in the capital and financial account

The capital and financial account generated a surplus of Sk 48.3 billion, i.e. US\$ 1.6 billion. The inflow of foreign capital took place in the form of short-term capital. In eleven months, the net inflow of short-term capital (assets less liabilities) reached Sk 29.2 billion, representing 60.5% of the total inflow of capital during the period under consideration. In comparison with 1995, the short-term liabilities increased in the banking sector (mainly during the second half of 1996). This capital, which includes some elements of a speculative nature, had increased by Sk 16.8 billion at the end of November, and accounted for 57.7% of the short-term capital and 34.8% of the total volume of net capital inflow.

In eleven months, the volume of foreign capital invested in companies operating in the SR had increased by Sk 3.3 billion, and remained at the level of the same period of the previous year. The inflow of direct investment into the corporate sector during the eleven months was continuous, and was at the level of approximately Sk 300 million per month. Since the beginning of the year, direct investment in the banking sector has increased by Sk 2.4 billion. During the last few months, direct investment of Slovak companies abroad has increased to Sk 1.4 billion. Of this amount, 80% was invested during the period from September to November.

The corporate sector continued to show increased demand for long-term loans from abroad, which grew by almost Sk 4.1 billion in September, to reach Sk 26.9 billion since the beginning of the year. Financial credits, which increased by Sk 23.8 billion during the period from January to November, took the form of project financing in most cases. In the same period, financial credits were repaid in the total amount of Sk 8.0 billion.

A crucial factor in the development of short-term capital was the movement of short-term capital at commercial banks. The increase of Sk 32.5 billion was due to the decline in short-term deposits held by commercial banks abroad, due mainly to the financing of the current account deficit (short-term deposits fell by Sk 18.7 billion, loans made to foreign countries increased by Sk 2.1 billion, and commercial banks purchased securities for their portfolios in the amount of Sk 1.2 billion), and an increase in short-term liabilities in all main categories. Since the beginning of the year, the deposits of non-residents at Slovak banks have increased by Sk 5.8 billion, and the borrowings of Slovak banks from foreign banks have increased by Sk 2.5 billion, while the largest amount was represented by the purchase of foreign exchange from foreign banks in the amount of Sk 8.2 billion.

Appendices

Monetary survey

(Sk billion)

	1995	1996											
	31.12.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.*
Fixed exchange rate SKK / USD	31.277	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569
Fixed exchange rate SKK / DEM	20.06	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646
ASSETS													
Net foreign assets	61.6	63.6	65.9	64.7	63.3	62.3	57.2	57.4	59.8	59.2	55.1	55.3	63.1
Foreign assets	150.6	149.9	150.7	151.2	149.8	148.6	144.6	145.9	151.1	150.6	144.4	148.0	184.2
Foreign liabilities	89.0	86.3	84.8	86.5	86.5	86.3	87.4	88.5	91.3	91.4	89.3	92.7	121.1
Net domestic assets	295.4	286.4	291.0	297.1	294.7	302.7	310.6	314.6	316.7	317.2	321.4	332.4	350.3
Domestic credit	396.8	392.3	400.2	407.8	409.3	409.3	419.6	420.8	428.5	431.1	436.0	443.0	457.6
- Net credit to Government	92.0	83.3	87.8	86.4	84.7	80.2	82.6	80.0	81.9	83.6	83.3	84.0	98.0
- Net credit to FNM ^{1/}	-2.3	-1.7	-2.4	-1.9	-2.1	-1.0	-1.4	-2.5	-2.3	-2.8	-3.1	-3.3	-2.4
Credit to households and enterprises	307.1	310.7	314.8	323.3	326.7	330.1	338.4	343.3	348.9	350.3	355.8	362.3	362.1
- Credit in SKK	283.8	283.8	288.3	293.4	294.9	297.6	303.8	307.0	311.1	311.7	317.5	324.0	332.1
- Credit to enterprises	268.5	268.6	273.3	278.5	280.1	282.7	288.8	291.9	295.8	296.1	301.5	307.4	314.3
- Credit to households	15.3	15.2	15.0	14.9	14.8	14.9	15.0	15.1	15.3	15.6	16.0	16.6	17.8
- Credit in foreign currency	23.3	26.9	26.5	29.9	31.8	32.5	34.6	36.3	37.8	38.6	38.3	38.3	30.0
LIABILITIES													
Liquid liabilities [M2]	357.0	350.0	356.9	361.8	358.0	365.0	367.8	372.0	376.5	376.4	376.5	387.7	413.5
Money [M1]	148.4	137.4	140.5	143.8	140.6	143.2	147.2	147.8	150.2	153.7	149.5	156.1	172.4
Currency outside banks [M0]	34.5	34.3	35.9	36.3	36.9	37.4	39.0	39.1	40.6	41.6	41.6	42.8	42.9
Demand deposits	113.9	103.1	104.6	107.5	103.7	105.8	108.2	108.7	109.6	112.1	107.9	113.3	129.5
- Households	37.4	38.7	39.4	39.7	40.6	41.1	42.3	43.0	43.8	43.7	43.6	44.5	
- Enterprises	75.0	62.8	63.0	65.8	61.5	63.0	64.1	64.5	64.6	67.0	63.2	67.7	
- Insurance companies	1.5	1.6	2.2	2.0	1.6	1.7	1.8	1.2	1.2	1.4	1.1	1.1	
Quasi-money [QM]	208.6	212.6	216.4	218.0	217.4	221.8	220.6	224.2	226.3	222.7	227.0	231.6	241.0
Time and savings deposits	169.1	172.4	176.1	177.9	177.7	182.8	182.3	185.7	187.3	184.1	187.8	191.9	199.8
- Households	125.7	128.4	129.9	130.6	131.0	132.3	133.5	134.2	134.9	135.1	135.9	136.9	
- Enterprises	27.7	28.1	29.8	29.9	29.9	33.2	31.2	34.0	34.5	31.4	34.4	37.6	
- Insurance companies	15.7	15.9	16.4	17.4	16.8	17.3	17.6	17.5	17.9	17.6	17.5	17.4	
Foreign currency deposits	39.5	40.2	40.3	40.1	39.7	39.0	38.3	38.5	39.0	38.6	39.2	39.7	41.2
- Households	35.2	35.3	35.0	34.5	34.2	33.9	33.7	33.5	33.6	33.9	34.1	34.5	
- Enterprises	4.3	4.9	5.3	5.6	5.5	5.1	4.6	5.0	5.4	4.7	5.1	5.2	
Other items net	101.4	105.9	109.2	110.7	114.6	106.6	109.0	106.2	111.8	113.9	114.6	110.6	107.3

1/ FNM - National Property Fund

*/ Preliminary data

Balance of Payments for January to November 1996

	Consolidated balance	
	in SKK million	in USD million
Trade balance	-48,817.0	-1,596.8
Export (fob)	247,539.0	8,097.2
Import (fob)	296,356.0	9,694.0
Service balance	1,158.0	37.9
Receipts	57,780.0	1,890.0
Transportation	18,248.0	596.9
Travel	19,108.0	625.0
Other services	20,424.0	668.1
Expenditures	56,622.0	1,852.1
Transportation	10,894.0	356.4
Travel	13,513.0	442.0
Other services	32,215.0	1,053.8
Income balance	-690.0	-22.6
Interest	-758.0	-24.8
Income	5,530.0	180.9
Payments	6,288.0	205.7
Investment	-134.0	-4.4
Income	375.0	12.3
Payments	509.0	16.6
Compensation of employees	202.0	6.6
Income	459.0	15.0
Payments	257.0	8.4
Current transfers	5,534.0	181.0
Official	259.0	8.5
Private	5,275.0	172.5
Current account	-42,815.0	-1,400.5
Capital transfers	909.0	29.7
Net medium- and long-term account	19,042.0	596.4
Direct investment	4,312.7	140.6
Portfolio investment	832.9	36.4
MLT Credits received	6,850.7	183.3
MLT Credits extended	7,045.7	236.1
Net short-term financial account	28,319.5	945.5
Total capital and financial account	48,270.5	1,571.6
Errors and omissions	4,594.6	155.8
Overall balance	10,050.1	326.9
Change in reserves (-,inc)	-10,050.1	-326.9
Gold	-1,781.0	-57.5
Holding of SDR	1,671.9	55.9
Foreign exchange assets	-9,941.0	-325.3

Exchange rate applied: USD = SKK 30.571

Money Supply M2

(Sk billion)

	1.1.1996	30.11.1996	31.12.1996 ^{*/}	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)
Money Supply [M2]	357.4	387.7	413.4	25.7	6.6	56.0	15.7
Money [M1]	148.4	156.1	172.4	16.3	10.4	24.0	16.2
Currency outside banks [M0]	34.5	42.8	42.9	0.1	0.2	8.4	24.3
Demand deposits	113.9	113.3	129.5	16.2	14.3	15.6	13.7
Quasi-money [QM]	209.0	231.6	241.0	9.4	4.1	32.0	15.3
Time deposits	169.0	191.9	199.8	7.9	4.1	30.8	18.2
Foreign currency deposits	40.0	39.7	41.2	1.5	3.8	1.2	3.0
Crown deposits	282.9	305.2	329.3	24.1	7.9	46.4	16.4
- Households	163.1	181.4	191.6	10.2	5.6	28.5	17.5
- Enterprises (incl.insurance)	119.8	123.8	137.7	13.9	11.2	17.9	14.9

*/ Preliminary data

Development of Deposits

(Sk billion)

	30.11.1996	31.12.1996 ^{1/}	Change
Deposits in Sk and foreign currency	389.8	414.7	24.9
- Deposits in Slovak crowns	347.9	370.7	22.8
of which			
- Enterprise sector ^{2/}	121.1	131.3	10.2
- Households	181.4	191.6	10.2
- Central authorities	20.5	20.4	-0.1
- Local authorities	4.9	6.1	1.2
- Social insurance funds	17.3	15.5	-1.8
- Other ^{3/}	2.7	5.8	3.1
- Deposits in foreign currency ^{4/}	41.9	44.0	2.1

1/ Preliminary data

2/ Including non-profit organisations

3/ Nonresidents and unincorporated

4/ In convertible currencies (residents and non-residents) including local authorities deposits

Development of Loans

(Sk billion)

	30.11.1996	31.12.1996 ^{1/}	Change
Loans in Sk and foreign currency	369.8	374.8	5.0
- Loans in Slovak crowns	329.7	339.2	9.5
of which			
- Enterprise sector ^{2/}	305.5	312.5	7.0
- Households	16.6	17.8	1.2
- Loans to central and local authorities for extrabudgetary needs	5.7	7.0	1.3
- Other ^{3/}	1.9	1.9	0.0
- Loans in foreign currency ^{4/}	40.1	35.6	-4.5

1/ Preliminary data

2/ Including non-profit organisations

3/ Nonresidents and unincorporated

4/ In convertible currencies (residents and non-residents)

Average Lending Rates of Commercial Banks

(%)

	1994	1995	1996										
	12	12	1	2	3	4	5	6	7	8	9	10	11
1. TOTAL VOLUME OF LOANS ^{3/}	14.39	14.78	14.84	14.43	14.20	14.27	13.95	13.43	13.23	13.25	13.28	13.36	13.42
A) Loans by sector													
of which													
a) Enterprise sector													
- Public sector	15.18	15.52	15.04	14.64	14.22	14.77	14.64	13.44	12.81	12.79	12.93	13.23	13.26
- Private sector (incl. cooperatives)	14.82	15.59	15.71	15.20	15.01	14.87	14.41	14.08	13.98	14.01	13.99	13.94	14.00
b) Households	4.29	5.06	5.67	5.59	5.66	5.50	5.58	5.65	5.79	5.94	6.06	6.35	6.47
B) Loans by term													
of which													
- Short-term	16.51	16.17	16.27	15.45	14.96	14.76	14.05	13.60	13.66	13.76	13.81	13.86	14.06
- Medium-term	17.63	17.77	17.73	17.18	17.01	16.76	16.46	15.98	15.75	15.73	15.67	15.60	15.51
- Long-term	11.30	12.12	12.29	12.18	12.14	12.57	12.53	12.01	11.56	11.50	11.50	11.63	11.59
2. NEW LOANS IN TOTAL	19.09	14.04	13.42	13.88	13.54	12.80	12.95	12.58	13.23	13.06	13.56	13.57	14.27
A) Loans by sector													
of which													
a) Enterprise sector													
- Public sector	19.82	14.23	13.03	13.92	13.72	13.29	13.99	13.04	12.99	13.01	13.14	12.81	13.03
- Private sector (incl. cooperatives)	19.20	14.89	14.86	14.94	14.59	14.01	13.58	12.42	13.40	13.52	13.83	13.91	14.74
b) Households	18.35	15.44	14.26	15.20	14.52	11.56	10.83	10.66	10.54	10.57	10.57	11.18	10.39
B) Loans by term													
of which													
- Short-term	19.37	13.68	13.15	13.31	13.18	12.56	12.77	12.36	13.47	13.40	13.57	13.55	14.46
- Medium-term	19.18	16.17	15.25	16.26	15.53	14.15	13.80	13.32	13.21	13.89	14.25	13.33	13.77
- Long-term	16.11	14.37	14.03	15.00	14.56	13.54	13.94	14.03	12.16	8.72	11.75	14.44	13.54
C) Average rates up to 3% ^{1/}	1.00	0.57	1.25	0.04	0.46	0.37	0.09	0.06	0.19	1.88	1.96	2.21	1.67
a) Loans by term													
of which													
- Short-term	0.99	0.52	1.00	0.00	0.00	-	0.01	-	-	0.01	-	2.00	0.00
- Medium-term	0.19	0.08	1.89	0.28	0.13	0.97	0.28	1.50	1.16	1.00	1.50	1.67	1.41
- Long-term	1.10	1.05	1.78	1.00	2.53	0.87	0.41	1.28	2.03	2.99	2.05	2.35	1.77
D) Average rates above 3% ^{2/}	19.55	14.55	13.54	13.96	13.70	12.90	13.12	12.90	13.34	13.87	13.56	13.58	14.28
a) Loans by term													
of which													
- Short-term	19.68	14.09	13.25	13.40	13.34	12.63	12.93	12.73	13.63	13.83	13.57	13.55	14.46
- Medium-term	19.39	16.75	15.33	16.29	15.58	14.17	13.86	13.34	13.23	13.91	14.26	13.34	13.79
- Long-term	18.31	15.99	14.68	15.03	15.07	14.28	14.87	14.29	12.21	14.48	11.84	14.61	13.62

1/ Long term loans from previous years (granted for housing projects, construction of nuclear power plants, family houses, house purchases, furniture, etc.)

2/ Interest rates updated with regard to changes in the discount rate and / or base rate - deviations

3/ In 1993 and 1994: rate of interest on the total volume of loans including loans at zero interest rate
In 1995 and 1996: rate of interest total volume of loans excluding loans at zero interest rate

Interest Rates on Crown Deposits and Change in Volume of Crown Deposits

(%)

		1995		1996										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Total deposits	a	8.20	8.23	7.52	7.24	6.59	6.49	6.48	6.54	6.58	6.75	6.70	6.70	6.76
	b	5.30	29.40	-5.90	6.10	4.10	-3.00	10.40	1.00	7.80	2.40	-0.60	0.10	9.30
of which														
Demand deposits	a	3.29	3.40	3.07	3.11	3.13	3.08	3.00	3.06	3.01	2.96	2.97	2.96	2.93
	b	3.30	12.80	-13.40	2.20	2.90	-2.70	3.00	-0.80	5.60	-2.40	2.50	-4.10	5.70
Time deposits	a	11.20	10.98	10.33	9.49	8.95	8.82	8.78	8.62	8.85	9.05	9.10	9.02	9.09
	b	2.00	16.60	7.50	4.00	1.20	-0.30	7.40	0.20	2.20	4.80	-3.10	4.20	3.70
- 7-day deposits	a	6.69	6.29	6.66	7.42	6.92	7.91	8.44	10.63	9.69	9.45	10.22	9.88	9.88
	b	-0.10	3.20	-1.70	0.10	-0.70	-0.10	1.10	1.90	-2.70	2.60	-0.90	1.30	1.20
- 1-month deposits	a	6.65	6.30	6.34	6.42	6.34	6.09	5.81	6.08	7.47	8.55	8.64	8.61	8.75
	b	1.10	3.00	0.10	-0.20	1.50	-0.50	2.00	-0.30	4.60	0.20	-2.60	1.80	1.20
- 3-month deposits	a	8.78	8.59	7.36	7.09	6.94	7.06	7.05	6.95	7.56	7.68	7.63	7.90	8.61
	b	-0.70	-0.40	2.50	1.10	0.80	0.10	1.00	-1.80	0.60	0.50	-1.30	0.30	1.60
- 6-month deposits	a	8.96	9.90	8.69	8.69	8.20	8.13	8.09	8.02	7.93	8.20	8.40	8.44	8.40
	b	-0.30	-1.30	4.50	0.10	-0.70	0.00	0.00	-0.10	-0.60	2.00	1.70	0.20	-1.00
- 9-month deposits	a	4.34	10.29	9.36	9.46	9.63	9.26	9.30	9.57	9.55	9.77	9.99	9.93	9.84
	b	-0.30	-2.00	0.20	-0.30	0.30	0.00	0.50	0.00	0.30	-0.20	0.00	-0.50	-0.20
- 12-month deposits	a	11.54	11.46	11.33	10.80	9.41	9.24	9.08	9.08	9.03	9.11	9.07	9.05	9.09
	b	0.80	5.50	0.30	1.90	0.40	-1.50	1.60	0.00	0.30	0.10	-0.70	0.00	0.40
- 18-month deposits	a	13.48	13.02	12.75	12.30	12.89	12.37	12.67	11.65	10.94	11.03	11.19	10.76	10.48
	b	0.00	0.40	0.20	0.20	-0.10	-0.20	-0.40	0.20	-1.50	-0.20	-0.10	-0.20	0.00
- 2-year deposits	a	12.62	12.53	12.15	11.27	9.63	9.60	9.61	9.58	9.52	9.53	9.52	9.56	9.54
	b	0.40	4.80	0.40	0.60	0.00	0.40	0.70	-1.00	0.00	-0.60	0.00	0.20	-0.40
- 3-year deposits	a	14.35	14.26	13.16	13.58	13.32	13.10	13.07	13.07	13.06	13.06	13.02	12.94	12.92
	b	0.00	0.00	0.20	0.20	0.00	0.60	0.00	0.00	2.10	0.00	-0.10	0.00	0.00
- 4-year deposits	a	14.97	14.78	12.96	13.98	13.91	13.08	13.00	12.80	12.78	12.98	12.98	12.97	12.94
	b	0.30	0.70	-7.20	-0.30	0.00	0.10	0.20	-0.40	-0.60	0.00	0.00	0.10	0.00
- 5-year deposits	a	18.65	18.91	14.74	13.77	13.67	13.76	13.51	13.27	13.28	13.20	13.13	13.09	13.37
	b	0.00	-0.10	6.00	-0.10	-0.80	0.40	0.00	1.40	0.10	0.00	0.10	0.20	0.00
- above 5 year	a	3.70	3.07	5.28	5.80	5.79	5.72	5.63	5.54	5.51	5.33	5.31	5.23	5.14
	b	0.80	2.90	1.70	0.70	0.60	0.40	0.80	0.30	0.10	0.30	0.50	0.50	0.90

a - average deposit rate (%)

b - change in volume (\$k billion)

Basic Characteristics of Slovakia's Foreign Exchange Market in December 1996

	USD			DEM			Other currencies			Total	
	Turnover		Number of transactions	Turnover		Number of transactions	Turnover		Number of transactions	Turnover USD million	Number of transactions
	USD million	%		USD million	%		USD million	%			
Foreign exchange fixing	193.0	67.0	23	95.1	33.0	21				288.1	44
Transactions among Slovak banks without participation of foreign banks	2,960.9	56.9	1,023	1,923.8	37.0	1,094	316.9	6.1	243	5,201.6	2,360
Interbank foreign exchange market fixing + transactions between Slovak banks.	3,153.9	57.5	1,046	2,018.8	36.8	1,115	316.9	5.8	243	5,489.6	2,404
Transactions between Slovak and foreign banks	1,089.7	59.9	309	607.9	33.4	295	120.2	6.6	69	1,817.8	673
Foreign exchange market in the SR - total	4,243.6	58.1	1,355	2,626.7	35.9	1,410	437.1	6.0	312	7,307.4	3,077

Average Monthly Exchange Rates of SKK

midpoint rate	1995	1996											
	12	1	2	3	4	5	6	7	8	9	10	11	12
FRF	5.981	5.988	5.943	5.949	5.958	5.959	5.992	6.028	6.006	5.998	6.030	6.060	6.024
1,000 ITL	18.621	18.880	19.040	19.262	19.409	19.844	20.119	20.127	20.018	20.216	20.442	20.458	20.677
100 JPY	29.202	28.347	28.335	28.445	28.304	29.108	28.536	28.124	28.192	28.006	27.790	27.591	27.787
CAD	21.693	21.886	21.791	22.034	22.372	22.582	22.718	22.458	22.121	22.422	23.056	23.133	23.224
NLG	18.412	18.302	18.253	18.200	18.090	18.038	18.136	18.187	18.269	18.227	18.179	18.278	18.150
ATS	2.930	2.914	2.906	2.897	2.876	2.866	2.887	2.901	2.913	2.904	2.899	2.914	2.894
DEM	20.615	20.496	20.439	20.371	20.228	20.167	20.312	20.411	20.495	20.434	20.396	20.502	20.365
CHF	25.501	25.414	25.065	25.150	24.981	24.660	24.688	24.878	25.257	25.006	24.784	24.330	23.849
USD	29.705	29.896	29.995	30.099	30.397	30.909	31.029	30.735	30.372	30.711	31.175	30.948	31.579
GBP	45.683	45.788	46.027	45.961	46.088	46.786	47.845	47.734	47.072	47.871	49.326	51.438	52.544
XEU	37.895	37.814	37.544	37.754	37.832	37.967	38.426	38.577	38.546	38.707	39.062	39.365	39.298
CZK	1.117	1.110	1.110	1.105	1.107	1.117	1.116	1.134	1.144	1.158	1.151	1.153	1.155

Gross Domestic Product

(Sk billion)

		1995					1996		
		Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
Gross domestic product in constant 1993 prices	a	98.6	106.2	108.6	103.3	416.7	105.8	113.5	116.0
	b	105.7	107.1	108.2	108.5	107.4	107.3	106.9	106.9
Gross domestic product in current prices	a	117.6	130.0	135.4	135.0	518.0	133.5	146.5	152.7
	b	115.2	116.4	118.7	119.0	117.4	113.5	112.7	112.8

Note: Conversion is based on the method of ESA

a - In the specified unit

b - Index same period of previous year = 100

Consumer Prices

(%)

		1995	1996											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Goods and services	a	100.3	100.7	100.3	100.3	100.3	100.5	100.2	100.3	100.5	100.9	100.7	100.4	100.3
	b	119.7	107.9	108.2	108.5	108.8	109.3	109.5	109.8	110.4	111.4	112.2	112.6	113.0
	c	107.2	100.7	101.0	101.2	101.5	102.0	102.2	102.5	103.0	104.0	104.7	105.1	105.4
	d	107.2	106.4	106.2	106.1	106.0	106.1	106.2	105.5	105.6	105.2	105.3	105.4	105.4
of which														
foodstuff goods	a	100.2	99.7	99.5	100.0	100.2	100.3	99.1	100.6	100.5	102.2	100.9	100.2	100.2
	b	124.6	105.0	104.4	104.4	104.7	104.9	104.0	104.7	105.1	107.4	108.4	108.6	108.8
	c	105.3	99.7	99.2	99.1	99.4	99.6	98.7	99.4	99.8	102.0	102.9	103.1	103.3
	d	105.3	103.9	103.7	104.1	104.6	104.7	105.2	104.7	104.1	102.8	103.3	103.3	103.3
non-foodstuff goods	a	100.4	101.4	100.5	100.4	100.3	100.7	100.7	100.1	100.5	100.4	100.5	100.5	100.4
	b	116.8	109.4	109.9	110.3	110.7	111.4	112.1	112.2	112.8	113.3	113.9	114.5	114.9
	c	107.9	101.4	101.9	102.2	102.5	103.2	103.9	104.0	104.5	105.0	105.5	106.1	106.5
	d	107.9	107.7	107.5	107.3	106.7	106.8	106.8	106.5	106.7	106.6	106.5	106.5	106.5
public catering	a	100.3	100.2	100.7	100.4	100.5	100.6	100.6	100.3	100.3	100.6	100.7	100.5	100.4
	b	122.2	107.6	108.4	108.8	109.3	109.9	110.6	111.0	111.3	112.0	112.8	113.4	113.9
	c	107.4	100.2	100.9	101.3	101.8	102.4	103.1	103.4	103.7	104.3	105.0	105.6	106.0
	d	107.4	105.8	105.8	105.5	106.1	106.4	106.6	105.6	105.5	105.5	105.7	105.8	106.0
services	a	100.1	100.8	100.6	100.4	100.2	100.2	100.2	100.2	101.0	100.6	100.4	100.3	100.1
	b	118.1	109.0	109.7	110.1	110.4	110.6	110.8	111.1	112.2	112.9	113.4	113.7	113.8
	c	108.1	100.8	101.4	101.8	102.1	102.3	102.5	102.7	103.8	104.4	104.8	105.1	105.3
	d	108.1	107.4	106.9	106.7	106.3	106.4	106.2	103.7	104.6	104.8	105.1	105.3	105.3

a - index previous period = 100

b - index December two years ago = 100

c - index December previous year = 100

d - index same period of previous year = 100

Producer Prices of Selected Products and Materials

(%)

		1995		1996										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Industrial products	a	99.6	99.9	99.8	101.4	100.4	99.9	101.0	99.7	99.9	100.7	100.5	100.9	100.3
	b	107.1	107.1	99.8	101.2	101.6	101.6	102.6	102.3	102.2	102.9	103.4	104.4	104.6
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	107.6	107.1	104.6	104.6	104.7	103.9	104.4	103.9	103.5	103.5	103.4	103.9	104.6
	e	267.0	266.8	266.2	270.0	271.2	271.0	273.7	273.0	272.7	274.5	275.9	278.5	279.2
Building materials	a	100.2	100.0	100.8	102.9	100.9	100.2	100.0	100.3	100.7	100.1	100.4	100.7	100.7
	b	112.3	112.3	100.8	103.8	104.7	104.9	104.9	105.3	106.0	106.1	106.6	107.3	.
	c	253.1	253.1	255.1	262.6	265.1	265.5	265.5	266.5	268.3	268.5	269.7	271.5	273.5
	d	112.7	112.3	108.1	107.4	107.9	106.8	106.6	107.0	107.5	107.0	106.8	107.4	108.1
	e	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	102.3	95.5	96.0	95.5	99.5	101.2	102.0	101.8	111.2	111.3	100.9	104.1	103.9
	e	155.8	156.0	148.4	142.6	143.8	142.6	141.7	146.1	161.1	156.8	148.8	153.4	162.0
of which: Plant products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	108.8	109.1	110.0	97.3	100.7	103.1	106.8	100.6	113.9	114.4	96.9	104.8	108.9
	e	147.0	148.2	148.5	151.0	148.1	142.7	147.4	190.6	167.2	161.8	141.1	149.4	160.2
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	99.2	94.5	95.5	95.5	99.5	101.1	101.8	101.9	102.8	106.5	104.4	102.7	101.3
	e	160.9	156.7	148.4	142.4	143.8	142.6	141.4	140.7	142.8	149.2	155.7	161.4	163.0

a - index previous month = 100

b - index December of previous year = 100

c - index December 1990 = 100, in construction 1.1.1990 = 100

d - index same period of last year = 100

e - index 1989 = 100

Unemployment

At the end of period

		1995		1996										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Number of vacancies	a	16,162	15,473	16,512	16,480	16,711	17,946	18,431	18,691	18,110	18,635	18,883	18,623	14,156
	b	-740	-689	1,039	-32	231	1 235	485	260	-581	525	248	-260	-4,467
Number of unemployed	a	326,279	333,291	352,570	352,109	342,654	321,881	306,802	311,244	321,661	316,093	313,930	308,416	312,452
	b	789	7,012	19,279	-461	-9,455	-20,773	-15,079	4,442	10,417	-5,568	-2,163	-5,514	4,036
Number of unemployed per vacancy	a	20	22	21	21	21	18	17	17	18	17	17	17	22
Unemployment rate (in %)	a	12.8	13.1	13.7	13.7	13.3	12.5	11.9	12.1	12.5	12.3	12.2	12.0	12.2

a - in the specified unit

b - difference (+,-) compared with previous period

State Budget

(Sk millions)

		1995	1996											
		12	1	2	3	4	5	6	7	8	9	10	11	12
State budget revenue	a	163,138	14,527	21,952	40,393	55,481	68,460	79,525	95,853	106,459	119,642	136,316	149,791	166,330
	b	111.4	8.9	13.5	24.9	34.2	42.1	49.0	59.0	65.5	72.3	82.4	90.5	100.5
State budget expenditure	a	171,437	13,916	29,289	43,893	59,868	71,878	85,654	101,941	114,399	133,072	149,224	163,533	191,888
	b	102.4	7.3	15.5	23.2	31.6	37.9	45.2	53.8	60.4	69.2	77.6	85.0	99.7
State budget balance		-8,299	611	-7,337	-3,500	-4,387	-3,418	-6,129	-6,088	-7,940	-13,430	-12,908	-13,742	-25,558

a - in the specified unit at the end of month (cumulative figures)

b - budget performance in %

Industrial Production

(Sk millions)

		1995		1996										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Total industrial production	a	47,020	42,023	41,634	41,764	43,864	41,546	45,037	43,984	40,995	42,598	46,312	50,096	49,294
	b	101.7	89.4	99.3	98.8	104.6	94.8	107.6	97.7	93.3	103.2	108.2	107.1	98.2
	c	109.9	102.7	111.5	109.6	101.1	102.1	99.7	97.7	105.0	98.0	103.1	103.6	100.0
	d	455,398	497,421	41,634	83,398	127,262	168,808	213,845	257,829	298,824	341,422	387,734	437,830	487,124
	e	108.9	108.3	111.5	110.6	107.1	105.9	104.5	103.3	103.5	102.8	102.8	102.9	102.6
	f	18,778	16,796	16,674	16,475	17,229	16,331	17,565	17,154	16,007	16,517	17,867	19,128	18,779
	g	109.9	102.7	111.5	109.6	101.1	102.1	99.7	97.7	105.0	98.0	103.1	103.6	100.0
of which in the private sector	a	31,786	28,123	26,767	27,543	29,127	28,064	30,494	30,559	28,140	29,424	31,847	35,510	34,380
	b	103.7	88.5	95.4	101.4	105.3	96.4	107.8	100.2	92.2	103.8	107.7	110.4	96.6
	c	122.9	114.0	122.3	118.3	108.3	109.2	106.1	103.4	109.3	102.9	106.1	110.8	103.2
	d	293,231	321,354	26,767	54,310	83,437	111,501	141,995	172,554	200,694	230,118	261,965	297,475	331,855
	e	122.6	121.8	122.3	120.3	115.8	114.1	112.3	110.6	110.4	109.4	109.0	109.2	108.6
	h	67.6	66.9	64.3	65.9	66.4	67.5	67.7	69.5	68.6	69.1	68.8	70.9	69.7
Labour productivity (Sk / employee)	a	74,639	67,154	67,063	67,330	70,554	67,238	72,941	71,044	65,915	68,330	74,265	80,539	79,079
	b	101.9	90.0	100.1	98.9	104.3	95.4	107.6	97.4	92.9	102.9	108.1	107.3	98.0
	c	104.8	98.2	109.5	108.0	99.9	102.2	99.9	97.7	105.2	98.3	103.9	105.1	101.1

a - in the specified unit

b - index previous month = 100

c - index same period of last year = 100

d - from the beginning of year (in Sk million)

e - index same period of last year = 100 (cumulative)

f - in the specified unit at constant 1989 prices

g - index same period of last year = 100 (at constant 1989 prices)

h - share of private sector in industrial production (%)

Construction

(Sk millions)

		1995		1996										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Total construction sector output (including output abroad)	a	5,073	4,629	3,256	3,359	3,853	4,592	5,278	5,893	5,595	5,644	6,017	6,475	6,164
	b	92.9	90.4	68.3	100.3	112.1	118.8	114.7	111.4	94.6	99.8	105.2	107.3	94.7
	c	102.2	98.4	107.9	97.4	92.5	104.3	103.2	105.8	108.2	101.9	106.2	104.4	106.4
	d	46,906	51,535	3,256	6,615	10,468	15,060	20,338	26,231	31,826	37,470	43,487	49,962	56,126
	e	103.2	102.7	107.9	102.4	98.6	100.2	101.0	102.0	103.0	102.9	103.3	103.4	103.7
	f	-	-	1,213	1,217	1,364	1,620	1,858	2,071	1,960	1,956	2,056	2,207	2,091
	g	-	-	107.9	97.4	92.5	104.3	103.2	105.8	108.2	101.9	106.2	104.4	106.4
of which in the private sector	a	4,306	4,003	2,808	2,823	3,226	3,802	4,397	4,838	4,561	4,661	4,957	5,401	5,135
	b	95.7	92.1	68.1	97.8	111.7	117.4	115.4	109.8	94.0	101.1	104.9	108.7	94.6
	c	109.1	104.9	112.5	98.5	95.1	106.3	106.3	110.5	110.2	106.8	107.4	105.6	104.4
	d	38,153	42,156	2,775	5,598	8,824	12,626	17,023	21,861	26,422	31,083	36,040	41,441	46,576
	e	112.3	111.6	112.5	105.1	101.3	102.7	103.6	105.1	105.9	106.0	106.2	106.1	105.9
	h	84.9	86.5	86.2	84.0	83.7	82.8	83.3	82.1	81.5	82.6	82.4	83.4	83.3
Construction output in the SR	a	4,460	4,025	2,981	3,061	3,423	4,051	4,723	5,219	5,018	5,117	5,426	5,855	5,734
	b	94.4	89.4	72.0	99.8	109.3	117.9	116.3	110.3	95.8	100.9	104.6	107.6	97.4
	c	104.0	99.4	107.7	99.5	95.7	108.4	110.8	114.6	117.3	110.2	111.2	109.1	112.5
	d	40,096	44,121	2,953	6,014	9,437	13,488	18,211	23,430	28,448	33,565	38,991	44,846	50,580
	e	100.8	100.7	107.7	103.5	100.6	102.8	104.7	106.7	108.4	108.7	109.0	109.0	109.4
	f	1,728	1,544	1,111	1,109	1,212	1,429	1,663	1,834	1,757	1,773	1,854	1,996	1,945
	g	106.0	100.1	107.7	99.5	95.7	108.4	110.8	114.6	117.3	110.2	111.2	109.1	112.5
Construction output abroad	a	613	604	275	298	430	541	555	674	577	527	591	620	430
	b	83.5	97.5	44.0	105.5	140.9	125.5	102.4	121.2	85.4	90.4	110.6	104.5	69.1
	c	90.8	92.4	109.9	80.1	72.9	81.2	65.0	66.5	64.8	58.8	75.1	74.2	61.5
	d	6,810	7,414	275	573	1,003	1,544	2,099	2,773	3,350	3,877	4,468	5,088	5,518
	e	119.6	116.9	109.9	92.3	83.0	82.4	77.0	74.2	72.4	70.2	70.8	71.2	70.4
	f	-	-	102	108	152	191	195	237	202	183	202	211	146
	g	-	-	109.9	80.1	72.9	81.2	65.0	66.5	64.8	58.8	75.1	74.2	61.5
Labour productivity per employee in Sk (of total construction output)	a	33,330	30,946	22,296	23,225	26,556	30,911	35,232	39,168	36,829	37,043	39,392	42,421	40,598
	b	94.1	92.0	70.0	101.3	111.7	116.0	113.7	110.9	93.7	99.5	104.9	107.4	95.2
	c	106.5	103.0	111.0	100.9	95.4	107.6	106.1	108.6	111.6	104.9	108.7	105.4	106.6

Note: All figures are based on constant prices of 1.1.1990

a - in the specified unit

b - index previous month = 100

c - index same period of last year = 100

d - cumulative from the beginning of year in Sk million

e - index same period of last year = 100 (cumulative)

f - in the specified unit at constant 1990 prices

g - index same period of last year = 100 (at constant prices)

h - share of private sector in production (%)

Foreign Trade

(Sk millions)

		1995		1996										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Imports	a	23,259	21,360	22,565	30,628	24,286	25,394	27,613	24,282	27,493	25,120	27,008	32,147	29,820
	b	230,950	252,310	22,565	53,193	77,479	102,873	130,486	154,768	182,261	207,381	234,389	266,536	296,356
	c	120.8	119.1	120.0	141.7	130.1	130.2	127.6	123.1	125.3	124.7	124.9	125.7	125.0
of which: Czech Republic	a	6,174	4,948	6,140	6,931	6,471	6,636	6,900	6,299	6,804	6,411	7,364	8,085	6,740
	b	64,430	69,378	6,140	13,071	19,542	26,178	33,078	39,377	46,181	52,592	59,956	68,041	74,781
	d	26.5	23.2	27.2	22.6	26.6	26.1	25.0	25.9	24.7	25.5	27.3	25.2	22.6
Exports	a	23,169	19,539	20,467	19,643	21,809	19,664	23,706	22,940	23,000	21,218	25,112	26,639	23,341
	b	234,560	254,099	20,467	40,110	61,919	81,583	105,289	128,229	151,229	172,447	197,559	224,198	247,539
	c	120.4	118.5	113.7	107.4	104.1	100.9	102.5	102.6	104.7	104.0	105.1	106.1	105.5
of which: Czech Republic	a	7,951	6,776	6,445	6,722	6,892	6,191	7,672	7,365	6,776	6,690	7,350	7,886	7,123
	b	82,771	89,547	6,445	13,167	20,059	26,250	33,922	41,287	48,063	54,753	62,103	69,989	77,112
	d	34.3	34.7	31.5	34.2	31.6	31.5	32.4	32.1	29.5	31.5	29.3	29.6	30.5
Balance	a	-90	-1,821	-2,098	-10,985	-2,477	-5,730	-3,907	-1,342	-4,493	-3,902	-1,896	-5,508	-6,479
	b	3,610	1,788	-2,098	-13,083	-15,560	-21,290	-25,197	-26,539	-31,032	-34,934	-36,830	-42,338	-48,817
of which: Czech Republic	a	1,776	1,827	305	-209	421	-445	772	1,066	-28	279	-14	-199	383
	b	18,340	20,167	305	96	517	72	844	1,910	1,882	2,161	2,147	1,948	2,331

a - in the specified unit in current prices

b - from the beginning of the year in Sk millions

c - index same period of previous year = 100

d - share of total volume in period (%)