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Monthly Update

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in cooperation with

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GOVERNMENT OF THE RUSSIAN FEDERATION

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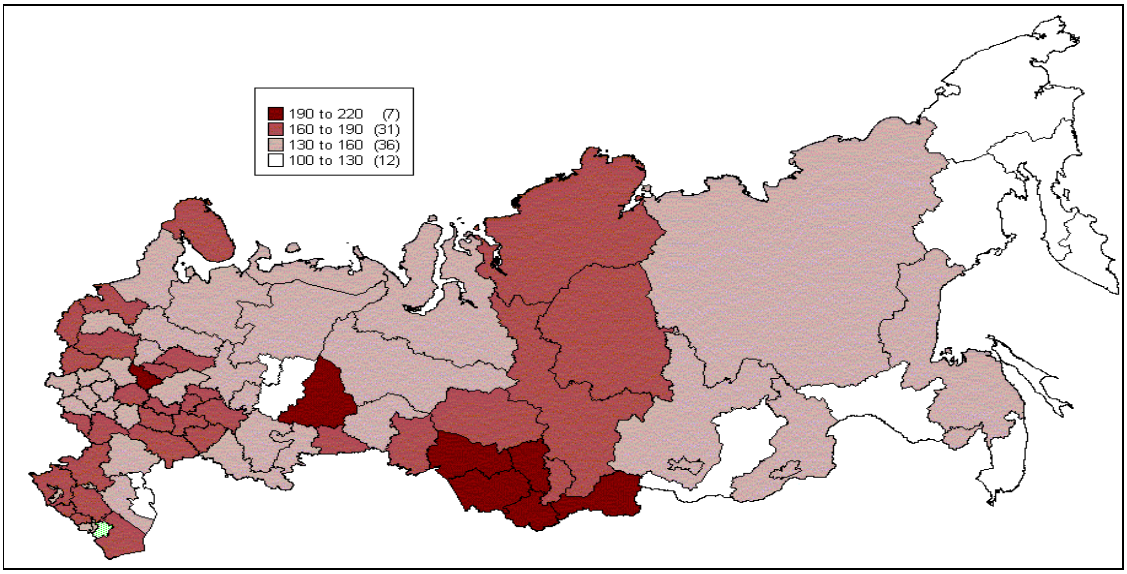
GASOLINE CRISIS IN THE RUSSIAN FEDERATION

Nadezhda Ivanova, George Pavlov
RECEP, Moscow

In May-July of the current year serious shortages of gasoline developed in a number of Russian regions. The shortages have been accompanied by rapid increases in both retail and wholesale prices. In particular, average consumer prices for gasoline increased by 60% in the first half of the year while CPI grew by 25%.

Oil products are traditionally in shorter supply in Russia during the spring-summer period for a number of reasons: demand for fuel from car owners, agricultural enterprises and the Defense Ministry rises significantly in the spring, supplies are delivered to northern regions (inaccessible in the winter), and some refineries cut output due to seasonal maintenance. However, the fuel crisis that developed in May-July 1999 is far more than a seasonal blip, as is clear from its scale and geographical spread (see Figure 1).

Fig. 1. Price increases in the regions. December 1998=100%.



Source: Russian Statistical Agency.

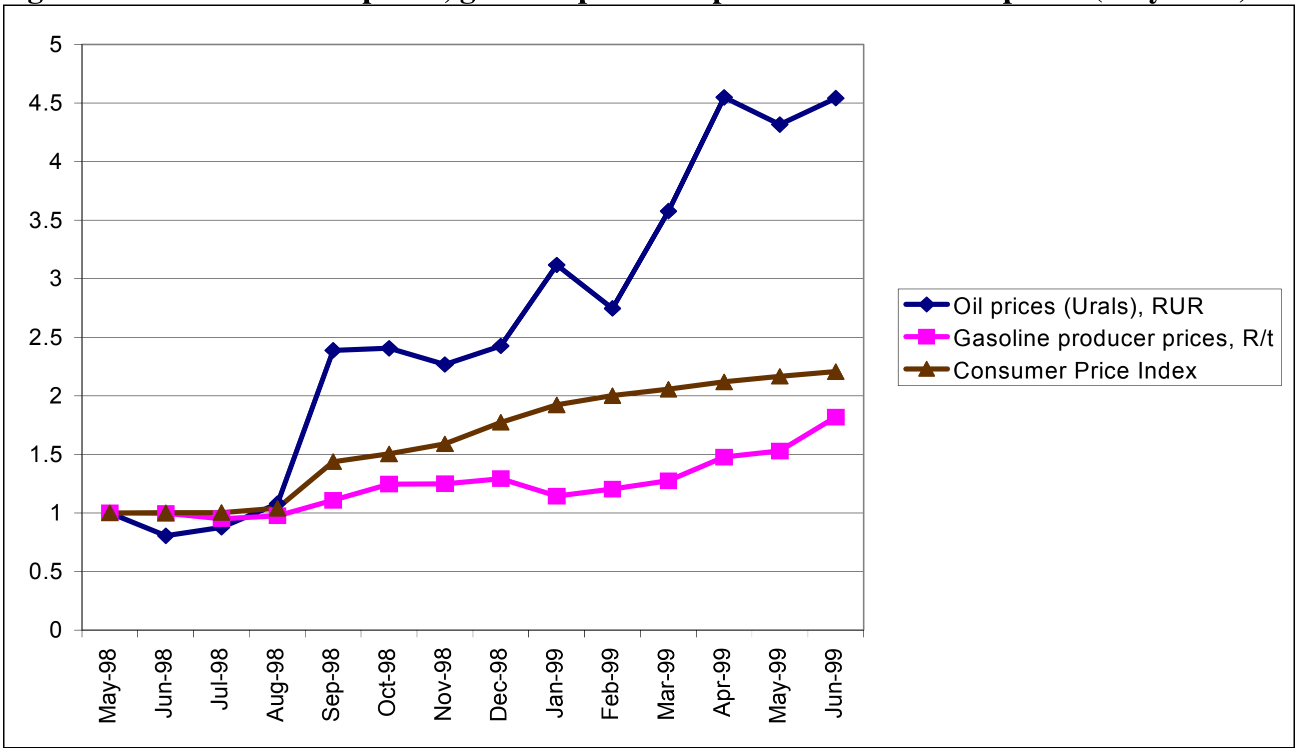
The nationwide character of the fuel crisis, and the apparent inability of regional authorities to deal with it, brought the issue to the attention of the federal government. The Ministry of Fuel and Energy, the Antimonopoly Ministry and the Prime Minister’s office attempted to work out a solution to the problem. At the beginning of August, the government officially announced measures intended to overcome the fuel crisis. In our view, the government’s plan of action will have either zero or negative economic effects, although it may have some political value. This special report analyses the causes of the fuel crisis and presents an overview of various policy options that were and still are available to the government in dealing with it.

1. The causes of the crisis

Exports and technological considerations

In the period from January to May 1999, supplies of gasoline to Russian consumers were down by 13.4% compared to the same period of 1998 (see Figure 2). The drop in domestic sales was due to a number of internal and external factors. The three-fold depreciation of the national currency led to a sharp fall (by 70%) in domestic prices for oil and oil products in dollar terms. In the second quarter of 1999, the gap between domestic and export prices increased even further due to a rise in world oil prices (see Fig. 2.) Imports of gasoline ceased to make commercial sense (Russia imports higher-grade gasoline, mainly in the summer months), and export of crude oil became much more attractive. This is not to say, however, that the gasoline shortages can be blamed directly on a lack of crude supplies inside the country. Despite the magnet of high world prices, export of crude oil rose by only 4.4% in January-May 1999 compared to the same period of 1998, which is explained by capacity constraints of oil pipelines and sea terminals as well as export limits agreed with OPEC. A bigger role was played by redistribution of oil product consumption on the Russian market. There was a rise in demand for primary oil products from the petrochemical industry, where devaluation led to substantial increases in output and exports. Oil companies could not respond by raising extraction volumes, so they met the growing demand from the petrochemical sector by reducing volumes of gasoline production at their refineries.

Fig. 2. Indices of world oil prices, gasoline producer prices and consumer prices (May 98=1)



Source: Russian Statistical Agency.

The technological characteristics of Russian refineries were another important factor influencing the decision of oil companies to reduce gasoline production. Most Russian refineries have a low depth of distilling (63%) which results in low profit margins and a high share of low value-added products, such as fuel oil and diesel. Major domestic consumers of these products are budget-financed entities, agricultural producers and power generators. Outright non-payments and forced acceptance of monetary surrogates are usual in sales to these groups of consumers. As a result, marginal profitability of oil refining is inferior to that of crude export sales, and it is nearly impossible to generate incentives for stepping up refining at the cost of crude exports.[1]

Table 2. Production and use of crude oil and gasoline in Russia

	January-May 99	January-May 98	January-May 99 as percentage of January-May 98
Quantity			
Oil production (mn tons)	124.8	125.3	99.6
Oil export (mn tons)	57.8	55.4	104.0
Primary distillation (mn tons)	67.1	67.4	99.6
Gasoline production (mn tons)	9.9	10.6	93.0
Export of gasoline	1.1	1.1	97.7
Import of gasoline (mn tons)	0.1	1.0	7.9
Gasoline sales on domestic market (mn tons)	8.9	10.2	86.6
Average prices			
Exported oil ($ /ton)	70.6	86.8	81.3
Oil producer prices ($/ton)	17.9	57.9	30.9
Oil producer prices (RUR/ton)	429.4	351.8	122.1
Exported gasoline ($/ ton)	89.6	125.6	71.3
Gasoline producer prices ($/ton)	55.6	175.1	31.8
Gasoline producer prices (RUR/ton)	1340.8	1073.0	125.0

Source: Russian Statistical Agency.

Market structure

Tax offsets and barter, which are both widely used in Russia, have distorted the structure of trade in a variety of manufactured goods. The fuel market is no exception. Almost 100% of deliveries to farms and the military have been paid for by money surrogates since the beginning of transition. Many independent suppliers of fuel to end consumers make extensive use of barter and offset schemes for purchasing fuel and lubricants.[2]

Since the beginning of 1999, the government has made serious efforts to increase the share of cash in tax payments by oil companies. This has a positive impact on the effective rate of tax collection, since it minimises corruption and improves control over budget spending. However, in the short term this policy may have adverse consequences. Oil companies have responded to the government policy by streamlining their sales on the domestic market. First, fuel supplies to consumers that are unable to pay, i.e., the agricultural sector and the Defence Ministry, were cut drastically. Deliveries of gasoline and diesel to farmers in the first 6 months of 1999 were down by 34% and 29% respectively compared to the same period of 1998. Second, refineries began to demand cash payment from inter-

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[1] *The profitability of oil refining at a typical refinery is $1.5 per barrel, while export secures $6 less transportation costs.*
[2] *The independents do not have things all their own way, since vertically integrated oil companies control up to 25-30% of petrol stations in Russia.*

mediaries supplying fuel to gasoline stations. The latter were often unable to restructure their operations at such a short notice and had to discontinue operations. This effect was intensified as lack of fuel at many gasoline stations caused an upsurge of demand by hoarding consumers. Deprived of barter and offset schemes, the distributors lacked funds to buy gasoline to meet the higher demand.

Other factors

The following factors caused the crisis to deepen and spread across the country:

Some regional administrations tried to restrict export of fuel from their regions or to impose price controls. Such policies aggravated the situation, as supplies dwindled and local market operators froze their operations.

A sharp increase in gasoline prices in an individual region has a negative effect on consumers in other regions. Expectations of price hikes in other regions lead to excess demand, which provokes shortages, so that the expectations are self-fulfilling.

When fuel supplies to independently-owned gasoline stations dwindle, regional oil companies and big suppliers closely affiliated with them increase their market power. With time, competition is restored, but the cartel members can make big profits through short-term monopolistic price hikes.

Unregistered export of gasoline to CIS countries went up significantly in the summer. Higher prices in CIS countries, specifically the Ukraine, Moldavia and Georgia, attracted gasoline from Russia and weak border controls were unable to control it.

2. Government policies

The major political and economic implications of the fuel crisis are twofold. First, gasoline price hikes have a direct impact on end consumers and result in cost-push inflation. Second, shortages of fuel in the agricultural sector may lead to a significant drop in food production. The problem of restoring supplies of diesel to the agricultural sector should be addressed separately from the fuel needs of other sectors, since the agricultural sector is unable to pay at virtually any price level. Box 1 presents some further discussion regarding difficulties faced by farmers.

Options

The government has three instruments that could serve to balance out demand and supply on the domestic gasoline market: export quotas, export tariffs, and non-intervention policy. Below we discuss the advantages and disadvantages of each policy instrument.

In theory, an increase in export tariffs would reduce the attractiveness of exports and result in a rise in domestic consumption of fuel. In practice, the difference between the domestic and export prices is so significant that a tariff aimed at equalising the profitability of export and domestic sales would be extremely high and in effect prohibitive. The imposition of such a tariff is unlikely, mainly for political reasons.[3] Still, as the winter season approaches the probability of introduction of export duties will increase, especially in respect of fuel oil, on which many power plants rely.

Oil export quotas could be introduced either by government decree or through an agreement with oil companies. Historical experience has demonstrated high levels of corruption inherent to quota regu-

[3] *The same political considerations would keep the government from imposing administrative price controls in this industry.*

lation in Russia. In the case of an informal agreement, adherence to it by the private companies would be secured through the government's control over sea terminals and export pipelines. We will elaborate on this option in more detail in the last section of the report, which is devoted to analysis of the policies actually adopted by the government.

The last of the three alternatives is to let market forces balance actual supply and demand. Due to physical limitations on exports, Russian oil and oil product markets are relatively isolated from world markets. For this reason equalisation of domestic and export prices seems unlikely in the short term. We believe that after the initial price rises in the spring-summer of 1999, internal prices will be determined more by domestic demand than by external factors. Allowing the market to decide is therefore a good option, although the federal government could take certain steps to alleviate the effects of the crisis.

Some intervention would be justified to avoid sudden price jumps, since a sharp increase in motor fuel prices would have more serious negative political consequences than a gradual change. Such sudden price jumps could be caused by cartel collusion of suppliers or could result from dictatorial policies by local authorities. In the former case, the federal government should enhance control over the enforcement of legislation on competition. As for crises aggravated by the intervention of regional authorities, the federal government could use existing legislation to prevent deterioration of the situation.

As was pointed out above, the depth of oil distillation at Russian refineries is insufficient. To meet the demand of the domestic market for gasoline in the medium term, modernisation of production assets is required. If the government wants to encourage such investments, it must be ready to discard measures, which force private refineries to supply gasoline to consumers who are unable to pay for it. The establishment of tax conditions, which encourage investments, is also important. On the other hand, such measures would decrease budget revenues, so further analysis of their effectiveness is required

Box 1. Agriculture

Lack of access to bank credits means that agricultural enterprises are unable to purchase gasoline without government help. The government's decision not to offset tax liabilities of oil companies in return for supplies to farms therefore wreaks havoc with fuel supplies to agriculture. Local authorities are even less constructive than the federal authorities, often resorting to plain coercion of oil companies. The experience of a number of regions shows that such policies do not secure expected results and undermine respect for the government. A return to the practice of tax offsets would give corruption another boost. What is required is development of an efficient mechanism for financing the agricultural sector that would ensure repayment of loans to the sector. In the absence of such a mechanism, the federal authorities should offer oil companies concrete procedures for guaranteeing payment on behalf of agricultural enterprises for gasoline supplies.

Policy measures actually adopted by the government

On August 2, 1999 the Prime Minister signed a directive which required oil companies to keep a specified share of their crude output inside the country. At the same time, the Ministry of Fuel and Energy strongly recommended exporters of gasoline not to make any shipments abroad in August. To enforce the arrangement, customs would demand oil-exporting firms to produce evidence that deliveries to domestic refineries are running according to the government-specified schedule before those companies are allowed to proceed with their exports. Apart from having a negative effect on incentives to invest in the oil industry, the proposal runs counter to principles of foreign trade policy supported by international financial organisations. The memorandum on Russia's economic policy for 1999, signed by the CBR and the government and approved by the IMF and World Bank, states that the pipeline monopoly, Transneft, will only decrease the export pipeline quota of a company if that company fails to honour its tax bills. So restrictions on pipeline access based on failure of a particular oil company to obey government directives will complicate Russia's relations with international financial organisations. There are also doubts about the ability of the government to effectively monitor the implementation of such directives. We therefore think that the policy, chosen by the government, is inefficient.

Ending on a hopeful note, we expect that the crisis will solve itself at beginning of the autumn, provided that the government does not introduce binding price controls. A fall in demand due to rising prices and seasonal effects would be the main factor bringing the market back to normal.

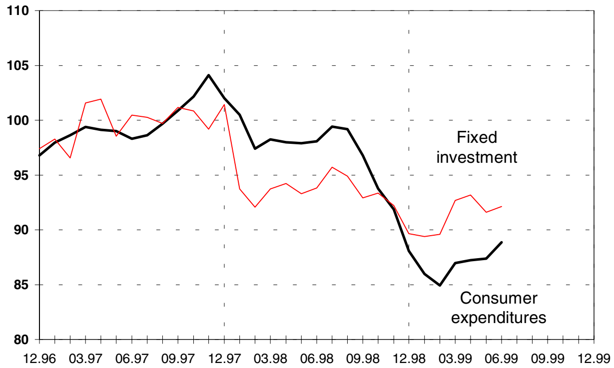
ECONOMIC UPDATE

Aggregate demand

In June seasonally adjusted real consumer expenditures on goods and services increased by about 1.5% compared with May, but were still about 11% lower than the average for 1997. Growth of consumer demand is mainly due to continuing rise of real wage incomes (see LABOUR MARKET). In June 1999 real expenditures on food (including catering) were 10% lower than a year ago, expenditures on non-food goods were 15% lower than in June 1998, and expenditures on paid services were 4% higher than a year ago.

According to preliminary data, expenditures on new construction and equipment (proxy for gross fixed investment) increased by 0.6% in June compared with May in seasonally adjusted terms, remaining about 8% lower than the 1997 average. The increase in investment demand corresponds to a rise in the profitability of enterprises in April-May. At the same time investment demand is supported by growth in spending on residential construction.

Components of aggregate demand (1997 = 100, seasonally adjusted)



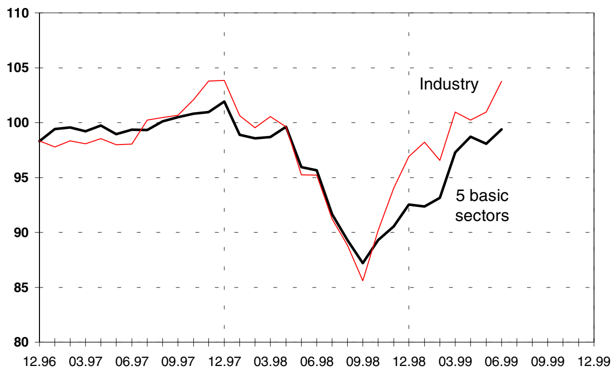
Source: RSA.

Output

In June gross output of the five basic sectors increased by 1.3% in seasonally adjusted terms compared to May and was only 0.6% below the 1997 average level. Industrial output, according to revised data, increased by 2.8% in June over May, and was 3.8% higher than the 1997 average level. According to revised data, the real volume of construction works increased by 1.6% in June compared to May in seasonally adjusted terms, and was only 2.6% lower than the 1997 average level. Production of animal products in the agricultural sector remained more or less stable in April-June, but was still 7% below the 1997 average level.

In June the total volume of industrial production in seasonally adjusted terms reached its pre-recession peak level of December 1997 (note that monthly data for 1995-1998 were recently revised by the Russian Statistical Agency). Among particular subindustries the highest monthly rates of growth in June were in production of textiles & footwear, machinery, chemicals and ferrous metals. Production of fuels, wood & paper products and building materials remained roughly at their May level. Production of electricity and non-ferrous metals decreased compared to May.

Gross output (1997 = 100, seasonally adjusted)*



** Index of gross output of 5 basic sectors includes industry, construction, agriculture, transportation and retail trade.*
Source: RSA.

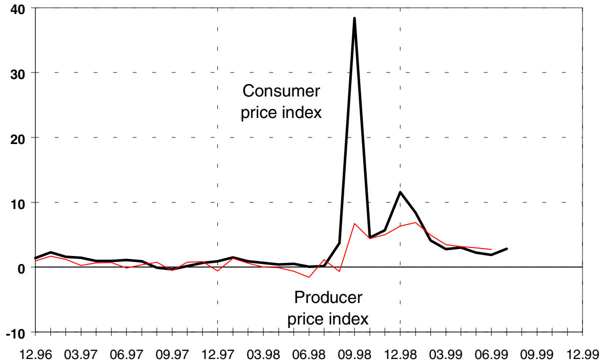
Prices

Inflation rates increased in July compared to their June level. The consumer price index grew by 2.8% in July, up from 1.9% in June. The acceleration in consumer price growth was mainly due to faster growth of prices for goods. Prices for food increased in July by 3.2% (1.7% in June). Prices for non-food goods grew by 1.9% (1.6% in June). At the same time rates of growth of service prices slightly decreased. The CPI for paid services grew by 3.2%, compared to 3.5% in June.

The composite producer price index increased by 2.7% in June compared to 3% in May (July data are not yet available). In industry the PPI grew by 3.7% - about the same rate as in May (3.6%). The PPI for agricultural products grew by 2.3%, substantially less than in May (3.5%), probably due to seasonal factors.

Prices for refined oil products continue to rise rapidly. Growth of exports of oil products and declining output from refineries have led to substantial falls in domestic supply and even to shortages in some regions. As a result, domestic producer prices for gasoline increased in June by 18%, and consumer gasoline prices grew by 14.5% in June and 15.2% in July.

Monthly growth of price indices, %*



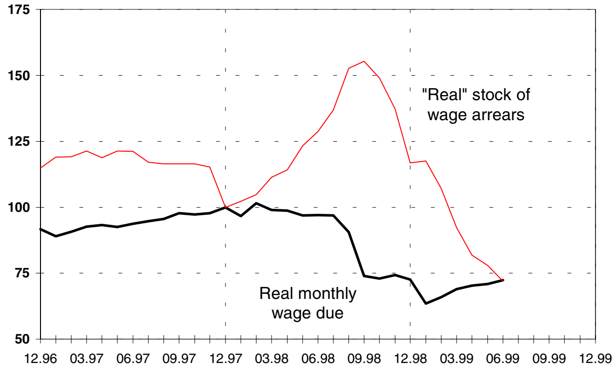
** The producer price index covers prices in industry, construction, production of agricultural animal products, and tariffs for freight transportation and communications.*
Source: RSA.

Labour

The situation in the labour market remains more or less stable. The number of employees at large and medium-sized enterprises remained stable in March-May 1999. The overall unemployment rate, estimated by the Russian Statistical Agency (RSA), was 14.2% in |June, the same as in April-May. The vacancy ratio (the number of job seekers registered with the Federal Employment Service as a ratio of the number of registered vacancies), also remained more or less stable in March-June in seasonally adjusted terms at about 3.7%.

The real monthly wage due, calculated on the basis of the price deflator for consumer expenditures, continued to grow slowly. According to preliminary estimates, it increased by 1.9% in June, though wages are still about 28% lower than the pre-recession peak level of December 1997. Real wage incomes are being supported by continuing repayment of wage arrears by enterprises, which decreased in June by 4.6% to R44.4 bn. Government wage arrears in June remained unchanged at R14.6 bn.

Real wages and wage arrears (Dec-1997 = 100, seasonally adjusted)*



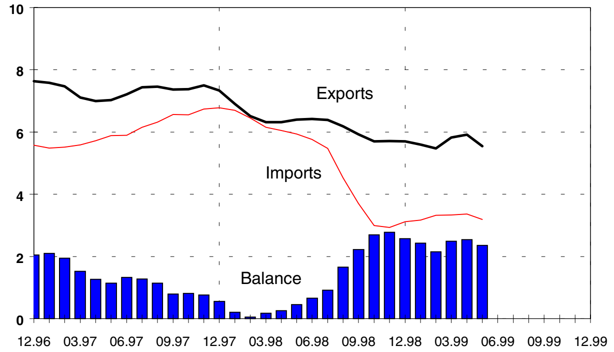
** The index of "real" wage arrears is calculated in terms of monthly wage fund, index or real wages is based on price deflator for consumer expenditures.*
Source: RSA.

Foreign trade

Monthly exports in May amounted to $5.2 bn, which is down 18.8% compared to April and down 13.3% compared to the same period last year. Imports in May stood at $3.1 bn, down 16.2% compared to April and down 46.6% compared to May 1998. As a result Russia ran a monthly trade surplus of $2.1 bn. In total for the first five months of this year Russia has managed to accumulate a trade surplus of $10.9 bn, compared to a mere $300 mn in the first five months of 1998. Preliminary data released by the Ministry of the Economy show that for the first six months of this year the trade surplus amounted to $13.2 bn, with exports of $32.6 bn and imports of $19.4 bn.

The head of the Trade Ministry department for the CIS, Vladimir Maksimov, has raised concerns about deepening negative trends in Russia's trade with CIS countries. In particular, it is becoming harder to obtain raw materials from the CIS. For example, growth in Russia's textile industry may be jeopardised by a decline in imports of cotton from Uzbekistan. Furthermore, CIS countries are increasingly imposing direct and indirect barriers against Russian exports. Russia's only CIS trade surplus is in its trade with Kazakhstan.

Merchandise exports and imports ($ bn, seasonally adjusted)



Source: RSA.

Brent oil price ($ per barrel)

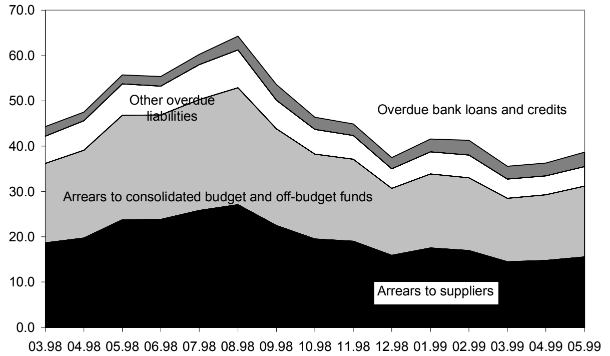
Source: Moscow Times.

Enterprise finances

Overdue payables rose in May with the fastest growth being registered in tax arrears. The fall in overdue taxes observed in the first quarter was due to tax offsets, which were implemented by the Ministry of Finance in February and March. The federal government announced its intention to collect taxes accrued in 1999 in monetary form only. However, growth in tax arrears measured as a share of industrial output suggests that companies do not view the government policy as credible. The latter continue to accumulate arrears and expect new tax offsets later in the year. At the same time inter-company arrears were relatively stable since the beginning of the year, which is a sign of the improving financial situation in the enterprise sector.

On July 14, the Ministry of State Property announced that it had received the consent of the Prime Minister to launch privatisation procedures for Rosneft and Slavneft. It is expected that a

Arrears in industry, % of industrial production*



** Data is for large and medium size enterprises.*
Source: RSA.

[1] *Between the beginning of the year and the end of July the RTS stock index went up by 93%.*

25%+1 share of Rosneft and a 19.68% stake in Slavneft will be put on sale in the autumn. Rosneft is the last large vertically integrated oil company still in state ownership, and its privatisation will mark the end of the transfer of the oil industry to the private sector. The government tried to sell a 75% + 1 share in Rosneft on two occasions in 1998, but the auctions were cancelled due to lack of bidders. The decision to try again this year is mainly due to price rises on the Russian stock market and international oil price hikes, which significantly raised the value of the companies.[1]

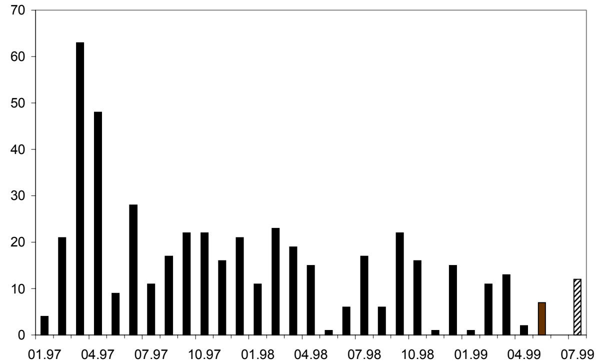
The banking sector

Following up on its withdrawal of licenses from Oneksimbank, Promstroibank, Mosbiznesbank and Mezhkombank in early July, the Central Bank filed for bankruptcy of all four banks in the Moscow arbitration court. Promstroibank, Mosbiznesbank and Mezhkombank have stated their intention to fight for return of their licences, inspired by recent cases, when the CBR reversed licence withdrawals. By the end of July the Moscow arbitration court had already declared that the CBR's withdrawal of Mezhkombank's licence is illegal, and issued an order forbidding the CBR to continue bankruptcy actions in respect of the bank.

The stock of nominal rouble deposits at banks other than Sberbank increased slightly in April-May. This is unlikely to be a signal of returning confidence in the banking sector, but is probably due to higher transaction demand for money, generated by growing nominal wages. Foreign currency deposits of citizens and enterprises remained roughly unchanged in the first 4 months of 1999, after declining by 25% in the second half of 1998.

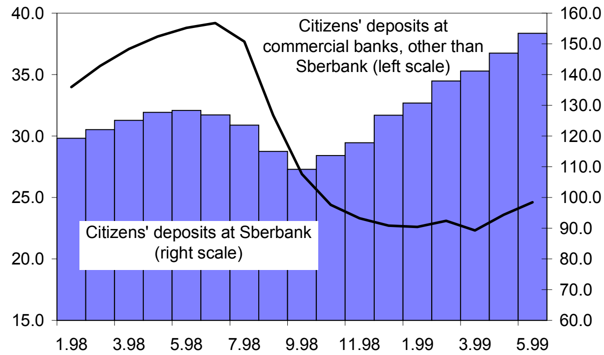
The State Customs Committee announced that it is going to hold a tender among banks at the end of August for the right to handle customs funds. Many of the banks, which previously performed this task, are now insolvent. There is hope that customs officials will not choose the same large decapitalised banks or their newly formed 'bridge banks' for the job.

Number of bank licences withdrawn by the CBR for violations of banking laws and CBR regulations*



** Data for June and July are preliminary estimates.*
Source: CBR.

Citizens' rouble deposits in Sberbank and other commercial banks, R bn



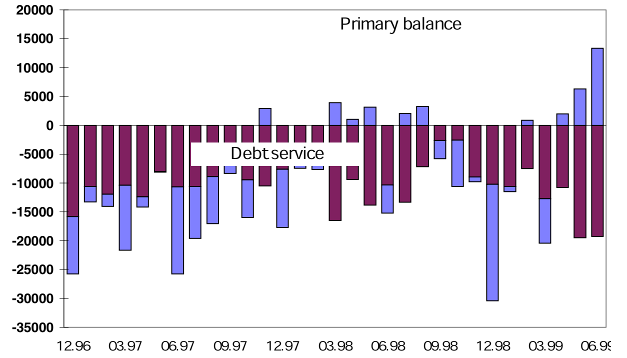
Source: RSA

The budget

In January – June 1999 the federal budget deficit, calculated according to the IMF definition, amounted to R66.4 bn, and in June alone it was R5.9 bn. The deficit was mainly financed by Central Bank credits. In the first 6 months of 1999, the federal government generated revenues of R225.6 bn, out of which tax revenues were R195.2 bn, representing 109% of the tax target set by the 1999 Budget Law. In June alone, tax collections were 30% higher than in May at R42.3 bn. Federal budget spending in the first half of 1999 was R292.0 bn and in June it was R57.8 bn. Interest payments comprised 30% of total expenditure in June. No data on regional and local budgets were available at the time of writing.

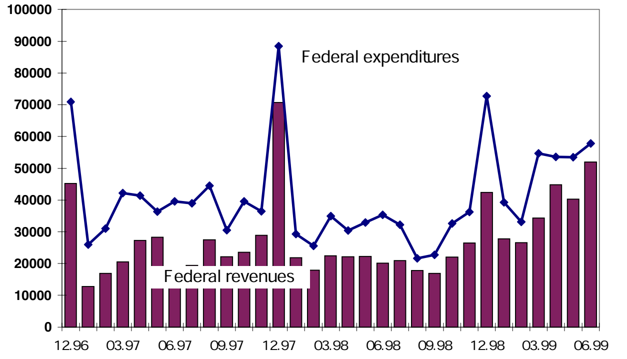
The IMF Executive Board approved a $4.5 bn loan for Russia on June 28. The money will be used for refinancing the country's debt to the Fund. The IMF result made it possible reach agreement with the Paris Club on the rescheduling of Soviet debt obligations, and negotiations with London Club creditors are underway (see more in 'Money').

Federal budget deficit, R mn



Source: Ministry of Finance.

Federal revenues and expenditures, R mn



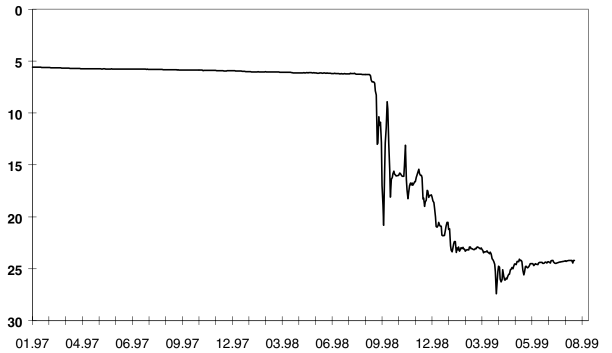
Source: Ministry of Finance.
IMF definitions of revenues, expenditure and deficit are used.

The exchange rate

At the end of July the exchange rate had not changed much from its level a month before. However, on the day of the sacking of the Stepashin government the official exchange rate reached R25.29/$, which means that the first nine days of August have seen a depreciation of 4.5%, and we can expect the rouble to weaken further in the next couple of days. There was already pressure on the national currency through most of July but CBR interventions, amounting to $50-100 mn on some days, prevented a major fall. The rouble decline restarted when the CBR withdrew its support at the end of July. The level of CBR international reserves means that major interventions are not feasible.

After removing certain currency restrictions in line with IMF requirements, the CBR has introduced a new restriction on commercial banks working with residents of offshore zones. The Russian bank has to deposit with the Central Bank at least 50% of the purchase value of securities issued by the offshore residents, and the deposited funds are returned on proof of delivery of the securities.

The rouble exchange rate (R/$)*



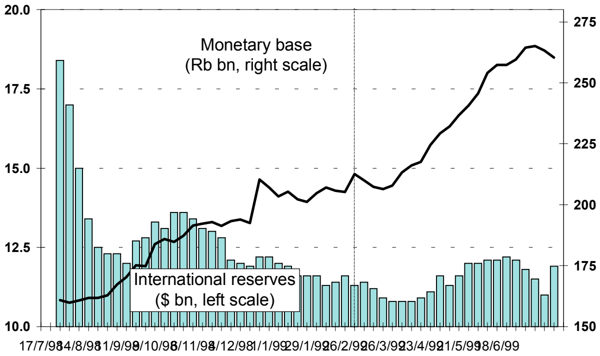
** MICEX exchange rate till 17th August. MICEX afternoon rate from then on.*
Source: Moscow Times.

The real exchange rate is continuing to appreciate in real terms as the rate of inflation remains above the rate of depreciation. Another indicator of the real exchange rate is the average dollar wage, which stood at $182 in June last year, then fell to a low of $52 at the beginning of 1999, before rising to $66 by this June.

Money

The development in international reserves in July was interesting, to say the least. Over the month as a whole reserves fell by $300 mn, but there was a fall of $900 mn to $11 bn in the period to July 23 due to debt servicing and CBR interventions on the forex market. The rebound to $11.9 bn in the last week of July was due to disbursement of the first $640 mn tranche of the $4.5 bn IMF loan, and also to loan tranches of $50 mn apiece from Japan and the Word Bank, earmarked for restructuring of Russia's coal industry. The money disbursed by the IMF will not actually enter Russia but is kept at an account at the Federal Reserve Bank of New York, and the increase in Russia's international reserves is basically a book-keeping procedure. The account will be debited in accordance with Russia's IMF debt servicing schedule.

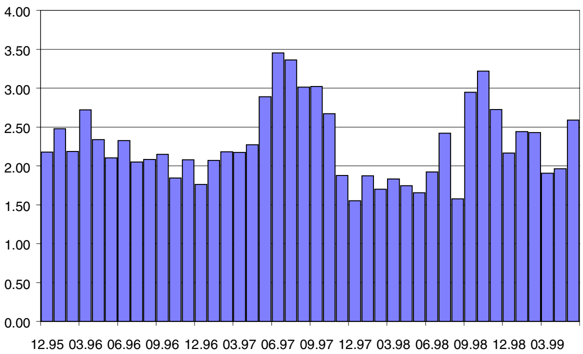
Monetary base and gross international reserves (weekly data)



Source: CBR.

Russia has reached an agreement with the Paris Club that postpones payments on Soviet debt till the end of next year. Over that period Russia will have to service a mere $600 mn instead of a scheduled $8.1 bn. Negotiations with the London Club creditors have commenced and are expected to last longer, as Russia is seeking an overall restructuring deal rather than mere postponement. Debt forgiveness could be on the negotiating table.

Number of months' imports covered by hard currency reserves



Source: RSA, CBR.

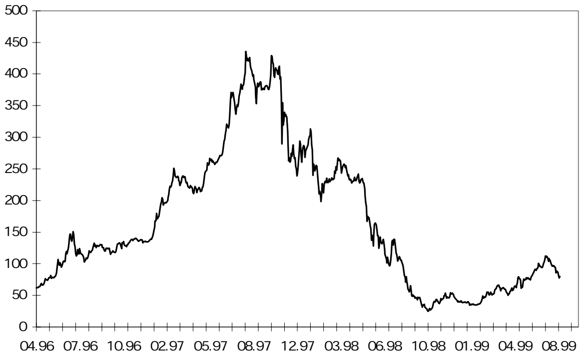
The IMF agreement and successful negotiations with creditors should help the CBR to resist the temptation to revert to emissions. The CBR printed another R3 bn in July, equal to a 1.2% increase in the monetary base, which now stands at R260.3 bn. This means that since the end of January the monetary base has increased by 28.5%.

Financial markets

The share market, which has seen very impressive growth so far this year, started to falter in July, losing more than 8.2% during the month. In the first week of August the market fell another 9.8% despite IMF loan approval and continuing high oil prices. It is likely that the fall was a technical correction after the excessive growth in the first six months of this year, although the turnaround was also prompted by rumours that the government may be sacked (rumours, which have been proved true). The IMF's decision on July 28 to grant Russia new money had most likely been priced into the market earlier. Also Russia's stock market was certainly influenced by other world markets, which have experienced declines in the last month.

On August 9, the day of the dismissal of Prime Minister Stepashin, the market's initial reaction was negative, falling 11% in the first hour of trading. However, it recovered later and down only marginally at closing time.

Moscow Times $ Index



Source: Moscow Times.

Table 1: GDP and aggregate demand*

	Nominal GDP	Real GDP, SA**	Nominal consumption of goods and services	Real consumption of goods and services***	Nominal expenditures on new construction & equipment	Real expenditures on new con- struction & equipment, SA**
	(R bn)	(1997=100)	(R bn)	(1995 = 100)	(R bn)	(1997=100)
1995	1,540.5	102.6	664.8	100.0	267.0	128.5
1996	2,145.7	99.1	946.8	97.6	375.9	105.3
1997	2,521.9	100.0	1,115.3	100.1	408.8	100.0
1998	2,684.5	95.4	1,331.6	94.5	402.4	93.3
01.1997			86.0	97.6	22.5	98.3
02	542.6	99.4	81.9	91.5	24.1	96.6
03			85.8	94.5	26.6	101.6
04			88.4	96.5	26.0	101.9
05	602.9	98.7	87.6	94.7	27.1	98.6
06			89.1	95.2	32.3	100.5
07			90.5	95.8	33.4	100.3
08	690.7	100.4	93.0	98.6	36.0	99.7
09			96.9	103.1	39.5	101.2
10			100.3	106.5	37.2	100.9
11	685.7	101.5	101.0	106.6	41.2	99.2
12			114.9	120.2	62.9	101.4
01.1998			95.0	97.9	22.1	93.7
02	545.2	98.8	89.8	91.8	23.7	92.1
03			94.7	96.1	26.1	93.7
04			94.8	95.8	25.5	94.2
05	606.6	97.3	94.2	94.8	26.6	93.3
06			95.5	96.0	31.8	93.8
07			99.0	99.3	32.9	95.7
08	698.9	93.1	108.7	105.2	35.4	94.9
09			132.8	92.8	38.8	92.9
10			130.1	87.0	36.6	93.4
11	833.9	93.6	136.1	86.1	40.5	92.2
12			161.1	91.4	62.4	89.6
01.1999			143.7	75.2	23.8	89.4
02	773.6	96.0	145.4	73.1	26.6	89.6
03			159.6	78.1	30.5	92.7
04			160.7	76.3	30.6	93.2
05			162.6	75.5	32.7	91.6
06			168.1	76.6	40.1	92.1
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* Series on consumption and investment slightly differs from NIPA concept. Since October 1998, monthly GDP data are not produced.

** Based on the year-on-year rates of growth at prices of the previous year.

*** Based on the nominal consumption figures deflated by CPI.

SA - seasonally adjusted.

Table 2: Industrial production

	Industrial production, total, SA*	Industrial production, energy, SA	Oil extraction, SAAL	Natural gas extraction, SAAL	Electricity production, SAAL	Coal production, SAAL
	(1997=100)	(1997=100)	(mn t)	(bn cub. m)	(bn kWt/h)	(mn t)
1995	102.1	102.9	298	595	862	262
1996	98.0	101.2	293	601	848	255
1997	100.0	100.0	297	571	834	244
1998	94.8	99.1	294	591	827	232
01.1997	97.8	99.0	293	596	830	249
02	98.4	99.4	291	588	821	249
03	98.1	98.4	297	582	807	252
04	98.5	99.3	303	572	823	246
05	98.0	99.0	295	558	823	242
06	98.0	98.9	297	547	825	238
07	100.2	99.7	297	526	834	243
08	100.5	100.1	298	545	836	242
09	100.7	100.5	298	560	845	229
10	102.1	100.9	298	563	842	248
11	103.8	102.3	299	610	858	241
12	103.8	102.4	297	601	860	246
01.1998	100.6	98.5	298	591	817	245
02	99.5	100.2	293	589	833	241
03	100.6	100.1	295	596	840	233
04	99.6	100.8	293	591	858	247
05	95.2	99.0	287	560	844	224
06	95.2	99.1	295	566	834	221
07	91.2	96.4	294	605	794	208
08	88.8	95.7	290	603	783	223
09	85.6	96.8	293	598	800	211
10	90.2	99.7	296	605	830	229
11	94.1	101.6	297	603	853	240
12	96.9	101.3	298	587	838	262
01.1999	98.2	96.9	293	577	802	248
02	96.6	97.5	287	572	807	239
03	101.0	101.2	292	585	859	244
04	100.2	99.7	296	583	836	255
05	101.0	103.3	292	607	884	243
06	103.8	101.9	294	604	859	248
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* Based on the year-on-year rates of growth at prices of the previous year.
SA - seasonally adjusted, SAAL - seasonally adjusted annual level.

Table 3: Output by sector

	Gross agricultural output at constant prices, SA	Agricultural production, animal products, SA	Real volume of construction works, SA*	Area of dwellings completed, SAAL	Freight transportation turnover, SAAL	Freight carried by rail, SAAL
	(1997=100)	(1997=100)	(1997=100)	(mn sq. m)	(bn t-km)	(mn t)
1995	104.0	115.6	125.0	41.0	3,539	1,025
1996	98.7	106.3	106.8	34.3	3,374	910
1997	100.0	100.0	100.0	32.7	3,255	887
1998	87.7	97.6	95.0	30.4	3,145	835
01.1997	100.4	101.0	103.0	29.4	3,301	875
02	98.3	101.5	101.3	30.7	3,306	894
03	96.4	101.1	101.3	31.7	3,292	898
04	96.3	101.3	97.7	32.9	3,304	887
05	95.7	100.8	98.6	30.8	3,289	862
06	98.5	100.2	99.7	32.2	3,234	884
07	101.1	99.9	100.0	33.5	3,232	883
08	106.1	99.3	99.9	32.9	3,206	884
09	104.6	98.7	101.4	33.5	3,237	888
10	104.1	98.8	101.5	36.6	3,153	890
11	101.8	99.0	99.0	33.6	3,259	894
12	96.7	98.4	96.5	34.7	3,253	901
01.1998	93.2	99.2	96.7	35.7	3,219	878
02	93.6	99.0	96.3	32.5	3,083	848
03	94.9	99.1	95.9	31.3	3,197	859
04	95.0	98.4	96.9	22.7	3,179	863
05	94.0	98.2	97.4	31.1	3,143	834
06	93.6	98.2	98.5	27.9	3,190	833
07	79.6	98.2	98.4	25.9	3,164	813
08	74.6	96.9	96.9	32.0	3,177	804
09	80.6	97.2	93.8	31.3	3,018	774
10	82.3	96.9	92.1	29.5	3,124	822
11	83.0	95.8	88.6	33.0	3,128	811
12	88.0	94.6	88.6	31.9	3,122	879
01.1999	88.0	94.0	91.6	39.0	3,200	892
02	88.4	93.8	93.6	39.5	3,065	889
03	89.9	93.4	94.8	30.7	3,278	907
04	92.0	92.7	96.0	25.3	3,291	934
05	92.0	94.1	95.8	33.3	3,401	942
06	91.6	92.7	97.4	29.6	3,348	951
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* Based on the year-on-year rates of growth at prices of the previous year.
SA - seasonally adjusted, SAAL - seasonally adjusted annual level.

Table 4: Trade

	Wholesale trade*	Real wholesale trade*	Retail sales**	Real retail sales**	Paid services, total, current prices	Real paid services, total
	(R bn)	(1995 = 100)	(R bn)	(1995 = 100)	(R bn)	(1995 = 100)
1995	1,091.9	100.0	553.5	100.0	113.0	100.0
1996	1,773.8	92.7	738.3	98.7	200.3	92.1
1997	2,173.8	100.6	861.2	103.1	269.5	95.5
1998	2,238.1	96.6	1037.4	98.3	318.6	95.1
01.1997	168.5	91.9	68.5	102.2	19.3	91.5
02	169.4	91.7	64.2	95.0	19.6	89.7
03	180.6	96.4	67.7	99.1	19.7	89.0
04	191.6	101.2	69.2	100.6	21.0	92.8
05	176.2	103.3	68.3	98.4	20.7	89.7
06	169.6	97.2	68.1	97.1	21.9	93.5
07	180.5	101.4	68.9	97.9	23.1	97.2
08	183.4	104.9	71.4	101.4	23.7	99.3
09	185.7	105.2	74.5	106.1	24.5	100.6
10	190.7	106.6	74.8	106.4	24.8	100.1
11	184.0	101.4	76.3	107.9	25.1	100.0
12	193.6	105.5	89.3	125.2	26.1	102.8
01.1998	165.6	86.3	74.4	99.6	21.4	89.0
02	175.6	93.7	68.7	94.7	22.1	89.0
03	186.5	100.0	71.4	97.8	23.9	91.3
04	179.5	102.7	71.8	98.1	24.3	91.1
05	166.3	107.0	71.4	97.2	24.9	92.5
06	167.4	97.5	70.7	96.2	26.9	95.1
07	170.2	97.5	72.3	98.4	28.0	96.5
08	161.8	93.6	81.7	105.0	28.5	97.3
09	182.0	93.5	107.0	101.6	28.8	96.2
10	203.6	93.9	104.3	94.1	28.6	96.5
11	218.8	94.7	110.6	94.6	29.3	100.6
12	260.8	99.4	133.1	102.4	31.9	106.5
01.1999	223.4	79.0	117.1	80.5	27.5	88.5
02	236.2	87.3	118.6	81.2	28.3	86.0
03	288.6	100.7	129.5	85.9	31.4	91.2
04	291.7	103.3	130.6	84.0	32.1	91.2
05	290.8	113.6	133.7	83.8	31.0	94.9
06	309.4	105.9	137.2	84.2	34.1	99.3
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* Including exports.
** Including catering. Revised by Goskomstat in January 1999.

Table 5: Labour market

	Employment	Unemployment rate, ILO concept*	Registered unemployment rate*	Man-days lost in strikes	Nominal average monthly wage due**	Real average monthly wage due, SA***
	(mn)	(%)	(%)	(th)	(R)	(Dec-97=100)
1995	66.4	8.5	2.8	1,366	472	80.7
1996	65.9	9.6	3.5	4,009	790	91.5
1997	64.7	10.8	3.1	6,001	950	95.6
1998	63.6	11.9	2.6	2,882	1,095	89.5
01.1997	65.2	10.1	3.5	1,565	812	90.4
02	65.0	10.3	3.5	989	821	91.8
03	64.8	10.5	3.5	869	903	93.2
04	64.7	10.7	3.5	463	901	94.2
05	64.6	10.9	3.3	258	920	93.6
06	64.6	10.9	3.2	251	993	95.1
07	64.6	10.9	3.1	50	999	96.2
08	64.6	10.9	3.0	131	982	96.4
09	64.5	11.0	2.8	542	1,026	98.5
10	64.4	11.1	2.8	356	1,006	98.2
11	64.4	11.2	2.8	303	998	99.1
12	64.4	11.2	2.8	225	1,215	100.0
01.1998	64.2	11.4	2.7	72	988	99.8
02	64.0	11.6	2.7	95	1,000	102.2
03	63.8	11.7	2.7	103	1,059	100.7
04	63.7	11.7	2.7	109	1,040	100.7
05	63.7	11.5	2.6	86	1,047	99.2
06	63.8	11.3	2.5	79	1,122	101.0
07	63.7	11.3	2.5	56	1,110	101.3
08	63.5	11.6	2.4	27	1,052	94.3
09	63.4	11.9	2.4	378	1,112	70.1
10	63.3	12.3	2.5	797	1,123	69.0
11	63.3	12.9	2.6	615	1,164	69.3
12	63.3	13.3	2.6	464	1,482	66.2
01.1999	63.2	13.8	2.6	577	1,167	59.9
02	63.2	14.1	2.7	532	1,199	60.3
03	63.2	14.1	2.6	83	1,385	63.5
04	63.2	14.2	2.5	15	1,423	64.7
05	63.2	14.2	2.4	15	1,472	64.3
06	63.2	14.2	2.2	6	1,619	66.1
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* Monthly data are end of month, yearly data are averages of the end of month figures.
** Yearly figures reported by Goskomstat are not equal to monthly average.
*** Based on CPI changes.
SA - seasonally adjusted, SAAL - seasonally adjusted annual level.

Table 6: Social indicators

	Personal income, per capita, official	Real personal income, per capita, official	Official minimum monthly wage	Average monthly pension	Official monthly subsistence level	Share of population below subsistence level
	(R)	(1995 = 100)	(R)	(R)	(R)	(%)
1995	514.9	100.0	42.6	188.1	264.1	26.2
1996	759.0	100.1	72.7	302.1	369.9	21.4
1997	933.5	107.4	83.5	328.2	411.2	21.2
1998	969.2	88.5	83.5	399.0	493.3	24.6
01.1997	806.4	97.9	83.5	320.0	393.6	22.1
02	822.2	98.2	83.5	320.2	403.6	22.2
03	857.4	101.0	83.5	320.4	408.4	21.9
04	929.6	108.5	83.5	320.7	411.8	21.1
05	868.0	100.3	83.5	320.7	417.0	22.0
06	963.9	110.2	83.5	320.8	423.0	21.0
07	950.5	107.7	83.5	320.8	427.3	21.3
08	924.3	104.8	83.5	321.1	417.8	21.4
09	905.8	103.1	83.5	321.3	406.5	21.3
10	961.1	109.2	83.5	342.8	403.2	20.6
11	939.5	106.0	83.5	343.0	407.3	21.0
12	1,273.1	142.4	83.5	366.3	415.0	18.4
01.1998	798.2	88.0	83.5	366.6	417.7	22.8
02	841.0	91.9	83.5	399.3	424.4	22.4
03	861.7	93.5	83.5	399.8	427.4	22.2
04	908.1	98.1	83.5	400.6	431.9	21.7
05	833.1	89.6	83.5	401.4	434.9	22.8
06	858.3	92.3	83.5	402.5	435.5	22.5
07	883.4	94.8	83.5	402.6	438.4	22.3
08	877.0	90.7	83.5	402.7	449.7	22.7
09	982.0	73.4	83.5	403.0	552.0	29.8
10	1,107.4	79.2	83.5	403.1	572.9	28.6
11	1,126.6	76.2	83.5	403.2	618.5	29.5
12	1,553.1	94.2	83.5	402.9	716.8	27.3
01.1999	1,095.0	61.3	83.5	403.0	786.9	38.2
02	1,225.3	65.9	83.5	403.1	829.1	n.a.
03	1,306.8	68.3	83.5	403.2	856.8	37.7
04	1,447.5	73.5	83.5	403.3	884.0	n.a.
05	1,385.6	68.8	83.5	448.2	923.6	n.a.
06	1,462.2	71.2	83.5	448.7	950.0	35.0
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Table 7: Arrears*

	Total overdue payables of enterprises, R bn		Of which: to suppliers, R bn	Of which: to the budget & non-budgetary funds, R bn	Of which: wage arrears, R bn	Total overdue receivables of enterprises, R bn		Government wage arrears**
	4 sectors	9 sectors	4 sectors	4 sectors	4 sectors	4 sectors	9 sectors	R bn
1995	238.9	n.a.	122.3	75.0	13.6	165.5	n.a.	
1996	514.4	n.a.	245.9	203.4	34.7	335.5	n.a.	9.3
1997	756.1	n.a.	344.7	316.6	39.7	458.4	n.a.	4.9
1998	1053.4	1230.6	475.1	438.6	55.7	634.0	761.9	14.0
01.1997	529.1	n.a.	249.1	217.0	35.4	344.5	n.a.	9.5
02	559.7	n.a.	259.8	231.8	36.9	368.6	n.a.	10.3
03	601.0	n.a.	283.8	251.2	37.6	400.1	n.a.	11.3
04	634.3	n.a.	301.1	254.2	36.7	410.7	n.a.	10.8
05	653.8	n.a.	309.4	261.0	38.4	415.6	n.a.	11.0
06	668.6	n.a.	313.3	268.4	39.3	418.8	n.a.	11.4
07	694.3	n.a.	321.5	281.0	39.0	432.3	n.a.	10.9
08	707.6	n.a.	328.9	289.2	39.6	441.5	n.a.	10.2
09	723.4	n.a.	330.2	302.7	41.3	451.3	n.a.	10.2
10	745.2	n.a.	340.2	311.8	40.8	456.3	n.a.	9.6
11	761.7	n.a.	342.9	321.2	41.4	461.6	n.a.	9.3
12	756.1	n.a.	344.7	316.6	39.7	458.4	n.a.	4.9
01.1998	687.7	891.6	286.2	299.2	41.8	389.3	555.5	4.2
02	840.4	941.7	375.2	347.6	48.8	519.6	598.9	5.4
03	795.4	998.3	387.5	363.2	50.1	534.2	620.1	6.5
04	904.5	1034.1	395.0	381.9	52.5	548.7	647.7	6.9
05	939.2	1075.5	416.2	395.2	55.1	570.3	677.3	8.2
06	936.3	1082.0	417.2	391.1	56.4	569.8	683.4	10.0
07	980.7	1132.0	433.3	398.0	59.6	585.0	700.9	11.9
08	1005.1	1160.5	444.2	408.3	63.9	561.7	710.2	13.0
09	1034.8	1199.8	452.7	423.2	65.4	616.8	740.7	14.6
10	1054.4	1224.7	464.5	432.3	62.9	655.2	782.0	15.5
11	1065.5	1238.7	472.2	443.6	61.0	648.1	776.2	15.6
12	1053.4	1230.6	475.1	438.6	55.7	634.0	761.9	14.0
01.1999	1065.9	1241.1	472.8	443.6	55.6	641.8	772.0	13.2
02	1093.0	1280.6	477.6	463.8	52.9	659.5	799.8	12.9
03	1119.0	1321.8	490.8	475.3	49.8	675.0	824.8	11.3
04	1145.5	1358.9	498.9	495.1	46.8	684.3	842.3	10.0
05	1149.0	1366.3	492.5	503.1	45.4	702.2	863.8	9.4
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* 4 sector series include data from the following sectors of the economy: industry, construction, transport and agriculture.
9 sector series, in addition to sectors included in 4 sector series, include communications, trade and catering, wholesalers, housing and 'other' sectors

** the series includes data for eight sectors of the economy: industry, construction, transport, agriculture, education, health, social services, arts and sciences.

Table 8: Prices (end of period)

	Consumer price index, total (Dec-97=100)	Consumer price index, food & beverages (Dec-97=100)	Consumer price index, non-food goods (Dec-97=100)	Consumer price index, paid services (Dec-97=100)	Composite producer price index (Dec-97=100)	Industrial producer price index (Dec-97=100)
1995	74.0	77.9	78.5	55.0	74.4	74.1
1996	90.1	91.7	92.5	81.6	94.2	93.0
1997	100.0	100.0	100.0	100.0	100.0	100.0
1998	184.4	196.0	199.5	118.3	124.6	123.2
01.1997	92.2	94.5	93.4	83.5	95.8	94.0
02	93.6	95.8	94.0	86.5	97.0	95.6
03	95.0	97.2	94.7	88.7	97.2	96.8
04	95.9	98.1	95.3	90.1	97.9	97.6
05	96.8	98.9	95.8	91.8	98.6	98.0
06	97.8	100.4	96.2	92.8	98.4	98.9
07	98.7	101.1	96.6	94.9	98.8	99.1
08	98.6	100.3	97.1	95.9	99.6	99.5
09	98.3	98.9	97.9	97.1	99.0	99.7
10	98.5	98.4	98.7	98.2	99.8	99.8
11	99.1	98.8	99.4	99.3	100.6	100.0
12	100.0	100.0	100.0	100.0	100.0	100.0
01.1998	101.5	102.1	100.5	101.7	101.4	100.9
02	102.4	103.3	100.8	102.7	102.0	101.4
03	103.1	104.1	101.0	104.0	102.0	101.3
04	103.5	104.4	101.2	105.0	101.9	101.3
05	104.0	105.0	101.3	106.1	101.3	100.5
06	104.1	105.0	101.3	106.7	99.7	100.5
07	104.2	104.9	101.3	108.0	100.8	99.7
08	108.1	107.4	108.6	109.3	100.2	98.5
09	149.6	149.8	167.5	113.0	106.9	105.8
10	156.4	155.6	180.0	114.8	111.6	112.0
11	165.3	167.5	187.7	116.2	117.2	117.6
12	184.4	196.0	199.5	118.3	124.6	123.2
01.1999	199.9	216.2	211.9	123.2	133.1	131.7
02	208.1	225.6	220.2	127.1	139.7	139.1
03	213.9	231.9	227.4	129.5	144.6	144.4
04	220.4	238.0	236.6	133.6	149.1	149.7
05	225.3	242.7	243.0	136.4	153.6	155.1
06	229.6	247.0	246.8	141.1	157.7	160.9
07	236.0	254.8	251.6	145.6		
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Table 9: Foreign Trade

	Exports total*	Export of oil & oil products	Export of gas	Imports total*	Imports of machinery & equipment	Trade balance total
	($ bn)	($ bn)	($ bn)	($ bn)	($ bn)	($ bn)
1995	81.1	17.3	10.8	60.8	15.8	20.2
1996	88.6	23.1	15.8	68.8	14.6	19.8
1997	88.4	21.9	16.4	73.6	18.5	14.8
1998	74.1	14.5	13.3	58.9	15.6	15.2
01.1997	7.0	1.8	1.8	4.8	0.9	2.2
02	6.8	0.8	1.0	5.1	1.2	1.7
03	7.4	0.4	2.2	5.7	1.5	1.7
04	6.9	4.4	1.4	6.2	1.7	0.7
05	6.7	1.9	1.2	5.5	1.3	1.2
06	6.9	1.8	1.1	5.9	0.5	1.0
07	7.5	1.3	1.0	6.0	1.6	1.5
08	6.9	2.5	1.0	6.5	1.4	0.4
09	7.1	1.8	1.0	6.2	0.8	0.9
10	8.0	1.8	1.3	6.9	3.3	1.1
11	8.2	1.8	1.6	6.5	1.7	1.7
12	9.0	1.9	1.7	8.3	2.7	0.7
01.1998	5.8	1.4	1.5	5.7	1.5	0.1
02	5.8	1.2	1.4	6.0	1.5	-0.2
03	6.7	1.2	1.5	6.5	2.0	0.2
04	6.2	1.2	1.0	6.2	0.9	0.0
05	6.0	1.4	0.9	5.8	1.5	0.2
06	6.4	1.1	0.9	5.7	1.3	0.7
07	6.2	1.1	0.9	5.4	1.5	0.8
08	5.7	1.2	0.8	5.1	1.5	0.6
09	6.0	1.1	0.8	3.0	1.1	3.0
10	6.1	1.2	1.1	3.0	0.9	3.1
11	6.0	1.1	1.3	3.0	0.8	3.0
12	7.2	1.2	1.2	3.5	1.2	3.7
01.1999	4.7	0.9	1.3	3.0	0.9	1.7
02	4.8	0.8	1.0	3.0	0.9	1.8
03	6.1	1.1	0.9	3.5	1.0	2.6
04	6.4	1.4	0.7	3.7	1.0	2.7
05	5.2	2.8	0.7	3.1	0.7	2.1
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* Includes Goskomstat estimate of unregistered trade.

Table 10: Balance of payments ($ mn)

	1996	1997	1998	1998 Q1	1998 Q2	1998 Q3	1998 Q4	1999 Q1
Current Account	**11997**	**3555**	**2446**	**-1508**	**-3587**	**900**	**6640**	**5068**
Trade balance	*17198*	*12551*	*14156*	*-138*	*291*	*4162*	*9841*	*6115*
Export	103520	103060	87688	21523	22175	21802	22188	17831
Import	-86322	-90508	-73533	-21661	-21884	-17640	-12347	-11716
Merchandise trade balance	*23069*	*17517*	*17306*	*908*	*1584*	*4814*	*10000*	*6473*
Export	90563	88927	74751	18617	18846	18112	19177	15608
Import	-67494	-71410	-57445	-17709	-17262	-13298	-9176	-9135
Service balance	*-5871*	*-4965*	*-3150*	*-1045*	*-1293*	*-652*	*-159*	*-358*
Export	12957	14133	12937	2907	3329	3690	3011	2223
Import	-18828	-19098	-16087	-3952	-4622	-4343	-3171	-2581
Income and Wages	*-5339*	*-8411*	*-11359*	*-1232*	*-3734*	*-3234*	*-3159*	*-997*
Received	4333	4366	4300	2478	834	584	404	2261
Paid	-9672	-12777	-15659	-3710	-4568	-3818	-3563	-3258
Wages	-406	-342	-164	-89	-71	-32	29	67
Received	102	227	301	51	74	82	94	102
Paid	-507	-568	-465	-141	-145	-114	-65	-35
Income	-4933	-8069	-11195	-1142	-3663	-3201	-3188	-1064
Received	4232	4140	3999	2426	760	503	310	2159
Paid	-9165	-12209	-15194	-3569	-4423	-3704	-3498	-3223
Current Transfers	*138*	*-585*	*-351*	*-139*	*-144*	*-28*	*-41*	*-50*
Received	765	349	223	65	60	41	57	55
Paid	-627	-935	-574	-204	-203	-69	-98	-105
Capital Account	**-3618**	**4047**	**5469**	**4177**	**5346**	**2754**	**-6808**	**-4218**
Capital transfers (net)	*-463*	*-797*	*-382*	*-92*	*-189*	*15*	*-116*	*-76*
Direct investments abroad	*-771*	*-2603*	*-1027*	*-254*	*-341*	*-98*	*-334*	*-314*
Direct investments into Russia	*2479*	*6243*	*2182*	*623*	*450*	*411*	*699*	*648*
Portfolio investments abroad	*-172*	*-156*	*-256*	*-97*	*-506*	*350*	*-3*	*-23*
Portfolio investments into Russia	*8929*	*45589*	*8035*	*3657*	*4230*	*-232*	*381*	*-506*
Other investment - assets	*-29306*	*-26621*	*-16122*	*-3343*	*-2393*	*-3942*	*-6443*	*-6050*
Hard currency	-8908	-13444	945	609	1274	-1712	773	201
Bank accounts and deposits	-1000	977	972	1617	596	-102	-1139	-1098
Trade credits	-9501	-6789	-6810	-96	-1154	-1181	-4379	-1799
Loans provided (not overdue)	9499	7004	5345	1846	1602	1282	615	1791
Overdue payments	-9475	-3048	-7428	-3712	-2791	-488	-436	-4058
Non-repatriated export revenue	-9773	-11458	-8625	-3395	-1650	-1507	-2072	-1016
Other assets	-149	136	-520	-211	-271	-234	195	-71
Other investment - liabilities	*14328*	*-15655*	*7784*	*2774*	*3329*	*3647*	*-1966*	*1030*
National currency	-230	-38	65	-3	69	17	-17	-9
Bank accounts and deposits	1547	-4694	-2832	-961	349	-1376	-844	-283
Trade credits and advances	-799	-64	321	-58	119	86	175	104
Loans received (not overdue)	10256	12676	5806	3663	1829	3188	-2875	-1283
Overdue payments	2672	-24045	5120	364	270	1976	2510	2414
Other liabilities	881	511	-697	-231	693	-244	-915	86
Adjustments	*-1484*	*-19*	*-50*	*18*	*-1*	*7*	*-74*	*104*
Net international reserves	*2841*	*-1934*	*5305*	*892*	*768*	*2596*	*1050*	*969*
Errors and omissions	**-8379**	**-7602**	**-7914**	**-2669**	**-1759**	**-3655**	**168**	**-850**

Table 11: Federal budget (IMF definition)*

	Revenues		Expenditures		Deficit	
	Total	of which: tax revenues	Total	of which: interest payments	Total	% GDP
	(R bn)	(R bn)	(R bn)	(R bn)	(R bn)	(%)
1995	201.0	175.3	286.2	54.6	85.2	5.4
1996	253.8	218.7	427.1	124.5	173.3	7.9
1997	311.6	262.1	494.8	117.8	183.2	7.0
1998	273.0	236.0	407.2	106.8	134.2	5.0
01.1997	12.7	11.5	26.0	10.6	13.2	7.7
02	29.7	26.1	56.9	22.5	27.3	7.9
03	50.2	45.6	99.1	32.9	48.9	9.0
04	77.5	70.0	140.6	45.3	63.1	8.5
05	105.8	93.7	176.9	53.2	71.2	7.5
06	119.6	107.2	216.5	63.9	96.9	8.3
07	138.9	123.7	255.4	74.5	116.5	8.4
08	166.4	139.6	299.9	83.4	133.5	8.2
09	188.5	157.0	330.4	90.3	141.9	7.6
10	212.0	177.4	369.9	99.7	157.9	7.5
11	240.9	198.2	406.3	110.2	165.5	7.1
12	311.6	262.1	494.8	117.8	183.2	7.0
01.1998	21.8	15.8	29.3	5.1	7.5	4.0
02	39.8	31.2	53.7	12.0	13.9	3.7
03	62.2	49.9	89.9	28.5	27.8	4.9
04	84.3	68.8	120.4	37.8	36.1	4.7
05	106.5	87.9	153.7	51.6	47.2	4.8
06	126.6	105.3	189.0	62.0	62.4	5.3
07	147.6	123.7	221.3	75.3	73.7	5.3
08	165.3	139.2	242.9	82.4	77.6	4.8
09	182.3	154.6	265.7	85.1	83.4	4.4
10	204.3	173.9	298.3	87.6	94.0	
11	230.7	197.8	334.5	96.6	103.8	
12	273.0	236.0	407.2	106.8	134.2	5.0
01.1999	27.8	24.6	39.3	10.6	11.5	
02	54.3	48.6	72.4	18.1	18.1	
03	88.6	80.1	127.1	30.8	38.5	5.0
04	133.4	119.3	180.7	41.5	47.3	
05	173.7	152.9	234.2	61.0	60.5	
06	225.6	195.2	292.0	80.3	66.4	
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* IMF definition of revenues and expenditure is used.
Monthly data are cumulative.

Table 12: Consolidated regional and local budgets (IMF definition)*

	Revenues		Expenditures		Deficit	
	Total	of which: tax revenue	Total	of which: housing subsidies	Total	% GDP
	(R bn)	(R bn)	(R bn)	(R bn)	(R bn)	(%)
1995	238.4	189.0	247.0	65.2	8.6	0.5
1996	321.2	254.3	342.8	88.6	21.6	1.0
1997	410.4	329.0	446.9	106.0	36.5	1.4
1998	395.5	308.1	407.1	94.4	11.7	0.4
01.1997	17.3	14.6	19.8	4.2	2.5	1.5
02	36.3	30.6	41.4	9.0	5.1	1.5
03	63.3	51.6	70.4	15.7	7.0	1.3
04	96.2	79.0	102.8	23.2	6.6	0.9
05	129.3	106.6	135.1	30.6	5.8	0.6
06	161.0	130.7	162.8	38.0	1.8	0.2
07	195.8	158.7	207.8	46.0	12.0	0.9
08	230.2	186.8	242.4	54.8	12.2	0.8
09	265.9	216.6	279.7	63.4	13.8	0.7
10	303.3	246.1	319.0	72.7	15.6	0.7
11	337.3	276.1	357.2	81.8	19.9	0.9
12	410.4	329.0	446.9	106.0	36.5	1.4
01.1998	18.6	14.3	19.9	3.8	1.2	0.7
02	35.7	32.7	43.6	9.1	7.9	2.1
03	67.0	52.4	71.9	15.7	5.0	0.9
04	101.3	79.9	106.7	22.7	5.4	0.7
05	131.6	105.0	138.3	30.0	6.7	0.7
06	163.9	129.5	176.2	37.4	12.3	1.0
07	192.0	153.6	205.8	43.9	13.8	1.0
08	218.9	176.2	233.6	50.5	14.7	0.9
09	247.1	198.5	261.4	57.0	14.3	
10	278.7	223.3	290.9	63.9	12.2	
11	319.0	254.5	330.8	73.1	11.7	
12	395.5	308.1	407.1	94.4	11.7	0.4
01.1999	25.7	18.3	22.7	3.8	-3.0	
02	51.8	38.6	49.3	8.2	-2.5	
03	93.6	71.3	91.5	16.1	-2.1	-0.3
04	143.4	111.8	138.7	24.9	-4.7	
05	193.8	149.4	185.0	32.8	-8.8	
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* Privatisation receipts and net sales of state gold reserves are counted as deficit financing. Monthly data are cumulative.

Table 13: Monetary aggregates (end of period)

	Monetary base	Net International Reserves (NIR)	Net Domestic Assets (NDA)*	M0**	M2***	Oustanding stock of GKOs and OFZs, nominal
	(R bn)	($ bn)	(R bn)	(R bn)	(R bn)	(R bn)
1995	103.8	7.7	68.1	80.8	220.8	73.7
1996	130.9	1.7	123.0	103.8	288.3	237.1
1997	164.5	4.0	142.1	130.4	374.1	384.9
1998	210.4	-6.5	249.3	187.8	448.3	n.a.
01.1997	123.9	0.6	120.7	96.3	289.9	248.4
02	130.2	1.2	123.6	102.1	299.5	262.2
03	136.3	2.0	125.0	105.2	305.8	276.7
04	145.7	4.2	122.2	115.2	317.8	287.1
05	148.0	5.6	116.7	120.4	328.4	296.4
06	167.0	11.0	106.1	136.9	352.0	311.4
07	171.4	11.2	109.3	140.4	363.0	321.5
08	174.7	11.0	113.9	141.6	364.6	359.9
09	169.8	9.5	117.1	134.9	363.0	366.0
10	170.6	9.2	119.4	135.8	368.8	375.3
11	165.0	3.2	147.2	128.8	357.4	380.2
12	164.5	4.0	142.1	130.4	374.1	384.9
01.1998	151.4	0.9	146.2	116.7	361.2	390.9
02	152.8	0.5	149.8	120.4	362.9	402.3
03	152.9	2.4	138.8	119.1	360.4	415.7
04	161.6	1.4	153.3	128.6	368.0	429.4
05	163.2	0.0	163.0	129.9	370.0	435.3
06	163.2	1.5	154.0	129.8	368.6	436.0
07	161.3	-0.9	166.6	129.3	360.0	394.3
08	161.7	-6.8	202.3	133.4	343.6	387.1
09	175.2	-6.7	215.3	154.2	365.8	n.a.
10	187.2	-5.6	221.0	166.4	377.6	n.a.
11	191.3	-6.3	229.5	167.3	396.9	n.a.
12	210.4	-6.5	249.3	187.8	448.3	n.a.
01.1999	202.5	-6.7	340.3	178.0	444.2	n.a.
02	205.2	-6.7	342.8	180.8	463.9	n.a.
03	205.9	-8.3	377.6	174.1	473.8	n.a.
04	227.3	-6.3	357.1	195.2	509.6	n.a.
05	241.4		347.0	205.3	542.4	n.a.
06	257.3					n.a.
07	260.3					
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Source: CBR.

* Net Domestic Assets (NDA), of the monetary authorities equals monetary base minus net international reserves.

NDA is calculated using the exchange rates of R20.65 for 1999, R6.0 for 1998, R5,560 for 1997,

R4,640 for 1996, R3,550 for 1995, and R1,247 for 1994.

** M0 is currency in circulation.

*** M2 includes currency in circulation, demand deposits, and time deposits (there is a break in the series from December1996, from then it includes only deposits at banks with active licences).

Table 14: Assets and liabilities of the commercial banks including Sberbank (end of period)*

	Total assets	Claims on the general government	Claims on the private sector	Bank savings by Russian citizens (rouble household deposits)	Foreign currency deposits	Foreign liabilities
	(R bn)	($ bn)	(R bn)	(R bn)	(R bn)	(R bn)
1995	342.3	62.6	133.8	70.6	55.3	30.0
1996	497.7	150.7	157.3	118.4	69.4	58.9
1997	622.7	191.5	225.9	148.2	80.5	104.2
1998	939.0	259.4	346.0	149.5	190.9	203.1
01.1997	502.3	157.4	160.0	128.6	70.7	55.2
02	514.7	163.7	163.3	131.7	71.3	58.2
03	520.8	170.7	163.6	132.8	71.7	61.7
04	531.2	175.5	170.2	134.5	74.1	65.8
05	542.2	178.4	173.9	136.3	70.4	67.8
06	562.0	187.1	179.6	139.8	71.3	74.2
07	570.1	196.5	185.4	143.4	67.0	82.3
08	581.8	198.7	194.4	143.5	67.7	90.4
09	604.2	196.6	205.2	141.6	71.6	99.5
10	620.5	201.1	214.1	139.1	76.4	108.0
11	623.5	188.2	227.6	137.3	77.9	115.1
12	622.7	191.5	225.9	148.2	80.5	104.2
01.1998	591.8	191.1	230.7	153.3	68.6	102.7
02	605.1	202.5	236.1	157.8	73.2	101.9
03	618.0	210.6	239.2	162.2	75.9	103.6
04	624.0	215.1	246.6	165.8	76.0	103.4
05	613.2	202.7	245.7	167.2	78.7	104.6
06	624.0	207.8	249.3	166.1	77.6	105.4
07	609.9	193.6	245.0	161.2	79.6	101.0
08	612.8	188.0	252.3	146.7	93.6	108.5
09	793.1	205.8	335.4	136.1	163.4	196.1
10	777.7	203.5	314.1	138.0	147.4	180.1
11	855.0	236.4	325.7	141.1	161.1	194.2
12	939.0	259.4	346.0	149.5	190.9	203.1
01.1999	1033.8	299.7	362.6	153.4	204.3	214.5
02	1057.5	303.2	375.2	161.0	206.1	218.4
03	1139.0	326.0	386.0	163.5	215.0	228.7
04	1185.2	347.3	392.0	170.6	224.2	228.1
05	1241.1	371.0	376.1	177.6	224.1	225.6
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Source: CBR, Goskomstat

* Since January 1998 only for credit organisations with an active licence

Table 15: Interest rates (annual rates, period average)*

	CBR refinance rate*	Lending rate**	Deposit rate**	Overnight Inter-bank rate	GKO average secondary market yield, all maturities	MT $ index, monthly average
	(%)	(%)	(%)	(%)	(%)	(end Aug-94=100)
1995	185	320.3	102.0	190.4	161.8	67.5
1996	110	146.8	55.1	47.6	85.8	101.9
1997	32	32.0	16.8	21.0	26.0	291.6
1998	60	42	17	50.6	56.4	136.9
01.1997	48	44.2	30.2	21.1	32.8	183.3
02	42	46.1	26.8	25.8	28.3	225.7
03	42	41.6	18.3	32.4	33.2	229.2
04	36	32.5	18.0	28.2	35.7	218.9
05	36	34.0	17.3	14.8	25.5	257.7
06	24	28.6	17.1	16.1	20.2	286.0
07	24	28.8	16.6	14.3	18.4	360.2
08	24	28.3	15.4	16.2	18.9	404.4
09	24	24.8	10.3	15.6	19.7	378.5
10	21	24.0	9.5	18.2	19.8	389.7
11	28	23.0	9.9	20.5	22.6	287.4
12	28	28.6	11.8	28.4	36.6	277.8
01.1998	28	29.8	11.6	24.1	33.4	246.4
02	39	30.4	12.2	30.3	29.6	229.6
03	30	38.3	11.2	25.9	24.4	254.3
04	30	38.8	11.0	29.5	27.8	233.3
05	150	40.4	12.9	47.6	54.8	187.4
06	80	48.0	14.0	56.1	65.1	139.1
07	60	44.9	15.1	58.8	81.0	114.9
08	60	48.6	17.5	45.3	135.3	74.0
09	60	46.8	23.8	139.7	n.a.	40.1
10	60	49.0	27.3	84.9	n.a.	34.6
11	60	44.8	22.3	36.7	n.a.	48.6
12	60	41.7	25.7	27.8	n.a.	41.0
01.1999	60	45.5	24.2	28.1	n.a.	36.2
02	60	44.1	22.8	20.4	33.4	45.4
03	60	45.7	18.9	20.7	30.7	58.8
04	60	43.8	14.6	15.2	27.4	59.1
05	60	43.5	14.7	7.1	20.2	73.9
06	55			8.4	16.0	89.7
07	55					101.5
08						
09						
10						
11						
12						

Source: CBR, Moscow Times.
* Period average, except monthly CBR refinance data that is for end of month (annual is annual average).
** Data prior January 1997 not compatibale with current methodology.

Table 16: Exchange rates and Stock market

	MT $ index, end of period	Exchange rate (MICEX), period average*	Exchange rate (MICEX), end of period*	Real exchange rate, period average**	Gross international reserves (including gold, end of period)	of which: Gold reserves (Valued at $300 per ounce)
	(end Aug-94=100)	R/$	R/$	(Dec-95 = 100)	$ bn	$ bn
1995	64.0	4.562	4.640	82.4	17.2	2.8
1996	148.4	5.126	5.570	100.1	15.3	4.1
1997	302.7	5.785	5.974	104.3	17.8	4.9
1998	38.4	9.965	21.140	67.4	12.2	4.4
01.1997	196.2	5.607	5.630	73.8	14.0	4.1
02	236.6	5.654	5.676	74.9	15.2	4.1
03	223.8	5.707	5.727	75.9	16.5	4.1
04	235.6	5.743	5.744	77.0	18.2	4.1
05	260.3	5.756	5.767	76.8	20.0	4.1
06	314.6	5.765	5.769	78.4	24.5	4.2
07	380.9	5.796	5.809	80.6	24.5	4.3
08	364.0	5.815	5.840	79.2	23.9	4.3
09	379.3	5.852	5.864	77.9	23.1	4.4
10	326.3	5.873	5.900	76.6	22.9	4.5
11	249.8	5.910	5.924	77.4	16.8	4.6
12	302.7	5.942	5.974	77.8	17.8	4.9
01.1998	209.6	6.022	6.048	79.5	15.4	4.9
02	234.5	6.048	6.045	79.6	15.0	4.8
03	244.0	6.073	6.089	80.3	16.9	4.9
04	233.2	6.128	6.110	79.0	16.0	5.0
05	141.4	6.145	6.138	79.2	14.6	5.0
06	111.8	6.198	6.225	78.7	16.2	5.0
07	109.6	6.235	6.272	78.0	18.4	4.6
08	50.8	7.460	10.363	70.7	12.5	4.3
09	28.7	14.762	16.045	48.6	12.7	3.9
10	40.0	16.374	16.600	46.2	13.6	3.9
11	51.6	17.297	18.470	45.8	12.8	4.3
12	38.4	20.841	21.140	43.0	12.2	4.4
01.1999	35.1	22.991	23.100	42.8	11.6	4.5
02	50.7	23.075	23.100	44.2	11.4	4.2
03	61.0	24.120	24.860	45.0	10.8	4.1
04	69.4	25.321	24.290	45.0	11.2	4.1
05	75.6	24.672	24.700	45.0	11.9	3.9
06	96.5	24.429	24.210	46.9	12.2	4.0
07	88.6	24.321	24.198	48.3	11.9	4.0
08						
09						
10						
11						
12						

Source: CBR, Moscow Times.
* Units are new roubles or, prior to January 1998, thousands of pre-denomination roubles.
** The real exchange rate is a new trade weighted exchange rate. An increase in this series represents an appreciation. Weightings are 40% the US, 40% Germany, and 20% Ukraine.

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