

## CONTENTS

1. Monetary development.....	3
1.1. Factors affecting the development of the money supply.....	3
1.2. Structure of the money supply .....	5
1.3. Bank lending.....	6
1.4. Interest rate development in January 1997.....	6
2. Implementation of monetary policy .....	7
3. Inflation .....	8
4. Money market.....	9
4.1. Primary market.....	9
4.2. Secondary market.....	9
5. Capital market.....	10
5.1. Primary market.....	10
5.2. Secondary market.....	11
6. Inter-bank foreign exchange market.....	12
7. Balance of payments for 1997.....	12
8. Net foreign debt of the SR at 30 November 1997.....	14
9. Appendices.....	15
Monetary survey .....	17
Balance of payments for January to December .....	18
Foreign exchange reserves .....	19
Gross foreign debt .....	19
Money supply .....	20
Monetary-policy instruments .....	21
Development of deposits .....	22
Development of loans.....	22
Average lending rates of commercial banks .....	23
Interest rates on crown deposits and change in volume of crown deposits .....	24
Development of average interbank offered rates (BRIBOR) .....	25
Basic characteristics of Slovakia's foreign exchange market .....	26
Average monthly exchange rates of SKK .....	26
Gross domestic product .....	27
Consumer prices .....	28
Producer prices of selected products and materials.....	29
Inflation rate .....	30
Unemployment .....	30
State budget .....	31
Industrial production .....	32
Construction .....	33
Foreign trade .....	34



## 1. Monetary development

Monetary development in February was characterised by a fall in the level of interest rates, especially on the interbank market. Due to the influence of excess reserves in the banking sector, the price of money stabilised over the course of February at a level of 17%, representing a fall of roughly 5 percentage points compared with the level of December 1997. A less favourable trend was the continued rise in price levels and the money supply since the beginning of the year.

*Monetary development in February was characterised by continued rise in price levels ...*

Despite the falling level of interest rates, foreign short-term investors showed interest in the interest-rate differential in February. As a result, the volume of crown deposits held by non-residents increased by Sk 2.3 billion and the value of the Slovak crown appreciated by 0.97% in relation to the currency basket. At the end of the month, the exchange rate of the Slovak crown was 1.95% within the devaluation band.

*... and appreciation in the value of the Slovak crown, due to an inflow of short-term foreign resources, ...*

In comparison with January, the situation on the interbank foreign exchange market resulted in a steady appreciation in the value of the Slovak crown vis-a-vis the currency basket, which created favourable conditions for reducing the level of interest rates. With regard to the fall in the price of money since the beginning of the year and the upward trend in the money supply in the first two months, the price of money is likely to fall only slightly during the period to come, given that the stabilisation efforts of NBS continue at the present level.

*... which had the effect of lowering the level of interest rates*

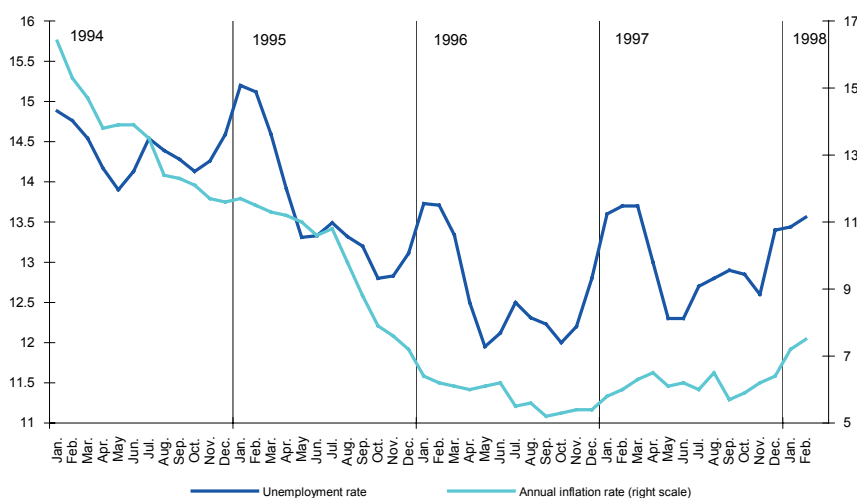
### 1.1. Factors affecting the development of the money supply

In February, money supply in terms of M2 grew month-on-month by Sk 6.3 billion, due to the development of domestic resources. The rate of year-on-year growth reached 11.6% compared with 10.3% a month earlier. In February, the money supply reached its initial level, compared with a fall of Sk 10.9 billion recorded in the same period of the past year.

*Growth in the money supply was due mostly to the development of net domestic assets, ...*

The month-on-month increase in net domestic assets (Sk 3.7 billion) was influenced by the development of net credit to the Government and bank lending. On the other hand, other net items were partly responsible for absorption of increases in both domestic and foreign resources of the money supply.

**Unemployment rate and inflation rate (%)**



In comparison with the previous month, lending activities in the banking sector expanded by Sk 3.2 billion, increasing the rate of year-on-year growth to 2.8%, compared with 1.7% in January. This led to a growth in bank lending to the corporate sector, where the volume of loans showed a downward trend last year.

*... that is bank lending to the corporate sector*

... and growth in net credit to the Government

In February, the volume of net credit to the Government increased by Sk 0.5 billion, which, along with a fall in the value of the National Property Fund (by Sk 0.8 billion), positively influenced the growth of the money supply.

The moderate surplus generated by the State budget

At the end of February, the current performance of the State budget resulted in a moderate surplus of Sk 0.2 billion, representing a decline of Sk 3.3 billion in budgetary performance. Budget revenue reached Sk 26.0 billion and expenditure totalled Sk 25.8 billion.

... and the new issue of government bonds affected the internal debt of the Government

At the end of February, the net position of the Government vis-a-vis the banking sector reached, according to preliminary data, Sk 68.7 billion. This amount was covered by government liabilities at commercial banks in the amount of Sk 73.3 billion (estimate), while the position of the Government vis-a-vis the NBS was that of a creditor (Sk 4.6 billion).

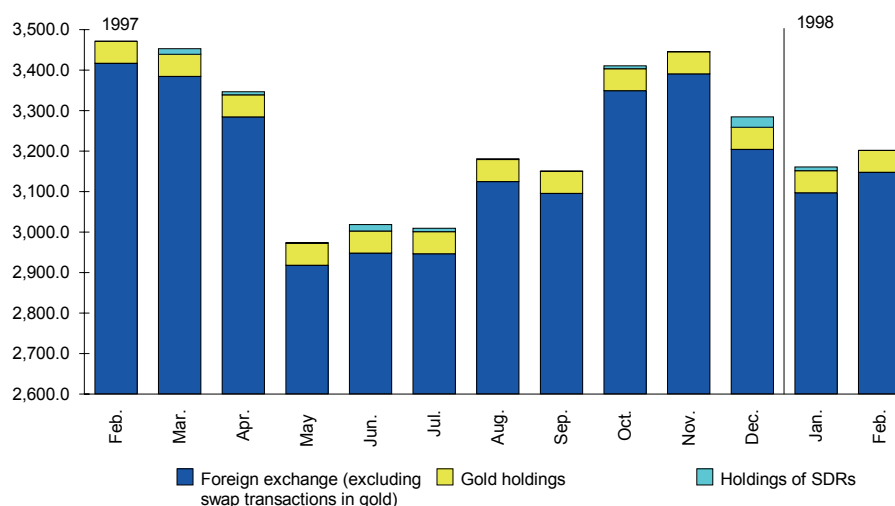
The month-on-month increase in the level of internal debt of the Government vis-a-vis the banking sector (Sk 0.9 billion) was due mainly to the issue of new government bonds.

The increase in net foreign assets was eliminated by the development of other items net

The increase in net foreign assets (Sk 2.6 billion) in February was due to an inflow of foreign resources at the end of the month, when foreign investors took advantage of the interest rate differential. For that reason, the increase in net foreign assets did not influence development of the money supply, but led to a growth in other net items including crown deposits at non-resident banks, which raise the level of other liabilities. In February, growth in other items net was also influenced by a fall in the crown assets of banks vis-a-vis non-residents in the amount of Sk 0.8 billion, which also resulted in a growth in net foreign assets in the banking sector.

According to preliminary data, the volume of net foreign assets (at fixed exchange rates) in the banking sector increased month-on-month by Sk 2.5 billion, due to the faster growth in foreign assets (Sk 3.6 billion) than in foreign liabilities (Sk 1.1 billion). The growth in net foreign assets at commercial banks (Sk 1.9 billion) was accompanied by an increase in net foreign assets at the Central Bank (Sk 0.6 billion).

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



Value of gold = 42.22 US\$/oz

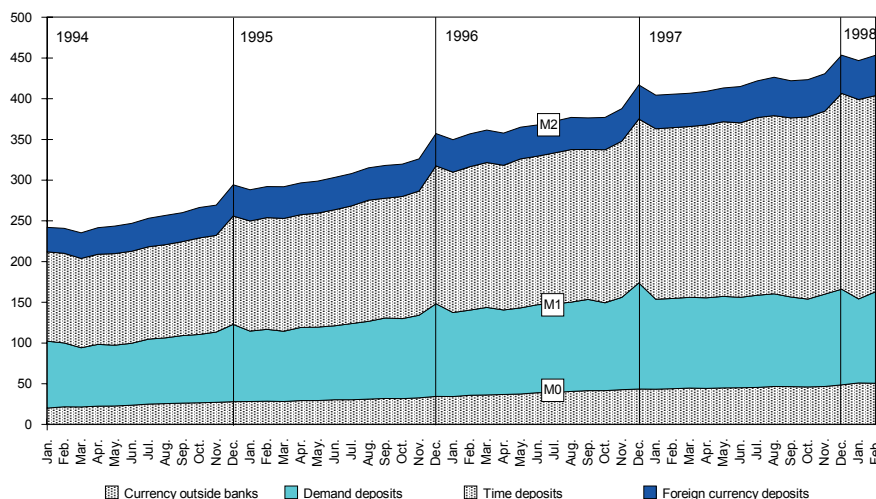
In February, the foreign exchange reserves of the NBS (at fixed exchange rates) increased month-on-month by Sk 2.2 billion, due mainly to borrowings from international financial institutions (Sk 1.6 billion) and growth in the volume of accepted deposits (Sk 0.3 billion). Foreign liabilities of the Government and the NBS increased by Sk 1.6 billion, while repayments of principal on IMF loans totalled Sk 0.3 billion.

Foreign assets of commercial banks increased month-on-month by Sk 1.4 billion, due mostly to growth in short-term deposits held at foreign banks (Sk 0.5 billion) and foreign securities in the portfolios of banks (Sk 0.4 billion). Foreign liabilities of commercial banks fell month-on-month by Sk 0.5 billion, due to a marked decline in borrowings from foreign banks (Sk 3.9 billion), which was partly offset by increases in deposits accepted from foreign banks (Sk 1.4 billion) and other liabilities (Sk 1.5 billion).

At the end of February, the total foreign exchange reserves of the NBS (at current exchange rates) reached US\$ 3,202.1 million, representing a month-on-month increase of US\$ 41.0 million. As a result of a marked fall in the volume of imports in January 1998 and rise in the average rate of the USD, the volume of foreign exchange reserves was 3.7 times greater than the average volume of monthly imports of goods and services to Slovakia in January 1998. If we compare the level of foreign exchange reserves for the average volume of monthly imports of goods and services to Slovakia during the past 12 months, however, the foreign exchange reserves are only 3.2 times greater than imports.

*Foreign exchange reserves of the NBS*

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



**1.2. Structure of the money supply**

In February, the M2 money supply (at fixed exchange rates) increased month-on-month by Sk 6.3 billion, reaching Sk 453.2 billion at the end of the month. The growth in M2 was due exclusively to an increase in the M1 aggregate (Sk 8.5 billion), while quasi-money suffered a decline (Sk 2.2 billion).

*Month-on-month increase in M2, ...*

In comparison with the previous month, the rate of year-on-year growth in the money supply increased by 1.3 percentage points, to 11.6% at the end of February. The year-on-year increase in quasi-money (15.6%) continued to exceed the rate of growth in the M1 aggregate (5.2%).

*... accompanied by acceleration in the rate of year-on-year growth*

The volume of currency outside banks fell by Sk 0.3 billion over the course of February. The monthly cycle of currency issue followed a standard course with a lower maximum.

In February, demand deposits recorded a marked increase of Sk 8.8 billion, which was concentrated in the last period of the month.

*Increase in demand deposits, ...*

Time deposits suffered a month-on-month decline of Sk 2.2 billion, interrupting a long-term period of growth. In 1997, only a negligible fall was reported in June (Sk 0.1 billion). A marked month-on-month decline was last recorded in September 1996 (Sk 3.2 billion).

*... accompanied by a fall in time deposits*

In February, foreign-currency deposits recorded a month-on-month increase of Sk 1.6 billion, to continue the growth trend.

Regarding the individual components of the money supply, the weight of the M1 aggregate increased significantly and that of quasi-money decreased month-on-month in February.

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

	1.1.1998	31.1.1998	28.2.1998	28.2.1997
<b>Money supply [M2]</b>	100.00	100.00	100.00	100.00
<b>Money [M1]</b>	36.63	34.53	35.92	38.13
Currency outside banks [M0]	10.74	11.41	11.19	10.81
Demand deposits	25.89	23.11	24.74	27.32
<b>Quasi-money [QM]</b>	63.37	65.47	64.08	61.87
Time deposits	53.01	54.75	53.16	51.63
Foreign currency deposits	10.36	10.72	10.92	10.25

*Growth in crown deposits, particularly in the corporate sector*

Slovak-crown deposits, as a component of the money supply, grew in February by Sk 5.0 billion, while corporate deposits increased by Sk 3.8 billion and household deposits by Sk 1.2 billion. Compared with the beginning of the year, the volume of crown deposits has fallen by Sk 4.8 billion, household deposits has grown by Sk 3.8 billion, and corporate deposits have fallen by Sk 8.6 billion. In February, the rate of year-on-year growth in crown deposits reached 10.1%. Household deposits increased year-on-year by 17%, while corporate deposits declined by 1.2%.

### 1.3. Bank lending

*Growth in crown lending, accompanied by a fall in foreign-currency loans*

In February, total bank lending (loans to enterprises, households, central and local authorities for extra-budgetary purposes, NBS loans, and other loans) increased month-on-month by Sk 2.8 billion, due to growth in crown loans (Sk 3.2 billion) and decline in foreign-currency loans (Sk 0.4 billion). At the end of February, the volume of bank loans totalled Sk 389.0 billion, of which loans in Slovak crowns accounted for Sk 341.9 billion and foreign-currency loans Sk 47.1 billion.

The most rapid increases were recorded in loans to enterprises (Sk 3.3 billion) and loans to households (Sk 0.3 billion). In the same period of 1997, crown loans increased month-on-month by Sk 0.4 billion and loans in foreign currency by Sk 0.8 billion. The volume of total bank credit increased year-on-year by 4.9%, of which crown loans accounted for 1.9% and loans in foreign currency 33.1%. The structure of loans by term and purpose remained unchanged.

### 1.4. Interest rate development in January

*The average interest rate on the total volume of loans increased*

In January, the average interest rate on the total volume of loans increased month-on-month by 0.45 points, to 16.66%, due mainly to a rise in the level of lending rates for short-term loans (by 0.86 points, to 20.77%). Average interest rates on medium and long-term loans rose by 0.20 and 0.38 points respectively (16.61% and 12.26% respectively).

*The average interest rate on new loans decreased*

The average interest rate on new loans fell by 0.18 points (to 20.75%), the rate on short-term loans by 0.07 points (to 21.56%), and that on long-term loans by 2.36 points (to 13.04%), in response to interest rates developments on the interbank money market and a decline in the volume of crown loans. The average lending rate for medium-term loans rose by 1.25 points, to 17.56%.

With regard to individual types of loans by purpose, average interest rates fell on development loans (by 4.03 points, to 14.71%) and bills-of-exchange loans (by 1.47 points, to 19.43%). Marked month-on-month increases were recorded in average interest rates on consumer loans (by 4.2 points, to 14.99%), overdrafts (by 0.25 points, to 23.31%), and operating loans (by 0.12 points, to 21.06%).

*The average interest rate on deposits increased significantly*

Compared with the level in December, the average interest rate on total crown deposits rose by 1.52 points, to 10.21% in January. Increases were recorded in the average interest rates on time deposits at up to 6-month notice (4.22 points),

deposits at up to 3-month notice (3.81 points), 7-day deposits (3.38 points), and 1-month deposits (2.34 points). Average interest rates on other deposits rose by 0.03 to 0.98 points.

As a result of a rise in the average rate of interest on the total volume of loans (0.45 points) and the average rate on total crown deposits (1.52 points), the nominal margin decreased to 6.45 % in January, from 7.52 % in December. The level of real interest rates on one-year deposits fell from 4.11% in December to 3.49% in January, due to a rise in the annual rate of consumer-price inflation (from 6.4% to 7.2%), accompanied by a slight rise in the level of interest rates on one-year deposits (by 0.18 points).

*The level of real interest rates fell*

## 2. Implementation of monetary policy

Despite a fall in the level of interest rates in February, uncertainty on the interbank money market persisted in relation to the approach followed by the NBS towards the management of liquidity at commercial banks, in the light of volatility in interest rates, particularly during the period before the maturity of REPO tenders conducted for refinancing purposes. By the end of February, the level of interest rates on the interbank market fell in comparison with the figure for the beginning of the month, due partly to open market operations conducted by the NBS and the non-investment of free resources by commercial banks in government securities. Commercial banks required high yields, which were not accepted by the issuer. The attitude of the banks was probably influenced by uncertainty about the future development of interest rates and the refinancing policy of the Central Bank.

*Implementation of monetary policy focused on reducing the level of interest rates, ...*

In February, monetary policy was implemented in line with the trend from the previous period, in an environment characterised by fluctuating interest rates and continued efforts by the NBS towards effecting a reduction.

In February, the average monetary base, consisting of currency and commercial bank reserves, increased month-on-month by Sk 0.9 billion. This increase was, in contrast with the previous month, due to the effects of monetary-policy factors and was accompanied by a decline in autonomous factors.

The development of autonomous factors was most influenced by a fall in the net foreign assets of the NBS (Sk 2.9 billion on average) and a moderate improvement in the net position of the Government at the NBS.

*... while autonomous factors declined,*

In February, there was practically no trading in foreign exchange fixing. Only one transaction was concluded, in which the NBS sold foreign exchange in the amount of US\$ 0.5 million. During the first half of the month, the currency basket unit followed the course of development of the interbank foreign exchange market; at the end of the month, its value was fixed at 10 base points below the interbank foreign exchange market. The unit increased in value from 1.0310 (30 January 1998) to 1.0195 (28 February 1998); the minimum value was recorded on 6 February (1,0350).

The influence of monetary-policy factors on the development of the monetary base increased, due mostly to the efforts of the NBS aimed at creating a state of long-term surplus of liquidity with a view to lowering the level of interest rates and subsequent stabilisation of same. For this purpose, the NBS increased its activity in open market operations, hence the average daily volume of refinancing increased month-on-month by Sk 3.6 billion, to Sk 4.5 billion.

*... due to growth in monetary-policy factors*

The approach of the NBS to refinancing, accompanied by the refusal of bids made by commercial banks at auctions in government securities on the part of the Ministry of Finance, influenced the level of excess reserves, the average amount of which had reached Sk 1.2 billion at the end of February.

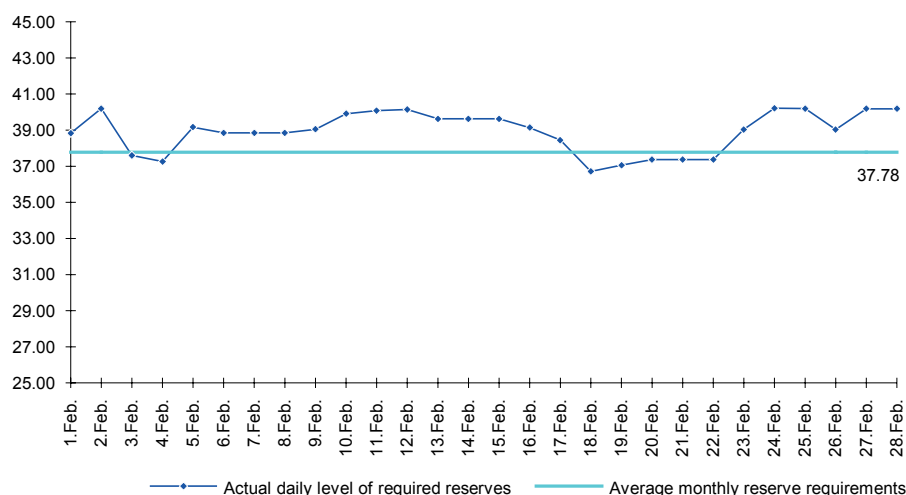
The positive influence of monetary-policy factors on the growth of the monetary base was reduced somewhat by a fall in the volume of bills of exchange deals and decline in the volume of transactions in NBS bills conducted for sterilisation purposes, compared with the previous month's figures.

The growth in the monetary base in February was reflected in a growth in bank reserves (Sk 2.5 billion in average terms) and the unchanged average volume of issued currency, which had a neutral influence on the level of liquidity in the banking sector.

*Fulfilment of reserve requirements*

In February, the level of required reserves in the banking sector was set at Sk 37,780 million. At the end of the month, the actual level of required reserves reached Sk 38,929 million, representing a fulfilment of 103.04%. At the end of the first period, the reserve requirements were fulfilled to 103.70% (Sk 39,179 million); at the end of the second period, the actual level of required reserves reached Sk 38,640 million, representing a fulfilment of 102.28%.

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



**3. Inflation**

*Consumer prices rose month-on-month by 0.7%*

Compared with the previous month, the level of consumer prices rose in February by 0.7%, representing an increase of 2.6% since the beginning of 1998. The month-on-month increase raised the annual rate of consumer-price inflation to 7.5%, the highest figure since the end of 1995.

*Marked increase in food prices*

During the past three years, the month-on-month increase in prices in February has fluctuated over a range of 0.4%. The steep rise in price level in February 1998 was due to a marked increase in food prices and the administrative increase of selected prices from January. As the scope of tax adjustments and price deregulation measures was relatively wide, the effect on consumer prices was evident during the following month as well. The steady increase in consumer prices over a period was due to the effect of a pre-announced measure (stockpiling of tobacco goods in the commercial sector) and the price adjustment in related goods and services following the January increase in prices (e.g. increase in cable television charges in February in response to the rise in the price of telecommunications services, which have been changed to a higher VAT-rate category).

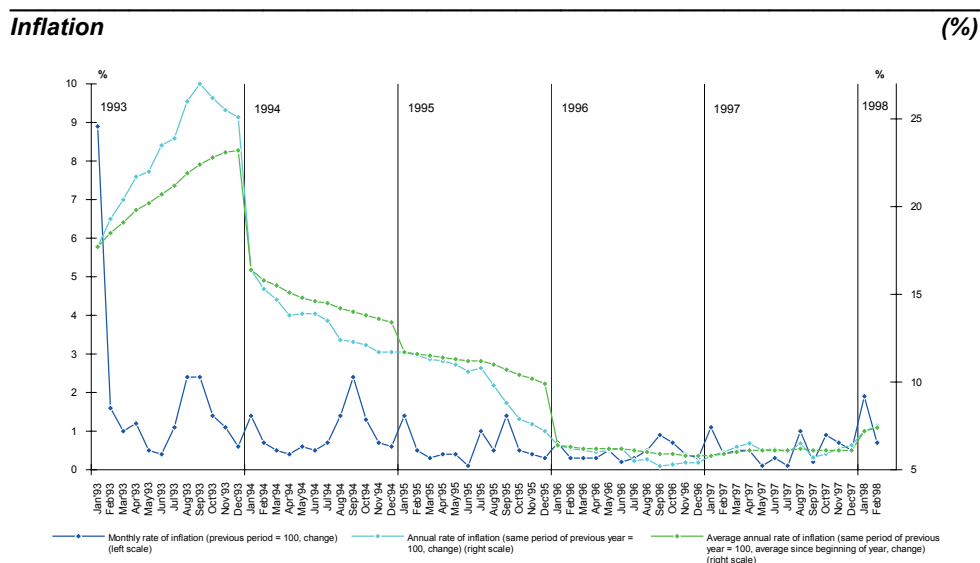
*The effects of administrative price adjustments from January persisted*

The most rapid price increases were recorded in the category of alcoholic beverages and tobacco goods (1.3% compared with January), due to the continued rise in tobacco prices. The price advance in the category of foodstuffs and non-alcoholic beverages (1.2%) was due mainly to increases in the price of fruit, bread, cereals and vegetables, including potatoes. The marked increase in the price of food and non-alcoholic beverages was reflected in the price of meals at hotels, cafes, and restaurants. The relatively high price increase in this category (1.1%) was due primarily to a marked rise in the price level of accommodation services. The price of domestic non-tradable commodities reflected the secondary effects of both last and this year's administrative measures, which led to a rise in operating expenses.



Further increase in the price level of non-tradable services may be induced by excessive growth in some tradable commodities, which are part of material expenses. The rise in the price of detergents, for example, resulted in marked price increases in the category of furnishings and standard maintenance of flats and houses (1%). The increases in the prices of goods of similar nature (e.g. spare parts for vehicles, instruments, appliances and products for personal care) have so far had no marked influence on the overall value of the Consumer Price Index; however, they draw attention to the possibility that prices of non-tradable services without price regulation may rise.

In other categories of final household consumption, month-on-month price increases ranged from 0.1% to 0.7%.



## 4. Money market

### 4.1. Primary market

In February, the Ministry of Finance of the SR put Treasury bills up for auction in accordance with the issuing schedule for the 1st quarter of 1998. Due to the lower demand for new Treasury-bill issues in 1998, only two auctions were planned for February at two-weekly intervals. At these auctions, none of the bids were accepted by the issuer, owing to the favourable performance of the State budget. At the end of the month, the Ministry launched a three-day technical issue for the portfolio of the National Bank of Slovakia in the amount of Sk 2.003 billion.

*Primary market for Treasury bills*

### 4.2. Secondary market

In February, central bank intervention in the money market was restricted exclusively to tenders conducted for refinancing purposes. For the first time, the NBS granted refinancing on a 14-day basis. A total of four REPO tenders were conducted for refinancing purposes with a maturity of 14 days; the average daily volume of refinancing amounted to Sk 4,536 million.

*The refinancing policy of the NBS ...*

As a result of an increase in refinancing and the absence of sterilisation in the banking sector during the month, both periods were marked by over-fulfilment of minimum reserve requirements.

During the first period, the NBS conducted two REPO tenders for refinancing purposes in a total amount of Sk 5 billion, with a maturity of 14 days and average interest rate at the level of 22.38%. The average daily volume of refinancing amounted to Sk 5.6 billion, which led to excess liquidity and a fall in interbank

deposit rates, particularly rates on overnight deposits, which are the first to respond to actual conditions. In comparison with the first trading day of the month, overnight money fell by 25.70% at the end of the penultimate day of the first period; on the final trading day, overnight money was not listed.

During the second period, two REPO tenders were conducted for refinancing purposes in a total amount of Sk 3 billion, with an average interest rate of 16.53%. The average daily volume of refinancing amounted to Sk 3,308 million. Through the absence of sterilisation activities during the second period, the NBS sought to lower interest rates on interbank deposits for a longer period.

... was aimed at reducing the level of interest rates

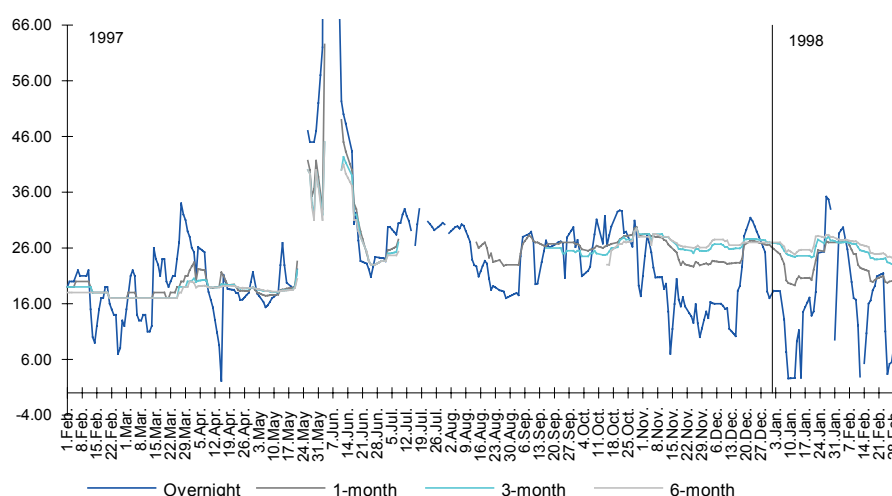
Due to excess liquidity pressure, BRIBOR rates showed a marked downward trend. The greatest volatility was recorded in overnight deposit rates, which fluctuated from 29.70% (4 February) to 3.38% (25 February), with 28.60% on the first day of the month and 8.40% on the final day, i.e. they fell by 20.20%. A marked reduction was also recorded in monthly rates, from 27.00% on the first listed day of the month, to 20.04% on the final day, representing a fall of 6.96%.

In comparison with the level of the previous month, average 1-month rates fell by 0.25%; 2-month rates by 0.14%; 3-month rates by 1.74%; and 6-month rates by 0.57%.

Renewed listing of long-term BRIBOR rates

A positive element was the renewal of listing of BRIBOR rates on 1, 2, and 3-month deposits with effect from 2 February. During the period under review, the interbank money market saw increased activity on the part of non-residents, with average daily sales to residents amounting to Sk 1.4 billion.

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



## 5. Capital market

### 5.1. Primary market

Government bonds

In February, four auctions were held in government bonds in accordance with the schedule for the issue of government securities (No. 042 to 045).

Auctions took place in the form of American-style auction. Of the four February auctions, only one proved successful. Bids for the remaining three issues were declined by the issuer, due to the high interest yields required by investors for small amounts and the relatively favourable performance of the State budget. In the case of Issue No. 042, the issuer limited the issue-amount to Sk 1,500 million with a view to reducing the interest yield level.

In the case of Issue No. 045 (the last in February), the issuer reduced the interest yield by 1%, to 18% p.a. Total demand reached Sk 530 million; the issuer accepted bids for the whole amount (Sk 530 million). The average yield to maturity reached 22.462%.

## 5.2. Secondary market

In February, the volume of trading on the Bratislava Stock Exchange (BCPB) totalled Sk 16,201 million, representing one of the monthly maximum amounts. A nearly twofold month-on-month increase was recorded in the volume of direct transactions, in which 6.4 million securities were traded in the total amount of Sk 16,068 million. With regard to the proportion of anonymous transactions, the market declined further, the volume of trading on the BCPB floor reaching only Sk 132.1 million, representing 0.815% of the total volume of transactions.

*Trading on the BCPB floor*

The downward trend in the proportion of price-setting anonymous contracts continued in February. As a result, the market is rather non-transparent: trading a small number of shares gives rise to substantial changes in share prices. Thus market prices cease to reflect the real value of shares. Given the current volumes of price-setting transactions, it is difficult to say where the market price is actually created - a company may be considered to be relatively liquid on the local market only if its shares are traded at least one a week. Until this state exists on the market, it is unlikely that, in the near future, positive signals for investors can be expected in the form of long awaited amendments to laws pertaining to collective investment and the protection of small shareholders. A marked reduction in the level of interest rates on the money market is also supposed to have a positive influence on capital market developments.

Most trading took place in listed bonds, which accounted for 49% of the total volume traded on the BCPB floor in February. This was followed by bonds on the market for registered securities (27%), listed shares (14%), shares traded on the open market (6%), and shares on the market for registered securities (3%). The remaining 1% represented trading in bonds on the open market.

In February, the total volume of bond transactions reached Sk 12,464 million, representing more than a twofold increase compared with the previous month's figure. Of this amount, direct transactions accounted for Sk 12,381 million and anonymous transactions Sk 83 million. In direct transactions, most trading took place in government bonds No. 010 and No. 012. In anonymous transactions, the best performers were government bonds No. 038 and No. 037.

*Index SDX*

The components of the Slovak Bond Index (SDX) recorded no marked fluctuations in February. The component for government bonds closed the month at the level of 107.58 (after rising by 0.51%), while the component for corporate bonds increased by 1.80%, to 110.85 points.

With effect from February, the Slovak Share Index (SAX) had a revised base consisting of 16 companies. During the first half of February, the value of SAX fluctuated from 153.98 to 160.06 points. During the second half of February, the value of the index fell dramatically to 149.26 points, representing the lowest figure since 12 December 1995. The value of SAX closed the month at the level of 150.07 points, representing a fall of 3.07% compared with the last figure in January. In comparison with the same period of last year, this value was 26.9% lower. The monthly maximum of SAX (160.06 points) was recorded on 12 February.

*Index SAX*

Regarding the structure of share and bondholders registered at the Securities Centre, the most significant month-on-month changes were recorded in the number of bonds held by non-residents (a decrease of 42.02%) and that of bonds held by domestic banks (an increase of 6.02%). The decrease in the number of bonds held by non-residents corresponds roughly to the increase recorded in the figure for January.

**Slovak Share Index - SAX**

(%)

**6. Interbank foreign exchange market***Foreign exchange market in the SR*

The total volume of transactions concluded on Slovakia's foreign exchange market fell month-on-month by 23%, from US\$ 5,167 million to US\$ 3,945.1 million. The fall was due mainly to a 38% decline in trading on the interbank foreign exchange market. The foreign exchange market of the SR was dominated by trading between Slovak and foreign banks, the volume of which exceeded that of the interbank foreign exchange market by 70%.

*Transactions between Slovak banks*

In February, the volume of trading between Slovak banks fell from US\$ 2,219.2 million to US\$ 1,458.3 million. Most trading was again concluded in US\$ (80.9%, compared with 80.3% in January), followed by DM (16.7%, compared with 16.4% in January) and other European currencies (2.5%, compared with 3.3% in January). The number of contracts decreased to 841 (from 1,280 in January), while the average amount per contract remained unchanged (US\$ 1.7 million).

*Transactions between Slovak and foreign banks*

During this period, the volume of transactions between Slovak and foreign banks also fell from US\$ 2,805.2 million to US\$ 2,486.4 million, but maintained a dominant position on the country's foreign exchange market. Most trading was again concluded in US\$ (89.2%), followed by DM (10.2%), and other European currencies (0.7%). The number of transactions decreased from 989 to 905, but the average amount per contract remained virtually unchanged (US\$ 2.7 million). The volume of transactions between Slovak and foreign banks accounted for 63% of Slovakia's total foreign exchange market. As in January, when local commercial banks purchased foreign exchange from foreign banks, trading between Slovak and foreign banks in February resulted in a negative balance of US\$ 93.9 million.

**7. Balance of payments for 1997***The growth in the current account deficit of the balance of payments slowed during the second half of 1997*

With regard to external relations, the year 1997 was marked by a partial change in the trend that started at the end of 1995, which consisted in rapid growth in domestic demand and decline in foreign demand. By the combined use of stricter monetary policy and import-restricting administrative measures, the development of domestic demand and the rate of growth in imports moderated during the 2nd half of 1997, following a period of increased current account deficit during the first six months. In 1997, the ratio of the balance of payments current account deficit to gross domestic product decreased to 6.9%.

At the end of 1997, the balance of payments current account resulted in a deficit of Sk 45.3 billion, i.e. US\$ 1.3 billion, due to the growing trade deficit (Sk 49.5 billion). Another deficit item was the balance of income amounting to Sk 4.3 billion. In 1997, balances of services and unrequited transfers generated surpluses, which, however, reached together only Sk 8.5 billion.

In 1997, a marked slowdown was recorded in the growth of imports, when the rate of year-on-year increase reached only 1.2%. Domestic demand was reduced by a rise in the level of interest rates. Due to the subsequent introduction of an import surcharge, the sharpest decline in imports took place in the category 'machines and handling equipment' (index 96.6). In addition to handling equipment, which saw the sharpest decline in imports, a fall was recorded in the import of machines and equipment for investment in the modernisation of individual sectors of the Slovak economy (imports in category 72 'machinery for certain sectors' fell by 12.4%).

*The rate of growth in imports slowed*

According to estimates made by the NBS, the import of technological equipment for the individual sectors of the national economy fell slightly and the share of total imports decreased from 13.3% in 1996, to 12.7% in 1997. This indicated that the structure of exports was unlikely to change significantly either, and the more than 50% share of products with a lower degree of processing persisted (steel, basic petrochemical products, building materials, and timber). Although investments in these areas made a contribution to the rationalisation of production and innovation of technologies, they did not create conditions for expansion on demanding markets, and growth in the exports of these products has shown a tendency to slow during the last few years.

Exceptions were seen only in groups of products with a higher added value (motor vehicles, instruments and electrical appliances, telecommunications equipment, machines, etc.), where higher figures were achieved in exports. The growth in exports influenced by these commodities (which resulted in a certain shift in structure, however) cannot be attributed to recovery in the enterprise sector, but only to a few restructured companies, which depend on co-operation with foreign companies, and which have strengthened their position on the foreign market. In general, however, the Slovak economy showed no signs of systematic cost reduction and increased competitiveness. The share of exports of goods and services of GDP fell from 58.0% in 1996 to 56.4% in 1997.

Transport and foreign tourism, i.e. items influencing the positive balance of services, showed conflicting trends of development. While income earned from transport saw a marked improvement, income from foreign tourism continued to fall.

In the category of transport services, the most significant item was income earned from the transport of gas and crude oil from the Russian Federation to the CR and Western Europe via Slovakia. The import of natural gas from the Russian Federation in settlement of transit charges was worth Sk 13.0 billion and represented 64.1% of the total volume of gas supply from the Russian Federation. The surplus generated by the transport balance was also increased by freight transport, where transit charges created conditions for growth in income derived mainly from road transport.

Foreign exchange income from foreign tourism totalled Sk 18.3 billion, representing a year-on-year decrease of 11%. Its contribution to GDP creation showed a downward trend, reaching only 2.8% in 1997. The fall in income from foreign tourism resulted from two tendencies. Apart from the low degree of interest in Slovakia, as reflected in the reduced number of visitors, the structure of visitors has also changed. The number of visitors interested in cultural values and recreation, decreased. Slovakia was visited mostly by lower and middle-class people from Germany, Austria, and Hungary.

*Foreign tourism*

Within the individual items of the services balance, the sharpest deficit was recorded in other services (Sk 14.4 billion), which include the whole range of trade and non-trade

services. In the Slovak economy, there is insufficient room for the expansion of services serving to increase the effectiveness and competitiveness of material production through feedback. More than a half of the stated deficit was produced in other trade services, which are directly connected with the ability of the SR to succeed on foreign markets. A visible improvement was recorded only in construction services, where the growth in income generated a surplus of Sk 1.1 billion.

*Capital and financial account*

The capital and financial account of the balance of payments generated a surplus of Sk 54.1 billion, representing a 8.3% share of GDP. Regarding the financing of the current account deficit, a significant factor was that long-term capital reached Sk 41.6 billion and covered more than 90% of the current account deficit. This basically excluded the influence exerted by the movement of short-term capital, which is quite volatile and which is therefore not a reliable source of financing.

*Foreign direct investment*

In 1997, the inflow of direct foreign investment totalled Sk 5.0 billion, of which Sk 0.7 billion was employed in the banking sector. The flow of investment capital in smaller amounts into the Slovak economy continued in 1997. With regard to foreign investment, the most successful industrial sectors were the manufacture of machines and equipment, metal structures and products. Foreign investors participated mostly in the trade sector. Interest in this sector originated from the persisting low cost of labour and the possibility of increased sales of goods in the SR and more resources being available for export promotion.

*Bank lending to the corporate sector*

While the level of foreign direct investment was permanently low, the inflow of capital was dominated by the debt component. In 1997, bank lending to the corporate sector remained the most important source of foreign finance. The inflow of financial credits totalled Sk 42.3 billion and they were allocated, according to the declarations of individual companies, for the financing of investments. Sectoral distribution, which is largely dependent of the attractiveness of companies for foreign investors, was directed to the sectors of electricity generation and distribution, gas and water supply, and the production of coke and refined oil products. The overall structure of investment through foreign loans concentrated in power and raw material intensive sectors of industry, complicates the process of loan repayment through increased exports in the aforementioned sectors.

*Short-term capital*

The volume of short-term capital increased by Sk 12.5 billion, accounting for 23% of the total capital and financial account, due to increased movements of capital in terms of both assets and liabilities. The increase in short-term liabilities in the banking sector (Sk 50.7 billion since the beginning of the year) was due primarily to growth in foreign exchange deposits held by non-residents at Slovak banks (Sk 25.1 billion). The growth in deposits held by non-residents at Slovak banks was probably motivated by the need to ensure resources for maintaining the ratio of foreign exchange position for monetary purposes, which was reflected in the growth of deposits held by commercial banks abroad.

*Foreign exchange reserves*

As a result of a marked fall in NBS foreign exchange reserves in May 1997, the volume of foreign exchange reserves between May and August was only 2.8 times greater than the volume of average monthly imports of goods and services during the period January to August. Due to an inflow of long-term capital, the level of foreign exchange reserves began to rise again from September; over the course of 1997, the volume of reserves increased by US\$ 53.7 million (excluding exchange rate differences). At the end of December, the volume of reserves was 3.2 times greater than the volume of average monthly imports of goods and services in 1997.

## **8. Net foreign debt of the SR at 30 November 1997**

The net foreign debt of Slovakia - calculated as the difference between gross foreign debt, i.e. US\$ 10.7 billion (liabilities of the Government and the NBS, liabilities of commercial banks and the corporate sector - import surcharges and financial credits) and foreign assets, i.e. US\$ 8.8 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - export claims and financial credits), reached US\$ 1.9 billion at the end of November 1997.

## **Appendices**





## Monetary survey

(Sk billion)

	1997											1998	
	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.*/	31.1.	28.2.*/
Fixed exchange rate SKK / USD	31.895	31.895	31.895	31.895	31.895	31.895	31.895	31.895	31.895	31.895	31.895	34.782	34.782
Fixed exchange rate SKK / DEM	20.514	20.514	20.514	20.514	20.514	20.514	20.514	20.514	20.514	20.514	20.514	19.398	19.398
<b>ASSETS</b>													
Net foreign assets	68.5	65.7	63.8	58.5	64.8	68.9	72.3	71.0	76.8	74.0	71.2	68.3	70.9
Foreign assets	203.1	204.6	211.4	202.8	219.1	232.1	242.3	239.8	254.0	259.9	234.8	252.5	256.2
Foreign liabilities	134.6	138.9	147.6	144.3	154.3	163.2	170.0	168.8	177.2	185.9	163.6	184.2	185.3
Net domestic assets	337.5	341.9	346.1	355.5	351.2	354.1	354.8	352.3	347.9	357.4	382.7	378.6	382.3
Domestic credit	425.7	434.4	438.6	442.1	445.0	446.5	450.7	455.1	458.0	464.4	468.1	463.9	468.3
- Net credit to Government	69.0	73.4	74.9	77.5	81.0	85.3	87.0	89.2	92.3	96.9	101.0	99.7	100.2
- Net credit to FNM <sup>1/</sup>	-2.2	-2.1	-2.3	-2.3	-2.4	-2.5	-2.9	-2.3	-2.0	-2.2	-3.0	-1.7	-0.9
Credit to households and enterprises	358.9	363.1	366.0	366.9	366.4	363.7	366.6	368.2	367.7	369.7	370.1	365.9	369.1
- Credit in SKK	328.1	331.9	334.2	334.8	333.4	329.9	332.7	333.8	334.7	335.4	334.3	331.1	334.4
- Credit to enterprises	310.1	313.7	315.8	316.2	314.6	310.9	313.5	314.5	315.1	315.6	314.1	310.9	313.9
- Credit to households	18.0	18.2	18.4	18.6	18.8	19.0	19.2	19.3	19.6	19.8	20.2	20.2	20.5
- Credit in foreign currency	30.8	31.2	31.8	32.1	33.0	33.8	33.9	34.4	33.0	34.3	35.8	34.8	34.7
<b>LIABILITIES</b>													
Liquid liabilities [M2]	406.0	407.6	409.9	414.0	416.0	423.0	427.1	423.3	424.7	431.4	453.9	446.9	453.2
Money [M1]	154.8	156.2	155.5	157.3	156.1	158.7	160.5	156.6	154.0	160.1	166.1	154.3	162.8
Currency outside banks [M0]	43.9	44.7	44.3	44.9	45.2	45.5	46.8	46.4	46.0	46.8	48.7	51.0	50.7
Demand deposits	110.9	111.5	111.2	112.4	110.9	113.2	113.7	110.2	108.0	113.3	117.4	103.3	112.1
- Households	48.7	48.6	49.6	49.6	49.6	49.3	49.3	47.9	46.0	45.8	46.2	45.7	
- Enterprises	60.0	61.3	60.4	61.7	60.2	62.8	63.1	61.3	61.1	66.6	69.6	56.3	
- Insurance companies	2.2	1.6	1.2	1.1	1.1	1.1	1.3	1.0	0.9	0.9	1.6	1.3	
Quasi-money [QM]	251.2	251.4	254.4	256.7	259.9	264.3	266.6	266.7	270.7	271.3	287.8	292.6	290.4
Time and savings deposits	209.6	209.5	212.4	214.4	214.3	218.1	218.7	219.9	223.7	224.5	240.4	244.7	240.9
- Households	150.2	150.6	150.9	151.3	154.1	155.7	156.7	159.6	164.3	168.3	182.8	185.9	
- Enterprises	41.4	40.4	42.8	43.8	41.6	43.7	43.3	42.5	42.7	39.6	41.4	41.4	
- Insurance companies	18.0	18.5	18.7	19.3	18.6	18.7	18.7	17.8	16.7	16.6	16.2	17.4	
Foreign currency deposits	41.6	41.9	42.0	42.3	45.6	46.2	47.9	46.8	47.0	46.8	47.4	47.9	49.5
- Households	36.9	36.9	37.1	37.5	37.8	38.5	38.8	39.1	39.3	39.6	40.0	39.2	
- Enterprises	4.7	5.0	4.9	4.8	7.8	7.7	9.1	7.7	7.7	7.2	7.4	8.7	
Other items net	88.2	92.5	92.5	86.6	93.8	92.4	95.9	102.8	110.1	107.0	85.4	85.3	86.0

\*/ Preliminary data

1/ FNM - National Property Fund

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

	Receipts / Credit (+)		Expenditures / Debit (-)		Balance	
	Sk million	USD million	Sk million	USD million	Sk million	USD million
<b>Goods</b>	295,574.0	8,792.7	345,049.0	10,264.4	-49,475.0	-1,471.8
<b>Services</b>	73,012.0	2,171.9	70,458.0	2,096.0	2,554.0	76.0
Transportation	24,872.0	739.9	11,479.0	341.5	13,393.0	398.4
Travel	18,340.0	545.6	14,755.0	438.9	3,585.0	106.6
Other services total	29,800.0	886.5	44,224.0	1,315.6	-14,424.0	-429.1
<b>Income</b>	10,227.0	304.2	14,505.0	431.5	-4,278.0	-127.3
Compensation of employees	734.0	21.8	307.0	9.1	427.0	12.7
Investment income	9,493.0	282.4	14,198.0	422.4	-4,705.0	-140.0
<b>Current transfers</b>	18,300.0	544.4	12,381.0	368.3	5,919.0	176.1
<b>CURRENT ACCOUNT</b>	397,113.0	11,813.2	442,393.0	13,160.2	-45,280.0	-1,347.0
<b>Capital account</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>Financial account</b>	846,858.1	25,315.7	-792,802.7	-23,650.3	54,055.4	1,665.4
Direct investment	142,960.1	4,252.7	-139,951.0	-4,163.2	3,009.1	89.5
<i>Abroad</i>	4,270.0	127.0	-6,675.0	-198.6	-2,405.0	-71.5
Equity capital and reinvested earnings	1,870.0	55.6	-4,342.0	-129.2	-2,472.0	-73.5
Other capital	2,400.0	71.4	-2,333.0	-69.4	67.0	2.0
<i>In SR</i>	138,690.1	4,125.7	-133,276.0	-3,964.7	5,414.1	161.1
Equity capital and reinvested earnings	5,792.1	172.3	-748.0	-22.3	5,044.1	150.1
Other capital	132,898.0	3,953.4	-132,528.0	-3,942.4	370.0	11.0
Portfolio investment	13,078.5	389.1	-12,672.1	-377.0	406.4	12.1
Assets	7,069.5	210.3	-9,941.1	-295.7	-2,871.6	-85.4
Liabilities	6,009.0	178.8	-2,731.0	-81.2	3,278.0	97.5
Other investment	690,819.5	20,673.9	-640,179.6	-19,110.1	50,639.9	1,563.8
<i>Long-term</i>	61,839.8	1,839.7	-25,695.4	-828.2	36,144.4	1,011.4
Assets	1,419.2	62.1	-519.2	-14.9	900.0	47.2
Liabilities	60,420.6	1,777.5	-25,176.2	-813.3	35,244.4	964.2
<i>Short-term</i>	628,979.7	18,834.2	-614,484.2	-18,281.9	14,495.5	552.3
Assets	241,943.5	7,197.1	-280,133.2	-8,335.7	-38,189.7	-1,138.6
Liabilities	387,036.2	11,637.1	-334,351.0	-9,946.2	52,685.2	1,690.9
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	846,858.1	25,315.7	-792,802.7	-23,650.3	54,055.4	1,665.4
<b>ERRORS AND OMISSIONS</b>	-1,264,553.5	-37,768.9	1,257,554.3	37,504.2	-6,999.2	-264.7
<b>OVERALL BALANCE</b>	-20,582.4	-640.0	22,358.6	693.7	1,776.2	53.7
Monetary gold	4,005.4	115.4	0.0	0.0	4,005.4	115.4
Special drawing rights	0.0	0.0	-390.8	-10.7	-390.8	-10.7
Foreign exchange	16,577.0	524.6	-21,967.8	-683.0	-5,390.8	-158.4
<i>Currency and deposit</i>	8,233.5	258.9	0.0	0.0	8,233.5	258.9
<i>Securities</i>	8,343.5	265.7	-21,967.8	-683.0	-13,624.3	-417.3
Bonds and notes	0.0	0.0	-21,967.8	-683.0	-21,967.8	-683.0
Money market instruments and financial derivats	8,343.5	265.7	0.0	0.0	8,343.5	265.7
<b>RESERVE ASSETS</b>	20,582.4	640.0	-22,358.6	-693.7	-1,776.2	-53.7

Used exchange rate of: USD = 33.616 Sk

**Foreign Exchange Reserves**

(USD million)

End-of-period figures	1997											1998	
	2	3	4	5	6	7	8	9	10	11	12	1	2
Official reserves of NBS	3,471.7	3,453.1	3,346.9	2,974.0	3,018.7	3,009.5	3,181.0	3,150.9	3,410.9	3,446.0	3,284.9	3,161.1	3,202.1
Reserves of commercial banks	2,418.6	2,447.3	2,610.6	2,797.2	3,109.3	3,372.3	3,550.5	3,625.7	3,859.1	3,883.2	3,204.9	3,862.7	3,881.4
Total	5,890.3	5,900.4	5,957.5	5,771.2	6,128.0	6,381.8	6,731.5	6,776.6	7,270.0	7,329.2	6,489.8	7,023.8	7,083.5

**Gross Foreign Debt**

(USD billions)

End-of-period figures	1996	1997											
	12	1	2	3	4	5	6	7	8	9	10	11	12
Total gross foreign debt	7.8	7.8	8.0	8.0	8.4	8.5	9.0	9.4	9.5	9.7	10.3	10.7	9.9,*/
- official debt of the Government and the NBS	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.8	1.9	1.8	1.8
- foreign debt of enterprises	3.8	3.6	3.7	3.7	3.7	4.0	4.3	4.3	4.4	4.5	4.9	5.1	5.1
- foreign debt of commercial banks	2.2	2.4	2.5	2.6	2.7	2.7	3.0	3.2	3.3	3.3	3.4	3.6	2.9
Total gross debt per capita (in USD)	1,473	1,474	1,502	1,516	1,586	1,601	1,705	1,766	1,789	1,826	1,937	2,023	1,867

\*/ At the end of December 1997, the actual level of foreign debt was higher by roughly USD 800 million. The level of foreign debt was reduced to USD 9.9 billion artificially, due to an accounting operator performed by a foreign bank based in the SR in December 1997.

**Money Supply M2**

(Sk billion)

	1.1.1998	31.1.1998	28.2.1998 <sup>*/</sup>	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	28.2.1997	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	453.5	446.9	453.2	6.3	1.4	-0.3	-0.1	406.0	47.2	11.6
Money [M1]	166.1	154.3	162.8	8.5	5.5	-3.3	-2.0	154.8	8.0	5.2
Currency outside banks [M0]	48.7	51.0	50.7	-0.3	-0.6	2.0	4.1	43.9	6.8	15.5
Demand deposits	117.4	103.3	112.1	8.8	8.5	-5.3	-4.5	110.9	1.2	1.1
Quasi-money [QM]	287.4	292.6	290.4	-2.2	-0.8	3.0	1.0	251.2	39.2	15.6
Time deposits	240.4	244.7	240.9	-3.8	-1.6	0.5	0.2	209.6	31.3	14.9
Foreign currency deposits	47.0	47.9	49.5	1.6	3.3	2.5	5.3	41.6	7.9	19.0
Crown deposits	357.8	348.0	353.0	5.0	1.4	-4.8	-1.3	320.5	32.5	10.1
- Households	229	231.6	232.8	1.2	0.5	3.8	1.7	198.9	33.9	17.0
- Enterprises (incl. insurance)	128.8	116.4	120.2	3.8	3.3	-8.6	-6.7	121.6	-1.4	-1.2

\*/ Preliminary data

**Monetary-Policy Instruments**

	As at 1 January 1997	Change during the year 1997	As at 1 January 1998	Change during the year 1998
1. Discount rate	8.8%		8.8%	
2. Lombard rate	15%		15%	
3. REPO rate				
sterilisation	-	Jan. 16.1% <sup>1/</sup> Feb. 15.4% Mar. 14.2% Apr. 15.2% May - Jun. - Jul. - Aug. - Sep. - Oct. - Nov. - Dec. -	-	Jan. 11.7% Feb. - Mar. - Apr. - May - Jun. - Jul. - Aug. - Sep. - Oct. - Nov. - Dec. -
refinancing	-	Jan. 14.8% <sup>2/</sup> Feb. - Mar. 17.4% Apr. 15.8% May 16.8% Jun. 19.2% Jul. 16.6% Aug. 13.9% Sep. 15.9% Oct. 19.7% Nov. 15.7% Dec. 19.2%	-	Jan. 21.95% Feb. 19.45% Mar. - Apr. - May - Jun. - Jul. - Aug. - Sep. - Oct. - Nov. - Dec. -
4. Reserve requirements	9% of primary deposits of banks  3% of primary deposits of building societies		9% of primary deposits of banks  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	± 7%		± 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)

	31.1.1998	28.2.1998 <sup>1/</sup>	Change
<b>Deposits in Sk and foreign currency</b>	439.0	443.1	4.1
<b>- Deposits in Slovak crowns</b>	387.2	390.7	3.5
of which			
- Entrepreneurial sector	103.5	106.4	2.9
- Government sector	39.4	39.3	-0.1
- Households	231.5	232.8	1.3
- Other <sup>2/</sup>	12.9	12.2	-0.7
<b>- Deposits in foreign currency <sup>3/</sup></b>	51.8	52.3	0.5

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

**Development of Loans**

(Sk billion)

	31.1.1998	28.2.1998 <sup>1/</sup>	Change
<b>Loans in Sk and foreign currency</b>	386.2	389.0	2.8
<b>- Loans in Slovak crowns</b>	338.7	341.9	3.2
of which			
- Entrepreneurial sector	307.7	311.0	3.3
- Government sector	7.6	7.5	-0.1
- Households	20.2	20.5	0.3
- Other <sup>2/</sup>	3.2	2.8	-0.4
<b>- Loans in foreign currency <sup>3/</sup></b>	47.5	47.1	-0.4

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

**Average Lending Rates of Commercial Banks**

	1997												1998
	1	2	3	4	5	6	7	8	9	10	11	12	1
1. TOTAL VOLUME OF LOANS <sup>1/</sup>	13.47	13.77	13.93	14.17	14.58	14.94	15.37	15.49	15.66	15.75	15.84	16.21	16.66
A) Loans by sector													
of which													
a) Enterprise sector	13.52	13.78	13.86	14.26	14.55	14.91	15.35	15.49	15.60	15.66	15.80	16.16	16.71
- Public sector	12.89	13.12	13.12	13.78	13.95	14.33	14.79	14.89	14.95	14.96	14.99	15.33	15.72
- Private sector (incl. cooperatives)	14.14	14.44	14.59	14.73	15.15	15.48	15.90	16.08	16.24	16.35	16.60	16.98	17.70
b) Households	7.16	7.25	7.38	7.51	7.42	7.46	7.73	7.74	7.69	7.86	7.53	7.32	7.51
B) Loans by term													
of which													
- Short-term	14.52	14.93	15.34	15.69	16.58	17.28	18.23	18.38	18.72	18.92	19.13	19.91	20.77
- Medium-term	15.37	15.54	15.59	15.68	15.66	15.88	15.94	16.00	16.10	16.06	16.35	16.41	16.61
- Long-term	11.32	11.59	11.54	11.39	11.52	11.63	11.77	11.82	11.82	11.90	11.88	11.88	12.26
2. NEW LOANS IN TOTAL	16.04	15.63	16.21	16.53	19.08	19.33	18.59	18.51	19.91	19.84	20.56	20.93	20.75
A) Loans by sector													
of which													
a) Enterprise sector	14.08	14.69	15.02	15.43	17.36	20.36	17.43	16.27	18.70	19.38	19.39	21.27	19.06
- Public sector	12.98	14.26	14.03	14.52	15.77	22.40	15.64	13.11	17.72	19.09	18.65	21.30	15.84
- Private sector (incl. cooperatives)	15.18	15.12	16.00	16.34	18.94	18.31	19.22	19.43	19.67	19.67	20.12	21.23	22.28
b) Households	12.35	11.09	12.77	12.44	12.30	11.71	10.52	10.11	9.96	10.07	10.43	10.18	13.59
B) Loans by term													
of which													
- Short-term	16.36	15.88	16.17	16.78	19.70	20.01	18.98	18.97	20.90	20.76	21.56	21.63	21.56
- Medium-term	13.52	13.63	15.36	15.82	16.12	15.58	16.28	15.39	16.80	15.78	17.60	16.31	17.56
- Long-term	13.39	13.98	17.65	13.44	15.49	15.45	16.14	16.12	15.46	16.46	15.12	15.40	13.04

1/ Excluding loans at zero interest rate

## Average Interest Rates on Crown Deposits and Volume of Crown Deposits

		1997												1998
		1	2	3	4	5	6	7	8	9	10	11	12	1
Total deposits	a	353,874	354,058	352,996	356,816	359,518	357,452	363,532	363,937	361,401	361,865	368,269	388,784	378,097
	b	7.05	7.03	7.52	7.57	7.84	7.75	8.07	8.09	8.65	8.82	8.76	8.69	10.21
of which														
Demand deposits	a	123,987	122,906	122,886	123,202	125,110	124,685	128,557	126,628	124,935	121,642	127,027	140,524	114,600
	b	2.95	3.01	3.04	3.04	3.08	3.19	3.43	3.41	3.48	3.50	3.57	3.50	3.78
Time deposits	a	229,887	231,152	230,110	233,614	234,408	232,767	234,976	237,309	236,466	240,214	241,242	248,260	263,496
	b	9.30	9.21	9.98	9.97	10.28	10.17	10.63	10.63	11.40	11.54	11.48	11.62	13.00
- 7-day deposits	a	3,909	6,771	4,871	6,695	7,703	8,856	11,138	12,339	10,621	11,764	10,106	8,702	15,394
	b	13.08	10.44	18.23	14.74	21.23	14.76	16.91	14.67	20.43	18.54	16.46	17.10	20.48
- 1-month deposits	a	22,595	21,209	21,965	22,248	21,386	21,718	24,081	28,735	32,863	38,779	43,216	49,095	49,923
	b	11.02	10.31	10.71	10.49	11.02	12.27	12.52	12.43	15.45	15.95	15.84	16.25	18.59
- 3-month deposits	a	12,824	11,432	9,655	10,322	11,145	8,808	9,188	9,556	9,338	8,599	10,814	11,166	17,330
	b	9.37	9.30	8.85	10.12	11.11	11.37	11.65	12.61	13.30	13.08	13.37	15.04	18.85
- 6-month deposits	a	12,347	13,053	13,394	14,077	13,527	13,406	11,308	10,416	9,619	9,781	8,977	6,743	13,209
	b	9.18	9.29	9.85	9.61	9.60	9.56	9.84	10.59	10.74	11.27	11.10	11.37	15.59
- 9-month deposits	a	2,381	2,278	2,193	2,374	2,446	2,422	2,137	2,195	1,673	1,194	661	518	533
	b	10.13	10.04	10.08	10.27	10.80	10.34	11.48	11.81	12.52	12.85	15.04	16.78	17.76
- 12-month deposits	a	72,197	72,996	74,330	73,343	74,097	73,633	72,932	70,761	70,279	68,674	67,406	64,957	63,275
	b	9.01	9.05	9.96	9.95	10.06	10.11	10.29	10.38	10.49	10.52	10.63	10.51	10.69
- 18-month deposits	a	1,786	1,483	1,657	1,635	1,765	1,788	1,430	1,296	1,324	1,302	1,482	1,341	1,324
	b	10.06	6.91	10.99	11.06	11.25	11.96	11.45	10.43	10.72	10.69	10.96	11.14	11.72
- 2-year deposits	a	52,196	51,867	51,394	52,374	51,699	51,108	52,131	51,444	50,248	49,531	48,044	50,785	48,170
	b	9.41	9.43	10.74	10.74	10.74	10.70	10.86	10.86	10.84	10.84	10.79	10.77	10.80
- 3-year deposits	a	1,995	2,017	2,020	2,040	2,160	1,624	1,363	1,367	1,418	1,459	1,501	1,447	1,521
	b	12.67	12.67	12.66	12.64	12.68	12.61	12.99	12.95	12.89	12.84	12.12	12.14	12.36
- 4-year deposits	a	8,594	8,653	8,574	8,513	8,537	8,572	8,579	8,586	8,583	8,605	8,600	8,601	8,443
	b	13.01	13.14	13.13	13.13	13.13	13.13	13.13	13.13	13.14	13.13	13.13	13.13	12.90
- 5-year deposits	a	13,384	13,361	13,473	13,282	13,188	13,460	12,871	12,664	12,387	11,956	11,506	11,832	11,246
	b	12.84	12.85	12.59	12.53	12.50	12.50	13.25	13.00	12.99	13.03	12.98	12.92	13.39
- above 5 year	a	25,680	26,031	26,585	26,711	26,754	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129
	b	4.85	4.85	4.82	4.82	4.81	4.76	4.75	4.75	4.74	4.69	4.69	4.51	4.54
- short-term	a	126,653	127,740	126,408	129,058	130,305	128,844	130,784	134,001	134,393	138,791	141,180	141,182	159,663
	b	9.55	9.36	10.28	10.57	10.89	10.68	11.36	11.41	12.75	12.96	12.90	13.39	15.42
- medium-term	a	77,955	77,381	77,117	77,844	77,349	76,553	76,374	75,357	73,959	72,853	71,132	74,006	70,704
	b	10.50	10.55	11.39	11.36	11.37	11.35	11.50	11.51	11.50	11.50	11.46	11.42	11.51
- long-term	a	25,680	26,031	26,585	26,711	26,754	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129
	b	4.85	4.85	4.82	4.82	4.81	4.76	4.75	4.75	4.74	4.79	4.69	4.51	4.54
- demand and short-term	a	250,240	250,646	249,293	252,260	255,415	253,529	259,340	260,630	259,328	260,433	268,207	281,705	274,264
	b	6.25	6.21	6.66	6.69	7.05	7.06	7.57	11.02	8.26	8.52	8.48	8.45	10.56

a - Volume of deposits (\$K million)

b - Average interest rate (%)



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

	1997											1998	
	2	3	4	5 <sup>1/</sup>	6 <sup>1/</sup>	7 <sup>1/</sup>	8 <sup>1/</sup>	9 <sup>1/</sup>	10 <sup>1/</sup>	11	12	1	2
Overnight	16.20	19.97	18.71	26.75	53.91	29.58	23.63	25.18	27.18	17.71	18.55	16.69	17.22
1 week	18.12	18.20	19.96	25.77	42.34	28.06	24.96	26.20	27.48	22.00	21.18	19.99	21.12
2 weeks	18.30	18.09	19.94	25.12	40.76	26.23	23.31	26.09	27.28	23.06	21.71	21.03	21.60
1 month	18.29	17.71	19.92	24.27	33.80	25.46	24.70	26.51	27.00	25.52	24.42	23.07	22.82
2 months	18.16	17.35	19.43	23.83	32.48	25.22	-	26.50	26.59	26.61	25.54	24.57	24.43
3 months	18.04	17.30	19.36	23.78	31.48	24.93	-	25.66	26.17	26.93	26.48	25.80	24.06
6 months	17.63	17.15	19.09	23.61	30.89	24.45	-	-	26.68	27.10	26.92	26.61	26.04

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. The listing of BRIBOR rates was renewed on 16 October 1997.

**Basic Characteristics of Slovakia's Foreign Exchange Market in February 1998**

	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	0.5	100.0	1	0	0	0				0.5	1
Transactions among Slovak banks without participation of foreign banks	1,179.1	80.9	514	243.2	16.7	223	36.0	2.5	104	1,458.3	841
Interbank foreign exchange market fixing + transactions between Slovak banks.	1,179.6	80.9	515	243.2	16.7	223	36.0	2.5	104	1,458.8	842
Transactions between Slovak and foreign banks	2,217.3	89.2	628	252.7	10.2	232	16.4	0.7	45	2,486.4	905
Foreign exchange market in the SR - total	3,396.9	86.1	1,143	495.9	12.6	455	52.4	1.3	149	3,945.1	1,747

**Average Monthly Exchange Rates of SKK**

midpoint rate	1997											1998	
	2	3	4	5	6	7	8	9	10	11	12	1	2
FRF	5.810	5.804	5.782	5.793	5.750	5.665	5.601	5.716	5.714	5.786	5.806	5.786	5.807
1,000 ITL	19.852	19.604	19.660	19.775	19.756	19.631	19.333	19.695	19.574	19.775	19.832	19.690	19.727
100 JPY	26.651	27.150	26.529	28.005	29.274	29.697	29.563	28.542	27.861	26.883	26.722	27.177	28.092
CAD	24.196	24.257	23.891	24.106	24.174	24.801	25.097	24.829	24.352	23.757	24.229	24.424	24.593
NLG	17.463	17.399	17.318	17.369	17.252	16.975	16.764	17.063	17.019	17.190	17.250	17.197	17.271
ATS	2.787	2.782	2.767	2.776	2.758	2.716	2.683	2.731	2.724	2.753	2.763	2.755	2.767
DEM	19.615	19.580	19.476	19.534	19.409	19.111	18.881	19.217	19.173	19.376	19.438	19.379	19.467
CHF	22.609	22.664	22.770	23.235	23.260	23.096	22.975	23.354	23.189	23.845	24.022	23.854	24.123
USD	32.764	33.226	33.263	33.261	33.463	34.142	34.833	34.429	33.718	33.528	34.528	35.137	35.322
GBP	53.223	53.359	54.218	54.324	54.989	57.117	55.888	55.067	54.941	56.573	57.401	57.525	57.892
XEU	38.070	38.011	37.997	38.084	37.917	37.690	37.173	37.708	37.668	38.328	38.471	38.279	38.439
CZK	1.163	1.138	1.114	1.072	1.035	1.018	1.017	1.024	1.025	1.012	0.994	0.994	1.023

**Gross Domestic Product**

(Sk billion)

		1996	1997				year
		year	1. quarter	2. quarter	3. quarter	4. quarter	
Gross domestic product in constant 1995 prices	a	550.8	136.0	147.3	152.4	151.1	586.8
	b	106.6	106.4	106.2	106.6	106.9	106.5
	c	-	96.2	108.3	103.5	99.1	-
Gross domestic product in current prices	a	575.7	148.7	162.6	170.2	172.4	653.9
	b	111.4	113.9	112.7	113.1	114.6	113.6
	c	-	98.9	109.3	104.7	101.3	-

Note: Conversion is based on the method of ESA

a - In the specified unit

b - Index same period of previous year = 100

c - Index previous quarter = 100

**Consumer Prices**

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

		(%)												
		1996	1997											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Goods and services	a	100.3	101.1	100.4	100.5	100.5	100.1	100.3	100.1	101.0	100.2	100.9	100.7	100.5
	b	105.3	106.5	106.9	107.5	108.1	108.2	108.5	108.6	109.6	109.9	110.8	111.5	112.1
	c	105.4	-	-	-	-	-	-	-	-	-	-	-	-
	d	100.0	101.1	101.5	102.1	102.6	102.7	103.0	103.0	104.1	104.3	105.2	105.9	106.4
	e	-	105.8	106.0	106.3	106.5	106.1	106.2	106.0	106.5	105.7	105.9	106.2	106.4
of which														
foodstuff goods	a	100.2	101.6	100.4	100.7	100.3	99.2	100.5	99.3	99.9	100.1	101.0	100.7	101.0
	b	104.3	105.9	106.4	107.1	107.4	106.5	107.1	106.3	106.2	106.3	107.3	108.1	109.1
	c	103.3	-	-	-	-	-	-	-	-	-	-	-	-
	d	100.0	101.6	102.0	102.7	103.0	102.1	102.6	101.9	101.8	101.9	102.9	103.6	104.6
	e	-	105.3	106.3	107.1	107.1	105.9	107.4	106.0	105.4	103.2	103.3	103.8	104.6
non-foodstuff goods	a	100.4	100.9	100.5	100.4	100.3	100.6	100.2	100.3	100.6	100.4	101.0	100.6	100.5
	b	106.2	107.2	107.7	108.1	108.5	109.1	109.3	109.6	110.3	110.7	111.8	112.5	113.0
	c	106.5	-	-	-	-	-	-	-	-	-	-	-	-
	d	100.0	100.9	101.4	101.8	102.1	102.8	103.0	103.2	103.9	104.3	105.3	105.9	106.4
	e	-	106.0	106.0	106.0	106.1	106.1	105.6	105.7	105.8	105.8	106.3	106.4	106.4
public catering	a	100.4	99.5	100.0	100.5	100.0	100.3	100.2	100.4	100.0	100.2	100.5	100.6	100.3
	b	104.0	103.5	103.5	104.1	104.1	104.4	104.7	105.1	105.0	105.3	105.8	106.4	106.7
	c	106.0	-	-	-	-	-	-	-	-	-	-	-	-
	d	100.0	99.5	99.5	100.0	100.0	100.4	100.6	101.0	101.0	101.2	101.7	102.3	102.6
	e	-	105.2	104.5	104.7	104.2	104.0	103.5	103.6	103.2	102.8	102.7	102.7	102.6
services	a	100.1	100.8	100.5	100.5	101.1	100.3	100.2	100.6	102.7	100.2	100.6	100.7	100.1
	b	105.6	106.5	107.0	107.6	108.8	109.2	109.4	110.1	113.0	113.2	113.9	114.6	114.8
	c	105.3	-	-	-	-	-	-	-	-	-	-	-	-
	d	100.0	100.8	101.3	101.9	103.0	103.4	103.6	104.2	107.0	107.2	107.8	108.5	108.6
	e	-	105.3	105.2	105.3	106.3	106.4	106.4	106.8	108.5	108.1	108.2	108.7	108.6

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											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Industrial products	a	100.1	101.2	100.6	99.4	100.6	99.4	100.2	100.6	100.6	100.4	101.6	99.8	100.1
	b	100.0	101.2	101.7	101.2	101.7	101.2	101.3	101.9	102.5	102.9	104.5	104.3	104.4
	c	106.3	107.5	108.2	107.5	108.2	107.5	107.7	108.4	109.0	109.4	111.1	110.9	111.0
	d	104.7	106.1	105.3	104.2	104.8	103.2	103.7	104.4	104.3	104.2	104.8	104.4	104.4
	e	104.3	105.5	106.1	105.5	106.1	105.5	105.7	106.3	106.9	107.3	109.0	108.8	108.9
Building materials	a	99.9	101.2	100.9	99.4	101.6	101.8	100.3	100.4	100.9	100.4	100.4	100.5	100.3
	b	-	101.2	102.2	101.6	103.2	105.1	105.4	105.8	106.7	107.1	107.5	108.0	108.3
	c	105.9	107.2	108.2	107.6	109.3	111.3	111.6	112.0	113.0	113.4	113.8	114.4	114.7
	d	108.0	108.4	106.3	104.8	106.2	108.2	108.0	107.7	108.5	108.5	108.2	107.9	108.3
	e	108.0	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	109.2	108.1	111.1	111.1	108.6	106.8	106.8	108.6	107.6	105.6	102.0	99.4	98.9
	e	109.2	103.6	107.0	110.9	110.8	109.6	110.7	115.4	118.7	113.1	107.7	107.0	108.0
of which: Plant products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	117.9	116.0	118.4	117.6	113.3	109.0	110.7	109.7	108.9	107.8	100.7	96.5	92.8
	e	117.9	117.2	119.5	121.0	120.5	120.4	123.7	119.7	123.3	117.8	108.2	108.1	109.4
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	103.5	106.4	109.3	109.8	108.0	106.5	106.2	107.3	105.6	103.4	103.4	102.6	103.5
	e	103.5	101.0	104.1	108.9	109.5	108.3	109.2	110.7	112.6	108.4	107.2	105.9	107.1

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)

	(%)												
	1997											1998	
	2	3	4	5	6	7	8	9	10	11	12	1	2
Monthly rate of inflation <sup>1/</sup>	0.4	0.5	0.5	0.1	0.3	0.1	1.0	0.2	0.9	0.7	0.5	1.9	0.7
Annual rate of inflation <sup>2/</sup>	6.0	6.3	6.5	6.1	6.2	6.0	6.5	5.7	5.9	6.2	6.4	7.2	7.5
Average annual rate of inflation <sup>3/</sup>	5.9	6.0	6.1	6.1	6.1	6.1	6.2	6.1	6.1	6.1	6.1	7.2	7.4

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											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Number of vacancies	a	14,118	16,631	19,712	23,038	27,155	28,116	28,543	29,120	28,982	26,765	24,135	20,674	19,318
	b	-38	2,513	3,081	3,326	4,117	961	427	577	-138	-2,217	-2,630	-3,461	-1,356
Number of unemployed	a	329,749	353,605	356,181	349,658	337,180	320,530	319,923	331,707	332,828	336,858	334,327	328,379	347,753
	b	17,297	23,856	2,576	-6,523	-12,478	-16,650	-607	11,784	1,121	4,030	-2,531	-5,948	19,374
Number of unemployed per vacancy	a	23	21	18	15	12	11	11	11	11	13	14	16	18
Unemployment rate (in %)	a	12.8	13.6	13.7	13.4	13.0	12.3	12.3	12.8	12.8	13.0	12.9	12.6	12.5

a - In the specified unit

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

**State Budget**

(Sk millions)

		1997										1998		
		2	3	4	5	6	7	8	9	10	11	12	1	2
State budget revenue	a	25,774	39,924	56,081	65,597	78,499	96,144	109,746	125,153	144,874	159,142	180,826	16,397	25,991
	b	15.1	23.3	32.8	38.3	45.9	56.2	64.1	73.1	84.7	93.0	105.7	9.1	14.5
State budget expenditure	a	26,135	43,374	60,773	72,774	91,708	114,080	134,015	153,121	176,138	192,632	217,825	12,923	25,753
	b	12.6	20.9	29.2	35.0	44.1	54.8	64.4	73.6	84.7	92.6	104.7	7.0	13.9
State budget balance	a	-361	-3,450	-4,692	-7,177	-13,209	-17,936	-24,269	-27,968	-31,264	-33,490	-36,999	3,474	238

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

b - Budget performance in %

**Industrial Production**

(Sk millions)

		1996	1997											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Total industrial production	a	44,666	44,318	44,790	46,290	46,952	46,241	48,529	44,016	43,349	47,711	52,017	51,418	47,407
	b	90.7	99.2	101.1	103.3	101.4	98.5	104.9	90.7	98.5	110.1	109.0	98.8	92.2
	c	101.2	100.4	102.6	102.0	108.6	100.2	107.4	103.5	98.3	99.3	99.3	100.6	101.7
	d	531,799	44,318	89,108	135,398	182,350	228,591	277,120	321,136	364,485	412,196	464,213	515,631	563,038
	e	102.5	100.4	101.5	101.7	103.4	102.7	103.5	103.5	102.9	102.4	102.1	102.0	102.0
	f	17,003	41,344	41,608	43,299	43,835	43,398	45,586	40,991	40,129	44,047	48,879	48,112	44,586
	g	101.2	-	-	-	-	-	-	-	-	-	-	-	-
	h	101.2	-	-	-	-	-	-	-	-	-	-	-	-
of which in the private sector	a	30,916	30,575	31,218	32,884	33,946	33,690	36,253	32,717	31,843	35,579	39,121	38,357	35,382
	b	90.1	98.9	102.1	105.3	103.2	99.2	107.6	90.2	97.3	111.7	110.0	98.0	92.2
	c	104.7	109.5	110.3	111.5	116.8	107.5	115.6	112.3	104.5	107.8	105.0	107.4	109.2
	d	362,797	30,575	61,793	94,677	128,623	162,313	198,566	231,283	263,126	298,705	337,826	376,183	411,565
	e	108.2	109.5	109.9	110.4	112.1	111.1	111.9	111.9	111.0	110.6	109.9	109.7	109.6
	f	69.2	69.0	69.7	71.0	72.3	72.9	74.7	74.3	73.5	74.6	75.2	74.6	74.6
	g	69.2	69.0	69.7	71.0	72.3	72.9	74.7	74.3	73.5	74.6	75.2	74.6	74.6
Labour productivity (Sk / employee)	a	71,891	72,478	73,013	75,750	77,125	76,291	79,414	72,407	71,419	78,371	85,435	84,616	78,671
	b	90.9	100.8	100.7	103.7	101.8	98.9	104.1	91.2	98.6	109.7	109.0	99.0	93.0
	c	102.0	102.0	103.7	103.8	110.2	102.1	108.9	105.9	100.9	101.7	101.7	103.1	104.9

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											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Total construction sector output (including output abroad)	a	5,530	3,799	4,331	4,646	5,633	6,157	6,707	6,870	6,944	6,980	7,832	7,448	6,409
	b	87.4	68.7	114.0	107.3	121.2	109.3	108.9	102.4	101.1	100.5	112.2	95.1	86.0
	c	105.7	104.7	117.3	110.6	112.7	106.9	103.9	111.0	111.8	106.6	108.4	107.4	105.8
	d	61,949	3,799	8,130	12,776	18,409	24,566	31,273	38,143	45,087	52,067	59,899	67,347	73,756
	e	104.4	104.7	111.0	110.9	111.4	110.3	108.8	109.2	109.6	109.2	109.1	108.9	108.6
	f	1,878	3,264	3,664	3,875	4,686	5,101	5,520	5,585	5,609	5,629	6,445	6,077	5,100
	g	105.7	-	-	-	-	-	-	-	-	-	-	-	-
	h	105.7	-	-	-	-	-	-	-	-	-	-	-	-
of which in the private sector	a	4,738	3,297	3,708	3,819	4,558	4,920	5,344	5,562	5,650	5,771	6,400	6,063	5,516
	b	89.4	69.6	112.5	103.0	119.4	107.9	108.6	104.1	101.6	102.1	110.9	94.7	91.0
	c	104.8	105.4	119.5	108.6	110.1	102.5	100.8	110.2	110.2	107.0	105.8	104.5	106.3
	d	51,606	3,297	7,005	10,824	15,382	20,302	25,646	31,208	36,858	42,629	49,029	55,092	60,608
	e	106.5	105.4	112.4	111.0	110.8	108.7	107.0	107.5	107.9	107.8	107.5	107.2	107.1
	f	85.7	86.8	85.6	82.2	80.9	79.9	79.7	81.0	81.4	82.7	81.7	81.4	86.1
	g	85.7	86.8	85.6	82.2	80.9	79.9	79.7	81.0	81.4	82.7	81.7	81.4	86.1
Construction output in the SR	a	5,161	3,583	4,064	4,296	5,234	5,685	6,172	6,493	6,487	6,543	7,350	7,012	6,070
	b	87.7	69.4	113.4	105.7	121.8	108.6	108.6	105.2	99.9	100.9	112.3	95.4	86.6
	c	113.5	107.9	120.7	115.1	118.7	110.3	107.9	117.0	115.2	110.9	112.5	108.8	107.3
	d	56,007	3,583	7,647	11,943	17,177	22,862	29,034	35,527	42,014	48,557	55,907	62,919	68,989
	e	110.3	107.9	114.3	114.6	115.8	114.4	113.0	113.7	113.9	113.5	113.4	112.8	112.4
	f	1,753	3,078	3,438	3,583	4,355	4,710	5,080	5,279	5,240	5,277	6,051	5,717	4,823
	g	113.5	-	-	-	-	-	-	-	-	-	-	-	-
	h	113.5	-	-	-	-	-	-	-	-	-	-	-	-
Construction output abroad	a	369	216	267	350	399	472	535	377	457	437	482	436	339
	b	83.0	58.5	123.6	131.1	114.0	118.3	113.3	70.5	121.2	95.6	110.3	90.5	77.8
	c	54.1	70.9	81.6	74.7	67.7	77.9	72.4	59.2	78.8	68.0	69.8	89.4	83.7
	d	5,914	216	483	833	1,232	1,704	2,239	2,616	3,073	3,510	3,992	4,428	4,767
	e	69.4	70.9	76.4	75.7	72.9	74.2	73.8	71.3	72.3	71.7	71.5	72.9	73.6
	f	125	186	226	292	331	391	440	306	369	352	394	360	277
	g	54.1	-	-	-	-	-	-	-	-	-	-	-	-
	h	54.1	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity per employee in Sk (of total construction output)	a	37,639	26,617	30,230	32,275	38,456	41,742	45,080	45,324	45,318	45,140	50,348	48,092	42,196
	b	90.4	70.7	113.6	106.8	119.2	108.5	108.0	100.5	100.0	99.6	111.5	95.5	87.7
	c	107.7	107.2	118.4	111.5	114.3	108.6	105.1	111.3	111.2	105.4	106.5	105.4	102.3

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											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Imports	a	36,269	28,097	27,826	29,419	35,443	28,193	29,238	28,665	26,060	27,975	30,556	27,097	26,480
	b	335,165	28,097	55,923	85,342	120,785	148,978	178,216	206,881	232,941	260,916	291,472	318,569	345,049
	c	128.5	122.5	103.7	108.9	116.0	112.6	113.2	111.4	110.2	109.0	107.1	104.5	101.2
of which: Czech Republic	a	6,746	6,201	6,797	6,902	8,645	6,285	7,061	5,612	6,038	6,930	7,562	6,042	5,260
	b	82,194	6,201	12,998	19,900	28,545	34,830	41,891	47,503	53,541	60,471	68,033	74,075	79,335
	d	18.6	22.1	24.4	23.5	24.4	22.3	24.2	19.6	23.2	24.8	24.7	22.3	19.9
Exports	a	21,106	21,223	24,284	24,502	25,402	24,037	26,205	25,745	24,753	26,250	27,009	26,094	20,070
	b	270,629	21,223	45,507	70,009	95,411	119,448	145,653	171,398	196,151	222,401	249,410	275,504	295,574
	c	106.1	103.6	113.4	113.0	116.9	113.4	113.6	113.3	113.7	112.6	112.0	110.4	109.2
of which: Czech Republic	a	6,231	6,033	6,492	7,193	6,868	6,756	6,968	6,162	6,576	6,765	7,681	6,552	4,735
	b	83,907	6,033	12,525	19,718	26,586	33,342	40,310	46,472	53,048	59,813	67,494	74,046	78,781
	d	29.5	28.4	26.7	29.4	27.0	28.1	26.6	23.9	26.6	25.8	28.4	25.1	23.6
Balance	a	-15,163	-6,874	-3,542	-4,917	-10,041	-4,156	-3,033	-2,920	-1,307	-1,725	-3,547	-1,003	-6,410
	b	-64,536	-6,874	-10,416	-15,333	-25,374	-29,530	-32,563	-35,483	-36,790	-38,515	-42,062	-43,065	-49,475
of which: Czech Republic	a	-515	-168	-305	291	-1,777	471	-93	550	538	-165	119	510	-525
	b	1,713	-168	-473	-182	-1,959	-1,488	-1,581	-1,031	-493	-658	-539	-29	-554

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 (%)