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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

The news is still good ...

The Russian economy continues to show steady growth. According to Goskomstat preliminary data, GDP grew 4.9% in Q3 2001 from the same period a year earlier. The growth rate also hovered around 5% in the first and second quarters. In October overall growth of the Russian economy, as proxied by production in five base sectors, was 5.3% from October 2000.

Growth of investment, which has fluctuated significantly during the current year, accelerated strongly since the summer, resuming its position as the leading factor in Russian economic expansion. Year-on-year growth of real fixed investment in October was 11%. However, as shown by RET staff calculations, investment – particularly *growth* of investment – is heavily concentrated in only two sectors of the Russian economy, i.e. fuels and transportation. Moreover, pipeline transport of crude oil plays a major role in transportation sector. The fuel and transportation sectors took some 40% of investment in Q1–Q3 2001 and, even more importantly, these two sectors accounted for almost two thirds of the growth of investment. This fact raises concerns about the sustainability of investment expansion and balanced growth of the Russian economy. In the light of these figures it seems probable that investment will be seriously affected by the decline in world market prices for oil and hence revenues in the energy sector.

Slow-down of the world economy has started to take its toll on the Russian enterprise sector. Though domestic demand is still high, external factors are felt in sectors where production of exportables is important, such as oil, metals and pulp and paper. Profits declined in these sectors in September, while enterprises producing mainly for the home market fared better. A positive feature was the gradual improvement in enterprise financing. Bank lending to enterprises continued its fast growth and the share of overdue debts diminished further in September. According to business surveys, which provide more up-to-date information on the Russian enterprise sector, economic activity was still increasing in November, but at a slower rate than previously. Similarly, the mood in the business sector was still optimistic in November, although less so than in the summer. The dynamics of these indicators may point to a coming slow-down.

Consumers continue to view their situation rather pessimistically, as has been the case for several years already. However, the sentiment has clearly improved during the current year thanks to the fast increase in real incomes. Higher incomes are due to strong private sector development and the Government policy of increasing wages and salaries in the low-paid public sector as well as pensions.

Fiscal policy has remained fairly stringent. The Duma's decision in late November to allocate a significant share of extra budget revenue materialising by the end of the year to debt servicing is an encouraging sign. Last year, in a similar situation, extra revenue was used for a significant boost in non-interest spending. The smooth approval of the 2002 budget in the fourth reading in mid-December also testified of a sense of responsibility among Duma deputies. An important step was taken when the Duma agreed to make a part of 2002 spending contingent on realisation of revenues during the year.

... also on the legal front

There has been notable, and perhaps surprising, success in 2001 as regards prerequisites for structural and institutional changes in the Russian economy. The fast pace of legislative work in the Duma continued during the autumn, and the last months of the year have seen several important legal initiatives being adopted or coming close to adoption. Of course, the huge task of actually implementing new legislation and other rulings still lies ahead. That will be a task requiring several years. However, the process has been given a strong kick-off in the form of legislative work.

Deficiencies in the operating environment of enterprises and operating methods of companies themselves significantly hinder the development of the Russian economy. These issues are addressed, among others, by the new bankruptcy law, which is currently being discussed in Government. The new law aims at making bankruptcy procedures more efficient and bringing them closer to international standards. In the same vein, the Corporate Conduct Code, introduced by the Federal Securities Commission and approved by the Government in late November, although not binding, should become an important tool in improving the standards of enterprise behaviour in Russia. Russia's small business sector, which is notoriously underdeveloped even compared with most transition economies, can expect some improvement in its operating conditions if plans of the Ministry of Finance to further ease the system of taxation for small enterprises go ahead. However, the amended system will most probably come into force no sooner than a year from now.

The introduction to the Duma in November of the draft Customs Code hopefully marked the start of customs reform, which promises to be a long process. The customs system, which is crucial for the health of the Russian business environment, is currently plagued by ill-defined rules and their arbitrary interpretation by authorities. Work on the new Code should be boosted by the recent intensification of contacts between Russia and the World Trade Organisation (enhanced by positive attitudes of the US and EU), aimed at enabling Russia to join the organisation in the foreseeable future.

Judicial reform, which has been under preparation for a decade already, moved one step forward with the passage of the Criminal Procedural Code and basic amendments to laws concerning the court system in general. Although these laws have received mixed assessment, the fact that reform of the judiciary is now starting in earnest gives another very encouraging sign.

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	Q3
Industrial production	-4.5	2.0	-5.2	11.0	11.9	4.7	Nov
Fixed investment	-18.0	-5.0	-12.0	5.3	17.4	11.1	Oct
Inflation (end of period)	21.8	11.0	84.4	36.5	20.2	18.6	Nov
M2 (end of period)	30.0	29.5	36.3	57.2	62.4	42.9	Oct
Unemployment rate (ILO, %)	9.6	10.8	11.9	13.7	10.5	8.7	Oct
Federal budget balance (% to GDP)	-7.9	-6.7	-4.9	-1.7	2.5	3.3	H1
Current account balance (% to GDP)	3.0	0.5	0.3	13.5	18.5	15.2	H1

Source: Goskomstat, CBR, Ministry of Finance.

ECONOMIC TRENDS

Aggregate demand

Both consumer and investment demand grew more or less steadily in July–October 2001, according to revised data. Seasonally adjusted real consumer expenditures (a proxy for household consumption) grew in July–October 2001 at an average monthly rate of 0.5%, or about 6.4% in annual terms. In October 2001 real consumer expenditures were 9.5% higher than a year earlier. Seasonally adjusted real gross fixed investment (a proxy for gross fixed capital formation) grew in July–October 2001 at an average monthly rate of 0.7%, or about 8.4% in annual terms. In October 2001 real gross fixed investment was 11.1% higher than a year earlier.

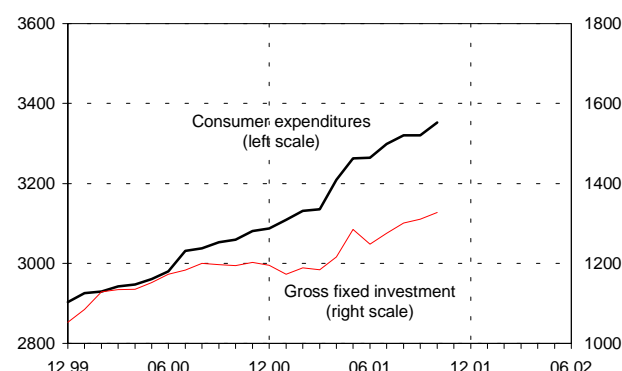
In the first nine months of 2001 about 40% of total fixed investment was provided by domestic large and medium-sized enterprises in the fuels sector and transportation (mainly pipelines). About 47% of total investment was provided by all other domestic large and medium-sized enterprises. The remaining 13% of investment was due to other investors (foreign enterprises, joint ventures, small business, individuals) and to shadow investment.

Total gross fixed investment in January–September 2001 was 7.8% higher than in the same period of 2000. Gross fixed investment of large and medium-sized enterprises in fuels & transportation grew by 13.1% (representing 5.0 p.p. of overall investment growth). Investment by other large and medium-sized enterprises increased by 1.2% (representing 0.6 p.p. of overall growth). Finally, investment by other investors grew by 17.8% (representing 2.2 p.p. of overall growth). Strong dependence of fixed investment on the state of world commodity and financial markets makes the whole investment process very unstable.

Households

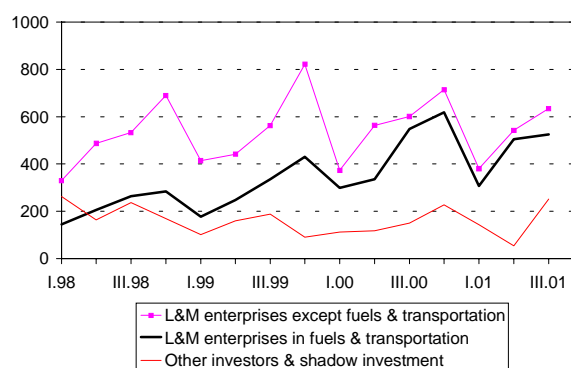
Favourable changes in consumer finances continued during October 2001. Over 12 months real personal income corrected to inflation by the consumer expenditures deflator increased by 13%. Year-on-year growth of consumer expenditures was about 10%. Purchases of food products grew by 8%. Most of the growth in consumer expenditures was due to spending on non-food products, which was up 16% in October 2001 compared to October 2000. The volume of paid services decreased over the same period by about 2%. Reduction of spending on housing and personal services may be linked to growth of relative prices for these services. Decrease in public transportation, tourist and sanatorium services may be explained by fear of terrorism.

Proxy estimates of the components of final demand at constant prices (R bn 2000, seasonally adjusted)



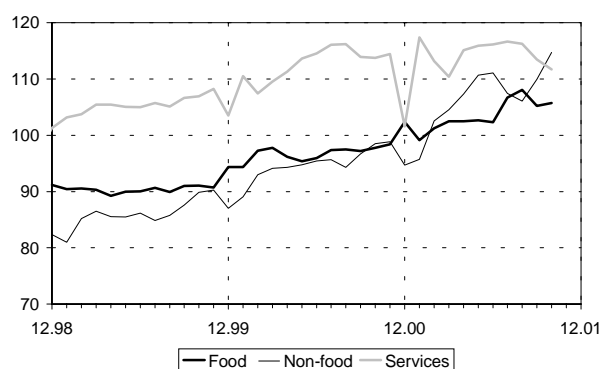
Source: Goskomstat and RET staff estimates.

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



Source: Goskomstat and RET staff estimates.

Real consumer expenditures (1997 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

Slower rates of growth of consumer expenditures compared with growth of incomes usually means that the saving rate is rising. In October 2001 that was not the case. Both official and alternative saving rates (the latter corrected for double accounting of hard-currency cash sales) decreased. The negative value of the alternative seasonally adjusted saving rate is explained by the use of preliminary expert estimates of hard-currency cash outflows in tourist and shuttle-trade operations. The fall of the saving and consumption rate in October 2001 is linked to a rise in the share of obligatory (mainly tax) payments in income. The seasonally adjusted share exceeded 10%.

Government budget

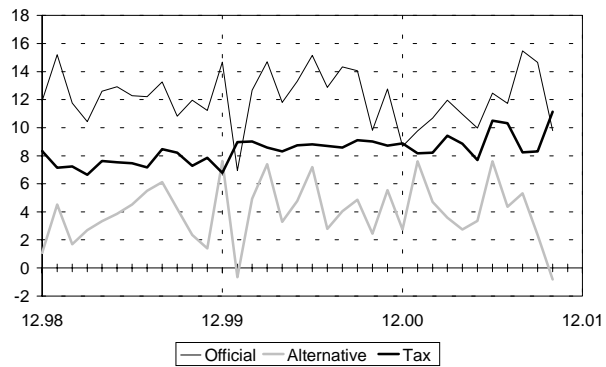
At the end of November, the Duma discussed amendments to the 2001 federal budget. The main issue was use of additional revenues. It was decided that extra revenues below R165.2 bn will be divided so that R74.5 bn is directed to non-interest expenditure items and the rest – to interest payments and debt amortisation. Extra revenues in excess of that sum will be used for debt payments only. According to the amendments, the biggest increases in non-interest expenditures will be directed to defence (R19.9 bn) and security (R14.2 bn).

On November 30 the Duma held the third reading of the 2002 draft budget, where the programme of external borrowing for 2002 and operating rules for the financial reserve were discussed. The Duma approved the government's proposal to postpone financing of planned additional expenditures amounting to R68.6 bn until the end of 2002 if external conditions worsen.

The upper limit for external public debt by the end of 2002 was set at \$130.2 bn, excluding debts of \$6.4 bn to the former GDR. The limit gives total external debt of around 39% to GDP next year as against estimated 46% to GDP this year. As regards the financial reserve, the Duma established rules for accumulation of funds in the reserve, their use and investment. The investment rules stipulate that resources of the financial reserve (the total sum of the reserve will be R109.8 bn) can be invested in highly rated and highly liquid government securities, including foreign government bonds. Income from such investments will be accumulated in the financial reserve.

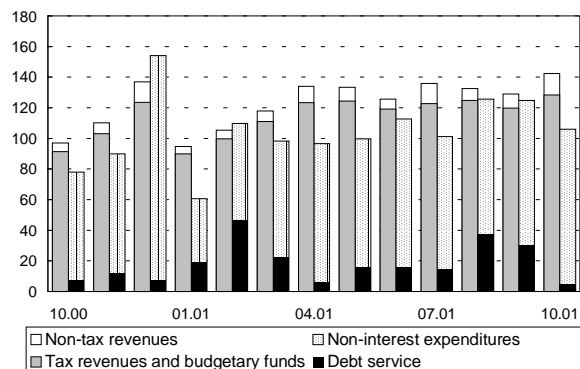
If the situation on the oil market develops according to a pessimistic scenario, resources of the financial reserve can be used for financing of budget non-interest expenditures, but use for that purposes of the carry-over reserve from 2001, which will amount to approximately R25 bn, is prohibited. The purpose of this clause is to avoid a budget deficit in 2002.

Saving and tax rates (% , seasonally adjusted)



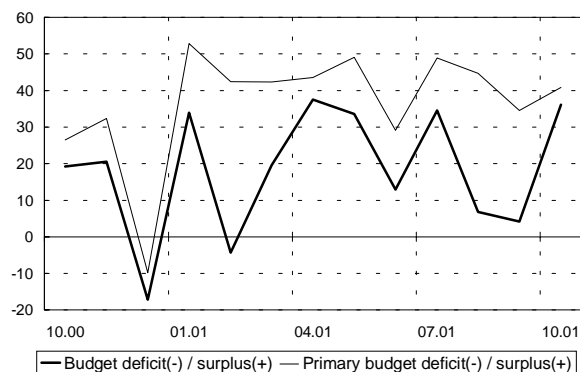
Source: Goskomstat and RET staff estimates.

Federal budget revenues and expenditures (R bn)



Source: Ministry of Finance.

Federal budget balance (R bn)



Source: Ministry of Finance.

According to Treasury reports, federal budget revenues over the first 10 months of 2001 were R1251 bn (including R1151 bn of tax revenues), which is equal to 107% of targeted revenues. Total revenues of the consolidated budget were R2115 bn, of which tax revenues were R1843 bn.

Over the same period expenditures of the federal budget were R1036 bn, while consolidated budget expenditures were R1852 bn. Therefore, the fiscal surplus in January–October 2001, calculated on cash basis, was R215 bn (federal budget), and R263 bn (consolidated budget). At the same time the primary balance, excluding interest payments, was R428 bn and R487 bn for the federal and consolidated budgets respectively.

The relatively large federal budget surplus in October was due to a low level of interest payments. Interest payments were also quite moderate in November, but principal debt repayments were significant – about \$1.3 bn, according to a preliminary report of the Ministry of Finance.

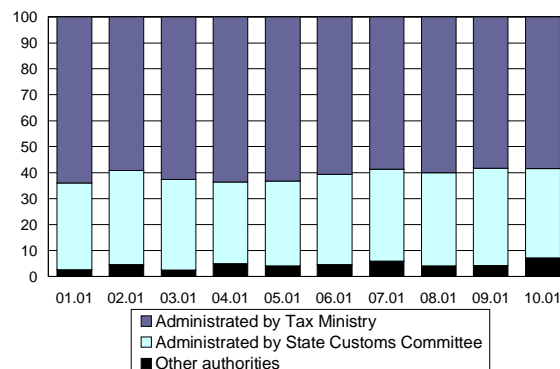
Non-financial enterprises

According to Goskomstat data, domestic-oriented sectors of the economy continued to show very good financial results in September 2001. The results were particularly good compared with falling profits of exporters. However, enterprise surveys show that demand for industrial production stopped growing in November, which might be a sign of emerging difficulties.

The results of November 2001 business surveys show some slowdown of growth in the Russian industrial sector after its expansion in Q3 2001. Both the Moscow Narodny Purchasing Managers' Index, which tracks economic activity in the manufacturing sector, and the Industrial Confidence Indicator of the Institute for the Economy in Transition (IET), which reflects the attitude of industrial producers to the current situation, were down though still positive. Money-based demand for industrial production, which boomed in Q3 2001, nearly stopped growing, according to the IET.

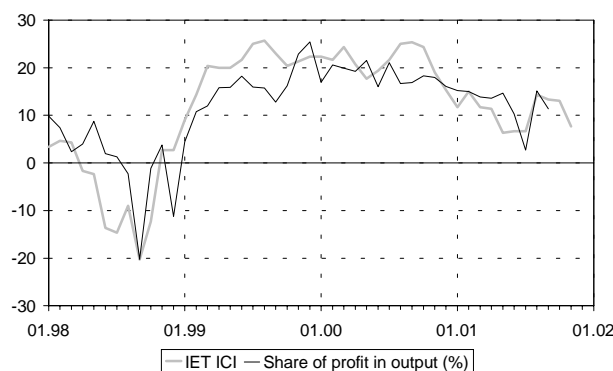
In September 2001 aggregate profits of large and medium-sized enterprises reported by Goskomstat were down 25% y-o-y in real terms. They were driven down by export-oriented industries (oil, metals, chemicals and petrochemicals, wood, pulp and paper), which showed profits significantly lower than a year earlier due to low external demand for their production. Another sector, which contributed to the low aggregate profit figure, was the power sector with a loss of R2 bn as a result of accumulation of winter fuel reserves. Other sectors oriented to domestic demand performed quite well. Their good

Structure of federal budget revenues by administrating authorities (%)



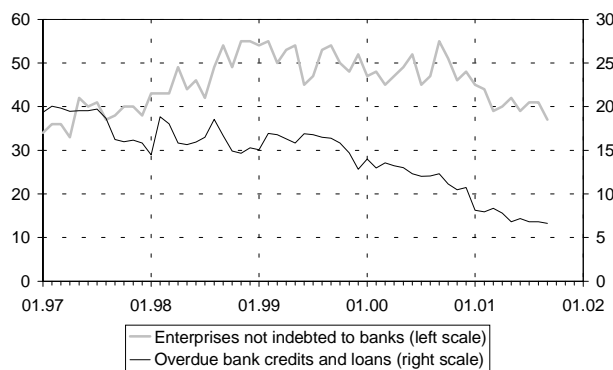
Source: Ministry of Finance.

IET Industrial Confidence Indicator (IET ICI)* and the share of profit in the value of monthly output of large and medium-sized industrial enterprises (%)



* Readings of the indicator above zero mean that industrial producers view the current situation positively.
Source: IET business surveys, Goskomstat.

Share of industrial enterprises not indebted to banks and not going to be indebted in the next 3 months, and the share of overdue debt in total loans and bank credits of large and medium-sized enterprises (%)



Source: Russian Economic Barometer, Goskomstat.

financial results were due to very strong demand growth in August–October. However, a coming slowdown of demand, indicated by business surveys, might reduce corporate profits towards the end of the year in those industries as well. As shown in the figure, strong correlation between the IET ICI and the profit margin in industry (as proxied by the share of profits of large and medium-sized industrial enterprises in the value of their monthly output) allows the IET ICI to serve as a leading indicator for corporate profits.

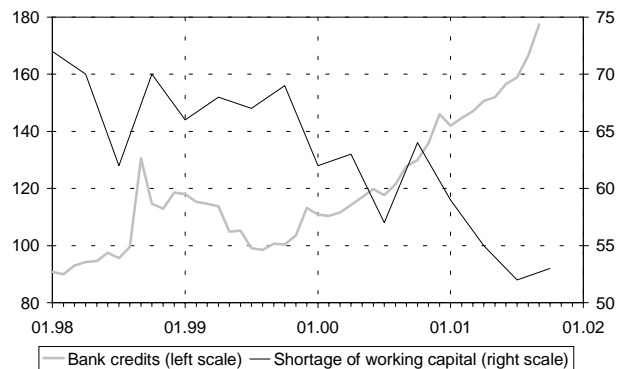
This autumn the electricity giant UES financed the accumulation of its winter fuel reserves by borrowing from Sberbank and other commercial banks instead of by supplier credits or Government sources. It seems that many other Russian enterprises are also turning to commercial bank credit to cover financial gaps. Commercial bank credits to enterprises are growing and their 6% increase in September 2001 was the highest since December 2000. The credit growth coincides with decrease of the average lending rate of commercial banks (17.3% in September) indicating an increased supply of credit. The main reason for this seems to be limited attractiveness of the Russian financial market: the rouble is stable, yield on government securities is very low, and other segments of the market are poorly developed. On October 1, 2001 the total volume of commercial bank credits to enterprises reached R1 trn, which is 35% of commercial bank assets. According to the Russian Economic Barometer business survey the number of enterprises using commercial bank credits is also increasing. In September 2001 the share of enterprises ‘not indebted to banks and not going to be indebted in the next 3 months’ fell to 37%, a fall of 4 percentage points m-o-m and the lowest level since August 1997. Furthermore, the composition of enterprise debt has changed since 1997. Now a much smaller part of outstanding debt is overdue: in September 2001 overdue loans and bank credits of large and medium-sized enterprises were equal to 7% of the total while in August 1997 the respective share was 19%.

The shallowness of Russian financial markets also benefits enterprises by limiting incentives of their managers to invest working capital in financial assets. According to Goskomstat, during Q3 2001 the share of financial investment of large and medium-sized enterprises in their total investment dropped by 5 percentage points to 60%.

Commercial banks

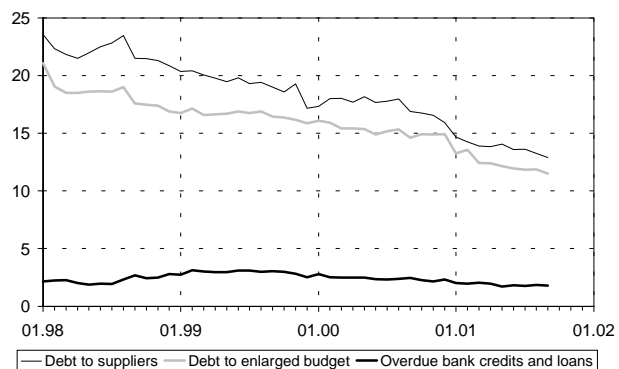
The Russian banking sector continues to grow. As of November 1, 2001, total assets of commercial banks operating in Russia amounted to R2859 bn, up 2% month-on-month. Total capital of the banking sys-

Commercial bank credits index (Dec 97 = 100) and the share of IET business survey respondents who consider shortage of working capital to be the primary constraint on their production (%)



Source: CBR, IET business surveys.

Overdue payables of large and medium-sized enterprises as a share of their total liabilities (%)



Source: Goskomstat.

tem stood at R584 bn, rising by 2.5% during October 2001. Revival of traditional banking (lending and deposit taking), which was observed during the first half of 2001, continued in Q3 2001. The stock of loans granted to the non-financial sector totalled R1119 bn as of October 1, 2001, a 15% increase over the quarter. Total deposits in commercial banks grew by 8% to R609 bn over the same period, with household deposits increasing by 10%.

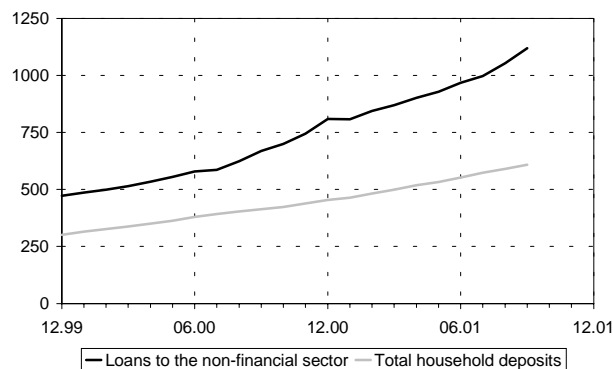
There is still very little consensus between various state entities on banking sector reform. In mid-December, after two months of political wrangling, prime minister Kasyanov finally approved the 'Banking Sector Development Strategy'. According to this document, minimum capital requirements for all operating commercial banks will be increased to 5 mn euros from January 1, 2007. Simultaneously minimum capital adequacy ratio will be raised to 10%. In the period from 2005 to 2007 the CBR will become entitled to withdraw licences from banks with capital less than 5 mn euros and a capital adequacy ratio below 10%. Besides, the government has required divestiture of the CBR's stakes in Vneshtorgbank and CBR-owned banks located abroad by 2003. However, the government intends to take over a certain stake in Vneshtorgbank in order to influence its operations. Lastly, the programme calls for improved supervision of Sberbank, particularly of its risk management. However, the issue of hundreds of government stakes in other credit organisations, which has been discussed since March 2000, was not addressed by the Development Strategy.

Forward-thinking corporate management has shown more readiness to adjust. Large Russian corporations, such as Interros, Lukoil, Rosneft and Alrosa, which up until recently have controlled a vast number of credit institutions, have started to streamline their banking assets. They are consolidating smaller banking businesses in one of their captive banks so as to centralise cash-flow management, on the one hand, and to improve economies of scale and raise efficiency, on the other hand. One effect of this might be to lower the risk exposure of their banks, as it is easier for big banks to achieve a reasonable degree of diversification and independence.

Foreign sector

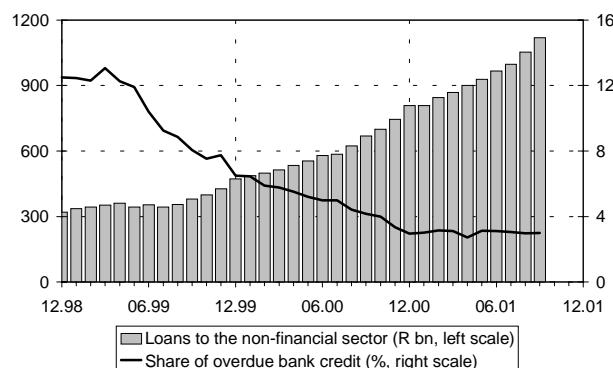
Adverse oil price trends have slightly affected Russian exports since September. Total merchandise export revenues decreased in October by 4%, amounting to \$8.2 bn as compared with almost \$8.6 bn in September. In general, the October figure is quite sound given the circumstances, although it clearly falls short of the monthly average for 2000–2001 (some \$8.8 bn).

Lending and deposit taking by commercial banks



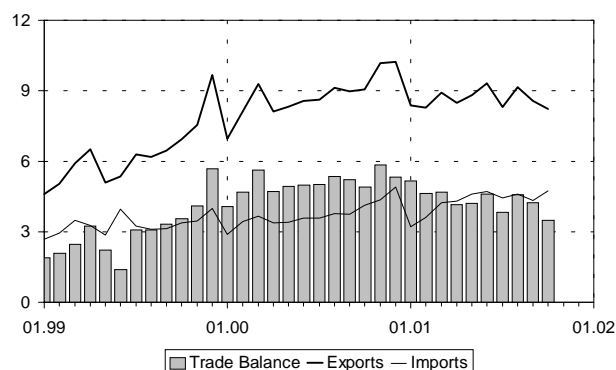
Source: CBR.

Credit portfolios of commercial banks



Source: CBR and RET staff estimates.

Merchandise exports and imports (\$ bn)



Source: CBR.

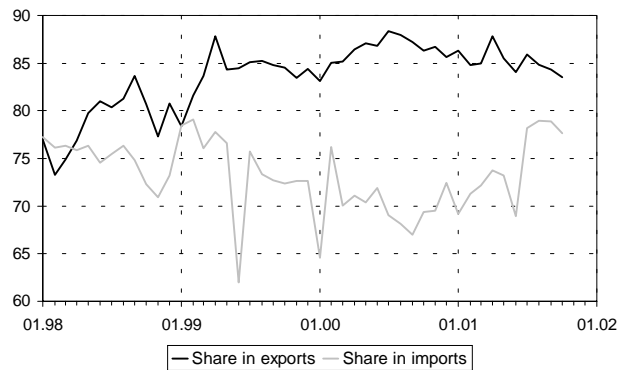
Since import trends are generally determined not by external factors but by growth in domestic income, Russian imports rose in October, reaching somewhat less than \$4.8 bn as compared with \$4.3 bn in September. As a result, the trade surplus decreased further in October to \$3.5 bn, which is 18% lower than in September and down 29% year-on-year.

On December 6 the Russian government took a long-awaited decision to cut oil exports by 150 000 barrels per day as from January 1, 2002. World oil markets reacted to the decision the same day by a remarkable price surge. Though the cut in Russian oil exports is less than OPEC countries had called for, it can be interpreted as a sign of departure from the free-rider strategy followed by Russia during the 1990s. Previously, Russia left the task of supporting oil prices to other oil-exporting countries, thus evading the costs of reducing its own oil deliveries. At the beginning of December Russia abandoned this strategy in the face of a very real threat of losing budget revenues planned for 2002 due to a major drop in world prices for oil, and despite the outright opposition of domestic oil companies. Having made this step, the Russian government will find it more difficult to abstain from it in the future, and thus closer co-operation with the OPEC countries is likely to emerge.

At the beginning of December, Goskomstat published data on foreign investment inflows to the Russian economy. (It should be noted that a substantial discrepancy exists between data on foreign investment produced by Goskomstat and those produced by the CBR, due to different calculation methods used by these agencies.) According to Goskomstat data, in Q1–Q3 2001 Russia received \$9.7 bn of foreign investment, which is some 23% higher than in the same period of 2000. Of this, \$2.9 bn (or 30%) were FDI, \$0.3 bn were portfolio investment, and the remaining \$6.5 bn, were classified as other investment. In dollar terms, FDI fell by 7% year-on-year. At the same time, other investment rose by 39%. Portfolio investment rose fivefold, but this effect is entirely due to an upsurge (small in absolute terms) from a very low level in the same period last year.

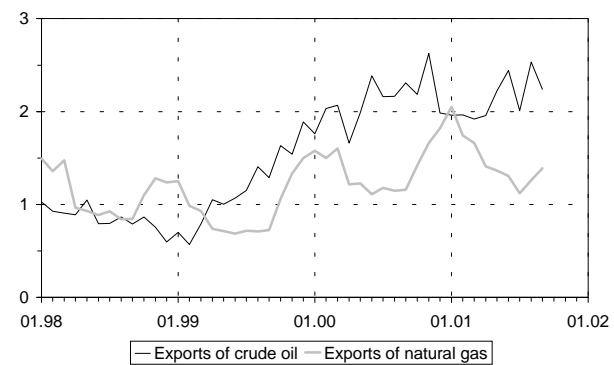
The leading sectors by inflow of foreign investment were trade and catering (\$3.4 bn or 35% of the total), the food industry (\$1 bn or 11%), ferrous metallurgy (\$0.8 bn or 9%), general commercial activities, transport, and fuel industry (around \$0.6 bn or 6% each), and machine building, metal working and communications (\$0.4 bn or 4% each). The same industries were leaders for inflow of FDI, though the FDI rankings are somewhat different. Transport and trade and catering both received some 19% of total FDI, the food industry took 12%, another 10% went

Share of non-CIS countries in foreign trade (%)



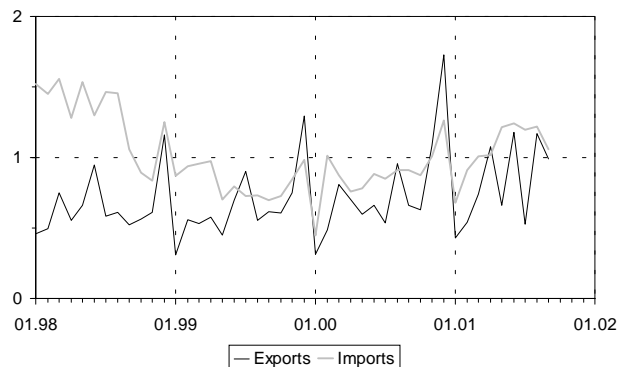
Source: CBR.

Exports of crude oil and natural gas (\$ bn)



Source: Goskomstat.

Trade in machinery and equipment (\$ bn)



Source: Goskomstat.

to the fuel industry, and shares of all other industries are much smaller. Overall, the eight leading sectors received 81% of total foreign investment in Q1–Q3 2001 and 80% of FDI.

Output of goods and services

According to Goskomstat data and RET staff estimates, in Q3 2001 ‘real GDP by income’ increased by 1.5% to previous quarter in seasonally adjusted terms (1.6% in Q2 2001 and 1.0% in Q1 2001). As a result ‘real GDP by income’ in Q3 2001 was 4.9% higher than a year earlier (5.3% y-o-y in Q2 2001 and 4.9% y-o-y in Q1 2001). It must be reminded that in Russia rates of growth of the so-called ‘real GDP by income’ refer to gross output and not to the real value added.

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) was 5.3% higher in October 2001 than a year earlier.

The highest y-o-y rates of growth were in construction: in October the real volume of construction works was 11.7% higher than a year earlier. There were particularly high rates of growth in residential construction: in October 2001 the area of dwellings completed was 34% higher than a year earlier. Industrial production in October was 3.5% above the level of October 2000, with the highest y-o-y rates of growth in chemicals (9.0%), food processing (7.2%), machinery (6.1%) and production of building materials (6.1%). Output of ferrous metals was 1.2% lower than a year earlier, and production of wood and paper products was 1.8% lower than in October 2000.

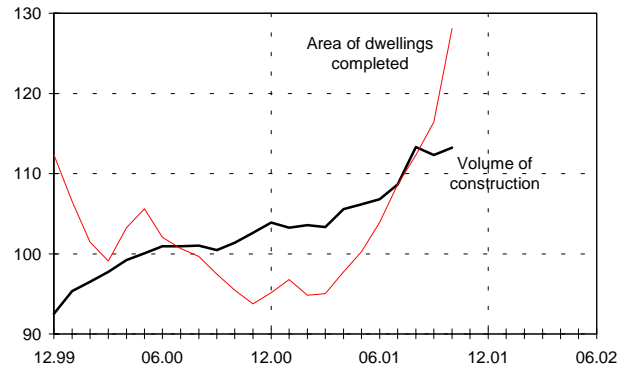
Agricultural output in January–October 2001 was 5.9% higher than in the same period of 2000. This growth was mainly due to production of plant products, which grew by about 10%, while production of animal products (meat, milk, eggs) increased by less than 1%. The increase of plant products was thanks to the good grain harvest, estimated 25–30% higher than in 2000. The harvest of potatoes and vegetables was roughly equal to its level in 2000, while the harvest of sunflower seed was 30–35% lower than in the previous year.

In October 2001 the real volume of communication services was 8.5% higher than a year earlier. The year-on-year rate of growth of freight transportation turnover was a modest 3.2%, and passenger transportation turnover actually declined over the year by 1.4%.

Prices

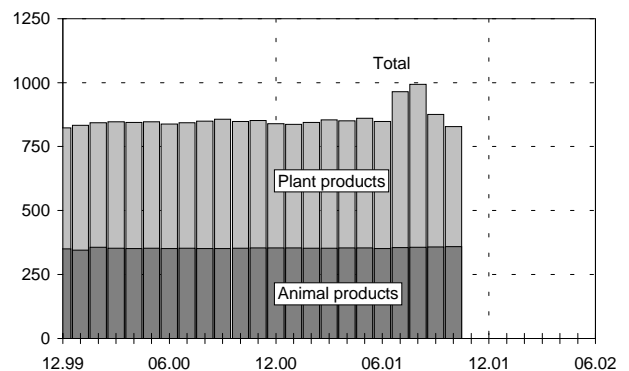
Monthly rates of inflation continue to increase, partly due to seasonal factors. The rate of growth of

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



Source: Goskomstat and RET staff estimates.

**Gross agricultural output at constant prices
(R bn 2000, seasonally adjusted)**



Source: Goskomstat and RET staff estimates.

the consumer price index (CPI) increased from 0.6% in September to 1.1% in October and 1.4% in November. The rate of growth of the investment price index (IPI) increased from 0.7% in September to 1.6% in October. Still, 12-month rates of price growth continue to decline, though at a slower pace than earlier. The 12-month rate of CPI growth declined from 20.0% in September to 18.8% in October and 18.6% in November. The 12-month rate of IPI growth declined from 19.1% in September to 17.7% in October. Relatively high rates of inflation are supported by continuing rapid increase of money supply. In October 2001 the y-o-y growth rate of the monetary aggregate M0 was equal to 52.0% (51.3% in September), and that of M2 – to 42.9% (42.5% in September).

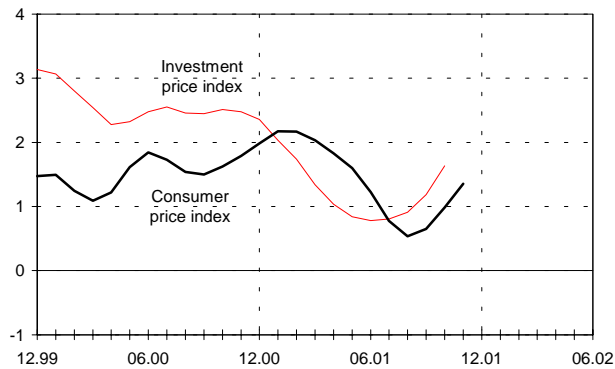
The composite producer price index, covering industry, construction, agriculture, freight transportation and business communications increased by 1.6% in October 2001 after zero change in September, though its y-o-y rate of growth declined to 17.7% from 19.0% in September. Among the components of PPI the highest y-o-y rates of growth were observed in freight transportation (49.3%), where prices for pipeline transportation grew in October by 25.5% and reached a y-o-y rate of 71.0%. The lowest y-o-y rates of price growth were in business communications (11.9% in October) and industry (12.5%). Highest y-o-y rates of price growth in industry were registered in the energy sector, where prices for electricity grew by 30.8%, for natural gas by 35.4% and for coal by 37.5%.

Labour market

According to preliminary estimates, the total number of employed in October 2001 was 65.1 mn, or 0.1 mn more than a year earlier. In September total employment was estimated at 65.2 mn, 0.3 mn higher than a year earlier. Reported number of payroll employees at large & medium-sized enterprises in September equalled 41.1 mn, down 0.7 mn from a year earlier. These estimates suggest that employment in other sectors (besides large & medium-sized enterprises) increased by 1.0 mn from September 2000 to September 2001. Unfortunately the latter estimates have a very tentative character as the last labour survey for which data are available was conducted in May 2001.

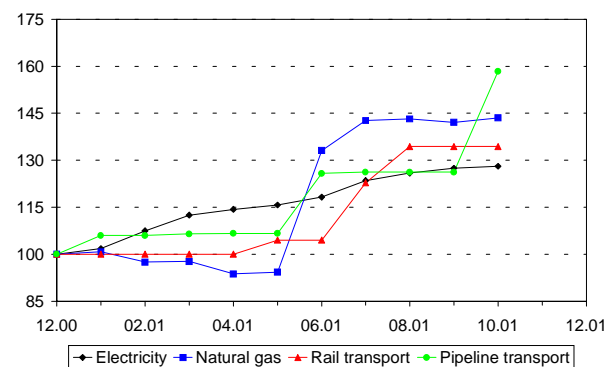
The total number of unemployed at end-October was tentatively estimated at 6.2 mn, or 0.8 mn fewer than a year earlier. The total unemployment rate according to the ILO definition at end-October was estimated at 8.7% (9.8% a year earlier). At the same time registered unemployment slightly increased over the year. The registered number of job-seekers at end-October 2001 was equal to 1.23 mn (1.17 mn

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



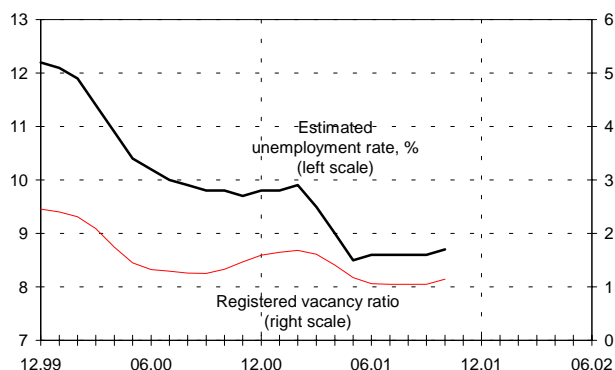
* 3-month moving average.
Source: Goskomstat.

Producer price indices in natural monopoly sectors (Dec 2000 = 100)



Source: Goskomstat and RET staff estimates.

Unemployment indicators (end of month)



Source: Goskomstat and Ministry of Labour.

a year earlier), and the number of registered unemployed was equal to 1.01 mn (0.97 mn at end-October 2000).

Real reported monthly wages due continued to grow quite rapidly: in October 2001 they were about 21–22% higher than in October 2000. At the same time the nominal stock of wage arrears continued to increase and by end-October it reached R34.7 bn (R31.7 bn at the beginning of the year). Growth of arrears is mostly due to non-payments by enterprises, though in September–October budget wage arrears also increased slightly (from R4.4 bn at end-August to R4.7 bn at end-October). Still, budget wage arrears remain lower than at the beginning of the year (R4.9 bn).

Money

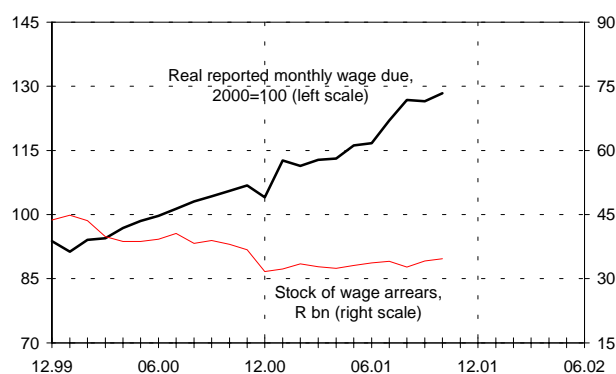
As we predicted in the previous RET, M2 grew in October by 2% m-o-m. The money multiplier changed little from September and equalled 2.17. Growth of M0 slowed down in October (it increased by R0.5 bn or by 0.1% m-o-m), while deposits of households and enterprises both rose by 3% m-o-m. Net credit of the monetary authorities to the Government decreased by R19.5 bn in October due mainly to increase in Government deposits.

There are reasons to believe that the CBR tightened monetary policy in November. GIR fell by \$0.7 bn over the month and, following the dynamics of GIR, the CBR decreased the monetary base by R14 bn or by 2% m-o-m. The monetary base was equal to R651 bn at the end of November vs. R666 bn at the end of October. Because of this we do not expect growth of M2 in November. The reaction of the CBR to the decline in GIR made analysts speculate on the outlook for Russian monetary policy in case of low oil prices. One of the possibilities is given below.

Though since the crisis of 1998 the CBR has never announced short-term targets for the exchange rate or fixed it, exchange rate policy could be described as crawling peg. GIR dynamics more or less determined dynamics of the monetary base, and in this sense Russian monetary policy was close to a currency board arrangement. If the CBR continues this policy, the worsening of the external environment and possible decrease in GIR may prompt a tightening of monetary policy. As world practice shows, this can help to avoid rapid devaluation but at the cost of higher interest rates and the slowdown of economic activity.

Tightening of monetary policy caused an increase in average interest rates on the inter-bank market in November: the average 1-day MIACR (Moscow Inter-bank Actual Credit Rate) rose from 7% in October to almost 14% in November. However, it is too early to discern any influence on the level of average

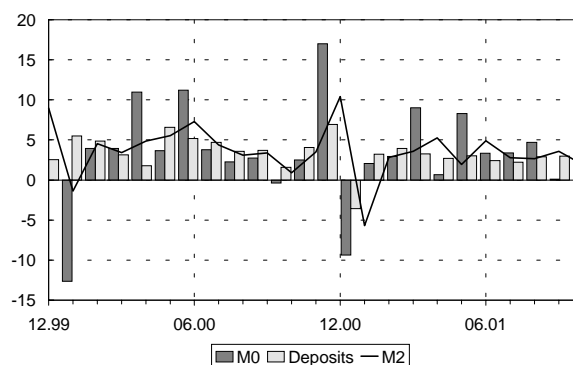
Real wages* and nominal wage arrears



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

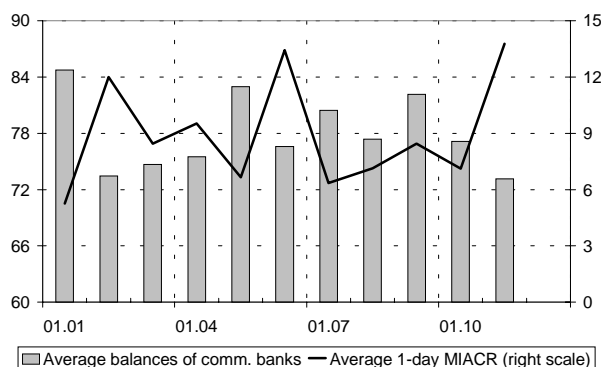
Source: Goskomstat and RET staff estimates.

Changes of M2 and its components (%)



Source: CBR and RET staff calculations.

Average balances of commercial banks on correspondent accounts at the CBR (R bn) and average 1-day MIACR (%)



Source: CBR and RET staff calculations.

lending and deposit rates. Nominal interest lending and deposit rates did not change significantly in October and equalled 18% and 5% respectively. The average lending rate became positive due to deceleration of inflation in the second half of 2001, though the deposit rate remained negative.

Exchange rate

In November the official exchange rate of the rouble against the dollar depreciated by 20 kopecks or 0.7% m-o-m to reach R29.90/\$ by the end of the month. The depreciation was gradual except for one major fall of 11 kopecks on November 20. The rouble has depreciated by 6% against the dollar over 11 months of 2001. The official average rouble/euro exchange rate appreciated in November by 1.1% to R26.49/euro. The rouble/euro exchange rate showed volatility during the month.

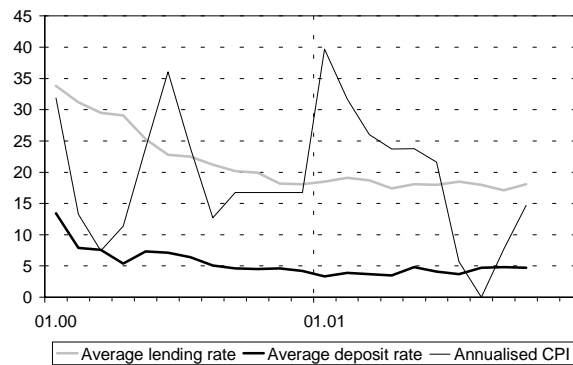
In spite of low oil prices the CBR managed to keep gross international reserves (GIR) fairly stable during the first three weeks of November. GIR amounted to \$38.6 bn on November 23. Considerable foreign debt payments at the end of the month caused decrease in GIR, which fell to \$37.3 bn by December 1. Thus, according to monthly data, GIR declined by \$0.7 bn in November. In the circumstances the CBR tightened monetary policy to stabilise the foreign exchange market (see MONEY).

In October the trade-weighted real exchange rate appreciated by 0.7% m-o-m. Though the real rouble/dollar rate did not change much, there was appreciation of the rouble against the euro and Ukrainian hryvna in October, which was caused mainly by acceleration of Russian inflation. Total appreciation of the trade-weighted real exchange rate of the rouble in January–October was 7.4%. Depreciation of the euro against the dollar and low inflation in the Euro zone were the main reasons for appreciation of the trade-weighted rouble.

Financial markets

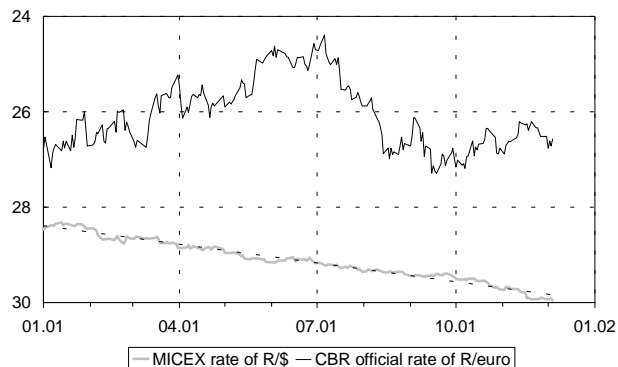
The attitude of foreign investors towards Russia seems to be changing at last. Market operators reported inflows of foreign money to the Russian stock market, which experienced a real boom in the first half of November 2001. The surge of stock prices occurred on high trading volumes and affected all industries, with the RTS index reaching 236 points, its highest level since the start of the year. However, neither this nor generally optimistic investor sentiment could save the market from a decline in the second half of November due to the confrontation between Russia and OPEC, since oil price fluctuations are one of the key factors influencing Russian market performance. During this period of low and volatile oil prices the non-oil sector outperformed oil stocks. By the end of the month the cor-

Average lending and deposit rates (excluding Sberbank) and annualised CPI*



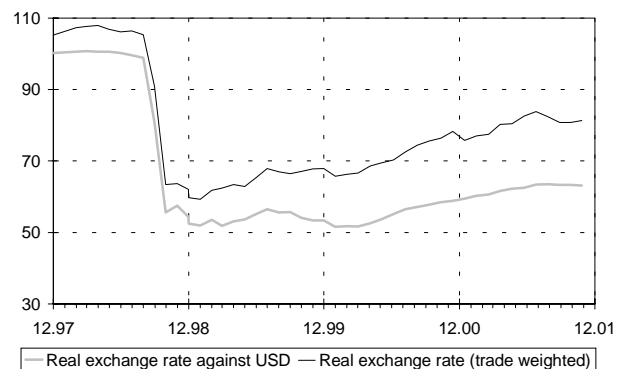
* Calculated as monthly CPI raised to the 12 power.
Source: CBR and RET staff calculations.

Rouble exchange rates



Source: MICEX, Denezhnyi Rynok, CBR.

Real exchange rate of rouble to dollar and the trade-weighted rouble real exchange rate (Dec 95 = 100)



Source: CBR, Bundesbank, Bureau of Labour Statistics, UEFPPLAC, RET staff calculations.

rection had brought the RTS index down to 225 points. However, medium-term growth expectations are still justified because of positive developments in Russia on both macroeconomic and corporate levels. In November the RTS offered the derivatives market two new futures contracts, with technical indices as underlying assets. Since September 2001, when the RTS first offered various stock futures and options, average daily trading volumes have grown to \$2 bn, which is double the derivatives turnover on MICEX.

The corporate-bond market also saw lively trading in the autumn. The volume of primary bond issues in November totalled R6.7 bn but due to the sheer number of new issues bond prices saw gradual decline. Despite concerns about possible default by the petrochemical holding Sibur, which rendered the secondary market hesitant, monthly trade turnover exceeded \$3 bn for the first time. Default by Sibur was avoided at the last moment thanks to a loan from Gazprom, the parent company of Sibur, and experts speculate that corporate debt will soon become one of the most attractive Russian investment instruments.

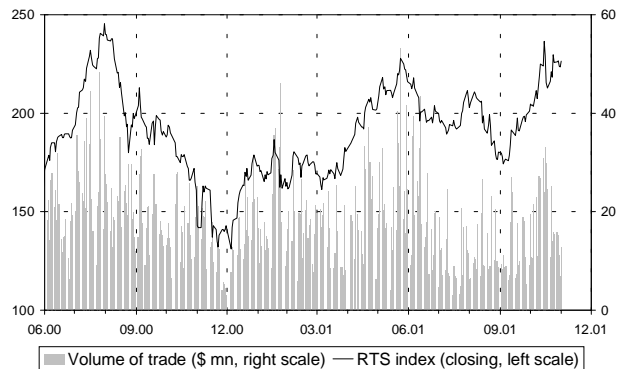
On the government debt front, two scheduled swap auctions held by the Ministry of Finance in November proved quite successful. The new instruments were placed at an average yield below the Ministry's target, with demand exceeding supply by almost 50%. Inspired by this result, the Minfin announced a third auction, which together with the two previous ones will help to soak up an influx of liquidity in December due to redemption of OFZs that were subject to exchange.

The market for Russian foreign-currency debt saw a decline in yields. Russia redeemed \$1 bn of bonds on November 27, according to schedule. Although investors did not have serious doubts about Russia's ability to pay, the news boosted interest in Russian bonds. The next day rating agency Moody's upgraded Russia's sovereign-debt rating from B2 to Ba3. Thus, recently announced eurobond issues by Russian private companies will be carried out under favourable auspices. In November 2001, for the first time since the 1998 crisis, two sub-federal Russian borrowers, the Moscow government and the large state-owned enterprise Rosneft, placed eurobonds, while Sibneft postponed an issue until market conditions improve.

External environment

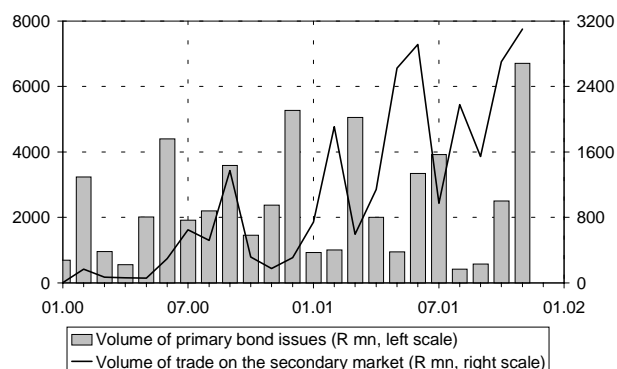
The more or less pronounced decline of industrial production in the US, EU and Japan since the beginning of 2001 has had immediate effect on the volume of international trade. Thus, total trade in manufactured goods by OECD countries started to contract in Q1 2001 after a two-year period of constant

RTS index and volume of trade



Source: RTS.

Russian corporate debt market



Source: www.cbonds.ru.

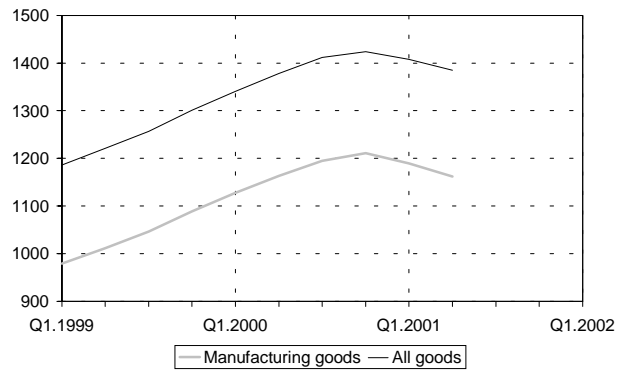
growth. In Q2 2001 exports and imports of manufactures by these countries declined to the level of Q2 2000 in constant US dollar terms. Interestingly, non-OECD countries showed faster growth in exports of manufactures in 1999–2000 than OECD countries. Links to the world economy, which were a source of growth for many countries during the boom, have now turned into a disadvantage.

The countries, which are being most seriously hit, are those with high product and geographical specialisation in their exports. The danger of 'catching' the recession is the greatest for trade partners of the US and Japan, where seasonally adjusted imports in Q3 2001 were below the peak level of Q4 2000 by 11% and 19% respectively. The decline of imports in the 15 countries of the EU was 4%. Russia has most intensive trade links with the latter group of countries – they account for more than one third of Russia's foreign trade turnover.

In current conditions domestic demand is seen as the best hope for national economies. Except in September, retail trade was growing slowly but steadily in the US throughout the first 10 months of 2001. Within the 15 EU states retail sales were declining or stagnating in some countries, e.g. France and Germany, but retail sales for the EU as a whole were slightly higher than a year ago.

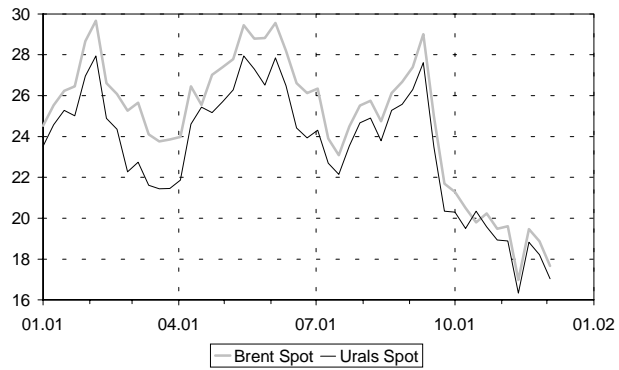
According to the CIS Interstate Statistical Committee, retail trade in the first three quarters of 2001 was up year-on-year in almost all CIS countries. Belarus was the growth leader with a 19% increase in the volume of retail sales. It was followed by Armenia, Moldova, Kazakhstan, and Russia with 15%, 14%, 13%, and 10% increases. High domestic demand along with structural amelioration and increased export revenues from oil products were among country-specific factors, which caused the phenomenon of CIS growth in the context of world economic slowdown in Q1 2001–Q3 2001.

OECD imports (in constant 1995 \$ bn)



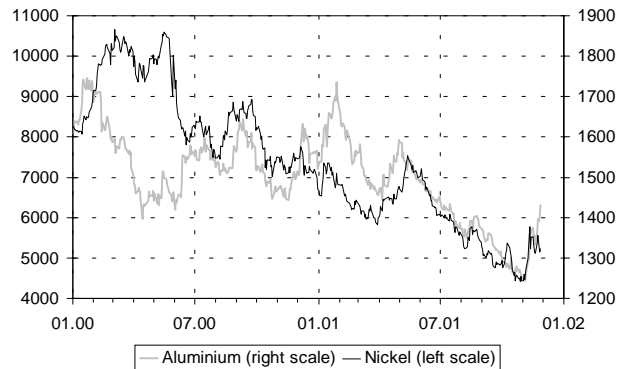
Source: OECD.

Weekly oil price development (\$ per barrel)



Source: Energy Information Administration.

Aluminium and nickel price development (\$ per tonne)



Source: London Metal Exchange.

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	955.4	98.4	376.0	105.3
1997	2 478.6	100.0	1 137.7	102.1	408.8	100.0
1998	2 741.1	95.1	1 355.5	96.5	407.1	88.0
1999	4 757.2	100.2	2 228.1	84.1	670.4	92.7
2000	7 063.4	108.6	2 967.5	92.8	1 165.2	108.8
01.1999			150.6	78.8	28.5	93.7
02			152.8	76.8	31.8	90.7
03	866.8	97.5	167.1	81.7	36.5	91.4
04			168.5	80.0	36.9	90.9
05			171.7	79.7	41.4	88.0
06	1 108.1	99.2	178.1	81.2	52.8	91.2
07			183.2	81.2	56.2	94.4
08			195.8	85.8	61.8	91.3
09	1 358.6	100.8	201.0	86.8	67.6	93.3
10			207.0	88.1	66.5	94.2
11			211.7	89.1	72.0	94.6
12	1 423.8	103.4	240.5	100.0	118.4	98.3
01.2000			210.4	85.4	46.1	101.3
02			208.4	83.7	55.8	105.4
03	1 461.4	106.4	224.3	89.6	63.9	105.9
04			223.7	88.6	64.5	106.0
05			226.2	88.0	75.8	107.6
06	1 641.9	107.7	235.1	89.2	95.7	109.5
07			243.1	90.6	99.0	110.5
08			259.1	95.6	112.9	112.1
09	2 004.0	109.7	262.5	95.6	118.3	111.7
10			271.5	96.9	114.6	111.6
11			280.0	98.4	123.1	112.3
12	1 956.0	110.5	323.1	111.7	195.5	111.6
01.2001			270.0	90.8	70.9	109.5
02			271.7	89.4	82.3	111.0
03	1 886.3	111.6	294.3	95.0	91.7	110.6
04			300.8	95.4	93.4	113.5
05			308.6	96.2	112.8	119.9
06	2 116.2	113.4	319.4	98.0	132.7	116.5
07			324.7	99.2	135.7	119.1
08			342.1	104.5	153.3	121.5
09	2 542.5	115.1	340.8	103.5	158.7	122.4
10			353.2	106.1	153.8	123.9
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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	100.8	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	102.7	236.6	294	602	853	248
05	103.8	225.9	295	604	840	242
06	104.5	246.7	296	593	849	247
07	105.3	256.8	296	584	841	255
08	106.7	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	112.7	365.5	300	588	858	255
01.2000	115.0	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	116.1	359.2	306	580	861	256
05	114.9	361.1	310	578	880	263
06	117.5	384.5	311	585	874	260
07	119.7	391.6	314	591	885	254
08	119.0	407.7	316	585	881	252
09	120.2	417.6	319	583	876	256
10	120.9	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	120.1	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	122.4	467.2	328	583	893	259
05	122.9	468.1	333	579	870	269
06	123.7	477.5	340	582	898	274
07	123.2	491.8	341	550	903	293
08	125.0	503.2	342	561	897	293
09	126.8	494.1	344	576	871	286
10	125.1	530.6	346	598	912	266
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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	97.5	100.8	32.0	3 452	946
2000	96.7	98.1	112.4	30.3	3 625	1 047
01.1999	90.5	97.4	98.6	25.2	3 360	868
02	90.1	97.6	99.1	29.3	3 292	880
03	90.1	97.5	100.2	36.8	3 445	895
04	92.5	97.6	98.4	27.8	3 434	910
05	92.7	97.4	97.0	28.8	3 434	934
06	91.8	98.7	99.9	35.9	3 434	943
07	89.7	97.1	102.8	31.2	3 464	962
08	79.8	97.5	99.1	31.7	3 499	974
09	89.5	97.6	102.9	34.8	3 486	988
10	90.9	97.2	103.7	32.1	3 487	984
11	92.5	97.2	103.8	34.6	3 508	1 001
12	94.1	97.4	104.0	35.7	3 581	1 016
01.2000	95.4	96.3	107.2	30.9	3 598	1 002
02	96.5	99.2	108.5	32.3	3 610	1 077
03	96.8	98.2	109.8	28.1	3 595	1 037
04	96.6	97.8	111.5	32.2	3 571	1 029
05	96.8	98.1	112.4	33.3	3 579	1 038
06	95.9	98.1	113.4	29.8	3 619	1 065
07	96.5	98.3	113.4	31.3	3 669	1 027
08	97.2	98.0	113.5	30.1	3 620	1 034
09	98.1	98.0	112.9	29.8	3 628	1 046
10	97.0	98.3	113.9	29.0	3 676	1 055
11	97.5	98.4	115.3	28.4	3 678	1 093
12	96.1	98.4	116.7	28.3	3 653	1 057
01.2001	95.8	98.5	116.0	30.9	3 650	1 013
02	96.6	98.2	116.4	27.9	3 668	1 043
03	97.8	98.1	116.1	28.9	3 687	1 062
04	97.3	98.5	118.6	30.1	3 721	1 039
05	98.5	98.7	119.3	30.0	3 755	1 052
06	97.1	97.8	120.0	32.0	3 756	1 068
07	110.3	99.0	122.1	32.6	3 749	1 064
08	113.7	99.3	127.3	35.2	3 764	1 075
09	100.3	99.5	126.2	33.8	3 808	1 082
10	94.7	99.8	127.2	39.0	3 792	1 082
11						
12						

* 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	754.5	100.6	200.3	92.1
1997	500.6	120.8	880.6	105.2	269.5	95.5
1998	607.3	130.1	1069.3	101.2	318.5	94.5
1999	1 136.5	128.6	1827.2	93.0	447.4	101.3
2000	1 721.6	152.4	2387.4	101.1	615.7	107.7
01.1999	60.4	99.5	123.5	87.8	28.7	93.7
02	62.6	99.5	125.0	85.4	29.5	90.5
03	74.4	106.7	136.6	90.5	32.4	96.5
04	77.9	99.3	137.8	88.4	32.7	96.9
05	83.8	140.3	141.0	88.3	32.8	98.5
06	88.4	139.0	144.7	89.0	36.9	101.3
07	98.3	132.5	148.1	88.9	39.1	105.0
08	103.0	123.1	159.7	94.5	40.5	107.5
09	118.6	148.6	164.1	95.2	41.4	106.4
10	114.8	152.7	170.2	97.3	41.9	106.1
11	120.0	152.7	173.2	97.8	44.5	112.7
12	134.3	149.9	203.3	112.9	47.0	100.9
01.2000	110.3	130.4	172.5	94.0	39.9	100.3
02	120.6	141.0	170.8	92.5	39.7	93.7
03	134.8	145.2	182.8	98.2	43.8	100.3
04	126.7	124.0	181.1	96.3	44.6	102.3
05	132.1	170.8	182.8	95.7	46.1	106.6
06	144.7	176.6	188.3	96.7	50.9	110.5
07	146.1	153.5	193.0	97.8	54.7	115.3
08	152.8	143.8	205.5	103.2	57.2	118.8
09	152.3	152.1	209.1	103.4	56.9	113.6
10	159.8	169.4	217.4	105.6	58.0	112.9
11	162.1	163.5	222.9	106.7	59.5	119.1
12	179.3	159.0	261.2	122.6	64.4	99.0
01.2001	161.7	157.3	217.0	100.0	56.1	106.5
02	168.0	160.6	218.6	99.3	55.8	98.7
03	189.9	165.5	237.5	106.1	59.9	101.1
04	183.8	144.6	241.3	106.2	62.7	105.8
05	174.4	181.4	247.9	107.5	64.1	108.7
06			252.3	108.0	70.5	112.1
07			254.2	108.6	74.2	115.9
08			269.9	115.3	76.1	118.9
09			270.8	114.9	74.5	113.2
10			282.5	118.7	74.5	110.8
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*Wholesalers only, including exports.

** Including catering. Revised by Goskomstat in September 2001.

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	86.3
1996	66.0	9.6	9.2	4 009	790	91.8
1997	64.6	10.8	7.6	6 001	950	96.1
1998	63.6	11.9	5.4	2 882	1 095	83.2
1999	63.9	12.6	3.6	1 790	1 581	64.9
2000	64.2	10.5	1.6	236	2 253	78.4
01.1999	63.1	13.7	6.6	577	1 167	57.3
02	63.3	14.1	6.1	532	1 199	58.7
03	63.3	13.7	5.5	83	1 385	61.0
04	63.6	13.1	4.4	15	1 423	62.5
05	64.3	12.4	3.6	15	1 472	63.5
06	64.2	12.1	2.9	6	1 626	65.0
07	64.5	11.9	2.6	6	1 618	64.9
08	64.4	11.9	2.4	5	1 608	66.0
09	64.4	12.0	2.2	99	1 684	67.7
10	64.2	12.2	2.2	228	1 716	68.6
11	64.2	12.4	2.4	42	1 789	69.9
12	63.2	12.2	2.5	184	2 283	73.4
01.2000	63.5	12.1	2.4	91	1 830	71.1
02	63.5	11.9	2.3	65	1 839	73.5
03	63.5	11.4	2.1	27	2 018	74.0
04	63.5	10.9	1.7	7	2 039	76.2
05	63.7	10.4	1.4	0	2 101	77.5
06	64.2	10.2	1.3	0	2 294	77.9
07	64.7	10.0	1.3	0	2 302	79.3
08	64.5	9.9	1.3	1	2 289	80.8
09	65.0	9.8	1.3	1	2 367	81.9
10	64.7	9.8	1.3	2	2 425	82.9
11	65.2	9.7	1.5	17	2 508	83.5
12	64.0	9.8	1.6	25	3 025	82.6
01.2001	65.2	9.8	1.7	4	2 733	88.0
02	64.8	9.9	1.7	12	2 655	86.9
03	64.5	9.5	1.6	0	2 964	88.0
04	64.9	9.0	1.4	1	2 923	88.2
05	65.3	8.5	1.2	1	3 054	90.6
06	64.8	8.6	1.1	6	3 284	90.9
07	65.1	8.6	1.0	0	3 364	95.4
08	65.4	8.6	1.0	0	3 376	99.2
09	65.6	8.6	1.0	1	3 405	98.9
10	65.1	8.7	1.1	2	3 473	100.6
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* 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	768.3	101.3	72.7	302.1	369.9	21.4
1997	939.8	108.2	83.5	328.2	411.2	21.2
1998	1 006.5	91.4	83.5	399.0	493.3	24.6
1999	1 626.5	78.5	83.5	448.6	1044.0	39.1
2000	2 177.6	87.3	107.7	694.7	1210.4	33.7
01.1999	1 160.7	64.9	83.5	403.0		
02	1 299.0	69.8	83.5	403.1		
03	1 382.8	72.3	83.5	403.1	947.9	43.6
04	1 544.1	78.4	83.5	403.2		
05	1 486.3	73.8	83.5	451.6		
06	1 585.4	77.2	83.5	455.5	1057.1	40.7
07	1 597.0	75.7	83.5	455.7		
08	1 686.6	79.0	83.5	455.9		
09	1 693.9	78.2	83.5	456.1	1084.9	39.6
10	1 755.0	79.9	83.5	455.6		
11	1 803.4	81.1	83.5	519.2		
12	2 523.9	112.2	83.5	521.1	1085.9	32.5
01.2000	1 515.7	65.8	83.5	521.6		
02	1 835.8	78.9	83.5	612.5		
03	2 009.4	85.8	83.5	613.1	1137.7	41.2
04	2 044.1	86.5	83.5	613.2		
05	1 995.2	83.0	83.5	693.8		
06	2 209.7	89.6	83.5	693.9	1185.0	34.7
07	2 161.3	86.1	132.0	694.4		
08	2 245.2	88.6	132.0	750.0		
09	2 306.9	89.8	132.0	750.1	1234.0	31.8
10	2 266.9	86.5	132.0	748.9		
11	2 423.1	91.1	132.0	821.3		
12	3 118.1	115.3	132.0	823.4	1285.0	26.9
01.2001	1 997.4	71.8	200.0	824.2		
02	2 322.4	81.7	200.0	900.2		
03	2 586.7	89.3	200.0	916.4	1396.0	36.6
04	2 752.2	93.4	200.0	917.3		
05	2 590.6	86.4	200.0	1015.7		
06	2 977.4	97.7	200.0	1019.3	1507.0	31.3
07	2 921.2	95.4	300.0	1020.3		
08	3 009.9	98.3	300.0	1126.8		
09	3 003.1	97.5	300.0	1133.6		
10	3 042.8	97.7	300.0	1134.7		
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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
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	74.4	5850.8	1819.2	795.8	1519.2	6254.9
08	100.2	5860.5	1793.3	776.8	1573.1	6287.8
09	86.1	5977.9	1779.1	770.6	1623.8	6516.0
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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	121.4	123.2
1999	251.7	266.4	277.7	158.5	190.1	206.2
2000	302.5	314.1	329.1	211.9	252.7	271.3
01.1999	199.9	216.2	211.9	123.2	128.6	131.7
02	208.1	225.6	220.2	127.1	134.5	139.1
03	213.9	231.9	227.4	129.5	138.9	144.4
04	220.4	238.0	236.6	133.6	143.2	149.7
05	225.3	242.7	243.0	136.4	147.9	155.1
06	229.6	247.0	246.8	141.1	152.2	160.9
07	236.0	254.8	251.6	145.6	156.5	165.9
08	238.8	255.8	257.6	148.5	162.4	173.8
09	242.3	257.9	264.5	151.4	170.3	184.0
10	245.6	260.1	270.3	154.5	178.8	194.2
11	248.6	262.7	274.5	157.1	185.9	201.7
12	251.7	266.4	277.7	158.5	190.1	206.2
01.2000	257.6	272.1	283.8	163.8	199.6	214.4
02	260.3	273.4	287.4	168.7	205.4	222.5
03	262.0	273.6	291.5	171.2	209.3	228.2
04	264.2	274.4	295.8	174.9	212.4	231.7
05	268.8	280.5	299.1	177.2	215.5	235.8
06	275.7	289.6	301.6	182.6	219.4	241.2
07	280.7	294.7	304.1	189.4	225.1	249.5
08	283.4	295.5	308.3	195.1	232.1	253.8
09	287.2	297.3	314.6	200.5	237.0	258.5
10	293.2	303.7	320.5	205.3	243.2	265.4
11	297.6	308.2	325.2	208.6	247.7	268.8
12	302.5	314.1	329.1	211.9	252.7	271.3
01.2001	310.9	323.7	333.7	221.7	257.7	276.2
02	318.0	331.0	338.0	231.3	262.5	281.1
03	324.0	337.0	342.2	239.3	265.5	284.1
04	329.7	343.6	345.2	245.9	268.5	286.8
05	335.5	351.5	348.2	250.3	271.1	289.3
06	340.9	358.3	350.2	256.7	276.2	295.2
07	342.5	357.4	352.1	264.1	280.4	297.9
08	342.5	353.6	354.9	270.0	282.2	297.9
09	344.6	352.8	359.0	276.9	282.0	297.5
10	348.4	355.2	363.6	282.1		
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Table 9: Foreign Trade

	Exports total*	Exports of crude oil**	Exports of natural gas	Imports total*	Imports of machinery & equipment	Trade balance total*
	(\$ bn)	(\$ bn)	(\$ bn)	(\$ bn)	(\$ bn)	(\$ bn)
1995	81.1	12.4	10.8	60.8	15.8	20.2
1996	88.6	15.6	15.8	68.8	14.6	19.8
1997	88.2	14.3	16.4	73.7	18.5	14.5
1998	74.2	10.3	13.3	59.1	15.6	15.1
1999	75.8	14.1	11.4	39.7	9.9	36.1
2000	105.5	25.3	16.6	44.9	10.6	60.6
01.1999	4.6	0.7	1.3	2.7	0.9	1.9
02	5.0	0.6	1.0	3.0	0.9	2.0
03	6.0	0.8	0.9	3.5	1.0	2.5
04	6.5	1.1	0.7	3.3	1.0	3.2
05	5.1	1.0	0.7	2.9	0.7	2.2
06	5.4	1.1	0.7	4.0	0.8	1.4
07	6.3	1.2	0.7	3.2	0.7	3.1
08	6.2	1.4	0.7	3.1	0.7	3.1
09	6.5	1.3	0.7	3.1	0.7	3.4
10	6.9	1.6	1.1	3.4	0.7	3.5
11	7.6	1.5	1.3	3.5	0.8	4.1
12	9.7	1.9	1.5	4.0	1.0	5.7
01.2000	7.0	1.8	1.6	2.9	0.4	4.1
02	8.1	2.0	1.5	3.4	1.0	4.7
03	9.3	2.1	1.6	3.7	0.9	5.6
04	8.1	1.7	1.2	3.4	0.8	4.7
05	8.3	2.0	1.2	3.4	0.8	4.9
06	8.6	2.4	1.1	3.6	0.9	5.0
07	8.6	2.2	1.2	3.6	0.8	5.0
08	9.1	2.2	1.1	3.8	0.9	5.3
09	9.0	2.3	1.2	3.7	0.9	5.3
10	9.0	2.2	1.4	4.1	0.9	4.9
11	10.2	2.6	1.7	4.4	1.0	5.8
12	10.2	2.0	1.8	4.9	1.3	5.3
01.2001	8.4	2.0	2.0	3.2	0.7	5.2
02	8.3	2.0	1.7	3.6	0.9	4.6
03	8.9	1.9	1.7	4.2	1.0	4.7
04	8.5	2.0	1.4	4.3	1.0	4.2
05	8.8	2.2	1.4	4.6	1.2	4.2
06	9.3	2.4	1.3	4.7	1.2	4.6
07	8.3	2.0	1.1	4.5	1.2	3.8
08	9.2	2.5	1.3	4.6	1.2	4.6
09	8.6	2.2	1.4	4.3	1.1	4.2
10	8.2	1.9	1.2	4.8	1.1	3.5
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* Balance of payments methodology.

** New series

Table 10: Balance of payments (\$ mn)

	1998	1999	2000	2000	2000	2000	2001	2001
				Q2	Q3	Q4	Q1	Q2
Current Account	687	24731	46317	10942	10552	12923	11773	9376
<i>Trade balance</i>	12813	31845	52985	12565	13396	14192	12501	10454
Export	87257	84733	115197	27357	29653	32014	27500	29127
Import	-74443	-52763	-62213	-14793	-16257	-17822	-14999	-18673
<i>Merchandise trade balance</i>	16869	36129	60703	14630	15601	16089	14515	12981
Export	74884	75666	105565	25009	26728	29464	25594	26613
Import	-58015	-39537	-44862	-10379	-11127	-13375	-11079	-13632
<i>Service balance</i>	-4056	-4284	-7719	-2066	-2205	-1897	-2014	-2527
Export	12372	9067	9632	2348	2925	2550	1907	2514
Import	-16428	-13351	-17351	-4414	-5129	-4447	-3921	-5040
<i>Income and Wages</i>	-11790	-7716	-6736	-1716	-2803	-1225	-722	-1159
Received	4301	3881	4753	718	713	812	2762	1066
Paid	-16091	-11597	-11489	-2434	-3517	-2037	-3484	-2225
Wages	-164	221	268	59	69	85	87	52
Received	301	425	500	116	129	152	196	198
Paid	-465	-204	-232	-57	-61	-67	-109	-146
Income	-11626	-7937	-7004	-1775	-2872	-1310	-809	-1211
Received	4000	3456	4253	602	584	659	2566	868
Paid	-15626	-11393	-11257	-2378	-3456	-1970	-3374	-2079
<i>Current Transfers</i>	-337	601	69	94	-41	-44	-6	81
Received	308	1183	807	251	153	183	285	295
Paid	-644	-582	-738	-157	-194	-228	-291	-215
Capital Account	8397	-17750	-37050	-10183	-7752	-9290	-9325	-7841
<i>Capital transfers (net)</i>	-382	-328	10955	-39	10976	-4	-105	-153
<i>Direct investments abroad</i>	-1270	-1963	-3208	-466	-980	-1071	-843	-675
<i>Direct investments into Russia</i>	2761	3309	2714	469	661	1048	547	641
<i>Portfolio investments abroad</i>	-257	254	-380	9	-292	-135	305	-26
<i>Portfolio investments into Russia</i>	8876	-1199	-9923	-1530	-8541	-435	-109	8
<i>Other investment - assets</i>	-15907	-15271	-17043	-2009	-2815	-5545	-6235	-3022
Hard currency	824	921	-321	439	289	-1022	-807	662
Bank accounts and deposits	1200	-3909	-3666	-647	-603	-940	-1915	-1263
Trade credits	-6818	-5503	-4179	-178	-866	-2448	1381	-720
Loans provided (not overdue)	5345	4855	5365	977	400	2367	-269	155
Overdue payments	-7425	-5809	-7488	-694	-869	-2114	-2726	-981
Liabilities on shipments under intergovernmental agreements	-737	-305	-511	-276	666	-305	190	178
Non-repatriated export revenue	-7959	-5051	-5293	-1266	-1513	-915	-1623	-832
Other assets	-339	-471	-950	-362	-319	-168	-465	-220
<i>Other investment - liabilities</i>	9322	-598	-4172	-346	-2941	-258	-960	790
National currency	65	3	155	42	35	55	22	0
Bank accounts and deposits	-3050	162	725	-326	497	406	249	1124
Trade credits and advances	321	290	0	0	0	0	0	0
Loans received (not overdue)	7325	-2880	-3603	-1260	-596	-596	-1533	-346
Overdue payments	5315	2027	-1637	1116	-2862	-187	426	39
Other liabilities	-654	-201	187	82	-14	64	-124	-27
<i>Adjustments</i>	-50	-176	17	-52	158	-182	-95	-64
<i>Net international reserves</i>	5305	-1778	-16010	-6219	-3979	-2710	-1830	-5340
Errors and omissions	-9084	-6980	-9267	-759	-2799	-3633	-2449	-1535

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	-3.3
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	-2.0
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	-1.4
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	3.4
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	3.2
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	2.3
01.2001	94.6	88.9	38.5	18.9	56.1	
02	200.1	186.5	143.2	65.6	56.9	
03	318.0	296.9	235.7	88.4	82.3	4.4
04	451.9	420.2	329.2	94.4	122.7	
05	585.4	543.7	436.6	111.8	148.8	
06	711.0	661.8	549.7	128.1	161.3	4.0
07	846.9	783.4	646.9	142.4	200.0	
08	979.3	906.5	778.1	180.3	201.2	
09	1108.1	1025.2	908.2	211.3	199.9	3.1
10	1250.8	1151.2	1022.5	216.0	228.3	
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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	0.4
07	297.4	227.6	288.5	51.4	8.9	
08	356.7	274.0	345.5	63.6	11.2	
09	410.9	314.0	400.6	75.2	10.4	0.3
10	467.5	354.1	454.0	85.5	13.6	
11	543.7	414.3	528.0	99.4	15.7	
12	647.9	493.1	648.9	124.6	-1.0	-0.02
01.2000	41.4	30.2	34.5	6.2	7.0	
02	87.9	64.6	82.3	14.4	5.6	
03	160.7	117.6	154.6	26.0	6.0	0.4
04	242.3	181.5	230.1	39.9	12.2	
05	338.2	251.8	311.6	56.2	26.6	
06	427.3	313.5	402.7	73.8	24.6	0.8
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	0.8
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	0.5
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	1.1
07	707.0	461.0	666.4	118.8	40.6	
08	842.3	554.7	786.3	140.2	56.0	
09	943.2	618.4	896.2	160.4	47.0	0.7
10	1053.1	691.4	1035.8	178.3	17.3	
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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	-3.3	400.7	266.5	704.7	n.a.
2000	519.6	16.2	8.1	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	-4.4	380.4	219.3	646.6	n.a.
12	324.3	-3.3	400.7	266.5	704.7	n.a.
01.2000	296.5	-2.4	354.2	232.9	695.0	258.5
02	306.0	-1.1	331.1	242.0	726.6	253.9
03	318.9	1.2	284.6	251.5	751.4	255.9
04	349.6	3.4	259.7	279.1	787.9	256.8
05	361.4	6.1	204.3	289.3	831.6	255.9
06	397.2	7.8	128.9	321.8	892.2	258.3
07	415.7	10.5	76.0	334.0	931.2	255.1
08	425.0	11.3	63.8	341.6	960.1	259.2
09	437.6	12.8	33.6	351.0	992.4	247.3
10	446.0	14.1	7.1	349.7	1001.2	235.6
11	457.1	16.0	-37.4	358.4	1036.4	229.7
12	519.6	16.2	8.1	419.3	1144.3	184.2
01.2001	488.0	16.0	-19.6	380.1	1079.3	175.1
02	494.7	16.4	-30.7	388.0	1109.7	180.2
03	499.6	18.2	-79.6	399.4	1149.5	185.7
04	531.1	20.1	-105.4	435.4	1210.0	189.5
05	550.0	22.1	-151.0	438.3	1233.7	191.7
06	583.1	23.7	-165.5	474.7	1294.3	195.4
07	607.5	25.1	-184.9	490.6	1330.2	196.8
08	628.7	26.0	-192.9	507.1	1365.5	203.1
09	649.8	26.8	-197.1	531.0	1414.4	193.8
10	665.6	28.4	-241.8	531.5	1441.2	189.5
11	651.3					178.8
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Source: CBR.

*Since November 1999 NIR and NDA are estimated by RET on the base of CBR data.

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

NDA is calculated using exchange rates of R24.18/\$ for January-October 1999, R6.0/\$ for 1998, R5,560/\$ for 1997, R4,640/\$ for 1996, R3,550/\$ for 1995.

*** 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	366.1	504.7	310.9
07	2702.8	596.0	1105.5	376.5	512.6	304.8
08	2746.6	600.2	1167.4	387.3	505.0	314.8
09	2794.3	598.4	1215.5	402.7	511.0	315.3
10	2859.0	601.6	1249.0	414.5	532.5	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	147.4	71.0	91.5	132.4	80.9
1996	99	91.4	44.4	38.0	63.1	160.3
1997	31	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	24.3	6.5	7.1	12.7	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	7.2	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	4.4	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	4.1	5.4	8.1	165.9
02	25	19.1	4.7	12.1	n.a.	172.0
03	25	18.7	4.5	8.3	11.8	172.9
04	25	17.4	4.3	9.0	13.1	169.6
05	25	18.1	5.4	6.9	12.4	200.1
06	25	18.0	4.7	13.2	13.4	217.8
07	25	18.5	4.2	6.2	13.8	204.1
08	25	18.0	5.3	7.3	14.0	198.3
09	25	17.1	5.5	8.1	12.3	194.5
10	25	18.1	5.5	7.3	12.4	191.3
11	25					220.8
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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	Exchange rate (MICEX), period average*	Exchange rate (MICEX), end of period*	Real exchange rate, period average**	Gross international reserves (including gold, end of period)	of which: Gold reserves (valued at \$300 per ounce)
	(end Aug-94=100)	R/\$	R/\$	(Dec-95 = 100)	\$ bn	\$ bn
1995	64.0	4.562	4.640	82.4	17.2	2.8
1996	148.4	5.126	5.570	99.9	15.3	4.1
1997	302.7	5.785	5.974	104.4	17.8	4.9
1998	38.4	9.965	21.140	90.6	12.2	4.4
1999	114.6	24.836	26.959	64.9	12.5	4.0
2000		28.145	28.163	71.7	28.0	3.7
01.1999	35.1	22.991	23.100	59.3	11.6	4.5
02	50.7	23.075	23.100	61.7	11.4	4.2
03	61.0	24.120	24.860	62.4	10.8	4.1
04	69.4	25.321	24.290	63.3	11.2	4.1
05	75.6	24.672	24.700	62.8	11.9	3.9
06	96.5	24.429	24.210	65.4	12.2	4.0
07	88.6	24.321	24.198	67.9	11.9	4.1
08	78.9	24.690	24.860	67.0	11.2	4.4
09	63.8	25.499	25.179	66.5	11.2	4.6
10	75.0	25.776	26.030	67.1	11.8	4.7
11	87.0	26.328	26.650	67.7	11.5	3.9
12	114.6	26.813	26.959	67.9	12.5	4.0
01.2000	130.9	28.413	28.600	65.8	12.9	4.0
02	138.8	28.732	28.690	66.2	13.7	4.1
03	178.0	28.457	28.680	66.6	15.5	4.1
04	171.5	28.593	28.395	68.6	17.1	3.7
05	149.0	28.300	28.250	69.5	19.6	3.7
06	135.8	28.239	28.080	70.3	21.0	3.3
07	152.1	27.834	27.851	72.5	23.3	3.3
08	187.9	27.746	27.830	74.4	23.7	3.4
09	157.9	27.809	27.835	75.6	25.0	3.5
10	152.2	27.864	27.824	76.4	25.9	3.5
11		27.811	27.891	78.3	27.7	3.6
12		27.940	28.163	75.8	28.0	3.7
01.2001		28.382	28.404	77.0	29.6	3.7
02		28.603	28.622	77.5	28.3	3.8
03		28.684	28.743	80.2	29.7	3.8
04		28.852	28.830	80.4	31.7	3.8
05		29.033	29.143	82.6	33.6	3.8
06		29.113	29.065	83.8	35.1	3.8
07		29.230	29.319	82.4	36.5	3.8
08		29.347	29.406	80.7	37.5	3.8
09		29.432	29.390	80.8	38.0	3.9
10		29.544	29.678	81.4	38.0	4.0
11		29.809	29.901		37.3	4.0
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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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