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1. Monetary development

Monetary development in October was affected by cancellation of the fixed exchange rate regime, which resulted in a fall in value of the Slovak crown (SK), due to uncertainty about the future of the crown's exchange rate and devaluation fears. At the beginning of the month, the value of the crown fell to a level of 18% below central parity. The outflow of foreign exchange through NBS foreign exchange fixing during the previous month and at the beginning of October, was reflected in the level and volatility of interest rates on crown deposits in the interbank market. One-day deposits were listed with 100% interest rates and interest margins were, at the beginning of the period, set at up to 50%, by which banks protected themselves from the outflow of crown resources.

The situation on the foreign exchange market was marked by uncertainty due to the adoption of floating rates

Since the long foreign exchange positions of entrepreneurs were shortened with the aim of profiting from the exchange rate differential after currency depreciation on account of the need for Slovak currency for the payment of wages, the exchange rate of the crown gradually strengthened, almost up to the upper limit of the former fluctuation band.

The Board of the NBS decided to intervene in the area of foreign exchange with the aim of reducing the volatility of exchange rates. The Board of the NBS determined that the exchange rate of the Slovak crown should be pegged to the German mark. Thus the German mark has become a reference currency in relation to which the crown's exchange rate fluctuations will be monitored.

In October, the rate of consumer-price inflation increased month-on-month by 1.1% and reached 6.2% on a year-on-year basis.

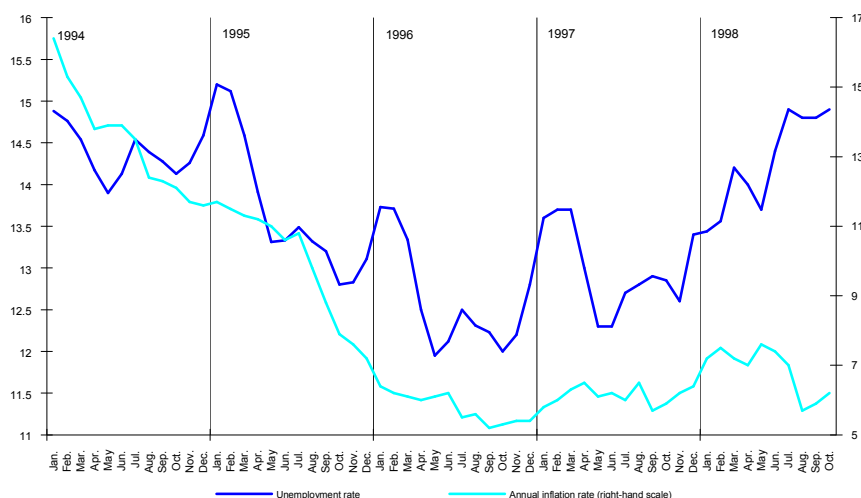
Currency depreciation was not fully reflected in the course of inflation

1.1. Factors affecting the development of the money supply

At the end of October, the money supply in terms of M2 (at fixed exchange rates) reached Sk 449.2 billion, representing an increase in the rate of year-on-year growth from 5.5% in September to 5.8% in October. The month-on-month increase in the money supply (Sk 2.5 billion), when compared with September's decline (Sk 13.9 billion), indicates that fears of currency devaluation receded in October. This is associated with the stabilisation of net foreign assets, which fell month-on-month by Sk 0.3 billion in October.

Compared with September, the rate of year-on-year growth in M2 accelerated somewhat, ...

Unemployment and inflation (%)



The volume of net foreign assets (at fixed exchange rates) fell in October, due to a faster rate of growth in foreign liabilities (by Sk 10.4 billion) than in foreign assets (by

... which was, under conditions of stabilised development in net foreign assets, ...

Sk 10.1 billion). The decline in net foreign assets of the NBS (Sk 5.7 billion) was offset by an increase in net foreign assets of commercial banks (Sk 5.4 billion).

In October, the foreign exchange reserves of the NBS (at fixed exchange rates) fell month-on-month by Sk 5.9 billion, due mainly to the negative balance of foreign exchange fixing at the end of September and on 1 October (Sk 7.6 billion). Foreign liabilities of the Government and the NBS decreased by Sk 0.2 billion.

Foreign assets of commercial banks increased month-on-month by Sk 16.0 billion, due mainly to growth in foreign securities in the portfolios of banks and in short-term deposits with foreign banks. Foreign liabilities of commercial banks increased month-on-month by Sk 10.6 billion, due to growth in short-term deposits received from foreign banks.

... due primarily to growth in net credit to the Government

The increase in the money supply was due to the development of net domestic assets, whose rate of year-on-year growth accelerated from 13.2% in September to 15.4% in October. The development of net domestic assets as a domestic source of M2 was due exclusively to net credit to the Government, which increased month-on-month by Sk 6.5 billion, while loans to households and enterprises recorded a moderate decline.

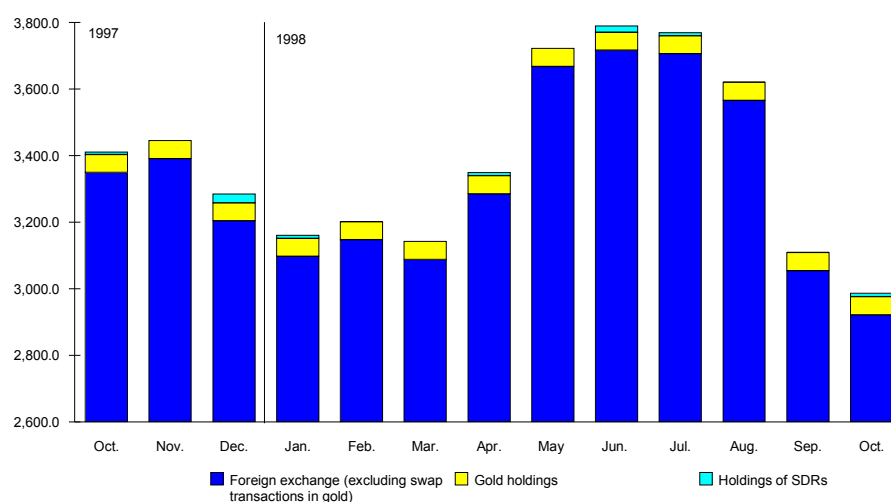
The growing deficit in the State budget ...

At the end of October, the performance of the State budget resulted in a deficit of Sk 9.0 billion, representing a deterioration of Sk 0.6 billion in comparison with the previous month. Budget revenue reached Sk 145.8 billion and expenditure totalled Sk 154.8 billion.

... was one of the factors increasing the internal debt of the Government

At the end of the month, the net position of the Government vis-a-vis the banking sector reached (according to preliminary data) Sk 71.0 billion, representing a month-on-month increase of approximately Sk 6.6 billion. The rise in the level of internal debt was affected by 1998 issues of government bonds, where the total bids accepted during the month under review exceeded repayments of principal on government bonds issued in previous years (by Sk 3.5 billion). The growing deficit in the State budget increases demands for its financing with a negative impact on the level of government debt. Other factors that contributed to the rise in the level of internal debt were items improving the overall state of indebtedness, which, however, recorded a fall of approximately Sk 1.9 billion in October.

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



Value of gold = 42.22 US\$/oz

With regard to the rate of year-on-year growth in net credit to the Government (35.0% in October, compared with 32.4% in September), the development of the public sector may be deemed expansive. However, the increase in net credit to the Government depended to some extent on the method used for its calculation, which excludes the

portfolios of government securities held by non-residents and non-bank entities. Within the present structure of net credit to the Government, the performance of the State budget deteriorated due to repayments on government bonds, which a reduction in liabilities of the public sector on account of bond repayments, was expected to act as compensation. With regard to the fact that these government bonds were held mostly by non-residents and non-bank entities, the aforementioned compensation could not take place, since net credit to the Government includes only government securities in the portfolios of commercial banks. If government securities in the portfolios of non-resident and non-bank entities were to be included in net credit to the Government, the position would deteriorate by approximately Sk 1.4 billion. According to the new method, the rate of year-on-year growth in net credit to the Government should reach 40.4% in October, compared with 45.5% in September.

In October, bank lending to households and enterprises recorded a moderate decline, with a rate of year-on-year growth reaching 4.7%. The development of bank lending was in line with the monetary programme set for 1998.

Moderate decline in bank lending

At the end of October, the total foreign exchange reserves of the NBS (at current exchange rates) reached US\$ 2,986.7 million, representing a month-on-month decline of US\$ 123.6 million. The volume of foreign exchange reserves was 2.4 times greater than the average volume of monthly imports of goods and services to Slovakia during the first eight months of 1998.

Foreign exchange reserves of the NBS

1.2. Structure of the money supply

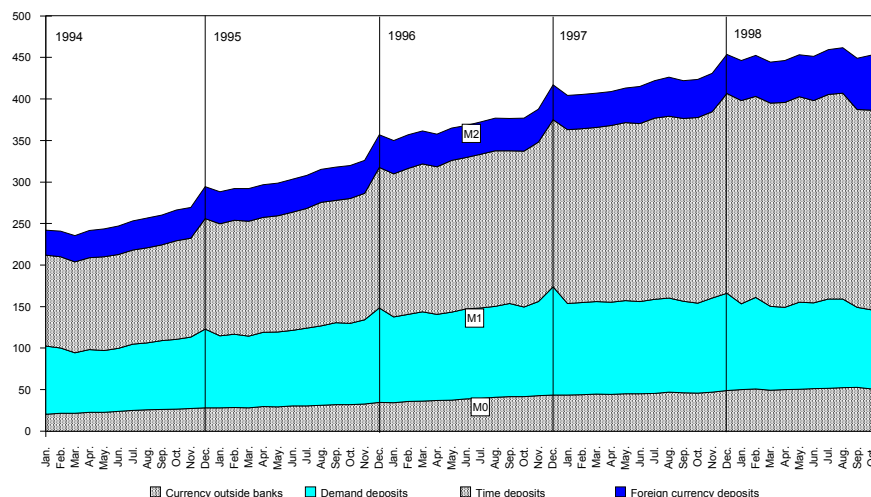
After a marked decline in September, the M2 money supply (at fixed exchange rates) increased in October by Sk 2.5 billion, reaching Sk 449.2 billion at the end of the month. The increase in M2 was due to growth in quasi-money (Sk 5.5 billion), while the M1 aggregate fell by Sk 3.0 billion.

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

The rate of year-on-year increase in the money supply reached 5.8%, representing a moderate acceleration in comparison with the rate of growth recorded a month earlier. The increase in M2 was due exclusively to growth in quasi-money, representing a year-on-year increase of 12.0%. On the other hand, the M1 aggregate continued to show a negative rate of growth, i.e. -5.2% on a year-on-year basis.

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

Development of the M2 monetary aggregate (Sk billions)



In October, the volume of currency outside the banking sector fell by Sk 1.9 billion, due to fears of currency depreciation after the cancellation of the fixed exchange rate regime and to the effects of this development on the level of inflation. The marked fall in the volume of currency can be attributed to the conversion of crown deposits into foreign currency deposits and to increased purchases of goods in the retail sector.

Fall in the volume of currency outside banks, ...

... accompanied by continued decline in demand deposits

After the sharp fall in September, demand deposits recorded another decline (Sk 1.1 billion) in October. The development of demand deposits was marked by a moderate increase during the first ten-day period, followed by decreases during the last two periods.

Renewal of the upward trend in time deposits

The upward trend in time deposits, which was interrupted by the September developments in the area of foreign exchange, resumed in October. Time deposits increased month-on-month by Sk 2.2 billion, due probably to the high level of interest rates on short-term deposits.

Foreign-currency deposits continued to grow

Foreign-currency deposits increased by Sk 3.3 billion, in connection with the cancellation of the fixed exchange rate regime and fears of currency depreciation, especially at the beginning of October. The increase in foreign-currency deposits took place during the first ten days of October. The stabilisation (or moderate appreciation) of the crown's exchange rate during the following period, stabilised the volume of foreign-currency deposits.

With regard to the individual components of the money supply, the weight of the M1 aggregate continued to decrease in October, due to the development of demand deposits and currency in circulation outside the banking sector. The weight of quasi-money increased, due to growth in both time deposits and foreign-currency deposits.

Structure of the money supply (M2)

(%)

	1.1.1998	30.9.1998	31.10.1998	31.10.1997
Money supply [M2]	100.00	100.00	100.00	100.00
Money [M1]	36.63	33.36	32.50	36.26
Currency outside banks [M0]	10.74	11.82	11.33	10.83
Demand deposits	25.89	21.54	21.17	25.43
Quasi-money [QM]	63.37	66.64	67.50	63.74
Time deposits	53.01	53.37	53.56	52.67
Foreign currency deposits	10.36	13.28	13.94	11.07

Moderate growth in crown deposits

Slovak-crown deposits, as a component of the money supply, increased by Sk 1.1 billion in October, due to growth in household deposits (Sk 0.9 billion) and corporate deposits (Sk 0.2 billion). Since the beginning of the year, the volume of crown deposits has fallen by Sk 22.1 billion, corporate deposits have declined by Sk 29.7 billion, and household deposits have grown by Sk 7.6 billion. The rate of year-on-year growth in crown deposits remained low (after the sharp fall in September), at 1.2% in October. Household deposits increased year-on-year by 12.5%, whilst corporate deposits recorded a year-on-year decline of 18.4%.

1.3. Bank lending

Decline in crown loans and growth in foreign-currency loans

In October, 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 0.7 billion, due to growth in foreign-currency loans (Sk 1.6 billion) and decline in crown loans (Sk 0.9 billion). At the end of the month, the volume of bank loans totalled Sk 394.3 billion, of which loans in Slovak crowns accounted for Sk 338.7 billion and foreign-currency loans Sk 55.6 billion.

The decline in crown loans took place in the entrepreneurial sector (Sk 1.5 billion), while loans in the household sector recorded an increase (Sk 0.8 billion). Crown loans in the government sector remained unchanged in October. Since the beginning of the year, the volume of total bank credit has increased by Sk 8.6 billion, due to growth in foreign-currency loans (Sk 9.0 billion) and decline in crown loans (Sk 0.4 billion).

In the same period of last year, crown loans had increased month-on-month by Sk 0.9 billion and loans in foreign-currency had fallen by Sk 1.6 billion. The volume of total bank credit increased year-on-year by 2.4%; crown loans fell by 1.3%, while loans in foreign currency increased by 26.1%.

1.4. Interest rate development in September

In September, the average interest rate on the total volume of loans rose month-on-month by 0.74 points, to 17.07%. Lending rates for short-term loans increased by 2.25 points, to 21.86%; but those for medium-term loans fell by 0.78 points, to 16.30%. The level of interest rates on long-term loans remained virtually unchanged (12.41%).

The average interest rate on the total volume of loans rose

The average interest rate on new loans increased by 7.04 points (to 24.36%), and that on short-term loans by 7.62 points (to 25.06%). The average lending rate for medium-term loans fell by 2.49 points (to 13.55%), and that for long-term loans by 0.41 points (to 14.46%). However, the share of new medium (4.66%) and long-term loans (1.59%) in total crown loans was negligible. Interest rate levels were significantly affected by an increase in interbank deposit rates.

The level of interest rates on new loans rose significantly

Of the total volume of new loans, 25% were granted at fixed interest rates and 75% at flexible rates.

With regard to the type of loans by purpose, average interest rates rose on operating loans by 8.55 points, to 23.23%; standard loans by 8.67 points, to 28.01%; and on overdrafts by 10.37 points, to 30.96%. These loans accounted for 78% of the total volume of new loans, and were mainly loans with a maturity of up to 3 months.

Due to developments in the area of foreign exchange, shortage of crown liquidity, and the consequent rise in interest rates on the interbank market, the average interest rate on total crown deposits increased month-on-month by 0.76 points, to 10.29% in September. Increases were recorded in average interest rates on short-term deposits, especially on 7-day deposits (by 9.96 points, to 21.88%); 1-month deposits (by 1.63 points, to 17.3%); and on 9-month deposits (by 0.18 points, to 18.33%). Short-term deposits accounted for 12.75% of total crown deposits. By raising the level of interest rates on crown deposits, commercial banks reacted to the marked fall in the volume of short-term crown deposits and to increased purchases of foreign exchange.

The average interest rate on total deposits increased

As a result of a rise in the average rate of interest on the total volume of deposits (0.74 points) and in the average rate for crown deposits (0.76 points), the interest margin decreased slightly, from 6.80% in August to 6.78% in September. The level of real interest rates on one-year deposits fell from 5.43% in August to 5.20% in September, due to an increase in the 12-month rate of consumer-price inflation (from 5.7% to 5.9%), while the average rate of interest on one-year deposits fell slightly (by 0.03 points, to 11.10%).

The level of real interest rates on one-year deposits fell

2. Implementation of monetary policy

During the first half of October, the situation on the interbank market was affected by the uncertainty of financial institutions about the further development of the crown's exchange rate and the position of the NBS with regard to the replenishment of crown resources in the banking sector. The shortage of liquidity on the interbank money market was reflected in the rise and volatility of interest rates and trade margins. Trading was conducted only in the shortest maturities. The gradual prolongation of refinancing from one-day to two-week operations stabilised the price of money.

The implementation of monetary policy was affected by a shortage of liquidity in the banking sector

On 1 October 1998, the fluctuation band and the currency basket (40% US\$ and 60% DM), to which the exchange rate of the Slovak crown (Sk) had been pegged, were cancelled. Since 2 October, the exchange rate of the crown has been set on the basis of supply and demand on the interbank foreign exchange market. In foreign exchange fixing, 46 transactions were concluded (conducted at the end of September and settled in October) in the amount of US\$ 211.6 million (US\$ 129.5 million and DM 137.1 million), which all represented sales of foreign exchange by the NBS. The transactions were motivated first and foremost by fears of currency devaluation fuelled by the financial crisis in Russia and the reduced interest of foreign investors in emerging markets. All transactions were conducted at the level

Value of the Sk after the cancellation of the fixed exchange rate regime

of IDX 1.0595, though listings on the interbank market took place at the level of 1.0660, so the NBS indirectly intervened in favour of the SKK. The day following the cancellation of the fluctuation band, the value of the Slovak crown depreciated by 6.6% in relation to the German mark. The exchange rate of the crown against the German mark hit a low (23.093) on 6 October. During the following days, the SKK/DEM rate increased to 21.171 (30 October), representing an appreciation of 1.6% compared with 1 October.

Increase in central bank refinancing

Despite adequate central bank refinancing, interest rate levels were high on the market, due to the uneven spread of liquidity over the sector. For the first time since June 1997, banks failed to fulfil the reserve requirements set for the first period, and entered the second period with a shortage. In October, the total volume of refinancing reached Sk 13.8 billion, representing a month-on-month increase of Sk 16 billion. Despite increased supplies of liquidity, the reserves of the banking sector showed an average shortage of Sk 0.4 billion in October. The volume of currency in circulation recorded an atypical average month-on-month fall of Sk 0.37 billion, which had no marked effect on the level of liquidity in October.

Fulfilment of reserve requirements				(Sk billions)
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In October, the level of required reserves in the banking sector was set at Sk 39,085 million. By the end of the month, the reserve requirements had been fulfilled to 98.90%. At the end of the first period in October, the reserve requirements had been fulfilled to 96.59% with average excess reserves at the level of Sk 1,333 million. At the end of the second period, the reserve requirements had been fulfilled to 101.07% with average excess reserves amounting to Sk 419 million;

3. Inflation

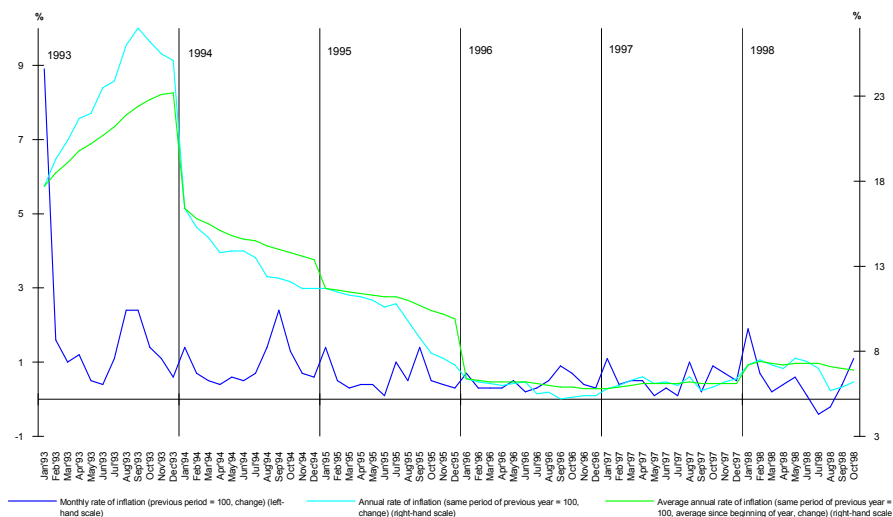
Consumer prices rose month-on-month by 1.1%

In October, consumer prices increased month-on-month by 1.1%. Since the beginning of the year, the price level has risen by 5.0%. The 12-month rate of consumer-price inflation showed a moderate increase, from 5.9% in September to 6.2% in October.

Reserve requirements

The October rise in price levels, the second highest month-on-month increase in 1998 (after the January increase of 1.9%), was due to several factors. A substantial influence on price development was exerted by the currency depreciation after the cancellation of the fixed exchange rate regime. A direct consequence of depreciation in the nominal exchange rate of the crown, was an acceleration in the rate of price increase in the tradable sector. Tradable items account for almost 67% of the consumer basket, representing the final consumption of households. During the period from January to September, the prices of tradable items rose at an average rate of 0.39% month-on-month; in October, at 1.0% month-on-month. The most rapid increases were recorded in the prices of vehicles and fuels (in the category 'transport'); equipment, books, and office supplies (in 'recreation and culture'); and clothing and foodstuffs. The increase in the price index was most affected by the price of vegetables and the continued steep increase in the price of meat.

Inflation	(%)
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The tradable sector, including foodstuffs, generated 0.7 percentage points of the total month-on-month increase (1.1%). Price development in the tradable sector was determined by the combined effects of the following factors:

- reduction in the import surcharge (to 0%) as a factor decelerating the rate of price increase;
- increase in consumer demand on the part of households, which encouraged, together with the growing fears of inflation, an increase in prices;
- stabilisation and subsequent strengthening of the Slovak crown's exchange rate during the second half of October;
- favourable development of producer prices in agriculture and industry in previous months, which mitigated the effects of depreciation in the value of the crown and increased fears of inflation on the domestic consumer market.

The non-tradable sector contributed to the monthly rate of inflation with a marked increase (0.4 percentage points). A significant role in the price advance was played by the sector of regulated prices, especially those of services related to dwelling facilities. Increases were recorded in the prices of hot water, solid fuels, and gas. The rise in the level of regulated prices was accompanied by increased prices for education, meals at schools and accommodation, in connection with the beginning of the school year.

Price increases in the non-tradable sector

With regard to individual consumption by purpose, the highest price increases were recorded in the categories: dwelling, water supply, electricity, gas, and other fuels (2.2%); transport (1.5%); clothing and footwear (1.2%); education (1.1%); hotels, cafes, restaurants (1.1%); and recreation and culture (1.0%). Price levels in the category of foodstuffs and non-alcoholic beverages rose by 0.9%. In other categories, monthly price increases ranged from 0.2% to 0.6%.

4. Money market

4.1. Primary market for Treasury bills

In October, the Ministry of Finance of the SR put Treasury bills up for auction in accordance with the issuing schedule for the 4th quarter of 1998. In September, the issuer decided to arrange an auction in 63-day Treasury bills; the auction took place on 1 October, but was unsuccessful. The next two auctions ended with a similar result: no bids were accepted by the issuer. This may be attributed to the fact that, at that time, preference was given to the issue of government bonds, which were put up for auction one day before the auctions in Treasury bills. As the agenda of government bond issues for 1998 had already been fulfilled, the Ministry of Finance held only Treasury-bill auctions in the last two weeks of October. At these auctions, Treasury bills were placed on the short-term securities market in the total amount of Sk 5,963 million, with a maturity of 28 days. The average yield on these issues was

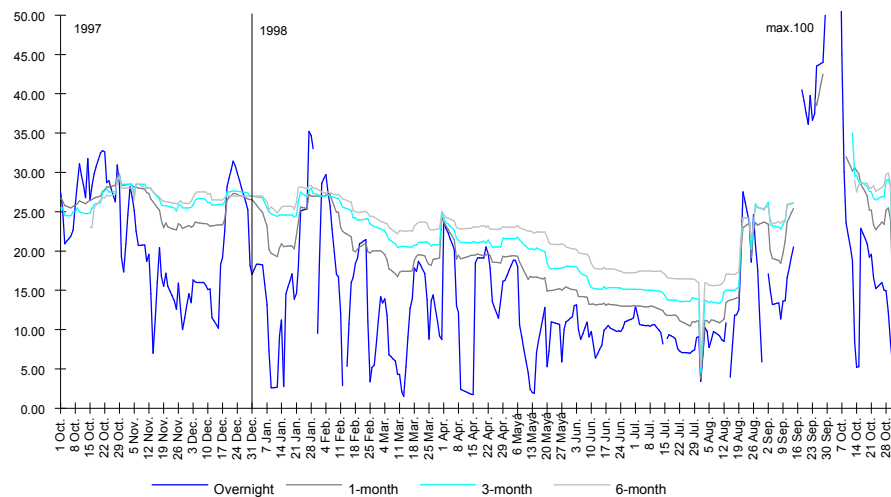
Treasury-bill auctions

20.57%. The minimum, maximum, and average yields achieved at the auction held in the last week of October, were lower than those recorded a month earlier.

Technical issues of Treasury bills

In cases when the new issues of government securities realised through auction proved insufficient (due to time discrepancy) to cover the needs of the issuer, the Ministry of Finance made several so-called technical issues of Treasury bills, with a maturity of up to 7 days, for the portfolio of the NBS.

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



4.2. Secondary market

In October, the National Bank of Slovakia (NBS) intervened in the money market by conducting fifteen REPO tenders, six sales of Treasury bills to maturity from the portfolio of the NBS, and two purchases of Central Bank bills (NBS bills) for the Bank's portfolio.

The level of liquidity in the banking sector during the first half of October was replenished through NBS refinancing

Regular purchases of foreign exchange through NBS fixing during September resulted in a shortage of crown liquidity in the banking sector. During the first ten-day period, the level of liquidity fluctuated around 80% of the prescribed amount of minimum reserves. Only overnight deposits were listed, later one-week deposits as well. The NBS maintained the level of liquidity by conducting REPO tenders for refinancing purposes on a regular basis. Apart from Treasury bills and NBS bills (issued for the portfolios of commercial banks), the NBS used, for this purpose, any legally approved type of bonds in which trading is allowed. Of the total maximum volume of refinancing granted through REPO tenders (Sk 19.55 billion), Sk 13.11 billion was derived from bonds. Yields from REPO tenders fluctuated well above the level of 30%, while the maximum accepted rate reached 70% (2 October 1998). The maturities of REPO tenders gradually became longer and longer: the first two tenders were conducted with a maturity of one and three days; followed by tenders with seven-day maturities and one with fourteen days. During the second ten-day period, the situation stabilised to some extent, deposits of all maturities were listed and the average level of requested yields on REPO tenders fell below 20%. The effort towards stabilisation and rebuilding trust helped to prolong the maturity of REPO tenders conducted for refinancing purposes, to 14 days. On the last but one day of the first period, the NBS organised a direct sale of Treasury bills to maturity in order to enable the transfer of liquidity and the replenishment of its portfolio from new technical issues made by the Ministry of Finance.

The second period was designed to stabilise the money market, renew official quotations, reduce the interest margin, and lower the level of interest rates. During the last week of October, two direct purchases of NBS bills (to maturity) were conducted with the aim of mitigating the effects of the structural imbalance caused, among other things, by interbank relations and the demand for liquidity. In the second period, all REPO tenders were conducted on a 14-day basis, with average

The interbank rates at the end of

yields ranging from 9.10% (23 October 1998) to 16.11% (26 October 1998). Of the total number of REPO tenders (15), the volumes announced remained unfulfilled in five cases, due to a lack of interest on the part of commercial banks.

5. Capital market

5.1. Primary market

In October, four issues of government bonds were floated, of which one was put up for auction in September. The number of issues remained behind (by one issue) the figure planned in the schedule of issues. The Ministry of Finance did not launch the last issue in view of the fact that the plan for the issue of government securities in 1998 had been completed by the sale of 2,387 government bonds at the third auction in October. Three issues had maturity set at one year, and the remaining one at two years. The par value was set at Sk 1 million for all four issues of bonds. The issuer (Ministry of Finance of the SR) set the coupon yield at 14% p.a. for all four issues. The auctions were carried out in the American style, with unlimited issue-amounts.

Government bonds

A common feature of the October issues was increased demand for resources on the part of the Ministry of Finance and the corresponding yield to maturity. In an effort to service the national debt of the SR, the issuer accepted bids at up to 31.999% p.a. Total demand for government bonds reached Sk 23,260 million (representing an increase of 73.71% compared with September), and the issuer accepted bids for 47.53% of this amount.

The issuing policy of the Ministry of Finance was affected by the shortage of crown resources in the banking sector, which had to be replenished through REPO tenders made for refinancing purposes. Owing to this development, the level of yield to maturity reached its annual maximum at the second auction in October. On the interbank market, interest rates on 6-month deposits rose above 30% p.a., which affected the level of yields to maturity demanded by investors.

5.2. Secondary market

In October, the volume of trading on Bratislava Stock Exchange (BCPB) totalled Sk 22,466 million. Price-setting anonymous transactions amounted to Sk 1,969 million, representing 8.76% of the total volume of trading, and direct transactions reached Sk 20,496 million.

Since the beginning of the calendar year, 61.3 million securities have been traded on the BCPB floor in the total amount of Sk 236.5 billion, of which Sk 16.6 billion (7%) in price-setting transactions.

Bonds were traded in the total amount of Sk 19.0 billion, of which Sk 1.8 billion in anonymous transactions. The largest volumes were traded in listed ĚSOB 1999 bonds (Sk 1.4 billion) and SE bonds (Sk 260.1 million). In terms of volume, direct transactions were also dominated by ĚSOB bonds (Sk 4.7 billion), and government bonds - Issue No. 69 (Sk 2.8 billion) and Issue No. 11 (Sk 2.4 billion).

Bonds

By the end of September, the market value of all bonds registered on the stock market had fallen by an average of 5.1%, to Sk 104.5 billion, and that of listed bonds by 5.9%, to Sk 88.6 billion.

SDX index In October, both components of the Slovak Bond Index (SDX) recorded positive changes. The average price of government bonds closed the month at 117.90% (+1.25%) with an average yield of 22.84%. The average price of corporate and bank bonds closed the month at 117.70% (+0.15%) with an average yield of 19.74% to maturity. After a successful primary auction in October, three new issues of government bonds (No. 77, 78, and 79) were incorporated into the SDX base, with a total nominal value of Sk 7.4 billion and average yield ranging from 28.850 to 30.807%.

Shares In October, shares were traded on the BCPB floor in the amount of Sk 3.5 billion; direct transfers of the National Property Fund accounted

for Sk 1 billion of this amount. The volume of price-setting transactions reached only Sk 158.3 million. Since the end of September, the total market value of shares traded on the BCPB floor has fallen by an average of 1.8%, to Sk 155.3 billion. Another sharp fall in market capitalisation (an average of 11.7%, to Sk 23.0 billion) was recorded in listed shares.

Slovak Share Index - SAX			(%)
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After a long-term decline, the value of the Slovak Share Index (SAX) fell below the initial figure (100 points) already on the second trading day. This was due primarily to continued fall in the rates of some major Slovak companies: VSŽ shares (from Sk 320 to Sk 295), VÚB (from Sk 750 to Sk 700), and Slovakofarma shares (from Sk 2,099 to Sk 1,995). In fact, the value of SAX showed a tendency to fall during the entire month, in line with the course of the above components. On 29 October, the index sank below the level of 90 points, due to another fall in the price of VSŽ shares (to Sk 210), and reached its monthly minimum at 89.38 points. On the last trading day, the closing value of SAX rose somewhat, to 89.42 points (representing a fall of 11.24% month-on-month and 50.3% year-on-year), due to a rise in the price of Slovakofarma shares. For the time being, the creditworthiness of the index is disputable - as the market is not liquid; the course of the index is affected even by small price variations in its components, which was demonstrated during the past few months.

Structure of share and
bondholders
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 the National Bank of Slovakia. At the end of September, the NBS held no government bonds; during October, its portfolio increased to Sk 11,342 million. This portfolio consisted predominantly of bonds obtained through REPO transactions conducted by the NBS for refinancing purposes. As a result, the volume of bonds held by commercial banks fell by 17.00%. The number of government bonds held by non-residents also recorded a marked decrease (63.21%). The structure of share-holders remained virtually unchanged in October.

6. Interbank foreign exchange market

In October, the foreign exchange market was characterised by a moderate decline in trading between Slovak commercial banks as well as between domestic and foreign banks, and by an increase in the proportion of trading in DEM. The total volume of transactions concluded on Slovakia's foreign exchange market fell month-on-month by 15.1%, from US\$ 6,625.9 million to US\$ 5,621.1 million.

Foreign exc
in the SR

The volume of trading between Slovak commercial banks fell in October by 6.3%, from US\$ 2,779.0 million (in September) to US\$ 2,603.6 million. Most trading was again concluded in US\$ (67.7%, compared with 83.5% in September), followed by DEM (31.1%, compared with 14.2% in September) and other European currencies (1.2%, compared with 2.3% in September). The number of contracts increased to 1,648 (from 1,532 in September), while the average amount per contract fell from US\$ 1.8 million to US\$ 1.6 million.

Transaction
Slovak bank

The volume of trading between domestic and foreign banks fell by 16.4%, from US\$ 3,357.9 million to US\$ 2,805.9 million, but maintained its dominant position on the country's foreign exchange market (51.9%). Most trading was again concluded in US\$ (82.9%), followed by DM (16.0%), and other European currencies (1.1%). The number of transactions increased from 1,047 to 1,190, with an average amount of US\$ 2.3 million per contract. Trading between Slovak and foreign banks resulted in a negative balance of US\$ 19.7 million, which indicates that foreign banks purchased more foreign exchange from Slovak commercial banks than they sold.

Transaction
and foreign

7. Balance of payments for January to August 1998

During the period from January to August, the external relations of the Slovak Republic were characterised by continued increase in the tendencies that increase the imbalance in the current account of the balance of payments, which resulted in a deficit of Sk 49.1 billion, i.e. US\$ 1.4 billion.

The current account deficit continued to grow,

The capital and financial account of the balance of payments generated a surplus of Sk 64.9 billion, which sufficed not only to cover the deficit in the current account, but to generate an increase in central bank reserves (Sk 10.3 billion, i.e. US\$ 306.5 million) as well. Despite a moderate fall in August (US\$ 148.6 million), the foreign exchange reserves of the NBS reached US\$ 3.6 billion, which was about three times greater than the average volume of monthly imports of goods and services to Slovakia during the first eight months of 1998.

The current account of the balance of payments continued to be affected by the balance of trade, which resulted in a deficit of Sk 51.3 billion.

... due mainly to the negative balance of trade

During the first eight months of 1998, Slovakia's foreign-trade turnover reached Sk 531.0 billion, of which imports accounted for Sk 291.1 billion and exports Sk 239.9 billion. The figures are based on preliminary data, compiled pursuant to Decree No. 167/1997 Z.z., and are not comparable with data published earlier for the individual months of 1997. The structure of exports by commodity was dominated by road vehicles (16.6%), whose share in total exports continued to rise. The share of iron and steel exports also increased somewhat, to 12.3%.

Foreign trade

The structure of imports was dominated by machinery and handling equipment, the volume of which reached Sk 112 billion (i.e. 38.5% of total imports), whilst handling equipment accounted for roughly a third of this figure. The import of machines was dominated by electrical equipment, instruments, appliances, and other devices applied in industry.

The unfavourable balance of services, persisting since the beginning of the year, in the form of an excess of payments for services received over income from services provided, resulted in a deficit of Sk 2.4 billion at the end of August. The balance of tourism recorded a certain improvement in August, when the number of foreign visitors to Slovakia increased, according to data from the Tourist Board, by nearly a third of the figure recorded a year earlier. Although foreign exchange receipts fell by 15.7% during the first eight months of the year, the August increase in revenues led to the generation of a surplus in the balance of tourism (Sk 37.0 million) during the period under review.

Balance of services

Within the services balance, the largest deficit was recorded in other services of production and non-production nature (Sk 8.8 billion), where imports dominated over exports mainly in commercial, legal, accounting, consulting, and computer engineering services.

Income balance The income balance resulted in a deficit of Sk 3.1 billion, which was comparable with the figure recorded in the corresponding period a year earlier. With regard to the individual items of the current account, surplus was achieved only in the balance of current transfers (Sk 7.7 billion).

Surplus in the capital and financial account The capital and financial account of the balance of payments generated a surplus of Sk 64.9 billion, i.e. US\$ 1.9 billion. During the period from January to August, foreign companies invested roughly Sk 8.7 billion in the Slovak economy, of which Sk 8.4 billion in the corporate sector. Increased investment took place in industrial production (78.4% of the capital employed in the corporate sector), particularly in metal-working and in the processing of food and beverages.

Direct investment The activity of Slovak investors abroad also increased; the volume of direct investments abroad has grown by Sk 3.3 billion since the beginning of the year. In terms of sector, most Slovak investments were made in wholesale and retail trade (54%), commercial services (20%), and finance and banking (12%).

Long-term capital

In the area of long-term capital, a significant role was again played by the government and corporate sectors. As a result of continued government borrowing in August, the total volume of loans drawn by the Government and the NBS has increased by Sk 35.4 billion since the beginning of the year, and raised the level of medium and long-term debt in the official sector by Sk 28.3 billion (excluding repayments in the amount of Sk 7.1 billion). Since the beginning of the year, the volume of financial credits in the corporate sector has increased by Sk 26.7 billion, increasing the level of indebtedness by Sk 21 billion (excluding repayments).

Short-term capital

The main destination of short-term capital inflow was the banking sector, where short-term liabilities increased by Sk 43.7 billion during the first eight months of 1998. The structure of short-term liabilities of commercial banks was dominated by deposits held by non-residents with Slovak banks, which increased by Sk 24.9 billion.

The growth in short-term foreign exchange liabilities of commercial banks was partly offset by an increase in foreign exchange assets, particularly in short-term deposits held with foreign banks (Sk 26.6 billion).

8. Net foreign debt of Slovakia at 31 August 1998

Net external debt

The net external debt of Slovakia - expressed as the difference between gross foreign debt, i.e. US\$ 12.2 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\$ 9.5 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - export claims and financial credits), reached US\$ 2.7 billion at the end of August 1998. At the beginning of 1998, the volume of net external debt stood at US\$ 1.9 billion, representing an increase of US\$ 0.8 billion during the first eight months of the year.

Gross external debt

With regard to the structure of Slovakia's gross external debt, total gross medium and long-term foreign liabilities amounted to US\$ 6.95 billion, and short-term liabilities totalled US\$ 5.23 billion at the end of August. Per-capita gross external debt amounted to US\$ 2,261. Total short-term debt accounted for 42.92% of the country's gross external debt at the end of August.

Appendices

Monetary survey

(Sk billions)

	1997			1998									
	31.10.	30.11.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.*1/
Fixed exchange rate SKK / USD	31.895	31.895	31.895	34.782	34.782	34.782	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	19.398	19.398	19.398	19.398	19.398	19.398	19.398	19.398	19.398	19.398
ASSETS													
Net foreign assets	76.8	74.0	71.4	68.3	72.3	72.6	69.7	71.3	70.4	71.1	63.4	47.9	47.6
Foreign assets	254.0	259.9	234.8	252.5	255.3	252.3	259.6	265.8	269.8	275.0	280.0	236.5	246.5
Foreign liabilities	177.2	185.9	163.4	184.2	183.0	179.7	189.9	194.5	199.4	203.9	216.6	188.6	198.9
Net domestic assets	347.9	357.4	382.5	378.6	380.2	371.9	376.8	382.2	380.6	388.2	397.2	398.8	401.6
Domestic credit	458.0	464.4	467.8	463.5	468.0	468.2	476.4	484.6	483.1	494.4	498.2	503.7	509.8
- Net credit to Government	92.3	96.9	100.5	99.3	99.5	94.9	99.3	107.2	103.9	114.4	116.5	118.1	124.6
- Net credit to FNM ^{1/}	-2.0	-2.2	-3.0	-1.7	-0.6	-0.2	-0.2	0.4	0.5	0.4	0.4	0.4	0.4
Credit to households and enterprises	367.7	369.7	370.3	365.9	369.1	373.5	377.3	377.0	378.7	379.6	381.3	385.2	384.8
- Credit in SKK	334.7	335.4	334.6	331.1	334.5	338.8	341.5	340.6	342.2	341.2	342.5	346.3	345.3
- Credit to enterprises	315.1	315.6	314.2	310.9	314.1	318.1	320.5	319.0	320.0	318.7	319.0	322.1	320.3
- Credit to households	19.6	19.8	20.4	20.2	20.4	20.7	21.0	21.6	22.2	22.5	23.5	24.2	25.0
- Credit in foreign currency	33.0	34.3	35.7	34.8	34.6	34.7	35.8	36.4	36.5	38.4	38.8	38.9	39.5
LIABILITIES													
Liquid liabilities [M2]	424.7	431.4	453.9	446.9	452.5	444.5	446.5	453.5	451.0	459.3	460.6	446.7	449.2
Money [M1]	154.0	160.1	166.1	154.3	161.0	150.1	149.2	155.4	154.4	159.0	159.2	149.0	146.0
Currency outside banks [M0]	46.0	46.8	48.7	51.0	50.7	49.5	50.2	50.6	51.2	51.6	52.5	52.8	50.9
Demand deposits	108.0	113.3	117.4	103.3	110.3	100.6	99.0	104.8	103.2	107.4	106.7	96.2	95.1
- Households	46.0	45.8	46.2	45.7	45.1	44.0	44.5	44.7	44.6	45.3	45.1	43.5	
- Enterprises	61.1	66.6	69.6	56.3	63.5	55.6	53.9	59.2	57.7	61.1	60.5	51.9	
- Insurance companies	0.9	0.9	1.6	1.3	1.7	1.0	0.6	0.9	0.9	1.0	1.1	0.8	
Quasi-money [QM]	270.7	271.3	287.8	292.6	291.5	294.4	297.3	298.1	296.6	300.3	301.4	297.7	303.2
Time and savings deposits	223.7	224.5	240.4	244.7	242.0	245.0	246.7	247.2	243.6	246.5	248.0	238.4	240.6
- Households	164.3	168.3	182.8	185.9	188.8	190.8	192.9	194.5	196.1	197.4	196.9	192.2	
- Enterprises	42.7	39.6	41.4	41.4	35.5	35.7	36.1	34.9	32.4	34.8	37.0	31.5	
- Insurance companies	16.7	16.6	16.2	17.4	17.7	18.5	17.7	17.8	15.1	14.3	14.1	14.7	
Foreign currency deposits	47.0	46.8	47.4	47.9	49.5	49.4	50.6	50.9	53.0	53.8	53.4	59.3	62.6
- Households	39.3	39.6	40.0	39.2	38.9	38.9	39.2	39.4	39.6	40.0	40.7	43.9	
- Enterprises	7.7	7.2	7.4	8.7	10.6	10.5	11.4	11.5	13.4	13.8	12.7	15.4	
Other items net	110.1	107.0	85.3	84.9	87.8	96.3	99.6	102.4	102.5	106.2	101.0	104.9	108.2

*/ Preliminary data

1/ FNM - National Property Fund

Balance of Payments for January to August 1998

	Receipts / Credit (+)		Expenditures / Debit (-)		Balance	
	Sk million	USD million	Sk million	USD million	Sk million	USD million
Goods	239,857.0	6,859.3	291,118.0	8,325.3	-51,261.0	-1,465.9
Services	49,693.0	1,421.1	52,091.0	1,489.7	-2,398.0	-68.6
Transportation	16,909.0	483.6	10,545.0	301.6	6,364.0	182.0
Travel	10,107.0	289.0	10,070.0	288.0	37.0	1.1
Other services total	22,677.0	648.5	31,476.0	900.1	-8,799.0	-251.6
Income	10,599.0	303.1	13,727.0	392.6	-3,128.0	-89.5
Compensation of employees	518.0	14.8	146.0	4.2	372.0	10.6
Investment income	10,081.0	288.3	13,581.0	388.4	-3,500.0	-100.1
Current transfers	13,860.0	396.4	6,200.0	177.3	7,660.0	219.1
CURRENT ACCOUNT	314,009.0	8,979.9	363,136.0	10,384.8	-49,127.0	-1,404.9
Capital account	1,748.0	50.0	-242.0	-6.9	1,506.0	43.1
Financial account	647,293.4	18,567.3	-583,860.8	-16,723.0	63,432.6	1,844.3
Direct investment	158,333.1	4,527.9	-152,915.0	-4,373.0	5,418.1	154.9
<i>Abroad</i>	981.0	28.1	-4,575.0	-130.8	-3,594.0	-102.8
Equity capital and reinvested earnings	168.0	4.8	-3,459.0	-98.9	-3,291.0	-94.1
Other capital	813.0	23.2	-1,116.0	-31.9	-303.0	-8.7
<i>In SR</i>	157,352.1	4,499.9	-148,340.0	-4,242.2	9,012.1	257.7
Equity capital and reinvested earnings	9,328.1	266.8	-575.0	-16.4	8,753.1	250.3
Other capital	148,024.0	4,233.1	-147,765.0	-4,225.7	259.0	7.4
Portfolio investment	2,338.0	66.9	-4,352.7	-124.5	-2,014.7	-57.6
Assets	2,176.0	62.2	-2,131.7	-61.0	44.3	1.3
Liabilities	162.0	4.6	-2,221.0	-63.5	-2,059.0	-58.9
Other investment	486,622.3	13,972.5	-426,593.1	-12,225.6	60,029.2	1,747.0
<i>Long-term</i>	69,812.0	2,016.1	-16,302.0	-471.6	53,510.0	1,544.5
Assets	1,779.1	53.1	-304.9	-7.0	1,474.2	46.1
Liabilities	68,032.9	1,963.0	-15,997.1	-464.6	52,035.8	1,498.4
<i>Short-term</i>	416,810.3	11,956.5	-410,291.1	-11,754.0	6,519.2	202.5
Assets	154,266.0	4,411.6	-191,486.0	-5,484.9	-37,220.0	-1,073.3
Liabilities	262,544.3	7,544.9	-218,805.1	-6,269.1	43,739.2	1,275.8
CAPITAL AND FINANCIAL ACCOUNT	649,041.4	18,617.3	-584,102.8	-16,730.0	64,938.6	1,887.4
ERRORS AND OMISSIONS	-970,006.1	-27,792.8	964,454.3	27,616.9	-5,551.8	-176.0
OVERALL BALANCE	-6,955.7	-195.6	17,215.5	502.1	10,259.8	306.5
Monetary gold	0.0	0.0	-5,964.4	-169.3	-5,964.4	-169.3
Special drawing rights	877.5	25.3	0.0	0.0	877.5	25.3
Foreign exchange	6,078.2	170.3	-11,251.1	-332.8	-5,172.9	-162.5
<i>Currency and deposit</i>	0.0	0.0	-7,790.6	-225.8	-7,790.6	-225.8
<i>Securities</i>	6,078.2	170.3	-3,460.5	-107.0	2,617.7	63.3
Bonds and notes	0.0	0.0	-3,460.5	-107.0	-3,460.5	-107.0
Money market instruments and financial derivats	6,078.2	170.3	0.0	0.0	6,078.2	170.3
RESERVE ASSETS	6,955.7	195.6	-17,215.5	-502.1	-10,259.8	-306.5

Used exchange rate of: USD = 34.968 Sk

Volume of foreign capital in the SR at 30 September 1998

	Corporate sector		Banking sector		Total	
	Sk bn	%	Sk bn	%	Sk bn	%
Total volume of foreign capital	52.1	100	12.3	100	64.4	100
Structure of capital by investor						
Germany	11.6	22.3	1.4	11.4	13.0	20.2
Austria	9.8	18.8	2.5	20.3	12.3	19.1
Great Britain	7.1	13.6	0.8	6.5	7.9	12.3
USA	6.2	11.9	1.7	13.8	7.9	12.3
The Netherlands	5.4	10.4	2.3	18.7	7.7	12.0
France	3.7	7.1	0.4	3.3	4.1	6.3
Czech Republic	3.4	6.5	2.6	21.1	6.0	9.3
Belgium	0.9	1.7	-	-	0.9	1.4
Other countries	4.0	7.7	0.6	4.9	4.6	7.1
Structure of capital by sector						
Extraction of raw materials	0.9	1.7	-	-	0.9	1.4
Industrial production	30.5	58.6	-	-	30.5	47.4
Generation and distribution of electricity and gas	0.2	0.4	-	-	0.2	0.3
Building and construction	1.3	2.5	-	-	1.3	2.0
Wholesale and retail trade, repairs to motor vehicles	12.4	23.8	-	-	12.4	19.3
Hotels and restaurants	0.7	1.3	-	-	0.7	1.1
Transport, storage and communications	2.4	4.6	-	-	2.4	3.7
Finance and insurance	1.9	3.6	12.3	100.0	14.2	22.0
Real estate, rental and comm. services, research and development	1.6	3.1	-	-	1.6	2.5
Other public, social and pers. services	0.2	0.4	-	-	0.2	0.3

Note: Preliminary data

Foreign capital in the SR in 1993-1998

(Sk millions)

	Corporate sector						Banking sector					Total				
	1993	1994	1995	1996	1997	1998	1994	1995	1996	1997	1998	1994	1995	1996	1997	1998
As of 1 January	8,317	13,863	22,120	29,127	37,132	42,081	1,156	1,750	3,754 ^{1/}	11,388 ^{2/}	11,608	15,019	23,870	32,881	48,520	53,689
Net change	5,198	8,038	6,000	7,756	5,207	9,321	567	681	2,403	234	585	8,605	6,681	10,159	5,441	9,906
Valuation changes	348	219	1,007	249	-258	715	27	28	218	-14	105	246	1,035	467	-272	820
End of year^{3/}	13,863	22,120	29,127	37,132	42,081	52,117	1,750	2,459	6,375	11,608	12,298	23,870	31,586	43,507	53,689	64,415

Note: Preliminary data

1/ Change of methodology - inclusion of CZK in the group of convertible currencies

2/ Change of methodology - inclusion of capital in Sk (in 1994-1996, only capital in foreign currency)

3/ In 1998, as of 30 September

Inflow of foreign capital during January to September 1998

	Corporate sector		Banking sector		Total	
	Sk millions	%	Sk millions	%	Sk millions	%
Inflow of foreign capital in total	9,321	100	585	100	9,906	100
Structure of capital by country						
USA	2,459	26.4	316	54.0	2,775	28.0
Great Britain	2,446	26.2	393	67.2	2,839	28.7
Holland	2,176	23.3	21	3.6	2,197	22.2
Austria	689	7.4	-33	-5.6	656	6.6
Germany	676	7.3	69	11.8	745	7.5
Belgium	229	2.5	-	-	229	2.3
France	182	2.0	-	-	182	1.8
Czech Republic	158	1.7	-238	-40.7	-80	-0.8
Other countries	306	3.2	57	9.7	363	3.7
Structure of capital by sector						
Industry	6,889	73.9	-	-	6,889	69.6
Building and construction	113	1.2	-	-	113	1.1
Trade	1,521	16.4	-	-	1,521	15.4
Hotels and restaurants	-15	-0.2	-	-	-15	-0.2
Transport, storage and communications	233	2.5	-	-	233	2.4
Finance and insurance	248	2.7	585	100	833	8.4
Real estate, rental, comm. services	347	3.7	-	-	347	3.5
Other public, social and pers. services	-15	-0.2	-	-	-15	-0.2
Structure of capital by region						
Bratislava, Bratislava region	3,486	37.4	-	-	3,486	37.4
Trnava, Trenčín, and Nitra regions	1,258	13.5	-	-	1,258	13.5
Banská Bystrica and Žilina regions	-39	-0.4	-	-	-39	-0.4
Prešov and Košice regions	4,616	49.5	-	-	4,616	49.5

Note: Preliminary data

Outflow of capital from the SR at 30 September 1998

	Sk billions	%
Outflow of capital from SR in total	9.82	100.0
Structure of investment by country		
Czech Republic	4.40	44.8
Hungary	1.90	19.3
Ukraine	0.96	9.8
Yugoslavia	0.44	4.5
Russia	0.39	4.0
Austria	0.36	3.7
Germany	0.25	2.5
Bulgaria	0.22	2.2
Other countries	0.90	9.2
Structure of investment by sector		
Industry	4.42	45.0
Generation and distribution of electricity and gas	1.61	16.4
Trade	1.64	16.7
Transport, storage, and communications	0.16	1.6
Finance and insurance	0.53	5.4
Other sectors	1.46	14.9

Note: Preliminary data

Outflow of capital from the SR during January to September 1998

	Sk millions	%
Outflow of capital from SR in total	2,553	100.0
Structure of investment by country		
Hungary	1,812	71.0
Czech Republic	1,402	54.9
Liechtenstein	-851	-33.3
Other countries	190	7.4
Structure of investment by sector		
Industry	259	10.2
Export of electricity, gas, and water	204	8.0
Building and construction	1	-
Wholesale and retail trade	932	36.5
Finance and insurance	501	19.6
Real estate, rental, comm. services	655	25.7
Other sectors	1	-

Note: Preliminary data

Foreign Exchange Reserves

(USD millions)

End-of-period figures	1997			1998									
	10	11	12	1	2	3	4	5	6	7	8	9	10
Official reserves of NBS	3,410.9	3,446.0	3,284.9	3,161.1	3,202.1	3,142.8	3,348.9	3,722.7	3,789.9	3,770.0	3,621.4	3,110.3	2,986.7
Reserves of commercial banks	3,859.1	3,883.2	3,204.9	3,862.7	3,881.4	3,838.9	3,937.5	3,746.3	3,737.0	4,056.1	4,269.0	3,505.7	3,839.4
Total	7,270.0	7,329.2	6,489.8	7,023.8	7,083.5	6,981.7	7,286.4	7,469.0	7,526.9	7,826.1	7,890.4	6,616.0	6,826.1

Gross Foreign Debt

(USD billions)

End-of-period figures	1997					1998							
	8	9	10	11	12	1	2	3	4	5	6	7	8
Total gross foreign debt	9.5	9.7	10.3	10.7	9.9 */	10.5	10.5	10.4	10.7	11.2	11.3	11.9	12.2
- official debt of the Government and the NBS	1.6	1.8	1.9	1.8	1.8	1.8	1.8	1.7	1.7	2.2	2.3	2.3	2.4
- foreign debt of enterprises	4.4	4.5	4.9	5.1	5.1	5.2	5.3	5.3	5.4	5.6	5.6	6.0	6.0
- foreign debt of commercial banks	3.3	3.3	3.4	3.6	2.9	3.5	3.4	3.4	3.5	3.3	3.3	3.6	3.8
Total gross debt per capita (in USD)	1,789	1,826	1,937	2,023	1,867	1,990	1,982	1,972	2,000	2,082	2,100	2,207	2,261

*/ 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	30.9.1998	31.10.1998 ^{*/}	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	31.10.1997	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	453.5	446.7	449.2	2.5	0.6	-4.3	-0.9	424.7	24.5	5.8
Money [M1]	166.1	149.0	146.0	-3.0	-2.0	-20.1	-12.1	154.0	-8.0	-5.2
Currency outside banks [M0]	48.7	52.8	50.9	-1.9	-3.6	2.2	4.5	46.0	4.9	10.7
Demand deposits	117.4	96.2	95.1	-1.1	-1.1	-22.3	-19.0	108.0	-12.9	-11.9
Quasi-money [QM]	287.4	297.7	303.2	5.5	1.8	15.8	5.5	270.7	32.5	12.0
Time deposits	240.4	238.4	240.6	2.2	0.9	0.2	0.1	223.7	16.9	7.6
Foreign currency deposits	47.0	59.3	62.6	3.3	5.6	15.6	33.2	47.0	15.6	33.2
Crown deposits	357.8	334.6	335.7	1.1	0.3	-22.1	-6.2	331.7	4.0	1.2
- Households	229	235.7	236.6	0.9	0.4	7.6	3.3	210.3	26.3	12.5
- Enterprises (incl. insurance)	128.8	98.9	99.1	0.2	0.2	-29.7	-23.1	121.4	-22.3	-18.4

*/ 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 12.44% Jun. 10.37% Jul. 9.05% Aug. 8.97% Sep. 15.28% 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 14.99% Jun. - Jul. - Aug. 24.66% Sep. 24.79% Oct. 19.29% 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				Floating regime (since 1 October)
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)

	30.9.1998	31.10.1998 ^{1/}	Change
Deposits in Sk and foreign currency	434.1	437.9	3.8
- Deposits in Slovak crowns	368.6	367.6	-1.0
of which			
- Entrepreneurial sector	89.7	90.0	0.3
- Government sector	34.0	32.2	-1.8
- Households	235.7	236.7	1.0
- Other ^{2/}	9.2	8.7	-0.5
- Deposits in foreign currency ^{3/}	65.5	70.3	4.8

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

Development of Loans

(Sk billions)

	30.9.1998	31.10.1998 ^{1/}	Change
Loans in Sk and foreign currency	393.6	394.3	0.7
- Loans in Slovak crowns	339.6	338.7	-0.9
of which			
- Entrepreneurial sector	304.0	302.5	-1.5
- Government sector	8.3	8.4	0.1
- Households	24.2	25.0	0.8
- Other ^{2/}	3.1	2.8	-0.3
- Loans in foreign currency ^{3/}	54.0	55.6	1.6

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								
	9	10	11	12	1	2	3	4	5	6	7	8	9
1. Total volume of loans ^{1/}	15.66	15.75	15.84	16.22	16.66	17.28	16.70	16.75	16.50	16.35	16.03	16.33	17.07
A) Loans by sector													
of which													
a) Enterprise sector	15.60	15.66	15.80	16.16	16.71	17.27	16.71	16.12	16.00	15.95	15.69	15.52	16.02
- Public sector	14.95	14.96	14.99	15.33	15.72	16.31	15.87	14.55	14.38	14.26	14.05	13.77	14.37
- Private sector (incl. cooperatives)	16.24	16.35	16.60	16.98	17.70	18.22	17.55	17.68	17.62	17.63	17.33	17.27	17.67
b) Households	7.69	7.86	7.53	7.37	7.51	7.48	7.50	8.55	8.32	8.12	7.86	8.83	8.08
B) Loans by term													
of which													
- Short-term	18.72	18.92	19.13	19.91	20.77	20.77	20.50	20.83	20.47	20.00	19.34	19.61	21.86
- Medium-term	16.10	16.06	16.35	16.41	16.61	16.47	16.58	16.64	16.67	16.58	16.32	17.08	16.30
- Long-term	11.82	11.90	11.88	11.90	12.26	13.86	12.34	12.54	12.34	12.36	12.36	12.40	12.41
2. NEW LOANS IN TOTAL	19.91	19.84	20.56	20.92	20.75	20.82	20.29	19.54	18.59	16.44	14.17	17.32	24.36
A) Loans by sector													
of which													
a) Enterprise sector	18.70	19.38	19.39	21.25	19.06	19.53	21.24	20.90	21.26	20.32	17.60	18.72	25.04
- Public sector	17.72	19.09	18.65	21.30	15.84	17.45	21.86	20.19	23.46	20.08	21.03	17.03	27.05
- Private sector (incl. cooperatives)	19.67	19.67	20.12	21.19	22.28	21.60	20.61	21.60	19.06	20.56	14.17	20.41	23.03
b) Households	9.96	10.07	10.43	10.18	13.59	9.99	9.99	10.70	9.68	12.19	11.07	10.06	8.77
B) Loans by term													
of which													
- Short-term	20.90	20.76	21.56	21.60	21.56	21.81	20.58	19.86	18.97	16.64	14.17	17.44	25.06
- Medium-term	16.80	15.78	17.60	16.30	17.56	16.88	15.26	16.43	13.64	15.21	14.05	16.04	13.55
- Long-term	15.46	16.46	15.12	15.40	13.04	13.73	15.87	14.73	16.09	14.47	14.87	14.87	14.46

1/ Excluding loans at zero interest rate

Average Interest Rates on Crown Deposits and Volume of Crown Deposits

		1997				1998								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Total deposits	a	361,401	361,865	368,269	388,784	378,097	382,397	375,142	376,340	383,200	376,843	383,662	382,098	362,586
	b	8.65	8.82	8.76	8.69	10.21	9.98	9.99	10.23	10.15	9.92	9.53	9.53	10.29
of which														
Demand deposits	a	124,935	121,642	127,027	140,524	114,600	121,846	113,384	112,544	116,557	116,798	120,198	117,812	109,127
	b	3.48	3.50	3.57	3.50	3.78	3.73	3.70	3.68	3.64	3.69	3.68	3.56	3.81
Time deposits	a	236,466	240,214	241,242	248,260	263,496	260,550	261,758	263,796	266,642	260,045	263,464	264,286	253,460
	b	11.40	11.54	11.48	11.62	13.00	12.90	12.71	13.03	12.98	12.71	12.2	12.19	13.07
- 7-day deposits	a	10,621	11,764	10,106	8,702	15,394	13,893	15,586	15,514	14,200	14,369	14,833	16,399	12,424
	b	20.43	18.54	16.46	17.10	20.48	17.35	15.47	16.97	16.20	15.01	13.27	11.92	21.88
- 1-month deposits	a	32,863	38,779	43,216	49,095	49,923	51,504	53,582	57,423	59,829	55,265	57,462	56,561	51,895
	b	15.45	15.95	15.84	16.25	18.59	18.66	18.00	18.02	17.25	16.36	15.28	15.67	17.30
- 3-month deposits	a	9,338	8,599	10,814	11,166	17,330	17,584	19,258	21,350	24,629	26,448	29,102	29,726	29,941
	b	13.30	13.08	13.37	15.04	18.85	18.74	18.68	18.98	18.77	18.45	17.63	17.38	17.77
- 6-month deposits	a	9,619	9,781	8,977	6,743	13,209	14,117	14,669	14,930	16,031	16,308	16,512	16,868	16,854
	b	10.74	11.27	11.10	11.37	15.59	16.20	16.41	16.46	16.64	16.52	15.23	15.10	15.18
- 9-month deposits	a	1,673	1,194	661	518	533	569	647	1,352	2,049	2,092	2,384	2,582	2,507
	b	12.52	12.85	15.04	16.78	17.76	17.41	18.92	18.41	19.11	18.97	18.51	18.33	18.72
- 12-month deposits	a	70,279	68,674	67,406	64,957	63,275	61,818	59,393	58,804	56,949	55,786	54,900	54,391	52,842
	b	10.49	10.52	10.63	10.51	10.69	10.67	10.73	10.81	10.82	11.04	11.08	11.13	11.10
- 18-month deposits	a	1,324	1,302	1,482	1,341	1,324	1,003	817	784	837	690	745	733	769
	b	10.72	10.69	10.96	11.14	11.72	12.78	12.73	12.73	13.34	12.82	12.84	13.34	12.82
- 2-year deposits	a	50,248	49,531	48,044	50,785	48,170	45,974	44,112	40,314	39,235	38,433	37,909	37,348	36,556
	b	10.84	10.84	10.79	10.77	10.80	10.76	10.80	10.64	10.66	10.66	10.68	10.69	10.69
- 3-year deposits	a	1,418	1,459	1,501	1,447	1,521	1,817	1,700	1,530	1,397	1,362	1,219	1,402	1,482
	b	12.89	12.84	12.12	12.14	12.36	12.87	12.57	12.58	12.66	12.38	12.31	12.60	13.08
- 4-year deposits	a	8,583	8,605	8,600	8,601	8,443	8,406	8,334	8,059	8,007	5,759	4,892	4,879	4,866
	b	13.14	13.13	13.13	13.13	12.90	12.98	12.60	12.58	12.98	12.86	12.93	12.93	12.93
- 5-year deposits	a	12,387	11,956	11,506	11,832	11,246	10,755	10,232	9,689	9,426	9,607	9,257	9,090	8,886
	b	12.99	13.03	12.98	12.92	13.39	13.26	10.42	13.26	13.23	13.17	9.79	9.71	9.57
- above 5 year	a	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047	34,053	33,926	34,247	34,305	34,437
	b	4.74	4.69	4.69	4.51	4.54	4.49	4.51	4.11	4.10	4.07	4.06	4.06	4.47
- short-term	a	134,393	138,791	141,180	141,182	159,663	159,484	163,136	169,373	173,687	170,269	175,194	176,528	166,463
	b	12.75	12.96	12.90	13.39	15.42	15.24	15.05	15.40	15.24	14.88	14.22	14.19	15.57
- medium-term	a	73,959	72,853	71,132	74,006	70,704	67,956	65,195	60,376	58,902	55,851	54,023	53,452	52,559
	b	11.50	11.50	11.46	11.42	11.51	11.52	11.04	11.40	11.47	11.39	10.80	10.81	10.81
- long-term	a	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047	34,053	33,926	34,247	34,305	34,437
	b	4.74	4.79	4.69	4.51	4.54	4.49	4.51	4.11	4.10	4.07	4.06	4.06	4.47
- demand and short-term	a	259,328	260,433	268,207	281,705	274,264	281,331	276,520	281,917	290,244	287,066	295,392	294,341	275,590
	b	8.26	8.52	8.48	8.45	10.56	10.26	10.40	10.73	10.59	10.33	9.93	9.94	10.92

a - Volume of deposits (\$k million)

b - Average interest rate (%)

Development of Average Interbank Offered Rates (BRIBOR)

	1997			1998									
	10 ^{1/}	11	12	1	2	3	4	5	6	7	8	9	10
Overnight	27.18	17.71	18.55	16.69	17.22	11.12	15.30	9.49	10.13	9.18	14.27	27.53	29.39
1 week	27.48	22.00	21.18	19.99	21.12	15.31	18.69	13.16	11.14	10.13	14.72	30.88	24.45
2 weeks	27.28	23.06	21.71	21.03	21.60	16.67	19.11	14.43	11.86	10.76	15.19	27.09	23.39
1 month	27.00	25.52	24.42	23.07	22.82	18.70	19.93	16.52	13.54	11.97	16.15	26.30	26.65
2 months	26.59	26.61	25.54	24.57	24.43	20.03	20.78	18.66	14.97	13.06	17.05	23.87	27.75
3 months	26.17	26.93	26.48	25.80	24.06	21.30	21.58	19.54	15.93	14.33	18.00	24.93	28.55
6 months	26.68	27.10	26.92	26.61	26.04	23.11	23.22	21.94	18.34	16.86	19.30	25.11	28.47

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 September 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	129.5	61.2	28	82.1	38.8	18				211.6	46
Transactions among Slovak banks without participation of foreign banks	1,761.3	67.7	764	810.3	31.1	774	32.0	1.2	110	2,603.6	1,648
Interbank foreign exchange market fixing + transactions between Slovak banks.	1,890.8	67.2	792	892.4	31.7	792	32.0	1.1	110	2,815.2	1,694
Transactions between Slovak and foreign banks	2,325.7	82.9	794	448.2	16.0	366	32.0	1.1	30	2,805.9	1,190
Foreign exchange market in the SR - total	4,216.5	75.0	1,586	1,340.7	23.9	1,158	64.0	1.1	140	5,621.1	2,884

Average Monthly Exchange Rates of SKK

midpoint rate	1997			1998									
	10	11	12	1	2	3	4	5	6	7	8	9	10
FRF	5.714	5.786	5.806	5.786	5.807	5.730	5.745	5.753	5.800	5.795	5.880	6.094	6.545
1,000 ITL	19.574	19.775	19.832	19.690	19.727	19.513	19.500	19.566	19.743	19.705	19.979	20.678	22.180
100 JPY	27.861	26.883	26.722	27.177	28.092	27.248	26.483	25.416	24.821	24.881	24.348	25.849	29.591
CAD	24.352	23.757	24.229	24.424	24.593	24.745	24.497	23.705	23.784	23.561	23.039	22.897	23.342
NLG	17.019	17.190	17.250	17.197	17.271	17.045	17.100	17.126	17.256	17.232	17.480	18.112	19.458
ATS	2.724	2.753	2.763	2.755	2.767	2.731	2.737	2.742	2.765	2.761	2.802	2.904	3.120
DEM	19.173	19.376	19.438	19.379	19.467	19.211	19.257	19.297	19.449	19.427	19.711	20.432	21.944
CHF	23.189	23.845	24.022	23.854	24.123	23.595	23.215	23.163	23.350	23.076	23.564	24.820	26.872
USD	33.718	33.528	34.528	35.137	35.322	35.041	34.981	34.229	34.809	34.940	35.247	34.855	35.952
GBP	54.941	56.573	57.401	57.525	57.892	58.166	58.505	56.145	57.374	57.496	57.538	58.497	60.954
XEU	37.668	38.328	38.471	38.279	38.439	38.096	38.187	38.023	38.424	38.400	38.884	40.184	43.235
CZK	1.025	1.012	0.994	0.994	1.023	1.031	1.037	1.053	1.047	1.094	1.098	1.136	1.230

Gross Domestic Product

(Sk billions)

		1996	1997				1998		
		year	1. quarter	2. quarter	3. quarter	4. quarter	year	1. quarter	2. quarter
Gross domestic product in constant 1995 prices	a	550.8	136.0	147.3	152.4	151.1	586.8	144.4	156.3
	b	106.6	106.4	106.2	106.6	106.9	106.5	106.2	106.1
	c	-	96.2	108.3	103.5	99.1	-	95.6	108.2
Gross domestic product in current prices	a	575.7	148.7	162.6	170.2	172.4	653.9	166.2	181.6
	b	111.4	113.9	112.7	113.1	114.6	113.6	111.8	111.7
	c	-	98.9	109.3	104.7	101.3	-	96.4	109.3

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								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Goods and services	a	100.2	100.9	100.7	100.5	101.9	100.7	100.2	100.4	100.6	100.1	99.6	99.8	100.4
	b	109.9	110.8	111.5	112.1	108.4	109.1	109.4	109.8	110.5	110.6	110.2	110.0	110.4
	c	104.3	105.2	105.9	106.4	101.9	102.6	102.8	103.2	103.8	104.0	103.6	103.4	103.8
	d	105.7	105.9	106.2	106.4	107.2	107.5	107.2	107.0	107.6	107.4	107.0	105.7	105.9
of which														
foodstuff goods	a	100.1	101.0	100.7	101.0	101.9	101.2	99.8	100.6	101.4	100.0	98.5	99.1	100.6
	b	106.3	107.3	108.1	109.1	106.6	107.8	107.6	108.3	109.8	109.7	108.1	107.1	107.7
	c	101.9	102.9	103.6	104.6	101.9	103.0	102.9	103.5	104.9	104.9	103.3	102.4	103.0
	d	103.2	103.3	103.8	104.6	104.9	105.7	104.8	105.2	107.5	106.9	106.0	105.2	105.7
non-foodstuff goods	a	100.4	101.0	100.6	100.5	101.5	100.6	100.4	100.3	100.4	100.1	100.1	100.0	100.3
	b	110.7	111.8	112.5	113.0	108.0	108.7	109.1	109.4	109.8	110.0	110.1	110.1	110.4
	c	104.3	105.3	105.9	106.4	101.5	102.1	102.5	102.8	103.2	103.3	103.4	103.5	103.8
	d	105.8	106.3	106.4	106.4	107.0	107.2	107.2	107.2	106.9	106.8	106.6	106.0	105.9
public catering	a	100.2	100.5	100.6	100.3	100.4	101.2	100.7	100.2	100.4	100.9	100.2	100.3	100.6
	b	105.3	105.8	106.4	106.7	103.0	104.3	105.0	105.2	105.7	106.6	106.8	107.2	107.8
	c	101.2	101.7	102.3	102.6	100.4	101.7	102.4	102.6	103.0	103.9	104.1	104.5	105.1
	d	102.8	102.7	102.7	102.6	103.6	104.8	105.0	105.2	105.2	106.0	105.8	106.1	106.5
services	a	100.2	100.6	100.7	100.1	102.4	100.3	100.4	100.3	100.1	100.1	100.3	100.0	100.4
	b	113.2	113.9	114.6	114.8	111.3	111.6	112.1	112.4	112.5	112.7	113.0	113.1	113.5
	c	107.2	107.8	108.5	108.6	102.4	102.7	103.2	103.5	103.6	103.7	104.0	104.1	104.5
	d	108.1	108.2	108.7	108.6	110.3	110.2	110.1	109.1	108.9	108.8	108.5	105.7	105.9

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								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Industrial products	a	100.4	101.6	99.8	100.1	100.8	100.0	100.1	100.1	100.1	99.9	100.1	99.8	100.6
	b	102.9	104.5	104.3	104.4	100.8	100.8	100.9	101.0	101.1	101.0	101.1	100.9	101.6
	c	109.4	111.1	110.9	111.0	111.9	111.9	112.0	112.1	112.2	112.1	112.2	112.0	112.7
	d	104.2	104.8	104.4	104.4	104.1	103.5	104.2	103.7	104.4	104.1	103.6	102.8	103.1
	e	107.3	109.0	108.8	108.9	109.8	109.8	109.9	110.0	110.1	110.0	110.1	109.9	110.6
Building materials	a	100.4	100.4	100.5	100.3	101.6	101.5	100.6	100.8	100.4	100.2	98.9	100.0	100.4
	b	107.1	107.5	108.0	108.3	101.6	103.1	103.7	104.5	105.0	105.1	104.0	104.0	104.4
	c	113.4	113.8	114.4	114.7	116.5	118.3	119.0	119.9	120.4	120.6	119.3	119.3	119.8
	d	108.5	108.2	107.9	108.3	108.7	109.3	110.6	109.7	108.2	108.1	106.5	105.6	105.6
	e	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	105.6	102.0	99.4	98.9	102.9	102.3	100.5	102.3	103.6	104.4	101.2	100.3	98.1
	e	113.1	107.7	107.0	108.0	106.6	109.5	111.5	113.4	113.5	115.6	116.8	119.0	111.0
of which:	a	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant products	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	107.8	100.7	96.5	92.8	94.5	93.0	89.0	90.6	91.6	93.0	97.3	96.7	92.8
	e	117.8	108.2	108.1	109.4	110.7	111.1	107.7	109.2	110.3	115.1	116.5	119.2	109.3
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	103.4	103.4	102.6	103.5	104.8	104.9	103.1	104.0	105.1	105.9	105.7	105.4	103.9
	e	108.4	107.2	105.9	107.1	105.8	109.2	112.3	113.9	113.8	115.6	117.0	118.7	112.6

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									
	10	11	12	1	2	3	4	5	6	7	8	9	10
Monthly rate of inflation ^{1/}	0.9	0.7	0.5	1.9	0.7	0.2	0.4	0.6	0.1	-0.4	-0.2	0.4	1.1
Annual rate of inflation ^{2/}	5.9	6.2	6.4	7.2	7.5	7.2	7.0	7.6	7.4	7.0	5.7	5.9	6.2
Average annual rate of inflation ^{3/}	6.1	6.1	6.1	7.2	7.4	7.3	7.2	7.3	7.3	7.3	7.1	7.0	6.9

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								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Number of vacancies	a	26,765	24,135	20,674	19,318	18,299	19,254	19,261	19,914	20,299	19,723	18,396	16,786	14,117
	b	-2,217	-2,630	-3,461	-1,356	-1,019	955	7	653	385	-576	-1,327	-1,610	-2,669
Number of unemployed	a	336,858	334,327	328,379	347,753	350,255	353,607	349,024	343,182	336,403	352,271	367,558	358,590	358,767
	b	4,030	-2,531	-5,948	19,374	25,541	3,352	-4,583	-5,842	-6,779	15,868	15,287	-8,968	177
Number of unemployed per vacancy	a	13	14	16	18	20	19	19	18	18	19	21	23	27
Unemployment rate (in %)	a	13.0	12.9	12.6	12.5	13.4	13.6	13.4	13.2	12.9	13.5	14.1	13.8	13.8

a - In the specified unit

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

State Budget

(Sk millions)

		1997			1998									
		10	11	12	1	2	3	4	5	6	7	8	9	10
State budget revenue	a	144,874	159,142	180,826	16,397	25,991	43,939	60,841	73,202	86,356	103,590	116,150	131,154	145,760
	b	84.7	93.0	105.7	9.1	14.5	24.4	33.8	40.7	48.0	57.6	64.6	72.9	81.1
State budget expenditure	a	176,138	192,632	217,825	12,923	25,753	42,835	61,105	75,608	90,224	112,527	124,803	139,600	154,827
	b	84.7	92.6	104.7	7.0	13.9	23.2	33.1	40.9	48.8	60.9	67.5	75.5	83.8
State budget balance	a	-31,264	-33,490	-36,999	3,474	238	1,104	-264	-2,406	-3,868	-8,937	-8,653	-8,446	-9,067

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

b - Budget performance in %

Industrial Production

(Sk millions)

		1997				1998								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Total industrial production	a	47,711	53,611	52,811	49,050	45,980	46,773	52,750	50,900	51,423	52,541	49,363	48,557	52,715
	b	110.1	112.4	98.5	92.9	94.3	101.7	112.8	96.5	101.0	102.2	94.0	98.4	108.6
	c	99.3	102.4	103.3	105.2	100.6	102.4	110.9	105.6	107.5	104.6	108.8	109.3	107.8
	d	412,196	465,807	518,618	567,668	45,980	92,753	145,503	196,403	247,826	300,367	349,730	398,287	451,002
	e	102.4	102.4	102.5	102.7	100.6	101.5	104.7	104.9	105.5	105.3	105.8	106.2	106.4
	f	44,047	48,879	48,112	44,586	41,585	42,593	48,021	46,280	46,648	47,668	44,618	43,877	47,478
of which														
in the private sector														
	a	35,579	40,361	39,634	36,576	33,802	35,148	40,142	39,264	39,837	42,064	38,897	37,888	41,961
	b	111.7	113.4	98.2	92.3	94.0	104.0	114.2	97.8	101.5	105.6	92.5	97.4	110.8
	c	107.8	108.3	111.0	112.9	107.5	109.6	118.0	112.3	114.4	111.8	115.0	115.4	114.2
	d	298,705	339,066	378,700	415,276	33,802	68,950	109,092	148,356	188,193	230,257	269,154	307,042	349,003
	e	110.6	110.3	110.4	110.6	107.5	108.6	111.8	112.0	112.5	112.3	112.7	113.0	113.2
	f	74.6	75.3	75.0	74.6	73.5	75.1	76.1	77.1	77.5	80.1	78.8	78.0	79.6
	g													
Labour productivity (Sk / employee)	a	78,371	87,959	86,848	81,307	76,113	77,815	87,996	87,016	88,237	90,310	85,044	83,965	91,484
	b	109.7	112.2	98.7	93.6	94.9	102.2	113.1	98.9	101.4	102.3	94.2	98.7	109.0
	c	101.7	104.8	105.8	108.4	101.8	104.5	113.1	109.8	111.0	102.5	114.0	114.8	113.9

a - In the specified unit

b - Index previous month = 100

c - Index same period of last year = 100

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

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

f - In the specified unit at constant 1995 prices

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

Construction

(Sk millions)

		1997				1998								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Total construction sector output (including output abroad)	a	6,980	8,031	7,614	6,411	4,783	5,248	6,039	6,319	6,805	7,322	7,421	7,640	6,918
	b	100.5	115.1	94.8	84.2	73.5	109.7	115.1	104.6	107.7	107.6	101.4	103.0	90.5
	c	106.6	111.4	110.2	105.8	115.2	111.2	120.2	102.9	101.4	100.5	100.5	102.4	90.4
	d	52,067	60,098	67,712	74,123	4,783	10,031	16,070	22,389	29,194	36,516	43,937	51,577	58,495
	e	109.2	109.5	109.6	109.2	115.2	113.1	115.6	111.8	109.2	107.4	106.2	105.6	103.6
	f	5,629	6,445	6,077	5,100	3,760	4,075	4,656	4,824	5,171	5,547	5,613	5,744	5,091
of which in the private sector	a	5,771	6,597	6,226	5,514	3,913	4,262	4,938	5,204	5,473	5,984	6,131	6,303	5,926
	b	102.1	114.3	94.4	88.6	74.7	108.9	115.9	105.4	105.2	109.3	102.5	102.8	94.0
	c	107.0	109.2	107.6	106.2	108.6	105.5	119.5	104.8	102.0	103.1	102.6	103.8	93.7
	d	42,629	49,226	55,452	60,966	3,913	8,175	13,113	18,317	23,790	29,774	35,905	42,208	48,134
	e	107.8	108.0	107.9	107.8	108.6	107.0	111.3	109.4	107.6	106.7	106.0	105.7	104.1
	f	82.7	82.1	81.8	86.0	81.8	81.2	81.8	82.3	80.4	81.7	82.6	82.5	85.7
	g													
Construction output in the SR	a	6,543	7,539	7,164	6,062	4,528	4,965	5,722	6,002	6,430	6,952	7,089	7,315	6,638
	b	100.9	115.2	95.0	84.6	73.4	109.7	115.2	104.9	107.1	108.1	102.0	103.2	90.7
	c	110.9	115.6	111.5	107.2	115.7	112.1	123.1	105.2	103.7	103.7	101.6	105.0	92.6
	d	48,557	56,096	63,260	69,322	4,447	9,412	15,134	21,136	27,566	34,518	41,607	48,922	55,560
	e	113.5	113.8	113.5	112.9	115.7	113.8	117.1	113.5	111.1	109.6	108.1	107.7	105.7
	f	5,277	6,051	5,717	4,823	3,560	3,855	4,412	4,582	4,886	5,267	5,362	5,500	4,884
Construction output abroad	a	437	492	450	349	255	283	317	317	375	370	332	325	280
	b	95.6	112.6	91.5	77.6	75.1	111.0	112.0	100.0	118.3	98.7	89.7	97.9	86.2
	c	68.0	71.3	92.6	86.3	107.9	97.2	83.7	73.0	72.9	63.7	81.9	66.2	58.5
	d	3,510	4,002	4,452	4,801	255	538	855	1,172	1,547	1,917	2,249	2,574	2,854
	e	71.7	71.7	73.3	74.1	107.9	102.0	94.4	87.5	83.5	78.8	79.3	77.4	75.1
	f	352	394	360	277	200	220	244	242	285	280	251	244	207
Labour productivity per employee in Sk (of total construction output)	a	45,140	51,383	49,108	42,465	32,450	35,739	40,589	41,844	45,080	48,355	48,897	48,995	44,424
	b	99.6	113.8	95.6	86.5	75.5	110.1	113.6	103.1	107.7	107.3	101.1	100.2	90.7
	c	105.4	108.9	108.0	102.9	111.6	108.5	116.3	99.8	99.1	98.7	100.4	100.6	89.8

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								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Imports	a	27,975	30,556	27,097	26,480	29,745	34,769	39,445	38,149	35,570	39,973	37,498	36,690	37,700
	b	260,916	291,472	318,569	345,049	29,745	64,514	103,959	142,108	177,678	217,651	255,149	291,839	329,539
	c	109.0	107.1	104.5	101.2	-	-	-	-	-	-	-	-	-
of which: Czech Republic	a	6,930	7,562	6,042	5,260	5,537	7,001	7,308	7,390	6,289	7,510	6,399	6,547	7,458
	b	60,471	68,033	74,075	79,335	5,537	12,538	19,846	27,236	33,525	41,035	47,434	53,981	61,439
	d	24.8	24.7	22.3	19.9	18.6	20.1	18.5	19.4	17.7	18.8	17.1	17.9	19.8
Exports	a	26,250	27,009	26,094	20,070	24,264	29,069	33,103	29,906	29,675	33,616	30,942	30,506	33,415
	b	222,401	249,410	275,504	295,574	24,264	53,333	86,436	116,342	146,017	179,633	210,575	241,081	274,496
	c	112.6	112.0	110.4	109.2	-	-	-	-	-	-	-	-	-
of which: Czech Republic	a	6,765	7,681	6,552	4,735	5,711	6,273	6,813	5,983	6,138	6,837	6,061	6,030	6,440
	b	59,813	67,494	74,046	78,781	5,711	11,984	18,797	24,780	30,918	37,755	43,816	49,846	56,286
	d	25.8	28.4	25.1	23.6	23.5	21.6	20.6	20.0	20.7	20.3	19.6	19.8	19.3
Balance	a	-1,725	-3,547	-1,003	-6,410	-5,480	-5,700	-6,342	-8,243	-5,894	-6,356	-6,556	-6,184	-4,285
	b	-38,515	-42,062	-43,065	-49,475	-5,480	-11,180	-17,522	-25,765	-31,659	-38,015	-44,571	-50,755	-55,040
of which: Czech Republic	a	-165	119	510	-525	174	-729	-495	-1,407	-151	-673	-338	-517	-1,018
	b	-658	-539	-29	-554	174	-555	-1,050	-2,457	-2,608	-3,281	-3,619	-4,136	-5,154

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 (%)