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## 1. Monetary development

Over the course of July, consumer prices fell month-on-month by 0.4%, bringing down the 12-month rate of inflation from 7.4% to 7.0%. Monetary development was characterised by a continued fall in the price of money, supported by an adequate level of liquidity in the banking sector, which was partly sterilised by the NBS. Due to the favourable development of bank liquidity, the average interest rate on 1-month interbank deposits fell from 13.5% in June to 11.7% in July. In general, we may say that the differences between short, medium, and long-term interbank deposit rates diminished to some extent in July. The exchange rate of the Slovak crown (Sk) was stable during the month, at a level exceeding 2% inside the devaluation section of the fluctuation band. By the end of July, the value of the crown had appreciated by 0.36% compared with the beginning of the month.

*Slowdown in price inflation, accompanied by continued fall in the price of money and appreciation in the value of the Slovak crown*

The money supply, monetary aggregates, and net domestic assets developed in accordance with the monetary programme of the NBS for 1998, which has been designed to support the goals of monetary policy in the area of interest-rate stabilisation.

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

In July, the money supply in terms of M2 achieved a month-on-month increase of Sk 9.9 billion (the highest figure in 1998), representing a year-on-year growth of 9.0%. The growth in M2 was due exclusively to net domestic assets, which increased month-on-month by Sk 9.2 billion, while the rate of year-on-year growth reached 10.1%.

*The money supply increased month-on-month due to growth in net domestic assets, ...*

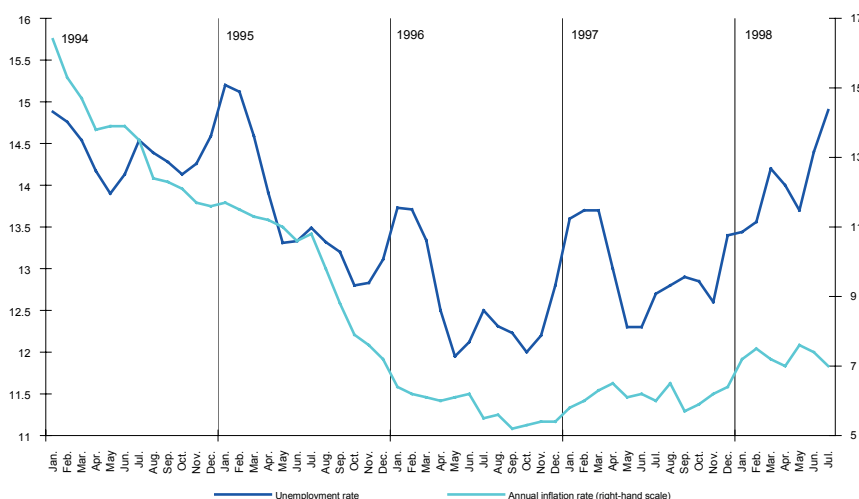
With regard to net domestic assets, the most rapid increase was recorded in net credit to the Government (Sk 10.5 billion month-on-month). The rate of year-on-year growth in net credit to the Government reached 34% in July.

*... generated by net credit to the Government, ...*

At the end of July, the performance of the State budget resulted in a deficit of Sk 8.9 billion, representing a marked deterioration (Sk 5 billion) compared with the previous month. Budget revenue reached Sk 103.6 billion and expenditure totalled Sk 112.5 billion.

*... influenced by a deterioration in State budget performance*

### Unemployment and inflation (%)



At the end of the month, the net position of the Government vis-a-vis the banking sector reached (according to preliminary data) Sk 63.3 billion, representing a month-on-month increase of approximately Sk 10.8 billion. The level of internal debt rose, due primarily to growth in the size of the budget deficit. The balance sheet of the NBS for 1991 was settled during the month. At the same time,

*Internal debt of the Government*

decreases were recorded in other items as well, such as the balances of state funds, insurance funds, and other state deposits.

*Stable development in bank lending*

The acceptable development of the money supply during July, accompanied by dynamic growth in net credit to the Government, was due to the moderate course of bank lending, which increased month-on-month by Sk 0.9 billion. In comparison with the same period of last year, this represented a 4.4% rate of growth against 3.4% in June. Despite this growth (Sk 12.8 billion since the beginning of 1998, compared with Sk 1.5 billion during the first seven months of 1997), bank lending represents a stabilising element within net domestic assets.

*Development of net foreign assets in the banking sector*

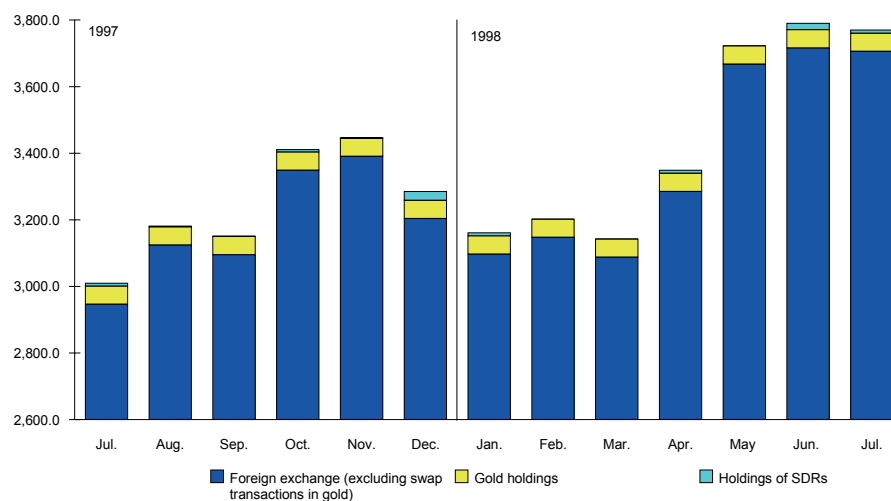
According to preliminary data, the volume of net foreign assets in the banking sector (at fixed exchange rates) increased month-on-month by Sk 0.6 billion, due to faster growth in foreign assets (by Sk 7.1 billion) than in foreign liabilities (by Sk 6.5 billion). The increase in net foreign assets of commercial banks (Sk 2.3 billion) was partly offset by a fall in the net foreign assets of the NBS (Sk 1.7 billion).

In July, the foreign exchange reserves of the NBS (at fixed exchange rates) fell month-on-month by Sk 2.4 billion. The decline was due primarily to the payment of principal and interest on government debt (Sk 1.6 billion) and the negative balance of foreign exchange fixing (Sk 0.7 billion). Foreign liabilities of the Government and the NBS declined by Sk 0.7 billion.

Foreign assets of commercial banks increased month-on-month by Sk 9.5 billion, due mainly to growth in deposits and loans granted to foreign banks (Sk 7.6 billion). Foreign liabilities of commercial banks increased month-on-month by Sk 7.2 billion, due to short-term borrowings from foreign banks (Sk 9.2 billion) and decline in other foreign liabilities.

**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 July, the total foreign exchange reserves of the NBS (at current exchange rates) reached US\$ 3,770 million, representing a month-on-month fall of US\$ 20.1 million. The volume of foreign exchange reserves was 3.1 times greater than the average volume of monthly imports of goods and services to Slovakia during the first six months of 1998.

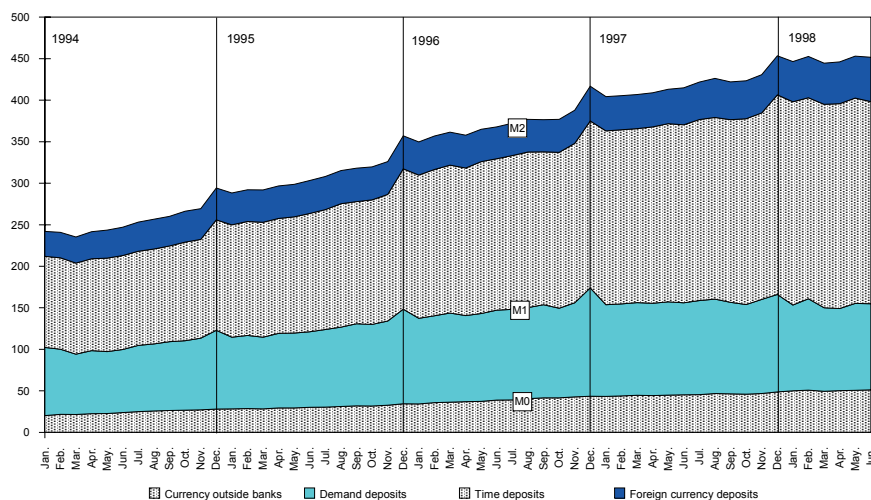
**1.2. Structure of the money supply**

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

In July, the M2 money supply (at fixed exchange rates) increased by Sk 9.9 billion, reaching Sk 460.9 billion at the end of the month. The growth in M2 was due to an increase in both quasi-money (Sk 4.2 billion) and the M1 aggregate (Sk 5.7 billion).

**Development of the M2 monetary aggregate**

(Sk billions)



Compared with the previous month, the rate of year-on-year growth in the money supply accelerated, reaching 9.0% at the end of July. The year-on-year increase in quasi-money (13.8%) continued to exceed the rate of growth in the M1 aggregate (0.9%), which showed negative growth dynamics in June.

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

The volume of currency outside the banking sector increased by Sk 0.4 billion over the course of July. The monthly cycle of currency issue followed a standard course.

In July, demand deposits recorded an increase of Sk 5.3 billion and represented the most dynamic component of the money supply. The development of demand deposits was characterised by a marked increase during the first ten-day period, and a gradual decline during the subsequent twenty days.

*... was reflected in both demand deposits, ...*

Time deposits recorded a month-on-month increase of Sk 3.3 billion, which renewed their upward trend after the June decline. In July, foreign-currency deposits increased month-on-month by Sk 0.9 billion, following a long-term trend of growth.

*... as well as time deposits and foreign-currency deposits*

Regarding the individual components of the money supply, the weight of the M1 aggregate increased somewhat during July, due mainly to an increase in the share of demand deposits. On the other hand, the weight of time deposits and foreign-currency deposits decreased.

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

(%)

	1.1.1998	30.6.1998	31.7.1998	31.7.1997
<b>Money supply [M2]</b>	100.00	100.00	100.00	100.00
<b>Money [M1]</b>	36.63	34.24	34.74	37.52
Currency outside banks [M0]	10.74	11.35	11.20	10.76
Demand deposits	25.89	22.88	23.54	26.76
<b>Quasi-money [QM]</b>	63.37	65.76	65.26	62.48
Time deposits	53.01	54.01	53.57	51.56
Foreign currency deposits	10.36	11.75	11.69	10.92

Slovak-crown deposits, as a component of the money supply, grew in July by Sk 8.6 billion month-on-month, while corporate deposits (including those held by insurance companies) increased by Sk 7.5 billion and household deposits by Sk 1.1 billion. Despite a marked month-on-month increase, the volume of crown deposits (Sk 2.4 billion) remained below the level recorded at the beginning of 1998. Since the beginning of the year, crown deposits have grown by Sk 12.8

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

billion, whilst corporate deposits have declined by Sk 15.2 billion. The rate of year-on-year growth in crown deposits reached 7.3% in July. Household deposits increased year-on-year by 18.0%, while corporate deposits declined by 10.1%.

### 1.3. Bank lending

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

In July, 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 1.2 billion, due to growth in foreign-currency loans (Sk 2.2 billion) and decline in crown loans (Sk 1.0 billion). At the end of July, the volume of bank loans totalled Sk 385.6 billion, of which loans in Slovak crowns accounted for Sk 334.0 billion and foreign-currency loans Sk 51.6 billion. The decline in crown loans was realised in the entrepreneurial sector (Sk 1.2 billion).

Since the beginning of the year, the volume of total bank credit has fallen by Sk 0.1 billion, due to decline in crown loans (Sk 5.1 billion) and growth in foreign-currency loans (Sk 5.0 billion). In the same period of last year, crown loans fell month-on-month by Sk 3.7 billion and loans in foreign-currency grew by Sk 1.2 billion. The volume of total bank credit increased year-on-year by 1.3%; crown loans fell by 1.2%, while loans in foreign currency grew by 21.4%.

### 1.4. Interest rate development in June

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

In June, the average interest rate on the total volume of loans fell month-on-month by 0.15 points, to 16.35%. The level of interest rates on short-term loans fell by 0.47 points, to 20.0%; lending rates for medium and long-term loans remained virtually unchanged.

*The level of interest rates on new loans fell*

The average interest rate on new loans fell by 2.15 points (to 16.44%); the rate on short-term loans by 2.33 points (to 16.64%), and that on long-term loans by 1.62 points (to 14.47%). The average lending rate for medium-term loans rose by 1.57 points, to 15.21%. However, the share of new medium (6.79%) and long-term loans (5.05%) in total crown loans was negligible. The level of interest rates was significantly influenced by a change in the structure of loans by purpose with widely differentiated interest rates. Of the total volume of new loans, 65.9% were granted at fixed interest rates and 34.1% at flexible rates.

With regard to individual types of loans by purpose, average interest rates fell on overdrafts (by 3.35 points, to 20.18%), bills-of-exchange credits (by 1.65 points, to 19.57%), and on operating loans (by 1.21 points, to 16.75%). These loans accounted for 85.9% of total bank credit. A month-on-month increase was recorded in the level of interest rates on consumer loans (by 1.13 points, to 14.93%).

*The average interest rate on total deposits decreased*

Compared with the level in May, the average interest rate on total crown deposits fell by 0.23 points, to 9.92% in June. Decreases were recorded in average interest rates on short-term deposits, mainly on 7-day deposits (by 1.19 points, to 15.01%), 1-month deposits (by 0.89 points, to 16.36%), 3-month deposits (by 0.32 points, to 18.45%), and 18-month deposits (by 0.52 points, to 12.82%). Short-term deposits accounted for 25.7% of total crown deposits.

Interest rates on crown deposits increased in June as a result of a rise in the level of one-year deposit rates (by 0.22 points). The said increase was realised by almost all commercial banks (by 0.06 to 4.07 points).

*The level of real interest rates rose*

As a result of a fall in the average interest rate on the total volume of deposits (0.23 points) and reduction in the average rate for crown deposits (0.15 points), the nominal margin increased from 6.35% in May to 6.43% in June. The level of real interest rates on one-year deposits rose from 3.22% in May to 3.64% in June, due to a fall in the 12-month rate of consumer-price inflation (from 7.6% to 7.4%), while the average rate of interest on one-year deposits increased by 0.22 points, to 11.04%.

## 2. Implementation of monetary policy

In July, monetary policy was again implemented in an environment characterised by an adequate volume of liquid assets in the banking sector.

In July, the level of liquidity in the banking sector was positively influenced by the development of autonomous factors, which grew in average terms by Sk 7.4 billion; this increase was not fully offset by the fall in monetary-policy factors. Of autonomous factors, the most significant influence on bank liquidity was exerted by net credit to the Government.

*Surplus liquidity generated by the development of autonomous factors ...*

The excess liquidity in the banking sector was originated mainly from the State budget in the form of repayments of government securities from previous year, concentrated mostly during the second half of the month, and maturing REPO tenders concluded a month earlier. The NBS increased its sterilisation activity through operations on the open market.

*... of which the position of the Government at the NBS worsened*

In foreign exchange fixing, 9 transactions were concluded in the total amount of US\$ 30.4 million (US\$ 10 million and DM 37.1 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 1.0282 (30 June) to 1.0245 (31 July).

*Foreign exchange fixing at the NBS*

In July, the average volume of monetary-policy factors reached Sk -10.2 billion, which represented a month-on-month fall of Sk 5.6 billion, realised by increased sterilisation through 7-day and, during the second half of the month, 14-day reverse REPO tenders in Central Bank (NBS) bills.

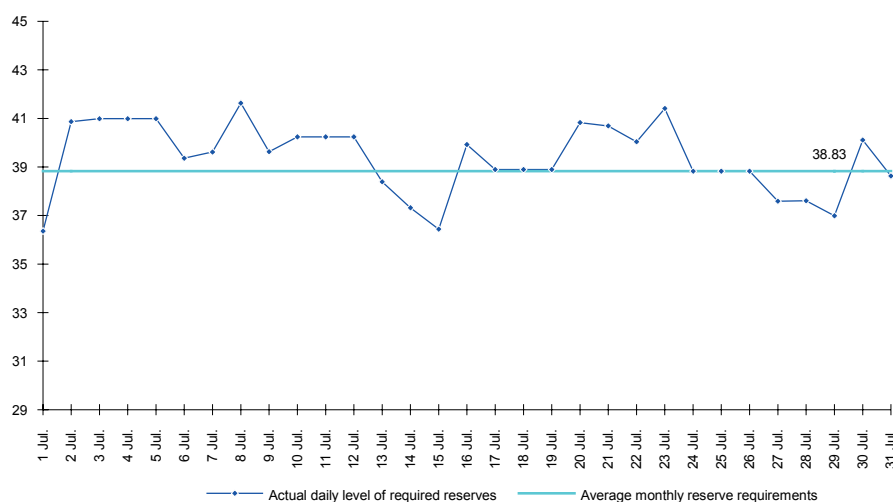
*The sterilisation of free liquidity was reflected in the volume of monetary-policy factors*

The average volume of NBS bills amounted to Sk 21.6 billion, compared with Sk 17 billion recorded a month earlier, and the volume of NBS bills held by the NBS fell from Sk 10.7 billion in June to Sk 9.8 billion in July. The volume of sterilisation through NBS bills reached Sk 11.8 billion, representing a month-on-month increase of Sk 5.5 billion in average terms.

Despite the sterilisation measures of the NBS and the moderately reducing effect of currency on the level of liquidity in the banking sector, the reserves of commercial banks increased by Sk 1 billion month-on-month and the banking sector generated excess reserves in the amount of Sk 0.5 billion.

**Fulfilment of reserve requirements**

**(Sk billions)**



In July, the level of required reserves in the banking sector was set at Sk 38,828 million. By the end of the month, the reserve requirements had been fulfilled to 101.39%. At the end of the first period in July, the reserve requirements had been fulfilled to 101.87%; at the end of the second period, to 100.93%.

### 3. Inflation

Consumer prices fell month-on-month by 0.4%

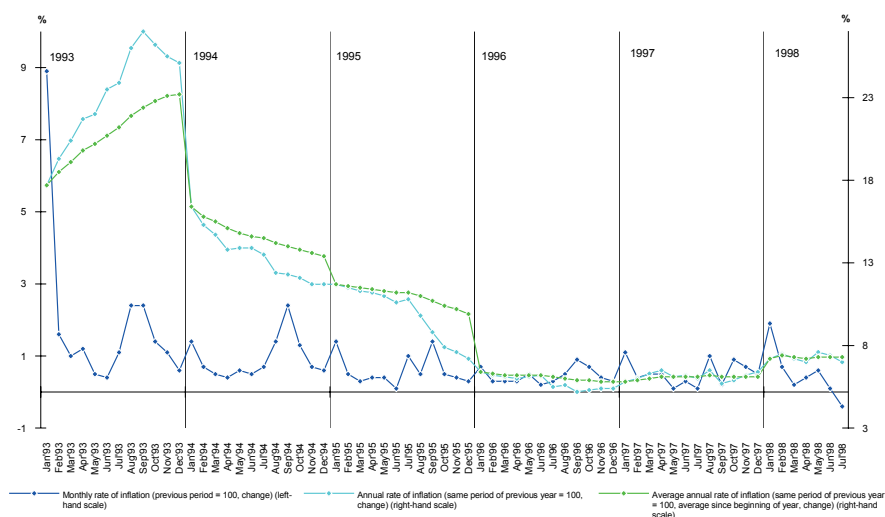
In July, consumer prices recorded a month-on-month fall (0.4%) for the first time since the beginning of economic reform. Due to the favourable price development in June, the 12-month rate of inflation fell from 7.4% in June to 7.0% in July. Since the beginning of the year, the level of consumer prices has risen by 3.6% (compared with 4.0% in June).

The deflation in July was caused by seasonal factors, i.e. fall in the price of vegetables, potatoes, and fruit

The month-on-month fall in the level of consumer prices in July was due mainly to price development in the category of foodstuffs and non-alcoholic beverages, which fell by 1.7%. Food prices fell by 1.9%, while the price of non-alcoholic beverages increased by 0.7%. The reduction in food prices was due mostly to a fall in the price of vegetables including potatoes (22.6%) and fruit (5.9%). The price of oils and fats fell by 0.4%, that of milk and cheese by 0.2%; while the price of bread and grain rose by 1.1% and that of meat by 0.4%.

In the category of non-food products, the course of inflation was positively influenced by a reduction in the price of vehicles, i.e. 1.2% (motor vehicles by 1.3%), and motor oil (2.2%). The most significant increases were recorded the price of recreation and culture (0.7%) and health service (0.6%), due mainly to a rise in the price of pharmaceuticals. In other categories of final household consumption, month-on-month price increases ranged from 0.2% to 0.3%, except for education where prices remained unchanged.

**Inflation** (%)



### 4. Money market

#### 4.1. Primary market for Treasury bills

In July, the Ministry of Finance of the SR put no Treasury bills up for auction in accordance with the issuing schedule for the 3rd quarter of 1998. The deficit of the State budget was financed from funds obtained from the issue and sale of government bonds on foreign markets. During the period under review, four Treasury bills (issued in 1997) were redeemed in the total amount of Sk 16.265 billion.

#### 4.2. Secondary market

The sterilisation measures of the NBS ...

In July, the National Bank of Slovakia intervened in the money market by conducting 25 REPO tenders solely for sterilisation purposes. The average daily volume of sterilisation amounted to Sk 11.20 billion (the maximum daily volume of sterilisation was Sk 18.88 billion).



During the first half of the month, the NBS sterilised the excess of liquidity on the market by conducting 7-day REPO tenders. The accepted interest rates ranged around 9%, while the maximum rate did not exceed 10%. The long-term surplus of liquidity had a downward effect on the level of interest rates. On the last day of the first period of minimum required reserves, the NBS intervened by conducting a 14-day REPO tender, the third in 1998.

... were realised in the form of REPO tenders ...

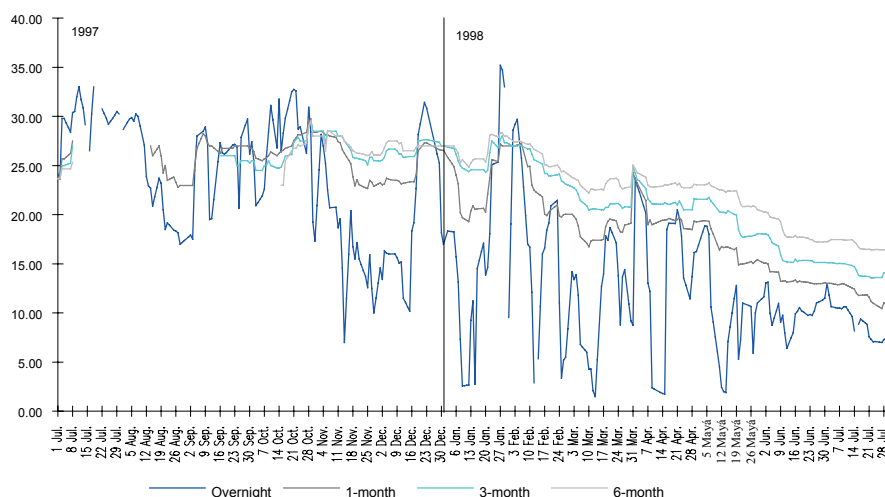
The need for sterilisation over a longer period led to a combination of tenders: 14-day tenders were combined with 7-day tenders, which were used for modifying the volume. The surplus of liquidity was also reflected in the demand for issues of government bonds, made on a daily basis.

... with various periods of maturity

Interest rates on the money market showed a tendency to fall during the whole of July. During the first half of the month, the sharpest fall was recorded in overnight deposit rates (on the last day of the period, they were not listed due to the sufficient level of liquidity and the over-fulfilment of required reserves) and in 1-month deposit rates (from 12.96% to 12.0%, i.e. the level of June 1996). During the second period, the fall in interest levels continued: 3-month rates fell to 13.82% (the level of July 1996) and 6-month rates to 15.94% (the level of November 1996), i.e. both by 130 base points compared with the figures recorded at the beginning of the month.

Downward trend in BRIBOR rates

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



## 5. Capital market

### 5.1. Primary market

In July, five auctions were held in government bonds in accordance with the schedule for the issue of government securities. In the case of three issues, the time of maturity was set at one year; the remaining two had a maturity of two years. The par value was set at Sk 1,000,000 for all the five issues of bonds. The issuer (Ministry of Finance) gradually reduced the coupon yield from 17% p.a. to 16% p.a., then to 15% p.a. The auctions were carried out by means of American-style auction with unlimited issue-amounts.

Government bonds

A common feature of the July issues was a gradual fall in the level of maximum accepted yields to maturity, which fell below 19.00% p.a. (the lowest level since the beginning of 1998) at the last auction in July. Development in July was also marked by a gradual growth in demand for government bonds. Total demand for government bonds reached Sk 31,300 million (representing an increase of 23.96% compared with June); the issuer accepted bids for 39.71% of this amount.

In July, the Ministry of Finance continued to lower the level of maximum accepted yields at government bond auctions. Apart from the relatively low amounts accepted of the total demand, mainly at the first two auctions, the Ministry of Finance started to reduce the level of coupon yields as well. This method was relatively successful since the issuer managed to reduce the maximum accepted yield by 1% p.a. by the end of July, compared with the last auction in the previous month. By maintaining the downward trend in the level of maximum accepted yields to maturity at government bond auctions during July, the Ministry of Finance created a better position for the subsequent financing of its needs through government bond auctions.

Of government bonds issued in paper form (SDL 01) for private individuals (on 20 May) in the amount of Sk 2,000 million, bonds had been sold in the amount of Sk 1,016 million (50.81% of the total) by the end of primary sale (20 July). Most interest was attracted by bonds having a par value of Sk 5,000 and Sk 100,000.

#### *Non-government bonds*

During the period under review, five issues of publicly negotiable non-government bonds were made in the total amount of Sk 145 million, representing a decline of 79.26% compared with the figure for July 1997, when publicly negotiable non-government bonds were issued in the amount of Sk 699 million. Since the beginning of 1998, the volume of publicly negotiable non-government bonds has reached Sk 395 million, representing a fall of 93.84% compared with the same period of 1997, when bonds were issued in the total amount of Sk 6,414 million. Although the volume of bonds issued in 1998 is on the increase, it is not likely to reach the level of last year due to competition (in price, quality, and quantity) with government bonds.

## **5.2. Secondary market**

#### *Bratislava Stock Exchange*

In July, the volume of trading on Bratislava Stock Exchange (BCPB) totalled Sk 17,459 million. A significant increase (203.59%) was recorded in price-setting transactions, which reached Sk 2,391 million. Two quarters of this amount consisted of listed bonds, so it is not yet possible to talk about a revival of trading on the stock market. With effect from July, BCPB raised the transaction fees for direct contracts over Sk 1 million. The effect of this measure on the development of anonymous trading will be apparent at some time in the future.

In July, most trading took place in listed bonds (71%), followed by bonds on the registered securities market (13%), shares on the free market (8%), shares on the market for registered securities (6%), and listed shares (2%). Since the beginning of the year, securities have been traded on the BCPB floor in the amount of Sk 135 billion, of which price-setting anonymous transactions accounted for 3%.

#### *Bonds*

In July, the volume of bond transactions totalled Sk 14,694 million, while anonymous contracts reached Sk 1,952 million, representing a month-on-month increase of 171.72%.

As in the case of shares, direct transactions continued to exceed anonymous contracts in terms of volume. On the BCPB floor, most trading took place in listed bank bonds (namely CSOB 1999 bonds: Sk 1,546 million) in contrast with the previous months, when trading was dominated by government bonds. In direct transactions, the volume of contracts reached Sk 12,742 million and was dominated by government bonds No. 031 and CSOB 1999 bonds.

#### *SDX index*

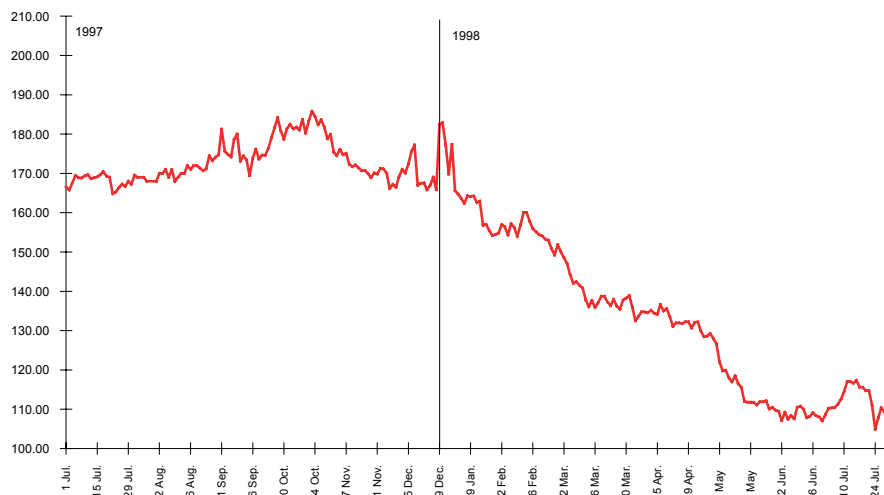
In July, the component of the Slovak Bond Index (SDX) for government bonds recorded no marked fluctuations and closed the month at 114.12 points. The portfolio offered an average yield of 19.5% to maturity. After successful auctions, new issues of government bonds (No. 064 to 067) were incorporated into the base of SDX. The component of SDX for bank and corporate bonds followed an interesting course of development: it closed the month at 112.48 points (after a month-on-month fall of 1.2%); the average yield to maturity stood at 17.7%. On 27 July, this component recorded a sharp fall in value (2.23 points) and a rapid

increase in yields as a result of a fall in the average price of CSOB bonds to 95.05% (the previous average rate was 106.0%).

The total volume of transactions in shares reached Sk 2,765 million, representing an increase of 60.33% compared with the previous month's figure. Direct contracts amounted to Sk 1,656 million, i.e. 95.98% of the total volume of trading. Price-setting anonymous transactions accounted for only 4.02% of the total volume of trading.

**Slovak Share Index - SAX**

(%)



After seven months, the Slovak Share Index (SAX) recorded a positive month-on-month change in July: its value closed the month at 111.26 points, representing an increase of 3.02% compared with the end of June. Before 16 July, when the monthly maximum (117.34 points) was recorded, the index had showed an upward trend with minor fluctuations. However, the following six days brought a change: the price of Slovafarma and VÚB shares fell on 24 July, when SAX hit an all-time low (104.91 points). The end of the month saw a positive change in the value of the index. The near-zero liquidity of all share titles failed to create long-term conditions for the stable course of the index; trading on the stock exchange floor is aimed mostly at maintaining the rates in an artificial manner.

*SAX index*

With regard to the structure of share and bondholders registered at the Securities Centre, the most significant month-on-month change was recorded in the number of bonds held by non-residents (a decrease of 46.25%). As regards securities held by domestic banks, the number of bonds decreased by 6.37% and that of shares increased by 6.425%.

**6. Interbank foreign exchange market**

In July, the foreign exchange market was marked by a moderate decline in trading between domestic commercial banks as well as between Slovak and foreign banks. The total volume of transactions concluded on Slovakia's foreign exchange market fell month-on-month by 7.3%, from US\$ 5,753.5 million to US\$ 5,334.8 million.

*Foreign exchange market in the SR*

In July, trading between Slovak commercial banks declined: the volume of transactions fell by 5.9%, from US\$ 2,474.0 million to US\$ 2,326.9 million. Most trading was again concluded in US\$ (80.2%, compared with 77.3% in June), followed by DM (13.8%, compared with 13.3 % in June) and other European currencies (6%, compared with 9.4% in June). The number of contracts decreased to 1,152 (from 1,177 in June), while the average amount per contract fell from US\$ 2.1 million to US\$ 2.0 million.

*Transactions between Slovak banks*

*Transactions between Slovak and foreign banks*

The volume of trading between Slovak and foreign banks fell by 8.7%, from US\$ 3,263.5 million to US\$ 2,977.6 million, but maintained its dominant position on the country's foreign exchange market (55.8%). Most trading was again concluded in US\$ (89.3%), followed by DM (10.0%), and other European currencies (0.7%). The number of transactions decreased from 984 to 963, with an average amount of US\$ 3.1 million per contract. Trading between Slovak and foreign banks resulted in a positive balance of US\$ 168.0 million, which indicates that the inflow of foreign capital continued (as during the 1st half of 1998) in July.

## **7. Balance of payments for January to May**

*The current account balance deficit continued to grow, ....*

During the first five months 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 from exports resulted in a current account deficit of Sk 31.9 billion, i.e. US\$ 913.7 million.

The low competitiveness of the Slovak economy on foreign markets was associated with the effort to cover the current account deficit from the inflow of short and long-term capital on the capital and financial account. Its volume (Sk 40.5 billion) was large enough to fully cover the negative balance on current account, and it contributed to the increase in foreign exchange reserves at the central bank (Sk 13.6 billion).

The net inflow of foreign exchange on the capital and financial account increased the level of the country's external debt. However, the structure of foreign capital inflow was dominated by long-term capital allocated for the government and corporate sectors.

### **7.1. Current account**

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

The result achieved on the current account was influenced to a significant extent by the trade-balance deficit, which amounted to Sk 32.3 billion. During the first five months of 1998, Slovakia's foreign-trade turnover reached Sk 322.6 billion; of this amount, imports accounted for Sk 177.4 billion and exports Sk 145.2 billion. The structure of exports by commodity (according to the two-digit code of SITC) was dominated by vehicles (14.7%), iron and steel (13.0%), and electrical instruments and appliances (5.7%). Slovak exports were directed mostly to Germany (27.3%), the Czech Republic (21.2%), and Austria (7.5%). The structure of imports by commodity was dominated by vehicles, including handling equipment (11.3%), electrical instruments and appliances (6.7%), crude oil and oil products (5.5%). With regard to structure by country, imports were dominated by Germany (23.4%), the Czech Republic (18.8%), and the Russian Federation (11.9%).

*Balance of services*

The unfavourable balance of services, which had persisted since the beginning of the year in the form of an excess of payments for services received over income from services rendered, resulted in a deficit of Sk 3.1 billion at the end of May, i.e. Sk 3.6 billion more than in the same period a year earlier. Compared with last year's moderate surplus, the negative balance of services was reflected in all aggregate items of the services balance. More than a half (52%) of the increase in the services-balance deficit was generated in the balance of foreign tourism (in other services, the increase in the size of deficit accounted for 40%, compared with 8% in transport).

During the five months under review, the negative balance of tourism reached Sk 686.0 million, representing a deterioration of Sk 1,850.0 million. This development was due mainly to a fall in revenue from active tourism (Sk 1,622.0 million). During the same period, the expenses of Slovak tourists abroad increased by Sk 228.0 million).

*Income balance*

The income balance resulted in a deficit of Sk 1.4 billion, which was comparable with the figure recorded in the same period a year earlier (Sk 1.3 billion). The size of the deficit was determined by the balance of interest on financial credits (Sk -1.1 billion), which was affected substantially by the growing indebtedness of the corporate sector.

Regarding the individual items of the current account, surplus was achieved only in the balance of current transfers (Sk 4.8 billion). Transfers from abroad were realised largely as foreign currency transfers in the form of subsidies, donations, compensations, etc. for private individuals as well as legal entities.

*Current transfers*

## 7.2. Capital and financial account

The capital and financial account of the balance of payments generated a surplus of Sk 40.5 billion, i.e. US\$ 1,184.2 million, while almost 88.7% of the transactions were realised in the form of long-term capital.

*Surplus in the capital and financial account*

In the area of long-term capital, a significant role was played by the government and corporate sectors. At the end of May, the Slovak Government floated, through Nomura International Plc., medium and long-term bonds on foreign markets in the amount of Sk 25.8 billion. 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 18.7 billion, while almost 50% of these funds were allocated for transport and communications. Increases were also recorded in credits granted for the generation and distribution of electricity, gas and water supply, with a 26% share in total borrowing. In industry, the share of loans from abroad reached only 22% of total borrowing and the loans were used mainly for coke production and petroleum refining.

*Inflow of long-term capital into the government and corporate sectors*

In comparison with the previous year, there was a marked inflow of capital in the form of direct foreign investment. The capital interests of foreign investors in Slovakia (above 10%) increased by Sk 7.3 billion, and were realised largely (63%) in industrial production, particularly in metal working and the processing of food and beverages.

*Direct investment*

During the first five months of 1998, the increase in Slovak investments abroad continued. The volume of direct investments abroad increased by Sk 2.0 billion, due primarily to growth in the capital interests of Slovak companies abroad in the wholesale and retail trade sectors.

Within portfolio investments, capital stakes of foreign investors in the SR (up to 10%) decreased by Sk 1.7 billion during the period from January to May.

The short-term financial account, which reflects the movement of short-term capital in the banking, corporate, and government sectors, recorded an outflow of capital in the amount of Sk 2.5 billion.

*Short-term capital*

A factor determining the development of short-term capital in 1998, was the movement of short-term capital within the banking sector. On the side of factors increasing liabilities, a significant role was played by short-term deposits held by non-residents with Slovak banks (Sk 25.9 billion) and the purchase of foreign exchange from foreign banks on the interbank foreign exchange market (Sk 9.3 billion). The increase in liabilities in the banking sector was partly offset by repayments of short-term loans to foreign banks in the amount of Sk 10.6 billion. The growth in bank assets (Sk 17.4 billion) was due primarily to deposits held by Slovak banks abroad (Sk 14.3 billion) and short-term financial credits granted in the amount of Sk 2.8 billion.

Within the short-term financial account, the corporate sector acted as creditor providing commercial loans to its foreign partners in the total amount of Sk 3.5 billion.

The total outflow of funds on the short-term financial account was supported by the repayment of short-term government debt. Of the volume of long-term borrowings (Sk 25.8 billion), the Government repaid a short-term bridging-loan in the amount of Sk 13.0 billion.

## **8. Net foreign debt of Slovakia as at 31 May 1998**

The net external debt of the SR - calculated as the difference between gross foreign debt, i.e. US\$ 11.2 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\$ 9.0 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - export claims and financial credits), reached US\$ 2.2 billion at the end of May 1998.

## **Appendices**





## Monetary survey

(Sk billions)

	1997						1998						
	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.*/
Fixed exchange rate SKK / USD	31.895	31.895	31.895	31.895	31.895	31.895	34.782	34.782	34.782	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	19.398	19.398	19.398	19.398	19.398	19.398	19.398
<b>ASSETS</b>													
Net foreign assets	68.9	72.3	71.0	76.8	74.0	71.4	68.3	72.3	72.6	69.7	71.3	70.4	71.0
Foreign assets	232.1	242.3	239.8	254.0	259.9	234.8	252.5	255.3	252.3	259.6	265.8	269.8	276.9
Foreign liabilities	163.2	170.0	168.8	177.2	185.9	163.4	184.2	183.0	179.7	189.9	194.5	199.4	205.9
Net domestic assets	354.1	354.8	352.3	347.9	357.4	382.5	378.6	380.2	371.9	376.8	382.2	380.6	389.8
Domestic credit	446.5	450.7	455.1	458.0	464.4	467.8	463.5	468.0	468.2	476.4	484.6	483.1	494.5
- Net credit to Government	85.3	87.0	89.2	92.3	96.9	100.5	99.3	99.5	94.9	99.3	107.2	103.9	114.4
- Net credit to FNM <sup>1/</sup>	-2.5	-2.9	-2.3	-2.0	-2.2	-3.0	-1.7	-0.6	-0.2	-0.2	0.4	0.5	0.5
Credit to households and enterprises	363.7	366.6	368.2	367.7	369.7	370.3	365.9	369.1	373.5	377.3	377.0	378.7	379.6
- Credit in SKK	329.9	332.7	333.8	334.7	335.4	334.6	331.1	334.5	338.8	341.5	340.6	342.2	341.1
- Credit to enterprises	310.9	313.5	314.5	315.1	315.6	314.2	310.9	314.1	318.1	320.5	319.0	320.0	318.5
- Credit to households	19.0	19.2	19.3	19.6	19.8	20.4	20.2	20.4	20.7	21.0	21.6	22.2	22.6
- Credit in foreign currency	33.8	33.9	34.4	33.0	34.3	35.7	34.8	34.6	34.7	35.8	36.4	36.5	38.5
<b>LIABILITIES</b>													
Liquid liabilities [M2]	423.0	427.1	423.3	424.7	431.4	453.9	446.9	452.5	444.5	446.5	453.5	451.0	460.9
Money [M1]	158.7	160.5	156.6	154.0	160.1	166.1	154.3	161.0	150.1	149.2	155.4	154.4	160.1
Currency outside banks [M0]	45.5	46.8	46.4	46.0	46.8	48.7	51.0	50.7	49.5	50.2	50.6	51.2	51.6
Demand deposits	113.2	113.7	110.2	108.0	113.3	117.4	103.3	110.3	100.6	99.0	104.8	103.2	108.5
- Households	49.3	49.3	47.9	46.0	45.8	46.2	45.7	45.1	44.0	44.5	44.7	44.6	
- Enterprises	62.8	63.1	61.3	61.1	66.6	69.6	56.3	63.5	55.6	53.9	59.2	57.7	
- Insurance companies	1.1	1.3	1.0	0.9	0.9	1.6	1.3	1.7	1.0	0.6	0.9	0.9	
Quasi-money [QM]	264.3	266.6	266.7	270.7	271.3	287.8	292.6	291.5	294.4	297.3	298.1	296.6	300.8
Time and savings deposits	218.1	218.7	219.9	223.7	224.5	240.4	244.7	242.0	245.0	246.7	247.2	243.6	246.9
- Households	155.7	156.7	159.6	164.3	168.3	182.8	185.9	188.8	190.8	192.9	194.5	196.1	
- Enterprises	43.7	43.3	42.5	42.7	39.6	41.4	41.4	35.5	35.7	36.1	34.9	32.4	
- Insurance companies	18.7	18.7	17.8	16.7	16.6	16.2	17.4	17.7	18.5	17.7	17.8	15.1	
Foreign currency deposits	46.2	47.9	46.8	47.0	46.8	47.4	47.9	49.5	49.4	50.6	50.9	53.0	53.9
- Households	38.5	38.8	39.1	39.3	39.6	40.0	39.2	38.9	38.9	39.2	39.4	39.6	
- Enterprises	7.7	9.1	7.7	7.7	7.2	7.4	8.7	10.6	10.5	11.4	11.5	13.4	
Other items net	92.4	95.9	102.8	110.1	107.0	85.3	84.9	87.8	96.3	99.6	102.4	102.5	104.6

\*/ Preliminary data

1/ FNM - National Property Fund

**Balance of Payments for January to May 1998**

	Receipts / Credit (+)		Expenditures / Debit (-)		Balance	
	Sk million	USD million	Sk million	USD million	Sk million	USD million
<b>Goods</b>	145,168.0	4,153.5	177,450.0	5,077.1	-32,282.0	-923.6
<b>Services</b>	28,641.0	819.5	31,750.0	908.4	-3,109.0	-89.0
Transportation	10,747.0	307.5	6,059.0	173.4	4,688.0	134.1
Travel	4,979.0	142.5	5,665.0	162.1	-686.0	-19.6
Other services total	12,915.0	369.5	20,026.0	573.0	-7,111.0	-203.5
<b>Income</b>	6,583.0	188.3	7,953.0	227.5	-1,370.0	-39.2
Compensation of employees	284.0	8.1	98.0	2.8	186.0	5.3
Investment income	6,299.0	180.2	7,855.0	224.7	-1,556.0	-44.5
<b>Current transfers</b>	8,912.0	255.0	4,085.0	116.9	4,827.0	138.1
<b>CURRENT ACCOUNT</b>	189,304.0	5,416.3	221,238.0	6,329.9	-31,934.0	-913.7
<b>Capital account</b>	689.0	19.7	-125.0	-3.6	564.0	16.1
<b>Financial account</b>	382,298.8	10,924.6	-342,399.6	-9,765.8	39,899.2	1,158.9
Direct investment	78,547.4	2,247.4	-72,869.7	-2,084.9	5,677.7	162.4
<i>Abroad</i>	580.0	16.6	-2,750.7	-78.7	-2,170.7	-62.1
Equity capital and reinvested earnings	163.0	4.7	-2,141.7	-61.3	-1,978.7	-56.6
Other capital	417.0	11.9	-609.0	-17.4	-192.0	-5.5
<i>In SR</i>	77,967.4	2,230.8	-70,119.0	-2,006.2	7,848.4	224.6
Equity capital and reinvested earnings	7,579.4	216.9	-326.0	-9.3	7,253.4	207.5
Other capital	70,388.0	2,013.9	-69,793.0	-1,996.9	595.0	17.0
Portfolio investment	2,433.3	69.6	-3,897.5	-111.5	-1,464.2	-41.9
Assets	1,958.3	56.0	-1,685.5	-48.2	272.8	7.8
Liabilities	475.0	13.6	-2,212.0	-63.3	-1,737.0	-49.7
Other investment	301,318.1	8,607.7	-265,632.4	-7,569.4	35,685.7	1,038.3
<i>Long-term</i>	49,395.3	1,429.2	-11,216.1	-315.4	38,179.2	1,113.9
Assets	774.7	22.0	-168.2	-5.7	606.5	16.3
Liabilities	48,620.6	1,407.3	-11,047.9	-309.7	37,572.7	1,097.6
<i>Short-term</i>	251,922.8	7,178.4	-254,416.3	-7,254.0	-2,493.5	-75.6
Assets	92,951.0	2,659.5	-113,605.4	-3,245.9	-20,654.4	-586.4
Liabilities	158,971.8	4,518.9	-140,810.9	-4,008.1	18,160.9	510.8
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	382,987.8	10,944.4	-342,524.6	-9,769.4	40,463.2	1,175.0
<b>ERRORS AND OMISSIONS</b>	-577,465.1	-16,501.6	582,528.9	3,981.0	5,063.8	139.3
<b>OVERALL BALANCE</b>	-5,173.3	-141.0	18,766.3	541.6	13,593.0	400.6
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	900.2	26.0	0.0	0.0	900.2	26.0
Foreign exchange	4,273.1	115.0	-18,766.3	-541.6	-14,493.2	-426.6
<i>Currency and deposit</i>	0.0	0.0	-18,766.3	-541.6	-18,766.3	-541.6
<i>Securities</i>	4,273.1	115.0	0.0	0.0	4,273.1	115.0
Bonds and notes	2,131.9	56.7	0.0	0.0	2,131.9	56.7
Money market instruments and financial derivats	2,141.2	58.3	0.0	0.0	2,141.2	58.3
<b>RESERVE ASSETS</b>	5,173.3	141.0	-18,766.3	-541.6	-13,593.0	-400.6

Used exchange rate of: USD = 34.951 Sk

**Volume of foreign capital in the SR at 31 March 1998**

	Corporate sector		Banking sector		Total	
	Sk bn	%	Sk bn	%	Sk bn	%
<b>Total volume of foreign capital</b>	45.9	100.0	11.1	100.0	57.0	100.0
<b>Structure of capital by investor</b>						
Germany	10.7	23.4	1.1	10.0	11.8	20.7
Austria	9.0	19.6	3.1	27.9	12.1	21.2
USA	5.5	12.0	1.2	10.8	6.7	11.8
Great Britain	4.7	10.2	-	-	4.7	8.2
France	3.4	7.4	0.5	4.5	3.9	6.8
Czech Republic	3.1	6.8	2.8	25.2	5.9	10.4
Gibraltar	3.0	6.5	-	-	3.0	5.3
The Netherlands	1.8	3.9	2.2	19.8	4.0	7.0
Other countries	4.7	10.2	0.2	1.8	4.9	8.6
<b>Structure of capital by sector</b>						
Extraction of raw materials	0.9	2.0	-	-	0.9	1.6
Industrial production	27.1	59.1	-	-	27.1	47.5
Building and construction	1.3	2.8	-	-	1.3	2.3
Wholesale and retail trade, repairs to motor vehicles	10.2	22.2	-	-	10.2	17.9
Hotels and restaurants	0.7	1.5	-	-	0.7	1.2
Transport, storage and communications	2.2	4.8	-	-	2.2	3.9
Finance and insurance	1.9	4.1	11.1	100.0	13.0	22.8
Real estate, rental and comm. services, research and development	1.4	3.1	-	-	1.4	2.5
Other public, social and pers. services	0.2	0.4	-	-	0.2	0.3

Note: Preliminary data

**Inflow of foreign capital during January to March 1998**

	Corporate sector		Banking sector		Total	
	Sk millions	%	Sk millions	%	Sk millions	%
<b>Inflow of foreign capital in total</b>	4,672	100.0	774	100.0	5,446	100.0
<b>Structure of capital by country</b>						
USA	2,183	46.7	-	-	2,183	40.1
Gibraltar	1,764	37.8	-	-	1,764	32.4
Austria	149	3.2	774	100.0	923	17.0
Holland	121	2.6	-	-	121	2.2
Germany	119	2.5	-	-	119	2.1
Great Britain	102	2.2	-	-	102	1.9
Czech Republic	81	1.7	-	-	81	1.5
Other countries	153	3.3	-	-	153	2.8
<b>Structure of capital by sector</b>						
Industry	4,217	90.3	-	-	4,217	77.4
Trade	385	8.2	-	-	385	7.1
Hotels and restaurants	-15	-0.3	-	-	-15	-0.3
Finance and insurance	15	0.3	774	100.0	789	14.5
Real estate, rental, comm. services	85	1.8	-	-	85	1.6
Other public, social and pers. services	-15	-0.3	-	-	-15	-0.3
<b>Structure of capital by region</b>						
Bratislava, Bratislava region	2,154	46.1	774	100.0	2,928	53.8
Trnava, Trenčín, and Nitra regions	204	4.4	-	-	204	3.7
Banská Bystrica and Žilina regions	20	0.4	-	-	20	0.4
Prešov and Košice regions	2,294	49.1	-	-	2,294	42.1

Note: Preliminary data

**Volume of direct investment abroad at 31 March 1998**

	Sk billions	%
<b>Total volume of direct investment abroad</b>	8.14	100.0
<b>Structure of investment by country</b>		
Czech Republic	5.03	61.8
Ukraine	0.90	11.1
Croatia	0.41	5.0
Russia	0.38	4.7
Austria	0.27	3.3
Germany	0.23	2.8
Bulgaria	0.22	2.7
Other countries	0.70	8.6
<b>Structure of investment by sector</b>		
Industry	3.91	48.0
Generation and distribution of electricity and gas	1.45	17.8
Trade	1.68	20.6
Transport, storage, and communications	0.16	2.0
Finance and insurance	0.48	5.9
Other sectors	0.46	5.7

Note: Preliminary data

**Export of direct investment abroad during January to March 1998**

	Sk millions	%
<b>Export of direct investments in total</b>	1,994	100.0
<b>Structure of investment by country</b>		
Hungary	1,652	82.8
Czech Republic	239	12.0
China	52	2.6
Other countries	51	2.6
<b>Structure of investment by sector</b>		
Industry	56	2.8
Export of electricity, gas, and water	205	10.3
Wholesale and retail trade	1,713	85.9
Other sectors	20	1.0

Note: Preliminary data

**Foreign Exchange Reserves**

(USD millions)

End-of-period figures	1997						1998						
	7	8	9	10	11	12	1	2	3	4	5	6	7
Official reserves of NBS	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	3,722.8	3,789.9	3,770.0
Reserves of commercial banks	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	3,767.6	3,737.0	4,056.1
Total	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	7,490.4	7,526.9	7,826.1

**Gross Foreign Debt**

(USD billions)

End-of-period figures	1997								1998				
	5	6	7	8	9	10	11	12	1	2	3	4	5
Total gross foreign debt	8.5	9.0	9.4	9.5	9.7	10.3	10.7	9.9 */	10.5	10.5	10.4	10.7	11.2
- official debt of the Government and the NBS	1.6	1.6	1.6	1.6	1.8	1.9	1.8	1.8	1.8	1.8	1.7	1.7	2.2
- foreign debt of enterprises	4.0	4.3	4.3	4.4	4.5	4.9	5.1	5.1	5.2	5.3	5.3	5.4	5.6
- foreign debt of commercial banks	2.7	3.0	3.2	3.3	3.3	3.4	3.6	2.9	3.5	3.4	3.4	3.5	3.3
Total gross debt per capita (in USD)	1,601	1,705	1,766	1,789	1,826	1,937	2,023	1,867	1,990	1,982	1,972	2,000	2,082

\*/ 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 billions)

	1.1.1998	30.6.1998	31.7.1998 <sup>*/</sup>	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	31.7.1997	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	453.5	451.0	460.9	9.9	2.2	7.4	1.6	423.0	37.9	9.0
Money [M1]	166.1	154.4	160.1	5.7	3.7	-6.0	-3.6	158.7	1.4	0.9
Currency outside banks [M0]	48.7	51.2	51.6	0.4	0.8	2.9	6.0	45.5	6.1	13.4
Demand deposits	117.4	103.2	108.5	5.3	5.1	-8.9	-7.6	113.2	-4.7	-4.2
Quasi-money [QM]	287.4	296.6	300.8	4.2	1.4	13.4	4.7	264.3	36.5	13.8
Time deposits	240.4	243.6	246.9	3.3	1.4	6.5	2.7	218.1	28.8	13.2
Foreign currency deposits	47.0	53.0	53.9	0.9	1.7	6.9	14.7	46.2	7.7	16.7
Crown deposits	357.8	346.8	355.4	8.6	2.5	-2.4	-0.7	331.3	24.1	7.3
- Households	229	240.7	241.8	1.1	0.5	12.8	5.6	205.0	36.8	18.0
- Enterprises (incl. insurance)	128.8	106.1	113.6	7.5	7.1	-15.2	-11.8	126.3	-12.7	-10.1

\*/ 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 12.44% Jun. 10.37% Jul. 9.05% 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. 15.25% Apr. 17.80% May 14.99% 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 billions)

	30.6.1998	31.7.1998 <sup>1/</sup>	Change
<b>Deposits in Sk and foreign currency</b>	443.4	451.9	8.5
<b>- Deposits in Slovak crowns</b>	387.0	394.6	7.6
of which			
- Entrepreneurial sector	96.3	103.5	7.2
- Government sector	40.1	39.6	-0.5
- Households	240.8	241.9	1.1
- Other <sup>2/</sup>	9.8	9.6	-0.2
<b>- Deposits in foreign currency <sup>3/</sup></b>	56.4	57.3	0.9

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

**Development of Loans**

(Sk billions)

	30.6.1998	31.7.1998 <sup>1/</sup>	Change
<b>Loans in Sk and foreign currency</b>	384.4	385.6	1.2
<b>- Loans in Slovak crowns</b>	335.0	334.0	-1.0
of which			
- Entrepreneurial sector	301.8	300.6	-1.2
- Government sector	7.7	7.7	0.0
- Households	22.2	22.6	0.4
- Other <sup>2/</sup>	3.3	3.1	-0.2
<b>- Loans in foreign currency <sup>3/</sup></b>	49.4	51.6	2.2

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					
	6	7	8	9	10	11	12	1	2	3	4	5	6
1. Total volume of loans <sup>1/</sup>	14.94	15.37	15.49	15.66	15.75	15.84	16.22	16.66	17.28	16.70	16.75	16.50	16.35
A) Loans by sector of which													
a) Enterprise sector	14.91	15.35	15.49	15.60	15.66	15.80	16.16	16.71	17.27	16.71	16.12	16.00	15.95
- Public sector	14.33	14.79	14.89	14.95	14.96	14.99	15.33	15.72	16.31	15.87	14.55	14.38	14.26
- Private sector (incl. cooperatives)	15.48	15.90	16.08	16.24	16.35	16.60	16.98	17.70	18.22	17.55	17.68	17.62	17.63
b) Households	7.46	7.73	7.74	7.69	7.86	7.53	7.37	7.51	7.48	7.50	8.55	8.32	8.12
B) Loans by term of which													
- Short-term	17.28	18.23	18.38	18.72	18.92	19.13	19.91	20.77	20.77	20.50	20.83	20.47	20.00
- Medium-term	15.88	15.94	16.00	16.10	16.06	16.35	16.41	16.61	16.47	16.58	16.64	16.67	16.58
- Long-term	11.63	11.77	11.82	11.82	11.90	11.88	11.90	12.26	13.86	12.34	12.54	12.34	12.36
2. NEW LOANS IN TOTAL	19.33	18.59	18.51	19.91	19.84	20.56	20.92	20.75	20.82	20.29	19.54	18.59	16.44
A) Loans by sector of which													
a) Enterprise sector	20.36	17.43	16.27	18.70	19.38	19.39	21.25	19.06	19.53	21.24	20.90	21.26	20.32
- Public sector	22.40	15.64	13.11	17.72	19.09	18.65	21.30	15.84	17.45	21.86	20.19	23.46	20.08
- Private sector (incl. cooperatives)	18.31	19.22	19.43	19.67	19.67	20.12	21.19	22.28	21.60	20.61	21.60	19.06	20.56
b) Households	11.71	10.52	10.11	9.96	10.07	10.43	10.18	13.59	9.99	9.99	10.70	9.68	12.19
B) Loans by term of which													
- Short-term	20.01	18.98	18.97	20.90	20.76	21.56	21.60	21.56	21.81	20.58	19.86	18.97	16.64
- Medium-term	15.58	16.28	15.39	16.80	15.78	17.60	16.30	17.56	16.88	15.26	16.43	13.64	15.21
- Long-term	15.45	16.14	16.12	15.46	16.46	15.12	15.40	13.04	13.73	15.87	14.73	16.09	14.47

1/ Excluding loans at zero interest rate

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

		1997						1998						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Total deposits	a	357,452	363,532	363,937	361,401	361,865	368,269	388,784	378,097	382,397	375,142	376,340	383,200	376,843
	b	7.75	8.07	8.09	8.65	8.82	8.76	8.69	10.21	9.98	9.99	10.23	10.15	9.92
of which														
Demand deposits	a	124,685	128,557	126,628	124,935	121,642	127,027	140,524	114,600	121,846	113,384	112,544	116,557	116,798
	b	3.19	3.43	3.41	3.48	3.50	3.57	3.50	3.78	3.73	3.70	3.68	3.64	3.69
Time deposits	a	232,767	234,976	237,309	236,466	240,214	241,242	248,260	263,496	260,550	261,758	263,796	266,642	260,045
	b	10.17	10.63	10.63	11.40	11.54	11.48	11.62	13.00	12.90	12.71	13.03	12.98	12.71
- 7-day deposits	a	8,856	11,138	12,339	10,621	11,764	10,106	8,702	15,394	13,893	15,586	15,514	14,200	14,369
	b	14.76	16.91	14.67	20.43	18.54	16.46	17.10	20.48	17.35	15.47	16.97	16.20	15.01
- 1-month deposits	a	21,718	24,081	28,735	32,863	38,779	43,216	49,095	49,923	51,504	53,582	57,423	59,829	55,265
	b	12.27	12.52	12.43	15.45	15.95	15.84	16.25	18.59	18.66	18.00	18.02	17.25	16.36
- 3-month deposits	a	8,808	9,188	9,556	9,338	8,599	10,814	11,166	17,330	17,584	19,258	21,350	24,629	26,448
	b	11.37	11.65	12.61	13.30	13.08	13.37	15.04	18.85	18.74	18.68	18.98	18.77	18.45
- 6-month deposits	a	13,406	11,308	10,416	9,619	9,781	8,977	6,743	13,209	14,117	14,669	14,930	16,031	16,308
	b	9.56	9.84	10.59	10.74	11.27	11.10	11.37	15.59	16.20	16.41	16.46	16.64	16.52
- 9-month deposits	a	2,422	2,137	2,195	1,673	1,194	661	518	533	569	647	1,352	2,049	2,092
	b	10.34	11.48	11.81	12.52	12.85	15.04	16.78	17.76	17.41	18.92	18.41	19.11	18.97
- 12-month deposits	a	73,633	72,932	70,761	70,279	68,674	67,406	64,957	63,275	61,818	59,393	58,804	56,949	55,786
	b	10.11	10.29	10.38	10.49	10.52	10.63	10.51	10.69	10.67	10.73	10.81	10.82	11.04
- 18-month deposits	a	1,788	1,430	1,296	1,324	1,302	1,482	1,341	1,324	1,003	817	784	837	690
	b	11.96	11.45	10.43	10.72	10.69	10.96	11.14	11.72	12.78	12.73	12.73	13.34	12.82
- 2-year deposits	a	51,108	52,131	51,444	50,248	49,531	48,044	50,785	48,170	45,974	44,112	40,314	39,235	38,433
	b	10.70	10.86	10.86	10.84	10.84	10.79	10.77	10.80	10.76	10.80	10.64	10.66	10.66
- 3-year deposits	a	1,624	1,363	1,367	1,418	1,459	1,501	1,447	1,521	1,817	1,700	1,530	1,397	1,362
	b	12.61	12.99	12.95	12.89	12.84	12.12	12.14	12.36	12.87	12.57	12.58	12.66	12.38
- 4-year deposits	a	8,572	8,579	8,586	8,583	8,605	8,600	8,601	8,443	8,406	8,334	8,059	8,007	5,759
	b	13.13	13.13	13.13	13.14	13.13	13.13	13.13	12.90	12.98	12.60	12.58	12.98	12.86
- 5-year deposits	a	13,460	12,871	12,664	12,387	11,956	11,506	11,832	11,246	10,755	10,232	9,689	9,426	9,607
	b	12.50	13.25	13.00	12.99	13.03	12.98	12.92	13.39	13.26	10.42	13.26	13.23	13.17
- above 5 year	a	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047	34,053	33,926
	b	4.76	4.75	4.75	4.74	4.69	4.69	4.51	4.54	4.49	4.51	4.11	4.10	4.07
- short-term	a	128,844	130,784	134,001	134,393	138,791	141,180	141,182	159,663	159,484	163,136	169,373	173,687	170,269
	b	10.68	11.36	11.41	12.75	12.96	12.90	13.39	15.42	15.24	15.05	15.40	15.24	14.88
- medium-term	a	76,553	76,374	75,357	73,959	72,853	71,132	74,006	70,704	67,956	65,195	60,376	58,902	55,851
	b	11.35	11.50	11.51	11.50	11.50	11.46	11.42	11.51	11.52	11.04	11.40	11.47	11.39
- long-term	a	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047	34,053	33,926
	b	4.76	4.75	4.75	4.74	4.79	4.69	4.51	4.54	4.49	4.51	4.11	4.10	4.07
- demand and short-term	a	253,529	259,340	260,630	259,328	260,433	268,207	281,705	274,264	281,331	276,520	281,917	290,244	287,066
	b	7.06	7.57	11.02	8.26	8.52	8.48	8.45	10.56	10.26	10.40	10.73	10.59	10.33

a - Volume of deposits (\$K million)

b - Average interest rate (%)

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

	1997						1998						
	7 <sup>1/</sup>	8 <sup>1/</sup>	9 <sup>1/</sup>	10 <sup>1/</sup>	11	12	1	2	3	4	5	6	7
Overnight	29.58	23.63	25.18	27.18	17.71	18.55	16.69	17.22	11.12	15.30	9.49	10.13	9.18
1 week	28.06	24.96	26.20	27.48	22.00	21.18	19.99	21.12	15.31	18.69	13.16	11.14	10.13
2 weeks	26.23	23.31	26.09	27.28	23.06	21.71	21.03	21.60	16.67	19.11	14.43	11.86	10.76
1 month	25.46	24.70	26.51	27.00	25.52	24.42	23.07	22.82	18.70	19.93	16.52	13.54	11.97
2 months	25.22	-	26.50	26.59	26.61	25.54	24.57	24.43	20.03	20.78	18.66	14.97	13.06
3 months	24.93	-	25.66	26.17	26.93	26.48	25.80	24.06	21.30	21.58	19.54	15.93	14.33
6 months	24.45	-	-	26.68	27.10	26.92	26.61	26.04	23.11	23.22	21.94	18.34	16.86

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 July 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	10.0	32.9	2	20.4	67.1	7				30.4	9
Transactions among Slovak banks without participation of foreign banks	1,866.6	80.2	746	321.2	13.8	243	139.1	6.0	163	2,326.9	1,152
Interbank foreign exchange market fixing + transactions between Slovak banks.	1,876.6	79.6	748	341.6	14.5	250	139.1	5.9	163	2,357.3	1,161
Transactions between Slovak and foreign banks	2,658.0	89.3	661	298.6	10.0	259	21.0	0.7	43	2,977.6	963
Foreign exchange market in the SR - total	4,534.6	85.0	1,409	640.2	12.0	509	160.1	3.0	206	5,334.8	2,124

**Average Monthly Exchange Rates of SKK**

midpoint rate	1997						1998						
	7	8	9	10	11	12	1	2	3	4	5	6	7
FRF	5.665	5.601	5.716	5.714	5.786	5.806	5.786	5.807	5.730	5.745	5.753	5.800	5.795
1,000 ITL	19.631	19.333	19.695	19.574	19.775	19.832	19.690	19.727	19.513	19.500	19.566	19.743	19.705
100 JPY	29.697	29.563	28.542	27.861	26.883	26.722	27.177	28.092	27.248	26.483	25.416	24.821	24.881
CAD	24.801	25.097	24.829	24.352	23.757	24.229	24.424	24.593	24.745	24.497	23.705	23.784	23.561
NLG	16.975	16.764	17.063	17.019	17.190	17.250	17.197	17.271	17.045	17.100	17.126	17.256	17.232
ATS	2.716	2.683	2.731	2.724	2.753	2.763	2.755	2.767	2.731	2.737	2.742	2.765	2.761
DEM	19.111	18.881	19.217	19.173	19.376	19.438	19.379	19.467	19.211	19.257	19.297	19.449	19.427
CHF	23.096	22.975	23.354	23.189	23.845	24.022	23.854	24.123	23.595	23.215	23.163	23.350	23.076
USD	34.142	34.833	34.429	33.718	33.528	34.528	35.137	35.322	35.041	34.981	34.229	34.809	34.940
GBP	57.117	55.888	55.067	54.941	56.573	57.401	57.525	57.892	58.166	58.505	56.145	57.374	57.496
XEU	37.690	37.173	37.708	37.668	38.328	38.471	38.279	38.439	38.096	38.187	38.023	38.424	38.400
CZK	1.018	1.017	1.024	1.025	1.012	0.994	0.994	1.023	1.031	1.037	1.053	1.047	1.094

**Gross Domestic Product**

(Sk billions)

		1996	1997				1998	
		year	1. quarter	2. quarter	3. quarter	4. quarter	year	1. quarter
Gross domestic product in constant 1995 prices	a	550.8	136.0	147.3	152.4	151.1	586.8	144.4
	b	106.6	106.4	106.2	106.6	106.9	106.5	106.2
	c	-	96.2	108.3	103.5	99.1	-	95.6
Gross domestic product in current prices	a	575.7	148.7	162.6	170.2	172.4	653.9	166.2
	b	111.4	113.9	112.7	113.1	114.6	113.6	111.8
	c	-	98.9	109.3	104.7	101.3	-	96.4

Note: Conversion is based on the method of ESA, preliminary data

- 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						(%)
		6	7	8	9	10	11	12	1	2	3	4	5	6
Goods and services	a	100.3	100.1	101.0	100.2	100.9	100.7	100.5	101.9	100.7	100.2	100.4	100.6	100.1
	b	108.5	108.6	109.6	109.9	110.8	111.5	112.1	108.4	109.1	109.4	109.8	110.5	110.6
	c	103.0	103.0	104.1	104.3	105.2	105.9	106.4	101.9	102.6	102.8	103.2	103.8	104.0
	d	106.2	106.0	106.5	105.7	105.9	106.2	106.4	107.2	107.5	107.2	107.0	107.6	107.4
of which														
foodstuff goods	a	100.5	99.3	99.9	100.1	101.0	100.7	101.0	101.9	101.2	99.8	100.6	101.4	100.0
	b	107.1	106.3	106.2	106.3	107.3	108.1	109.1	106.6	107.8	107.6	108.3	109.8	109.7
	c	102.6	101.9	101.8	101.9	102.9	103.6	104.6	101.9	103.0	102.9	103.5	104.9	104.9
	d	107.4	106.0	105.4	103.2	103.3	103.8	104.6	104.9	105.7	104.8	105.2	107.5	106.9
non-foodstuff goods	a	100.2	100.3	100.6	100.4	101.0	100.6	100.5	101.5	100.6	100.4	100.3	100.4	100.1
	b	109.3	109.6	110.3	110.7	111.8	112.5	113.0	108.0	108.7	109.1	109.4	109.8	110.0
	c	103.0	103.2	103.9	104.3	105.3	105.9	106.4	101.5	102.1	102.5	102.8	103.2	103.3
	d	105.6	105.7	105.8	105.8	106.3	106.4	106.4	107.0	107.2	107.2	107.2	106.9	106.8
public catering	a	100.2	100.4	100.0	100.2	100.5	100.6	100.3	100.4	101.2	100.7	100.2	100.4	100.9
	b	104.7	105.1	105.0	105.3	105.8	106.4	106.7	103.0	104.3	105.0	105.2	105.7	106.6
	c	100.6	101.0	101.0	101.2	101.7	102.3	102.6	100.4	101.7	102.4	102.6	103.0	103.9
	d	103.5	103.6	103.2	102.8	102.7	102.7	102.6	103.6	104.8	105.0	105.2	105.2	106.0
services	a	100.2	100.6	102.7	100.2	100.6	100.7	100.1	102.4	100.3	100.4	100.3	100.1	100.1
	b	109.4	110.1	113.0	113.2	113.9	114.6	114.8	111.3	111.6	112.1	112.4	112.5	112.7
	c	103.6	104.2	107.0	107.2	107.8	108.5	108.6	102.4	102.7	103.2	103.5	103.6	103.7
	d	106.4	106.8	108.5	108.1	108.2	108.7	108.6	110.3	110.2	110.1	109.1	108.9	108.8

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						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Industrial products	a	100.2	100.6	100.6	100.4	101.6	99.8	100.1	100.8	100.0	100.1	100.1	100.1	99.9
	b	101.3	101.9	102.5	102.9	104.5	104.3	104.4	100.8	100.8	100.9	101.0	101.1	101.0
	c	107.7	108.4	109.0	109.4	111.1	110.9	111.0	111.9	111.9	112.0	112.1	112.2	112.1
	d	103.7	104.4	104.3	104.2	104.8	104.4	104.4	104.1	103.5	104.2	103.7	104.4	104.1
	e	105.7	106.3	106.9	107.3	109.0	108.8	108.9	109.8	109.8	109.9	110.0	110.1	110.0
Building materials	a	100.3	100.4	100.9	100.4	100.4	100.5	100.3	101.6	101.5	100.6	100.8	100.4	100.2
	b	105.4	105.8	106.7	107.1	107.5	108.0	108.3	101.6	103.1	103.7	104.5	105.0	105.1
	c	111.6	112.0	113.0	113.4	113.8	114.4	114.7	116.5	118.3	119.0	119.9	120.4	120.6
	d	108.0	107.7	108.5	108.5	108.2	107.9	108.3	108.7	109.3	110.6	109.7	108.2	108.1
	e	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	106.8	108.6	107.6	105.6	102.0	99.4	98.9	102.9	102.3	100.5	102.3	103.6	104.4
	e	110.7	115.4	118.7	113.1	107.7	107.0	108.0	106.6	109.5	111.5	113.4	113.5	115.6
of which:	a	-	-	-	-	-	-	-	-	-	-	-	-	
Plant products	b	-	-	-	-	-	-	-	-	-	-	-	-	
	c	-	-	-	-	-	-	-	-	-	-	-	-	
	d	110.7	109.7	108.9	107.8	100.7	96.5	92.8	94.5	93.0	89.0	90.6	91.6	93.0
	e	123.7	119.7	123.3	117.8	108.2	108.1	109.4	110.7	111.1	107.7	109.2	110.3	115.1
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-	
	b	-	-	-	-	-	-	-	-	-	-	-	-	
	c	-	-	-	-	-	-	-	-	-	-	-	-	
	d	106.2	107.3	105.6	103.4	103.4	102.6	103.5	104.8	104.9	103.1	104.0	105.1	105.9
	e	109.2	110.7	112.6	108.4	107.2	105.9	107.1	105.8	109.2	112.3	113.9	113.8	115.6

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						
	7	8	9	10	11	12	1	2	3	4	5	6	7
Monthly rate of inflation <sup>1/</sup>	0.1	1.0	0.2	0.9	0.7	0.5	1.9	0.7	0.2	0.4	0.6	0.1	-0.4
Annual rate of inflation <sup>2/</sup>	6.0	6.5	5.7	5.9	6.2	6.4	7.2	7.5	7.2	7.0	7.6	7.4	7.0
Average annual rate of inflation <sup>3/</sup>	6.1	6.2	6.1	6.1	6.1	6.1	7.2	7.4	7.3	7.2	7.3	7.3	7.3

(%)

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						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Number of vacancies	a	28,543	29,120	28,982	26,765	24,135	20,674	19,318	18,299	19,254	19,261	19,914	20,299	19,723
	b	427	577	-138	-2,217	-2,630	-3,461	-1,356	-1,019	955	7	653	385	-576
Number of unemployed	a	319,923	331,707	332,828	336,858	334,327	328,379	347,753	350,255	353,607	349,024	343,182	336,403	352,271
	b	-607	11,784	1,121	4,030	-2,531	-5,948	19,374	25,541	3,352	-4,583	-5,842	-6,779	15,868
Number of unemployed per vacancy	a	11	11	11	13	14	16	18	20	19	19	18	18	19
Unemployment rate (in %)	a	12.3	12.8	12.8	13.0	12.9	12.6	12.5	13.4	13.6	13.4	13.2	12.9	13.5

a - In the specified unit

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



## State Budget

(Sk millions)

		1997						1998						
		7	8	9	10	11	12	1	2	3	4	5	6	7
State budget revenue	a	96,144	109,746	125,153	144,874	159,142	180,826	16,397	25,991	43,939	60,841	73,202	86,356	103,590
	b	56.2	64.1	73.1	84.7	93.0	105.7	9.1	14.5	24.4	33.8	40.7	48.0	57.6
State budget expenditure	a	114,080	134,015	153,121	176,138	192,632	217,825	12,923	25,753	42,835	61,105	75,608	90,224	112,527
	b	54.8	64.4	73.6	84.7	92.6	104.7	7.0	13.9	23.2	33.1	40.9	48.8	60.9
State budget balance	a	-17,936	-24,269	-27,968	-31,264	-33,490	-36,999	3,474	238	1,104	-264	-2,406	-3,868	-8,937

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

b - Budget performance in %

**Industrial Production**

(Sk millions)

		1997						1998						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Total industrial production	a	48,529	44,016	43,349	47,711	53,611	52,811	49,050	45,980	46,773	52,750	50,256	50,633	51,781
	b	104.9	90.7	98.5	110.1	112.4	98.5	92.9	94.3	101.7	112.8	95.3	100.8	102.3
	c	107.4	103.5	98.3	99.3	102.4	103.3	105.2	100.6	102.4	110.9	104.2	105.8	103.1
	d	277,120	321,136	364,485	412,196	465,807	518,618	567,668	45,980	92,753	145,503	195,759	246,392	298,173
	e	103.5	103.5	102.9	102.4	102.4	102.5	102.7	100.6	101.5	104.7	104.6	104.8	104.5
	f	45,586	40,991	40,129	44,047	48,879	48,112	44,586	41,585	42,593	48,021	45,697	45,932	47,668
of which														
in the private sector														
	a	36,253	32,717	31,843	35,579	40,361	39,634	36,576	33,802	35,148	40,142	38,634	39,114	41,359
	b	107.6	90.2	97.3	111.7	113.4	98.2	92.3	94.0	104.0	114.2	96.2	101.2	105.7
	c	115.6	112.3	104.5	107.8	108.3	111.0	112.9	107.5	109.6	118.0	110.6	112.3	109.9
	d	198,566	231,283	263,126	298,705	339,066	378,700	415,276	33,802	68,950	109,092	147,726	186,840	228,199
	e	111.9	111.9	111.0	110.6	110.3	110.4	110.6	107.5	108.6	111.8	111.5	111.7	111.4
	g	74.7	74.3	73.5	74.6	75.3	75.0	74.6	73.5	75.1	76.1	76.9	77.3	79.9
Labour productivity (Sk / employee)														
	a	79,414	72,407	71,419	78,371	87,959	86,848	81,307	76,113	77,815	87,996	84,303	85,325	87,421
	b	104.1	91.2	98.6	109.7	112.2	98.7	93.6	94.9	102.2	113.1	95.8	101.2	102.5
	c	108.9	105.9	100.9	101.7	104.8	105.8	108.4	101.8	104.5	113.1	106.5	108.1	106.3

- 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						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Total construction sector output (including output abroad)	a	6,707	6,870	6,944	6,980	8,031	7,614	6,411	4,783	5,248	6,039	6,174	6,594	7,200
	b	108.9	102.4	101.1	100.5	115.1	94.8	84.2	73.5	109.7	115.1	102.2	106.8	109.2
	c	103.9	111.0	111.8	106.6	111.4	110.2	105.8	115.2	111.2	120.2	100.6	98.2	98.8
	d	31,273	38,143	45,087	52,067	60,098	67,712	74,123	4,783	10,031	16,070	22,244	28,838	36,038
	e	108.8	109.2	109.6	109.2	109.5	109.6	109.2	115.2	113.1	115.6	111.1	107.9	106.0
	f	5,520	5,585	5,609	5,629	6,445	6,077	5,100	3,760	4,075	4,656	4,717	5,007	5,455
of which in the private sector	a	5,344	5,562	5,650	5,771	6,597	6,226	5,514	3,913	4,262	4,938	5,070	5,349	5,862
	b	108.6	104.1	101.6	102.1	114.3	94.4	88.6	74.7	108.9	115.9	102.7	105.5	109.6
	c	100.8	110.2	110.2	107.0	109.2	107.6	106.2	108.6	105.5	119.5	102.1	99.6	101.0
	d	25,646	31,208	36,858	42,629	49,226	55,452	60,966	3,913	8,175	13,113	18,183	23,532	29,394
	e	107.0	107.5	107.9	107.8	108.0	107.9	107.8	108.6	107.0	111.3	108.6	106.5	105.4
	f	79.7	81.0	81.4	82.7	82.1	81.8	86.0	81.8	81.2	81.8	82.1	81.1	81.4
	g													
Construction output in the SR	a	6,172	6,493	6,487	6,543	7,539	7,164	6,062	4,528	4,965	5,722	5,856	6,218	6,829
	b	108.6	105.2	99.9	100.9	115.2	95.0	84.6	73.4	109.7	115.2	102.3	106.2	109.8
	c	107.9	117.0	115.2	110.9	115.6	111.5	107.2	115.7	112.1	123.1	102.7	100.2	101.8
	d	29,034	35,527	42,014	48,557	56,096	63,260	69,322	4,447	9,412	15,134	20,990	27,208	34,037
	e	113.0	113.7	113.9	113.5	113.8	113.5	112.9	115.7	113.8	117.1	112.8	109.7	108.0
	f	5,080	5,279	5,240	5,277	6,051	5,717	4,823	3,560	3,855	4,412	4,474	4,721	5,173
Construction output abroad	a	535	377	457	437	492	450	349	255	283	317	318	376	371
	b	113.3	70.5	121.2	95.6	112.6	91.5	77.6	75.1	111.0	112.0	100.3	118.2	98.7
	c	72.4	59.2	78.8	68.0	71.3	92.6	86.3	107.9	97.2	83.7	73.2	73.1	63.9
	d	2,239	2,616	3,073	3,510	4,002	4,452	4,801	255	538	855	1,173	1,549	1,920
	e	73.8	71.3	72.3	71.7	71.7	73.3	74.1	107.9	102.0	94.4	87.6	83.6	79.0
	f	440	306	369	352	394	360	277	200	220	244	243	286	282
Labour productivity per employee in Sk (of total construction output)	a	45,080	45,324	45,318	45,140	51,383	49,108	42,465	32,450	35,739	40,589	41,036	43,819	47,694
	b	108.0	100.5	100.0	99.6	113.8	95.6	86.5	75.5	110.1	113.6	101.1	106.8	108.8
	c	105.1	111.3	111.2	105.4	108.9	108.0	102.9	111.6	108.5	116.3	98.0	96.2	97.4

- 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						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Imports	a	29,238	28,665	26,060	27,975	30,556	27,097	26,480	29,456	34,085	39,438	38,733	35,495	40,480
	b	178,216	206,881	232,941	260,916	291,472	318,569	345,049	29,456	63,541	102,979	141,712	177,207	217,687
	c	113.2	111.4	110.2	109.0	107.1	104.5	101.2	-	-	-	-	-	-
of which: Czech Republic	a	7,061	5,612	6,038	6,930	7,562	6,042	5,260	5,534	7,000	7,308	7,387	6,276	7,489
	b	41,891	47,503	53,541	60,471	68,033	74,075	79,335	5,534	12,534	19,842	27,229	33,505	40,994
	d	24.2	19.6	23.2	24.8	24.7	22.3	19.9	18.8	20.5	18.5	19.1	17.4	18.5
Exports	a	26,205	25,745	24,753	26,250	27,009	26,094	20,070	24,249	29,067	33,098	29,900	29,582	33,379
	b	145,653	171,398	196,151	222,401	249,410	275,504	295,574	24,249	53,316	86,414	116,314	145,896	179,275
	c	113.6	113.3	113.7	112.6	112.0	110.4	109.2	-	-	-	-	-	-
of which: Czech Republic	a	6,968	6,162	6,576	6,765	7,681	6,552	4,735	5,711	6,273	6,812	5,981	6,118	6,720
	b	40,310	46,472	53,048	59,813	67,494	74,046	78,781	5,711	11,984	18,796	24,777	30,895	37,615
	d	26.6	23.9	26.6	25.8	28.4	25.1	23.6	23.6	21.6	20.6	20.0	20.7	20.1
Balance	a	-3,033	-2,920	-1,307	-1,725	-3,547	-1,003	-6,410	-5,207	-5,017	-6,340	-8,833	-5,913	-7,101
	b	-32,563	-35,483	-36,790	-38,515	-42,062	-43,065	-49,475	-5,207	-10,224	-16,564	-25,397	-31,310	-38,412
of which: Czech Republic	a	-93	550	538	-165	119	510	-525	176	-728	-496	-1,406	-158	-769
	b	-1,581	-1,031	-493	-658	-539	-29	-554	176	-552	-1,048	-2,454	-2,612	-3,380

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 (%)