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RUSSIAN ECONOMIC TRENDS

MONTHLY

**RUSSIAN-EUROPEAN CENTRE
FOR ECONOMIC POLICY**

in cooperation with

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



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RECENT DEVELOPMENTS IN THE RUSSIAN ECONOMY

Optimism regains ground

Latest statistical information indicates continuation of economic growth in Russia – and even some acceleration as compared with the early months of the current year. Practically all production indicators showed stable growth during the past couple of months, although the growth rates continue to be far lower than last year's figures. In the first quarter of the current year GDP increased almost 5% year-on-year. If the current trend persists throughout the year, the government's GDP growth target of 4% for the year as a whole may be realistic.

Goskomstat's recent revision of industrial production statistics, which raised monthly production figures for the past couple of years, has somewhat improved the growth figures. According to revised figures, real seasonally adjusted industrial production in the first quarter of 2001 was 5.2% higher than a year earlier, while in the second quarter the respective figure was 5.9%. Other main sectors of the economy (construction, agriculture, retail trade and freight transportation) have also been growing at steady rates.

The importance of foreign demand for economic growth in Russia is decreasing, as net exports have declined at accelerating pace during the first half of the current year. Import growth continues strong, enhanced by the strengthening rouble. Domestic demand growth continues to be dominated by consumer demand. The increase in real consumer expenditure, which has shown a steady recovery for almost two years, remained strong reaching almost 10% year-on-year in June. The growth of seasonally adjusted real fixed investment is again accelerating after a noticeable deceleration registered in early 2001. The year-on-year growth amounted to about 4% in June. However, investment volumes remain far too low compared with the huge needs of the Russian economy for infrastructure maintenance and modernisation of production.

Although bank lending is growing rapidly, its significance for investment financing is still limited: only some 4% of corporate investment is financed by borrowing from banks. Furthermore, less than 30% of bank credits have maturity longer than a year, which makes bank financing largely unsuitable for investment. Foreign investment is also failing to play a significant role in corporate financing. The lack of investment financing poses a serious problem for the future growth of the Russian economy. In this environment corporate profits will remain the most important source of financing, at least for the foreseeable future. The highly profitable energy industries are therefore in the best position.

Internal developments – structural reforms in particular – will be decisive for further growth of the Russian economy. However, external environment has become more and more important in view of Russia's growing orientation to raw material exports and particularly energy exports. As some growth slow-down is expected in western economies, the support that their rapid growth has offered Russia, most of all in the form of high oil prices, may be weakening.

Legislature working hard

The Duma and Federation Council completed a considerable workload before the end of the spring session in July: the first part of this year was probably the most productive period in the history of the Russian legislature. Some crucial pieces of economic reform legislation were adopted, giving a significant push to the building of a market economy in Russia. Nevertheless, not all the major reform bills submitted to the Duma were passed, and several difficult reform initiatives were left for the autumn session, which starts in September.

Key legislative acts adopted during the spring session included amendments to the Tax Code concerning corporate profit tax and two laws on licensing economic activity (part of the government's list of measures aimed at reducing bureaucracy). The Land Code, establishing private ownership of urban land, was passed in two Duma readings in the spring session, leaving the third (largely formal) reading for the autumn.

The new corporate profit tax with its reduced 24% rate and abolition of exemptions should become one of the corner stones of the new favourable business environment, which the government is aiming to create. Transparent and uniform treatment of taxpayers, thanks to the abolition of exemptions, is a key part of the new corporate tax system. Other Tax Code amendments, introducing a new federal tax on mineral extraction to replace several separate taxes that were partly set in the regions, also serve to simplify the tax system and reduce scope for arbitrary taxation.

Adoption of a law on money laundering introduces international standards to Russia in this sphere. The law is important also for foreign relations, since there have been loud calls from outside Russia for tougher measures against money laundering by the Russian authorities.

The share of export revenue, which must be sold for roubles on the Moscow currency market, has been reduced to 50%. This measure pursues a monetary policy aim as well as general liberalisation of the economy. Simultaneous abolition of exemptions from export revenue repatriation requirements, other than those based on law, will serve to increase the transparency of the system and reduce scope for corruption.

Taken together, these new laws should improve the Russian business climate significantly, provided that their implementation is secured.

Key indicators of the Russian economy (year-on-year % growth unless otherwise noted)

	1996	1997	1998	1999	2000	2001	
GDP	-3.4	0.9	-4.9	5.4	8.3	4.9	Q1
Industrial production	-4.0	2.0	-5.2	11.0	11.9	3.7	June
Fixed investment	-18.0	-5.0	-12.0	5.3	17.4	4.1	June
Inflation (end of period)	21.8	11.0	84.4	36.5	20.2	23.7	June
M2 (end of period)	30.0	29.5	36.3	57.2	62.4	48.4	May
Unemployment rate (ILO, %)*	9.6	10.8	11.9	13.7	10.5	9.2	June
Federal budget balance (% to GDP)	-7.9	-6.7	-4.9	-1.7	2.5	4.4	Q1
Current account (% to GDP)	3.0	0.5	0.3	13.5	18.5	17.8	Q1

* Data for 2001 are not strictly comparable with those of previous years.

Source: Goskomstat, CBR, Ministry of Finance.

To our readers

As stated in the last RET Monthly, there will be no Monthly issue in August. However, updated data tables will be posted at our website in mid-August. We will return to the normal publication schedule in September, when the RET Monthly will come out in mid-month.

ECONOMIC TRENDS

Aggregate demand

In Q1 2001 real GDP grew by 0.9% to the previous quarter in seasonally adjusted terms (0.7% in Q4 2000) and was 4.9% higher than a year earlier (6.8% higher in Q4 2000). The year-on-year rate of growth of household consumption in Q1 2001 was equal to 8.6% (9.8% in Q4 2000). Institutional consumption (including that of the government and non-commercial organisations) was 0.9% lower than a year ago (+1.1% in Q4 2000). The year-on-year rate of growth of gross fixed capital formation in Q1 2001 was equal to 3.3% (14.7% in Q4 2000). Real net exports were 8.9% lower than in Q1 2000 (-7.7% year-on-year in Q4 2000).

According to preliminary estimates, there was some acceleration in growth of the major components of domestic final demand in Q2 2001. Real consumer expenditures (a proxy for household consumption), which in January–March 2001 increased at an average rate of 0.4% per month in seasonally adjusted terms, grew by 1.6% on average in April–May. As a result real consumer expenditures in May were 8% above their average 2000 level and 9.7% higher than in May 2000 (see HOUSEHOLDS).

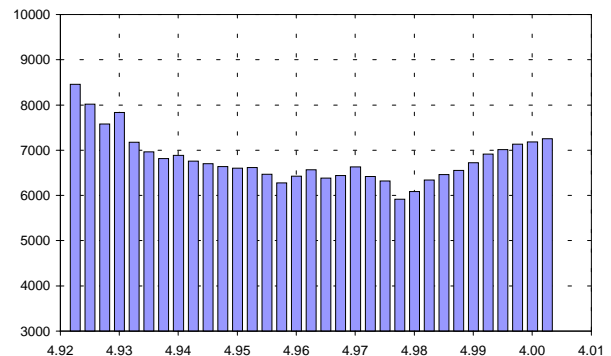
Seasonally adjusted real gross fixed investment (a proxy for gross fixed capital formation) decreased by 3.2% from November 2000 to March 2001, according to revised data. According to preliminary estimates, gross fixed investment resumed its growth in April–June, increasing by 4.1% over the three months in seasonally adjusted terms. As a result real gross fixed investment in June 2001 was 4.4% above its average 2000 level and 4.1% higher than in June 2000.

Contrasting with the positive tendencies in real domestic demand, net exports in Q2 2001 continued to decline even in nominal terms. According to preliminary balance of payments estimates, total net exports of goods and services in Q1 2001 were equal to \$12.5 bn (\$0.3 bn less than in Q1 2000). In Q2 2001 total net exports decreased to \$10.7 bn and were already \$1.9 bn lower than in Q2 2000 (see FOREIGN SECTOR).

Households

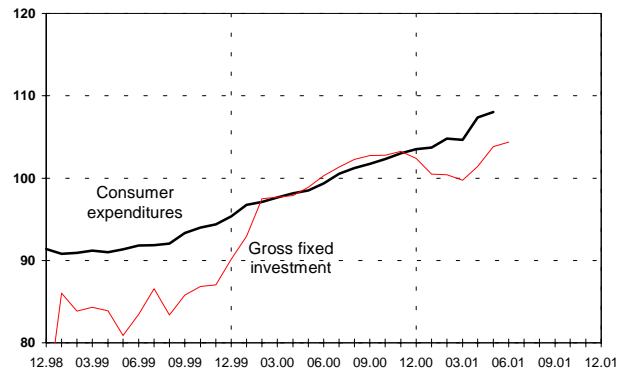
In May 2001, changes in household finances were in line with the pattern that the first quarter showed. Over 12 months real personal income adjusted for inflation by consumer expenditures deflator increased 6.8%. Annual growth of consumer expenditures was about 10%. Sales of food goods grew by 8%. Non-food goods contributed most to the growth

Real gross domestic product at constant prices of 2000 (R bn, seasonally adjusted)



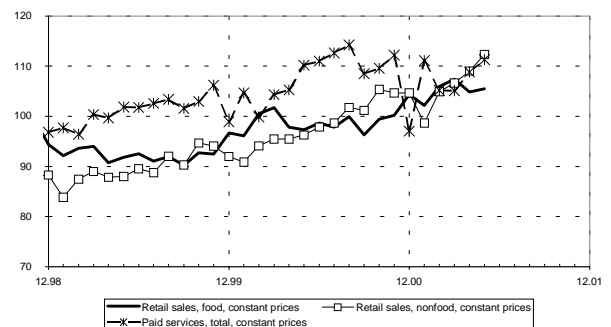
Source: Goskomstat and RET staff estimates.

Current estimates of the components of final demand (2000 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

Real consumer expenditures (1995 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

of consumer expenditures (more than 16% in May 2001 compared to May 2000). The volume of paid services changed only 1% over the same period. At the same time, both real personal income and real consumer expenditures adjusted for seasonal factors remained at the level reached in autumn 2000.

Government budget

According to preliminary data of the Ministry of Finance, the federal budget surplus in the first half of 2001 was R154 bn, which is 4% to GDP. Federal budget revenues were R713 bn or 18% to GDP, which is above the target level. Expenditures, by contrast, were below the target level. They totalled R559 bn or 14% to GDP, including R431 bn of non-interest spending. Both revenues and non-interest expenditure were a higher percentage to GDP than in the previous year.

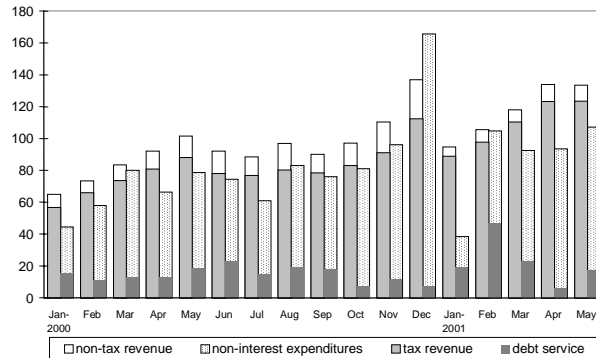
In July 2001 the Duma passed and the Federation Council approved a block of amendments to the Tax Code concerning profit tax and the tax on use of natural resources. These measures are important parts of the long-awaited and much-needed reform package, which is expected to strikingly improve the Russian economic environment. They shift fiscal policy towards taxation of rent instead of profits, which should reduce distortions in the economy. The laws will come into force on January 1, 2002.

The new federal profit tax law sets corporate profit tax at 24% of accounted overall profit (against the current 35%), of which 1/3 is to be distributed to the federal budget and 2/3 to regional governments. The law defines the tax base as accounted overall profit minus losses received in the previous year and sets the tax period as a calendar year. It allows companies to declare a number of expenses as business costs rather than showing them as a part of so-called 'unnecessary expenditures', to be financed from their own profits (a practice inherited from the era of central planning).

The draft chapter of the Tax Code on taxation of natural resource production, along with several amendments to other legal acts, sets a unified tax on natural resource production to replace excise duty, royalties, and payments for replenishment of the mineral resource base. The basic tax rates are shown in the enclosed table. The tax is calculated on sales revenues. Producers operating under production sharing agreements will pay the tax at half of the standard rate. The new tax rate for oil will only become effective in 2005. Between 2002 and 2004, the existing tax system will be preserved with some modifications.

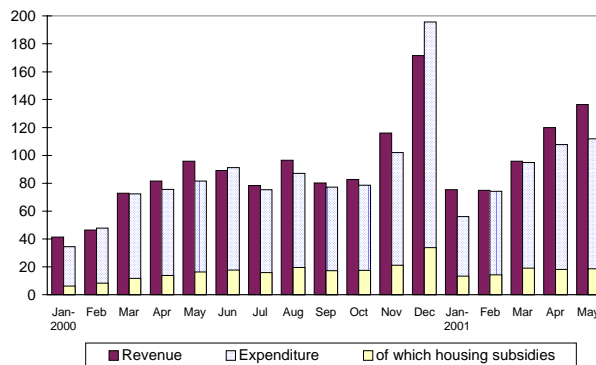
Revenues from taxation of oil and natural gas production will be distributed as follows: 80% will go to the federal budget and 20% to regional budgets. If

Federal budget revenues and expenditures (R bn)



Source: Economic Expert Group, Ministry of Finance.

Revenue and expenditure of regional and municipal governments (R bn)



Source: Ministry of Finance.

oil or natural gas are produced in a district with autonomous status, 74.5% of tax income will be forwarded to the federal budget, 20% to the budget of the autonomous district, and 5.5% to the budget of the region where the autonomous district is located. For other natural resources, tax will be distributed in the following manner: 40% to the federal budget and 60% to the regional budget. If production is in an autonomous district, the 60% regional share will be distributed between the district and the region based on a bilateral agreement. Revenues from taxation of natural resource production on the continental shelf or in 'internal offshore' zones (zones with a special economic regime) will accrue entirely to the federal budget.

The progressive scale of export duty on oil has also been changed. The enclosed table shows the new duty rates. The relevant law gives the government the right to establish the duty rate, but sets a maximum limit to it. Tax is calculated on the difference between the actual price and the floor set for each duty rate (\$109.50 and \$182.50). The price used in calculation is the average world price of Urals crude during the two previous months.

There will be no export taxes on ferrous and non-ferrous metals, precious stones and gold, natural gas or chemical fertilisers. Maximum export duties for other goods will be considered by the Duma in the autumn.

According to the Ministry of Finance, revenues of the consolidated budget will contract by R134 bn next year due to reduction of profit tax and by R112 bn due to the abolition of various taxes associated with natural resource extraction. The new tax on natural resources will bring R62 bn and revision of excises R13 bn. In total, all changes to tax legislation are expected to reduce consolidated budget revenues in 2002 by R76 bn, or 0.75% to GDP.

On July 13 the Duma passed a package of pension reform bills, submitted by the president, in the first reading. The proposed reforms give the Pension Fund the status of a non-commercial organisation (it currently has the status of an extra-budgetary fund). This will mean that the Pension Fund ceases to be an element of the budget system and subject to the budget law. The Duma postponed a decision on the size of pensions till autumn.

Non-financial enterprises

The financial position of Russian enterprises showed improvement in April–May. After a drop in real corporate profits over Q1 2001, month-on-month growth in aggregate profits of medium-sized and large enterprises resumed in April–May. Goskomstat reported a 21% increase in enterprise profits in real terms in April 2001 and a 26% increase in May

Tax rates on production of natural resources

<u>Product</u>	<u>Rate (%)</u>
Nonferrous metals	8.0
Ferrous ore	4.8
Gold	6.0
Other precious metals	6.5
Precious and semi-precious stones	8.0
Peat	4.0
Coal	4.0
Natural gas and gas condensate	16.5
Oil	16.5

Export duty on oil

<u>Oil price (\$ per tonne)</u>	<u>Duty</u>
below 109.50	0
109.50-182.50	up to 35%
over 182.50	\$25.55+up to 40%

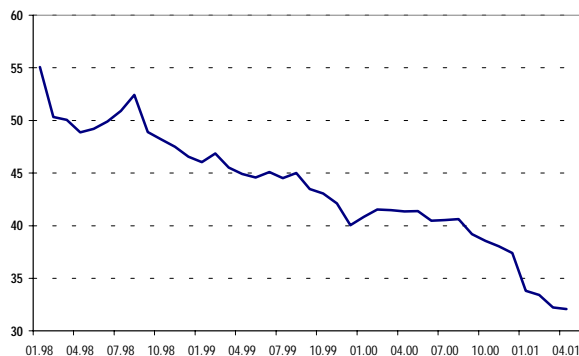
2001. Aggregate profits were R500.2 bn at current prices in January–May, representing a decline in real terms compared to the same period of 2000. The share of profitable enterprises in May 2001 was 61.5%, up 1.5 percentage points from the previous month. This positive trend was partially confirmed by the Russian Economic Barometer (REB) survey. The share of enterprises assessing their financial condition as ‘good’ and ‘satisfactory’ in May 2001 was 52%, which is 5 p.p. higher than five months earlier but 4 p.p. lower compared with May 2000.

The share of overdue liabilities in total liabilities of Russian enterprises and organisations remained at about 32% in May, although they increased by 1.6% in absolute terms from April. The share of overdue bank loans in total claims of commercial banks on medium-sized and large enterprises and organisations calculated by Goskomstat slightly decreased from 8.3% in March to 7.8% in April 2001.

Monetisation of the Russian real sector continued to grow. Goskomstat reported that the share of monetary settlements in sales of the biggest Russian taxpayers reached 78.4% in April 2001. According to the survey of industrial enterprises conducted by the Institute of the Economy in Transition (IET), Russian business is still managing to avoid increases in use of non-monetary payment schemes despite the slow-down of growth in money-based demand and accumulation of stocks of finished goods. IET survey respondents appraised the level of stocks of finished goods as excessive for the fourth month in a row. Also REB data showed, on the one hand, an increase in stocks of finished goods and, on the other hand, a reduction of the share of barter in sales of industrial enterprises from 20% at the beginning of the year to 16% in May 2001. As a result, in June 2001 the share of monetary settlements in sales of Russian industry increased to a level of 75% from 71–72% in March–April.

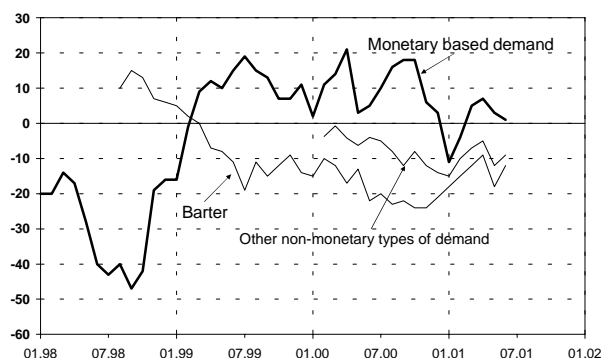
Owing to the extreme caution of Russian commercial banks with regard to long-term lending, enterprises and organisations are learning to use the corporate bond market to finance investment. Development of the Russian debt market has been quite dynamic in the current year. Since February 2001 its capitalisation has grown by 45%, reaching almost \$2 bn. Liquidity of the corporate debt market exceeds that of the sovereign debt market: the share of traded corporate bonds in total market capitalisation increased from 17% in May 2001 to 19% in June 2001. Moreover, for the first time after the 1998 crisis a big Russian enterprise, the oil company Sibneft, is planning to go to the international market and issue \$250 mn of Eurobonds in October 2001.

Share of overdue liabilities in total liabilities (%)



Source: Goskomstat.

Change in money-based, barter and other non-monetary types of demand (balance = % growth – % decline)



Source: IET business survey.

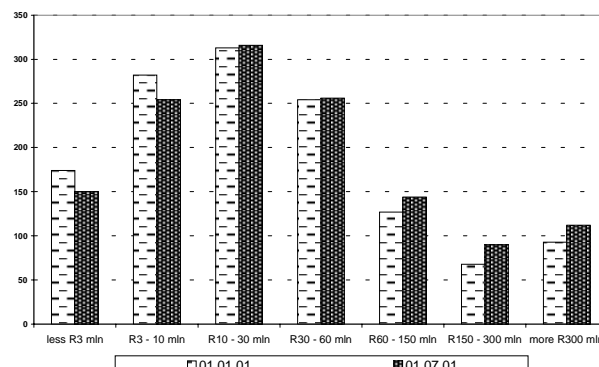
Commercial banks

The situation in the Russian banking sector continued to improve in May 2001. According to CBR data, total assets of commercial banks reached R2543 bn (\$87 bn) on June 1, 2001, up 9% in dollar terms from the beginning of the year and up 30% from May 2000. Total equity capital of the banking system amounted to R497 bn (\$17 bn) at the end of the spring, an increase of 10% from the start of the year and 44% from May 2000. The capital-to-total-assets ratio was up 2 percentage points in May 2001 compared to May 2000, reaching 19.5% on June 1, 2001.

The evolution of Russian bank rankings by capital over the first half of 2001 was encouraging. The share of banks with equity capital of less than R10 mn dropped from 35% to 22.5%, while the share of banks with equity capital exceeding R150 mn grew by 3 p.p. to 15%. However, only five Russian banks have been included by the magazine *The Banker* in the list of the world's 1000 largest banks by equity capital. In April 2001 the chairman of the Central Bank stated that the time seemed to be ripe for increasing minimum capital requirements for commercial banks. Recently Russia's main business federation, the Union of Industrialists and Entrepreneurs, also proposed raising capital requirements for banks that hold a general banking licence. Still, the level of minimum capital for banks with a general licence remains a controversial issue: suggested alternatives vary from \$5 mn to \$100 mn based on international accounting standards. Whatever capital floor is adopted, Russian credit organisations will have to recapitalise or consolidate to meet the requirement. Fortunately, the Duma has just provided commercial banks with the most natural source of extra capital by cutting the profit tax rate.

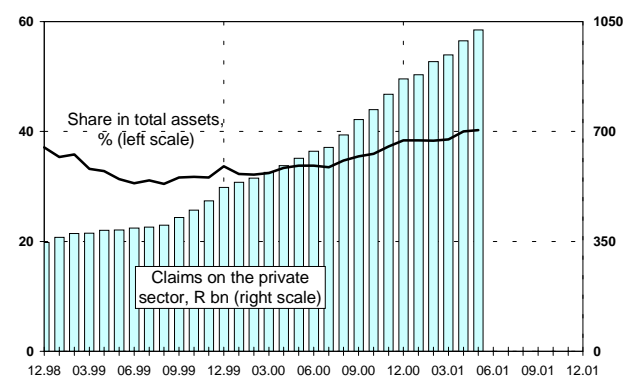
Growth of household deposits at commercial banks, observed during Q1 2001, continued in April. Growth in real household income and the threat of savings depreciation due to high inflation are causing Russians to resort to banking services. On May 1, 2001, rouble- and foreign currency-denominated household deposits in Russian banks totalled R526 bn, up 14% from the beginning of the year. Russian banks have embarked on active expansion into this market segment. Recent acquisitions of banks in the regions by the major institution, MDM-bank, was clearly aimed at increasing MDM's access to the retail market. Six OVK (Mutual Loan Society) banks, which signed an agreement on forming an alliance and using unified standards for services and a common brand, have stated that the newly-established group intends to focus on retail business. Household deposits in foreign-owned Raiffeisenbank showed a

Number of credit organisations by size of capital



Source: CBR.

Commercial banks claims on the private sector



Source: CBR.

90% increase during Q1 2001 (Raffaisenbank was recently acclaimed 'Best bank in Russia' by Euro-money magazine). However, currently only 6 out of 23 foreign-owned banks provide services to individual clients.

Although commercial banks raised significant funds by deposit-taking and bill issuance, they did little lending. Total corporate loans were R837 bn on May 1, 2001, equal to just 14% of GDP compared with 60% in the more advanced transition economies of Eastern Europe. Moreover, the share of commercial loans with maturities longer than one year decreased from 34% in May 2000 to 28% in May 2001. The notorious reasons are lack of transparency in the non-financial sector, which makes assessment of creditworthiness extremely difficult, and a legal framework that creates uncertainty for creditors.

Foreign sector

In January–May 2001 Russian exports continued to benefit from high energy prices on world markets. According to information from the CBR, exports amounted to \$42.8 bn, up 5% year-on-year. Countries outside the CIS accounted for \$36.4 bn or 85% of exports. Exports to non-CIS countries grew 5% year-on-year, while those to the CIS grew 7%.

The State Customs Committee reported that exports of fuel and energy in January–April 2001 grew 7% year-on-year, accounting for 55% of Russian exports. At the same time the average price for exported gas grew 37% and gas export volumes decreased by 15%. By contrast, the average price for exported crude oil fell 3% while export volumes increased 7%.

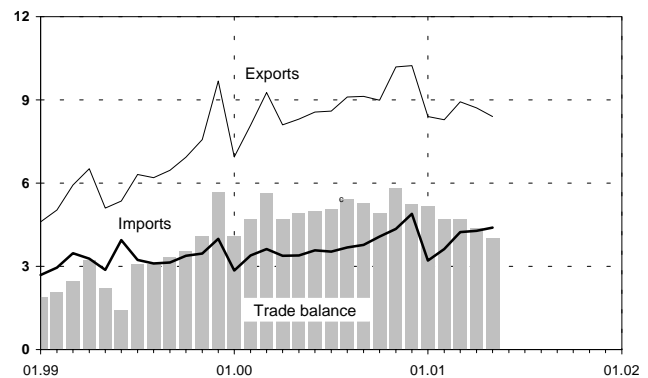
In January–May 2001 imports increased by 18% compared to the same period of 2000 and totalled \$19.8 bn. Imports from non-CIS countries accounted for 72% of total imports. Imports from outside the CIS grew 20% year-on-year and imports from the CIS by 13%.

In June–July the CBR published official data on the balance of payments in the first quarter and preliminary data on the first half of 2001. In the first quarter of 2001 the merchandise trade surplus reached \$14.5 bn, up 1% year-on-year. In the first half of 2001 the surplus was \$27.6 bn, down 5% year-on-year.

In the first quarter of 2001 the current account surplus totalled \$11.7 bn, down 2% year-on-year. In the first half it amounted to \$21.2 bn, down 7% year-on-year. One of the factors influencing the surplus was the deficit on the service account, which grew to \$4.4 bn in the first half of 2001 from \$3.6 bn in the first half of 2000.

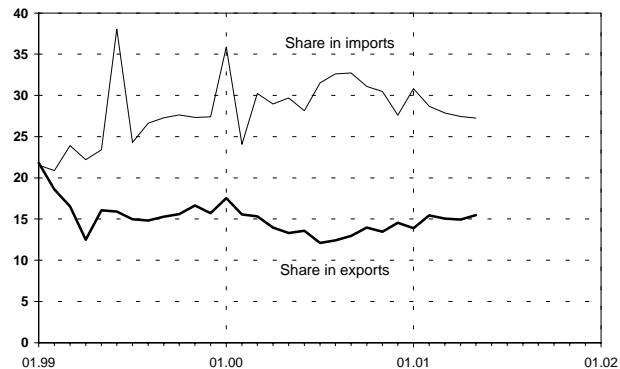
In the first quarter of 2001 FDI inflow amounted to \$0.5 bn and remained at the level of the same period

Merchandise exports and imports (\$ bn)



Source: CBR.

Share of CIS countries in foreign trade (%)



Source: CBR.

of 2000. FDI outflow was \$0.8 bn, up 14% year-on-year. Preliminary data show a 20% growth of FDI inflow in the first half of 2001.

Illegal capital outflow seems to have remained high. However, according to balance of payments data its growth may have slowed thanks to the relatively stable political and economic situation in Russia. Firstly, the increase in the stock of non-repatriated export proceeds and import advances remained at the level of the previous year: it was \$1.6 bn in the first quarter of 2001 and \$2.9 bn in the first half of 2001. Secondly, there was a considerable decrease in net errors and omissions, from \$2.1 bn in the first quarter of 2000 to \$1.5 bn in the first quarter of 2001. In the first half of the current year, however, errors and omissions grew to \$3.1 bn from \$2.8 bn a year earlier. The growth appears substantial, but estimates are preliminary and may be subject to revision.

In June Goskomstat published data on foreign investment in Russia in the first quarter of 2001. Goskomstat's methods of calculation and, consequently, foreign investment data are different from those in the balance of payments. According to Goskomstat, foreign investment into Russia rose 11% year-on-year in the first quarter of 2001, amounting to \$2.7 bn. Of that FDI accounted for \$1 bn or 35%, up 13% year-on-year.

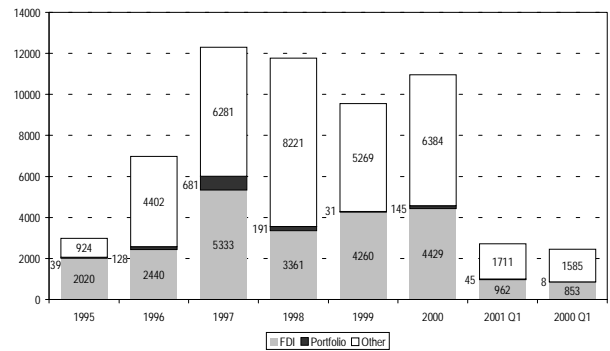
Foreign investment in Russian industry amounted to \$1.2 bn or 44% of the total. The biggest investors in Russia in the first quarter of 2001 were Cyprus with 17% of the total, the Netherlands (15%), the United States (14%), Britain (12%) and Germany (11%). Moscow was the main destination for foreign investment with \$1.1 bn or 40% of all investment.

Output of goods and services

According to revised data, the index of real gross output of the five base sectors of the economy, covering production of goods (industry, construction, agriculture) and goods-related services (freight transportation and retail trade) in June 2001 exceeded the average level of 2000 by 4.4% in seasonally adjusted terms, and was 4.2% higher than a year earlier. The real volume of construction works in June exceeded the average level of 2000 by 6.2% in seasonally adjusted terms and was 5.8% higher than a year earlier. Agricultural output in June was estimated to be 1.3% higher than in June 2000.

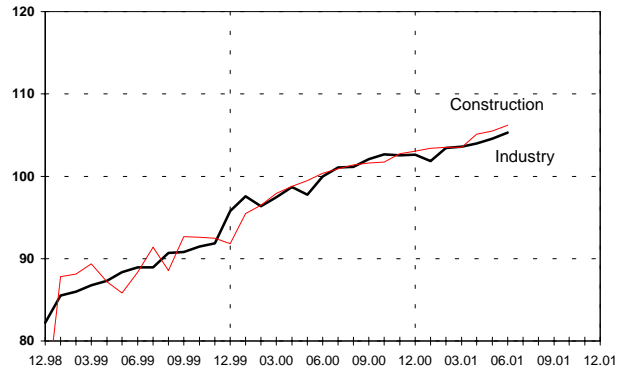
Goskomstat has substantially revised the index of industrial production from 1996, as a result of the switch from 1995 weights to 1999 weights. According to these revised data industrial production decreased 54.3% from 1989 to 1998 and then increased by 11.0% in 1999 and by 11.9% in 2000. As a result in 2000 industrial production was 43.2% lower than

Inflow of foreign investment to Russia (\$ mn)



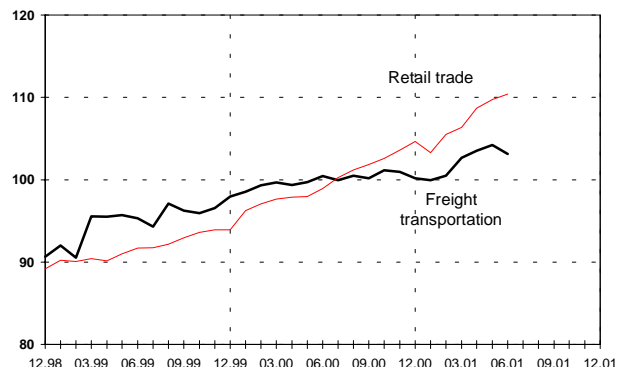
Source: Goskomstat.

Real gross output in industry and construction (2000 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

Real gross output in transportation and trade (2000 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

in 1989. As regards current trends, the new estimates show that industrial production resumed its growth from February 2001 after a small decline at the end of 2000 and start of 2001. In June industrial production was 5.3% higher in seasonally adjusted terms than the 2000 average.

In the services sector the highest rates of growth were in communications and retail trade. In May 2001 the real volume of communication services was 15.4% higher than a year earlier, and in June the real volume of retail trade was 11.6% higher than in June 2000. Another important trend was seen in freight transportation, which had remained approximately unchanged for almost a year, from March 2000 to February 2001. In Q2 2001 freight transportation turnover resumed its growth in seasonally adjusted terms, and in June 2001 was 2.6% higher than a year earlier.

Prices

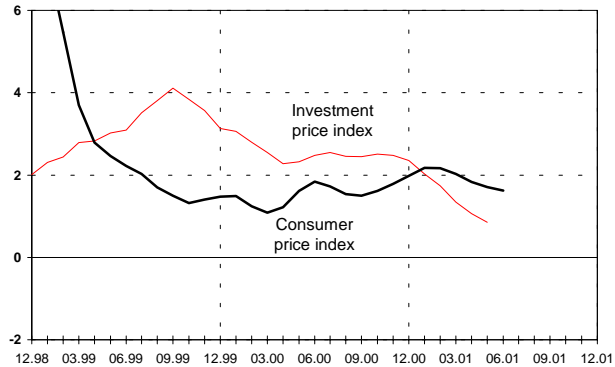
Consumer inflation has finally started to slow down. Rates of growth of the consumer price index decreased from 2.8% in January 2001 to 1.6% in June 2001. This reduction of inflation rates was partly due to seasonal factors, but also reflected some real deceleration of price growth. Namely, in June 2001 CPI increased much more slowly than in June 2000 (when it grew by 2.6%). As a result the 12-month rate of CPI growth decreased to 23.7% in June from 24.8% in April–May. Deceleration of price growth is even clearer in the investment sector: rates of growth of the investment price index decreased from 2.9% in December 2000 to 0.8% in May 2001. As a result in May 2001 the 12-month rate of growth of the investment price index was equal to 27.9%, only slightly above that of CPI.

Rates of growth of producer prices, which were gradually declining over the early months of 2001, experienced a new shock in June, when producer prices for natural gas were increased by 41%, and tariffs for natural gas pipeline transportation were raised. As a result PPI for the fuels sub-industry grew by 6.2%, and PPI for the industry as a whole increased in June by 2.0% (0.9% in May). Tariffs for pipeline transportation (including both oil and natural gas pipelines) grew by 18%, and freight transportation tariffs as a whole increased by 5.7% (2.6% in May). Step-like price increases in the natural monopoly sectors continue to destabilise the price system and provoke permanently high inflationary expectations.

Labour market

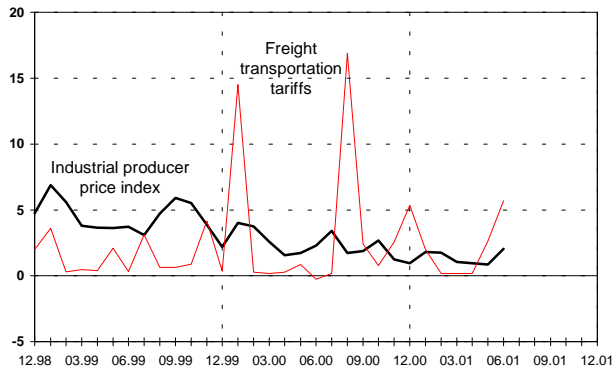
The situation in the labour market improved slightly in the second quarter, partly due to seasonal factors. The number of employees in June was estimated at

Monthly rates of growth of price indices for the components of final demand (%)*



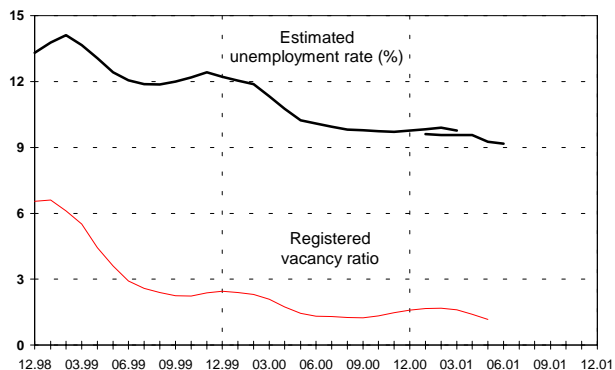
* 3-month moving averages.
Source: Goskomstat.

Monthly rates of growth of producer price indices (%)



Source: Goskomstat.

Unemployment indicators*



* Unemployment rate in 2001 is calculated according to the new improved methodology. Comparable data for 1999–2000 will become available later.
Source: Goskomstat and Federal Employment Service.

65 mn, practically the same as the beginning of the year. But the total number of unemployed in June was estimated at 6.6 mn, down from 6.9 mn in February, when the last labour survey was provided. As a result the overall unemployment rate was estimated to be equal to 9.2% in June compared to 9.6% in February. The number of officially registered unemployed decreased through April–June (from 1.1 mn at the end of March to 1.0 mn at the end of June), as did the total number of job seekers. At the same time the number of registered vacancies increased, lowering the vacancy ratio from 1.7 at the end of February to 1.2 at the end of May.

Real reported monthly accrued wages continue to grow more or less steadily, and in May–June 2001 they were about 16–17% higher than a year ago. At the end of June wage arrears stood at R33.7 bn, higher than at the beginning of the year (R31.7 bn). In fact over the first six months of 2001 wage arrears of the budget remained practically unchanged at R4.9 bn, while wage arrears of enterprises grew from R26.7 bn to R28.8 bn. Despite some overall growth of wage arrears the level of strike activity remains relatively low: in June 2001 only one strike was registered.

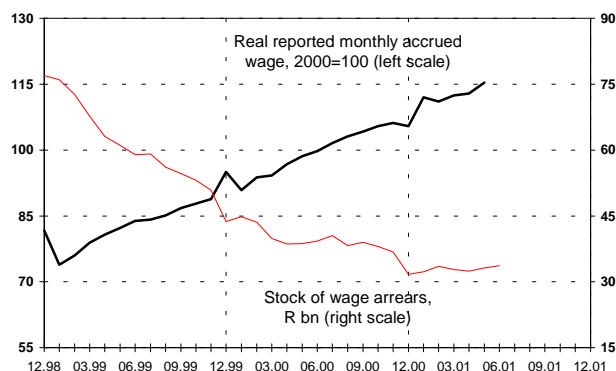
Money

The monetary sector was relatively calm in May. Monetary aggregates rose moderately with the rates of growth like in an arithmetic class: M0 – 1%; M2 – 2%; rouble deposits – 3%. Monetary base (MB) rose 4% in May and by 6% in June (June 4 – July 2). Following the pattern seen in April, the growth rate of MB in May exceeded that of M2. As a result the money multiplier (MM), calculated using the narrow definition of MB, decreased for the second month in a row. MM was 2.24 in May compared to 2.28 in April. Using the wide definition of monetary base (i.e. including excess reserves in addition to required reserves and cash outside the Central Bank), MM decreased to 1.66 in May from 1.69 in April.

Given the growing concern about aggravation of inflationary pressure in the economy, the decrease of MM can be regarded as a positive sign of contraction of excess money. In a further positive development, the limited set of instruments now available for sterilisation is due to be supplemented with CBR bonds. The deputy chairman of the CBR, Tatiana Paramonova, said that the CBR will issue bonds no later than the end of this summer. However, there are outstanding legislative obstacles to the issue, and it is not completely clear whether the instruments will be attractive to market participants.

The interbank market was more volatile in June compared to May. There were several splashes of demand for liquidity with the one-day actual credit

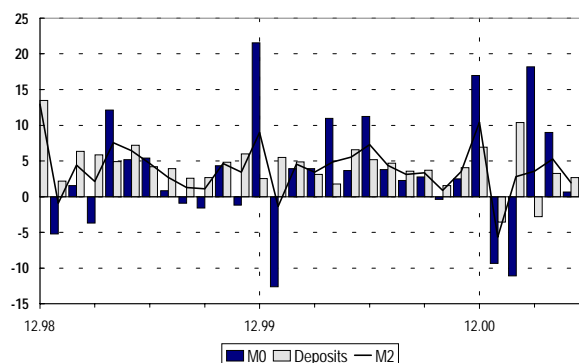
Real monthly wages* and wage arrears



* Seasonally adjusted index of real wages is based on price deflator for consumer expenditures.

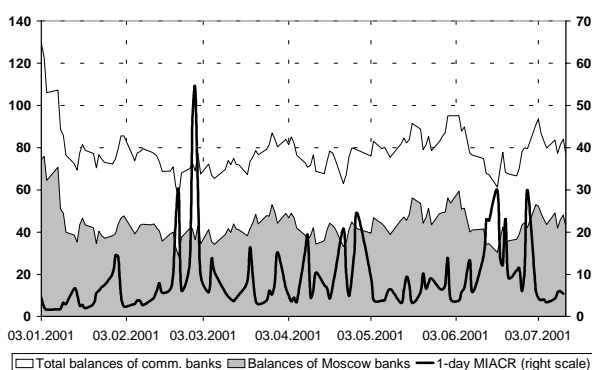
Source: Goskomstat and RET staff estimates.

Growth rates of M2 and its components (%)



Source: CBR, RET staff calculations.

MIACR 1-day interest rate and commercial banks' balances on correspondent accounts in the CBR (R bn)



Source: CBR, Denezhnyi Rynok.

rate (MIACR) reaching 30% on one occasion and balances of commercial banks at the CBR dropping to R61 bn on the same day (compared with an average monthly level of R76.5 bn). The deficit of roubles is partly explained by tax payments associated with the end of the quarter.

Exchange rate

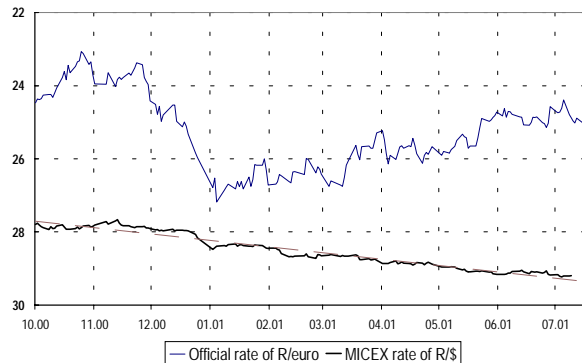
Liberalisation of foreign currency control is continuing. On July 20 the Federation Council approved a bill decreasing the repatriation requirement from current 75% to 50% of export revenues. However, it remains doubtful whether lowering of the requirement will trigger any change in hard currency supply. A number of exporters already enjoy the exemptions to the 75% rule that allow them to repatriate just 50% of revenues. Thus, adoption of the law along with removal of the exemptions may simply give additional legal grounding to the situation, which already exists on the forex market. The Russian Central Bank still strongly opposes the idea of further liberalisation. Viktor Gerashchenko expressed concern that reduction of repatriation requirements will result in a drastic decrease of Russia's international reserves. Currently the CBR continues to accrue international reserves in the absence of massive foreign debt payments and with oil prices (and thus export revenues) remaining quite high. The latest available figure for the level of gross international reserves was \$35.6 bn, recorded on July 13.

The rouble continues its gradual slide in nominal terms. June's average exchange rate was R29.11/\$ compared to R29.03/\$ in May. Announcement of currency liberalisation does not seem to have had any noticeable effect yet. However, in July the CBR allowed daily fluctuations of the exchange rate to exceed the previous implicit band of 2 kopecks. This was seen by some as a warning from the CBR of what may happen when repatriation requirements are reduced.

Financial markets

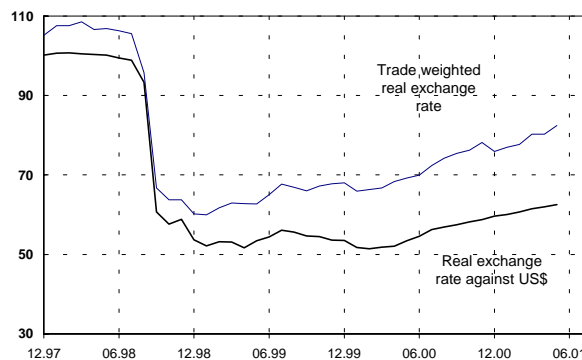
The temperature on Russian financial markets rose in June and July to meet the heat wave, which settled on Moscow soon after midsummer. Average daily volumes traded on the RTS in June were \$24.5 mn, up from \$20 mn in May and \$15 mn in April. Total volume traded on the RTS in June was \$490 mn, which is the largest monthly figure since the beginning of the year. The market reached its peak on June 22 when the index hit 227 points on volume of more than \$53 mn. The mood was helped by Standard&Poor's raising of Russia's credit rating to B at the end of June. However, negative factors started to play a role as oil prices declined, American stock markets entered their summer dormancy period and (worst of all) the situation in Argentina and Turkey

Rouble exchange rates



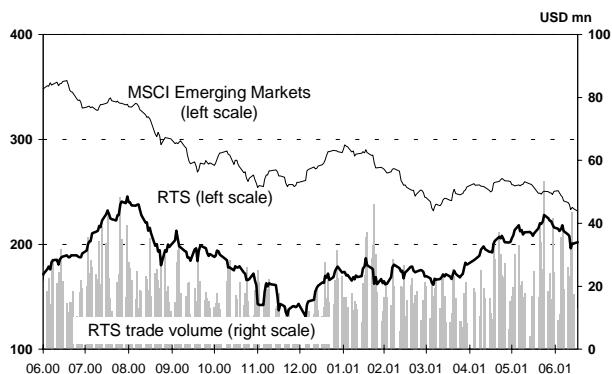
Source: MICEX, Denezhnyi Rynok, CBR.

Real exchange rate (Dec 1995 = 100)



Source: Denezhnyi Rynok, CBR, Bureau of Labour Statistics, Bundesbank, UEPLAC, RET staff calculations.

Main indicators of the Russian stock market

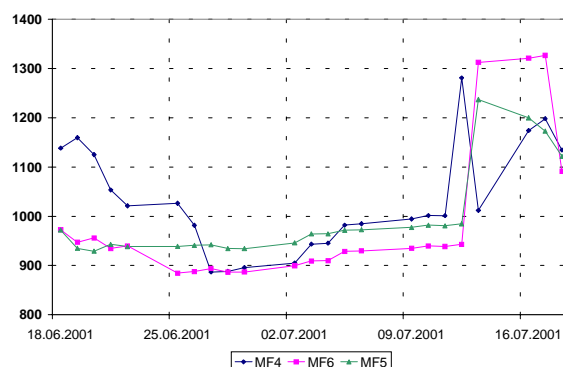


Source: RTS, Morgan Stanley Dean Witter.

again became critical. Negative external news took the upper hand and the stock market started declining on June 26. The index fell to 196.13 on July 11 on volume of almost \$33 mn.

Russian foreign currency debt paper suffered from the meltdown on emerging markets, caused by fears that Argentina may default on its debt. MinFin bonds fell sharply on July 12–13 when panic on emerging markets reached its peak and the EMBI+ index fell to 192.6 (its lowest level since November 2000). Russian bonds had already started to fall somewhat earlier, but they regained some ground thanks to an ensuing mild correction on emerging markets. Russia does not need to borrow on foreign markets at present, so the drop in prices is not too serious. On the other hand this could be a good moment to reduce debt burden by retiring part of the debt at relatively low prices.

Spreads of MinFin bonds to US Treasury bonds (bps)



Source: Raiffeisen bank.

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	2 741.1	95.1	1 339.9	95.5	407.1	88.0
1999	4 757.2	100.2	2 191.7	82.7	670.4	92.7
2000	7 063.4	108.6	2 911.4	91.0	1 165.2	108.8
01.1999			147.8	77.3	28.5	93.6
02			149.5	75.2	31.8	91.2
03	866.8	97.4	163.7	80.0	36.5	91.7
04			164.9	78.3	36.9	91.3
05			168.7	78.3	41.4	88.0
06	1 108.1	99.3	174.4	79.5	52.8	90.8
07			179.7	79.6	56.2	94.2
08			192.0	84.1	61.8	90.7
09	1 358.6	100.8	196.9	85.0	67.6	93.3
10			205.4	87.5	66.5	94.5
11			210.2	88.5	72.0	94.7
12	1 423.8	103.4	238.5	99.1	118.4	98.1
01.2000			204.9	83.2	46.1	101.1
02			202.8	81.5	55.8	106.1
03	1 461.4	106.2	218.6	87.3	63.9	106.3
04			218.0	86.3	64.5	106.5
05			220.5	85.8	75.8	107.6
06	1 641.9	107.8	229.1	86.9	95.7	109.1
07			236.9	88.3	99.0	110.2
08			255.3	94.2	112.9	111.3
09	2 004.0	109.7	258.9	94.3	118.3	111.8
10			267.6	95.4	114.6	111.8
11			276.4	97.1	123.1	112.4
12	1 956.0	110.4	322.5	111.5	195.5	111.4
01.2001			265.3	89.3	70.9	109.3
02			267.4	88.0	80.5	109.2
03	1 886.3	111.5	288.2	93.1	89.6	108.5
04			294.3	93.4	89.9	110.3
05			300.1	93.6	105.2	113.0
06					128.2	113.6
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* Series on consumption and investment differs slightly from SNA concept.

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

SA - seasonally adjusted.

Table 2: Industrial production

	Industrial production, total, SA*	Industrial production, total	Oil extraction, SAAL	Natural gas extraction, SAAL	Electricity production, SAAL	Coal production, SAAL
	(1997=100)	(R bn)	(mn t)	(bn cub. m)	(bn kWt/h)	(mn t)
1995	102.7	988.9	298	595	862	262
1996	98.0	1443.4	293	601	848	255
1997	100.0	1601.0	297	571	833	245
1998	94.8	1681.2	294	591	826	232
1999	105.2	3150.2	295	592	846	250
2000	117.8	4762.5	313	584	877	258
01.1999	100.7	187.6	294	595	829	244
02	101.2	197.8	289	587	826	240
03	102.2	238.7	293	603	851	247
04	102.8	236.6	294	602	853	248
05	104.0	225.9	295	604	840	242
06	104.7	246.7	296	593	849	247
07	104.7	256.8	296	584	841	255
08	106.8	272.8	296	587	848	259
09	106.9	291.7	295	587	859	256
10	107.7	308.5	295	581	840	255
11	108.2	321.6	297	591	857	252
12	112.8	365.5	300	588	858	255
01.2000	114.9	331.7	302	590	870	256
02	113.5	350.8	308	597	881	263
03	114.8	387.5	305	581	857	255
04	116.2	359.2	306	580	860	256
05	115.1	361.1	310	578	878	263
06	117.7	384.5	311	585	872	260
07	119.0	391.6	314	591	885	254
08	119.1	407.7	316	585	880	252
09	120.2	417.6	319	583	875	256
10	120.9	442.7	320	585	898	258
11	120.8	451.9	323	575	884	263
12	120.9	476.2	322	577	884	261
01.2001	120.0	436.4	322	580	883	261
02	121.8	430.2	320	572	888	260
03	122.0	482.0	326	585	872	270
04	122.5	467.2	328	583	893	259
05	123.2	468.1	333	577	866	269
06	124.0	477.5				
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* Based on year-on-year growth rates at prices of the previous year.

SA - seasonally adjusted, SAAL - seasonally adjusted annual level.

Table 3: Output by sector

	Gross agricultural output at constant prices, SA	Agricultural production, animal products, SA	Real volume of construction works, SA*	Area of dwellings completed, SAAL	Freight transportation turnover, SAAL	Freight carried by rail, SAAL
	(1997=100)	(1997=100)	(1997=100)	(mn sq. m)	(bn t-km)	(mn t)
1995	103.8	118.3	127.6	41.0	3 682	1 025
1996	98.5	105.3	106.8	34.3	3 513	909
1997	100.0	100.0	100.0	32.7	3 393	887
1998	86.8	98.2	95.0	30.7	3 281	834
1999	90.4	97.4	100.8	32.0	3 452	946
2000	94.9	97.4	112.4	30.3	3 625	1 047
01.1999	89.7	97.7	98.7	25.2	3 336	868
02	89.3	97.5	99.0	29.5	3 282	880
03	89.0	97.5	100.4	36.7	3 463	895
04	91.1	97.6	98.0	27.7	3 462	910
05	91.3	97.3	96.5	28.7	3 468	934
06	92.4	98.5	99.3	35.6	3 455	943
07	95.6	96.6	102.8	30.5	3 419	962
08	82.8	97.2	99.5	31.8	3 521	974
09	89.3	97.5	104.1	34.3	3 489	988
10	90.2	97.2	104.1	33.0	3 478	984
11	90.9	97.1	103.9	35.2	3 500	1 001
12	92.7	97.3	103.2	35.8	3 550	1 016
01.2000	93.5	96.0	107.3	30.9	3 572	1 002
02	94.6	98.6	108.4	32.5	3 600	1 077
03	94.6	97.5	110.1	28.0	3 614	1 037
04	94.1	97.2	111.0	32.1	3 601	1 029
05	94.3	97.4	111.8	33.1	3 615	1 038
06	94.0	97.3	112.8	29.6	3 641	1 065
07	95.1	97.4	113.4	30.6	3 623	1 027
08	99.1	97.5	113.9	30.3	3 642	1 034
09	95.7	97.4	114.2	29.3	3 631	1 046
10	95.2	97.6	114.3	29.9	3 667	1 055
11	94.7	97.6	115.5	28.9	3 658	1 093
12	93.6	97.6	115.8	28.4	3 631	1 057
01.2001	93.8	98.2	116.2	30.9	3 624	1 013
02	94.7	97.6	116.4	28.0	3 642	1 043
03	95.5	97.5	116.3	28.8	3 722	1 062
04	94.9	97.8	118.1	30.0	3 752	1 039
05	95.9	97.9	118.6	29.9	3 778	1 052
06	95.3		119.4	31.8	3 738	
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* Based on year-on-year growth rates at prices of the previous year.

SA - seasonally adjusted, SAAL - seasonally adjusted annual level.

Table 4: Trade

	Wholesale trade*	Real wholesale trade*	Retail sales**	Real retail sales**	Paid services, total, current prices	Real paid services, total
	(R bn)	(1995 = 100)	(R bn)	(1995 = 100)	(R bn)	(1995 = 100)
1995	106.5	100.0	553.5	100.0	113.0	100.0
1996	353.4	109.2	749.0	100.1	200.3	92.1
1997	500.6	120.8	866.1	103.7	269.5	95.5
1998	607.3	130.1	1056.4	100.3	318.5	94.5
1999	1 136.5	128.6	1782.8	91.0	447.4	101.3
2000	1 721.6	152.4	2332.1	99.0	615.7	107.7
01.1999	60.4	99.5	120.5	85.8	28.7	93.7
02	62.6	99.5	121.9	83.3	29.5	90.5
03	74.4	106.7	133.3	88.5	32.4	96.5
04	77.9	99.3	134.5	86.3	32.7	96.9
05	83.8	140.3	137.6	86.2	32.8	98.5
06	88.4	139.0	141.2	86.9	36.9	101.3
07	98.3	132.5	144.5	87.0	39.1	105.0
08	103.0	123.1	155.8	92.3	40.5	107.5
09	118.6	148.6	160.2	93.2	41.4	106.4
10	114.8	152.7	166.0	95.1	41.9	106.1
11	120.0	152.7	169.0	95.7	44.5	112.7
12	134.3	149.9	198.3	111.9	47.0	100.9
01.2000	110.3	130.4	167.1	91.2	39.9	100.3
02	120.6	141.0	165.5	89.6	39.7	93.7
03	134.8	145.2	177.1	95.3	43.8	100.3
04	126.7	124.0	175.5	93.4	44.6	102.3
05	132.1	170.8	177.1	92.8	46.1	106.6
06	144.7	176.6	182.5	93.8	50.9	110.5
07	146.1	153.5	187.0	95.0	54.7	115.3
08	152.8	143.8	201.4	101.3	57.2	118.8
09	152.3	152.1	205.6	102.0	56.9	113.6
10	159.8	169.4	213.8	104.0	58.0	112.9
11	162.1	163.5	219.2	105.2	59.5	119.1
12	179.3	159.0	260.3	124.1	64.4	99.0
01.2001	161.7	157.3	212.6	98.0	56.1	106.5
02	168.0	160.6	214.2	97.2	55.8	98.7
03	189.9	165.5	231.6	103.6	59.9	101.1
04	183.8	144.6	235.0	103.6	62.7	105.8
05	174.4	181.4	240.8	104.4	63.4	107.6
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*Wholesalers only, including exports.

** Including catering. Revised by Goscomstat in January 1999.

Table 5: Labour market

	Employment	Unemployment rate, ILO concept	Registered vacancy ratio*	Man-days lost in strikes	Nominal average monthly wage due**	Real average monthly wage due, SA***
	(mn)	(%)	(Ratio)	(th)	(R)	(Dec-97=100)
1995	66.4	8.5	6.1	1 366	472	86.0
1996	65.9	9.6	9.2	4 009	790	91.5
1997	64.7	10.8	7.6	6 001	950	95.7
1998	63.6	11.9	5.4	2 882	1 095	82.9
1999	64.0	12.6	3.6	1 790	1 581	64.6
2000	64.7	10.4	1.6	236	2 253	78.1
01.1999	63.2	13.8	6.6	577	1 167	56.9
02	63.2	14.1	6.1	532	1 199	58.4
03	63.5	13.7	5.5	83	1 385	60.6
04	63.8	13.1	4.4	15	1 423	62.1
05	64.2	12.4	3.6	15	1 472	63.3
06	64.5	12.1	2.9	6	1 626	65.0
07	64.6	11.9	2.6	6	1 618	65.1
08	64.6	11.8	2.4	5	1 608	65.9
09	64.4	11.9	2.2	99	1 684	67.3
10	64.3	12.1	2.2	228	1 716	68.2
11	64.1	12.3	2.4	42	1 789	69.5
12	64.0	12.2	2.5	184	2 283	73.4
01.2000	63.8	12.0	2.4	91	1 830	70.6
02	63.5	11.9	2.3	65	1 839	73.1
03	63.9	11.3	2.1	27	2 018	73.6
04	64.4	10.8	1.7	7	2 039	75.7
05	64.8	10.2	1.4	0	2 101	77.2
06	65.0	10.1	1.3	0	2 294	78.0
07	65.1	10.0	1.3	0	2 302	79.4
08	65.2	9.8	1.3	1	2 289	80.6
09	65.1	9.8	1.3	1	2 367	81.4
10	65.1	9.8	1.3	2	2 425	82.4
11	65.0	9.7	1.5	17	2 508	83.1
12	65.0	9.8	1.6	25	3 025	82.6
01.2001	64.9	9.6	1.7	4	2 733	87.4
02	64.8	9.6	1.7	12	2 655	86.4
03	64.8	9.6	1.6	0	2 964	87.5
04	64.8	9.6	1.4	1	2 923	87.6
05	64.9	9.3	1.2	1	3 054	90.2
06	65.0	9.2		0	3 304	91.0
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* Registered number of job-seekers per registered vacancy.

** 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	1 605.5	77.5	83.5	448.6	1044.0	39.1
2000	2 145.6	85.9	107.7	694.7	1210.4	33.7
01.1999	1 141.1	63.8	83.5	403.0		
02	1 277.4	68.7	83.5	403.1		
03	1 358.9	71.1	83.5	403.1	947.9	43.6
04	1 519.8	77.1	83.5	403.2		
05	1 463.9	72.7	83.5	451.6		
06	1 560.5	76.0	83.5	455.5	1057.1	40.7
07	1 572.7	74.5	83.5	455.7		
08	1 659.8	77.7	83.5	455.9		
09	1 665.6	76.9	83.5	456.1	1084.9	39.6
10	1 744.0	79.4	83.5	455.6		
11	1 792.8	80.7	83.5	519.2		
12	2 510.0	111.5	83.5	521.1	1085.9	32.5
01.2000	1 479.2	64.2	83.5	521.6		
02	1 798.0	77.3	83.5	612.5		
03	1 970.8	84.1	83.5	613.1	1137.7	41.2
04	2 005.3	84.9	83.5	613.2		
05	1 957.3	81.4	83.5	693.8		
06	2 168.0	88.0	83.5	693.9	1185.0	34.7
07	2 119.5	84.5	132.0	694.4		
08	2 219.8	87.6	132.0	750.0		
09	2 280.5	88.8	132.0	750.1	1234.0	31.8
10	2 239.4	85.4	132.0	748.9		
11	2 397.6	90.1	132.0	821.3		
12	3 111.7	115.0	132.0	823.4	1285.0	26.9
01.2001	1 964.7	70.7	200.0	824.2		
02	2 292.0	80.6	200.0	900.2		
03	2 545.8	87.9	200.0	916.4		
04	2 706.5	91.8	200.0	917.3		
05	2 601.2	86.7	200.0	1015.7		
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* New methodology for quarterly estimates since Q1 1999 .

Table 7: Financial performance of enterprises*

	Profits minus losses**	Overall liabilities	Overdue liabilities	of which: overdue payables to suppliers	Loans and bank credits	Current assets
	R bn	R bn	R bn	R bn	R bn	R bn
1995		574.3	249.6	122.3	91.4	
1996		1065.0	538.0	245.9	123.8	
1997		1453.0	782.2	344.7	164.7	
1998	0.4	2811.5	1309.2	586.0	514.0	2686.7
1999	579.0	3609.4	1445.3	619.5	708.6	3662.5
2000	1046.5	4479.9	1675.2	712.5	965.0	4894.6
01.1999	12.8	2865.4	1319.2	583.5	518.4	2620.4
02	30.6	2927.4	1372.0	597.7	540.1	2707.9
03	27.7	3110.4	1415.6	623.8	558.8	2986.5
04	44.4	3238.1	1454.6	640.6	586.8	3004.7
05	44.4	3283.1	1463.7	639.3	615.8	3084.5
06	43.4	3305.5	1490.3	654.1	605.8	3242.9
07	50.9	3391.0	1509.6	654.4	623.7	3248.0
08	50.5	3395.6	1528.7	658.7	614.9	3297.9
09	50.6	3503.0	1523.1	665.9	648.0	3435.7
10	54.8	3580.1	1541.9	665.0	674.7	3488.1
11	87.6	3605.1	1518.2	694.4	694.2	3566.8
12	81.3	3609.4	1445.3	619.5	708.6	3662.5
01.2000	59.9	3550.8	1449.9	615.5	706.4	3582.5
02	85.6	3804.4	1580.0	685.0	740.8	3831.7
03	89.3	4042.5	1676.8	729.0	736.2	4070.0
04	75.4	4115.6	1701.9	728.4	778.8	4146.5
05	95.7	4118.4	1704.6	747.8	786.6	4203.5
06	69.5	4234.0	1713.1	748.0	804.7	4386.6
07	111.7	4311.6	1747.4	766.1	834.0	4444.3
08	86.6	4263.6	1732.2	765.9	839.1	4523.8
09	85.5	4442.3	1741.4	750.8	889.2	4737.8
10	99.9	4472.6	1724.5	748.4	906.2	4768.9
11	109.0	4490.0	1708.4	742.7	925.8	4824.7
12	78.5	4479.9	1675.2	712.5	965.0	4894.6
01.2001	110.0	4994.1	1689.2	732.8	1237.2	5232.5
02	99.0	5194.1	1735.4	739.9	1274.6	5376.4
03	81.7	5388.4	1736.1	748.0	1324.0	5752.8
04	100.0	5498.0	1763.1	760.1	1380.0	5808.2
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* Large and medium enterprises. Pre 1998 series include data for industry, construction, transport and agriculture.

From 1998 series include also communications, trade and catering, wholesalers, housing, 'other' sectors, and tourism since 2000.

** Excluding agriculture

Table 8: Prices (end of period)

	Consumer price index, total	Consumer price index, food & beverages	Consumer price index, non-food goods	Consumer price index, paid services	Composite producer price index	Industrial producer price index
	(Dec-97=100)	(Dec-97=100)	(Dec-97=100)	(Dec-97=100)	(Dec-97=100)	(Dec-97=100)
1995	74.0	77.9	78.5	55.0		74.1
1996	90.1	91.7	92.5	81.6		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
2000	302.5	314.1	329.1	211.9	263.1	271.3
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	234.8	249.5
08	283.4	295.5	308.3	195.1	241.4	253.8
09	287.2	297.3	314.6	200.5	246.5	258.5
10	293.2	303.7	320.5	205.3	253.2	265.4
11	297.6	308.2	325.2	208.6	257.9	268.8
12	302.5	314.1	329.1	211.9	263.1	271.3
01.2001	310.9	323.7	333.7	221.7	268.5	276.2
02	318.0	331.0	338.0	231.3	273.8	281.1
03	324.0	337.0	342.2	239.3	277.0	284.1
04	329.7	343.6	345.2	245.9	280.5	286.8
05	335.5	351.5	348.2	250.3	283.2	289.3
06	340.9	358.3	350.1	256.7		295.2
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Table 9: Foreign Trade

	Exports total*	Export of oil & oil products	Export of natural 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	75.8	18.8	11.4	39.7	9.9	36.1
2000	105.5	36.1	16.6	44.9	10.6	60.6
01.1999	4.6	0.9	1.3	2.7	0.9	1.9
02	5.0	0.8	1.0	3.0	0.9	2.0
03	6.0	1.1	0.9	3.5	1.0	2.5
04	6.5	1.4	0.7	3.3	1.0	3.2
05	5.1	1.4	0.7	2.9	0.7	2.2
06	5.4	1.5	0.7	4.0	0.8	1.4
07	6.3	1.6	0.7	3.2	0.7	3.1
08	6.2	1.9	0.7	3.1	0.7	3.1
09	6.5	1.7	0.7	3.1	0.7	3.4
10	6.9	2.0	1.1	3.4	0.7	3.5
11	7.6	2.0	1.3	3.5	0.8	4.1
12	9.7	2.4	1.5	4.0	1.0	5.7
01.2000	7.0	2.2	1.6	2.9	0.4	4.1
02	8.1	2.6	1.5	3.4	1.0	4.7
03	9.3	2.8	1.6	3.7	0.9	5.6
04	8.1	2.4	1.2	3.4	0.8	4.7
05	8.3	3.4	1.2	3.4	0.8	4.9
06	8.6	3.4	1.1	3.6	0.9	5.0
07	8.6	3.3	1.2	3.6	0.8	5.0
08	9.1	3.3	1.1	3.8	0.9	5.3
09	9.0	3.2	1.2	3.7	0.9	5.3
10	9.0	2.9	1.4	4.1	0.9	4.9
11	10.2	3.7	1.7	4.4	1.0	5.8
12	10.2	2.8	1.8	4.9	1.3	5.3
01.2001	8.4	2.7	2.0	3.2	0.7	5.2
02	8.3	2.7	1.7	3.6	0.9	4.7
03	8.9	2.9	1.7	4.2	1.0	4.7
04	8.7	2.8	1.4	4.3	1.0	4.4
05	8.5	3.2	1.4	4.4		4.1
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* Balance of payments methodology.

Table 10: Balance of payments (\$ mn)

	1998	1999	2000	2000	2000	2000	2000	2001
				Q1	Q2	Q3	Q4	Q1
Current Account	687	24731	46317	11901	10942	10552	12923	11712
<i>Trade balance</i>	12813	31845	52985	12832	12565	13396	14192	12501
Export	87257	84733	115197	26173	27357	29653	32014	27500
Import	-74443	-52763	-62213	-13341	-14793	-16257	-17822	-14999
<i>Merchandise trade balance</i>	16869	36129	60703	14384	14630	15601	16089	14515
Export	74884	75666	105565	24364	25009	26728	29464	25594
Import	-58015	-39537	-44862	-9980	-10379	-11127	-13375	-11079
<i>Service balance</i>	-4056	-4284	-7719	-1552	-2066	-2205	-1897	-2014
Export	12372	9067	9632	1809	2348	2925	2550	1907
Import	-16428	-13351	-17351	-3361	-4414	-5129	-4447	-3921
<i>Income and Wages</i>	-11790	-7716	-6736	-992	-1716	-2803	-1225	-719
Received	4301	3881	4753	2510	718	713	812	2726
Paid	-16091	-11597	-11489	-3502	-2434	-3517	-2037	-3445
Wages	-164	221	268	55	59	69	85	90
Received	301	425	500	103	116	129	152	161
Paid	-465	-204	-232	-48	-57	-61	-67	-71
Income	-11626	-7937	-7004	-1047	-1775	-2872	-1310	-809
Received	4000	3456	4253	2407	602	584	659	2566
Paid	-15626	-11393	-11257	-3454	-2378	-3456	-1970	-3374
<i>Current Transfers</i>	-337	601	69	61	94	-41	-44	-70
Received	308	1183	807	220	251	153	183	212
Paid	-644	-582	-738	-159	-157	-194	-228	-283
Capital Account	8397	-17750	-37050	-9825	-10183	-7752	-9290	-10207
<i>Capital transfers (net)</i>	-382	-328	10955	22	-39	10976	-4	-105
<i>Direct investments abroad</i>	-1270	-1963	-3208	-692	-466	-980	-1071	-818
<i>Direct investments into Russia</i>	2761	3309	2714	536	469	661	1048	525
<i>Portfolio investments abroad</i>	-257	254	-380	37	9	-292	-135	305
<i>Portfolio investments into Russia</i>	8876	-1199	-9923	583	-1530	-8541	-435	-109
<i>Other investment - assets</i>	-15907	-15271	-17043	-6675	-2009	-2815	-5545	-7073
Hard currency	824	921	-321	-27	439	289	-1022	-807
Bank accounts and deposits	1200	-3909	-3666	-1476	-647	-603	-940	-1915
Trade credits	-6818	-5503	-4179	-687	-178	-866	-2448	543
Loans provided (not overdue)	5345	4855	5365	1622	977	400	2367	-269
Overdue payments	-7425	-5809	-7488	-3812	-694	-869	-2114	-2726
Liabilities on shipments under intergovernmental agreements	-737	-305	-511	-596	-276	666	-305	190
Non-repatriated export revenue	-7959	-5051	-5293	-1598	-1266	-1513	-915	-1623
Other assets	-339	-471	-950	-101	-362	-319	-168	-465
<i>Other investment - liabilities</i>	9322	-598	-4172	-627	-346	-2941	-258	-1007
National currency	65	3	155	23	42	35	55	22
Bank accounts and deposits	-3050	162	725	148	-326	497	406	249
Trade credits and advances	321	290	0	0	0	0	0	0
Loans received (not overdue)	7325	-2880	-3603	-1151	-1260	-596	-596	-1507
Overdue payments	5315	2027	-1637	297	1116	-2862	-187	353
Other liabilities	-654	-201	187	56	82	-14	64	-124
<i>Adjustments</i>	-50	-176	17	92	-52	158	-182	-95
<i>Net international reserves</i>	5305	-1778	-16010	-3102	-6219	-3979	-2710	-1830
Errors and omissions	-9084	-6980	-9267	-2076	-759	-2799	-3633	-1505

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	-5.5
1996	253.8	218.7	427.1	124.5	-173.3	-8.1
1997	311.6	262.1	494.8	117.8	-183.2	-7.4
1998	273.0	236.0	407.2	106.8	-134.2	-4.9
1999	597.5	505.0	662.8	162.6	-65.3	-1.4
2000	1127.5	965.4	965.0	172.3	162.5	2.3
01.1999	27.5	24.6	39.1	10.6	-11.6	
02	54.3	48.7	71.9	18.1	-17.6	
03	88.6	80.1	128.3	30.8	-39.7	-4.6
04	133.4	119.3	177.7	41.6	-44.3	
05	172.7	152.9	231.2	61.1	-58.5	
06	225.5	195.2	291.0	80.3	-65.5	-3.0
07	280.8	242.9	347.4	99.5	-66.6	
08	332.9	285.8	399.5	109.4	-66.6	
09	383.8	326.0	451.7	117.5	-67.9	-1.7
10	441.8	375.6	502.8	124.2	-61.0	
11	508.7	433.0	567.9	139.1	-59.2	
12	597.5	505.0	662.8	162.6	-65.3	-1.1
01.2000	64.9	56.8	44.4	15.7	20.5	
02	138.3	122.7	102.4	27.1	35.9	
03	221.8	196.2	182.5	40.1	39.3	2.7
04	314.0	277.1	248.9	52.7	65.1	
05	415.5	365.2	327.6	70.9	87.9	
06	507.7	443.2	402.0	93.7	105.7	3.2
07	596.1	520.1	462.9	108.5	133.2	
08	693.0	600.4	546.1	127.5	146.9	
09	783.1	678.7	622.2	145.6	160.9	2.7
10	880.3	761.9	703.2	153.0	177.1	
11	990.6	853.0	799.4	164.9	191.2	
12	1127.5	965.4	965.0	172.3	162.5	2.1
01.2001	94.6	88.9	38.5	18.9	56.1	
02	200.1	186.5	143.2	65.7	56.9	
03	318.0	296.9	235.7	88.4	82.3	4.4
04	451.9	420.2	329.2	94.6	122.7	
05	585.4	543.7	436.4	112.1	149.0	
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* Data since 1999 according to Economic Expert Group methodology.
Monthly data are cumulative.

Table 12: Consolidated regional and local budgets (Treasury report 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	-0.6
1996	321.2	254.3	342.8	88.6	-21.6	-1.0
1997	410.4	329.0	446.9	106.0	-36.5	-1.5
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
2000	1052.6	742.2	1018.7	198.9	33.9	0.5
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	0.2
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	0.3
07	297.4	227.6	288.5	51.4	8.9	
08	356.7	274.0	345.5	63.6	11.2	
09	410.9	314.0	400.6	75.2	10.4	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	0.7
07	505.7	370.2	478.0	89.7	27.7	
08	602.1	444.0	565.1	109.2	37.0	
09	682.3	503.5	642.3	126.5	40.1	0.7
10	765.1	562.3	720.9	143.9	44.2	
11	881.0	645.7	822.9	165.1	58.1	
12	1052.6	742.2	1018.7	198.9	33.9	0.4
01.2001	75.2	43.4	56.0	13.4	19.2	
02	150.1	89.5	130.3	27.7	19.8	
03	245.9	152.5	225.2	46.8	20.7	1.1
04	365.7	230.8	332.9	64.9	32.7	
05	502.1	323.3	444.7	83.4	57.4	
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* Data since 1999 according to Ministry of Finance methodology.
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	0.0	266.5	704.7	n.a.
2000	519.6	16.0	88.6	419.3	1144.3	184.2
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	0.0	212.8	597.4	n.a.
10	269.0	-5.0	0.0	222.0	625.1	n.a.
11	267.1	-4.7	0.0	219.3	646.6	n.a.
12	324.3	-3.2	0.0	266.5	704.7	n.a.
01.2000	296.5	-2.1	0.0	232.9	695.0	258.5
02	306.0	-0.9	0.0	242.0	726.6	253.9
03	318.9	1.3	0.0	251.5	751.4	255.9
04	349.6	3.3	0.0	279.1	787.9	256.8
05	361.4	5.8	0.0	289.3	831.6	255.9
06	397.2	7.5	194.9	321.8	892.2	258.3
07	415.7	10.2	139.5	334.0	931.2	255.1
08	425.0	11.3	118.7	341.6	960.1	259.2
09	437.6	12.7	95.9	351.0	992.4	247.3
10	446.0	13.8	74.5	349.7	1001.2	235.6
11	457.1	15.7	33.5	358.4	1036.4	229.7
12	519.6	16.0	88.6	419.3	1144.3	184.2
01.2001	488.0	16.8	35.1	380.1	1079.3	175.1
02	494.7	16.7	44.9	338.0	1109.7	180.2
03	499.6	18.4		399.4	1149.5	185.7
04	531.1	20.4		435.4	1210.0	189.5
05	550.0	22.5		438.3	1233.7	191.7
06	583.1					195.4
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Source: CBR.

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

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

NDA is calculated using 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.

*** 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 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
2000	2259.4	526.0	867.1	304.2	420.1	249.0
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	1940.3	440.2	649.5	275.3	375.9	215.3
08	1985.8	489.3	688.8	280.9	371.7	214.5
09	2080.6	498.9	737.5	286.5	404.5	231.3
10	2140.6	516.7	769.5	289.4	423.2	221.7
11	2197.6	520.5	818.7	301.0	428.3	230.4
12	2259.4	526.0	867.1	304.2	420.1	249.0
01.2001	2295.7	527.5	880.7	314.2	445.1	248.6
02	2405.7	538.1	922.3	323.8	509.8	245.3
03	2447.6	546.9	944.0	334.3	486.2	261.8
04	2472.0	561.3	989.2	347.3	477.1	256.4
05	2543.2	567.0	1022.7	355.2	496.4	263.7
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Source: CBR, Goskomstat.

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

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

	CBR refinance rate*	Lending rate**	Deposit rate**	Overnight inter-bank rate	GKO average secondary market yield, all maturities	RTS index, monthly average (01.09.95 = 100)
	(%)	(%)	(%)	(%)	(%)	
1995	185	320.3	102.0	190.4	161.8	80.9
1996	110	146.8	55.1	47.6	85.8	160.3
1997	32	32.0	16.8	21.0	26.0	427.9
1998	60	41.5	17.1	50.6	n.a.	277.6
1999	57	40.1	13.7	14.8	n.a.	106.9
2000	32					199.5
01.1999	60	44.8	24.2	28.1	n.a.	57.4
02	60	44.0	22.8	20.4	33.4	67.5
03	60	47.5	18.9	20.7	30.7	81.3
04	60	44.1	14.6	15.2	27.4	79.9
05	60	44.7	14.7	7.1	20.2	96.7
06	55	32.1	11.0	8.4	16.0	116.3
07	55	39.0	12.6	9.0	n.a.	135.5
08	55	38.6	8.8	9.3	n.a.	107.2
09	55	37.9	9.7	18.2	n.a.	93.3
10	55	37.0	9.0	16.1	n.a.	95.0
11	55	38.8	9.4	13.2	n.a.	113.7
12	55	32.1	8.5	11.8	n.a.	130.7
01.2000	45	33.8	13.4	11.8	n.a.	189.8
02	45	31.2	7.9	11.3	n.a.	179.7
03	33	29.5	7.6	6.5	17.2	219.9
04	33	29.1	5.4	11.1	14.9	217.9
05	33	25.3	7.3	7.6	11.4	200.2
06	33	22.8	7.1	5.1	13.1	187.6
07	28	22.5	6.4	3.4	12.9	185.8
08	28	21.2	5.1	4.6	10.3	225.2
09	28	20.2	4.6	3.3	10.6	210.4
10	28	19.9	4.5	5.2	11.3	195.0
11	25	18.2	4.6	8.5	12.2	174.3
12	25	18.1	4.2	7.3	12.8	148.5
01.2001	25	18.5	3.3	5.4	8.1	165.9
02	25	19.1	3.9	12.1	n.a.	172.0
03	25	18.7	3.7	8.3	11.8	172.9
04	25	17.4	3.5	9.0	13.1	166.0
05	25	18.1	4.8	6.9	12.4	203.7
06	25			13.2	13.4	217.8
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Source: CBR, RTS

* Period average except monthly CBR refinance data, which is for end of month (annual is annual average).

** Data prior to January 1997 are not compatible with current methodology. From 1998 data on lending rate are 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
2000		28.145	28.163	71.5	28.0	3.7
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	74.2	23.7	3.4
09	157.9	27.809	27.835	75.4	25.0	3.5
10	152.2	27.864	27.824	76.2	25.9	3.5
11		27.811	27.891	78.1	27.7	3.6
12		27.940	28.163	75.9	28.0	3.7
01.2001		28.382	28.404	77.0	29.6	3.7
02		28.603	28.622	77.7	28.3	3.8
03		28.684	28.743	80.2	29.7	3.8
04		28.852	28.830	80.3	31.7	3.8
05		29.033	29.143	82.4	33.6	3.8
06		29.113	29.065		35.1	3.8
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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 for US, 40% for Germany, and 20% for Ukraine.

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