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**RUSSIAN
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FOR ECONOMIC POLICY**

in cooperation with

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



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OVERVIEW OF THE RUSSIAN ECONOMY

Optimism gains ground again

Russia's domestic demand, which was the engine of economic growth over the past couple of years, experienced a temporary reduction at the end of 2001 and start of 2002, causing a decline in overall production. The decline in demand stopped in February, with consumer expenditure growing somewhat in seasonally adjusted real terms. Investment, which dropped sharply in January, was unchanged in February.

Further impetus for growth may come from foreign demand as optimism grows that the world economic downturn is nearly over. Russian manufacturers already registered growth of export orders in March. Rapid growth of oil prices on international markets since March has improved the outlook for Russian exports, and no major reductions in oil prices are forecast for the immediate future given the improving world economy and mounting political tensions in the Middle East. If the Middle East situation keeps oil prices at particularly high levels, the expected world economic recovery could be dampened, but in the short term high energy prices raise Russian export earnings more than a relatively slow global economic recovery reduce them. Russia's net exports grew in the first quarter of 2002 for the first time in the past year thanks to the jump in oil prices in March.

Oil helps the budget

In spite of the economic slowdown, Russian budget performance continued strong in the first quarter of the current year. According to preliminary Ministry of Finance estimates, the federal budget showed a surplus of almost 5% to GDP, with revenue exceeding the target figure, as last year. However, the effect of the economic situation was visible in tax components: the excess revenue was almost totally due to unified social tax, while most other tax revenues fell short of targets.

Some 17% of tax revenue during the past two years has come from export taxes, mainly on crude oil, so the recent increase in oil prices is excellent news for the budget. In order to keep pace with price developments, the export tax rate on oil is being reviewed every second month on the basis of world market price developments. The latest amendment came into force on April 1, when the export duty on crude was raised from \$8 to \$9.2 per barrel.

World oil prices have recently hovered around \$25 per barrel, which equals the optimistic scenario in the 2002 budget law. If this price level prevails for the rest of the year, it will allow allocation of budget money to a stabilisation fund for future debt servicing costs in addition to allowing all budgeted expenditure to be carried out. According to most experts, oil prices will most probably stay above \$20 per barrel even if they decline from their current high level. That would coincide with the pessimistic scenario in the budget law, according to which expenses would be covered, but contribution to the stabilisation fund would be under threat.

Small business in the limelight

One of the distinctive features of the Russian economy – the tiny role of small business – has recently come to the attention of the Government and even President Vladimir Putin, who has called for improvement of the environment, in which small businesses function. In late March President Putin presented a scheme for simplifying and lowering the taxa-

tion of small businesses, and the Government produced a corresponding draft law in early April.

Goskomstat data show that small businesses accounted for 9% of Russia's GDP last year. However, the actual share, which would include unregistered economic activity, is larger. Still, it is certainly far smaller than respective shares in other countries, including most European transition economies, where small businesses have played an important role in growth. In market economies small business is regarded as crucial for economic development, since it is the most flexible sector of the economy, capable of rapid adaptation to market changes.

A genuine initiative to encourage emergence of small businesses and improve the conditions, under which they function, is therefore overdue in Russia. Regional and local authorities have an extremely important role to play, since they, and not the central Government, have direct dealings with small entrepreneurs. Appropriate federal laws need to be supplemented by a change in the administrative culture at lower levels of executive power. Current policies, which often amount to outright harassment of small business, need to be replaced by a policy of support or at least non-interference. However, these changes are sure to take time.

Surprises in the banking sector

The resignation in mid-March of Viktor Gerashchenko, the chairman of the Central Bank, was the biggest surprise on the economic policy front since the start of the year. Amendments to the law on the Central Bank, put forward by the Duma, served as the immediate cause for his resignation. Among other things, the draft amendments seek to increase outside control over the CBR, which Gerashchenko opposed. This would happen through the National Banking Council, which would get enhanced powers. International comparisons suggest that a measure of outside control over the administration and budget of the CBR should not pose any problems. However, if the changes force the CBR to share its decision making power in monetary policy issues with outsiders, they would undermine independence of the Central Bank and conflict with prevalent international practices.

Reform of the Russian banking sector, which has been held back during recent years – largely due to the opposition of the CBR – now seems to be getting off the ground. It is already evident that the new CBR chairman, Sergey Ignatiev, will take a more active stance on reform issues than his predecessor.

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

	1997	1998	1999	2000	2001	2002	
GDP	0.9	-4.9	5.4	9.0	5.0	n. a.	
Industrial production	2.0	-5.2	11.0	11.9	4.9	2.0	Feb
Fixed investment	-5.0	-12.0	5.3	17.4	8.7	0.1	Feb
Inflation (end of period)	11.0	84.4	36.5	20.2	18.6	16.7	Mar
M2 (end of period)	29.5	36.3	57.2	62.4	40.0	37.2	Feb
Unemployment rate (ILO, %)	10.8	11.9	13.7	10.5	9.0	9.1	Feb
Federal budget balance (% to GDP)	-6.7	-4.9	-1.7	2.5	2.9	n. a.	
Current account balance (% to GDP)	0.5	0.3	13.5	18.5	11.0	n. a.	

Source: Goskomstat, CBR, Ministry of Finance.

Domestic demand

According to revised Goskomstat data and RET staff estimates, quarterly rates of growth of real GDP by expenditure diminished in Q4 2001. Real GDP grew by 0.3% to the previous quarter in seasonally adjusted terms (2.6% in Q3). The y-o-y rate of GDP growth in Q4 2001 was 4.9% (6.3% in Q3 2001). Household consumption increased in Q4 by 7.4% y-o-y (8.4% in Q3), while gross fixed capital formation grew by 16.3% (7.4% in Q3). However, real institutional consumption (of the Government and non-commercial organisations) in Q4 2001 was 0.8% lower than a year earlier (−0.9% in Q3 2001), and real net exports of goods and services were 22.9% lower than a year earlier (−5.6% in Q3).

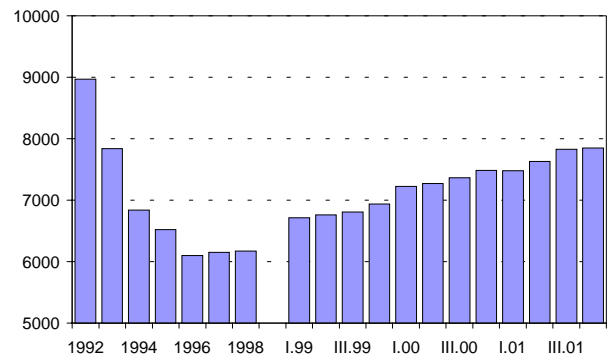
In Q1 2002 aggregate demand experienced an actual reduction and figures will probably show a quarterly decline in GDP. Real gross fixed investment (a proxy for gross fixed capital formation), which remained unchanged in seasonally adjusted terms from October to December 2001, experienced a dramatic drop in January 2002 (−11.3% to December in seasonally adjusted terms). In February gross fixed investment remained unchanged from January and stood at the level of July 2000 (!).

The slump in fixed investment was probably due to the energy sector, which substantially reduced its investment activity in view of the fall in export prices at the end of 2001 and beginning of 2002. However, the recession is not deepening and probably had a temporary character. Real consumer expenditures (a proxy for household consumption), which experienced a decline at the end of 2001, have already resumed growth. In February they increased by 0.4% to the previous month in seasonally adjusted terms, returning to their level of October 2001. According to preliminary estimates, net foreign demand also stabilised in Q1 2002. In nominal terms net exports of goods and services grew from \$6.8 bn in Q4 2001 to \$8.2 bn in Q1 2002.

Foreign sector

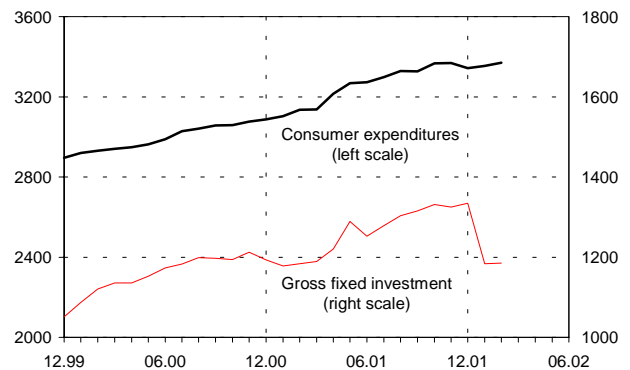
At the end of March the CBR published final balance of payments data for 2001. The current account surplus for the year was \$35.1 bn (11% to GDP), which is \$11.2 bn (or 24%) lower than in 2000. This decline was mainly caused by a fall of \$11.3 bn in the merchandise trade surplus. The services trade deficit increased from \$7.7 bn to \$10.2 bn year-on-year, whereas the deficit on wages and investment income fell from \$6.7 bn to \$3.9 bn. Effects of a major drop in the merchandise trade surplus at the end of the year (from \$12.9 bn in Q3 to \$9.1 bn in Q4) were cushioned by a reduction of the deficit on investment income and compensation of employees

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



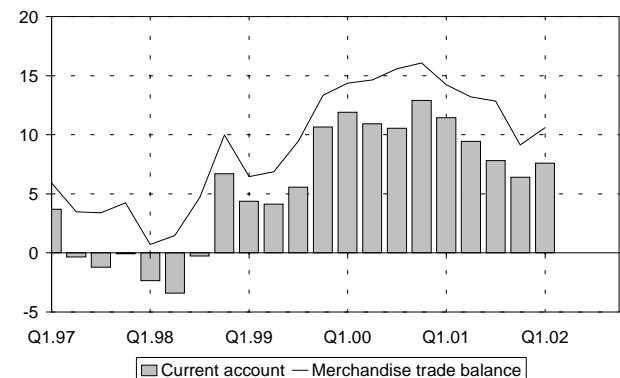
Source: Goskomstat and RET staff estimates.

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



Source: Goskomstat and RET staff estimates.

Quarterly dynamics of current account balance and trade balance



Source: CBR.

from \$2.0 bn to \$0.3 bn, and by a fall in the services trade deficit from \$3.0 bn to \$2.3 bn during the same period.

According to preliminary estimates of the balance of payments for Q1 2002, the merchandise trade surplus improved to \$10.6 bn, which is some 16% higher than in Q4 2001, but 25% lower year-on-year. Growth of the merchandise trade surplus induced a significant improvement in the current account: the current account surplus was \$7.6 bn in Q1 2002, which is 19% higher than in Q4 2001, but still represents a fall of one third year-on-year.

Merchandise exports declined by 8% from Q4 2001 and 10% year-on-year, totalling \$22.9 bn. Crude oil amounted to 23% of merchandise exports (\$5.2 bn). Overall, three major categories of fuel exports (crude oil, oil products, and natural gas) constitute 52% of Russian merchandise exports (some \$12.0 bn). This share is highly stable over time (it equalled 53% in 2000 and 51% in 2001), testifying the lack of any fundamental improvement in the structure of Russian exports. Russian imports continued to grow, reaching \$12.3 bn in Q1 2002, up \$1.0 bn (or 9%) year-on-year.

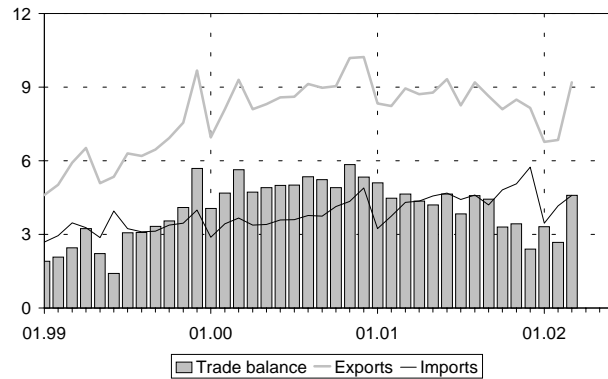
The oil price rise and a generally positive trend in external demand resulted in major improvement in Russian trade balance in March. Exports grew one third month-on-month (from \$6.9 bn to \$9.2 bn), while imports (\$4.6 bn) were 10% higher than in February. As a result, the current account surplus jumped by 70%, reaching \$4.6 bn.

Direct foreign investment to the non-financial sector rose by 40% year-on-year in Q1 2002, but their absolute volume (\$0.7 bn) remains rather disappointing.

A Government resolution signed by prime minister Mikhail Kasyanov on March 20 increased export duties on crude oil from \$8 to \$9.2 per tonne as from April 1. This decision was motivated by a price rise for Urals crude to average \$18.61 in January–February. The Government also said that it may revise its decision to cut oil exports by 150 000 barrels per day. This cut was initially introduced in Q1 2002 and then prolonged for Q2 2002. A review of the export limitations was scheduled for May, but current developments on the world oil market may persuade the Government to address this question earlier.

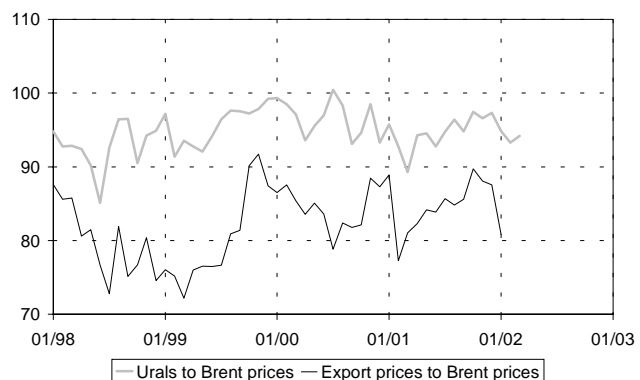
At the beginning of April the Government carried out first discussions of a draft paper prepared by the WTO working group on Russia's accession to the organisation. The paper sees significant problems in dual pricing of fuels on domestic and export markets as well as Government policy on export duties. However, the deputy minister for economic devel-

Merchandise exports and imports (\$ bn)



Source: CBR.

World market prices for oil and actual prices for oil exported from Russia (%)



Source: Goskomstat, Energy Information Administration (US).

opment and trade Maxim Medvedkov announced that the Russian Government will not unify domestic and export prices for fuels and electricity, as official WTO rules do not contain such a requirement.

Output

The Russian economy experienced a recession lasting three–four months at the end of 2001 and beginning of 2002. The index of gross output of five base sectors of the economy (covering industry, construction, agriculture, transportation and retail trade) declined by 3.0% from November 2001 to February 2002 in seasonally adjusted terms and dropped below its level of May 2001.

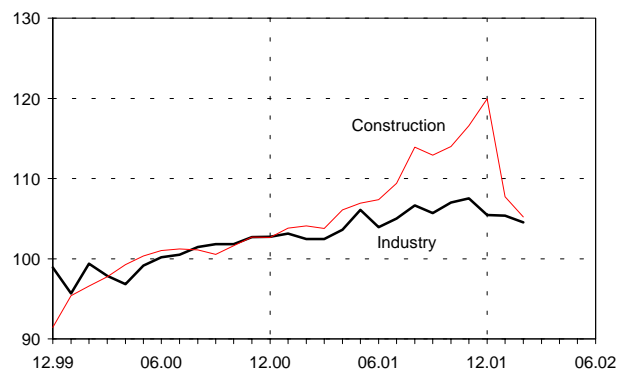
Industrial output in the goods-producing sector declined by 2.8% from November 2001 to February 2002 and returned to the level of July 2001. In some major industries the decline was already underway in November 2001. Thus from October 2001 to February 2002 production of machinery decreased by 13.6%, electricity by 9.2%, textiles and footwear by 8.5%, chemical products by 7.8%, and wood and paper products by 6.2%. This drop was slightly compensated by continued growth in output of fuels (1.1%) and non-ferrous metals (3.7%) over the same period. The real volume of construction works dropped by 12.3% over January–February 2002 in seasonally adjusted terms and returned to the level of April 2001.

The decline was much less pronounced in sectors producing market services, as the major drop in demand was connected with investment and export goods. After a modest decline freight transportation turnover returned to growth at the end of 2001 and regained the level of October 2001 by February 2002. Passenger transportation continued to decline slowly and was 3.8% lower in February 2002 than in February 2001. The real volume of communication services remained practically unchanged from November 2001 but was still 13.6% higher in February 2002 than a year earlier. The real volume of wholesale trade returned to growth in January 2002 and was 5.5% higher in February than a year earlier. The real volume of retail trade also increased slightly in February 2002 in seasonally adjusted terms but was still 1.7% lower than in December 2001.

Prices

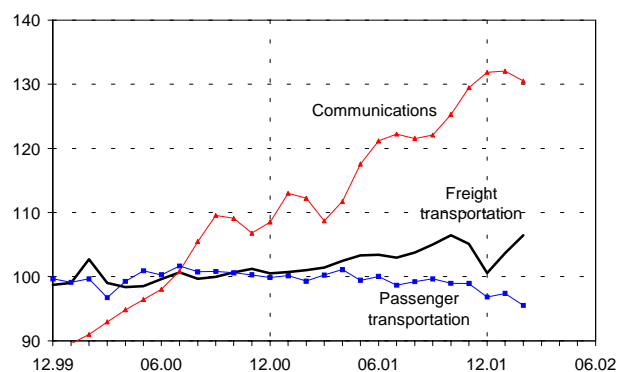
The rate of growth of the consumer price index (CPI) slowed down in March 2002 to 16.7% y-o-y from 19.0% in January, and y-o-y growth of the CPI for goods (food and non-food) fell to 12.8% in March 2002. However, the CPI for paid services is growing at a rate of about 40% y-o-y, mainly due to continued rapid growth of prices for housing services and utilities (57% y-o-y in March 2002). Y-o-y

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



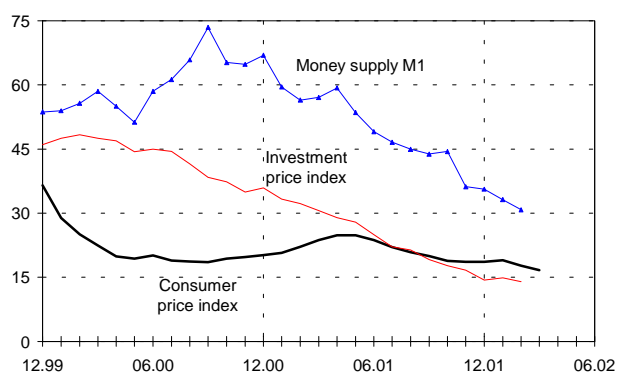
Source: Goskomstat and RET staff estimates.

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



Source: Goskomstat and RET staff estimates.

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



Source: Goskomstat, CBR.

growth rates of the investment price index (IPI) declined to 14.0% in February 2002 (32.2% in February 2001). Deceleration of price growth for consumer and investment goods is being accompanied by a slowdown of money supply growth. Y-o-y increase of the monetary aggregate M1 was equal to 30.8% in February 2002 (56.5% in February 2001).

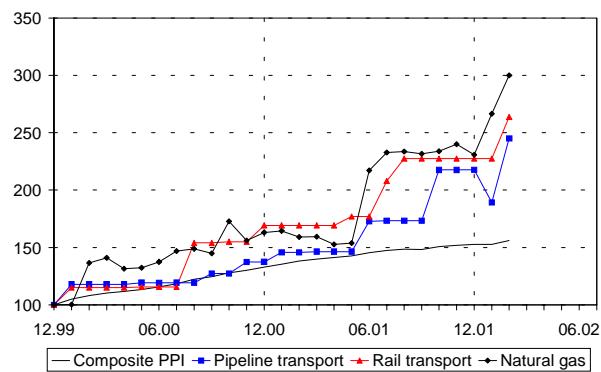
Y-o-y growth of the composite producer price index (covering industry, construction, agriculture, freight transportation and communications) was 12.9% in February 2002. The lowest y-o-y PPI growth in February 2002 was in industry (6.9%), where PPI actually declined from January, reflecting the drop in demand for industrial products. PPI in construction, agriculture and communications grew in February 2002 at rates of 12–15% y-o-y. However, there were substantial price increases in February for products and services of so-called natural monopolies. Tariffs for pipeline transportation increased by 29.5% in one month, for freight rail transportation by 15.9%, while natural gas prices rose by 12.6% and electricity prices by 2.1%. As a result from February 2001 to February 2002 prices for natural gas grew by 88.7%, tariffs for pipeline transportation by 68.2%, for freight rail transportation by 55.8%, and electricity prices by 24.9%.

Labour market

The situation in the labour market worsened at the end of 2001 and beginning of 2002, reflecting the overall economic recession. Growth of various unemployment indicators in this period was partly due to seasonal factors, but significant decline in demand for labour was clear. According to preliminary Goskomstat estimates, the overall unemployment rate in February 2002 was 9.1% (8.6% in August 2001). The figure will probably prove higher when February labour survey data become available. The reported unemployment rate increased from 2.4% in October 2001 to 2.8% in January 2002 (in January 2001 it was equal to 2.5%). The registered vacancy ratio (number of registered job-seekers to vacancies) increased from 1.0 in September 2001 to 1.8 in February 2002 (in February 2001 it was equal to 1.7). The reduction of employment occurred mainly at large and medium-sized enterprises producing goods. Payroll employment in this sector dropped from 18.7 mn in August 2001 to 17.9 mn in January 2002, while in service-producing industries payroll employment increased slightly over the same period: from 22.5 mn to 22.8 mn.

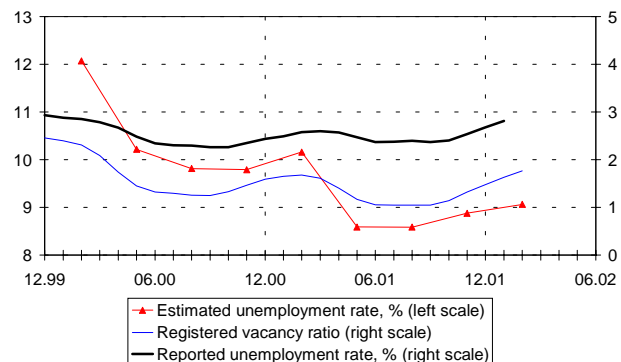
Real reported monthly wages due resumed their growth and were estimated to be about 22% higher in February 2002 than a year earlier. However, wages actually paid increased to a lesser extent due to growth of wage arrears. Over January–February

Price growth for products and services of natural monopolies (Dec 1999 = 100)



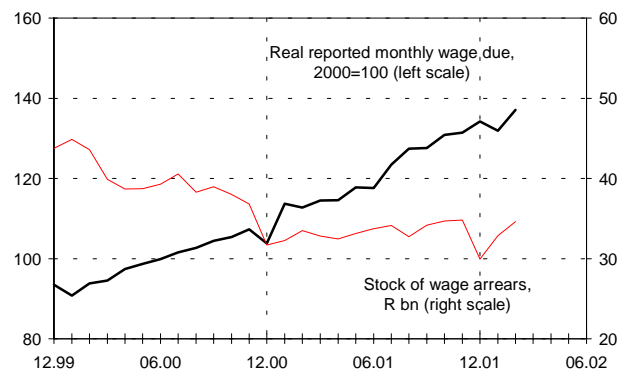
Source: Goskomstat.

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.

2002 wage arrears grew by 15.5%, to R34.6 bn, and were 3.3% higher than in February 2001. Wage arrears owed by the budget increased over January–February by 28.6%, to R4.7 bn, reflecting inability of regional budgets to meet new federal Government regulations on increasing wages of public sector employees.

Government

According to statements by officials of the Ministry of Finance, the federal budget surplus, calculated on cash basis, was 4.8% to GDP in the first quarter of 2002. According to preliminary data, federal budget revenues were R473 bn, which is 5% higher than the planned level for the first quarter. Federal budget expenditures over the same period were R364 bn (84% of the planned level), of which R78 bn were spent on debt service. Even though total federal budget revenues were higher than planned in the first quarter, there is some concern over the fact that the revenue level was due to extra collection of the unified social tax, which compensated shortages of other budget revenues.

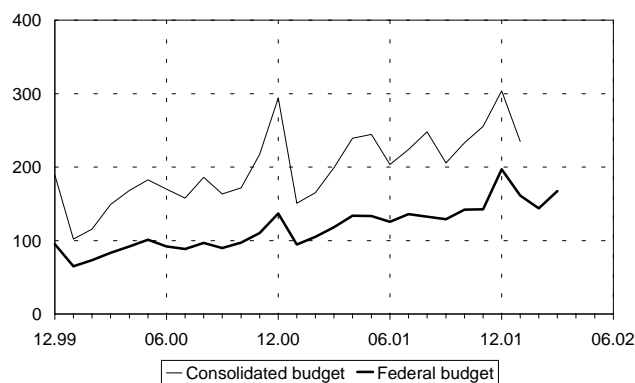
The Government revised the second-quarter plan for revenues collected by the Tax Ministry and State Customs Committee. The plan has been reduced, for the first time in the last two years, by R7 bn for the Tax Ministry and R10 bn for the State Customs Committee due to deterioration of the external environment in the first quarter of 2002. The average spot price for Brent crude was \$21 per barrel corresponding to \$18.5 per barrel for Urals crude, equal to the pessimistic scenario for budget execution under the 2002 budget law.

Current dynamics on the oil market are positive. Price growth began in March and the spot price for Brent crude stood at nearly \$27 per barrel in the first week of April. This is the price level, on which the optimistic scenario for the 2002 budget was based. If this price level holds, the federal budget revenue plan for the second quarter will definitely be executed.

In March the Government discussed further steps in tax reform. The main initiative is a new approach to taxation of the small business sector, aimed at reducing the tax burden and simplifying accounting procedures for enterprises employing less than 20 persons and with annual turnover less than R10 mn. Such enterprises will pay tax at a rate of 8–10% if turnover is taken as the tax base or 20% if profit is taken as the tax base. Some other simplifications will also be introduced. The draft will be submitted to the Duma in mid-April.

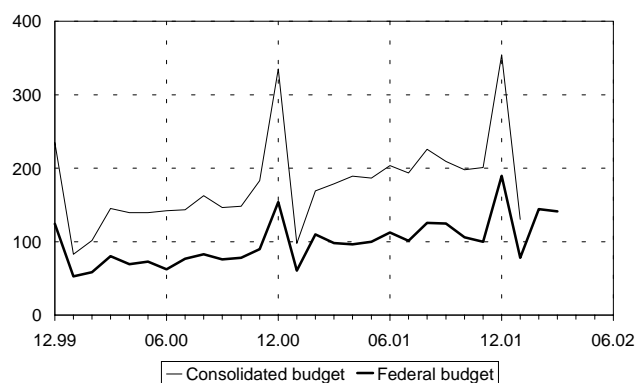
The Government also decided on introduction of a new unified tax on vehicles, and the relevant draft law will be submitted to the Duma later in the

Federal and consolidated budget revenues (R bn)



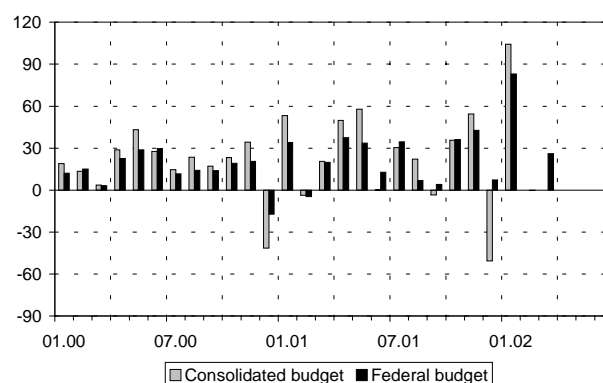
Source: Ministry of Finance.

Federal and consolidated budget expenditures (R bn)



Source: Ministry of Finance.

State budget balance (R bn)



Source: Ministry of Finance.

spring. According to the draft, the new tax will be imposed on automobiles starting from January 1, 2003 replacing several currently existing taxes. The main change will be elimination of turnover tax. The rate of the tax will be linked to horse power. The vehicle tax will shift the tax burden from enterprises to individual car owners and will treat the latter with more differentiation than today.

Monetary authorities

The money multiplier did not change in February 2002 and was equal to 2.21. M2 increased by 1.4% m-o-m from R1502 bn in January to R1523 bn in February. M0 grew by 1.9%, while deposits rose by 1.1% m-o-m. The structure of M2 has remained rather stable for the last year, with the shares of M0 and deposits amounting to approximately one third and two thirds respectively. This can be considered as a sign of stability of the financial system, since the structure of M2 to some extent reflects both private sector investment decisions and efforts of the monetary authorities.

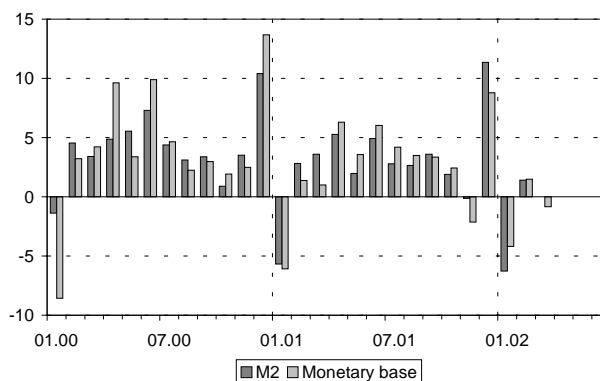
Although monetary base decreased slightly by 0.8% m-o-m in March, this does not suggest serious tightening of monetary policy by the CBR in the first month of the spring. The stability of interbank interest rates supports this view: the average one-day MIACR (Moscow Inter-bank Actual Credit Rate) did not change in March from February and stood at around 13%. We do not expect growth of M2 in March 2002.

The official exchange rate of the rouble against the dollar depreciated by 19 kopecks or by 0.6% m-o-m and was equal to R31.12/\$ at the end of March. Thus the CBR continued its policy of gradual devaluation of the national currency. However, the relatively fast devaluation in the first quarter of 2002 makes us believe that the target exchange rate for 2002 (R31.5/\$ according to the 2002 budget law) will not be achieved. Total devaluation of the rouble against the dollar in Q1 2002 amounted to 3.3% q-o-q. The official average exchange rate of the rouble against the euro fell by 1.6% m-o-m in March 2002 to R27.2/euro.

Gross international reserves (GIR) kept growing in March. According to CBR statistics, GIR increased by \$0.4 bn and equalled \$37.3 bn on April 1. As a result GIR rose by \$0.7 bn in Q1 2002, although this growth did not compensate the fall of GIR by \$1.3 bn in Q4 2001. The phenomenal jump by oil prices in March and the beginning of April gives hope that the CBR will also be able to increase GIR in Q2 2002.

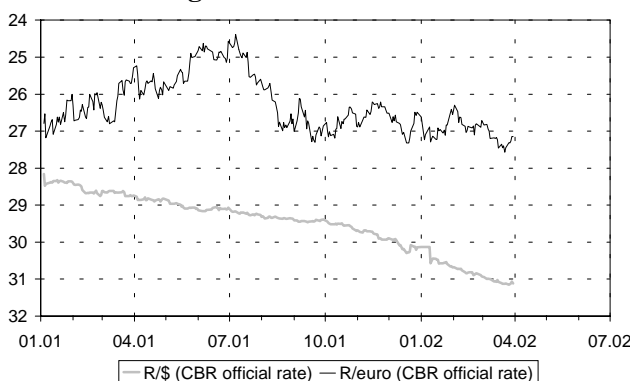
The real exchange rate of the rouble against the dollar and the euro did not change significantly in February. However the rouble appreciated in real terms

Changes of M2 and monetary base (%)



Source: CBR and RET staff calculations.

Rouble exchange rates



Source: CBR.

against the hryvna by 1.5%. The reason for this was deceleration of inflation in Ukraine.

The average lending rate decreased in February 2002 to 15.9% from 18.3% in January though the average deposit rate remained almost unchanged at 4.5%. It is too early to judge whether the lending rate fall was a chance event or indicates adjustment to a new level. However, the CBR cut the refinancing interest rate to 23% from 25% on April 9.

One of the central events of March was the departure of Viktor Gerashchenko, who quit his position as head of the CBR on March 15 after a heated debate on amendments to the law on the Bank of Russia. The most questionable feature of the new law was status of the National Banking Council (NBC). According to the new law, the NBC will have more power to control the CBR. Architects of the law argue that the NBC will control only administrative expenditures of the CBR, including salaries and pensions. Opponents of the law believe that the NBC will be able to direct monetary policy and that the CBR will lose its independence. Viktor Gerashchenko took the latter position and quit when compromise could not be found. The draft law was adopted in a second Duma reading on April 5.

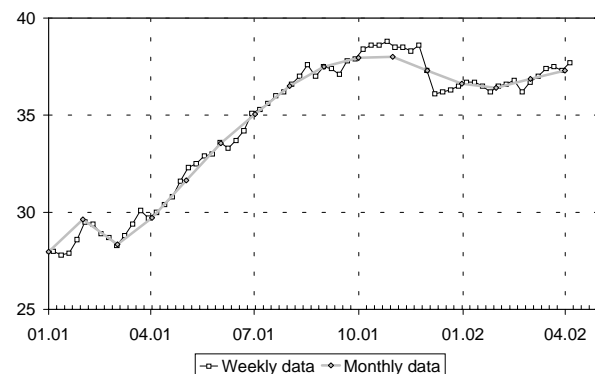
Financial markets reacted relatively calmly to news of Gerashchenko's departure and trends of basic macroeconomic indicators (interest rates, exchange rate, etc.) did not feel any impact. The new chief of the CBR, Sergey Ignatiev, said that no significant changes in CBR monetary policy should be expected.

Capital markets

Rising oil prices made the Russian stock market much more active in March than in February 2002, with total monthly RTS turnover growing by 75% to \$484 mn. The RTS index gained 21%, testing the barrier of 350 points. There was a correction in the first week of April against the backdrop of negative international news, but the market remains bullish. The surprise star performer in March was Sberbank, whose stock grew 74% over the month, outpacing the primary-industry blue chips, which dominate the market. Experts speculate that Sberbank's popularity was a response to the resignation of CBR chairman Viktor Gerashchenko, who was seen as an obstacle to banking reform. Sberbank's financial results should not be discounted either. Sberbank reported 31% growth in total assets, 56% increase in net interest income, and decline in operating costs in 2001.

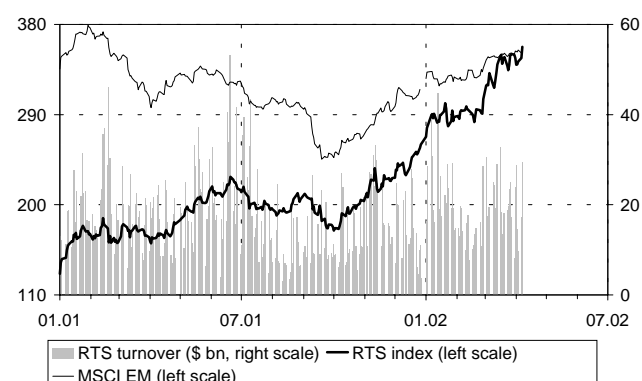
The derivatives section of RTS reached new highs in March 2002. Total trading turnover amounted to R9 bn, up 54% month-on-month. The daily average volume of open positions exceeded R700 mn. After the well-won victory over MICEX on the derivatives

Gross international reserves (weekly and monthly data)



Source: CBR.

RTS and MSCI equity indices



Source: RTS and www.msci.com.

market, the RTS is eager to develop a corporate bond section, since rouble corporate bond trading is now one of the fastest growing areas of Russian financial markets. In March the corporate bonds market experienced a long-awaited boom of new issues, with their absolute volume totalling R5.4 bn. So far MICEX is the only site for corporate bond placement and trading, but issues of corporate bonds will also be placed on the RTS starting from April 2002.

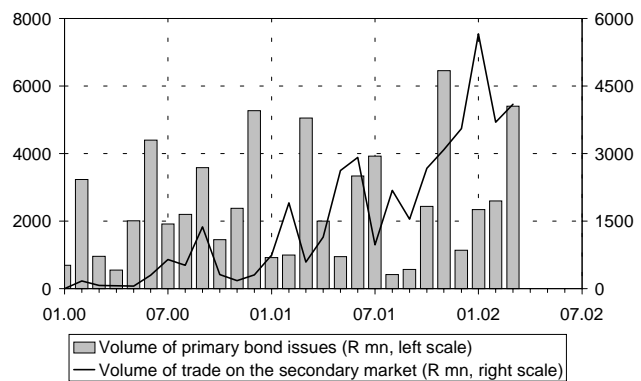
In addition, both MICEX and RTS plan to open a Russian Eurobonds sections in Q2 2002. Larger Russian companies and banks are stepping up their presence on the international debt market, and in March 2002 they raised \$1 bn on international markets through syndicated loans or Eurobond issues. Current conditions on international markets are quite favourable for Russian borrowers, as interest rates in developed countries remain low and the Latin American crisis has provoked reorientation of capital towards other emerging markets, Russia in particular. The spread between Russia's Eurobonds and US Treasuries has dropped to 494 base points, encouraging Standard and Poor's to announce that Russia's sovereign rating will be upgraded some time this year.

Credit markets and banking system

On March 19, 2002 the Duma approved Sergey Ignatiev's appointment as chairman of the Central Bank. Ignatiev's predecessor Victor Gerashchenko was frequently accused of undermining long-awaited banking reform and observers expect acceleration of reform as a result of Ignatiev's appointment. So far the new CBR chief has come out for strengthening of banking supervision and introduction of international accounting and financial reporting standards (IAS) even before the original deadline of January 1, 2004.

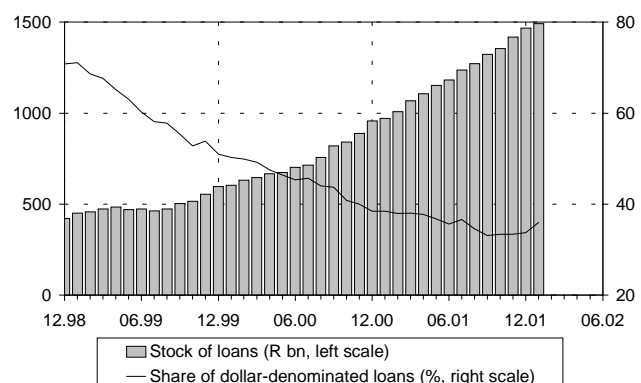
Preparation for introduction of IAS may give a boost to improvement of bank capitalisation. Raising of minimal capital requirements under the old accounting system would not make sense, since it would allow banks to glamorise their accounts and go unpunished. In a new situation small banks, which lost a sense of urgency after attempts by a part of Russian banking community to address the issue were torpedoed by banking authorities in the summer of 2001, will have to redouble their efforts to meet new minimal capital requirements. In the first two months of the current year the number of credit institutions with charter capital of R150 mn or more grew from 230 to 246, while the number of credit institutions with capital of R10 mn or less dropped from 346 to 332. Over the same period the total equity capital of Russian banks increased by 3% in real terms, standing at R655 bn as of March 1, 2002.

Russian corporate debt market



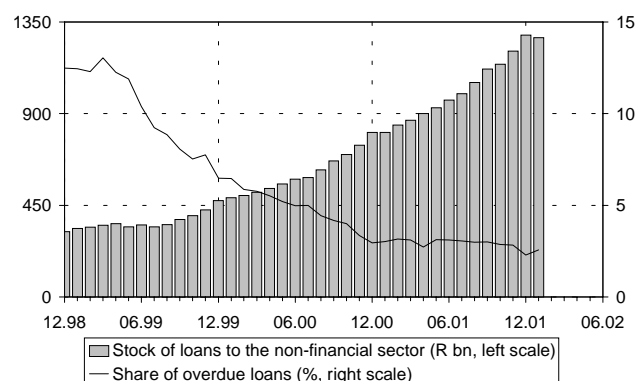
Source: www.cbonds.ru.

Lending by commercial banks



Source: CBR and RET staff estimates.

Quality of credit portfolios



Source: CBR and RET staff estimates.

Meanwhile, there were signs in January 2002 that credit expansion by Russian banks had come to a halt. The total stock of loans extended to enterprises declined in nominal terms for the first time since the beginning of 1999. As a result, total assets of the Russian banking system fell by 3% in real terms to R3170 bn on February 1, 2002. It seems that the slowdown of economic growth has forced commercial banks to reassess their credit risks and toughen their credit policies. The unprecedented level of quality of credit portfolios observed over the last year will probably face a severe test in coming months.

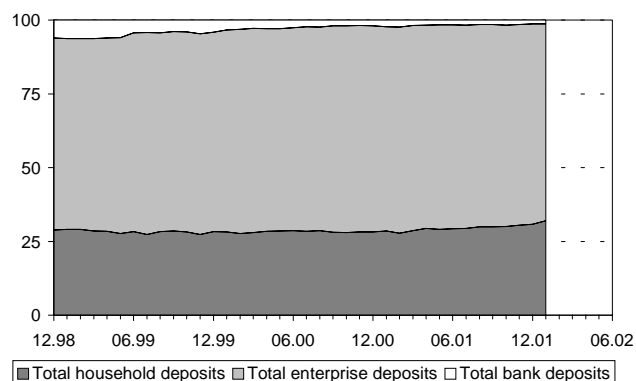
The Government is at last following in the footsteps of most emerging markets, which have enhanced bank sector efficiency by extension of private ownership. The issue of Government stakes in more than 400 credit institutions, a bone of contention for the inter-agency commission on Government participation in capital of banks, was unexpectedly resolved at the beginning of April. Prime minister Mikhail Kasyanov will soon sign an instruction to sell nearly all Government stakes, extending the earlier plan to sell stakes under 25%. Only three specialised banks, Rosselkhozbank, the Russian Development Bank, and the National Bank of Regional Development, will remain state-owned. However, the instruction will not concern Sberbank, Vneshtorgbank and Vneshekonombank. It should be said that the experience of ARCO (the Agency for Restructuring of Credit Organisations) shows that finding buyers for stakes in banks is not an easy job.

Households

In February 2002, both real personal income and real consumer expenditures exceeded their level before the 1998 financial crisis by 10%. However, the two indicators took different paths to arrive at this point. Over 12 months real personal income, corrected to inflation by the consumer expenditures deflator, increased by 12%. Annual growth of consumer expenditures was about 8%. Neither of the indicators changed significantly since January 2002, seasonally adjusted, but over six months income increased by 6% while consumption grew only 1%. Stabilisation of real consumer expenditures at the end of 2001 was associated with some decrease in paid services and at the beginning of 2002 with decrease of non-food purchases.

Income growth at the beginning of 2002 along with stabilisation of seasonally adjusted real consumer expenditures should produce some growth of the saving rate. The seasonally adjusted official saving rate increased slightly in January 2002. Preliminary estimates of the alternative saving rate, which excludes double counting of cash hard currency pur-

Deposits of commercial banks by creditors (%)



Source: CBR and RET staff estimates.

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



Source: Goskomstat and RET staff estimates.

chases, showed an increase of almost 5 p.p. in the same period. It seems that households have been making accumulations intentionally. Consumer evaluations of conditions for making savings, estimated by the Development Centre, VCIOM and CSI–Russia Foundation, started to rise at the beginning of 2002. Another indicator of households’ changing attitudes toward savings is increase of cash hard currency accumulations for the fourth month in a row. Since the financial crisis in 1998 people have usually used hard currency to maintain current consumption. That kept the saving rate at a relatively low level of 5%.

Enterprises

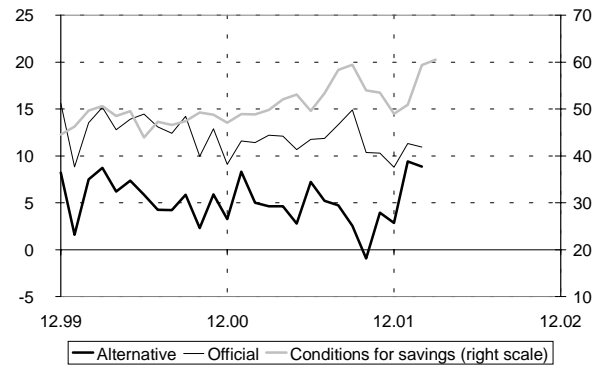
Stagnation of the Russian manufacturing sector seems to be over, judging by results of most business surveys, while for services it never even started. As regards structural developments, the Government has developed a support programme to address a fall in the number of small enterprises in 2001.

Results of business surveys show that the Russian manufacturing sector is slowly moving out of stagnation that started in December 2001. The Moscow Narodny Purchasing Managers’ Index (PMI), which indicates the degree of economic activity in manufacturing, rose in March 2002 and the Industrial Confidence Indicator of the Institute for the Economy in Transition (IET) was positive though slightly lower than in February, reflecting general optimism of industrial producers.

Evidence of business surveys concerning demand for industrial production is controversial: while NTC Research and the Centre for Economic Analysis (CEA) report growth, the IET claims a decline. At least, in March 2002 all the surveys registered growth of industrial production and decrease of stocks of finished goods in the sector, which may indicate growing demand. An upsurge of foreign demand gives further grounds for optimism. According to the NTC Research business survey, there was an increase in new export orders to manufacturers in March 2002. Despite low demand growth, rises in average prices for industrial production accelerated following growth of input costs. According to the NTC Research business survey, the March 2002 increase of input prices in the sector was the fastest for eight months (energy and transportation costs are again mainly to blame). Still the share of ‘successfully working’ companies, according to CEA classification, increased to 13% in March 2002 from 7% in January, regaining the level of summer 2001.

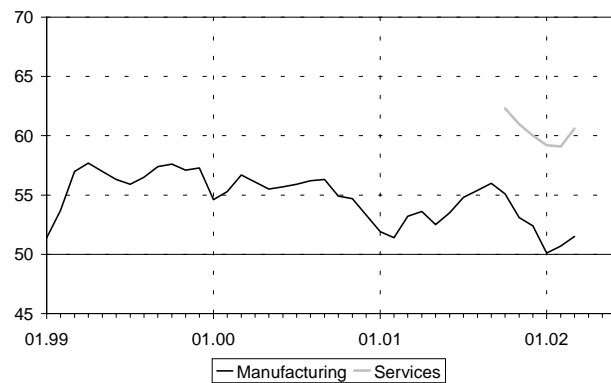
Other sectors of the economy fared better than manufacturing. The new services survey introduced by NTC Research (covering such sectors of the economy as hotels and restaurants, transport and

Saving rates and conditions for savings (seasonally adjusted)



Source: Development Centre, VCIOM and CSI foundation, Goskomstat and RET staff estimates.

Moscow Narodny Purchasing Managers’ Manufacturing and Services Indices*



* Readings above 50 points mean that the sector is generally expanding, readings below 50 points suggest contraction. Source: NTC Research.

communications, financial intermediation, renting and business activities, computing and IT, and other services) shows expansion of the services sector in Russia since monitoring began in October 2001. This expansion strengthened in March 2002 due to growth of demand, which led to increased employment in the sector followed by growth of wages and salaries. According to the survey, this development together with growing rent, energy and transportation costs contributed to rapid increase of input prices, which accelerated in February 2002 and was sustained in March 2002. Average prices charged by the service sector also increased but not sufficiently to prevent some squeezing of profit margins. Nevertheless, there is a lot of optimism in the sector, which can be attributed to growing domestic and international demand.

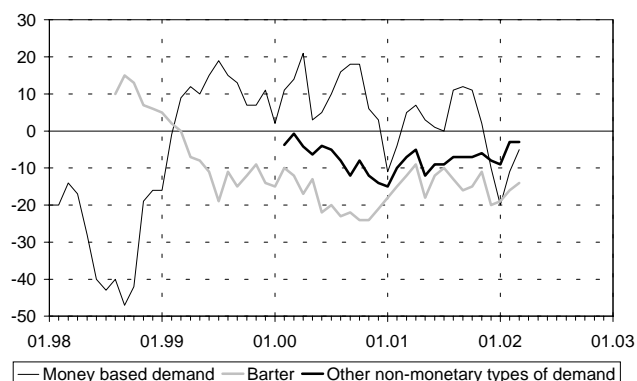
Goskomstat recently released its annual figures on the small business sector in Russia. According to the estimates, there were 843 000 small businesses in Russia at the end of 2001, which is 4% less than at the end of 2000. Employment in small businesses decreased by 2% while the share of small business in Russian GDP increased from 8% in 2000 to 9%, suggesting that most of the firms, which closed down, were among the smallest. The Government is concerned by shrinkage of the small business sector, which is seen as crucial to development of a market economy, and is preparing a number of measures to help the sector. The measures include an amendment to the Tax Code, not yet submitted to the Duma, which will reduce the tax burden for the smallest of small enterprises, which lost their advantage relative to other sectors when profit tax was reduced to 24% for all tax payers. Other measures include support of commercial credits to small business and development of information infrastructure and training.

External environment

Lower world energy prices, low inventories, and low interest rates have helped the US economy to stop contracting. Business surveys revealed an increase in new orders in March 2002 and a further decline in inventories. Consumer confidence indicators rose substantially from their modest levels of the previous month. However, these developments represent anticipation of growth rather than actual growth. There was only a slight month-on-month increase in industrial production in February 2002; and unemployment, for which data become available earlier, rose again in March 2002 by 0.2 percentage points from the previous month to stand at 5.7%.

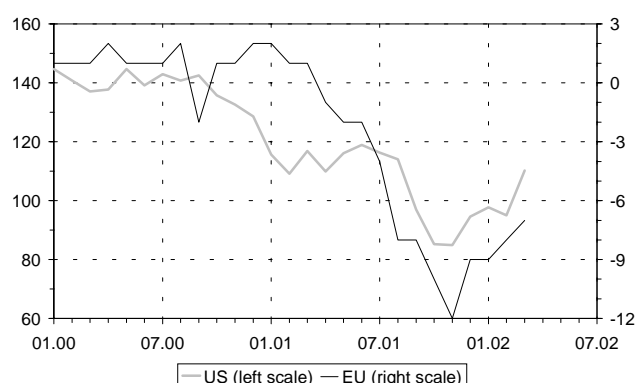
The situation is also somewhat obscure in the EU. The European Commission indicator of industrial confidence in manufacturing strengthened in March 2002 for the third consecutive month, but unem-

Balance of the change in money-based, barter and other non-monetary types of demand*



* Balance = % of survey respondents reporting growth minus % reporting decline.
Source: IET business surveys.

Indices of consumer confidence in the US and EU



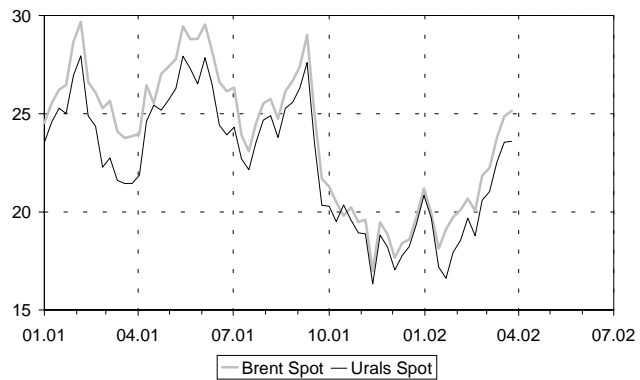
Source: The Conference Board, The European Commission.

ployment remained stable for three months (December 2001–February 2002) at 7.7%. The latest data on industrial production are available only for January, when the indicator stagnated month-on-month and was 3% lower year-on-year.

On March 27 the European Union adopted additional import duties on various steel products to protect the domestic market from a flood of imports after the US raised tariffs on steel imports a week earlier. The additional tariffs are designed to be in effect for six months. They are set at 15–26% for imports exceeding quotas set by the EU close to the actual level of imports in 2001. This measure may have consequences for Russia, since EU accounted for 28% of total Russian exports of ferrous metals and products thereof in Q1–Q3 2001.

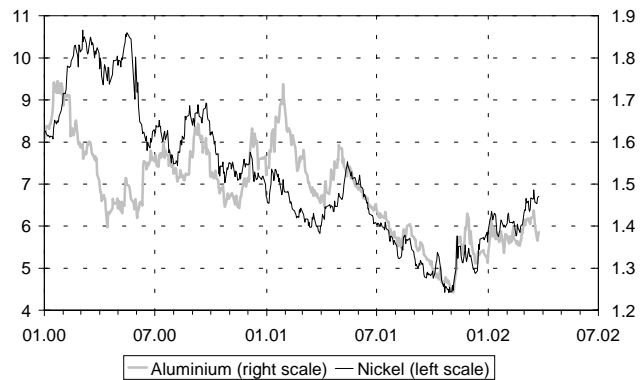
Crude oil prices showed strong growth in March 2002: spot prices for Brent and Urals rose by about \$3 from the end of February. This steep rise was partly due to signs of economic revival in the US and EU, and the positive world economic outlook in general. The political situation in the Middle East was also an important factor. Price rises were initially driven by the possibility of US military operations against Iraq, which is an important oil-exporter, and later the possibility of a suspension by Islamic oil-producing countries of exports to the US and Israel as a response to the Palestinian–Israeli conflict. Iraq did announce a suspension of oil exports on April 8, which caused a short-term price rise. If the situation in the Middle East improves, oil prices are likely to correct downwards, but most specialists expect them to remain well above \$20 per barrel.

Weekly oil price development (\$ per barrel)



Source: Energy Information Administration.

Aluminium and nickel price development (\$ thousand per tonne)



Source: London Metal Exchange.

Table 1: Gross domestic product

	(1) GDP by expenditure, nominal	(2) Final demand, nominal	(3) Household consumption, nominal	(4) Institutional consumption, nominal	(5) Gross fixed capital formation, nominal	(6) Net exports, nominal
	bn R	bn R	bn R	bn R	bn R	bn R
1995	1541	1477	760	336	328	53
1996	2163	2088	1056	489	454	89
1997	2530	2448	1265	626	483	73
1998	2741	2783	1499	602	485	196
1999	4805	4788	2520	760	683	824
2000	7335	7118	3337	1162	1144	1476
2001	9063	8679	4496	1402	1610	1171
I 2000	1518	1493	731	214	162	387
II	1730	1662	775	279	238	371
III	2039	1853	864	280	331	379
IV	2048	2109	968	389	413	339
I 2001	1919	1843	982	262	248	351
II	2154	2092	1067	369	350	306
III	2520	2245	1167	348	443	287
IV	2470	2499	1280	422	569	228
I 2002						
II						
III						
IV						
	(7) GDP by expenditure, real	(8) Final demand, real	(9) Household consumption, real	(10) Institutional consumption, real	(11) Gross fixed capital formation, real	(12) Net exports, real
	bn R 2000	bn R 2000	bn R 2000	bn R 2000	bn R 2000	bn R 2000
1995	7155	6188	3257	1134	1406	391
1996	6677	5854	3104	1141	1134	474
1997	6734	5889	3272	1114	1070	433
1998	6445	6189	3193	1118	965	913
1999	6749	6783	3053	1147	1010	1573
2000	7335	7118	3337	1162	1144	1476
2001	7696	7380	3627	1151	1275	1327
I 2000	1633	1606	786	231	176	414
II	1761	1691	788	285	245	375
III	1977	1798	837	272	324	364
IV	1963	2023	927	374	399	323
I 2001	1692	1632	847	229	191	364
II	1847	1799	877	281	271	369
III	2100	1869	907	270	348	344
IV	2057	2080	995	371	465	249
I 2002						
II						
III						
IV						

Table 2: Components of final demand (non-SNA concept)

	(1) Consumer expenditures, nominal	(2) Non-interest expenditures of federal budget, nominal	(3) Gross fixed investment, nominal	(4) Merchandise trade balance, nominal	(5) Consumer expenditures, real, SAAL	(6) Gross fixed investment, real, SAAL
	bn R	bn R	bn R	bn R	bn R 2000	bn R 2000
1995	643.9	235.1	267.0	92.8	2858	1377
1996	955.5	302.7	376.0	116.7	2835	1127
1997	1156.9	357.7	408.8	98.2	2973	1071
1998	1387.8	277.7	407.1	240.2	2877	943
1999	2274.8	502.1	670.4	901.0	2777	993
2000	3003.1	781.9	1165.2	1705.3	3003	1165
2001	3944.4	1094.6	1599.5	1436.7	3263	1267
01.2000	212.4	37.1	46.1	113.0	2920	1086
02	210.5	47.0	55.8	133.8	2931	1120
03	226.6	67.4	63.9	161.4	2939	1136
04	225.7	57.1	64.5	134.6	2949	1136
05	228.9	54.5	75.8	139.1	2962	1152
06	239.2	48.8	95.7	140.5	2988	1173
07	247.7	53.0	99.0	140.0	3029	1183
08	262.7	63.7	112.9	148.9	3041	1199
09	266.0	58.1	118.3	145.2	3056	1197
10	275.4	70.6	114.6	136.5	3059	1194
11	282.4	78.0	123.1	162.9	3076	1212
12	325.6	146.7	195.5	149.5	3087	1193
01.2001	273.1	41.7	70.9	144.3	3104	1178
02	274.4	63.1	82.3	127.7	3135	1183
03	297.4	75.6	91.7	133.3	3137	1189
04	304.0	90.4	93.4	125.4	3215	1220
05	312.0	84.4	112.8	121.9	3268	1289
06	322.9	96.4	132.7	135.1	3273	1252
07	328.9	87.0	135.7	112.0	3298	1279
08	346.5	87.9	153.3	134.7	3328	1303
09	345.7	94.4	158.7	130.4	3327	1315
10	358.8	101.5	153.8	97.4	3366	1331
11	365.4	92.1	159.7	102.4	3368	1324
12	415.3	180.1	254.5	72.1	3343	1335
01.2002	350.1	63.8	73.7	100.6	3355	1184
02	347.0	109.2	84.2		3369	1185
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Table 3: Real output

	(1) GDP produced, nominal, seasonally unadjusted	(2) GDP produced, real	(3) Output of 5 basic industries	(4) Industrial production, total	(5) Volume of construction works	(6) Agricultural output, total
	bn R	2000=100	2000=100	2000=100	2000=100	2000=100
1995	1540	93.9	93.5	87.2	113.6	106.7
1996	2146	90.7	89.4	83.3	95.1	101.2
1997	2479	91.5	90.4	84.9	89.0	102.8
1998	2741	87.0	85.1	80.5	84.5	89.2
1999	4767	91.7	90.7	89.4	89.7	92.9
2000	7302	100.0	100.0	100.0	100.0	100.0
2001	9041	105.0	105.7	104.9	109.9	106.8
01.2000			96.2	95.7	95.4	98.9
02			99.3	99.4	96.6	100.2
03	1511	98.1	98.0	97.8	97.7	100.8
04			97.7	96.8	99.2	100.2
05			99.2	99.1	100.3	100.5
06	1703	99.2	100.2	100.2	101.0	99.9
07			100.1	100.5	101.2	99.9
08			100.9	101.5	101.1	100.9
09	2032	101.0	101.5	101.8	100.5	101.5
10			102.3	101.8	101.6	99.9
11			102.3	102.7	102.7	99.1
12	2056	101.7	102.3	102.7	102.7	98.2
01.2001			102.7	103.1	103.8	102.1
02			102.6	102.5	104.1	102.9
03	1889	102.6	102.7	102.4	103.8	104.0
04			104.1	103.6	106.1	104.4
05			105.7	106.1	106.9	105.4
06	2127	104.5	104.5	103.9	107.4	104.2
07			106.3	105.0	109.4	117.0
08			109.4	106.6	113.9	121.0
09	2535	106.8	106.3	105.7	112.9	106.7
10			107.8	107.0	114.0	102.5
11			108.8	107.5	116.6	107.0
12	2490	106.1	107.5	105.4	119.9	104.4
01.2002			105.7	105.4	107.7	106.3
02			105.5	104.5	105.2	107.3
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Table 4: Real output

	(1) Industrial production, energy & fuels	(2) Area of dwellings completed, SAAL	(3) Agricatural output, animal products	(4) Freight transport turnover	(5) Passenger transport turnover	(6) Volume of communication services
	2000=100	mn sq. m	2000=100	2000=100	2000=100	2000=100
1995	97.1	41.0	120.6	102.0	112.8	
1996	95.6	34.3	107.3	97.0	103.3	44.2
1997	95.1	32.7	101.9	93.3	98.8	54.7
1998	94.3	30.7	100.1	89.9	91.3	66.6
1999	95.7	32.0	99.4	95.2	94.8	87.9
2000	100.0	30.3	100.0	100.0	100.0	100.0
2001	104.5	31.1	102.6	103.0	99.4	119.9
01.2000	97.9	30.1	73.0	99.0	99.1	87.8
02	100.4	32.5	77.1	102.7	99.7	91.7
03	98.3	29.0	87.9	99.0	96.7	92.6
04	98.2	32.7	95.9	98.4	99.3	94.9
05	99.9	33.7	103.7	98.5	100.9	97.0
06	99.1	28.9	109.3	99.6	100.3	96.8
07	100.1	31.5	108.6	100.7	101.7	101.5
08	100.3	30.1	105.3	99.7	100.8	103.8
09	101.0	29.6	102.2	100.0	100.8	112.9
10	101.2	28.8	104.1	100.7	100.6	108.6
11	101.9	28.2	112.8	101.2	100.3	106.2
12	101.6	28.5	120.2	100.5	99.9	106.2
01.2001	101.9	29.3	75.9	100.7	100.2	115.4
02	102.2	27.3	77.5	101.0	99.3	114.9
03	102.7	29.0	89.1	101.4	100.3	103.7
04	103.3	29.7	98.3	102.5	101.1	112.6
05	103.4	29.5	106.2	103.3	99.4	117.9
06	105.1	30.2	111.2	103.4	100.0	121.7
07	105.6	31.8	111.4	103.0	98.7	123.3
08	105.9	34.2	108.7	103.8	99.2	120.5
09	105.4	32.7	105.7	105.0	99.7	121.8
10	106.2	37.6	107.0	106.5	98.9	124.1
11	105.8	36.8	116.1	105.1	98.9	131.1
12	106.6	25.2	124.2	100.6	96.8	131.7
01.2002	105.2	39.3	79.3	103.6	97.4	133.0
02	104.0	36.2	81.1	106.5	95.5	130.5
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Table 5: Trade

	(1) Wholesale trade, nominal	(2) Wholesale trade, real	(3) Retail trade, nominal	(4) Retail trade, real	(5) Paid services to households, nominal	(6) Paid services to households, real
	bn R	2000=100	bn R	2000=100	bn R	2000=100
1995		100.0	553.5	98.9	113.0	92.8
1996	353.4	46.4	754.5	99.6	200.3	85.5
1997	500.6	51.3	880.6	104.1	269.5	88.7
1998	707.2	57.9	1069.3	100.2	318.5	87.7
1999	1408.5	64.6	1827.2	92.0	447.4	94.1
2000	2723.2	100.0	2387.4	100.0	615.7	100.0
2001	3587.0	108.9	3117.7	110.6	826.6	101.0
01.2000	184.9	87.6	172.5	93.0	39.9	93.1
02	182.2	84.8	170.8	91.5	39.7	87.0
03	214.0	101.2	182.8	97.2	43.8	93.1
04	204.0	95.7	181.1	95.3	44.6	95.0
05	203.8	94.0	182.8	94.7	46.1	98.9
06	225.2	101.3	188.3	95.7	50.9	102.6
07	236.3	104.0	193.0	96.8	54.7	107.1
08	234.1	101.8	205.5	102.1	57.2	110.3
09	242.4	104.0	209.1	102.3	56.9	105.5
10	251.5	105.3	217.4	104.5	58.0	104.8
11	266.0	110.1	222.9	105.6	59.5	110.6
12	278.8	110.3	261.2	121.4	64.4	91.9
01.2001	279.4	108.1	217.0	98.9	56.1	98.9
02	281.4	107.2	218.6	98.2	55.8	91.7
03	282.6	107.9	237.5	105.0	59.9	93.8
04	272.8	102.6	241.3	105.1	62.7	98.2
05	293.3	108.4	247.9	106.4	64.1	100.9
06	285.3	103.4	252.3	106.8	70.5	104.1
07	291.3	105.2	254.7	107.6	74.2	107.6
08	294.0	106.1	270.4	114.3	76.1	110.4
09	304.3	109.5	271.2	113.9	74.5	105.1
10	322.7	114.6	283.1	116.7	75.7	104.5
11	327.7	115.2	288.8	118.7	76.6	108.6
12	352.2	118.5	334.9	135.1	80.4	87.8
01.2002	364.0	120.0	274.2	108.6	75.9	100.1
02	365.1	119.6	271.4	106.9	75.6	93.7
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Table 6: Final demand prices

	(1) Consumer price index, total, EoP	(2) Consumer price index, goods, EoP	(3) Consumer price index, services, EoP	(4) Capital investment price index, EoP	(5) Price deflator of consumer expenditures	(6) Price deflator of fixed investment
	Dec-00=100	Dec-00=100	Dec-00=100	Dec-00=100	2000=100	2000=100
1995	24.4	24.4	26.0	31.2	22.5	10.7
1996	29.8	28.8	38.5	42.8	33.7	31.6
1997	33.1	31.3	47.2	45.0	38.9	40.4
1998	61.0	61.6	55.8	50.4	48.2	44.4
1999	83.2	84.7	74.8	73.6	81.9	69.4
2000	100.0	100.0	100.0	100.0	100.0	100.0
2001	118.6	115.3	136.9	114.4	120.9	130.5
01.2000	85.1	86.5	77.3	76.3	92.6	83.6
02	86.0	87.1	79.6	78.4	93.7	86.8
03	86.6	87.6	80.8	80.5	94.5	89.7
04	87.3	88.3	82.5	82.1	95.6	92.5
05	88.9	89.9	83.6	83.5	97.0	95.0
06	91.1	92.0	86.1	86.0	98.8	98.2
07	92.8	93.3	89.4	88.7	100.5	101.6
08	93.7	93.9	92.1	90.1	101.9	104.2
09	94.9	95.0	94.6	92.5	103.6	107.4
10	96.9	96.9	96.9	95.1	105.7	110.6
11	98.4	98.4	98.4	97.2	107.3	113.6
12	100.0	100.0	100.0	100.0	108.8	116.9
01.2001	102.8	102.4	104.6	101.7	111.9	120.9
02	105.1	104.3	109.1	103.7	114.1	123.6
03	107.1	106.0	112.9	105.1	116.1	125.4
04	109.0	107.6	116.0	105.9	118.0	127.1
05	110.9	109.5	118.1	106.8	119.8	128.9
06	112.7	111.0	121.1	107.5	121.7	130.2
07	113.2	111.1	124.6	108.4	122.5	131.4
08	113.2	110.7	127.4	109.4	122.7	132.7
09	113.9	111.0	130.6	110.2	123.6	133.8
10	115.2	112.1	133.1	112.0	125.1	135.9
11	116.7	113.6	135.1	113.4	126.7	137.6
12	118.6	115.3	136.9	114.4	128.1	138.8
01.2002	122.3	117.9	147.2	116.8	132.7	142.1
02	123.7	118.9	151.1	118.2	134.3	143.5
03	125.0	119.5	156.8			
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Table 7: Producer price indices (end of period)

	(1) Composite producer price index	(2) Industry	(3) Construction	(4) Agriculture	(5) Freight transportation	(6) Communications
	Dec-00=100	Dec-00=100	Dec-00=100	Dec-00=100	Dec-00=100	Dec-00=100
1995		27.3	32.1		38.9	47.6
1996		34.3	45.4		47.4	68.9
1997	39.6	36.9	47.3	30.1	47.9	71.8
1998	48.1	45.4	51.8	42.8	55.8	76.2
1999	75.2	76.0	71.2	81.8	66.0	93.6
2000	100.0	100.0	100.0	100.0	100.0	100.0
2001	114.8	110.7	115.2	117.5	138.6	115.0
01.2000	79.0	79.0	73.1	83.0	75.6	97.9
02	81.3	82.0	74.9	84.6	75.8	98.2
03	82.8	84.1	76.8	84.4	75.9	98.3
04	84.1	85.4	78.3	86.3	76.1	98.3
05	85.3	86.9	79.8	86.5	76.8	98.3
06	86.8	88.9	82.6	86.7	76.6	98.3
07	89.1	91.9	85.3	86.7	76.7	98.4
08	91.8	93.5	86.8	87.8	89.6	99.2
09	93.8	95.3	90.2	89.9	91.8	99.3
10	96.3	97.8	93.6	93.1	92.5	99.3
11	98.0	99.1	96.3	96.5	94.9	99.9
12	100.0	100.0	100.0	100.0	100.0	100.0
01.2001	102.0	101.8	101.8	103.2	102.0	101.7
02	103.9	103.6	104.1	107.1	102.2	102.4
03	105.1	104.7	105.8	109.1	102.4	103.6
04	106.3	105.7	106.4	112.7	102.6	105.0
05	107.3	106.6	107.1	113.4	105.3	105.4
06	109.3	108.8	107.9	112.4	111.3	105.5
07	111.0	109.8	108.5	111.1	121.4	110.9
08	111.7	109.8	109.6	110.7	127.7	111.1
09	111.6	109.6	110.4	110.2	127.9	111.2
10	113.4	110.1	112.7	111.7	138.2	111.2
11	114.2	110.4	114.1	114.7	138.4	115.0
12	114.8	110.7	115.2	117.5	138.6	115.0
01.2002	114.9	111.1	117.5	119.1	131.5	117.8
02	117.4	110.8	118.8	119.6	156.5	118.0
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Table 8: Employment and unemployment (end of period)

	(1) Payroll employment, L&M enterprises, PA	(2) Employment, ILO concept	(3) Unemployment, ILO concept	(4) Unemployment rate, ILO concept	(5) Registered unemployment	(6) Registered job seekers per vacancy
	mn persons	mn persons	mn persons	%	mn persons	persons
1995	50.8	64.1	6.7	9.5	2.0	6.1
1996	47.6	61.9	7.2	10.4	2.6	9.2
1997	45.0	60.0	8.1	11.8	2.3	7.6
1998	42.8	58.4	8.9	13.2	1.9	5.4
1999	41.9	63.1	9.1	12.6	1.6	3.6
2000	41.8	64.5	7.0	9.8	1.1	1.6
2001	41.2	64.7	6.3	8.9	1.1	1.3
01.2000	41.7	62.7	8.7	12.2	1.2	2.4
02	41.8	62.4	8.6	12.1	1.2	2.3
03	41.9	63.3	8.2	11.4	1.2	2.1
04	42.0	64.1	7.8	10.8	1.2	1.7
05	41.9	65.0	7.4	10.2	1.1	1.4
06	42.0	65.0	7.3	10.1	1.0	1.3
07	42.0	65.1	7.2	10.0	1.0	1.3
08	42.0	65.2	7.1	9.8	1.0	1.3
09	41.8	64.9	7.1	9.8	1.0	1.3
10	41.7	64.7	7.0	9.8	1.0	1.3
11	41.6	64.5	7.0	9.8	1.0	1.5
12	41.5	64.0	7.0	9.9	1.0	1.6
01.2001	41.3	63.5	7.1	10.0	1.1	1.7
02	41.3	63.0	7.1	10.2	1.1	1.7
03	41.4	63.5	6.8	9.6	1.1	1.6
04	41.4	64.0	6.4	9.1	1.1	1.4
05	41.3	64.6	6.1	8.6	1.0	1.2
06	41.3	64.9	6.1	8.6	1.0	1.1
07	41.3	65.2	6.1	8.6	1.0	1.0
08	41.2	65.5	6.1	8.6	1.0	1.0
09	41.1	65.2	6.2	8.7	1.0	1.0
10	41.0	64.9	6.3	8.8	1.0	1.1
11	40.9	64.7	6.3	8.9	1.1	1.3
12	40.8	64.5	6.4	9.0	1.1	1.5
01.2002	40.7	64.3	6.4	9.0	1.2	1.6
02		64.1	6.4	9.1	1.2	1.8
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Table 9: Wages and labour market disputes

	(1)	(2)	(3)	(4)	(5)	(6)
	Average monthly accrued wages, total, nominal	Average monthly accrued wages, industry, nominal	Average monthly accrued wages, education, nominal	Average monthly accrued wages, total, real, SA	Wage arrears, EoP	Man-days lost in strikes
	R	R	R	2000=100	bn R	th man-days
1995	472	529	309	110.0		1366.3
1996	790	869	552	117.1	55.6	4008.7
1997	950	1057	616	122.5	53.7	6001.1
1998	1052	1208	661	106.0	77.0	2881.5
1999	1523	1838	885	82.7	43.7	1789.5
2000	2223	2736	1235	100.0	31.7	236.1
2001	3282	4159	1819	120.6	29.9	27.8
01.2000	1806	2169	977	90.8	44.9	90.9
02	1815	2240	1014	93.9	43.6	65.2
03	1991	2485	1065	94.7	39.9	27.2
04	2012	2509	1165	97.6	38.7	7.0
05	2073	2527	1300	99.1	38.7	0.0
06	2264	2714	1500	100.3	39.3	0.0
07	2272	2806	1190	101.5	40.5	0.0
08	2259	2835	1063	102.6	38.3	0.8
09	2336	2921	1263	104.2	39.0	0.5
10	2393	3011	1318	105.1	38.0	1.9
11	2475	3062	1368	106.7	36.8	17.4
12	2985	3550	1593	103.6	31.7	25.2
01.2001	2732	3481	1491	112.5	32.3	3.7
02	2654	3395	1567	111.2	33.5	12.1
03	2963	3856	1626	112.7	32.8	0.3
04	2922	3769	1641	113.0	32.4	0.6
05	3053	3884	1792	115.9	33.1	0.7
06	3283	4115	2052	117.3	33.7	6.1
07	3363	4241	1704	122.3	34.1	0.3
08	3375	4368	1519	126.1	32.7	0.0
09	3404	4344	1800	126.1	34.2	0.7
10	3514	4505	1862	129.0	34.7	1.8
11	3577	4626	1894	129.1	34.8	0.5
12	4540	5321	2879	131.9	29.9	1.0
01.2002	3760	4475	2753	130.3	32.8	4.3
02	3798			135.4	34.6	0.9
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Table 10: Social indicators

	(1) Personal income, per capita, official	(2) Real personal income, per capita, official	(3) Official minimum monthly wage	(4) Average monthly pension	(5) Official monthly subsistence level	(6) Share of population below subsistence level
	R	1995=100	R	R	R	%
1995	515	100.0	42.6	188	264	26.2
1996	768	101.3	72.7	302	370	21.4
1997	940	108.2	83.5	328	411	21.2
1998	1006	91.4	83.5	399	493	24.6
1999	1627	78.5	83.5	449	1044	39.1
2000	2178	87.3	107.7	695	1210	33.7
2001	2859	94.4	250.0	1024	1500	29.8
01.2000	1516	65.8	83.5	522		
02	1836	78.9	83.5	613		
03	2009	85.8	83.5	613	1138	41.2
04	2044	86.5	83.5	613		
05	1995	83.0	83.5	694		
06	2210	89.6	83.5	694	1185	34.7
07	2161	86.1	132.0	694		
08	2245	88.6	132.0	750		
09	2307	89.8	132.0	750	1234	31.8
10	2267	86.5	132.0	749		
11	2423	91.1	132.0	821		
12	3118	115.3	132.0	823	1285	26.9
01.2001	1997	71.8	200.0	824		
02	2322	81.7	200.0	900		
03	2587	89.3	200.0	916	1396	36.6
04	2752	93.4	200.0	917		
05	2591	86.4	200.0	1016		
06	2977	97.7	200.0	1019	1507	31.3
07	2921	95.4	300.0	1020		
08	3010	98.3	300.0	1127		
09	3003	97.5	300.0	1134	1524	27.2
10	3034	97.4	300.0	1135		
11	3101	98.2	300.0	1136		
12	4016	125.2	300.0	1138	1574	24.0
01.2002	2677	80.9	300.0	1241		
02	3051	91.2	300.0	1323		
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Table 11: Financial performance of large and medium sized enterprises

	(1) Profits minus losses	(2) Current assets	(3) Overall liabilities	(4) Overdue liabilities	(5) of which: overdue payables to suppliers	(6) Loans and bank credits
	bn R	bn R	bn R	bn R	bn R	bn R
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	2686.7	2811.5	1309.2	586.0	514.0
1999	579.0	3662.5	3609.4	1445.3	619.5	708.6
2000	1046.5	4894.6	4479.9	1675.2	712.5	965.0
2001	1102.0	6499.3	6059.1	1667.6	754.0	1828.4
01.2000	59.9	3582.5	3550.8	1449.9	615.5	706.4
02	85.6	3831.7	3804.4	1580.0	685.0	740.8
03	89.3	4070.0	4042.5	1676.8	729.0	736.2
04	75.4	4146.5	4115.6	1701.9	728.4	778.8
05	95.7	4203.5	4118.4	1704.6	747.8	786.6
06	69.5	4386.6	4234.0	1713.1	748.0	804.7
07	111.7	4444.3	4311.6	1747.4	766.1	834.0
08	86.6	4523.8	4263.6	1732.2	765.9	839.1
09	85.5	4737.8	4442.3	1741.4	750.8	889.2
10	99.9	4768.9	4472.6	1724.5	748.4	906.2
11	109.0	4824.7	4490.0	1708.4	742.7	925.8
12	78.5	4894.6	4479.9	1675.2	712.5	965.0
01.2001	110.0	5232.5	4994.1	1689.2	732.8	1237.2
02	99.0	5376.4	5194.1	1735.4	739.9	1274.6
03	81.7	5752.8	5388.4	1736.1	748.0	1324.0
04	100.0	5808.2	5498.0	1763.1	760.1	1380.0
05	109.6	5918.5	5588.3	1752.4	785.5	1402.9
06	78.1	6155.7	5673.6	1769.4	771.5	1441.4
07	74.4	6254.9	5850.8	1819.2	795.8	1519.2
08	100.2	6287.8	5860.5	1793.3	776.8	1573.1
09	86.1	6516.0	5977.9	1779.1	770.6	1623.8
10	92.7	6463.3	5999.6	1744.4	779.8	1659.6
11	99.1	6492.6	6059.4	1744.4	795.8	1712.8
12	71.2	6499.3	6059.1	1667.6	754.0	1828.4
01.2002						
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Table 12: Balance of payments

	(1)	(2)	(3)	(4)	(5)	(6)
	Current account	Merchandise trade balance	Service balance	Income and wages	Capital account	Capital transfers (net)
	bn \$	bn \$	bn \$	bn \$	bn \$	bn \$
1995	7.5	20.3	-9.6	-3.4	0.5	-0.3
1996	11.8	22.5	-5.4	-5.4	-6.9	-0.5
1997	2.1	17.0	-5.9	-8.7	2.8	-0.8
1998	0.7	16.9	-4.1	-11.8	8.4	-0.4
1999	24.7	36.1	-4.3	-7.7	-17.7	-0.3
2000	46.3	60.7	-7.7	-6.7	-37.1	11.0
2001	35.1	49.4	-10.2	-3.9	-26.0	-9.4
I 2000	11.9	14.4	-1.6	-1.0	-9.8	0.0
II	10.9	14.6	-2.1	-1.7	-10.2	0.0
III	10.5	15.6	-2.2	-2.8	-7.8	11.0
IV	12.9	16.1	-1.9	-1.2	-9.3	0.0
I 2001	11.4	14.2	-2.1	-0.6	-9.2	-0.1
II	9.4	13.2	-2.8	-1.0	-7.9	-0.2
III	7.8	12.9	-3.0	-2.0	-5.1	-10.0
IV	6.4	9.1	-2.3	-0.3	-3.8	0.9
I 2002	7.6	10.6	-2.4	-0.5	-5.5	-0.1
II						
III						
IV						
	(7)	(8)	(9)	(10)	(11)	(12)
	Direct and portfolio investments in Russia	Direct and portfolio investments abroad	Other financial liabilities	Other financial assets	Net international reserves	Errors and omissions
	bn \$	bn \$	bn \$	bn \$	bn \$	bn \$
1995	1.3	-2.3	5.9	5.2	-9.3	-8.0
1996	7.2	-1.1	15.3	-29.1	1.4	-4.9
1997	50.8	-3.3	-15.3	-26.6	-2.0	-4.9
1998	11.6	-1.5	9.3	-15.9	5.3	-9.1
1999	2.1	-2.0	-0.6	-15.0	-2.0	-7.0
2000	-7.2	-3.6	-4.2	-17.0	-16.0	-9.2
2001	1.5	-2.5	-6.5	-0.8	-8.4	-9.1
I 2000	1.1	-0.7	-0.6	-6.7	-3.0	-2.1
II	-1.1	-0.5	-0.3	-2.0	-6.3	-0.8
III	-7.9	-1.3	-2.9	-2.8	-3.8	-2.8
IV	0.6	-1.2	-0.3	-5.5	-2.9	-3.6
I 2001	0.4	-0.5	-1.0	-6.1	-1.9	-2.2
II	0.6	-0.7	0.8	-3.1	-5.4	-1.5
III	0.4	-0.8	-1.7	9.2	-2.1	-2.7
IV	0.0	-0.4	-4.6	-0.8	1.1	-2.6
I 2002	0.8	-2.1	-1.1	-2.4	-0.5	-2.1
II						
III						
IV						

Table 13: Foreign Trade

	(1) Exports total	(2) Imports total	(3) Trade balance total	(4) Exports of machinery & equipment	(5) Imports of machinery & equipment	(6) Exports of ferrous metals
	bn \$	bn \$	bn \$	bn \$	bn \$	bn \$
1995	82.9	62.6	20.3	8.0	15.8	6.1
1996	90.6	68.1	22.5	8.6	14.6	6.7
1997	89.0	72.0	17.0	9.2	18.5	6.4
1998	74.9	58.0	16.9	7.9	15.6	4.8
1999	75.7	39.5	36.1	7.8	9.9	4.2
2000	105.6	44.9	60.7	9.2	10.6	5.5
2001	103.2	53.8	49.4	10.3	14.0	4.8
01.2000	7.0	2.9	4.1	0.3	0.4	0.3
02	8.1	3.4	4.7	0.5	1.0	0.4
03	9.3	3.7	5.6	0.8	0.9	0.5
04	8.1	3.4	4.7	0.7	0.8	0.6
05	8.3	3.4	4.9	0.6	0.8	0.5
06	8.6	3.6	5.0	0.7	0.9	0.5
07	8.6	3.6	5.0	0.5	0.8	0.5
08	9.1	3.8	5.4	1.0	0.9	0.4
09	9.0	3.8	5.2	0.7	0.9	0.4
10	9.0	4.1	4.9	0.6	0.9	0.5
11	10.2	4.4	5.8	1.1	1.0	0.5
12	10.2	4.9	5.3	1.7	1.3	0.4
01.2001	8.3	3.2	5.1	0.4	0.7	0.4
02	8.2	3.7	4.5	0.5	0.9	0.4
03	9.0	4.3	4.6	0.7	1.0	0.4
04	8.7	4.4	4.4	1.1	1.0	0.4
05	8.8	4.6	4.2	0.7	1.2	0.5
06	9.3	4.7	4.6	1.2	1.2	0.4
07	8.3	4.4	3.8	0.5	1.2	0.4
08	9.2	4.6	4.6	1.2	1.2	0.4
09	8.6	4.2	4.4	1.0	1.1	0.4
10	8.1	4.8	3.3	0.8	1.3	0.3
11	8.5	5.1	3.4	1.3	1.4	0.4
12	8.2	5.7	2.4	0.9	1.8	0.3
01.2002	6.8	3.5	3.3	0.4	0.9	0.3
02	6.9	4.2	2.7			
03	9.3	4.7	4.6			
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Table 14: Exports of fuels

	(1) Exports of crude oil	(2) Average export price for crude oil	(3) Export/domestic oil price ratio	(4) Russian export/Brent oil price ratio	(5) Exports of natural gas	(6) Average export price for natural gas
	bn \$	\$/t	%	%	bn \$	\$/th cub. m
1995	12.4	101.0	165.3	78.2	10.8	80.1
1996	15.6	127.6	193.8	78.5	15.8	84.2
1997	14.3	116.6	149.1	83.7	16.4	88.6
1998	10.3	75.1	263.9	79.9	13.3	67.7
1999	14.1	105.8	405.9	80.0	11.4	54.5
2000	25.3	175.0	374.9	84.4	16.6	87.5
2001	24.3	151.1	282.9	84.9	17.7	98.4
01.2000	1.8	161.0	400.1	86.5	1.6	71.8
02	2.0	178.0	450.1	87.6	1.5	68.8
03	2.1	169.9	416.6	85.4	1.6	77.3
04	1.7	140.9	328.4	83.6	1.2	81.3
05	2.0	174.6	396.2	85.0	1.2	90.9
06	2.4	183.3	412.7	83.6	1.1	84.3
07	2.2	163.6	335.2	78.8	1.2	95.9
08	2.2	177.3	356.2	82.4	1.1	98.0
09	2.3	193.9	380.2	81.8	1.2	93.9
10	2.2	187.0	348.1	82.1	1.4	96.5
11	2.6	207.1	379.5	88.5	1.7	95.7
12	2.0	163.3	295.5	87.3	1.8	96.1
01.2001	2.0	166.7	302.5	88.9	2.0	101.7
02	2.0	153.7	285.1	77.2	1.7	100.9
03	1.9	145.1	275.2	81.0	1.7	100.4
04	2.0	154.7	290.7	82.3	1.4	105.6
05	2.2	174.2	325.8	84.2	1.4	107.0
06	2.4	170.5	309.6	83.8	1.3	104.4
07	2.0	153.0	275.4	85.7	1.1	95.1
08	2.5	159.5	292.2	84.8	1.3	94.9
09	2.2	161.0	307.4	85.6	1.4	92.0
10	2.0	134.0	257.3	89.7	1.2	98.8
11	1.5	121.4	234.9	88.1	1.5	91.4
12	1.6	118.9	238.4	87.5	1.7	88.4
01.2002	1.5	115.6	247.5	80.8	1.6	85.2
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Table 15: Federal budget

	(1) Revenues	(2) of which: tax revenues	(3) Expenditures	(4) of which: transfers to lower level budgets	(5) Deficit(-) or surplus(+)	(6) Primary deficit(-) or surplus(+)
	bn R	bn R	bn R	bn R	bn R	bn R
1995	202.9	170.5	287.8	29.2	-84.9	-5.5
1996	255.9	218.7	427.1	46.3	-171.3	-46.8
1997	293.9	243.5	475.6	49.9	-181.7	-63.9
1998	269.9	236.0	384.3	43.0	-114.4	-7.8
1999	608.0	509.5	664.7	62.1	-56.6	105.9
2000	1127.6	965.5	954.1	101.2	173.5	345.7
2001	1590.7	1461.0	1325.7	229.9	265.0	496.1
01.2000	64.9	56.8	52.8	4.3	12.1	27.8
02	73.4	65.9	58.4	4.4	15.0	26.4
03	83.5	73.5	80.3	7.3	3.2	16.1
04	92.2	80.9	69.6	5.3	22.6	35.1
05	101.5	88.1	72.7	14.6	28.7	47.0
06	92.2	78.0	62.5	11.3	29.7	43.4
07	88.4	77.0	76.9	8.7	11.5	35.3
08	96.9	80.2	82.7	6.9	14.2	33.3
09	90.1	78.3	76.2	6.8	14.0	32.1
10	97.2	83.2	78.0	8.4	19.2	26.6
11	110.3	91.1	89.8	8.6	20.5	32.3
12	136.9	112.4	154.1	14.5	-17.2	-9.8
01.2001	94.6	88.9	60.6	18.7	34.0	52.9
02	105.2	97.4	109.8	15.0	-4.6	42.2
03	118.1	110.6	98.4	14.6	19.8	42.5
04	133.9	123.3	96.4	18.4	37.5	43.6
05	133.5	123.5	99.9	21.1	33.6	49.1
06	125.6	118.1	112.7	22.0	12.9	29.2
07	135.9	121.6	101.4	16.6	34.6	48.9
08	132.6	123.1	125.8	19.6	6.8	44.7
09	129.0	118.7	124.8	23.9	4.2	34.5
10	142.3	126.0	106.2	18.7	36.1	40.8
11	142.8	134.7	100.1	19.4	42.7	50.7
12	197.1	175.1	189.8	22.1	7.4	17.0
01.2002	161.2	146.9	78.3	19.3	82.9	97.4
02	143.9		144.3		-0.3	34.8
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Table 16: Consolidated budget

	(1) Revenues	(2) of which: tax revenue	(3) Expenditures	(4) of which: debt service	(5) Deficit(-) or surplus(+)	(6) Deficit(-) or surplus(+) as % of GDP
	bn R	bn R	bn R	bn R	bn R	%
1995	407.9	359.5	496.1	52.7	-88.2	-5.7
1996	533.6	473.0	723.7	124.5	-190.0	-8.9
1997	654.2	572.5	872.8	117.8	-218.6	-8.8
1998	625.0	544.1	749.2	106.6	-124.2	-4.5
1999	1193.8	1002.6	1251.4	162.6	-57.7	-1.0
2000	2079.0	1707.7	1871.6	191.1	207.4	2.8
2001	2674.0	2332.4	2407.5	243.8	266.5	2.9
01.2000	102.0	87.0	83.0	16.8	19.1	
02	115.4	100.3	101.8	16.7	13.6	
03	149.1	126.5	145.4	18.5	3.6	2.4
04	168.5	144.7	139.8	17.8	28.7	
05	182.7	158.4	139.6	22.7	43.1	
06	170.1	139.8	142.4	15.3	27.7	5.8
07	158.1	133.6	143.5	24.1	14.5	
08	186.4	154.0	162.8	22.2	23.6	
09	163.6	137.8	146.5	12.3	17.0	2.7
10	171.6	142.0	148.2	8.4	23.4	
11	217.5	174.5	183.2	12.8	34.3	
12	294.0	208.9	335.3	3.6	-41.3	0.8
01.2001	151.1	132.3	97.9	19.5	53.2	
02	165.3	143.6	169.1	47.6	-3.8	
03	199.1	173.6	178.7	23.8	20.4	3.7
04	239.5	201.6	189.5	8.7	49.9	
05	244.7	216.0	186.8	17.6	57.9	
06	203.6	184.3	203.4	16.9	0.2	5.1
07	224.2	193.1	193.8	14.9	30.5	
08	248.1	216.8	225.9	39.3	22.2	
09	205.8	182.4	209.3	31.0	-3.5	1.9
10	233.5	199.0	197.9	5.4	35.6	
11	255.5	229.7	201.1	9.2	54.4	
12	303.6	260.1	354.2	9.9	-50.6	1.6
01.2002	234.8	206.0	130.5	14.5	104.3	
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Table 17: Monetary aggregates (end of period)

	(1) Monetary base	(2) Net international reserves	(3) Net credit of monetary authorities to the government	(4) Currency in circulation (M0)	(5) Broad money (M2)	(6) Broad money including deposits in foreign currency
	bn R	bn \$	bn R	bn R	bn R	bn R
1995	103.8	7.2	113.7	80.8	220.8	275.8
1996	130.9	2.5	172.3	103.8	288.3	357.3
1997	164.5	4.4	204.7	130.4	374.1	457.2
1998	210.4	-7.9	483.5	187.8	448.3	628.6
1999	324.3	-3.4	496.2	266.5	704.7	984.9
2000	519.6	16.1	264.2	419.3	1144.3	1560.0
2001	708.5	27.1	193.2	584.3	1602.6	2122.7
01.2000	296.5	-2.6	481.0	232.9	695.0	1000.6
02	306.0	-1.0	469.0	242.0	726.6	1065.0
03	318.9	1.1	446.5	251.5	751.4	1090.4
04	349.6	3.5	402.8	279.1	787.9	1123.2
05	361.4	6.1	372.5	289.3	831.6	1170.3
06	397.2	7.9	367.9	321.8	892.2	1242.8
07	415.7	10.5	336.7	334.0	931.2	1301.7
08	425.0	11.3	313.7	341.6	960.1	1327.3
09	437.6	12.9	295.4	351.0	992.4	1388.4
10	446.0	14.1	246.7	349.7	1001.2	1415.9
11	457.1	16.0	223.8	358.4	1036.4	1457.3
12	519.6	16.1	264.2	419.3	1144.3	1560.0
01.2001	488.0	16.0	213.8	380.1	1079.3	1530.8
02	494.7	16.3	209.8	388.0	1109.7	1615.8
03	499.6	18.1	189.0	399.4	1149.5	1632.3
04	531.1	20.1	151.3	435.4	1210.0	1683.4
05	550.0	22.1	122.9	438.3	1233.7	1730.0
06	583.1	23.7	113.8	474.7	1294.3	1798.7
07	607.5	25.1	82.8	490.6	1330.2	1842.3
08	628.7	26.0	82.4	507.1	1365.5	1870.4
09	649.8	26.8	97.8	531.0	1414.4	1925.5
10	665.6	28.3	78.3	531.5	1441.2	1974.7
11	651.3	28.2	72.8	527.3	1439.1	1984.9
12	708.5	27.1	193.2	584.3	1602.6	2122.7
01.2002	678.8	27.1	122.6	533.4	1502.0	2056.3
02	688.9	27.4	160.9	543.4	1522.9	2105.0
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Table 18: Assets of commercial banks (end of period)

	(1) Total assets	(2) Claims on the general government	(3) Claims on the private sector	(4) Stock of loans to all enterprises	(5) Foreign assets	(6) Investment in securities
	bn R	bn R	bn R	bn R	bn R	bn R
1995	342.3	62.6	133.8			
1996	497.7	150.7	157.3			
1997	622.7	191.5	225.9			
1998	1038.1	259.4	346.0	300.2	219.6	265.4
1999	1583.6	437.7	521.6	445.2	370.4	318.9
2000	2362.5	526.0	867.1	763.3	476.7	465.8
2001	3155.9	583.6	1388.9	1191.5	539.4	546.8
01.2000	1759.1	459.5	537.8	458.1	423.6	351.5
02	1828.1	456.0	550.8	469.2	454.3	352.2
03	1816.2	460.1	569.3	483.6	436.3	358.4
04	1860.3	467.0	591.0	502.1	428.5	368.6
05	1916.3	470.0	614.6	521.9	412.9	379.2
06	1928.2	471.1	637.0	543.9	438.6	386.2
07	2005.4	440.2	649.5	548.3	430.6	402.7
08	2071.3	489.3	688.8	583.6	440.2	419.1
09	2176.1	498.9	737.5	626.5	460.5	430.8
10	2260.9	516.7	769.5	654.3	475.5	451.6
11	2324.1	520.5	818.7	696.5	461.8	458.9
12	2362.5	526.0	867.1	763.3	476.7	465.8
01.2001	2428.8	527.5	880.7	757.2	509.0	468.6
02	2531.6	538.1	922.3	785.6	579.9	481.1
03	2575.5	546.9	944.0	808.3	580.8	488.6
04	2596.9	561.3	989.2	836.6	565.9	505.1
05	2707.1	567.0	1022.7	852.3	580.5	520.3
06	2753.1	577.5	1055.1	894.5	643.3	523.0
07	2833.5	596.0	1105.5	921.8	635.4	559.2
08	2890.3	600.2	1167.4	972.2	609.0	575.4
09	2987.1	598.4	1215.5	1034.8	599.0	560.7
10	3047.8	601.6	1249.0	1053.0	604.6	572.7
11	3090.3	588.6	1319.4	1111.4	580.6	568.4
12	3155.9	583.6	1388.9	1191.5	539.4	546.8
01.2002	3170.0	597.5	1401.8	1178.7	579.0	578.0
02		581.0	1443.7		606.6	
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Table 19: Liabilities of commercial banks (end of period)

	(1) Deposits	(2) of which: Household deposits	(3) Budgetary funds	(4) Securities issued	(5) Foreign liabilities	(6) Capital accounts
	bn R	bn R	bn R	bn R	bn R	bn R
1995					55.3	30.0
1996					58.9	123.8
1997					104.2	143.9
1998	452.8	200.7	22.8	49.9	203.1	157.6
1999	716.1	300.4	28.4	116.5	222.5	292.4
2000	1123.7	453.2	55.2	199.7	249.0	437.1
2001	1525.2	690.1	67.0	270.3	315.0	612.1
01.2000	763.5	314.5	39.9	113.8	231.8	313.6
02	816.7	326.4	45.8	111.8	222.4	322.1
03	832.9	337.1	49.0	119.5	229.1	320.6
04	843.0	350.1	61.1	121.2	227.0	324.2
05	874.5	363.1	65.7	119.7	221.0	332.2
06	913.5	380.0	64.5	125.7	222.5	340.2
07	958.3	392.7	73.7	132.1	215.3	350.7
08	973.2	403.4	82.3	139.5	214.5	367.2
09	1029.5	413.6	74.5	157.6	231.3	369.4
10	1057.9	422.5	83.1	169.1	221.7	398.5
11	1088.5	438.5	83.5	170.6	230.4	412.3
12	1123.7	453.2	55.2	199.7	249.0	437.1
01.2001	1127.8	464.5	65.1	181.4	248.6	457.4
02	1215.1	481.9	61.7	196.3	245.3	463.5
03	1208.7	498.9	62.4	208.4	261.8	469.6
04	1216.0	518.7	73.1	198.8	256.4	482.6
05	1266.9	532.1	90.9	192.9	263.7	497.1
06	1303.5	552.8	78.6	198.8	310.9	514.0
07	1339.8	572.7	81.4	207.9	304.8	533.6
08	1352.9	590.3	96.0	227.4	314.8	530.7
09	1391.4	608.5	89.3	252.6	315.3	570.4
10	1429.6	630.1	82.3	258.4	304.8	584.2
11	1451.9	650.1	87.3	258.6	302.0	601.0
12	1525.2	690.1	67.0	270.3	315.0	612.1
01.2002	1497.5	716.5	83.1	269.8	307.1	634.8
02					305.2	655.3
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Table 20: Financial market (end of period)

	(1) RTS index, monthly average	(2) RTS daily turnover, monthly average	(3) FORTS open interest	(4) GKO-OFZ nominal value outstanding	(5) GKO-OFZ market value outstanding	(6) Corporate bonds nominal value outstanding
	01.09.95 = 100	mn \$	mn R	bn R	bn R	bn R
1995	81.3	2.3		73.7	64.6	
1996	143.6	11.7		237.1	219.1	
1997	392.0	55.0		384.9	336.2	
1998	185.4	35.5		387.1	231.8	
1999	97.9	9.2		266.9	147.3	
2000	194.5	22.2		184.2	167.5	38.9
2001	195.7	17.0	514.0	160.1	157.3	67.2
01.2000	189.8	27.2		258.5	167.0	
02	179.7	21.0		253.9	183.1	
03	219.9	36.9		255.9	196.2	
04	217.9	25.0		256.8	193.5	17.9
05	200.2	20.9		255.9	197.0	20.2
06	187.6	19.6		258.3	214.9	20.7
07	185.8	18.9		255.1	224.5	24.5
08	225.2	27.3		259.2	238.8	26.6
09	210.4	21.1		247.3	225.8	29.2
10	195.0	18.8		235.6	217.2	32.8
11	174.3	16.9		229.7	210.5	36.9
12	148.5	12.4		184.2	167.5	38.9
01.2001	165.9	16.9		175.1	164.1	40.0
02	172.0	21.0		180.2	168.6	40.2
03	172.9	17.3		185.7	174.3	44.5
04	169.6	15.7		189.5	181.0	46.7
05	200.1	20.3		191.7	185.8	47.7
06	217.8	24.5		195.4	189.5	52.5
07	204.1	19.9		196.8	194.6	56.3
08	198.3	10.1		203.1	199.3	59.7
09	194.5	12.5	106.5	193.8	189.8	60.2
10	191.3	12.3	286.0	189.5	187.6	61.6
11	220.8	19.3	330.3	178.8	176.5	65.7
12	241.3	14.3	514.0	160.1	157.3	67.2
01.2002	286.5	23.2	581.0	158.9	158.7	69.4
02	291.9	13.7	689.6	155.1	154.0	
03	332.9	21.5	798.1	158.7	153.4	
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Table 21: Interest rates (annual rates, period average)

	(1) CBR refinance rate	(2) Lending rate	(3) Deposit rate	(4) Overnight interbank rate	(5) GKO average secondary market yield, all maturities	(6) Annualised inflation
	%	%	%	%	%	%
1995	185	147.4	71.0	91.5	132.4	157.7
1996	99	91.4	44.4	38.0	63.1	22.9
1997	31	32.0	16.8	21.0	26.0	11.4
1998	60	41.5	18.9	50.6	56.4	448.2
1999	57	40.1	13.7	14.8	25.5	40.5
2000	32	24.3	6.5	7.1	12.7	19.0
2001	25	17.9	4.2	10.1	12.7	19.4
01.2000	45	33.8	13.4	11.8		31.8
02	45	31.2	7.9	11.3		13.3
03	33	29.5	7.6	6.5	17.2	7.4
04	33	29.1	5.4	11.1	14.9	11.4
05	33	25.3	7.3	7.6	11.4	23.9
06	33	22.8	7.1	5.1	13.1	36.1
07	28	22.5	6.4	3.4	12.9	23.9
08	28	21.2	5.1	4.6	10.3	12.7
09	28	20.2	4.6	3.3	10.6	16.8
10	28	19.9	4.5	5.2	11.3	16.8
11	25	18.2	4.6	8.5	12.2	16.8
12	25	18.1	4.2	7.3	12.8	16.8
01.2001	25	18.5	3.3	5.4	8.1	39.7
02	25	19.1	3.9	12.1		31.7
03	25	18.7	3.7	8.3	11.8	26.0
04	25	17.4	3.5	9.0	13.1	23.7
05	25	18.1	4.8	6.9	12.4	23.8
06	25	18.0	4.1	13.2	13.4	21.6
07	25	18.5	3.7	6.2	13.8	5.7
08	25	18.0	4.7	7.3	14.0	0.0
09	25	17.1	4.8	8.1	12.3	7.7
10	25	17.4	4.7	7.3	12.4	14.1
11	25	16.9	4.1	13.5	13.5	17.7
12	25	17.0	4.8	23.9	14.7	21.6
01.2002	25	18.3	4.1	10.7	13.8	45.1
02	25	15.9	4.5	13.3	13.0	15.4
03	25			12.5	12.4	
04	23					
05						
06						
07						
08						
09						
10						
11						
12						

Table 22: Exchange rates

	(1) Official exchange rate, period average	(2) Official exchange rate, end of period	(3) Official exchange rate, period average	(4) Official exchange rate, end of period	(5) Real trade- weighted exchange rate	(6) Gross international reserves, end of period
	R/\$	R/\$	R/euro	R/euro	Dec-95=100	bn \$
1995	4.554	4.562			100.0	17.2
1996	5.126	5.560			98.1	15.3
1997	5.785	5.960			105.2	17.8
1998	9.695	20.650			59.7	12.2
1999	24.623	27.000	26.240	27.230	67.9	12.5
2000	28.135	28.160	26.037	26.140	75.8	28.0
2001	29.172	30.140	26.125	26.490	83.7	36.6
01.2000	28.253	28.550	28.710	28.230	65.8	12.9
02	28.724	28.660	28.288	27.440	66.2	13.7
03	28.458	28.460	27.496	27.130	66.6	15.5
04	28.595	28.400	27.104	25.890	68.6	17.1
05	28.306	28.250	25.617	26.190	69.5	19.6
06	28.241	28.070	26.841	26.480	70.3	21.0
07	27.846	27.800	26.232	25.920	72.5	23.3
08	27.738	27.750	25.165	24.740	74.4	23.7
09	27.799	27.750	24.241	24.420	75.6	25.0
10	27.870	27.830	23.855	23.420	76.4	25.9
11	27.807	27.850	23.783	23.880	78.3	27.7
12	27.980	28.160	25.110	26.140	75.8	28.0
01.2001	28.367	28.370	26.626	26.000	77.0	29.6
02	28.594	28.720	26.335	26.220	77.5	28.3
03	28.678	28.740	26.096	25.290	80.2	29.7
04	28.850	28.830	25.769	25.670	80.4	31.7
05	29.028	29.090	25.415	24.870	82.6	33.6
06	29.115	29.070	24.870	24.570	83.8	35.1
07	29.223	29.270	25.111	25.600	82.4	36.5
08	29.343	29.370	26.370	26.670	80.7	37.5
09	29.430	29.390	26.821	26.860	80.8	38.0
10	29.538	29.700	26.784	26.870	81.5	38.0
11	29.797	29.900	26.457	26.520	82.8	37.3
12	30.100	30.140	26.852	26.490	83.7	36.6
01.2002	30.473	30.685	26.952	26.546	84.8	36.4
02		30.927	26.781	26.712	85.2	36.9
03		31.119	27.201	27.152		
04						
05						
06						
07						
08						
09						
10						
11						
12						

SOURCES AND COMMENTS FOR DATA TABLES

Abbreviations

EoP – end of period, **PA** – period average, **n. a.** – not available, **SA** – seasonally adjusted, **SAAL** – seasonally adjusted at annual level.

Table 1

Col. 1–6 Goskomstat.

Col. 7–12 Goskomstat and RET staff estimates.

Table 2

Series differ from SNA concept.

In **Tables 2–4 and 9** seasonal adjustment coefficients are estimated using X11 programme of the US Bureau of Census for the period 1999–2001 and are not applicable to previous years.

Col. 1 Goskomstat.

Col. 2 Ministry of Finance.

Col. 3 Goskomstat. Data for 2002 exclude VAT and are not comparable with previous years.

Col. 4 CBR and RET staff estimates.

Col. 5–6 Goskomstat and RET staff estimates.

Table 3

Col. 1 Goskomstat.

Col. 2–6 Goskomstat and RET staff estimates.

Table 4

Goskomstat and RET staff estimates.

Table 5

Col. 1 Goskomstat. Wholesale enterprises only.

Col. 2 Goskomstat and RET staff estimates. Wholesale enterprises only.

Col. 3–4 Goskomstat and RET staff estimates. Including catering.

Col. 5 Goskomstat.

Col. 6 Goskomstat and RET staff estimates.

Table 6

Col. 1, 3, 4 Goskomstat.

Col. 2, 5, 6 Goskomstat and RET staff estimates.

Table 7

Col. 1 Goskomstat and RET staff estimates.

Col. 2–6 Goskomstat.

Table 8

Goskomstat.

Col. 2–4 Labour survey data. Yearly figures for 1995–1998 are for end-October, from 1999 onwards for end-November and not strictly comparable with previous figures. From 1999 surveys are provided at end of February, May, August and November. Data in between are arithmetic interpolations.

Table 9

Col. 1–3, 5, 6 Goskomstat.

Col. 4 Goskomstat and RET staff estimates. Based on CPI changes.

Table 10

Goskomstat.

Col. 5–6 Before 1999 old methodology for subsistence level.

Table 11

Goskomstat.

Pre-1998 series include data for 4 sectors. From 2001 including Gazprom.

Col. 1 End of period, 9 sectors (agriculture excluded). 8 sectors before 2000.

Col. 2–6 End of period, 10 sectors. 9 sectors before 2000.

Col. 3 Accounts payable, loans and bank credits.

Table 12

CBR. Data for Q1 2002 are based on preliminary CBR estimates.

Table 13

Col. 1–3 CBR. Total foreign trade (including unregistered exports and imports).

Col. 4–6 State Customs Committee. Trade registered by customs only.

Table 14

Col. 1–2, 5–6 State Customs Committee.

Col. 3 State Customs Committee, Goskomstat.

Col. 4 State Customs Committee, Energy Information Administration (US).

Data for registered trade only. Prices FOB.

Table 15, 16

Ministry of Finance, Economic Expert Group, RET staff estimates.

Table 17

Col. 1 CBR.

Col. 2 CBR, RET staff calculations.

Difference between gross international reserves and foreign liabilities of monetary authorities. Before November 1999 the Ministry of Finance data were used. Since November 1999 NIR are calculated by RET.

Col. 3 CBR, RET staff calculations.

Difference between credit of monetary authorities to the Government and Government deposits with the monetary authorities.

Col. 4, 5 CBR.

Col. 6 CBR, RET staff calculations.

Table 18

CBR. End of period.

Col. 3 Credits extended to non-financial private enterprises and households as well as credit institutions' investments into securities issued by private enterprises.

Col. 4 Debt of non-financial resident enterprises and organisations.

Col. 6 Bonds, deposit and savings certificates, discounted bills, and shares.

Table 19

CBR. End of period.

Col. 1 Corporate funds with banks, household deposits, and time deposits of budgets (all levels), and extra-budgetary funds.

Col. 4 Funds raised by credit institutions through issues of deposit and savings certificates, bonds, bills, and banker's acceptances.

Col. 5 Own funds of credit institutions.

Table 20

CBR, RTS, www.cbonds.ru.

Col. 3 Volume of open positions in FORTS (Futures and Options in RTS).

Table 21

Col. 2 CBR. Average weighted interest rate for all credits to enterprises with maturity less than one year excluding Sberbank.

Col. 3 CBR. Average weighted interest rate for all households' deposits with maturity less than one year excluding Sberbank.

Col. 4 CBR. Average weighted interest rate for all one-day interbank credits at MICEX.

Col. 5 CBR. Average weighted interest rate for all GKO's with maturity not more than 90 days.

Col. 6 Goskomstat, RET staff calculations. Monthly CPI raised to 12 power.

Table 22

Col. 1, 3 CBR, RET staff calculations.

Col. 2, 4 CBR.

Col. 5 CBR, Bundesbank, Bureau of Labour Statistics, UEFPLAC, RET staff calculations.

Weighted sum of real exchange rates of the rouble against the dollar (40%), euro (40%) and hryvna (20%). Before 1999 the real exchange rate of the rouble against DM was used. Real exchange rates are calculated on the base of nominal exchange rates and inflation in Russia, Ukraine, US and EU.

Col. 6 CBR.

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