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RUSSIAN ECONOMIC TRENDS

Monthly Update

**RUSSIAN-EUROPEAN CENTRE
FOR ECONOMIC POLICY**

in cooperation with

**WORKING CENTRE FOR ECONOMIC REFORM
GOVERNMENT OF THE RUSSIAN FEDERATION**



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*All nominal rouble amounts are given in new, redenominated, roubles.
This is true of all historical data too.*

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TAX REFORM IN RUSSIA – UPDATE

Ian Cochrane¹, Xenia Tsibizova² & Niina Pautola

RECEP, Moscow

Chapters of the second part of the Tax Code recently discussed in the State Duma and in the Federation Council

Area	Measure	Status	Comment
Personal Income Tax (Chapter 24)	<p>A flat personal income tax rate of 13%.</p> <p>Exceptions:</p> <ul style="list-style-type: none"> - Tax rate of 30% on dividends and for individuals who are not tax residents of the Russian Federation. - 35% rates on winnings in casinos, as well as on insurance payouts, banking deposit profits in excess of tax-free limits (i.e on income received through traditional “alternative” salary schemes). - Sourcing rules changed. - Privileges for military personnel, prosecutors, judges, employees of the ministry of internal affairs, tax police and customs committee are abolished. <p>A number of deductions are envisaged.</p> <p>Main changes in deductions:</p> <ul style="list-style-type: none"> - Gains on sales of real estate up to R1,000,000 (sales of other property up to R125,000) per annum are exempt (if the property held for more than 5 years, gains are completely exempt). - Deduction on purchase / construction of house – R600,000 + overall mortgage interest payments. 	<p>Passed the third reading on July 19 (2nd reading June 7th) 2000.</p> <p>Approved by the Federation Council on July 26th.</p> <p>Signed by the President on August 7th.</p>	<p>Incentives are created for individuals and employers to declare wages and other income in full. Lowering the rate is not expected to substantially decrease budget revenues since high incomes have not been declared in the first place.</p>

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² Xenia Tsibizova works as a Senior Consultant in the Human Capital Department at ArthurAndersen, Moscow.

Area	Measure	Status	Comment
Unified Social Tax (Chapter 25)	<p>The tax is to replace payments to the Pension Fund, Social Insurance Fund and Medical Insurance Fund.</p> <p>Standard rates for employers:</p> <p>35.6% for annual income less than R100,000</p> <p>20% for income between R100,000 and R300, 000</p> <p>10% for income between R300,000 and R600, 000</p> <p>5% for income higher than R 600,000 will remain in place for a year.</p> <p>2% for income higher than R600,000 effective from January 2002 onwards.</p> <p>1% contribution to the Pension Fund by the employee to be cancelled.</p>	<p>Passed the third reading July 19th (2nd reading on June 9) 2000.</p> <p>Approved by the Federation Council on July 26th.</p> <p>Signed by the President on August 7th.</p>	<p>The system in which money was raised by separate social funds was inefficient and non-transparent, and created incentives for fraud.</p>
Value added tax (Chapter 21)	<p>20% VAT rate</p> <p>10% for basic food and children's clothing (as before)</p> <p>0% for exported goods;</p> <p>0% for the supplies of goods to CIS, supply of oil and gas exported to the CIS will be VATble;</p> <p>- Entrepreneurs will become VAT payers</p> <p>New exemptions were introduced:</p> <ul style="list-style-type: none"> - Interest on inter-company loans; - Sale of shares in a Russian LLC³; - Import of technological equipment into charter capital as opposed to import of fixed assets; - Rent of living premises of any kind from 1 January 2004 (decision pending possibly already from 1 January 2001); <p>Medicines subject to VAT with the exception of medicines 'essential for life'.</p> <p>Existing exemptions abolished:</p> <ul style="list-style-type: none"> - exemption for copyright royalties; 	<p>Passed the third reading July 19th (2nd reading on June 23) 2000.</p> <p>Approved by the Federation Council on July 26th.</p> <p>Signed by the President on August 7th.</p>	

³LLC= limited liability company ("Obschestvo s ogranichennoj otvetstvennostju").

Area	Measure	Status	Comment
Value added tax (Chapter 21)	<ul style="list-style-type: none"> - exemption for mass media (from January 2002) <p>Specifically VATable;</p> <ul style="list-style-type: none"> - financial assistance in connection with VATable sale; - free of charge transfers; - promissory note interest discount (above CBRF interest rate); - commercial credit interest (above CBRF interest rate); - certain insurance payouts; <p>Self-construction is recognized as a VATable supply with a full credit of the tax self-assessed;</p> <p>New VAT registration rules were introduced;</p> <p>VAT installment payments will be abolished.</p> <p>The tax accounting method remains the same; either calculating the amount of revenue from goods sold upon receipt of payments, or upon shipment.</p> <p>Input VAT could be offset upon valid VAT invoice if VAT amounts are based on accrual.</p>		
Excises (Chapter 22)	<p>Excises:</p> <ul style="list-style-type: none"> R 8 to R88 for 1 liter of alcohol R1 to R3,3 for 1 liter of beer, R35 - R55 for 1,000 cigarettes R405/kilo for pipe tobacco R166/kilo smoking tobacco R10/cigar RR75/1000 cigarillos and filtered cigarettes R66/tonne of oil and stable gas condensate R1350/tonne low-octane automobile gasoline R1850/tonne high-octane gas 	<p>Passed the third reading July 19th (2nd reading on July 5) 2000.</p> <p>Approved by the Federation Council on July 26th.</p> <p>Signed by the President on August 7th.</p>	

Area	Measure	Status	Comment
Excises (Chapter 22)	R550/tonne diesel fuel R1500/tonne engine lubricants 15% natural gas sold within Russia and the CIS 30% natural gas sold outside the CIS territory R10/one horsepower for cars with 90-150 horsepower engines R100/one horsepower for cars with higher than 150 horsepower engines		
Turnover tax	1% Turnover tax	To be abolished at the beginning of 2003.	

ECONOMIC UPDATE

Aggregate demand

In June 2000 real consumer expenditures on goods and services (a proxy for household consumption expenditures) remained practically unchanged from May in seasonally adjusted terms. According to revised data, in June real consumer expenditures were 7.4% higher than a year ago, but still about 1.3% lower than their 1997 average level.

Real fixed capital investment (a proxy for gross fixed investment), according to preliminary estimates, in June 2000 was 0.7% lower than in May in seasonally adjusted terms. Still, in June the volume of real fixed capital investment was 15% higher than a year ago, 9% above the 1997 average and 4% above the 1996 level.

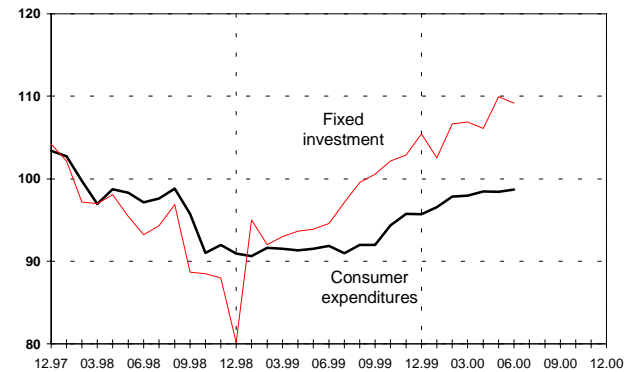
According to preliminary CBR data, in June 2000 net merchandise exports in dollar terms were about 3.6 times higher than a year ago (\$5.1 bn against \$1.4 bn). In rouble terms net merchandise exports in June were equal to 31% of the sum of three current components of final demand.

Output

In the goods-producing sector industrial production increased in June 2000 by 3.6% from May in seasonally adjusted terms, and was 9.8% higher than a year ago. Industrial output has exceeded the average 1997 level by almost 13%, and by 7% the 1994 level. The real volume of construction works in June decreased by 2% from May in seasonally adjusted terms, but was still 13% higher than a year ago. Construction output exceeded the average 1997 level by 10% and was 3% above the 1996 level. Agricultural output in June decreased for the second month in a row (by 3% from April in seasonally adjusted terms) and was 13% below the average 1997 level.

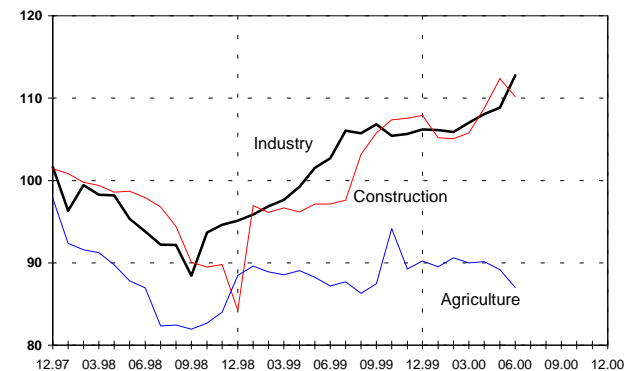
In the service-producing sector the real volume of retail trade in June increased by 1.1% from May in seasonally adjusted terms, to 7.7% higher than a year ago. Still, it was 4.4% lower than the 1997 average. The volume of wholesale trade in June increased by 1.7% from May in seasonally adjusted terms. According to revised data, in June the real volume of wholesale trade was 4.4% higher than a year ago and 5.5% above 1997 average level. Freight transport turnover in June remained unchanged from May in seasonally adjusted terms, and was 4.2% higher than a year ago and 6.7% above the 1997 average.

Indicators of real final demand (1997 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

Real gross output of goods (1997 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

Real volume of trade (1997 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

Prices

In July 2000 inflation slowed down due to seasonal factors. The total consumer price index grew by 1.8% (2.6% in June). CPI for food increased in July by 1.8% (3.3% in June). CPI for non-food items grew by 0.8% (0.8% in June), and for paid services by 3.8% (3.0% in June). In July the 12-month rate of growth of the money aggregate M0 was equal to 48.7%, more than two and a half times higher than the 12-month rate of CPI growth (18.9%).

Rates of PPI growth in June increased slightly from May. Composite PPI grew in June by 1.8% (1.4% in May). PPI in industry increased by 2.3% (1.7%) and PPI in construction by 3.3% (1.9%). PPI in agriculture grew by 0.2% (0.3%). Tariffs for freight transportation decreased by 0.3% (in May they had increased by 0.9%) and tariffs for business communications remained unchanged for the third month in a row. The year-on-year rate of growth of the money aggregate M2 in June 2000 was 57.2%, exceeding the rate of the composite PPI growth (47.0%).

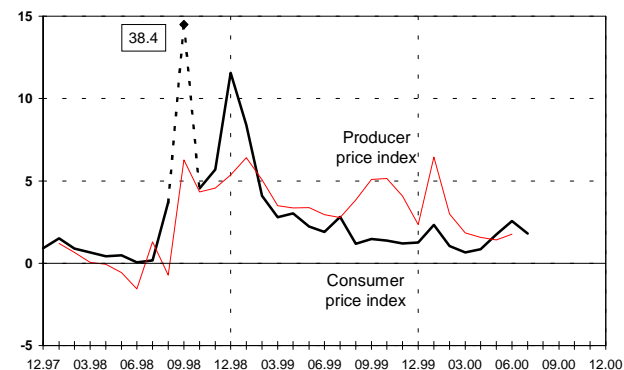
Labour

The employment situation seems to have stabilised in the last two months. The number of payroll employees at large and medium-sized enterprises decreased in May by 0.1% from April, to 41.9 mn. The vacancy ratio (the number of registered job seekers to the number of vacancies) in June remained unchanged from May in seasonally adjusted terms. Only the number of officially registered unemployed continues to decrease (by the end of June this was 1.009 mn, compared with 1.069 mn at the end of May), but this drop is connected with the inefficiency of the Employment Service and arrears of unemployment benefit payments.

According to preliminary data, in June real wages, estimated on the basis of the deflator for consumer expenditures, decreased by 1.9% from May in seasonally adjusted terms and to a level 13% lower than the 1997 average. According to official estimates based on CPI changes, real wages in June 2000 fell by 1.6% from May in seasonally adjusted terms and were about 23% lower than the 1997 average.

Wage arrears in June increased by 1.4% to R39.3 bn. Of this, wage arrears of enterprises remained unchanged at R32.4 bn, while arrears of the budget increased by 8.1% to R6.9 bn. The budget wage arrears grew for the second month in a row after the reported resolution of this problem at the end of April. Still, in May and June there were no officially registered strikes in Russia.

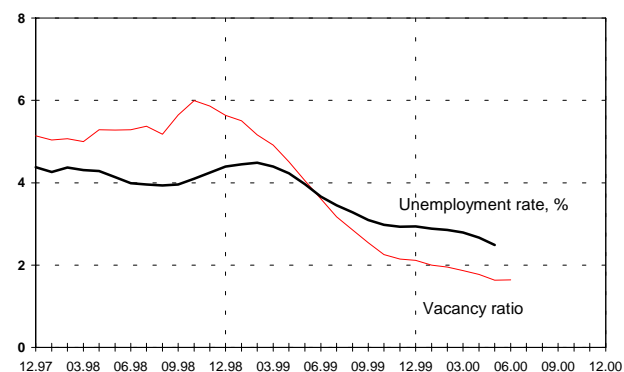
Monthly growth of price indices, %*



* *Producer price index covers prices in industry, construction, agriculture, and tariffs for freight transportation and communications.*

Source: Goskomstat and RET staff estimates.

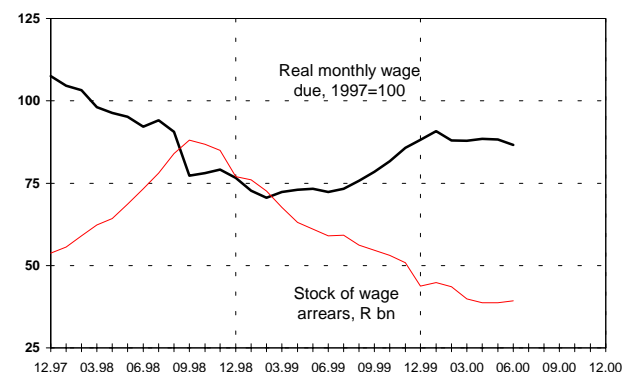
Registered unemployment indicators*



* *Registered unemployment rate is a percentage ratio of registered unemployed to the sum of unemployed and employees at large & medium-sized enterprises. Vacancy ratio is a seasonally adjusted ratio of registered job seekers to vacancies.*

Source: Goskomstat and RET staff estimates.

Real wages and wage arrears*



* *Index of real wages is based on price deflator for consumer expenditures, seasonally adjusted.*

Source: Goskomstat and RET staff estimates.

Enterprise finances

In May, the real stock of overdue payables in 9 sectors of the economy (deflated with PPI) fell by 2% compared to its April level. Overdue payables of industrial enterprises remained unchanged in real terms compared to April or March.

The share of profitable enterprises, after falling 6 percentage points in April, rose in May to 59.4%. The amount of real profits, deflated using PPI, in May was 25% higher than in April and 9% higher than the January-April average.

The share of cash in payments received by the largest taxpayers (including RAO UES, Gazprom, Aeroflot and railway organizations) and industrial monopolies in May was smaller than in the previous 3 months, at 64%.

Foreign trade

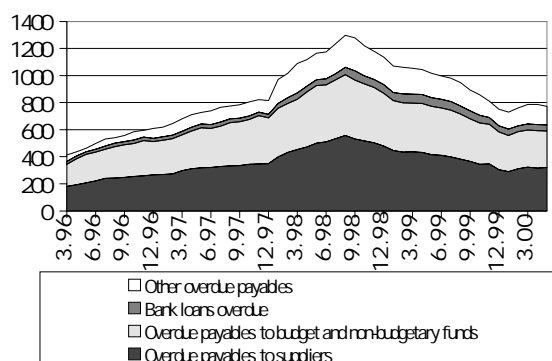
According to CBR statistics, Russian trade turnover totaled \$56.9 bn in the first five months of 2000. This is 34% larger than in the same period in 1999. The cumulative trade surplus amounted to \$23.9 bn, with exports standing at \$40.4 bn and imports at \$16.5 bn. In the first five months of 2000, exports increased about 49% and imports about 7% compared to the same period in 1999. Exports to the non-CIS countries amounted to \$34.2 bn, up by 51% from last year. Imports from the non-CIS countries remained about the same compared to May last year, totalling \$11.6 bn. Regarding Russia's trade with the CIS, exports increased about 35%, amounting to \$6.2 bn. Imports from the CIS totalled \$4.9 bn, 44% higher than in the same period in 1999.

Regarding the monthly developments (CBR), Russian trade turnover in May was 55% higher than in May 1999, and almost 8% higher than in April this year. Total exports amounted to \$9 bn, which is 76% higher than a year ago and about 11% higher than in April 2000. The value of imports in May was \$3.4 bn, up almost 20% year-on-year. Compared to April, the value of imports remained almost unchanged.

According to the State Customs Committee statistics, which exclude the estimate for shuttle trade, crude oil, petroleum products and natural gas dominated exports in the first five months of this year, accounting for about 51% of total exports (38% in the same period of 1999). Regarding main imports, the share of machinery dropped from 28% to 23%.

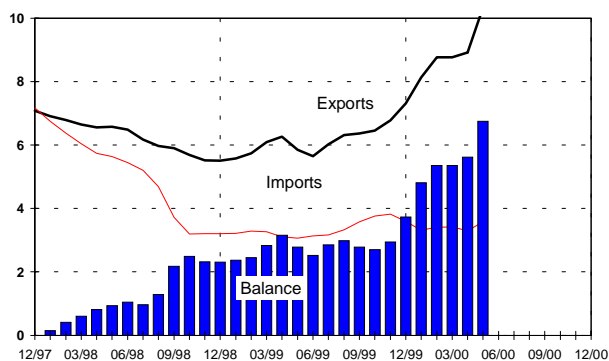
Last year, shuttle traders were among the victims of devaluation, and the fall in unofficial trade followed the drop in overall imports. However, imports have started to grow again this year, which is also reflected in the shuttle trade: According to the State

Overdue payables deflated by PPI, Jan-98=100



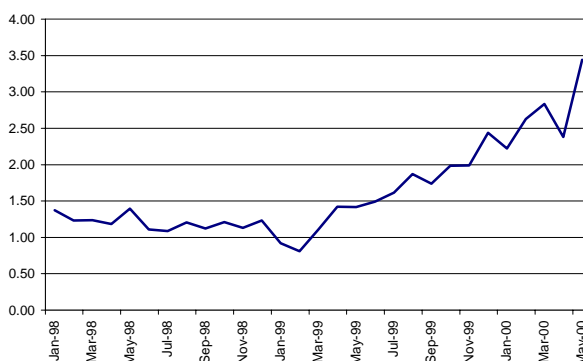
Source: Goskomstat.

Merchandise exports and imports, \$ bn



Source: Goskomstat and RET staff estimates.

Revenues from crude oil and petroleum exports (\$ bn)



Source: State Customs Committee.

Customs Committee, in the first five months of this year unofficial shuttle trade increased 6% year-on-year, from 1999. Overall, shuttle trade accounted for about 7.7% of total trade, about 23% of imports, and 1.5% of exports.

To generate extra revenue for the budget, there were several changes to export tariffs both in 1999 and this year. At the beginning of August, the export tariffs were raised again, on crude oil from 20 to 27 euros per tonne and on fuel oil from 12 to 20 euros per tonne. Prime Minister Mikhail Kasyanov announced in July that if oil prices retain their currently high levels, the tariffs on crude oil and fuel oil are likely to be raised further, to 34 euros and 27 euros per tonne respectively. Export duties on gasoline and diesel are expected to be raised to 25 and 15 euros per tonne by mid-September.

The banking sector

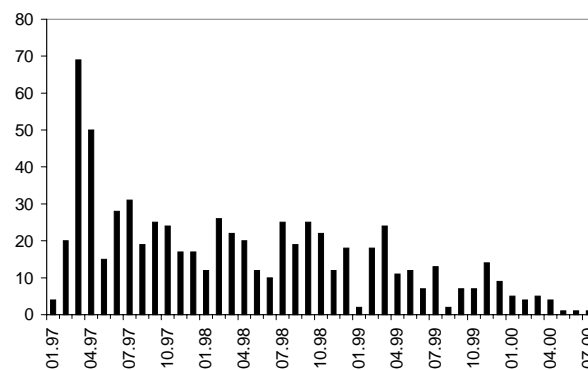
Sberbank, the largest Russian bank controlling about 90 % of the household deposit market and more than 25% of the corporate clients market, announced its strategy for the next 5 years. According to the program, Sberbank will aim to increase its profitability (with a target level of Return on Equity of 20%). Sberbank also plans to attract more capital, improve the quality of its services and offer a greater variety of financial products. The program reflects recent Sberbank policy aimed at enhancing its role in the banking industry through a dramatic expansion of lending to the non-financial sector of the economy.

To reduce administrative expenses and improve management, Sberbank will reorganise its branch network. In place of the existing 69 regional offices of Sberbank 18 larger regional offices will be set up. It seems that Sberbank is planning to concentrate its operations in better developed regions that have a greater potential for making money, and continue to close unprofitable branches.

The ceiling on non-residents' stakes in Sberbank capital was abolished at the last Sberbank shareholders meeting. Although the 5% limit is now far from being a binding constraint (officially only 0,1% of shares is owned by non-residents, but about 15% of shares is estimated to be held by Russian companies owned by foreign investors), its abolishment might help to increase Sberbank capital in future.

The reorganisation along these lines could bring more transparency into Sberbank. There is a danger, however, that a rapid credit expansion could seriously increase the bank's risk-exposure, threatening its solvency. This is extremely important considering that most of Sberbank's liabilities are very short-term private deposits. The apparent prosperity of Sberbank is based on the fact that it is the only bank that people believe to be safe. Bank's creditors and small

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



Source: CBR.

shareholders are unable to get a true picture of Sberbank's financial position due to the ambiguity of its publicly available financial statements. An independent audit of Sberbank, which is now being conducted by PriceWaterhouseCouters at the request of the international financial organisations, may shed some light on the true situation within Sberbank.

The idea of transferring roszagranbanks (foreign banks owned by CBR) from CBR to Vneshtorgbank is becoming more concrete. CBR's 99% stake in Vneshtorgbank will enable the government to retain control of these banks and ensure the donors' requirements are met. Although the deal does not make much commercial sense to Vneshtorgbank, the bank is virtually forced to accept it, as the CBR might pursue some measures to force the issue.

Bank of Russia lowered the refinancing rate from 33% to 28% on July, 10, 2000. This follows a steady downward trend in interest rates on ruble-denominated financial instruments. The refinancing rate is an indicator, that is not directly linked to the rates that CBR charges for its loans to commercial banks. Nevertheless, a fall in the refinancing rate has induced a decrease in most banks' loan and deposit rates, which is also true for Sberbank.

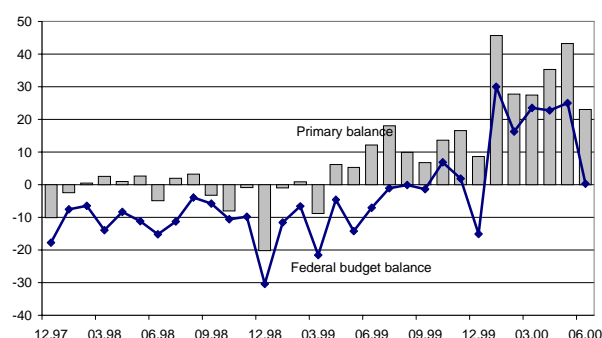
The budget

In January-June federal budget revenue and expenditure equaled R 507.7 bn and R389.9 bn respectively. Tax revenues for six months were 443.2 bn. The cumulative federal budget surplus calculated on a cash basis amounted to R117.8 bn. In the 1st quarter of 2000 there was a restructuring of government securities shown in the budget execution report as late as June. Based on this change, all the figures for the first half of 2000 in Table 11, except for tax revenues, have been revised and are now deemed to be preliminary estimates.

In June, the federal budget surplus calculated on a cash basis amounted to only R0.3bn. There are two reasons behind such a low surplus in June compared to those in the previous months. First, the advance payments for summer vacations to the government employees increased federal budget expenditure in the June to R87.9 bn. Second, tax revenue in June amounted to only 78.0 bn, down R10 bn from the previous month. Such a decline in tax revenues resulted from a decrease in the collection of current taxes by the Tax Ministry, even though the repayment of tax arrears in June increased.

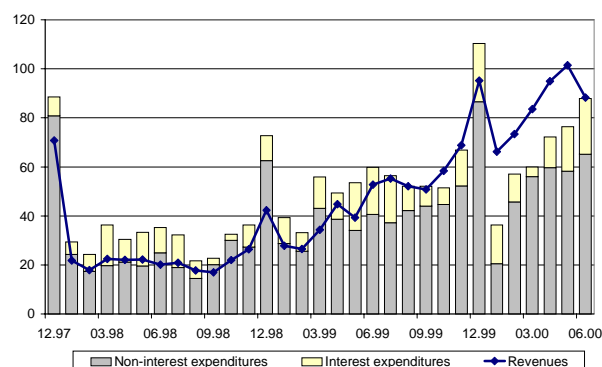
Interest expenditures in June were R22.7 bn. Interest on domestic and foreign debt amounted to R8.6 bn and 14.1 bn respectively. On July 18th, the Ministry of Finance launched its London Club exchange offer. If the offer is accepted, \$31.8 bn of Russia's debt to the London Club of commercial creditors

Federal budget balance, R bn



Source: Ministry of Finance.

Federal revenues and expenditures, R bn



Source: Ministry of Finance.

IMF definitions of revenues, expenditure and deficit are used.

will be exchanged for \$2.8 bn of 2010 Eurobonds and \$18.4 bn of 2030 Eurobonds. Interest will accrue on the new Eurobonds from March 31, 2000. The exchange offer will remain open till August 11th and the exchange is expected to end on August 26th. The restructuring of Russia's London Club debt is expected to improve Russia's relations with commercial bank and financial institution creditors, as well as to help restore Russia's access to the international capital markets. On July 26, the Federation Council approved the 4 chapters of the Tax code and the Law on the Enactment of the Second part of the Tax code (see special report).

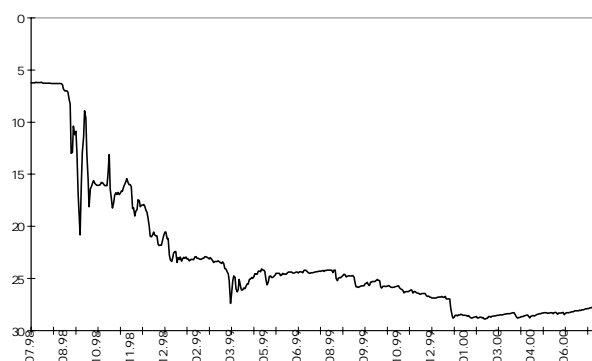
The exchange rate

Due to an enormous trade surplus the rouble has continued to appreciate. July saw a faster strengthening of the national currency: at MICEX the monthly nominal rouble appreciation amounted to 0.8% (0.6% in June). Already in the first days of the month the CBR allowed the exchange rate to rise above the psychological threshold of R28/\$ to the year's maximum of R27.64/\$ on July 21.

However, in the fourth week of July the dollar regained 25 kopecks against the rouble. This was accompanied by a significant increase in the MICEX trade volume. Such a development might have been provoked, first of all, by the decline in world oil prices, with the Russian crude (Urals) falling below \$23 per barrel and, second, by pressure from the continued expansion in the excess rouble liquidity. As far as this second factor is concerned, in the first three weeks of July monetary base grew by R24.2 bn. In addition, the last week of the month saw a fast growth in the excess banking liquidity in the form of cash balances in correspondent accounts at the CBR, which is partly the deferred demand for hard currency. On August 1 they reached R90 bn, up R13 bn from the July average. In the first days of August a gradual appreciation of the rouble resumed, following the recovery of world oil prices.

The government has agreed with the exchange rate policy of the CBR, which consists of striking balance between preventing excess appreciation of the rouble through buying hard currency, and controlling inflation resulting from an increase in rouble liquidity. In contrast to its earlier stand, government officials stated that the authorities are aiming to maintain a stable and predictable nominal exchange rate which, at the same time, would not hamper economic growth. Thus, the government should concentrate on taking effective measures to sterilise the excess roubles resulting from the CBR's dollar purchases (see Money). According to a statement by Prime Minister M. Kasyanov, the exchange rate will fluctuate at around 28-29 R/\$ this year.

The rouble exchange rate (R/\$)*



* MICEX exchange rate.
Source: Moscow Times.

Money

The continued inflow of large export revenues has allowed the Central Bank to build up its gross international reserves (GIR): in July GIR increased by another \$2.2 bn to \$23.2 bn (see Exchange Rate).

According to the weekly data, at the end of July monetary base (MB) stood at R417.3 bn., which is 5.1% higher than in end-June (R397.2. bn). Since the beginning of 2000, the monetary base growth has amounted to around 29%.

Aware of the threat of inflation acceleration, the government, at its meeting on July 22, considered measures to sterilise the excess rouble liquidity resulting from the massive hard currency purchases by the CBR. The repayment of external and domestic debts, made possible due the additional revenues of the federal budget, will be the main instrument of sterilisation. The Finance Ministry is to step up the repayment of its debt to the CBR. According to estimates, MinFin's debt to the CBR is about R430 bn, of which the hard currency debt accumulated by the government in 1998-99 accounts for about \$6.5 bn. In addition, MinFin will reschedule R24.3 bn of its R249 bn debt to the CBR, restructured as securities, into marketable 10- year OGZs with a coupon linked to inflation rate. This will allow the CBR to sterilise the excess rouble liquidity by selling the above instruments at the secondary market.

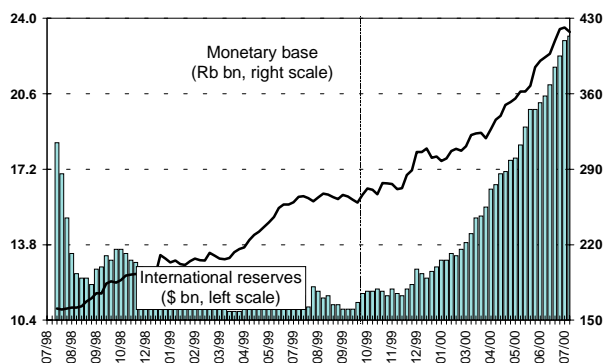
In the six month of the year, the money supply (M2) rose by 26.6% to R892.2 bn. In June, the monthly growth of M2 (7.3%) was mainly caused by an increase in currency in circulation (M0) equalling 11.2%, up R32.5 bn from the previous month. The rouble deposits grew by 5.2% to R570.4 bn in June. In the first half of 2000, an overall increase in the non-cash component of money supply still exceeded that in M0 in absolute and relative terms: from January to June rouble deposits and currency in circulation rose by R132.3 bn (30.2%) and R55.3 bn (20.7%) respectively. From July 10, the CBR reduced refinancing rate from 33% to 28%.

Financial markets

In July, after three months of decline, the Russian stock market at last showed some signs of a long awaited recovery, with the Moscow Times \$ and RTS indices up 12% and 13.2% respectively. Most of the growth took place in the first week of the month, when the market gained 8%. Unified Energy Systems (UES) was the leader of growth, with its equities rising by 13.9% in the week after UES annual general meeting on June 30, owing to some investors' enthusiasm about the prospects for the protection of the minority shareholder rights.

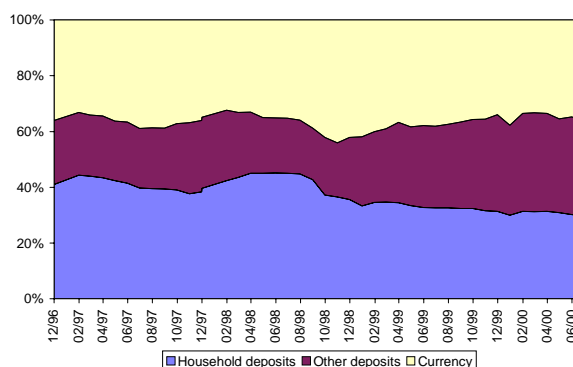
The 2nd week of July was characterised by certain
RUSSIAN ECONOMIC TRENDS, August 2000

Monetary base and gross international reserves (weekly data)



Source: CBR.

Composition of M2 (%)



Source: CBR

Moscow Times \$ Index



Source: Moscow Times.

volatility of the market caused by uncertainty over criminal investigations into alleged offences by some of the biggest Russian companies. During the 2nd half of July the market remained quite calm with the average daily RTS trade volume of \$15.5 mn. Overall, the monthly RTS trade volume was \$396.5 mn.

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	950,1	97,9	376,0	105,3
1997	2 478,6	100,0	1 124,0	100,9	408,8	100,0
1998	2 696,4	95,1	1 339,9	95,5	402,4	93,3
1999	4 545,5	98,1	2 200,4	83,0	659,3	97,5
01.1998			96,3	99,2	22,1	102,1
02	551,6	97,5	91,0	92,9	23,7	97,2
03			95,9	97,4	26,1	97,0
04			97,7	98,8	25,5	98,1
05	625,9	97,1	97,0	97,6	26,6	95,4
06			98,3	98,8	31,8	93,2
07			101,2	101,6	32,9	94,3
08	693,7	93,3	111,0	107,4	35,4	96,9
09			136,8	95,6	38,8	88,7
10			125,0	83,6	36,6	88,5
11	825,2	93,3	130,2	82,4	40,5	88,0
12			159,5	90,5	62,4	80,2
01.1999			148,3	77,6	28,0	95,0
02	836,5	94,9	150,1	75,5	31,3	92,0
03			164,1	80,2	35,9	93,0
04			165,6	78,6	36,3	93,7
05	1 041,8	98,2	169,2	78,5	40,0	93,9
06			175,1	79,8	50,7	94,6
07			180,6	80,0	55,3	97,1
08	1 275,8	99,5	193,2	84,6	60,8	99,6
09			198,3	85,6	66,5	100,5
10			204,4	87,1	63,4	102,1
11	1 391,4	100,1	210,0	88,4	70,8	102,9
12			241,7	100,4	120,3	105,4
01.2000			203,7	82,7	45,3	102,5
02	1 389,1	102,8	201,7	81,1	54,7	106,7
03			217,4	86,8	62,3	106,9
04			216,1	85,6	61,1	106,1
05			218,8	85,1	69,1	110,0
06			225,9	85,7	86,2	109,2
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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, 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
1999	102,5	102,5	295	591	846	249
01.1998	99,3	96,3	298	591	841	238
02	99,0	99,4	298	593	845	239
03	98,4	98,3	296	593	846	231
04	98,0	98,2	291	593	849	238
05	95,5	95,4	291	559	827	230
06	94,6	93,8	297	571	829	227
07	92,8	92,2	294	630	808	217
08	91,4	92,2	291	599	788	229
09	88,8	88,5	292	596	804	227
10	92,0	93,7	294	607	831	228
11	93,1	94,6	294	583	831	238
12	94,6	95,1	292	578	824	241
01.1999	97,4	95,9	293	578	820	240
02	96,5	96,9	292	576	816	236
03	99,2	97,6	293	583	863	241
04	99,1	99,2	294	578	820	244
05	101,7	101,5	296	608	861	247
06	103,7	102,7	296	611	851	254
07	105,2	106,0	295	613	853	253
08	106,6	105,8	296	618	864	252
09	107,2	106,8	297	603	868	267
10	102,0	105,4	295	581	844	253
11	105,7	105,7	295	574	854	250
12	105,6	106,2	297	570	839	251
01.2000	107,8	106,1	300	574	859	252
02	109,8	105,9	312	586	870	258
03	108,7	107,0	304	562	869	250
04	104,5	108,0	306	561	827	253
05	111,7	108,9	310	582	901	269
06	112,7	112,8	310	602	878	267
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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.
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	118,3	127,6	41,0	3 537	1 025
1996	98,5	105,3	106,8	34,3	3 374	909
1997	100,0	100,0	100,0	32,7	3 256	887
1998	86,8	99,1	95,0	30,7	3 169	834
1999	88,9	95,4	100,8	32,0	3 343	945
01.1998	92,4	100,5	100,8	22,1	3 245	857
02	91,6	100,0	99,8	22,8	3 224	840
03	91,2	100,2	99,4	39,9	3 192	846
04	89,8	99,8	98,6	27,1	3 188	841
05	87,8	99,6	98,7	33,3	3 068	824
06	87,0	99,5	97,9	34,9	3 158	823
07	82,3	99,4	96,8	28,9	3 162	821
08	82,5	98,6	94,4	32,2	3 139	822
09	81,9	99,0	90,1	30,7	3 062	799
10	82,7	98,4	89,5	30,4	3 236	849
11	84,0	97,4	89,8	33,2	3 187	830
12	88,5	96,7	84,2	32,9	3 168	852
01.1999	89,6	96,6	96,9	30,2	3 233	870
02	88,9	96,1	96,1	32,0	3 229	880
03	88,6	95,8	96,7	30,9	3 274	893
04	89,1	93,9	96,2	32,4	3 316	910
05	88,2	94,5	97,1	29,4	3 344	930
06	87,2	94,5	97,2	32,6	3 335	938
07	87,7	93,8	97,6	31,8	3 362	961
08	86,3	93,8	103,2	32,8	3 400	971
09	87,4	95,6	105,8	35,1	3 384	981
10	94,1	96,6	107,4	31,5	3 418	985
11	89,2	97,0	107,6	33,2	3 382	1 001
12	90,2	96,9	107,9	32,1	3 443	1 021
01.2000	89,5	97,4	105,2	44,2	3 442	1 004
02	90,6	99,7	105,1	38,5	3 653	1 077
03	90,0	98,4	105,8	25,9	3 392	1 035
04	90,1	95,9	108,8	41,1	3 422	1 027
05	89,2	97,4	112,4	37,2	3 456	1 033
06	87,0	96,6	110,2	29,7	3 475	1 060
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* Based on the year-on-year rates of growth at prices of the previous year.

** Revised since 1998

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	93,0	749,0	100,1	200,3	92,1
1997	2 173,8	94,3	866,0	103,7	269,5	95,5
1998	2 305,9	91,3	1056,2	100,0	318,8	95,2
1999	3 976,5	94,5	1782,1	90,7	447,6	102,0
01.1998	165,6	86,5	75,5	101,0	21,4	89,0
02	175,6	90,7	69,6	95,8	22,1	89,0
03	186,5	95,1	72,4	99,1	23,9	91,3
04	179,2	98,9	72,8	99,3	24,3	91,1
05	167,5	99,3	72,4	98,5	24,9	92,5
06	172,8	89,5	71,7	97,4	26,9	95,1
07	174,8	89,9	73,3	99,7	28,0	96,5
08	169,5	87,4	82,9	106,4	28,5	97,3
09	194,3	88,6	108,5	103,0	28,8	96,2
10	214,8	89,9	105,8	95,4	28,6	96,5
11	230,8	90,0	112,2	95,9	29,3	100,6
12	274,5	89,2	139,1	108,2	32,1	107,1
01.1999	223,4	76,3	120,5	82,9	28,7	93,7
02	236,2	81,4	121,9	83,3	29,5	90,5
03	288,6	91,9	133,2	88,4	32,4	96,5
04	291,7	95,8	134,4	86,3	32,7	96,9
05	292,6	98,8	137,5	86,2	32,8	98,5
06	313,1	90,6	141,1	86,9	36,9	101,3
07	332,4	94,3	144,5	86,9	39,1	105,0
08	348,7	96,8	155,8	92,3	40,5	107,5
09	377,4	105,4	160,1	93,1	41,4	106,4
10	390,4	100,9	165,9	95,1	41,9	106,1
11	406,9	99,6	169,0	95,6	44,5	112,7
12	475,1	101,4	198,2	111,8	47,2	109,0
01.2000	371,9	84,4	167,1	88,1	39,7	100,5
02	403,9	91,2	165,4	89,6	39,4	93,7
03	445,1	96,8	177,1	95,3	43,6	100,5
04	426,9	98,3	175,4	93,5	44,5	102,5
05	437,9	102,0	177,0	92,8	45,3	105,6
06	465,4	94,4	182,5	93,8	48,9	106,9
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* Including exports.

** Including catering. Revised by Goscomstat 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	84,2
1996	65,9	9,6	3,5	4 009	790	89,6
1997	64,7	10,8	3,1	6 001	950	93,8
1998	63,6	11,9	2,6	2 882	1 095	81,3
1999	64,5	12,6	2,2	1 790	1 581	63,4
01.1998	64,2	11,4	2,7	72	988	97,1
02	64,0	11,6	2,7	95	1 000	96,3
03	63,8	11,7	2,7	103	1 059	91,7
04	63,7	11,7	2,7	109	1 040	89,3
05	63,7	11,5	2,6	86	1 047	87,3
06	63,8	11,3	2,5	79	1 122	85,9
07	63,7	11,3	2,5	56	1 110	87,1
08	63,5	11,6	2,4	27	1 052	83,3
09	63,4	11,9	2,4	378	1 112	65,4
10	63,3	12,3	2,5	797	1 123	65,7
11	63,3	12,9	2,6	615	1 164	64,6
12	63,3	13,3	2,6	464	1 482	61,4
01.1999	63,2	13,8	2,6	577	1 167	61,8
02	63,2	14,1	2,7	532	1 199	60,2
03	63,6	13,6	2,6	83	1 385	61,3
04	64,1	13,0	2,5	15	1 423	60,9
05	64,6	12,4	2,3	15	1 472	60,1
06	64,9	12,0	2,2	6	1 626	59,8
07	65,1	11,8	2,0	6	1 618	59,4
08	65,2	11,7	1,9	5	1 608	61,1
09	65,1	11,9	1,8	99	1 684	64,9
10	65,0	12,1	1,7	228	1 716	67,7
11	64,9	12,3	1,7	42	1 789	70,0
12	64,9	12,1	1,7	184	2 283	73,4
01.2000	64,9	11,9	1,7	91	1 830	77,9
02	64,9	11,7	1,7	65	1 839	76,1
03	64,9	11,7	1,6	27	2 018	75,7
04	64,9	11,7	1,6	7	2 039	75,0
05	65,1	11,5	1,5	0	2 101	73,5
06	65,2	11,4	1,4	0	2 290	72,3
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* Monthly data are end of month, yearly data are averages of the end of month figures.

** Yearly figures reported by Goscomstat 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	765,1	100,9	72,7	302,1	369,9	21,4
1997	931,7	107,2	83,5	328,2	411,2	21,2
1998	997,6	90,7	83,5	399,0	493,3	24,6
1999	1 586,5	76,6	83,5	448,6	907,8	34,1
01.1998	801,4	88,3	83,5	366,6	417,7	22,8
02	842,1	92,0	83,5	399,3	424,4	22,4
03	861,8	93,5	83,5	399,8	427,4	22,2
04	929,8	100,5	83,5	400,6	431,9	21,7
05	844,9	90,9	83,5	401,4	434,9	22,8
06	868,4	93,3	83,5	402,5	435,5	22,5
07	898,8	96,4	83,5	402,6	438,4	22,3
08	896,0	92,7	83,5	402,7	449,7	22,7
09	1 003,4	75,0	83,5	403,0	552,0	29,8
10	1 185,1	84,8	83,5	403,1	572,9	28,6
11	1 187,7	80,4	83,5	403,2	618,5	29,5
12	1 651,3	100,2	83,5	402,9	716,8	27,3
01.1999	1 139,1	63,7	83,5	403,0	786,9	38,2
02	1 274,9	68,5	83,5	403,1	829,1	n.a.
03	1 356,3	70,9	83,5	403,1	856,8	37,7
04	1 511,5	76,7	83,5	403,2	884,0	n.a.
05	1 456,3	72,3	83,5	451,6	923,6	n.a.
06	1 551,9	75,6	83,5	455,5	950,0	35,0
07	1 552,7	73,6	83,5	455,7	974,0	n.a.
08	1 639,2	76,8	83,5	455,9	936,4	n.a.
09	1 643,8	75,9	83,5	456,1	919,8	33,5
10	1 718,7	78,3	83,5	455,6	926,8	n.a.
11	1 761,2	79,2	83,5	519,2	943,1	n.a.
12	2 432,7	108,1	83,5	521,1	963,0	26,3
01.2000	1 434,3	62,3	83,5	521,6		
02	1 734,5	74,5	83,5	612,5		
03	1 895,6	80,9	83,5	613,1	989,3	33,5
04	1 938,5	82,1	83,5	613,2		
05	1 886,7	78,5	83,5	693,8		
06	2 078,0	84,3	83,5	693,9		
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*Old definition. Since January 2000 new quarterly estimate is equal to 1138 R.

Table 7: Arrears*

	Total overdue payables of enterprises R bn	Of which:			Total overdue receivables of enterprises R bn	Government wage arrears** R bn
		to suppliers	to the budget & non-budgetary funds	wage arrears**		
		R bn	R bn	R bn		
1995	238,9	122,3	75,0	13,6	165,5	
1996	514,4	245,9	203,4	34,7	335,5	15,0
1997	756,1	344,7	316,6	39,7	458,4	8,0
1998	1230,6	586,0	474,5	77,0	761,9	20,1
1999	1354,5	619,5	572,6	43,7	814,6	10,2
01.1998	891,6	399,6	357,8	55,6	555,5	7,2
02	941,7	433,9	370,1	59,0	598,9	8,8
03	998,3	455,9	386,5	62,3	620,1	10,3
04	1034,1	473,9	407,9	64,2	647,7	10,9
05	1075,5	499,1	422,9	68,6	677,3	12,7
06	1082,0	507,4	420,2	73,2	683,4	14,9
07	1132,0	527,3	429,7	78,1	700,9	17,1
08	1160,5	543,3	439,8	84,1	710,2	18,6
09	1199,8	558,0	456,5	88,1	740,7	20,9
10	1224,7	574,0	467,1	86,8	782,0	22,1
11	1238,7	585,9	478,6	85,0	776,2	22,1
12	1230,6	586,0	474,5	77,0	761,9	20,1
01.1999	1241,1	583,5	479,7	76,0	772,0	19,4
02	1280,6	597,7	501,9	72,6	799,8	19,0
03	1321,8	623,8	515,7	67,7	824,8	17,0
04	1358,9	640,6	538,8	63,1	842,3	15,3
05	1366,3	639,3	548,0	61,1	863,8	14,6
06	1388,0	654,1	557,8	59,0	881,2	14,6
07	1404,8	654,4	568,0	59,1	883,8	15,0
08	1427,4	658,7	573,3	56,2	881,6	13,8
09	1416,9	665,9	576,2	54,6	883,5	13,7
10	1435,1	665,0	585,2	53,1	889,7	13,4
11	1416,3	694,4	583,2	50,9	859,7	12,4
12	1354,5	619,5	572,6	43,7	814,6	10,2
01.2000	1351,1	615,5	571,3	44,9	787,9	10,2
02	1483,9	685,0	605,1	43,6	886,2	9,4
03	1577,0	729,0	622,6	39,9	921,0	7,1
04	1598,9	728,4	634,8	38,7	937,5	6,4
05	1602,2	747,8	632,3	38,7	959,2	6,4
06				39,3		6,9
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* Before 1998 series include data from the following sectors of the economy: industry, construction, transport and agriculture. After that 9 sector series include also 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	122,4	123,2
1999	251,7	266,4	277,7	158,5	195,6	206,2
01.1998	101,5	102,1	100,5	101,7	101,2	100,9
02	102,4	103,3	100,8	102,7	101,9	101,4
03	103,1	104,1	101,0	104,0	101,9	101,3
04	103,5	104,4	101,2	105,0	101,8	101,3
05	104,0	105,0	101,3	106,1	101,2	100,5
06	104,1	105,0	101,3	106,7	99,7	100,5
07	104,2	104,9	101,3	108,0	100,9	99,7
08	108,1	107,4	108,6	109,3	100,2	98,5
09	149,6	149,8	167,5	113,0	106,5	105,8
10	156,4	155,6	180,0	114,8	111,1	112,0
11	165,3	167,5	187,7	116,2	116,2	117,6
12	184,4	196,0	199,5	118,3	122,4	123,2
01.1999	199,9	216,2	211,9	123,2	130,2	131,7
02	208,1	225,6	220,2	127,1	136,8	139,1
03	213,9	231,9	227,4	129,5	141,6	144,4
04	220,4	238,0	236,6	133,6	146,3	149,7
05	225,3	242,7	243,0	136,4	151,3	155,1
06	229,6	247,0	246,8	141,1	155,7	160,9
07	236,0	254,8	251,6	145,6	160,0	165,9
08	238,8	255,8	257,6	148,5	166,2	173,8
09	242,3	257,9	264,5	151,4	174,6	184,0
10	245,6	260,1	270,3	154,5	183,6	194,2
11	248,6	262,7	274,5	157,1	191,1	201,7
12	251,7	266,4	277,7	158,5	195,6	206,2
01.2000	257,6	272,1	283,8	163,8	208,2	214,4
02	260,3	273,4	287,4	168,7	214,4	222,5
03	262,0	273,6	291,5	171,2	218,4	228,2
04	264,2	274,4	295,8	174,9	221,8	231,7
05	268,8	280,5	299,1	177,2	224,9	235,8
06	275,7	289,6	301,6	182,6	228,9	241,2
07	280,7	294,7	304,1	189,4		
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* Revised since December 1997

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
1999	74,7	18,8	11,4	40,4	9,9	34,3
01.1998	5,9	1,4	1,5	5,7	1,5	0,2
02	5,8	1,2	1,4	6,1	1,5	-0,3
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	6,5	1,1	0,9	5,7	1,3	0,8
07	6,2	1,1	0,9	5,7	1,5	0,5
08	5,7	1,2	0,8	5,0	1,5	0,7
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	4,6	0,9	1,3	2,8	0,9	1,8
02	5,0	0,8	1,0	3,1	0,9	1,9
03	5,9	1,1	0,9	3,6	1,0	2,3
04	6,5	1,4	0,7	3,4	1,0	3,1
05	5,1	1,4	0,7	3,0	0,7	2,1
06	5,3	1,5	0,7	3,4	0,8	1,9
07	6,3	1,6	0,7	3,4	0,7	2,9
08	6,1	1,9	0,7	3,2	0,7	2,9
09	6,3	1,7	0,7	3,3	0,7	3,0
10	6,8	2,0	1,1	3,5	0,7	3,3
11	7,4	2,0	1,3	3,6	0,8	3,8
12	9,4	2,4	1,5	4,1	1,0	5,3
01.2000	6,8	2,2	1,6	2,6	0,4	4,2
02	7,9	2,6	1,5	3,4	1,0	4,5
03	8,7	2,8	1,6	3,7	0,9	5,0
04	8,2	2,4	1,2	3,5	0,8	4,7
05	9,0	3,4	1,2	3,5	0,8	5,5
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* Includes Goskomstat estimate of unregistered trade.

Table 10: Balance of payments (\$ mn)

	1997	1998	1999	1999 Q1	1999 Q2	1999 Q3	1999 Q4	2000 Q1
Current Account	2545	1040	24961	4490	4313	5634	10523	11200
<i>Trade balance</i>	11611	13250	32058	5636	6083	8376	11963	12072
Export	103088	87255	84346	17325	19270	21398	26354	25127
Import	-91476	-74005	-52288	-11688	-13187	-13022	-14391	-13055
<i>Merchandise trade balance</i>	17361	17101	35847	6482	6939	9352	13074	13606
Export	89008	74884	75306	15550	16998	18803	23955	23302
Import	-71647	-57783	-39459	-9069	-10059	-9451	-10881	-9696
<i>Service balance</i>	-5750	-3851	-3789	-845	-856	-977	-1111	-1534
Export	14080	12371	9040	1774	2272	2595	2399	1824
Import	-19829	-16222	-12829	-2620	-3127	-3572	-3510	-3359
<i>Income and Wages</i>	-8706	-11801	-7631	-1098	-1846	-2948	-1739	-914
Received	4366	4301	3841	2268	713	415	445	2493
Paid	-13073	-16102	-11472	-3366	-2559	-3363	-2184	-3406
Wages	-342	-164	221	57	59	49	56	63
Received	227	301	425	102	111	111	102	103
Paid	-568	-465	-204	-45	-53	-62	-45	-40
Income	-8365	-11637	-7852	-1155	-1905	-2997	-1795	-976
Received	4140	4000	3416	2167	601	304	344	2390
Paid	-12504	-15637	-11267	-3322	-2506	-3301	-2139	-3366
<i>Current Transfers</i>	-360	-409	534	-48	76	206	300	42
Received	410	269	1027	52	220	330	425	164
Paid	-770	-678	-493	-100	-143	-124	-125	-122
Capital Account	5480	8193	-17403	-3975	-3005	-4784	-5640	-8894
<i>Capital transfers (net)</i>	-797	-382	-328	-30	-95	-81	-122	4
<i>Direct investments abroad</i>	-2603	-1027	-2145	-415	-563	-597	-570	-380
<i>Direct investments into Russia</i>	6639	2761	3309	642	751	659	1257	569
<i>Portfolio investments abroad</i>	-156	-257	254	-23	-202	306	172	37
<i>Portfolio investments into Russia</i>	45963	8876	-868	89	-419	-436	-102	103
<i>Other investment - assets</i>	-26608	-16003	-15124	-6306	-367	-5399	-3052	-5792
Hard currency	-13444	900	848	203	1017	-458	86	-16
Bank accounts and deposits	988	1200	-3889	-1095	-1535	-473	-786	-1648
Trade credits	-6785	-6818	-5773	-2032	788	-3077	-1453	-428
Loans provided (not overdue)	7004	5345	4857	1800	2187	139	731	1622
Overdue payments	-3048	-7425	-5765	-4065	-1304	-226	-170	-3799
Non-repatriated export revenue	-11458	-8879	-5384	-1173	-1402	-1254	-1554	-1611
Other assets	135	-327	-19	54	-117	-50	95	88
<i>Other investment - liabilities</i>	-15002	8971	-548	995	-392	-313	-838	-425
National currency	-38	65	0	-2	-2	-7	11	23
Bank accounts and deposits	-4694	-3050	162	-258	644	-378	153	148
Trade credits and advances	-64	321	5	104	77	48	-224	0
Loans received (not overdue)	13622	7003	-2670	-1319	-2144	2263	-1470	-978
Overdue payments	-24339	5296	2168	2437	1208	-2213	737	326
Other liabilities	511	-666	-212	33	-174	-25	-46	56
<i>Adjustments</i>	-20	-50	-176	104	-107	-14	-158	92
<i>Net international reserves</i>	-1936	5305	-1778	969	-1611	1091	-2227	-3102
Errors and omissions	-8025	-9234	-7558	-515	-1308	-851	-4883	-2306

Table 11: Federal budget (IMF definition)*

	<u>Revenues</u>		<u>Expenditures</u>		<u>Deficit(+) or surplus(-)</u>	
	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
1999	606,0	509,5	680,2	162,6	74,2	1,7
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	128,2	30,8	39,6	4,8
04	133,4	119,3	177,6	41,5	44,2	
05	172,7	152,9	231,1	61,0	58,4	
06	225,5	195,2	290,9	80,3	65,4	3,5
07	280,8	242,9	347,3	99,4	66,5	
08	332,9	285,8	399,5	109,4	66,6	
09	383,7	326,0	451,6	117,5	67,9	2,2
10	442,0	375,6	503,0	124,2	61,0	
11	510,8	433,1	569,9	138,9	59,1	
12	606,0	509,5	680,2	162,6	74,2	1,7
01.2000	66,2	56,1	36,3	15,7	-30,0	
02	139,6	122,7	93,4	27,2	-46,3	
03	223,2	196,2	153,4	31,1	-69,8	-5,0
04	318,0	277,1	225,5	43,7	-92,5	
05	419,5	365,2	302,0	61,9	-117,5	
06	507,7	443,2	389,9	84,7	-117,8	
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* Data for 2000 are under revision.
Monthly data are cumulative.

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

	<u>Revenues</u>		<u>Expenditures</u>		<u>Deficit(+) or surplus(-)</u>	
	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
1999	647,9	493,1	648,9	124,6	1,0	0,02
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	-0,4
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	-0,3
10	467,5	354,1	454,0	85,5	-13,6	
11	543,7	414,3	528,0	99,4	-15,7	
12	647,9	493,1	648,9	124,6	1,0	0,02
01.2000	41,4	30,2	34,5	6,2	-7,0	
02	87,9	64,6	82,3	14,4	-5,6	
03	160,7	117,6	154,6	26,0	-6,0	-0,44
04	242,3	181,5	230,1	39,9	-12,2	
05	338,2	251,8	311,6	56,2	-26,6	
06	427,3	313,5	402,7	73,8	-24,6	
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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***	Outstanding stock of GKO 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	-8,4	249,3	187,8	448,3	n.a.
1999	324,3	-3,2	400,7	266,5	704,7	n.a.
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	-8,4	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	257,4	-7,3	434,8	216,4	567,7	n.a.
07	262,3	-6,4	417,8	218,2	583,2	n.a.
08	261,8	-6,4	415,6	216,2	590,8	n.a.
09	259,6	-6,1	405,9	212,8	597,4	n.a.
10	269,0	-5,0	390,1	222,0	625,1	n.a.
11	267,1	-4,7	380,4	219,3	646,6	n.a.
12	324,3	-3,2	400,7	266,5	704,7	n.a.
01.2000	296,5	-2,1	354,2	232,9	695,0	n.a.
02	306,0	-0,9	331,1	242,0	726,6	n.a.
03	318,9	1,3	284,6	251,5	751,4	n.a.
04	349,6	3,3	259,7	279,1	787,9	n.a.
05	361,4	5,8	204,3	289,3	831,6	n.a.
06	397,2			321,8	892,2	
07	417,3					
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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 R27 for 2000, R24.18 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 methodology for 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 December 1996, 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
1999	1549,7	437,7	521,6	211,1	290,2	222,5
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	1025,5	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	228,8
04	1174,9	347,3	392,0	170,6	224,2	288,1
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	1318,3	399,2	401,1	191,8	238,4	204,0
09	1346,8	403,3	426,2	193,6	243,4	190,6
10	1416,0	415,9	449,0	197,5	257,6	195,4
11	1514,2	420,7	479,0	202,7	278,4	211,5
12	1549,7	437,7	521,6	211,1	290,2	222,5
01.2000	1665,5	459,5	537,8	217,9	317,0	231,8
02	1715,0	456,0	550,8	227,4	345,9	222,4
03	1754,6	460,1	569,3	235,3	344,9	229,1
04	1771,2	467,0	591,0	243,3	341,0	227,0
05	1820,2	470,0	614,6	251,6	345,4	221,0
06				265,2		
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Source: CBR, Goscomstat.

* 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	41,5	17,1	50,6	n.a.	136,9
1999	57	40,1	13,7	14,8	n.a.	72,6
01.1998	28	29,8	11,6	24,1	33,4	246,4
02	39	30,2	12,2	30,3	29,6	229,6
03	30	38,8	11,2	25,9	24,4	254,3
04	30	39,6	11,0	29,5	27,8	233,3
05	150	40,7	12,9	47,6	54,8	187,4
06	80	47,7	14,0	56,1	65,1	139,1
07	60	44,2	15,1	58,8	81,0	114,9
08	60	48,5	17,5	45,3	135,3	74,0
09	60	44,8	23,8	139,7	n.a.	40,1
10	60	48,2	27,3	84,9	n.a.	34,6
11	60	45,1	22,3	36,7	n.a.	48,6
12	60	40,5	25,7	27,8	n.a.	41,0
01.1999	60	44,8	24,2	28,1	n.a.	36,2
02	60	44,0	22,8	20,4	33,4	45,4
03	60	47,5	18,9	20,7	30,7	58,8
04	60	44,1	14,6	15,2	27,4	59,1
05	60	44,7	14,7	7,1	20,2	73,9
06	55	32,1	11,0	8,4	16,0	89,7
07	55	39,0	12,6	9,0		101,5
08	55	38,6	8,8	9,3		82,2
09	55	37,9	9,7	18,2		70,1
10	55	37,0	9,0	16,1		72,5
11	55	38,8	9,4	13,2		84,9
12	55	32,1	8,5	11,8		96,9
01.2000	45	33,8	13,4	11,8		143,1
02	45	31,2	7,9	11,3		141,5
03	33	29,5	7,6	6,5		169,3
04	33	29,1	5,4	11,1		164,3
05	33	25,3	7,3	7,6		153,8
06	33	22,8	7,1	5,1		147,3
07	28					146,7
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 compatible with current methodology. From 1998 data on lending rate is for commercial banks excluding Sberbank.

Table 16: Exchange rates and Stock market

	MT \$ index, end of period (end Aug-94=100)	Exchange rate (MICEX), period average*	Exchange rate (MICEX), end of period*	Real exchange rate, period average** (Dec-95 = 100)	Gross international reserves (including gold, end of period) \$ bn	of which: Gold reserves (Valued at \$300 per ounce) \$ 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	104,4	17,8	4,9
1998	38,4	9,965	21,140	91,6	12,2	4,4
1999	114,6	24,836	26,959	64,9	12,5	4,0
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	106,6	16,0	5,0
05	141,4	6,145	6,138	106,9	14,6	5,0
06	111,8	6,198	6,225	106,2	16,2	5,0
07	109,6	6,235	6,272	105,5	18,4	4,6
08	50,8	7,460	10,363	95,7	12,5	4,3
09	28,7	14,762	16,045	66,7	12,7	3,9
10	40,0	16,374	16,600	63,8	13,6	3,9
11	51,6	17,297	18,470	63,7	12,8	4,3
12	38,4	20,841	21,140	60,2	12,2	4,4
01.1999	35,1	22,991	23,100	59,9	11,6	4,5
02	50,7	23,075	23,100	61,7	11,4	4,2
03	61,0	24,120	24,860	62,9	10,8	4,1
04	69,4	25,321	24,290	62,7	11,2	4,1
05	75,6	24,672	24,700	62,7	11,9	3,9
06	96,5	24,429	24,210	65,0	12,2	4,0
07	88,6	24,321	24,198	67,7	11,9	4,1
08	78,9	24,690	24,860	66,9	11,2	4,4
09	63,8	25,499	25,179	66,0	11,2	4,6
10	75,0	25,776	26,030	67,2	11,8	4,7
11	87,0	26,328	26,650	67,8	11,5	3,9
12	114,6	26,813	26,959	68,0	12,5	4,0
01.2000	130,9	28,413	28,600	65,9	12,9	4,0
02	138,8	28,732	28,690	66,3	13,7	4,1
03	178,0	28,457	28,680	66,8	15,5	4,1
04	171,5	28,593	28,395	68,3	17,1	3,7
05	149,0	28,300	28,250	69,2	19,6	3,7
06	135,8	28,239	28,080	70,0	21,0	3,3
07	152,1	27,834	27,851	72,5	23,3	3,3
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. Revised since May 1998.

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