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1. Monetary development

In April, the level of consumer prices rose month-on-month by 0.4%, causing a moderate slowdown in the 12-month rate of inflation from 7.2% in March to 7.0% in April.

Monetary development was characterised by a slowdown in the 12-month rate of inflation, ...

Over the course of the month, the value of the Slovak crown (Sk) appreciated by 0.73%. At the end of the month, the exchange rate of the crown was 1.5% within the devaluation band.

... appreciation in the value of the Slovak crown, ...

In comparison with the previous month, the NBS increased the volume of refinancing granted through open market operations; at the same time, however, banks demanded higher and higher yields on government bond issues. This led to a slight rise in the level of average interest rates on the interbank money market. As a result of the unequal levels of liquidity in the banking sector, the development of interest rates on the money market was marked by a rise in their level at the beginning of the month. By the end of April, the price of money had fallen and stabilised roughly at the March level.

... and a slight rise in the level of interbank deposit rates

1.1. Factors affecting the development of the money supply

In April, the money supply in terms of M2 increased month-on-month by Sk 2.3 billion, representing a moderate slowdown in the rate of year-on-year growth (from 9.1% in March to 9.0% in April). After a certain acceleration during the first months of the year, the rate of growth in the M2 money supply during March and April approached the figure recorded in last December and the values set in the monetary programme for 1998. When compared with the 14.5% rate of year-on-year growth achieved in the same period of last year, the development of the money supply may be regarded as favourable.

Increase in the money supply, ...

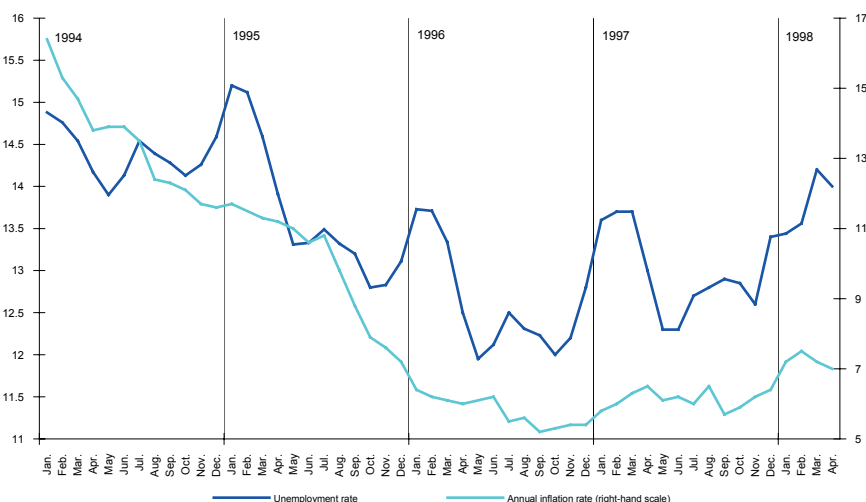
In April, the money supply was affected by the development of domestic and foreign resources: net domestic assets increased month-on-month by Sk 6.1 billion, while net foreign assets declined by Sk 3.9 billion.

According to preliminary data, the volume of net foreign assets (at fixed exchange rates) in the banking sector suffered a month-on-month decline, due to the faster growth in foreign liabilities (Sk 11.6 billion) than in foreign assets (Sk 7.7 billion). The decline in net foreign assets at commercial banks (Sk 3.5 billion) was accompanied by a moderate fall in net foreign assets at the NBS (Sk 0.4 billion).

... due to decline in net foreign assets, ...

Unemployment rate and inflation rate

(%)



In April, the foreign exchange reserves of the NBS (at fixed exchange rates) increased month-on-month by Sk 6.4 billion, as a result of government borrowing

in the amount of Sk 6.6 billion. On the other hand, this led to an increase in the foreign liabilities of the Government and the NBS (Sk 6.5 billion).

... and growth in domestic resources in particular, ...

The positive influence of net domestic assets on the growth of the money supply resulted from an increase in domestic credits, which was, in turn, due to increases in loans to enterprises and households, as well as in net credit to the Government.

... caused by increases in bank loans ...

During the first four months of the year, bank lending to enterprises and households grew by Sk 10.4 billion; of this amount, the month-on-month increase in April accounted for Sk 3.7 billion. At the end of the month, the rate of year-on-year growth reached 3%.

... and net credit to the Government

In April, the volume of net credit to the Government deteriorated by Sk 4.5 billion, representing an acceleration in the rate of year-on-year growth, from 29.0% in March to 32.4% in April. Over the course of the month, net credit to the Government reached the level of the first two months of the year.

The current performance of the State budget ...

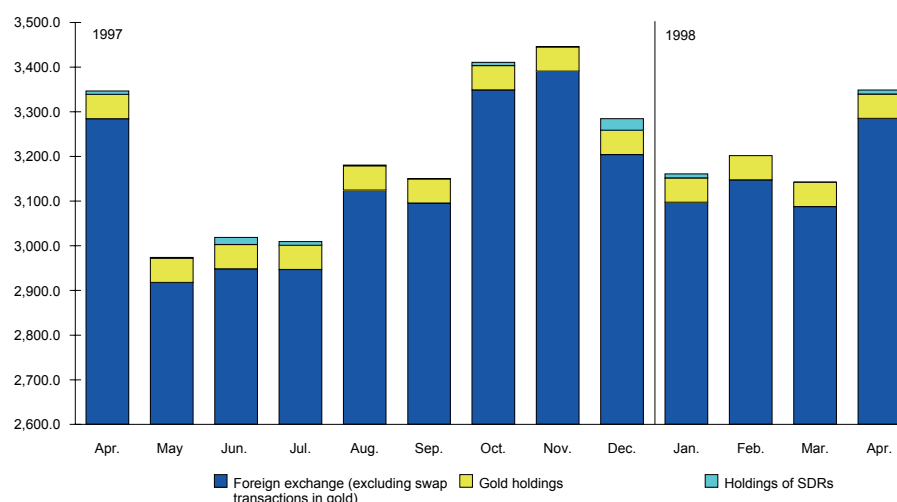
At the end of April, the current performance of the State budget resulted in a deficit of Sk 0.3 billion, representing a deterioration of Sk 1.4 billion in budgetary performance. Budget revenue reached Sk 60.8 billion and expenditure totalled Sk 61.1 billion.

... had no marked impact on the internal debt of the Government

At the end of April, the net position of the Government vis-a-vis the banking sector reached (according to preliminary data) Sk 70.0 billion, representing a month-on-month increase of Sk 4.5 billion. The growth was due mainly to the realisation of five government bond issues during the period under review; on the other hand, some Treasury-bill issues made to cover the 1997 budget deficit, were partly repaid.

During April, the growth in the money supply was again supported by the National Property Fund, whose position vis-a-vis the banking sector had deteriorated by Sk 0.2 billion month-on-month, falling from that of creditor to zero position by the end of the month.

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



Value of gold = 42.22 US\$/oz

Foreign exchange reserves of the NBS

At the end of April, the total foreign exchange reserves of the NBS (at current exchange rates) reached US\$ 3,348.9 million, representing a month-on-month increase of US\$ 206.1 million. The volume of foreign exchange reserves was 2.9 times greater than the average volume of monthly imports of goods and services to Slovakia during the first quarter of 1998.

1.2. Structure of the money supply

In April, the M2 money supply (at fixed exchange rates) increased by Sk 2.3 billion, reaching Sk 446.8 billion at the end of the month. The growth in M2 was due to an increase in quasi-money, while the M1 aggregate remained unchanged.

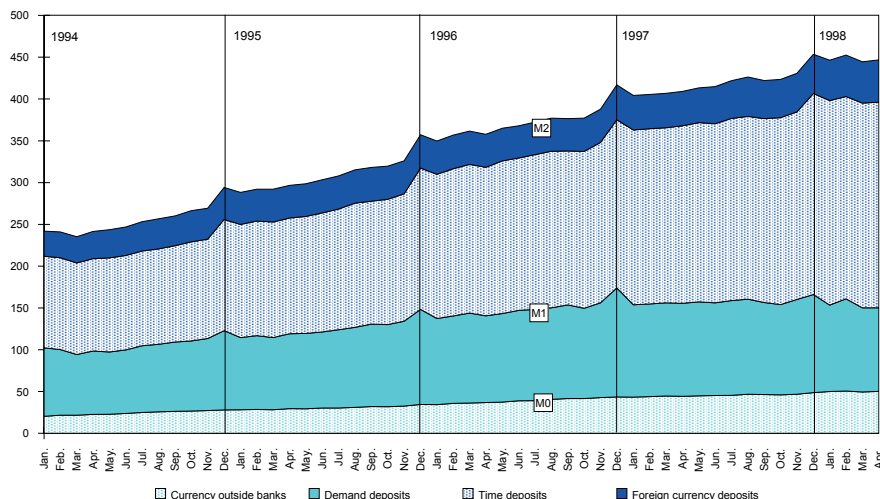
Month-on-month increase in M2, ...

In comparison with the figure for March, the rate of year-on-year growth in the M2 money supply decreased by one basis point, to 9.0% in April. The year-on-year increase in quasi-money (16.6%) continued to exceed the rate of growth in the M1 aggregate, which reached a negative value (-3.5%).

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

The volume of currency outside the banking sector increased by Sk 0.7 billion over the course of April. The standard cycle of currency issue was disturbed by the shift of the maximum volume of currency to 21 April, due to increased demand for cash before the Easter holidays and the fulfilment of reserve requirements by 15 April.

Development of the M2 monetary aggregate (Sk billions)



In April, demand deposits recorded a decline of Sk 0.7 billion, which was probably associated with a switch to short-term time deposit accounts offering higher interest rates. Over the course of the month, the development of demand deposits was marked by a relatively high increase during the first ten-day period and falls in the following two periods, particularly during the last one.

Time deposits increased month-on-month by Sk 1.1 billion, following a long-term growth trend. Foreign-currency deposits also grew by Sk 1.2 billion.

Structure of the money supply (M2) (%)

	1.1.1998	31.3.1998	30.4.1998	30.4.1997
Money supply [M2]	100.00	100,00	100,00	100,00
Money [M1]	36.63	33,77	33,59	37,94
Currency outside banks [M0]	10.74	11,14	11,24	10,81
Demand deposits	25.89	22,63	22,36	27,13
Quasi-money [QM]	63.37	66,23	66,41	62,06
Time deposits	53.01	55,12	55,08	51,82
Foreign currency deposits	10.36	11,11	11,32	10,25

Regarding the individual components of the M2 money supply, the weight of the M1 aggregate decreased and that of quasi-money increased month-on-month in

The downward trend in the weight of M1 persisted

April. In comparison with the beginning of the year and the same period of last year, the money-supply components followed the same course of development. The gradual decrease in the weight of M1 is already an established trend, and is supported mostly by the conflicting trends in development in demand and time deposits. While time deposits follow a long-term upward trend, the rate of growth in demand deposits started to slow at the beginning of 1997 and has, since the 3rd quarter of 1997, been more or less on the decline.

Slovak-crown deposits

Slovak-crown deposits, as a component of the money supply, grew in April by Sk 0.4 billion, due exclusively to household deposits, which increased by Sk 2.4 billion, while corporate deposits recorded a month-on-month decline of Sk 2.1 billion. Since the beginning of the year, the volume of crown deposits has fallen by Sk 11.8 billion; corporate deposits have declined by Sk 20.1 billion, whilst household deposits have grown by Sk 8.2 billion. The rate of year-on-year growth in crown deposits reached 6.9%. Household deposits increased year-on-year by 18.3%, while corporate deposits declined by 11.7%.

1.3. Bank lending

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

In April, total bank lending (loans to enterprises, households, central and local authorities for extra-budgetary purposes, NBS loans, and other loans) fell month-on-month by Sk 10.9 billion, due to decline in crown loans (Sk 12.3 billion) and growth in foreign-currency loans (Sk 1.4 billion). At the end of April, the volume of bank loans totalled Sk 381.3 billion, of which loans in Slovak crowns accounted for Sk 333.9 billion and foreign-currency loans Sk 47.4 billion. The decline was due to transfer of a liability to the Slovak Collecting Agency (which has gone bankrupt) in the amount of Sk 14.9 billion, from the Bratislava branch of ČSOB to the bank's head office in Prague.

After excluding the above-mentioned transfer of debt due to the Slovak Collecting Agency, the volume of crown loans increased month-on-month by Sk 2.6 billion. The growth took place mostly in the entrepreneurial sector (Sk 2.3 billion) and the household sector (Sk 0.3 billion).

In the same period of 1997, crown loans increased month-on-month by Sk 2.5 billion and loans in foreign currency by Sk 1.0 billion.

The volume of total bank credit (again excluding the above-mentioned transfer of debt) increased year-on-year by 4.4%, of which crown loans accounted for 1.8% and loans in foreign currency 28.1%.

1.4. Interest rate development in March

The average interest rate on the total volume of loans fell

In March, the average interest rate on the total volume of loans fell month-on-month by 0.58 points, to 16.70%, due mainly to reductions in lending rates for long-term loans (by 1.52 points, to 12.34%) and short-term loans (by 0.27 points, to 20.50%). The level of interest rates on medium-term loans rose by 0.11 points, to 16.58%.

The level of interest rates on new loans also fell

The average interest rate on new loans fell by 0.53 points (to 20.29%); the rate on short-term loans by 1.23 points (to 20.58%), and that on medium-term loans by 1.62 points (to 15.26%), in response to interest rate developments on the interbank money market (the average rate fell month-on-month by 4.63 points, to 16.99%). The average lending rate for long-term loans rose by 2.14 points, to 15.87%. The development of average interest rates was marked by a significant increase in the volume of new loans with short maturities (1 day and 1 week) and a change in structure by purpose. The increase concerned mainly loans with interest rates above 20%: the volume of standard loans grew by Sk 8.63 billion, the rate of interest was 23.57%; and overdrafts grew by Sk 1.57 billion, the interest level rose

to 20.09%. Of the total volume of new loans, 23.4% was granted at fixed interest rates and 76.6% at flexible rates.

Compared with the level in February, the average interest rate on total crown deposits remained unchanged (9.99%) in March. Reductions were recorded in average interest rates on 7-day time deposits (1.88 points), 1-month deposits (0.66 points), and 5-year deposits (2.84 points). The level of interest rates on other deposits was either stable, or rose by 0.01 to 1.96 points.

The average interest rate on deposits remained unchanged

As a result of a fall in the average interest rate on the total volume of loans (0.58 points) and the virtually unchanged average rate for total crown deposits (a rise of 0.01 point), the nominal margin decreased from 7.30% in February to 6.71% in March. The level of real interest rates on one-year deposits rose from 3.17% in February to 3.53% in March, due to a fall in the 12-month rate of consumer-price inflation (from 7.5% to 7.2%), while the average rate of interest on one-year deposits rose somewhat (by 0.06 points).

The level of real interest rates rose

2. Implementation of monetary policy

In April, monetary policy was implemented in an environment marked by volatile bank liquidity, ranging from Sk 33.7 billion to Sk 41.8 billion, which was reflected in the development of interbank deposit rates. In comparison with the previous month, interbank deposit rates were more volatile and their average level higher. Via open market operations, the NBS attempted to maintain liquidity levels in the banking sector, depending on the performance of the State budget and the success of government bond auctions. Due to the growing demand of the State budget for resources, demonstrated by a 8.2 billion issue of government bonds in April, the level of interest rates rose from 23.4% at the last auction in March to 27.2% in April.

In April, the implementation of monetary policy aimed at supplying liquidity to commercial banks, ...

In April, the level of liquidity in the banking sector was influenced by conflicting trends in autonomous and monetary-policy factors. The reduction in bank liquidity was due mostly to autonomous factors, which fell month-on-month by an average of Sk 3.5 billion. This fall was offset by the development of monetary-policy factors.

... which was negatively influenced by autonomous factors

With regard to autonomous factors, the month-on-month decline in the average volume of net foreign assets at the NBS was due, apart from the negative balance of foreign exchange fixing at the NBS, to debt servicing in the middle of March, which was not fully reflected in the average figures until April.

In foreign exchange fixing, two transactions were concluded in the total amount of US\$ 9.4 million (US\$ 4 million and DM 10 million), representing sales of foreign exchange by the NBS. The currency basket unit followed the course of development on the interbank foreign exchange market, falling in value from 1.0225 (31 March) to 1.0150 (30 April).

Foreign exchange fixing at the NBS

In April, the position of the public sector at the NBS slightly deteriorated (by Sk 0.4 billion), due to a reduction in funds in State fund accounts and the payment of instalments on Treasury bills.

In April, monetary-policy factors increased month-on-month by an average of Sk 3.3 billion, due to increased central bank activity in the form of open market operations, which led to growth in the volume of government securities held in the NBS portfolio. As there was a shortage of short-term government securities, commercial banks also traded government bonds in open market operations. In accordance with last year's decision of the NBS to suspend the purchase of export bills of exchange, the final instalments on bills of exchange were paid in April, and the account thereby closed.

The supply of liquidity through monetary-policy factors ...

Over the course of April, the banking sector was refinanced through 14-day REPO tenders, with an average daily volume of Sk 7.7 billion, representing the highest figure recorded since the beginning of the year.

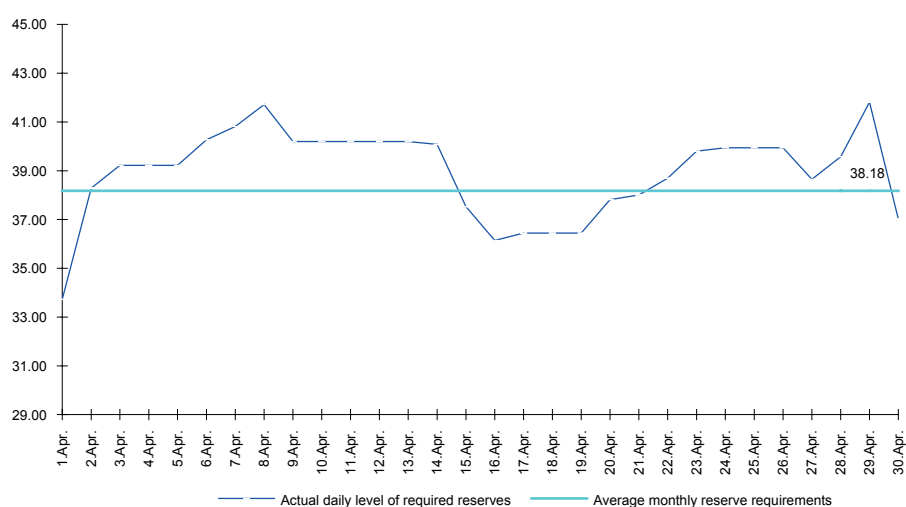
... was reflected in the levels of excess reserves of commercial banks

In April, the level of liquidity in the banking sector was favourably influenced by a month-on-month fall (Sk 0.3 billion) in the average volume of issued currency. The refinancing of commercial banks offset the impact of autonomous factors and the average excess reserves of the banking sector reached Sk 0.75 billion.

Fulfilment of reserve requirements

In April, the level of required reserves in the banking sector was set at Sk 38,177 million. By the end of the month, the reserve requirements had been fulfilled to 101.96%. By the end of the first period in April, the reserve requirements had been fulfilled to 103.22%; at the end of the second period, to 100.71%.

Fulfilment of reserve requirements (Sk billions)



3. Inflation

Consumer prices rose month-on-month by 0.4%

Compared with the previous month, the level of consumer prices rose in April by 0.4%, representing an increase of 3.2% since the beginning of the year. The 12-month rate of consumer-price inflation fell slightly, from 7.2% in March to 7.0% in April.

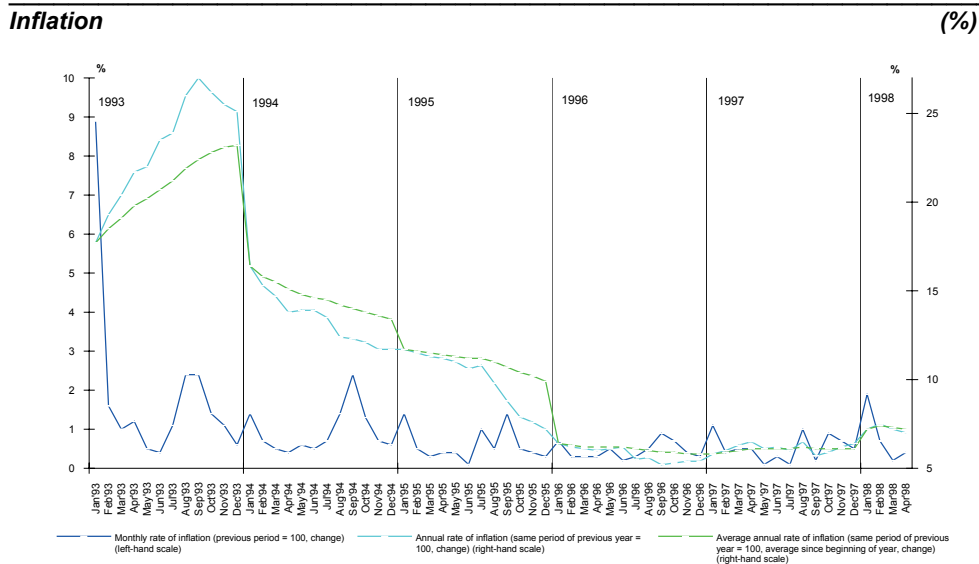
The price of food, clothes and footwear increased most significantly

The price of food and non-alcoholic beverages rose by 0.6%, due mainly to increases in the prices of fruit, sugar, sugar products, and vegetables. The rise in the consumer price of sugar, jam, honey, syrup, chocolate and sweets (2.8%) was due to the introduction of a minimum guaranteed price for sugar. With effect from 1 April, the Ministry of Finance approved the minimum guaranteed price of sugar, payable to the producer, in the amount of Sk 15/kg. This is expected to have a marked impact on the consumer price of sugar and sugar products in the near future.

A higher-than-average price increase was also recorded in the category of clothes and footwear (0.7%). In other categories of final household consumption (except transport), month-on-month price increases ranged from 0.2% to 0.4%. In the category of transport, the price of goods and services fell by 0.3%, due mainly to a reduction in fuel prices.

Developments indicate that the initial impacts of the January administrative measures on consumer prices have already been expended. In the non-tradable sector, however, the secondary impacts of these measures persisted in the form of

marked increases in the prices of accommodation services, public catering, recreational and cultural services. Consumer prices in the tradable sector are expected to be stabilised by a reduction in the import surcharge from 5% to 3% with effect from 1 April.



4. Money market

4.1. Primary market for Treasury bills

In March, the Ministry of Finance of the SR put Treasury bills up for auction in accordance with the issuing schedule for the 2nd quarter of 1998. Auctions were held at bi-weekly intervals. At these auctions, no bids were accepted by the issuer, due partly to the favourable performance of the State budget and partly to changes in the methods of effecting payments on State budget accounts.

Treasury-bill auctions

4.2. Secondary market

In April, the National Bank of Slovakia intervened in the money market by conducting 8 REPO tenders for refinancing purposes. The average daily volume of refinancing amounted Sk 6.1 billion.

Open market operations of the NBS

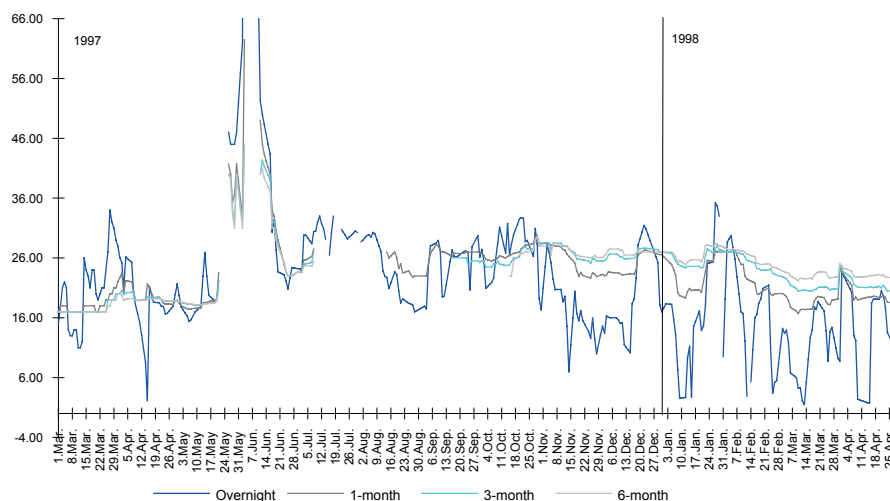
At the beginning of the month, the situation on the money market was affected by the negative statements of rating agencies. All interest rates under review exceeded the 20% limit. In response to the low level of liquidity in the banking sector, the NBS conducted 14-day REPO tenders for refinancing purposes. Demand exceeded the offered volumes more than twice, while the accepted bids were realised at much higher rates than in the previous two months: at 19.56% (average of the 2nd REPO tender in April). The high demand for liquidity was also influenced by auctions in government bonds, where the accepted volumes were issued at a time when investors demanded higher and higher yields.

During the first period, the NBS granted refinancing to the banking sector in an average daily amount of Sk 6.2 billion. As a result, the banking sector became over-supplied and interest rates were forced down (overnight deposit rates to 1.75% at 15 April).

During the second period, the NBS intervened in the money market again by conducting 14-day REPO tenders for refinancing purposes. The price of overnight deposits rose steeply (up to 18.5% on the first day of the second period), while

interest rates on other deposits were relatively stable. Deposit rates were held at the 20% level only as a result of an increase in the total volume of NBS interventions. On 29 April, the volume of refinancing granted to the banking sector reached Sk 9.0 billion, representing a maximum since the beginning of the year. During the second period, the NBS provided refinancing in an average daily amount of Sk 6.0 billion. The moderate liquidity surplus helped to stabilise or encourage a slight downward trend in interest rates; however, the efforts of the NBS to lower the level of interest rates were negatively affected by the acceptance of the high yields demanded by investors at the government bond auctions.

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



5. Capital market

5.1. Primary market

Government bonds

In April, four auctions were held in government bonds in accordance with the schedule for the issue of government securities, while five issues were made. Interest yield was set at 17% p.a. for all the four issues of bonds, the par value of which was Sk 1,000,000.

The auctions took place in the form of American-style auction with unlimited issue-amounts. A common feature of the April issues was the high proportion of accepted bids to total demand on the part of the issuer. In April, total demand for government bonds reached Sk 10,720 million; the issuer accepted bids for 84.7% of this amount. The highest demand for government bonds (3,660 pcs) was recorded in the category of two-year bonds, of which only one issue has been made so far. Despite the high level of interest demanded, the issuer sold 3,460 pcs of such bonds, representing the highest volume sold since the beginning of the year.

Investors demanded interest yields ranging from 22.90% to 34.23% p.a. The determined effort of investors to increase the level of yields and the need of the Ministry of Finance to be financed through auctions of government bonds, led to the highest yield to maturity accepted in April, being 28.90% p.a.

Non-government bonds

In April, only one issue of publicly negotiable non-government bonds was made in the total amount of Sk 50 million, representing a decline of 67.74% compared with the figure for April 1997 (Sk 155 million). This was the first issue of publicly negotiable non-government bonds since the beginning of the year. In comparison with the same period of 1997 (Sk 5,415 million), this represented a decline of

99.08%. The reason behind this development was the increased attractiveness of government bonds to investors, with regard to the low level of risk and higher yields.

5.2. Secondary market

In April, the volume of trading on Bratislava Stock Exchange (BCPB) totalled Sk 15.5 billion, representing only one-third of the previous month's figure. Although the development of trading in terms of volume was not very favourable in comparison with the previous month, one positive change took place: the volume of price-setting anonymous transactions increased month-on-month by 60.65%, to Sk 150.2 million.

The low proportion of price-setting anonymous contracts persisted in April, which does not contribute to transparency of the capital market and most prices do not reflect the actual values of shares. Trading on the BCPB floor in April confirmed that, on the securities market, there is a shift towards trading in bonds. For dealers, trading in shares is becoming unattractive and their attention is turning more and more to government bonds, offering yields comparable with those on the money market.

In April, the volume of bond transactions reached Sk 12,501 million, while anonymous contracts also increased in comparison with the previous month, to Sk 52.8 million.

SDX index

In April, both components of the Slovak Bond Index (SDX) recorded a moderate increase. The component for government bonds rose by 1.03%, to 110.26 points; and the figure for corporate bonds by 1.15%, to 112.97 points. Over the course of April, four new issues of government bonds (No. 051 to 054) were incorporated into the base of SDX after successful primary auctions.

As in previous months, shares maintained a total volume of transactions at the level of approximately Sk 3,000 million (Sk 2,994 million). The volume of anonymous contracts totalled Sk 97.4 million, representing an almost four-fold increase compared with the previous month's figure.

SAX index

Slovak Share Index - SAX (%)



In April, the course of the Slovak Share Index (SAX) was marked by fluctuations in the average figures of all components, caused mostly by capitalised issues. The

monthly maximum of SAX (136.64 points) was recorded on 16 April; the monthly minimum (130.67 points) was reported on 30 April - the last trading day of the month.

With regard to 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 (an increase of 29.019%) and that of bonds held by residents (a decrease of 9.550%). The number of bonds held by domestic banks recorded a more moderate change (an increase of 4.455%), while the number of shares held by domestic banks decreased by 3.383%.

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 31.9%, from US\$ 5,398.1 million to US\$ 3,675.5 million, i.e. the level of February. The said fall was due to decline in trading on the interbank foreign exchange market (between domestic banks as well as domestic and foreign banks).

*Transactions between
Slovak banks*

The volume of trading between Slovak banks accounted for 99.4% of the country's interbank foreign exchange market. After the period of growth recorded during the previous months, the volume of trading between Slovak commercial banks fell in April by 17.4%, from US\$ 1,828.9 million to US\$ 1,511.5 million. Most trading was again concluded in US\$ (73.5%, compared with 81.1% in March), followed by DM (16.3%, compared with 16.3 % in March) and other European currencies (10.2%, compared with 2.4% in March). The number of contracts decreased to 795 (from 974 in March), while the average amount per contract remained US\$ 1.9 million.

*Transactions between Slovak
and foreign banks*

A marked decline (38.7%) was recorded in trading between Slovak and foreign banks, the volume of which fell from US\$ 3,529.1 million to US\$ 2,163.9 million, but maintained its dominant position on the country's foreign exchange market. Most trading was again concluded in US\$ (89.0%), followed by DM (10.2%), and other European currencies (0.8%). The number of transactions decreased from 1,054 to 890, with an average amount of US\$ 2.4 million per contract. The volume of transactions between Slovak and foreign banks accounted for 58.7% of Slovakia's total foreign exchange market. In April, local commercial banks stopped purchasing foreign exchange from foreign banks. Trading between Slovak and foreign banks resulted in a negative balance of US\$ 37.6 million, which indicates that the inflow of foreign capital aimed at profiting from the advantageous interest-rate differential between the Slovak crown and fully convertible currency, has been stopped.

7. Balance of payments for January to February 1998

During the 1st quarter of 1998, the external relations of the Slovak Republic were characterised by a deepening of trends that increase the imbalance on the current account of the balance of payments. The inability of the economy to obtain foreign exchange resources for the financing of its needs resulted in a current account deficit of Sk 11.7 billion, i.e. US\$ 331.5 million.

Foreign exchange payments connected with the imports of goods and services, including the payment of interest and dividends, wages of foreign employees and current transfers, reached Sk 81.0 billion and were covered by foreign exchange receipts (in the amount of Sk 69.3 billion) only up to 85.6%.

The result achieved on the current account was influenced significantly by the trade-balance deficit, which amounted to Sk 10.7 billion. During the first two months of 1998, the foreign-trade turnover of the SR reached Sk 115.8 billion; of this amount, imports accounted for Sk 63.3 billion and exports Sk 52.6 billion.

From the territorial point of view, a significant growth was achieved in exports to Germany, which represented 25.7% of Slovakia's total exports. With regard to the volume of exports, Germany left behind the Czech Republic and occupied the first place among the target countries. The structure of exports by commodity was dominated by iron and steel (15.0%), vehicles (10.9%), electrical instruments and appliances (5.9%), and clothes (5.5%).

As at the beginning of 1997, payments for services received again exceeded the level of income from services rendered during the first two months of 1998. The services balance resulted in a deficit of Sk 1.2 billion, representing an increase of Sk 0.7 billion compared with the same period a year earlier. The said increase in the size of the deficit was due to a fall in income from foreign tourism (21.5% year-on-year). As a result of this development, income from tourism remained roughly at the level of expenditure and thus tourism made, for the first time, no contribution to the foreign exchange economy of the Slovak Republic.

The capital and financial account of the balance of payments resulted in a surplus of Sk 7.5 billion, i.e. US\$ 217.7 million. The net inflow of funds through the capital and financial account did not suffice to fully cover the deficit on current account, which induced a Sk 2.7 billion fall in the foreign exchange reserves of the NBS (without exchange rate fluctuations).

With regard to long-term capital, a decisive role was again played by the corporate sector. The inflow of long-term funds into the corporate sector took place mainly in the form of financial credits. Through corporate borrowing, the Slovak economy obtained long-term resources in the total amount of Sk 14.1 billion. Long-term loans to enterprises were granted predominantly in the form of project financing and, according to the statements of borrowers, were used mostly for investment purposes and the purchase of fixed assets. With regard to structure by sector, more than half of these funds were employed in the sector of transport and communications.

Capital participation by foreign investors in Slovak companies increased by Sk 2.2 billion and took place exclusively in the enterprise sector. In 1998, increased activity was again recorded in the area of investment abroad. Direct investment abroad increased by Sk 1.7 billion, due mostly to growth in the volume of capital participation by Slovak industrial firms abroad.

A factor determining the development of short-term capital in 1998 was the movement of short-term capital within the banking sector. The short-term liabilities of commercial banks increased by Sk 22.3 billion, while the deposits of non-residents at Slovak banks grew by Sk 29.2 billion (short-term loans fell by Sk 10.1 billion). On the other hand, the growth in the resources of commercial banks was reflected in the increased volume of their assets abroad (by Sk 24.3 billion).

8. Net foreign debt of Slovakia

The net external debt of the SR - calculated as the difference between gross foreign debt, i.e. US\$ 10.5 billion (liabilities of the Government and the NBS, liabilities of commercial banks and the corporate sector - import commitments and financial credits) and foreign assets, i.e. US\$ 8.6 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 February 1998.

Appendices

Monetary survey

(Sk billion)

	1997									1998			
	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	31.1.	28.2.	31.3.	30.4.*
Fixed exchange rate SKK / USD	31.895	31.895	31.895	31.895	31.895	31.895	31.895	31.895	31.895	34.782	34.782	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	19.398	19.398	19.398	19.398
ASSETS													
Net foreign assets	63.8	58.5	64.8	68.9	72.3	71.0	76.8	74.0	71.4	68.3	72.3	72.6	68.7
Foreign assets	211.4	202.8	219.1	232.1	242.3	239.8	254.0	259.9	234.8	252.5	255.3	252.3	260.0
Foreign liabilities	147.6	144.3	154.3	163.2	170.0	168.8	177.2	185.9	163.4	184.2	183.0	179.7	191.3
Net domestic assets	346.1	355.5	351.2	354.1	354.8	352.3	347.9	357.4	382.5	378.6	380.2	371.9	378.0
Domestic credit	438.6	442.1	445.0	446.5	450.7	455.1	458.0	464.4	467.8	463.4	467.9	468.0	476.4
- Net credit to Government	74.9	77.5	81.0	85.3	87.0	89.2	92.3	96.9	100.5	99.2	99.4	94.7	99.2
- Net credit to FNM ^{1/}	-2.3	-2.3	-2.4	-2.5	-2.9	-2.3	-2.0	-2.2	-3.0	-1.7	-0.6	-0.2	0.0
Credit to households and enterprises	366.0	366.9	366.4	363.7	366.6	368.2	367.7	369.7	370.3	365.9	369.1	373.5	377.2
- Credit in SKK	334.2	334.8	333.4	329.9	332.7	333.8	334.7	335.4	334.6	331.1	334.5	338.8	341.4
- Credit to enterprises	315.8	316.2	314.6	310.9	313.5	314.5	315.1	315.6	314.2	310.9	314.1	318.1	320.4
- Credit to households	18.4	18.6	18.8	19.0	19.2	19.3	19.6	19.8	20.4	20.2	20.4	20.7	21.0
- Credit in foreign currency	31.8	32.1	33.0	33.8	33.9	34.4	33.0	34.3	35.7	34.8	34.6	34.7	35.8
LIABILITIES													
Liquid liabilities [M2]	409.9	414.0	416.0	423.0	427.1	423.3	424.7	431.4	453.9	446.9	452.5	444.5	446.7
Money [M1]	155.5	157.3	156.1	158.7	160.5	156.6	154.0	160.1	166.1	154.3	161.0	150.1	150.1
Currency outside banks [M0]	44.3	44.9	45.2	45.5	46.8	46.4	46.0	46.8	48.7	51.0	50.7	49.5	50.2
Demand deposits	111.2	112.4	110.9	113.2	113.7	110.2	108.0	113.3	117.4	103.3	110.3	100.6	99.9
- Households	49.6	49.6	49.6	49.3	49.3	47.9	46.0	45.8	46.2	45.7	45.1	44.0	
- Enterprises	60.4	61.7	60.2	62.8	63.1	61.3	61.1	66.6	69.6	56.3	63.5	55.6	
- Insurance companies	1.2	1.1	1.1	1.1	1.3	1.0	0.9	0.9	1.6	1.3	1.7	1.0	
Quasi-money [QM]	254.4	256.7	259.9	264.3	266.6	266.7	270.7	271.3	287.8	292.6	291.5	294.4	296.7
Time and savings deposits	212.4	214.4	214.3	218.1	218.7	219.9	223.7	224.5	240.4	244.7	242.0	245.0	246.1
- Households	150.9	151.3	154.1	155.7	156.7	159.6	164.3	168.3	182.8	185.9	188.8	190.8	
- Enterprises	42.8	43.8	41.6	43.7	43.3	42.5	42.7	39.6	41.4	41.4	35.5	35.7	
- Insurance companies	18.7	19.3	18.6	18.7	18.7	17.8	16.7	16.6	16.2	17.4	17.7	18.5	
Foreign currency deposits	42.0	42.3	45.6	46.2	47.9	46.8	47.0	46.8	47.4	47.9	49.5	49.4	50.6
- Households	37.1	37.5	37.8	38.5	38.8	39.1	39.3	39.6	40.0	39.2	38.9	38.9	
- Enterprises	4.9	4.8	7.8	7.7	9.1	7.7	7.7	7.2	7.4	8.7	10.6	10.5	
Other items net	92.5	86.6	93.8	92.4	95.9	102.8	110.1	107.0	85.3	84.8	87.7	96.1	98.4

*/ Preliminary data

1/ FNM - National Property Fund

Balance of Payments for January to February 1998

	Receipts / Credit (+)		Expenditures / Debit (-)		Balance	
	Sk million	USD million	Sk million	USD million	Sk million	USD million
Goods	52,585.0	1,492.6	63,252.0	1,795.4	-10,667.0	-302.8
Services	11,131.0	316.0	12,288.0	348.8	-1,157.0	-32.8
Transportation	4,289.0	121.7	2,250.0	63.9	2,039.0	57.9
Travel	1,980.0	56.2	1,968.0	55.9	12.0	0.3
Other services total	4,862.0	138.0	8,070.0	229.1	-3,208.0	-91.1
Income	2,514.0	71.4	2,847.0	80.8	-333.0	-9.5
Compensation of employees	102.0	2.9	44.0	1.2	58.0	1.6
Investment income	2,412.0	68.5	2,803.0	79.6	-391.0	-11.1
Current transfers	3,056.0	86.7	2,577.0	73.1	479.0	13.6
CURRENT ACCOUNT	69,286.0	1,966.7	80,964.0	2,298.2	-11,678.0	-331.5
Capital account	55.0	1.6	-14.0	-0.4	41.0	1.2
Financial account	140,558.1	4,028.8	-133,132.8	-3,812.3	7,425.3	216.5
Direct investment	16,274.3	461.9	-16,047.0	-455.5	227.3	6.5
<i>Abroad</i>	224.0	6.4	-1,908.0	-54.2	-1,684.0	-47.8
Equity capital and reinvested earnings	4.0	0.1	-1,616.0	-45.9	-1,612.0	-45.8
Other capital	220.0	6.2	-292.0	-8.3	-72.0	-2.0
<i>In SR</i>	16,050.3	455.6	-14,139.0	-401.3	1,911.3	54.3
Equity capital and reinvested earnings	2,315.3	65.7	0.0	0.0	2,315.3	65.7
Other capital	13,735.0	389.9	-14,139.0	-401.3	-404.0	-11.5
Portfolio investment	-98.4	-2.8	-958.1	-27.2	-1,056.5	-30.0
Assets	-407.4	-11.6	-0.1	-0.0	-407.5	-11.6
Liabilities	309.0	8.8	-958.0	-27.2	-649.0	-18.4
					0.0	0.0
Other investment	124,382.2	3,569.7	-116,127.7	-3,329.6	8,254.5	240.0
<i>Long-term</i>	17,633.1	501.9	-3,077.5	-90.5	14,555.6	411.3
Assets	606.7	18.5	-1.2	0.3	605.5	18.8
Liabilities	17,026.4	483.3	-3,076.3	-90.8	13,950.1	392.5
<i>Short-term</i>	106,749.1	3,067.8	-113,050.2	-3,239.1	-6,301.1	-171.3
Assets	32,481.0	920.7	-58,490.8	-1,664.5	-26,009.8	-743.8
Liabilities	74,268.1	2,147.1	-54,559.4	-1,574.6	19,708.7	572.6
CAPITAL AND FINANCIAL ACCOUNT	140,613.1	4,030.4	-133,146.8	-3,812.7	7,466.3	217.7
ERRORS AND OMISSIONS	-217,521.3	-6,216.1	218,987.3	6,251.0	1,466.0	34.9
OVERALL BALANCE	-7,622.2	-219.0	4,876.5	140.1	-2,745.7	-78.9
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	919.4	26.2	0.0	0.0	919.4	26.2
Foreign exchange	6,702.8	192.8	-4,876.5	-140.1	1,826.3	52.7
<i>Currency and deposit</i>	0.0	0.0	-4,080.3	-117.3	-4,080.3	-117.3
<i>Securities</i>	6,702.8	192.8	-796.2	-22.8	5,906.6	170.0
Bonds and notes	6,702.8	192.8	0.0	0.0	6,702.8	192.8
Money market instruments and financial derivats	0.0	0.0	-796.2	-22.8	-796.2	-22.8
RESERVE ASSETS	7,622.2	219.0	-4,876.5	-140.1	2,745.7	78.9

Used exchange rate of: USD = 35.230 Sk

Foreign Exchange Reserves

(USD million)

End-of-period figures	1997										1998			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
Official reserves of NBS	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	3,142.7	3,348.9	
Reserves of commercial banks	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	3,838.9	3,937.5	
Total	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	6,981.6	7,286.4	

Gross Foreign Debt

(USD billions)

End-of-period figures	1997											1998	
	2	3	4	5	6	7	8	9	10	11	12	1	2
Total gross foreign debt	8.0	8.0	8.4	8.5	9.0	9.4	9.5	9.7	10.3	10.7	9.9 */	10.5	10.5
- official debt of the Government and the NBS	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.8	1.9	1.8	1.8	1.8	1.8
- foreign debt of enterprises	3.7	3.7	3.7	4.0	4.3	4.3	4.4	4.5	4.9	5.1	5.1	5.2	5.3
- foreign debt of commercial banks	2.5	2.6	2.7	2.7	3.0	3.2	3.3	3.3	3.4	3.6	2.9	3.5	3.4
Total gross debt per capita (in USD)	1,502	1,516	1,586	1,601	1,705	1,766	1,789	1,826	1,937	2,023	1,867	1,990	1,982

*/ 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	31.3.1998	30.4.1998 ^{*/}	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	30.4.1997	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	453.5	444.5	446.8	2.3	0.5	-6.7	-1.5	409.9	36.9	9.0
Money [M1]	166.1	150.1	150.1	0.0	0.0	-16.0	-9.6	155.5	-5.4	-3.5
Currency outside banks [M0]	48.7	49.5	50.2	0.7	1.4	1.5	3.1	44.3	5.9	13.3
Demand deposits	117.4	100.6	99.9	-0.7	-0.7	-17.5	-14.9	111.2	-11.3	-10.2
Quasi-money [QM]	287.4	294.4	296.7	2.3	0.8	9.3	3.2	254.4	42.3	16.6
Time deposits	240.4	245.0	246.1	1.1	0.4	5.7	2.4	212.4	33.7	15.9
Foreign currency deposits	47.0	49.4	50.6	1.2	2.4	3.6	7.7	42.0	8.6	20.5
Crown deposits	357.8	345.6	346.0	0.4	0.1	-11.8	-3.3	323.6	22.4	6.9
- Households	229	234.8	237.2	2.4	1.0	8.2	3.6	200.5	36.7	18.3
- Enterprises (incl. insurance)	128.8	110.8	108.7	-2.1	-1.9	-20.1	-15.6	123.1	-14.4	-11.7

*/ 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% ^{1/} 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% ^{2/} 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. 15.25% Apr. 17.80% 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)

	31.3.1998	30.4.1998 ^{1/}	Change
Deposits in Sk and foreign currency	434.2	436.0	1.8
- Deposits in Slovak crowns	383.2	382.6	-0.6
of which			
- Entrepreneurial sector	100.1	96.7	-3.4
- Government sector	37.5	38.5	1.0
- Households	234.8	237.3	2.5
- Other ^{2/}	10.8	10.1	-0.7
- Deposits in foreign currency ^{3/}	52.0	53.4	1.4

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

Development of Loans

(Sk billion)

	31.3.1998	30.4.1998 ^{1/}	Change
Loans in Sk and foreign currency	392.2	381.3	-10.9
- Loans in Slovak crowns	346.2	333.9	-12.3
of which			
- Entrepreneurial sector	315.5	302.9	-12.6
- Government sector	7.4	7.4	0.0
- Households	20.7	21.0	0.3
- Other ^{2/}	2.6	2.6	0.0
- Loans in foreign currency ^{3/}	46.0	47.4	1.4

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		
	3	4	5	6	7	8	9	10	11	12	1	2	3
1. TOTAL VOLUME OF LOANS ^{1/}	13.93	14.17	14.58	14.94	15.37	15.49	15.66	15.75	15.84	16.22	16.66	17.28	16.70
A) Loans by sector													
of which													
a) Enterprise sector	13.86	14.26	14.55	14.91	15.35	15.49	15.60	15.66	15.80	16.16	16.71	17.27	16.71
- Public sector	13.12	13.78	13.95	14.33	14.79	14.89	14.95	14.96	14.99	15.33	15.72	16.31	15.87
- Private sector (incl. cooperatives)	14.59	14.73	15.15	15.48	15.90	16.08	16.24	16.35	16.60	16.98	17.70	18.22	17.55
b) Households	7.38	7.51	7.42	7.46	7.73	7.74	7.69	7.86	7.53	7.37	7.51	7.48	7.50
B) Loans by term													
of which													
- Short-term	15.34	15.69	16.58	17.28	18.23	18.38	18.72	18.92	19.13	19.91	20.77	20.77	20.50
- Medium-term	15.59	15.68	15.66	15.88	15.94	16.00	16.10	16.06	16.35	16.41	16.61	16.47	16.58
- Long-term	11.54	11.39	11.52	11.63	11.77	11.82	11.82	11.90	11.88	11.90	12.26	13.86	12.34
2. NEW LOANS IN TOTAL	16.21	16.53	19.08	19.33	18.59	18.51	19.91	19.84	20.56	20.92	20.75	20.82	20.29
A) Loans by sector													
of which													
a) Enterprise sector	15.02	15.43	17.36	20.36	17.43	16.27	18.70	19.38	19.39	21.25	19.06	19.53	21.24
- Public sector	14.03	14.52	15.77	22.40	15.64	13.11	17.72	19.09	18.65	21.30	15.84	17.45	21.86
- Private sector (incl. cooperatives)	16.00	16.34	18.94	18.31	19.22	19.43	19.67	19.67	20.12	21.19	22.28	21.60	20.61
b) Households	12.77	12.44	12.30	11.71	10.52	10.11	9.96	10.07	10.43	10.18	13.59	9.99	9.99
B) Loans by term													
of which													
- Short-term	16.17	16.78	19.70	20.01	18.98	18.97	20.90	20.76	21.56	21.60	21.56	21.81	20.58
- Medium-term	15.36	15.82	16.12	15.58	16.28	15.39	16.80	15.78	17.60	16.30	17.56	16.88	15.26
- Long-term	17.65	13.44	15.49	15.45	16.14	16.12	15.46	16.46	15.12	15.40	13.04	13.73	15.87

1/ Excluding loans at zero interest rate

Average Interest Rates on Crown Deposits and Volume of Crown Deposits

		1997										1998		
		3	4	5	6	7	8	9	10	11	12	1	2	3
Total deposits	a	352,996	356,816	359,518	357,452	363,532	363,937	361,401	361,865	368,269	388,784	378,097	382,397	375,142
	b	7.52	7.57	7.84	7.75	8.07	8.09	8.65	8.82	8.76	8.69	10.21	9.98	9.99
of which														
Demand deposits	a	122,886	123,202	125,110	124,685	128,557	126,628	124,935	121,642	127,027	140,524	114,600	121,846	113,384
	b	3.04	3.04	3.08	3.19	3.43	3.41	3.48	3.50	3.57	3.50	3.78	3.73	3.70
Time deposits	a	230,110	233,614	234,408	232,767	234,976	237,309	236,466	240,214	241,242	248,260	263,496	260,550	261,758
	b	9.98	9.97	10.28	10.17	10.63	10.63	11.40	11.54	11.48	11.62	13.00	12.90	12.71
- 7-day deposits	a	4,871	6,695	7,703	8,856	11,138	12,339	10,621	11,764	10,106	8,702	15,394	13,893	15,586
	b	18.23	14.74	21.23	14.76	16.91	14.67	20.43	18.54	16.46	17.10	20.48	17.35	15.47
- 1-month deposits	a	21,965	22,248	21,386	21,718	24,081	28,735	32,863	38,779	43,216	49,095	49,923	51,504	53,582
	b	10.71	10.49	11.02	12.27	12.52	12.43	15.45	15.95	15.84	16.25	18.59	18.66	18.00
- 3-month deposits	a	9,655	10,322	11,145	8,808	9,188	9,556	9,338	8,599	10,814	11,166	17,330	17,584	19,258
	b	8.85	10.12	11.11	11.37	11.65	12.61	13.30	13.08	13.37	15.04	18.85	18.74	18.68
- 6-month deposits	a	13,394	14,077	13,527	13,406	11,308	10,416	9,619	9,781	8,977	6,743	13,209	14,117	14,669
	b	9.85	9.61	9.60	9.56	9.84	10.59	10.74	11.27	11.10	11.37	15.59	16.20	16.41
- 9-month deposits	a	2,193	2,374	2,446	2,422	2,137	2,195	1,673	1,194	661	518	533	569	647
	b	10.08	10.27	10.80	10.34	11.48	11.81	12.52	12.85	15.04	16.78	17.76	17.41	18.92
- 12-month deposits	a	74,330	73,343	74,097	73,633	72,932	70,761	70,279	68,674	67,406	64,957	63,275	61,818	59,393
	b	9.96	9.95	10.06	10.11	10.29	10.38	10.49	10.52	10.63	10.51	10.69	10.67	10.73
- 18-month deposits	a	1,657	1,635	1,765	1,788	1,430	1,296	1,324	1,302	1,482	1,341	1,324	1,003	817
	b	10.99	11.06	11.25	11.96	11.45	10.43	10.72	10.69	10.96	11.14	11.72	12.78	12.73
- 2-year deposits	a	51,394	52,374	51,699	51,108	52,131	51,444	50,248	49,531	48,044	50,785	48,170	45,974	44,112
	b	10.74	10.74	10.74	10.70	10.86	10.86	10.84	10.84	10.79	10.77	10.80	10.76	10.80
- 3-year deposits	a	2,020	2,040	2,160	1,624	1,363	1,367	1,418	1,459	1,501	1,447	1,521	1,817	1,700
	b	12.66	12.64	12.68	12.61	12.99	12.95	12.89	12.84	12.12	12.14	12.36	12.87	12.57
- 4-year deposits	a	8,574	8,513	8,537	8,572	8,579	8,586	8,583	8,605	8,600	8,601	8,443	8,406	8,334
	b	13.13	13.13	13.13	13.13	13.13	13.13	13.14	13.13	13.13	13.13	12.90	12.98	12.60
- 5-year deposits	a	13,473	13,282	13,188	13,460	12,871	12,664	12,387	11,956	11,506	11,832	11,246	10,755	10,232
	b	12.59	12.53	12.50	12.50	13.25	13.00	12.99	13.03	12.98	12.92	13.39	13.26	10.42
- above 5 year	a	26,585	26,711	26,754	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426
	b	4.82	4.82	4.81	4.76	4.75	4.75	4.74	4.69	4.69	4.51	4.54	4.49	4.51
- short-term	a	126,408	129,058	130,305	128,844	130,784	134,001	134,393	138,791	141,180	141,182	159,663	159,484	163,136
	b	10.28	10.57	10.89	10.68	11.36	11.41	12.75	12.96	12.90	13.39	15.42	15.24	15.05
- medium-term	a	77,117	77,844	77,349	76,553	76,374	75,357	73,959	72,853	71,132	74,006	70,704	67,956	65,195
	b	11.39	11.36	11.37	11.35	11.50	11.51	11.50	11.50	11.46	11.42	11.51	11.52	11.04
- long-term	a	26,585	26,711	26,754	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426
	b	4.82	4.82	4.81	4.76	4.75	4.75	4.74	4.79	4.69	4.51	4.54	4.49	4.51
- demand and short-term	a	249,293	252,260	255,415	253,529	259,340	260,630	259,328	260,433	268,207	281,705	274,264	281,331	276,520
	b	6.66	6.69	7.05	7.06	7.57	11.02	8.26	8.52	8.48	8.45	10.56	10.26	10.40

a - Volume of deposits (\$K million)

b - Average interest rate (%)

Development of Average Interbank Offered Rates (BRIBOR)

	1997									1998			
	4	5 ^{1/}	6 ^{1/}	7 ^{1/}	8 ^{1/}	9 ^{1/}	10 ^{1/}	11	12	1	2	3	4
Overnight	18.71	26.75	53.91	29.58	23.63	25.18	27.18	17.71	18.55	16.69	17.22	11.12	15.30
1 week	19.96	25.77	42.34	28.06	24.96	26.20	27.48	22.00	21.18	19.99	21.12	15.31	18.69
2 weeks	19.94	25.12	40.76	26.23	23.31	26.09	27.28	23.06	21.71	21.03	21.60	16.67	19.11
1 month	19.92	24.27	33.80	25.46	24.70	26.51	27.00	25.52	24.42	23.07	22.82	18.70	19.93
2 months	19.43	23.83	32.48	25.22	-	26.50	26.59	26.61	25.54	24.57	24.43	20.03	20.78
3 months	19.36	23.78	31.48	24.93	-	25.66	26.17	26.93	26.48	25.80	24.06	21.30	21.58
6 months	19.09	23.61	30.89	24.45	-	-	26.68	27.10	26.92	26.61	26.04	23.11	23.22

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

1/ 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 April 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	4.0	42.6	1	5.4	57.4	1				9.4	2
Transactions among Slovak banks without participation of foreign banks	1,111.1	73.5	492	247.0	16.3	184	153.5	10.2	119	1,511.5	795
Interbank foreign exchange market fixing + transactions between Slovak banks.	1,115.1	73.3	493	252.4	16.6	185	153.5	10.1	119	1,520.9	797
Transactions between Slovak and foreign banks	1,926.1	89.0	630	221.5	10.2	231	16.4	0.8	29	2,163.9	890
Foreign exchange market in the SR - total	3,041.1	82.5	1,123	473.9	12.9	416	169.8	4.6	148	3,684.9	1,687

Average Monthly Exchange Rates of SKK

midpoint rate	1997										1998			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
FRF	5.782	5.793	5.750	5.665	5.601	5.716	5.714	5.786	5.806	5.786	5.807	5.730	5.745	
1,000 ITL	19.660	19.775	19.756	19.631	19.333	19.695	19.574	19.775	19.832	19.690	19.727	19.513	19.500	
100 JPY	26.529	28.005	29.274	29.697	29.563	28.542	27.861	26.883	26.722	27.177	28.092	27.248	26.483	
CAD	23.891	24.106	24.174	24.801	25.097	24.829	24.352	23.757	24.229	24.424	24.593	24.745	24.497	
NLG	17.318	17.369	17.252	16.975	16.764	17.063	17.019	17.190	17.250	17.197	17.271	17.045	17.100	
ATS	2.767	2.776	2.758	2.716	2.683	2.731	2.724	2.753	2.763	2.755	2.767	2.731	2.737	
DEM	19.476	19.534	19.409	19.111	18.881	19.217	19.173	19.376	19.438	19.379	19.467	19.211	19.257	
CHF	22.770	23.235	23.260	23.096	22.975	23.354	23.189	23.845	24.022	23.854	24.123	23.595	23.215	
USD	33.263	33.261	33.463	34.142	34.833	34.429	33.718	33.528	34.528	35.137	35.322	35.041	34.981	
GBP	54.218	54.324	54.989	57.117	55.888	55.067	54.941	56.573	57.401	57.525	57.892	58.166	58.505	
XEU	37.997	38.084	37.917	37.690	37.173	37.708	37.668	38.328	38.471	38.279	38.439	38.096	38.187	
CZK	1.114	1.072	1.035	1.018	1.017	1.024	1.025	1.012	0.994	0.994	1.023	1.031	1.037	

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)

		1997										1998		
		3	4	5	6	7	8	9	10	11	12	1	2	3
Goods and services	a	100.5	100.5	100.1	100.3	100.1	101.0	100.2	100.9	100.7	100.5	101.9	100.7	100.2
	b	107.5	108.1	108.2	108.5	108.6	109.6	109.9	110.8	111.5	112.1	108.4	109.1	109.4
	c	102.1	102.6	102.7	103.0	103.0	104.1	104.3	105.2	105.9	106.4	101.9	102.6	102.8
	d	106.3	106.5	106.1	106.2	106.0	106.5	105.7	105.9	106.2	106.4	107.2	107.5	107.2
of which														
foodstuff goods	a	100.7	100.3	99.2	100.5	99.3	99.9	100.1	101.0	100.7	101.0	101.9	101.2	99.8
	b	107.1	107.4	106.5	107.1	106.3	106.2	106.3	107.3	108.1	109.1	106.6	107.8	107.6
	c	102.7	103.0	102.1	102.6	101.9	101.8	101.9	102.9	103.6	104.6	101.9	103.0	102.9
	d	107.1	107.1	105.9	107.4	106.0	105.4	103.2	103.3	103.8	104.6	104.9	105.7	104.8
non-foodstuff goods	a	100.4	100.3	100.6	100.2	100.3	100.6	100.4	101.0	100.6	100.5	101.5	100.6	100.4
	b	108.1	108.5	109.1	109.3	109.6	110.3	110.7	111.8	112.5	113.0	108.0	108.7	109.1
	c	101.8	102.1	102.8	103.0	103.2	103.9	104.3	105.3	105.9	106.4	101.5	102.1	102.5
	d	106.0	106.1	106.1	105.6	105.7	105.8	105.8	106.3	106.4	106.4	107.0	107.2	107.2
public catering	a	100.5	100.0	100.3	100.2	100.4	100.0	100.2	100.5	100.6	100.3	100.4	101.2	100.7
	b	104.1	104.1	104.4	104.7	105.1	105.0	105.3	105.8	106.4	106.7	103.0	104.3	105.0
	c	100.0	100.0	100.4	100.6	101.0	101.0	101.2	101.7	102.3	102.6	100.4	101.7	102.4
	d	104.7	104.2	104.0	103.5	103.6	103.2	102.8	102.7	102.7	102.6	103.6	104.8	105.0
services	a	100.5	101.1	100.3	100.2	100.6	102.7	100.2	100.6	100.7	100.1	102.4	100.3	100.4
	b	107.6	108.8	109.2	109.4	110.1	113.0	113.2	113.9	114.6	114.8	111.3	111.6	112.1
	c	101.9	103.0	103.4	103.6	104.2	107.0	107.2	107.8	108.5	108.6	102.4	102.7	103.2
	d	105.3	106.3	106.4	106.4	106.8	108.5	108.1	108.2	108.7	108.6	110.3	110.2	110.1

a - Index previous period = 100

b - Index December two years before = 100

d - Index December of previous year = 100

e - Index same period of previous year = 100

Producer Prices of Selected Products and Materials

		1997										1998		
		3	4	5	6	7	8	9	10	11	12	1	2	3
Industrial products	a	99.4	100.6	99.4	100.2	100.6	100.6	100.4	101.6	99.8	100.1	100.8	100.0	100.1
	b	101.2	101.7	101.2	101.3	101.9	102.5	102.9	104.5	104.3	104.4	100.8	100.8	100.9
	c	107.5	108.2	107.5	107.7	108.4	109.0	109.4	111.1	110.9	111.0	111.9	111.9	112.0
	d	104.2	104.8	103.2	103.7	104.4	104.3	104.2	104.8	104.4	104.4	104.1	103.5	104.2
	e	105.5	106.1	105.5	105.7	106.3	106.9	107.3	109.0	108.8	108.9	109.8	109.8	109.9
Building materials	a	99.4	101.6	101.8	100.3	100.4	100.9	100.4	100.4	100.5	100.3	101.6	101.5	100.6
	b	101.6	103.2	105.1	105.4	105.8	106.7	107.1	107.5	108.0	108.3	101.6	103.1	103.7
	c	107.6	109.3	111.3	111.6	112.0	113.0	113.4	113.8	114.4	114.7	116.5	118.3	119.0
	d	104.8	106.2	108.2	108.0	107.7	108.5	108.5	108.2	107.9	108.3	108.7	109.3	110.6
	e	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	111.1	108.6	106.8	106.8	108.6	107.6	105.6	102.0	99.4	98.9	102.9	102.3	100.5
	e	110.9	110.8	109.6	110.7	115.4	118.7	113.1	107.7	107.0	108.0	106.6	109.5	111.5
of which:	a	-	-	-	-	-	-	-	-	-	-	-	-	
Plant products	b	-	-	-	-	-	-	-	-	-	-	-	-	
	c	-	-	-	-	-	-	-	-	-	-	-	-	
	d	117.6	113.3	109.0	110.7	109.7	108.9	107.8	100.7	96.5	92.8	94.5	93.0	89.0
	e	121.0	120.5	120.4	123.7	119.7	123.3	117.8	108.2	108.1	109.4	110.7	111.1	107.7
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-	
	b	-	-	-	-	-	-	-	-	-	-	-	-	
	c	-	-	-	-	-	-	-	-	-	-	-	-	
	d	109.8	108.0	106.5	106.2	107.3	105.6	103.4	103.4	102.6	103.5	104.8	104.9	103.1
	e	108.9	109.5	108.3	109.2	110.7	112.6	108.4	107.2	105.9	107.1	105.8	109.2	112.3

a - Index previous month = 100

b - Index December of previous year = 100

c - Index average of previous year

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			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
Monthly rate of inflation ^{1/}	0.5	0.1	0.3	0.1	1.0	0.2	0.9	0.7	0.5	1.9	0.7	0.2	0.4	
Annual rate of inflation ^{2/}	6.5	6.1	6.2	6.0	6.5	5.7	5.9	6.2	6.4	7.2	7.5	7.2	7.0	
Average annual rate of inflation ^{3/}	6.1	6.1	6.1	6.1	6.2	6.1	6.1	6.1	6.1	7.2	7.4	7.3	7.2	

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

		1997										1998		
		3	4	5	6	7	8	9	10	11	12	1	2	3
Number of vacancies	a	23,038	27,155	28,116	28,543	29,120	28,982	26,765	24,135	20,674	19,318	18,299	19,254	19,261
	b	3,326	4,117	961	427	577	-138	-2,217	-2,630	-3,461	-1,356	-1,019	955	7
Number of unemployed	a	349,658	337,180	320,530	319,923	331,707	332,828	336,858	334,327	328,379	347,753	372,500	375,325	370,883
	b	-6,523	-12,478	-16,650	-607	11,784	1,121	4,030	-2,531	-5,948	19,374	24,747	2,825	-4,442
Number of unemployed per vacancy	a	15	12	11	11	11	11	13	14	16	18	20	19	19
Unemployment rate (in %)	a	13.4	13.0	12.3	12.3	12.8	12.8	13.0	12.9	12.6	12.5	13.4	13.6	13.4

a - In the specified unit

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

State Budget

(Sk millions)

		1997										1998			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
State budget revenue	a	56,081	65,597	78,499	96,144	109,746	125,153	144,874	159,142	180,826	16,397	25,991	43,939	60,841	
	b	32.8	38.3	45.9	56.2	64.1	73.1	84.7	93.0	105.7	9.1	14.5	24.4	33.8	
State budget expenditure	a	60,773	72,774	91,708	114,080	134,015	153,121	176,138	192,632	217,825	12,923	25,753	42,835	61,105	
	b	29.2	35.0	44.1	54.8	64.4	73.6	84.7	92.6	104.7	7.0	13.9	23.2	33.1	
State budget balance	a	-4,692	-7,177	-13,209	-17,936	-24,269	-27,968	-31,264	-33,490	-36,999	3,474	238	1,104	-264	

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

b - Budget performance in %

Industrial Production

(Sk millions)

		1997										1998		
		3	4	5	6	7	8	9	10	11	12	1	2	3
Total industrial production	a	46,290	46,952	46,241	48,529	44,016	43,349	47,711	53,611	52,811	49,050	46,232	47,137	52,694
	b	103.3	101.4	98.5	104.9	90.7	98.5	110.1	112.4	98.5	92.9	94.3	102.0	111.8
	c	102.0	108.6	100.2	107.4	103.5	98.3	99.3	102.4	103.3	105.2	100.8	102.9	110.6
	d	135,398	182,350	228,591	277,120	321,136	364,485	412,196	465,807	518,618	567,668	46,232	93,369	146,063
	e	101.7	103.4	102.7	103.5	103.5	102.9	102.4	102.4	102.5	102.7	100.8	101.9	104.8
	f	43,299	43,835	43,398	45,586	40,991	40,129	44,047	48,879	48,112	44,586	41,666	42,825	47,876
of which in the private sector	a	32,884	33,946	33,690	36,253	32,717	31,843	35,579	40,361	39,634	36,576	34,388	35,120	40,132
	b	105.3	103.2	99.2	107.6	90.2	97.3	111.7	113.4	98.2	92.3	94.0	102.1	114.3
	c	111.5	116.8	107.5	115.6	112.3	104.5	107.8	108.3	111.0	112.9	108.8	109.2	117.6
	d	94,677	128,623	162,313	198,566	231,283	263,126	298,705	339,066	378,700	415,276	34,388	69,508	109,640
	e	110.4	112.1	111.1	111.9	111.9	111.0	110.6	110.3	110.4	110.6	108.8	109.0	112.0
	g	71.0	72.3	72.9	74.7	74.3	73.5	74.6	75.3	75.0	74.6	74.4	74.5	76.2
Labour productivity (Sk / employee)	a	75,750	77,125	76,291	79,414	72,407	71,419	78,371	87,959	86,848	81,307	77,186	80,298	90,016
	b	103.7	101.8	98.9	104.1	91.2	98.6	109.7	112.2	98.7	93.6	94.9	104.0	112.1
	c	103.8	110.2	102.1	108.9	105.9	100.9	101.7	104.8	105.8	108.4	102.9	107.6	115.4

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

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

Construction

(Sk millions)

		1997										1998		
		3	4	5	6	7	8	9	10	11	12	1	2	3
Total construction sector output (including output abroad)	a	4,646	5,633	6,157	6,707	6,870	6,944	6,980	8,031	7,614	6,411	4,709	5,337	5,926
	b	107.3	121.2	109.3	108.9	102.4	101.1	100.5	115.1	94.8	84.2	73.5	113.3	111.0
	c	110.6	112.7	106.9	103.9	111.0	111.8	106.6	111.4	110.2	105.8	113.9	114.1	117.9
	d	12,776	18,409	24,566	31,273	38,143	45,087	52,067	60,098	67,712	74,123	4,709	10,046	15,972
	e	110.9	111.4	110.3	108.8	109.2	109.6	109.2	109.5	109.6	109.2	113.9	114.0	115.4
	f	3,875	4,686	5,101	5,520	5,585	5,609	5,629	6,445	6,077	5,100	3,760	4,075	4,656
of which in the private sector	a	3,819	4,558	4,920	5,344	5,562	5,650	5,771	6,597	6,226	5,514	4,120	4,458	4,850
	b	103.0	119.4	107.9	108.6	104.1	101.6	102.1	114.3	94.4	88.6	74.7	108.2	108.8
	c	108.6	110.1	102.5	100.8	110.2	110.2	107.0	109.2	107.6	106.2	114.8	111.4	117.4
	d	10,824	15,382	20,302	25,646	31,208	36,858	42,629	49,226	55,452	60,966	4,120	8,578	13,428
	e	111.0	110.8	108.7	107.0	107.5	107.9	107.8	108.0	107.9	107.8	114.8	113.0	114.5
	f	82.2	80.9	79.9	79.7	81.0	81.4	82.7	82.1	81.8	86.0	87.5	83.5	81.8
	g													
Construction output in the SR	a	4,296	5,234	5,685	6,172	6,493	6,487	6,543	7,539	7,164	6,062	4,447	5,047	5,604
	b	105.7	121.8	108.6	108.6	105.2	99.9	100.9	115.2	95.0	84.6	73.4	113.5	111.0
	c	115.1	118.7	110.3	107.9	117.0	115.2	110.9	115.6	111.5	107.2	114.0	115.0	120.6
	d	11,943	17,177	22,862	29,034	35,527	42,014	48,557	56,096	63,260	69,322	4,447	9,494	15,098
	e	114.6	115.8	114.4	113.0	113.7	113.9	113.5	113.8	113.5	112.9	114.0	114.6	116.7
	f	3,583	4,355	4,710	5,080	5,279	5,240	5,277	6,051	5,717	4,823	3,560	3,855	4,412
Construction output abroad	a	350	399	472	535	377	457	437	492	450	349	262	290	322
	b	131.1	114.0	118.3	113.3	70.5	121.2	95.6	112.6	91.5	77.6	75.1	110.7	111.0
	c	74.7	67.7	77.9	72.4	59.2	78.8	68.0	71.3	92.6	86.3	111.3	100.5	85.0
	d	833	1,232	1,704	2,239	2,616	3,073	3,510	4,002	4,452	4,801	262	552	874
	e	75.7	72.9	74.2	73.8	71.3	72.3	71.7	71.7	73.3	74.1	111.3	105.4	96.9
	f	292	331	391	440	306	369	352	394	360	277	200	220	244
Labour productivity per employee in Sk (of total construction output)	a	32,275	38,456	41,742	45,080	45,324	45,318	45,140	51,383	49,108	42,465	32,066	36,445	39,954
	b	106.8	119.2	108.5	108.0	100.5	100.0	99.6	113.8	95.6	86.5	75.5	113.7	109.6
	c	111.5	114.3	108.6	105.1	111.3	111.2	105.4	108.9	108.0	102.9	110.7	111.7	114.4

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

g - Share of private sector in production (%)

Foreign Trade

(Sk millions)

		1997										1998		
		3	4	5	6	7	8	9	10	11	12	1	2	3
Imports	a	29,419	35,443	28,193	29,238	28,665	26,060	27,975	30,556	27,097	26,480	29,488	34,143	39,266
	b	85,342	120,785	148,978	178,216	206,881	232,941	260,916	291,472	318,569	345,049	29,488	63,631	102,897
	c	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	6,902	8,645	6,285	7,061	5,612	6,038	6,930	7,562	6,042	5,260	5,532	7,002	7,265
	b	19,900	28,545	34,830	41,891	47,503	53,541	60,471	68,033	74,075	79,335	5,532	12,534	19,799
	d	23.5	24.4	22.3	24.2	19.6	23.2	24.8	24.7	22.3	19.9	18.8	20.5	18.5
Exports	a	24,502	25,402	24,037	26,205	25,745	24,753	26,250	27,009	26,094	20,070	24,242	29,054	32,954
	b	70,009	95,411	119,448	145,653	171,398	196,151	222,401	249,410	275,504	295,574	24,242	53,296	86,250
	c	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	7,193	6,868	6,756	6,968	6,162	6,576	6,765	7,681	6,552	4,735	5,710	6,273	6,785
	b	19,718	26,586	33,342	40,310	46,472	53,048	59,813	67,494	74,046	78,781	5,710	11,983	18,768
	d	29.4	27.0	28.1	26.6	23.9	26.6	25.8	28.4	25.1	23.6	23.6	21.6	20.6
Balance	a	-4,917	-10,041	-4,156	-3,033	-2,920	-1,307	-1,725	-3,547	-1,003	-6,410	-5,246	-5,089	-6,312
	b	-15,333	-25,374	-29,530	-32,563	-35,483	-36,790	-38,515	-42,062	-43,065	-49,475	-5,246	-10,335	-16,647
of which: Czech Republic	a	291	-1,777	471	-93	550	538	-165	119	510	-525	178	-729	-480
	b	-182	-1,959	-1,488	-1,581	-1,031	-493	-658	-539	-29	-554	178	-551	-1,031

Note: Preliminary data

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 (%)