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## 1. Monetary development

Monetary development in June was characterised by a moderate slowdown in price inflation, when the value of the Consumer Price Index calculated on a year-on-year basis fell to 107.4, i.e. 0.2 percentage points below the level of the previous month. At the end of June, the exchange rate of the Slovak crown (Sk) stood at 2.8% inside the devaluation band (due to a fall in the crown position of non-residents), which indicated that its value had depreciated by 1.22%.

*In June, the dynamics of price development slowed, ....*

On the interbank market, the downward trend in interest levels continued in June. The average interest rate on one-month deposits rates fell from 16.5% in May to 11.9% in June, which led to a reduction in the level of yields on government bonds.

*... while the level of interest rates fell despite the sterilisation measures of the NBS*

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

In June, the money supply in terms of M2 (at fixed exchange rates) fell month-on-month by Sk 2.3 billion, representing a year-on-year growth of 8.5% (compared with 9.5% in May). The decline of M2 was due primarily to a fall in domestic resources.

*Decline in the money supply due to development of net domestic assets, ...*

Net domestic assets decreased month-on-month by Sk 1.7 billion, due primarily to the favourable development of net credit to the Government, which increased to Sk 103.7 billion in June (compared with Sk 107.2 billion in May). The influence of net credit to the Government upon the development of M2 weakened in June, due partly to the situation in social security funds and State funds.

*... influenced by the favourable trend in net credit to the Government*

At the end of June, the performance of the State budget resulted in a deficit of Sk 3.9 billion, representing a deterioration of Sk 1.5 billion compared with the previous month. Budget revenue reached Sk 86.3 billion and expenditure totalled Sk 90.2 billion.

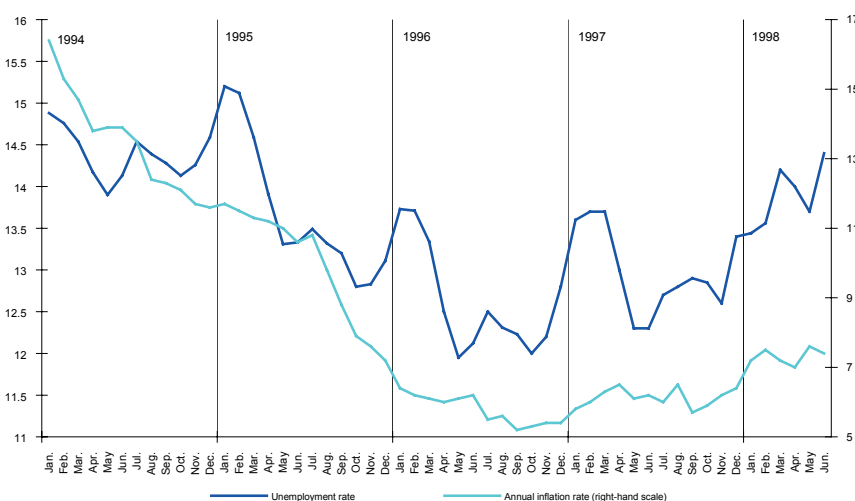
*Despite a deterioration in State budget performance ...*

At the end of the month, the net position of the Government vis-a-vis the banking sector reached (according to preliminary data) Sk 52.3 billion, representing a month-on-month reduction of approximately Sk 6.0 billion. The fall in the level of internal debt was due primarily to the redemption of Treasury bills issued to cover the 1997 budget deficit. Resources for the redemption of Treasury bills were obtained partly from the issue of eurobonds (which, however, raised the level of external debt) and partly from the purchase of government bonds by non-banking entities.

*... the internal debt of the Government fell month-on-month*

### Unemployment and inflation

(%)



*Despite an increase in volume, bank lending to households and enterprises was in line with the monetary programme*

In June, bank lending to households and enterprises grew month-on-month by Sk 3.2 billion, representing an increase in the rate of year-on-year growth to 3.2% (compared with 2.2% in May). During the first half of the year, the volume of credits to households and enterprises grew by Sk 11.4 billion, representing a higher increase than that achieved during the 12 months of the previous year. However, lending activities of commercial banks remained within the projected limits, since the increase in the volume of bank loans during the first half of the year represented only a third of the figure projected for the whole year.

*Decline in net foreign assets in the banking sector*

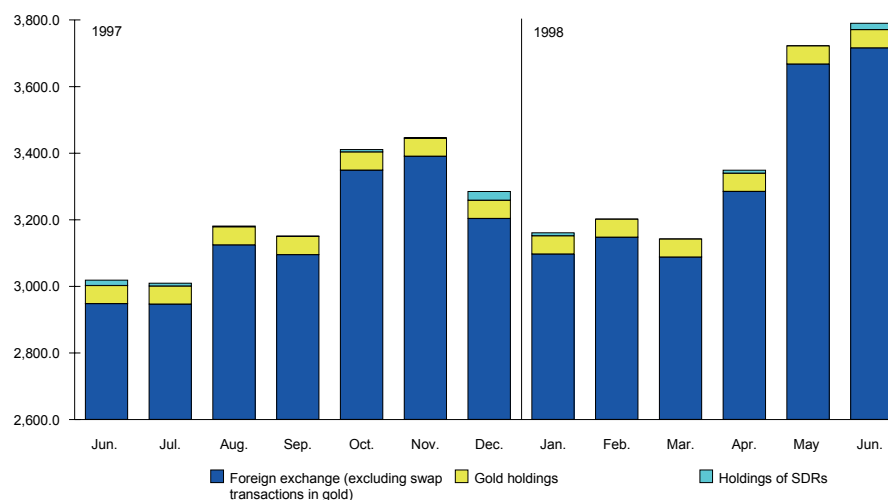
According to preliminary data, the volume of net foreign assets in the banking sector (at fixed exchange rates) fell month-on-month by Sk 0.5 billion, due to the faster growth in foreign liabilities (by Sk 6.5 billion) than in foreign assets (by Sk 6.0 billion). The decline in net foreign assets of commercial banks (Sk 1.5 billion) was partly offset by an increase in net foreign assets of the NBS (Sk 1.0 billion).

In June, the foreign exchange reserves of the NBS (at fixed exchange rates) grew month-on-month by Sk 3.8 billion, as a result of medium and long-term government borrowings (Sk 3.9 billion). Foreign liabilities of the Government and the NBS increased by Sk 2.8 billion.

Foreign assets of commercial banks increased month-on-month by Sk 2.2 billion, due mainly to growth in short-term loans granted to foreign banks (Sk 2.0 billion). Foreign liabilities of commercial banks grew month-on-month by Sk 3.7 billion, due to short-term borrowings from foreign banks (Sk 3.7 billion).

**Development of NBS foreign exchange reserves**

(US\$ millions)



Value of gold = 42.22 US\$/oz

*Foreign exchange reserves of the NBS*

At the end of June, the total foreign exchange reserves of the NBS (at current exchange rates) reached US\$ 3,789.9 million, representing a month-on-month increase of US\$ 67.1 million. The volume of foreign exchange reserves was 3.2 times greater than the average volume of monthly imports of goods and services to Slovakia during the first five months of the year.

**1.2. Structure of the money supply**

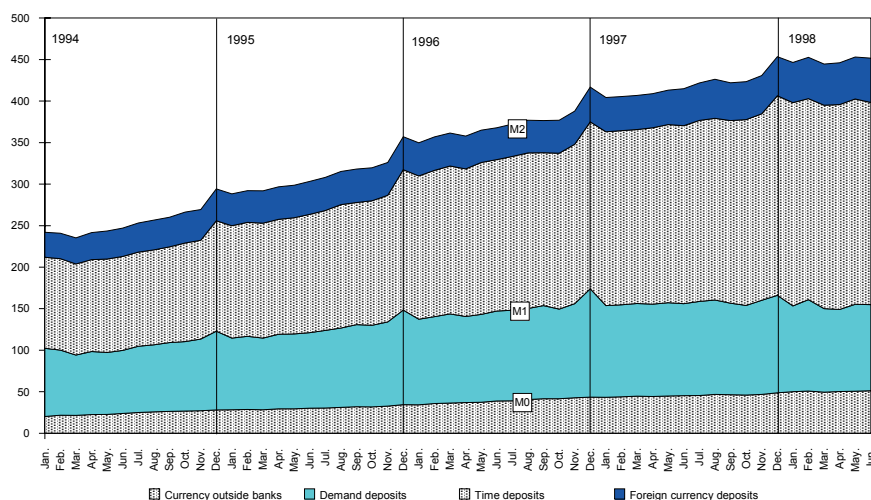
*Month-on-month decline in M2, ...*

In June, the M2 money supply (at fixed exchange rates) fell month-on-month by Sk 2.3 billion, reaching Sk 451.2 billion at the end of the month. The fall in M2 was due to decline in both quasi-money and the M1 aggregate.

*... accompanied by a slowdown in the rate of year-on-year growth*

Compared with the previous month, the rate of year-on-year growth in the money supply slowed to 8.5% in June. The M1 aggregate continued to show negative growth dynamics (0.8%), while quasi-money recorded a relatively rapid increase (14.0%).

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



The volume of currency outside the banking sector increased by Sk 0.5 billion over the course of June. The monthly cycle of currency issue followed a standard course.

In June, demand deposits recorded a month-on-month decline of Sk 1.0 billion, due probably to the payment of advances on corporate and personal income taxes.

*Decline in demand deposits*

In June, time deposits suffered a decline of Sk 3.8 billion, which interrupted their long-term trend of growth. The decline was probably caused (as in the case of demand deposits) by the discharge of tax obligations, the lowering of interest rates on short-term deposits (one-week, one-month), their transfer into foreign-currency deposits, and the increased purchases of foreign exchange by households (Sk 0.9 billion). In June, foreign-currency deposits grew by Sk 2.0 billion compared with the previous month's figure.

*Fall in time deposits and growth in foreign-currency deposits*

Regarding the individual components of the money supply, the weight of quasi-money decreased and that of the M1 aggregate increased over the course of June. As far as the structure of sub-aggregates is concerned, the weight of currency outside banks and foreign-currency deposits increased in comparison with May.

**Structure of the money supply (M2) (%)**

	1.1.1998	31.5.1998	30.6.1998	30.6.1997
<b>Money supply [M2]</b>	100.00	100.00	100.00	100.00
<b>Money [M1]</b>	36.63	34.27	34.33	37.52
Currency outside banks [M0]	10.74	11.16	11.33	10.87
Demand deposits	25.89	23.11	23.01	26.66
<b>Quasi-money [QM]</b>	63.37	65.73	65.67	62.48
Time deposits	53.01	54.51	53.95	51.51
Foreign currency deposits	10.36	11.22	11.72	10.96

Slovak-crown deposits, as a component of the money supply, fell month-on-month by Sk 4.8 billion in June, due primarily to decline in corporate deposits (Sk -5.7 billion). Household deposits increased month-on-month by Sk 0.9 billion. Compared with the beginning of the year, the volume of crown deposits fell by Sk 10.6 billion; corporate deposits declined by Sk 21.7 billion and household deposits grew by Sk 11.1 billion. The rate of year-on-year growth in crown deposits reached 6.8% in June. In comparison with the same period of the past year, household deposits increased by 17.9% and corporate deposits declined by 11.9%.

### 1.3. Bank lending

*Growth in crown loans and loans in foreign currency*

In June, 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 2.2 billion, due to growth in both crown loans (Sk 1.7 billion) and foreign-currency loans (Sk 0.5 billion). At the end of June, the volume of bank loans totalled Sk 384.3 billion, of which loans in Slovak crowns accounted for Sk 334.7 billion and foreign-currency loans Sk 49.6 billion. The increase in crown loans was realised in the corporate (Sk 0.8 billion) and household sectors (Sk 0.6 billion). In the same period a year earlier, crown loans fell month-on-month by Sk 1.6 billion, while loans in foreign currency grew by Sk 3.1 billion.

Since the beginning of the year, the volume of total bank credit has fallen by Sk 3.6 billion, due to a decline in crown loans (Sk 6.1 billion) and growth in foreign-currency loans (Sk 2.5 billion). The volume of bank loans increased by 0.4%; crown loans fell by 2.2%, while loans in foreign currency grew by 20.1%.

### 1.4. Interest rate development in May

*The average interest rate on the total volume of loans fell*

In May, the average interest rate on the total volume of loans fell month-on-month by 0.25 points, to 16.50%, due mainly to decreases in lending rates for short-term loans (by 0.36 points, to 20.47%) and long-term loans (by 0.20 points, to 12.34%). The level of interest rates on medium-term loans remained virtually unchanged (16.67%).

*The level of interest rates on new loans fell*

The average interest rate on new loans fell by 0.95 points (to 18.59%); the rate on short-term loans by 0.89 points (to 18.97%), and that on medium-term loans by 2.79 points (to 13.64%). The average lending rate for long-term loans rose by 1.36 points, to 16.09%. The share of medium (5.87%) and long-term loans (2.24%) in total crown loans was not significant. The level of interest rates was significantly influenced by a change in the structure of loans by purpose with widely differentiated interest rates. In May, interest rates on the interbank money market fell significantly (by 3.25 points, to 15.8%) in comparison with April. This trend of development was reflected in the interest rate policy of commercial banks with a certain delay, though interest rates on new loans were lowered very slowly. In the case of low volumes, the corporate sector was willing to accept high interest rates as well.

Of the total volume of new loans, 46.5% were granted at fixed interest rates and 53.5% at flexible rates.

With regard to individual types of loans by purpose, average interest rates fell on standard loans (by 4.5 points, to 17.50%), operating loans (by 2.5 points, to 15.87%), and on consumer loans (by 0.35 points, to 13.80%). These loans accounted for 51.2% of the total. Month-on-month increases were recorded in average interest rates on overdrafts (by 2.35 points, to 23.53%) and development loans (by 0.43 points, to 17.96%).

*The average interest rate on total deposits fell slightly*

Compared with the level in April, the average interest rate on total crown deposits fell slightly, by 0.08 points (to 10.15%) in May. Decreases were recorded in average interest rates on short-term deposits, mainly on 7-day deposits (by 0.77 points, to 16.20%), 1-month deposits (by 0.77 points, to 17.25%), and 3-month deposits (by 0.21 points, to 18.77%). Time deposits at 7-day to 3-month notice accounted for 25.7% of total crown deposits.

*The level of real interest rates also fell*

As a result of a moderate fall in the average interest rate on the total volume of deposits (0.08 points) and reduction in the average rate for crown deposits (0.25 points), the nominal margin decreased from 6.52% in April to 6.35% in May. The level of real interest rates on one-year deposits fell from 3.81% in April to 3.22% in May, due to a rise in the 12-month rate of consumer-price inflation (from 7.0% to 7.6%), while the average rate of interest on one-year deposits remained unchanged (10.82%).

## 2. Implementation of monetary policy

In May, monetary policy was implemented in an environment characterised by an adequate volume of resources in the banking sector, and lower levels of excess reserves at commercial banks in comparison with the previous month. Surplus liquidity in the banking sector was created by the inflow of funds from abroad into the public sector during the month. Hence, the NBS had to apply sterilisation measures. The reduction of liquidity levels at commercial banks led to a certain over-fulfilment of reserve requirements (by 0.9% in June, compared with 2.2% in May).

*The implementation of monetary policy was influenced by the need to reduce the level of bank liquidity, ...*

In June, the level of liquidity in the banking sector was significantly influenced by the development of autonomous factors, which grew in average terms by Sk 7.6 billion month-on-month. Of autonomous factors, a marked upward influence on bank liquidity was exerted by net credit to the Government. The growing deficit of the State budget, decline in deposits held by State funds with the NBS, and first and foremost the gradual replacement of domestic debt by foreign debt raised the level of liquidity in the banking sector. At the end of May and in June, foreign exchange funds obtained from a foreign government loan were converted into crown resources, which were used for the repayment of government securities.

*... which was pushed up by autonomous factors and the development of net credit to the Government*

Due to the inflow of funds from an issue of government bonds on foreign markets at the end of May, the foreign exchange reserves of the NBS increased by an average of Sk 10.6 billion over the course of June.

In foreign exchange fixing, two transactions were concluded in the total amount of US\$ 16 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 1.0160 (29 May) to 1.0282 (30 June).

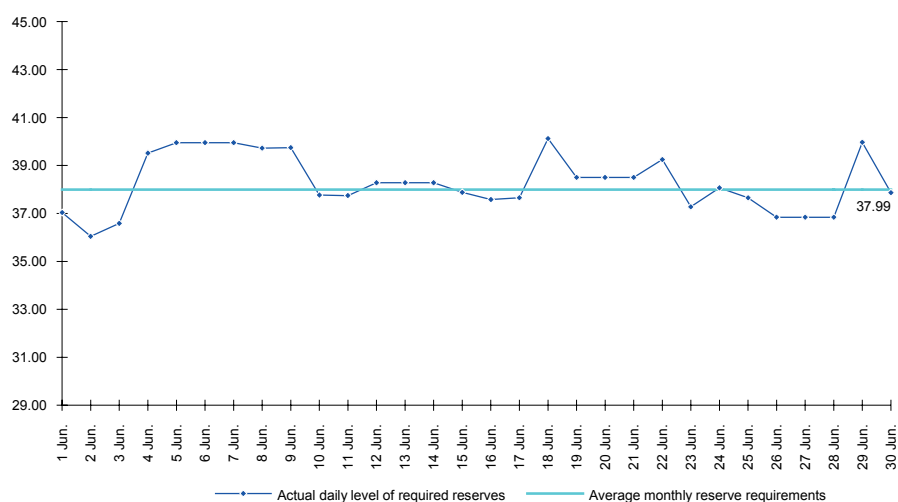
*Foreign exchange fixing at the NBS*

The expansive development of autonomous factors in the course of June was offset by monetary-policy factors, which fell by Sk 7.8 billion compared with the previous month's figure. The average volume of monetary-policy factors amounted to Sk -4.5 billion, which meant a shift for the NBS to a sterilisation policy. The reduction of bank liquidity took place through 7-day REPO tenders and led to a fall in the level of excess reserves in the banking sector (by an average of Sk 0.5 billion compared with May).

*The expansive influence of autonomous factors was moderated by the sterilisation measures of the NBS*

**Fulfilment of reserve requirements**

**(Sk billions)**



In connection with the expected surplus of liquidity in the banking sector, the NBS will continue to apply sterilisation measures during the following period as well. To maintain the projected course of development in monetary aggregates, it is necessary to actively reduce level of liquidity in the banking sector.

In June, the level of required reserves in the banking sector was set at Sk 37,994 million. At the end of the month, the reserve requirements had been fulfilled to 100.73%. At the end of the first period in June, the reserve requirements had been fulfilled to 101.20%; at the end of the second period, to 100.27%.

### 3. Inflation

*Consumer prices rose month-on-month by 0.1%*

In June, the rate of increase in consumer prices slowed to 0.1%. Since the beginning of the year, the level of consumer prices has risen by 4.0%. The 12-month rate of consumer-price inflation fell moderately, from 7.6% in May to 7.4% in June.

*The price of food and non-alcoholic beverages fell*

The price of food and non-alcoholic beverages fell, in contrast with its marked rise during the previous two months, by 0.1% in June. The price of fruit and vegetables, the increase of which accelerated in April and May, remained stable or fell slightly in June (the price of vegetables, including potatoes, rose by 0.3%; that of fruit fell by 2.8%). While the above groups of foodstuffs (of seasonal nature) contributed to the month-on-month increases in inflation in the previous two months, they contributed to its reduction in June.

Similar development, with a more moderate influence on inflation, was brought about by the introduction of a minimum guaranteed price for sugar, payable to the producer, with effect from April. The accelerated price increase in the category of sugar and sugar products in April, which culminated in May, slowed down significantly in June (to 0.9%). The reduced direct impacts were in June accompanied by the indirect effect of a rise in the price of sugar. The price of mineral water, non-alcoholic beverages and juice rose by 2.3%; the price of meals at hotels, cafes and restaurants by 0.8%; and that of alcoholic beverages increased by 0.7%. The price increases in these categories can be attributed to the rise in the price of sugar and sugar products.

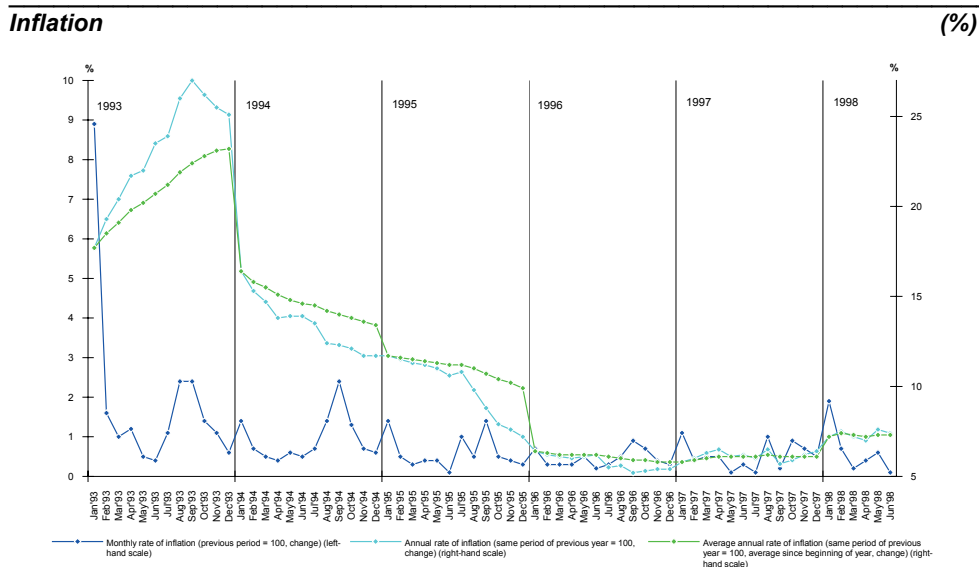
In addition to foodstuffs and non-alcoholic beverages, prices also fell in the category of transport; while price levels in recreation and education remained unchanged. In other categories of final household consumption, month-on-month price increases ranged from 0.1% to 0.8%.

#### **Contributions of selected foodstuffs to growth in the Consumer Price Index**

	Weight in %	Increase in the Consumer Price Index (CPI) in %			Contribution to the increase in the Consumer Price Index with regard to the weight of the group in %		
		April	May	June	April	May	June
Vegetables, incl. potatoes	1.7	2.5	10.2	0.3	-	-	-
Fruit	2.1	3.0	5.7	-2.8	0.11 <sup>1/</sup>	0.29 <sup>1/</sup>	-0.05 <sup>1/</sup>
Sugar, jam, honey, syrup, chocolate, and sweets	2.5	2.8	4.8	0.9	0.07	0.12	0.02
Mineral water, juice, and non-alcoholic beverages	1.1	0.2	0.5	2.3	0	0.01	0.03
Other groups of foodstuffs	21.8	0	0.1	-0.1	0	0.02	-0.02
Foodstuffs and non-alcoholic beverages in total	29.2	0.6	1.5	-0.1	0.18	0.44	-0.03
Monthly increase in CPI	100.0	0.4	0.6	0.1	-	-	-



1/ Fruit and vegetables, including potatoes, in total.



## 4. Money market

### 4.1. Primary market for Treasury bills

In June, 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. The issuer held two auctions in Treasury bills maturing in 70 and 126 days. At these auctions, no bids were accepted by the issuer. This was due to the fact that the Ministry of Finance had enough funds for financing the deficit of the State budget from other sources than Treasury-bill issues. During the period under review, four Treasury bills (issued in 1997) were redeemed in the total amount of Sk 6.545 billion.

### 4.2. Secondary market

With regard to the persisting surplus of liquidity in the banking sector, the NBS conducted 11 REPO tenders solely for sterilisation purposes during the month. The average daily volume of sterilisation amounted to Sk 5.674 billion.

*Open market operations of the NBS ...*

During the first period, the NBS intervened in the money market by conducting four 7-day REPO tenders for sterilisation purposes in the total amount of Sk 9.1 billion. Demand for tenders exceeded the accepted volumes more than twice; consequently, the average rates achieved at REPO tenders gradually fell from 11.47% to 10.75%. The situation in the sector was reflected in the level of interbank deposit rates, which traced the development of liquidity: overnight deposit rates fell by 3.64% (from 11.64% to 8.00%), and one-month deposit rates by 1.84% (from 15.08% to 13.24%).

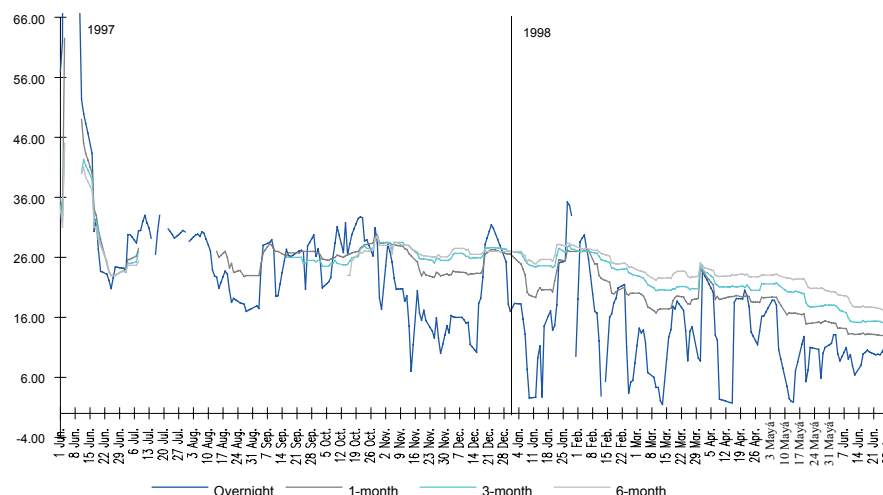
During the second period, the NBS intervened by conducting seven 7-day REPO tenders for sterilisation purposes in the total amount of Sk 15.43 billion; in the case of one REPO tender, no bids were accepted by the issuer.

As a result of the persisting surplus of resources on the market and the expected inflow of further funds from eurobond issues, the level of interbank deposit rates fell again. The rates for one-month deposits fell below 13.00%, representing the level of October 1996. At the same time, interest rates achieved on accepted REPO tenders conducted for sterilisation purposes fell from 10.47% to 9.56%.

Development of BRIBOR rates

In June, BRIBOR rates for overnight deposits rose month-on-month by an average of 0.64%, reaching 10.13%. Other average interbank deposit rates fell in comparison with the previous month's figures. The price of 1-month deposits fell by an average of 2.98% (from 16.52% to 13.54%); 3-month deposits by 3.61% (from 19.54% to 15.93%); and that of 6-month deposits by 3.60% (from 21.94% to 18.34%).

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



**5. Capital market**

**5.1. Primary market**

Government bonds

In June, five auctions were held in government bonds in accordance with the schedule for the issue of government securities; the last issue fell outside the period under review (July). Interest yield was set at 17% p.a. for all the four June issues of bonds, the par value of which was Sk 1,000,000 and the time of maturity one year.

The auctions were carried out by means of American-style auction with unlimited issue-amounts. A common feature of the June issues was the level of the maximum accepted yield to maturity, which did not exceed 20.00% at any of the auctions. In June, total demand for government bonds reached Sk 25,250 million (representing a fall of 17.40% compared with May); the issuer accepted bids for 11.96% (i.e. Sk 3,019.9 million) of this amount. The low acceptance of bids on the part of the Ministry of Finance was due to the high interest yields demanded by investors and the effort of the Ministry to lower and maintain the level of accepted maximum yields to maturity at government bond auctions below 20.00% p.a. This effort of the Ministry of Finance was reflected in the results of the June auctions. The first auction in June was unsuccessful as the last one of the previous month. At the second auction, the Ministry of Finance accepted 2.44% of the total demand at a maximum yield of 19.99% p.a. to maturity; this was a signal to investors indicating the Ministry's idea of the level of yields to maturity at government bond auctions. An interesting event at this auction was a bid made by one of the investors at a price equalling the par value of bonds.

In June, the Ministry of Finance managed to maintain the level of yields to maturity at government bond auctions, owing to the fact that it had enough funds for the coverage of almost all government securities due in the period to come. By reducing the values of maximum accepted yields to maturity (which cumulated at 29.50% p.a. in May) below 20.00% p.a., the Ministry of Finance created a better

position for the subsequent financing of its needs through government bond auctions.

Of government bonds issued in paper form (SDL 01) for private individuals (on 20 May) in the amount of Sk 2,000 million, bonds had been sold in the amount of Sk 839 million by 30 June 1998.

During the period under review, only one issue of publicly negotiable non-government bonds was made in the total amount of Sk 200 million. The primary sale of the issue is still underway and it is not known how much of the expected Sk 200 million was realised during the period under review. In spite of this, it may be stated that this development represents a radical fall in comparison with June 1997, when publicly negotiable non-government bonds were issued in the amount of Sk 699 million. Since the beginning of 1998, this has been the second issue of publicly negotiable non-government bonds, representing a decline of 96.1% compared with the same period of 1997, when 26 issues were floated in the total amount of Sk 6,414 million. This development was due to the greater demand of investors for government bonds.

*Non-government bonds*

## 5.2. Secondary market

In June, the volume of trading on Bratislava Stock Exchange (BCPB) totalled Sk 18,081 million, representing an increase of 23.66% compared with the previous month's figure.

*Bratislava Stock Exchange*

A significant increase (69.62%) was recorded in price-setting transactions, which reached Sk 788 million in June. Although it was a positive signal, anonymous contracts still accounted for only 4.36% of the total volume traded in June, and 91.21% of these transactions were concluded in bonds.

In June, most trading took place in listed bonds (80%). They were followed by bonds on the registered securities market (10%), shares on the free market (5%), listed shares (3%), and shares on the market for registered securities (2%).

Since the beginning of the year, securities have been traded on the BCPB floor in the amount of Sk 117.5 billion, of which 1.4% fell on anonymous transactions forming the core of the market.

Despite a month-on-month increase, the proportion of price-setting anonymous contracts remained low in June. This did not contribute to the transparency of the capital market and the share prices did not reflect the actual values of shares. In June, trading on the BCPB floor confirmed again that trade in securities was concentrated on the bond market.

In June, the volume of bond transactions totalled Sk 16,357 million, while anonymous contracts reached Sk 718 million, representing a more than threefold increase in comparison with the previous month's figure.

*SDX index*

In June, the components of the Slovak Bond Index (SDX) for corporate and bank bonds followed a linear course of development. The component for government bonds recorded a marked decrease on 16 June, due to a fall in the rate for government bond No. 011 (from 87.5% to 70.0%); consequently, it closed the month at a lower level than in May. Over the course of June, four new issues of government bonds (No. 060 to 063) were incorporated into the base of SDX after successful primary issues.

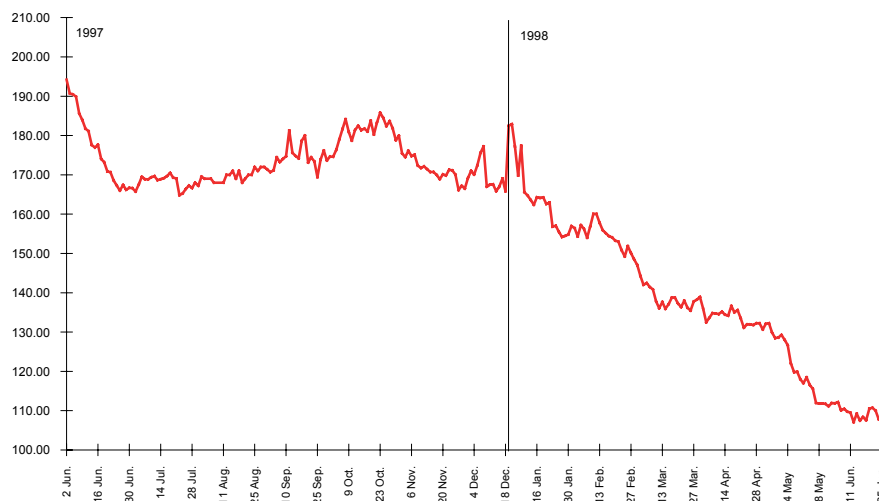
After a sharp decline in May, the stock market stabilised to a certain degree in June. The volume of transactions totalled Sk 1,725 million, representing an increase of 14.87% compared with the previous month's figure. Direct contracts amounted to Sk 1,656 million.

*SAX index*

In June, the value of the Slovak Share Index (SAX) stopped falling and fluctuated around 109.6 points. The index closed the month at 108.00 points; representing a fall of 3.42% compared with the end of the previous month, and a decline of 35.22% on a year-on-year basis. The monthly maximum (112.16 points) was recorded on 5 June; the monthly minimum (107.09 points) on 12 June.

### Slovak Share Index - SAX

(%)



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 shares held by domestic banks (a decrease of 14.2%) and that of bonds held by non-residents (a decrease of 3.35%).

## 6. Interbank foreign exchange market

### Foreign exchange market in the SR

In June, the foreign exchange market was marked by an increase in trading between domestic commercial banks as well as between Slovak and foreign banks. The total volume of transactions concluded on Slovakia's foreign exchange market increased month-on-month by 40.4%, from US\$ 4,097.7 million to US\$ 5,753.5 million.

### Transactions between Slovak banks

In June, the volume of trading between Slovak commercial banks increased by 56.5%, from US\$ 1,581.3 million (in May) to US\$ 2,474.0 million. Most trading was again concluded in US\$ (77.3%, compared with 83.4% in May), followed by DM (13.3%, compared with 13.0 % in May) and other European currencies (9.4%, compared with 3.6% in May). The number of contracts increased to 1,177 (from 814 in May), while the average amount per contract increased from US\$ 1.9 million to US\$ 2.1 million.

### Transactions between Slovak and foreign banks

The volume of trading between Slovak and foreign banks increased in June by 31.0%, from US\$ 2,490.6 million to US\$ 3,263.5 million, and maintained its dominant position on the country's foreign exchange market (56.7%). Most trading was again concluded in US\$ (91.4%), followed by DM (7.6%), and other European currencies (0.9%). The number of transactions increased from 916 to 984, with an average amount of US\$ 3.3 million per contract. Trading between Slovak and foreign banks resulted in a positive balance of US\$ 23.2 million, which indicates that the inflow of foreign capital continued in June.

## 7. Balance of payments for January to April

During the first four months of 1998, the external relations of the Slovak Republic were characterised by a deepening of trends that increased the imbalance on the current account of the balance of payments. During the period under review, the current account deficit of the balance of payments reached Sk 25.0 billion, i.e. US\$ 713.1 million.

Foreign exchange payments connected with the imports of goods and services, the payment of interest and dividends, compensation of foreign employees, and current transfers, reached Sk 176.0 billion and were covered by foreign exchange receipts, amounting to Sk 151.0 billion, only up to 85.8%.

### 7.1. Current account

The result achieved on the current account was influenced to a significant degree by the trade-balance deficit, which amounted to Sk 25.4 billion. In April, the trade deficit reached Sk 8.8 billion, representing the highest figure since the beginning of 1998.

*Deficit in the current account of the balance of payments*

During the first four months of 1998, Slovakia's foreign-trade turnover reached Sk 257.8 billion; of this amount, exports accounted for Sk 141.6 billion and imports Sk 116.2 billion. The structure of exports by commodity (according to the two-digit code of SITC) was dominated by vehicles (14.0%), iron and steel (13.3%), electrical instruments and appliances (5.7%), and clothes (5.0%).

*Foreign trade*

The unfavourable balance of services, which had persisted since the beginning of the year in the form of an excess of payments for services received over income from services rendered, resulted in a deficit of Sk 2.9 billion at the end of April, i.e. Sk 2.7 billion more than in the same period a year earlier. More than a half of the increase in the negative balance of services was generated in the balance of foreign tourism, as a result of a fall in revenues (23.2%) accompanied by a growth in expenditures (7%).

*Balance of services*

The income balance resulted in a deficit of Sk 0.7 billion, which was comparable with the figure recorded in the same period a year earlier. The size of the deficit was determined by the balance of interest on financial credits, which was dominated by the corporate sector.

*Income balance*

Regarding the individual items of the current account, surplus was achieved only in the balance of current transfers (Sk 4.0 billion). Transfers from abroad were realised largely as private transfers in the form of subsidies, donations, compensations, etc. for private individuals as well as legal entities.

*Balance of current transfers*

### 7.2. Capital and financial account

The capital and financial account of the balance of payments generated a surplus of Sk 22.5 billion, i.e. US\$ 648 million, while almost 82% of the transactions were realised in the form of long-term capital.

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 18.6 billion, while almost 50% of these loans were allocated for transport and communications. Increases were also recorded in credits granted for the generation and distribution of electricity, gas and water supply, with a 26% share in total borrowing. In industry, the share of loans from abroad reached only 22% of total borrowing and the loans were used mainly for coke production and petroleum refining.

*Inflow of long-term capital into the corporate sector*

In comparison with the previous year, there was a marked inflow of capital in the form of direct foreign investment. The capital interests of foreign investors in

*Direct foreign investment*

Slovakia (above 10%) increased by Sk 7.0 billion, and was realised largely (63%) in industrial production, particularly in metal working and the processing of food and beverages.

During the first four months of 1998, the increase in Slovak investments abroad continued. The volume of direct investments abroad increased by Sk 2.0 billion, due primarily to growth in the capital interests of Slovak companies abroad in the sector of wholesale and retail trade.

Within portfolio investments, capital stakes of foreign investors in the SR (up to 10%) decreased by almost Sk 2.0 billion in 1998.

*Short-term capital*

A factor determining the development of short-term capital in 1998 was the movement of short-term capital within the banking sector. From the beginning of the year to the end of April, short-term liabilities of commercial banks increased by Sk 30.4 billion and they accounted for more than 60% of total liabilities. The structure of short-term liabilities at commercial banks was dominated by deposits held by non-residents with Slovak banks, which increased by Sk 25.7 billion. The increased inflow of short-term capital was due partly to the drawing of a short-term bridging loan by the government in the amount of Sk 6.8 billion.

The growth in the resources of commercial banks led to an increase in the volume of their deposits abroad (Sk 22.6 billion).

## Appendices





## Monetary survey

(Sk billions)

	1997							1998					
	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.*/
Fixed exchange rate SKK / USD	31.895	31.895	31.895	31.895	31.895	31.895	31.895	34.782	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	19.398	19.398	19.398	19.398	19.398	19.398
<b>ASSETS</b>													
Net foreign assets	64.8	68.9	72.3	71.0	76.8	74.0	71.4	68.3	72.3	72.6	69.7	71.3	70.8
Foreign assets	219.1	232.1	242.3	239.8	254.0	259.9	234.8	252.5	255.3	252.3	259.6	265.8	271.7
Foreign liabilities	154.3	163.2	170.0	168.8	177.2	185.9	163.4	184.2	183.0	179.7	189.9	194.5	201.0
Net domestic assets	351.2	354.1	354.8	352.3	347.9	357.4	382.5	378.6	380.2	371.9	376.8	382.2	380.5
Domestic credit	445.0	446.5	450.7	455.1	458.0	464.4	467.8	463.5	468.0	468.2	476.4	482.2	482.5
- Net credit to Government	81.0	85.3	87.0	89.2	92.3	96.9	100.5	99.3	99.5	94.9	99.3	107.2	103.7
- Net credit to FNM <sup>1/</sup>	-2.4	-2.5	-2.9	-2.3	-2.0	-2.2	-3.0	-1.7	-0.6	-0.2	-0.2	0.0	0.6
Credit to households and enterprises	366.4	363.7	366.6	368.2	367.7	369.7	370.3	365.9	369.1	373.5	377.3	375.0	378.2
- Credit in SKK	333.4	329.9	332.7	333.8	334.7	335.4	334.6	331.1	334.5	338.8	341.5	340.6	341.7
- Credit to enterprises	314.6	310.9	313.5	314.5	315.1	315.6	314.2	310.9	314.1	318.1	320.5	319.0	319.5
- Credit to households	18.8	19.0	19.2	19.3	19.6	19.8	20.4	20.2	20.4	20.7	21.0	21.6	22.2
- Credit in foreign currency	33.0	33.8	33.9	34.4	33.0	34.3	35.7	34.8	34.6	34.7	35.8	34.4	36.5
<b>LIABILITIES</b>													
Liquid liabilities [M2]	416.0	423.0	427.1	423.3	424.7	431.4	453.9	446.9	452.5	444.5	446.5	453.5	451.2
Money [M1]	156.1	158.7	160.5	156.6	154.0	160.1	166.1	154.3	161.0	150.1	149.2	155.4	154.9
Currency outside banks [M0]	45.2	45.5	46.8	46.4	46.0	46.8	48.7	51.0	50.7	49.5	50.2	50.6	51.1
Demand deposits	110.9	113.2	113.7	110.2	108.0	113.3	117.4	103.3	110.3	100.6	99.0	104.8	103.8
- Households	49.6	49.3	49.3	47.9	46.0	45.8	46.2	45.7	45.1	44.0	44.5	44.7	
- Enterprises	60.2	62.8	63.1	61.3	61.1	66.6	69.6	56.3	63.5	55.6	53.9	59.2	
- Insurance companies	1.1	1.1	1.3	1.0	0.9	0.9	1.6	1.3	1.7	1.0	0.6	0.9	
Quasi-money [QM]	259.9	264.3	266.6	266.7	270.7	271.3	287.8	292.6	291.5	294.4	297.3	298.1	296.3
Time and savings deposits	214.3	218.1	218.7	219.9	223.7	224.5	240.4	244.7	242.0	245.0	246.7	247.2	243.4
- Households	154.1	155.7	156.7	159.6	164.3	168.3	182.8	185.9	188.8	190.8	192.9	194.5	
- Enterprises	41.6	43.7	43.3	42.5	42.7	39.6	41.4	41.4	35.5	35.7	36.1	34.9	
- Insurance companies	18.6	18.7	18.7	17.8	16.7	16.6	16.2	17.4	17.7	18.5	17.7	17.8	
Foreign currency deposits	45.6	46.2	47.9	46.8	47.0	46.8	47.4	47.9	49.5	49.4	50.6	50.9	52.9
- Households	37.8	38.5	38.8	39.1	39.3	39.6	40.0	39.2	38.9	38.9	39.2	39.4	
- Enterprises	7.8	7.7	9.1	7.7	7.7	7.2	7.4	8.7	10.6	10.5	11.4	11.5	
Other items net	93.8	92.4	95.9	102.8	110.1	107.0	85.3	84.9	87.8	96.3	99.6	100.0	102.0

\*/ Preliminary data

1/ FNM - National Property Fund

**Balance of Payments for January to April 1998**

	Receipts / Credit (+)		Expenditures / Debit (-)		Balance	
	Sk million	USD million	Sk million	USD million	Sk million	USD million
<b>Goods</b>	116,199.0	3,308.7	141,597.0	4,031.9	-25,398.0	-723.2
<b>Services</b>	22,623.0	644.2	25,493.0	725.9	-2,870.0	-81.7
Transportation	8,448.0	240.6	4,857.0	138.3	3,591.0	102.3
Travel	3,902.0	111.1	4,448.0	126.7	-546.0	-15.5
Other services total	10,273.0	292.5	16,188.0	460.9	-5,915.0	-168.4
<b>Income</b>	5,012.0	142.7	5,741.0	163.5	-729.0	-20.8
Compensation of employees	217.0	6.2	86.0	2.4	131.0	3.7
Investment income	4,795.0	136.5	5,655.0	161.0	-860.0	-24.5
<b>Current transfers</b>	7,157.0	203.8	3,205.0	91.3	3,952.0	112.5
<b>CURRENT ACCOUNT</b>	150,991.0	4,299.4	176,036.0	5,012.6	-25,045.0	-713.1
<b>Capital account</b>	451.0	12.8	-104.0	-3.0	347.0	9.9
<b>Financial account</b>	290,644.7	8,277.8	-268,512.2	-7,639.7	22,132.5	638.1
Direct investment	59,474.3	1,693.5	-54,765.0	-1,559.4	4,709.3	134.1
<i>Abroad</i>	328.1	9.3	-2,503.0	-71.3	-2,174.9	-61.9
Equity capital and reinvested earnings	35.1	1.0	-2,029.0	-57.8	-1,993.9	-56.8
Other capital	293.0	8.3	-474.0	-13.5	-181.0	-5.2
<i>In SR</i>	59,146.2	1,684.2	-52,262.0	-1,488.1	6,884.2	196.0
Equity capital and reinvested earnings	7,285.2	207.4	-321.0	-9.1	6,964.2	198.3
Other capital	51,861.0	1,476.7	-51,941.0	-1,479.0	-80.0	-2.3
Portfolio investment	622.2	17.7	-3,029.2	-86.3	-2,407.0	-68.5
Assets	527.2	15.0	-1,045.2	-29.8	-518.0	-14.7
Liabilities	95.0	2.7	-1,984.0	-56.5	-1,889.0	-53.8
Other investment	230,548.2	6,566.6	-210,718.0	-5,994.0	19,830.2	572.6
<i>Long-term</i>	22,709.0	646.2	-9,679.6	-274.2	13,029.4	372.1
Assets	765.0	21.7	-102.1	-3.1	662.9	18.6
Liabilities	21,944.0	624.5	-9,577.5	-271.0	12,366.5	353.5
<i>Short-term</i>	207,839.2	5,920.3	-201,038.4	-5,719.9	6,800.8	200.5
Assets	76,274.0	2,171.9	-102,605.1	-2,920.3	-26,331.1	-748.4
Liabilities	131,565.2	3,748.5	-98,433.3	-2,799.6	33,131.9	948.9
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	291,095.7	8,290.6	-268,616.2	-7,642.6	22,479.5	648.0
<b>ERRORS AND OMISSIONS</b>	-451,982.6	-12,873.2	456,203.9	2,962.5	4,221.3	114.4
<b>OVERALL BALANCE</b>	-9,895.9	-283.2	11,551.7	332.4	1,655.8	49.2
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	601.6	17.3	0.0	0.0	601.6	17.3
Foreign exchange	9,294.3	265.9	-11,551.7	-332.4	-2,257.4	-66.5
<i>Currency and deposit</i>	0.0	0.0	-11,551.7	-332.4	-11,551.7	-332.4
<i>Securities</i>	9,294.3	265.9	0.0	0.0	9,294.3	265.9
Bonds and notes	5,749.1	164.5	0.0	0.0	5,749.1	164.5
Money market instruments and financial derivats	3,545.2	101.4	0.0	0.0	3,545.2	101.4
<b>RESERVE ASSETS</b>	9,895.9	283.2	-11,551.7	-332.4	-1,655.8	-49.2

Used exchange rate of: USD = 35.119 Sk

**Volume of foreign capital in the SR at 31 March 1998**

	Corporate sector		Banking sector		Total	
	Sk bn	%	Sk bn	%	Sk bn	%
<b>Total volume of foreign capital</b>	45.9	100.0	11.1	100.0	57.0	100.0
<b>Structure of capital by investor</b>						
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
<b>Structure of capital by sector</b>						
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	%
<b>Inflow of foreign capital in total</b>	4,672	100.0	774	100.0	5,446	100.0
<b>Structure of capital by country</b>						
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
<b>Structure of capital by sector</b>						
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
<b>Structure of capital by region</b>						
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	%
<b>Total volume of direct investment abroad</b>	8.14	100.0
<b>Structure of investment by country</b>		
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
<b>Structure of investment by sector</b>		
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	%
<b>Export of direct investments in total</b>	1,994	100.0
<b>Structure of investment by country</b>		
Hungary	1,652	82.8
Czech Republic	239	12.0
China	52	2.6
Other countries	51	2.6
<b>Structure of investment by sector</b>		
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					
	6	7	8	9	10	11	12	1	2	3	4	5	6
Official reserves of NBS	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	3,789.9
Reserves of commercial banks	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	3,737.0
Total	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	7,526.9

**Gross Foreign Debt**

(USD billions)

End-of-period figures	1997									1998			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Total gross foreign debt	8.4	8.5	9.0	9.4	9.5	9.7	10.3	10.7	9.9 */	10.5	10.5	10.4	10.7
- official debt of the Government and the NBS	1.6	1.6	1.6	1.6	1.6	1.8	1.9	1.8	1.8	1.8	1.8	1.7	1.7
- foreign debt of enterprises	3.7	4.0	4.3	4.3	4.4	4.5	4.9	5.1	5.1	5.2	5.3	5.3	5.4
- foreign debt of commercial banks	2.7	2.7	3.0	3.2	3.3	3.3	3.4	3.6	2.9	3.5	3.4	3.4	3.5
Total gross debt per capita (in USD)	1,586	1,601	1,705	1,766	1,789	1,826	1,937	2,023	1,867	1,990	1,982	1,972	2,000

\*/ 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	31.5.1998	30.6.1998 <sup>*/</sup>	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	30.6.1997	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	453.5	453.5	451.2	-2.3	-0.5	-2.3	-0.5	416.0	35.2	8.5
Money [M1]	166.1	155.4	154.9	-0.5	-0.3	-11.2	-6.7	156.1	-1.2	-0.8
Currency outside banks [M0]	48.7	50.6	51.1	0.5	1.0	2.4	4.9	45.2	5.9	13.1
Demand deposits	117.4	104.8	103.8	-1.0	-1.0	-13.6	-11.6	110.9	-7.1	-6.4
Quasi-money [QM]	287.4	298.1	296.3	-1.8	-0.6	8.9	3.1	259.9	36.4	14.0
Time deposits	240.4	247.2	243.4	-3.8	-1.5	3.0	1.2	214.3	29.1	13.6
Foreign currency deposits	47.0	50.9	52.9	2.0	3.9	5.9	12.6	45.6	7.3	16.0
Crown deposits	357.8	352.0	347.2	-4.8	-1.4	-10.6	-3.0	325.2	22.0	6.8
- Households	229	239.2	240.1	0.9	0.4	11.1	4.8	203.7	36.4	17.9
- Enterprises (incl. insurance)	128.8	112.8	107.1	-5.7	-5.1	-21.7	-16.8	121.5	-14.4	-11.9

\*/ 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% <sup>1/</sup> 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. 10.37% Jul. - Aug. - Sep. - Oct. - Nov. - Dec. -
refinancing	-	Jan. 14.8% <sup>2/</sup> 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)

	31.5.1998	30.6.1998 <sup>1/</sup>	Change
<b>Deposits in Sk and foreign currency</b>	445.5	441.6	-3.9
- <b>Deposits in Slovak crowns</b>	391.8	385.2	-6.6
of which			
- Entrepreneurial sector	102.7	96.9	-5.8
- Government sector	39.8	38.6	-1.2
- Households	239.2	240.2	1.0
- Other <sup>2/</sup>	10.1	9.5	-0.6
- <b>Deposits in foreign currency</b> <sup>3/</sup>	53.7	56.4	2.7

1/ Preliminary data

2/ Nonresidents, unincorporated and non-profit organisations

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

**Development of Loans**

(Sk billions)

	31.5.1998	30.6.1998 <sup>1/</sup>	Change
Loans in Sk and foreign currency	382.1	384.3	2.2
- Loans in Slovak crowns	333.0	334.7	1.7
of which			
- Entrepreneurial sector	301.5	302.3	0.8
- Government sector	7.4	7.6	0.2
- Households	21.6	22.2	0.6
- Other <sup>2/</sup>	2.5	2.6	0.1
- Loans in foreign currency <sup>3/</sup>	49.1	49.6	0.5

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				
	5	6	7	8	9	10	11	12	1	2	3	4	5
1. Total volume of loans <sup>1/</sup>	14.58	14.94	15.37	15.49	15.66	15.75	15.84	16.22	16.66	17.28	16.70	16.75	16.50
A) Loans by sector of which													
a) Enterprise sector	14.55	14.91	15.35	15.49	15.60	15.66	15.80	16.16	16.71	17.27	16.71	16.12	16.00
- Public sector	13.95	14.33	14.79	14.89	14.95	14.96	14.99	15.33	15.72	16.31	15.87	14.55	14.38
- Private sector (incl. cooperatives)	15.15	15.48	15.90	16.08	16.24	16.35	16.60	16.98	17.70	18.22	17.55	17.68	17.62
b) Households	7.42	7.46	7.73	7.74	7.69	7.86	7.53	7.37	7.51	7.48	7.50	8.55	8.32
B) Loans by term of which													
- Short-term	16.58	17.28	18.23	18.38	18.72	18.92	19.13	19.91	20.77	20.77	20.50	20.83	20.47
- Medium-term	15.66	15.88	15.94	16.00	16.10	16.06	16.35	16.41	16.61	16.47	16.58	16.64	16.67
- Long-term	11.52	11.63	11.77	11.82	11.82	11.90	11.88	11.90	12.26	13.86	12.34	12.54	12.34
2. NEW LOANS IN TOTAL	19.08	19.33	18.59	18.51	19.91	19.84	20.56	20.92	20.75	20.82	20.29	19.54	18.59
A) Loans by sector of which													
a) Enterprise sector	17.36	20.36	17.43	16.27	18.70	19.38	19.39	21.25	19.06	19.53	21.24	20.90	21.26
- Public sector	15.77	22.40	15.64	13.11	17.72	19.09	18.65	21.30	15.84	17.45	21.86	20.19	23.46
- Private sector (incl. cooperatives)	18.94	18.31	19.22	19.43	19.67	19.67	20.12	21.19	22.28	21.60	20.61	21.60	19.06
b) Households	12.30	11.71	10.52	10.11	9.96	10.07	10.43	10.18	13.59	9.99	9.99	10.70	9.68
B) Loans by term of which													
- Short-term	19.70	20.01	18.98	18.97	20.90	20.76	21.56	21.60	21.56	21.81	20.58	19.86	18.97
- Medium-term	16.12	15.58	16.28	15.39	16.80	15.78	17.60	16.30	17.56	16.88	15.26	16.43	13.64
- Long-term	15.49	15.45	16.14	16.12	15.46	16.46	15.12	15.40	13.04	13.73	15.87	14.73	16.09

1/ Excluding loans at zero interest rate

## Average Interest Rates on Crown Deposits and Volume of Crown Deposits

		1997								1998				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Total deposits	a	359,518	357,452	363,532	363,937	361,401	361,865	368,269	388,784	378,097	382,397	375,142	376,340	383,200
	b	7.84	7.75	8.07	8.09	8.65	8.82	8.76	8.69	10.21	9.98	9.99	10.23	10.15
of which														
Demand deposits	a	125,110	124,685	128,557	126,628	124,935	121,642	127,027	140,524	114,600	121,846	113,384	112,544	116,557
	b	3.08	3.19	3.43	3.41	3.48	3.50	3.57	3.50	3.78	3.73	3.70	3.68	3.64
Time deposits	a	234,408	232,767	234,976	237,309	236,466	240,214	241,242	248,260	263,496	260,550	261,758	263,796	266,642
	b	10.28	10.17	10.63	10.63	11.40	11.54	11.48	11.62	13.00	12.90	12.71	13.03	12.98
- 7-day deposits	a	7,703	8,856	11,138	12,339	10,621	11,764	10,106	8,702	15,394	13,893	15,586	15,514	14,200
	b	21.23	14.76	16.91	14.67	20.43	18.54	16.46	17.10	20.48	17.35	15.47	16.97	16.20
- 1-month deposits	a	21,386	21,718	24,081	28,735	32,863	38,779	43,216	49,095	49,923	51,504	53,582	57,423	59,829
	b	11.02	12.27	12.52	12.43	15.45	15.95	15.84	16.25	18.59	18.66	18.00	18.02	17.25
- 3-month deposits	a	11,145	8,808	9,188	9,556	9,338	8,599	10,814	11,166	17,330	17,584	19,258	21,350	24,629
	b	11.11	11.37	11.65	12.61	13.30	13.08	13.37	15.04	18.85	18.74	18.68	18.98	18.77
- 6-month deposits	a	13,527	13,406	11,308	10,416	9,619	9,781	8,977	6,743	13,209	14,117	14,669	14,930	16,031
	b	9.60	9.56	9.84	10.59	10.74	11.27	11.10	11.37	15.59	16.20	16.41	16.46	16.64
- 9-month deposits	a	2,446	2,422	2,137	2,195	1,673	1,194	661	518	533	569	647	1,352	2,049
	b	10.80	10.34	11.48	11.81	12.52	12.85	15.04	16.78	17.76	17.41	18.92	18.41	19.11
- 12-month deposits	a	74,097	73,633	72,932	70,761	70,279	68,674	67,406	64,957	63,275	61,818	59,393	58,804	56,949
	b	10.06	10.11	10.29	10.38	10.49	10.52	10.63	10.51	10.69	10.67	10.73	10.81	10.82
- 18-month deposits	a	1,765	1,788	1,430	1,296	1,324	1,302	1,482	1,341	1,324	1,003	817	784	837
	b	11.25	11.96	11.45	10.43	10.72	10.69	10.96	11.14	11.72	12.78	12.73	12.73	13.34
- 2-year deposits	a	51,699	51,108	52,131	51,444	50,248	49,531	48,044	50,785	48,170	45,974	44,112	40,314	39,235
	b	10.74	10.70	10.86	10.86	10.84	10.84	10.79	10.77	10.80	10.76	10.80	10.64	10.66
- 3-year deposits	a	2,160	1,624	1,363	1,367	1,418	1,459	1,501	1,447	1,521	1,817	1,700	1,530	1,397
	b	12.68	12.61	12.99	12.95	12.89	12.84	12.12	12.14	12.36	12.87	12.57	12.58	12.66
- 4-year deposits	a	8,537	8,572	8,579	8,586	8,583	8,605	8,600	8,601	8,443	8,406	8,334	8,059	8,007
	b	13.13	13.13	13.13	13.13	13.14	13.13	13.13	13.13	12.90	12.98	12.60	12.58	12.98
- 5-year deposits	a	13,188	13,460	12,871	12,664	12,387	11,956	11,506	11,832	11,246	10,755	10,232	9,689	9,426
	b	12.50	12.50	13.25	13.00	12.99	13.03	12.98	12.92	13.39	13.26	10.42	13.26	13.23
- above 5 year	a	26,754	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047	34,053
	b	4.81	4.76	4.75	4.75	4.74	4.69	4.69	4.51	4.54	4.49	4.51	4.11	4.10
- short-term	a	130,305	128,844	130,784	134,001	134,393	138,791	141,180	141,182	159,663	159,484	163,136	169,373	173,687
	b	10.89	10.68	11.36	11.41	12.75	12.96	12.90	13.39	15.42	15.24	15.05	15.40	15.24
- medium-term	a	77,349	76,553	76,374	75,357	73,959	72,853	71,132	74,006	70,704	67,956	65,195	60,376	58,902
	b	11.37	11.35	11.50	11.51	11.50	11.50	11.46	11.42	11.51	11.52	11.04	11.40	11.47
- long-term	a	26,754	27,370	27,819	27,951	28,114	28,570	28,930	33,072	33,129	33,110	33,426	34,047	34,053
	b	4.81	4.76	4.75	4.75	4.74	4.79	4.69	4.51	4.54	4.49	4.51	4.11	4.10
- demand and short-term	a	255,415	253,529	259,340	260,630	259,328	260,433	268,207	281,705	274,264	281,331	276,520	281,917	290,244
	b	7.05	7.06	7.57	11.02	8.26	8.52	8.48	8.45	10.56	10.26	10.40	10.73	10.59

a - Volume of deposits (\$K million)

b - Average interest rate (%)

**Development of Average Interbank Offered Rates (BRIBOR)**

	1997							1998					
	6 <sup>1/</sup>	7 <sup>1/</sup>	8 <sup>1/</sup>	9 <sup>1/</sup>	10 <sup>1/</sup>	11	12	1	2	3	4	5	6
Overnight	53.91	29.58	23.63	25.18	27.18	17.71	18.55	16.69	17.22	11.12	15.30	9.49	10.13
1 week	42.34	28.06	24.96	26.20	27.48	22.00	21.18	19.99	21.12	15.31	18.69	13.16	11.14
2 weeks	40.76	26.23	23.31	26.09	27.28	23.06	21.71	21.03	21.60	16.67	19.11	14.43	11.86
1 month	33.80	25.46	24.70	26.51	27.00	25.52	24.42	23.07	22.82	18.70	19.93	16.52	13.54
2 months	32.48	25.22	-	26.50	26.59	26.61	25.54	24.57	24.43	20.03	20.78	18.66	14.97
3 months	31.48	24.93	-	25.66	26.17	26.93	26.48	25.80	24.06	21.30	21.58	19.54	15.93
6 months	30.89	24.45	-	-	26.68	27.10	26.92	26.61	26.04	23.11	23.22	21.94	18.34

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

<sup>1/</sup> 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 June 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	16.0	100.0	2	0	0	0				16.0	2
Transactions among Slovak banks without participation of foreign banks	1,913.4	77.3	754	328.0	13.3	227	232.7	9.4	196	2,474.0	1,177
Interbank foreign exchange market fixing + transactions between Slovak banks.	1,929.4	77.5	756	328.0	13.2	227	232.7	9.3	196	2,490.0	1,179
Transactions between Slovak and foreign banks	2,983.6	91.4	710	249.1	7.6	230	30.8	0.9	44	3,263.5	984
Foreign exchange market in the SR - total	4,913.0	85.4	1,466	577.0	10.0	457	263.5	4.6	240	5,753.5	2,163

**Average Monthly Exchange Rates of SKK**

midpoint rate	1997							1998					
	6	7	8	9	10	11	12	1	2	3	4	5	6
FRF	5.750	5.665	5.601	5.716	5.714	5.786	5.806	5.786	5.807	5.730	5.745	5.753	5.800
1,000 ITL	19.756	19.631	19.333	19.695	19.574	19.775	19.832	19.690	19.727	19.513	19.500	19.566	19.743
100 JPY	29.274	29.697	29.563	28.542	27.861	26.883	26.722	27.177	28.092	27.248	26.483	25.416	24.821
CAD	24.174	24.801	25.097	24.829	24.352	23.757	24.229	24.424	24.593	24.745	24.497	23.705	23.784
NLG	17.252	16.975	16.764	17.063	17.019	17.190	17.250	17.197	17.271	17.045	17.100	17.126	17.256
ATS	2.758	2.716	2.683	2.731	2.724	2.753	2.763	2.755	2.767	2.731	2.737	2.742	2.765
DEM	19.409	19.111	18.881	19.217	19.173	19.376	19.438	19.379	19.467	19.211	19.257	19.297	19.449
CHF	23.260	23.096	22.975	23.354	23.189	23.845	24.022	23.854	24.123	23.595	23.215	23.163	23.350
USD	33.463	34.142	34.833	34.429	33.718	33.528	34.528	35.137	35.322	35.041	34.981	34.229	34.809
GBP	54.989	57.117	55.888	55.067	54.941	56.573	57.401	57.525	57.892	58.166	58.505	56.145	57.374
XEU	37.917	37.690	37.173	37.708	37.668	38.328	38.471	38.279	38.439	38.096	38.187	38.023	38.424
CZK	1.035	1.018	1.017	1.024	1.025	1.012	0.994	0.994	1.023	1.031	1.037	1.053	1.047

**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				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Goods and services	a	100.1	100.3	100.1	101.0	100.2	100.9	100.7	100.5	101.9	100.7	100.2	100.4	100.6
	b	108.2	108.5	108.6	109.6	109.9	110.8	111.5	112.1	108.4	109.1	109.4	109.8	110.5
	c	102.7	103.0	103.0	104.1	104.3	105.2	105.9	106.4	101.9	102.6	102.8	103.2	103.8
	d	106.1	106.2	106.0	106.5	105.7	105.9	106.2	106.4	107.2	107.5	107.2	107.0	107.6
of which														
foodstuff goods	a	99.2	100.5	99.3	99.9	100.1	101.0	100.7	101.0	101.9	101.2	99.8	100.6	101.4
	b	106.5	107.1	106.3	106.2	106.3	107.3	108.1	109.1	106.6	107.8	107.6	108.3	109.8
	c	102.1	102.6	101.9	101.8	101.9	102.9	103.6	104.6	101.9	103.0	102.9	103.5	104.9
	d	105.9	107.4	106.0	105.4	103.2	103.3	103.8	104.6	104.9	105.7	104.8	105.2	107.5
non-foodstuff goods	a	100.6	100.2	100.3	100.6	100.4	101.0	100.6	100.5	101.5	100.6	100.4	100.3	100.4
	b	109.1	109.3	109.6	110.3	110.7	111.8	112.5	113.0	108.0	108.7	109.1	109.4	109.8
	c	102.8	103.0	103.2	103.9	104.3	105.3	105.9	106.4	101.5	102.1	102.5	102.8	103.2
	d	106.1	105.6	105.7	105.8	105.8	106.3	106.4	106.4	107.0	107.2	107.2	107.2	106.9
public catering	a	100.3	100.2	100.4	100.0	100.2	100.5	100.6	100.3	100.4	101.2	100.7	100.2	100.4
	b	104.4	104.7	105.1	105.0	105.3	105.8	106.4	106.7	103.0	104.3	105.0	105.2	105.7
	c	100.4	100.6	101.0	101.0	101.2	101.7	102.3	102.6	100.4	101.7	102.4	102.6	103.0
	d	104.0	103.5	103.6	103.2	102.8	102.7	102.7	102.6	103.6	104.8	105.0	105.2	105.2
services	a	100.3	100.2	100.6	102.7	100.2	100.6	100.7	100.1	102.4	100.3	100.4	100.3	100.1
	b	109.2	109.4	110.1	113.0	113.2	113.9	114.6	114.8	111.3	111.6	112.1	112.4	112.5
	c	103.4	103.6	104.2	107.0	107.2	107.8	108.5	108.6	102.4	102.7	103.2	103.5	103.6
	d	106.4	106.4	106.8	108.5	108.1	108.2	108.7	108.6	110.3	110.2	110.1	109.1	108.9

a - Index previous period = 100

b - Index December two years before = 100

c - Index December of previous year = 100

e - Index same period of previous year = 100

**Producer Prices of Selected Products and Materials**

		1997										1998				
		5	6	7	8	9	10	11	12	1	2	3	4	5		
Industrial products	a	99.4	100.2	100.6	100.6	100.4	101.6	99.8	100.1	100.8	100.0	100.1	100.1	100.1		
	b	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	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	103.2	103.7	104.4	104.3	104.2	104.8	104.4	104.4	104.1	103.5	104.2	103.7	104.4		
	e	105.5	105.7	106.3	106.9	107.3	109.0	108.8	108.9	109.8	109.8	109.9	110.0	110.1		
Building materials	a	101.8	100.3	100.4	100.9	100.4	100.4	100.5	100.3	101.6	101.5	100.6	100.8	100.4		
	b	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	111.3	111.6	112.0	113.0	113.4	113.8	114.4	114.7	116.5	118.3	119.0	119.9	120.4		
	d	108.2	108.0	107.7	108.5	108.5	108.2	107.9	108.3	108.7	109.3	110.6	109.7	108.2		
	e	-	-	-	-	-	-	-	-	-	-	-	-	-		
Agricultural products	a	-	-	-	-	-	-	-	-	-	-	-	-	-		
	b	-	-	-	-	-	-	-	-	-	-	-	-	-		
	c	-	-	-	-	-	-	-	-	-	-	-	-	-		
	d	106.8	106.8	108.6	107.6	105.6	102.0	99.4	98.9	102.9	102.3	100.5	102.3	103.6		
	e	109.6	110.7	115.4	118.7	113.1	107.7	107.0	108.0	106.6	109.5	111.5	113.4	113.5		
of which:	a	-	-	-	-	-	-	-	-	-	-	-	-	-		
Plant products	b	-	-	-	-	-	-	-	-	-	-	-	-	-		
	c	-	-	-	-	-	-	-	-	-	-	-	-	-		
	d	109.0	110.7	109.7	108.9	107.8	100.7	96.5	92.8	94.5	93.0	89.0	90.6	91.6		
	e	120.4	123.7	119.7	123.3	117.8	108.2	108.1	109.4	110.7	111.1	107.7	109.2	110.3		
Animal products	a	-	-	-	-	-	-	-	-	-	-	-	-	-		
	b	-	-	-	-	-	-	-	-	-	-	-	-	-		
	c	-	-	-	-	-	-	-	-	-	-	-	-	-		
	d	106.5	106.2	107.3	105.6	103.4	103.4	102.6	103.5	104.8	104.9	103.1	104.0	105.1		
	e	108.3	109.2	110.7	112.6	108.4	107.2	105.9	107.1	105.8	109.2	112.3	113.9	113.8		

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

At the end of period

		1997								1998				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Number of vacancies	a	28,116	28,543	29,120	28,982	26,765	24,135	20,674	19,318	18,299	19,254	19,261	19,914	20,299
	b	961	427	577	-138	-2,217	-2,630	-3,461	-1,356	-1,019	955	7	653	385
Number of unemployed	a	320,530	319,923	331,707	332,828	336,858	334,327	328,379	347,753	350,255	353,607	349,024	343,182	336,403
	b	-16,650	-607	11,784	1,121	4,030	-2,531	-5,948	19,374	25,541	3,352	-4,583	-5,842	-6,779
Number of unemployed per vacancy	a	11	11	11	11	13	14	16	18	20	19	19	18	18
Unemployment rate (in %)	a	12.3	12.3	12.8	12.8	13.0	12.9	12.6	12.5	13.4	13.6	13.4	13.2	12.9

a - In the specified unit

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



**State Budget**

(Sk millions)

		1997						1998						
		6	7	8	9	10	11	12	1	2	3	4	5	6
State budget revenue	a	78,499	96,144	109,746	125,153	144,874	159,142	180,826	16,397	25,991	43,939	60,841	73,202	86,356
	b	45.9	56.2	64.1	73.1	84.7	93.0	105.7	9.1	14.5	24.4	33.8	40.7	48.0
State budget expenditure	a	91,708	114,080	134,015	153,121	176,138	192,632	217,825	12,923	25,753	42,835	61,105	75,608	90,224
	b	44.1	54.8	64.4	73.6	84.7	92.6	104.7	7.0	13.9	23.2	33.1	40.9	48.8
State budget balance	a	-13,209	-17,936	-24,269	-27,968	-31,264	-33,490	-36,999	3,474	238	1,104	-264	-2,406	-3,868

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

b - Budget performance in %

**Industrial Production**

(Sk millions)

		1997								1998				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Total industrial production	a	46,241	48,529	44,016	43,349	47,711	53,611	52,811	49,050	45,980	46,773	52,750	50,256	50,633
	b	98.5	104.9	90.7	98.5	110.1	112.4	98.5	92.9	94.3	101.7	112.8	95.3	100.8
	c	100.2	107.4	103.5	98.3	99.3	102.4	103.3	105.2	100.6	102.4	110.9	104.2	105.8
	d	228,591	277,120	321,136	364,485	412,196	465,807	518,618	567,668	45,980	92,753	145,503	195,759	246,392
	e	102.7	103.5	103.5	102.9	102.4	102.4	102.5	102.7	100.6	101.5	104.7	104.6	104.8
	f	43,398	45,586	40,991	40,129	44,047	48,879	48,112	44,586	41,585	42,593	48,021	45,697	45,932
of which														
in the private sector														
	a	33,690	36,253	32,717	31,843	35,579	40,361	39,634	36,576	33,802	35,148	40,142	38,634	39,114
	b	99.2	107.6	90.2	97.3	111.7	113.4	98.2	92.3	94.0	104.0	114.2	96.2	101.2
	c	107.5	115.6	112.3	104.5	107.8	108.3	111.0	112.9	107.5	109.6	118.0	110.6	112.3
	d	162,313	198,566	231,283	263,126	298,705	339,066	378,700	415,276	33,802	68,950	109,092	147,726	186,840
	e	111.1	111.9	111.9	111.0	110.6	110.3	110.4	110.6	107.5	108.6	111.8	111.5	111.7
	g	72.9	74.7	74.3	73.5	74.6	75.3	75.0	74.6	73.5	75.1	76.1	76.9	77.3
Labour productivity (Sk / employee)														
	a	76,291	79,414	72,407	71,419	78,371	87,959	86,848	81,307	76,113	77,815	87,996	84,303	85,325
	b	98.9	104.1	91.2	98.6	109.7	112.2	98.7	93.6	94.9	102.2	113.1	95.8	101.2
	c	102.1	108.9	105.9	100.9	101.7	104.8	105.8	108.4	101.8	104.5	113.1	106.5	108.1

- 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 1995 prices  
g - Share of private sector in industrial production (%)

**Construction**

(Sk millions)

		1997								1998				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Total construction sector output (including output abroad)	a	6,157	6,707	6,870	6,944	6,980	8,031	7,614	6,411	4,783	5,248	6,039	6,174	6,594
	b	109.3	108.9	102.4	101.1	100.5	115.1	94.8	84.2	73.5	109.7	115.1	102.2	106.8
	c	106.9	103.9	111.0	111.8	106.6	111.4	110.2	105.8	115.2	111.2	120.2	100.6	98.2
	d	24,566	31,273	38,143	45,087	52,067	60,098	67,712	74,123	4,783	10,031	16,070	22,244	28,838
	e	110.3	108.8	109.2	109.6	109.2	109.5	109.6	109.2	115.2	113.1	115.6	111.1	107.9
	f	5,101	5,520	5,585	5,609	5,629	6,445	6,077	5,100	3,760	4,075	4,656	4,717	5,007
of which in the private sector	a	4,920	5,344	5,562	5,650	5,771	6,597	6,226	5,514	3,913	4,262	4,938	5,070	5,349
	b	107.9	108.6	104.1	101.6	102.1	114.3	94.4	88.6	74.7	108.9	115.9	102.7	105.5
	c	102.5	100.8	110.2	110.2	107.0	109.2	107.6	106.2	108.6	105.5	119.5	102.1	99.6
	d	20,302	25,646	31,208	36,858	42,629	49,226	55,452	60,966	3,913	8,175	13,113	18,183	23,532
	e	108.7	107.0	107.5	107.9	107.8	108.0	107.9	107.8	108.6	107.0	111.3	108.6	106.5
	f	79.9	79.7	81.0	81.4	82.7	82.1	81.8	86.0	81.8	81.2	81.8	82.1	81.1
	g													
Construction output in the SR	a	5,685	6,172	6,493	6,487	6,543	7,539	7,164	6,062	4,528	4,965	5,722	5,856	6,218
	b	108.6	108.6	105.2	99.9	100.9	115.2	95.0	84.6	73.4	109.7	115.2	102.3	106.2
	c	110.3	107.9	117.0	115.2	110.9	115.6	111.5	107.2	115.7	112.1	123.1	102.7	100.2
	d	22,862	29,034	35,527	42,014	48,557	56,096	63,260	69,322	4,447	9,412	15,134	20,990	27,208
	e	114.4	113.0	113.7	113.9	113.5	113.8	113.5	112.9	115.7	113.8	117.1	112.8	109.7
	f	4,710	5,080	5,279	5,240	5,277	6,051	5,717	4,823	3,560	3,855	4,412	4,474	4,721
Construction output abroad	a	472	535	377	457	437	492	450	349	255	283	317	318	376
	b	118.3	113.3	70.5	121.2	95.6	112.6	91.5	77.6	75.1	111.0	112.0	100.3	118.2
	c	77.9	72.4	59.2	78.8	68.0	71.3	92.6	86.3	107.9	97.2	83.7	73.2	73.1
	d	1,704	2,239	2,616	3,073	3,510	4,002	4,452	4,801	255	538	855	1,173	1,549
	e	74.2	73.8	71.3	72.3	71.7	71.7	73.3	74.1	107.9	102.0	94.4	87.6	83.6
	f	391	440	306	369	352	394	360	277	200	220	244	243	286
Labour productivity per employee in Sk (of total construction output)	a	41,742	45,080	45,324	45,318	45,140	51,383	49,108	42,465	32,450	35,739	40,589	41,036	43,819
	b	108.5	108.0	100.5	100.0	99.6	113.8	95.6	86.5	75.5	110.1	113.6	101.1	106.8
	c	108.6	105.1	111.3	111.2	105.4	108.9	108.0	102.9	111.6	108.5	116.3	98.0	96.2

- 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

(Sk millions)

		1997								1998				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Imports	a	28,193	29,238	28,665	26,060	27,975	30,556	27,097	26,480	29,455	34,082	39,439	38,732	35,745
	b	148,978	178,216	206,881	232,941	260,916	291,472	318,569	345,049	29,455	63,537	102,976	141,708	177,453
	c	112.6	113.2	111.4	110.2	109.0	107.1	104.5	101.2	-	-	-	-	-
of which: Czech Republic	a	6,285	7,061	5,612	6,038	6,930	7,562	6,042	5,260	5,532	7,000	7,308	7,386	6,214
	b	34,830	41,891	47,503	53,541	60,471	68,033	74,075	79,335	5,532	12,532	19,840	27,226	33,440
	d	22.3	24.2	19.6	23.2	24.8	24.7	22.3	19.9	18.8	20.5	18.5	19.1	17.4
Exports	a	24,037	26,205	25,745	24,753	26,250	27,009	26,094	20,070	24,246	29,051	33,095	29,854	28,923
	b	119,448	145,653	171,398	196,151	222,401	249,410	275,504	295,574	24,246	53,297	86,392	116,246	145,169
	c	113.4	113.6	113.3	113.7	112.6	112.0	110.4	109.2	-	-	-	-	-
of which: Czech Republic	a	6,756	6,968	6,162	6,576	6,765	7,681	6,552	4,735	5,710	6,272	6,811	5,965	5,993
	b	33,342	40,310	46,472	53,048	59,813	67,494	74,046	78,781	5,710	11,982	18,793	24,758	30,751
	d	28.1	26.6	23.9	26.6	25.8	28.4	25.1	23.6	23.6	21.6	20.6	20.0	20.7
Balance	a	-4,156	-3,033	-2,920	-1,307	-1,725	-3,547	-1,003	-6,410	-5,209	-5,031	-6,342	-8,878	-6,822
	b	-29,530	-32,563	-35,483	-36,790	-38,515	-42,062	-43,065	-49,475	-5,209	-10,240	-16,582	-25,460	-32,282
of which: Czech Republic	a	471	-93	550	538	-165	119	510	-525	177	-728	-497	-1,421	-221
	b	-1,488	-1,581	-1,031	-493	-658	-539	-29	-554	177	-551	-1,048	-2,469	-2,690

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 (%)