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RUSSIAN ECONOMIC TRENDS

MONTHLY

**RUSSIAN-EUROPEAN CENTRE
FOR ECONOMIC POLICY**

in cooperation with

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

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OVERVIEW OF THE RUSSIAN ECONOMY

Economic situation stable

According to Goskomstat, Russian GDP was 3.7% higher in the first quarter of 2002 than in the same period of 2001. Expansion of the economy continued during the second quarter as a whole, although the enlarged index of gross output, calculated by RET staff, showed a seasonally adjusted month-on-month decline in May after growth in April. Year-on-year growth of production in May 2002 was about 3%.

According to RET indices, real seasonally adjusted output of goods grew in May from April and was almost 3% higher than a year earlier. Real seasonally adjusted output of services showed an m-o-m decline in May, but y-o-y growth of services output remained faster than growth of goods output at 3.5%.

Results of business surveys, which offer more up-to-date information on the situation in firms, are encouraging: the surveys registered accelerating demand growth in June after a slowdown in May.

Slowing of consumer price growth has continued, and consumer prices grew by 14.7% y-o-y in June. Increase in retail prices for petrol accounted for much of the June inflation. It is still difficult to say whether the Government's inflation target of 12–14% for the year-end is attainable, and much will depend on prices for products of natural monopolies. After a major hike earlier this year, the Federal Energy Commission decided on a second round of price increases this summer. The price of natural gas sold to industrial users went up by 15% from the start of July while the price of gas for consumers will increase by 16% from August. Electricity prices for industrial users and railway freight charges were increased from July 1. The increases are significantly smaller than what the natural monopolies themselves proposed. The Government had to find a compromise between the inflationary effect of price rises and the needs of natural monopolies, which claim that they will be unable to carry out necessary investments if price rises are insufficient. The Government foresees no further natural monopoly price increases in the current year.

Prudent fiscal policy continues

Fiscal policy continues along the lines set out in the budget law for the current year. Federal and consolidated budgets continued to accumulate surpluses in April and May after good performance in the first quarter, when the federal budget showed a surplus of 4.8% to GDP and the surplus of the consolidated budget equalled 5.4% to GDP. The surpluses in relation to GDP are much bigger than last year. However, they are due to increased budget revenue from the unified social tax, which was included in the budget since the start of the current year.

The Government has fixed basic parameters for 2003 budget calculations. The reference price for oil on world markets is forecast at average $21.5 per barrel in 2003, GDP is expected to grow by 3.4%, while inflation is expected to slow down to 10–12%. Foreign debt and interest payments will be a major expenditure item next year, since over $17 bn of such payments are due in 2003. Interest expenditure is the only budget expenditure item, which will increase as a share of GDP next year. The Government's declared priorities for 2003 feature improvements in internal and external security, education and the legal system. These sectors will be given priority in financing. The Government must submit the draft budget to the Duma in August.

Several important pieces of tax legislation with relevance for the 2003 budget were passed by the Duma in June. Changes to the Tax Code simplifying taxation of small businesses and extending the definition of small business were adopted in a final reading. Also, excise tax rates on alcohol, tobacco and petrol will be significantly increased from January 1, 2003, and the last remaining turnover tax, that on road use, will be abolished from the same date.

Duma's spring session busy again

The Duma followed its traditional pattern of a special effort at the end of the spring session to finalise reform legislation prepared during the winter and spring. Measures approved before the Duma finished its work on July 1 include a law on sale of agricultural land, a new bankruptcy law, and a law regulating investment funds for the new pension system. All the new laws should enhance economic activity and improve the business climate in Russia. The bankruptcy law is intended to protect enterprises from hostile takeovers via bankruptcy, while pension reform and related legislation on investment funds will hopefully boost development of domestic capital markets.

Reforms of natural monopolies, i.e. railway transportation and the gas and electricity industries, made slow progress during the winter and spring. However, there was some movement in June when the Duma passed a set of laws outlining reform of the state railway system in the first reading. The general idea of the reform is to divide railway infrastructure and carrying activities between separate entities. Draft laws on energy sector reform were also presented to the Duma in the spring, but deputies postponed their first reading until the autumn session.

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	3.7	Q1
Industrial production	2.0	–5.2	11.0	11.9	4.9	4.4	June
Fixed investment	–5.0	–12.0	5.3	17.4	8.7	1.7	May
Inflation (end of period)	11.0	84.4	36.5	20.2	18.6	14.7	June
M2 (end of period)	29.5	36.3	57.2	62.4	40.0	36.7	May
Unemployment rate (ILO, %)	10.8	11.9	12.8	10.5	9.0	8.2	May
Federal budget balance (% to GDP)	–6.7	–4.9	–1.7	2.5	2.9	4.8	Q1
Current account balance (% to GDP)	0.5	0.3	13.5	18.5	11.0	10.3	Q1

Source: Goskomstat, CBR, Ministry of Finance.

To our readers

The usual RET Monthly publication will not appear in August. However, we will post updated data tables, which normally appear at the end of our publication, at our website www.recep.org around mid-month. RET Monthly will appear as usual in September.

We wish our readers a pleasant summer,

The RET team

Domestic demand

Recently published quarterly GDP data confirmed the fact of mild recession at the end of 2001 and beginning of 2002. According to Goskomstat data and RET staff estimates, GDP by output fell in Q4 2001 by 0.7% quarter-on-quarter in seasonally adjusted terms (but rose 4.3% y-o-y), GDP by expenditure fell by 0.3% q-o-q (rose 4.5% year-on-year), and real final demand dropped by 1.3% q-o-q (rose 2.4% y-o-y). In Q1 2002 GDP by output grew by 0.5% q-o-q in seasonally adjusted terms (3.7% y-o-y), GDP by expenditure declined by 0.4% (rose 3.7% y-o-y), but final demand actually increased q-o-q by 1.9% (3.1% y-o-y).

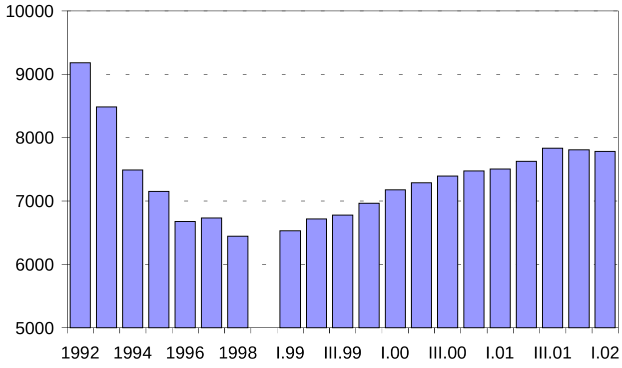
Though real GDP by expenditure declined in Q4 2001 and Q1 2002 at almost equal rates, the sources of decline were completely different. In Q4 2001 the overall GDP fall was completely due to faster decline of real net exports, which dropped by 22.1% q-o-q in seasonally adjusted terms (down 23.6% y-o-y). Real household consumption increased in Q4 2001 by 0.3% (7.3% y-o-y), institutional consumption grew by 0.1% to Q3 2001 (down 0.8% y-o-y) and gross fixed capital accumulation increased by 6.7% q-o-q in seasonally adjusted terms (16.6% y-o-y). Increase of inventories in seasonally adjusted terms was also larger than in the previous quarter.

The overall decline of real demand in Q1 2002 was mainly due to gross fixed capital formation, which dropped by 9.4% q-o-q in seasonally adjusted terms (rose 2.1% y-o-y). Gross fixed investment was only 1.1% higher than in Q1 2001. Gross fixed capital formation is gross fixed investment together with capital repairs and investment in animals. The latter was still negative but less so in absolute terms than a year earlier. As a result annual growth of real gross fixed capital formation in Q1 2002 was 1.0 percentage point higher than growth of real gross fixed investment.

Household consumption also declined slightly in Q1 2002, by 0.1% from the previous quarter (rose 5.4% y-o-y). Real consumer expenditures in Q1 2002 were 7.5% higher than a year earlier. Household consumption in SNA also includes consumption in kind and net purchases from abroad. Much slower annual growth of consumption in kind compared with real money expenditures on goods made growth of total household consumption 2.1 p.p. lower than growth of real consumer expenditures.

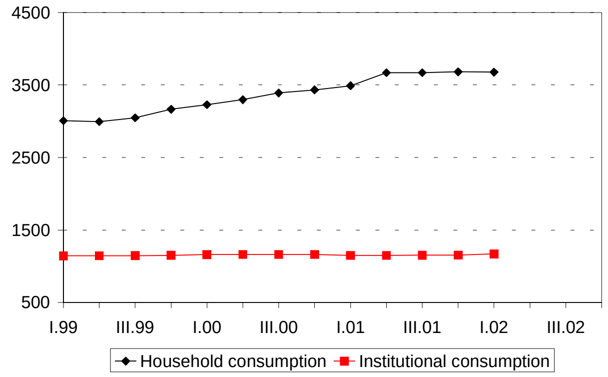
Institutional consumption increased by 1.4% in Q1 2002 q-o-q in seasonally adjusted terms (1.7% y-o-y) and completely compensated the decline in household consumption. Finally, real net exports grew by 36.6% q-o-q in seasonally adjusted terms (they declined by 1.6% y-o-y) and thus almost com-

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



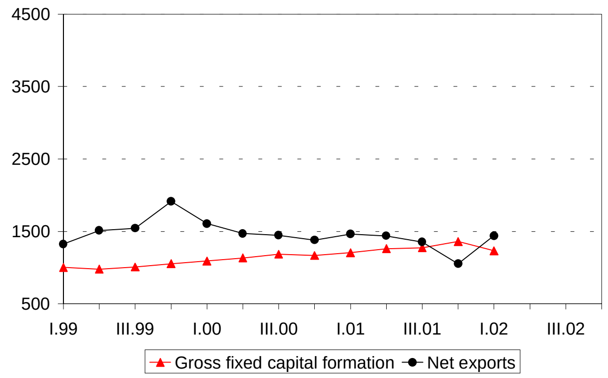
Source: Goskomstat and RET staff estimates.

GDP components of final demand at constant prices (R bn 2000, seasonally adjusted)



Source: Goskomstat and RET staff estimates.

GDP components of final demand at constant prices (R bn 2000, seasonally adjusted)

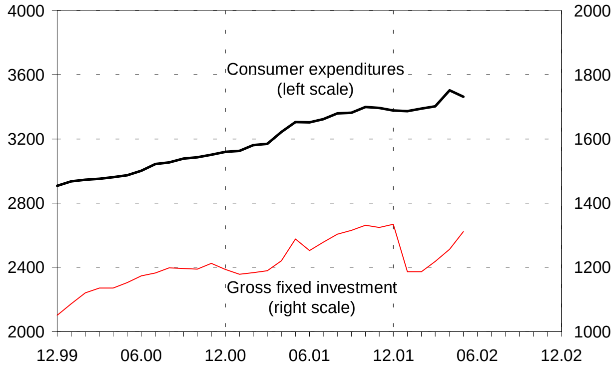


Source: Goskomstat and RET staff estimates.

pensated the fall in gross fixed capital formation and slower increase of inventories.

According to preliminary data, growth of domestic demand resumed in spring 2002. Real consumer expenditures (a proxy for household consumption) were 2.2% higher in May than in January–March (4.8% higher y-o-y). Real gross fixed investment (a proxy for gross fixed capital formation) in May 2002 was 9.5% higher in seasonally adjusted terms than in January–March (1.7% higher y-o-y).

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



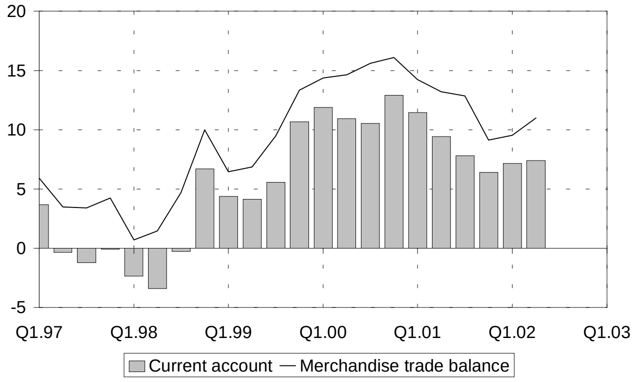
Source: Goskomstat and RET staff estimates.

Foreign sector

According to preliminary CBR estimates of the balance of payments for H1 2002, the current account surplus was fairly stable in Q1 2002 and Q2 2002 at \$7.2 bn and \$7.4 bn, respectively, despite a quarter-on-quarter rise in the merchandise trade surplus by \$1.5 bn or 16%. The higher merchandise trade surplus in Q2 2002 was largely cancelled out by a \$0.4 bn increase in the services trade deficit and a \$0.6 bn increase in net transfers of investment income abroad. The current account surplus for the whole of H1 2002 was \$14.6 bn, down 30% year-on-year.

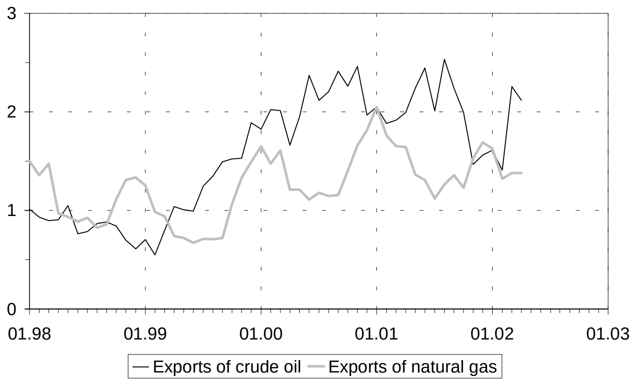
The merchandise trade surplus in H1 2002 was also significantly lower y-o-y (\$20.5 bn compared with \$26.5 bn in H1 2001). This 23% drop was due to a rise in imports by \$2.2 bn and an even more substantial decline in exports (by \$3.8 bn). Russian merchandise exports and imports in H1 2002 stood at \$47.6 bn and \$27.1 bn, respectively. Another remarkable feature of Q2 2002 was a fall in the capital and financial account deficit by \$4.1 bn q-o-q to \$1.4 bn, representing a reduction in net capital outflow from Russia. This is the lowest figure since Q4 1998 (when the deficit first emerged after a year and a half of quarterly surpluses). The principal reasons were capital inflows to the banking sector (\$1.3 bn in Q2 2002 compared with only \$0.1 bn in the previous quarter) and non-financial enterprise sector (\$2.7 bn compared with \$1.5 bn), as well as slower accumulation of overdue liabilities of foreign governments on credits granted by the former Soviet Union (these liabilities rose by \$1.0 bn in Q2 2002 compared with \$2.8 bn in Q1 2002). The latter factor is no doubt of transitory nature, but higher capital inflows to banks and enterprises are an encouraging sign. However, inflow of foreign direct investment to the non-financial sector remains quite low (\$0.5 bn in Q2 2002, which is only \$0.1 bn higher q-o-q). Data on FDI inflow to the banking sector are not provided in the preliminary balance of payments publication. The CBR also reports a surprising drop in the 'Errors and omissions' item, which is usually thought to reflect capital flight, from \$1.1 bn in Q1 2002 to \$0.1 bn in Q2 2002.

Quarterly dynamics of current account balance and trade balance (\$ bn)



Source: CBR.

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



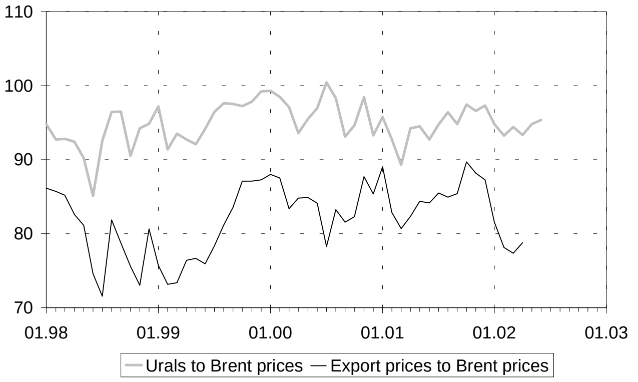
Source: Goskomstat, RET staff estimates.

Crude oil, oil products, and natural gas represented 50% of Russian merchandise exports in H1 2002 ($23.9 bn). In Q1 2002, their share was somewhat higher (about 53%). Thus, in Q2 2002 Russian export revenues were somewhat less dependent on fuels, despite the fact that world oil prices were significantly higher than in Q1 2002. However, this does not justify optimistic conclusions for the longer term, since, according to State Customs Committee data, average monthly exports of machinery and equipment in January–April were unchanged y-o-y at $0.7 bn. At the same time, their average monthly imports rose by 24% to $1.2 bn. Rising imports of machinery and equipment are natural for a growing transition economy, but stagnating exports show that fundamental improvement of Russia's trade structure is still a distant goal.

On July 1 the Commission on protective measures in foreign trade and customs and tariff policy recommended the Government to raise export duties on crude oil from $20.4 per tonne to $21.9 per tonne as from August 1. Export duties on petrol and diesel fuel will be raised from 25 to 35 euros per tonne.

At the beginning of July the US Department of Commerce announced that it will declare a temporary moratorium on countervailing investigations against Russian exporters. According to US legislation, exports from a country judged to be a market economy can be subject to countervailing duties if its government is proven to have subsidised exports during the last 15 years (i.e. in the case of Russia, which was granted market economy status in June, these investigations can even address subsidies during the Soviet period). The moratorium is intended to grant Russia some adjustment period, which is likely to last until Russia's accession to the WTO.

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

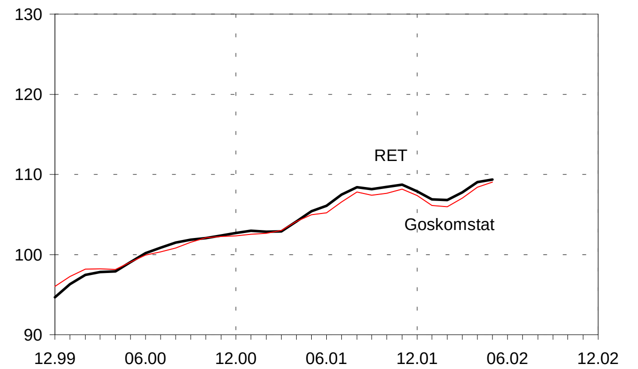


Source: Goskomstat, Energy Information Administration (US), RET staff estimates.

Output

In May 2002 the index of gross output by five base sectors of the economy (industry, construction, agriculture, freight transportation and retail trade), calculated by Goskomstat, rose by 0.2% from April in seasonally adjusted terms and was 3.2% higher year-on-year. However, the Goskomstat index was still 0.3% lower than its pre-recession peak value of August 2001. The enlarged index of gross output, calculated by RET, decreased in May by 0.3% from April in seasonally adjusted terms and was 3.1% higher y-o-y. The RET output index in May exceeded its pre-recession peak value of August 2001 by 0.1%.

Aggregate indices of real gross output (2000 = 100, seasonally adjusted)[1]



[1] 3-month weighted moving averages. The RET index covers industry, construction, agriculture, transportation (freight and passenger), communication services (to business and households) and trade (wholesale and retail).
Source: Goskomstat and RET staff estimates.

The RET index of real output of goods (covering industry, construction and agriculture) increased in May by 0.7% from April in seasonally adjusted terms and was 2.9% higher y-o-y, but still 0.3% lower than its pre-recession value of August 2001.

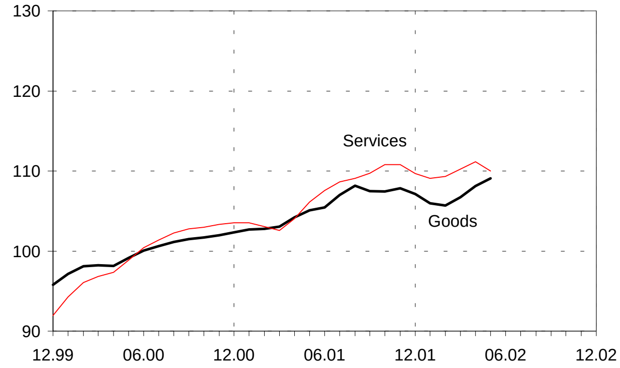
Output of goods grew for the third month in a row. From February to May it increased by 3.7%, due to growth of output in industry (4.3% over the same period) and construction (4.2%), while agricultural output remained unchanged in seasonally adjusted terms. As a result in May all three goods-producing industries had almost the same y-o-y rates of growth: 2.8% in industry, 3.1% in construction, and 3.1% in agriculture.

In contrast with goods production, services continued to stagnate in the spring, extending the services recession to more than six months. The RET index of real output of services (covering transportation, communications and trade) fell in May by 2.4% from April and was 1.3% lower than its pre-recession peak value of October 2001, although 3.5% higher y-o-y. This stagnation is mainly due to the trade sector, particularly wholesale trade. In May 2002 the real volume of wholesale trade was still 5.7% lower than in October 2001 and only 0.7% higher than in May 2001. Retail trade performed slightly better, but by May 2002 it was still only at the level of December 2001 in seasonally adjusted terms (up 6.0% y-o-y).

The real volume of communication services grew in April–May 2002 after a serious slump at the beginning of the year, but in May their volume was still 2.8% lower than in January 2002. The real volume of communication services in May 2002 was 8.2% higher y-o-y, of which real services to business were 3.2% higher and real services to households were 16.9% higher (according to another Goskomstat estimate, real communication services to households increased by 13.9% y-o-y).

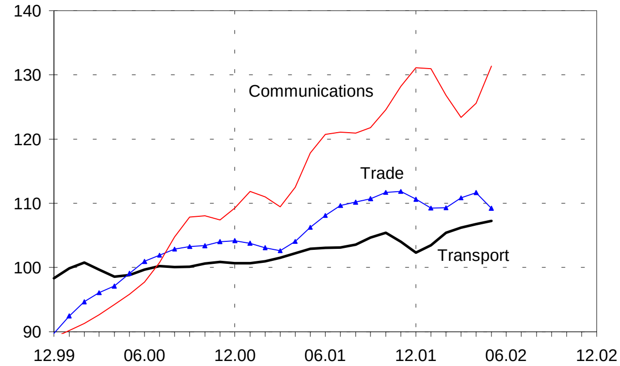
Transport turnover has been growing more or less steadily since the end of 2001 and in May its volume was 4.0% higher than a year earlier (4.2% for freight transportation and 1.6% for passenger transportation).

RET indices of real gross output of goods and services (2000 = 100, seasonally adjusted)[1]



[1] *3-month weighted moving averages.*
Source: Goskomstat and RET staff estimates.

Indices of real gross output of services (2000 = 100, seasonally adjusted)[1]



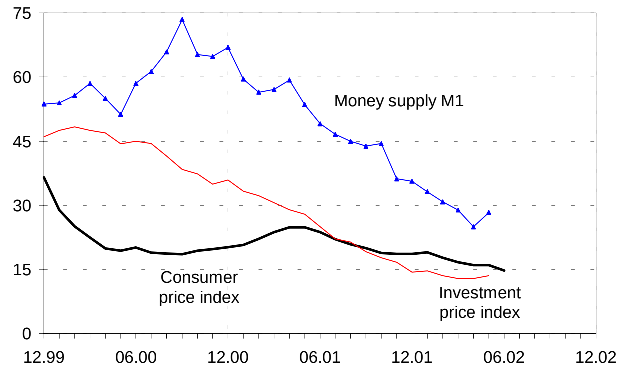
[1] *3-month weighted moving averages.*
Source: Goskomstat and RET staff estimates.

Prices

In June 2002 the year-on-year rate of growth of the consumer price index (CPI) decreased to 14.7% (16.0% in May and April). However, annual rates of growth of CPI for non-food goods increased for the second month in a row, from 11.2% y-o-y in April to 11.5% in May and 12.1% in June. Acceleration of CPI growth for non-foods was mainly caused by rapid increase of consumer petrol prices, which grew by 0.9% in April, by 10.7% in May and by 12.3% in June 2002. Growth of consumer petrol prices was induced by rise of wholesale petrol prices which increased by 3.0% in April and by 9.8% in May.

Y-o-y growth of the investment price index (IPI) remained stable at 12.9% in both March and April, and increased to 13.5% in May, following the

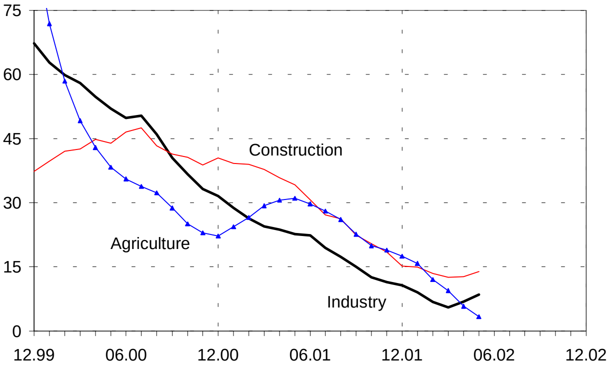
12-month rates of growth of money supply and price indices for the components of final demand (%)



Source: Goskomstat, CBR.

growth of investment demand. Y-o-y growth of the composite producer price index (PPI), calculated by RET staff and covering industry, construction, agriculture, freight transport and communication services to business, increased from 11.6% in March to 12.0% in April and 12.7% in May. PPI growth accelerated in industry (from 5.5% y-o-y in March to 8.5% in May), in construction (from 12.6% y-o-y in March to 13.9% in May), and in communications (from 13.5% y-o-y in April to 16.1% in May). Acceleration of price growth in these industries might be partly due to resumption of growth in demand for their output (see OUTPUT above). However, rates of PPI growth in agriculture continued to decline and were only 3.3% y-o-y in May.

12-month rates of growth of producer price indices in goods-producing industries (%)

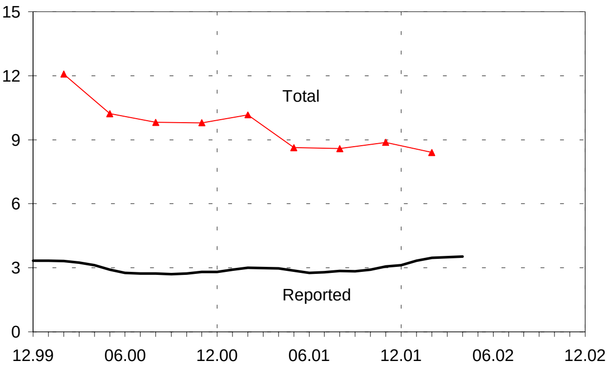


Source: Goskomstat.

Labour market

The reported number of payroll employees at large and medium-sized enterprises in April 2002 remained unchanged from March at 40.9 mn but was 0.5 mn lower than a year earlier. The number of registered job-seekers in April also remained unchanged from March at 1.3 mn (up 0.2 mn y-o-y). As a result the registered unemployment rate in April was the same as in March (3.5%), though it was 0.5 p.p. higher than a year earlier.

Unemployment rates (%)[1]

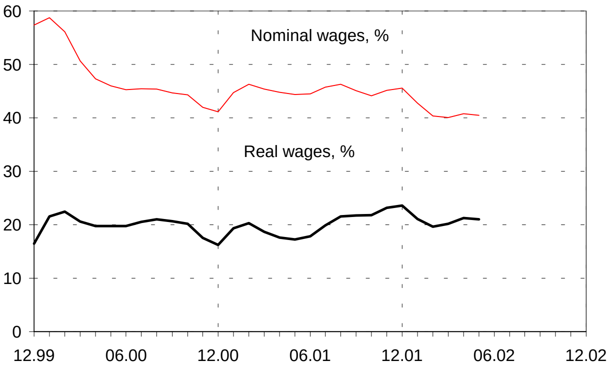


[1] The total unemployment rate is based on labour survey data. The reported unemployment rate is based on the number of payroll employees at civilian large and medium-sized enterprises and organisations, and the number of registered job-seekers.
Source: Goskomstat and RET staff estimates.

In May 2002 the number of registered job-seekers declined by 0.1 mn (to 1.2 mn), while the number of registered vacancies increased by 0.1 mn (to 1.0 mn). As a result the vacancy ratio (number of registered job-seekers per vacancy) decreased from 1.6 in April to 1.4 in May 2002. This decline has a seasonal character, and in May 2002 the vacancy ratio was 0.2 p.p. higher than a year earlier.

Nominal reported monthly wages due continued to grow at an annual rate of about 40%, and real reported monthly wages due continued to grow at a rate of about 20% y-o-y. Enduring stability in rates of real wage growth, observed over the last two and a half years, is a little suspicious and to some extent contradicts data on personal income and expenditure. Some additional information on the situation with wage changes will be available when relevant SNA data become available, and we will try to clarify the question in coming issues.

12-month rate of change of reported monthly wages due (%)[1]



[1] The index of real wages is based on the price deflator for consumer expenditures.
Source: Goskomstat and RET staff estimates.

Wage arrears remained more or less stable at around R33 bn, i.e. about 10 mn monthly wages. Analysis shows that wage arrears have ceased to be a macroeconomic problem, and are only a cause of tension in a few industries in a few regions. This conclusion is supported by data on strike activity, which has remained negligible since 2000. For example, in January–May 2002 there were only 67 strikes with 2500 participants, while in the first five months of 1999 some 181 000 employees went on strike (the figures were even higher in previous years).

Government

According to official Ministry of Finance data, federal budget revenues in January–May were R820 bn or 84% of total planned revenues for the first half of the year. The Tax Ministry collected 70% of revenues in January–May and the State Customs Committee collected 26%. The share of the Tax Ministry in total revenues rose by 9 percentage points year-on-year, while the share of the State Customs Committee fell by 8 p.p. This change reflected a real fall in tax revenues from foreign trade and inclusion of unified social tax, which previously went to the extrabudgetary funds, in the federal budget.

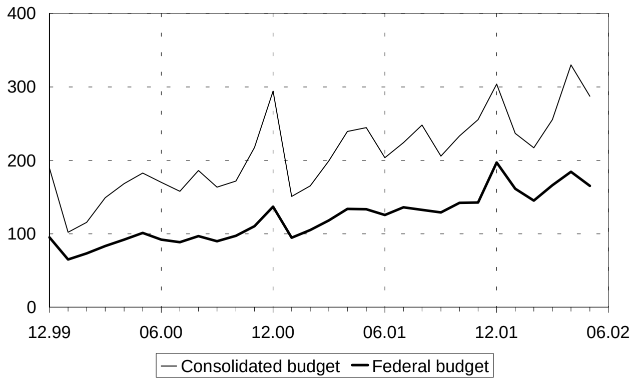
Federal budget expenditures in January–May, calculated on financing base, were R767 bn, which is equal to 81% of total planned expenditures in the first half of the year. The federal budget thus showed a surplus of R53 bn in the first five months of 2002. Gross amortisation of foreign public debt in January–May was R84 bn, representing approximately \$2.6 bn of \$5 bn external principal repayments due in 2002. The cash gap of R31 bn was financed by borrowing and privatisation revenues.

On the last working day of its spring session the Duma adopted in third readings several important draft laws affecting the budget. These included a draft law on transport tax and changes in excise rates on alcohol, tobacco and petrol. Excises on petrol will be increased from January 1, 2003, by 45% and not by 70% as the Government initially proposed.

Deputies also approved two chapters of the Tax Code, concerning a simplified tax system for small businesses and unified tax on imputed income. According the final version of the simplified tax system, enterprises employing fewer than 100 people and with annual turnover less than R15 mn will pay tax at a rate of 6% if turnover is taken as the tax base or 15% if profit is taken as the tax base. Unified tax on imputed income also relates mostly to small businesses. The new legislation reduces the list of small business activities, subject to tax on imputed income.

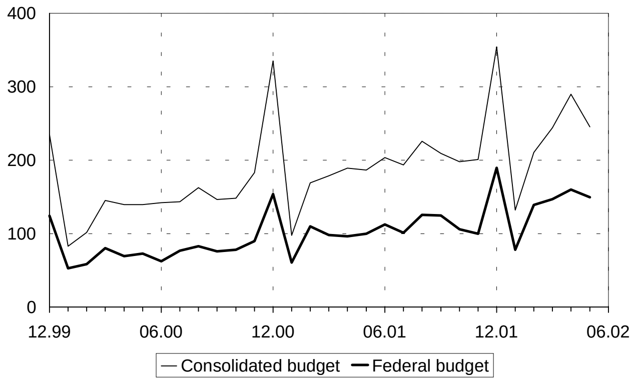
Another recent step, making life easier for small businesses, is institution of a unified state registration agency. From July 1 new companies need to register only with the Tax Ministry, which is then responsible for sending on information about the companies to other state agencies. According to the new rules, all existing companies must also submit data about themselves to the Tax Ministry during the six next months. Failure to do so will entail liquidation. Submission of information by existing companies is for updating the data bank of the state register of companies, and is not viewed as re-registration.

Federal and consolidated budget revenues (R bn)



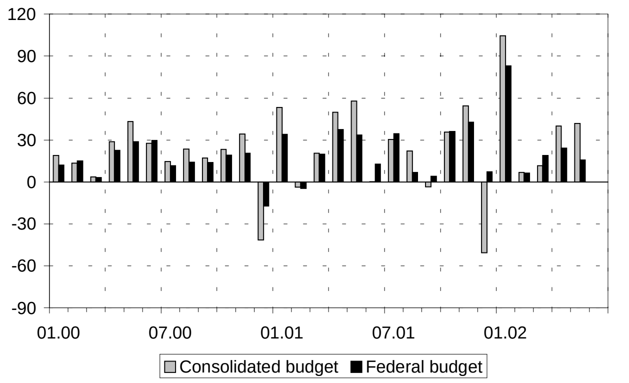
Source: Ministry of Finance.

Federal and consolidated budget expenditures (R bn)



Source: Ministry of Finance.

State budget balance (R bn)



Source: Ministry of Finance.

Monetary authorities

M2 grew by 4.0% month-on-month in May 2002. After considerable increase of M0 in April, cash money declined slightly by 0.5% m-o-m in May, while deposits rose by 6.7% m-o-m. The money multiplier stood at 2.27, slightly higher than the average level of the last two years (2.22).

Gross international reserves (GIR) grew at a moderate pace in June, increasing by $1.4 bn to $43.6 bn by the end of the month. Sergei Ignatiev, the CBR chairman, stressed that he expected modest growth of GIR till the winter and decline of GIR at the end of the year, particularly in December, when demand for foreign currency is usually high. In Q2 2002 the CBR increased GIR by $6.3 bn.

The official exchange rate of the rouble against the dollar fell by 0.4% m-o-m in June and was equal to R31.45/$ at the end of the month. Thus the rouble depreciated by 1.1% quarter-on-quarter in Q2 2002 vs. 3.2% in Q1. Appreciation of the euro against the dollar caused a fairly rapid fall of the official exchange rate of the rouble against the euro by 6.0% m-o-m in June to R31.08/euro.

The real exchange rate of the rouble against the dollar appreciated in May by 1.3% m-o-m. Deflation in Ukraine led to considerable appreciation of the rouble against the hyrvna in May, by 1.6% m-o-m. However, the real rouble depreciated against the euro by 2.4% m-o-m, as we expected, and the real trade-weighted exchange rate of the rouble fell by 0.5% m-o-m.

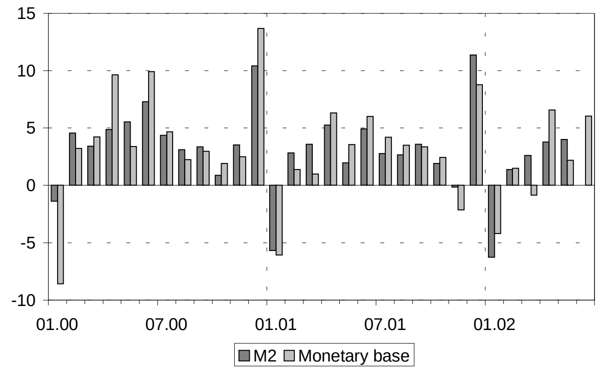
The monetary policy of the CBR remained soft in June. Inter-bank interest rates were low: the average one-day MIACR (Moscow Inter-bank Actual Credit Rate) did not change significantly in comparison with May and was equal to 6.2%. Monetary base increased by 6.0% m-o-m.

Collisions around amendments to the law on the Bank of Russia continued in June. On June 14 the Federation Council rejected the version of the law, which had been adopted by the Duma in a third reading. As we mentioned in the previous RET, one of the reasons for the conflict was limitation of CBR supervisory ability, contained in the new law. A conciliation commission was set up and the Duma reconsidered the law on June 27. The rejection was overturned and the President signed the law.

Capital markets

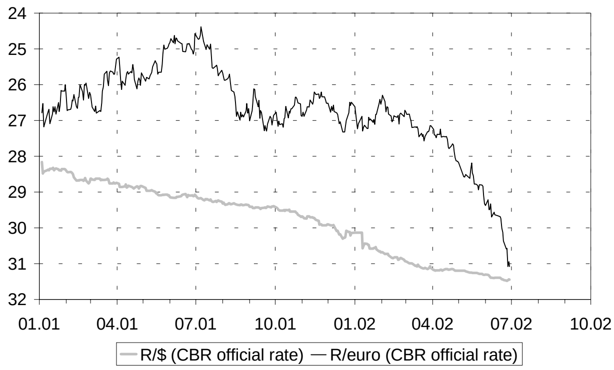
Russian financial markets were thin and volatile in June 2002. Total volume traded on the RTS was $344 mn, which is the lowest monthly figure since February 2002. Average daily RTS trading volumes were $18 mn, down from $24 mn in May and

Changes of M2 and monetary base (%)



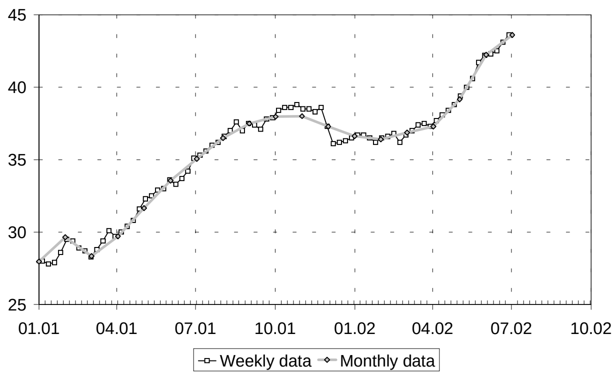
Source: CBR and RET staff calculations.

Rouble exchange rates



Source: CBR.

Gross international reserves (weekly and monthly data)

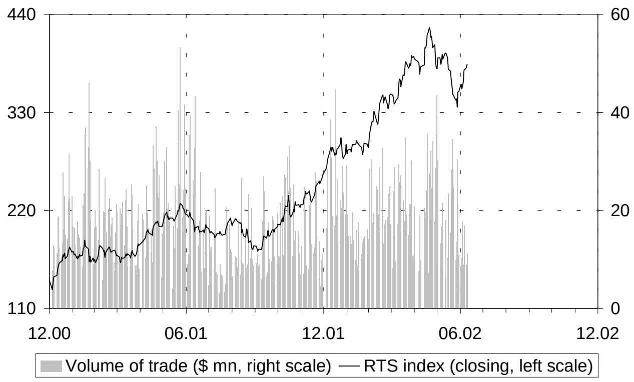


Source: CBR.

$20 mn in April. Market sentiment was uncertain after the May drop in equity prices, and took a lead from negative external news as American stock markets became nervous and the situation in Brazil became critical. The RTS index fell below 340 points on June 26 on volume of over $30 mn. In early July the index rebounded to 380 points on moderate volumes, and the market appeared to enter its summer dormancy period.

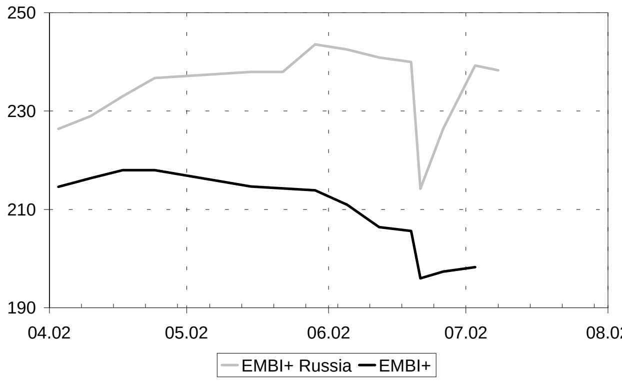
Russian foreign currency debt suffered from the meltdown on all emerging markets, caused by concerns about the political situation in Brazil and fears of a Brazilian debt default. Prices for Russian Eurobonds declined through June and Russia'30 Eurobonds, which are the main indicator of the Russian foreign-currency debt market, were discounted by 9 percentage points on June 20–21, when panic on emerging markets reached its peak and the EMBI+ index fell by 4% to its lowest level since September 2001. The decline by Russian Eurobonds provoked active sales on the domestic corporate and municipal bonds market, as investors were eager to generate cash for capitalising on the lower price levels of Russian dollar-denominated assets. As a result, the tide was quickly turned and in early July the EMBI+ Russia index returned to its level at the end of the spring. Inter alia, performance of Russian debt this year might be due to a shift in international perception of the country. Russia's new status as a fully-fledged member of the G–8 club has helped to set the country apart from other emerging markets in investors' minds.

Russian stock market (RTS)



Source: RTS.

EMBI+ and EMBI+ Russia indices (Dec 1993 = 100)



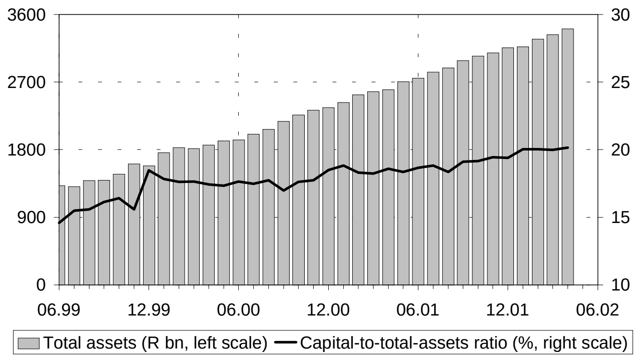
Source: JP Morgan.

Credit markets and banking system

CBR statistics show gradual growth in the number of commercial banks in 2002. Over the first five months of 2002 the CBR registered 20 new banks, 3 of which are in full foreign ownership. Meanwhile, the number of banks, whose licenses have been revoked but which have not yet been liquidated, has declined significantly. Almost 100 such 'limbo' banks have been liquidated in the current year, with more than 60 liquidations occurring in May–June 2002. Total assets of commercial banks reached R3410 bn on May 1, 2002, up 1% in real terms from the beginning of the year. Total equity capital of the banking system amounted to R699 bn at the end of the spring, a 5% increase from the start of the year.

Russian commercial banks continued to beef up their credit portfolios in April 2002. The stock of loans granted by commercial banks to the real economy stood at R1379 bn on May 1, 2002, up 0.6% in real terms from the beginning of the year, although lending to individuals and enterprises increased at a faster rate over the same period of 2001. Loans to banks showed the highest rate of growth in 2002,

Total assets and equity capital of commercial banks

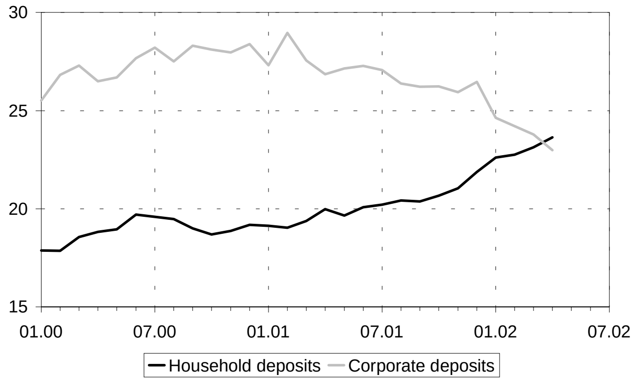


Source: CBR and RET staff estimates.

surging by 57% in the first four months of the year. In May 2002 an abundant inflow of rouble liquidity due to dramatic rise in Russia's international reserves failed to spur credit expansion. What happened instead was expansion of commercial bank deposits with the CBR to R59 bn from R25 bn over that month.

There has been a clear shift in the structure of banking liabilities. Corporate deposits have not yet rebounded after a 7% drop in January 2002, and their share in total liabilities decreased to 23% by the end of April. In the meantime, the share of household deposits was on an upward trend, reaching 24% as of May 1, 2002. One year earlier corporate and household deposits accounted for 27% and 20% of total liabilities respectively. Banks are badly in need of long-term resources, and some of them have conducted trial bond issues in order to test investor sentiment. The stock of bonds issued by banks increased by 80% in nominal terms in January–April 2002 but their share in liabilities of the banking system remained negligible.

Share of corporate and household deposits in total liabilities of commercial banks (%)

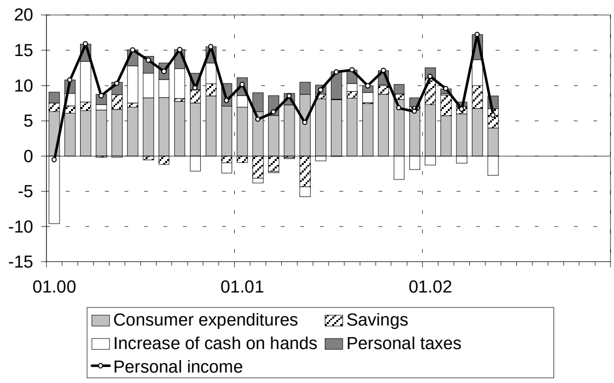


Source: CBR and RET staff estimates.

Households

It seems that extraordinary growth of personal income in April 2002, discussed in our previous issue, represented advance payments of wages and salaries before long holidays at the beginning of May. A 10% month-on-month increase of seasonally adjusted real personal income in April was followed by a 10% drop of this indicator in May. As a result May figures for real income were only 6% higher year-on-year, or less than a half of the y-o-y increase observed in April 2002. Rouble cash accumulated in April was mainly used to maintain volumes of household consumption and savings. Real expenditures on goods and services increased by 5% y-o-y in May. Real retail sales of food in May 2002 were 8% higher than in May 2001. Sales of non-food goods increased by 4% y-o-y and consumption of paid services was almost unchanged.

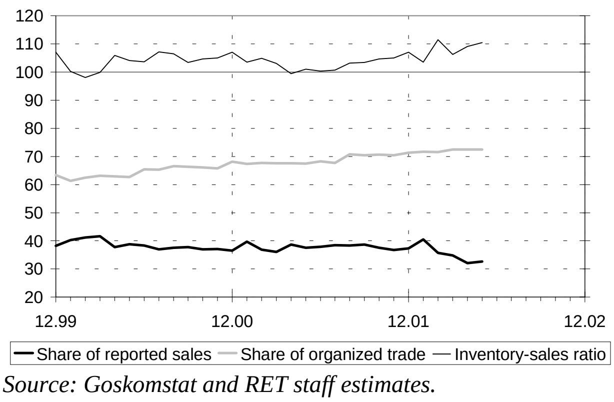
Role of different types of spending in y-o-y growth of real personal income (percentage points)



Source: Goskomstat and RET staff estimates.

According to Goskomstat estimates, the role of street markets and open markets in retail trade continued to shrink in the first five months of 2002. Such outlets now represent 30% of retail trade compared to almost 40% in 1998 and at the beginning of 1999. At the same time estimates of shadow activity of official retailers increased. The seasonally adjusted share of sales reported by large and medium-sized shops decreased from 40% in January 2002 to 30% in May. The stock of consumer goods inventories in retail trade increased and now represents 110% of monthly sales (seasonally adjusted). This is the highest level since the eve of the 1998 financial crisis.

Parameters of organised retail trade (seasonally adjusted, %)



Source: Goskomstat and RET staff estimates.

Enterprises

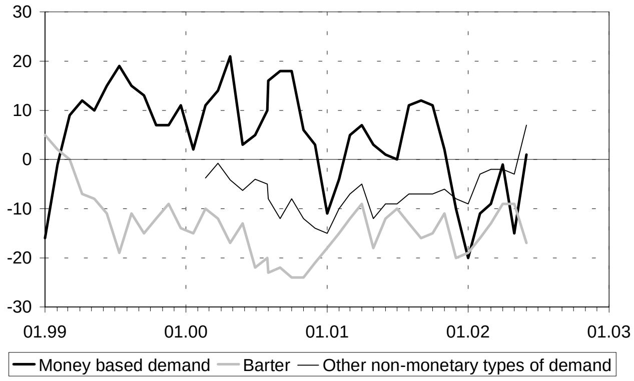
The slowdown in Russian manufacturing, observed in May, was overcome in June 2002. Business surveys registered acceleration of domestic demand for manufactured products. According to the business survey of the Institute for the Economy in Transition (IET), growing demand spurred a growth of offsets and operations with promissory notes (veksels) for the first time since the beginning of monitoring in February 2000.

The services sector, monitored by the NTC Research business survey, continued its expansion in June 2002 though at a slightly lower pace than in May 2002. New legal developments might give a major boost to this sector, which is dominated by small businesses.

The estimated number of small businesses in Russia, measured by official estimates of 'small enterprise' numbers, rose by 3% in Q1 2002 to 875 000 as of April 1. This is the most rapid growth since the beginning of 1998, but it seems mainly due to inclusion of very small enterprises in the statistics, since employee numbers in the small business sector increased by less than 1% in the same period. Such a statistical refinement could be partly explained by increased attention to small business from the Government, which culminated in amendments to the Tax Code aimed at easing the tax burden on small enterprises. The amendments were adopted by deputies on July 2, 2002. According to the new legislation, small enterprises will be able to choose between a 15% tax on profit and 6% tax on revenue starting from January 1, 2001. They will be exempted from all other taxes apart from payments to the State Pension Fund and some other payments, such as licences and customs duties. The threshold for enterprises to qualify for this exemption is generously high: they must have annual revenue below R15 mn ($0.5 mn) and employ no more than 100 people. Under current legislation similar treatment (but with a heavier tax burden) is offered to enterprises with no more than R4.5 mn revenue and less than 15 employees.

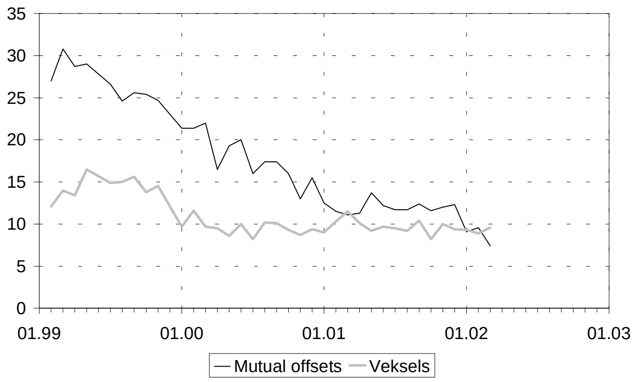
Another important law was adopted by the Duma on June 27, 2002, despite fierce protests from the Communist Party. The law 'On turnover of agricultural land' supplements the Land Code, which was adopted last year. The new bill allows free purchase and sale of agricultural land, provided that buyers continue to use the land for agriculture. Government proposals to allow foreigners to own Russian agricultural land provoked particularly heated debate, although foreign ownership of non-agricultural land is already permitted by the Land Code. A compromise was found by allowing foreigners to enter long-term rent agreements. In fact the issue is more ideological than economic, since not many foreigners are

Balance of the change in money-based, barter and other non-monetary types of demand[1]



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

Shares of mutual offsets and promissory notes (veksels) in revenues of largest Russian industrial companies, %



Source: Goskomstat.

Share of output of small enterprises in Russia's GDP and share of their employees in civilian employment of Russia, %

Source: Goskomstat.

interested in Russian agriculture. The law seems to achieve its key objective, which is to encourage emergence of landowners and guarantee their rights in order to attract investments to the sector. Significant rights are given to regional authorities, for example the right of first refusal in any land sale transaction, so the law is likely to pass the Federation Council without difficulties and be enacted before 2003.

External environment

Economic recovery in the US and Europe has been moderate, with consumer confidence indicators for the US and euro zone showing month-on-month declines in June. The situation has not been helped by recent accounting scandals at such huge corporations as WorldCom (US), Xerox (US), and Vivendi Universal (France).

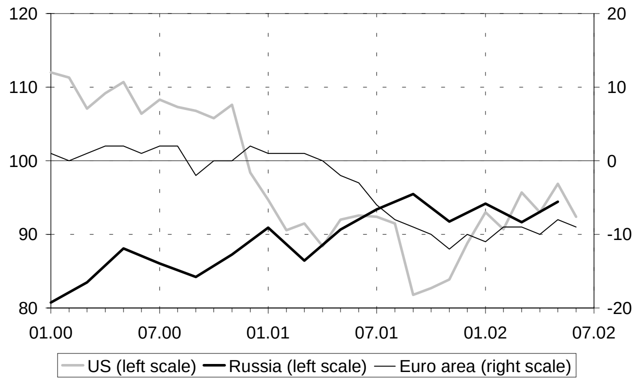
There was better news from Japan, where decline of industrial production, which lasted throughout 2001, stopped early in 2002. A sizable increase of Japanese industrial production was reported in May 2002 (4% month-on-month), largely due to intensification of high-tech exports to the US and Asia. The year-on-year export increase in May was 9%. However, Japanese exporters benefited from low levels of the yen against the USD in December 2001–May 2002, a factor which has now disappeared.

The trend, which began in April 2002, of dollar depreciation against the euro and the yen due to lower investor attractiveness of the US economy continued in June–mid-July. Foreign direct investment in the US was down by 42% year-on-year in Q1 2002. Russian investors were among those who showed less interest in the US: according to Goskomstat, the US share in flows of Russian investment abroad was 59% in Q1 2002, down 16 percentage points y-o-y. The euro exceeded $0.99 by the end of June, and only the news of accounting irregularities at Vivendi Universal prevented it from reaching parity.

Sustained depreciation of the US dollar will lead to a decline in the real value of Russian revenues from dollar-denominated exports of raw materials. The Russian rouble follows the dollar quite closely, and an expensive euro may imply lower competitiveness of European goods on the Russian market due to higher import prices.

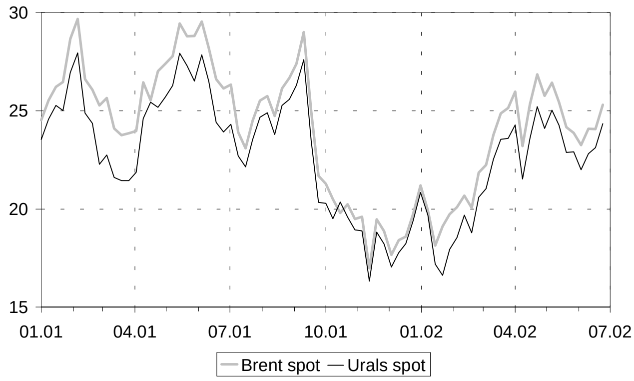
Representatives of OPEC countries, meeting on June 26, agreed to maintain production limitations until the end of September 2002. OPEC also called on oil producing countries, which are not cartel members, to continue cooperation for the sake of market stability. But although Russia and Norway did not support OPEC's suggestion to prolong quotas on crude oil exports over Q3 2002, oil prices have been fairly high, fluctuating in a price corridor of $24–$26 per barrel for spot Brent since mid-June.

Indices of consumer confidence in Russia, the US and the euro area



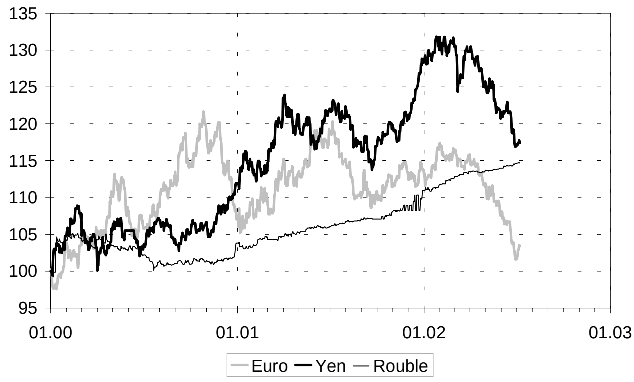
Source: The Conference Board, The European Commission, Development Centre.

Weekly oil price development ($ per barrel)



Source: Energy Information Administration.

Exchange rate of the rouble, the euro and the yen versus US $ (01.01.2000 = 100)



Source: www.oanda.com.

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	2226	2086	1219	333	294	240
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	1649	1623	794	233	178	418
II	1754	1686	785	284	244	373
III	1985	1804	840	273	326	365
IV	1946	2006	918	371	396	320
I 2001	1723	1664	858	231	196	379
II	1836	1788	874	281	270	363
III	2103	1870	909	271	349	341
IV	2034	2057	985	368	460	244
I 2002	1787	1713	905	235	200	373
II						
III						
IV						

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

	(1) Consumer expenditures, nominal	(2) Non-interest expenitures 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	2860	1377
1996	957.3	302.7	376.0	116.7	2841	1127
1997	1159.7	357.7	408.8	98.2	2981	1071
1998	1395.8	277.7	407.1	240.2	2894	943
1999	2291.9	502.1	670.4	901.0	2796	993
2000	3021.0	781.9	1165.2	1705.3	3021	1165
2001	3975.7	1094.6	1599.5	1390.6	3294	1267
01.2000	214.4	37.1	46.1	113.0	2936	1086
02	212.3	47.0	55.8	133.8	2945	1120
03	227.9	67.4	63.9	161.4	2953	1136
04	227.0	57.1	64.5	134.6	2963	1136
05	229.6	54.5	75.8	139.1	2974	1152
06	240.1	48.8	95.7	140.5	3001	1173
07	248.5	53.0	99.0	140.0	3043	1183
08	263.3	63.7	112.9	148.9	3053	1199
09	266.9	58.1	118.3	145.2	3078	1197
10	277.4	70.6	114.6	136.5	3085	1194
11	284.9	78.0	123.1	162.9	3101	1212
12	328.7	146.7	195.5	149.5	3119	1193
01.2001	275.6	41.7	70.9	141.3	3126	1178
02	277.6	63.1	82.3	124.2	3163	1183
03	300.3	75.6	91.7	129.0	3168	1189
04	306.8	90.4	93.4	119.9	3244	1220
05	314.8	84.4	112.8	116.4	3304	1289
06	324.9	96.4	132.7	129.7	3303	1252
07	330.9	87.0	135.7	107.7	3323	1279
08	348.4	87.9	153.3	129.3	3358	1303
09	348.3	94.4	158.7	124.3	3364	1315
10	361.3	101.5	153.8	94.2	3398	1331
11	367.9	92.1	159.7	101.0	3394	1324
12	418.9	180.1	254.5	73.6	3378	1335
01.2002	352.2	63.8	73.7	94.8	3374	1186
02	349.1	109.2	84.2	82.8	3390	1187
03	375.2	113.6	96.5	115.7	3403	1218
04	384.2	157.6	98.2	134.8	3502	1256
05	382.9	132.6	115.9	115.6	3463	1310
06				90.2		
07						
08						
09						
10						
11						
12						

Table 3: Real output

	(1) GDP produced, nominal, seasonally unadjusted	(2) GDP produced, real	(3) Output of 5 basic industies	(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	102.7	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	104.4	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	106.0	107.5	105.4	119.9	104.4
01.2002			105.7	105.4	108.1	106.3
02			105.6	104.5	105.7	108.8
03	2266	106.5	106.9	106.2	105.9	110.4
04			108.9	108.1	109.6	109.4
05			109.1	109.0	110.2	108.7
06						
07						
08						
09						
10						
11						
12						

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	120.3	102.0	112.8	
1996	95.6	34.3	107.1	97.0	103.3	44.2
1997	95.1	32.7	101.7	93.3	98.8	54.7
1998	94.3	30.7	99.9	89.9	91.3	66.6
1999	95.7	32.0	99.2	95.2	94.8	87.9
2000	100.0	30.3	100.0	100.0	100.0	100.0
2001	104.5	31.7	102.6	103.0	98.8	119.9
01.2000	97.9	30.1	73.0	99.0	99.2	89.8
02	100.4	32.6	77.1	102.7	99.7	91.8
03	98.3	28.9	87.9	99.0	96.7	92.8
04	98.2	32.5	95.9	98.4	99.5	94.3
05	99.9	33.7	103.7	98.5	100.6	96.8
06	99.1	28.9	109.3	99.6	100.0	96.6
07	100.1	31.5	108.5	100.7	101.7	101.2
08	100.3	30.1	105.3	99.7	100.8	103.6
09	101.0	29.6	102.3	100.0	100.8	112.8
10	101.2	28.9	104.1	100.7	100.4	108.4
11	101.9	28.3	112.8	101.2	100.1	106.0
12	101.6	28.4	120.2	100.5	100.4	106.1
01.2001	102.1	29.8	76.0	100.7	99.7	117.7
02	102.2	27.9	77.5	101.0	98.8	114.7
03	102.7	29.4	89.2	101.5	99.8	101.1
04	103.3	30.2	98.3	102.4	99.9	113.1
05	103.4	30.1	106.2	103.3	99.3	121.8
06	105.1	30.8	111.3	103.4	99.8	121.1
07	105.6	32.2	111.4	103.1	97.9	122.7
08	105.9	34.7	108.8	103.8	98.3	120.1
09	105.4	33.2	105.7	104.7	98.6	121.3
10	106.2	37.8	106.8	106.7	98.3	123.6
11	105.8	37.0	116.0	105.1	98.3	130.5
12	106.6	27.3	124.1	100.7	96.9	131.2
01.2002	105.2	40.0	79.3	104.0	97.6	135.6
02	104.0	37.0	81.1	106.6	95.5	130.2
03	104.8	31.4	92.2	106.5	97.6	113.2
04	107.8	38.0	102.6	107.3	99.0	128.5
05	107.0	35.4	109.9	107.6	101.0	131.8
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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	97.7	113.0	92.8
1996	353.4	46.4	756.3	98.6	200.3	85.5
1997	500.6	51.3	883.4	103.1	269.5	88.7
1998	707.2	57.9	1077.0	99.7	318.5	87.7
1999	1408.5	64.6	1848.2	92.0	447.4	94.1
2000	2723.2	100.0	2416.2	100.0	615.7	100.0
2001	4277.7	110.1	3151.5	110.5	826.6	101.0
01.2000	184.9	87.6	174.6	93.0	39.9	93.1
02	182.2	84.8	172.8	91.5	39.7	87.0
03	214.0	101.2	184.3	96.8	43.8	93.1
04	204.0	95.7	182.8	95.1	44.6	95.0
05	203.8	94.0	184.6	94.5	46.1	98.9
06	225.2	101.3	190.6	95.8	50.9	102.6
07	236.3	104.0	195.3	96.8	54.7	107.1
08	234.1	101.8	207.8	102.0	57.2	110.3
09	242.4	104.0	211.5	102.3	56.9	105.5
10	251.5	105.3	220.4	104.7	58.0	104.8
11	266.0	110.1	226.4	105.9	59.5	110.6
12	278.8	110.3	265.1	121.8	64.4	91.9
01.2001	323.4	106.2	219.8	99.0	56.1	98.9
02	327.3	104.5	221.9	98.4	55.8	91.7
03	328.4	106.1	240.3	104.9	59.9	93.8
04	326.9	103.6	244.0	105.1	62.7	98.2
05	343.5	107.1	250.4	106.1	64.1	100.9
06	354.0	109.4	254.9	106.8	70.5	104.1
07	356.0	110.0	257.4	107.5	74.2	107.6
08	353.5	109.2	273.1	114.1	76.1	110.4
09	361.1	110.2	274.1	113.7	74.5	105.1
10	389.9	117.4	285.7	117.5	75.7	104.5
11	392.6	117.3	291.4	118.2	76.6	108.6
12	421.1	120.2	338.5	135.0	80.4	87.8
01.2002	403.4	112.9	276.6	108.3	75.6	100.2
02	409.0	112.3	273.7	106.5	75.3	93.8
03	430.3	120.7	295.2	114.1	80.0	95.5
04	435.2	120.3	301.0	115.0	83.3	100.2
05	405.4	110.0	299.3	112.4	83.6	101.5
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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	82.0	69.4
2000	100.0	100.0	100.0	100.0	100.0	100.0
2001	118.6	115.3	136.9	114.4	120.7	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	98.9	98.2
07	92.8	93.3	89.4	88.7	100.6	101.6
08	93.7	93.9	92.1	90.1	101.9	104.2
09	94.9	95.0	94.6	92.5	103.5	107.4
10	96.9	96.9	96.9	95.1	105.7	110.6
11	98.4	98.4	98.4	97.2	107.4	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	111.7	120.9
02	105.1	104.3	109.1	103.7	114.0	123.6
03	107.1	106.0	112.9	105.1	115.9	125.4
04	109.0	107.6	116.0	105.9	117.9	127.1
05	110.9	109.5	118.1	106.8	119.6	128.9
06	112.7	111.0	121.1	107.5	121.5	130.2
07	113.2	111.1	124.6	108.4	122.5	131.4
08	113.2	110.7	127.4	109.4	122.5	132.7
09	113.9	111.0	130.6	110.2	123.5	133.8
10	115.2	112.1	133.1	112.0	124.9	135.9
11	116.7	113.6	135.1	113.4	126.6	137.6
12	118.6	115.3	136.9	114.4	127.9	138.8
01.2002	122.3	117.9	147.2	116.6	132.2	141.9
02	123.7	118.9	151.1	117.7	133.7	143.3
03	125.0	119.5	156.8	118.6	134.8	146.4
04	126.5	120.6	160.6	119.5	136.8	147.6
05	128.6	122.7	162.1	121.3	138.8	148.0
06	129.3	123.1	164.7			
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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	114.8	111.0	117.0	119.5	131.5	117.8
02	117.2	110.7	118.1	120.0	156.5	118.0
03	117.2	110.5	119.1	119.4	156.8	119.0
04	119.0	112.9	119.9	119.3	158.4	119.1
05	120.9	115.7	122.0	117.1	158.7	122.4
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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	64.5	6.1	8.6	1.0	1.2
06	41.3	64.8	6.1	8.6	1.0	1.1
07	41.3	65.1	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	64.8	6.2	8.7	1.1	1.5
01.2002	40.7	64.9	6.1	8.6	1.2	1.6
02	40.9	65.0	6.0	8.4	1.2	1.8
03	40.9	65.3	5.9	8.3	1.3	1.7
04	40.9	65.7	5.9	8.3	1.3	1.6
05		66.0	5.9	8.2	1.2	1.4
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Table 9: Wages and labour market disputes

	(1) Average monthly accrued wages, total, nominal	(2) Average monthly accrued wages, industry, nominal	(3) Average monthly accrued wages, education, nominal	(4) Average monthly accrued wages, total, real, SA	(5) Wage arrears, EoP	(6) 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	3240	4159	1819	119.9	29.9	25.9
01.2000	1806	2169	977	91.1	44.9	90.9
02	1815	2240	1014	94.0	43.6	65.2
03	1991	2485	1065	94.8	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	101.4	40.5	0.0
08	2259	2835	1063	102.5	38.3	0.8
09	2336	2921	1263	104.1	39.0	0.5
10	2393	3011	1318	105.0	38.0	1.9
11	2475	3062	1368	106.6	36.8	17.4
12	2985	3550	1593	103.4	31.7	25.2
01.2001	2697	3481	1491	112.2	32.3	3.7
02	2620	3395	1567	110.7	33.5	10.2
03	2925	3856	1626	112.2	32.8	0.3
04	2885	3769	1641	112.4	32.4	0.6
05	3014	3884	1792	115.2	33.1	0.7
06	3241	4115	2052	116.6	33.7	6.1
07	3320	4241	1704	121.6	34.1	0.3
08	3332	4368	1519	125.4	32.7	0.0
09	3361	4344	1800	125.2	34.2	0.7
10	3469	4505	1862	128.1	34.7	1.8
11	3531	4626	1894	128.2	34.8	0.5
12	4482	5321	2879	131.0	29.9	1.0
01.2002	3760	4475	2753	129.9	32.8	4.3
02	3725	4486	2766	132.2	34.6	0.9
03	4031	4894	2871	130.8	34.4	5.6
04	4110	4984	2858	136.4	32.0	1.8
05	4234			137.7	32.9	2.0
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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	2187	87.6	107.7	695	1210	33.7
2001	2881	95.1	250.0	1024	1500	29.8
01.2000	1516	65.8	83.5	522		
02	1826	78.5	83.5	613		
03	1996	85.2	83.5	613	1138	41.2
04	2043	86.5	83.5	613		
05	1989	82.7	83.5	694		
06	2202	89.3	83.5	694	1185	34.7
07	2158	86.0	132.0	694		
08	2241	88.5	132.0	750		
09	2303	89.7	132.0	750	1234	31.8
10	2291	87.4	132.0	749		
11	2456	92.3	132.0	821		
12	3224	119.2	132.0	823	1285	26.9
01.2001	2028	72.9	200.0	824		
02	2356	82.9	200.0	900		
03	2621	90.5	200.0	916	1396	36.6
04	2753	93.4	200.0	917		
05	2590	86.4	200.0	1016		
06	2980	97.8	200.0	1019	1507	31.3
07	2957	96.6	300.0	1020		
08	3044	99.4	300.0	1127		
09	3036	98.5	300.0	1134	1524	27.2
10	3051	98.0	300.0	1135		
11	3119	98.8	300.0	1136		
12	4040	125.9	300.0	1138	1574	24.0
01.2002	2687	81.3	300.0	1241		
02	3045	91.0	300.0	1323		
03	3269	96.7	300.0	1329	1719	33.0
04	3729	109.0	300.0	1333		
05	3203	92.1	450.0	1337		
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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	615.8	3662.5	3609.4	1445.3	619.5	708.6
2000	1115.3	4894.6	4479.9	1675.2	712.5	965.0
2001	1123.3	6499.3	6059.1	1667.6	754.0	1828.4
01.2000	88.3	3582.5	3550.8	1449.9	615.5	706.4
02	106.1	3831.7	3804.4	1580.0	685.0	740.8
03	85.9	4070.0	4042.5	1676.8	729.0	736.2
04	103.8	4146.5	4115.6	1701.9	728.4	778.8
05	100.9	4203.5	4118.4	1704.6	747.8	786.6
06	82.1	4386.6	4234.0	1713.1	748.0	804.7
07	110.8	4444.3	4311.6	1747.4	766.1	834.0
08	110.0	4523.8	4263.6	1732.2	765.9	839.1
09	96.7	4737.8	4442.3	1741.4	750.8	889.2
10	112.2	4768.9	4472.6	1724.5	748.4	906.2
11	113.6	4824.7	4490.0	1708.4	742.7	925.8
12	4.8	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	92.6	6499.3	6059.1	1667.6	754.0	1828.4
01.2002	90.0		5935.5	1563.6	681.3	1868.3
02	72.7		6179.8	1583.3	702.9	1914.4
03		7145.0	6651.5	1620.0	739.6	2007.3
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Table 12: Balance of payments

	(1) Current account	(2) Merchandise trade balance	(3) Service balance	(4) Income and wages	(5) Capital account	(6) 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	7.2	9.5	-1.8	-0.5	-6.0	-0.1
II	7.4	11.0	-2.2	-1.1	-7.5	-0.1
III						
IV						

	(7) Direct and protfolio investments in Russia	(8) Direct and protfolio investments abroad	(9) Other financial liabilities	(10) Other financial assets	(11) Net international reserves	(12) 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	0.3	-0.3	-0.3	-5.1	-0.5	-1.1
II	0.4	-0.3	2.4	-3.8	-6.1	-0.1
III						
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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	14.9	6.7
1997	89.0	73.6	17.0	9.2	18.6	6.4
1998	74.9	59.1	16.9	8.2	15.5	4.8
1999	75.7	39.7	36.1	7.9	10.0	4.3
2000	105.6	44.9	60.7	9.1	10.7	5.5
2001	101.6	53.8	47.8	10.4	14.2	4.9
01.2000	7.0	2.9	4.1	0.3	0.5	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	0.6	0.9	0.6
05	8.3	3.4	4.9	0.6	0.7	0.5
06	8.6	3.6	5.0	0.6	0.9	0.5
07	8.6	3.6	5.0	0.5	0.8	0.4
08	9.1	3.8	5.4	1.0	0.9	0.5
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	0.4
12	10.2	4.9	5.3	1.6	1.3	0.4
01.2001	8.2	3.2	5.0	0.4	0.7	0.4
02	8.1	3.7	4.4	0.5	0.9	0.4
03	8.8	4.3	4.5	0.7	1.0	0.4
04	8.5	4.4	4.2	1.1	1.1	0.4
05	8.6	4.6	4.0	0.7	1.2	0.5
06	9.1	4.7	4.5	1.2	1.2	0.4
07	8.1	4.4	3.7	0.5	1.2	0.4
08	9.0	4.6	4.4	1.2	1.2	0.4
09	8.4	4.2	4.2	1.0	1.1	0.4
10	8.0	4.8	3.2	0.8	1.3	0.3
11	8.5	5.1	3.4	1.3	1.4	0.4
12	8.2	5.7	2.5	0.9	1.8	0.3
01.2002	6.8	3.7	3.1	0.4	0.9	0.4
02	6.7	4.0	2.7	0.5	1.0	0.4
03	8.4	4.7	3.7	0.8	1.3	0.5
04	9.3	5.0	4.3	1.1	1.4	0.4
05	8.3	4.6	3.7			
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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	76.5	10.8	80.1
1996	15.6	127.6	193.8	78.5	15.8	84.2
1997	14.7	116.9	147.2	83.8	16.1	88.6
1998	10.3	74.9	285.5	79.7	13.5	67.7
1999	14.1	105.2	404.5	79.7	11.3	54.5
2000	25.3	174.8	374.5	84.3	16.6	87.4
2001	24.3	152.0	284.7	85.4	18.0	100.6
01.2000	1.8	163.8	407.1	88.0	1.7	70.7
02	2.0	178.0	450.0	87.5	1.5	70.7
03	2.0	165.9	406.9	83.4	1.6	77.3
04	1.7	143.0	333.2	84.8	1.2	81.2
05	1.9	174.3	395.5	84.9	1.2	89.9
06	2.4	184.5	415.3	84.1	1.1	84.3
07	2.1	162.5	332.8	78.3	1.2	96.0
08	2.2	179.2	360.0	83.3	1.1	98.0
09	2.4	193.4	379.2	81.6	1.2	93.9
10	2.3	187.5	349.1	82.3	1.4	95.6
11	2.5	205.3	376.2	87.7	1.7	95.6
12	2.0	159.7	289.1	85.4	1.8	96.0
01.2001	2.1	167.0	303.1	89.1	2.1	101.7
02	1.9	164.9	305.9	82.9	1.8	97.4
03	1.9	144.5	274.1	80.7	1.7	108.3
04	2.0	154.8	290.9	82.4	1.6	127.9
05	2.2	174.6	326.6	84.4	1.4	107.0
06	2.4	171.1	310.8	84.1	1.3	104.4
07	2.0	152.7	274.8	85.5	1.1	95.1
08	2.5	159.8	292.8	85.0	1.3	94.9
09	2.2	160.7	306.8	85.4	1.4	91.1
10	2.0	134.0	257.3	89.7	1.2	99.8
11	1.5	121.6	235.3	88.2	1.5	91.4
12	1.6	118.6	237.8	87.3	1.7	88.4
01.2002	1.6	116.7	249.9	81.6	1.6	94.0
02	1.4	116.8	295.3	78.1	1.3	74.0
03	2.3	133.1	348.8	77.3	1.4	78.4
04	2.1	145.7	376.4	78.8	1.4	93.4
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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	111.4	78.3	19.3	82.9	97.4
02	145.2	108.7	138.9	23.7	6.2	41.0
03	166.0	131.4	147.1	25.2	18.9	47.4
04	184.4	146.6	160.2	26.7	24.2	26.8
05	165.4	131.9	149.7	32.5	15.7	32.8
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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	363.8	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	165.4	143.8	169.1	47.6	-3.8	
03	199.1	173.4	178.7	23.8	20.4	3.7
04	239.5	203.7	189.5	8.7	49.9	
05	244.7	213.8	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	255.4	229.7	201.1	9.2	54.4	
12	303.7	260.1	354.2	9.9	-50.5	1.6
01.2002	236.6	171.4	132.2	14.9	104.4	
02	217.2	169.9	210.4	35.6	6.8	
03	255.7	207.9	244.2	29.3	11.5	5.4
04	330.1	270.0	290.1	4.0	40.0	
05	287.1	230.1	245.3	17.8	41.7	
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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	161.9	543.4	1522.9	2105.0
03	683.1	28.0	156.4	552.9	1562.4	2137.7
04	728.0	30.7	141.4	610.3	1621.3	2213.5
05	743.9	33.8	121.2	607.5	1686.0	2288.3
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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	3272.6	581.0	1443.7	1210.2	606.6	577.0
03	3333.2	598.4	1481.0	1244.1	573.1	595.6
04	3410.3	598.5	1520.3	1274.0	595.3	612.5
05		619.6	1557.5		584.3	
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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	1537.1	744.8	82.4	276.4	305.2	655.3
03	1564.1	771.3	80.9	282.2	318.9	666.3
04	1590.3	806.2	84.8	298.9	327.2	687.0
05					338.7	699.0
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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	194.4	23.3		184.2	167.5	38.9
2001	195.5	17.2	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	147.7	26.3		184.2	167.5	38.9
01.2001	162.6	19.6		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	71.8
03	332.9	21.5	798.1	158.7	153.4	75.8
04	370.4	20.4	1005.5	169.1	165.9	77.2
05	399.6	23.9	940.2	176.6	174.0	
06	366.5	18.1	673.3	183.0	179.4	
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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	15.7	4.4	12.6	12.4	13.6
04	23	18.4	4.7	9.7	14.1	15.0
05	23	17.7	4.7	5.2	13.5	22.8
06	23			6.2		6.5
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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	30.806	30.927	26.781	26.712	85.2	36.9
03	31.064	31.119	27.201	27.152	85.0	37.3
04	31.174	31.196	27.596	28.145	84.0	39.2
05	31.255	31.307	28.682	29.325	83.6	42.2
06			29.965	31.079		43.6
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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. Revised back to 1995.

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. 1–2 Revised data for 2000-2002

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

Table 11

Goskomstat.

Small enterprises excluded.

Pre-1998 data include industry, construction, transport and agriculture. From 1998 also communications, trade and catering, wholesale trade, housing, 'other', and since 2000 tourism.

From 2001 including Gazprom.

Col. 1 End of period. Agriculture excluded. Since January 1999 series are recalculated controlling for changes in sample and accounting standards. Data for 1999 and 2000 and December 2001 have been revised.

Col. 2–6 End of period.

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 Goskomstat and RET staff estimates. Trade registered by customs only. Revised data.
Table 14
Col. 1–2, 5–6 Goskomstat and RET staff estimates. Revised data.
Col. 3 Goskomstat. Revised data.
Col. 4 Goskomstat, Energy Information Administration (US), RET staff estimates.
Data for registered trade only. Prices FOB. Revised data.
Table 15, 16
Ministry of Finance, Economic Expert Group, RET staff estimates.
Data do not include final adjustments. The most recent data are liable to revision. Due to transfer payments regional budget figures cannot be calculated as a difference between the consolidated and federal budget figures.
Table 17
EoP.
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 staff.
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.
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. EoP.
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. 1 CBR. EoP.
Col. 2 CBR. Average weighted interest rate for all credits to enterprises with maturity less than one year excluding Sberbank since 1998.
Col. 3 CBR. Average weighted interest rate for all households' deposits with maturity less than one year excluding Sberbank since 1998.
Col. 4 CBR. Average weighted interest rate for all one-day interbank credits at MICEX.
Col. 5 CBR. Average weighted interest rate for all GKOs 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, the US and EU.
Col. 6 CBR.

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