

17 SEPTEMBER 2001

# **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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under the Government of the Russian Federation

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Russian Economic Trends is written by a team of Russian and EU economists at RECEP. The RECEP project, one of the largest in the Tacis programme of the European Commission, is managed by UPMF, Grenoble (Université Pierre Mendès France) and partners: CERT (Centre for Economic Reform, Heriot-Watt University, Edinburgh), ETLA (The Research Institute of the Finnish Economy, Helsinki) and OTAC (Oppenheimer Technical Assistance Consultants, Blackmoor)

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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.

# RECENT DEVELOPMENTS IN THE RUSSIAN ECONOMY

## **Economic growth firming**

Russia's macroeconomic development became more robust during the summer on a number of fronts, and positive trends observed in the spring were reinforced. Problems remain, but the fundamentals of the domestic economy are decidedly stronger than in the early months of the year. Growth of overall production has accelerated during recent months from the year-on-year growth rate of 4.9% that was registered for the first quarter of the current year. The index of the five base sectors of the economy (industry, construction, agriculture, freight transportation and retail trade), which can be used as a proxy for GDP, was up 6.1% year-on-year in real terms in July 2001. This is one of the fastest year-on-year improvements registered so far in 2001. However, growth of the main component of the index, industrial production, is still slow. In July 2001 it amounted to only 2.9% year-on-year. The fastest growth is in retail trade and construction.

A worrying feature of the real sector of the Russian economy during the current year has been the significant deceleration in growth of fixed investment compared with 2000. There was some acceleration in the spring and summer, but the rates remain significantly below those registered in 2000. In July 2001 real fixed investment was 7.8% higher than a year earlier. A significant share of investment is being carried out in the energy sector and transportation (the latter largely related to energy transportation). It is a source of serious concern that the growth in investment during the past couple of years has been entirely due to investment in these two sectors, while in all the other sectors of the economy taken together real investment has even declined as compared with H1 1998. It therefore seems that the benefits of high oil prices have not been diffused to other sectors of the Russian economy.

In the enterprise sector, certain positive tendencies continue to strengthen, but there are also negative signs. Business surveys show that the use of barter and other non-monetary means of payment continue to decline in favour of money-based transactions, and the share of cash in enterprise payments is well above 70%. However, the share has stayed at roughly the same level for some time already. That points to serious structural problems due to lack of restructuring of enterprises, which is hampering further decline in the share of non-monetary forms of payment. Goskomstat data testify to a declining share of overdue liabilities in total liabilities of enterprises, hence implying improved financial conditions and/or enhanced payment discipline. Also stocks of finished products recently started to decline. On the other hand, aggregate nominal profits of enterprises in the first half of the current year stayed largely unchanged from a year earlier, which indicates their decline in real terms. And wage arrears of the enterprise sector have been increasing.

There has been some improvement in the labour market. In July the number of registered job vacancies equalled the number of registered job seekers for the first time since 1992. But the improvement of the situation since spring is due to an increase in the number of job vacancies rather than to a decline in the number of unemployed. The increase in vacancies is a healthy sign of increasing enterprise activity. However, the fact, that the number of job seekers has not declined may suggest that qualifications of job seekers are not meeting employers' requirements.

The banking sector is still a weak link in the development of the Russian economy, and developments here are also mixed. Although the sector is growing robustly and attracting financial resources, it is still not adequately serving its basic function of transforming savings into investment financing. Households are regaining their confidence in banks, and household deposits are growing in real terms, even though they carry negative real interest rates. Also the maturity of deposits is gradually lengthening. As to the banks' asset side, enterprises are increasingly taking bank credits, but not primarily for investment purposes. This is reflected in the fact that the share of long-term loans in bank credits to enterprises is low and has even declined during the past 12 months.

## **The terrorist attack in the US – possible effects on the Russian economy**

A significant slow-down of the world economy has been taking place during the current year, and any unexpected catastrophes are bound to aggravate the situation. However, after the first shock waves from the terrorist attack in the US have passed – and provided that no major international conflict emerges – the effects of the catastrophe on the world economy may not be that grave. The effects of the attack will mainly come through changes in the behaviour of economic agents both in the US and rest of the world. One probable consequence is a more cautious attitude by investors and consumers, which would further reduce investment growth and raise savings rates, adding to the slowdown by the world economy. Changed expectations have already affected interest rates and stock prices, but the situation has calmed after the first panic reactions.

The Russian economy is linked with the international economy mainly through energy and raw-material exports. Excluding these sectors, the Russian economy is relatively isolated from world markets. Hence, the effects of the US outrages will impact Russia mainly through developments in world energy and raw-material markets. The deceleration of world economic growth squeezes demand for these products and adds to downward pressure on their prices. Unlike several other industrialised countries, Russia may receive a benefit from international uncertainty in the form of possibly higher world-market prices for energy and raw materials. The combined effect on Russia of demand and price trends depends on political and economic developments in the days and weeks to come.

### **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	-4.5	2.0	-5.2	11.0	11.9	4.5	July
Fixed investment	-18.0	-5.0	-12.0	5.3	17.4	7.8	July
Inflation (end of period)	21.8	11.0	84.4	36.5	20.2	20.8	Aug
M2 (end of period)	30.0	29.5	36.3	57.2	62.4	42.8	July
Unemployment rate (ILO, %)	9.6	10.8	11.9	13.7	10.5	8.3	July
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

*Source: Goskomstat, CBR, Ministry of Finance.*

# ECONOMIC TRENDS

## Aggregate demand

In summer 2001 the growth of major components of domestic demand continued, though at a lower rate than in April–May. Real consumer expenditures (a proxy for households' consumption), grew by 0.2% on average in June–July in seasonally adjusted terms. As a result real consumer expenditures in July were 8.7% above their average 2000 level and 7.9% higher than in July 2000 (see HOUSEHOLDS).

Seasonally adjusted real gross fixed investment (a proxy for gross fixed capital formation), which sharply increased in April–May, in July was 9.3% above its average 2000 level and 7.8% higher than in July 2000, i. e. had practically the same 12-month rate of growth as the real consumer expenditures.

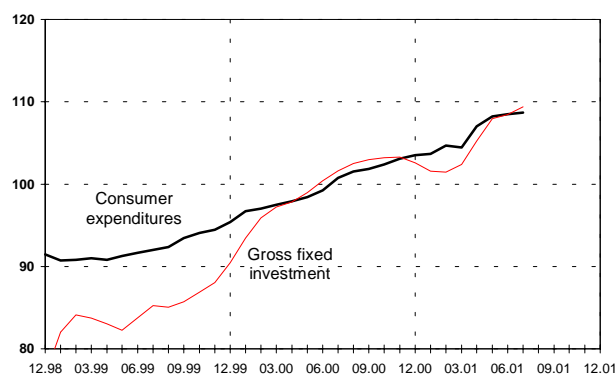
Growth of gross fixed investment strongly depends upon the investment in fuels and transportation industries (the last is also mainly connected with fuels pipeline transportation), which in Q2 2001 constituted 46% of total investment. The overall growth of real fixed investment in 1999–2001 was completely attributed to the investment in fuels and transportation, while investment in all other sectors remained stable or even slightly declined. For example, in H1 2001 the total volume of real gross fixed investment was 21% higher than in H1 1998. But this overall increase was achieved exclusively because of the growth of investment in fuels and transportation, which grew by 132% over this period. And the real volume of investment in all other sectors of the economy in H1 2001 was actually 10% lower than in H1 1998.

## Households

In July 2001, changes in consumer finance were in line with second quarter patterns. Wages and pensions were the major contributors to income growth. Compared to July 2000 they increased in constant prices by 18% and 20% respectively. Over 12 months real personal income corrected to account for inflation by the consumer expenditures deflator increased by 9.1%, or 10.5% if corrected by CPI. The faster growth of the deflator reflects slight changes in the consumer basket toward more expensive goods and services. Annual growth of consumer expenditures was about 8%. Purchases of food goods grew by 8%. The volume of paid services did not change from July 2000 to July 2001. Sales of non-food goods increased by 12%.

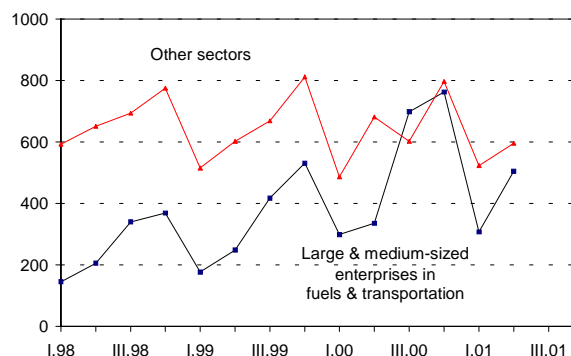
Goskomstat did not offer official estimates of poverty in Russia during the first half of 2001. RET staff made estimates of subsistence-level income accord-

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



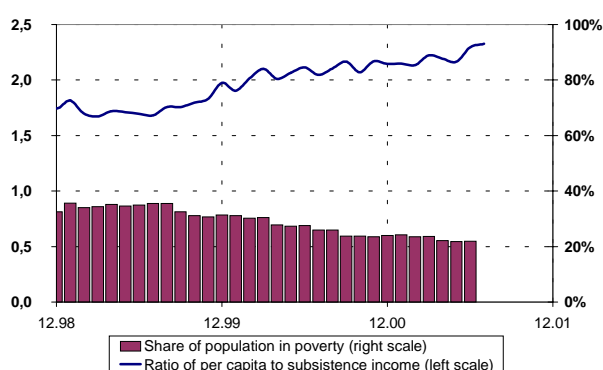
Source: Goskomstat and RET staff estimates.

## Gross fixed investment at constant prices by sector (R bn 2000)



Source: Goskomstat and RET staff estimates.

## Poverty indicators (seasonally adjusted)



Source: RET staff estimates.

ing to the old definition (Goskomstat changed the methodology 20 months ago) and of the share of the population with income below this level. According to these estimates the poverty level in July 2001 was R1287 compared to R1302 in June and R1079 in July 2000. In the second quarter of 2001 about 22% of the population lived in poverty (down from 28% a year earlier).

The Consumer Sentiment Index (CSI) continued its growth in July 2001, with the expectations component coming close to its record level observed in May 2000. Anticipated improvements in personal finance in a year's time were the most important contribution to the expectations component. In July 2001 for the first time since observations started in 1993, less than a third of respondents considered conditions for buying durable goods as unfavourable.

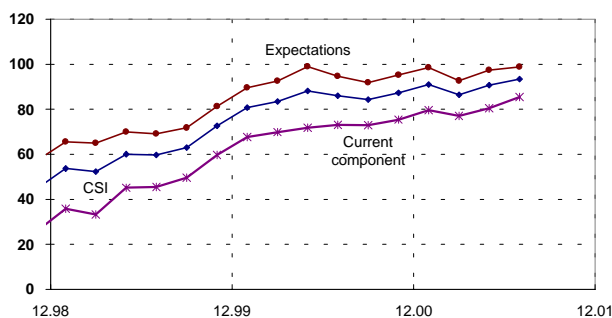
### Government budget

Federal budget revenues in January–July 2001 amounted to R847 bn (42% more in nominal terms than for the same period of the previous year) and expenditures to R679 bn (47% more than the same period of 2000). At the same time, consolidated budget revenues were R1428 bn and expenditures R1219 bn. According to preliminary data of the Ministry of Finance, federal budget revenues in August were R133 bn and expenditures R144 bn. The budget deficit was therefore R11 bn. According to the Ministry of Finance, taking into account the August preliminary budgetary figures, the surplus of the federal budget in January–August is estimated to have equalled 1.5% to GDP.

Federal government continues to maintain revenue collection at a higher level than required by the budget law. In January–July federal government revenue collection was as much as 71% of total revenues set by the budget law for the whole of 2001 while non-interest expenditures were 57% and interest expenditures 59% of the planned annual level, which is close to the schedule in the budget law. The good revenue record is largely thanks to export oil prices, which have remained at higher levels since the start of the year than were foreseen in the budget law.

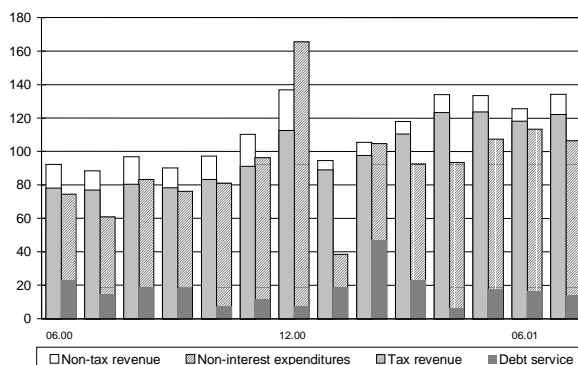
Budget revenue in real terms in August was higher than 12 months previously, and was near to the monthly average for the current year but less than in recent months. It was 16.9% to estimated GDP against 18.9% and 18.7% in April and May, respectively. The spring rise in revenue collection is a seasonal development reflecting the fact that Russian fiscal legislation requires companies to submit annual financial reports by the end of Q1, so that taxpayers have to pay part of their fiscal liabilities for

### Components of Consumer Sentiment Index



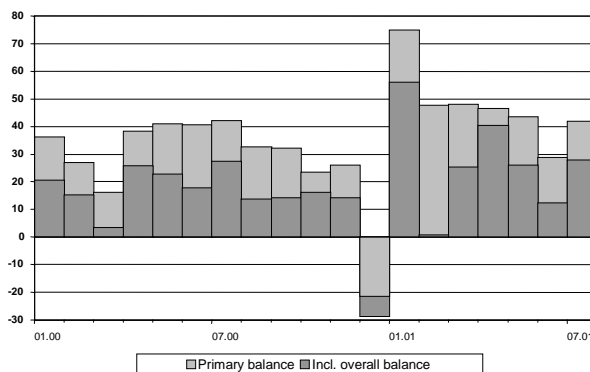
Source: Development Centre, VCIOM, and CSI Foundation.

### Federal budget revenue and expenditure (R bn)



Source: Economic Expert Group, Ministry of Finance.

### Federal budget balance (R bn)



Source: Economic Expert Group, Ministry of Finance.

the previous year during the subsequent months.

There was a budget deficit of R11 bn in August for the first time this year, due to a peak of disbursements and interest payments. Domestic debt principal repayments amounted to R1.1 bn (\$38 mn), foreign debt principal repayments to R9.3 bn (\$320 mn), and interest payments to R37.4 bn (\$1.3 bn). The interest payments were more than twice higher than in previous months. Foreign debt repayments in August included \$167 mn on official credits and \$117 mn on credits from international financial organisations. Interest payments included \$1052 mn paid on official credits and \$103 mn paid on credits from international financial organisations.

In January–August, the federal government spent more on financial aid to the regions, purposes related to defence and infrastructure development (so-called ‘mobilisation’), and on space research than was prescribed for the 8-month period under the budget law. The most ‘underspent’ budget items were the national economy and agriculture, which received only 86% and 70% of planned expenditures under the budget law.

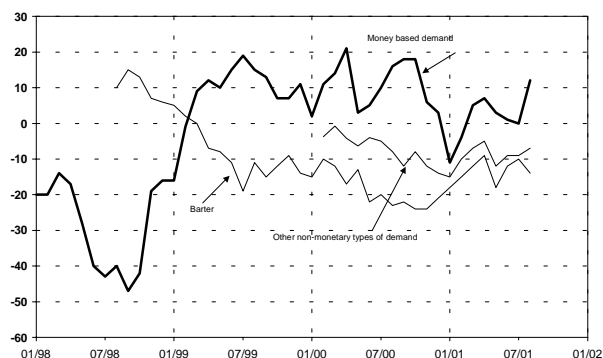
The draft of the 2002 budget law is expected to be officially presented to the Duma on September 17 and given a first reading on September 28. In order to be adopted as law, the budget must pass four readings in the Duma.

### Non-financial enterprises

Business surveys, which usually appear earlier than official Goskomstat statistics, show that August was favourable for Russian enterprises. According to the business survey by the Institute for the Economy in Transition (IET), money-based demand for enterprise production resumed its growth after its decline in Q2 2001. The authors of the survey consider this type of demand essential for financial well-being of enterprises. Based on these demand developments, output showed the best growth in 2001. Estimates by company managers of their stocks of finished goods also went down, though the number of panel members considering their stocks ‘above normal’ still exceeds the number of those who consider their stocks to be ‘below normal’. In June the share of cash in revenues of enterprises reached 75%, its highest value recorded to date. There was a slight decline in subsequent months but in August the figure was still equal to 73%, which was high enough to provide for investment growth.

The composite economic indicator for the manufacturing sector – the Moscow Narodny Purchasing Managers’ Index, calculated by NTC Research – continued its growth in August indicating widening expansion of the manufacturing sector.

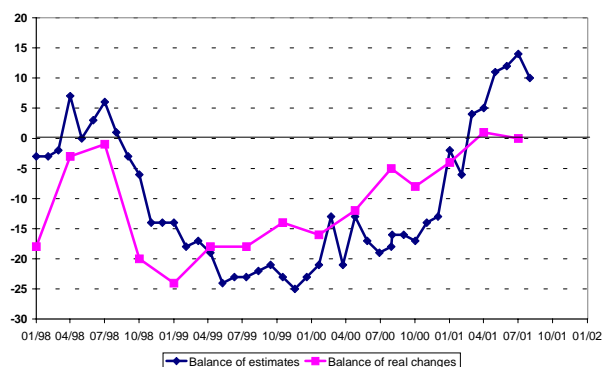
### Balance of the change in money-based, barter and other non-monetary types of demand<sup>1</sup>



<sup>1</sup>Balance = % of survey respondents reporting growth minus % reporting decline.

Source: IET business surveys.

### Balance of managerial estimates of stocks of finished goods at their enterprises and balance of real changes of those stocks<sup>1</sup>



<sup>1</sup>Balance of estimates = % of survey respondents reporting their stocks of finished goods to be ‘above normal’ minus % of respondents reporting them to be ‘below normal’.

Balance of real changes = % of respondents reporting that their stocks of finished goods have grown since last month minus % of respondents reporting that they have decreased.

Source: IET business surveys.

Goskomstat has published financial results for Russian large and medium-sized enterprises and organisations in H1 2001. Year-on-year nominal aggregate profit growth (profits minus losses) for the comparable sample of enterprises was 2%, which represents a 19% drop in real terms. The June monthly results dragged this figure down as aggregate profits decreased in June by 25% year-on-year in real terms. Still the share of profitable enterprises was higher than a year ago according to both official statistics and to the industrial survey by the Russian Economic Barometer (REB). Official statistics and the REB respectively showed 61% and 60% of Russian enterprises to be profitable in June 2001. However, the profile of profitable enterprises has changed. Most profit growth occurred in sectors oriented to domestic demand, such as trade and catering, construction, and food industry. Profits of export-oriented sectors have shrunk due to deceleration of world economic growth and continuing rouble appreciation. The latter factor also caused reduction of profits in sectors facing higher foreign competition, such as light industry.

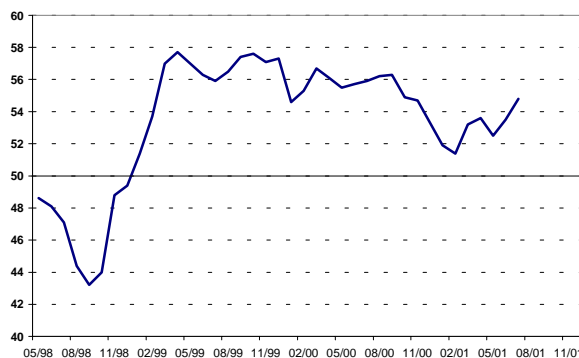
The share of overdue payables in total liabilities of enterprises continued to decline. In June it was equal to 31%, while the share of loans and bank credits in total liabilities grew to 25%. The increase in borrowed resources consists mainly of commercial bank credits. Credits by commercial banks equalled R895 mn, which is 5% higher than a month ago. According to the REB survey 'the share of companies not indebted to banks and not going to be indebted in the next 3 months' was 39% in June – the lowest value of this indicator since December 1997. This credit expansion mainly finances current expenditure of enterprises. Meanwhile the share of long-term debt in total credit of commercial banks to enterprises and organisations was 11%, which is 5 percentage points lower than a year ago. The share of bank credits in investment financing is small and remains little changed. In Q2 2001 this share was 3% and 4% for fixed capital and financial investments respectively – the same as in Q2 2000.

In Q2 2001 fixed capital investment by Russian enterprises and organisations increased in real terms by 8.3% year-on-year (see AGGREGATE DEMAND). A significant share of the financial resources of enterprises is invested in financial assets. In Q2 2001 the share of financial investment in all enterprise investment was equal to 65% which is down from its absolute maximum of 71% in Q1 2001 but still one of the highest levels since the crisis of 1998. Of these investments, 90% are short-term.

### Commercial banks

The Russian banking sector is still waiting for mean-

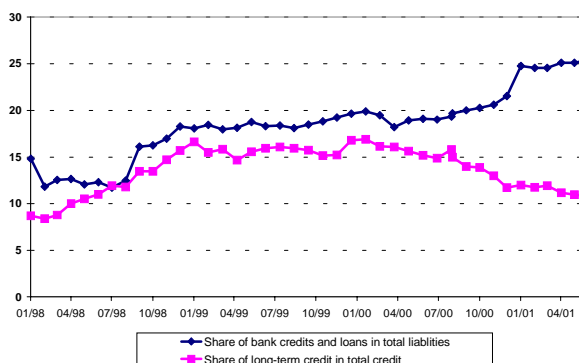
### Moscow Narodny Purchasing Managers' Index (PMI)<sup>1</sup>



<sup>1</sup>PMI is based on indices of changes in output, new orders, employment, suppliers' delivery times and stocks of goods in the Russian manufacturing sector, and is designed to provide an overall view of activity in the sector. A PMI figure above 50 means that the manufacturing sector is generally expanding and a figure below 50 means that it is generally declining.

Source: NTC Research.

### Share of loans and bank credits in total liabilities of enterprises and organisations and the share of long-term credits in commercial banks' credits to enterprises and organisations (%)



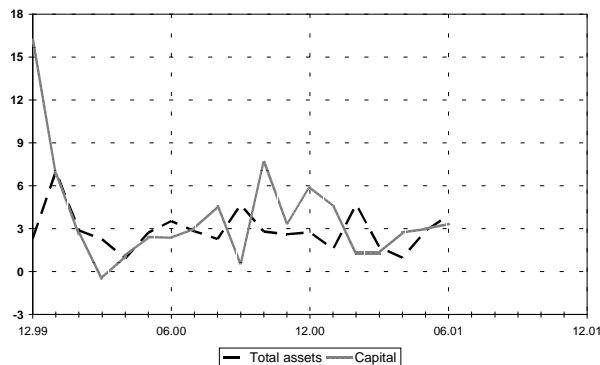
Source: Goskomstat, CBR.

ingful action to be taken on the legislative front, but is showing steady real growth in the meantime. Total assets of the banking sector had grown to R2703 bn (\$93 bn) by the beginning of August 2001, with banks' equity capital standing at R534 bn (\$18 bn). In real terms total banking assets and equity capital were up 32% and 41% respectively from a year earlier. Official statistics also show gradual improvement in capitalisation of the banking system in Q2 of 2001. The ratio of banking equity capital to total assets regained a level of 20% after a drop in Q1 2001. Meanwhile, the Russian banking industry remains rather concentrated, with the top 20 banks accounting for more than 60% of total assets and almost 70% of total equity capital. At the other end of the spectrum, the share of the 1000 smallest banks in total banking assets barely exceeds 10%.

Although Sberbank is still an unquestioned monopolist in the retail deposit market, the other largest Russian commercial banks are intent on forcing the leader to yield some ground. Depositors are putting more money in banks for longer periods despite the fact that interminable discussions on bank deposit insurance have still borne no fruit. As of July 1, 2001, household deposits in commercial banks reached R553 bn, representing a nominal increase of 22% from the beginning of 2001 and 45% year-on-year. According to CBR data, in June 2001 growth of Sberbank's household deposits continued to lag growth of household deposits in competitor banks. The current expansion of commercial banks on the retail market may be due to new strategies of their managers, who seem to believe that this is the shortest way to securing leading positions in the industry.

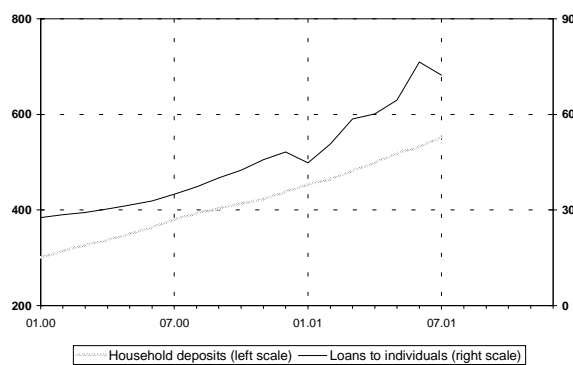
State-owned institutions currently dominate the Russian banking sector. While legislators consider the draft law concerning state ownership in the banking sector, various government agencies are in no hurry to get rid of their stakes in commercial banks. A government committee has completed an inventory of credit institutions with state participation in capital. This inventory showed that there are currently more than 800 credit institutions in Russia, in which the CBR or governments of various levels hold a stake. The government stake in 52 credit institutions exceeds 50% and in 110 institutions it is larger than 25%. Three banks, Rosselkhozbank, the Russian Development Bank and Roseximbank, are wholly state-owned. The CBR owns 57.66% and 99% of equity capital in the two largest commercial banks, Sberbank and Vneshtorgbank, respectively. But there is no consensus so far on the status and role of state-owned banks and the CBR itself in the contemporary Russian economy. The divestiture of CBR stakes in the biggest banks is out of the question at this point.

### Real growth of total banking assets and equity capital (% month-on-month)



Source: CBR.

### Household deposits and loans to individuals (R bn)



Source: CBR.

A government committee is currently deciding which government stakes in banks should be kept and which should be sold by January next year. However, it will not be easy for the government to sell off small stakes in banks. Portfolio investors are not interested in stakes in Russian banks due to the low transparency of their operations, accounts and ownership structure. Strategic investors seek to take a controlling interest at one go and avoid transactions with small stakes. Two unsuccessful attempts by ARCO to sell an 8% stake in Sobinbank have illustrated this problem. In this connection, the recent plan of Tatneft-controlled Zenit bank for a R1 bn new share issue provoked both interest and scepticism from banking analysts. However, Zenit's top managers expect that Tatneft's stake will drop below 50%, making the bank more attractive for investors. Zenit also hopes that the issue will lead to creation of a secondary market for its shares (Sberbank is currently the only Russian credit institution, whose shares are traded on the secondary equity market).

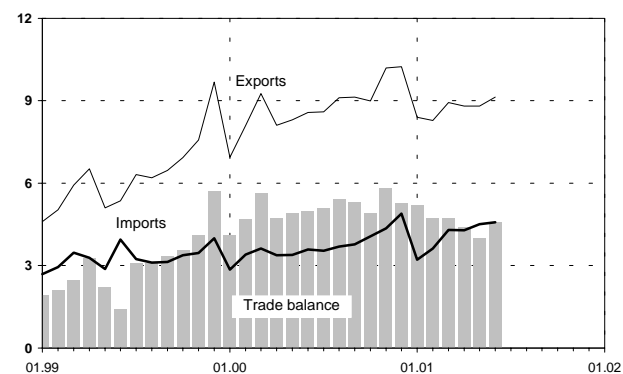
### Foreign sector

In Q1 2001 import growth exceeded export growth for the first time since Q3 1998, and this tendency continued in Q2 2001. According to CBR information, year-on-year export growth in H1 2001 was 6%. The growth was modest in both the first and second quarters of the year. Stimulated by rises in world oil prices, exports had grown quickly from Q4 1999, showing year-on-year increases of 52% in H1 2000 and 30% in H2 2000. After these exceptionally high indicators, Q1 2001 saw a decline in year-on-year export growth to 5%. In Q2 2001 exports increased 7% year-on-year.

Exports to non-CIS countries amounted to \$44.4 bn in H1 2001 with year-on-year growth of 5%. For CIS countries these figures were \$7.9 bn and 12% respectively. Data from the State Customs Committee show that exports of machinery and equipment to non-CIS countries rose 20% year-on-year in dollar terms in H1 2001 and exports of oil and oil products beyond the CIS rose 2%, while exports of ferrous metals, nickel and aluminium decreased. CIS countries increased their demand for all major products, from non-ferrous metals to machinery and equipment.

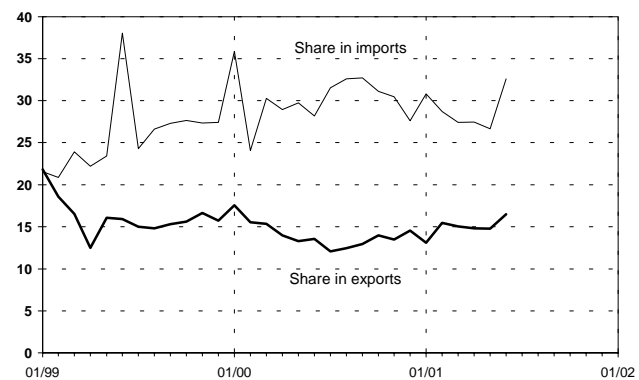
According to the State Customs Committee, the volume of oil exports was 12% higher in H1 2001 than in H1 2000. This allowed a 7% increase in oil export revenues in H1 2001 to \$11.8 bn in spite of a 4% decline in the average contract price. The share of fuel and energy in Russia's total exports constituted 58% in H1 2001, which is about 3 percentage points higher than last year. The year-on-year increase in the physical volume of oil production in H1 2001

**Merchandise exports and imports (\$ bn)**



Source: CBR.

**Share of CIS countries in foreign trade (%)**



Source: CBR.

was estimated by Goskomstat at 7%, i.e. well below the growth rate of oil exports.

Imports amounted to \$24.5 bn in H1 2001, of which non-CIS countries accounted for 71%. Import growth, which equalled 21% year-on-year, by far outstripped the growth of exports. Importers continued to benefit from rouble appreciation in real terms and from higher demand for consumer goods. Imports of machinery and equipment amounted to \$5.3 bn in H1 2001, or 26% of all imports. A 28% year-on-year increase in their volume could be a sign of industry upgrading in Russia.

The preliminary balance of payments for H1 2001, prepared by the CBR, shows a current account surplus of \$21.2 bn, 7% lower than in H1 2000. The balance of merchandise trade equalled \$27.6 bn in H1 2001, down 5% year-on-year. The deficit of the services balance was \$4.4 bn in H1 2001, compared to \$3.6 bn a year ago. The increase in the deficit was due to the fact that year-on-year growth in imports of services (14% in H1 2001) outran growth of service exports (7%). Residents increased their assets abroad by \$9.8 bn, which is as much as in H1 2000. Net international reserves grew \$7.1 bn (30% less than in H1 2000) to total \$31.3 bn on July 1, 2001. However, there has been a tendency since Q1 2001 for this item of the balance of payments to decline, following reduction in the current account surplus. The inflow of FDI in H1 2001 was \$1.2 bn, i.e. 20% higher than in H1 2000. As FDI inflow fell 2% year-on-year in Q1 2001, the first half growth was due solely to improvement in Q2 2001.

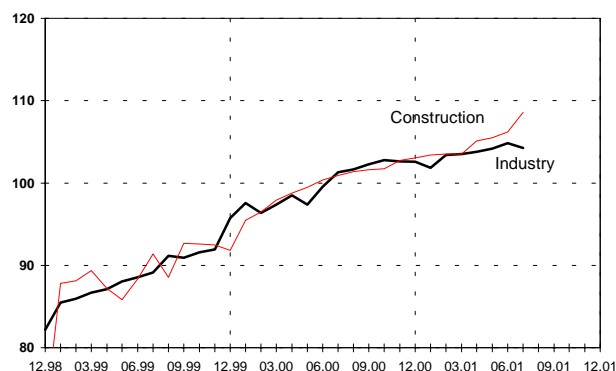
Foreign investment data from Goskomstat, which differ from those of the CBR, show a 40% increase in foreign direct investment inflow to the Russian economy in H1 2001, with FDI inflow amounting to \$2.5 bn. Goskomstat data also show that growth became more intense in Q2 2001, when it equalled 66% year-on-year compared to 13% in Q1 2001. In H1 2001 industry received 33% of FDI, including 7% to oil production and 11% to the food industry. Trade and catering accounted for 31% and transport for 15% of FDI.

### 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 July 2001 exceeded the average level of 2000 by 6.5% in seasonally adjusted terms, and was 6.1% higher than a year earlier.

In the goods-producing sector industrial production is growing rather slowly: in July it was 4.2% higher than 2000 average in seasonally adjusted terms and

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



Source: Goskomstat and RET staff estimates.

was only 2.9% above the level of July 2000. Much higher rates of growth are observed in construction and agriculture. The real volume of construction works in July exceeded the average level of 2000 by 8.6% in seasonally adjusted terms and was 7.6% higher than a year earlier. Agricultural output in January–July was 6.1% higher than in the same period of 2000. The harvest in 2001 is expected to be substantially higher than in 2000, so the yearly growth of agricultural output will be even higher than the growth in the first seven months of 2001.

In the services-producing sector the highest rates of growth are observed in communications and retail trade. In July 2001 the real volume of communication services was 15.4% higher than a year ago, and the real volume of retail trade was 10.2% higher than in July 2000. Freight transportation turnover in July 2001 was only 0.9% higher than a year ago. But this overall figure was obtained of 8.7% y-o-y rate of growth of rail transportation turnover (which constitute 40% of total freight turnover) and some decline (-1.5% y-o-y) of pipeline transportation, which constitute 50% of total freight turnover. Decline was also registered in passenger transportation turnover, which in July 2001 was 2.1% lower than a year ago.

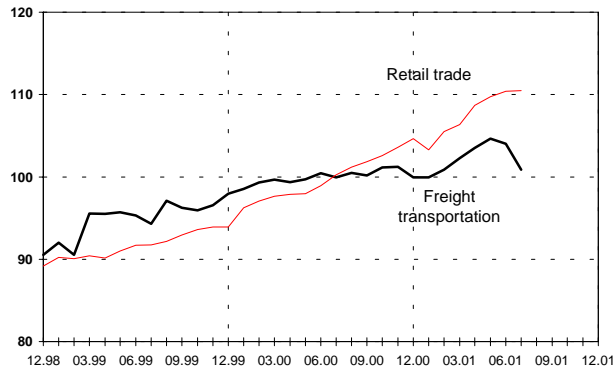
### Prices

Consumer inflation continued to slow down. The rates of growth of consumer price index decreased from 2.8% in January 2001 to zero growth in August. This reduction of inflation rates was partly attributed to seasonal factors, but also reflected real deceleration of price growth. In August 2001 the 12-month rate of CPI growth decreased to 20.8% from 24.8% in April–May. Rates of growth of the investment price index remained stable in April–July at 0.8% per month, and in July the 12-month rate of growth of the investment price index was equal to 22.2%, only slightly above that of CPI (22.0%).

The major source of CPI growth in 2001 are prices for paid services, which increased over the eight months by 27.4%, while prices for food grew by 12.6% and prices for non-food goods – by 7.9%. In turn the CPI for paid services is pushed up mainly by prices for household utilities and housing services, which grew by 42.7% over January–August 2001.

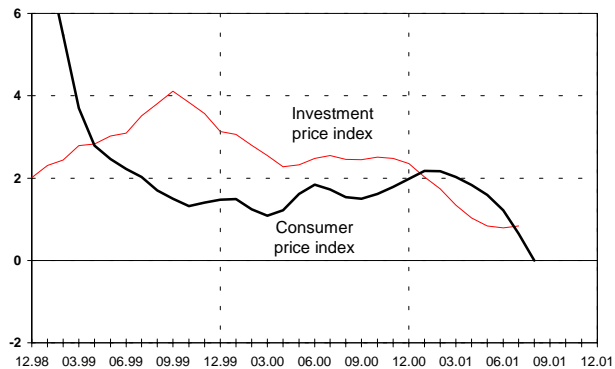
Composite producer price index, covering industry, construction, agriculture, freight transportation and business communications, grew in July by 1.3% and its 12-month rate of growth was equal to 24.4%. The major source of PPI growth in 2001 is the rise of prices in so-called “natural monopolies” – electricity and gas production, rail and pipeline transportation (as the major source of CPI growth is the increase of prices for household utilities and housing services).

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



Source: Goskomstat and RET staff estimates.

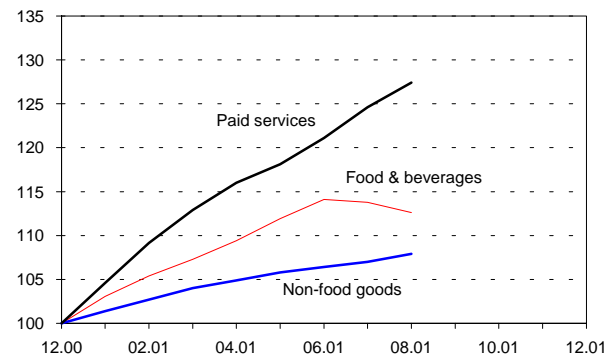
### Monthly rates of growth of price indices for the components of final demand (%)\*



\* 3-month moving averages.

Source: Goskomstat.

### Components of CPI growth (Dec 2000 = 100)



Source: Goskomstat.

In July 2001, for example, producer prices for electricity were increased by 4.2%, prices for natural gas – by 8.3% (after 51.1% increase in June), tariffs for rail transportation grew by 17.5%. Step-like increases of prices in natural monopolies' sectors continue to destabilise the prices system and provoke permanently high inflationary expectations.

### Labour market

The situation in the labour market continued to improve, partly due to seasonal factors. The number of unemployed at end-July, according to ILO definition, was estimated at 5.9 mn, or 8.3% of economically active population. At end-July 2000 the number of unemployed was equal to 7.2 mn, or 10.0% of economically active population. The decline of unemployment (by 1.3 mn over the year) was achieved exclusively because of decrease of participation rate. Namely, over the year the number of economically active population decreased from end-July 2000 to end-July 2001 from 72.3 mn to 71.0 mn, while employment remained unchanged at 65.1 mn.

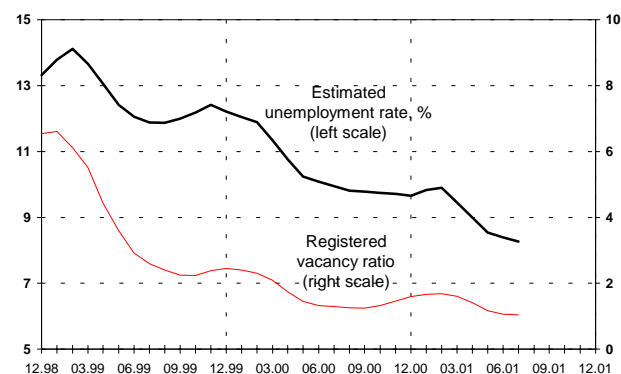
Putting aside seasonal variations the registered unemployment also remained stable over the year. At end-July 2001 the number of registered job-seekers was equal to 1.19 mn compared to 1.18 mn a year ago. The number of registered unemployed was equal to 1.01 mn compared to 0.99 mn at end-July 2000. But while the number of registered job-seekers remained unchanged, the number of registered job vacancies substantially increased – from 0.91 mn at end-July 2000 to 1.13 mn at end-July 2001. As a result the vacancy ratio by end-July dropped to 1.0 – the lowest rate since January 1992. Actually in June–July the number of vacancies already exceeded the number of registered unemployed.

Real reported monthly accrued wages continue to grow more or less steadily, and in July 2001 they were about 16–17% higher than a year ago. Wage arrears are slightly increasing, but mainly due to the growth of arrears of enterprises, which increased from R26.7 bn at end-December 2000 to R29.2 bn at end-July 2001, or by 9.1% over seven months. Over the same period the wage arrears of the budget remained more or less stable at R4.9 bn.

### Money

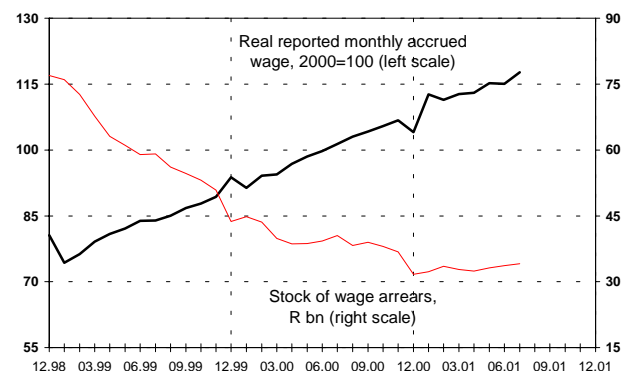
Growth of monetary aggregates accelerated substantially in June and July. M2, which grew at a moderate rate of 2% in May, rose 5% in June and 3% in July. The rate of growth of cash in circulation (M0) jumped from 1% in May to as much as 8% in June and was 3% in July. Increase of the rouble deposit component of M2 lagged growth of M0: it stood at 3% and 2% in June and July respectively. This statistical picture of the monetary sector of the econ-

### Unemployment indicators



Source: Goskomstat and Ministry of Labour.

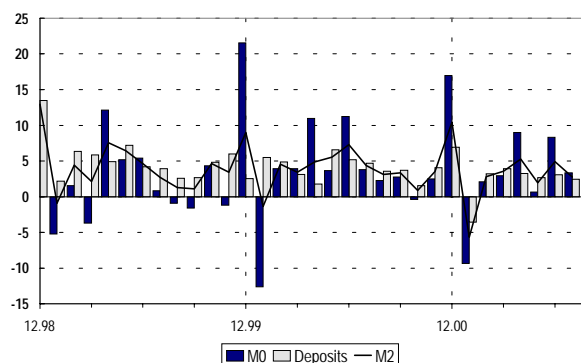
### Real monthly wages\* and wage arrears



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

Source: Goskomstat and RET staff estimates.

### Changes of M2 and its components (%)



Source: CBR, RET staff calculations.

omy does not look very healthy. On the one hand, the disproportional growth of monetary aggregates shows that confidence of Russian citizens in the banking system remains low and they are unwilling to hold their money in banks. As a result sources for financing investment in the real sector of the economy are reduced. On the other hand, money that ends up in the real sector tends to have less inflationary effect than the part of cash, which does not quit circulation to hide in mattresses, and is used to serve transactions. Therefore monetary factors may trigger further acceleration of inflation.

Deposits of commercial banks with the CBR (the main tool for sterilising excess liquidity) have been decreasing since July 2000. In June this year the CBR increased interest rates on commercial banks' deposits of all maturities: annual interest on 3-month deposits (the longest maturity instrument) was set at 12%. But that still implies a negative real return. Thus deposit operations could not (and perhaps should not) serve as the major tool for sterilisation of excess liquidity. To complement its array of sterilising instruments the CBR has restarted issue of its own bonds to market participants. The first issue of such bonds after a break of almost 2 years took place on September 6 and was met by surprisingly low demand. Out of planned two issues of R2 bn each the CBR placed only R850 mn. Bonds with two-week maturity yielded 9.68% and those maturing in three weeks – 10.32%.

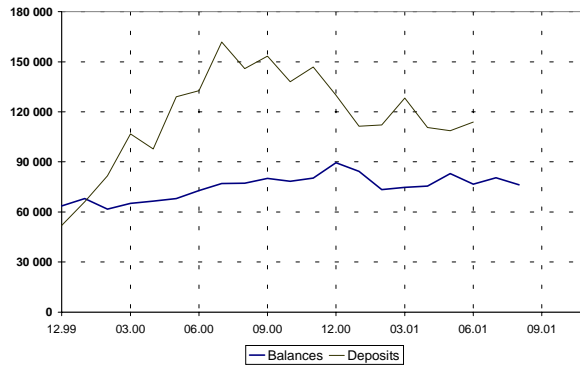
### Exchange rate

In mid-August the legal amendment reducing the share of export revenues subject to mandatory sale from 75% to 50% became effective. It brought no noticeable changes to the forex market, on which the nominal rouble continued its gradual downward slide at the same pace as before. However, impact on the market at the present time could only be psychological in any case, since the period, in which repatriation of hard currency has to occur, is set at 90 days, meaning that current supplies of foreign currency to the market still consist of revenues repatriated according to the old rule.

The trend of nominal appreciation of the rouble against the euro, which has persisted since February 2001, was reversed in July when the rouble depreciated by 1% in nominal terms. In August the rate of depreciation of the rouble vis-à-vis the euro reached almost 5%. The reversal of the trend is explained by significant depreciation of the dollar against the European currency.

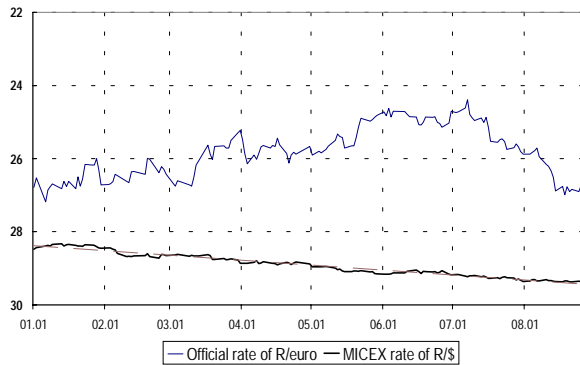
Many analysts have blamed the CBR for printing roubles in order to increase foreign currency reserves, fostering higher inflation. Nevertheless growth of international reserves has exceeded

### Deposits and balances of commercial banks with the CBR (R mn)



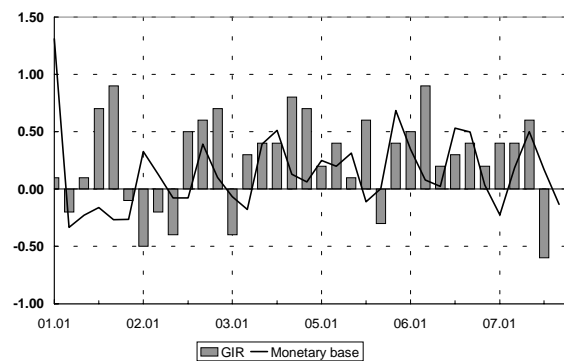
Source: CBR, RET estimates.

### Rouble exchange rates



Source: MICEX, Denezhnyi Rynok, CBR.

### Changes of gross international reserves and monetary base (\$ bn)



Source: CBR, RET staff calculations.

growth of the monetary base throughout the year, both on a monthly and weekly basis. While we are far from praising the current CBR monetary policy, we have to admit evident (and still surprising) success of its sterilisation efforts. In August gross international reserves (GIR) grew by 'only' \$998 mn compared to \$1.4 bn in July and \$1.6 bn in June. The slowdown of GIR growth is explained by high foreign debt payments due in August. According to finance minister Alexei Kudrin, they consist of \$1.5 bn to the Paris Club and \$300 mn to the IMF.

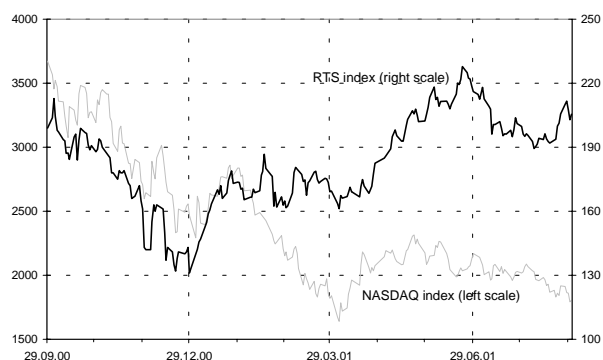
The September 11 tragedy in the US shocked the world, but had little effect on the Russian foreign currency market except for a short panic on the retail market for dollars due to the lack of financial sophistication of the general public. Nor does the one-off attack on American cities give any extra reasons for worrying about the dollar's destiny in the future. The exchange rate is based on economic fundamentals, which cannot be destroyed by one act of violence, and those fundamentals remain quite strong in the US. The only possible short-term consequence for Russia is a slight rise of the nominal exchange rate due to a physical lack of dollar bank notes in Russian banks as flight restrictions will not allow enough cash dollars to be brought into Russia from the US.

### Financial markets

Average daily volumes on the RTS dropped to \$10 mn in August from almost \$20 mn in July. As a result total monthly volume traded in August stood at an unimpressive \$251 mn compared to \$437 mn in July and as much as \$490 mn in June. The market upturn since the beginning of the year has allowed many investors to build strong positive positions and many chose to fix their profits as concerns about Argentina spilled onto equity markets. However, after fluctuating at levels slightly above 190 since the beginning of August, the RTS index started growing at the end of the month. The growth was largely inspired by the rise in world oil prices. Although the Russian stock market has stopped catching a cold every time NASDAQ sneezes, its growth was impeded by meltdown on western stock markets due to bad news on US unemployment at the beginning of September. Further movements of the Russian stock market will be to a certain extent dependent on development of the situation on American stock markets.

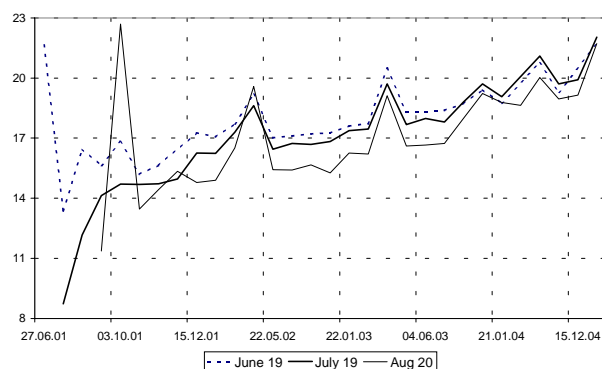
There were two placements of government domestic debt paper in August. A total R2.9 bn of 910-day OFZs out of planned R5 bn were placed on August 8 with average weighted yield of 18.93%. On August 22 an issue of short-term GKO managed to place R4.27 bn out of planned R5 bn at average weighted

### RTS and NASDAQ stock market indices



Source: RTS, [www.nasdaq.com](http://www.nasdaq.com).

### Yield curve at the Russian domestic debt market



Source: MICEX.

yield of 14.93%. There was a less successful placement of CBR bonds (see MONEY), and secondary market development for these bonds was also disappointing, with turnover of only R2 mn on the first day of trade and effective yield decreasing to 8.76%. Lack of interest from market participants in CBR bonds is most probably due to the fact that banks are no longer accustomed to these instruments after their two-year absence from the market.

**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	94.0
02			149.5	75.2	31.8	90.1
03	866.8	97.4	163.7	80.0	36.5	91.5
04			164.9	78.3	36.9	90.8
05			168.7	78.3	41.4	87.8
06	1 108.1	99.3	174.4	79.5	52.8	91.1
07			179.7	79.6	56.2	94.2
08			192.0	84.1	61.8	91.1
09	1 358.6	100.8	196.9	85.0	67.6	93.5
10			205.4	87.5	66.5	94.6
11			210.2	88.5	72.0	94.9
12	1 423.8	103.4	238.5	99.1	118.4	98.4
01.2000			204.9	83.2	46.1	101.6
02			202.8	81.5	55.8	104.7
03	1 461.4	106.2	218.6	87.3	63.9	106.0
04			218.0	86.3	64.5	106.0
05			220.5	85.8	75.8	107.4
06	1 641.9	107.8	229.1	86.9	95.7	109.4
07			236.9	88.3	99.0	110.3
08			255.3	94.2	112.9	111.7
09	2 004.0	109.7	258.9	94.3	118.3	111.9
10			267.6	95.4	114.6	112.0
11			276.4	97.1	123.1	112.6
12	1 956.0	110.4	322.5	111.5	195.5	111.8
01.2001			265.3	89.3	70.9	109.8
02			267.4	88.0	82.3	110.3
03	1 886.3	111.5	288.2	93.1	91.7	110.7
04			294.3	93.4	93.4	113.5
05			302.5	94.3	112.8	119.7
06			315.4	96.8	132.7	116.4
07			319.0	97.4	135.7	118.9
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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	878	258
01.1999	100.7	187.6	294	595	829	244
02	101.2	197.8	289	587	826	240
03	102.1	238.7	293	603	851	247
04	102.6	236.6	294	602	853	248
05	103.7	225.9	295	604	840	242
06	104.3	246.7	296	593	849	247
07	105.0	256.8	296	584	841	255
08	107.3	272.8	296	587	848	259
09	107.1	291.7	295	587	859	256
10	107.8	308.5	295	581	840	255
11	108.3	321.6	297	591	857	252
12	112.8	365.5	300	588	858	255
01.2000	114.9	331.7	302	590	871	256
02	113.5	350.8	308	597	882	263
03	114.7	387.5	305	581	857	255
04	116.0	359.2	306	580	861	256
05	114.7	361.1	310	578	880	263
06	117.2	384.5	311	585	874	260
07	119.3	391.6	314	591	885	254
08	119.7	407.7	316	585	881	252
09	120.4	417.6	319	583	876	256
10	121.0	442.7	320	585	899	258
11	120.8	451.9	323	575	885	263
12	120.8	476.2	322	577	885	261
01.2001	119.9	436.4	322	580	883	261
02	121.8	430.2	320	572	888	260
03	121.9	482.0	326	585	872	270
04	122.2	467.2	328	583	893	259
05	122.7	468.1	333	579	870	269
06	123.4	477.5	340	582	898	274
07	122.8	491.8	341	550	903	293
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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	3 679	1 025
1996	98.5	105.3	106.8	34.3	3 509	909
1997	100.0	100.0	100.0	32.7	3 390	887
1998	86.8	98.2	95.0	30.7	3 278	834
1999	90.4	97.4	100.8	32.0	3 452	946
2000	96.7	98.0	112.4	30.3	3 625	1 047
01.1999	89.6	97.5	98.7	25.2	3 336	868
02	89.9	97.6	99.0	29.5	3 282	880
03	90.6	97.5	100.4	36.7	3 463	895
04	93.6	97.6	98.0	27.7	3 462	910
05	94.1	97.2	96.5	28.7	3 468	934
06	94.1	98.6	99.3	35.6	3 455	943
07	89.3	96.6	102.8	30.5	3 419	962
08	80.7	97.2	99.5	31.8	3 521	974
09	88.5	97.5	104.1	34.3	3 489	988
10	90.1	97.2	104.1	33.0	3 478	984
11	90.9	97.1	103.9	35.2	3 500	1 001
12	93.0	97.3	103.2	35.8	3 550	1 016
01.2000	94.4	96.4	107.3	30.9	3 571	1 002
02	96.3	99.2	108.4	32.5	3 600	1 077
03	97.4	98.1	110.1	28.0	3 614	1 037
04	97.7	97.7	111.0	32.1	3 601	1 029
05	98.2	98.0	111.8	33.1	3 615	1 038
06	98.2	98.0	112.8	29.6	3 641	1 065
07	96.0	98.0	113.4	30.6	3 622	1 027
08	98.3	98.1	113.9	30.3	3 642	1 034
09	97.0	98.0	114.2	29.3	3 631	1 046
10	96.2	98.1	114.3	29.9	3 667	1 055
11	95.8	98.2	115.5	28.9	3 669	1 093
12	94.8	98.2	115.8	28.4	3 622	1 057
01.2001	94.8	98.6	116.2	30.9	3 623	1 013
02	96.4	98.2	116.4	28.0	3 657	1 043
03	98.3	98.1	116.3	28.8	3 707	1 062
04	98.5	98.4	118.1	30.0	3 752	1 039
05	99.8	98.5	118.6	29.9	3 793	1 052
06	99.5	97.8	119.4	31.8	3 770	1 068
07	109.9	98.4	122.0	31.8	3 656	1 064
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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	241.8	103.9	64.1	108.7
06			248.6	104.6	70.5	112.1
07			248.7	104.7	73.9	115.4
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\*Wholesalers only, including exports.

\*\* Including catering. Revised by Goskomstat 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	9.8	1.7	4	2 733	87.4
02	64.8	9.9	1.7	12	2 655	86.4
03	64.8	9.4	1.6	0	2 964	87.5
04	64.9	9.0	1.4	1	2 923	87.6
05	65.0	8.5	1.2	1	3 054	90.2
06	65.1	8.4	1.1	6	3 284	91.0
07	65.1	8.3	1.0	0	3 290	93.5
08						
09						
10						
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12						

\* Registered number of job-seekers per registered vacancy.

\*\* Yearly figures reported by Goskomstat are not equal to monthly average.

\*\*\* Based on CPI changes.

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

**Table 6: Social indicators**

	Personal income, per capita, official	Real personal income, per capita, official	Official minimum monthly wage	Average monthly pension	Official monthly subsistence level*	Share of population below subsistence level*
	(R)	(1995 = 100)	(R)	(R)	(R)	(%)
1995	514.9	100.0	42.6	188.1	264.1	26.2
1996	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	1396.0	37.6
04	2 707.1	91.8	200.0	917.3		
05	2 548.3	85.0	200.0	1015.7		
06	2 893.5	94.9	200.0	1019.3	1507.0	30.0
07	2 872.8	93.8	300.0	1020.3		
08						
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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
05	109.6	5588.3	1752.4	785.5	1402.9	5918.5
06	78.1	5673.6	1769.4	771.5	1441.4	6155.7
07						
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\* Large and medium sized 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	350.2	256.7	288.1	295.2
07	342.5	357.4	352.1	264.1	292.0	297.9
08	342.5	353.6	355.1	270.0		
09						
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**Table 9: Foreign Trade**

	Exports total*	Exports of oil & oil products	Exports 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	8.3	2.7	2.0	3.2	0.7	5.1
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	8.8	2.8	1.4	4.3	1.0	4.5
05	8.8	3.2	1.4	4.5	1.2	4.3
06	9.1	3.3	1.3	4.6	1.2	4.6
07	8.0			4.3		3.8
08						
09						
10						
11						
12						

\* Balance of payments methodology.

**Table 10: Balance of payments (\$ mn)**

	1998	1999	2000	2000	2000	2000	2000	2001
				Q1	Q2	Q3	Q4	Q1
<b>Current Account</b>	<b>687</b>	<b>24731</b>	<b>46317</b>	<b>11901</b>	<b>10942</b>	<b>10552</b>	<b>12923</b>	<b>11712</b>
<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
<b>Capital Account</b>	<b>8397</b>	<b>-17750</b>	<b>-37050</b>	<b>-9825</b>	<b>-10183</b>	<b>-7752</b>	<b>-9290</b>	<b>-10207</b>
<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
<b>Errors and omissions</b>	<b>-9084</b>	<b>-6980</b>	<b>-9267</b>	<b>-2076</b>	<b>-759</b>	<b>-2799</b>	<b>-3633</b>	<b>-1505</b>

**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	14.3	-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	436.6	112.0	148.8	
06	711.0	661.8	549.9	128.5	161.1	
07	845.1	783.8	656.3	142.7	188.8	
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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	322.9	254.3	342.8	88.6	-19.9	-0.9
1997	414.9	329.0	446.9	106.0	-32.0	-1.3
1998	397.7	308.1	407.1	94.4	-9.4	-0.3
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	
06	602.1	389.5	557.4	100.9	44.7	
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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	400.7	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	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	258.5
02	306.0	-0.9	331.1	242.0	726.6	253.9
03	318.9	1.3	284.6	251.5	751.4	255.9
04	349.6	3.3	259.7	279.1	787.9	256.8
05	361.4	5.8	204.3	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	388.0	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	24.2		474.7	1294.3	195.4
07	607.5	25.6		490.6	1330.2	196.8
08	628.7					203.1
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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	354.4	496.4	263.7
06	2645.3	577.5	1055.1	366.0	504.7	310.9
07	2702.8	596.0	1105.5	375.9	512.6	304.8
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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	18.0	4.1	13.2	13.4	217.8
07	25	18.5	3.7	6.2	13.8	203.5
08	25					198.7
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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* R/\$	Exchange rate (MICEX), end of period* R/\$	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	83.6	35.1	3.8
07		29.230	29.319		36.5	3.8
08		29.347	29.406		37.5	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% for the US, 40% for Germany, and 20% for Ukraine.

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