

21 JANUARY 2002



RUSSIAN ECONOMIC TRENDS

MONTHLY

**RUSSIAN-EUROPEAN CENTRE
FOR ECONOMIC POLICY**

in cooperation with

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



Russian-European Centre for Economic Policy (RECEP)

Potapovsky Pereulok 5, building 4, Moscow 101000 Russia

Tel: +7 (503) 232 3613, Fax: +7 (503) 232 3739

<http://www.recep.org>

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

RECEP Director of Publications: Ivan Samson (isamson@recep.ru)

Editor-in-Chief: Seija Lainela (slainela@recep.ru)

Editor of the Russian version: Yevgenia Antonova (econ_reforms@gov.ru)

Editorial Board:

Paavo Suni, Chairman (ETLA); Eric Brunat, RECEP European Executive Director (University of Savoie); Jacques Fontanel (UPMF); Seija Lainela, Editor in Chief; Ivan Samson, RECEP Project Director (UPMF); Karoly Attila Soos, RECEP Chief Economist; Pentti Vartia (ETLA)

Written by:

Sergei Afontsev (saafontsev@recep.ru)

Maria Boyko (mboyko@recep.ru)

Ekaterina Ivleva (eivleva@recep.ru)

Lyubov Loukachova (lloukachova@recep.ru)

Sergei Nikolaenko (snikolaenko@recep.ru)

Andrei Poletayev (apoletayev@recep.ru)

Vladimir Redkin (vredkin@recep.ru)

Anton Stroutchenevski (astroutchenevski@recep.ru)

Sergei Tsukhlo (tsukhlo@iet.ru)

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 ETLA, Helsinki (The Research Institute of the Finnish Economy)

To receive free issues of Russian language version of quarterly and/or monthly issues
of Russian Economic Trends please contact

Russian European Centre for Economic Policy (RECEP)

Potapovsky Pereulok 5, building 4, Moscow 101000 Russia

Tel. +7 (503) 232 3616, Fax +7 (503) 232 3739, E-mail: recep@recep.ru

To subscribe to English version of quarterly issues of Russian Economic Trends
please contact **Blackwell Publishers Journals**

PO Box 805, 108 Cowley Road, Oxford OX4 1FH, UK.

Tel. +44 (0) 1865 244083, Fax +44 (0) 1865 381381, E-mail: jnlinfo@blackwellpublishers.co.uk.

For further details visit website: <http://www.blackwellpublishers.co.uk>.

Subscription prices (includes the quarterly as well as 12 monthly updates):

Corporate Institutions: £350 (The Americas US \$543)

Special Introductory Rate for Academic Institutions: £150 (US \$233)

Individuals (academic): £49 (US \$76)

© Copyright 2002 the European Commission ISSN 0967-0793



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 started to slow

The fast rate of growth experienced by the Russian economy until late 2001 started to slow down towards the end of the year. The slowing of growth is not surprising – it would be much more surprising if Russia remained unaffected by international economic developments. The interesting question is, to what extent decreasing foreign demand will reduce Russia's growth rate in 2002 and how domestic demand will behave.

For the year 2001 as a whole, macroeconomic developments proved to be rather positive. Goskomstat preliminary estimates suggest that GDP increased by 5% over the year. Industrial output expanded by 5.1% in 11 months of 2001, while agricultural output was 6% higher than in the respective period of 2000.

In the fourth quarter of 2001 the Russian economy seems to have grown only very little from the third quarter. Production by the five base sectors of the economy, which can be used as a proxy for GDP, declined 6.3% month-on-month in November. However, year-on-year growth of this GDP proxy was 6.3%. Seasonally adjusted industrial production remained unchanged in November from October, but was still up 4.7% year-on-year. Business surveys show that in December demand for industrial production declined sharply in almost all sectors. Although positive moods still dominated among industrial producers, they were abating.

In November the month-on-month growth of domestic demand slowed, with both consumption and investment showing a slightly decelerating rate of increase. However, 12-month growth rates are still impressive. Real consumption expenditure increased in November by 9.0% year-on-year, with the year-on-year rate of growth in 11 months of 2001 at 8.6%. Real investment was up 8.9% y-o-y in November; and its y-o-y growth during 11 months of 2001 was 8.3%.

Last year was marked by high oil prices

According to preliminary balance of payments estimates for 2001, published by the Central Bank, the fourth quarter of 2001 was the first to clearly reflect the effects of declining world market energy prices on Russian exports. Russia's trade surplus diminished significantly – by almost \$4 bn or 28% from the third quarter. Still, Russia ended the year with a handsome trade account surplus of almost \$50 bn, while the current account surplus amounted to \$34 bn. In 2000 the current account surplus was \$46 bn. It is encouraging to note that exports of machinery and equipment were increasing in 2001, both in absolute and relative terms. In 11 months of 2001 their share in Russia's total exports was 10%.

The Central Bank significantly increased its gold and foreign exchange reserves over the year thanks to high oil export prices, which prevailed till the autumn of 2001. Reserves grew from \$28 bn at the beginning of the year to almost \$36 bn, i.e. by 31%, in spite of a fall in November and December. At the end of the year Russia's foreign exchange reserves were equal to six months' imports of goods and services. Relatively abundant reserves give Russia some leeway in facing the challenges of slowing growth in 2002.

Russia's budgetary situation continued to improve last year. In January–November the federal budget garnered a surplus of almost R260 bn, although monthly surpluses de-

clined as the year proceeded. Most of the budget surplus was used for external debt payments. The financial reserve formed from the rest of the surplus is to be used for covering future debt repayments. According to preliminary estimates, the share of budget revenue to GDP increased from 2000. The share of income tax revenue to GDP also grew slightly, but it is still too early to judge to what extent this was due to the tax reform, which introduced a 13% flat rate for personal income tax at the start of 2001. On the other hand, the share of non-interest expenditure to GDP seems to have declined somewhat.

Russia improved its international standing during the past few months. On the basis of improved macroeconomic indicators and enhanced structural reforms international rating agencies upgraded Russia's foreign debt ratings in the autumn of 2001. Russia gained much international goodwill in the autumn when it started repaying its debts to the IMF ahead of schedule. Also, the timely redemption of Russia's first Eurobond loan, which matured in November, was appreciated internationally.

High inflation and small FDI inflows disappoint

Inflation did not slow down as quickly as the Government had planned during 2001. The year ended with consumer prices 18.6% higher than a year earlier, compared with an initial target of 12–14%. The result for 2001 is only slightly lower than for 2000, when inflation was 20.2%. Inflation remained high due in part to rapid increase of nominal wages and growth of pensions and personal transfers. Monetary policy also played a role. As regards cost effects, large increases of housing and utility prices during the year contributed significantly to inflation. Over 2001 prices of services in these two sectors grew almost 57%.

The high hopes of a significant increase in foreign investment inflow to Russia last year once again proved to be overly optimistic. According to preliminary balance of payments estimates of the Central Bank, inflow of foreign direct investment was \$2.9 in 2001, which is only \$0.2 bn more than in 2000. Furthermore, according to the same source, capital flight from Russia seems to have increased in 2001. These developments show that although much was achieved in 2001 in the field of legislative reforms, often targeted at improving the operating environment of enterprises, real change is taking a long time to materialise. Regular conflicts between foreign investors and Russian companies or authorities – the latest of them being the sale of the Moscow chocolate factory Babaevsky – serve as warning signals for foreign investors, often overshadowing positive news on legal improvements.

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	8.9	Nov
Inflation (end of period)	21.8	11.0	84.4	36.5	20.2	18.6	Dec
M2 (end of period)	30.0	29.5	36.3	57.2	62.4	38.9	Nov
Unemployment rate (ILO, %)	9.6	10.8	11.9	13.7	10.5	8.8	Nov
Federal budget balance (% to GDP)	-7.9	-6.7	-4.9	-1.7	2.5	2.7	Q1–3
Current account balance (% to GDP)	3.0	0.5	0.3	13.5	18.5	12.6	Q1–3

Source: Goskomstat, CBR, Ministry of Finance.

ECONOMIC TRENDS

Aggregate demand

According to Goskomstat data and RET staff estimates, quarterly rates of growth of real GDP by expenditure increased in Q3 2001. Real GDP grew by 1.8% to the previous quarter in seasonally adjusted terms (0.9% in Q2 and 0.6% in Q1). The y-o-y rate of GDP growth was equal to 4.7% (4.9% in Q2 2001), of which final sales increased 4.1% (3.5% in Q2 2001). Household consumption increased over the year by 9.6% (11.3% in Q2), and gross fixed capital formation grew by 7.6% y-o-y (7.1% in Q2). However, real institutional consumption (of the Government and non-commercial organisations) in Q3 2001 was 0.9% lower than a year earlier (-1.1% in Q2 2001), and real net exports of goods and services were 8.9% lower than a year earlier (-12.4% in Q2).

The growth of consumer and investment demand slowed down slightly in November, but the overall growth of domestic demand in 2001 looks rather impressive. According to preliminary estimates by RET staff, final domestic demand increased in 2001 by about 7% to the previous year (8.7% in 2000).

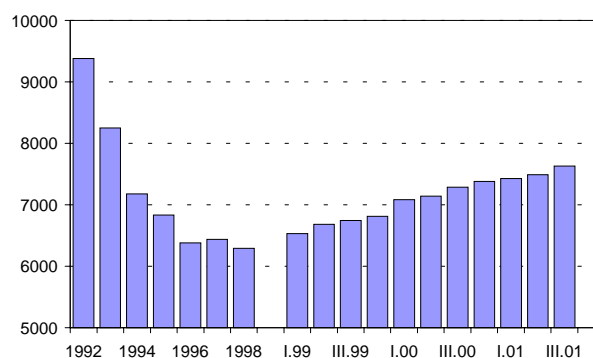
Real consumer expenditures (a proxy for household consumption) in November 2001 were 9.0% higher than in November 2000. In the first 11 months of 2001 real consumer expenditures were 8.6% higher than in the same period of 2000 (in the first 11 months of 2000 real consumer expenditures were 8.3% higher than in the same period of 1999).

Real gross fixed investment (a proxy for gross fixed capital formation) in November 2001 was 8.9% higher than a year earlier. In January–November of 2001 real gross fixed investment was 8.3% higher than in the first 11 months of 2000. In 2000 gross fixed investment grew much more rapidly (in the first 11 months of 2000 it was 18.1% higher than in the same period of 1999), but that was due to the extremely low initial level of investment.

Households

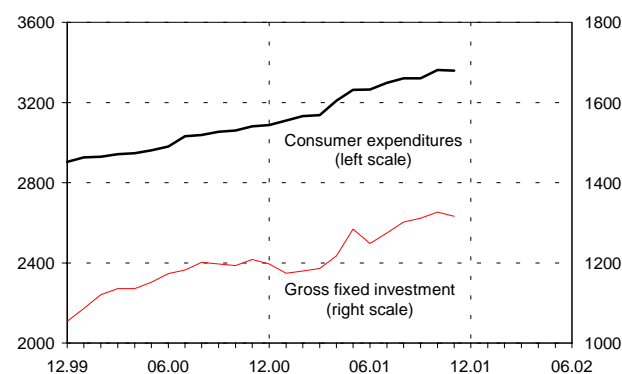
Changes in consumer finances in November 2001 were in line with the patterns of the rest of the year. Over 12 months real personal income, corrected to inflation by the consumer expenditure deflator, increased by 8%. Year-on-year growth of consumer expenditures was about 9%. Purchases of food products grew by 9%, but spending on non-food goods contributed most to growth of consumer expenditures with a rise of more than 14% from November 2000 to November 2001. The volume of paid services decreased over the same period by about 3%.

Real GDP by expenditure at constant prices (R bn 2000, seasonally adjusted annual level)



Source: Goskomstat and RET staff estimates.

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



Source: Goskomstat and RET staff estimates.

Real personal income and consumer expenditures (seasonally adjusted, 1997=100)



Source: Goskomstat and RET staff estimates.

This reduction is linked to the growth of relative prices for services (see PRICES). Recent repudiation of expensive services changed the average consumption basket. As a result inflation measured by CPI was higher than inflation measured by the deflator and growth of official real personal income in November 2001 was lower than mentioned above (about 7.5% compared to November 2000).

On December 21, 2001, the Russian Government finally set the official subsistence level for the third quarter of 2001 at R1524 per capita, or 24% higher than a year earlier. Goskomstat estimated that about 27% of the population lived in families with per capita income below this level. In the third quarter of 2000 this share was about 32%. RET staff estimates consistent with the old official methodology (in force before 2000), which allows for comparisons over a longer period of time, estimate the income level representing the poverty level at R1300 in December 2001. That is approximately 30% higher than at the end of 2000. Official estimates for income distribution in the last quarter of 2001 are not yet available, but preliminary evaluations indicate that the share of the population with income below the old poverty level will be about 13–15%, the lowest share in post-Soviet history.

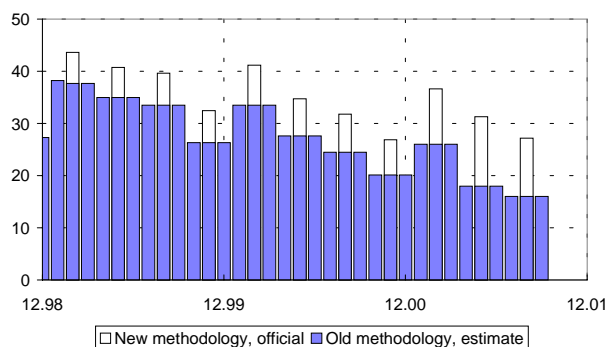
Government budget

The 2002 draft budget was adopted by the Duma in its fourth and final reading on December 14, and at the end of December it was approved by the Federation Council. One of the main features of the budget is its surplus amounting to 1.6% to GDP, of which about one third will be spent during the year for debt amortisation and the rest (1% to GDP) will be accumulated in a financial reserve. Actually, the amount of budget balance is conditional and depends on oil prices. Currently, oil prices are relatively low and that could cause certain difficulties for the budget execution.

The second important feature is that the revenue part of the budget is based on the newly adopted chapters of the second part of the Tax Code: Chapter 25 on profit tax and Chapter 26 on taxation of mineral extraction. According to these changes, profit tax has been reduced from 30% to 24%, and 7.5 percentage points of the tax now goes to the federal budget. Another important novelty is the elimination of most tax exemptions. This particularly concerns the regional part of profit tax. According to the old legislation, regional governments could reduce the profit tax from 19 p.p. even to zero (on account of the regional share of profit tax), but now they are allowed to reduce the tax only by a maximum of 4 p.p.

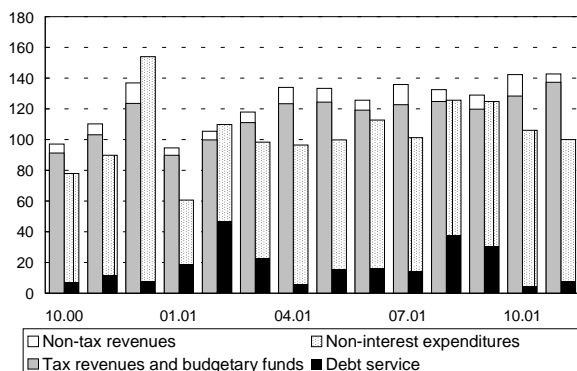
Besides, Chapter 26 determines new taxation rules for oil extraction. A unified tax on hydrocarbons

Share of population in poverty (%)



Source: Goskomstat and RET staff estimates.

Federal budget revenues and expenditures (R bn)



Source: Ministry of Finance.

comes into force from 2002 instead of excises and natural resource payments. The new tax is linked to oil prices on international markets and to the R/\$ exchange rate. That will allow quick adjustment of the tax rate to international oil price trends and to changes in the rouble exchange rate.

Overall budget performance in 2001 was good. Final data on full-year budget results are not yet available, but budget revenues over 11 months constantly exceeded both the original schedule according to the federal budget law for 2001 and additional revenue targets, which were set by the Government for each quarter. In November federal budget revenues exceed target values by 7%.

According to Treasury reports, federal budget revenues over the first 11 months of 2001 were R1394 bn, including R1285 bn of tax revenues. If we assume that the revenue target set for December was executed at the same rate as those set for the rest of the year, then federal budget revenues will be around 17% to GDP, which is one percentage point of GDP higher than in 2000.

Federal budget expenditures were R1136 bn, of which interest spending accounted for R221 bn. Therefore, the fiscal surplus of the federal budget in January–November 2001, calculated on cash basis, was R258 bn.

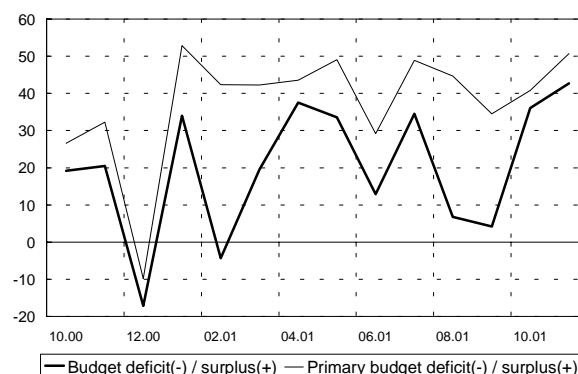
In 2001 the federal budget surplus was spent mostly on external debt payments (R 164 bn.). Internal debt of R70 bn, which fell due, was mostly refinanced. The rest of the money was accumulated on budget accounts, including unused balances on accounts of recipients of budget money.

Non-financial enterprises

Tendencies towards slowdown of the Russian economy increased towards the end of 2001. According to the business survey by the Institute for the Economy in Transition (IET), industrial producers experienced a sharp decrease of demand for their production in December. This occurred in all industries apart from the power sector, foods and timber. The worst hit were chemicals and construction materials. The IET Industrial Confidence Indicator also declined and though still positive was at its lowest level since November 1998, reflecting shattered optimism of industrial producers.

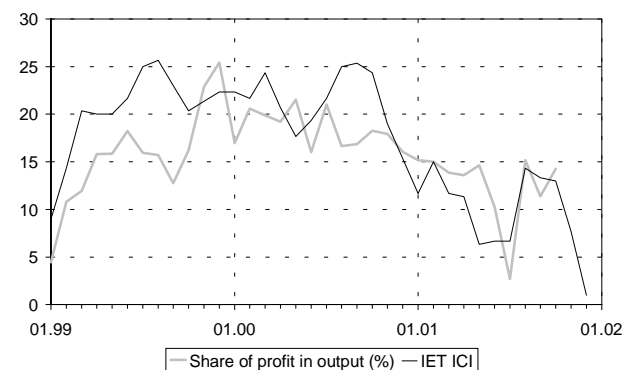
These developments were not yet fully reflected in October 2001 corporate profit data, reported by Goskomstat for large and medium-sized enterprises. The deterioration of October aggregate industrial profits by 26% year-on-year in real terms occurred mostly because of worse performance by exporters. The Government is now stepping in to support shrinking profits of exporters by reducing oil export

Federal budget balance (R bn)



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 survey, Goskomstat.

tariffs. As in previous months, industries oriented towards domestic demand were much better off in October and many of them showed real profit growth: e.g. machinery and metalwork (up 78% year-on-year) and microbiology (63%).

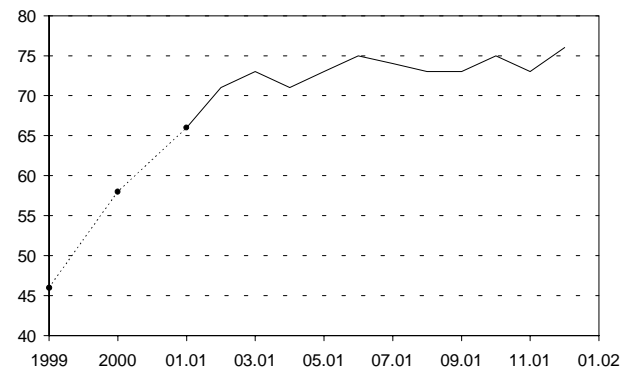
Despite falling demand, the share of money in sales of industrial enterprises continues to grow. In December the IET business survey registered the money share at 76%. According to Goskomstat, arrears of large and medium-sized enterprises decreased in absolute value for the third month in a row in October 2001. We expect them to decrease further despite the demand deterioration, as the main driving forces for arrears decline are such structural developments as low financial investment opportunities, broadening of commercial bank credit and reform of natural monopolies.

The law ‘On the privatisation of state and municipal property’ was adopted by the Federation Council on December 5, 2001. This law aims to make the privatisation process more straightforward and to diminish political risks for investors. It stipulates that there should be no free distribution of state and municipal property and that the government should each year draft a list of companies in federal ownership to be privatised next year. However, only privatisation of natural monopolies would need to be passed by the Duma as a federal law. Although the main wave of privatisation is over in Russia, there is a lot to be privatised: by July 2001, 15% of all registered enterprises counted as state, municipal or mixed property. Weakening of world financial markets in 2001 made the Russian government change some of its privatisation plans, but the end of the year was marked by the privatisation of Rosgosstrah – descendant of the Soviet insurance monopolist.

Commercial banks

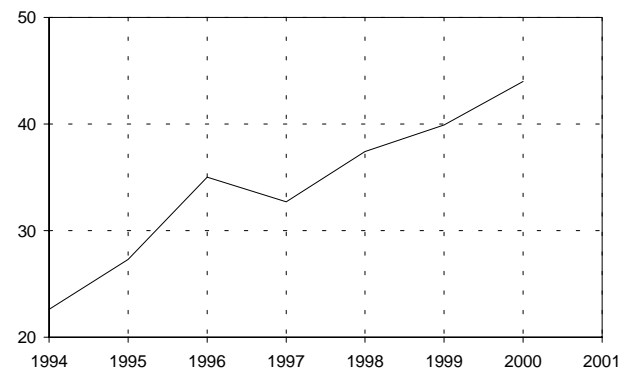
Total assets of commercial banks reached R2873 bn (\$96 bn) on December 1, 2000, an increase of 20% in dollar terms since the beginning of the year. Growth of equity capital outran growth of total assets over 11 months of 2001. Thus, the capital-to-total-assets ratio of the banking sector grew by 2 percentage points to 21% over that period. Total capital of the banking system amounted to R601 bn (\$20 bn) at the end of November. These figures reflect a sustainable trend towards increasing capitalisation of the Russian banking sector despite inadequate accounting rules, which probably glamorise the balance sheets of commercial banks. As a result, the share of banks with capital exceeding R60 mn increased from 22% to 30% of the total number of Russian banks, while the share of small banks with capital below R10 mn fell from 35% to 26% over 11 months of the year.

Share of industrial production sold for cash (%)



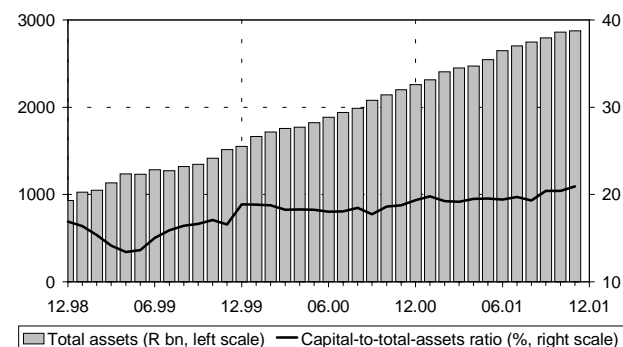
Source: IET business survey.

Share of industrial workers employed by private enterprises (%)*



*Small business is excluded.
Source: Goskomstat.

Capitalisation of commercial banks



Source: CBR and RET staff estimates.

The year 2001 saw a gradual revival of retail banking. In January–November household deposits of commercial banks grew by 39%, with the share of long-term deposits exceeding 20%. Furthermore, the downward movement of Sberbank's share of household deposits means that people are regaining confidence in commercial banks even without the deposit insurance system in place. Loans issued by commercial banks to individuals grew at a faster rate than household deposits in 2001. According to CBR data, the stock of loans to private individuals totalled R90 bn in November 2001, up 100% from January 2001. Besides, lending to both private individuals and corporate borrowers retained leadership in allocation of banking resources. The stock of loans to the non-financial sector was worth R1393 bn on December 1, 2001, compared to R941 bn at the beginning of the year.

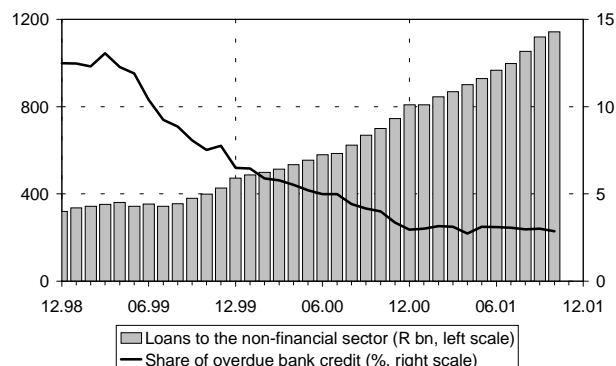
As regards banking reform, there was solid progress during 2001 in approval of legislation aimed at improving the sector's stability and efficiency. A number of amendments to banking legislation approved in 2001 give broader powers to banking regulators and provide for increased accountability of bank shareholders for their institutions. Unfortunately, this legislative improvement has brought no fundamental changes to the Russian banking industry since the main problem with banking sector reform is actual enforcement of legislative measures.

Foreign sector

At the beginning of January 2002, the CBR published preliminary balance of payments estimates for Q4 2001 as well as for the year 2001 as a whole. According to these estimates, the merchandise trade balance surplus dropped in Q4 2001 to \$9.2 bn, which is as much as \$3.6 bn, or 28%, lower than the figure for Q3 2001. This deterioration of the trade balance was caused primarily by the drop in world prices for oil, which induced a major fall in revenues from exports of oil and oil products from \$9.6 bn in July–September to \$6.9 bn in October–December. As dynamics of the current account balance in Russia are mainly dominated by developments in the trade balance, the CBR estimate for the current account surplus in Q4 2001 (\$5.6 bn) appears to be 26% less than the respective figure for Q3 2001 (\$7.6 bn). For the year as a whole, estimates of the surplus on the merchandise trade balance and the current account balance are \$49.5 bn and \$34.2 bn, respectively, as compared with \$60.7 bn and \$46.3 bn in 2000.

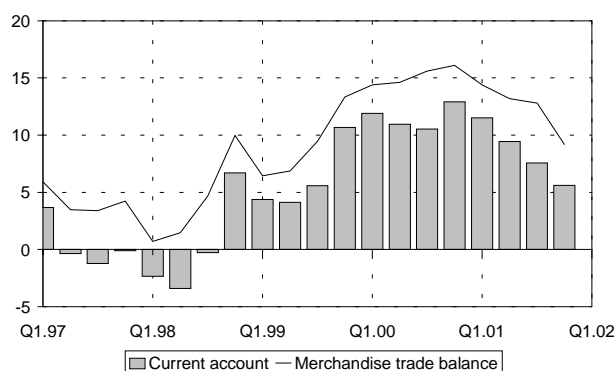
Capital account estimates show that hopes of a substantial increase in foreign investment thanks to political stability and robust economic growth in Russia were futile. Foreign direct investment in 2001

Credit portfolios of commercial banks



Source: CBR and RET staff estimates.

Quarterly dynamics of current account balance and trade balance



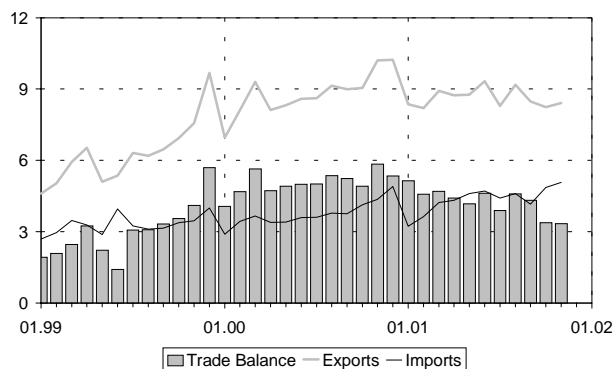
Source: CBR

was just \$2.9 bn, which is only slightly more than in 2000 (\$2.7 bn). Foreign portfolio investment in the non-financial sector has grown from \$0.3 bn in 2000 to \$0.5 bn in 2001, but that is still a tiny figure and, together with a \$2.2 bn decrease in the volume of federal securities held by foreigners, it testifies to the virtual non-existence of Russian financial markets. It is also notable that the level of capital flight (as measured by the balance of payments items 'Net errors and omissions' and 'Changes in the stock of non-repatriated export proceeds and non-repatriated import advances') even increased from \$14.5 bn in 2000 to \$15.2 bn in 2001. So results for 2001 were rather disappointing in these important respects.

As concerns monthly dynamics of the trade balance, volumes of both exports and imports rose moderately in November as compared with October (from \$8.2 bn to \$8.4 bn and from \$4.9 bn to \$5.0 bn, respectively). Meanwhile, there is a substantial difference in performance of these indicators as compared with the situation a year earlier. Whereas the volume of exports in November 2001 was only some 83% of that in November 2000, the volume of imports rose by almost 17% year-on-year. As a result, the trade surplus in November 2001 was 43% less than in November 2000, being equal to \$3.3 bn. This is the lowest level of the trade surplus since October 1999. However, there was no further deterioration of the trade balance as compared with October 2001. The 'non-CIS trade gap' – i.e., the difference between the share of non-CIS countries in total Russian exports and their share in total imports – was also quite stable (5.6 p.p. in November as compared with 5.4 p.p. in October.)

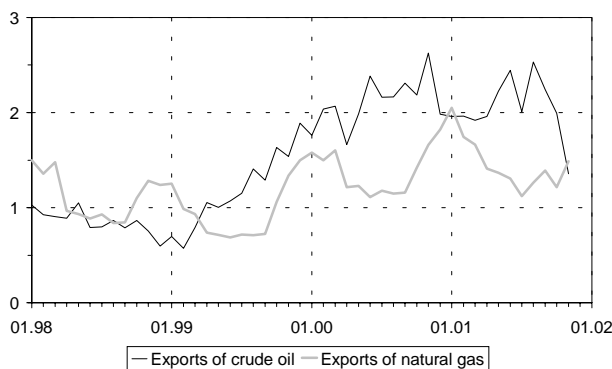
November was the first month when the drop in oil prices caused substantial deviation of monthly oil export revenues from the general trend established since mid-2000. In November, their level was some \$1.4 bn, which is the lowest figure since October 1999, being 32% less than in October 2001 and 48% less than in November 2000. By contrast, exports of machinery and equipment performed reasonably well, reaching almost \$1.3 bn (it is remarkable that Russian exports of machinery and equipment in November were only \$0.1 bn less than exports of crude oil, for the first time since observations began). The growth rate calculated on a year-on-year basis equals 24%, which is quite impressive. Given the pronounced cyclical dynamics of Russian exports of machinery and equipment with a cyclical maximum in December-January, one can expect that their figures for December 2001–January 2002 will surpass those for the respective period a year ago, contributing to the amelioration of Russian trade structure. In January–November, 2001 the share of machinery and equipment in total

Merchandise exports and imports (\$ bn)



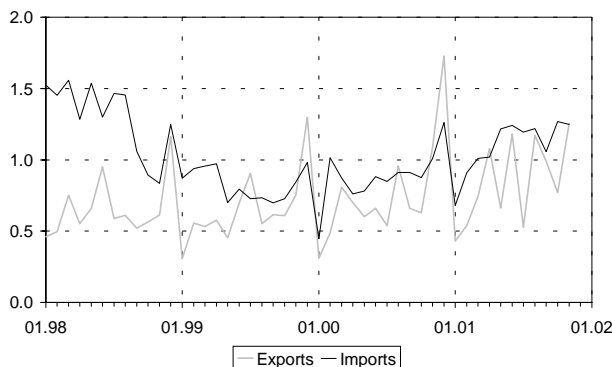
Source: CBR

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



Source: Goskomstat, State Customs Committee.

Trade in machinery and equipment (\$ bn)



Source: Goskomstat, State Customs Committee.

Russian exports was 10%, up by 2.2 p.p. year-on-year, and there are good chances that this growth trend will continue.

Output of goods and services

According to preliminary estimates, real gross output increased in 2001 by about 5% to the previous year (8.3% in 2000). In the goods-producing sector the highest rates of growth were in construction: in November the real volume of construction works was 13% higher than a year earlier, and in January–November it was 9.2% higher than in the same period of 2000. Overall growth of construction was largely due to the residential sector: in November 2001 the area of dwellings completed was 35% higher than a year earlier, and in the first 11 months of 2001 the area of dwellings completed increased by 9.6% to the same period of 2000.

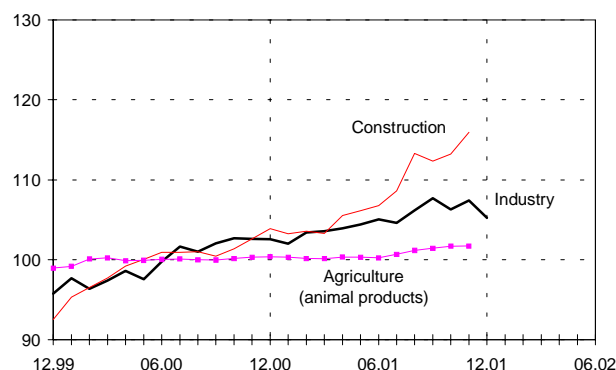
The y-o-y rate of growth of industrial production in November was equal to 4.7%, and in the first 11 months of 2001 industrial production was 5.1% higher than in the same period of 2000. Output in the majority of industries increased fairly evenly in 2001, in the range of 5–8% y-o-y. Lower rates of growth were observed in ferrous metallurgy (zero growth in January–November 2001 to the same period of 2000), production of electricity (1.2%) and wood and paper products (2.3%). Agricultural output in January–November 2001 was 6% higher than in the same period of 2000, mainly due to the good grain harvest, which is estimated at 83.8 mn tonnes (65.5 mn tonnes in 2000).

In November 2001 the real volume of communication services was 17% higher than a year earlier, and in the first 11 months of 2001 it was 20% (!) above the same period of 2000. Freight transportation turnover grew rather slowly: in November it was 3.3% higher than a year earlier, and in the first 11 months of 2001 it was 3.2% above the same period of 2000. Passenger transportation stagnated in 2001: in November passenger transportation turnover was 2.1% lower than a year earlier, and in January–November it was 0.6% lower than in the same period of 2000.

Prices

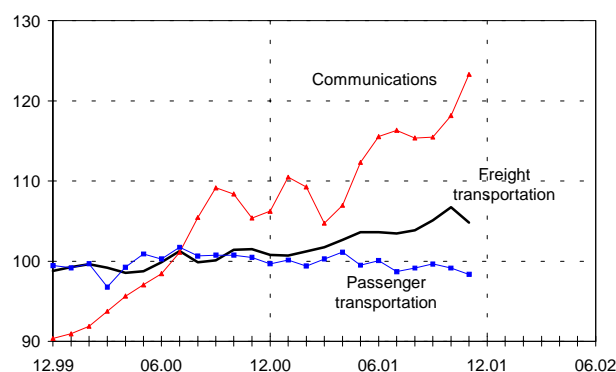
The consumer price index (CPI) increased over 2001 by 18.6% (20.2% in 2000), which was the second-best result since the beginning of the 1990s (the lowest annual growth of CPI, equal to 11.0%, was achieved in 1997). CPI for non-food goods increased over 2001 by 12.7% (18.5% in 2000), CPI for food & beverages grew by 17.1% (17.9% in 2000), and CPI for paid services increased by 36.9% (33.7% in 2000). Faster growth of CPI for services compared with 2000 was mainly due to rapid increase in the price of accommodation and utilities, which grew in

Real gross output of goods (2000 = 100, seasonally adjusted)



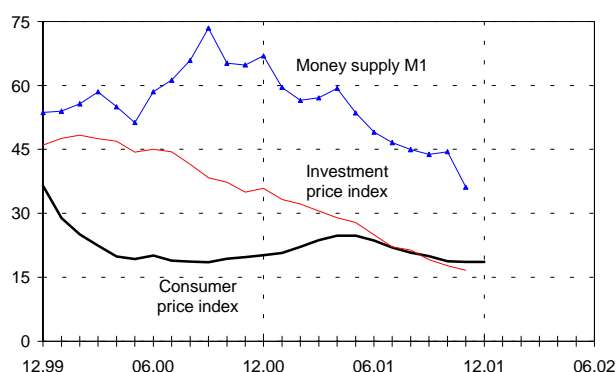
Source: Goskomstat and RET staff estimates.

Real gross output in transport and communications (2000 = 100, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

12-month rates of growth of price indices for money supply and components of final demand (%)



Source: Goskomstat, CBR.

2001 by 56.8% (42.6% in 2000). The investment price index (IPI) grew in 2001 even more slowly than the CPI: in November the 12-month rate of IPI growth was equal to 16.7%.

The y-o-y rate of growth in November of the composite producer price index, covering industry, construction, agriculture, freight transportation and business communications, was equal to 16.5%. The lowest y-o-y rate of PPI growth in November 2001 was observed in industry (11.5%). Prices for natural gas increased by 53.8% over 12 months to November, for electricity – by 29.5%, for coal – by 27.1%. PPI in business communications grew by 15%, in construction and agriculture – by about 19%. Prices in freight transportation grew by 45.8%, from November 2000 to November 2001, providing substantial upward pressure on the overall level of producer prices.

Labour market

According to preliminary Goskomstat estimates, the total number of employed in November 2001 was 65 mn, the same as a year earlier. The total number of unemployed at end-November was estimated at 6.3 mn, or 0.7 mn fewer than a year earlier. The total unemployment rate at end-November, according to the ILO definition, was estimated at 8.8% (9.7% a year earlier). Unfortunately these overall estimates have a very tentative character as the last labour survey, for which data are available, was conducted in May 2001.

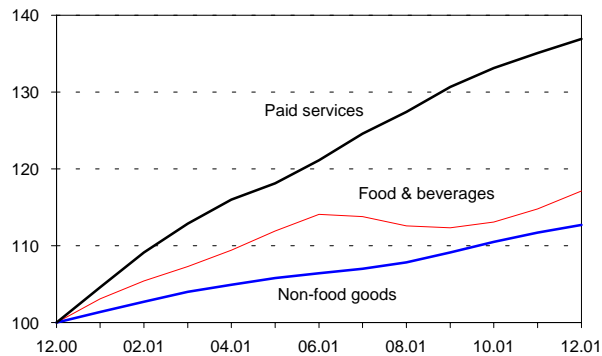
Reported data look less favourable. The reported number of payroll employees at large & medium-sized enterprises continued to decrease: in October it equalled 41 mn, down 0.7 mn from a year earlier. At the same time registered unemployment is gradually going up. The number of job-seekers at end-November 2001 was equal to 1.29 mn (1.20 mn a year earlier), and the number of registered unemployed was equal to 1.07 mn (1.00 mn at end-November 2000).

Real reported monthly wages due continued to grow quite rapidly: in November 2001 they were about 24% higher than in November 2000. At the same time the nominal stock of wage arrears continued to increase, slightly reducing the actual growth of reported wages. By end-November the stock of wage arrears had reached R34.8 bn (R31.7 bn at the beginning of the year). Growth of arrears was due to non-payments by enterprises, which increased from R26.7 bn at end-December 2000 to R30.1 bn at end-November 2001. Over the same period budget wage arrears slightly decreased: from R4.9 bn to R4.6 bn.

Money

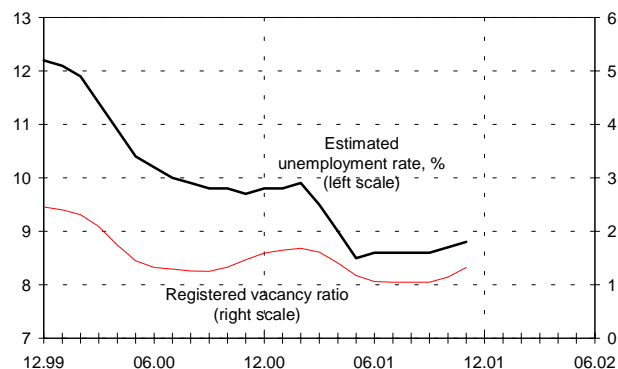
The tightening of monetary policy and decrease in monetary base in November caused a slight decline

CPI components in 2001 (December 2000 = 100)



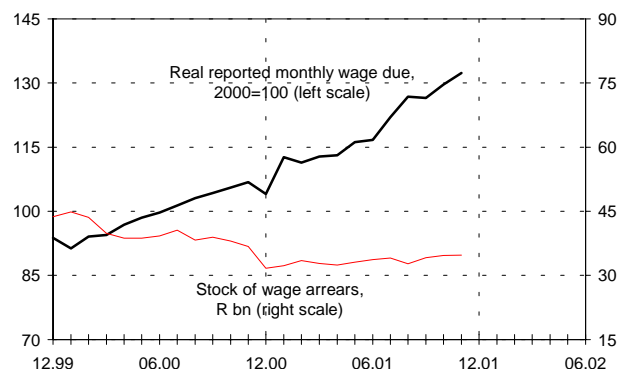
Source: Goskomstat.

Unemployment indicators (end of month)



Source: Goskomstat and Ministry of Labour.

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.

in M2 by 0.1% month-on-month. M0 also decreased in November by 0.8% m-o-m though deposits grew by 0.2%. The money multiplier increased in November and was equal to 2.21. In January–November 2001 M2 rose by 26% vs. 47% in the same period of 2000. M0 and deposits increased at the same rate of 26% from the beginning of the year to the end of November 2001 vs. 34% and 55% respectively in 2000.

The decrease in gross international reserves (GIR) at the beginning of December provoked tension in the foreign exchange market. As a result protection of the external value of the rouble remained a key priority of monetary policy in December as in November. In order to achieve this, the CBR severely limited liquidity on the money market. Although in December the average level of balances of commercial banks on correspondent accounts at the CBR reached its maximum in 2001 (R84.1 bn), it was less by R5 bn than a year earlier.

One of the consequences of CBR monetary policy in December was growth of interbank interest rates: the average 1-day MIACR (Moscow Interbank Actual Credit Rate) rose from 14% in November to almost 25% in December. The liquidity problem sharpened at the end of December, when commercial banks were hit by extremely high interest rates (the 1-day MIACR exceeded 40%).

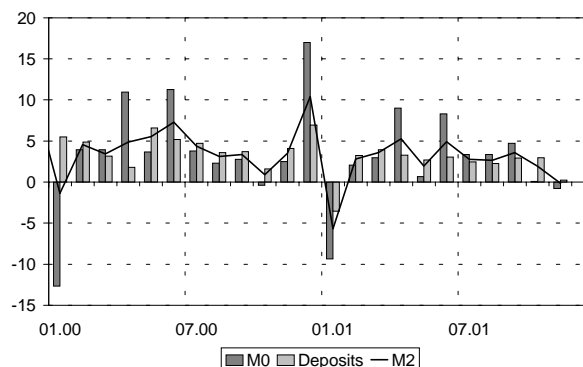
Monetary base grew less in December 2001 than a year earlier: 9% m-o-m or R57 bn vs. 14% m-o-m or R63 bn. Taking this into account we expect that M2 at the end of December 2001 equalled R1520–1550 bn. Total growth of monetary base in 2001 was 36% or R189 bn vs. 60% or R195 bn in 2000.

In its protection of the exchange rate in December the CBR followed the scenario of monetary policy described in the previous issue of RET. However, the tightening of monetary policy affected interbank interest rates more than it affected lending or deposits rates, which did not change much in November and equalled 16.9% and 4.1% respectively.

Exchange rate

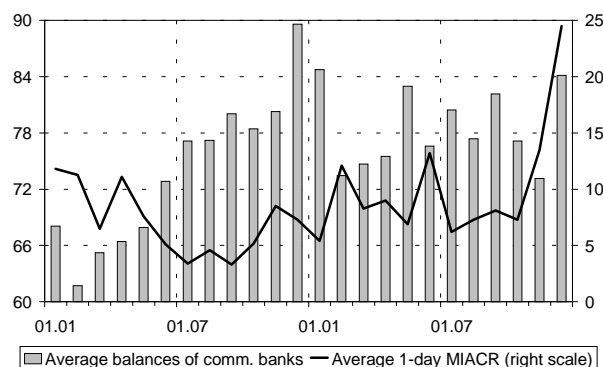
The situation on the foreign exchange market developed dramatically in December. During the first week of the month the CBR lost \$1.2 bn or 3% of GIR. This provoked an attack on the rouble by commercial banks. The CBR clearly provided little support for the rouble exchange rate in the first half of the month. As a result the official exchange rate of the Russian currency reached its low point for 2001 on December 18 (R30.30/\$). However, by then liquid reserves of commercial banks were exhausted and the banks started to experience difficulties. Interbank interest rates jumped (see MONEY) and the official exchange rate appreciated to R30.14/\$ by

Changes of M2 and its components (%)



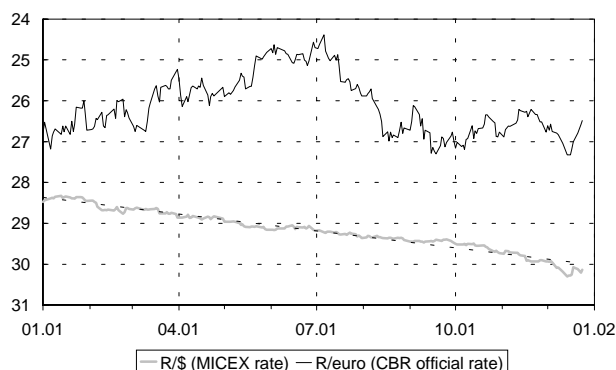
Source: CBR and RET staff calculations.

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



Source: CBR and RET staff calculations.

Rouble exchange rates



Source: MICEX, Denezhnyi Rynok, CBR.

December 28. Thus during December the official exchange rate of the rouble against the dollar depreciated by 24 kopecks or by 0.8% m-o-m. The average exchange rate of the rouble against the euro depreciated by 1.5% m-o-m. In the whole of 2001 the rouble depreciated in nominal terms by 7% against the dollar, and the average exchange rate of the rouble was R29.2/\$, i.e. the rouble was stronger than was planned in the 2001 budget law (R30/\$).

According to monthly data, GIR decreased by \$0.8 bn over December. The fall was considerable at the beginning of the month, after which GIR started to grow slightly. There were no official explanations of the decrease in GIR by December 7. Vedomosti newspaper wrote (December 24) that the CBR deposited \$0.7 bn in Vneshtorgbank on December 4. After this Vneshtorgbank gave a credit of R15 bn (\$0.5 bn) to Gazprom. Thus, as Vedomosti concluded, the CBR credited Gazprom using the same scheme as in 1999 when it credited the Russian budget.

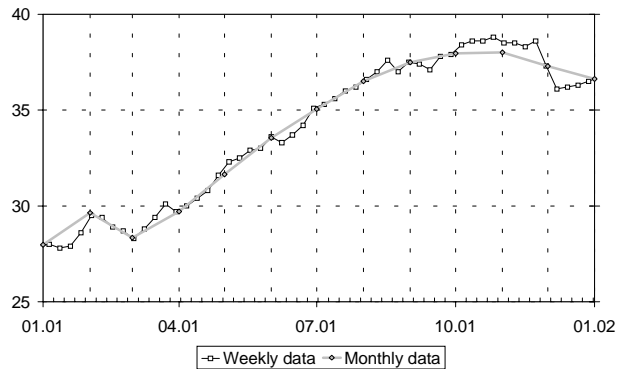
The total increase of GIR in 2001 amounted to \$8.6 bn vs. \$15.5 bn in 2000. The worsening trade balance in the last quarter of 2001 and considerable debt payments caused a decrease in GIR during November and December. As a result GIR fell by \$1.5 bn in Q4 2001.

The trade-weighted real exchange rate of the rouble appreciated by 1.7% m-o-m in November. There was considerable real appreciation of the rouble against the euro (2.9%). Appreciation of the rouble against the dollar and Ukrainian hryvna was more modest. In January–November 2001 the trade-weighted real exchange rate of the rouble appreciated by 9.2%. In the same period of time the rouble appreciated in real terms against the dollar, euro and hryvna by 7.0%, 13.3% and 2.5% respectively. The depreciation of the euro against the dollar contributed much to the overall appreciation of the trade-weighted real exchange rate of the rouble.

Financial markets

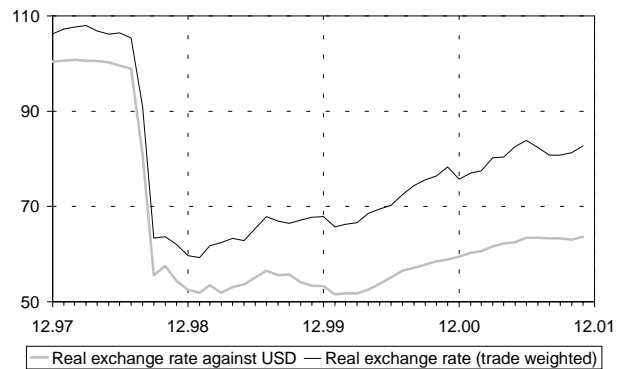
The Russian stock market proved its ability to withstand the global economic turmoil at the end of 2001. The RTS index showed growth of nearly 70% in the whole of 2001 with a real boom in December, when the RTS index gained 33 points thanks to international inflows, which drove up the Russian equity market. Although average daily trading volume dropped to \$14 bn from \$19 bn in November, the RTS rally carried all stocks with it. This general re-rating of the Russian market was based on Russia's recent steps towards the West and its relatively strong economic performance. Observers even speculate that there would have been a much more substantial re-rating of Russian equities last year if

Gross international reserves (weekly and monthly data, \$ bn)



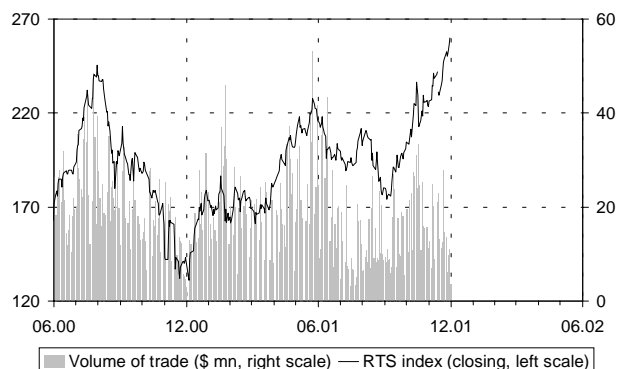
Source: CBR.

Real exchange rate of rouble to dollar and the trade-weighted rouble real exchange rate (Dec 1995 = 100)



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

RTS index and volume of trade



Source: RTS.

international events and international market dynamics had not prevented it.

International debt markets have also recognized the improvement in Russia's domestic situation. Over the last year Russian debt considerably outperformed the stock market as well as other emerging bonds markets. Indeed, Russia was the best performing emerging market in 2001. International rating agencies, Moody's, Standard & Poor's and Fitch+, upgraded a number of Russia's ratings in October–December 2001. This helped sub-sovereign and corporate borrowers to launch new Eurobond issues. In December, for the first time since August 1998, two private companies, Gazprombank and MTS, successfully placed \$200 mn and \$250 mn of Eurobonds respectively. Looking forward to the coming year, new sovereign Eurobonds worth \$2 bn are planned for issue in the spring of 2002, according to the Finance Ministry.

The domestic corporate bond market was hit by a liquidity shortage. Developments on the Russian foreign exchange market and appropriate measures by the CBR drew liquidity away from the rouble-denominated corporate bond market, offering fresh evidence that the Russian corporate debt market needs short-term instruments. A new CBR regulation treating veksel's as financial instruments reflecting debt transactions is a step in the right direction. In addition, the Federal Securities Commission is preparing a draft law on short-term commercial paper.

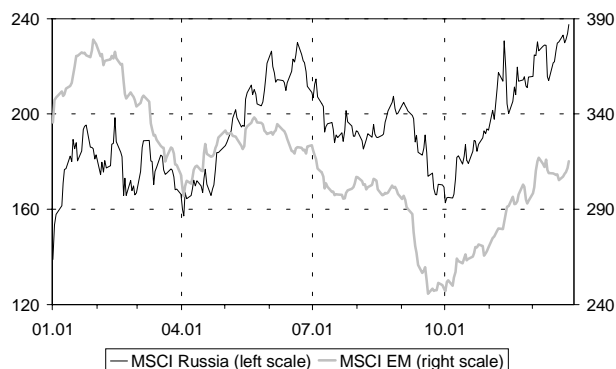
External environment

Recent forecasts by leading national and international economic organisations on global economic development prospects in 2002 are quite favourable, though every report pays tribute to the high uncertainty of the world outlook and the possibility of a gloomier outcome.

In its emergency December issue of the World Economic Outlook, the IMF released new projections of global economic development, revised from the October forecast, which was completed before the terrorist attacks on the US. Real GDP growth world-wide in 2002 is now forecast at 2.4%, which is 1.1 percentage points lower than the pre-September 11 forecast. However, the IMF expects stabilisation of the US economy in early 2002, with a 'firmer pickup' in the second half of the year. Since the US is the country, which dragged the world into recession, it makes sense that it should also drag it back out. Indeed, the consumer confidence indicators of the Conference Board improved in December, showing that the American economy may be near the turning point.

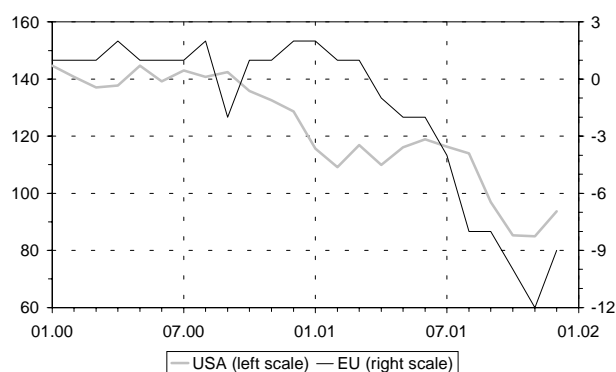
Economic prospects for the European countries are even less certain. However, the economic sentiment indicator for the EU showed a slight recovery in December 2001, for the first time since mid-2000.

MSCI equity indexes



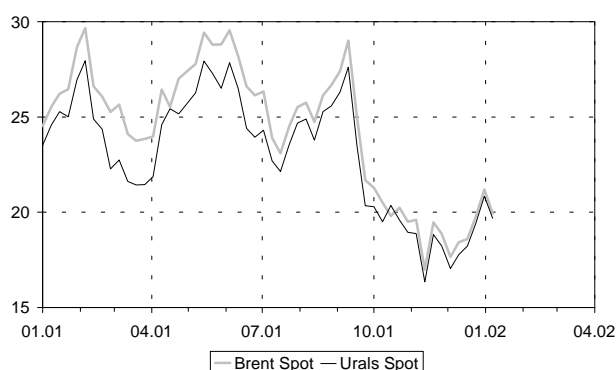
Source: www.msci.com.

Indexes of consumer confidence in US and EU15



Source: *The Conference Board, The European Commission.*

Weekly oil price development (\$ per barrel)



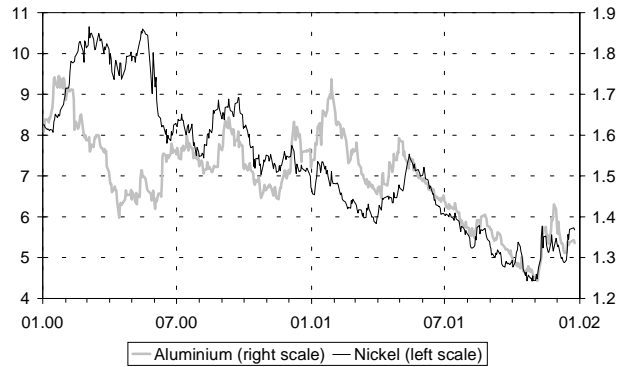
Source: *Energy Information Administration.*

The facts, that industrialized countries are not experiencing crucial structural problems, that monetary policies have recently been eased in most countries and that commodity prices are now at low levels, speak for the possibility of an early economic upturn. Given the December rise in business and consumer confidence indicators in the US and in Europe, there is hope that economic activity might soon gather momentum.

Growth for the CIS economies is forecast by the IMF at 3.9% in 2002 – assuming that the fall in commodity prices will not be too drastic, so that investment and consumer expenditures will be able to keep the economies afloat.

Oil prices were on an upward trend in December, exceeding \$21.2 per barrel on spot contracts for Brent on January 4 – for the first time since October 2001. The increase in oil prices is mainly attributable to the agreement to slash production by almost 2 mn barrels per day, which was finally reached by OPEC and non-OPEC oil producers in December, and to seasonal factors. However, at present there is no certainty in the oil market whether the planned output cuts will be implemented in Q1 2002, and oil prices are drifting around \$20 per barrel.

**Aluminium and nickel price development
(\$ thousand 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	93.9
02			152.8	76.8	31.8	90.0
03	866.8	97.5	167.1	81.7	36.5	91.5
04			168.5	80.0	36.9	90.9
05			171.7	79.7	41.4	87.9
06	1 108.1	99.2	178.1	81.2	52.8	91.1
07			183.2	81.2	56.2	94.3
08			195.8	85.8	61.8	91.4
09	1 358.6	100.8	201.0	86.8	67.6	93.3
10			207.0	88.1	66.5	94.1
11			211.7	89.1	72.0	95.1
12	1 423.8	103.4	240.5	100.0	118.4	98.4
01.2000			210.4	85.4	46.1	101.4
02			208.4	83.7	55.8	104.6
03	1 461.4	106.4	224.3	89.6	63.9	106.0
04			223.7	88.6	64.5	106.1
05			226.2	88.0	75.8	107.5
06	1 641.9	107.7	235.1	89.2	95.7	109.5
07			243.1	90.6	99.0	110.4
08			259.1	95.6	112.9	112.2
09	2 004.0	109.7	262.5	95.6	118.3	111.8
10			271.5	96.9	114.6	111.4
11			280.0	98.4	123.1	112.8
12	1 956.0	110.5	323.1	111.7	195.5	111.7
01.2001			270.0	90.8	70.9	109.6
02			271.7	89.4	82.3	110.1
03	1 886.3	111.6	294.3	95.0	91.7	110.7
04			300.8	95.4	93.4	113.6
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	119.0
08			342.1	104.5	153.3	121.6
09	2 542.5	115.1	340.8	103.5	158.7	122.4
10			353.1	106.0	153.8	123.8
11			361.6	107.1	159.7	122.9
12						

* 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	1468.8	293	601	848	255
1997	100.0	1626.4	297	571	833	245
1998	94.8	1706.6	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	601	914	266
11	126.5	548.5	349	594	876	271
12						

* 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	89.9	97.4	98.6	25.2	3 360	868
02	89.8	97.6	99.1	29.3	3 292	880
03	90.1	97.5	100.2	36.8	3 445	895
04	92.7	97.6	98.4	27.8	3 434	910
05	93.2	97.4	97.0	28.8	3 434	934
06	92.9	98.7	99.9	35.9	3 434	943
07	90.0	97.1	102.8	31.2	3 464	962
08	80.2	97.5	99.1	31.7	3 499	974
09	89.8	97.6	102.9	34.8	3 486	988
10	91.0	97.2	103.7	32.1	3 487	984
11	91.3	97.2	103.8	34.6	3 508	1 001
12	93.5	97.4	104.0	35.7	3 581	1 016
01.2000	94.8	96.3	107.2	30.9	3 598	1 002
02	96.2	99.2	108.5	32.3	3 610	1 077
03	96.8	98.2	109.8	28.1	3 595	1 037
04	96.8	97.8	111.5	32.2	3 571	1 029
05	97.2	98.1	112.4	33.3	3 579	1 038
06	97.0	98.1	113.4	29.8	3 619	1 065
07	96.7	98.3	113.4	31.3	3 669	1 027
08	97.7	98.0	113.5	30.1	3 620	1 034
09	98.4	98.0	112.9	29.8	3 628	1 046
10	97.1	98.3	113.9	29.0	3 676	1 055
11	96.2	98.4	115.3	28.4	3 678	1 093
12	95.4	98.4	116.7	28.3	3 653	1 057
01.2001	95.2	98.5	116.0	30.9	3 650	1 013
02	96.2	98.2	116.4	27.9	3 668	1 043
03	97.8	98.1	116.1	28.9	3 687	1 062
04	97.6	98.5	118.6	30.1	3 721	1 039
05	98.9	98.7	119.3	30.0	3 755	1 052
06	98.2	97.8	120.0	32.0	3 756	1 068
07	110.7	99.0	122.1	32.6	3 749	1 064
08	114.3	99.3	127.3	35.2	3 764	1 075
09	100.5	99.5	126.2	33.8	3 808	1 082
10	94.7	99.8	127.2	39.0	3 868	1 082
11	103.6	99.8	130.3	38.2	3 798	1 100
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	0.0	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			282.6	118.8	75.7	112.5
11			288.1	119.6	75.4	115.3
12						

*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	3 515	101.6
11	65.3	8.8	1.3	1	3 655	103.1
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	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	1524.0	27.2
10	3 033.6	97.4	300.0	1134.7		
11	3 107.2	98.4	300.0	1135.8		
12						

* 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
10	92.7	5999.6	1744.4	779.8	1659.6	6463.3
11						
12						

* 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	286.5	298.7
11	353.1	360.5	367.6	286.3	288.5	299.5
12	#N/A	367.8	370.9	290.2		

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	5.1
02	8.2	2.0	1.7	3.6	0.9	4.6
03	8.9	1.9	1.7	4.2	1.0	4.7
04	8.7	2.0	1.4	4.3	1.0	4.4
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	4.4	1.2	3.9
08	9.2	2.5	1.3	4.6	1.2	4.6
09	8.5	2.2	1.4	4.2	1.1	4.3
10	8.2	2.0	1.2	4.9	1.3	3.4
11	8.4	1.4	1.5	5.1	1.2	3.3
12						

* Balance of payments methodology.

** New series

Table 10: Balance of payments (\$ mn)

	1998	1999	2000	2000	2000	2001	2001	2001
				Q3	Q4	Q1	Q2	Q3
Current Account	687	24731	46291	10543	12910	11530	9450	7577
<i>Trade balance</i>	12813	31845	52958	13387	14179	12258	10528	9761
Export	87257	84733	115246	29666	32029	27448	29403	29005
Import	-74443	-52887	-62288	-16279	-17849	-15190	-18875	-19244
<i>Merchandise trade balance</i>	16869	36129	60703	15601	16089	14401	13190	12788
Export	74884	75666	105565	26728	29464	25480	26823	25940
Import	-58015	-39537	-44862	-11127	-13375	-11079	-13632	-13152
<i>Service balance</i>	-4056	-4284	-7745	-2214	-1910	-2143	-2662	-3027
Export	12372	9067	9681	2938	2565	1969	2580	3065
Import	-16428	-13351	-17426	-5151	-4474	-4111	-5242	-6092
<i>Income and Wages</i>	-11790	-7716	-6736	-2803	-1225	-722	-1159	-2084
Received	4301	3881	4753	713	812	2762	1066	1062
Paid	-16091	-11597	-11489	-3517	-2037	-3484	-2225	-3146
Wages	-164	221	268	69	85	87	52	-27
Received	301	425	500	129	152	196	198	157
Paid	-465	-204	-232	-61	-67	-109	-146	-184
Income	-11626	-7937	-7004	-2872	-1310	-809	-1211	-2057
Received	4000	3456	4253	584	659	2566	868	905
Paid	-15626	-11393	-11257	-3456	-1970	-3374	-2079	-2962
<i>Current Transfers</i>	-337	601	69	-41	-44	-6	81	-100
Received	308	1183	807	153	183	285	295	194
Paid	-644	-582	-738	-194	-228	-291	-215	-294
Capital Account	8397	-17695	-37050	-7752	-9290	-9330	-7805	-5236
<i>Capital transfers (net)</i>	-382	-328	10955	10976	-4	-105	-153	-10031
<i>Direct investments abroad</i>	-1270	-2208	-3208	-980	-1071	-843	-694	-886
<i>Direct investments into Russia</i>	2761	3309	2714	661	1048	547	641	833
<i>Portfolio investments abroad</i>	-257	254	-380	-292	-135	315	-17	60
<i>Portfolio investments into Russia</i>	8876	-1199	-9923	-8541	-435	-109	8	-525
<i>Other investment - assets</i>	-15907	-14971	-17043	-2815	-5545	-6246	-2969	9191
Hard currency	824	921	-321	289	-1022	-807	662	595
Bank accounts and deposits	1200	-3909	-3666	-603	-940	-1915	-1263	1951
Trade credits	-6818	-5203	-4179	-866	-2448	1381	-720	9
Loans provided (not overdue)	5345	4855	5365	400	2367	-269	197	-1301
Overdue payments	-7425	-5809	-7488	-869	-2114	-2726	-981	10984
Liabilities on shipments under intergovernment agreements	-737	-305	-511	666	-305	190	178	-158
Non-repatriated export revenue	-7959	-5051	-5293	-1513	-915	-1623	-832	-2319
Other assets	-339	-471	-950	-319	-168	-475	-210	-570
<i>Other investment - liabilities</i>	9322	-598	-4172	-2941	-258	-965	783	-1734
National currency	65	3	155	35	55	22	0	22
Bank accounts and deposits	-3050	162	725	497	406	249	1124	85
Trade credits and advances	321	290	0	0	0	0	0	0
Loans received (not overdue)	7325	-2880	-3603	-596	-596	-1554	-346	-1549
Overdue payments	5315	2027	-1637	-2862	-187	426	39	202
Other liabilities	-654	-201	187	-14	64	-108	-33	-493
<i>Adjustments</i>	-50	-176	17	158	-182	-95	-64	306
<i>Net international reserves</i>	5305	-1778	-16010	-3979	-2710	-1830	-5340	-2450
Errors and omissions	-9084	-7036	-9241	-2790	-3620	-2200	-1645	-2341

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	
11						
12						

* 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	
11	1186.0	786.4	1131.5	200.6	54.5	
12						

* 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	3.8	142.1	130.4	374.1	384.9
1998	210.4	-7.2	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	63.0	419.3	1144.3	184.2
01.1999	202.5	-7.4	412.2	178.0	444.2	n.a.
02	205.2	-6.9	416.8	180.8	463.9	n.a.
03	205.9	-7.3	423.9	174.1	473.8	n.a.
04	227.3	-6.5	425.5	195.2	509.6	n.a.
05	241.4	-5.2	412.0	205.3	542.4	n.a.
06	257.4	-4.8	434.8	216.4	567.7	n.a.
07	262.3	-5.2	417.8	218.2	583.2	n.a.
08	261.8	-5.6	415.6	216.2	590.8	n.a.
09	259.6	-5.7	405.9	212.8	597.4	n.a.
10	269.0	-4.7	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	179.5	321.8	892.2	258.3
07	415.7	10.5	124.4	334.0	931.2	255.1
08	425.0	11.3	111.5	341.6	960.1	259.2
09	437.6	12.8	81.6	351.0	992.4	247.3
10	446.0	14.1	54.5	349.7	1001.2	235.6
11	457.1	16.0	11.1	358.4	1036.4	229.7
12	519.6	16.2	63.0	419.3	1144.3	184.2
01.2001	488.0	16.0	34.3	380.1	1079.3	175.1
02	494.7	16.4	23.7	388.0	1109.7	180.2
03	499.6	18.2	-22.1	399.4	1149.5	185.7
04	531.1	20.1	-47.7	435.4	1210.0	189.5
05	550.0	22.1	-92.5	438.3	1233.7	191.7
06	583.1	23.7	-106.0	474.7	1294.3	195.4
07	607.5	25.1	-127.7	490.6	1330.2	196.8
08	628.7	26.0	-135.3	507.1	1365.5	203.1
09	649.8	26.8	-138.5	531.0	1414.4	193.8
10	665.6	28.4	-176.9	531.5	1441.2	189.5
11	651.3	28.2	-192.9	527.3	1439.1	178.8
12	708.5					160.1

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	415.3	532.5	304.8
11	2872.6	588.6	1319.4	426.3	545.0	302.0
12						

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	18.9	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	22.7	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	169.6
05	25	18.1	4.8	6.9	12.4	200.1
06	25	18.0	4.1	13.2	13.4	217.8
07	25	18.5	3.7	6.2	13.8	204.1
08	25	18.0	4.7	7.3	14.0	198.3
09	25	17.1	4.8	8.1	12.3	194.5
10	25	17.4	4.7	7.3	12.4	191.3
11	25	16.9	4.1	13.5	13.5	220.8
12	25					241.3

Source: CBR, RTS

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

** Data prior to January 1997 are not compatible with current methodology. From 1998 data on lending rate are for commercial banks excluding Sberbank.

Table 16: Exchange rates and stock market

	MT \$ index, end of period (end Aug-94=100)	Exchange rate (MICEX), period average*	Exchange rate (MICEX), end of period*	Real exchange rate, period average**	Gross international reserves (including gold, end of period)	of which: Gold reserves (valued at \$300 per ounce)
		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	81.3	38.0	4.0
11		29.809	29.901	82.7	37.3	4.0
12		30.105	30.137		36.6	4.1

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.

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

Russian-European Centre for Economic Policy

Potapovsky Pereulok 5, building 4, Moscow 101000 Russia
<http://www.recep.org>
e-mail: recep@recep.ru
tel +7 (503) 232 3613 fax+7 (503) 232 3739



Blackwell
Publishing