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## 1. Monetary development

Despite a month-on-month increase of 0.3% in the price level in June, the price development in 1997 can be characterised as favourable with regard to the achieved rate of inflation (6.2% year-on-year). The key variables of the monetary programme recorded marked decreases in terms of year-on-year growth.

*Favourable development of inflation and monetary variables, ...*

Monetary development in June can be characterised as stabilising, particularly in the area of exchange-rate policy. In the second week of June, foreign exchange resources began to flow back into the vault of the central bank in the form of sales of fully convertible currencies through NBS foreign exchange fixing, as a result of which the value of the Slovak crown slightly appreciated (by 0.34%).

*... accompanied by a surplus in foreign exchange fixing, appreciation in the value of the Slovak crown, ...*

The second half of the month saw a gradual improvement in the liquidity position of commercial banks, which was associated with the reduction in the level of interbank deposit rates.

*... and a moderate fall in the level of interbank deposit rates*

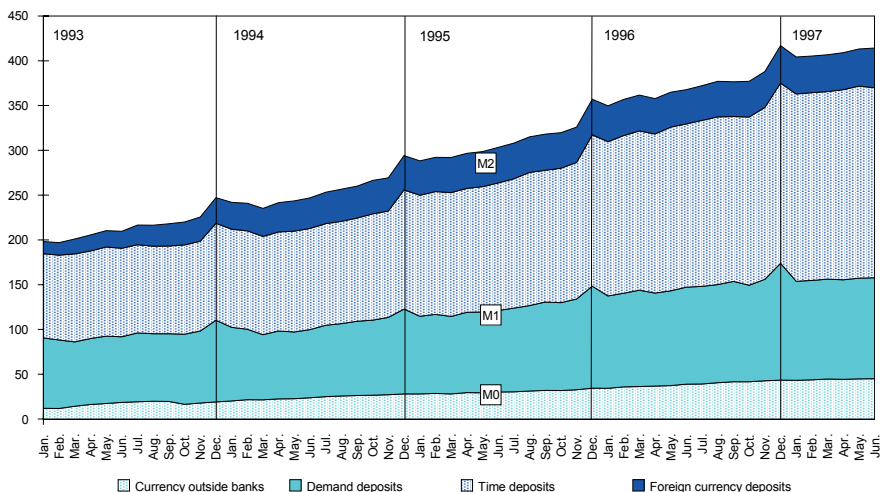
### 1.1. Factors affecting the development of the money supply

In June, the money supply increased month-on-month by Sk 1.5 billion, due exclusively to growth in net foreign assets (by Sk 6.1 billion), while domestic resources suffered a decline. The volume of net domestic assets fell month-on-month by Sk 4.6 billion, while the individual items of domestic resources developed differently.

*Month-on-month increase in the money supply*

The rate of year-on-year growth in the money supply, being an intermediate target of monetary policy, slowed in June to 13.0%, from 16.7% in December and 21.2% in June 1996. During the first half of 1997, the rate of growth in the money supply approached the figure set in the monetary programme (10.7%).

**Development of the M2 monetary aggregate (Sk billions)**



The rate of growth in net domestic assets, i.e. total domestic resources of the money stock, slowed significantly in June, to 13.7% from 20.0% in December and 16.2% in June 1996. The growth rate of net domestic assets is approaching the projected figure (10.5%).

With regard to the development of net domestic assets, an unfavourable trend was recorded in the government sector's budgetary performance, the deficit of which showed a permanently growing trend. The lack of resources in the commercial banking sector and the consequent demand for high yields on Treasury-bill issues hampered the financing of the State budget deficit. Additional resources were supplied to the State budget in the form of direct issues of Treasury bills for the portfolio of the central bank.

*Net domestic assets were influenced by the rapid deterioration in State budget performance*

The month-on-month increase in net credit to the Government (Sk 4.5 billion) may be characterised as a negative development. The expanding activity of the government sector was partly offset by a decline in bank lending to households and enterprises (Sk 1.6 billion month-on-month) and increase in other net items (Sk 7.4 billion).

At the end of June 1997, the current performance of the State budget resulted in a deficit of Sk 13.2 billion, representing an increase of Sk 6.0 billion compared with the size of the deficit in May.

Total budget revenue reached Sk 78.5 billion, representing 45.9% of the figure in the annual budget. The non-fulfilment of the budgeted revenue was due partly to tax revenues (representing a decisive part of budget revenues), which fell behind the budgeted figure by Sk 12.7 billion. Regarding the structure of tax revenues, the most unfavourable development was recorded in corporate income tax revenues, which fell behind the budgeted figure by Sk 10.6 billion. The level of corporate income tax revenue was negatively influenced by repayments on account of tax settlement for the previous year, and the subsequent reduction in the amounts of advance payments to be made by corporate entities, the amendment to the law on income tax, the insolvency of taxpayers, and the slack payment discipline.

During the first half of 1997, budget expenditure (including principal repayments) reached Sk 91.7 billion, representing 44.1% of the annual budget, due to the continued regulation of expenditures. By the end of the first half of the year, spending was allowed only up to 45.0% of the budgeted figure, with regard to the development of budget revenue. Regarding the structure of expenditures, the budgeted figures were most exceeded in the category of capital assets (fulfilment to 71.2%), in connection with the use of extrabudgetary resources for the financing of capital investments.

#### *Internal debt of the Government*

At the end of June, the internal position of the Government vis-a-vis the banking sector reached, according to preliminary data, Sk 82.0 billion. Of this amount, the NBS covered Sk 22.7 billion and commercial banks an estimated Sk 59.3 billion. The month-on-month increase in the level of internal debt (roughly Sk 4.7 billion) was a result of a further growth in the State budget deficit. Compared with the beginning of the year, the internal debt of the Government vis-a-vis the banking sector increased by roughly Sk 10.7 billion.

In June, principal repayments on government bonds issued to cover the 1993 budget deficit, were realised in the amount of Sk 4.5 billion. The position of State funds deteriorated by Sk 1.6 billion. As regards items with a positive influence on the net position of the Government, other government deposits recorded a decline (roughly Sk 0.8 billion), while deposits in the accounts of local authorities moderately increased (by roughly Sk 0.4 billion).

#### *Decline in bank lending to households and enterprises*

The development of bank lending to households and enterprises may be evaluated as favourable: the rate of year-on-year growth in bank lending slowed in June to 7.7%, and the volume of loans reached Sk 365.3 billion at the end of the month.

The volume of loans to households and enterprises, influenced probably by the level of interest rates as well, recorded a month-on-month decline of Sk 1.6 billion in June. High lending rates act in support of reducing the rate of growth in domestic demand; however, the high price of money has a negative influence on economic development in the long run.

In June, the decline in bank lending took place exclusively in the area of crown loans, and was associated with the fall in foreign resources used for the financing of entrepreneurial entities. The upward trend in lending to households continued in June, with a month-on-month increase of Sk 200 million.

#### *Increase in the volume of net foreign assets, ...*

According to preliminary data, the volume of net foreign assets in the banking sector (at fixed exchange rates) grew month-on-month by Sk 6.1 billion, due to increases in both foreign assets (Sk 13.6 billion) and foreign liabilities (Sk 7.5 billion). The growth in net foreign assets at the NBS (Sk 2.5 billion) was

accompanied by an increase in the volume of net foreign assets held by commercial banks (Sk 3.6 billion).

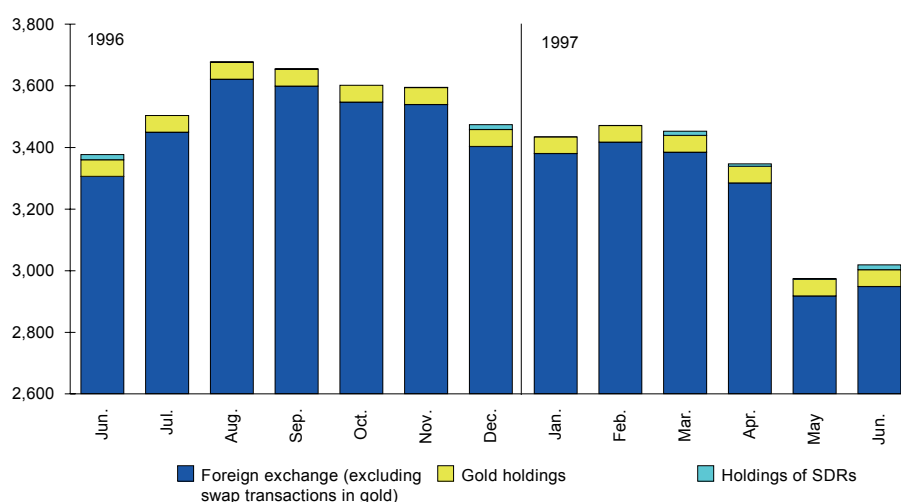
In June, the foreign exchange reserves of the NBS (at fixed exchange rates) increased month-on-month by Sk 2.1 billion, due mainly to the positive balance of foreign exchange fixing (Sk 2.2 billion). Foreign liabilities of the NBS and the government sector fell by Sk 0.4 billion as a result of debt servicing.

... accompanied by a rise in the level of NBS foreign exchange reserves

Foreign assets of commercial banks increased month-on-month by Sk 11.5 billion, due mainly to growth in short-term deposits held with foreign banks (Sk 7.9 billion) and foreign securities in the portfolios of banks (Sk 3.9 billion). Foreign liabilities of commercial banks increased month-on-month by Sk 7.9 billion. The marked increase in short-term deposits accepted from foreign banks (Sk 9.6 billion) was accompanied by a fall in credits received from foreign banks (Sk 0.7 billion) and other liabilities (Sk 1.1 billion).

... and increase in short-term deposits at foreign banks

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



Value of gold = 42.22 US\$/oz

At the end of June, the total foreign exchange reserves of the NBS (at current exchange rates) stood at US\$ 3,018.7 million, representing a month-on-month increase of US\$ 44.7 million. The volume of total foreign exchange reserves was 2.8 times greater than the average volume of monthly imports of goods and services to the SR during the first five months of 1997.

Foreign exchange reserves of the NBS

**1.2. Structure of the money supply**

In June, the M2 money supply (at fixed exchange rates) increased month-on-month by Sk 1.5 billion, reaching Sk 415.5 billion at the end of the month. The growth in M2 was due to the development of quasi-money (an increase of Sk 1.1 billion) and the M1 aggregate (an increase of Sk 0.4 billion).

Moderate month-on-month increase in the money supply, ...

In June, the rate of year-on-year growth in the money supply fell somewhat, to 13.0%. The rate of year-on-year increase in quasi-money (16.9%) still exceeded that of the M1 aggregate (7.1%), which slowed considerably.

... accompanied by a slowdown in the rate of year-on-year growth

The volume of currency in circulation outside the vaults of banks fell month-on-month by Sk 0.2 billion. The monthly cycle of currency issue in June maintained its standard course, without marked deviations. Demand deposits experienced only a moderate increase of Sk 0.2 billion.

Time deposits suffered a relatively marked month-on-month decline of Sk 2.2 billion, due probably to the conversion of short-term crown deposits into foreign-currency deposits, particularly in the enterprise sector. The unprecedented month-on-month increase in foreign-currency deposits (Sk 3.3 billion) resulted from the

Time deposits in Sk declined due to an unprecedented growth in foreign-currency deposits

situation on the foreign exchange market, and/or the pressure on the exchange rate of the Slovak crown during the last ten days of May.

Regarding the structure of the money supply, the weight of M1 decreased, while that of quasi-money increased. The growth in quasi-money was due primarily to an increase in the weight of foreign-currency deposits, while that of time deposits decreased.

**Structure of the money supply (M2)**

(%)

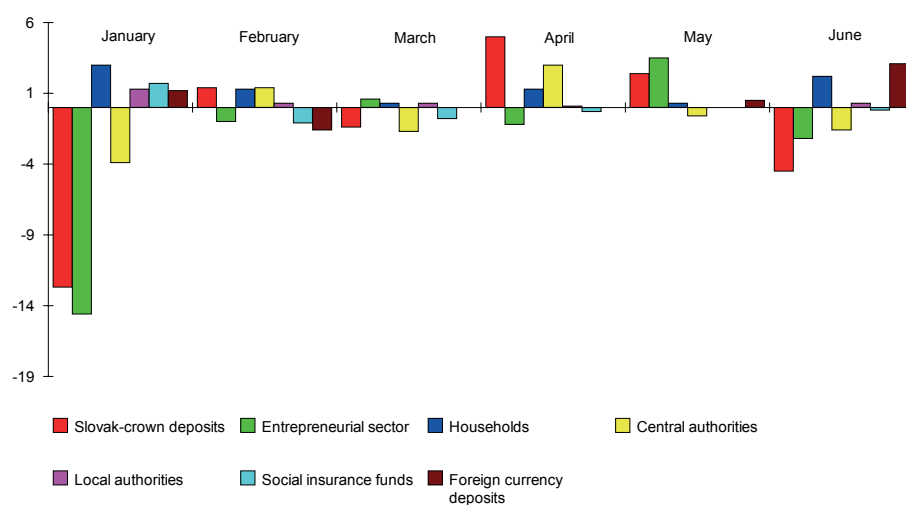
|                             | 1.1.1997 | 31.5.1997 | 30.6.1997 | 30.6.1996 |
|-----------------------------|----------|-----------|-----------|-----------|
| <b>Money supply [M2]</b>    | 100.00   | 100.00    | 100.00    | 100.00    |
| <b>Money [M1]</b>           | 41.71    | 38.00     | 37.95     | 40.02     |
| Currency outside banks [M0] | 10.43    | 10.85     | 10.85     | 10.60     |
| Demand deposits             | 31.28    | 27.15     | 27.10     | 29.42     |
| <b>Quasi-money [QM]</b>     | 58.29    | 62.00     | 62.05     | 59.98     |
| Time deposits               | 48.26    | 51.79     | 51.07     | 49.56     |
| Foreign currency deposits   | 10.03    | 10.22     | 10.97     | 10.41     |

*Decline in Sk deposits,  
particularly in the corporate  
sector*

Slovak-crown deposits, as a component of the money supply, fell in June by Sk 2.0 billion. The month-on-month decline was due exclusively to corporate deposits, which fell in June by Sk 4.1 billion, while household deposits increased by Sk 2.1 billion. Compared with the beginning of the year, the volume of crown deposits fell by Sk 6.8 billion, due to a decline in corporate deposits (Sk 15.3 billion) and increase in household deposits (Sk 8.5 billion). The rate of year-on-year increase in crown deposits reached 11.8% (Sk 34.3 billion) in June, while household deposits grew at a faster rate (15.5%; Sk 27.2 billion) than corporate deposits (6.2%; Sk 7.1 billion).

**Month-on-month changes in total deposits**

(Sk billions)



**1.3. Bank lending**

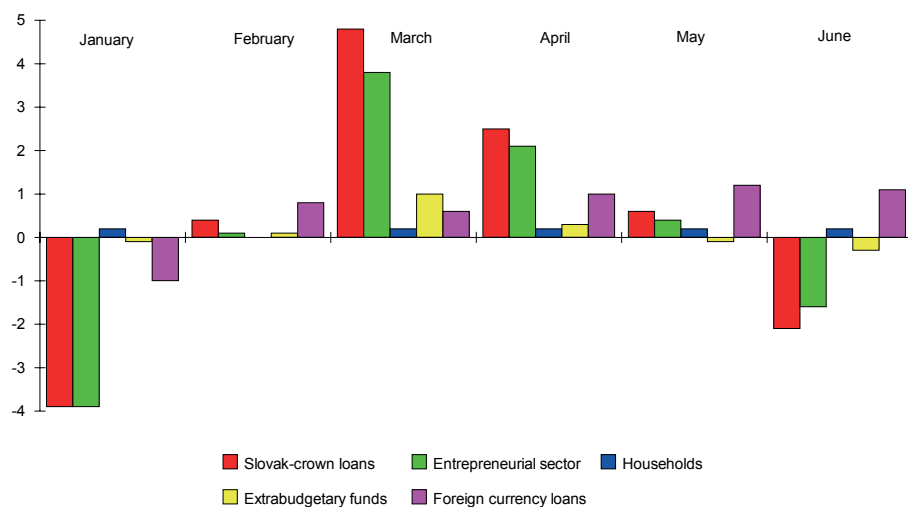
*Decline in crown lending,  
accompanied by an increase in  
foreign-currency loans*

In June, total bank lending fell month-on-month by Sk 1.0 billion, due to a decline in crown loans (Sk 2.1 billion), while loans in foreign currency increased by Sk 1.1 billion. At the end of June, the volume of bank loans totalled Sk 380.4 billion; of which loans in Slovak crowns accounted for Sk 341.1 billion and foreign-currency loans Sk 39.3 billion. In the same period of last year, Slovak-crown loans increased month-on-month by Sk 5.9 billion and loans in foreign-currency by Sk 2.3 billion. The volume of total bank credit increased year-on-year by 11.0%; of which crown loans accounted for 11.1% and loans in foreign currency 10.7%.

Since the beginning of the year, the volume of bank lending has increased by a total of Sk 6.0 billion, of which foreign-currency loans accounted for Sk 3.7 billion.

Bank lending in June was influenced by the lack of crown resources, particularly in the second quarter of 1997.

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



**1.4. Interest rate development in May 1997**

In May, the average interest rate on the total volume of loans rose by 0.41 points, to 14.58%, due to a marked increase in the level of lending rates for short-term loans (by 0.89 points, to 16.58%). The average interest rate on medium-term loans remained virtually unchanged, at the level of 15.66%; while that on long-term loans rose slightly, to 11.52% (by 0.13 points). The structure of loans by term remained unchanged in comparison with April.

*The average interest rate on the total volume of loans rose slightly*

Marked interest-rate changes were recorded in the category of new loans, where the average rate of interest increased month-on-month by 2.55 percentage points, to 19.08%. The interest-rate level was most influenced by a rise in the average rate for new short-term loans (by 2.92 points), which accounted for 83.1% of the total volume of new loans. The average interest rate on short-term debit current account balances rose significantly by 9.01 points, in connection with the low liquidity of commercial banks and the situation on the interbank money market. The price of short-term operating loans, which represented 49% of the total volume of short-term new loans received in the given month, increased by 1.59 points (the average interest rate was at the level of 18.36%). The average interest rate on new medium-term loans received rose to 16.12% (by 0.30 points) and that on long-term new loans to 15.49% (by 2.05 point), while interest rates increased on all types of loans by purpose. The relatively small increase in lending rates for medium-term loans was due to the fact that these loans were accepted on the basis of previously concluded credit agreements, where interest-rate changes take place with a certain delay.

*Marked increase in the level of interest rates on new loans*

In May, the average interest rate on total crown deposits rose month-on-month by 0.27 points, to 7.84%. Marked changes were recorded in average interest rates on:

*The average interest rate on deposits also increased*

- deposits at up to 7-day notice: a rise of 6.49 points;
- deposits at up to 3-month notice: a rise of 0.99 points.
- deposits at up to 1-month notice: a rise of 0.53 points;
- deposits at up to 9-month notice: a rise of 0.53 points.

The rise in interest rates on 7-day deposits was associated with the lack of short-term resources and non-fulfilment of reserve requirements in the banking sector, when commercial banks offered - in an attempt to obtain resources - higher interest rates, particularly on deposits above Sk 100 thousand. Interest rates on other crown deposits changed to a lesser extent.

The level of real interest rates increased

Due to the faster rate of increase in the average interest level on the total volume of loans, the nominal margin rose to 6.74 points in May, from 6.60 points in April. The level of real interest rates on one-year deposits rose from 3.45% in April to 3.96% in May, due to the faster rate of increase in one-year deposit rates and fall in the annual rate of inflation (from 6.5% to 6.1%).

The values of interest rates announced for July indicate that the rates of interest will probably rise further, on both loans and deposits.

## 2. Implementation of monetary policy

Monetary policy in June was implemented with regard to the situation in bank liquidity, ...

In June, monetary policy was implemented in the environment of the gradually stabilising exchange rate of the Slovak crown, when it was necessary to react to the low level of liquidity in the banking sector unable to fulfil the reserve requirements, and to pass a decision in the matter of their fulfilment, as well as the involvement of the NBS in financing the needs of the State budget.

The level of liquidity in the banking sector and the influence of individual factors were reflected in the monetary base of the NBS (the sum of currency issued and bank reserves held at the NBS), which recorded a month-on-month decline of Sk 3.1 billion in June.

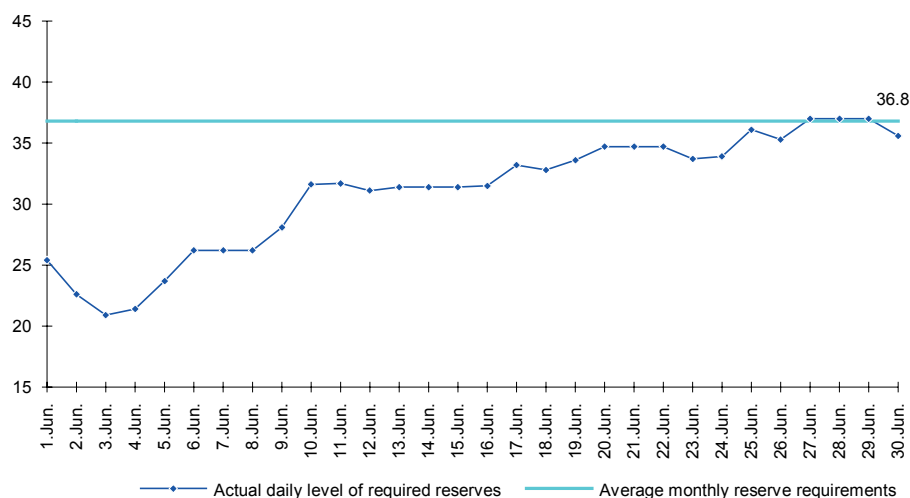
... which resulted from a decline in autonomous factors, ...

Over the course of June, autonomous factors substantially influenced the development of resources in the banking sector, when they fell month-on-month by Sk 14.2 billion on average. The development of autonomous factors in June was due exclusively to a decline in net foreign assets at the NBS to the level of Sk 67.7 billion, from Sk 81 billion a month earlier. The development of net foreign assets was influenced by sales of fully convertible currencies at the end of May, which influenced the level of foreign exchange reserves later in June.

The volume of transactions in foreign exchange fixing increased by 11% month-on-month, to US\$ 519.1 million. A total of 87 contracts were concluded in the equivalent of US\$ 519.1 million (US\$ 466.6 million in the previous month), consisting of US\$ 324.2 million and DM 142.4 million.

The overall balance of foreign exchange fixing generated a surplus of US\$ 65.9 million, despite the fact that the pressure on the Slovak crown persisted during the first days of the month, in the form of increased purchases of foreign exchange by Slovak commercial banks.

**Fulfilment of reserve requirements** (Sk billions)



The National Bank of Slovakia continued to indirectly intervene in the interbank foreign exchange market in support of the Slovak crown, by maintaining the currency basket units at the level of 1.0067. In the middle of the month, the NBS



moderately strengthened the Slovak currency through increased purchases of foreign exchange from Slovak commercial banks; as a result, the currency basket unit ended the month at the level of 1.0033.

On the basis of stabilisation in the area of exchange rate development, the NBS began refinancing commercial banks, which was reflected in the development of monetary-policy factors, the average volume of which increased month-on-month by Sk 11.1 billion. Thus the NBS supplied refinancing funds to the economy throughout June, in the average amount of Sk 16 billion per day.

*... and marked increase in monetary-policy factors*

Despite the large volume of monetary-policy factors, shortfall in reserves in the banking sector was Sk 5.8 billion.

In June, the level of required reserves in the banking sector was set at Sk 36,758 million. At 15 June 1997, the reserve requirements were fulfilled to 74.17%; the average daily shortage of reserves amounted to Sk 9.50 billion.

*Fulfilment of reserve requirements*

At the end of June 1997, the reserve requirements were fulfilled to 94.42%, while the average daily shortage of reserves was at the level of Sk 2.05 billion.

### 3. Inflation

In June, consumer prices increased by 0.3%, compared with the previous month's figures. The price level has risen by 3% since the beginning of the year. The 12-month rate of consumer-price inflation reached 6.2%.

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

Prices in the category of foodstuffs and non-alcoholic beverages rose by 0.5%. The most significant increases were recorded the prices of vegetables including potatoes, coffee, tea, cacao, soft drinks, and fruit. The prices of milk, cheese, eggs, confectionery, and meat continued to fall in June.

The highest price-level increase was again recorded in the category of health services (1.8%), due to advances in the prices of sanitary goods and pharmaceuticals, especially medicines available without prescription. This increase did not have a significant influence on the overall consumer price index, owing to the low share of the category in the consumer basket (1.29%). The price increase in the category of recreation and culture (0.6%) was due primarily to a seasonal rise in the price of package tours. The price advance in the category of clothing and footwear (0.3%) was due mainly to the increased price of footwear of seasonal nature. Prices in the category of education fell by 0.6%, particularly the entrance examination fees at some universities. Transport prices remained unchanged in June. In other categories of final household consumption, prices experienced month-on-month increases in the range from 0.1% to 0.2%.

### 4. Money market

#### 4.1. Primary market

During the first two weeks of June, the Ministry of Finance of the SR put Treasury bills up for auction in accordance with the issuing schedule for the 2nd quarter of 1997. Later in June, Treasury bills were floated on the basis of operative decisions. The possibility of covering the current State budget deficit by Treasury bills was unfavourably influenced by developments on the money market. Over the course of June, two issues of Treasury bills were realised on the market for short-term securities with maturities of 21 and 28 days, in the total amount of Sk 2,407 million. During the period under consideration, the current budget deficit was financed from so-called technical issues with a maturity of 7 days in the average amount of Sk 4,007 million per day.

*Treasury-bill issues*

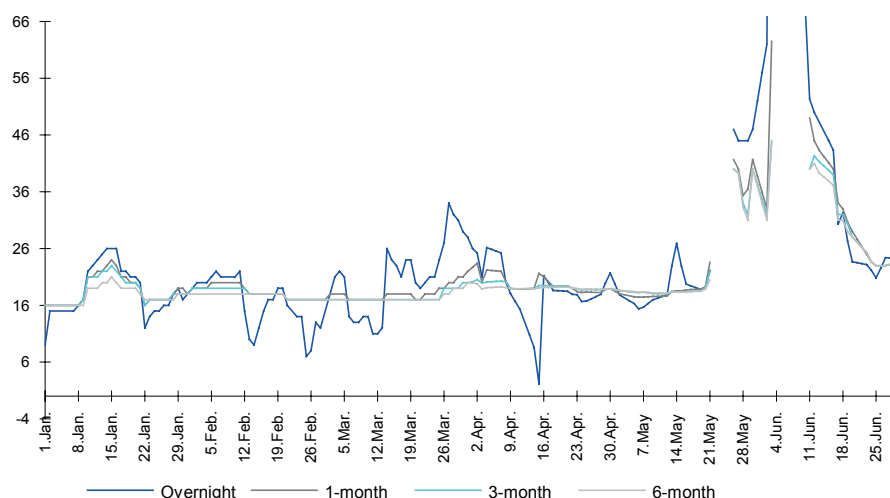
#### 4.2. Secondary market

During the period under consideration, the NBS intervened in the money market by conducting individual REPO operations and REPO tenders for refinancing purposes. The NBS conducted 4 individual transactions and 25 tenders. Direct contracts were not concluded in June.

The supply of liquidity to the banking sector through REPO tenders for refinancing purposes ...

The situation on the money market in June was influenced by the prudential measures taken by the NBS with regard to the pressure on foreign exchange resources during the previous month. Over the course of June, the situation in the banking sector was marked by a lack of crown liquidity. This problem was partly resolved through the conversion of foreign exchange resources. During the first period set for the fulfilment of reserve requirements, the NBS compensated for the lack of crown liquidity by conducting individual REPO operations in combination with regular REPO tenders for refinancing purposes, usually on a one-day basis. The average volume of funds used for the refinancing of commercial banks through the aforementioned two forms of intervention gradually increased and reached almost Sk 8 billion at the end of the first period.

**Development of average interbank offered rates (BRIBOR) (% , p.a.)**



... contributed to the lowering of interest rates on the money market

Interest rates on tenders reacted sensitively to the increase of intervention volumes on the part of the NBS, when at the beginning of the month, resources were allocated at the average rate of 54.56%, and at the end of the first period, they fell to 18.41% along with the increase in intervention. Interest rates on the money market followed a similar course of development: one-day interbank deposit rates reached a high (185%) at the beginning of the month and stabilised at the level of 45% at the end of the first period. Other deposit rates did not show such extreme deviations. However, contracts for longer than one-day periods were concluded in minimum amounts. For this reason, the listing of longer maturities was suspended during the first ten days. From that time, interbank money market rates were only of indicative nature and banks did not renew the binding character of listing, with regard to the persisting lack of crown liquidity.

Increase in the volume of refinancing funds during the 2nd period of June

During the second period set for the fulfilment of reserve requirements, the central bank intensified its intervention activity in the form of REPO tenders: the volume of refinancing funds exceeded the level of Sk 12.2 billion. With regard to the insufficient disposability of securities at banks, suffering from a shortage of crown resources, the tenders were attended mostly by banks which subsequently reallocate the funds obtained. The paradoxical situation arose that the average interest rates on tenders were, despite the lack of liquid assets in the banking sector, permanently falling (to 5.3%). The NBS resolved this problem by introducing a limit interest rate at the level of 8.8%.

The absolute increase in the volume of technical issues of Treasury bills purchased into the portfolio of the NBS represented an indirect form of raising the level of liquidity in the banking sector. By the end of the period, the NBS had purchased Treasury bills on the primary market in the nominal value of Sk 8.2 billion, representing 99% of the amount permitted by law. The level of liquidity also increased owing to the continued foreign exchange conversions in excess of the

equivalent of Sk 3 billion, the maturity of bonds, and the payment of coupons in the amount of over Sk 4.6 billion. During this period, a sign of gradual stabilisation was the fall of interest rates on the interbank deposit market below the level of 25% for all terms of maturity.

## 5. Capital market

### 5.1. Primary market

In June, only one issue of government bonds (Issue No. 029) was put up for auction with a maturity of one year. The issuing conditions were the same as in the previous issues. The auction was attended by five banks and one insurance company. The total demand amounted to Sk 540 million; however, none of the offers was accepted by the issuer (Ministry of Finance).

*Government bonds*

The total volume of government bonds issued since the beginning of 1997 remained at the level of Sk 4,160 million, representing 12.4% of the estimated amount of government bonds to be issued in 1997.

During the period under consideration, five issues of publicly negotiable non-government bonds were made in the total amount of Sk 699 million (in June 1996: Sk 3,550 million). The total volume of non-government bonds issued since the beginning of 1997 reached Sk 6,414 million, representing an increase of 4.98% compared with the same period of 1996 (Sk 6,110 million).

*Non-government bonds*

### 5.2. Secondary market

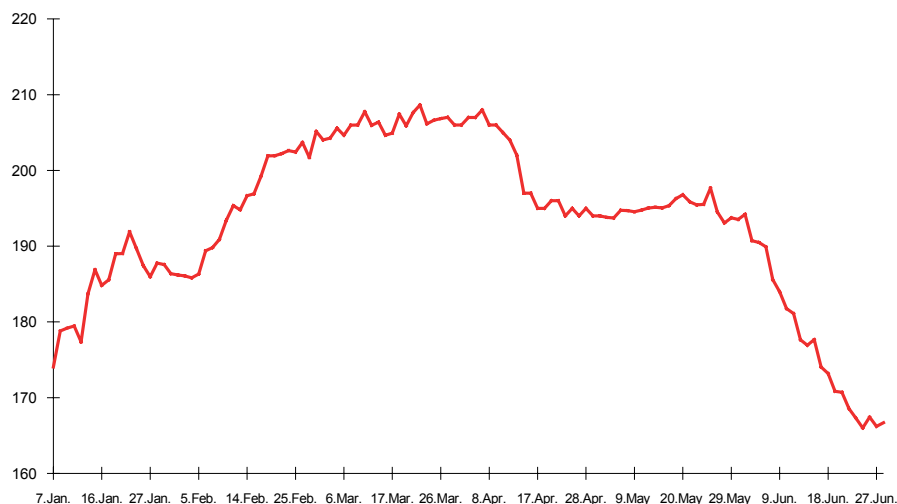
In June, the volume of trading on Bratislava Stock Exchange (BCPB) totalled Sk 15,944 million, representing an increase of 6.71% compared with the figure for the previous month. Of this amount, direct transactions accounted for 99.05%.

Most trading took place again in listed bonds, which accounted for 55% of the total volume traded on the BCPB floor. This was followed by unlisted shares (27%), listed shares (10%), and the remaining 8% represented trading in unlisted bonds.

The values of the Slovak Bond Index (SDX) fell in June, due to the lack of liquidity on the bond market. Government bonds had been traded below their nominal values for several months, and the value of SDX for government bonds fell - during the month under consideration - below its initial level (100 points) to 99.84 points, representing a month-on-month fall of 0.89%. The value of SDX for corporate bonds also fell by 0.38%, to 105.56 points on the last day of June.

*Index SDX*

**Slovak Share Index - SAX (%)**



*Index SAX*

After fluctuating around 195 percentage points in April and May, the values of the Slovak Share Index (SAX) began to fall in June. The closing value of the index stood at 166.71 points, representing a fall of 13.87% month-on-month, and 23.39% year-on-year (from 217.61 points). This development corresponded to the situation on the market, when the shares of the most solvent companies were traded - due to the low level of liquidity - only in small amounts, which was reflected in the instability of their prices. The opening value of SAX in June (194.21 points) represented the monthly maximum of the index. The monthly minimum (166.01 points) was recorded on 25 June 1997. This value was the lowest figure recorded in this calendar year and the closest lower value (165.52 points) was recorded on 9 December 1996.

In the structure of bond- and shareholders registered at the Securities Centre, the most significant change was again recorded in the number of bonds held by non-residents, which decreased by 13.36% over the course of June. However, the highest increase (3.54%) was recorded in the number of bonds (in pieces) held by domestic banking institutions.

## 6. Interbank foreign exchange market

*Transactions between Slovak banks*

In June, the volume of trading between Slovak banks continued to fall by 46.9% month-on-month, i.e. from US\$ 3,633.9 million to US\$ 1,930.7 million, due to the lack of crown liquidity on the market. The volume of trading between Slovak banks accounted for 78.8% (representing a dominant share) of the interbank foreign exchange market. The number of contracts decreased to 1,390 (from 1,641 in May), and the average amount per contract fell from US\$ 2.2 million to US\$ 1.4 million. Most trading was concluded in US\$ (72.7%, compared with 73.8% in May), followed by DM (26.6%, compared with 20.2% in May), and other European currencies (0.8%, compared with 6.0% in May).

*Transactions between Slovak and foreign banks*

In June, the volume of transactions between Slovak and foreign banks fell by 68%, to US\$ 1,703.2 million. Most trading was concluded in US\$ (86.6%), followed by DM (11.6%), and other European currencies (1.8%). The number of transactions decreased by 39% (789 transactions) with an average amount of US\$ 2.1 million per contract. The volume of transactions between Slovak and foreign banks accounted for 41% of Slovakia's total foreign exchange market. Transactions conducted between Slovak and foreign commercial banks resulted in a positive balance of US\$ 24.6 million, i.e. foreign banks sold more foreign exchange to Slovak banks than they purchased at the beginning of the month.

## 7. Balance of payments for January to April 1997

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

The development of Slovakia's external relations during the first four months of 1997, was characterised by a growing deficit in the balance of payments current account, which reached Sk 26.0 billion (US\$ 791.4 million) at the end of April. The deficit resulted from the faster growth in imports (imports of goods and services increased by 21.8%) than exports (exports of goods and services increased by 15.3% year-on-year). The deterioration in the balance of foreign trade (the trade deficit increased further by Sk 10.2 billion in April) reflects, in addition to factors of permanent nature, the non-recurring influence caused by the introduction of import deposits since 1 May 1997, which resulted in a growth in imports already in April. The inflow of funds on the capital and financial account continued and exceeded, at the end of April, the volume of outflow by Sk 20.8 billion. In terms of sector, trading was dominated by commercial banks, which were responsible for 72.8% of the total volume of transactions. With regard to structure by term, the above funds were predominantly of short-term nature. The short-term financial account represented 70.4% of the total capital and financial account, while the inflow of short-term funds (short-term liabilities) accounted for 83.2% of the total volume of resources.

*... due mainly to the unfavourable balance of trade*

The balance achieved in the current account was due primarily to the growing deficit of trade, which totalled Sk 25.8 billion at the end of the period under

consideration. From the territorial point of view, the negative balance resulted mainly from trade with the Russian federation (Sk 16.9 billion), USA (Sk 2.3 billion), and Japan (Sk 1.8 billion). Trade with EU countries and the Czech Republic also produced a deficit (Sk 3.3 billion and Sk 2.0 billion respectively). Trade with EU countries was dominated by a fast rate of growth in imports (32%), whereas trade with the CR was characterised by a slow increase in exports (only 1.1%).

The volume of commodity exports amounted to Sk 95.3 billion, representing a year-on-year increase of Sk 13.7 billion (16.7%). This growth was due primarily to increases in the imports of motor vehicles (Sk 5.8 billion, i.e. 42.3%, of which vehicles for passenger transport accounted for Sk 4.3 billion), mineral fuels (Sk 2.0 billion, i.e. 14.6%), electronic equipment (Sk 1.6 billion, i.e. 11.7%), iron and steel (Sk 1.6 billion, i.e. 11.7% of the total growth).

*Export of goods*

During the four months under consideration, the volume of commodity imports reached Sk 121.0 billion, representing a year-on-year increase of 24.0% (the import figure for 1996 does not include the imports of aircraft and special material from the Russian federation in payment for government receivables in the amount of Sk 5.5 billion). The year-on-year growth in imports (Sk 23.5 billion) was caused by increased imports of mineral fuels, electronic recording and reproduction equipment, tools, machinery and equipment. The imports of mineral fuels increased by Sk 4.3 billion (18.3% of the total growth in imports), mainly in the categories of natural gas (Sk 2.2 billion), crude oil (Sk 1.0 billion), and electricity (Sk 0.5 billion).

*Import of goods*

The year-on-year increases in the categories of machines and machine parts, electronic recording and reproduction equipment, optical instruments, medical and measuring instruments, which are largely of investment nature, amounted to Sk 9.0 billion and accounted for 38.3% of total growth in imports. Based on data from the NBS, a group may be extracted from these categories made up of technological equipment applied in the individual sectors of the national economy. This group amounted to Sk 2.5 billion, representing only 10.6% of the total growth in imports. Another Sk 3.2 billion was recorded in the import of reactors, generators, engines, various machine parts, and equipment.

In the services balance, the trend characterised by faster growth in expenditure than revenue continued in 1997. The growth in revenue (9.2%) and expenditure (21.5%) resulted in a shortfall of Sk 0.2 billion; thus, the services balance increased the current account deficit by this amount.

*Deficit in the services balance*

The trend of faster growth in expenditure than revenue was most reflected in transport services. Since the beginning of the year, this item has generated a surplus of Sk 4.1 billion, representing a year-on-year increase of Sk 1.3 billion. Income from the transport of gas to western Europe via Slovakia amounted to Sk 4.3 billion, and was reimbursed in the form of natural gas supply from the Russian federation. The ratio between receipts and payments was improved in freight transport, where the balance resulted in a surplus of Sk 0.5 billion, representing a year-on-year increase of Sk 1.0 billion.

During the period under consideration, foreign exchange revenue from active tourism reached Sk 5.1 billion, representing 78.4% of the figure for the same period a year earlier. Foreign exchange expenditure on travel abroad increased by Sk 4.2 billion, i.e. 41.1%. Of this amount, individual travel accounted for 56%, organised travel 6%, and business trips abroad 38%.

Despite the fact that, in other services, the rate of year-on-year increase in receipts for services provided exceeded the rate of growth in payments for services accepted, the negative balance increased year-on-year by Sk 0.6 billion, to Sk 5.2 billion. The largest deficits were recorded in the categories of other commercial services (Sk 2.7 billion), royalties and licence fees (Sk 0.7 billion), legal, accounting, and consulting services (Sk 0.5 billion). The only category with a

favourable balance was that of construction and assembly work, where the significant year-on-year increase in receipts generated a surplus of Sk 0.4 billion.

*Income balance*

Another balance of payments item where payments have exceeded receipts since the beginning of the year, was the income balance which resulted in a deficit of Sk 1.1 billion. The growing volume of various loans accepted from abroad led to increased payments of interest. Payments of interest on loans accepted from foreign institutions by the Government and the NBS totalled Sk 1.1 billion (of this amount, the Government accounted for Sk 0.5 billion and the NBS Sk 0.6 billion) and exceeded the interest receipts of the NBS by Sk 0.8 billion.

*Positive balance of unilateral transfers*

The balance of unilateral transfers resulted in a surplus of Sk 1.0 billion, remaining at the level of the same period of last year. The surplus was generated by personal incomes from private transfers, which accounted for nearly 90% of total income.

*Surplus in the capital and financial account, ...*

During the period from January to April 1997, the capital and financial account of the balance of payments generated a surplus of Sk 20.8 billion, i.e. US\$ 671.2 million. On the financial account, there was still a lack of long-term capital inflow in the form of direct foreign investment.

The volume of direct investment in Slovakia reached only Sk 0.4 billion, due to an increase in property participation in enterprises based in the SR (Sk 1.0 billion), reduction in capital employed in the banking sector (Sk 1.1 billion), and growth in commercial loans made to direct investors (Sk 0.5 billion). With regard to structure by sector, most foreign capital was invested in industrial production. The volume of foreign investment in industry amounted to Sk 477 million, i.e. 46.1% of the total increase. Since the beginning of the year, intensified activity has been recorded in the area of investment by Slovak entities abroad. The volume of direct investment abroad increased by Sk 0.9 billion, while the dominant role was played by the increase in capital participation by Slovak companies abroad.

*... due mainly to growth in financial credits in the enterprise sector*

Capital inflow into the enterprise sector took place mainly in the form of financial credits, the volume of which has increased by Sk 12.1 billion since the beginning of the year. With regard to structure by term, 64.5% of these loans were of short-term nature. Long-term credits to the enterprise sector, realised mainly in the form of project financing, compensated, to some extent, for the low level of direct foreign investment in the Slovak economy and, according to the declarations of users, are largely used for investment purposes and the purchase of technologies (73%). Their main disadvantage is that they increase the external debt of the Slovak Republic. During the first four months of 1997, financial credits were repaid in the total amount of Sk 4.2 billion. With regard to structure by sector, the credits received were used for the production and distribution of electricity, gas, and water (42%), transport and communications (20%), and industrial production (30%). However, there is no guarantee that the above resources will increase the export performance of the economy.

A key factor in the development of short-term capital was the movement of short-term capital owned by commercial banks. Short-term liabilities of commercial banks increased by Sk 36.0 billion. The key role was played by the growth in deposits held by non-residents with Slovak banks, the volume of which has increased by Sk 16.7 billion since the beginning of the year, whilst purchase of foreign exchange from foreign banks has grown by an equivalent of Sk 11.2 billion. In smaller amounts, credits received from foreign banks grew by Sk 6.6 billion and other liabilities increased by Sk 1.5 billion. The growth in the resources of commercial banks was reflected in the increased volume of their deposits (by Sk 17.8 billion).

## **Appendices**





## Monetary survey

(Sk billion)

|                                      | 1996   |        |        |        |        |        |        | 1997   |        |        |        |        |        |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                      | 30.6.  | 31.7.  | 31.8.  | 30.9.  | 31.10. | 30.11. | 31.12. | 31.1.  | 28.2.  | 31.3.  | 30.4.  | 31.5.  | 30.6.* |
| Fixed exchange rate SKK / USD        | 29.569 | 29.569 | 29.569 | 29.569 | 29.569 | 29.569 | 29.569 | 31.895 | 31.895 | 31.895 | 31.895 | 31.895 | 31.895 |
| Fixed exchange rate SKK / DEM        | 20.646 | 20.646 | 20.646 | 20.646 | 20.646 | 20.646 | 20.646 | 20.514 | 20.514 | 20.514 | 20.514 | 20.514 | 20.514 |
| <b>ASSETS</b>                        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Net foreign assets                   | 57.2   | 57.4   | 59.8   | 59.2   | 55.1   | 55.3   | 62.8   | 62.9   | 68.5   | 65.7   | 63.8   | 58.5   | 64.6   |
| Foreign assets                       | 144.6  | 145.9  | 151.1  | 150.6  | 144.4  | 148.0  | 182.8  | 192.5  | 203.1  | 204.6  | 211.4  | 202.8  | 216.3  |
| Foreign liabilities                  | 87.4   | 88.5   | 91.3   | 91.4   | 89.3   | 92.7   | 120.0  | 129.6  | 134.6  | 138.9  | 147.6  | 144.3  | 151.7  |
| Net domestic assets                  | 310.6  | 314.6  | 316.7  | 317.2  | 321.4  | 332.4  | 353.4  | 342.1  | 337.5  | 341.9  | 346.1  | 355.5  | 350.9  |
| Domestic credit                      | 419.6  | 420.8  | 428.5  | 431.1  | 436.0  | 443.0  | 453.8  | 448.2  | 450.3  | 459.0  | 463.2  | 466.7  | 469.5  |
| - Net credit to Government           | 82.6   | 80.0   | 81.9   | 83.6   | 83.3   | 84.0   | 95.7   | 91.3   | 93.6   | 98.0   | 99.5   | 102.1  | 106.6  |
| - Net credit to FNM <sup>1/</sup>    | -1.4   | -2.5   | -2.3   | -2.8   | -3.1   | -3.3   | -3.2   | -2.8   | -2.2   | -2.1   | -2.3   | -2.3   | -2.4   |
| Credit to households and enterprises | 338.4  | 343.3  | 348.9  | 350.3  | 355.8  | 362.3  | 361.3  | 359.7  | 358.9  | 363.1  | 366.0  | 366.9  | 365.3  |
| - Credit in SKK                      | 303.8  | 307.0  | 311.1  | 311.7  | 317.5  | 324.0  | 331.4  | 327.8  | 328.1  | 331.9  | 334.2  | 334.8  | 333.1  |
| - Credit to enterprises              | 288.8  | 291.9  | 295.8  | 296.1  | 301.5  | 307.4  | 313.6  | 309.8  | 310.1  | 313.7  | 315.8  | 316.2  | 314.3  |
| - Credit to households               | 15.0   | 15.1   | 15.3   | 15.6   | 16.0   | 16.6   | 17.8   | 18.0   | 18.0   | 18.2   | 18.4   | 18.6   | 18.8   |
| - Credit in foreign currency         | 34.6   | 36.3   | 37.8   | 38.6   | 38.3   | 38.3   | 29.9   | 31.9   | 30.8   | 31.2   | 31.8   | 32.1   | 32.2   |
| <b>LIABILITIES</b>                   |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Liquid liabilities [M2]              | 367.8  | 372.0  | 376.5  | 376.4  | 376.5  | 387.7  | 416.2  | 405.0  | 406.0  | 407.6  | 409.9  | 414.0  | 415.5  |
| Money [M1]                           | 147.2  | 147.8  | 150.2  | 153.7  | 149.5  | 156.1  | 173.9  | 153.8  | 154.8  | 156.2  | 155.5  | 157.3  | 157.7  |
| Currency outside banks [M0]          | 39.0   | 39.1   | 40.6   | 41.6   | 41.6   | 42.8   | 43.5   | 43.4   | 43.9   | 44.7   | 44.3   | 44.9   | 45.1   |
| Demand deposits                      | 108.2  | 108.7  | 109.6  | 112.1  | 107.9  | 113.3  | 130.4  | 110.4  | 110.9  | 111.5  | 111.2  | 112.4  | 112.6  |
| - Households                         | 42.3   | 43.0   | 43.8   | 43.7   | 43.6   | 44.5   | 46.2   | 48.0   | 48.7   | 48.6   | 49.6   | 49.6   |        |
| - Enterprises                        | 64.1   | 64.5   | 64.6   | 67.0   | 63.2   | 67.7   | 82.5   | 61.1   | 60.0   | 61.3   | 60.4   | 61.7   |        |
| - Insurance companies                | 1.8    | 1.2    | 1.2    | 1.4    | 1.1    | 1.1    | 1.7    | 1.3    | 2.2    | 1.6    | 1.2    | 1.1    |        |
| Quasi-money [QM]                     | 220.6  | 224.2  | 226.3  | 222.7  | 227.0  | 231.6  | 242.3  | 251.2  | 251.2  | 251.4  | 254.4  | 256.7  | 257.8  |
| Time and savings deposits            | 182.3  | 185.7  | 187.3  | 184.1  | 187.8  | 191.9  | 201.2  | 209.2  | 209.6  | 209.5  | 212.4  | 214.4  | 212.2  |
| - Households                         | 133.5  | 134.2  | 134.9  | 135.1  | 135.9  | 136.9  | 148.4  | 149.6  | 150.2  | 150.6  | 150.9  | 151.3  |        |
| - Enterprises                        | 31.2   | 34.0   | 34.5   | 31.4   | 34.4   | 37.6   | 35.0   | 41.6   | 41.4   | 40.4   | 42.8   | 43.8   |        |
| - Insurance companies                | 17.6   | 17.5   | 17.9   | 17.6   | 17.5   | 17.4   | 17.8   | 18.0   | 18.0   | 18.5   | 18.7   | 19.3   |        |
| Foreign currency deposits            | 38.3   | 38.5   | 39.0   | 38.6   | 39.2   | 39.7   | 41.1   | 42.0   | 41.6   | 41.9   | 42.0   | 42.3   | 45.6   |
| - Households                         | 33.7   | 33.5   | 33.6   | 33.9   | 34.1   | 34.5   | 35.3   | 36.5   | 36.9   | 36.9   | 37.1   | 37.5   |        |
| - Enterprises                        | 4.6    | 5.0    | 5.4    | 4.7    | 5.1    | 5.2    | 5.8    | 5.5    | 4.7    | 5.0    | 4.9    | 4.8    |        |
| Other items net                      | 109.0  | 106.2  | 111.8  | 113.9  | 114.6  | 110.6  | 100.4  | 106.1  | 112.8  | 117.1  | 117.1  | 111.2  | 118.6  |

1/ FNM - National Property Fund

\*/ Preliminary data



**Balance of Payments for January to March 1997**

|   | Receipts / Credit (+) |             | Expenditures / Debit (-) |             | Balance    |             |
|---|-----------------------|-------------|--------------------------|-------------|------------|-------------|
|   | Sk million            | USD million | Sk million               | USD million | Sk million | USD million |
| <b>Goods</b>                                    | 69,954.0              | 2,137.6     | 85,572.0                 | 2,614.8     | -15,618.0  | -477.2      |
| <b>Services</b>                                 | 14,711.0              | 449.5       | 15,337.0                 | 468.6       | -626.0     | -19.1       |
| Transportation                                  | 5,632.0               | 172.1       | 2,776.0                  | 84.8        | 2,856.0    | 87.3        |
| Travel  | 3,714.0               | 113.5       | 3,167.0                  | 96.8        | 547.0      | 16.7        |
| Other services total                            | 5,365.0               | 163.9       | 9,394.0                  | 287.1       | -4,029.0   | -123.1      |
| <b>Income</b>                                   | 1,295.0               | 39.6        | 1,995.0                  | 61.0        | -700.0     | -21.4       |
| Compensation of employees                       | 157.0                 | 4.8         | 60.0                     | 1.8         | 97.0       | 3.0         |
| Investment income                               | 1,138.0               | 34.8        | 1,935.0                  | 59.1        | -797.0     | -24.4       |
| <b>Current transfers</b>                        | 3,036.0               | 92.8        | 1,974.0                  | 60.3        | 1,062.0    | 32.5        |
| <b>CURRENT ACCOUNT</b>                          | 88,996.0              | 2,719.4     | 104,878.0                | 3,204.7     | -15,882.0  | -485.3      |
| <b>Capital account</b>                          | 0.0                   | 0.0         | 0.0                      | 0.0         | 0.0        | 0.0         |
| <b>Financial account</b>                        | 181,982.3             | 5,624.2     | -168,687.9               | -5,208.9    | 13,294.4   | 415.4       |
| Direct investment                               | 25,527.8              | 780.0       | -26,107.7                | -797.8      | -579.9     | -17.7       |
| Abroad  | 515.8                 | 15.8        | -1,415.0                 | -43.2       | -899.2     | -27.5       |
| Equity capital and reinvested earnings          | 69.0                  | 2.1         | -985.0                   | -30.1       | -916.0     | -28.0       |
| Other capital                                   | 446.8                 | 13.7        | -430.0                   | -13.1       | 16.8       | 0.5         |
| In SR   | 25,012.0              | 764.3       | -24,692.7                | -754.5      | 319.3      | 9.8         |
| Equity capital and reinvested earnings          | 759.0                 | 23.2        | -571.7                   | -17.5       | 187.3      | 5.7         |
| Other capital                                   | 24,253.0              | 741.1       | -24,121.0                | -737.1      | 132.0      | 4.0         |
| Portfolio investment                            | 556.1                 | 17.0        | -547.3                   | -16.7       | 8.8        | 0.3         |
| Assets  | 548.1                 | 16.7        | -436.3                   | -13.3       | 111.8      | 3.4         |
| Liabilities                                     | 8.0                   | 0.2         | -111.0                   | -3.4        | -103.0     | -3.1        |
| Other investment                                | 155,898.4             | 4,827.2     | -142,032.9               | -4,394.4    | 13,865.5   | 432.8       |
| Long-term                                       | 10,218.4              | 314.0       | -5,992.6                 | -205.7      | 4,225.8    | 108.2       |
| Assets  | 240.3                 | 17.5        | -28.2                    | -1.0        | 212.1      | 16.5        |
| Liabilities                                     | 9,978.1               | 296.5       | -5,964.4                 | -204.8      | 4,013.7    | 91.8        |
| Short-term                                      | 145,680.0             | 4,513.2     | -136,040.3               | -4,188.6    | 9,639.7    | 324.6       |
| Assets  | 50,891.9              | 1,567.9     | -63,848.3                | -1,982.7    | -12,956.4  | -414.8      |
| Liabilities                                     | 94,788.1              | 2,945.3     | -72,192.0                | -2,206.0    | 22,596.1   | 739.3       |
| <b>CAPITAL AND FINANCIAL ACCOUNT</b>            | 181,982.3             | 5,624.2     | -168,687.9               | -5,208.9    | 13,294.4   | 415.4       |
| <b>ERRORS AND OMISSIONS</b>                     | -271,487.2            | -8,359.9    | 279,415.1                | 8,592.4     | 7,927.9    | 232.5       |
| <b>OVERALL BALANCE</b>                          | -508.9                | -16.3       | 5,849.2                  | 178.8       | 5,340.3    | 162.5       |
| Monetary gold                                   | -1,033.2              | -31.2       | 0.0                      | 0.0         | -1,033.2   | -31.2       |
| Special drawing rights                          | 37.7                  | 1.6         | 0.0                      | 0.0         | 37.7       | 1.6         |
| Foreign exchange                                | 1,504.4               | 45.9        | -5,849.2                 | -178.8      | -4,344.8   | -132.9      |
| Currency and deposit                            | 1,504.4               | 45.9        | 0.0                      | 0.0         | 1,504.4    | 45.9        |
| Securities                                      | 0.0                   | 0.0         | -5,849.2                 | -178.8      | -5,849.2   | -178.8      |
| Bonds and notes                                 | 0.0                   | 0.0         | -3,986.0                 | -121.8      | -3,986.0   | -121.8      |
| Money market instruments and financial derivats | 0.0                   | 0.0         | -1,863.2                 | -57.0       | -1,863.2   | -57.0       |
| <b>RESERVE ASSETS</b>                           | 508.9                 | 16.3        | -5,849.2                 | -178.8      | -5,340.3   | -162.5      |

Used exchange rate of: USD = 32.726 Sk

**Foreign Exchange Reserves**

USD million

| End-of-period figures        | 1996    |         |         |         |         |         |         | 1997    |         |         |         |         |         |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                              | 6       | 7       | 8       | 9       | 10      | 11      | 12      | 1       | 2       | 3       | 4       | 5       | 6       |
| Official reserves of NBS     | 3,376.6 | 3,503.6 | 3,677.4 | 3,654.8 | 3,602.3 | 3,594.6 | 3,473.3 | 3,434.4 | 3,471.7 | 3,453.1 | 3,346.9 | 2,974.0 | 3,018.7 |
| Reserves of commercial banks | 1,262.5 | 1,237.7 | 1,231.7 | 1,142.5 | 1,046.8 | 1,130.5 | 2,209.2 | 2,253.8 | 2,418.6 | 2,447.3 | 2,610.6 | 2,797.2 | 3,109.3 |
| Total                        | 4,639.1 | 4,741.3 | 4,909.1 | 4,797.3 | 4,749.1 | 4,725.1 | 5,682.5 | 5,688.2 | 5,890.3 | 5,900.4 | 5,957.5 | 5,771.2 | 6,128.0 |

**Gross Foreign Debt**

USD billions

| End-of-period figures                         | 1996  |       |       |       |       |       |       |       |       |       | 1997  |       |       |  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
|   | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 1     | 2     | 3     | 4     |  |
| Total gross foreign debt                      | 6.0   | 6.0   | 6.1   | 6.2   | 6.4   | 6.3   | 6.3   | 6.4   | 7.8   | 7.8   | 8.0   | 8.0   | 8.4   |  |
| - official debt of the Government and the NBS | 1.8   | 1.8   | 1.8   | 1.8   | 1.7   | 1.7   | 1.7   | 1.6   | 1.7   | 1.7   | 1.6   | 1.6   | 1.6   |  |
| - foreign debt of enterprises                 | 3.0   | 3.0   | 3.0   | 3.1   | 3.2   | 3.2   | 3.2   | 3.3   | 3.8   | 3.6   | 3.7   | 3.7   | 3.7   |  |
| - foreign debt of commercial banks            | 1.0   | 1.0   | 1.1   | 1.1   | 1.3   | 1.2   | 1.2   | 1.3   | 2.2   | 2.4   | 2.5   | 2.6   | 2.7   |  |
| Total gross debt per capita (in USD)          | 1,135 | 1,137 | 1,147 | 1,171 | 1,202 | 1,198 | 1,188 | 1,201 | 1,473 | 1,474 | 1,502 | 1,516 | 1,586 |  |

## Money Supply M2

(Sk billion)

|                                 | 1.1.1997 | 31.5.1997 | 30.6.1997 <sup>*/</sup> | Month-on-month change | Month-on-month change (in %) | Change since beginning of year | Change since beginning of year (in %) | 30.6.1996 | Year-on-year change | Year-on-year change (in %) |
|---------------------------------|----------|-----------|-------------------------|-----------------------|------------------------------|--------------------------------|---------------------------------------|-----------|---------------------|----------------------------|
| Money Supply [M2]               | 416.9    | 414.0     | 415.5                   | 1.5                   | 0.4                          | -1.4                           | -0.3                                  | 367.8     | 47.7                | 13.0                       |
| Money [M1]                      | 173.9    | 157.3     | 157.7                   | 0.4                   | 0.3                          | -16.2                          | -9.3                                  | 147.2     | 10.5                | 7.1                        |
| Currency outside banks [M0]     | 43.5     | 44.9      | 45.1                    | 0.2                   | 0.4                          | 1.6                            | 3.7                                   | 39.0      | 6.1                 | 15.6                       |
| Demand deposits                 | 130.4    | 112.4     | 112.6                   | 0.2                   | 0.2                          | -17.8                          | -13.7                                 | 108.2     | 4.4                 | 4.1                        |
| Quasi-money [QM]                | 243.0    | 256.7     | 257.8                   | 1.1                   | 0.4                          | 14.8                           | 6.1                                   | 220.6     | 37.2                | 16.9                       |
| Time deposits                   | 201.2    | 214.4     | 212.2                   | -2.2                  | -1.0                         | 11.0                           | 5.5                                   | 182.3     | 29.9                | 16.4                       |
| Foreign currency deposits       | 41.8     | 42.3      | 45.6                    | 3.3                   | 7.8                          | 3.8                            | 9.1                                   | 38.3      | 7.3                 | 19.1                       |
|                                 |          |           |                         |                       |                              |                                |                                       |           |                     |                            |
| Crown deposits                  | 331.6    | 326.8     | 324.8                   | -2.0                  | -0.6                         | -6.8                           | -2.1                                  | 290.5     | 34.3                | 11.8                       |
| - Households                    | 194.5    | 200.9     | 203.0                   | 2.1                   | 1.0                          | 8.5                            | 4.4                                   | 175.8     | 27.2                | 15.5                       |
| - Enterprises (incl. insurance) | 137.1    | 125.9     | 121.8                   | -4.1                  | -3.3                         | -15.3                          | -11.2                                 | 114.7     | 7.1                 | 6.2                        |

<sup>\*/</sup> Preliminary data

**Monetary-Policy Instruments**

|  | As at 1 January 1996   | Change during the year 1996   | As at 1 January 1997  | Change during the year 1997   |
|--|--|---|---|---|
| 1. Discount rate                                   | 9.75%  | 13.1. 8.8%  | 8.8%  |   |
| 2. Lombard rate                                    | 13%  | 17.7. 15%   | 15%   |   |
| 3. REPO rate                                       |  |   |   |   |
| sterilisation                                      | 6.2%   | Jan. 6.3%<br>Feb. 6.6%<br>Mar. 6.7%<br>Apr. 6.4%<br>May 6.3%<br>Jun. 6.2%<br>Jul. 7.3%<br>Aug. 7.4%<br>Sep. 7.4%<br>Oct. 7.2%<br>Nov. 7.2%<br>Dec. 7.2% | -   | Jan. 16.1% <sup>1/</sup><br>Feb. 15.4%<br>Mar. 14.2%<br>Apr. 15.2%<br>May -<br>Jun. -     |
| refinancing  | 6.6%   | Jan. 6.7%<br>Feb. 6.9%<br>Mar. 7.1%<br>Apr. 6.9%<br>May 6.8%<br>Jun. 7.5%<br>Jul. 8.3%<br>Aug. 8.2%<br>Sep. 8.3%<br>Oct. 8.9%<br>Nov. 9.6%<br>Dec. 9.7% | -   | Jan. 14.8% <sup>2/</sup><br>Feb. -<br>Mar. 17.4%<br>Apr. 15.8%<br>May 16.8%<br>Jun. 19.2% |
| 4. Reserve requirements                            | 3% of time deposits of banks<br>9% of demand deposits of banks<br>1% of primary deposits of building societies | 1.8. 9% of primary deposits of banks<br>3% of primary deposits of building societies  | 9% of primary deposits of banks<br>3% of primary deposits of building societies |   |
| 5. Exchange rates vis-a-vis convertible currencies |  |   |   |   |
| a) currency basket                                 | 60% DEM, 40% USD   |   | 60% DEM, 40% USD  |   |
| b) fluctuation band                                | ± 3%   | 17.7. ± 5%  | ± 7%  |   |

1/ Average interest rate on tenders conducted during the second RR-period

2/ Average interest rate on tenders conducted during the first RR-period

## Development of Deposits

(Sk billion)

|   | 31.5.1997 | 30.6.1997 <sup>1/</sup> | Change |
|---|-----------|-------------------------|--------|
| <b>Deposits in Sk and foreign currency</b>          | 413.2     | 411.8                   | -1.4   |
| <b>- Deposits in Slovak crowns</b>                  | 369.1     | 364.6                   | -4.5   |
| of which  |           |                         |        |
| - Entrepreneurial sector                            | 112.1     | 109.9                   | -2.2   |
| - Households  | 200.8     | 203.0                   | 2.2    |
| - Central authorities                               | 20.5      | 18.9                    | -1.6   |
| - Local authorities                                 | 6.9       | 7.2                     | 0.3    |
| - Social insurance funds                            | 15.1      | 14.9                    | -0.2   |
| - Other <sup>2/</sup>                               | 13.7      | 10.7                    | -3.0   |
| <b>- Deposits in foreign currency <sup>3/</sup></b> | 44.1      | 47.2                    | 3.1    |

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

## Development of Loans

(Sk billion)

|   | 31.5.1997 | 30.6.1997 <sup>1/</sup> | Change |
|---|-----------|-------------------------|--------|
| <b>Loans in Sk and foreign currency</b>                           | 381.4     | 380.4                   | -1.0   |
| <b>- Loans in Slovak crowns</b>                                   | 343.2     | 341.1                   | -2.1   |
| of which  |           |                         |        |
| - Entrepreneurial sector  | 313.9     | 312.3                   | -1.6   |
| - Households  | 18.6      | 18.8                    | 0.2    |
| - Loans to central and local authorities for extrabudgetary needs | 8.4       | 8.1                     | -0.3   |
| - Other <sup>2/</sup>   | 2.3       | 1.9                     | -0.4   |
| <b>- Loans in foreign currency <sup>3/</sup></b>                  | 38.2      | 39.3                    | 1.1    |

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

## Average Lending Rates of Commercial Banks

(%)

|  | 1996  |       |       |       |       |       |       |       | 1997  |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 1     | 2     | 3     | 4     | 5     |
| 1. TOTAL VOLUME OF LOANS <sup>1/</sup> | 13.95 | 13.43 | 13.23 | 13.25 | 13.28 | 13.36 | 13.42 | 13.22 | 13.47 | 13.77 | 13.93 | 14.17 | 14.58 |
| A) Loans by sector                     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| of which                               |       |       |       |       |       |       |       |       |       |       |       |       |       |
| a) Enterprise sector                   |       |       |       |       |       |       |       | 13.41 | 13.52 | 13.78 | 13.86 | 14.26 | 14.55 |
| - Public sector                        | 14.64 | 13.44 | 12.81 | 12.79 | 12.93 | 13.23 | 13.26 | 12.95 | 12.89 | 13.12 | 13.12 | 13.78 | 13.95 |
| - Private sector (incl. cooperatives)  | 14.41 | 14.08 | 13.98 | 14.01 | 13.99 | 13.94 | 14.00 | 13.86 | 14.14 | 14.44 | 14.59 | 14.73 | 15.15 |
| b) Households                          | 5.58  | 5.65  | 5.79  | 5.94  | 6.06  | 6.35  | 6.47  | 6.76  | 7.16  | 7.25  | 7.38  | 7.51  | 7.42  |
| B) Loans by term                       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| of which                               |       |       |       |       |       |       |       |       |       |       |       |       |       |
| - Short-term                           | 14.05 | 13.60 | 13.66 | 13.76 | 13.81 | 13.86 | 14.06 | 13.86 | 14.52 | 14.93 | 15.34 | 15.69 | 16.58 |
| - Medium-term                          | 16.46 | 15.98 | 15.75 | 15.73 | 15.67 | 15.60 | 15.51 | 15.28 | 15.37 | 15.54 | 15.59 | 15.68 | 15.66 |
| - Long-term                            | 12.53 | 12.01 | 11.56 | 11.50 | 11.50 | 11.63 | 11.59 | 11.36 | 11.32 | 11.59 | 11.54 | 11.39 | 11.52 |
| 2. NEW LOANS IN TOTAL                  | 12.95 | 12.58 | 13.23 | 13.06 | 13.56 | 13.57 | 14.27 | 13.45 | 16.04 | 15.63 | 16.21 | 16.53 | 19.08 |
| A) Loans by sector                     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| of which                               |       |       |       |       |       |       |       |       |       |       |       |       |       |
| a) Enterprise sector                   |       |       |       |       |       |       |       | 13.85 | 14.08 | 14.69 | 15.02 | 15.43 | 17.36 |
| - Public sector                        | 13.99 | 13.04 | 12.99 | 13.01 | 13.14 | 12.81 | 13.03 | 13.46 | 12.98 | 14.26 | 14.03 | 14.52 | 15.77 |
| - Private sector (incl. cooperatives)  | 13.58 | 12.42 | 13.40 | 13.52 | 13.83 | 13.91 | 14.74 | 14.23 | 15.18 | 15.12 | 16.00 | 16.34 | 18.94 |
| b) Households                          | 10.83 | 10.66 | 10.54 | 10.57 | 10.57 | 11.18 | 10.39 | 10.44 | 12.35 | 11.09 | 12.77 | 12.44 | 12.30 |
| B) Loans by term                       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| of which                               |       |       |       |       |       |       |       |       |       |       |       |       |       |
| - Short-term                           | 12.77 | 12.36 | 13.47 | 13.40 | 13.57 | 13.55 | 14.46 | 13.52 | 16.36 | 15.88 | 16.17 | 16.78 | 19.70 |
| - Medium-term                          | 13.80 | 13.32 | 13.21 | 13.89 | 14.25 | 13.33 | 13.77 | 13.05 | 13.52 | 13.63 | 15.36 | 15.82 | 16.12 |
| - Long-term                            | 13.94 | 14.03 | 12.16 | 8.72  | 11.75 | 14.44 | 13.54 | 13.68 | 13.39 | 13.98 | 17.65 | 13.44 | 15.49 |

1/ 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**

(%)

|                     |   | 1996  |       |       |       |       |       |       |       | 1997  |       |       |       |       |
|---------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                     |   | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 1     | 2     | 3     | 4     | 5     |
| Total deposits      | a | 6.48  | 6.54  | 6.58  | 6.75  | 6.70  | 6.70  | 6.76  | 6.18  | 7.05  | 7.03  | 7.52  | 7.57  | 7.84  |
|                     | b | 10.40 | 1.00  | 7.80  | 2.40  | -0.60 | 0.10  | 9.30  | 24.80 | 10.30 | 0.20  | -1.10 | 3.80  | 2.70  |
| of which            |   |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Demand deposits     | a | 3.00  | 3.06  | 3.01  | 2.96  | 2.97  | 2.96  | 2.93  | 2.87  | 2.95  | 3.01  | 3.04  | 3.04  | 3.08  |
|                     | b | 3.00  | -0.80 | 5.60  | -2.40 | 2.50  | -4.10 | 5.70  | 24.60 | 29.30 | -1.10 | 0.00  | 0.30  | 1.90  |
| Time deposits       | a | 8.78  | 8.62  | 8.85  | 9.05  | 9.10  | 9.02  | 9.09  | 8.63  | 9.30  | 9.21  | 9.98  | 9.97  | 10.28 |
|                     | b | 7.40  | 0.20  | 2.20  | 4.80  | -3.10 | 4.20  | 3.70  | 0.20  | 19.00 | 1.30  | -1.10 | 3.50  | 0.80  |
| - 7-day deposits    | a | 8.44  | 10.63 | 9.69  | 9.45  | 10.22 | 9.88  | 9.88  | 9.51  | 13.08 | 10.44 | 18.23 | 14.74 | 21.23 |
|                     | b | 1.10  | 1.90  | -2.70 | 2.60  | -0.90 | 1.30  | 1.20  | -4.90 | 3.00  | 2.90  | -1.90 | 1.80  | 1.00  |
| - 1-month deposits  | a | 5.81  | 6.08  | 7.47  | 8.55  | 8.64  | 8.61  | 8.75  | 8.87  | 11.02 | 10.31 | 10.71 | 10.49 | 11.02 |
|                     | b | 2.00  | -0.30 | 4.60  | 0.20  | -2.60 | 1.80  | 1.20  | 1.10  | 4.10  | 1.40  | 0.80  | 0.20  | -0.90 |
| - 3-month deposits  | a | 7.05  | 6.95  | 7.56  | 7.68  | 7.63  | 7.90  | 8.61  | 8.89  | 9.37  | 9.30  | 8.85  | 10.12 | 11.11 |
|                     | b | 1.00  | -1.80 | 0.60  | 0.50  | -1.30 | 0.30  | 1.60  | -0.70 | 1.60  | -1.40 | -1.80 | 0.60  | 0.80  |
| - 6-month deposits  | a | 8.09  | 8.02  | 7.93  | 8.20  | 8.40  | 8.44  | 8.40  | 8.28  | 9.18  | 9.29  | 9.85  | 9.61  | 9.60  |
|                     | b | 0.00  | -0.10 | -0.60 | 2.00  | 1.70  | 0.20  | -1.00 | -3.20 | 3.50  | 0.80  | 0.30  | 0.70  | -0.60 |
| - 9-month deposits  | a | 9.30  | 9.57  | 9.55  | 9.77  | 9.99  | 9.93  | 9.84  | 10.09 | 10.13 | 10.04 | 10.08 | 10.27 | 10.80 |
|                     | b | 0.50  | 0.00  | 0.30  | -0.20 | 0.00  | -0.50 | -0.20 | -0.70 | 1.50  | -0.10 | -0.10 | 0.20  | 0.10  |
| - 12-month deposits | a | 9.08  | 9.08  | 9.03  | 9.11  | 9.07  | 9.05  | 9.09  | 8.91  | 9.01  | 9.05  | 9.96  | 9.95  | 10.06 |
|                     | b | 1.60  | 0.00  | 0.30  | 0.10  | -0.70 | 0.00  | 0.40  | 0.80  | 4.70  | 0.80  | 1.30  | -1.00 | 0.80  |
| - 18-month deposits | a | 12.67 | 11.65 | 10.94 | 11.03 | 11.19 | 10.76 | 10.48 | 10.43 | 10.06 | 6.91  | 10.99 | 11.06 | 11.25 |
|                     | b | -0.40 | 0.20  | -1.50 | -0.20 | -0.10 | -0.20 | 0.00  | 0.00  | 0.50  | -0.30 | 0.10  | 0.00  | 0.10  |
| - 2-year deposits   | a | 9.61  | 9.58  | 9.52  | 9.53  | 9.52  | 9.56  | 9.54  | 9.44  | 9.41  | 9.43  | 10.74 | 10.74 | 10.74 |
|                     | b | 0.70  | -1.00 | 0.00  | -0.60 | 0.00  | 0.20  | -0.40 | 2.90  | -0.60 | -0.30 | -0.50 | 1.00  | -0.70 |
| - 3-year deposits   | a | 13.07 | 13.07 | 13.06 | 13.06 | 13.02 | 12.94 | 12.92 | 12.88 | 12.67 | 12.67 | 12.66 | 12.64 | 12.68 |
|                     | b | 0.00  | 0.00  | 2.10  | 0.00  | -0.10 | 0.00  | 0.00  | 0.00  | 0.30  | 0.00  | 0.00  | 0.00  | 0.10  |
| - 4-year deposits   | a | 13.00 | 12.80 | 12.78 | 12.98 | 12.98 | 12.97 | 12.94 | 12.92 | 13.01 | 13.14 | 13.13 | 13.13 | 13.13 |
|                     | b | 0.20  | -0.40 | -0.60 | 0.00  | 0.00  | 0.10  | 0.00  | 0.10  | -0.10 | 0.00  | 0.00  | 0.00  | 0.00  |
| - 5-year deposits   | a | 13.51 | 13.27 | 13.28 | 13.20 | 13.13 | 13.09 | 13.37 | 13.17 | 12.84 | 12.85 | 12.59 | 12.53 | 12.50 |
|                     | b | 0.00  | 1.40  | 0.10  | 0.00  | 0.10  | 0.20  | 0.00  | 0.70  | 0.10  | 0.00  | 0.10  | -0.20 | -0.10 |
| - above 5 year      | a | 5.63  | 5.54  | 5.51  | 5.33  | 5.31  | 5.23  | 5.14  | 4.85  | 4.85  | 4.85  | 4.82  | 4.82  | 4.81  |
|                     | b | 0.80  | 0.30  | 0.10  | 0.30  | 0.50  | 0.50  | 0.90  | 4.00  | 0.40  | 0.30  | 0.60  | 0.10  | 0.00  |

a - Average deposit rate (%)

b - Change in volume (\$k billion)

**Development of Average Interbank Offered Rates (BRIBOR)**

|           | 1997  |       |       |       |                 |                 |
|-----------|-------|-------|-------|-------|-----------------|-----------------|
|           | 1     | 2     | 3     | 4     | 5 <sup>1/</sup> | 6 <sup>1/</sup> |
| Overnight | 18.82 | 16.20 | 19.97 | 18.71 | 26.75           | 53.91           |
| 1 week    | 18.53 | 18.12 | 18.20 | 19.96 | 25.77           | 42.34           |
| 2 weeks   | 18.77 | 18.30 | 18.09 | 19.94 | 25.12           | 40.76           |
| 1 month   | 18.82 | 18.29 | 17.71 | 19.92 | 24.27           | 33.80           |
| 2 months  | 18.72 | 18.16 | 17.35 | 19.43 | 23.83           | 32.48           |
| 3 months  | 18.63 | 18.04 | 17.30 | 19.36 | 23.78           | 31.48           |
| 6 months  | 17.85 | 17.63 | 17.15 | 19.09 | 23.61           | 30.89           |

Note: All average rates were calculated for the days on which they were listed

<sup>1/</sup> Figures based on data from the unofficial Monitoring of Interbank Deposit Rates in the SR (since 29 May 1997), due to the marked fall in trade on the interbank market and the subsequent suspension of listing of BRIBOR rates

**Basic Characteristics of Slovakia's Foreign Exchange Market in June 1997**

|   | 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   | 385.5       | 74.3 | 47                     | 133.6       | 25.7 | 40                     |                  |     |                        | 519.1                | 87                     |
| Transactions among Slovak banks without participation of foreign banks        | 1,402.7     | 72.7 | 803                    | 512.7       | 26.6 | 490                    | 15.3             | 0.8 | 97                     | 1,930.7              | 1,390                  |
| Interbank foreign exchange market fixing + transactions between Slovak banks. | 1,788.2     | 73.0 | 850                    | 646.3       | 26.4 | 530                    | 15.3             | 0.6 | 97                     | 2,449.8              | 1,477                  |
| Transactions between Slovak and foreign banks                                 | 1,475.1     | 86.6 | 457                    | 197.9       | 11.6 | 247                    | 30.2             | 1.8 | 85                     | 1,703.2              | 789                    |
| Foreign exchange market in the SR - total                                     | 3,263.4     | 78.6 | 1,307                  | 844.2       | 20.3 | 777                    | 45.5             | 1.1 | 182                    | 4,153.0              | 2,266                  |

**Average Monthly Exchange Rates of SKK**

| midpoint rate | 1996   |        |        |        |        |        |        | 1997   |        |        |        |        |        |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|               | 6      | 7      | 8      | 9      | 10     | 11     | 12     | 1      | 2      | 3      | 4      | 5      | 6      |
| FRF           | 5.992  | 6.028  | 6.006  | 5.998  | 6.030  | 6.060  | 6.024  | 5.967  | 5.810  | 5.804  | 5.782  | 5.793  | 5.750  |
| 1,000 ITL     | 20.119 | 20.127 | 20.018 | 20.216 | 20.442 | 20.458 | 20.677 | 20.623 | 19.852 | 19.604 | 19.660 | 19.775 | 19.756 |
| 100 JPY       | 28.536 | 28.124 | 28.192 | 28.006 | 27.790 | 27.591 | 27.787 | 27.400 | 26.651 | 27.150 | 26.529 | 28.005 | 29.274 |
| CAD           | 22.718 | 22.458 | 22.121 | 22.422 | 23.056 | 23.133 | 23.224 | 23.886 | 24.196 | 24.257 | 23.891 | 24.106 | 24.174 |
| NLG           | 18.136 | 18.187 | 18.269 | 18.227 | 18.179 | 18.278 | 18.150 | 17.931 | 17.463 | 17.399 | 17.318 | 17.369 | 17.252 |
| ATS           | 2.887  | 2.901  | 2.913  | 2.904  | 2.899  | 2.914  | 2.894  | 2.862  | 2.787  | 2.782  | 2.767  | 2.776  | 2.758  |
| DEM           | 20.312 | 20.411 | 20.495 | 20.434 | 20.396 | 20.502 | 20.365 | 20.134 | 19.615 | 19.580 | 19.476 | 19.534 | 19.409 |
| CHF           | 24.688 | 24.878 | 25.257 | 25.006 | 24.784 | 24.330 | 23.849 | 23.210 | 22.609 | 22.664 | 22.770 | 23.235 | 23.260 |
| USD           | 31.029 | 30.735 | 30.372 | 30.711 | 31.175 | 30.948 | 31.579 | 32.239 | 32.764 | 33.226 | 33.263 | 33.261 | 33.463 |
| GBP           | 47.845 | 47.734 | 47.072 | 47.871 | 49.326 | 51.438 | 52.544 | 53.654 | 53.223 | 53.359 | 54.218 | 54.324 | 54.989 |
| XEU           | 38.426 | 38.577 | 38.546 | 38.707 | 39.062 | 39.365 | 39.298 | 39.093 | 38.070 | 38.011 | 37.997 | 38.084 | 37.917 |
| CZK           | 1.116  | 1.134  | 1.144  | 1.158  | 1.151  | 1.153  | 1.155  | 1.171  | 1.163  | 1.138  | 1.114  | 1.072  | 1.035  |

**Gross Domestic Product**

(Sk billion)

|  |   | 1995  | 1996       |            |            |            | 1997  |                          |
|--|---|-------|------------|------------|------------|------------|-------|--------------------------|
|  |   | year  | 1. quarter | 2. quarter | 3. quarter | 4. quarter | year  | 1. quarter <sup>1/</sup> |
| Gross domestic product in constant 1993 prices | a | 414.5 | 105.8      | 112.9      | 115.6      | 109.0      | 443.3 | 148.0                    |
|  | b | 106.8 | 107.3      | 106.9      | 106.9      | 106.7      | 106.9 | 105.1                    |
| Gross domestic product in current prices       | a | 515.1 | 133.5      | 145.7      | 152.1      | 150.0      | 581.3 | 148.0                    |
|  | b | 116.7 | 113.5      | 112.8      | 112.8      | 112.4      | 112.9 | 110.9                    |

Note: Conversion is based on the method of ESA

a - In the specified unit

b - Index same period of previous year = 100

1/ Estimate, at constant 1997 prices

**Consumer Prices**

(according to the methodology being in force since 1 January 1997)

|                     |   | 1996  |       |       |       |       |       |       |       | 1997  |       |       |       |       |
|---------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                     |   | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 1     | 2     | 3     | 4     | 5     |
| Goods and services  | a | 100.5 | 100.2 | 100.3 | 100.5 | 101.0 | 100.6 | 100.4 | 100.3 | 101.1 | 100.4 | 100.5 | 100.5 | 100.1 |
|                     | b | 101.9 | 102.1 | 102.4 | 103.0 | 104.0 | 104.6 | 105.0 | 105.3 | 106.5 | 106.9 | 107.5 | 108.1 | 108.2 |
|                     | c | 102.0 | 102.2 | 102.5 | 103.0 | 104.0 | 104.7 | 105.1 | 105.4 | -     | -     | -     | -     | -     |
|                     | d | 96.8  | 97.0  | 97.2  | 97.7  | 98.7  | 99.3  | 99.7  | 100.0 | 101.1 | 101.5 | 102.1 | 102.6 | 102.7 |
|                     | e | -     | -     | -     | -     | -     | -     | -     | -     | 105.8 | 106.0 | 106.3 | 106.5 | 106.1 |
| of which            |   |       |       |       |       |       |       |       |       |       |       |       |       |       |
| foodstuff goods     | a | 100.3 | 99.1  | 100.6 | 100.5 | 102.2 | 100.9 | 100.2 | 100.2 | 101.6 | 100.4 | 100.7 | 100.3 | 99.2  |
|                     | b | 100.6 | 99.7  | 100.3 | 100.8 | 103.0 | 103.9 | 104.1 | 104.3 | 105.9 | 106.4 | 107.1 | 107.4 | 106.5 |
|                     | c | 99.6  | 98.7  | 99.4  | 99.8  | 102.0 | 102.9 | 103.1 | 103.3 | -     | -     | -     | -     | -     |
|                     | d | 96.4  | 95.6  | 96.2  | 96.6  | 98.7  | 99.6  | 99.8  | 100.0 | 101.6 | 102.0 | 102.7 | 103.0 | 102.1 |
|                     | e | -     | -     | -     | -     | -     | -     | -     | -     | 105.3 | 106.3 | 107.1 | 107.1 | 105.9 |
| non-foodstuff goods | a | 100.6 | 100.7 | 100.1 | 100.5 | 100.4 | 100.5 | 100.5 | 100.4 | 100.9 | 100.5 | 100.4 | 100.3 | 100.6 |
|                     | b | 102.9 | 103.6 | 103.7 | 104.2 | 104.7 | 105.2 | 105.8 | 106.2 | 107.2 | 107.7 | 108.1 | 108.5 | 109.1 |
|                     | c | 103.2 | 103.9 | 104.0 | 104.5 | 105.0 | 105.5 | 106.1 | 106.5 | -     | -     | -     | -     | -     |
|                     | d | 96.9  | 97.5  | 97.6  | 98.1  | 98.6  | 99.1  | 99.6  | 100.0 | 100.9 | 101.4 | 101.8 | 102.1 | 102.8 |
|                     | e | -     | -     | -     | -     | -     | -     | -     | -     | 106.0 | 106.0 | 106.0 | 106.1 | 106.1 |
| public catering     | a | 100.6 | 100.7 | 100.3 | 100.3 | 100.6 | 100.7 | 100.5 | 100.4 | 99.5  | 100.0 | 100.5 | 100.0 | 100.3 |
|                     | b | 100.5 | 101.1 | 101.4 | 101.7 | 102.4 | 103.1 | 103.6 | 104.0 | 103.5 | 103.5 | 104.1 | 104.1 | 104.4 |
|                     | c | 102.4 | 103.1 | 103.4 | 103.7 | 104.3 | 105.0 | 105.6 | 106.0 | -     | -     | -     | -     | -     |
|                     | d | 96.6  | 97.2  | 97.5  | 97.8  | 98.4  | 99.1  | 99.6  | 100.0 | 99.5  | 99.5  | 100.0 | 100.0 | 100.4 |
|                     | e | -     | -     | -     | -     | -     | -     | -     | -     | 105.2 | 104.5 | 104.7 | 104.2 | 104.0 |
| services            | a | 100.2 | 100.2 | 100.2 | 101.0 | 100.6 | 100.4 | 100.3 | 100.1 | 100.8 | 100.5 | 100.5 | 101.1 | 100.3 |
|                     | b | 102.7 | 102.9 | 103.1 | 104.1 | 104.8 | 105.2 | 105.5 | 105.6 | 106.5 | 107.0 | 107.6 | 108.8 | 109.2 |
|                     | c | 102.3 | 102.5 | 102.7 | 103.8 | 104.4 | 104.8 | 105.1 | 105.3 | -     | -     | -     | -     | -     |
|                     | d | 97.2  | 97.4  | 97.6  | 98.6  | 99.2  | 99.6  | 99.9  | 100.0 | 100.8 | 101.3 | 101.9 | 103.0 | 103.4 |
|                     | e | -     | -     | -     | -     | -     | -     | -     | -     | 105.3 | 105.2 | 105.3 | 106.3 | 106.4 |

a - Index previous period = 100

b - Index December 1995 = 100

c - Index December 1995 = 100 (consumer basket before the recalculating)

d - Index December 1996 = 100

e - Index same period of previous year = 100

**Producer Prices of Selected Products and Materials**

(%)

|                             |   | 1996  |       |       |       |       |       | 1997  |       |       |       |       |       |       |
|-----------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                             |   | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 1     | 2     | 3     | 4     | 5     |
| Industrial products         | a | 101.0 | 99.7  | 99.9  | 100.7 | 100.5 | 101.0 | 100.2 | 100.1 | 101.2 | 100.6 | 99.4  | 100.6 | 99.4  |
|                             | b | 98.0  | 97.7  | 97.6  | 98.3  | 98.8  | 99.7  | 99.9  | 100.0 | 101.2 | 101.7 | 101.2 | 101.7 | 101.2 |
|                             | c | 104.2 | 103.9 | 103.8 | 104.5 | 105.0 | 106.0 | 106.2 | 106.3 | 107.5 | 108.2 | 107.5 | 108.2 | 107.5 |
|                             | d | 104.5 | 103.9 | 103.5 | 103.5 | 103.4 | 103.9 | 104.5 | 104.7 | 106.1 | 105.3 | 104.2 | 104.8 | 103.2 |
|                             | e | 102.2 | 101.9 | 101.8 | 102.5 | 103.0 | 104.0 | 104.2 | 104.3 | 105.5 | 106.1 | 105.5 | 106.1 | 105.5 |
| Building materials          | a | 100.0 | 100.4 | 100.7 | 100.1 | 100.4 | 100.7 | 100.8 | 99.9  | 101.2 | 100.9 | 99.4  | 101.6 | 101.8 |
|                             | b | -     | -     | -     | -     | -     | -     | -     | -     | 101.2 | 102.2 | 101.6 | 103.2 | 105.1 |
|                             | c | 102.9 | 103.3 | 104.0 | 104.1 | 104.5 | 105.2 | 106.0 | 105.9 | 107.2 | 108.2 | 107.6 | 109.3 | 111.3 |
|                             | d | 106.5 | 107.0 | 107.5 | 107.1 | 106.9 | 107.5 | 108.1 | 108.0 | 108.4 | 106.3 | 104.8 | 106.2 | 108.2 |
|                             | e | 104.9 | 105.3 | 106.0 | 106.1 | 106.5 | 107.2 | 108.1 | 108.0 | -     | -     | -     | -     | -     |
| Agricultural products       | a | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | b | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | c | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | d | 102.6 | 103.7 | 106.3 | 110.3 | 107.1 | 105.6 | 107.6 | 109.2 | 108.1 | 111.1 | 111.1 | 108.6 | 106.8 |
|                             | e | 102.6 | 103.7 | 106.3 | 110.3 | 107.1 | 105.6 | 107.6 | 109.2 | 103.6 | 107.0 | 110.9 | 110.8 | 109.6 |
| of which:<br>Plant products | a | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | b | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | c | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | d | 110.5 | 111.7 | 109.1 | 113.2 | 109.3 | 107.4 | 112.0 | 117.9 | 116.0 | 118.4 | 117.6 | 113.3 | 109.0 |
|                             | e | 110.5 | 111.7 | 109.1 | 113.2 | 109.3 | 107.4 | 112.0 | 117.9 | 117.2 | 119.5 | 121.0 | 120.5 | 120.4 |
| Animal products             | a | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | b | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | c | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
|                             | d | 101.7 | 102.8 | 103.2 | 106.6 | 104.8 | 103.7 | 103.2 | 103.5 | 106.4 | 109.3 | 109.8 | 108.0 | 106.5 |
|                             | e | 101.7 | 102.8 | 103.2 | 106.6 | 104.8 | 103.7 | 103.2 | 103.5 | 101.0 | 104.1 | 108.9 | 109.5 | 108.3 |

a - Index previous month = 100

b - Index December 1996 = 100

c - Index average of 1995 = 100

d - Index same period of last year = 100

e - Index same period of 1995 = 100, for industrial producers December 1995 = 100

## Inflation Rate

(in terms of consumer prices)

|  | 1996 |     |     |     |     |     |     | 1997 |     |     |     |     |     |
|--|------|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|
|  | 6    | 7   | 8   | 9   | 10  | 11  | 12  | 1    | 2   | 3   | 4   | 5   | 6   |
| Monthly rate of inflation <sup>1/</sup>        | 0.2  | 0.3 | 0.5 | 0.9 | 0.7 | 0.4 | 0.3 | 1.1  | 0.4 | 0.5 | 0.5 | 0.1 | 0.3 |
| Annual rate of inflation <sup>2/</sup>         | 6.2  | 5.5 | 5.6 | 5.2 | 5.3 | 5.4 | 5.4 | 5.8  | 6.0 | 6.3 | 6.5 | 6.1 | 6.2 |
| Average annual rate of inflation <sup>3/</sup> | 6.2  | 6.1 | 6.0 | 5.9 | 5.9 | 5.8 | 5.8 | 5.8  | 5.9 | 6.0 | 6.1 | 6.1 | 6.1 |

1 - Index (previous month = 100)

2 - Index (same period of previous year = 100)

3 - Annual rate of inflation, average from the beginning of the year

## Unemployment

At the end of period

|                                  |   | 1996    |         |         |         |         |         |         | 1997    |         |         |         |         |         |
|----------------------------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                  |   | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      | 1       | 2       | 3       | 4       | 5       |
| Number of vacancies              | a | 18,431  | 18,691  | 18,110  | 18,635  | 18,883  | 18,623  | 14,156  | 14,118  | 16,631  | 19,712  | 23,038  | 27,155  | 28,116  |
|                                  | b | 485     | 260     | -581    | 525     | 248     | -260    | -4,467  | -38     | 2,513   | 3,081   | 3,326   | 4,117   | 961     |
| Number of unemployed             | a | 306,802 | 311,244 | 321,661 | 316,093 | 313,930 | 308,416 | 312,452 | 329,749 | 353,605 | 356,181 | 349,658 | 337,180 | 320,530 |
|                                  | b | -15,079 | 4,442   | 10,417  | -5,568  | -2,163  | -5,514  | 4,036   | 17,297  | 23,856  | 2,576   | -6,523  | -12,478 | -16,650 |
| Number of unemployed per vacancy | a | 17      | 17      | 18      | 17      | 17      | 17      | 22      | 23      | 21      | 18      | 15      | 12      | 11      |
| Unemployment rate (in %)         | a | 11.9    | 12.1    | 12.5    | 12.3    | 12.2    | 12.0    | 12.2    | 12.8    | 13.6    | 13.7    | 13.4    | 13.0    | 12.3    |

a - In the specified unit

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

## State Budget

(Sk millions)

|                          |   | 1996   |         |         |         |         |         |         | 1997   |        |        |        |        |         |
|--------------------------|---|--------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|---------|
|                          |   | 6      | 7       | 8       | 9       | 10      | 11      | 12      | 1      | 2      | 3      | 4      | 5      | 6       |
| State budget revenue     | a | 79,525 | 95,853  | 106,459 | 119,642 | 136,316 | 149,791 | 166,330 | 16,206 | 25,774 | 39,924 | 56,081 | 65,597 | 78,499  |
|                          | b | 49.0   | 59.0    | 65.5    | 72.3    | 82.4    | 90.5    | 100.5   | 9.5    | 15.1   | 23.3   | 32.8   | 38.3   | 45.9    |
| State budget expenditure | a | 85,654 | 101,941 | 114,399 | 133,072 | 149,224 | 163,533 | 191,888 | 13,322 | 26,135 | 43,374 | 60,773 | 72,774 | 91,708  |
|                          | b | 45.2   | 53.8    | 60.4    | 69.2    | 77.6    | 85.0    | 99.7    | 6.4    | 12.6   | 20.9   | 29.2   | 35.0   | 44.1    |
| State budget balance     |   | -6,129 | -6,088  | -7,940  | -13,430 | -12,908 | -13,742 | -25,558 | 2,884  | -361   | -3,450 | -4,692 | -7,177 | -13,209 |

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

b - Budget performance in %

**Industrial Production**

(Sk millions)

|                                     |                                   | 1996    |         |         |         |         |         |         |         |        |        | 1997    |         |         |  |  |
|-------------------------------------|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|---------|---------|---------|--|--|
|                                     |                                   | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      | 1      | 2      | 3       | 4       | 5       |  |  |
| Total industrial production         | a                                 | 45,037  | 43,984  | 40,970  | 42,598  | 46,312  | 50,194  | 49,230  | 44,666  | 44,318 | 44,790 | 46,298  | 46,728  | 46,018  |  |  |
|                                     | b                                 | 107.6   | 97.7    | 93.3    | 103.2   | 108.2   | 107.3   | 97.9    | 90.7    | 99.2   | 101.1  | 103.4   | 100.9   | 98.5    |  |  |
|                                     | c                                 | 99.7    | 97.7    | 104.9   | 98.0    | 103.1   | 103.8   | 99.9    | 101.2   | 100.4  | 102.6  | 102.1   | 109.0   | 100.6   |  |  |
|                                     | d                                 | 213,845 | 257,829 | 298,799 | 341,397 | 387,709 | 437,903 | 487,133 | 531,799 | 44,318 | 89,108 | 135,406 | 182,134 | 228,152 |  |  |
|                                     | e                                 | 104.5   | 103.3   | 103.5   | 102.8   | 102.8   | 102.9   | 102.6   | 102.5   | 100.4  | 101.5  | 101.7   | 103.5   | 102.9   |  |  |
|                                     | f                                 | 17,565  | 17,154  | 15,998  | 16,517  | 17,867  | 19,165  | 18,754  | 17,003  | 42,031 | 41,580 | 43,187  | 43,626  | 43,189  |  |  |
|                                     | h                                 | 99.7    | 97.7    | 104.9   | 98.0    | 103.1   | 103.8   | 99.9    | 101.2   |        |        |         |         |         |  |  |
|                                     | of which<br>in the private sector |         |         |         |         |         |         |         |         |        |        |         |         |         |  |  |
| a                                   | 30,494                            | 30,559  | 28,116  | 29,424  | 31,847  | 35,617  | 34,323  | 30,916  | 30,575  | 31,218 | 32,892 | 33,725  | 33,465  |         |  |  |
| b                                   | 107.8                             | 100.2   | 92.0    | 103.8   | 107.7   | 111.8   | 96.4    | 90.1    | 98.9    | 102.1  | 105.4  | 102.5   | 99.2    |         |  |  |
| c                                   | 106.1                             | 103.4   | 109.2   | 102.9   | 106.1   | 111.1   | 103.0   | 104.7   | 109.5   | 110.3  | 111.5  | 117.5   | 108.0   |         |  |  |
| d                                   | 141,995                           | 172,554 | 200,670 | 230,094 | 261,941 | 297,558 | 331,881 | 362,797 | 30,575  | 61,793 | 94,685 | 128,410 | 161,875 |         |  |  |
| e                                   | 112.3                             | 110.6   | 110.4   | 109.4   | 109.0   | 109.2   | 108.6   | 108.2   | 109.5   | 109.9  | 110.5  | 112.2   | 111.3   |         |  |  |
| g                                   | 67.7                              | 69.5    | 68.6    | 69.1    | 68.8    | 70.9    | 69.7    | 69.2    | 69.0    | 69.7   | 71.0   | 72.2    | 72.7    |         |  |  |
| Labour productivity (Sk / employee) | a                                 | 72,941  | 71,044  | 65,875  | 68,330  | 74,265  | 80,489  | 79,036  | 71,891  | 72,478 | 73,013 | 75,763  | 76,581  | 75,718  |  |  |
|                                     | b                                 | 107.6   | 97.4    | 92.9    | 102.9   | 108.1   | 107.3   | 98.0    | 90.9    | 100.8  | 100.7  | 103.8   | 101.1   | 98.9    |  |  |
|                                     | c                                 | 99.9    | 97.7    | 105.1   | 98.3    | 103.9   | 105.1   | 101.0   | 102.0   | 102.0  | 103.7  | 103.8   | 109.2   | 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 1995 prices (for 1996 constant 1989 prices)

g - Share of private sector in industrial production (%)

h - Index same period of last year = 100 (at constant 1989 prices)



**Construction**

(Sk millions)

|   |   | 1996   |        |        |        |        |        |        |        | 1997   |        |        |        |        |
|---|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   |   | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12     | 1      | 2      | 3      | 4      | 5      |
| Total construction sector output<br>(including output abroad)               | a | 5,278  | 5,893  | 5,595  | 5,644  | 6,017  | 6,616  | 6,316  | 5,530  | 3,799  | 4,331  | 4,646  | 5,574  | 6,044  |
|   | b | 114.7  | 111.4  | 94.6   | 99.8   | 105.2  | 109.7  | 95.3   | 87.4   | 68.7   | 114.0  | 107.3  | 120.0  | 108.4  |
|   | c | 103.2  | 105.8  | 108.2  | 101.9  | 106.2  | 106.6  | 109.4  | 105.7  | 104.7  | 117.3  | 110.6  | 110.8  | 103.8  |
|   | d | 20,338 | 26,231 | 31,826 | 37,470 | 43,487 | 50,103 | 56,419 | 61,949 | 3,799  | 8,130  | 12,776 | 18,350 | 24,394 |
|   | e | 101.0  | 102.0  | 103.0  | 102.9  | 103.3  | 103.7  | 104.3  | 104.4  | 104.7  | 111.0  | 110.9  | 110.9  | 109.1  |
|   | f | 1,858  | 2,071  | 1,960  | 1,956  | 2,056  | 2,255  | 2,150  | 1,878  | 3,116  | 3,125  | 3,503  | 4,610  | 4,954  |
|   | g | 103.2  | 105.8  | 108.2  | 101.9  | 106.2  | 106.6  | 109.4  | 105.7  | -      | -      | -      | -      | -      |
|   | h | 103.2  | 105.8  | 108.2  | 101.9  | 106.2  | 106.6  | 109.4  | 105.7  | -      | -      | -      | -      | -      |
| of which<br>in the private sector   | a | 4,397  | 4,838  | 4,561  | 4,661  | 4,957  | 5,542  | 5,286  | 4,738  | 3,297  | 3,708  | 3,819  | 4,501  | 4,808  |
|   | b | 115.4  | 109.8  | 94.0   | 101.1  | 104.9  | 111.5  | 95.2   | 89.4   | 69.6   | 112.5  | 103.0  | 117.9  | 106.8  |
|   | c | 106.3  | 110.5  | 110.2  | 106.8  | 107.4  | 108.4  | 107.8  | 104.8  | 105.4  | 119.5  | 108.6  | 108.1  | 99.1   |
|   | d | 17,023 | 21,861 | 26,422 | 31,083 | 36,040 | 41,582 | 46,868 | 51,606 | 3,297  | 7,005  | 10,824 | 15,325 | 20,133 |
|   | e | 103.6  | 105.1  | 105.9  | 106.0  | 106.2  | 106.5  | 106.6  | 106.5  | 105.4  | 112.4  | 111.0  | 110.2  | 107.4  |
|   | f | 83.3   | 82.1   | 81.5   | 82.6   | 82.4   | 83.8   | 83.7   | 85.7   | 86.8   | 85.6   | 82.2   | 80.7   | 79.5   |
|   | g | 83.3   | 82.1   | 81.5   | 82.6   | 82.4   | 83.8   | 83.7   | 85.7   | 86.8   | 85.6   | 82.2   | 80.7   | 79.5   |
| Construction output in the SR   | a | 4,723  | 5,219  | 5,018  | 5,117  | 5,426  | 5,983  | 5,872  | 5,161  | 3,583  | 4,064  | 4,296  | 5,183  | 5,588  |
|   | b | 116.3  | 110.3  | 95.8   | 100.9  | 104.6  | 110.0  | 98.0   | 87.7   | 69.4   | 113.4  | 105.7  | 120.6  | 107.8  |
|   | c | 110.8  | 114.6  | 117.3  | 110.2  | 111.2  | 111.5  | 115.7  | 113.5  | 107.9  | 120.7  | 115.1  | 116.8  | 107.3  |
|   | d | 18,211 | 23,430 | 28,448 | 33,565 | 38,991 | 44,974 | 50,846 | 56,007 | 3,583  | 7,647  | 11,943 | 17,126 | 22,714 |
|   | e | 104.7  | 106.7  | 108.4  | 108.7  | 109.0  | 109.3  | 110.0  | 110.3  | 107.9  | 114.3  | 114.6  | 115.2  | 113.2  |
|   | f | 1,663  | 1,834  | 1,757  | 1,773  | 1,854  | 2,040  | 1,999  | 1,753  | 2,854  | 2,847  | 3,112  | 4,287  | 4,581  |
|   | g | 110.8  | 114.6  | 117.3  | 110.2  | 111.2  | 111.5  | 115.7  | 113.5  | -      | -      | -      | -      | -      |
|   | h | 110.8  | 114.6  | 117.3  | 110.2  | 111.2  | 111.5  | 115.7  | 113.5  | -      | -      | -      | -      | -      |
| Construction output abroad  | a | 555    | 674    | 577    | 527    | 591    | 633    | 444    | 369    | 216    | 267    | 350    | 391    | 456    |
|   | b | 102.4  | 121.2  | 85.4   | 90.4   | 110.6  | 106.7  | 70.1   | 83.0   | 58.5   | 123.6  | 131.1  | 111.7  | 116.6  |
|   | c | 65.0   | 66.5   | 64.8   | 58.8   | 75.1   | 75.7   | 63.6   | 54.1   | 70.9   | 81.6   | 74.7   | 66.0   | 74.4   |
|   | d | 2,099  | 2,773  | 3,350  | 3,877  | 4,468  | 5,101  | 5,545  | 5,914  | 216    | 483    | 833    | 1,224  | 1,680  |
|   | e | 77.0   | 74.2   | 72.4   | 70.2   | 70.8   | 71.4   | 70.7   | 69.4   | 70.9   | 76.4   | 75.7   | 72.3   | 72.9   |
|   | f | 195    | 237    | 202    | 183    | 202    | 216    | 151    | 125    | 262    | 278    | 391    | 323    | 373    |
|   | g | 65.0   | 66.5   | 64.8   | 58.8   | 75.1   | 75.7   | 63.6   | 54.1   | -      | -      | -      | -      | -      |
|   | h | 65.0   | 66.5   | 64.8   | 58.8   | 75.1   | 75.7   | 63.6   | 54.1   | -      | -      | -      | -      | -      |
| Labour productivity per<br>employee in Sk<br>(of total construction output) | a | 35,232 | 39,168 | 36,829 | 37,043 | 39,392 | 43,294 | 41,550 | 37,639 | 26,617 | 30,230 | 32,275 | 38,106 | 41,078 |
|   | b | 113.7  | 110.9  | 93.7   | 99.5   | 104.9  | 109.6  | 95.8   | 90.4   | 70.7   | 113.6  | 106.8  | 118.1  | 107.8  |
|   | c | 106.1  | 108.6  | 111.6  | 104.9  | 108.7  | 107.5  | 109.5  | 107.7  | 107.2  | 118.4  | 111.5  | 112.6  | 105.7  |

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 prices - average 1995 prices (for 1996 at constant 1990 prices)  
g - Share of private sector in production (%)  
h - Index same period of last year = 100 (at constant 1989 prices)

## Foreign Trade

(Sk millions)

|                          |   | 1996    |         |         |         |         |         |         |         | 1997   |         |         |         |         |
|--------------------------|---|---------|---------|---------|---------|---------|---------|---------|---------|--------|---------|---------|---------|---------|
|                          |   | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      | 1      | 2       | 3       | 4       | 5       |
| Imports                  | a | 27,898  | 24,366  | 27,615  | 25,213  | 27,168  | 32,093  | 31,439  | 36,269  | 28,110 | 27,846  | 29,449  | 35,551  | 28,200  |
|                          | b | 131,002 | 155,368 | 182,983 | 208,196 | 235,364 | 267,457 | 298,896 | 335,165 | 28,110 | 55,956  | 85,405  | 120,956 | 149,156 |
|                          | c | 128.1   | 123.5   | 125.8   | 125.1   | 125.4   | 126.1   | 126.0   | 128.5   | 124.3  | 104.9   | 110.0   | 117.3   | 113.8   |
| of which: Czech Republic | a | 6,979   | 6,323   | 6,832   | 6,422   | 7,420   | 8,091   | 7,127   | 6,746   | 6,196  | 6,798   | 6,905   | 8,640   | 6,268   |
|                          | b | 33,233  | 39,556  | 46,388  | 52,810  | 60,230  | 68,321  | 75,448  | 82,194  | 6,196  | 12,994  | 19,899  | 28,539  | 34,807  |
|                          | d | 25.0    | 26.0    | 24.7    | 25.5    | 27.3    | 25.2    | 22.7    | 18.6    | 22.0   | 24.4    | 23.4    | 24.3    | 22.2    |
| Exports                  | a | 23,705  | 22,942  | 23,006  | 21,220  | 25,113  | 26,737  | 25,194  | 21,106  | 21,204 | 24,280  | 24,496  | 25,354  | 23,923  |
|                          | b | 105,311 | 128,253 | 151,259 | 172,479 | 197,592 | 224,329 | 249,523 | 270,629 | 21,204 | 45,484  | 69,980  | 95,334  | 119,257 |
|                          | c | 102.5   | 102.7   | 104.7   | 104.0   | 105.1   | 106.1   | 106.4   | 106.1   | 103.5  | 113.3   | 113.0   | 116.8   | 113.2   |
| of which: Czech Republic | a | 7,672   | 7,367   | 6,781   | 6,697   | 7,351   | 7,981   | 7,564   | 6,231   | 6,026  | 6,490   | 7,193   | 6,853   | 6,726   |
|                          | b | 33,935  | 41,302  | 48,083  | 54,780  | 62,131  | 70,112  | 77,676  | 83,907  | 6,026  | 12,516  | 19,709  | 26,562  | 33,288  |
|                          | d | 32.4    | 32.1    | 29.5    | 31.6    | 29.3    | 29.9    | 30.0    | 29.5    | 28.4   | 26.7    | 29.4    | 27.0    | 28.1    |
| Balance                  | a | -4,193  | -1,424  | -4,609  | -3,993  | -2,055  | -5,356  | -6,245  | -15,163 | -6,906 | -3,566  | -4,953  | -10,197 | -4,277  |
|                          | b | -25,691 | -27,115 | -31,724 | -35,717 | -37,772 | -43,128 | -49,373 | -64,536 | -6,906 | -10,472 | -15,425 | -25,622 | -29,899 |
| of which: Czech Republic | a | 693     | 1,044   | -51     | 275     | -69     | -110    | 437     | -515    | -170   | -308    | 288     | -1,787  | 458     |
|                          | b | 702     | 1,746   | 1,695   | 1,970   | 1,901   | 1,791   | 2,228   | 1,713   | -170   | -478    | -190    | -1,977  | -1,519  |

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 (cumulative)

d - Share of total volume in period (%)