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1. Monetary development

Price development accelerated in May, when the 12-month rate of consumer-price inflation reached 7.6%. The price level rose month-on-month by 0.6%, due mostly to an interruption in supply (introduction of a minimum price for sugar), without being influenced by monetary development. In future, however, monetary development may be influenced by an accelerated rise in price levels, which may also be affected by the implementation of monetary policy. Despite the sale of foreign exchange by commercial banks to the NBS (in the amount of Sk 0.9 billion), the value of the Slovak crown depreciated by 0,1% over the course of May. At the end of the month, the exchange rate of the crown was 1.6% inside the devaluation band and its level was also influenced by a fall in the crown positions of non-residents (Sk 0.8 billion).

Monetary development was characterised by an increase in the 12-month rate of inflation, and fall in the crown positions of non-residents, as reflected in the level of exchange rates, ...

Over the course of May, the crown deposits of non-residents declined due to a fall in the level of interbank deposit rates to 16.5% for one-month deposits, i.e. gradual reduction in the interest rate differential. The downward trend in the price of money was also reflected in the level of interest rates on both loans and deposits for primary clients. The favourable development in monetary aggregates continued in May, in line with the trend that started a year ago.

... further cut in the level of interest rates and favourable development in monetary aggregates

1.1. Factors affecting the development of the money supply

In May, the money supply in terms of M2 increased month-on-month by Sk 7.3 billion, representing a 0.7% acceleration in the rate of year-on-year growth in comparison with the previous month. The achieved rate of year-on-year increase (9.6%) was due to growth in net domestic assets, while net foreign assets remained virtually unchanged in May.

Increase in the money supply, ...

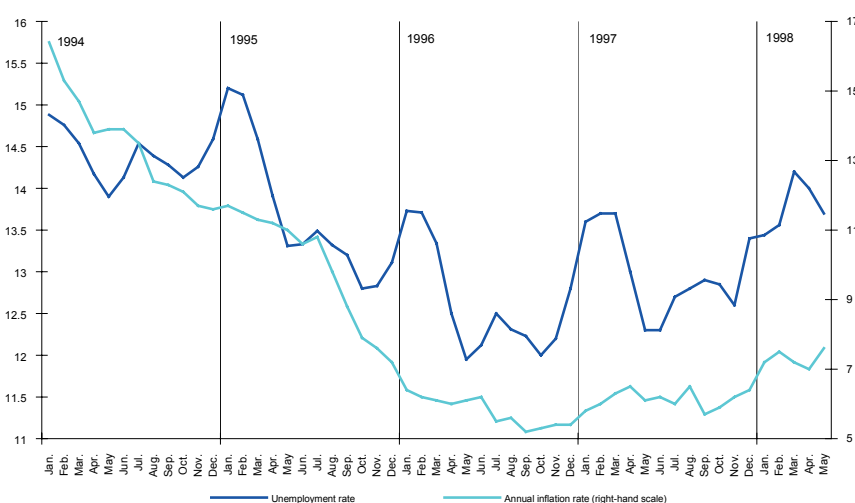
Net domestic assets, representing a domestic source of growth for M2, increased in May by Sk 6.6 billion month-on-month, at a 12-monthly rate of 7.9%. The increase in net domestic assets was due an increase in net credit to the Government.

... due mostly to growth in net domestic assets, ...

In May, the volume of net credit to the Government increased by Sk 7.7 billion month-on-month. On a year-on-year basis, net credit to the Government expanded by more than 38% and became the main source of growth for the money supply.

... generated by net credit to the Government

Unemployment and inflation (%)



At the end of May, the performance of the State budget resulted in a deficit of Sk 2.4 billion, representing a deterioration of Sk 2.1 billion in budgetary performance. Budget revenue reached Sk 73.2 billion and expenditure totalled Sk 75.6 billion.

The unfavourable performance of the State budget ...

... had no effect on the internal debt of the Government

At the end of May, the net position of the Government vis-a-vis the banking sector reached (according to preliminary data) Sk 58.0 billion, representing a month-on-month fall of Sk 12.0 billion. The reduction was achieved through financial resources obtained from the sale of eurobonds on foreign markets, which affected the level of external debt.

During May, the growth in the money supply was again supported by the National Property Fund, whose position vis-a-vis the banking sector had deteriorated by Sk 0.7 billion month-on-month, so that it became creditor instead of debtor.

Balanced development in bank lending

The development of bank lending in 1997 can be characterised as favourable and, in terms of its influence on M2, as problem-free. Over the course of May, loans to households and enterprises declined by Sk 0.5 billion, and their rate of year-on-year growth reached 2.7%.

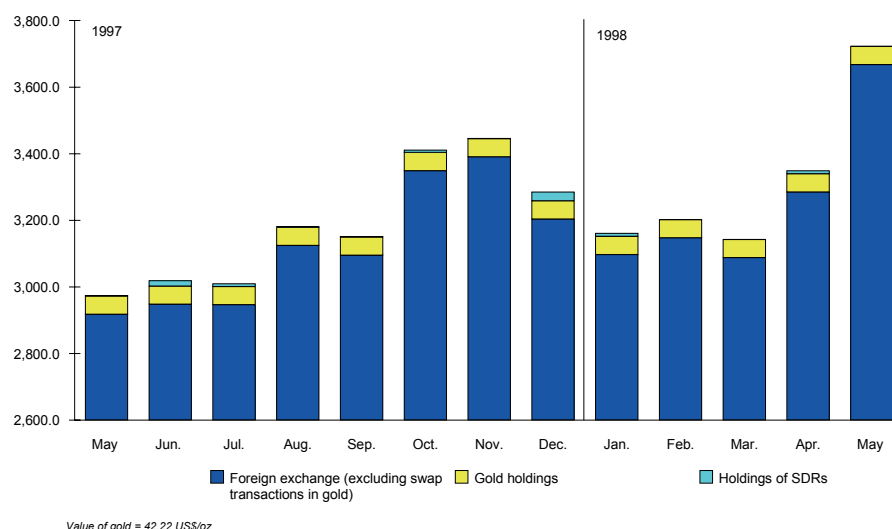
Development of net foreign assets in the banking sector

According to preliminary data, the volume of net foreign assets in the banking sector (at fixed exchange rates) increased month-on-month by Sk 0.6 billion, due to the faster growth in foreign assets (by Sk 5.1 billion) than in foreign liabilities (by Sk 4.5 billion). The increase in net foreign assets of commercial banks (Sk 0.3 billion) was accompanied by a moderate growth in net foreign assets of the NBS (Sk 0.3 billion).

In May, the foreign exchange reserves of the NBS (at fixed exchange rates) increased month-on-month by Sk 12.7 billion, as a result of medium and long-term government borrowings in the form of bonds (Sk 26.1 billion), which were offset by the repayment of a short-term government bridging loan (Sk 13.3 billion). As a result, foreign liabilities of the Government and the NBS increased by Sk 12.4 billion.

Foreign assets of commercial banks fell month-on-month by Sk 7.6 billion, due mainly to decline in short-term deposits at foreign banks (Sk 9.0 billion). Foreign liabilities of commercial banks fell month-on-month by Sk 7.9 billion, due to decline in short-term borrowings from foreign banks (Sk 8.2 billion).

Development of NBS foreign exchange reserves (US\$ millions)



Foreign exchange reserves of the NBS

At the end of May, the total foreign exchange reserves of the NBS (at current exchange rates) reached US\$ 3,722.8 million, representing a month-on-month increase of US\$ 373.9 million. The volume of foreign exchange reserves was 3.1 times greater than the average volume of monthly imports of goods and services to Slovakia during the first four months of 1998.

1.2. Structure of the money supply

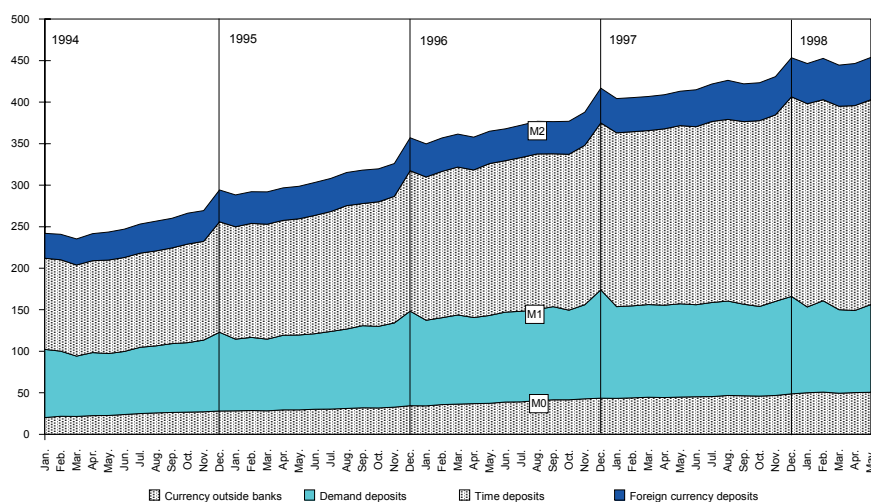
In May, the M2 money supply (at fixed exchange rates) increased by Sk 7.3 billion, reaching Sk 453.8 billion at the end of the month. The growth in M2 was due primarily to an increase in the M1 aggregate (Sk 7.0 billion), while quasi-money recorded only negligible growth (Sk 0.3 billion) in May.

Month-on-month increase in M2, ...

In comparison with April, the rate of year-on-year growth in the M2 money supply accelerated somewhat, to 9.6% in May. Despite a marked month-on-month increase, the M1 aggregate continued to show a negative rate of year-on-year growth (-0.7%). Quasi-money maintained its high year-on-year increase (15.9%).

... accompanied by acceleration in the rate of year-on-year growth

Development of the M2 monetary aggregate (Sk billions)



The volume of currency outside the banking sector increased by Sk 0.4 billion over the course of May. The course of currency issue since the beginning of the year was characterised by a downward trend. However, developments in May indicate the return of an upward trend, when the average volume of issued currency was much higher than in April.

Regarding the individual components of the money supply, the most significant increase in May was recorded in demand deposits (Sk 6.6 billion). Over the course of the month, the development of demand deposits followed a standard course, marked by positive increases during the first two ten-day periods and fall during the last ten days.

Growth in demand deposits

Time deposits remained virtually unchanged during May. Foreign currency deposits increased by Sk 0.3 billion.

Regarding the individual components of the money supply, the weight of the M1 aggregate increased in May in comparison with the previous month. Compared with the beginning of the year and the same period of last year, however, the weight of M1 decreased.

Structure of the money supply (M2) (%)

	1.1.1998	30.4.1998	31.5.1998	31.5.1997
Money supply [M2]	100.00	100.00	100.00	100.00
Money [M1]	36.63	33.42	34.42	38.00
Currency outside banks [M0]	10.74	11.24	11.15	10.85
Demand deposits	25.89	22.17	23.27	27.15
Quasi-money [QM]	63.37	66.58	65.58	62.00
Time deposits	53.01	55.25	54.36	51.79
Foreign currency deposits	10.36	11.33	11.22	10.22

Growth in crown deposits, particularly in the corporate sector

Slovak-crown deposits, as a component of the money supply, grew in May by Sk 6.6 billion, while corporate deposits increased by Sk 5.1 billion and household deposits by Sk 1.5 billion. Since the beginning of the year, the volume of crown deposits has fallen by Sk 1.5 billion; corporate deposits have declined by Sk 12.0 billion, and household deposits have grown by Sk 4.3 billion. The rate of year-on-year growth in crown deposits reached 7.8% in May. Household deposits increased year-on-year by 18.9%, and corporate deposits declined by 9.9%.

1.3. Bank lending

Decline in crown lending, accompanied by an increase in foreign-currency loans

In May, total bank lending (loans to enterprises, households, central and local authorities for extra-budgetary purposes, NBS loans, and other loans) increased month-on-month by Sk 0.7 billion, due to decline in crown loans (Sk 1.0 billion) and growth in foreign currency loans (Sk 1.7 billion). At the end of May, the volume of bank loans totalled Sk 382.0 billion, of which loans in Slovak crowns accounted for Sk 332.9 billion and foreign currency loans Sk 49.1 billion.

In the same period of 1997, crown loans increased month-on-month by Sk 0.6 billion and loans in foreign currency by Sk 1.2 billion. The volume of total bank loans changed year-on-year by 0.05%; crown loans fell by 3.0%, while loans in foreign currency grew by 28.5%.

1.4. Interest rate development in April

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

In April, the average interest rate on the total volume of loans rose month-on-month by 0.05 points, to 16.75%, due mainly to increases in lending rates for short-term loans (by 0.33 points, to 20.83%) and long-term loans (by 0.20 points, to 12.54%). The level of interest rates on medium-term loans rose by 0.06 points, to 16.64%.

The level of interest rates on new loans fell

The average interest rate on new loans fell by 0.75 points (to 19.54%); the rate on short-term loans by 0.72 points (to 19.86%), and that on long-term loans by 1.14 points (to 14.73%). The average lending rate for medium-term loans rose by 1.17 points, to 16.43%. The share of medium (5.47%) and long-term loans (2.65%) was not significant. Interest rates on the interbank money market showed a tendency to rise. Of the total volume of new loans, 58.2% were granted at fixed interest rates and 41.8% at flexible rates.

With regard to individual types of loans by purpose, average interest rates fell on standard loans (by 1.6 points, to 21.97%), development loans (by 0.78 points, to 17.53%), and on consumer loans (by 0.19 points, to 14.15%). Month-on-month increases were recorded in average interest rates on overdrafts (by 1.09 points, to 21.18%), bills-of-exchange credits (by 0.35 points, to 21.20%), and operating loans (by 0.51 points, to 18.39%).

The average interest rate on deposits increased

Compared with the level in March, the average interest rate on total crown deposits rose by 0.24 points, to 10.23% in April. Increases were recorded in average interest rates on short and medium-term deposits (by 0.36 points on average), mainly on 5-year deposits (by 2.84 points, to 13.26%), 7-day deposits (by 1.50 points, to 16.97%), and 3-month deposits (by 0.3 points, to 18.98%). Average interest rates on other deposits remained unchanged, or changed only slightly.

The level of real interest rates rose

As a result of a rise in the average interest rate on the total volume of deposits (0.24 points) and the virtually unchanged average rate for crown deposits (a rise of 0.05 points), the nominal margin decreased from 6.71% in March to 6.52% in April. The level of real interest rates on one-year deposits rose from 3.53% in March to 3.81% in April, due to a fall in the 12-month rate of consumer-price inflation (from 7.2% to 7.0%), while the average rate of interest on one-year deposits rose somewhat (by 0.08 points).

2. Implementation of monetary policy

In May, monetary policy was implemented in an environment marked by an adequate or surplus level of bank liquidity. The favourable liquidity situation was connected with the inflow of funds from the redemption of Treasury bills issued a year ago, and with the gradual utilisation of government funds obtained from foreign sources. In comparison with April, the average interest rate on one-week deposits fell by 5.4 percentage points and that on one-month deposits by 3.4 percentage points, representing the lowest level since the beginning of the year. The surplus of liquidity during second half of the month and the related fall in interest rates, as well as the potential possibility of encouraging the lending activities of banks, called for the conduct of REPO tenders for sterilisation purposes through NBS bills.

Monetary policy was implemented in an environment marked by adequate bank liquidity, ...

In May, the level of liquidity in the banking sector was positively influenced by the development of net foreign assets at the NBS, while monetary-policy factors declined. In foreign exchange fixing, two transactions were concluded in the total amount of US\$ 25.8 million (US\$ 23 million and DM 5 million), representing purchases of foreign exchange by the NBS. The currency basket unit followed the course of development on the interbank foreign exchange market, rising in value from 1.0150 (30 April) to 1.0160 (29 May).

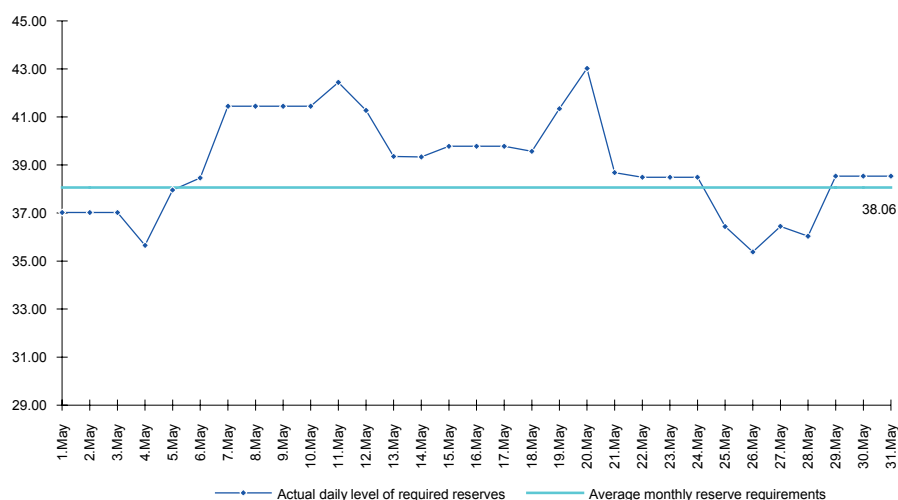
... which was positively influenced by the level of net foreign assets at the NBS, ...

The volume of net foreign assets at the NBS grew by an average of Sk 8.8 billion, due primarily to an inflow of funds following government borrowing at the end of April and the issue of bonds on foreign markets at the end of May (which, however, will not affect the level of net foreign assets at the NBS before June). Over the course of May, the crown equivalent of the government borrowing from abroad was gradually released to the economy, which led to a rise in the level of bank liquidity. Hence, the influence of government spending on bank liquidity may be described as expansive, despite the improving position of the State budget at the NBS. The sufficient amount of funds held in the accounts of the State budget was reflected in the reduced volumes of issued government securities in comparison with their repayments, with a subsequent influence on liquidity of commercial banks.

... due to a foreign loan granted to the government sector

Fulfilment of reserve requirements

(Sk billions)



In May, monetary-policy factors declined month-on-month by an average of Sk 4.3 billion, due to a significant reduction in refinancing operations and the gradual effort to sterilise the free resources of the banking sector on the part of the NBS. In May, the total volume of refinancing reached an average of Sk 3.3 billion, compared with Sk 7.7 billion in April. The decrease in monetary-policy factors was also supported by a reduction in the volume of bills-of-exchange deals for export promotion.

The liquidity supplied to commercial banks from the public sector was sterilised by a fall in monetary-policy factors ...

... and an increase in the average volume of issued currency

The level of liquidity in the banking sector was reduced by a month-on-month fall (Sk 0.5 billion) in the average volume of issued currency. The inflow of funds to banks from the government sector, made it possible for the banking sector to create surplus reserves in the amount of Sk 0.8 billion, in spite of reduced refinancing on the part of the NBS.

In May, the level of required reserves in the banking sector was set at Sk 38,061 million. At the end of the month, the reserve requirements had been fulfilled to 102.44%. At the end of the first period in May, the reserve requirements had been fulfilled to 103.54%; at the end of the second period, to 101.41%. Over the course of May, the reserve requirements were fulfilled by all banks in both periods.

3. Inflation

Consumer prices rose month-on-month by 0.6%

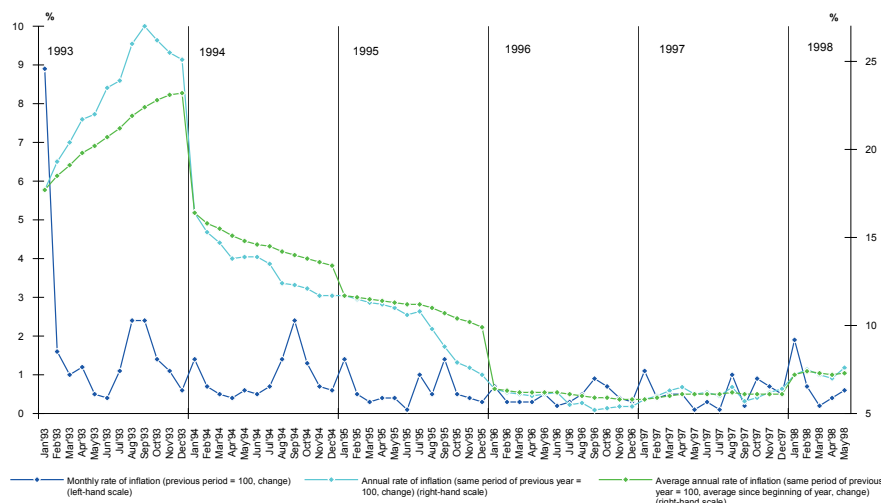
Compared with the previous month, the level of consumer prices rose in May by 0.6%, representing an increase of 3.8% over the beginning of the year. The relatively rapid month-on-month increase in consumer prices raised the 12-month rate of inflation from 7.0% in April to 7.6% in May.

The price of food and non-alcoholic beverages rose most significantly

The price of food and non-alcoholic beverages rose month-on-month by 1.5%, due mainly to a seasonal increase in the price of fruit and vegetables, and a rapid rise in the price of sugar products. The price of sugar increased due to the introduction of a minimum guaranteed price payable to the producer (with effect from 1 April). Compared with the previous month, the impact of administrative measures on the consumer prices of sugar, jam, honey, syrup, and sweets increased in May (the price level rose by 4.8%, compared with 2.8% in April).

A higher-than-average price increase was again recorded in the category of clothes and footwear (0.7%). In other categories of final household consumption, month-on-month price increases ranged from 0.1% to 0.6%, with the exception of transport and education, where the price levels remained unchanged.

Inflation (%)



4. Money market

4.1. Primary market for Treasury bills

In May, the Ministry of Finance of the SR put Treasury bills up for auction in accordance with the issuing schedule for the 2nd quarter of 1998. Auctions were held at fortnightly intervals. At these auctions, no bids were accepted by the issuer, since it had enough funds obtained for financing the budget deficit from other sources than Treasury-bill issues.

4.2. Secondary market

At the beginning of May, the REPO tenders for refinancing purposes fell due in the banking sector, creating a need for the NBS to renew this form of refinancing. Due to the changed situation on the money market and the marked surplus of liquidity in the banking sector, the NBS intervened in the market only by conducting REPO tenders for sterilisation purposes at the end of the month.

Open market operations of the NBS ...

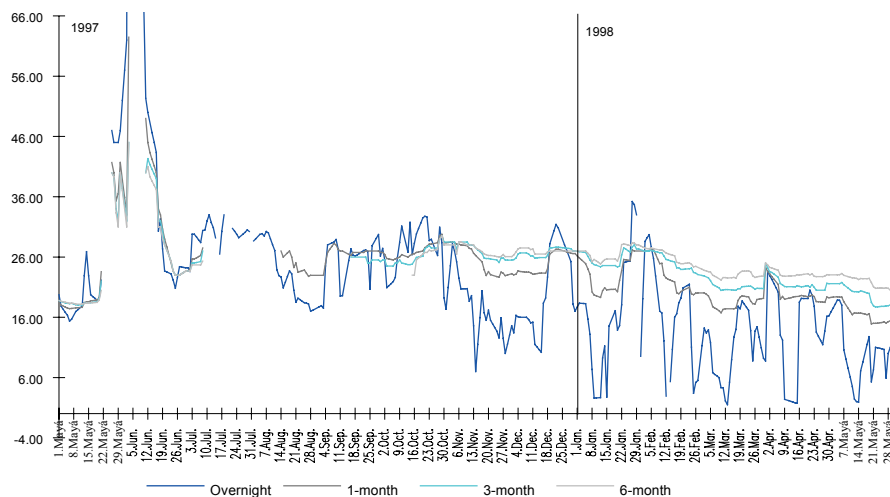
At the end of the first period, the NBS conducted one 14-day REPO tender for refinancing purposes in the amount of Sk 2.0 billion with an average interest rate of 14.99%. Due to decline in the issuing activity of the Ministry of Finance, the surplus of bank liquidity led to a fall in overnight deposit rates from 16.90% to 7.10% (i.e. by 9.80%); one-month deposits rates from 19.30% to 16.70% (i.e. by 2.60%); and 3-month deposits rates from 21.58% to 20.38% (i.e. by 1.20%).

... had, during the 1st period, a refinancing nature

The NBS reacted to this situation through a change in operative performance. While the 1st period was dominated by refinancing operations (max. Sk 7.6 billion), the NBS sterilised surplus liquidity in the maximum amount of Sk 6.2 billion during the 2nd period. The NBS intervened by conducting four 7-day REPO tenders in the amount of Sk 6.92 billion, with an average rate of 12.44%. By a sensitive approach to the acceptance of bids for REPO tenders conducted for sterilisation purposes, the NBS managed to maintain the one-month rate at a level of 15.31%. Despite a decline in the fulfilment of reserve requirements over the 1st period, rates fell to their lowest level since the beginning of the year, comparable with the level of March 1997. On the last day of the month, overnight deposit rates were listed at 11.21%, representing a fall of 5.69% since the first day; three-month rates fell by 3.53%, to 18.05%.

... and, during the 2nd period, a sterilisation nature

Development of average interbank offered rates (BRIBOR) (% , p.a.)



5. Capital market

5.1. Primary market

In May, four auctions were held in government bonds in accordance with the schedule for the issue of government securities. Interest yield was set at 17% p.a. for all the four issues of bonds, the par value of which was Sk 1,000,000 and the time of maturity one year.

Government bonds

Auctions took place in the American-style with unlimited issue-amounts. A common feature of the May issues was the increased interest on the part of investors, which was reflected in a growth in total demand at the individual auctions, culminating at

the last auction in Sk 10,990 million, i.e. more than total demand in April. In May, total demand for government bonds reached Sk 30,570 million (representing a month-on-month increase of 64.93%); the issuer accepted bids for 23.32% of this amount. The relatively low acceptance of bids on the part of the Ministry of Finance was due to the high interest yields demanded by investors. The determined effort of investors to increase the level of yields and the need of the Ministry of Finance to be financed through auctions of government bonds, led to the highest ever yield to maturity being accepted in May, at 29.50% p.a. The last auction in May was unsuccessful. The reason why the Ministry of Finance did not accept any of the bids, was the fact that the funds obtained from previous issues sufficed to cover almost all government securities due in June.

5.2. Secondary market

In May, the volume of trading on Bratislava Stock Exchange (BCPB) totalled Sk 13,803 million. In comparison with the previous month, direct transactions fell nearly two-billion, to Sk 13,563 million, while anonymous transactions increased by 59%, to Sk 239 million. The growth in price-setting anonymous contracts does not yet represent a turn for the better, since it was due exclusively to bond transactions. Trading in shares reached only 36% of the figure for April (in absolute terms Sk 35.5 million).

SDX index

In May, the volume of bond transactions totalled Sk 12,333 million, while anonymous contracts reached Sk 203.8 million, representing an almost four-fold increase in comparison with the previous month's figure.

In May, both components of the Slovak Bond Index (SDX) followed a linear course of development. The component for government bonds rose by 1.17%, to 111.56 points; while the figure for corporate bonds fell by 0.67%, to 112.21 points. The values of SDX for corporate bonds fell below the initial monthly figure (on 28 May), due to a fall in the rates for Slovenské elektrárne bonds. Over the course of May, three new issues of government bonds (No. 055 to 057) were incorporated in the base of SDX after successful primary issues.

Slovak Share Index - SAX

(%)



SAX index

The negative development of trading on the share market, which has persisted for several months, continued in May. The volume of transactions totalled Sk 1,469 million, representing a month-on-month decline of 50.9%. Direct transactions reached Sk 1,434 million.

May saw a dramatic fall in share prices, which was indicated by a 14.4% month-on-month fall in the value of the Slovak Share Index (SAX). The index closed the month at 111.82 points; however, its monthly minimum (111.80 points) was recorded a day earlier. The index is steadily approaching its initial figure. The fact that the shares of local companies are traded at the same prices after five years, is evidence of real crisis in the market.

With regard to the structure of share and bondholders registered at the Securities Centre, the most significant month-on-month changes were recorded in the number of bonds held by non-residents (an increase of 65.61%) and that of shares held by non-residents (an increase of 6.37%). The number of bonds held by domestic banks recorded a more moderate change (a decrease of 4.38%), while the number of bonds held by domestic banks decreased by 4.83%.

6. Interbank foreign exchange market

The basic characteristics of the foreign exchange market remained virtually unchanged in May. The total volume of transactions concluded on Slovakia's foreign exchange market increased month-on-month by 11.5%, from US\$ 3,675.5 million to US\$ 4,097.7 million. The said increase was due to growth in trading between Slovak and foreign banks.

*Foreign exchange market
in the SR*

The volume of trading between Slovak banks accounted for 98.4% of the country's interbank foreign exchange market. In May, the volume of transactions between Slovak commercial banks increased only slightly (by 4.6%), from US\$ 1,511.5 million to US\$ 1,581.3 million. Most trading was again concluded in US\$ (83.4%, compared with 73.5% in April), followed by DM (13.0%, compared with 16.3 % in April) and other European currencies (3.6%, compared with 10.2% in April). The number of contracts increased to 814 (from 795 in April), while the average amount per contract remained US\$ 1.9 million.

*Transactions between
Slovak banks*

The volume of trading between Slovak and foreign banks increased in May by 15.1%, from US\$ 2,163.9 million to US\$ 2,490.6 million. Most trading was again concluded in US\$ (87.7%), followed by DM (12.0%), and other European currencies (0.3%). The number of transactions increased from 890 to 916, with an average amount of US\$ 2.7 million per contract. The volume of transactions between Slovak and foreign banks accounted for 60.8% of Slovakia's total foreign exchange market. Trading between Slovak and foreign banks resulted in a positive balance of US\$ 59.7 million, which indicates that the inflow of foreign capital continued in May.

*Transactions between Slovak
and foreign banks*

7. Balance of payments for January to March 1998

During the 1st quarter of 1998, the external relations of the Slovak Republic were characterised by a growth in the current account deficit of the balance of payments, due primarily to the persisting deficit of trade. The negative balance of trade (Sk 16.6 billion) and income (Sk 0.7 billion), which negatively influenced the balance of payments as early as 1996 and 1997, was accompanied by a shortfall in the services balance (Sk 2.1 billion). A new element in the services balance was the excess of expenditures over revenues in foreign tourism. The negative balance of trade, services, and incomes was partly offset by the positive balance of current transfers (Sk 3.2 billion), which resulted in the total current account deficit of the balance of payments (Sk 16.1 billion) remaining below the level of trade deficit.

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

The deficit on current account was offset by the continuing inflow of funds through the capital and financial account of the balance of payments. At the end of March, the inflow of capital exceeded outflow by Sk 11.1 billion (i.e. US\$ 305.2 million) and sufficed to cover the deficit in the current account up to 68.9%. The growing deficit in the current account, accompanied by a reduced inflow of capital, led to a shortfall in total balance and decline (Sk 4.3 billion, i.e. US\$ 121.7 million) in the volume of NBS reserves (excluding exchange rate differentials). On account of the fall in NBS foreign

*... while the rate of foreign
capital inflow slowed*

exchange reserves, accompanied by a growth in imports, the coverage of the average imports of goods and services from NBS reserves fell three-month level.

7.1. Current account

Foreign trade

During the 1st quarter of 1998, the turnover of foreign trade reached Sk 189.4 billion; of this amount, exports accounted for Sk 86.4 billion and imports Sk 103.0 billion. The results of foreign trade indicate that, after the improved results achieved at the end of last year, the trade deficit was starting to increase again. With regard to Decree No. 167/1997 Z.z., which is responsible for the fact that data on foreign trade have, since January 1998, been inconsistent with the data published for 1997, it is not possible to prepare a detailed analysis of the country's foreign trade and the growing deficit.

According to data from the Statistical Office of the SR, the dynamics of exports were most influenced by the increased exports of cars and other motor vehicles used for passenger transport including accessories (Sk 3.6 billion). Some year-on-year increases were also recorded in the exports of insulated cables, optical cables, some agricultural products, and clothes.

From the territorial point of view, a significant growth was achieved in exports to Germany, which represented 27.5% of Slovakia's total exports. With regard to the volume of exports, Germany left behind the Czech Republic (21.8%) and occupied the first place among the target countries for the first time, in 1998.

The growth in exports, mainly in the category of motor vehicles, gave rise to an increase in the imports of components, such as engines, spare parts, car bodies, and accessories (Sk 1.3 billion). Imports of cars and other motor vehicles increased by Sk 0.9 billion. The sharpest decline was recorded in imports of crude oil (Sk 0.7 billion) and natural gas (Sk 0.6 billion), due primarily to a fall in prices.

Both imports and exports were dominated by Germany (22.4%) and the Czech Republic (19.2%).

Balance of services

Income from services rendered abroad totalled Sk 16.6 billion, remaining below the level of payments for services received in the amount of Sk 18.7 billion. The services balance resulted in a deficit of Sk 2.1 billion, representing an increase of Sk 1.5 billion compared with the same period a year earlier. The increase in the services balance deficit reflected another year-on-year fall in income from foreign tourism (22.5%). The fall in income from foreign tourism, accompanied by stagnation in expenditures, caused services in the area of foreign tourism to absorb the foreign exchange resources of the SR during the 1st quarter of 1998, after earning foreign exchange income for several years. The downward trend in foreign exchange revenues in the area of tourism contradicts not only the world trend, but the plans of the government to increase the volume of the country's exports and improve its balance of payments on current account as well.

In 1998, the favourable trend in income from international transport continued with a 14% year-on-year increase during the 1st quarter, exceeding payments for transport services by Sk 3.0 billion. In the category of transport services, the most significant items were income earned from the transport of gas and crude oil from the Russian Federation to the CR and Western Europe via Slovakia (Sk 4.3 billion) and income from freight transport (Sk 2.0 billion).

In 1998, the highest deficit was again recorded in the balance of other services (Sk 4.8 billion). This balance, which includes a wide range of productive and non-productive sectors, accounted for 44.2% of income from the sale of services and 65.1% of expenditure connected with the purchase of services. Negative balances were recorded mainly in services which require a high level of professional qualification (commerce, law, accountancy, consultancy, and information services). The absence of competitiveness in these services, which is a vital prerequisite for the development of other services, confirms the disharmony between the production

structure of services and the actual needs of the market. The only category of services where a marked surplus was achieved as in 1997, was construction and assembly work, the exports of which increased year-on-year by 18%.

The income balance resulted in a deficit of Sk 0.7 billion, due primarily to the balance of interest, which produced a shortfall of Sk 0.5 billion. This was a result of the fact that interest payments exceeded interest receipts from financial credits extended to the corporate sector (Sk 0.7 billion), which reflected the sector's growing indebtedness.

Income balance

During the 1st quarter of 1998, the country's foreign exchange economy was supported solely by current transfers (Sk 3.2 billion), whose balance increased year-on-year by 78%. Transfers from abroad to the SR were realised largely as private transfers in the form of subsidies, donations, pensions, etc.

7.2. Capital and financial account

The capital and financial account of the balance of payments generated a surplus of Sk 11.1 billion, i.e. US\$ 305.2 million. The inflow of capital in the form of loans drawn by domestic firms from abroad, remained the most significant source of long-term capital in 1998. With a volume of total long-term corporate borrowings (trade and financial credits) reaching Sk 16.6 billion and repayments in the amount of Sk 3.9 billion, the net inflow of capital in this form represented Sk 12.7 billion, i.e. Sk 7.4 billion more than in the same period a year earlier. The constant growth in capital obtained in the form of foreign loans indicates that the Slovak economy is capital intensive, while discrepancy may arise between the repayment of loans and the return on projects in the form of export growth.

The inflow of long-term funds into the corporate sector took place mainly in the form of financial credits. Through corporate borrowing, the Slovak economy obtained long-term resources in the total amount of Sk 15.2 billion, while more than 50% of these loans were allocated for transport and communications. The drawing of further loans for generation and distribution of electricity, gas and water supply, and refined oil products has strengthened not only the structure of borrowings, but the mechanism created for the allocation of investments in previous years as well.

Financial credits

In comparison with previous years, the inflow of capital in the form of direct foreign investment totalled Sk 4.8 billion, and was realised almost exclusively in the corporate sector. The interest of foreign investors was concentrated mainly on industrial production, particularly the processing of food and beverages (39.5%) and metal working (46.7%). Smaller volumes were realised in the sectors of trade and services.

Direct investment

On the other hand, companies made in fact no use, during the 1st quarter of 1998, of the possibility of obtaining funds through capital and financial market instruments and the inflow of capital in the form of portfolio investment, was negligible.

During the 1st quarter of 1998, the volume of investments made by Slovak entities abroad increased by Sk 1.9 billion. From the territorial point of view, most capital was invested by Hungary and the Czech Republic. These investments were realised mainly in wholesale and retail trade and the generation and distribution of electricity and gas.

A factor determining the development of short-term capital in 1998 was the movement of short-term capital within the banking sector, where increased movement was recorded on the part of both assets and liabilities. The increase in short-term liabilities in the banking sector since the beginning of the year (Sk 28.1 billion) took place mostly in the form of short-term foreign-currency deposits held by non-residents with Slovak banks. On the other hand, the increase in short-term foreign exchange liabilities at commercial banks was reflected in an increase in the volume of their foreign exchange assets abroad (Sk 22.7 billion), by which foreign exchange assets and liabilities in the banking sector became relatively balanced.

Movement of short-term capital

8. Net foreign debt of Slovakia at 31 March 1998

Gross external debt

At 31 March 1998, the total gross external debt of the Slovak Republic stood at US\$ 10.45 billion. The official debt of the NBS and the Government totalled US\$ 1.73 billion at the end of March 1998. The level of debt in the commercial sector, i.e. commercial banks and entrepreneurial entities, reached US\$ 8.671 billion and the debt owed by municipalities (municipal bonds issued by the city of Bratislava) amounted to US\$ 49 million at the end of March.

Regarding the structure of Slovakia's total gross foreign debt, gross medium and long-term foreign liabilities amounted to US\$ 5.726 billion and short-term liabilities of commercial banks and enterprises accounted for US\$ 4.528 billion. At the end of March 1998, the total volume of short-term debt stood at US\$ 4.723 billion, representing 45.2% of the country's total gross external debt.

Total external debt of the SR (US\$ billions)

	December 1997	March 1998
Total gross external debt of the SR	9.896	10.450
Official debt of the Government and the NBS	1.696	1.730
Debt owed by municipalities (Bratislava bonds)	0.050	0.049
External debt of the commercial sector	8.021	8.671
Debt owed by commercial banks	2.905	3.390
Debt owed by entrepreneurial entities	5.116	5.281
Per capital external debt of the SR (in US\$)	1,867	1,972

Note: For the purposes of debt reporting, the NBS has been applying, since January 1998, exchange rates valid at the end of the relevant month (not average monthly exchange rates as before December 1997).

Net external debt

The net external debt of the SR - calculated as the difference between gross foreign debt, i.e. US\$ 10.5 billion (liabilities of the Government and the NBS, liabilities of commercial banks and the corporate sector - import commitments and financial credits), and foreign assets, i.e. US\$ 8.5 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - export claims and financial credits), reached US\$ 2.0 billion at the end of March 1998.

9. Foreign capital in the SR and direct investment by the SR abroad

9.1. Foreign capital in the SR

According to data from the NBS, the volume of foreign capital invested in the SR reached Sk 57.0 billion (US\$ 1.62 billion) at 31 March 1998. Of this amount, Sk 45.9 billion (US\$ 1.30 billion) was employed in the corporate sector and Sk 11.1 billion (US\$ 0.31 billion) in banking and finance.

Regarding the structure of investment by sector, most capital was employed in industry, banking and trade.

From January to March 1998, the inflow of foreign capital (equity capital) into the corporate sector of the SR reached Sk 4,672 million (US\$ 132.86 million). The largest investors were the USA and Gibraltar, with a total share of 84.5%. Most capital was invested in eastern Slovakia (Prešov and Košice regions - 49.1%) and western Slovakia (Bratislava and the Bratislava region - 46.1%). Regarding the structure of investment by sector, most foreign capital was employed in industrial production. The volume of capital invested in the banking sector by Austrian investors totalled Sk 774 million (US\$ 22.01 million).

9.2. Direct investment by the SR abroad

At 31 March 1998, the volume of capital exports from the Slovak corporate sector amounted to Sk 8.14 billion. During the period from January to March, the outflow of capital totalled Sk 1,994 million, i.e. US\$ 56.70 million.

Appendices

Monetary survey

(Sk billions)

	1997								1998				
	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5.*
Fixed exchange rate SKK / USD	31.895	31.895	31.895	31.895	31.895	31.895	31.895	31.895	34.782	34.782	34.782	34.782	34.782
Fixed exchange rate SKK / DEM	20.514	20.514	20.514	20.514	20.514	20.514	20.514	20.514	19.398	19.398	19.398	19.398	19.398
ASSETS													
Net foreign assets	58.5	64.8	68.9	72.3	71.0	76.8	74.0	71.4	68.3	72.3	72.6	69.7	70.3
Foreign assets	202.8	219.1	232.1	242.3	239.8	254.0	259.9	234.8	252.5	255.3	252.3	259.6	264.6
Foreign liabilities	144.3	154.3	163.2	170.0	168.8	177.2	185.9	163.4	184.2	183.0	179.7	189.9	194.3
Net domestic assets	355.5	351.2	354.1	354.8	352.3	347.9	357.4	382.5	378.6	380.2	371.9	376.8	383.4
Domestic credit	442.1	445.0	446.5	450.7	455.1	458.0	464.4	467.8	463.5	468.0	468.2	476.4	484.4
- Net credit to Government	77.5	81.0	85.3	87.0	89.2	92.3	96.9	100.5	99.3	99.5	94.9	99.3	107.0
- Net credit to FNM ^{1/}	-2.3	-2.4	-2.5	-2.9	-2.3	-2.0	-2.2	-3.0	-1.7	-0.6	-0.2	-0.2	0.5
Credit to households and enterprises	366.9	366.4	363.7	366.6	368.2	367.7	369.7	370.3	365.9	369.1	373.5	377.3	376.8
- Credit in SKK	334.8	333.4	329.9	332.7	333.8	334.7	335.4	334.6	331.1	334.5	338.8	341.5	340.5
- Credit to enterprises	316.2	314.6	310.9	313.5	314.5	315.1	315.6	314.2	310.9	314.1	318.1	320.5	318.9
- Credit to households	18.6	18.8	19.0	19.2	19.3	19.6	19.8	20.4	20.2	20.4	20.7	21.0	21.6
- Credit in foreign currency	32.1	33.0	33.8	33.9	34.4	33.0	34.3	35.7	34.8	34.6	34.7	35.8	36.4
LIABILITIES													
Liquid liabilities [M2]	414.0	416.0	423.0	427.1	423.3	424.7	431.4	453.9	446.9	452.5	444.5	446.5	453.8
Money [M1]	157.3	156.1	158.7	160.5	156.6	154.0	160.1	166.1	154.3	161.0	150.1	149.2	156.2
Currency outside banks [M0]	44.9	45.2	45.5	46.8	46.4	46.0	46.8	48.7	51.0	50.7	49.5	50.2	50.6
Demand deposits	112.4	110.9	113.2	113.7	110.2	108.0	113.3	117.4	103.3	110.3	100.6	99.0	105.6
- Households	49.6	49.6	49.3	49.3	47.9	46.0	45.8	46.2	45.7	45.1	44.0	44.5	
- Enterprises	61.7	60.2	62.8	63.1	61.3	61.1	66.6	69.6	56.3	63.5	55.6	53.9	
- Insurance companies	1.1	1.1	1.1	1.3	1.0	0.9	0.9	1.6	1.3	1.7	1.0	0.6	
Quasi-money [QM]	256.7	259.9	264.3	266.6	266.7	270.7	271.3	287.8	292.6	291.5	294.4	297.3	297.6
Time and savings deposits	214.4	214.3	218.1	218.7	219.9	223.7	224.5	240.4	244.7	242.0	245.0	246.7	246.7
- Households	151.3	154.1	155.7	156.7	159.6	164.3	168.3	182.8	185.9	188.8	190.8	192.9	
- Enterprises	43.8	41.6	43.7	43.3	42.5	42.7	39.6	41.4	41.4	35.5	35.7	36.1	
- Insurance companies	19.3	18.6	18.7	18.7	17.8	16.7	16.6	16.2	17.4	17.7	18.5	17.7	
Foreign currency deposits	42.3	45.6	46.2	47.9	46.8	47.0	46.8	47.4	47.9	49.5	49.4	50.6	50.9
- Households	37.5	37.8	38.5	38.8	39.1	39.3	39.6	40.0	39.2	38.9	38.9	39.2	
- Enterprises	4.8	7.8	7.7	9.1	7.7	7.7	7.2	7.4	8.7	10.6	10.5	11.4	
Other items net	86.6	93.8	92.4	95.9	102.8	110.1	107.0	85.3	84.9	87.8	96.3	99.6	101.0

*/ Preliminary data

1/ FNM - National Property Fund

Balance of Payments for January to March 1998

	Receipts / Credit (+)		Expenditures / Debit (-)		Balance	
	Sk million	USD million	Sk million	USD million	Sk million	USD million
Goods	86,406.0	2,457.3	102,976.0	2,928.5	-16,570.0	-471.2
Services	16,640.0	473.2	18,716.0	532.3	-2,076.0	-59.0
Transportation	6,405.0	182.2	3,384.0	96.2	3,021.0	85.9
Travel	2,880.0	81.9	3,155.0	89.7	-275.0	-7.8
Other services total	7,355.0	209.2	12,177.0	346.3	-4,822.0	-137.1
Income	3,872.0	110.1	4,536.0	129.0	-664.0	-18.9
Compensation of employees	161.0	4.6	66.0	1.9	95.0	2.7
Investment income	3,711.0	105.5	4,470.0	127.1	-759.0	-21.6
Current transfers	4,916.0	139.8	1,724.0	49.0	3,192.0	90.8
CURRENT ACCOUNT	111,834.0	3,180.4	127,952.0	3,638.8	-16,118.0	-458.4
Capital account	192.0	5.5	-28.0	-0.8	164.0	4.7
Financial account	215,471.9	6,159.8	-204,541.0	-5,859.2	10,930.9	300.6
Direct investment	39,815.8	1,132.3	-37,326.0	-1,061.5	2,489.8	70.8
<i>Abroad</i>	320.0	9.1	-2,376.0	-67.6	-2,056.0	-58.5
Equity capital and reinvested earnings	59.0	1.7	-1,999.0	-56.8	-1,940.0	-55.2
Other capital	261.0	7.4	-377.0	-10.7	-116.0	-3.3
<i>In SR</i>	39,495.8	1,123.2	-34,950.0	-993.9	4,545.8	129.3
Equity capital and reinvested earnings	4,826.8	137.3	-43.0	-1.2	4,783.8	136.0
Other capital	34,669.0	986.0	-34,907.0	-992.7	-238.0	-6.8
Portfolio investment	293.1	8.3	-1,477.4	-42.0	-1,184.3	-33.7
Assets	198.1	5.6	-1,477.4	-42.0	-1,279.3	-36.4
Liabilities	95.0	2.7	0.0	0.0	95.0	2.7
Other investment	175,363.0	5,019.1	-165,737.6	-4,755.7	9,625.4	263.4
<i>Long-term</i>	18,279.6	519.0	-7,784.5	-226.7	10,495.1	292.3
Assets	768.2	22.1	-10.7	-1.6	757.5	20.6
Liabilities	17,511.4	496.9	-7,773.8	-225.1	9,737.6	271.8
<i>Short-term</i>	157,083.4	4,500.1	-157,953.1	-4,529.0	-869.7	-28.9
Assets	54,906.0	1,561.5	-79,384.8	-2,260.5	-24,478.8	-699.0
Liabilities	102,177.4	2,938.6	-78,568.3	-2,268.5	23,609.1	670.1
CAPITAL AND FINANCIAL ACCOUNT	215,663.9	6,165.2	-204,569.0	-5,860.0	11,094.9	305.2
ERRORS AND OMISSIONS	-335,484.0	-9,574.8	336,249.3	2,328.6	765.3	31.4
OVERALL BALANCE	-7,986.1	-229.1	3,728.3	107.4	-4,257.8	-121.7
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	912	26.0	0.0	0.0	912.0	26.0
Foreign exchange	7074.1	203.1	-3,728.3	-107.4	3,345.8	95.7
<i>Currency and deposit</i>	546.2	15.7	0.0	0.0	546.2	15.7
<i>Securities</i>	6527.9	187.4	-3,728.3	-107.4	2,799.6	80.0
Bonds and notes	6527.9	187.4	0.0	0.0	6,527.9	187.4
Money market instruments and financial derivats	0.0	0.0	-3,728.3	-107.4	-3,728.3	-107.4
RESERVE ASSETS	7,986.1	229.1	-3,728.3	-107.4	4,257.8	121.7

Used exchange rate of: USD = 35.163 Sk

Volume of foreign capital in the SR at 31 March 1998

	Corporate sector		Banking sector		Total	
	Sk bn	%	Sk bn	%	Sk bn	%
Total volume of foreign capital	45.9	100.0	11.1	100.0	57.0	100.0
Structure of capital by investor						
Germany	10.7	23.4	1.1	10.0	11.8	20.7
Austria	9.0	19.6	3.1	27.9	12.1	21.2
USA	5.5	12.0	1.2	10.8	6.7	11.8
Great Britain	4.7	10.2	-	-	4.7	8.2
France	3.4	7.4	0.5	4.5	3.9	6.8
Czech Republic	3.1	6.8	2.8	25.2	5.9	10.4
Gibraltar	3.0	6.5	-	-	3.0	5.3
The Netherlands	1.8	3.9	2.2	19.8	4.0	7.0
Other countries	4.7	10.2	0.2	1.8	4.9	8.6
Structure of capital by sector						
Extraction of raw materials	0.9	2.0	-	-	0.9	1.6
Industrial production	27.1	59.1	-	-	27.1	47.5
Building and construction	1.3	2.8	-	-	1.3	2.3
Wholesale and retail trade, repairs to motor vehicles	10.2	22.2	-	-	10.2	17.9
Hotels and restaurants	0.7	1.5	-	-	0.7	1.2
Transport, storage and communications	2.2	4.8	-	-	2.2	3.9
Finance and insurance	1.9	4.1	11.1	100.0	13.0	22.8
Real estate, rental and comm. services, research and development	1.4	3.1	-	-	1.4	2.5
Other public, social and pers. services	0.2	0.4	-	-	0.2	0.3

Note: Preliminary data

Inflow of foreign capital during January to March 1998

	Corporate sector		Banking sector		Total	
	Sk millions	%	Sk millions	%	Sk millions	%
Inflow of foreign capital in total	4,672	100.0	774	100.0	5,446	100.0
Structure of capital by country						
USA	2,183	46.7	-	-	2,183	40.1
Gibraltar	1,764	37.8	-	-	1,764	32.4
Austria	149	3.2	774	100.0	923	17.0
Holland	121	2.6	-	-	121	2.2
Germany	119	2.5	-	-	119	2.1
Great Britain	102	2.2	-	-	102	1.9
Czech Republic	81	1.7	-	-	81	1.5
Other countries	153	3.3	-	-	153	2.8
Structure of capital by sector						
Industry	4,217	90.3	-	-	4,217	77.4
Trade	385	8.2	-	-	385	7.1
Hotels and restaurants	-15	-0.3	-	-	-15	-0.3
Finance and insurance	15	0.3	774	100.0	789	14.5
Real estate, rental, comm. services	85	1.8	-	-	85	1.6
Other public, social and pers. services	-15	-0.3	-	-	-15	-0.3
Structure of capital by region						
Bratislava, Bratislava region	2,154	46.1	774	100.0	2,928	53.8
Trnava, Trenčín, and Nitra regions	204	4.4	-	-	204	3.7
Banská Bystrica and Žilina regions	20	0.4	-	-	20	0.4
Prešov and Košice regions	2,294	49.1	-	-	2,294	42.1

Note: Preliminary data

Volume of direct investment abroad at 31 March 1998

	Sk billions	%
Total volume of direct investment abroad	8.14	100.0
Structure of investment by country		
Czech Republic	5.03	61.8
Ukraine	0.90	11.1
Croatia	0.41	5.0
Russia	0.38	4.7
Austria	0.27	3.3
Germany	0.23	2.8
Bulgaria	0.22	2.7
Other countries	0.70	8.6
Structure of investment by sector		
Industry	3.91	48.0
Generation and distribution of electricity and gas	1.45	17.8
Trade	1.68	20.6
Transport, storage, and communications	0.16	2.0
Finance and insurance	0.48	5.9
Other sectors	0.46	5.7

Note: Preliminary data

Export of direct investment abroad during January to March 1998

	Sk millions	%
Export of direct investments in total	1,994	100.0
Structure of investment by country		
Hungary	1,652	82.8
Czech Republic	239	12.0
China	52	2.6
Other countries	51	2.6
Structure of investment by sector		
Industry	56	2.8
Export of electricity, gas, and water	205	10.3
Wholesale and retail trade	1,713	85.9
Other sectors	20	1.0

Note: Preliminary data

Foreign Exchange Reserves

(USD millions)

End-of-period figures	1997								1998				
	5	6	7	8	9	10	11	12	1	2	3	4	5
Official reserves of NBS	2,974.0	3,018.7	3,009.5	3,181.0	3,150.9	3,410.9	3,446.0	3,284.9	3,161.1	3,202.1	3,142.7	3,348.9	3,722.7
Reserves of commercial banks	2,797.2	3,109.3	3,372.3	3,550.5	3,625.7	3,859.1	3,883.2	3,204.9	3,862.7	3,881.4	3,838.9	3,937.5	3,746.3
Total	5,771.2	6,128.0	6,381.8	6,731.5	6,776.6	7,270.0	7,329.2	6,489.8	7,023.8	7,083.5	6,981.6	7,286.4	7,469.0

Gross Foreign Debt

(USD billions)

End-of-period figures	1997										1998		
	3	4	5	6	7	8	9	10	11	12	1	2	3
Total gross foreign debt	8.0	8.4	8.5	9.0	9.4	9.5	9.7	10.3	10.7	9.9 */	10.5	10.5	10.4
- official debt of the Government and the NBS	1.6	1.6	1.6	1.6	1.6	1.6	1.8	1.9	1.8	1.8	1.8	1.8	1.7
- foreign debt of enterprises	3.7	3.7	4.0	4.3	4.3	4.4	4.5	4.9	5.1	5.1	5.2	5.3	5.3
- foreign debt of commercial banks	2.6	2.7	2.7	3.0	3.2	3.3	3.3	3.4	3.6	2.9	3.5	3.4	3.4
Total gross debt per capita (in USD)	1,516	1,586	1,601	1,705	1,766	1,789	1,826	1,937	2,023	1,867	1,990	1,982	1,972

*/ At the end of December 1997, the actual level of foreign debt was higher by roughly USD 800 million. The level of foreign debt was reduced to USD 9.9 billion artificially, due to an accounting operator performed by a foreign bank based in the SR in December 1997.

Money Supply M2

(Sk billions)

	1.1.1998	30.4.1998	31.5.1998 ^{*/}	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	31.5.1997	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	453.5	446.5	453.8	7.3	1.6	0.3	0.1	414.0	39.8	9.6
Money [M1]	166.1	149.2	156.2	7.0	4.7	-9.9	-6.0	157.3	-1.1	-0.7
Currency outside banks [M0]	48.7	50.2	50.6	0.4	0.8	1.9	3.9	44.9	5.7	12.7
Demand deposits	117.4	99.0	105.6	6.6	6.7	-11.8	-10.1	112.4	-6.8	-6.0
Quasi-money [QM]	287.4	297.3	297.6	0.3	0.1	10.2	3.5	256.7	40.9	15.9
Time deposits	240.4	246.7	246.7	0.0	0.0	6.3	2.6	214.4	32.3	15.1
Foreign currency deposits	47.0	50.6	50.9	0.3	0.6	3.9	8.3	42.3	8.6	20.3
Crown deposits	357.8	345.7	352.3	6.6	1.9	-5.5	-1.5	326.8	25.5	7.8
- Households	229.0	237.4	238.9	1.5	0.6	9.9	4.3	200.9	38.0	18.9
- Enterprises (incl. insurance)	128.8	108.3	113.4	5.1	4.7	-15.4	-12.0	125.9	-12.5	-9.9

*/ Preliminary data

Monetary-Policy Instruments

	As at 1 January 1997	Change during the year 1997	As at 1 January 1998	Change during the year 1998
1. Discount rate	8.8%		8.8%	
2. Lombard rate	15%		15%	
3. REPO rate				
sterilisation	-	Jan. 16.1% ^{1/} Feb. 15.4% Mar. 14.2% Apr. 15.2% May - Jun. - Jul. - Aug. - Sep. - Oct. - Nov. - Dec. -	-	Jan. 11.7% Feb. - Mar. - Apr. - May 12.44% Jun. - Jul. - Aug. - Sep. - Oct. - Nov. - Dec. -
refinancing	-	Jan. 14.8% ^{2/} Feb. - Mar. 17.4% Apr. 15.8% May 16.8% Jun. 19.2% Jul. 16.6% Aug. 13.9% Sep. 15.9% Oct. 19.7% Nov. 15.7% Dec. 19.2%	-	Jan. 21.95% Feb. 19.45% Mar. 15.25% Apr. 17.80% May 14.99% Jun. - Jul. - Aug. - Sep. - Oct. - Nov. - Dec. -
4. Reserve requirements	9% of primary deposits of banks 3% of primary deposits of building societies		9% of primary deposits of banks 3% of primary deposits of building societies	
5. Exchange rates vis-a-vis convertible currencies				
a) currency basket	60% DEM, 40% USD		60% DEM, 40% USD	
b) fluctuation band	± 7%		± 7%	

1/ Average interest rate on tenders conducted during the second RR-period

2/ Average interest rate on tenders conducted during the first RR-period

Development of Deposits

(Sk billions)

	30.4.1998	31.5.1998 ^{1/}	Change
Deposits in Sk and foreign currency	437.6	443.8	6.2
- Deposits in Slovak crowns	384.2	390.1	5.9
of which			
- Entrepreneurial sector	98.4	102.0	3.6
- Government sector	38.5	39.1	0.6
- Households	237.3	239.1	1.8
- Other ^{2/}	10.0	10.0	0.0
- Deposits in foreign currency ^{3/}	53.4	53.7	0.3

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

Development of Loans

(Sk billions)

	30.4.1998	31.5.1998 ^{1/}	Change
Loans in Sk and foreign currency	381.3	382.0	0.7
- Loans in Slovak crowns	333.9	332.9	-1.0
of which			
- Entrepreneurial sector	303.0	301.2	-1.8
- Government sector	7.4	7.4	0.0
- Households	20.9	21.6	0.7
- Other ^{2/}	2.6	2.7	0.1
- Loans in foreign currency ^{3/}	47.4	49.1	1.7

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

Average Lending Rates of Commercial Banks

(%)

	1997									1998			
	4	5	6	7	8	9	10	11	12	1	2	3	4
1. TOTAL VOLUME OF LOANS ^{1/}	14.17	14.58	14.94	15.37	15.49	15.66	15.75	15.84	16.22	16.66	17.28	16.70	16.75
A) Loans by sector													
of which													
a) Enterprise sector	14.26	14.55	14.91	15.35	15.49	15.60	15.66	15.80	16.16	16.71	17.27	16.71	16.12
- Public sector	13.78	13.95	14.33	14.79	14.89	14.95	14.96	14.99	15.33	15.72	16.31	15.87	14.55
- Private sector (incl. cooperatives)	14.73	15.15	15.48	15.90	16.08	16.24	16.35	16.60	16.98	17.70	18.22	17.55	17.68
b) Households	7.51	7.42	7.46	7.73	7.74	7.69	7.86	7.53	7.37	7.51	7.48	7.50	8.55
B) Loans by term													
of which													
- Short-term	15.69	16.58	17.28	18.23	18.38	18.72	18.92	19.13	19.91	20.77	20.77	20.50	20.83
- Medium-term	15.68	15.66	15.88	15.94	16.00	16.10	16.06	16.35	16.41	16.61	16.47	16.58	16.64
- Long-term	11.39	11.52	11.63	11.77	11.82	11.82	11.90	11.88	11.90	12.26	13.86	12.34	12.54
2. NEW LOANS IN TOTAL	16.53	19.08	19.33	18.59	18.51	19.91	19.84	20.56	20.92	20.75	20.82	20.29	19.54
A) Loans by sector													
of which													
a) Enterprise sector	15.43	17.36	20.36	17.43	16.27	18.70	19.38	19.39	21.25	19.06	19.53	21.24	20.90
- Public sector	14.52	15.77	22.40	15.64	13.11	17.72	19.09	18.65	21.30	15.84	17.45	21.86	20.19
- Private sector (incl. cooperatives)	16.34	18.94	18.31	19.22	19.43	19.67	19.67	20.12	21.19	22.28	21.60	20.61	21.60
b) Households	12.44	12.30	11.71	10.52	10.11	9.96	10.07	10.43	10.18	13.59	9.99	9.99	10.70
B) Loans by term													
of which													
- Short-term	16.78	19.70	20.01	18.98	18.97	20.90	20.76	21.56	21.60	21.56	21.81	20.58	19.86
- Medium-term	15.82	16.12	15.58	16.28	15.39	16.80	15.78	17.60	16.30	17.56	16.88	15.26	16.43
- Long-term	13.44	15.49	15.45	16.14	16.12	15.46	16.46	15.12	15.40	13.04	13.73	15.87	14.73

1/ Excluding loans at zero interest rate

Average Interest Rates on Crown Deposits and Volume of Crown Deposits

		1997									1998			
		4	5	6	7	8	9	10	11	12	1	2	3	4
Total deposits	a	356,816	359,518	357,452	363,532	363,937	361,401	361,865	368,269	388,784	378,097	382,397	375,142	376,340
	b	7.57	7.84	7.75	8.07	8.09	8.65	8.82	8.76	8.69	10.21	9.98	9.99	10.23
of which														
Demand deposits	a	123,202	125,110	124,685	128,557	126,628	124,935	121,642	127,027	140,524	114,600	121,846	113,384	112,544
	b	3.04	3.08	3.19	3.43	3.41	3.48	3.50	3.57	3.50	3.78	3.73	3.70	3.68
Time deposits	a	233,614	234,408	232,767	234,976	237,309	236,466	240,214	241,242	248,260	263,496	260,550	261,758	263,796
	b	9.97	10.28	10.17	10.63	10.63	11.40	11.54	11.48	11.62	13.00	12.90	12.71	13.03
- 7-day deposits	a	6,695	7,703	8,856	11,138	12,339	10,621	11,764	10,106	8,702	15,394	13,893	15,586	15,514
	b	14.74	21.23	14.76	16.91	14.67	20.43	18.54	16.46	17.10	20.48	17.35	15.47	16.97
- 1-month deposits	a	22,248	21,386	21,718	24,081	28,735	32,863	38,779	43,216	49,095	49,923	51,504	53,582	57,423
	b	10.49	11.02	12.27	12.52	12.43	15.45	15.95	15.84	16.25	18.59	18.66	18.00	18.02
- 3-month deposits	a	10,322	11,145	8,808	9,188	9,556	9,338	8,599	10,814	11,166	17,330	17,584	19,258	21,350
	b	10.12	11.11	11.37	11.65	12.61	13.30	13.08	13.37	15.04	18.85	18.74	18.68	18.98
- 6-month deposits	a	14,077	13,527	13,406	11,308	10,416	9,619	9,781	8,977	6,743	13,209	14,117	14,669	14,930
	b	9.61	9.60	9.56	9.84	10.59	10.74	11.27	11.10	11.37	15.59	16.20	16.41	16.46
- 9-month deposits	a	2,374	2,446	2,422	2,137	2,195	1,673	1,194	661	518	533	569	647	1,352
	b	10.27	10.80	10.34	11.48	11.81	12.52	12.85	15.04	16.78	17.76	17.41	18.92	18.41
- 12-month deposits	a	73,343	74,097	73,633	72,932	70,761	70,279	68,674	67,406	64,957	63,275	61,818	59,393	58,804
	b	9.95	10.06	10.11	10.29	10.38	10.49	10.52	10.63	10.51	10.69	10.67	10.73	10.81
- 18-month deposits	a	1,635	1,765	1,788	1,430	1,296	1,324	1,302	1,482	1,341	1,324	1,003	817	784
	b	11.06	11.25	11.96	11.45	10.43	10.72	10.69	10.96	11.14	11.72	12.78	12.73	12.73
- 2-year deposits	a	52,374	51,699	51,108	52,131	51,444	50,248	49,531	48,044	50,785	48,170	45,974	44,112	40,314
	b	10.74	10.74	10.70	10.86	10.86	10.84	10.84	10.79	10.77	10.80	10.76	10.80	10.64
- 3-year deposits	a	2,040	2,160	1,624	1,363	1,367	1,418	1,459	1,501	1,447	1,521	1,817	1,700	1,530
	b	12.64	12.68	12.61	12.99	12.95	12.89	12.84	12.12	12.14	12.36	12.87	12.57	12.58
- 4-year deposits	a	8,513	8,537	8,572	8,579	8,586	8,583	8,605	8,600	8,601	8,443	8,406	8,334	8,059
	b	13.13	13.13	13.13	13.13	13.13	13.14	13.13	13.13	13.13	12.90	12.98	12.60	12.58
- 5-year deposits	a	13,282	13,188	13,460	12,871	12,664	12,387	11,956	11,506	11,832	11,246	10,755	10,232	9,689
	b	12.53	12.50	12.50	13.25	13.00	12.99	13.03	12.98	12.92	13.39	13.26	10.42	13.26
- above 5 year	a	26,711	26,754	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047
	b	4.82	4.81	4.76	4.75	4.75	4.74	4.69	4.69	4.51	4.54	4.49	4.51	4.11
- short-term	a	129,058	130,305	128,844	130,784	134,001	134,393	138,791	141,180	141,182	159,663	159,484	163,136	169,373
	b	10.57	10.89	10.68	11.36	11.41	12.75	12.96	12.90	13.39	15.42	15.24	15.05	15.40
- medium-term	a	77,844	77,349	76,553	76,374	75,357	73,959	72,853	71,132	74,006	70,704	67,956	65,195	60,376
	b	11.36	11.37	11.35	11.50	11.51	11.50	11.50	11.46	11.42	11.51	11.52	11.04	11.40
- long-term	a	26,711	26,754	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047
	b	4.82	4.81	4.76	4.75	4.75	4.74	4.79	4.69	4.51	4.54	4.49	4.51	4.11
- demand and short-term	a	252,260	255,415	253,529	259,340	260,630	259,328	260,433	268,207	281,705	274,264	281,331	276,520	281,917
	b	6.69	7.05	7.06	7.57	11.02	8.26	8.52	8.48	8.45	10.56	10.26	10.40	10.73

a - Volume of deposits (\$K million)

b - Average interest rate (%)

Development of Average Interbank Offered Rates (BRIBOR)

	1997								1998				
	5 1/	6 1/	7 1/	8 1/	9 1/	10 1/	11	12	1	2	3	4	5
Overnight	26.75	53.91	29.58	23.63	25.18	27.18	17.71	18.55	16.69	17.22	11.12	15.30	9.49
1 week	25.77	42.34	28.06	24.96	26.20	27.48	22.00	21.18	19.99	21.12	15.31	18.69	13.16
2 weeks	25.12	40.76	26.23	23.31	26.09	27.28	23.06	21.71	21.03	21.60	16.67	19.11	14.43
1 month	24.27	33.80	25.46	24.70	26.51	27.00	25.52	24.42	23.07	22.82	18.70	19.93	16.52
2 months	23.83	32.48	25.22	-	26.50	26.59	26.61	25.54	24.57	24.43	20.03	20.78	18.66
3 months	23.78	31.48	24.93	-	25.66	26.17	26.93	26.48	25.80	24.06	21.30	21.58	19.54
6 months	23.61	30.89	24.45	-	-	26.68	27.10	26.92	26.61	26.04	23.11	23.22	21.94

Note: All average rates were calculated for the days on which they were listed

1/ Figures based on data from the unofficial Monitoring of Interbank Deposit Rates in the SR (since 29 May 1997), due to the marked fall in trade on the interbank market and the subsequent suspension of listing of BRIBOR rates. The listing of BRIBOR rates was renewed on 16 October 1997.

Basic Characteristics of Slovakia's Foreign Exchange Market in May 1998

	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	23.0	89.1	1	2.8	10.9	1				25.8	2
Transactions among Slovak banks without participation of foreign banks	1,318.5	83.4	513	205.9	13.0	166	56.9	3.6	135	1,581.3	814
Interbank foreign exchange market fixing + transactions between Slovak banks.	1,341.5	83.5	514	208.7	13.0	167	56.9	3.5	135	1,607.1	816
Transactions between Slovak and foreign banks	2,183.9	87.7	616	300.1	12.0	273	6.6	0.3	27	2,490.6	916
Foreign exchange market in the SR - total	3,525.3	86.0	1,130	508.8	12.4	440	63.5	1.6	162	4,097.7	1,732

Average Monthly Exchange Rates of SKK

midpoint rate	1997								1998				
	5	6	7	8	9	10	11	12	1	2	3	4	5
FRF	5.793	5.750	5.665	5.601	5.716	5.714	5.786	5.806	5.786	5.807	5.730	5.745	5.753
1,000 ITL	19.775	19.756	19.631	19.333	19.695	19.574	19.775	19.832	19.690	19.727	19.513	19.500	19.566
100 JPY	28.005	29.274	29.697	29.563	28.542	27.861	26.883	26.722	27.177	28.092	27.248	26.483	25.416
CAD	24.106	24.174	24.801	25.097	24.829	24.352	23.757	24.229	24.424	24.593	24.745	24.497	23.705
NLG	17.369	17.252	16.975	16.764	17.063	17.019	17.190	17.250	17.197	17.271	17.045	17.100	17.126
ATS	2.776	2.758	2.716	2.683	2.731	2.724	2.753	2.763	2.755	2.767	2.731	2.737	2.742
DEM	19.534	19.409	19.111	18.881	19.217	19.173	19.376	19.438	19.379	19.467	19.211	19.257	19.297
CHF	23.235	23.260	23.096	22.975	23.354	23.189	23.845	24.022	23.854	24.123	23.595	23.215	23.163
USD	33.261	33.463	34.142	34.833	34.429	33.718	33.528	34.528	35.137	35.322	35.041	34.981	34.229
GBP	54.324	54.989	57.117	55.888	55.067	54.941	56.573	57.401	57.525	57.892	58.166	58.505	56.145
XEU	38.084	37.917	37.690	37.173	37.708	37.668	38.328	38.471	38.279	38.439	38.096	38.187	38.023
CZK	1.072	1.035	1.018	1.017	1.024	1.025	1.012	0.994	0.994	1.023	1.031	1.037	1.053

Gross Domestic Product

(Sk billions)

		1996	1997				1998	
		year	1. quarter	2. quarter	3. quarter	4. quarter	year	1. quarter
Gross domestic product in constant 1995 prices	a	550.8	136.0	147.3	152.4	151.1	586.8	144.4
	b	106.6	106.4	106.2	106.6	106.9	106.5	106.2
	c	-	96.2	108.3	103.5	99.1	-	95.6
Gross domestic product in current prices	a	575.7	148.7	162.6	170.2	172.4	653.9	166.2
	b	111.4	113.9	112.7	113.1	114.6	113.6	111.8
	c	-	98.9	109.3	104.7	101.3	-	96.4

Note: Conversion is based on the method of ESA, preliminary data

a - In the specified unit

b - Index same period of previous year = 100

c - Index previous quarter = 100

Consumer Prices

(according to the methodology being in force since 1 January 1997)

		1997										1998			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Goods and services	a	100.5	100.1	100.3	100.1	101.0	100.2	100.9	100.7	100.5	101.9	100.7	100.2	100.4	
	b	108.1	108.2	108.5	108.6	109.6	109.9	110.8	111.5	112.1	108.4	109.1	109.4	109.8	
	c	102.6	102.7	103.0	103.0	104.1	104.3	105.2	105.9	106.4	101.9	102.6	102.8	103.2	
	d	106.5	106.1	106.2	106.0	106.5	105.7	105.9	106.2	106.4	107.2	107.5	107.2	107.0	
of which															
foodstuff goods	a	100.3	99.2	100.5	99.3	99.9	100.1	101.0	100.7	101.0	101.9	101.2	99.8	100.6	
	b	107.4	106.5	107.1	106.3	106.2	106.3	107.3	108.1	109.1	106.6	107.8	107.6	108.3	
	c	103.0	102.1	102.6	101.9	101.8	101.9	102.9	103.6	104.6	101.9	103.0	102.9	103.5	
	d	107.1	105.9	107.4	106.0	105.4	103.2	103.3	103.8	104.6	104.9	105.7	104.8	105.2	
non-foodstuff goods	a	100.3	100.6	100.2	100.3	100.6	100.4	101.0	100.6	100.5	101.5	100.6	100.4	100.3	
	b	108.5	109.1	109.3	109.6	110.3	110.7	111.8	112.5	113.0	108.0	108.7	109.1	109.4	
	c	102.1	102.8	103.0	103.2	103.9	104.3	105.3	105.9	106.4	101.5	102.1	102.5	102.8	
	d	106.1	106.1	105.6	105.7	105.8	105.8	106.3	106.4	106.4	107.0	107.2	107.2	107.2	
public catering	a	100.0	100.3	100.2	100.4	100.0	100.2	100.5	100.6	100.3	100.4	101.2	100.7	100.2	
	b	104.1	104.4	104.7	105.1	105.0	105.3	105.8	106.4	106.7	103.0	104.3	105.0	105.2	
	c	100.0	100.4	100.6	101.0	101.0	101.2	101.7	102.3	102.6	100.4	101.7	102.4	102.6	
	d	104.2	104.0	103.5	103.6	103.2	102.8	102.7	102.7	102.6	103.6	104.8	105.0	105.2	
services	a	101.1	100.3	100.2	100.6	102.7	100.2	100.6	100.7	100.1	102.4	100.3	100.4	100.3	
	b	108.8	109.2	109.4	110.1	113.0	113.2	113.9	114.6	114.8	111.3	111.6	112.1	112.4	
	c	103.0	103.4	103.6	104.2	107.0	107.2	107.8	108.5	108.6	102.4	102.7	103.2	103.5	
	d	106.3	106.4	106.4	106.8	108.5	108.1	108.2	108.7	108.6	110.3	110.2	110.1	109.1	

a - Index previous period = 100

b - Index December two years before = 100

d - Index December of previous year = 100

e - Index same period of previous year = 100

Producer Prices of Selected Products and Materials

		1997										1998			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Industrial products	a	100.6	99.4	100.2	100.6	100.6	100.4	101.6	99.8	100.1	100.8	100.0	100.1	100.1	
	b	101.7	101.2	101.3	101.9	102.5	102.9	104.5	104.3	104.4	100.8	100.8	100.9	101.0	
	c	108.2	107.5	107.7	108.4	109.0	109.4	111.1	110.9	111.0	111.9	111.9	112.0	112.1	
	d	104.8	103.2	103.7	104.4	104.3	104.2	104.8	104.4	104.4	104.1	103.5	104.2	103.7	
	e	106.1	105.5	105.7	106.3	106.9	107.3	109.0	108.8	108.9	109.8	109.8	109.9	110.0	
Building materials	a	101.6	101.8	100.3	100.4	100.9	100.4	100.4	100.5	100.3	101.6	101.5	100.6	100.8	
	b	103.2	105.1	105.4	105.8	106.7	107.1	107.5	108.0	108.3	101.6	103.1	103.7	104.5	
	c	109.3	111.3	111.6	112.0	113.0	113.4	113.8	114.4	114.7	116.5	118.3	119.0	119.9	
	d	106.2	108.2	108.0	107.7	108.5	108.5	108.2	107.9	108.3	108.7	109.3	110.6	109.7	
	e	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-	
	b	-	-	-	-	-	-	-	-	-	-	-	-	-	
	c	-	-	-	-	-	-	-	-	-	-	-	-	-	
	d	108.6	106.8	106.8	108.6	107.6	105.6	102.0	99.4	98.9	102.9	102.3	100.5	102.3	
	e	110.8	109.6	110.7	115.4	118.7	113.1	107.7	107.0	108.0	106.6	109.5	111.5	113.4	
of which:	a	-	-	-	-	-	-	-	-	-	-	-	-		
Plant products	b	-	-	-	-	-	-	-	-	-	-	-	-		
	c	-	-	-	-	-	-	-	-	-	-	-	-		
	d	113.3	109.0	110.7	109.7	108.9	107.8	100.7	96.5	92.8	94.5	93.0	89.0	90.6	
	e	120.5	120.4	123.7	119.7	123.3	117.8	108.2	108.1	109.4	110.7	111.1	107.7	109.2	
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-		
	b	-	-	-	-	-	-	-	-	-	-	-	-		
	c	-	-	-	-	-	-	-	-	-	-	-	-		
	d	108.0	106.5	106.2	107.3	105.6	103.4	103.4	102.6	103.5	104.8	104.9	103.1	104.0	
	e	109.5	108.3	109.2	110.7	112.6	108.4	107.2	105.9	107.1	105.8	109.2	112.3	113.9	

a - Index previous month = 100

b - Index December of previous year = 100

c - Index average of previous year

d - Index same period of last year = 100

e - Index same period of 1995 = 100, for industrial producers December 1995 = 100

Inflation Rate

(in terms of consumer prices)

	1997								1998					(%)
	5	6	7	8	9	10	11	12	1	2	3	4	5	
Monthly rate of inflation ^{1/}	0.1	0.3	0.1	1.0	0.2	0.9	0.7	0.5	1.9	0.7	0.2	0.4	0.6	
Annual rate of inflation ^{2/}	6.1	6.2	6.0	6.5	5.7	5.9	6.2	6.4	7.2	7.5	7.2	7.0	7.6	
Average annual rate of inflation ^{3/}	6.1	6.1	6.1	6.2	6.1	6.1	6.1	6.1	7.2	7.4	7.3	7.2	7.3	

1 - Index (previous month = 100)

2 - Index (same period of previous year = 100)

3 - Annual rate of inflation, average from the beginning of the year

Unemployment

		1997										1998				At the end of period
		4	5	6	7	8	9	10	11	12	1	2	3	4		
Number of vacancies	a	27,155	28,116	28,543	29,120	28,982	26,765	24,135	20,674	19,318	18,299	19,254	19,261	19,914		
	b	4,117	961	427	577	-138	-2,217	-2,630	-3,461	-1,356	-1,019	955	7	653		
Number of unemployed	a	337,180	320,530	319,923	331,707	332,828	336,858	334,327	328,379	347,753	372,500	375,325	370,883	364,098		
	b	-12,478	-16,650	-607	11,784	1,121	4,030	-2,531	-5,948	19,374	24,747	2,825	-4,442	-6,785		
Number of unemployed per vacancy	a	12	11	11	11	11	13	14	16	18	20	19	19	18		
Unemployment rate (in %)	a	13.0	12.3	12.3	12.8	12.8	13.0	12.9	12.6	12.5	13.4	13.6	13.4	13.2		

a - In the specified unit

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

State Budget

(Sk millions)

		1997								1998				
		5	6	7	8	9	10	11	12	1	2	3	4	5
State budget revenue	a	65,597	78,499	96,144	109,746	125,153	144,874	159,142	180,826	16,397	25,991	43,939	60,841	73,202
	b	38.3	45.9	56.2	64.1	73.1	84.7	93.0	105.7	9.1	14.5	24.4	33.8	40.7
State budget expenditure	a	72,774	91,708	114,080	134,015	153,121	176,138	192,632	217,825	12,923	25,753	42,835	61,105	75,608
	b	35.0	44.1	54.8	64.4	73.6	84.7	92.6	104.7	7.0	13.9	23.2	33.1	40.9
State budget balance	a	-7,177	-13,209	-17,936	-24,269	-27,968	-31,264	-33,490	-36,999	3,474	238	1,104	-264	-2,406

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

b - Budget performance in %

Industrial Production

(Sk millions)

		1997									1998			
		4	5	6	7	8	9	10	11	12	1	2	3	4
Total industrial production	a	46,952	46,241	48,529	44,016	43,349	47,711	53,611	52,811	49,050	45,980	46,773	52,750	50,256
	b	101.4	98.5	104.9	90.7	98.5	110.1	112.4	98.5	92.9	94.3	101.7	112.8	95.3
	c	108.6	100.2	107.4	103.5	98.3	99.3	102.4	103.3	105.2	100.6	102.4	110.9	104.2
	d	182,350	228,591	277,120	321,136	364,485	412,196	465,807	518,618	567,668	45,980	92,753	145,503	195,759
	e	103.4	102.7	103.5	103.5	102.9	102.4	102.4	102.5	102.7	100.6	101.5	104.7	104.6
	f	43,835	43,398	45,586	40,991	40,129	44,047	48,879	48,112	44,586	41,585	42,593	48,021	45,697
of which														
in the private sector														
	a	33,946	33,690	36,253	32,717	31,843	35,579	40,361	39,634	36,576	33,802	35,148	40,142	38,634
	b	103.2	99.2	107.6	90.2	97.3	111.7	113.4	98.2	92.3	94.0	104.0	114.2	96.2
	c	116.8	107.5	115.6	112.3	104.5	107.8	108.3	111.0	112.9	107.5	109.6	118.0	110.6
	d	128,623	162,313	198,566	231,283	263,126	298,705	339,066	378,700	415,276	33,802	68,950	109,092	147,726
	e	112.1	111.1	111.9	111.9	111.0	110.6	110.3	110.4	110.6	107.5	108.6	111.8	111.5
	g	72.3	72.9	74.7	74.3	73.5	74.6	75.3	75.0	74.6	73.5	75.1	76.1	76.9
Labour productivity (Sk / employee)														
	a	77,125	76,291	79,414	72,407	71,419	78,371	87,959	86,848	81,307	76,113	77,815	87,996	84,303
	b	101.8	98.9	104.1	91.2	98.6	109.7	112.2	98.7	93.6	94.9	102.2	113.1	95.8
	c	110.2	102.1	108.9	105.9	100.9	101.7	104.8	105.8	108.4	101.8	104.5	113.1	106.5

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 1995 prices

g - Share of private sector in industrial production (%)

Construction

(Sk millions)

		1997									1998			
		4	5	6	7	8	9	10	11	12	1	2	3	4
Total construction sector output (including output abroad)	a	5,633	6,157	6,707	6,870	6,944	6,980	8,031	7,614	6,411	4,783	5,248	6,039	6,174
	b	121.2	109.3	108.9	102.4	101.1	100.5	115.1	94.8	84.2	73.5	109.7	115.1	102.2
	c	112.7	106.9	103.9	111.0	111.8	106.6	111.4	110.2	105.8	115.2	111.2	120.2	100.6
	d	18,409	24,566	31,273	38,143	45,087	52,067	60,098	67,712	74,123	4,783	10,031	16,070	22,244
	e	111.4	110.3	108.8	109.2	109.6	109.2	109.5	109.6	109.2	115.2	113.1	115.6	111.1
	f	4,686	5,101	5,520	5,585	5,609	5,629	6,445	6,077	5,100	3,760	4,075	4,656	4,717
of which in the private sector	a	4,558	4,920	5,344	5,562	5,650	5,771	6,597	6,226	5,514	3,913	4,262	4,938	5,070
	b	119.4	107.9	108.6	104.1	101.6	102.1	114.3	94.4	88.6	74.7	108.9	115.9	102.7
	c	110.1	102.5	100.8	110.2	110.2	107.0	109.2	107.6	106.2	108.6	105.5	119.5	102.1
	d	15,382	20,302	25,646	31,208	36,858	42,629	49,226	55,452	60,966	3,913	8,175	13,113	18,183
	e	110.8	108.7	107.0	107.5	107.9	107.8	108.0	107.9	107.8	108.6	107.0	111.3	108.6
	f	80.9	79.9	79.7	81.0	81.4	82.7	82.1	81.8	86.0	81.8	81.2	81.8	82.1
	g													
Construction output in the SR	a	5,234	5,685	6,172	6,493	6,487	6,543	7,539	7,164	6,062	4,528	4,965	5,722	5,856
	b	121.8	108.6	108.6	105.2	99.9	100.9	115.2	95.0	84.6	73.4	109.7	115.2	102.3
	c	118.7	110.3	107.9	117.0	115.2	110.9	115.6	111.5	107.2	115.7	112.1	123.1	102.7
	d	17,177	22,862	29,034	35,527	42,014	48,557	56,096	63,260	69,322	4,447	9,412	15,134	20,990
	e	115.8	114.4	113.0	113.7	113.9	113.5	113.8	113.5	112.9	115.7	113.8	117.1	112.8
	f	4,355	4,710	5,080	5,279	5,240	5,277	6,051	5,717	4,823	3,560	3,855	4,412	4,474
Construction output abroad	a	399	472	535	377	457	437	492	450	349	255	283	317	318
	b	114.0	118.3	113.3	70.5	121.2	95.6	112.6	91.5	77.6	75.1	111.0	112.0	100.3
	c	67.7	77.9	72.4	59.2	78.8	68.0	71.3	92.6	86.3	107.9	97.2	83.7	73.2
	d	1,232	1,704	2,239	2,616	3,073	3,510	4,002	4,452	4,801	255	538	855	1,173
	e	72.9	74.2	73.8	71.3	72.3	71.7	71.7	73.3	74.1	107.9	102.0	94.4	87.6
	f	331	391	440	306	369	352	394	360	277	200	220	244	243
Labour productivity per employee in Sk (of total construction output)	a	38,456	41,742	45,080	45,324	45,318	45,140	51,383	49,108	42,465	32,450	35,739	40,589	41,036
	b	119.2	108.5	108.0	100.5	100.0	99.6	113.8	95.6	86.5	75.5	110.1	113.6	101.1
	c	114.3	108.6	105.1	111.3	111.2	105.4	108.9	108.0	102.9	111.6	108.5	116.3	98.0

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 prices - average 1995 prices

g - Share of private sector in production (%)

Foreign Trade

(Skmillions)

		1997									1998			
		4	5	6	7	8	9	10	11	12	1	2	3	4
Imports	a	35,443	28,193	29,238	28,665	26,060	27,975	30,556	27,097	26,480	29,455	34,082	39,439	38,621
	b	120,785	148,978	178,216	206,881	232,941	260,916	291,472	318,569	345,049	29,455	63,537	102,976	141,597
	c	116.0	112.6	113.2	111.4	110.2	109.0	107.1	104.5	101.2	-	-	-	-
of which: Czech Republic	a	8,645	6,285	7,061	5,612	6,038	6,930	7,562	6,042	5,260	5,532	7,000	7,308	7,363
	b	28,545	34,830	41,891	47,503	53,541	60,471	68,033	74,075	79,335	5,532	12,532	19,840	27,203
	d	24.4	22.3	24.2	19.6	23.2	24.8	24.7	22.3	19.9	18.8	20.5	18.5	19.1
Exports	a	25,402	24,037	26,205	25,745	24,753	26,250	27,009	26,094	20,070	24,246	29,060	33,101	29,793
	b	95,411	119,448	145,653	171,398	196,151	222,401	249,410	275,504	295,574	24,246	53,306	86,407	116,200
	c	116.9	113.4	113.6	113.3	113.7	112.6	112.0	110.4	109.2	-	-	-	-
of which: Czech Republic	a	6,868	6,756	6,968	6,162	6,576	6,765	7,681	6,552	4,735	5,710	6,272	6,817	5,952
	b	26,586	33,342	40,310	46,472	53,048	59,813	67,494	74,046	78,781	5,710	11,982	18,799	24,751
	d	27.0	28.1	26.6	23.9	26.6	25.8	28.4	25.1	23.6	23.6	21.6	20.6	20.0
Balance	a	-10,041	-4,156	-3,033	-2,920	-1,307	-1,725	-3,547	-1,003	-6,410	-5,209	-5,022	-6,338	-8,828
	b	-25,374	-29,530	-32,563	-35,483	-36,790	-38,515	-42,062	-43,065	-49,475	-5,209	-10,231	-16,569	-25,397
of which: Czech Republic	a	-1,777	471	-93	550	538	-165	119	510	-525	178	-728	-491	-1,411
	b	-1,959	-1,488	-1,581	-1,031	-493	-658	-539	-29	-554	178	-550	-1,041	-2,452

Note: Preliminary data

- 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 (cumulative)
d - Share of total volume in period (%)