

15 SEPTEMBER 2000

# **RUSSIAN ECONOMIC TRENDS**

Monthly Update

**RUSSIAN-EUROPEAN CENTRE  
FOR ECONOMIC POLICY**

*in cooperation with*

**WORKING CENTRE FOR ECONOMIC REFORM  
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

Produced by the **Russian-European Centre for Economic Policy**  
in cooperation with the Working Center for Economic Reform  
under the Government of the Russian Federation

Written by:

Niina Pautola, *editor*

Peter Westin, *editor*

Maria Gorban

Nadezhda Ivanova

Marina Malyutina

Sergei Nikolaenko

Andrei Poletayev

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

npautola@recep.glasnet.ru

pwestin@hhs.se

nivanova@recep.glasnet.ru

mgorban@recep.glasnet.ru

mmalyutina@recep.glasnet.ru

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

© Copyright 2000 the European Commission      ISSN 0967-0793

To subscribe to English language version of quarterly issues of *Russian Economic Trends*  
please contact **Blackwell Publishers Journals**  
PO Box 805, 108 Cowley Road, Oxford OX4 1FH, UK.  
Tel. +44 (0)1865 244083, Fax +44 (0)1865 381381, Email: [jninfo@blackwellpublishers.co.uk](mailto:jninfo@blackwellpublishers.co.uk).  
For further details visit website: <http://www.blackwellpublishers.co.uk>.

*Subscription prices:*

Corporate Institutions: £276 (North America \$422)

Special Introductory Rate for Academic Institutions: £138 (\$211)

Individuals (academic): £47 (\$75)

To receive free issues of Russian language version of quarterly and/or monthly issues  
of *Russian Economic Trends* please contact  
**Russian-European Centre for Economic Policy (RECEP)**  
Potapovsky per. 5, bldg. 4, floor 5, Moscow 101000, Russia  
Tel. +7 (503) 232 3613, Fax +7 (503) 232 3739, Email: [recep@recep.glasnet.ru](mailto:recep@recep.glasnet.ru)  
or visit RECEP website at: <http://www.recep.ru>



RECEP is financed by the European Union's TACIS programme, which provides grant finance for know-how to foster the development of market economies and democracy in the New Independent States and Mongolia.

# RUSSIAN VAT REFORM: A MOVE TOWARDS THE EU FRAMEWORK?

Maxim Vladimirov<sup>1</sup> & Eugene Kuskov<sup>2</sup>

RECEP, Moscow

Drastic reform of the tax system has always been in the minds of Russian legislators in the past years, but progress has been slow. Recent events would suggest an imminent real tax reform, in particular in the VAT law. The current Russian VAT law, which dates back to the early 1990s, has been rewritten and “officially clarified” so many times that it eventually became an incomprehensible and unworkable body of law. As of 1 January 2001 however, one chapter of the recently passed Part II of the Russian Tax Code will be the single basis of the VAT legislation.

As in the case with the hastily drafted and adopted Part I of the Tax Code, Part II (which includes the VAT chapter) contains technical errors, unnecessary repetitions and imprecise language that give rise to differing interpretations – and more of these are expected when the VAT section is applied.

Now that the law has been adopted, it is easy to see where the new regulations relate back to or simply repeat the current rules, and where they are evolutionary. As expected, the new VAT law is more of a product of the fiscal policy rather than a policy of economic development. Unlike some other legislation, it remains a formalistic and anti-avoidance focused system. This is partly understandable given some Russian economic realities where barter transactions, mutual set-offs and simple tax evasion are still ordinary business practices. However, honest businesses would probably find this argument hard to accept as they are the ones most penalized by excessive legislative constraints. On a positive note, lawmakers have removed one or two of the most problematic provisions in the current VAT law helping businesses treat VAT as a pass-through or “zero-gain” tax. The law is also now more structured, making it more comprehensive.

One question that automatically occurs to a foreign, particularly a European, investor is whether and to what extent Russian VAT has been harmonized with the EU model, considering the reform. To answer this question we have attempted to briefly contrast some of the fundamental principles and definitions of the two VAT systems to show where they have moved closer together and where they remain quite different.

## VATable supplies

The starting definition of any VAT system is VATable supply. Under the EU 6th Directive as implemented by EU member states, the term ‘supply’ includes all forms of supply that are done for consideration. The passing of possession of goods is a supply for VAT purposes, where the recipient has control over the goods and the immediate facility for their use, whether or not the transaction constitutes a legal sale. VATable supply under EU law is not limited to payments of money, but must be capable of being expressed in money terms, it must have subjective value to the supplier and there must be a direct link between the goods supplied and consideration. This definition is close to the

---

<sup>1</sup> Maxim Vladimirov works as a senior tax manager, at Arthur Andersen, Moscow.

<sup>2</sup> Eugene Kuskov works as an tax consultant, at Arthur Andersen, Moscow.

Russian meaning of taxable supply. Still, Russian law in certain instances breaks away from this principle. Apart from domestic sales (in the arm's-length sense defined by the Tax Code), VATable supplies include gratuitous transfers of goods, works and services, even those effected for a charitable purpose without any de minimus exemptions. A very wide interpretation of the tax rules on internal use could arguably bring within the net of taxation the provision of lunches or entertainment of employees by their employer.

Another important concept in determining taxable supplies for businesses in the EU that is currently missing in the Russian system is the requirement that the supply should be in the furtherance of business. This requirement narrows the scope of taxation. This principle does not seem to be working in Russia, where lawmakers are more concerned with bringing as many persons within the loop of VAT as possible, perhaps without realizing that, as a consequence, some may be claiming VAT credits in the absence of any taxable supplies.

### **Who are VAT payers?**

The definition of taxpayer in Russian law generally follows the EU 6th Directive. However, when it comes to VAT registration, Russian rules again differ substantially. Thus, a foreign legal entity making VATable supplies in Russia does not appear to be obliged, but merely has an option, to register for VAT. Unlike the EU, where such a presence is registrable if the VAT threshold in the respective country is exceeded, Russia prescribes that in default of the registration VAT withholding in the hands of the Russian buyers should apply.

Another variation from the EU rules is that taxpayers are defined with no reference to carrying out economic activity. Thus, under Russian law all legal persons, individual entrepreneurs and importers are defined as taxpayers subject to registration. At the same time, the law establishes for all businesses an opportunity to receive an individual exemption from VAT if the respective level of sales does not exceed a certain threshold. While this does not exactly mirror the EU 6th Directive principle, it certainly applies the same idea. This generally sound idea can easily backfire for the revenue however if businesses start splitting up operations to abuse the exemption. While this opportunity is blocked in the EU by introducing an aggregation principle as a basic anti-avoidance measure<sup>3</sup>, remarkably, no such anti-avoidance provisions have been introduced in Russian law at this stage.

Regarding the taxpayer definition, the new Russian law continues to ignore the concept of VAT grouping, which would have simplified VAT administration with respect to business conglomerates by allowing to look through supplies within the group. Furthermore, lawmakers have chosen to move in exactly the opposite direction by subjecting all branches of the same legal entity, regardless of the degree of separation from the head office, to register as separate taxpayers. This is another example of how anti-avoidance considerations have prevailed over business rationality. Predictably, the new rules will greatly increase the administrative burden in all locations where a particular business is represented and prevent consolidation of the compliance - and the VAT auditing function - at the level of the head office. Further, the mechanism for calculating VAT liability does not seem to take into account newly established branches, therefore, practical complications are expected in this area as well.

### **Time of supply**

The time of supply (tax point) for Russian VAT purposes continues to differ markedly from the EU. Namely, in the EU the time of supply of goods is normally defined as the date upon which the goods

---

*3 All supplies made by each of the businesses must be aggregated in order to determine whether the person is liable for VAT registration.*

are removed or the date upon which they are made available. The same principle applies to services: tax point is the date when these services are actually performed. The definition of the tax point in Russia (except for import VAT) has not been affected by the VAT reform and continues to be linked to accounting principles - allowing companies to be taxable either on cash or accrual basis at their discretion. Not surprisingly, in an economy where commercial credit is largely an exception, a vast number of taxpayers opt for the cash basis. In this context, no change in the rules is a positive sign. What could be viewed as a lack of progress is the repetition, in the new law, of the old principle that allows a VAT credit only after payment of VAT to the supplier.

### **Recovering input VAT**

The definition of recoverable input VAT is another departure from EU law. In the EU, input VAT on supplies made in the course of furtherance the business is generally recoverable. In Russia it will remain subject to the deductibility of expenses for profit tax purposes. Notably, since a number of such expenses (such as advertising, business trips, entertainment and training expenses) are deductible only within unrealistically tiny limits, most input VAT on these items is currently being lost. It is therefore contingent on the profits tax reform as to whether or not a more liberal regime of input VAT recovery will follow.

One clear legislative improvement is the allowance to offset input VAT on self-construction and construction. Businesses that are presently forced to capitalize this VAT will be able to recover it to the extent that they can recover VAT on other inputs. Moreover, VAT on self-construction would not be chargeable until the time of completion and therefore would not constitute a cash flow disadvantage if it can be instantly credited.

One subject significantly detailed in the VAT law, as a result of a greater emphasis on transfer pricing and anti-avoidance measures, is the value of supply. Although it lacks a number of important provisions like treatment of trade discounts and other specific cases, the concept of supply for Russian VAT purposes, allows for an adjustment in the deemed sales price.

### **Intra-CIS trade**

One obvious step forward is the change from the place of origin to the place of destination principle in CIS trade. Currently VAT is chargeable on goods and (some) services supplied to CIS buyers, and input VAT paid to CIS suppliers of goods and services can be recovered. From 1 July 2001, supplies to CIS will be zero-rated while VAT on inbound supplies from other CIS member states will be payable at customs on importation or, where customs clearance has been lifted, VAT will be charged by the "tax authorities". Possibly, the legislators mean to say that taxpayers would use a self-assessment procedure in the latter case.

An exception from the above was made with respect to the supply of oil and gas, which remain the major export revenue source for Russia. These sales will continue to be subject to VAT even after 1 July 2001. Apparently, the lawmakers did not consider it possible to forego the revenue from this significant and easily collectible stream of income.

Notably, the Tax Code makes reference to customs regulations, to be released, that would clarify the exact procedures with respect to intra-CIS trade. To a large extent they will determine how easy to implement the new rules will be.

### **Place of Supply rules**

For the first time, the Russian VAT law has introduced the concept of the place of supply for goods (as opposed to only services) and made an attempt at harmonizing the existing place of supply rules

for services with the EU 6th Directive. While not much will change with respect to goods, new definitions may significantly affect the VAT treatment of international services. Importantly, the place of supply rules would now apply not only to the cross border transactions, as before, but to transactions between Russian persons as well.

In brief, some other distinctions between the EU and Russian VAT models include the absence of an option to tax with regard to land and buildings, recognition of transfer of business as a going concern as a clearly VATable supply in Russia (which is normally outside the scope of VAT in Europe) and inability to refund any input VAT suffered by non-residents in Russia. The Russian VAT system exceeds its EU counterpart in terms of compliance requirements, in particular where exemptions, credits or zero-rated supplies are concerned.

### **Conclusions**

While the above analysis is certainly not complete, may it shed light on the recent tendencies in Russian VAT legislation. After its reform, the Russian VAT system has not become a replica of the EU model. However, it has become more “friendly” for businesses and coherent for VAT practitioners. As is common in Russia, the law may change again soon – maybe even before it becomes effective. With the tax reform process in Russia underway, we stress the need to follow forthcoming developments for their effect on the individual taxpayer’s specific situation. Although the effects of the new rules of the game will become visible after changes are effective for a year or two, the overall positive trend in the development of domestic tax legislation, strengthens confidence in Russia’s commitment to building a fairer tax system.

# ECONOMIC UPDATE

## Aggregate demand

In Q2 2000 real GDP increased by 0.3% from Q1 2000 in seasonally adjusted terms, and was 6.7% higher than in Q2 1999. The rate of GDP growth in Q2 2000 slowed substantially to that of the previous quarter (2.7%). Still, in Q2 2000 real GDP was 3.5% above its 1997 average level and even slightly exceeded the average 1995 level.

In July 2000 real consumer expenditures on goods and services (a proxy for households' consumption expenditures) decreased by 0.2% from June in seasonally adjusted terms. Real consumer expenditures have in fact remained practically unchanged since April 2000. As a result in July real consumer expenditures were 8.6% higher than a year ago but still 1.2% below their 1997 average level.

According to preliminary data, real fixed capital investment (a proxy for gross fixed investment) in July 2000 was 1.5% lower than in June in seasonally adjusted terms. Still, in July the volume of real fixed capital investment was 16.5% higher than a year ago and 12% above the 1997 average.

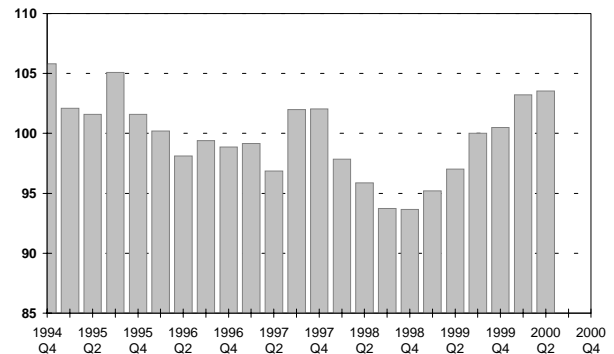
According to preliminary CBR data, in July 2000 net merchandise exports in dollar terms were equal to \$5.1 bn compared to \$5.1 bn in June 2000 and \$3.1 bn in July 1999.

## Output

In the goods-producing sector industrial production continue to grow rapidly. In July 2000 it rose by 2.7% from June in seasonally adjusted terms and was 10.1% higher than a year ago. Industrial output has exceeded the average 1997 level by almost 16% and the 1994 level by 10%. At the same time construction output in July 2000 remained unchanged from June in seasonally adjusted terms. In July construction output was 10.2% higher than a year ago, at the average level of 1997.

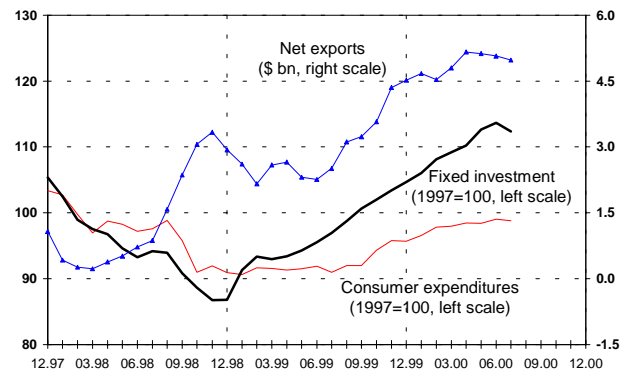
In the service-producing sector the rapid growth continued in transport and communications, where in July output increased by about 2% from June in seasonally adjusted terms. In July 2000 freight transport turnover exceeded its average 1997 level by almost 10%, passenger turnover by 7%, and the real volume of communication services by 45%. At the same time the real volume of retail trade has remained unchanged since February 2000 at 4% below the 1997 average. The real volume of trade of wholesale enterprises has fallen steadily since September 1999 and in July 2000 it was 10% below its 1997 average.

## Real gross domestic product (1997=100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

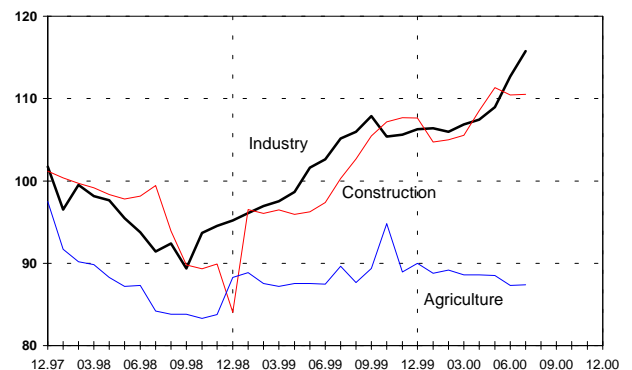
## Components of final demand\*



\* Fixed investment and consumer expenditures are given at constant prices, seasonally adjusted. Average monthly net exports in 1997 were equal to \$1.5 bn.

Source: Goskomstat, CBR and RET staff estimates.

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



Source: Goskomstat and RET staff estimates.

## Prices

In August 2000 the total consumer price index grew by 1.0% (1.8% in July). CPI for food increased in June by 0.3% (1.8% in July). CPI for non-food items grew by 1.4% (0.8%), and for paid services by 3.0% (3.8%). Putting aside some seasonal variations, the annual rate of consumer price inflation remained stable since February 2000 at the level of about 19% per year (18.9% in July, 18.7% in August). At the same time the 12-month rate of growth of the money aggregate M0 continued to climb, and in July it was equal to 53.1% compared to 48.7% in June.

The composite producer price index grew in July by 2.5% (1.8% in June). PPI in industry increased by 3.3% (2.3%) and PPI in construction by 3.4% (3.1%). PPI in agriculture grew by 0.1% (0.2% in June). Tariffs for freight transportation increased by 0.2% (after a 0.3% rise in June) and tariffs for business communications grew by 0.1% (zero growth in June). The monthly increase in the rates of PPI growth in July is probably due to seasonal factors. On an annual level producer price inflation in July was equal to 46.6%, remaining unchanged from June (47.0%). At the same time the year-on-year rate of growth of money aggregate M2 in July 2000 grew to 59.7% from 57.2% in June.

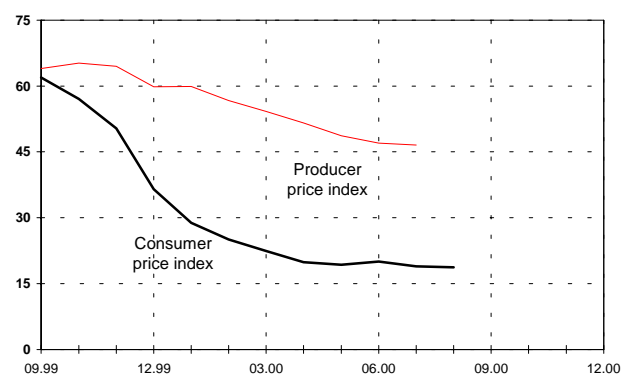
## Labour

The number of officially registered unemployed continues to fall. By the end of July it was equal to 0.990 mn, compared with 1.009 mn at the end of June. The number of payroll employees at large and medium-sized enterprises in June remained unchanged from May, at 41.9 mn. The vacancy ratio (the number of registered job seekers to the number of vacancies) in May–July remained stable in seasonally adjusted terms.

According to preliminary data, in July real wages, estimated on the basis of the deflator for consumer expenditures, decreased by 1.0% from June in seasonally adjusted terms. Since the beginning of the year real wages declined by 2.7% and in July were 13% lower than the 1997 average. According to official estimates based on CPI changes, real wages in July 2000 fell by 2.5% from June in seasonally adjusted terms and were about 25% lower than 1997 the average.

Wage arrears in July increased for the third month in a row. By the end of July they reached R40.5 bn and were 4.8% higher than at the end of April. Of this, budget wage arrears increased by 10.7% in the same period. Still, in May–July there were no officially registered strikes in Russia.

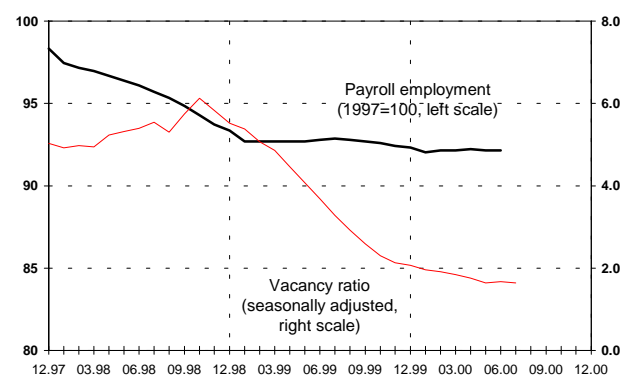
## 12-month rates of growth of price indices, %\*



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

Source: Goskomstat and RET staff estimates.

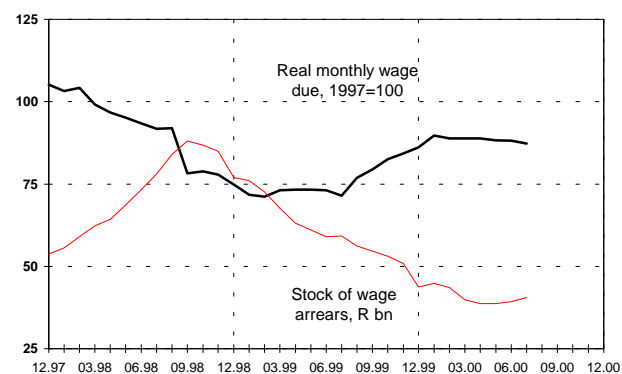
## Registered employment indicators\*



\* *Payroll employment data refers to large & medium-sized enterprises. Vacancy ratio is a seasonally adjusted ratio of registered job seekers to the number 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

June figures suggest a moderate decrease in the real value of overdue payables stock in the economy. On the whole, after falling gradually every month throughout 1999, in the first half of 2000 the real stock of inter-enterprise arrears did not change much. The real stock of overdue payables in the 4 sectors of the economy (industry, construction, transport and agriculture) decreased by 3% in June. During the previous 5 months, this aggregate remained unchanged except in February when it dropped approximately to its current level; the picture is the same if we take industry alone.

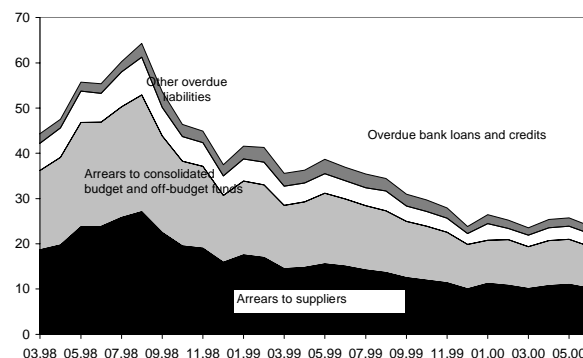
The survey indicator of share of barter in sales by industrial enterprises reported by the Russian Economic Barometer in June dropped to 26% down from 29% in April; this statistic fell slowly throughout the first 6 months of 2000. Other statistics describing the level of monetisation of the economy do not demonstrate a clear trend over the period, but show a remarkable improvement compared to the preceding half-year: in H1 2000, the share of cash in payments to the large taxpayers and industrial monopolies increased on average by 15 percentage points compared to H2 1999, while the real amount of non-financial vekselns in circulation fell by 14%.

On August 31 an agreement was signed between the Railway Ministry and RAO UES on mutual settlements. As of August 1, the debt of the RAO UES to the Rail Ministry comprised R1.025 bn, and the debt of the railroads to the RAO UES stood at a R3.2 bn, out of which R560 mn were paid out in August. The remaining amount is to be paid out between October 1, 2000 and April 1, 2001. The sides agreed that all current payments between the two companies are required to be made on time and in cash.

## Foreign trade

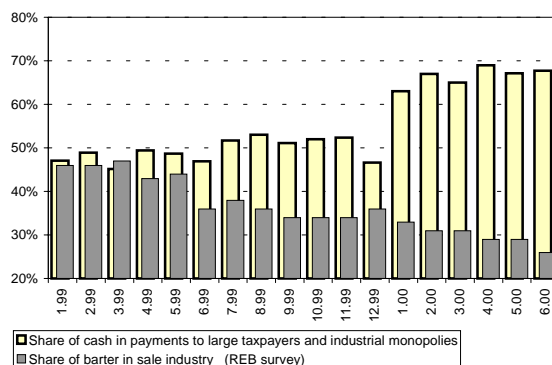
According to CBR statistics, Russian trade turnover totalled \$69.2 bn in the first half of 2000. This is 33% larger than in the same period in 1999. The cumulative H1 trade surplus amounted to \$29 bn, with exports standing at \$49.1 bn and imports at \$20.1 bn. In the first six months of 2000, exports increased about 51%, and imports about 4%, compared to the same period in 1999. Growth in exports was mainly due to high prices for the main energy exports: crude oil, diesel, gasoline and fuel oil. Regarding imports, it should be noted that the share of machinery dropped from 27% to 23% of total imports. In the first six months of 2000, cumulative exports to the non-CIS countries amounted to \$41.7 bn, up by 54% from last year. Imports from the non-CIS countries remained the same compared to last

## Overdue payables of industrial enterprises, % of industrial output



Source: Goskomstat.

## Share of barter in sales in industry and share of cash in payments to large taxpayers and industrial monopolies



Source: Goskomstat, Russian Economic Barometer

year, totalling \$14.2 bn. Regarding Russia's trade with the CIS, exports increased about 37%, amounting to \$7.4 bn. Imports from the CIS in H1 2000 totalled \$5.9 bn, 22% higher than in the same period in 1999.

Regarding the quarterly developments (CBR statistics), Russian trade turnover in Q2 2000 was 10% higher than in Q1 2000 and about 34% higher than in Q2 last year. Exports in Q2 2000 amounted to \$25.8 bn, which is about 52% higher than in the same period a year ago and about 11% higher than in Q1 2000. The value of imports in the second quarter this year was \$10.4 bn, up by 4% year-on-year and about 8% compared to Q1 2000.

According to the preliminary CBR data, Russian trade turnover during the first seven months amounted to \$81.4 bn, up by 32% compared to the same period in 1999. Cumulative exports totalled \$57.7 bn, which is about 48% more than last year. Imports in the first seven months amounted to \$23.7 bn, 5% more than in 1999.

The State Customs Committee statistics indicate that in the first half of 2000 the unofficial trade increased 10% year-on-year. Overall, shuttle trade accounted for about 7.9% of total trade, 23% of imports, and 1.4% of exports.

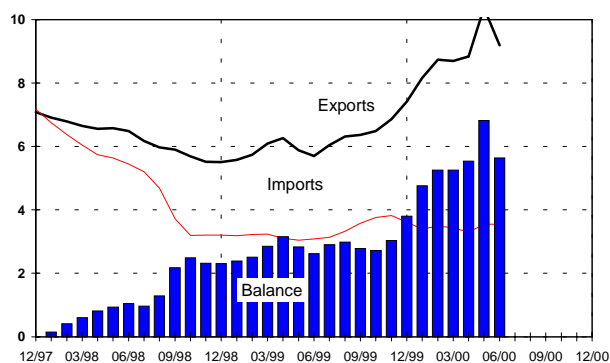
On 7 September, the cabinet of ministers approved a new draft of the customs and tariff policy prepared by the Economic Development Ministry. According to the draft, from January 2001 onwards, the number of import duties would be reduced from the current seven to four: 5%, 10%, 15% and 20%. Moreover, the draft calls for lowering the maximum import duty from 30% to 20%. Lowering tariffs is one of the preconditions for WTO membership. However, lower duties are likely to be opposed by domestic producers, who have benefited from more expensive imports as a result of the 1998 devaluation.

On 10 September, the OPEC countries decided to raise crude oil output by 800, 000 barrels per day from October onwards. The decision aims at driving down oil prices, which hit a record-high level last week, over \$35 a barrel. Analysts predict that OPEC's decision is not likely to have an immediate impact, but that a more significant price decline could be expected later. In Russian companies the margins are said to be large enough even at lower oil prices, suggesting that a dramatic decline in export volumes is unlikely.

### The banking sector

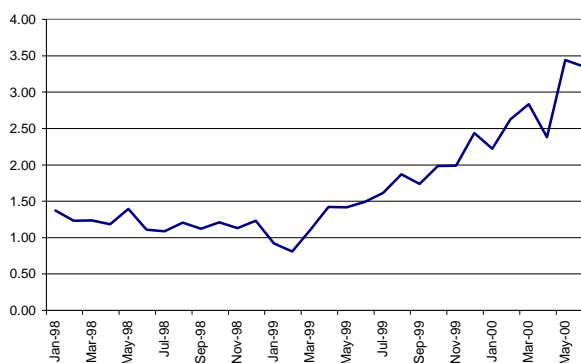
Concentration in the Russian banking industry remains very high. The 50 largest banks have accumulated ¾ of total bank assets, about 80% of all loans and more than 65% of deposits. Sberbank still retains the leading position in the sector, controlling

### Merchandise exports and imports, \$ bn



Source: Goskomstat and RET staff estimates.

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



Source: State Customs Committee.

26% of total bank assets and 75% of the retail deposit market.

The banking system has benefited from macroeconomic stabilization and improvement in the real economy: according to the CBR data, nine of every ten banks reported profits in the first half of the year. The capital of banks has increased by R 38.4 bn (\$1.4 bn), or by more than 20%, reaching R206.6 bn (\$7.4 bn) by 1 July 2000.

The high risks of lending to non-financial enterprises is still the most difficult problem for Russian banks. Not surprisingly, loans accounted for less than 45% of banks' total assets, while in developed banking systems the share of loans in total assets normally reaches 80-90%. The shortage of good investment projects forces banks to keep a substantial part of their assets (about 14-15%) in non-interest-bearing accounts with the Central Bank.

The Russian government, which has not succeeded in encouraging banks to expand lending to the real sector (Sberbank and other state banks are a few exceptions), has again started promoting its pet projects, i.e., the Russian Development Bank (Rossiiskii Bank Razvitiya) and Russian Agricultural Bank (Rosselkhozbank). Both banks were set up at the beginning of the year, but are not yet operational. According to the lobbyists of the banks, the prime minister Mr. Kasianov among them, the Russian Development Bank will finance investment projects that the government regards as high priority. According to the draft budget for the next year, the Russian Development Bank and Russian Agricultural Bank are to receive capital injections of R1 bn (\$36 mn) each.

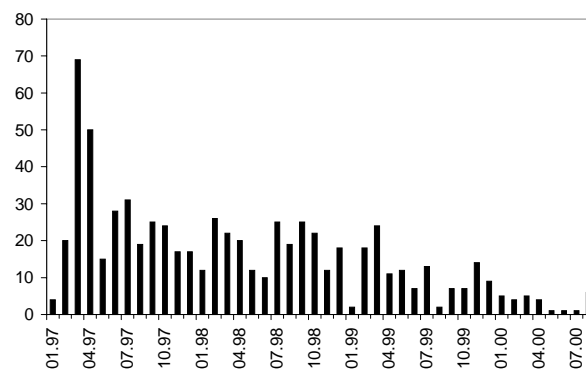
The creation of special state banks has given rise to many doubts: international experience shows that the role of such banks in promoting economic growth is not great. It is most likely that they become yet another channel for sending budget resources down the drain.

### The budget

According to preliminary estimates, in July the federal budget surplus, calculated on cash basis, comprised R23.7 bn, having reached R132.4 bn during the first 7 months of 2000. Revenues and expenditures in July stood at R88.4 and R64.7 bn respectively, interest expenditures equaled R23.8 bn, and the primary surplus comprised R 47.5bn. At the moment of writing, data on performance of the regional and local budgets in July were not available.

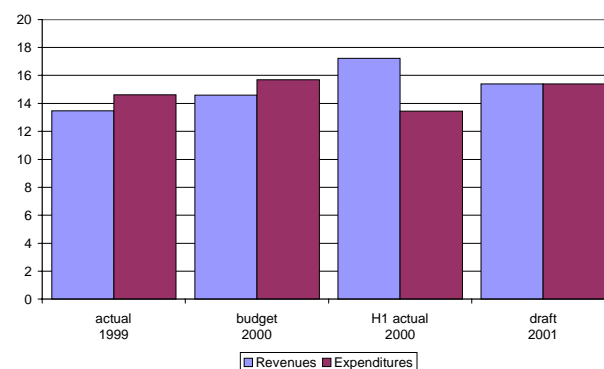
On August 26, the draft of the 2001 budget was submitted to the Duma. The main macroeconomic assumptions are as follows: GDP R7,750 bn, average exchange rate R30/\$, inflation 12%. For the first time, a balanced budget is being proposed: revenues are equal to expenditures (set at R1,193.5 bn, or

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



Source: CBR.

### Federal budget, actual and planned, 1999-2001, % GDP



Source: Ministry of Finance, Goskomstat. Ministry of finance definition of revenues and expenditures is used.

15.4% of GDP). Interest payments (which exactly equal the primary surplus since the deficit is zero) are envisaged at R242.7 bn (3.1% of GDP). The first reading of the draft in the Duma is scheduled for September 22.

On August 25, the Finance Ministry officially announced the completion of the conversion of the Russian debt to the London Club to the new Russian Eurobonds (see March issue of the RET), which took place on July 18-August 11. The face value of PRINs and IANs that were swapped amounted to \$21.9 bn and \$ 6.7 bn. The face value of the new instruments, which will mature in 2010 and in 2030, equaled \$2.8 bn and \$18.2 bn respectively.

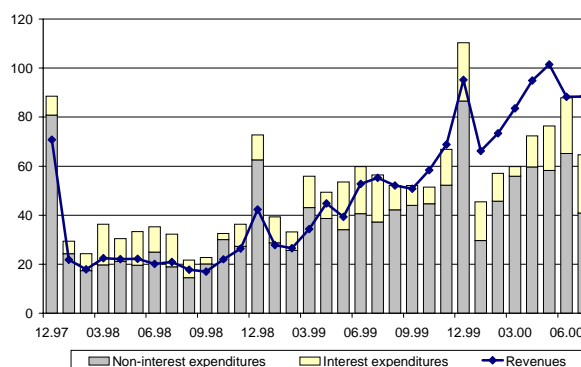
### The exchange rate

In August the monthly rate of the rouble's appreciation against the dollar was less than 0.1%, the slowest in the last five months. In end-August the exchange rate at the MICEX stood at R27.83/\$, which is only 2 kopecks higher than at the end of July. Starting from the second week of August the rouble suffered several attacks and the CBR had to spend its GIR (see Money) to prevent a sharp decline of the exchange rate. These attacks might have been caused by market participants' expectations of a dollar rise in the near future. The accumulated excess rouble liquidity of banks was an additional source of pressure on the rouble. However, the CBR controlled the currency market almost totally, thanks to a sufficient amount of GIR and its own administrative power. As a result, on the days when there was excess demand for hard currency the rouble lost no more than 10-14 kopecks.

The most severe attack on the rouble was undertaken on August 8 at the MICEX afternoon session, where the CBR is traditionally less active. Unlike the unified session, where exporters and importers are supposed to trade, the afternoon session is intended for commercial banks, and its trade volume fluctuates sharply. On August 8, the trade volume at the afternoon session exceeded \$700 mn (almost R20bn), which is the absolute maximum for the MICEX. According to the dealers' estimates, on August 8 the CBR sold about \$250 mn to support the rouble.

On August 15, the CBR did not intervene heavily and allowed the market to price the exchange rate on its own, which resulted in the rouble depreciation by 14 kopecks. However, in the last week of the month the Central Bank again faced increased demand for hard currency, and resumed selling reserves, which decreased by \$0.3 bn during the week. At the beginning of September the CBR, in what seems to be a change of tactic, decreased its presence in the market. This has led to a gradual dollar rise.

### Federal revenues and expenditures, R bn

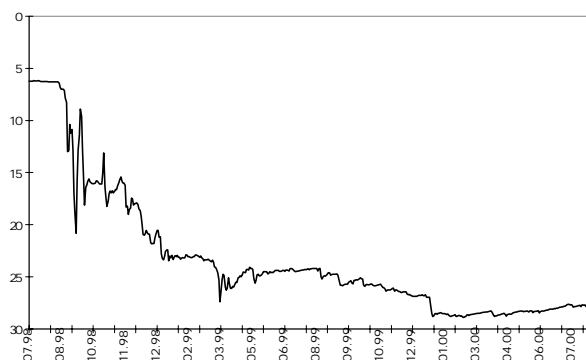


Source: Ministry of Finance.

Figures for July 2000 are preliminary.

IMF definitions of revenues, expenditure and deficit are used.

### The rouble exchange rate (R/\$)\*



\* MICEX exchange rate.

Source: Moscow Times.

## Money

In August, for the first time in the last six months, a decline in the weekly figures of gross international reserves (GIR) was observed. Facing pressure on the rouble in the second and third weeks of the month (see Exchange Rate) the CBR actively sold hard currency. As a result GIR dropped by \$200 mn. In the last week GIR shed another \$300 mn, which might have been caused by the CBR's interventions in the currency market and its debt service payments to the IMF. However, due to the fact that in the first days of the month, and then especially in the fourth week, the CBR still managed to build up its reserves, August saw an overall increase of GIR by \$400 mln, the smallest rise since the beginning of the year. In end-August GIR equalled \$23.7 bn.

During the first three weeks, monetary base (MB) grew by R17.8 bn, but in the period from August 21 to September 4 it declined by R7.5bn to R427.6 bn. The fact that in the fourth week the contraction of MB was accompanied by growth in GIR might be explained by a R12.8 bn increase in banks' cash balances in correspondent accounts with the CBR. In the last days of the month the banks' cash balances continued to rise, reaching R85-89 bn at the beginning of September.

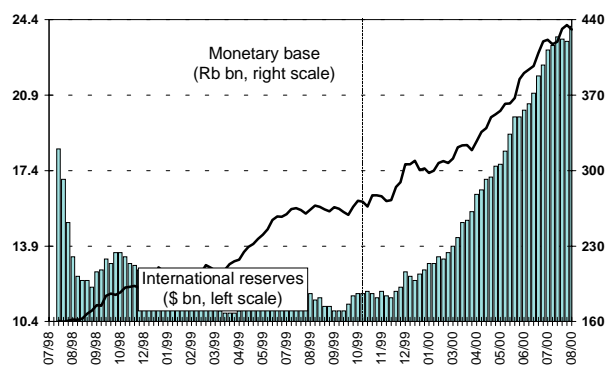
In July, the money supply (M2) increased by 4.4% to R931.2 bn. The monthly growth in currency in circulation (M0) amounted to 3.8%, which is significantly less than in June (11.2%). Corporate and household deposits grew by 5.6% and 3.7% respectively. The first seven months saw a rate of M2 growth (32.2%) similar to the same period of 1999 (30.1%). However, the negative sign is that the rise in the cash component this year (25.3%) was higher than in January-July 1999 (16.2%).

## Financial markets

In August the growth of the Russian stock market that started in July accelerated. The almost constant upward movement of corporate securities prices was reflected in a 23.5% increase in Moscow Times \$ and the RTS indices. Moreover, on August 29, the market reached its pre-crisis level of May 1998. The RTS trade volume of \$628.9 mn, up 59% from July, was driven by the activity of domestic as well as foreign investors. The equity prices of the most traded companies, Unified Energy Systems and Lukoil, grew by 24.2% and 19% respectively.

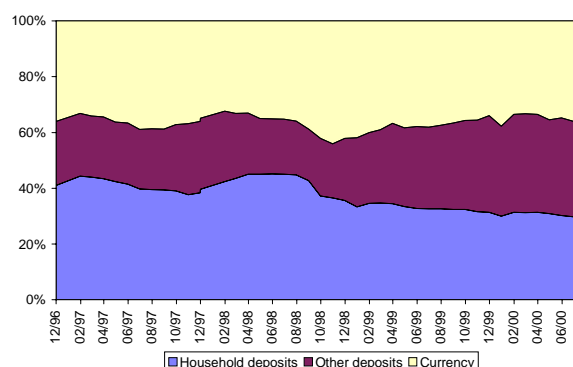
The positive developments that boosted investors' interest were the new highs of the world oil prices (\$33-35 per barrel) and the announcements of the international rating agencies. On August 22, Moody's stated that it might raise the medium and long-term ratings of Russia's eurobonds, bank de-

## Monetary base and gross international reserves (weekly data)



Source: CBR.

## Composition of M2 (%)



Source: CBR

## Moscow Times \$ Index



Source: Moscow Times.

posits, rouble-denominated OFZs and the sixth and seventh tranches of OVVZ. On August 29, Fitch upgraded Russia's credit rating from B- to B.

**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	102,9
02	551,6	97,9	91,0	92,9	23,7	97,8
03			95,9	97,4	26,1	97,1
04			97,7	98,8	25,5	97,9
05	625,9	95,9	97,0	97,6	26,6	94,0
06			98,3	98,8	31,8	92,5
07			101,2	101,6	32,9	93,8
08	693,7	93,7	111,0	107,4	35,4	96,2
09			136,8	95,6	38,8	89,1
10			125,0	83,6	36,6	88,5
11	825,2	93,7	130,2	82,4	40,5	88,3
12			159,5	90,5	62,4	81,5
01.1999			148,3	77,6	28,0	95,6
02	836,5	95,2	150,1	75,5	31,3	92,4
03			164,1	80,2	35,9	92,9
04			165,6	78,6	36,3	93,3
05	1 041,8	97,0	169,2	78,5	40,7	93,9
06			175,1	79,8	51,9	95,8
07			180,6	80,0	55,3	96,4
08	1 275,8	100,0	193,2	84,6	60,8	98,7
09			198,3	85,6	66,5	100,8
10			204,4	87,1	63,4	101,9
11	1 391,4	100,5	210,0	88,4	70,8	103,1
12			241,7	100,4	118,4	105,2
01.2000			203,7	82,7	46,1	104,8
02	1 389,1	103,2	201,7	81,1	55,8	109,0
03			217,4	86,8	63,9	109,3
04			216,1	85,6	63,5	108,8
05	1 557,3	103,5	218,8	85,1	74,0	113,7
06			226,9	86,1	93,4	114,1
07			234,9	87,5	96,9	112,3
08						
09						
10						
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
1999	102,5	102,5	295	591	846	249
01.1998	99,0	96,5	298	591	841	238
02	98,5	99,5	298	593	845	239
03	97,6	98,2	296	593	846	231
04	98,8	97,6	291	593	849	238
05	94,7	95,4	291	559	827	230
06	93,7	93,7	297	571	829	227
07	92,4	91,4	294	630	808	217
08	91,7	92,4	291	599	788	229
09	89,1	89,4	292	596	804	227
10	92,6	93,7	294	607	831	228
11	94,0	94,5	294	583	831	238
12	95,4	95,2	292	578	824	241
01.1999	97,1	96,1	293	578	820	240
02	96,0	96,9	292	576	816	236
03	98,5	97,5	293	583	863	241
04	99,8	98,7	294	578	820	244
05	100,9	101,6	296	608	861	247
06	102,6	102,6	296	611	851	254
07	104,8	105,1	295	613	853	253
08	106,9	106,0	296	618	864	252
09	107,6	107,9	297	603	868	267
10	102,6	105,4	295	581	844	253
11	106,6	105,6	295	574	854	250
12	106,5	106,3	297	570	839	251
01.2000	107,5	106,4	300	574	859	252
02	109,1	106,0	312	586	870	258
03	107,9	106,9	304	562	869	250
04	105,3	107,4	306	561	827	253
05	111,6	108,9	310	582	901	269
06	112,6	112,7	310	602	878	267
07	113,7	115,8	312	621	896	251
08						
09						
10						
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	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	3 338	925
01.1998	91,7	100,5	100,4	22,8	3 238	855
02	90,2	100,0	99,7	21,9	3 221	839
03	89,9	100,2	99,2	40,4	3 210	847
04	88,3	99,8	98,3	26,9	3 189	841
05	87,2	99,6	97,8	33,1	3 097	827
06	87,3	99,5	98,1	34,0	3 164	824
07	84,2	99,4	99,4	32,4	3 136	819
08	83,8	98,6	93,9	31,8	3 139	823
09	83,8	99,0	89,8	30,3	3 053	803
10	83,3	98,4	89,3	30,0	3 208	848
11	83,8	97,4	89,9	32,7	3 178	829
12	88,3	96,7	84,0	32,2	3 191	847
01.1999	88,9	96,6	96,5	31,4	3 228	850
02	87,5	96,1	96,1	31,0	3 227	861
03	87,2	95,8	96,5	31,6	3 295	875
04	87,6	93,9	96,0	32,4	3 317	888
05	87,5	94,5	96,2	29,5	3 376	912
06	87,5	94,5	97,4	32,1	3 350	919
07	89,6	93,8	100,3	32,1	3 339	939
08	87,7	93,8	102,6	32,6	3 414	951
09	89,4	95,6	105,5	34,9	3 393	966
10	94,8	96,6	107,2	31,3	3 401	964
11	88,9	97,0	107,7	33,0	3 384	979
12	90,0	96,9	107,7	32,2	3 330	995
01.2000	88,8	97,4	104,7	46,1	3 435	984
02	89,2	99,7	105,0	37,4	3 651	1 055
03	88,6	98,4	105,5	26,5	3 411	1 016
04	88,6	95,9	108,5	41,1	3 434	997
05	88,5	97,4	111,3	37,3	3 501	1 016
06	87,3	96,6	110,4	29,2	3 510	1 044
07	87,4	96,1	110,5	35,4	3 601	1 016
08						
09						
10						
11						
12						

\* 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	89,1	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	95,9	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	49,7	108,7
07			187,0	95,0	52,6	111,5
08						
09						
10						
11						
12						

\* 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	84,1
1996	65,9	9,6	3,5	4 009	790	89,5
1997	64,7	10,8	3,1	6 001	950	93,7
1998	63,6	11,9	2,6	2 882	1 095	81,2
1999	64,0	12,6	2,2	1 790	1 581	63,3
01.1998	64,2	11,4	2,7	72	988	95,2
02	64,0	11,6	2,7	95	1 000	95,2
03	63,8	11,7	2,7	103	1 059	90,9
04	63,7	11,7	2,7	109	1 040	88,7
05	63,7	11,5	2,6	86	1 047	87,1
06	63,8	11,3	2,5	79	1 122	85,3
07	63,7	11,3	2,5	56	1 110	83,4
08	63,5	11,6	2,4	27	1 052	85,6
09	63,4	11,9	2,4	378	1 112	67,8
10	63,3	12,3	2,5	797	1 123	67,4
11	63,3	12,9	2,6	615	1 164	65,6
12	63,3	13,3	2,6	464	1 482	61,6
01.1999	63,2	13,8	2,6	577	1 167	60,3
02	63,2	14,1	2,7	532	1 199	59,4
03	63,5	13,7	2,6	83	1 385	60,6
04	63,8	13,1	2,5	15	1 423	60,3
05	64,2	12,4	2,4	15	1 472	59,8
06	64,5	12,1	2,2	6	1 626	59,2
07	64,6	11,9	2,0	6	1 618	56,7
08	64,6	11,8	1,9	5	1 608	62,6
09	64,4	11,9	1,8	99	1 684	67,0
10	64,3	12,1	1,8	228	1 716	69,4
11	64,1	12,3	1,7	42	1 789	70,9
12	64,0	12,2	1,7	184	2 283	73,4
01.2000	63,8	12,0	1,7	91	1 830	76,1
02	63,5	11,9	1,7	65	1 839	75,0
03	63,9	11,3	1,7	27	2 018	74,8
04	64,4	10,8	1,6	7	2 039	74,3
05	64,8	10,2	1,5	0	2 101	73,1
06	65,0	10,1	1,4	0	2 294	71,9
07	65,1	10,0	1,4	0	2 289	70,1
08						
09						
10						
11						
12						

\* 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	2 084,9	84,6	83,5	693,9	1030,4	27,6
07	2 058,3	82,0	132,0	694,4		
08						
09						
10						
11						
12						

\*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	1614,1	748,0	630,1	39,3	944,2	6,9
07				40,5		7,1
08						
09						
10						
11						
12						

\* 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	234,6	249,3
08	283,4	295,5	308,3	195,1		
09						
10						
11						
12						

\* 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	75,1	18,8	11,4	40,2	9,9	34,9
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	3,0	0,9	2,0
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	5,4	1,5	0,7	3,3	0,8	2,1
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	7,5	2,0	1,3	3,6	0,8	3,9
12	9,6	2,4	1,5	4,1	1,0	5,5
01.2000	6,8	2,2	1,6	2,7	0,4	4,1
02	7,9	2,6	1,5	3,5	1,0	4,4
03	8,6	2,8	1,6	3,7	0,9	4,9
04	8,1	2,4	1,2	3,5	0,8	4,6
05	9,0	3,4	1,2	3,5	0,8	5,5
06	8,7	3,4	1,1	3,8	0,8	4,9
07						
08						
09						
10						
11						
12						

\* 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
<b>Current Account</b>	<b>2545</b>	<b>1040</b>	<b>24961</b>	<b>4490</b>	<b>4313</b>	<b>5634</b>	<b>10523</b>	<b>11200</b>
<i>Trade balance</i>	<i>11611</i>	<i>13250</i>	<i>32058</i>	<i>5636</i>	<i>6083</i>	<i>8376</i>	<i>11963</i>	<i>12072</i>
Export	103088	87255	84346	17325	19270	21398	26354	25127
Import	-91476	-74005	-52288	-11688	-13187	-13022	-14391	-13055
<i>Merchandise trade balance</i>	<i>17361</i>	<i>17101</i>	<i>35847</i>	<i>6482</i>	<i>6939</i>	<i>9352</i>	<i>13074</i>	<i>13606</i>
Export	89008	74884	75306	15550	16998	18803	23955	23302
Import	-71647	-57783	-39459	-9069	-10059	-9451	-10881	-9696
<i>Service balance</i>	<i>-5750</i>	<i>-3851</i>	<i>-3789</i>	<i>-845</i>	<i>-856</i>	<i>-977</i>	<i>-1111</i>	<i>-1534</i>
Export	14080	12371	9040	1774	2272	2595	2399	1824
Import	-19829	-16222	-12829	-2620	-3127	-3572	-3510	-3359
<i>Income and Wages</i>	<i>-8706</i>	<i>-11801</i>	<i>-7631</i>	<i>-1098</i>	<i>-1846</i>	<i>-2948</i>	<i>-1739</i>	<i>-914</i>
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>	<i>-360</i>	<i>-409</i>	<i>534</i>	<i>-48</i>	<i>76</i>	<i>206</i>	<i>300</i>	<i>42</i>
Received	410	269	1027	52	220	330	425	164
Paid	-770	-678	-493	-100	-143	-124	-125	-122
<b>Capital Account</b>	<b>5480</b>	<b>8193</b>	<b>-17403</b>	<b>-3975</b>	<b>-3005</b>	<b>-4784</b>	<b>-5640</b>	<b>-8894</b>
<i>Capital transfers (net)</i>	<i>-797</i>	<i>-382</i>	<i>-328</i>	<i>-30</i>	<i>-95</i>	<i>-81</i>	<i>-122</i>	<i>4</i>
<i>Direct investments abroad</i>	<i>-2603</i>	<i>-1027</i>	<i>-2145</i>	<i>-415</i>	<i>-563</i>	<i>-597</i>	<i>-570</i>	<i>-380</i>
<i>Direct investments into Russia</i>	<i>6639</i>	<i>2761</i>	<i>3309</i>	<i>642</i>	<i>751</i>	<i>659</i>	<i>1257</i>	<i>569</i>
<i>Portfolio investments abroad</i>	<i>-156</i>	<i>-257</i>	<i>254</i>	<i>-23</i>	<i>-202</i>	<i>306</i>	<i>172</i>	<i>37</i>
<i>Portfolio investments into Russia</i>	<i>45963</i>	<i>8876</i>	<i>-868</i>	<i>89</i>	<i>-419</i>	<i>-436</i>	<i>-102</i>	<i>103</i>
<i>Other investment - assets</i>	<i>-26608</i>	<i>-16003</i>	<i>-15124</i>	<i>-6306</i>	<i>-367</i>	<i>-5399</i>	<i>-3052</i>	<i>-5792</i>
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>	<i>-15002</i>	<i>8971</i>	<i>-548</i>	<i>995</i>	<i>-392</i>	<i>-313</i>	<i>-838</i>	<i>-425</i>
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>	<i>-20</i>	<i>-50</i>	<i>-176</i>	<i>104</i>	<i>-107</i>	<i>-14</i>	<i>-158</i>	<i>92</i>
<i>Net international reserves</i>	<i>-1936</i>	<i>5305</i>	<i>-1778</i>	<i>969</i>	<i>-1611</i>	<i>1091</i>	<i>-2227</i>	<i>-3102</i>
<b>Errors and omissions</b>	<b>-8025</b>	<b>-9234</b>	<b>-7558</b>	<b>-515</b>	<b>-1308</b>	<b>-851</b>	<b>-4883</b>	<b>-2306</b>

**Table 11: Federal budget (IMF definition)\***

	<u>Revenues</u>		<u>Expenditures</u>		<u>Deficit(+) or surplus(-)</u>	
	Total (R bn)	of which: tax revenues (R bn)	Total (R bn)	of which: interest payments (R bn)	Total (R bn)	% GDP (%)
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	45,4	15,7	-20,8	
02	139,6	122,7	102,5	27,2	-37,1	
03	223,2	196,2	162,4	31,1	-60,8	-4,4
04	318,0	277,1	234,6	43,7	-83,4	
05	419,5	365,2	311,1	61,9	-108,4	
06	507,7	443,2	399,0	84,7	-108,7	-7,0
07	596,1	520,2	463,7	108,5	-132,4	
08						
09						
10						
11						
12						

\* 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	-0,4
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	-1,6
07						
08						
09						
10						
11						
12						

\* 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 - currency in circulation	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	7,5	194,9	321,8	892,2	n.a.
07	415,7			334,0	931,2	n.a.
08	430,8					
09						
10						
11						
12						

Source: CBR.

\* Since June 2000 NIR and NDA are estimated by RET.

\*\* 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 fo NDA and NIR data.

\*\*\* 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
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	234,9	344,9	229,1
04	1771,2	467,0	591,0	243,0	341,0	227,0
05	1820,2	470,0	614,6	254,8	345,4	221,0
06	1885,8	471,1	637,0	265,9	356,5	222,5
07				275,0		
08						
09						
10						
11						
12						

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	7,2	5,1		147,3
07	28			3,4		146,7
08	28					174,8
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	66,7	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	72,4	23,3	3,3
08	187,9	27,746	27,830	74,3	23,7	3,4
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.

Research findings and analyses disseminated by RECEP may include views on policy, but the Centre itself takes no institutional policy positions. Any opinions expressed are those of the individual(s), and not those of RECEP, the institutions of its managing consortium, the European Commission or any other institution of the European Union.



## **Russian-European Centre for Economic Policy**

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

