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GOVERNMENT OF THE RUSSIAN FEDERATION

Russian-European Centre for Economic Policy (RECEP)

Potapovsky Pereulok 5, Building 4, 101000 Moscow
Tel: (7-095) 232 3613, Fax: (7-095) 232 3739

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in cooperation with the Working Center for Economic Reform
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Written by:
Peter Westin, *editor*
Maria Gorban
Sergei Nikolaenko
George Pavlov
Andrei Poletayev
Marina Malyutina

For further information, or any queries, please contact any of the above by phone,
fax or use the following e-mail addresses:

pwestin@recep.glasnet.ru
mgorban@recep.glasnet.ru
mmalyutina@recep.glasnet.ru
gpavlov@recep.glasnet.ru

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THE DOMINO EFFECT OF THE RUSSIAN CRISIS

Peter Westin

RECEP, Moscow

The Russian crisis brought a collapse of demand and as expected, a negative impact on imports to Russia. The effect was felt mainly by the former Soviet republics, which experienced declining terms of trade with Russia. At the same time Russian exports to the CIS fell, as Russian enterprises became less willing to accept barter deals, a common practice in trade with the CIS. The Russian crisis, like the Asian crisis, became contagious. This paper examines the effect of the Russian crisis on the 'near abroad'.

Intra-CIS trade

The pattern of trade of the newly independent states started to change after the break-up of the Soviet Union in late 1991, with increased reorientation of trade towards non-CIS countries. This process has been much slower for the former Soviet republics than for other transition countries, however. In the early 1990s approximately 70% of total CIS trade was conducted between themselves.

High dependency on Russia meant that, as the crisis hit Russia in August 1998 and the rouble devalued the CIS countries suffered an external shock. Russia is the least dependent of all CIS countires on trade with other CIS countries. In East Asia, the Philippines clearly benefited from its low dependence on intra-Asian trade, which partly explains its strong export performance after the culmination of the Asian crisis. However, Russia's counterpart in Asia would rather be Thailand, i.e. the trigger of the crisis. For other CIS countries the impact of the crisis depends on their exposure to Russia, and their ability to reorient trade towards alternative markets.

In 1996 and 1997 total CIS exports amounted to $122.6 bn and $122.3 bn respectively, of which 72% was directed towards non-CIS countries. Imports in the same years amounted to $86.2 bn and $94.0 bn, of which 57% in 1996 and 61% in 1997 came from countries outside the CIS. Russia's trade[1] accounted for approximately 70% of total CIS exports and 55% of imports. Russia's share in trade with non-CIS countries was even higher, both in exports and imports. As can be seen from Tables 1a and 1b Russia has the lowest exposure to CIS in both imports and exports of all CIS countries[2].

Intra-CIS exports have in the period 1996-98 fallen from an average of 52% to 42% of total exports. However, the CIS countries' exposure to Russia has remained more or less unchanged. In 1998, on average 28% of CIS exports went to Russia, down from 31% in 1996. Intra-CIS imports have declined from 49% to 45% of total imports in the same period, while imports from Russia fell from 27% to 24%.

In 1998 seven of the 11 CIS countries were exporting more than 25% of their total exports to Russia of which Belarus, and Moldova exported more than 50%. As for imports Belarus, Kazakhstan, and Ukraine had the highest exposure with 54.3%, 44.5%, and 39.6% respectively.

[1] *Not including unofficial trade.*
[2] *Unfortunately we have no access to reliable GDP data which would enable a more complete analysis of trade dependence.*

A large part of Russia's exports to the CIS consists of oil. As the oil price has risen, the oil importing countries have been faced an additional burden. However the price that CIS countries are paying for Russian oil is still lower than that paid by non-CIS countries. Furthermore, the discount granted to CIS countries increased as the world market price increased. For example, in August non-CIS paid $128 per tonne of Russian crude oil, while the price for CIS stood at $77.

Table 1a Intra-CIS exports and exports to Russia (% of total exports)

	CIS (% of total)			Russia (% of total)		
	1996	1997	1998	1996	1997	1998
Armenia	44.2	40.8	36.3	29.2	25.7	17.4
Azerbaijan	46.0	48.4	38.3	24.0	33.3	28.3
Belarus	66.6	73.1	72.8	53.5	66.9	64.9
Georgia	64.6	54.8	52.6	28.5	27.4	28.0
Kazakhstan	53.8	44.8	39.5	46.4	29.6	35.2
Kyrgyzstan	77.9	52.9	44.9	29.1	24.5	25.7
Moldova	68.1	69.6	68.1	53.7	58.1	53.1
Tajikistan	43.0	36.6	34.6	11.4	13.0	10.0
Turkmenistan	67.5	60.0	n.a	9.9	20.8	7.5
Ukraine	51.4	39.2	32.9	43.9	28.0	26.9
Uzbekistan	21.1	24.3	26.0	15.5	24.2	15.0
Russia	19.9	20.7	20.6	n.a	n.a	n.a

Source: State Customs Committee, Moldovan Economic Trends, Georgian Economic Trends, United Nations.

Table 1b Intra-CIS imports and imports from Russia (% of total imports)

	CIS (% of total)			Russia (% of total)		
	1996	1997	1998	1996	1997	1998
Armenia	32.5	33.6	24.7	12.1	10.7	14.3
Azerbaijan	35.4	44.2	37.6	17.9	27.7	13.8
Belarus	65.9	66.8	64.7	50.8	54.1	54.3
Georgia	39.4	36.4	36.0	16.6	13.1	20.4
Kazakhstan	69.5	54.0	47.2	58.3	44.2	44.5
Kyrgyzstan	58.1	61.4	52.4	19.0	23.7	15.7
Moldova	61.5	51.6	68.1	27.4	28.4	21.7
Tajikistan	57.3	64.3	65.7	22.7	11.8	10.0
Turkmenistan	29.6	56.7	n.a.	8.8	21.6	9.7
Ukraine	63.0	57.7	52.4	42.8	42.3	39.6
Uzbekistan	32.2	28.2	27.8	23.0	19.3	17.1
Russia	28.7	24.0	23.0	n.a	n.a	n.a

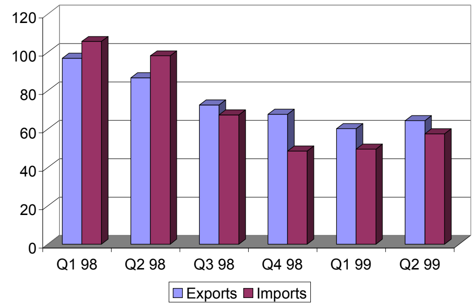
Source: State Customs Committee, Moldovan Economic Trends, Georgian Economic Trends, United Nations.

Figure 1a highlights recent development in trade with Russia by quarter for the CIS countries as a whole. After the devaluation, Russia's imports more or less halved. As can be seen in Figure 1a this was also true for imports from the CIS. Exports to the CIS contracted more than did exports to non-CIS countries. The latter, in the first half of this year, stood at 87% of the level in the same period last year compared to 62% for exports to the CIS[3]. Figure 1b–1k show that all the CIS countries were affected by the events in Russia. With some exceptions, exports to Russia contracted more than imports from Russia.

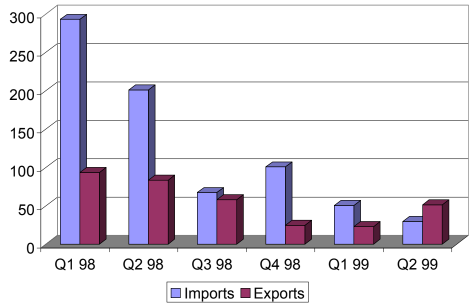
[3] *According to customs data.*

Figure 1a-l CIS exports and imports to and from Russia (% of same period previous year)

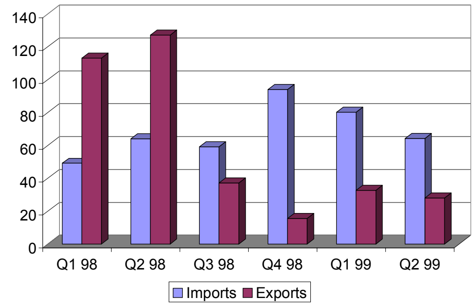
1a Russia's Trade with the CIS



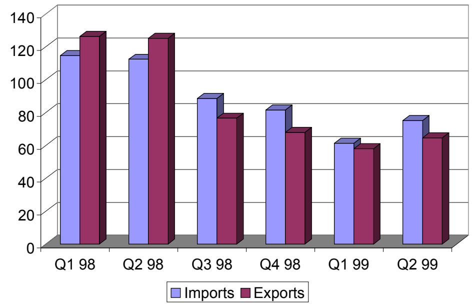
1b Armenia



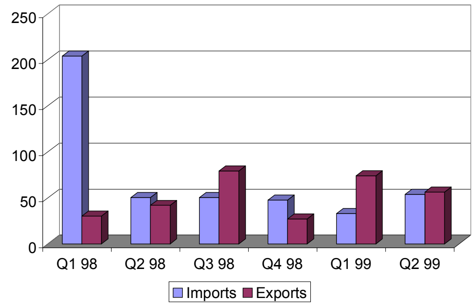
1c Azerbaijan



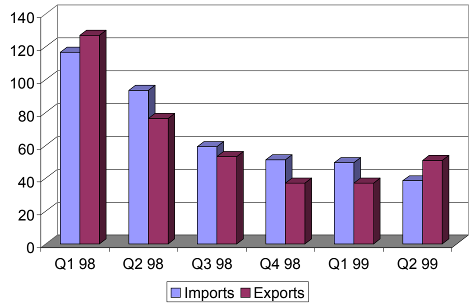
1d Belarus



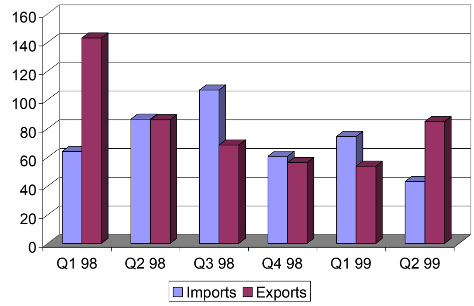
1e Georgia



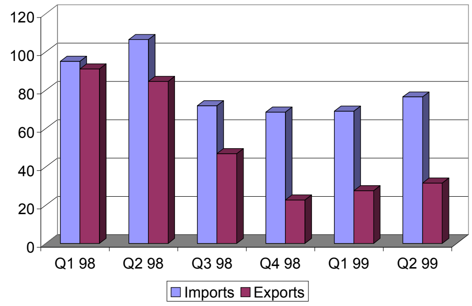
1f Kazakhstan



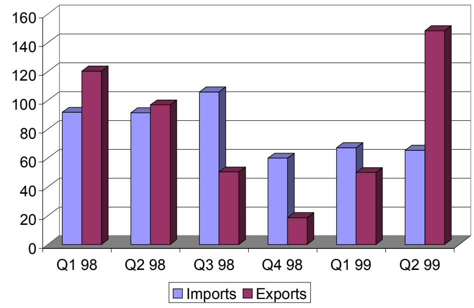
1g Kyrgystan



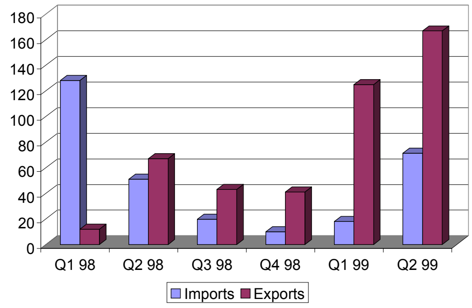
1h Moldova



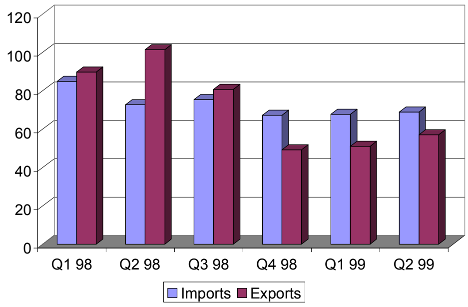
1i Tajikistan



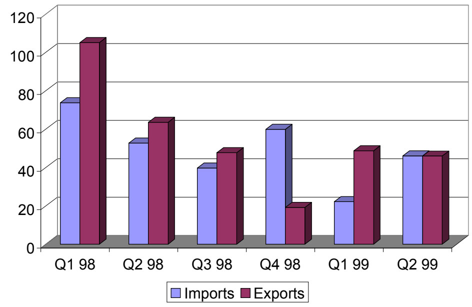
1j Turkmenistan



1k Ukraine



1l Uzbekistan



Source: State Customs Committee, Moldovan Economic Trends

The largest contraction in exports to Russia can be observed for Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova, and Uzbekistan. Growth in Russia's industrial production has enabled some recovery in their exports this year. However, for Azerbaijan and Moldova exports to Russia in the second quarter remained at around 30% of its second quarter 1998 level. Furthermore, both countries are now running a large trade deficit with Russia. Of Russia's three largest trade partners, Ukraine, Belarus and Kazakhstan, Kazakhstan was most affected. Its exports to Russia recovered somewhat in the second quarter this year but are still only half their second quarter 1998 level. As Russia is recovering this should have beneficial effects for the CIS countries that are dependent on Russia for their exports.

With regard to imports from Russia the largest decline could be observed in Armenia, Georgia, Kazakhstan, Turkmenistan, and Uzbekistan; Turkmenistan which together with Tajikistan now have gained a large trade surplus with Russia (see Figure 1i and 1j). The contraction of imports from Russia is more difficult to explain than exports. However, possible explanations are, (1) Russian enterprises demanding cash payments instead of barter, (2) reorientation of Russian exports towards non-CIS countries as this ensures dollar payments, (3) the devaluation led to a fall in Russia's demand for CIS products (which again explains the fall in exports to Russia). However, part of this was settled in barter, thus the contra-flow, i.e. imports from Russia, declines as well, and (4) the introduction of non-market means by Russia (or Russian regions) to prevent exports immediately after August[4]. (5) in order to protect their own markets some CIS countries, for example Kazakhstan and Uzbekistan, set up barriers against imports from Russia.

Exchange rates: competitive devaluation?

As Asia suffered a domino effect from the Asian crisis in the second half of 1997, the CIS countries suffered from contagion from the Russian crisis. The Asian crisis started a process of devaluation. The argument is that if countries compete in the same export markets, one country's devaluation puts competitive pressure on other countries which, in order to restore competitiveness will be forced to devalue as well. In the case of Asia it was clear countries were competing to various degrees, although the contagion was only partly caused by intra-Asian competition.

Previously a large part of trade between Russia and the CIS was settled by barter transactions. However, the fall in demand experienced in Russia following the August 1998 crisis meant that trade

[4] *For example, barriers were introduced shortly after August by Krasnoyarsk region for certain commodities, mainly agricultural products and foodstuffs*

started to shift away from these markets. The remaining trade has become increasingly market-based. Thus, most trade is now settled in dollars. Therefore, one should look at the real exchange rate of the CIS currencies vis a vis both the rouble and the dollar. Figure 2a to 2i shows the (inverted) real exchange rates against the rouble and the dollar for nine CIS countries (data is not available for Tajikistan and Turkmenistan). We can distinguish between two groups of counties with slightly different post-crisis real exchange rate experience. However two countries do not fit into any of these groups; Armenia and Belarus.

At first glance one observes that the devaluation in Russia led to an initial real appreciation of the CIS currencies vis a vis the rouble, with one exception: Armenia. The dram had already started to depreciate in real terms already at the beginning of 1998 as the country experienced deflation while the nominal dram/dollar exchange rate remained fairly stable. However, after August the currency started to depreciate more rapidly while inflation was kept at a very low rate. Between August last year and September this year the dram had depreciated 58% in real terms against the rouble against the dollar it had depreciated a mere 5%, to be compared with a 45% real depreciation of the rouble/dollar rate. However, in a market environment this development would be impossible, which means either that there is something wrong with the data or Armenia imposed strong capital restrictions.

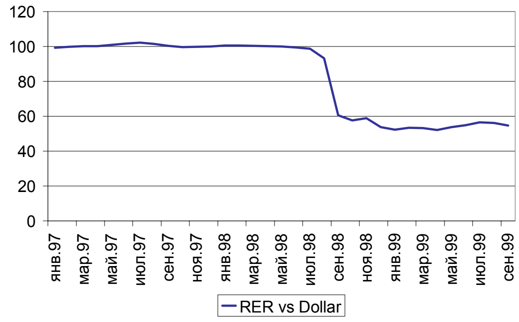
The other special case is that of Belarus (Figure 2c). A rapid real appreciation of the Belarussian rouble towards the rouble was followed by an even more rapid depreciation. Monthly inflation in the first eight months of 1998 averaged 3.3%. However, in the following seven months the average monthly inflation reached 18.3%. As a result the currency depreciated 49% against the rouble and 71% against the dollar.

The development of the real exchange rate in Azerbaijan (manat), Georgia (lari), and Uzbekistan (sum) is of the same nature. After a significant real appreciation of the respective currencies against the rouble in the months following the August crisis, the real exchange rate settled at a higher rate compared to the pre-crisis level. On average these three currencies have appreciated 48% in real terms against the rouble since August, although in the first nine months of 1999 they have depreciated 16%. However, against the dollar these currencies have depreciated 16% in real terms between August last year and September this year.

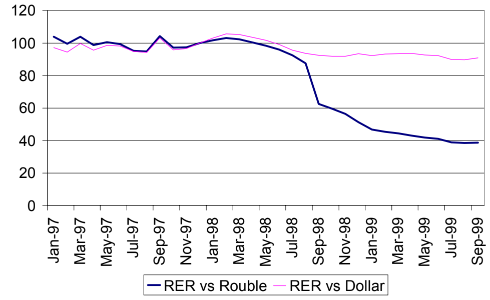
Finally, the group of countries consisting of Kazakhstan (tenge), Kyrgystan (som), Moldova (lei), and Ukraine (hryvna), for which Russia still remains one of the main markets, has seen their currencies first appreciate in real terms, and then slowly fall back towards pre-crisis level. Kazakhstan was the last CIS country to let its currency fall in April this year after having lost much of its exports to Russia. As can be seen in Figure 1f the level of Kazakh exports to Russia recovered somewhat in the second quarter of 1999. In real terms these currencies (against the rouble) have returned more or less to their pre-crisis level. On average, they have appreciated 3.5% against the rouble in real terms in the period August 1998 to September 1999. Nevertheless, in 1999 alone they depreciated 25%, a response to poor economic performance in the previous year (see below). The real exchange rate against the dollar has mirrored the development of the rouble. On average these four countries have seen a 41% real appreciation of their currencies.

Figure 2a-i Real exchange rates for selected CIS countries (December 1997 = 100)

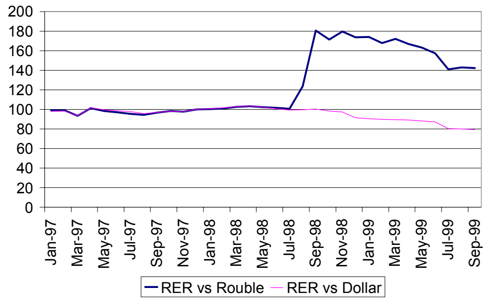
2 Russia



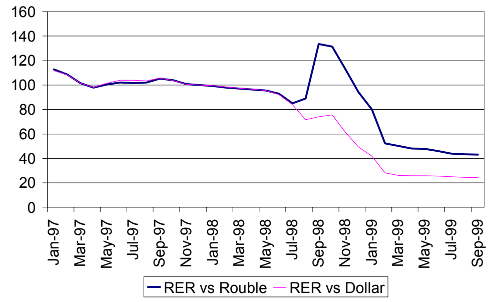
2a Armenia



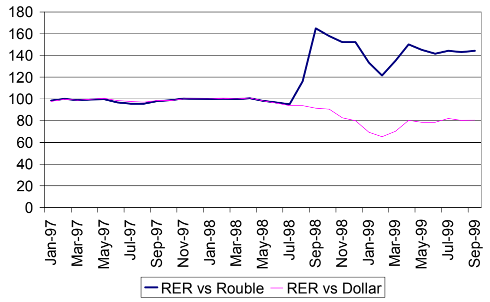
2b Azerbaijan



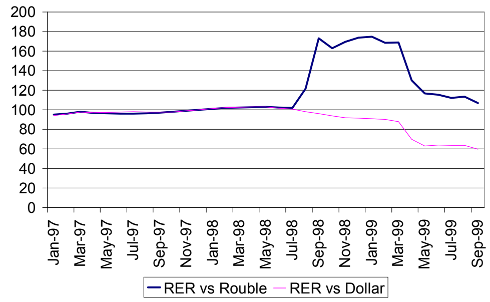
2c Belarus



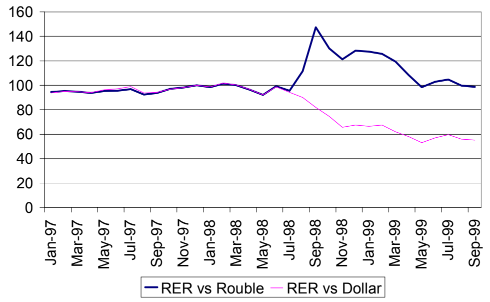
2d Georgia



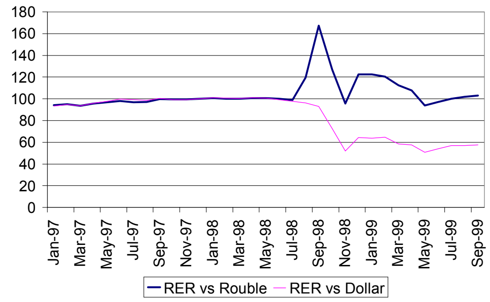
2e Kazakhstan



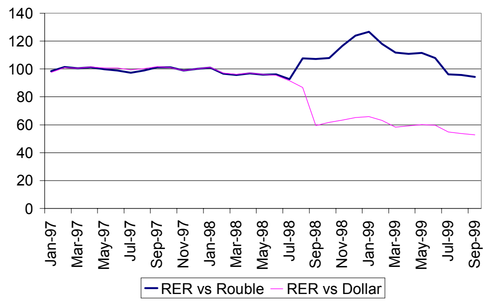
2f Kyrgystan



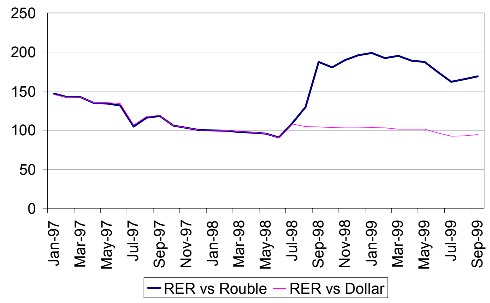
2g Moldova



2h Ukraine



2i Uzbekistan



Source: State Customs Committee, RSA, CBR, Moscow Times, United Nations, RECEP

In order to see whether or not the CIS countries are competing in their trade with Russia, a simple exercise is presented where CIS exports to Russia and imports from Russia are correlated on a bilateral basis (see Table 2, based on 1998 customs data)[5]. It should be emphasised that work on a more disaggregated level is needed in order to fully answer this question. However, the table below (the top right part presenting the correlation between the CIS imports from Russia and the bottom left showing the correlation of export flows to Russia) indicates that these countries are not truly competitors. The correlation coefficient ranges from 1 to –1, where 1 indicates a strong correlation, and thus similarity in the composition of exports or imports. For example, the correlation coefficient of 0.85 for Georgia's and Armenia's exports to Russia indicates that they are exporting a range of similar goods to Russia. The correlation of exports, which determines the extent to which these countries are competing, shows that strong correlation is present between Armenia, Azerbaijan, Georgia, Kyrgystan, and Moldova where some competition exists in exports of agriculture products, foodstuffs, and beverages. Armenia, Kyrgystan, and Moldova also export a large amount of textiles, footwear, and leather to Russia. However, a more detailed study might show that the composition within these commodity groups differs.

Apart from Russia three countries, Azerbaijan, Kazakhstan, and Turkmenistan are large exporters of fuels, minerals, and metals, in which some competition may exist. All three countries, especially Azerbaijan and Kazakhstan experienced a huge drop in their exports of mineral fuels and oil to Russia after the August 1998 crisis. Like Russia, Azerbaijan and Turkmenistan have seen their exports of these products increase in the second quarter of this year following the OPEC agreement, and thus higher prices.

Nevertheless, the majority of bilateral export correlation shows either a negative or low correlation, indicating that the level of competition between the CIS countries in trade with Russia is low. Other studies have shown that the level of intra-industry trade between Russia and the CIS is very small (although slightly higher than between Russia and non-CIS countries). Therefore, it is difficult to argue that the weakening of CIS currencies following the rouble devaluation was caused by competition. In addition, the other CIS countries are unlikely to be competing with Russia on the world market, weakening this argument further.

Table 2 Bilateral correlation of imports from Russia (top-right part of table) and exports to Russia (bottom-left part of table).

	Armenia	Azerbaijan	Georgia	Kazakh-stan	Kyrgysstan	Moldo-va	Ukraine	Uzbekistan	Tajikistan	Turkmenistan
Armenia	xxx	0.08	0.99	0.85	0.36	0.98	0.99	-0.15	0.15	-0.02
Azerbaijan	0.55	xxx	0.16	0.20	0.54	0.14	0.09	0.19	0.32	0.00
Georgia	0.85	0.67	xxx	0.88	0.42	0.99	0.99	-0.19	0.18	-0.09
Kazakhstan	-0.21	0.59	-0.07	xxx	0.59	0.88	0.86	0.15	0.41	0.03
Kyrgystan	0.80	0.50	0.80	-0.14	xxx	0.42	0.36	0.22	0.85	-0.04
Moldova	0.90	0.67	0.98	-0.16	0.79	xxx	0.99	-0.20	0.14	-0.08
Ukraine	-0.03	-0.13	0.13	0.04	-0.04	-0.01	xxx	-0.21	0.10	-0.07
Uzbekistan	-0.09	-0.01	0.02	-0.14	0.18	0.02	-0.10	xxx	0.57	0.45
Tajikistan	0.22	0.28	0.51	-0.02	0.67	0.42	0.01	0.60	xxx	0.18
Turkmenistan	-0.13	0.55	0.02	0.54	0.07	0.03	-0.29	0.58	0.41	xxx

Source: State Customs Committee, Moldovan Economic Trends, United Nations

[5] *This exercise does not answer the question to what extent the CIS countries are competing with Russia. For that detailed data on non-CIS trade is needed for all the countries. However, competition between Russia and other CIS countries is likely to be insignificant.*

Pre-crisis economic performance

The two tables below show change in GDP and industrial production 1994 to 1999. Georgia and Kyrgystan experienced a slowdown in GDP growth in 1998, and for Kazakhstan and Moldova the change in GDP went from growth in 1997 to decline in 1998. This development was mirrored in industrial production. A slight recovery has been noted in the first nine months of 1999, although industrial production in Moldova in the first 9 months of this year still remains almost 13% below the level in the same period last year. Again, countries with low dependency on Russia, mainly Armenia, Tajikistan, and Uzbekistan have avoided recession. Growth accelerated in 1998 both in Armenia and Tajikistan. Azerbaijan managed to cushion the effect of the Russian contagion due to a large inflow of foreign investments. Equally, Armenia, whose GDP grew 7% in 1998 while industrial output fell 2.5% is benefiting from an inflow of capital from its foreign diaspora.

Belarus, whose industry is almost completely focused on producing for the Russian market, has been badly hit. However, growth rates still show very impressive numbers, but recent developments point towards further economic downturn. Inflation is soaring and output is falling sharply.

The economies of Armenia and Georgia have started to recover, mainly due to growth in non-CIS export markets. In general this is true also for the Central Asian countries, although these countries are not as dependent on Russia. In addition they are benefiting from the current recovery in Asia. Data for Turkmenistan are missing, but according to recent statements the country is currently benefiting from renewed gas exports, especially to Ukraine.

Table 3 GDP growth 1994-1999

	1994	1995	1996	1997	1998	1999*
Armenia	5	7	6	3	7	6.1
Azerbaijan	-20	-12	1	6	10	6.9
Belarus	-13	-10	3	10	8	2
Georgia	-10	3	11	11	3	2.4
Kazakhstan	-13	-8	1	2	-2	0.3
Kyrgystan	-20	-5	7	10	2	3.5
Moldova	-31	-2	-8	1	-9	-5.3**
Russia	-13	-4	-3	0.8	-4.5	-0.7**
Tajikistan	-21	-12	-17	2	5	0.9
Turkmenistan	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ukraine	-23	-12	-10	-3	-2	-1.7
Uzbekistan	-5	-1	2	5	4	4.4

** January – September*
*** January – June*
Source: RSA, Moldovan Economic Trends, United Nations

Table 4 Growth in industrial production 1994-1999

	1994	1995	1996	1997	1998	1999*
Armenia	5	2	1	0.9	-2.5	7.6
Azerbaijan	-23	-17	-7	0.3	2.2	2.8
Belarus	-17	-12	4	19	11	7.6
Georgia	-40	-10	8	8	-2.7	1.7
Kazakhstan	-18	-8	0.3	4	-2.1	0
Kyrgystan	-28	-18	9	5	8.3	4.6
Moldova	-28	-4	-6	0	-11	-12.8
Russia	-21	-3	-4	2	-5.2	7
Tajikistan	-25	-14	-24	-2	8	6.8
Turkmenistan	-25	-6	18	n.a.	n.a.	n.a.
Ukraine	-27	-12	-5	-0.3	-1.5	2.3
Uzbekistan	2	0.1	3	4	5.8	5.9

** January – September.*
Source: RSA, Moldovan Economic Trends, United Nations

Conclusions

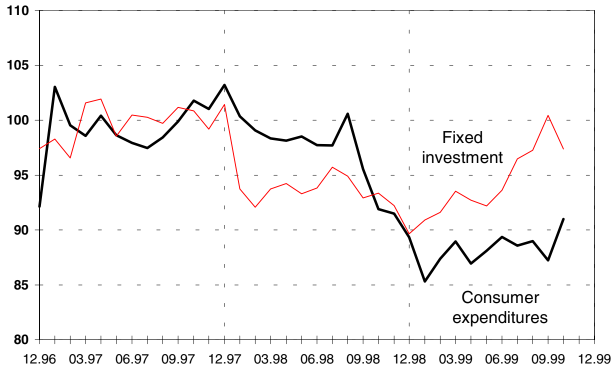
Not surprisingly, the most dependent countries have taken the hardest blow from the Russian crisis and its contraction of demand and halting of barter deals. As a result, the reduction in trade with Russia has had negative consequences for countries like Belarus, Kazakhstan, Moldova, and Ukraine, while the reduction in Russian trade for less dependent countries has had a much more limited effect. On the other hand as Russia recovers the dependent countries should equally benefit.

Unlike the Baltic States, none of the CIS countries managed to defend their currencies after the Russian crisis. This is true even for Azerbaijan, which after running large current account surpluses was forced to let its manat slide. In all but three countries export to Russia recovered somewhat in the second quarter of this year. A common denominator for the three exceptions (Azerbaijan, Georgia, and Uzbekistan) is a low real depreciation of their currencies towards the dollar. Countries in which the currency has depreciated more rapidly against the dollar, the prospects for exports look more promising. Similar to Russia, weaker currencies in the CIS countries should have additional benefits to their economies. Previously a high real effective exchange rate allowed consumers in these countries to benefit from imports. The real depreciation since the August 1998 crisis has priced out imports, and domestic producers are enjoying increased competitiveness vis a vis imports. Future growth for these countries, including Russia, is more likely to be dependent on exports to non-CIS markets (as many of the CIS countries depend less on Russia) and on restructuring of domestic industry.

ECONOMIC UPDATE

Aggregate demand
In October seasonally adjusted real consumer expenditures on goods and services increased by 4% and were only 9% lower than the average for 1997. The rise in consumer demand can be attributed mainly to the growth in real wage incomes and repayment of wage arrears (see LABOUR MARKET). In October 1999 real expenditures on food (including catering) and non-food goods were 13% lower than in September 1997, and expenditures on paid services were at the same level as two years ago.
According to preliminary data, expenditures on new construction and equipment (a proxy for gross fixed investment) dropped in October compared to September by, 3% in seasonally adjusted terms. This monthly fall was connected with some decline in the volume of construction, and probably reflects a temporary decline of industrial performance.

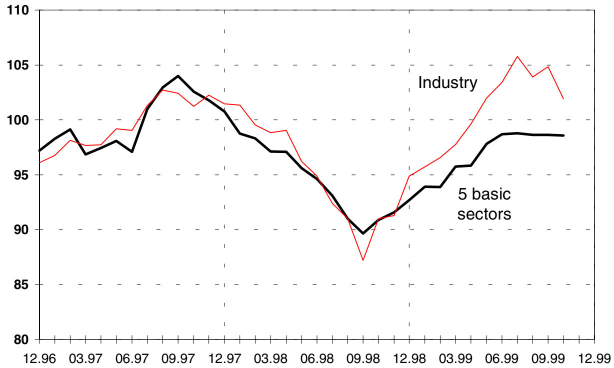
Components of aggregate demand (1997 = 100, seasonally adjusted)



Source: RSA.

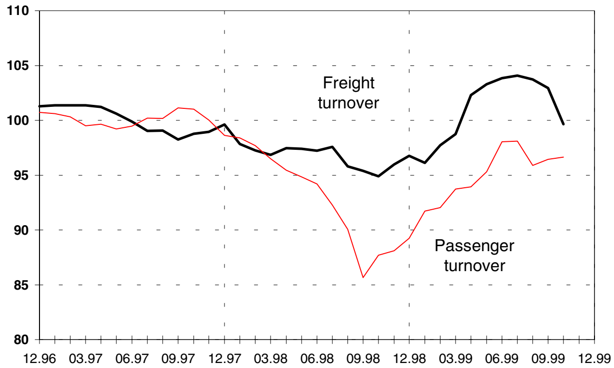
Output
October's data confirmed our previous month's conclusion that the period of intensive post-recession recovery has ended. In October the index of gross output of five basic sectors of the economy in seasonally adjusted terms again remained practically unchanged and was at the same level as in June.
In industrial sector there are even some signs of decline, which started about three months ago. In October total industrial production, according to revised RET estimates, decreased by 2.8% compared to September in seasonally adjusted terms, and was 3.7% lower than its July level. The fall in output in the last two or three months was observed in production of non-ferrous metals, machinery, building materials, textiles & footwear, and food processing. Output of electricity and fuels on the whole remains stable.
The real volume of construction in October declined by 1% from September, after several months of intense growth. A substantial monthly fall was registered also in the number of dwellings completed. At the same time the performance of agricultural sector looks better than a year ago. By end-October the stored harvest of grain was 11% higher than at the same 1998 date. Freight transportation turnover, which follows closely the changes in industrial output, fell in October by 1.7%. At the same time passenger turnover slightly increased, reflecting the general monthly growth of consumer demand.

Gross output (1997 = 100, seasonally adjusted)*



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

Transportation turnover (1997 = 100, seasonally adjusted)



Source: RSA.

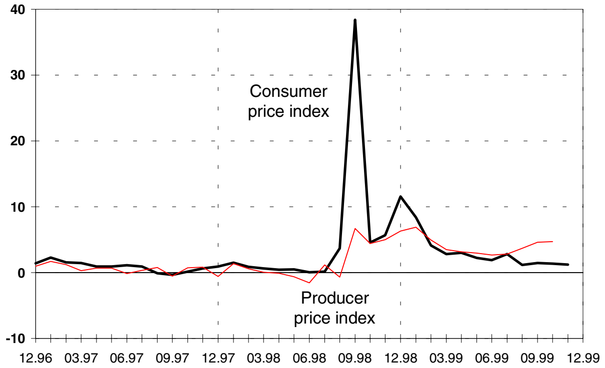
Prices

In November consumer price inflation continued to slow down. The consumer price index grew in November by 1.2% (1.4% in October). CPI for food increased by 1.0% in November (0.8% in October),. for non-food items by 1.5% (2.2% in October), and for paid services by 1.7% (2.0% in October).
The composite producer price index increased by 4.7% in October compared to 4.6% in September (November data are not yet available). The relatively high rate of PPI growth was again caused by substantial increases in prices for oil and oil products. In October producer prices for crude oil and gasoline rose by 22%, and prices for diesel fuel increased by 13%. As a result the rate of growth of average PPI in industry was equal to 5.5% (5.9% in September). In October relatively high rates of PPI growth were also observed in construction (4.3% compared to 5.4% in September) and in business communications (5.8% compared to 0.2% in September).

Labour

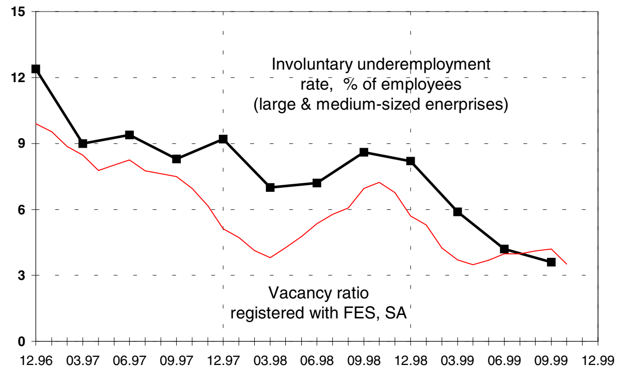
The situation in the labour market remains more or less stable, as does the general level of economic activity. According to the now published results of the last RSA labour survey, in August unemployment rate was equal to 11.7% compared to 12.4% in May, when the previous survey was conducted. The number of employees at large and medium-sized enterprises in September remained unchanged compared to the three previous months. The involuntary under-employment rate at large and medium-sized enterprises in September was equal to 6.7% of employees, compared to 7.9% in June. The vacancy ratio (the number of job seekers registered with the FES as a ratio of the number of registered vacancies) slightly declined in October in seasonally adjusted terms, and returned to its lowest (April) level of 3.5 persons per vacancy.
According to preliminary data the real monthly wage due, calculated on the basis of the price deflator for consumer expenditures, in October increased by 3.7% but was still 20% below its 1997 average. Wage arrears continued to decline; in October they decreased by another 2.8% to R53.1 bn. The reduction was observed for both enterprise and budget arrears; the last diminished by 2.4% to R13.4 bn. Strike activity is increasing slightly but still remains much lower than a year ago.

Monthly growth of price indices, %*



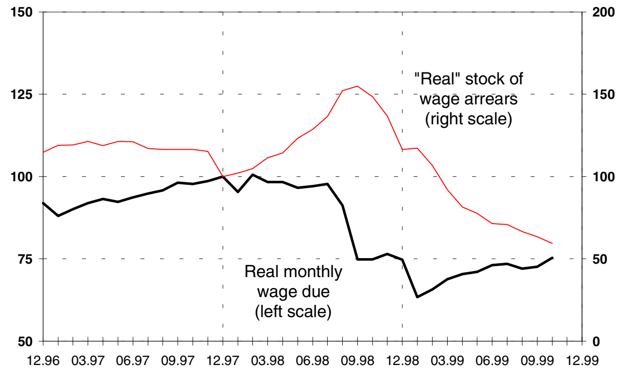
** Producer price index covers prices in industry, construction, production of agricultural animal products, and tariffs for freight transportation and communications.*
Source: RSA.

Unemployment indicators



Source: RSA.

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



** 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.

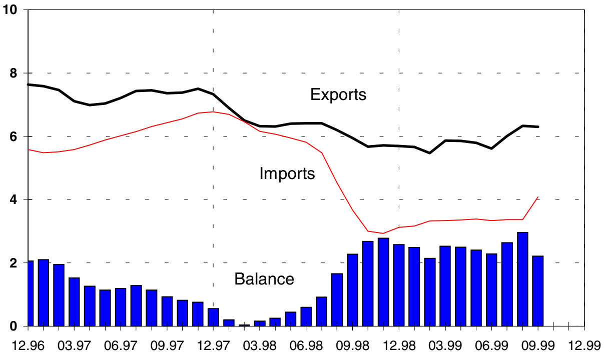
Foreign trade

The trade surplus (including shuttle trade) in the first three quarters of 1999 amounted to $21.3 bn, with exports equal to $50.8 bn (7.5% lower than in the same period last year). Imports were equal to $29.5 bn (40.6% lower than in the first three quarters of last year). Exports to non-CIS were only 2% below the level in the first nine months of last year, while exports to the CIS were down a staggering 28% (see this month's special report). However, imports from both non-CIS and CIS countries were down 40%.

In order to secure the domestic market a prohibitive duty on exports of liquified gas has been introduced, up from 5 to 60 euros per tonne. The quota introduced earlier this year has almost been filled. On average, gas fetches a price of $220 per tonne on the world market compared to the domestic market price of around $20. It is not yet clear what effects this will have, as it is feared that exports may continue (even at a loss), as exporters are worried about losing markets.

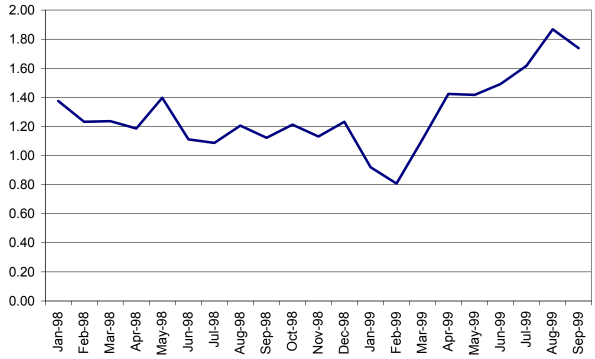
The world market price for oil has continued to climb, with huge benefits for Russia's oil exporters. However, there is a downside to increased export revenues; increased capital flight. Our estimate shows that in the second quarter of 1999 it amounted to approximately $1.5 bn a month (the OPEC agreement was concluded in March this year), up from $0.8 bn per month in the first quarter. According to the Ministry of Finance expert group capital flight has increased even further in the third quarter.

Merchandise exports and imports ($ bn, seasonally adjusted)



Source: RSA.

Revenues from crude oil and petroleum exports ($ bn)



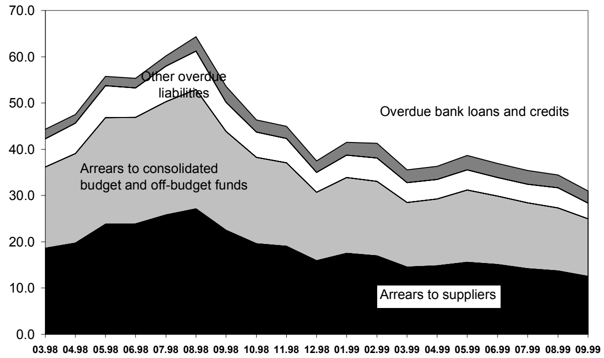
Source: State Customs Committee

Enterprise finances

In October 1999 arrears in industry, expressed as a share of industrial output, continued to fall. A number of factors contributed to the improvements in settlements in industry. First, positive effects of the August 1998 devaluation on the net cash inflows of industrial companies are still being felt. Second, electricity, natural gas and railway tariffs were virtually frozen by regulators. Thus real prices of energy and transportation services have been falling since the last quarter of 1998. Third, the government managed to increase tax compliance when it drastically cut the volume of federal tax offsets. Finally, natural monopolies were themselves successful in raising collection rates from their customers.

In October-November 1999 parties engaged in the struggle for corporate control tested a new strategy. In a vast number of cases, privatisation procedures initiated in 1993-95 were far from perfect from the legal point of view. Thus a reversal of the privatisation outcome could be used to seize control from the current owners. In October, a regional court cancelled privatisation of a porcelain plant in the

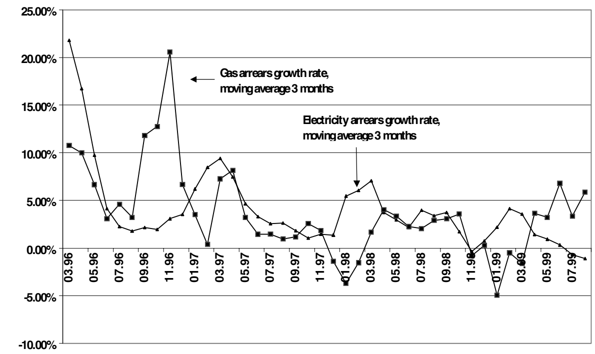
Arrears in industry, % of industrial production*



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

Arrears in the energy sector*

Leningrad region. In November the Ministry of Transport and the Ministry of Fuel and Energy announced their intention to challenge some privatisations in courts. It remains to be seen whether this new strategy will become commonplace. Still, reversal of some privatisations will not lead to a large-scale redistribution of property. This does not seem feasible, given that political power wielded by the parties controlling the bulk of Russian industry.



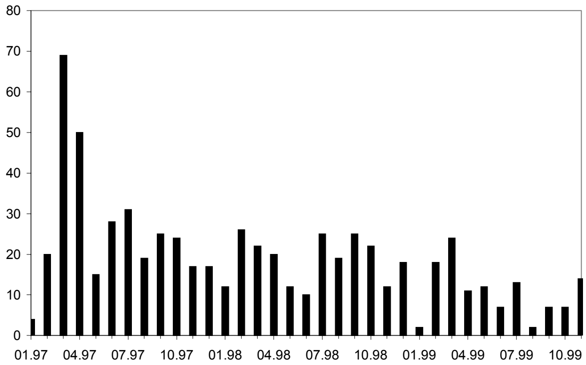
** Data is for large and medium-size enterprises.*
Source: RSA.

The banking sector

On November 16 the Agency for Restructuring of the Credit Organisations (ARCO) took over SBS-Agro. ARCO announced its intention to liquidate the bank. Standard bank liquidation procedures are usually undertaken by a receivership manager appointed by the court. ARCO is set to perform the functions of the liquidator to ensure orderly closure and efficient transfer of assets such as branch network and industrial holdings.

In November Uneksimbank management reached an amicable agreement on debt restructuring with its creditors. The creditors will be paid in cash and promissory notes written against Rosbank. The latter entity was formed to accumulate assets shifted from Uneksimbank's balance sheet. The creditors' position in the restructuring talks was undermined by their inability to freeze Uneksimbank assets, which were transferred to the legally independent Rosbank via a variety of schemes.

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



** Data for July-August are preliminary estimates.*
Source: CBR.

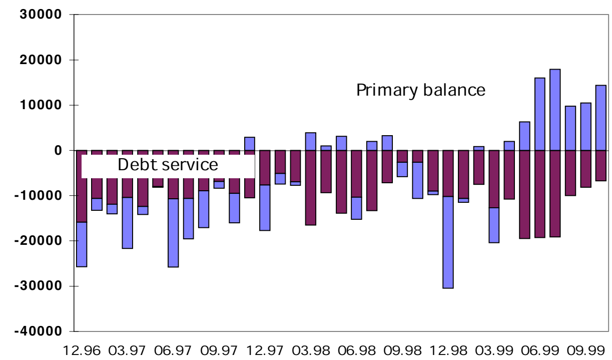
The budget

According to preliminary estimates, the federal budget deficit (calculated according to the IMF definition) comprised R55 bn in the first 10 months of 1999. The IMF has suspended the second tranche of its loan due in October, and the Central Bank loans remained the main source of deficit financing. In October, the federal government was again successful in collecting high revenues, which amounted to R60 bn, out of which taxes comprised R51 bn (preliminary estimates). Federal expenditures equaled R52 bn, and debt service was R6.7 bn, including R3.7 of payments on domestic debt and R3 bn of payments on foreign debt.

No data on the performance of regional and local budgets in October was available at the moment of writing.

The federal budget for 2000 was passed by the State Duma on December 3, 1999 in the fourth (and last) reading. The deputies have finally agreed with the position of the government on the issue of ZATOs – closed territorial formations still having significant tax privileges and used by companies as offshore zones. The 2000 budget law is now abolishing the

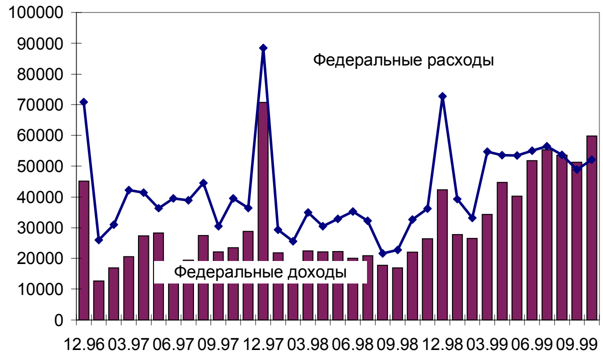
Federal budget deficit, R mn



Source: Ministry of Finance.

Federal revenues and expenditures, R mn

privileges for most of the ZATOs. The bills included in the government tax package accompanying the budget draft, have undergone the following stages: the PIT bill was passed in November (see previous RET), the draft "On the road fund" was rejected by the Duma in the first reading, the draft introducing changes to the law "On Excises" has passed the third reading; the draft introducing the amendments to the law "On the VAT", which had been vetoed by the President, was finally passed by Duma after conciliation procedures.



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

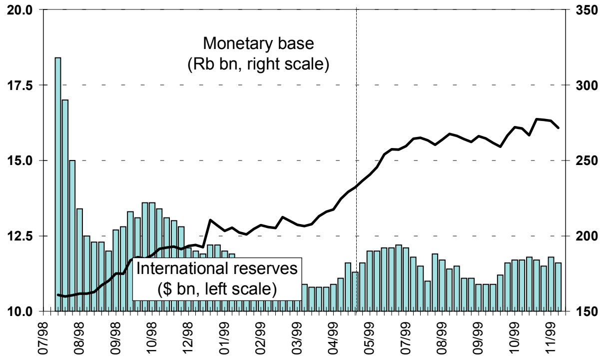
The exchange rate
In November the (MICEX) rouble exchange rate depreciated 2.3%, standing at R26.65/$. The rouble came under renewed pressure in the beginning of December, reaching R26.81/$ on December 6, as the balance on commercial banks' excess reserves soared R10 bn in one day to R65 bn (see Money), and the CBR withdrew its support in response to non-disbursement of the second IMF tranche and pending debt service obligations. However, CBR interventions tend to be less frequent in the beginning of each months.
According to the amended version of the CBR's Crediting and Monetary Policy for next year the monetary authorities have accepted the government's prediction of R32/$. In the first draft the CBR anticipated a rate of between R35-37/$. The rouble will continue to 'float' but the CBR has announced it will strive towards smooth exchange rate changes and preservation of international reserves. This means that large fluctuations will be defended as long as the level of reserves is sufficient.

The rouble exchange rate (R/$)*

** MICEX exchange rate.*
Source: Moscow Times.

Money
In November monetary base increased R12.2 bn (4.7%) and stood at R271.7 bn on November 29. So far in 1999 monetary base has grown 29% and money supply (M2) has grown 33% up to end-September. With the exception of the period April to June the CBR has conducted a relatively tight monetary policy. However, money creation has occurred without appearing as an increase in monetary base. Since the beginning of the year the CBR's claims on commercial banks have increased by R122 bn. The reason this has not been captured in monetary data, or led to inflation, is that the money has not left the CBR. Commercial banks' excess reserves (total reserves minus required reserves) have increased by R81 bn in the same period, standing at R136 bn, of which approximately R60 bn is sitting in correspondent accounts at the CBR. This excess liquidity poses a potential threat to rouble stability and inflation.
The CBR's draft regarding its Crediting and

Monetary base and gross international reserves (weekly data)

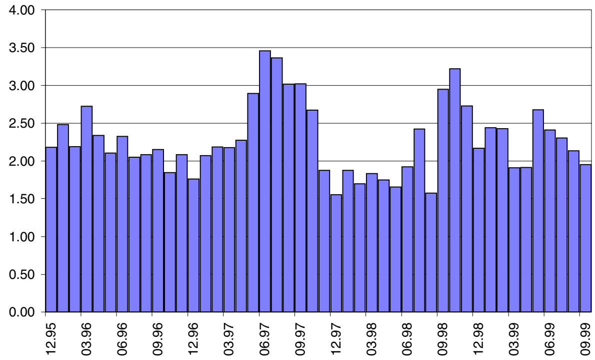


Source: CBR.

Monetary Policy for next year was amended to be brought in line with next year's budget. It has, in principle, been accepted by the government and resubmitted to the Duma. Still, the CBR is promoting a more stimulus-oriented policy, for example a rise in wages for state employees and pensions, as well as a reduction in profit tax to help stimulate domestic demand. Growth in money supply (M2) is expected to reach 21-25% next year, which could accommodate an inflation rate of around 18% (in line with the forecast made by the Ministry of Finance). The earlier version of the draft anticipated an inflation rate of between 25-28% for next year.

International reserves stood at $11.6 bn at the end of November, down from $11.8 bn in the beginning of the month. Pressure on reserves are mounting as Russia has still not received the second $640 mn tranche from the IMF, and external debt payments close to $900 mn come due in December. However, the next tranche from Japan of $375 mn is expected to reach Russia before the end of this year. Next year the government is expected to service approximately $9 bn in external debt, of which $1 bn will be covered by the CBR.

Number of months imports covered by hard currency reserves



Source: RSA, CBR.

Financial markets

In November the Moscow Times $ index rose another 16%. Overall, it has increased 126% this year, making it one of the world's best performing stock markets so far in 1999. Lately, domestic investors have dominated trading as foreign investors await results from the negotiations with the London Club creditors. Also, we expect the activity to slow prior to December's parliamentary election. In an attempt to sterilise part of the excess reserves the CBR is preparing to issue its own bonds. If everything goes smoothly the CBR should be able to issue R1-2 bn by the end of the year. Next year the government will issue securities equal to R45 bn.

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 construction & 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	99.3	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	98.6	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	101.1	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	100.9	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	93.8	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	93.1	136.1	86.1	40.5	92.2
12			161.1	91.4	62.4	89.6
01.1999			143.7	75.2	28.0	90.9
02	823.1	96.0	145.4	73.1	31.3	91.6
03			159.6	78.1	35.9	93.5
04			160.7	76.3	36.3	92.7
05	1,020.1	98.6	162.6	75.5	40.0	92.2
06			168.3	76.7	50.7	93.6
07			172.9	76.6	54.8	96.5
08			185.4	81.2	57.7	97.3
09			189.4	81.8	61.0	100.5
10			195.3	83.2	55.5	97.4
11						
12						

* 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, total, SAWT*	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		298	595	862	262
1996	98.0		293	601	848	255
1997	100.0	100.0	297	571	834	244
1998	94.8	94.8	294	591	827	232
01.1997	97.7	96.8	293	596	830	249
02	98.5	98.2	291	588	821	249
03	97.4	97.7	297	582	807	252
04	97.9	97.7	303	572	823	246
05	99.2	99.2	295	558	823	242
06	98.5	99.0	297	547	825	238
07	101.4	101.3	297	526	834	243
08	102.7	102.7	298	545	836	242
09	101.9	102.4	298	560	845	229
10	101.8	101.2	298	563	842	248
11	101.4	102.2	299	610	858	241
12	101.6	101.5	297	601	860	246
01.1998	100.5	101.3	298	591	817	245
02	99.7	99.5	293	589	833	241
03	99.9	98.8	295	596	840	233
04	99.0	99.0	293	591	858	247
05	96.4	96.2	287	560	844	224
06	95.7	94.9	295	566	834	221
07	92.3	92.4	294	605	794	208
08	90.8	91.0	290	603	783	223
09	86.7	87.2	293	598	800	211
10	89.9	91.0	296	605	830	229
11	91.9	91.3	297	603	853	240
12	94.8	94.9	298	587	838	262
01.1999	98.1	95.7	293	577	802	248
02	96.7	96.6	287	572	807	239
03	100.3	97.8	292	585	859	244
04	99.5	99.6	296	583	836	255
05	102.2	102.0	292	607	884	243
06	104.3	103.4	294	604	859	248
07	104.1	105.8	295	588	843	243
08	105.4	103.9	295	622	861	247
09	104.2	104.8	298	604	867	249
10	99.2	101.9	297	576	854	255
11						
12						

* Based on the year-on-year rates of growth at prices of the previous year.
SA - seasonally adjusted, SAAL - seasonally adjusted annual level.
SAWT - seasonally adjusted reflecting work time differences.

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	103.8	115.6	127.6	41.0	3,539	1,025
1996	98.5	106.4	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	100.1	101.2	103.6	29.4	3,301	875
02	96.3	101.6	101.1	30.7	3,306	894
03	92.8	101.1	101.1	31.7	3,292	898
04	91.9	101.4	97.8	32.9	3,304	887
05	91.2	100.7	98.3	30.8	3,289	862
06	92.7	100.0	99.4	32.2	3,234	884
07	105.7	99.5	99.7	33.5	3,232	883
08	116.7	99.5	99.6	32.9	3,206	884
09	106.7	98.9	101.1	33.5	3,237	888
10	104.4	98.2	101.0	36.6	3,153	890
11	102.7	98.9	98.8	33.6	3,259	894
12	98.7	99.0	98.4	34.7	3,253	901
01.1998	93.3	99.4	97.2	35.7	3,219	878
02	92.1	99.1	96.2	32.5	3,082	848
03	91.7	99.1	95.7	31.3	3,197	859
04	91.0	98.5	97.0	22.7	3,179	863
05	90.0	98.1	97.1	31.1	3,143	834
06	88.5	98.0	98.2	27.9	3,190	833
07	83.6	97.9	98.1	25.9	3,164	813
08	82.3	97.1	96.6	32.0	3,177	804
09	82.6	97.3	93.5	31.3	3,016	774
10	82.9	96.4	91.6	29.5	3,124	822
11	84.1	95.7	88.5	33.0	3,128	811
12	90.2	94.8	90.4	31.9	3,122	879
01.1999	88.1	94.1	89.7	39.0	3,202	892
02	87.0	93.9	90.4	39.5	3,065	889
03	86.9	93.3	93.2	30.7	3,277	907
04	88.2	92.8	95.1	25.3	3,303	934
05	88.1	93.9	96.4	33.3	3,413	942
06	86.6	92.5	99.0	29.6	3,373	951
07	85.6	91.3	98.5	29.8	3,358	953
08	83.4	92.2	105.2	34.1	3,436	949
09	81.9	92.1	106.8	37.4	3,337	951
10	87.2	93.4	105.7	32.0	3,280	956
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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	2,262.8	96.7	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	90.9	74.4	99.6	21.4	89.0
02	175.6	95.7	68.7	94.7	22.1	89.0
03	186.5	100.0	71.4	97.8	23.9	91.3
04	179.2	103.8	71.8	98.1	24.3	91.1
05	167.5	107.0	71.4	97.2	24.9	92.5
06	172.8	97.5	70.7	96.2	26.9	95.1
07	174.8	97.5	72.3	98.4	28.0	96.5
08	169.5	93.6	81.7	105.0	28.5	97.3
09	188.1	93.5	107.0	101.6	28.8	96.2
10	203.6	91.9	104.3	94.1	28.6	96.5
11	218.8	92.5	110.6	94.6	29.3	100.6
12	260.8	96.0	133.1	102.4	31.9	106.5
01.1999	223.4	77.5	117.1	80.5	27.5	88.5
02	236.2	83.3	118.6	81.2	28.3	86.0
03	288.6	94.1	129.5	85.9	31.4	91.2
04	291.7	98.1	130.6	84.0	32.1	91.2
05	292.6	103.8	133.7	83.8	31.0	94.9
06	313.1	95.3	137.2	84.2	34.6	100.8
07	332.4	98.4	140.5	84.2	35.7	106.4
08	348.7	100.8	151.4	89.4	37.3	99.3
09	377.4	112.7	155.6	90.1	37.9	98.2
10	390.4	105.0	161.3	92.1	38.6	100.1
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* Including exports.
** Including catering. Revised by RSA 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	63.6	13.6	2.6	83	1,385	63.5
04	64.1	13.0	2.5	15	1,423	64.7
05	64.6	12.4	2.3	15	1,472	64.3
06	64.9	12.0	2.2	6	1,626	66.4
07	65.1	11.8	2.0	6	1,618	65.2
08	65.2	11.7	1.9	5	1,608	65.2
09	65.1	11.7	1.8	99	1,684	65.6
10	65.1	11.7	1.7	228	1,717	67.2
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* Monthly data are end of month, yearly data are averages of the end of month figures.
** Yearly figures reported by RSA 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	403.1	856.8	37.7
04	1,447.5	73.5	83.5	403.2	884.0	n.a.
05	1,385.6	68.8	83.5	451.6	923.6	n.a.
06	1,476.3	71.9	83.5	455.5	950.0	35.0
07	1,485.0	70.4	83.5	455.7	974.0	n.a.
08	1,547.8	72.5	83.5	455.9	936.4	n.a.
09	1,559.6	72.0	83.5	456.1	919.8	33.5
10	1,646.5	75.0	83.5	455.6	926.8	n.a.
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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.	15.0
1997	756.1	n.a.	344.7	316.6	39.7	458.4	n.a.	8.0
1998	1053.4	1230.6	475.1	438.6	55.7	634.0	761.9	20.1
01.1997	529.1	n.a.	249.1	217.0	35.4	344.5	n.a.	15.3
02	559.7	n.a.	259.8	231.8	36.9	368.6	n.a.	16.7
03	601.0	n.a.	283.8	251.2	37.6	400.1	n.a.	18.3
04	634.3	n.a.	301.1	254.2	36.7	410.7	n.a.	17.4
05	653.8	n.a.	309.4	261.0	38.4	415.6	n.a.	17.8
06	668.6	n.a.	313.3	268.4	39.3	418.8	n.a.	18.3
07	694.3	n.a.	321.5	281.0	39.0	432.3	n.a.	17.7
08	707.6	n.a.	328.9	289.2	39.6	441.5	n.a.	16.5
09	723.4	n.a.	330.2	302.7	41.3	451.3	n.a.	16.5
10	745.2	n.a.	340.2	311.8	40.8	456.3	n.a.	15.5
11	761.7	n.a.	342.9	321.2	41.4	461.6	n.a.	15.0
12	756.1	n.a.	344.7	316.6	39.7	458.4	n.a.	8.0
01.1998	687.7	891.6	286.2	299.2	41.8	389.3	555.5	7.2
02	840.4	941.7	375.2	347.6	48.8	519.6	598.9	8.8
03	795.4	998.3	387.5	363.2	50.1	534.2	620.1	10.3
04	904.5	1034.1	395.0	381.9	52.5	548.7	647.7	10.9
05	939.2	1075.5	416.2	395.2	55.1	570.3	677.3	12.7
06	936.3	1082.0	417.2	391.1	56.4	569.8	683.4	14.9
07	980.7	1132.0	433.3	398.0	59.6	585.0	700.9	17.1
08	1005.1	1160.5	444.2	408.3	63.9	561.7	710.2	18.6
09	1034.8	1199.8	452.7	423.2	65.4	616.8	740.7	20.9
10	1054.4	1224.7	464.5	432.3	62.9	655.2	782.0	22.1
11	1065.5	1238.7	472.2	443.6	61.0	648.1	776.2	22.1
12	1053.4	1230.6	475.1	438.6	55.7	634.0	761.9	20.1
01.1999	1065.9	1241.1	472.8	443.6	55.6	641.8	772.0	19.4
02	1093.0	1280.6	477.6	463.8	52.9	659.5	799.8	19.0
03	1119.0	1321.8	490.8	475.3	49.8	675.0	824.8	17.0
04	1145.5	1358.9	498.9	495.1	46.8	684.3	842.3	15.3
05	1149.0	1366.3	492.5	503.1	45.4	702.2	863.8	14.6
06	1170.2	1388.0	509.7	511.8	43.3	714.6	881.2	14.6
07	1183.7	1404.8	508.1	520.9	44.3	718.9	883.8	15.0
08	1206.2	1427.4	513.3	525.0	41.3	716.5	881.6	13.8
09	1188.5	1416.9	513.9	527.3	40.0	714.3	883.5	13.7
10					38.9			13.4
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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 industry, construction, transport, agriculture, education, health, arts, sciences, social security, housing and communal services and local administration. Prior to July 1998 RET estimates.

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	133.2	131.7
02	208.1	225.6	220.2	127.1	139.8	139.1
03	213.9	231.9	227.4	129.5	144.6	144.4
04	220.4	238.0	236.6	133.6	149.2	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	162.2	165.9
08	238.8	255.8	257.6	148.5	168.1	173.8
09	242.3	257.9	264.5	151.4	175.9	184.0
10	245.6	260.1	270.3	154.5	184.2	194.2
11	248.6	262.7	274.5	157.1		
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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	88.2	21.9	16.4	73.7	18.5	14.5
1998	74.2	14.5	13.3	59.1	15.6	15.1
01.1997	7.0	1.8	1.8	4.8	0.9	2.2
02	6.7	0.8	1.0	5.1	1.2	1.6
03	7.4	0.4	2.2	5.7	1.5	1.7
04	6.8	4.4	1.4	6.2	1.7	0.6
05	6.7	1.9	1.2	5.5	1.3	1.2
06	6.9	1.8	1.1	5.8	0.5	1.0
07	7.5	1.3	1.0	6.5	1.6	1.4
08	7.0	2.5	1.0	6.1	1.4	0.5
09	7.1	1.8	1.0	6.2	0.8	1.0
10	7.9	1.8	1.3	6.9	3.3	1.0
11	8.3	1.8	1.6	6.5	1.7	1.8
12	8.9	1.9	1.7	8.4	2.7	0.6
01.1998	5.9	1.4	1.5	5.7	1.5	0.2
02	5.8	1.2	1.4	6.0	1.5	-0.2
03	6.7	1.2	1.5	6.6	2.0	0.1
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	6.5	1.1	0.9	5.7	1.3	0.8
07	6.2	1.1	0.9	5.6	1.5	0.6
08	5.7	1.2	0.8	5.1	1.5	0.6
09	5.9	1.1	0.8	3.0	1.1	2.9
10	6.1	1.2	1.1	2.9	0.9	3.2
11	5.9	1.1	1.3	3.0	0.8	2.9
12	7.3	1.2	1.2	3.5	1.2	3.8
01.1999	4.7	0.9	1.3	2.9	0.9	1.8
02	5.0	0.8	1.0	3.0	0.9	2.0
03	5.9	1.1	0.9	3.5	1.0	2.4
04	6.5	1.4	0.7	3.7	1.0	2.8
05	5.1	1.4	0.7	3.0	0.7	2.1
06	5.2	1.5	0.7	3.4	0.8	1.8
07	6.1	1.6	0.7	3.4	0.7	2.7
08	6.0	1.9	0.7	3.2	0.7	2.8
09	6.3	1.7	0.7	3.4	0.7	2.9
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* Includes RSA estimate of unregistered trade.

Table 10: Balance of payments ($ mn)

	1996	1997	1998	1998 Q2	1998 Q3	1998 Q4	1999 Q1	1999 Q2
Current Account	**11997**	**3555**	**2446**	**-3587**	**900**	**6640**	**5470**	**3508**
Trade balance	*17198*	*12551*	*14156*	*291*	*4162*	*9841*	*6141*	*5828*
Export	103520	103060	87688	22175	21802	22188	17720	19454
Import	-86322	-90508	-73533	-21884	-17640	-12347	-11579	-13627
Merchandise trade balance	*23069*	*17517*	*17306*	*1584*	*4814*	*10000*	*6510*	*6413*
Export	90563	88927	74751	18846	18112	19177	15628	16918
Import	-67494	-71410	-57445	-17262	-13298	-9176	-9117	-10505
Service balance	*-5871*	*-4965*	*-3150*	*-1293*	*-652*	*-159*	*-369*	*-585*
Export	12957	14133	12937	3329	3690	3011	2093	2536
Import	-18828	-19098	-16087	-4622	-4343	-3171	-2462	-3122
Income and Wages	*-5339*	*-8411*	*-11359*	*-3734*	*-3234*	*-3159*	*-620*	*-2398*
Received	4333	4366	4300	834	584	404	2267	710
Paid	-9672	-12777	-15659	-4568	-3818	-3563	-2888	-3108
Wages	-406	-342	-164	-71	-32	29	62	58
Received	102	227	301	74	82	94	102	111
Paid	-507	-568	-465	-145	-114	-65	-40	-54
Income	-4933	-8069	-11195	-3663	-3201	-3188	-682	-2456
Received	4232	4140	3999	760	503	310	2166	598
Paid	-9165	-12209	-15194	-4423	-3704	-3498	-2847	-3054
Current Transfers	*138*	*-585*	*-351*	*-144*	*-28*	*-41*	*-51*	*79*
Received	765	349	223	60	41	57	54	233
Paid	-627	-935	-574	-203	-69	-98	-105	-154
Capital Account	**-3618**	**4047**	**5469**	**5346**	**2754**	**-6808**	**-4080**	**-1563**
Capital transfers (net)	*-463*	*-797*	*-382*	*-189*	*15*	*-116*	*-97*	*-33*
Direct investments abroad	*-771*	*-2603*	*-1027*	*-341*	*-98*	*-334*	*-314*	*-556*
Direct investments into Russia	*2479*	*6243*	*2182*	*450*	*411*	*699*	*642*	*722*
Portfolio investments abroad	*-172*	*-156*	*-256*	*-506*	*350*	*-3*	*-23*	*-202*
Portfolio investments into Russia	*8929*	*45589*	*8035*	*4230*	*-232*	*381*	*-370*	*223*
Other investment - assets	*-29306*	*-26621*	*-16122*	*-2393*	*-3942*	*-6443*	*-5966*	*448*
Hard currency	-8908	-13444	945	1274	-1712	773	302	1487
Bank accounts and deposits	-1000	977	972	596	-102	-1139	-1095	-1368
Trade credits	-9501	-6789	-6810	-1154	-1181	-4379	-1819	1651
Loans provided (not overdue)	9499	7004	5345	1602	1282	615	1791	2188
Overdue payments	-9475	-3048	-7428	-2791	-488	-436	-4065	-1326
Non-repatriated export revenue	-9773	-11458	-8625	-1650	-1507	-2072	-1009	-2071
Other assets	-149	136	-520	-271	-234	195	-71	-113
Other investment - liabilities	*14328*	*-15655*	*7784*	*3329*	*3647*	*-1966*	*975*	*-447*
National currency	-230	-38	65	69	17	-17	-26	-7
Bank accounts and deposits	1547	-4694	-2832	349	-1376	-844	-249	640
Trade credits and advances	-799	-64	321	119	86	175	104	77
Loans received (not overdue)	10256	12676	5806	1829	3188	-2875	-1329	-2293
Overdue payments	2672	-24045	5120	270	1976	2510	2442	1306
Other liabilities	881	511	-697	693	-244	-915	33	-171
Adjustments	*-1484*	*-19*	*-50*	*-1*	*7*	*-74*	*104*	*-107*
Net international reserves	*2841*	*-1934*	*5305*	*768*	*2596*	*1050*	*969*	*-1611*
Errors and omissions	**-8379**	**-7602**	**-7914**	**-1759**	**-3655**	**168**	**-1390**	**-1945**

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	4.7
04	133.4	119.3	180.7	41.5	47.3	
05	173.7	152.9	234.2	61.0	60.5	
06	225.5	195.2	289.2	80.3	63.7	3.5
07	280.8	242.9	345.7	99.4	64.9	
08	334.3	285.8	399.4	109.4	65.1	
09	385.7	326.0	448.4	117.5	64.6	
10	445.5	377.1	500.5	124.2	55.0	
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* IMF definition of revenues and expenditure is used.
Monthly data are cumulative.
Deficit and expenditure figures for September-99 have been revised.
Data for October-99 is preliminary.

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

	Revenues		Expenditures		Deficit(+) or surplus(-)	
	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	
06	247.3	188.8	240.0	42.2	-7.3	
07	297.4	227.6	288.5	51.4	-8.9	
08	356.7	274.0	345.5	63.6	-11.2	
09	410.9	314.0	400.6	75.2	-10.4	
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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	-8.7	412.2	178.0	444.2	n.a.
02	205.2	-8.8	416.8	180.8	463.9	n.a.
03	205.9	-9.0	423.9	174.1	473.8	n.a.
04	227.3	-8.2	425.5	195.2	509.6	n.a.
05	241.4	-7.1	412.0	205.3	542.4	n.a.
06	257.3	-7.3	434.8	216.4	567.7	n.a.
07	260.3	-6.4	417.8	218.2	583.2	n.a.
08	264.1	-6.4	415.6	216.2	590.8	n.a.
09	261.8	-6.1	405.9	212.8	597.4	n.a.
10	259.5					
11	271.1					
12						

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.

In 1999 there were some changes in methdology fo NDA and NIR data.

** 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)	(R 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	933.1	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	790.9	205.8	335.4	136.1	163.4	196.1
10	774.8	203.5	314.1	138.0	147.4	180.1
11	850.6	236.4	325.7	141.1	161.1	194.2
12	933.1	259.4	346.0	149.5	190.9	203.1
01.1999	1025.4	299.7	362.6	153.4	204.3	214.5
02	1047.5	303.2	375.2	161.0	206.1	218.4
03	1133.4	326.0	386.0	163.5	215.0	228.7
04	1174.5	347.3	392.0	170.6	224.2	228.1
05	1231.5	371.0	376.1	177.6	224.1	225.6
06	1283.5	390.4	395.9	185.4	233.7	227.7
07	1272.4	397.0	384.8	190.5	223.6	202.5
08	1318.1	399.2	401.1	191.8	238.4	204.0
09	1346.5	403.3	426.2	193.6	243.4	190.6
10				196.1		
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Source: CBR, RSA.

* 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	32.2	11.0	8.4	16.0	89.7
07	55	38.9	12.6	9.0		101.5
08	55	38.5	8.8	9.3		82.2
09	55	37.8	9.7	18.2		70.1
10	55			16.1		72.5
11	55					84.9
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	91.1	12.2	4.4
01.1997	196.2	5.607	5.630	99.8	14.0	4.1
02	236.6	5.654	5.676	101.2	15.2	4.1
03	223.8	5.707	5.727	102.6	16.5	4.1
04	235.6	5.743	5.744	104.1	18.2	4.1
05	260.3	5.756	5.767	103.9	20.0	4.1
06	314.6	5.765	5.769	106.0	24.5	4.2
07	380.9	5.796	5.809	108.9	24.5	4.3
08	364.0	5.815	5.840	107.1	23.9	4.3
09	379.3	5.852	5.864	105.3	23.1	4.4
10	326.3	5.873	5.900	103.5	22.9	4.5
11	249.8	5.910	5.924	104.6	16.8	4.6
12	302.7	5.942	5.974	105.2	17.8	4.9
01.1998	209.6	6.022	6.048	107.5	15.4	4.9
02	234.5	6.048	6.045	107.6	15.0	4.8
03	244.0	6.073	6.089	108.5	16.9	4.9
04	233.2	6.128	6.110	106.7	16.0	5.0
05	141.4	6.145	6.138	107.0	14.6	5.0
06	111.8	6.198	6.225	106.4	16.2	5.0
07	109.6	6.235	6.272	105.4	18.4	4.6
08	50.8	7.460	10.363	95.6	12.5	4.3
09	28.7	14.762	16.045	65.8	12.7	3.9
10	40.0	16.374	16.600	62.5	13.6	3.9
11	51.6	17.297	18.470	61.9	12.8	4.3
12	38.4	20.841	21.140	58.2	12.2	4.4
01.1999	35.1	22.991	23.100	57.9	11.6	4.5
02	50.7	23.075	23.100	59.7	11.4	4.2
03	61.0	24.120	24.860	60.9	10.8	4.1
04	69.4	25.321	24.290	60.9	11.2	4.1
05	75.6	24.672	24.700	60.8	11.9	3.9
06	96.5	24.429	24.210	63.4	12.2	4.0
07	88.6	24.321	24.198	65.3	11.9	4.1
08	78.9	24.690	24.860	64.8	11.2	4.4
09	63.8	25.499	25.179	63.9	11.2	4.6
10	75.0	25.776	26.030	65.0	11.8	4.7
11	87.0	26.328	26.650	66.3	11.6	4.7
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.

Russian-European Centre for Economic Policy

Potapovsky pereulok, 5, bldg., 4, Moscow 101000 Russia
http://www.recep.org
e-mail: recep@recep.glasnet.ru
tel (+7-095) 232 36 13   fax (+7-095) 232 37 39