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## 1. Monetary developments

In November, the favourable development of inflation continued (with an annual inflation rate of 5.4%), but was accompanied by a negative trend in the development of the money supply and net domestic assets in the form of a continued increase, which is expected to persist until the end of 1996.

*The stable development of inflation and the unfavourable trend in net domestic assets continued ...*

In response to the positive balance of trade in foreign exchange fixing, the exchange rate of the Slovak crown appreciated by 0.33% in relation to central parity.

*... whilst the value of the Slovak crown appreciated*

### 1.1. Factors affecting the development of the money supply

In November, Slovakia's money supply in terms of M2 (at fixed exchange rates) increased month-on-month by Sk 11.1 billion. In comparison with the stable development in October (an increase of only Sk 0.1 billion), the November growth in M2 represented a marked deterioration, which was also reflected in the increased rate of year-on-year growth (19.0%, compared with 17.8% in October).

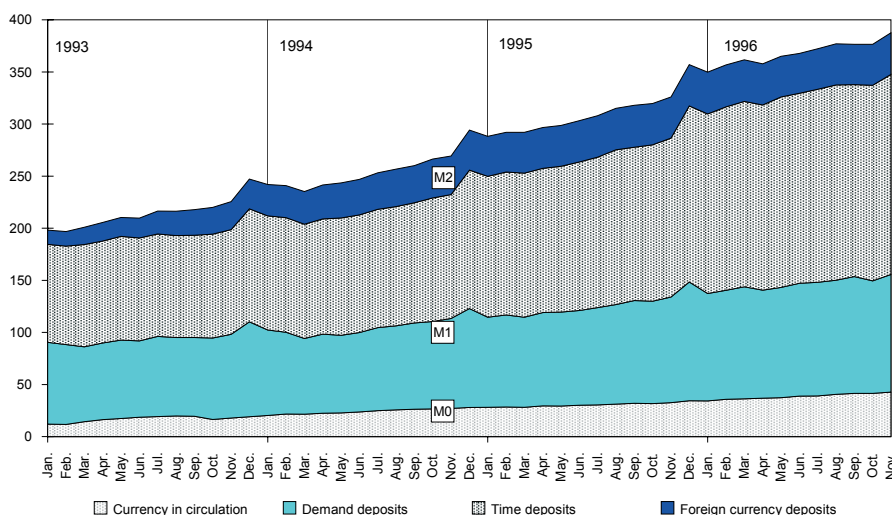
*Money supply continued to increase ...*

As net foreign assets increased by only Sk 0.7 billion (including the reduction in liabilities vis-a-vis the Czech Republic after the settlement of the clearing account balance), the growth in M2 was due exclusively to domestic resources.

*... due primarily to domestic resources*

According to preliminary data, the volume of net foreign assets in the banking sector (at fixed exchange rates, excluding the clearing account balance with the CR) increased month-on-month by Sk 0.8 billion, due to increases in both foreign assets (Sk 3.9 billion) and foreign liabilities (Sk 3.1 billion). Over the course of November, the volume of net foreign assets at commercial banks and the NBS increased by Sk 0.4 billion.

**Development of the M2 monetary aggregate (Sk billions)**



In November, the foreign exchange reserves of the NBS (at fixed exchange rates) increased month-on-month by Sk 0.6 billion, due mainly to the drawing of the second tranche of a Two Step Loan from the EXIM Bank of Japan (Sk 0.7 billion) and the purchase of foreign exchange from commercial banks via foreign exchange fixing. The foreign liabilities of the NBS increased by Sk 0.2 billion.

Foreign assets of commercial banks increased month-on-month by Sk 3.3 billion, while short-term deposits and loans at foreign banks grew by Sk 2.3 billion. Foreign liabilities of commercial banks increased month-on-month by Sk 2.9 billion, while bank loans and deposits expanded. Short-term deposits of foreign banks grew by Sk 1.9 billion, while borrowings from foreign banks increased by Sk 0.5 billion in November.

*As lending in foreign currency was on the decline ...*

Net domestic assets increased in November by Sk 10.4 billion, due primarily to bank lending: the accelerated rate of growth in bank lending (Sk 6.3 billion) was also responsible for the expansion of the money supply. The decline in foreign-currency loans, first recorded in September, continued in November. After nearly two years of growth in foreign-currency loans, the November decline indicates the beginning of a favourable trend (despite the low volumes), which is due probably to the introduction of foreign exchange position at commercial banks for monetary purposes.

*... the expansion of domestic resources was due exclusively to crown loans*

The entire growth in bank lending was realised in the area of crown loans, particularly in lending to households which started to increase during the second half of 1996: in November, the volume of these loans grew by Sk 0.5 billion.

*The deterioration in State budget performance ...*

The current performance of the State budget resulted in a deficit of Sk 13.7 billion, representing an increase of Sk 0.8 billion compared with the size of deficit in October. Budget revenue reached Sk 149.8 billion and expenditure totalled Sk 163.5 billion. The budget deficit was fully covered by the issue and subsequent sale of Treasury bills.

*... did not raise the level of government debt this time*

At the end of November, the net position of the Government vis-a-vis the banking sector reached, according to preliminary data, Sk 59.8 billion, representing a month-on-month increase of roughly Sk 1.0 billion. Of this amount, the NBS covered Sk 15.7 billion and commercial banks an estimated Sk 44.1 billion.

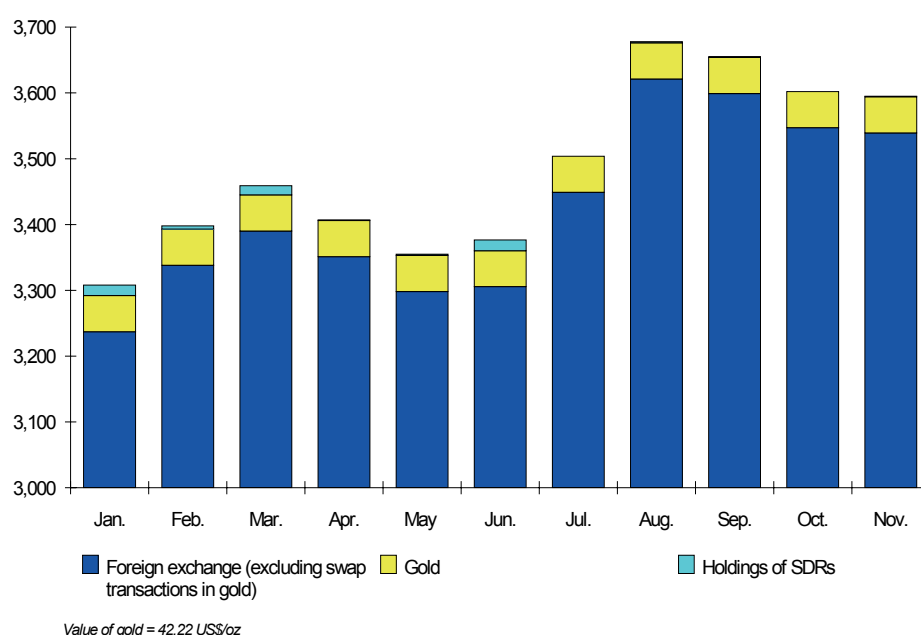
The total decline in partial items initially reduced the credit indebtedness of the Government (by approximately Sk 1.7 billion), but ultimately contributed to a rise in the level of government debt in the end. The sharpest decreases were recorded in the balances of state funds, due partly to the declines in deposits on current accounts and credits drawn by the State Fund for Road Service and the State Fund for Market Regulation.

*Total foreign exchange reserves of the NBS*

At the end of November, the total foreign exchange reserves of the NBS (at the current rate of exchange) stood at US\$ 3,594.6 million, representing a month-on-month decline of US\$ 7.7 million. The total volume of foreign exchange reserves was 3.5 times greater than the average volume of monthly imports of goods and services to Slovakia during the first ten months of 1996.

**Development of NBS foreign exchange reserves**

**(US\$ million)**



## 1.2. Structure of the money supply

After two months of stagnation, the M2 money supply increased in November by Sk 11.1 billion, reaching Sk 387.6 billion at the end of the month. The growth in the money supply was due to month-on-month increases in both the M1 aggregate (Sk 6.2 billion) and quasi-money (Sk 4.9 billion).

*Significant month-on-month increase in the money supply ...*

The rapid month-on-month increase in the money supply accelerated its rate of year-on-year growth, which reached 19.0%. The rate of year-on-year growth in quasi-money (21.0%) exceeded that of the M1 aggregate (16.1%).

*... and an acceleration in the rate of year-on-year growth*

Over the course of November, the volume of currency in circulation outside the banking sector increased by Sk 1.2 billion. The monthly cycle of currency issue maintained its standard course.

Demand deposits increased in November by Sk 5.0 billion. Over the course of the month, the development of demand deposits was characterised by increases in the first two ten-day periods (Sk 1.5 billion and Sk 3.3 billion), followed by a slight decline during the last ten days (Sk 0.4 billion).

*Demand deposits grew at a faster rate ....*

The volume of time deposits increased in November by Sk 4.2 billion, representing one of the highest month-on-month increases since the beginning of the year. Over the course of the month, time deposits recorded a significant increase during the first ten days (Sk 6.1 billion), followed by moderate decreases in the subsequent two ten-day periods (Sk 0.9 billion and Sk 0.1 billion). Deposits in foreign currency increased by Sk 0.7 billion.

*... than time deposits*

Regarding the structure of the money supply, the weight of M1 increased and that of quasi-money decreased in November. In comparison with the beginning of the year and the corresponding period of last year, the current development was reversed.

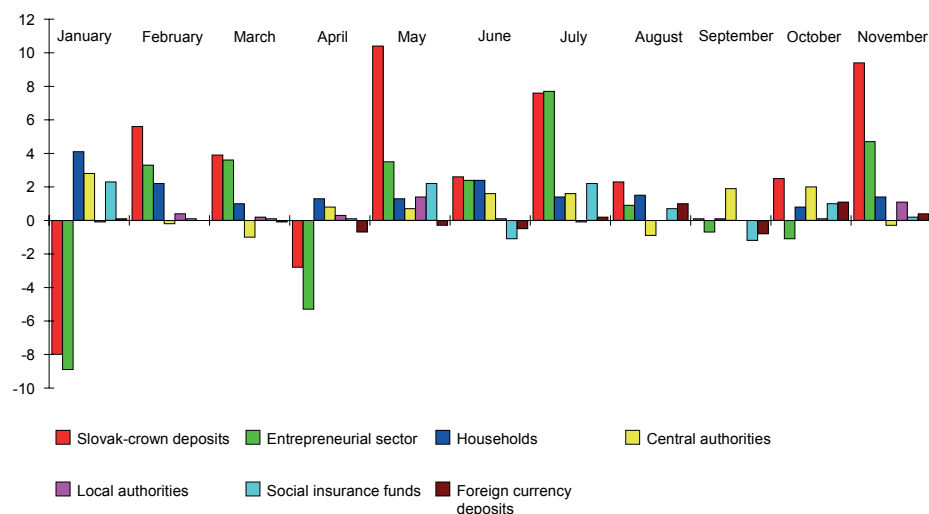
### Structure of the money supply (M2)

(%)

	1.1.1996	31.10.96	30.11.96	30.11.95
<b>Money supply [M2]</b>	100.00	100.00	100.00	100.00
<b>Money [M1]</b>	41.52	39.71	40.18	41.17
Currency outside banks [M0]	9.65	11.05	11.05	10.04
Demand deposits	31.87	28.66	29.14	31.13
<b>Quasi-money [QM]</b>	58.48	60.29	59.82	58.83
Time deposits	47.29	49.88	49.55	46.79
Foreign currency deposits	11.19	10.41	10.27	12.04

Slovak-crown deposits, as a component of the money supply, recorded a significant increase of Sk 9.2 billion in November. The month-on-month increase was due mostly to corporate deposits in Sk (including deposits held by insurance companies), which grew by Sk 7.7 billion. This was the most significant increase in corporate Sk deposits since the beginning of the year. Household deposits increased by Sk 1.5 billion. When compared with the beginning of the year, the volume of crown deposits grew by Sk 22.8 billion (7.8%), due to increases in both household deposits (Sk 17.9 billion) and corporate deposits (Sk 4.1 billion). In November, corporate deposits exceeded their initial level for the first time since the beginning of the year. The rate of year-on-year growth in crown deposits reached 20.1%, while household deposits increased at a faster rate (22.2%) than corporate deposits (17.2%).

*Corporate Sk deposits exceeded their initial level for the first time since the beginning of the year*

**Month-on-month changes in total deposits****(Sk billions)****1.3. Bank lending***Continued growth in Slovak-crown loans ...*

The last two months saw a dynamic growth in bank lending: total bank credit increased month-on-month by Sk 7 billion in November. At the end of the month, the volume of bank loans totalled Sk 369.7 billion; of which, Slovak-crown loans accounted for Sk 329.6 billion and foreign-currency loans Sk 40.1 billion. The volume of crown loans increased by Sk 7.2 billion, while loans in foreign currency suffered a slight decline.

*... particularly in the corporate sector*

The increase in crown loans was predominantly allocated to the entrepreneurial sector (84%), the remaining amount was used for financing the extrabudgetary needs of state and local authorities (9.3%) and for lending to households (6.7%). The dominant part of the increase (60%) was realised by large Slovak banks, 30% by Slovak banks with foreign capital participation, and 10% by the branches of foreign banks.

In November, the month-on-month increase in total bank credit corresponded to the total volume of increases recorded from August to November 1995. Since the beginning of the year, total bank credit has increased by 19%; of which, crown loans accounted for 14.4% and loans in foreign currency 76.6%.

In the same period of last year, the month-on-month increase in crown loans accounted for less than 3% of this year's figure; while loans in foreign currency recorded an increase of Sk 0.5 billion, compared with a decline of Sk 0.2 billion a year later.

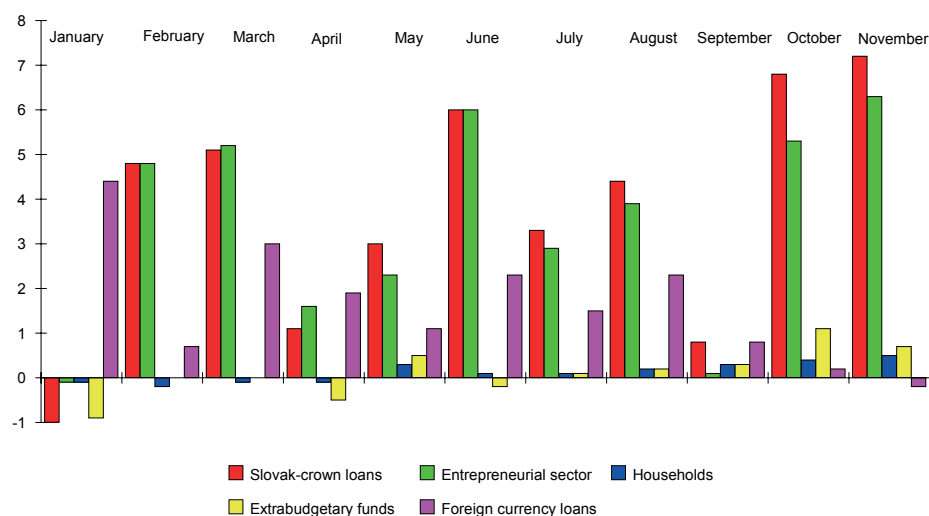
In November, the volume of total bank credit increased year-on-year by 22%; of which, crown loans accounted for 17% and loans in foreign currency 87.4%.

At the end of November, the growth in bank lending was 2.6 times greater than the figure projected for 1996 (7.3%).

Of the total increase in bank loans since the beginning of 1996, loans in foreign currency accounted for 31.2% and Slovak-crown loans 68.8% (a year earlier: foreign-currency loans 20.5% and crown loans 79.5%).

**Month-on-month changes in bank loans**

**(Sk billions)**



**1.4. Interest rate development in October 1996**

In October, the average interest rate on the total volume of loans rose slightly by 0.08 points in comparison with the figure for the previous month. Increases were recorded in average interest rates on short-term loans (0.04 points, to 13.85%) and long-term loans (0.13 points, to 11.63%). The average rate of interest on medium-term loans fell slightly by 0.07 points, to 15.60%. The stable level of interest rates was maintained throughout the second half of 1996, only minor fluctuations were reported due to changes in the structure of loans by purpose with different interest rates.

*The average interest rate on the total volume of loans rose slightly, ...*

The average interest rate on new granted medium-term loans fell by 0.58 points, to 13.33% (these loans accounted for 16.8% of the total volume of new loans). The average rate of interest on short-term loans, which represented 77.2% of the total new granted, remained virtually unchanged (13.55%). The average interest rate on new granted long-term loans rose from 11.75% in September, to 14.44% in October (the lending rates in August and September were relatively low as a result of the fact that some commercial banks provided loans for commercial consolidation at low interest rates, i.e. up to 11.8%).

*... while the average rate on new granted medium-term loans fell significantly*

The average interest rate on the total volume of new granted loans remained unchanged in October.

In October, the average interest rate on crown deposits remained unchanged. Significant changes were recorded in average interest rates on time deposits at up to a 7-day notice (a fall of 0.34 points) and deposits at up to an 18-month notice (a fall of 0.43 points). The average rate of interest on 3-month crown deposits rose by 0.27 points. Interest rates on other Sk time deposits recorded only negligible changes.

*The average interest rate on total Sk deposits stagnated*

As a result of a 0.1% rise in the annual inflation rate, the actual rate of interest on one-year deposits fell slightly to 3.75%.

*The level of actual interest rates fell*

## 2. Implementation of monetary policy

*The monetary base of the NBS  
was stable ...*

In November, the average monetary base increased month-on-month by Sk 0.35 billion, and maintained the level of roughly Sk 87 billion reached after the increase in required reserves in August.

*... despite a fall in autonomous  
factors ...*

During the period under consideration, autonomous factors fell by an average of Sk 2.48 billion, owing to the development of NBS foreign exchange reserves, which declined despite the positive balance of foreign exchange fixing, because the sale of foreign exchange to commercial banks at the end of October (but with a maturity at the beginning of November) considerably influenced the level of foreign exchange reserves at the NBS.

In November, the volume of transactions conducted in foreign exchange fixing reached US\$ 258.2 million, representing an increase of 160.3% compared with the previous month's figure. With regard to the structure of foreign exchange in fixing transactions, the share of the US dollar fell to 42.0 % (US\$ 108.5 million), while the D-mark accounted for 58% (DM 224.7 million) of the total. The number of fixing transactions increased to 39, from 18 in October. The average volume per transaction increased to US\$ 6.6 million. In November, the share of foreign exchange fixing in total interbank market turnover increased to 4%, from 1.7% in October. Trading in foreign exchange fixing began only at the end of the month, and was dominated by purchases of foreign exchange from commercial banks. It resulted in a positive balance of US\$ 16.5 million (US\$ -68.5 million and DM 127.6 million), representing an increase of US\$ 75.9 million, compared with the previous month.

The growing State budget deficit was covered by issues of Treasury bills so that, in respect of the average balances on accounts maintained at the NBS, the current budget performance of the Government resulted in a creditor position vis-a-vis the central bank in the amount of Sk 2.23 billion, which corresponded to the figure for the previous month. As the influence of the government sector was neutral concerning the autonomous factors, the level of liquidity in the banking sector was influenced exclusively by net foreign assets held by the NBS.

*... and increase in monetary-  
policy factors*

In November, monetary-policy factors increased by Sk 2.83 billion, compensating the banking sector for the funds that had been drawn by autonomous factors. The reserves of commercial banks were spurred by bills of exchange deals, which increased month-on-month by Sk 0.36 billion, and by the refinancing of commercial banks through short- and long-term government securities. On 30 November 1996, the NBS held in its portfolio bills exchanged for the support of agriculture in the amount of Sk 1,400.6 million, representing 93.4% of the bills-of-exchange limit; and bills exchanged for export promotion in the amount of Sk 148.3 million, accounting for 19.8% of the limit.

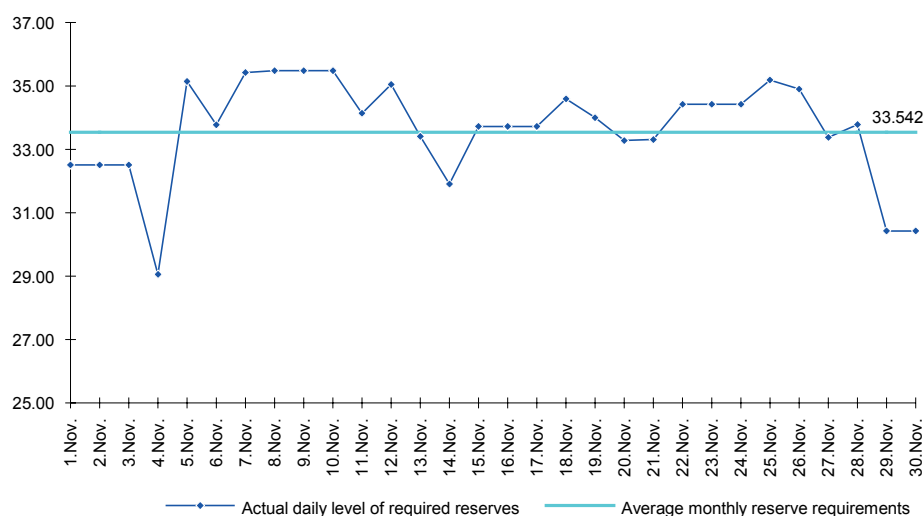
Apart from the influence of monetary-policy factors, commercial banks obtained additional funds by not renewing the issues of NBS bills. The liquidity added via the sources of the monetary base was absorbed by a growth in the volume of currency (Sk 0.43 billion) and an increase in required reserves (Sk 0.2 billion).

In November, the level of required reserves in the banking sector was set at Sk 33.542 billion. The reserve requirements were fulfilled to 100.49% at 15 November 1996, while excess reserves reached an average of Sk 165.74 million; and fell to 100.17% at 30 November 1996, with average excess reserves at a level of Sk 57.74 million.



**Fulfilment of reserve requirements**

(Sk billions)



**3. Inflation**

In November, consumer prices increased by 0.4%, compared with the previous month's figures. The price level has risen by 5.1% since the beginning of the year, and by 5.4% when compared with the same period of last year.

*Consumer prices rose by 0.4% month-on-month*

The rise in the general price level was due mainly to the prices of non-food products and public catering (a month-on-month increase of 0.5%). In the category of non-food products, the most significant increases were recorded in the prices of fuels, transport accessories, and sports equipment, due mainly to a rise in the maximum price of diesel oil and petrol in November. The price level of services rose by 0.3%. In the category of services, the most rapid increases were recorded in the prices of education, culture, entertainment, and sports.

*Increases in all categories of consumer prices*

After a marked seasonal increase recorded during the previous two months, the rate of increase in food prices slowed in November. The level of food prices rose by 0.2%. The most rapid increases were recorded in the prices of eggs and egg products, flour, bakery, and pastry products. The price of potatoes, some vegetables, and fruit also dropped in November. When measured against last November, the lowest increase was recorded in food prices (3.3%) of all categories of consumer goods under consideration (non-food products: 6.5%, public catering: 5.8%, services: 5.3%).

*Moderate rise in food prices*

**4. Money market**

In November, 10,510 Treasury bills were issued and placed on the market for short-term securities in the total amount of Sk 9.93 billion. As this amount did not suffice (owing to the redemption of Treasury bills worth Sk 13.012 billion) to fully cover the current State budget deficit, the National Bank of Slovakia covered the given difference by Treasury bills sold on the primary market through five extraordinary issues. After these sales, the central bank provided a daily average of Sk 2.84 billion for the financing of the State budget. In November, the Ministry of Finance of the SR (MF SR) continued to make regular (weekly) issues of 9-month Treasury bills designed to cover the 1996 State budget deficit until the account stated is approved. The book value of these issues totalled Sk 10.7 billion at the end of November. Interest rates on the primary market showed an upward trend, due to the surplus of supply (MF SR) over demand (commercial banks). For this reason, the National Bank of Slovakia did not issue Central Bank bills (NBS bills). In November, NBS bills were redeemed in the total amount of Sk 2.1 billion.

*Treasury bills market*

The average daily volume of short-term securities in the portfolios of commercial bank amounted to Sk 15.25 billion (Treasury bills: Sk 10.9 billion; NBS bills: Sk 4.35 billion), representing a decline of Sk 4.25 billion compared with the previous month's figure. The average daily portfolio of Treasury bills fell by Sk 3.9 billion and that of NBS bills by Sk 0.35 billion.

*REPO operations*

To ensure the stability of the banking sector, the NBS conducted individual REPO operations on the secondary market with a maturity of up to 7 days, mostly in the form of REPO deals for refinancing purposes. The total volume of REPO operations for refinancing reached Sk 55.24 billion, i.e. almost four times more than in the previous month. The volume of REPO deals for sterilisation purposes, which were conducted on the last days of the month in connection with the 'filling of required reserves', amounted to Sk 9.8 billion (31% more than in the previous month). With the effect from 7 November 1996, the Central Bank raised the refinancing REPO rate from 9.0% to 9.7%, while the sterilisation REPO rate remained unchanged (7.2%) during the entire period under consideration.

*Development of BRIBOR rates*

The low liquidity of the banking sector was reflected in the interbank deposit market, where the interest rates were raised on all types of deposits. Consequently, interest rates exceeded the level of 15% p.a. in November. The average rate of interest on one-month deposits rose by 1.39%, to 14.47%. The average interest rate on three-month deposits reached 14.38%, representing a month-on-month increase of 1.26%, and the average rate on six-month deposits was 14.30%, i.e. 1.17% more than a month earlier.

**Slovak Share Index - SAX**

(%)



**5. Capital market**

*Primary market*

In November, four issues of publicly negotiable non-government bonds were floated, in the total amount of Sk 2,200 million.

*Secondary market*

In November, the volume of trading on the Bratislava Stock Exchange (BCPB) reached Sk 8,785 million, due mostly to direct transactions in shares. The volume of anonymous transactions increased month-on-month by 20.84%, exceeding the level of Sk 1,000 million. Most trading took place in listed bonds. The volume of direct transactions fell by more than Sk 2,000 million, compared with the figure for October.

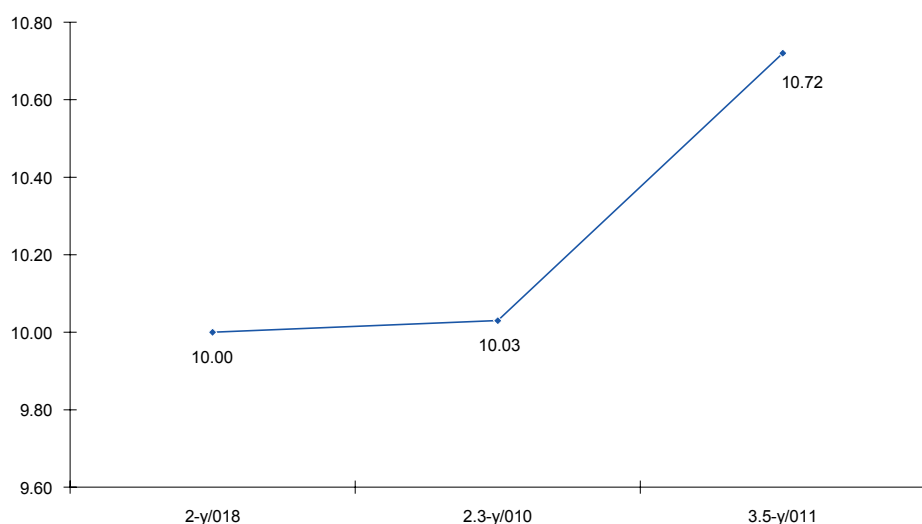
In November, the Slovak Share Index (SAX) fell sharply, below the level of 200 points. The downward trend began in August, but the rate of decline accelerated in November. The majority of companies included in the SAX index recorded decreases exceeding 10% in share prices. The forecast for the course of SAX until the end of 1996 is not very favourable: with regard to the development of shares prices on the BCPB floor, the SAX index is expected to decline further, to the level of 150 points.

The volume of trading in bonds reached Sk 1,669 million, representing 19% of the total volume of transactions. On the listed bond market, most trading took place in government bonds of Issue No. 013 (Sk 471 million), Issue No. 011 (Sk 350 million), and VÚB bonds V (Sk 266 million).

Bonds

The volume of trading in unlisted bonds totalled Sk 1,973 million, representing 22% of the total turnover. The largest volumes were traded in ČSOB 1999 bonds (Sk 1,468 million), Slovakofarma 2 bonds (Sk 172 million), and Sporofin 2001 bonds (Sk 103 million).

**Average yield from primary trade in government bonds at 30 November 1996 (%)**



In November, trading in listed shares was slightly more active than a month earlier. In spite of this, all companies recorded a marked downward trend in average share prices. The volume of transactions in listed shares reached Sk 2,306 million, representing 26% of the total volume of trading. With regard to listed shares, most trading took place in Nafta Gbely shares (Sk 711 million), VÚB shares (Sk 641 million), and VÚB Kupón shares (Sk 201 million).

Shares

The volume of transactions in unlisted shares reached Sk 2,836 million, representing 32% of the total volume of trading. Most trading took place in Slovenské lodenice shares (Sk 262 million), Považské strojárne shares (Sk 106 million), and Bučina shares (Sk 92 million).

Regarding the structure of bond- and shareholders registered at the Securities Centre, the number of shares held by non-residents decreased month-on-month by 0.19%, whereas the number of bonds increased by 25%. The number of shares held by banks increased significantly by 6.6% compared with the previous month's figure. The total number of securities recorded only a negligible month-on-month increase of 0.88%.

## 6. Interbank foreign exchange market

*Transactions among Slovak banks*

In November, the volume of trading among Slovak banks increased month-on-month from US\$ 5,751.8 million, to US\$ 6,266.25 million (the highest figure that has ever been recorded), representing 96% of the total interbank foreign exchange market. The number of contracts also increased to 2,653, from 2,416 in October. The average amount per contract remained virtually unchanged (US\$ 2.36 million). The currency structure of transactions changed only slightly in November. Most trading was concluded in US\$ (60.4%, compared with 58% in October), followed by DM (34.5%, compared with 37% in October), and other European currencies (5.1%, compared with 4.9% a month earlier).

*Transactions between Slovak and foreign banks*

The volume of transactions concluded between Slovak and foreign banks continued to increase in November from US\$ 1,087.45 million to US\$ 2,049.4 million, representing almost 24% of the total volume traded on Slovakia's foreign exchange market. In these transactions, Slovak banks reached a balance of US\$ -12.1 million, compared with US\$ -58.95 million a month earlier. Speculative transactions aimed at profiting from interest-rate differentials between the Slovak crown and fully convertible currencies were not recorded in the course of November.

## 7. Balance of payments for January to October 1996

*The deficit in the balance of payments current account continued to grow*

The development of Slovakia's foreign trade during the first ten months of 1996 was characterised by a further increase in the current account deficit of the balance of payments. After the September deficit of Sk 2.0 billion, representing the second lowest deficit recorded in 1996, the month-on-month increase in imports (19.2%) again exceeded the growth of exports (7.0%) in October, which increased the negative balance of the current account by Sk 5.5 billion. The inflow of funds into the capital account continued: at the end of October, the volume of capital inflows exceeded that of outflows by Sk 38.4 billion. The slowdown in the inflow of long-term funds into the corporate sector and the fall in the volume of short-term liabilities in the banking sector resulted in a further decline in deposits held by commercial banks abroad, which reached Sk 19.9 billion (US\$ 638 million) during the period January to October.

During the first ten months of 1996, Slovakia's balance of payments on the current account vis-a-vis other countries resulted in a deficit of Sk 35.8 billion, i.e. US\$ 1.2 billion. The achieved result was greatly influenced by the increasing trade balance deficit, which reached Sk 42.5 billion (US\$ 1.4 billion) at the end of October.

*Increase in the turnover of foreign trade*

Slovakia's foreign trade turnover increased year-on-year by 16%, while exports grew by 6.1% and imports by 25.7%. With regard to the structure of trade by country, imports increased in nearly all territorial groupings. The sharpest year-on-year decline was recorded in trade with the Czech Republic (Sk 4.8 billion). The share of the CR in Slovakia's foreign trade turnover fell from 35.4% to 31.2% in exports, and from 28.1% to 25.5% in imports. With regard to the commodity structure of imports, the largest increase was again recorded in the import of motor vehicles, which increased year-on-year by Sk 14.2 billion, representing 26% of the total increase of imports. The imports of machines, tools, electrical equipment, optical, measuring, and medical instruments increased by Sk 13.8 billion, i.e. 25.3% of the year-on-year growth in imports. A significant increase was recorded in the imports of fuels (Sk 7.8 billion), mainly natural gas (Sk 2.4 billion) and crude oil (Sk 3.2 billion). The growth in oil imports was due to a rise in oil prices on the world market.

The volume of exports increased as a result of growth in the export of motor vehicles (Sk 7.4 billion), aluminium and aluminium products (Sk 4.7 billion). These commodities were standard export items in 1996, and accounted for 90% of the year-on-year growth in exports. In October, the exports of iron and steel further increased on a month-on-month basis. The development of iron and steel exports

in the individual months indicate that Slovakia's export trade is greatly dependent on these commodities, which represent more than 14% of the total volume of exports.

In October, as in the previous month (despite the end of the summer season), there was an increased demand for the drawing of foreign exchange within the limit for personal travel, which resulted in an equal balance in this mostly surplus item. As a result of this development, along with the growing deficit in other services which was almost fully covered by revenues from transport, the services balance increased in October only by Sk 52 million and its value remained at the level of Sk 2.5 billion.

The capital and financial account generated a surplus of Sk 38.4 billion, i.e. US\$ 1.3 billion. In October, the net inflow of capital increased by Sk 2.5 billion, worsening the structure between long-term and short-term capital. The volume of long-term capital fell in October by Sk 0.7 billion, whereas that of short-term capital increased by Sk 3.2 billion.

*Surplus in the capital and financial account*

In ten months, the volume of foreign capital invested in companies and banks operating in the SR increased by Sk 3.6 billion; of this amount, the October growth accounted for only Sk 0.2 billion. During the other months, however, the capital participation of Slovak companies abroad increased: in October by Sk 0.5 billion, and since the beginning of the year by Sk 1.0 billion.

In October, the long-term assets of the Government increased further by almost Sk 1.0 billion. This amount was repaid by the CR within the settlement of the credit limit in the form of goods and services, mainly for the nuclear power plant at Mochovce.

In the government sector, the balance was influenced mainly by the payment of principal on loans from the IMF in the amount of Sk 3.8 billion and that of loans within the CDZ (Central Forex Resources) block in the amount of Sk 3.6 billion.

In the form of short-term capital, the SR received foreign exchange funds during the ten months under consideration in the amount of Sk 23.5 billion, representing more than 60% of the total net capital inflow. The development of short-term capital was determined by the movement of short-term capital at commercial banks. Commercial banks continued to reduce their deposits abroad. During the ten months, the deposits of commercial bank fell by Sk 19.5 billion, i.e. US\$ 619 million (of this amount, loans to foreign countries accounted for Sk 1.2 billion, and securities purchased by commercial banks Sk 1.3 billion). Apart from the need to cover the current account deficit, the October decline (Sk 3.2 billion) was due to the resale of Slovak crowns by foreign banks in the amount of Sk 1.8 billion.



## **Appendices**





## Monetary survey

(Sk billion)

	1995		1996										
	30.11.	31.12.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.*
Fixed exchange rate SKK / USD	31.277	31.277	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569	29.569
Fixed exchange rate SKK / DEM	20.06	20.06	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646	20.646
<b>ASSETS</b>													
Net foreign assets	55.8	61.6	63.6	65.9	64.7	63.3	62.3	57.2	57.4	59.8	59.2	55.1	55.8
Foreign assets	142.7	150.6	149.9	150.7	151.2	149.8	148.6	144.6	145.9	151.1	150.6	144.4	148.2
Foreign liabilities	86.9	89.0	86.3	84.8	86.5	86.5	86.3	87.4	88.5	91.3	91.4	89.3	92.4
Net domestic assets	269.9	295.4	286.4	291.0	297.1	294.7	302.7	310.6	314.6	316.7	317.2	321.4	331.8
Domestic credit	388.3	396.8	392.3	400.2	407.8	409.3	409.3	419.6	420.8	428.5	431.1	436.0	442.9
- Net credit to Government	88.9	92.0	83.3	87.8	86.4	84.7	80.2	82.6	80.0	81.9	83.6	83.3	84.1
- Net credit to FNM <sup>1/</sup>	0.3	-2.3	-1.7	-2.4	-1.9	-2.1	-1.0	-1.4	-2.5	-2.3	-2.8	-3.1	-3.3
Credit to households and enterprises	299.1	307.1	310.7	314.8	323.3	326.7	330.1	338.4	343.3	348.9	350.3	355.8	362.1
- Credit in SKK	277.2	283.8	283.8	288.3	293.4	294.9	297.6	303.8	307.0	311.1	311.7	317.5	323.9
- Credit to enterprises	262.7	268.5	268.6	273.3	278.5	280.1	282.7	288.8	291.9	295.8	296.1	301.5	307.4
- Credit to households	14.5	15.3	15.2	15.0	14.9	14.8	14.9	15.0	15.1	15.3	15.6	16.0	16.5
- Credit in foreign currency	21.9	23.3	26.9	26.5	29.9	31.8	32.5	34.6	36.3	37.8	38.6	38.3	38.2
<b>LIABILITIES</b>													
Liquid liabilities [M2]	325.7	357.0	350.0	356.9	361.8	358.0	365.0	367.8	372.0	376.5	376.4	376.5	387.6
Money [M1]	134.1	148.4	137.4	140.5	143.8	140.6	143.2	147.2	147.8	150.2	153.7	149.5	155.7
Currency outside banks [M0]	32.7	34.5	34.3	35.9	36.3	36.9	37.4	39.0	39.1	40.6	41.6	41.6	42.8
Demand deposits	101.4	113.9	103.1	104.6	107.5	103.7	105.8	108.2	108.7	109.6	112.1	107.9	112.9
- Households	35.5	37.4	38.7	39.4	39.7	40.6	41.1	42.3	43.0	43.8	43.7	43.6	
- Enterprises	64.6	75.0	62.8	63.0	65.8	61.5	63.0	64.1	64.5	64.6	67.0	63.2	
- Insurance companies	1.3	1.5	1.6	2.2	2.0	1.6	1.7	1.8	1.2	1.2	1.4	1.1	
Quasi-money [QM]	191.6	208.6	212.6	216.4	218.0	217.4	221.8	220.6	224.2	226.3	222.7	227.0	231.9
Time and savings deposits	152.4	169.1	172.4	176.1	177.9	177.7	182.8	182.3	185.7	187.3	184.1	187.8	192.0
- Households	112.6	125.7	128.4	129.9	130.6	131.0	132.3	133.5	134.2	134.9	135.1	135.9	
- Enterprises	23.8	27.7	28.1	29.8	29.9	29.9	33.2	31.2	34.0	34.5	31.4	34.4	
- Insurance companies	16.0	15.7	15.9	16.4	17.4	16.8	17.3	17.6	17.5	17.9	17.6	17.5	
Foreign currency deposits	39.2	39.5	40.2	40.3	40.1	39.7	39.0	38.3	38.5	39.0	38.6	39.2	39.9
- Households	34.7	35.2	35.3	35.0	34.5	34.2	33.9	33.7	33.5	33.6	33.9	34.1	
- Enterprises	4.5	4.3	4.9	5.3	5.6	5.5	5.1	4.6	5.0	5.4	4.7	5.1	
Other items net	118.4	101.4	105.9	109.2	110.7	114.6	106.6	109.0	106.2	111.8	113.9	114.6	111.1

1/ FNM - National Property Fund

\*/ Preliminary data

**Balance of Payments for January to October 1996**

	Consolidated balance	
	in SKK million	in USD million
<b>Trade balance</b>	-42,523.0	-1,392.6
Export (fob)	224,137.0	7,340.1
Import (fob)	266,660.0	8,732.6
<b>Service balance</b>	2,457.0	80.5
<b>Receipts</b>	51,349.0	1,681.6
Transportation	16,305.0	534.0
Travel	17,723.0	580.4
Other services	17,321.0	567.2
<b>Expenditures</b>	48,892.0	1,601.1
Transportation	9,772.0	320.0
Travel	12,083.0	395.7
Other services	27,037.0	885.4
<b>Income balance</b>	-490.0	-16.0
<b>Interest</b>	-418.0	-13.7
Income	5,321.0	174.3
Payments	5,739.0	187.9
<b>Investment</b>	-145.0	-4.7
Income	339.0	11.1
Payments	484.0	15.9
<b>Compensation of employees</b>	73.0	2.4
Income	309.0	10.1
Payments	236.0	7.7
<b>Current transfers</b>	4,703.0	154.0
<b>Official</b>	78.0	2.6
<b>Private</b>	4,625.0	151.5
<b>Current account</b>	-35,853.0	-1,174.1
<b>Capital transfers</b>	909.0	29.8
<b>Net medium- and long-term account</b>	14,985.1	465.4
<b>Direct investment</b>	2,673.0	81.5
<b>Portfolio investment</b>	1,000.1	40.9
MLT Credits received	4,573.9	122.5
MLT Credits extended	6,738.1	220.5
<b>Net short-term financial account</b>	22,529.0	757.2
<b>Total capital and financial account</b>	38,423.1	1,252.4
<b>Errors and omissions</b>	6,821.5	227.4
<b>Overall balance</b>	9,391.6	305.7
<b>Change in reserves (-,inc)</b>	-9,391.6	-305.7
<b>Gold</b>	-1,781.0	-57.5
<b>Holding of SDR</b>	1,699.6	56.8
<b>Foreign exchange assets</b>	-9,310.2	-305.0

Exchange rate applied: USD = SKK 30.536

## Money Supply M2

(Sk billion)

	1.1.1996	31.10.1996	30.11.1996*	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	30.11.1995	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	357.4	376.5	387.6	11.1	2.9	30.2	8.4	325.7	61.9	19.0
Money [M1]	148.4	149.5	155.7	6.2	4.1	7.3	4.9	134.1	21.6	16.1
Currency outside banks [M0]	34.5	41.6	42.8	1.2	2.9	8.3	24.1	32.7	10.1	30.9
Demand deposits	113.9	107.9	112.9	5.0	4.6	-1.0	-0.9	101.4	11.5	11.3
Quasi-money [QM]	209.0	227.0	231.9	4.9	2.2	22.9	11.0	191.6	40.3	21.0
Time deposits	169.0	187.8	192.0	4.2	2.2	23.0	13.6	152.4	39.6	26.0
Foreign currency deposits	40.0	39.2	39.9	0.7	1.8	-0.1	-0.3	39.2	0.7	1.8

Crown deposits	282.9	295.7	304.9	9.2	3.1	22.0	7.8	253.8	51.1	20.1
- Households	163.1	179.5	181.0	1.5	0.8	17.9	11.0	148.1	32.9	22.2
- Enterprises (incl.insurance)	119.8	116.2	123.9	7.7	6.6	4.1	3.4	105.7	18.2	17.2

\* / Preliminary data

**Development of Deposits**

(Sk billion)

	31.10.1996	30.11.1996 <sup>2/</sup>	Change
<b>Deposits in Sk and foreign currency</b>	380.8	390.6	9.8
- <b>Deposits in Slovak crowns</b>	338.9	348.3	9.4
of which			
- Enterprise sector	113.8	118.5	4.7
- Households	179.6	181.0	1.4
- Central authorities	21.2	20.9	-0.3
- Local authorities	5.0	6.1	1.1
- Social insurance funds	17.0	17.2	0.2
- Other <sup>3/</sup>	2.3	4.6	2.3
- <b>Deposits in foreign currency</b> <sup>1/</sup>	41.9	42.3	0.4

1/ In convertible currencies (residents and non-residents)

2/ Preliminary data

3/ Nonresidents, unincorporated and non-profit organisations

**Development of Loans**

(Sk billion)

	31.10.1996	30.11.1996 <sup>2/</sup>	Change
<b>Loans in Sk and foreign currency</b>	362.7	369.7	7.0
- <b>Loans in Slovak crowns</b>	322.4	329.6	7.2
of which			
- Enterprise sector	299.5	305.8	6.3
- Households	16.0	16.5	0.5
- Loans to central and local authorities for extrabudgetary needs	5.0	5.7	0.7
- Other <sup>3/</sup>	1.9	1.6	-0.3
- <b>Loans in foreign currency</b> <sup>1/</sup>	40.3	40.1	-0.2

1/ In convertible currencies (residents and non-residents)

2/ Preliminary data

3/ Nonresidents, unincorporated and non-profit organisations

**Average Lending Rates of Commercial Banks**

(%)

	1994	1995	1996									
	12	12	1	2	3	4	5	6	7	8	9	10
1. TOTAL VOLUME OF LOANS <sup>3/</sup>	14.39	14.78	14.84	14.43	14.20	14.27	13.95	13.43	13.23	13.25	13.28	13.36
A) Loans by sector												
of which												
a) Enterprise sector												
- Public sector	15.18	15.52	15.04	14.64	14.22	14.77	14.64	13.44	12.81	12.79	12.93	13.23
- Private sector (incl. cooperatives)	14.82	15.59	15.71	15.20	15.01	14.87	14.41	14.08	13.98	14.01	13.99	13.94
b) Households	4.29	5.06	5.67	5.59	5.66	5.50	5.58	5.65	5.79	5.94	6.06	6.35
B) Loans by term												
of which												
- Short-term	16.51	16.17	16.27	15.45	14.96	14.76	14.05	13.60	13.66	13.76	13.81	13.86
- Medium-term	17.63	17.77	17.73	17.18	17.01	16.76	16.46	15.98	15.75	15.73	15.67	15.60
- Long-term	11.30	12.12	12.29	12.18	12.14	12.57	12.53	12.01	11.56	11.50	11.50	11.63
2. NEW LOANS IN TOTAL	19.09	14.04	13.42	13.88	13.54	12.80	12.95	12.58	13.23	13.06	13.56	13.57
A) Loans by sector												
of which												
a) Enterprise sector												
- Public sector	19.82	14.23	13.03	13.92	13.72	13.29	13.99	13.04	12.99	13.01	13.14	12.81
- Private sector (incl. cooperatives)	19.20	14.89	14.86	14.94	14.59	14.01	13.58	12.42	13.40	13.52	13.83	13.91
b) Households	18.35	15.44	14.26	15.20	14.52	11.56	10.83	10.66	10.54	10.57	10.57	11.18
B) Loans by term												
of which												
- Short-term	19.37	13.68	13.15	13.31	13.18	12.56	12.77	12.36	13.47	13.40	13.57	13.55
- Medium-term	19.18	16.17	15.25	16.26	15.53	14.15	13.80	13.32	13.21	13.89	14.25	13.33
- Long-term	16.11	14.37	14.03	15.00	14.56	13.54	13.94	14.03	12.16	8.72	11.75	14.44
C) Average rates up to 3% <sup>1/</sup>	1.00	0.57	1.25	0.04	0.46	0.37	0.09	0.06	0.19	1.88	1.96	2.21
a) Loans by term												
of which												
- Short-term	0.99	0.52	1.00	0.00	0.00	-	0.01	-	-	0.01	-	2.00
- Medium-term	0.19	0.08	1.89	0.28	0.13	0.97	0.28	1.50	1.16	1.00	1.50	1.67
- Long-term	1.10	1.05	1.78	1.00	2.53	0.87	0.41	1.28	2.03	2.99	2.05	2.35
D) Average rates above 3% <sup>2/</sup>	19.55	14.55	13.54	13.96	13.70	12.90	13.12	12.90	13.34	13.87	13.56	13.58
a) Loans by term												
of which												
- Short-term	19.68	14.09	13.25	13.40	13.34	12.63	12.93	12.73	13.63	13.83	13.57	13.55
- Medium-term	19.39	16.75	15.33	16.29	15.58	14.17	13.86	13.34	13.23	13.91	14.26	13.34
- Long-term	18.31	15.99	14.68	15.03	15.07	14.28	14.87	14.29	12.21	14.48	11.84	14.61

1/ Long term loans from previous years (granted for housing projects, construction of nuclear power plants, family houses, house purchases, furniture, etc.)

2/ Interest rates updated with regard to changes in the discount rate and / or base rate - deviations

3/ In 1993 and 1994: rate of interest on the total volume of loans including loans at zero interest rate  
In 1995 and 1996: rate of interest total volume of loans excluding loans at zero interest rate

**Interest Rates on Crown Deposits and Change in Volume of Crown Deposits**

(%)

		1995			1996									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Total deposits	a	8.80	8.20	8.23	7.52	7.24	6.59	6.49	6.48	6.54	6.58	6.75	6.70	6.70
	b	4.60	5.30	29.40	-5.90	6.10	4.10	-3.00	10.40	1.00	7.80	2.40	-0.60	0.10
of which														
Demand deposits	a	3.34	3.29	3.40	3.07	3.11	3.13	3.08	3.00	3.06	3.01	2.96	2.97	2.96
	b	1.30	3.30	12.80	-13.40	2.20	2.90	-2.70	3.00	-0.80	5.60	-2.40	2.50	-4.10
Time deposits	a	12.60	11.20	10.98	10.33	9.49	8.95	8.82	8.78	8.62	8.85	9.05	9.10	9.02
	b	3.30	2.00	16.60	7.50	4.00	1.20	-0.30	7.40	0.20	2.20	4.80	-3.10	4.20
- 7-day deposits	a	6.20	6.69	6.29	6.66	7.42	6.92	7.91	8.44	10.63	9.69	9.45	10.22	9.88
	b	-0.20	-0.10	3.20	-1.70	0.10	-0.70	-0.10	1.10	1.90	-2.70	2.60	-0.90	1.30
- 1-month deposits	a	6.86	6.65	6.30	6.34	6.42	6.34	6.09	5.81	6.08	7.47	8.55	8.64	8.61
	b	0.20	1.10	3.00	0.10	-0.20	1.50	-0.50	2.00	-0.30	4.60	0.20	-2.60	1.80
- 3-month deposits	a	8.80	8.78	8.59	7.36	7.09	6.94	7.06	7.05	6.95	7.56	7.68	7.63	7.90
	b	0.80	-0.70	-0.40	2.50	1.10	0.80	0.10	1.00	-1.80	0.60	0.50	-1.30	0.30
- 6-month deposits	a	8.98	8.96	9.90	8.69	8.69	8.20	8.13	8.09	8.02	7.93	8.20	8.40	8.44
	b	0.00	-0.30	-1.30	4.50	0.10	-0.70	0.00	0.00	-0.10	-0.60	2.00	1.70	0.20
- 9-month deposits	a	5.03	4.34	10.29	9.36	9.46	9.63	9.26	9.30	9.57	9.55	9.77	9.99	9.93
	b	-0.10	-0.30	-2.00	0.20	-0.30	0.30	0.00	0.50	0.00	0.30	-0.20	0.00	-0.50
- 12-month deposits	a	13.31	11.54	11.46	11.33	10.80	9.41	9.24	9.08	9.08	9.03	9.11	9.07	9.05
	b	1.10	0.80	5.50	0.30	1.90	0.40	-1.50	1.60	0.00	0.30	0.10	-0.70	0.00
- 18-month deposits	a	13.74	13.48	13.02	12.75	12.30	12.89	12.37	12.67	11.65	10.94	11.03	11.19	10.76
	b	0.00	0.00	0.40	0.20	0.20	-0.10	-0.20	-0.40	0.20	-1.50	-0.20	-0.10	-0.20
- 2-year deposits	a	15.72	12.62	12.53	12.15	11.27	9.63	9.60	9.61	9.58	9.52	9.53	9.52	9.56
	b	0.40	0.40	4.80	0.40	0.60	0.00	0.40	0.70	-1.00	0.00	-0.60	0.00	0.20
- 3-year deposits	a	14.44	14.35	14.26	13.16	13.58	13.32	13.10	13.07	13.07	13.06	13.06	13.02	12.94
	b	0.10	0.00	0.00	0.20	0.20	0.00	0.60	0.00	0.00	2.10	0.00	-0.10	0.00
- 4-year deposits	a	14.98	14.97	14.78	12.96	13.98	13.91	13.08	13.00	12.80	12.78	12.98	12.98	12.97
	b	0.70	0.30	0.70	-7.20	-0.30	0.00	0.10	0.20	-0.40	-0.60	0.00	0.00	0.10
- 5-year deposits	a	18.67	18.65	18.91	14.74	13.77	13.67	13.76	13.51	13.27	13.28	13.20	13.13	13.09
	b	0.10	0.00	-0.10	6.00	-0.10	-0.80	0.40	0.00	1.40	0.10	0.00	0.10	0.20
- above 5 year	a	3.74	3.70	3.07	5.28	5.80	5.79	5.72	5.63	5.54	5.51	5.33	5.31	5.23
	b	0.40	0.80	2.90	1.70	0.70	0.60	0.40	0.80	0.30	0.10	0.30	0.50	0.50

a - average deposit rate (%)

b - change in volume (\$k billion)

**Basic Characteristics of Slovakia's Foreign Exchange Market in November 1996**

	USD			DEM			Other currencies			Total	
	Turnover		Number of transactions	Turnover		Number of transactions	Turnover		Number of transactions	Turnover (USD million)	Number of transactions
	(USD million)	(%)		(USD million)	(%)		(USD million)	(%)			
Foreign exchange fixing	108.5	42.0	15	149.7	58.0	24				258.2	39
Transactions among Slovak banks without participation of foreign banks	3,782.6	60.4	1,252	2,163.1	34.5	1,150	320.6	5.1	251	6,266.3	2,653
Interbank foreign exchange market fixing + transactions between Slovak banks.	3,891.1	59.6	1,267	2,312.8	35.4	1,174	320.6	4.9	251	6,524.5	2,692
Transactions between Slovak and foreign banks	1,093.3	53.3	269	786.3	38.4	344	169.8	8.3	89	2,049.4	702
Foreign exchange market in the SR - total	4,984.3	58.1	1,536	3,099.1	36.1	1,518	490.4	5.7	340	8,573.8	3,394

**Average Monthly Exchange Rates of SKK**

midpoint rate	1995		1996										
	11	12	1	2	3	4	5	6	7	8	9	10	11
FRF	6.030	5.981	5.988	5.943	5.949	5.958	5.959	5.992	6.028	6.006	5.998	6.030	6.060
1,000 ITL	18.473	18.621	18.880	19.040	19.262	19.409	19.844	20.119	20.127	20.018	20.216	20.442	20.458
100 JPY	28.914	29.202	28.347	28.335	28.445	28.304	29.108	28.536	28.124	28.192	28.006	27.790	27.591
CAD	21.768	21.693	21.886	21.791	22.034	22.372	22.582	22.718	22.458	22.121	22.422	23.056	23.133
NLG	18.574	18.412	18.302	18.253	18.200	18.090	18.038	18.136	18.187	18.269	18.227	18.179	18.278
ATS	2.956	2.930	2.914	2.906	2.897	2.876	2.866	2.887	2.901	2.913	2.904	2.899	2.914
DEM	20.803	20.615	20.496	20.439	20.371	20.228	20.167	20.312	20.411	20.495	20.434	20.396	20.502
CHF	25.792	25.501	25.414	25.065	25.150	24.981	24.660	24.688	24.878	25.257	25.006	24.784	24.330
USD	29.447	29.705	29.896	29.995	30.099	30.397	30.909	31.029	30.735	30.372	30.711	31.175	30.948
GBP	46.076	45.683	45.788	46.027	45.961	46.088	46.786	47.845	47.734	47.072	47.871	49.326	51.438
XEU	38.195	37.895	37.814	37.544	37.754	37.832	37.967	38.426	38.577	38.546	38.707	39.062	39.365
CZK	1.121	1.117	1.110	1.110	1.105	1.107	1.117	1.116	1.134	1.144	1.158	1.151	1.153

**Gross Domestic Product**

(Sk billion)

		1995					1996		
		Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
Gross domestic product in constant 1993 prices	a	98.6	106.2	108.6	103.3	416.7	105.8	113.5	116.0
	b	105.7	107.1	108.2	108.5	107.4	107.3	106.9	106.9
Gross domestic product in current prices	a	117.6	130.0	135.4	135.0	518.0	133.5	146.5	152.7
	b	115.2	116.4	118.7	119.0	117.4	113.5	112.7	112.8

Note: Conversion is based on the method of ESA

a - In the specified unit

b - Index same period of previous year = 100

**Consumer Prices**

(%)

		1995		1996										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Goods and services	a	100.4	100.3	100.7	100.3	100.3	100.3	100.5	100.2	100.3	100.5	100.9	100.7	100.4
	b	119.3	119.7	107.9	108.2	108.5	108.8	109.3	109.5	109.8	110.4	111.4	112.2	112.6
	c	106.9	107.2	100.7	101.0	101.2	101.5	102.0	102.2	102.5	103.0	104.0	104.7	105.1
	d	107.6	107.2	106.4	106.2	106.1	106.0	106.1	106.2	105.5	105.6	105.2	105.3	105.4
of which														
foodstuff goods	a	100.1	100.2	99.7	99.5	100.0	100.2	100.3	99.1	100.6	100.5	102.2	100.9	100.2
	b	124.4	124.6	105.0	104.4	104.4	104.7	104.9	104.0	104.7	105.1	107.4	108.4	108.6
	c	105.1	105.3	99.7	99.2	99.1	99.4	99.6	98.7	99.4	99.8	102.0	102.9	103.1
	d	106.1	105.3	103.9	103.7	104.1	104.6	104.7	105.2	104.7	104.1	102.8	103.3	103.3
non-foodstuff goods	a	100.5	100.4	101.4	100.5	100.4	100.3	100.7	100.7	100.1	100.5	100.4	100.5	100.5
	b	116.4	116.8	109.4	109.9	110.3	110.7	111.4	112.1	112.2	112.8	113.3	113.9	114.5
	c	107.5	107.9	101.4	101.9	102.2	102.5	103.2	103.9	104.0	104.5	105.0	105.5	106.1
	d	108.2	107.9	107.7	107.5	107.3	106.7	106.8	106.8	106.5	106.7	106.6	106.5	106.5
public catering	a	100.4	100.3	100.2	100.7	100.4	100.5	100.6	100.6	100.3	100.3	100.6	100.7	100.5
	b	121.8	122.2	107.6	108.4	108.8	109.3	109.9	110.6	111.0	111.3	112.0	112.8	113.4
	c	107.1	107.4	100.2	100.9	101.3	101.8	102.4	103.1	103.4	103.7	104.3	105.0	105.6
	d	108.0	107.4	105.8	105.8	105.5	106.1	106.4	106.6	105.6	105.5	105.5	105.7	105.8
services	a	100.1	100.1	100.8	100.6	100.4	100.2	100.2	100.2	100.2	101.0	100.6	100.4	100.3
	b	117.9	118.1	109.0	109.7	110.1	110.4	110.6	110.8	111.1	112.2	112.9	113.4	113.7
	c	108.0	108.1	100.8	101.4	101.8	102.1	102.3	102.5	102.7	103.8	104.4	104.8	105.1
	d	108.2	108.1	107.4	106.9	106.7	106.3	106.4	106.2	103.7	104.6	104.8	105.1	105.3

a - index previous period = 100

b - index December two years ago = 100

c - index December previous year = 100

d - index same period of previous year = 100



**Producer Prices of Selected Products and Materials**

(%)

		1995			1996									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Industrial products	a	100.4	99.6	99.9	99.8	101.4	100.4	99.9	101.0	99.7	99.9	100.7	100.5	100.9
	b	107.6	107.1	107.1	99.8	101.2	101.6	101.6	102.6	102.3	102.2	102.9	103.4	104.4
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	108.9	107.6	107.1	104.6	104.6	104.7	103.9	104.4	103.9	103.5	103.5	103.4	103.9
	e	268.1	267.0	266.8	266.2	270.0	271.2	271.0	273.7	273.0	272.7	274.5	275.9	278.5
Building materials	a	100.1	100.2	100.0	100.8	102.9	100.9	100.2	100.0	100.3	100.7	100.1	100.4	100.7
	b	112.2	112.3	112.3	100.8	103.8	104.7	104.9	104.9	105.3	106.0	106.1	106.6	107.3
	c	252.7	253.1	253.1	255.1	262.6	265.1	265.5	265.5	266.5	268.3	268.5	269.8	271.5
	d	113.0	112.7	112.3	108.1	107.4	107.9	106.8	106.6	107.0	107.5	107.0	106.8	107.4
	e	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	106.4	102.3	95.5	96.0	95.5	99.5	101.2	102.0	101.8	111.2	111.3	100.9	104.1
	e	147.4	155.8	156.0	148.4	142.6	143.8	142.6	141.7	146.1	161.1	156.8	148.8	153.4
of which:	a	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant products	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	111.3	108.8	109.1	110.0	97.3	100.7	103.1	106.8	100.6	113.9	114.4	96.9	104.8
	e	142.5	147.0	148.2	148.5	151.0	148.1	142.7	147.4	190.6	167.2	161.8	141.1	149.4
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-	-
	b	-	-	-	-	-	-	-	-	-	-	-	-	-
	c	-	-	-	-	-	-	-	-	-	-	-	-	-
	d	98.5	99.2	94.5	95.5	95.5	99.5	101.1	101.8	101.9	102.8	106.5	104.4	102.7
	e	157.1	160.9	156.7	148.4	142.4	143.8	142.6	141.4	140.7	142.8	149.2	155.7	161.4

a - index previous month = 100

b - index December of previous year = 100

c - index December 1990 = 100, in construction 1.1.1990 = 100

d - index same period of last year = 100

e - index 1989 = 100

**Unemployment**

At the end of period

		1995			1996									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Number of vacancies	a	16,902	16,162	15,473	16,512	16,480	16,711	17,946	18,431	18,691	18,110	18,635	18,883	18,623
	b	574	-740	-689	1,039	-32	231	1,235	485	260	-581	525	248	-260
Number of unemployed	a	325,490	326,279	333,291	352,570	352,109	342,654	321,881	306,802	311,244	321,661	316,093	313,930	308,416
	b	-10,533	789	7,012	19,279	-461	-9,455	-20,773	-15,079	4,442	10,417	-5,568	-2,163	-5,514
Number of unemployed per vacancy	a	19	20	22	21	21	21	18	17	17	18	17	17	17
Unemployment rate (in %)	a	12.8	12.8	13.1	13.7	13.7	13.3	12.5	11.9	12.1	12.5	12.3	12.2	12.0

a - in the specified unit

b - difference (+,-) compared with previous period

**State Budget**

(Sk millions)

		1995		1996										
		11	12	1	2	3	4	5	6	7	8	9	10	11
State budget revenue	a	142,654	163,138	14,527	21,952	40,393	55,481	68,460	79,525	95,853	106,459	119,642	136,316	149,791
	b	97.4	111.4	8.9	13.5	24.9	34.2	42.1	49.0	59.0	65.5	72.3	82.4	90.5
State budget expenditure	a	150,427	171,437	13,916	29,289	43,893	59,868	71,878	85,654	101,941	114,399	133,072	149,224	163,533
	b	89.9	102.4	7.3	15.5	23.2	31.6	37.9	45.2	53.8	60.4	69.2	77.6	85.0
State budget balance		-7,773	-8,299	611	-7,337	-3,500	-4,387	-3,418	-6,129	-6,088	-7,940	-13,430	-12,908	-13,742

a - in the specified unit at the end of month (cumulative figures)

b - budget performance in %

**Industrial Production**

(Sk millions)

		1995			1996									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Total industrial production	a	46,428	47,020	42,023	41,634	41,764	43,864	41,546	45,037	43,984	40,995	42,598	46,312	50,096
	b	106.5	101.7	89.4	99.3	98.8	104.6	94.8	107.6	97.7	93.3	103.2	108.2	107.1
	c	112.8	109.9	102.7	111.5	109.6	101.1	102.1	99.7	97.7	105.0	98.0	103.1	103.6
	d	408,378	455,398	497,421	41,634	83,398	127,262	168,808	213,845	257,829	298,824	341,422	387,734	437,830
	e	108.7	108.9	108.3	111.5	110.6	107.1	105.9	104.5	103.3	103.5	102.8	102.8	102.9
	f	18,460	18,778	16,796	16,674	16,475	17,229	16,331	17,565	17,154	16,007	16,517	17,867	19,128
	g	112.8	109.9	102.7	111.5	109.6	101.1	102.1	99.7	97.7	105.0	98.0	103.1	103.6
of which in the private sector	a	30,781	31,786	28,123	26,767	27,543	29,127	28,064	30,494	30,559	28,140	29,424	31,847	35,510
	b	105.6	103.7	88.5	95.4	101.4	105.3	96.4	107.8	100.2	92.2	103.8	107.7	110.4
	c	123.6	122.9	114.0	122.3	118.3	108.3	109.2	106.1	103.4	109.3	102.9	106.1	110.8
	d	261,445	293,231	321,354	26,767	54,310	83,437	111,501	141,995	172,554	200,694	230,118	261,965	297,475
	e	122.6	122.6	121.8	122.3	120.3	115.8	114.1	112.3	110.6	110.4	109.4	109.0	109.2
	f	66.3	67.6	66.9	64.3	65.9	66.4	67.5	67.7	69.5	68.6	69.1	68.8	70.9
	h													
Labour productivity (Sk / employee)	a	73,569	74,639	67,154	67,063	67,330	70,554	67,238	72,941	71,044	65,915	68,330	74,265	80,539
	b	106.1	101.9	90.0	100.1	98.9	104.3	95.4	107.6	97.4	92.9	102.9	108.1	107.3
	c	107.3	104.8	98.2	109.5	108.0	99.9	102.2	99.9	97.7	105.2	98.3	103.9	105.1

a - in the specified unit

b - index previous month = 100

c - index same period of last year = 100

d - from the beginning of year (in Sk million)

e - index same period of last year = 100 (cumulative)

f - in the specified unit at constant 1989 prices

g - index same period of last year = 100 (at constant 1989 prices)

h - share of private sector in industrial production (%)

**Construction**

(Sk millions)

		1995			1996									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Total construction sector output (including output abroad)	a	5,381	5,073	4,629	3,256	3,359	3,853	4,592	5,278	5,893	5,595	5,644	6,017	6,475
	b	109.2	92.9	90.4	68.3	100.3	112.1	118.8	114.7	111.4	94.6	99.8	105.2	107.3
	c	107.9	102.2	98.4	107.9	97.4	92.5	104.3	103.2	105.8	108.2	101.9	106.2	104.4
	d	41,833	46,906	51,535	3,256	6,615	10,468	15,060	20,338	26,231	31,826	37,470	43,487	49,962
	e	103.3	103.2	102.7	107.9	102.4	98.6	100.2	101.0	102.0	103.0	102.9	103.3	103.4
	f	-	-	-	1,213	1,217	1,364	1,620	1,858	2,071	1,960	1,956	2,056	2,207
	g	-	-	-	107.9	97.4	92.5	104.3	103.2	105.8	108.2	101.9	106.2	104.4
of which in the private sector	a	4,435	4,306	4,003	2,808	2,823	3,226	3,802	4,397	4,838	4,561	4,661	4,957	5,401
	b	110.6	95.7	92.1	68.1	97.8	111.7	117.4	115.4	109.8	94.0	101.1	104.9	108.7
	c	112.8	109.1	104.9	112.5	98.5	95.1	106.3	106.3	110.5	110.2	106.8	107.4	105.6
	d	33,847	38,153	42,156	2,775	5,598	8,824	12,626	17,023	21,861	26,422	31,083	36,040	41,441
	e	112.7	112.3	111.6	112.5	105.1	101.3	102.7	103.6	105.1	105.9	106.0	106.2	106.1
	h	82.4	84.9	86.5	86.2	84.0	83.7	82.8	83.3	82.1	81.5	82.6	82.4	83.4
Construction output in the SR	a	4,656	4,460	4,025	2,981	3,061	3,423	4,051	4,723	5,219	5,018	5,117	5,426	5,855
	b	109.8	94.4	89.4	72.0	99.8	109.3	117.9	116.3	110.3	95.8	100.9	104.6	107.6
	c	110.1	104.0	99.4	107.7	99.5	95.7	108.4	110.8	114.6	117.3	110.2	111.2	109.1
	d	35,636	40,096	44,121	2,953	6,014	9,437	13,488	18,211	23,430	28,448	33,565	38,991	44,846
	e	100.4	100.8	100.7	107.7	103.5	100.6	102.8	104.7	106.7	108.4	108.7	109.0	109.0
	f	1,830	1,728	1,544	1,111	1,109	1,212	1,429	1,663	1,834	1,757	1,773	1,854	1,996
	g	111.2	106.0	100.1	107.7	99.5	95.7	108.4	110.8	114.6	117.3	110.2	111.2	109.1
Construction output abroad	a	725	613	604	275	298	430	541	555	674	577	527	591	620
	b	105.9	83.5	97.5	44.0	105.5	140.9	125.5	102.4	121.2	85.4	90.4	110.6	104.5
	c	95.3	90.8	92.4	109.9	80.1	72.9	81.2	65.0	66.5	64.8	58.8	75.1	74.2
	d	6,197	6,810	7,414	275	573	1,003	1,544	2,099	2,773	3,350	3,877	4,468	5,088
	e	123.3	119.6	116.9	109.9	92.3	83.0	82.4	77.0	74.2	72.4	70.2	70.8	71.2
	f	-	-	-	102	108	152	191	195	237	202	183	202	211
	g	-	-	-	109.9	80.1	72.9	81.2	65.0	66.5	64.8	58.8	75.1	74.2
Labour productivity per employee in Sk (of total construction output)	a	34,921	33,330	30,946	22,296	23,225	26,556	30,911	35,232	39,168	36,829	37,043	39,392	42,421
	b	110.8	94.1	92.0	70.0	101.3	111.7	116.0	113.7	110.9	93.7	99.5	104.9	107.4
	c	111.3	106.5	103.0	111.0	100.9	95.4	107.6	106.1	108.6	111.6	104.9	108.7	105.4

Note: All figures are based on constant prices of 1.1.1990

a - in the specified unit

b - index previous month = 100

c - index same period of last year = 100

d - cumulative from the beginning of year in Sk million

e - index same period of last year = 100 (cumulative)

f - in the specified unit at constant 1990 prices

g - index same period of last year = 100 (at constant prices)

h - share of private sector in production (%)

## Foreign Trade

(Sk millions)

		1995			1996									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Imports	a	22,704	23,259	21,360	22,575	30,633	24,290	25,418	27,628	24,289	27,508	25,133	27,057	32,129
	b	207,691	230,950	252,310	22,575	53,208	77,498	102,916	130,544	154,833	182,341	207,474	234,531	266,660
	c	121.2	120.8	119.1	120	141.7	130.2	130.3	127.7	123.1	125.3	124.7	125	125.7
of which: Czech Republic	a	5,928	6,174	4,948	6,141	6,933	6,473	6,638	6,901	6,299	6,808	6,416	7,367	8,083
	b	58,256	64,430	69,378	6,141	13,074	19,547	26,185	33,086	39,385	46,193	52,609	59,976	68,059
	d	26.1	26.5	23.2	27.2	22.6	26.6	26.1	25	25.9	24.7	25.5	27.2	25.2
Exports	a	23,280	23,169	19,539	20,467	19,642	21,808	19,664	23,706	22,938	23,002	21,217	25,091	26,602
	b	211,391	234,560	254,099	20,467	40,109	61,917	81,581	105,287	128,225	151,227	172,444	197,535	224,137
	c	122.1	120.4	118.5	113.7	107.4	104.1	100.9	102.5	102.6	104.7	104	105	106.1
of which: Czech Republic	a	8,085	7,951	6,776	6,445	6,722	6,892	6,191	7,672	7,364	6,779	6,691	7,344	7,874
	b	74,820	82,771	89,547	6,445	13,167	20,059	26,250	33,922	41,286	48,065	54,756	62,100	69,974
	d	34.7	34.3	34.7	31.5	34.2	31.6	31.5	32.4	32.1	29.5	31.5	29.3	29.6
Balance	a	576	-90	-1,821	-2,108	-10,991	-2,482	-5,754	-3,922	-1,351	-4,506	-3,916	-1,966	-5,527
	b	3,700	3,610	1,788	-2,108	-13,099	-15,581	-21,335	-25,257	-26,608	-31,114	-35,030	-36,996	-42,523
of which: Czech Republic	a	2,157	1,776	1,827	304	-211	419	-447	771	1,065	-29	275	-23	-209
	b	16,563	18,340	20,167	304	93	512	65	836	1,901	1,872	2,147	2,124	1,915

a - in the specified unit in current prices

b - from the beginning of the year in Sk millions

c - index same period of previous year = 100

d - share of total volume in period (%)